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Earnings Presentation | First Quarter 2018

Forward-Looking Statements

Certain statements in these slides and made during this presentation may be considered forward-looking statements. Words such as “expects”, “anticipates”, “continues to believe”, “estimates” and similar expressions identify forward-looking statements. The forward-looking statements include, but are not limited to, EBITDA growth. These statements reflect management’s current views and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these statements. Factors which could cause actual results to differ include but are not limited to: (i) the level of our indebtedness and changes in interest rates; (ii) industry conditions, including but not limited to changes in the cost or availability of raw materials, energy and transportation costs, competition we face, cyclicalities and changes in consumer preferences, demand and pricing for our products; (iii) global economic conditions and political changes, including but not limited to the impairment of financial institutions, changes in currency exchange rates, credit ratings issued by recognized credit rating organizations, the amount of our future pension funding obligation, changes in tax laws and pension and health care costs; (iv) unanticipated expenditures related to the cost of compliance with existing and new environmental and other governmental regulations and to actual or potential litigation; (v) whether we experience a material disruption at one of our manufacturing facilities; (vi) risks inherent in conducting business through joint ventures; (vii) our ability to achieve the benefits we expect from strategic acquisitions, divestitures and restructurings, (viii) International Paper announcing its firm intention to make an offer for Smurfit Kappa; (ix) the willingness of the Smurfit Kappa Board to recommend a transaction with International Paper, and (x) other factors that can be found in International Paper’s press releases and U.S. Securities and Exchange Commission (the “SEC”) filings. These and other factors that could cause or contribute to actual results differing materially from such forward-looking statements are discussed in greater detail in the Company’s SEC filings. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Statements Relating to Non-GAAP Measures

During the course of this presentation, certain non U.S. GAAP financial measures will be presented, such as Adjusted Operating EPS, Adjusted EBIT, Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow and Adjusted ROIC.

A reconciliation of all presented non-GAAP measures (and their components) to U.S. GAAP financial measures is available on the company's website at internationalpaper.com under Performance/Investors.



Ilim JV and Graphic Packaging Investment Information

All financial information and statistical measures regarding our 50/50 Ilim joint venture in Russia (“Ilim”) and our 20.5% ownership interest in a subsidiary of Graphic Packaging Holding Company, other than historical International Paper Equity Earnings and dividends received by International Paper, have been prepared by the management of Ilim and Graphic Packaging Holding Company, respectively. Any projected financial information and statistical measures reflect the current views of Ilim and Graphic Packaging Holding Company management and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such projections. See “Forward-Looking Statements.”



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Smurfit Kappa Group plc is a company subject to the jurisdiction of the Irish Takeover Panel Act, 1997, Takeover Rules 2013 ("Irish Takeover Rules"). Under the Irish Takeover Rules, the management of International Paper Company is prohibited from discussing any material information or significant new opinions which have not been publicly announced. Any person interested in securities of Smurfit Kappa or International Paper is encouraged to consult their professional advisers.

Statements required by the Irish Takeover Rules

The Directors of International Paper accept responsibility for the information contained in this presentation. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this presentation for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

No Profit Forecast / Asset Valuation

To the extent that the quarterly results and/or any expectations and/or guidance contained, referred to or summarized in this presentation constitute a profit forecast for the purposes of Rule 28 of the Irish Takeover Rules, such results and/or guidance will (unless the Irish Takeover Panel consents otherwise) be reported on in accordance with that rule at the appropriate time, to the extent required under the Irish Takeover Rules. Except as described in the previous sentence, no statement in this presentation is intended to constitute a profit forecast for any period, nor should any statements be interpreted to mean that profits or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for International Paper or Smurfit Kappa as appropriate. No statement in this presentation constitutes an asset valuation.

Disclosure requirements of the Irish Takeover Rules

Under the provisions of Rule 8.3 of the Irish Takeover Rules, if any person is, or becomes, "interested" (directly or indirectly) in, 1% or more of any class of "relevant securities" of Smurfit Kappa or International Paper, all "dealings" in any "relevant securities" of Smurfit Kappa or International Paper (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30pm (Irish/UK time) in respect of "relevant securities" of Smurfit Kappa and 3.30pm (New York time) in respect of "relevant securities" of International Paper on the "business" day following the date of the relevant transaction. This requirement will continue until the "offer period" ends. If two or more persons co-operate on the basis of any agreement, either express or tacit, either oral or written, to acquire an "interest" in "relevant securities" of Smurfit Kappa or International Paper, they will be deemed to be a single person for the purposes of Rule 8.3 of the Irish Takeover Rules.

Under the provisions of Rule 8.1 of the Irish Takeover Rules, all "dealings" in "relevant securities" of Smurfit Kappa by International Paper or "relevant securities" of International Paper by Smurfit Kappa, or by any party "acting in concert" with either of them, must also be disclosed by no later than 12 noon (Irish/UK time) in respect of "relevant securities" of Smurfit Kappa and 12 noon (New York time) in respect of "relevant securities" of International Paper on the "business" day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, can be found on the Irish Takeover Panel's website at www.irishtakeoverpanel.ie.

"Interests in securities" arise, in summary, when a person has a long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to securities.

Terms in quotation marks are defined in the Irish Takeover Rules, which can also be found on the Irish Takeover Panel's website. If you are in any doubt as to whether or not you are required to disclose dealings under Rule 8, please consult the Irish Takeover Panel's website at www.irishtakeoverpanel.ie or contact the Irish Takeover Panel by telephone on +353 1 678 9020.

Merger benefit statement

No statement in this presentation constitutes an estimate of the anticipated financial effects of an acquisition of Smurfit Kappa, whether for Smurfit Kappa or International Paper.

Publication on website

Pursuant to Rule 19.9 of the Irish Takeover Rules, this presentation will be made available (including to International Paper's employees) on International Paper's website (<http://www.internationalpaper.com/investor-relations/Smurfit-Kappa-Proposal>).

Neither the contents of International Paper's website, nor the contents of any other website accessible from hyperlinks on such websites, is incorporated herein or forms part of this presentation.

Important Additional Information

In connection with a potential acquisition by International Paper of Smurfit Kappa that is carried out by way of a scheme of arrangement ("Scheme"), the new International Paper shares to be issued to Smurfit Kappa shareholders under the terms of the Scheme have not been, and will not be, registered under the U.S. Securities Act of 1933 or under the securities laws of any state, district or other jurisdiction of the United States. It is expected that the new International Paper shares would be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act of 1933 provided by Section 3(a)(10) thereof. Nothing in this presentation should be construed as meaning that the potential acquisition will be carried out by a scheme of arrangement, or at all.

In the event that a Scheme does not qualify (or International Paper otherwise elects pursuant to its right to proceed with the transaction in a manner that does not qualify) for an exemption from the registration requirements of the U.S. Securities Act of 1933, International Paper would expect to register the offer and sale of the securities it would issue to Smurfit Kappa's shareholders by filing with the SEC a registration statement on Form S-4 (the "Registration Statement"), which would contain the Prospectus, as well as other relevant materials (the "Tender Offer Documents"). No such materials have yet been filed. This communication is not a substitute for any Registration Statement or Prospectus that International Paper may file with the SEC.

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE TENDER OFFER DOCUMENTS AND ALL OTHER RELEVANT DOCUMENTS THAT INTERNATIONAL PAPER OR SMURFIT KAPPA HAS FILED OR MAY FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION THAT INVESTORS AND SECURITY HOLDERS SHOULD CONSIDER BEFORE MAKING ANY DECISION REGARDING THE PROPOSED ACQUISITION.

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First Quarter 2018 Results

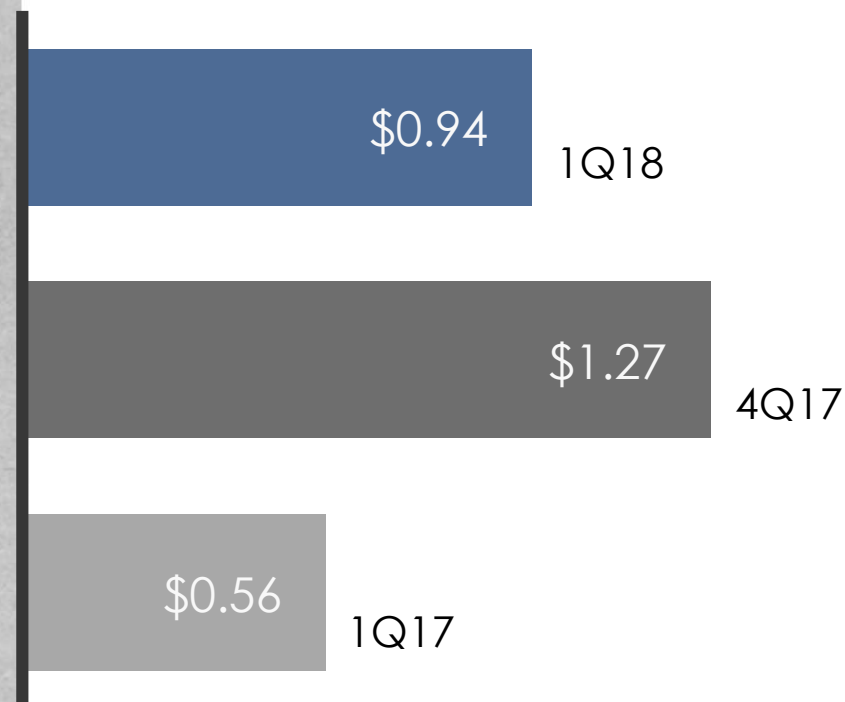
- Strong global demand with solid market fundamentals
- Continued domestic and export price realization from recent initiatives across all three businesses
- Good execution managing through weather disruptions and other unusual events / ~\$(50)MM cost impact
- Progress on customer segment growth initiatives, commercial excellence and innovative products
- Completed heavy planned maintenance outage quarter of 2018
- ILIM JV delivered record financial performance of \$92MM in equity earnings

