



CLEARWATER PAPER CORPORATION

FIRST QUARTER 2016
SUPPLEMENTAL INFORMATION

LINDA MASSMAN
PRESIDENT, CHIEF EXECUTIVE OFFICER AND DIRECTOR

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FORWARD-LOOKING STATEMENTS



This 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 Q2 2016; production; 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 Q2 2016 EBITDA and adjusted EBITDA; and segment maintenance expense for 2016. 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 in North America and abroad, 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.

FIRST QUARTER FINANCIAL HIGHLIGHTS



\$437 MILLION NET SALES, UP 1.3% VS. Q4'15, VS. OUR OUTLOOK OF UP 0% TO 1%

\$38 MILLION GAAP OPERATING INCOME, UP 4% VS. Q4'15

\$60 MILLION ADJUSTED EBITDA¹, UP 2% VS. Q4'15, AT HIGH END OF OUR OUTLOOK OF \$52 TO \$60 MILLION

DILUTED GAAP EPS OF \$1.05, ADJUSTED DILUTED EPS OF \$1.09¹

\$8 MILLION OF BENEFIT ACHIEVED FROM STRATEGIC CAPITAL AND OPERATIONAL EFFICIENCY INITIATIVES IN Q1'16, \$19 MILLION TOTAL SINCE Q1'15

RETURNED \$28 MILLION TO SHAREHOLDERS AS PART OF NEW \$100 MILLION SHARE BUYBACK PROGRAM AT AVERAGE COST OF \$39 PER SHARE

FINANCIAL SUMMARY (GAAP BASIS)

(UNAUDITED)



(Dollars in thousands - except per-share amounts)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16
Net sales	\$ 434,026	\$ 444,558	\$ 442,222	\$ 431,595	\$ 437,204
Selling, general and administrative expenses	(\$28,957)	(\$28,138)	(\$28,284)	(\$30,308)	(\$30,795)
Operating income (loss)	\$ 15,237	\$ 32,073	\$ 40,046	\$ 36,314	\$ 37,762
Consumer Products	12,395	17,032	15,521	10,756	18,390
Pulp and Paperboard	16,194	27,754	37,446	39,467	35,163
Corporate	(13,352)	(12,713)	(12,921)	(13,909)	(15,791)
Operating margin	3.5%	7.2%	9.1%	8.4%	8.6%
Interest expense, net	(\$7,782)	(\$7,774)	(\$7,882)	(\$7,744)	(\$7,643)
Income tax provision	(\$1,698)	(\$8,702)	(\$9,100)	(\$17,005)	(\$11,673)
Net earnings	\$ 5,757	\$ 15,597	\$ 23,064	\$ 11,565	\$ 18,446
Net earnings per diluted common share	\$ 0.30	\$ 0.81	\$ 1.21	\$ 0.65	\$ 1.05

FINANCIAL SUMMARY (ADJUSTED BASIS) (UNAUDITED)



(Dollars in thousands - except per-share amounts)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	Q2'16 Outlook ⁵
Net sales	\$ 434,026	\$ 444,558	\$ 442,222	\$ 431,595	\$ 437,204	1%-3% higher
Adjusted gross profit ¹	\$ 46,478	\$ 60,946	\$ 69,170	\$ 67,280	\$ 68,989	
Adjusted gross profit margin ^{1,2}	10.7%	13.7%	15.6%	15.6%	15.8%	
Adjusted selling, general and administrative expenses ¹	(\$29,558)	(\$30,926)	(\$27,153)	(\$30,272)	(\$30,069)	
Adjusted operating income (loss) ¹	\$ 16,920	\$ 30,020	\$ 42,017	\$ 37,008	\$ 38,920	
Consumer Products	13,632	16,436	16,743	11,459	18,822	
Pulp and Paperboard	17,110	27,754	37,685	39,647	35,163	
Corporate	(13,822)	(14,170)	(12,411)	(14,098)	(15,065)	
Adjusted operating margin ^{1,3}	3.9%	6.8%	9.5%	8.6%	8.9%	8.0%-9.5%
Interest expense, net	(\$7,782)	(\$7,774)	(\$7,882)	(\$7,744)	(\$7,643)	
Adjusted income tax provision ¹	(\$2,217)	(\$8,055)	(\$9,726)	(\$15,924)	(\$12,089)	
Adjusted net earnings ¹	\$ 6,921	\$ 14,191	\$ 24,409	\$ 13,340	\$ 19,188	
Depreciation and amortization expense	\$ 21,008	\$ 20,632	\$ 21,204	\$ 21,888	\$ 21,150	
Adjusted EBITDA ¹	\$ 37,928	\$ 50,652	\$ 63,221	\$ 58,896	\$ 60,070	\$56,000-\$64,000
Consumer Products	26,609	29,874	30,791	25,591	32,581	
Pulp and Paperboard	24,421	34,491	44,220	46,268	41,530	
Corporate	(13,102)	(13,713)	(11,790)	(12,963)	(14,041)	
Adjusted EBITDA margin ^{1,4}	8.7%	11.4%	14.3%	13.6%	13.7%	
Adjusted net earnings per diluted common share ¹	\$ 0.36	\$ 0.74	\$ 1.28	\$ 0.75	\$ 1.09	
Gross debt to rolling four quarter total Adjusted EBITDA ¹	2.6	2.7	2.8	2.7	2.5	
Capital Expenditures	\$ 20,809	\$ 29,542	\$ 33,275	\$ 50,478	\$ 25,732	

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.

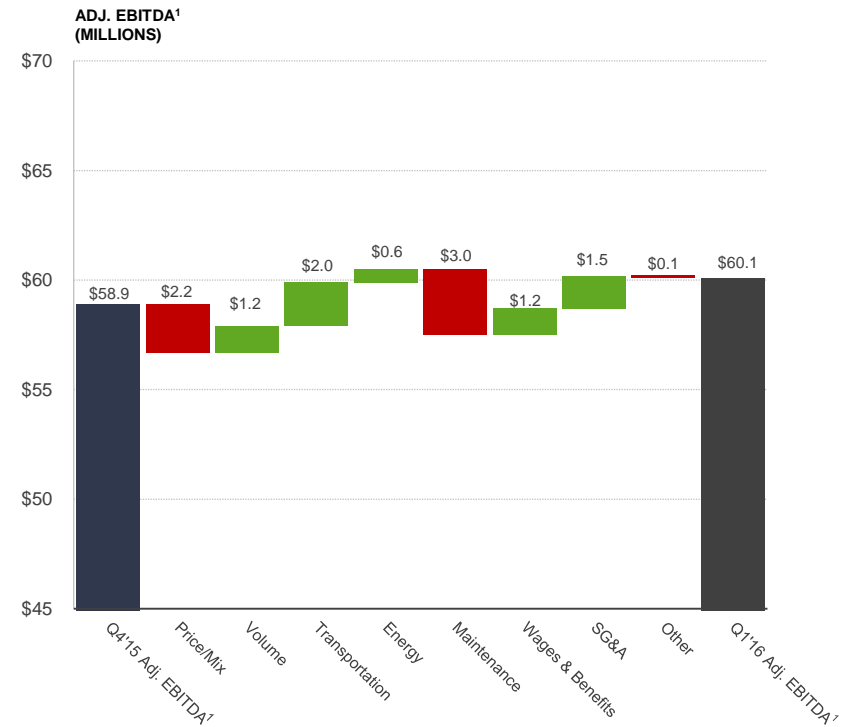
⁴ Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Net sales.

