

Glatfelter (NYSE:GLT)

2008 Third Quarter Financial Results

November 4, 2008

George H. Glatfelter – Chairman & Chief Executive Officer

Dante C. Parrini – Executive Vice President & Chief Operating Officer

John P. Jacunski – Senior Vice President & Chief Financial Officer



G L A T F E L T E R

Beyond Paper

Forward-Looking Statements



G L A T F E L T E R
Beyond Paper

This document includes certain “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and are subject to numerous risks, uncertainties and other unpredictable or uncontrollable factors which may cause actual results or performance to differ materially from the Company's expectations. Various risks and factors that could cause future results to differ materially from those expressed in the forward-looking statements include, but are not limited to: changes in industry, business, market, political and economic conditions in the U.S. and in other countries in which Glatfelter currently does business, demand for or pricing of its products; changes in tax legislation, governmental laws, regulations and policies and actions of regulatory bodies; orderly execution of regularly scheduled maintenance outages; technological changes and innovations and other factors. In light of these risks, uncertainties and other factors, the forward-looking events discussed in this presentation may not occur and readers are cautioned not to place undue reliance on these forward-looking statements. The forward-looking statements speak only as of the date of this presentation and Glatfelter undertakes no obligation and does not intend to update these forward-looking statements to reflect events or circumstances occurring after the date of this presentation. More information about these factors is contained in Glatfelter's filings with the U.S. Securities and Exchange Commission, which are available at www.glatfelter.com.

Use of non-GAAP Financial Measures



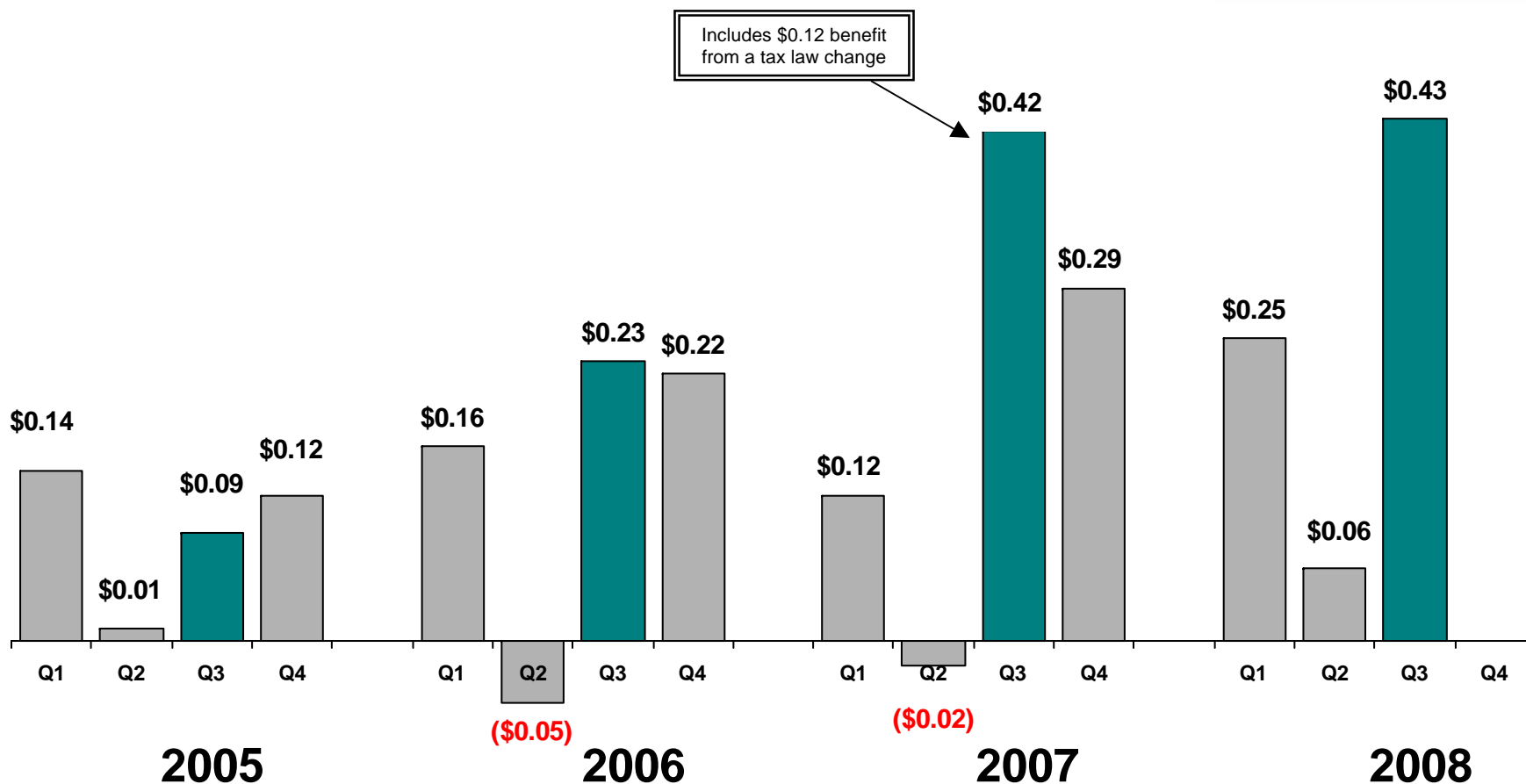
During the course of this presentation certain non-U.S. GAAP financial measures will be presented. A reconciliation of these measures to U.S. GAAP financial measures is included in the appendix of this presentation.

