Forward-Looking Statements
This presentation contains certain forward-looking information within the meaning of the Private Securities Litigation Reform Act of 1995. The words “believe,” “expect,” “anticipate,” “estimate,” “target,” and similar expressions, among others, identify forward-looking statements. All forward-looking statements are based on information currently available to management. Such forward-looking statements are subject to certain risks and uncertainties that could cause events and the Company’s actual results to differ materially from those expressed or implied. Please see the disclosure regarding forward-looking statements immediately preceding Part I of the Company’s Annual Report on Form 10-K for the fiscal year ended October 31, 2006. The Company assumes no obligation to update any forward-looking statements.

Regulation G
This presentation includes certain non-GAAP financial measures that exclude restructuring, debt extinguishment and other unusual charges and gains that are volatile from period to period. Management believes the non-GAAP measures provide a better indication of operational performance and a more stable platform on which to compare the historical performance of the Company than the most nearly equivalent GAAP data. All non-GAAP data in the presentation are indicated by footnotes. Tables showing the reconciliation between GAAP and non-GAAP measures are available at the end of this presentation and on the Greif Web site at www.greif.com.
Discussion Topics

- Company Overview
- Business Portfolio
- Greif Business System
- Financial Review
Company Profile

- Founded in 1877 as a packaging company
- Public company since 1926
- Diversified business platform
- Leading industrial packaging company with over 30% global market share
- Approximately 210 operations in more than 40 countries
A Diversified Business Platform

(Dollars in millions)
(Twelve months ended July 31, 2007)

<table>
<thead>
<tr>
<th>Greif, Inc.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>$3,176</td>
</tr>
<tr>
<td>Operating Profit *</td>
<td>$293</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industrial Packaging &amp; Services</th>
<th>Paper, Packaging &amp; Services</th>
<th>Timber</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>Sales</td>
<td>$14</td>
</tr>
<tr>
<td>$2,464</td>
<td>$697</td>
<td></td>
</tr>
<tr>
<td>Operating Profit *</td>
<td>Operating Profit *</td>
<td>$14</td>
</tr>
<tr>
<td>$205</td>
<td>$75</td>
<td></td>
</tr>
</tbody>
</table>

* Before restructuring charges and timberland gains. See GAAP to Non-GAAP reconciliation included in the Appendix of this presentation.
Global Footprint
Performance Trajectory

(Dollars in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales (Millions)</th>
<th>Operating Profit (Millions)</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>$688</td>
<td>$35</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>$3,176</td>
<td>$293</td>
<td>17%</td>
</tr>
</tbody>
</table>

- **March 30, 1998**: Acquired Sonoco Products' industrial packaging business for $223 million
- **November 1, 1998**: CorrChoice joint venture formed (Greif ownership 63.24%)
- **March 2, 2001**: Acquired Van Leer Industrial Packaging from Huhtamaki for $555 million
- **March 4, 2003**: Launched Transformation to Greif Business System
- **September 30, 2003**: Remaining interest in CorrChoice obtained
- **September 22, 2006**: Acquired Delta Petroleum for $98 million
- **November 30, 2006**: Acquired steel drum and closures businesses of Blagden Packaging for €205 million

(1) Twelve months ended July 31, 2007.
(2) Before restructuring charges and timberland gains. See GAAP to Non-GAAP reconciliation included in the Appendix of this presentation.
Business Portfolio

THE GREIF WAY

OPERATIONAL EXCELLENCE
COMMERCIAL EXCELLENCE
WORKING CAPITAL
GLOBAL SUPPLY CHAIN

STRATEGY
PEOPLE
PERFORMANCE MANAGEMENT

THE GREIF BUSINESS SYSTEM

RE-EARN THE RIGHT TO GROW
2003 2004 2005 2006 2007 2008 2009

EARN AND GROW

GREIF
Industrial Packaging

Net sales

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales ($ million)</td>
<td>$1,268</td>
<td>$1,384</td>
<td>$1,621</td>
<td>$1,804</td>
<td>$1,945</td>
<td>$2,464</td>
</tr>
</tbody>
</table>

