Glatfelter (NYSE:GLT)

2009 Fourth Quarter Financial Results

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Forward-Looking Statements and Use of non-GAAP Financial Measures

Certain statements included in this presentation, which pertain to future financial and business matters, are "forward-looking statements" within the meaning of the safe harbor provisions 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 other countries in which Glatfelter does business, demand for or pricing of its products, changes in tax legislation, governmental laws, regulations and policies, initiatives of regulatory authorities, acquisition integration risks, technological changes and innovations, market growth rates, cost reduction initiatives, 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.

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.

Q4'09 Financial Highlights

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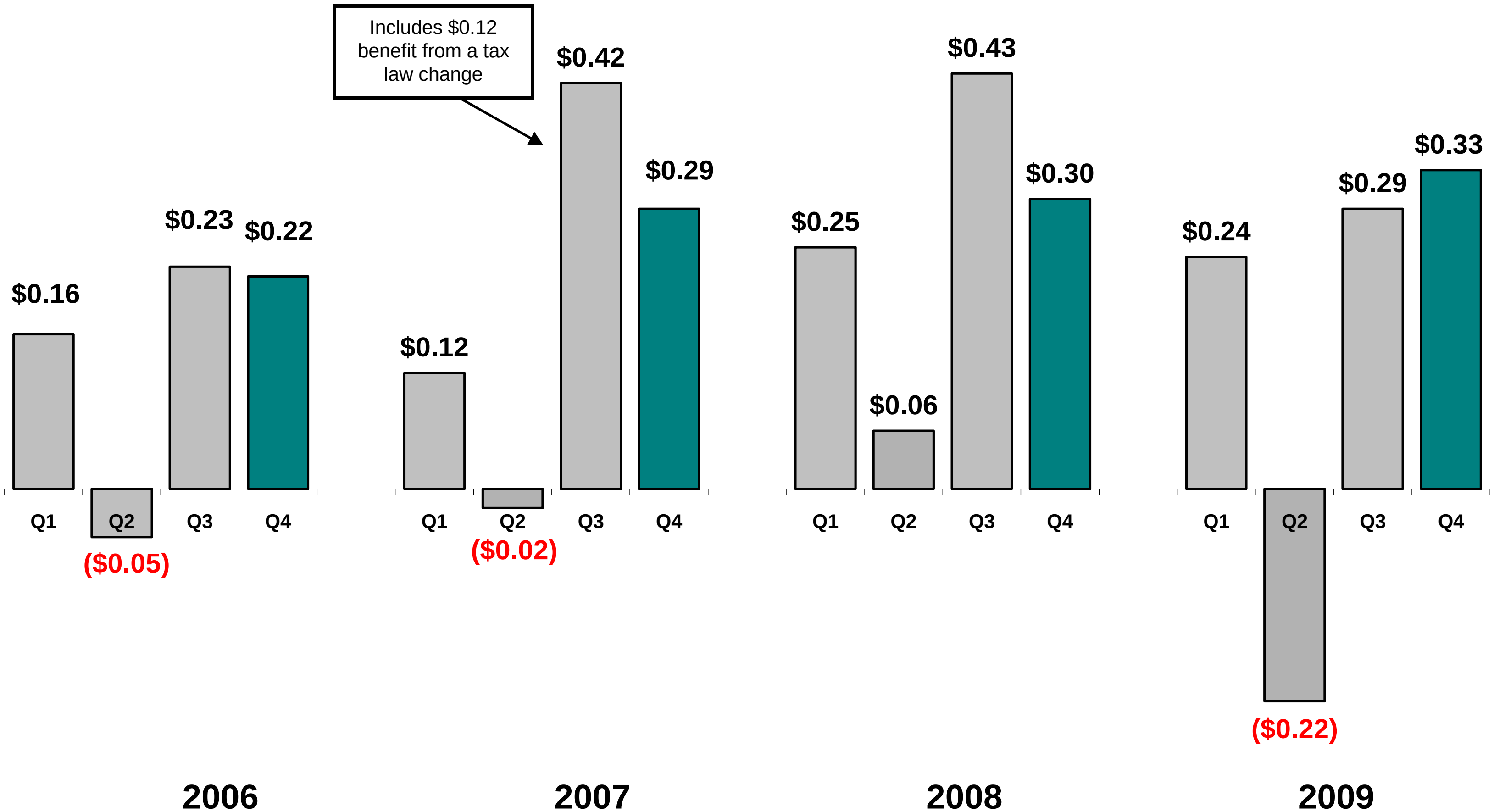
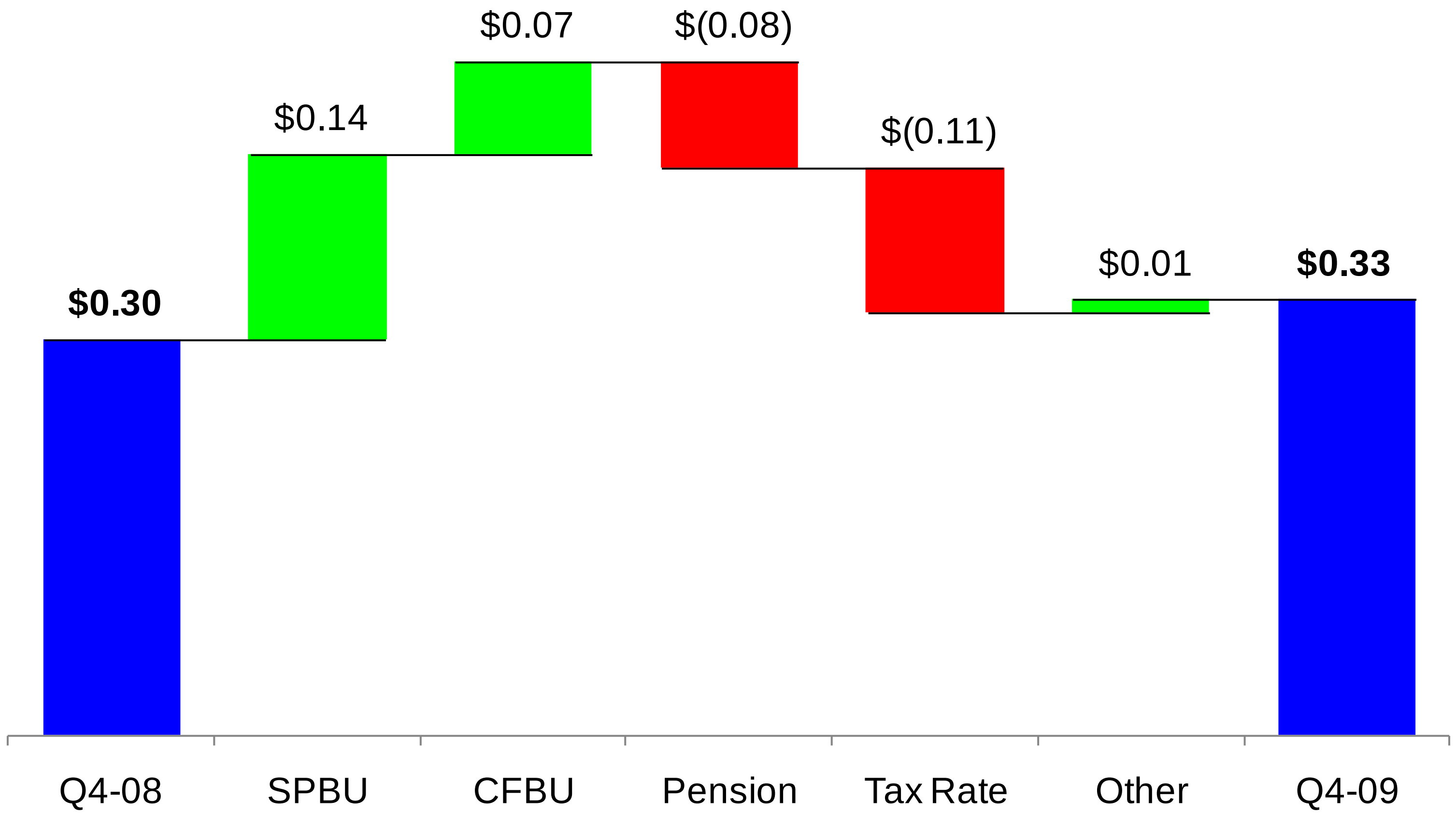
- **Strong operating income from the Business Units.**
  - Specialty Papers' operating income was $23.1 million in Q4'09, 48.1% higher than in Q4'08.
  - Composite Fibers' operating income was $7.1 million in Q4'09, 91.7% higher than in Q4'08.
- **Recorded pension expense of $1.5 million in Q4'09, compared with net pension income of $4.1 million in Q4'08. This negatively impacted earnings by $5.6 million pre-tax, or $0.08 per share in the y/y comparison.**
- **Generated free cash flow of $34.8 million.**
  - Strong operating results for the quarter.
  - Reduced working capital during the quarter by $8.4 million.
  - Reduced capital expenditures to $9.6 million in Q4'09, from $11.6 million in Q4'08.
- **Recognized $32.3 million of alternative fuel mixture credits, or $0.70 per share, offset by $1.8 million of costs, or $0.04 per share, related to the recently announced agreement to acquire Concert Industries Corp.**
- **At December 31, 2009, GLT had $135.4 million of cash and $194.3 million of borrowing capacity available under its revolving credit agreement.**

Adjusted EPS
(EPS Before Special Items)



