



GLATFELTER
Beyond Paper



Glatfelter (NYSE: GLT)

Credit Suisse Global Paper & Packaging Conference
February 23, 2012

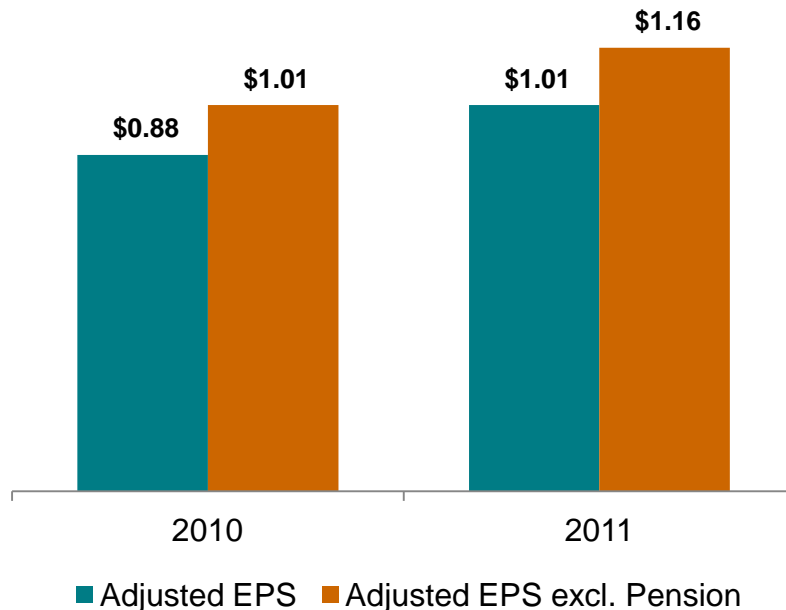
Forward-Looking Statements and Use of non-GAAP Financial Measures

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; the cost, and successful design and construction, of the Composite Fibers capacity expansion project, and other factors. In light of these risks, uncertainties and other factors, the forward-looking matters 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.

2011 Full Year Highlights

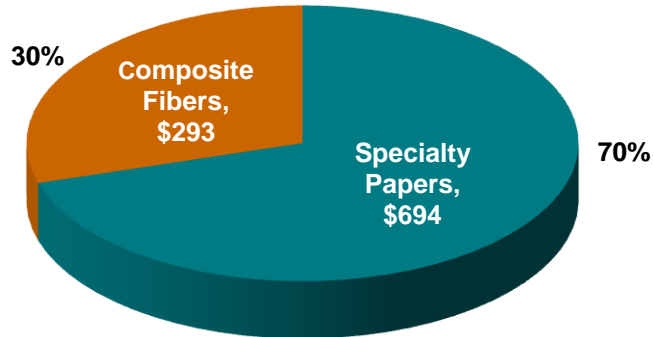
Adjusted EPS
(EPS Before Special Items)



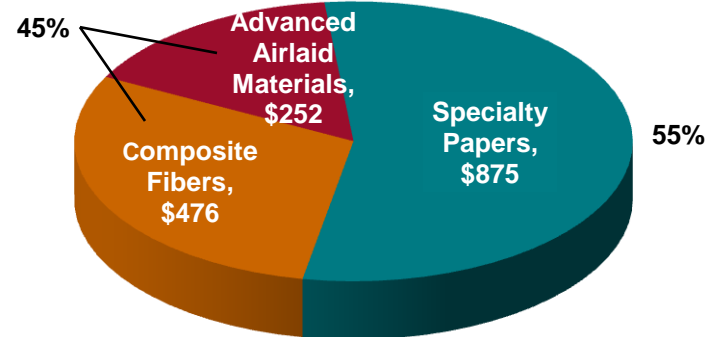
- Record full-year sales of \$1.6 billion, up 10% from 2010
 - Led by growth in single-serve coffee, tea, and feminine hygiene products
 - 54% of net sales generated from new products, the eighth consecutive year exceeding goal of 50%
- Adjusted EPS up 15% in 2011
 - Growth driven by Composite Fibers (+24%) and Advanced Airlaid Materials (+205%)
 - Margin expansion in growth businesses driven by Continuous Improvement initiatives
- Generated \$76 million of free cash flow
- Completed \$50 million share repurchase program in January 2012
- Refinanced debt to significantly reduce interest expense

Increasing Exposure to Growth Markets

2006 Net Sales: \$986 million

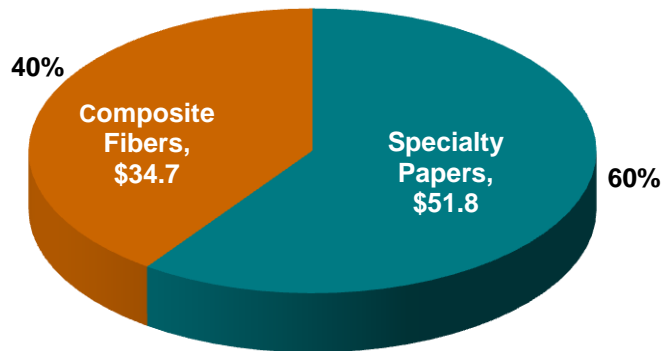


2011 Net Sales: \$1,603 million



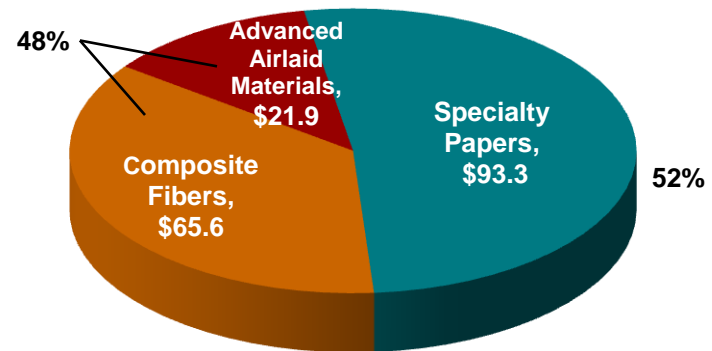
2006 Adj. EBITDA: \$88.4 million

*includes Other and Unallocated of \$1.9



2011 Adj. EBITDA: \$164.0 million

*includes Other and Unallocated of (\$16.8)



Glatfelter has significantly changed its exposure to growth markets with approximately 45% of net sales and 48% of EBITDA now coming from growth businesses.

