

Clearwater Paper Corporation

First Quarter 2014
Supplemental Information

Linda Massman — President, Chief Executive Officer and Director
John Hertz — Senior Vice President, Finance and Chief Financial Officer

Forward-Looking Statements

This 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 outlook for Q2 2014, production, product volumes shipped, product pricing and sales mix, pulp costs, wood fiber costs and supply, chemical costs, operational and packaging supply costs, transportation costs, energy costs including natural gas, cost and timing of major maintenance and repairs, selling, general, and administrative expenses, corporate expenses, cost reductions, segment and consolidated EBITDA margins, and our pro forma quarterly EBITDA run rate. 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:

- customer acceptance, timing and quantity of purchases of our new through-air-dried, or TAD, products;
- competitive pricing pressures for our products, including as a result of increased capacity as additional manufacturing facilities are operated by our competitors;
- difficulties with the optimization and realization of the benefits expected from our new TAD paper machine and converting lines in Shelby, North Carolina;
- the loss of or changes in prices in regards to a significant customer;
- manufacturing or operating disruptions, including equipment malfunction and damage to our manufacturing facilities caused by fire or weather-related events and IT system failures;
- changes in the cost and availability of wood fiber and wood pulp;
- changes in transportation costs and disruptions in transportation services;
- labor disruptions;
- changes in costs for and availability of packaging supplies, chemicals, energy and maintenance and repairs;
- changes in customer product preferences and competitors' product offerings;
- changes in expenses and required contributions associated with our pension plans;
- environmental liabilities or expenditures;
- changes in the U.S. and international economies and in general economic conditions in the regions and industries in which we operate;
- increased supply and pricing pressures resulting from increasing Asian paper production capabilities;
- cyclical industry conditions;
- reliance on a limited number of third-party suppliers for raw materials;
- inability to successfully implement our expansion strategies;
- inability to fund our debt obligations;
- restrictions on our business from debt covenants and terms;
- changes in laws, regulations or industry standards affecting our business; and
- our qualification to retain, or ability to utilize, tax credits associated with alternative fuels or cellulosic biofuels and the tax treatment associated with receipt of such credits.

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.

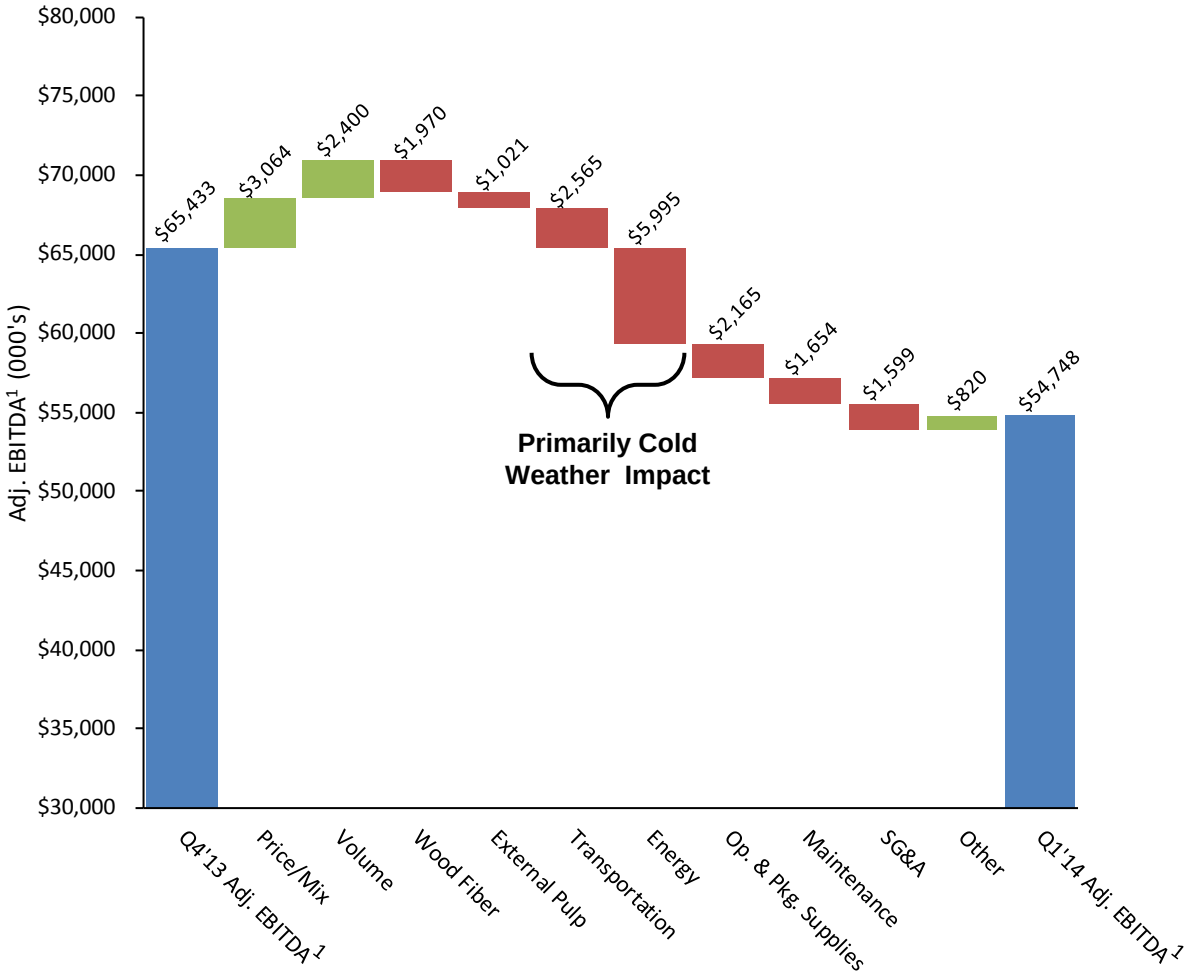
Financial Summary
(Unaudited)

