

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	\$ 1,128	\$ 4,503
Operating income (loss)	27	52	72	47	198	26	(36)	26	(46)	(30)
Interest expense	(30)	(28)	(19)	(18)	(95)	(16)	(18)	(17)	(15)	(66)
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	(35)	(36)
Net income (loss) attributable to noncontrolling interests	-	-	2	(4)	(2)	10	(45)	-	1	(34)
Net income (loss) attributable to Resolute Forest Products	30	61	(44)	(6)	41	23	(20)	31	(36)	(2)
Diluted net income (loss) per common share	\$ 0.31	\$ 0.63	\$ (0.46)	\$ (0.06)	\$ 0.42	\$ 0.23	\$ (0.20)	\$ 0.32	\$ (0.38)	\$ (0.02)
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	96,003	97,545
Ending shares outstanding (in thousands)	97,135	97,135	97,135	97,102	97,102	97,097	98,804	96,698	94,754	94,754
Financial Position										
Cash and cash equivalents	\$ 326	\$ 297	\$ 295	\$ 369	\$ 369	\$ 410	\$ 510	\$ 343	\$ 263	\$ 263
Working capital ⁽¹⁾	1,303	965	973	856	856	842	837	864	775	775
Fixed assets, net	2,603	2,563	2,485	2,502	2,502	2,484	2,500	2,487	2,440	2,440
Total assets	7,184	6,487	6,278	6,298	6,298	6,336	6,473	6,390	6,324	6,324
Current portion of long-term debt (including short-term bank debt)	15	-	85	-	-	-	98	87	2	2
Long-term debt, net of current portion	979	713	627	621	621	620	624	538	532	532
Net debt ⁽²⁾	668	416	417	252	252	210	212	282	271	271
Total Resolute Forest Products shareholders' equity	3,728	3,779	3,716	3,417	3,417	3,444	3,443	3,452	3,093	3,093
Noncontrolling interests	160	60	73	60	60	70	47	14	23	23
Total equity	3,888	3,839	3,789	3,477	3,477	3,514	3,490	3,466	3,116	3,116
Cash Flow Information										
Operating income (loss)	\$ 27	\$ 52	\$ 72	\$ 47	\$ 198	\$ 26	\$ (36)	\$ 26	\$ (46)	\$ (30)
Depreciation, amortization and cost of timber harvested	54	55	55	56	220	57	58	59	59	233
Deferred income taxes	(13)	(40)	28	44	19	(14)	11	(5)	(27)	(35)
Cash flows provided by (used in) operations	58	(43)	-	183	198	57	116	19	74	266
Cash invested in fixed assets	(15)	(17)	(23)	(42)	(97)	(39)	(19)	(44)	(67)	(169)
Disposition of our interest in Bowater Mersey Paper Company Limited, net of cash	-	-	-	-	-	-	-	-	14	14
Dispositions of assets	5	299	11	-	315	26	-	5	5	36
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)	(44)	(75)
Purchases of treasury stock	-	-	-	-	-	-	(12)	(33)	(22)	(67)
Dividends and distributions to noncontrolling interests	(18)	(1)	-	(2)	(21)	-	(1)	(2)	(2)	(5)
Acquisition of noncontrolling interest	(15)	-	-	-	(15)	-	(17)	(10)	-	(27)
Payments of debt	-	(269)	-	(85)	(354)	-	(15)	(97)	(86)	(198)
Cash flows provided by (used in) financing activities	(33)	(270)	-	(90)	(393)	-	(45)	(142)	(110)	(297)

Financial and Operating Statistics (page 2 of 5)

