Verso Corporation

Third Quarter 2015
Earnings Conference Call

November 16, 2015

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 our business. For a discussion of the risks and uncertainties affecting Verso and our business, please refer to the risks and uncertainties identified elsewhere in this presentation as well as those discussed in 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.

Highlights - 3rd Quarter

Industry

- 3rd quarter volumes – CFS down 6.9% versus last year, CGW down 13.9% and SC down 7.1%
- Pricing down 2.0-2.5%

Verso

- Sales $782M down 10% on a pro forma basis versus last year
- Adjusted EBITDA margin of 10.7%
- Announced idling of Wickliffe and optimization of Androscoggin
- Market downtime at Luke, Wisconsin Rapids, Wickliffe and Stevens Point (79K Tons) significantly impacted EBITDA because of unabsorbed fixed costs and related re-start issues.
- Achieved synergies to date of $82M

Industry data sources: Volume = PPPC Pricing = RISI October Paper Trader

Potential Restructuring and Asset Sales

Given our current liquidity position and projection of operating results and cash flows for the remainder of 2015 and 2016, we anticipate that we will not have the resources to fund our future cash obligations.

We have engaged:

- PJT Partners to provide restructuring and transitional services
- O'Melveny & Myers to provide restructuring legal advice and assistance

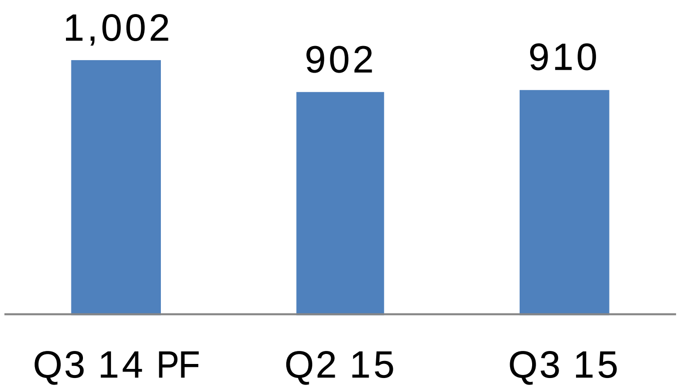
We are exploring several alternatives to improve our cash flows and liquidity.

We are evaluating potential asset sales:

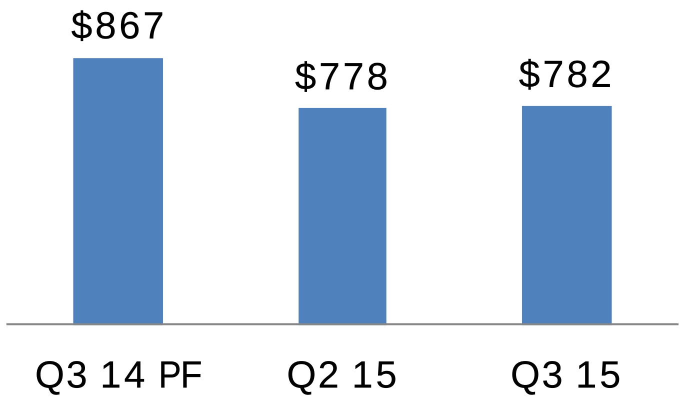
- Stevens Point
- Androscoggin (mill & hydro)
- Duluth
- Wickliffe (recently idled)

Q3 15 Actual vs. Q3 14 Pro Forma & Q2 15

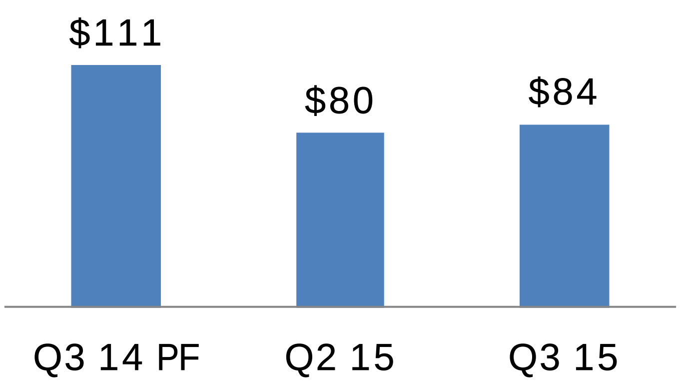
Volume (K Tons)



