



TempleInland

Our job is to be the best

Temple-Inland

This presentation contains “forward-looking statements” within the meaning of the federal securities laws. These statements reflect management’s current views with respect to future events and are subject to risk and uncertainties. We note that a variety of factors and uncertainties could cause our actual results to differ significantly from the results discussed in the forward-looking statements. Factors and uncertainties that might cause such differences include, but are not limited to: general economic, market, or business conditions; the opportunities (or lack thereof) that may be presented to us and that we may pursue; fluctuations in costs and expenses including the costs of raw materials, purchased energy, and freight; changes in interest rates; demand for new housing; accuracy of accounting assumptions related to impaired assets, pension and postretirement costs, and contingency reserves; competitive actions by other companies; changes in laws or regulations; our ability to execute certain strategic and business improvement initiatives; and other factors, many of which are beyond our control. Except as required by law, we expressly disclaim any obligation to publicly revise any forward-looking statements contained in this presentation to reflect the occurrence of events after the date of this presentation.

This presentation includes non-GAAP financial measures. The required reconciliations to GAAP financial measures are included on our website, www.templeinland.com.

Second Quarter 2008 Consolidated Results

	<u>Q2 2008</u>	<u>Q2 2007</u>	<u>Q1 2008</u>
Net income (loss) per share	\$ 0.07	\$ 0.62	\$ (0.12)
Special items	<u>0.00</u>	<u>(0.44)</u>	<u>0.07</u>
Net income (loss) per share excluding special items	\$ 0.07	\$ 0.18	\$ (0.05)

Q2 2008 Overview

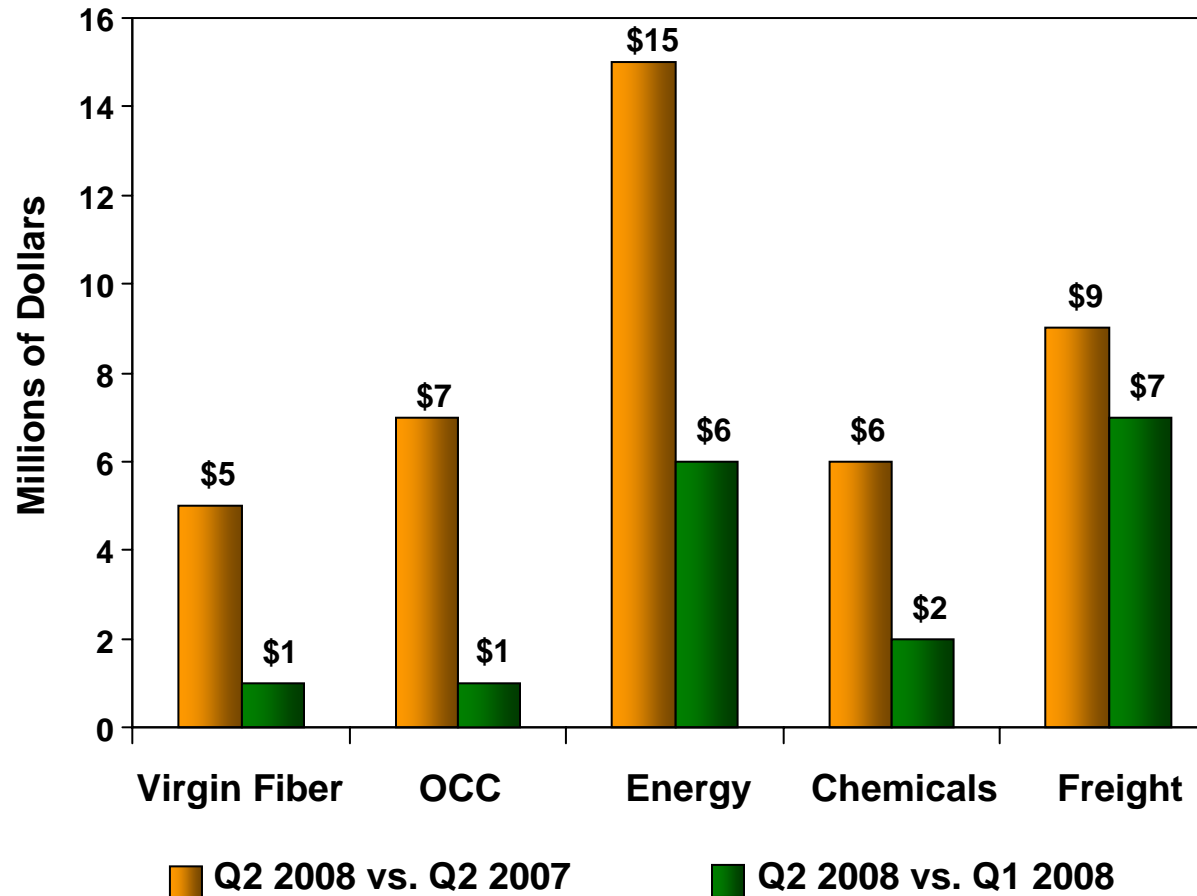
- Temple-Inland improved earnings vs. Q1 2008
- Corrugated Packaging results impacted by cost push
- Building Products return to profitability
- Focus on lowering cost

