

UNITED STATES BANKRUPTCY COURT  
 DISTRICT OF Delaware

In re NewPage Corporation, et al  
 Debtor

Case No. 11-12804

**INITIAL MONTHLY OPERATING REPORT**

File report and attachments with Court and submit copy to United States Trustee within 15 days after order for relief.

Certificates of insurance must name United States Trustee as a party to be notified in the event of policy cancellation.  
 Bank accounts and checks must bear the name of the debtor, the case number, and the designation "Debtor in Possession."  
 Examples of acceptable evidence of Debtor in Possession Bank accounts include voided checks, copy of bank deposit agreement/certificate of authority, signature card, and/or corporate checking resolution.

REQUIRED DOCUMENTS	Document Attached	Explanation Attached
12-Month Cash Flow Projection (Form IR-1)	Yes	
<b>Certificates of Insurance:</b>		
Workers Compensation	Yes	Certificate for Wisconsin Excess for Workers Comp & Evidence of Coverage Certificate
Property	Yes	Property Insurance Certificate
General Liability	Yes	Evidence of Coverage Certificate
Vehicle	Yes	Evidence of Coverage Certificate
Other: <u>Umbrella and Excess Liability</u>	Yes	Evidence of Coverage Certificate
Identify areas of self-insurance w/liability caps	No	Note: we are for Workers Comp in OH, MI and WI subject to statutory limits.
<b>Evidence of Debtor in Possession Bank Accounts</b>		
Tax Escrow Account	No	Per the Cash Management Motion filed with the Court on Sep. 7, 2011 and approved by Order on Sep. 8, 2011, the Company is allowed to continue the use of its current cash management system including maintenance of existing bank accounts and is therefore not required to establish new Debtor in Possession bank accounts. To obtain a copy of the Cash Management order please see <a href="http://www.newpagerestructuring.com">www.newpagerestructuring.com</a> .
General Operating Account	No	
Money Market Account pursuant to Local Rule 4001-3 for the District of Delaware only. Refer to: <a href="http://www.deb.uscourts.gov/">http://www.deb.uscourts.gov/</a>	No	
Other:	No	
Retainers Paid (Form IR-2)	Yes	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
 Signature of Debtor

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Signature of Joint Debtor

\_\_\_\_\_  
 Date

Ronald J. Arling  
 Signature of Authorized Individual\*

9-21-11  
 Date

Ronald J. Arling  
 Printed Name of Authorized Individual

Controller & Chief Accounting Officer  
 Title of Authorized Individual

\*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.



**CASH FLOW PROJECTIONS FOR THE 12 MONTH PERIOD: September 7, 2011 through August 31, 2012**

This schedule must be filed with the Court and a copy submitted to the United States Trustee within 15 days after the order for relief. Amended cash flow projections should be submitted as necessary.

