

**Verso Paper Corp.**

**Third Quarter 2014  
Earnings Conference Call**

**November 13, 2014**



# Forward-Looking Statements

In this presentation, all statements that are not purely historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements may be identified by the words “believe,” “expect,” “anticipate,” “project,” “plan,” “estimate,” “intend” and other similar expressions. Forward-looking statements are based on currently available business, economic, financial and other information and reflect management’s current beliefs, expectations and views with respect to future developments and their potential effects on Verso. Actual results could vary materially depending on risks and uncertainties that may affect Verso and its business. For a discussion of such risks and uncertainties, please refer to Verso’s filings with the Securities and Exchange Commission. Verso assumes no obligation to update any forward-looking statement made in this presentation to reflect subsequent events or circumstances or actual outcomes.

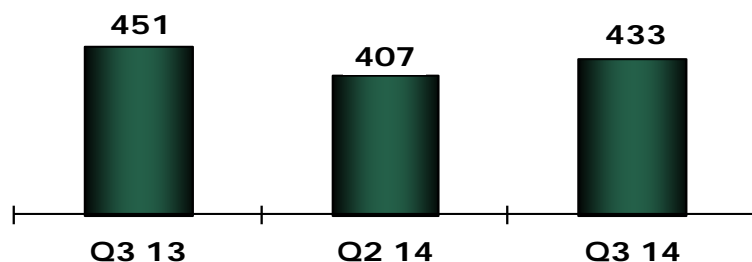
# Third Quarter 2014 Overview

- Sales volume down 4.0% versus last year; up 6.5% from Q2
- Coated price down 4.0% versus last year; up 1.6% from Q2. CFS prices improved 4.0% sequentially, CGW prices flat
- Inventory below last year and last quarter levels
- Certain maintenance outages were moved from Q2 to Q3 reducing pulp volume in Q3
- Overall input prices moved lower versus Q2 and prior year
- Continued efforts to close the NewPage acquisition and prepare for integration
- Satisfied minimum conditions in Second Lien and Subordinated notes exchange offers
- Subsequent to quarter-end, announced the permanent closure of the Bucksport, ME Mill

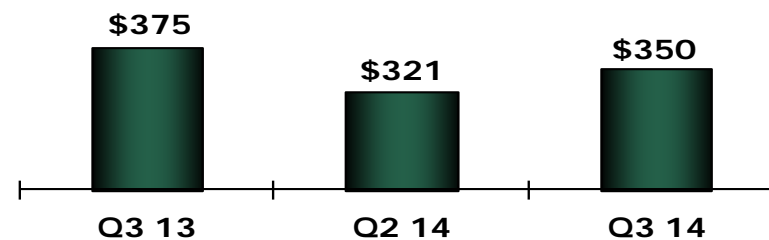
# Third Quarter 2014 Financial Overview

\$Millions

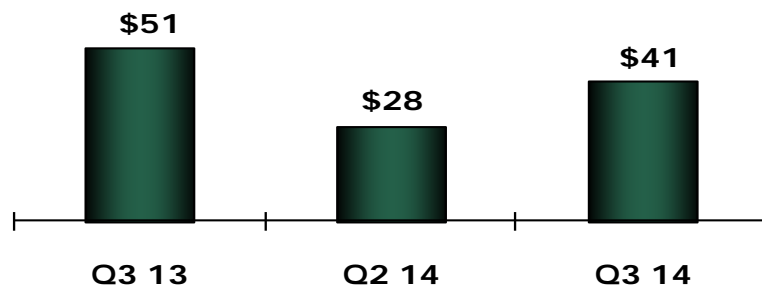
## Volume (000 Tons)