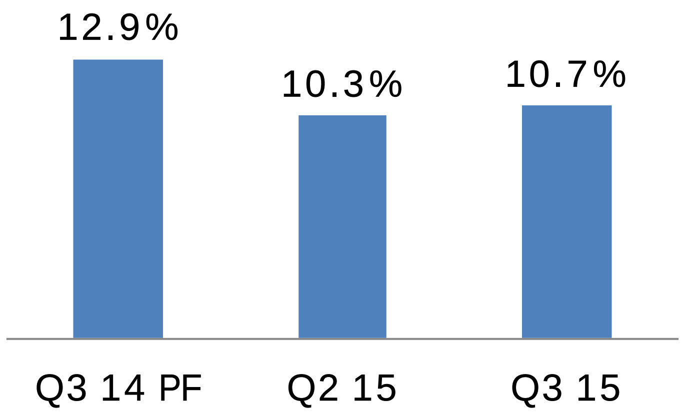
Revenue ($'MM)



Adjusted EBITDA ($'MM)

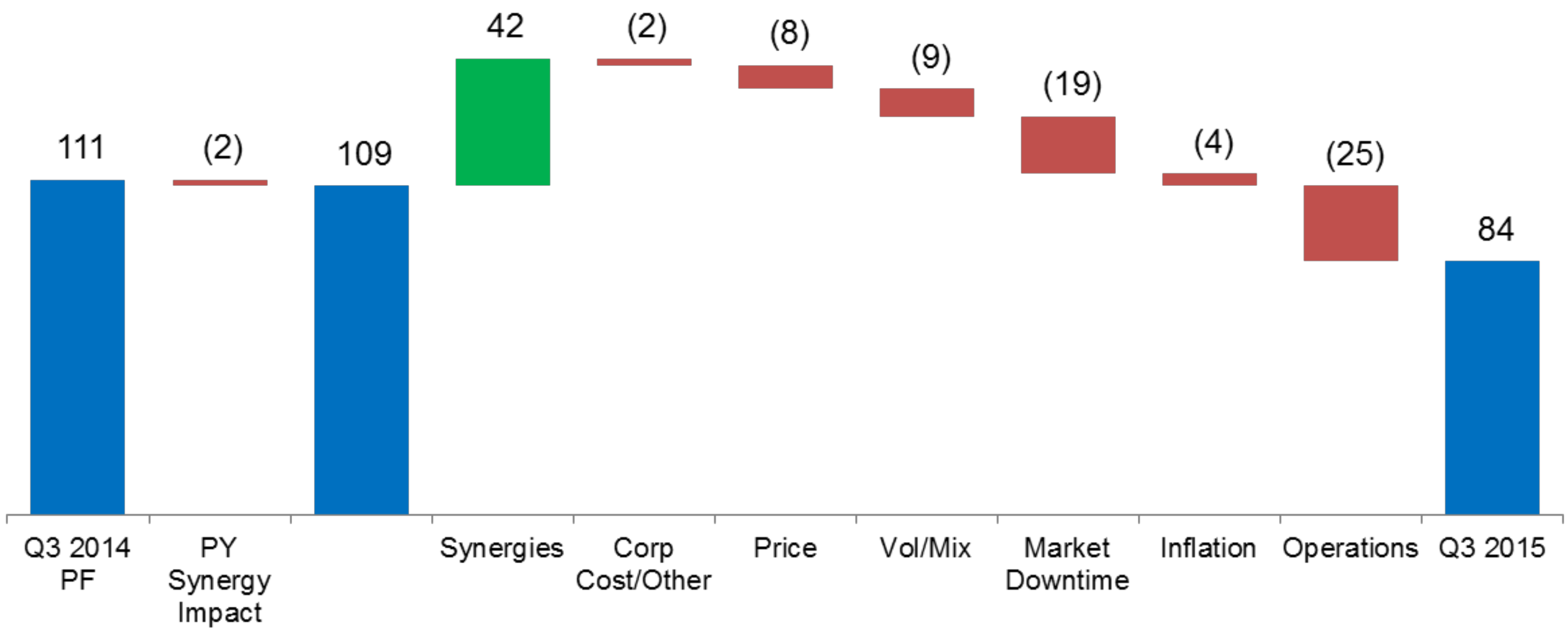


Adjusted EBITDA Margin %



Q3’15 Adj. EBITDA of $84MM …

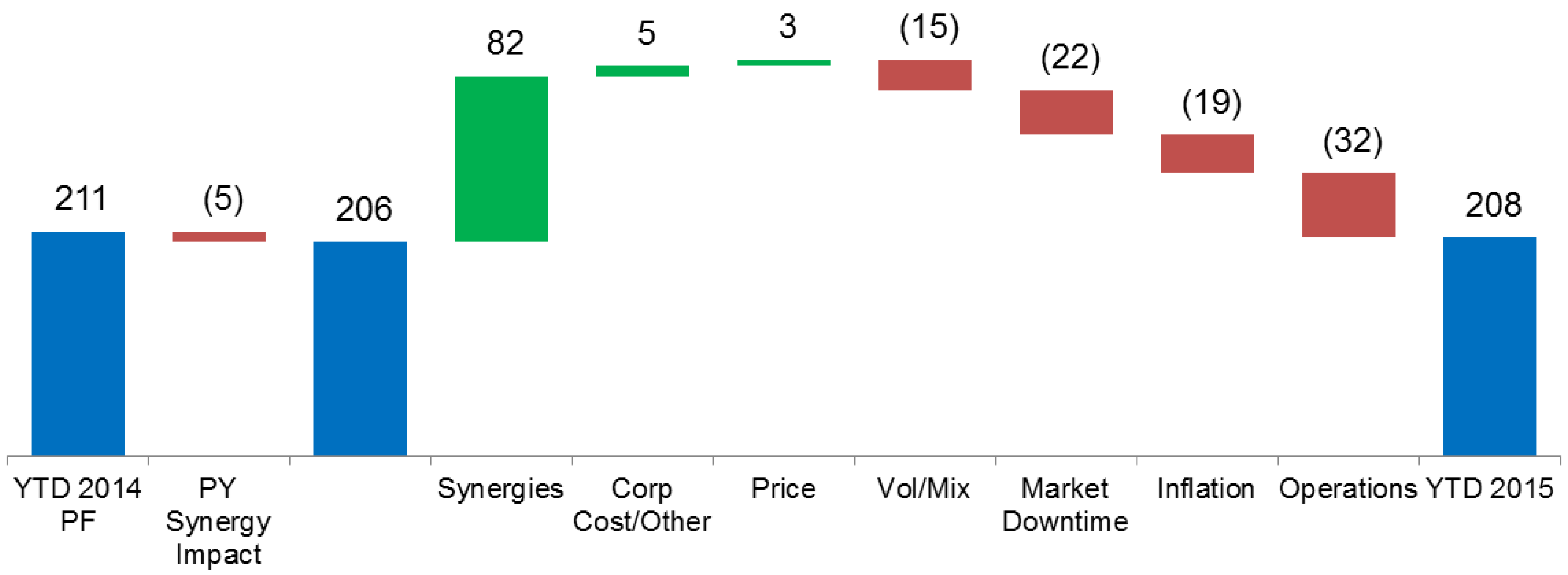
Q3 2014 PF to Q3 2015 Adjusted EBITDA Bridge – Synergies Identified



… Synergies more than offset by 9% lower volume, 79K tons of downtime and performance issues at some mills

YTD Adj. EBITDA of $208MM down 1% vs. Q3'14 YTD PF …

YTD 2014 PF to YTD 2015 Adjusted EBITDA Bridge – Synergies



… Synergies more than offset by weak market conditions, high cost of wood and performance issues at some mills

Synergy Realization Ahead of Schedule

Synergies $'MM	Projection as of January 2014	Projection Through 3 Quarters	Actual Through Sept 2015	Annualized Q3 2015 Actual Run Rate
Distribution Expense	$9	$2	$2	$4
Direct Costs	68	15	14	34
Indirect Costs	5	2	2	4
R-GAP	30	6	16	22
Cost of Sales	**$112**	**$25**	**$34**	**$64**
SG&A	63	26	48	88
Total	**$175**	**$51**	**$82**	**$152**
Cost to Achieve	**$80**	**$62**	**$16**	**Estimate $60**