	Month Sep 7 - Sep 30	Month Oct-11	Month Nov-11	Month Dec-11	Month Jan-12	Month Feb-12	Month Mar-12	Month Apr-12	Month May-12	Month Jun-12	Month Jul-12	Month Aug-12	Total
Cash Beginning of Month	8,015	16,883	41,453	98,400	59,336	42,180	65,536	71,641	90,170	104,822	22,874	15,000	8,015
<b>RECEIPTS</b>													
CASH SALES	-	-	-	-	-	-	-	-	-	-	-	-	-
ACCOUNTS RECEIVABLE	203,780	262,424	299,258	278,489	290,520	254,293	276,854	284,333	247,287	242,150	303,837	287,243	3,230,467
LOANS AND ADVANCES	285,000	-	-	-	-	-	-	-	-	-	7,038	-	292,038
SALE OF ASSETS	-	-	-	-	-	-	-	-	-	-	-	-	-
PROCEEDS FROM LIQUIDATION OF CANADIAN ASSETS	22,687	24,377	-	-	-	-	-	-	-	-	-	-	47,065
<b>TOTAL RECEIPTS</b>	<b>511,467</b>	<b>286,801</b>	<b>299,258</b>	<b>278,489</b>	<b>290,520</b>	<b>254,293</b>	<b>276,854</b>	<b>284,333</b>	<b>247,287</b>	<b>242,150</b>	<b>310,875</b>	<b>287,243</b>	<b>3,569,570</b>
<b>DISBURSEMENTS</b>													
NET PAYROLL & BENEFITS	(33,038)	(35,310)	(38,987)	(34,767)	(52,851)	(36,651)	(36,651)	(39,183)	(35,600)	(35,600)	(56,474)	(36,651)	(471,763)
PAYROLL TAXES	(11,523)	(12,023)	(12,324)	(11,481)	(12,694)	(12,384)	(12,384)	(12,694)	(11,825)	(11,825)	(15,851)	(12,384)	(149,391)
SALES, USE, AND OTHER TAXES	(2,507)	(591)	(3,062)	(522)	(4,520)	(868)	(3,151)	(1,137)	(956)	(1,332)	(1,942)	(1,759)	(22,346)
INVENTORY PURCHASES AND MAINTENANCE SPEND / OTHER	(143,501)	(189,786)	(168,643)	(148,736)	(204,824)	(161,143)	(196,457)	(185,545)	(164,025)	(151,927)	(212,853)	(201,148)	(2,128,587)
SECURITY/ RENTAL/ LEASES	-	-	-	-	(3,604)	-	-	-	-	-	(3,604)	-	(7,208)
INSURANCE	(716)	(509)	(408)	(569)	(528)	(99)	(99)	(99)	(2,614)	(727)	(675)	(583)	(7,627)
ADMINISTRATIVE & SELLING	(5,133)	(6,534)	(8,502)	(4,084)	(4,841)	(4,697)	(5,148)	(4,896)	(3,947)	(6,974)	(4,883)	(4,559)	(64,197)
INTEREST AND FEES	(25,821)	(3,700)	(2,311)	(102,927)	(2,258)	(2,240)	(2,258)	(2,249)	(2,258)	(102,918)	(2,258)	(2,283)	(253,480)
CAPITAL EXPENDITURES	(6,921)	(8,190)	(6,819)	(4,868)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(93,465)
PENSION / OPEB	(1,200)	(5,536)	(1,200)	(3,586)	(9,909)	(1,209)	(1,209)	(9,809)	(1,209)	(1,209)	(10,009)	(1,209)	(47,296)
DIP PAYDOWNS	(268,836)	-	-	-	-	-	-	-	-	-	-	-	(275,874)
PROFESSIONAL FEES	(3,369)	(19)	(19)	(5,979)	(3,279)	(3,279)	(5,023)	(1,823)	(1,831)	(3,218)	(1,831)	(1,831)	(31,502)
U.S. TRUSTEE FEES	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(35)	(420)
COURT COSTS	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL DISBURSEMENTS</b>	<b>(502,599)</b>	<b>(262,231)</b>	<b>(242,311)</b>	<b>(317,554)</b>	<b>(307,676)</b>	<b>(230,937)</b>	<b>(270,749)</b>	<b>(265,803)</b>	<b>(232,635)</b>	<b>(324,099)</b>	<b>(318,749)</b>	<b>(277,813)</b>	<b>(3,553,156)</b>
<b>NET CASH FLOW</b>	<b>8,868</b>	<b>24,570</b>	<b>56,947</b>	<b>(39,065)</b>	<b>(17,156)</b>	<b>23,356</b>	<b>6,105</b>	<b>18,530</b>	<b>14,652</b>	<b>(81,948)</b>	<b>(7,874)</b>	<b>9,429</b>	<b>16,414</b>
(RECEIPTS LESS DISBURSEMENTS)													
<b>Unrestricted Cash End of Month</b>	<b>16,883</b>	<b>41,453</b>	<b>98,400</b>	<b>59,336</b>	<b>42,180</b>	<b>65,536</b>	<b>71,641</b>	<b>90,170</b>	<b>104,822</b>	<b>22,874</b>	<b>15,000</b>	<b>24,429</b>	<b>24,429</b>
Restricted Cash	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895
<b>Total Cash</b>	<b>23,778</b>	<b>48,348</b>	<b>105,295</b>	<b>66,231</b>	<b>49,075</b>	<b>72,431</b>	<b>78,536</b>	<b>97,065</b>	<b>111,717</b>	<b>29,769</b>	<b>21,895</b>	<b>31,324</b>	<b>31,324</b>

ACORD

**CERTIFICATE OF INSURANCE**

ISSUE DATE (04/30/11)

**PRODUCER**

Aon Risk Services Northeast, Inc.

199 Water Street

New York, New York 10038

**INSURED**

NewPage Group Inc., and its subsidiaries

8540 Gander Creek Drive

Miamisburg, OH 45342

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND, OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**COMPANIES AFFORDING COVERAGE**

COMPANY A Safety National Casualty Corporation

COMPANY B

COMPANY C

COMPANY D

COMPANY E

**COVERAGES**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE(MM/DD/YY)	POLICY EXPIRATION DATE(MM/DD/YY)	LIMITS
	<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR.				GENERAL AGGREGATE \$ PRODUCTS-COMP/OP AGG. \$ PERSONAL & ADV. INJURY \$ EACH OCCURRENCE \$ FIRE DAMAGE (Any one fire) \$ MED. EXPENSE (Any one person) \$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> GARAGE LIABILITY				COMBINED SINGLE LIMIT \$ DEDUCTIBLE BODILY INJURY (Per Accident) PROPERTY DAMAGE
	<b>EXCESS LIABILITY</b> <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$ PRODUCTS LIABILITY DED.
A	EXCESS WORKERS COMPENSATION	SP 4043972	04/30/11	04/30/12	WC STATUTORY LIMIT Statutory EL EACH ACCIDENT EL DISEASE POLICY LIMIT EL DISEASE EACH EMPLOYEE
	OTHER				EACH CLAIM LIMIT AGGREGATE LIMIT

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS**

Excess Workers Compensation for the State of Wisconsin. Self-Insured Retention is \$750,000

**CERTIFICATE HOLDER**

EVIDENCE OF COVERAGE ONLY

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

*Aon Risk Services Northeast, Inc.*

FACTORY MUTUAL INSURANCE COMPANY

5700 Granite Parkway  
Granite Park Two  
Suite 700  
Plano, TX 75024  
972-377-4808

## POLICY INFORMATION FORM

This Policy Information Form confirms the stated coverage as of the date issued and does not amend, extend or alter the coverage offered by the policies listed herein.

