

VERSO'S FOUNDING PRINCIPLES

1

Safe from the start

2

Accountability, truth & transparency

3

Engaged & enthusiastic people

4

Anticipate change

5

Initiative & resourcefulness

6

Understand customer needs

7

Use teamwork to execute & deliver superior results

8

Do the right things for the company as a whole

9

Respect a sustainable balance among economic, social & environmental needs

10

Act with speed, simplicity & decisiveness

11

Understand & mitigate business risks

2012 at a Glance



Approximately \$840 million of Verso's debt with 2012-2016 maturities was refinanced, and the average maturity profile was pushed out to 2018. An additional \$90 million of debt was refinanced in early 2013.



The \$45 million renewable energy project at Verso's Quinnesec Mill in Michigan, completed at the end of 2011, was fully operational and is exceeding expectations for efficiency and cost savings.



Paper industry veteran David J. Paterson was elected the President and CEO and a director of Verso following the retirement of his predecessor, Mike Jackson.



Subsequent to a fire and explosion at Verso's Sartell Mill in Minnesota and after a thorough evaluation, Verso announced the permanent closure of the Sartell Mill and effectively exited the supercalendered papers business.



The \$42 million renewable energy project at Verso's Bucksport Mill in Maine was completed and commercialized in November.



By continuing to close the realizable gap (R-Gap) between manufacturing best practices and our own operational performance, Verso reduced costs by some \$50 million.



Verso continued to expand our specialty papers offerings.



As part of our continuing effort to promote responsible forestry practices we launched the Verso Forest Certification Grant Program, an initiative aimed at increasing certified fiber and certified acreage on lands near our paper mills.

Contents

- 1 2012 at a Glance
- 2 CEO Letter to Stockholders
- 3 Financial and Operational Highlights
- 4 Executive Officers and Board of Directors
- 4 Performance Graph

2012 Annual Report on Form 10-K

Corporate Information and Officers

TO OUR STOCKHOLDERS

Verso's strategic course is very straightforward: we build on our strong foundation, pursuing opportunities that ensure we are well positioned for the future. Despite continuing challenges posed by the sluggish economy, we stayed the course in 2012. Our results in key performance areas reflect not only the deeply rooted commitment of our people, but also their agility and determination in forging new routes that fortify Verso's position as a safe, environmentally responsible and sustainable company.

Nowhere have we been more successful than in identifying and executing opportunities related to energy. We believe that reducing overall energy consumption, increasing energy from renewable sources and improving efficiency can help us leverage and improve our cost position. We've committed to a 25% energy reduction per ton of production by 2019 and are well on our way to achieving this goal thanks to the completion of critical elements in our long-term energy strategy.

We completed and commercialized a \$42 million renewable energy project at our Bucksport Mill in November, and the \$45 million renewable energy project at our Quinnesec Mill, completed at the end of 2011, was fully operational in 2012. These large-scale investments increase efficiency, significantly lower our operating costs and substantially increase Verso's capacity to generate renewable energy.

With our fewest injuries ever, Verso is proud that we once again placed in the top of the first quartile for safety performance in the paper industry. However, we faced a tragic reminder that we're not safe enough until we reach our ultimate goal of zero injuries. On Memorial Day, the unthinkable became reality when a fire and explosion took the life of one of our Verso family and ultimately led to the closure of our Sartell Mill in Minnesota. This was an especially difficult experience for our people and for our business. This fatal event, the only one in our company's history, gave everyone at Verso a very personal reason to redouble our attention to working safely and make sure nothing like this ever happens again. We are deeply grateful to everyone who helped us respond to and move forward after this incident.

With limited capital investment, our manufacturing organization continued to successfully use our "R-Gap" process to drive significant cost savings to Verso's bottom line. By benchmarking best-in-class practices, we were able to identify realizable gaps in our operating performance, then close those gaps using our own internal best practices and proven external approaches. In 2012, these



efforts not only produced clear operational improvement and increased organizational capability, but delivered \$50 million in cost savings. Over the past five years, our R-Gap process reduced costs an average \$48 million annually.

