Catalyst

Fourth Quarter 2009
Earnings Presentation

Presented by:
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March 11, 2009

Forward-looking Statements

The presentation and answers to questions today contain forward-looking statements that are based on management's assumptions, including assumptions relating to overall economic conditions, market conditions and demand for the Company's products, production volumes and pricing, capital expenditures, our ability to successfully obtain cost reductions, anticipated curtailments of operations, the impact of labour disruptions affecting suppliers, severance obligations, fluctuations in foreign exchange rates, future cash flows and liquidity, covenant compliance, the negative impact on EBITDA of a decline in directory volumes and prices in 2010, availability of fibre supplies, fluctuations in availability and cost of raw materials and energy, levels of advertising and circulation, and other factors beyond the Company's control. These statements are subject to risks and uncertainties and no assurance can be given that any of the events anticipated by the Company may occur or what benefits the Company may derive from them. A number of factors could cause actual results to differ materially from those expressed or implied in these statements.

For further details on these factors and our assumptions and applicable risks and uncertainties, please refer to the Company's 2009 Annual Report, including management's discussion and analysis in respect thereof.

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Non-GAAP Measures

Effective December 31, 2009, the Company has adopted U.S. GAAP. Except where otherwise indicated, the financial information in this presentation is determined on the basis of U.S. GAAP and prior periods have been restated accordingly.

“EBITDA” is a non-GAAP measure, calculated as operating earnings (loss) plus depreciation and amortization and impairment. The Company focuses on EBITDA as the Company believes this measure enables comparison of the Company’s results between periods without regard to debt service, income taxes and capital expenditure requirements.

“EBITDA before specific items”, “net earnings (loss) attributable to the Company before specific items” and “net earnings (loss) per share attributable to the Company’s common shareholders before specific items” are non-GAAP measures. The Company uses measures excluding specific items in evaluating its results between periods without regard to specific items that adversely or positively affect its EBITDA and net earnings (loss).

“Free cash flow” is a non-GAAP measure, calculated as EBITDA after capital expenditures, interest and taxes paid, and adjustments to reflect employee future benefit payments. The closest GAAP measure is cash provided by operating activities less cash used by investing activities. The Company reports free cash flow as it believes it is useful for investors and other users to be aware of this measure so they can better assess the Company’s operating performance.

Outline of Presentation

- Q4 Overview
- Outlook and Near-Term Focus
- Q4 Financial Summary

Financial Overview

($millions, except per share amounts)	2008 Total	2009 Q1	2009 Q2	2009 Q3	**2009 Q4**	**2009 Total**
Sales	$ 1,849.4	$ 352.5	$ 291.5	$ 263.4	**$ 294.3**	**$ 1,201.7**
EBITDA	$ 159.4	$ 61.1	$ 6.1	$ 22.9	**$ 13.4**	**$ 103.5**
Restructuring costs	30.1	4.2	12.3	–	**1.4**	**17.9**
EBITDA before specific items	$ 189.5	$ 65.3	$ 18.4	$ 22.9	**$ 14.8**	**$ 121.4**
EBITDA margin before specific items	*10.2%*	*18.5%*	*6.3%*	*8.7%*	***5.0%***	***10.1%***
Net earnings (loss) attributable to the Company	$ (219.8)	$ 20.1	$ (1.9)	$ 13.2	**$ (35.8)**	**$ (4.4)**
Net earnings (loss) attributable to the Company before specific items	$ (25.6)	$ 8.4	$ (25.6)	$ (19.8)	**$ (21.8)**	**$ (58.8)**
Net earnings (loss) per share attributable to the Company's common shareholders before specific items	$ (0.08)	$ 0.02	$ (0.06)	$ (0.05)	**$ (0.06)**	**$ (0.15)**

