GLATFELTER P H CO
Form S-4
June 02, 2010

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As filed with the Securities and Exchange Commission on June 1, 2010

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form S-4
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

P. H. Glatfelter Company
(Exact name of Registrant as specified in its charter)

Pennsylvania	**2621**	**23-0628360**
(State or other jurisdiction of incorporation or organization)	*(Primary standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

96 South George Street, Suite 500
York, Pennsylvania 17401
(717) 225-4711
(Address and telephone number of Registrant s principal executive offices)

John P. Jacunski
Senior Vice President and Chief Financial Officer
P. H. Glatfelter Company

96 South George Street, Suite 500
York, Pennsylvania 17401
(717) 225-4711
(Name, address and telephone number of agent for service)

with a copy to:
Bruce Czachor
Shearman & Sterling LLP
599 Lexington Avenue
New York, New York 10022
(212) 848-4000

Approximate date of commencement of proposed sale to the public: **As soon as practicable after the effective date of this registration statement.**

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer x	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer) o

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee (2)
71/8% Notes due 2016	$100,000,000	100%	$100,000,000	$7,130
Guarantees of 71/8% Notes due 2016				

(1) Estimated solely for the purposes of calculating the registration fee in accordance with Rule 457(f) under the Securities Act of 1933, as amended.

(2) Calculated based upon the market value of the securities to be received by the registrants in the exchange in accordance with Rule 457(f). Pursuant to Rule 457(n), no registration fee will be paid in connection with the guarantees.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

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TABLE OF ADDITIONAL REGISTRANTS

Name	State or Other Jurisdiction of Incorporation	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification Number
PHG Tea Leaves, Inc.	DE	2621	52-2068690
Mollanvick, Inc.	DE	2621	52-2068900
Glatfelter Pulp Wood Company	MD	2621	23-1519556
Glatfelter Holdings, LLC	DE	2621	20-3878695

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The information in this prospectus is not complete and may be changed. We may not sell securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is prohibited.

Filed pursuant to Rule 424(b)(3)
Registration Number 333-135808

SUBJECT TO COMPLETION, DATED JUNE 1, 2010

PROSPECTUS

OFFER TO EXCHANGE

all outstanding unregistered 71/8% notes due 2016
that were issued on February 5, 2010
($100,000,000 aggregate principal amount)

for

71/8% exchange notes due 2016
that have been registered under the Securities Act of 1933

Fully and unconditionally guaranteed
as to payment of principal and interest
by the subsidiary guarantors

TERMS OF THE EXCHANGE OFFER

This prospectus and accompanying letter of transmittal relate to the proposed offer by P. H. Glatfelter Company to exchange up to $100,000,000 aggregate principal amount of 71/8% exchange notes due 2016, which are registered under the Securities Act of 1933, as amended, for any and all of its unregistered 71/8% notes due 2016 that were issued on February 5, 2010. The exchange notes are guaranteed as to payment of principal and interest by certain of P. H. Glatfelter Company s domestic subsidiaries (the subsidiary guarantors). The unregistered notes have certain transfer restrictions. The exchange notes will be freely transferable.

THE EXCHANGE OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON , 2010, UNLESS WE EXTEND THE OFFER.

Tenders of outstanding unregistered notes may be withdrawn at any time before 5:00 p.m. on the date the exchange offer expires.

All outstanding unregistered notes that are validly tendered and not validly withdrawn will be exchanged.

The terms of the exchange notes to be issued are substantially similar to the unregistered notes, except they are registered under the Securities Act, do not have any transfer restrictions and do not have registration rights or rights to additional interest.

The exchange of unregistered notes for exchange notes will not be a taxable event for U.S. federal income tax purposes.

P. H. Glatfelter Company will not receive any proceeds from the exchange offer.

The exchange notes will not be listed on any exchange.

Please see Risk Factors beginning on page 14 for a discussion of certain factors you should consider in connection with the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2010.

Each holder of an unregistered note wishing to accept the exchange offer must deliver the unregistered note to be exchanged, together with the letter of transmittal that accompanies this prospectus and any other required documentation, to the exchange agent identified in this prospectus. Alternatively, you may effect a tender of unregistered notes by book-entry transfer into the exchange agent s account at The Depository Trust Company (DTC). All deliveries are at the risk of the holder. You can find detailed instructions concerning delivery in the section called The Exchange Offer in this prospectus and in the accompanying letter of transmittal.

If you are a broker-dealer that receives exchange notes for your own account, you must acknowledge that you will deliver a prospectus in connection with any resale of the exchange notes. The letter of transmittal accompanying this prospectus states that, by so acknowledging and by delivering a prospectus, you will not be deemed to admit that you are an underwriter within the meaning of the Securities Act. You may use this prospectus, as we may amend or supplement it in the future, for your resales of exchange notes. We will make this prospectus available to any broker-dealer for use in connection with any such resale for a period of 180 days after the date of consummation of this exchange offer.

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This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. **Information incorporated by reference is available without charge to holders of our unregistered 71/8% notes due 2016, issued on February 5, 2010, upon written or oral request to us at P. H. Glatfelter Company, 96 South George Street, Suite 500, York, Pennsylvania 17401, Attention: Investor Relations, telephone number (717) 225-4711. To obtain timely delivery, security holders must request this information no later than five (5) business days before the date they must make their investment decision which would be , 2010.**

You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and the documents incorporated by reference are accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since these dates.

References to we, us, our, Glatfelter and the Company are to P. H. Glatfelter Company and its consolidated subsidiaries unless otherwise specified or the context otherwise requires.

Whenever we refer in this prospectus to the 71/8% notes due 2016, issued on February 5, 2010, we will refer to them as the unregistered notes. Whenever we refer in this prospectus to the registered 71/8% notes due 2016 offered hereby, we will refer to them as the exchange notes. The unregistered notes and the exchange notes are collectively referred to as the notes.

PROSPECTUS SUMMARY

This prospectus summary highlights selected information appearing elsewhere in this prospectus and may not contain all of the information that is important to you. You should carefully read this prospectus in its entirety including the documents incorporated by reference.

Our Company

Glatfelter began operations in 1864 and today, we believe we are one of the world s leading manufacturers of specialty papers and fiber-based engineered products. Headquartered in York, Pennsylvania, we own and operate manufacturing facilities located in Pennsylvania, Ohio, Canada, Germany, the United Kingdom, France and the Philippines.

We manufacture a broad and diverse line of products serving customers in numerous markets. Many of the markets in which we operate are characterized by higher-value-added products and, in some cases, by higher growth prospects and lower cyclicality than commodity paper markets. Examples of some of our markets and product applications include:

- papers for carbonless and forms products
- filtration papers for the tea and coffee industry
- airlaid non-woven fabric-like materials used in feminine hygiene and adult incontinence products, specialty wipes and food pads
- book publishing papers
- papers for specialized envelopes
- papers for a wide variety of other specialty products including postage stamps, playing cards, greeting cards, digital imaging papers and FDA grades
- metallized papers for packaging and bottled beverage labels
- overlay papers for decorative laminate, flooring and furniture applications

We market our products worldwide both through wholesale paper merchants, brokers and agents and directly to our customers. Our revenue was $1.2 billion for 2009 and $340.9 million for the three months ended March 31, 2010.

Recent Developments

On February 12, 2010, we completed the acquisition of Concert Industries Corp. (Concert), a leading supplier of airlaid non-woven fabric-like material, for $235.8 million based on the currency exchange rates on the closing date. Concert, with approximately 590 employees, has operations located in Gatineau, Quebec, Canada and Falkenhagen, Brandenburg, Germany. Annual revenues totaled $203.0 million in 2009.

Concert manufactures highly absorbent cellulose based airlaid non-woven material used in products such as feminine hygiene and adult incontinence products, pre-moistened cleaning wipes, napkins and tablecloths, food pads and baby wipes.

On April 29, 2010 we entered into a new four-year, $225.0 million, multi-currency, revolving credit agreement with a consortium of banks, which we refer to herein as the credit agreement due May 2014. The new agreement replaces our existing bank credit agreement and matures May 31, 2014. See Description of Other Indebtedness Credit Agreement Due May 2014.

In addition, in April 2010, we received a $54.9 million federal income tax refund in connection with the filing of our 2009 corporate income tax return which included the benefit of alternative fuel mixture credits.

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Acquisitions

Over the past four years we completed the following acquisitions:

Dollars in millions	Date	Purchase Price	Est. Annual Revenue Prior to Acquisition	Primary Products
Business Location				
Lydney, England	Mar 06	$ 65.0	$ 75.0	Tea bags & coffee papers
Chillicothe, Ohio	Apr 06	83.3	440.0	Carbonless papers & forms
Caerphilly, Wales	Nov 07	12.6	53.4	Metallized
Gatineau, Canada and Falkenhagen, Germany	Feb 10	235.8	203.0	Airlaid non-woven fabric

These strategic acquisitions significantly increased and diversified our revenues and provided us with additional operating scale, increased production capacity, and an expansion of our geographic reach.

Our Business Units

We manage our business as three distinct units: (i) the Specialty Papers business unit, (ii) the Composite Fibers business unit and (iii) the Advanced Airlaid Materials business unit. Consolidated net sales and the relative net sales contribution of each of our business units for the past three years and the three months ended March 31, 2010 are summarized below:

Dollars in thousands	2007	2008	2009	March 31, 2010
Net sales	$ 1,148,323	$ 1,263,850	$ 1,184,010	$ 337,275
Business unit contribution				
Specialty Papers	69.9%	66.0%	66.9%	61.6%
Composite Fibers	30.1	34.0	33.1	30.1
Advanced Airlaid Material(1)				8.3
Total	100.0%	100.0%	100.0%	100.0%

(1) Results included since completion of Acquisition on February 12, 2010.

Net tons sold by each business unit for the past three years and the three months ended March 31, 2010 were as follows:

In thousands	2007	2008	2009	March 31, 2010
Specialty Papers	726.7	743.8	738.8	193.2
Composite Fibers	72.9	85.6	80.1	21.3
Advanced Airlaid Material(1)				11.1
Total	799.6	829.4	818.9	225.6

(1) Results included since completion of Acquisition on February 12, 2010.

Specialty Papers Our Specialty Papers business unit focuses on producing papers for the following markets:

Carbonless papers & forms for credit card receipts, multi-part forms, security papers and other end-user applications;

Book publishing papers for the production of high quality hardbound books and other book publishing needs;

Envelope and converting papers for the direct mail market, shopping bags, and other converting applications; and

Engineered products for digital imaging, transfer, casting, release, postal, playing card and other niche specialty applications.

The markets in which Specialty Papers competes have undergone significant and rapid consolidation over the past several years resulting in fewer, more globally focused producers. Over 80% of the North American market share is now served by five paper companies, of which Glatfelter is one. Specialty Papers revenue composition by market consisted of the following for the years indicated:

In thousands	2007	2008	2009
Carbonless & forms	$ 345,785	$ 338,067	$ 320,088
Book publishing	185,343	201,040	176,646
Envelope & converting	116,797	138,293	146,812
Engineered products	136,785	149,372	143,490
Other	17,583	7,127	4,879
Total	$ 802,293	$ 833,899	$ 791,915

We believe we are one of the leading suppliers of book publishing papers in the United States and the second leading carbonless paper producer. Although the market for carbonless papers in North America is declining approximately 8% to 10% per year, and in 2009, in part due to the recession, this decline was greater, we have been successful in executing our strategy to replace this lost volume with products such as envelope and converting papers, forms and other products. Specialty Papers also produces paper that is converted into specialized envelopes in a wide array of colors, finishes and capabilities. This market is generally more mature and declining. However, we compete on our customer service capabilities and have grown our market share in each of the last three years.