Adjusted EPS

(EPS from Continuing Operations and Before Special Items)



G L A T F E L T E R
Beyond Paper



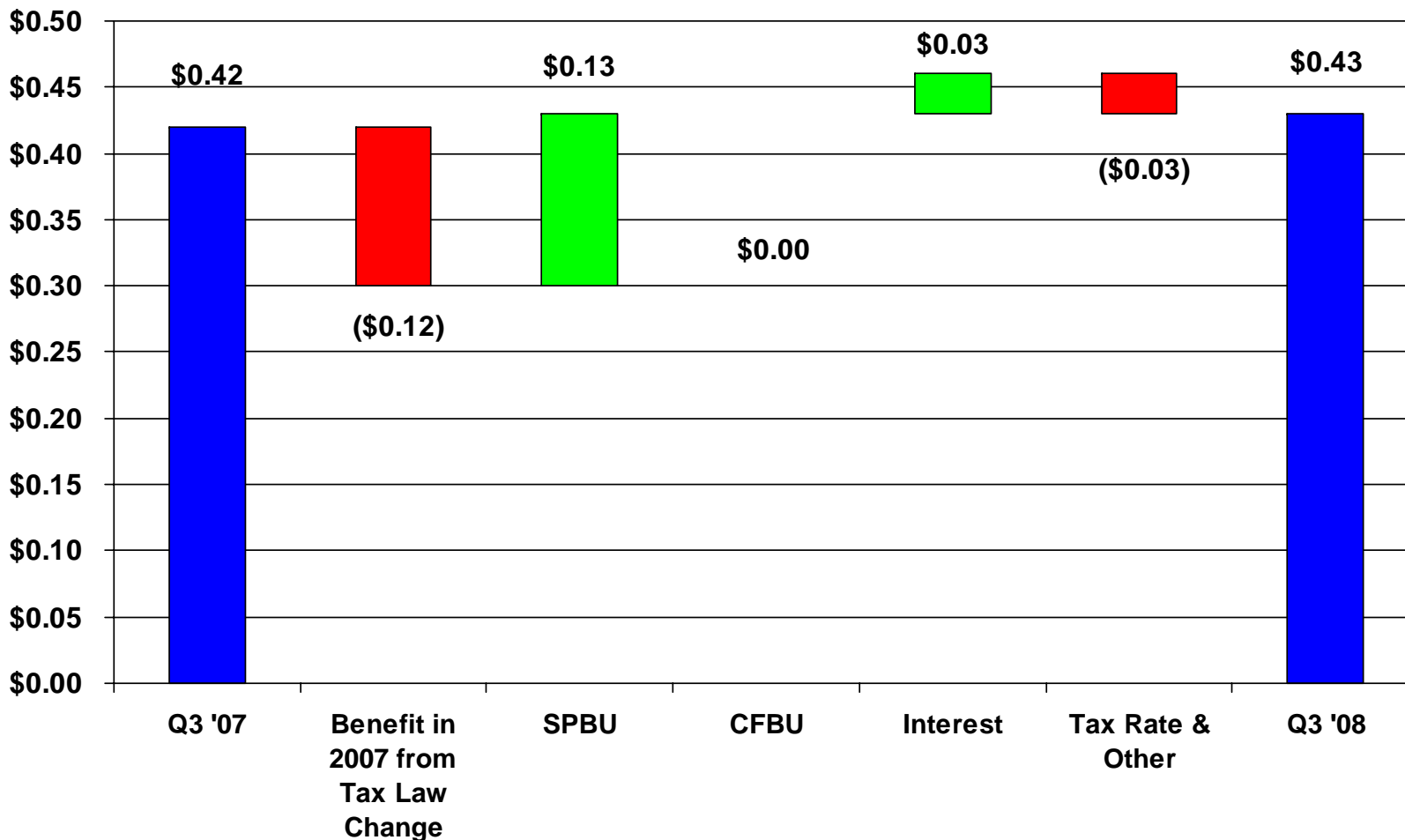
• See attached appendix of this presentation for the reconciliation of adjusted EPS to its nearest GAAP measure.