Leading Positions in Growing Niche Markets

Specialty Papers North America

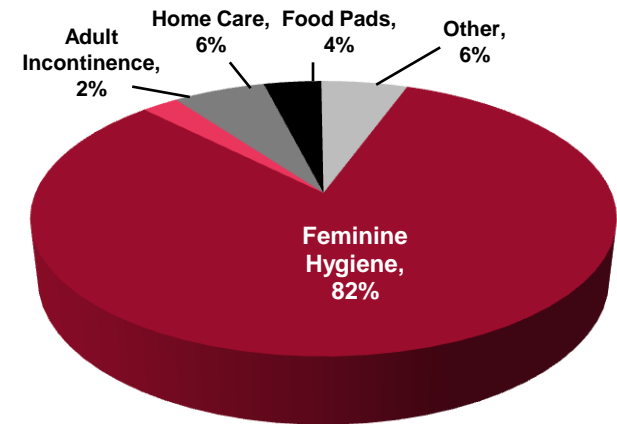
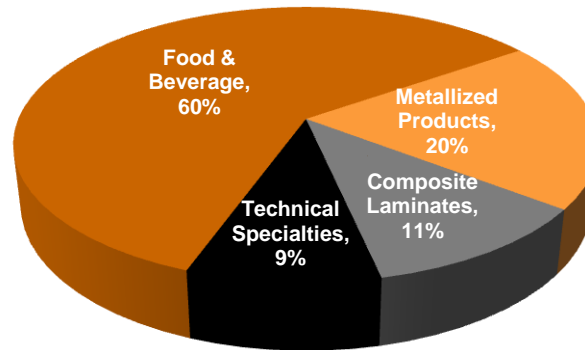
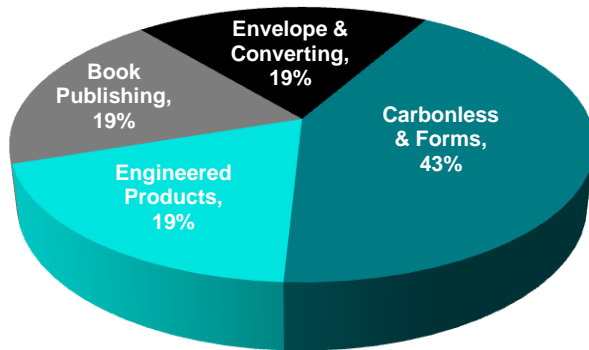
- Postal Applications #1
- Playing Cards #1
- Trade Book Publishing #1
- Greeting Cards #2
- Carbonless Products #2

Composite Fibers Worldwide

- Tea Bags #1
- Single-Serve Coffee Apps #1
- Composite Laminates #1
- Metallized Products #2

Advanced Airlaid Materials Worldwide

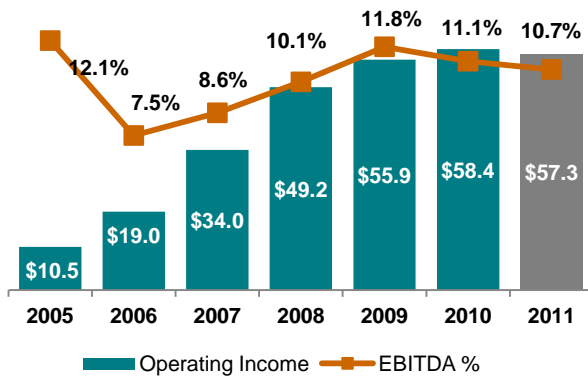
- Feminine Hygiene #1
- Adult Incontinence #1
- Food Pads #2
- Specialty Wipes #2



Glatfelter has leading market share positions in its key product lines.

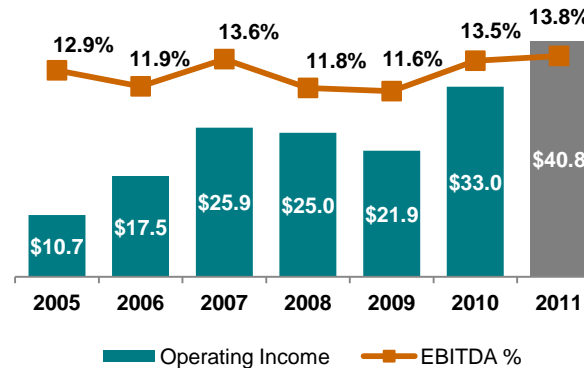
Operating Income & EBITDA Margin

Specialty Papers North America



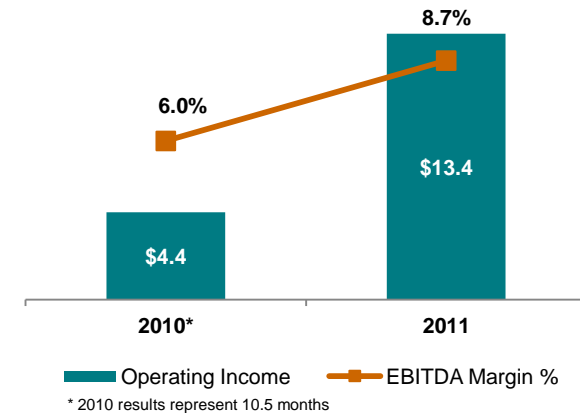
- Strong operating income and cash flow
- Intensive focus on new products
- Superior customer service
- Aggressive cost control
- Asset flexibility
- Outperforming the broader market

Composite Fibers Worldwide



- Revenue up 14% in 2011
 - ❖ Tea and coffee shipments up 9% in '11
- EBITDA margins up 220 bps since '09
- Growing global markets > 5%
- CI program increasing productivity and expanding margins
- Announced \$50 million investment to expand capacity

