

Financial and Operating Statistics (Page 1 of 5)

(in millions, except per share amounts and otherwise indicated)	2015					2016				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Income Statement Data										
Sales	\$ 920	\$ 926	\$ 905	\$ 894	\$ 3,645	\$ 877	\$ 891	\$ 888	\$ 889	\$ 3,545
Operating income (loss)	(15)	16	6	(226)	(219)	-	(18)	10	(18)	(26)
Interest expense	(12)	(11)	(9)	(9)	(41)	(10)	(9)	(10)	(9)	(38)
Other income (expense), net	5	1	(1)	(1)	4	13	-	1	(7)	7
Net income (loss) including noncontrolling interests	(32)	(4)	(6)	(213)	(255)	(7)	(40)	15	(44)	(76)
Net income (loss) attributable to noncontrolling interests	1	-	-	1	2	1	2	1	1	5
Net income (loss) attributable to Resolute Forest Products Inc.	(33)	(4)	(6)	(214)	(257)	(8)	(42)	14	(45)	(81)
Diluted net income (loss) per share attributable to Resolute Forest Products Inc. common shareholders	\$ (0.35)	\$ (0.04)	\$ (0.07)	\$ (2.39)	\$ (2.78)	\$ (0.09)	\$ (0.47)	\$ 0.15	\$ (0.50)	\$ (0.90)
Dividends declared per common share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average diluted shares outstanding (in thousands)	94,883	94,095	91,087	89,415	92,353	89,610	89,818	90,392	90,068	89,882
Ending shares outstanding (in thousands)	94,801	91,606	89,306	89,493	89,493	89,493	89,505	89,507	89,751	89,751
Financial Position										
Cash and cash equivalents	\$ 324	\$ 303	\$ 235	\$ 58	\$ 58	\$ 37	\$ 40	\$ 55	\$ 35	\$ 35
Working capital ⁽¹⁾	629	616	644	617	617	620	573	578	580	580
Fixed assets, net	1,956	1,944	1,932	1,810	1,810	1,811	1,801	1,839	1,842	1,842
Total assets	4,739	4,682	4,541	4,220	4,220	4,289	4,245	4,312	4,277	4,277
Current portion of long-term debt	1	1	1	1	1	1	1	1	1	1
Long-term debt, net of current portion	589	589	589	590	590	610	610	726	761	761
Net debt ⁽²⁾	266	287	355	533	533	574	571	672	727	727
Liquidity ⁽³⁾	788	771	683	502	502	443	452	520	468	468
Total Resolute Forest Products Inc. shareholders' equity	2,088	2,061	2,046	1,932	1,932	1,932	1,899	1,919	1,693	1,693
Noncontrolling interests	12	12	12	13	13	14	16	17	18	18
Total equity	2,100	2,073	2,058	1,945	1,945	1,946	1,915	1,936	1,711	1,711
Cash Flow Information										
Cash flows provided by (used in) operations	\$ 29	\$ 61	\$ -	\$ 48	\$ 138	\$ 6	\$ 63	\$ (18)	\$ 30	\$ 81
Cash invested in fixed assets	(40)	(39)	(44)	(62)	(185)	(47)	(52)	(78)	(72)	(249)
Acquisition of Atlas Paper Holdings, Inc., including cash overdraft acquired	-	-	-	(159)	(159)	-	-	-	-	-
Dispositions of assets	-	-	-	-	-	5	-	-	-	5
Decrease (increase) in countervailing duty cash deposits	-	-	-	(4)	(4)	(6)	(6)	(5)	(6)	(23)
Cash flows provided by (used in) investing activities	(40)	(43)	(45)	(224)	(352)	(48)	(59)	(82)	(84)	(273)
Issuance of long-term debt	-	-	-	-	-	-	-	46	-	46
Net borrowings under revolving credit facilities	-	-	-	-	-	20	-	70	35	125
Purchases of treasury stock	-	(37)	(22)	-	(59)	-	-	-	-	-
Cash flows provided by (used in) financing activities	-	(40)	(22)	-	(62)	20	(1)	115	35	169

Financial and Operating Statistics (Page 2 of 5)

