

Glatfelter (NYSE:GLT)

2008 Second Quarter Performance

August 5, 2008

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Forward-Looking Statements



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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



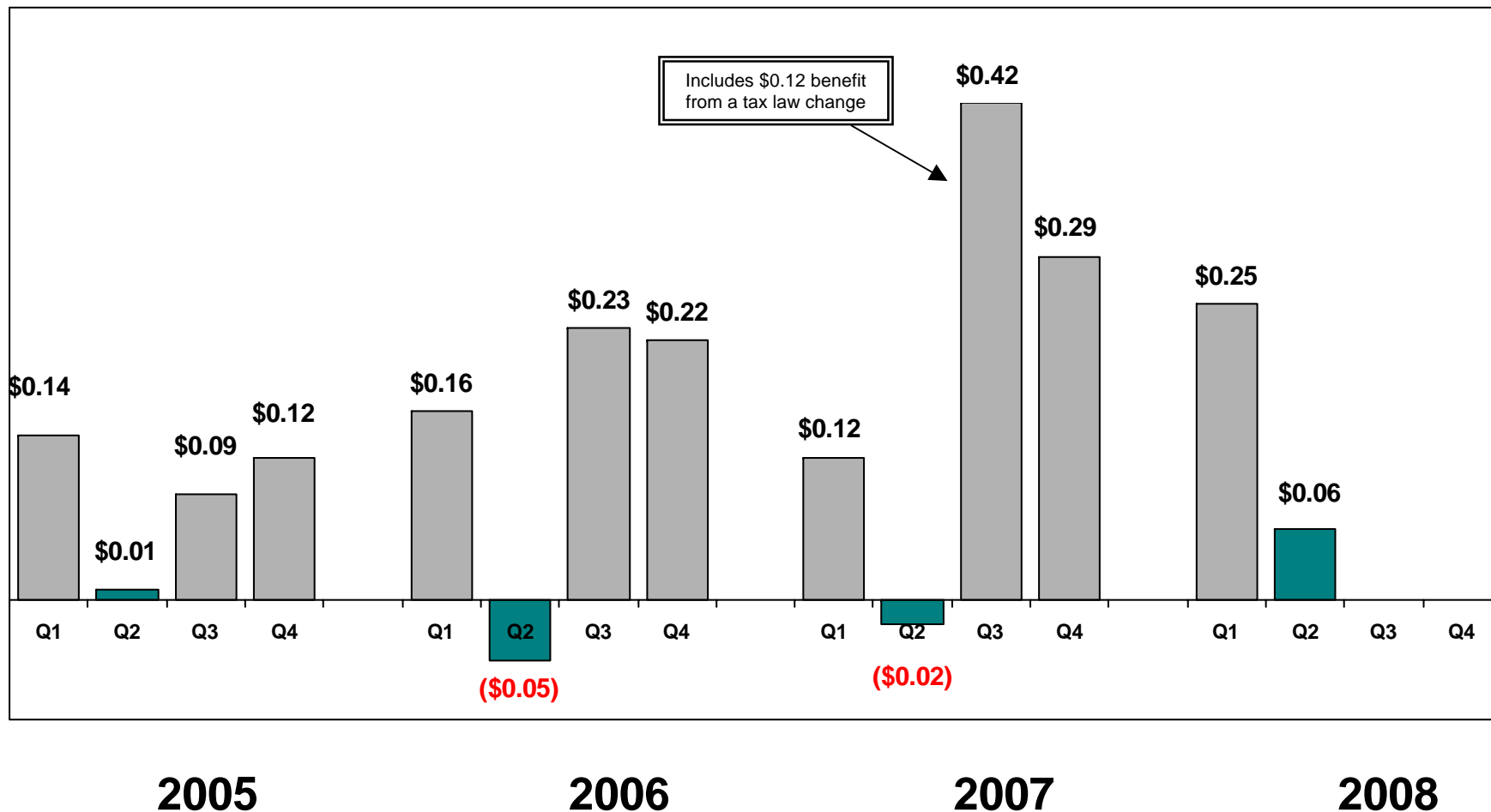
During the course of this presentation, certain non-U.S. GAAP financial measures will be presented. A reconciliation of those numbers to U.S. GAAP financial measures is attached in the appendix of this presentation.

