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	2016 ⁽¹⁾					2017 ⁽¹⁾				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
<i>(in millions, except per share amounts and otherwise indicated)</i>										
Income Statement Data										
Sales	\$ 877	\$ 891	\$ 888	\$ 889	\$ 3,545	\$ 872	\$ 858	\$ 885		\$ 2,615
Operating income (loss)	-	(18)	10	(18)	(26)	(6)	(47)	48		(5)
Interest expense	(10)	(9)	(10)	(9)	(38)	(11)	(12)	(13)		(36)
Other income (expense), net	13	-	1	(7)	7	-	5	6		11
Net income (loss) including noncontrolling interests	(7)	(40)	15	(44)	(76)	(46)	(73)	26		(93)
Net income (loss) attributable to noncontrolling interests	1	2	1	1	5	1	1	2		4
Net income (loss) attributable to Resolute Forest Products Inc.	(8)	(42)	14	(45)	(81)	(47)	(74)	24		(97)
Diluted net income (loss) per share attributable to Resolute Forest Products Inc. common shareholders	\$ (0.09)	\$ (0.47)	\$ 0.15	\$ (0.50)	\$ (0.90)	\$ (0.52)	\$ (0.82)	\$ 0.26		\$ (1.07)
Dividends declared per common share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Average diluted shares outstanding (in thousands)	89,610	89,818	90,392	90,068	89,882	90,195	90,344	91,639		90,390
Ending shares outstanding (in thousands)	89,493	89,505	89,507	89,751	89,751	89,751	89,751	89,798		89,798
Financial Position										
Cash and cash equivalents	\$ 37	\$ 40	\$ 55	\$ 35	\$ 35	\$ 39	\$ 44	\$ 38		\$ 38
Working capital ⁽²⁾	620	573	578	580	580	630	580	608		608
Fixed assets, net	1,811	1,801	1,839	1,842	1,842	1,866	1,779	1,737		1,737
Total assets	4,289	4,245	4,312	4,277	4,277	4,335	4,171	4,232		4,232
Current portion of long-term debt	1	1	1	1	1	1	1	-		-
Long-term debt, net of current portion	610	610	726	761	761	880	839	832		832
Net debt ⁽³⁾	574	571	672	727	727	842	796	794		794
Liquidity ⁽⁴⁾	443	452	520	468	468	380	414	400		400
Total Resolute Forest Products Inc. shareholders' equity	1,932	1,899	1,919	1,693	1,693	1,655	1,590	1,607		1,607
Noncontrolling interests	14	16	17	18	18	19	20	22		22
Total equity	1,946	1,915	1,936	1,711	1,711	1,674	1,610	1,629		1,629
Cash Flow Information										
Cash flows provided by (used in) operations	\$ 6	\$ 63	\$ (18)	\$ 30	\$ 81	\$ (39)	\$ 99	\$ 39		\$ 99
Cash invested in fixed assets	(47)	(52)	(78)	(72)	(249)	(69)	(47)	(20)		(136)
Dispositions of assets	5	-	-	-	5	-	-	3		3
Decrease (increase) in countervailing duty cash deposits on supercalendered paper	(6)	(6)	(5)	(6)	(23)	(5)	(7)	(5)		(17)
Decrease (increase) in countervailing and anti-dumping duty cash deposits on softwood lumber	-	-	-	-	-	-	(4)	(14)		(18)
Cash flows provided by (used in) investing activities	(48)	(59)	(82)	(84)	(273)	(75)	(54)	(39)		(168)
Issuance of long-term debt	-	-	46	-	46	-	-	-		-
Net borrowings under revolving credit facilities	20	-	70	35	125	118	(41)	(7)		70
Cash flows provided by (used in) financing activities	20	(1)	115	35	169	118	(41)	(8)		69

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	2016 ⁽¹⁾					2017 ⁽¹⁾				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
<i>(in millions, except per unit items and otherwise indicated)</i>										
Sales										
Market pulp	\$ 211	\$ 210	\$ 198	\$ 217	\$ 836	\$ 209	\$ 213	\$ 227		\$ 649
Tissue	23	24	23	19	89	20	20	21		61
Wood products	119	145	168	164	596	177	197	219		593
Newsprint	257	257	242	253	1,009	226	201	199		626
Specialty papers	267	255	257	236	1,015	240	227	219		686
Total sales	\$ 877	\$ 891	\$ 888	\$ 889	\$ 3,545	\$ 872	\$ 858	\$ 885		\$ 2,615
Shipments to Third Parties (thousands of units)										
Market pulp (mt)	352	345	323	368	1,388	353	336	348		1,037
Tissue (st)	15	16	15	12	58	14	15	15		44
Wood products (mbf)	390	445	506	503	1,844	505	509	531		1,545
Newsprint (mt)	519	510	470	493	1,992	443	397	388		1,228
Specialty papers (st)	393	382	384	355	1,514	364	349	333		1,046
Average Transaction Price per Unit										
Market pulp (\$/mt)	\$ 601	\$ 607	\$ 610	\$ 592	\$ 602	\$ 593	\$ 632	\$ 650		\$ 625
Tissue (\$/st)	1,489	1,560	1,549	1,521	1,530	1,391	1,395	1,395		1,393
Wood products (\$/mbf)	306	325	331	327	323	350	386	413		384
Newsprint (\$/mt)	495	504	515	512	506	510	509	511		510
Specialty papers (\$/st)	679	668	672	665	671	659	651	659		656

