

Financial and Operating Statistics (Page 1 of 5)

	2011					2012				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Dollars in millions, except per-share amounts										
Income Statement Data										
Total sales	\$ 1,185	\$ 1,200	\$ 1,224	\$ 1,147	\$ 4,756	\$ 1,054	\$ 1,168	\$ 1,153		\$ 3,375
Operating income (loss)	27	52	72	47	198	26	(36)	26		16
Interest expense	(30)	(28)	(19)	(18)	(95)	(16)	(18)	(17)		(51)
Other income (expense), net	19	(2)	(68)	3	(48)	13	(10)	19		22
Net income (loss) including noncontrolling interests	30	61	(42)	(10)	39	33	(65)	31		(1)
Net income (loss) attributable to noncontrolling interests	-	-	2	(4)	(2)	10	(45)	-		(35)
Net income (loss) attributable to Resolute Forest Products	30	61	(44)	(6)	41	23	(20)	31		34
Diluted net income (loss) per common share	\$ 0.31	\$ 0.63	\$ (0.46)	\$ (0.06)	\$ 0.42	\$ 0.23	\$ (0.20)	\$ 0.32		\$ 0.35
Dividends declared per common share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Average diluted shares outstanding (in thousands)	97,135	97,135	97,135	97,119	97,119	97,097	98,914	98,076		98,051
Ending shares outstanding (in thousands)	97,135	97,135	97,135	97,102	97,102	97,097	98,804	96,698		96,698
Financial Position										
Cash and cash equivalents	\$ 326	\$ 297	\$ 295	\$ 369	\$ 369	\$ 410	\$ 510	\$ 343		\$ 343
Working capital ⁽¹⁾	1,303	965	973	856	856	842	837	864		864
Fixed assets, net	2,603	2,563	2,485	2,502	2,502	2,484	2,500	2,487		2,487
Total assets	7,184	6,487	6,278	6,298	6,298	6,336	6,473	6,390		6,390
Current portion of long-term debt (including short-term bank debt)	15	-	85	-	-	-	98	87		87
Long-term debt, net of current portion	979	713	627	621	621	620	624	538		538
Net debt ⁽²⁾	668	416	417	252	252	210	212	282		282
Total Resolute Forest Products shareholders' equity	3,728	3,779	3,716	3,417	3,417	3,444	3,443	3,452		3,452
Noncontrolling interests	160	60	73	60	60	70	47	14		14
Total equity	3,888	3,839	3,789	3,477	3,477	3,514	3,490	3,466		3,466
Cash Flow Information										
Operating income (loss)	\$ 27	\$ 52	\$ 72	\$ 47	\$ 198	\$ 26	\$ (36)	\$ 26		\$ 16
Depreciation, amortization and cost of timber harvested	54	55	55	56	220	57	58	59		174
Deferred income taxes	(13)	(40)	28	44	19	(14)	11	(5)		(8)
Cash flows provided by (used in) operations	58	(43)	-	183	198	57	116	19		192
Cash invested in fixed assets	(15)	(17)	(23)	(42)	(97)	(39)	(19)	(44)		(102)
Dispositions of assets	5	299	11	-	315	26	-	5		31
Acquisition of Fibrek Inc., net of cash acquired	-	-	-	-	-	-	(24)	-		(24)
Decrease (increase) in restricted cash	(2)	(1)	1	-	(2)	4	72	-		76
Cash flows provided by (used in) investing activities	(18)	284	(2)	(19)	245	(16)	29	(44)		(31)
Purchases of treasury stock	-	-	-	-	-	-	(12)	(33)		(45)
Dividends and distributions to noncontrolling interests	(18)	(1)	-	(2)	(21)	-	(1)	(2)		(3)
Acquisition of noncontrolling interest	(15)	-	-	-	(15)	-	(17)	(10)		(27)
Payments of debt	-	(269)	-	(85)	(354)	-	(15)	(97)		(112)
Cash flows provided by (used in) financing activities	(33)	(270)	-	(90)	(393)	-	(45)	(142)		(187)

Financial and Operating Statistics (page 2 of 5)

