

RESOLUTE FOREST PRODUCTS Q1 2019 RESULTS



APRIL 30, 2019

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

Statements in this presentation that are not reported financial results or other historical information of Resolute Forest Products Inc. (with its subsidiaries, “we,” “our,” “us” or the company”) are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. They include, for example, statements made in the Outlook slide of this presentation and statements relating to our: efforts and initiatives to reduce costs and increase revenues and profitability; business and operating outlook; future pension obligations; assessment of market conditions; growth strategies and prospects, and the growth potential of the Company and the industry in which we operate; liquidity; future cash flows, including as a result of the changes to our pension funding obligations; and strategies for achieving our goals generally. Forward-looking statements may be identified by the use of forward-looking terminology such as the words “should,” “would,” “could,” “will,” “may,” “expect,” “believe,” “anticipate,” “attempt,” “project,” and other terms with similar meaning indicating possible future events or potential impact on our business or our shareholders.

The reader is cautioned not to place undue reliance on these forward-looking statements, which are not guarantees of future performance. These statements are based on management’s current assumptions, beliefs, and expectations, all of which involve a number of business risks and uncertainties that could cause actual results to differ materially. The potential risks and uncertainties that could cause our actual future financial condition, results of operations, and performance to differ materially from those expressed or implied in this presentation include, but are not limited to, the impact of: developments in non-print media, and the effectiveness of our responses to these developments; intense competition in the forest products industry; any inability to offer products certified to globally recognized forestry management and chain of custody standards; any inability to successfully implement our strategies to increase our earnings power; the possible failure to successfully integrate acquired businesses with ours or to realize the anticipated benefits of acquisitions, such as our entry into tissue production and sales, or divestitures or other strategic transactions or projects; uncertainty or changes in political or economic conditions in the United States, Canada or other countries in which we sell our products; global economic conditions; the highly cyclical nature of the forest products industry; any difficulties in obtaining timber or wood fiber at favorable prices, or at all; changes in the cost of purchased energy and other raw materials; physical and financial risks associated with global, regional, and local weather conditions, and climate change; any disruption in operations or increased labor costs due to labor disputes; difficulties in our employee relations or retention; disruptions to our supply chain, operations, or the delivery of our products; disruptions to our information technology systems including cybersecurity incidents; risks related to the operation and transition of legacy system applications; negative publicity, even if unjustified; currency fluctuations; any increase in the level of required contributions to our pension plans, including as a result of any increase in the amount by which they are underfunded; our ability to maintain adequate capital resources to provide for all of our substantial capital requirements; the terms of our outstanding indebtedness, which could restrict our current and future operations; losses that are not covered by insurance; any additional closure costs and long-lived asset impairment or accelerated depreciation charges; any need to record additional valuation allowances against our recorded deferred income tax assets; our exports from one country to another country becoming or remaining subject to duties, cash deposit requirements, border taxes, quotas, or other trade remedies or restrictions; countervailing and anti-dumping duties on imports to the U.S. of substantially all of our softwood lumber products produced at our Canadian sawmills; any failure to comply with laws or regulations generally; any additional environmental or health and safety liabilities; any violation of trade laws, export controls, or other laws relating to our international sales and operations; adverse outcomes of legal proceedings, claims and governmental inquiries, investigations, and other disputes in which we are involved; the actions of holders of a significant percentage of our common stock; and the potential risks and uncertainties described under the heading “Risk Factors” in Part I, Item 1A of the Company’s annual report on Form 10-K for the year ended December 31, 2018.

All forward-looking statements in this presentation are expressly qualified by the cautionary statements contained or referred to above and in the Company’s other filings with the U.S. Securities and Exchange Commission and the Canadian securities regulatory authorities. The Company disclaims any obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

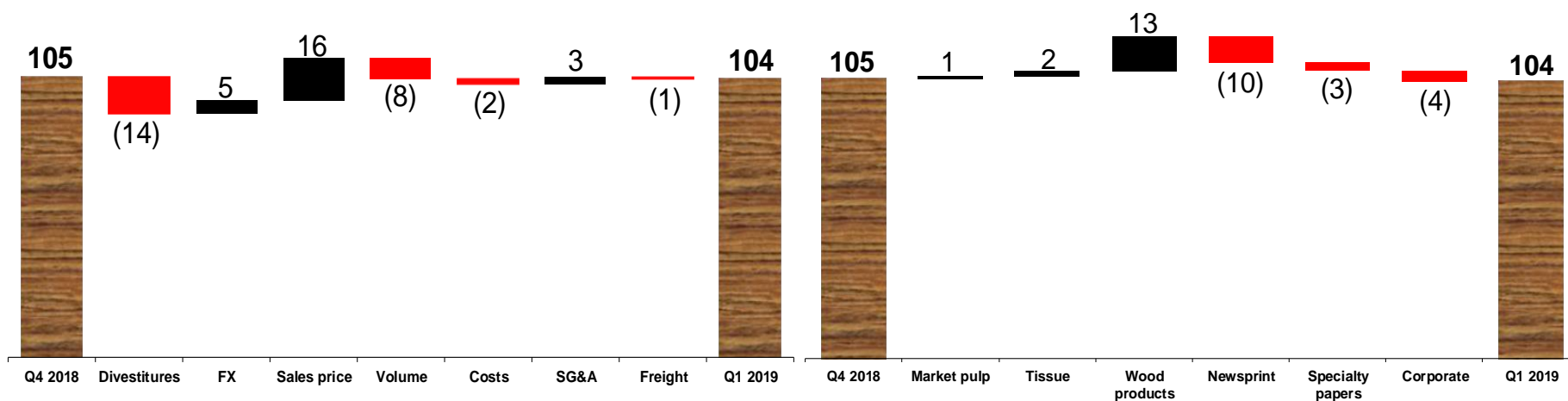
Q1 2019 FINANCIAL HIGHLIGHTS

- Q1 GAAP net income of \$42 million / \$0.45 per share
- Adjusted EBITDA of \$104 million in the quarter
- Repurchased \$225 million of senior notes
- Liquidity strong at \$595 million
- Net debt to adjusted EBITDA at 0.6x

Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.