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(in millions, except per unit items and otherwise indicated)

	2016 ⁽¹⁾					2017 ⁽¹⁾				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Operating Income (Loss)										
Market pulp	\$ 19	\$ 10	\$ 4	\$ 4	\$ 37	\$ 7	\$ 16	\$ 19		\$ 42
Tissue	(2)	(4)	(5)	1	(10)	-	(1)	(3)		(4)
Wood products	(4)	20	36	17	69	20	45	64		129
Newsprint	(5)	(4)	(8)	1	(16)	(4)	(7)	(6)		(17)
Specialty papers	5	15	(4)	3	19	4	(7)	7		4
Corporate and other	(13)	(55)	(13)	(44)	(125)	(33)	(93)	(33)		(159)
Total operating income (loss)	\$ -	\$ (18)	\$ 10	\$ (18)	\$ (26)	\$ (6)	\$ (47)	\$ 48		\$ (5)
Selling, General and Administrative Expenses										
Market pulp	\$ 7	\$ 7	\$ 8	\$ 6	\$ 28	\$ 8	\$ 8	\$ 9		\$ 25
Tissue	2	3	2	2	9	2	1	2		5
Wood products	5	7	6	4	22	6	7	7		20
Newsprint	10	9	10	8	37	10	8	10		28
Specialty papers	6	7	7	5	25	7	6	7		20
Corporate and other	8	7	4	9	28	10	7	8		25
Total selling, general and administrative expenses	\$ 38	\$ 40	\$ 37	\$ 34	\$ 149	\$ 43	\$ 37	\$ 43		\$ 123
Operating Cost per Unit										
Market pulp (\$/mt)	\$ 547	\$ 579	\$ 597	\$ 579	\$ 575	\$ 575	\$ 583	\$ 595		\$ 584
Tissue (\$/st)	1,643	1,792	1,878	1,367	1,682	1,435	1,429	1,589		1,485
Wood products (\$/mbf)	317	278	263	292	286	310	299	291		300
Newsprint (\$/mt)	505	512	532	513	515	519	525	526		523
Specialty papers (\$/st)	666	629	681	658	658	647	673	639		653
Product Inventory (thousands of units)										
Market pulp (mt)	94	83	100	91	91	92	94	100		100
Tissue (st)	5	3	4	5	5	8	8	10		10
Wood products (mbf)	126	129	121	124	124	147	125	122		122
Newsprint (mt)	104	96	105	105	105	107	114	98		98
Specialty papers (st)	78	88	75	92	92	100	93	86		86

