International Paper Company
Calculation of EBITDA before Special Items

$ Millions	2005 Full Year	2006 1st Quarter	2006 2nd Quarter	2006 Year to Date
Earnings from Continuing Operations Before Interest, Income Taxes, Minority Interest and Cumulative Effect of Accounting Changes	1,222	(1,019)	330	(689)
Depreciation, amortization and cost of timber harvested	1,087	339	305	644
Special Items:				
Restructuring and other charges	358	46	54	100
Insurance recoveries	(258)	(19)	-	(19)
Net (gains) losses on sales and impairments of business held for sale	111	1,283	75	1,358
Reserve Adjustments	(4)	-	-	0
EBITDA before Special Items	2,516	630	764	1,394
Annualized EBITDA before Special Items	2,516	2,520	3,056	2,788