TITLE OF INSURED:  
NEWPAGE GROUP INC.

Policy No: XG908

Effective: 30-Apr-2011

Account No: 1-51816

Expires: 30-Apr-2012

Description & Location of Property Covered:

Real and Personal Property  
NewPage Headquarters  
8540 Gander Creek Drive  
MIAMISBURG, OH 453425439

Index No: 001623.24  
Ins Loc: 0014  
Division: 1

COVERAGE IN FORCE: (Subject to limits of liability, deductibles and all conditions in the policy)

**Insurance Provided:**  
PROPERTY DAMAGE

**Peril:**  
ALL RISK

**Limit of Liability:**  
\$2,500,000,000

THIS POLICY INSURES THE FOLLOWING KINDS OF PROPERTY:

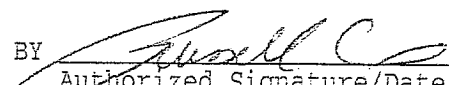
Real Property in which the Insured has an insurable interest; Personal Property owned by the Insured; Personal Property, other than motor vehicles, of officers and employees of the Insured; Personal Property of others in the custody of the Insured, which the Insured is under obligation to keep insured for physical damage of the type insured against under this policy.

Mailing:

ATTN: MR. CRAIG T. BROOKS  
NEWPAGE GROUP INC.  
8540 GANDER CREEK DRIVE  
MIAMISBURG, OH 45342

PIF Number: 00017-001

BY

  
Authorized Signature/Date  
RUSSELL COX 28-Apr-2011

PLM

ACORD

CERTIFICATE OF INSURANCE

ISSUE DATE (04/30/11)

PRODUCER

Aon Risk Services Northeast, Inc.
199 Water Street
New York, New York 10038

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COMPANIES AFFORDING COVERAGE

Table with 2 columns: COMPANY (A-F) and Name of Insurance Company (Zurich American, Commerce & Industry, American Guarantee & Liability, Great American, Safety National, ACE American).

INSURED

NewPage Corporation
8540 Gander Creek Drive
Miamisburg, OH 45342

COVERAGES

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Main table with columns: CO LTR, TYPE OF INSURANCE, POLICY NUMBER, POLICY EFFECTIVE DATE, POLICY EXPIRATION DATE, LIMITS. Rows include General Liability, Automobile Liability, Excess Liability, Workers Compensation, and Other.

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

CERTIFICATE HOLDER

EVIDENCE OF COVERAGE ONLY

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Aon Risk Services Northeast, Inc.

**SCHEDULE OF RETAINERS PAID TO PROFESSIONALS**

Check (Wire Trans)

Payor	Date	Number	Payee	Currency	Amount	Amount Applied to Date	Balance
NPC	8/9/2011	TRN#110728089405	Akin Gump Strauss Hauer & Feld LLP	USD	200,000		200,000
NPC	1/12/2011	0481600012JO	Dewey & LeBoeuf	USD	900,000		900,000
NPC	9/1/2011	TRN#110901099127	Dewey & LeBoeuf	USD	2,600,000	2,010,674	589,326
NPC	1/20/2011	5729300020JO	FTI Consulting	USD	350,000		350,000
NPC	8/20/2011	TRN#110826042649	FTI Consulting	USD	150,000		150,000
NPC	9/6/2011	TRN#110906070837	FTI Consulting	USD	500,000		500,000
NPC	9/6/2011	TRN#110906026019	Millbank, Tweed, Hadley & McCloy LLP	USD	200,000		200,000
NPC	8/15/2011	TRN#110815083768	Pachulski Stang Ziehl & Jones	USD	125,000		125,000
NPC	4/13/2011	TRN#110413054660	Wachtell Lipton Rosen & Katz	USD	150,000		150,000
<b>TOTALS</b>			<b>TOTALS</b>		<b>5,175,000</b>	<b>2,010,674</b>	<b>3,164,326</b>

NOTE 1: This list includes retainers paid to non-Debtor Professionals.

NOTE 2: This list does not include retainers paid to non-Professionals, including a \$100k USD retainer provided to Kurtzman Carson Consultants and a \$200k USD retainer provided to JPMorgan, as Administrative Agent for the Debtors' postpetition financing

NOTE 3: This list does not include retainers paid on behalf of NewPage Port Hawkesbury in support of their CCAA filing, including a \$125k USD retainer provided to Cassels Brock & Blackwell LLP, \$125k CAD for Ernst & Young and a \$100k CAD retainer provided to Stikeman Elliott LLP.