Q1 2019 OVERVIEW

Adjusted EBITDA : Q1'19 vs. Q4'18

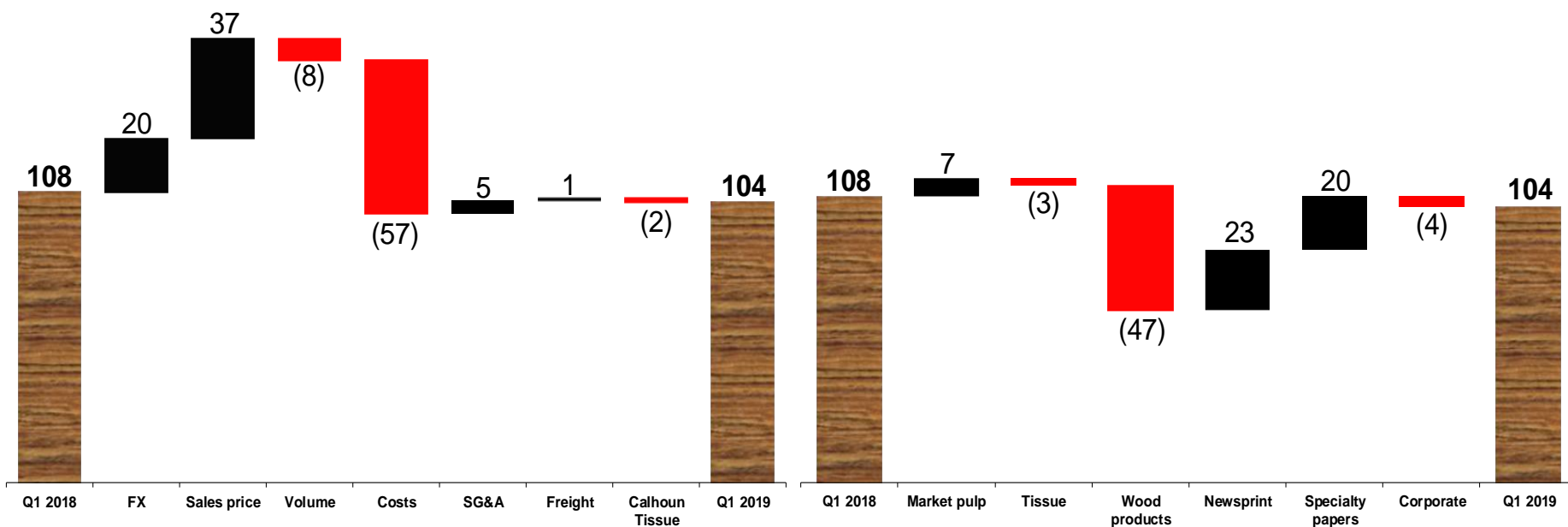


- Divestitures: \$15mm of EBITDA from Catawba in Q4 2018
- Sales price: modest rebound in lumber prices ↑ \$27/mbf (\$13mm)
- Volumes: softening newsprint market conditions
- Costs: higher wood fiber and energy costs offsets better productivity

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Q1 2019 OVERVIEW

Adjusted EBITDA : Q1'19 vs. Q1'18



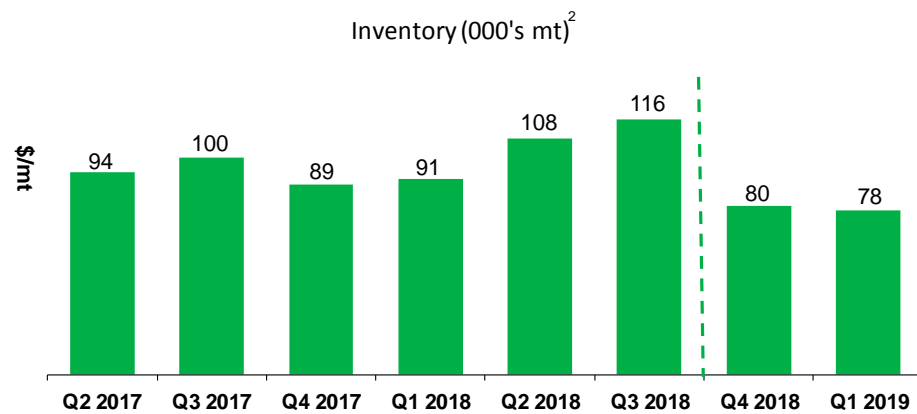
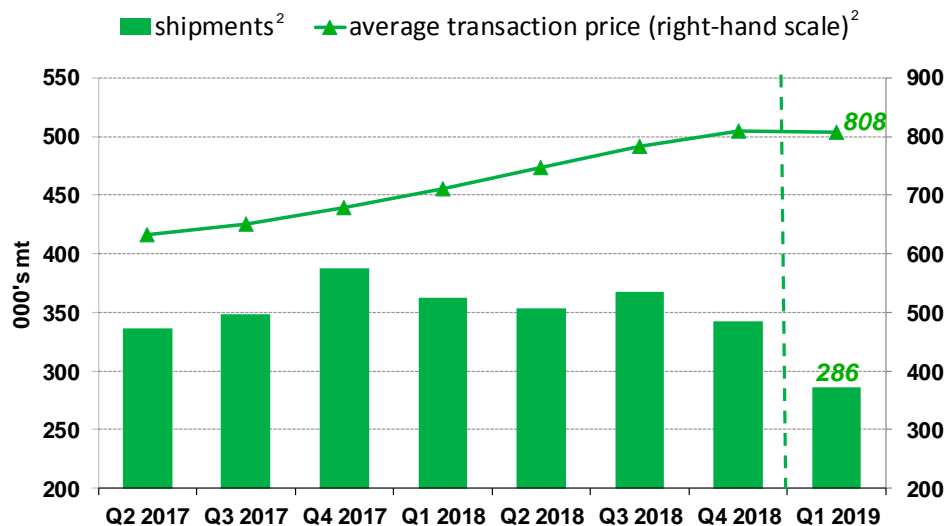
- Higher selling prices: pulp ↑ 14%; newsprint ↑ 14%; specialty papers ↑ 14%; offset by wood ↓ 19%
- Volumes: weaker lumber and newsprint market conditions
- Costs: higher fiber costs and additional maintenance, mostly planned

Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.

MARKET PULP

(US\$mm)	Q1 2019	Q4 2018
Sales	231	276
Operating income	42	41
EBITDA ¹	47	46
Shipments (000's mt)	286	342

- World shipments of chemical pulp ↑ 1% in Q1 vs. 2018
 - Western Europe ↓ 6%; China ↓ 1%; North America ↑ 9%
 - Hardwood ↓ 1%; softwood ↑ 4%
- Q1 transaction price unchanged vs. Q4; ↑ \$98/mt vs. 2018
- Q1 shipments: ↓ 56k mt vs. Q4 and ↑ 26k mt proforma divestitures
- Q1 cash cost³ ↓ \$27/mt vs. Q4



