International Paper Company
Calculation of EBITDA before Special Items

$ Millions	2005 Full Year	2006 1st Quarter	2006 2nd Quarter	2006 3rd Quarter	2006 Year to Date
Earnings from Continuing Operations Before Interest, Income Taxes, Minority Interest and Cumulative Effect of Accounting Changes	1,125	(1,027)	324	425	(278)
Depreciation, amortization and cost of timber harvested	1,360	335	301	308	944
Special Items:					
Restructuring and other charges	358	46	54	92	192
Insurance recoveries	(258)	(19)	-	-	(19)
Net (gains) losses on sales and impairments of business	111	1,283	75	(110)	1,248
Reserve Adjustments	(4)	-	-	-	-
EBITDA before Special Items	2,692	618	754	715	2,087
Annualized EBITDA before Special Items	2,692	2,472	3,016	2,860	2,783