

Verso Paper Corp.
Form S-1/A
April 28, 2008
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As filed with the Securities and Exchange Commission on April 25, 2008

Registration No. 333-148201

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 3 TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

VERSO PAPER CORP.

(Exact name of registrant as specified in its charter)

Edgar Filing: Verso Paper Corp. - Form S-1/A

(State or other jurisdiction of
incorporation or organization)

(Primary Standard Industrial
Classification Code Number)
6775 Lenox Center Court, Suite 400

(I.R.S. Employer
Identification No.)

Memphis, Tennessee 38115-4436

(901) 369-4100

(Address, including zip code, and telephone number, including area code,
of the registrant's principal executive offices)

Michael A. Jackson

President and Chief Executive Officer

Verso Paper Corp.

6775 Lenox Center Court, Suite 400

Memphis, Tennessee 38115-4436

(901) 369-4100

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this registration statement.

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If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee(2)
Common Stock, par value \$0.01 per share	\$388,125,000	\$12,286.31

- (1) Includes shares of common stock issuable upon exercise of the underwriters' option to purchase additional shares of common stock.
- (2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) under the Securities Act. A portion of this fee in the amount of \$10,591.50 was previously paid by Verso Paper Corp.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to completion, dated April 25, 2008

PRELIMINARY PROSPECTUS

18,750,000 Shares

Common Stock

This is the initial public offering of shares of common stock by Verso Paper Corp. We are offering 18,750,000 shares of our common stock.

Prior to the offering, there has been no public market for our common stock. It is currently estimated that the initial public offering price per share of our common stock will be between \$16.00 and \$18.00. We will apply to list our common stock for quotation on the New York Stock Exchange under the symbol VRS.

Investing in our common stock involves a high degree of risk. Before buying any of these shares of our common stock, you should carefully consider the risk factors described in Risk Factors beginning on page 17 of this prospectus.

	Per share	Total
Initial public offering price	\$	\$
Underwriting discounts and commissions	\$	\$
Proceeds, before expenses, to Verso Paper Corp.	\$	\$

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters may also purchase up to an additional 2,812,500 shares of our common stock from Verso Paper Investments LP, the general partner of our principal stockholder, Verso Paper Management LP, and an affiliate of Apollo Global Management LLC, at the initial public offering price, less the underwriting discounts and commissions, within 30 days from the date of this prospectus. We will not receive any of the proceeds from the sale of the shares by the selling stockholder.

The underwriters are offering the shares of our common stock pursuant to a firm commitment underwriting as described under Underwriting. Delivery of the shares of common stock will be made on or about , 2008.

Credit Suisse

Deutsche Bank Securities JPMorgan Lehman Brothers Merrill Lynch & Co. Morgan Stanley

Citi

Utendahl Capital Partners, L.P.

The date of this prospectus is , 2008

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You should rely only on the information contained in this prospectus and any free writing prospectus prepared by or on behalf of us or any information to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities.

Until _____, 2008 (25 days after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.

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MARKET AND INDUSTRY INFORMATION

Market data and other statistical information used throughout this prospectus are based on independent industry publications, government publications, reports by market research firms or other published independent sources. Some data are also based on our good faith estimates which are derived from our review of internal surveys, as well as the independent sources listed above. Although we believe these sources are reliable, we have not independently verified the information. Industry prices for coated paper provided in this prospectus are, unless otherwise expressly noted, derived from Resource Information Systems, Inc., or RISI, Inc. data. North American data included in this prospectus that has been derived from RISI, Inc. only includes data from the United States and Canada. U.S. industry pricing data included in this prospectus has been derived from RISI, Inc. data; this data represents pricing from the eastern United States only (as defined by RISI, Inc.). Also, any reference to (i) grade No. 3, grade No. 4 and grade No. 5 coated paper relates to 60 lb. basis weight, 50 lb. basis weight and 34 lb. basis weight, respectively, (ii) lightweight coated groundwood paper refers to groundwood paper grades that are a 36 lb. basis weight or less, and (iii) ultra-lightweight coated groundwood paper refers to groundwood paper grades that are a 30 lb. basis weight or less. Unless otherwise expressly noted, the term consumption as used in this prospectus means apparent consumption as defined by RISI, which is calculated as shipments plus imports less exports. The RISI, Inc. data included in this prospectus has been derived from the following RISI, Inc. publications: RISI World Graphic Paper forecast, April 2008; RISI North American Graphic Paper forecast, April 2008; and RISI Paper Trader: A Monthly Monitor of the North American Graphic Paper Market, March 2008.

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PROSPECTUS SUMMARY

This summary highlights important information about our business from this prospectus. Please review this prospectus in its entirety, including Risk Factors and our financial statements and the related notes, before you decide to invest. Unless otherwise noted, the terms the company, Verso Paper, we, us, our and Successor refer collectively to Verso Paper Corp., a Delaware corporation, and its subsidiaries after giving effect to the consummation of the Merger as described under Prospectus Summary The Merger. References to the Division or Predecessor are to the Coated and Supercalendered Papers Division of International Paper Company. The term International Paper refers to our former parent, International Paper Company. Unless otherwise noted, references to Apollo throughout this prospectus refer to the affiliates of Apollo Global Management LLC that control us.

Our Company

We are a leading North American supplier of coated papers to catalog and magazine publishers. The market for coated paper, which is comprised of coated groundwood paper and coated freesheet paper, is one of the most attractive segments of the paper industry due to its prospects for volume growth, continued improvement in pricing and the high value-added nature of its products. Coated paper is used primarily in media and marketing applications including catalogs, magazines and commercial printing applications, which include high-end advertising brochures, annual reports and direct mail advertising.

We are North America's second largest producer of coated groundwood paper, which is used primarily for catalogs and magazines. We are also North America's lowest cost producer of coated freesheet paper, which is used primarily for annual reports, brochures and magazine covers. In addition to coated paper, we have a strategic presence in supercalendered paper, which is primarily used for retail inserts. We also produce and sell market pulp, which is used in the manufacture of printing and writing paper grades and tissue products.

Our primary product lines include coated groundwood paper, coated freesheet paper, supercalendered paper and pulp. Our net sales by product line for the year ended December 31, 2007 are illustrated below:

Net Sales by Product Line

We sell and market our products to approximately 100 customers which comprise 650 end-user accounts. We have long-standing relationships with many leading magazine and catalog publishers, commercial printers,

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specialty retail merchandisers and paper merchants. We reach our end-users through several distribution channels including direct sales, commercial printers, paper merchants and brokers. The majority of our products are sold via contracts we maintain with our customers, which generally specify the volumes to be sold to the customer over the contract term, as well as the pricing parameters for those sales. Having a large portion of our sales volume under contract allows us to plan our production runs well in advance, optimizing production over our integrated mill system and thereby increasing overall efficiency and reducing our costs. Our key customers include leading magazine publishers such as Condé Nast Publications, Inc., National Geographic Society and Time Inc.; leading catalog producers such as Avon Products, Inc. and Sears Holdings Corporation; leading commercial printers such as Quad/Graphics, Inc. and RR Donnelley & Sons Company; and leading paper merchants and brokers such as Unisource Worldwide, Inc., the xpedx business unit of International Paper, A.T. Clayton & Co., Inc. and Clifford Paper, Inc.

We operate 11 paper machines at four mills located in Maine, Michigan and Minnesota. The mills have a combined annual production capacity of 1,726,000 tons of coated paper, 102,000 tons of supercalendered paper and 874,000 tons of kraft pulp, of which approximately 610,000 tons is consumed internally and the remainder is sold as market pulp. Over our integrated mill system, the total volume of pulp purchased from third parties is approximately balanced by the amount of pulp that we sell to the market. As a result, our business is generally insulated from fluctuations in earnings caused by changes in the price of pulp. Our facilities are strategically located within close proximity to major publication printing customers, which affords us the ability to more quickly and cost-effectively deliver our products. Our facilities also benefit from convenient and cost-effective access to northern softwood fiber, which is required for the production of lightweight and ultra-lightweight coated groundwood papers, two of the more attractive grades of coated paper.

Industry Overview

Based on 2007 sales, the size of the global coated paper industry is estimated to be approximately \$49 billion, or 54 million tons of coated paper demand, including approximately \$12 billion in North America, or 13 million tons of coated paper demand. In North America, coated papers are classified by brightness into five grades, labeled No. 1 to No. 5, with No. 1 having the highest brightness level and basis weight and No. 5 having the lowest brightness level and basis weight. Papers graded No. 1, No. 2 and No. 3 are typically coated freesheet grades. No. 4 and No. 5 papers are predominantly grades containing groundwood. Coated groundwood grades are the preferred grades for catalogs and magazines, while coated freesheet is more commonly used in commercial print applications. The coating process adds a smooth uniform finish to the paper, which produces superior color and print definition. As a result, major uses of coated papers include the printing of catalogs, magazines, annual reports, directories and advertising materials.