Specialty Papers highly technical engineered products include those designed for multiple end uses, such as papers for pressure-sensitive postage stamps, greeting and playing cards, conical cups, digital imaging applications and for release paper applications. Such products comprise an array of distinct business niches that are in a continuous state of evolution. Many of these products are utilized by demanding, specialized customer and end-user applications. Some of our products are new and higher growth while others are more mature and further along in the product life cycle. Because many of these products are technically complex and involve substantial customer-supplier development collaboration, they typically command higher per ton prices and generally exhibit greater pricing stability relative to commodity grade paper products.

Composite Fibers Our Composite Fibers business unit serves customers globally and focuses on higher-value-added products in the following markets:

Food & Beverage paper used for tea bags and coffee pods/pads;

Metallized products used in the labeling of beer bottles, innerliners, gift wrap, self-adhesive labels and other consumer products applications;

Composite Laminates papers used in production of decorative laminates, furniture and flooring applications; and

Technical Specialties is a diverse line of paper products used in batteries, medical masks and other highly engineered applications.

We believe this business unit maintains a market leadership position in the tea bag and coffee pods/pads and filters market and the composite laminates market. Since the completion of the Caerphilly acquisition, we have the second largest market share for metallized products globally. Composite Fibers revenue composition by market consisted of the following for the years indicated:

In thousands	2007	2008	2009
Food & beverage	$ 218,961	$ 252,545	$ 233,899
Metallized	45,426	85,719	81,388
Composite laminates	52,972	58,705	46,442
Technical specialties and other	28,671	32,983	30,366
Total	$ 346,030	$ 429,952	$ 392,095

Our focus on products made from abaca pulp has made us the world s largest producer of tea bag and coffee pods/pads filter papers. Many of this unit s papers are technically sophisticated. Most of the products produced in the Composite Fibers business unit, except for metallized papers, are extremely lightweight and require very specialized fibers. Our engineering capabilities, specialized equipment and customer orientation position us well to compete in these global markets.

Advanced Airlaid Materials Our Advanced Airlaid Materials business unit manufactures highly absorbant cellulose-based airlaid non-woven materials used to manufacture a diverse range of consumer and industrial products such as feminine hygiene products, adult incontinence products, pre-moistened cleaning wipes, food pads, napkins and tablecloths, and baby wipes. Sales of feminine hygiene products accounted for approximately 85% of Concert s sales in 2009. We expect the market for these products collectively to grow at a compound annual growth rate of approximately 5% over the next four years.

We believe this business unit is a technology and product innovation leader in technically demanding segments of the airlaid market. Its facilities at Gatineau, Quebec, Canada and Falkenhagen, Germany are among the most modern and flexible airlaid facilities in the world. This unit uses highly productive, proprietary single-lane rotary festooning technology, which was developed in 2002. We believe we have leading market positions in the feminine hygiene and adult incontinence markets served by this unit (based on 2008 capacity). Our in-house technical product and process expertise, festooning capabilities and rigorous customer requirements create substantial barriers to entry for new entrants.

Our Competitive Strengths

Since commencing operations over 145 years ago, we believe that Glatfelter has developed into one of the world s leading manufacturers of specialty papers and fiber-based engineered products. We believe that the following competitive strengths have contributed to our success:

Broad and diverse product portfolio. We manufacture a large portfolio of fiber-based specialized products which diversifies our revenue base which enables us to access a variety of end-markets and to pursue a wide range of customers. We have the ability to shift production in order to capitalize on market opportunities. The breadth and global reach of our product range help cushion the impact of external economic influences on us.

Leading market positions in higher-value, niche segments. We have focused our resources to achieve market-leading positions in certain higher-value, niche segments. Our products include various highly specialized products designed for technically demanding end uses. Consequently, many of our products achieve premium pricing relative to that of commodity grade products. In each of the past three years, over 75% of our sales were derived from these higher-value, niche products. The specialized nature of these products generally provides greater pricing stability relative to commodity grade products.

Integrated and flexible production. In Specialty Papers we are a nearly fully integrated producer and are able to mitigate adverse fluctuations in the costs of certain raw materials and energy. In Specialty Papers, our Spring Grove and Chillicothe facilities are vertically integrated operations producing in excess of 85% of the annual pulp required for their paper production. Our Spring Grove and Chillicothe facilities also generate 100% of the steam and substantially all of the electricity required for their operations.

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In Composite Fibers, our Philippine mill processes abaca fiber to produce abaca pulp, a key raw material used by this business unit. The Philippine mill produces approximately 80% of the annual abaca pulp required for Composite Fibers production requirements. However, this unit purchases all of its wood pulp requirements.

The Advanced Airlaid Materials business unit is not an integrated producer. However, approximately 80% of this unit s sales are subject to raw material cost pass-through arrangements that help mitigate the risk of input cost increases.

The flexible operating platform within each of our business units offers the following unique benefits:

- the capability to manufacture a broad and diverse product portfolio;
- the ability to shift manufacturing capacity among product lines;
- the flexibility to maximize manufacturing efficiencies in response to changing market dynamics; and
- support for our New Product Development initiatives.

Customer-centric business focus. We offer a unique and diverse product line that can be customized to serve the individual needs of our customers. This allows us to develop close relationships with our key customers and to be adaptable in our product development, manufacturing, sales and marketing practices to meet changing customer needs. We believe that this approach has led to the development of excellent customer relationships, defensible market positions, and increased pricing stability relative to commodity producers. Additionally, our customer-centric focus has been a key driver to our success in new product development.

Significant investment in product development. In order to keep up with our customers ever-changing needs, we continually enhance our product offerings through significant investment in product development. In each of the past three years, we invested approximately $8 million in product development activities. We derive a significant portion of our revenue from products developed, enhanced or improved as a result of these activities. Revenue generated from products developed, enhanced or improved within the five previous years as a result of these activities represented in excess of 50% of net sales in each of the past three years ended December 31, 2009.

Our Business Strategy

Our vision is to become the global supplier of choice in specialty papers and engineered products. We are continuously developing and refining our strategies to strengthen our business and position it for the future. Execution of our strategies is dependent on our customer relationships, technology, operational flexibility and our new product development efforts. Components of our strategy include:

Specialty Papers The North American uncoated free sheet market has been challenged by a supply and demand imbalance, particularly for commodity-like products. While the industry has narrowed the supply-demand gap by eliminating capacity, the imbalance continues. To be successful in the current market environment, our strategy is focused on:

- leveraging our flexible operating platform to optimize product mix by shifting production among facilities to more closely match output with changing demand trends;

employing our new product development capabilities to meet changing customer demands and to replace declining carbonless volumes;

employing a low-cost approach to our manufacturing activities and continuously implementing cost reduction initiatives; and

improving business processes and deploying continuous improvement capabilities to maintain superior customer service.

Composite Fibers The markets served by this business unit are characterized by long-term growth opportunities. To take advantage of this, our strategy is focused on:

- capturing world-wide growth in Composite Fibers core markets of food & beverage, composite laminates and metallized papers;
- enhancing product mix across all of the business unit s markets by utilizing new product development capabilities; and
- implementing cost reduction initiatives including, among others, work-force efficiencies and improved supply chain management.

Advanced Airlaid Materials This business unit competes in a technically demanding segment of the airlaid market with substantial barriers to entry. To continue its success, our strategy is focused on:

- maintaining or growing market share in feminine hygiene and adult incontinence products; and
- expanding product offerings to diversify the business unit s revenue base and improve capacity utilization.

Balance Sheet We are focused on prudent financial management and the maintenance of a conservative capital structure. By aggressively managing working capital to maximize cash flow from operations, making disciplined capital expenditure decisions and monetizing the value of our timberland assets, we are able to maintain a strong balance sheet, thereby preserving the flexibility to pursue strategic opportunities that will benefit our shareholders.

Acquisitions We have a demonstrated ability to establish leading market positions through the successful acquisition and integration of complementary businesses. Since 2006, we have successfully completed four acquisitions. Our purchase of Concert in February of this year enables us to grow with the industry leaders in feminine hygiene and adult incontinence products and complements our long-term strategy of driving growth in part through acquisitions. In November 2007, we expanded our growth platform in metallized products and created a major increase in our European production scale through our acquisition of Metallised Products Limited and its facility located in Caerphilly, United Kingdom. Our acquisition of the carbonless business operations of NewPage Corporation in April 2006 permitted us to take advantage of that operation s scale and efficient manufacturing environment to expand our higher-value-added Specialty Papers business unit. Our acquisition of the Lydney mill from J R Crompton Ltd. in March 2006 further strengthened our leading position in tea bags and coffee filter papers.

Company Information

We are incorporated under the laws of the Commonwealth of Pennsylvania. Our executive offices are located at 96 South George Street, Suite 500, York, Pennsylvania 17401. Our telephone number is (717) 225-4711. Our website address is www.glatfelter.com. **The information on our website is not part of this prospectus**.

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Summary of the Exchange Offer

On February 5, 2010, we issued $100 million aggregate principal amount of unregistered 71/8% notes due 2016. The unregistered notes are fully and unconditionally guaranteed as to payment of principal and interest by each of the subsidiary guarantors. On the same day, we and the initial purchasers of the unregistered notes entered into a registration rights agreement in which we agreed that you, as a holder of unregistered notes, would be entitled to exchange your unregistered notes for exchange notes registered under the Securities Act. This exchange offer is intended to satisfy these rights. After the exchange offer is completed, you will no longer be entitled to any registration rights with respect to the notes. The exchange notes will be our obligation and will be entitled to the benefits of the indenture relating to the notes. The exchange notes will also be fully and unconditionally guaranteed as to payment of principal and interest by each of the subsidiary guarantors. The form and terms of the exchange notes are identical in all material respects to the form and terms of the unregistered notes, except that:

- the exchange notes have been registered under the Securities Act and, therefore, will contain no restrictive legends;
- the exchange notes will not have registration rights; and
- the exchange notes will not have rights to additional interest.

For additional information on the terms of this exchange offer, see The Exchange Offer.

The Exchange Offer	We are offering to exchange any and all of our 71/8% exchange notes due 2016, which have been registered under the Securities Act, for any and all of our outstanding unregistered 71/8% notes due 2016 that were issued on February 5, 2010. As of the date of this prospectus, $100 million in aggregate principal amount of these 71/8% unregistered notes due 2016 are outstanding.
Expiration of the Exchange Offer	The exchange offer will expire at 5:00 p.m., New York City time, on , 2010, unless we decide to extend the exchange offer.
Conditions of the Exchange Offer	We will not be required to accept for exchange any unregistered notes, and may amend or terminate the exchange offer if any of the following conditions or events occurs: the exchange offer or the making of any exchange by a holder of unregistered notes violates applicable law or any applicable interpretation of the staff of the Securities and Exchange Commission (the SEC); any action or proceeding shall have been instituted with respect to the exchange offer which, in our reasonable judgment, would impair our ability to proceed with the exchange offer; or any laws, rules or regulations or applicable interpretations of the staff of the SEC are issued or promulgated which, in our good faith determination, do not permit us to effect the exchange offer.