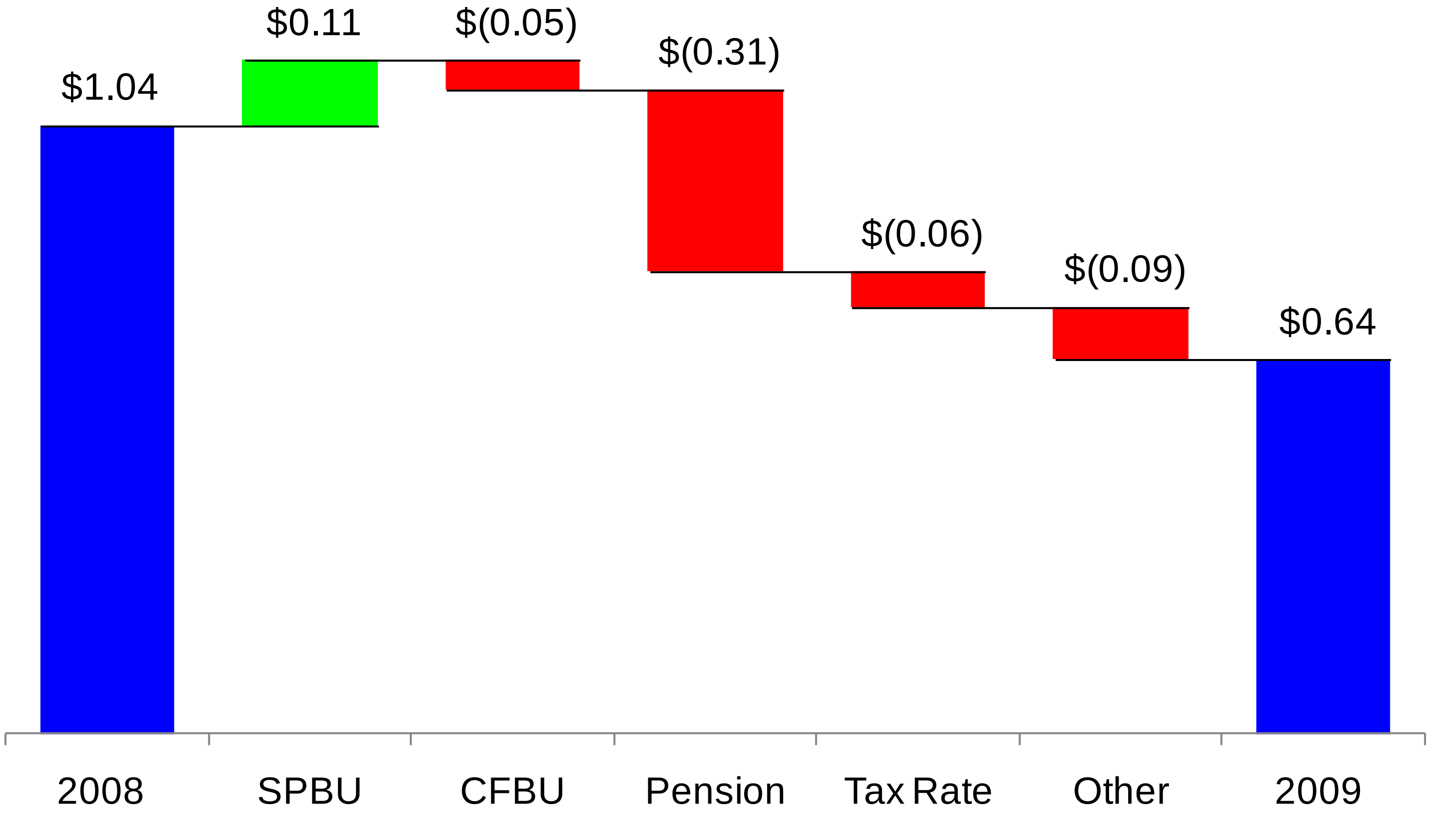
Note: See appendix of this presentation for the reconciliation of adjusted EPS to its nearest GAAP measure.