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.

Q1'16 VS. Q4'15 CONSOLIDATED ADJUSTED EBITDA¹ BRIDGE



PRICE/MIX	Lower paperboard pricing, higher mix of tissue parent roll sales
VOLUME	Higher tissue shipments, paperboard shipment volume stable
TRANSPORTATION	Network efficiency improvements and favorable rates due to increased carrier availability
ENERGY	Lower natural gas prices
MAINTENANCE	Higher planned maintenance at Idaho in Q1'16
WAGES & BENEFITS	Better absorption on increased production levels
SG&A	Timing of profit dependent accruals, lower bad debt expense

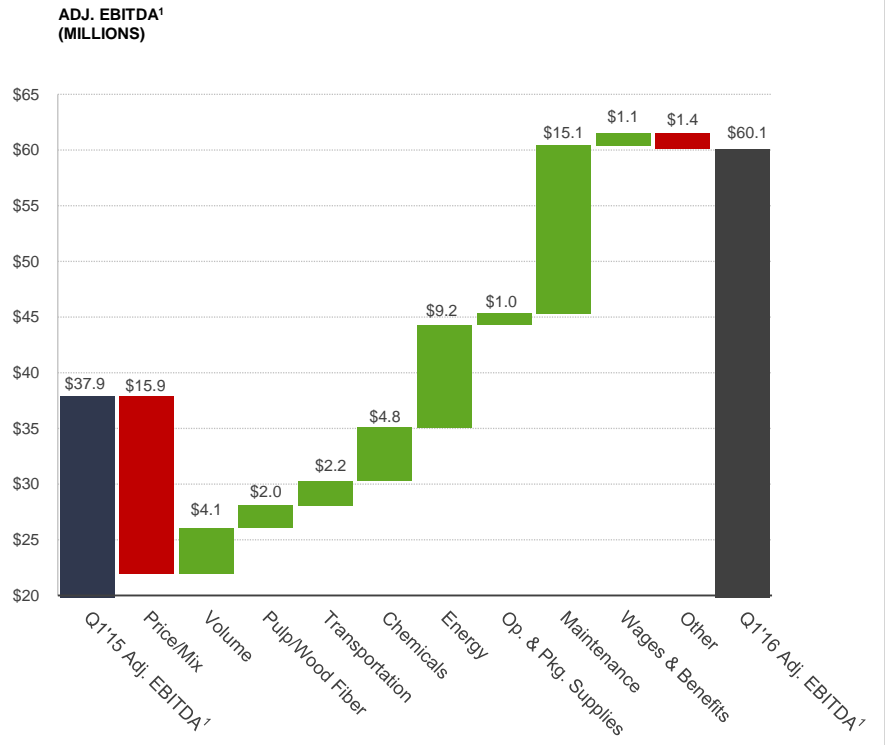


¹ Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

Q1'16 VS. Q1'15 CONSOLIDATED ADJUSTED EBITDA¹ BRIDGE



PRICE/MIX	Lower paperboard pricing, higher mix of commodity grade paperboard sales, higher mix of tissue parent roll sales, partly offset by tissue price increase
VOLUME	Higher tissue shipments, higher paperboard shipments
PULP/WOOD FIBER	Lower external pulp pricing, higher internal pulp usage
TRANSPORTATION	Lower fuel costs
CHEMICALS	Lower negotiated polyethylene prices
ENERGY	Lower natural gas and other energy prices
OP. & PKG. SUPPLIES	Lower negotiated prices
MAINTENANCE	Major maintenance at Idaho in Q1'15, no major maintenance expense in Q1'16
WAGES & BENEFITS	Better absorption on increased production levels



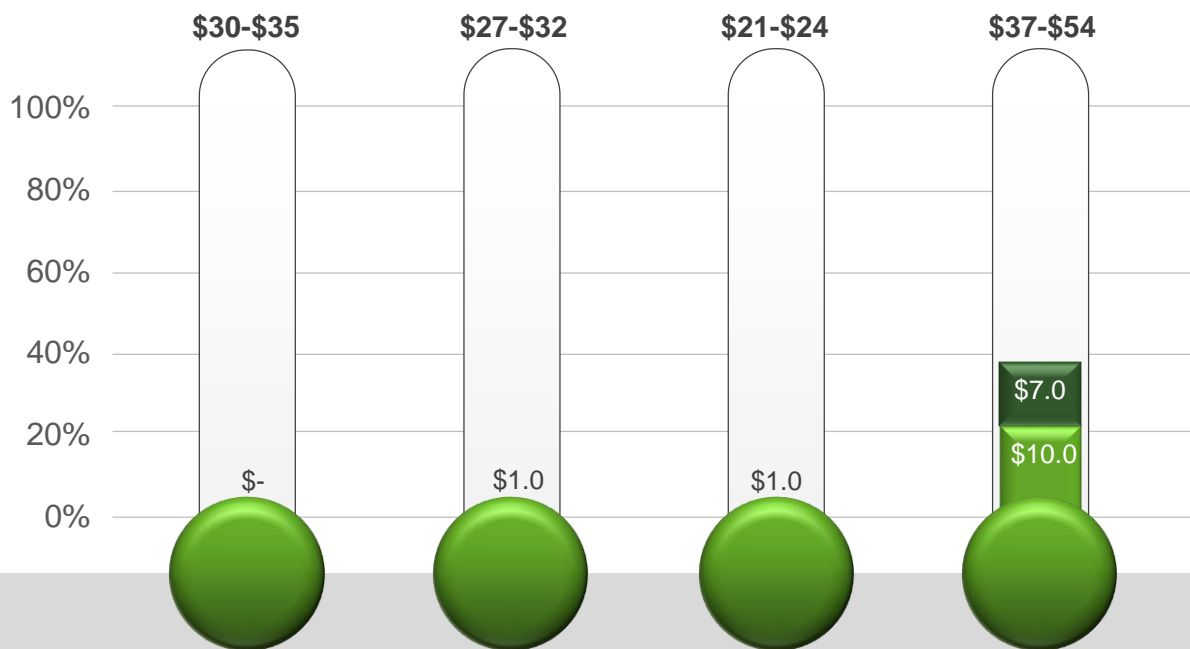
¹ Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

