

# Verso Corporation

Turn to us.™



Verso Corporation is a leading North American producer of **printing papers, specialty papers** and **pulp**. Our printing papers are used primarily in commercial printing, media and marketing applications, including magazines, catalogs, books, direct mail, corporate collateral and retail inserts. Our specialty papers are used primarily in label and release liner, flexible packaging and technical paper applications.

Headquartered in Memphis, Tennessee, we operate eight mills strategically located in Kentucky, Maine, Maryland, Michigan, Minnesota and Wisconsin, with a total annual production capacity of approximately 3.6 million tons of paper.



# The New Verso Corporation

- The new Verso is a stronger, more stable supplier. Our customers will benefit from the combined company's improved financial stability, distinguished portfolio of products and services, continued innovation and investment, and enhanced ability to capture supply chain efficiencies.
- The name change, from Verso Paper Corp. to Verso Corporation, symbolizes our intention to broaden our business platform and seek alternative revenue streams to augment our core printing papers, specialty papers and pulp segments.

**Our goal is to make this a seamless transition. We will keep you well informed as we work to complete the integration of the two companies.**

# Verso At-A-Glance



## Verso offers:

Experienced Customer Service

Distinguished Product Portfolio

Manufacturing Flexibility



## Office Locations

### Headquarters

Memphis, Tennessee

### Customer Service Center

Miamisburg, Ohio

### Research & Development Center

Harriman, New York  
Wisconsin Rapids, Wisconsin



## Sales Offices

Located strategically in key U.S. magazine, catalog, commercial printing and specialty markets



## Paper Mills

8 strategically located manufacturing facilities in the United States, with a total annual paper capacity of approximately 3.6 million tons.

Jay, Maine  
Duluth, MN  
Escanaba, MI  
Luke, MD  
Quinnesec, MI  
Stevens Point, WI  
Wickliffe, KY  
Wisconsin Rapids, WI



## Product Segments

Coated Digital  
Coated Sheets  
Coated Web  
Supercalendered  
Uncoated Freesheet  
NBHK Market Pulp

# Verso Foundation

## CORE VALUES

People  
Customers  
Manufacturing Efficiency  
**Citizenship and Stewardship**  
Financial Responsibility  
Ethics and Integrity

## MISSION

We create value for our stakeholders by providing business solutions and developing innovative products and services that exceed expectations.

## VISION

**A company with passion that is respected and trusted by all...**

All as One!

## PRINCIPLES

- Safe from the start.
- Accountability, truth and transparency.
- Engaged and enthusiastic people.
- Initiative and resourcefulness.
- Anticipate change.
- Understand customer needs.
- Use teamwork to execute and deliver superior results.
- Do the right things for the company as a whole.
- **Respect a sustainable balance between economic, social and environmental needs.**
- Act with speed, simplicity and decisiveness.
- **Understand and mitigate business risks.**

## STRATEGIES

- Utilize our integrated business management process to optimize performance.
- Enhance our core business by improving margins.
- **Develop new revenue streams outside of core coated paper markets to mitigate coated paper demand and price volatility.**
- **Gain manufacturing superiority by benchmarking and reducing operating gaps.**
- Enhance cash flow by operating our business platforms to balance our stakeholders' needs.
- Improve our organizational capability.