Q3'08 vs. Q3'07

(EPS from Continuing Operations and Before Special Items)



G L A T F E L T E R
Beyond Paper



• See attached appendix of this presentation for the reconciliation of adjusted EPS to its nearest GAAP measure.



GLATFELTER
Beyond Paper

Q3'08 Financial Highlights

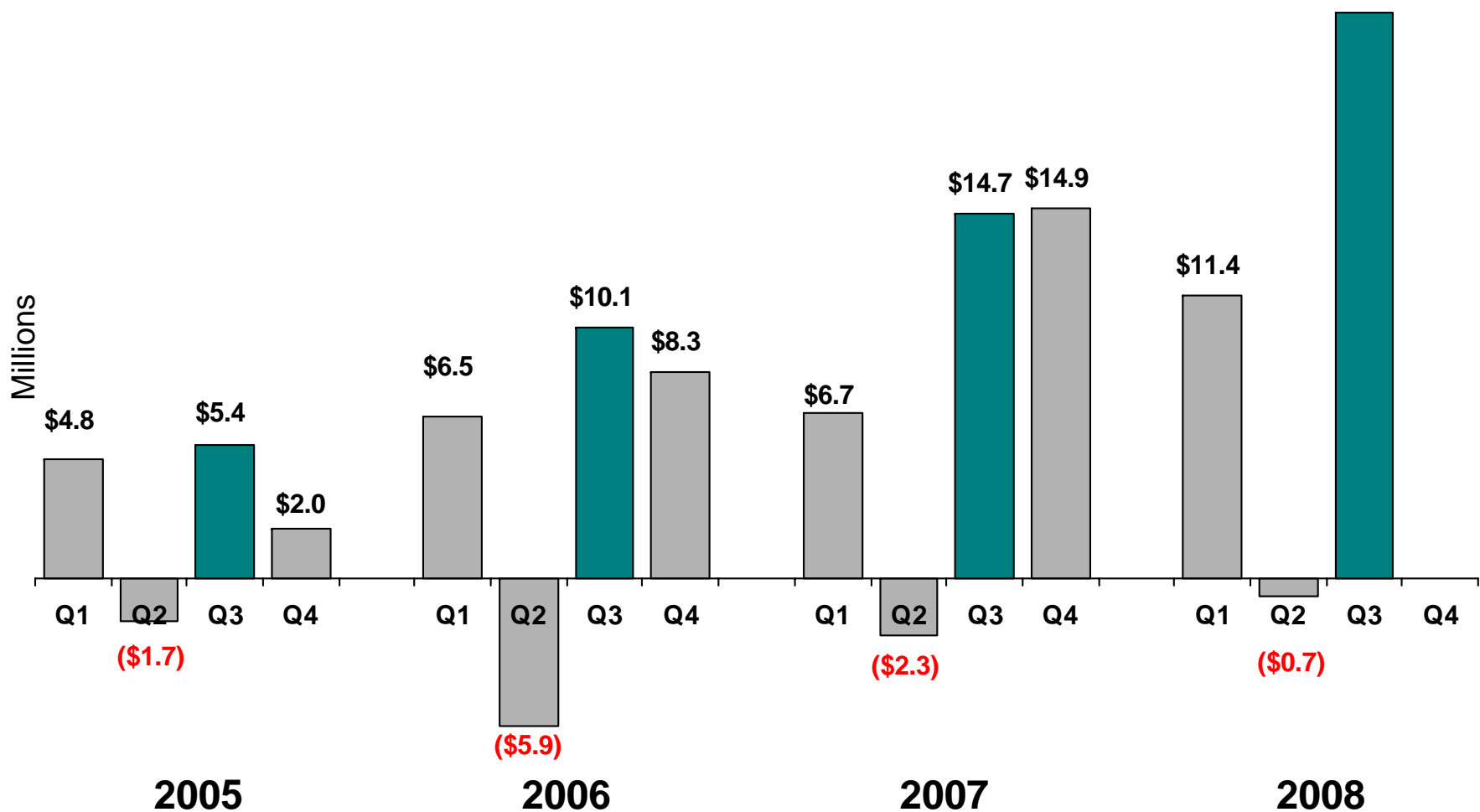
- **Specialty Papers' operating income increased 56% to \$22.8 million compared to \$14.7 million in Q3'07**
 - › Market demand for Glatfelter products remained strong in a soft market
 - › Selling prices increased less than increases in raw material costs but the gap narrowed since Q2 '08
 - › Chillicothe improvement initiatives continue to benefit this business unit
- **Composite Fibers' operating income was in line with Q3'07 at \$8.4 million**
 - › Strong demand for food & beverage products
 - › Prior year's third quarter included \$1.4 million benefit from one-time items
 - Adjusting for this non-recurring benefit, operating income increased 23%
 - › Selling prices increased less than increases in raw material costs but the gap narrowed since Q2 '08
 - › Foreign currency changes helped results
- **Net debt at September 30, excluding collateralized debt instruments, was \$227.4 million, down \$22.0 million since December 31, 2007**

