



CLEARWATER PAPER CORPORATION

FOURTH QUARTER 2016 AND FULL YEAR 2016 SUPPLEMENTAL INFORMATION

02/08/17

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PRESIDENT, CHIEF EXECUTIVE OFFICER AND DIRECTOR

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FORWARD-LOOKING STATEMENTS



This presentation of supplemental information contains, in addition to historical information, certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding financial models; the costs, timing and benefits associated with strategic capital investments and operational improvements; outlook for Q1 and fiscal year 2017; price and cost sensitivities; Manchester acquisition related benefits; revenue; product volumes shipped; product pricing and sales mix; pulp and wood fiber costs; cost and timing of major maintenance and repairs; cost of wages and benefits; financial benefits from productivity and operational efficiency projects; cost inflation; estimated Q1 and/or fiscal year 2017 net earnings, EBITDA, adjusted EBITDA, operating income, adjusted operating income, adjusted net earnings, net earnings per diluted common share, adjusted net earnings per diluted common share, net sales and adjusted operating margin; and price and cost sensitivities. These forward-looking statements are based on management's current expectations, estimates, assumptions and projections that are subject to change. Our actual results of operations may differ materially from those expressed or implied by the forward-looking statements contained in this presentation. Important factors that could cause or contribute to such differences include the risks and uncertainties described from time to time in the company's public filings with the Securities and Exchange Commission, as well as the following:

- our ability to execute on our growth and expansion strategies;
- unanticipated construction delays involving our planned new tissue manufacturing operations in Shelby, NC;
- competitive pricing pressures for our products, including as a result of increased capacity as additional manufacturing facilities are operated by our competitors;
- customer acceptance and timing and quantity of purchases of our tissue products, including the existence of sufficient demand for and the quality of tissue produced at our newly announced Shelby, NC facility when it becomes operational;
- changes in the U.S. and international economies and in general economic conditions in the regions and industries in which we operate;
- the loss of or changes in prices in regards to a significant customer;
- our ability to successfully implement our operational efficiencies and cost savings strategies;
- changes in customer product preferences and competitors' product offerings;
- manufacturing or operating disruptions, including IT system and IT system implementation failures, equipment malfunction and damage to our manufacturing facilities;
- changes in transportation costs and disruptions in transportation services;
- changes in the cost and availability of wood fiber and wood pulp;
- labor disruptions;
- cyclical industry conditions;
- changes in costs for and availability of packaging supplies, chemicals, energy and maintenance and repairs;
- environmental liabilities or expenditures;
- our ability to realize the expected benefits of our Manchester Industries acquisition;
- changes in expenses and required contributions associated with our pension plans;
- cyber-security risks;
- reliance on a limited number of third-party suppliers for raw materials;
- our inability to service our debt obligations;
- restrictions on our business from debt covenants and terms; and
- changes in laws, regulations or industry standards affecting our business.

Forward-looking statements contained in this presentation present management's views only as of the date of this presentation. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.

2016 FULL YEAR HIGHLIGHTS



\$1,735 MILLION NET SALES, \$111 MILLION GAAP OPERATING INCOME, DOWN 10% VS. 2015, \$215 MILLION ADJUSTED EBITDA¹, UP 2% VS. 2015

DILUTED GAAP EPS OF \$2.90, ADJUSTED DILUTED EPS OF \$3.44¹

ENTERED INTO A NEW REVOLVING CREDIT FACILITY TOTALING \$300 MILLION, RETIRED \$125 MILLION ASSET BACKED LINE OF CREDIT

ACQUIRED MANCHESTER INDUSTRIES, A PAPERBOARD SHEETING SOLUTION BUSINESS, AT A PURCHASE PRICE OF \$68 MILLION

ANNOUNCED PERMANENT CLOSURE OF THE OKLAHOMA CITY TISSUE CONVERTING FACILITY AND SHUTDOWN OF TWO TISSUE MACHINES AT THE NEENAH FACILITY

RETURNED \$65 MILLION TO SHAREHOLDERS IN 2016 AS PART OF \$100 MILLION SHARE BUYBACK PROGRAM AT AVERAGE PRICE OF \$48.18 PER SHARE

A \$40 MILLION CONTRIBUTION TO OPERATING INCOME AND A \$42 MILLION CONTRIBUTION TO ADJUSTED EBITDA¹ FROM STRATEGIC CAPITAL AND OPERATIONAL EFFICIENCY INITIATIVES IN 2016

¹ Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

FOURTH QUARTER FINANCIAL HIGHLIGHTS



\$426 MILLION NET SALES, DOWN 2% VS. Q3'16

\$24 MILLION GAAP OPERATING INCOME

\$54 MILLION ADJUSTED EBITDA¹, AT HIGHER END OF OUTLOOK RANGE OF \$49 TO \$55 MILLION

DILUTED GAAP EPS OF \$0.56, ADJUSTED DILUTED EPS OF \$0.82¹

A \$12 MILLION CONTRIBUTION TO OPERATING INCOME AND A \$13 MILLION CONTRIBUTION TO ADJUSTED EBITDA¹ FROM STRATEGIC CAPITAL AND OPERATIONAL EFFICIENCY INITIATIVES IN Q4'16

FINANCIAL SUMMARY (GAAP BASIS)

(UNAUDITED)



(Dollars in thousands - except per-share amounts)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Twelve Months Ended December 31,	
									2015	2016
Net sales	\$ 434,026	\$ 444,558	\$ 442,222	\$ 431,595	\$ 437,204	\$ 436,671	\$ 435,320	\$ 425,568	\$ 1,752,401	\$ 1,734,763
Gross Profit	\$ 44,194	\$ 60,211	\$ 68,330	\$ 66,817	\$ 68,557	\$ 74,820	\$ 38,715	\$ 57,044	\$ 239,552	\$ 239,136
Selling, general and administrative expenses	(\$29,088) ¹	(\$29,469) ¹	(\$28,284)	(\$30,308)	(\$30,795)	(\$34,655)	(\$31,190) ¹	(\$32,934)	(\$117,149)	(\$129,574)
Gain (loss) on divested assets	\$131	\$1,331	\$ -	(\$195)	\$ -	\$ -	\$1,755	\$ -	\$1,267	\$1,755
Operating income (loss)	\$ 15,237	\$ 32,073	\$ 40,046	\$ 36,314	\$ 37,762	\$ 40,165	\$ 9,280	\$ 24,110	\$ 123,670	\$ 111,317
Consumer Products	12,395	17,032	15,521	10,756	18,390	18,544	17,201	13,781	55,704	67,916
Pulp and Paperboard	16,194	27,754	37,446	39,467	35,163	40,032	9,956	27,581	120,861	112,732
Corporate	(13,352)	(12,713)	(12,921)	(13,909)	(15,791)	(18,411)	(17,877)	(17,252)	(52,895)	(69,331)
Operating margin	3.5%	7.2%	9.1%	8.4%	8.6%	9.2%	2.1%	5.7%	7.1%	6.4%
Interest expense, net	(\$7,782)	(\$7,774)	(\$7,882)	(\$7,744)	(\$7,643)	(\$7,396)	(\$7,520)	(\$7,741)	(\$31,182)	(\$30,300)
Debt retirement costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(\$351)	\$ -	(\$351)
Income tax provision	(\$1,698)	(\$8,702)	(\$9,100)	(\$17,005)	(\$11,673)	(\$11,905)	(\$859)	(\$6,675)	(\$36,505)	(\$31,112)
Net earnings	\$ 5,757	\$ 15,597	\$ 23,064	\$ 11,565	\$ 18,446	\$ 20,864	\$ 901	\$ 9,343	\$55,983	\$ 49,554
Net earnings per diluted common share	\$ 0.30	\$ 0.81	\$ 1.21	\$ 0.65	\$ 1.05	\$ 1.21	\$ 0.05	\$ 0.56	\$ 2.97	\$ 2.90

¹ The Q1'15, Q2'15, and Q3'16 selling, general, and administrative results exclude gains (losses) associated with the 2014 divestiture of the specialty tissue business previously included.

FINANCIAL SUMMARY (ADJUSTED BASIS) (UNAUDITED)