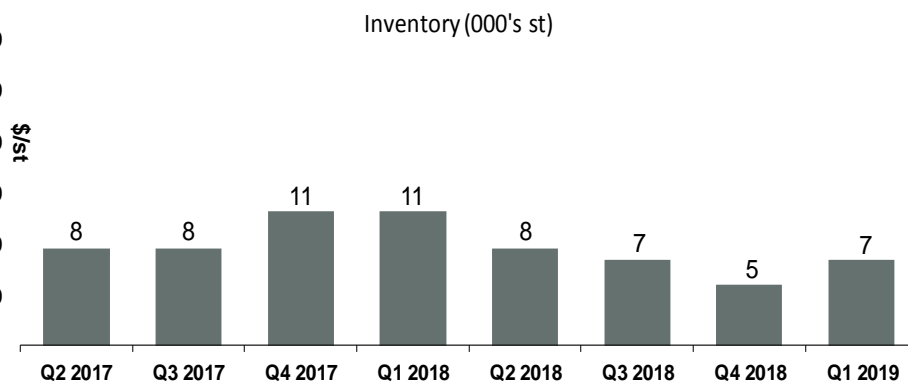
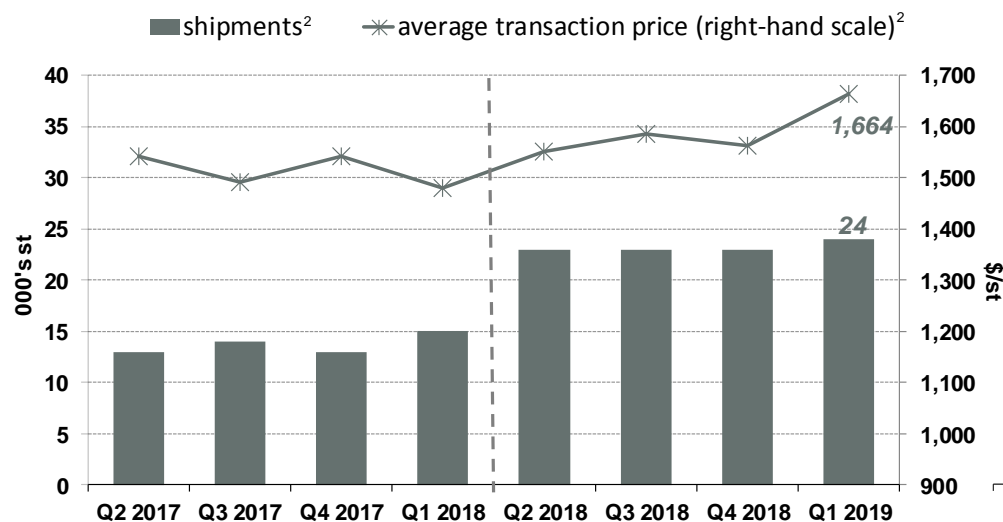
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- EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
- Divestitures in Q4 2018: Catawba mill (approx. 230,000 mt annual capacity) and Fairmont mill (net impact of approx. 80,000 mt of shipments annually).
- The "all-in" cash cost is the total cost, excluding depreciation and amortization, of each ton shipped (cost of sales, distribution costs, and selling, general and administrative expenses).

TISSUE

(US\$mm)	Q1 2019	Q4 2018
Sales	39	35
Operating loss	(8)	(9)
EBITDA ¹	(3)	(5)
Shipments (000's st)	24	23

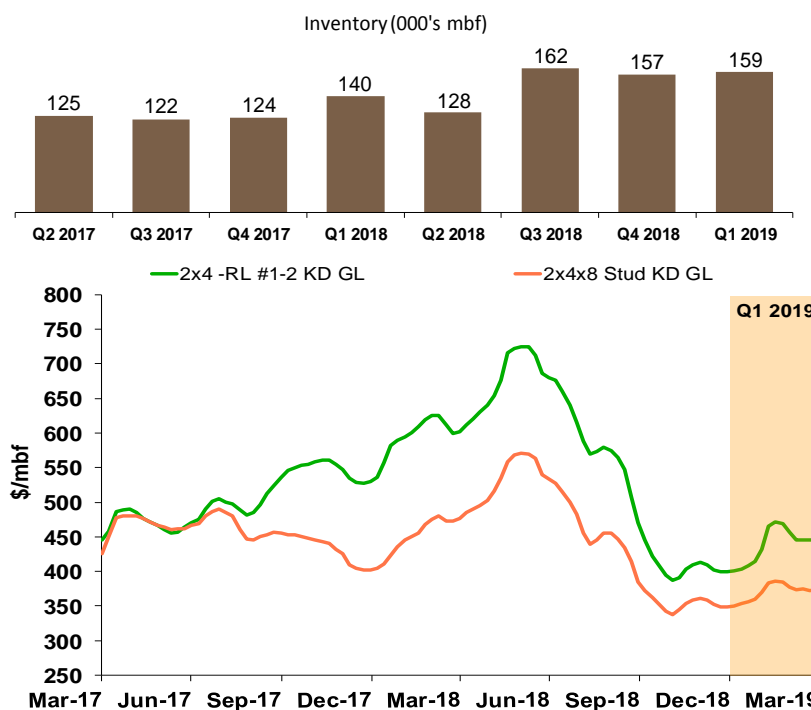
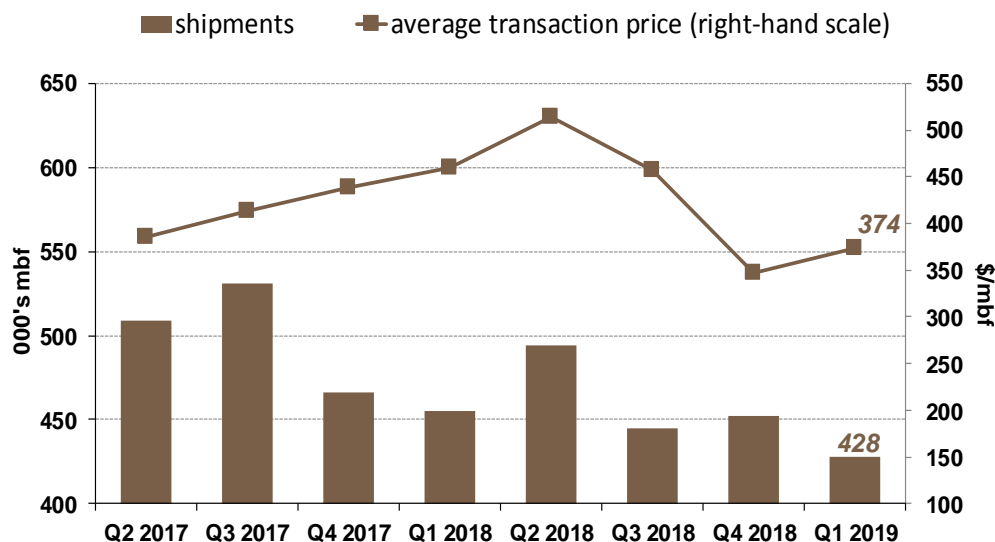
- U.S. consumption ↑ 4.4% in Q1 vs. 2018³
 - Away-from-home shipments ↑ 4.0%
 - At-home shipments ↑ 2.3%
- Sales ↑ 11% vs Q4:
 - Transaction price ↑ \$102/st
 - Shipments ↑ 4%
- Improved product quality and productivity at Calhoun
- On-site Calhoun distribution center benefits starting in Q1



WOOD PRODUCTS

(US\$mm)	Q1 2019	Q4 2018
Sales	161	157
Operating income (loss)	6	(8)
EBITDA ¹	14	1
Shipments (mmbf)	428	452

- SAAR² for U.S. housing starts ↓ 9% in Q1 vs. 2018
 - Multi-family starts ↓ 20%; single-family starts ↓ 5% vs. 2018
- Q1 transaction price ↑ \$27/mbf vs. Q4; ↓ \$85/mbf vs. 2018
- Q1 shipments ↓ 24 mmbf vs. Q4
- Q1 cash cost ↓ \$4/mbf vs. Q4
- 30 mmbf of capacity curtailments in Q2 2019

