

Financial and Operating Statistics (Page 1 of 5)

	2011					2012				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Dollars in millions, except per-share amounts										
Income Statement Data										
Total sales	\$ 1,185	\$ 1,200	\$ 1,224	\$ 1,147	\$ 4,756	\$ 1,054				\$ 1,054
Operating income	27	52	72	47	198	26				26
Interest expense	(30)	(28)	(19)	(18)	(95)	(16)				(16)
Other income (expense), net	19	(2)	(68)	3	(48)	13				13
Net income (loss) including noncontrolling interests	30	61	(42)	(10)	39	33				33
Net income (loss) attributable to noncontrolling interests	-	-	2	(4)	(2)	10				10
Income (loss) attributable to AbitibiBowater	30	61	(44)	(6)	41	23				23
Diluted net income (loss) per common share	\$ 0.31	\$ 0.63	\$ (0.46)	\$ (0.06)	\$ 0.42	\$ 0.23				\$ 0.23
Dividends declared per common share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
Average diluted shares outstanding (in thousands)	97,135	97,135	97,135	97,119	97,119	97,097				97,097
Ending shares outstanding (in thousands)	97,135	97,135	97,135	97,102	97,102	97,097				97,097
Financial Position										
Cash and cash equivalents	\$ 326	\$ 297	\$ 295	\$ 369	\$ 369	\$ 410				\$ 410
Working capital ⁽¹⁾	1,303	965	973	856	856	842				842
Fixed assets, net	2,603	2,563	2,485	2,502	2,502	2,484				2,484
Total assets	7,184	6,487	6,278	6,298	6,298	6,336				6,336
Current portion of long-term debt (including short-term bank debt)	15	-	85	-	-	-				-
Long-term debt, net of current portion	979	713	627	621	621	620				620
Net debt ⁽²⁾	668	416	417	252	252	210				210
Total AbitibiBowater shareholders' equity	3,728	3,779	3,716	3,417	3,417	3,444				3,444
Noncontrolling interests	160	60	73	60	60	70				70
Total equity	3,888	3,839	3,789	3,477	3,477	3,514				3,514
Cash Flow Information										
Operating income	\$ 27	\$ 52	\$ 72	\$ 47	\$ 198	\$ 26				\$ 26
Depreciation, amortization and cost of timber harvested	54	55	55	56	220	57				57
Deferred income taxes	(13)	(40)	28	44	19	(14)				(14)
Cash flows provided by (used in) operations	58	(43)	-	183	198	57				57
Cash invested in fixed assets	(15)	(17)	(23)	(42)	(97)	(39)				(39)
Dispositions of assets	5	299	11	-	315	26				26
Cash flows provided by (used in) investing activities	(18)	284	(2)	(19)	245	(16)				(16)
Dividends and distributions to noncontrolling interests	(18)	(1)	-	(2)	(21)	-				-
Repayments of debt	-	(269)	-	(85)	(354)	-				-
Cash flows provided by (used in) financing activities	(33)	(270)	-	(90)	(393)	-				-



Financial and Operating Statistics (page 2 of 5)

	2011					2012				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Dollars in millions, except per unit items										
Sales by Segment										
Newsprint	\$ 429	\$ 462	\$ 468	\$ 457	\$ 1,816	\$ 416				\$ 416
Coated papers	134	132	140	132	538	128				128
Specialty papers	330	320	316	309	1,275	272				272
Market pulp	176	171	175	137	659	127				127
Wood products	116	115	125	112	468	111				111
Total sales	\$ 1,185	\$ 1,200	\$ 1,224	\$ 1,147	\$ 4,756	\$ 1,054	\$ -	\$ -	\$ -	\$ 1,054
Shipments to 3rd Parties (thousands of units)										
Newsprint (mt)	656	697	706	694	2,753	633				633
Coated papers (st)	169	161	167	160	657	162				162
Specialty papers (st)	473	442	422	416	1,753	363				363
Market pulp (mt)	239	223	236	204	902	199				199
Wood products (mbf)	375	397	417	397	1,586	367				367
Average Transaction Price per Unit										
Newsprint (mt)	\$ 654	\$ 663	\$ 663	\$ 658	\$ 659	\$ 658				\$ 658
Coated papers (st)	794	822	837	821	819	790				790
Specialty papers (st)	698	724	747	745	727	749				749
Market pulp (mt)	735	767	741	674	731	636				636
Wood products (mbf)	310	290	298	280	294	304				304

