

Resolute Forest Products



Financial and Operating Statistics ⁽²⁾ (Page 1 of 5)

All 2010 Amounts are Predecessor Company, Except for Fourth Quarter Financial Position Amounts ⁽¹⁾

Successor Company

	2010					2011				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Dollars in millions, except per-share amounts										
Income Statement Data										
Total sales	\$ 1,100	\$ 1,182	\$ 1,192	\$ 1,272	\$ 4,746	\$ 1,185	\$ 1,200	\$ 1,224	\$ 1,147	\$ 4,756
Operating income (loss)	(110)	(73)	12	11	(160)	27	52	72	47	198
Interest expense	(189)	(129)	(99)	(66)	(483)	(30)	(28)	(19)	(18)	(95)
Other income (expense), net	(3)	41	(6)	(121)	(89)	19	(2)	(68)	3	(48)
Net income (loss) including noncontrolling interests	(506)	(300)	(829)	4,410	2,775	30	61	(42)	(10)	39
Net income (loss) attributable to noncontrolling interests	(6)	(3)	-	170	161	-	-	2	(4)	(2)
Income (loss) attributable to AbitibiBowater	(500)	(297)	(829)	4,240	2,614	30	61	(44)	(6)	41
Diluted net income (loss) per common share	(8.68)	\$ (5.15)	\$ (14.35)	44.82	27.63	0.31	\$ 0.63	\$ (0.46)	\$ (0.06)	0.42
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	97,119	97,119
Ending shares outstanding (in thousands)	57,704	57,704	57,704	57,704	57,704	97,135	97,135	97,135	97,102	97,102
Financial Position										
Cash and cash equivalents	\$ 750	\$ 708	\$ 540	\$ 319	\$ 319	\$ 326	\$ 297	\$ 295	\$ 369	\$ 369
Working capital (excluding debt) ⁽³⁾	1,733	1,657	1,483	1,587	1,587	1,629	1,262	1,183	1,225	1,225
Fixed assets, net	3,670	3,402	3,279	2,641	2,641	2,603	2,563	2,485	2,502	2,502
Total assets	7,010	6,649	6,447	7,135	7,135	7,184	6,487	6,278	6,298	6,298
Current portion of long-term debt (including short-term bank debt)	1,309	1,306	1,142	-	-	15	-	85	-	-
Long-term debt, net of current portion ⁽²⁾	283	273	281	905	905	979	713	627	621	621
Net debt ⁽⁴⁾	842	871	883	586	586	668	416	417	252	252
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	3,779	3,716	3,417	3,417
Noncontrolling interests	117	113	116	278	278	160	60	73	60	60
Total equity (deficit)	(2,478)	(2,788)	(3,673)	3,987	3,987	3,888	3,839	3,789	3,477	3,477
Cash Flow Information										
Operating income (loss)	\$ (110)	\$ (73)	\$ 12	\$ 11	\$ (160)	\$ 27	\$ 52	\$ 72	\$ 47	\$ 198
Depreciation, amortization and cost of timber harvested	132	125	119	117	493	54	55	55	56	220
Deferred income taxes	2	(9)	4	(1,597)	(1,600)	(13)	(40)	28	44	19
Cash flows provided by (used in) operations	27	(30)	18	24	39	58	(43)	-	183	198
Cash invested in fixed assets, timber and timberlands	(11)	(15)	(16)	(39)	(81)	(15)	(17)	(23)	(42)	(97)
Dispositions of assets and timber and timberlands	24	38	21	13	96	5	299	11	-	315
Cash flows provided by (used in) investing activities	(12)	(7)	(19)	134	96	(18)	284	(2)	(19)	245
Dividends and distributions to noncontrolling interests	-	-	-	-	-	(18)	(1)	-	(2)	(21)
Repayments of debt	-	-	(166)	(1,059)	(1,225)	-	(269)	-	(85)	(354)
Cash flows provided by (used in) financing activities	(21)	(5)	(167)	(379)	(572)	(33)	(270)	-	(90)	(393)

