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	2012 ⁽¹⁾					2013 ⁽¹⁾				
	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	\$ 1,107			\$ 2,181
Operating income (loss)	31	(32)	31	(58)	(28)	(49)	3			(46)
Interest expense	(16)	(18)	(17)	(15)	(66)	(14)	(13)			(27)
Other income (expense), net	13	(10)	19	-	22	18	(65)			(47)
Net income (loss) including noncontrolling interests	36	(62)	37	(44)	(33)	(5)	(44)			(49)
Net income (loss) attributable to noncontrolling interests	10	(45)	-	1	(34)	-	(1)			(1)
Net income (loss) attributable to Resolute Forest Products	26	(17)	37	(45)	1	(5)	(43)			(48)
Diluted net income (loss) per common share	\$ 0.27	\$ (0.17)	\$ 0.38	\$ (0.47)	\$ 0.01	\$ (0.05)	\$ (0.45)			\$ (0.51)
Dividends declared per common share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			\$ -
Average diluted shares outstanding (in thousands)	97,097	98,914	98,076	96,003	97,545	94,754	94,762			94,758
Ending shares outstanding (in thousands)	97,097	98,804	96,698	94,754	94,754	94,755	94,763			94,763
Financial Position										
Cash and cash equivalents	\$ 410	\$ 510	\$ 343	\$ 263	\$ 263	\$ 215	\$ 248			\$ 248
Working capital ⁽²⁾	856	855	887	786	786	837	806			806
Fixed assets, net	2,484	2,500	2,487	2,440	2,440	2,386	2,354			2,354
Total assets	6,345	6,485	6,408	6,333	6,333	6,240	6,148			6,148
Current portion of long-term debt (including short-term bank debt)	-	98	87	2	2	3	2			2
Long-term debt, net of current portion	620	624	538	532	532	529	602			602
Net debt ⁽³⁾	210	212	282	271	271	317	356			356
Total Resolute Forest Products shareholders' equity	3,453	3,455	3,470	3,102	3,102	3,114	3,077			3,077
Noncontrolling interests	70	47	14	23	23	14	13			13
Total equity	3,523	3,502	3,484	3,125	3,125	3,128	3,090			3,090
Cash Flow Information										
Cash flows provided by (used in) operations	57	116	19	74	266	(20)	68			48
Cash invested in fixed assets	(39)	(19)	(44)	(67)	(169)	(40)	(46)			(86)
Disposition of our interest in Bowater Mersey Paper Company Limited, net of cash	-	-	-	14	14	-	-			-
Dispositions of assets	26	-	5	5	36	2	1			3
Acquisition of Fibrek Inc., net of cash acquired	-	(24)	-	-	(24)	-	-			-
Decrease (increase) in restricted cash	4	72	-	-	76	2	1			3
Cash flows provided by (used in) investing activities	(16)	29	(44)	(44)	(75)	(35)	(40)			(75)
Purchases of treasury stock	-	(12)	(33)	(22)	(67)	-	-			-
Acquisition of noncontrolling interest	-	(17)	(10)	-	(27)	-	-			-
Issuance of long-term debt	-	-	-	-	-	-	594			594
Premium paid on extinguishment of debt	-	-	-	-	-	-	(84)			(84)
Payments of debt	-	(15)	(97)	(86)	(198)	(1)	(496)			(497)
Cash flows provided by (used in) financing activities	-	(45)	(142)	(110)	(297)	7	5			12

