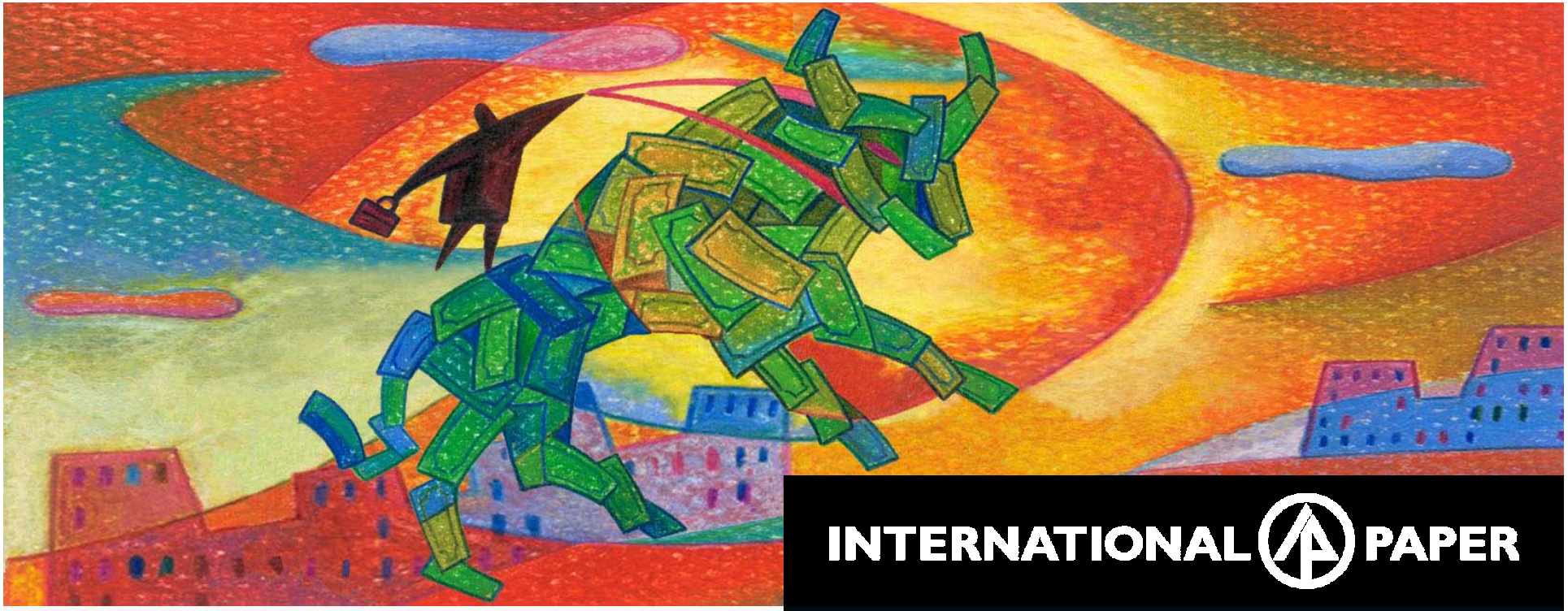


INTERNATIONAL PAPER

Coated Paperboard

Peter Heist

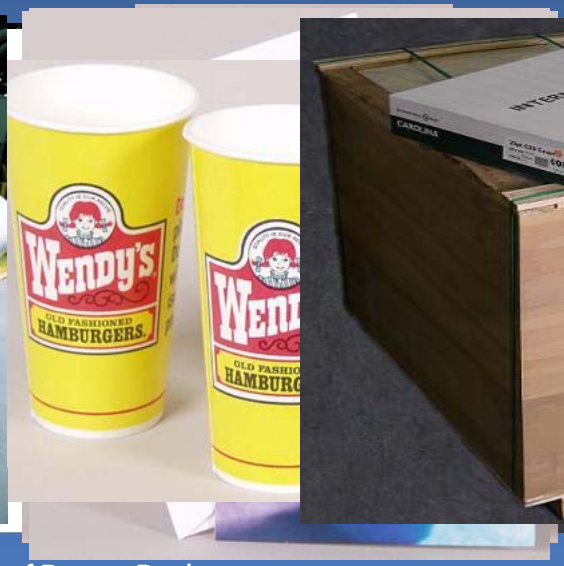
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INTERNATIONAL PAPER

Building on Our Strengths

- 1st quartile cost position, global reach
  - 4 mills, 6 sheet plants, 1.8 million tons of capacity
- 3,800 engaged employees
- Winning with customers
- 2005 revenue of $1.3 billion





