

Financial and Operating Statistics (Page 1 of 5)

(in millions, except per share amounts and otherwise indicated)	2016 ⁽¹⁾					2017 ⁽¹⁾				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Income Statement Data										
Sales	\$ 877	\$ 891	\$ 888	\$ 889	\$ 3,545	\$ 872				\$ 872
Operating income (loss)	-	(18)	10	(18)	(26)	(6)				(6)
Interest expense	(10)	(9)	(10)	(9)	(38)	(11)				(11)
Other income (expense), net	13	-	1	(7)	7	-				-
Net income (loss) including noncontrolling interests	(7)	(40)	15	(44)	(76)	(46)				(46)
Net income (loss) attributable to noncontrolling interests	1	2	1	1	5	1				1
Net income (loss) attributable to Resolute Forest Products Inc.	(8)	(42)	14	(45)	(81)	(47)				(47)
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)				\$ (0.52)
Dividends declared per common share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
Average diluted shares outstanding (in thousands)	89,610	89,818	90,392	90,068	89,882	90,195				90,195
Ending shares outstanding (in thousands)	89,493	89,505	89,507	89,751	89,751	89,751				89,751
Financial Position										
Cash and cash equivalents	\$ 37	\$ 40	\$ 55	\$ 35	\$ 35	\$ 39				\$ 39
Working capital ⁽²⁾	620	573	578	580	580	630				630
Fixed assets, net	1,811	1,801	1,839	1,842	1,842	1,866				1,866
Total assets	4,289	4,245	4,312	4,277	4,277	4,335				4,335
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				880
Net debt ⁽³⁾	574	571	672	727	727	842				842
Liquidity ⁽⁴⁾	443	452	520	468	468	380				380
Total Resolute Forest Products Inc. shareholders' equity	1,932	1,899	1,919	1,693	1,693	1,655				1,655
Noncontrolling interests	14	16	17	18	18	19				19
Total equity	1,946	1,915	1,936	1,711	1,711	1,674				1,674
Cash Flow Information										
Cash flows provided by (used in) operations	\$ 6	\$ 63	\$ (18)	\$ 30	\$ 81	\$ (39)				\$ (39)
Cash invested in fixed assets	(47)	(52)	(78)	(72)	(249)	(69)				(69)
Dispositions of assets	5	-	-	-	5	-				-
Decrease (increase) in countervailing duty cash deposits	(6)	(6)	(5)	(6)	(23)	(5)				(5)
Cash flows provided by (used in) investing activities	(48)	(59)	(82)	(84)	(273)	(75)				(75)
Issuance of long-term debt	-	-	46	-	46	-				-
Net borrowings under revolving credit facilities	20	-	70	35	125	118				118
Cash flows provided by (used in) financing activities	20	(1)	115	35	169	118				118

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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				\$ 209
Tissue	23	24	23	19	89	20				20
Wood products	119	145	168	164	596	177				177
Newsprint	257	257	242	253	1,009	226				226
Specialty papers	267	255	257	236	1,015	240				240
Total sales	\$ 877	\$ 891	\$ 888	\$ 889	\$ 3,545	\$ 872				\$ 872
Shipments to 3rd Parties (thousands of units)										
Market pulp (mt)	352	345	323	368	1,388	353				353
Tissue (st)	15	16	15	12	58	14				14
Wood products (mbf)	390	445	506	503	1,844	505				505
Newsprint (mt)	519	510	470	493	1,992	443				443
Specialty papers (st)	393	382	384	355	1,514	364				364
Average Transaction Price per Unit										
Market pulp (\$/mt)	\$ 601	\$ 607	\$ 610	\$ 592	\$ 602	\$ 593				\$ 593
Tissue (\$/st)	1,489	1,560	1,549	1,521	1,530	1,391				1,391
Wood products (\$/mbf)	306	325	331	327	323	350				350
Newsprint (\$/mt)	495	504	515	512	506	510				510
Specialty papers (\$/st)	679	668	672	665	671	659				659

