

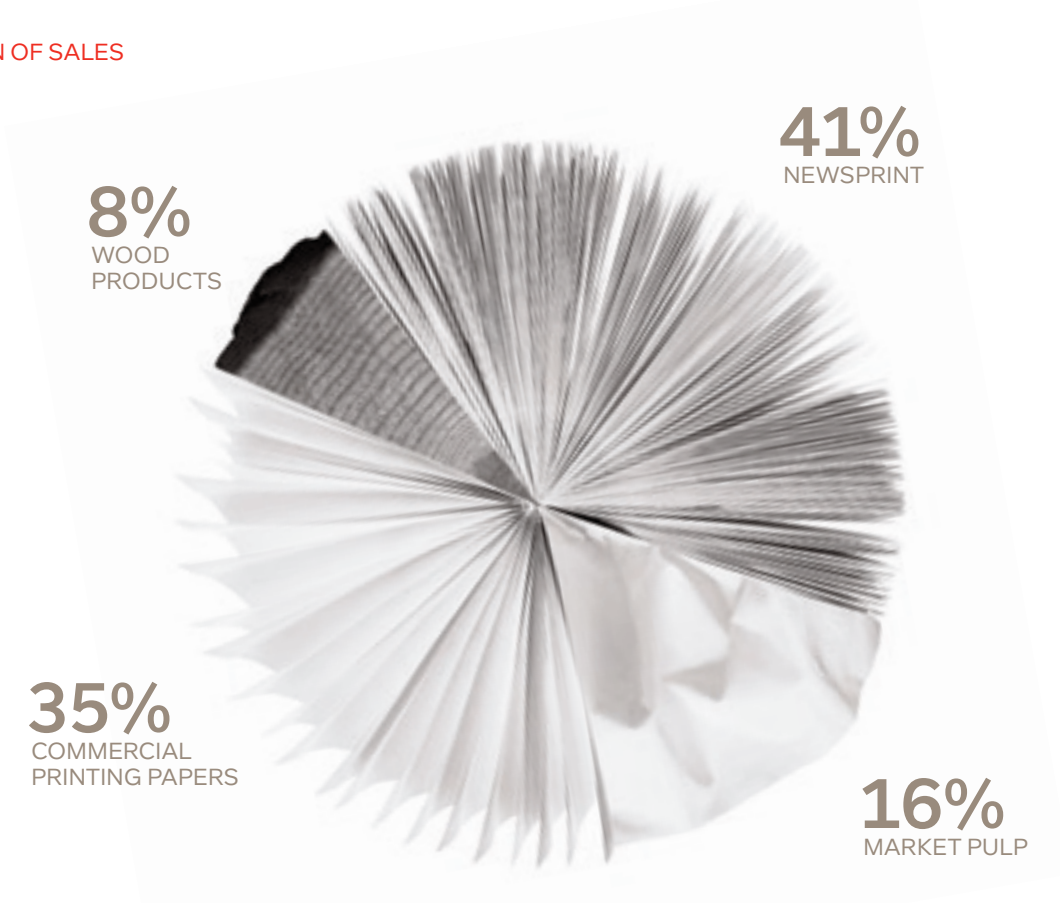
CHANGING TIMES

abitibi
bowater 



Times are changing in today's intensely competitive, global forest products industry. AbitibiBowater has responded to the new economic and market realities with a bold vision – and a comprehensive plan to translate that vision into action. This brochure is designed to give stakeholders better insight and understanding of how we intend to manage our new dynamic company. Our approach is straightforward and results-oriented: We are striving to provide customers with outstanding products backed by best-in-class customer service, while significantly improving our bottom-line performance. Moreover, we are committed to doing so in a manner that reflects our unyielding commitment to environmental stewardship and sustainability. Because creating sustainable long-term value is clearly in everyone's best interest.

