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Press Release

P. H. GLATFELTER COMPANY ANNOUNCES \$36 MM INVESTMENT IN GLOBAL OPERATIONS

York, PA, September 20, 2001 – P. H. Glatfelter Company (NYSE: GLT) announced today that its Board of Directors has approved \$36 million in capital expenditures designed to strengthen the Company's leadership position in tea bag and overlay papers.

P. H. Glatfelter Company, a global manufacturer of specialty paper and engineered products, is a world leader in the production of tea bag and overlay papers.

The Company plans to rebuild the No. 9 Paper Machine at its mill in Gernsbach, Germany and expand its pulping operations in the Philippines by more than 50 percent. Both facilities are operated by Papierfabrik Schoeller & Hoesch, GmbH & Co. KG, acquired by Glatfelter in 1998.

The No. 9 Paper Machine, which currently produces tobacco papers, will be rebuilt to produce a variety of premium quality tea bag and overlay papers. Tea bag and overlay papers are made with abaca, or Manila hemp, a unique fiber grown only in the Philippines and Ecuador. Glatfelter is already the largest producer of abaca pulp in the world. The expansion of its pulp mill will allow Glatfelter to supply its own increased papermaking capacity and sell additional pulp on the open market. The Company anticipates new capacity for both projects will be completed in the fourth quarter of 2003. Both projects will be financed with internally generated funds.

Today's announcement represents another major step in the Company's journey to achieve \$1 billion in revenues by 2004 with an average return on capital employed of 17%.

"These two strategic projects will enable us to significantly grow our business in markets where we already have a very strong global presence," said George H. Glatfelter II, Chairman and Chief Executive Officer. "We are confident that the increased revenues generated by these projects will drive us closer to our Vision and enable us to generate an ROCE that will exceed our 2004 target," Mr. Glatfelter said.

Over the past 18 months, Glatfelter has been transforming its business to more closely align itself with its customers and ultimately realize its Vision. During that time, the Company has realigned its corporate sales and marketing organization and hired new talent with international marketing experience to help identify growth opportunities in new and existing markets. Earlier this year, the Company unveiled MyGlatfelter.com™, the first of its kind e-commerce web site dedicated to providing an unprecedented level of service to customers. In addition, Glatfelter began the preliminary design of an enterprise resource planning system (ERP) powered by software from SAP. The system is scheduled to be operating worldwide by the end of 2002. In August, Glatfelter sold its tobacco papers business to privately held PURICO (IOM). As part of the transaction, Glatfelter agreed to provide tobacco papers from its Gernsbach mill exclusively to PURICO for three years. During that time, Glatfelter will gradually transition production at the Gernsbach facility from tobacco papers to other value-added products.

"A key element of our global growth strategy is to provide unparalleled service and produce premium quality, value-added products in the markets we serve. And we're doing that through innovation, new technology and by understanding what success means for our customers. Once again, we are demonstrating that we are committed to our markets, we will grow with our customers and as they align with us, they will strengthen their competitive advantage," Mr. Glatfelter said.

Glatfelter's U.S. operations include mills in Spring Grove, PA and Neenah, WI. International operations include facilities in France as well as Germany and the Philippines.

Any statements set forth in this press release with regard to the Company's expectations as to industry conditions, demand for or pricing of its products, its profit improvements and cost reductions, market share for its products, its projected financial results or cash flow, the impact of the capital projects at facilities in Gernsbach and the Philippines and other aspects of its business may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Although the Company makes such statements based on assumptions that it believes to be reasonable, there can be no assurance that actual results will not differ materially from the Company's expectations. Factors that could cause or contribute to actual results differing materially from such forward-looking statements are discussed in the Company's Securities and Exchange Commission filings.

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