	We will give oral or written notice of any non-acceptance of the unregistered notes or of any amendment to or termination of the exchange offer to the registered holders of the unregistered notes promptly. We reserve the right to waive any conditions of the exchange offer.
Resales of the Exchange Notes	Based on interpretative letters of the SEC staff to third parties unrelated to us, we believe that you can resell and transfer the exchange notes you receive pursuant to this exchange offer without

compliance with the registration and prospectus delivery provisions of the Securities Act, provided that:

any exchange notes to be received by you will be acquired in the ordinary course of your business;

you are not engaged in, do not intend to engage in and have no arrangements or understandings with any person to participate in, the distribution of the unregistered notes or exchange notes;

you are not an affiliate (as defined in Rule 405 under the Securities Act) of ours, or, if you are such an affiliate, you will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable;

if you are a broker-dealer, you have not entered into any arrangement or understanding with us or any of our affiliates to distribute the exchange notes; and

you are not acting on behalf of any person or entity that could not truthfully make these representations.

If you wish to participate in the exchange offer, you must represent to us in writing that these conditions have been met.

If you are a broker-dealer and you will receive exchange notes for your own account in exchange for unregistered notes that were acquired as a result of market-making activities or other trading activities, you will be required to acknowledge that you will deliver a prospectus in connection with any resale of the exchange notes. See Plan of Distribution for a description of the prospectus delivery obligations of broker-dealers.

Accrued Interest on the Exchange Notes and Unregistered Notes

The exchange notes will accrue interest from and including May 1, 2010. We will pay interest on the exchange notes semiannually in arrears on May 1 and November 1 of each year, commencing November 1, 2010.

Holders of unregistered notes that are accepted for exchange will be deemed to have waived the right to receive any payment in respect of interest accrued from the date of the last interest payment date that was made in respect of the unregistered notes until the date of the issuance of the exchange notes. Consequently, holders of exchange notes will receive the same interest payments that they would have received had they not accepted the exchange offer.

Procedures for Tendering Unregistered Notes

If you wish to participate in the exchange offer:

You must transmit a properly completed and signed letter of transmittal, and all other documents required by the letter of transmittal, to the exchange agent at the address set forth in the letter of transmittal. These materials must be received by the exchange agent before 5:00 p.m., New York City time, on , 2010, the expiration date of the exchange offer. You must also provide physical delivery of your unregistered notes to

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	the exchange agent s address as set forth in the letter of transmittal. The letter of transmittal must also contain the representations you must make to us as described under The Exchange Offer Procedures for Tendering ; or You may effect a tender of unregistered notes electronically by book-entry transfer into the exchange agent s account at DTC. By tendering the unregistered notes by book-entry transfer, you must agree to be bound by the terms of the letter of transmittal.
Special Procedures for Beneficial Owners	If you are a beneficial owner of unregistered notes that are held through a broker, dealer, commercial bank, trust company or other nominee and you wish to tender such unregistered notes, you should contact the registered holder promptly and instruct them to tender your unregistered notes on your behalf.
Guaranteed Delivery Procedures for Unregistered Notes	If you cannot meet the expiration deadline, or you cannot deliver on time your unregistered notes, the letter of transmittal or any other required documentation, or comply on time with DTC s standard operating procedures for electronic tenders, you may tender your unregistered notes according to the guaranteed delivery procedures set forth under The Exchange Offer Guaranteed Delivery Procedures.
Withdrawal Rights	You may withdraw the tender of your unregistered notes at any time prior to 5:00 p.m., New York City time, on , the expiration date.
Consequences of Failure to Exchange	If you are eligible to participate in this exchange offer and you do not tender your unregistered notes as described in this prospectus, your unregistered notes will continue to be subject to transfer restrictions. As a result of the transfer restrictions and the availability of exchange notes, the market for the unregistered notes is likely to be much less liquid than before this exchange offer. The unregistered notes will, after this exchange offer, bear interest at the same rate as the exchange notes.
Certain U.S. Federal Income Tax Considerations	The exchange of the unregistered notes for exchange notes pursuant to the exchange offer will not be a taxable event for U.S. federal income tax purposes. See Certain U.S. Federal Income Tax Considerations.
Use of Proceeds	We will not receive any proceeds from the issuance of exchange notes pursuant to the exchange offer.
Exchange Agent for Unregistered Notes	HSBC Bank USA, National Association.

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Summary Description of the Exchange Notes

The following is a brief summary of some of the terms of the exchange notes. For a more complete description of the terms of the exchange notes, see Description of Notes in this prospectus.

Issuer	P. H. Glatfelter Company
Exchange Notes	$100,000,000 aggregate principal amount of 71/8% exchange notes due 2016.
Maturity Date	May 1, 2016.
Interest	71/8% per annum, payable semi-annually in arrears on May 1 and November 1, beginning November 1, 2010.
Guarantees	The notes will be guaranteed fully and unconditionally, jointly and severally, by certain of our current and future domestic subsidiaries.
Ranking	The notes will be: senior unsecured obligations of the Company; equal in ranking (pari passu) with all of our existing and future senior indebtedness; and senior in right of payment to our subordinated indebtedness. Secured debt that we may incur in the future and all of our other secured obligations in effect from time to time will be effectively senior to the notes to the extent of the value of the assets securing such debt or other obligations. For a more detailed description, see Description of Notes Optional Redemption.
Optional Redemption	Prior to May 1, 2011, we may redeem all, but not less than all, of the notes at a redemption price equal to 100% of the principal amount plus accrued and unpaid interest plus a make-whole premium set forth under Description of the Notes Optional Redemption. We may redeem some or all of the notes at any time and from time to time on or after May 1, 2011, at the redemption prices set forth under Description of the Notes Optional Redemption, plus accrued and unpaid interest to the date of redemption.
Certain Covenants	The indenture governing the notes contains covenants that, among other things, limit our ability and the ability of certain of our subsidiaries to: incur or guarantee additional indebtedness or issue certain preferred stock; pay dividends on our capital stock or redeem, repurchase or retire our capital stock or subordinated indebtedness;

- transfer or sell assets;
- make investments;
- incur liens and enter into sale/leaseback transactions;
- enter into transactions with our affiliates; and

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	merge or consolidate with other companies or transfer all or substantially all of the assets.
	These covenants are subject to important limitations and exceptions, which are described in this prospectus. For a more detailed description, see Description of Notes Certain Covenants.
Trustee	HSBC Bank USA, National Association
Listing	The exchange notes will not be listed on an exchange.
Use of Proceeds	We will not receive any proceeds from the issuance of exchange notes pursuant to the exchange offer.
Certain U.S. Federal Income Tax Considerations	The exchange of the unregistered notes for exchange notes pursuant to the exchange offer will not be a taxable event for U.S. federal income tax purposes. See Certain U.S. Federal Income Tax Considerations
Risk Factors	See Risk Factors and the other information in this prospectus for a discussion of risk factors related to our business.

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Summary Consolidated Financial Information

You should read the following summary consolidated financial information in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes in our Annual Report on Form 10-K for the year ended December 31, 2009 and our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010, each of which is incorporated by reference herein, and with Selected Consolidated Financial Data included elsewhere in this prospectus. The summary consolidated financial information as of December 31, 2008 and 2009 and for each of the three years ended December 31, 2009 is derived from our audited consolidated financial statements incorporated by reference in this prospectus. The summary consolidated financial information as of December 31, 2007 is derived from our audited consolidated financial statements not included or incorporated by reference in this prospectus. The summary unaudited consolidated financial information for the three months ended March 31, 2009 and 2010, and as of March 31, 2010, is derived from our unaudited condensed consolidated financial statements incorporated by reference in this prospectus. The unaudited financial information has been prepared on a basis consistent with our audited consolidated financial statements and, in our opinion, reflects all normal, recurring adjustments needed to present fairly our results for the periods presented. The historical results are not necessarily indicative of our future results of operations or financial performance.

	Year Ended December 31			Three Months Ended March 31	
	2007(1)	2008	2009	2009	2010(2)
			In thousands		
Income Statement Data:					
Net sales	$ 1,148,323	$ 1,263,850	$ 1,184,010	$ 291,552	$ 337,275
Energy and related sales net	9,445	9,364	13,332	1,931	3,607
Total revenues	1,157,768	1,273,214	1,197,342	293,483	340,882
Costs of products sold	1,001,456	1,095,432	927,578(3)	250,169	296,666
Gross profit	156,312	177,782	269,764	43,314	44,216
Selling, general and administrative expenses	116,144(4)	97,897	110,257	24,513	34,670(5)
(Reversals of) shutdown and restructuring charges	35	(856)			
Gains on disposition of plant, equipment and timberlands, net	(78,685)	(18,468)	(898)	(699)	
Operating income	118,818	99,209	160,405	19,500	9,546
Other nonoperating income (expense)					
Interest expense	(29,022)	(23,160)	(19,220)	(5,126)	(5,663)
Interest income	3,933	4,975	1,886	708	170
Other net	205	2	75	17	(3,983)(6)
Total other nonoperating expense	(24,884)	(18,183)	(17,259)	(4,401)	(9,476)

Income before income taxes		93,934		81,026		143,146		15,099		70
Income tax provision		30,462(7)		23,138		19,704		3,561		444
Net income (loss)	$	63,472	$	57,888	$	123,442	$	11,538	$	(374)

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	Year Ended December 31			Three Months Ended March 31	
	2007(1)	2008	2009	2009	2010(2)
	In thousands				
Cash Flow Data:					
Cash provided (used) by continuing operations:					
Operating activities	$ 100,332	$ 53,425	$ 163,868	$ (1,185)	$ 20,370
Investing activities	4,733	(33,190)	12,544	(4,506)	(239,142)(8)
Financing activities	(99,371)	(12,879)	(75,329)	(1,893)	113,074(9)
Balance Sheet Data (at end of period):					
Cash and cash equivalents	$ 29,833	$ 32,234	$ 135,420		$ 26,575
Working capital(10)	175,856	201,717	333,946		257,021
Total assets	1,287,067	1,057,309	1,190,294		1,331,104
Total debt	313,185	313,285	254,583		374,749
Shareholders equity	476,068	342,707	510,704		490,785

(1) The 2007 income statement data includes the results of operations of the November 2007 Metallised Products Ltd. acquisition beginning with the closing of such acquisition.

(2) The income statement data for the three months ended March 31, 2010 includes the results of operations of Concert Industries, prospectively from February 12, 2010, the date the acquisition was completed.

(3) During 2009, we recognized $107.8 million of alternative fuel mixture credits, all of which were recorded as a reduction to cost of products sold.

(4) Includes a $26.0 million charge related to the Fox River environmental remediation matter.

(5) Includes $8.5 million of acquisition and integration costs directly related to the Concert acquisition.

(6) Includes a $3.4 million loss on a series of forward foreign currency contracts entered into to hedge the Canadian dollar purchase price of the Concert acquisition, net of realized currency translation gains.