STRATEGIC INVESTMENT AND OPERATIONAL IMPROVEMENT SCORECARD AS OF Q1'16



- Strategic plan announced in Q1'15, expected capex of \$237-\$249 million
- Expected to yield a \$115-\$145 million Adjusted EBITDA¹ increase by 2018
- In addition, assume an annual \$10-\$15 million of margin pressure

FULL RUN-RATE EXPECTED ADJUSTED EBITDA¹ IMPACT (MILLIONS \$)



	Continuous Digester ³	Warehouse Automation ⁴	Other Projects ⁵	Operational Improvements
TOTAL STRATEGIC CAPEX ²	\$148-\$158	\$40-\$42	\$49	\$0

■ 2015 ADJUSTED EBITDA¹ ACHIEVED

■ Q1'16 ADJUSTED EBITDA¹ 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.

⁴ 2015 and Q1'16 Adjusted EBITDA contributions were \$.6M and \$.4M, respectively.

⁵ 2015 and Q1'16 Adjusted EBITDA contributions were \$.4M and \$.6M, respectively.

KEY SEGMENT RESULTS – CONSUMER PRODUCTS (UNAUDITED)



	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	CONSUMER PRODUCTS CROSS-CYCLE FINANCIAL MODEL
Shipments						
Non-Retail (short tons) ¹	21,107	24,744	21,250	23,077	24,358	
Retail (short tons)	71,102	71,476	76,856	73,004	75,027	
Total Tissue Tons	92,209	96,220	98,106	96,081	99,385	
Converted Products (cases in thousands)²	13,025	13,125	13,375	12,624	12,990	
Sales Price						
Non-Retail (\$/short ton) ¹	\$1,475	\$1,430	\$1,530	\$1,448	\$1,477	
Retail (\$/short ton)	\$2,864	\$2,846	\$2,787	\$2,805	\$2,784	
Total Tissue (\$/short ton)	\$2,546	\$2,482	\$2,515	\$2,479	\$2,464	
Segment net sales (\$ in thousands)	\$235,176	\$239,391	\$247,039	\$238,288	\$245,018	
Segment GAAP operating income (\$ in thousands)	\$12,395	\$17,032	\$15,521	\$10,756	\$18,390	
Segment GAAP operating margin	5.3%	7.1%	6.3%	4.5%	7.5%	
Segment Adjusted EBITDA³ (\$ in thousands)	\$26,609	\$29,874	\$30,791	\$25,591	\$32,581	
Segment Adjusted EBITDA margin⁴	11.3%	12.5%	12.5%	10.7%	13.3%	17.0%

¹ Includes away-from-home (AFH), contract and parent roll tissue products. ² Includes retail, AFH, and contract tissue case products.

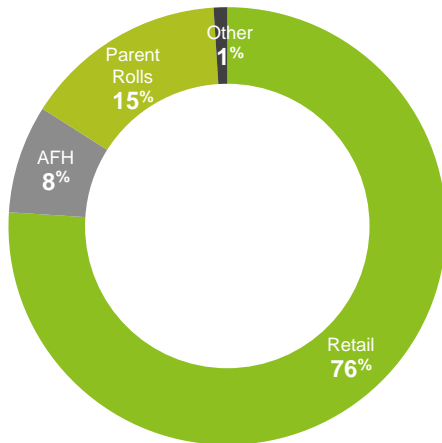
³ Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

⁴ Non-GAAP measure – Segment Adjusted EBITDA margin is defined as Segment Adjusted EBITDA divided by Segment net sales.

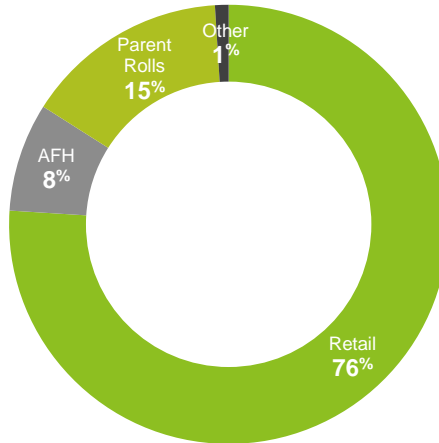
CLEARWATER PAPER TISSUE SHIPMENTS AND U.S. RETAIL TISSUE MARKET



CLW Q1'16 by
Market Segment
(% of Tons)



CLW Q4'15 by
Market Segment
(% of Tons)



U.S. Retail Tissue Market (\$)
(MultiOutlet)¹

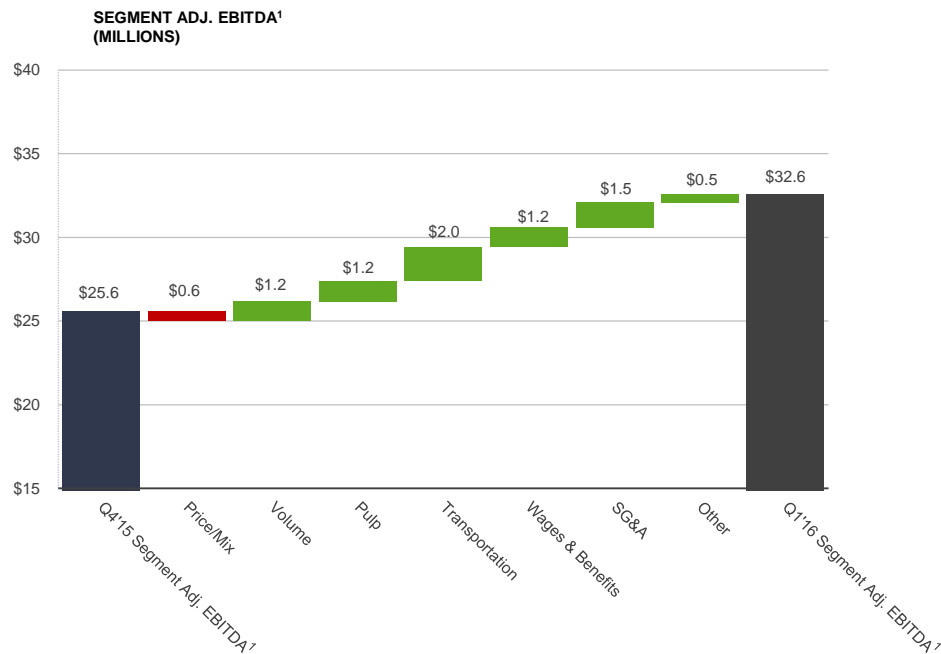
CATEGORY	PRIVATE LABEL	BRANDS	TOTAL
Total Retail Tissue Share (\$)	23%	77%	100%
% Change Q1'16 vs. Q4'15	(0.6)%	0.6%	_%

¹ Data Source: IRI Worldwide data through March 27, 2016.