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Q4 2009 Overview

- While many sectors began to recover from the economic recession in the fourth quarter of 2009 (“Q4”), recovery of demand and prices for the Company’s products was mixed.
- Despite a seasonal improvement in retail advertising demand, coated and uncoated benchmark prices declined in Q4, as producers with swing machines added supply to already shrinking markets.
- Newsprint benchmark prices improved during Q4 but still remain weak. The improvements were primarily driven by lower producer and end-user inventory levels and very weak prices in the third quarter (“Q3”).
- During Q4 the Company implemented newsprint price increases of US$35 per tonne in each of October and November 2009, and announced an increase of US$50 per tonne for December 2009 which has been deferred.
- Benchmark prices for pulp increased during Q4 driven by continued strong demand in China and by lower inventory levels, enabling the implementation of price increases of US$30 per tonne in each of October and November 2009.
- Continued weak prices for the Company’s paper products and a stronger Canadian dollar in the quarter negatively impacted revenue in Q4.
- Q4 EBITDA before specific items of $14.8 million was $8.1 million lower than EBITDA before specific items of $22.9 million in Q3 and net loss attributable to the Company before specific items of $21.8 million in Q4 compared to net loss attributable to the Company before specific items of $19.8 million in Q3.

Q4 2009 Overview … continued

- As pulp prices began to recover in Q3, one of Crofton's pulp production lines was restarted on October 5, 2009, reinstating 222,000 tonnes of capacity. The second pulp line at the Crofton mill, with a capacity of 181,000 tonnes, continues to be curtailed.
- The Company took market related curtailment of approximately 47% of the Company's newsprint capacity, 14% of its specialty printing papers capacity and 39% of its market pulp capacity in Q4, representing 31% of total market capacity.
- The following table summarizes market pulp and paper production curtailment in Q4:

Q4, 2009 Production Curtailment (000 tonnes)	Specialty printing papers	Newsprint	Pulp	Total
Crofton[1]	2.4	8.2	33.7	44.3
Elk Falls [1]	38.5	94.1	–	132.6
Snowflake	–	10.4	–	10.4
Total	40.9	112.7	33.7	187.3

(1) Curtailment includes market curtailment related to E1, E2 and E5, and to one line of Crofton pulp production, all of which are indefinitely curtailed.

- During Q4, the Company commenced a bond exchange offer and consent solicitation process for its 8.625% senior notes due 2011. On March 10, 2010, the Company exchanged US$318.7 million of 8.625% senior unsecured notes due June 15, 2011 for US$280.4 million of 11.0% senior secured notes due December 15, 2016, leaving US$35.5 million of 8.625% senior notes maturing June 2011 outstanding.

Update on 2009 Key Priorities

- **Focus on cash flows and liquidity:**
  - free cash flow was negative $6.5 million in Q4 and liquidity decreased by $0.5 million from Q3;
  - capital expenditures were $11.5 million in 2009, compared to $41.9 million in 2008 and $85.8 million in 2007;
  - qualified for $18 million in Green Transformation Credits and formalized plans to utilize the credits during 2010.
- **Maintain the Company's focus on matching production to customer orders and keep paper inventories at appropriate levels:**
  - Q4 curtailment represented approximately 29% of paper capacity and 39% of market pulp capacity, compared to 32% and 100%, respectively, in Q3; finished paper inventory of 49,900 tonnes at the end of Q4 compared to an average quarter-end inventory level of 68,500 tonnes in 2008 and 51,700 tonnes at the end of Q3.

Update on 2009 Key Priorities … continued

- **Identify further opportunities to reduce fixed costs during periods of production curtailment to minimize the financial impact of operating at reduced volumes:**
  - settled the arbitration proceedings with Island Cogeneration No. 2 Inc. thereby eliminating a contingent liability to purchase a minimum quantity of steam, terminating an obligation to purchase from ICP in the future;
  - announced changes to the Company's benefit plans including the cessation of benefits related to future services under the defined benefit plan and replacement of the current extended health benefit program with a core program for salaried employees for effect in 2010, expected to result in annual savings of $8 million.
- **Implement plans to reduce labour costs to $80 per tonne:**
  - manning structures at Powell River, Port Alberni, and Crofton mills announced in prior quarters were substantially completed in Q4;
  - a plan that would enable the restart of the machine finish uncoated and soft nip paper machines at the Elk Falls mill was presented to the union locals; the plan has been rejected by the union locals. The Company continues to pursue this initiative.