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	2012 ⁽¹⁾					2013 ⁽¹⁾				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
<i>Dollars in millions, except per unit items</i>										
Sales										
Newsprint	\$ 416	\$ 416	\$ 404	\$ 391	\$ 1,627	\$ 356	\$ 364			\$ 720
Coated papers	128	121	109	97	455	102	96			198
Specialty papers	272	288	279	268	1,107	238	242			480
Market pulp	127	211	233	243	814	240	263			503
Wood products	111	132	128	129	500	138	142			280
Total sales	\$ 1,054	\$ 1,168	\$ 1,153	\$ 1,128	\$ 4,503	\$ 1,074	\$ 1,107	\$ -	\$ -	\$ 2,181
Shipments to 3rd Parties (thousands of units)										
Newsprint (mt)	633	639	617	602	2,491	563	596			1,159
Coated papers (st)	162	154	138	119	573	126	124			250
Specialty papers (st)	363	386	372	360	1,481	323	335			658
Market pulp (mt)	199	318	355	382	1,254	374	393			767
Wood products (mbf)	367	384	343	348	1,442	338	345			683
Average Transaction Price per Unit										
Newsprint (mt)	\$ 658	\$ 651	\$ 655	\$ 649	\$ 653	\$ 632	\$ 611			\$ 621
Coated papers (st)	790	782	792	810	793	810	774			792
Specialty papers (st)	749	747	748	745	747	737	722			729
Market pulp (mt)	636	663	658	635	649	642	669			656
Wood products (mbf)	304	343	372	372	347	408	412			410

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	2012 ⁽¹⁾					2013 ⁽¹⁾				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Dollars in millions, except per unit items										
Operating Income (Loss)										
Newsprint	\$ 21	\$ 32	\$ 26	\$ 18	\$ 97	\$ (2)	\$ 10			\$ 8
Coated papers	1	3	2	2	8	-	2			2
Specialty papers	14	28	28	7	77	8	-			8
Market pulp	(17)	(3)	(18)	(5)	(43)	(5)	10			5
Wood products	(6)	12	6	14	26	16	16			32
Corporate / other	18	(104)	(13)	(94)	(193)	(66)	(35)			(101)
Total operating income (loss) by segment	\$ 31	\$ (32)	\$ 31	\$ (58)	\$ (28)	\$ (49)	\$ 3	\$ -	\$ -	\$ (46)
Selling, General And Administrative expenses										
Newsprint	\$ 15	\$ 14	\$ 14	\$ 12	\$ 55	\$ 13	\$ 14			\$ 27
Coated papers	4	3	3	3	13	3	3			6
Specialty papers	8	7	7	6	28	7	7			14
Market pulp	6	7	8	7	28	9	9			18
Wood products	5	4	5	5	19	5	5			10
Corporate / other	(6)	6	4	2	6	7	6			13
Total selling, general and administrative expenses	\$ 32	\$ 41	\$ 41	\$ 35	\$ 149	\$ 44	\$ 44	\$ -	\$ -	\$ 88
Operating Cost per Unit										
Newsprint (mt)	\$ 625	\$ 601	\$ 613	\$ 619	\$ 614	\$ 636	\$ 594			\$ 614
Coated papers (st)	782	761	773	796	777	808	764			786
Specialty papers (st)	709	673	675	724	696	709	723			716
Market pulp (mt)	724	673	708	650	686	657	644			650
Wood products (mbf)	320	314	356	332	330	360	365			363
Product Inventory (thousands of units)										
Newsprint (mt)	73	82	75	90	90	110	107			107
Coated papers (st)	22	28	17	16	16	19	24			24
Specialty papers (st)	80	80	70	66	66	74	58			58
Market pulp (mt)	54	114	99	121	121	113	98			98
Wood products (mbf)	131	116	107	101	101	122	149			149