(Dollars in thousands - except per-share amounts)	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Updated March '14 Outlook
Net sales	**$ 460,824**	**$ 471,002**	**$ 487,845**	**$ 470,159**	**$ 484,920**	**Flat to Q4'13**
Adjusted gross profit[1]	**$ 46,798**	**$ 57,494**	**$ 48,325**	**$ 71,819**	**$ 62,982**	
Adjusted gross profit margin[1,2]	10.2%	12.2%	9.9%	15.3%	13.0%	
Adjusted selling, general and administrative expenses[1]	**($30,660)**	**($27,908)**	**($27,405)**	**($29,074)**	**($30,465)**	
Adjusted operating income (loss)[1]	**$ 16,138**	**$ 29,586**	**$ 20,920**	**$ 42,745**	**$ 32,517**	
Consumer Products	10,307	15,828	15,162	17,479	8,659	
Pulp and Paperboard	17,553	24,772	16,289	37,167	36,776	
Corporate	(11,722)	(11,014)	(10,531)	(11,901)	(12,918)	
Adjusted operating margin[1,3]	3.5%	6.3%	4.3%	9.1%	6.7%	7%
Interest expense, net	**($10,982)**	**($11,094)**	**($10,708)**	**($11,252)**	**($10,734)**	
Adjusted income tax provision[1]	**($2,713)**	**($6,913)**	**($3,776)**	**($8,370)**	**($7,881)**	
Adjusted net earnings[1]	**$ 2,443**	**$ 11,579**	**$ 6,436**	**$ 23,123**	**$ 13,902**	
Depreciation and amortization expense	22,151	23,253	22,180	22,688	22,231	
Adjusted EBITDA[1]	**$ 38,289**	**$ 52,839**	**$ 43,100**	**$ 65,433**	**$ 54,748**	
Consumer Products	26,399	32,858	31,164	33,552	24,149	
Pulp and Paperboard	23,212	30,550	22,047	43,238	43,046	
Corporate	(11,322)	(10,569)	(10,111)	(11,357)	(12,447)	
Adjusted EBITDA margin[1,4]	**8.3%**	**11.2%**	**8.8%**	**13.9%**	**11.3%**	
Diluted adjusted net earnings per common share[1]	**$ 0.11**	**$ 0.51**	**$ 0.29**	**$ 1.09**	**$ 0.66**	
Debt to rolling four quarter total Adjusted EBITDA[1]	**2.9**	**3.1**	**3.4**	**3.3**	**3.0**	

[1] Non-GAAP measure – See definition and reconciliation to GAAP.
[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.

Q1’14 vs. Q4’13
Consolidated Adjusted EBITDA[1] Bridge

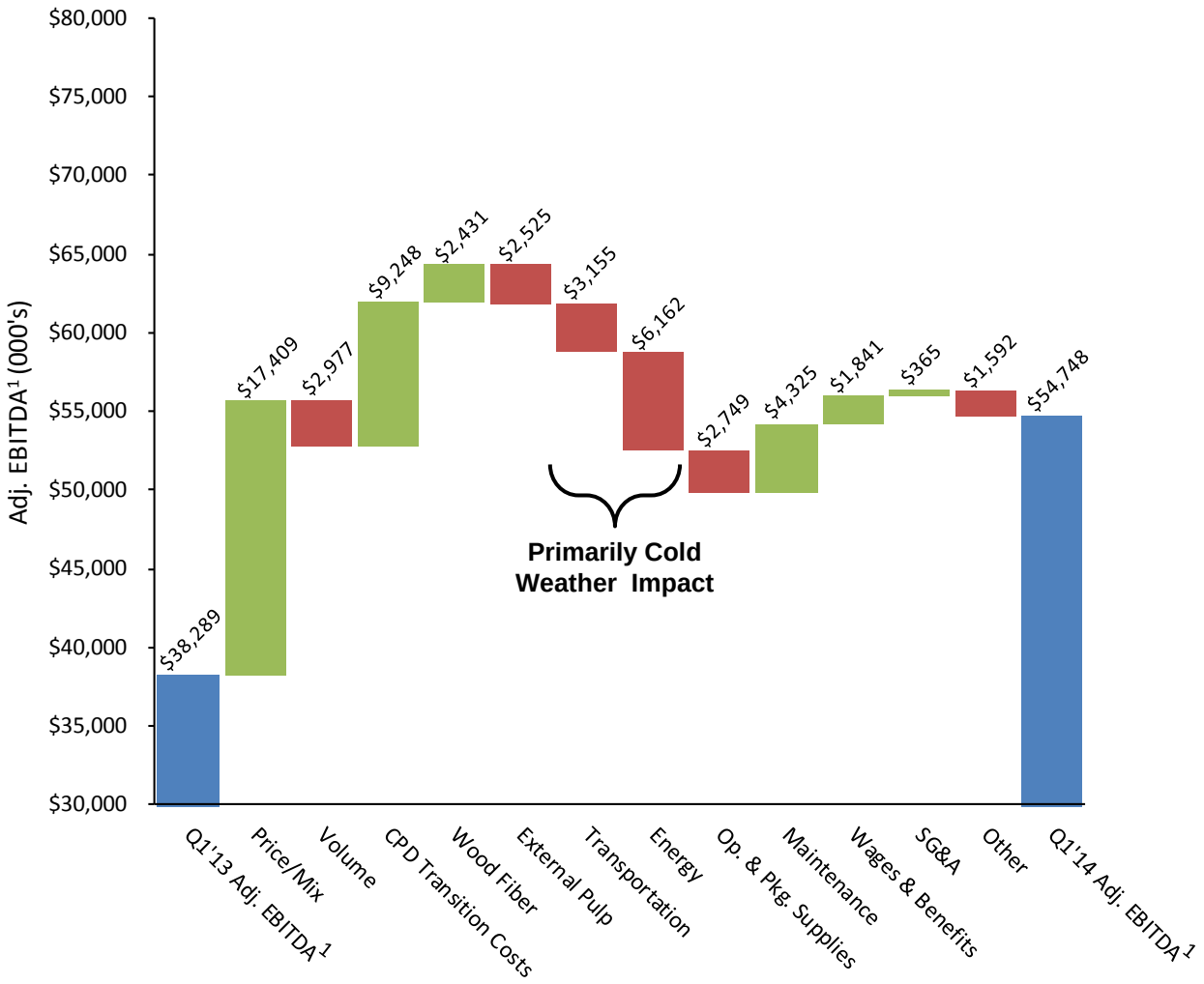
Price/Mix	Primarily due to favorable paperboard mix
Volume	Higher paperboard shipments
Wood Fiber	Slightly higher wood pricing
External Pulp	Higher pulp pricing, primarily in softwood
Transportation	Higher costs from tight carrier supply due to weather impacts
Energy	Higher electricity, natural gas pricing and increased usage - both due to cold weather in Q1’14
Operating & Packaging Supplies	Higher facial tissue mix, along with higher paper machine operating supplies costs
Maintenance	More scheduled CPD maintenance including a Neenah paper machine upgrade project
SG&A	Higher profit-dependent accruals



