CLEARWATER PAPER CORPORATION

THIRD QUARTER 2016 SUPPLEMENTAL INFORMATION

10/20/16

LINDA MASSMAN
PRESIDENT, CHIEF EXECUTIVE OFFICER AND DIRECTOR

JOHN HERTZ
SENIOR VICE PRESIDENT FINANCE AND CHIEF FINANCIAL OFFICER

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; segment, corporate and consolidated outlook for Q4 2016; production; revenue; 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; estimated Q4 2016 EBITDA and adjusted EBITDA. 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:

- 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, 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.

THIRD QUARTER FINANCIAL HIGHLIGHTS

$435 MILLION NET SALES, FLAT VS. Q2'16, **$9 MILLION GAAP OPERATING INCOME**

$34 MILLION ADJUSTED EBITDA[1], AT HIGHER END OF OUTLOOK OF $30 TO $35 MILLION

HIGHEST TISSUE SHIPMENTS AND NET SALES SINCE SALE OF SPECIALTY MILLS IN Q4'14

COMPLETED MAJOR MAINTENANCE AT OUR IDAHO PAPERBOARD FACILITY, $18 MILLION COST

RETURNED $52 MILLION TO SHAREHOLDERS YEAR TO DATE AS PART OF $100 MILLION SHARE BUYBACK PROGRAM AT AVERAGE PRICE OF $46.91 PER SHARE

$12 MILLION OF OPERATING INCOME AND $13 MILLION OF ADJUSTED EBITDA[1] BENEFIT CONTRIBUTION FROM STRATEGIC CAPITAL AND OPERATIONAL EFFICIENCY INITIATIVES IN Q3'16, $39 MILLION TOTAL OPERATING INCOME AND $41 MILLION TOTAL ADJUSTED EBITDA[1] SINCE Q1'15

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

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
Net sales	$ 434,026	$ 444,558	$ 442,222	$ 431,595	$ 437,204	$ 436,671	$ 435,320
Selling, general and administrative expenses	($28,957)	($28,138)	($28,284)	($30,308)	($30,795)	($34,655)	($29,435)
Operating income (loss)	$ 15,237	$ 32,073	$ 40,046	$ 36,314	$ 37,762	$ 40,165	$ 9,280
Consumer Products	12,395	17,032	15,521	10,756	18,390	18,544	17,201
Pulp and Paperboard	16,194	27,754	37,446	39,467	35,163	40,032	9,956
Corporate	(13,352)	(12,713)	(12,921)	(13,909)	(15,791)	(18,411)	(17,877)
Operating margin	3.5%	7.2%	9.1%	8.4%	8.6%	9.2%	2.1%
Interest expense, net	($7,782)	($7,774)	($7,882)	($7,744)	($7,643)	($7,396)	($7,520)
Income tax provision	($1,698)	($8,702)	($9,100)	($17,005)	($11,673)	($11,905)	($859)
Net earnings	$ 5,757	$ 15,597	$ 23,064	$ 11,565	$ 18,446	$ 20,864	$ 901
Net earnings per diluted common share	$ 0.30	$ 0.81	$ 1.21	$ 0.65	$ 1.05	$ 1.21	$ 0.05

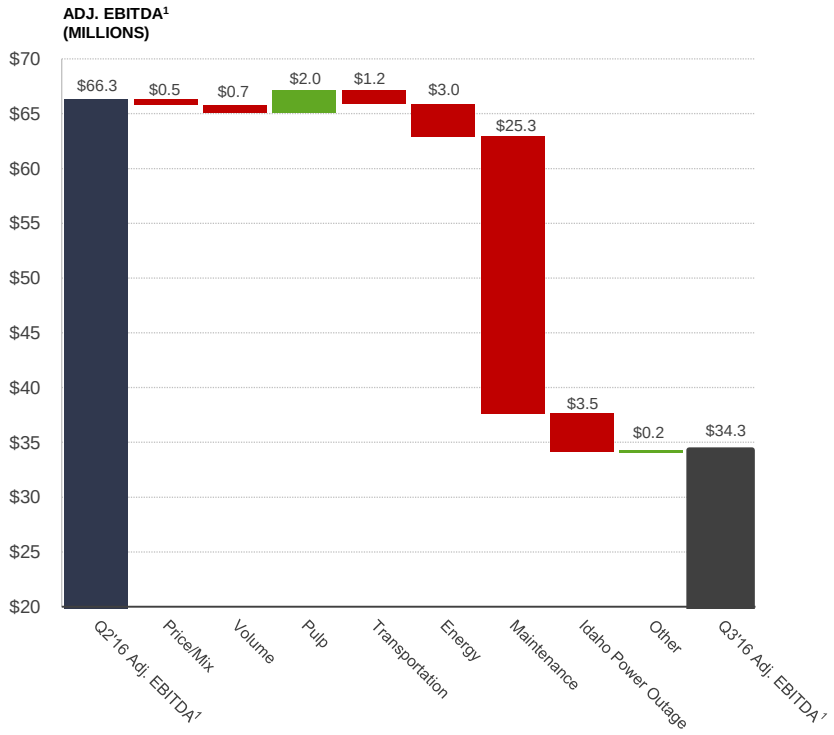
FINANCIAL SUMMARY (ADJUSTED BASIS)
(UNAUDITED)