Operating profit (2)

<table>
<thead>
<tr>
<th>Year</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit ($ million)</td>
<td>$41</td>
<td>$70</td>
<td>$112</td>
<td>$123</td>
<td>$163</td>
<td>$205</td>
</tr>
</tbody>
</table>

Served markets

- Chemicals
- Petroleum
- Pharmaceuticals
- Food

Competitive advantages

- Leading market position
- Global footprint
- Compelling value proposition
- Comprehensive product portfolio
- Strong customer relationships

(1) Twelve months ended July 31, 2007.
(2) Before restructuring charges. See GAAP to Non-GAAP reconciliation included in the Appendix of this presentation.
**Most Comprehensive Industrial Packaging Portfolio**

<table>
<thead>
<tr>
<th>Global Presence</th>
<th>Steel</th>
<th>Plastic</th>
<th>Fibre</th>
<th>IBC</th>
<th>Water Bottles</th>
<th>Closures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GREIF</strong></td>
<td>#1</td>
<td>#2</td>
<td>#1</td>
<td>#4</td>
<td>#1</td>
<td>#1</td>
</tr>
<tr>
<td><strong>Mauser</strong>*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Schutz</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Greif’s global market share exceeds 30%  

Top 10 customers represent less than 20% of Greif’s annual net sales
Paper and Packaging

Net sales

Operating profit

Served markets

Competitive advantages

- Customer focus
- Fully-integrated containerboard network
- Highly efficient sheet feeder footprint
- Solid fundamentals

(1) Twelve months ended July 31, 2007.
(2) Before restructuring charges. See GAAP to Non-GAAP reconciliation included in the Appendix of this presentation.
Fully-integrated Paper and Packaging Network

**Containerboard**

- Massillon, Ohio Mill
  - 150,000 tons/year
  - 100% recycled

- Riverville, Virginia Mill
  - 450,000 tons/year
  - 55% recycled, 45% virgin

**Converting**

- 6 Sheet Feeder Plants
- 6 Specialty Corrugated Plants
- 7 Box Plants
- 2 Multiwall Bag Plants

Annual containerboard requirements >100% of production capacity
Timber

Net sales

Operating profit$^{(2)}$

Property Locations

Timber

Timberland

Special use properties
(63,050 acres at 10/31/06)

Competitive advantages

▲ Undervalued timberland assets
(book value $196 million at 7/31/07)

▲ Monetizing special use properties

▲ 301,050 acres in North America,
including 264,350 acres in the
United States and 36,700 acres in
Canada

(1) Twelve months ended July 31, 2007.
(2) Before restructuring charges and timberland gains.
See GAAP to Non-GAAP reconciliation included in
the Appendix of this presentation.
Greif Business System
Strong Foundation

Leading market position
- Global leader – industrial packaging
- Leading specialty provider – paper and packaging
- Advantaged timberland portfolio

Strong heritage
- Integrity
- Customer focus
- People first

History of bold moves
- In the industry – acquisition of Van Leer and Sonoco’s industrial container business and CorrChoice investment
- In the market – value-added packaging provider
- In the company – Greif Business System

Sources of competitive advantage
- Scale economies
- Uniquely positioned to serve global customers
- Distinctive customer service and respected “industrial brand”
- Differentiated and comprehensive product offerings
- A special culture
Our Aspirations

Preferred productivity partner
- Compelling value proposition based on what customers are willing to pay for
- Low-cost provider of high-quality products with consistent and reliable delivery

Strong performance ethic
- Transparent governance structure
- Performance and consequence management
- Talent and succession management

Break-away momentum
- Organic growth: $\geq 5\%$ (GDP + 2 points)
- Operating profit margin: $\geq 12.5\%$
- SG&A/net sales: $\leq 7.5\%$
- RONA: $\geq 25\%$
- ROIC $\geq$ WACC: 5 points

