

Financial and Operating Statistics (Page 1 of 5)

(in millions, except per share amounts and otherwise indicated)	2017					2018				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Income Statement Data										
Sales	\$ 872	\$ 858	\$ 885	\$ 898	\$ 3,513	\$ 874				\$ 874
Operating income (loss) ⁽¹⁾	(9)	(48)	46	53	42	48				48
Interest expense	(11)	(12)	(13)	(13)	(49)	(13)				(13)
Net income (loss) including noncontrolling interests	(46)	(73)	26	15	(78)	10				10
Net income (loss) attributable to noncontrolling interests	1	1	2	2	6	-				-
Net income (loss) attributable to Resolute Forest Products Inc.	(47)	(74)	24	13	(84)	10				10
Diluted net income (loss) per share attributable to Resolute Forest Products Inc. common shareholders	\$ (0.52)	\$ (0.82)	\$ 0.26	\$ 0.14	\$ (0.93)	\$ 0.11				\$ 0.11
Dividends declared per common share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
Average diluted shares outstanding (in thousands)	90,195	90,344	91,639	93,032	90,474	92,999				92,999
Ending shares outstanding (in thousands)	89,751	89,751	89,798	90,197	90,197	90,315				90,315
Financial Position										
Cash and cash equivalents	\$ 39	\$ 44	\$ 38	\$ 6	\$ 6	\$ 13				\$ 13
Working capital ⁽²⁾	630	580	608	618	618	626				626
Fixed assets, net	1,866	1,779	1,737	1,716	1,716	1,684				1,684
Total assets	4,335	4,171	4,232	4,147	4,147	4,122				4,122
Current portion of long-term debt	1	1	-	1	1	1				1
Long-term debt, net of current portion	880	839	832	788	788	778				778
Net debt ⁽³⁾	842	796	794	783	783	766				766
Liquidity ⁽⁴⁾	380	414	400	418	418	452				452
Total Resolute Forest Products Inc. shareholders' equity	1,655	1,590	1,607	1,599	1,599	1,615				1,615
Noncontrolling interests	19	20	22	1	1	1				1
Total equity	1,674	1,610	1,629	1,600	1,600	1,616				1,616
Cash Flow Information										
Cash flows provided by (used in) operations	\$ (39)	\$ 99	\$ 39	\$ 59	\$ 158	\$ 62				\$ 62
Cash invested in fixed assets	(69)	(47)	(20)	(28)	(164)	(25)				(25)
Dispositions of assets	-	-	3	18	21	-				-
Decrease (increase) in countervailing duty cash deposits on supercalendered paper	(5)	(7)	(5)	(5)	(22)	(5)				(5)
Decrease (increase) in countervailing and anti-dumping duty cash deposits on softwood lumber	-	(4)	(14)	(8)	(26)	(14)				(14)
Decrease (increase) in countervailing duty cash deposits on uncoated groundwood paper	-	-	-	-	-	(2)				(2)
Cash flows provided by (used in) investing activities	(75)	(54)	(39)	(24)	(192)	(46)				(46)
Net borrowings (repayments) under revolving credit facilities	118	(41)	(7)	(51)	19	(9)				(9)
Cash flows provided by (used in) financing activities	118	(41)	(8)	(66)	3	(10)				(10)

Financial and Operating Statistics (Page 2 of 5)

	2017					2018				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
<i>(in millions, except per unit items and otherwise indicated)</i>										
Sales										
Market pulp	\$ 209	\$ 213	\$ 227	\$ 262	\$ 911	\$ 257				\$ 257
Tissue	20	20	21	20	81	22				22
Wood products	177	197	219	204	797	209				209
Newsprint	226	201	199	216	842	198				198
Specialty papers	240	227	219	196	882	188				188
Total sales	\$ 872	\$ 858	\$ 885	\$ 898	\$ 3,513	\$ 874				\$ 874
Shipments to Third Parties (thousands of units)										
Market pulp (mt)	353	336	348	388	1,425	362				362
Tissue (st)	13	13	14	13	53	15				15
Wood products (mbf)	505	509	531	466	2,011	455				455
Newsprint (mt)	443	397	388	410	1,638	355				355
Specialty papers (st)	364	349	333	297	1,343	279				279
Average Transaction Price per Unit										
Market pulp (\$/mt)	\$ 593	\$ 632	\$ 650	\$ 678	\$ 639	\$ 710				\$ 710
Tissue (\$/st)	1,543	1,541	1,492	1,542	1,529	1,480				1,480
Wood products (\$/mbf)	350	386	413	438	396	459				459
Newsprint (\$/mt)	510	509	511	525	514	558				558
Specialty papers (\$/st)	659	651	659	660	657	675				675

Financial and Operating Statistics (Page 3 of 5)