The following key trends are currently affecting the North American coated paper industry:

Growing consumption/demand. Coated paper demand is primarily driven by advertising and print media usage. North American coated paper consumption, which was 13.2 million tons in 2007, has grown at a 2.0% compound annual growth rate since 2001 due to the continued growth of paper used in catalog, magazine and commercial print applications.

Reductions in production capacity and supply. In North America, supply is determined primarily by North American-based coated paper production and is supplemented by imports from Europe and Asia. As a result of recent capacity closures in the North American coated paper industry, the lack of any currently announced capacity additions and the stabilization of imports of coated paper into the United States, we believe that supply should be stable for the near future.

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Favorable operating rates. According to RISI, Inc., the average operating rate for North American coated paper manufacturers, which measures the ratio of shipments from producers in a particular region to capacity of producers in the same region, rose from 86% in 2001 to 97% in 2007, as shipments increased more than capacity during this time period. Following the recently announced reductions in North American production, 2007 coated paper operating rates would have been over 100% on a pro forma basis, reflecting the current tight supply conditions. Historically, high operating rates have resulted in increased prices for coated paper. RISI, Inc. expects the average operating rate for coated groundwood and coated freesheet to remain above 95% and 92% through 2012, respectively, with the average operating rate for coated groundwood expected to be 100% through 2009 because of trends in North American demand, recently completed and announced capacity closures, the lack of any major forecasted North American capacity additions and favorable import trends.

Improving pricing. As a result of the trends identified above, coated paper pricing in the United States is increasing. We have announced and are implementing total price increases of \$245 per ton on most grades of coated groundwood and \$190 per ton on most grades of coated freesheet. As we began implementing these price increases, our weighted average paper prices rose from \$797 per ton in the second quarter of 2007 to \$840 per ton in the fourth quarter of 2007. We expect our weighted average paper prices to continue to increase as we further realize these price increases during 2008. In reflection of these market trends, RISI, Inc. forecasts that U.S. prices for grade No. 5 coated paper, 34 lb. basis weight, which is an industry benchmark for coated paper pricing, will rise from an average of \$888 per ton in the second quarter of 2007 to \$1,100 per ton in the fourth quarter of 2008. In addition, RISI, Inc. estimates annual prices for this product to increase from an average of \$923 per ton in 2007 to \$1,083 per ton in 2008 and then to \$1,140 per ton in 2009. See Management's Discussion and Analysis of Financial Condition and Results of Operations Selected Factors that Affect Our Operating Results.

Our Competitive Strengths

We believe that our competitive strengths include the following:

Well positioned to benefit from strengthening coated paper market fundamentals. We believe that we are well positioned to benefit from improving fundamentals in the coated paper industry, which are inherently linked to the balance of supply and demand. Since the second quarter of 2004, supply has decreased due to a reduction in production capacity in both North America and Europe, which was caused primarily by the closure of high cost coated paper mills by our competitors. These mills generally suffered from a combination of higher energy prices, changes in Canadian dollar and euro exchange rates and other inflationary factors. North American producers announced the shutdown of approximately 1.3 million tons of aggregate coated paper capacity beginning in the second half of 2007 and continuing throughout 2008, which represents approximately 12% of North American coated paper capacity. Based on favorable supply and demand trends, RISI, Inc. projects that North American coated paper operating rates will remain high for the foreseeable future, with coated groundwood operating rates expected by RISI, Inc. to be approximately 100% in 2008 and 2009.

A leading manufacturer of coated paper products in North America. We are one of the largest coated paper manufacturers in North America based on production capacity. Within the overall North American coated paper market, we have a leading market share in North American coated groundwood production capacity. In addition, we are North America's lowest cost producer of coated freesheet paper. Our size provides us with economies of scale, which enables us to optimize production across our integrated mill system to provide a broad spectrum of products and gives us the operational flexibility to adapt to our customers' specific coated paper needs.

Leading positions in the industry's most attractive segments and products. We are a leading supplier of coated papers to U.S. catalog and magazine publishers. The catalog and magazine end-user segments are among the most attractive within the coated papers industry due to their long-term growth prospects, favorable industry

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dynamics, blue-chip customer base and emphasis on product innovation and development. We maintain a leading position in the U.S. catalog and magazine end-user segments, with estimated segment shares of approximately 24% and 16% in 2007, respectively.

In addition to being focused on the most attractive end-user segments, our product portfolio is also concentrated on the most attractive products in both the paper industry, in general, and the coated paper segment, specifically. Coated papers have been and are expected to be among the fastest growing paper grades in the paper industry, with North American coated paper demand having grown 2.0% per annum since 2001, compared to a demand growth rate of negative 4.7% for newsprint and a demand growth rate of negative 1.8% for uncoated freesheet paper. We are also specifically focused on the fastest growing portions of the coated paper market. For example, we are one of three major North American-based producers of ultra-lightweight coated groundwood paper. Ultra-light weight coated groundwood paper has experienced higher growth than the overall coated paper market, a trend we expect to continue as customers are increasingly demanding lower basis weight products in order to reduce their freight and postage costs. In addition, ultra-lightweight coated papers sell for higher prices and yield higher margins than their higher basis weight counterparts. We believe that we have a competitive advantage in ultra-lightweight coated paper grades due to our investment in specialized equipment and our internal development of special manufacturing processes.

Strong relationships with attractive customer base. We have long-standing relationships with leading publishers, commercial printers, retail merchandisers and paper merchants. Our relationships with our 10 largest coated paper customers average more than 20 years. These customers have historically had stable, on-going paper needs. Our strong relationships with the leading customers in the catalog and magazine end-user segments have allowed us to optimize our mill system to supply orders on an efficient, cost-effective basis. Due to the premium printing requirements of these end-users, we have also been able to shift our product mix towards higher value-added grades, such as lightweight and ultra-lightweight coated groundwood. In addition, 60% of our net sales in 2007 were made pursuant to contracts we maintain with our customers. These contracts help enable us to plan our production runs well in advance, thereby optimizing production over our integrated mill system, which reduces costs and increases overall efficiency. Our relationships with our key customers also allow us to maintain operating rates that are in excess of industry levels. For example, according to RISI, Inc., average operating rates for coated paper producers were 97% in 2007, while our operating rates were 99% in the same period.

Well-invested, low-cost manufacturing facilities. We believe our coated paper mills are among the most efficient and lowest cost coated paper mills in the world based on the cash cost of delivery to Chicago. We attribute our manufacturing efficiency, in part, to the significant historical investments made in our mills. From 1985 to 2006, our former parent, International Paper, invested over \$1.7 billion in growth capital expenditures for new machines, rebuilds, productivity enhancements and capacity expansions. In addition to these expenditures, over \$800 million was invested by International Paper for maintenance and repairs of this equipment, as well as for certain environmental, health and safety projects. International Paper also improved the cost position of our system by closing over 500,000 tons of higher cost coated paper capacity. As a result, we are the owners of well-invested, low-cost production assets. Further, most of our paper production is at mills with integrated pulp production and energy co-generation facilities, which reduces our exposure to price volatility for energy and purchased pulp, two of our largest cost inputs. As we sell approximately the same amount of pulp as we purchase across our integrated production system, we are generally insulated from fluctuations in earnings caused by changes in pulp prices.

Efficient, integrated supply chain with unique service solutions. Coated paper customers have become increasingly focused on supply chain efficiency, cost reduction and lead time minimization. Our Internet-based ordering platforms simplify ordering, tracking and invoicing, and are part of our strategy to continually reduce the cost to serve our customer base. In addition, we operate Nextier Solutions, an Internet-based system designed for collaborative production planning, procurement and inventory management processes throughout the supply chain. Our customers use our systems to maximize supply chain efficiencies, improve communication and reduce operating costs. We believe this provides us with a competitive advantage by enabling us to run our operations

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more cost-effectively through better planning of manufacturing runs and tracking of costs and inventory. We also believe the strategic location of our mills and distribution centers near major end-use markets, such as New York and Chicago, affords us the ability to more quickly and cost-effectively deliver our products to those markets. This close proximity to our customers provides for enhanced customer service and allows us to minimize our freight and delivery costs.

Experienced management team with proven track record. We believe our senior management team is a valuable asset to our business. This team has introduced industry-leading cost saving and efficiency programs and has lead the successful transition of our business from International Paper. In November 2006, Michael A. Jackson joined our business as President and Chief Executive Officer from Weyerhaeuser Company, where he most recently served as Senior Vice President in charge of the Cellulose Fibers, White Papers, Newsprint and Liquid Packaging Board businesses. Our senior management team averages approximately 20 years of experience in the paper and forest products industry.

Our Business Strategy

Increase revenues. One of our key objectives is to profitably grow sales. We believe we can achieve this goal through the following strategies:

Capitalize on favorable trends in our industry. The coated paper industry is currently benefiting from favorable supply and demand trends and high operating rates, which have resulted in rising sales prices. We are currently implementing several price increases with an announced total increase of \$245 per ton on our coated groundwood grades and \$190 per ton on most of our coated freesheet grades. We expect to grow our revenues and operating profits as these price increases are realized during 2008. Based on our coated paper production capacity, a price increase of \$50 per ton in average selling prices for coated paper, assuming volumes and costs remain constant, equates to \$86 million in additional annual revenues and operating profits.