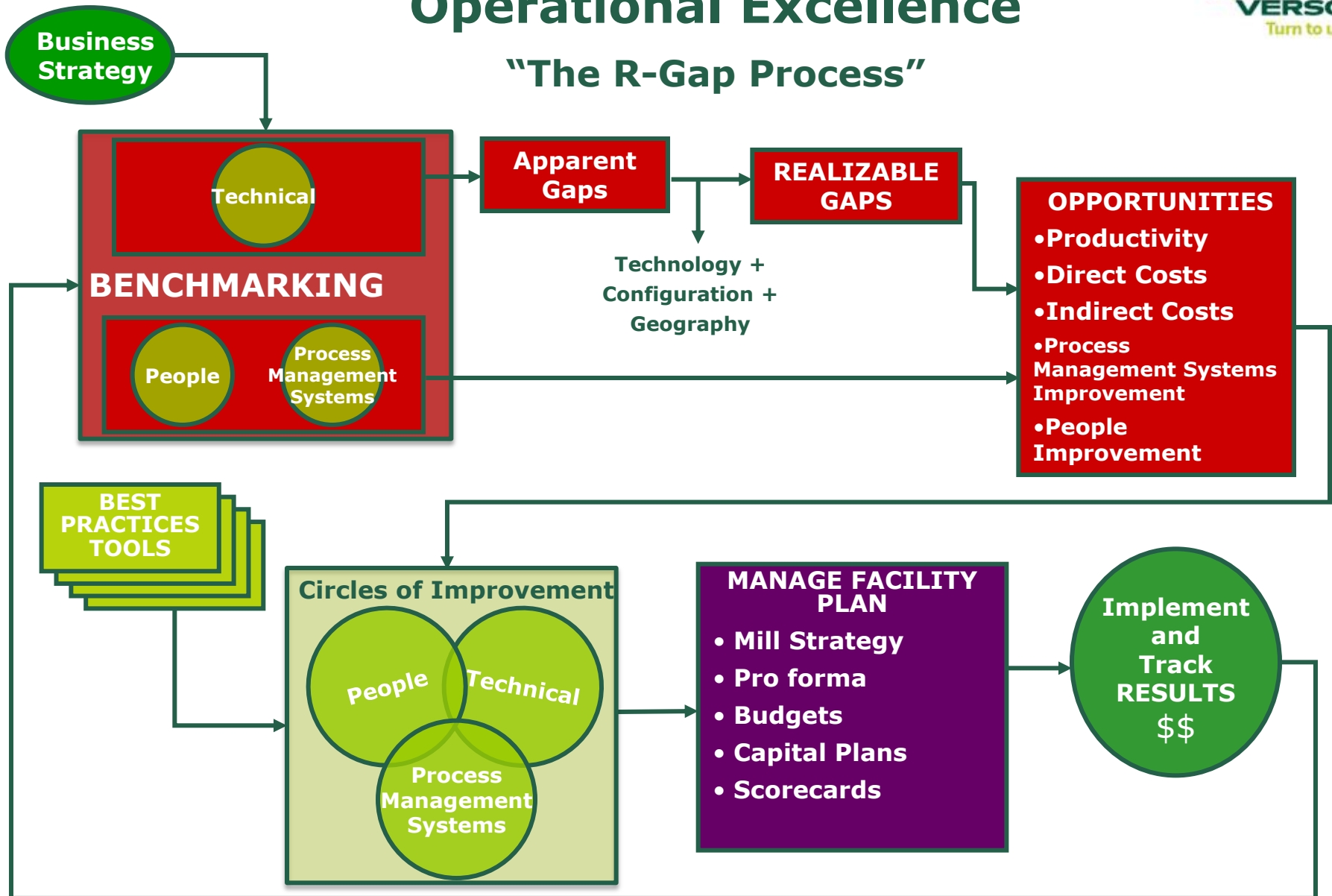
## KEY PERFORMANCE MEASURES

- TIR/LWIR
- EBITDA
- Subtotal Ops target
- Margin management
- Cash flow management

