

**Financial and Operating Statistics<sup>(2)</sup> (Page 1 of 5)**

*All 2010 Amounts are Predecessor Company, Except for Fourth Quarter Financial Position Amounts<sup>(1)</sup>*

*Successor Company*

	2010					2011				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Dollars in millions, except per-share amounts										
<b>Income Statement Data</b>										
Total sales	\$ 1,100	\$ 1,182	\$ 1,192	\$ 1,272	\$ 4,746	\$ 1,185	\$ 1,200	\$ 1,224		\$ 3,609
Operating (loss) income	(110)	(73)	12	11	(160)	27	52	72		151
Interest expense, net of capitalized interest	(189)	(129)	(99)	(66)	(483)	(30)	(28)	(19)		(77)
Other (expense) income, net	(3)	41	(6)	(121)	(89)	19	(2)	(68)		(51)
Net (loss) income including noncontrolling interests	(506)	(300)	(829)	4,410	2,775	30	61	(42)		49
Net income attributable to noncontrolling interests	6	3	-	152	161	-	-	2		2
(Loss) income attributable to AbitibiBowater	(500)	(297)	(829)	4,240	2,614	30	61	(44)		47
Diluted net (loss) income per common share	(8.68)	\$ (5.15)	\$ (14.35)	61.36	27.63	0.31	\$ 0.63	\$ (0.46)		0.48
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	97,135		97,135
Ending shares outstanding (in thousands)	57,704	57,704	57,704	57,704	57,704	97,135	97,135	97,135		97,135
<b>Financial Position</b>										
Cash and cash equivalents	\$ 750	\$ 708	\$ 540	\$ 319	\$ 319	\$ 326	\$ 297	\$ 295		\$ 295
Working capital (excluding debt)	1,733	1,657	1,483	1,587	1,587	1,629	1,262	1,183		1,183
Fixed assets, net	3,670	3,402	3,279	2,641	2,641	2,603	2,563	2,485		2,485
Total assets	7,010	6,649	6,447	7,156	7,156	7,198	6,532	6,309		6,309
Current portion of long-term debt (including short-term bank debt)	1,309	1,306	1,142	-	-	15	-	85		85
Long-term debt, net of current portion <sup>(2)</sup>	283	273	281	905	905	979	713	627		627
Net debt <sup>(3)</sup>	842	871	883	586	586	668	416	417		417
Liabilities subject to compromise <sup>(2)</sup>	7,093	7,065	7,859	-	-	-	-	-		-
Total AbitibiBowater shareholders' (deficit) equity	(2,595)	(2,901)	(3,789)	3,709	3,709	3,728	3,779	3,716		3,716
Noncontrolling interests	117	113	116	278	278	160	60	73		73
Total (deficit) equity	(2,478)	(2,788)	(3,673)	3,987	3,987	3,888	3,839	3,789		3,789
<b>Cash Flow Information</b>										
Operating (loss) income	\$ (110)	\$ (73)	\$ 12	\$ 11	\$ (160)	\$ 27	\$ 52	\$ 72		\$ 151
Depreciation, amortization and cost of timber harvested	132	125	119	117	493	54	55	55		164
Deferred income taxes	2	(9)	4	(1,597)	(1,600)	(13)	(40)	28		(25)
Cash flows (used in) provided by operations	27	(30)	18	24	39	58	(43)	-		15
Cash invested in fixed assets, timber and timberlands	(11)	(15)	(16)	(39)	(81)	(15)	(17)	(23)		(55)
Dispositions of assets and timber and timberlands	24	38	21	13	96	5	299	11		315
Cash flows (used in) provided by investing activities	(12)	(7)	(19)	134	96	(18)	284	(2)		264
Cash dividends and distributions to noncontrolling interests	-	-	-	-	-	(18)	(1)	-		(19)
Repayments of debt	-	-	(166)	(1,059)	(1,225)	-	(269)	-		(269)
Cash flows provided by (used in) financing activities	(21)	(5)	(167)	(379)	(572)	(33)	(270)	-		(303)

**Financial and Operating Statistics<sup>(2)</sup> (page 2 of 5)**

*All 2010 Amounts are Predecessor Company, Except for Fourth Quarter Financial Position Amounts<sup>(1)</sup>*