See footnotes beginning on Slide 22

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Adjusted Operating EPS¹



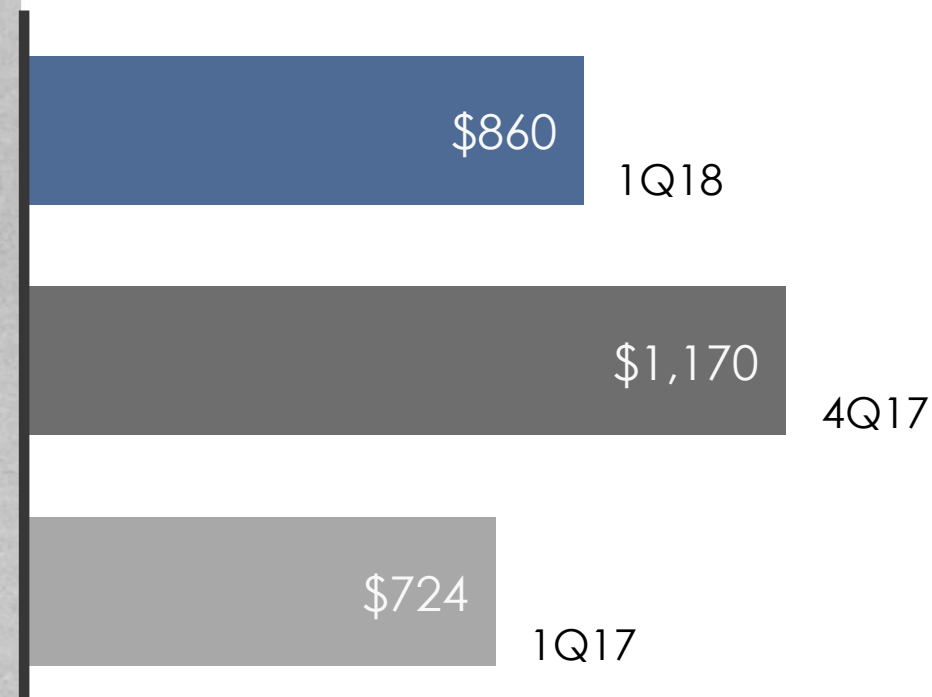
First Quarter 2018 Financials



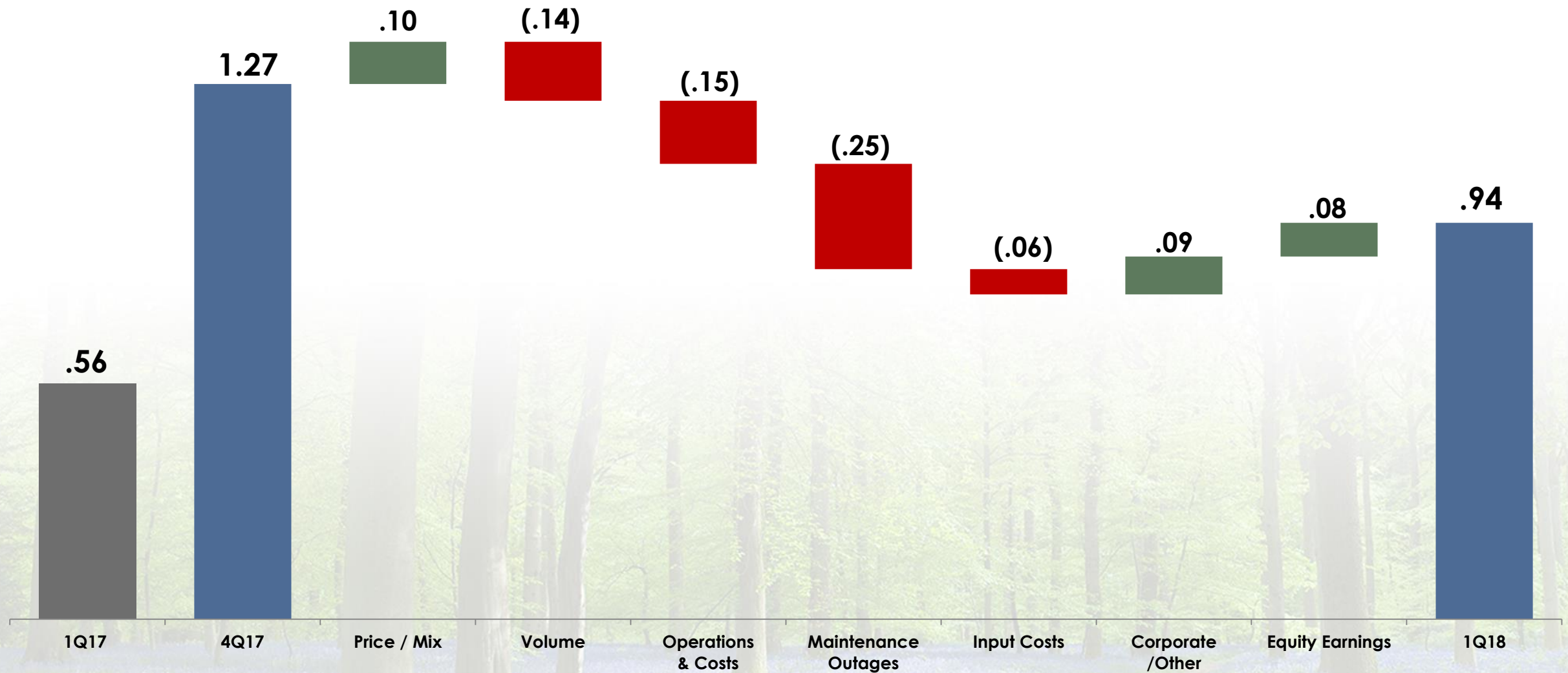
	1Q17	4Q17	1Q18
Sales (\$B)	\$5.1	\$5.7	\$5.6
Adjusted EBIT ¹ (\$MM)	\$404	\$831	\$535
Adjusted Operating EPS ²	\$0.56	\$1.27	\$0.94
Ilm F/X ³ impact to Operating EPS	\$0.06	\$0.01	\$0.00
Adjusted EBITDA ¹ (\$MM)	\$724	\$1,170	\$860
Adjusted EBITDA Margin ¹	14.1%	20.5%	15.3%
Equity Earnings (\$MM)	\$48	\$64	\$95
Free Cash Flow ⁴ (\$MM)	\$259	\$732	\$174

See footnotes beginning on Slide 22

Adjusted EBITDA¹
(\$MM)

