



Clearwater Paper Corporation

Fourth Quarter and Full Year 2010 Results
Supplemental Information

Gordon Jones
Linda Massman

Chairman, President and Chief Executive Officer
Vice-President, Finance and Chief Financial Officer

(Dollars in thousands - except per-share amounts)	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010 **	Twelve Months Ended December 31,	
									2009	2010 **
Net sales	\$286,700	\$316,905	\$331,484	\$314,980	\$330,621	\$343,860	\$352,927	\$345,557	\$1,250,069	\$1,372,965
Operating income (loss)										
Consumer Products	\$29,136	\$32,182	\$32,080	\$28,719	\$24,839	\$20,838	\$10,809	\$7,263	\$122,117	\$63,749
Pulp & Paperboard	2,209	83,278	53,462	52,945	(6,769)	27,465	28,155	33,060	191,894	81,911
Corporate & eliminations	(6,120)	(7,402)	(8,033)	4,984	(7,506)	(11,003)	(10,465)	(17,919)	(16,571)	(46,893)
Earnings before interest, income taxes and debt retirement costs	\$25,225	\$108,058	\$77,509	\$86,648	\$10,564	\$37,300	\$28,499	\$22,404	\$297,440	\$98,767
Net earnings	\$13,647	\$75,448	\$46,209	\$47,160	\$458	\$20,568	\$14,988	\$37,786	\$182,464	\$73,800
Interest expense, net of interest income	(3,563)	(3,431)	(4,277)	(4,234)	(4,285)	(4,132)	(3,819)	(10,335)	(15,505)	(22,571)
Income tax benefit (provision)	(8,015)	(22,929)	(27,023)	(35,254)	(5,821)	(12,600)	(9,692)	25,717	(93,221)	(2,396)
Depreciation & amortization	(11,721)	(11,757)	(11,692)	(12,248)	(11,866)	(11,861)	(11,780)	(12,221)	(47,418)	(47,728)
Earnings before interest, income taxes, and depreciation & amortization (EBITDA)*	\$36,946	\$113,565	\$89,201	\$98,896	\$22,430	\$49,161	\$40,279	\$34,625	\$338,608	\$146,495
Adjusted EBITDA*	\$36,946	\$43,442	\$42,064	\$51,759	\$22,430	\$49,161	\$43,385	\$51,873	\$174,211	\$166,849
Adjusted EBITDA margin	12.9%	13.7%	12.7%	16.4%	6.8%	14.3%	12.3%	15.0%	13.9%	12.2%
Diluted net earnings per common share	\$1.19	\$6.43	\$3.92	\$4.01	\$0.04	\$1.75	\$1.27	\$3.19	\$15.50	\$6.24
Total debt to total capitalization (excluding accumulated other comprehensive loss)	30.3%	27.2%	25.0%	23.2%	23.2%	22.4%	21.9%	48.8%	23.2%	48.8%
Adjusted EBITDA to interest expense, net	10.4	12.7	9.8	12.2	5.2	11.9	11.4	5.0	11.2	7.4

* Non-GAAP measures - See reconciliation to GAAP and definition.

** Q4 and Twelve Months Ended December 31, 2010 amounts include four days of Cellu Tissue activity



Variance Analysis

(Unaudited)

DECREASE IN EARNINGS BEFORE INTEREST AND INCOME TAXES
(Dollars in Thousands)

	4th Quarter 2010 vs. 4th Quarter 2009	4th Quarter 2010 vs. 3rd Quarter 2010	Full Year 2010 vs. Full Year 2009
Consumer Products	<u>(\$21,456)</u>	<u>(\$3,546)</u>	<u>(\$58,368)</u>
Volume	9,157	1,456	30,569
Price	(4,673)	(2,614)	(14,554)
Costs and other	<u>(25,940)</u>	<u>(2,388)</u>	<u>(74,383)</u>
Pulp and Paperboard	<u>(19,885)</u>	<u>4,905</u>	<u>(109,983)</u>
Volume	6,328	(5,407)	50,755
Price	19,231	(914)	55,427
Alternative Fuel Mixture Tax Credit	(47,137)	-	(170,647)
Costs and other	<u>1,693</u>	<u>11,226</u>	<u>(45,518)</u>
Corporate and eliminations	<u>(22,903)</u>	<u>(7,454)</u>	<u>(30,322)</u>
Decrease in earnings before interest and income taxes	<u><u>(\$64,244)</u></u>	<u><u>(\$6,095)</u></u>	<u><u>(\$198,673)</u></u>