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(in millions)	2016 ⁽¹⁾					2017 ⁽¹⁾				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Net Income (Loss) Including Noncontrolling Interests										
Market pulp	\$ 19	\$ 10	\$ 4	\$ 4	\$ 37	\$ 7	\$ 16	\$ 19		\$ 42
Tissue	(2)	(4)	(5)	1	(10)	-	(1)	(3)		(4)
Wood products	(4)	20	36	17	69	20	45	64		129
Newsprint	(5)	(4)	(8)	1	(16)	(4)	(7)	(6)		(17)
Specialty papers	5	15	(4)	3	19	4	(7)	7		4
Corporate and other	(20)	(77)	(8)	(70)	(175)	(73)	(119)	(55)		(247)
Total net income (loss) including noncontrolling interests	\$ (7)	\$ (40)	\$ 15	\$ (44)	\$ (76)	\$ (46)	\$ (73)	\$ 26		\$ (93)
Interest Expense	\$ 10	\$ 9	\$ 10	\$ 9	\$ 38	\$ 11	\$ 12	\$ 13		\$ 36
Income Tax Provision (Benefit)	\$ 10	\$ 13	\$ (14)	\$ 10	\$ 19	\$ 29	\$ 19	\$ 15		\$ 63
Depreciation and Amortization										
Market pulp	\$ 7	\$ 11	\$ 10	\$ 9	\$ 37	\$ 8	\$ 8	\$ 8		\$ 24
Tissue	2	2	2	(1)	5	1	1	2		4
Wood products	7	9	7	8	31	9	7	9		25
Newsprint	20	19	17	18	74	16	17	16		49
Specialty papers	13	10	11	11	45	12	11	11		34
Corporate and other	3	3	4	4	14	5	6	6		17
Total depreciation and amortization	\$ 52	\$ 54	\$ 51	\$ 49	\$ 206	\$ 51	\$ 50	\$ 52		\$ 153
EBITDA ⁽⁵⁾										
Market pulp	\$ 26	\$ 21	\$ 14	\$ 13	\$ 74	\$ 15	\$ 24	\$ 27		\$ 66
Tissue	-	(2)	(3)	-	(5)	1	-	(1)		-
Wood products	3	29	43	25	100	29	52	73		154
Newsprint	15	15	9	19	58	12	10	10		32
Specialty papers	18	25	7	14	64	16	4	18		38
Corporate and other	3	(52)	(8)	(47)	(104)	(28)	(82)	(21)		(131)
Total EBITDA	\$ 65	\$ 36	\$ 62	\$ 24	\$ 187	\$ 45	\$ 8	\$ 106		\$ 159
Special Items ⁽⁵⁾										
Foreign exchange (gain) loss	\$ (6)	\$ 3	\$ -	\$ 10	\$ 7	\$ -	\$ (3)	\$ (7)		\$ (10)
Closure costs, impairment and other related charges	-	37	-	25	62	7	65	10		82
Inventory write-downs related to closures	-	5	-	2	7	4	9	11		24
Net (gain) loss on disposition of assets	(2)	-	-	-	(2)	-	-	(2)		(2)
Non-operating pension and OPEB costs (credits)	2	2	2	2	8	(3)	(1)	(4)		(8)
Start-up costs	3	1	1	3	8	8	7	3		18
Other (income) expense, net	(7)	(3)	(1)	(3)	(14)	-	(2)	1		(1)
Total special items	\$ (10)	\$ 45	\$ 2	\$ 39	\$ 76	\$ 16	\$ 75	\$ 12		\$ 103
Adjusted EBITDA ⁽⁵⁾										
Market pulp	\$ 26	\$ 21	\$ 14	\$ 13	\$ 74	\$ 15	\$ 24	\$ 27		\$ 66
Tissue	-	(2)	(3)	-	(5)	1	-	(1)		-
Wood products	3	29	43	25	100	29	52	73		154
Newsprint	15	15	9	19	58	12	10	10		32
Specialty papers	18	25	7	14	64	16	4	18		38
Corporate and other	(7)	(7)	(6)	(8)	(28)	(12)	(7)	(9)		(28)
Total adjusted EBITDA	\$ 55	\$ 81	\$ 64	\$ 63	\$ 263	\$ 61	\$ 83	\$ 118		\$ 262

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Notes

¹ In the first quarter of 2017, we changed our presentation of segment operating income to reallocate the amortization of prior service credits component of pension and other postretirement benefit (or "OPEB") costs from the reportable segments to corporate and other. Current service costs will continue to be allocated to the reportable segments. We now also treat the amortization of prior service credits component of pension and OPEB costs as a special item to be adjusted for purposes of establishing our non-GAAP performance measures, listed below, together with our non-operating pension and OPEB costs and credits. This approach is consistent with the indicators management uses internally to evaluate performance. Prior period amounts have been reclassified to conform to the 2017 presentation.

² We define working capital as current assets less current liabilities excluding cash and cash equivalents and debt.

³ We define net debt as total debt less cash and cash equivalents.

⁴ We define liquidity as cash and cash equivalents and availability under our credit facilities.

⁵ EBITDA by reportable segment is calculated as net income (loss) including noncontrolling interests from the consolidated statements of operations, allocated to each of our reportable segments (market pulp, tissue, wood products, newsprint and specialty papers) in accordance with FASB ASC 290, "Segment Reporting," adjusted for depreciation and amortization. EBITDA for corporate and other is calculated as net income (loss) including noncontrolling interests from the consolidated statements of operations, after the allocation to reportable segments, adjusted for interest expense, income taxes, and depreciation and amortization.

Adjusted EBITDA means EBITDA, excluding special items, such as foreign exchange gains and losses, closure costs, impairment and other related charges, inventory write-downs related to closures, start-up costs, gains and losses on disposition of assets, non-operating pension and OPEB costs and credits and other charges or credits. Special items are allocated to corporate and other.

We believe that using these non-GAAP measures is useful because they are consistent with the indicators management uses internally to measure the Company's performance, and it allows the reader to more easily compare our ongoing operations and financial performance from period to period. EBITDA and adjusted EBITDA are internal measures, and therefore may not be comparable to those of other companies. These non-GAAP measures should not be viewed as substitutes to financial measures determined under GAAP in our consolidated statements of operations in our filings with the SEC.