Financial and Operating Statistics (page 3 of 5)

	2011					2012				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Dollars in millions, except per unit items										
Operating Income (Loss) by Segment										
Newsprint	\$ 19	\$ 26	\$ 18	\$ 26	\$ 89	\$ 21				\$ 21
Coated papers	3	23	18	13	57	(1)				(1)
Specialty papers	-	11	27	24	62	15				15
Market pulp	23	14	36	12	85	(21)				(21)
Wood products	(3)	(14)	(3)	(5)	(25)	(6)				(6)
Corporate / other	(15)	(8)	(24)	(23)	(70)	18				18
Total operating (loss) income by segment	\$ 27	\$ 52	\$ 72	\$ 47	\$ 198	\$ 26	\$ -	\$ -	\$ -	\$ 26
Selling, General And Administrative expenses by Segment										
Newsprint	\$ 12	\$ 13	\$ 15	\$ 15	\$ 55	\$ 15				\$ 15
Coated papers	3	4	4	2	13	4				4
Specialty papers	8	10	10	7	35	8				8
Market pulp	6	6	7	5	24	6				6
Wood products	4	4	5	5	18	5				5
Corporate / other	4	3	4	2	13	(6)				(6)
Total selling, general and administrative expenses	\$ 37	\$ 40	\$ 45	\$ 36	\$ 158	\$ 32	\$ -	\$ -	\$ -	\$ 32
Operating Cost per Unit										
Newsprint (mt)	\$ 625	\$ 625	\$ 638	\$ 620	\$ 627	\$ 625				\$ 625
Coated papers (st)	775	682	730	740	732	796				796
Specialty papers (st)	698	698	682	688	692	706				706
Market pulp (mt)	639	703	587	619	637	743				743
Wood products (mbf)	319	325	305	292	310	320				320
Product Inventory (thousands of units)										
Newsprint (mt)	104	76	81	78	78	73				73
Coated papers (st)	21	33	31	26	26	22				22
Specialty papers (st)	87	76	82	68	68	80				80
Market pulp (mt)	48	56	79	79	79	54				54
Wood products (mbf)	159	165	137	124	124	131				131



Financial and Operating Statistics (page 4 of 5)

