

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

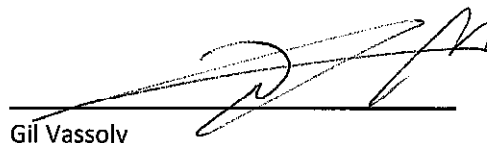
In Re:
NE OPCO, INC., et al.¹
Debtors

Chapter 11
Case Number:13-11483 (CSS)
Jointly Administered
Hon. Christopher S. Sontchi

**Monthly Operating Report
For the Period July 1, 2013 through July 31, 2013**

Required Documents	Form No.	Documents Complete	Explanation Attached	Debtors' Statement
Schedule of Operating Cash Flow	MOR-1	X		
Schedule of Disbursements by Legal Entity	MOR-1a	X		
Schedule of Professional Fees and Expenses Paid	MOR-1b	X		
Banks Account Reconciliations, Bank Statements and Cash Disbursements Journal				X
Statement of Operations	MOR-2	X		
Balance Sheets	MOR-3	X		
Status of Post-Petition Taxes				X
Summary of Unpaid Post-Petition Accounts Payable	MOR-4	X		
Trade Accounts Receivable and Aging	MOR-5	X		
Debtor Questionnaire	MOR-6	X		

I declare under penalty of perjury (28 U.S.C. Section 1746) that the information contained in this monthly operating report (including attached schedules) is true and correct to the best of my knowledge, information and belief.



Gil Vassoly

Vice President, Finance & Treasurer
NE Opco, Inc.

9/4/13

Date

Notes:

¹ Includes NEV Credit Holdings, Inc. Case No.13-11484 (CSS)

The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. All information contained herein is unaudited and is subject to future adjustment. Certain assumptions have been made as noted herein. The unaudited consolidated financial statements presented herein have been derived from the Debtors' books and records. Certain financial information, however, has not been subject to procedures that would typically be applied to financial information presented in accordance with US GAAP, and upon the application of such procedures, the Debtors believe that the financial information could be subject to further changes, and these changes could be material. Nothing contained in this Monthly Operating Report shall constitute a waiver of any of the Debtors' rights or an admission with respect to their Chapter 11 Proceedings (as defined herein), including, but not limited to, matters involving objections to claims, substantive consolidation, equitable subordination, defenses, characterization or re-characterization of contracts, assumption or rejection of contracts under the provisions of chapter 3 of Title 11 of the United States Code (the "Bankruptcy Code") and/or causes of action under the provisions of chapter 5 of the Bankruptcy Code or any other relevant applicable laws to recover assets or avoid transfers.

Monthly Operating Report
July 1, 2013 through July 31, 2013

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In Re: NE OPCO, INC., <u>et al.</u> ⁱ Debtors	Chapter 11 Case Number: 13-11483 (CSS) Jointly Administered Hon. Christopher S. Sontchi
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MOR-1
NE Opco, Inc., et al.
Unaudited Consolidated Statement of Cash Receipts and Disbursements
For the Period July 1, 2013 through July 31, 2013

	July 1, 2013 – July 31, 2013	Cumulative Filing to Date
Cash flows from operating activities:		
Net income (loss)	(8,050,104)	(12,495,983)
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization of property, plant and equipment	1,138,848	1,924,414
Amortization of customer contracts	16,019	27,232
Amortization of deferred costs	52,805	89,819
Provision for losses on accounts receivable	649,863	667,427
(Increase) decrease in operating assets:		
Accounts receivable	(3,465,303)	(8,349,223)
Inventories	(707,190)	3,047,062
Prepaid expenses and other current assets	358,662	464,281
Other assets	(954,308)	(1,454,308)
Increase (decrease) in operating liabilities:		
Accounts payable ¹	3,703,852	7,132,387
Accrued expenses and other payables ¹	4,756,497	5,049,020
Total adjustments	5,549,746	8,598,112
Net cash used in operating activities	(2,500,357)	(3,897,870)
Cash flows from investing activities:		
Acquisition of property, plant and equipment	-	-
Proceeds from sale of property, plant and equipment	-	-
Net cash used in investing activities	-	-
Cash flows from financing activities:		
Additional Drawdown on Debtor-in-Possession Financing	2,877,294	2,877,294
Proceeds from Debtor-in-Possession Financing	-	52,956,591
Repayment of Revolver and Term Loan	-	(50,307,412)
Net cash used in financing activities	2,877,294	5,526,473
Net increase (decrease) in cash and cash equivalents	376,936	1,628,602
Cash and cash equivalents at beginning of period	2,168,944	917,278
Cash and cash equivalents at end of period	2,545,880	2,545,880

1 - Statement of cash flows was prepared by the Debtors before giving any effect to reclassification of certain liabilities between pre- and post-petition. As such, any changes of assets / liabilities per the Statement of Cash Flows may not necessarily reconcile to the Balance Sheet presented herein.

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MOR-1a
Schedule of Disbursements by Legal Entity
For the Period July 1, 2013 through July 31, 2013

Filing Entities:	Case #	Total Disbursements	Cumulative Filing to Date
1 NE Opco, Inc. ¹	3-11483 (CSS)	\$ 62,119,142	\$144,910,917
2 NEV Credit Holdings, Inc.	3-11482 (CSS)	\$0	\$0
Total Disbursements		\$62,119,142	\$144,910,917

¹ Includes disbursements related to funding of daily operations, daily cash pay down of DIP Tranche A revolver (in accordance with the DIP agreement).