Corporate Profile	1
Straight Talk	3
Our Personality	5
Newsprint	6
Commercial Printing Papers	8
Market Pulp	10
Wood Products	12
Recycling	14
Energy	15
Sustainability	16
Global Reach	20



8%
WOOD
PRODUCTS

41%
NEWSPRINT

35%
COMMERCIAL
PRINTING PAPERS

16%
MARKET PULP

CORPORATE PROFILE

In October 2007, two long-time industry leaders joined forces to create AbitibiBowater Inc.

Incorporated in Delaware and headquartered in Montreal, Quebec, it is one of the largest publicly traded paper and forest products companies in the world.

AbitibiBowater is the world's leading manufacturer of newsprint and produces an extensive range of commercial printing papers, market pulp and wood products, serving customers in more than 90 countries around the globe.

The sustainability of the natural resources we manage is a top priority: AbitibiBowater has more third-party-certified, sustainably managed forests under its stewardship than any other company in the world, and is among the world's largest recyclers of old

newspapers and magazines. In 2007, we diverted approximately 2.7 million metric tons of paper from landfills.

The Company's common shares trade on the New York Stock Exchange and the Toronto Stock Exchange under the ticker symbol "ABH".



The New York Times

The Washington Post

FED. IN SURPRISE, SETS BIG RATE CUT TO EASE MARKETS

Global Stocks



Austin had setbacks but through coaching calls



Business Bank: Investors That Are Good... Shows More of a Dip

High Scores: Leads the Pack in New York Public Schools

Public Service and Environment in Honor of King

First Employment

Do: calls a Code Blue on Canada's crippled health-care system

Classified

Don't get... Don't get... Don't get...

For Par Process on Albany

Are Canned in England: Robert and... 3...



Push for Education: Public Letter for School Plan



The Hayes, Containment Policy

Summary of a County Who Never Quit: Savings on Utility Programs on Top

JOHN W. WEAVER (on the left)
DAVID J. PATERSON (on the right)

STRAIGHT TALK

The companies that combined to form AbitibiBowater were both known for their leadership and straight talk. In keeping with these traditions, Executive Chairman John W. Weaver and President and Chief Executive Officer David J. Paterson share some candid thoughts on the future direction of the new Company.

On the rationale behind the combination

"There's an old saying that 'when the going gets tough, the tough get going' – and that pretty well sums up the rationale behind our decision to join forces. Faced with a difficult business environment, we realized that combining our organizations would create a stronger enterprise, better equipped to battle its way back to profitability and generate sustainable long-term value. With this proactive approach, we believe our Company has clearly demonstrated our resolve and determination to embrace change and adapt to today's competitive reality."

– John W. Weaver

On synergies and value creation

"A recurring question regarding the integration of the two companies was whether we would realistically be able to achieve the targeted synergies. My answer was – and is – a resounding 'yes'. Having upped the ante considerably to \$375 million from the original goal of \$250 million, I am pleased to report that we are on track to meet this new objective."

– David J. Paterson

On sustainability

"Our focus on sustainability makes AbitibiBowater a logical partner of choice for the ever-increasing number of stakeholders who share our sensitivity – and that of the general public – with regard to environmental stewardship. Let's face it; this is critically important in today's marketplace."

– John W. Weaver

On people

"When you get down to it, even the best strategy depends largely on the people who must put the plan into action. John and I have both made it clear that we regard our employees as AbitibiBowater's most valuable resource. Their commitment and ability to embrace change will be crucial to the success of our efforts to build a stronger, more globally competitive company."

– David J. Paterson

On customers

"Customers are the biggest beneficiaries of the AbitibiBowater combination. Thanks to a more flexible and efficient manufacturing platform, we will be able to deliver added value through

enhanced product quality and improved logistics, while responding quickly to changing market needs and growth opportunities. In addition to providing an unparalleled range of forest products, we intend to retain a strong focus on innovation and are committed to providing best-in-class customer service."