… Current run rate of 87% or $152MM

Still Seeing Favorable Chemical & Energy Pricing Year-over-Year but prices are up versus prior quarter

Segment	Vs. Q3 14	Vs. Q2 15	Comments
Chemicals	✓✓✓	✗✗	Latex prices still significantly below last year but have increased from prior quarter
Wood / Fiber	✗✗✗	✓✓	Input prices are still higher than prior year but have fallen since the last quarter
Energy	✓✓	✗	Y-o-Y lower Natural Gas prices driven by growth in production. Coal cost are up from prior quarter

Liquidity & Net Debt

Liquidity $'MM	6/30	9/30
Revolving Credit Facilities *	496	498
- Balance Drawn	236	354
- Letters of Credit	87	82
Remaining Capacity	173	62
Cash	14	10
Total Liquidity	**187**	**72**

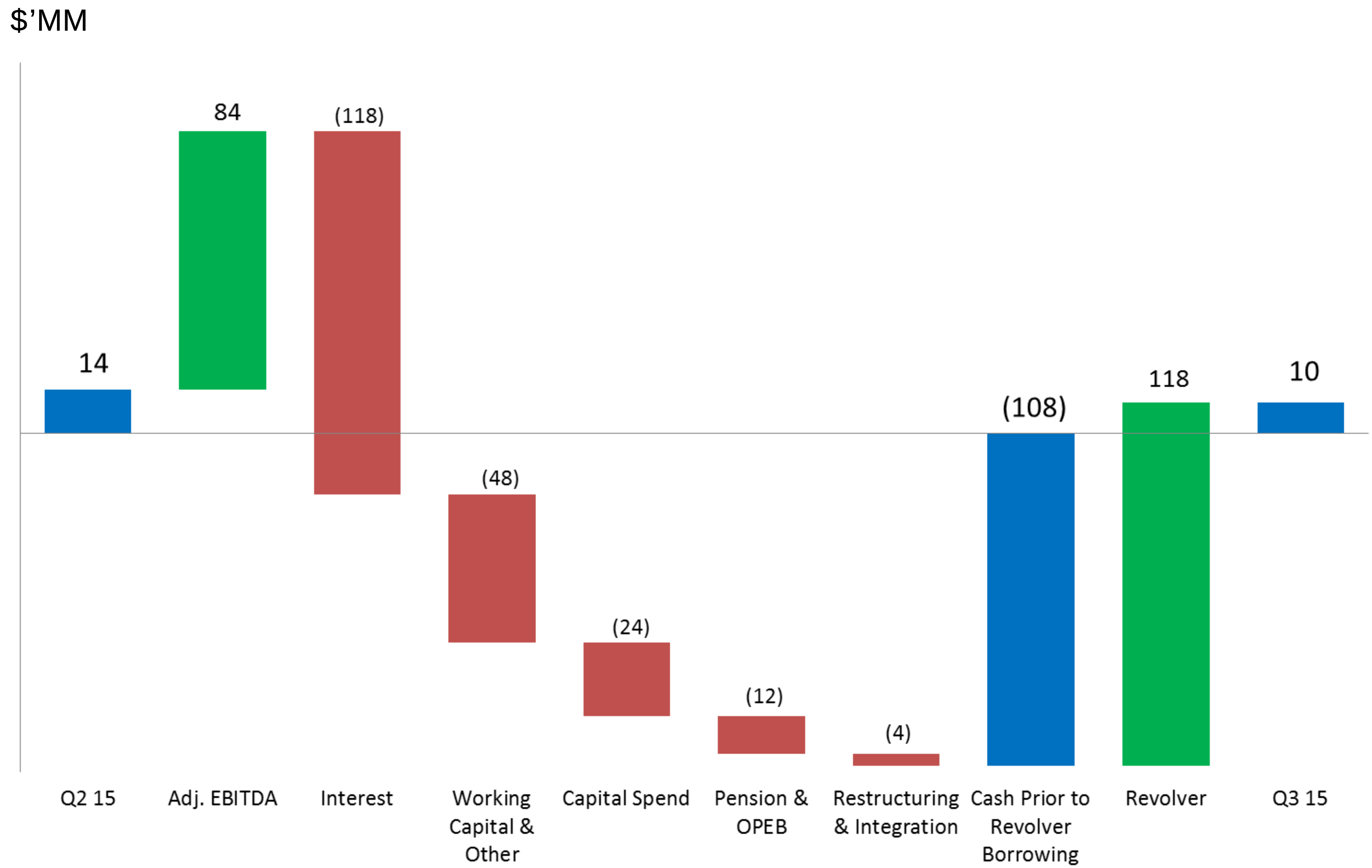
Liquidity $'MM	
June 30, 2015	187
Increase in Balance Drawn	(118)
Increase in Availability	2
Decrease in LOC	5
Decrease in Cash	(4)
September 30, 2015	**72**

