CLEARWATER PAPER CORPORATION

MAY 2016

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, private label tissue market share growth, North American tissue demand and capacity, U.S. paperboard demand, effects of strong U.S. dollar, Chinese paperboard competition, business strategies, adjusted EBITDA margins and model, goals and measures to achieve margin model, timing and benefits associated with strategic capital investments and operational improvements, Adjusted EBITDA run-rate, outlook for Q2 2016, product volumes shipped, product pricing and sales mix, pulp and wood fiber costs and supply, chemical costs, operational and packaging supply costs, transportation costs, energy costs, cost and timing of major maintenance and repairs, cost of wages and benefits, selling, general, and administrative expenses, corporate expenses, and estimated Q2 2016 adjusted EBITDA. Words such as “anticipate,” “expect,” “intend,” “will,” “plan,” “goals,” “objectives,” “target,” “project,” “believe,” “schedule,” “estimate,” “may,” and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are based on management’s updated 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:

- competitive pricing pressures for our products, including as a result of increased capacity as additional manufacturing facilities are operated by our competitors in North America and abroad;
- changes in the U.S. and international economies and in general economic conditions in the regions and industries in which we operate;
- changes in customer product preferences and competitors' product offerings;
- the loss of or changes in prices in regards to a significant customer;
- cyclical industry conditions;
- changes in the cost and availability of wood fiber and wood pulp;
- inability to successfully implement our operational efficiencies and expansion strategies;
- changes in transportation costs and disruptions in transportation services;
- customer acceptance in North America and abroad, timing and quantity of purchases of our tissue products;
- changes in costs for and availability of packaging supplies, chemicals, energy and maintenance and repairs;
- environmental liabilities or expenditures;
- labor disruptions;
- manufacturing or operating disruptions, including IT system and IT system implementation failures, equipment malfunction and damage to our manufacturing facilities;
- changes in expenses and required contributions associated with our pension plans;
- reliance on a limited number of third-party suppliers for raw materials;
- inability to fund 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.





OVERVIEW OF CLEARWATER PAPER

INTRODUCTION TO CLEARWATER PAPER

WE ARE A COMPANY FORMED IN LATE 2008 WITH MORE THAN **60 YEARS OF OPERATING HISTORY**

WE OPERATE **TWO BUSINESS SEGMENTS**

- Pulp and paperboard: 45% of 2015 net sales
- Consumer products: 55% of 2015 net sales

FINANCIAL OVERVIEW FOR 2015

- Net Sales: $1.8 Billion
- Adjusted EBITDA[1]: $211 Million
- 2008 to 2015 Adjusted EBITDA[1] CAGR: 16%

APPROXIMATELY **3,300 EMPLOYEES**

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

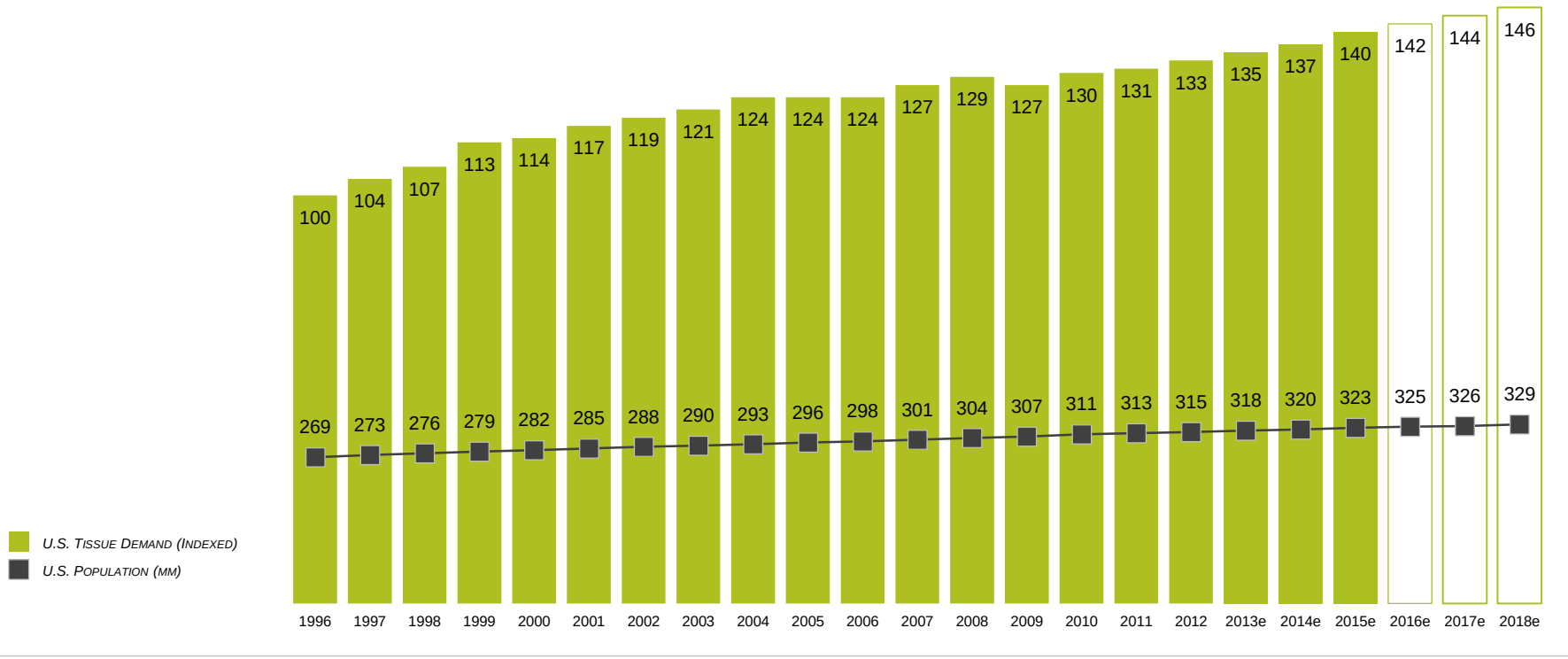
CONSUMER PRODUCTS DIVISION OVERVIEW

Clearwater Paper is one of the **LARGEST NORTH AMERICAN MANUFACTURERS OF PRIVATE LABEL TISSUE**, focused on high value tissue products across all categories, retail channels and geographies.



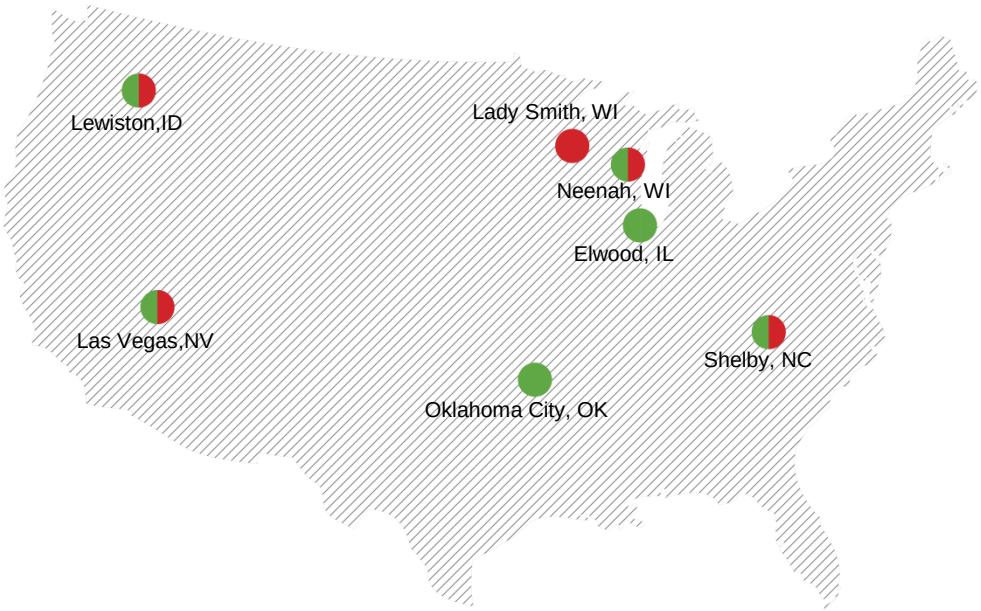
CONSUMER PRODUCTS DIVISION MARKET DRIVERS

STABLE GROWTH – The tissue market has grown an average of **1% – 2%** annually since 1996, consistent with **population growth**.