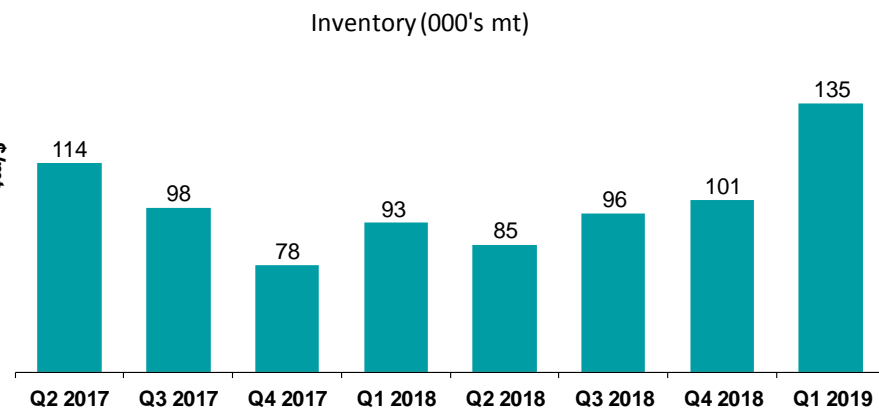
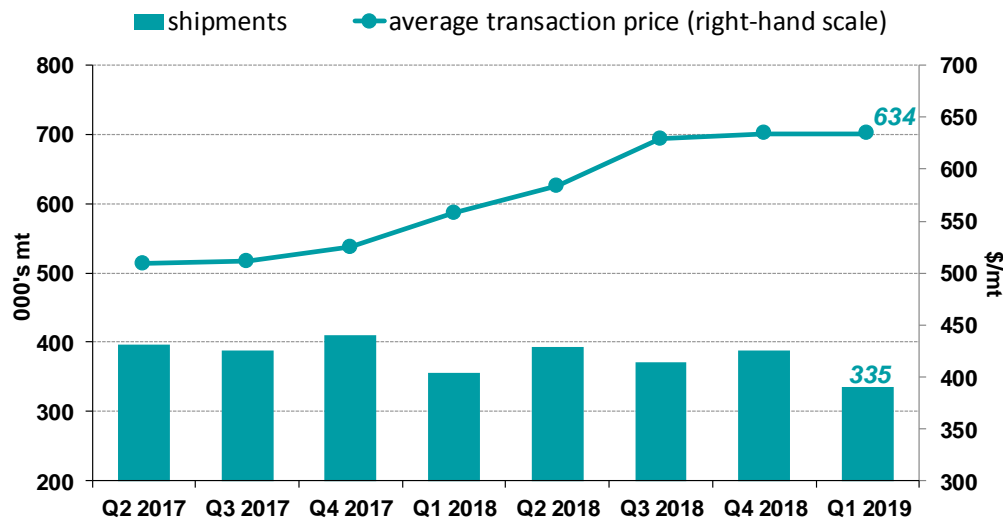


1. EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
2. Seasonally adjusted annual rate.

NEWSPRINT

(US\$mm)	Q1 2019	Q4 2018
Sales	212	247
Operating income	28	28
EBITDA ¹	35	45
Shipments (000's mt)	335	388

- North America:
 - Demand ↓ 15% in Q1 vs. 2018
 - publishers ↓ 17%
 - commercial printers ↓ 10%
 - Shipment-to-capacity ratio of 84%
- World²:
 - Demand ↓ 7% in Q1 vs. 2018
 - Shipment-to-capacity ratio of 84%
- Q1 transaction price unchanged vs. Q4; ↑ \$76/mt vs. 2018
- Q1 shipments ↓ 53k mt vs. Q4
- Q1 cash cost ↑ \$10/mt vs. Q4

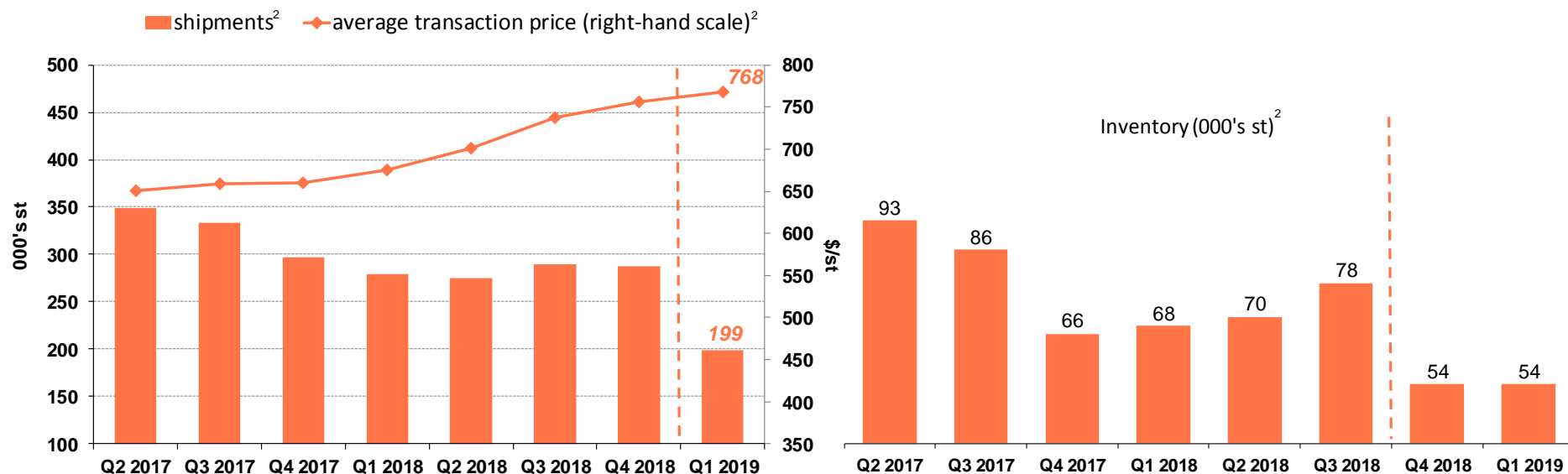


1. EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures
 2. For the two months ended February 28, 2019 vs. February 28, 2018.

SPECIALTY PAPERS

(US\$mm)	Q1 2019	Q4 2018
Sales	152	217
Operating income	15	17
EBITDA ¹	25	28
Shipments (000's st)	199	287

- North American uncoated mechanical grades demand ↓ 9% in Q1 vs. 2018
 - Standard papers ↓ 16%; SC³ unchanged
 - Shipment-to-capacity ratio of 83%
- Q1 transaction price ↑ \$12/st vs. Q4; ↑ \$93/st vs 2018
- Q1 shipments ↓ 88k st vs. Q4; Q1 cash cost ↓ \$18/st vs. Q4 (sale of Catawba mill in 2018)



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1. EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
2. Divestiture at the end of Q4 2018: Catawba mill (approx. 350,000 st annual capacity).
3. Supercalendered.