	2011					2012				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Dollars in millions, except per unit items										
Sales by Segment										
Newsprint	\$ 429	\$ 462	\$ 468	\$ 457	\$ 1,816	\$ 416	\$ 416	\$ 404		\$ 1,236
Coated papers	134	132	140	132	538	128	121	109		358
Specialty papers	330	320	316	309	1,275	272	288	279		839
Market pulp	176	171	175	137	659	127	211	233		571
Wood products	116	115	125	112	468	111	132	128		371
Total sales	\$ 1,185	\$ 1,200	\$ 1,224	\$ 1,147	\$ 4,756	\$ 1,054	\$ 1,168	\$ 1,153	\$ -	\$ 3,375
Shipments to 3rd Parties (thousands of units)										
Newsprint (mt)	656	697	706	694	2,753	633	639	617		1,889
Coated papers (st)	169	161	167	160	657	162	154	138		454
Specialty papers (st)	473	442	422	416	1,753	363	386	372		1,121
Market pulp (mt)	239	223	236	204	902	199	318	355		872
Wood products (mbf)	375	397	417	397	1,586	367	384	343		1,094
Average Transaction Price per Unit										
Newsprint (mt)	\$ 654	\$ 663	\$ 663	\$ 658	\$ 659	\$ 658	\$ 651	\$ 655		\$ 655
Coated papers (st)	794	822	837	821	819	790	782	792		788
Specialty papers (st)	698	724	747	745	727	749	747	748		748
Market pulp (mt)	735	767	741	674	731	636	663	658		655
Wood products (mbf)	310	290	298	280	294	304	343	372		339

Financial and Operating Statistics (page 3 of 5)

	2011					2012				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Dollars in millions, except per unit items										
Operating Income (Loss) by Segment										
Newsprint	\$ 19	\$ 26	\$ 18	\$ 26	\$ 89	\$ 21	\$ 32	\$ 26		\$ 79
Coated papers	3	23	18	13	57	(1)	4	3		6
Specialty papers	-	11	27	24	62	15	27	26		68
Market pulp	23	14	36	12	85	(21)	(7)	(22)		(50)
Wood products	(3)	(14)	(3)	(5)	(25)	(6)	12	6		12
Corporate / other	(15)	(8)	(24)	(23)	(70)	18	(104)	(13)		(99)
Total operating income (loss) by segment	\$ 27	\$ 52	\$ 72	\$ 47	\$ 198	\$ 26	\$ (36)	\$ 26	\$ -	\$ 16
Selling, General And Administrative expenses by Segment										
Newsprint	\$ 12	\$ 13	\$ 15	\$ 15	\$ 55	\$ 15	\$ 14	\$ 14		\$ 43
Coated papers	3	4	4	2	13	4	3	3		10
Specialty papers	8	10	10	7	35	8	7	7		22
Market pulp	6	6	7	5	24	6	7	8		21
Wood products	4	4	5	5	18	5	4	5		14
Corporate / other	4	3	4	2	13	(6)	6	4		4
Total selling, general and administrative expenses	\$ 37	\$ 40	\$ 45	\$ 36	\$ 158	\$ 32	\$ 41	\$ 41	\$ -	\$ 114
Operating Cost per Unit										
Newsprint (mt)	\$ 625	\$ 625	\$ 638	\$ 620	\$ 627	\$ 625	\$ 601	\$ 613		\$ 613
Coated papers (st)	775	682	730	740	732	796	756	768		774
Specialty papers (st)	698	698	682	688	692	706	676	678		686
Market pulp (mt)	639	703	587	619	637	743	684	720		712
Wood products (mbf)	319	325	305	292	310	320	314	356		329
Product Inventory (thousands of units)										
Newsprint (mt)	104	76	81	78	78	73	82	75		75
Coated papers (st)	21	33	31	26	26	22	28	17		17
Specialty papers (st)	87	76	82	68	68	80	80	70		70
Market pulp (mt)	48	56	79	79	79	54	114	99		99
Wood products (mbf)	159	165	137	124	124	131	116	107		107

Financial and Operating Statistics (page 4 of 5)

