

***Temple-Inland***

**First Quarter 2008 Results**

**April 29, 2008**

# **Temple-Inland**

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**This presentation includes non-GAAP financial measures. The required reconciliations to GAAP financial measures are included on our website, [www.templeinland.com](http://www.templeinland.com).**

# First Quarter Results

	<u>1st Qtr 2008</u>	<u>1st Qtr 2007</u>	<u>4th Qtr 2007</u>
Net income per share	\$ (0.12)	\$ 0.35	\$10.76
Special items	<u>0.07</u>	<u>(0.20)</u>	<u>(10.53)</u>
Net income per share excluding special items	\$ (0.05)	\$ 0.15	\$ 0.23

- 1st qtr. 2008 after-tax special charges of \$8 million, \$0.07 per share, related to completion of the Transformation Plan and final resolution of pending antitrust litigation

# First Quarter Results

<u>Segment Operating Income</u> (millions)	<u>1st Qtr</u> <u>2008</u>	<u>1st Qtr</u> <u>2007</u>	<u>4th Qtr</u> <u>2007</u>
Corrugated Packaging	\$ 55	\$ 64	\$ 75
Building Products	(21)	16	(15)
	<u>\$ 34</u>	<u>\$ 80</u>	<u>\$ 60</u>

\* Timber and timberland is no longer an active segment in 2008

# Corrugated Packaging

	<u>1st Qtr 2008</u>	<u>1st Qtr 2007</u>	<u>4th Qtr 2007</u>
■ Operating income (millions)	\$ 55	\$ 64	\$ 75
■ Price			
- 1st qtr. 2008 avg. box price up \$23/ton vs. 1st qtr. 2007 avg.			
- 1st qtr. 2008 avg. box price up \$2/ton vs. 4th qtr. 2007 avg.			

# Corrugated Packaging (cont'd)

	<u>Actual</u>	<u>Volume Per Workday Basis</u>
<b>■ TIN Box Volumes</b>		
– 1st qtr. 2008 vs. 1st qtr. 2007	Flat	3%
– 1st qtr. 2008 vs. 4th qtr. 2007	1%	Flat
<b>■ Industry Box Volumes*</b>		
– 1st qtr. 2008 vs. 1st qtr. 2007	(2%)	(1%)
– 1st qtr. 2008 vs. 4th qtr. 2007	(2%)	(5%)

\* Source: Fibre Box Association

# Corrugated Packaging (cont'd)

## ■ Recycled Fiber

- Recycled fiber costs up \$27/ton vs. 1st qtr. 2007 and up \$2/ton vs. 4th qtr. 2007
- Current recycled fiber costs up \$3/ton vs. 1st qtr. 2008 avg. price

## ■ Energy

- Energy costs up \$6 million vs. 1st qtr. 2007, and up \$12 million vs. 4th qtr. 2007

## ■ Freight

- Freight costs up \$4 million vs. 1st qtr. 2007 and 4th qtr. 2007

# Corrugated Packaging (cont'd)

## ■ 1st Quarter 2008

- Bogalusa, Louisiana mill operating issue
  - \$6 million negative impact to earnings
- Completed scheduled outage - Rome, GA
  - Impacted production approximately 24,000 tons

## ■ 2nd Quarter 2008

- Scheduled maintenance outage
  - Impacted production approximately 30,000 tons

# Building Products

	<u>1st Qtr 2008</u>	<u>1st Qtr 2007</u>	<u>4th Qtr 2007</u>
■ Operating income (millions)	\$ (21)	\$ 16	\$ (15)

## ■ Lumber

- Average price down \$24/mbf vs. 1st qtr. 2007, and down \$7/mbf vs. 4th qtr. 2007
- Volume down 2% vs. 1st qtr. 2007, and flat vs. 4th qtr. 2007
- Current price up \$8/mbf vs. 1st qtr. 2008 avg. price

# Building Products (cont'd)

## ■ Gypsum

- Average price down \$64/msf vs. 1st qtr. 2007, and down \$6/msf vs. 4th qtr. 2007
- Volume down 27% vs. 1st qtr. 2007, and down 10% vs. 4th qtr. 2007
- Current price up \$3/msf vs. 1st qtr. 2008 avg. price

## ■ Particleboard

- Average price down \$7/msf vs. 1st qtr. 2007, but up \$9/msf vs. 4th qtr. 2007
- Volume down 16% vs. 1st qtr. 2007, but up 9% vs. 4th qtr. 2007
- Current price flat vs. 1st qtr. 2008 avg. price

# **Building Products (cont'd)**

- **Reduced headcount by 18%**
  - **\$2 million severance charge**
  
- **Reduced production throughout system**

# Financial Highlights

- **Long-term debt**
- **Capital expenditures**
- **Net interest on financial assets**
- **General and administrative expenses**

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