

Exopack Holding Corp. & Subsidiaries
Reconciliation of Net Income (Loss) to Adjusted EBITDA
For the Three Months Ended March 31, 2009, June 30, 2009, September 30, 2009 and December 31, 2009 and
Twelve Months Ended December 31, 2009
(Dollars in 000's)

	Three Months Ended March 31, 2009	Three Months Ended June 30, 2009	Three Months Ended September 30, 2009	Three Months Ended December 31, 2009	Twelve Months Ended December 31, 2009
Net Income (Loss) ⁽¹⁾	\$ 779	\$ 104	\$ (2,327)	\$ (4,491)	\$ (5,935)
Interest Expense	7,167	7,147	7,201	7,077	28,592
Income/Franchise Tax Expense	855	401	477	(2,677)	(944)
EBIT	8,801	7,652	5,351	(91)	21,713
Depreciation and Amortization ⁽²⁾	5,457	5,722	5,655	7,078	23,912
EBITDA	14,258	13,374	11,006	6,987	45,625
Other Gains/Losses:					
Loss (Gain) on Fixed Asset Disposal	(23)	(36)	35	1,337	1,313
Non-cash Stock Compensation	145	147	148	(21)	419
Management Fees	397	342	320	372	1,431
EPF Startup and Transition Expenses	413	303	176	251	1,143
Severance Expense ⁽³⁾	401	234	137	2,447	3,219
Pension Expense	312	302	279	279	1,172
Sarbanes-Oxley and Other Related Costs	205	260	326	246	1,037
Newmarket Closure Costs ⁽⁴⁾	-	-	980	396	1,376
Process Improvement Consulting Analysis	405	318	247	703	1,673
Tomah Extrusion Shutdown ⁽⁵⁾	257	239	49	-	545
Albany Press Fire ⁽⁶⁾	-	-	328	493	821
Other Startup and Restructuring ⁽⁷⁾	338	(81)	452	1,415	2,124
Capital Equipment Relocation and Startup Expenses	104	113	257	362	836
Concord Inventory Adjustment ⁽⁸⁾	162	255	685	1,521	2,623
Adjusted EBITDA ⁽¹⁾	\$ 17,374	\$ 15,770	\$ 15,425	\$ 16,788	\$ 65,357

⁽¹⁾ See Footnote 15 in our audited consolidated financial statements in regards to restatement of prior 2009 quarterly results. Unaudited net income (loss) for the first three quarters has been restated to correct amounts of certain costs capitalized into inventory at our Concord plant. Net income (loss) previously reported was \$1,585, \$960, and (\$1,688) for Quarters 1, 2, and 3, respectively. EBITDA has been adjusted for the applicable portion of this adjustment. EBITDA previously reported was \$18,018, \$16,371, and \$15,516 for Quarters 1, 2, and 3, respectively.

⁽²⁾ Excludes amortization of deferred financing costs, which are a component of interest expense. Q4 includes accelerated depreciation of approximately \$1.2 million based on changes in the estimated useful lives of several pieces of equipment.

⁽³⁾ Q4 includes US severance and voluntary Canadian early retirement in accordance with the Company's initiative to reduce the workforce.

⁽⁴⁾ Includes YTD severance of approximately \$404.

⁽⁵⁾ Our Tomah facility ceased its extrusion operations and went from a 24/7 to a 24/5 operating schedule.

⁽⁶⁾ Includes one-time costs associated with a press fire at our Albany facility in September. Insurance claims for damages and business interruption were filed.

⁽⁷⁾ Includes costs associated with consulting fees related to finalization of 2006 IRS audit, legal fees, organizational costs related to internal restructuring, startup of US WPP, ERP system implementations, and other one-time costs, offset by foreign exchange gain on intercompany loans.

⁽⁸⁾ Includes costs associated with changes in estimates of certain inventory costs, especially for labor and overhead capitalization, after implementation of new ERP system at Concord facility.