



Clearwater Paper Announces Sale of Ladysmith, Wisconsin Facility to Dunn Paper, Inc.

August 21, 2018

SPOKANE, Wash.--(BUSINESS WIRE)--Aug. 21, 2018-- **Clearwater Paper Corporation (NYSE: CLW) (the "Company")** today announced the Company has sold its Ladysmith, Wis. facility to Dunn Paper, Inc. for approximately \$72 million. The Company intends to use the net proceeds to help fund the expansion of our Shelby, N.C. facility and opportunistically pay down debt.

"In our Consumer Products business, our strategy is focused on network optimization to match the growing demand for the ultra-quality segments of the tissue category. As a result, we elected to sell our Ladysmith facility, which manufactures recycled paper and does not align with that strategy," said Linda K. Massman, president and chief executive officer.

"On behalf of Clearwater Paper, we sincerely thank the Ladysmith team for their hard work and commitment to providing our customers with high-quality products and services," said Massman.

Effective today, Ladysmith employees are now employees of Dunn Paper.

"Ladysmith is a critical piece of our strategic growth at Dunn," said Brent Earnshaw, chief executive officer of Dunn Paper. "The additional capacity at Ladysmith will enable faster growth in the specialty tissue/absorbent market and their recycled fiber source is well suited for a variety of applications within the Dunn portfolio."

B Riley FBR advised Clearwater Paper on the sale of the Ladysmith facility. Pillsbury Winthrop Shaw Pittman LLP acted as legal advisor to Clearwater Paper.

ABOUT CLEARWATER PAPER

Clearwater Paper manufactures quality consumer tissue, away-from-home tissue, parent roll tissue, bleached paperboard and pulp at manufacturing facilities across the nation. The company is a premier supplier of private label tissue to major retailers and wholesale distributors, including grocery, drug, mass merchants and discount stores. In addition, the company produces bleached paperboard used by quality-conscious printers and packaging converters, and offers services that include custom sheeting, slitting and cutting. Clearwater Paper's employees build shareholder value by developing strong customer partnerships through quality and service.

ABOUT DUNN PAPER

Dunn Paper is a premier manufacturer of high-performance, advanced paper materials for lightweight technical food packaging and tissue products throughout North America. Dunn currently manufactures products at six locations across the Midwest, East Coast, and Ontario, Canada. Dunn Paper is a portfolio company of Arbor Investments, a Chicago-based private equity firm.

FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 as amended, including, but not limited to the Company's use of net proceeds, Shelby, N.C. expansion, debt payoff, strategy, network optimization, and tissue products and demand. These forward-looking statements are based on current expectations, estimates, assumptions and projections that are subject to change, and actual results may differ materially from the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to: competitive pricing pressures for the Company's products, including as a result of increased capacity as additional manufacturing facilities are operated by the Company's competitors; the loss of or changes in prices in regards to a significant customer; changes in customer product preferences and competitors' product offerings; the Company's ability to successfully implement its operational efficiencies and cost savings strategies, including related capital projects; the Company's ability to execute on its growth and expansion strategies, including on-time completion of the Company's planned new tissue manufacturing and converting operations in Shelby, N.C.; customer acceptance and timing and quantity of purchases of the Company's tissue products, including the existence of sufficient demand for and the quality of tissue produced by the expanded Shelby, N.C. operations when they are completed; changes in the U.S. and international economies and in general economic conditions in the regions and industries in which the Company operates; labor disruptions; changes in transportation costs and disruptions in transportation services; changes in the cost and availability of wood fiber and wood pulp; manufacturing or operating disruptions, including IT system and IT system implementation failures, equipment malfunction and damage to the Company's manufacturing facilities; changes in costs for and availability of packaging supplies, chemicals, energy and maintenance and repairs; cyclical industry conditions; changes in expenses and required contributions associated with the Company's pension plans; environmental liabilities or expenditures; cyber-security risks; reliance on a limited number of third-party suppliers for raw materials; the Company's inability to service its debt obligations; restrictions on the Company's business from debt covenants and terms; changes in laws, regulations or industry standards affecting the Company's business; and other risks and uncertainties described from time to time in the Company's public filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2017. The forward-looking statements are made as of the date of this press release and the Company does not undertake to update any forward-looking statements based on new developments or changes in the Company's expectations.

For additional information on Clearwater Paper, please visit our website at www.clearwaterpaper.com.

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