



G L A T F E L T E R

Beyond Paper



2017 Fourth Quarter Earnings Conference Call

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February 6, 2018
NYSE: GLT

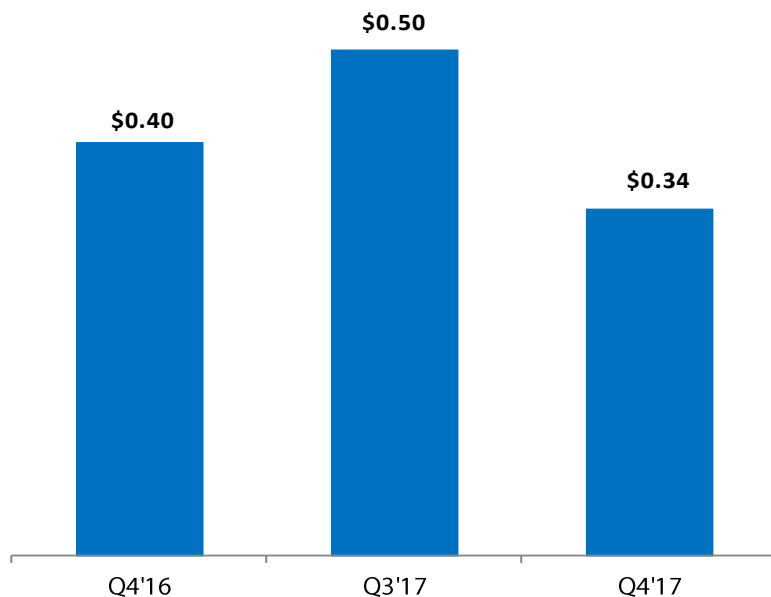
Forward-Looking Statements and Use of Non-GAAP Financial Measures

Any statements included in this press release 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. The Company uses words such as “anticipates”, “believes”, “expects”, “future”, “intends”, “plans”, “targets”, and similar expressions to identify forward-looking statements. Any such statements are based on the Company’s current expectations and are subject to numerous risks, uncertainties and other unpredictable or uncontrollable factors that could cause future results to differ materially from those expressed in the forward-looking statements including, but not limited to: changes in industry, business, market, and economic conditions in the U.S., demand for or pricing of its products, and market growth and currency exchange rates. In light of these risks, uncertainties and other factors, the forward-looking matters 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.

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 2017 Highlights

Adjusted EPS (EPS Before Special Items)

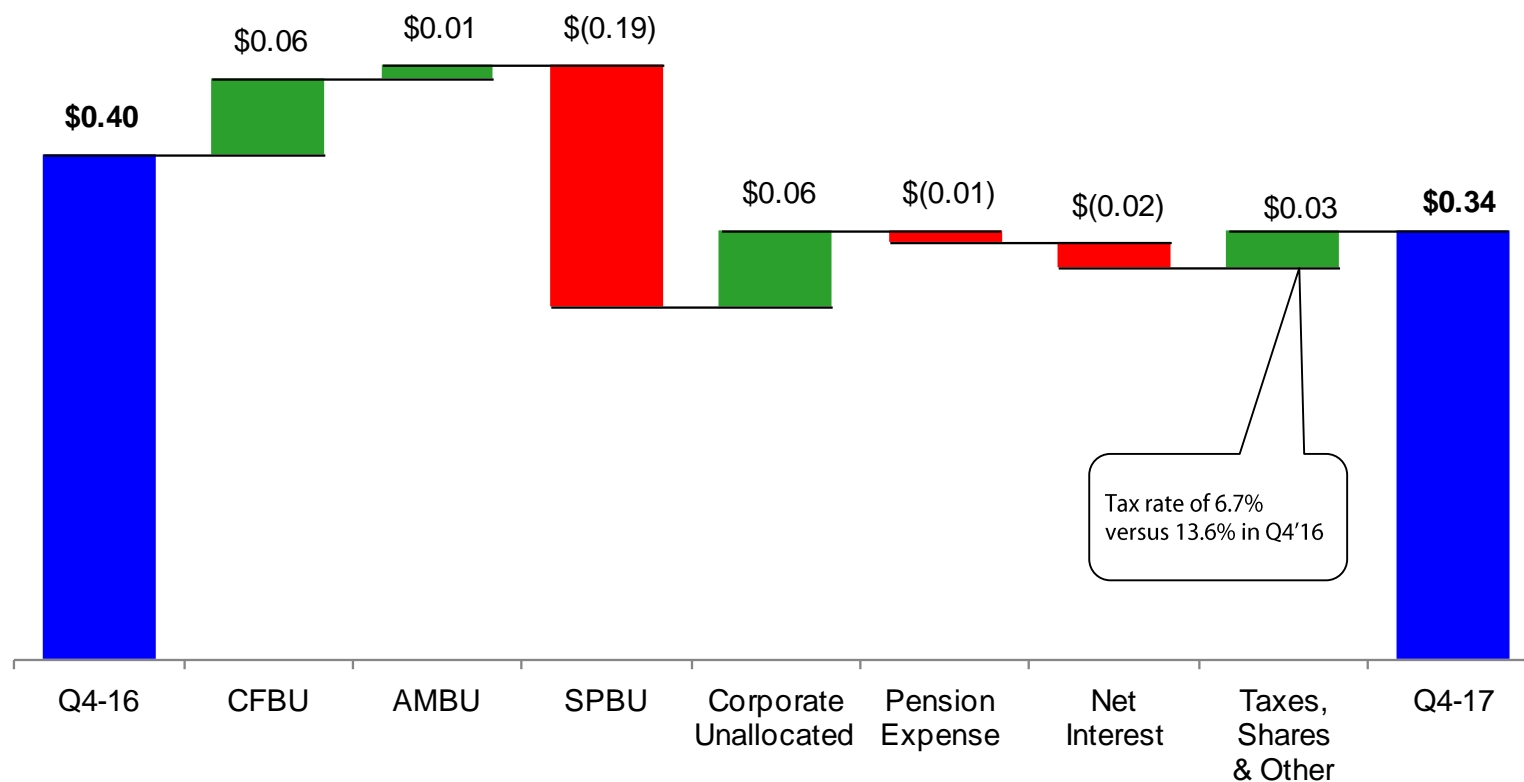


- Q4 2017 net sales totaled \$400 million, up 2% versus Q4 2016 and 1% down on constant currency basis
 - Strong growth for Composite Fibers with net sales up 8%
 - Steady growth for Airlaid with net sales up 3%
 - SPBU net sales down 7%
- Adjusted EBITDA flat
- Adjusted EPS down \$0.06 from Q4 2016
 - Composite Fibers operating profit up 22%
 - Airlaid business operating profit up 9%
 - Specialty Papers operating profit down \$9.8 million driven by lower selling prices and raw material inflation
 - Effective tax rate of 7% slightly below Q4'16 and significantly lower than expected
- Delivered solid operating cash flow
- Balance Sheet remains strong

On a GAAP basis, EPS was (\$0.37), \$0.27 and (\$0.23) for Q4 2016, Q3 2017 and Q4 2017, respectively

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

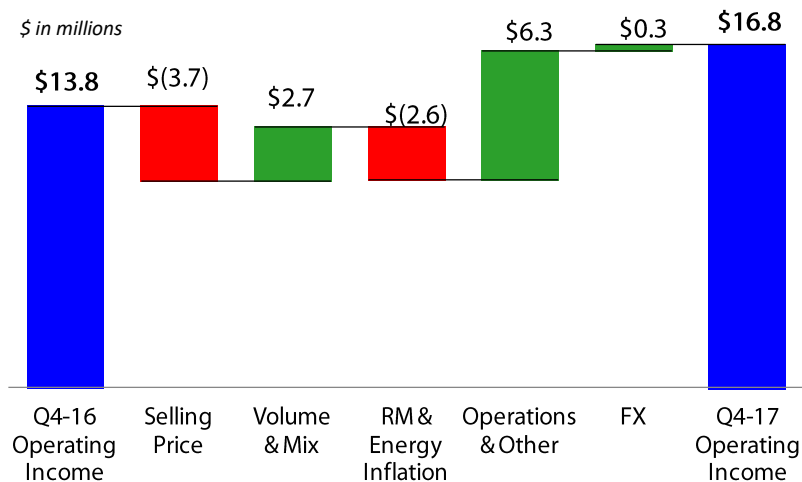
Adjusted EPS – Q4 2017 vs. Q4 2016



On a GAAP basis, Q4 2017 was a net loss of (\$10.1) million or (\$0.23) per share compared to net loss of (\$16.2) million or (\$0.37) per share in Q4 2016

