

Resolute Forest Products



Financial and Operating Statistics (Page 1 of 5)

| | 2012 | | | | | 2013 | | | | |
|--|----------|-----------|----------|-----------|----------|-----------|--------|-------|--------|-----------|
| | First | Second | Third | Fourth | Total | First | Second | Third | Fourth | Total |
| Dollars in millions, except per-share amounts | | | | | | | | | | |
| Income Statement Data | | | | | | | | | | |
| Total sales | \$ 1,054 | \$ 1,168 | \$ 1,153 | \$ 1,128 | \$ 4,503 | \$ 1,074 | | | | \$ 1,074 |
| Operating income (loss) | 26 | (36) | 26 | (46) | (30) | (50) | | | | (50) |
| Interest expense | (16) | (18) | (17) | (15) | (66) | (14) | | | | (14) |
| Other income (expense), net | 13 | (10) | 19 | - | 22 | 18 | | | | 18 |
| Net income (loss) including noncontrolling interests | 33 | (65) | 31 | (35) | (36) | (5) | | | | (5) |
| Net income (loss) attributable to noncontrolling interests | 10 | (45) | - | 1 | (34) | - | | | | - |
| Net income (loss) attributable to Resolute Forest Products | 23 | (20) | 31 | (36) | (2) | (5) | | | | (5) |
| Diluted net income (loss) per common share | \$ 0.23 | \$ (0.20) | \$ 0.32 | \$ (0.38) | \$ 0.02 | \$ (0.05) | | | | \$ (0.05) |
| Dividends declared per common share | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | | | \$ - |
| Average diluted shares outstanding (in thousands) | 97,097 | 98,914 | 98,076 | 96,003 | 97,545 | 94,754 | | | | 94,754 |
| Ending shares outstanding (in thousands) | 97,097 | 98,804 | 96,698 | 94,754 | 94,754 | 94,755 | | | | 94,755 |
| Financial Position | | | | | | | | | | |
| Cash and cash equivalents | \$ 410 | \$ 510 | \$ 343 | \$ 263 | \$ 263 | \$ 215 | | | | \$ 215 |
| Working capital ⁽¹⁾ | 842 | 837 | 864 | 775 | 775 | 825 | | | | 825 |
| Fixed assets, net | 2,484 | 2,500 | 2,487 | 2,440 | 2,440 | 2,386 | | | | 2,386 |
| Total assets | 6,336 | 6,473 | 6,390 | 6,324 | 6,324 | 6,231 | | | | 6,231 |
| Current portion of long-term debt (including short-term bank debt) | - | 98 | 87 | 2 | 2 | 3 | | | | 3 |
| Long-term debt, net of current portion | 620 | 624 | 538 | 532 | 532 | 529 | | | | 529 |
| Net debt ⁽²⁾ | 210 | 212 | 282 | 271 | 271 | 317 | | | | 317 |
| Total Resolute Forest Products shareholders' equity | 3,444 | 3,443 | 3,452 | 3,093 | 3,093 | 3,105 | | | | 3,105 |
| Noncontrolling interests | 70 | 47 | 14 | 23 | 23 | 14 | | | | 14 |
| Total equity | 3,514 | 3,490 | 3,466 | 3,116 | 3,116 | 3,119 | | | | 3,119 |
| Cash Flow Information | | | | | | | | | | |
| Operating income (loss) | \$ 26 | \$ (36) | \$ 26 | \$ (46) | \$ (29) | \$ (50) | | | | \$ (50) |
| Depreciation and amortization | 57 | 58 | 59 | 59 | 233 | 60 | | | | 60 |
| Deferred income taxes | (14) | 11 | (5) | (27) | (35) | (41) | | | | (41) |
| Cash flows provided by (used in) operations | 57 | 116 | 19 | 74 | 266 | (20) | | | | (20) |
| Cash invested in fixed assets | (39) | (19) | (44) | (67) | (169) | (40) | | | | (40) |
| Disposition of our interest in Bowater Mersey Paper Company Limited, net of cash | - | - | - | 14 | 14 | - | | | | - |
| Dispositions of assets | 26 | - | 5 | 5 | 36 | 2 | | | | 2 |
| Acquisition of Fibrek Inc., net of cash acquired | - | (24) | - | - | (24) | - | | | | - |
| Decrease (increase) in restricted cash | 4 | 72 | - | - | 76 | 2 | | | | 2 |
| Cash flows provided by (used in) investing activities | (16) | 29 | (44) | (44) | (75) | (35) | | | | (35) |
| Purchases of treasury stock | - | (12) | (33) | (22) | (67) | - | | | | - |
| Dividends and distributions to noncontrolling interests | - | (1) | (2) | (2) | (5) | - | | | | - |
| Acquisition of noncontrolling interest | - | (17) | (10) | - | (27) | - | | | | - |
| Payments of debt | - | (15) | (97) | (86) | (198) | (1) | | | | (1) |
| Cash flows provided by (used in) financing activities | - | (45) | (142) | (110) | (297) | 7 | | | | 7 |