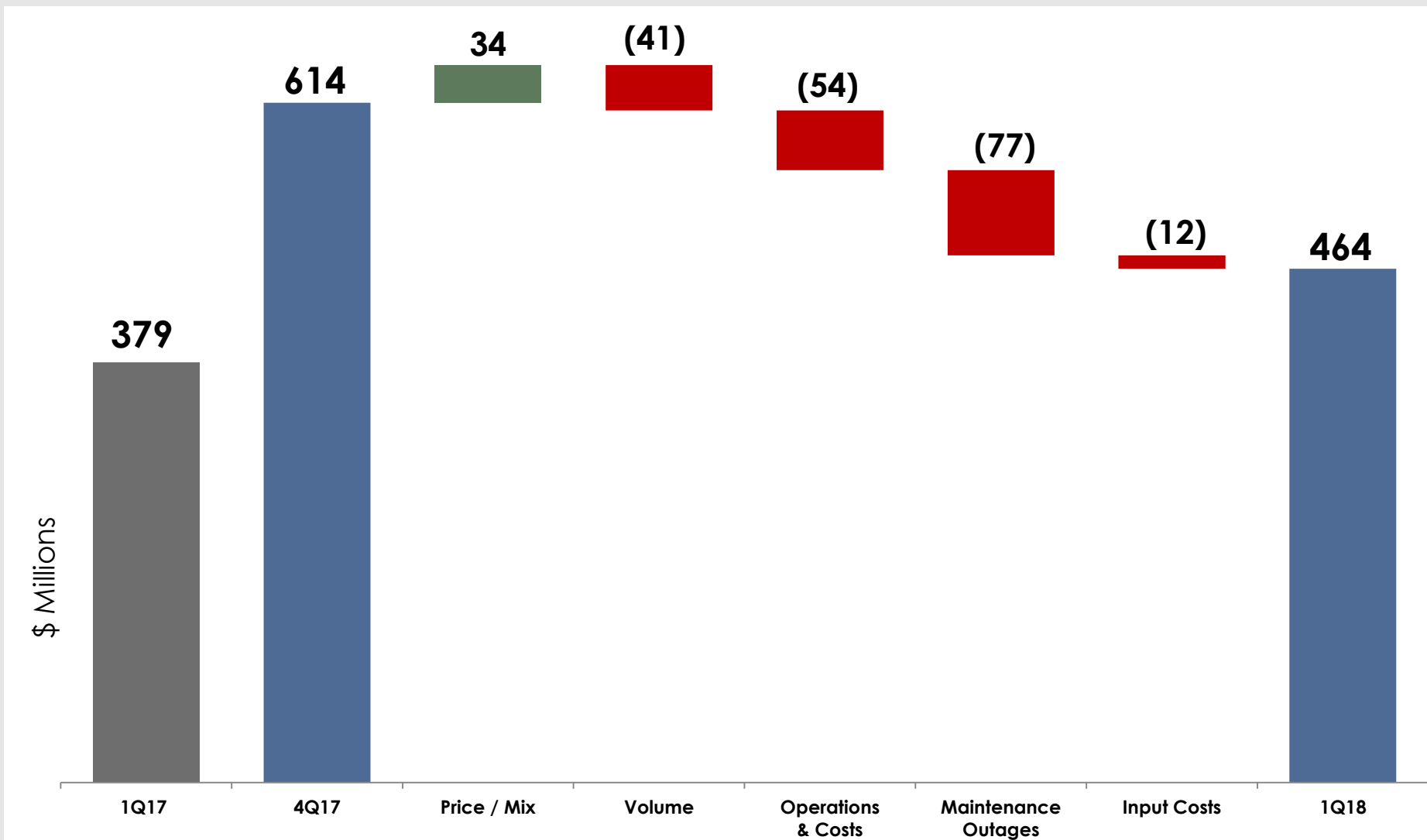


1Q18 vs. 4Q17 Adjusted Operating EPS¹



See footnotes beginning on Slide 22

Industrial Packaging | 1Q18 vs. 4Q17 Adjusted EBIT¹



See footnotes beginning on Slide 22



Strong global CBD demand driving higher export prices

Seasonally softer box volume

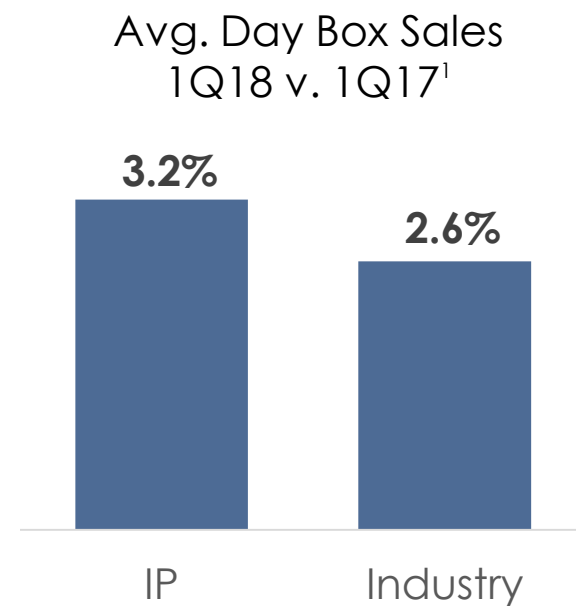
Cost pressure from weather \$(20)MM and unusual events \$(11)MM

Heavy planned outages

Energy, wood and freight offset lower OCC

Well-Positioned to Capture N.A. Corrugated Growth

Customer Segment	Industry	IP
Food & Beverage	~50%	Overweight
	Processed Food	
	Fresh Produce	✓
	Protein (Meat & Poultry)	✓
	Beverage	
Durable Goods & Distribution	~20%	Overweight
	E-commerce / Shipping	✓
	Building Materials	
	Other Durables	
Non-Durable Goods	~30%	Underweight
	Paper Products	
	Chemicals & Pharma	✓
	Other Non-Durables	



See footnotes beginning on Slide 22

✓ Fastest growth

Innovating to Support Secular Trends and Key Segments

Secular Growth Drivers

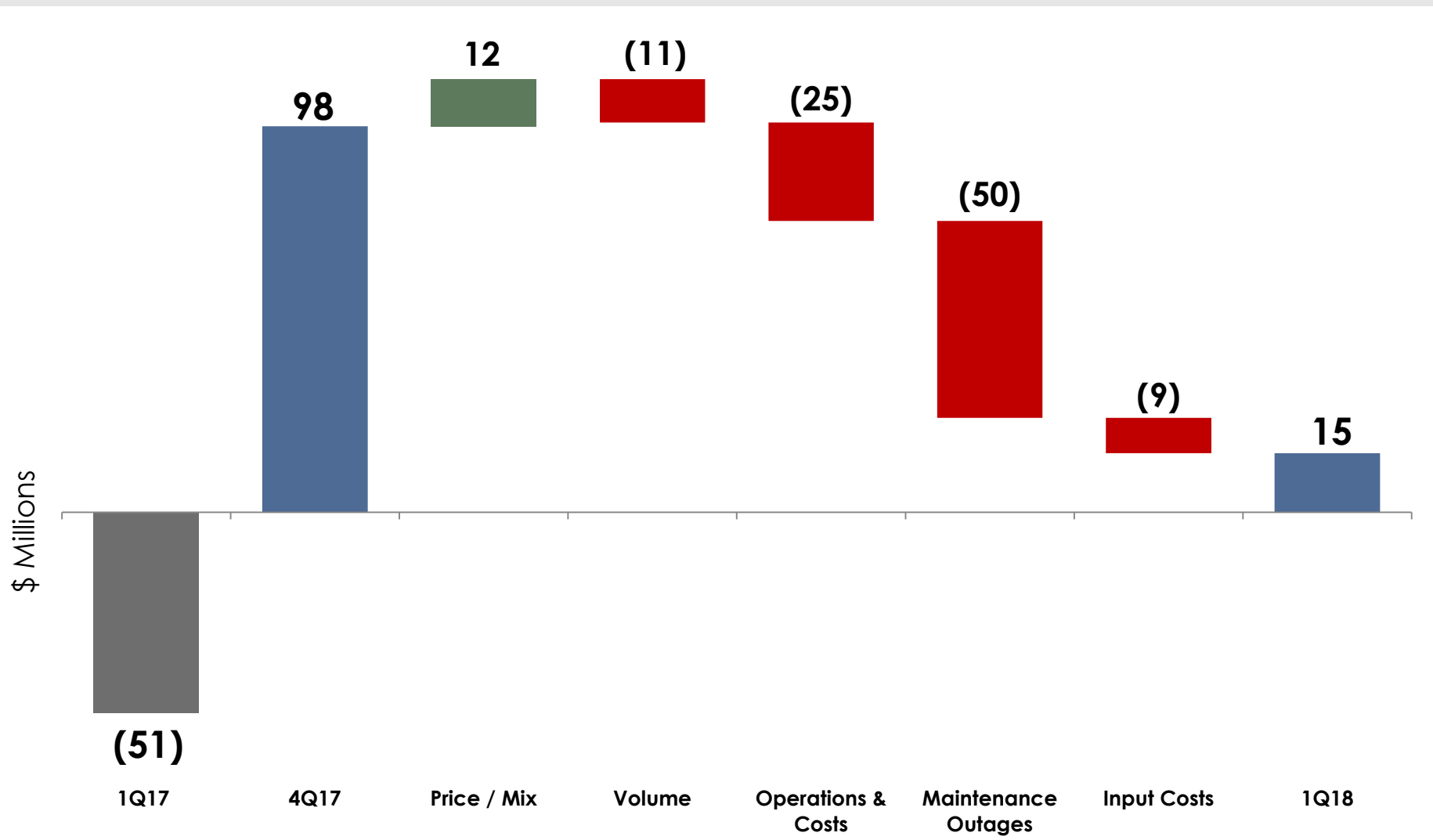
- Corrugated as sustainable solution
- E-commerce as key retail channel
- Consumer fresh food consumption
- Discount retailers

Key Corrugated Segments

- E-commerce
- Protein (meat & poultry)
- Fresh fruits & vegetables
- Shelf-ready retail & displays



Global Cellulose Fibers | 1Q18 vs. 4Q17 Adjusted EBIT¹



See footnotes beginning on Slide 22



- Robust global pulp demand
- Continued price realization in both fluff and commodity
- Record 1Q shipments of Fluff & Specialties
- Weather disruptions impacted quarter by \$(12)MM
- Heavy planned outages