	2015					2016				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
<i>(in millions, except per unit items and otherwise indicated)</i>										
Sales										
Market pulp	\$ 218	\$ 231	\$ 230	\$ 210	\$ 889	\$ 211	\$ 210	\$ 198	\$ 217	\$ 836
Tissue ⁽⁴⁾	-	-	-	11	11	23	24	23	19	89
Wood products	139	134	131	132	536	119	145	168	164	596
Newsprint	291	289	258	267	1,105	257	257	242	253	1,009
Specialty papers	272	272	286	274	1,104	267	255	257	236	1,015
Total sales	\$ 920	\$ 926	\$ 905	\$ 894	\$ 3,645	\$ 877	\$ 891	\$ 888	\$ 889	\$ 3,545
Shipments to 3rd Parties (thousands of units)										
Market pulp (mt)	328	351	360	336	1,375	352	345	323	368	1,388
Tissue (st) ⁽⁴⁾	-	-	-	7	7	15	16	15	12	58
Wood products (mbf)	393	418	421	446	1,678	390	445	506	503	1,844
Newsprint (mt)	534	548	517	551	2,150	519	510	470	493	1,992
Specialty papers (st)	382	388	411	399	1,580	393	382	384	355	1,514
Average Transaction Price per Unit										
Market pulp (\$/mt)	\$ 666	\$ 658	\$ 639	\$ 623	\$ 646	\$ 601	\$ 607	\$ 610	\$ 592	\$ 602
Tissue (\$/st) ⁽⁴⁾	-	-	-	1,506	1,506	1,489	1,560	1,549	1,521	1,530
Wood products (\$/mbf)	353	320	314	296	320	306	325	331	327	323
Newsprint (\$/mt)	545	528	498	484	514	495	504	515	512	506
Specialty papers (\$/st)	711	701	693	690	699	679	668	672	665	671

Financial and Operating Statistics (Page 3 of 5)

(in millions, except per unit items and otherwise indicated)

	2015					2016				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Operating Income (Loss)										
Market pulp	\$ 11	\$ 26	\$ 22	\$ 17	\$ 76	\$ 20	\$ 12	\$ 5	\$ 6	\$ 43
Tissue ⁽⁴⁾	-	-	-	(1)	(1)	(2)	(4)	(5)	1	(10)
Wood products	5	(4)	9	(8)	2	(4)	20	36	17	69
Newsprint	(3)	3	(10)	(13)	(23)	(5)	(3)	(8)	1	(15)
Specialty papers	5	17	9	(2)	29	7	16	(2)	4	25
Corporate and other	(33)	(26)	(24)	(219)	(302)	(16)	(59)	(16)	(47)	(138)
Total operating income (loss)	\$ (15)	\$ 16	\$ 6	\$ (226)	\$ (219)	\$ -	\$ (18)	\$ 10	\$ (18)	\$ (26)
Selling, General and Administrative Expenses										
Market pulp	\$ 8	\$ 8	\$ 7	\$ 8	\$ 31	\$ 7	\$ 7	\$ 8	\$ 6	\$ 28
Tissue ⁽⁴⁾	-	-	-	2	2	2	3	2	2	9
Wood products	6	6	5	6	23	5	7	6	4	22
Newsprint	11	12	9	11	43	10	9	10	8	37
Specialty papers	8	7	8	6	29	6	7	7	5	25
Corporate and other	8	7	5	12	32	8	7	4	9	28
Total selling, general and administrative expenses	\$ 41	\$ 40	\$ 34	\$ 45	\$ 160	\$ 38	\$ 40	\$ 37	\$ 34	\$ 149
Operating Cost per Unit										
Market pulp (\$/mt)	\$ 631	\$ 585	\$ 576	\$ 574	\$ 591	\$ 543	\$ 575	\$ 592	\$ 575	\$ 571
Tissue (\$/st) ⁽⁴⁾	-	-	-	1,539	1,539	1,643	1,792	1,878	1,367	1,682
Wood products (\$/mbf)	342	327	294	310	318	317	278	263	292	286
Newsprint (\$/mt)	552	521	517	509	525	504	511	531	512	514
Specialty papers (\$/st)	698	658	671	697	681	662	625	677	654	654
Product Inventory (thousands of units)										
Market pulp (mt)	102	88	77	90	90	94	83	100	91	91
Tissue (st) ⁽⁴⁾	-	-	-	6	6	5	3	4	5	5
Wood products (mbf)	133	117	135	130	130	126	129	121	124	124
Newsprint (mt)	105	97	101	91	91	104	96	105	105	105
Specialty papers (st)	92	114	102	88	88	78	88	75	92	92

Financial and Operating Statistics (Page 4 of 5)