Source: RISI estimates as of December 2015, U.S. Population per U.S. Census December 2012 and latest U.S. Census estimates

CONSUMER PRODUCTS DIVISION CAPACITY AND RETAIL CHANNELS



OVERVIEW OF FACILITIES

Tissue Production Capacity[1]: 438,000 tons
Tissue Conversion Capacity[1]: 435,000 tons

- Clearwater Paper Tissue Parent Roll
- Clearwater Paper Tissue Converting

Change in Industry Retail Channel Mix

U.S. TISSUE INDUSTRY RETAIL CHANNEL MIX[2]	2009	2015
Grocery	37%	32%
Mass+ Supercenter	28%	29%
Club	22%	23%
Drug	7%	4%
Dollar	3%	4%
All Other	3%	8%

Clearwater Paper Focus on Diversifying Channel Mix

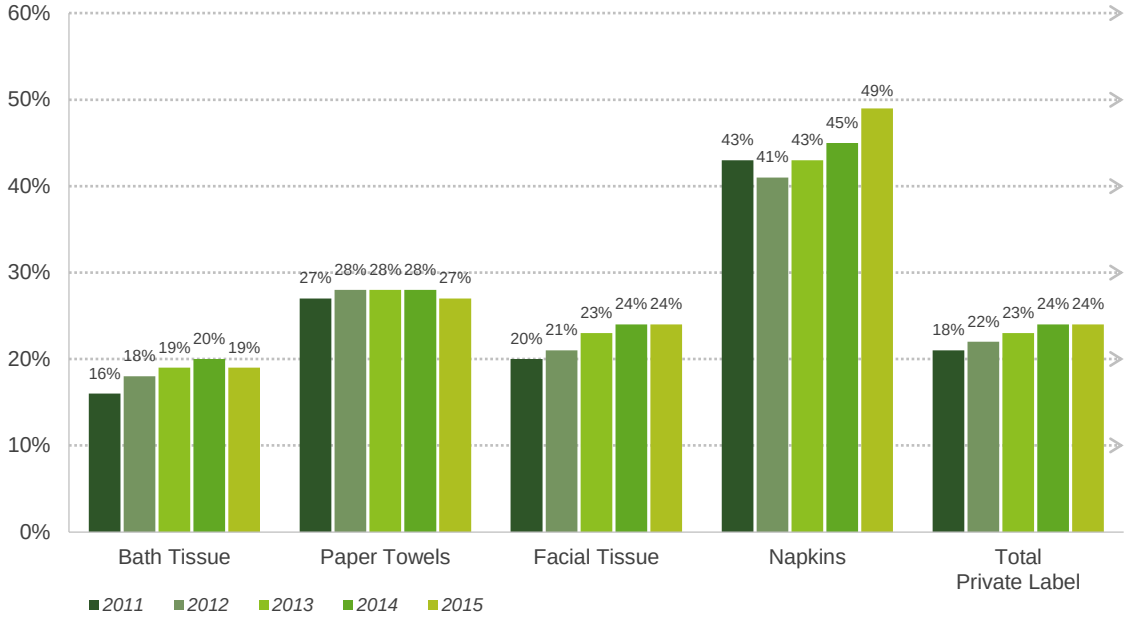
CLEARWATER PAPER RETAIL CHANNEL MIX[3]	2011	2015
Grocery	82%	69%
Mass+ Supercenter	10%	20%
Drug	2%	2%
Dollar	6%	9%

[1] Represents 2015 annual volumes.
[2] IRI Panel data for Retail channel share by dollar amount sold through week ending Jan. 3, 2016.
[3] Company sales data.

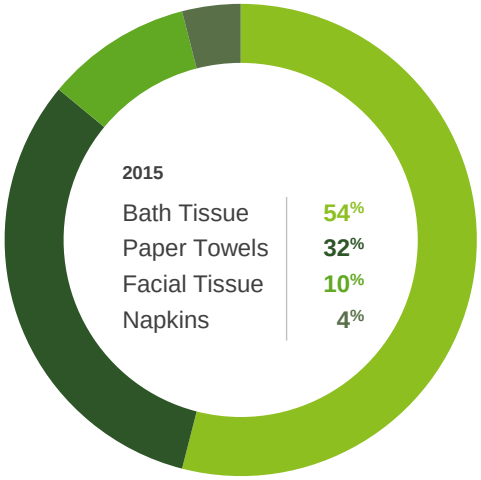
PRIVATE LABEL CONTINUES TO CAPTURE MARKET SHARE IN TISSUE

Clearwater Paper ranks as one of the **LARGEST NORTH AMERICAN** PRIVATE LABEL TISSUE MANUFACTURERS

Private Label Market Share of Total U.S. ($)

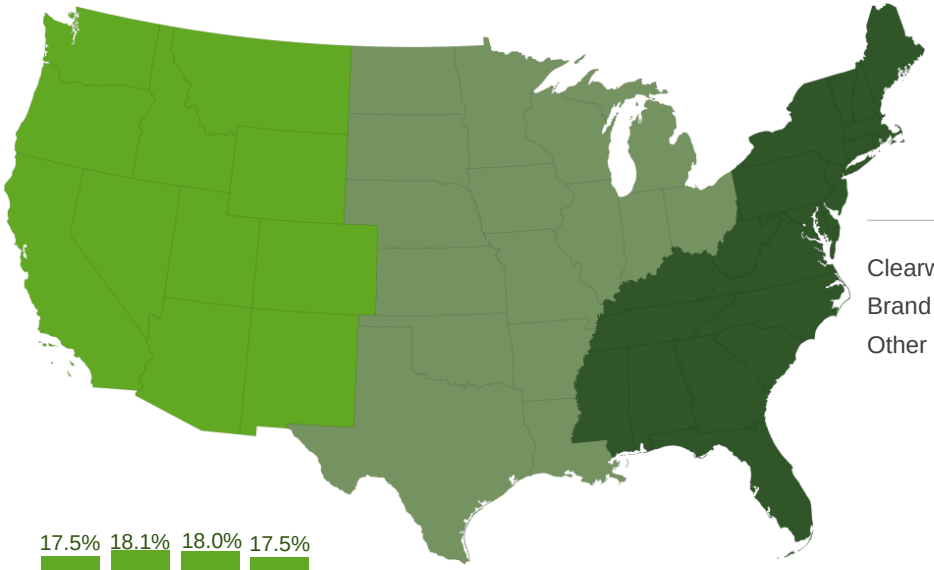


2015 U.S. Retail Tissue Industry Product Mix



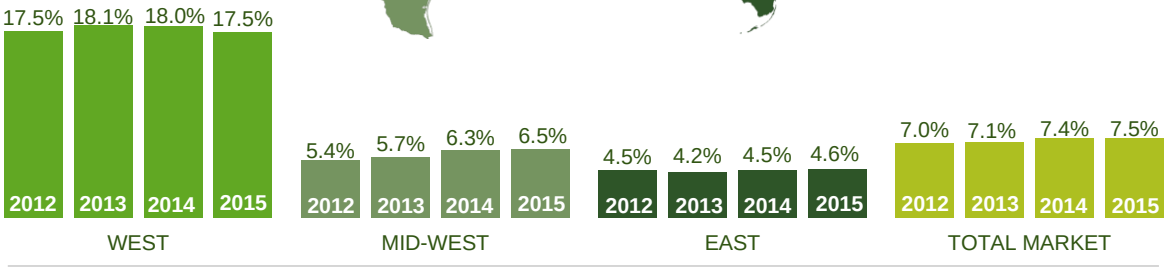
Source: IRI Worldwide through week ending January 3, 2016

OPPORTUNITY FOR PRIVATE LABEL AND CLEARWATER PAPER TO GROW MARKET SHARE NATIONALLY



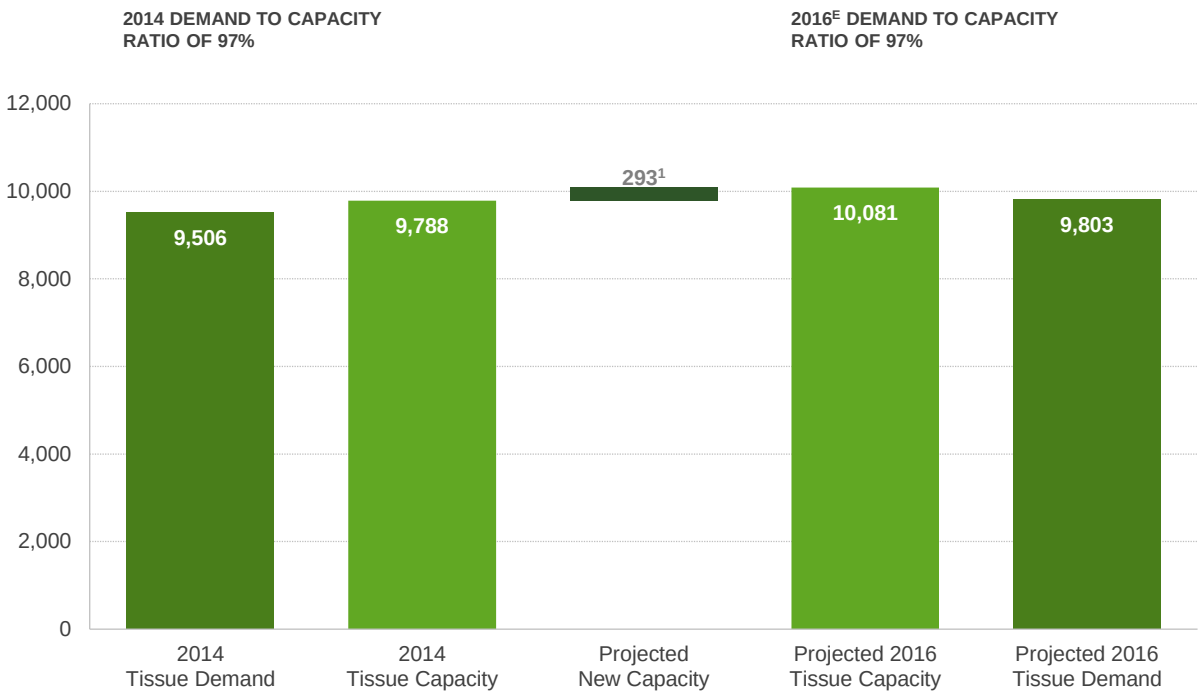
	WEST	MID-WEST	EAST
Clearwater Paper	17.5%	6.5%	4.6%
Brand Names	72.8%	76.5%	76.9%
Other Private Label	9.7%	17.0%	18.5%

Clearwater Paper Market Share by Region ($)[1]



[1] Market share for 2014-2015 was calculated using IRI Worldwide through January 2016 and a national retailer database. The 2012-2013 market share was calculated using IRI Worldwide through January 2016, a national retailer database, and company sales data.