Adjusted EPS – Q4'09 vs. Q4'08



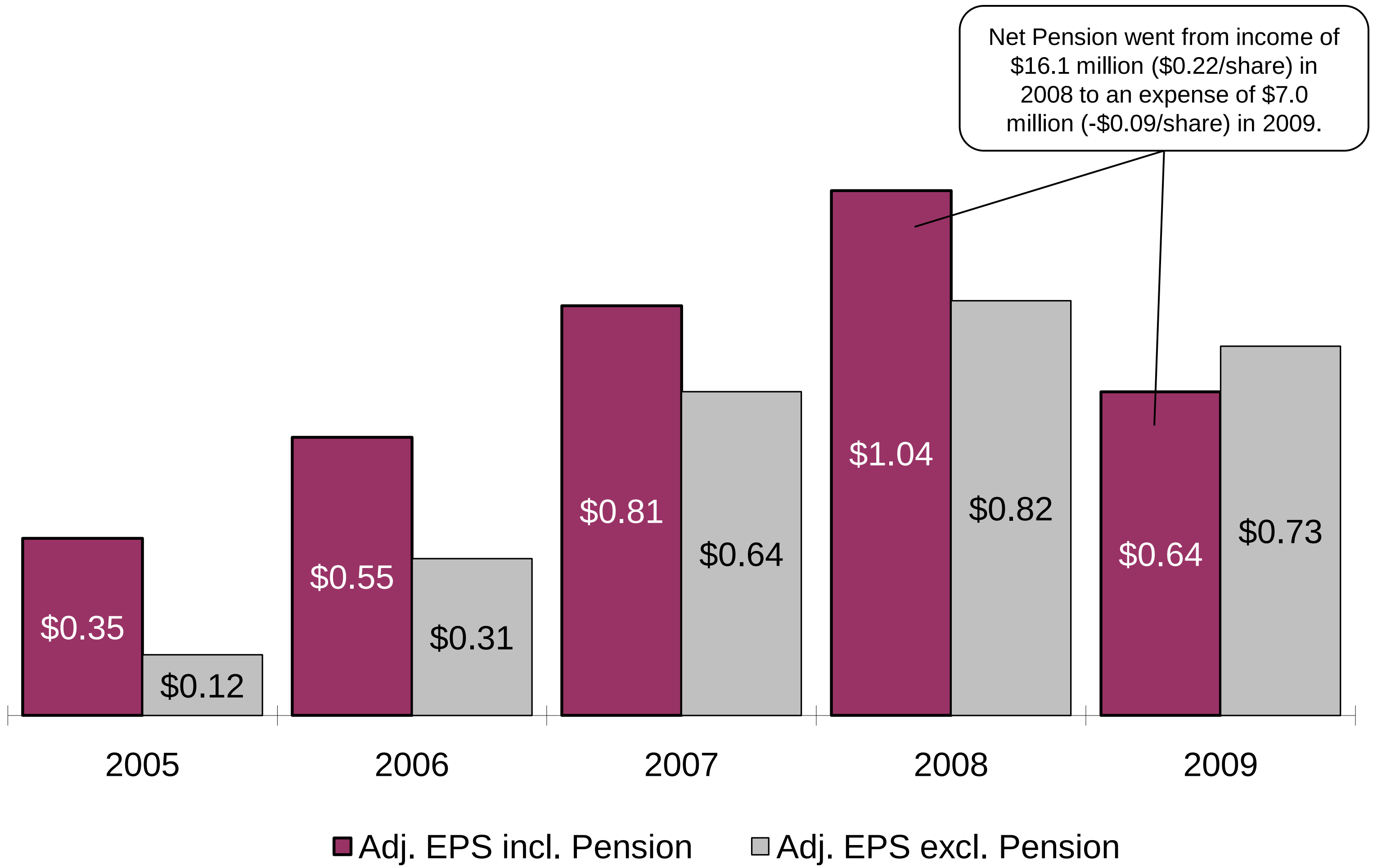
- *See appendix of this presentation for the reconciliation of adjusted EPS to its nearest GAAP measure.*