**Turn to us.**

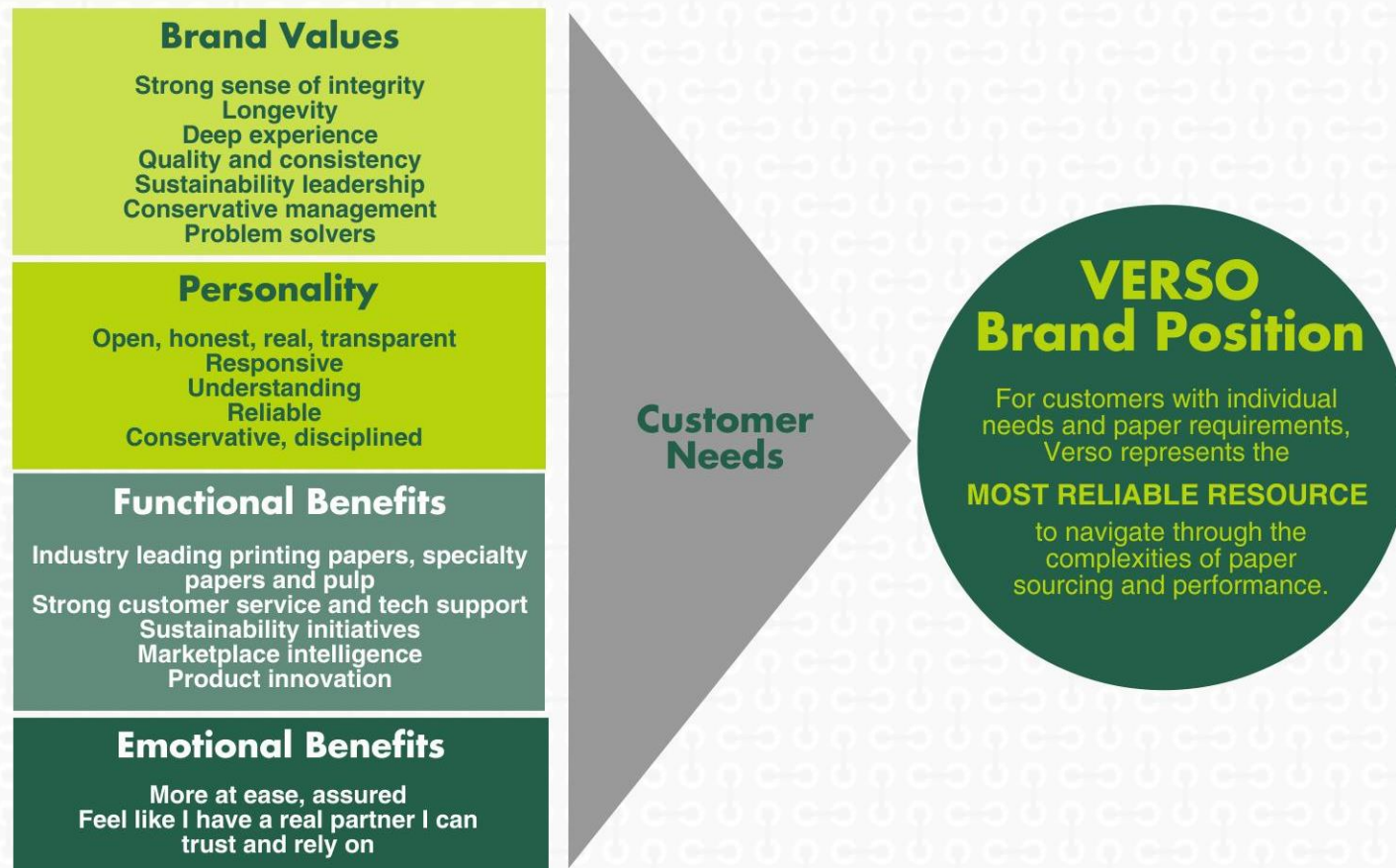
# Operational Excellence

## "The R-Gap Process"



# Turn to us...

Here's how our customers described us in a 3<sup>rd</sup> party survey...



# Turn to us for visionary leadership

- **5 Key Strategies:**

- Build on a strong foundation to ensure well-positioned for the future
- Increase operational efficiency
- Grow specialty papers business
- Implement strategic energy initiatives
- Proactively manage liquidity



**Verso's mission is to create value for our stakeholders by providing business solutions and developing innovative products and services that exceed expectations.**