NORTH AMERICAN MARKET DEMAND VS. CAPACITY



Longer Term Market Expected to Remain in Equilibrium

Source: RISI May 2015 update for Outlook for World Tissue Business and company estimates, RISI April 2016 US Tissue Monthly Data

[1] It is assumed that any productivity improvements (approximately 100k per year or 1% of capacity) will be offset by closures over a cycle.

Notes: Projected capacity changes represents both virgin and recycled tissue capacity changes. Please see Appendix for breakdown of specific projects reflected in the capacity changes.

PAPERBOARD DIVISION OVERVIEW

LEADING MANUFACTURER OF SBS[1] used in packaging of premium consumer goods, pharmaceuticals, food and liquid, and food service plates, cups and folding cartons.

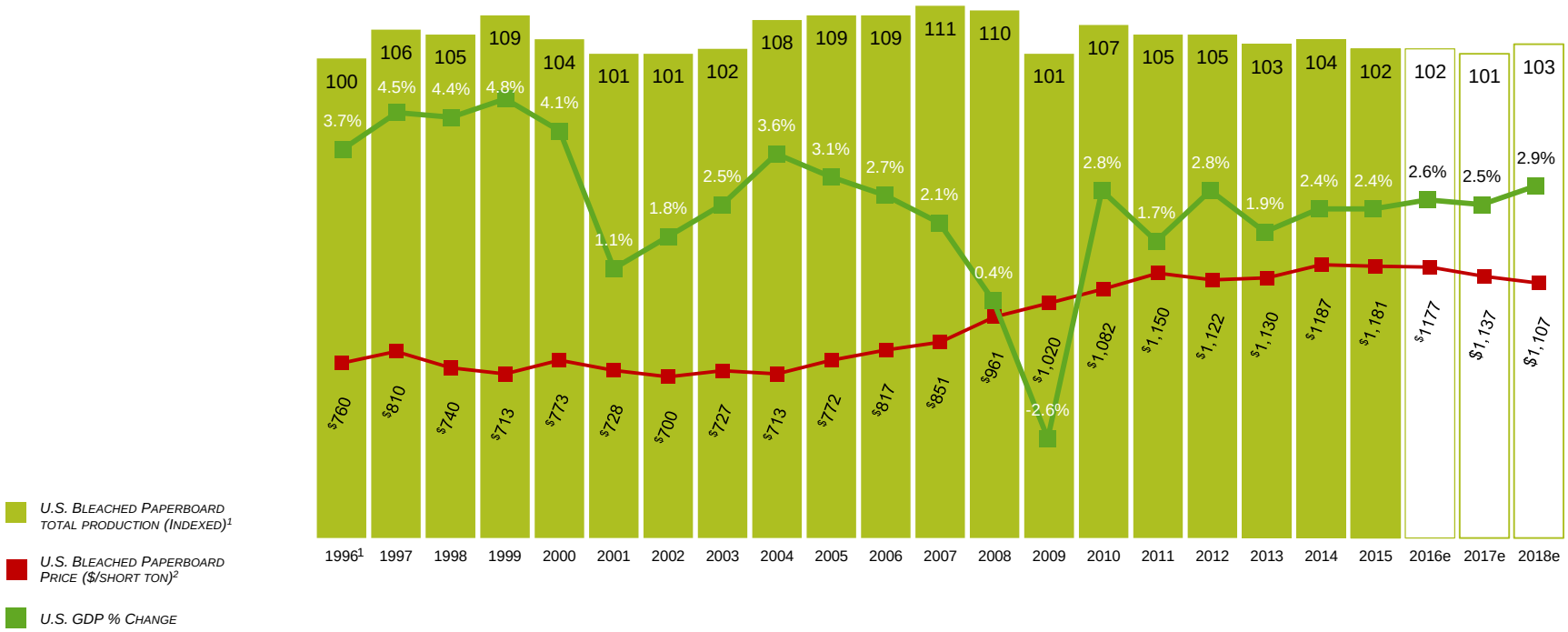


[1] Solid Bleach Sulfate paperboard

PAPERBOARD DEMAND EXPECTED TO REMAIN STABLE

DEMAND FOR SBS PRODUCED IN THE UNITED STATES EXPECTED TO REMAIN STABLE THROUGH 2018

- North American industry backlogs are below seasonal averages
- The strong U.S. dollar is attracting European SBS manufacturers, pressuring U.S. exports
- China's ivory board is expected to have minimal impact on Clearwater Paper in 2016
- Secular trend away from foam (polystyrene) cups and products continues



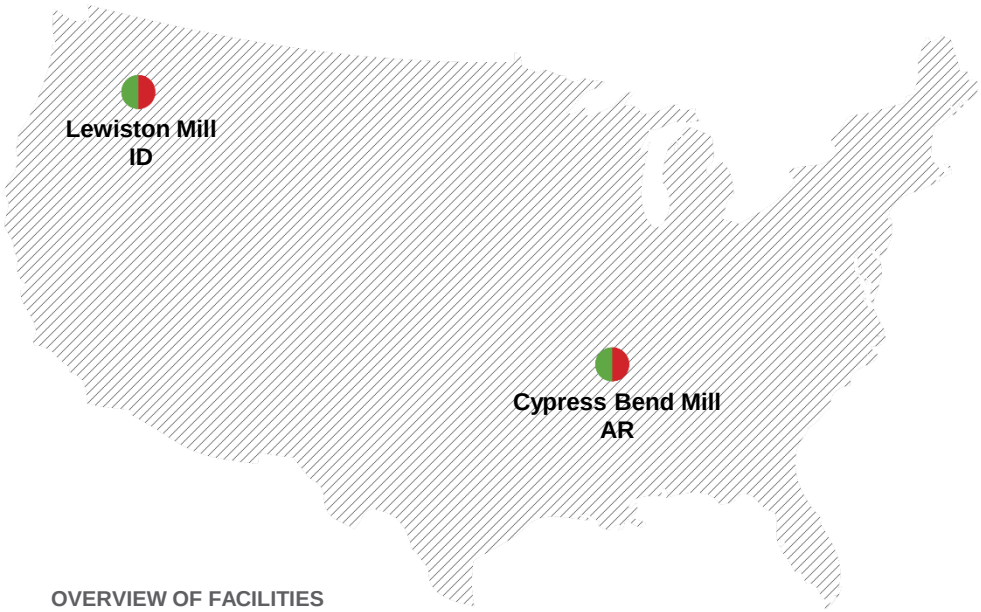
Source: RISI estimates as of December 2015

[1] Actual and estimated production was obtained from RISI – Total tons bleached paperboard produced in US

[2] Average price per short ton of 16 pt. SBS folding carton C1S. Price estimates per RISI.

PULP AND PAPERBOARD DIVISION CAPACITY AND MARKETS

Clearwater Paper ranks as one of the **top five** largest paperboard manufacturers in North America



OVERVIEW OF FACILITIES

Pulp Production Capacity[1]: 856,000 tons

Paperboard Production Capacity[1]: 818,000 tons

- Clearwater Paper Pulp
- Clearwater Paper SBS

2015 North American Bleached Paperboard Production by Type[2]

	2015
Folding	37%
Liquid Packaging	23%
Cup	16%
Plate, Dish, & Tray	14%
Coated Bristols	7%
All Other	3%

2015 North American Bleached Paperboard Market Share[3]

	2015
WestRock	30%
International Paper	25%
Georgia Pacific	14%
Evergreen	12%
Clearwater Paper	11%
Weyerhauser	5%
Tembec Paperboard	3%

Source: Company estimates, RISI, AF&PA
[1]Represents 2015 annual volumes. [2]Represents ~5.3 million tons.
[3]Based on RISI capacity data

OUR MACRO STRATEGY TO CREATE SHAREHOLDER VALUE



GROW OUR TISSUE BUSINESS

> Lead private label in quality
> Expand geographically
> Diversify retail channel penetration

OPTIMIZE PROFITABILITY OF PAPERBOARD AND TISSUE BUSINESSES

> Improve sales mix
> Reduce costs
> Continue to improve quality

SUCCESSFUL EXECUTION OF PREVIOUSLY STATED GOALS

GOAL	TIMEFRAME	STATUS	
ASSET RATIONALIZATION/ COST INFRASTRUCTURE	ongoing	✓	• Established cross divisional supply chain function to drive out costs system wide • Certified 41 Green Belts, added 3 Black Belts and completed 1,600 continuous improvement projects • Higher availability of internal pulp • Consolidated management of CPD and PPD under one group president and established cross-divisional management for sales and manufacturing
OPTIMIZE THE PAPERBOARD BUSINESS	ongoing	✓	• Achieved our target model Segment Adjustment EBITDA margin[2] of 19% despite $22M of major maintenance • Record 2015 shipments of 797K tons • Initiated $160M project to build new continuous pulp digester
MAINTAIN A PRUDENT CAPITAL STRUCTURE TO LOWER WEIGHTED AVERAGE COST OF CAPITAL	ongoing	✓	• Conservative capital structure with target leverage through the cycle of 3x Adjusted EBITDA and ample liquidity • Refinanced bonds and reduced long-term debt interest rate to 5% from 8.6% with maturities out to 2023 and 2025 • Standard and Poor's raised debt rating to BB+ in February of 2016
RETURN OF CAPITAL TO SHAREHOLDERS	ongoing	✓	• Announced new $100 million share repurchase program in December 2015 • Returned $330 million in capital to shareholders from 2011-2015 through share repurchases • Reduced shares outstanding by 28% or 6.4 million shares through 2015
$285-$335 MILLION ADJUSTED EBITDA[1]	ongoing	◐	• Reduced SKU's by 27% in our retail tissue business • 200 basis point improvement in consumer products adjusted EBITDA margin • Improved logistics planning and reduced freight miles to customers