– John W. Weaver

On industry competitiveness

"It is evident that Canadian-based forest products companies can no longer rely on a discounted dollar to make their exports competitive. Other issues include sharply rising costs for fiber, energy and labor. At AbitibiBowater, we have taken a proactive stance to address these challenges head-on. We will work with employees, unions, governments and communities to create the sort of winning conditions that will help our Company prosper once again."

– David J. Paterson



ONE OF A KIND

OUR PERSONALITY



We believe no two companies are quite alike – that corporations, like people, have certain values and personality traits that define them. What follows is some insight into AbitibiBowater's unique culture.

Safety is our first priority

Nothing is more important than the safety and health of our workforce. Employee safety and health are core values linked to every part of our business. Operating without injuries is the foundation of operational excellence. We understand that our quest for continuous improvement and an injury-free workplace requires the support and involvement of everyone. Our approach to safety and health emphasizes not only the Company's leadership role but also the need for individual responsibility and accountability with regard to injury and illness prevention. At AbitibiBowater, safety is everybody's business.

We are results-driven

AbitibiBowater is results-driven. As we strive to make our new Company stronger and more competitive – and, ultimately, to achieve sustained profitability – we are following a comprehensive roadmap. It not only steers us in the right direction, but also sets ambitious

stretch goals and regularly measures our performance to ensure that we remain on track. Our determination and resolve have been evident right from Day One, when we launched an immediate review of all operations. Just one month later, we announced a series of important measures, including significant capacity reductions designed to improve our bottom line – while publicly committing to a 50% increase in synergy targets. We are committed as well to reducing the Company's debt by \$1 billion over three years.

Our people make the difference

We have 18,000 reasons to think the AbitibiBowater combination will prove to be the start of something great. That is approximately the number of people on the new Company's payroll – a remarkably resourceful group of men and women. First-rate assets and quality products notwithstanding, we believe that, when you get right down to it, our people make the difference.

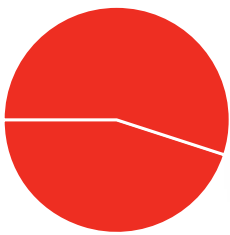
As we continue with the integration of the two organizations and the pursuit of targeted synergies, their hard work and commitment will be key to our success. Every employee who has the opportunity to touch our products in some way, shape or form – in the forest, on the mill floor or in the office – has the opportunity to add value. Of course, contributing to our collective success is the best way to help secure existing jobs and create new opportunities for personal growth and enrichment.

We will earn the right to grow

The bottom line for our new venture is accountability and results. By delivering on our business goals and commitments, by engaging our employees, by demonstrating leadership in sustainability and safety, and by maintaining a strong customer focus, we are confident that we can create significant long-term value for shareholders.

NEWS PRINT

DISTRIBUTION
OF SALES



55%
NORTH
AMERICA

45%
INTERNATIONAL

WE MAKE THE FRONT PAGE EVERY DAY

Being featured on the front page of the newspaper is a big deal for most people and companies. As the world's #1 newsprint producer, AbitibiBowater is fortunate to literally make the front page of great papers every day, including those of *The New York Times*, *The Washington Post*, *The Daily Telegraph* and *The Globe and Mail*.

With annual newsprint capacity of approximately 5.4 million metric tons, we have mills strategically situated to supply major markets throughout North America. Our reach doesn't end there; AbitibiBowater is the world's largest exporter of newsprint. We supply leading publishers in more than 90 countries with top-quality newsprint, including grades made with up to 100% recycled fiber.

Our newsprint is also utilized in an array of other communication tools that help companies and consumers connect: advertising inserts, flyers, brochures, circulars, telephone books, business directories and commercial guides.

Did you know?

In 2007, our recycled fiber content in newsprint averaged 36%.



