

NEWPAGE CORPORATION  
Case No. 11-12804  
DEBTOR IN POSSESSION  
INDEX TO MONTHLY OPERATING REPORT

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

Case No. 11-12804  
Chapter 11

**NEWPAGE CORPORATION**

Monthly Operating Report for  
the period from September 1, 2012 through September 30, 2012

Debtors' Address:  
8540 Gander Creek Drive  
Miamisburg, OH 45342

**Proskauer Rose LLP**

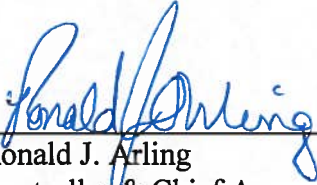
(Debtors' Attorneys)

Monthly Operating Income (Loss): \$(29,514,981)

Report Preparer:

The undersigned, having reviewed the attached report and being familiar with the Debtors' financial affairs, verifies under the penalty of perjury that the information contained therein is complete, accurate and truthful to the best of my knowledge.

Date: October 30, 2012

  
\_\_\_\_\_  
Ronald J. Arling  
Controller & Chief Accounting Officer



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## **Global Notes**

### **1. Introduction.**

On September 7, 2011 (the “Commencement Date”), NewPage Corporation (“NewPage”) and certain of its subsidiaries and affiliates, as debtors and debtors in possession (collectively with NewPage, the “Debtors”)<sup>1</sup>, each filed a voluntary petition for relief commencing cases (the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Bankruptcy Code (the “Bankruptcy Code”). The Debtors continue to operate their businesses and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Additionally, on September 21, 2011, the United States Trustee for the District of Delaware appointed a statutory committee of creditors pursuant to section 1102(a)(1) of the Bankruptcy Code. Information contained herein may differ from the Debtors’ filings on the Commencement Date due to more accurate information becoming available.

### **2. GAAP.**

The financial statements and supplemental information contained herein are preliminary and unaudited, and may not comply with generally accepted accounting principles in the United States of America (“GAAP”) in all material respects. In addition, the financial statements and supplemental information contained herein represent information for the Debtors only and exclude all non-Debtor affiliates.

The unaudited financial statements have been derived from the Debtors’ books and records. This information, however, has not been subject to certain procedures that would typically be applied to financial information in accordance with GAAP. Upon application of such procedures, the Debtors believe that the financial information could be subject to change, which could be material. The information furnished in this report includes primarily normal recurring adjustments but does not include all adjustments that would typically be made for financial statements in accordance with GAAP.

### **3. General Methodology.**

The Debtors prepared this Monthly Operating Report (“MOR”) relying primarily upon the information set forth in their books and records. Consequently, certain transactions that are not identified in the normal course of business in the Debtors’ books and records may not be included in this MOR. Nevertheless, in preparing this MOR, the

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Chillicothe Paper Inc. (6154), Escanaba Paper Company (5598), Luke Paper Company (6265), NewPage Canadian Sales LLC (5384), NewPage Consolidated Papers Inc. (8330), NewPage Corporation (6156), NewPage Energy Services LLC (1838), NewPage Group Inc. (2465), NewPage Holding Corporation (6158), NewPage Port Hawkesbury Holding LLC (8330), NewPage Wisconsin System Inc. (3332), Rumford Paper Company (0427), Upland Resources, Inc. (2996), and Wickliffe Paper Company LLC (8293). The Debtors’ corporate headquarters is located at 8540 Gander Creek Drive, Miamisburg, OH 45342.

Debtors made reasonable efforts to supplement the information set forth in its books and records with additional information concerning transactions that may not have been identified therein.

#### **4. Past Performance.**

The results of operations contained herein are not necessarily indicative of results which may be expected for any other period or for the full year and may not necessarily reflect the consolidated results of operations and financial position of the Debtors in the future.

#### **5. Prepetition vs. Postpetition Liabilities.**

The Debtors allocated liabilities between prepetition and postpetition periods based upon the information available at the time of, and research conducted in connection with, the preparation of this MOR. As additional information becomes available and further research is conducted, the Debtors' allocation of liabilities between the prepetition and postpetition periods may change. The liability information, except as otherwise noted, is listed as of the close of business as of the end of the month. Accordingly, the Debtors reserve all rights to amend, supplement or otherwise modify this MOR as necessary and appropriate.

#### **6. Accounts Payable and Accrued Expenses.**

To the best of the Debtors' knowledge, all unaudited postpetition trade payables are current and all premiums for insurance policies that were due as of the date of the filing have been fully paid.

#### **7. Book Value of Assets.**

Unless otherwise indicated, the values for assets contained in this MOR are book values as of the end of the month. Amounts ultimately realized from the disposition of the Debtors' assets may materially vary from the stated book value. Thus, unless otherwise noted, this MOR reflects the carrying values of the assets as recorded on the Debtors' books and records as of the end of the month and are not based upon any estimate of their current market value. The Debtors reserve their rights to amend or adjust the value of each asset set forth herein.

