



Clearwater Paper Corporation

First Quarter 2011 Conference Call
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 2010	Q2 2010	Q3 2010	Q4 2010 ***	Q1 2011	Twelve Months Ended December 31,	
						2009	2010 ***
Net sales	\$ 330,621	\$ 343,860	\$ 352,927	\$ 345,557	\$ 465,830	\$ 1,250,069	\$ 1,372,965
Operating income (loss)*							
Consumer Products	\$ 25,987	\$ 25,643	\$ 17,891	\$ 11,270	\$ 13,815	\$ 112,219	\$ 80,791
Pulp and Paperboard	(7,917)	22,660	21,073	29,053	15,648	201,792	64,869
Corporate and eliminations	(7,506)	(11,003)	(10,465)	(17,919)	(5,917)	(16,571)	(46,893)
Income from operations	\$ 10,564	\$ 37,300	\$ 28,499	\$ 22,404	\$ 23,546	\$ 297,440	\$ 98,767
Net earnings	\$ 458	\$ 20,568	\$ 14,988	\$ 37,786	\$ 5,604	\$ 182,464	\$ 73,800
Interest expense, net	(4,285)	(4,132)	(3,819)	(10,335)	(11,333)	(15,505)	(22,571)
Income tax benefit (provision)	(5,821)	(12,600)	(9,692)	25,717	(6,133)	(93,221)	(2,396)
Depreciation and amortization	(11,866)	(11,861)	(11,780)	(12,221)	(18,669)	(47,418)	(47,728)
Earnings before interest, income taxes, and depreciation and amortization (EBITDA)**	\$ 22,430	\$ 49,161	\$ 40,279	\$ 34,625	\$ 41,739	\$ 338,608	\$ 146,495
Adjusted EBITDA**	\$ 22,430	\$ 49,161	\$ 43,385	\$ 51,873	\$ 41,739	\$ 174,211	\$ 166,849
Adjusted EBITDA margin	6.8%	14.3%	12.3%	15.0%	9.0%	13.9%	12.2%
Diluted net earnings per common share	\$ 0.04	\$ 1.75	\$ 1.27	\$ 3.19	\$ 0.47	\$ 15.50	\$ 6.24
Total debt to total capitalization (excluding accumulated other comprehensive loss)	23.2%	22.4%	21.9%	48.8%	48.5%	23.2%	48.8%
Adjusted EBITDA to interest expense, net	5.2	11.9	11.4	5.0	3.7	11.2	7.4

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



Volumes and Sales Price/Unit (Unaudited)

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Twelve Months Ended December 31,	
						2009	2010
<u>Shipments</u>							
Consumer Products							
Tissue-Actual (short tons)*	52,472	55,486	55,069	55,626	129,566	207,218	218,653
Tissue-Pro forma (short tons)*	130,357	138,065	135,102	132,673	129,566	534,804	536,197
Pulp and Paperboard							
Paperboard (short tons)	189,917	188,197	184,279	176,987	171,497	706,888	739,380
Pulp (short tons)**	13,762	13,307	16,292	17,387	7,800	43,085	60,748
Lumber (MBF)	47,222	44,646	58,436	60,362	57,509	171,568	210,666
<u>Sales Price/Unit</u>							
Consumer Products							
Tissue-Actual (per short ton)*	\$ 2,627	\$ 2,620	\$ 2,614	\$ 2,567	\$ 2,078	\$ 2,673	\$ 2,607
Tissue-Pro forma (per short ton)*	2,010	2,026	2,051	2,053	2,078	1,987	2,035
Pulp and Paperboard							
Paperboard (per short ton)	\$ 881	\$ 888	\$ 948	\$ 947	\$ 983	\$ 867	\$ 915
Pulp (per short ton)**	613	784	694	679	684	476	691
Lumber (per MBF)	356	468	386	378	393	363	394

* 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 INCOME FROM OPERATIONS

(Dollars in thousands)	1st Quarter 2011 vs. 1st Quarter 2010	1st Quarter 2011 vs. 4th Quarter 2010
Consumer Products (1)	\$ (12,172)	\$ 2,545
Volume	202,526	189,804
Price	(71,132)	(63,358)
Costs and other	(143,566)	(123,901)
Pulp and Paperboard	23,565	(13,405)
Volume	(16,221)	(12,787)
Price	20,174	7,076
Costs and other	19,612	(7,694)
Corporate and eliminations	1,589	12,002
Increase in income from operations	\$ 12,982	\$ 1,142

(1) Q1'10 contains no Cellu Tissue amounts and Q4'10 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	Twelve Months Ended December 31,	
						2009	2010 ***
Earnings before interest, income taxes, and depreciation and amortization (EBITDA)*							
Net earnings	\$ 458	\$ 20,568	\$ 14,988	\$ 37,786	\$ 5,604	\$ 182,464	\$ 73,800
Interest expense, net	4,285	4,132	3,819	10,335	11,333	15,505	22,571
Income tax provision (benefit)	5,821	12,600	9,692	(25,717)	6,133	93,221	2,396
Depreciation and amortization	11,866	11,861	11,780	12,221	18,669	47,418	47,728
EBITDA	\$ 22,430	\$ 49,161	\$ 40,279	\$ 34,625	\$ 41,739	\$ 338,608	\$ 146,495
Debt retirement costs	-	-	-	-	-	6,250	-
Alternative Fuel Mixture Tax Credit	-	-	-	-	-	(170,647)	-
Cellu Tissue acquisition related expenses	-	-	3,106	17,248	-	-	20,354
Adjusted EBITDA**	\$ 22,430	\$ 49,161	\$ 43,385	\$ 51,873	\$ 41,739	\$ 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.

(Dollars in thousands)	Former Cellu Tissue 2010
Earnings before interest, income taxes, and depreciation and amortization (EBITDA)*	
Net loss	\$ (23,219)
Interest expense, net	32,038
Income tax benefit	(14,005)
Depreciation and amortization	33,637
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EBITDA	\$ 28,451
Cellu Tissue acquisition related expenses	19,341
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Adjusted EBITDA**	\$ 47,792

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** **Adjusted EBITDA** excludes Cellu Tissue acquisition related expenses.



For more information:
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