



Clearwater Paper Corporation

Second Quarter 2011 Conference Call
Supplemental Information

Gordon Jones
Linda Massman

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

(Dollars in thousands - except per-share amounts)	Q1 2010	Q2 2010	Q3 2010	Q4 2010***	Q1 2011	Q2 2011	Six Months Ended June 30	
							2010	2011
Net sales	\$330,621	\$343,860	\$352,927	\$345,557	\$465,830	\$494,627	\$674,481	\$960,457
Operating income (loss) *								
Consumer Products	\$25,987	\$25,643	\$17,891	\$11,270	\$13,815	\$6,868	\$51,630	\$20,683
Pulp & Paperboard	(7,917)	22,660	21,073	29,053	15,648	34,456	14,743	50,104
Corporate & eliminations	(7,506)	(11,003)	(10,465)	(17,919)	(5,917)	(7,531)	(18,509)	(13,448)
Income from operations	\$10,564	\$37,300	\$28,499	\$22,404	\$23,546	\$33,793	\$47,864	\$57,339
Net earnings	\$458	\$20,568	\$14,988	\$37,786	\$5,604	\$13,923	\$21,026	\$19,527
Interest expense, net of interest income	(4,285)	(4,132)	(3,819)	(10,335)	(11,333)	(10,992)	(8,417)	(22,325)
Income tax provision	(5,821)	(12,600)	(9,692)	25,717	(6,133)	(8,649)	(18,421)	(14,782)
Other, net	-	-	-	-	(476)	(229)	-	(705)
Depreciation & amortization	(11,866)	(11,861)	(11,780)	(12,221)	(18,669)	(18,870)	(23,727)	(37,539)
Earnings before interest, income taxes, and depreciation & amortization (EBITDA)**	\$22,430	\$49,161	\$40,279	\$34,625	\$41,739	\$52,434	\$71,591	\$94,173
Adjusted EBITDA**	\$22,430	\$49,161	\$43,385	\$51,873	\$41,739	\$52,434	\$71,591	\$94,173
Adjusted EBITDA margin	6.8%	14.3%	12.3%	15.0%	9.0%	10.6%	10.6%	9.8%
Diluted net earnings per common share	\$0.04	\$1.75	\$1.27	\$3.19	\$0.47	\$1.17	\$1.78	\$1.65
Total debt to total capitalization (excluding accumulated other comprehensive loss)	23.2%	22.4%	21.9%	48.8%	48.5%	47.8%	22.4%	47.8%
EBITDA to interest expense, net	5.2	11.9	11.4	5.0	3.7	4.8	8.5	4.2

* Prior period segment operating income (loss) has been adjusted to reflect our change in raw material transfers to provide comparability.

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

*** Q4 2010 amounts include four days of Cellu Tissue activity.

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Six Months Ended June 30	
							2010	2011
Shipments								
Consumer Products								
Tissue-Actual (short tons)*	52,472	55,486	55,069	55,626	129,566	128,762	107,958	258,328
Tissue-Pro forma (short tons)*	130,357	138,065	135,102	132,673	129,566	128,762	268,422	258,328
Pulp & Paperboard								
Paperboard (short tons)	189,917	188,197	184,279	176,987	171,497	201,991	378,114	373,488
Pulp (short tons)**	13,762	13,307	16,292	17,387	7,800	11,140	27,069	18,940
Lumber (MBF)	47,222	44,646	58,436	60,362	57,509	49,455	91,868	106,964
Sales Price/Unit								
Consumer Products								
Tissue-Actual (per short ton)*	\$ 2,627	\$ 2,620	\$ 2,614	\$ 2,567	\$ 2,078	\$ 2,088	\$ 2,624	\$ 2,084
Tissue-Pro forma (per short ton)*	2,010	2,026	2,051	2,053	2,078	2,088	2,018	2,084
Pulp & Paperboard								
Paperboard (per short ton)	\$ 881	\$ 888	\$ 948	\$ 947	\$ 983	\$ 980	\$ 884	\$ 982
Pulp (per short ton)**	613	784	694	679	684	718	697	704
Lumber (per MBF)	356	468	386	378	393	393	410	393

* Tissue-Actual shipments and sales price are the actual results which include Cellu Tissue amounts only post-acquisition. The Tissue-Pro forma amounts have been restated for 2010 to include Cellu Tissue amounts.

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

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

	2nd Quarter 2011 vs. 2nd Quarter 2010	2nd Quarter 2011 vs. 1st Quarter 2011	YTD 2011 vs. YTD 2010
Consumer Products *	<u>(\$18,775)</u>	<u>(\$6,947)</u>	<u>(\$30,947)</u>
Volume	191,983	(1,671)	394,571
Price	(68,501)	1,288	(139,497)
Costs and other	<u>(142,257)</u>	<u>(6,564)</u>	<u>(286,021)</u>
Pulp & Paperboard	<u>11,796</u>	<u>18,808</u>	<u>35,361</u>
Volume	12,801	29,095	(4,333)
Price	14,139	(227)	34,916
Costs and other	<u>(15,144)</u>	<u>(10,060)</u>	<u>4,778</u>
Corporate and eliminations	<u>3,472</u>	<u>(1,614)</u>	<u>5,061</u>
Increase (decrease) in income from operations	<u><u>(\$3,507)</u></u>	<u><u>\$10,247</u></u>	<u><u>\$9,475</u></u>

* Q2'10 contains no Cellu Tissue amounts and YTD 2010 includes only four days of Cellu Tissue activity.

Reconciliation of Non-GAAP Measures (Unaudited)

(Dollars in thousands)	Q1 2010	Q2 2010	Q3 2010	Q4 2010***	Q1 2011	Q2 2011	Six Months Ended June 30	
							2010	2011
Earnings before interest, income taxes, and depreciation & amortization (EBITDA)*								
GAAP net earnings	\$458	\$20,568	\$14,988	\$37,786	\$5,604	\$13,923	\$21,026	\$19,527
Interest expense, net of interest income	4,285	4,132	3,819	10,335	11,333	10,992	8,417	22,325
Income tax provision	5,821	12,600	9,692	(25,717)	6,133	8,649	18,421	14,782
Depreciation & amortization	11,866	11,861	11,780	12,221	18,669	18,870	23,727	37,539
EBITDA	\$22,430	\$49,161	\$40,279	\$34,625	\$41,739	\$52,434	\$71,591	\$94,173
Cellu Tissue acquisition related expenses	-	-	3,106	17,248	-	-	-	-
Adjusted EBITDA **	\$22,430	\$49,161	\$43,385	\$51,873	\$41,739	\$52,434	\$71,591	\$94,173

* **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 the Cellu Tissue acquisition

*** Q4 2010 amount include four days of Cellu Tissue activity.



For more information:
www.clearwaterpaper.com