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Fourth Quarter and Full Year 2009 Review

February 3, 2010

Forward-Looking Statements

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These slides and statements made during this presentation contain forward-looking statements. 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 relate to: (i) increases 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, cyclicality 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 and changes in pension and health care costs; (iv) unanticipated expenditures related to the cost of compliance with environmental and other governmental regulations and to actual or potential litigation; and (v) whether we experience a material disruption at one of our manufacturing facilities and risks inherent in conducting business through a joint venture. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. 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 Securities and Exchange Commission filings.

Statements Relating to Non-GAAP Financial Measures

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During the course of this presentation, certain non-U.S. GAAP financial information will be presented.

A reconciliation of those numbers to U.S. GAAP financial measures is available on the company's website at internationalpaper.com under Investors.

IP Delivers Solid Full-Year Results
Despite Challenging Economic Environment

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- **$2.2 B Free Cash Flow[1]**
- **$4.3 B Balance Sheet Improvement**
  - **$3.1 B Debt Reduction**
  - **$400 MM Unfunded Pension Obligation Reduction**
  - **$800 MM Cash Balance Increase**
- **2.6 MM Ton Excess Capacity Reduction**
- **$500 MM Industrial Packaging Synergies**
- **$500 MM Overhead Cost Reduction**

[1] Cash provided by continuing operations less capital expenditures, excluding cash received from alternative fuel credits of $1.7 B and cash received under European accounts receivable securitization of $0.2 B

Responding to the Economic Contraction

Decisive Actions in 2009

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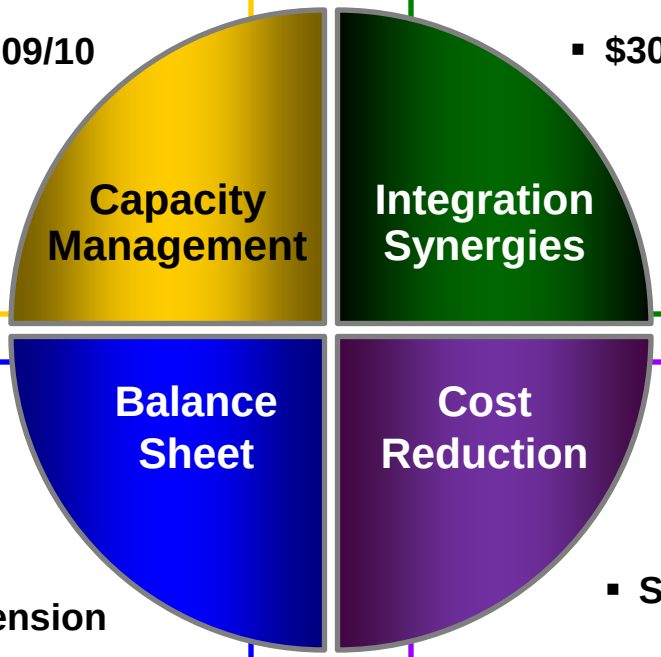
NA Containerboard
- 1.8 MM tons (16%) LOO
- 1.4 MM tons (13%) closed

NA Uncoated Freesheet
- 405 M tons (13%) LOO
- 600 M tons (19%) to close in 2009/10

NA Coated Paperboard
- 300 M tons (16%) LOO
- 140 M tons (7%) closed

$500 MM Integration Synergies
- Salaried Headcount Reduction
- Mill & Box Plants Optimization
- Box Margins Improvement
- Mill Freight Reduction
- Box Plant Rationalization

- $300 MM Incremental Synergies

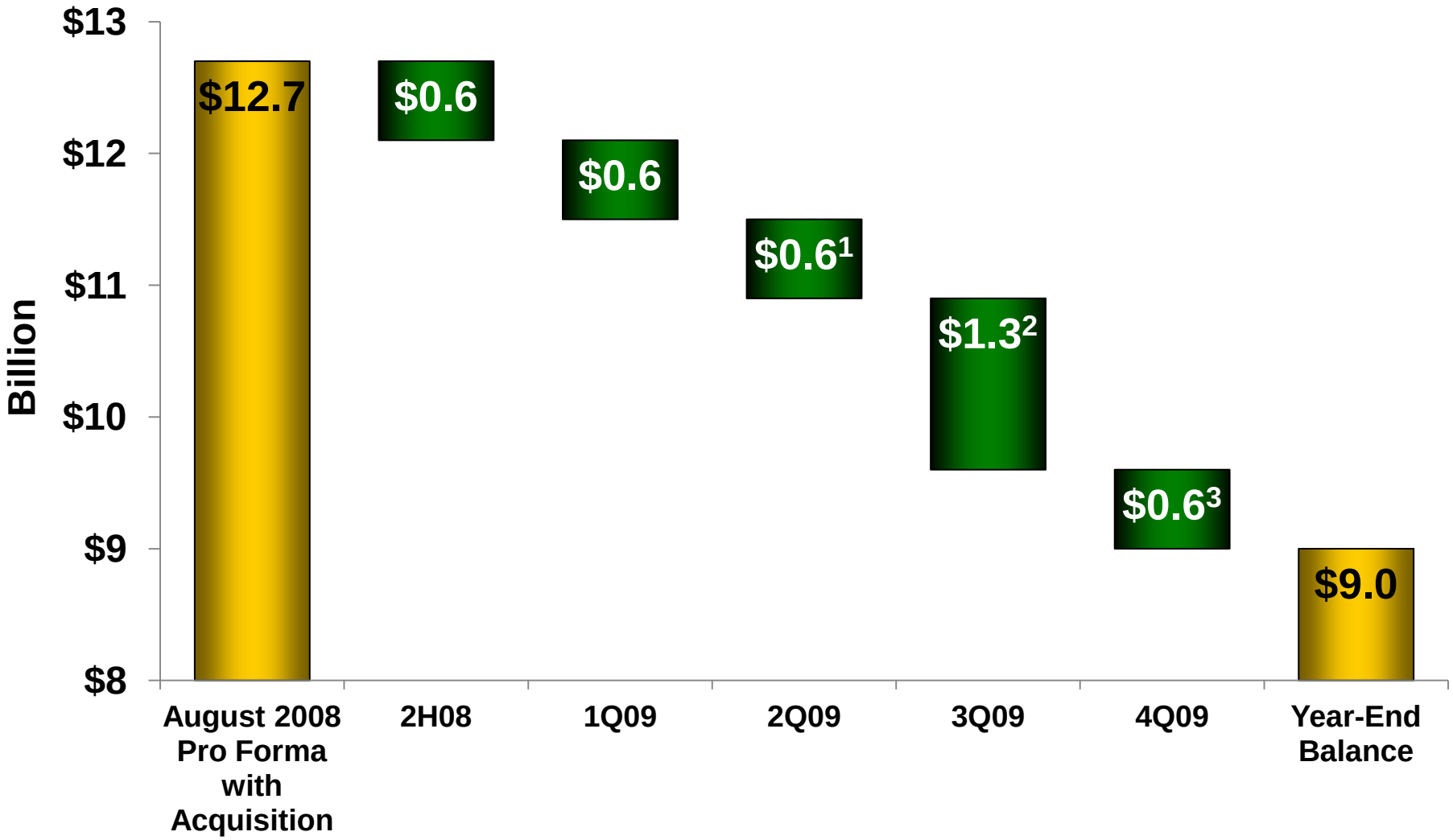


- $3.1 B Debt Reduction
- $800 MM Cash Increase
- $2.75 B Debt Refinanced
- $1.5 B Corporate Revolver Extension
- $1 B AR Securitization Extension
- $450 MM Capex Reduction

- $500 MM Overhead Reduction
- Hourly Headcount Reduction
- Salaried Position Eliminations
- Systematic, Not Episodic

Debt Reduction Progress

$3.7 Billion Reduction since Acquisition



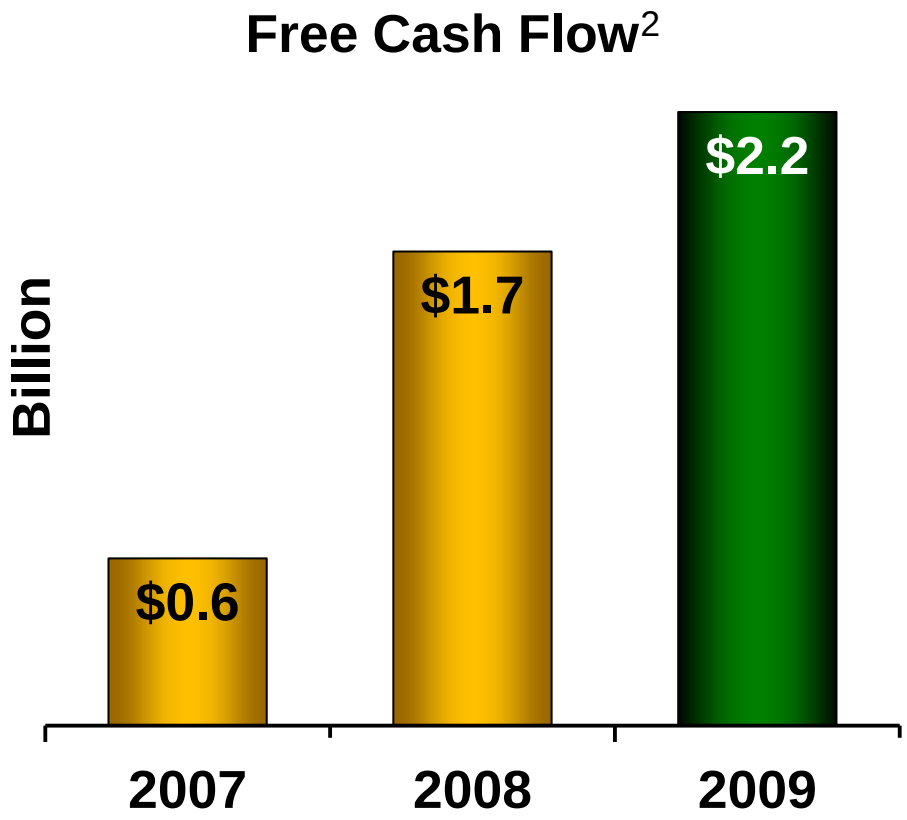
[1] Excludes the debt repayment of $1 B from the proceeds of our May bond issuance: $1 B 9.375% notes due 2019

[2] Excludes the debt repayment of $1 B from the proceeds of our August bond issuance: $1 B 7.5% notes due 2021

[3] Excludes the debt repayment of $750 MM from the proceeds of our November bond issuance: $750 MM 7.3% notes due 2039

2009 Full-Year Results
Record Free Cash Flow

$ Billion	2008	2009
Sales	$24.8	$23.4
EBITDA[1]	$3.0	$2.8
Year-End Debt	$12.1	$9.0
Cash Balance	$1.1	$1.9



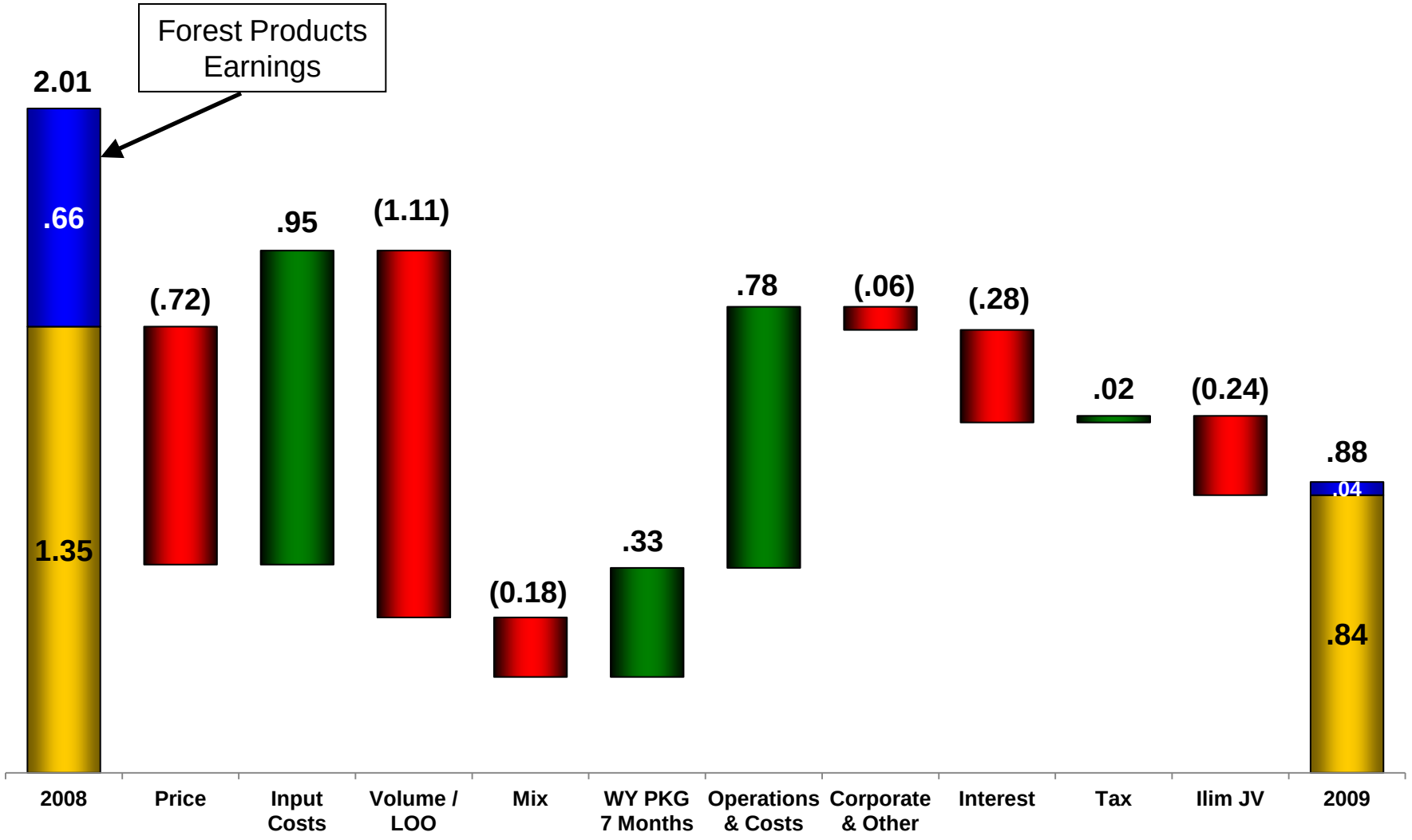
[1] Earnings from continuing operations before special items

[2] Cash provided by continuing operations less capital expenditures before dividends; 2009 excludes cash received from alternative fuel credits of $1.7 B and cash received under European accounts receivable securitization of $0.2 B