[1] Non-GAAP measure – See definition and reconciliation to GAAP.

Q1’14 vs. Q1’13
Consolidated Adjusted EBITDA[1] Bridge

Price/Mix	Primarily due to increased paperboard pricing and favorable mix, as well as benefits from mix towards TAD tissue
Volume	Lower conventional retail tissue tons due to less promotional activity in Q1’14, moderately offset by increased paperboard shipments and slightly higher non-retail tissue shipments
CPD Transition Costs	Normalized operations after transition in prior year
Wood Fiber	Lower wood pricing and positive impact from chipping facility
External Pulp	Higher pulp pricing for hardwood and softwood
Transportation	Higher costs from tight carrier supply due to weather impacts
Energy	Higher electricity, natural gas pricing and increased usage - both due to cold weather in Q1’14
Operating & Packaging Supplies	Higher corrugated pricing, along with higher paper machine operating supplies costs
Maintenance	Primarily due to Arkansas outage in Q1’13-none in Q1’14
Wages & Benefits	Facility closure savings, as well as favorable medical claims experience and lower pension expense



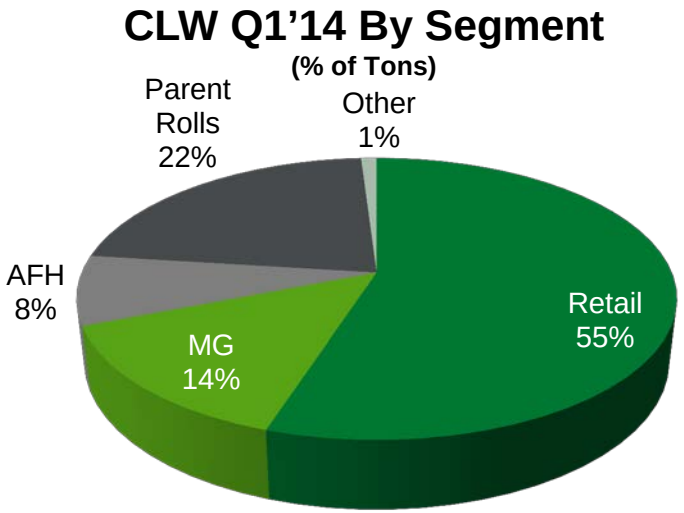
[1] Non-GAAP measure – See definition and reconciliation to GAAP.

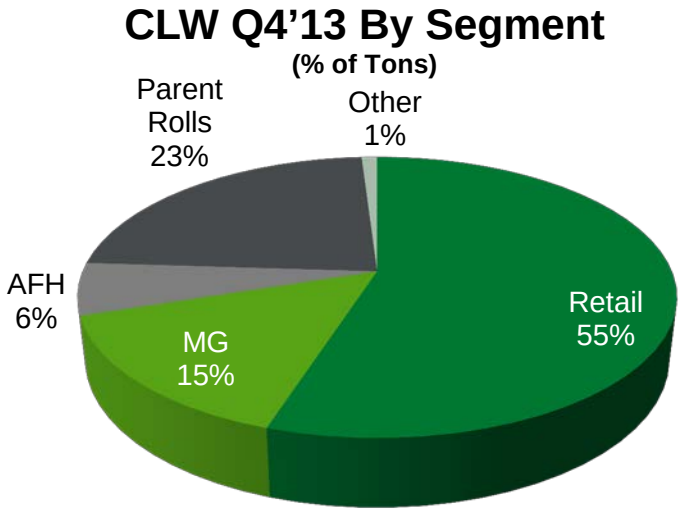
Key Segment Results – Consumer Products
(Unaudited)

	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Consumer Products Cross-Cycle Financial Model
Shipments						
Non-Retail (short tons)[1]	55,235	57,012	61,222	57,774	56,839	
Retail (short tons)	77,361	75,045	72,427	70,696	70,919	
Total Tissue Tons	**132,596**	**132,057**	**133,649**	**128,470**	**127,758**	
Converted Products (cases in thousands)[2]	13,781	14,021	13,990	13,342	13,437	
Sales Price						
Non-Retail ($/short ton)[1]	$ 1,432	$ 1,475	$ 1,504	$ 1,467	$ 1,489	
Retail ($/short ton)	2,661	2,740	2,773	2,792	2,841	
Total Tissue	**$ 2,149**	**$ 2,194**	**$ 2,192**	**$ 2,196**	**$ 2,239**	
Segment net sales ($ in thousands)	$ 284,902	$ 289,708	$ 292,935	$ 282,147	$ 286,508	
Segment Adjusted EBITDA[3] ($ in thousands)	$ 26,399	$ 32,858	$ 31,164	$ 33,552	$ 24,149	
Segment Adjusted EBITDA margin[3,4]	9.3%	11.3%	10.6%	11.9%	8.4%	17.0%