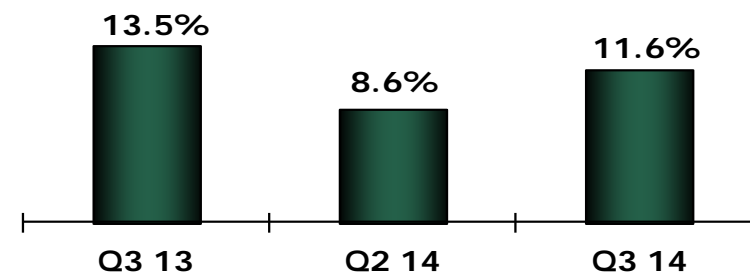
## Sales



## Adjusted EBITDA



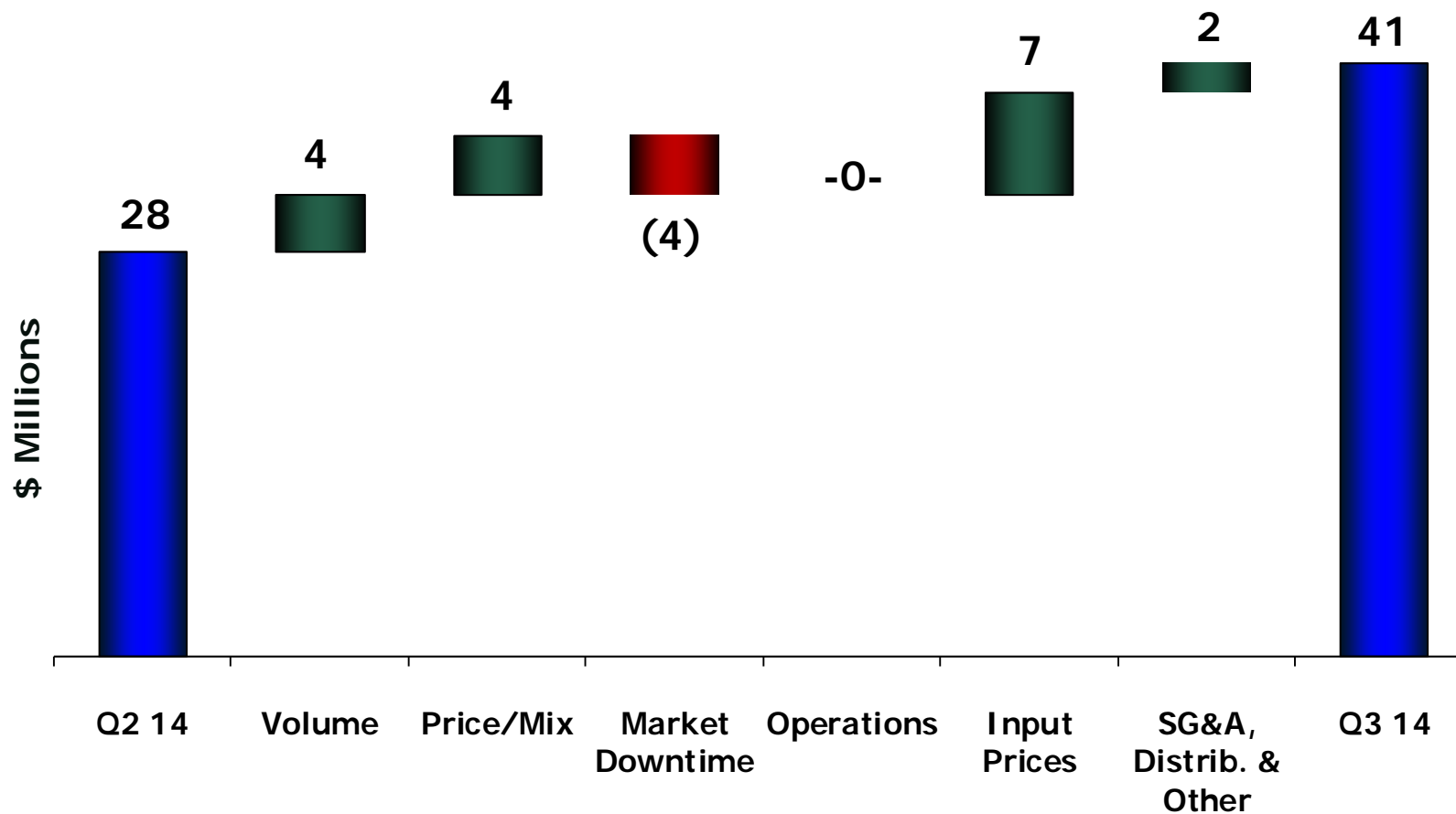
## Adjusted EBITDA Margin



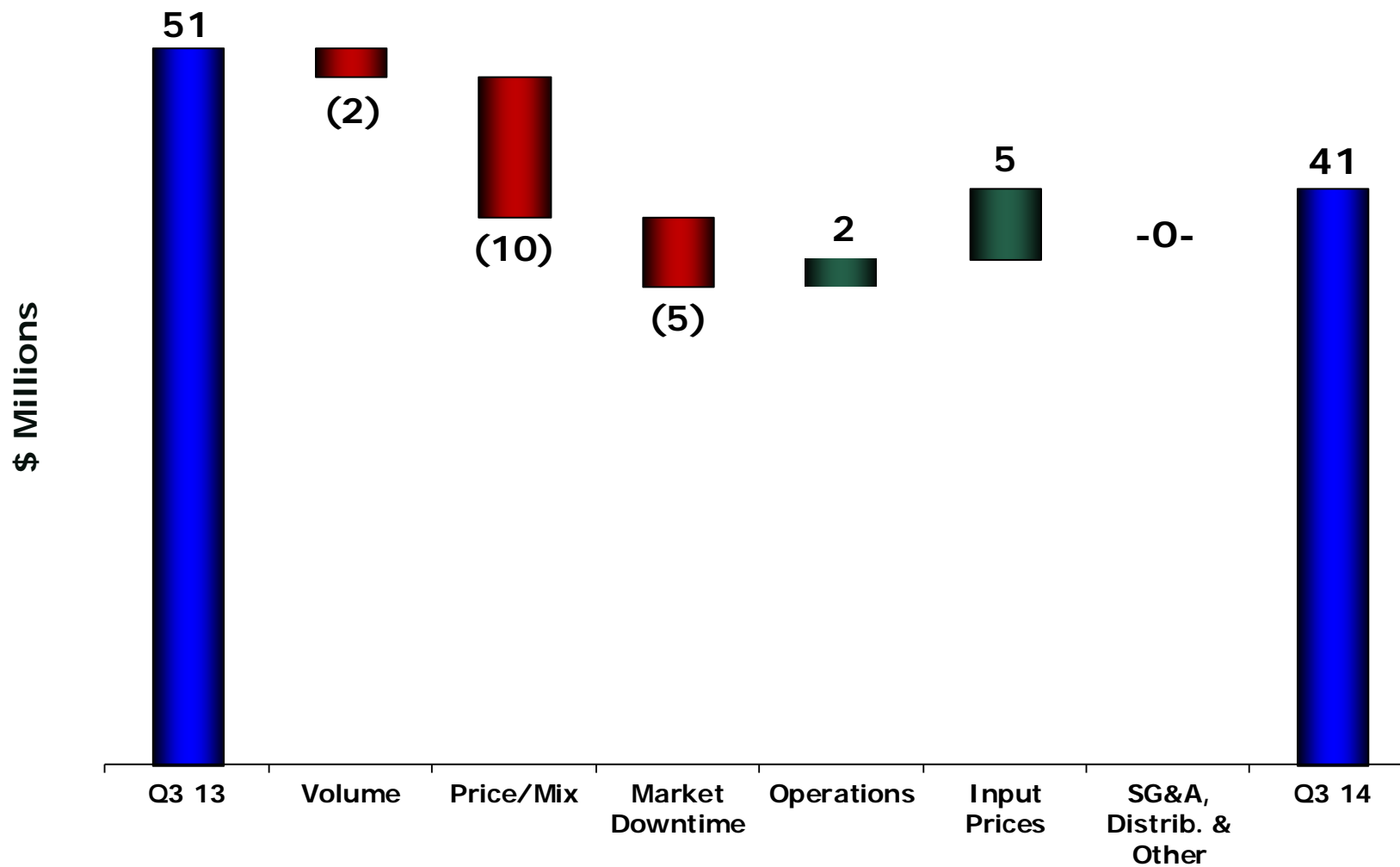
# Key Revenue Metrics

	Q3 2013	Q2 2014	Q3 2014
Coated Volume (tons)	341,200	278,200	317,600
Coated Price (per ton)	\$858	\$810	\$823
Pulp Volume (tons)	67,300	77,300	62,400
Pulp Price (per ton)	\$597	\$593	\$589