Adjusted EPS – 2009 vs. 2008



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

Adjusted EPS



Specialty Papers Q4'09 Highlights

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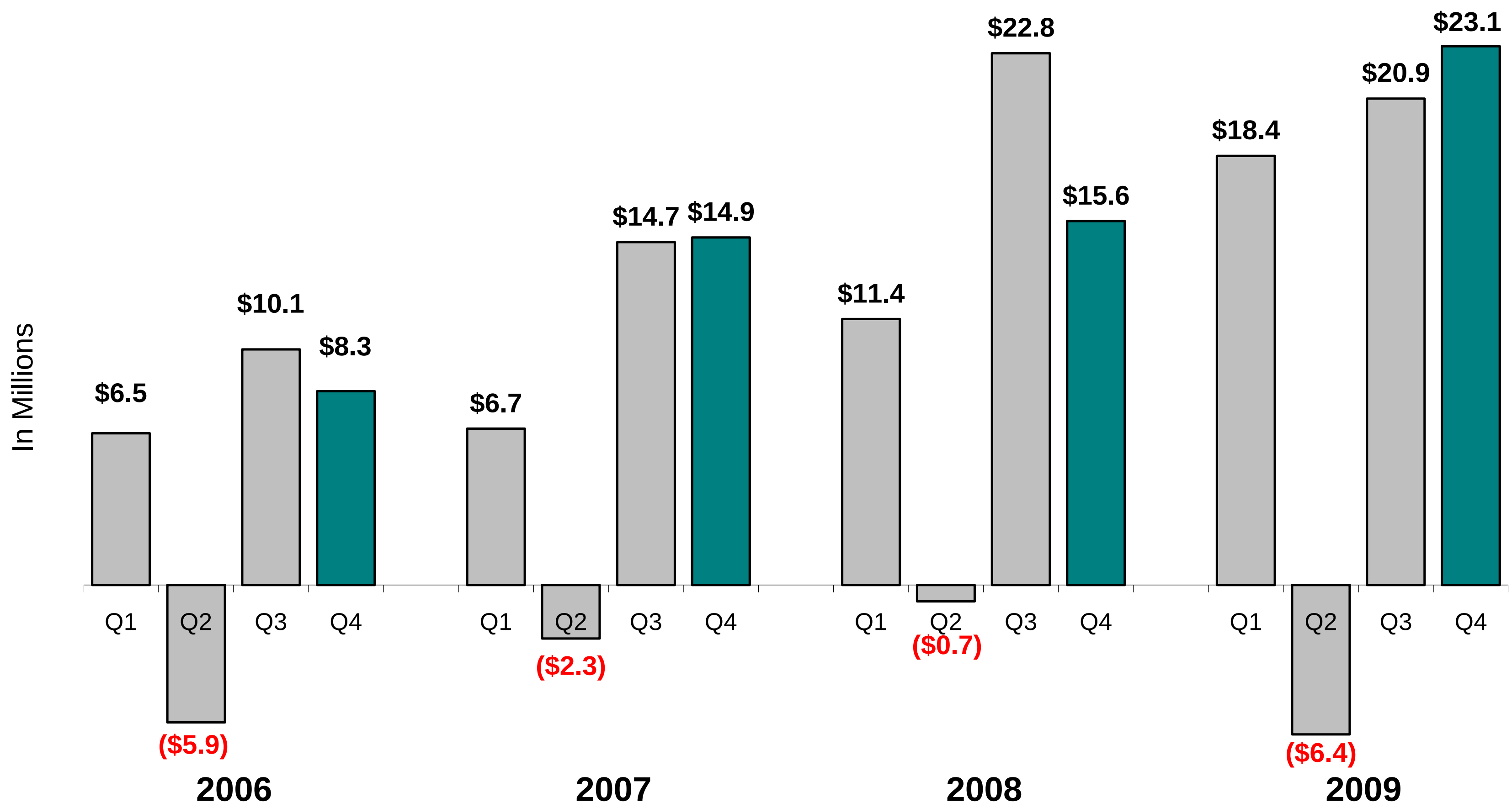
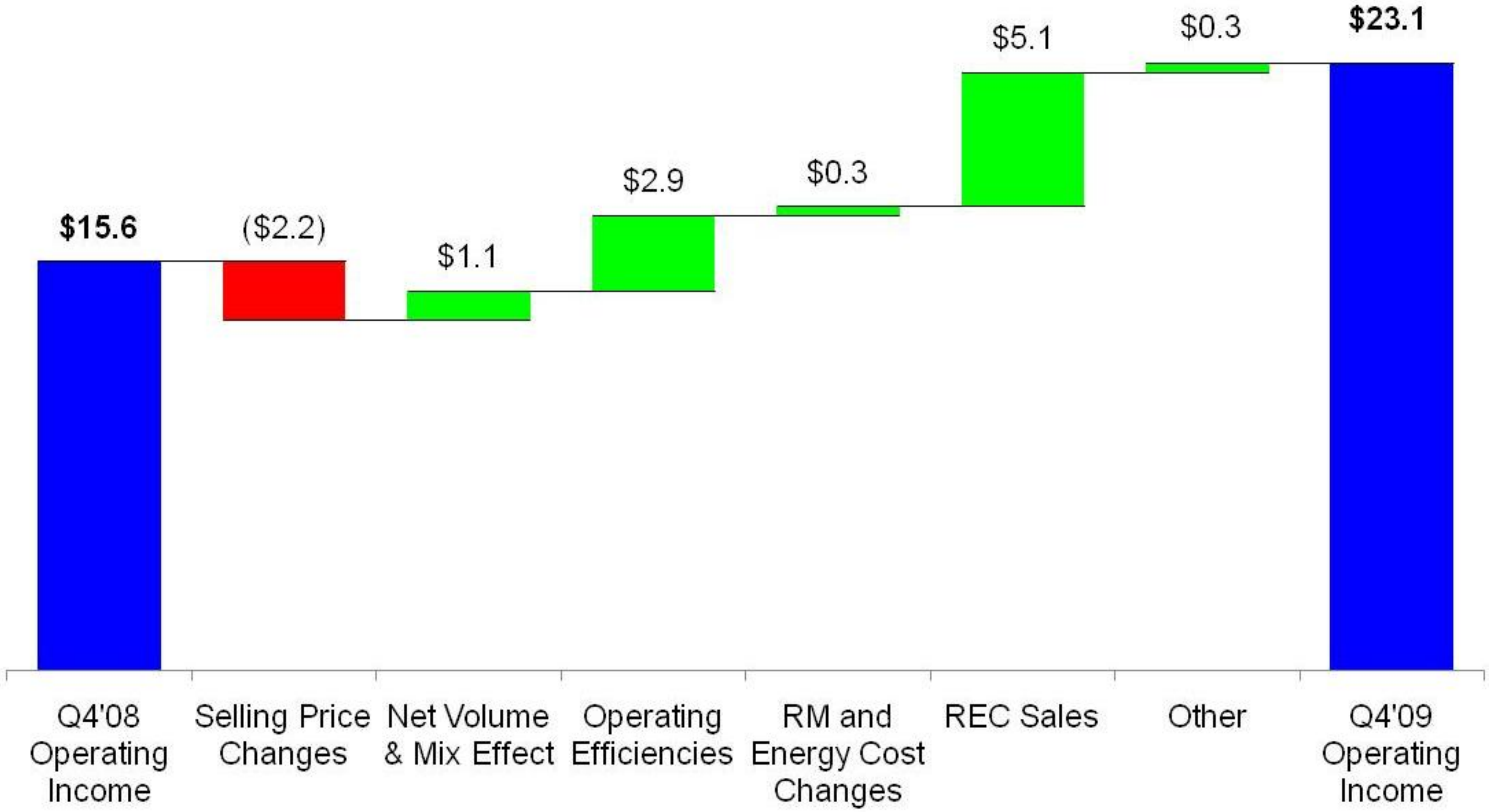
- **Shipping volume was up 2.2% in Q4'09 vs. Q4'08.**
  - Shipments were higher in Envelope (+17.3%), but down in Book Publishing (-10.4%) and Engineered Products (-0.9%). Carbonless & Forms shipments were flat in the comparison.
  - Specialty Papers continues to outperform the broader UFS market, which was down 2.0% year over year.
- **Average selling prices were higher in Carbonless & Forms, but lower in all other market segments, impacting operating profit by $2.2 million in Q4'09.**
- **Operating efficiencies benefitted results by $2.9 million.**
- **Recorded $5.1 million of sales of renewable energy credits in Q4'09.**