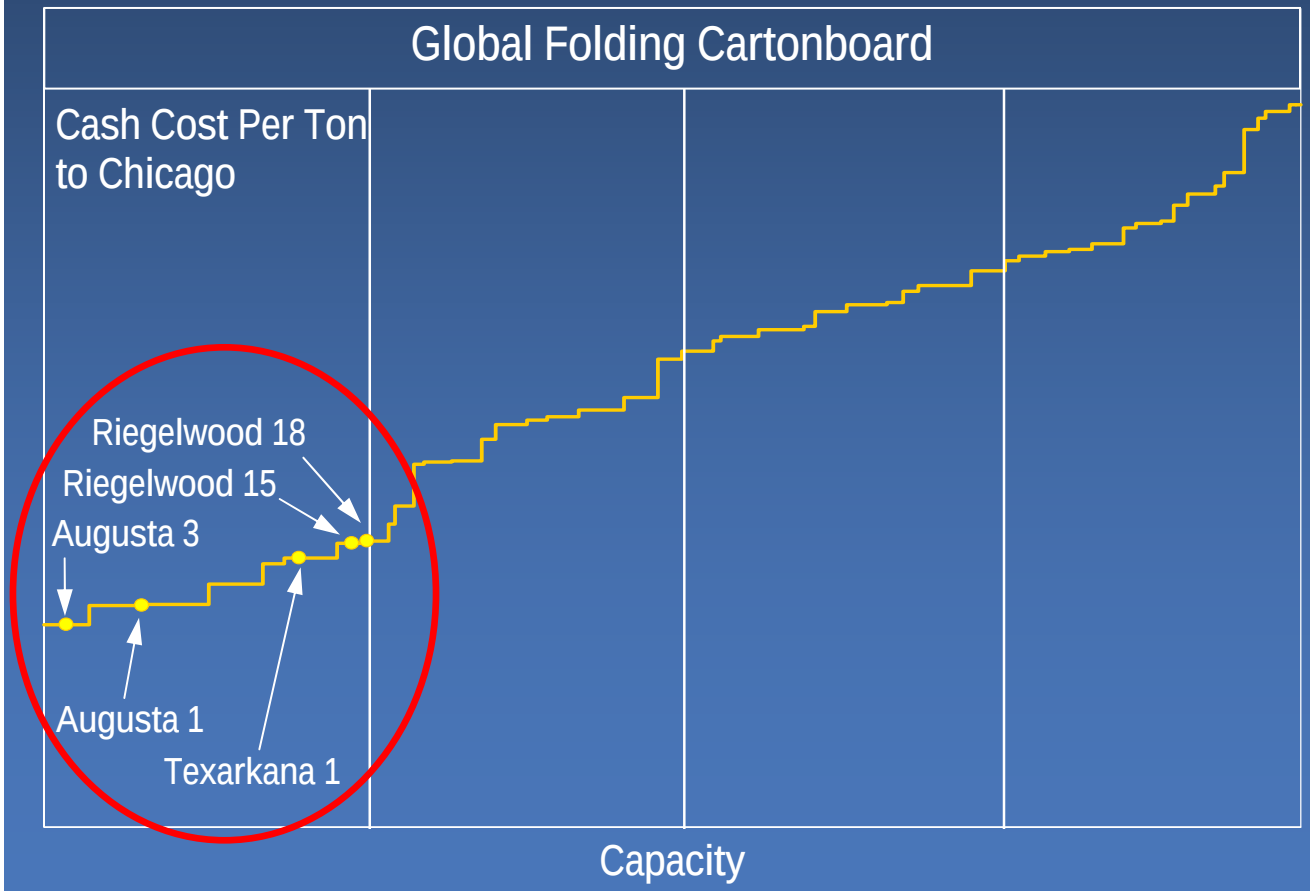


Source: IP Analysis; Note: One mill reported as part of Papers Business

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INTERNATIONAL PAPER

Mill System
1st Quartile Cost Position



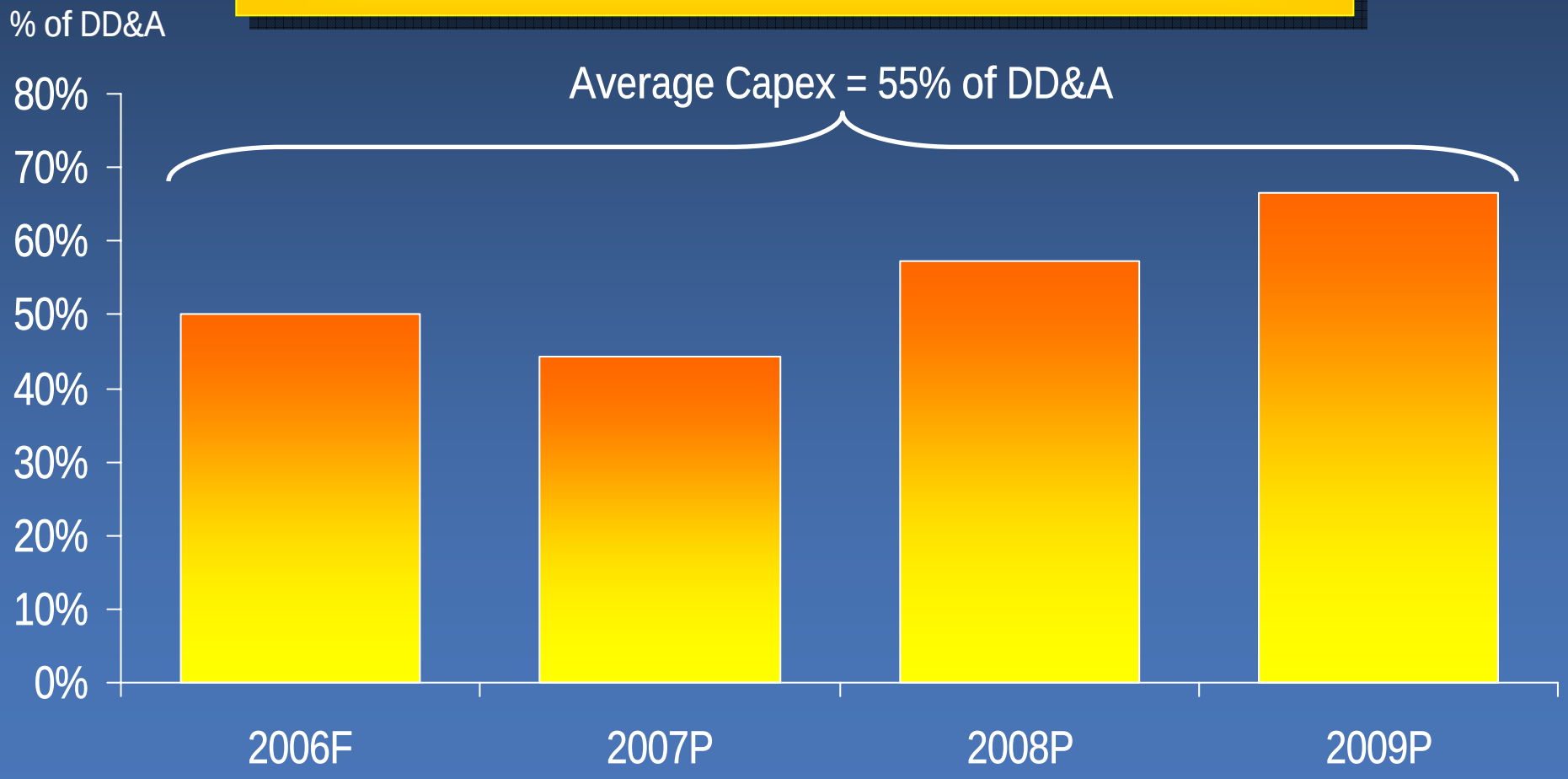
- Manufacturing excellence
  - Reliability
  - Productivity
  - Fiber & energy optimization