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Financial and Operating Statistics ⁽²⁾ (page 2 of 5)	All 2010 Amounts are Predecessor Company, Except for Fourth Quarter Financial Position Amounts ⁽¹⁾					Successor Company				
	2010					2011				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Dollars in millions, except per unit items										
Sales by Segment										
Newsprint	\$ 433	\$ 456	\$ 429	\$ 486	\$ 1,804	\$ 429	\$ 462	\$ 468	\$ 457	\$ 1,816
Coated papers	106	114	128	134	482	134	132	140	132	538
Specialty papers	299	329	347	346	1,321	330	320	316	309	1,275
Market pulp	163	172	184	196	715	176	171	175	137	659
Wood products	99	111	104	110	424	116	115	125	112	468
Total sales	\$ 1,100	\$ 1,182	\$ 1,192	\$ 1,272	\$ 4,746	\$ 1,185	\$ 1,200	\$ 1,224	\$ 1,147	\$ 4,756
Shipments to 3rd Parties (thousands of units)										
Newsprint (mt)	795	763	694	753	3,005	656	697	706	694	2,753
Coated papers (st)	159	166	175	171	671	169	161	167	160	657
Specialty papers (st)	436	488	505	495	1,924	473	442	422	416	1,753
Market pulp (mt)	241	225	236	268	970	239	223	236	204	902
Wood products (mbf)	331	334	363	367	1,395	375	397	417	397	1,586
Average Transaction Price per Unit										
Newsprint (mt)	\$ 545	\$ 597	\$ 619	\$ 644	\$ 600	\$ 654	\$ 663	\$ 663	\$ 658	\$ 659
Coated papers (st)	668	685	733	781	718	794	822	837	821	819
Specialty papers (st)	684	675	687	699	687	698	724	747	745	727
Market pulp (mt)	676	767	776	734	737	735	767	741	674	731
Wood products (mbf)	300	329	289	299	304	310	290	298	280	294

Resolute Forest Products



Financial and Operating Statistics ⁽²⁾ (page 3 of 5)	All 2010 Amounts are Predecessor Company, Except for Fourth Quarter Financial Position Amounts ⁽¹⁾					Successor Company				
	2010					2011				
Dollars in millions, except per unit items	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Operating Income (Loss) by Segment										
Newsprint	\$ (102)	\$ (49)	\$ (8)	\$ (12)	\$ (171)	\$ 19	\$ 26	\$ 18	\$ 26	\$ 89
Coated papers	(4)	5	13	17	31	3	23	18	13	57
Specialty papers	(8)	(25)	(6)	(5)	(44)	-	11	27	24	62
Market pulp	13	24	55	45	137	23	14	36	12	85
Wood products	2	3	(1)	5	9	(3)	(14)	(3)	(5)	(25)
Corporate / other	(11)	(31)	(41)	(39)	(122)	(15)	(8)	(24)	(23)	(70)
Total operating (loss) income by segment	\$ (110)	\$ (73)	\$ 12	\$ 11	\$ (160)	\$ 27	\$ 52	\$ 72	\$ 47	\$ 198
Selling, General And Administrative expenses by Segment										
Newsprint	\$ 6	\$ 9	\$ 9	\$ 9	\$ 33	\$ 12	\$ 13	\$ 15	\$ 15	\$ 55
Coated papers	1	1	1	-	3	3	4	4	\$ 2	13
Specialty papers	1	5	5	4	15	8	10	10	\$ 7	35
Market pulp	1	2	2	4	9	6	6	7	\$ 5	24
Wood products	1	-	-	-	1	4	4	5	\$ 5	18
Corporate / other	20	22	23	29	94	4	3	4	\$ 2	13
Total selling, general and administrative expenses	\$ 30	\$ 39	\$ 40	\$ 46	\$ 155	\$ 37	\$ 40	\$ 45	\$ 36	\$ 158
Operating Cost per Unit										
Newsprint (mt)	\$ 674	\$ 661	\$ 631	\$ 660	\$ 657	\$ 625	\$ 625	\$ 638	\$ 620	\$ 627
Coated papers (st)	690	655	661	685	672	775	682	730	740	732
Specialty papers (st)	703	727	698	709	709	698	698	682	688	692
Market pulp (mt)	621	659	546	565	596	639	703	587	619	637
Wood products (mbf)	295	319	291	286	297	319	325	305	292	310
Product Inventory (thousands of units)										
Newsprint (mt)	141	90	109	75	75	104	76	81	78	78
Coated papers (st)	20	20	23	20	20	21	33	31	26	26
Specialty papers (st)	93	79	90	88	88	87	76	82	68	68
Market pulp (mt)	45	47	70	58	58	48	56	79	79	79
Wood products (mbf)	125	115	133	122	122	159	165	137	124	124

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Financial and Operating Statistics ⁽²⁾ (page 4 of 5)

All 2010 Amounts are Predecessor Company, Except for Fourth Quarter Financial Position Amounts ⁽¹⁾