Update on 2009 Key Priorities … continued

- **Reduce municipal property taxes in four of the municipalities in B.C. that the Company operates in:**
  - the petitions with respect to all four municipalities were dismissed in Q4 with the exception of that portion of the Campbell River petition relating to the Regional District property tax, which represents approximately $0.4 million of the total Campbell River property tax bill in dispute;
  - the Company has appealed all four rulings and the first appeal relating to North Cowichan is expected to be heard on an expedited basis in mid-March 2010;
  - the City of Port Alberni commenced an action in the Supreme Court of B.C. seeking payment of $3.3 million in unpaid taxes, plus applicable penalties and interest. On March 4, 2010, the court ordered that the unpaid taxes, penalties and interest be paid into court, pending the outcome of the appeal of the District of North Cowichan matter. The amounts paid to the court will be returned to the Company if the appeal is successful; if the appeal is not successful, the amounts will be paid to Port Alberni.

EBITDA Reconciliation
Q4 2009 vs. Q3 2009

($millions)	**EBITDA** [1]
Q3, 2009 EBITDA [1]	**$ 22.9**
Restructuring costs	–
Q3, 2009 EBITDA before specific items [1]	**$ 22.9**
Paper prices	1.1
Impact of CDN$ on sales, inclusive of hedging [2]	(4.7)
Production volume and mix	10.3
Furnish mix and costs	(4.7)
Energy costs	0.9
Maintenance	(3.3)
Lower of cost or market impact on inventory, net of inventory change	(6.0)
Other, net	(1.7)
Q4, 2009 EBITDA before specific items [1]	$ 14.8
Restructuring costs	(1.4)
Q4, 2009 EBITDA [1]	**$ 13.4**

1 EBITDA and EBITDA before specific items are non-GAAP measures.

2 Estimated total impact on EBITDA of average foreign exchange effective rate movement period-to-period is negative $2 million.

EBITDA Reconciliation
2009 vs. 2008

($millions)	**EBITDA** [1]
2008 EBITDA [1]	**$ 159.4**
Restructuring costs	30.1
2008 EBITDA before specific items [1]	**$ 189.5**
Paper prices	(117.6)
Pulp prices	(19.4)
Impact of CDN$ on sales, inclusive of hedging [2]	48.6
Production volume and mix [3]	(70.0)
Distribution costs	14.8
Furnish mix and costs	30.0
Chemical costs	4.2
Energy costs	4.1
Labour costs	9.4
Maintenance	12.7
Other fixed costs	4.2
Lower of cost or market impact on inventory, net of inventory change	12.8
Other, net	(1.9)
2009 EBITDA before specific items [1]	**$ 121.4**
Restructuring costs	(17.9)
2009 EBITDA [1]	**$ 103.5**

1 EBITDA and EBITDA before specific items are non-GAAP measures.
2 Estimated total impact on EBITDA of average foreign exchange effective rate movement period-to-period is $30 million.
3 Volume and mix impact is net of favourable impact of additional $136.8 million of fixed cost reductions due to curtailed operations.
4 Specific items including restructuring costs.

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Outlook and Near-Term Focus … continued

- Demand and pricing for the Company's paper products is expected to continue to be weak in 2010 due to reduced print advertising for the Company's end use markets and continued low operating rates.
- Operating results and cash flows will be under continued negative pressure throughout Q1, 2010 ("Q1") due to the uncertainty regarding any price recovery for the Company's products, the strength of the Canadian dollar, and high levels of curtailment.
- Directory volumes and prices will be lower in 2010 compared to 2009. The anticipated average price and volume declines in 2010 are expected to negatively impact annual EBITDA by approximately $34 million and $7 million, respectively, compared to 2009.
- Previously announced newsprint price increases in the U.S. will be a challenge to implement given low producer operating rates and the expectation that newsprint demand will remain weak and may contract further in 2010.
- Chinese buying patterns and requirements are expected to continue to drive the pulp market in 2010. The Company implemented NBSK pulp price increases of US$20 per tonne in January and US$30 per tonne in each of February and March 2010. Pulp prices may be negatively impacted later in 2010 by the restart of pulp capacity that was idled in 2009.