Productivity imperative
- Real-cost productivity: $\geq 4\%$ per year
- Capital productivity
  - OWC/net sales: $\leq 7.5\%$
  - Asset turns: $\geq 2x$
  - World-class strategic sourcing capabilities

Growth
Value
People
Productivity
**Greif Business System:** The Framework for Achieving Aspirations

- The Greif Way
- Operational Excellence
- Commercial Excellence
- Working Capital
- Global Supply Chain
- Strategy
- People
- Performance Management

Greif Operating System
Greif Production System
Core Processes

The Greif Way - The Framework for Achieving Aspirations
The Greif Way

- Integrity and trust
- Respect for the individual
- Performance ethic
- Meet or exceed customer expectations
- Supplier partnerships
- Seek continuous improvement
- Focus on core businesses
- Create shareholder value
<table>
<thead>
<tr>
<th>Greif’s Operating System – Capability Engines</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial Excellence</strong></td>
</tr>
<tr>
<td>• Regional tactical marketing</td>
</tr>
<tr>
<td>• Value selling</td>
</tr>
<tr>
<td>• Fact-based account management</td>
</tr>
<tr>
<td><strong>Operational Excellence</strong></td>
</tr>
<tr>
<td>• Diagnostics and target setting</td>
</tr>
<tr>
<td>• Network alignment</td>
</tr>
<tr>
<td>• Lean operations and continuous improvement</td>
</tr>
<tr>
<td><strong>Working Capital</strong></td>
</tr>
<tr>
<td>• Dramatic cash flow improvement</td>
</tr>
<tr>
<td>• Standardized methodologies and embedded tools</td>
</tr>
<tr>
<td>• Reduced cost with increased service levels</td>
</tr>
<tr>
<td><strong>Global Supply Chain</strong></td>
</tr>
<tr>
<td>• Leverage global spend</td>
</tr>
<tr>
<td>• Supplier relationships and integration</td>
</tr>
<tr>
<td>• A total cost of ownership (productivity) analysis</td>
</tr>
</tbody>
</table>
# Guiding/Driving Processes

<table>
<thead>
<tr>
<th>Strategy</th>
<th>• Current focus – optimizing and embedding the Greif Business System and growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>People</td>
<td>• Putting the right people in pivotal roles</td>
</tr>
<tr>
<td></td>
<td>• Identify high potential employees and talent gaps</td>
</tr>
<tr>
<td></td>
<td>• Commitment to talent development and capability building</td>
</tr>
<tr>
<td>Performance Management</td>
<td>• Key performance indicators aligned across the enterprise</td>
</tr>
<tr>
<td></td>
<td>• Automated dashboards to track progress</td>
</tr>
<tr>
<td></td>
<td>• Rigorous performance management system</td>
</tr>
</tbody>
</table>
Earn and Grow Phase (2007-2009)

Greif Business System + Growth = Value Creation

Industry consolidation
Emerging markets
Core business adjacencies

2009 Goals
Operating Profit Margin\(^{(1)}\) ≥ 12.5%
SG&A/Net Sales ≤ 7.5%
OWC\(^{(2)}\)/Net Sales ≤ 7.5%
Return on Net Assets\(^{(3)}\) ≥ 25.0%

Focus ➔ Discipline ➔ Passion

(1) Operating profit margin equals operating profit, before restructuring charges and timberland gains, divided by net sales.
(2) Operating working capital equals accounts receivable (less allowances) plus inventories less accounts payable.
(3) Return on net assets equals operating profit, before restructuring charges and timberland gains, divided by long-term debt plus short-term borrowings less cash and cash equivalents, plus shareholders’ equity.
Growth Strategy Execution

Blagden Packaging Group
- Acquired November 2006
- Steel drum manufacturing and closures business in Europe and Asia
- Sales (1) $265 million
- Synergies: Plant consolidation Embed Greif Business System