PART OF YOUR DAILY LIFE

COMMERCIAL PRINTING PAPERS

BEST-SELLERS IN THEIR OWN RIGHT



Whether you are checking out the trendy new magazines at your local newsstand, browsing the best-seller section at your favorite bookstore, flipping through a catalog or consulting your telephone directory, the page you are turning may well have originated in one of our mills. In fact, AbitibiBowater commercial printing papers are best-sellers in their own right.

A global market leader, we produce approximately 3.1 million metric tons of coated and uncoated papers annually for magazines, catalogs, direct-mail inserts, instructional manuals, directories, maps, advertising inserts and flyers, as well as hard- and soft-cover books.

We offer the largest range of book papers of any manufacturer in North America – most of which are chlorine-free and made with fiber sourced from certified, sustainably managed forests.

Our products are a hit with advertisers too. Many of North America's top retailers rely on glossy AbitibiBowater papers to help ensure their flyers and inserts make a great impression.

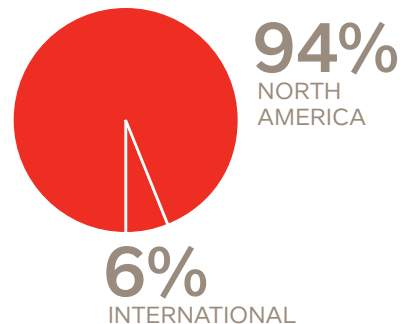
AbitibiBowater's unparalleled portfolio of printing papers includes cost-effective solutions for every application. For instance, our uncoated freesheet (UFS) substitutes are environmentally

friendly – and they offer specifications and quality comparable to conventional UFS at lighter basis weights, delivering up to 30% more printing surface per metric ton.

Did you know?

AbitibiBowater has just introduced two new grades that are totally chlorine-free and require up to 50% less wood fiber than traditional uncoated freesheet. Revolutionary **AbiBow_{ECOLASER}** is specially formulated for laser printing, while our super-bright offset product, **AbiBow_{ECOPAQUE}**, is ideal for those jobs that demand absolute top quality.

DISTRIBUTION OF SALES





ON THE SAME PAGE AS YOU

MARKET PULP

PULP THAT CAN'T BE BEATEN



While it may not be evident at first glance, your home or office is likely stocked with a variety of items that were manufactured from AbitibiBowater-sourced market pulp – everything from tissues to paper towels, filter paper, disposable diapers and other absorbent products, as well as printing and writing papers.

In terms of being able to offer customers a complete spectrum of quality northern and southern hardwood, softwood and fluff products, our pulp can't be beaten.

AbitibiBowater's fluff pulps, produced in the southern United States from loblolly pine, provide the superior integrity, absorbency and wicking features required for high-quality absorbent and specialty products.

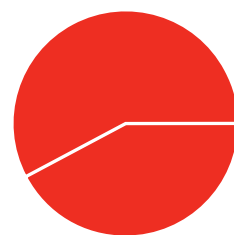
Our softwood kraft pulps are utilized in the production of printing and writing papers as well as high-quality tissue and toweling products, while the superior formation and surface properties of our hardwood pulps make them ideal for a wide variety of paper grades.

It is no wonder that the approximately 1.1 million metric tons of quality pulp products we produce each year are in great demand in markets around the globe. We sell pulp in 18 overseas markets.

Did you know?

AbitibiBowater is one of few market pulp producers capable of supplying five different grades of pulp.

DISTRIBUTION OF SALES



58%
NORTH
AMERICA

42%
INTERNATIONAL



ALWAYS THERE FOR YOU

WOOD PRODUCTS

FROM THE WOODS TO YOUR NEIGHBORHOODS

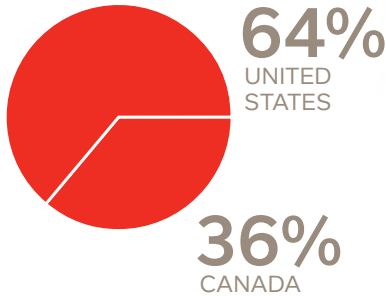


Wherever houses are being renovated or new neighborhoods are taking shape, you can be sure that lumber and wood products have a major role to play. The warmth and natural beauty of wood have made it a cherished part of our architectural heritage for centuries. And the fact that wood is a renewable resource makes it the logical choice for today's environmentally aware homeowner.