Specialty Papers Operating Income



G L A T F E L T E R
Beyond Paper

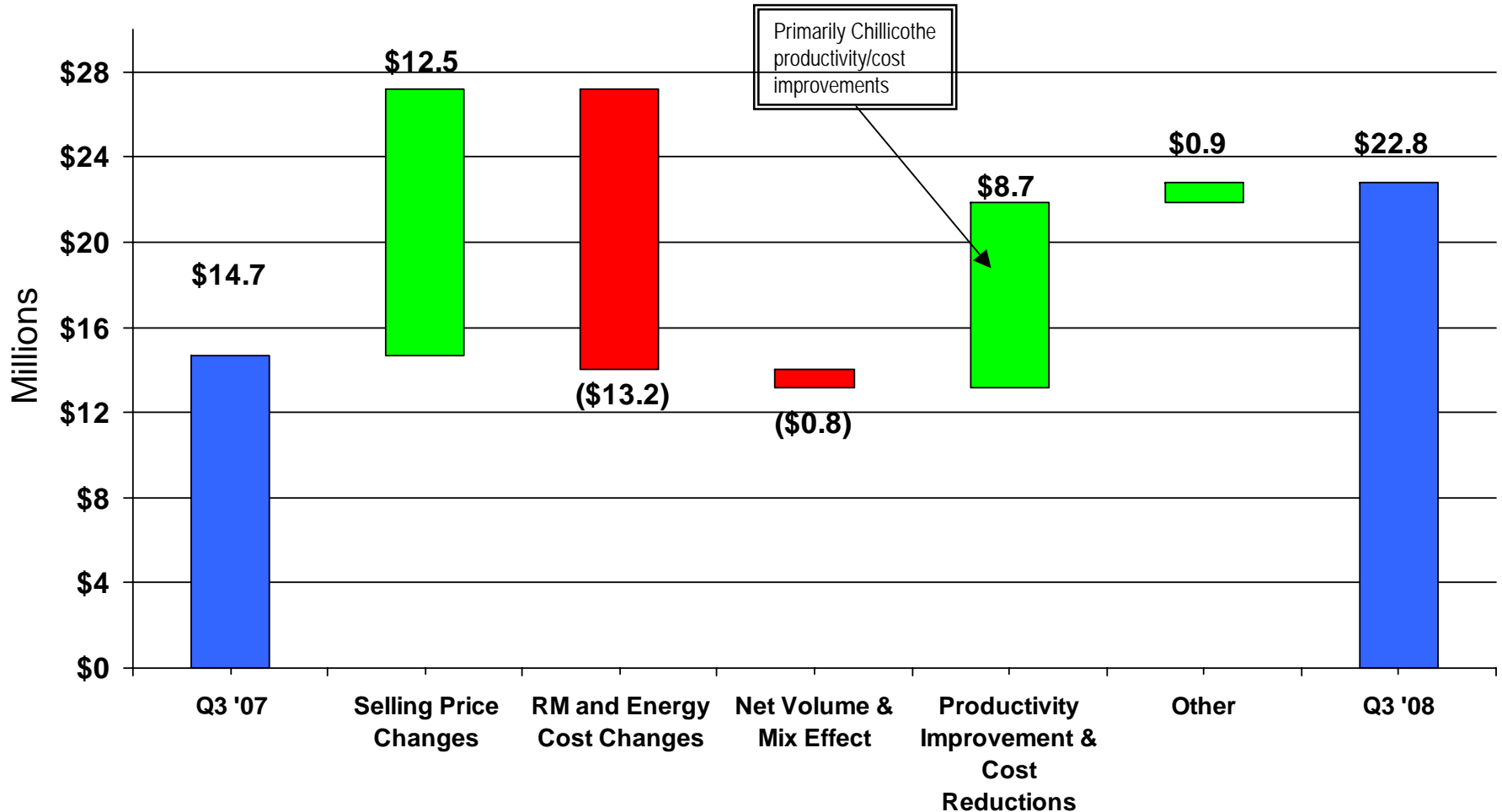
\$22.8



Specialty Papers Q3'08 vs. Q3'07



GLATFELTER
Beyond Paper



Specialty Papers Q3' 08 Highlights



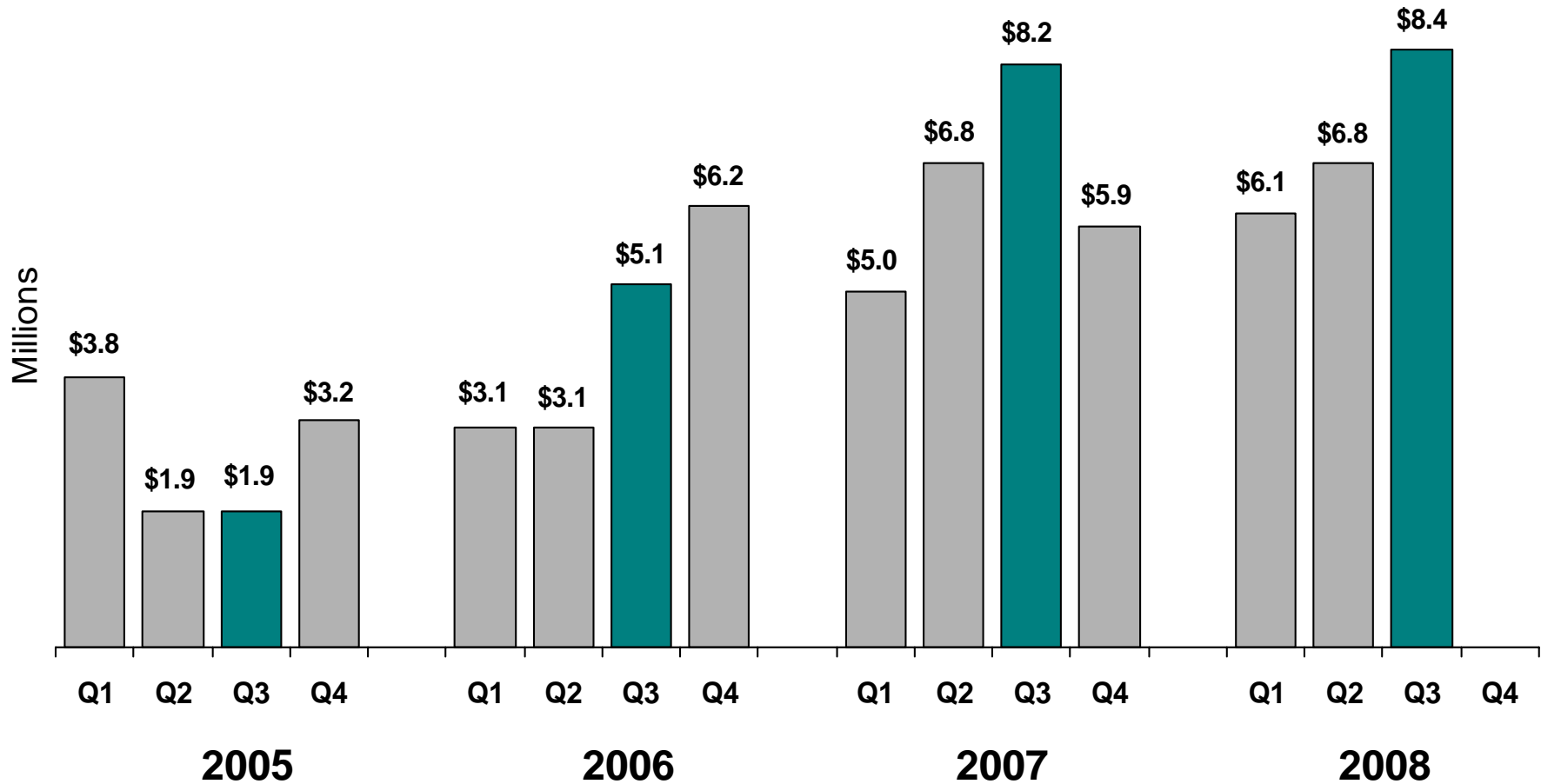
G L A T F E L T E R
Beyond Paper

- **Shipping volume was 5% better than Q3'07**
 - Shipments in Engineered Products up 21% and Envelope up 19%
 - Carbonless shipments down 5%; better than projected
- **Favorable pricing environment generated \$12.5 million benefit in Q3'08 vs. Q3'07**
 - Prices were higher across all market segments compared to Q3'07
- **Raw Material costs increased \$13.2 million in Q3'08 vs. Q3'07 primarily driven by energy related price increases**
 - Raw material and energy cost increases outpaced selling price increases; but the gap narrowed since Q2 '08
- **Operating performance during the quarter**
 - Successful cost reduction and operational efficiency initiatives in Chillicothe continue to drive favorable results