Specialty Papers Operating Income



Specialty Papers Q4'09 vs. Q4'08

$ in millions



Composite Fibers Q4'09 Highlights

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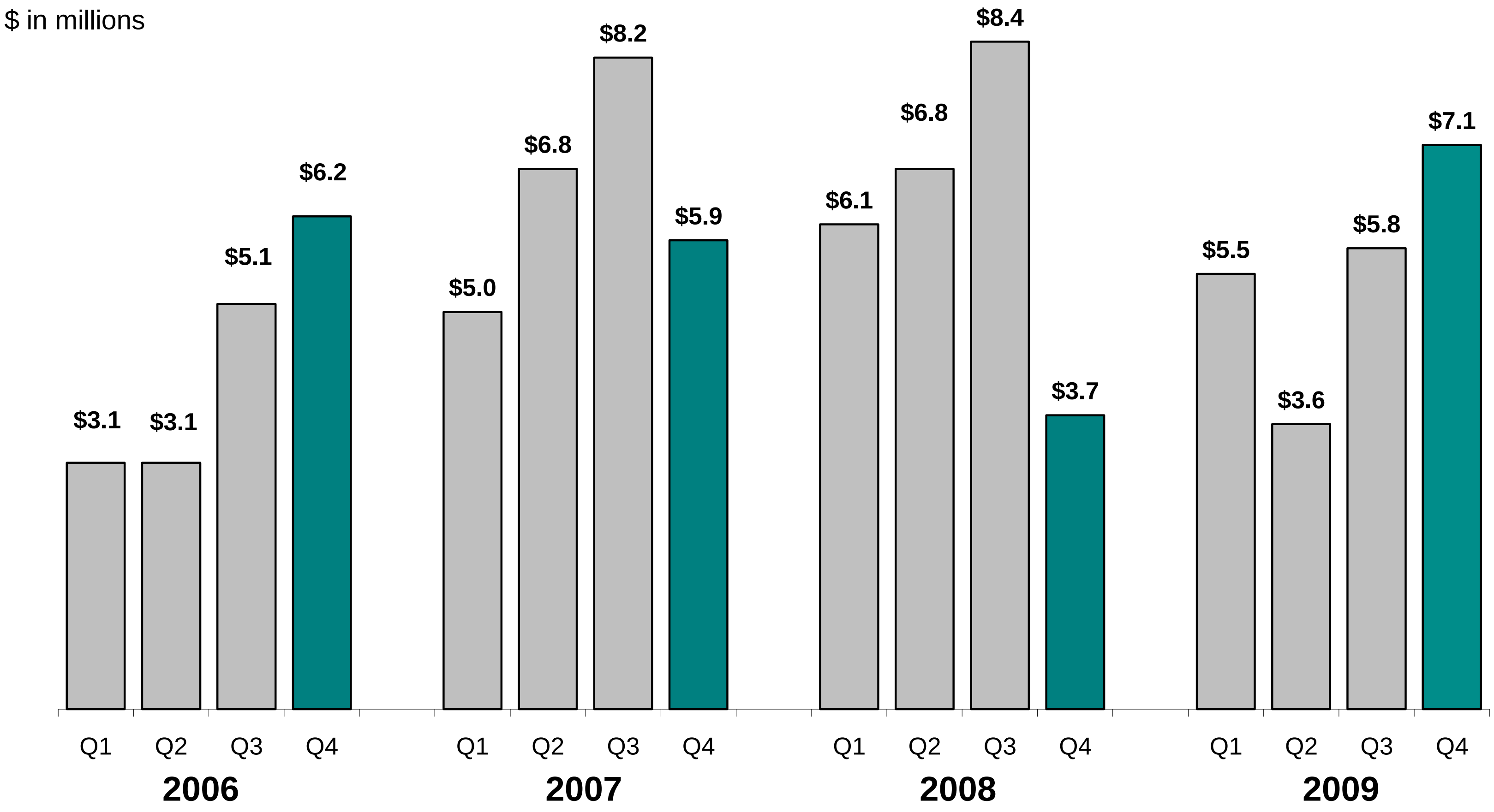
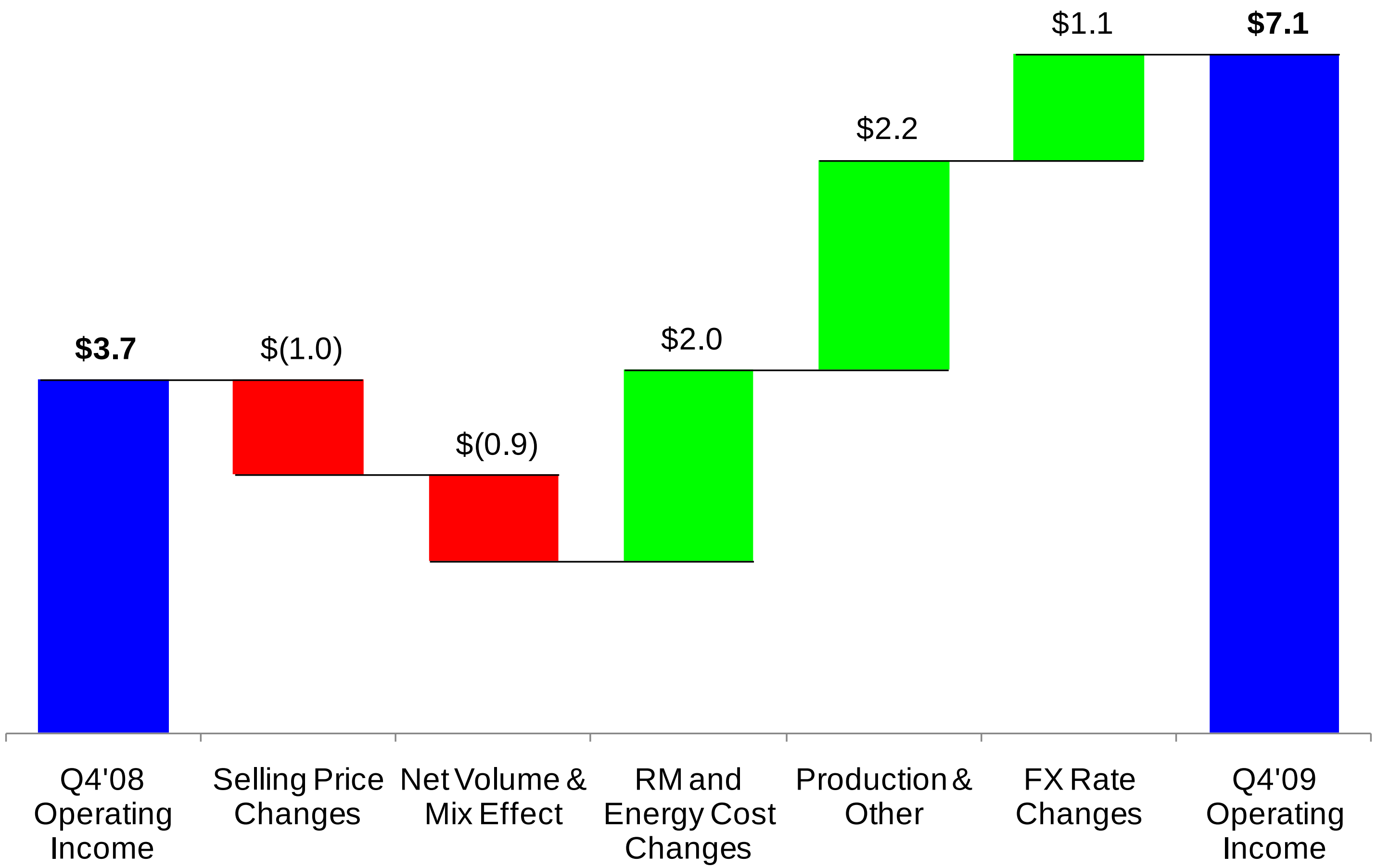
- **Revenue increased 6.2% in Q4'09 vs. Q4'08, aided by $8.9 million of favorable foreign currency translation.**
  - Shipments increased 1.2% in the comparison, driven by an increase of 11.6% in Metallized Products, 21.3% in Technical Specialties, and 2.8% in Composite Laminates. Shipments in the Food & Beverage segment were down 7.6% during the period.
- **Lower average selling prices in Q4'09 negatively impacted operating profit by $1.0 million.**
- **Raw material and energy costs were favorable in Q4'09, when compared to Q4'08, adding $2 million to operating profit.**
- **Composite Fibers' results in Q4'09 benefited by $2.9 million from lower freight and other costs, partially offset by $0.8 million of machine downtime costs during the period.**

Composite Fibers Operating Income



Composite Fibers Q4'09 vs. Q4'08

$ in millions



Strong Balance Sheet

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(in millions)	31-Dec-09	31-Dec-08
Cash	$135.4	$32.2
Total Debt	$254.6	$313.3
Collateralized Debt	($36.7)	($70.7)
Net Debt	**$82.5**	**$210.4**
Shareholder's Equity	**$510.5**	**$342.7**
Adj. EBITDA (excl. Pension)	**$125.9**	**$125.7**
*Leverage**	***0.7x***	***1.7x***
Cash available under Bank facility	**$194.3**	**$181.0**

Note: The above calculation is not intended to be used for purposes of calculating debt covenant compliance.