Q1'16 VS. Q4'15 CONSUMER PRODUCTS ADJUSTED EBITDA¹ BRIDGE



PRICE/MIX	Higher mix of parent roll sales
VOLUME	Higher retail and parent roll sales
PULP	Lower external pulp pricing
TRANSPORTATION	Network efficiency improvements and favorable rates due to increased carrier availability
WAGES & BENEFITS	Better absorption due to increased production levels
SG&A	Timing of profit dependent accruals, lower bad debt expense



Previous Outlook vs. Segment Actual

	PRICE/MIX	SHIPMENT VOLUMES	EXTERNAL PULP	CHEMICAL COSTS	OP. & PKG. SUPPLIES	TRANSPORTATION COSTS	ENERGY COSTS	MAINTENANCE	SG&A
Q1'16 OUTLOOK VERSUS Q4'15	0-1% higher ▲	0-1% higher ▲	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Cost / shipped ton: lower ▼	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Stable ▶	Stable ▶
Q1'16 ACTUAL VERSUS Q4'15	0-1% lower ▼	0-1% higher ▲	Cost / shipped ton: lower ▼	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Cost / shipped ton: lower ▼	Cost / shipped ton: stable ▶	Stable ▶	Lower ▼

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	PULP AND PAPERBOARD CROSS-CYCLE FINANCIAL MODEL
Shipments						
Paperboard (short tons)	191,635	204,983	198,535	201,580	201,340	
Sales Price						
Paperboard (\$/short ton)	\$1,031	\$997	\$979	\$956	\$952	
Segment net sales (\$ in thousands)	\$198,850	\$205,167	\$195,183	\$193,307	\$192,186	
Segment GAAP operating income (\$ in thousands)	\$16,194	\$27,754	\$37,446	\$39,467	\$35,163	
Segment GAAP operating margin	8.1%	13.5%	19.2%	20.4%	18.3%	
Segment Adjusted EBITDA¹ (\$ in thousands)	\$24,421	\$34,491	\$44,220	\$46,268	\$41,530	
Segment Adjusted EBITDA margin ²	12.3%	16.8%	22.7%	23.9%	21.6%	19.0%

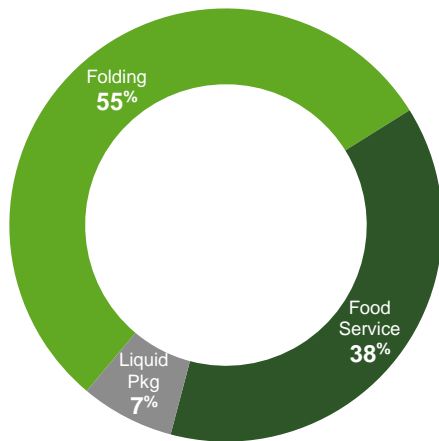
¹ Non-GAAP measure – See Appendix for the definition and reconciliation to the most comparable GAAP measure.

² Non-GAAP measure – Segment Adjusted EBITDA margin is defined as Segment Adjusted EBITDA divided by Segment net sales.

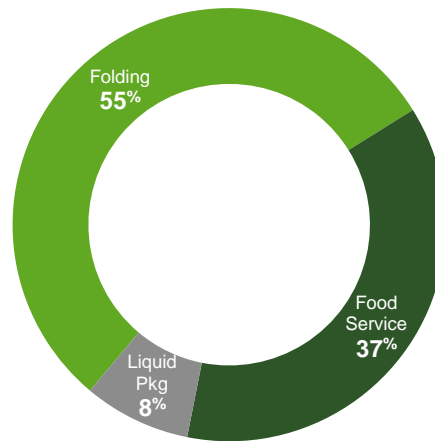
CLEARWATER PAPER PAPERBOARD SHIPMENTS AND U.S. PAPERBOARD MARKET



CLW Q1'16 by
Market Segment
(% of Tons)



CLW Q4'15 by
Market Segment
(% of Tons)



U.S. Paperboard Production³

CATEGORY	CLEARWATER PAPER	OTHER
Total Domestic SBS ¹ Market Share	14%	86%
Folding	19%	81%
Food Service ²	16%	84%
Liquid Packaging	4%	96%

¹ Solid Bleached Sulfate.

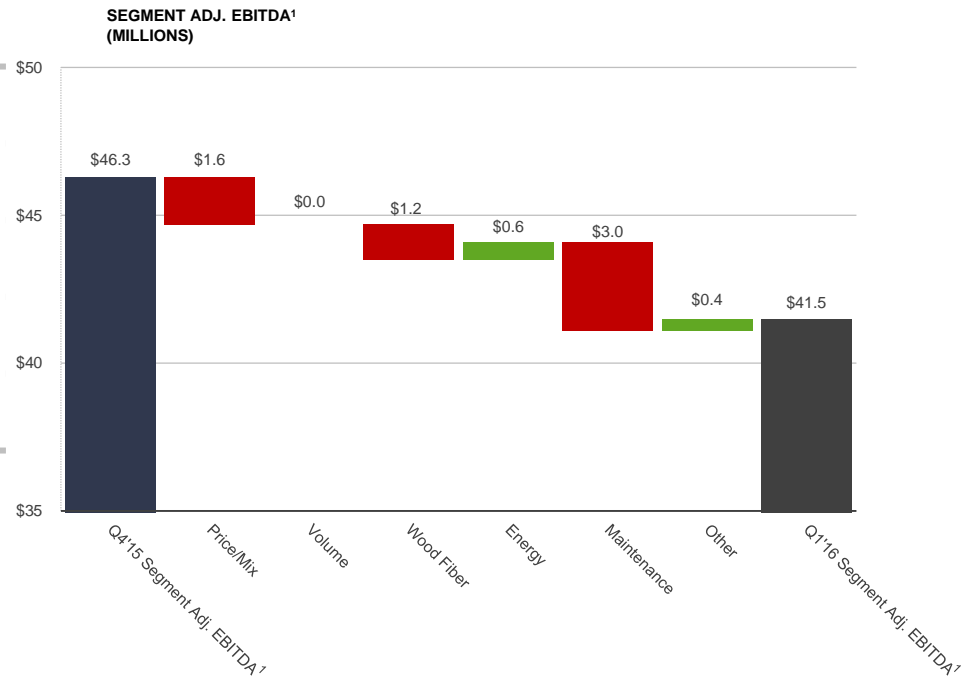
² Food Service includes cup, plate, dish and tray products.