(Dollars in thousands - except per-share amounts)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Q4'16 Outlook[5]
Net sales	$ 434,026	$ 444,558	$ 442,222	$ 431,595	$ 437,204	$ 436,671	$ 435,320	5%-7% lower
Adjusted gross profit[1]	$ 46,478	$ 60,946	$ 69,170	$ 67,280	$ 68,989	$ 75,353	$ 41,051	
Adjusted gross profit margin[1,2]	10.7%	13.7%	15.6%	15.6%	15.8%	17.3%	9.4%	
Adjusted selling, general and administrative expenses[1]	($29,558)	($30,926)	($27,153)	($30,272)	($30,069)	($31,045)	($29,489)	
Adjusted operating income (loss)[1]	$ 16,920	$ 30,020	$ 42,017	$ 37,008	$ 38,920	$ 44,308	$ 11,562	
Consumer Products	13,632	16,436	16,743	11,459	18,822	19,077	15,912	
Pulp and Paperboard	17,110	27,754	37,685	39,647	35,163	40,032	9,956	
Corporate	(13,822)	(14,170)	(12,411)	(14,098)	(15,065)	(14,801)	(14,306)	
Adjusted operating margin[1,3]	3.9%	6.8%	9.5%	8.6%	8.9%	10.1%	2.7%	6.5%-8.0%
Interest expense, net	($7,782)	($7,774)	($7,882)	($7,744)	($7,643)	($7,396)	($7,520)	
Adjusted income tax provision[1]	($2,217)	($8,055)	($9,726)	($15,924)	($12,089)	($13,368)	($1,673)	
Adjusted net earnings[1]	$ 6,921	$ 14,191	$ 24,409	$ 13,340	$ 19,188	$ 23,544	$ 2,369	
Depreciation and amortization expense	$ 21,008	$ 20,632	$ 21,204	$ 21,888	$ 21,150	$ 22,024	$ 22,747	
Adjusted EBITDA[1]	$ 37,928	$ 50,652	$ 63,221	$ 58,896	$ 60,070	$ 66,332	$ 34,309	$49,000-$55,000[6]
Consumer Products	26,609	29,874	30,791	25,591	32,581	33,280	30,934	
Pulp and Paperboard	24,421	34,491	44,220	46,268	41,530	46,481	16,486	
Corporate	(13,102)	(13,713)	(11,790)	(12,963)	(14,041)	(13,429)	(13,111)	
Adjusted EBITDA margin[1,4]	8.7%	11.4%	14.3%	13.6%	13.7%	15.2%	7.9%	
Adjusted net earnings per diluted common share[1]	$ 0.36	$ 0.74	$ 1.28	$ 0.75	$ 1.09	$ 1.37	$ 0.14	
Gross debt to rolling four quarter total Adjusted EBITDA[1]	2.6	2.7	2.8	2.7	2.5	2.3	2.6	
Capital Expenditures	$ 20,809	$ 29,542	$ 33,275	$ 50,478	$ 25,732	$ 28,822	$ 54,794	

[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 17 for the reconciliation to the most comparable GAAP measure.

Q3'16 VS. Q2'16 CONSOLIDATED ADJUSTED EBITDA[1] BRIDGE

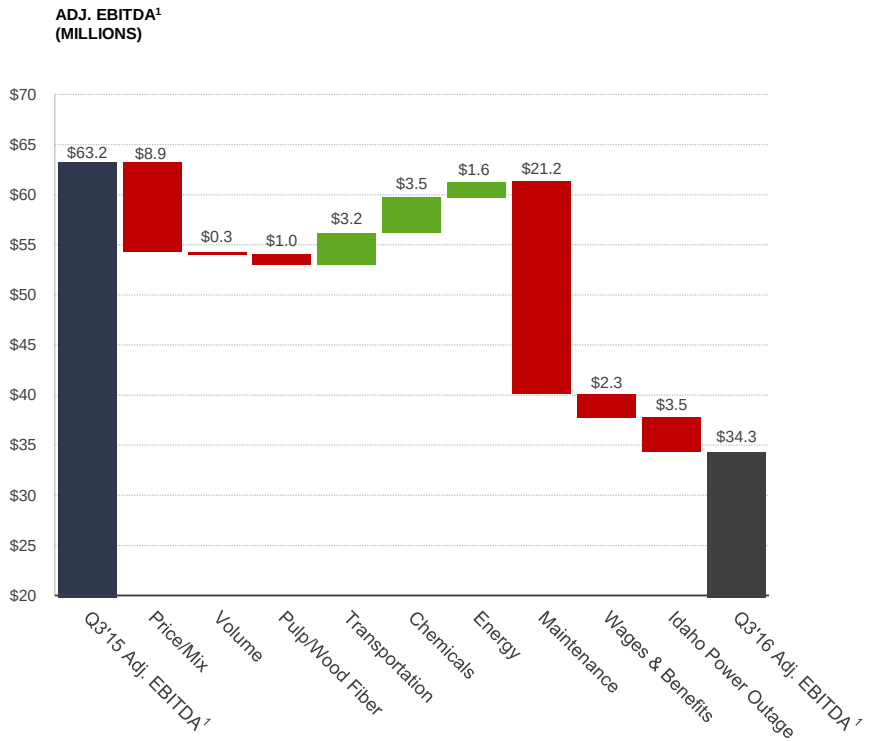
PRICE/MIX	Lower paperboard pricing and higher mix of commodity grade paperboard sales, partly offset by higher mix of retail tissue sales
VOLUME	Slightly lower paperboard shipments and lower tissue parent roll shipments, partly offset by higher retail shipments
PULP	Lower external pulp pricing
TRANSPORTATION	Increased internal inventory shipments to meet peak summer demand
ENERGY	Higher natural gas prices, higher summer electrical rates at Las Vegas
MAINTENANCE	Idaho major maintenance outage completed in Q3 and late Q2 Arkansas water wash flowing through the Q3 P&L, higher CPD maintenance investment to drive productivity
IDAHO POWER OUTAGE	Net costs incurred due to unplanned power outage at Idaho



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

Q3'16 VS. Q3'15 CONSOLIDATED ADJUSTED EBITDA[1] BRIDGE

PRICE/MIX	Lower paperboard pricing, partly offset by higher mix of retail tissue sales
VOLUME	Slightly lower paperboard shipments, partly offset by higher retail tissue shipments
PULP/WOOD FIBER	Higher wood prices in Idaho due to increased regional demand
TRANSPORTATION	Improved line haul rates
CHEMICALS	Lower negotiated pricing
ENERGY	Lower natural gas prices
MAINTENANCE	Major maintenance outage at Idaho PPD completed in Q3'16, higher CPD maintenance investment to drive productivity
WAGES & BENEFITS	Wage inflation, partly offset by lower benefits expense
IDAHO POWER OUTAGE	Net costs incurred due to unplanned power outage at Idaho