Q1'10 Outlook

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Specialty Papers

- Shipping volume in Q1'10 is expected to be approximately 4% higher compared to Q4'09.
- Selling prices are expected to be flat to slightly higher than in Q4'09.
- Higher input costs, primarily pulp and energy, in Q1'10 compared to Q4'09 are expected to more than offset the impact of selling price increases.

Composite Fibers

- Shipping volume in Q1'10 is expected to be in line with Q4'09.
- Selling prices are expected to be slightly lower than Q4'09.
- Input costs, primarily woodpulp, are expected to increase slightly compared with Q4'09.

Other

- In connection with our agreement to acquire Concert Industries, the company hedged the Canadian dollar purchase price and, as a result, expects to incur a charge to earnings of approximately $3.9 million in Q1'10 due to a stronger US dollar. In addition, we expect to incur other transaction related costs as a result of closing the acquisition and initiating integration activities.

Appendix

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Reconciliation of Non-GAAP Adjusted Earnings and Net Debt

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	2006				2007				2008				2009			
	Q1	**Q2**	**Q3**	**Q4**	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net income (loss)	($0.27)	($0.46)	$0.12	$0.33	$0.07	$0.04	$0.17	$1.11	$0.43	$0.07	$0.47	$0.29	$0.25	$0.44	$1.00	$1.00
Alternative fuel mixture credits														($0.67)	($0.72)	($0.70)
Gains from sales of timberland and related transaction costs		($0.01)	($0.01)	($0.17)	($0.04)	($0.08)	($0.03)	($0.82)	($0.19)		($0.05)	$0.00	($0.01)	$0.01		($0.00)
Shutdown and restructuring charges	$0.40	$0.33	$0.04	$0.02						($0.01)		$0.00				
Acquisition integration costs	$0.02	$0.05	$0.08	$0.04	$0.01	$0.02	$0.01		$0.01		$0.01	$0.00				$0.04
Debt redemption costs		$0.04														
Fox River reserve					$0.08		$0.27									
Adjusted earnings (loss)	$ 0.16	$ (0.05)	$ 0.23	$ 0.22	$ 0.12	$ (0.02)	$ 0.42	$ 0.29	$ 0.25	$ 0.06	$ 0.43	$ 0.30	$ 0.24	$ (0.22)	$ 0.29	$ 0.33

Calculation of net debt excluding collateralized debt:	**Dec '09**	**Dec '08**
Short term debt	$3,888	$5,866
Long term debt	250,694	307,419
Total	254,582	313,285
(-) Cash	(135,420)	(32,234)
Total debt less cash	119,162	281,051
(-) Collateralized debt	(36,695)	(70,695)
Net debt excluding collateralized debt	$82,467	$210,356

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

Reconciliation of Non-GAAP Adjusted EBITDA, Excluding Pension

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(in millions)	Q4'09	Q4'08	YTD '09	YTD '08
Income before Income Taxes	$ 51.2	$ 15.4	$ 143.1	$ 81.0
Net Pension Expenses (Income)	1.5	(4.1)	7.1	(16.1)
Depreciation and Amortization	15.4	14.2	61.3	60.6
Net Interest Expense	4.1	4.7	17.3	18.2
EBITDA, excluding pension	72.3	30.2	228.8	143.7
Adjustments / exclusions				
Alternative Fuel Mixture Credits	(32.3)	-	(105.5)	-
Gain on Timberland Sales	(0.2)	0.0	(0.9)	(18.4)
Reversal of Shutdown Charges	-	-	-	(0.8)
Acquisition and Integration Expenses	1.8	0.1	3.5	1.2
Adjusted EBITDA, excluding pension	$ 41.5	$ 30.3	$ 125.9	$ 125.7

Reconciliation of Non-GAAP Adjusted EPS, Excluding Pension

	2005		2006		2007		2008		2009	
in millions, except per share	After tax income	Diluted EPS	After tax income	Diluted EPS	After tax income	Diluted EPS	After tax income	Diluted EPS	After tax income	Diluted EPS
Adjusted earnings	$ 15.6	$ 0.35	$ 24.5	$ 0.55	$ 37.0	$ 0.81	$ 47.3	$ 1.04	$ 29.5	$ 0.64
Net Pension (Income) Expense	(10.2)	(0.23)	(10.5)	(0.24)	(8.0)	(0.18)	(10.0)	(0.22)	4.4	0.09
Adjusted earnings, excluding pension	$ 5.4	$ 0.12	$ 14.0	$ 0.31	$ 29.0	$ 0.63	$ 37.3	$ 0.82	$ 33.8	$ 0.73