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| | 2012 | | | | | 2013 | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|-------------|-------------|-----------------|
| | First | Second | Third | Fourth | Total | First | Second | Third | Fourth | Total |
| Dollars in millions, except per unit items | | | | | | | | | | |
| Sales by Segment | | | | | | | | | | |
| Newsprint | \$ 416 | \$ 416 | \$ 404 | \$ 391 | \$ 1,627 | \$ 356 | | | | \$ 356 |
| Coated papers | 128 | 121 | 109 | 97 | 455 | 102 | | | | 102 |
| Specialty papers | 272 | 288 | 279 | 268 | 1,107 | 238 | | | | 238 |
| Market pulp | 127 | 211 | 233 | 243 | 814 | 240 | | | | 240 |
| Wood products | 111 | 132 | 128 | 129 | 500 | 138 | | | | 138 |
| Total sales | \$ 1,054 | \$ 1,168 | \$ 1,153 | \$ 1,128 | \$ 4,503 | \$ 1,074 | \$ - | \$ - | \$ - | \$ 1,074 |
| Shipments to 3rd Parties (thousands of units) | | | | | | | | | | |
| Newsprint (mt) | 633 | 639 | 617 | 602 | 2,491 | 563 | | | | 563 |
| Coated papers (st) | 162 | 154 | 138 | 119 | 573 | 126 | | | | 126 |
| Specialty papers (st) | 363 | 386 | 372 | 360 | 1,481 | 323 | | | | 323 |
| Market pulp (mt) | 199 | 318 | 355 | 382 | 1,254 | 374 | | | | 374 |
| Wood products (mbf) | 367 | 384 | 343 | 348 | 1,442 | 338 | | | | 338 |
| Average Transaction Price per Unit | | | | | | | | | | |
| Newsprint (mt) | \$ 658 | \$ 651 | \$ 655 | \$ 649 | \$ 653 | \$ 632 | | | | \$ 632 |
| Coated papers (st) | 790 | 782 | 792 | 810 | 793 | 810 | | | | 810 |
| Specialty papers (st) | 749 | 747 | 748 | 745 | 747 | 737 | | | | 737 |
| Market pulp (mt) | 636 | 663 | 658 | 635 | 649 | 642 | | | | 642 |
| Wood products (mbf) | 304 | 343 | 372 | 372 | 347 | 408 | | | | 408 |