Global Cellulose Fibers

Creating Value by Understanding and Addressing Customer Needs

Standard

Elegance™



Elegance™

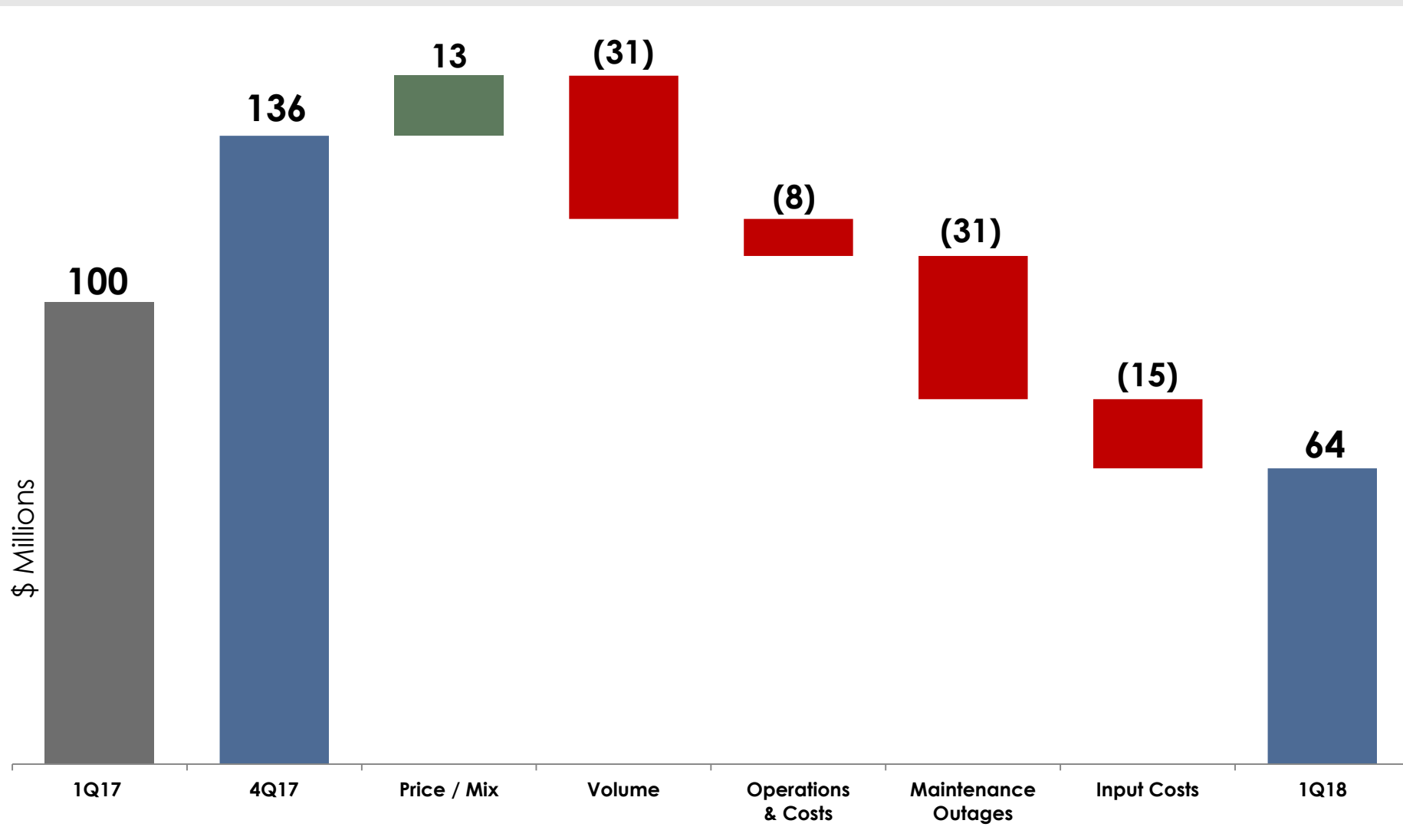
Thin and discreet with high performance absorbency

- 38% Thinner
- 36% Softer
- Packaging Savings
- Shelf Space Optimization



Total Capacity	~3.6MM MTPY	Current Mix	Target Mix
Fluff Pulp & Specialties	~2.7MM	75%	85%
Market Pulp	~0.9MM	25%	15%

Printing Papers | 1Q18 vs. 4Q17 Adjusted EBIT¹



See footnotes beginning on Slide 22



Solid global fundamentals
Higher prices across all domestic and export markets
Lower seasonal demand primarily in Brazil
Continued freight cost escalation in North America
Heavy planned outages

ILIM Joint Venture | 1Q18 vs. 4Q17

\$ Million	1Q17	4Q17	1Q18
Sales Volume (thousand metric tonnes)	679	843	800
Sales	\$449	\$632	\$677
EBITDA	\$191	\$236	\$293
F/X (Impact of USD Net Debt) ¹	\$58	\$7	\$(1)
Adj. Operational EBITDA ²	\$133	\$229	\$294
IP Equity Earnings (Loss) ³	\$50	\$64	\$92

See footnotes beginning on Slide 22



Record operational EBITDA

Normal seasonal demand

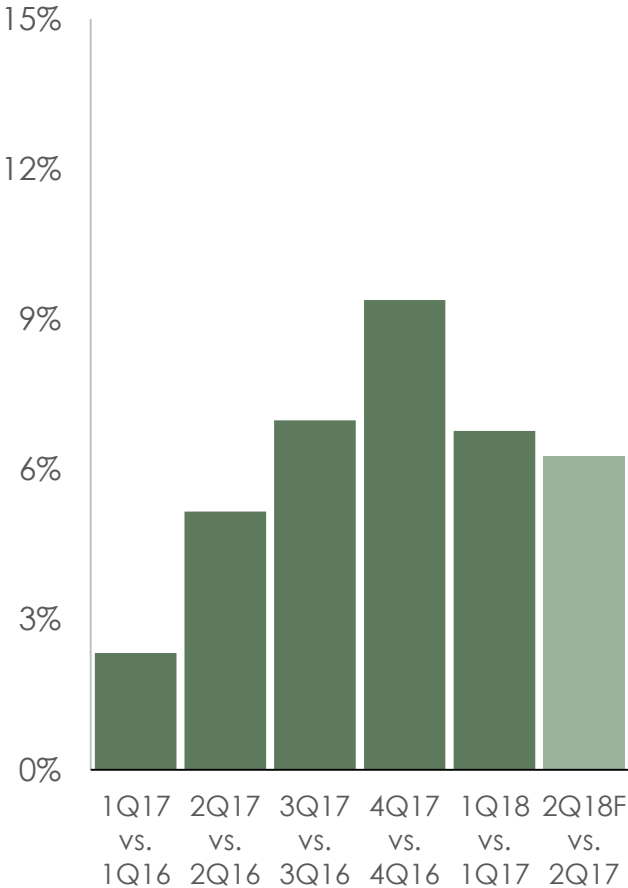
Higher pricing across all product lines

F/X impact negligible

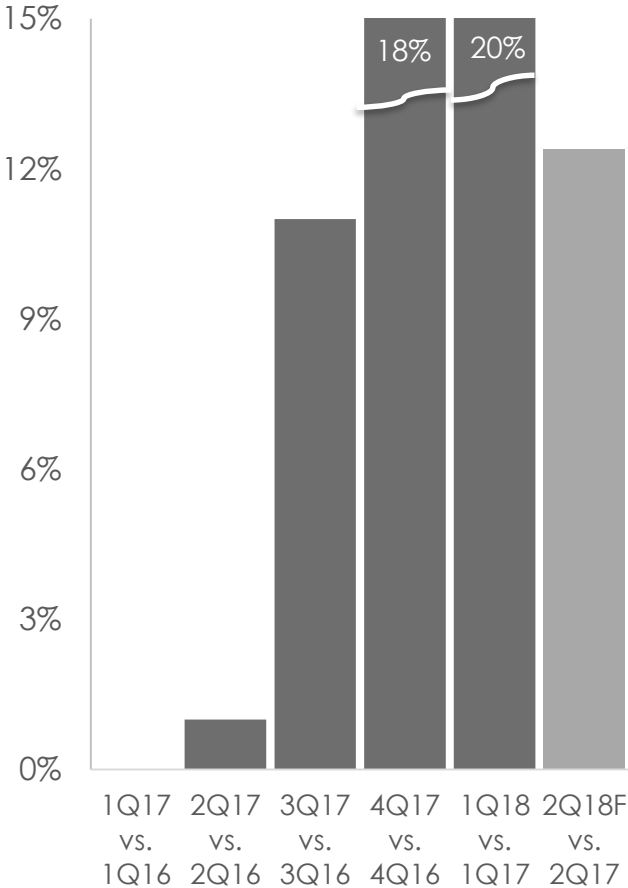
IP received \$116MM in cash dividends in quarter

Strong, Sustainable Revenue Growth Across All Segments¹

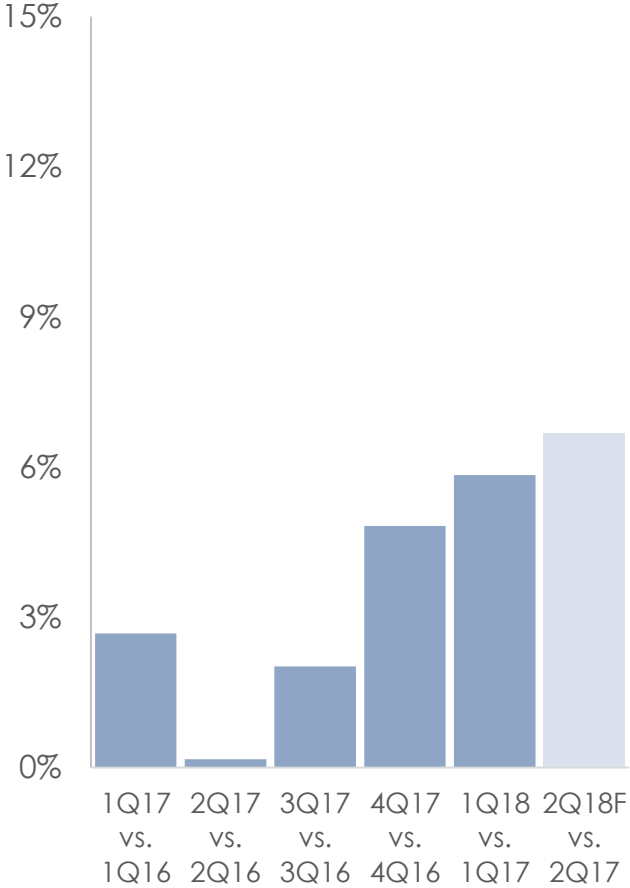
Industrial Packaging



Global Cellulose Fibers^{2,3}



Printing Papers



See footnotes beginning on Slide 22

Second Quarter Outlook | Changes from 1Q18

	Industrial Packaging 	Cellulose Fibers 	Printing Paper 
Price & Mix	Price realization	Price realization and mix improvement	Price realization and mix improvement
Volume	Seasonally strong	Sequentially flat	Seasonal uptick
Ops & Costs	Non-repeat of weather issues	Non-repeat of weather issues	Non-repeat of weather issues
Maintenance Outages	~\$11MM Higher	~\$26MM Lower	~\$11MM Higher
Inputs & Freight	Lower OCC	Stable	Stable
Equity Earnings	- Equity Earnings from Ilim JV 2Q18 forecast ~\$80MM-\$90MM - Equity Earnings from 20.5% ownership interest in GPI, less purchase accounting adjustments		
Other	- Corporate expense of ~\$30MM - Interest expense in line with full-year outlook of ~\$525MM-\$550MM - Effective tax rate in line with full-year outlook of 25-27%		