P&L

Selected financial information

	Q1 2019	vs Q4 2018	vs Q1 2018
Net income (excluding special items) ¹	\$30mm	+\$26mm	+\$13mm
Sales	\$795mm	-15%	-9%
EPS (excluding special items) ¹	\$0.32	+\$0.28	+\$0.14
Adjusted EBITDA ²	\$104mm	-1%	-4%

Special items affecting net income (pre-tax) in Q1 2019

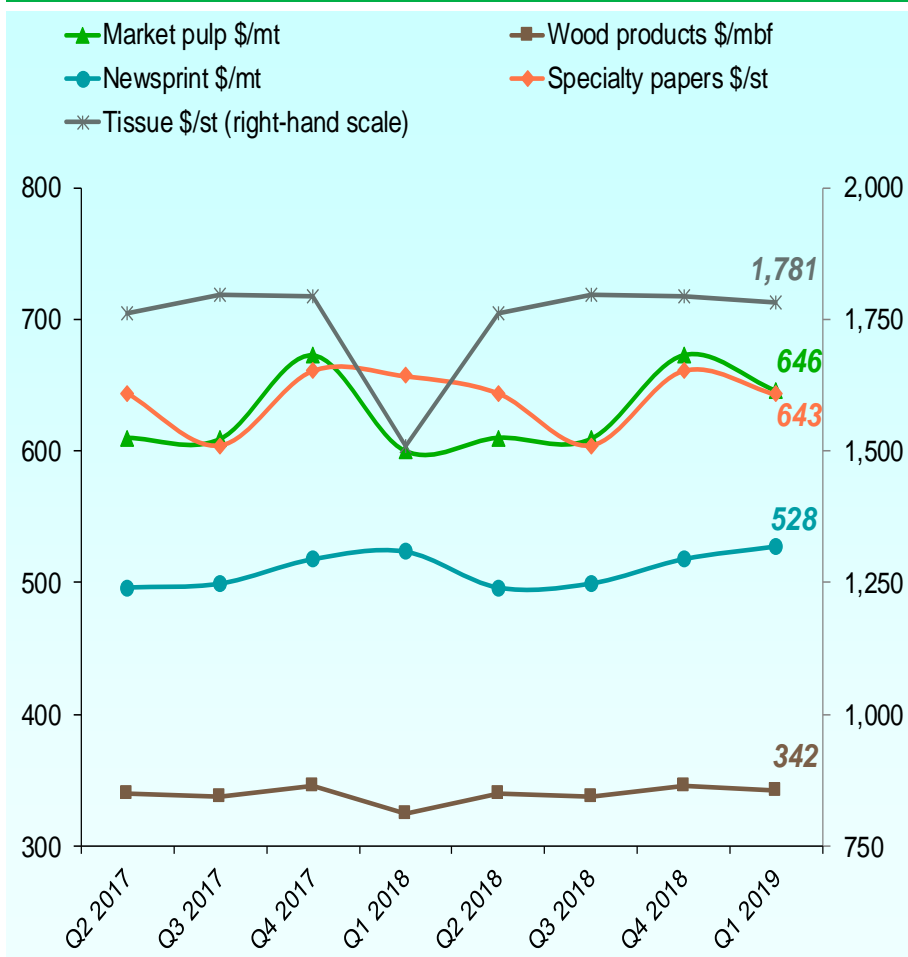
- \$12mm non-operating pension and OPEB³ credits

EBITDA ² contribution from cogen (US\$mm)	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19
	9	9	9	12	11	10	4	11

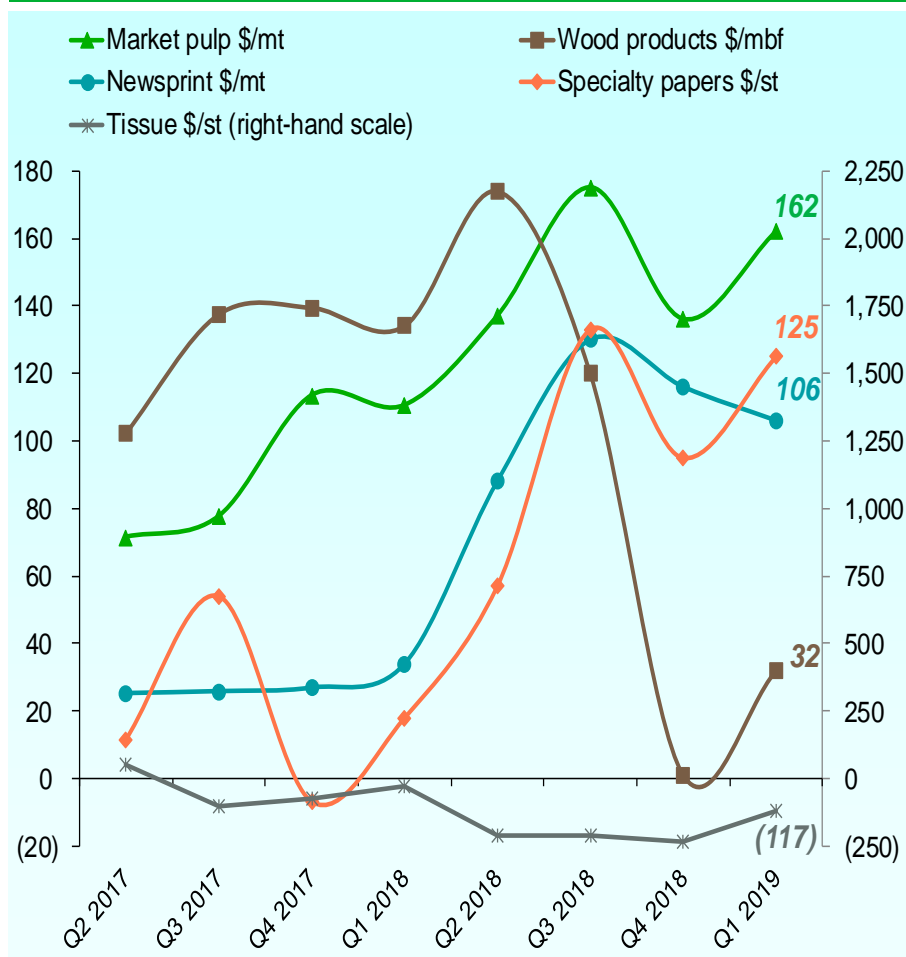
1. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
2. Adjusted EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.
3. Other postretirement benefit.

PERFORMANCE METRICS

« All-in » cash cost



EBITDA¹ per unit



LIQUIDITY AND CASH FLOW

- \$225mm of senior notes repurchased in Q1
- Net debt to adjusted LTM¹ EBITDA² ratio at 0.6x in Q1
- Liquidity of \$595mm
- Q1 net cash provided by operations of \$23mm
- Q1 capex of \$26mm; \$160mm of capital expenditures expected in 2019
- Cumulative lumber cash duty deposits of \$117mm; \$6mm uncoated groundwood paper cash duty deposits fully refunded in Q1

(US\$mm)	Q1 2019	vs Q4 2018	vs Q1 2018
Cash	69	-235	+56
Working capital ³	616	+50	-10
Total debt	423	-222	-356
Interest	9	-2	-4

Available liquidity (US\$mm)	2019	2018				2017		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total debt	423	645	645	675	779	789	832	840
Cash on hand	69	304	72	6	13	6	38	44
Available under revolving credit facilities	526	517	582	511	439	412	362	370

1. Last twelve months.

2. EBITDA is a non-GAAP financial measure. Refer to Appendices A and B for a definition and reconciliation of non-GAAP financial measures.

3. Excludes supercalendered paper cash deposits (\$1M in Q4 2018); and uncoated groundwood paper cash countervailing duty deposits (\$6M in Q4 2018).