Corrugated Packaging Segment

(\$ in Millions)

	Q2 <u>2008</u>	Q2 <u>2007</u>	Q1 <u>2008</u>
Revenues	\$ 798	\$ 779	\$ 776
Costs and expenses	746	701	721
Segment operating income	<u>\$ 52</u>	<u>\$ 78</u>	<u>\$ 55</u>

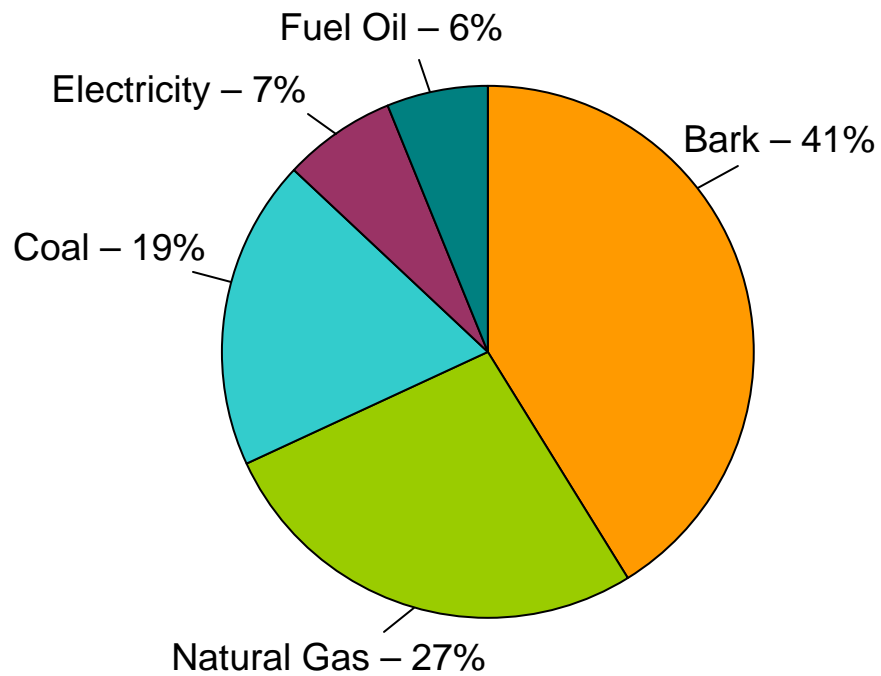
Unprecedented Cost Push



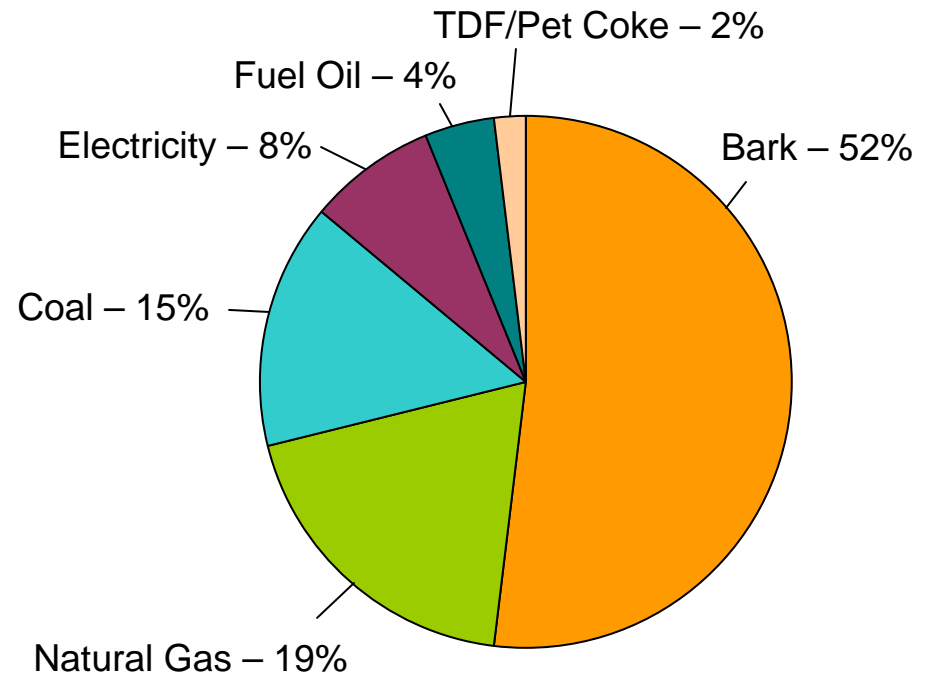
- \$42 million higher in Q2 2008 vs. Q2 2007
- \$17 million higher in Q2 2008 vs. Q1 2008

