

Financial and Operating Statistics ⁽¹⁾ (Page 1 of 4)

Results for all quarters prior to Fourth Quarter 2007 are Bowater Incorporated only. Abitibi-Consolidated Inc. results are included beginning October 29, 2007.

Dollars in millions, except per-share amounts	2007					2008				
	First	Second	Third	Fourth ⁽¹⁾	Total	First	Second	Third	Fourth	Total
Income Statement Data										
Total sales	\$ 772	\$ 798	\$ 815	\$ 1,491	\$ 3,876	\$ 1,728				\$ 1,728
Operating income (loss)	25	15	(82)	(358)	(400)	(149)				(149)
Interest income	2	2	2	3	9	3				3
Interest expense, net of capitalized interest	47	47	47	108	249	129				129
Other income (expense), net	(6)	(16)	(18)	31	(9)	31				31
Minority interests, net of tax	(7)	2	3	3	1	(1)				(1)
Net loss	(35)	(63)	(142)	(250)	(490)	(248)				(248)
Net loss available to common shareholders	(35)	(63)	(142)	(250)	(490)	(248)				(248)
Diluted loss per common share ⁽²⁾	(1.19)	(2.09)	(4.75)	(5.09)	(14.11)	(4.32)				(4.32)
Dividends declared per common share ⁽²⁾	\$ 0.38	\$ 0.38	\$ 0.38	\$ -	\$ 1.15	\$ -				\$ -
Average diluted shares outstanding (in thousands) ⁽²⁾	29,856	29,864	29,879	49,058	34,702	57,497				57,497
Ending shares outstanding (in thousands) ⁽²⁾	29,859	29,877	29,880	57,470	57,470	57,579				57,579
Sales by Segment										
Newsprint	\$ 303	\$ 313	\$ 296	\$ 662	\$ 1,574	\$ 809				\$ 809
Coated papers	129	129	152	160	571	169				169
Specialty papers	141	151	142	366	800	459				459
Market pulp	133	138	160	169	600	168				168
Wood products	63	64	62	129	318	123				123
Timber / other	3	3	3	5	13	0				0
Total sales	\$ 772	\$ 798	\$ 815	\$ 1,491	\$ 3,876	\$ 1,728				\$ 1,728
Income (Loss) by Segment										
Newsprint	\$ (5)	\$ (11)	\$ (39)	\$ (79)	\$ (134)	\$ (69)				\$ (69)
Coated papers	9	4	14	15	42	34				34
Specialty papers	(8)	(11)	(20)	(46)	(85)	(39)				(39)
Market pulp	19	18	29	30	96	31				31
Wood products ⁽⁴⁾	(14)	(7)	(11)	(59)	(91)	(35)				(35)
Net gain on fixed assets and land sales	58	65	17	5	145	23				23
Corporate / other / severance / impairment ⁽³⁾	(34)	(43)	(72)	(224)	(373)	(94)				(94)
Total income (loss) by segment	\$ 25	\$ 15	\$ (82)	\$ (358)	\$ (400)	\$ (149)				\$ (149)

