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Clearwater Paper Acquires Manchester Industries

SPOKANE, Wash.--(BUSINESS WIRE)-- **Clearwater Paper Corporation (NYSE:CLW)** today announced it has acquired Manchester Industries of Richmond, Virginia, a leading, independently-owned paperboard sales, sheeting and distribution supplier to the packaging and commercial print industries.

Clearwater Paper has acquired Manchester Industries in a cash transaction from PaperWorks Industries, an integrated full-service packaging provider for a purchase price of \$68.25 million. With approximately 170 full-time employees, Manchester Industries operates five facilities located in Richmond, Virginia; Wilkes-Barre, Pennsylvania; Hagerstown, Indiana; Dallas, Texas and Mendon, Michigan. Clearwater Paper believes the acquisition will be immediately accretive.

"Manchester Industries offers an excellent range of converting services that include custom sheeting, slitting, and cutting," said Linda Massman, president and CEO of Clearwater Paper. "These five plants are expected to be a valuable asset for Clearwater Paper as we look to extend our reach and service platform to the small and mid-sized folding carton plants. On behalf of Clearwater Paper, we welcome Manchester Industries employees to our team."

FBR Capital Markets & Co., led by Matthew Spain, advised Clearwater Paper on the acquisition. Pillsbury Winthrop Shaw Pittman LLP acted as legal advisor to Clearwater Paper.

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.

ABOUT PAPERWORKS INDUSTRIES, INC.

Founded in 2008, PaperWorks Industries, Inc. (PWI) is a leading, integrated North American full-service packaging provider of recycled paperboard and specialized folding cartons. The company is committed to the highest sustainable forestry and procurement standards. Product certifications include the Forest Stewardship Council, Sustainable Forestry Initiative and the Programme for the Endorsement of Forestry Certification. For more information: www.paperwrks.com.

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 value of Manchester Industries and the extension of our reach to small and mid-sized folding carton plants. 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 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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