Composite Fibers Q4 2017 Highlights

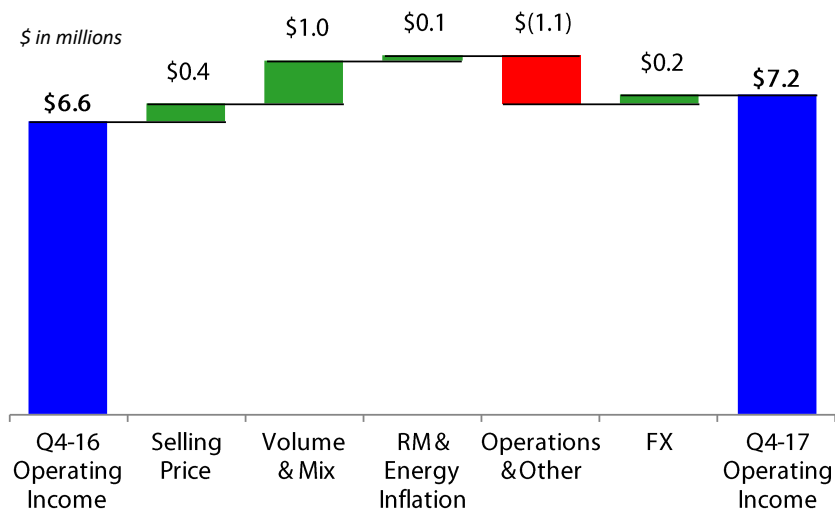
<i>Dollars in Thousands</i>	Q4 2016	Q3 2017	Q4 2017
Tons shipped	35,110	43,789	41,308
Net sales	\$125,349	\$142,349	\$143,671
Operating income	\$13,784	\$16,363	\$16,828
EBITDA	\$20,452	\$23,461	\$24,246
EBITDA margin	16.3%	16.5%	16.9%



- **Strong revenue growth of 7.7% (constant currency)**
 - Shipping volume up 18% versus Q4 2016
 - Wallcover up 31%
 - Food & Beverage up 8%
 - Technical Specialties up 22%
 - Selling prices are down year-on-year, but slightly higher when compared to the third quarter
- **Raw material inflation unfavorable \$2.6 million mainly driven by higher wood pulp and abaca prices**
- **Operations favorable \$6.3 million**
 - Higher volumes reduced downtime and improved cost efficiency
 - Successfully completed cost optimization program with full year impact of \$10 million as planned
- **Operating profit up 22%; record EBITDA margins**
- **Outlook (Q1 2018 vs. Q4 2017)**
 - Expect shipping volumes to be flat
 - Expect selling prices as well as raw material and energy prices to increase slightly

Advanced Airlaid Materials Q4 2017 Highlights

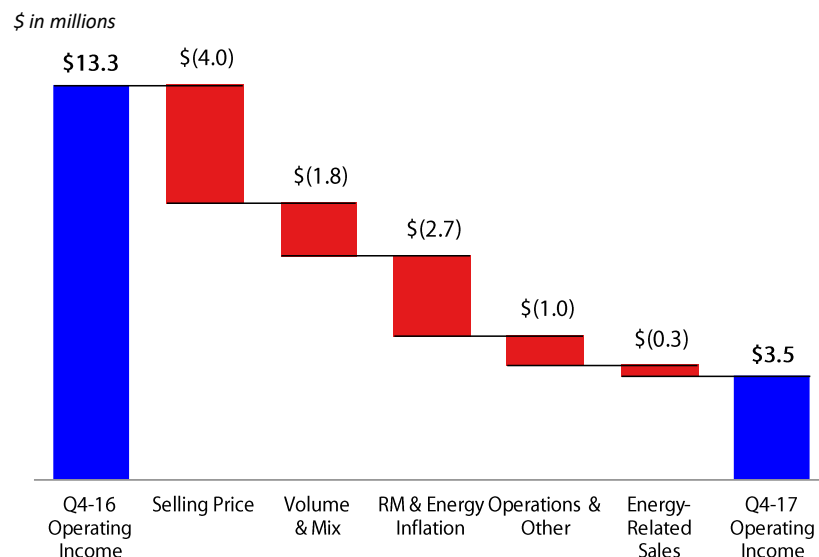
<i>Dollars in Thousands</i>	Q4 2016	Q3 2017	Q4 2017
Tons shipped	24,932	26,244	25,533
Net sales	\$60,852	\$67,771	\$65,656
Operating income	\$6,594	\$8,237	\$7,191
EBITDA	\$8,515	\$10,727	\$9,703
EBITDA margin	14.0%	15.8%	14.8%



- **Net sales up 3.1% on constant currency basis**
 - Shipping volume up 2% versus Q4 2016
 - Wipes shipments up 11%
 - Hygiene products shipments up 3%
- **Operations include higher personnel costs and higher depreciation**
- **Operating profit up 9% driven by volume growth**
- **Outlook (Q1 2018 vs. Q4 2017)**
 - Expect shipping volumes to be approximately 5% higher
 - Selling prices and raw material & energy prices are expected to increase slightly
 - 2018 shipping volume expected to be 10%-15% higher than 2017
 - Expect first commercial shipments from the new airlaid facility

Specialty Papers Q4 2017 Highlights

<i>Dollars in Thousands</i>	Q4 2016	Q3 2017	Q4 2017
Tons shipped	196,573	197,080	186,005
Net sales	\$204,665	\$203,206	\$190,589
Energy and related sales, net	\$2,128	\$1,236	\$1,780
Operating income (loss)	\$13,260	\$12,472	\$3,497
EBITDA	\$19,890	\$20,455	\$11,401
EBITDA margin	9.7%	10.1%	6.0%



- **Lower industry capacity utilization rates drive price declines in 2017**
 - Net sales decreased 6.9% compared to Q4 2016
 - Shipments down 5.4%
 - Prices down year over year but up slightly versus Q3'17
- **Operations unfavorable \$1.0 million**
 - Depreciation increased \$1.3 million driven by environmental compliance investments
 - Higher freight costs of \$1.1 million due to truck availability shortage
 - Achieved \$1.8 million of savings from salaried workforce reduction program offset by operational inefficiencies
- **Outlook (Q1 2018 vs. Q4 2017)**
 - Expect shipping volumes to be in-line
 - Average selling prices are expected to increase approximately \$20 per ton
 - Raw material and energy prices are expected to increase approximately \$2 million
 - Expect higher seasonal energy consumption
 - Expect operating performance and freight cost penalties in Q1'18 to be in-line with Q4'17

Corporate Costs and Other Financial Items

Details of Other and Unallocated

The following sets forth details of 'Other and Unallocated' amounts presented in the Company's Business Unit Financial Information included in the earnings release.

(in millions)	Q4'16	Q4'17	2016	2017
Timberland sales and related costs	\$—	\$—	\$—	\$0.2
Pension settlement charge	(7.3)	—	(7.3)	—
Specialty Papers' environmental compliance	(1.7)	(0.5)	(8.3)	(3.6)
Airlaid capacity expansion	(1.4)	(3.8)	(2.7)	(10.9)
Cost optimization actions	(3.4)	(0.4)	(3.5)	(10.0)
Fox River environmental matter	(40.0)	—	(40.0)	—
Net pension expense	(1.4)	(1.7)	(5.5)	(6.6)
Corporate costs*	(7.7)	(4.6)	(26.9)	(18.8)
Total corporate costs & other financial items	(\$62.9)	(\$11.0)	(\$94.2)	(\$49.7)

Excluded from adjusted earnings

Corporate costs in Q4 2017 are lower than prior year driven by lower Fox River legal costs

Notes: * Corporate costs are primarily comprised of legal fees, professional services fees and employee costs.
The sum of individual amounts set forth above may not agree to the column totals due to rounding.