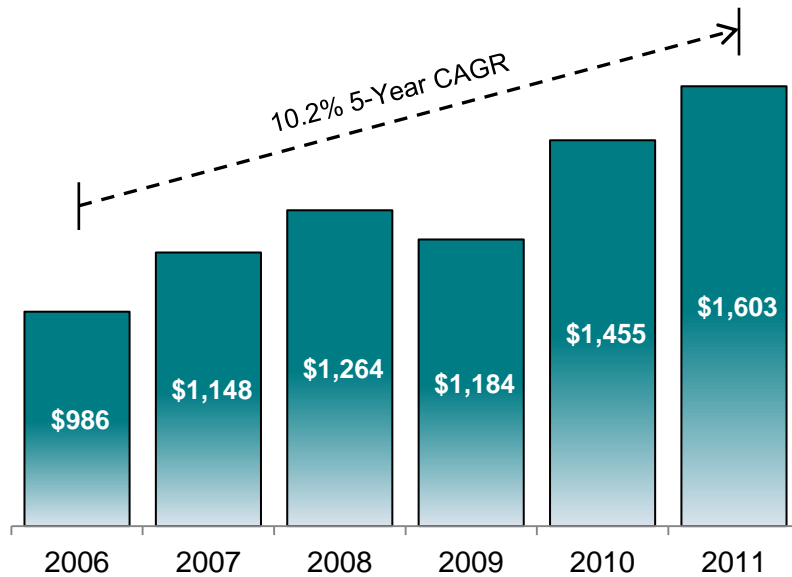
Advanced Airlaid Materials Worldwide



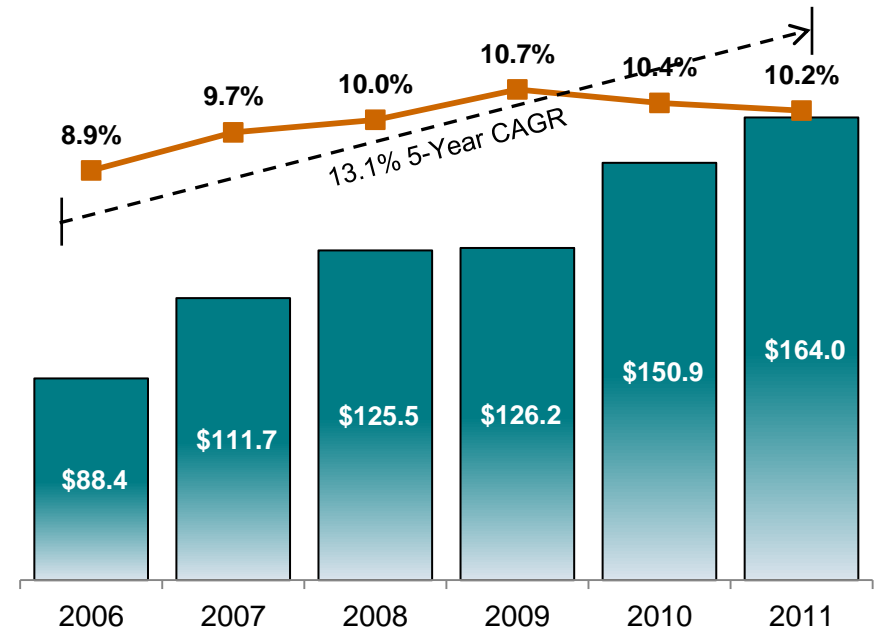
- Shipments grew 17% in 2010 and 9% in 2011
- Hygiene markets growing 5% - 6% per year
- Developing next-generation products with key market leaders
- Continuous improvement initiatives are expanding margins
- \$7.6 million converting investment (festooner) provides margin expansion opportunity
 - ❖ Start-up in Q4'11

Financial Highlights

Net Sales
(in millions)



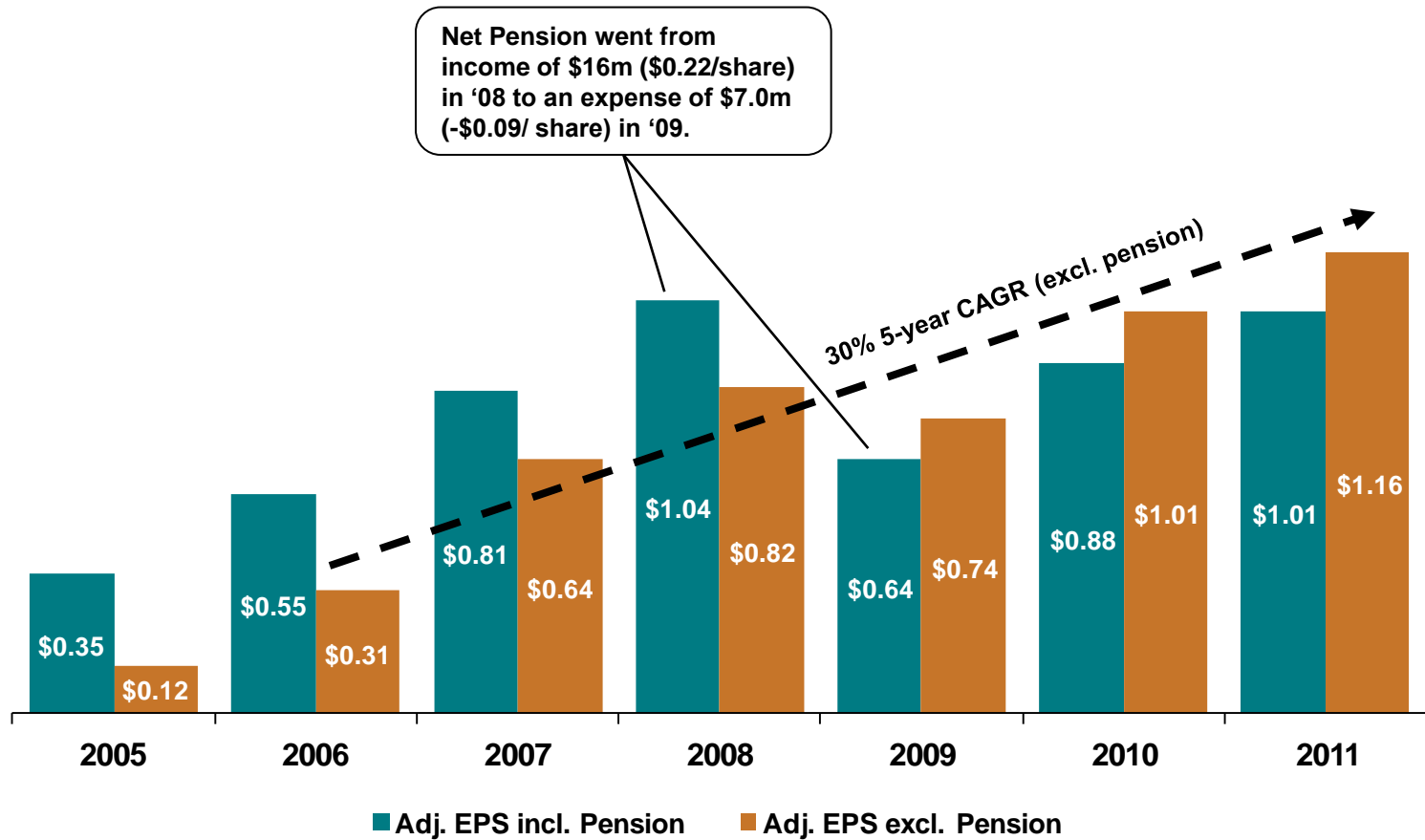
Adj. EBITDA / Margin %
(in millions)