Leverage our leading market position. We intend to further strengthen our leadership position by increasing our sales to both existing and new potential customers within the catalog and magazine segments, where, as industry leaders, we can offer an enhanced level of products and service. We believe that this competitive advantage will allow us to efficiently grow our business in line or in excess of market volume and price growth.

Participate in ongoing coated paper industry consolidation. We believe that there may be opportunities to participate in the current trend of consolidation in the North American coated paper industry. We intend to evaluate and pursue acquisitions and strategic partnerships that we believe will increase our profitability, enhance economies of scale, and augment or diversify our existing customer base. Through strategic acquisitions and partnerships, we intend to continue to improve our absolute and relative cost position, supplement our organic growth prospects and enhance stockholder value.

Focus on specialty and higher value-added products. In addition to participating in underlying market growth, we plan to grow revenues by focusing on specialty and high value-added products, which we expect to grow in excess of general market growth. As one of the three major North American-based producers of ultra-lightweight papers, we are positioned well with customers that want to lower postage and distribution expenses and thereby lower their total production costs. We expect the volumes and prices of ultra-lightweight papers to grow faster than the coated paper market in general, which provides us with an opportunity to leverage our production capabilities to garner additional revenues. In addition, we will continue to drive product performance improvements by taking advantage of technological advances and developing new products that meet the needs of our core catalog and magazine customers. We have a robust research and development effort that identifies, commercializes and capitalizes on new products and product innovations to generate additional sales opportunities.

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Improve profitability. We intend to focus on productivity enhancements and on improving our cost platform through the following strategies:

Increase productivity. Since 2001, we have significantly reduced production costs and enhanced manufacturing efficiency at our mills. During this period, we reduced total headcount by approximately 20% while overall productivity increased by 15% as measured by production tons per day and by approximately 50% as measured by tons produced per day per employee. Combined with strategies to reduce raw material usage, repair costs and manufacturing overhead, these initiatives have significantly improved financial and operating results. Going forward, we intend to selectively pursue cost reduction and efficiency improvement initiatives based on their cost to achieve, likely success and anticipated payback period.

Improve operating performance. Through Realizable-GAP, or R-GAP, our continuous process improvement program, we have implemented focused programs to optimize raw materials sourcing and usage, reduce repair costs and control overhead. We believe these process improvements, combined with our ability to generate a substantial portion of our energy needs and produce low cost pulp through our integrated pulp operations, will enhance our operating leverage, earnings and cash flow. We expect to continue to enhance and use our proprietary R-GAP process to identify more cost-saving opportunities which will improve the profitability of our mill network.

Maximize cash flow. Since the acquisition of our business from International Paper, our senior management team has implemented a focused strategy to maximize profitability and cash flow. With this enhanced management focus, we have managed our working capital, capital expenditures and operational expenditures efficiently to optimize cash flow.

As a result of our former parent's significant growth capital expenditures, we believe that our capacity is sufficient to meet our current growth initiatives without significant additional spending and that future growth capital will be spent only upon the expectation of significant returns. Following 2008, our annual maintenance and environmental capital expenditures are expected to average approximately \$40 million to \$50 million per year for the next few years, which we believe will be sufficient to maintain our productivity and maximize cash flow.

As a result of the way the acquisition of our business was structured, we also expect to pay minimal cash income taxes over the next few years due in part to high tax depreciation deductions we expect to realize. This tax depreciation should reduce future taxable profits from the business and minimize our cash income taxes.

We expect that our relatively low maintenance and environmental capital expenditures, improved working capital management, further cost reductions and minimal cash income taxes will enhance our ability to generate cash flow. We intend to use our cash flow to repay our debt and to reinvest in the growth of our business.

Risk Factors

An investment in our common stock involves substantial risks and uncertainties. Some of the more significant challenges and risks include those associated with our susceptibility to conditions in the U.S. economy, our ability to pass through increases in our costs to our customers, the cost of energy and raw materials, the highly competitive nature of the industry in which we operate and our significant amount of indebtedness. See Risk Factors for a discussion of the factors you should consider before investing in our common stock.

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The Merger

We, along with Verso Paper Two Corp., Verso Paper Three Corp., Verso Paper Four Corp. and Verso Paper Five Corp., are the wholly-owned subsidiaries of Verso Paper Management LP. Prior to the effective date of the registration statement of which this prospectus is a part, Verso Paper Two Corp., Verso Paper Three Corp., Verso Paper Four Corp. and Verso Paper Five Corp. will merge with and into us, and we will be the surviving corporation. The combination of us with these four entities is referred to throughout this prospectus as the Merger. Upon consummation of the Merger, Verso Fiber Farm LLC, which is currently a wholly-owned subsidiary of Verso Paper Five Corp., will become our wholly-owned subsidiary. In connection with Verso Fiber Farm LLC becoming our wholly-owned subsidiary, we intend to use a portion of the net proceeds from this offering to repay the outstanding \$3.1 million under the revolving credit facility and the \$10.0 million senior secured term loan of Verso Fiber Farm LLC. See Use of Proceeds. As a result of the Merger, Verso Paper LLC, the chief operating entity through which our business is operated, and each of its subsidiaries, which will include Verso Fiber Farm LLC, will become our wholly-owned indirect subsidiaries. Prior to the Merger, each of Verso Paper Corp., Verso Paper Two Corp., Verso Paper Three Corp. and Verso Paper Four Corp. are holding companies that indirectly own 40%, 30%, 20% and 10% of Verso Paper LLC and our other consolidated subsidiaries, respectively. Prior to the Merger, Verso Paper Five Corp. is a holding company that wholly owns Verso Fiber Farm LLC. See Summary Corporate Structure Pre- and Post-Merger.

Upon consummation of this offering, Apollo will continue to control us with beneficial ownership of 67.0% of our common stock. Although Apollo will have the ability to substantially influence all matters requiring stockholder approval, Apollo does not maintain a role in our day-to-day management and operations other than through its representation on our board of directors by its employees, Messrs. Harris, Kleinman, Zaken and Sambur, solely in their capacity as directors, and any provision of financial and strategic consulting and advisory services under our management agreement with Apollo. The services under the management agreement are advisory in nature and do not provide Apollo with any authority to manage or operate our business and affairs. See Risk Factors Risks Related to Our Common Stock Apollo controls us, and its interests may conflict with or differ from your interests as a stockholder and Certain Relationships and Related Party Transactions Management Agreement.

Recent Developments

Although our results of operations for the fiscal quarter ended March 31, 2008, are not currently available, the following information reflects our expectations with respect to such results based on currently available information.

For the fiscal quarter ended March 31, 2008, we expect our net sales to increase approximately 26% to 27% to approximately \$453 million to \$455 million, as compared to net sales of \$360 million for the fiscal quarter ended March 31, 2007, and total tons sold to increase to approximately 521 million to 524 million, as compared to 467 million for the comparable quarter in 2007. We expect our operating income to increase to approximately \$31 million to \$33 million, as compared to an operating loss of \$2.3 million during the same period in 2007. In addition, we expect EBITDA to increase approximately 124% to 131% to approximately \$61 million to \$63 million, as compared to EBITDA of \$27 million for the fiscal quarter ended March 31, 2007.

The estimated increase in net sales for the first quarter of 2008 as compared to the first quarter of 2007 is primarily the result of a 13% increase in our average sales price per ton for all our products over the comparable period and higher paper volumes, which increased by 12% as compared to the first quarter of 2007. We expect this trend in pricing to continue in the near term as we continue to realize several price increases implemented across our coated paper products since the third quarter of 2007. Coated paper market conditions continue to be strong as a result of recently completed and announced capacity closures, the lack of any significant forecasted capacity additions and favorable import trends. Our operating income is expected to increase primarily as a result of the increase in our average sales prices in the first quarter of 2008.

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For the definition of EBITDA and an explanation of its usefulness to management, see note (1) to Summary Combined Financial Data. The following table reconciles EBITDA to estimated net income for the three months ended March 31, 2008 and actual EBITDA to actual net loss for the three months ended March 31, 2007.

(dollars in millions)	Three Months Ended March 31		
	2007 (actual)	2008 (low range estimate)	2008 (high range estimate)
Net income (loss)	\$ (35)	\$ (5)	\$ (3)
Interest expense, net	33	34	34
Income tax expense			
Depreciation and amortization	29	32	32
EBITDA(1)	\$ 27	\$ 61	\$ 63

- (1) EBITDA for the three months ended March 31, 2007 and estimated EBITDA for the three months ended March 31, 2008, was impacted by the following non-cash and unusual expenses:

(dollars in millions)	Three Months Ended March 31	
	2007 (actual)	2008 (estimate)
Operational improvements (1)	\$ 2	\$ 2
Restructuring severance and other (2)	5	2
Total	\$ 7	\$ 4

- (1) Represents the benefit of lower wood cost at our Sartell mill resulting from the harvest of hybrid poplar from our fiber farm.
(2) Represents restructuring and severance as described in our financial statements. Restructuring includes transition and other non-recurring costs associated with the Acquisition.