[1] Includes away-from-home (AFH), contract, machine-glazed (MG) and parent roll tissue products.
[2] Includes retail, AFH, contract and MG tissue case products.
[3] Non-GAAP measure – See definition and reconciliation to GAAP.
[4] 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



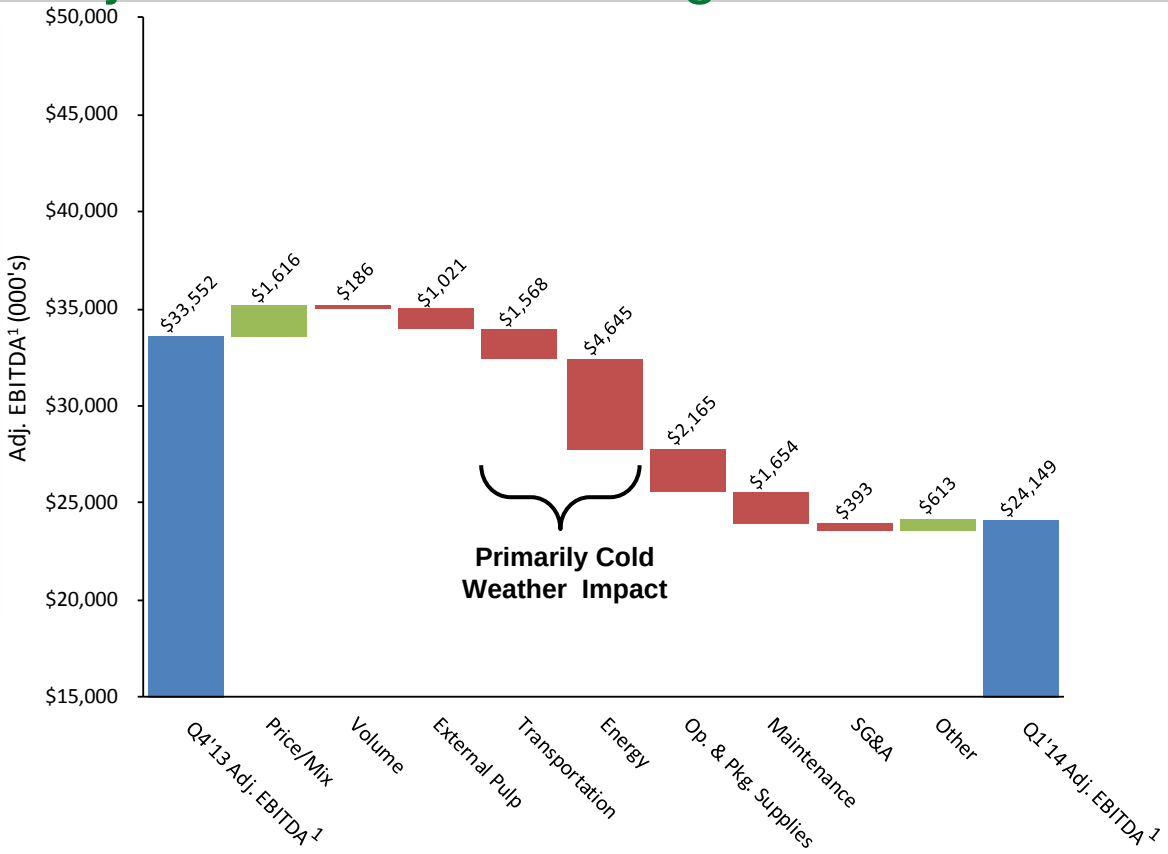


U.S. Retail Tissue Market (MultiOutlet)			
Category	Private Label	Brands	Total
Total Retail Tissue Share (Equivalent Cases)	27%	73%	100%
% Change Q1'14 vs. Q4'13	(1.3%)	0.1%	(0.3%)

Data Source: IRI Worldwide Current 13 Weeks Ending March 30, 2014.

Q1'14 vs. Q4'13
Consumer Products Adjusted EBITDA[1] Bridge

Price/Mix	Primarily higher non-retail pricing mix
Volume	Lower non-retail tons, largely offset by increased retail shipments of converted cases
External Pulp	Higher pulp pricing, primarily in softwood
Transportation	Higher costs from tight carrier supply due to weather impacts
Energy	Higher electricity, natural gas pricing and increased usage - both due to cold weather in Q1'14
Operating & Packaging Supplies	Higher facial tissue mix, along with higher paper machine operating supplies costs
Maintenance	More scheduled CPD maintenance including a Neenah paper machine upgrade project



Versus Q4'13	Shipment volumes	Price/Mix	Pulp/Wood Fiber costs	Chemical costs	Transportation costs	Energy costs	Maintenance & Repairs	SG&A
Updated March '14 Outlook	*Flat*	*0-1% Higher*	*$1M Higher*	*Stable*	*$1M Higher*	*$3M-$4M Higher*	*$1M Higher*	*$1M Higher*
Q1'14 Actual	*Flat*	*2% Higher*	*$1M Higher*	*Stable*	*$1.5M Higher*	*$4.5M Higher*	*$1.5M Higher*	*$0.5M Higher*

[1] Non-GAAP measure – See definition and reconciliation to GAAP.