■ Adj. EBITDA ■ Adj. EBITDA % of Net Sales

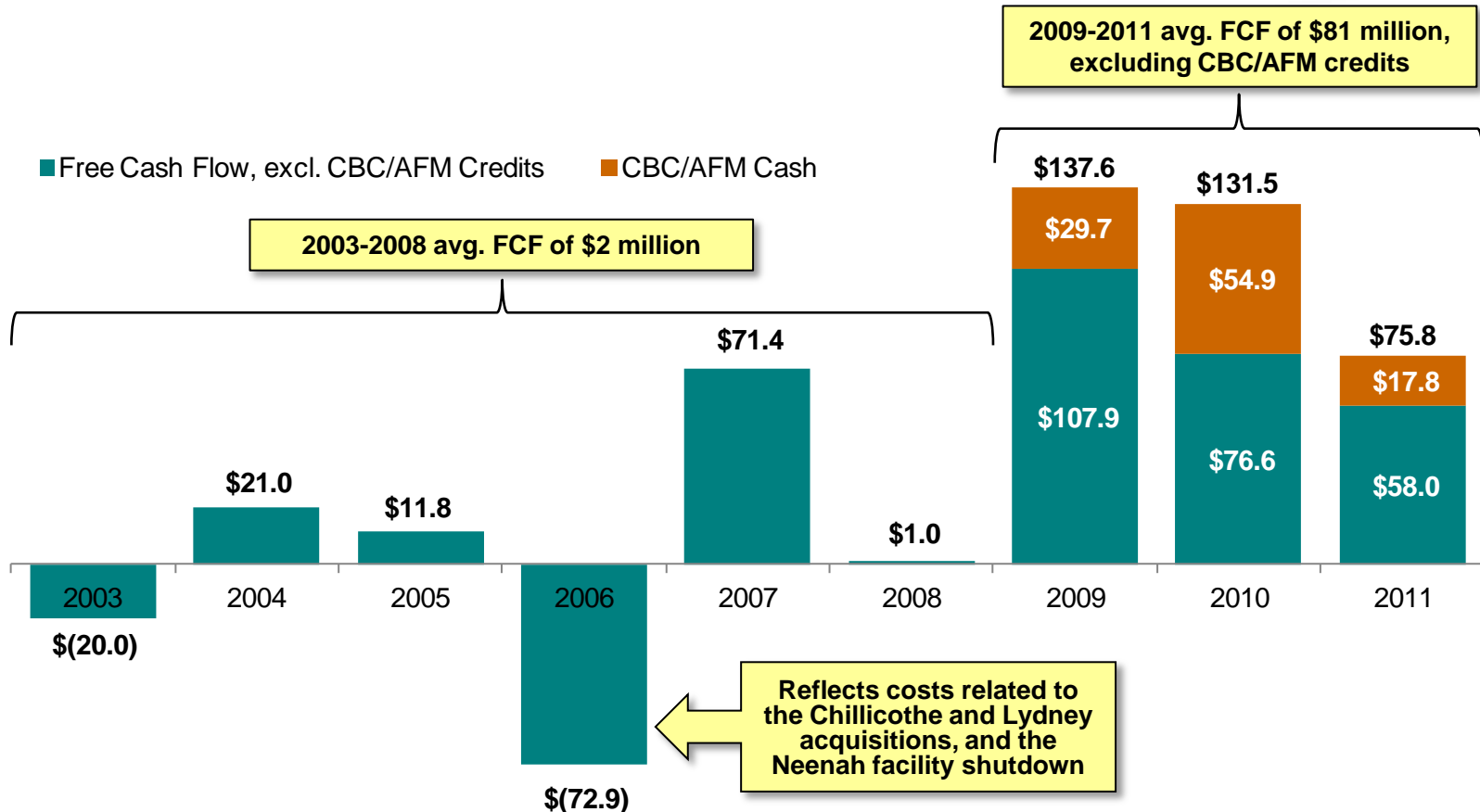
GLT net sales exceeded \$1.6 billion in 2011. EBITDA continues to grow, driven by organic growth, execution of continuous improvement initiatives and strategic acquisitions.

