

Financial and Operating Statistics ⁽²⁾ (Page 1 of 4)	All 2010 Amounts are Predecessor Company, Except for Financial Position Amounts ⁽¹⁾					Successor Company				
	2010					2011				
Dollars in millions, except per-share amounts	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Income Statement Data										
Total sales	\$ 1,100	\$ 1,182	\$ 1,192	\$ 1,272	\$ 4,746	\$ 1,185				\$ 1,185
Operating (loss) income	(110)	(73)	12	11	(160)	27				27
Interest income	-	-	-	-	-	-				-
Interest expense, net of capitalized interest	(189)	(129)	(99)	(66)	(483)	(30)				(30)
Other (expense) income, net	(3)	41	(6)	(121)	(89)	19				19
Net (loss) income including noncontrolling interests	(506)	(300)	(829)	4,410	2,775	30				30
Noncontrolling interests	6	3	-	152	161	-				-
(Loss) income attributable to AbitibiBowater	(500)	(297)	(829)	4,240	2,614	30				30
Diluted net (loss) income per common share	(8.68)	\$ (5.15)	\$ (14.35)	61.36	27.63	0.31				0.31
Dividends declared per common share	\$ -	-	\$ -	\$ -	\$ -	\$ -				\$ -
Average diluted shares outstanding (in thousands)	57,704	57,704	57,704	94,604	94,604	97,135				97,135
Ending shares outstanding (in thousands)	57,704	57,704	57,704	57,704	57,704	97,135				97,135
Sales by Segment										
Newsprint	\$ 433	\$ 456	\$ 429	\$ 486	\$ 1,804	\$ 429				\$ 429
Coated papers	106	114	128	134	482	134				134
Specialty papers	299	329	347	346	1,321	330				330
Market pulp	163	172	184	196	715	176				176
Wood products	99	111	104	110	424	116				116
Timber / other	-	-	-	-	-	-				-
Total sales	\$ 1,100	\$ 1,182	\$ 1,192	\$ 1,272	\$ 4,746	\$ 1,185				\$ 1,185
Income (Loss) by Segment										
Newsprint	\$ (102)	\$ (49)	\$ (8)	\$ (12)	\$ (171)	\$ 19				\$ 19
Coated papers	(4)	5	13	17	31	3				3
Specialty papers	(8)	(25)	(6)	(5)	(44)	-				-
Market pulp	13	24	55	45	137	23				23
Wood products	2	3	(1)	5	9	(3)				(3)
Net gain on disposition of assets	9	4	1	16	30	1				1
Corporate / other / severance / impairment ⁽³⁾	(20)	(35)	(42)	(55)	(152)	(16)				(16)
Total loss by segment	\$ (110)	\$ (73)	\$ 12	\$ 11	\$ (160)	\$ 27				\$ 27

Financial and Operating Statistics ⁽²⁾ (page 2 of 4)	All 2010 Amounts are Predecessor Company, Except for Financial Position Amounts ⁽¹⁾					Successor Company				
	2010					2011				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Dollars in millions, except per ton items										
Depreciation and Amortization by Segment										
Newsprint	\$ 66	\$ 56	\$ 50	\$ 53	\$ 225	\$ 20				\$ 20
Coated papers	7	7	8	8	30	9				9
Specialty papers	29	34	33	32	128	11				11
Market pulp	13	12	12	12	49	7				7
Wood products	13	11	9	9	42	7				7
Corporate / other	4	5	7	3	19	-				-
Total depreciation	\$ 132	\$ 125	\$ 119	\$ 117	\$ 493	\$ 54				\$ 54
Selling, General And Administrative by Segment										
Newsprint	\$ 6	\$ 9	\$ 9	\$ 9	\$ 33	\$ 12				\$ 12
Coated papers	1	\$ 1	\$ 1	-	3	3				3
Specialty papers	1	\$ 5	\$ 5	4	15	8				8
Market pulp	1	\$ 2	\$ 2	4	9	6				6
Wood products	1	\$ -	\$ -	-	1	4				4
Corporate / other	20	\$ 22	\$ 23	29	94	4				4
Total selling, general and administrative	\$ 30	\$ 39	\$ 40	\$ 46	\$ 155	\$ 37				\$ 37
EBITDA by Segment ⁽⁴⁾										
Newsprint	\$ (36)	\$ 7	\$ 42	\$ 41	\$ 54	\$ 39				\$ 39
Coated papers	3	12	21	25	61	12				12
Specialty papers	21	9	27	27	84	11				11
Market pulp	26	36	67	57	186	30				30
Wood products	15	14	8	14	51	4				4
Corporate / other / severance / impairment	(16)	(30)	(35)	(52)	(133)	(16)				(16)
Total EBITDA	\$ 13	\$ 48	\$ 130	\$ 112	\$ 303	\$ 80				\$ 80
Average Transaction Price per Unit										
Newsprint (mt)	\$ 545	\$ 597	\$ 619	\$ 644	\$ 600	\$ 654				\$ 654
Coated papers (st)	668	685	733	781	718	794				794
Specialty papers (st)	684	675	687	699	687	698				698
Market pulp (mt)	676	767	776	734	737	735				735
Wood products (mbf)	300	329	289	299	304	310				310
Operating Cost per Unit										
Newsprint (mt)	\$ 674	\$ 661	\$ 631	\$ 660	\$ 657	\$ 625				\$ 625
Coated papers (st)	690	655	661	685	672	775				775
Specialty papers (st)	703	727	698	709	709	698				698
Market pulp (mt)	621	659	546	565	596	639				639
Wood products (mbf)	295	319	291	286	297	319				319