These estimates are preliminary and unaudited. The estimates are based upon a number of assumptions, estimates and business decisions that are inherently subject to significant uncertainties and contingencies, many of which are beyond our control. You should understand that important factors, including those discussed elsewhere in this prospectus, could cause our actual results to differ from our expectations, and those differences may be material.

Additional Information

Our principal executive offices are located at 6775 Lenox Center Court, Suite 400, Memphis, Tennessee 38115-4436. Our telephone number is (901) 369-4100. Our web site address is www.versopaper.com. Information on our web site is not considered part of this prospectus.

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Summary Corporate Structure Pre- and Post-Merger

The following chart represents our summary corporate structure prior to the Merger. The profit interests held by senior management in Verso Paper Management LP are non-voting. See Prospectus Summary The Merger, Compensation Discussion and Analysis Elements of Executive Compensation and Principal and Selling Stockholders.

The following chart represents our summary corporate structure immediately following the consummation of the Merger and this offering. Verso Paper Corp. will be the surviving entity of the merger of Verso Paper Corp., Verso Paper Two Corp., Verso Paper Three Corp., Verso Paper Four Corp. and Verso Paper Five Corp. Upon consummation of this offering, members of management holding profit interests in Verso Paper Management LP will have the right to exchange these interests for shares of our common stock held by Verso Paper Management LP. See Prospectus Summary The Merger, Compensation Discussion and Analysis Elements of Executive Compensation and Principal and Selling Stockholders.

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The Offering

Shares of common stock offered by us 18,750,000 shares

Common stock to be outstanding after this offering 56,796,647 shares

Use of proceeds We estimate that the net proceeds to us from this offering, after deducting underwriting discounts and estimated offering expenses, will be approximately \$295.8 million. We intend to use the net proceeds to repay the outstanding \$3.1 million under the revolving credit facility and the \$10.0 million senior secured term loan of Verso Fiber Farm LLC, to repay the outstanding \$250.0 million senior unsecured term loan facility of our subsidiary, Verso Paper Finance Holdings LLC, as well as the \$2.5 million prepayment penalty related thereto, to pay Apollo the \$23.1 million fee in connection with the termination of the fee arrangement under the management agreement, and for general corporate purposes, including working capital, the expansion of our production capabilities, research and development, purchases of capital equipment and potential acquisitions of businesses that we believe are complementary to our business. See Use of Proceeds. Affiliates of certain of the underwriters are lenders under the Verso Fiber Farm LLC and the Verso Finance Holdings LLC facilities and, accordingly will receive a substantial portion of the proceeds from this offering through such repayment. See Underwriting Relationships.

Dividend policy We intend to pay quarterly cash dividends on our common stock at an initial annual rate equal to approximately 1% of the initial offering price per share. At an initial public offering price of \$17.00 per share, the mid-point of the range set forth on the cover of the prospectus, the quarterly cash dividend would be an initial annual rate of \$0.17 per share. A \$1.00 increase (decrease) in the assumed initial public offering price of \$17.00 per share would increase (decrease) the quarterly cash dividend by an initial annual rate of \$0.01 per share. The declaration and payment of future dividends to holders of our common stock will be at the discretion of our board of directors and will depend on many factors, including our financial condition, earnings, legal requirements, restrictions in our debt agreements and other factors our board of directors may deem relevant. See Risk Factors Risks Related to Our Common Stock We may be restricted from paying cash dividends on our common stock in the future.

Listing We will apply to have our common stock listed on the New York Stock Exchange under the trading symbol VRS.

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Directed share program

At our request, the underwriters have reserved up to 5% of the shares of common stock for sale at the initial public offering price to persons who are directors, officers or employees, or who are otherwise associated with us, through a directed share program. The sales will be made by Smith Barney, a division of Citigroup Global Markets Inc. through a directed share program. We do not know if these persons will choose to purchase all or any portion of these reserved shares, but any purchases they do make will reduce the number of shares available to the general public. See Underwriting.

The number of shares of common stock to be outstanding after this offering is based on 38,046,647 shares of common stock outstanding upon completion of the Merger and the filing of our amended and restated certificate of incorporation.

Except as otherwise indicated, all information in this prospectus:

gives effect to the Merger and the filing of our amended and restated certificate of incorporation, effecting a 38,047-for-1 stock split with respect to our common stock, which will occur prior to the effective date of the registration statement of which this prospectus is a part; and

assumes no exercise by the underwriters of their option to purchase 2,812,500 additional shares from the selling stockholder in this offering. See Principal and Selling Stockholders.

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Summary Combined Financial Data

The following table presents our summary historical combined financial data. The following information is only a summary and should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the audited combined financial statements of the Coated and Supercalendered Papers Division of International Paper and the audited combined financial statements of Verso Paper Corp. and notes thereto included elsewhere in this prospectus, as well as the other financial information included in this prospectus.

On August 1, 2006, our wholly-owned subsidiary, Verso Paper LLC, acquired the assets and certain of the liabilities of the Coated and Supercalendered Papers Division from International Paper, including the four mills located in Jay and Bucksport, Maine, Quinnesec, Michigan and Sartell, Minnesota, together with other related facilities and assets and certain administrative and sales and marketing functions, pursuant to the terms of a purchase and sale agreement entered into between Verso Paper LLC and International Paper on June 4, 2006. We, along with our subsidiaries, were formed by affiliates of Apollo Global Management LLC for the purpose of consummating the acquisition of the Coated and Supercalendered Papers Division from International Paper, or the Acquisition. Unless otherwise noted, references to Apollo throughout this prospectus refer to the affiliates of Apollo Global Management LLC that control us. In connection with the Acquisition, Verso Paper Holdings LLC issued \$1,185 million of debt, which we refer to as the Financing, consisting of a \$285 million term loan B facility, or the Term Loan B, \$600 million in aggregate principal amount of second priority senior secured notes and \$300 million in aggregate principal amount of senior subordinated notes. We also obtained a \$200 million revolving credit facility, which we refer to, together with the Term Loan B, as the senior secured credit facilities. See Management's Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources.

The combined statement of operations data for the year ended December 31, 2005, and for the seven months ended July 31, 2006, have been derived from the combined financial statements of the Coated and Supercalendered Papers Division of International Paper, which we refer to as the Predecessor or the Division, which have been audited by Deloitte & Touche LLP an independent registered public accounting firm, and are included in this prospectus. The combined balance sheet data as of December 31, 2007, and the combined statement of operations data for the five months ended December 31, 2006, and the year ended December 31, 2007, have been derived from the combined financial statements of Verso Paper Corp, which we refer to as the Successor which have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, and are included in this prospectus.

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	Predecessor Combined		Successor Combined	
	Year Ended December 31, 2005	Seven Months Ended July 31, 2006	Five Months Ended December 31, 2006	Year Ended December 31, 2007
(dollars and tons in millions, except per share data)				
Statement of Operations Data:				
Net sales	\$ 1,603.8	\$ 904.4	\$ 706.8	\$ 1,628.8
Costs and expenses:				
Costs of products sold exclusive of depreciation and amortization	1,338.2	771.6	589.3	1,403.1
Depreciation and amortization	129.4	72.7	48.3	123.2
Selling, general and administrative expenses	65.6	34.3	14.4	53.1
Restructuring and other charges	10.4	(0.3)	10.1	19.4
Operating income (loss)	60.2	26.1	44.7	30.0
Interest expense	14.8	8.4	49.1	143.0
Interest income			(1.8)	(1.5)
Income (loss) before income taxes	45.4	17.7	(2.6)	(111.5)
Provision (benefit) for income taxes	17.9	7.0		
Net income (loss)	\$ 27.5	\$ 10.7	\$ (2.6)	\$ (111.5)
Per Share Data:				
Earnings (loss) per share			\$ (0.07)	\$ (2.93)
Common shares outstanding			38,046,647	38,046,647
Statement of Cash Flows Data:				
Cash provided by operating activities	\$ 116.8	\$ 39.3	\$ 128.2	\$ 15.0
Cash used in investing activities	(53.0)	(27.6)	(1,402.0)	(69.1)
Cash (used in) provided by financing activities	(63.8)	(11.6)	1,386.3	0.2
Other Financial and Operating Data:				
EBITDA(1)	\$ 189.6	\$ 98.8	\$ 93.0	\$ 153.2
Capital expenditures	53.1	27.7	27.8	70.9
Total tons sold	2,024.9	1,145.0	866.4	2,096.3

	As of December 31, 2007	
	Actual	Adjusted(2)
(dollars in millions)		
Balance Sheet Data:		
Cash and cash equivalents	\$ 58.5	\$ 65.6
Working capital(3)	87.2	97.4
Property, plant and equipment, net	1,160.2	1,160.2
Total assets	1,603.5	1,603.6
Net total debt(4)	1,361.1	1,090.9
Stockholders' equity	(75.1)	188.2

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- (1) EBITDA consists of earnings before interest, taxes, depreciation and amortization. EBITDA is a measure commonly used in our industry and we present EBITDA to enhance your understanding of our operating performance. We use EBITDA as one criterion for evaluating our performance relative to that of our peers. We use EBITDA as an operating performance measure, and not a liquidity measure. We believe that EBITDA provides investors and analysts with a measure of operating results unaffected by differences in capital structures, capital investment cycles and ages of related assets among otherwise comparable companies. However, EBITDA is not a measurement of financial performance under accounting principles generally accepted in the United States, or U.S. GAAP, and our EBITDA may not be comparable to similarly titled measures of other companies. You should not consider our EBITDA as an alternative to operating or net income, determined in accordance with U.S. GAAP, as an indicator of our operating performance, or as an alternative to cash flows from operating activities, determined in accordance with U.S. GAAP, as an indicator of our cash flows or as a measure of liquidity.