Adjusted EPS

(EPS from Continuing Operations and Before Special Items)



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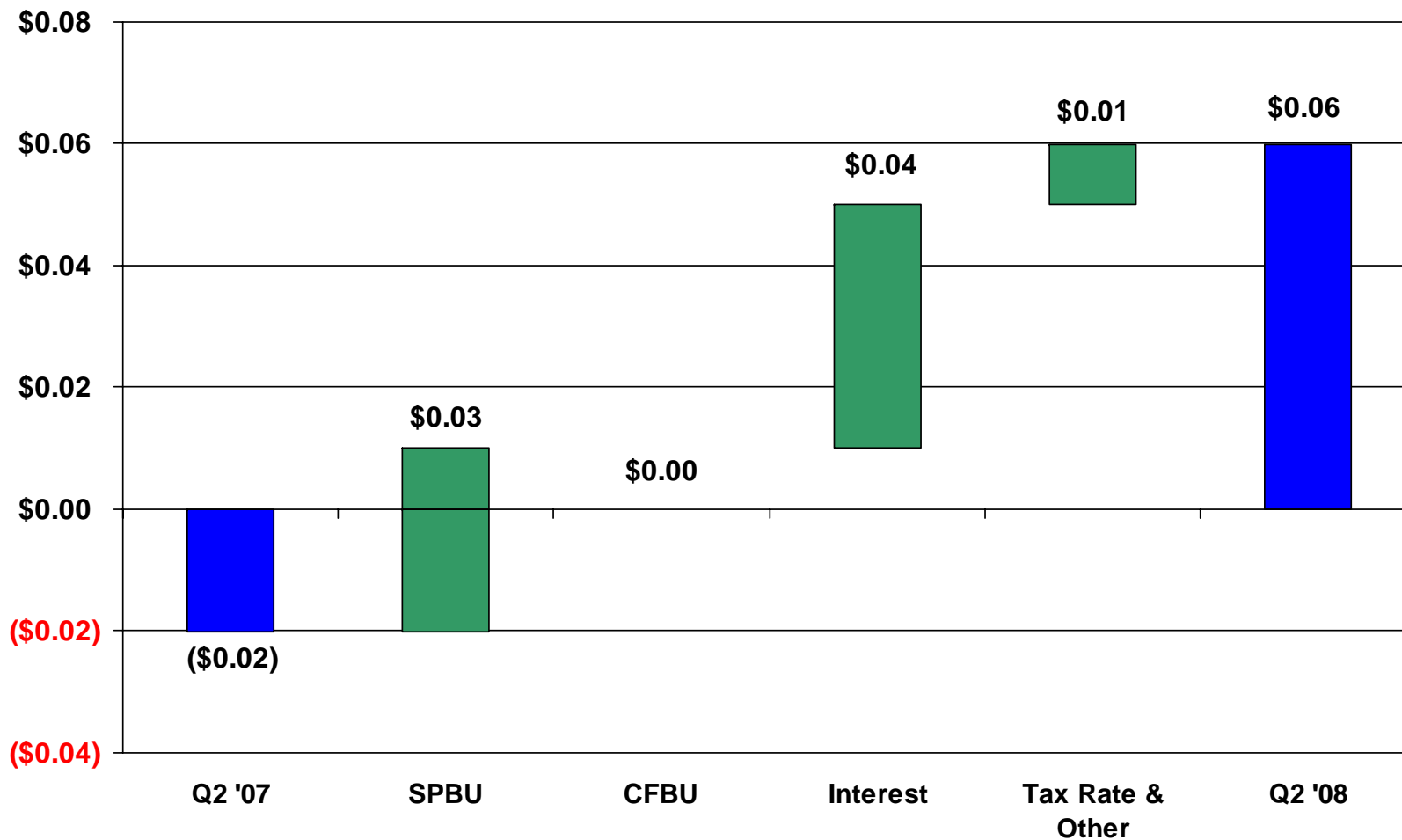
• See attached appendix of this presentation for the reconciliation of adjusted EPS to its nearest GAAP measure.