2009 Earnings per Share

Weak Demand, Input Cost Relief, Strong Operations

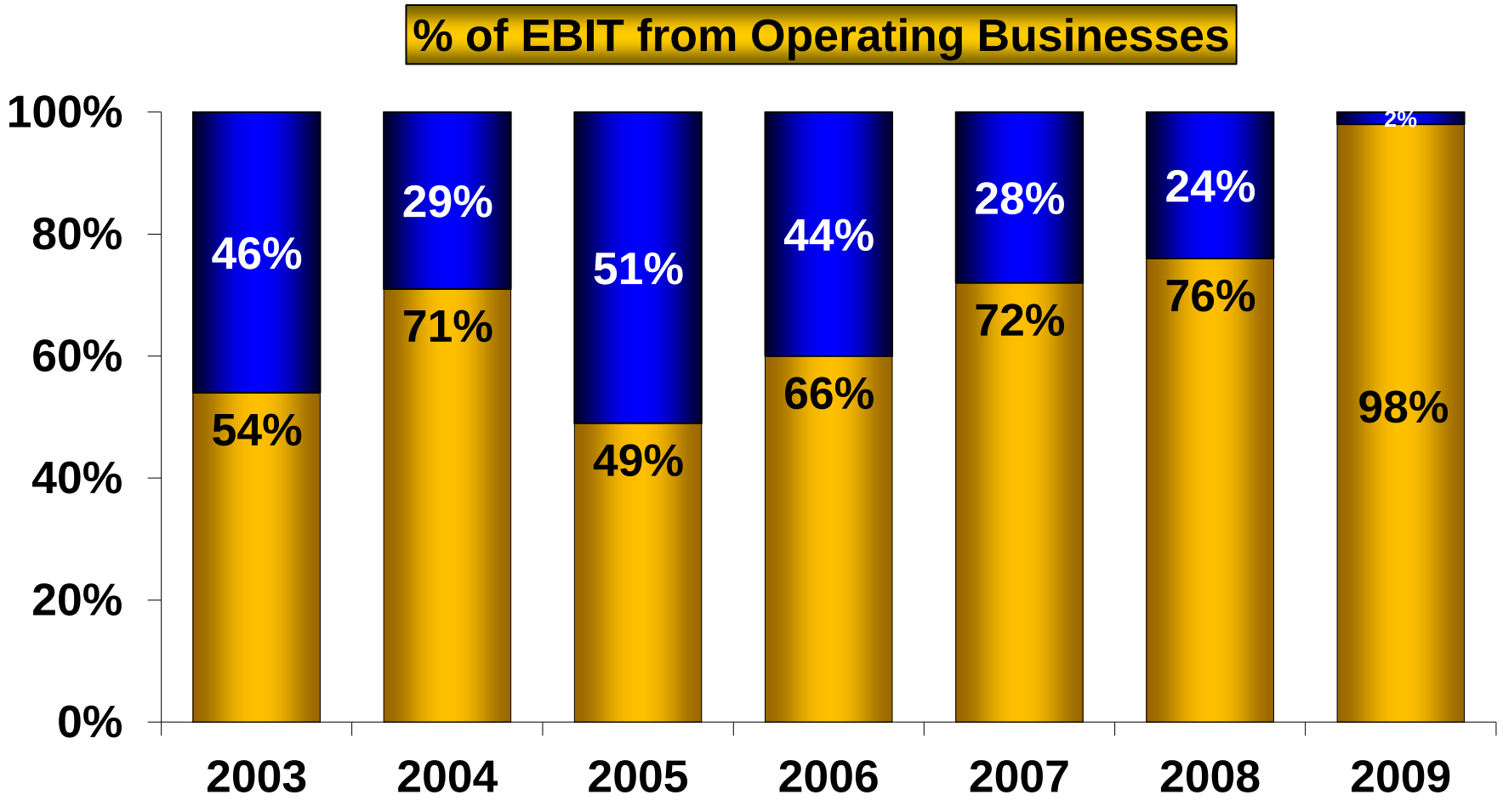
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Earnings from continuing operations before special items

Improving Earnings Quality
Replaced Land Sales Earnings

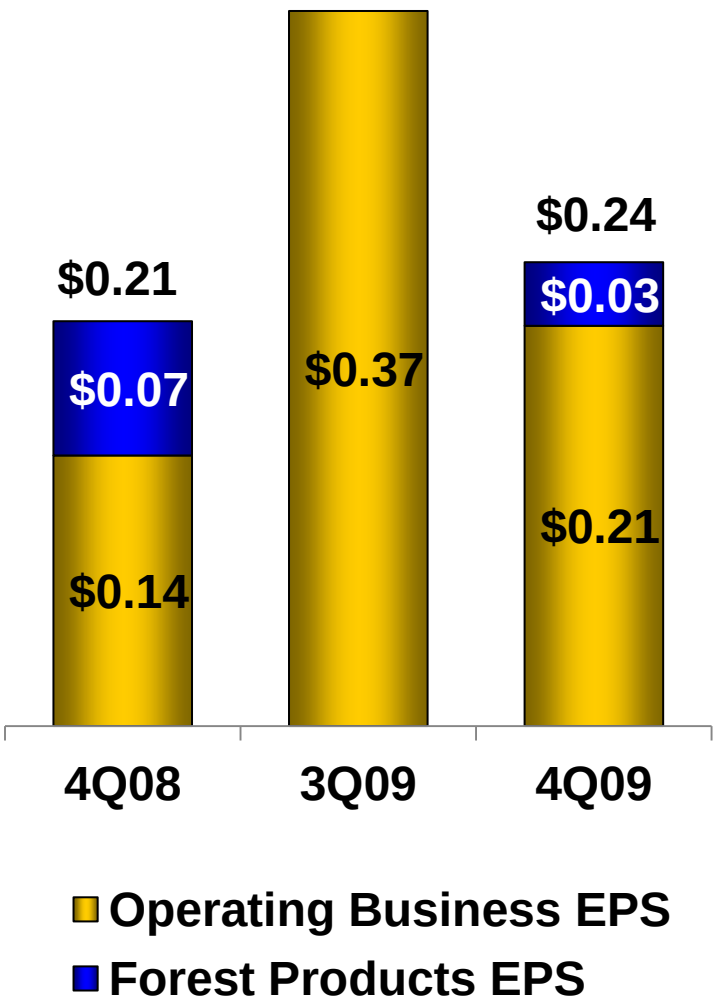
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Forest Products EBIT ($B)	2003	2004	2005	2006	2007	2008	2009
	$0.6	$0.5	$0.7	$0.7	$0.5	$0.4	< $0.1

EBIT before special items including discontinued operations; Forest Products EBIT excludes Wood Products
Earnings as reported in the 10-K for each year at time of filing

Fourth Quarter 2009
Strong Free Cash Flow & Debt Reduction



- **$500 MM Free Cash Flow[1]**
- **$600 MM Debt Reduction**
- **$200 MM Cash Increase**
- **$36 MM Input Cost Inflation**

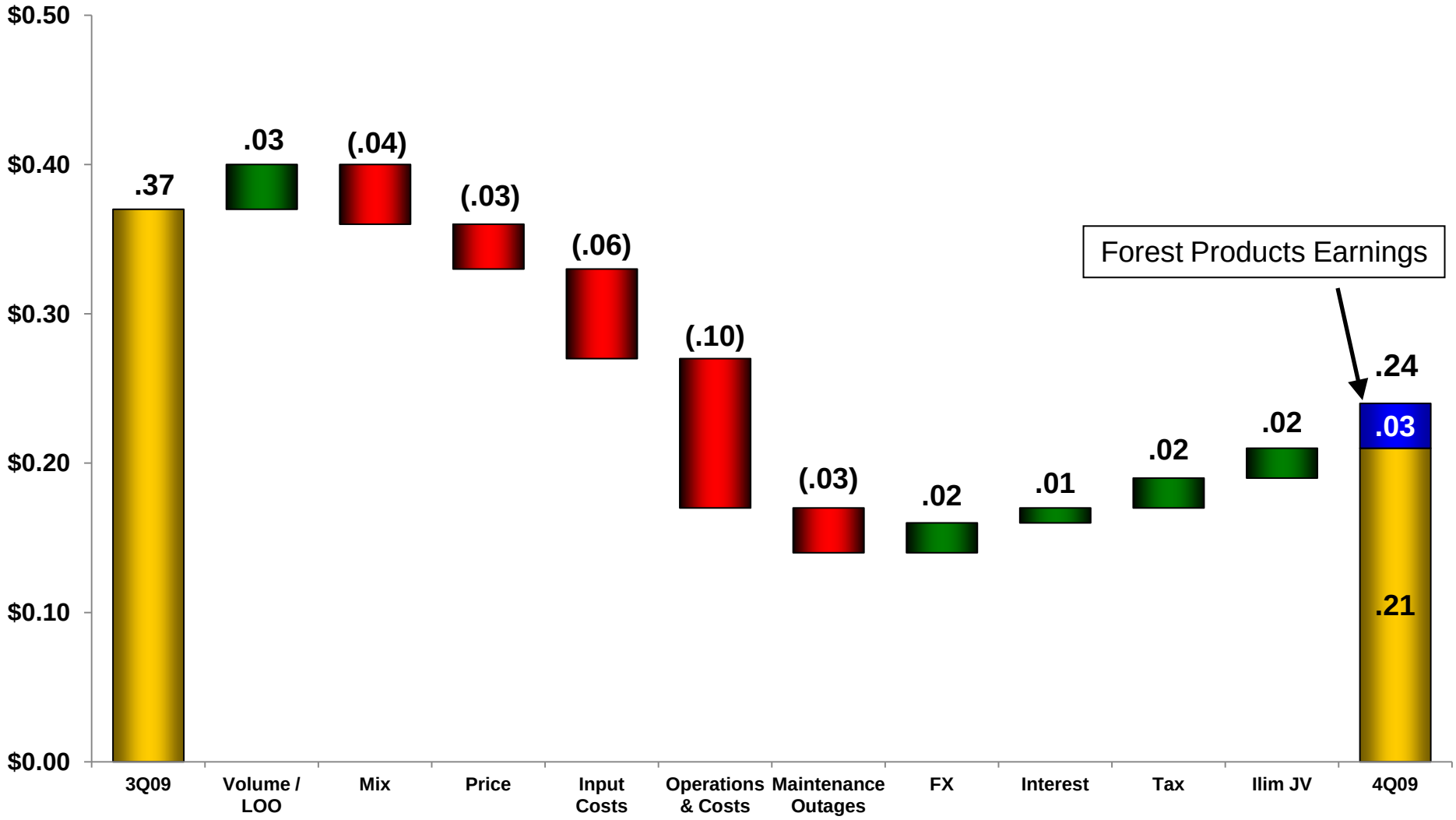
Earnings from continuing operations before special items

[1] Cash provided by continuing operations less capital expenditures, excluding cash received from alternative fuel mixture credits

4Q09 vs. 3Q09 EPS

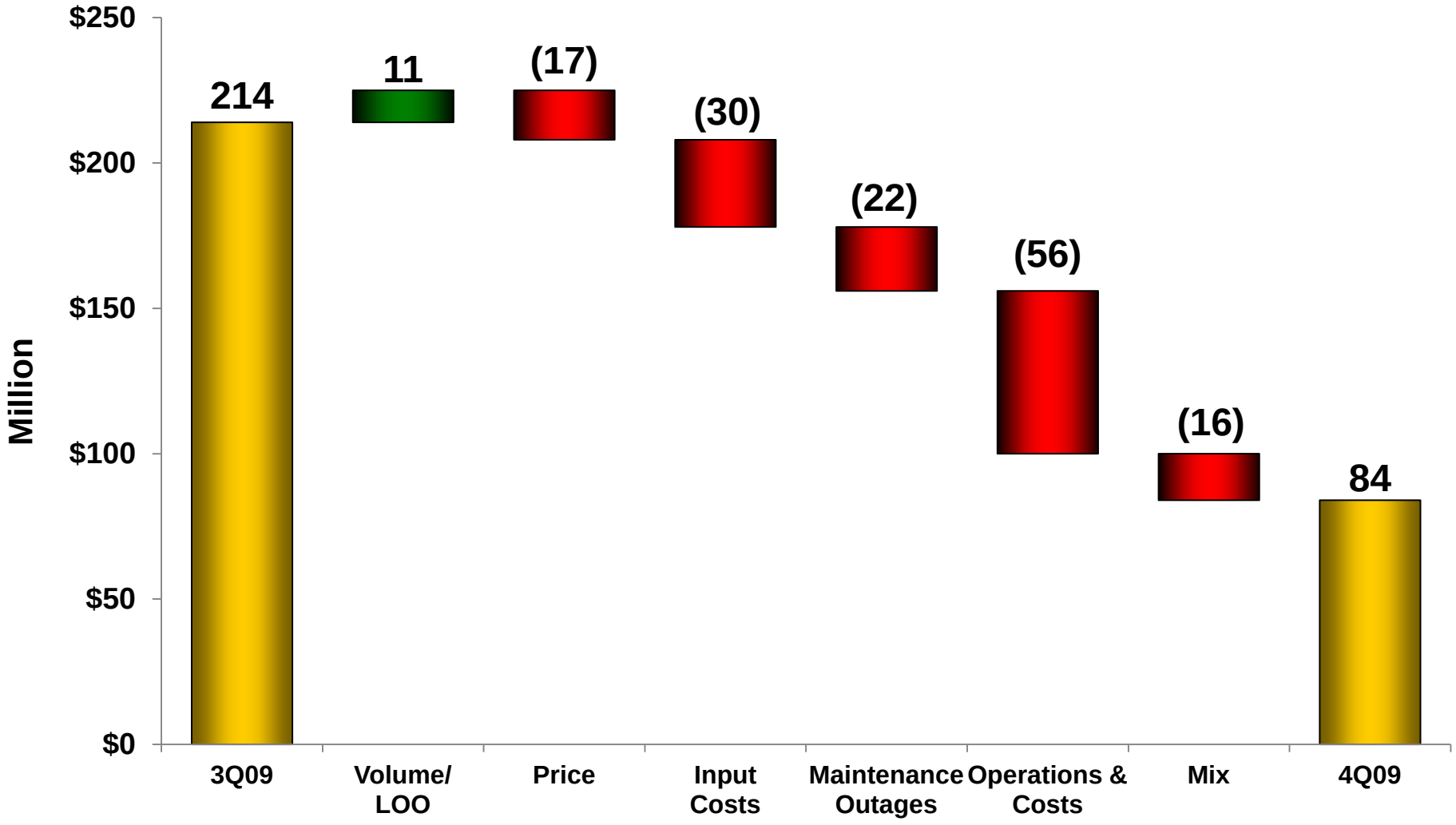
Stable Volumes, Rising Input Costs, Weather-Impacted Operations

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Earnings before special items