#### **8. Intercompany Receivables/Payables.**

In accordance with the *Amended Order (I) Authorizing Debtors to Continue Using Their Cash Management System, Including the Movement of Funds Between Debtors and Non-Debtor Affiliates, and Maintain Existing Bank Accounts and Business Forms, and (II) Waiving Compliance with the Deposit and Investment Requirements of Section 345 of The Bankruptcy Code*, dated October 7, 2011 [Docket No. 320], NewPage

Corporation (“NPC”) maintains intercompany (“I/C”) receivables/payables with its operating subsidiaries. NPC records I/C receivables for payments made on behalf of its operating subsidiaries, who in turn record corresponding I/C payables. NPC records I/C payables for purchases of finished goods inventory from its operating subsidiaries, who in turn record I/C receivables.

In applying the purchase accounting method for business combinations under U.S. GAAP, NPC recorded large I/C receivables in connection with its acquisition from MeadWestvaco of the Escanaba, Rumford, Luke and Wickliffe mills. Since the acquisition, the amount of the I/C receivables have decreased, because the value of paper sold by those operating subsidiaries to NPC exceeds the operating costs NPC pays on their behalf.

Conversely, when applying purchase accounting for the acquisition of the NewPage Wisconsin System (which includes the Wisconsin Rapids, Biron, Duluth and Stevens Point Mills) the allocation of purchase price was held in an “Investment in Subsidiary” account rather than an I/C account. NPC maintains an I/C payable in favor of the NewPage Wisconsin System, as those mills have maintained a net positive cash to NPC over the years.

#### **9. Liabilities Subject to Compromise.**

As a result of commencing the Chapter 11 Cases, the payment of prepetition indebtedness is subject to compromise or other treatment under a chapter 11 reorganization plan. Generally, actions to enforce or otherwise effect payment of prepetition liabilities are stayed.

The filing of the Chapter 11 Cases constituted an event of default under, or otherwise triggered repayment obligations with respect to, a number of debt instruments and agreements relating to direct and indirect financial obligations of the Debtors (collectively, the “Prepetition Debt”). As a result, obligations under the Prepetition Debt became automatically and immediately due and payable. The Debtors believe that any efforts to enforce the payment obligations under the Prepetition Debt have been stayed as a result of the filing of the Chapter 11 Cases.

#### **10. Liabilities Not Subject to Compromise.**

Although payment of prepetition claims is generally not permitted, the Bankruptcy Court has authorized the Debtors to pay certain prepetition claims in designated categories and subject to certain terms and conditions. This relief generally was designed to preserve the value of the Debtors’ business and assets. To the extent such claims have been categorized as “Liabilities Not Subject to Compromise,” the Debtors reserve their right to dispute their obligation to make such payments.

The Debtors have been paying and intend to continue to pay undisputed postpetition claims in the ordinary course of business.

**11. Reservation of Rights.**

Given the complexity of the Debtors' business, inadvertent errors, omissions or the overinclusion of contracts or leases may have occurred in the preparation of this MOR. Accordingly, the Debtors hereby reserve all of their rights to dispute the validity, status, enforceability or the executory nature of any claim amounts, representation or other statement in this MOR and reserve the right to amend or supplement this MOR, if necessary.

Nothing contained in this MOR shall constitute a waiver of the Debtors' rights or an admission with respect to the Chapter 11 Cases, including with respect to any issues involving the Debtors' ownership interests, substantive consolidation, equitable subordination, defenses and/or causes of action arising under the provisions of chapter 5 of the Bankruptcy Code and any other relevant non-bankruptcy laws.

**NewPage Group Inc. & Subsidiaries**  
**Debtor-in-Possession**  
**MOR-1**

**Consolidating Schedule of Receipts and Disbursements (1)(5)**  
**for September 1 to 30, 2012**

	NewPage Corporation	Escaaba Paper Company	Rumford Paper Company	Lake Paper Company	Wickliffe Paper Company	NewPage Wisconsin System Inc.	Total - NewPage Group Inc. and Subs
(\$ in Thousands)							
Beginning Cash Balance	\$ 19,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,128
Cash Receipts:							
Trade Receipts	242,345	-	-	-	-	-	242,345
Other Receipts	518	-	-	-	-	-	518
Loans & Advances	39,000	-	-	-	-	-	39,000
Sale of Assets (see MOR-5a)	-	-	-	-	-	-	-
Proceeds from Liquidation of Canadian Receipts	-	-	-	-	-	-	-
Total Cash Receipts	\$ 281,863	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 281,863
Disbursements:							
Employee Costs (Payroll & Payroll Taxes, Benefits, Pension/OPEB) (2)	(7,189)	(8,372)	(6,507)	(6,333)	(4,170)	(14,707)	(47,278)
Production Related Disbursements	(1,330)	(25,365)	(23,812)	(20,991)	(12,217)	(50,773)	(134,488)
Freight & Warehousing (3)	(22,074)	-	(88)	(148)	(154)	(176)	(22,640)
Taxes & Insurance	(1,954)	-	-	-	-	-	(1,954)
Capex & Maintenance	(454)	(2,878)	(3,285)	(2,801)	(2,790)	(6,476)	(18,684)
SG&A	(3,877)	-	-	(1)	-	(128)	(4,006)
Rent/leases	-	(55)	(88)	(70)	(149)	(374)	(736)
Interest & Fees	(9,185)	-	-	-	-	-	(9,185)
Bankruptcy Related Professional Fees	(5,176)	-	-	-	-	-	(5,176)
DIP paydowns	(31,000)	-	-	-	-	-	(31,000)
Other	(2,452)	(26)	(59)	(46)	(12)	(85)	(2,680)
Total Cash Disbursements	\$ (84,691)	\$ (36,696)	\$ (33,839)	\$ (30,390)	\$ (19,492)	\$ (72,719)	\$ (277,827)
Ending Cash Balance (4)	\$ 216,300	\$ (36,696)	\$ (33,839)	\$ (30,390)	\$ (19,492)	\$ (72,719)	\$ 23,164

