



## **Clearwater Paper Selects Shelby, North Carolina, for Its New Tissue Machine and Converting Facility**

SPOKANE, Wash., Jun 10, 2010 (BUSINESS WIRE) -- At a ceremony today in North Carolina, Gov. Bev Perdue announced that **Clearwater Paper Corporation (NYSE:CLW)** has chosen Shelby as the location to build its newest tissue facility. The company had previously announced the project, which includes a Through-Air-Dried (TAD) paper machine and seven converting lines capable of producing ultra grades of private label tissue products.

"Clearwater Paper's decision to locate in North Carolina is certainly great news and we welcome them to our state," said Gov. Bev Perdue. "Companies know that our state's skilled workforce, nationally recognized education programs and top-rated business climate provide the perfect formula for businesses to succeed and grow."

"After nearly a year of analysis--looking at important aspects such as current customer base and growth opportunities, logistics and transportation infrastructure, available workforce skills and abilities, tax structure, incentives and quality of life, and subject to local and state incentives being granted, Clearwater Paper has chosen Shelby to be the home of our newest tissue facility," said Gordon Jones, chairman, president and CEO of Clearwater Paper. "From the Governor to the Department of Commerce to Cleveland County's economic development team, we found North Carolina to be not only very responsive to our company's business needs, but endowed with a dedicated, positive group of people who are a pleasure to work with."

Clearwater Paper intends to move forward as soon as possible with construction of the facility, which will include a 200-inch TAD tissue machine together with a total of seven converting lines, and has estimated the project will cost \$260 to \$280 million. Over the next 12 years, state and local incentives associated with the project are expected to be worth nearly \$50 million in the aggregate.

"The Shelby facility will increase our ultra and premium offerings to our existing Southern and East Coast customers," said Bob DeVleming, vice president, consumer products division. "We believe it will also create new opportunities to expand our private label consumer tissue business to other retail grocery chains in the region, and we are very pleased with the initial work by North Carolina officials. We are ready to get started."

The company intends to break ground during the third quarter of this year. Build-out and start-up for the converting lines will come in phases, with the first two lines expected to begin production during the second half of 2011. The paper machine is expected to take two years to build from completion of engineering, and the company anticipates beginning production on the machine in the second half of 2012. At full production capacity the facility will produce approximately 10 million cases or 70,000 tons of bathroom tissue and household towels annually.

### **ABOUT CLEARWATER PAPER**

Clearwater Paper manufactures quality consumer tissue, bleached paperboard and wood products at six facilities across the country. The company is a premier supplier of private label tissue to major retail grocery chains, and also produces bleached paperboard used by quality-conscious printers and packaging converters. Clearwater Paper's 2,500 employees build shareholder value by developing strong customer partnerships through quality and service.

### **FORWARD LOOKING STATEMENT**

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 as amended, including statements regarding the company's growth strategy and expansion plans, capital costs associated with the expansion, initiation and completion of new operating facilities, tax incentives, production capacity, and customer base. 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, the company's ability to execute on its strategies; unanticipated construction and manufacturing disruptions; customers' product preferences, changes in the United States and international economies; changes in raw material and energy costs; cyclical industry conditions; loss of a large customer; competitive pricing pressure for the company's products; changes in freight costs and disruptions in transportation services; changes in general and industry-specific laws and regulations; unforeseen environmental liabilities or expenditures; labor disruptions; and other risks and uncertainties described from time to time in the company's public filings with the Securities and Exchange Commission. 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.

***For additional information on Clearwater Paper, please visit our website at [www.clearwaterpaper.com](http://www.clearwaterpaper.com).***

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