Industrial Packaging Earnings
4Q09 vs. 3Q09

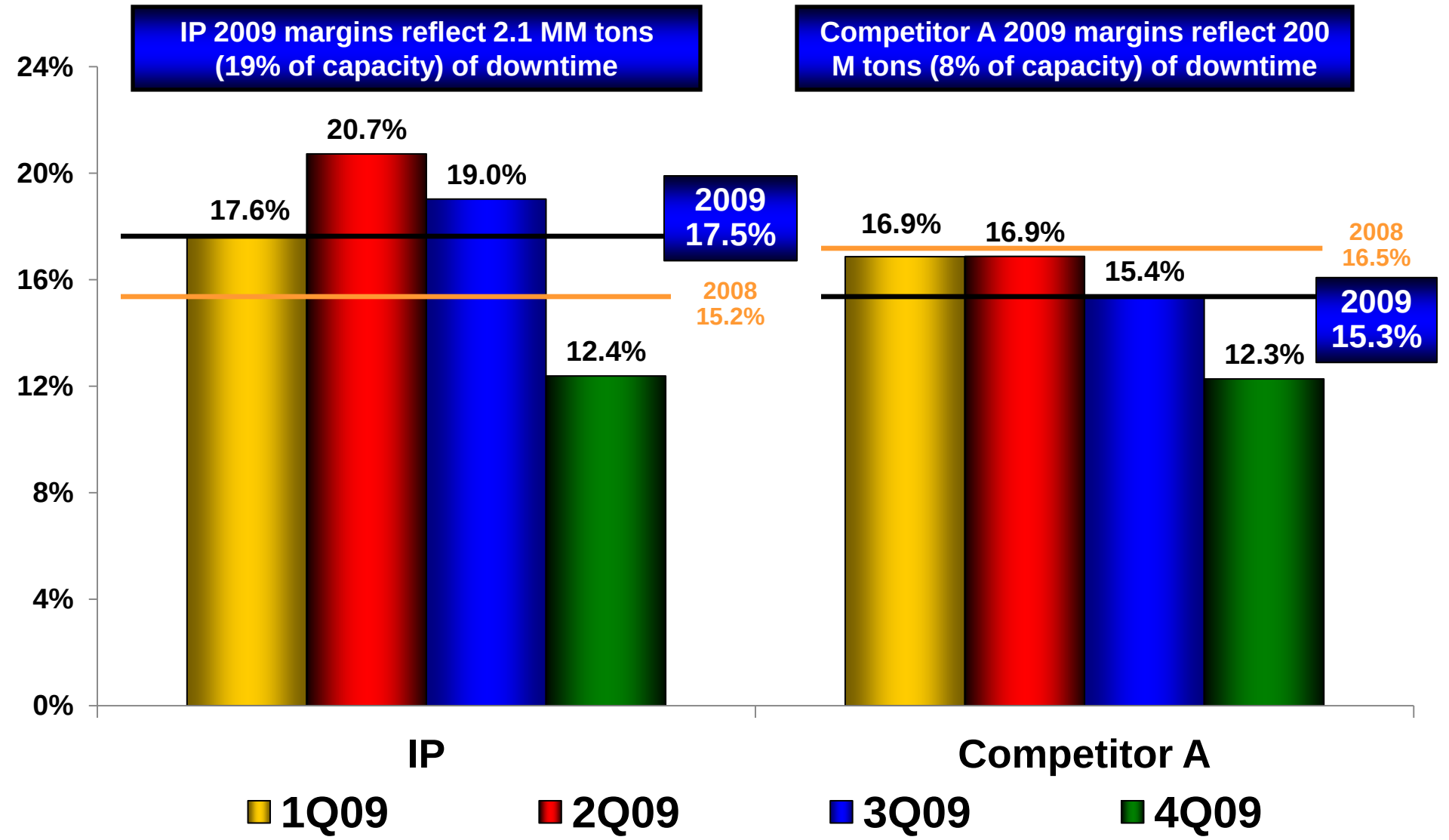


Earnings before special items

N.A. Industrial Packaging Relative EBITDA Margins

Industry-Leading Margins Despite LOO Costs

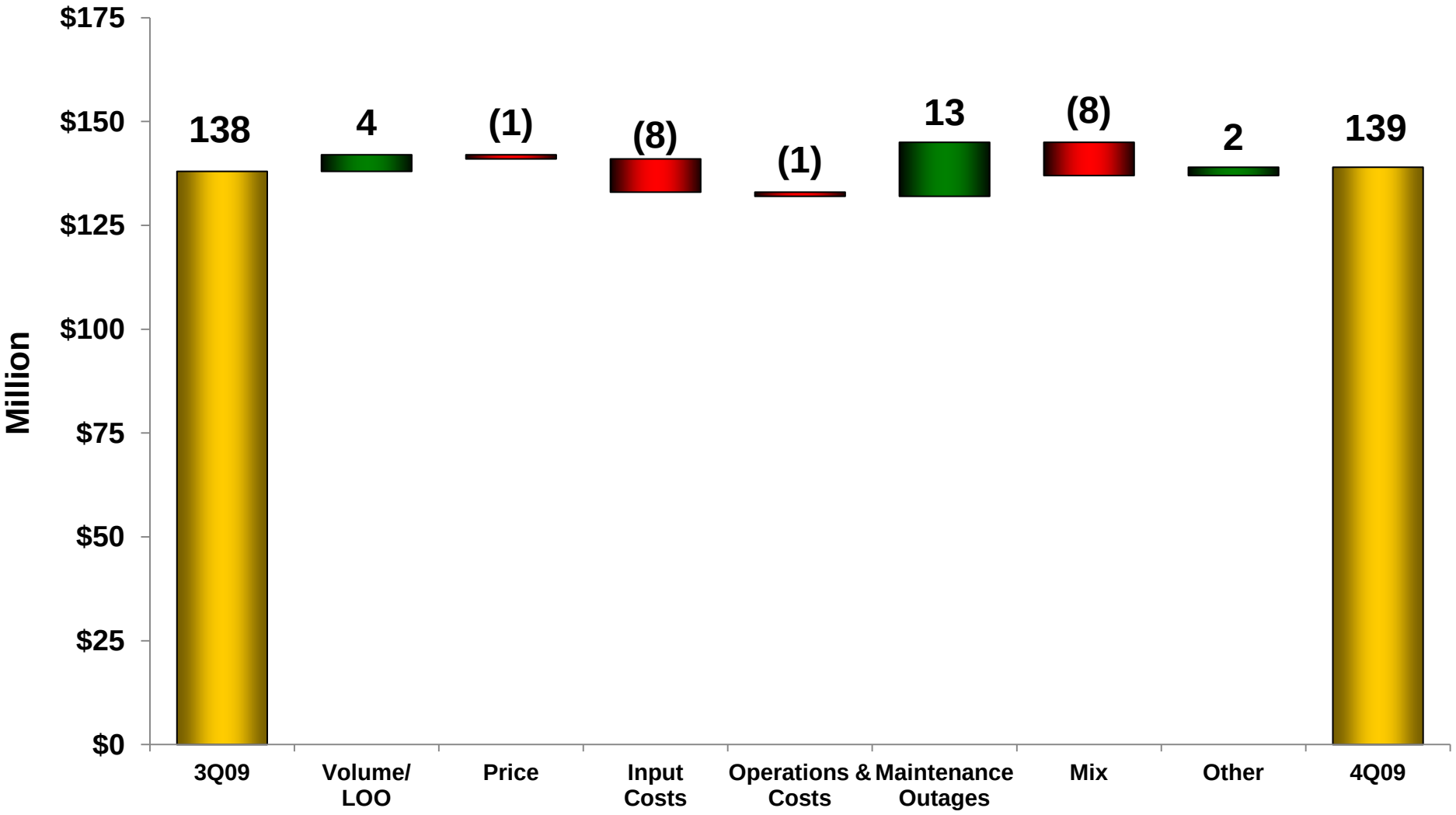
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IP EBITDA margins based on North American Industrial Packaging operating profit before special items
Competitor EBITDA margin estimates obtained from public filings and IP analysis

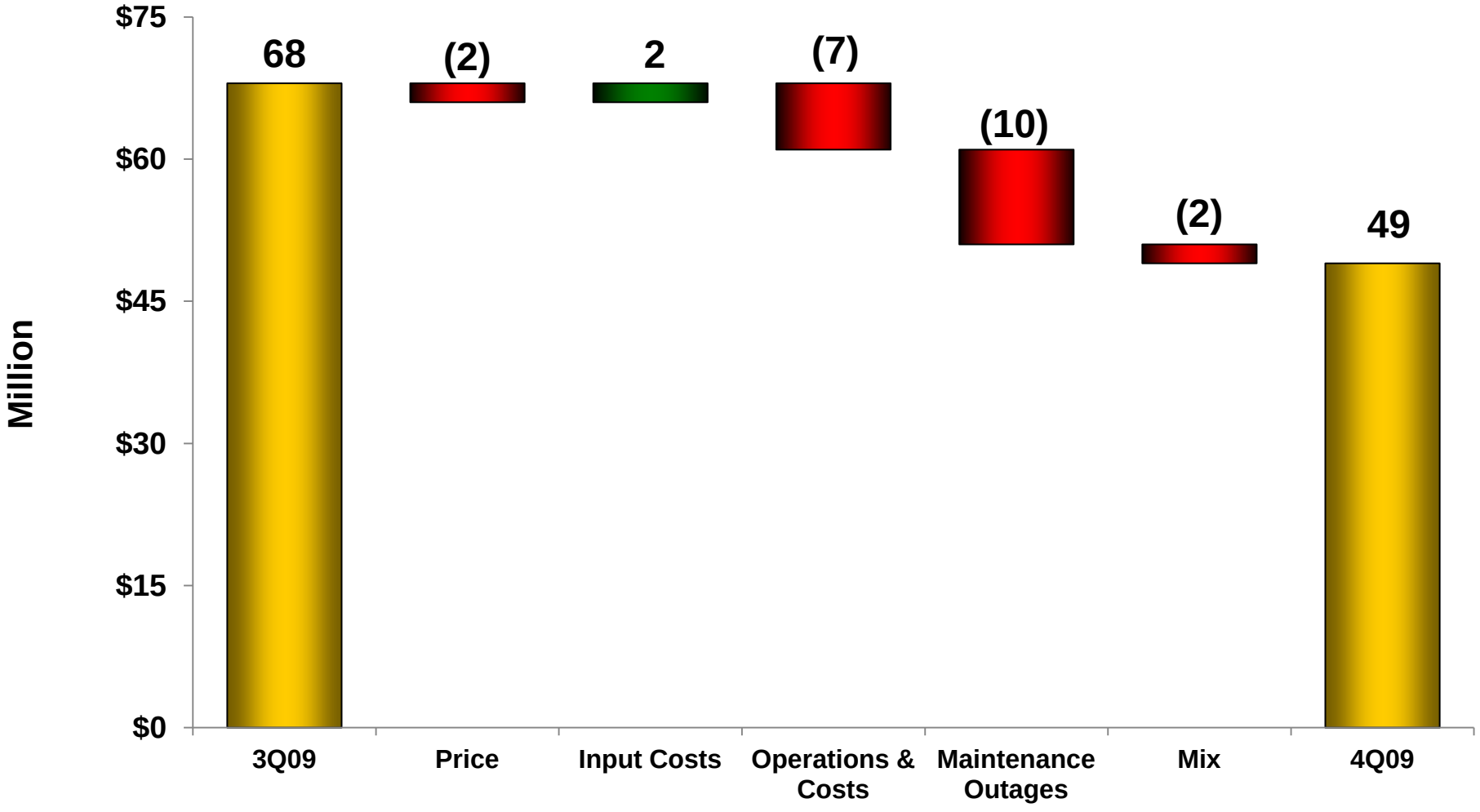
Printing Papers Earnings
4Q09 vs. 3Q09

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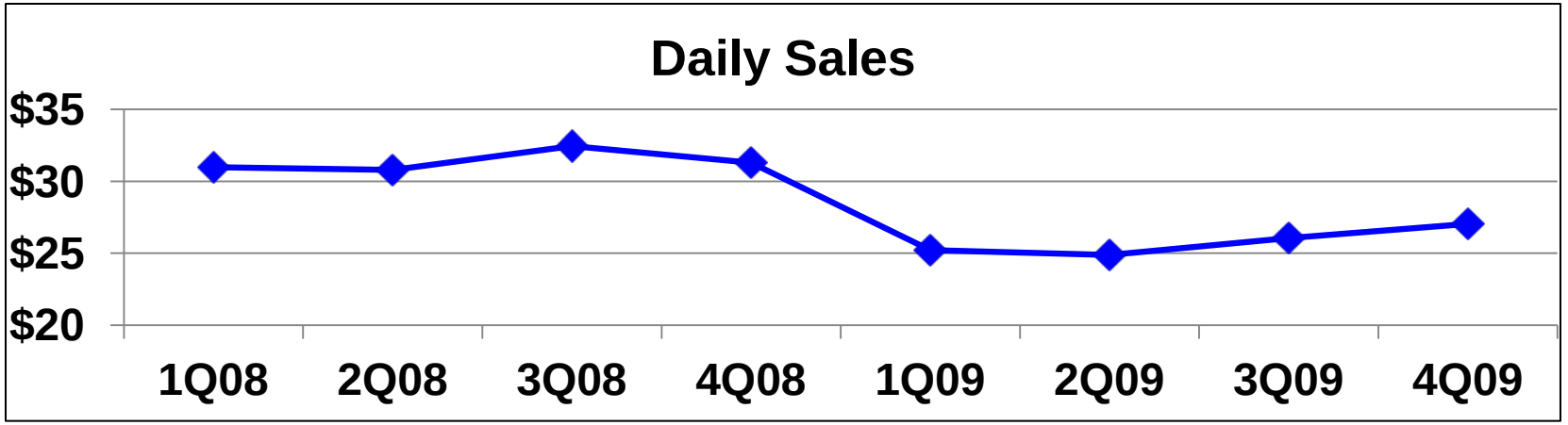
Earnings before special items

Consumer Packaging Earnings
4Q09 vs. 3Q09



Earnings before special items

$ Million	4Q08	3Q09	4Q09
Sales	$1,940	$1,665	$1,675
Earnings	$26	$21	$31



- 4Q09 earnings include a $17 MM favorable LIFO adjustment
- Paper prices stabilized as the quarter progressed

4Q08 and 3Q09 earnings include $6 MM unfavorable and $3 MM favorable LIFO inventory valuation adjustments respectively

IP Brazil

$ Million	4Q08	3Q09	4Q09
Sales	$215	$275	$300
Earnings	$44	$36	$33
EBITDA Margin	32%	25%	23%

	4Q09 vs. 3Q09		4Q09 vs. 4Q08	
Business	Volume	Price / Ton	Volume	Price / Ton
Uncoated Freesheet	7%	($29)	44%	($172)
Domestic	(5%)	($43)	(7%)	($70)
Export	16%	($19)	134%	($244)

IP Brazil results are reported in the Printing Papers segment

Ilim Joint Venture

$ Million	4Q08	3Q09	4Q09
Sales (100%)	$530	$305	$350
Earnings (IP Share)	$0	$0	$6

	4Q09 vs. 3Q09		4Q09 vs. 4Q08	
Business	Volume	Price / Ton	Volume	Price / Ton
Pulp	0%	$65	(7%)	($213)
Containerboard	10%	$18	15%	($189)

IP received a $51 MM dividend from Ilim in 4Q09

Ilim's results are reported on a one-quarter lag

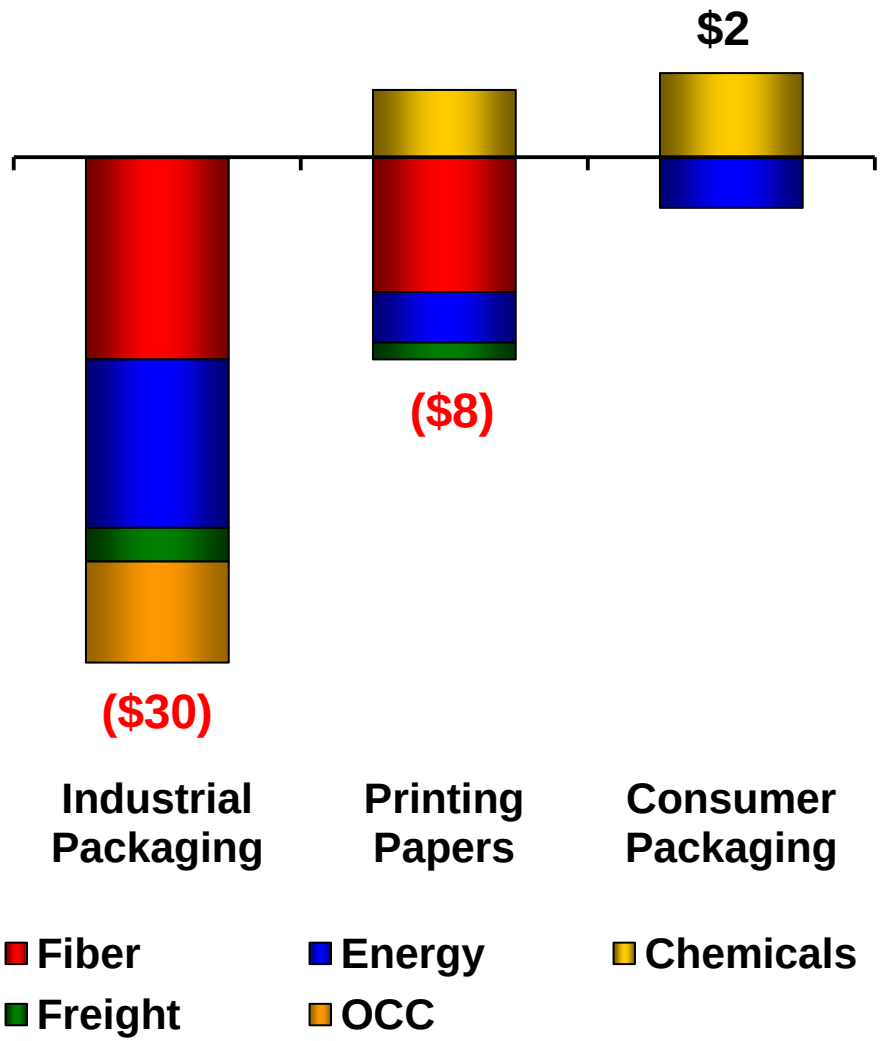
IP's shares of Ilim's 4Q08, 3Q09 & 4Q09 earnings includes an after-tax foreign exchange loss of $11 MM, and after-tax foreign exchange gains of $10 MM and $2 MM, respectively