Dollars in millions, except per unit items	2011					2012				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Sales by Segment										
Newsprint	\$ 429	\$ 462	\$ 468	\$ 457	\$ 1,816	\$ 416	\$ 416	\$ 404	\$ 391	\$ 1,627
Coated papers	134	132	140	132	538	128	121	109	97	455
Specialty papers	330	320	316	309	1,275	272	288	279	268	1,107
Market pulp	176	171	175	137	659	127	211	233	243	814
Wood products	116	115	125	112	468	111	132	128	129	500
Total sales	\$ 1,185	\$ 1,200	\$ 1,224	\$ 1,147	\$ 4,756	\$ 1,054	\$ 1,168	\$ 1,153	\$ 1,128	\$ 4,503
Shipments to 3rd Parties (thousands of units)										
Newsprint (mt)	656	697	706	694	2,753	633	639	617	602	2,491
Coated papers (st)	169	161	167	160	657	162	154	138	119	573
Specialty papers (st)	473	442	422	416	1,753	363	386	372	360	1,481
Market pulp (mt)	239	223	236	204	902	199	318	355	382	1,254
Wood products (mbf)	375	397	417	397	1,586	367	384	343	348	1,442
Average Transaction Price per Unit										
Newsprint (mt)	\$ 654	\$ 663	\$ 663	\$ 658	\$ 659	\$ 658	\$ 651	\$ 655	\$ 649	\$ 653
Coated papers (st)	794	822	837	821	819	790	782	792	810	793
Specialty papers (st)	698	724	747	745	727	749	747	748	745	747
Market pulp (mt)	735	767	741	674	731	636	663	658	635	649
Wood products (mbf)	310	290	298	280	294	304	343	372	372	347

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	\$ 18	\$ 97
Coated papers	3	23	18	13	57	(1)	4	3	3	9
Specialty papers	-	11	27	24	62	15	27	26	8	76
Market pulp	23	14	36	12	85	(21)	(7)	(22)	-	(50)
Wood products	(3)	(14)	(3)	(5)	(25)	(6)	12	6	14	26
Corporate / other	(15)	(8)	(24)	(23)	(70)	18	(104)	(13)	(89)	(188)
Total operating income (loss) by segment	\$ 27	\$ 52	\$ 72	\$ 47	\$ 198	\$ 26	\$ (36)	\$ 26	\$ (46)	\$ (30)
Selling, General And Administrative expenses by Segment										
Newsprint	\$ 12	\$ 13	\$ 15	\$ 15	\$ 55	\$ 15	\$ 14	\$ 14	\$ 12	\$ 55
Coated papers	3	4	4	2	13	4	3	3	3	13
Specialty papers	8	10	10	7	35	8	7	7	6	28
Market pulp	6	6	7	5	24	6	7	8	7	28
Wood products	4	4	5	5	18	5	4	5	5	19
Corporate / other	4	3	4	2	13	(6)	6	4	2	6
Total selling, general and administrative expenses	\$ 37	\$ 40	\$ 45	\$ 36	\$ 158	\$ 32	\$ 41	\$ 41	\$ 35	\$ 149
Operating Cost per Unit										
Newsprint (mt)	\$ 625	\$ 625	\$ 638	\$ 620	\$ 627	\$ 625	\$ 601	\$ 613	\$ 619	\$ 614
Coated papers (st)	775	682	730	740	732	796	756	768	790	777
Specialty papers (st)	698	698	682	688	692	706	676	678	722	695
Market pulp (mt)	639	703	587	619	637	743	684	720	635	688
Wood products (mbf)	319	325	305	292	310	320	314	356	332	330
Product Inventory (thousands of units)										
Newsprint (mt)	104	76	81	78	78	73	82	75	90	90
Coated papers (st)	21	33	31	26	26	22	28	17	16	16
Specialty papers (st)	87	76	82	68	68	80	80	70	66	66
Market pulp (mt)	48	56	79	79	79	54	114	99	121	121
Wood products (mbf)	159	165	137	124	124	131	116	107	101	101