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| | 2012 | | | | | 2013 | | | | |
|--|--------------|----------------|--------------|----------------|----------------|----------------|-------------|-------------|-------------|----------------|
| | First | Second | Third | Fourth | Total | First | Second | Third | Fourth | Total |
| Dollars in millions, except per unit items | | | | | | | | | | |
| Operating Income (Loss) by Segment | | | | | | | | | | |
| Newsprint | \$ 21 | \$ 32 | \$ 26 | \$ 18 | \$ 97 | \$ (2) | | | | \$ (2) |
| Coated papers | (1) | 4 | 3 | 3 | 9 | (3) | | | | (3) |
| Specialty papers | 15 | 27 | 26 | 8 | 76 | 9 | | | | 9 |
| Market pulp | (21) | (7) | (22) | - | (50) | (4) | | | | (4) |
| Wood products | (6) | 12 | 6 | 14 | 26 | 16 | | | | 16 |
| Corporate / other | 18 | (104) | (13) | (89) | (188) | (66) | | | | (66) |
| Total operating income (loss) by segment | \$ 26 | \$ (36) | \$ 26 | \$ (46) | \$ (30) | \$ (50) | \$ - | \$ - | \$ - | \$ (50) |
| Selling, General And Administrative expenses by Segment | | | | | | | | | | |
| Newsprint | \$ 15 | \$ 14 | \$ 14 | \$ 12 | \$ 55 | \$ 13 | | | | \$ 13 |
| Coated papers | 4 | 3 | 3 | 3 | 13 | 3 | | | | 3 |
| Specialty papers | 8 | 7 | 7 | 6 | 28 | 7 | | | | 7 |
| Market pulp | 6 | 7 | 8 | 7 | 28 | 9 | | | | 9 |
| Wood products | 5 | 4 | 5 | 5 | 19 | 5 | | | | 5 |
| Corporate / other | (6) | 6 | 4 | 2 | 6 | 7 | | | | 7 |
| Total selling, general and administrative expenses | \$ 32 | \$ 41 | \$ 41 | \$ 35 | \$ 149 | \$ 44 | \$ - | \$ - | \$ - | \$ 44 |
| Operating Cost per Unit | | | | | | | | | | |
| Newsprint (mt) | \$ 625 | \$ 601 | \$ 613 | \$ 619 | \$ 614 | \$ 636 | | | | \$ 636 |
| Coated papers (st) | 796 | 756 | 768 | 790 | 777 | 830 | | | | 830 |
| Specialty papers (st) | 706 | 676 | 678 | 722 | 695 | 708 | | | | 708 |
| Market pulp (mt) | 743 | 684 | 720 | 635 | 688 | 654 | | | | 654 |
| Wood products (mbf) | 320 | 314 | 356 | 332 | 330 | 360 | | | | 360 |
| Product Inventory (thousands of units) | | | | | | | | | | |
| Newsprint (mt) | 73 | 82 | 75 | 90 | 90 | 110 | | | | 110 |
| Coated papers (st) | 22 | 28 | 17 | 16 | 16 | 19 | | | | 19 |
| Specialty papers (st) | 80 | 80 | 70 | 66 | 66 | 74 | | | | 74 |
| Market pulp (mt) | 54 | 114 | 99 | 121 | 121 | 113 | | | | 113 |
| Wood products (mbf) | 131 | 116 | 107 | 101 | 101 | 122 | | | | 122 |