(7) Includes a $5.7 million deferred tax benefit related to the reduction of the German corporate income tax rate in 2007.

(8) Includes $233.0 million of cash used to purchase Concert, net of cash acquired.

(9) Includes $95 million of proceeds from the issuance of the unregistered notes, before transaction costs.

(10) Working capital is defined as current assets less current liabilities.

RISK FACTORS

You should carefully consider the risks described below. The risks and uncertainties described below are not the only ones facing our company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also adversely affect our business and operations.

If any of the matters included in the following risks were to occur, our business, financial condition, results of operations, cash flows or prospects could be materially adversely affected. In such case, you may lose all or part of your original investment.

Risks Relating to Our Business

Our business and financial performance may be adversely affected by the adverse global economic environment or downturns in the target markets that we serve.

Demand for our products in the markets we serve is primarily driven by demand for our customers   products, which has been affected by general economic conditions. Downturns in our target markets could result in decreased demand for our products. Our results could be adversely affected if economic conditions further weaken or fail to continue to improve. Also, there may be periods during which demand for our products is insufficient to enable us to operate our production facilities in an economical manner. Further, an extended or more severe global economic downturn may cause customer insolvencies which may result in their inability to satisfy their financial obligations to us. These conditions are beyond our ability to control and may have a significant impact on our sales and results of operations.

In addition to fluctuations in demand for our products in the markets we serve, the markets for our products are also significantly affected by changes in industry capacity and output levels. There continue to be periods of supply/demand imbalance in the pulp and paper industry, which have caused pulp and paper prices to be volatile. The timing and magnitude of price increases or decreases in the pulp, paper and airlaid markets have generally varied by region and by product type. A sustained period of weak demand or excess supply would likely adversely affect pulp, paper and airlaid prices. This could have a material adverse affect on our operating and financial results.

The cost of raw materials and energy used to manufacture our products could increase and the availability of certain raw materials could become constrained.

We require access to sufficient and reasonably priced quantities of pulpwood, purchased pulps, pulp substitutes, abaca fiber and certain other raw materials. Our Spring Grove and Chillicothe locations are vertically integrated manufacturing facilities that generate in excess of 85% of their annual pulp requirements. However, as a result of selling timberlands over the past several years, purchased timber represents a larger source of the total pulpwood used in our operations.

Our Philippine mill purchases abaca fiber to produce abaca pulp, which we use to manufacture our tea bag and coffee pods/pads filter paper products at our Gernsbach, Scaër and Lydney facilities. However, in the past the supply of abaca fiber has been constrained unexpectedly due to severe weather related damage to the source crop as well as selection by land owners of alternative uses of land in lieu of fiber producing activities. As a result of supply constraints, we have experienced volatility.

Our Advanced Airlaid Materials business unit requires access to sufficient quantities of fluff pulp, the supply of which is subject to availability of certain softwoods. Such availability can be limited by many factors, including, but not limited to, weather in regions where softwoods are abundant.

The cost of many of our production materials and costs, including petroleum based chemicals and freight charges, are influenced by the cost of oil. In addition, coal is a principal source of fuel for both the Spring Grove and Chillicothe facilities and natural gas is used as a source of fuel for our Chillicothe and Composite Fibers business unit facilities. Also, in prior years other input costs such as caustic, starch and others, have exhibited extreme upward pricing pressure. In addition, our vendors liquidity may be impacted by the economy creating supply shortages.

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We may not be able to pass increased raw materials or energy costs on to our customers if the market will not bear the higher price or where existing agreements with our customers limit price increases. If price adjustments significantly trail increases in raw materials or energy prices our operating results could be adversely affected.

Our industry is highly competitive and increased competition could reduce our sales and profitability.

In recent years, the global paper industry in which we compete has been adversely affected by paper producing capacity exceeding the demand for products and by declining uncoated free sheet demand. As a result, the uncoated free sheet industry has taken steps to reduce underperforming capacity. However, slowing demand or increased competition could force us to lower our prices or to offer additional services at a higher cost to us, which could reduce our gross margins and net income. In addition, the greater financial resources of certain of our competitors may enable them to commit larger amounts of capital in response to changing market conditions. Certain competitors may also have the ability to develop product or service innovations that could put us at a competitive disadvantage.

Some of the factors that may adversely affect our ability to compete in the markets in which we participate include:

- the entry of new competitors into the markets we serve, including foreign producers;
- the willingness of commodity-based paper producers to enter our specialty markets when they are unable to compete or when demand softens in their traditional markets;
- the aggressiveness of our competitors pricing strategies, which could force us to decrease prices in order to maintain market share;
- our failure to anticipate and respond to changing customer preferences;
- the impact of emerging electronic-based substitutes for certain of our products such as book publishing and envelope;
- our inability to develop new, improved or enhanced products; and
- our inability to maintain the cost efficiency of our facilities.

If we cannot effectively compete in the markets in which we operate, our sales and operating results would be adversely affected.

We may not be able to continue to develop new products acceptable to our customers.

Our business strategy is market focused and includes investments in developing new products to meet the changing needs of our customers and to maintain or grow our market share. Our success will depend in large part on our ability to develop and introduce new and enhanced products that keep pace with introductions by our competitors and changing customer preferences. If we fail to anticipate or respond adequately to these factors, we may lose opportunities for business with both current and potential customers. The success of our new product offerings will depend on several factors, including our ability to:

- anticipate and properly identify our customers needs and industry trends;
- price our products competitively;

- develop and commercialize new products and applications in a timely manner;
- differentiate our products from our competitors products; and
- invest in research and development activities efficiently.

Our inability to develop new products could adversely impact our business and ultimately harm our profitability.

We are subject to substantial costs and potential liability for environmental matters.

We are subject to various environmental laws and regulations that govern our operations, including discharges into the environment, and the handling and disposal of hazardous substances and wastes. We are also subject to laws and regulations that impose liability and clean-up responsibility for releases of hazardous substances into the environment. To comply with environmental laws and regulations, we have incurred, and will continue to incur, substantial capital and operating expenditures. We anticipate that environmental regulation of our operations will continue to become more burdensome and that capital and operating expenditures necessary to comply with environmental regulations will continue, and perhaps increase, in the future. Because environmental regulations are not consistent worldwide, our ability to compete globally may be adversely affected by capital and operating expenditures required for environmental compliance. In addition, we may incur obligations to remove or mitigate any adverse effects on the environment, such as air and water quality, resulting from mills we operate or have operated. Potential obligations include compensation for the restoration of natural resources, personal injury and property damages.

Despite a recent favorable ruling in the pending Fox River litigation, we continue to have exposure to liability for remediation and other costs related to the presence of polychlorinated biphenyls in the lower Fox River on which our former Neenah, Wisconsin mill was located. There can be no assurance that we will not be required to ultimately pay material amounts to resolve our liability in the Fox River matter. We have financial reserves for environmental matters, including the Fox River site, but we cannot be certain that those reserves will be adequate to provide for future obligations related to these matters, that our share of costs and/or damages for these matters will not exceed our available resources, or that such obligations will not have a long-term, material adverse effect on our consolidated financial position, liquidity or results of operations.

Our environmental issues are complicated and should be reviewed in context; please see a more detailed discussion of these matters in Item 8 Financial Statements and Supplementary Data Note 21 in our Form 10-K for the year ended December 31, 2009, which is incorporated by reference herein.

We may not be able to successfully integrate the Concert acquisition or realize the potential benefits of the acquisition, which could have a material adverse effect on our results of operations.

We may not be able to combine successfully the operations of Concert with our operations. The integration of Concert with our operations will require significant attention from management and may impose substantial demands for other resources. Acquisitions inherently involve risks, including those associated with assimilating and integrating different business operations, corporate cultures, personnel, infrastructures and technologies or products and increasing the scope, geographic diversity and complexity of our operations. There may be additional costs or liabilities that are not currently anticipated, including unexpected loss of key employees or customers of Concert and hiring additional management and other critical personnel. The acquisition may also be disruptive to our ongoing business and may not be successfully received by our customers. The purchase of Concert also involved a significant capital commitment, and the return that we achieve on any capital invested may be less than the return that we would achieve on our other projects or investments. Any of these factors could adversely affect our operations, financial results and liquidity.

Furthermore, we may not realize the potential benefits of the acquisition. Historically, Concert has been dependent upon a limited number of customers and product markets for a significant portion of its net sales. One customer accounted for the majority of Concert s net sales for the year ended December 31, 2009. The loss of a significant customer could have a material adverse effect on our operating results. In addition, Concert s sales in the feminine hygiene market accounted for approximately 85% of its net sales in 2009. A decline in our sales of feminine hygiene products or in sales of feminine hygiene products generally could have a material adverse effect on our operating results. Customers in the airlaid non-woven fabric material market, including the feminine hygiene market, may also switch to less expensive products or otherwise reduce demand for our products, thus reducing the size of the markets in which we currently sell our products. Any of the foregoing could result in our failing to realize the benefits of the acquisition, which could have a material adverse effect on our financial performance and business prospects.

Our operations may be impaired and we may be exposed to potential losses and liability as a result of natural disasters, acts of terrorism or sabotage or similar events.

Natural disasters, such as earthquakes, flooding or fire, and acts of terrorism or sabotage affecting our operating activities and major facilities could materially and adversely affect our operations, our operating results and financial condition. In particular, we own and operate four dams in York County, Pennsylvania that were built to ensure a steady supply of water for the operation of our paper mill in Spring Grove, Pennsylvania, one of two main facilities for our Specialty Papers business unit. Each of these dams is classified as high hazard by the Commonwealth of Pennsylvania because they are located in close proximity to inhabited areas and sudden failure would endanger occupants or residential, commercial or industrial structures. Failure or breach of any of the dams, including as a result of natural disaster or act of terrorism or sabotage, could cause significant personal injuries and damage to residential and commercial property downstream for which we may be liable. The failure of a dam could also be extremely disruptive and result in damage to or the shutdown of our Spring Grove mill. Any losses or liabilities incurred due to the failure of one of our dams may not be fully covered by our insurance policies or may substantially exceed the limits of our policies, and could materially and adversely affect our operating results and financial condition.

In addition, many of our paper making operations require a reliable and abundant supply of water. Such mills rely on a local water body or water source for its water needs and, therefore, is particularly impacted by drought conditions or other natural or manmade interruptions to its water supplies. At various times and for differing periods, each of our mills has had to modify operations due to water shortages or low flow conditions in its principal water supplies. Any interruption or curtailment of operations at any of our paper mills due to drought or low flow conditions at the principal water source or another cause could materially and adversely affect our operating results and financial condition.

Further, our pulp mill in Lanao del Norte on the Island of Mindanao in the Republic of the Philippines is located along the Pacific Rim in the world s hazard belt. By virtue of its geographic location, this mill is subject to, among other types of natural disasters, floods, droughts, cyclones, typhoons, earthquakes, windstorms and volcanic activity. Moreover, the area of Lanao del Norte has been a target of terrorist activities, including bombings, by suspected members of the al-Qaeda-linked Islamist groups in the Philippines, such as the Abu Sayyaf and the Rajah Solaiman Group and other Islamic militant groups, most notably the Moro Islamic Liberation Front. The most common bomb targets in Lanao del Norte to date have been power transmission towers. Our pulp mill in Mindanao is located in a rural portion of the island and is susceptible to attacks or power interruptions. The Mindanao mill supplies approximately 80% of the abaca pulp that is used by our Composite Fibers business unit to manufacture our paper used for tea bags and coffee pods/pads. Any interruption, loss or extended curtailment of operations at our Mindanao mill could materially and adversely affect our operating results and financial condition.