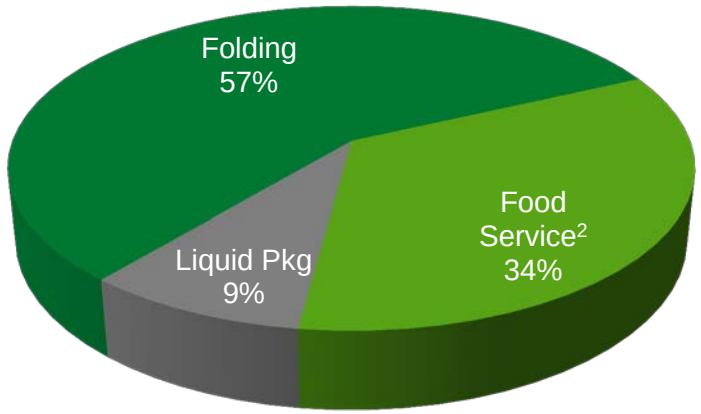
Key Segment Results – Pulp and Paperboard
(Unaudited)

	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Pulp and Paperboard Cross-Cycle Financial Model
Shipments						
Paperboard (short tons)	186,350	190,518	199,408	188,776	200,665	
Sales Price						
Paperboard ($/short ton)	$ 935	$ 946	$ 973	$ 978	$ 988	
Segment net sales ($ in thousands)	$ 175,922	$ 181,294	$ 194,910	$ 188,012	$ 198,412	
Segment Adjusted EBITDA[1] ($ in thousands)	$ 23,212	$ 30,550	$ 22,047	$ 43,238	$ 43,046	
Segment Adjusted EBITDA margin[1,2]	13.3%	17.0%	11.3%	23.0%	21.7%	19.0%

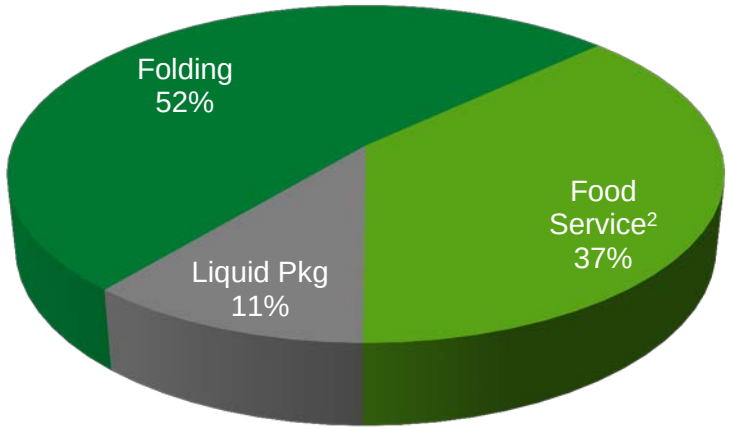
[1] Non-GAAP measure – See definition and reconciliation to GAAP.
[2] Segment Adjusted EBITDA margin is defined as Segment Adjusted EBITDA divided by Segment net sales.

Clearwater Paper Paperboard Shipments and U.S. Paperboard Market

CLW Q1'14 By Segment
(% of Tons)



CLW Q4'13 By Segment
(% of Tons)



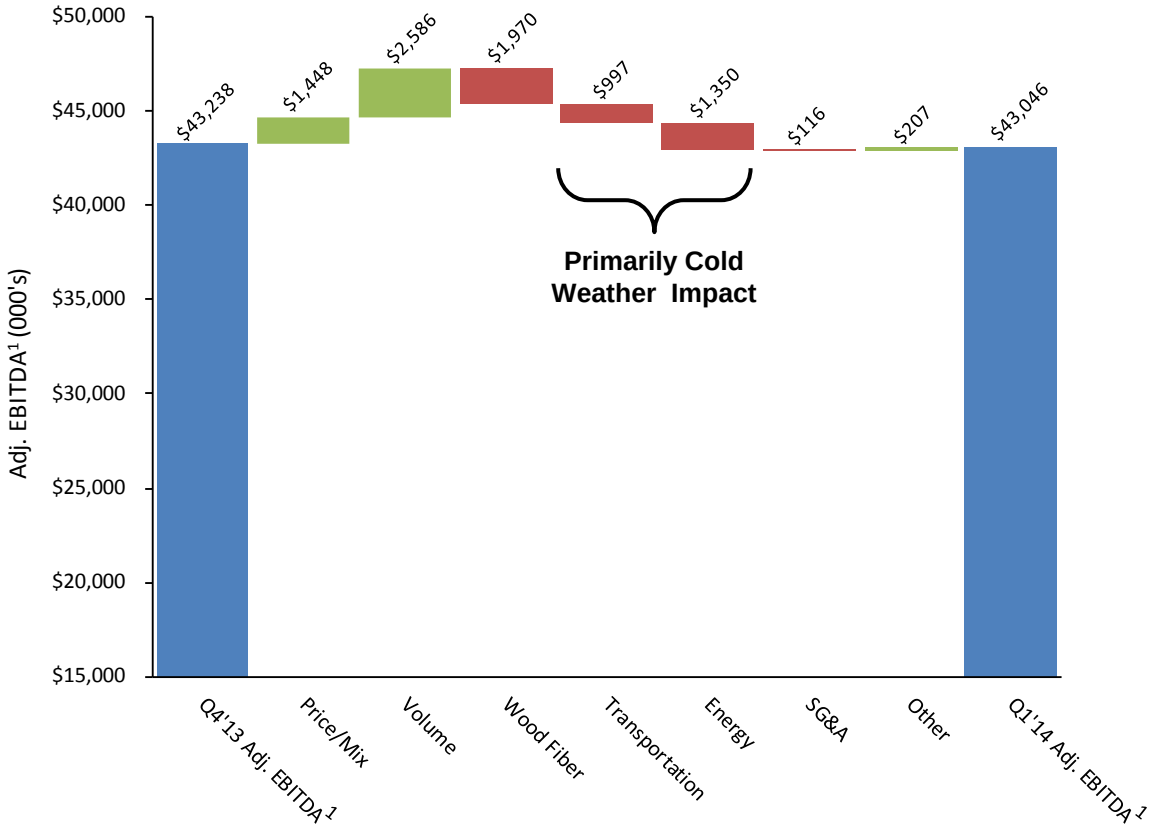
U.S. Paperboard Production		
Category	Clearwater Paper	Other
Total Domestic SBS[1] Market Share	13%	87%
Folding	18%	82%
Food Service[2]	14%	86%
Liquid Packaging	5%	95%

Data Source: American Forest and Paper Association Solid Bleached Domestic Production - Feb. YTD 2014.