Mills – Purchased Energy Mix

2003

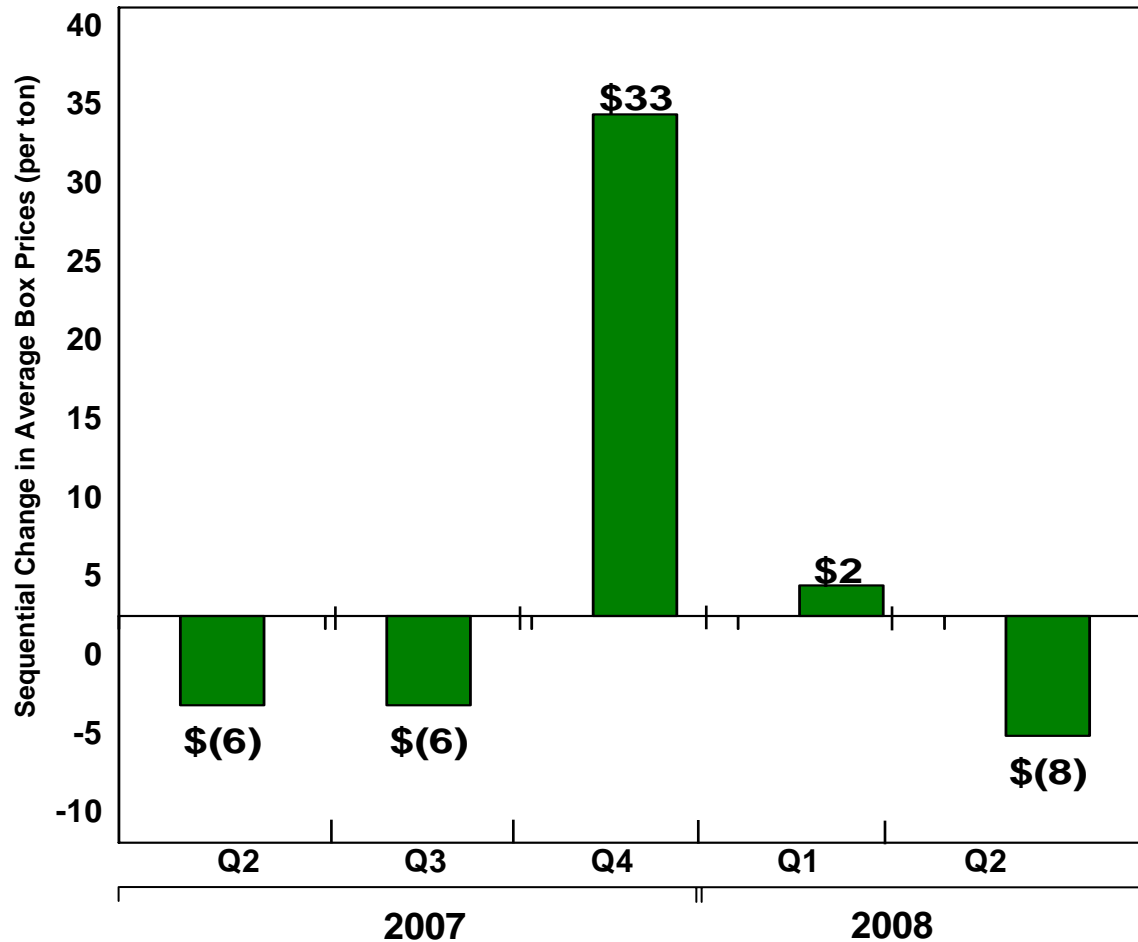


2008



Corrugated Packaging Segment

TIN Average Box Price *

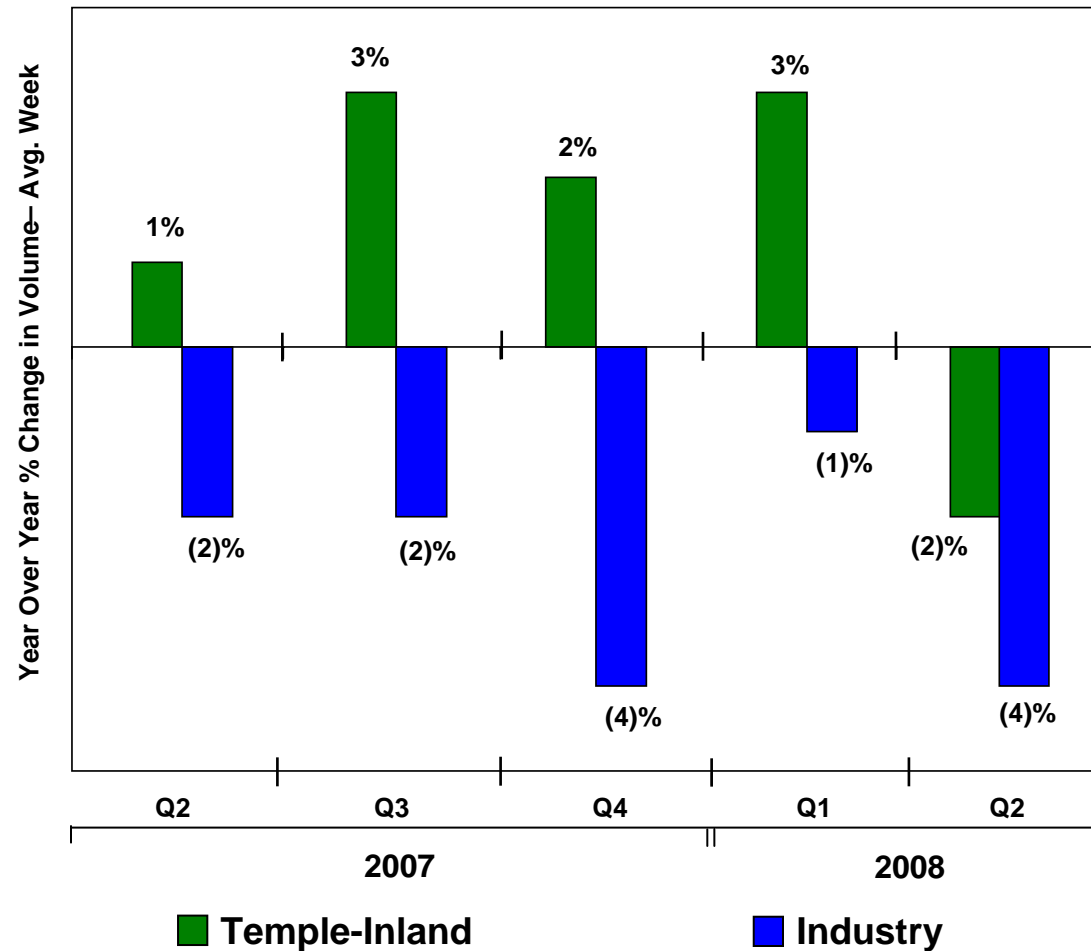


* Average box price realization includes the impact of mix of business

Corrugated Packaging Segment

Box Shipments

Quarterly



Source: Fibre Box Association

Corrugated Packaging Segment

- **3rd Quarter 2008 Outlook**
 - Box price realization
 - Box plant transformation
 - Input cost inflation
 - Lower seasonal volume