(Dollars in thousands - except per-share amounts)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17 Outlook ⁵	Twelve Months Ended December 31,	
										2015	2016
Net sales	\$ 434,026	\$ 444,558	\$ 442,222	\$ 431,595	\$ 437,204	\$ 436,671	\$ 435,320	\$ 425,568	1%-3% higher	\$ 1,752,401	\$ 1,734,763
Adjusted gross profit ¹	\$ 46,478	\$ 60,946	\$ 69,170	\$ 67,280	\$ 68,989	\$ 75,353	\$ 41,051	\$ 60,215		\$ 243,874	\$ 245,608
Adjusted gross profit margin ^{1,2}	10.7%	13.7%	15.6%	15.6%	15.8%	17.3%	9.4%	14.1%		13.9%	14.2%
Adjusted selling, general and administrative expenses ¹	(\$29,558)	(\$30,926)	(\$27,153)	(\$30,272)	(\$30,069)	(\$31,045)	(\$29,489)	(\$29,915)		(\$117,909)	(\$120,518)
Adjusted operating income (loss) ¹	\$ 16,920	\$ 30,020	\$ 42,017	\$ 37,008	\$ 38,920	\$ 44,308	\$ 11,562	\$ 30,300		\$ 125,965	\$ 125,090
Consumer Products	13,632	16,436	16,743	11,459	18,822	19,077	15,912	16,952		58,270	70,763
Pulp and Paperboard	17,110	27,754	37,685	39,647	35,163	40,032	9,956	27,581		122,196	112,732
Corporate	(13,822)	(14,170)	(12,411)	(14,098)	(15,065)	(14,801)	(14,306)	(14,233)		(54,501)	(58,405)
Adjusted operating margin ^{1,3}	3.9%	6.8%	9.5%	8.6%	8.9%	10.1%	2.7%	7.1%	6%-7.5%	7.2%	7.2%
Interest expense, net	(\$7,782)	(\$7,774)	(\$7,882)	(\$7,744)	(\$7,643)	(\$7,396)	(\$7,520)	(\$7,741)		(\$31,182)	(\$30,300)
Debt retirement costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(\$351)		\$ -	(\$351)
Adjusted income tax provision ¹	(\$2,217)	(\$8,055)	(\$9,726)	(\$15,924)	(\$12,089)	(\$13,368)	(\$1,673)	(\$8,388)		(\$35,922)	(\$35,518)
Adjusted net earnings ¹	\$ 6,921	\$ 14,191	\$ 24,409	\$ 13,340	\$ 19,188	\$ 23,544	\$ 2,369	\$ 13,820		\$ 58,861	\$ 58,921
Depreciation and amortization expense	\$ 21,008	\$ 20,632	\$ 21,204	\$ 21,888	\$ 21,150	\$ 22,024	\$ 22,747	\$ 25,169		\$ 84,732	\$ 91,090
Adjusted EBITDA ¹	\$ 37,928	\$ 50,652	\$ 63,221	\$ 58,896	\$ 60,070	\$ 66,332	\$ 34,309	\$ 54,125	\$48,000-\$56,000 ⁶	\$ 210,697	\$ 214,836
Consumer Products	26,609	29,874	30,791	25,591	32,581	33,280	30,934	31,999		112,865	128,794
Pulp and Paperboard	24,421	34,491	44,220	46,268	41,530	46,481	16,486	34,976		149,400	139,473
Corporate	(13,102)	(13,713)	(11,790)	(12,963)	(14,041)	(13,429)	(13,111)	(12,850)		(51,568)	(53,431)
Adjusted EBITDA margin ^{1,4}	8.7%	11.4%	14.3%	13.6%	13.7%	15.2%	7.9%	12.7%		12.0%	12.4%
Adjusted net earnings per diluted common share ¹	\$ 0.36	\$ 0.74	\$ 1.28	\$ 0.75	\$ 1.09	\$ 1.37	\$ 0.14	\$ 0.82		\$ 3.13	\$ 3.44
Gross debt to rolling four quarter total Adjusted EBITDA ¹	2.6	2.7	2.8	2.7	2.5	2.3	2.6	2.7		2.7	2.7
Capital Expenditures	\$ 20,809	\$ 29,542	\$ 33,275	\$ 50,478	\$ 25,732	\$ 28,822	\$ 54,794	\$ 46,329		\$ 134,104	\$ 155,677

¹ Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

² Adjusted gross profit margin is defined as Adjusted gross profit divided by Net sales.

³ Adjusted operating margin is defined as Adjusted operating income divided by Net sales.

⁴ Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Net sales.

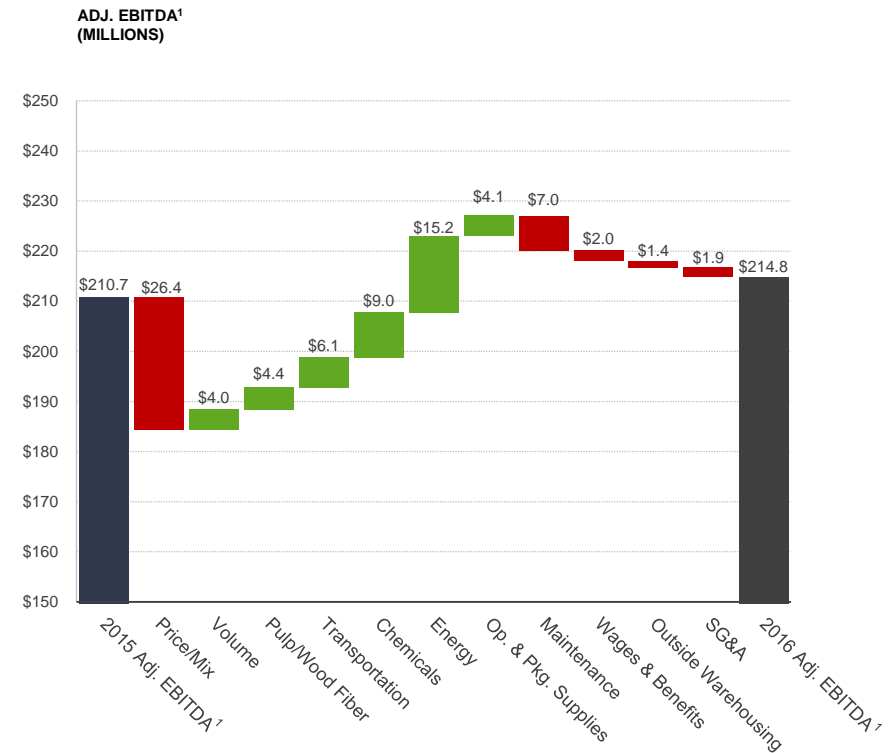
⁵ This information is based upon management's current expectations and estimates, which are in part based on market and industry data. Many factors are outside the control of management, including particularly input costs for commodity products, and actual results may differ materially from the information set forth above. See "Forward-Looking Statements" on page 1.

⁶ Non-GAAP measure – See page 18 for the reconciliation to the most comparable GAAP measure.

2016 VS. 2015 CONSOLIDATED ADJUSTED EBITDA¹ BRIDGE



PRICE/MIX	Lower paperboard pricing, partly offset by a higher mix of ultra tissue sales, full year benefit of 2015 price increase in tissue
VOLUME	Higher ultra tissue case shipments
PULP/WOOD FIBER	Lower negotiated pulp prices, improved utilization due to operational improvement initiatives
TRANSPORTATION	Improved line haul rates, network optimization initiatives
CHEMICALS	Lower negotiated polyethylene prices and lower usage due to strategic capital projects
ENERGY	Lower natural gas prices, lower usage due to strategic capital projects
OP. & PKG. SUPPLIES	Lower negotiated packaging prices
MAINTENANCE	Higher CPD maintenance investment to drive productivity
WAGES & BENEFITS	Wage inflation, mostly offset by savings from strategic capital investments and operational improvement initiatives

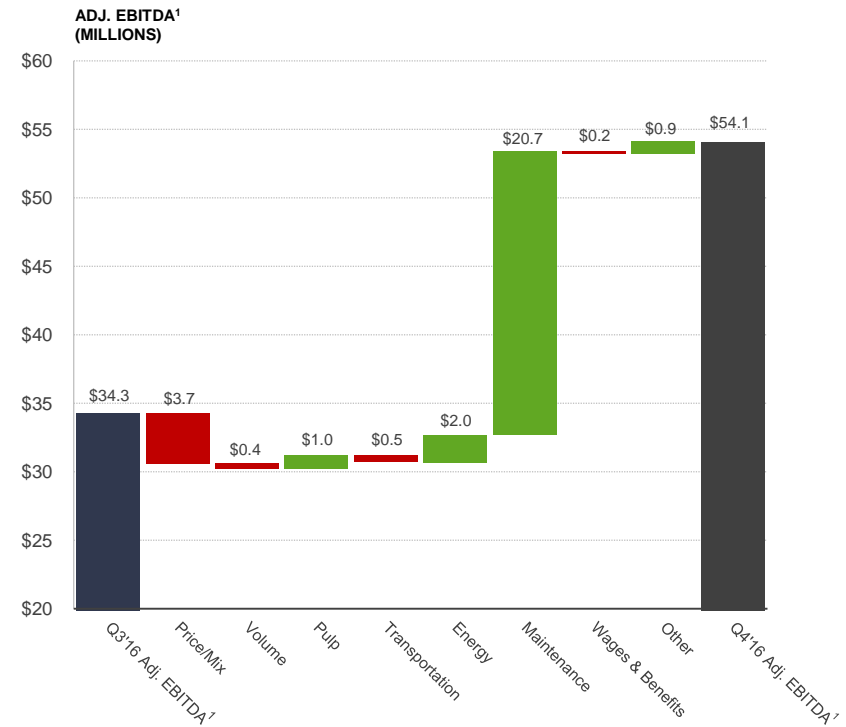


¹ Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

Q4'16 VS. Q3'16 CONSOLIDATED ADJUSTED EBITDA¹ BRIDGE



PRICE/MIX	Slightly lower paperboard pricing, higher mix of commodity grade paperboard sales, higher mix of tissue parent roll sales
VOLUME	Lower seasonal retail shipments partly offset by higher tissue parent roll shipments
PULP	Lower purchased pulp usage due to no major outage
TRANSPORTATION	Network optimization initiatives, offset by increased internal inventory shipments due to a Las Vegas outage caused by a paper machine fire
ENERGY	Lower electrical usage and lower Las Vegas seasonal electrical rates
MAINTENANCE	Idaho major maintenance outage completed in Q3, lower CPD planned maintenance
WAGES & BENEFITS	Higher overtime associated with Las Vegas outage, mostly offset by savings from strategic capital investments and operational improvement initiatives

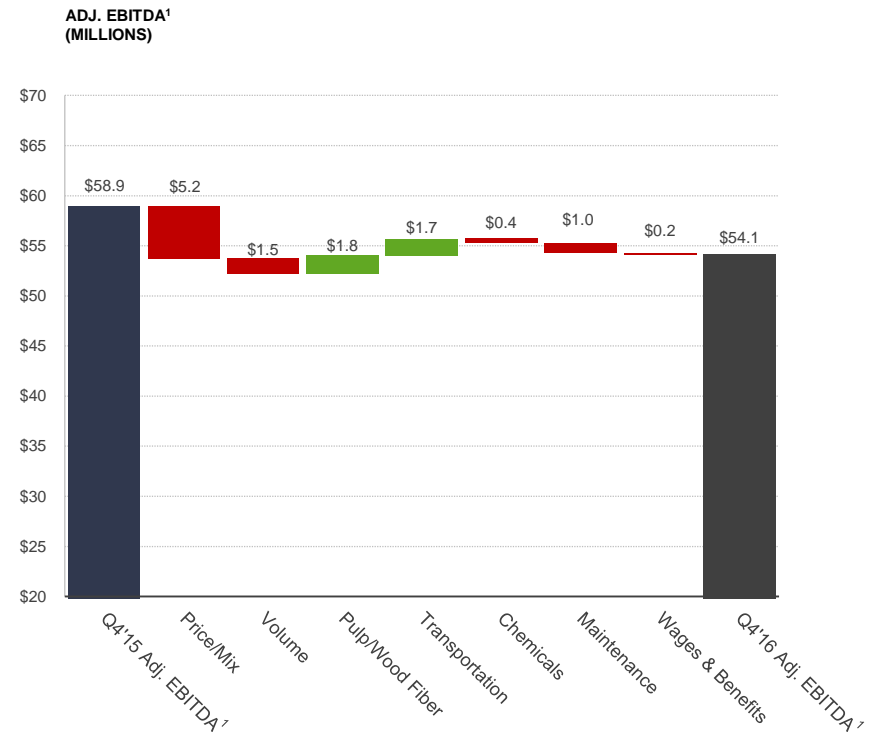


¹ Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

Q4'16 VS. Q4'15 CONSOLIDATED ADJUSTED EBITDA¹ BRIDGE



PRICE/MIX	Lower paperboard pricing partly offset by a higher mix of ultra tissue sales
VOLUME	Lower paperboard shipments
PULP/WOOD FIBER	Lower negotiated pulp prices, partly offset by higher wood prices in Idaho due to decreased regional supply
TRANSPORTATION	Improved line haul rates, network optimization initiatives
CHEMICALS	Higher usage to improve product quality, mostly offset by lower negotiated prices, savings from strategic capital investments
MAINTENANCE	Higher maintenance due to Las Vegas outage
WAGES & BENEFITS	Wage inflation and higher overtime due to Las Vegas outage, mostly offset by savings from strategic capital investments and operational improvement initiatives