[1] Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.
[2] Segment Adjusted EBITDA margin is defined as Segment Adjusted EBITDA[3] divided by Segment net sales.
[3] Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

CLEARWATER PAPER
CROSS CYCLE FINANCIAL MODEL



		2015 RESULTS	Q1'16 RESULTS
NET SALES[1]	100%	100%	100%
ADJUSTED GROSS PROFIT % OF NET SALES[2]	17.0%	13.9%	15.8%
ADJUSTED SG&A % OF NET SALES[2]	(6.0%)	(6.7%)	(6.9%)
ADJUSTED OPERATING PROFIT % OF NET SALES[2]	11.0%	7.2%	8.9%
ADJUSTED NET EARNINGS % OF NET SALES[2]	5.0%	3.4%	4.4%
ADJUSTED EBITDA % OF NET SALES[2]	15.0%	12.0%	13.7%

[1] Net sales for the year ended December 31, 2015 were $1,752.4 million. Net sales for the first quarter ended March 31, 2016 were $437.2 million.
[2] Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

PATH TO 15% ADJUSTED EBITDA CROSS CYCLE TARGET MARGIN[1]

GOAL	**IMPROVE OUR MANUFACTURING COST STRUCTURE**	**2016 FOCUS** • Pulp optimization at mills • Startup of new swing-line in Las Vegas • Standardize the back end of our converting lines
GOAL	**ACHIEVE SUPPLY CHAIN EFFICIENCIES**	**2016 FOCUS** • Reduce supply chain costs through further improvements in logistics optimization • Launch warehouse automation project at Shelby, Las Vegas and Lewiston facilities • Improve production scheduling process and inventory management
GOAL	**INCREASE OUR SALES EFFECTIVENESS**	**2016 FOCUS** • Grow cup stock and folding carton market shares • Maintain high service levels to support expansion with key strategic customers • Growth of high margin consumer products
GOAL	**STRENGTHEN OUR CONTINUOUS IMPROVEMENT CULTURE**	**2016 FOCUS** • Implement Black/Green belt training projects through Total Productive Maintenance (TPM) • Conduct loss analysis audits by mill
GOAL	**IMPLEMENT THE RIGHT PROCESSES, TOOLS, SYSTEMS**	**2016 FOCUS** • Optimize and develop Supply Chain planning tools for efficiencies • Leverage new business intelligence and reporting tools • TM1 (financial forecasting)

[1] Non-GAAP measure – See Appendix for the definition.

STRATEGIC INVESTMENTS EXPECTED TO ACHIEVE ADJUSTED EBITDA MARGIN TARGET

- High return/low risk investments
- Expected to permanently reduce cost structure
- Expected Adjusted EBITDA improvement of $115 to $145 million in 2-3 years[1, 3]
- Funding in Year 1 from sale proceeds of specialty mills

(MILLIONS $) STRATEGIC INVESTMENTS[2]	2015 CAPEX	2016 CAPEX	2017-2018 CAPEX	FULL RUN-RATE EXPECTED[1] ADJUSTED EBITDA IMPACT
Pulp Optimization	$29	$61	$58-$68	$30-$35
Warehouse Automation	$12	$16	$12-$14	$27-$32
Paper Machine and Converting Line Upgrades	$13	$13		$11-$12
Converting Lines	$12	$3		$10-$12
IT	$6	$2		
TOTAL STRATEGIC CAPEX	$72	$95	$70-$82	
PLUS BENEFITS FROM:				
Operational Efficiency				$20-$32
Sales & Marketing Efficiency				$10-$15
Stranded Overhead				$7
TOTAL				$115-$145

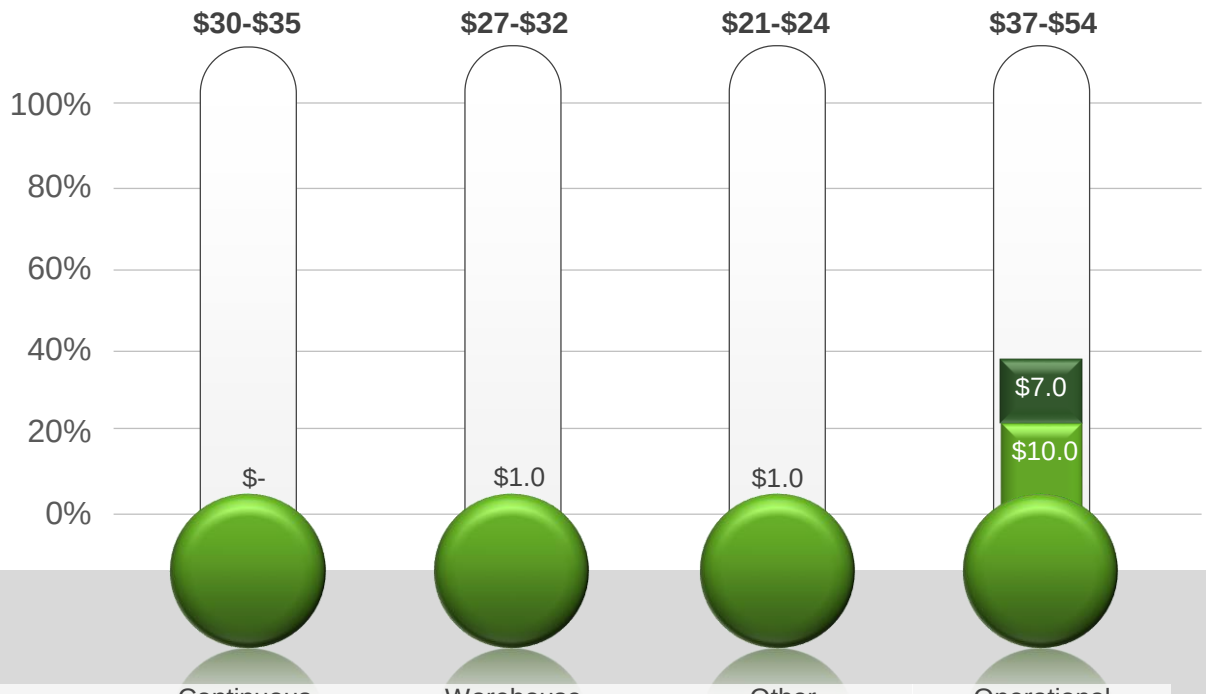
Invest to improve operating efficiency and profitability

[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 2.
[3] Improvements expected to contribute in 2016 through 2018 after the first year of investment in 2015.

STRATEGIC INVESTMENT AND OPERATIONAL IMPROVEMENT SCORECARD AS OF Q1'16

- Strategic plan announced in Q1'15, expected capex of $237-$249 million
- Expected to yield a $115-$145 million Adjusted EBITDA[1] increase by 2018
- In addition, assume an annual $10-$15 million of margin pressure

FULL RUN-RATE EXPECTED ADJUSTED EBITDA[1] IMPACT (MILLIONS $)

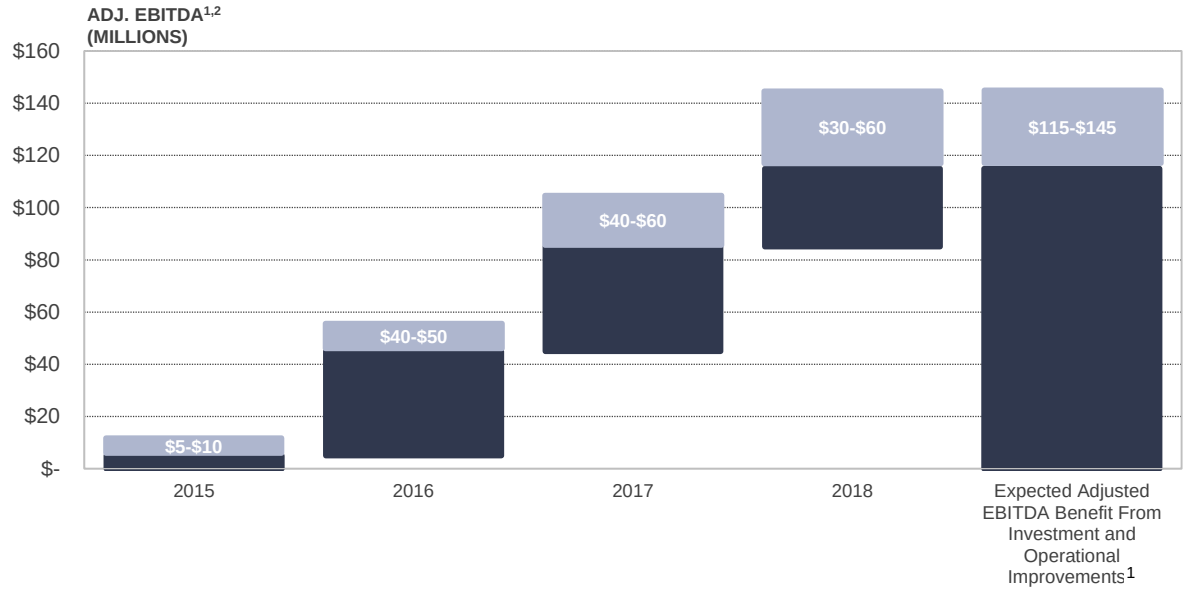


	Continuous Digester[3]	Warehouse Automation[4]	Other Projects[5]	Operational Improvements
TOTAL STRATEGIC CAPEX[2]	$148-$158	$40-$42	$49	$0

2015 ADJUSTED EBITDA[1] ACHIEVED Q1'16 ADJUSTED EBITDA[1] 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.
[4] 2015 and Q1'16 Adjusted EBITDA contributions were $.6M and $.4M, respectively.
[5] 2015 and Q1'16 Adjusted EBITDA contributions were $.4M and $.6M, respectively.