*Successor Company*

	2010					2011				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
<i>Dollars in millions, except per unit items</i>										
<b>Sales by Segment</b>										
Newsprint	\$ 433	\$ 456	\$ 429	\$ 486	\$ 1,804	\$ 429	\$ 462	\$ 468		\$ 1,359
Coated papers	106	114	128	134	482	134	132	140		406
Specialty papers	299	329	347	346	1,321	330	320	316		966
Market pulp	163	172	184	196	715	176	171	175		522
Wood products	99	111	104	110	424	116	115	125		356
Corporate / other	-	-	-	-	-	-	-	-		-
<b>Total sales</b>	<b>\$ 1,100</b>	<b>\$ 1,182</b>	<b>\$ 1,192</b>	<b>\$ 1,272</b>	<b>\$ 4,746</b>	<b>\$ 1,185</b>	<b>\$ 1,200</b>	<b>\$ 1,224</b>		<b>\$ 3,609</b>
<b>Shipments to 3rd Parties (thousands of units)</b>										
Newsprint (mt)	795	763	694	753	3,005	656	697	706		2,059
Coated papers (st)	159	166	175	171	671	169	161	167		497
Specialty papers (st)	436	488	505	495	1,924	473	442	422		1,337
Market pulp (mt)	241	225	236	268	970	239	223	236		698
Wood products (mbf)	331	334	363	367	1,395	375	397	417		1,189
<b>Average Transaction Price per Unit</b>										
Newsprint (mt)	\$ 545	\$ 597	\$ 619	\$ 644	\$ 600	\$ 654	\$ 663	\$ 663		\$ 660
Coated papers (st)	668	685	733	781	718	794	822	837		818
Specialty papers (st)	684	675	687	699	687	698	724	747		722
Market pulp (mt)	676	767	776	734	737	735	767	741		747
Wood products (mbf)	300	329	289	299	304	310	290	298		299

Financial and Operating Statistics <sup>(2)</sup> (page 3 of 5)	All 2010 Amounts are Predecessor Company, Except for Fourth Quarter Financial Position Amounts <sup>(1)</sup>					Successor Company				
	2010					2011				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Dollars in millions, except per unit items										
<b>Operating Income (Loss) by Segment</b>										
Newsprint	\$ (102)	\$ (49)	\$ (8)	\$ (12)	\$ (171)	\$ 19	\$ 26	\$ 18		\$ 63
Coated papers	(4)	5	13	17	31	3	23	18		44
Specialty papers	(8)	(25)	(6)	(5)	(44)	-	11	27		38
Market pulp	13	24	55	45	137	23	14	36		73
Wood products	2	3	(1)	5	9	(3)	(14)	(3)		(20)
Corporate / other <sup>(4)</sup>	(11)	(31)	(41)	(39)	(122)	(15)	(8)	(24)		(47)
Total operating (loss) income by segment	\$ (110)	\$ (73)	\$ 12	\$ 11	\$ (160)	\$ 27	\$ 52	\$ 72		\$ 151
<b>Selling, General And Administrative by Segment</b>										
Newsprint	\$ 6	\$ 9	\$ 9	\$ 9	\$ 33	\$ 12	\$ 13	\$ 15		\$ 40
Coated papers	1	1	1	-	3	3	4	4		11
Specialty papers	1	5	5	4	15	8	10	10		28
Market pulp	1	2	2	4	9	6	6	7		19
Wood products	1	-	-	-	1	4	4	5		13
Corporate / other	20	22	23	29	94	4	3	4		11
Total selling, general and administrative	\$ 30	\$ 39	\$ 40	\$ 46	\$ 155	\$ 37	\$ 40	\$ 45		\$ 122
<b>Operating Cost per Unit</b>										
Newsprint (mt)	\$ 674	\$ 661	\$ 631	\$ 660	\$ 657	\$ 625	\$ 625	\$ 638		\$ 629
Coated papers (st)	690	655	661	685	672	775	682	730		730
Specialty papers (st)	703	727	698	709	709	698	698	682		693
Market pulp (mt)	621	659	546	565	596	639	703	587		642
Wood products (mbf)	295	319	291	286	297	319	325	305		316
<b>Product Inventory (thousands of units)</b>										
Newsprint (mt)	141	90	109	75	75	104	76	81		81
Coated papers (st)	20	20	23	20	20	21	33	31		31
Specialty papers (st)	93	79	90	88	88	87	76	82		82
Market pulp (mt)	45	47	70	58	58	48	56	79		79
Wood products (mbf)	125	115	133	122	122	159	165	137		137