Q2'08 vs. Q2'07

(EPS from Continuing Operations and Before Special Items)



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

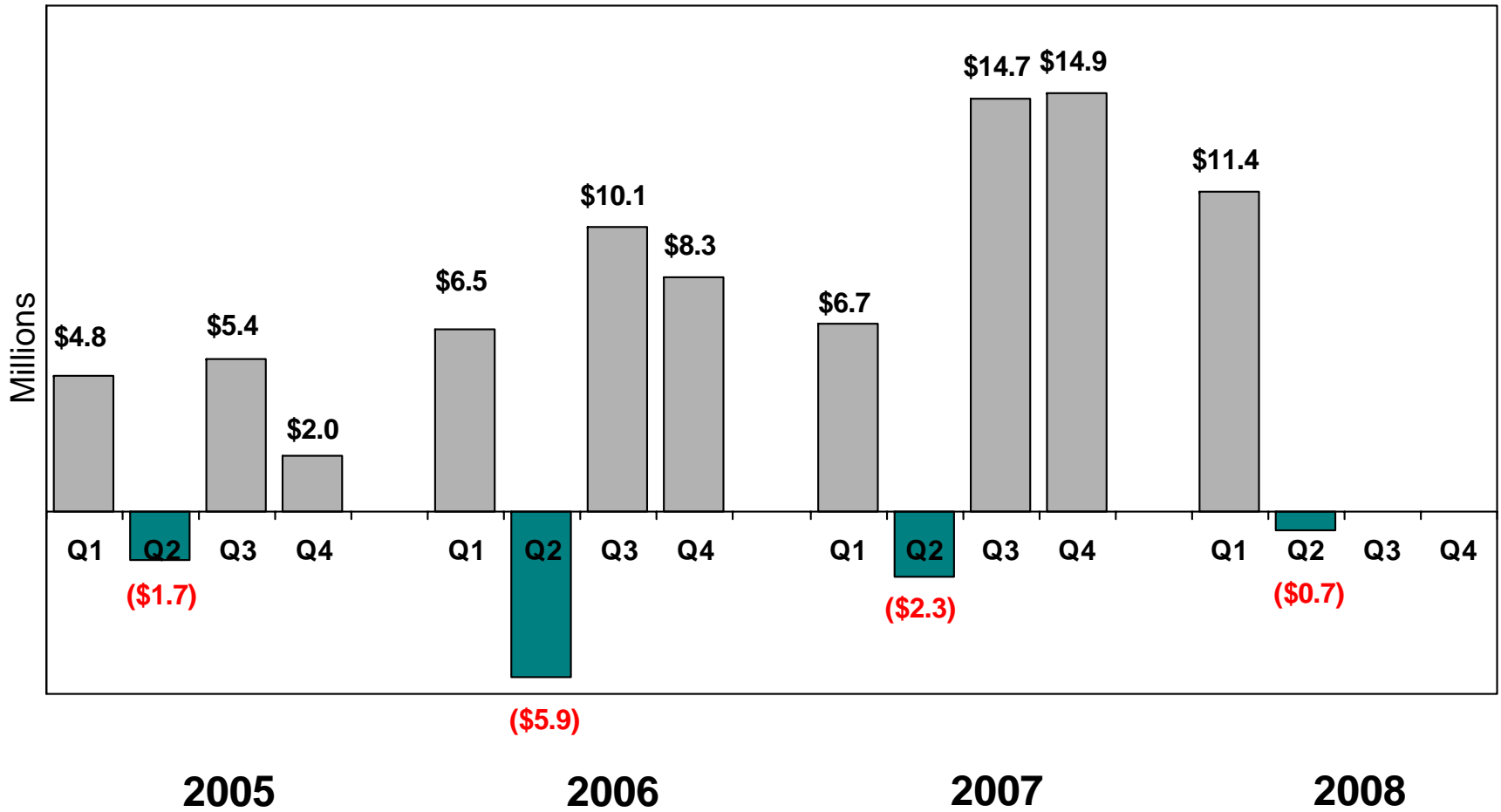
Q2'08 Financial Highlights



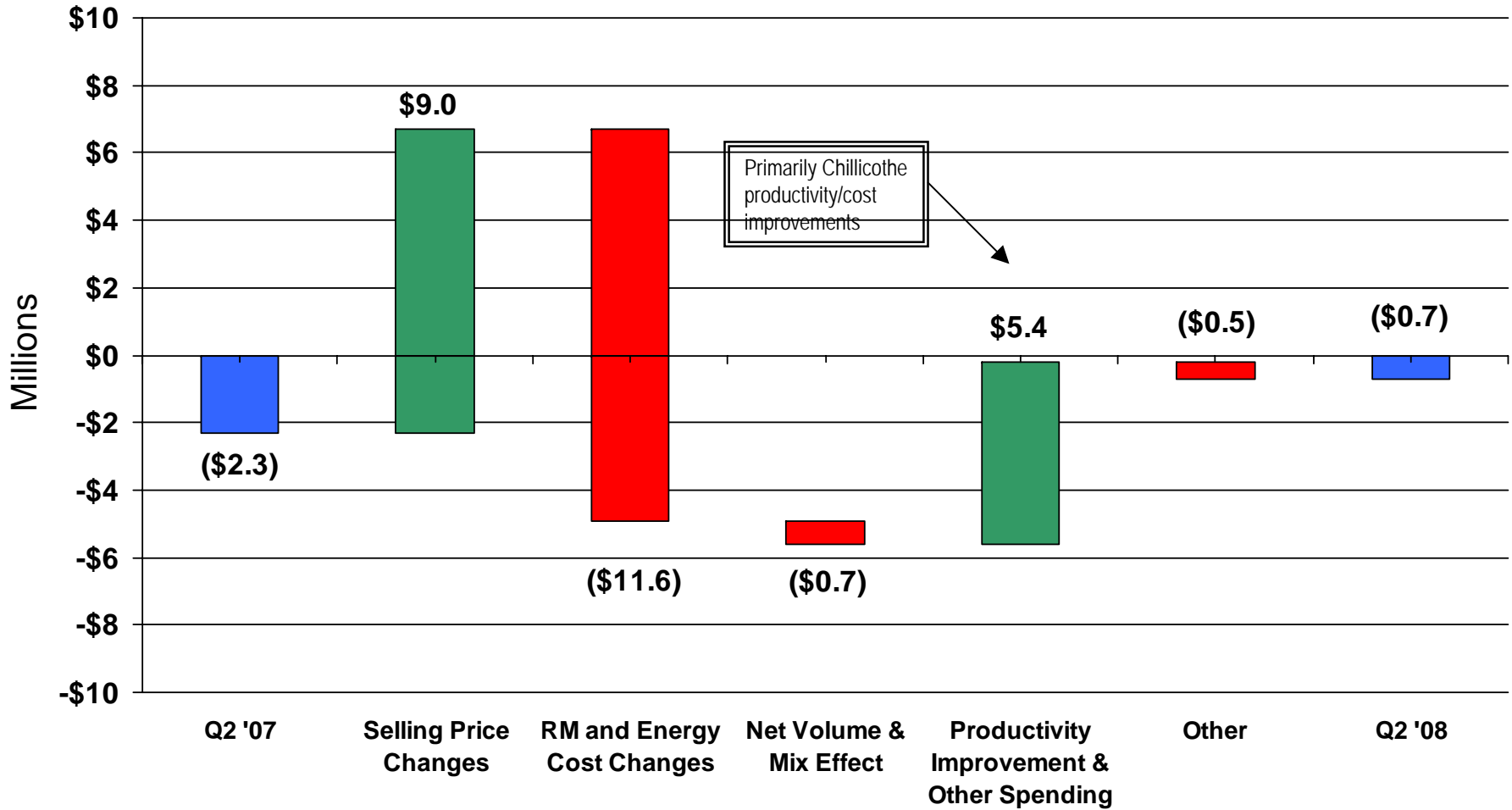
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- **Specialty Papers operating loss totaled \$0.7 million compared to a loss of \$2.3 million in Q2'07**
 - Chillicothe improvement initiatives continue to benefit this business unit
 - Rising input and energy related costs more than offset higher average selling prices
 - Market demand for Glatfelter products remained strong in a soft market
- **Composite Fibers operating income was in line with Q2'07 at \$6.8 million**
 - Rising input and energy related costs more than offset higher average selling prices
 - Machine upgrade at Gernsbach resulted in lower production volumes and asset write-offs that negatively impacted operating income by \$1.0 million
 - Strong demand and foreign currency changes helped results
- **Net debt at June 30, excluding collateralized debt instruments, was \$233 million, down \$17 million since December 31, 2007**