The following table reconciles net income (loss) to EBITDA for the periods presented:

	Predecessor Combined		Successor Combined	
	Year Ended December 31, 2005	Seven Months Ended July 31, 2006	Five Months Ended December 31, 2006	Year Ended December 31, 2007
	(dollars in millions)			
Net income (loss)	\$ 27.5	\$ 10.7	\$ (2.6)	\$ (111.5)
Interest expense, net:	14.8	8.4	47.3	141.5
Income tax expense	17.9	7.0		
Depreciation and amortization	129.4	72.7	48.3	123.2
EBITDA	\$ 189.6	\$ 98.8	\$ 93.0	\$ 153.2

- (2) The as adjusted combined balance sheet data reflects the balance sheet data as of December 31, 2007, adjusted for this offering and the use of the net proceeds therefrom. A \$1.00 increase (decrease) in the assumed initial public offering price of \$17.00 per share, the mid-point of the range set forth on the cover of this prospectus, would increase (decrease) each of cash and cash equivalents, working capital, total assets and stockholders' equity by \$17.6 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.
- (3) Working capital is defined as current assets net of current liabilities, excluding the current portion of long-term debt and the Division's accounts payable to International Paper net.
- (4) Net total debt is defined as total debt less cash and cash equivalents.

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Covenant Compliance

Certain covenants contained in the credit agreement governing our subsidiary's senior secured credit facilities and the indentures governing our subsidiary's outstanding notes (i) require the maintenance of a net first lien secured debt to Adjusted EBITDA ratio (as defined below) of 3.25 to 1.0 and (ii) restrict our ability to take certain actions such as incurring additional debt or making acquisitions if we are unable to meet defined Adjusted EBITDA to Fixed Charges (as defined below) and net senior secured debt to Adjusted EBITDA ratios. The covenants restricting our ability to incur additional indebtedness and make future acquisitions require a ratio of Adjusted EBITDA to Fixed Charges of 2.0 to 1.0 and a net senior secured debt to Adjusted EBITDA ratio of 6.0 to 1.0, in each case measured on a trailing four-quarter basis. For the purpose of calculating these ratios, pro forma effect is given to any repayment of debt, such as that contemplated with the net proceeds from this offering, as if such transaction occurred at the beginning of the trailing four-quarter period. Although we do not expect to violate any of the provisions in the agreements governing our outstanding indebtedness, these covenants can result in limiting our long-term growth prospects by hindering our ability to incur future indebtedness or grow through acquisitions. See Risk Factors Our substantial indebtedness could adversely affect our financial health.

Fixed Charges are consolidated interest expense excluding the amortization or write-off of deferred financing costs. Cash interest expense is adjusted in the table below to give effect to this offering and the use of the net proceeds therefrom. Adjusted EBITDA is EBITDA further adjusted to exclude unusual items and other pro forma adjustments permitted in calculating covenant compliance in the indentures governing our outstanding notes to test the permissibility of certain types of transactions. We believe that the inclusion of the supplemental adjustments applied in calculating Adjusted EBITDA and the adjustment to cash interest expense to give effect to this offering and the use of the net proceeds therefrom are appropriate to provide additional information to investors to demonstrate our compliance with our financial covenants and assess our ability to incur additional indebtedness in the future. However, Adjusted EBITDA is not a measurement of financial performance under U.S. GAAP, and Adjusted EBITDA may not be comparable to similarly titled measures of other companies. You should not consider our Adjusted EBITDA as an alternative to operating or net income, determined in accordance with U.S. GAAP, as an indicator of our operating performance, or as an alternative to cash flows from operating activities, determined in accordance with U.S. GAAP, as an indicator of our cash flows or as a measure of liquidity.

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The following table reconciles cash flow from operating activities to EBITDA and Adjusted EBITDA for the year ended December 31, 2007.

	Successor Year Ended December 31, 2007 (dollars in millions)
Cash flow from operating activities	\$ 15.0
Amortization of debt issuance costs	(6.7)
Interest income	(1.5)
Interest expense	143.0
Loss on disposal of fixed assets	(1.0)
Other, net	1.5
Changes in assets and liabilities, net	2.9
EBITDA	\$ 153.2
Operational improvements(a)	6.1
Restructuring, severance and other(b)	19.4
Non-cash compensation/benefits(c)	0.6
Other items, net(d)	8.0
Adjusted EBITDA	\$ 187.3
As adjusted cash interest expense(e)	\$ 111.7
Adjusted EBITDA to as adjusted cash interest expense(e)	1.7
Net senior secured debt to Adjusted EBITDA	4.3
Net first-lien secured debt to Adjusted EBITDA	1.1

(a) Represents the benefit of lower wood cost at our Sartell mill resulting from the harvest of hybrid poplar from our fiber farm.

(b) Includes restructuring and severance as per our financial statements. Restructuring includes transition and other non-recurring costs associated with the Acquisition.

(c) Represents amortization of certain one-time benefit payments.

(d) Represents earnings adjustments for legal and consulting fees, and other miscellaneous non-recurring items.

(e) As adjusted cash interest expense gives effect to this offering and reflects a decrease in cash interest expense for the year ended December 31, 2007 equal to \$27.8 million as a result of the repayment of the outstanding \$250.0 million senior unsecured term loan facility of our subsidiary, Verso Paper Finance Holdings LLC, bearing interest at a rate equal to 9.5% as of December 31, 2007, and the repayment of the outstanding \$3.1 million under the revolving credit facility and \$10.0 million senior secured term loan of our subsidiary, Verso Fiber Farm LLC, bearing interest at a rate equal to 7.8% as of December 31, 2007, as if this offering and the use of the net proceeds therefrom were consummated on January 1, 2007. Cash interest expense represents gross interest expense related to the debt, excluding amortization of debt issuance costs.

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RISK FACTORS

Purchasing our common stock in this offering involves a high degree of risk. You should carefully consider the following factors, in addition to the other information contained in this prospectus, in deciding whether to invest in our common stock. This prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward-looking statements. Factors that might cause such differences include those discussed below.

Risks Relating to our Business

We have limited ability to pass through increases in our costs to our customers. Increases in our costs or decreases in coated or supercalendered paper prices could adversely affect our business, financial condition or results of operations.

Our earnings are sensitive to price changes in coated or supercalendered paper. Fluctuations in paper prices (and coated paper prices in particular) historically have had a direct effect on our net income (loss) and EBITDA for several reasons:

Market prices for paper products are a function of supply and demand, factors over which we have limited control. We therefore have limited ability to control the pricing of our products. Market prices of grade No. 3, 60 lb. basis weight paper, which is an industry benchmark for coated freesheet paper pricing, have fluctuated from 2000 to 2007 from a high of \$980 per ton to a low of \$705 per ton. In addition, market prices of grade No. 5, 34 lb. basis weight paper, which is an industry benchmark for coated groundwood paper pricing, have fluctuated between a high of \$1,040 per ton to a low of \$795 per ton over the same period. Because market conditions determine the price for our paper products, the price for our products could fall below our cash production costs.

Market prices for paper products typically are not directly affected by raw material costs or other costs of sales, and consequently we have limited ability to pass through increases in our costs to our customers absent increases in the market price. In addition, a significant portion of our sales are pursuant to contracts that limit price increases. Thus, even though our costs may increase, we may not have the ability to increase the prices for our products, or the prices for our products may decline.

The manufacturing of coated paper is highly capital-intensive and a large portion of our operating costs are fixed. Additionally, paper machines are large, complex machines that operate more efficiently when operated continuously. Consequently, both we and our competitors typically continue to run our machines whenever marginal sales exceed the marginal costs, adversely impacting prices at times of lower demand.

Therefore, our ability to achieve acceptable margins is principally dependent on (i) managing our cost structure, (ii) managing changes in raw materials prices, which represent a large component of our operating costs and fluctuate based upon factors beyond our control and (iii) general conditions in the paper market. If the prices of our products decline, or if our raw material costs increase, it could have a material adverse effect on our business, financial condition and results of operations.

The paper industry is cyclical. Fluctuations in supply and demand for our products could materially adversely affect our business, financial condition and results of operations.