Dollars in millions	2011					2012				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Net income (loss) including noncontrolling interests										
Newsprint	\$ 19	\$ 26	\$ 18	\$ 26	\$ 89	\$ 21	\$ 32	\$ 26		\$ 79
Coated papers	3	23	18	13	57	(1)	4	3		6
Specialty papers	-	11	27	24	62	15	27	26		68
Market pulp	23	14	36	12	85	(21)	(7)	(22)		(50)
Wood products	(3)	(14)	(3)	(5)	(25)	(6)	12	6		12
Corporate / other	(12)	1	(138)	(80)	(229)	25	(133)	(8)		(116)
Total net income (loss) including noncontrolling interests	\$ 30	\$ 61	\$ (42)	\$ (10)	\$ 39	\$ 33	\$ (65)	\$ 31	\$ -	\$ (1)
Interest expense	\$ 30	\$ 28	\$ 19	\$ 18	\$ 95	\$ 16	\$ 18	\$ 17		\$ 51
Income tax provision (benefit)	\$ (14)	\$ (39)	\$ 27	\$ 42	\$ 16	\$ (10)	\$ 1	\$ (3)		\$ (12)
Depreciation and Amortization by Segment										
Newsprint	\$ 20	\$ 17	\$ 18	\$ 18	\$ 73	\$ 18	\$ 18	\$ 18		\$ 54
Coated papers	9	8	9	9	35	10	9	9		28
Specialty papers	11	13	12	13	49	12	12	11		35
Market pulp	7	7	8	8	30	8	10	13		31
Wood products	7	10	8	8	33	9	9	8		26
Total depreciation and amortization	\$ 54	\$ 55	\$ 55	\$ 56	\$ 220	\$ 57	\$ 58	\$ 59	\$ -	\$ 174
EBITDA by Segment ⁽³⁾										
Newsprint	\$ 39	\$ 43	\$ 36	\$ 44	\$ 162	\$ 39	\$ 50	\$ 44		\$ 133
Coated papers	12	31	27	22	92	9	13	12		34
Specialty papers	11	24	39	37	111	27	39	37		103
Market pulp	30	21	44	20	115	(13)	3	(9)		(19)
Wood products	4	(4)	5	3	8	3	21	14		38
Corporate / other	5	(11)	(92)	(20)	(118)	31	(114)	6		(77)
Total EBITDA	\$ 101	\$ 104	\$ 59	\$ 106	\$ 370	\$ 96	\$ 12	\$ 104	\$ -	\$ 212
Special Items ⁽³⁾										
Foreign currency translation (gain) loss	\$ (28)	\$ (2)	\$ 60	\$ (9)	\$ 21	\$ (12)	\$ 9	\$ (18)		\$ (21)
Severance	4	3	5	-	12	2	1	-		3
Closure costs, impairment and other related charges	13	4	17	12	46	5	88	5		98
Inventory write-downs included in cost of sales	1	-	-	2	3	-	7	-		7
(Gain) loss on disposition of assets	(1)	(3)	1	-	(3)	(23)	(1)	(4)		(28)
Post-emergence costs	11	11	13	12	47	2	3	2		7
Transaction costs	-	-	-	5	5	4	3	-		7
Start up costs of idled mill	-	-	-	-	-	-	-	5		5
Other income, net	(2)	(7)	(5)	(6)	(20)	(3)	(2)	(3)		(8)
Total Special Items	\$ (2)	\$ 6	\$ 91	\$ 16	\$ 111	\$ (25)	\$ 108	\$ (13)	\$ -	\$ 70
Adjusted EBITDA ⁽³⁾										
Newsprint	\$ 39	\$ 43	\$ 36	\$ 44	\$ 162	\$ 39	\$ 50	\$ 44		\$ 133
Coated papers	12	31	27	22	92	9	13	12		34
Specialty papers	11	24	39	37	111	27	39	37		103
Market pulp	30	21	44	20	115	(13)	3	(9)		(19)
Wood products	4	(4)	5	3	8	3	21	14		38
Corporate / other	3	(5)	(1)	(4)	(7)	6	(6)	(7)		(7)
Total Adjusted EBITDA	\$ 99	\$ 110	\$ 150	\$ 122	\$ 481	\$ 71	\$ 120	\$ 91	\$ -	\$ 282

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 wood products) in accordance with FASB ASC 290, "Segment Reporting," adjusted for depreciation, amortization and cost of timber harvested. 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, amortization and cost of timber harvested.

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, severance costs, gains and losses on disposition of assets 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.

Certain prior period amounts within these measures have been reclassified to conform to the 2012 presentation.