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	\$ 18	\$ 97
Coated papers	3	23	18	13	57	(1)	4	3	3	9
Specialty papers	-	11	27	24	62	15	27	26	8	76
Market pulp	23	14	36	12	85	(21)	(7)	(22)	-	(50)
Wood products	(3)	(14)	(3)	(5)	(25)	(6)	12	6	14	26
Corporate / other	(12)	1	(138)	(80)	(229)	25	(133)	(8)	(78)	(194)
Total net income (loss) including noncontrolling interests	\$ 30	\$ 61	\$ (42)	\$ (10)	\$ 39	\$ 33	\$ (65)	\$ 31	\$ (35)	\$ (36)
Interest expense	\$ 30	\$ 28	\$ 19	\$ 18	\$ 95	\$ 16	\$ 18	\$ 17	\$ 15	\$ 66
Income tax provision (benefit)	\$ (14)	\$ (39)	\$ 27	\$ 42	\$ 16	\$ (10)	\$ 1	\$ (3)	\$ (26)	\$ (38)
Depreciation and Amortization by Segment										
Newsprint	\$ 20	\$ 17	\$ 18	\$ 18	\$ 73	\$ 18	\$ 18	\$ 18	\$ 18	\$ 72
Coated papers	9	8	9	9	35	10	9	9	9	37
Specialty papers	11	13	12	13	49	12	12	11	11	46
Market pulp	7	7	8	8	30	8	10	13	13	44
Wood products	7	10	8	8	33	9	9	8	8	34
Total depreciation and amortization	\$ 54	\$ 55	\$ 55	\$ 56	\$ 220	\$ 57	\$ 58	\$ 59	\$ 59	\$ 233
EBITDA by Segment ⁽³⁾										
Newsprint	\$ 39	\$ 43	\$ 36	\$ 44	\$ 162	\$ 39	\$ 50	\$ 44	\$ 36	\$ 169
Coated papers	12	31	27	22	92	9	13	12	12	46
Specialty papers	11	24	39	37	111	27	39	37	19	122
Market pulp	30	21	44	20	115	(13)	3	(9)	13	(6)
Wood products	4	(4)	5	3	8	3	21	14	22	60
Corporate / other	5	(11)	(92)	(20)	(118)	31	(114)	6	(89)	(166)
Total EBITDA	\$ 101	\$ 104	\$ 59	\$ 106	\$ 370	\$ 96	\$ 12	\$ 104	\$ 13	\$ 225
Special Items ⁽³⁾										
Foreign currency translation (gain) loss	\$ (28)	\$ (2)	\$ 60	\$ (9)	\$ 21	\$ (12)	\$ 9	\$ (18)	\$ 4	\$ (17)
Severance	4	3	5	-	12	2	1	-	2	5
Closure costs, impairment and other related charges	13	4	17	12	46	5	88	5	82	180
Inventory write-downs related to closures	1	-	-	2	3	-	7	-	5	12
(Gain) loss on disposition of assets	(1)	(3)	1	-	(3)	(23)	(1)	(4)	(7)	(35)
Post-emergence costs	11	11	13	12	47	2	3	2	4	11
Transaction costs	-	-	-	5	5	4	3	-	1	8
Start up costs of idled mill	-	-	-	-	-	-	-	5	8	13
Other income, net	(2)	(7)	(5)	(6)	(20)	(3)	(2)	(3)	(8)	(16)
Total Special Items	\$ (2)	\$ 6	\$ 91	\$ 16	\$ 111	\$ (25)	\$ 108	\$ (13)	\$ 91	\$ 161
Adjusted EBITDA ⁽³⁾										
Newsprint	\$ 39	\$ 43	\$ 36	\$ 44	\$ 162	\$ 39	\$ 50	\$ 44	\$ 36	\$ 169
Coated papers	12	31	27	22	92	9	13	12	12	46
Specialty papers	11	24	39	37	111	27	39	37	19	122
Market pulp	30	21	44	20	115	(13)	3	(9)	13	(6)
Wood products	4	(4)	5	3	8	3	21	14	22	60
Corporate / other	3	(5)	(1)	(4)	(7)	6	(6)	(7)	2	(5)
Total Adjusted EBITDA	\$ 99	\$ 110	\$ 150	\$ 122	\$ 481	\$ 71	\$ 120	\$ 91	\$ 104	\$ 386

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.