Key Takeaways & Outlook



Clear line of sight to full-year 10%+ EBITDA growth

Market Fundamentals

- Robust global demand across core businesses
- High mill operating rates

Earnings Runway

- Packaging and pulp volume
- Price flow-through from 2017 increases
- Recent price increase realization (all businesses)
- Product and segment mix optimization
- Non-price cost reduction projects & initiatives

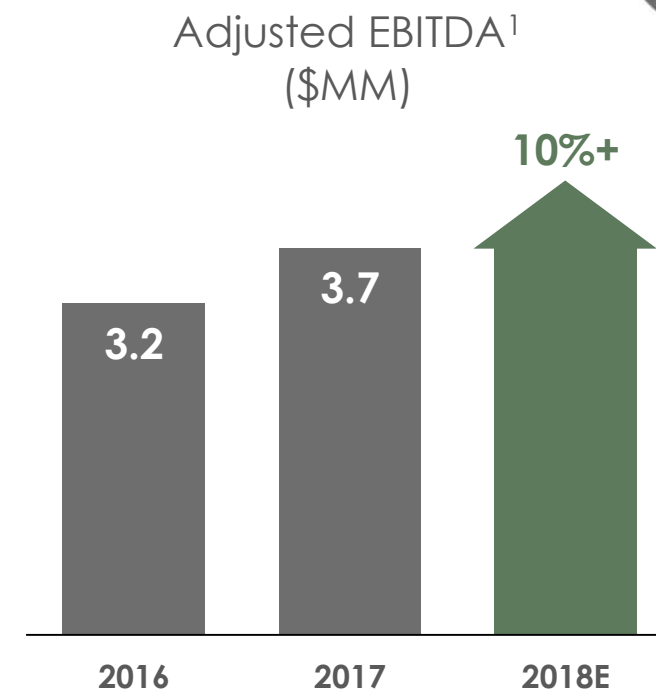
Near-term Catalysts

- Madrid Recycled CB Mill start-up (late 2Q18)
- Commercial excellence and product innovation
- Industrial Packaging mill capacity enhancements
- Cellulose Fiber post-synergy optimization

Cash Generation

- Strong and sustainable free cash flow

See footnotes beginning on Slide 22



Appendix | Contact Information

Guillermo Gutierrez

Vice President, Investor Relations

+1-901-419-1731

guillermo.gutierrez@ipaper.com

Michele Vargas

Director, Investor Relations

+1-901-419-7287

michele.vargas@ipaper.com

Betty Groom

Financial & Administrative Assistant

+1-901-419-4250

betty.groom@ipaper.com

Footnotes

Slide 8

¹ Adjusted operating EPS based on Adjusted Operating Earnings (defined as Net Earnings (GAAP) from continuing operations before special items and non-operating pension expense)

Slide 9

All financials, with the exception of Free Cash Flow, have been restated to reflect N.A. Consumer Packaging as a Discontinued Operation from 2013 onward

¹ From continuing operations before special items and non-operating pension expense

² Adjusted operating EPS based on Adjusted Operating Earnings (defined as Net Earnings (GAAP) from continuing operations before special items and non-operating pension expense)

³ Represents F/X impact including that related to Ilim JV USD-denominated net debt (balance of ~\$1.0B as of March 31, 2018)

⁴ See slide #26 for a reconciliation of cash provided by operations to Free Cash Flow

Slide 10

¹ Adjusted operating EPS based on Adjusted Operating Earnings (defined as Net Earnings (GAAP) from continuing operations before special items and non-operating pension expense)

Slide 11

¹ Segment adjusted operating profit before special items

Includes European Coated Paperboard adjusted operating profit of \$18MM and \$20MM for 4Q17 and 1Q18, respectively

Slide 12

¹ FBA, IP Analysis; Daily Growth rate year-over-year IP vs. industry, FBA Basis

Slide 14

¹ Segment adjusted operating profit before special items

Slide 16

¹ Segment adjusted operating profit before special items

Slide 17

Ilim JV results are on U.S. GAAP basis

¹ Represents F/X impact including amounts related to Ilim JV USD-denominated net debt (balance of ~\$1.0B as of March 31, 2018); Ilim Group's functional currency is the Ruble (RUB); Non-functional-denominated currency balances are measured monthly using the month-end exchange rate

² Before F/X impact including USD-denominated net debt

³ IP Equity Earnings (Loss) for 1Q17, 4Q17 and 1Q18 include after-tax F/X gains (losses) (primarily on USD-denominated net debt) of \$23MM, \$3MM and \$0MM, respectively

⁴ At March 31, 2018 RUB/USD exchange rate

Footnotes

Slide 18

¹ Revenue growth represents the realization of previous price increases and general assumptions related to volume and mix

² Reflects all pulp grades

³ Revenue for 2016 Cellulose Fibers is on a pro-forma basis

Slide 20

¹ From continuing operations before special items and non-operating pension expense

Slide 25

¹ Excludes special items

Slide 31

¹ Excludes special item of \$1MM related to interest income for 4Q17

² Includes non-cash settlement charge before tax of \$376MM

³ Excludes special items (Non-GAAP)

⁴ Includes Ilim Joint Venture and Investment in Graphic Packaging (beginning Q1 2018) and other investments

Slide 32

Does not reflect total company sales

¹ Excludes special items (Non-GAAP)

Slide 33

¹ A reconciliation to GAAP EPS is available at www.internationalpaper.com under the Performance tab, Investors section

Slide 34

¹ Adjusted operating EPS based on Adjusted Operating Earnings (defined as Net Earnings (GAAP) from continuing operations before special items and non-operating pension expense)

Slide 35

¹ Segment adjusted operating profit before special items

Includes European Coated Paperboard adjusted operating profit of \$19MM and \$20MM for 1Q17 and 1Q18, respectively

Slide 36

¹ Segment adjusted operating profit before special items

Slide 37

¹ Segment adjusted operating profit before special items



Weather and Unusual Events | Quarterly Impact by Business

\$ Million			Industrial Packaging	Global Cellulose Fibers	Printing Papers
Weather (1Q18)			Severe cold: \$(12) Mansfield rain: <u>\$(8)</u> Total: \$(20)	Severe cold: \$(12)	Severe cold: \$(5)
Vicksburg natural gas supply			1Q18: \$(4) 2Q18E: \$(3)		
Springfield downtime (1Q18)			\$(7)		
Kwidzyn fire					1Q18: \$(3) 2Q18E: \$(11)
Total	1Q18: \$(51) 2Q18E: \$(14)		1Q18: \$(31) 2Q18E: \$(3)	1Q18: \$(12) 2Q18E: \$0	1Q18: \$(8) 2Q18E: \$(11)

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Key Financial Metrics

\$ Million (Except as noted)		2016	2017	2018F
Maintenance Outage Expense		\$412	\$426	\$555
Capex	Maintenance & Regulatory	\$0.8B	\$0.9B	\$0.9B
	Cost Reduction	\$0.1B	\$0.1B	\$0.1B
	Strategic	\$0.4B	\$0.4B	\$0.5B
Depreciation & Amortization		\$1.1B	\$1.3B ¹	~\$1.35B
Net Interest Expense		\$520	\$577 ¹	~\$525-550
Corporate Expense		\$121	\$91	~\$100
Effective Tax Rate		32%	30%	~26%