Successor Company

Dollars in millions	2010					2011				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Net income (loss) including noncontrolling interests										
Newsprint	\$ (102)	\$ (49)	\$ (8)	\$ (12)	\$ (171)	\$ 19	\$ 26	\$ 18	\$ 26	\$ 89
Coated papers	(4)	5	13	17	31	3	23	18	13	57
Specialty papers	(8)	(25)	(6)	(5)	(44)	-	11	27	24	62
Market pulp	13	24	55	45	137	23	14	36	12	85
Wood products	2	3	(1)	5	9	(3)	(14)	(3)	(5)	(25)
Corporate / other	(407)	(258)	(882)	4,360	2,813	(12)	1	(138)	(80)	(229)
Total net income (loss) including noncontrolling interests	\$ (506)	\$ (300)	\$ (829)	\$ 4,410	\$ 2,775	\$ 30	\$ 61	\$ (42)	\$ (10)	\$ 39
Interest expense	\$ 189	\$ 129	\$ 99	\$ 66	\$ 483	\$ 30	\$ 28	\$ 19	\$ 18	\$ 95
Income tax provision (benefit)	\$ (1)	\$ (9)	\$ 5	\$ (1,601)	\$ (1,606)	\$ (14)	\$ (39)	\$ 27	\$ 42	\$ 16
Depreciation and Amortization by Segment										
Newsprint	\$ 66	\$ 56	\$ 50	\$ 53	\$ 225	\$ 20	\$ 17	\$ 18	\$ 18	\$ 73
Coated papers	7	7	8	8	30	9	8	9	9	35
Specialty papers	29	34	33	32	128	11	13	12	13	49
Market pulp	13	11	12	13	49	7	7	8	8	30
Wood products	13	11	9	9	42	7	10	8	8	33
Corporate / other	4	6	7	2	19	-	-	-	-	-
Total depreciation	\$ 132	\$ 125	\$ 119	\$ 117	\$ 493	\$ 54	\$ 55	\$ 55	\$ 56	\$ 220
EBITDA by Segment ⁽⁵⁾										
Newsprint	\$ (36)	\$ 7	\$ 42	\$ 41	\$ 54	\$ 39	\$ 43	\$ 36	\$ 44	\$ 162
Coated papers	3	12	21	25	61	12	31	27	22	92
Specialty papers	21	9	27	27	84	11	24	39	37	111
Market pulp	26	35	67	58	186	30	21	44	20	115
Wood products	15	14	8	14	51	4	(4)	5	3	8
Corporate / other	(215)	(132)	(771)	2,827	1,709	5	(11)	(92)	(20)	(118)
Total EBITDA	\$ (186)	\$ (55)	\$ (606)	\$ 2,992	\$ 2,145	\$ 101	\$ 104	\$ 59	\$ 106	\$ 370
Special Items ⁽⁶⁾										
Foreign currency translation loss (gain)	\$ 4	\$ (41)	\$ 7	\$ 124	\$ 94	\$ (28)	\$ (2)	\$ 60	\$ (9)	\$ 21
Severance	(8)	-	-	-	(8)	4	3	5	-	12
Reorganization items	205	148	731	(2,985)	(1,901)	-	-	-	-	-
Closure costs, impairment and other related charges	5	3	(3)	6	11	13	4	17	12	46
Inventory write-downs included in cost of sales	-	-	-	-	-	1	-	-	2	3
(Gain) loss on disposition of assets	(9)	(4)	(1)	(16)	(30)	(1)	(3)	1	-	(3)
Post-emergence costs	-	-	-	-	-	11	11	13	12	47
Transaction costs	-	-	-	-	-	-	-	-	5	5
Other (income) expense, net	(1)	-	(1)	(3)	(5)	(2)	(7)	(5)	(6)	(20)
Total Special Items	\$ 196	\$ 106	\$ 733	\$ (2,874)	\$ (1,839)	\$ (2)	\$ 6	\$ 91	\$ 16	\$ 111
Adjusted EBITDA ⁽⁵⁾										
Newsprint	\$ (36)	\$ 7	\$ 42	\$ 41	\$ 54	\$ 39	\$ 43	\$ 36	\$ 44	\$ 162
Coated papers	3	12	21	25	61	12	31	27	22	92
Specialty papers	21	9	27	27	84	11	24	39	37	111
Market pulp	26	35	67	58	186	30	21	44	20	115
Wood products	15	14	8	14	51	4	(4)	5	3	8
Corporate / other	(19)	(26)	(38)	(47)	(130)	3	(5)	(1)	(4)	(7)
Total Adjusted EBITDA	\$ 10	\$ 51	\$ 127	\$ 118	\$ 306	\$ 99	\$ 110	\$ 150	\$ 122	\$ 481



Financial and Operating Statistics ⁽²⁾ (page 5 of 5)

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 The Company defines Working capital as current assets less current liabilities excluding debt.

⁴ The Company defines Net debt as total debt less cash and cash equivalents.

⁵ 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 filings with the Securities and Exchange Commission.