Free Cash Flow

(in millions)	Q4'16	Q4'17	2016	2017
Adjusted EBITDA	\$41.7	\$41.5	\$159.6	\$159.4
Change in working capital (*)	29.9	36.9	(10.6)	12.1
Taxes paid	(2.4)	(1.8)	(14.0)	(9.3)
Interest paid	(7.2)	(7.8)	(14.6)	(16.5)
Other	(5.4)	(17.4)	(4.3)	(41.4)
Cash Flow from Operations	56.7	51.5	116.1	104.3
Less: Capital expenditures	(43.2)	(30.1)	(160.2)	(132.3)
Free Cash Flow	13.5	21.3	(44.0)	(28.0)
Adjustment for major capital projects	26.5	13.3	100.2	58.8
Exclude: CBC/AFM Credit	-	-	(4.3)	-
Adjusted Free Cash Flow	\$40.0	\$34.7	\$51.8	\$30.8

- Adjusted free cash flow in Q4'17 was \$5 million below Q4'16
- Full year Adjusted free cash flow was \$21 million lower than 2016
 - EBITDA flat year over year
 - Working capital benefit driven by improved inventory management
 - Operating cash flow negatively impacted by lower incentive compensation accruals
 - High cash costs for major capital programs and cost optimization initiatives negatively impacted cash flow
- Fox River settlement in Q3'17 negatively impacted cash flow by \$9.6 million
- Capital expenditures in Q4'17 were \$13.1 million lower than Q4'16
 - Boiler environmental compliance projects completed in early 2017
 - Q4'17 includes \$12.8 million for airlaid capacity expansion versus \$9.6 million in Q4'16
- With completion of major capital programs, 2018 cash flow is expected to improve significantly

Notes: (*) - Working capital is defined as accounts receivable plus inventories less accounts payable. The sum of individual amounts set forth above may not agree to the column totals due to rounding.

Capital Expenditures and Other Cost Estimates

Capital Expenditures Estimate

(in millions)	2016A	2017A	2018E
Normal Capital Expenditures	\$60	\$73	\$58 - \$63
Major Projects			
Boiler Environmental Compliance (SPBU)	\$69	\$13	–
Capacity expansion (AMBU)	\$31	\$46	9
Total	\$160	\$132	\$67 - \$72

Major Programs One-Time P&L Costs Estimates

(in millions, after-Tax)	2016A	2017A	2018E
Boiler Environmental Compliance (SPBU)	\$5	\$4	-
Capacity expansion (AMBU)	\$2	\$9	\$3
Cost Optimization Programs (CFBU & SPBU)	\$3	\$9	-
Total	\$10	\$23	\$3

- **Advanced Airlaid Materials capacity expansion project estimated at approximately \$85 million of capital**
 - Start up progressing well and customer qualifications and testing in progress
 - Expect commercial shipments in Q1'18
 - Total spend to date of \$76 million
- **Expect significantly lower capital expenditures in 2018 with completion of major capital programs**
- **Depreciation and amortization expense for 2017 was \$76 million; 2018 estimated at \$80 million**

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

Impact from Recently Enacted U.S. Tax Legislation

Q4 2017 Impact

- One-time net charge of \$20.9 million
- Estimated tax on deemed repatriation of foreign earnings of \$41.8 million
 - No cash impact; offset by use of NOL's
- Revaluation of net deferred tax liabilities at lower rate partially offsets this impact

2018 Impact

- Expect effective tax rate on adjusted earnings of 33% in 2018
 - Rate reduction on expected U.S. loss increases rate ~ 5%
 - New tax provisions increase rate ~ 6%
- Expect to repatriate approximately \$100 million and use to reduce U.S. debt

Balance Sheet Metrics

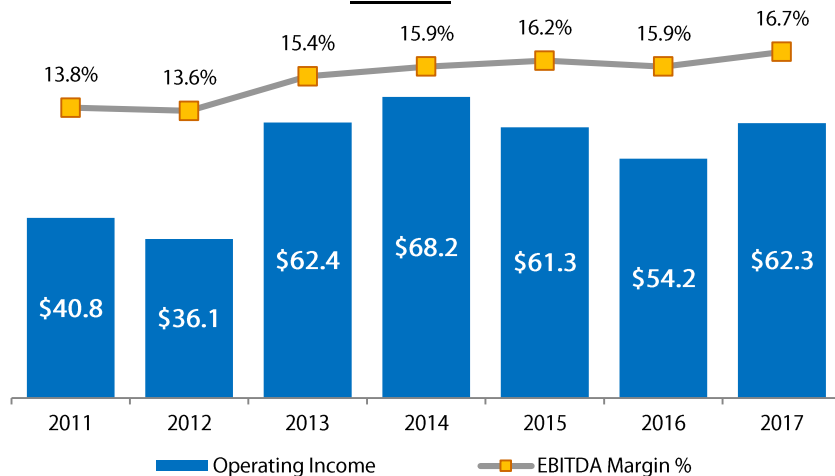
(in millions)	31-Dec-15	31-Dec-16	31-Dec-17
Cash	\$105.3	\$55.4	\$116.2
Debt			
Current portion of long term debt	7.4	9.0	11.3
5%% Notes, due October 2020	250.0	250.0	250.0
Term Loans 1.3% - 2.4% due 2022 - 2025	47.7	54.6	50.8
Revolving credit agreement	58.8	61.6	171.2
Unamortized deferred financing costs	(3.2)	(2.6)	(1.9)
Total Debt	\$360.7	\$372.6	\$481.4
Net Debt	\$255.4	\$317.2	\$365.2
Shareholders' Equity	\$663.2	\$653.8	\$708.9
TTM Adj. EBITDA (excl. Pension)	\$161.1	\$159.6	\$159.4
Leverage*	1.6	2.0	2.3
Cash available under bank facility	\$248.3	\$176.6	\$67.5

- Net debt increased \$48 million from December 2016
 - Major capital programs nearly complete
- Leverage at 2.3x as of December 31, 2017 based on Adjusted EBITDA
- Total liquidity of \$184 million
- Expect liquidity to improve in 2018
- Continue to have financial flexibility to pursue strategic growth options

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.

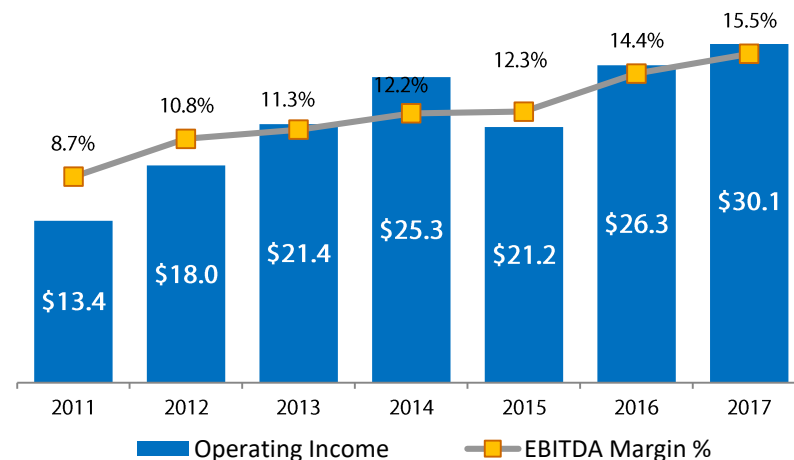
Engineered Materials Businesses Driving Growth

CFBU



- Revenue increased 5% (constant currency) in 2017 with strong growth in key product lines; volume up 9%
 - Tea and coffee volume up 4%
 - Wall cover volume up 19%; Technical Specialties up 11%
- Generated record EBITDA margins in 2017; up 80 bps
 - Strong manufacturing performance
 - Continuous improvement programs contributed to productivity increase and improved cost profile
- Successfully executed cost optimization program generating \$10 million benefit in 2017