<table>
<thead>
<tr>
<th>Country</th>
<th>Year Entered</th>
<th>Plants added since 2004</th>
<th>Total No. of Plants</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>1994</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Russia</td>
<td>1993</td>
<td>4</td>
<td>8</td>
</tr>
</tbody>
</table>

Delta Petroleum Company, Inc.
- Acquired September 2006
- Largest independent blending and filling company in North America
- Sales (1) $185 million
- Opportunities: Supply chain improvements Establish global platform

(1) Annual period prior to acquisition.
Financial Review
# Financial Profile

(Dollars in millions)

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007&lt;sup&gt;(1)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>$1,633</td>
<td>$1,916</td>
<td>$2,209</td>
<td>$2,424</td>
<td>$2,628</td>
<td>$3,176</td>
</tr>
<tr>
<td><strong>Operating Profit&lt;sup&gt;(2)&lt;/sup&gt;</strong></td>
<td>$92</td>
<td>$121</td>
<td>$155</td>
<td>$171</td>
<td>$238</td>
<td>$293</td>
</tr>
<tr>
<td><strong>Net Income&lt;sup&gt;(2)&lt;/sup&gt;</strong></td>
<td>$32</td>
<td>$43</td>
<td>$83</td>
<td>$96</td>
<td>$140</td>
<td>$177</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>$112</td>
<td>$52</td>
<td>$180</td>
<td>$175</td>
<td>$164</td>
<td>$164</td>
</tr>
<tr>
<td><strong>RONA&lt;sup&gt;(2)&lt;/sup&gt;</strong></td>
<td>7.5%</td>
<td>10.1%</td>
<td>13.3%</td>
<td>15.9%</td>
<td>21.5%</td>
<td>21.3%</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Twelve months ended July 31, 2007.

<sup>(2)</sup> Before restructuring charges, debt extinguishment charges, timberland gains and cumulative effect of change in accounting principle. See GAAP to Non-GAAP reconciliation included in the Appendix of this presentation.
Savings from Greif Business System

(Dollars in millions)

Over $200 million in savings since March 2003

<table>
<thead>
<tr>
<th>Year</th>
<th>Global Sourcing/Supply Chain</th>
<th>Working Capital</th>
<th>Commercial Excellence</th>
<th>Operational Excellence</th>
<th>SG&amp;A Optimization</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>$30</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>$50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>$45</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>$50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>$30(1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Management estimate as of 08/30/07.
2009 Financial Performance Goals

Operating Profit Margin\(^{(1)}\)

- 2002: 5.6%
- 2003: 6.3%
- 2004: 7.0%
- 2005: 7.1%
- 2006: 9.1%
- 2007 (4): 9.2%

\(\text{2007 (4): 9.2%} \quad 12.5\% \ (2009)\)

SG&A/Net Sales

- 2002: 15.4%
- 2003: 11.9%
- 2004: 9.9%
- 2005: 9.3%
- 2006: 9.9%
- 2007 (4): 9.3%

\(\text{2007 (4): 9.3%} \quad 7.5\% \ (2009)\)

Return on Net Assets\(^{(2)}\)

- 2002: 7.5%
- 2003: 10.1%
- 2004: 13.3%
- 2005: 15.9%
- 2006: 21.5%
- 2007 (4): 21.3%

\(\text{2007 (4): 21.3%} \quad 25.0\% \ (2009)\)

Operating Working Capital\(^{(3)}\)/Net Sales

- 2002: 16.0%
- 2003: 14.9%
- 2004: 13.2%
- 2005: 9.5%
- 2006: 8.2%
- 2007 (4): 8.0%

\(\text{2007 (4): 8.0%} \quad 7.5\% \ (2009)\)

(1) Before restructuring charges and timberland gains (losses). See GAAP to Non-GAAP reconciliations included in the Appendix of this presentation.

(2) Return on net assets equals operating profit, before restructuring charges and timberland gains, divided by long-term debt plus short-term borrowings less cash and cash equivalents, plus shareholders’ equity. Amounts included in net assets are based on balances as of the beginning of the fiscal year and end of each fiscal quarter for the year presented, averaged for the five points of measurement. See GAAP to Non-GAAP reconciliations included in the Appendix of this presentation.