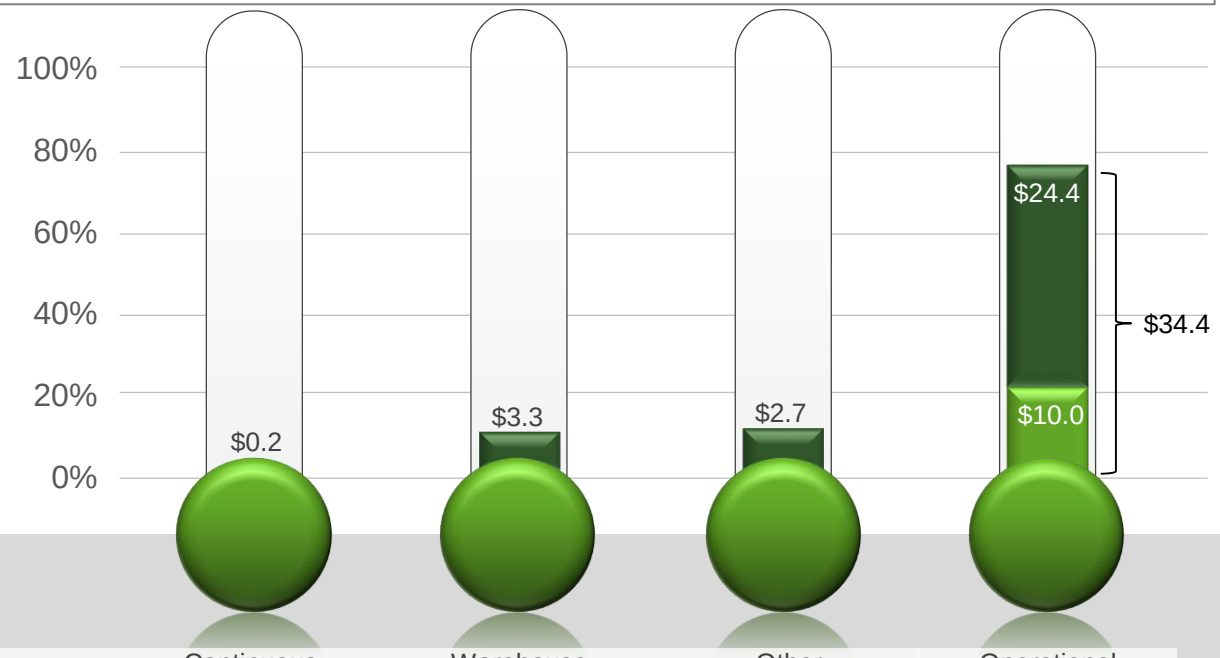


[1] Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

STRATEGIC INVESTMENT AND OPERATIONAL IMPROVEMENT SCORECARD AS OF Q3'16

- Strategic plan announced in Q1'15, expected capex of $237-$249 million
- Expected to yield a $97-$127 million operating income increase by 2018
- 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 IMPACT (MILLIONS $)[2]				
OPERATING INCOME	**$23-$28**	**$21-$26**	**$16-$19**	**$37-$54**
ADJUSTED EBITDA[1]	**$30-$35**	**$27-$32**	**$21-$24**	**$37-$54**



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

2015 ADJUSTED EBITDA[1] ACHIEVED YTD Q3'16 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. YTD Q3'16 Adjusted EBITDA contribution is $0.2M.
[4] 2015 and YTD Q3'16 Adjusted EBITDA contributions were $0.6M and $2.7M, respectively.
[5] 2015 and YTD Q3'16 Adjusted EBITDA contributions were $0.4M and $2.3M, respectively.

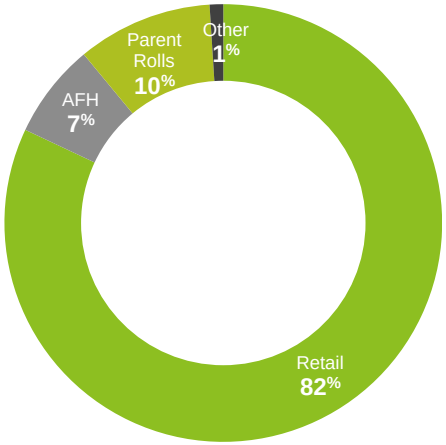
KEY SEGMENT RESULTS – CONSUMER PRODUCTS (UNAUDITED)

	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	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	
Retail (short tons)	71,102	71,476	76,856	73,004	75,027	79,095	82,216	
Total Tissue Tons	92,209	96,220	98,106	96,081	99,385	99,123	100,600	
Converted Products (cases in thousands)[2]	13,025	13,125	13,375	12,624	12,990	13,229	13,770	
Sales Price								
Non-Retail ($/short ton)[1]	$1,475	$1,430	$1,530	$1,448	$1,477	$1,496	$1,506	
Retail ($/short ton)	$2,864	$2,846	$2,787	$2,805	$2,784	$2,747	$2,742	
Total Tissue ($/short ton)	$2,546	$2,482	$2,515	$2,479	$2,464	$2,494	$2,516	
Segment net sales ($ in thousands)	$235,176	$239,391	$247,039	$238,288	$245,018	$247,912	$253,319	
Segment GAAP operating income ($ in thousands)	$12,395	$17,032	$15,521	$10,756	$18,390	$18,544	$17,201	
Segment GAAP operating margin	5.3%	7.1%	6.3%	4.5%	7.5%	7.5%	6.8%	
Segment Adjusted EBITDA[3] ($ in thousands)	$26,609	$29,874	$30,791	$25,591	$32,581	$33,280	$30,934	
Segment Adjusted EBITDA margin[4]	11.3%	12.5%	12.5%	10.7%	13.3%	13.4%	12.2%	17.0%

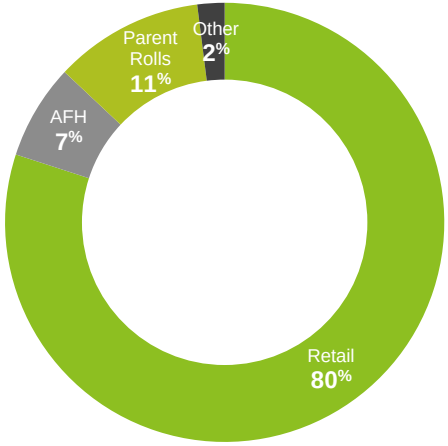
[1] Includes away-from-home (AFH), contract and parent roll tissue products. [2] Includes retail, AFH, and contract tissue case products.
[3] Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.
[4] Non-GAAP measure – Segment Adjusted EBITDA margin is defined as Segment Adjusted EBITDA divided by Segment net sales.