AMBU

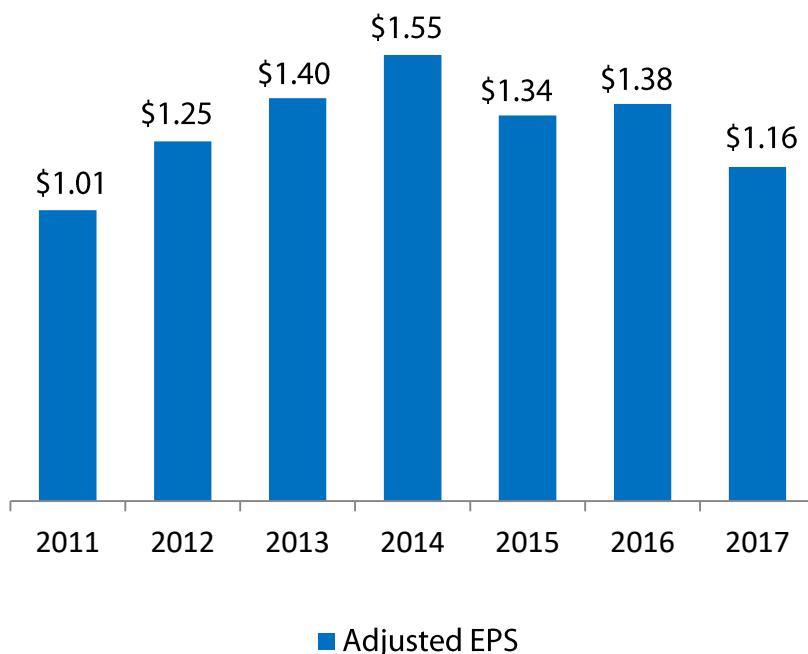


- Revenue increased 4% (constant currency) in 2017 with volume up 3%
 - Steady growth in Feminine Hygiene with volume up 2%
 - Wipes and Adult Incontinence each up 14%
- Track record of strong profit and margin growth continued in 2017
 - Generated record EBITDA margins in 2017; up 110 bps
- New facility coming on-line in Q1 2018 to address growing demand with ~20% expansion of capacity
 - Expect 2018 shipments to grow 10% to 15%

Engineered materials businesses have long runway for growth

2017 Highlights

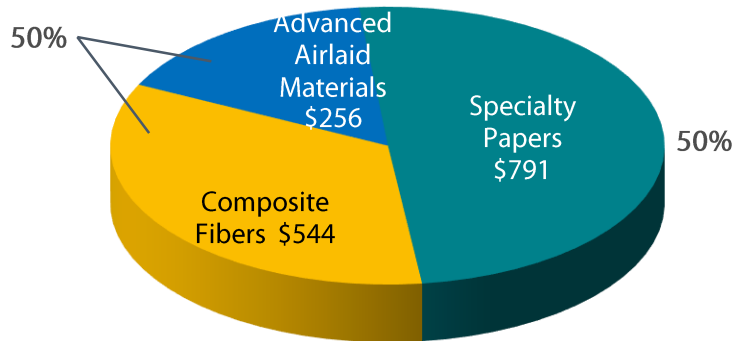
Adjusted EPS (EPS Before Special Items)



- **Engineered Materials businesses showing strong growth**
 - Composite Fibers operating profit up 15% after challenging two years
 - Airlaid Materials operating profit up 14%, continuing strong track record of growth
- **Specialty Papers results impacted by market over-capacity and weak pricing environment**
 - Benchmark prices reached 11 year low; recent capacity closures/conversion announcements totaling 10% of industry capacity has led to price increase announcements
 - Business focused on improving productivity and cost position
 - Operating profit down 63%
- **Strong progress on major capital programs**
 - Completed environmental compliance projects in Specialty Papers (Jan. 2017)
 - On track to complete growth investment to expand Airlaid capacity in early 2018
- **Higher interest expense and tax rate in 2017 reduced adjusted EPS by \$.08**

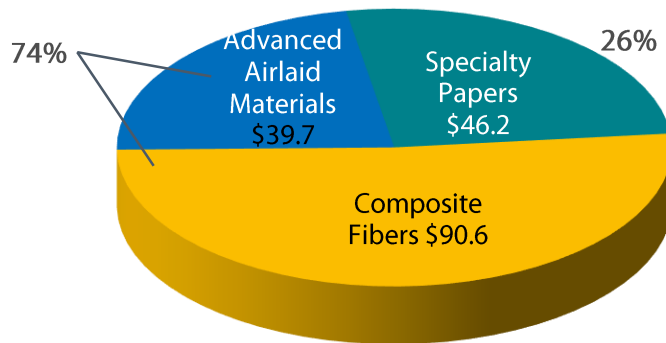
Business Overview

2017 - Net Sales: \$1,591 million



2017 - Adj. EBITDA: \$159.4* million

*includes Other and Unallocated of (\$17.1)

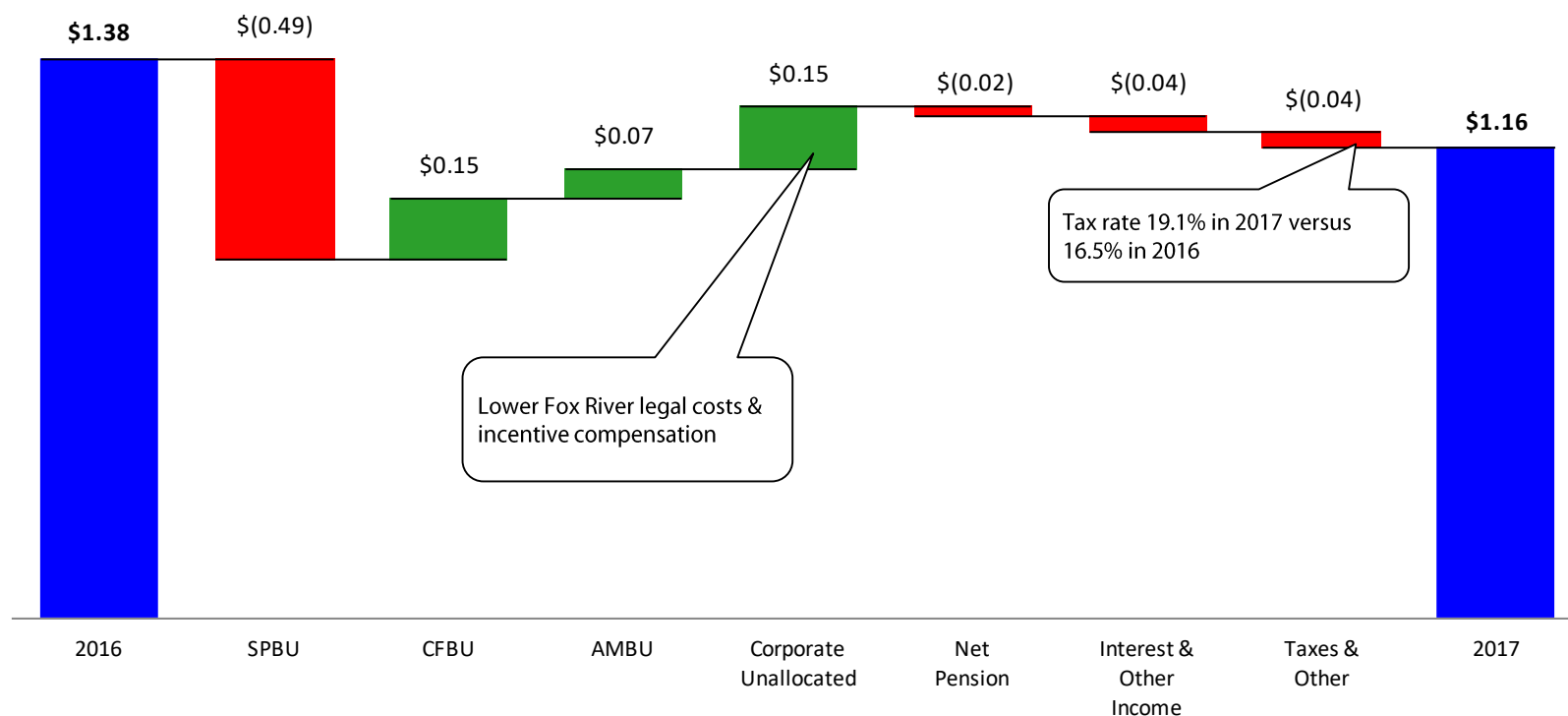


- **Growth oriented engineered materials businesses**
 - Leadership positions in key markets with growth rates of 2% to 8%
 - Continued growth trajectory in Advanced Airlaid
 - New Airlaid capacity to come on-line in Q1 2018
 - Expect demand for Composite Fibers to remain strong in 2018
- **Completing major capital programs in early 2018; Expect improved cash flow**
- **Increased dividend 44% over last five years**
- **Maintaining healthy balance sheet and financial flexibility to execute growth strategy**

Glatfelter has expanded its position in growing global markets with approximately half of net sales and three-quarters of Adjusted EBITDA coming from growth platforms.