AbitibiBowater has an annual capacity of close to 3 billion board feet of lumber – enough to build 200,000 homes. We also remanufacture and engineer wood to maximize strength and create value-added products for use in specialized applications such as mobile homes, structural roofing and flooring components, bedframes and decking.

Customer service is a top priority. AbitibiBowater produces a high-quality commodity product and can rapidly produce and deliver specialized products for the growing do-it-yourself sector as well as for the structural and industrial markets. Our facilities are strategically located and supported by a broad logistics network, enabling us to service the entire continent.

DISTRIBUTION OF SALES



Did you know?

95% of the woodlands under AbitibiBowater's care are certified to internationally recognized sustainable forest management standards, independently audited by third parties.





PRODUCTS BUILT AROUND YOU

RECYCLING

THE FULL-CIRCLE RECYCLER®

As one of the world's largest recyclers of old newspapers and magazines, AbitibiBowater empowers thousands of non-profit organizations and millions of consumers to form a virtuous circle that helps us meet the demand for recycled fiber while reducing deposits to solid-waste landfills.



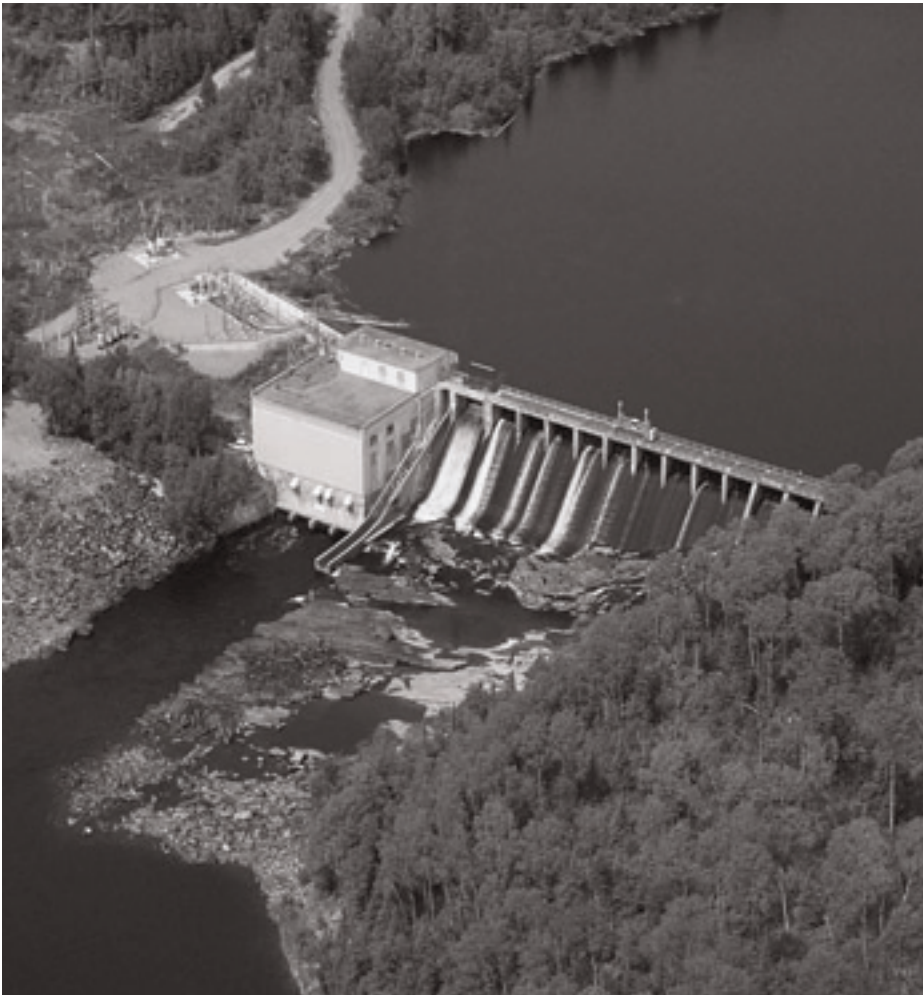
Recycling is an integral part of the Company's business strategy, as well as a key element of our approach to sustainability. Since 2000, our predecessor companies have invested well over \$200 million in deinking plants in our paper manufacturing facilities. In 2007, our mills recycled 2.7 million metric tons of paper, which represented almost 40% of the entire North American consumption of old newspapers and magazines.

