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.
Presentation 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 April 30, 2007)

Greif, Inc.

<table>
<thead>
<tr>
<th>Sales</th>
<th>$2,992</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit *</td>
<td>$283</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Industrial Packaging &amp; Services</th>
<th>Sales</th>
<th>$2,286</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit *</td>
<td></td>
<td>$195</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Paper, Packaging &amp; Services</th>
<th>Sales</th>
<th>$693</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit *</td>
<td></td>
<td>$74</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Timber</th>
<th>Sales</th>
<th>$13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Profit *</td>
<td></td>
<td>$13</td>
</tr>
</tbody>
</table>

Steel, Plastic and Fibre Drums

Containerboard and Corrugated Packaging

Timber

* Before restructuring charges and timberland gains.
Global Footprint
Growth Trajectory

(Dollars in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales</th>
<th>Operating Profit(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>$688</td>
<td>$35</td>
</tr>
<tr>
<td>2000</td>
<td>$846</td>
<td>$688</td>
</tr>
<tr>
<td>2001</td>
<td>$853</td>
<td>$1,456</td>
</tr>
<tr>
<td>2002</td>
<td>$964</td>
<td>$1,633</td>
</tr>
<tr>
<td>2003</td>
<td>$1,456</td>
<td>$1,916</td>
</tr>
<tr>
<td>2004</td>
<td>$1,633</td>
<td>$2,209</td>
</tr>
<tr>
<td>2005</td>
<td>$2,000</td>
<td>$2,424</td>
</tr>
<tr>
<td>2006</td>
<td>$2,628</td>
<td>$2,992</td>
</tr>
</tbody>
</table>

1997 2007(1) CAGR
Net Sales  $688  $2,992  16%
Operating Profit(2)  $35  $283  23%

(1) Twelve months ended April 30, 2007.
(2) Before restructuring charges and timberland gains.
Business Portfolio
Industrial Packaging

**Net sales**

- 2002: $1,268
- 2003: $1,384
- 2004: $1,621
- 2005: $1,804
- 2006: $1,945
- 2007: $2,286

**Operating profit**

- 2002: $41
- 2003: $70
- 2004: $112
- 2005: $123
- 2006: $163
- 2007: $195

**Served markets**

- Chemicals
- Petroleum
- Paints, pigments, and industrial coatings
- Pharmaceuticals
- Food and beverage

**Competitive advantages**

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

---

(1) Twelve months ended April 30, 2007.
(2) Before restructuring charges. See GAAP to Non-GAAP reconciliation in the Appendix of this presentation.
<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%**
Multinational Customer Base

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

Served markets
- Packaging
- Building products
- Food
- Automotive

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

(1) Twelve months ended April 30, 2007.
(2) Before restructuring charges. See GAAP to Non-GAAP reconciliation 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**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$41</td>
</tr>
<tr>
<td>2003</td>
<td>$28</td>
</tr>
<tr>
<td>2004</td>
<td>$20</td>
</tr>
<tr>
<td>2005</td>
<td>$12</td>
</tr>
<tr>
<td>2006</td>
<td>$15</td>
</tr>
<tr>
<td>2007</td>
<td>$13</td>
</tr>
</tbody>
</table>

**Operating profit**

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>$30</td>
</tr>
<tr>
<td>2003</td>
<td>$20</td>
</tr>
<tr>
<td>2004</td>
<td>$14</td>
</tr>
<tr>
<td>2005</td>
<td>$8</td>
</tr>
<tr>
<td>2006</td>
<td>$11</td>
</tr>
<tr>
<td>2007</td>
<td>$13</td>
</tr>
</tbody>
</table>

**Property Locations**

Timber

Timberland

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

**Competitive advantages**

- Undervalued timberland assets (book value $194 million at 4/30/07)
- Monetizing special use properties
- 301,150 acres in North America, including 264,450 acres in the United States and 36,700 acres in Canada

(1) Twelve months ended April 30, 2007.
(2) Before restructuring charges and timberland gains. See GAAP to Non-GAAP reconciliation 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

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

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

Productivity imperative
- Real-cost productivity: ≥ 4% per year
- Capital productivity
  - OWC/net sales: ≤ 7.5%
  - Asset turns: ≥ 2x
  - World-class strategic sourcing capabilities
Greif Business System: The Framework for Achieving Aspirations

Greif Production System

The Greif Way

Operational Excellence
Commercial Excellence
Working Capital
Global Supply Chain

Greif Operating System

Strategy
People
Performance Management

Core Processes
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
Greif’s Operating System – Capability Engines

**Commercial Excellence**
- Regional tactical marketing
- Value selling
- Fact-based account management

**Operational Excellence**
- Diagnostics and target setting
- Network alignment
- Lean operations and continuous improvement

**Working Capital**
- Dramatic cash flow improvement
- Standardized methodologies and embedded tools
- Reduced cost with increased service levels

**Global Supply Chain**
- Leverage global spend
- Supplier relationships and integration
- A total cost of ownership (productivity) analysis
# 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 (2006-2009)

Greif Business System + Growth = Value Creation

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>3</td>
<td>6</td>
</tr>
</tbody>
</table>

Delta Petroleum Company, Inc.
- Acquired September 2006
- Second largest 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⁽¹⁾</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>$2,992</td>
</tr>
<tr>
<td><strong>Operating Profit⁽²⁾</strong></td>
<td>$ 92</td>
<td>$ 121</td>
<td>$ 155</td>
<td>$ 171</td>
<td>$ 238</td>
<td>$ 283</td>
</tr>
<tr>
<td><strong>Net Income⁽²⁾</strong></td>
<td>$ 32</td>
<td>$ 43</td>
<td>$ 83</td>
<td>$ 96</td>
<td>$ 140</td>
<td>$ 166</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>$ 166</td>
</tr>
<tr>
<td><strong>RONA⁽²⁾</strong></td>
<td>7.5%</td>
<td>10.1%</td>
<td>13.3%</td>
<td>15.9%</td>
<td>21.5%</td>
<td>21.9%</td>
</tr>
</tbody>
</table>

⁽¹⁾ Twelve months ended April 30, 2007.