Appendix

Adjusted EPS – 2017 vs. 2016



On a GAAP basis, net income was \$7.9 million or \$0.18 per diluted share in 2017 compared to \$21.6 million or \$0.49 per diluted share in 2016

Outlook Summary – Q1 2018 Versus Q4 2017

Composite Fibers

- Expect shipping volumes to be flat
- Expect selling prices as well as raw material and energy prices to increase slightly

Advanced Airlaid Materials

- Expect shipping volumes to be approximately 5% higher
- Selling prices and raw material & energy prices are expected to increase slightly
- 2018 shipping volume expected to be 10%-15% higher than 2017
- Expect first commercial shipments from the new airlaid facility

Specialty Papers

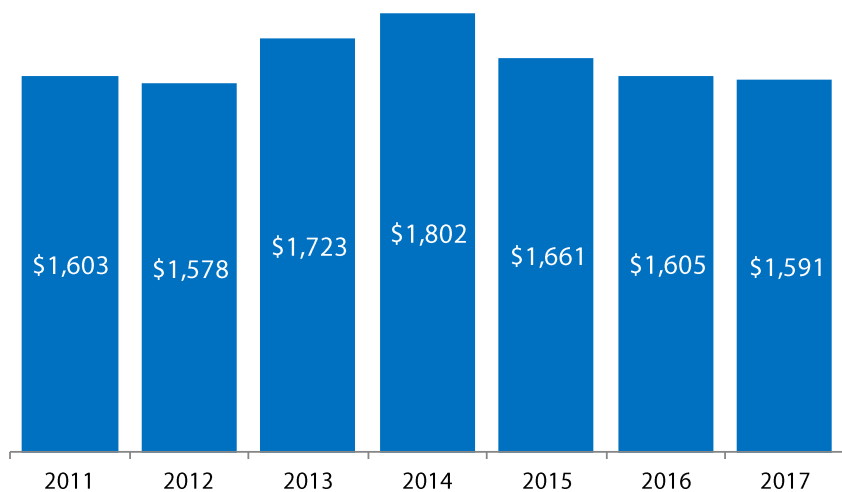
- Expect shipping volumes to be in-line
- Average selling prices are expected to increase approximately \$20 per ton
- Raw material and energy prices are expected to increase approximately \$2 million
- Expect higher seasonal energy consumption
- Expect operating performance and freight cost penalties in Q1'18 to be in-line with Q4'17

Other

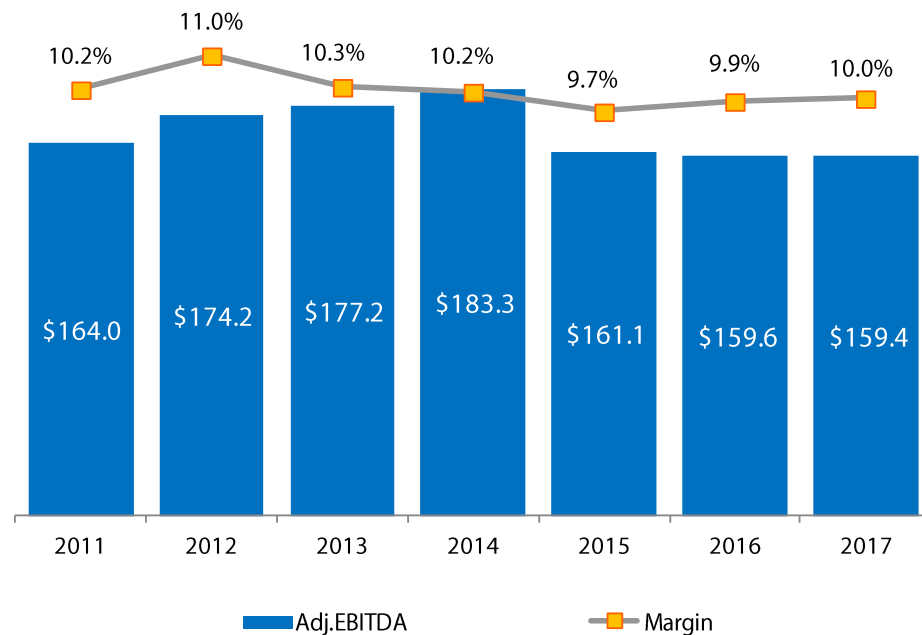
- Corporate costs are expected to be approximately \$1 million higher
- Pension expense for 2018 expected to be approximately \$7.1 million compared to \$6.6 million in 2017
- Effective tax rate is expected to be approximately 33% for 2018
- Capital expenditures are expected to total between \$67 million and \$72 million in 2018
- Depreciation and amortization expected to be approximately \$80 million in 2018 compared to \$76 million in 2017
- Interest expense is expected to be \$22 million in 2018 compared to \$18 million in 2017 due to debt incurred for major capital programs, higher interest rates and capitalization of interest in 2017 of \$2.1 million related to major capital programs

Financial Highlights

Net Sales
(in millions)



Adj. EBITDA / Margin %
(in millions)



Financial Overview

(in millions)	Q4'16	Q4'17
Net Sales	\$390.9	\$399.9
Adjusted operating income, excl. Pension	\$25.9	\$22.8
Adjusted EBITDA, excl. Pension	\$41.7	\$41.5
Free Cash Flow	\$13.5	\$21.3
Adjusted Free Cash Flow	\$40.0	\$34.7

(in millions)	Dec 31 2016	Dec 31 2017
Net Debt	\$317.2	\$365.2
Cash	\$55.4	\$116.2

Pension Plan Remains Overfunded

(in millions)	2015	2016	2017 Est.	2018 Est.
Plan Assets	\$594.9	\$610.7	\$673.1	N/A
Plan Liabilities	\$541.9	\$552.0	\$600.7	N/A
Funded status	\$53.0	\$58.7	\$72.4	N/A
Pension Expense	\$9.1	\$5.5 ⁽¹⁾	\$6.6	\$7.1
Cash contributions ⁽²⁾	\$0	\$0	\$0	\$0
Discount Rate for Expense	4.22%	4.65%	4.43%	3.85%
Return on Asset Assumption	8.00%	7.75%	7.25%	7.00%

(1) Excludes one-time settlement charges of \$7.3 million

(2) Qualified plans only

No cash contribution required in 2018 or expected for the foreseeable future.

Impact of Adopting New Pension Reporting Classification on Income Statement

Year Ended December 31, 2018 (Income)/Expense

(in millions)	Pension	OPEB	Total
Total Expense (current estimate for 2018)	\$7.1	\$2.6	\$9.7
Amount to be reclassified to Other Income	(\$4.3)	\$1.4	(\$2.9)
Amount to remain in Operating Profit	\$11.4	\$1.2	\$12.6

Year Ended December 31, 2017 (Income)/Expense

(in millions)	Pension	OPEB	Total
Total Expense (currently reported in operating profit)	\$6.6	\$2.6	\$9.2
Amount to be reclassified to Other Income	(\$4.1)	\$1.4	(\$2.7)
Amount to remain in Operating Profit	\$10.7	\$1.2	\$11.9