(1) NewPage will report a rolling cash balance on a consolidated basis. All receipts are collected through NewPage Corporation (9001) and substantially all cash is held at NewPage Corporation as well. Disbursements can be separated by legal entity and will be illustrated accordingly, however, the majority of the legal entities will not show a beginning or ending cash balance.

(2) The Debtors have allocated Employee Benefits & Pension/OPEB pro-rata based on headcount for each legal entity. Payroll and Payroll Taxes are reflected on a legal entity basis.

(3) The majority of Freight & Warehousing costs are for outbound shipping of paper to customers and warehouses. The operating Debtors sell the paper they produce to NewPage Corporation which in turn, sells the paper to customers. Freight & Warehousing is the responsibility of NewPage Corporation thus all related costs are shown under that Debtor.

(4) Ending cash balance excludes the deposit and float accounts ending in : 2304, 2432, 8012 and 10363 (see MOR-1a). In addition, ending cash balance excludes float for accounts 857 and 443. Ending cash is reported in USD using an exchange rate of 1.01906 USD/CAD.

(5) There was no activity in the reported period for the following debtors: Chillicothe Paper Company, NewPage Energy Services LLC, NewPage Consolidated Papers Inc., NewPage Canadian Sales LLC, NewPage Port Hawkesbury Holding LLC, NewPage Holding Corporation, Upland Resources, Inc., NewPage Group Inc.

**NewPage Group Inc. & Subsidiaries**  
**Debtor-in-Possession**  
**MOR-1**

**Consolidating Cumulative Schedule of Receipts and Disbursements (1)(8)**  
**from September 7, 2011 through September 30, 2012**

	NewPage Corporation	Escanaba Paper Company	Rumford Paper Company	Luke Paper Company	Wickliffe Paper Company	Wisconsin System Inc.	Total - NewPage Group Inc. and Subs
(\$ in Thousands)							
Beginning Cash Balance, September 7, 2011	\$ 10,732	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ 10,735
<b>Cash Receipts:</b>							
Trade Receipts	3,381,508	-	-	-	-	-	3,381,508
Other Receipts <sup>(2)</sup>	15,719	-	-	-	-	-	15,719
Loans & Advances <sup>(3)</sup>	623,000	-	-	-	-	-	623,000
Sale of Assets	83	-	-	-	-	-	83
Proceeds from Liquidation of Canadian Receipts	50,848	-	-	-	-	-	50,848
<b>Total Cash Receipts</b>	<b>\$ 4,071,158</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,071,158</b>
<b>Disbursements:</b>							
Employee Costs (Payroll & Payroll Taxes, Benefits, Pension/OPEB) <sup>(4)</sup>	(113,135)	(124,086)	(99,153)	(95,346)	(55,785)	(228,475)	(715,980)
Production Related Disbursements	(76,194)	(338,509)	(324,904)	(252,721)	(164,608)	(674,612)	(1,831,548)
Freight & Warehousing <sup>(5)</sup>	(290,382)	(1,642)	(5,023)	(2,765)	(4,992)	(6,179)	(310,983)
Taxes & Insurance	(27,375)	-	(7)	(10)	(22)	(19)	(27,433)
Capex & Maintenance	(15,829)	(43,496)	(34,924)	(36,155)	(24,287)	(74,934)	(229,625)
SG&A	(65,481)	(1,025)	(1,506)	(275)	(1,172)	(4,023)	(73,482)
Rent/leases	(135)	(972)	(963)	(537)	(1,840)	(3,858)	(8,305)
Interest & Fees	(170,314)	-	-	-	-	-	(170,314)
Bankruptcy Related Professional Fees	(46,616)	-	-	-	-	-	(46,616)
DIP paydowns <sup>(6)</sup>	(569,877)	-	-	-	-	-	(569,877)
Other <sup>(6)</sup>	(71,667)	(465)	(601)	(488)	(282)	(1,063)	(74,566)
<b>Total Cash Disbursements</b>	<b>\$ (1,447,005)</b>	<b>\$ (510,195)</b>	<b>\$ (467,081)</b>	<b>\$ (388,297)</b>	<b>\$ (252,988)</b>	<b>\$ (993,163)</b>	<b>\$ (4,058,729)</b>
<b>Ending Cash Balance <sup>(7)</sup></b>	<b>\$ 2,634,885</b>	<b>\$ (510,192)</b>	<b>\$ (467,081)</b>	<b>\$ (388,297)</b>	<b>\$ (252,988)</b>	<b>\$ (993,163)</b>	<b>\$ 23,164</b>

<sup>(1)</sup> NewPage will report a rolling cash balance on a consolidated basis. All receipts are collected through NewPage Corporation (9001) and substantially all cash is held at NewPage Corporation as well. Disbursements can be separated by legal entity and will be illustrated accordingly, however, the majority of the legal entities will not show a beginning or ending cash balance.