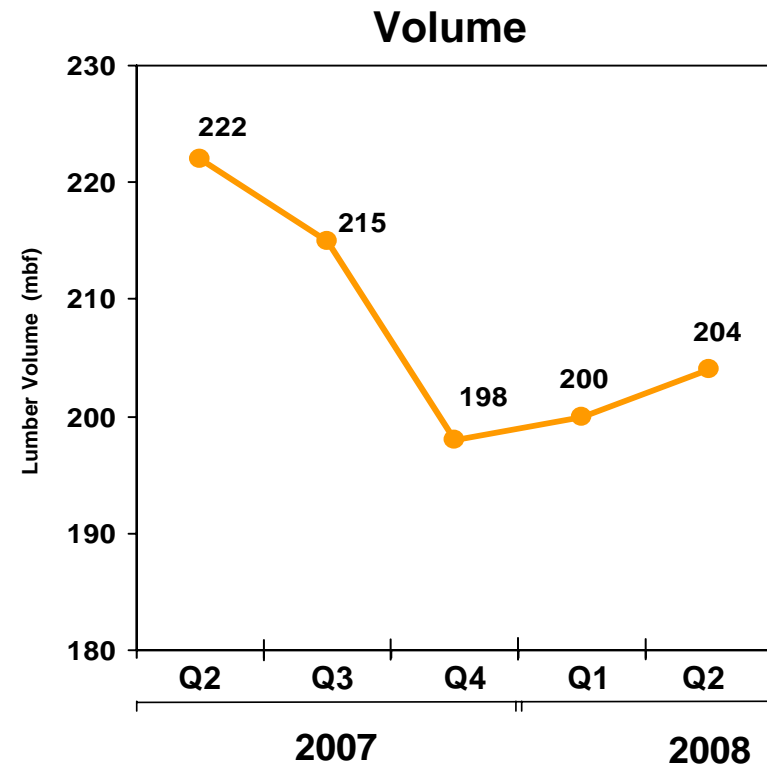
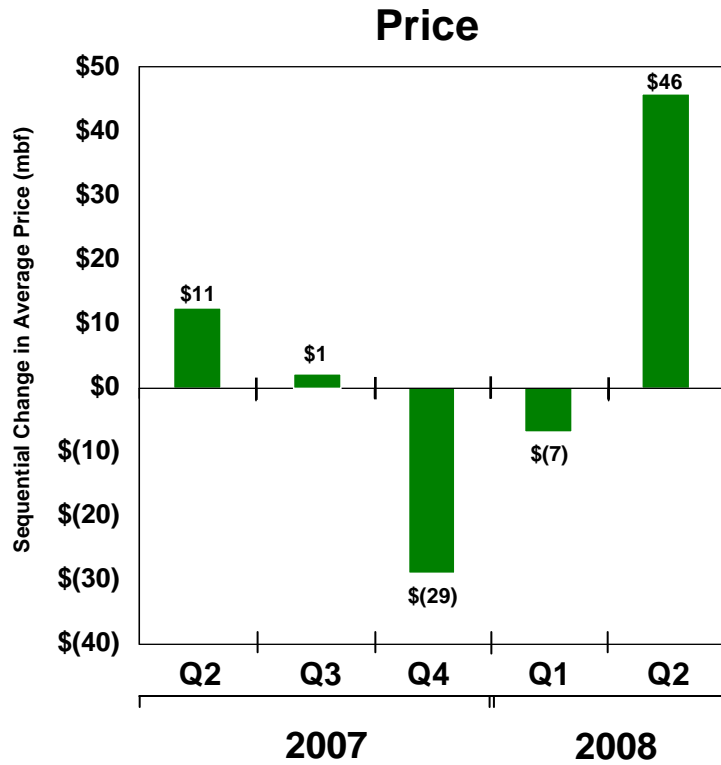
Building Products Segment

(\$ in Millions)

	<u>Q2</u> <u>2008</u>	<u>Q2</u> <u>2007</u>	<u>Q1</u> <u>2008</u>
Revenues	\$ 193	\$ 224	\$ 168
Costs and expenses	<u>192</u>	<u>213</u>	<u>189</u>
Segment operating income (loss)	\$ 1	\$ 11	\$ (21)