Year Ended December 31, 2016 (Income)/Expense

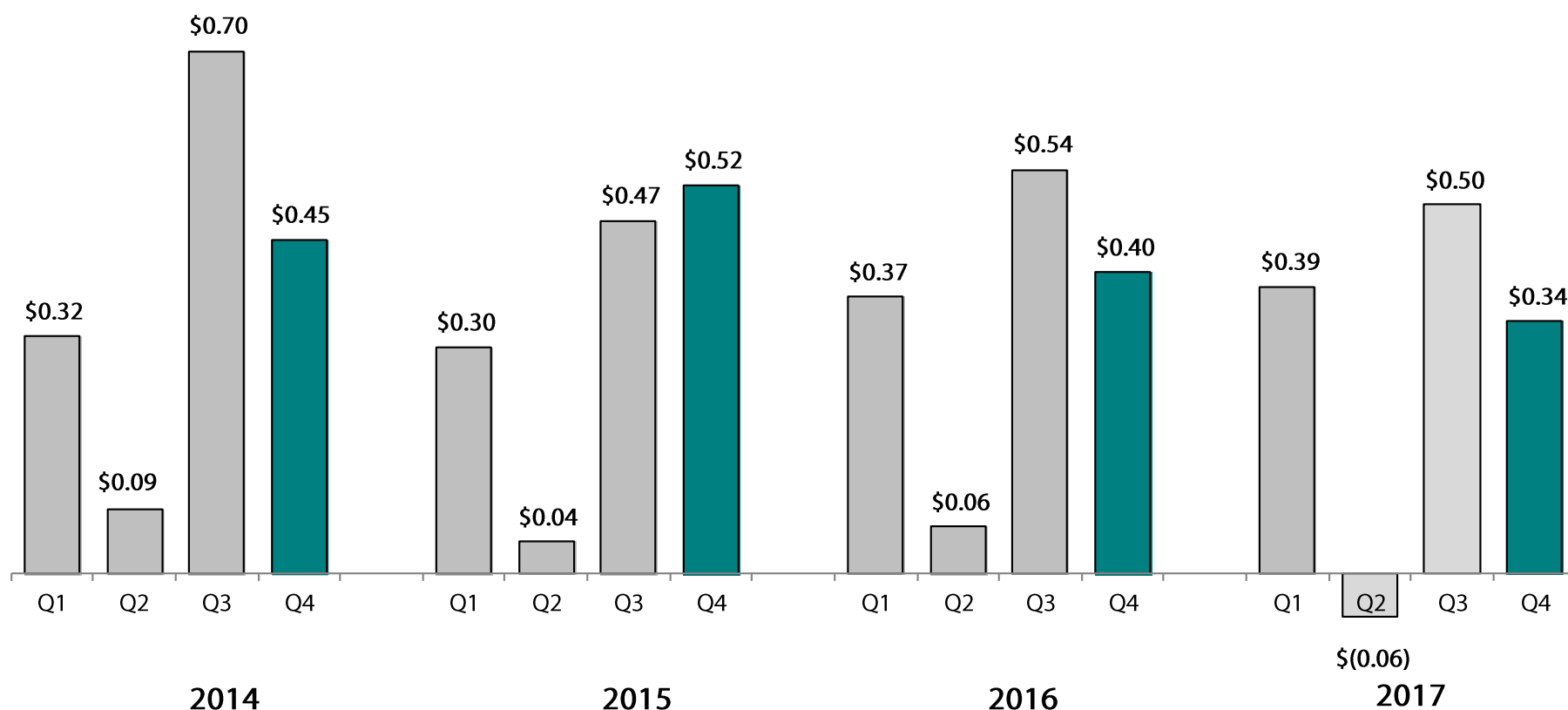
(in millions)	Pension	OPEB	Total
Total Expense (currently reported in operating profit)	\$12.8	\$2.1	\$14.9
Amount to be reclassified to Other Income	\$2.3	\$1.0	\$3.3
Amount to remain in Operating Profit	\$10.5	\$1.1	\$11.6

- GLT will adopt new reporting standard for pension reporting in Q1'18
- Only the service cost component of pension and post-employment benefits will remain in operating profit
- Other components of pension and post-employment benefit expense will be included in other income (below operating profit)
- In Q1'18, prior year income statements will be recast to reflect adoption of the new classification.

GLT will adopt ASU 2017-07, Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Costs, in Q1 2018.

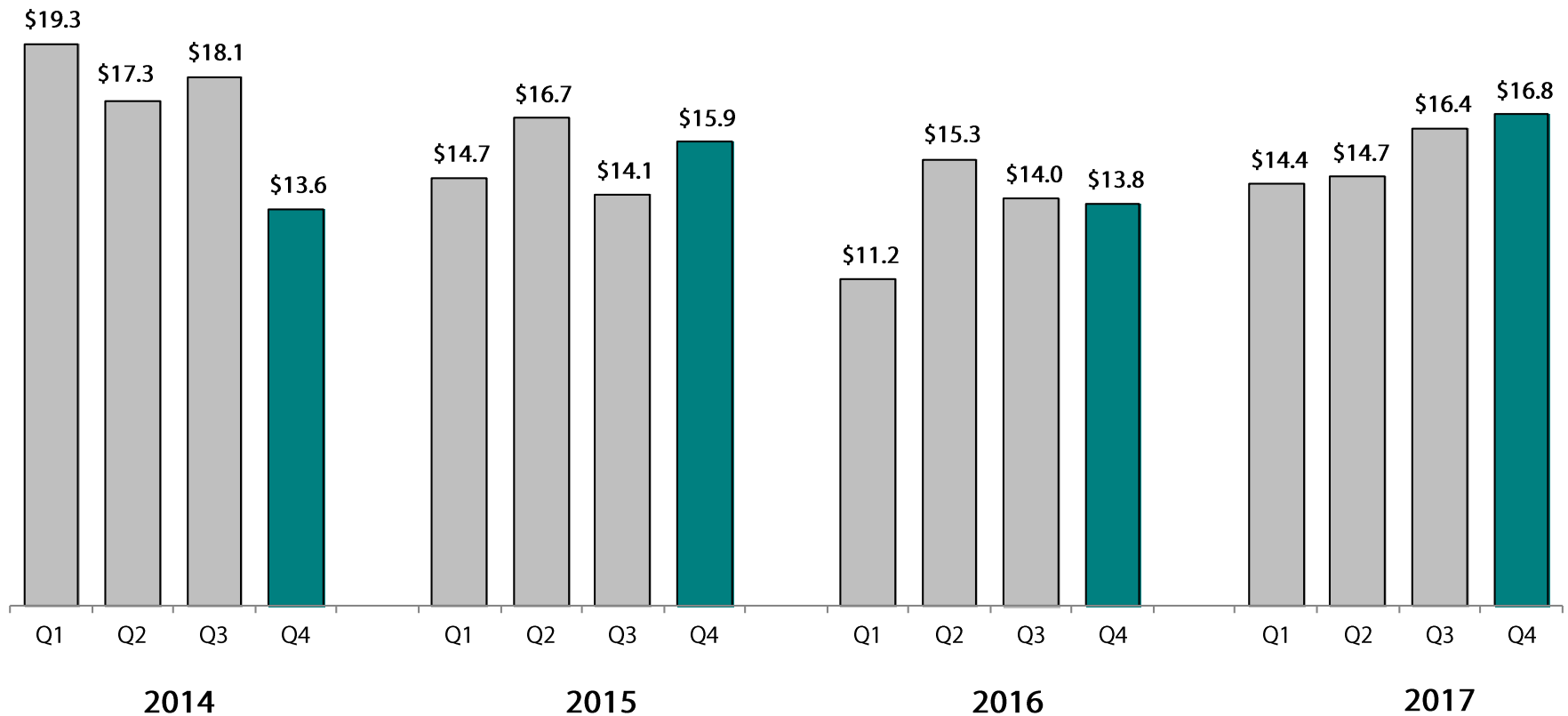
Adjusted EPS

(EPS Before Special Items)