¹ Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

STRATEGIC INVESTMENT AND OPERATIONAL IMPROVEMENT SCORECARD AS OF Q4'16



- Strategic plan announced in Q1'15, expected capex of \$237-\$249 million
- Expected to yield a \$97-\$127 million operating income increase by 2018²
- Expected to yield a \$115-\$145 million Adjusted EBITDA¹ increase by 2018²
- Would yield a \$285-\$335 2018 Adjusted EBITDA¹ run rate assuming \$10-\$15 million of annual margin pressure²

FULL RUN-RATE EXPECTED IMPACT (MILLIONS \$) ²				
OPERATING INCOME	\$23-\$28	\$21-\$26	\$16-\$19	\$37-\$54
ADJUSTED EBITDA ¹	\$30-\$35	\$27-\$32	\$21-\$24	\$37-\$54



TOTAL STRATEGIC CAPEX	Continuous Digester ³	Warehouse Automation ⁴	Other Projects ⁵	Operational Improvements
	\$148-\$158	\$40-\$42	\$49	\$0

■ 2015 ADJUSTED EBITDA¹ ACHIEVED

■ 2016 ADJUSTED EBITDA¹ ACHIEVED

¹ Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure

² Based on Q1'15 prices, input costs, and market and industry data. Many factors are outside the control of management, including particularly input costs for commodity products, and actual results may differ materially from the information set forth above. See "Forward-Looking Statements" on page 1.

³ The Continuous Digester is expected to be completed in Q4'17. 2016 Adjusted EBITDA contribution is \$0.3M.

⁴ 2015 and 2016 Adjusted EBITDA contributions were \$0.6M and \$4.8M, respectively.

⁵ 2015 and 2016 Adjusted EBITDA contributions were \$0.4M and \$2.8M, respectively.

KEY SEGMENT RESULTS – CONSUMER PRODUCTS (UNAUDITED)



	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	CONSUMER PRODUCTS CROSS-CYCLE FINANCIAL MODEL
Shipments									
Non-Retail (short tons) ¹	21,107	24,744	21,250	23,077	24,358	20,028	18,384	19,182	
Retail (short tons)	71,102	71,476	76,856	73,004	75,027	79,095	82,216	77,704	
Total Tissue Tons	92,209	96,220	98,106	96,081	99,385	99,123	100,600	96,886	
Converted Products (cases in thousands)²	13,025	13,125	13,375	12,624	12,990	13,229	13,770	12,886	
Sales Price									
Non-Retail (\$/short ton) ¹	\$1,475	\$1,430	\$1,530	\$1,448	\$1,477	\$1,496	\$1,506	\$1,442	
Retail (\$/short ton)	\$2,864	\$2,846	\$2,787	\$2,805	\$2,784	\$2,747	\$2,742	\$2,757	
Total Tissue (\$/short ton)	\$2,546	\$2,482	\$2,515	\$2,479	\$2,464	\$2,494	\$2,516	\$2,496	
Segment net sales (\$ in thousands)	\$235,176	\$239,391	\$247,039	\$238,288	\$245,018	\$247,912	\$253,319	\$242,131	
Segment GAAP operating income (\$ in thousands)	\$12,395	\$17,032	\$15,521	\$10,756	\$18,390	\$18,544	\$17,201	\$13,781	
Segment GAAP operating margin	5.3%	7.1%	6.3%	4.5%	7.5%	7.5%	6.8%	5.7%	
Segment Adjusted EBITDA³ (\$ in thousands)	\$26,609	\$29,874	\$30,791	\$25,591	\$32,581	\$33,280	\$30,934	\$31,999	
Segment Adjusted EBITDA margin⁴	11.3%	12.5%	12.5%	10.7%	13.3%	13.4%	12.2%	13.2%	17.0%

¹ Includes away-from-home (AFH), contract and parent roll tissue products. ² Includes retail, AFH, and contract tissue case products.

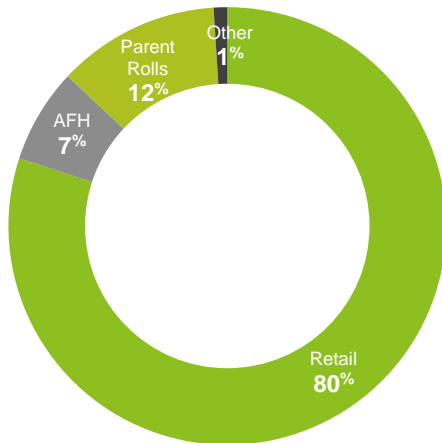
³ Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

⁴ Non-GAAP measure – Segment Adjusted EBITDA margin is defined as Segment Adjusted EBITDA divided by Segment net sales.

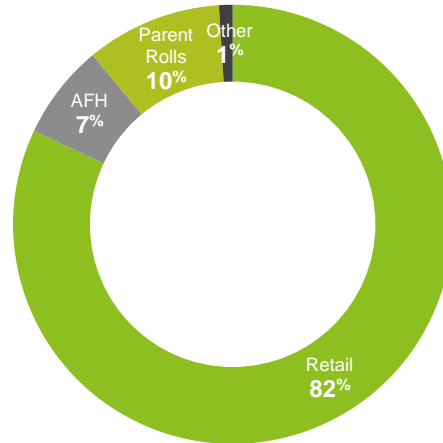
CLEARWATER PAPER TISSUE SHIPMENTS AND U.S. RETAIL TISSUE MARKET



CLW Q4'16 by
Market Segment
(% of Tons)



CLW Q3'16 by
Market Segment
(% of Tons)



U.S. Retail Tissue Market (\$)
(MultiOutlet)¹

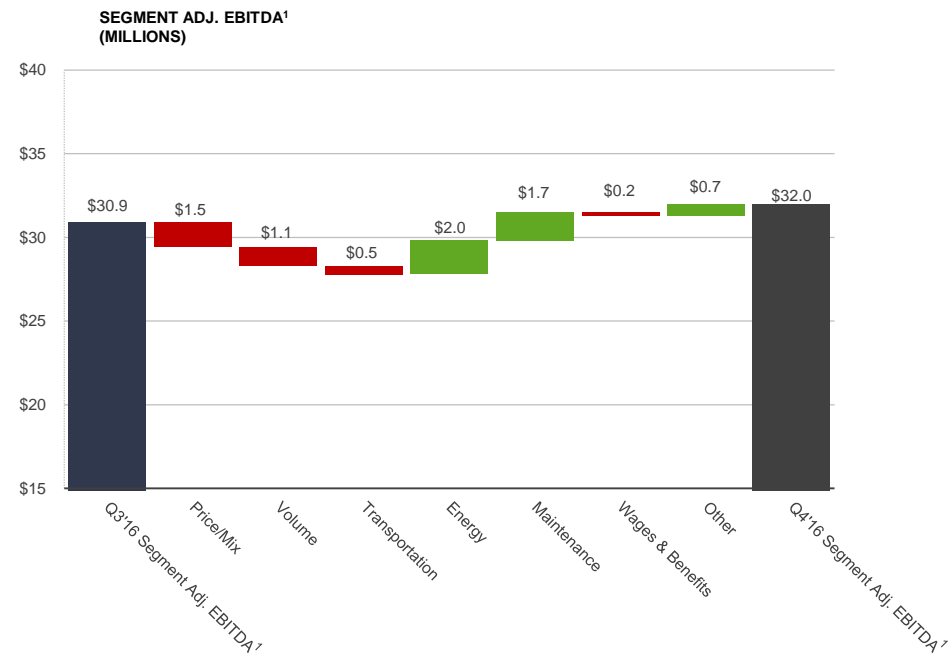
CATEGORY	PRIVATE LABEL	BRANDS	TOTAL
Total Retail Tissue Share (\$)	25%	75%	100%
% Change Q4'16 vs. Q3'16	0.4%	(0.4)%	-%

¹ Data Source: IRI Worldwide data through January 1, 2017.