<sup>(2)</sup> Includes \$3,350 refund of DIP upfront fees and OID.

<sup>(3)</sup> Loans & Advances are comprised of the initial DIP financing of \$2.50 million plus the normal daily draws under the DIP revolving credit facility totaling \$373 million. DIP paydowns include the repayment of the pre-petition revolving credit facility of \$234 million plus the normal daily paydowns of the DIP revolving credit facility \$336 million.

<sup>(4)</sup> The Debtors have allocated Employee Benefits & Pension/OPEB pro-rata based on headcount for each legal entity. Payroll and Payroll Taxes are reflected on a legal entity basis.

<sup>(5)</sup> The majority of Freight & Warehousing costs are for outbound shipping of paper to customers and warehouses. The operating Debtors sell the paper they produce to NewPage Corporation which in turn, sells the paper to customers. Freight & Warehousing is the responsibility of NewPage Corporation thus all related costs are shown under that Debtor.

<sup>(6)</sup> Includes draws on letters of credit of approximately \$36 million.

<sup>(7)</sup> Ending cash balance excludes the deposit and float accounts ending in: 2304, 2432, 8012 and 10363 (see MOR-1a). In addition, ending cash balance excludes float for accounts 857 and 443. Ending cash is reported in USD using an exchange rate of 1.01906 USD/CAD.

<sup>(8)</sup> There was no activity in the reported period for the following debtors: Chillicothe Paper Company, NewPage Energy Services LLC, NewPage Consolidated Papers Inc., NewPage Canadian Sales LLC, NewPage Port Hawkesbury Holding LLC, NewPage Holding Corporation, Upland Resources, Inc., NewPage Group Inc.



**NewPage Group Inc. & Subsidiaries**  
**Debtor-in-Possession**  
**MOR-1a**

**Schedule of Bank Account Balances**  
**as of September 1 to 30, 2012**

Case #	Entity	Bank Name	Bank Account Ending In:	Currency	Balance	Balance in USD
1112804	NewPage Corp	JP Morgan Chase Bank	443	USD	\$ -	\$ -
1112804	NewPage Corp	JP Morgan Chase Bank	8589	USD	\$ 72	\$ 72
1112804	NewPage Corp	Wells Fargo Bank	857	USD	\$ 21,496,667	\$ 21,496,667
1112804	NewPage Corp	Wells Fargo Bank	7945	CAD	\$ 1,631,061	\$ 1,662,148 (1)
1112804	NewPage Corp	Wells Fargo Bank	2304	USD	\$ 3,000,000	\$ 3,000,000 (2)
1112804	NewPage Corp	JP Morgan Chase Bank	1863	USD	\$ 2,681,968	\$ 2,681,968 (2)
1112804	NewPage Corp (Sedgwick)	Wachovia	2432	USD	\$ 818,671	\$ 818,671 (2)
1112804	NewPage Corp (Sedgwick-Zurich)	Wachovia	8012	USD	\$ 451,552	\$ 451,552 (2)
1112807	NewPage Wisconsin System Inc	JP Morgan Chase Bank	6999	USD	\$ 72	\$ 72
1112808	NewPage Holding	JP Morgan Chase Bank	1166	USD	\$ -	\$ -
1112813	Escanaba Paper Co	Peninsula Federal Credit Union	10363	USD	\$ 3,856	\$ 3,856 (2)
			Total Cash			\$ 30,115,006
			In-transit			\$ (14,307,422)
			Other items			\$ (520,628)
						<u>\$ 15,286,956</u>

(1) USD/CAD exchange rate at 1.01906 as of month end.

(2) Ending cash balance in MOR-1 excludes the deposit and float accounts ending in: 2304, 2432, 8012 and 10363.

**NewPage Group & Subsidiaries**  
**Debtor-in-Possession**  
**MOR-1b**  
**Schedule of Professional Fees and Expenses Paid**  
**for September 1 to 30, 2012**