The success of AbitibiBowater's recycling operations has been achieved through a combination of community drop-off programs, municipal partnerships and other recycling initiatives. Our signature Paper Retriever® program promotes recycling by supplying and servicing recycling containers to community-based partners.

Paper Retriever® serves 20 metropolitan areas in North America as well as select regions of the United Kingdom. AbitibiBowater also provides curbside collection of recyclables to more than 2.2 million U.K. homes.

Did you know?

AbitibiBowater transforms your discarded newspapers and magazines into more than 40 different grades of brand-new recycled paper.



Did you know?

AbitibiBowater generates 44% of its own energy requirements almost entirely from renewable "green", non-fossil fuel sources.

ENERGY

GENERATING ADDED VALUE

With energy demand and prices on the rise, AbitibiBowater is in the fortunate position of not only being able to supply a significant amount of its own power but also to leverage the value of its extensive energy assets.

The Company's 973 megawatts of installed capacity at 27 hydroelectric and cogeneration facilities represents a distinct competitive advantage in an industry where energy costs account for a large portion of overall operating expenses.

In addition to addressing internal energy needs, a partnership formed in 2007 to harness the full potential of hydroelectric assets in Ontario has provided AbitibiBowater with a vehicle to drive growth in energy generation.

SUSTAINABILITY THE WAY FORWARD



Integrating all three pillars of sustainability – environmental, social and economic – is fundamental to AbitibiBowater’s drive to build a globally competitive company that can create enduring value for all stakeholders. Consequently, we strive to be a good employer, neighbor, supplier, partner and investment.

We understand that addressing sustainability-related challenges in areas like forest management and climate change is a priority not just for our Company, but for society as a whole.

From a social perspective, our Company strives to be a good employer and a good neighbor. As well as providing jobs and a safe and healthy workplace,

we want to engage more effectively with the communities where we live and do business, including Aboriginal communities.

That requires behaving in a transparent manner and encouraging frank dialogue on matters of mutual interest. It also involves giving back to the community by supporting a wide

variety of worthwhile local causes and projects. Despite the difficult challenges AbitibiBowater is facing, we will be working harder than ever to fulfill our obligations as a responsible corporate citizen and contribute to the well-being of the communities our people call home.



Fiber tracking provides added assurance

We have been implementing a fiber-tracking system at our pulp and paper mills to ensure that all the fiber used, including that procured from external suppliers, comes from acceptable sources and is legally harvested. At eight mills, these systems are already third-party certified to internationally recognized “Chain of Custody” standards. Other mills are in the process of being certified.

RESPONSIBLE FIBER SOURCING

Producing quality products that meet the criteria of today’s environmentally conscious stakeholders begins with responsible fiber sourcing. This entails the responsible management of forests, as well as the careful tracking of sources of supply and the utilization of recycled fiber to the greatest extent possible.

The world leader in certified forests

The forests we manage represent not only a dynamic and renewable resource but also a legacy of aesthetic, recreational and cultural enrichment to preserve for future generations. Accordingly, we strive to balance their environmental, social and economic value.