The paper industry is a commodity market to a significant extent and is subject to cyclical market pressures. North American demand for coated and supercalendered paper products tends to decline during a weak U.S. economy. Accordingly, general economic conditions and demand for magazines and catalogs may have a material adverse impact on the demand and prices for our products, which could have a material adverse effect on our business, financial condition and results of operations. In addition, currency fluctuations can have a significant impact on the supply of coated paper products in North America. If the U.S. dollar strengthens,

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imports may increase, which would cause the supply of paper products available in the North American market to increase. Foreign overcapacity also could result in an increase in the supply of paper products available in the North American market. In addition, capacity that has been shutdown in North America could be started. An increased supply of paper available in North America could put downward pressure on prices and/or cause us to lose sales to competitors, either of which could have a material adverse effect on our business, financial condition and results of operations.

We have a limited operating history as a separate company. Accordingly, our Predecessor combined historical financial data may not be representative of our results as a separate company.

We operated as a division of International Paper prior to the Acquisition. Therefore, we have a very limited operating history as a separate company. Our business strategy as an independent entity may not be successful on a long-term basis. Although International Paper, after the completion of the Acquisition, generally no longer sells coated or supercalendered paper, we cannot assure you that our customers will continue to do business with us on the same terms as when we were a division of International Paper. We may not be able to grow our business as planned and may not remain a profitable business. In addition, the historical combined financial data included in this prospectus may not necessarily reflect what our results of operations, financial condition and cash flows would have been had we been a separate independent entity pursuing our own strategies during the periods presented. Our limited operating history as a separate entity makes evaluating our business and our future financial prospects difficult. As a result, our business, financial condition and results of operations may differ materially from our expectations based on the historical and pro forma financial data contained in the prospectus.

Our cost structure following the Acquisition is not comparable to the cost structure that we experienced in prior periods and may not be comparable to the cost structure that we have estimated for purposes of the pro forma financial statements included in this prospectus. Our management has limited experience managing our business as a separate company with a significant amount of indebtedness. We cannot assure you that our cost structure in future periods will be consistent with our current expectations or will permit us to operate our business profitably.

The markets in which we operate are highly competitive.

Our business is highly competitive. Competition is based largely on price. We compete with foreign producers, some of which are lower cost producers than we are or are subsidized by governments. We also face competition from numerous North American coated and supercalendered paper manufacturers. Some of our competitors have advantages over us, including lower raw material and labor costs and fewer environmental and governmental regulations to comply with than we do. Furthermore, some of our competitors have greater financial and other resources than we do or may be better positioned than we are to compete for certain opportunities.

Our non-U.S. competitors may develop a competitive advantage over us and other U.S. producers if the U.S. dollar strengthens in comparison to the home currency of those competitors or ocean shipping rates decrease. If the U.S. dollar strengthens, if shipping rates decrease or if overseas supply exceeds demand, imports may increase, which would cause the supply of coated paper products available in the North American market to increase. An increased supply of coated paper could cause us to lower our prices or lose sales to competitors, either of which could have a material adverse effect on our business, financial condition and results of operations.

In addition, the following factors will affect our ability to compete:

product availability;

the quality of our products;

our breadth of product offerings;

our ability to maintain plant efficiencies and high operating rates;

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manufacturing costs per ton;

customer service and our ability to distribute our products on time; and

the availability and/or cost of wood fiber, market pulp, chemicals, energy and other raw materials and labor.

If we are unable to obtain energy or raw materials at favorable prices, or if we are unable to obtain raw materials at all, it could adversely impact our business, financial condition and results of operations.

We purchase wood fiber, market pulp, chemicals, energy and other raw materials from third parties. We may experience shortages of energy supplies or raw materials or be forced to seek alternative sources of supply. If we are forced to seek alternative sources of supply, we may not be able to obtain them on terms as favorable as our current terms or obtain them at all. In addition, the prices for energy and many of our raw materials, especially petroleum-based chemicals, have been volatile and have increased over the last year. Prices are expected to remain volatile for the foreseeable future. Chemical suppliers that use petroleum-based products in the manufacture of their chemicals may, due to a supply shortage and cost increase, ration the amount of chemicals available to us and/or we may not be able to obtain the chemicals we need to operate our business at favorable prices, if we are able to obtain them at all. In addition, certain specialty chemicals that we purchase are available only from a small number of suppliers. If any of these suppliers were to cease operations or cease doing business with us, we may be unable to obtain such chemicals at favorable prices, if we are able to obtain them at all.

The supply of energy or raw materials may be adversely affected by, among other things, hurricanes and other natural disasters or an outbreak or escalation of hostilities between the United States and any foreign power and, in particular, events in the Middle East. For example, wood fiber is a commodity and prices historically have been cyclical. The primary source for wood fiber is timber. Environmental litigation and regulatory developments have caused, and may cause in the future, significant reductions in the amount of timber available for commercial harvest in Canada and the United States. In addition, future domestic or foreign legislation, litigation advanced by aboriginal groups, litigation concerning the use of timberlands, the protection of endangered species, the promotion of forest biodiversity and the response to and prevention of catastrophic wildfires and campaigns or other measures by environmental activists could also affect timber supplies. Availability of harvested timber may further be limited by factors such as fire and fire prevention, insect infestation, disease, ice and wind storms, drought, floods and other natural and man-made causes, thereby reducing supply and increasing prices. Additionally, due to increased fuel costs, suppliers, distributors and freight carriers have charged fuel surcharges, which have increased our costs. Any significant shortage or significant increase in our energy or raw material costs in circumstances where we cannot raise the price of our products due to market conditions could have a material adverse effect on our business, financial condition and results of operations. Any disruption in the supply of energy or raw materials could also affect our ability to meet customer demand in a timely manner and could harm our reputation. Furthermore, we may be required to post letters of credit or other financial assurance obligations with certain of our energy and other suppliers, which could limit our financial flexibility.

Currency fluctuations may adversely affect our business, financial condition and results of operations.

We compete with producers in North America and abroad. Changes in the relative strength or weakness of the U.S. dollar may affect international trade flows of coated paper products. A stronger U.S. dollar may attract imports from foreign producers, increase supply in the United States, and have a downward effect on prices, while a weaker U.S. dollar may encourage U.S. exports. Variations in the exchange rates between the U.S. dollar and other currencies, particularly the Canadian dollar and the euro, may significantly affect our competitive position, including by making it more attractive for foreign producers to restart shut down paper mills or by increasing production capacity in North America and Europe.

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We are involved in continuous manufacturing processes with a high degree of fixed costs. Any interruption in the operations of our manufacturing facilities may affect our operating performance.

We seek to run our paper machines on a nearly continuous basis for maximum efficiency. Any unplanned plant downtime at any of our paper mills, including as a result of or in connection with planned maintenance and capital expenditure projects, results in unabsorbed fixed costs that negatively affect our results of operations for the period in which we experience the downtime. Due to the extreme operating conditions inherent in some of our manufacturing processes, we may incur unplanned business interruptions from time to time and, as a result, we may not generate sufficient cash flow to satisfy our operational needs. In addition, many of the geographic areas where our production is located and where we conduct our business may be affected by natural disasters, including snow storms, forest fires and flooding. Such natural disasters could cause our mills to stop running, which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, during periods of weak demand for paper products, we have in the past and may in the future experience market-related downtime, which could have a material adverse effect on our financial condition and results of operations.

Our operations require substantial ongoing capital expenditures, and we may not have adequate capital resources to fund all of our required capital expenditures.

Our business is capital intensive, and we incur capital expenditures on an ongoing basis to maintain our equipment and comply with environmental laws, as well as to enhance the efficiency of our operations. Our capital expenditures were \$71 million in 2007, including \$39 million for maintenance and environmental capital expenditures. We expect to spend approximately \$80 million on capital expenditures during 2008, including approximately \$60 million for maintenance and environmental capital expenditures. Thereafter, our annual maintenance and environmental capital expenditures are expected to average approximately \$40 million to \$50 million per year for the next few years. We anticipate that our available cash resources and cash generated from operations will be sufficient to fund our operating needs and capital expenditures for at least the next year. However, additional capital expenditures may be required in the future in order to maintain our operations and for environmental compliance. If we require additional funds to fund our capital expenditures, we may not be able to obtain them on favorable terms, or we may not be able to obtain them at all. If we cannot maintain or upgrade our facilities and equipment as we require or as necessary to ensure environmental compliance, it could have a material adverse effect on our business, financial condition and results of operations.

We depend on a small number of customers for a significant portion of our business.

Our largest customer, the xpedx and Bulkley Dunton business units of International Paper, accounted for approximately 9% of our net sales in 2007. In 2007, our 10 largest customers accounted for approximately 52% of our combined net sales, while our 10 largest end-users accounted for approximately 29% of our combined net sales. The loss of, or reduction in orders from, any of these customers or other customers could have a material adverse effect on our business, financial condition and results of operations, as could significant customer disputes regarding shipments, price, quality or other matters.

We may not realize certain productivity enhancements or improvements in costs.