Net Debt $'MM	6/30/15	9/30/15
Revolving Credit Facilities	236	354
Senior Secured Term Loan	734	734
First Lien Notes (at par)	1,063	1,063
Less: Cash	(14)	(10)
Net First Lien Debt	**2,019**	**2,141**
1.5 Lien Notes	272	272
Sec Priority Sr. Notes (at par)**	275	278
Senior Sub Notes**	104	105
Net Holdco Debt	**2,670**	**2,796**

* ABL availability limited

** These balances increase semi-annually due to the addition of interest paid-in-kind

Ending Cash Q2 15 vs. Q3 15



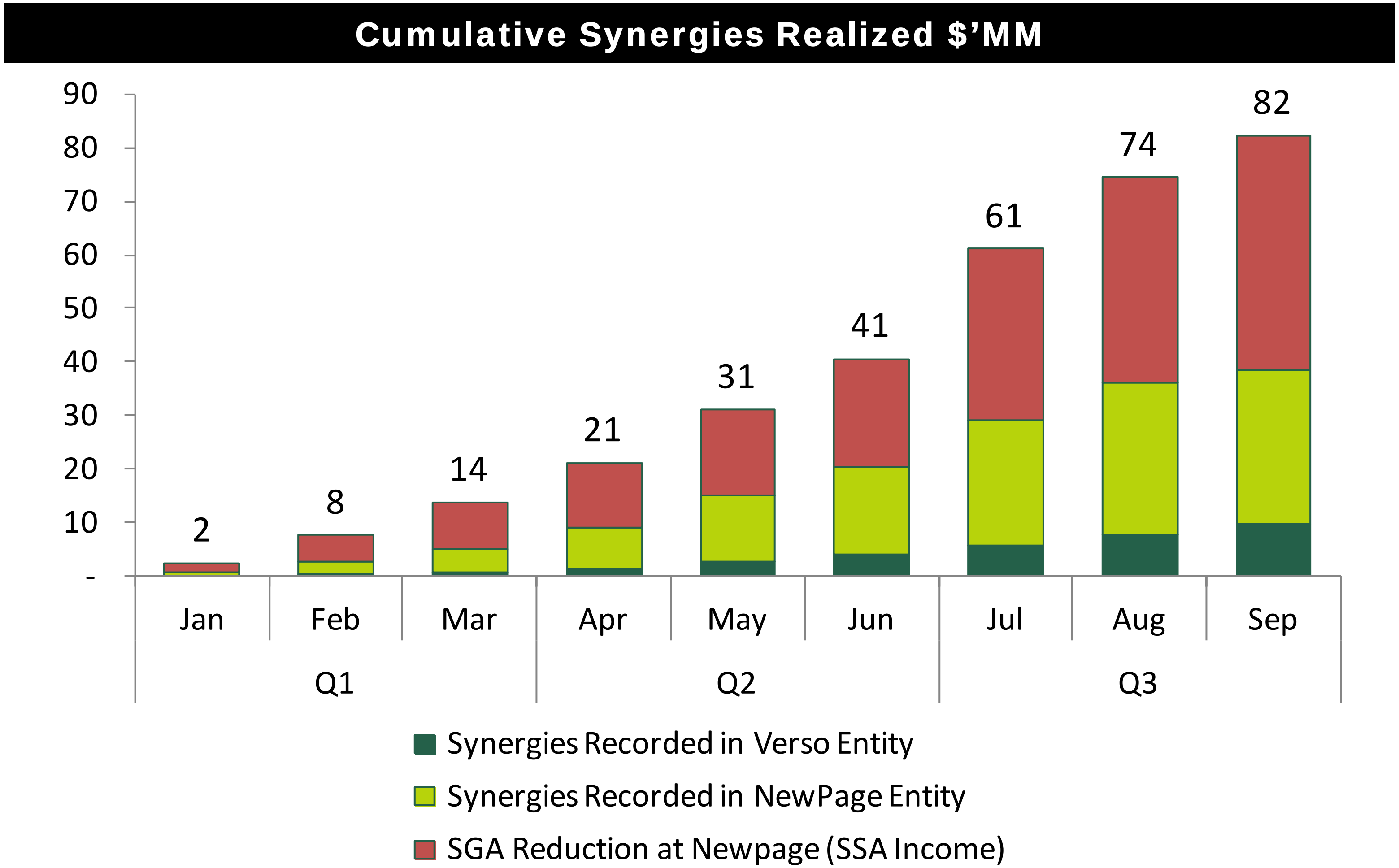
Outlook for Q4 2015

- Overall price expected to be down slightly from Q3
- Overall input prices relatively flat vs. Q3
- Volumes expected to be similar to Q3 but below prior year pro forma levels
- Remain ahead of schedule on synergy achievement, projected run rate of ~90%
- Wickliffe mill idled production November 2nd
- Optimization of Androscoggin mill continues
  - A2 ceased production on October 23rd

Questions & Answers

Finance Appendix

Synergies Realized to date $82MM



Consolidated Net Loss to Adj. EBITDA Reconciliation

(Dollars in millions)	As Adjusted Nine Months Ended September 30, 2014	As Adjusted Year Ended December 31, 2014	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2015	Twelve Months Ended September 30, 2015
Net loss	$ (241)	$ (459)	$ (111)	$ (293)	**$ (511)**
Income tax benefit	(1)	(4)	-	(2)	**(5)**
Interest expense, net	197	253	68	201	**257**
Depreciation, amortization and depletion	191	248	60	181	**238**
EBITDA	$ 146	$ 38	$ 17	$ 87	**$ (21)**
Adjustments to EBITDA:					
Restructuring charges[(1)]	-	141	55	83	**224**
Integration [(2)]	-	-	6	15	**15**
NewPage acquisition-related costs [(3)]	45	60	1	18	**33**
Hedge losses (gains) [(4)]	6	17	1	(4)	**7**
Trademark impairment [(5)]	6	6	-	-	**-**
Equity award expense[(6)]	1	13	1	2	**14**
Other items, net[(7)]	7	14	3	7	**14**
