

Financial and Operating Statistics (Page 1 of 5)

Dollars in millions, except per-share amounts

Income Statement Data

	2013					2014				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Total sales	\$ 1,074	\$ 1,107	\$ 1,130	\$ 1,150	\$ 4,461	\$ 1,016	\$ 1,091	\$ 1,096		\$ 3,203
Operating income (loss)	(49)	3	36	8	(2)	(33)	(8)	(40)		(81)
Interest expense	(14)	(13)	(12)	(12)	(51)	(12)	(11)	(12)		(35)
Other income (expense), net	18	(65)	5	(20)	(62)	(13)	20	(65)		(58)
Net income (loss) including noncontrolling interests	(5)	(44)	(588)	(2)	(639)	(50)	-	(116)		(166)
Net income (loss) attributable to noncontrolling interests	-	(1)	-	1	-	-	2	-		2
Net income (loss) attributable to Resolute Forest Products Inc.	(5)	(43)	(588)	(3)	(639)	(50)	(2)	(116)		(168)
Diluted net income (loss) per common share	\$ (0.05)	\$ (0.45)	\$ (6.22)	\$ (0.03)	\$ (6.75)	\$ (0.53)	\$ (0.02)	\$ (1.23)		\$ (1.78)

Dividends declared per common share

Average diluted shares outstanding (in thousands)

Ending shares outstanding (in thousands)

Financial Position

Cash and cash equivalents	\$ 215	\$ 248	\$ 271	\$ 322	\$ 322	\$ 240	\$ 263	\$ 265		\$ 265
Working capital ⁽¹⁾	837	806	797	675	675	705	695	704		704
Fixed assets, net	2,386	2,354	2,330	2,289	2,289	2,256	2,184	2,098		2,098
Total assets	6,240	6,148	5,555	5,385	5,385	5,257	5,247	5,036		5,036
Current portion of long-term debt	3	2	7	2	2	1	1	1		1
Long-term debt, net of current portion	529	602	597	597	597	597	597	597		597
Net debt ⁽²⁾	317	356	333	277	277	358	335	333		333
Total Resolute Forest Products Inc. shareholders' equity	3,114	3,077	2,534	2,827	2,827	2,801	2,828	2,680		2,680
Noncontrolling interests	14	13	12	12	12	12	14	14		14
Total equity	3,128	3,090	2,546	2,839	2,839	2,813	2,842	2,694		2,694

Cash Flow Information

Cash flows provided by (used in) operations	\$ (20)	\$ 68	\$ 62	\$ 96	\$ 206	\$ (41)	\$ 63	\$ 58		\$ 80
Cash invested in fixed assets	(40)	(46)	(38)	(37)	(161)	(36)	(46)	(60)		(142)
Dispositions of assets	2	1	1	-	4	-	2	4		6
Decrease (increase) in restricted cash	2	1	-	5	8	1	-	-		1
Cash flows provided by (used in) investing activities	(35)	(40)	(38)	(38)	(151)	(34)	(46)	(53)		(133)
Issuance of long-term debt	-	594	-	-	594	-	-	-		-
Premium paid on extinguishment of debt	-	(84)	-	-	(84)	-	-	-		-
Payments of debt	(1)	(496)	-	(6)	(503)	(1)	-	-		(1)
Cash flows provided by (used in) financing activities	7	5	(1)	(7)	4	(1)	(1)	-		(2)

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Dollars in millions, except per unit items