See footnotes beginning on Slide 22



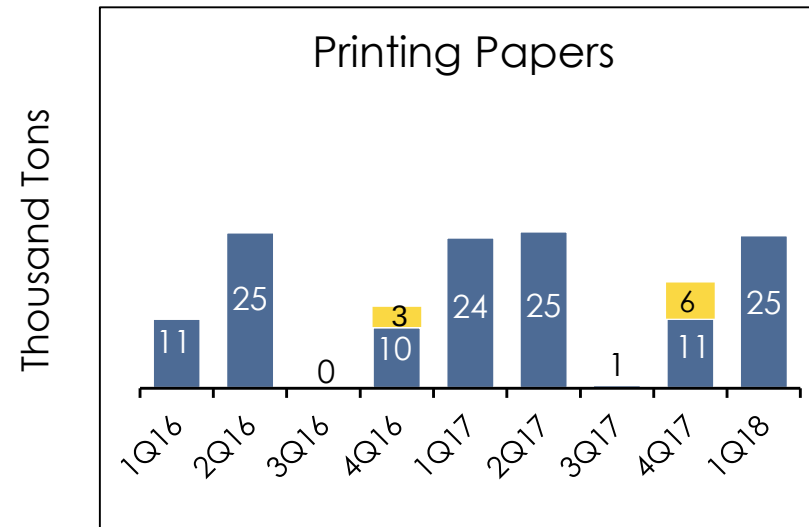
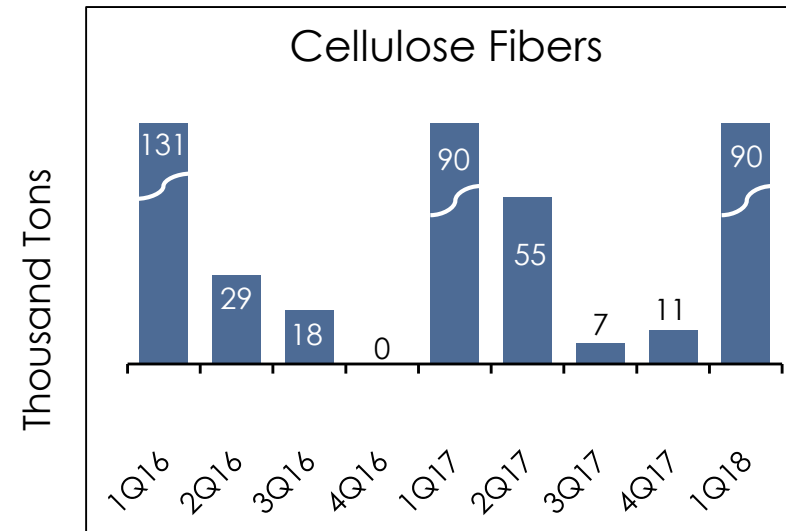
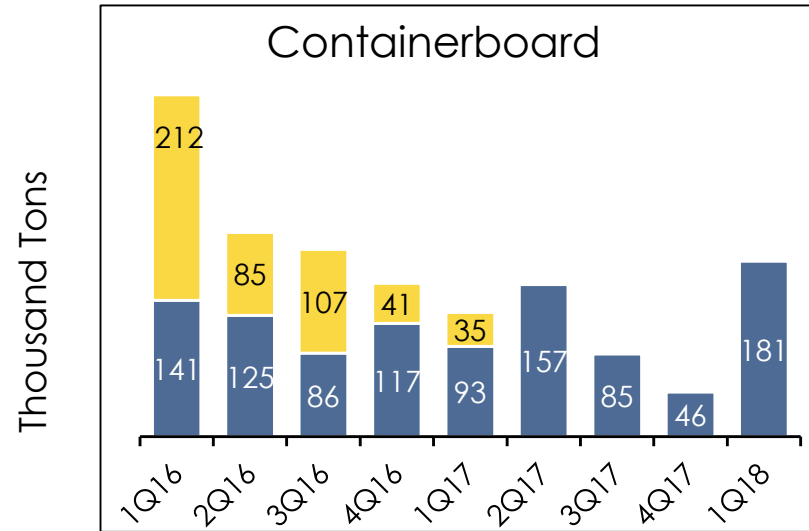
Free Cash Flow

\$ Million	2015	2016	1Q17	4Q17	2017	1Q18
Cash Provided by Operations	\$2,580	\$2,478	\$633	\$1,188	\$1,757	\$663
Cash Invested in Capital Projects	\$(1,487)	\$(1,348)	\$(374)	\$(456)	\$(1,391)	\$(489)
Cash Contribution to Pension Plan	\$750	\$750	-	-	\$1,250	-
Kleen Products Settlement	-	-	-	-	\$354	-
Free Cash Flow	\$1,843	\$1,880	\$259	\$732	\$1,970	\$174

Maintenance Outages Expenses | 2018 Forecast

	\$ Million	1Q18A	2Q18F	3Q18F	4Q18F	2018F
 Industrial Packaging		\$107	\$118	\$61	\$10	\$296
North America		102	112	61	10	285
Europe		1	0	0	0	1
Europe Coated Paperboard		4	3	0	0	7
Brazil		0	3	0	0	3
 Global Cellulose Fibers		\$63	\$37	\$40	\$18	\$158
North America		60	28	40	18	146
Europe		3	9	0	0	12
 Printing Papers		\$37	\$48	\$7	\$9	\$101
North America		26	28	5	9	68
Europe		8	17	0	0	25
Brazil		3	3	0	0	6
India		0	0	2	0	2
Total Impact		\$207	\$203	\$108	\$37	\$555

North American Downtime



■ Maintenance

■ Economic

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Special Items Before Tax | Continuing Operations

Special Items Pre-Tax (\$ Million)		1Q17	4Q17	1Q18
Industrial Packaging	EMEA Packaging Restructuring			\$(22)
	Holmen Acquisition Bargain Purchase Gain	\$6		
	Other	\$(1)	\$(5)	\$(5)
Global Cellulose Fibers	Pulp Business Acquisition	\$(4)	\$(18)	
	Pulp Business Inventory Step-up Amortization	\$(14)		
	Other	\$(1)	\$(1)	\$(4)
Corporate	Legal Settlement			\$(9)
	Debt Extinguishment		\$(83)	
	Interest Income on Income Tax Refund Claims		\$1	
Total Special Items Before Tax		\$(14)	\$(106)	\$(40)

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Special Items Net of Tax

	1Q18	
	\$ Million	EPS
Earnings Before Special Items	\$395	\$0.94
Special Items Net of Taxes:		
Legal Settlement	\$(7)	
EMEA Packaging Restructuring	\$(17)	
Other	\$(7)	
Total Special Items Net of Taxes	\$(31)	\$(0.07)
Non-Operating Pension Expense	\$(3)	\$(0.01)
Earnings from Continuing Operations	\$361	\$0.86

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Adj. Operating Profits by Industry Segment | Continuing Operations

\$ Million	1Q17	4Q17	1Q18
Earnings (Loss) From Continuing Operations Before Income Taxes and Equity Earnings	\$217	\$197	\$356
Interest Expense, Net	\$142	\$142 ¹	\$135
Noncontrolling Interest / Equity Earnings Adjustment	-	\$(1)	\$(1)
Corporate Items, Net	\$24	\$18	\$9
Special Items, Net	\$14	\$106	\$40
Non-Operating Pension Expense	\$31	\$386 ²	\$4
Adj. Operating Profit Before Special Items	\$428	\$848	\$543
Industrial Packaging ³	\$379	\$614	\$464
Global Cellulose Fibers ³	\$(51)	\$98	\$15
Printing Papers ³	\$100	\$136	\$64
Total Adj. Industry Segment Operating Profit³	\$428	\$848	\$543
Equity Earnings (Loss), net of taxes⁴	\$48	\$64	\$95

See footnotes beginning on Slide 22

Geographic Business Segment Operating Results | Quarterly

\$ Million	Sales			D & A		Adj. Operating Profit ¹	
	1Q17	4Q17	1Q18	1Q18	1Q17	4Q17	1Q18
 Industrial Packaging							
North America	\$3,155	\$3,455	\$3,369	\$174	\$362	\$610	\$464
Europe	\$317	\$343	\$362	\$9	\$8	(\$8)	(\$12)
Europe Coated Paperboard	\$78	\$90	\$92	\$4	\$19	\$18	\$20
Brazil	\$59	\$64	\$62	\$5	(\$10)	(\$6)	(\$8)
 Global Cellulose Fibers							
Global Cellulose Fibers	\$564	\$721	\$677	\$63	(\$51)	\$98	\$15
 Printing Papers							
North America	\$468	\$449	\$458	\$21	\$33	\$26	\$1
Europe	\$274	\$322	\$319	\$12	\$29	\$43	\$21
Brazil	\$214	\$287	\$229	\$27	\$39	\$66	\$40
India	\$48	\$50	\$52	\$8	(\$1)	\$1	\$2