EXPECTED ADJUSTED EBITDA FROM STRATEGIC INVESTMENTS AND OPERATIONAL IMPROVEMENTS[1, 2]



- Expected to yield a $115-$145 million Adjusted EBITDA increase over the $230M reset run rate[1]
- In addition, assume an annual $10-15 million of margin pressure
- Implies $285-$335 million Adjusted EBITDA run rate in 2018[1]

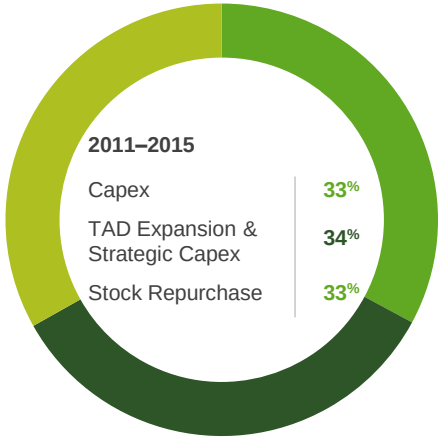
[1] Based on Q1'15 prices, input costs, and market and industry data. Many factors are outside the control of management, including particularly input costs for commodity products, and actual results may differ materially from the information set forth above. See "Forward-Looking Statements" on page 2.
[2] Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

CLEARWATER PAPER'S VALUE PROPOSITION

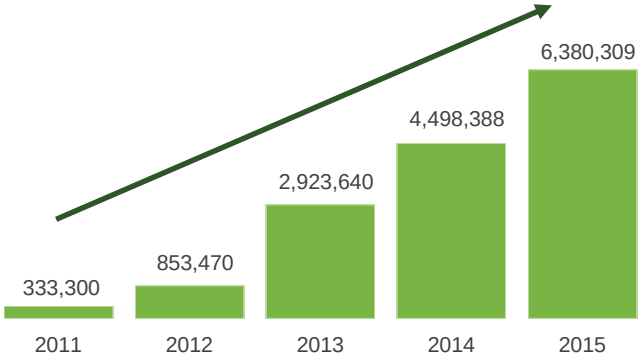
BALANCED CAPITAL ALLOCATION 2011-2015

- Repurchased 28% of total shares outstanding from 2011 through 2015
- Continued investment in the business while returning capital to investors

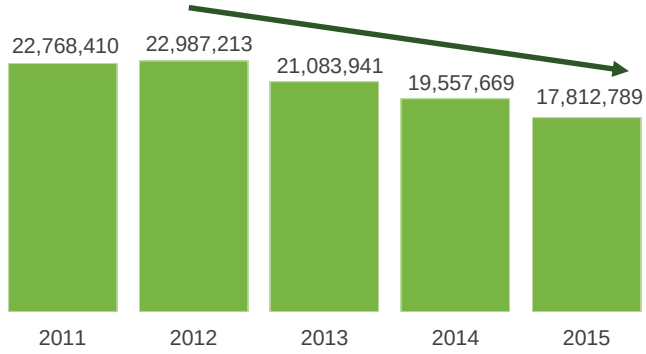
Capital Allocation 2011-2015



Cumulative Shares Repurchased[1]



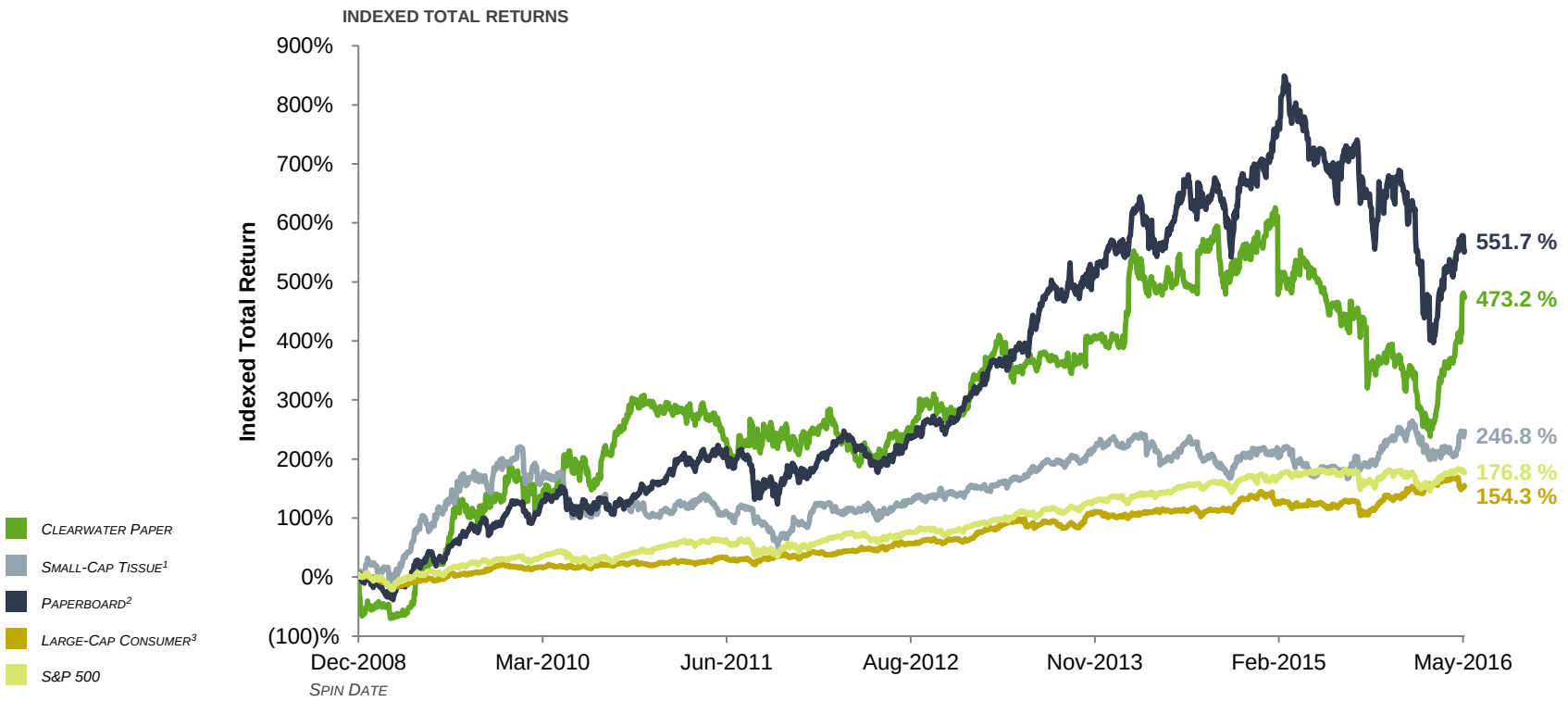
Total Shares Outstanding[1]



Commitment to return at least 50% of Discretionary Free Cash Flow[2] to shareholders through 2016