Solid EPS Performance



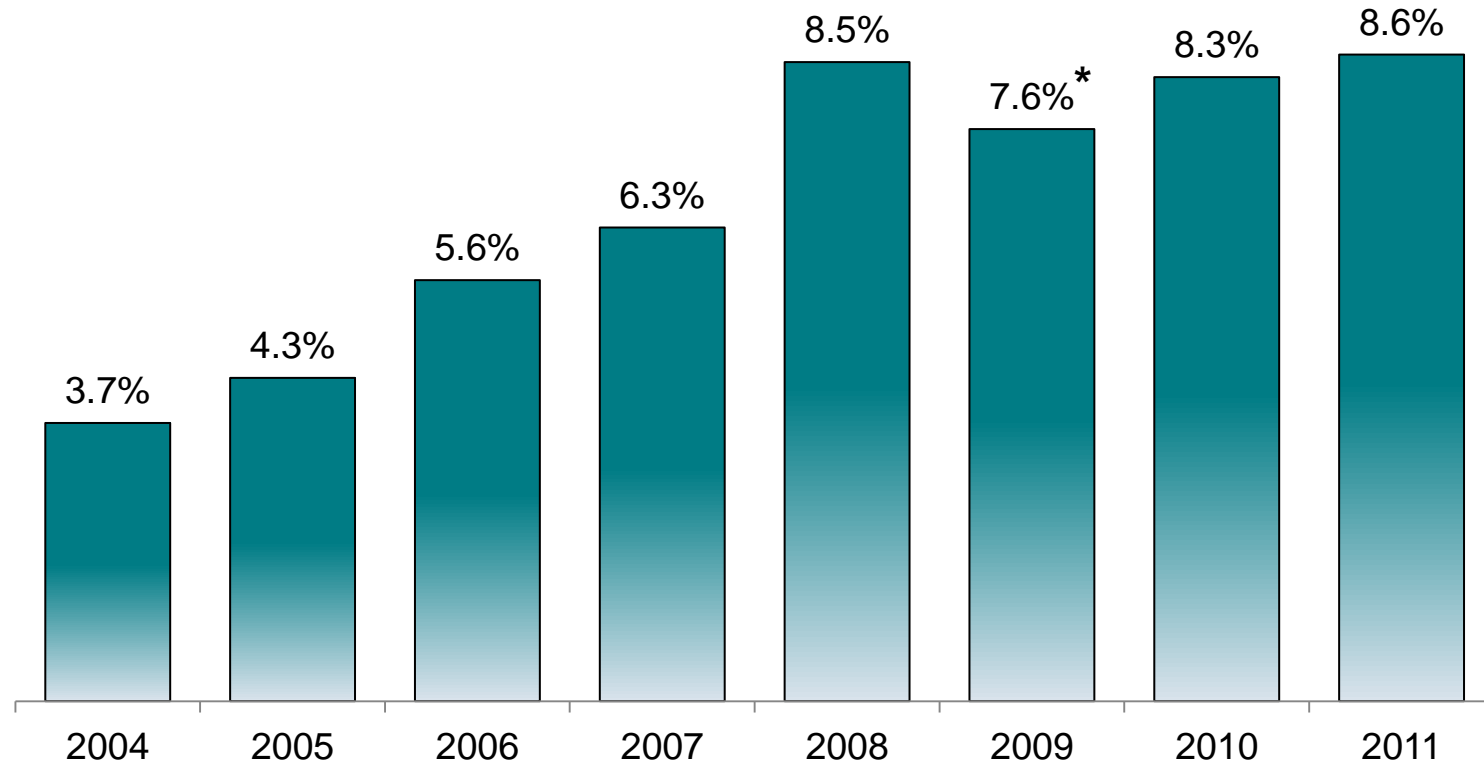
Effective strategic execution has driven long-term earnings growth.

Substantial Improvement in Free Cash Flow



Consistently strong free cash flow allowed GLT to complete a \$50 million share repurchase program, refinance its debt, and maintain financial flexibility.

Improving Returns on Invested Capital



Return on invested capital has improved dramatically since 2004. GLT is committed to achieving returns that exceed its cost of capital.

*Notes: * 2009 impacted by global recession and transition from net pension income (2004-2008) to net pension expense (2009-2011).*

Return on invested capital based on after-tax earnings from operations excluding unusual items.

Pension Plan Remains Overfunded

(in millions)	2008	2009	2010	2011	2012 Estimate
Service and interest costs	\$31.4	\$32.0	\$33.4	\$34.3	\$34.9
Expected return on plan assets	(50.1)	(39.8)	(40.3)	(41.8)	(42.3)
Amortization of prior service and actuarial costs	2.6	14.8	16.1	15.9	19.8
One-time charge	—	—	—	2.0	—
Pension (Income) / Expense	\$(16.1)	\$7.0	\$9.2	\$10.4	\$12.4
Funded status	\$14.3	\$79.6	\$92.1	\$28.0	N/A
Cash contributions*	\$0	\$0	\$0	\$0	\$0
Discount Rate for Expense	6.25%	6.25%	6.10%	5.80%	5.09%
Return on Asset Assumption	8.5%	8.5%	8.5%	8.5%	8.5%

* Qualified plans only

**Qualified plan remains overfunded.
No cash contribution required in 2012 or expected for the foreseeable future.**

Strong Balance Sheet

(in millions)	31-Dec-10	30-Sep-11	31-Dec-11
Cash	\$95.8	\$98.3	\$38.3
Short-Term Debt	0.8	—	—
7 ¹ / ₈ % Notes, due May 2016	200.0	200.0	200.0
7 ¹ / ₈ % Notes, due May 2016, net of original issue discount	96.5	96.0	—
Term Loan, due January 2013	36.7	36.7	—
Revolving credit agreement	—	—	27.0
Total Debt	333.0	332.7	227.0
Collateralized Debt	(36.7)	(36.7)	—
Net Debt	\$200.5	\$197.8	\$188.7
Shareholder's Equity	\$552.4	\$558.6	\$490.4
TTM Adj. EBITDA (excl. Pension)	\$150.9	\$158.8	\$164.0
Leverage*	1.3x	1.2x	1.2x
Cash available under bank facility	\$218.3	\$220.5	\$318.4

- Amended revolving credit facility in November
 - Increased by \$125 million to \$350 million
 - Extended maturity to Nov. 2016
 - Improved pricing – lower interest rates and fees
- Redeemed 7 ¹/₈ % \$100 million Notes
 - After-tax charge of \$6.1 million
 - Net incremental cash cost of \$3.2 million
 - Substantially reduced interest costs – 9 month payback
- Unwound 2007 timberland installment sale in Q4 and paid off collateralized debt

Glatfelter has ample liquidity to continue to fund growth initiatives and strategic investments as well as dividends.

Notes: *The above calculation is not intended to be used for purposes of calculating debt covenant compliance. The sum of individual amounts set forth above may not agree to the column totals due to rounding.