³ Data Source: American Forest and Paper Association Solid Bleached Domestic Production – March YTD 2016.

Q1'16 VS. Q4'15 PULP AND PAPERBOARD ADJUSTED EBITDA¹ BRIDGE



PRICE/MIX	Lower paperboard pricing
VOLUME	Paperboard shipment volume stable
WOOD FIBER	Higher wood prices at Idaho due to higher regional demand
ENERGY	Lower natural gas pricing
MAINTENANCE	Higher planned maintenance at Idaho in Q1'16



Previous Outlook vs. Segment Actual

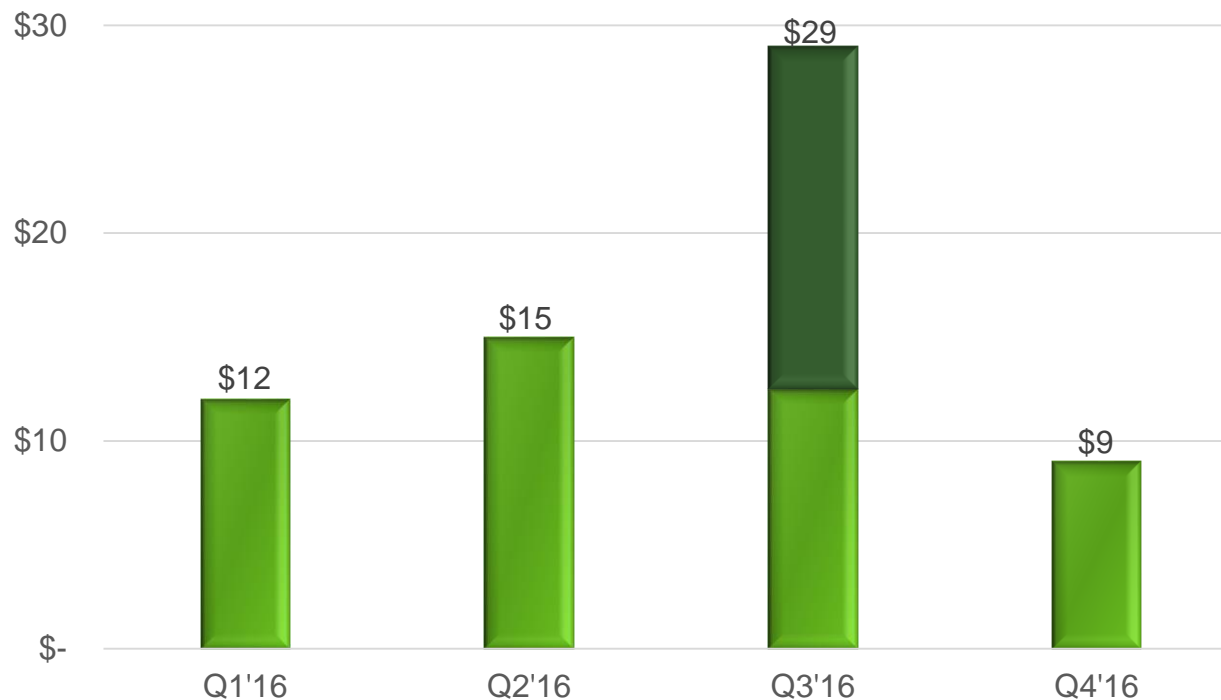
	PRICE/MIX	SHIPMENT VOLUMES	WOOD FIBER	CHEMICAL COSTS	OP. & PKG. SUPPLIES	TRANSPORTATION COSTS	ENERGY COSTS	MAINTENANCE	SG&A
Q1'16 OUTLOOK VERSUS Q4'15	Stable ▶	0-1% higher ▲	Cost / shipped ton: slightly higher ▲	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Higher ▲	Stable ▶
Q1'16 ACTUAL VERSUS Q4'15	1% lower ▼	Stable ▶	Cost / shipped ton: slightly higher ▲	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Cost / shipped ton: stable ▶	Cost / shipped ton: slightly lower ▼	Higher ▲	Stable ▶

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

PROJECTED 2016 PULP AND PAPERBOARD MAINTENANCE EXPENSE OF \$65 MILLION (DIRECT AND INDIRECT COSTS)



Projected 2016 Pulp and Paperboard Maintenance Expense (Millions \$)