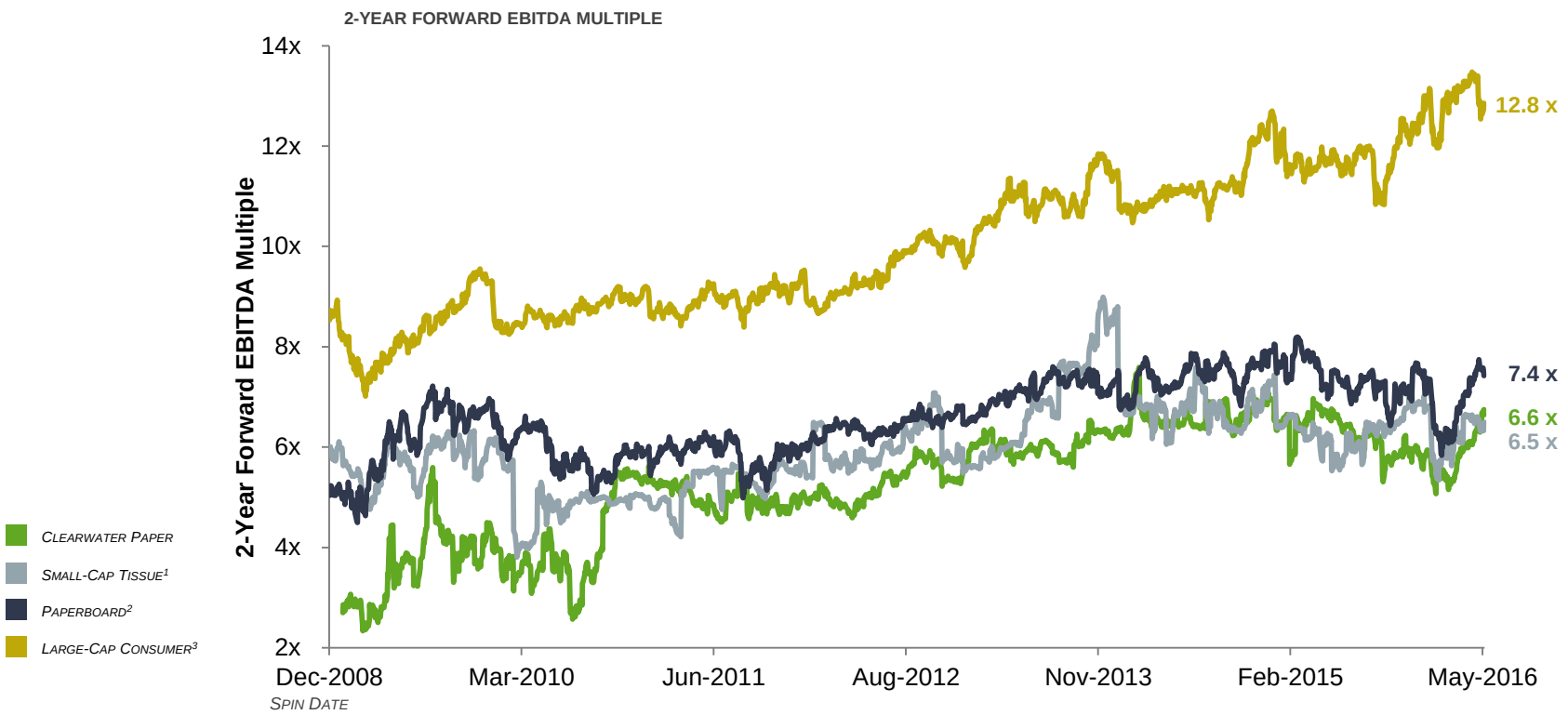
[1] As of year-end.
[2] Discretionary Free Cash Flow is cash flow from operations less maintenance capital expenditures.

CLEARWATER PAPER IS A LEADER AMONGST ITS PEERS IN VALUE CREATION



Source: Bloomberg. Market data as of May 05, 2016
Note: Total Shareholder Return includes dividends reinvested and stock price performance.
[1] Small-cap tissue peers include Cascades, Orchids and KP Tissue.
[2] Paperboard peers include International Paper, Graphic Packaging, Kapstone, MeadWestvaco, Packaging Corp of America, Sonoco and WestRock. MeadWestvaco is excluded following merger announcement on January 26, 2015.
[3] Large-cap consumer product peers include Kimberly-Clark and Procter & Gamble.

WHICH HAS LED TO MULTIPLE EXPANSION SINCE THE SPIN



Source: Bloomberg. Market data as of May 05, 2016

[1] Small-cap tissue peers include Cascades, Orchids and KP Tissue.

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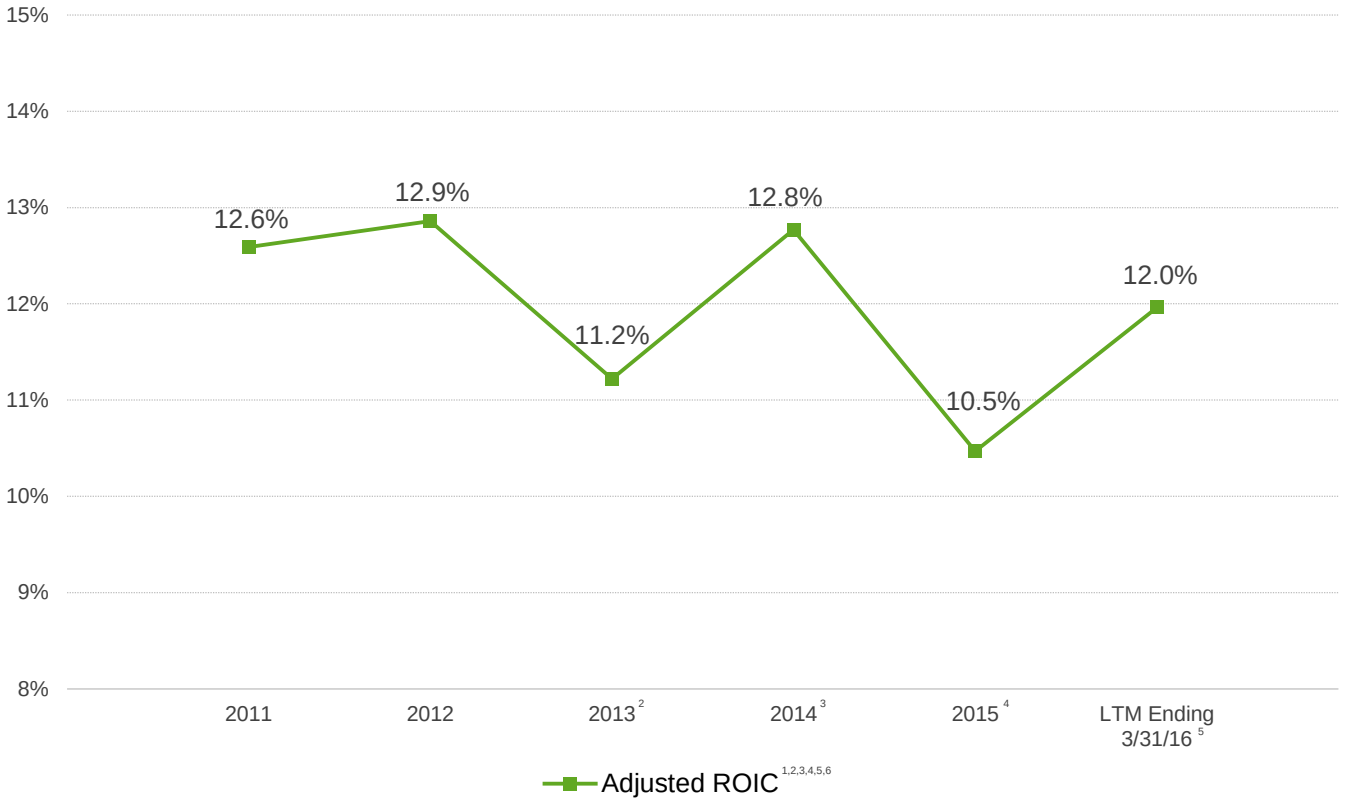
[3] Large-cap consumer product peers include Kimberly-Clark and Procter & Gamble.

ADJUSTED RETURN ON INVESTED CAPITAL[1]
(UNAUDITED)



[1] Adjusted Return on Invested Capital (Adjusted ROIC) is defined as [Net Earnings + Interest Expense] / [Tangible Stockholders' Equity[6] + Debt – Excess (Deficit) Cash[6]] 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 optimization and sale of the specialty mills totaling $.9 million after-tax.
[5] LTM Ending 3/31/16 Adjusted ROIC Net Earnings was adjusted to remove a gain associated with the optimization and sale of the specialty mills totaling $.8 million after-tax.
[6] We recently adopted Accounting Standards Update 2015-03, which requires us to retroactively include deferred issuance amounts in Debt for 2011-2015. Adjusted ROIC amounts shown for 2011-2014 have been adjusted accordingly.

CLEARWATER PAPER'S OUTLOOK

SECOND QUARTER 2016 OUTLOOK
(COMPARED TO Q1'16)[1]
ARROWS REPRESENT ADJUSTED EBITDA[2] IMPACT

	CONSUMER PRODUCTS	PULP AND PAPERBOARD	CORPORATE
SHIPMENT VOLUME IMPACT ON ADJUSTED EBITDA[2]	• Slightly lower 2-4% lower ▼	• Slightly higher: 1-3% higher ▲	
PRICE/MIX IMPACT ON ADJUSTED EBITDA[2]	• Higher: 3-5% higher ▲	• Slightly lower: 1–3% lower ▼	
PULP/WOOD FIBER COSTS	• Cost/shipped ton: stable ▶	• Cost/shipped ton: slightly higher ▲	
CHEMICAL COSTS	• Cost/shipped ton: stable ▶	• Cost/shipped ton: stable ▶	
OP. & PKG. SUPPLIES	• Cost/shipped ton: stable ▶	• Cost/shipped ton: stable ▶	
TRANSPORTATION COSTS	• Cost/shipped ton: stable ▶	• Cost/shipped ton: stable ▶	
ENERGY COSTS	• Cost/shipped ton: stable ▶	• Cost/shipped ton: lower ▼	
MAINTENANCE & REPAIRS	• Stable ▶	• Boiler water wash at Arkansas, higher planned maintenance at Idaho ▲	
SG&A	• Slightly Higher ▲	• Stable ▶	• Slightly Lower ▼

[1] This information is based upon management's expectations and estimates as of April 28, 2016, 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 2.
[2] Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

Q2'16 OUTLOOK[1] RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)

	OUTLOOK	
	THREE MONTHS ENDING JUNE 30, 2016	
	RANGE OF ESTIMATE	
(Dollars in thousands)	FROM	TO
Earnings before interest, income taxes, and depreciation & amortization (EBITDA)[2]:		
GAAP net earnings	$17,000	$22,000
Interest expense, net	$7,500	$7,500
Income tax provision	$9,500	$12,500
Depreciation and amortization expense	$21,000	$21,000
EBITDA[2]	$55,000	$63,000
Directors' equity-based compensation expense	$500	$500
Costs associated with Long Island facility closure	$500	$500
Adjusted EBITDA[3]	$56,000	$64,000

[1] This information is based upon management's current expectations and estimates as of April 28, 2016, 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 2.
[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] Adjusted EBITDA excludes the impact of the items listed that we do not believe are indicative of our core operating performance.

