

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

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

Dollars in millions, except per-share amounts	2006					2007				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth ⁽¹⁾	Total
Income Statement Data										
Total sales	\$ 893	\$ 899	\$ 876	\$ 861	\$ 3,530	\$ 772	\$ 799	\$ 815	\$ 1,491	\$ 3,876
Operating income (loss)	40	67	(179)	113	41	25	15	(82)	(358)	(400)
Interest income	1	1	2	14	18	2	2	2	3	9
Interest expense, net of capitalized interest	49	49	51	47	196	47	47	47	114	256
Other income (expense), net	5	(3)	3	21	26	(6)	(16)	(18)	39	(2)
Minority interests, net of tax	-	(1)	(1)	(4)	(5)	(7)	2	3	3	1
(Loss) income before cumulative effect of accounting change	(16)	(11)	(216)	107	(135)	(35)	(63)	(142)	(250)	(490)
Cumulative effect of accounting change, net of taxes ⁽²⁾	(3)	-	-	-	(3)	-	-	-	-	-
Net (loss) income	(19)	(11)	(216)	107	(138)	(35)	(63)	(142)	(250)	(490)
Net (loss) income available to common shareholders	(19)	(11)	(216)	107	(138)	(35)	(63)	(142)	(250)	(490)
Diluted (loss) income per common share, before cumulative effect of accounting change ⁽³⁾	\$ (0.54)	\$ (0.35)	\$ (7.24)	\$ 3.58	(4.55)	\$ (1.19)	\$ (2.09)	\$ (4.75)	\$ (5.09)	(14.11)
Dividends declared per common share ⁽³⁾	\$ 0.38	\$ 0.38	\$ 0.38	\$ 0.38	\$ 1.54	\$ 0.38	\$ 0.38	\$ 0.38	\$ -	\$ 1.15
Average diluted shares outstanding (in thousands) ⁽³⁾	29,829	29,829	29,830	29,907	29,833	29,856	29,864	29,879	49,058	34,702
Ending shares outstanding (in thousands) ⁽³⁾	29,829	29,829	29,830	29,855	29,855	29,859	29,877	29,880	57,470	57,470
Sales by Segment										
Newsprint	\$ 374	\$ 367	\$ 349	\$ 348	\$ 1,438	\$ 303	\$ 313	\$ 296	\$ 663	\$ 1,574
Coated papers	153	156	154	149	612	129	129	152	159	570
Specialty papers	131	142	154	143	570	141	151	141	366	800
Market pulp	129	137	144	149	559	133	138	160	169	599
Wood products	97	94	71	70	332	63	64	62	129	318
Timber / other	10	3	3	3	19	3	3	3	5	14
Total sales	\$ 893	\$ 899	\$ 876	\$ 861	\$ 3,530	\$ 772	\$ 799	\$ 815	\$ 1,491	\$ 3,876
Income (Loss) by Segment										
Newsprint	\$ 18	\$ 18	\$ 31	\$ 11	\$ 78	\$ (5)	\$ (11)	\$ (40)	\$ (52)	\$ (107)
Coated papers	22	23	16	16	76	9	4	13	15	42
Specialty papers	(8)	(17)	(1)	(9)	(36)	(8)	(11)	(20)	(56)	(96)
Market pulp	0	(2)	17	20	37	19	18	29	30	96
Wood products ⁽⁶⁾	1	(5)	(17)	83	62	(14)	(7)	(11)	(53)	(85)
Net gain on fixed assets and land sales	29	72	54	31	186	58	65	17	5	145
Corporate / other / severance / impairment ⁽⁴⁾	(22)	(22)	(278)	(39)	(362)	(34)	(43)	(72)	(247)	(396)
Total income (loss) by segment	\$ 40	\$ 67	\$ (179)	\$ 113	\$ 41	\$ 25	\$ 15	\$ (82)	\$ (358)	\$ (400)