Q4'16 VS. Q3'16 CONSUMER PRODUCTS ADJUSTED EBITDA¹ BRIDGE



PRICE/MIX	Higher mix of parent roll sales
VOLUME	Lower retail sales volume partly offset by higher parent roll volume
TRANSPORTATION	Increased internal inventory shipments due to Las Vegas outage, partly offset by network optimization initiatives
ENERGY	Lower electrical usage and lower Las Vegas electrical rates
MAINTENANCE	Higher maintenance in Las Vegas due to impact of outage, offset by lower planned maintenance
WAGES & BENEFITS	Higher overtime associated with Las Vegas outage, mostly offset by savings from strategic capital investments and operational improvement initiatives



Previous Outlook vs. Segment Actual

	PRICE/MIX	SHIPMENT VOLUMES	EXTERNAL PULP	CHEMICAL COSTS	OP. & PKG. SUPPLIES	TRANSPORTATION COSTS	ENERGY COSTS	MAINTENANCE	SG&A
Q4'16 OUTLOOK VERSUS Q3'16	Lower ▼	Lower ▼	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Cost / shipped ton: slightly lower ▼	Cost / shipped ton: lower ▼	Cost / shipped ton: slightly lower ▼	Lower ▼	Stable ▶
Q4'16 ACTUAL VERSUS Q3'16	Lower ▼	Lower ▼	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Cost / shipped ton: slightly higher ▲	Cost / shipped ton: lower ▼	Lower ▼	Stable ▶

¹ Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

KEY SEGMENT RESULTS – PULP AND PAPERBOARD (UNAUDITED)



	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	PULP AND PAPERBOARD CROSS-CYCLE FINANCIAL MODEL
Shipments									
Paperboard (short tons)	191,635	204,983	198,535	201,580	201,340	199,132	196,271	199,415	
Sales Price									
Paperboard (\$/short ton)	\$1,031	\$997	\$979	\$956	\$952	\$948	\$927	\$920	
Segment net sales (\$ in thousands)	\$198,850	\$205,167	\$195,183	\$193,307	\$192,186	\$188,759	\$182,001	\$183,437	
Segment GAAP operating income (\$ in thousands)	\$16,194	\$27,754	\$37,446	\$39,467	\$35,163	\$40,032	\$9,956	\$27,581	
Segment GAAP operating margin	8.1%	13.5%	19.2%	20.4%	18.3%	21.2%	5.5%	15.0%	
Segment Adjusted EBITDA¹ (\$ in thousands)	\$24,421	\$34,491	\$44,220	\$46,268	\$41,530	\$46,481	\$16,486	\$34,976	
Segment Adjusted EBITDA margin ²	12.3%	16.8%	22.7%	23.9%	21.6%	24.6%	9.1%	19.1%	19.0%

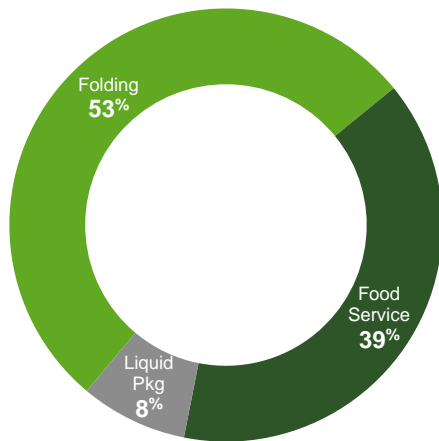
¹ Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

² Non-GAAP measure – Segment Adjusted EBITDA margin is defined as Segment Adjusted EBITDA divided by Segment net sales.

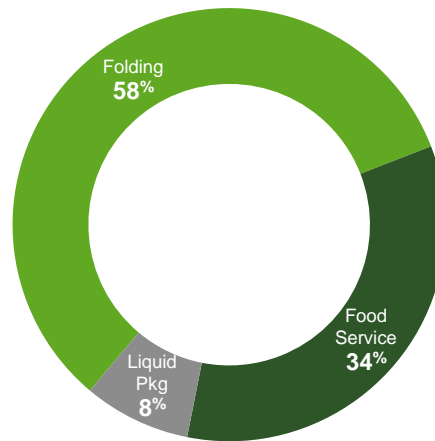
CLEARWATER PAPER PAPERBOARD SHIPMENTS AND U.S. PAPERBOARD MARKET



CLW Q4'16 by
Market Segment
(% of Tons)



CLW Q3'16 by
Market Segment
(% of Tons)



U.S. Paperboard Production³

CATEGORY	CLEARWATER PAPER	OTHER
Total Domestic SBS ¹ Market Share	14%	86%
Folding	19%	81%
Food Service ²	15%	85%
Liquid Packaging	4%	96%

¹ Solid Bleached Sulfate.

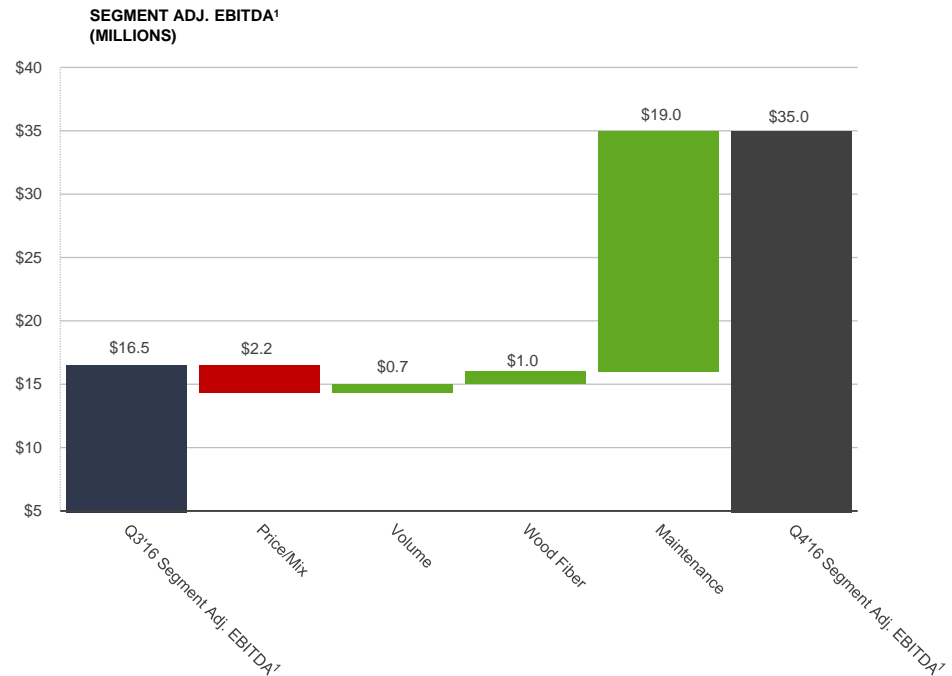
² Food Service includes cup, plate, dish and tray products.

³ Data Source: American Forest and Paper Association Solid Bleached Domestic Production – December YTD 2016.

Q4'16 VS. Q3'16 PULP AND PAPERBOARD ADJUSTED EBITDA¹ BRIDGE



PRICE/MIX	Slightly lower paperboard pricing, higher mix of commodity grade paperboard sales
VOLUME	Higher paperboard shipments
WOOD FIBER	Lower purchased pulp usage due to no major outage
MAINTENANCE	Idaho major maintenance outage completed in Q3



Previous Outlook vs. Segment Actual

	PRICE/MIX	SHIPMENT VOLUMES	WOOD FIBER	CHEMICAL COSTS	OP. & PKG. SUPPLIES	TRANSPORTATION COSTS	ENERGY COSTS	MAINTENANCE	SG&A
Q4'16 OUTLOOK VERSUS Q3'16	Lower ▼	Lower ▼	Cost / shipped ton: higher ▲	Cost / shipped ton: higher ▲	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Cost / shipped ton: higher ▲	Lower ▼	Stable ▶
Q4'16 ACTUAL VERSUS Q3'16	Lower ▼	Higher ▲	Cost / shipped ton: lower ▼	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Lower ▼	Stable ▶

¹ Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

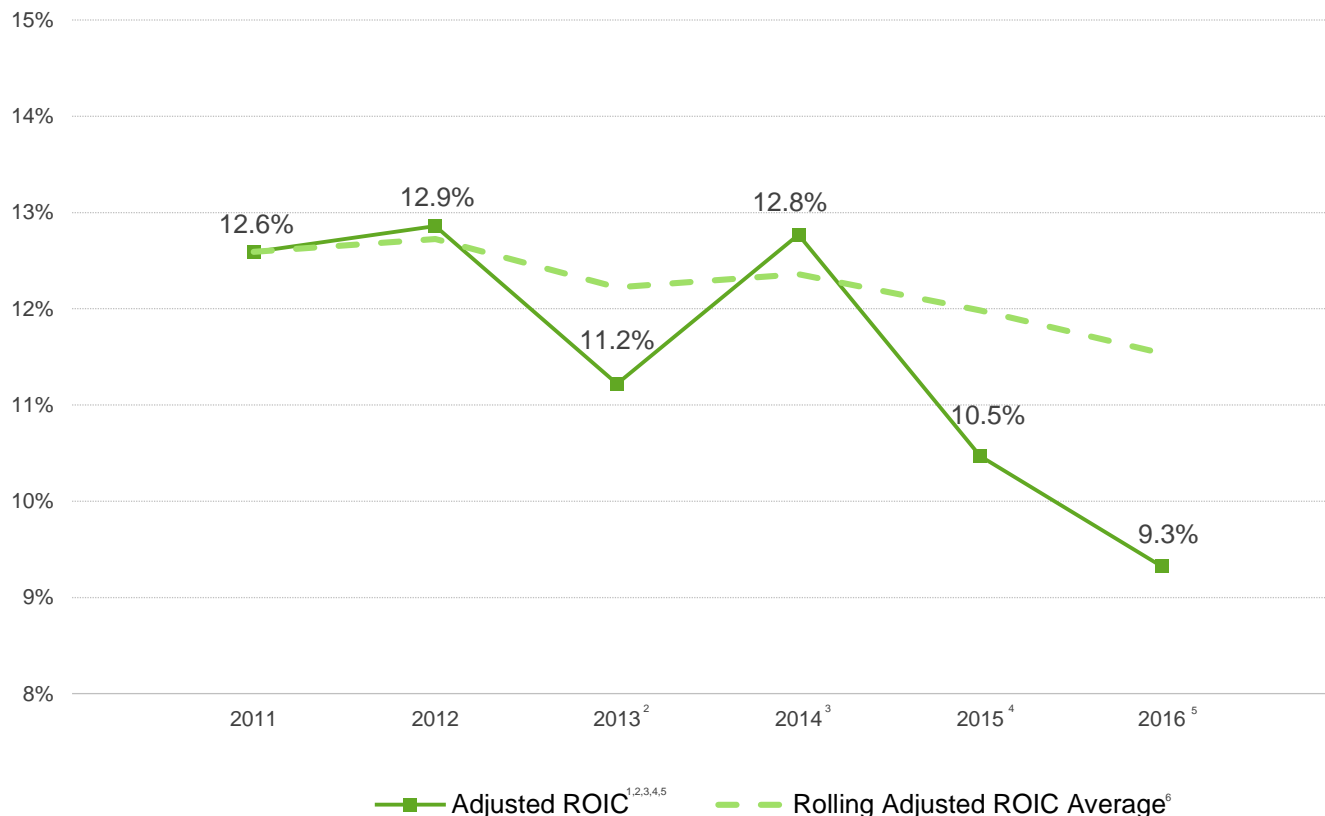
CLEARWATER PAPER CROSS-CYCLE FINANCIAL MODEL