PENSION

- Net pension & OPEB liability ↓ \$11mm in Q1
 - Ongoing pension contributions largely offset by unfavorable currency impact

(US\$mm)	Q1'2019	2018	2017	2016
Net pension liabilities	1,112	1,122	1,097	1,123
OPEB liabilities	147	148	172	172
Net pension and OPEB liabilities	1,259	1,270	1,269	1,295
U.S. GAAP discount rate at 12/31 ¹	N/A	3.8%	3.6%	3.8%
Pension plans deficit for funding purposes ²	N/A	572 ³	562	621

(US\$mm)	2019E	Q1'2019	2018	2017	2016
Pension contributions ⁴	100	19	121	132	162
OPEB payments	15	4	13	11	13
Operating pension and OPEB costs ⁴	30	9	40	41	42
Non-op. pension and OPEB (credits)/costs ⁵	(45)	(12)	(50)	(7)	8
Total pension and OPEB (credits)/costs⁴	(15)	(3)	(10)	34	50

1. Pension plans.

2. Funding for pension plans in Quebec is determined on a going concern basis; in Ontario, also on a going-concern basis for 2018 as we exited special funding regulations on December 31, 2018, and on a solvency basis for 2017 and 2016; and in the U.S. on a 25-year average interest rate basis.

3. Preliminary, subject to final actuarial reports.

4. Includes defined benefit and defined contribution plans.

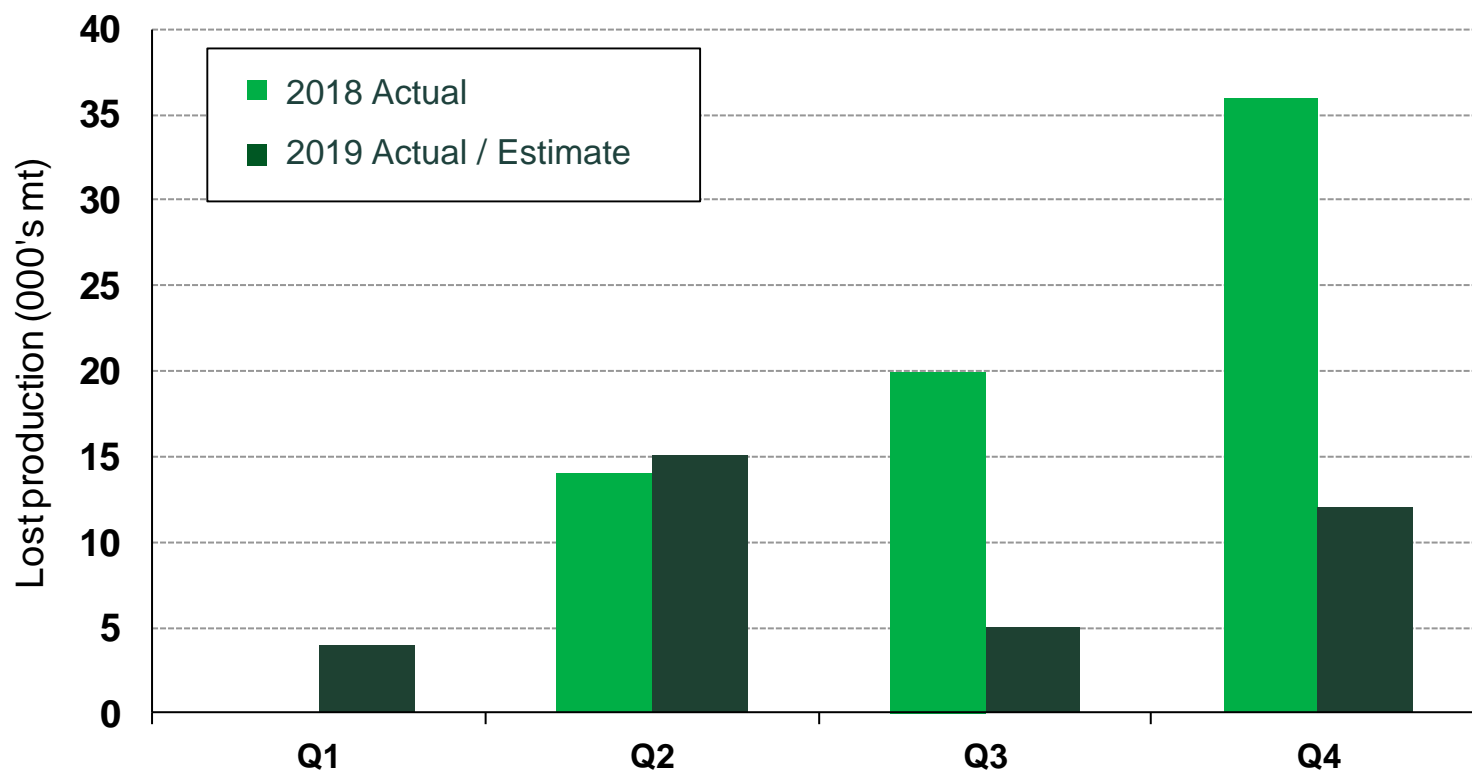
5. Excluded from adjusted EBITDA.

OUTLOOK

Market Pulp	<ul style="list-style-type: none">• Prices have started to trend down; lower price realizations expected in Q2• Limited capacity additions and growing demand will support favorable market dynamics over the medium term
Tissue	<ul style="list-style-type: none">• Continued improvement in productivity and quality
Wood Products	<ul style="list-style-type: none">• Cost performance improvement expected for balance of 2019• Conservative near-term outlook for lumber• Continue to believe in long term growth prospects
Paper	<ul style="list-style-type: none">• Lower pricing expected in Q2 as a result of global demand declines and low operating rates• Continued generation of attractive cash flow• Steps undertaken to reduce inventory and maintain competitive cost position

OUTLOOK

2019 Scheduled Market Pulp Outages



APPENDIX A



RESOLUTE FOREST PRODUCTS INC.
RECONCILIATION OF OPERATING INCOME AND NET INCOME ADJUSTED FOR SPECIAL ITEMS

A reconciliation of our operating income, net income and net income per share reported before special items is presented in the tables below. See Note 1 to the Reconciliations of Non-GAAP Measures regarding our use of non-GAAP measures contained in our May 2, 2019, press release available on our website.

Three months ended March 31, 2019 (unaudited, in millions of U.S. dollars, except per share amounts)	Operating income (loss)	Net income (loss)	EPS
GAAP, as reported	\$ 64	\$ 42	\$ 0.45
Adjustments for special items:			
Foreign exchange loss	-	4	0.04
Non-operating pension and OPEB credits	-	(12)	(0.13)
Income tax effect of special items	-	(4)	(0.04)
Adjusted for special items	\$ 64	\$ 30	\$ 0.32

Three months ended March 31, 2018 (unaudited, in millions of U.S. dollars, except per share amounts)	Operating income (loss)	Net income (loss)	EPS
GAAP, as reported	\$ 48	\$ 10	\$ 0.11
Adjustments for special items:			
Foreign exchange loss	-	1	0.01
Reversal of inventory write-downs related to closures	(1)	(1)	(0.01)
Start-up costs	8	8	0.09
Non-operating pension and OPEB credits	-	(13)	(0.14)
Other expense, net	-	6	0.06
Income tax effect of special items	-	6	0.06
Adjusted for special items	\$ 55	\$ 17	\$ 0.18

RESOLUTE FOREST PRODUCTS INC.
RECONCILIATION OF EBITDA AND ADJUSTED EBITDA

A reconciliation of our net income including noncontrolling interests to EBITDA and Adjusted EBITDA is presented in the tables below. See Note 1 to the Reconciliations of Non-GAAP Measures regarding our use of the non-GAAP measures EBITDA and Adjusted EBITDA contained in our May 2, 2019, press release available on our website.