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| Dollars in millions | 2012 | | | | | 2013 | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|-------------|-------------|-------------|----------------|
| | First | Second | Third | Fourth | Total | First | Second | Third | Fourth | Total |
| Net income (loss) including noncontrolling interests | | | | | | | | | | |
| Newsprint | \$ 21 | \$ 32 | \$ 26 | \$ 18 | \$ 97 | \$ (2) | | | | \$ (2) |
| Coated papers | (1) | 4 | 3 | 3 | 9 | (3) | | | | (3) |
| Specialty papers | 15 | 27 | 26 | 8 | 76 | 9 | | | | 9 |
| Market pulp | (21) | (7) | (22) | - | (50) | (4) | | | | (4) |
| Wood products | (6) | 12 | 6 | 14 | 26 | 16 | | | | 16 |
| Corporate / other | 25 | (133) | (8) | (78) | (194) | (21) | | | | (21) |
| Total net income (loss) including noncontrolling interests | \$ 33 | \$ (65) | \$ 31 | \$ (35) | \$ (36) | \$ (5) | \$ - | \$ - | \$ - | \$ (5) |
| Interest expense | \$ 16 | \$ 18 | \$ 17 | \$ 15 | \$ 66 | \$ 14 | | | | \$ 14 |
| Income tax provision (benefit) | \$ (10) | \$ 1 | \$ (3) | \$ (26) | \$ (38) | \$ (41) | | | | \$ (41) |
| Depreciation and Amortization by Segment | | | | | | | | | | |
| Newsprint | \$ 18 | \$ 18 | \$ 18 | \$ 18 | \$ 72 | \$ 18 | | | | \$ 18 |
| Coated papers | 10 | 9 | 9 | 9 | 37 | 9 | | | | 9 |
| Specialty papers | 12 | 12 | 11 | 11 | 46 | 10 | | | | 10 |
| Market pulp | 8 | 10 | 13 | 13 | 44 | 13 | | | | 13 |
| Wood products | 9 | 9 | 8 | 8 | 34 | 9 | | | | 9 |
| Corporate / other | - | - | - | - | - | 1 | | | | 1 |
| Total depreciation and amortization | \$ 57 | \$ 58 | \$ 59 | \$ 59 | \$ 233 | \$ 60 | \$ - | \$ - | \$ - | \$ 60 |
| EBITDA by Segment ⁽³⁾ | | | | | | | | | | |
| Newsprint | \$ 39 | \$ 50 | \$ 44 | \$ 36 | \$ 169 | \$ 16 | | | | \$ 16 |
| Coated papers | 9 | 13 | 12 | 12 | 46 | 6 | | | | 6 |
| Specialty papers | 27 | 39 | 37 | 19 | 122 | 19 | | | | 19 |
| Market pulp | (13) | 3 | (9) | 13 | (6) | 9 | | | | 9 |
| Wood products | 3 | 21 | 14 | 22 | 60 | 25 | | | | 25 |
| Corporate / other | 31 | (114) | 6 | (89) | (166) | (47) | | | | (47) |
| Total EBITDA | \$ 96 | \$ 12 | \$ 104 | \$ 13 | \$ 225 | \$ 28 | \$ - | \$ - | \$ - | \$ 28 |
| Special Items ⁽³⁾ | | | | | | | | | | |
| Foreign currency translation (gain) loss | \$ (12) | \$ 9 | \$ (18) | \$ 4 | \$ (17) | \$ 5 | | | | \$ 5 |
| Severance | 2 | 1 | - | 2 | 5 | - | | | | - |
| Closure costs, impairment and other related charges | 5 | 88 | 5 | 82 | 180 | 40 | | | | 40 |
| Inventory write-downs related to closures | - | 7 | - | 5 | 12 | 4 | | | | 4 |
| (Gain) loss on disposition of assets | (23) | (1) | (4) | (7) | (35) | - | | | | - |
| Post-emergence costs | 2 | 3 | 2 | 4 | 11 | - | | | | - |
| Transaction costs | 4 | 3 | - | 1 | 8 | 3 | | | | 3 |
| Start up costs of idled mill | - | - | 5 | 8 | 13 | 15 | | | | 15 |
| Other income, net | (3) | (2) | (3) | (8) | (16) | (23) | | | | (23) |
| Total Special Items | \$ (25) | \$ 108 | \$ (13) | \$ 91 | \$ 161 | \$ 44 | \$ - | \$ - | \$ - | \$ 44 |
| Adjusted EBITDA ⁽³⁾ | | | | | | | | | | |
| Newsprint | \$ 39 | \$ 50 | \$ 44 | \$ 36 | \$ 169 | \$ 16 | | | | \$ 16 |
| Coated papers | 9 | 13 | 12 | 12 | 46 | 6 | | | | 6 |
| Specialty papers | 27 | 39 | 37 | 19 | 122 | 19 | | | | 19 |
| Market pulp | (13) | 3 | (9) | 13 | (6) | 9 | | | | 9 |
| Wood products | 3 | 21 | 14 | 22 | 60 | 25 | | | | 25 |
| Corporate / other | 6 | (6) | (7) | 2 | (5) | (3) | | | | (3) |
| Total Adjusted EBITDA | \$ 71 | \$ 120 | \$ 91 | \$ 104 | \$ 386 | \$ 72 | \$ - | \$ - | \$ - | \$ 72 |



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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, coated papers, specialty papers, market pulp and

We define Adjusted EBITDA as EBITDA excluding special items. Special items include foreign translation gains and losses, post-emergence costs, closure costs, inventory write-downs, start up costs of idled mill, impairment and other related charges, severa

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