	2013					2014				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Sales										
Newsprint	\$ 356	\$ 364	\$ 376	\$ 377	\$ 1,473	\$ 346	\$ 364	\$ 346		\$ 1,056
Specialty papers	340	338	339	349	1,366	301	325	329		955
Market pulp	240	263	269	281	1,053	234	241	255		730
Wood products	138	142	146	143	569	135	161	166		462
Total sales	\$ 1,074	\$ 1,107	\$ 1,130	\$ 1,150	\$ 4,461	\$ 1,016	\$ 1,091	\$ 1,096		\$ 3,203
Shipments to 3rd Parties (thousands of units)										
Newsprint (mt)	563	596	616	617	2,392	579	611	584		1,774
Specialty papers (st)	449	459	457	472	1,837	420	452	463		1,335
Market pulp (mt)	374	393	399	417	1,583	335	334	363		1,032
Wood products (mbf)	338	345	417	380	1,480	353	420	422		1,195
Average Transaction Price per Unit										
Newsprint (mt)	\$ 632	\$ 611	\$ 610	\$ 611	\$ 616	\$ 598	\$ 596	\$ 591		\$ 595
Specialty papers (st)	757	736	742	740	744	716	718	712		715
Market pulp (mt)	642	669	674	674	665	696	725	701		707
Wood products (mbf)	408	412	350	376	384	382	384	394		387

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Dollars in millions, except per unit items

	2013					2014				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Operating Income (Loss)										
Newsprint	\$ (2)	\$ 10	\$ 13	\$ 19	\$ 40	\$ (15)	\$ 18	\$ 5		\$ 8
Specialty papers	8	2	14	11	35	(24)	(3)	6		(21)
Market pulp	(5)	10	21	16	42	8	24	21		53
Wood products	16	16	-	9	41	12	15	24		51
Corporate / other	(66)	(35)	(12)	(47)	(160)	(14)	(62)	(96)		(172)
Total operating income (loss)	\$ (49)	\$ 3	\$ 36	\$ 8	\$ (2)	\$ (33)	\$ (8)	\$ (40)		\$ (81)
Selling, General And Administrative expenses										
Newsprint	\$ 13	\$ 14	\$ 12	\$ 11	\$ 50	\$ 12	\$ 14	\$ 14		\$ 40
Specialty papers	10	10	10	9	39	9	9	10		28
Market pulp	9	9	8	7	33	8	9	9		26
Wood products	5	5	5	5	20	5	6	6		17
Corporate / other	7	6	3	8	24	2	3	2		7
Total selling, general and administrative expenses	\$ 44	\$ 44	\$ 38	\$ 40	\$ 166	\$ 36	\$ 41	\$ 41		\$ 118
Operating Cost per Unit										
Newsprint (mt)	\$ 636	\$ 594	\$ 589	\$ 579	\$ 599	\$ 623	\$ 568	\$ 582		\$ 591
Specialty papers (st)	737	734	710	718	725	774	723	700		731
Market pulp (mt)	657	644	620	639	640	674	652	645		656
Wood products (mbf)	360	365	350	353	356	347	350	337		344
Product Inventory (thousands of units)										
Newsprint (mt)	110	107	109	99	99	125	142	123		123
Specialty papers (st)	93	82	95	96	96	99	114	122		122
Market pulp (mt)	113	98	102	81	81	100	115	94		94
Wood products (mbf)	122	149	107	123	123	176	154	124		124