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

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



CLW Q2'16 by Market Segment
(% of Tons)



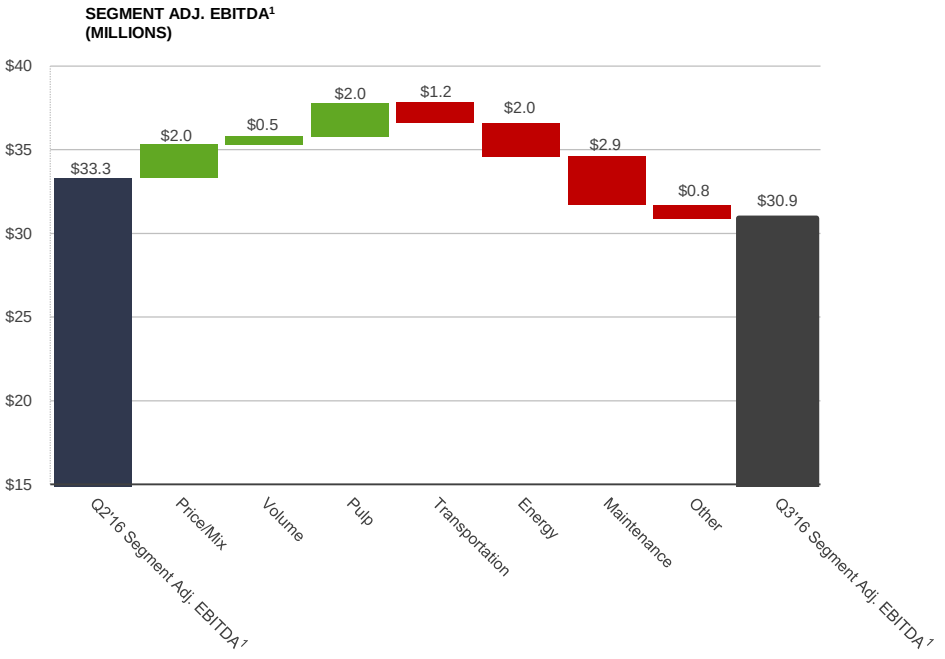
U.S. Retail Tissue Market ($)
(MultiOutlet)[1]

CATEGORY	PRIVATE LABEL	BRANDS	TOTAL
Total Retail Tissue Share ($)	25%	75%	100%
% Change Q3'16 vs. Q2'16	0.1%	(0.1)%	-%

[1] Data Source: IRI Worldwide data through September 11, 2016.

Q3'16 VS. Q2'16 CONSUMER PRODUCTS ADJUSTED EBITDA[1] BRIDGE

PRICE/MIX	Higher mix of retail tissue sales
VOLUME	Higher retail shipments, partly offset by lower parent roll shipments
PULP	Lower external pulp pricing
TRANSPORTATION	Increased internal inventory shipments to meet peak summer demand
ENERGY	Higher natural gas prices, higher summer electrical rates at Las Vegas
MAINTENANCE	Higher maintenance investment to drive productivity



Previous Outlook vs. Segment Actual

	PRICE/MIX	SHIPMENT VOLUMES	EXTERNAL PULP	CHEMICAL COSTS	OP. & PKG. SUPPLIES	TRANSPORTATION COSTS	ENERGY COSTS	MAINTENANCE	SG&A
Q3'16 OUTLOOK VERSUS Q2'16	5-10% higher ▲	2-4% lower ▼	Cost / shipped ton: higher ▲	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Cost / shipped ton: slightly higher ▲	Stable ▶	Stable ▶
Q3'16 ACTUAL VERSUS Q2'16	6% higher ▲	2% higher ▲	Cost / shipped ton: lower ▼	Cost / shipped ton: stable ▶	Cost / shipped ton: higher ▲	Cost / shipped ton: higher ▲	Cost / shipped ton: higher ▲	Higher ▲	Stable ▶

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

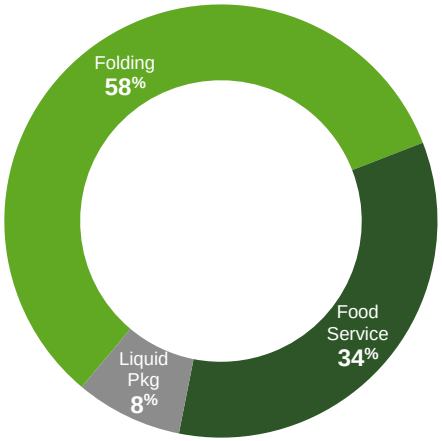
KEY SEGMENT RESULTS – PULP AND PAPERBOARD
(UNAUDITED)

	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	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	
Sales Price								
Paperboard ($/short ton)	$1,031	$997	$979	$956	$952	$948	$927	
Segment net sales ($ in thousands)	$198,850	$205,167	$195,183	$193,307	$192,186	$188,759	$182,001	
Segment GAAP operating income ($ in thousands)	$16,194	$27,754	$37,446	$39,467	$35,163	$40,032	$9,956	
Segment GAAP operating margin	8.1%	13.5%	19.2%	20.4%	18.3%	21.2%	5.5%	
Segment Adjusted EBITDA[1] ($ in thousands)	$24,421	$34,491	$44,220	$46,268	$41,530	$46,481	$16,486	
Segment Adjusted EBITDA margin[2]	12.3%	16.8%	22.7%	23.9%	21.6%	24.6%	9.1%	19.0%

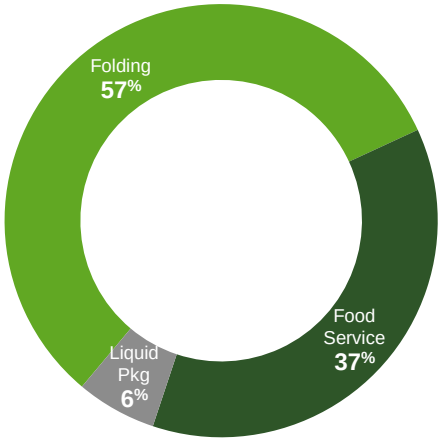
[1] Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.
[2] Non-GAAP measure – Segment Adjusted EBITDA margin is defined as Segment Adjusted EBITDA divided by Segment net sales.

