

**Verso Paper Corp.**

**First Quarter 2014  
Earnings Conference Call**

**May 7, 2014**



# Forward-Looking Statements

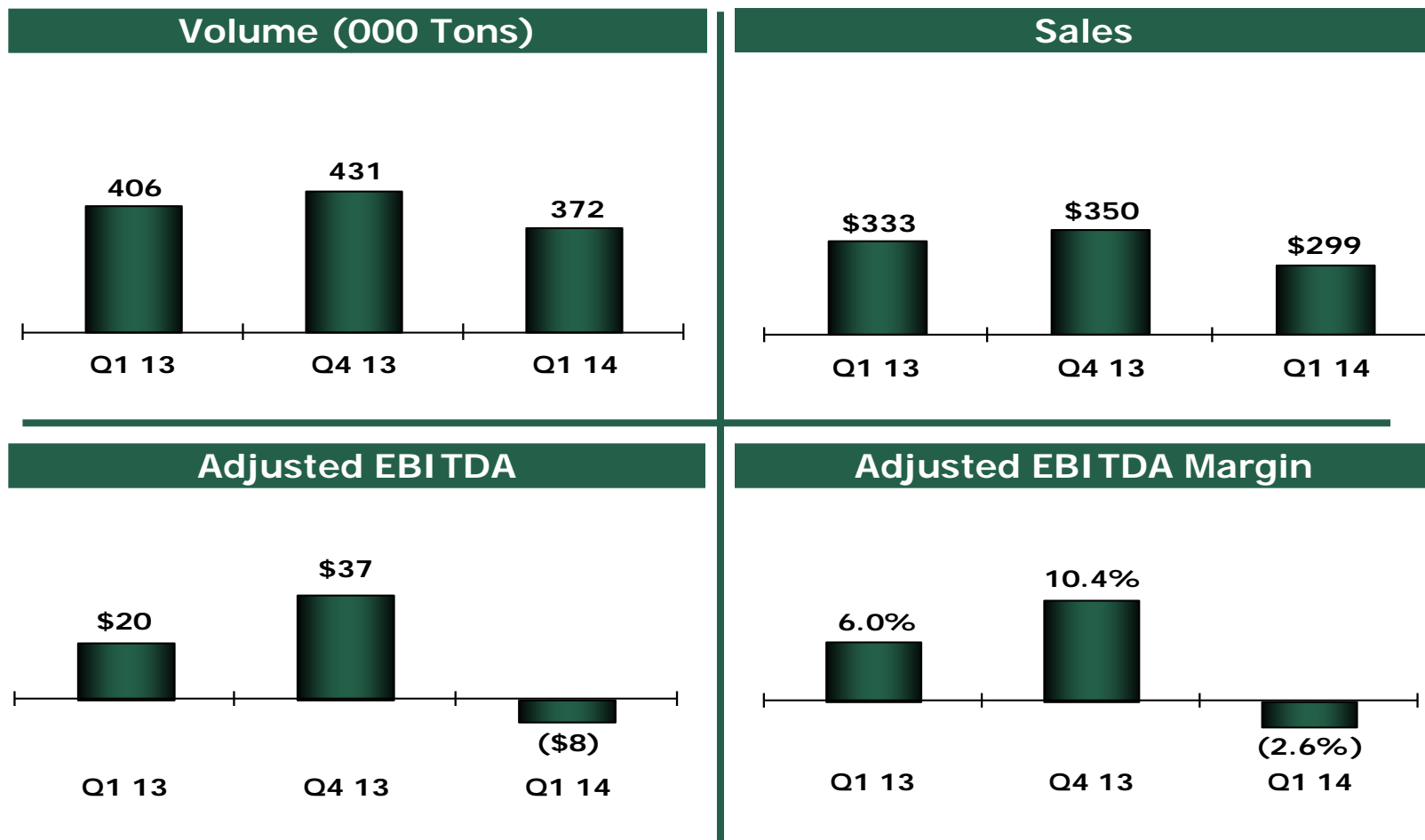
In this presentation, all statements that are not purely historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may be identified by the words “believe,” “expect,” “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.