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	2010					2011				
Dollars in millions, except per ton items	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Shipments to 3rd Parties (thousands of units)										
Newsprint (mt)	795	763	694	753	3,005	656				656
Coated papers (st)	159	166	175	171	671	169				169
Specialty papers (st)	436	488	505	495	1,924	473				473
Market pulp (mt)	241	225	236	268	970	239				239
Wood products (mbf)	331	334	363	367	1,395	375				375
Product Inventory (thousands of units)										
Newsprint (mt)	141	90	109	75	75	104				104
Coated papers (st)	20	20	23	20	20	21				21
Specialty papers (st)	93	79	90	88	88	87				87
Market pulp (mt)	45	47	70	58	58	48				48
Financial Position										
Cash and cash equivalents	\$ 750	\$ 708	\$ 540	\$ 319	\$ 319	\$ 326				\$ 326
Working capital (excluding debt)	1,733	1,657	1,483	1,587	1,587	1,629				1,629
Fixed assets, net	3,670	3,402	3,279	2,641	2,641	2,603				2,603
Total assets	7,010	6,649	6,447	7,156	7,156	7,198				7,198
Current installments of long-term debt (including short-term bank debt)	1,309	1,306	1,142	-	-	15				15
Long-term debt, net of current installments ⁽²⁾	283	273	281	905	905	979				979
Liabilities subject to compromise ⁽²⁾	7,093	7,065	7,859	-	-	-				-
Total AbitibiBowater shareholders' (deficit) equity	(2,595)	(2,901)	(3,789)	3,709	3,709	3,728				3,728
Noncontrolling interests	117	113	116	278	278	160				160
Total (deficit) equity	(2,478)	(2,788)	(3,673)	3,987	3,987	3,888				3,888
Cash Flow Information										
Operating (loss) income	\$ (110)	\$ (73)	\$ 12	\$ 11	\$ (160)	\$ 27				\$ 27
Depreciation, amortization and cost of timber harvested	132	125	119	117	493	54				54
Deferred income taxes	2	(9)	4	(1,597)	(1,600)	(13)				(13)
Cash flows (used in) provided by operations	27	(30)	18	24	39	58				58
Cash invested in fixed assets, timber and timberlands	(11)	(15)	(16)	(39)	(81)	(15)				(15)
Dispositions of assets and timber and timberlands	24	38	21	13	96	5				5
Cash flows (used in) provided by investing activities	(12)	(7)	(19)	134	96	(18)				(18)
Cash dividends to noncontrolling interests	-	-	-	-	-	(18)				(18)
Cash flows provided by (used in) financing activities	(21)	(5)	(167)	(379)	(572)	(33)				(33)

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Notes

¹ On April 16 and 17, 2009, AbitibiBowater and certain of its U.S. and Canadian subsidiaries filed voluntary petitions in the United States Bankruptcy Court for the District of Delaware for relief under the provisions of Chapter 11 of the United States Bankruptcy Code, as amended, and under the Companies' Creditor Arrangement Act with the Superior Court of Quebec Canada (the "Creditor Protection Proceedings"). On December 9, 2010, we emerged from the Creditor Protection Proceedings. In accordance with FASB ASC 852, fresh start accounting was required upon our emergence from the Creditor Protection Proceedings, which we applied on December 31, 2010 (the "Convenience Date"). References to "Successor" refer to AbitibiBowater on or after December 31, 2010 after giving affect to fresh start accounting. References to "Predecessor" refer to AbitibiBowater prior to December 31, 2010. Additionally, references to periods on or after December 31, 2010 refer to the Successor and references to periods prior to December 31, 2010 refer to the Predecessor.

² Our financial and operating statistics have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. We have applied FASB ASC 852 to periods belonging to the Predecessor. Accordingly, pre-petition obligations that were impaired by the reorganization process have been recorded in "Liabilities subject to compromise" in the Predecessor Financial and Operating Statistics.

The application of fresh start accounting materially changed the carrying amounts and classifications reported in our Financial and Operating Statistics and resulted in AbitibiBowater becoming a new entity for financial reporting purposes. Accordingly, our Financial and Operating Statistics as of December 31, 2010 and for periods subsequent to December 31, 2010 are not comparable to our Financial and Operating Statistics for periods prior to December 31, 2010.

³ Included in Corporate/Other/Severance/Impairment Operating Loss - severance and termination charges of \$5 million, \$(3) million, \$(1) million in the first quarter of 2011, third quarter of 2010 and second quarter of 2010 respectively; closure costs, impairment of assets other than goodwill and other related charges, excluding severance and termination charges noted above, of \$8 million, \$4 million, \$5 million in the first quarter of 2011, second quarter of 2010 and first quarter of 2010, respectively; and inventory write-downs of \$1 million in the first quarter of 2011.

⁴ The Company defines EBITDA as operating income (loss) plus depreciation, amortization, cost of timber harvested and asset and goodwill impairment minus net gain on disposition of asset. Therefore, EBITDA by segment includes operating income (loss) by segment plus depreciation, amortization and cost of timber harvested by product as presented in the previous sections. In addition, asset and goodwill impairment charges (Note 3) and net gain on disposition of assets are adjusted through corporate / other / severance / impairment.