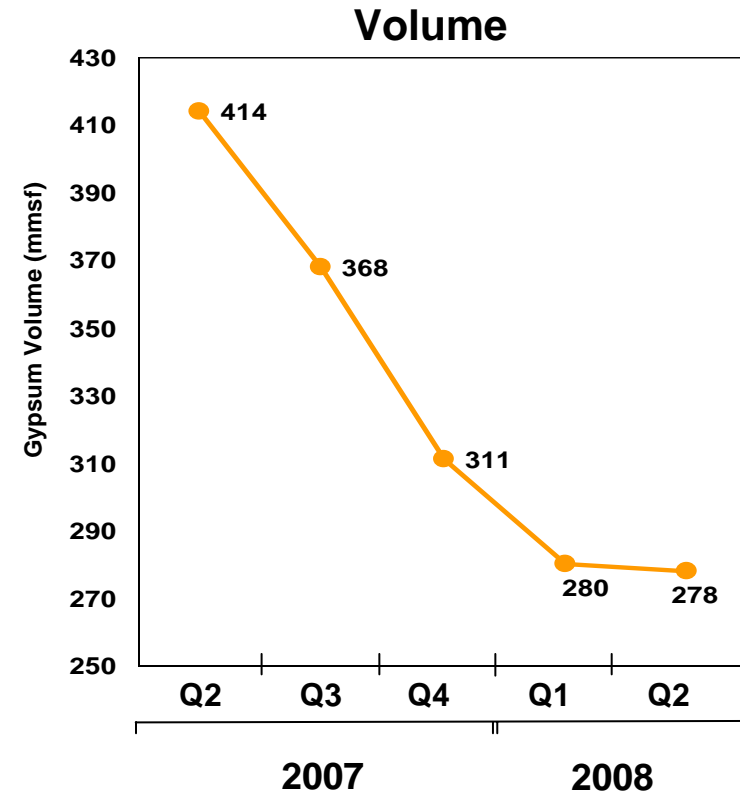
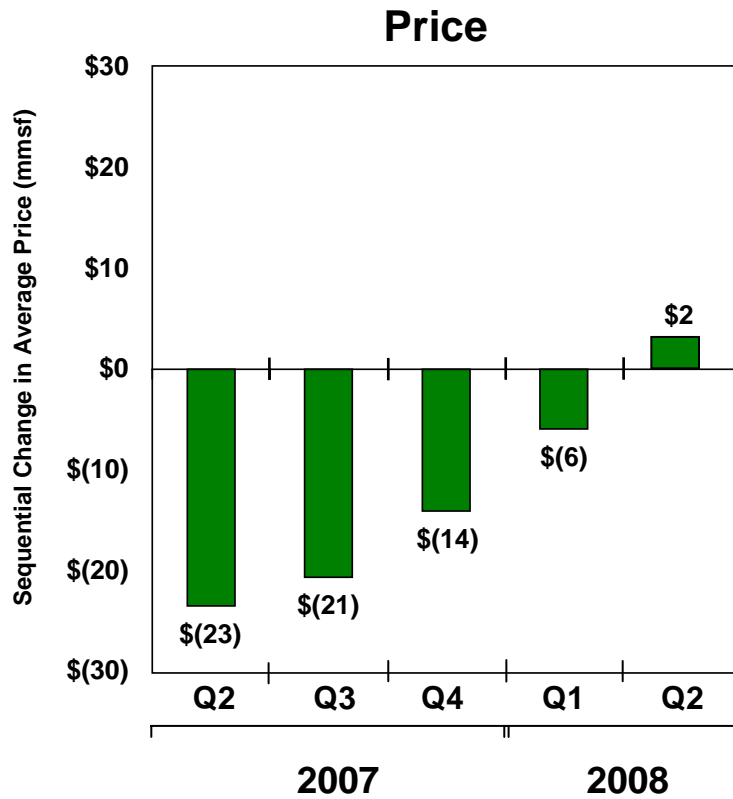
Building Products Segment