■ Major outage at Idaho, projected cost of \$15-\$18 million

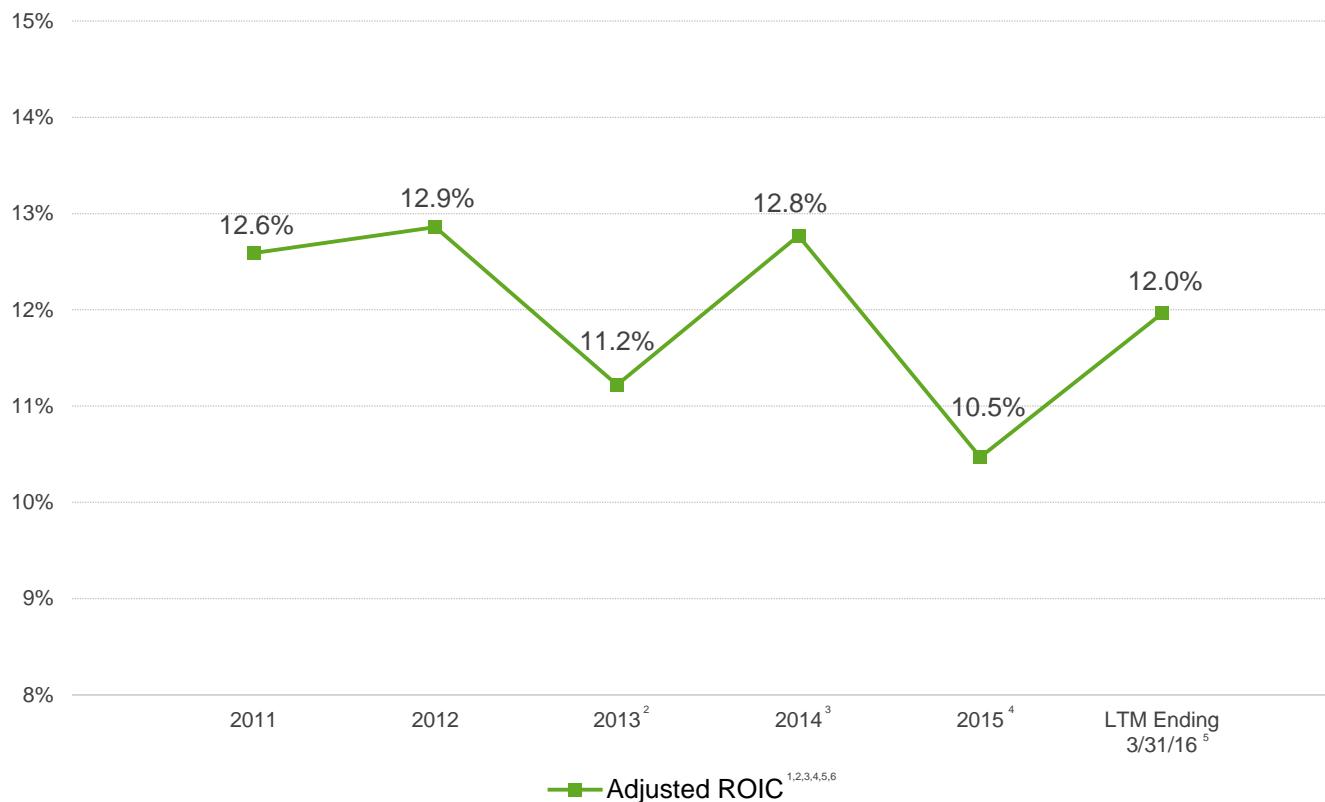
CLEARWATER PAPER CROSS-CYCLE FINANCIAL MODEL



(Dollars in thousands)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16	CLEARWATER PAPER CROSS-CYCLE FINANCIAL MODEL
Net sales	100%	100%	100%	100%	100%	100%
Adjusted gross profit margin ¹	10.7%	13.7%	15.6%	15.6%	15.8%	17.0%
Adjusted SG&A expenses ¹ as % of net sales	(6.8%)	(7.0%)	(6.1%)	(7.0%)	(6.9%)	(6.0%)
Adjusted operating margin ¹	3.9%	6.8%	9.5%	8.6%	8.9%	11.0%
Adjusted net earnings ¹ as % of net sales	1.6%	3.2%	5.5%	3.1%	4.4%	5.0%
Adjusted EBITDA margin ¹	8.7%	11.4%	14.3%	13.6%	13.7%	15.0%

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

ADJUSTED RETURN ON INVESTED CAPITAL¹ (UNAUDITED)



¹ Adjusted Return on Invested Capital (Adjusted ROIC) is defined as [Net Earnings + Interest Expense] / [Tangible Stockholders' Equity⁶ + Debt - Excess (Deficit) Cash⁶] 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 optimization and sale of the specialty mills totaling \$9 million after-tax.

⁵ LTM Ending 3/31/16 Adjusted ROIC Net Earnings was adjusted to remove a gain associated with the optimization and sale of the specialty mills totaling \$8 million after-tax.

⁶ We recently adopted Accounting Standards Update 2015-03, which requires us to retroactively include deferred issuance amounts in Debt for 2011-2015. Adjusted ROIC amounts shown for 2011-2014 have been adjusted accordingly.

SECOND QUARTER 2016 OUTLOOK

(COMPARED TO Q1'16)¹
ARROWS REPRESENT ADJUSTED EBITDA² IMPACT



	CONSUMER PRODUCTS		PULP AND PAPERBOARD		CORPORATE
SHIPMENT VOLUME IMPACT ON ADJUSTED EBITDA ²	• Slightly lower 2-4% lower	▼	• Slightly higher: 1-3% higher	▲	
PRICE/MIX IMPACT ON ADJUSTED EBITDA ²	• Higher: 3-5% higher	▲	• Slightly lower: 1-3% lower	▼	
PULP/WOOD FIBER COSTS	• Cost/shipped ton: stable	▶	• Cost/shipped ton: slightly higher	▲	
CHEMICAL COSTS	• Cost/shipped ton: stable	▶	• Cost/shipped ton: stable	▶	
OP. & PKG. SUPPLIES	• Cost/shipped ton: stable	▶	• Cost/shipped ton: stable	▶	
TRANSPORTATION COSTS	• Cost/shipped ton: stable	▶	• Cost/shipped ton: stable	▶	
ENERGY COSTS	• Cost/shipped ton: stable	▶	• Cost/shipped ton: lower	▼	
MAINTENANCE & REPAIRS	• Stable	▶	• Boiler water wash at Arkansas, higher planned maintenance at Idaho	▲	
SG&A	• Slightly Higher	▲	• Stable	▶	• Slightly Lower ▼

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 Appendix for the definition and reconciliation to the most comparable GAAP measure.

Q2'16 OUTLOOK¹

RECONCILIATION OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)