Payee	Period Covered	Amount Approved	Payor	Check Number	Check Date	Amount Paid		Filing-to-Date	
						Fees	Expenses	Fees	Expenses
Akin Gump Strauss Hauer & Feld LLP								\$ 2,402,597	\$ 88,580
Alvarez & Marsal								\$ 345,000	\$ 28,418
Bennett Jones								\$ 474,982	\$ 8,935
Blackstone Advisory Partners LP								\$ 1,650,000	\$ 53,129
Blake Cassels & Graydon								\$ 13,798	\$ 250
Blank Rome LLP								\$ 95,640	\$ 5,855
BMC Group								\$ 2,538	\$ -
Ciardi Ciardi & Astin								\$ 57,473	\$ 2,001
Davis Polk & Wardell								\$ 523,636	\$ 11,457
Deloitte Financial Advisory Partners LP	Q1-Q2 holdbacks, 4/1/12-6/30/12	\$ 210,716	NewPage Corporation	ACH	09/18/12	\$ 201,623	\$ 9,093	\$ 338,093	\$ 21,970
Deloitte Tax LLP	Q1 holdbacks	\$ 726,242	NewPage Corporation	bank transfer	09/14/12	\$ 726,242		\$ 255,154	\$ 8,809
Dewey & LeBoeuf LLP	Q1-Q2 holdbacks	\$ 304,808	NewPage Corporation	bank transfer	09/13/12	\$ 304,808		\$ 6,110,643	\$ 199,716
Emmet, Marvin & Martin LLP	1/22/12-3/2/12, 3/31/12-6/8/12	\$ 79,311	NewPage Corporation	bank transfer	09/24/12	\$ 76,901	\$ 2,410	\$ 85,130	\$ 404
FTI								\$ 3,670,302	\$ 230,337
Goodmans								\$ 76,901	\$ 2,410
Houlihan Lokey Capital								\$ 1,650,000	\$ 119,496
JP Morgan Chase Bank NA	7/1/12-7/31/12	\$ 69,464	NewPage Corporation	bank transfer	09/04/12	\$ 47,636	\$ 21,828	\$ 666,540	\$ 573,877
Kurtzman Carson Consultants								\$ 4,700,001	\$ 118,211
Lazard Freres & Co. LLC	6/1/12-6/30/12, 8/1/12-8/30/12	\$ 35,011	NewPage Corporation	bank transfer	09/24/12	\$ 35,011		\$ 65,067	\$ -
McMillan LLP	Q2 holdbacks	\$ 75,000	NewPage Corporation	ACH	09/12/12	\$ 75,000		\$ 6,445,050	\$ 369,137
Milbank, Tweed, Hadley & McCloy LLP								\$ 1,018,279	\$ 130,321
Moelis & Co								\$ 385,047	\$ 32,666
Morris Nichols Arsh & Tunnell								\$ 83,627	\$ 5,642
Ottobourg, Steindler, Houston & Rosen, PC	Q2 holdbacks, 6/1/12-6/30/12	\$ 79,579	NewPage Corporation	ACH	09/14/12	\$ 77,484	\$ 2,095	\$ 550,780	\$ 50,315
Pachulski Stang Ziehl & Jones LLP	Q1-Q2 holdbacks, 6/1/12-6/30/12	\$ 1,351,242.00	NewPage Corporation	bank transfer	09/25/12	\$ 1,336,535	\$ 14,707	\$ 7,383,207	\$ 382,206
Paul Hastings LLP	Q2 holdbacks	\$ 81,286.00	NewPage Corporation	ACH	09/12/12	\$ 80,374	\$ 912	\$ 1,121,091	\$ 53,622
PriceWaterhouse Coopers LLP	Q2 holdbacks, 5/14/12-6/30/12	\$ 1,854,068.00	NewPage Corporation	bank transfer	09/14/12	\$ 1,810,220	\$ 43,848	\$ 1,810,220	\$ 43,848
Proskauer Rose LLP								\$ 222,870	\$ 5,019
Pryor Cashman Sherman & Flynn LLP	Q2 holdbacks, 7/1/12-7/31/12	\$ 219,071.00	NewPage Corporation	bank transfer	09/25/12	\$ 218,577	\$ 494	\$ 809,711	\$ 9,275
Quinn Emanuel	2/1/12-4/30/12	\$ 6,376.00	NewPage Corporation	bank transfer	09/12/12	\$ 6,043	\$ 333	\$ 13,357	\$ 1,601
Richards Layton & Finger	Q2 holdbacks, 6/1/12-6/30/12	\$ 83,859.00	NewPage Corporation	bank transfer	09/14/12	\$ 77,072	\$ 6,787	\$ 541,447	\$ 65,546
Young Conway Stargatt & Taylor, LLP								\$ 5,073,526	\$ 43,568,181
<b>Total</b>		<b>\$ 5,176,033</b>				<b>\$ 5,073,526</b>	<b>\$ 102,507</b>	<b>\$ 43,568,181</b>	<b>\$ 2,623,053</b>