(3) Operating working capital equals accounts receivable (less allowances) plus inventories less accounts payable.

(4) Represents the twelve-months ended July 31, 2007.
Same-Structure\(^{(1)}\) Roadmap to 2009 Targets

(Dollars in millions)

### Net Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted(^{(2)})</th>
<th>Organic Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$3,100</td>
<td>$3,600</td>
</tr>
<tr>
<td>2009 Target</td>
<td>$3,600</td>
<td></td>
</tr>
</tbody>
</table>

\(\text{+5\%} \text{ CAGR}\)

### Operating Profit\(^{(2)}\)

<table>
<thead>
<tr>
<th>Workstream</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organic Growth</td>
<td>$275</td>
</tr>
<tr>
<td>Strategic Sourcing</td>
<td>$75</td>
</tr>
<tr>
<td>Operational Excellence</td>
<td>$60</td>
</tr>
<tr>
<td>Target</td>
<td>$40</td>
</tr>
<tr>
<td>2009 Target</td>
<td>$450</td>
</tr>
</tbody>
</table>

Greif Business System

### Roadmap/Agenda

1. Organic Growth
2. Low-cost Producer
3. Leverage Global Spend
4. Scalable Infrastructure
5. Asset Utilization

### Workstream

<table>
<thead>
<tr>
<th>Roadmap/Agenda</th>
<th>Workstream</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Organic Growth</td>
<td>Commercial Excellence</td>
<td>≥ 5%</td>
</tr>
<tr>
<td>2. Low-cost Producer</td>
<td>Operational Excellence</td>
<td>3 - 5% of cost of products sold</td>
</tr>
<tr>
<td>3. Leverage Global Spend</td>
<td>Strategic Sourcing</td>
<td>3 - 5% of total spend</td>
</tr>
<tr>
<td>4. Scalable Infrastructure</td>
<td>Administrative Excellence</td>
<td>≤ 7.5% SG&amp;A to net sales</td>
</tr>
<tr>
<td>5. Asset Utilization</td>
<td>Working Capital</td>
<td>≤ 7.5% OWC to net sales</td>
</tr>
</tbody>
</table>

\(1\) Includes the impact of Delta and Blagden acquisitions.

\(2\) Before restructuring charges and timberland gains. See GAAP to Non-GAAP reconciliation included in the Appendix of this presentation.
Greif Business System: Catalyst for Unlocking Value

- Leading global market position in industrial packaging
- Product, customer and geographic diversity
- Fully-integrated network and value-added, middle-market customer focus in paper and packaging
- Advantaged timber portfolio
- Improved financial flexibility
- Solid industry and company fundamentals
- Tight incentive linkages to financial targets
- Strong management team

Focus ➔ Discipline ➔ Passion
Appendix
## GAAP to Non-GAAP Reconciliation

### Operating Profit Margin

**UNAUDITED**

(Dollars in thousands)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP operating profit</td>
<td>$270,584</td>
<td>$246,136</td>
<td>$191,933</td>
<td>$108,706</td>
<td>$65,357</td>
<td>$101,156</td>
<td>$29,800</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>22,543</td>
<td>33,238</td>
<td>35,736</td>
<td>54,118</td>
<td>60,743</td>
<td>2,824</td>
<td>6,200</td>
</tr>
<tr>
<td>Timberland losses (gains)</td>
<td>133</td>
<td>(41,302)</td>
<td>(56,268)</td>
<td>(7,514)</td>
<td>(5,577)</td>
<td>(12,122)</td>
<td>(800)</td>
</tr>
<tr>
<td><strong>Non-GAAP - operating profit before restructuring charges and timberland losses (gains)</strong></td>
<td>$293,260</td>
<td>$238,072</td>
<td>$171,401</td>
<td>$155,310</td>
<td>$120,523</td>
<td>$91,858</td>
<td>$35,200</td>
</tr>
<tr>
<td>GAAP net sales</td>
<td>$3,175,616</td>
<td>$2,628,475</td>
<td>$2,424,297</td>
<td>$2,209,282</td>
<td>$1,916,440</td>
<td>$1,632,767</td>
<td>$688,000</td>
</tr>
<tr>
<td>GAAP operating profit margin (GAAP operating profit divided by GAAP net sales)</td>
<td>8.5%</td>
<td>9.4%</td>
<td>7.9%</td>
<td>4.9%</td>
<td>3.4%</td>
<td>6.2%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Non-GAAP operating profit margin (non-GAAP operating profit before restructuring charges and timberland losses (gains) divided by GAAP net sales)</td>
<td>9.2%</td>
<td>9.1%</td>
<td>7.1%</td>
<td>7.0%</td>
<td>6.3%</td>
<td>5.6%</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