(Dollars in thousands)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Twelve Months Ending December 31,		CLEARWATER PAPER CROSS-CYCLE FINANCIAL MODEL
									2015	2016	
Net sales	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Adjusted gross profit margin ¹	10.7%	13.7%	15.6%	15.6%	15.8%	17.3%	9.4%	14.1%	13.9%	14.2%	17.0%
Adjusted SG&A expenses ¹ as % of net sales	(6.8%)	(7.0%)	(6.1%)	(7.0%)	(6.9%)	(7.1%)	(6.8%)	(7.0%)	(6.7%)	(6.9%)	(6.0%)
Adjusted operating margin ¹	3.9%	6.8%	9.5%	8.6%	8.9%	10.1%	2.7%	7.1%	7.2%	7.2%	11.0%
Adjusted net earnings ¹ as % of net sales	1.6%	3.2%	5.5%	3.1%	4.4%	5.4%	0.5%	3.2%	3.4%	3.4%	5.0%
Adjusted EBITDA margin ¹	8.7%	11.4%	14.3%	13.6%	13.7%	15.2%	7.9%	12.7%	12.0%	12.4%	15.0%

¹ Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

ADJUSTED RETURN ON INVESTED CAPITAL¹ (UNAUDITED)



¹ Adjusted Return on Invested Capital (Adjusted ROIC) is defined as [Net Earnings + Interest Expense] / [Tangible Stockholders' Equity⁶ + Debt - Excess (Deficit) Cash⁶] adjusted for non-recurring discrete items. Non-GAAP measure - See Appendix for the definition and reconciliation to the most comparable GAAP measure.

² 2013 Adjusted ROIC Net Earnings was adjusted to remove a benefit of \$67.5 million from discrete tax items relating to release of uncertain tax positions.

2013 Adjusted ROIC Interest Expense includes debt retirement costs of \$17.1 million.

³ 2014 Adjusted ROIC Net Earnings was adjusted to remove a loss associated with the optimization and sale of the specialty mills totaling \$37.0 million after-tax.

2014 Adjusted ROIC Interest Expense includes debt retirement costs of \$24.4 million.

⁴ 2015 Adjusted ROIC Net Earnings was adjusted to remove a gain associated with the sale of the specialty mills totaling \$0.9 million after-tax.

⁵ 2016 Adjusted ROIC Net Earnings was adjusted to remove a gain associated with the sale of the specialty mills totaling \$1.1 million after-tax, pension settlement costs totaling \$2.2 million after-tax, and non-cash costs associated with the announced Oklahoma City facility closure totaling \$0.9 million after-tax.

2016 Adjusted ROIC Interest Expense includes debt retirement costs of \$4 million.

⁶ Rolling Adjusted ROIC Average is the average percentage of each annual and prior years' Adjusted ROIC values.

Q1'17 OUTLOOK¹

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)



(Dollars in thousands)	OUTLOOK	
	THREE MONTHS ENDING MARCH 31, 2017	
	RANGE OF ESTIMATE	
	FROM	TO
Earnings before interest, income taxes, and depreciation & amortization (EBITDA) ² :		
GAAP net earnings	\$5,900	\$10,700
Interest expense, net	\$8,000	\$8,000
Income tax provision	\$4,100	\$6,300
Depreciation and amortization expense ³	\$27,000	\$28,000
EBITDA²	\$45,000	\$53,000
Directors' equity-based compensation expense	\$500	\$500
Costs associated with Long Island facility closure	\$500	\$500
Costs associated with announced Oklahoma City facility closure	\$2,000	\$2,000
Adjusted EBITDA⁴	\$48,000	\$56,000

¹ This information is based upon management's current expectations and estimates, which are in part based on market and industry data. Many factors are outside the control of management, including particularly input costs for commodity products, and actual results may differ materially from the information set forth above. See "Forward-Looking Statements" on page 1.

² EBITDA is a non-GAAP measure that management uses as a supplemental performance measure. The most directly comparable GAAP measure is net earnings (loss). EBITDA is net earnings adjusted for net interest expense (including debt retirement costs), income taxes, and depreciation and amortization. It should not be considered as an alternative to net earnings computed under GAAP.

³ Depreciation and amortization outlook for the three months ended March 31, 2017 includes \$4.0 million in accelerated depreciation associated with the announced March 31, 2017 Oklahoma City facility closure.

⁴ Adjusted EBITDA excludes the impact of the items listed that we do not believe are indicative of our core operating performance.

Q1'17 OUTLOOK¹

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)



	OUTLOOK	
	THREE MONTHS ENDING	
	MARCH 31, 2017	
	RANGE OF ESTIMATE	
(Dollars in thousands)	FROM	TO
GAAP Operating Income	\$18,000	\$25,000
Directors' equity-based compensation expense	\$500	\$500
Costs associated with Long Island facility closure	\$500	\$500
Costs associated with announced Oklahoma City facility closure	\$6,000	\$6,000
Adjusted operating income²	\$25,000	\$32,000

(Dollars in thousands)	FROM	TO
GAAP net earnings	\$5,900	\$10,700
Special items, after tax ³ :		
Directors' equity-based compensation expense	\$320	\$320
Costs associated with Long Island facility closure	\$320	\$320
Costs associated with announced Oklahoma City facility closure	\$3,840	\$3,840
Adjusted net earnings²	\$10,380	\$15,180

	FROM	TO
GAAP net earnings per diluted common share ⁴	\$0.35	\$0.64
Adjusted net earnings per diluted common share ^{2,4}	\$0.62	\$0.90

¹ This information is based upon management's current expectations and estimates, which are in part based on market and industry data. Many factors are outside the control of management, including particularly input costs for commodity products, and actual results may differ materially from the information set forth above. See "Forward-Looking Statements" on page 1.

² Adjusted operating income, Adjusted net earnings and Adjusted net earnings per diluted common share exclude the impact of the items listed that we do not believe are indicative of our core operating performance.

³ All non-tax items are tax effected at a 36% annual rate.

⁴ GAAP net earnings per diluted common share and Adjusted net earnings per diluted common share are calculated utilizing fourth quarter 2016 diluted average common shares outstanding of 16,781 (in thousands).

Q1'17 OUTLOOK¹



NET SALES	1%-3% higher
ADJUSTED OPERATING MARGIN^{2,3}	6%-7.5%
ADJUSTED EBITDA²	\$48M - \$56M
ADJUSTED NET EARNINGS PER DILUTED COMMON SHARE^{2,4}	\$0.62 - \$0.90

¹ This information is based upon management's current expectations and estimates, which are in part based on market and industry data. Many factors are outside the control of management, including particularly input costs for commodity products, and actual results may differ materially from the information set forth above. See "Forward-Looking Statements" on page 1.

² Non-GAAP measure – See prior slides for the reconciliation to the most comparable GAAP measure.

³ Adjusted operating margin is defined as net sales divided by adjusted operating income.

⁴ Adjusted net earnings per diluted common share is calculated utilizing fourth quarter 2016 diluted average common shares outstanding of 16,781 (in thousands).

2017 OUTLOOK¹ RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)



(Dollars in thousands)	OUTLOOK	
	TWELVE MONTHS ENDING DECEMBER 31, 2017	
	RANGE OF ESTIMATE	
	FROM	TO
Earnings before interest, income taxes, and depreciation & amortization (EBITDA) ² :		
GAAP net earnings	\$43,500	\$58,500
Interest expense, net	\$32,000	\$32,000
Income tax provision	\$27,000	\$30,000
Depreciation and amortization expense ³	\$96,000	\$98,000
EBITDA²	\$198,500	\$218,500
Directors' equity-based compensation expense	\$1,700	\$1,700
Costs associated with Long Island facility closure	\$2,000	\$2,000
Costs associated with announced Oklahoma City facility closure	\$2,800	\$2,800
Adjusted EBITDA⁴	\$205,000	\$225,000

(Dollars in thousands)	OUTLOOK	
	TWELVE MONTHS ENDING DECEMBER 31, 2017	
	RANGE OF ESTIMATE	
	FROM	TO
GAAP Operating Income	\$102,500	\$120,500
Directors' equity-based compensation expense	\$2,000	\$2,000
Costs associated with Long Island facility closure	\$2,000	\$2,000
Costs associated with announced Oklahoma City facility closure	\$6,800	\$6,800
Adjusted operating income⁴	\$113,300	\$131,300

¹ This information is based upon certain assumptions and management's current expectations and estimates, which are in part based on market and industry data. Many factors are outside the control of management, including particularly input costs for commodity products, and actual results may differ materially from the information set forth above. See "Forward-Looking Statements" on page 1.

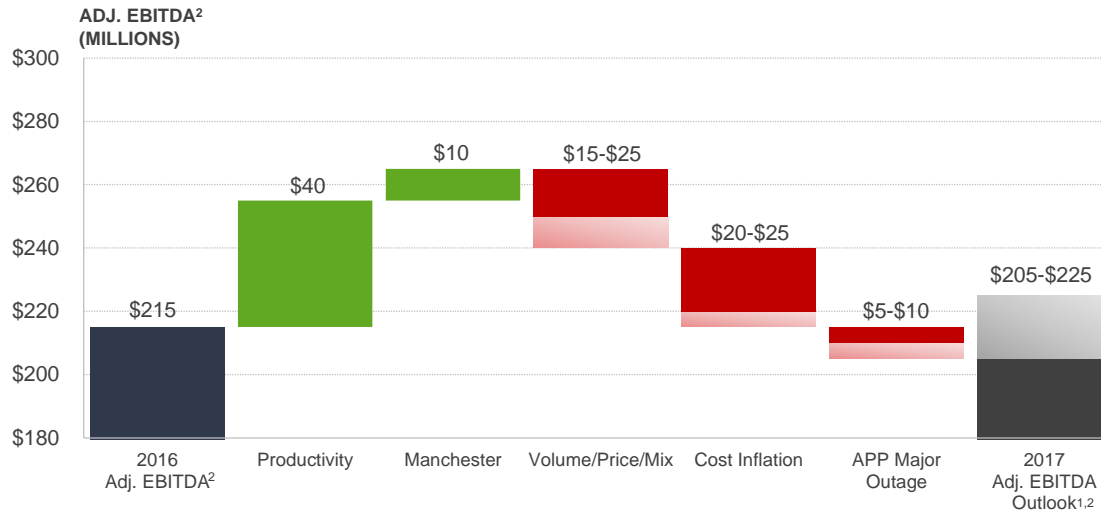
² EBITDA is a non-GAAP measure that management uses as a supplemental performance measure. The most directly comparable GAAP measure is net earnings (loss). EBITDA is net earnings adjusted for net interest expense (including debt retirement costs), income taxes, and depreciation and amortization. It should not be considered as an alternative to net earnings computed under GAAP.