Source: Pöyry 2005 CostTrac at 2nd quarter, 2006 prices and exchange rates; IP Analysis

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Disciplined Capital Investment Strategy



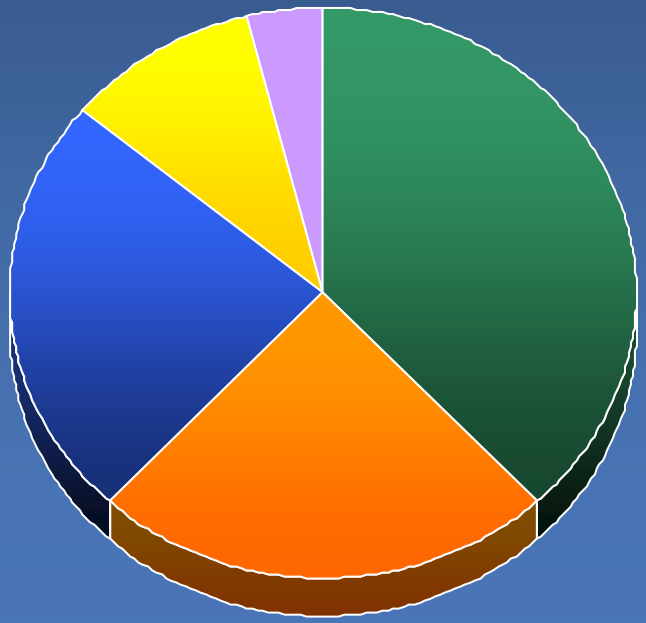
Source: IP Analysis

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Leadership Position in Key Product Lines