Currently, 95% of the woodlands under AbitibiBowater’s care are certified to internationally recognized sustainable forest management (SFM) standards, independently audited by third parties. In fact, with 20 million hectares (49 million acres) certified, AbitibiBowater has more land independently certified to SFM standards than any other company in the world. Our forest management planning also takes into account many other vital values, including soil and water conservation and biological diversity, as well as the protection of sensitive boreal ecosystems and the habitat of species at risk, such as the woodland caribou.

Consultation and engagement with communities, Aboriginal peoples and various other stakeholders – including governments, outfitters, recreational organizations, universities, environmental groups and other non-governmental organizations – are part of our comprehensive forest certification and management process.



Recycled fiber, a win-win proposition

Recycled fiber is another key component of AbitibiBowater’s commitment to responsible fiber sourcing. Our strength as one of the world’s leading recyclers of old newspapers and magazines enables us to meet market requirements for recycled content. It also provides direct environmental benefits by reducing deposits to solid-waste landfills which, in turn, reduces the methane emissions that contribute to the greenhouse-gas problem.

Independently certified forest management practices, fiber tracking, chain of custody, recycling – these are all part of AbitibiBowater’s multi-faceted commitment to responsible fiber sourcing.



COMBATING CLIMATE CHANGE



AbitibiBowater is also taking action to help combat climate change. Since 2000, our predecessor companies have succeeded in reducing their greenhouse-gas (GHG) emissions – per metric ton of paper produced – by 17% on a combined basis.

The overall impact of this double-digit reduction in GHG intensity, along with capacity reductions implemented to reflect changing market conditions, is a decrease in actual emissions from Company facilities of 1.9 million metric tons of CO₂ equivalents per year. That is equal in effect to removing 375,000 automobiles from the roads.

The progress to date can be attributed to a Company-wide focus on improved efficiency and to switching from fossil fuels to renewable energy sources. More than \$200 million has been invested by our predecessor companies in energy-reduction initiatives that have led to a 5% reduction in energy consumption per metric ton since 2003. This enables us to not only reduce our carbon footprint but also save on energy costs.

[Green energy from carbon-neutral biomass](#)

Eight of our locations have cogeneration facilities that generate “green energy” from carbon-neutral biomass such as sawdust, bark and pulping liquor. The latest example is an C\$84-million, 46-megawatt biomass energy generation facility at Fort Frances, Ontario. Upon completion, this facility is expected to produce enough energy to supply 30,000 homes.

AbitibiBowater also utilizes other alternative fuels such as methane from landfills, used motor oil and discarded automobile tires. In 2007, we diverted about 1 million tires from landfills and recaptured their energy.



THE PATH FORWARD

AbitibiBowater's approach to sustainability extends well beyond the traditional focus on environmental stewardship. It also entails operating in a responsible manner that reflects societal values. Moreover, we see sustainability as a competitive advantage that will be key to long-term value creation and profitability.



We are proud of the progress made by our predecessor companies, particularly in responsible forest management and environmental stewardship. However, we are confident that we can do more on the sustainability front and are committed to continuously improving our performance.

As we move forward with the integration and strategic alignment of our operations, we will be working to develop a detailed strategy to further reduce our environmental footprint, while

finding new ways to better engage with stakeholders. This will entail “walking the talk” – backing up our good intentions with concrete actions.

Our aim is to have sustainability ingrained as one of the core values of our new organization – a business imperative that will form an integral part of our global operating and management systems.

GLOBAL REACH

AbitibiBowater's extensive manufacturing network supplies major markets throughout North America as well as customers worldwide.