**NewPage Group Inc. & Subsidiaries  
Debtor-in-Possession  
MOR-2**

**Consolidating Statement of Operations <sup>(1)</sup>  
for September 1 to 30, 2012**

	NewPage Corporation	Escanaba Paper Company	Rumford Paper Company	Luke Paper Company	Wickliffe Paper Company	Chillicothe Paper Company	NewPage Energy Services LLC	NewPage Consolidated Papers Inc	NewPage Wisconsin System Inc. <sup>(2)</sup>	NewPage Canadian Sales LLC	NewPage Holding Corporation	NewPage Group Inc	Total - NewPage Group Inc. and Subs
Net sales <sup>(2)</sup>	\$271,846,731	\$ 46,421	\$ -	\$ 51,613	\$ 54,001	-	-	-	\$ 341,686	-	-	-	\$ 272,340,452
Cost of sales <sup>(4)</sup>	70,276,172	38,640,556	35,332,781	25,814,876	23,600,008	-	-	-	75,168,056	-	-	-	268,832,449
Selling, general and administrative expenses <sup>(4)</sup>	12,011,165	-	-	-	-	-	-	-	14,656	-	-	-	12,025,821
Interest expense including non-cash interest expense	2,161,938	-	-	(105)	-	-	-	-	859,847	-	-	-	3,021,680
Other (income) expense, net	(226,060)	(71,730)	368	-	90,145	-	-	-	18	-	-	-	(207,259)
Income (loss) before reorg items and income taxes (benefit)	\$187,623,516	\$ (38,522,405)	\$ (35,333,149)	\$ (25,763,158)	\$ (23,636,152)	\$ -	\$ -	\$ -	\$ (75,700,891)	\$ -	\$ -	\$ -	\$ (11,332,239)
Reorganization items, net	16,248,036	30,000	30,000	30,000	30,000	325	325	-	1,650,830	-	325	325	18,070,166
Income tax expense (benefit)	162,576	-	-	-	-	-	-	-	-	-	-	-	162,576
Income (loss) from continuing operations	\$171,212,904	\$ (38,522,405)	\$ (35,363,149)	\$ (25,793,158)	\$ (23,666,152)	\$ (325)	\$ (325)	\$ -	\$ (77,351,721)	\$ -	\$ (325)	\$ (325)	\$ (29,514,981)
Net income (loss)	\$171,212,904	\$ (38,522,405)	\$ (35,363,149)	\$ (25,793,158)	\$ (23,666,152)	\$ (325)	\$ (325)	\$ -	\$ (77,351,721)	\$ -	\$ (325)	\$ (325)	\$ (29,514,981)

<sup>(1)</sup> There was no activity in the reported period for the following debtors:

- NewPage Port Hawkesbury Holding LLC
- Upland Resources, Inc.

<sup>(2)</sup> Subsidiaries have wood product sales.

<sup>(3)</sup> Includes interest on a capital lease for NewPage Wisconsin System Inc. Paper Machine 35.

<sup>(4)</sup> Included in "Cost of Sales" and "Selling, General and Administrative" expenses are depreciation and amortization charges of \$19,275,875 and \$897,771 respectively, for the current month.

**NewPage Group Inc. & Subsidiaries**  
**Debtor-in-Possession**  
**MOR-3**  
**Consolidating Balance Sheet <sup>(1)</sup>**  
**as of September 1 to 30, 2012**