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Twelve Months Ended December 31,	
									2009	2010
<u>Shipments</u>										
Consumer Products										
Tissue (tons)	50,531	51,737	52,778	52,172	52,472	55,486	55,069	55,626	207,218	218,653
Pulp & Paperboard										
Paperboard (tons)	152,060	179,397	198,182	177,249	189,917	188,197	184,279	176,987	706,888	739,380
Pulp (tons)*	2,884	19,038	11,565	9,598	13,762	13,307	16,292	17,387	43,085	60,748
Lumber (MBF)	30,448	40,877	46,970	53,273	47,222	44,646	58,436	60,362	171,568	210,666
<u>Sales Price/Unit</u>										
Consumer Products										
Tissue (per ton)**	\$2,694	\$2,693	\$2,656	\$2,651	\$2,627	\$2,620	\$2,614	\$2,567	\$2,673	\$2,607
Pulp & Paperboard										
Paperboard (per ton)	\$908	\$858	\$842	\$869	\$881	\$888	\$948	\$947	\$867	\$915
Pulp (per ton)*	\$447	\$440	\$486	\$544	\$613	\$784	\$694	\$679	\$476	\$691
Lumber (per MBF)	\$362	\$371	\$396	\$327	\$356	\$468	\$386	\$378	\$363	\$394

* Excludes shipments of pulp and transfer prices of pulp used internally.

** Q4 and Twelve Months Ended December 31, 2010 sales prices per ton excluding Cellu Tissue volumes were \$2,657 and \$2,629 respectively.

(Dollars in thousands)	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010 ***	Twelve Months Ended December 31,	
									2009	2010 ***
Earnings before interest, income taxes, and depreciation & amortization (EBITDA)*										
GAAP net earnings	\$13,647	\$75,448	\$46,209	\$47,160	\$458	\$20,568	\$14,988	\$37,786	\$182,464	\$73,800
Interest expense, net of interest income	3,563	3,431	4,277	4,234	4,285	4,132	3,819	10,335	15,505	22,571
Income tax provision (benefit)	8,015	22,929	27,023	35,254	5,821	12,600	9,692	(25,717)	93,221	2,396
Depreciation & amortization	11,721	11,757	11,692	12,248	11,866	11,861	11,780	12,221	47,418	47,728
EBITDA	\$36,946	\$113,565	\$89,201	\$98,896	\$22,430	\$49,161	\$40,279	\$34,625	\$338,608	\$146,495
Debt retirement costs	-	6,250	-	-	-	-	-	-	6,250	-
Alternative Fuel Mixture Tax Credit	-	(76,373)	(47,137)	(47,137)	-	-	-	-	(170,647)	-
Cellu Tissue acquisition related expenses	-	-	-	-	-	-	3,106	17,248	-	20,354
Adjusted EBITDA**	\$36,946	\$43,442	\$42,064	\$51,759	\$22,430	\$49,161	\$43,385	\$51,873	\$174,211	\$166,849

* **EBITDA** is a non-GAAP measure that management uses to evaluate the cash generating capacity of the company. The most directly comparable GAAP measure is net earnings. EBITDA, as we define it, 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** excludes debt retirement costs, the Alternative Fuel Mixture Tax Credit and Cellu Tissue acquisition related expenses.

*** Q4 and Twelve Months Ended December 31, 2010 amounts include four days of Cellu Tissue activity.



For more information:
www.clearwaterpaper.com