We have operations in a potentially politically and economically unstable location.

Our pulp mill in the Philippines is located in a region that is unstable and subject to political unrest. As discussed above, our Philippine pulp mill produces abaca pulp, a significant raw material used by our Composite Fibers business unit and is currently our main provider of abaca pulp. There are limited suitable alternative sources of readily available abaca pulp in the world. In the event of a disruption in supply from our Philippine mill, there is no guarantee that we could obtain adequate amounts of abaca pulp from alternative sources at a reasonable price or at all. As a consequence, any civil disturbance, unrest, political instability or other event that causes a disruption in supply could limit the availability of abaca pulp and would increase our cost of obtaining abaca pulp. Such occurrences could adversely impact our sales volumes, revenues and operating results.

Our international operations pose certain risks that may adversely impact sales and earnings.

We have significant operations and assets located in Canada, Germany, France, the United Kingdom and the Philippines. Our international sales and operations are subject to a number of special risks, in addition to the risks in our domestic sales and operations, including differing protections of intellectual property, trade barriers, labor unrest, exchange controls, regional economic uncertainty, differing (and possibly more stringent) labor regulation, risk of governmental expropriation, domestic and foreign customs and tariffs, differing regulatory environments, difficulty in managing widespread operations and political instability. These factors may adversely affect our future profits. Also, in some foreign jurisdictions, we may be subject to laws limiting the right and ability of entities organized or operating therein to pay dividends or remit earnings to affiliated

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companies unless specified conditions are met. Any such limitations would restrict our flexibility in using funds generated in those jurisdictions.

Foreign currency exchange rate fluctuations could adversely affect our results of operations.

We own and operate production facilities in Canada, Germany, France, the United Kingdom and the Philippines and as a result of the recent completion of the Concert acquisition, in Canada. The majority of our business is transacted in U.S. dollars, however, a substantial portion of business is transacted in Euros, British Pound Sterling and Canadian dollars. With respect to the Euro, we generate substantially greater cash inflow than we do outflow. However, with respect to the British Pound Sterling, we have greater outflows than inflows of this currency. As a result of these positions, we are exposed to changes in currency exchange rates.

Our ability to maintain our products price competitiveness is reliant, in part, on the relative strength of the currency in which the product is denominated compared to the currency of the market into which it is sold and the functional currency of our competitors. Changes in the rate of exchange of foreign currencies in relation to the U.S. dollar, and other currencies, may adversely impact our results of operations and our ability to offer products in certain markets at acceptable prices.

Substantially lower and more volatile market-based prices for sales of excess electricity compared to the fixed-price we historically received may prevent us from achieving the historical margins on our sales of excess electricity in relation to our coal supply contract, which could have a material adverse effect on our consolidated financial position and results of operations.

Because our Spring Grove facility produces more electricity than it requires for its operations, we sell the excess energy produced. Historically, we sold the excess electricity to the local power company under a fixed-price long-term contract, which expired March 31, 2010. We now sell our excess electricity at wholesale market prices prevailing at the time of sale. Market prices for electricity have historically been volatile and may continue to be substantially lower than the price we historically received under the expired contract.

We generate electricity at our Spring Grove facility using a variety of fuels, including coal. We purchase coal for this facility under a long-term, fixed price supply contract, which expires at the end of 2012. Our cost of coal, as well as the costs incurred for natural gas and other fuels used to generate electricity, have a major impact on the net revenue and overall profitability of our Specialty Paper business unit. The combination market based pricing for energy sales and the fixed pricing of the coal contract may limit our ability to generate the level of net revenues from energy sales that we historically achieved and limit the overall profitability of our Specialty Papers business unit, which could have a material adverse affect on our consolidated financial position and results of operations.

The impairment of financial institutions or sovereign countries may adversely affect us.

We, our customers and our vendors, have transactions and borrowing arrangements with U.S. and foreign commercial banks, and other financial institutions, some of whom may be exposed to ratings downgrade, bankruptcy, liquidity, default or similar risks, especially in connection with recent financial market turmoil. A ratings downgrade, bankruptcy, receivership, default or similar event involving such institutions may adversely affect the counterparty s performance under letters of credit, limit our access to capital, impact the ability of our suppliers to provide us with raw materials needed for our production, impact our customers ability to meet obligations to us, or adversely affect our liquidity position, future business and results of operations.

An IRS audit of our 2009 tax return could result in a change in the tax treatment of the alternative fuel mixture credits we claimed in 2009, which could have a material adverse effect on our results of operations and financial

position.

The U.S. Internal Revenue Code (the Code), provided a tax credit for companies that used alternative fuel mixtures to produce energy to operate their businesses on or prior to December 31, 2009. During 2009, we registered two of our facilities with the IRS as alternative fuel mixers based on their use of black liquor as an alternative fuel source. In April 2010, we received a $54.9 million federal income tax refund in connection

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with the filing of our corporate income tax return for the year ended December 31, 2009, which included the benefit of alternative fuel mixture credits relating to these facilities. In the event that the IRS audits our tax return for the year ended December 31, 2009, the IRS may conclude that some or all of the credits claimed are subject to federal income taxes, which would subject us to additional tax liabilities and could have a material adverse effect on our results of operations and financial position.

In the event any of the above risk factors impact our business in a material way or in combination during the same period, we may be unable to generate sufficient cash flow to simultaneously fund our operations, finance capital expenditures, satisfy obligations and make dividend payments on our common stock.

In addition to debt service obligations, our business is capital intensive and requires significant expenditures for equipment maintenance, new or enhanced equipment, environmental compliance, including but not limited to the Clean Air Act, and research and development efforts and to support our business strategies. We expect to meet all of our near and long-term cash needs from a combination of operating cash flow, cash and cash equivalents, borrowings under our credit agreement due May 2014 and other long-term debt. If we are unable to generate sufficient cash flow from these sources, we could be unable to meet our near and long-term cash needs or pay dividends.

Risks Relating to Our Indebtedness

Our indebtedness could adversely affect our financial health and prevent us from fulfilling our obligations under the exchange notes.

We have now and will continue to have, a significant amount of indebtedness. As of April 30, 2010, we had:

- $200.0 million of indebtedness outstanding under our 71/8% senior notes due May 2016, issued April 28, 2006;
- $100.0 million of indebtedness outstanding under the unregistered notes; and
- $36.7 million of indebtedness outstanding under our term loan facility due January 2013.

Our indebtedness could materially and adversely affect us in a number of ways. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to the exchange notes;
- increase our vulnerability to adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a disadvantage compared to our competitors that have less debt; and
- limit our ability to borrow additional funds, including for future acquisitions, to meet our operating expenses and for other purposes.

In addition, a portion of our debt, including borrowings, if any, under our credit agreement due May 2014 and our term loan facility due January 2013, bears interest at variable rates. If market interest rates increase, variable-rate debt will create higher debt service requirements, which could adversely affect our cash flow. While we may enter into agreements limiting our exposure to higher interest rates, any such agreements may not offer complete protection from this risk.

Despite our current level of indebtedness, we and our subsidiaries may still be able to incur substantially more debt.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of the indenture governing the exchange notes offered hereby, the indenture governing our outstanding senior notes and the credit agreement due May 2014 do not fully prohibit us from doing so. If new debt is added to our current level of indebtedness, the risks associated with our indebtedness discussed above will be increased. See Description of Other Indebtedness.

To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control.

Our ability to make payments on, and to refinance, our indebtedness, including the exchange notes, and to fund planned capital expenditures will depend on our ability to generate cash in the future. This is subject to general economic, financial, competitive, legislative, regulatory and other factors, many of which are beyond our control.

Our business may not generate sufficient cash flow from operations, and we may not have available to us future borrowings in an amount sufficient to enable us to pay our indebtedness, including the exchange notes, or to fund our other liquidity needs. In these circumstances, we may need to refinance all or a portion of our indebtedness, including the exchange notes, on or before maturity. Our ability to refinance our indebtedness or obtain additional financing will depend on, among other things:

- our financial condition at the time;
- restrictions in the agreements governing our indebtedness, including the indenture governing the exchange notes; and
- the condition of the financial markets and the industry in which we operate.

As a result, we may not be able to refinance any of our indebtedness, including the exchange notes, on commercially reasonable terms or at all. Without this financing, we could be forced to sell assets to make up for any shortfall in our payment obligations under unfavorable circumstances. The terms of the indenture governing the exchange notes offered hereby, the indenture governing our outstanding senior notes and the credit agreement due May 2014 limit our ability to sell assets and also restrict the use of proceeds from such a sale. In addition, we may not be able to sell assets quickly enough or for sufficient amounts to enable us to meet our obligations, including our obligations under the exchange notes. Any failure to make scheduled payments of interest and principal on our outstanding indebtedness when due would permit the holders of such indebtedness to declare an event of default and accelerate the indebtedness, which in turn could lead to cross-defaults under the instruments governing our other indebtedness, including the indenture governing the exchange notes offered hereby, the indenture governing our outstanding senior notes and the credit agreement due May 2014.

The agreements that govern the exchange notes offered hereby, our outstanding senior notes and our credit agreement due May 2014 contain various covenants that limit our discretion in the operation of our business.

The agreements and instruments that govern the exchange notes offered hereby, our outstanding senior notes and our credit agreement due May 2014 contain various restrictive covenants that, among other things, restrict our ability to:

- incur more debt;
- pay dividends, repurchase company stock or make other distributions;
- make certain investments;
- create certain liens;

- enter into transactions with affiliates;
- make acquisitions;
- merge or consolidate; and
- transfer or sell assets.

In addition, the credit agreement due May 2014 contains covenants that require us to achieve and maintain certain financial tests or ratios.

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Our ability to comply with these covenants is subject to various risks and uncertainties. In addition, events beyond our control could affect our ability to comply with these covenants. A failure to comply with these covenants could result in an event of default under our credit agreement due May 2014, which, if not cured or waived, could have a material adverse affect on our business, financial condition and results of operations. In the event of any default under our credit agreement due May 2014, the lenders thereunder:

- will not be required to lend any additional amounts to us;
- could elect to declare all of our outstanding borrowings, together with accrued and unpaid interest and fees, to be immediately due and payable; and
- could effectively require us to apply all of our available cash to repay our outstanding borrowings even if they do not accelerate the borrowings,

which actions could result in an event of default under the exchange notes.

If we were unable to repay debt to our secured lenders, these lenders could also proceed against the collateral securing that debt. Even if we are able to comply with all applicable covenants, the restrictions on our ability to manage our business in our sole discretion could harm our business by, among other things, limiting our ability to take advantage of financings, investments, acquisitions and other corporate transactions that may be beneficial to us.

We may not have the ability to raise the funds necessary to finance, and may also be prohibited from making, the change of control offer required by the indenture governing the exchange notes offered hereby, the indenture governing our outstanding senior notes and the credit agreement due May 2014.