Global Input Costs by Segment

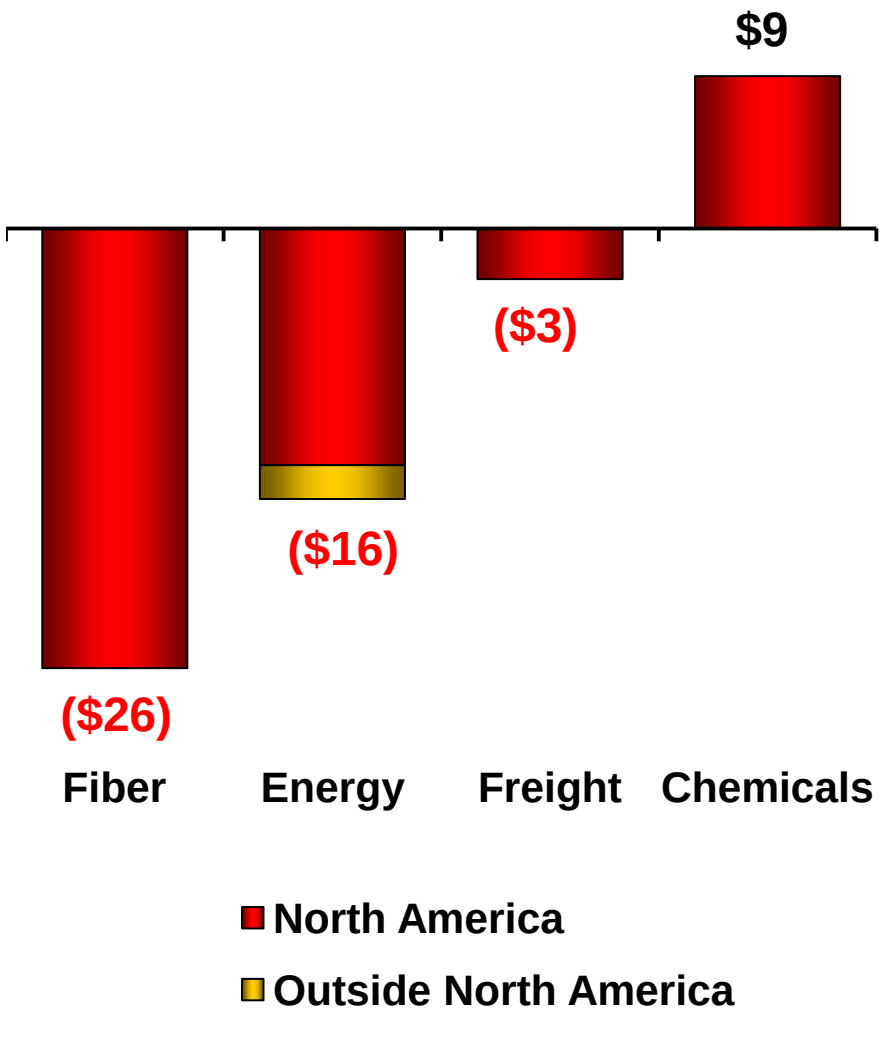
$36 MM, or $0.06/Share Unfavorable vs. 3Q09

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By Business



By Input Type



Fourth Quarter Summary

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Positives

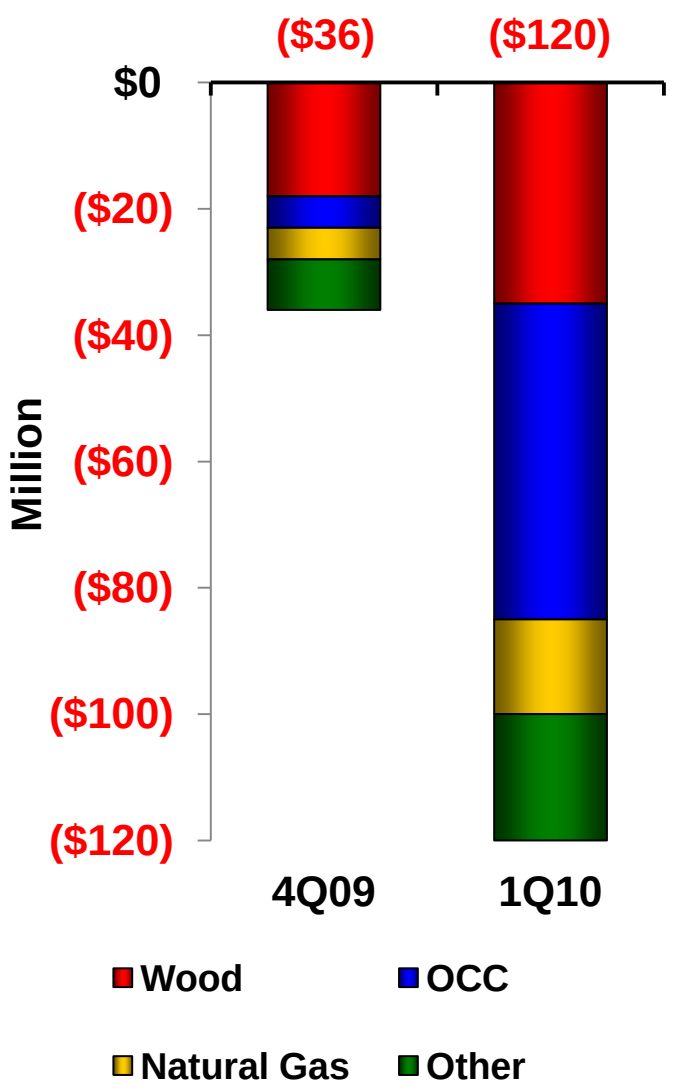
- Improved N.A. Exports
- Printing Papers Results
- Quarter-End Price Momentum
- Further Cost Reduction
- Continued Debt Reduction

Offsets

- Increasing Fiber Costs
- Isolated Operating Issues
- Ongoing LOO Downtime Costs

Input Cost Inflation

Input Costs Ahead of Price Increases



Previously Announced IP Price Increases		
Business	Increase per Ton	IP Capacity (MM Tons)
N. A. Industrial Packaging	$50	10.0
N. A. Uncoated Freesheet	$40	2.6
N. A. Coated Paperboard	$40	1.8
Global Pulp	$30 - $40	3.0
Brazil Export Cut-Size	$50	.4
European Cut-Size	€30 - €40	.4
Russian Cut-Size	$30	.3
Sun Coated Paperboard	$25	.9

From 4Q09 to 1H10

Cost Increases Precede Price Increases

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4Q

- Input Cost Inflection
- Isolated Operating Issues

1Q

- Input Cost Escalation
- Higher Maintenance Outages

2Q

- Input Cost Stabilization
- Price Increase Realization

First Quarter Outlook
Changes from 4Q09

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		North America	Europe	Brazil	Russia - Svetogorsk	Asia
Volume	Paper	Slight Increase	Slight Decrease	Decrease	Decrease	Flat
	Packaging	Slight Increase	Seasonal Decrease			Stable
Pricing	Paper	Ramping Up	Flat	Slight Increase	Flat	Slight Increase
	Packaging	Ramping Up	Margin Squeeze			Slight Increase
Maintenance Outages		~$25MM Increase	Flat	Flat	Flat	
Input & Freight Costs		~$120MM Increase	Increasing	Increasing	Increasing	Pulp Increasing

xpedx	Seasonal Decrease

Ilim	Decrease

Corporate Expense	Increase

2010 Priorities

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- Regain momentum after 1Q input cost squeeze
- Increase margins and ROI
- Capture benefits of higher operating rates
- Build on operating performance
- Balanced use of cash

Appendix

Investor Relations Contacts

Thomas A. Cleves	901-419-7566
Emily Nix	901-419-4987

Media Contact

Kathleen Bark	901-419-4333

4Q09 Financial Snapshot

	4Q08	3Q09	4Q09
Sales ($B)	$6.5	$5.9	$6.0
EBITDA ($MM)	$671	$780	$669
Free Cash Flow[1] ($MM)	$443	$605	$530
Debt ($B)	$12.1	$9.6	$9.0
Cash Balance ($B)	$1.1	$1.7	$1.9

Earnings from continuing operations before special items

[1] Cash provided by continuing operations less capital expenditures, excluding cash received from alternative fuel credits of $0.5 B in 3Q09, $0.4 B in 4Q09 and cash received under European accounts receivable securitization of $0.2 B in 3Q09

Key Financial Statistics

$ Million	2008	2009	2010 Estimate
Capital Spending	$1,002	$534	$800
Depreciation & Amortization	$1,347	$1,472	$1,450[1]
Net Interest Expense	$492	$669	$620 - $640
Corporate Items[2]	$103	$181	$200 - $225
Effective Tax Rate[2]	31.5%	30%	30-32%

[1] Estimated depreciation may be impacted by lack-of-order downtime
[2] Before special items and excluding Ilim

Free Cash Flow
2009

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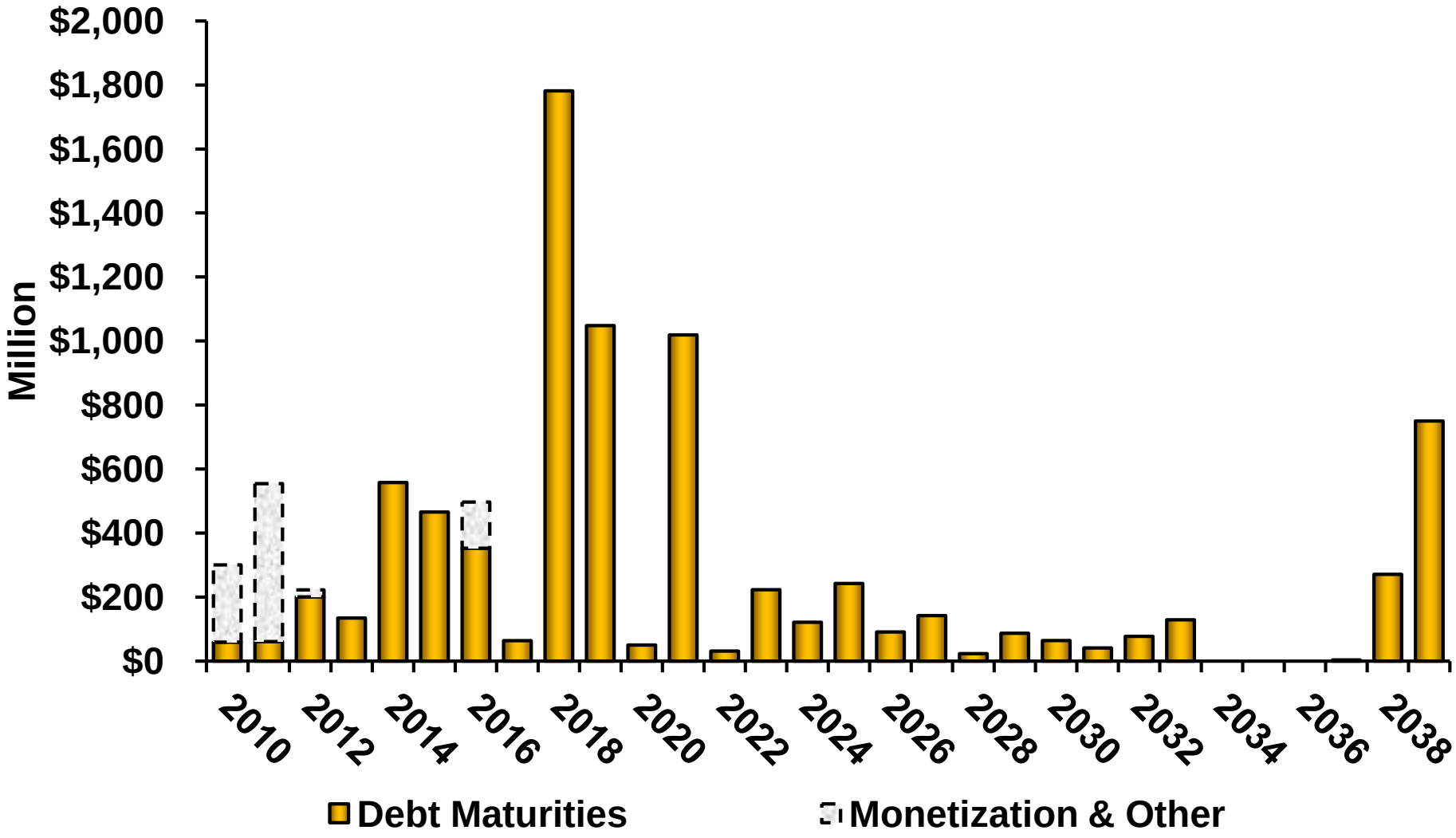
$ Million	2007	2008	1Q09	2Q09	3Q09	4Q09	2009
Cash from Operations	$1,887	$2,669	$649	$707	$713*	$697	$2,766*
Cash Received from Alternative Fuel Mixture Tax Credits	$0	$0	$145	$688	$463	$388	$1,684
Cash Provided by Continuing Operations	**$1,887**	**$2,669**	**$794**	**$1,395**	**$1,381**	**$1,085**	**$4,655**
Less Capital Investment	**($1,288)**	**($1,002)**	**($128)**	**($131)**	**($108)**	**($167)**	**($534)**
Free Cash Flow	**$599**	**$1,667**	**$666**	**$1,264**	**$1,273**	**$918**	**$4,121**
Free Cash Flow Excluding AFMTC & European AR Cash	**$599**	**$1,667**	**$521**	**$576**	**$605**	**$530**	**$2,232**

* Excludes $205 MM cash received under European accounts receivable securitization in 3Q09

Debt Maturity Profile

Maturities as of Year-End

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Monetization & Other: Intend to rollover or refinance timber monetization debt, Sun JV debt and other foreign subsidiary debt

Cash & Committed Facilities
$4.4 Billion

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	Maturity	Facility	Cost
Quarter-End Cash	-	$1.9 B	-
$1 B[1] Accounts Receivables Program	JAN 2011	Zero Drawn	CP Rate[2] + 100 bps
$1.5 B Corporate Revolver	NOV 2012	Zero Drawn	LIBOR + 300 bps
Total Cash & Committed Facilities		$4.4 B	-

Cost includes commitment fees

[1] $816 MM available at quarter-end based on eligible receivable balances

[2] Conduit's rate

Debt Covenants & Credit Ratings

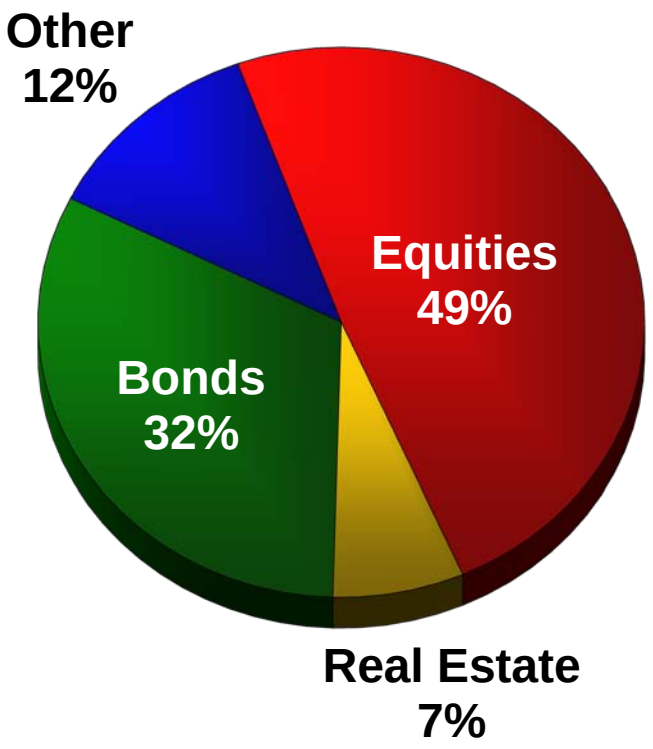
	Covenant	Year-end Actual
Maximum Debt-to-Total Capital	60%	43.3%
Minimum Consolidated Net Worth	$9 B	$11.8 B

	Rating	Outlook
Standard & Poor's	BBB	Negative
Moody's	Baa3	Negative

Pension Update

- Market value of assets increased to $6.8 B
  - 23.8% return in 2009
- Benefits obligation increased to $9.5 B[1]
- Unfunded obligation declined from $3.2 B to $2.8 B[1]
- No cash contribution required in 2010