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	2007					2008				
	First	Second	Third	Fourth ⁽¹⁾	Total	First	Second	Third	Fourth	Total
Dollars in millions except per ton items										
Depreciation and Amortization by Segment										
Newsprint	\$ 31	\$ 33	\$ 33	\$ 68	\$ 165	\$ 83				\$ 83
Coated papers	10	9	10	9	38	10				10
Specialty papers	19	18	18	54	109	69				69
Market pulp	14	13	13	14	54	14				14
Wood products	5	5	4	9	23	11				11
Corporate / other	1	2	1	3	7	4				4
Total depreciation	\$ 80	\$ 80	\$ 81	\$ 157	\$ 396	\$ 191				\$ 191
EBITDA by Segment⁽⁴⁾										
Newsprint	\$ 26	\$ 22	\$ (6)	\$ (11)	\$ 31	\$ 14				\$ 14
Coated papers	19	13	24	24	80	44				44
Specialty papers	11	7	(2)	8	24	30				30
Market pulp	33	31	42	44	150	45				45
Wood products	(9)	(2)	(7)	(50)	(68)	(24)				(24)
Corporate / other / severance / impairment	(33)	(41)	(71)	(221)	(366)	(89)				(89)
Total EBITDA	\$ 47	\$ 30	\$ (20)	\$ (206)	\$ (149)	\$ 19				\$ 19
Average Transaction Price per Unit										
Newsprint (mt)	\$ 618	\$ 605	\$ 586	\$ 597	\$ 601	\$ 623				\$ 623
Coated papers (st)	713	690	707	766	720	843				843
Specialty papers (st)	653	651	660	688	669	710				710
Market pulp (mt)	627	651	672	690	661	713				713
Wood products (mbf)	274	282	301	288	287	283				270
Operating Cost per Unit										
Newsprint (mt)	\$ 628	\$ 627	\$ 663	\$ 669	\$ 652	\$ 676				\$ 676
Coated papers (st)	663	668	642	694	667	673				673
Specialty papers (st)	690	698	753	774	741	770				770
Market pulp (mt)	537	566	550	567	556	583				583
Wood products (mbf)	335	313	354	420	368	363				347
Shipments to 3rd Parties (thousands of units)										
Newsprint (mt)	490	517	505	1,108	2,620	1,299				1,299
Coated papers (st)	181	187	215	209	792	201				201
Specialty papers (st)	216	232	215	532	1,195	646				646
Market pulp (mt)	212	212	238	245	907	236				236
Wood products (mbf)	230	227	206	448	1,111	435				455

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Results for all quarters prior to Fourth Quarter 2007 are Bowater Incorporated only. Abitibi-Consolidated Inc. results are included beginning October 29, 2007.

Dollars in millions except per ton items	2007					2008				
	First	Second	Third	Fourth ⁽¹⁾	Total	First	Second	Third	Fourth	Total
Product Inventory (thousands of units)										
Newsprint (mt)	94	102	104	221	221	208				208
Coated papers (st)	51	47	33	26	26	27				27
Specialty papers (st)	57	70	68	151	151	146				146
Market pulp (mt)	55	59	51	50	50	59				59
Financial Position										
Cash and cash equivalents	\$ 98	\$ 89	\$ 84	\$ 195	\$ 195	\$ 292				\$ 292
Working capital (excluding debt)	532	553	515	917	917	1,126				1,126
Timber and timberlands	57	58	59	58	58	54				54
Fixed assets, net	2,827	2,782	2,737	5,707	5,707	5,569				5,569
Total assets	4,589	4,548	4,510	10,319	10,319	10,325				10,325
Current installments of long-term debt (including short-term bank debt)	16	16	94	953	953	1,260				1,260
Long-term debt, net of current installments	2,246	2,243	2,244	4,695	4,695	4,697				4,697
Revaluation of debt assumed through acquisitions ⁽⁵⁾	44	42	40	(571)	(571)	(553)				(553)
Total shareholders' equity	796	718	566	1,899	1,899	1,618				1,618
Total capitalization ⁽⁶⁾	3,128	3,052	2,982	7,697	7,697	7,722				7,722
Cash Flow Information										
Operating income (loss)	\$ 25	\$ 15	\$ (82)	\$ (358)	\$ (400)	\$ (149)				\$ (149)
Depreciation, amortization and cost of timber harvested	80	80	80	156	396	191				191
Deferred income taxes	(3)	28	7	(108)	(76)	(8)				(8)
Cash flows from operations	(16)	(40)	(58)	(133)	(247)	(197)				(197)
Cash invested in fixed assets, timber and timberlands	(26)	(25)	(22)	(55)	(128)	(35)				(35)
Disposition of assets and timber and timberlands	64	83	19	31	197	29				29
Cash flows from (used for) investing activities	29	54	(7)	101	177	(7)				(7)
Cash dividends, including minority interest	(11)	(11)	(12)	(15)	(49)	(2)				(2)
Repurchase of long-term debt	-	-	-	-	-	-				-
Cash flows from (used for) financing activities	(14)	(23)	60	143	166	301				301
Additional Information										
Percentage return on average common equity, annualized (ROE) ⁽⁷⁾	-14.4%	-33.1%	-88.5%	-81.1%	-35.8%	-14.1%				-56.5%
Percentage return on average net assets, annualized (RONA) ⁽⁸⁾	2.4%	1.4%	-8.0%	-21.8%	-6.0%	-1.6%				-6.5%
Current ratio ⁽⁹⁾	2.2	2.2	1.8	1.0	1.0	0.9				0.9
Book value - common shareholders' equity per common share ⁽²⁾	\$ 51.27	\$ 46.24	\$ 36.44	\$ 33.04	\$ 33.04	\$ 28.10				\$ 28.10
Common stock price - high ⁽²⁾	\$ 57.62	\$ 51.52	\$ 50.23	\$ 37.60	\$ 57.62	\$ 26.13				\$ 26.13
Common stock price - low ⁽²⁾	\$ 41.29	\$ 39.10	\$ 26.87	\$ 14.13	\$ 14.13	\$ 4.70				\$ 4.70
Common stock price - quarter/annual (close) ⁽²⁾	\$ 45.81	\$ 47.98	\$ 28.69	\$ 20.61	\$ 20.61	\$ 12.91				\$ 12.91