(1) Twelve months ended July 31, 2007.
### GAAP to Non-GAAP Reconciliation

#### Operating Profit by Segment

**UNAUDITED**  
(Dollars in thousands)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Industrial Packaging &amp; Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GAAP - operating profit</td>
<td>$192,531</td>
<td>$139,038</td>
<td>$91,443</td>
<td>$66,974</td>
<td>$21,893</td>
<td>$38,938</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>12,095</td>
<td>24,034</td>
<td>31,375</td>
<td>44,975</td>
<td>47,924</td>
<td>2,322</td>
</tr>
<tr>
<td>Non-GAAP - operating profit before restructuring charges</td>
<td>$204,626</td>
<td>$163,072</td>
<td>$122,818</td>
<td>$111,949</td>
<td>$69,817</td>
<td>$41,260</td>
</tr>
<tr>
<td><strong>Paper, Packaging &amp; Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GAAP - operating profit</td>
<td>$64,571</td>
<td>$55,212</td>
<td>$36,340</td>
<td>$20,537</td>
<td>$17,942</td>
<td>$20,163</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>10,443</td>
<td>9,189</td>
<td>4,271</td>
<td>8,936</td>
<td>12,469</td>
<td>446</td>
</tr>
<tr>
<td>Non-GAAP - operating profit before restructuring charges</td>
<td>$75,014</td>
<td>$64,401</td>
<td>$40,611</td>
<td>$29,473</td>
<td>$30,411</td>
<td>$20,609</td>
</tr>
<tr>
<td><strong>Timber</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GAAP - operating profit</td>
<td>$13,482</td>
<td>$51,913</td>
<td>$64,150</td>
<td>$21,195</td>
<td>$25,521</td>
<td>$42,052</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>5</td>
<td>15</td>
<td>90</td>
<td>207</td>
<td>350</td>
<td>56</td>
</tr>
<tr>
<td>Timberland losses (gains)</td>
<td>133</td>
<td>(41,302)</td>
<td>(56,268)</td>
<td>(7,514)</td>
<td>(5,577)</td>
<td>(12,122)</td>
</tr>
<tr>
<td>Non-GAAP - operating profit before restructuring charges and timberland losses (gains)</td>
<td>$13,620</td>
<td>$10,626</td>
<td>$7,972</td>
<td>$13,888</td>
<td>$20,294</td>
<td>$29,986</td>
</tr>
</tbody>
</table>