	NewPage Corporation	Escaaba Paper Company	Rumford Paper Company	Luke Paper Company	Wickliffe Paper Company	Chillicothe Paper Company	NewPage Energy Services LLC	NewPage Consolidated Papers Inc.	NewPage Wisconsin System Inc.	NewPage Canadian Sales LLC	NewPage Holding Corporation	NewPage Group Inc.	Total - NewPage Group Inc. and Subs
Cash and cash equivalents <sup>(2)</sup>	\$ 15,283,028	\$ 3,856	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72	\$ -	\$ -	\$ -	\$ 15,286,956
Accounts receivable, net	647,466,727	(277,018,613)	(118,044,310)	(214,072,935)	(163,431,437)	12,057,128	(1,300)	(89,748,118)	539,253,893	(82,625,252)	-	-	253,835,783
Inventories	253,622,380	46,738,636	33,799,875	48,780,246	32,206,110	-	-	-	131,682,032	-	-	-	546,829,279
Other current assets <sup>(3)</sup>	26,757,589	392,331	1,377,487	1,490,319	2,081,826	-	-	-	4,517,640	-	-	-	36,617,192
Total current assets	\$ 943,129,724	\$ (229,883,790)	\$ (82,866,948)	\$ (163,802,370)	\$ (129,143,501)	\$ 12,057,128	\$ (1,300)	\$ (89,748,118)	\$ 675,453,637	\$ (82,625,252)	\$ -	\$ -	\$ 852,569,210
Investment in subsidiaries <sup>(4)</sup>	(1,880,905,072)	-	-	-	-	-	-	3,878,131,929	(35,381,487)	-	822,855,894	712,560,394	3,497,261,658
Property, plant and equipment, net	25,317,661	353,463,014	181,692,548	244,254,854	199,056,971	-	-	-	1,180,379,743	-	-	-	2,184,164,791
Intangibles and other assets	29,430,596	338,516	898,241	-	30,055	-	-	-	219,661	-	-	-	30,917,069
<b>TOTAL ASSETS</b>	<b>\$ (883,027,091)</b>	<b>\$ 123,917,740</b>	<b>\$ 99,723,841</b>	<b>\$ 80,452,484</b>	<b>\$ 69,943,525</b>	<b>\$ 12,057,128</b>	<b>\$ (1,300)</b>	<b>\$ 3,788,383,811</b>	<b>\$ 1,820,671,554</b>	<b>\$ (82,625,252)</b>	<b>\$ 822,855,894</b>	<b>\$ 712,560,394</b>	<b>\$ 6,564,912,728</b>
<i>Liabilities not subject to compromise</i>													
Accounts Payable	39,239,560	20,972,135	19,324,778	18,420,555	14,490,431	(179)	-	-	44,029,014	-	-	-	156,476,294
Accrued expenses <sup>(5)</sup>	64,696,659	12,363,734	9,396,714	8,708,418	6,478,236	-	-	-	24,629,535	-	-	-	126,273,296
Current maturities of long-term debt	282,305,556	-	-	-	-	-	-	-	-	-	-	-	282,305,556
Total current liabilities	386,241,775	33,335,869	28,721,492	27,128,973	20,968,667	(179)	-	-	68,658,549	-	-	-	565,055,146
Long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Other long-term obligations <sup>(6)</sup>	24,146,126	4,938,333	4,680,775	-	1,080,513	-	-	-	7,077,951	-	(93,551)	(48,658)	41,781,489
Total liabilities not subject to compromise	\$ 410,387,901	\$ 38,274,202	\$ 33,402,267	\$ 27,128,973	\$ 22,049,180	\$ (179)	\$ -	\$ -	\$ 75,736,500	\$ -	\$ (93,551)	\$ (48,658)	\$ 606,836,635
Liabilities subject to compromise	3,530,340,769	15,295,936	11,667,855	14,407,615	14,744,085	24,145	-	-	241,147,518	-	235,140,230	276,370,477	4,339,138,630
Total liabilities	\$ 3,940,728,670	\$ 53,570,138	\$ 45,070,122	\$ 41,536,588	\$ 36,793,265	\$ 23,966	\$ -	\$ -	\$ 316,884,018	\$ -	\$ 235,046,679	\$ 276,321,819	\$ 4,945,975,265
Common stock	(2,975,555,261)	-	-	-	-	-	-	-	-	-	-	558,161	558,161
Accumulated deficit	(1,533,411,665)	70,347,602	54,653,719	38,915,896	33,150,260	12,033,162	(1,300)	3,788,385,111	1,932,518,076	(82,570,639)	716,863,443	509,482,756	3,889,123,486
Accumulated other comprehensive income	(314,788,835)	-	-	-	-	-	-	(1,300)	(428,730,540)	(54,613)	(118,740,018)	(73,802,342)	(1,945,641,139)
Total equity	\$ (4,823,755,761)	\$ 70,347,602	\$ 54,653,719	\$ 38,915,896	\$ 33,150,260	\$ 12,033,162	\$ (1,300)	\$ 3,788,383,811	\$ 1,503,787,536	\$ (82,625,252)	\$ 587,809,215	\$ 436,238,575	\$ 1,618,937,463
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ (883,027,091)</b>	<b>\$ 123,917,740</b>	<b>\$ 99,723,841</b>	<b>\$ 80,452,484</b>	<b>\$ 69,943,525</b>	<b>\$ 12,057,128</b>	<b>\$ (1,300)</b>	<b>\$ 3,788,383,811</b>	<b>\$ 1,820,671,554</b>	<b>\$ (82,625,252)</b>	<b>\$ 822,855,894</b>	<b>\$ 712,560,394</b>	<b>\$ 6,564,912,728</b>

<sup>(1)</sup> There was no activity in the reported period for the following debtors:

- NewPage Port Hawkesbury Holding LLC
- Upland Resources, Inc.

<sup>(2)</sup> Includes in-transit and other minor reconciling items of (\$14,828,050).

<sup>(3)</sup> Includes vendor prepayments of approximately \$10 million.

<sup>(4)</sup> Investment in NewPage Consolidated Papers Inc. does not include NewPage Port Hawkesbury Corp and Consolidated Water Power Company. Does not include eliminating or consolidating entries.

<sup>(5)</sup> Includes payroll and employee benefit costs of \$68,209,988, accrued rebates and allowances of \$13,480,017, accrued freight of \$5,033,884, accrued tax of \$7,141,057, post-petition (backed by letters of credit) accrued energy of \$7,715,339, workers compensation of \$12,409,548, accrued interest of \$4,982,875, environmental of \$969,528, cross-dock sales of \$2,390,079, insurance of \$1,957,148, and other expense of \$1,983,833.

<sup>(6)</sup> Includes asset retirement obligation (landfill/lagoon), \$17,454,257; workers compensation reserve, \$30,375,099; tax, (\$7,350,652); other, \$1,302,785

**NewPage Group Inc. & Subsidiaries**  
**Debtor-in-Possession**  
**MOR-4**  
**Consolidated Status of Postpetition Taxes**  
**for September 1 to 30, 2012**