Outlook and Near-Term Focus

- On January 21, 2010, the Company announced the indefinite curtailment of its C1 machine at Crofton, removing 140,000 tonnes of newsprint on an annualized basis. The Company also announced the indefinite curtailment of its paper recycling facility, removing 175,000 air-dried tonnes of de-inked pulp on an annualized basis.
- The Company expects to curtail 51% of its newsprint capacity, 14% of its specialty printing papers capacity, and 30% of its market pulp capacity in Q1, representing 31% of total capacity. Expected curtailment in Q1, 2010:

Q1, 2010 Production Curtailment (000 tonnes)	**Specialty printing papers**	**Newsprint**	**Pulp**	**Total**
Crofton [1]	–	34.4	30.7	65.1
Elk Falls [2]	37.7	92.0	–	129.7
Total	37.7	126.4	30.7	194.8

(1) Curtailment includes market-related curtailment related to C1, which was curtailed on December 22, 2009 and which the Company curtailed indefinitely on January 21, 2010, and one line of Crofton pulp production which was curtailed indefinitely on March 8, 2009.
(2) Curtailment includes market curtailment related to E1, E2, and E5, which are indefinitely curtailed.

- Decisions on more or less curtailment in Q1 and beyond will be made as required based on market conditions at the time, as well as availability of fibre.
- In January 2010, the Company announced the resignation of Richard Garneau, Chief Executive Officer, effective April 28, 2010, and commenced a search for his successor.

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Outlook on Liquidity, Maturities and Covenants

Liquidity

- Interest costs are expected to increase by approximately $4 million in 2010 compared to 2009, and capital expenditures, net of Green Transformation Credits expected to be utilized in 2010, are expected to be higher than 2009. Cash contributions for pension plans will be approximately $11 million lower in 2010 compared to 2009.
- Significant other sources or uses of cash in 2010 compared to 2009 are not anticipated other than the results of the Company's operations, working capital fluctuations, restructuring costs incurred to implement cost reduction opportunities, costs related to the note exchange, and severance payments that may become payable subject to election by the hourly employees.

Maturities

- Senior unsecured notes of US$318.7 million due in 2011 were exchanged on March 10, 2010 for new senior secured notes of US$280.4 million due in 2016, leaving US$35.5 million of 2011 notes outstanding.
- The Company's asset-based loan facility ("ABL Facility") has a term to August 2013 and the Company's 7 3/8% senior unsecured notes are due in March 2014.

Covenants

- Principal financial covenants on the Company's ABL Facility are (a) maintaining minimum shareholder's equity of $639 million as calculated under Canadian generally accepted accounting principles as at December 31, 2009, (b) maintaining minimum availability of $35 million, and (c) restricting capital expenditures to 120% of the annual operating budget. The Company anticipates being able to meet these financial covenants during 2010 and does not have any significant maintenance covenants attached to its other long-term debt.

Key Priorities in 2010

The Company continues to focus on reducing fixed and operational costs, improving its product mix, and managing its liquidity and cash flows.

Key priorities for 2010 include:

- Focus on cash flows and liquidity through the prudent use of capital, including limiting capital expenditures to safety and basic maintenance of business levels optimizing the use of the Green Transformation Program Credits;
- maintain the Company's focus on matching production to customer orders and keeping inventories at appropriate levels;
- continue to develop higher-value recycled-content grades at the Snowflake mill, particularly hi-brite and directory grades and continue to develop the grade mix at its B.C. mills;

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Key Priorities in 2010 … continued

- implement initiatives to reduce operational and fixed costs through the following measures:
    - implement changes to salaried pension and benefit plans and retiree post-employment benefit plans;
    - further reduce "fixed" costs to effectively manage costs during periods of production curtailment and facilitate grade and product mix switching; and
    - reduce the municipal property tax burden to a competitive and sustainable level;
- continue to implement plans to reduce labour costs to $80 per tonne at all mills and develop more flexible and efficient work practices; and
- improve the safety performance at all mills, with a target LTI ratio of 1.0 and MIR ratio of 3.0.