Lumber



Building Products Segment

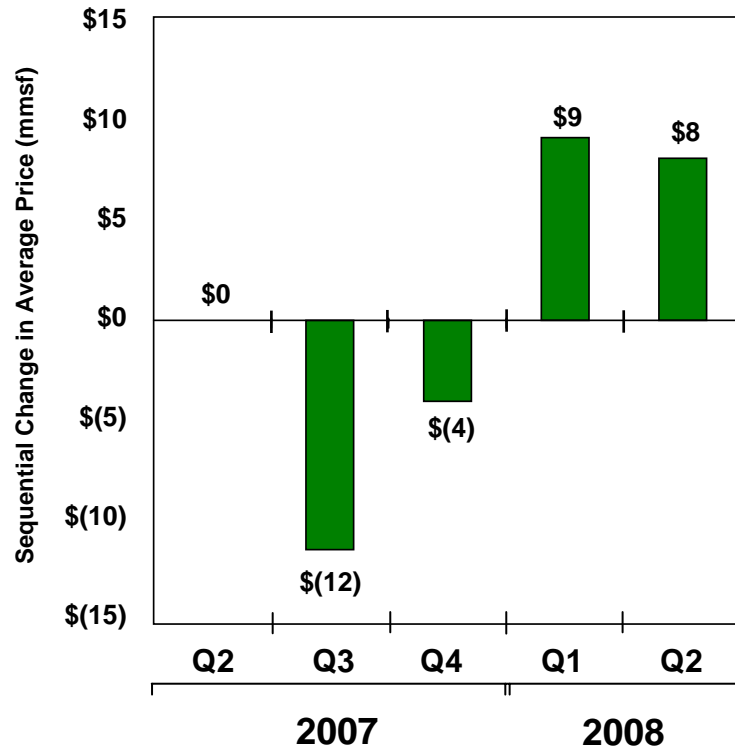
Gypsum



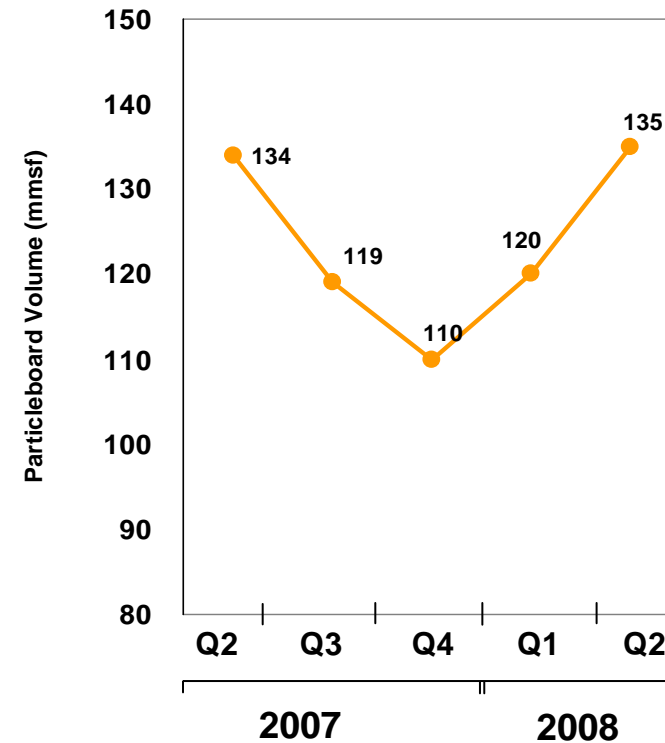
Building Products Segment

Particleboard

Price



Volume



Building Products Segment

- **3rd Quarter 2008 Outlook**
 - Match production to demand
 - Focus on cost
 - Price increase on gypsum

Premier Boxboard Limited

- **Acquired remaining 50% interest in PBL**
- **Mill**
 - Well-invested, low-cost mill
 - 50% lightweight gypsum facing paper, 50% containerboard
 - Long-term energy agreement
 - Good location
- **Attractive valuation**
- **Synergies**
- **Consistent with key objectives**

Financial Highlights

- **Additional financial information included in earnings release**
 - Balance sheet
 - Cash flow
- **General and administrative expenses YTD down 19% vs. year ago**
- **Net debt up \$9MM from 1Q-end**
- **Unused borrowing capacity \$836MM 2Q-end (not limited)**
- **Cash provided by operations (excluding working capital) \$57MM in 2Q and \$76MM YTD**
- **PBL**



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