Three months ended March 31, 2019									
(unaudited, in millions of U.S. dollars)									
	Market pulp	Tissue ⁽²⁾	Wood products	Newsprint	Specialty papers	Corporate and other	Total		
Net income (loss) including noncontrolling interests	\$ 42	\$ (8)	\$ 6	\$ 28	\$ 15	\$ (41)	\$ 42		
Interest expense						9	9		
Income tax provision						21	21		
Depreciation and amortization	5	5	8	7	10	5	40		
EBITDA	\$ 47	\$ (3)	\$ 14	\$ 35	\$ 25	\$ (6)	\$ 112		
Foreign exchange loss						4	4		
Non-operating pension and OPEB credits						(12)	(12)		
Adjusted EBITDA	\$ 47	\$ (3)	\$ 14	\$ 35	\$ 25	\$ (14)	\$ 104		

Three months ended March 31, 2018									
(unaudited, in millions of U.S. dollars)									
	Market pulp	Tissue ⁽²⁾	Wood products	Newsprint	Specialty papers	Corporate and other	Total		
Net income (loss) including noncontrolling interests	\$ 33	\$ (1)	\$ 53	\$ (4)	\$ (7)	\$ (64)	\$ 10		
Interest expense						13	13		
Income tax provision						31	31		
Depreciation and amortization	7	1	8	16	12	9	53		
EBITDA	\$ 40	\$ -	\$ 61	\$ 12	\$ 5	\$ (11)	\$ 107		
Foreign exchange loss						1	1		
Reversal of inventory write-downs related to closures						(1)	(1)		
Start-up costs						8	8		
Non-operating pension and OPEB credits						(13)	(13)		
Other expense, net						6	6		
Adjusted EBITDA	\$ 40	\$ -	\$ 61	\$ 12	\$ 5	\$ (10)	\$ 108		

APPENDIX B



Financial and Operating Statistics (Page 1 of 5)

(in millions of U.S. dollars, except per share amounts and otherwise indicated)

Income Statement Data

	2018					2019				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Sales	\$ 874	\$ 976	\$ 974	\$ 932	\$ 3,756	\$ 795				\$ 795
Operating income (loss)	48	121	135	75	379	64				64
Interest expense	(13)	(11)	(12)	(11)	(47)	(9)				(9)
Net income (loss) including noncontrolling interests	10	72	117	36	235	42				42
Net income (loss) attributable to noncontrolling interests	-	-	-	-	-	-				-
Net income (loss) attributable to Resolute Forest Products Inc.	10	72	117	36	235	42				42
Diluted net income (loss) per share attributable to Resolute Forest Products Inc. common shareholders	\$ 0.11	\$ 0.77	\$ 1.25	\$ 0.38	\$ 2.52	\$ 0.45				\$ 0.45
Special dividend declared per common share	\$ -	\$ -	\$ -	\$ 1.50	\$ 1.50	\$ -				\$ -
Average diluted shares outstanding (in thousands)	92,999	93,197	93,393	94,442	93,257	93,868				93,868
Ending shares outstanding (in thousands)	90,315	90,342	90,345	90,730	90,730	91,099				91,099

Financial Position

Cash and cash equivalents	\$ 13	\$ 6	\$ 72	\$ 304	\$ 304	\$ 69				\$ 69
Working capital ⁽¹⁾	626	664	749	573	573	616				616
Fixed assets, net	1,684	1,669	1,545	1,515	1,515	1,492				1,492
Total assets	4,122	4,025	4,145	3,935	3,935	3,802				3,802
Current portion of long-term debt	1	1	1	223	223	1				1
Long-term debt, net of current portion	778	674	644	422	422	422				422
Net debt ⁽²⁾	766	669	573	341	341	354				354
Liquidity ⁽³⁾	452	517	654	821	821	595				595
Total Resolute Forest Products Inc. shareholders' equity	1,615	1,691	1,809	1,534	1,534	1,579				1,579
Noncontrolling interests	1	1	1	1	1	1				1
Total equity	1,616	1,692	1,810	1,535	1,535	1,580				1,580

Cash Flow Information

Cash flows provided by (used in) operations	\$ 62	\$ 158	\$ 131	\$ 84	\$ 435	\$ 23				\$ 23
Cash invested in fixed assets	(25)	(28)	(41)	(61)	(155)	(26)				(26)
Dispositions of assets	-	2	-	334	336	-				-
Decrease (increase) in countervailing duty cash deposits on supercalendered paper	(5)	(6)	24	35	48	1				1
Decrease (increase) in countervailing and anti-dumping duty cash deposits on softwood lumber	(14)	(27)	(21)	(15)	(77)	(14)				(14)
Decrease (increase) in countervailing duty cash deposits on uncoated groundwood paper	(2)	(4)	-	-	(6)	6				6
Cash flows provided by (used in) investing activities	(46)	(63)	(38)	293	146	(33)				(33)
Net borrowings (repayments) under revolving credit facilities	(9)	(105)	(30)	-	(144)	-				-
Payment of special dividend	-	-	-	(136)	(136)	-				-
Payments of debt	-	-	-	-	-	(225)				(225)
Cash flows provided by (used in) financing activities	(10)	(105)	(30)	(136)	(281)	(225)				(225)

Resolute Forest Products Inc.

Financial and Operating Statistics (Page 2 of 5)

(in millions of U.S. dollars, except per unit items and otherwise indicated)

	2018					2019				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Sales										
Market pulp	\$ 257	\$ 264	\$ 288	\$ 276	\$ 1,085	\$ 231				\$ 231
Tissue ⁽⁴⁾	22	35	38	35	130	39				39
Wood products	209	254	203	157	823	161				161
Newsprint	198	230	232	247	907	212				212
Specialty papers	188	193	213	217	811	152				152
Total sales	\$ 874	\$ 976	\$ 974	\$ 932	\$ 3,756	\$ 795				\$ 795
Shipments to Third Parties (thousands of units)										
Market pulp (mt)	362	353	367	342	1,424	286				286
Tissue (st) ⁽⁴⁾	15	23	23	23	84	24				24
Wood products (mbf)	455	494	445	452	1,846	428				428
Newsprint (mt)	355	393	371	388	1,507	335				335
Specialty papers (st)	279	275	289	287	1,130	199				199
Average Transaction Price per Unit										
Market pulp (\$/mt)	\$ 710	\$ 747	\$ 784	\$ 809	\$ 762	\$ 808				\$ 808
Tissue (\$/st) ⁽⁴⁾	1,480	1,551	1,585	1,562	1,551	1,664				1,664
Wood products (\$/mbf)	459	514	457	347	446	374				374
Newsprint (\$/mt)	558	584	629	634	602	634				634
Specialty papers (\$/st)	675	701	737	756	718	768				768

Resolute Forest Products Inc.