Upon the occurrence of certain defined change of control events, we will be required under the terms of the indenture governing the exchange notes offered hereby and the indenture governing our outstanding senior notes to offer to repurchase those respective notes and, under the terms of our credit agreement due May 2014, to repay all outstanding indebtedness under that agreement, plus accrued and unpaid interest, if any. We may not have sufficient funds at the time of the change of control to make the required repurchase of notes. In the event a change of control occurs at a time when we are prohibited from purchasing the notes and we are unable to obtain consents from our lenders to repurchase the notes or are unable to refinance such obligations, we may be unable to repurchase the notes. Any failure to repurchase the notes under a change of control situation would constitute an event of default under the indenture governing the notes which may in turn lead to an event of default under our credit facilities or agreements governing our other future indebtedness.

Federal and state statutes allow courts, under specific circumstances, to void guarantees and require exchange note holders to return payments received from our subsidiary guarantors.

If a bankruptcy case or lawsuit is initiated by unpaid creditors of any subsidiary guarantor, the debt represented by the guarantees entered into by our subsidiary guarantors may be reviewed under federal bankruptcy law and comparable provisions of state fraudulent transfer laws. Under these laws, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to other obligations of a subsidiary guarantor if, among other things, the subsidiary guarantor, at the time it incurred the indebtedness evidenced by its guarantee:

- received less than reasonably equivalent value or fair consideration for entering into the guarantee; and
- either:

was insolvent or rendered insolvent by reason of entering into a guarantee; or

was engaged in a business or transaction for which the subsidiary guarantor s remaining assets constituted unreasonably small capital; or intended to incur, or believed that it would incur, debts or contingent liabilities beyond its ability to pay such debts or contingent liabilities as they become due.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a subsidiary guarantor would be considered insolvent if:

the sum of its debts, including contingent liabilities, were greater than the fair saleable value of all of its assets; or

the present fair saleable value of its assets were less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts or contingent liabilities as they become due.

A court would likely find that a subsidiary guarantor did not receive reasonably equivalent value or fair consideration for its guarantee if the subsidiary guarantor did not substantially benefit directly or indirectly from the issuance of the exchange notes.

In the event of a finding that a fraudulent conveyance or transfer has occurred, the court may void, or hold unenforceable, the subsidiary guarantees, which could mean that you may not receive any payments under the guarantees and the court may direct you to repay any amounts that you have already received from any subsidiary guarantor to such subsidiary guarantor or a fund for the benefit of such subsidiary guarantor s creditors. Furthermore, the holders of the notes would cease to have any direct claim against the applicable subsidiary guarantor. Consequently, the applicable subsidiary guarantor s assets would be applied first to satisfy the applicable subsidiary guarantor s other liabilities, before any portion of its assets could be applied to the payment of the exchange notes. Sufficient funds to repay the exchange notes may not be available from other sources, including the remaining subsidiary guarantors, if any. Moreover, voiding a subsidiary guarantee could result in an event of default with respect to our and our subsidiary guarantors other debt that in turn could result in acceleration of such debt (if not otherwise accelerated due to our or our subsidiary guarantors insolvency or other proceeding).

On the basis of historical financial information, recent operating history and other factors, we believe that each subsidiary guarantor, after giving effect to its guarantee of these exchange notes, will not be insolvent, will not have unreasonably small capital for the business in which it is engaged and will not have incurred debts beyond its ability to pay such debts as they mature. We cannot assure you, however, as to what standard a court would apply in making these determinations or that a court would agree with our conclusions in this regard.

Each subsidiary guarantee will contain a provision intended to limit the subsidiary guarantor s liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer. This provision may not be effective to protect the guarantees from being voided under fraudulent transfer laws or may reduce or eliminate the subsidiary guarantor s obligation to an amount that effectively makes the guarantee worthless.

We may not have access to the cash flow and other assets of our non-guarantor subsidiaries that may be needed to make payments on the exchange notes.

Although much of our business is conducted through our subsidiaries, not all of our subsidiaries will guarantee the exchange notes. In addition, under certain circumstances our subsidiary guarantors may be released from their guarantees. See Description of the Exchange Notes Guarantees. Accordingly, our ability to make payments on the exchange notes may be or become dependent on the earnings and the distribution of funds from our non-guarantor subsidiaries. Our subsidiaries will be permitted under the terms of the indenture with respect to the exchange notes to incur additional indebtedness that may severely restrict or prohibit the making of distributions, the payment of dividends or the making of loans by such subsidiaries to us. We cannot assure you that the agreements governing the current and future indebtedness of our non-guarantor subsidiaries will permit these subsidiaries to provide us with sufficient dividends, distributions or loans to fund payments on the exchange notes when due. In addition, to the extent the guarantees of the exchange notes by our guarantor subsidiaries may be limited or unenforceable, we may also not be able to access the earnings of those subsidiaries to help service the exchange notes. See Federal and state statutes allow courts, under specific circumstances, to void guarantees and require exchange note holders to return payments received from our subsidiary guarantors.

The exchange notes will be effectively subordinated to all liabilities and claims of creditors of our current and future non-guarantor subsidiaries.

The exchange notes will be structurally subordinated to indebtedness and other liabilities of our non-guarantor subsidiaries, along with any future subsidiaries that do not guarantee the exchange notes. Our foreign subsidiaries (none of which will be guarantors on the exchange date) had aggregate consolidated liabilities, excluding liabilities owing to us or any subsidiary guarantor, as of April 30, 2010, of $230.4 million and revenue for the three months ended March 31, 2010 of $120.9 million. In the event of a bankruptcy, liquidation or reorganization of any of our non-guarantor subsidiaries, these non-guarantor subsidiaries will pay the holders of their debts, holders of preferred equity interests and their trade creditors before they will be able to distribute any of their assets to us.

Risks Relating to the Exchange Offer

If you do not properly tender your unregistered notes, your ability to transfer such outstanding unregistered notes will be adversely affected.

We will only issue exchange notes in exchange for unregistered notes that are timely received by the exchange agent, together with all required documents, including a properly completed and signed letter of transmittal. Therefore, you should allow sufficient time to ensure timely delivery of the unregistered notes and you should carefully follow the instructions on how to tender your unregistered notes. None of us, the guarantors or the exchange agent are required to tell you of any defects or irregularities with respect to your tender of the unregistered notes. If you do not tender your unregistered notes or if your tender of unregistered notes is not accepted because you did not tender your unregistered notes properly, then, after consummation of the exchange offer, you will continue to hold unregistered notes that are subject to the existing transfer restrictions. After the exchange offer is consummated, if you continue to hold any unregistered notes, you may have difficulty selling them because there will be fewer unregistered notes remaining and the market for such unregistered notes, if any, will be much more limited than it is currently. In particular, the trading market for unexchanged unregistered notes could become more limited than the existing trading market for the unregistered notes and could cease to exist altogether due to the reduction in the amount of the unregistered notes remaining upon consummation of the exchange offer. A more limited trading market might adversely affect the liquidity, market price and price volatility of such untendered unregistered notes.

If you are a broker-dealer or participating in a distribution of the exchange notes, you may be required to deliver prospectuses and comply with other requirements.

If you tender your unregistered notes for the purpose of participating in a distribution of the exchange notes, you will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the exchange notes. If you are a broker-dealer that receives exchange notes for your own account in exchange for unregistered notes that you acquired as a result of market-making activities or any other trading activities, you will be required to acknowledge that you will deliver a prospectus in connection with any resale of such exchange notes.

There may be no active trading market for the exchange notes, and, if one develops, it may not be liquid.

The exchange notes will constitute new issues of securities for which there is no established trading market. We do not intend to list the exchange notes on any national securities exchange. Although the initial purchaser advised us on the date the unregistered notes were issued that it intended to make a market in the exchange notes, it is not obligated to do so and may discontinue such market making activity at any time without notice. In addition, market making activity will be subject to the limits imposed by the Securities Act,

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and may be limited during the exchange offer. There can be no assurance as to the development or liquidity of any market for the exchange notes, the ability of the holders to sell their exchange notes or the price at which the holders would be able to sell their exchange notes. Future trading prices of the exchange notes will depend on many factors, including:

- our operating performance and financial condition;
- our ability to complete the offer to exchange the notes for the exchange notes;
- the interest of securities dealers in making a market; and
- the market for similar securities.

Historically, the market for non-investment-grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the exchange notes offered hereby. The market for the exchange notes may be subject to similar disruptions. Any such disruptions may adversely affect the value of your exchange notes.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus, including the documents incorporated by reference, that are not purely historical are forward-looking statements. When used in this prospectus and the documents incorporated by reference, the words or phrases expects, will continue, estimates, we believe and similar expressions are intended to identify forward-looking statements and include plans, commitments and objectives of management for future operations. These forward-looking statements involve risks and uncertainties and are based on assumptions that may not be realized. Actual results and outcomes may differ materially from those discussed or anticipated. The following important factors, among others, could cause our actual results to differ from any results that might be projected, forecasted or estimated in this prospectus and the documents incorporated by reference:

variations in demand for our products including the impact of any unplanned market-related downtime, or variations in product pricing;

changes in the cost or availability of raw materials we use, in particular pulpwood, market pulp, pulp substitutes, caustic soda and abaca fiber;

changes in energy-related costs and commodity raw materials with an energy component;

our ability to develop new, high value-added Specialty Papers, Composite Fibers and Advanced Airlaid Materials products;

the impact of market volatility on the sales of excess electricity;

the impact of competition, changes in industry production capacity, including the construction of new mills, the closing of mills and incremental changes due to capital expenditures or productivity increases;

the impairment of financial institutions and any resulting impact on us, our customers or our vendors;

the gain or loss of significant customers and/or on-going viability of such customers;

cost and other effects of environmental compliance, cleanup, damages, remediation or restoration, or personal injury or property damages related thereto, such as the costs of natural resource restoration or damages related to the presence of polychlorinated biphenyls in the lower Fox River on which our former Neenah mill was located;

risks associated with our international operations, including local economic and political environments and fluctuations in currency exchange rates;

geopolitical events, including war and terrorism;

disruptions in production and/or increased costs due to labor disputes;

enactment of adverse state, federal or foreign tax or other legislation or changes in government policy or regulation;

adverse results in litigation; and

our ability to finance, consummate and integrate current or future acquisitions.

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RATIO OF EARNINGS TO FIXED CHARGES

Set forth below is information concerning our ratio of earnings to fixed charges. This ratio shows the extent to which our business generates enough earnings after the payment of all expenses other than interest to make required interest payments on our debt.

For the purposes of calculating the ratio of earnings to fixed charges, earnings represent income from continuing operations before income taxes plus fixed charges. Fixed charges consist of interest expense (including capitalized interest) on all indebtedness plus amortization of debt issuance costs and the portion of rental expense that we believe is representative of the interest component of rental expense.

	Year Ended December 31,					Three Months Ended March 31,
	2005	**2006**	**2007**	**2008**	**2009**	**2010**
Ratio of earnings to fixed charges	5.3x	(*)	4.1x	4.2x	7.7x	1.0

* Earnings were insufficient to cover fixed charges by $22.2 million.