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Dollars in millions	2013					2014				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Net income (loss) including noncontrolling interests										
Newsprint	\$ (2)	\$ 10	\$ 13	\$ 19	\$ 40	\$ (15)	\$ 18	\$ 5		\$ 8
Specialty papers	8	2	14	11	35	(24)	(3)	6		(21)
Market pulp	(5)	10	21	16	42	8	24	21		53
Wood products	16	16	-	9	41	12	15	24		51
Corporate / other	(22)	(82)	(636)	(57)	(797)	(31)	(54)	(172)		(257)
Total net income (loss) including noncontrolling interests	\$ (5)	\$ (44)	\$ (588)	\$ (2)	\$ (639)	\$ (50)	\$ -	\$ (116)		\$ (166)
Interest expense	\$ 14	\$ 13	\$ 12	\$ 12	\$ 51	\$ 12	\$ 11	\$ 12		\$ 35
Income tax provision (benefit)	\$ (40)	\$ (31)	\$ 617	\$ (22)	\$ 524	\$ (8)	\$ 1	\$ (1)		\$ (8)
Depreciation and Amortization										
Newsprint	\$ 18	\$ 18	\$ 18	\$ 19	\$ 73	\$ 18	\$ 17	\$ 17		\$ 52
Specialty papers	19	19	19	20	77	22	22	20		64
Market pulp	13	13	13	13	52	13	13	13		39
Wood products	9	9	9	9	36	8	8	8		24
Corporate / other	1	2	2	-	5	1	2	2		5
Total depreciation and amortization	\$ 60	\$ 61	\$ 61	\$ 61	\$ 243	\$ 62	\$ 62	\$ 60		\$ 184
EBITDA ⁽³⁾										
Newsprint	\$ 16	\$ 28	\$ 31	\$ 38	\$ 113	\$ 3	\$ 35	\$ 22		\$ 60
Specialty papers	27	21	33	31	112	(2)	19	26		43
Market pulp	8	23	34	29	94	21	37	34		92
Wood products	25	25	9	18	77	20	23	32		75
Corporate / other	(47)	(98)	(5)	(67)	(217)	(26)	(40)	(159)		(225)
Total EBITDA	\$ 29	\$ (1)	\$ 102	\$ 49	\$ 179	\$ 16	\$ 74	\$ (45)		\$ 45
Special Items ⁽³⁾										
Foreign currency translation (gain) loss	\$ 5	\$ 7	\$ (3)	\$ 15	\$ 24	\$ 14	\$ (17)	\$ 17		\$ 14
Closure costs, impairment and other related charges	40	12	4	33	89	10	52	85		147
Inventory write-downs related to closures	4	1	-	6	11	1	3	6		10
(Gain) loss on disposition of assets	-	(2)	-	-	(2)	-	(2)	-		(2)
Net loss on extinguishment of debt	-	59	-	-	59	-	-	-		-
Write-down of equity method investment	-	-	-	-	-	-	-	50		50
Transaction costs	3	2	-	1	6	-	-	-		-
Start-up costs	15	13	3	1	32	-	1	1		2
Other (income) expense, net	(23)	(1)	(2)	5	(21)	(1)	(3)	(2)		(6)
Total Special Items	\$ 44	\$ 91	\$ 2	\$ 61	\$ 198	\$ 24	\$ 34	\$ 157		\$ 215
Adjusted EBITDA ⁽³⁾										
Newsprint	\$ 16	\$ 28	\$ 31	\$ 38	\$ 113	\$ 3	\$ 35	\$ 22		\$ 60
Specialty papers	27	21	33	31	112	(2)	19	26		43
Market pulp	8	23	34	29	94	21	37	34		92
Wood products	25	25	9	18	77	20	23	32		75
Corporate / other	(3)	(7)	(3)	(6)	(19)	(2)	(6)	(2)		(10)
Total Adjusted EBITDA	\$ 73	\$ 90	\$ 104	\$ 110	\$ 377	\$ 40	\$ 108	\$ 112		\$ 260

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Notes

¹ The Company defines Working capital as current assets less current liabilities excluding cash and cash equivalents and debt.

² The Company defines Net debt as total debt less cash and cash equivalents.

³ The Company defines EBITDA by reportable segment as net income (loss) including non-controlling interests from our Consolidated Statements of Operations, allocated to our reportable segments (newsprint, specialty papers, market pulp and wood products) in accordance with FASB ASC 290, "Segment Reporting," adjusted for depreciation and amortization. In addition, EBITDA for the Corporate and Other segment is defined as net income (loss) including non-controlling interests from our Consolidated Statements of Operations after allocation to our reportable segments, adjusted for interest expense, income taxes and depreciation and amortization.

We define Adjusted EBITDA as EBITDA excluding special items. Special items include foreign currency translation gains and losses, net loss on extinguishment of debt, write-down of equity method investment, closure costs, impairment and other related charges, inventory write-downs related to closures, start-up costs, gains and losses on disposition of assets, transaction costs 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 reportable segments and the Company's performance. Therefore, this non-GAAP measure is consistent with our internal presentation. We believe that this measure is useful because it allows the reader to more easily compare our ongoing financial performance from period to period. This non-GAAP measure should be considered in addition to and not 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.