As part of our business strategy, we intend to identify opportunities to improve profitability by reducing costs and enhancing productivity to improve our results and offset anticipated raw material cost increases. Any cost savings or productivity enhancements that we realize from such efforts may differ materially from our estimates. For example, we have several productivity enhancement initiatives to reduce waste and increase the amount of uptime on our paper machines. We cannot assure you that these initiatives will be completed as anticipated or that the benefits we expect will be achieved on a timely basis or if they are achieved at all.

Rising postal costs could weaken demand for our paper products.

A significant portion of paper is used in magazines, catalogs and other promotional mailings. Many of these materials are distributed through the mail. Future increases in the cost of postage could reduce the frequency of

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mailings, reduce the number of pages in magazine and advertising materials and/or cause catalog and magazine publishers to use alternate methods to distribute their materials. Any of the foregoing could decrease the demand for our products, which could materially adversely affect our business, financial condition and results of operations.

Our business may suffer if we do not retain our senior management.

We depend on our senior management. The loss of services of members of our senior management team could adversely affect our business until suitable replacements can be found. There may be a limited number of persons with the requisite skills to serve in these positions and we may be unable to locate or employ qualified personnel on acceptable terms. In addition, our future success requires us to continue to attract and retain competent personnel.

A large percentage of our employees are unionized. Wage increases or work stoppages by our unionized employees may have a material adverse effect on our business, financial condition and results of operations.

As of December 31, 2007, approximately 35% of our employees were represented by labor unions under four collective bargaining agreements at two of our mills. In 2007, we completed successful labor negotiations for three agreements that were up for renewal during the year, and the new agreements will expire in 2011. We may become subject to material cost increases or additional work rules imposed by agreements with labor unions. This could increase expenses in absolute terms and/or as a percentage of net sales. In addition, although we believe we have good relations with our employees, work stoppages or other labor disturbances may occur in the future. Any of these factors could negatively affect our business, financial condition and results of operations.

We depend on third parties for certain transportation services.

We rely primarily on third parties for transportation of our products to our customers and transportation of our raw materials to us, in particular, by truck and train. If any of our third-party transportation providers fail to deliver our products in a timely manner, we may be unable to sell them at full value. Similarly, if any of our transportation providers fail to deliver raw materials to us in a timely manner, we may be unable to manufacture our products on a timely basis. Shipments of products and raw materials may be delayed due to weather conditions, strikes or other events. Any failure of a third-party transportation provider to deliver raw materials or products in a timely manner could harm our reputation, negatively impact our customer relationships and have a material adverse effect on our business, financial condition and results of operations. In addition, our ability to deliver our products on a timely basis could be adversely affected by the lack of adequate availability of transportation services, especially rail capacity, whether because of work stoppages or otherwise. Furthermore, increases in the cost of our transportation services, including as a result of rising fuel costs, could cause a material adverse effect on our business, financial condition and results of operations.

We are subject to various environmental, health and safety laws and regulations that could impose substantial costs or other liabilities upon us and may adversely affect our operating performance and financial condition.

We are subject to a wide range of federal, state and local general and industry-specific environmental, health and safety laws and regulations, including those relating to air emissions, wastewater discharges, solid and hazardous waste management and disposal and site remediation. Compliance with these laws and regulations is a significant factor in our business. We have made, and will continue to make, significant expenditures to comply with these requirements. In addition, we handle and dispose of wastes arising from our mill operations and operate a number of on-site landfills to handle that waste. We maintain financial assurance for the projected cost of closure and post-closure care for these landfill operations. We could be subject to potentially significant fines, penalties, criminal sanctions, plant shutdowns or interruptions in operations for any failure to comply with

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applicable environmental, health and safety laws and regulations. Moreover, under certain environmental laws, a current or previous owner or operator of real property, and parties that generate or transport hazardous substances that are disposed of at real property, may be held liable for the full cost to investigate or clean up such real property and for related damages to natural resources. We may be subject to liability, including liability for investigation and cleanup costs, if contamination is discovered at one of our or our Predecessor's current or former paper mills, other properties or other locations where we or our Predecessor have disposed of, or arranged for the disposal of, wastes. International Paper has agreed to indemnify us, subject to certain limitations, for environmental liabilities associated with former properties and former off-site shipments, as well as for a portion of certain other environmental liabilities. There can be no assurance that International Paper will perform under any of its environmental indemnity obligations, and its failure to do so could have a material adverse effect on our financial condition and results of operations. We also could be subject to claims brought pursuant to applicable laws or regulations for property damage or personal injury resulting from the environmental impact of our operations, including due to human exposure to hazardous substances. Increasingly stringent or new environmental requirements, more aggressive enforcement actions or policies, the discovery of unknown conditions or the bringing of future claims may cause our expenditures for environmental matters to increase, and we may incur material costs associated with these matters. For a further discussion of environmental laws and regulations that affect our business, including the capital expenditures required for environmental compliance, see **Business Environmental and Other Governmental Regulations** and **Business Legal Proceedings**.

Our substantial indebtedness could adversely affect our financial health.

We have and will continue to have a significant amount of indebtedness. On December 31, 2007, after giving effect to this offering and the use of the net proceeds therefrom, we would have had total indebtedness of \$1,156.5 million. After giving effect to this offering and the use of the net proceeds therefrom, the total interest expense on our outstanding indebtedness for each of the next three fiscal years is equal to \$109.4 million, \$109.2 million and \$109.0 million, respectively (assuming the current prevailing interest rates on our outstanding floating rate indebtedness remain the same and outstanding indebtedness is reduced by any required payment of debt).

Our substantial indebtedness could have important consequences to you. For example, it could:

- increase our vulnerability to general adverse economic and industry conditions;

- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, research and development efforts and other general corporate purposes;

- increase our vulnerability to and limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

- expose us to the risk of increased interest rates as borrowings under our senior secured credit facilities and our floating rate senior notes will be subject to variable rates of interest;

- place us at a competitive disadvantage compared to our competitors that have less debt; and

- limit our ability to borrow additional funds.

In addition, the indentures governing our outstanding notes and our senior secured credit facilities contain financial and other restrictive covenants that limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all of our debts.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future because the terms of the indentures governing our outstanding notes and our senior secured credit facilities do not fully prohibit us or our subsidiaries from doing so. If new indebtedness is added to our and our subsidiaries' current debt levels, the related risks that we and they now face could intensify.

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We are a holding company with no operations of our own and depend on our subsidiaries for cash.

All of our operations are conducted through our subsidiaries, and none of our subsidiaries is obligated to make funds available to us. Accordingly, our ability to make payments on any indebtedness or distribute dividends to our stockholders is dependent on the earnings and the distribution of funds from our subsidiaries. The terms of the senior secured credit facilities and the indentures governing the outstanding notes of our subsidiaries significantly restrict our subsidiaries from paying dividends and otherwise transferring assets to us. Furthermore, our subsidiaries are permitted under the terms of the senior secured credit facilities and indentures to incur additional indebtedness that may severely restrict or prohibit the making of distributions, the payment of dividends or the making of loans by our subsidiaries to us. We cannot assure you that the agreements governing the current and future indebtedness of our subsidiaries will permit our subsidiaries to provide us with sufficient dividends, distributions or loans to fund our obligations or pay dividends to our stockholders.

Risks Related to Our Common Stock

There is no existing market for our common stock, and we do not know if one will develop to provide you with adequate liquidity.

Prior to this offering, there has not been a public market for our common stock. We cannot predict the extent to which investor interest in our company will lead to the development of an active trading market on the New York Stock Exchange or otherwise or how liquid that market might become. If an active trading market does not develop, you may have difficulty selling any of our common stock that you buy. The initial public offering price for the common stock will be determined by negotiations between us and the representatives of the underwriters and may not be indicative of prices that will prevail in the open market following this offering. Consequently, you may not be able to sell our common stock at prices equal to or greater than the price you paid in this offering.

The price of our common stock may fluctuate significantly, and you could lose all or part of your investment.

Volatility in the market price of our common stock may prevent you from being able to sell your common stock at or above the price you paid for your common stock. The market price of our common stock could fluctuate significantly for various reasons, including:

our operating and financial performance and prospects;

our quarterly or annual earnings or those of other companies in our industry;

the public's reaction to our press releases, other public announcements and filings with the U.S. Securities and Exchange Commission, or SEC;

changes in earnings estimates or recommendations by research analysts who track our common stock or the stock of other companies in our industry;

strategic actions by us or our competitors, such as acquisitions or restructurings;

new laws or regulations or new interpretations of existing laws or regulations applicable to our business;

changes in accounting standards, policies, guidance, interpretations or principles;

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changes in general conditions in the United States and global economies or financial markets, including those resulting from war, incidents of terrorism or responses to such events; and

sales of common stock by us or members of our management team.

In addition, in recent years, the stock market has experienced significant price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including

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companies in our industry. The changes frequently appear to occur without regard to the operating performance of the affected companies. Hence, the price of our common stock could fluctuate based upon factors that have little or nothing to do with our company, and these fluctuations could materially reduce our share price.