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Notes

¹ On October 29, 2007, pursuant to a Combination Agreement and Agreement and Plan of Merger, dated as of January 29, 2007, Abitibi and Bowater became wholly-owned subsidiaries of AbitibiBowater ("The Combination"). Bowater is deemed to be the "acquirer" of Abitibi for accounting purposes, and AbitibiBowater is deemed to be the successor to Bowater for purposes of U.S. securities laws and regulations governing financial reporting. Therefore, the financial and operating statistics herein reflect the results of operations and financial position of Bowater for the periods before October 29, 2007 and those of both Abitibi and Bowater for the periods beginning on or after October 29, 2007. This table should be used in conjunction with our Press Release and unaudited Consolidated Financial Statement Information, and related notes. Amounts may not add due to rounding.

² As a result of the Combination with Abitibi, each issued and outstanding common share of Bowater was converted into a 0.52 share of AbitibiBowater common stock. Each issued and outstanding exchangeable share of Bowater Canada Inc. (a wholly-owned subsidiary of Bowater now named AbitibiBowater Canada Inc.) was changed into 0.52 of an AbitibiBowater Canada Inc. exchangeable share. Each issued and outstanding common share of Abitibi (other than the Abitibi common shares exchanged for exchangeable shares of AbitibiBowater Canada Inc.) was transferred to AbitibiBowater in exchange for a 0.06261 share of AbitibiBowater common stock. We retroactively restated all share-related information, including dividends declared per share, earnings per share, shares outstanding, book value per share and stock prices, for all periods before the Combination to reflect the Bowater exchange ratio of 0.52.

³ Included in Corporate/Other/Severance/Impairment Operating Loss - severance and termination charges of \$8 million, \$9 million, \$8 million, \$12 million and \$7 million in the first quarter of 2008, fourth quarter of 2007, third quarter of 2007, second quarter of 2007 and first quarter of 2007, respectively; merger-related costs of \$29 million, \$10 million, \$8 million and \$3 million in the fourth quarter of 2007, third quarter of 2007, second quarter of 2007 and first quarter of 2007, respectively; closure, impairment and other related charges of \$10 million and \$123 million (including \$100 million of asset impairment charges) in the first quarter of 2008 and fourth quarter of 2007, respectively; and an arbitration award of \$28 million in the third quarter of 2007.

⁴ The Company defines EBITDA as operating income (loss) plus depreciation, amortization, cost of timberland harvested and asset and goodwill impairment minus net gains on disposition of assets. Therefore, EBITDA by segment includes operating income (loss) by segment plus depreciation by product as presented in the previous sections. In addition, asset and goodwill impairment charges (Note 3) and net gains on disposition of assets are adjusted through corporate / other / severance / impairment. Included in Newsprint is a \$7 million inventory write-down in the fourth quarter of 2007 related to a mill closure.

⁵ Included in long term debt are the revaluation (step-up or step-down to fair value) of debt balances assumed through previous acquisitions.

⁶ Total capitalization includes total debt, minority interests in subsidiaries, redeemable preferred stock and shareholders' equity.

⁷ ROE = Net income (loss) available to common shareholders divided by average common equity (total shareholder's equity less preferred stock).

⁸ RONA = Operating income divided by average net assets (total assets less total current liabilities, excluding debt).

⁹ Current Ratio = Total current assets divided by total current liabilities.

Third party statistical data furnished by the Pulp and Products Council.