Financial Summary

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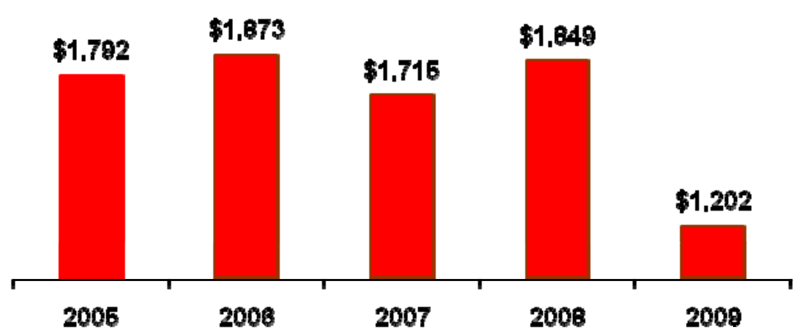
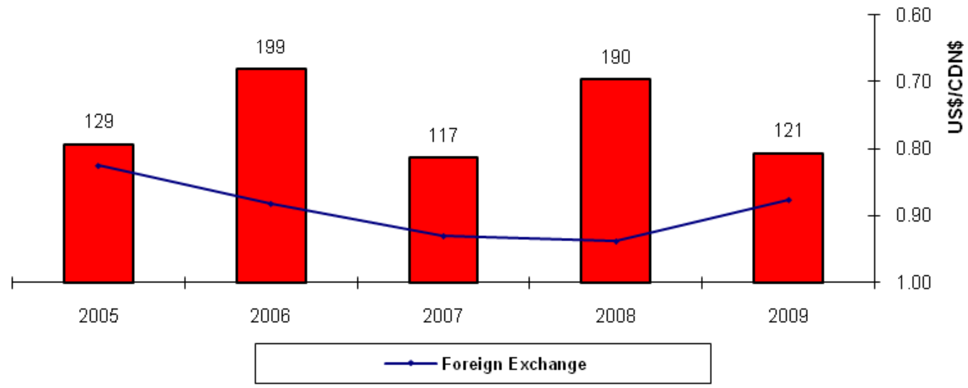
Summary of Historical Financials
($millions)

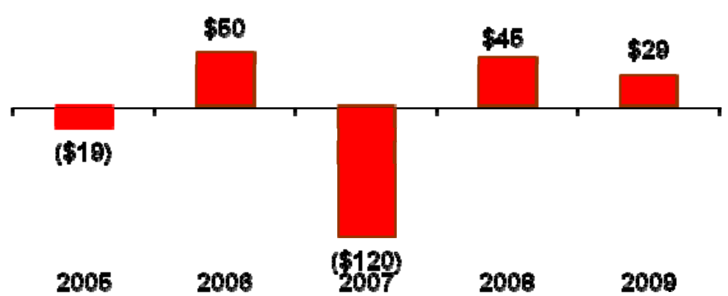
Sales



EBITDA before specific items



Free cash flow



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Summary of Financial Results

($millions, except per share and F/X amounts)	2008 Total	2009 Q1	2009 Q2	2009 Q3	**2009 Q4**	**2009 Total**
Sales	$ 1,849.4	$ 352.5	$ 291.5	$ 263.4	**$ 294.3**	**$ 1,201.7**
EBITDA	$ 159.4	$ 61.1	$ 6.1	$ 22.9	**$ 13.4**	**$ 103.5**
Restructuring costs	30.1	4.2	12.3	–	**1.4**	**17.9**
EBITDA before specific items	$ 189.5	$ 65.3	$ 18.4	$ 22.9	**$ 14.8**	**$ 121.4**
EBITDA margin before specific items	*10.2%*	*18.5%*	*6.3%*	*8.7%*	***5.0%***	***10.1%***
Average F/X spot rate (USD/CAD)	0.938	0.803	0.857	0.911	**0.947**	**0.876**

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Summary of Segmented Financial Information

