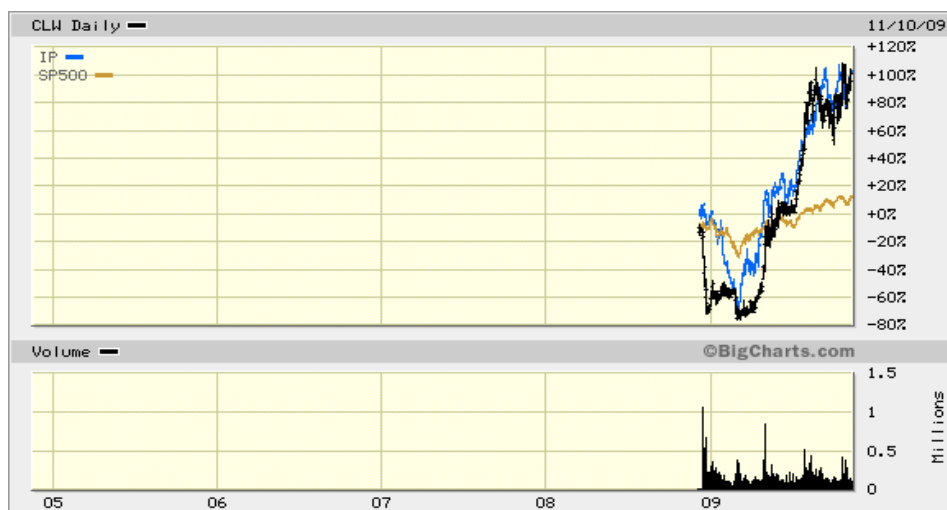


Clearwater Paper Corporation (CLW) 11/10/09

CLW operates as a producer of pulp and paper products which it sales worldwide. The Consumer Products segment makes tissue, paper towels, and bathroom tissue. The Pulp and Paperboard segment produces commercial printing paper and paper boxes. The Wood Products segment makes lumber for use in residential and commercial buildings. CLW is based in Spokane, Washington.

Current Price	\$49.93
52 Week High	\$51.82
52 Week Low	\$5.93
One Yr Target	\$57.50
Market Cap (in billions)	\$0.57
P/E (Trailing)	4.24
P/E(1 Yr Forward)	10.51
P/E/G	0.62
ROA	12.62%
ROE	29.77%
EPS	\$11.78
Beta	1.13
Annualized Dividend	\$0.00
Dividend Yield	0.00%
Analyst Consensus	2.00
Debt to Equity	1.71



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Annual EPS

2005		
2006	\$1.85	
2007	\$2.24	21.05%
2008	\$0.86	-61.47%
2009E	\$11.78	1263.85%

Annual Revenue (in millions)

2005	\$983.00	
2006	\$1,116.90	13.62%
2007	\$1,183.00	5.92%
2008	\$1,255.30	6.11%

Annual Net Income (in millions)

2005	-\$8.40	
2006	\$20.90	348.81%
2007	\$25.30	21.05%
2008	\$9.80	-61.26%

Free Cash Flows (in millions)

2005	-\$5.10	
2006	\$68.50	1443.14%
2007	\$88.00	28.47%
2008	\$20.80	-76.36%

Required Rate of Return

11.30%

Dividend Growth Model

Present Value of 2014 Price	n/a
Holding Period Return (5 years)	n/a

Expected Annualized Return Model

Present Value of 2014 Price	\$141.39
Holding Period Return (5 years)	22.45%

Residual Income Model

Intrinsic Stock Price	\$63.67
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Analysis

Positives

Low PEG ratio coupled with high ROA and ROE numbers suggest stock price is a good value

Stock has consistently beaten quarterly EPS estimates

Stock price is undervalued according to the EAR and RI valuation models

Negatives

Company is young and prone to more market volatility

Financial Statements

Balance Sheet is good as company does a good job turning over assets

Income Statement is decent, bogged down lately with interest expenses

Cash Flows are decent but have had massive Capital Expenditures lately

Industry Analysis

Company is average size for the industry and has some of the better financial ratios

Industry is large and competitive but is gaining market momentum in the past year

Summary

CLW is a young company but looks pretty good. It has a high projected growth rate which helps to get the EAR projected price so high, which is realistic to happen. Its financial statements aren't great right now as the company has recently taken on some debt, as it seems it wasn't good to be a young corporation in this economy. The Paper and Paper Products industry should pick up once the housing markets and overall business economy increases, which could be within the next year. As CLW has some of the better financial numbers in the industry and high expected growth it should see some nice appreciation. Overall CLW is still a bit speculative but could be a nice find for anyone looking to take the risk.