Delaware law and our charter documents may impede or discourage a takeover, which could cause the market price of our common stock to decline.

We are a Delaware corporation, and the anti-takeover provisions of Delaware law impose various impediments on the ability of a third party to acquire control of us, even if a change of control would be beneficial to our existing stockholders. In addition, provisions of our amended and restated certificate of incorporation and bylaws may make it more difficult for a third party to acquire, or prevent a third party from acquiring, control of us without the approval of our board of directors. These provisions include:

a staggered board of directors;

the sole power of a majority of the board of directors to fix the number of directors;

limitations on the removal of directors;

the sole power of the board of directors to fill any vacancy on the board of directors, whether such vacancy occurs as a result of an increase in the number of directors or otherwise;

the ability of our board of directors to designate one or more series of preferred stock and issue preferred stock without stockholder approval; and

the inability of stockholders to act by written consent or to call special meetings.

These provisions of our amended and restated certificate of incorporation and bylaws could impede a merger, takeover or other business combination involving us or the replacement of our management or discourage a potential investor from making a tender offer for our common stock, which, under certain circumstances, could reduce the market value of our common stock. See Description of Capital Stock.

We may issue shares of preferred stock in the future that may adversely impact your rights as holders of our common stock.

Our amended and restated certificate of incorporation will authorize us to issue up to 20,000,000 shares of one or more series of preferred stock. Our board of directors will have the authority to fix and determine the relative rights and preferences of the preferred stock, as well as the authority to issue such shares, without further stockholder approval. As a result, our board of directors could authorize the issuance of a series of preferred stock that would grant to holders preferred rights to our assets upon liquidation, the right to receive dividends before dividends are declared to holders of our common stock, and the right to the redemption of such preferred shares, together with a premium, prior to the redemption of any common stock. To the extent that we do issue such additional shares of preferred stock, your rights as holders of common stock could be impaired thereby, including, without limitation, dilution of your ownership interests in us. In addition, shares of preferred stock could be issued with terms calculated to delay or prevent a change in control or make removal of management more difficult, which may not be in your interest as holders of common stock.

We may be restricted from paying cash dividends on our common stock in the future.

We currently intend to declare and pay regular quarterly cash dividends on our common stock. Any payment of future dividends will be at the discretion of our board of directors and will depend on, among other things, our earnings, financial condition, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends, and other considerations that our board of directors deems relevant. The terms of our senior secured credit facilities and indentures governing our outstanding notes may restrict us from paying cash

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dividends on our common stock. With respect to each of these agreements, the payment of cash dividends on our common stock is considered a restricted payment and, with limited exceptions, we are restricted from paying any cash dividends on our common stock unless we satisfy minimum requirements with respect to

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our cumulative consolidated net income. In connection with the payment of any cash dividend, the terms of our senior secured credit facilities also require us to maintain our first lien secured debt ratio and the terms of the indentures governing our outstanding notes require us to maintain our fixed charge coverage ratio. In addition, we will be permitted under the terms of the agreements governing our outstanding debt to incur additional indebtedness that may severely restrict or prohibit the payment of dividends. We cannot assure you that the agreements governing our current and future indebtedness will permit us to pay dividends on our common stock. Accordingly, you may have to sell some or all of your common stock in order to generate cash flow from your investment. You may not receive a gain on your investment when you sell your common stock, and you may lose the entire amount of the investment.

You will suffer immediate and substantial dilution.

The initial public offering price per share of our common stock is substantially higher than our as adjusted net tangible book value per common share will be immediately after the offering. As a result, you will pay a price per share that substantially exceeds the book value of our assets after subtracting our liabilities. At an assumed initial public offering price of \$17.00, the mid-point of the range set forth on the cover of this prospectus, you will incur immediate and substantial dilution in the amount of \$13.44 per share.

The requirements of being a public company may strain our resources and distract management.

After the consummation of this offering, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, or the Exchange Act, and the Sarbanes-Oxley Act of 2002. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal control for financial reporting. These requirements may place a strain on our systems and resources. Under Section 302 of the Sarbanes-Oxley Act, as part of our periodic reports, our chief executive officer and our chief financial officer will be required to evaluate the effectiveness of, and to report their conclusions regarding the effectiveness of, our disclosure controls and procedures and to certify that they have done so. In addition, under Section 404 of the Sarbanes-Oxley Act, we will be required to include a report of management on our internal control over financial reporting in our Annual Reports on Form 10-K and our independent public accountants auditing our financial statements must attest to and report on management's assessment of the effectiveness of our internal control over financial reporting. This requirement will first apply to our Annual Report on Form 10-K for our fiscal year ending December 31, 2009, and the Annual Report on Form 10-K of our subsidiary, Verso Paper Holdings LLC, for its fiscal year ending December 31, 2008. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. This may divert management's attention from other business concerns, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. If we are unable to conclude that our disclosure controls and procedures and internal control over financial reporting are effective, or if our independent public accounting firm is unable to provide us with an unqualified report as to management's assessment of the effectiveness of our internal control over financial reporting in future years, investors may lose confidence in our financial reports and our stock price may decline.

Future sales of our common stock in the public market could lower our share price, and the exercise of outstanding stock options and any additional capital raised by us through the sale of common stock may dilute your ownership in us.

We may sell additional shares of common stock in subsequent public offerings. Our amended and restated certificate of incorporation will authorize us to issue 250,000,000 shares of common stock, of which 56,796,647 shares will be outstanding upon consummation of this offering. This number includes 18,750,000 shares that we are selling in this offering, which may be resold immediately in the public market. All of the remaining 38,046,647 shares are restricted from immediate resale under the federal securities laws and the lock-up agreements between our current stockholders and the underwriters described in Underwriting, but may be sold

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into the market in the near future. These shares will become available for sale at various times following the expiration of the lock-up agreements, which, without the prior consent of Credit Suisse Securities (USA) LLC, is 180 days after the date of this prospectus (which period could be extended by the underwriters for up to an additional 34 days under certain circumstances). Immediately after the expiration of the 180-day lock-up period, the shares will be eligible for resale pursuant to Rule 144 or Rule 701 under the Securities Act of 1933, or the Securities Act, subject to volume limitations and applicable holding period requirements. In addition, immediately following this offering, we intend to file a registration statement registering the offer and sale of shares reserved for issuance under our 2008 Incentive Award Plan under the Securities Act, which shares will not be subject to the 180-day lock-up requirement.

We cannot predict the size of future issuances of our common stock or the effect, if any, that future issuances and sales of our common stock will have on the market price of our common stock. Sales of substantial amounts of our common stock (including shares issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices for our common stock.

Apollo controls us, and its interests may conflict with or differ from your interests as a stockholder.

After the consummation of this offering, Apollo will beneficially own 67.0% of our common stock. If the underwriters exercise in full their over-allotment option, Apollo will beneficially own 59.1% of our common stock. In addition, representatives of Apollo will have the ability to prevent any transaction that requires the approval of directors. As a result, Apollo will have the ability to substantially influence all matters requiring stockholder approval, including the election of our directors and the approval of significant corporate transactions such as mergers, tender offers and the sale of all or substantially all of our assets. The interests of Apollo and its affiliates could conflict with or differ from your interests as a holder of our common stock. For example, the concentration of ownership held by Apollo could delay, defer or prevent a change of control of our company or impede a merger, takeover or other business combination which you may otherwise view favorably. Apollo may also pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. A sale of a substantial number of shares of stock in the future by funds affiliated with our equity sponsor could cause our stock price to decline in the future.

We are a controlled company within the meaning of the New York Stock Exchange rules and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements.

Upon the consummation of this offering, Apollo will continue to beneficially own a majority of our outstanding common stock. As a result, we are a controlled company within the meaning of the New York Stock Exchange corporate governance standards. Under the New York Stock Exchange rules, a company of which more than 50% of the voting power is held by an individual, group or another company is a controlled company and may elect not to comply with certain New York Stock Exchange corporate governance requirements, including:

the requirement that a majority of the board of directors consist of independent directors;

the requirement that we have a nominating/corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities;

the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities; and

the requirement for an annual performance evaluation of the nominating/corporate governance and compensation committees. Following this offering, we intend to utilize most of these exemptions. As a result, we will not have a majority of independent directors and our nominating/corporate governance and compensation committees will not consist entirely of independent directors. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the New York Stock Exchange corporate governance requirements.

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FORWARD-LOOKING STATEMENTS

This prospectus, including the sections entitled Prospectus Summary and Business, contains forward-looking statements. These statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks and other factors include, among other things, those listed in Risk Factors, Management's Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this prospectus. In some cases, you can identify forward-looking statements by terminology such as may, should, expects, intends, plans, anticipates, believes, estimates, predicts, potential, continue, assumption or the negative of these terms or other comparable terminology. These statements are not predictions. Actual events or results may differ materially. In evaluating these statements, you should specifically consider various factors, including the risks outlined in Risk Factors. These factors may cause our actual results to differ materially from any forward-looking statement.

Although we believe that the ex