% of Coated Paperboard Net Sales



	Supply Position
Folding Cartonboard	#1
Coated Bristols	#1
Cupstock	#1
Tobacco	#2

Supply position represents SBS North America

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INTERNATIONAL PAPER

Winning with Customers Through Product & Service Innovation

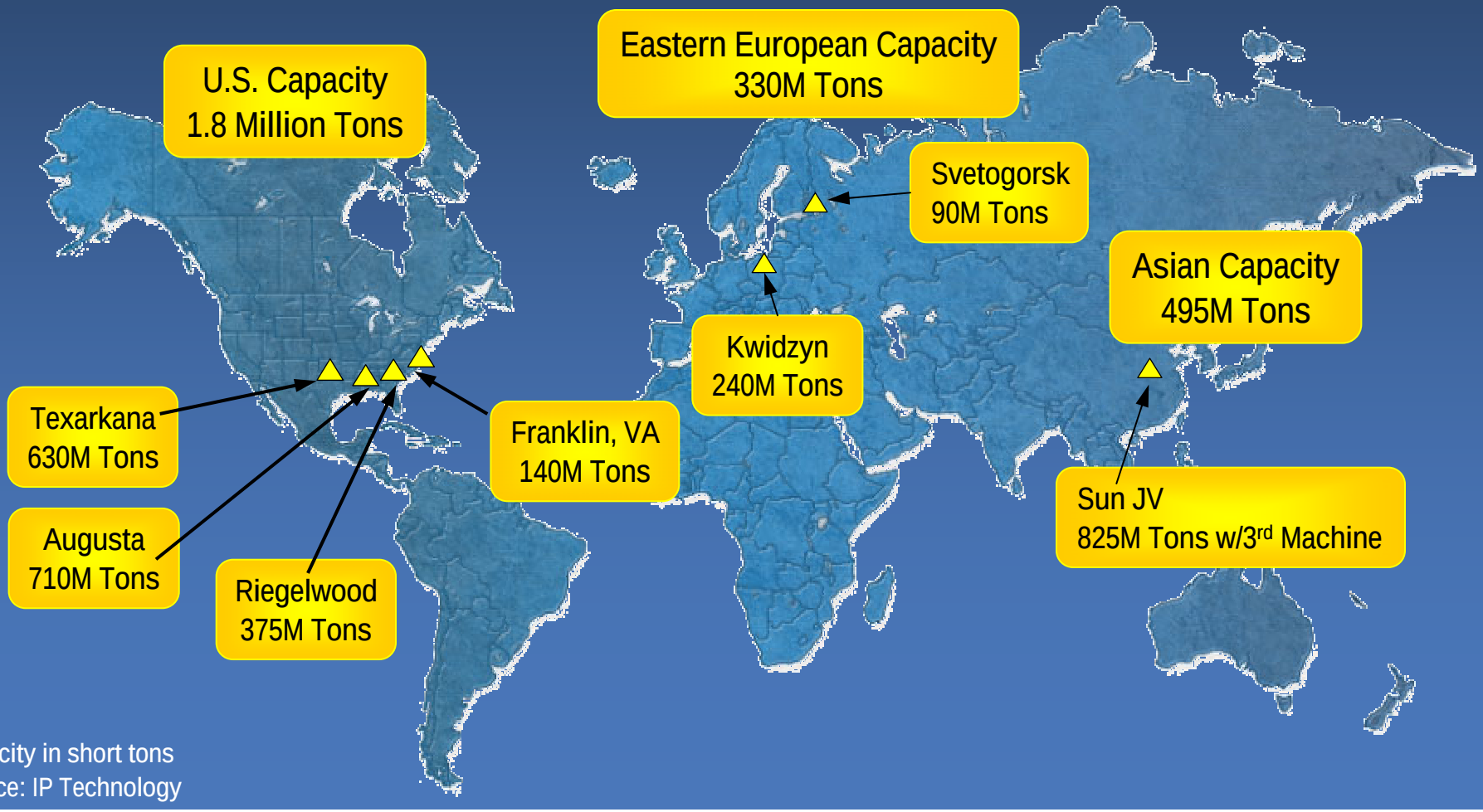
- Carolina® Coated Bristol
  - Color and brightness enhancement
  - Custom sizes
  - Quick turn around
- Fortress® Cupstock
  - Biodegradable / Compostable
  - Corn starch vs. polyethylene
- Everest® Safe-Pak Cartonboard
  - Pilfer resistant