	2017					2018				
	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	\$ 7	\$ 16	\$ 19	\$ 37	\$ 79	\$ 33				\$ 33
Tissue	-	(1)	(3)	(2)	(6)	(1)				(1)
Wood products	20	45	64	57	186	53				53
Newsprint	(4)	(7)	(6)	(6)	(23)	(4)				(4)
Specialty papers	4	(7)	7	(13)	(9)	(7)				(7)
Corporate and other ⁽¹⁾	(36)	(94)	(35)	(20)	(185)	(26)				(26)
Total operating income (loss) ⁽¹⁾	\$ (9)	\$ (48)	\$ 46	\$ 53	\$ 42	\$ 48				\$ 48
Selling, General and Administrative Expenses										
Market pulp	\$ 8	\$ 8	\$ 9	\$ 7	\$ 32	\$ 9				\$ 9
Tissue	2	1	2	1	6	1				1
Wood products	6	7	7	6	26	7				7
Newsprint	10	8	10	10	38	9				9
Specialty papers	7	6	7	7	27	7				7
Corporate and other ⁽¹⁾	9	7	8	17	41	10				10
Total selling, general and administrative expenses ⁽¹⁾	\$ 42	\$ 37	\$ 43	\$ 48	\$ 170	\$ 43				\$ 43
Operating Cost per Unit										
Market pulp (\$/mt)	\$ 575	\$ 583	\$ 595	\$ 583	\$ 584	\$ 619				\$ 619
Tissue (\$/st)	1,592	1,579	1,700	1,697	1,642	1,585				1,585
Wood products (\$/mbf)	310	299	291	318	304	342				342
Newsprint (\$/mt)	519	525	526	540	528	568				568
Specialty papers (\$/st)	647	673	639	703	664	698				698
Operating Cost per Unit, Excluding Depreciation and Amortization										
Market pulp (\$/mt)	\$ 551	\$ 561	\$ 572	\$ 565	\$ 562	\$ 600				\$ 600
Tissue (\$/st)	1,504	1,489	1,593	1,614	1,550	1,508				1,508
Wood products (\$/mbf)	293	284	276	299	287	325				325
Newsprint (\$/mt)	483	484	485	498	488	524				524
Specialty papers (\$/st)	615	640	605	667	630	657				657
Product Inventory (thousands of units)										
Market pulp (mt)	92	94	100	89	89	91				91
Tissue (st)	8	8	8	11	11	11				11
Wood products (mbf)	147	125	122	124	124	140				140
Newsprint (mt)	107	114	98	78	78	93				93
Specialty papers (st)	100	93	86	66	66	68				68

Financial and Operating Statistics (Page 4 of 5)

(in millions)	2017					2018				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Net Income (Loss) Including Noncontrolling Interests										
Market pulp	\$ 7	\$ 16	\$ 19	\$ 37	\$ 79	\$ 33				\$ 33
Tissue	-	(1)	(3)	(2)	(6)	(1)				(1)
Wood products	20	45	64	57	186	53				53
Newsprint	(4)	(7)	(6)	(6)	(23)	(4)				(4)
Specialty papers	4	(7)	7	(13)	(9)	(7)				(7)
Corporate and other	(73)	(119)	(55)	(58)	(305)	(64)				(64)
Total net income (loss) including noncontrolling interests	\$ (46)	\$ (73)	\$ 26	\$ 15	\$ (78)	\$ 10				\$ 10
Interest Expense	\$ 11	\$ 12	\$ 13	\$ 13	\$ 49	\$ 13				\$ 13
Income Tax Provision (Benefit)	\$ 29	\$ 19	\$ 15	\$ 21	\$ 84	\$ 31				\$ 31
Depreciation and Amortization										
Market pulp	\$ 8	\$ 8	\$ 8	\$ 7	\$ 31	\$ 7				\$ 7
Tissue	1	1	2	1	5	1				1
Wood products	9	7	9	8	33	8				8
Newsprint	16	17	16	17	66	16				16
Specialty papers	12	11	11	11	45	12				12
Corporate and other	5	6	6	7	24	9				9
Total depreciation and amortization	\$ 51	\$ 50	\$ 52	\$ 51	\$ 204	\$ 53				\$ 53
EBITDA ⁽⁶⁾										
Market pulp	\$ 15	\$ 24	\$ 27	\$ 44	\$ 110	\$ 40				\$ 40
Tissue	1	-	(1)	(1)	(1)	-				-
Wood products	29	52	73	65	219	61				61
Newsprint	12	10	10	11	43	12				12
Specialty papers	16	4	18	(2)	36	5				5
Corporate and other	(28)	(82)	(21)	(17)	(148)	(11)				(11)
Total EBITDA	\$ 45	\$ 8	\$ 106	\$ 100	\$ 259	\$ 107				\$ 107
Special Items ⁽⁶⁾										
Foreign exchange (gain) loss	\$ -	\$ (3)	\$ (7)	\$ 1	\$ (9)	\$ 1				\$ 1
Closure costs, impairment and other related charges ⁽¹⁾	7	65	8	2	82	-				-
(Reversal of) inventory write-downs related to closures	4	9	11	-	24	(1)				(1)
Net (gain) loss on disposition of assets	-	-	(2)	(13)	(15)	-				-
Non-operating pension and OPEB costs (credits) ⁽¹⁾	(3)	(1)	(2)	(1)	(7)	(13)				(13)
Start-up costs	8	7	3	9	27	8				8
Other (income) expense, net	-	(2)	1	4	3	6				6
Total special items	\$ 16	\$ 75	\$ 12	\$ 2	\$ 105	\$ 1				\$ 1
Adjusted EBITDA ⁽⁶⁾										
Market pulp	\$ 15	\$ 24	\$ 27	\$ 44	\$ 110	\$ 40				\$ 40
Tissue	1	-	(1)	(1)	(1)	-				-
Wood products	29	52	73	65	219	61				61
Newsprint	12	10	10	11	43	12				12
Specialty papers	16	4	18	(2)	36	5				5
Corporate and other	(12)	(7)	(9)	(15)	(43)	(10)				(10)
Total adjusted EBITDA	\$ 61	\$ 83	\$ 118	\$ 102	\$ 364	\$ 108				\$ 108

Financial and Operating Statistics (Page 5 of 5)

Notes

¹ In March 2017, the FASB issued ASU 2017-07, "Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost," which requires employers that present a measure of operating income in their statements of earnings to disaggregate and present only the service cost component of net periodic pension cost and net periodic OPEB cost in operating expenses (together with other employee compensation costs arising during the period). The other components of the net periodic pension cost and net periodic OPEB cost (or "Non-operating pension and OPEB costs") are reported separately outside any subtotal of operating income. This update is effective retrospectively for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. We adopted this ASU on January 1, 2018.

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.