Specialty Papers Operating Income



Specialty Papers Q2'08 vs. Q2'07



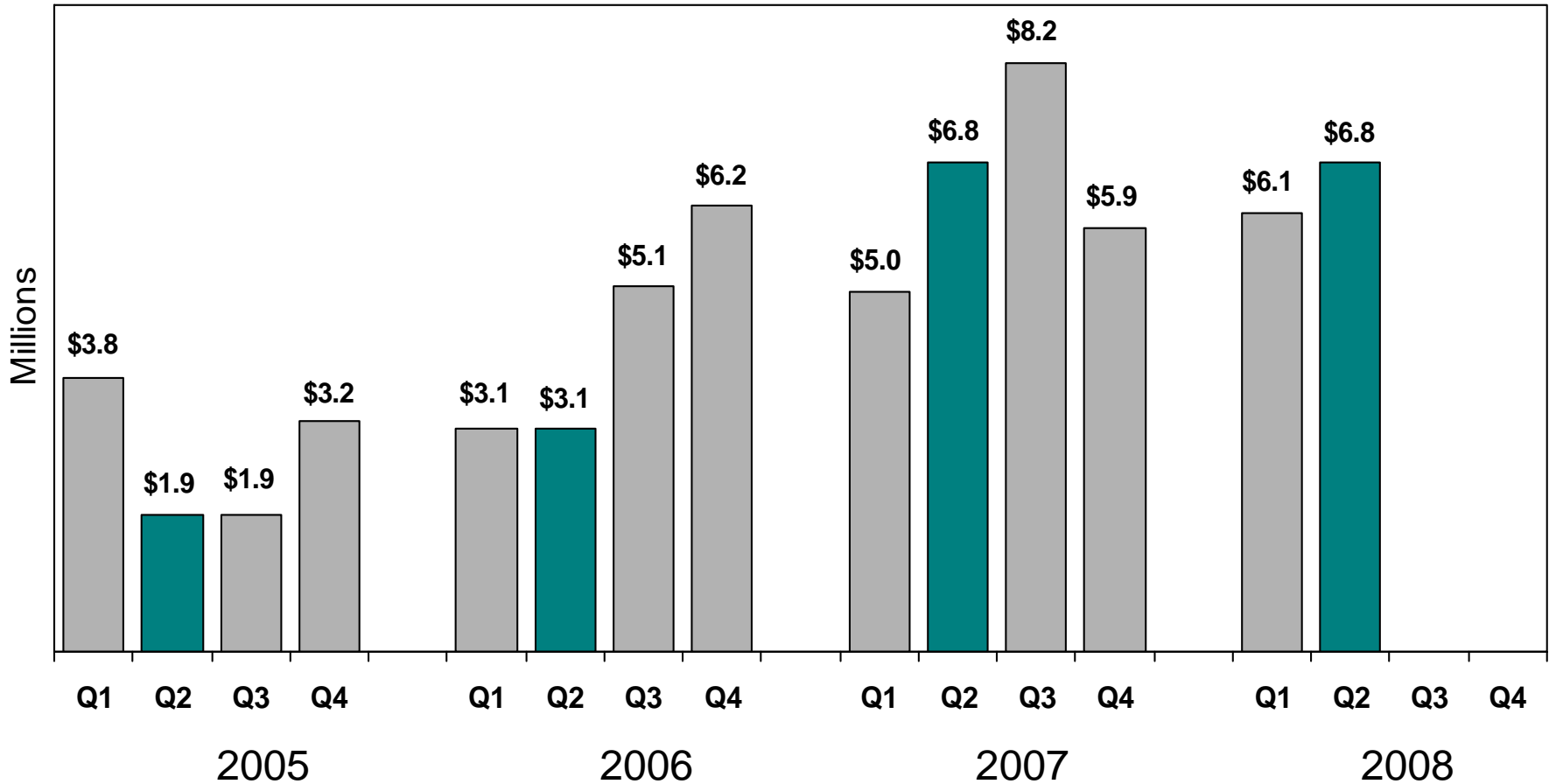
Specialty Papers Q2' 08 Highlights



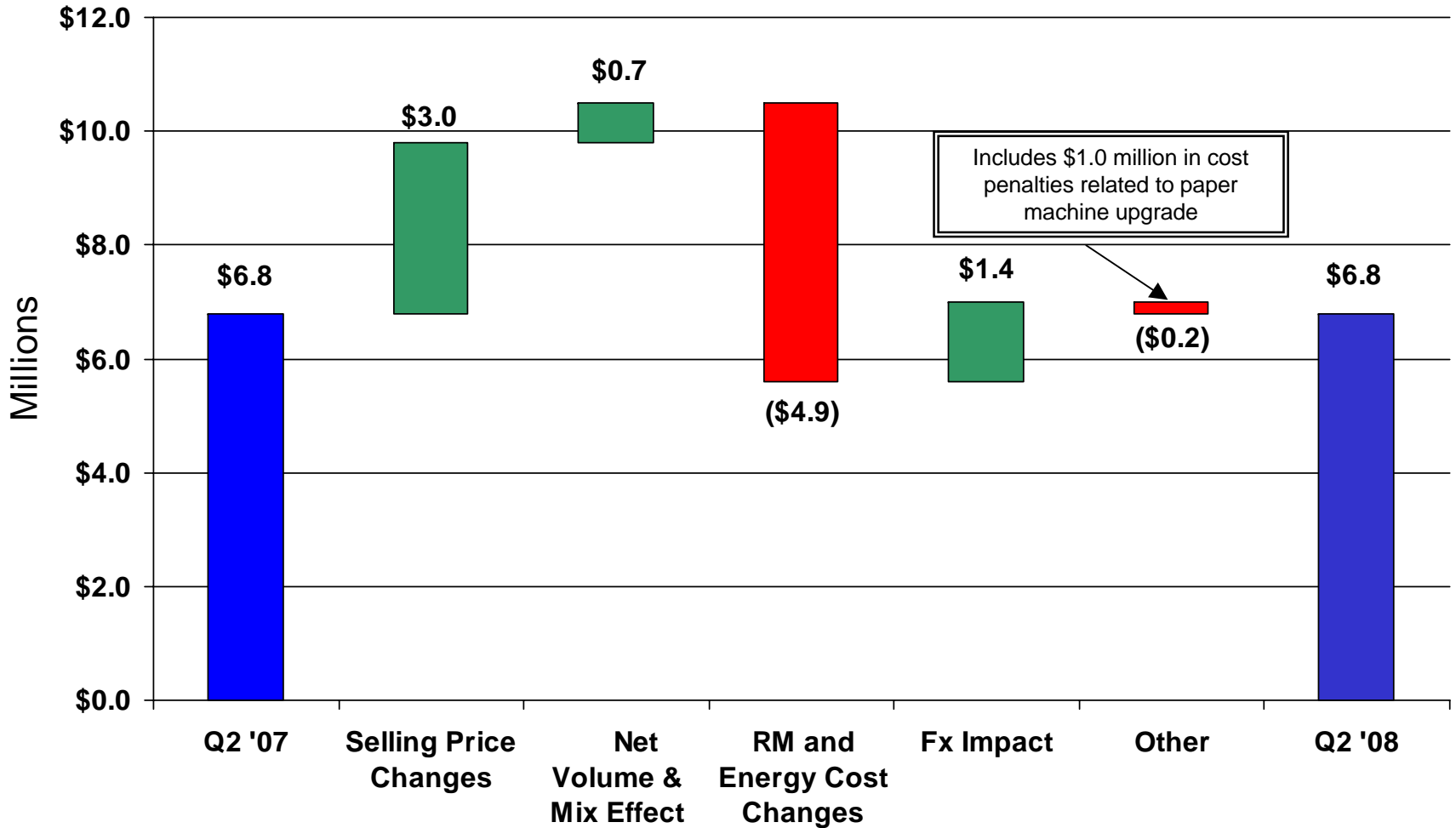
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- **Shipping volume was flat compared to Q2'07**
 - Carbonless down 3%; better than projected
 - Strong shipments in Envelope market
- **Favorable pricing environment generated \$9.0 million benefit in Q2'08 vs. Q2'07**
 - Prices were higher across all market segments compared to Q2'07
- **Raw Material costs increased \$11.6 million in Q2'08 vs. Q2'07 primarily driven by energy related price increases**
 - Raw material and energy cost increases outpaced selling price increases
- **Operating performance during the quarter:**
 - Annual maintenance outages completed at low end of expected cost range (\$15.6 million or \$0.22/share) and in line with 2007
 - Successful cost reduction initiatives in Chillicothe continue to drive favorable results