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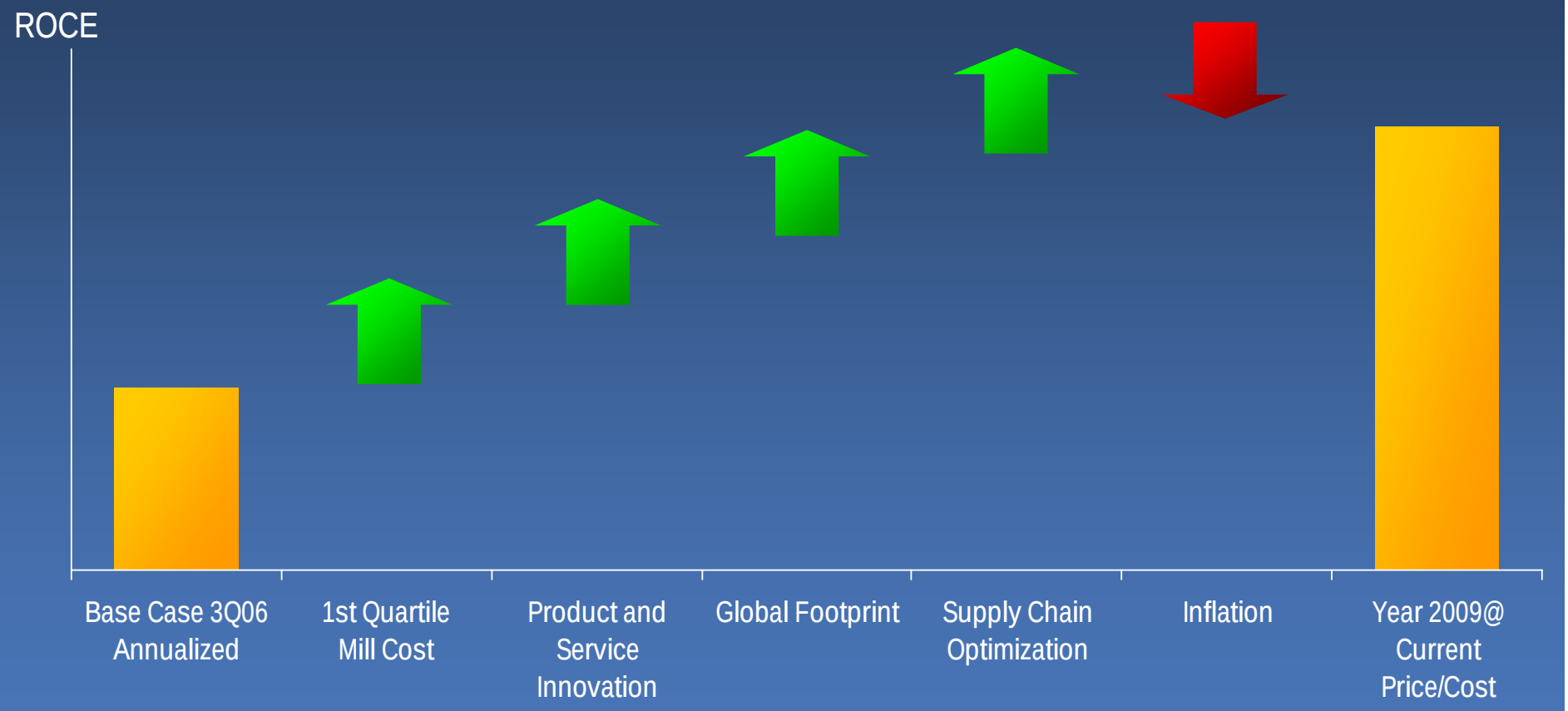
Emerging Global Footprint to Satisfy Customer Needs



Capacity in short tons
Source: IP Technology

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Sales	$1.5B						$1.6B
ROCE	3%						4%

*Component symbols used for illustrative purposes only, proportions not indicative of actual EPS impact

Coated Paperboard Moving Forward

2007 Priorities

- Capacity optimization
- Mill cost reduction
- Customer value management

A Stronger, More Valuable IP