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

	2006					2007				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth ⁽¹⁾	Total
Dollars in millions except per ton items										
Depreciation and Amortization by Segment										
Newsprint	\$ 36	\$ 34	\$ 33	\$ 34	\$ 137	\$ 32	\$ 33	\$ 33	\$ 68	\$ 165
Coated papers	11	11	11	10	42	10	9	10	9	38
Specialty papers	15	17	17	16	65	19	18	18	54	109
Market pulp	13	13	14	14	53	14	13	13	14	54
Wood products	5	5	5	5	18	5	5	5	9	23
Corporate / other	2	2	2	2	9	1	2	1	3	7
Total depreciation	\$ 81	\$ 81	\$ 81	\$ 80	\$ 323	\$ 80	\$ 80	\$ 80	\$ 157	\$ 396
EBITDA by Segment⁽⁵⁾										
Newsprint	\$ 54	\$ 53	\$ 64	\$ 45	\$ 215	\$ 27	\$ 23	\$ (7)	\$ 16	\$ 58
Coated papers	32	34	26	26	118	19	14	23	25	80
Specialty papers	7	(1)	16	7	29	10	6	(2)	(2)	13
Market pulp	14	12	31	34	90	33	32	43	43	150
Wood products	6	(0)	(13)	88	80	(9)	(3)	(6)	(44)	(62)
Corporate / other / severance	(20)	(20)	(29)	(29)	(99)	(33)	(41)	(70)	(137)	(282)
Total EBITDA	\$ 92	\$ 77	\$ 94	\$ 170	\$ 433	\$ 47	\$ 30	\$ (20)	\$ (99)	\$ (42)
Average Transaction Price per Unit										
Newsprint (mt)	\$ 622	\$ 640	\$ 643	\$ 640	\$ 636	\$ 618	\$ 605	\$ 586	\$ 598	\$ 601
Coated papers (st)	795	774	762	745	769	710	690	711	763	720
Specialty papers (st)	655	666	679	674	669	653	653	658	688	669
Market pulp (mt)	523	564	601	615	576	629	648	672	688	661
Wood products (mbf)	351	334	297	280	317	273	283	302	289	287
Operating Cost per Unit										
Newsprint (mt)	\$ 592	\$ 608	\$ 587	\$ 619	\$ 601	\$ 628	\$ 626	\$ 664	\$ 645	\$ 642
Coated papers (st)	682	660	685	665	673	659	667	650	689	667
Specialty papers (st)	696	747	685	717	711	691	702	750	793	749
Market pulp (mt)	522	571	529	531	538	539	561	549	567	555
Wood products (mbf)	346	352	369	318	346	333	314	353	407	363
Shipments to 3rd Parties (thousands of units)										
Newsprint (mt)	600	574	543	543	2,260	490	517	505	1,108	2,620
Coated papers (st)	192	202	203	200	797	181	187	214	209	792
Specialty papers (st)	200	213	227	212	852	216	232	215	532	1,195
Market pulp (mt)	247	242	240	242	972	212	213	238	245	907
Wood products (mbf)	275	281	239	250	1,045	230	227	206	448	1,110