[1] Solid Bleached Sulfate.
[2] Food Service includes Cup, Plate, Dish and Tray products.

Q1'14 vs. Q4'13
Pulp and Paperboard Adjusted EBITDA[1] Bridge

Price/Mix	Primarily due to favorable paperboard mix
Volume	Higher shipment tons due to strong market demand
Wood Fiber	Seasonally higher wood pricing
Transportation	Higher costs from tight carrier supply due to weather impacts
Energy	Higher natural gas pricing and increased usage - both due to cold weather in Q1'14



Versus Q4'13	Shipment volumes	Price/Mix	Pulp/Wood Fiber costs	Chemical costs	Transportation costs	Energy costs	Maintenance & Repairs	SG&A
Updated March '14 Outlook	*1% Higher*	*1% Higher*	*$1.5M-$3M Higher*	*Stable*	*$0.5M Higher*	*$2M Higher*	*Stable*	*Stable*
Q1'14 Actual	*6% Higher*	*1% Higher*	*$2M Higher*	*Stable*	*$1M Higher*	*$1.5M Higher*	*Stable*	*Stable*

[1] Non-GAAP measure – See definition and reconciliation to GAAP.

Clearwater Paper Cross-Cycle Financial Model

	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14	Clearwater Paper Cross-Cycle Financial Model
Net sales	100%	100%	100%	100%	100%	100%
Adjusted gross profit margin[1]	10.2%	12.2%	9.9%	15.3%	13.0%	17.0%
Adjusted SG&A expenses[1] % of net sales	(6.7%)	(5.9%)	(5.6%)	(6.2%)	(6.3%)	(6.0%)
Adjusted operating margin[1]	3.5%	6.3%	4.3%	9.1%	6.7%	11.0%
Adjusted net earnings[1] % of net sales	0.5%	2.5%	1.3%	4.9%	2.9%	5.0%
Adjusted EBITDA margin[1]	8.3%	11.2%	8.8%	13.9%	11.3%	15.0%

[1] Non-GAAP measure – See definition and reconciliation to GAAP.

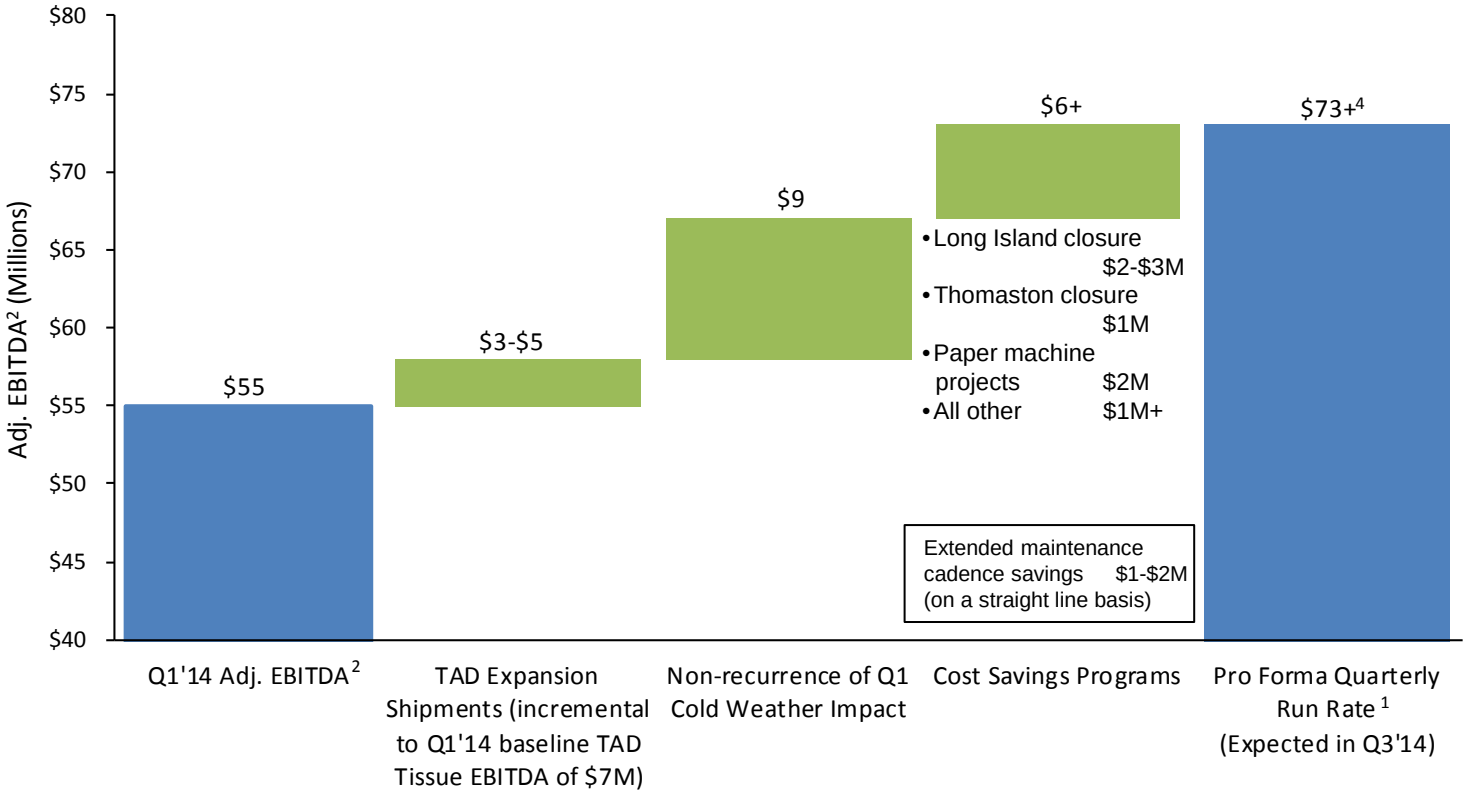
Second Quarter 2014 Outlook (Compared to Q1'14)[1]