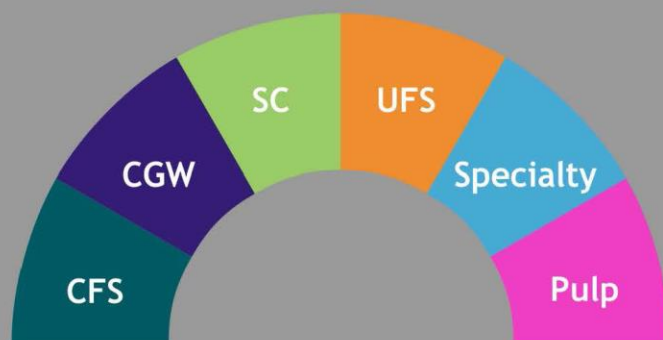
**Dave Paterson,  
President and CEO**



# Turn to us for quality products...

Printing Papers, Specialty Papers, Market Pulp

## PRODUCT PORTFOLIO



Grade Categories



Book



Labels and Packaging



Magazine



Commercial Print



Catalog



Retail Inserts

# Turn to us for manufacturing flexibility...

All of our assets are located within the United States and produce ~3.6 million tons of paper annually\*.

| MILL                   | CAPACITY (000 Tons)                | GRADES PRODUCED               |
|------------------------|------------------------------------|-------------------------------|
| Androscoggin (Jay, ME) | 635                                | CFS, CGW, UFS, Specialty      |
| Duluth, MN             | 270                                | Supercalendered               |
| Escanaba, MI           | 785                                | CFS, CGW, Specialty, Uncoated |
| Luke, MD               | 480                                | CFS, Specialty                |
| Quinnesec, MI          | 425                                | CFS                           |
| Stevens Point, WI      | 185                                | Specialty                     |
| Wickliffe, KY          | 285                                | CFS, Specialty, Uncoated      |
| Wisconsin Rapids, WI   | 560                                | CFS, Specialty                |
| <b>TOTAL:</b>          | <b>3.625 million tons of paper</b> |                               |


\*2013 combined Verso and NewPage Corp. data

- Located within close proximity of major printers and converters
- Convenient, cost-effective access to northern softwood fiber

# Turn to us for sustainability leadership...

- Verso procures 100% of our wood from responsibly managed forests
- Verso mills are chain-of-custody certified to at least 2 of the 3 major certification standards: FSC®, PEFC, or SFI®. Customers have the option to use on-product labeling for FSC, PEFC or SFI from all mills.
- Our safety performance is top-tier for all manufacturing companies.

**On-Product Chain-of-Custody Labeling Options**  
sheet and web products



All Verso mills are chain-of-custody certified to at least 2 of the 3 major certification standards: FSC®, PEFC, or SFI®. Customers have the option to use on-product labeling for FSC, PEFC, or SFI from all of our mills.

Many Verso products not listed below can also be ordered with FSC, PEFC, or SFI chain-of-custody certification upon request. Please ask your Inside Sales Representative about other FSC, PEFC or SFI chain-of-custody certified products when you place your order.