USE OF PROCEEDS

We will not receive any proceeds from the exchange offer. In consideration for issuing the exchange notes contemplated by this prospectus, we will receive unregistered notes in like principal amount. The unregistered notes surrendered in exchange for the exchange notes will be retired and canceled and cannot be reissued. Accordingly, the issuance of the exchange notes will not result in any change in our indebtedness.

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CAPITALIZATION

The following table sets forth our cash and cash equivalents, our long-term debt and our capitalization as of March 31, 2010. You should read this table in conjunction with our audited consolidated financial statements and related notes and our condensed consolidated interim financial statements, each incorporated by reference in this prospectus.

	As of March 31, 2010 In thousands	
Cash and cash equivalents(1)	$	26,575
Long-term debt:		
Unregistered notes-net of original issue discount	$	95,042
Revolving credit facility due April 2011(2)		27,953
Term loan, due April 2011(2)		10,000
Term loan, due January 2013		36,695
71/8% senior notes due May 2016, issued April 28, 2006		200,000
Shareholders equity:		
Common stock, $0.01 par value		544
Capital in excess of par value		47,472
Retained earnings		707,271
Accumulated other comprehensive income (loss)		(136,819)
Treasury stock		(127,683)
Total shareholders equity		490,785
Total capitalization	$	860,475

(1) In April 2010, we received a $54.9 million federal income tax refund in connection with the filing of our 2009 corporate income tax return which included the benefit of alternative fuel mixture credits.

(2) On April 29, 2010, we entered into a new four-year, $225 million, multi-currency, revolving credit agreement maturing May 31, 2014 with a consortium of banks. Prior to entering into the new credit agreement, we repaid all amounts outstanding under and terminated our existing $200 million revolving credit facility and our existing $100 million term loan facility due 2011. At April 30, 2010, no amounts were outstanding under our new credit agreement due May 2014. See Description of Other Indebtedness Credit Agreement Due May 2014 for a description of the credit agreement due May 2014.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

We have derived the following unaudited pro forma consolidated financial statements by applying pro forma adjustments to our historical consolidated financial statements incorporated by reference in this prospectus.

The unaudited pro forma consolidated income statement data for the year ended December 31, 2009 and the three months ended March 31, 2010 gives effect to the following transactions, which we refer to as the Transactions, as if they had occurred on January 1, 2009:

(1) the acquisition by our wholly owned subsidiary, Glatfelter Canada Inc., or Glatfelter Canada, of all of the issued and outstanding shares of Concert from Brookfield Special Situations Management Limited (f/k/a Tricap Management Limited), or Brookfield Special Situations, pursuant to the terms of a Share Purchase Agreement dated January 4, 2010, or the Share Purchase Agreement, among Glatfelter, Glatfelter Canada and Brookfield Special Situations, which we refer to as the Acquisition, and

(2) our incurrence of additional indebtedness under our revolving credit facility due April 2011, our issuance of $100 million of 71/8% senior notes at an original issue discount of 5% and our application of the net proceeds from such incurrence and issuance plus cash on hand to fund the Acquisition.

In the unaudited pro forma consolidated financial statements, the Acquisition is accounted for using the acquisition method of accounting in accordance with the Financial Accounting Standards Board Accounting Standards Codification No. 805. Under the acquisition method of accounting, the total purchase price for the Acquisition is allocated to the assets acquired and liabilities assumed based upon estimates of fair value. The unaudited pro forma adjustments reflected herein are based upon preliminary available information and assumptions that we believe are reasonable under the circumstances and which are described in the accompanying notes. These preliminary estimates may change upon finalization of appraisals and valuation studies. Therefore, the final allocations may differ materially from the estimates used to prepare these pro forma consolidated financial statements.

The unaudited pro forma consolidated financial statements do not purport to represent what our results of operations or financial condition actually would have been if the Transactions occurred on the date indicated, nor do they purport to represent or project our results of operations for any future period or our financial condition as of any future date. You should read the unaudited pro forma consolidated financial statements in conjunction with our audited and unaudited consolidated financial statements and related notes and the audited and consolidated financial statements of Concert and related notes, for the year ended December 31, 2009 and the quarterly period ended March 31, 2010, as applicable.

Unless otherwise indicated, the Concert financial information included herein is derived from Concert s historical financial statements, which are prepared in accordance with accounting principles generally accepted in Canada, or Canadian GAAP, and are presented in Canadian dollars and reconciled to accounting principles generally accepted in the United States, or U.S. GAAP, adjusted for certain reclassifications and translated into U.S. dollars.

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Unaudited Pro Forma Consolidated Income Statement
for the Year Ended December 31, 2009

	Glatfelter Historical	Concert Historical U.S. GAAP(1)	Acquisition Accounting and Other Adjustments	Transaction financing	Pro Forma for the Concert Acquisition
	In thousands, except per share data				
Net sales	$ 1,184,010	$ 204,110	$	$	$ 1,388,120
Energy sales net	13,332				13,332
Total revenues	1,197,342	204,110			1,401,452
Cost of products sold	927,578	174,413	2,767(2)		1,104,758
Gross profit	269,764	29,697	(2,767)		296,694
Selling, general and administrative expenses	110,257	13,237	(3,235)(3)		120,259
Gains on disposition of plant, equipment and timberlands, net	(898)				(898)
Operating income	160,405	16,460	468		177,333
Other nonoperating income (expense)					
Interest expense	(19,220)	(1,112)	1,112(4)	(8,288)(5)	(27,508)
Interest income	1,886				1,886
Other net	75	2,605	(2,605)(6)		75
Total other income (expense)	(17,259)	1,493	(1,493)	(8,288)	(25,547)
Income before income taxes	143,146	17,953	(1,025)	(8,288)	151,786
Income tax provision	19,704	2,201	(673)(7)	(2,901)(7)	18,331
Net income	$ 123,442	$ 15,752	$ (352)	$ (5,387)	$ 133,455
Weighted average shares outstanding					
Basic	45,678				45,678
Diluted	45,774				45,774
Earnings per share					
Basic	$ 2.70				$ 2.92
Diluted	2.70				2.92

(1) Represents Concert financial information derived from the historical Concert financial statements included elsewhere herein, which are prepared in accordance with Canadian GAAP and are presented in Canadian dollars

and reconciled to U.S. GAAP, adjusted for certain reclassifications and translated to U.S. dollars.

(2) Reflects the following adjustments to depreciation expense due to a difference in the basis of depreciable assets and a change in estimated useful life resulting from the application of FASB ASC 805 Business Combinations to account for the Acquisition:

	In thousands	
Elimination of Concert historical depreciation	$	(4,187)
Depreciation on fair value of acquired fixed assets, translated to US$		6,954
Total depreciation	$	2,767

(3) Reflects the elimination of $3.5 million of non-recurring expenses included in Glatfelter s historical financial results for the period ended December 31, 2009 that were directly related to the Acquisition, net of the addition of $0.3 million of amortization expense for intangible assets resulting from the application of FASB ASC 805 Business Combinations to account for the Acquisition.

(4) Reflects the elimination of Concert s historical interest expense related to debt that was repaid prior to the closing of the Acquisition.

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(5) Reflects the following adjustments to interest expense as a result of the issuance of the unregistered notes:

		In thousands
Interest on unregistered notes at an interest rate of 7.125% per annum	$	7,125
Accretion of original issue discount on unregistered notes		585
Interest on additional borrowings under existing revolving credit facility at an assumed rate of 1.125% per annum		198
Interest expense adjustment		7,908
Amortization of deferred fees and expenses for the unregistered notes		380
Total interest expense adjustments	$	8,288

A change of 0.125% in the assumed interest rate for the borrowings under the existing revolving credit facility would have an incremental effect on our annual interest expense of $22,100.

(6) Reflects the elimination of $2.6 million of gains included in Concert s historical financial results for the period ended December 31, 2009, related to the change in fair value of derivative instruments that were canceled prior to the completion of the Acquisition.

(7) Represents the tax effect of the pro forma adjustments based on a rate of 27%, which represents the combined applicable German and Canadian federal and provincial income tax rate, for the adjustments referred to in notes 2, 4 and 6, 14.67% reflecting the blended impact of certain non-deductible costs for the acquisition and integration-related adjustments discussed in note 3, and 35% for the transaction financing adjustments discussed in note 5.

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Unaudited Pro Forma Consolidated Income Statement for the Three Months Ended March 31, 2010

	Glatfelter Historical	Concert Historical U.S. GAAP(1)	Acquisition Accounting and Other Adjustments	Transaction financing	Pro Forma for the Concert Acquisition
	In thousands, except per share data				
Net sales	$ 337,275	$ 25,649	$	$	$ 362,924
Energy sales net	3,607				3,607
Total revenues	340,882	25,649			366,531
Cost of products sold	296,666	23,133	(1,170)(2)		318,629
Gross profit	44,216	2,516	1,170		47,902
Selling, general and administrative expenses	34,670	4,157	(10,944)(3)		27,883
Operating income (loss)	9,546	(1,641)	12,114		20,019
Other nonoperating income (expense)					
Interest expense	(5,663)	(1,124)	1,124(4)	(867)(5)	(6,530)
Interest income	170				170
Other net	(3,983)	(5,843)	9,274(6)		(552)
Total other income (expense)	(9,476)	(6,967)	10,398	(867)	(6,912)
Income (loss) before income taxes	70	(8,608)	22,512	(867)	13,107
Income tax provision (benefit)	444	(1,652)	4,847(7)	(303)(7)	3,336
Net income (loss)	$ (374)	$ (6,956)	$ 17,665	$ (564)	$ 9,771
Weighted average shares outstanding					
Basic	45,836				45,836
Diluted	45,836				46,336
Earnings (loss) per share					
Basic	$ (0.01)				$ 0.21
Diluted	(0.01)				0.21

(1) Represents Concert financial information for the period January 1, 2010 through February 11, 2010, the date the Acquisition was completed, derived from the historical Concert financial statements used internally by management, which are prepared in accordance with Canadian GAAP and are presented in Canadian dollars and reconciled to U.S. GAAP, adjusted for certain reclassifications and translated to U.S. dollars.

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(2) Reflects the following adjustments, all for the period January 1, 2010 through February 11, 2010, due to a difference in the basis of inventory and depreciable assets resulting from the application of FASB ASC 805 Business Combinations to account for the Acquisition:

	In thousands	
Elimination of Concert historical depreciation	$	(867)
Depreciation on fair value of acquired fixed assets, translated to US$		921
Elimination of a non-recurring charge to cost of products sold for the write up of acquired inventory to fair value, included in Glatfelter s historical results for the three month period ended March 31, 2010		(1,224)
Total	$	(1,170)

(3) Reflects the following adjustments:

	In thousands	
Elimination of non-recurring acquisition and integration costs included in Glatfelter historical results	$	(8,459)
Elimination of non-recurring and integration-related costs included in Concert historical results for the period January 1, 2010 through February 11, 2010		(2,521)
Amortization of intangibles assets resulting from the application of FASB ASC 805 Business Combinations to account for the Concert acquisition		36
Total	$	(10,944)

(4) Reflects the elimination of Concert s historical interest expense related to debt that was repaid prior to the completion of the Acquisition.