Glatfelter Value Drivers

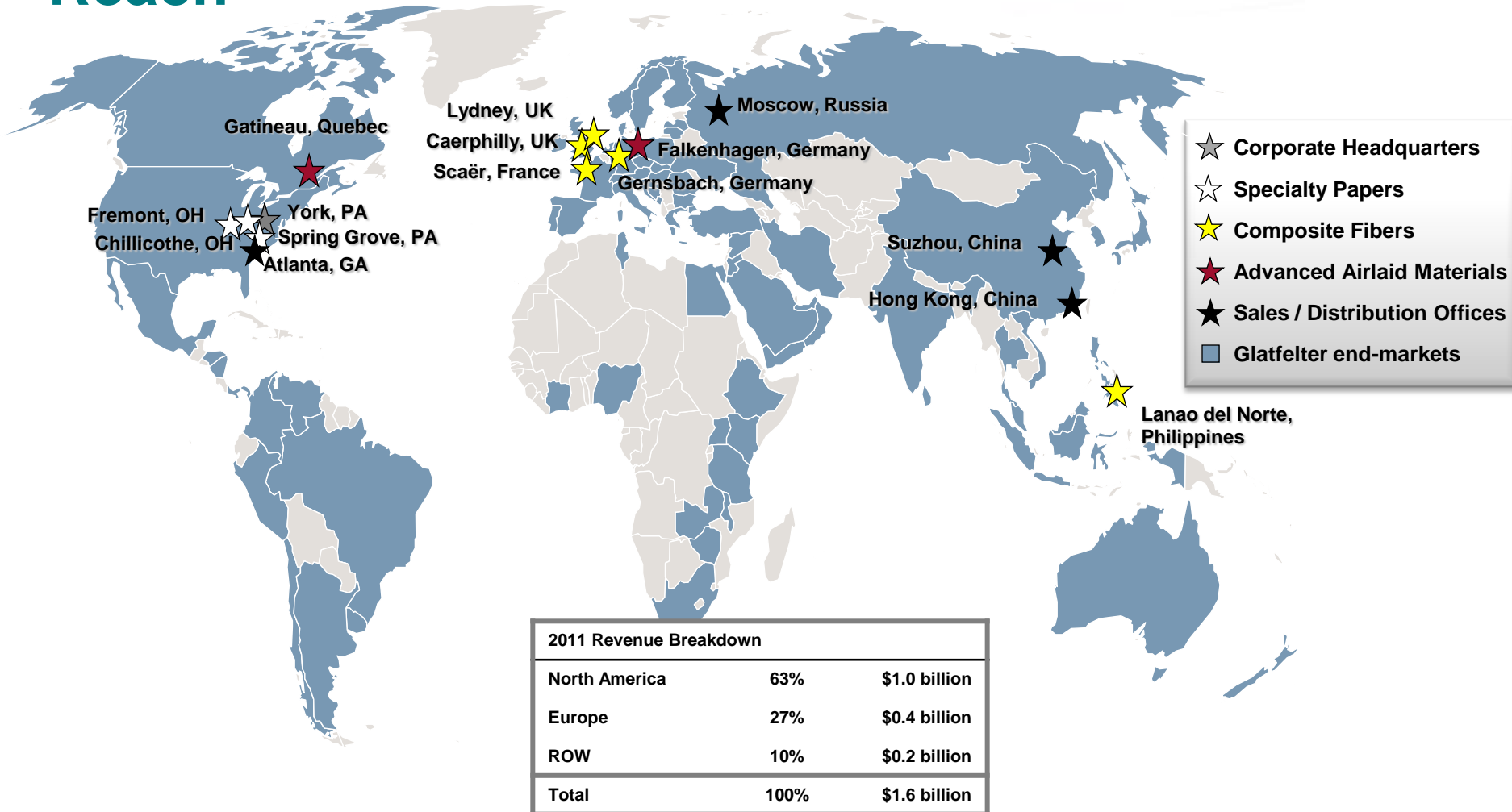
- Strong Revenue Growth
 - 5-year CAGR of 10.2%
 - Leading positions in global growth markets
 - Tea and Coffee markets growing at 5%
 - Feminine Hygiene market growing at 6%
 - Innovation leadership in key markets drives revenue growth opportunities
- Expanding Margins
 - Driving cost reduction and productivity improvements
 - Leveraging leading positions in niche segments
- Track Record of Profitable Growth
 - 5-year EPS (excluding pension) CAGR of 30%
 - Improving returns on invested capital
- Strong cash flow and financial strength to fund future growth
 - Strong balance sheet to fund growth opportunities
 - Timberland holdings of 32,000 acres
 - Pension plan overfunded

Appendix



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

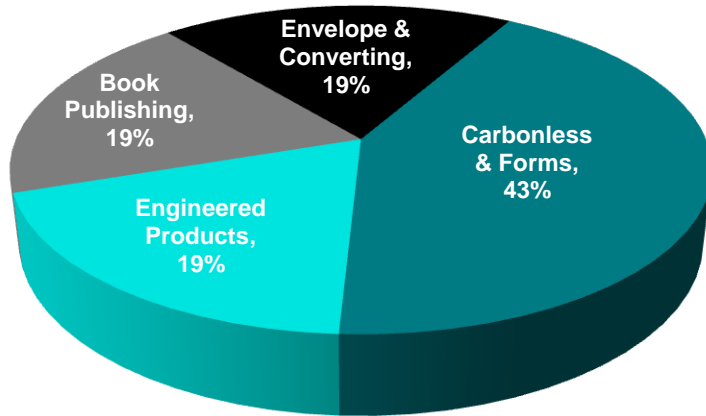
Flexible Operating Platforms, Strong Global Reach