CLEARWATER PAPER PAPERBOARD SHIPMENTS AND U.S. PAPERBOARD MARKET

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



CLW Q2'16 by Market Segment
(% of Tons)



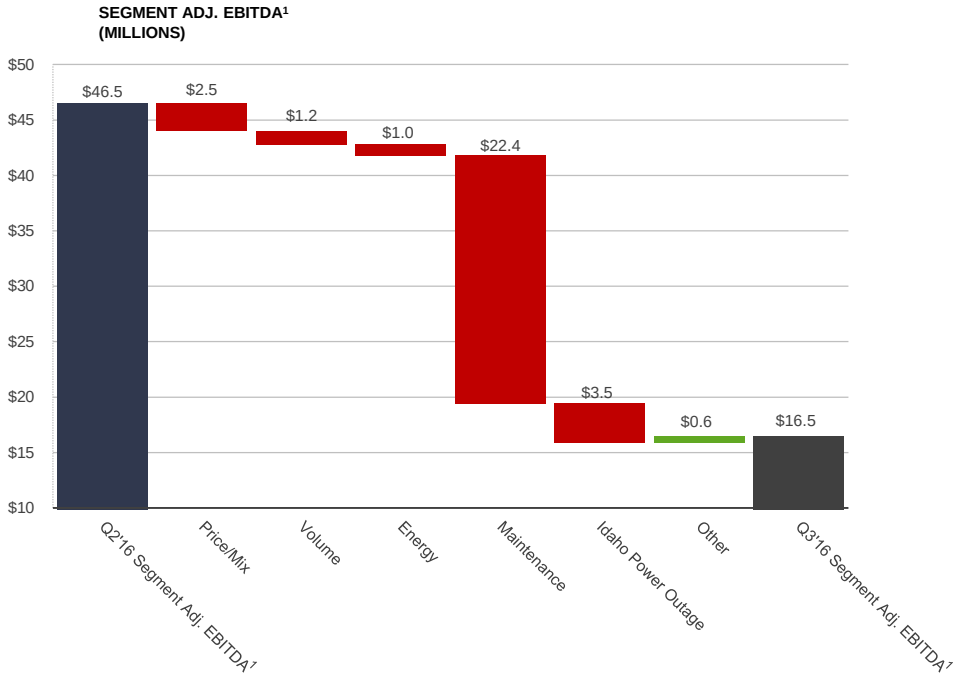
U.S. Paperboard Production[3]

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 – September YTD 2016.

Q3'16 VS. Q2'16 PULP AND PAPERBOARD ADJUSTED EBITDA[1] BRIDGE

PRICE/MIX	Lower paperboard pricing and higher mix of commodity grade paperboard sales
VOLUME	Slightly lower paperboard shipments
ENERGY	Higher natural gas pricing
MAINTENANCE	Idaho major maintenance outage completed in Q3, higher maintenance at Arkansas due to timing of water wash impact on P&L
IDAHO POWER OUTAGE	Net costs incurred due to unplanned power outage at Idaho



Previous Outlook vs. Segment Actual

	PRICE/MIX	SHIPMENT VOLUMES	WOOD FIBER	CHEMICAL COSTS	OP. & PKG. SUPPLIES	TRANSPORTATION COSTS	ENERGY COSTS	MAINTENANCE	SG&A
Q3'16 OUTLOOK VERSUS Q2'16	0-1% lower ▼	Stable ▶	Cost / shipped ton: higher ▲	Cost / shipped ton: slightly higher ▲	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Cost / shipped ton: slightly higher ▲	Higher ▲	Stable ▶
Q3'16 ACTUAL VERSUS Q2'16	5% lower ▼	3% lower ▼	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Cost / shipped ton: slightly higher ▲	Higher ▲	Stable ▶

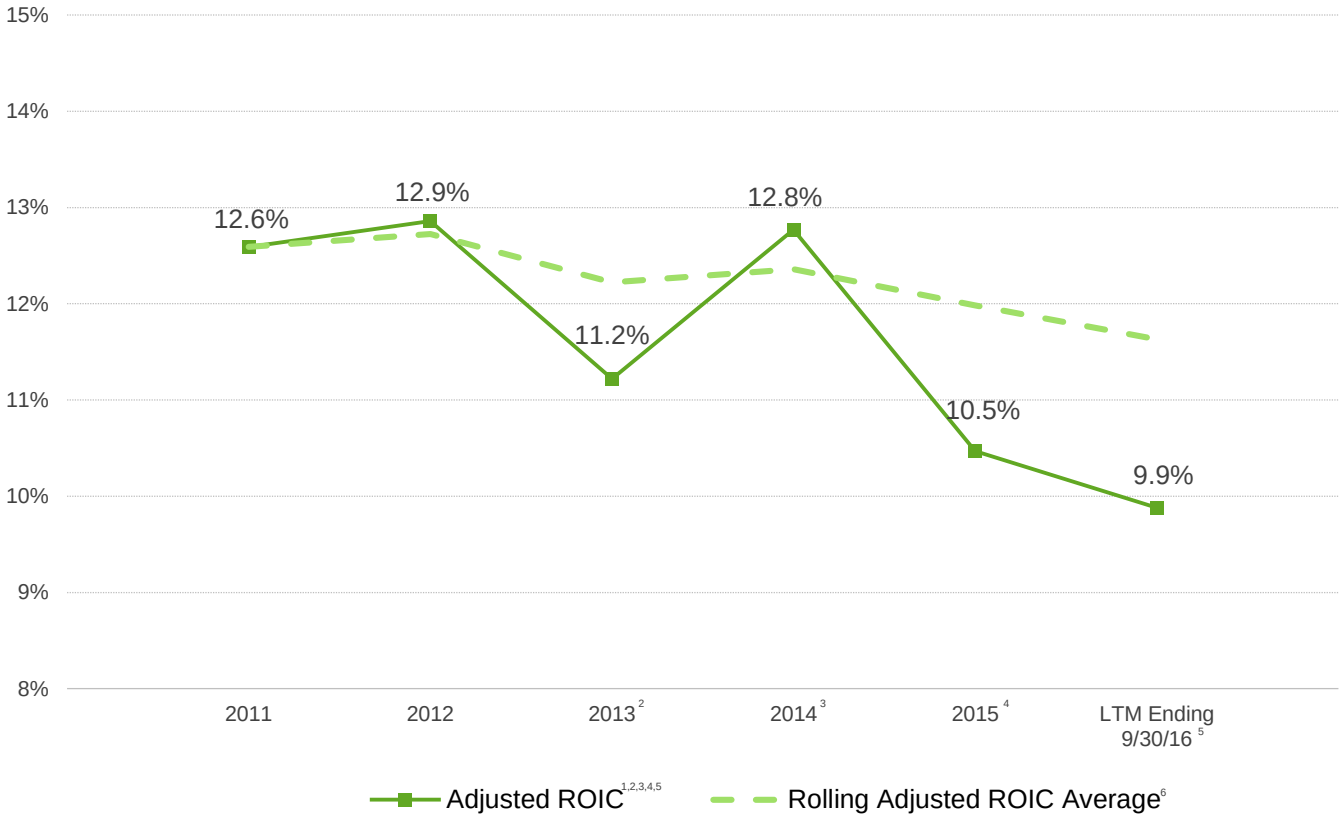
[1] Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