⁽²⁾ Before restructuring charges, debt extinguishment charges, timberland gains and cumulative effect of change in accounting principle.
Enterprise Value Increase During Transformation

(Dollars in millions)

(1) Net debt is long-term debt plus current portion of long-term debt plus short-term borrowings less cash and cash equivalents. See GAAP presentations and reconciliations included in the Appendix of this presentation.
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): 9.4%
- 12.5% (2009)

SG&A/ Net Sales

- 2002: 15.4%
- 2003: 11.9%
- 2004: 9.9%
- 2005: 9.3%
- 2006: 9.9%
- 2007 (4): 9.7%
- 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): 21.9%
- 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): 8.4%
- 7.5% (2009)

(1) Before restructuring charges and timberland gains. See GAAP presentations and 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 presentations and 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 April 30, 2007.
Illustration of Roadmap to 2009 Targets

(Dollars in millions)

<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) Before restructuring charges and timberland gains.
(2) Includes the impact of Delta and Blagden acquisitions.
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>$259,157</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>23,569</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 gains</td>
<td>(175)</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>Non-GAAP - operating profit before restructuring charges and timberland gains</td>
<td>$282,551</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>$2,991,854</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>
</tbody>
</table>

| GAAP operating profit margin (GAAP operating profit divided by GAAP net sales) | 8.7% | 9.4% | 7.9% | 4.9% | 3.4% | 6.2% |
| Non-GAAP operating profit margin (non-GAAP operating profit before restructuring charges and timberland gains divided by GAAP net sales) | 9.4% | 9.1% | 7.1% | 7.0% | 6.3% | 5.6% |

(1) Twelve months ended April 30, 2007.

---

**Notes:**

- **GAAP to Non-GAAP Reconciliation:** This table reconciles GAAP operating profit to non-GAAP operating profit. Non-GAAP operating profit is calculated by adding back restructuring charges and timberland gains to GAAP operating profit.

- **GAAP net sales:** The company's net sales for the respective years.

- **Operating profit margins:** These margins are calculated by dividing the respective profit by the net sales for the year.

- **Restructuring charges:** These are costs related to restructuring activities.

- **Timberland gains:** These are gains from the sale or disposal of timberland.

This detailed reconciliation provides a clear view of how the company's financial performance is adjusted for non-GAAP metrics, which are often used to provide a more accurate picture of the company's core operating performance.
## GAAP to Non-GAAP Reconciliation

### Operating Profit by Segment

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UNAUDITED</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Dollars in thousands)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<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>$180,583</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>14,390</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>$194,973</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>$65,262</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>9,174</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>$74,436</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>$13,312</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 gains</td>
<td>(175)</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 gains</td>
<td>$13,142</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 April 30, 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>$132,677</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>16,400</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 gains, net of tax</td>
<td>5</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 gains and cumulative effect of change in accounting principle</td>
<td>$166,410</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 April 30, 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>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP operating profit</td>
<td>$259,157</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>23,569</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 gains</td>
<td>(175)</td>
<td>(41,302)</td>
<td>(56,268)</td>
<td>(7,514)</td>
<td>(5,777)</td>
<td>(12,122)</td>
</tr>
<tr>
<td><strong>Non-GAAP operating profit before restructuring charges and timberland gains</strong></td>
<td>$282,551</td>
<td>$238,099</td>
<td>$171,401</td>
<td>$155,310</td>
<td>$120,523</td>
<td>$91,858</td>
</tr>
<tr>
<td>Average cash(2)</td>
<td>$(140,124)</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>36,231</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>561,200</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>832,914</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>$1,290,220</td>
<td>$1,104,984</td>
<td>$1,074,668</td>
<td>$1,164,462</td>
<td>$1,198,473</td>
<td>$1,229,968</td>
</tr>
</tbody>
</table>

**GAAP return on net assets (GAAP operating profit divided by average net assets)**

- 20.1%
- 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 gains divided by average net assets)**

- 21.9%
- 21.5%
- 15.9%
- 13.3%
- 10.1%
- 7.5%

(1) Represents the twelve months ended April 30, 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, averaged for the five points of measurement.
## GAAP to Non-GAAP Reconciliation

### Net Debt

**UNAUDITED**

(Dollars in thousands)

<table>
<thead>
<tr>
<th></th>
<th>4/30/2007</th>
<th>1/31/2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP - long-term debt</td>
<td>$723,120</td>
<td>$643,545</td>
</tr>
<tr>
<td>Current portion of long-term debt</td>
<td>-</td>
<td>3,000</td>
</tr>
<tr>
<td>Short-term borrowings</td>
<td>53,036</td>
<td>23,527</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>(115,370)</td>
<td>(19,302)</td>
</tr>
<tr>
<td>Non-GAAP - net debt</td>
<td>$660,786</td>
<td>$650,770</td>
</tr>
</tbody>
</table>