Verso's strategic agility and day-to-day operating discipline will continue to empower us in 2013 as we explore opportunities beyond our traditional boundaries, nurture innovation and deliver on the commitments we've made to our customers, employees, suppliers and stockholders. As we strive to understand our customers' emerging needs, anticipate change and mitigate business risks, our ultimate goal is to do the right things for our company as a whole and, in the process, realize our vision to be a company with passion that is trusted and respected by all.

Sincerely,

 David J. Paterson
 President and Chief Executive Officer

Financial and Operational Highlights

(Amounts in millions, except tons, average sales price and per share amounts)

	December 31,	
	2012	2011
Statement of Operations Data		
Revenue	\$ 1,474.6	\$ 1,722.5
Operating (loss) income	(32.4)	15.7
Net loss	(173.8)	(137.1)
Per Share Data		
Loss per share (basic and diluted)	\$ (3.29)	\$ (2.61)
Weighted average common shares outstanding		
Basic	52.9	52.6
Diluted	52.9	52.6
Other Financial and Operating Data		
Total tons sold (in thousands)	1,799.0	2,023.4
Average sales price per ton (in \$/ton)	\$ 820	\$ 851
Adjusted EBITDA ⁽¹⁾	140.1	202.5
Balance Sheet Data		
Cash and cash equivalents	\$ 61.5	\$ 94.9
Working capital, net of cash	48.8	47.7
Property, plant and equipment, net	793.0	934.7
Total assets	1,208.9	1,421.5
Total debt	1,257.0	1,262.5
Total stockholders' deficit	(321.7)	(153.9)

⁽¹⁾ Reflects the elimination or addition of unusual items permitted in calculating compliance with our debt covenants before pro forma effects of our profitability program. Please see page 36 of the enclosed 2012 Form 10-K for a reconciliation of adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) to cash flows from operating activities.

Executive Officers and Board of Directors

David J. Paterson
President, Chief Executive Officer and Director

Lyle J. Fellows
Senior Vice President of Manufacturing and Energy

Robert P. Mundy
Senior Vice President and Chief Financial Officer

Michael A. Weinhold
Senior Vice President of Sales, Marketing and Product Development

Peter H. Kesser
Senior Vice President, General Counsel and Secretary

Kenneth D. Sawyer
Vice President of Human Resources

Benjamin Hinchman, IV
Vice President and Chief Information Officer

Michael E. Ducey*
Director

Thomas Gutierrez*
Director
President, Chief Executive Officer and Director
GT Advanced Technologies Inc.

Scott M. Kleinman**
Director
Partner
Apollo Management, L.P.

David W. Oskin**
Director
President
Four Winds Ventures, LLC

Eric L. Press
Director
Partner
Apollo Management, L.P.

L.H. Puckett, Jr.
Director

David B. Sambur*
Director
Principal
Apollo Management, L.P.

Jordan C. Zaken*
Director
Partner
Apollo Management, L.P.

* Member of Audit Committee
* Member of Compensation Committee
* Member of Corporate Governance and Nominating Committee

Corporate Information and Contacts

Corporate Office
Verso Paper Corp.
6775 Lenox Center Court
Suite 400
Memphis, TN 38115-4436
Telephone: (901) 369-4100
Website: versopaper.com

Registrar and Transfer Agent
Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016-3572
Telephone: (800) 368-5948
E-mail: info@rtco.com
Website: rtco.com

Form 10-K/Investor Contact

An online copy of Verso Paper Corp.'s annual report on Form 10-K for 2012 filed with the Securities and Exchange Commission is available in the Investor Relations section of Verso's website at versopaper.com. Additional printed copies are available from Verso upon request at no charge. These requests and other investor inquiries should be directed to Robert P. Mundy, Senior Vice President and Chief Financial Officer, at Verso's corporate office.