(1) Twelve months ended July 31, 2007.
### GAAP to Non-GAAP Reconciliation

**Net Income**

UNAUDITED  
(Dollars in thousands)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP - net income</td>
<td>$ 143,122</td>
<td>$ 142,119</td>
<td>$ 104,656</td>
<td>$ 47,769</td>
<td>$ 9,496</td>
<td>$ 30,979</td>
</tr>
<tr>
<td>Restructuring charges, net of tax</td>
<td>16,261</td>
<td>23,445</td>
<td>25,674</td>
<td>40,859</td>
<td>42,034</td>
<td>1,807</td>
</tr>
<tr>
<td>Debt extinguishment charge, net of tax</td>
<td>17,328</td>
<td>-</td>
<td>2,032</td>
<td>-</td>
<td>-</td>
<td>6,592</td>
</tr>
<tr>
<td>Timberland losses (gains), net of tax</td>
<td>110</td>
<td>(25,989)</td>
<td>(36,240)</td>
<td>(5,673)</td>
<td>(3,859)</td>
<td>(7,758)</td>
</tr>
<tr>
<td>Cumulative effect of change in accounting principle</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(4,822)</td>
</tr>
<tr>
<td>Non-GAAP - net income before restructuring charges, debt extinguishment charge, timberland losses (gains) and cumulative effect of change in accounting principle</td>
<td>$ 176,821</td>
<td>$ 139,575</td>
<td>$ 96,122</td>
<td>$ 82,955</td>
<td>$ 42,849</td>
<td>$ 31,620</td>
</tr>
</tbody>
</table>

(1) Twelve months ended July 31, 2007.
### GAAP to Non-GAAP Reconciliation

#### Return on Net Assets

**UNAUDITED**  
(Dollars in thousands)

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP operating profit</td>
<td>$270,584</td>
<td>$246,163</td>
<td>$191,933</td>
<td>$108,706</td>
<td>$65,357</td>
<td>$101,156</td>
</tr>
<tr>
<td>Restructuring charges</td>
<td>22,543</td>
<td>33,238</td>
<td>35,736</td>
<td>54,118</td>
<td>60,743</td>
<td>2,824</td>
</tr>
<tr>
<td>Timberland losses (gains)</td>
<td>(133)</td>
<td>(41,302)</td>
<td>(56,268)</td>
<td>(7,514)</td>
<td>(5,577)</td>
<td>(12,122)</td>
</tr>
<tr>
<td>Non-GAAP operating profit before restructuring charges and timberland losses (gains)</td>
<td>$292,994</td>
<td>$238,099</td>
<td>$171,401</td>
<td>$155,310</td>
<td>$120,523</td>
<td>$91,858</td>
</tr>
<tr>
<td>Average cash(^2)</td>
<td>($129,142)</td>
<td>($148,923)</td>
<td>($67,905)</td>
<td>($36,120)</td>
<td>($27,228)</td>
<td>($30,780)</td>
</tr>
<tr>
<td>Average short-term borrowings(^2)</td>
<td>36,093</td>
<td>24,627</td>
<td>17,849</td>
<td>16,552</td>
<td>21,516</td>
<td>19,254</td>
</tr>
<tr>
<td>Average current portion of long-term debt(^2)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,200</td>
<td>3,000</td>
<td>30,005</td>
</tr>
<tr>
<td>Average long-term debt(^2)</td>
<td>604,614</td>
<td>449,685</td>
<td>446,781</td>
<td>592,838</td>
<td>634,264</td>
<td>627,828</td>
</tr>
<tr>
<td>Average shareholders’ equity(^2)</td>
<td>862,361</td>
<td>779,595</td>
<td>677,942</td>
<td>589,992</td>
<td>566,921</td>
<td>583,660</td>
</tr>
<tr>
<td>Average net assets</td>
<td>$1,373,926</td>
<td>$1,104,984</td>
<td>$1,074,667</td>
<td>$1,164,462</td>
<td>$1,198,473</td>
<td>$1,229,967</td>
</tr>
</tbody>
</table>

**GAAP return on net assets (GAAP operating profit divided by average net assets)**  
19.7%  
22.3%  
17.9%  
9.3%  
5.5%  
8.2%

**Non-GAAP return on net assets (non-GAAP operating profit before restructuring charges and timberland losses (gains) divided by average net assets)**  
21.3%  
21.5%  
15.9%  
13.3%  
10.1%  
7.5%

---

\(^1\) Represents the twelve months ended July 31, 2007.  
\(^2\) Amounts used in the calculation for this graph are based upon the average balances as of the beginning of the fiscal year and end of each fiscal quarter for the years presented.