See footnotes beginning on Slide 22

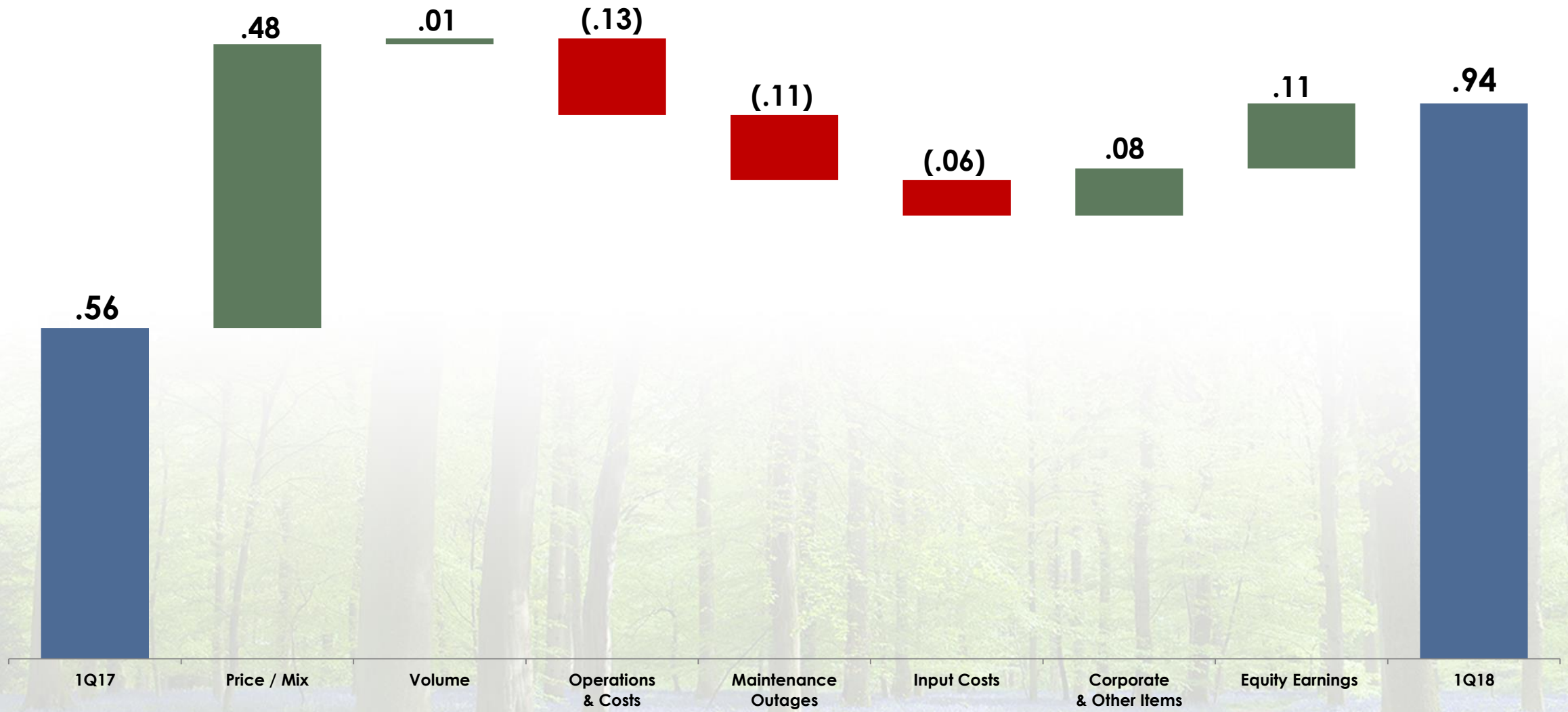
2018 Operating Earnings

	Pre-Tax \$MM	Tax \$MM	Non- controlling Interest \$MM	Equity Earnings	Net Income \$MM	Average Shares MM	Diluted EPS ¹
Net Earnings from Continuing Operations							
1Q18	\$356	\$(89)	\$(1)	\$95	\$361	418	\$0.86
Net Special Items							
1Q18	\$40	\$(9)	-	-	\$31	418	\$0.07
Non-Operating Pension Expense							
1Q18	\$4	\$(1)	-	-	\$3	418	\$0.01
Adj. Operating Earnings							
1Q18	\$400	\$(99)	\$(1)	\$95	\$395	418	\$0.94

See footnotes beginning on Slide 22

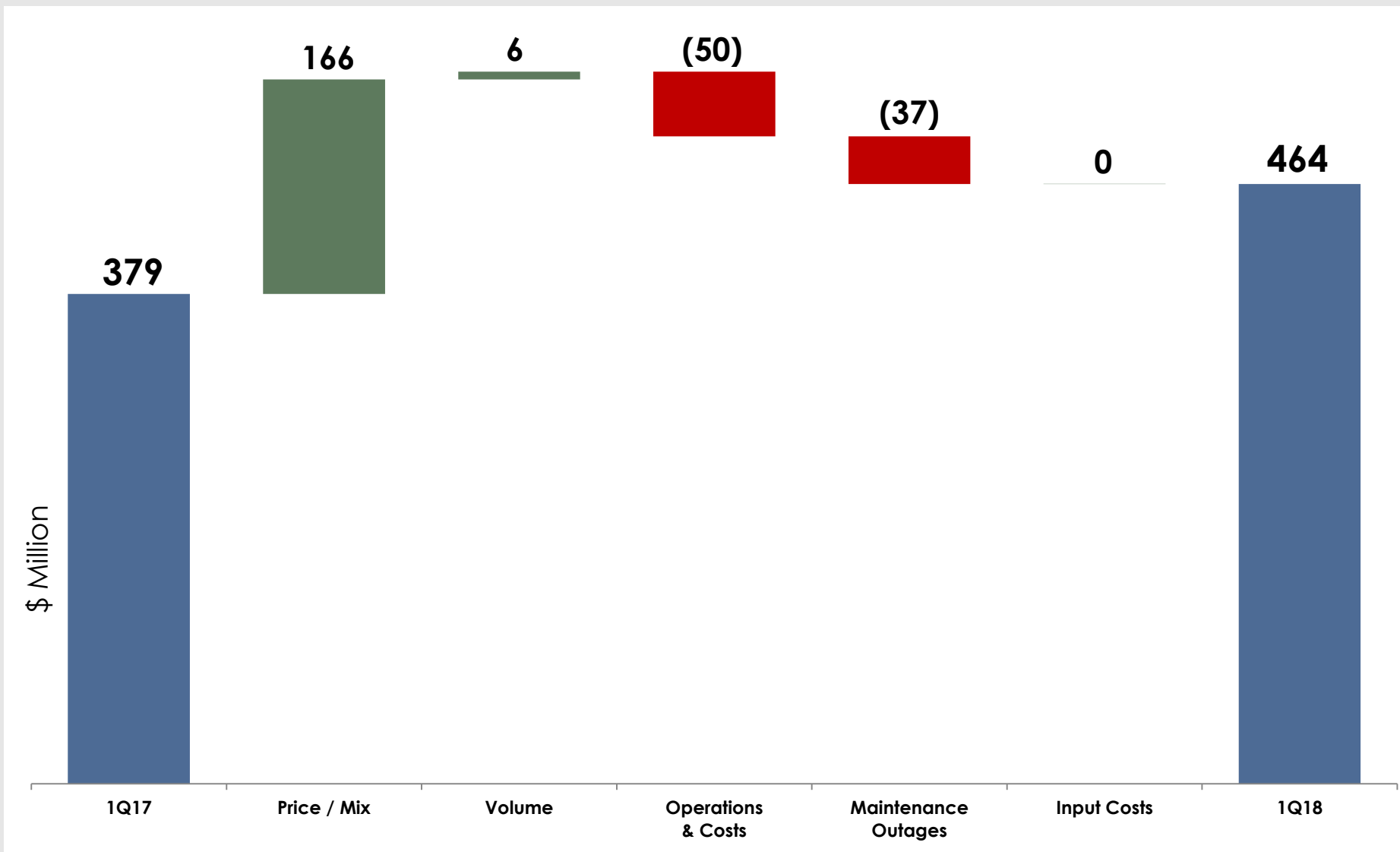
INTERNATIONAL  PAPER

1Q18 vs. 1Q17 Adj. Operating EPS¹



See footnotes beginning on Slide 22

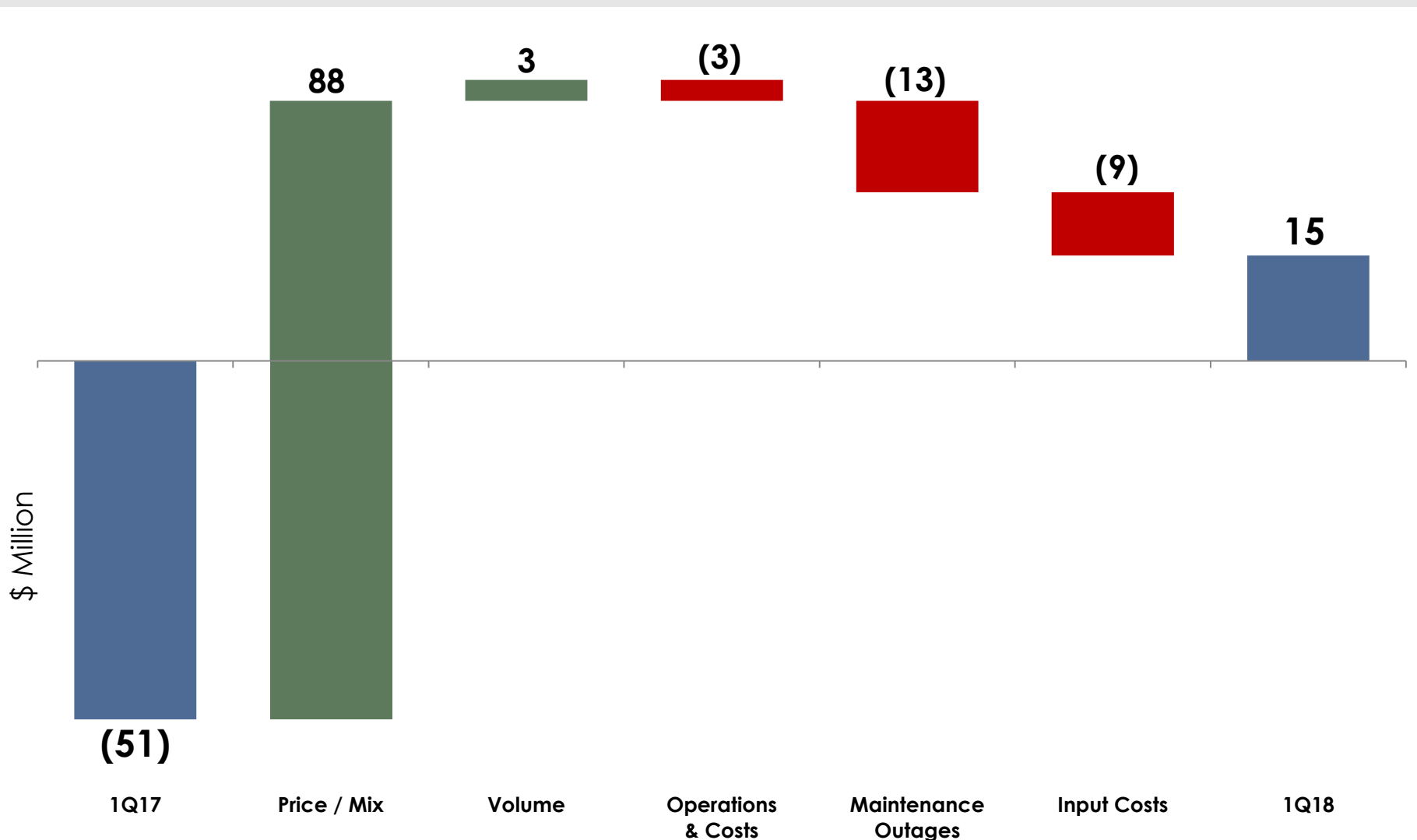
Industrial Packaging | 1Q18 vs. 1Q17 Adj. EBIT¹