Composite Fibers Operating Income



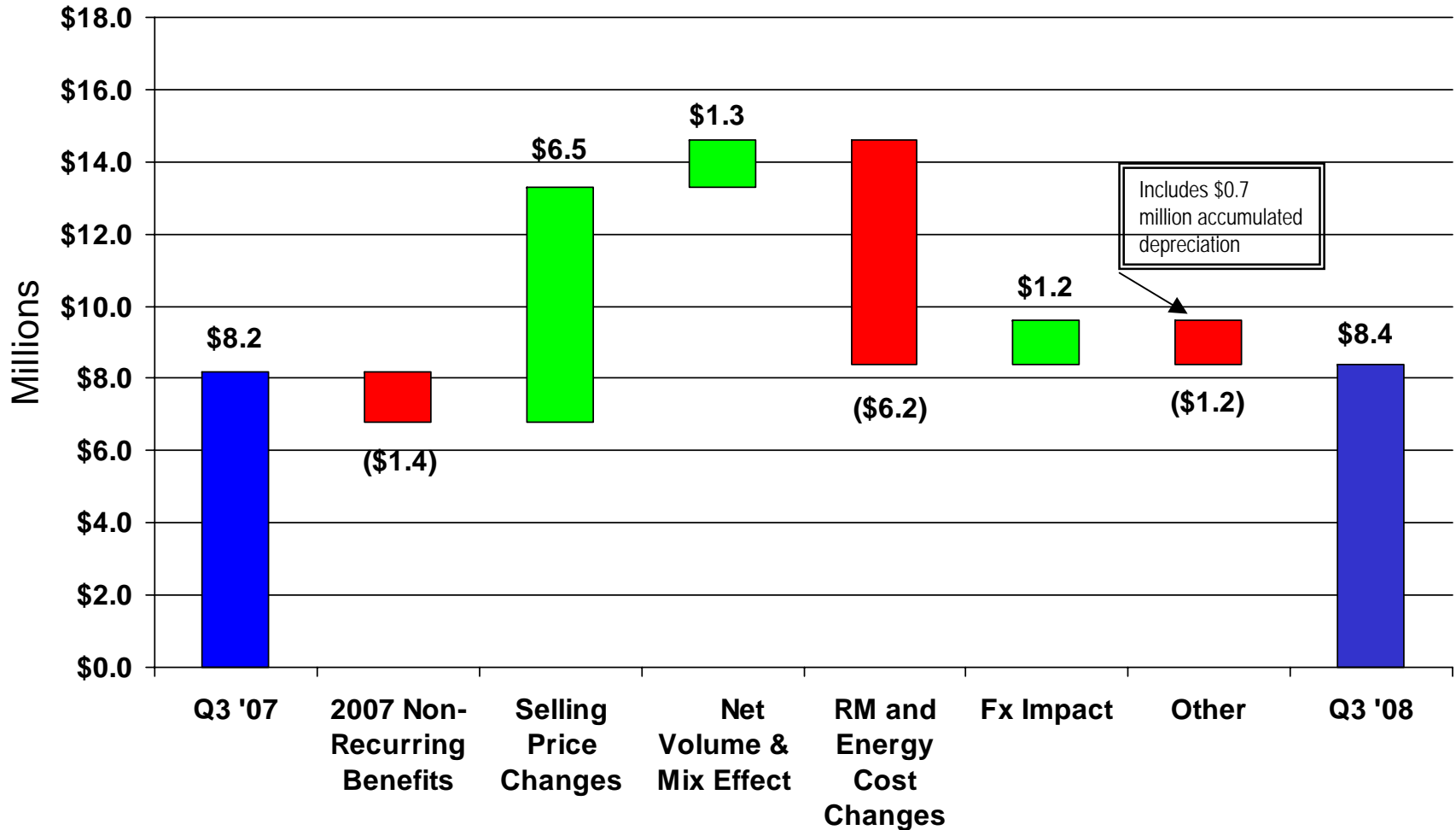
G L A T F E L T E R
Beyond Paper



Composite Fibers Q3'08 vs. Q3'07



GLATFELTER
Beyond Paper



Composite Fibers Q3' 08 Highlights



G L A T F E L T E R
Beyond Paper

- **Revenue increased 32.1% in Q3'08 vs. Q3'07**
 - › Strong shipments of Food & Beverage Products – up 10.6%
 - › Technical Specialties and Composite Laminates shipments grew by 9.1% and 9.4% respectively.
 - › Shipments of metallized products increased by 59% due to the Caerphilly acquisition
 - › Foreign currency translation benefited net sales by \$5.5 million
- **Raw material and energy prices increased faster than selling prices; but the gap narrowed since Q2 '08**
- **Changes to foreign currency exchange rates favorably impacted results by \$1.2 million**

Near-term Outlook



G L A T F E L T E R
Beyond Paper

Specialty Papers

- Shipping volume in Q4 expected to be slightly lower than the same period in 2007 reflecting normal seasonality and weaker economic conditions
- Average selling prices expected to remain stable in Q4 across all product lines
- Cost reduction initiatives expected to mitigate adverse effects of input costs vs. selling prices
- Beginning in Q1 '09 expect increases in certain input costs (i.e. caustic soda and some chemicals)

Composite Fibers

- Expect higher average selling prices and impact of continuous improvement initiatives to mitigate impact of higher input costs during Q4
- Shipping volume in Q4 is expected to be higher than the same period in 2007

Other

- Cap Ex estimated at \$52 million to \$57 million for 2008 compared to depreciation and amortization of \$61 million