Adjusted EBITDA	$ 211	$ 289	$ 84	$ 208	**$ 286**

(1) Represents costs primarily associated with the shutdown of a pulp dryer and paper machine at the Androscoggin mill, the indefinite idling of the Wickliffe mill, the closure of the Bucksport mill, and the costs associated with reorganizing the business after the NewPage acquisition.

(2) Represents costs associated with efforts to integrate the legacy Verso and NewPage operations, generate cost savings, and capture synergies across the combined company.

(3) Represents costs incurred in connection with the NewPage acquisition, including one-time impacts of purchase accounting.

(4) Represents unrealized losses (gains) on energy-related derivative contracts.

(5) Represents noncash impairment charge on trademarks.

(6) Represents amortization of noncash incentive compensation.

(7) Represents miscellaneous noncash and other earnings adjustments.

This table reconciles net (loss) to EBITDA and Adjusted EBITDA for the periods presented as adjusted to include historical operations of NewPage, excluding the Biron and Rumford mills, and to exclude historical operations of the Bucksport mill.

Adjusted EBITDA Definition

EBITDA consists of earnings before interest, taxes, depreciation and amortization. Adjusted EBITDA reflects adjustments to EBITDA to eliminate the impact of certain items we do not consider indicative of ongoing performance. Adjusted EBITDA is a financial term commonly used in our industry. We use Adjusted EBITDA as a way of evaluating our performance relative to that of our peers. We believe that Adjusted EBITDA is an operating performance measure that provides investors and analysts with a measure of ongoing operating results unaffected by differences in capital structures, capital investment cycles, and ages of related assets among otherwise comparable companies.