CLEARWATER PAPER CROSS-CYCLE FINANCIAL MODEL

(Dollars in thousands)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16	Nine Months Ending September 30, 2015	Nine Months Ending September 30, 2016	CLEARWATER PAPER CROSS-CYCLE FINANCIAL MODEL
Net sales	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%	13.4%	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%)	(6.6%)	(6.9%)	(6.0%)
Adjusted operating margin[1]	3.9%	6.8%	9.5%	8.6%	8.9%	10.1%	2.7%	6.7%	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%	3.4%	3.4%	5.0%
Adjusted EBITDA margin[1]	8.7%	11.4%	14.3%	13.6%	13.7%	15.2%	7.9%	11.5%	12.3%	15.0%

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

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 sale of the specialty mills totaling $0.9 million after-tax.
[5] LTM Ending 9/30/16 Adjusted ROIC Net Earnings was adjusted to remove a gain associated with the sale of the specialty mills totaling $1.0 million after-tax and pension settlement costs totaling $2.2 million after-tax.
[6] Rolling Adjusted ROIC Average is the average percentage of each annual and prior years' Adjusted ROIC values.

FOURTH QUARTER 2016 OUTLOOK
(COMPARED TO Q3'16)[1]

	CONSUMER PRODUCTS	PULP AND PAPERBOARD	CORPORATE
REVENUE CHANGE	• Lower 6%-8% lower	• Lower 4%-6% lower	
SHIPMENT VOLUMES	• Lower	• Lower	
PRICE/MIX	• Lower	• Lower	
PULP/WOOD FIBER COSTS	• Cost/shipped ton: stable	• Cost/shipped ton: higher	
CHEMICAL COSTS	• Cost/shipped ton: stable	• Cost/shipped ton: higher	
OP. & PKG. SUPPLIES	• Cost/shipped ton: slightly lower	• Cost/shipped ton: stable	
TRANSPORTATION COSTS	• Cost/shipped ton: lower	• Cost/shipped ton: stable	
ENERGY COSTS	• Cost/shipped ton: slightly lower	• Cost/shipped ton: higher	
MAINTENANCE & REPAIRS	• Lower	• Lower due to completion of Idaho major maintenance outage	
SG&A	• Stable	• Stable	• Stable

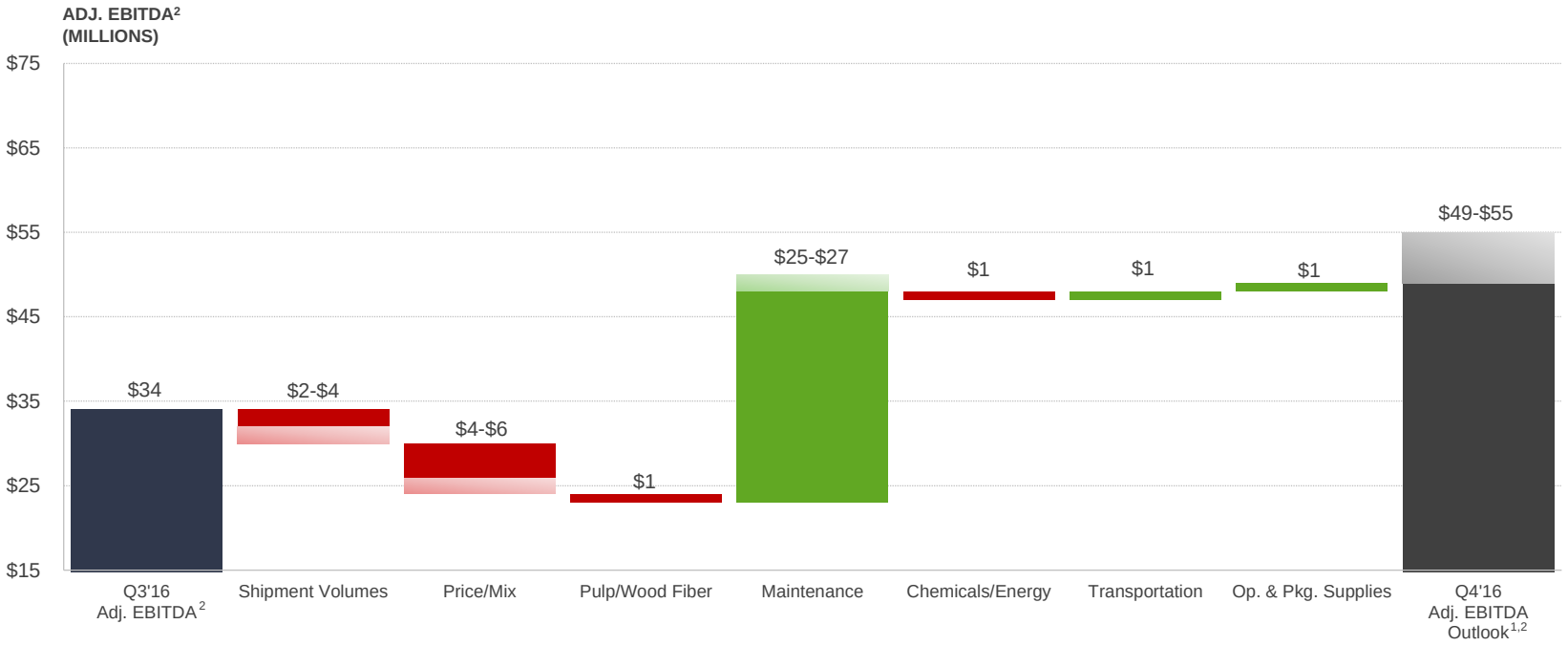
[1] This information is based upon management's current expectations and estimates, which are in part based on market and industry data. Many factors are outside the control of management, including particularly input costs for commodity products, and actual results may differ materially from the information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