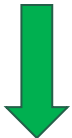


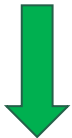
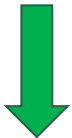
# Adjusted EBITDA Q3 14 vs. Q2 14



# Adjusted EBITDA Q3 14 vs. Q3 13



# Key Input Price Movements

Segment	3Q14 vs. 3Q13	3Q14 vs. 2Q14	Comments
<b>Chemicals</b>			Lower latex, starch and clay prices vs. last year; clay prices 2% lower than previous quarter
<b>Wood</b>			Wood prices are up 11% compared to last year
<b>Energy</b>			Lower natural gas and electricity prices vs. last year and previous quarter



# Outlook for Fourth Quarter 2014

- Continuation of efforts to close the NewPage acquisition
- Begin orderly shutdown of the Bucksport Mill and complete analysis of options for the disposition of mill assets
- Seasonal decrease in volumes; CGW volumes 10+% below last year's levels
- Coated prices relatively flat versus Q3
- Announced pulp price increase of \$20 per metric ton effective November 1<sup>st</sup>
- Delivered cost of natural gas expected to increase during Q4
- Inventories managed at low to moderate levels

# APPENDIX



# Liquidity and Net Debt

Liquidity \$MM	9/30/13	6/30/14	9/30/14
Revolver	194*	222*	212*
- Balance Drawn	23	87	113
- Letters of Credit	42	40	41
Remaining Capacity	129	95	58
Cash	9	7	12
<b>Total Liquidity</b>	<b>\$138</b>	<b>\$102</b>	<b>\$70</b>

\*ABL availability limited, includes hydro revolving credit facility

Net Debt \$MM	9/30/13	6/30/14	9/30/14
Cash	9	7	12
Revolver	23	87	113
First Lien Notes (at par)	418	418	418
<b>Net First Lien Debt</b>	<b>432</b>	<b>498</b>	<b>519</b>
1.5 Lien Notes	272	272	272
Sec Priority Sr. Notes (at par)	409	409	396
Senior Sub notes	143	143	143
<b>Net Holdco Debt</b>	<b>\$1,256</b>	<b>\$1,322</b>	<b>\$1,330</b>

# Adjusted Net Income (Loss)/EPS Reconciliation

(\$ Millions)	Q3 13	Q2 14	Q3 14
Net Loss	(\$10)	(\$43)	(\$35)
Special Items	(\$1)	\$9	\$16
<b>Adjusted Net Loss</b>	<b>(\$11)</b>	<b>(\$34)</b>	<b>(\$19)</b>

Diluted Shares (M)	53.172	53,323	53,328
Earnings per Diluted Share	(\$0.18)	(\$0.80)	(\$0.67)
Special Items	(\$0.02)	\$0.16	\$0.31
<b>Adjusted Earnings per Share</b>	<b>(\$0.20)</b>	<b>(\$0.64)</b>	<b>(\$0.36)</b>

# Special Items

	Q3 13		Q2 14		Q3 14	
	Million \$	Per Share	Million \$	Per Share	Million \$	Per Share
M & A	--	--	\$9	\$0.16	\$14	\$0.26
Change in Hedge Valuation	(\$2)	(\$0.04)	--	--	(\$5)	(\$0.09)
Trademark Impairment	--	--	--	--	\$6	\$0.12
Other	\$1	\$0.02	--	--	\$1	\$0.02
<b>Total Special Items</b>	<b>(\$1)</b>	<b>(\$0.02)</b>	<b>\$9</b>	<b>\$0.16</b>	<b>\$16</b>	<b>\$0.31</b>

# EPS Before Special Items Q3 14 vs. Q2 14