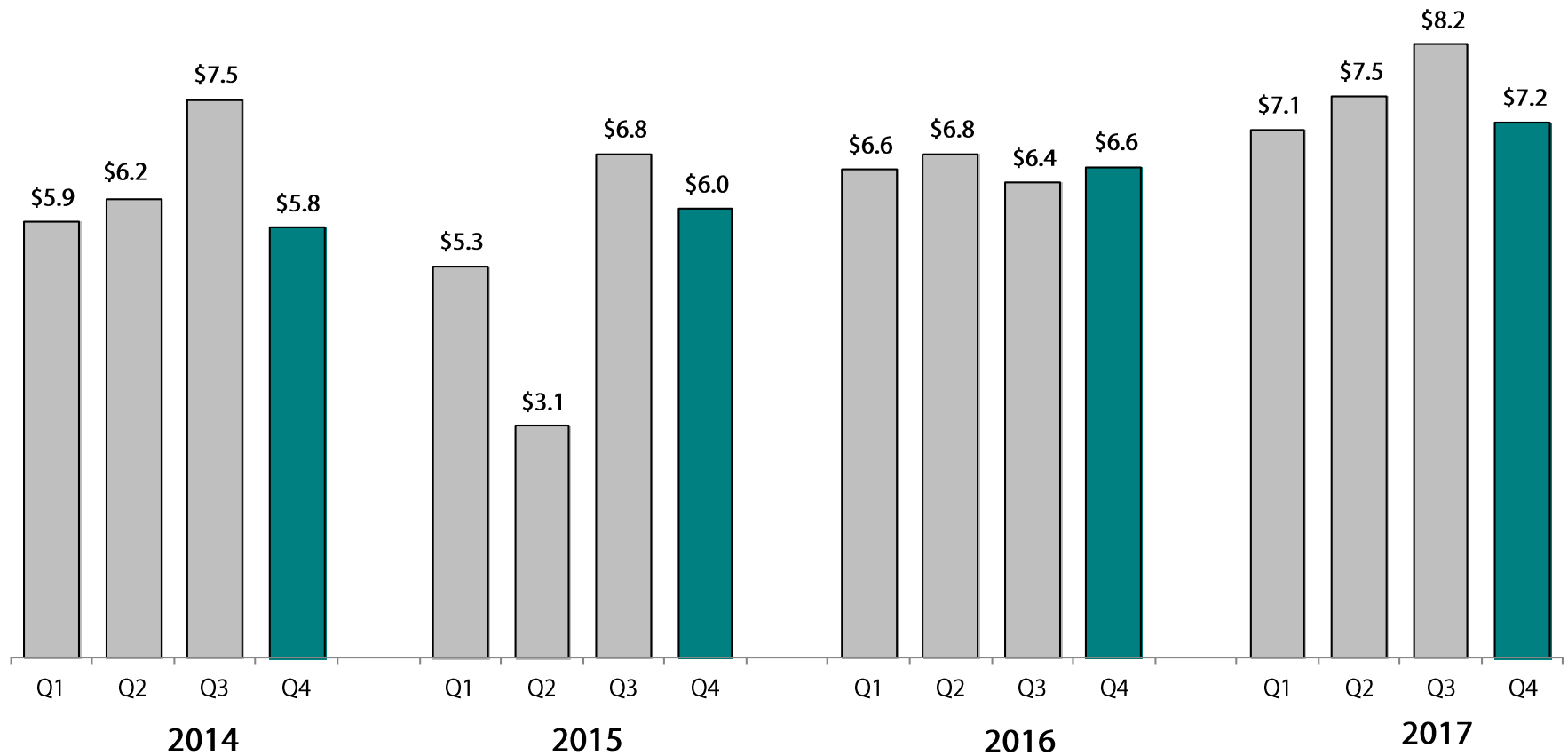


Note: See appendix of this presentation for the reconciliation of adjusted EPS to its nearest GAAP measure.