See footnotes beginning on Slide 22



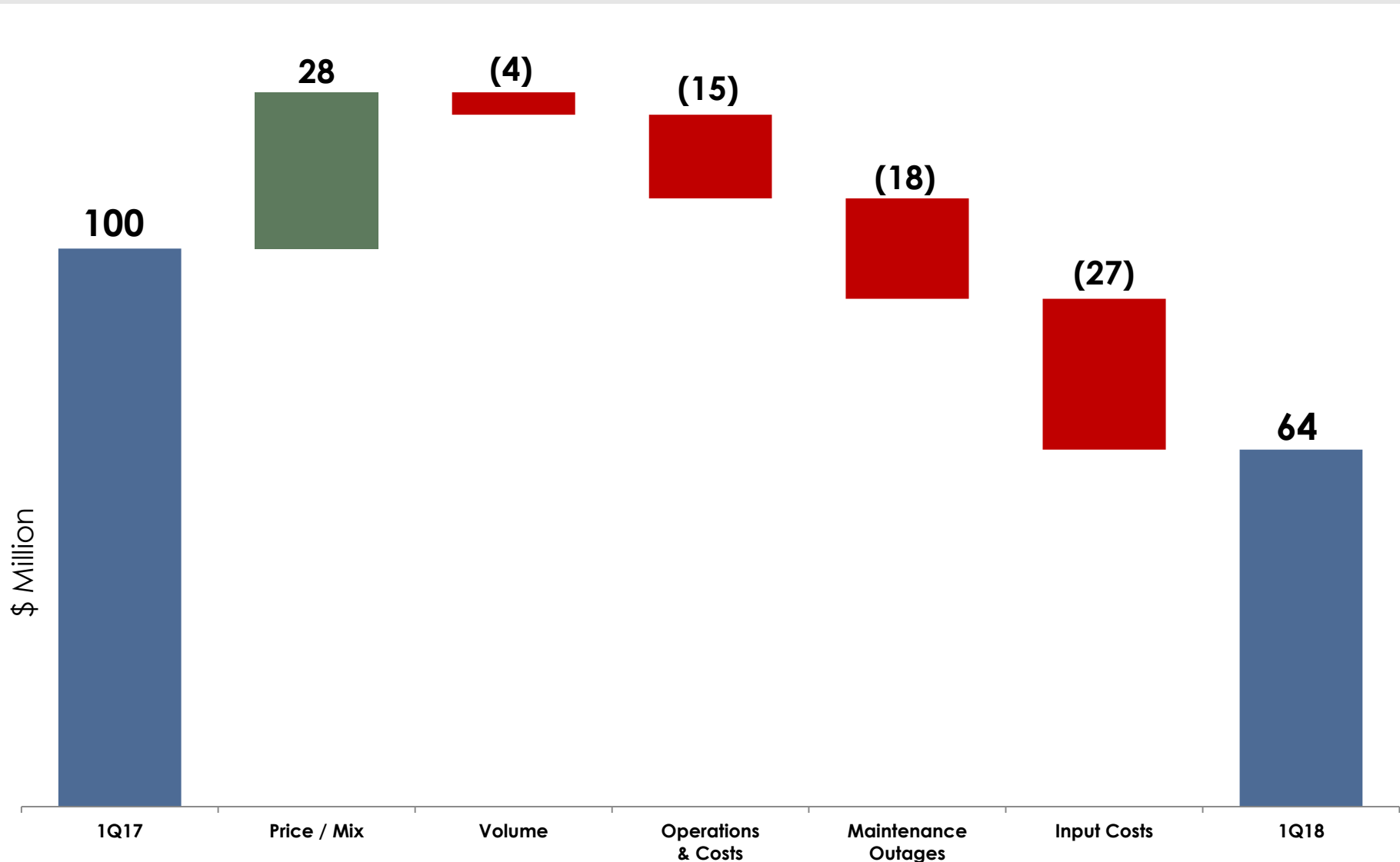
Global Cellulose Fibers | 1Q18 vs. 1Q17 Adj. EBIT¹



See footnotes beginning on Slide 22



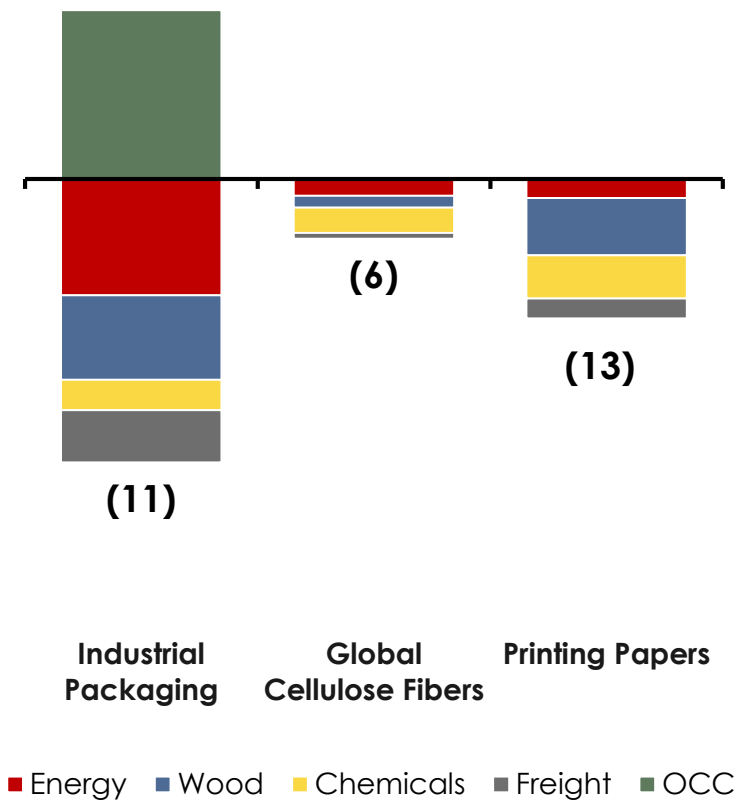
Printing Papers | 1Q18 vs. 1Q17 Adj. EBIT¹



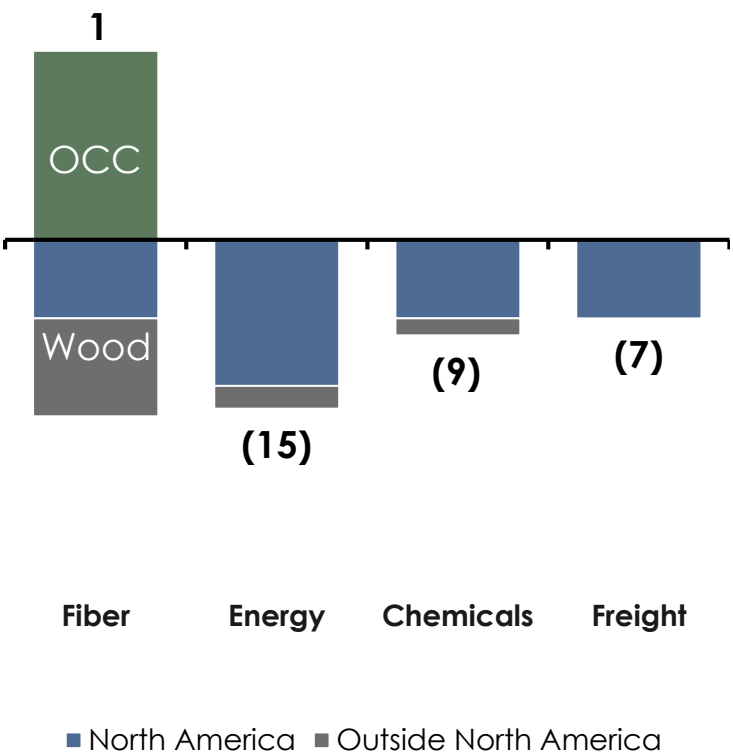
See footnotes beginning on Slide 22

Global Input Costs vs. 4Q17 | \$30MM Unfavorable, or \$0.06 per share

By Business



By Input Type



U.S. Average Cost vs. 4Q17

Wood	▲	2%
OCC	▼	10%
Natural Gas	▲	12%
Fuel Oil	▲	7%
Chemical Composite	▲	5%

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