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Dollars in millions	2012 ⁽¹⁾					2013 ⁽¹⁾				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Net income (loss) including noncontrolling interests										
Newsprint	\$ 21	\$ 32	\$ 26	\$ 18	\$ 97	\$ (2)	\$ 10			\$ 8
Coated papers	1	3	2	2	8	-	2			2
Specialty papers	14	28	28	7	77	8	-			8
Market pulp	(17)	(3)	(18)	(5)	(43)	(5)	10			5
Wood products	(6)	12	6	14	26	16	16			32
Corporate / other	23	(134)	(7)	(80)	(198)	(22)	(82)			(104)
Total net income (loss) including noncontrolling interests	\$ 36	\$ (62)	\$ 37	\$ (44)	\$ (33)	\$ (5)	\$ (44)	\$ -	\$ -	\$ (49)
Interest expense	\$ 16	\$ 18	\$ 17	\$ 15	\$ 66	\$ 14	\$ 13			\$ 27
Income tax provision (benefit)	\$ (8)	\$ 2	\$ (4)	\$ (29)	\$ (39)	\$ (40)	\$ (31)			\$ (71)
Depreciation and Amortization										
Newsprint	\$ 18	\$ 18	\$ 18	\$ 18	\$ 72	\$ 18	\$ 18			\$ 36
Coated papers	10	9	9	9	37	9	9			18
Specialty papers	12	12	11	11	46	10	10			20
Market pulp	8	10	13	13	44	13	13			26
Wood products	9	9	8	8	34	9	9			18
Corporate / other	-	-	-	-	-	1	2			3
Total depreciation and amortization	\$ 57	\$ 58	\$ 59	\$ 59	\$ 233	\$ 60	\$ 61	\$ -	\$ -	\$ 121
EBITDA ⁽⁴⁾										
Newsprint	\$ 39	\$ 50	\$ 44	\$ 36	\$ 169	\$ 16	\$ 28			\$ 44
Coated papers	11	12	11	11	45	9	11			20
Specialty papers	26	40	39	18	123	18	10			28
Market pulp	(9)	7	(5)	8	1	8	23			31
Wood products	3	21	14	22	60	25	25			50
Corporate / other	31	(114)	6	(94)	(171)	(47)	(98)			(145)
Total EBITDA	\$ 101	\$ 16	\$ 109	\$ 1	\$ 227	\$ 29	\$ (1)	\$ -	\$ -	\$ 28
Special Items ⁽⁴⁾										
Foreign currency translation (gain) loss	\$ (12)	\$ 9	\$ (18)	\$ 4	\$ (17)	\$ 5	\$ 7			\$ 12
Severance	2	1	-	2	5	-	-			-
Closure costs, impairment and other related charges	5	88	5	87	185	40	12			52
Inventory write-downs related to closures	-	7	-	5	12	4	1			5
(Gain) loss on disposition of assets	(23)	(1)	(4)	(7)	(35)	-	(2)			(2)
Net loss on extinguishment of debt	-	-	-	-	-	-	59			59
Transaction costs	4	3	-	1	8	3	2			5
Start up costs of idled mill	-	-	5	8	13	15	13			28
Other (income) expense, net	(1)	1	(1)	(4)	(5)	(23)	(1)			(24)
Total Special Items	\$ (25)	\$ 108	\$ (13)	\$ 96	\$ 166	\$ 44	\$ 91	\$ -	\$ -	\$ 135
Adjusted EBITDA ⁽⁴⁾										
Newsprint	\$ 39	\$ 50	\$ 44	\$ 36	\$ 169	\$ 16	\$ 28			\$ 44
Coated papers	11	12	11	11	45	9	11			20
Specialty papers	26	40	39	18	123	18	10			28
Market pulp	(9)	7	(5)	8	1	8	23			31
Wood products	3	21	14	22	60	25	25			50
Corporate / other	6	(6)	(7)	2	(5)	(3)	(7)			(10)
Total Adjusted EBITDA	\$ 76	\$ 124	\$ 96	\$ 97	\$ 393	\$ 73	\$ 90	\$ -	\$ -	\$ 163

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Notes

¹ In the second quarter of 2013, we changed our accounting policy for repairs and maintenance costs associated with planned major maintenance activities. Previously, all repairs and maintenance costs, including those associated with planned major maintenance, were expensed as incurred. We have voluntarily elected to change our accounting policy for planned major maintenance costs to the deferral method, whereby the costs of each planned major maintenance activity will be amortized on a straight-line basis over the estimated period until the next planned major maintenance activity. All other routine repairs and maintenance costs will continue to be expensed as incurred. In accordance with Financial Accounting Standards Board Accounting Standards Codification 250, "Accounting Changes and Error Corrections," we have applied the change in accounting policy retroactively by adjusting our comparative consolidated financial statements for the effect of this change.

² The Company defines Working capital as current assets less current liabilities excluding cash and cash equivalents and debt.

³ The Company defines Net debt as total debt less cash and cash equivalents.

⁴ 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 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 translation gains and losses, net loss on extinguishment of debt, closure costs, inventory write-downs, start up costs of idled mill, impairment and other related charges, severance 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.