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

	2006					2007				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth ⁽¹⁾	Total
Dollars in millions except per ton items										
Product Inventory (thousands of units)										
Newsprint (mt)	76	64	78	68	68	94	102	104	221	221
Coated papers (st)	46	50	40	37	37	51	47	33	26	26
Specialty papers (st)	35	38	53	48	48	57	70	68	151	151
Market pulp (mt)	86	71	59	49	49	55	59	51	50	50
Financial Position										
Cash and cash equivalents	\$ 23	\$ 114	\$ 121	\$ 99	\$ 99	\$ 98	\$ 89	\$ 84	\$ 195	\$ 195
Working capital (excluding debt)	505	444	450	528	528	532	553	515	943	943
Timber and timberlands	77	79	76	61	61	57	58	59	58	58
Fixed assets, net	3,004	2,995	2,916	2,878	2,878	2,827	2,782	2,737	5,739	5,739
Total assets	5,110	5,047	4,810	4,646	4,646	4,589	4,548	4,510	10,799	10,799
Current installments of long-term debt (including short-term bank debt)	63	15	15	15	15	16	16	94	953	953
Long-term debt, net of current installments	2,395	2,386	2,366	2,252	2,252	2,246	2,243	2,244	4,695	4,695
Revaluation of debt assumed through acquisitions ⁽⁶⁾	65	63	60	46	46	44	42	40	(490)	(490)
Total shareholders' equity	1,175	1,149	921	833	833	796	718	566	1,901	1,901
Total capitalization ⁽⁷⁾	3,692	3,611	3,365	3,158	3,158	3,128	3,052	2,982	7,690	7,690
Cash Flow Information										
Operating income (loss)	\$ 40	\$ 67	\$ (179)	\$ 113	\$ 41	\$ 25	\$ 15	\$ (82)	\$ (358)	\$ (400)
Depreciation, amortization and cost of timber harvested	81	81	81	80	323	80	80	80	157	396
Deferred income taxes	5	24	(7)	3	25	(3)	28	7	(127)	(95)
Cash flows from operations	22	21	26	114	182	(16)	(40)	(58)	(133)	(247)
Cash invested in fixed assets, timber and timberlands	(38)	(53)	(47)	(61)	(199)	(26)	(25)	(22)	(55)	(128)
Disposition of assets and timber and timberlands	37	201	58	35	332	64	83	19	31	197
Cash flows from (used for) investing activities	(1)	148	11	(28)	130	29	54	(7)	101	177
Cash dividends, including minority interest	(12)	(11)	(12)	(12)	(46)	(11)	(11)	(12)	(15)	(49)
Repurchase of long-term debt	-	-	(18)	(118)	(135)	-	-	-	-	-
Cash flows from (used for) financing activities	(29)	(78)	(29)	(107)	(243)	(14)	(23)	60	143	166
Additional Information										
Percentage return on average common equity, annualized (ROE) ⁽⁸⁾	-6.3%	-10.0%	-91.9%	41.9%	-13.5%	-14.4%	-33.1%	-88.5%	-84.6%	-78.5%
Percentage return on average net assets, annualized (RONA) ⁽⁹⁾	3.4%	9.3%	-6.5%	10.7%	1.0%	2.4%	1.4%	-8.0%	-21.0%	-11.6%
Current ratio ⁽¹⁰⁾	1.8	1.8	1.8	2.1	2.1	2.2	2.2	1.8	1.0	1.0
Book value - common shareholders' equity per common share ⁽³⁾	\$ 39.38	\$ 38.52	\$ 30.88	\$ 27.88	\$ 27.88	\$ 51.27	\$ 46.24	\$ 36.44	\$ 33.08	\$ 33.08
Common stock price - high ⁽³⁾	\$ 61.52	\$ 58.02	\$ 45.33	\$ 45.00	\$ 61.52	\$ 57.62	\$ 51.52	\$ 50.23	\$ 37.60	\$ 57.62
Common stock price - low ⁽³⁾	\$ 48.42	\$ 41.23	\$ 37.71	\$ 37.90	\$ 37.71	\$ 41.29	\$ 39.10	\$ 26.87	\$ 14.13	\$ 14.13
Common stock price - quarter/annual (close) ⁽³⁾	\$ 56.88	\$ 43.75	\$ 39.56	\$ 43.27	\$ 43.27	\$ 45.81	\$ 47.98	\$ 28.69	\$ 20.61	\$ 20.61

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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 Effective January 1, 2006, Bowater adopted SFAS No. 123R, "Share Based Payment," which resulted in non-cash cumulative effect charge of \$3 million, or \$0.09 per diluted share during the first quarter of 2006.

³ 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.

⁴ Included in Corporate/Other/Severance/Impairment Operating Loss - severance and termination charges of \$32 million, \$8 million, \$12 million, \$7 million, \$5 million, \$7 million and \$4 million in the fourth quarter of 2007, third quarter of 2007, second quarter of 2007, first quarter of 2007, fourth quarter of 2006, third quarter of 2006 and first quarter of 2006, respectively; merger related costs of \$29 million, \$10 million, \$8 million and \$2 million in the fourth quarter of 2007, third quarter of 2007, second quarter of 2007 and first quarter of 2007, respectively; asset and goodwill impairment charges of \$107 million (including \$7 million in cost of sales), \$8 million (including \$2 million in cost of sales) and \$247 million in the fourth quarter of 2007, fourth quarter of 2006 and the third quarter of 2006, respectively; and an arbitration award of \$28 million in the third quarter of 2007.

⁵ 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. Operating income and EBITDA for the wood products segment includes \$93 million of lumber duties refund in the fourth quarter of 2006.

⁶ Included in long term debt are the revaluation (step-up or step-down to fair value) of debt balances assumed through previous acquisitions.

⁷ Total capitalization includes total debt, minority interests in subsidiaries, redeemable preferred stock and shareholders' equity.

⁸ ROE = Net income (loss) available to common shareholders divided by average common equity (total shareholder's equity less preferred stock).

⁹ RONA = Operating income divided by average net assets (total assets less total current liabilities, excluding debt).

¹⁰ Current Ratio = Total current assets divided by total current liabilities.

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