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Clearwater Paper to Close Oklahoma City Tissue Converting Facility and Restructure Neenah Mill

SPOKANE, Wash.--(BUSINESS WIRE)-- **Clearwater Paper Corporation (NYSE:CLW)** today announced the permanent closure of its Oklahoma City converting facility and permanent shutdown of two tissue machines at the company's Neenah, Wisconsin, tissue facility.

"As an integral step in our overall strategy to optimize our operations through better asset utilization, we will be taking these difficult but necessary actions while delivering on our growth objectives," said Pat Burke, group president for Clearwater Paper.

Clearwater Paper intends to run its Oklahoma City facility until its permanent closure on March 31, 2017. All of the facility's 131 employees will be impacted. The facility converts large parent rolls of tissue into packaged products.

"Because of significant productivity gains from our cost and optimization programs across the company, we expect Oklahoma City's production to be effectively absorbed and more efficiently supplied by other Clearwater Paper facilities," said Glenn Taylor, vice president of manufacturing for Clearwater Paper's consumer products division.

Also, as part of an overall facility optimization and restructuring plan, Clearwater Paper's Neenah location will permanently shut down two of the company's highest-cost tissue machines, affecting approximately 85 of the facility's approximate 400 employees and removing a total production capacity of 32,000 tons beginning December 31, 2016. Three remaining tissue machines will continue to manufacture an array of private label and away-from-home tissue products.

"Although a difficult decision when considering the impacted employees at Neenah, we expect the plant's restructuring to lower our overall costs and significantly strengthen the facility," said Taylor.

The company will work closely with state employment agencies to assist employees in receiving training, educational benefits and other benefits that enable them to find new employment as quickly as possible. The company will also provide private career assistance services to help employees through this difficult time.

The company expects the total impact of non-recurring exit related costs to be approximately \$13 to \$16 million, \$4 to \$6 million of which is expected to be incurred this year with the remainder in 2017. The cost savings benefits resulting from the facility consolidation and optimization are expected to be \$10 million on an annual basis, with \$7 to \$9 million in 2017, which will contribute to the company meeting its previously announced operational improvement target.

"Clearwater Paper's employees remain our primary consideration and we are working to do as much as we can for those affected by utilizing all resources to help them through this difficult time," said Pat Burke. "We are working with local and state agencies to supply multiple job options to the employees."

ABOUT CLEARWATER PAPER

Clearwater Paper manufactures quality consumer tissue, away-from-home tissue, parent roll tissue, bleached paperboard and pulp at manufacturing facilities across the nation. The company is a premier supplier of private label tissue to major retailers and wholesale distributors, including grocery, drug, mass merchants and discount stores. In addition, the company produces bleached paperboard used by quality-conscious printers and packaging converters. Clearwater Paper's employees build shareholder value by developing strong customer partnerships through quality and service.

FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 as amended, including statements regarding the timing of the closure of the Oklahoma City facility, the shutdown of the paper machines at the Neenah facility, strategy and growth objectives; optimization program; tissue production; the costs and timing of costs associated with the closure and the shutdown; the cost savings benefits and timing of benefits associated with the closure and shutdown; and operational improvement targets. These forward-looking statements are based on current expectations, estimates, assumptions and projections that are subject to change, and

actual results may differ materially from the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, risks and uncertainties arising from the possibility that the closure of the Oklahoma City facility may be delayed or may not occur; the possibility the paper machines shutdowns may not occur; difficulties with the relocation and optimization of manufacturing equipment, including equipment malfunction and damage; labor disruptions; competitive pricing pressures for the company's products, including as a result of increased capacity as additional manufacturing facilities are operated by the company's competitors; changes in the U.S. and international economies and in general economic conditions in the regions and industries in which the company operates; 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 the company's operational efficiencies and expansion strategies; changes in transportation costs and disruptions in transportation services; customer acceptance, timing and quantity of purchases of the company's tissue products; changes in costs for and availability of packaging supplies, chemicals, energy and maintenance and repairs; environmental liabilities or expenditures; manufacturing or operating disruptions, including IT system and IT system implementation failures, equipment malfunction and damage to the company's manufacturing facilities; changes in expenses and required contributions associated with the company's pension plans; reliance on a limited number of third-party suppliers for raw material; and other risks and uncertainties described from time to time in the company's public filings with the Securities and Exchange Commission. The forward-looking statements are made as of the date of this press release and the company does not undertake to update any forward-looking statements.

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