2009 Year-End Portfolio

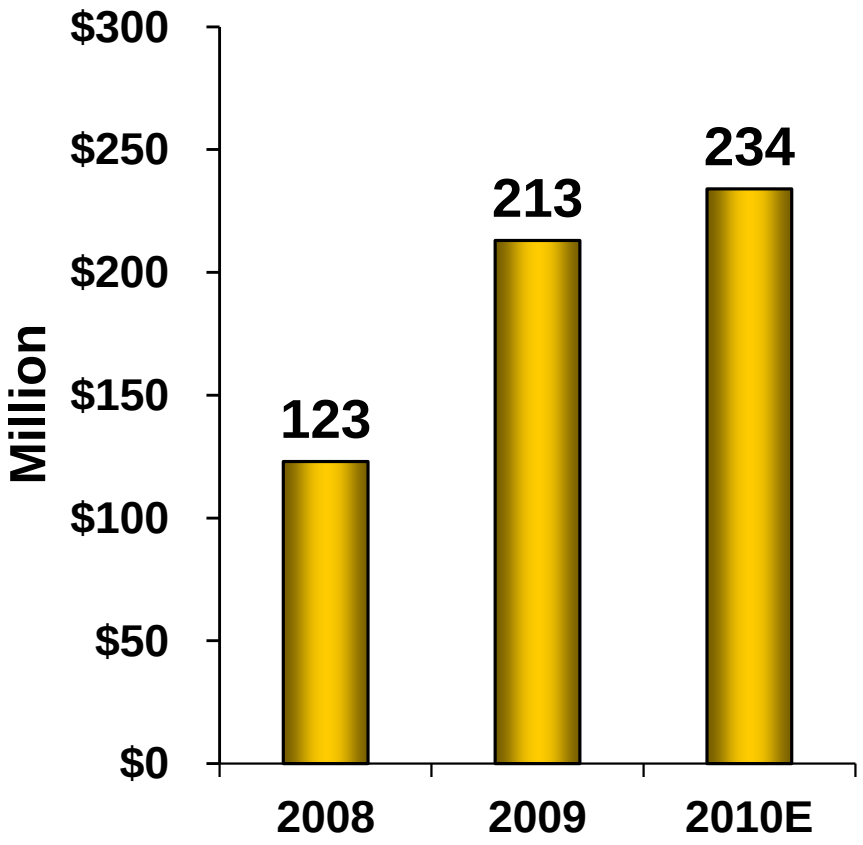


[1] US GAAP basis

Pension Plan

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Annual Pension Expense*



Key Variables	2008	2009	2010E
Assumed Rate of Return	8.5%	8.25%	8.25%
Discount Rate	6.2%	6.0%	5.8%

Average Annualized Returns	
2009	23.8%
Past Five Years	5.9%
Past Ten Years	5.6%

Portfolio Asset Allocation at 12-31-09		
	Target	Actual
Equity	40% - 51%	49%
Bonds	30% - 40%	32%
Real Estate	7% – 13%	7%
Other	9% - 18%	12%

* Non-cash expense for U.S. plans only

Pension expense reflects service cost, interest cost, amortization of actuarial losses and expected return on plan assets

Capacity Management Summary

Permanent Capacity Reductions in 2009

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Mill	Products	Annual Capacity (Tons)	% of IP Global Capacity	Closure Date
Franklin, VA	Uncoated Freesheet	600,000[1]	12%	Spring 2010
	Coated Paperboard	140,000	4%	December 2009
Albany, OR	Containerboard	580,000	12%	December 2009
Pineville, LA	Containerboard	390,000		
Valliant, OK	Containerboard	430,000[2]		
Etienne, France	Containerboard	200,000	2%	November 2009
Inverurie, Scotland	Uncoated Freesheet	275,000	5%	March 2009

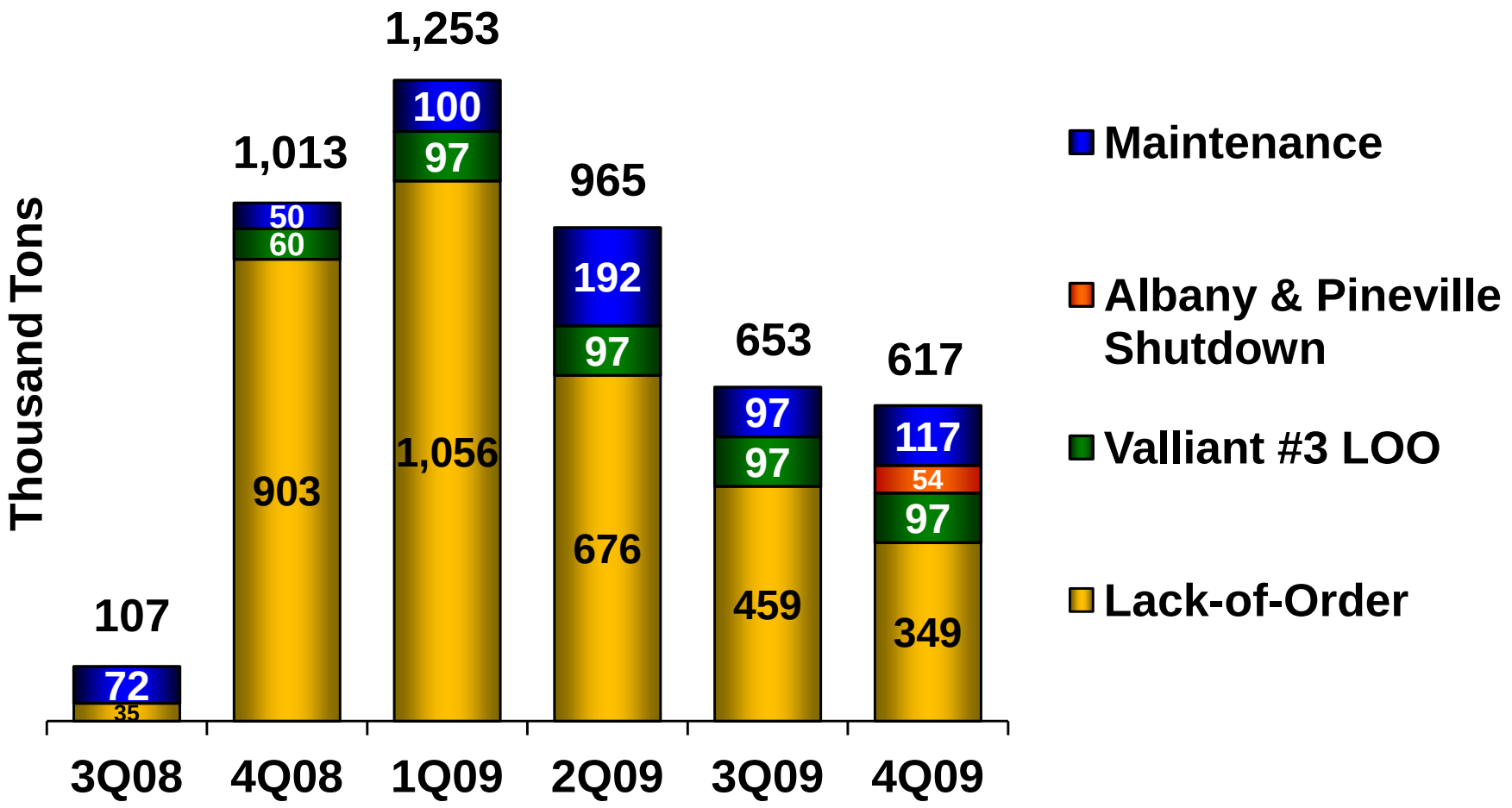
[1] Does not include 150,000-ton capacity of #3 machine previously closed in November 2008

[2] Capacity of #3 machine previously indefinitely idled in November 2008

N.A. Lack of Order & Maintenance Downtime

14% of Capacity in 4Q, 20% for the Year

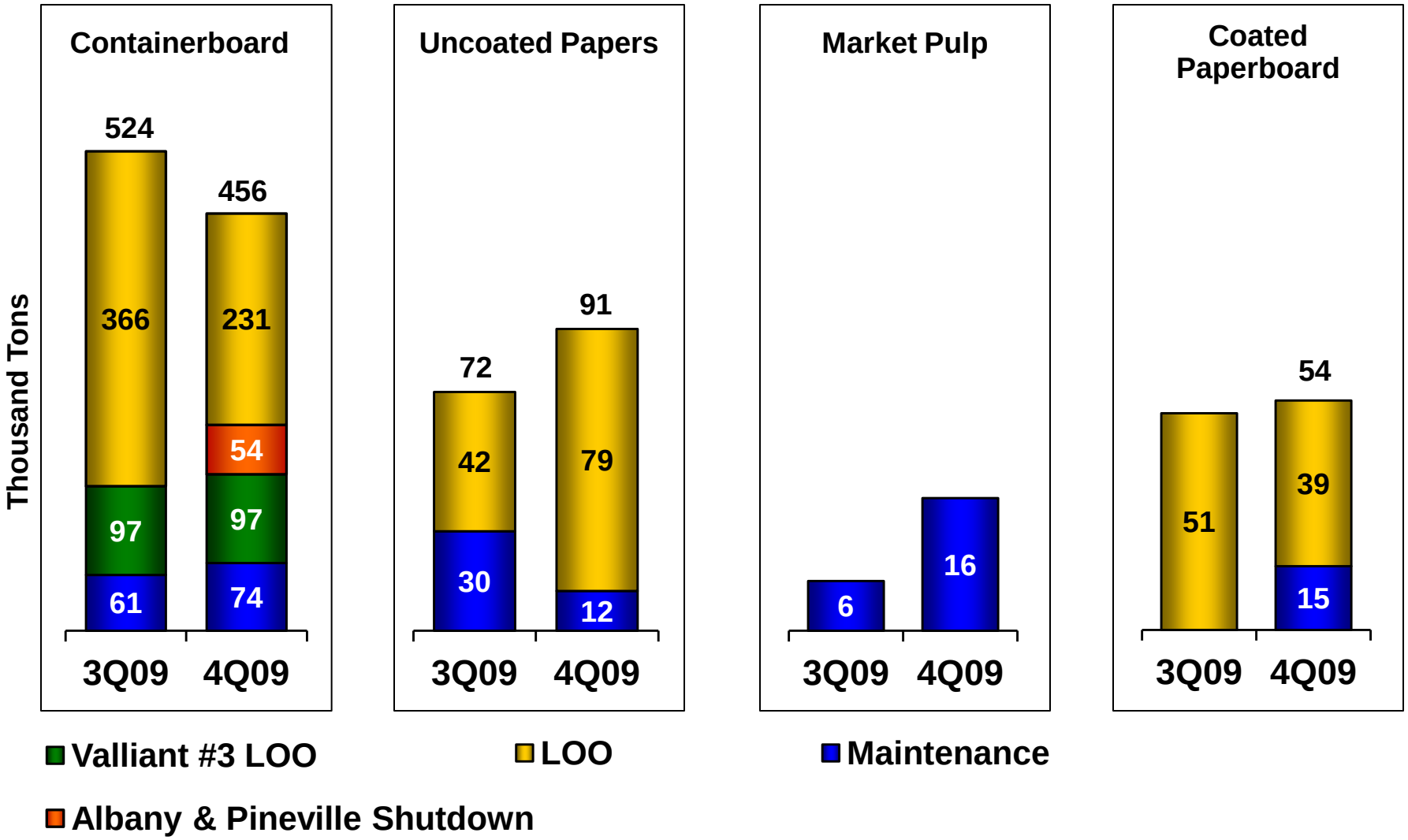
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Lack-of-order & maintenance downtime for North American Containerboard, Uncoated Papers, Market Pulp, & Coated Paperboard. See the following slide for detail by business.

2009 LOO downtime excludes capacity from mills or machines that have been permanently shutdown (Franklin #3 - 32,000 tons and Louisiana mill - 120,000 tons) as of December 31, 2009

N.A. Lack of Order & Maintenance Downtime



LOO downtime excludes capacity from mills or machines that have been permanently shutdown (Franklin #3- 32,000 tons and Louisiana mill - 120,000 tons) as of December 31, 2009

Maintenance Outages Expenses

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$ Million	4Q09	1Q10E	2009	2010E
Industrial Packaging	**$26**	**$70**	**$120**	**$140**
North America	$32	$25	$118	$125
Europe	0	0	$39	$40
Brazil	0	0	$7	$5
Printing Papers Total	**$32**	**$25**	**$164**	**$170**
Consumer Packaging	**$16**	**$5**	**$41**	**$40**
Total Impact	**$74**	**$100**	**$325**	**$350**

~70% of 2010 outage expense planned for 1H10

Dollar impact of planned maintenance outages are estimates and subject to change

Forest Products
4Q09 vs. 3Q09

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	4Q08	3Q09	4Q09
Sales ($ MM)	**$65**	**$5**	**$25**
Earnings ($ MM)	**$38**	**$2**	**$18**
Acres Sold	**30,000**	**3,200**	**7,700[1]**
Price / Acre	**$2,106**	**$1,994**	**$2,655[1]**

[1] 4Q09 figures exclude a 17,000-acre sale of a partnership interest at $369 per acre. The previously announced agreement to sell 143,000 acres of timberland has expired in accordance with its terms and will not be completed.

Industrial Packaging

	4Q09 vs. 3Q09		4Q09 vs. 4Q08	
Business	Volume	Price / Ton	Volume	Price / Ton
N.A. Container	(4%)	($14)	(5%)	($65)
European Container	2%	(€23)	(8%)	(€81)

Printing Papers

	4Q09 vs. 3Q09		4Q09 vs. 4Q08	
Business	**Volume**	**Price / Ton**	**Volume**	**Price / Ton**
N.A. Paper	**(3%)**	**($11)**	**(1%)**	**($82)**
N.A. Pulp	**(3%)**	**$37**	**(1%)**	**($27)**
European Paper	**9%**	**(€15)**	**(8%)**	**(€105)**

Average IP price realization (includes the impact of mix across all grades)

Consumer Packaging

	4Q09 vs. 3Q09		4Q09 vs. 4Q08	
	Volume	Price/Ton	Volume	Price/Ton
U.S. Coated Paperboard	(5%)	($10)	(19%)	($3)
	Revenue	Price	Revenue	Price
Converting Businesses	(4%)	NA	(10%)	NA

Average IP price realization (includes the impact of mix across all grades)

Special Items Pre-Tax
from Continuing Operations

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Special Items Pre-Tax ($Million)		4Q08	3Q09	4Q09
Industrial Packaging	Alternative Fuel Mixture Credits		$221	$212
	Facility & Machine Closure Costs	($8)	($7)	($670)
	Integration Costs	($26)	($18)	($15)
	Other			($2)
Printing Papers	Alternative Fuel Mixture Credits		$226	$221
	Facility Closure Costs	($153)	($1)	($223)
Consumer Packaging	Alternative Fuel Mixture Credits		$78	$83
	Facility Closure Costs			($67)
	Reorganization	($4)	($2)	($2)
xpedx	Reorganization			($5)
Corporate	Impairments of Goodwill	($1,777)		
	Restructuring & Other Charges	($53)	($141)	($82)
Total Special Items Pre-Tax		**($2,021)**	**$356**	**($550)**

Special Items Net of Taxes
from Continuing Operations

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	4Q09		2009	
	$ Million	EPS	$ Million	EPS
Earnings Before Special Items	**$101**	**$0.24**	**$378**	**$0.88**
Special Items Net of Taxes:				
Alternative Fuel Mixture Credits	$469		$1,413	
North American Mill Shutdowns	($525)		($525)	
Machine Shutdown – Valliant PM#3	($50)		($50)	
Etienne Mill Shutdown	($17)		($87)	
Inverurie Mill Shutdown			($28)	
Tax Adjustments	($15)		($165)	
Debt Extinguishment Costs	($35)		($113)	
Overhead Reduction Initiative	($15)		($92)	
Integration Costs	($10)		($54)	
Other	($4)		($14)	
Total Special Items Net of Taxes	**($202)**	**($0.48)**	**$285**	**$0.67**
Net Earnings	**($101)**	**($0.24)**	**$663**	**$1.55**

4Q09 EBITDA
before Special Items

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	Operating Profit $ Million	D & A $ Million	Tons Thousand	EBITDA per Ton	EBITDA Margin
Industrial Packaging					
North America[1]	$68	$162	2,502	$92	13.1%
Europe	$17	$9	256	$102	9.9%
Printing Papers					
North America[2]	$70	$58	754	$170	18.4%
Western Europe[3]	$0	$2	74	$27	1.2%
Eastern Europe & Russia[3]	$46	$16	256	$242	30.0%
Brazil	$33	$35	311	$219	22.6%
U.S. Market Pulp	($11)	$9	292	($7)	(1.2%)
Consumer Packaging					
U.S. Coated Paperboard	$22	$33	310	$177	16.5%

[1] Excludes Recycling & Bag businesses; includes Saturating Kraft business
[2] Includes Bleached Kraft business
[3] Excludes Market Pulp