Financial and Operating Statistics <sup>(2)</sup> (page 4 of 5)	All 2010 Amounts are Predecessor Company, Except for Fourth Quarter Financial Position Amounts <sup>(1)</sup>					Successor Company				
	2010					2011				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Dollars in millions										
<b>Net income (loss) including noncontrolling interests</b>										
Newsprint	\$ (102)	\$ (49)	\$ (8)	\$ (12)	\$ (171)	\$ 19	\$ 26	\$ 18		\$ 63
Coated papers	(4)	5	13	17	31	3	23	18		44
Specialty papers	(8)	(25)	(6)	(5)	(44)	-	11	27		38
Market pulp	13	24	55	45	137	23	14	36		73
Wood products	2	3	(1)	5	9	(3)	(14)	(3)		(20)
Corporate / other	(407)	(258)	(882)	4,360	2,813	(12)	1	(138)		(149)
Total net income (loss) including noncontrolling interests	\$ (506)	\$ (300)	\$ (829)	\$ 4,410	\$ 2,775	\$ 30	\$ 61	\$ (42)		\$ 49
<b>Interest expense</b>	\$ 189	\$ 129	\$ 99	\$ 66	\$ 483	\$ 30	\$ 28	\$ 19		\$ 77
<b>Income tax provision (benefit)</b>	\$ (1)	\$ (9)	\$ 5	\$ (1,601)	\$ (1,606)	\$ (14)	\$ (39)	\$ 27		\$ (26)
<b>Depreciation and Amortization by Segment</b>										
Newsprint	\$ 66	\$ 56	\$ 50	\$ 53	\$ 225	\$ 20	\$ 17	\$ 18		\$ 55
Coated papers	7	7	8	8	30	9	8	9		26
Specialty papers	29	34	33	32	128	11	13	12		36
Market pulp	13	11	12	12	48	7	7	8		22
Wood products	13	11	9	9	42	7	10	8		25
Corporate / other	4	6	7	3	20	-	-	-		-
Total depreciation	\$ 132	\$ 125	\$ 119	\$ 117	\$ 493	\$ 54	\$ 55	\$ 55		\$ 164
<b>EBITDA by Segment<sup>(5)</sup></b>										
Newsprint	\$ (36)	\$ 7	\$ 42	\$ 41	\$ 54	\$ 39	\$ 43	\$ 36		\$ 118
Coated papers	3	12	21	25	61	12	31	27		70
Specialty papers	21	9	27	27	84	11	24	39		74
Market pulp	26	35	67	57	185	30	21	44		95
Wood products	15	14	8	14	51	4	(4)	5		5
Corporate / other	(215)	(132)	(771)	2,828	1,710	5	(11)	(92)		(98)
Total EBITDA	\$ (186)	\$ (55)	\$ (606)	\$ 2,992	\$ 2,145	\$ 101	\$ 104	\$ 59		\$ 264
<b>Special Items<sup>(5)</sup></b>										
Foreign currency translation loss (gain)	\$ 4	\$ (41)	\$ 7	\$ 124	\$ 94	\$ (28)	\$ (2)	\$ 60		\$ 30
Reorganization costs	205	148	731	(2,985)	(1,901)	-	-	-		-
Closure costs, impairment and other related charges	5	3	(3)	6	11	13	4	17		34
Severance	(8)	-	-	-	(8)	4	3	5		12
Inventory write-downs included in cost of sales	-	-	-	-	-	1	-	-		1
(Gain) loss on disposition of assets	(9)	(4)	(1)	(16)	(30)	(1)	(3)	1		(3)
Post-emergence costs	-	-	-	-	-	11	11	13		35
Other (income) expense, net	(1)	-	(1)	(3)	(5)	(2)	(7)	(5)		(14)
Total Special Items	\$ 196	\$ 106	\$ 733	\$ (2,874)	\$ (1,839)	\$ (2)	\$ 6	\$ 91		\$ 95
<b>Adjusted EBITDA<sup>(5)</sup></b>										
Newsprint	\$ (36)	\$ 7	\$ 42	\$ 41	\$ 54	\$ 39	\$ 43	\$ 36		\$ 118
Coated papers	3	12	21	25	61	12	31	27		70
Specialty papers	21	9	27	27	84	11	24	39		74
Market pulp	26	35	67	57	185	30	21	44		95
Wood products	15	14	8	14	51	4	(4)	5		5
Corporate / other	(19)	(26)	(38)	(46)	(129)	3	(5)	(1)		(3)
Total Adjusted EBITDA	\$ 10	\$ 51	\$ 127	\$ 118	\$ 306	\$ 99	\$ 110	\$ 150		\$ 359

**Financial and Operating Statistics<sup>(2)</sup> (page 5 of 5)****Notes**

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> The Company defines Net debt as total debt less cash and cash equivalents.

<sup>4</sup> Included in Corporate/Other Operating Loss - severance and termination charges of \$5 million, \$3 million, \$4 million, \$(8) million in the third quarter of 2011, second quarter of 2011, first quarter of 2011 and first quarter of 2010 respectively; closure costs, impairment of assets and other related charges of \$17 million, \$4 million, \$13 million, \$6 million, \$(3) million, \$3 million, \$5 million in the third quarter of 2011, second quarter of 2011, first quarter of 2011, fourth quarter of 2010, third quarter of 2010, second quarter of 2010 and first quarter of 2010, respectively; and inventory write-downs of \$1 million in the first quarter of 2011.

<sup>5</sup> The Company defines EBITDA by reportable segment as net (loss) income 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 (loss) income 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, reorganization and 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 quarterly filings with the Securities and Exchange Commission.