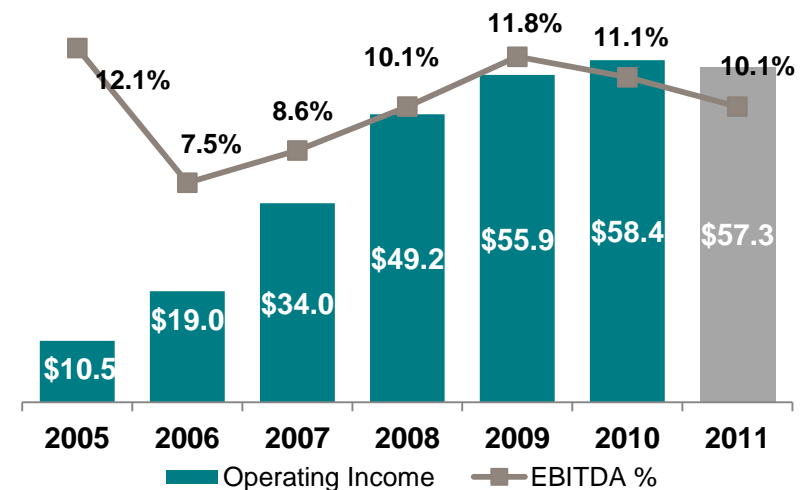
Glatfelter's strong global production platform in core geographies is enhanced by key sales and distribution operations.

Specialty Papers Business Unit

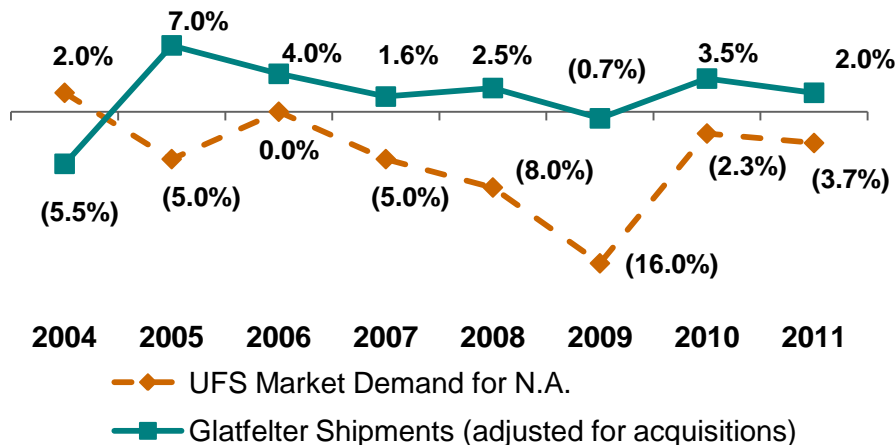
Key Product Sales Mix



Operating Income & EBITDA Margin



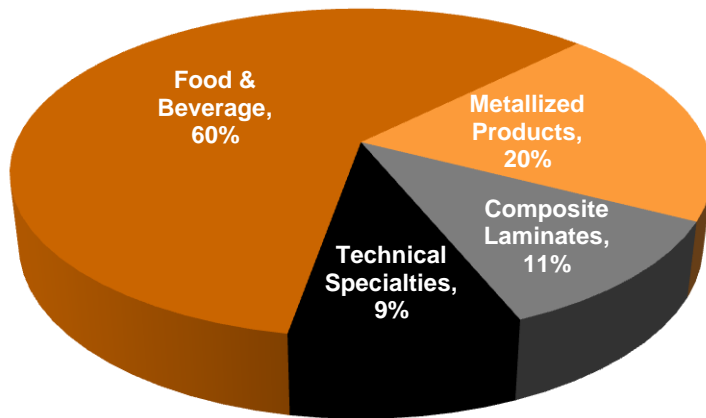
Year-Over-Year Change in Shipments



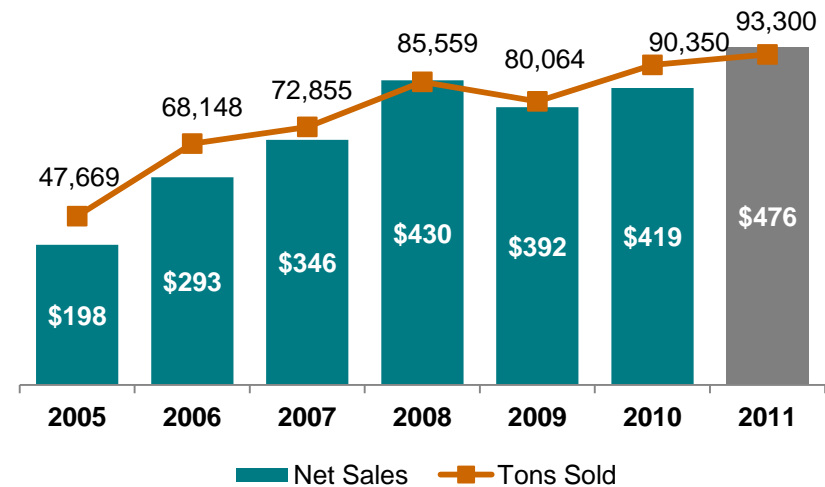
- Strong operating income and cash flow
- Intensive focus on new products
- Superior customer service
- Aggressive cost control
- Asset flexibility
- Outperforming the broader market