# First Quarter 2014 Overview

- Excellent, injury free safety performance in Q1
- Integration efforts related to closing of NewPage acquisition are on track
- Seasonally weaker first quarter volume was slower than normal
- Continued pressure on coated pricing
- Over 38,000 tons of downtime related to market conditions and energy-related curtailments (\$9MM cost impact); inventories flat with 4Q13 and 17,000 tons below last year's levels
- Energy prices \$11MM above 4Q13
- Planned capital outage at Androscoggin negatively impacted productivity (\$4MM) and severe weather conditions drove elevated energy, operating, and freight costs (\$4MM)
- Completed the acquisition of the 175MW cogeneration power plant at the Bucksport mill on February 28 (previously only 28% owned by Verso)

# First Quarter 2014 Financial Overview

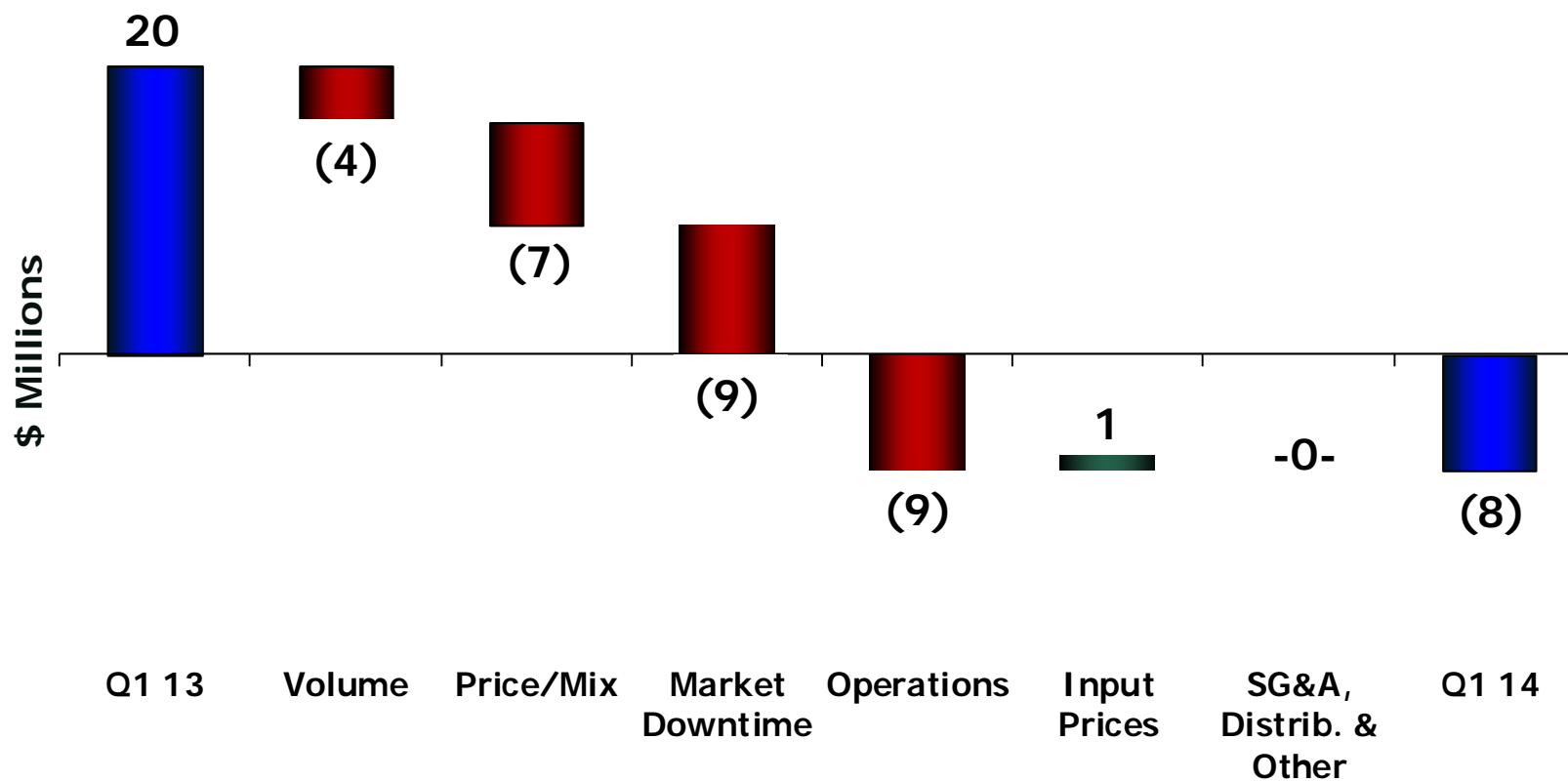
\$Millions



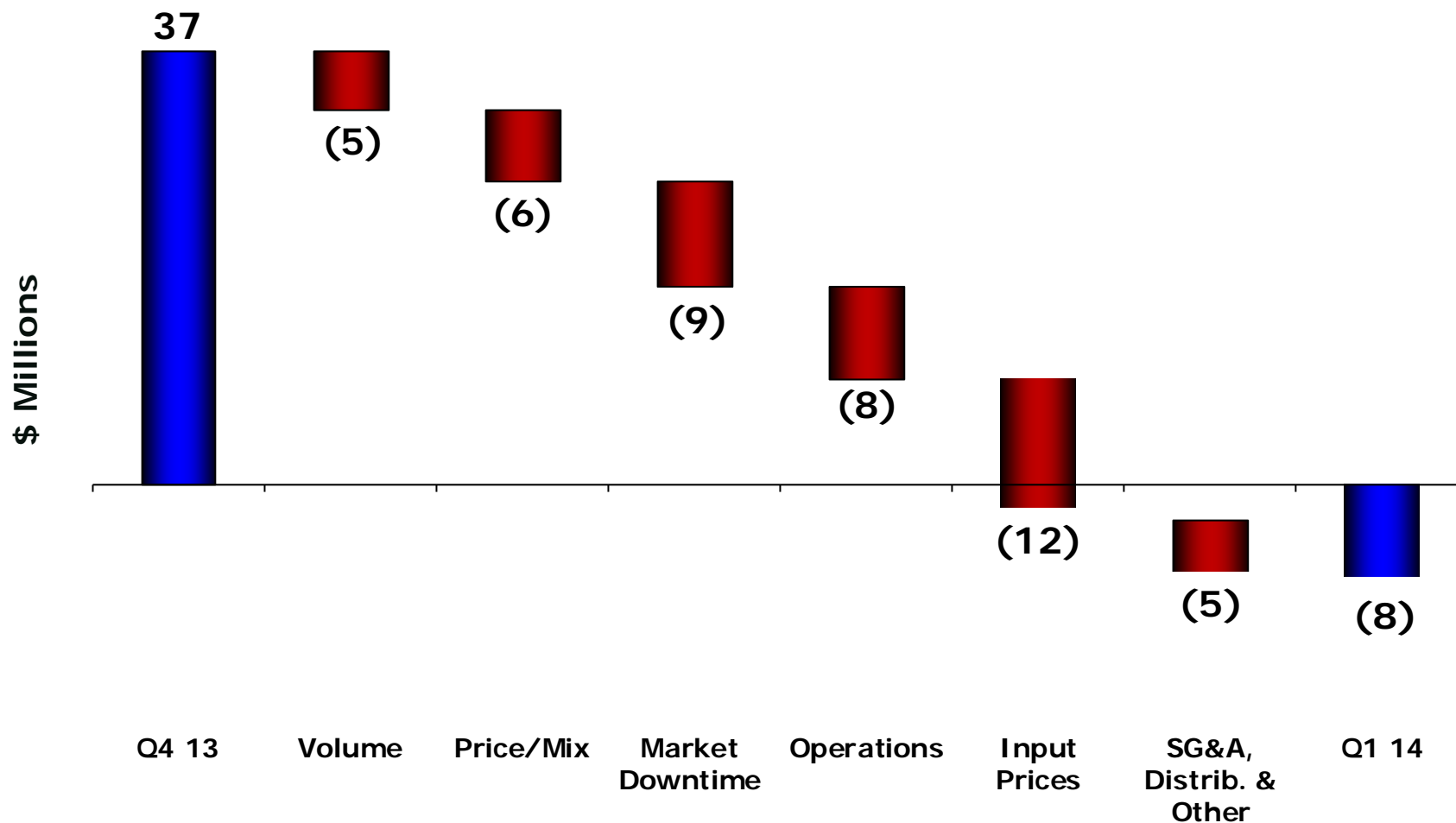
# Key Revenue Metrics

	Q1 2013	Q4 2013	Q1 2014
Coated Volume (tons)	290,200	316,500	265,000
Coated Price (per ton)	\$863	\$841	\$824
HW Pulp Volume (tons)	70,700	68,100	60,700
HW Pulp Price (per ton)	\$526	\$595	\$596