³ Depreciation and amortization outlook for the twelve months ended December 31, 2017 includes \$4.0 million in accelerated depreciation associated with the announced March 31, 2017 Oklahoma City facility closure.

⁴ Adjusted EBITDA and Adjusted operating income exclude the impact of the items listed that we do not believe are indicative of our core operating performance.

2017 OUTLOOK^{1,2}

(ASSUMES JANUARY INPUT COST STRUCTURE AND PAPERBOARD AND TISSUE PRICING)



NET SALES	0%-2% higher
ADJUSTED OPERATING MARGIN ^{2,3}	6.5%-7.5%
ADJUSTED EBITDA ²	\$205M - \$225M

¹ This information is based upon certain assumptions and management's current expectations and estimates, which are in part based on market and industry data. Many factors are outside the control of management, including particularly input costs for commodity products, and actual results may differ materially from the information set forth above. See "Forward-Looking Statements" on page 1.

² Non-GAAP measure – See prior slides for the reconciliation to the most comparable GAAP measure.

³ Adjusted operating margin is defined as net sales divided by adjusted operating income.

PRICE AND COST SENSITIVITIES



COGS INPUT	UNIT OF MEASURE	2016 UNITS (APPROXIMATION)	APPROXIMATE ANNUAL PRICE AND COST IMPACT	
			\$ CHANGE PER UNIT +/-	+/- (DOLLARS IN MILLIONS)
Paperboard Price	Ton	800,000	\$10	\$8.0
Tissue Parent Roll Price	Ton	50,000	\$10	\$0.5
Tissue Retail Price	Ton	350,000	\$25	\$8.8
Purchased Pulp	Ton	275,000	\$25	\$6.9
Chips/Sawdust	Ton	2,300,000	\$3	\$6.9
Diesel	Gallon of Diesel	10,000,000	\$0.50	\$5.0
Linehaul Rate	Mile	67,000,000	\$0.10	\$6.7
Chemicals	Paper Ton Produced	1,200,000	\$5	\$6.0
Electricity	MWh	1,000,000	\$5	\$5.0
Natural Gas	MBTU	11,000,000	\$0.50	\$5.5

APPENDIX

ADJUSTED GROSS PROFIT & ADJUSTED SG&A RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)



(Dollars in thousands)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Twelve Months Ended December 31,	
									2015	2016
Gross profit ¹	\$ 44,194	\$ 60,211	\$ 68,330	\$ 66,817	\$ 68,557	\$ 74,820	\$ 38,715	\$ 57,044	\$ 239,552	\$ 239,136
Costs associated with Long Island facility closure	554	735	728	446	432	533	466	460	2,463	1,891
Pension settlement expense	-	-	-	-	-	-	1,870	-	-	1,870
Costs associated with labor agreement	1,730	-	-	-	-	-	-	-	1,730	-
Costs associated with announced Oklahoma City facility closure	-	-	-	-	-	-	-	1,662	-	1,662
Costs associated with Neenah paper machines shutdown	-	-	-	-	-	-	-	1,049	-	1,049
Reorganization related expenses	-	-	112	17	-	-	-	-	129	-
Adjusted gross profit ²	\$ 46,478	\$ 60,946	\$ 69,170	\$ 67,280	\$ 68,989	\$ 75,353	\$ 41,051	\$ 60,215	\$ 243,874	\$ 245,608
Selling, general and administrative expenses (SG&A)	(\$29,088) ³	(\$29,469) ³	(\$28,284)	(\$30,308)	(\$30,795)	(\$34,655)	(\$31,190) ³	(\$32,934)	(\$117,149)	(\$129,574)
Directors' equity-based compensation (benefit) expense	(470)	(1,457)	(1,914)	(232)	726	3,610	89	354	(4,073)	4,779
Pension settlement expense	-	-	-	-	-	-	1,612	-	-	1,612
Legal expenses and settlement costs	-	-	1,972	-	-	-	-	-	1,972	-
Manchester Industries acquisition related expenses	-	-	-	-	-	-	-	2,665	-	2,665
Reorganization related expenses	-	-	1,073	268	-	-	-	-	1,341	-
Adjusted selling, general and administrative expenses ²	(\$29,558)	(\$30,926)	(\$27,153)	(\$30,272)	(\$30,069)	(\$31,045)	(\$29,489)	(\$29,915)	(\$117,909)	(\$120,518)

¹ Gross profit is defined as net sales minus cost of sales.

² Adjusted gross profit and Adjusted selling, general and administrative expenses exclude the impact of the items listed that we do not believe are indicative of our core operating performance.

³ The Q1'15, Q2'15, and Q3'16 selling, general, and administrative results exclude gains (losses) associated with the 2014 divestiture of the specialty tissue business previously included.

SEGMENT ADJUSTED OPERATING INCOME (LOSS) RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)



									Twelve Months Ended December 31,	
(Dollars in thousands)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	2015	2016
Consumer Products										
Operating income	\$ 12,395	\$ 17,032	\$ 15,521	\$ 10,756	\$ 18,390	\$ 18,544	\$ 17,201	\$ 13,781	\$ 55,704	\$ 67,916
Costs associated with Long Island facility closure	554	735	728	446	432	533	466	460	2,463	1,891
(Gain) loss associated with the sale of the specialty mills, net	(131)	(1,331)	-	195	-	-	(1,755)	-	(1,267)	(1,755)
Costs associated with labor agreement	814	-	-	-	-	-	-	-	814	-
Costs associated with announced Oklahoma City facility closure	-	-	-	-	-	-	-	1,662	-	1,662
Costs associated with Neenah paper machines shutdown	-	-	-	-	-	-	-	1,049	-	1,049
Reorganization related expenses	-	-	494	62	-	-	-	-	556	-
Adjusted Consumer Products operating income¹	\$ 13,632	\$ 16,436	\$ 16,743	\$ 11,459	\$ 18,822	\$ 19,077	\$ 15,912	\$ 16,952	\$ 58,270	\$ 70,763
Pulp and Paperboard										
Operating Income	\$ 16,194	\$ 27,754	\$ 37,446	\$ 39,467	\$ 35,163	\$ 40,032	\$ 9,956	\$ 27,581	\$ 120,861	\$ 112,732
Costs associated with labor agreement	916	-	-	-	-	-	-	-	916	-
Reorganization related expenses	-	-	239	180	-	-	-	-	419	-
Adjusted Pulp and Paperboard operating income¹	\$ 17,110	\$ 27,754	\$ 37,685	\$ 39,647	\$ 35,163	\$ 40,032	\$ 9,956	\$ 27,581	\$ 122,196	\$ 112,732
Corporate										
Operating loss	(\$13,352)	(\$12,713)	(\$12,921)	(\$13,909)	(\$15,791)	(\$18,411)	(\$17,877)	(\$17,252)	(\$52,895)	(\$69,331)
Directors' equity-based compensation (benefit) expense	(470)	(1,457)	(1,914)	(232)	726	3,610	89	354	(4,073)	4,779
Pension settlement expense	-	-	-	-	-	-	3,482	-	-	3,482
Legal expenses and settlement costs	-	-	1,972	-	-	-	-	-	1,972	-
Manchester Industries acquisition related expenses	-	-	-	-	-	-	-	2,665	-	2,665
Reorganization related expenses	-	-	452	43	-	-	-	-	495	-
Adjusted Corporate operating loss¹	(\$13,822)	(\$14,170)	(\$12,411)	(\$14,098)	(\$15,065)	(\$14,801)	(\$14,306)	(\$14,233)	(\$54,501)	(\$58,405)

¹ Adjusted operating income (loss) excludes the impact of the items listed that we do not believe are indicative of our core operating performance.

ADJUSTED NET EARNINGS & ADJUSTED NET EARNINGS PER DILUTED COMMON SHARE RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)