Composite Fibers Business Unit

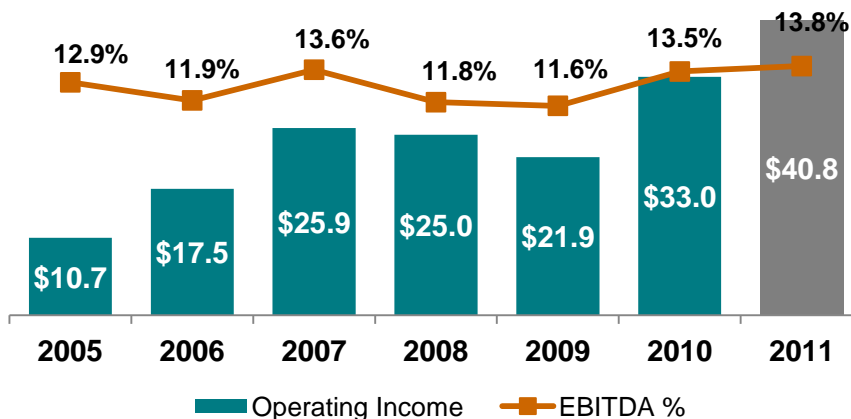
Key Product Sales Mix



Revenue & Shipment Trends



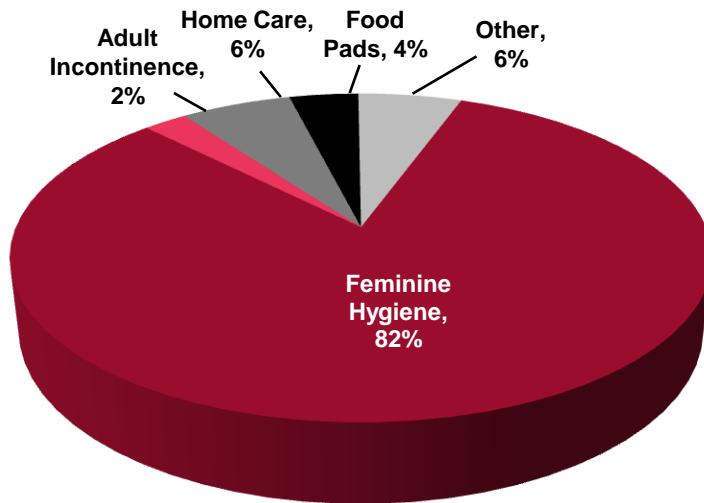
Operating Income & EBITDA Margin



- Revenue up 14% in 2011
 - ❖ Tea and coffee shipments up 9% in '11
- EBITDA margins up 220 bps since '09
- Growing global markets > 5%
- CI program increasing productivity and expanding margins
- Announced \$50 million investment to expand capacity

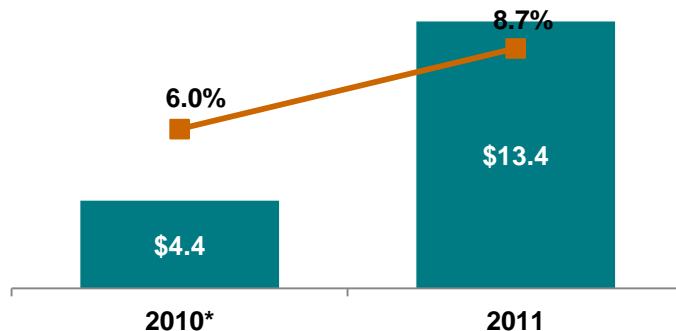
Advanced Airlaid Materials Business Unit

Key Product Sales Mix



- Shipments grew 17% in 2010 and 9% in 2011
- Hygiene markets growing 5% - 6% per year
- Developing next generation products with key market leaders
- Continuous improvement initiatives are expanding margins
- \$7.6 million converting investment (festooner) provides margin expansion opportunity
 - ❖ Start-up in Q4'11

Operating Income & EBITDA Margin



* 2010 results represent 10.5 months

Reconciliation of Non-GAAP Measures

Adjusted EBITDA, Excluding Pension

<i>In millions</i>	2006	2007	2008	2009	2010	2011
Income before Income Taxes	\$ (22.2)	\$ 93.9	\$ 81.0	\$ 143.1	\$ 33.5	\$ 50.8
Net Pension Expenses	(17.0)	(12.9)	(16.1)	7.0	9.2	10.4
Depreciation and Amortization	50.0	56.0	60.6	61.3	65.8	69.3
Net Interest Expense	21.3	25.1	18.2	17.3	24.7	31.1
EBITDA, excluding Pension	\$ 32.1	\$ 162.1	\$ 143.8	\$ 228.8	\$ 133.4	\$ 161.7
Adjustments / exclusions						
Gains on Timberland Sales and Transaction Related Costs	(15.7)	(79.0)	(18.6)	(0.5)	(0.4)	(3.4)
Gains from Insurance Recoveries	(0.2)	-	-	-	-	-
Environmental Remediation	-	26.0	-	-	-	-
Debt Redemption Costs	2.9	-	-	-	-	3.6
Cellulosic Bio-fuel and Alternative Fuel Mixture Credits	-	-	-	(105.5)	0.1	-
Acquisition and Integration Related Costs	69.3	2.5	0.4	3.5	11.9	1.1
Workforce Efficiency Charge	-	-	-	-	-	1.0
Write-off of Concert Indemnification Receivable	-	-	-	-	2.5	-
Foreign Currency Hedge on Acquisition Price	-	-	-	-	3.4	-
Adjusted EBITDA, excluding pension	<u>\$ 88.4</u>	<u>\$ 111.7</u>	<u>\$ 125.5</u>	<u>\$ 126.2</u>	<u>\$ 150.9</u>	<u>\$ 164.0</u>
Less: Depreciation and Amortization	(50.0)	(56.0)	(60.6)	(61.3)	(65.8)	(69.3)
Less: Other Income / (Deductions)	(3.6)	0.1	0.2	(0.3)	0.3	(0.5)
Adjusted Operating Profit, excluding Pension	<u>\$ 34.8</u>	<u>\$ 55.7</u>	<u>\$ 65.1</u>	<u>\$ 64.6</u>	<u>\$ 85.3</u>	<u>\$ 94.2</u>

Note: The sum of individual amounts set forth above may not agree to the column totals due to rounding.

Reconciliation of Non-GAAP Measures

Net Debt and Free Cash Flow

Net debt excluding collateralized debt	December 31	December 31
<i>In thousands</i>	2010	2011
Short term debt	\$798	\$0
Long term debt	\$332,224	\$227,000
Total debt	<u>\$333,022</u>	<u>\$227,000</u>
(-) Cash	<u>(\$95,788)</u>	<u>(\$38,277)</u>
Total debt less cash	\$237,234	\$188,723
(-) Collateralized debt from Timberland note	<u>(\$36,695)</u>	<u>\$0</u>
Net debt excluding collateralized debt	<u><u>\$200,539</u></u>	<u><u>\$188,723</u></u>

Free Cash Flow	Year ended December 31	
<i>In thousands</i>	2010	2011
Cash from operations	\$168,005	\$140,307
Less:		
Capital expenditures	<u>(36,491)</u>	<u>(64,491)</u>
Free cash flow	<u><u>\$131,514</u></u>	<u><u>\$75,816</u></u>

Note: The sum of individual amounts set forth above may not agree to the column totals due to rounding.