($millions, except where otherwise stated)	2008 Total	2009 Q1	2009 Q2	2009 Q3	2009 Q4	2009 Total
Sales (000 MT)						
Specialty printing papers	**1,080.8**	209.0	215.6	232.9	**239.0**	**896.5**
Newsprint	**601.8**	125.4	131.0	113.5	**118.3**	**488.2**
Pulp	**506.9**	59.5	12.3	–	**38.4**	**110.2**
	2,189.5	393.9	358.9	346.4	**395.7**	**1,494.9**
Sales						
Specialty printing papers	**$ 1,000.9**	$ 210.7	$ 199.7	$ 202.4	**$ 202.5**	**$ 815.3**
Newsprint	**463.9**	105.6	85.1	61.0	**66.0**	**317.7**
Pulp	**384.6**	36.2	6.7	–	**25.8**	**68.7**
	$ 1,849.4	$ 352.5	$ 291.5	$ 263.4	**$ 294.3**	**$ 1,201.7**
EBITDA						
Specialty printing papers	**$ 139.5**	$ 44.6	$ 19.2	$ 33.8	**$ 21.7**	**$ 119.3**
Newsprint	**43.3**	19.9	(11.9)	(8.8)	**(10.0)**	**(10.8)**
Pulp	**(23.4)**	(3.4)	(1.2)	(2.1)	**1.7**	**(5.0)**
	$ 159.4	$ 61.1	$ 6.1	$ 22.9	**$ 13.4**	**$ 103.5**
EBITDA before specific items						
Specialty printing papers	**$ 150.1**	$ 46.6	$ 29.0	$ 33.3	**$ 22.1**	**$ 131.0**
Newsprint	**47.4**	20.6	(10.0)	(8.6)	**(9.8)**	**(7.8)**
Pulp	**(8.0)**	(1.9)	(0.6)	(1.8)	**2.5**	**(1.8)**
	$ 189.5	$ 65.3	$ 18.4	$ 22.9	**$ 14.8**	**$ 121.4**
Operating earnings (loss)						
Specialty printing papers	**$ 27.0**	$ 21.4	$ (3.6)	$ 9.4	**$ (1.7)**	**$ 25.5**
Newsprint	**3.6**	8.5	(23.8)	(18.8)	**(38.6)**	**(72.7)**
Pulp	**(188.0)**	(5.9)	(2.3)	(3.6)	**(1.5)**	**(13.3)**
	$ (157.4)	$ 24.0	$ (29.7)	$ (13.0)	**$ (41.8)**	**$ (60.5)**

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Impact of Specific Items on Net Earnings (Loss) Attributable to the Company

($millions, except per share amounts)	2008 Total	2009 Q1	2009 Q2	2009 Q3	**2009 Q4**	**2009 Total**
Net earnings (loss) attributable to the Company as reported	$ (219.8)	$ 20.1	$ (1.9)	$ 13.2	**$ (35.8)**	**$ (4.4)**
Specific items (after taxes):						
Gain on cancellation of long-term debt	–	(26.1)	–	–	**–**	**(26.1)**
Foreign exchange loss (gain) on long-term debt	69.4	10.7	(32.2)	(33.0)	**(9.5)**	**(64.0)**
Impairment and loss on disposal	111.0	–	–	–	**13.1**	**13.1**
Restructuring costs	20.8	3.0	8.5	–	**1.0**	**12.5**
Fees related to bond exchange offer	–	–	–	–	**1.5**	**1.5**
Termination fee on closure of corrugating machine	(1.2)	–	–	–	**–**	**–**
Income tax adjustments	(5.8)	0.7	–	–	**7.9**	**8.6**
Net earnings (loss) attributable to the Company before specific items	(25.6)	8.4	(25.6)	(19.8)	**(21.8)**	**(58.8)**
Net earnings (loss) per share attributable to the Company's common shareholders before specific items	$ (0.08)	$ 0.02	$ (0.06)	$ (0.05)	**$ (0.06)**	**$ (0.15)**

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Capitalization

($millions, except where otherwise stated)