CANADA

QUEBEC

Newsprint

Amos / Baie-Comeau / Clermont / Gatineau

Commercial Printing Papers

Alma / Beaupré / Dolbeau / Donnacona / Gatineau / Kénogami / Laurentide

Recycled Fiber Production

Alma / Baie-Comeau / Gatineau

Sawmills

Chibougamau / Comtois / Girardville–Normandin / La Doré / La Tuque (2) / Laterrière / Maniwaki / Mistassini / Obedjiwan / Petit-Saguenay / Pointe-aux-Outardes (2) / Price / Roberval / Saint-Félicien / Saint-Fulgence / Saint-Hilarion / Saint-Ludger-de-Milot / Saint-Raymond / Saint-Thomas / Senneterre

Cogeneration

Dolbeau / Gatineau

Wood Remanufacturing

Château-Richer / La Doré / Manseau / Saint-Prime

Engineered Wood

Larouche / Saint-Prime

Hydroelectric Power

Hydro-Saguenay / Manicouagan

BRITISH COLUMBIA

Newsprint

Mackenzie

Sawmills

Mackenzie (2)

Cogeneration

Mackenzie

ONTARIO

Newsprint

Iroquois Falls / Thorold / Thunder Bay

Commercial Printing Papers

Fort Frances / Iroquois Falls / Thunder Bay

Sawmill

Thunder Bay

Hydroelectric Power

Fort Frances / Iroquois Falls / Kenora

Cogeneration

Fort Frances / Thunder Bay

Market Pulp

Fort Frances / Thunder Bay

Recycled Fiber Collection

Thorold

Recycled Fiber Production

Thorold / Thunder Bay

NEWFOUNDLAND AND LABRADOR

Newsprint

Grand Falls

Commercial Printing Papers

Grand Falls

Hydroelectric Power

Exploits River / Grand Falls / Star Lake

NOVA SCOTIA

Newsprint & Cogeneration

Liverpool

Sawmill

Bridgewater

UNITED STATES

Newsprint

Alabama River, AL / Augusta, GA / Calhoun, TN / Coosa Pines, AL / Grenada, MS / Snowflake, AZ* / Usk, WA

Commercial Printing Papers

Calhoun, TN / Catawba, SC / Covington, TN

Sawmills

Albertville, AL / Westover, AL

Cogeneration

Calhoun, TN / Catawba, SC / Coosa Pines, AL / Snowflake, AZ*

Market Pulp

Calhoun, TN / Catawba, SC / Coosa Pines, AL

Recycled Fiber Collection

Baltimore, MD / Boston, MA / Buffalo, NY / Chicago, IL / Cincinnati, OH / Cleveland, OH / Columbus, OH / Dallas–Fort Worth, TX / Detroit, MI / Houston, TX / Indianapolis, IN / Kansas City, MO / Philadelphia, PA / Phoenix, AZ / Pittsburgh, PA / Saint Louis, MO / San Antonio–Austin, TX / Tulsa–Oklahoma City, OK

Recycled Fiber Production

Alabama River, AL / Augusta, GA / Calhoun, TN / Coosa Pines, AL / Snowflake, AZ* / Usk, WA

UNITED KINGDOM

Newsprint

Bridgewater, Cheshire, England

Recycled Fiber Collection

Claycross, Derbyshire, England / Croy, North Lanarkshire, Scotland / Edinburgh, East Lothian, Scotland / Hersham, Surrey, England / Liverpool, Merseyside, England / Middlesbrough, Teeside, England / Nottingham, Nottinghamshire, England / Sefton, Merseyside, England / St. Helens, Merseyside, England / Stoke-on-Trent, Staffordshire, England

Recycled Fiber Production

Bridgewater, Cheshire, England

SOUTH KOREA

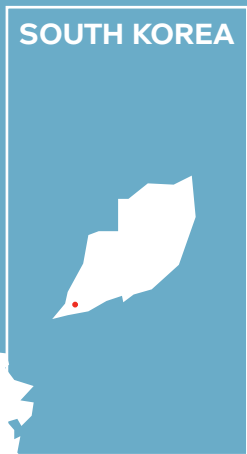
Newsprint & Recycled Fiber Production

Mokpo

*Sale of Snowflake pending

SOUTH KOREA

UNITED KINGDOM



CANADA

UNITED STATES



www.abitibowater.com