Q4'16 OUTLOOK[1] RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)

	OUTLOOK THREE MONTHS ENDING DECEMBER 31, 2016 RANGE OF ESTIMATE	
(Dollars in thousands)	FROM	TO
Earnings before interest, income taxes, and depreciation & amortization (EBITDA)[2]:		
GAAP net earnings	$11,000	$15,000
Interest expense, net	$7,500	$7,500
Income tax provision	$6,500	$8,500
Depreciation and amortization expense	$23,000	$23,000
EBITDA[2]	$48,000	$54,000
Directors' equity-based compensation expense	$500	$500
Costs associated with Long Island facility closure	$500	$500
Adjusted EBITDA[3]	$49,000	$55,000

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

BRIDGE TO Q4'16 ADJUSTED EBITDA OUTLOOK[1,2]



[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 definition and reconciliation to the most comparable GAAP measure.

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
Gross profit[1]	$ 44,194	$ 60,211	$ 68,330	$ 66,817	$ 68,557	$ 74,820	$ 38,715
Costs associated with Long Island facility closure	554	735	728	446	432	533	466
Pension settlement expense	-	-	-	-	-	-	1,870
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	$ 75,353	$ 41,051
Selling, general and administrative expenses (SG&A)	($28,957)	($28,138)	($28,284)	($30,308)	($30,795)	($34,655)	($29,435)
Directors' equity-based compensation (benefit) expense	(470)	(1,457)	(1,914)	(232)	726	3,610	89
(Gain) loss associated with the sale of the specialty mills	(131)	(1,331)	-	-	-	-	(1,755)
Pension settlement expense	-	-	-	-	-	-	1,612
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)	($31,045)	($29,489)

[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)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16
Consumer Products							
Operating income	$ 12,395	$ 17,032	$ 15,521	$ 10,756	$ 18,390	$ 18,544	$ 17,201
Costs associated with Long Island facility closure	554	735	728	446	432	533	466
(Gain) loss associated with the sale of the specialty mills	(131)	(1,331)	-	195	-	-	(1,755)
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	$ 19,077	$ 15,912
Pulp and Paperboard							
Operating Income	$ 16,194	$ 27,754	$ 37,446	$ 39,467	$ 35,163	$ 40,032	$ 9,956
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	$ 40,032	$ 9,956
Corporate							
Operating loss	($13,352)	($12,713)	($12,921)	($13,909)	($15,791)	($18,411)	($17,877)
Directors' equity-based compensation (benefit) expense	(470)	(1,457)	(1,914)	(232)	726	3,610	89
(Gain) loss associated with the sale of the specialty mills	-	-	-	-	-	-	-
Pension settlement expense	-	-	-	-	-	-	3,482
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)	($14,801)	($14,306)

[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)

(Dollars in thousands - except per-share amounts)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16	Q3'16
GAAP net earnings	$ 5,757	$ 15,597	$ 23,064	$ 11,565	$ 18,446	$ 20,864	$ 901
Special items, after tax:[1]							
Directors' equity-based compensation (benefit) expense	(325)	(998)	(1,307)	(155)	465	2,335	57
Costs associated with Long Island facility closure	383	504	497	299	277	345	300
(Gain) loss associated with the sale of the specialty mills	(91)	(912)	-	131	-	-	(1,129)
Discrete tax items related to foreign tax credits	-	-	-	1,309	-	-	-
Pension settlement expense	-	-	-	-	-	-	2,240
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	$ 23,544	$ 2,369
Net earnings per diluted common share	$ 0.30	$ 0.81	$ 1.21	$ 0.65	$ 1.05	$ 1.21	$ 0.05
Special items, after tax:[1]							
Directors' equity-based compensation (benefit) expense	(0.02)	(0.05)	(0.07)	(0.01)	0.03	0.14	-
Costs associated with Long Island facility closure	0.02	0.03	0.03	0.02	0.02	0.02	0.02
(Gain) loss associated with the sale of the specialty mills	-	(0.05)	-	0.01	-	-	(0.07)
Discrete tax items related to foreign tax credits	-	-	-	0.07	-	-	-
Pension settlement expense	-	-	-	-	-	-	0.13
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	$ 1.37	$ 0.14

[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
GAAP income tax provision	($1,698)	($8,702)	($9,100)	($17,005)	($11,673)	($11,905)	($859)
Special items, tax impact:							
Directors' equity-based compensation benefit (expense)	145	459	607	77	(261)	(1,275)	(32)
Costs associated with Long Island facility closure	(171)	(231)	(231)	(147)	(155)	(188)	(166)
Gain (loss) associated with the sale of the specialty mills	40	419	-	(64)	-	-	626
Discrete tax items related to foreign tax credits	-	-	-	1,309	-	-	-
Pension settlement expense	-	-	-	-	-	-	(1,242)
Costs associated with labor agreement	(533)	-	-	-	-	-	-
Legal expenses and settlement costs	-	-	(626)	-	-	-	-
Reorganization related expenses	-	-	(376)	(94)	-	-	-
Adjusted income tax provision[1]	($2,217)	($8,055)	($9,726)	($15,924)	($12,089)	($13,368)	($1,673)