BRIDGE TO Q2'16 ADJUSTED EBITDA OUTLOOK[1,2]



[1] This information is based upon management's expectations and estimates as of April 28, 2016, 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 2.
[2] Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

APPENDIX

DEFINITIONS OF NON-GAAP MEASURES

CLEARWATER PAPER DEFINITIONS OF NON-GAAP MEASURES

EBITDA is a non-GAAP measure that Clearwater Paper management uses as a supplemental performance measure to evaluate the cash generating capacity of Clearwater Paper. The most directly comparable GAAP measure is net earnings. EBITDA, as defined by Clearwater Paper management, is net earnings adjusted for net interest expense, income taxes, and depreciation and amortization. It should not be considered as an alternative to net earnings computed under GAAP.

Adjusted EBITDA is a non-GAAP measure that Clearwater Paper management defines as EBITDA adjusted for items that we do not believe are indicative of our core operating performance. The most directly comparable GAAP measure is net earnings. It should not be considered as an alternative to net earnings computed under GAAP.

RECONCILIATION OF GAAP TO NON-GAAP: CLEARWATER PAPER EBITDA[1] AND ADJUSTED EBITDA[1]

($ in millions)	2008	2009	2010	2011	2012	2013	2014	2015	Q1'16
Net earnings/(loss)	$9.7	$182.5	$73.8	$39.7	$64.1	$107.0	$(2.3)	$56.0	$18.4
Income tax provision (benefit)	$5.6	$93.2	$2.4	$31.2	$47.5	$(68.7)	$18.6	$36.5	$11.7
Interest expense, net[2]	$13.1	$21.7	$22.6	$44.8	$33.8	$61.1	$63.6	$31.2	$7.6
Depreciation and amortization	$47.0	$47.4	$47.7	$76.9	$79.3	$90.3	$90.1	$84.7	$21.2
EBITDA[1]	$75.4	$344.8	$146.5	$192.7	$224.7	$189.6	$170.0	$208.4	$58.9
Alternative Fuel Mixture Tax Credit	-	$(170.6)	-	-	-	-	-	-	-
Cellu Tissue acquisition related expenses	-	-	$20.3	-	-	-	-	-	-
Lewiston, Idaho sawmill sale related adjustments	-	-	-	$2.9	-	-	-	-	-
Loss on sale of foam assets	-	-	-	-	$1.0	-	-	-	-
Expenses associated with Metso litigation	-	-	-	-	$2.0	-	-	-	-
Costs associated with Thomaston facility closure	-	-	-	-	-	$6.0	$1.3	-	-
Costs associated with Long Island facility closure	-	-	-	-	-	-	$18.8	$2.5	$.4
Directors equity-based compensation expense (benefit)	-	$2.6	$3.7	$1.5	$1.4	$4.1	$4.6	$(4.1)	$.7
Costs associated with labor agreement	-	-	-	-	-	-	-	$1.7	-
Loss (gain) associated with optimization and sale of the specialty mills	-	-	-	-	-	-	$40.8	$(1.3)	-
Loss on impairment of Clearwater Fiber intangible asset	-	-	-	-	-	-	$3.1	-	-
Legal expenses and settlement costs	-	-	-	-	-	-	-	$2.0	-
Reorganization related expenses	-	-	-	-	-	-	-	$1.5	-
Adjusted EBITDA[1]	$75.4	$176.8	$170.5	$197.1	$229.1	$199.7	$238.5	$210.7	$60.1

[1] Non-GAAP measure – See Appendix for the definition.
[2] Interest expense, net for 2009, 2013, and 2014 includes debt retirement costs of $6.2, $17.1 and $24.4 million respectively.

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

(Dollars in thousands)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16
Earnings before interest, income taxes, and depreciation & amortization (EBITDA)[1]					
GAAP net earnings	$ 5,757	$ 15,597	$ 23,064	$ 11,565	$ 18,446
Interest expense, net	7,782	7,774	7,882	7,744	7,643
Income tax provision	1,698	8,702	9,100	17,005	11,673
Depreciation and amortization expense	21,008	20,632	21,204	21,888	21,150
EBITDA[1]	$ 36,245	$ 52,705	$ 61,250	$ 58,202	$ 58,912
Directors' equity-based compensation (benefit) expense	(470)	(1,457)	(1,914)	(232)	726
Costs associated with Long Island facility closure	554	735	728	446	432
(Gain) loss associated with optimization and sale of the specialty mills	(131)	(1,331)	-	195	-
Costs associated with labor agreement	1,730	-	-	-	-
Legal expenses and settlement costs	-	-	1,972	-	-
Reorganization related expenses	-	-	1,185	285	-
Adjusted EBITDA[2]	$ 37,928	$ 50,652	$ 63,221	$ 58,896	$ 60,070

[1] Non-GAAP measure.
[2] Non-GAAP measure - 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)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16
Consumer Products					
Operating income	$ 12,395	$ 17,032	$ 15,521	$ 10,756	$ 18,390
Depreciation and amortization expense	12,977	13,438	14,048	14,132	13,759
Segment EBITDA[1]	$ 25,372	$ 30,470	$ 29,569	$ 24,888	$ 32,149
Costs associated with Long Island facility closure	554	735	728	446	432
(Gain) loss associated with optimization and sale of the specialty mills	(131)	(1,331)	-	195	-
Costs associated with labor agreement	814	-	-	-	-
Reorganization related expenses	-	-	494	62	-
Segment Adjusted EBITDA[2]	$ 26,609	$ 29,874	$ 30,791	$ 25,591	$ 32,581
Pulp and Paperboard					
Operating income	$ 16,194	$ 27,754	$ 37,446	$ 39,467	$ 35,163
Depreciation and amortization expense	7,311	6,737	6,535	6,621	6,367
Segment EBITDA[1]	$ 23,505	$ 34,491	$ 43,981	$ 46,088	$ 41,530
Costs associated with labor agreement	916	-	-	-	-
Reorganization related expenses	-	-	239	180	-
Segment Adjusted EBITDA[2]	$ 24,421	$ 34,491	$ 44,220	$ 46,268	$ 41,530
Corporate					
Operating loss	($13,352)	($12,713)	($12,921)	($13,909)	($15,791)
Depreciation and amortization expense	720	457	621	1,135	1,024
Corporate EBITDA[1]	($12,632)	($12,256)	($12,300)	($12,774)	($14,767)
Directors' equity-based compensation (benefit) expense	(470)	(1,457)	(1,914)	(232)	726
Legal expenses and settlement costs	-	-	1,972	-	-
Reorganization related expenses	-	-	452	43	-
Corporate Adjusted EBITDA[2]	($13,102)	($13,713)	($11,790)	($12,963)	($14,041)

[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	Twelve Months Ending March 31, 2016
Net earnings (loss)	$ 39,674	$ 64,131	$ 106,955	($2,315)	$ 55,983	$ 68,672
Interest expense, net	44,809	33,796	44,036	39,150	31,182	31,043
Net earnings before interest[1]	$ 84,483	$ 97,927	$ 150,991	$ 36,835	$ 87,165	$ 99,715
Tangible stockholders' equity[2]	$ 205,623	$ 263,608	$ 334,783	$ 263,494	$ 245,789	$ 239,866
Debt[3]	513,646	515,570	640,410	568,221	568,987	575,184
Less excess cash[4]	(48,440)	(17,579)	(78,675)	(62,331)	9,140	12,772
Invested capital	$ 670,829	$ 761,599	$ 896,518	$ 769,384	$ 823,916	$ 827,822
Return on Invested Capital (ROIC)	12.6%	12.9%	16.8%	4.8%	10.6%	12.0%
Stockholders' equity	$ 484,904	$ 540,894	$ 605,094	$ 497,537	$ 474,866	$ 467,706
Goodwill	(229,533)	(229,533)	(229,533)	(209,087)	(209,087)	(209,087)
Intangible assets, net	(49,748)	(47,753)	(40,778)	(24,956)	(19,990)	(18,753)
Tangible stockholders' equity[2]	$ 205,623	$ 263,608	$ 334,783	$ 263,494	$ 245,789	$ 239,866
Cash	$ 8,439	$ 12,579	$ 23,675	$ 27,331	$ 5,610	$ 2,228
Short-term investments	55,001	20,000	70,000	50,000	250	-
Operating cash[5]	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
Excess cash[4]	$ 48,440	$ 17,579	$ 78,675	$ 62,331	$ (9,140)	$ (12,772)

[1] Non-GAAP measure.
[2] Tangible stockholders' equity is defined as stockholders' equity less Goodwill and Intangible assets, net.
[3] We recently adopted Accounting Standards Update 2015-03, which requires us to retroactively include deferred issuance amounts in Debt for 2011-2015. Debt amounts shown for 2011-2014 in the table have been adjusted accordingly.
[4] Excess cash is defined as the sum of Cash and Short-term investments less Operating cash[1].
[5] 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.