Total debt	2008 Dec 31	**2009 Dec 31**
Senior Notes [1]	$ 492	**$ 372**
Senior Notes [2]	311	**265**
Revolving Asset Based Loan	60	**15**
Capital lease obligation	12	**11**
Other non-recourse (PREI)	95	**113**
Total	$ 970	**$ 776**
Shareholders' equity attributable to the Company	823	**814**
Total capitalization attributable to the Company	$ 1,793	**$ 1,590**
Cash	$ 5	**$ 83**
Net debt ratio [3]	54%	**46%**

(1) *8.625% notes, due June 2011 (2009 – US$354 million; 2008 – US$400 million)*
(2) *7.375% notes, due March 2014 (US$250 million)*
(3) *Net debt ratio equals net debt (i.e., total debt less cash), divided by net capitalization (i.e., shareholders' equity attributable to the Company less cash)*

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Free Cash Flow

($millions)	2008 Total	**2009** Q1	Q2	Q3	**Q4**	**2009 Total**
Summarized cash flow						
EBITDA before specific items	$ 189.5	$ 65.3	$ 18.4	$ 22.9	**$ 14.8**	**$ 121.4**
Specific items	(30.1)	(4.2)	(12.3)	–	**(1.4)**	**(17.9)**
EBITDA	159.4	61.1	6.1	22.9	**13.4**	**103.5**
Cash interest paid, net	(74.4)	(19.2)	(15.5)	(15.9)	**(15.9)**	**(66.5)**
Capital expenditures	(41.9)	(3.6)	(2.2)	(1.0)	**(4.7)**	**(11.5)**
Cash taxes paid, net	(0.8)	(0.4)	(0.3)	0.3	**(0.1)**	**(0.5)**
Employee future benefits, net of funding	2.9	(2.0)	5.5	–	**0.8**	**4.3**
Free cash flow	$ 45.2	$ 35.9	$ (6.4)	$ 6.3	**$ (6.5)**	**$ 29.3**

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Liquidity

($millions)	2008 Q4	2009 Q1	2009 Q2	2009 Q3	**2009 Q4**
Borrowing base	$ 263.3	$ 241.5	$ 159.4	$ 151.5	**$ 147.9**
Letters of credit	(27.9)	(25.8)	(24.8)	(24.2)	**(24.1)**
Net amount drawn	(60.1)	(38.8)	–	(25.0)	**(14.5)**
Minimum excess availability	(35.0)	(35.0)	(35.0)	(35.0)	**(35.0)**
Available to be drawn [(1), (2)]	$ 140.3	$ 141.9	$ 99.6	$ 67.3	**$ 74.3**
Cash on hand	5.0	6.0	41.6	90.6	**83.1**
Total liquidity	$ 145.3	$ 147.9	$ 141.2	$ 157.9	**$ 157.4**

(1) The Company's ABL Facility is subject to certain financial covenants as disclosed in the Company's interim consolidated financial statements and its annual consolidated financial statements for the year ended December 31, 2009, in note 14, "Long-term debt."

(2) Under the terms of the ABL Facility, various reserves may be deducted from the borrowing base. After February 13, 2010, this may include a reserve in respect of vacation pay obligations which as at December 31, 2009 amounted to $26.2 million. This reserve may only be imposed if excess availability, as defined in the ABL Facility, is below a threshold of $75 million. Excess availability under this definition was $84.3 million at December 31, 2009.

EBITDA Sensitivities

($millions)	EBITDA	
Impact of US$10/t change [(1), (2)]		
Specialty printing papers	$	10
Newsprint		5
Pulp		2
	$	17
Impact of $0.01 change in US$ [(3)]	$	6
Impact of 5% change in price of: [(1), (4)]		
Natural gas and oil – direct purchases	$	2
Electricity – direct purchases		5
Coal		1
Impact of US$5/unit change [(1), (4)]		
Wood chips (Bdt)	$	7
ONP (ST)		3

(1) Based on f/x rate of US$0.95.
(2) Based on sales of Q4 2009 annualized production.
(3) Based on 2009 net cash flows and a movement to US$0.96 from US$0.95 and excluding the Company's hedging program and the impact of the Company's translation of US. dollar denominated debt.
(4) Based on annualized Q4 2009 consumption levels.

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