Operating Profits by Industry Segment
from Continuing Operations

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$ Million	4Q08	3Q09	4Q09	2008	2009
Industrial Packaging	$145	$214	$84	$482	$741
Printing Papers	$113	$138	$139	$734	$464
Consumer Packaging	$1	$68	$49	$47	$177
Distribution	$26	$21	$31	$103	$55
Forest Products	$38	$2	$18	$409	$25
Operating Profit	**$323**	**$443**	**$321**	**$1,775**	**$1,462**
Net Interest Expense	($186)	($169)	($163)	($492)	($669)
Noncontrolling Interest / Equity Earnings Adjustment	($13)	$5	$4	($2)	$23
Corporate Items	($21)	($46)	($40)	($103)	($181)
Special Items	($2,021)	$356	($550)	($2,331)	$564
Earnings from continuing operations before income taxes, equity earnings & noncontrolling interest	**($1,918)**	**$589**	**($428)**	**($1,153)**	**$1,199**
Equity Earnings, net of taxes - Ilim	**$0**	**$0**	**$6**	**$54**	**($50)**

Geographic Business Segment Operating Results
from Continuing Operations

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$ Million	Sales				
	4Q08	3Q09	4Q09	2008	2009
Industrial Packaging					
North American	$2,125	$1,890	$1,855	$6,170	$7,585
European	$255	$240	$260	$1,170	$980
Asian	$75	$100	$95	$350	$325
Printing Papers					
North American	$765	$725	$700	$3,435	$2,815
European	$350	$300	$340	$1,655	$1,280
Brazilian	$215	$275	$300	$950	$960
U.S. Market Pulp	$170	$155	$160	$750	$575
Asian	$5	$15	$25	$20	$50
Consumer Packaging					
North American	$635	$565	$540	$2,505	$2,200
European	$70	$80	$85	$300	$315
Asian	$95	$145	$160	$390	$545
Distribution	$1,940	$1,665	$1,675	$7,970	$6,525

Excludes Forest Products

Geographic Business Segment Operating Results

from Continuing Operations before Special Items

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$ Million	Operating Profit				
	4Q08	3Q09	4Q09	2008	2009
Industrial Packaging					
North American	$130	$201	$68	$414	$685
European	$15	$14	$17	$64	$57
Asian	$0	$0	($1)	$4	($1)
Printing Papers					
North American	$73	$92	$70	$435	$307
European	$36	$28	$46	$146	$115
Brazilian	$44	$36	$33	$186	$112
U.S. Market Pulp	($39)	($18)	($11)	($33)	($71)
Asian	($1)	$0	$1	$0	$1
Consumer Packaging					
North American	$16	$44	$22	$38	$87
European	$5	$17	$21	$22	$66
Asian	($20)	$7	$6	($13)	$24
Distribution	$26	$21	$31	$103	$55

Excludes Forest Products

2008 Earnings from Continuing Operations

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	Pre-Tax $MM	Tax $MM	Non-controlling Interest $MM	Equity Earnings	Net Income $MM	Estimated Tax Rate	Average Shares[1] MM	Diluted EPS[2]
Before Special Items								
1Q08	$239	($75)	($5)	$16	$175	32%	423	$0.41
2Q08	$312	($100)	($7)	$30	$235	33%	423	$0.56
3Q08	$524	($170)	($3)	$5	$356	33%	423	$0.84
4Q08	$103	($24)	$12	($2)	$89	23%	421	$0.21
2008	$1,178	($369)	($3)	$49	$855	32%	421	$2.01
Special Items								
1Q08	($41)	$16	$0	$0	($25)	39%	423	($0.06)
2Q08	($10)	$3	$0	$0	($7)	30%	423	($0.02)
3Q08	($259)	$52	$0	$0	($207)	20%	423	($0.49)
4Q08	($2,021)	$136	$0	$0	($1,885)	7%	421	($4.47)
2008	($2,331)	$207	$0	$0	($2,124)	9%	421	($5.03)
Earnings from Continuing Operations								
1Q08	$198	($59)	($5)	$16	$150	30%	423	$0.35
2Q08	$302	($97)	($7)	$30	$228	32%	423	$0.54
3Q08	$265	($118)	($3)	$5	$149	45%	423	$0.35
4Q08	($1,918)	$112	$12	($2)	($1,796)	6%	421	($4.26)
2008	($1,153)	($162)	($3)	$49	($1,269)	(14%)	421	($3.02)

[1] Assuming dilution

[2] A reconciliation to GAAP EPS is available at www.internationalpaper.com under the Investors tab at Webcasts and Presentations

2009 Earnings from Continuing Operations

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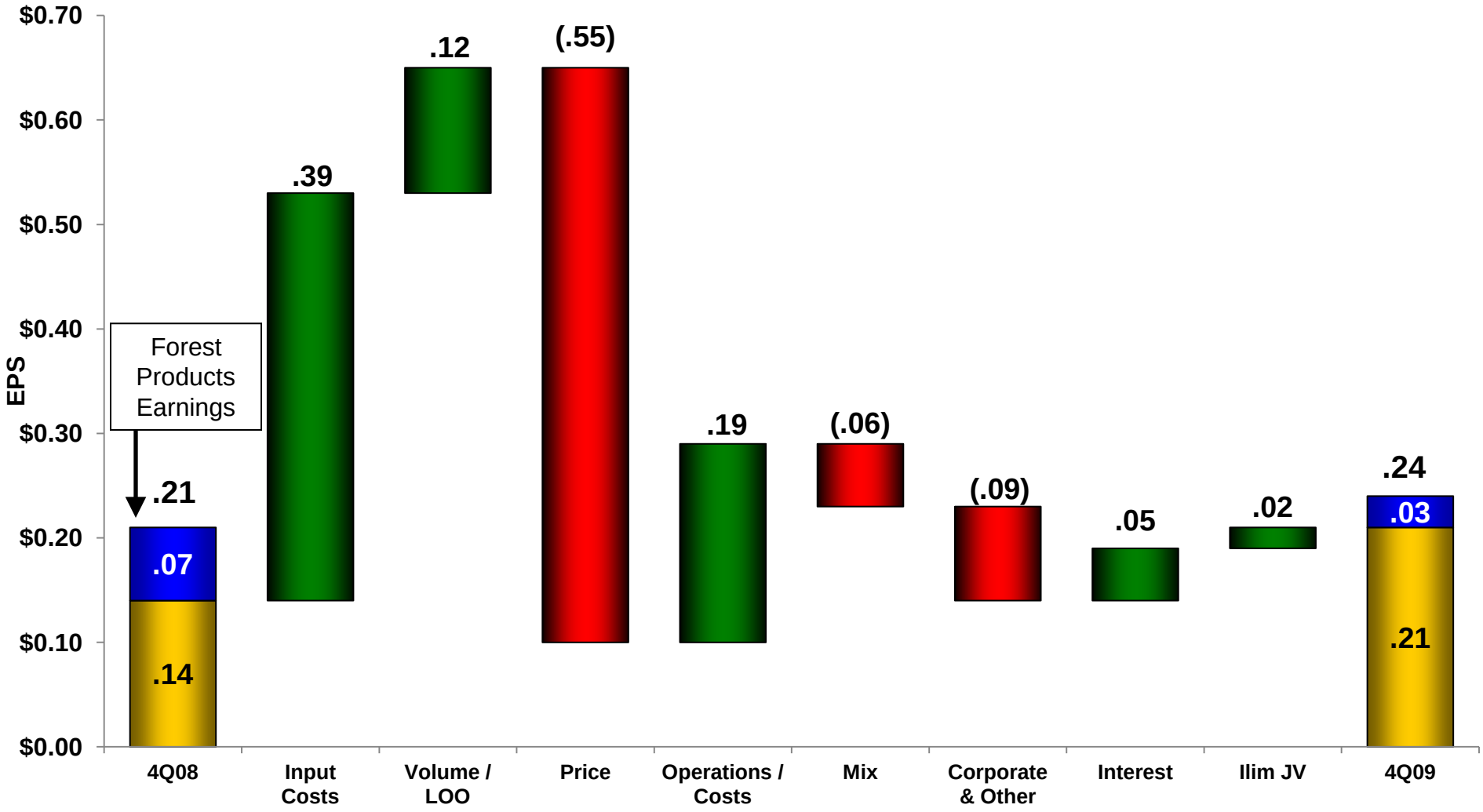
	Pre-Tax $MM	Tax $MM	Non-controlling Interest $MM	Equity Earnings	Net Income $MM	Estimated Tax Rate	Average Shares[1] MM	Diluted EPS[2]
Before Special Items								
1Q09	$97	($32)	($4)	($27)	$34	33%	423	$0.08
2Q09	$183	($61)	($4)	($32)	$86	33%	425	$0.20
3Q09	$233	($70)	($6)	$0	$157	30%	429	$0.37
4Q09	$122	($27)	($4)	$10	$101	22%	427	$0.24
2009	$635	($190)	($18)	($49)	$378	30%	428	$0.88
Special Items								
1Q09	$421	($198)	$0	$0	$223	47%	423	$0.53
2Q09	$337	($287)	$0	$0	$50	85%	425	$0.12
3Q09	$356	($142)	$0	$0	$214	40%	429	$0.50
4Q09	($550)	$348	$0	$0	($202)	63%	427	($0.48)
2009	$564	($279)	$0	$0	$285	49%	428	$0.67
Earnings								
1Q09	$518	($230)	($4)	($27)	$257	44%	423	$0.61
2Q09	$520	($348)	($4)	($32)	$136	67%	425	$0.32
3Q09	$589	($212)	($6)	$0	$371	36%	429	$0.87
4Q09	($428)	$321	($4)	$10	($101)	75%	427	($0.24)
2009	$1,199	($469)	($18)	($49)	$663	39%	428	$1.55

[1] Assuming dilution

[2] A reconciliation to GAAP EPS is available at www.internationalpaper.com under the Investors tab at Webcasts and Presentations

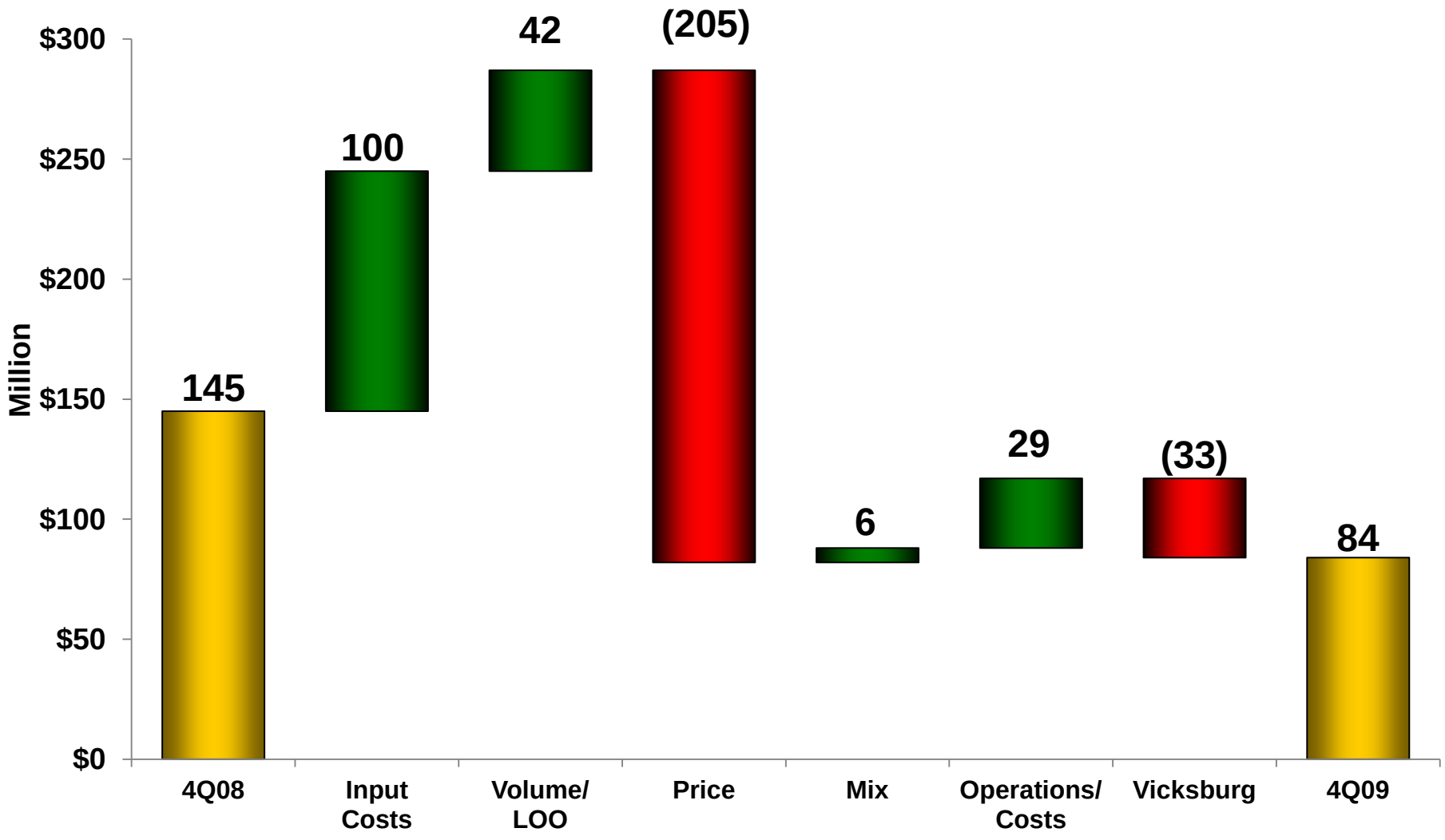
4Q09 vs. 4Q08 EPS

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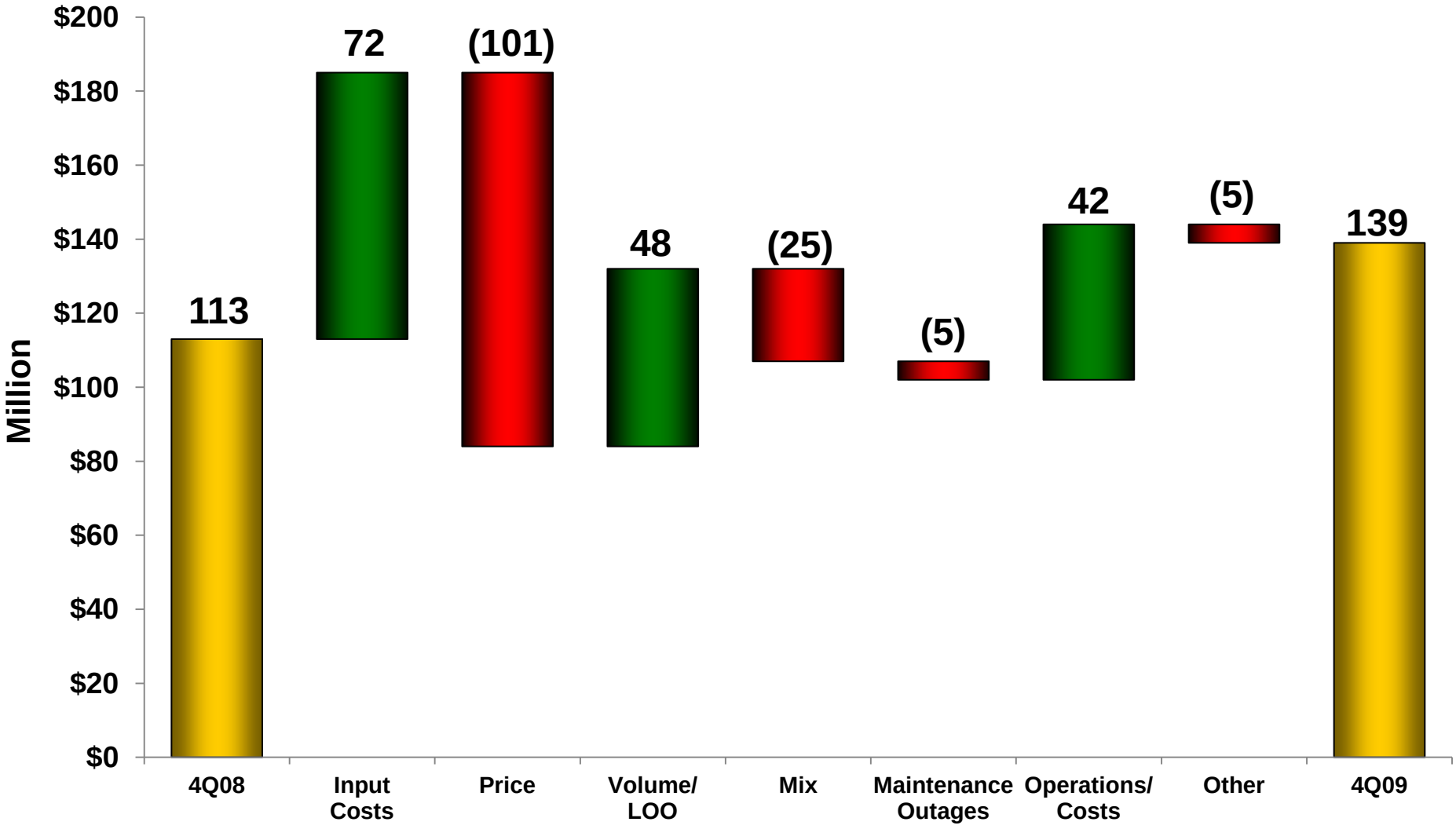
Earnings from continuing operations before special items