									Twelve Months Ended December 31,	
(Dollars in thousands - except per-share amounts)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	2015	2016
GAAP net earnings	\$ 5,757	\$ 15,597	\$ 23,064	\$ 11,565	\$ 18,446	\$ 20,864	\$ 901	\$ 9,343	\$ 55,983	\$ 49,554
Special items, after tax ¹ :										
Directors' equity-based compensation (benefit) expense	(325)	(998)	(1,307)	(155)	465	2,335	57	229	(2,785)	3,086
Costs associated with Long Island facility closure	383	504	497	299	277	345	300	297	1,683	1,219
(Gain) loss associated with the sale of the specialty mills, net	(91)	(912)	-	131	-	-	(1,129)	-	(872)	(1,129)
Discrete tax items related to foreign tax credits	-	-	-	1,309	-	-	-	-	1,309	-
Pension settlement expense	-	-	-	-	-	-	2,240	-	-	2,240
Costs associated with labor agreement	1,197	-	-	-	-	-	-	-	1,197	-
Legal expenses and settlement costs	-	-	1,346	-	-	-	-	-	1,346	-
Costs associated with announced Oklahoma City facility closure	-	-	-	-	-	-	-	1,073	-	1,073
Costs associated with Neenah paper machines shutdown	-	-	-	-	-	-	-	678	-	678
Manchester Industries acquisition related expenses	-	-	-	-	-	-	-	2,200	-	2,200
Reorganization related expenses	-	-	809	191	-	-	-	-	1,000	-
Adjusted net earnings²	\$ 6,921	\$ 14,191	\$ 24,409	\$ 13,340	\$ 19,188	\$ 23,544	\$ 2,369	\$ 13,820	\$ 58,861	\$ 58,921
Net earnings per diluted common share	\$ 0.30	\$ 0.81	\$ 1.21	\$ 0.65	\$ 1.05	\$ 1.21	\$ 0.05	\$ 0.56	\$ 2.97	\$ 2.90
Special items, after tax ¹ :										
Directors' equity-based compensation (benefit) expense	(0.02)	(0.05)	(0.07)	(0.01)	0.03	0.14	-	0.01	(0.15)	0.18
Costs associated with Long Island facility closure	0.02	0.03	0.03	0.02	0.02	0.02	0.02	0.02	0.09	0.07
(Gain) loss associated with the sale of the specialty mills, net	-	(0.05)	-	0.01	-	-	(0.07)	-	(0.05)	(0.07)
Discrete tax items related to foreign tax credits	-	-	-	0.07	-	-	-	-	0.07	-
Pension settlement expense	-	-	-	-	-	-	0.13	-	-	0.13
Costs associated with labor agreement	0.06	-	-	-	-	-	-	-	0.06	-
Legal expenses and settlement costs	-	-	0.07	-	-	-	-	-	0.07	-
Costs associated with announced Oklahoma City facility closure	-	-	-	-	-	-	-	0.06	-	0.06
Costs associated with Neenah paper machines shutdown	-	-	-	-	-	-	-	0.04	-	0.04
Manchester Industries acquisition related expenses	-	-	-	-	-	-	-	0.13	-	0.13
Reorganization related expenses	-	-	0.04	0.01	-	-	-	-	0.05	-
Adjusted net earnings per diluted common share²	\$ 0.36	\$ 0.74	\$ 1.28	\$ 0.75	\$ 1.09	\$ 1.37	\$ 0.14	\$ 0.82	\$ 3.13	\$ 3.44

¹ All non-tax items are tax effected at the expected annual rate for that period.

² Adjusted net earnings and Adjusted net earnings per diluted common share exclude the impact of the items listed that we do not believe are indicative of our core operating performance.

ADJUSTED INCOME TAX PROVISION RECONCILIATION OF NON-GAAP FINANCIAL MEASURE (UNAUDITED)



(Dollars in thousands)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Twelve Months Ended December 31,	
									2015	2016
GAAP income tax provision	(\$1,698)	(\$8,702)	(\$9,100)	(\$17,005)	(\$11,673)	(\$11,905)	(\$859)	(\$6,675)	(\$36,505)	(\$31,112)
Special items, tax impact:										
Directors' equity-based compensation benefit (expense)	145	459	607	77	(261)	(1,275)	(32)	(125)	1,288	(1,693)
Costs associated with Long Island facility closure	(171)	(231)	(231)	(147)	(155)	(188)	(166)	(163)	(780)	(672)
Gain (loss) associated with the sale of the specialty mills, net	40	419	-	(64)	-	-	626	-	395	626
Discrete tax items related to foreign tax credits	-	-	-	1,309	-	-	-	-	1,309	-
Pension settlement expense	-	-	-	-	-	-	(1,242)	-	-	(1,242)
Costs associated with labor agreement	(533)	-	-	-	-	-	-	-	(533)	-
Legal expenses and settlement costs	-	-	(626)	-	-	-	-	-	(626)	-
Costs associated with announced Oklahoma City facility closure	-	-	-	-	-	-	-	(589)	-	(589)
Costs associated with Neenah paper machines shutdown	-	-	-	-	-	-	-	(371)	-	(371)
Manchester Industries acquisition related expenses	-	-	-	-	-	-	-	(465)	-	(465)
Reorganization related expenses	-	-	(376)	(94)	-	-	-	-	(470)	-
Adjusted income tax provision ¹	(\$2,217)	(\$8,055)	(\$9,726)	(\$15,924)	(\$12,089)	(\$13,368)	(\$1,673)	(\$8,388)	(\$35,922)	(\$35,518)

¹ Adjusted income tax provision excludes the impact of the items listed that we do not believe are indicative of our core operating performance.

EBITDA & ADJUSTED EBITDA RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)



(Dollars in thousands)	Q1'14	Q2'14	Q3'14	Q4'14
Earnings before interest, income taxes, and depreciation & amortization (EBITDA)¹				
GAAP net earnings (loss)	\$ 6,226	\$ 12,453	\$ 6,253	(\$27,247)
Interest expense, net ²	10,734	10,688	33,990	8,158
Income tax provision	3,558	9,942	3,735	1,321
Depreciation and amortization expense	22,231	22,015	22,293	23,606
EBITDA¹	\$ 42,749	\$ 55,098	\$ 66,271	\$ 5,838
Directors' equity-based compensation expense (benefit)	2,817	(36)	(185)	2,010
Costs associated with Thomaston facility closure	750	374	42	91
Costs associated with Long Island facility closure	8,432	1,843	4,767	3,771
Loss associated with the sale of the specialty mills, net	-	-	1,066	39,735
Loss on impairment of Clearwater Fiber intangible asset	-	-	-	3,078
Adjusted EBITDA³	\$ 54,748	\$ 57,279	\$ 71,961	\$ 54,523

¹ EBITDA is a non-GAAP measure that management uses as a supplemental performance measure. The most directly comparable GAAP measure is net earnings (loss). EBITDA is net earnings (loss) adjusted for net interest expense (including debt retirement costs), income taxes, and depreciation and amortization. It should not be considered as an alternative to net earnings (loss) computed under GAAP.

² Interest expense, net for the third quarter of 2014 includes debt retirement costs of \$24.4 million.

³ Adjusted EBITDA excludes the impact of the items listed that we do not believe are indicative of our core operating performance.

EBITDA & ADJUSTED EBITDA RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)



(Dollars in thousands)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	Twelve Months Ended December 31,	
									2015	2016
Earnings before interest, income taxes, and depreciation & amortization (EBITDA) ¹										
GAAP net earnings	\$ 5,757	\$ 15,597	\$ 23,064	\$ 11,565	\$ 18,446	\$ 20,864	\$ 901	\$ 9,343	\$ 55,983	\$ 49,554
Interest expense, net ²	7,782	7,774	7,882	7,744	7,643	7,396	7,520	8,092	31,182	30,651
Income tax provision	1,698	8,702	9,100	17,005	11,673	11,905	859	6,675	36,505	31,112
Depreciation and amortization expense	21,008	20,632	21,204	21,888	21,150	22,024	22,747	25,169	84,732	91,090
EBITDA¹	\$ 36,245	\$ 52,705	\$ 61,250	\$ 58,202	\$ 58,912	\$ 62,189	\$ 32,027	\$ 49,279	\$ 208,402	\$ 202,407
Directors' equity-based compensation (benefit) expense	(470)	(1,457)	(1,914)	(232)	726	3,610	89	354	(4,073)	4,779
Costs associated with Long Island facility closure	554	735	728	446	432	533	466	460	2,463	1,891
(Gain) loss associated with the sale of the specialty mills, net	(131)	(1,331)	-	195	-	-	(1,755)	-	(1,267)	(1,755)
Pension settlement expense	-	-	-	-	-	-	3,482	-	-	3,482
Costs associated with labor agreement	1,730	-	-	-	-	-	-	-	1,730	-
Legal expenses and settlement costs	-	-	1,972	-	-	-	-	-	1,972	-
Costs associated with announced Oklahoma City facility closure	-	-	-	-	-	-	-	318	-	318
Costs associated with Neenah paper machines shutdown	-	-	-	-	-	-	-	1,049	-	1,049
Manchester Industries acquisition related expenses	-	-	-	-	-	-	-	2,665	-	2,665
Reorganization related expenses	-	-	1,185	285	-	-	-	-	1,470	-
Adjusted EBITDA³	\$ 37,928	\$ 50,652	\$ 63,221	\$ 58,896	\$ 60,070	\$ 66,332	\$ 34,309	\$ 54,125	\$ 210,697	\$ 214,836

¹ EBITDA is a non-GAAP measure that management uses as a supplemental performance measure. The most directly comparable GAAP measure is net earnings (loss). EBITDA is net earnings (loss) adjusted for net interest expense (including debt retirement costs), income taxes, and depreciation and amortization. It should not be considered as an alternative to net earnings (loss) computed under GAAP.

² Interest expense, net for the fourth quarter of 2016 includes debt retirement costs of \$0.4 million.

³ Adjusted EBITDA excludes the impact of the items listed that we do not believe are indicative of our core operating performance.

SEGMENT EBITDA & ADJUSTED EBITDA RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)