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MOR-1b
Schedule of Professional Fees and Expenses Paid
For the Period July 1, 2013 through July 31, 2013

Professional	Amounts Paid This Period			Cumulative Amounts Paid Since Petition Date		
	Fees	Expenses	Total	Fees	Expenses	Total
Richards, Layton & Finger	\$0	\$0	\$0	\$0	\$0	\$0
Total Professional Fees and Expenses	\$0	\$0	\$0	\$0	\$0	\$0

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**Debtors Statement with respect to Bank Account Reconciliations, Bank Statements and Cash
Disbursements Journal
For the Period July 1, 2013 through July 31, 2013**

Bank Account Reconciliations & Cash Disbursement Journals

The Debtors affirm that bank reconciliations are prepared for all open and active bank accounts on a monthly basis. The Debtors affirm that within its financial accounting systems, check registers and/or disbursement journals are maintained for each disbursement account.

Bank Statements

The Debtors affirm that bank statements for all open and active bank accounts are retained by the Debtors.

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MOR-2
NE Opco, Inc., et al.
Unaudited Condensed Consolidated Statement of Income
For the Period July 1, 2013 through July 31, 2013

	July 1, 2013 – July 31, 2013	Cumulative Filing to Date
Net sales	\$26,765,563	\$47,542,820
Cost of sales	24,821,881	43,455,367
Gross profit	1,943,682	4,087,453
Shipping, selling and administrative expenses	6,478,282	10,628,462
Restructuring expenses	873,349	1,065,100
Other expenses, net	931,852	1,565,484
Loss from operations, before reorganization items	(6,339,802)	(9,171,594)
Reorganization Items	1,710,302	3,311,633
Loss before provision (benefit) for income taxes	(8,050,104)	(12,483,227)
Provision (benefit) for income taxes	-	\$12,755
Net Loss	(8,050,104)	(12,495,983)

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MOR-3
NE Opco, Inc., et al.
Unaudited Condensed Consolidated Balance Sheet
As of July 31, 2013

	July 31, 2013
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 2,545,880
Accounts receivable, net of allowance for doubtful accounts	42,282,271
Inventories	24,988,017
Prepaid expenses and other current assets	2,416,779
Total current assets	72,232,947
Property, Plant and Equipment, net of accumulated depreciation and amortization	43,546,164
Identifiable intangible assets, net	8,029,635
Other Assets	2,789,136
Total Assets	\$ 126,597,881
LIABILITIES AND SHAREHOLDER'S EQUITY	
Current Liabilities:	
Debtor-in-Possession Financing - Tranche A	36,957,920
Debtor-in-Possession Financing - Tranche A-1	17,500,000
Debtor-in-Possession Financing - Tranche B Trade Credits	2,500,000
Accounts payable	(2,270,906)
Accrued expenses and other payables ¹	8,711,646
Total current liabilities	63,398,660
Liabilities Subject to Compromise	142,901,055
Deferred Tax Liability	1,151,432
Total Liabilities	207,451,146
Shareholders' Equity:	
Common Stock	10
Additional paid-in capital	87,596,689
Retained earnings	(168,449,965)
Total shareholder's deficit	(80,853,265)
Total Liabilities and Shareholder's Deficit	\$ 126,597,881

** Post-petition AP shows a negative balance in the current period due to the fact that the Debtors are in cash in advance/cash on demand arrangements with certain vendors.*

1 - Increase in accrued expenses in the current period is primarily due to catch up professional fee accruals for June and July, timing of accrued payroll & benefits, and other non-cash accruals.

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MOR-4
Status of Post-Petition Taxes
As of July 31, 2013

The Debtors have received approval to pay prepetition tax and fee obligations, including, without limitation, sales, use and excise taxes, franchise taxes, real and property taxes, and certain other taxes due in the normal course of business through certain First Day Motions. As such, the applicable taxes had been paid when due except for amounts that are in dispute, if any. All post-petition tax obligations to the proper taxing authorities are current.

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MOR-4 (cont.)
Consolidated Summary of Unpaid Post-Petition Accounts Payable
July 31, 2013

	Days Past Due							TOTAL
	Current	1-30	31-60	61-90	91-120	121-150	151 & Over	
Total Postpetition AP*	(2,270,906)	-	-	-	-	-	-	(2,270,906)
%	100%	0%	0%	0%	0%	0%	0%	0%

* Postpetition AP shows a negative balance due to the fact that the Debtors are in cash in advance / cash on demand arrangements with vendors.
Excludes International Paper.

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MOR-5
Consolidated Trade Accounts Receivable and Aging
July 31, 2013

	Days Past Due							TOTAL
	Current	1-30	31-60	61-90	91-120	121-150	151 & Over	
Gross Trade A/R	\$ 28,668,200	\$ 7,014,778	\$ 3,211,371	\$ 793,611	\$ 246,790	\$ 246,104	\$ 803,362	\$ 40,984,215
AP Reclasses & Other AR								4,315,173
Allowance for Doubtful Accounts and Other Customer Returns								(3,017,117)
Net A/R	28,668,200	7,014,778	3,211,371	793,611	246,790	246,104	803,362	42,282,271
	%	70%	17%	8%	2%	1%	1%	2%
								100%

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MOR-6
Debtor Questionnaire
For the Period July 1, 2013 through July 31, 2013

		Yes	No
1.	Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2.	Have any funds been disbursed from any account other than a debtor in possession account this reporting period. If yes, provide an explanation below.		X
3.	Have all post-petition tax returns been timely filed? If no, provide an explanation.	N/A	N/A
4.	Are workers compensation, general liability and other necessary insurance coverage's in effect? If no, provide an explanation.	X	
5.	Have any bank accounts been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to Local Rule 4001-3		X