Dollars in millions	2011					2012				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Net income (loss) including noncontrolling interests										
Newsprint	\$ 19	\$ 26	\$ 18	\$ 26	\$ 89	\$ 21				\$ 21
Coated papers	3	23	18	13	57	(1)				(1)
Specialty papers	-	11	27	24	62	15				15
Market pulp	23	14	36	12	85	(21)				(21)
Wood products	(3)	(14)	(3)	(5)	(25)	(6)				(6)
Corporate / other	(12)	1	(138)	(80)	(229)	25				25
Total net income (loss) including noncontrolling interests	\$ 30	\$ 61	\$ (42)	\$ (10)	\$ 39	\$ 33	\$ -	\$ -	\$ -	\$ 33
Interest expense	\$ 30	\$ 28	\$ 19	\$ 18	\$ 95	\$ 16				\$ 16
Income tax provision (benefit)	\$ (14)	\$ (39)	\$ 27	\$ 42	\$ 16	\$ (10)				\$ (10)
Depreciation and Amortization by Segment										
Newsprint	\$ 20	\$ 17	\$ 18	\$ 18	\$ 73	\$ 18				\$ 18
Coated papers	9	8	9	9	35	10				10
Specialty papers	11	13	12	13	49	12				12
Market pulp	7	7	8	8	30	8				8
Wood products	7	10	8	8	33	9				9
Total depreciation and amortization	\$ 54	\$ 55	\$ 55	\$ 56	\$ 220	\$ 57	\$ -	\$ -	\$ -	\$ 57
EBITDA by Segment ⁽³⁾										
Newsprint	\$ 39	\$ 43	\$ 36	\$ 44	\$ 162	\$ 39				\$ 39
Coated papers	12	31	27	22	92	9				9
Specialty papers	11	24	39	37	111	27				27
Market pulp	30	21	44	20	115	(13)				(13)
Wood products	4	(4)	5	3	8	3				3
Corporate / other	5	(11)	(92)	(20)	(118)	31				31
Total EBITDA	\$ 101	\$ 104	\$ 59	\$ 106	\$ 370	\$ 96	\$ -	\$ -	\$ -	\$ 96
Special Items ⁽³⁾										
Foreign currency translation (gain) loss	\$ (28)	\$ (2)	\$ 60	\$ (9)	\$ 21	\$ (12)				\$ (12)
Severance	4	3	5	-	12	2				2
Closure costs, impairment and other related charges	13	4	17	12	46	5				5
Inventory write-downs included in cost of sales	1	-	-	2	3	-				-
(Gain) loss on disposition of assets	(1)	(3)	1	-	(3)	(23)				(23)
Post-emergence costs	11	11	13	12	47	2				2
Transaction costs	-	-	-	5	5	4				4
Other income, net	(2)	(7)	(5)	(6)	(20)	(3)				(3)
Total Special Items	\$ (2)	\$ 6	\$ 91	\$ 16	\$ 111	\$ (25)	\$ -	\$ -	\$ -	\$ (25)
Adjusted EBITDA ⁽³⁾										
Newsprint	\$ 39	\$ 43	\$ 36	\$ 44	\$ 162	\$ 39				\$ 39
Coated papers	12	31	27	22	92	9				9
Specialty papers	11	24	39	37	111	27				27
Market pulp	30	21	44	20	115	(13)				(13)
Wood products	4	(4)	5	3	8	3				3
Corporate / other	3	(5)	(1)	(4)	(7)	6				6
Total Adjusted EBITDA	\$ 99	\$ 110	\$ 150	\$ 122	\$ 481	\$ 71	\$ -	\$ -	\$ -	\$ 71

Financial and Operating Statistics (page 5 of 5)

Notes

¹ The Company defines Working capital as current assets less current liabilities excluding cash and cash equivalents and debt.

² The Company defines Net debt as total debt less cash and cash equivalents.

³ The Company defines EBITDA by reportable segment as net income (loss) from our Consolidated Statements of Operations, allocated to our reportable segments (newsprint, coated papers, specialty papers, market pulp and wood products) in accordance with FASB ASC 290, "Segment Reporting," adjusted by depreciation, amortization and cost of timber harvested. In addition, EBITDA for the Corporate and Other segment is defined as net income (loss) from our Consolidated Statements of Operations after allocation to our reportable segments, adjusted by interest expense, income taxes and depreciation, amortization and cost of timber harvested.

We define Adjusted EBITDA as EBITDA adjusted for special items. Special items include foreign translation gains and losses, post-emergence costs, closure costs, impairment and other related charges, severance costs, gains and losses on disposition of assets and other charges or credits. Special items are allocated to the Corporate and Other segment. Internally, we use Adjusted EBITDA as an indicator of our performance. Therefore, this non-GAAP measure is consistent with our internal presentation.

Internally, we use EBITDA and adjusted EBITDA by reportable segment measures as indicators of our reportable segments' and the Company's performance. Therefore, these non-GAAP measures are consistent with our internal presentation. We believe that these non-GAAP measures are useful because they are consistent with our internal presentation and performance analysis and allow investors to more easily compare our ongoing financial performance from period to period. These non-GAAP measures should be used in addition to and not as a substitute for operating income (loss) by reportable segment and consolidated operating income (loss) provided in the notes to our Consolidated Financial Statements in our filings with the Securities and Exchange Commission.