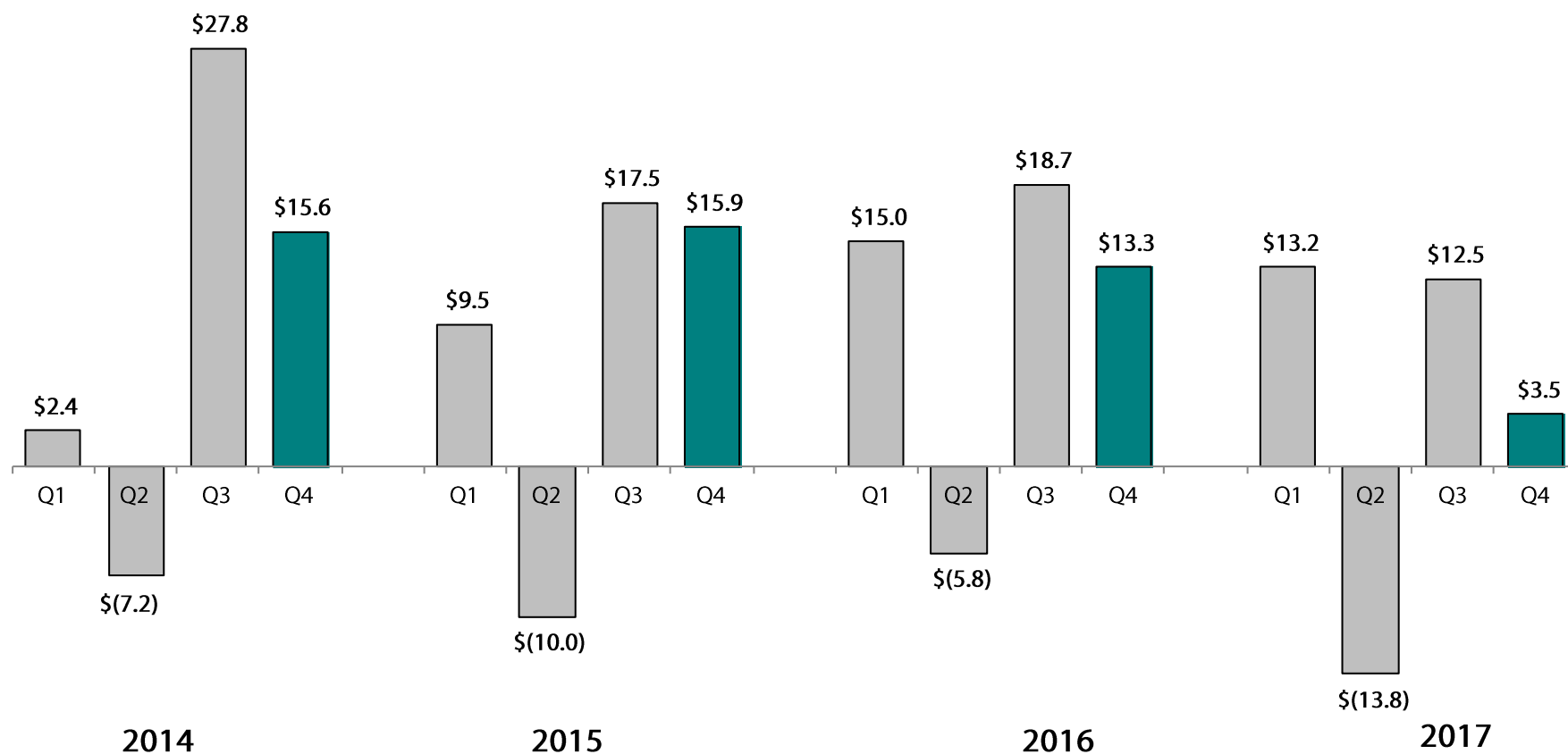
Composite Fibers Operating Income



Advanced Airlaid Materials Operating Income



Specialty Papers Operating Income



Reconciliation of Non-GAAP Measures

Adjusted EPS

	2014				2015				2016				2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<i>In thousands, except per share</i>																
Net income (loss)	\$14,648	\$4,670	\$30,371	\$19,557	\$13,925	\$2,848	\$13,504	\$34,298	\$16,167	\$1,966	\$19,601	(\$16,180)	\$11,603	\$ (5,714)	\$ 12,105	\$ (10,080)
Adjustments (<i>pre-tax</i>)																
Specialty Papers' environmental compliance	-	-	-	-	-	-	-	-	37	1,088	5,520	1,703	2,264	216	596	541
Airlaid capacity expansion costs	-	-	-	-	-	-	-	50	56	201	1,051	1,353	1,958	2,495	2,581	3,820
Fox River environmental matter	-	-	-	-	-	-	10,000	-	-	-	-	40,000	-	-	-	-
Asset impairment charge	-	-	3,262	-	-	-	1,201	-	-	-	-	-	-	-	-	-
Timberland sales and related costs	(812)	(1,478)	(1,586)	(979)	(2,654)	(51)	-	(18,162)	-	-	-	-	-	(74)	(114)	-
Cost Optimization	-	-	-	516	1,339	614	296	212	88	-	-	3,446	2,013	775	6,839	361
Pension Settlement	-	-	-	-	-	-	-	-	-	-	-	7,306	-	-	-	-
Acquisition and integration related costs	-	299	116	641	160	-	18	-	-	-	-	-	-	-	-	-
Total adjustments (<i>pre-tax</i>)	(812)	(1,179)	1,792	178	(1,155)	563	11,515	(17,900)	181	1,289	6,571	53,808	6,235	3,412	9,902	4,722
Income tax (benefits) provision	305	307	(1,357)	(10)	604	(1,567)	(4,212)	6,503	(56)	(487)	(2,193)	(19,983)	(682)	(317)	(123)	(519)
U.S. Tax Reform	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,922
Total after-tax adjustments	(507)	(872)	435	168	(551)	(1,004)	7,303	(11,397)	125	802	4,378	33,825	5,553	3,095	9,779	25,125
Adjusted earnings	\$14,141	\$3,798	\$30,806	\$19,725	\$13,374	\$1,844	\$20,807	\$22,901	\$16,292	\$2,768	\$23,979	\$17,645	\$17,156	\$ (2,619)	\$ 21,884	\$ 15,045
Adjusted EPS	\$0.32	\$0.09	\$0.70	\$0.45	\$0.30	\$0.04	\$0.47	\$0.52	\$0.37	\$0.06	\$0.54	\$0.40	\$0.39	\$ (0.06)	\$ 0.50	\$ 0.34
Shares	44,360	44,136	43,841	43,943	43,949	44,032	43,865	43,878	43,871	44,062	44,133	43,577	44,493	43,604	44,182	43,634

Reconciliation of Non-GAAP Measures

Adjusted EPS

	2011	2012	2013	2014	2015	2016	2017
<i>In thousands, except per share</i>							
Net income (loss)	\$42,694	\$59,379	\$67,157	\$69,246	\$64,575	\$21,554	\$ 7,914
Adjustments (<i>pre-tax</i>)							
Specialty Papers' environmental compliance	-	-	-	-	-	8,348	3,617
Airlaid capacity expansion costs	-	-	-	-	50	2,661	10,854
Fox River environmental matter	-	-	-	-	10,000	40,000	-
Asset impairment charge	-	-	-	3,262	1,201	-	-
Timberland sales and related costs	(3,157)	(9,203)	(1,410)	(4,855)	(20,867)	-	(188)
Cost Optimization	1,011	-	2,847	516	2,461	3,534	9,988
Pension Settlement	-	-	-	-	-	7,306	-
Debt Redemption Costs ⁽¹⁾	9,534	7,347	-	-	-	-	-
Acquisition and integration related costs	1,126	-	6,508	1,056	178	-	-
Total adjustments (<i>pre-tax</i>)	8,514	(1,856)	7,945	(21)	(6,977)	61,849	24,271
Income tax (benefits) provision	(5,066)	(2,768)	(13,278)	(755)	1,328	(22,719)	(1,641)
U.S. Tax Reform	-	-	-	-	-	-	20,922
Total after-tax adjustments	3,448	(4,624)	(5,333)	(776)	(5,649)	39,130	43,552
Adjusted earnings	\$46,142	\$54,755	\$61,824	\$68,470	\$58,926	\$60,684	\$ 51,466
Adjusted EPS	\$1.01	\$1.25	\$1.40	\$1.55	\$1.34	\$1.38	\$1.16
Diluted - YTD	45,794	43,672	44,299	44,066	43,942	44,129	44,439

* -(1) Includes \$6.0 million and \$2.2 million of costs presented as interest expense in 2011 and 2012, respectively

Reconciliation of Non-GAAP Measures

Adjusted EBITDA, Excluding Pension

Adjusted Operating Income, Excluding Pension

<i>In millions</i>	Q4 2016	Q4 2017	2016	2017
Net Income	\$ (16.2)	\$ (10.1)	\$ 21.6	\$ 7.9
Taxes	(17.2)	21.5	(10.7)	31.4
Net Pension Expenses	1.4	1.7	5.5	6.6
Depreciation and Amortization	16.1	19.7	65.8	76.0
Net Interest Expense	3.9	4.7	15.6	17.5
EBITDA, excluding pension	\$ (12.1)	\$ 37.5	\$ 97.7	\$ 139.6
<u>Adjustments / Exclusions:</u>				
Pension settlement charge	7.3	-	7.3	-
Gains on Timberland Sales and Transaction Related Costs	-	-	-	(0.2)
Specialty Paper Environmental Compliance	1.7	0.5	8.3	3.6
Airlaid Capacity Expansion	1.4	3.8	2.7	10.9
Cost optimization actions (net of asset write off)	3.4	(0.4)	3.5	5.5
Fox River environmental matter	40.0	-	40.0	-
Adjusted EBITDA, excluding pension	\$ 41.7	\$ 41.5	\$ 159.6	\$ 159.4
Depreciation and Amortization (excludes asset write off)	(16.1)	(19.0)	(65.8)	(71.6)
Other (Income)/Expense	0.3	0.3	1.3	1.2
Adjusted Operating Income, excluding pension	\$ 25.9	\$ 22.8	\$ 95.0	\$ 89.0

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

Reconciliation of Non-GAAP Measures

Adjusted EBITDA, Excluding Pension

<i>In millions</i>	2011	2012	2013	2014	2015	2016	2017
Net Income	\$ 42.7	\$ 59.4	\$ 67.2	\$ 69.2	\$ 64.6	\$ 21.6	\$ 7.9
Taxes	8.2	19.6	2.0	18.1	14.0	(10.7)	31.4
Pension Expense	10.4	11.6	14.2	6.7	9.1	5.5	6.6
Depreciation and Amortization	69.3	69.5	68.2	70.6	63.2	65.8	76.0
Net Interest Expense	<u>31.1</u>	<u>18.2</u>	<u>17.7</u>	<u>18.8</u>	<u>17.2</u>	<u>15.6</u>	<u>17.5</u>
EBITDA, excluding Pension	\$ 161.7	\$ 178.3	\$ 169.3	\$ 183.4	\$ 168.1	\$ 97.7	\$ 139.6
<u>Adjustments / exclusions:</u>							
Gains on Timberland Sales and Transaction Related Costs	(3.4)	(9.2)	(1.4)	(4.9)	(20.9)	-	(0.2)
Pension settlement charges	-	-	-	-	-	7.3	-
SPBU Environmental Compliance	-	-	-	-	-	8.3	3.6
Asset Impairment Charge	-	-	-	3.3	1.2	-	-
Debt Redemption Costs	3.6	5.1	-	-	-	-	-
Acquisition and Integration Related Costs	1.1	-	6.5	1.1	0.2	-	-
Cost optimization actions (net of asset write off)	1.0	-	-	0.5	2.5	3.5	5.5
International Legal Entity Restructuring	-	-	2.8	-	-	-	-
AMBU Capacity Expansion	-	-	-	-	0.1	2.7	10.9
Fox River Environmental matter	-	-	-	-	10.0	40.0	-
Adjusted EBITDA, excluding pension	<u>\$ 164.0</u>	<u>\$ 174.2</u>	<u>\$ 177.2</u>	<u>\$ 183.3</u>	<u>\$ 161.1</u>	<u>\$ 159.6</u>	<u>\$ 159.4</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 Leverage

Net debt & Leverage	December 31	December 31	December 31
<i>In millions</i>	2015	2016	2017
Current Portion of Long-Term Debt	\$7.4	\$9.0	\$11.3
Long-Term Debt	353.3	363.6	470.1
Total Debt	360.7	372.6	481.4
Less: Cash	(105.3)	(55.4)	(116.2)
Net Debt	<u>\$255.4</u>	<u>\$317.2</u>	<u>\$365.2</u>
Net Debt	\$255.4	\$317.2	\$365.2
Divided by: TTM Adjusted EBITDA	161.1	159.6	159.4
Leverage*	<u>1.6x</u>	<u>2.0x</u>	<u>2.3x</u>

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