Financial and Operating Statistics (Page 3 of 5)

(in millions of U.S. dollars, except per unit items and otherwise indicated)

Operating Income (Loss)

	2018					2019				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Market pulp	\$ 33	\$ 41	\$ 57	\$ 41	\$ 172	\$ 42				\$ 42
Tissue ⁽⁴⁾	(1)	(10)	(10)	(9)	(30)	(8)				(8)
Wood products	53	79	45	(8)	169	6				6
Newsprint	(4)	18	32	28	74	28				28
Specialty papers	(7)	4	26	17	40	15				15
Corporate and other	(26)	(11)	(15)	6	(46)	(19)				(19)
Total operating income (loss)	\$ 48	\$ 121	\$ 135	\$ 75	\$ 379	\$ 64				\$ 64

Selling, General and Administrative Expenses

Market pulp	\$ 9	\$ 9	\$ 8	\$ 9	\$ 35	\$ 7				\$ 7
Tissue ⁽⁴⁾	1	3	4	3	11	3				3
Wood products	7	8	6	6	27	6				6
Newsprint	9	9	8	9	35	9				9
Specialty papers	7	6	6	5	24	5				5
Corporate and other	10	7	8	8	33	7				7
Total selling, general and administrative expenses	\$ 43	\$ 42	\$ 40	\$ 40	\$ 165	\$ 37				\$ 37

Operating Cost per Unit

Market pulp (\$/mt)	\$ 619	\$ 631	\$ 629	\$ 688	\$ 641	\$ 664				\$ 664
Tissue (\$/st) ⁽⁴⁾	1,585	1,973	2,003	1,982	1,916	1,984				1,984
Wood products (\$/mbf)	342	355	355	366	354	360				360
Newsprint (\$/mt)	568	538	543	562	552	550				550
Specialty papers (\$/st)	698	688	647	697	682	695				695

Operating Cost per Unit, Excluding Depreciation and Amortization

Market pulp (\$/mt)	\$ 600	\$ 610	\$ 609	\$ 673	\$ 622	\$ 646				\$ 646
Tissue (\$/st) ⁽⁴⁾	1,508	1,762	1,796	1,794	1,736	1,781				1,781
Wood products (\$/mbf)	325	340	337	346	337	342				342
Newsprint (\$/mt)	524	496	499	518	509	528				528
Specialty papers (\$/st)	657	644	604	661	641	643				643

Product Inventory (thousands of units)

Market pulp (mt)	91	108	116	80	80	78				78
Tissue (st) ⁽⁴⁾	11	8	7	5	5	7				7
Wood products (mbf)	140	128	162	157	157	159				159
Newsprint (mt)	93	85	96	101	101	135				135
Specialty papers (st)	68	70	78	54	54	54				54

Financial and Operating Statistics (Page 4 of 5)

(in millions of U.S. dollars)

Net Income (Loss) Including Noncontrolling Interests

	2018					2019				
	First	Second	Third	Fourth	Total	First	Second	Third	Fourth	Total
Market pulp	\$ 33	\$ 41	\$ 57	\$ 41	\$ 172	\$ 42				\$ 42
Tissue ⁽⁴⁾	(1)	(10)	(10)	(9)	(30)	(8)				(8)
Wood products	53	79	45	(8)	169	6				6
Newsprint	(4)	18	32	28	74	28				28
Specialty papers	(7)	4	26	17	40	15				15
Corporate and other	(64)	(60)	(33)	(33)	(190)	(41)				(41)
Total net income (loss) including noncontrolling interests	\$ 10	\$ 72	\$ 117	\$ 36	\$ 235	\$ 42				\$ 42
Interest Expense	\$ 13	\$ 11	\$ 12	\$ 11	\$ 47	\$ 9				\$ 9
Income Tax Provision (Benefit)	\$ 31	\$ 47	\$ 33	\$ 41	\$ 152	\$ 21				\$ 21
Depreciation and Amortization										
Market pulp	\$ 7	\$ 8	\$ 7	\$ 5	\$ 27	\$ 5				\$ 5
Tissue ⁽⁴⁾	1	5	5	4	15	5				5
Wood products	8	7	8	9	32	8				8
Newsprint	16	17	16	17	66	7				7
Specialty papers	12	12	12	11	47	10				10
Corporate and other	9	5	6	5	25	5				5
Total depreciation and amortization	\$ 53	\$ 54	\$ 54	\$ 51	\$ 212	\$ 40				\$ 40
EBITDA ⁽⁵⁾										
Market pulp	\$ 40	\$ 49	\$ 64	\$ 46	\$ 199	\$ 47				\$ 47
Tissue ⁽⁴⁾	-	(5)	(5)	(5)	(15)	(3)				(3)
Wood products	61	86	53	1	201	14				14
Newsprint	12	35	48	45	140	35				35
Specialty papers	5	16	38	28	87	25				25
Corporate and other	(11)	3	18	24	34	(6)				(6)
Total EBITDA	\$ 107	\$ 184	\$ 216	\$ 139	\$ 646	\$ 112				\$ 112
Special Items ⁽⁵⁾										
Foreign exchange (gain) loss	\$ 1	\$ 1	\$ -	\$ -	\$ 2	\$ 4				\$ 4
Closure costs, impairment and other related charges	-	1	-	120	121	-				-
(Reversal of) inventory write-downs related to closures	(1)	-	-	-	(1)	-				-
Net (gain) loss on disposition of assets	-	(4)	-	(141)	(145)	-				-
Non-operating pension and other postretirement benefit costs (credits)	(13)	(12)	(13)	(12)	(50)	(12)				(12)
Start-up costs	8	-	-	-	8	-				-
Other (income) expense, net	6	2	(14)	(1)	(7)	-				-
Total special items	\$ 1	\$ (12)	\$ (27)	\$ (34)	\$ (72)	\$ (8)				\$ (8)
Adjusted EBITDA ⁽⁵⁾										
Market pulp	\$ 40	\$ 49	\$ 64	\$ 46	\$ 199	\$ 47				\$ 47
Tissue ⁽⁴⁾	-	(5)	(5)	(5)	(15)	(3)				(3)
Wood products	61	86	53	1	201	14				14
Newsprint	12	35	48	45	140	35				35
Specialty papers	5	16	38	28	87	25				25
Corporate and other	(10)	(9)	(9)	(10)	(38)	(14)				(14)
Total adjusted EBITDA	\$ 108	\$ 172	\$ 189	\$ 105	\$ 574	\$ 104				\$ 104

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, debt, and operating lease liabilities.

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 credit facilities.

⁴ The operating results of our Calhoun (Tennessee) tissue operations, previously recorded under corporate and other, have been recorded in our tissue segment since April 1, 2018.

⁵ Earnings before interest expense, income taxes, and depreciation and amortization (or "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 Financial Accounting Standards Board Accounting Standards Codification 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 exchange 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 other postretirement benefit costs and credits and other charges or credits. Special items are allocated to corporate and other.

EBITDA and adjusted EBITDA are not financial measures recognized under U.S. generally accepted accounting principles (or "GAAP"). 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 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 U.S. Securities and Exchange Commission.

RESOLUTE FOREST PRODUCTS Q1 2019 RESULTS



APRIL 30, 2019