[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	$ 6,226	$ 12,453	$ 6,253	($27,247)
Interest expense, net	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
EBITDA[1]	$ 42,749	$ 55,098	$ 66,271	$ 5,838
Directors' equity-based compensation (benefit) expense	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 optimization and sale of the specialty mills	-	-	1,066	39,735
Loss on impairment of Clearwater Fiber intangible asset	-	-	-	3,078
Adjusted EBITDA[2]	$ 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] 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
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
Interest expense, net	7,782	7,774	7,882	7,744	7,643	7,396	7,520
Income tax provision	1,698	8,702	9,100	17,005	11,673	11,905	859
Depreciation and amortization expense	21,008	20,632	21,204	21,888	21,150	22,024	22,747
EBITDA[1]	$ 36,245	$ 52,705	$ 61,250	$ 58,202	$ 58,912	$ 62,189	$ 32,027
Directors' equity-based compensation (benefit) expense	(470)	(1,457)	(1,914)	(232)	726	3,610	89
Costs associated with Long Island facility closure	554	735	728	446	432	533	466
(Gain) loss associated with the sale of the specialty mills	(131)	(1,331)	-	195	-	-	(1,755)
Pension settlement expense	-	-	-	-	-	-	3,482
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	$ 66,332	$ 34,309

[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] 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	Q2'16	Q3'16
Consumer Products							
Operating income	$ 12,395	$ 17,032	$ 15,521	$ 10,756	$ 18,390	$ 18,544	$ 17,201
Depreciation and amortization expense	12,977	13,438	14,048	14,132	13,759	14,203	15,022
Segment EBITDA[1]	$ 25,372	$ 30,470	$ 29,569	$ 24,888	$ 32,149	$ 32,747	$ 32,223
Costs associated with Long Island facility closure	554	735	728	446	432	533	466
(Gain) loss associated with the sale of the specialty mills	(131)	(1,331)	-	195	-	-	(1,755)
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	$ 33,280	$ 30,934
Pulp and Paperboard							
Operating income	$ 16,194	$ 27,754	$ 37,446	$ 39,467	$ 35,163	$ 40,032	$ 9,956
Depreciation and amortization expense	7,311	6,737	6,535	6,621	6,367	6,449	6,530
Segment EBITDA[1]	$ 23,505	$ 34,491	$ 43,981	$ 46,088	$ 41,530	$ 46,481	$ 16,486
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	$ 46,481	$ 16,486
Corporate							
Operating loss	($13,352)	($12,713)	($12,921)	($13,909)	($15,791)	($18,411)	($17,877)
Depreciation and amortization expense	720	457	621	1,135	1,024	1,372	1,195
Corporate EBITDA[1]	($12,632)	($12,256)	($12,300)	($12,774)	($14,767)	($17,039)	($16,682)
Directors' equity-based compensation (benefit) expense	(470)	(1,457)	(1,914)	(232)	726	3,610	89
Pension settlement expense	-	-	-	-	-	-	3,482
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)	($13,429)	($13,111)

[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 September 30, 2016
Net earnings (loss)	$ 39,674	$ 64,131	$ 106,955	($2,315)	$ 55,983	$ 51,776
Interest expense, net	44,809	33,796	44,036	39,150	31,182	30,303
Net earnings before interest[1]	$ 84,483	$ 97,927	$ 150,991	$ 36,835	$ 87,165	$ 82,079
Tangible stockholders' equity[2]	$ 205,623	$ 263,608	$ 334,783	$ 263,494	$ 245,789	$ 245,836
Debt	513,646	515,570	640,410	568,221	568,987	582,575
Less excess cash[3]	(48,440)	(17,579)	(78,675)	(62,331)	9,140	14,669
Invested capital	$ 670,829	$ 761,599	$ 896,518	$ 769,384	$ 823,916	$ 843,080
Return on Invested Capital (ROIC)	12.6%	12.9%	16.8%	4.8%	10.6%	9.7%
Stockholders' equity	$ 484,904	$ 540,894	$ 605,094	$ 497,537	$ 474,866	$ 471,203
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)	(16,280)
Tangible stockholders' equity[2]	$ 205,623	$ 263,608	$ 334,783	$ 263,494	$ 245,789	$ 245,836
Cash	$ 8,439	$ 12,579	$ 23,675	$ 27,331	$ 5,610	$ 331
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 cash[3]	$ 48,440	$ 17,579	$ 78,675	$ 62,331	$ (9,140)	$ (14,669)

[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 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

[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 INVESTMENTS[1]

Q3'16 ADJUSTED EBITDA[2] IMPACT

(Dollars in millions)	CONTINUOUS DIGESTER	WAREHOUSE AUTOMATION	OTHER PROJECTS	OPERATIONAL IMPROVEMENTS
Operating income	$ 0.1	$ 1.7	$ 0.7	$ 9.4
Depreciation	$ 0.1	$ 0.2	$ 0.6	$ -
EBITDA[2]	$ 0.2	$ 1.9	$ 1.3	$ 9.4
Adjusted EBITDA[2]	$ 0.2	$ 1.9	$ 1.3	$ 9.4

2015 THROUGH Q3'16 ADJUSTED EBITDA[2] IMPACT

(Dollars in millions)	CONTINUOUS DIGESTER	WAREHOUSE AUTOMATION	OTHER PROJECTS	OPERATIONAL IMPROVEMENTS
Operating income	$ 0.1	$ 3.1	$ 1.4	$ 34.4
Depreciation	$ 0.1	$ 0.2	$ 1.3	$ -
EBITDA[2]	$ 0.2	$ 3.3	$ 2.7	$ 34.4
Adjusted EBITDA[2]	$ 0.2	$ 3.3	$ 2.7	$ 34.4

[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.

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