Industrial Packaging Earnings
4Q09 vs. 4Q08



Earnings before special items

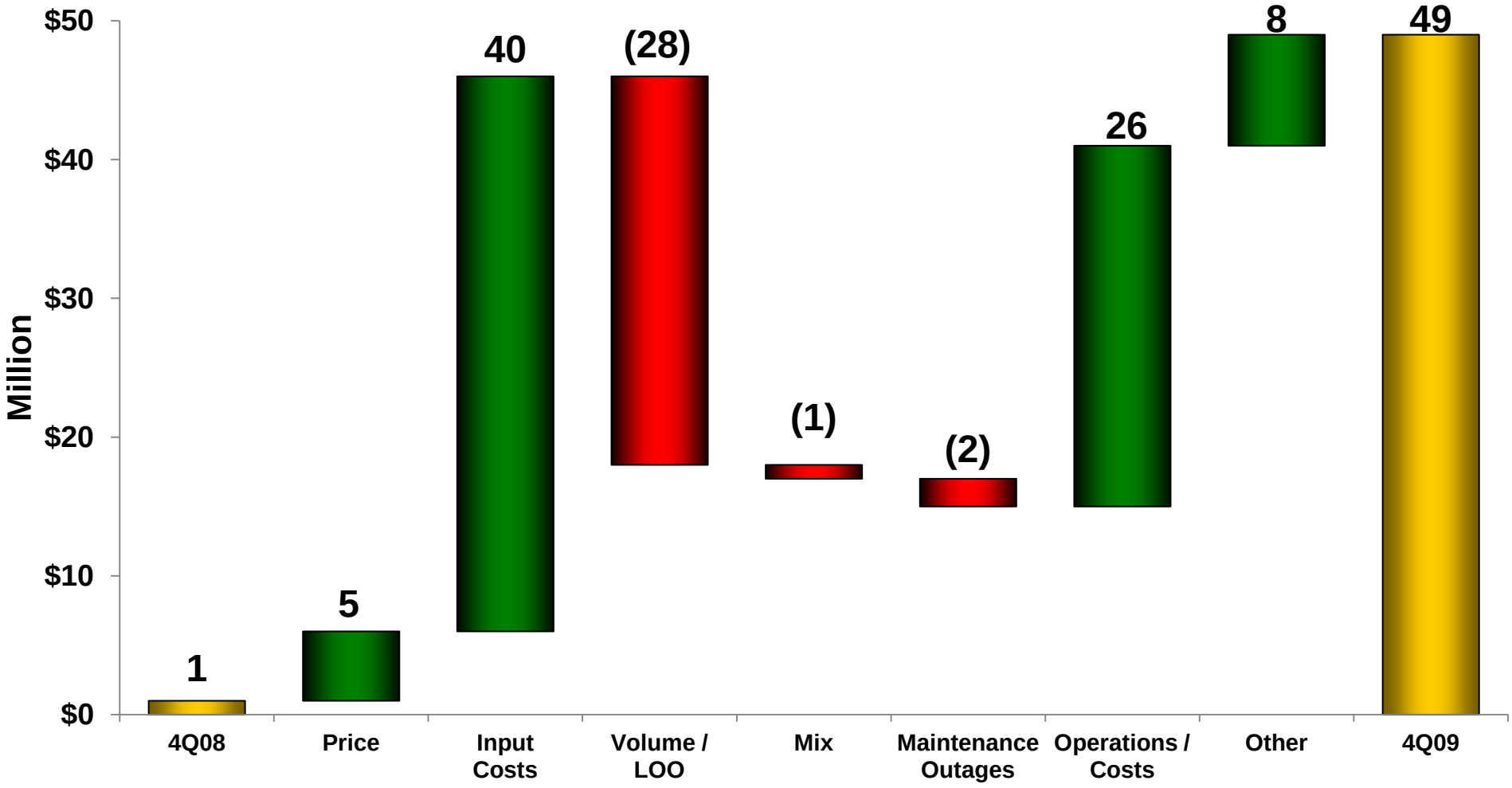
Printing Papers Earnings
4Q09 vs. 4Q08



Earnings before special items

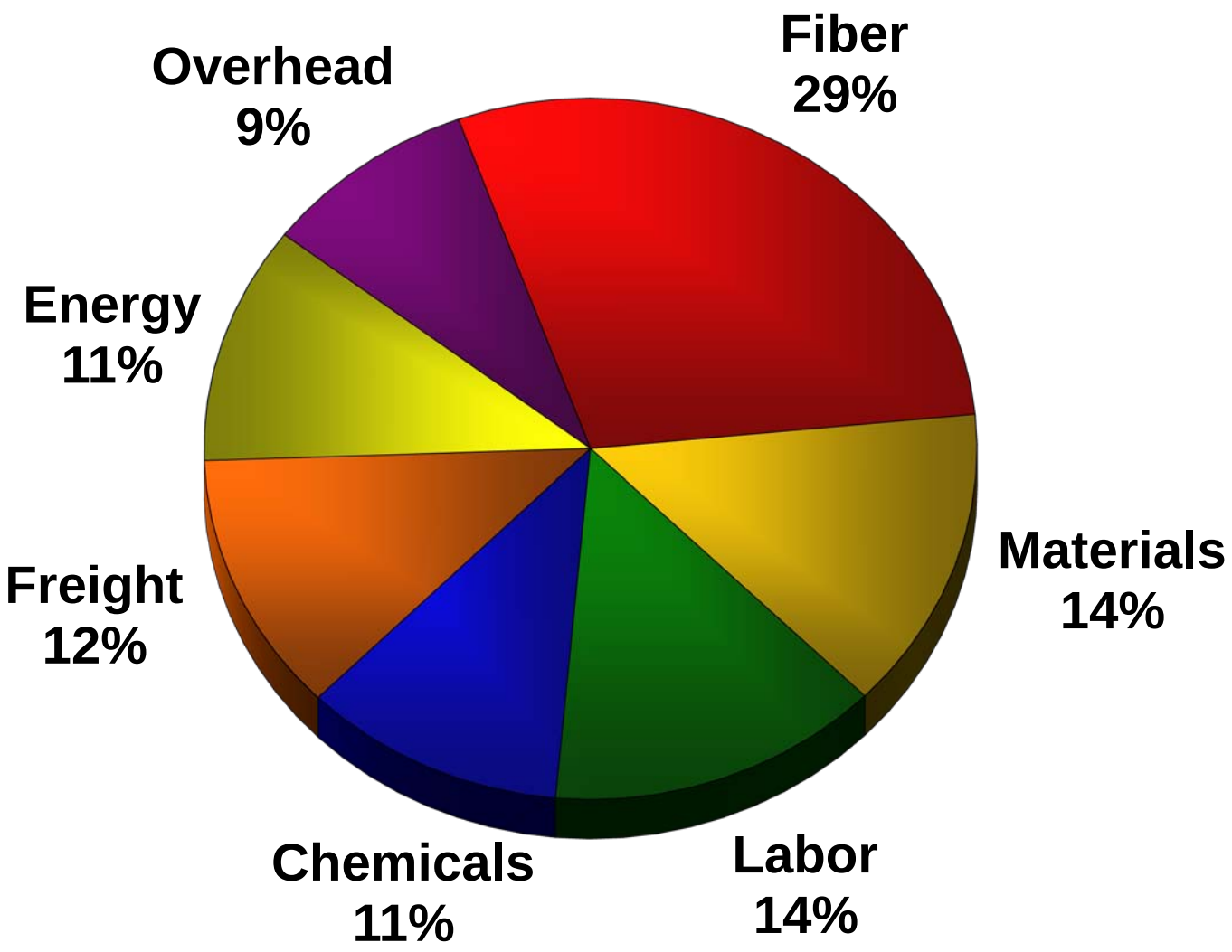
Consumer Packaging Earnings
4Q09 vs. 4Q08

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Earnings before special items

Total Cash Cost Components
2009

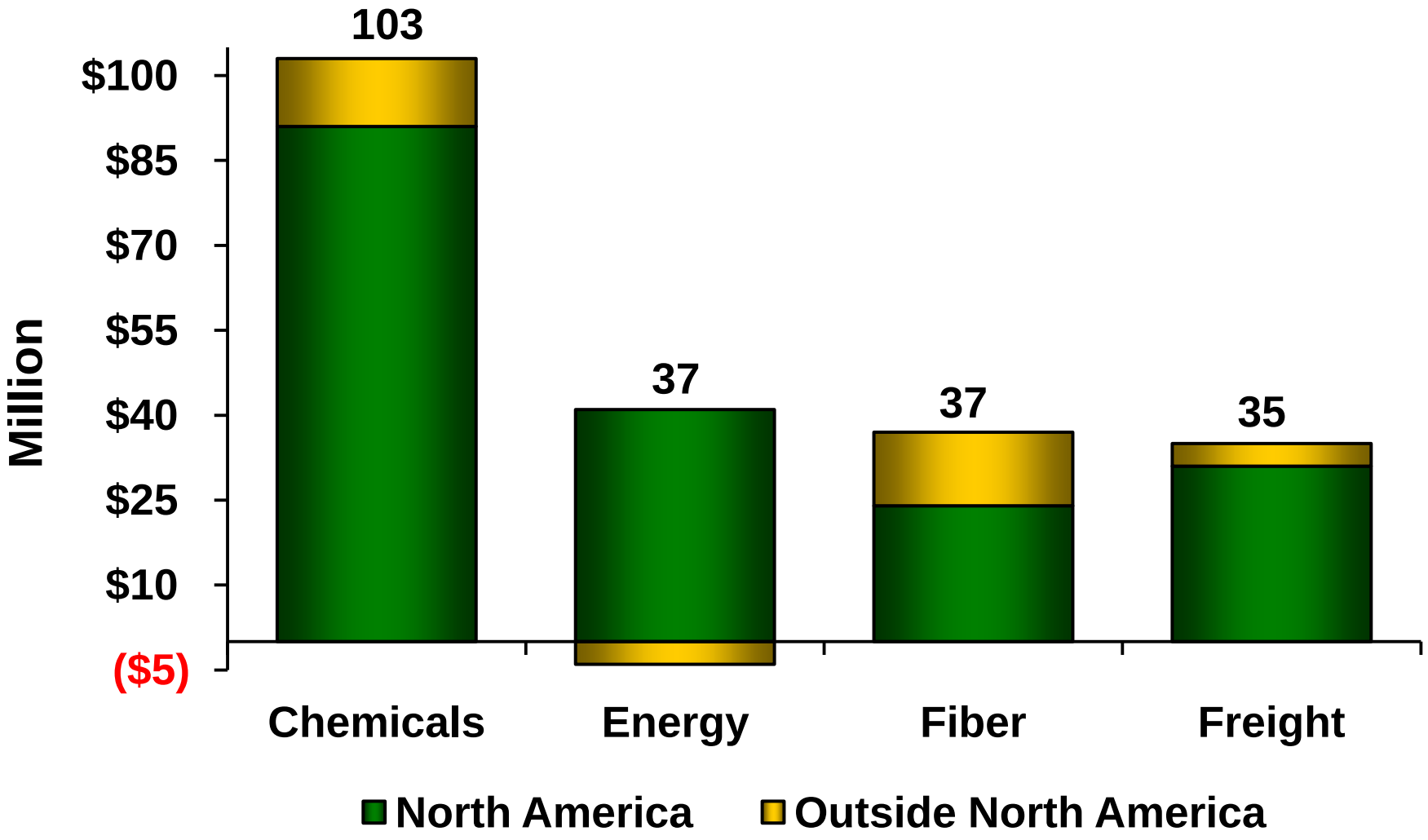


North American Mills Only

Global Input & Freight Costs by Input

$212 MM, or $0.39/Share Favorable vs. 4Q08

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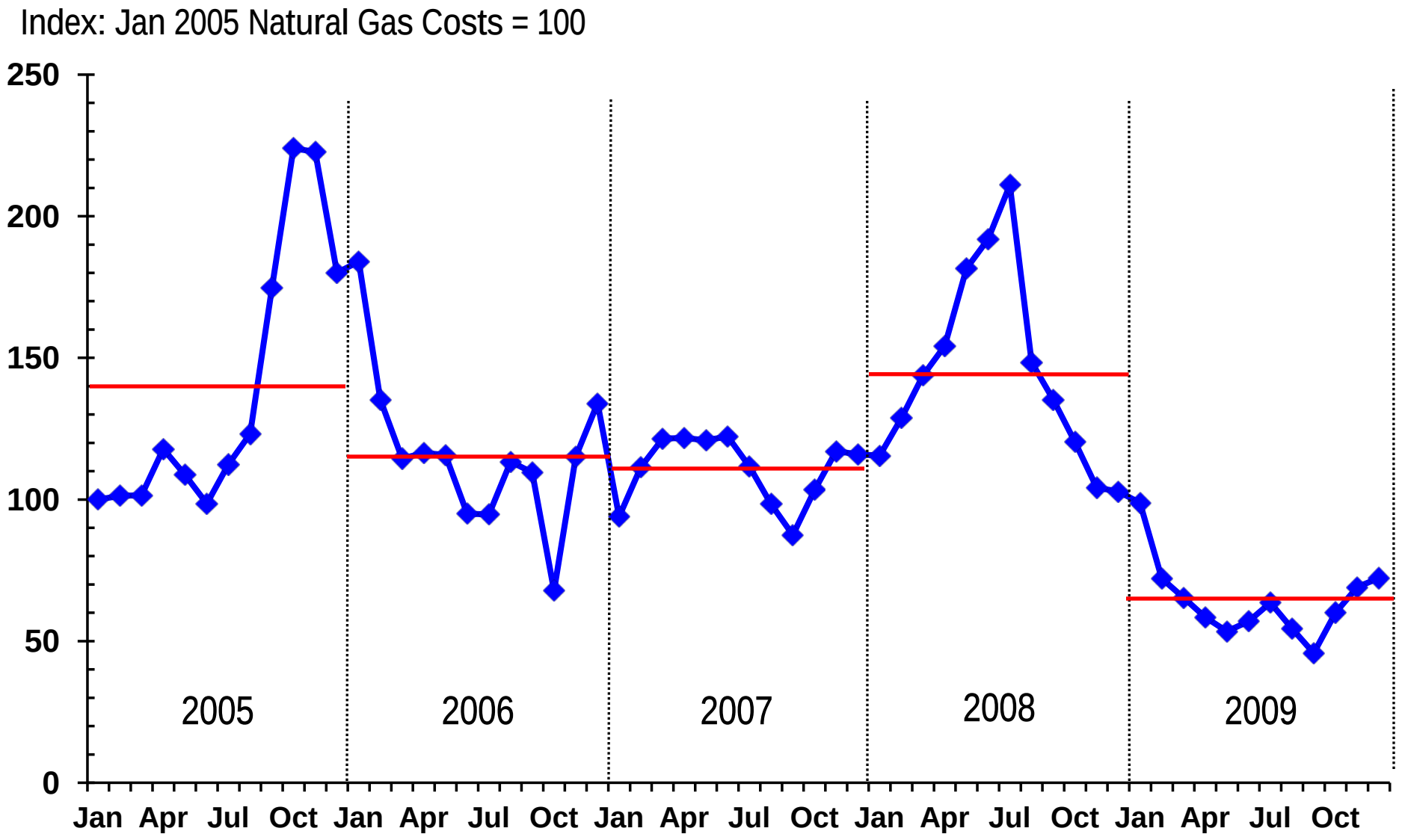