	Consumer Products	Paperboard	Corporate
Shipment volumes	***Higher retail cases, retail tons, and non-retail tons*** ***(3-5% higher tons)*** ↑	***Seasonally higher*** ***(2-3% higher)*** ↑	
Price/Mix	***Higher TAD mix offset by lower conventional pricing*** ***Stable*** →	***Higher pricing and improved mix*** ***(1-3% higher)*** ↑	
Pulp/Wood Fiber costs	***Unit Cost: Slightly higher*** ***Volume: Up with higher shipments*** ↑	***Unit Cost: Slightly higher*** ***Volume: Up with higher shipments*** ↑	
Chemical costs	***Unit Cost: Stable*** ***Volume: Up with higher shipments*** ↗	***Unit Cost: Stable*** ***Volume: Up with higher shipments*** ↗	
Op. & Pkg. Supplies	***Unit Cost: Stable*** ***Volume: Up with higher shipments*** ↗	***Unit Cost: Stable*** ***Volume: Stable*** →	
Transportation costs	***Unit Cost: Stable*** ***Volume: Up with higher shipments*** ↗	***Unit Cost: Stable*** ***Volume: Up with higher shipments*** ↗	
Energy costs	***Unit Cost: No cold weather impact*** ***Volume: Up with higher shipments*** ↘	***Unit Cost: No cold weather impact*** ***Volume: Stable*** ↘	
Maintenance & Repairs	***Stable*** →	***Higher planned maintenance at both Idaho and Arkansas*** ↑	
SG&A	***Stable*** →	***Stable*** →	***Up due to ERP implementation*** ↗

Consolidated Outlook
Net sales: 3-5% higher
Operating margin: 6-8%

[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.

Bridge to Pro Forma $75 Million Quarterly Run Rate[1]



Price & Unit Input Costs	
Q1'14 vs. 2011 % Change[3]	
Paperboard Pricing/Mix[4]	↑ 0.3%
External Pulp	↑ 11.2%
Wood Fiber	↓ 6.6%
Natural Gas	↑ 5.6%
Chemicals	↑ 6.6%
Diesel Fuel	↑ 3.5%

TAD Expansion	Q2'14	Q3'14
Expected EBITDA Ramp	$7-$9M	$10-$12M

[1] Assumes no change in prices or input costs from Q1'14, other than those deemed by management to be included in "Cold Weather Impact." 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 definition and reconciliation to GAAP.

[3] In September 2012 we announced a $300 million adjusted EBITDA target for 2014, which was based on 2011 prices and input costs. This table shows percentage changes in certain price and input costs between 2011 and Q1'14.

[4] If recently confirmed paperboard price increases had been in effect for all of Q1'14, at volumes shipped in Q1'14 PPD would have generated approximately $6M in incremental EBITDA.

Adjusted Gross Profit & Adjusted SG&A Reconciliation of Non-GAAP Financial Measures (Unaudited)

(Dollars in thousands)	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14
Gross profit[1]	$ 46,615	$ 56,481	$ 46,608	$ 68,755	$ 58,291
Costs associated with Thomaston facility closure	183	1,013	1,717	3,064	750
Costs associated with Long Island facility closure	-	-	-	-	3,941
Adjusted gross profit[2]	**$ 46,798**	**$ 57,494**	**$ 48,325**	**$ 71,819**	**$ 62,982**
Selling, general and administrative expenses	($34,132)	($26,767)	($27,766)	($30,466)	($33,514)
Costs associated with Long Island facility closure	-	-	-	-	232
Directors' equity-based compensation expense (benefit)	3,472	(1,141)	361	1,392	2,817
Adjusted selling, general and administrative expenses[2]	**($30,660)**	**($27,908)**	**($27,405)**	**($29,074)**	**($30,465)**

[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.

Segment Adjusted Operating Income (Loss)
Reconciliation of Non-GAAP Financial Measures (Unaudited)

(Dollars in thousands)	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14
Consumer Products					
Operating income (loss)	$ 10,124	$ 14,815	$ 13,445	$ 14,415	$ (523)
Costs associated with Thomaston facility closure	183	1,013	1,717	3,064	750
Costs associated with Long Island facility closure	-	-	-	-	8,432
Adjusted Consumer Products operating income[1]	**$ 10,307**	**$ 15,828**	**$ 15,162**	**$ 17,479**	**$ 8,659**
Pulp and Paperboard					
Operating Income	$ 17,553	$ 24,772	$ 16,289	$ 37,167	$ 36,776
Adjusted Pulp and Paperboard operating income[1]	**$ 17,553**	**$ 24,772**	**$ 16,289**	**$ 37,167**	**$ 36,776**
Corporate					
Operating loss	($15,194)	($9,873)	($10,892)	($13,293)	($15,735)
Directors' equity-based compensation expense (benefit)	3,472	(1,141)	361	1,392	2,817
Adjusted Corporate operating loss[1]	**($11,722)**	**($11,014)**	**($10,531)**	**($11,901)**	**($12,918)**