Composite Fibers Operating Income



Composite Fibers Q2'08 vs. Q2'07



Composite Fibers Q2' 08 Highlights



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- **Revenue increased 32.1% in Q2'08 vs. Q2'07**
 - Strong shipments of Food & Beverage Products – up 1.2%
 - Technical Specialties and Composite Laminates shipments grew by 4.1% and 9.2% respectively.
 - Shipments of metallized products nearly doubled due to the Caerphilly acquisition
 - Foreign currency translation benefited net sales by \$9.5 million
- **Raw material and energy prices increased faster than selling prices**
- **Machine upgrade at Gernsbach resulted in lower production volumes and asset write-offs that negatively impacted operating income by \$1.0 million**
- **Changes to foreign currency exchange rates favorably impacted results by \$1.4 million**

Outlook for 2H'08

Specialty Papers

- Expect average selling prices to increase across all product lines
- Expect increases in input costs to outpace selling price increases
- Cost reduction initiatives expected to mitigate adverse effects of input costs vs. selling prices
- Shipping volume expected to be in line with same period in 2007

Composite Fibers

- Expect higher average selling prices and impact of continuous improvement initiatives to more than offset impact of higher input costs
- Shipping volume is expected to be higher than the same period in 2007 due primarily to the Caerphilly acquisition
- Caerphilly operations are expected to be slightly accretive

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
- Paper machine upgrade completed in June expected to negatively impact Q3'08 EPS by approximately \$0.01

Appendix



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Reconciliation of Non-GAAP Financial Measures



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	2005				2006				2007				2008			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Income (loss) from continuing operations	\$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		
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)			
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			
Debt redemption costs						0.04										
Fox River Reserve						0.04			0.08		0.27					
Adjusted earnings (loss)	\$0.14	\$0.01	\$0.09	\$0.12	\$0.16	(\$0.01)	\$0.23	\$0.22	\$0.12	(\$0.02)	\$0.42	\$0.29	\$0.25	\$0.06		

Calculation of net debt excluding collateralized debt:

	June '08	Dec '07
Short term debt	\$3,389	\$1,136
Long term debt	\$318,651	\$312,049
Total	\$322,040	\$313,185
(-) Cash	(\$18,611)	(\$29,833)
Net debt	\$303,429	\$283,352
(-) Collateralized debt	(\$70,695)	(\$34,000)
Net debt excluding collateralized debt	\$232,734	\$249,352

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