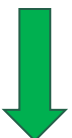

# Adjusted EBITDA Q1 14 vs. Q1 13



# Adjusted EBITDA Q1 14 vs. Q4 13



# Input Prices Impacted by Weather Conditions

Segment	Q1 14 vs. Q1 13	Q1 14 vs. Q4 13	Comments
<b>Chemicals</b>			<p>Y/Y – Lower latex and starch prices offset by slightly higher clay prices</p> <p>Q/Q – Starch prices 19% lower offset by slightly higher clay and latex prices</p>
<b>Wood</b>			Tight supply influenced by cold temperatures and poor logging conditions drove prices higher both Y/Y and Q/Q
<b>Energy</b>			<p>Y/Y – Higher electricity sales and favorable hedging results mitigated winter weather impact</p> <p>Q/Q – Significantly higher gas, electricity, and fuel oil prices</p>



# Outlook for 2<sup>nd</sup> Quarter 2014

- Continuation of efforts to close the NewPage acquisition
- Recently entered into an agreement for a \$40 million revolving credit facility and continue to evaluate selling non-strategic assets in the future to obtain additional liquidity
- Flat pricing vs. Q1 14 levels
- Improved paper and pulp volumes vs. Q1 14, comparable to Q2 13 levels
- Significant, seasonally-lower energy costs, improved operating performance and less market downtime
- Inventories managed at low to moderate levels

# APPENDIX



# Liquidity and Net Debt

Liquidity \$MM	3/31/13	12/31/13	3/31/14
Revolver	200	183*	183*
- Balance Drawn	10	-	98
- Letters of Credit	44	42	40
Remaining Capacity	146	141	45
Cash	13	11	4
<b>Total Liquidity</b>	<b>\$159</b>	<b>\$152</b>	<b>\$49</b>

\*ABL availability limited

Net Debt \$MM	3/31/13	12/31/13	3/31/14
Cash	13	11	4
Revolver	10	-	98
First Lien Notes (at par)	418	418	418
<b>Net First Lien Debt</b>	<b>415</b>	<b>407</b>	<b>512</b>
1.5 Lien Notes	272	272	272
Sec Priority Sr. Notes (at par)	409	409	409
Senior Sub notes	143	143	143
<b>Net Holdco Debt</b>	<b>\$1,239</b>	<b>\$1,231</b>	<b>\$1,336</b>

# Adjusted Net Income (Loss)/EPS Reconciliation

(\$ Millions)	Q1 13	Q4 13	Q1 14
Net Loss	(\$38)	(\$20)	(\$91)
Special Items	(\$3)	(\$4)	\$22
<b>Adjusted Net Loss</b>	<b>(\$41)</b>	<b>(\$24)</b>	<b>(\$69)</b>

Diluted Shares (M)	52,976	53,172	53,188
Earnings per Diluted Share	(\$0.72)	(\$0.38)	(\$1.70)
Special Items	(\$0.06)	(\$0.07)	\$0.40
<b>Adjusted Earnings per Share</b>	<b>(\$0.78)</b>	<b>(\$0.45)</b>	<b>(\$1.30)</b>

# Special Items

	Q1 13		Q4 13		Q1 14	
	Million \$	Per Share	Million \$	Per Share	Million \$	Per Share
Restructuring	\$1	\$0.02	--	--	--	--
Early Retirement of Debt	\$3	\$0.05	--	--	--	--
Change in Hedge Valuation	(\$4)	(\$0.07)	(\$12)	(\$0.24)	\$12	\$0.22
Other	(\$3)	(\$0.06)	\$8	\$0.17	\$10	\$0.18
<b>Total Special Items</b>	<b>(\$3)</b>	<b>(\$0.06)</b>	<b>(\$4)</b>	<b>(\$0.07)</b>	<b>\$22</b>	<b>\$0.40</b>

# EPS Before Special Items Q1 14 vs. Q4 13