(Dollars in thousands)									Twelve Months Ended December 31,	
	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16	2015	2016
Consumer Products										
Operating income	\$ 12,395	\$ 17,032	\$ 15,521	\$ 10,756	\$ 18,390	\$ 18,544	\$ 17,201	\$ 13,781	\$ 55,704	\$ 67,916
Depreciation and amortization expense	12,977	13,438	14,048	14,132	13,759	14,203	15,022	16,391	54,595	59,375
Segment EBITDA¹	\$ 25,372	\$ 30,470	\$ 29,569	\$ 24,888	\$ 32,149	\$ 32,747	\$ 32,223	\$ 30,172	\$ 110,299	\$ 127,291
Costs associated with Long Island facility closure	554	735	728	446	432	533	466	460	2,463	1,891
(Gain) loss associated with the sale of the specialty mills, net	(131)	(1,331)	-	195	-	-	(1,755)	-	(1,267)	(1,755)
Costs associated with labor agreement	814	-	-	-	-	-	-	-	814	-
Costs associated with announced Oklahoma City facility closure	-	-	-	-	-	-	-	318	-	318
Costs associated with Neenah paper machines shutdown	-	-	-	-	-	-	-	1,049	-	1,049
Reorganization related expenses	-	-	494	62	-	-	-	-	556	-
Segment Adjusted EBITDA²	\$ 26,609	\$ 29,874	\$ 30,791	\$ 25,591	\$ 32,581	\$ 33,280	\$ 30,934	\$ 31,999	\$ 112,865	\$ 128,794
Pulp and Paperboard										
Operating income	\$ 16,194	\$ 27,754	\$ 37,446	\$ 39,467	\$ 35,163	\$ 40,032	\$ 9,956	\$ 27,581	\$ 120,861	\$ 112,732
Depreciation and amortization expense	7,311	6,737	6,535	6,621	6,367	6,449	6,530	7,395	27,204	26,741
Segment EBITDA¹	\$ 23,505	\$ 34,491	\$ 43,981	\$ 46,088	\$ 41,530	\$ 46,481	\$ 16,486	\$ 34,976	\$ 148,065	\$ 139,473
Costs associated with labor agreement	916	-	-	-	-	-	-	-	916	-
Reorganization related expenses	-	-	239	180	-	-	-	-	419	-
Segment Adjusted EBITDA²	\$ 24,421	\$ 34,491	\$ 44,220	\$ 46,268	\$ 41,530	\$ 46,481	\$ 16,486	\$ 34,976	\$ 149,400	\$ 139,473
Corporate										
Operating loss	(\$13,352)	(\$12,713)	(\$12,921)	(\$13,909)	(\$15,791)	(\$18,411)	(\$17,877)	(\$17,252)	(\$52,895)	(\$69,331)
Depreciation and amortization expense	720	457	621	1,135	1,024	1,372	1,195	1,383	2,933	4,974
Corporate EBITDA¹	(\$12,632)	(\$12,256)	(\$12,300)	(\$12,774)	(\$14,767)	(\$17,039)	(\$16,682)	(\$15,869)	(\$49,962)	(\$64,357)
Directors' equity-based compensation (benefit) expense	(470)	(1,457)	(1,914)	(232)	726	3,610	89	354	(4,073)	4,779
Pension settlement expense	-	-	-	-	-	-	3,482	-	-	3,482
Legal expenses and settlement costs	-	-	1,972	-	-	-	-	-	1,972	-
Manchester Industries acquisition related expenses	-	-	-	-	-	-	-	2,665	-	2,665
Reorganization related expenses	-	-	452	43	-	-	-	-	495	-
Corporate Adjusted EBITDA²	(\$13,102)	(\$13,713)	(\$11,790)	(\$12,963)	(\$14,041)	(\$13,429)	(\$13,111)	(\$12,850)	(\$51,568)	(\$53,431)

¹ Segment EBITDA is a non-GAAP measure that management uses as a supplemental performance measure. The most directly comparable GAAP measure is segment operating income (loss). Segment EBITDA is segment operating income (loss) adjusted for depreciation and amortization. It should not be considered as an alternative to segment operating income (loss) computed under GAAP.

² Segment Adjusted EBITDA excludes the impact of the items listed that we do not believe are indicative of our core operating performance.

RETURN ON INVESTED CAPITAL, TANGIBLE STOCKHOLDERS' EQUITY & EXCESS CASH RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)



(Dollars in thousands)	2011	2012	2013	2014	2015	2016
Net earnings (loss)	\$ 39,674	\$ 64,131	\$ 106,955	(\$2,315)	\$ 55,983	\$ 49,554
Interest expense, net	44,809	33,796	44,036	39,150	31,182	30,300
Net earnings before interest¹	\$ 84,483	\$ 97,927	\$ 150,991	\$ 36,835	\$ 87,165	\$ 79,854
Tangible stockholders' equity ²	\$ 205,623	\$ 263,608	\$ 334,783	\$ 263,494	\$ 245,789	\$ 185,105
Debt	513,646	515,570	640,410	568,221	568,987	704,755
Less excess cash ³	(48,440)	(17,579)	(78,675)	(62,331)	9,140	(8,001)
Invested capital	\$ 670,829	\$ 761,599	\$ 896,518	\$ 769,384	\$ 823,916	\$ 881,859
Return on Invested Capital (ROIC)	12.6%	12.9%	16.8%	4.8%	10.6%	9.1%
Stockholders' equity	\$ 484,904	\$ 540,894	\$ 605,094	\$ 497,537	\$ 474,866	\$ 469,873
Goodwill	(229,533)	(229,533)	(229,533)	(209,087)	(209,087)	(244,283)
Intangible assets, net	(49,748)	(47,753)	(40,778)	(24,956)	(19,990)	(40,485)
Tangible stockholders' equity²	\$ 205,623	\$ 263,608	\$ 334,783	\$ 263,494	\$ 245,789	\$ 185,105
Cash	\$ 8,439	\$ 12,579	\$ 23,675	\$ 27,331	\$ 5,610	\$ 23,001
Short-term investments	55,001	20,000	70,000	50,000	250	-
Operating cash ⁴	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
Excess cash³	\$ 48,440	\$ 17,579	\$ 78,675	\$ 62,331	(\$9,140)	\$8,001

¹ Non-GAAP measure.

² Tangible stockholders' equity is defined as stockholders' equity less Goodwill and Intangible assets, net.

³ Excess cash is defined as the sum of Cash and Short-term investments less Operating cash^{1,4}.

⁴ Operating cash is defined as a minimum amount of available cash deemed by management to be sufficient to avoid operating disruptions due to a mismatch of cash inflows and outflows during an accounting period.

Note: Balance sheet items are as of the end of each period presented.

RECONCILIATION OF GAAP TO NON-GAAP: STRATEGIC INVESTMENTS¹ (UNAUDITED)



FULL RUN-RATE EXPECTED ADJUSTED EBITDA² IMPACT

(Dollars in millions)	CONTINUOUS DIGESTER	WAREHOUSE AUTOMATION	OTHER PROJECTS		OPERATIONAL IMPROVEMENTS		
			PAPER MACHINE UPGRADES	CONVERTING LINE	OPERATIONAL EFFICIENCY	SALES & MARKETING EFFICIENCY	STRANDED OVERHEAD
Expected Operating income	\$22.5 - \$27.5	\$21.3 - \$26.3	\$7.1 - \$8.1	\$8.6 - \$10.6	\$20 - \$32	\$10 - \$15	\$ 7
Expected depreciation	\$ 7.5	\$ 5.7	\$ 3.9	\$ 1.4	\$ -	\$ -	\$ -
Expected EBITDA ²	\$30 - \$35	\$27 - \$32	\$11 - \$12	\$10 - \$12	\$20 - \$32	\$10 - \$15	\$ 7.0
Expected Adjusted EBITDA ²	\$30 - \$35	\$27 - \$32	\$11 - \$12	\$10 - \$12	\$20 - \$32	\$10 - \$15	\$ 7.0

2015 THROUGH Q4'16 ADJUSTED EBITDA² IMPACT

(Dollars in millions)	CONTINUOUS DIGESTER	WAREHOUSE AUTOMATION	OTHER PROJECTS	OPERATIONAL IMPROVEMENTS
Operating income	(\$ 0.1)	\$ 5.0	\$ 1.4	\$ 44.3
Depreciation	\$ 0.4	\$ 0.4	\$ 1.8	\$ -
EBITDA ²	\$ 0.3	\$ 5.4	\$ 3.2	\$ 44.3
Adjusted EBITDA ²	\$ 0.3	\$ 5.4	\$ 3.2	\$ 44.3

¹ Based on Q1'15 prices, input costs, and market and industry data. Many factors are outside the control of management, including particularly input costs for commodity products, and actual results may differ materially from the information set forth above. See "Forward-Looking Statements" on page 1.

² Non-GAAP measure – See Appendix for the definition.

RECONCILIATION OF GAAP TO NON-GAAP: STRATEGIC INVESTMENTS¹ (UNAUDITED)



Q4'16 ADJUSTED EBITDA² IMPACT

(Dollars in millions)	CONTINUOUS DIGESTER	WAREHOUSE AUTOMATION	OTHER PROJECTS	OPERATIONAL IMPROVEMENTS
Operating income	(\$ 0.2)	\$ 1.9	\$ 0.0	\$ 9.9
Depreciation	\$ 0.3	\$ 0.2	\$ 0.5	\$ -
EBITDA ²	\$ 0.1	\$ 2.1	\$ 0.5	\$ 9.9
Adjusted EBITDA ²	\$ 0.1	\$ 2.1	\$ 0.5	\$ 9.9

2016 ADJUSTED EBITDA² IMPACT

(Dollars in millions)	CONTINUOUS DIGESTER	WAREHOUSE AUTOMATION	OTHER PROJECTS	OPERATIONAL IMPROVEMENTS
Operating income	(\$ 0.1)	\$ 4.4	\$ 1.2	\$ 34.3
Depreciation	\$ 0.4	\$ 0.4	\$ 1.6	\$ -
EBITDA ²	\$ 0.3	\$ 4.8	\$ 2.8	\$ 34.3
Adjusted EBITDA ²	\$ 0.3	\$ 4.8	\$ 2.8	\$ 34.3

¹ Based on Q1'15 prices, input costs, and market and industry data. Many factors are outside the control of management, including particularly input costs for commodity products, and actual results may differ materially from the information set forth above. See "Forward-Looking Statements" on page 1.

² Non-GAAP measure – See Appendix for the definition.

DISCRETIONARY FREE CASH FLOW RECONCILIATION OF NON-GAAP FINANCIAL MEASURE (UNAUDITED)



DISCRETIONARY FREE CASH FLOW¹

(Dollars in thousands)	Twelve Months Ending December 31,	
	2015	2016
GAAP net cash provided by operating activities	\$ 159,675	\$ 172,751
Payments for maintenance capital expenditures ²	(60,418)	(59,400)
Discretionary free cash flow¹	\$ 99,257	\$ 113,351

¹ Discretionary free cash flow is defined as net cash provided by operating activities less payments for maintenance capital expenditures. Management uses free cash flow to help assess the cash generation ability of the company and funds available for investing activities, such as acquisitions, investing in the business to drive growth, and financing activities, including debt payments and share repurchases. Free cash flow does not represent cash available only for discretionary expenditures, since the Company has mandatory debt service requirements and other contractual and non-discretionary expenditures. In addition, free cash flow may not be the same as similar measures provided by other companies due to potential differences in methods of calculation and items being excluded.

² Maintenance capital expenditures consists of non-discretionary capital expenditures for purposes of replacing or maintaining current assets or that are essential in nature for health, safety or environmental purposes.

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