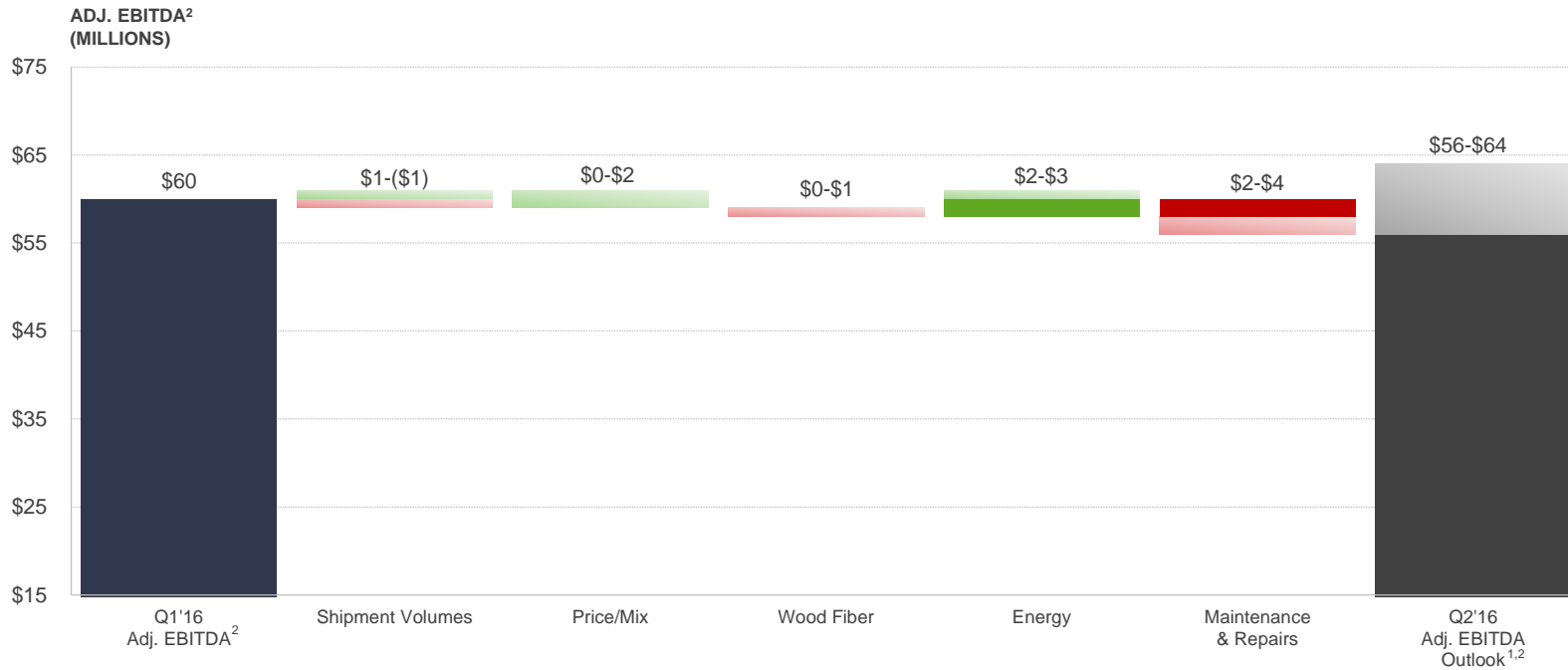
	OUTLOOK	
	THREE MONTHS ENDING	
	JUNE 30, 2016	
	RANGE OF ESTIMATE	
(Dollars in thousands)	FROM	TO
Earnings before interest, income taxes, and depreciation & amortization (EBITDA) ² :		
GAAP net earnings	\$17,000	\$22,000
Interest expense, net	\$7,500	\$7,500
Income tax provision	\$9,500	\$12,500
Depreciation and amortization expense	\$21,000	\$21,000
EBITDA²	\$55,000	\$63,000
Directors' equity-based compensation expense	\$500	\$500
Costs associated with Long Island facility closure	\$500	\$500
Adjusted EBITDA³	\$56,000	\$64,000

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 Q2'16 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 slide 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
Gross profit ¹	\$ 44,194	\$ 60,211	\$ 68,330	\$ 66,817	\$ 68,557
Costs associated with Long Island facility closure	554	735	728	446	432
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
Selling, general and administrative expenses (SG&A)	(\$28,957)	(\$28,138)	(\$28,284)	(\$30,308)	(\$30,795)
Directors' equity-based compensation (benefit) expense	(470)	(1,457)	(1,914)	(232)	726
(Gain) loss associated with optimization and sale of the specialty mills	(131)	(1,331)	-	-	-
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)

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
Consumer Products					
Operating income	\$ 12,395	\$ 17,032	\$ 15,521	\$ 10,756	\$ 18,390
Costs associated with Long Island facility closure	554	735	728	446	432
(Gain) loss associated with optimization and sale of the specialty mills	(131)	(1,331)	-	195	-
Costs associated with labor agreement	814	-	-	-	-
Reorganization related expenses	-	-	494	62	-
Adjusted Consumer Products operating income¹	\$ 13,632	\$ 16,436	\$ 16,743	\$ 11,459	\$ 18,822
Pulp and Paperboard					
Operating Income	\$ 16,194	\$ 27,754	\$ 37,446	\$ 39,467	\$ 35,163
Costs associated with labor agreement	916	-	-	-	-
Reorganization related expenses	-	-	239	180	-
Adjusted Pulp and Paperboard operating income¹	\$ 17,110	\$ 27,754	\$ 37,685	\$ 39,647	\$ 35,163
Corporate					
Operating loss	(\$13,352)	(\$12,713)	(\$12,921)	(\$13,909)	(\$15,791)
Directors' equity-based compensation (benefit) expense	(470)	(1,457)	(1,914)	(232)	726
Legal expenses and settlement costs	-	-	1,972	-	-
Reorganization related expenses	-	-	452	43	-
Adjusted Corporate operating loss¹	(\$13,822)	(\$14,170)	(\$12,411)	(\$14,098)	(\$15,065)

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
GAAP net earnings	\$ 5,757	\$ 15,597	\$ 23,064	\$ 11,565	\$ 18,446
Special items, after tax: ¹					
Directors' equity-based compensation (benefit) expense	(325)	(998)	(1,307)	(155)	465
Costs associated with Long Island facility closure	383	504	497	299	277
(Gain) loss associated with optimization and sale of the specialty mills	(91)	(912)	-	131	-
Discrete tax item related to state tax rate changes	-	-	-	-	-
Discrete tax items related to foreign tax credits	-	-	-	1,309	-
Costs associated with labor agreement	1,197	-	-	-	-
Legal expenses and settlement costs	-	-	1,346	-	-
Reorganization related expenses	-	-	809	191	-
Adjusted net earnings²	\$ 6,921	\$ 14,191	\$ 24,409	\$ 13,340	\$ 19,188
Net earnings per diluted common share	\$ 0.30	\$ 0.81	\$ 1.21	\$ 0.65	\$ 1.05
Special items, after tax: ¹					
Directors' equity-based compensation (benefit) expense	(0.02)	(0.05)	(0.07)	(0.01)	0.03
Costs associated with Long Island facility closure	0.02	0.03	0.03	0.02	0.02
(Gain) loss associated with optimization and sale of the specialty mills	-	(0.05)	-	0.01	-
Discrete tax items related to foreign tax credits	-	-	-	0.07	-
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 share²	\$ 0.36	\$ 0.74	\$ 1.28	\$ 0.75	\$ 1.09