Prior periods have been adjusted to include the historical operations of NewPage, excluding the Biron and Rumford mills, and to exclude the historical operations of the Bucksport mill. You are encouraged to evaluate each adjustment and to consider whether the adjustment is appropriate. In addition, in evaluating Adjusted EBITDA, you should be aware that in the future, we may incur expenses similar to the adjustments included in the presentation of Adjusted EBITDA. We believe that the supplemental adjustments applied in calculating Adjusted EBITDA are reasonable and appropriate to provide additional information to investors. We also believe that Adjusted EBITDA is a useful measurement tool for assessing our ability to meet our future debt service, capital expenditures, and working capital requirements.

Our debt agreements allow further adjustments to Adjusted EBITDA for the purpose of calculating covenant compliance. These additional adjustments include projected pro forma effects of our profitability program and, for Verso Holdings only, the pro forma impact of expected synergies related to the NewPage acquisition (please see related information in our quarterly and annual financial statements). Because EBITDA and Adjusted EBITDA are not measurements determined in accordance with accounting principles generally accepted in the United States of America, or “GAAP,” and are susceptible to varying calculations, EBITDA and Adjusted EBITDA, as presented, may not be comparable to other similarly titled measures presented by other companies. You should consider our EBITDA and Adjusted EBITDA in addition to, and not as a substitute for, or superior to, our operating or net income or cash flows from operating activities, which are determined in accordance with GAAP.

Working Capital & Cash Flow

Working Capital $'MM	Q2 15	Q3 15
Accounts Receivable	247	257
Inventory	559	540
Other Current Assets	18	34
Accounts Payable	(195)	(170)
Accrued Liabilities	(290)	(239)
Net Working Capital	**339**	**422**

Cash Flow $'MM	Q2 15	Q3 15
Cash Provided by (Used in) Continuing Operations	19	(99)
Investing Cash Flow	(17)	(23)
Financing Cash Flow	(2)	118
Change in Cash	**-**	**(4)**

Additional NewPage Financial Data

Financial Performance - Breakdown

$'MM	Revenue		Adj. EBITDA (see also GAAP to EBITDA reconciliation)	
	NewPage	Consolidated Verso	NewPage	Consolidated Verso
3 months ended September 30, 2015	537	782	16	84
3 months ended September 30, 2014	600	871	72	111
9 months ended September 30, 2015 **	1,640	2,366	90	208
9 months ended September 30, 2014	1,761	2,513	135	211
As Adjusted Year ended Dec 31, 2014 *	2,351	3,367	187	289
Twelve months ended September 30, 2015 **	2,231	3,220	142	286
Add: Pro Forma Profitability			40	49
Adjusted EBITDA per debt agreements			182	335

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* 2014 accounting principles differ -- see 10Q for explanation of differences

** Excludes $3 MM of EBITDA from pre-merger Jan 2015 (6 days)

Liquidity and Net Debt – September 30, 2015

Liquidity $'MM	NewPage	Consolidated Verso
Revolving Credit Facilities *	344	498
- Balance Drawn	238	354
- Letters of Credit	52	82
Remaining Capacity	54	62
Cash	7	10
Total Liquidity	**60**	**72**

Net Debt $'MM	NewPage	Consolidated Verso
Revolving Credit Facilities	238	354
Senior Secured Term Loan (par)	734	734
First Lien Notes	-	1,063
Less: Cash	(7)	(10)
Net First Lien Debt	**965**	**2,141**
1.5 Lien Notes	-	272
Sec Priority Sr. Notes (at par)**	-	278
Senior Sub Notes**	-	106
Net Holdco Debt	**965**	**2,797**

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Cash Flow from Operating Activities

	Q3 2015		YTD September 2015	
$'MM	**NewPage**	**Consolidated Verso**	**NewPage**	**Consolidated Verso**
Net loss	(60)	(111)	(141)	(293)
Income tax benefit	-	-	(2)	(2)
Depreciation & amortization	45	60	132	181
Other operating cash flow changes	(41)	(48)	(137)	(170)
Net cash provided by (used in) operating activities	**(56)**	**(99)**	**(148)**	**(284)**