- Accelerated depreciation of \$0.7 million per quarter through the third quarter of 2009 will be recorded related to the recently announced upgrade to a paper machine in Composite Fibers

Appendix



G L A T F E L T E R
Beyond Paper

Reconciliation of Non-GAAP Financial Measures



GLATFELTER
Beyond Paper

	2005				2006				2007				2008			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Income (loss) from continuing operation	\$0.14	\$0.04	\$0.08	\$0.61	(\$0.27)	(\$0.46)	\$0.12	\$0.33	\$0.07	\$0.04	\$0.17	\$1.11	\$0.43	\$0.07	\$0.47	
Gains from sales of Timberland			0.01	(0.26)		(0.01)	(0.01)	(0.17)	(0.04)	(0.08)	(0.03)	(0.82)	(0.19)		(0.05)	
Insurance recoveries		(0.03)		(0.25)												
Corporate aircraft sale																
Shutdown and restructuring charges				0.02	0.40	0.33	0.04	0.02						(0.01)		
Acquisition integration costs					0.02	0.05	0.08	0.04	0.01	0.02	0.01		0.01		0.01	
Debt redemption costs							0.04									
Fox River Reserve							0.04		0.08		0.27					
Adjusted earnings (loss)	<u>\$0.14</u>	<u>\$0.01</u>	<u>\$0.09</u>	<u>\$0.12</u>	<u>\$0.16</u>	<u>(\$0.01)</u>	<u>\$0.23</u>	<u>\$0.22</u>	<u>\$0.12</u>	<u>(\$0.02)</u>	<u>\$0.42</u>	<u>\$0.29</u>	<u>\$0.25</u>	<u>\$0.06</u>	<u>\$0.43</u>	

Calculation of net debt excluding collateralized debt:	Sept '08	Dec '07
Short term debt	\$2,081	\$1,136
Long term debt	312,009	312,049
Total	<u>314,090</u>	<u>313,185</u>
(-) Cash	<u>(15,947)</u>	<u>(29,833)</u>
Net debt	298,143	283,352
(-) Collateralized debt	<u>(70,695)</u>	<u>(34,000)</u>
Net debt excluding collateralized debt	<u>\$227,448</u>	<u>\$249,352</u>

NOTE: The sum of individual per share amounts set forth above may not agree to adjusted income per share due to rounding.