



# NEWS RELEASE

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For Immediate Release:

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## **GLATFELTER TO UPGRADE COMPOSITE FIBERS PAPER MACHINE TO SERVE GROWING DEMAND IN FOOD AND BEVERAGE MARKET**

### **US\$38 Million Investment to Enable Increased Production Capacity in Fourth Quarter of 2009**

YORK, Pennsylvania– July 8, 2008 – Glatfelter Company (NYSE:GLT), a global supplier of specialty papers and engineered products, today announced that it will upgrade a paper machine at its Composite Fibers facility in Gernsbach, Germany.

The upgrade will enable Glatfelter to enhance its specialty paper capabilities and increase production and processing capacity to better meet the growing demand in the food and beverage marketplace. It will also enhance the quality of products supplied to the overlay and battery pasting paper markets.

The upgrade will convert a conventional flat wire paper machine to a specialized inclined wire paper machine, which is required to manufacture tea and coffee filter papers as well as other technical specialties and composite laminates.

During the upgrade, Glatfelter will install state-of-the-art inclined wire and through air-drying technology. Upon completion of the upgrade, Glatfelter will have enhanced its overall capacity for the business unit by more than 4% over 2008 projected capacity levels and will have increased its tea and coffee filter paper capacity by 18% over 2008 projected capacity levels.

Dante C. Parrini, Executive Vice President and Chief Operating Officer of Glatfelter, said, “This investment reflects our commitment to providing superior service and technical capabilities that differentiate our company and support Glatfelter’s leading position in high-growth markets. We will continue to look for opportunities to optimize our assets so that we best serve our customers and drive growth for our shareholders.”

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“The worldwide demand for beverage filter paper is strong,” added Martin Rapp, Vice President & General Manager, for Glatfelter’s Composite Fibers Business Unit.

“Demand for single-serve coffee products is increasing rapidly in North America. In northern Europe ‘coffee pods’ are estimated to now account for approximately one in three of all coffees consumed. At the same time, market data indicates that consumers continue to switch from loose tea to teabag products in many key markets. The increased capacity resulting from this upgrade will help us meet these demands as well as enhance our offering in the growing overlay and battery pasting paper markets.”

The upgrade is expected to be completed in the fourth quarter of 2009 and the resulting additional capacity fully available in 2010. Based on current pricing and exchange rates, Glatfelter expects the increased capacity enabled by the upgrade to generate a run-rate of US\$40 million in additional revenues beginning in 2010.

**About Glatfelter**— Headquartered in York, PA, Glatfelter is a global manufacturer of specialty papers and engineered products, offering over a century of experience, technical expertise and world-class service. U.S. operations include facilities in Spring Grove, PA and Chillicothe and Fremont, OH. International operations include facilities in Germany, France, the United Kingdom and the Philippines and a representative office in China. Glatfelter’s sales exceed \$1 billion annually and its common stock is traded on the New York Stock Exchange under the ticker symbol GLT. Additional information may be found at [www.glatfelter.com](http://www.glatfelter.com).

### **Caution Concerning Forward-Looking Statements**

Any statements included in this press release which pertain to future financial and business performance, conditions and strategies and other financial and business matters, including expectations about market conditions in the beverage filter paper market and the timing of and financial benefits from the paper machine upgrade, 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 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 press release 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 press release 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 press release. 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](http://www.glatfelter.com).

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