[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 & Diluted Adjusted Earnings per common share Reconciliation of Non-GAAP Financial Measures (Unaudited)

(Dollars in thousands - except per-share amounts)	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14
GAAP net (loss) earnings	($882)	$11,658	$13,317	$82,862	$ 6,226
Special items, after tax:[1]					
Debt retirement costs	10,781	-	-	-	-
Directors' equity-based compensation expense (benefit)	2,194	(706)	221	976	1,802
Costs associated with Thomaston facility closure	116	627	1,052	2,149	480
Costs associated with Long Island facility closure	-	-	-	-	5,394
Discrete tax items related to release of uncertain tax positions	-	-	(4,659)	(62,798)	-
Discrete tax items related to credit conversions	(9,766)	-	-	(66)	-
Discrete tax items related to additional CBPC	-	-	(3,495)	-	-
Adjusted net earnings[2]	**$ 2,443**	**$ 11,579**	**$ 6,436**	**$ 23,123**	**$ 13,902**
Diluted net (loss) earnings per common share	**($0.04)**	**$0.52**	**$0.60**	**$3.87**	**$ 0.29**
Special items, after tax:[1]					
Debt retirement costs	0.47	-	-	-	-
Directors' equity-based compensation expense (benefit)	0.10	(0.03)	0.01	0.05	0.08
Costs associated with Thomaston facility closure	0.01	0.03	0.05	0.10	0.02
Costs associated with Long Island facility closure	-	-	-	-	0.25
Discrete tax items related to release of uncertain tax positions	-	-	(0.21)	(2.93)	-
Discrete tax items related to credit conversions	(0.43)	-	-	-	-
Discrete tax items related to additional CBPC	-	-	(0.16)	-	-
Diluted adjusted net earnings per common share[2]	**$ 0.11**	**$ 0.51**	**$ 0.29**	**$ 1.09**	**$ 0.66**

[1] All non-tax items are tax effected at the expected annual rate for that period.
[2] Adjusted net earnings and Diluted adjusted net earnings per 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)	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14
GAAP income tax benefit (provision)	$14,675	($6,962)	$5,183	$55,825	$ (3,558)
Special items, tax impact:					
Debt retirement costs	(6,277)	-	-	-	-
Directors' equity-based compensation (expense) benefit	(1,278)	435	(140)	(416)	(1,015)
Costs associated with Thomaston facility closure	(67)	(386)	(665)	(915)	(270)
Costs associated with Long Island facility closure	-	-	-	-	(3,038)
Discrete tax items related to release of uncertain tax positions	-	-	(4,659)	(62,798)	-
Discrete tax items related to credit conversions	(9,766)	-	-	(66)	-
Discrete tax items related to additional CBPC	-	-	(3,495)	-	-
Adjusted income tax provision[1]	**($2,713)**	**($6,913)**	**($3,776)**	**($8,370)**	**$ (7,881)**

[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)	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14
Earnings before interest, income taxes, and depreciation & amortization (EBITDA)[1]					
GAAP net (loss) earnings	($882)	$ 11,658	$ 13,317	$ 82,862	$ 6,226
Interest expense, net[2]	28,040	11,094	10,708	11,252	10,734
Income tax (benefit) provision	(14,675)	6,962	(5,183)	(55,825)	3,558
Depreciation and amortization expense	22,151	23,253	22,180	22,688	22,231
EBITDA	**$ 34,634**	**$ 52,967**	**$ 41,022**	**$ 60,977**	**$ 42,749**
Directors' equity-based compensation expense (benefit)	3,472	(1,141)	361	1,392	2,817
Costs associated with Thomaston facility closure	183	1,013	1,717	3,064	750
Costs associated with Long Island facility closure	-	-	-	-	8,432
Adjusted EBITDA[3]	**$ 38,289**	**$ 52,839**	**$ 43,100**	**$ 65,433**	**$ 54,748**

[1] EBITDA is a non-GAAP measure that management uses as a supplemental performance measure. The most directly comparable GAAP measure is net earnings. 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.
[2] Interest expense, net for first quarter 2013 includes debt retirement costs of $17.1 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)	Q1'13	Q2'13	Q3'13	Q4'13	Q1'14
Consumer Products					
Operating income (loss)	$ 10,124	$ 14,815	$ 13,445	$ 14,415	$ (523)
Depreciation and amortization expense	16,092	17,030	16,002	16,073	15,490
Segment EBITDA[1]	**$ 26,216**	**$ 31,845**	**$ 29,447**	**$ 30,488**	**$ 14,967**
Costs associated with Thomaston facility closure	183	1,013	1,717	3,064	750
Costs associated with Long Island facility closure	-	-	-	-	8,432
Segment Adjusted EBITDA[2]	**$ 26,399**	**$ 32,858**	**$ 31,164**	**$ 33,552**	**$ 24,149**
Pulp and Paperboard					
Operating income	$ 17,553	$ 24,772	$ 16,289	$ 37,167	$ 36,776
Depreciation and amortization expense	5,659	5,778	5,758	6,071	6,270
Segment EBITDA[1]	**$ 23,212**	**$ 30,550**	**$ 22,047**	**$ 43,238**	**$ 43,046**
Segment Adjusted EBITDA[2]	**$ 23,212**	**$ 30,550**	**$ 22,047**	**$ 43,238**	**$ 43,046**
Corporate					
Operating loss	($15,194)	($9,873)	($10,892)	($13,293)	($15,735)
Depreciation and amortization expense	400	445	420	544	471
Segment EBITDA[1]	**($14,794)**	**($9,428)**	**($10,472)**	**($12,749)**	**($15,264)**
Directors' equity-based compensation expense (benefit)	3,472	(1,141)	361	1,392	2,817
Segment Adjusted EBITDA[2]	**($11,322)**	**($10,569)**	**($10,111)**	**($11,357)**	**($12,447)**

[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.



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