Input costs for continuing businesses

Natural Gas Costs

23% Increase vs. 3Q09 Average Cost

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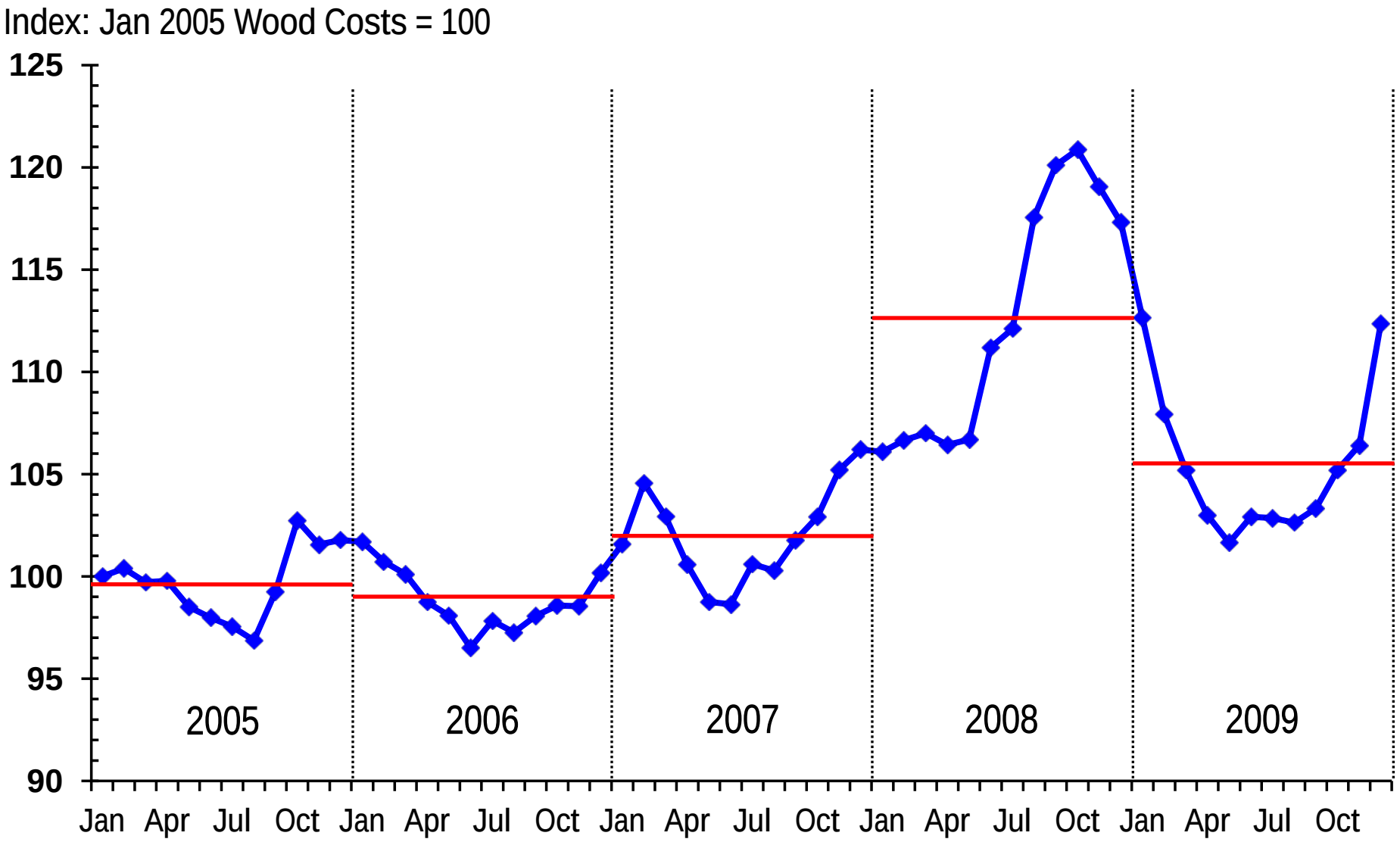


NYMEX Natural Gas closing prices

U.S. Mill Wood Costs

5% Increase vs. 3Q09 Average Cost

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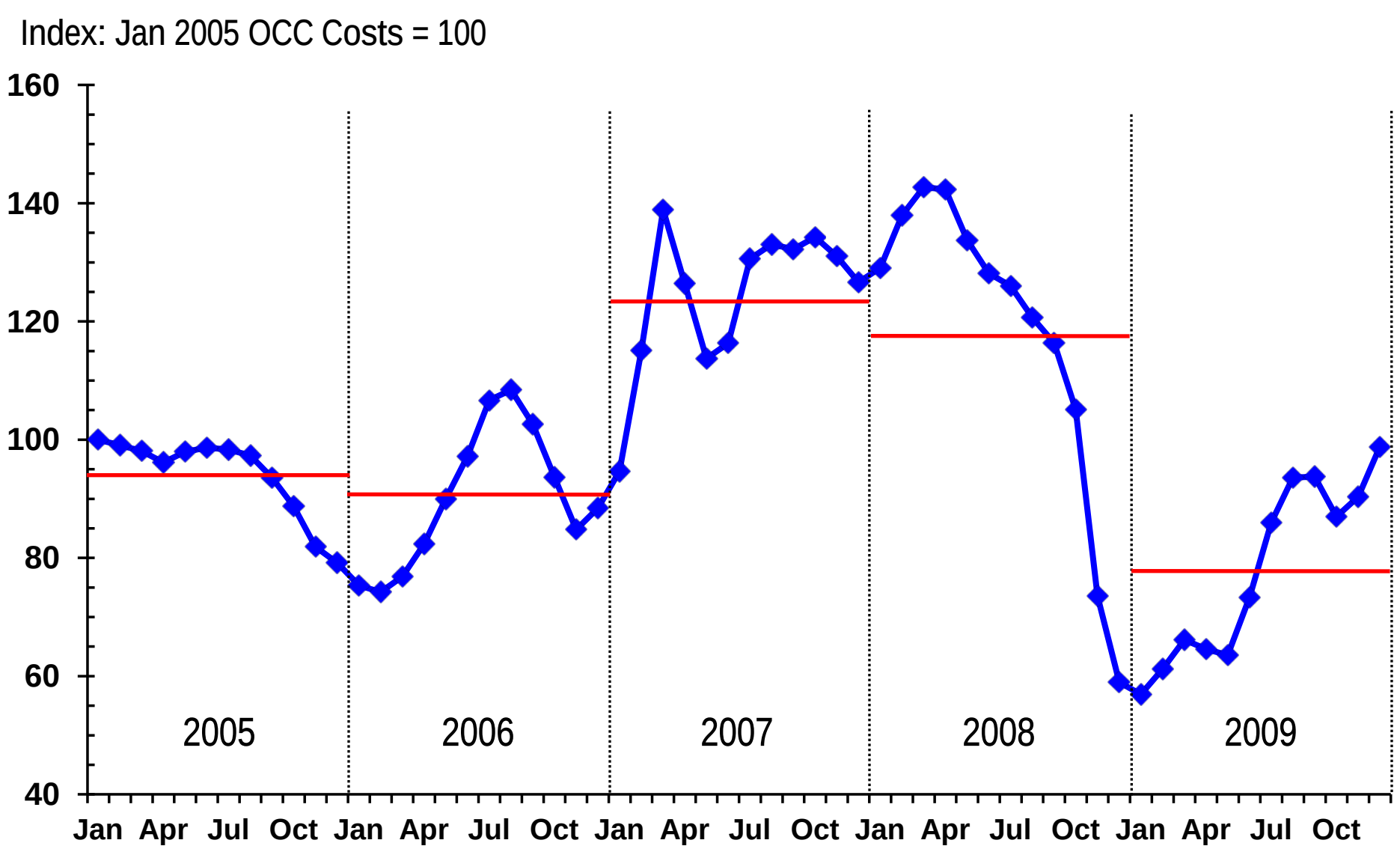


Delivered cost to U.S. facilities

U.S. Old Corrugated Containers Costs

1% Increase vs. 3Q09 Average Cost

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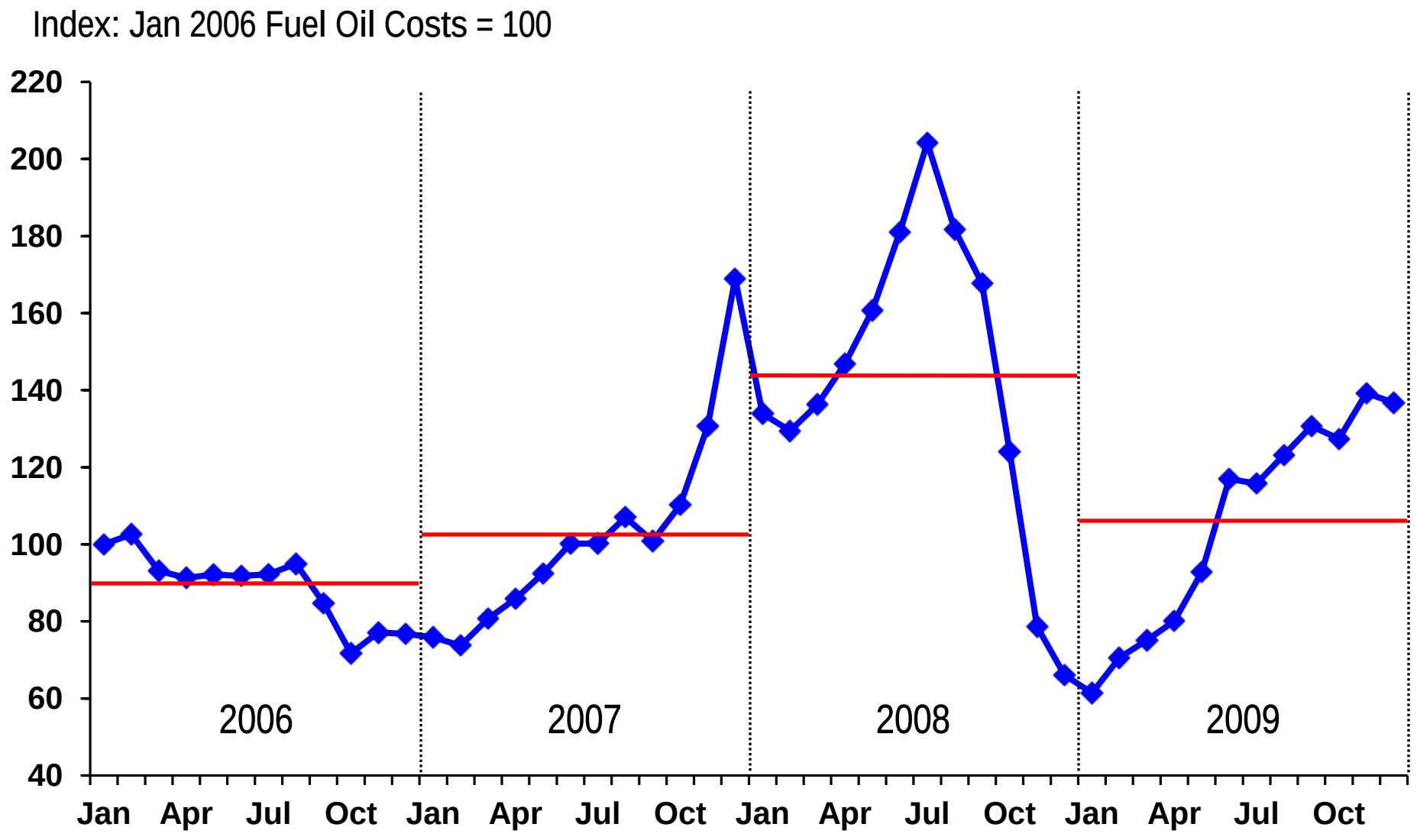


2005-2007 represents WY PKG delivered costs; 2008-2009 represents delivered costs to the integrated system

U.S. Fuel Oil

9% Increase vs. 3Q09 Average Cost

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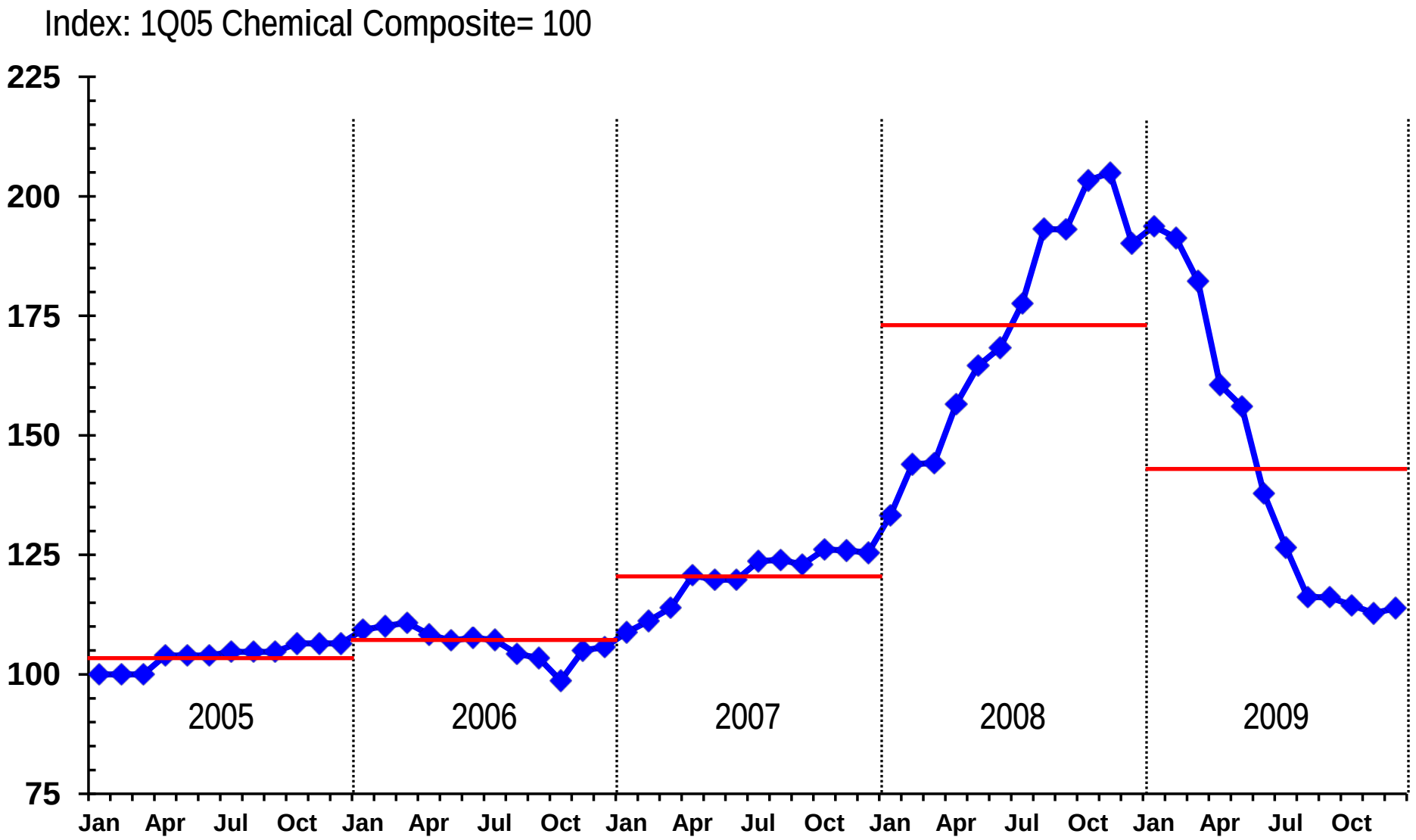


WTI Crude prices

U.S. Chemical Composite Index

5% Decrease vs. 3Q09 Average Cost

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Delivered cost to U.S. facilities; includes Caustic Soda, Sodium Chlorate, Starch and Sulfuric Acid
2005 - 2008 excludes WY PKG

2010 Global Consumption

Annual Purchase Estimates for Key Inputs

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	Commodity	U. S.	Non – U. S.
Energy	Natural Gas (MM BTUs)	42,000,000	13,000,000
	Fuel Oil (Barrels)	1,500,000	500,000
	Coal (Tons)	860,000	260,000
Fiber	Wood (Tons)	44,200,000	8,800,000
	Old Corrugated Containers (Tons)	3,000,000	310,000
Chemicals	Caustic Soda (Tons)	250,000	70,000
	Starch (Tons)	394,000	96,000
	Sodium Chlorate (Tons)	180,000	40,000
	LD Polyethylene (Tons)	39,000	-
	Latex (Tons)	22,000	4,000

Does not include Asian or Ilim consumption
Estimates are based on normal operations and may be impacted by downtime