Annual Meeting

The 2013 annual meeting of stockholders will be held May 23, 2013, at 10:00 a.m. (Central Time) at Verso's corporate office.

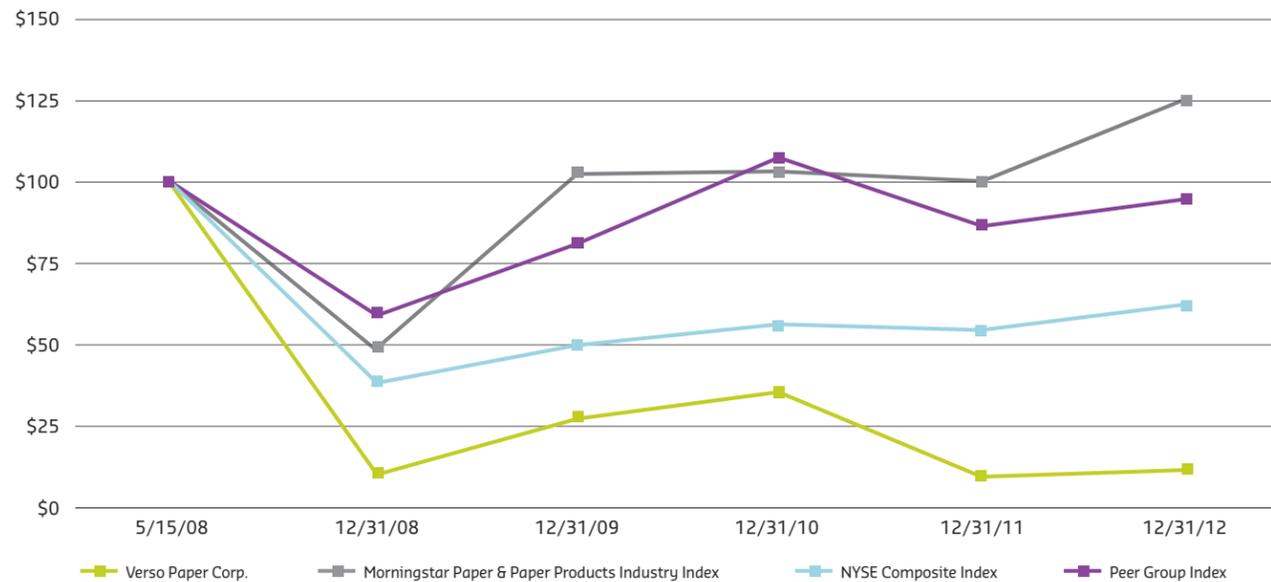
Independent Auditors

Deloitte & Touche LLP
Memphis, Tennessee

Certifications

Verso Paper Corp. has filed annual written affirmations and CEO certifications pursuant to Section 303A.12 of the NYSE's Listed Company Manual. The certifications by Verso's CEO and CFO required by Section 302 of the Sarbanes-Oxley Act of 2002 are included as exhibits to Verso's 2012 annual report on Form 10-K filed with the SEC.

Performance Graph



Assumes \$100 invested on May 15, 2008. Assumes dividend reinvested. Fiscal year ending Dec. 31, 2012

Production Notes

The interior pages of this report are printed on Influence® Gloss, 100# text, produced by the people at our Quinnesec Mill, where 89% of the fuel used by the mill comes from renewable, carbon-neutral biomass. The cover of this report is printed on 10% recycled-content paper.



Verso Paper Corp.
6775 Lenox Center Court
Suite 400
Memphis, TN 38115-4436

(901) 369-4100

versopaper.com



Find us on Facebook: www.facebook.com/versopapercorp



Verso Paper Corp. is an equal opportunity employer M/F/D/V
Copyright © 2013 Verso Paper Corp.

STRONG TRA

INLUTION PRE
ETHICS T
ROOTED IN

COMMU

T