(in millions)	2015					2016				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Net Income (Loss) Including Noncontrolling Interests										
Market pulp	\$ 11	\$ 26	\$ 22	\$ 17	\$ 76	\$ 20	\$ 12	\$ 5	\$ 6	\$ 43
Tissue ⁽⁴⁾	-	-	-	(1)	(1)	(2)	(4)	(5)	1	(10)
Wood products	5	(4)	9	(8)	2	(4)	20	36	17	69
Newsprint	(3)	3	(10)	(13)	(23)	(5)	(3)	(8)	1	(15)
Specialty papers	5	17	9	(2)	29	7	16	(2)	4	25
Corporate and other	(50)	(46)	(36)	(206)	(338)	(23)	(81)	(11)	(73)	(188)
Total net income (loss) including noncontrolling interests	\$ (32)	\$ (4)	\$ (6)	\$ (213)	\$ (255)	\$ (7)	\$ (40)	\$ 15	\$ (44)	\$ (76)
Interest Expense	\$ 12	\$ 11	\$ 9	\$ 9	\$ 41	\$ 10	\$ 9	\$ 10	\$ 9	\$ 38
Income Tax Provision (Benefit)	\$ 10	\$ 10	\$ 2	\$ (23)	\$ (1)	\$ 10	\$ 13	\$ (14)	\$ 10	\$ 19
Depreciation and Amortization										
Market pulp	\$ 14	\$ 12	\$ 14	\$ 13	\$ 53	\$ 7	\$ 11	\$ 10	\$ 9	\$ 37
Tissue ⁽⁴⁾	-	-	-	1	1	2	2	2	(1)	5
Wood products	8	9	9	11	37	7	9	7	8	31
Newsprint	16	16	16	16	64	20	19	17	18	74
Specialty papers	17	19	18	17	71	13	10	11	11	45
Corporate and other	2	4	2	3	11	3	3	4	4	14
Total depreciation and amortization	\$ 57	\$ 60	\$ 59	\$ 61	\$ 237	\$ 52	\$ 54	\$ 51	\$ 49	\$ 206
EBITDA ⁽⁵⁾										
Market pulp	\$ 25	\$ 38	\$ 36	\$ 30	\$ 129	\$ 27	\$ 23	\$ 15	\$ 15	\$ 80
Tissue ⁽⁴⁾	-	-	-	-	-	-	(2)	(3)	-	(5)
Wood products	13	5	18	3	39	3	29	43	25	100
Newsprint	13	19	6	3	41	15	16	9	19	59
Specialty papers	22	36	27	15	100	20	26	9	15	70
Corporate and other	(26)	(21)	(23)	(217)	(287)	-	(56)	(11)	(50)	(117)
Total EBITDA	\$ 47	\$ 77	\$ 64	\$ (166)	\$ 22	\$ 65	\$ 36	\$ 62	\$ 24	\$ 187
Special Items ⁽⁵⁾										
Foreign currency translation (gain) loss	\$ (2)	\$ (1)	\$ 5	\$ 2	\$ 4	\$ (6)	\$ 3	\$ -	\$ 10	\$ 7
Closure costs, impairment and other related charges	6	-	2	173	181	-	37	-	25	62
Inventory write-downs related to closures	1	-	-	1	2	-	5	-	2	7
Net (gain) loss on disposition of assets	-	-	-	-	-	(2)	-	-	-	(2)
Non-operating pension and OPEB costs (credits)	14	12	13	27	66	6	6	6	6	24
Acquisition-related costs	-	-	-	4	4	-	-	-	-	-
Start-up costs	1	1	2	1	5	3	1	1	3	8
Other (income) expense, net	(3)	-	(4)	(1)	(8)	(7)	(3)	(1)	(3)	(14)
Total special items	\$ 17	\$ 12	\$ 18	\$ 207	\$ 254	\$ (6)	\$ 49	\$ 6	\$ 43	\$ 92
Adjusted EBITDA ⁽⁵⁾										
Market pulp	\$ 25	\$ 38	\$ 36	\$ 30	\$ 129	\$ 27	\$ 23	\$ 15	\$ 15	\$ 80
Tissue ⁽⁴⁾	-	-	-	-	-	-	(2)	(3)	-	(5)
Wood products	13	5	18	3	39	3	29	43	25	100
Newsprint	13	19	6	3	41	15	16	9	19	59
Specialty papers	22	36	27	15	100	20	26	9	15	70
Corporate and other	(9)	(9)	(5)	(10)	(33)	(6)	(7)	(5)	(7)	(25)
Total adjusted EBITDA	\$ 64	\$ 89	\$ 82	\$ 41	\$ 276	\$ 59	\$ 85	\$ 68	\$ 67	\$ 279

Financial and Operating Statistics (Page 5 of 5)

Notes

¹ We define working capital as current assets less current liabilities excluding cash and cash equivalents and debt.

² We define net debt as total debt less cash and cash equivalents.

³ We define liquidity as cash and cash equivalents and availability under our revolving credit facilities.

⁴ On November 16, 2015, we acquired Atlas Paper Holdings, Inc. and its subsidiaries (or "Atlas Paper"), a manufacturer of a range of tissue products for the away-from-home and private-label at-home markets, including virgin and recycled products, covering economy, value and premium grades and operating two tissue mills and a recycling facility in Florida. We began consolidating the results of operations of Atlas Paper in our Consolidated Financial Statements as of November 16, 2015. Atlas Paper's results of operations are included in the tissue segment.

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 currency translation 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, acquisition-related costs 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.

⁶ Certain prior period amounts have been changed to conform to the 2016 presentation.