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
<b>Federal</b>						
Withholding	\$ 1,514	\$ (4,682,509)	\$ 4,681,028	various	various	\$ 33
FICA	1,977	(4,488,002)	4,486,025	various	various	-
Unemployment	-	-	-	various	various	-
Income <sup>(1)</sup>	6,052,479	(26,758)	-	various	various	6,025,721
Other:	-	-	-	-	-	-
<b>Total Federal Taxes</b>	<b>6,055,970</b>	<b>(9,197,269)</b>	<b>9,167,053</b>			<b>6,025,754</b>
<b>State and Local</b>						
Withholding	-	(1,868,094)	1,868,094	various	various	-
Sales & Use <sup>(2)</sup>	(1,475,257)	(435,792)	300,446	various	various	(1,610,603)
Income	(612,963)	(135,818)	-	various	various	(748,781)
Franchise	(294,401)	(88,000)	16,303	various	various	(366,098)
Unemployment	-	(21,992)	21,992	various	various	-
Property	(4,331,407)	(1,063,459)	2,150,422	various	various	(3,244,444)
Other	-	-	-	-	-	-
<b>Total State and Local</b>	<b>(6,714,028)</b>	<b>(3,613,155)</b>	<b>4,357,257</b>			<b>(5,969,926)</b>
<b>Total Taxes</b>	<b>\$ (658,058)</b>	<b>\$ (12,810,424)</b>	<b>\$ 13,524,310</b>			<b>\$ 55,828</b>

(1) Federal Income - This balance offsets against the balance for CWPCO. CWPCO and NPPH are not included in this analysis.

(2) Sales & Use Taxes - This balance contains \$396K of Minnesota refundable Use Tax that is recorded as a receivable.

**NewPage Group Inc. & Subsidiaries**  
**Debtor-in-Possession**  
**MOR-4a**

**Consolidated Summary of Unpaid Postpetition Debts**  
**as of September 1 to 30, 2012**

	Number of Days Outstanding					Total
	0-30	31-60	61-90	91-120	Over 120	
Trade Accounts Payable <sup>(1)</sup>	\$ 144,751,455	\$ 66,408	\$ 112,501	\$ 85,262	\$ 258,733	\$ 145,274,359
Credit balances <sup>(2)</sup>	-	-	-	-	-	(325,686)
Other Accounts Payable <sup>(3)</sup>	-	-	-	-	-	11,527,621
<b>Total Accounts Payable</b>	<b>\$ 144,751,455</b>	<b>\$ 66,408</b>	<b>\$ 112,501</b>	<b>\$ 85,262</b>	<b>\$ 258,733</b>	<b>\$ 156,476,294</b>

<sup>(1)</sup> Prior to and since the bankruptcy filing, the Debtors made and continue to make prepayments to vendors for goods, materials and supplies which are subsequently delivered to the Debtors. In these instances, the prepayments are recorded as "Other Current Assets" under Debtor NewPage Corporation. Invoices received for the delivered prepaid goods, materials and supplies are recorded as "Accounts Payable" under the appropriate Debtor receiving the goods. The Debtors have appropriately matched prepayments with invoices as of September 30 in aggregate; however, the Debtors continue to work through the identification of which legal entity these invoices applied to as of the date of this report.

<sup>(2)</sup> Credit balances are not aged. Contains overpayments to vendors, credits not taken, etc.

<sup>(3)</sup> NewPage does not age other accounts payable. Amount represents accruals for bankruptcy advisory fees and certain cash in-transit items.

**NewPage Group Inc. & Subsidiaries**  
**Debtor-in-Possession**  
**MOR-5**

**Consolidated Summary of Accounts Receivable**  
**as of September 1 to 30, 2012**

	Number of Days Outstanding						
	Current	Past 1-30	Past 31-60	Past 61-90	Past 91+	Total	
Trade receivables	\$ 239,077,445	\$ 13,816,988	\$ 967,875	\$ 239,080	\$ 2,291,471	\$ 256,392,859	
Trade allowances, revaluation, freight claim and other <sup>(1)</sup>	-	-	-	-	-	(9,614,971)	
Non-trade receivables <sup>(1)(2)</sup>	-	-	-	-	-	7,983,447	
Total receivables, net	\$ 239,077,445	\$ 13,816,988	\$ 967,875	\$ 239,080	\$ 2,291,471	\$ 254,761,335	
Intercompany receivables <sup>(1)</sup>	-	-	-	-	-	(925,552)	
Total accounts receivable, net	\$ 239,077,445	\$ 13,816,988	\$ 967,875	\$ 239,080	\$ 2,291,471	\$ 253,835,783	

<sup>(1)</sup> Trade allowances, non-trade and intercompany receivables are not aged.

<sup>(2)</sup> Consists of miscellaneous accruals, workers comp and insurance reimbursements, receivable from former parent company.

**NewPage Group Inc. & Subsidiaries  
 Debtor-in-Possession  
 MOR-5a  
 Debtors' Questionnaire  
 for September 1 to 30, 2012**

	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this period? If yes, provide an explanation below.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
The Debtors sold certain immaterial assets pursuant to Order Establishing Procedures for De Minimis Assets Sales and Abandonments dated December 31, 2011 [Docket No. 708], described more fully at Docket No. 1922.		
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. Have all post-petition tax returns been timely filed? If no, provide an explanation below.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Are workers compensation, general liability and other necessary insurance coverage in effect? If no, provide an explanation below.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.	<input type="checkbox"/>	<input checked="" type="checkbox"/>