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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>										
Operating Income (Loss)										
Market pulp	\$ 19	\$ 10	\$ 4	\$ 4	\$ 37	\$ 7				\$ 7
Tissue	(2)	(4)	(5)	1	(10)	-				-
Wood products	(4)	20	36	17	69	20				20
Newsprint	(5)	(4)	(8)	1	(16)	(4)				(4)
Specialty papers	5	15	(4)	3	19	4				4
Corporate and other	(13)	(55)	(13)	(44)	(125)	(33)				(33)
Total operating income (loss)	\$ -	\$ (18)	\$ 10	\$ (18)	\$ (26)	\$ (6)				\$ (6)
Selling, General and Administrative Expenses										
Market pulp	\$ 7	\$ 7	\$ 8	\$ 6	\$ 28	\$ 8				\$ 8
Tissue	2	3	2	2	9	2				2
Wood products	5	7	6	4	22	6				6
Newsprint	10	9	10	8	37	10				10
Specialty papers	6	7	7	5	25	7				7
Corporate and other	8	7	4	9	28	10				10
Total selling, general and administrative expenses	\$ 38	\$ 40	\$ 37	\$ 34	\$ 149	\$ 43				\$ 43
Operating Cost per Unit										
Market pulp (\$/mt)	\$ 547	\$ 579	\$ 597	\$ 579	\$ 575	\$ 575				\$ 575
Tissue (\$/st)	1,643	1,792	1,878	1,367	1,682	1,435				1,435
Wood products (\$/mbf)	317	278	263	292	286	310				310
Newsprint (\$/mt)	505	512	532	513	515	519				519
Specialty papers (\$/st)	666	629	681	658	658	647				647
Product Inventory (thousands of units)										
Market pulp (mt)	94	83	100	91	91	92				92
Tissue (st)	5	3	4	5	5	8				8
Wood products (mbf)	126	129	121	124	124	147				147
Newsprint (mt)	104	96	105	105	105	107				107
Specialty papers (st)	78	88	75	92	92	100				100

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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				\$ 7
Tissue	(2)	(4)	(5)	1	(10)	-				-
Wood products	(4)	20	36	17	69	20				20
Newsprint	(5)	(4)	(8)	1	(16)	(4)				(4)
Specialty papers	5	15	(4)	3	19	4				4
Corporate and other	(20)	(77)	(8)	(70)	(175)	(73)				(73)
Total net income (loss) including noncontrolling interests	\$ (7)	\$ (40)	\$ 15	\$ (44)	\$ (76)	\$ (46)				\$ (46)
Interest Expense	\$ 10	\$ 9	\$ 10	\$ 9	\$ 38	\$ 11				\$ 11
Income Tax Provision (Benefit)	\$ 10	\$ 13	\$ (14)	\$ 10	\$ 19	\$ 29				\$ 29
Depreciation and Amortization										
Market pulp	\$ 7	\$ 11	\$ 10	\$ 9	\$ 37	\$ 8				\$ 8
Tissue	2	2	2	(1)	5	1				1
Wood products	7	9	7	8	31	9				9
Newsprint	20	19	17	18	74	16				16
Specialty papers	13	10	11	11	45	12				12
Corporate and other	3	3	4	4	14	5				5
Total depreciation and amortization	\$ 52	\$ 54	\$ 51	\$ 49	\$ 206	\$ 51				\$ 51
EBITDA ⁽⁵⁾										
Market pulp	\$ 26	\$ 21	\$ 14	\$ 13	\$ 74	\$ 15				\$ 15
Tissue	-	(2)	(3)	-	(5)	1				1
Wood products	3	29	43	25	100	29				29
Newsprint	15	15	9	19	58	12				12
Specialty papers	18	25	7	14	64	16				16
Corporate and other	3	(52)	(8)	(47)	(104)	(28)				(28)
Total EBITDA	\$ 65	\$ 36	\$ 62	\$ 24	\$ 187	\$ 45				\$ 45
Special Items ⁽⁵⁾										
Foreign currency translation (gain) loss	\$ (6)	\$ 3	\$ -	\$ 10	\$ 7	\$ -				\$ -
Closure costs, impairment and other related charges	-	37	-	25	62	7				7
Inventory write-downs related to closures	-	5	-	2	7	4				4
Net (gain) loss on disposition of assets	(2)	-	-	-	(2)	-				-
Non-operating pension and OPEB costs (credits)	2	2	2	2	8	(3)				(3)
Start-up costs	3	1	1	3	8	8				8
Other (income) expense, net	(7)	(3)	(1)	(3)	(14)	-				-
Total special items	\$ (10)	\$ 45	\$ 2	\$ 39	\$ 76	\$ 16				\$ 16
Adjusted EBITDA ⁽⁵⁾										
Market pulp	\$ 26	\$ 21	\$ 14	\$ 13	\$ 74	\$ 15				\$ 15
Tissue	-	(2)	(3)	-	(5)	1				1
Wood products	3	29	43	25	100	29				29
Newsprint	15	15	9	19	58	12				12
Specialty papers	18	25	7	14	64	16				16
Corporate and other	(7)	(7)	(6)	(8)	(28)	(12)				(12)
Total adjusted EBITDA	\$ 55	\$ 81	\$ 64	\$ 63	\$ 263	\$ 61				\$ 61

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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 revolving 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 currency translation 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.