(5) Reflects the following adjustments to interest expense as a result of the issuance of the unregistered notes:

	In thousands	
Interest on unregistered notes at an interest rate of 7.125% per annum	$	713
Accretion of original issue discount on unregistered notes		96
Interest on additional borrowings under existing revolving credit facility at an assumed rate of 1.125% per annum		20
Interest expense adjustment		829
Amortization of deferred fees and expenses for the registered notes		38
Total interest expense adjustments	$	867

A change of 0.125% in the assumed interest rate for the borrowings under the existing revolving credit facility would have an incremental effect on our annual interest expense of $5,500.

(6) Reflects the elimination of a non-recurring loss from a series of forward foreign currency contracts entered into to hedge the Concert acquisition s Canadian dollar purchase price, the change in fair value of certain non-recurring derivative contracts and the elimination of costs associated with the settlement of certain derivative contracts included in Concert historical results for the period January 1, 2010 through February 11, 2010. Such contracts were cancelled prior to the completion of the Acquisition and are all non-recurring.

(7) Represents the tax effect of the pro forma adjustments based on a rate of 27%, which represents the combined applicable German and Canadian federal and provincial income tax rate, for adjustments referred to in notes 2 and 4, 13.2% reflecting a) the blended impact from the elimination of non-recurring acquisition and integration costs included in Glatfelter historical results; b) the amortization of intangibles assets resulting from the application of FASB ASC 805 Business Combinations to account for the Concert acquisition; and c) the elimination of non-recurring and integration-related costs included in Concert historical results for the period January 1, 2010 through February 11, 2010, each discussed in note 3, 35% for the transaction financing adjustments discussed in note 5, and 30.0% on the adjustments discussed in note 6.

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DESCRIPTION OF OTHER INDEBTEDNESS

71/8% Senior Notes Due May 2016, Issued April 28, 2006

The terms of our 71/8% senior notes due May 2016, issued April 28, 2006, are substantially similar to those of the notes. For additional information, see the indenture, dated as of April 28, 2006, by and between us and SunTrust Bank, as trustee, relating to 71/8% Notes due 2016, issued April 28, 2006, and the first supplemental indenture thereto, dated as of September 22, 2006, among Glatfelter Holdings, LLC, Glatfelter Holdings II, LLC, the existing subsidiary guarantors named therein and SunTrust Bank, which are incorporated by reference to our current report on Form 8-K filed May 3, 2006 and our Form S-4/A filed September 22, 2006, respectively. See Where You Can Find Additional Information.

Credit Agreement Due May 2014

We, along with certain of our subsidiaries as borrowers and certain of our subsidiaries as guarantors, are parties to a credit agreement with certain banks named therein, PNC Bank, National Association, as administrative agent, PNC Capital Markets LLC and Citizens Bank of Pennsylvania, as joint lead arrangers and bookrunners, and Citizens Bank of Pennsylvania, as syndication agent, providing for a revolving credit facility. All borrowings under our credit agreement due May 2014 are unsecured.

Pursuant to our credit agreement due May 2014, we may borrow, repay and reborrow multi-currency revolving credit loans in an aggregate principal amount not to exceed $225.0 million outstanding at any time and may request (i) letters of credit in an aggregate face amount not to exceed $20.0 million and (ii) swing loans (as defined in the credit agreement) in an aggregate principal amount not to exceed $20.0 million. Borrowings under the credit agreement will be available in United States dollars, Euros, British Pounds Sterling, and Canadian dollars. Under the credit agreement, we have the option to request of PNC Bank, subject to the approval of the banks, that the maximum principal amount under the revolving credit facility be increased from $225.0 million up to a maximum of $300.0 million. Borrowings under the credit agreement may be used for general corporate purposes, working capital needs and to finance future permitted acquisitions.

Borrowing rates for the revolving loans are determined at our option at the time of each borrowing as follows: for all US dollar denominated borrowings, the borrowing rate is either, (a) the bank s base rate, plus an applicable spread based on our corporate credit ratings determined by Standard & Poor s Rating Services (S&P) and Moody s Investor Service, Inc. (Moody s), which is equal to the greater of the prime rate, the federal funds rate plus 50 basis points, or the daily London Interbank Offer Rate plus 100 basis points; or (b) a Euro-Rate based generally on the daily London Interbank Offer Rate plus an applicable margin ranging from 175 basis points to 275 basis points based on our corporate credit ratings determined by S&P and Moody s. For non-US dollar denominated borrowings, interest is based on (b) above.

All swing loans will bear interest at a rate to be agreed upon by PNC Bank and us. In addition, we are required to pay customary commitment fees in connection with the unused portion of the revolving credit facility and customary fees for use of letters of credit.

All principal outstanding under the revolving credit facility will be due and payable on May 31, 2014. Interest accrued on outstanding amounts under the revolving credit facility will be payable at maturity of the respective amount drawn, but in no event less frequently than quarterly.

We have the right to prepay the revolving credit loans in whole or in part without premium or penalty, subject to timing conditions related to the borrowing rate chosen by us.

The credit agreement contains representations, warranties and covenants customary for financings of this type including, without limitation, financial covenants under which we are obligated to maintain a maximum ratio of consolidated total net debt to consolidated adjusted EBITDA and a minimum ratio of consolidated EBITDA to consolidated interest expense, and covenants limiting our ability and the ability of the subsidiary guarantors to (i) incur debt and guaranty obligations, (ii) incur liens, (iii) make loans, advances, investments

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and acquisitions, (iv) merge or liquidate, (v) sell or transfer assets, or (vi) engage in transactions with affiliates.

The credit agreement also contains customary events of default, including, without limitation, (i) failure to pay principal, interest or fees when due; (ii) material breach of representations or warranties, (iii) covenant default, (iv) cross-default to other debt in excess of an agreed amount, (v) a change in control, (vi) insolvency or bankruptcy, and (vii) monetary judgment default in excess of an agreed amount. If an event of default under the credit agreement occurs and is continuing, then the administrative agent may declare outstanding obligations under the credit agreement immediately due and payable.

Term Loan Facility Due January 2013

In November 2007, we sold timberlands and as consideration received a $43.2 million, 20-year interest bearing note receivable from the timberland buyer, which we refer to as the 2007 Note Receivable . In January 2008, we monetized the 2007 Note Receivable. In this transaction, we entered into a new $36.7 million term loan agreement, or the term loan facility due January 2013, with a financial institution. The term loan facility due January 2013 matures in January 2013 and bears interest at a six-month reserve adjusted LIBOR plus a margin rate of 1.20% per annum. The facility is secured by, among other assets, the 2007 Note Receivable, together with a letter of credit issued by The Royal Bank of Scotland plc (the L/C Issuer), in our favor backing the collectability of the 2007 Note Receivable. The term loan facility due January 2013 requires mandatory prepayment in the event that the maturity of the 2007 Note Receivable is accelerated for any reason.

The term loan facility due January 2013 contains representations, warranties and covenants customary for financings of this type. The facility also contains customary events of default, including, without limitation, (i) failure to pay principal, interest or other amounts when due, (ii) material breach of covenants that are not remedied within 30 days of obtaining knowledge of or receiving notice of such breach, (iii) false or materially incorrect representations or warranties, (iv) insolvency or bankruptcy and (v) a final monetary judgment against GPW Virginia Timberlands LLC (GPW Virginia), an indirect wholly-owned and bankruptcy-remote subsidiary of ours. In addition, the following also constitute events of default under the term loan facility due January 2013: (i) the occurrence of certain events related to the 2007 Note Receivable, including a payment default not cured by drawing under the letter of credit issued by the L/C Issuer within five days after such payment default; (ii) a drop in the long-term debt rating of the L/C Issuer without replacement of the L/C Issuer with an appropriate substitute or the replacement of the L/C Issuer for other reasons with an inappropriate substitute; and (iii) a default under the notes with an aggregate principal amount of $9,158,000 issued by us in favor of GPW Virginia as security for the term loan facility due January 2013 (the Company Notes). Defaults under the Company Notes include, without limitation, (i) failure to pay principal, interest or other amounts when due, (ii) material breach of covenants that are not remedied within 30 days of obtaining knowledge of or receiving notice of such breach, (iii) false or materially incorrect representations or warranties, (iv) insolvency, dissolution or bankruptcy and (v) a change in control of us. If an event of default under the term loan facility due January 2013 occurs and is continuing, then the agent thereunder or the requisite lenders may declare outstanding obligations under the facility immediately due and payable.

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SELECTED CONSOLIDATED FINANCIAL DATA

You should read the following selected consolidated financial data in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes in our Annual Report on Form 10-K for the year ended December 31, 2009 and our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2010, each of which is incorporated by reference herein. The following selected consolidated financial data as of December 31, 2008 and 2009 and for each of the three years ended December 31, 2009 is derived from our audited consolidated financial statements incorporated by reference in this prospectus. The selected consolidated financial data as of December 31, 2005, 2006 and 2007 and for each of the two years ended December 31, 2006 is derived from our audited consolidated financial statements not included or incorporated by reference in this prospectus. The selected consolidated financial information for the three months ended March 31, 2009 and 2010, and as of March 31, 2010, is derived from our unaudited condensed consolidated financial statements incorporated by reference in this prospectus. The unaudited financial information has been prepared on a basis consistent with our audited consolidated financial statements and, in our opinion, reflects all normal, recurring adjustments needed to present fairly our results for the periods presented. The historical results are not necessarily indicative of our future results of operations or financial performance.

	Year Ended December 31					Three Months Ended March 31	
	2005	2006(1)	2007(2)	2008	2009	2009	2010(3)
				In thousands			
come Statement ata:							
t sales	$ 579,121	$ 986,411	$ 1,148,323	$ 1,263,850	$ 1,184,010	$ 291,552	$ 337,275
ergy and related es net	10,078	10,726	9,445	9,364	13,332	1,931	3,607
tal revenues	589,199	997,137	1,157,768	1,273,214	1,197,342	293,483	340,882
sts of products d	492,023	891,843(4)	1,001,456	1,095,432	927,578(5)	250,169	296,666
oss profit	97,176	105,294	156,312	177,782	269,764	43,314	44,216
lling, general and ministrative penses	67,633	92,481(6)	116,144(7)	97,897	110,257	24,513	34,670(8)
eversals of) utdown and tructuring charges	1,564	30,318(9)	35	(856)			
ins on disposition plant, equipment d timberlands, net	(22,053)	(17,394)	(78,685)	(18,468)	(898)	(699)	
surance recoveries	(20,151)	(205)					
erating income	70,183	94	118,818	99,209	160,405	19,500	9,546

her nonoperating come (expense)							
erest expense	(13,083)	(24,453)	(29,022)	(23,160)	(19,220)	(5,126)	(5,663)
erest income	2,012	3,132	3,933	4,975	1,886	708	170
her net	1,028	(1,001)(10)	205	2	75	17	(3,983)(1
tal other noperating pense	(10,043)	(22,322)	(24,884)	(18,183)	(17,259)	(4,401)	(9,476)
come (loss) before come taxes	60,140	(22,228)	93,934	81,026	143,146	15,099	70
come tax provision enefit)	21,531	(9,992)	30,462(12)	23,138	19,704	3,561	444
t income (loss)	$ 38,609	$ (12,236)	$ 63,472	$ 57,888	$ 123,442	$ 11,538	$ (374)