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
GAAP income tax provision	(\$1,698)	(\$8,702)	(\$9,100)	(\$17,005)	(\$11,673)
Special items, tax impact:					
Directors' equity-based compensation benefit (expense)	145	459	607	77	(261)
Costs associated with Long Island facility closure	(171)	(231)	(231)	(147)	(155)
Gain (loss) associated with optimization and sale of the specialty mills	40	419	-	(64)	-
Discrete tax items related to foreign tax credits	-	-	-	1,309	-
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)

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)	Q1'15	Q2'15	Q3'15	Q4'15	Q1'16
Earnings before interest, income taxes, and depreciation & amortization (EBITDA) ¹					
GAAP net earnings	\$ 5,757	\$ 15,597	\$ 23,064	\$ 11,565	\$ 18,446
Interest expense, net	7,782	7,774	7,882	7,744	7,643
Income tax provision	1,698	8,702	9,100	17,005	11,673
Depreciation and amortization expense	21,008	20,632	21,204	21,888	21,150
EBITDA¹	\$ 36,245	\$ 52,705	\$ 61,250	\$ 58,202	\$ 58,912
Directors' equity-based compensation (benefit) expense	(470)	(1,457)	(1,914)	(232)	726
Costs associated with Long Island facility closure	554	735	728	446	432
(Gain) loss associated with optimization and sale of the specialty mills	(131)	(1,331)	-	195	-
Costs associated with labor agreement	1,730	-	-	-	-
Legal expenses and settlement costs	-	-	1,972	-	-
Reorganization related expenses	-	-	1,185	285	-
Adjusted EBITDA²	\$ 37,928	\$ 50,652	\$ 63,221	\$ 58,896	\$ 60,070

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
Consumer Products					
Operating income	\$ 12,395	\$ 17,032	\$ 15,521	\$ 10,756	\$ 18,390
Depreciation and amortization expense	12,977	13,438	14,048	14,132	13,759
Segment EBITDA¹	\$ 25,372	\$ 30,470	\$ 29,569	\$ 24,888	\$ 32,149
Costs associated with Long Island facility closure	554	735	728	446	432
(Gain) loss associated with optimization and sale of the specialty mills	(131)	(1,331)	-	195	-
Costs associated with labor agreement	814	-	-	-	-
Reorganization related expenses	-	-	494	62	-
Segment Adjusted EBITDA²	\$ 26,609	\$ 29,874	\$ 30,791	\$ 25,591	\$ 32,581
Pulp and Paperboard					
Operating income	\$ 16,194	\$ 27,754	\$ 37,446	\$ 39,467	\$ 35,163
Depreciation and amortization expense	7,311	6,737	6,535	6,621	6,367
Segment EBITDA¹	\$ 23,505	\$ 34,491	\$ 43,981	\$ 46,088	\$ 41,530
Costs associated with labor agreement	916	-	-	-	-
Reorganization related expenses	-	-	239	180	-
Segment Adjusted EBITDA²	\$ 24,421	\$ 34,491	\$ 44,220	\$ 46,268	\$ 41,530
Corporate					
Operating loss	(\$13,352)	(\$12,713)	(\$12,921)	(\$13,909)	(\$15,791)
Depreciation and amortization expense	720	457	621	1,135	1,024
Corporate EBITDA¹	(\$12,632)	(\$12,256)	(\$12,300)	(\$12,774)	(\$14,767)
Directors' equity-based compensation (benefit) expense	(470)	(1,457)	(1,914)	(232)	726
Legal expenses and settlement costs	-	-	1,972	-	-
Reorganization related expenses	-	-	452	43	-
Corporate Adjusted EBITDA²	(\$13,102)	(\$13,713)	(\$11,790)	(\$12,963)	(\$14,041)

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 March 31, 2016
Net earnings (loss)	\$ 39,674	\$ 64,131	\$ 106,955	(\$2,315)	\$ 55,983	\$ 68,672
Interest expense, net	44,809	33,796	44,036	39,150	31,182	31,043
Net earnings before interest¹	\$ 84,483	\$ 97,927	\$ 150,991	\$ 36,835	\$ 87,165	\$ 99,715
Tangible stockholders' equity ²	\$ 205,623	\$ 263,608	\$ 334,783	\$ 263,494	\$ 245,789	\$ 239,866
Debt ³	513,646	515,570	640,410	568,221	568,987	575,184
Less excess cash ⁴	(48,440)	(17,579)	(78,675)	(62,331)	9,140	12,772
Invested capital	\$ 670,829	\$ 761,599	\$ 896,518	\$ 769,384	\$ 823,916	\$ 827,822
Return on Invested Capital (ROIC)	12.6%	12.9%	16.8%	4.8%	10.6%	12.0%
Stockholders' equity	\$ 484,904	\$ 540,894	\$ 605,094	\$ 497,537	\$ 474,866	\$ 467,706
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)	(18,753)
Tangible stockholders' equity²	\$ 205,623	\$ 263,608	\$ 334,783	\$ 263,494	\$ 245,789	\$ 239,866
Cash	\$ 8,439	\$ 12,579	\$ 23,675	\$ 27,331	\$ 5,610	\$ 2,228
Short-term investments	55,001	20,000	70,000	50,000	250	-
Operating cash ⁵	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)	(15,000)
Excess cash⁴	\$ 48,440	\$ 17,579	\$ 78,675	\$ 62,331	\$ (9,140)	\$ (12,772)

¹ Non-GAAP measure.

² Tangible stockholders' equity is defined as stockholders' equity less Goodwill and Intangible assets, net.

³ We recently adopted Accounting Standards Update 2015-03, which requires us to retroactively include deferred issuance amounts in Debt for 2011-2015. Debt amounts shown for 2011-2014 in the table have been adjusted accordingly.

⁴ Excess cash is defined as the sum of Cash and Short-term investments less Operating cash⁵.

⁵ 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 INVESTMENTS¹



FULL RUN-RATE EXPECTED ADJUSTED EBITDA² 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

FY'15 TO Q1'16 ADJUSTED EBITDA² IMPACT

(Dollars in millions)	CONTINUOUS DIGESTER	WAREHOUSE AUTOMATION	OTHER PROJECTS	OPERATIONAL IMPROVEMENTS
Operating income	\$ -	\$ 1.0	\$ 0.6	\$ 17.0
Depreciation	\$ -	\$ -	\$ 0.4	\$ -
EBITDA ²	\$ -	\$ 1.0	\$ 1.0	\$ 17.0
Adjusted EBITDA ²	\$ -	\$ 1.0	\$ 1.0	\$ 17.0

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.

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