| Premium and Economy Sheets                    |                |                                 |                      | On-Product Labeling Options |      |     |       |            |
|---|----------------|---------------------------------|----------------------|-----------------------------|------|-----|-------|------------|
| Product                                       | Finish         | Text Weight                     | Cover Weight         | Certification               |      |     | % PVC |            |
|   |                |                                 |                      | FSC*                        | PEFC | SFI | 10%   | 30%        |
| Anthem Plus*                                  | Gloss          | 60,70,80,100                    | 80*,100**,110        | ✓                           | ✓    | ✓   |       |            |
|   | Dull           | 80,100                          | 80*,100**,110        | ✓                           | ✓    | ✓   |       |            |
|   | Matte          | 60,70,80,100                    | 80**,100             | ✓                           | ✓    | ✓   |       |            |
|   | Reply          | 110*                            |                      | ✓                           | ✓    | ✓   |       |            |
| Arbor Plus*                                   | Gloss          | 70*,80,100                      | 80*,100              | ✓                           | ✓    | ✓   |       | ♻️         |
|   | Dull           | 70*,80,100                      | 80*,100**            | ✓                           | ✓    | ✓   |       | ♻️         |
| Blazer Digital*                               | Gloss          | 70,80,100                       | 80*,100**,110,130    | ✓                           | ✓    | ✓   |       |            |
|   | Satin          | 70,80,100                       | 80**,100,110,130     | ✓                           | ✓    | ✓   |       |            |
| Futura*                                       | Gloss          | 80,100                          | 80*,100**,120        | ✓                           | ✓    | ✓   |       |            |
|   | Dull           | 80,100                          | 80*,100**,120        | ✓                           | ✓    | ✓   |       |            |
|   | Matte          | 80,100                          | 80**,100             | ✓                           | ✓    | ✓   |       |            |
| Productlith* Pts.<br>tag basis weight/caliper | Semi-Gloss C15 | 105*,108,124**,134,157,191      | 7*,8,9**,10,12,14    | ✓                           | ✓    | ✓   |       | ♻️         |
|   | Semi-Gloss C25 | 103*,107*,118,130**,145,170,198 | 6*,7*,8,9**,10,12,14 | ✓                           | ✓    | ✓   |       | ♻️         |
| Productlith* Pts.<br>tag basis weight/caliper | Semi-Gloss C15 | 134,157,191                     | 10,12,14             | ✓                           | ✓    | ✓   |       | ♻️         |
|   | Semi-Gloss C25 | 145,170,198                     | 10,12,14             | ✓                           | ✓    | ✓   |       | ♻️         |
| Sterling* Premium                             | Gloss          | 60,70,80,100                    | 65,80*,100**,120,130 | ✓                           | ✓    | ✓   |       | ♻️         |
|   | Dull           | 70,80,100                       | 65,80*,100**,120,130 | ✓                           | ✓    | ✓   |       | ♻️         |
|   | Matte          | 60,70,80,100,105*               | 65*,80*,100          | ✓                           | ✓    | ✓   |       | ♻️         |
| Sterling* Premium<br>Digital™                 | Gloss          | 80,100                          | 80*,100**,120        | ✓                           | ✓    | ✓   |       | ♻️         |
|   | Dull           | 80,100                          | 80*,100**,120        | ✓                           | ✓    | ✓   |       | ♻️         |
|   | Matte          | 80                              | 80**                 | ✓                           | ✓    | ✓   |       | ♻️         |
| Sterling* Premium<br>Digital™ HP Indigo       | Gloss          | 80,100                          | 80*,100**,120        | ✓                           | ✓    | ✓   |       | ♻️         |
|   | Dull           | 80,100                          | 80*,100**,120        | ✓                           | ✓    | ✓   |       | ♻️         |
| Web   |                |                                 |                      | On-Product Labeling Options |      |     |       |            |
| Product                                       | Finish         | Text Weight                     | Cover Weight         | Certification               |      |     | % PVC |            |
|   |                |                                 |                      | FSC*                        | PEFC | SFI | 10%   | 30%        |
| Advocate*                                     | Gloss Offset   | 24,26,28,30,32,34,36,38,40      |                      | ✓                           | ✓    | ✓   |       |            |
|   | EHB Gloss      | 28,30,32,34,36                  |                      | ✓                           | ✓    | ✓   |       | on request |
|   | Dull           | 36                              |                      | ✓                           | ✓    | ✓   |       |            |
|   | Gloss Roto     | 28,30,32,34,36,38,40            |                      | ✓                           | ✓    | ✓   |       |            |
| Advocate* Plus                                | Gloss          | 36,38,40,45                     |                      | ✓                           | ✓    | ✓   |       | on request |
|   | Dull           | 36,38,40                        |                      | ✓                           | ✓    | ✓   |       |            |
| ArborWeb*                                     | Gloss          | 45,50,55,60,70,80,100           | 65, 80, 100          | ✓                           | ✓    | ✓   |       | ♻️         |
|   | Satin¹         | 45,50,55,60,70,80,100           | 65, 80               | ✓                           | ✓    | ✓   |       | ♻️         |