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
Gross profit[1]	$ 44,194	$ 60,211	$ 68,330	$ 66,817	$ 68,557
Costs associated with Long Island facility closure	554	735	728	446	432
Costs associated with labor agreement	1,730	-	-	-	-
Reorganization related expenses	-	-	112	17	-
Adjusted gross profit[2]	$ 46,478	$ 60,946	$ 69,170	$ 67,280	$ 68,989
Selling, general and administrative expenses (SG&A)	($28,957)	($28,138)	($28,284)	($30,308)	($30,795)
Directors' equity-based compensation (benefit) expense	(470)	(1,457)	(1,914)	(232)	726
(Gain) loss associated with optimization and sale of the specialty mills	(131)	(1,331)	-	-	-
Legal expenses and settlement costs	-	-	1,972	-	-
Reorganization related expenses	-	-	1,073	268	-
Adjusted selling, general and administrative expenses[2]	($29,558)	($30,926)	($27,153)	($30,272)	($30,069)

[1] Gross profit is defined as net sales minus cost of sales.
[2] Non-GAAP measure – 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)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16
Consumer Products					
Operating income	$ 12,395	$ 17,032	$ 15,521	$ 10,756	$ 18,390
Costs associated with Long Island facility closure	554	735	728	446	432
(Gain) loss associated with optimization and sale of the specialty mills	(131)	(1,331)	-	195	-
Costs associated with labor agreement	814	-	-	-	-
Reorganization related expenses	-	-	494	62	-
Adjusted Consumer Products operating income[1]	$ 13,632	$ 16,436	$ 16,743	$ 11,459	$ 18,822
Pulp and Paperboard					
Operating Income	$ 16,194	$ 27,754	$ 37,446	$ 39,467	$ 35,163
Costs associated with labor agreement	916	-	-	-	-
Reorganization related expenses	-	-	239	180	-
Adjusted Pulp and Paperboard operating income[1]	$ 17,110	$ 27,754	$ 37,685	$ 39,647	$ 35,163
Corporate					
Operating loss	($13,352)	($12,713)	($12,921)	($13,909)	($15,791)
Directors' equity-based compensation (benefit) expense	(470)	(1,457)	(1,914)	(232)	726
Legal expenses and settlement costs	-	-	1,972	-	-
Reorganization related expenses	-	-	452	43	-
Adjusted Corporate operating loss[1]	($13,822)	($14,170)	($12,411)	($14,098)	($15,065)

[1] Non-GAAP measure – 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)

(Dollars in thousands - except per-share amounts)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16
GAAP net earnings	$ 5,757	$ 15,597	$ 23,064	$ 11,565	$ 18,446
Special items, after tax:[1]					
Directors' equity-based compensation (benefit) expense	(325)	(998)	(1,307)	(155)	465
Costs associated with Long Island facility closure	383	504	497	299	277
(Gain) loss associated with optimization and sale of the specialty mills	(91)	(912)	-	131	-
Discrete tax item related to state tax rate changes	-	-	-	-	-
Discrete tax items related to foreign tax credits	-	-	-	1,309	-
Costs associated with labor agreement	1,197	-	-	-	-
Legal expenses and settlement costs	-	-	1,346	-	-
Reorganization related expenses	-	-	809	191	-
Adjusted net earnings[2]	$ 6,921	$ 14,191	$ 24,409	$ 13,340	$ 19,188
Net earnings per diluted common share	$ 0.30	$ 0.81	$ 1.21	$ 0.65	$ 1.05
Special items, after tax:[1]					
Directors' equity-based compensation (benefit) expense	(0.02)	(0.05)	(0.07)	(0.01)	0.03
Costs associated with Long Island facility closure	0.02	0.03	0.03	0.02	0.02
(Gain) loss associated with optimization and sale of the specialty mills	-	(0.05)	-	0.01	-
Discrete tax items related to foreign tax credits	-	-	-	0.07	-
Costs associated with labor agreement	0.06	-	-	-	-
Legal expenses and settlement costs	-	-	0.07	-	-
Reorganization related expenses	-	-	0.04	0.01	-
Adjusted net earnings per diluted common share[2]	$ 0.36	$ 0.74	$ 1.28	$ 0.75	$ 1.09

[1] All non-tax items are tax effected at the expected annual rate for that period.
[2] Non-GAAP measure – 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.

KEY SEGMENT RESULTS – PULP AND PAPERBOARD
(UNAUDITED)

	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	PULP AND PAPERBOARD CROSS-CYCLE FINANCIAL MODEL
Shipments						
Paperboard (short tons)	191,635	204,983	198,535	201,580	201,340	
Sales Price						
Paperboard ($/short ton)	$1,031	$997	$979	$956	$952	
Segment net sales ($ in thousands)	$198,850	$205,167	$195,183	$193,307	$192,186	
Segment GAAP operating income ($ in thousands)	$16,194	$27,754	$37,446	$39,467	$35,163	
Segment GAAP operating margin	8.1%	13.5%	19.2%	20.4%	18.3%	
Segment Adjusted EBITDA[1] ($ in thousands)	$24,421	$34,491	$44,220	$46,268	$41,530	
Segment Adjusted EBITDA margin[2]	12.3%	16.8%	22.7%	23.9%	21.6%	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.

KEY SEGMENT RESULTS – CONSUMER PRODUCTS (UNAUDITED)

	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	CONSUMER PRODUCTS CROSS-CYCLE FINANCIAL MODEL
Shipments						
Non-Retail (short tons)[1]	21,107	24,744	21,250	23,077	24,358	
Retail (short tons)	71,102	71,476	76,856	73,004	75,027	
Total Tissue Tons	92,209	96,220	98,106	96,081	99,385	
Converted Products (cases in thousands)[2]	13,025	13,125	13,375	12,624	12,990	
Sales Price						
Non-Retail ($/short ton)[1]	$1,475	$1,430	$1,530	$1,448	$1,477	
Retail ($/short ton)	$2,864	$2,846	$2,787	$2,805	$2,784	
Total Tissue ($/short ton)	$2,546	$2,482	$2,515	$2,479	$2,464	
Segment net sales ($ in thousands)	$235,176	$239,391	$247,039	$238,288	$245,018	
Segment GAAP operating income ($ in thousands)	$12,395	$17,032	$15,521	$10,756	$18,390	
Segment GAAP operating margin	5.3%	7.1%	6.3%	4.5%	7.5%	
Segment Adjusted EBITDA[3] ($ in thousands)	$26,609	$29,874	$30,791	$25,591	$32,581	
Segment Adjusted EBITDA margin[4]	11.3%	12.5%	12.5%	10.7%	13.3%	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.

RECONCILIATION OF GAAP TO NON-GAAP: STRATEGIC INVESTMENTS[1]

FULL RUN-RATE EXPECTED ADJUSTED EBITDA[2] IMPACT

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

FY'15 TO Q1'16 ADJUSTED EBITDA[2] IMPACT

(Dollars in millions)	CONTINUOUS DIGESTER	WAREHOUSE AUTOMATION	OTHER PROJECTS	OPERATIONAL IMPROVEMENTS
Operating income	$ -	$ 1.0	$ 0.6	$ 17.0
Depreciation	$ -	$ -	$ 0.4	$ -
EBITDA[2]	$ -	$ 1.0	$ 1.0	$ 17.0
Adjusted EBITDA[2]	$ -	$ 1.0	$ 1.0	$ 17.0

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

MAJOR MAINTENANCE SCHEDULE[1]

	2014	2015	2016	2017	2018	2019	2020	2021
Major Maintenance								
$MMs	$0	$22	$17	TBD	$0	TBD	TBD	TBD
Lewiston		Q1	Q3	Q3		Q1	Q3	
Cypress Bend		Q2		Q2		Q2		Q2

[1] This information is based upon management's expectations and estimates as of April 28, 2016.

NORTH AMERICAN TISSUE PROJECTED CAPACITY CHANGE

2015-2017 Capacity Changes in the North American Tissue Industry

COMPANY	MILL/LOCATION	CONV/TAD	CAPACITY CHANGE	ESTIMATED DATE	CHANNEL/BUSINESS/PRODUCTS
Announced New Capacity through 2016					
Double Tree/Royal	Gila Bend, AZ	Conv	32,000	2015:Q1	PrimeLine PM from Adritz
Orchids Paper Products	Pryor, OK	Conv	30,000	2015:Q1	New PM from Recard
Von Drehle Corporation	Natchez, MS	Conv	35,000	2016:Q1	Valmet Advantage NTT
St. Croix Tissue (APP)	Baileyville, ME	Conv	66,000	2016:Q1	PrimeLine W8 PM from Adritz
First Quality Tissue	Anderson, SC	TAD	70,000	2016:Q2	TAD PM Valmet
St. Croix Tissue (APP)	Baileyville, ME	Conv	66,000	2016:Q3	PrimeLine W8 PM from Andritz
Confidential	Confidential	Conv	70,000	2016	Metso Advantage DCT
Announced Shutdowns					
Lincoln Paper and Tissue	Lincoln, ME	Conv	(21,000)	2015:Q3	PM6 Closure
Lincoln Paper and Tissue	Lincoln, ME	Conv	(55,000)	2015:Q4	Mill Closure
Net Capacity Change through 2016			293,000		
Announced New Capacity in 2017					
Orchids Paper Products	Barnwell, SC	Conv	35,000	2017:Q1	PM likely Valmet
Resolute Forest Products	Calhoun, TN	Conv	66,000	2017:Q1	Valmet Advantage NTT
Little Rapids Corporation	Shawano, WI	Conv	11,000	2017:Q3	Replacement PM
First Quality Tissue	Anderson, SC	ATMOS	75,000	2017	Retail/P.L./BRT
First Quality Tissue	Lock Haven, PA	TAD	70,000	2017	TAD PM
Net Capacity Change through 2017			257,000		

Source: RISI