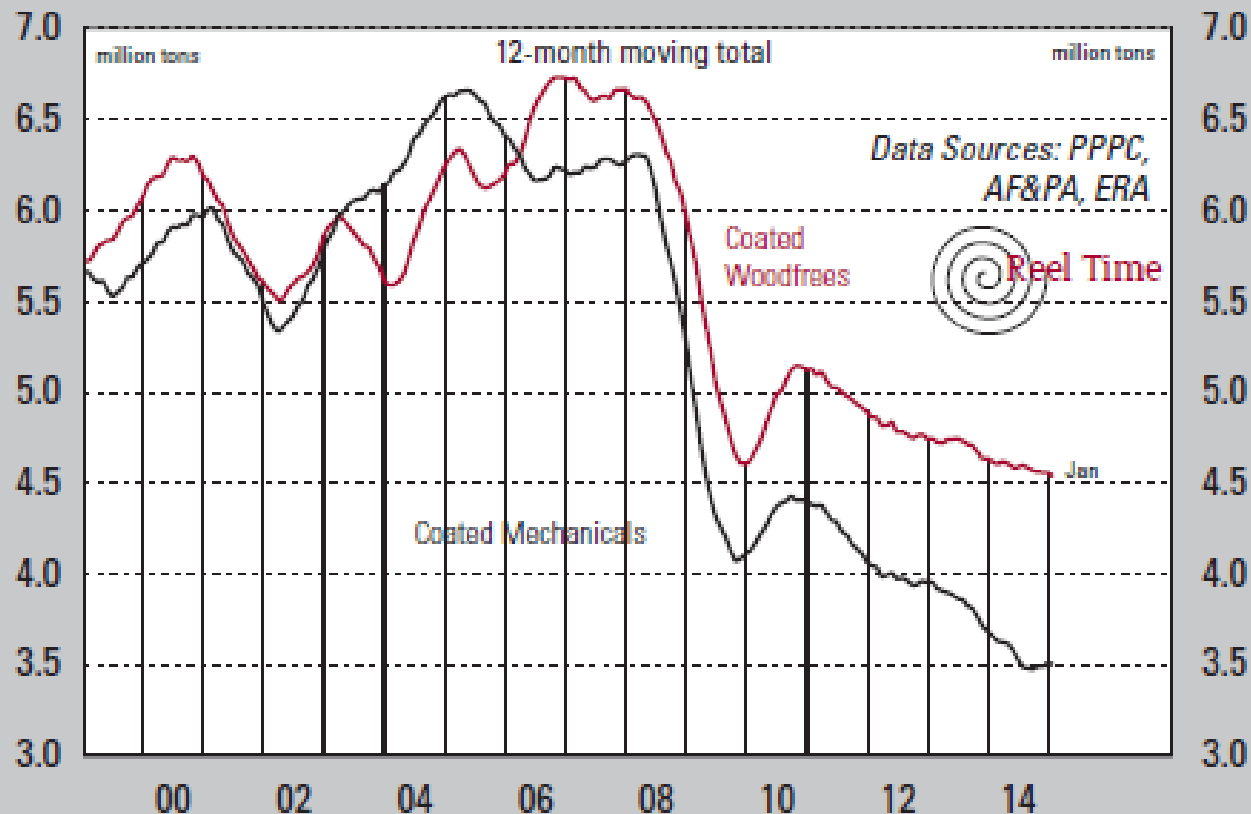
[versoco.com/printingpapers](https://www.versoco.com/printingpapers)

# Business Changed and Evolved

1. Increase of imports
2. Closures
3. Advertising and the Internet
4. Consolidation...
5. Global Market
6. Energy

# Market Conditions

## N.A. Coated Paper Demand • Adj'd for Mislabelling of Chinese Imports



# Market and Demand for Forest Products

## The Good:

- Verso is in for the long haul – pulpwood / chip markets
- Availability of Certified Fiber -( Lake States)
- Commitment to sustainable fiber supply

## The Bad:

- Logger Capacity
- NIPF availability (parcelization / availability)
- Tight wood supplies ( Lake States )

## The Ugly:

- T & E species
- Invasives
- Transportation ( Rail )



# Finally! (it's about time!!!)

- There is no better time to improve wood supply relationships between mills, logger, sawmill, landowners and you as Foresters.
- All need to be successful for a Win Win Forest Products Industry
  - Loggers
  - Foresters
  - Mills

Questions?

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