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Fourth Quarter and Full Year 2010 Review

February 3, 2011

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 existing and new 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.

Fourth Quarter 2010
Solid Finish in Transition Year

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Earnings per Share



Earnings from continuing operations before special items

- **Strong Earnings**
- **Strong Free Cash Flow**
- **Incremental price realization offset seasonal volume declines**
- **More Maintenance Outages**
- **Increased Input Costs**
- **Strong Ilim JV Contribution**

4Q10 Operating Business EPS

Strongest 4Q in more than a decade

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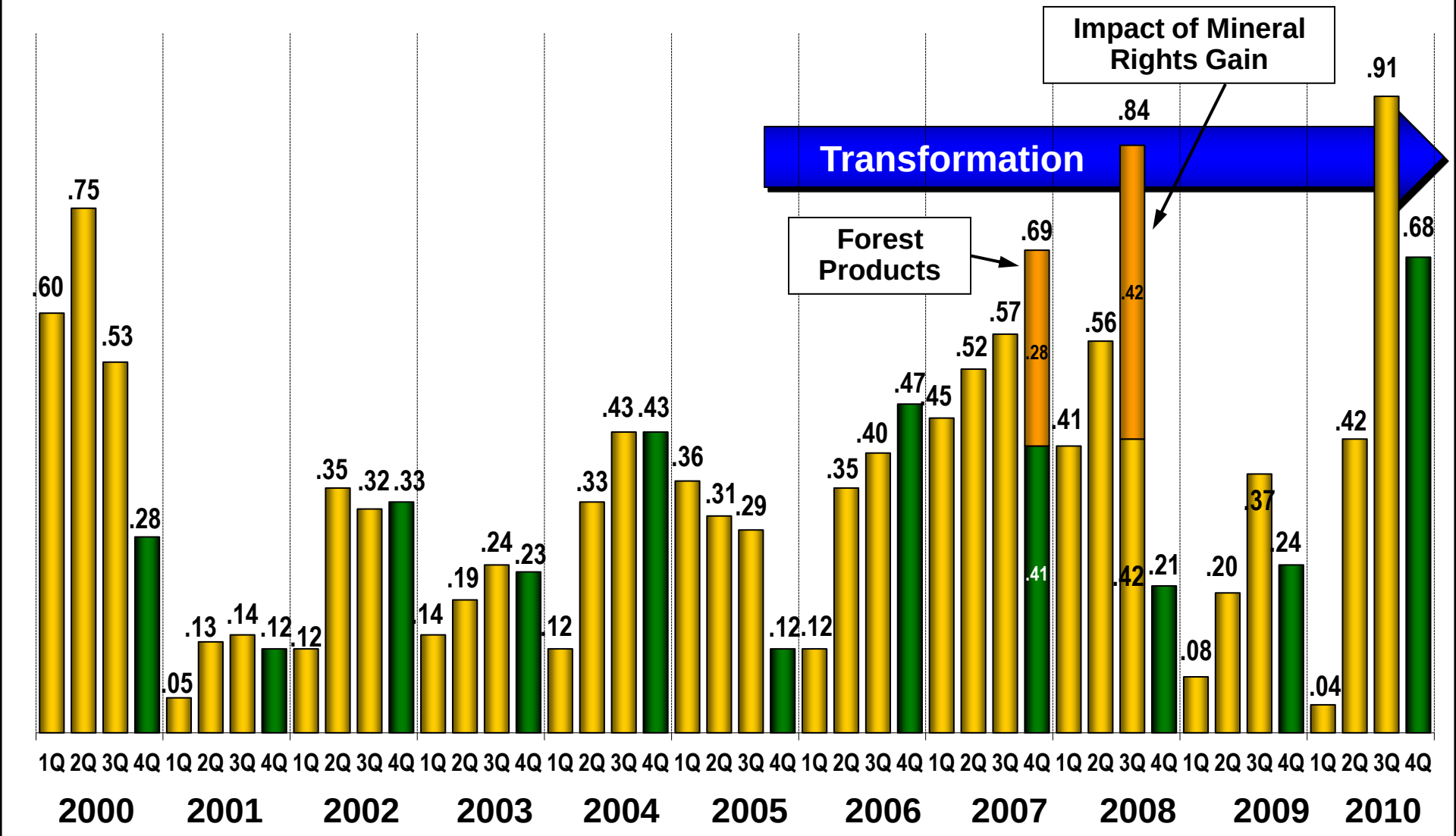

Earnings from continuing operations before special items as reported at the time

Strong Full-Year 2010 Results

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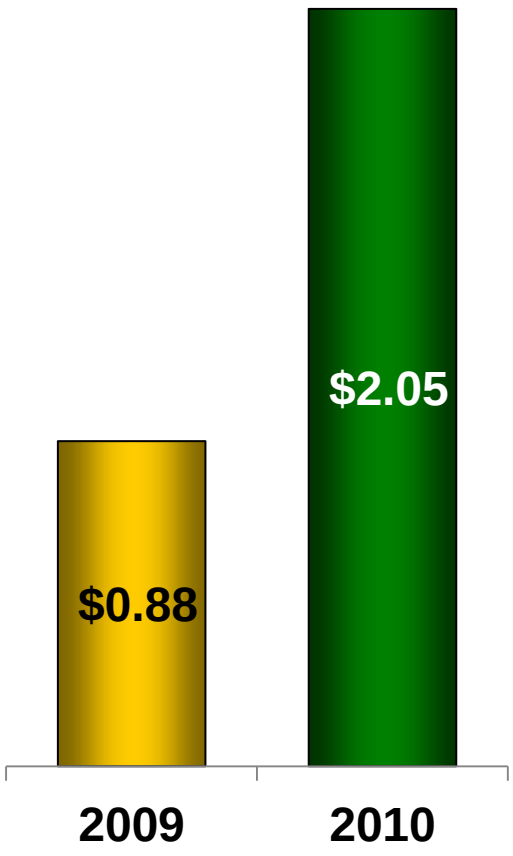
Earnings per Share



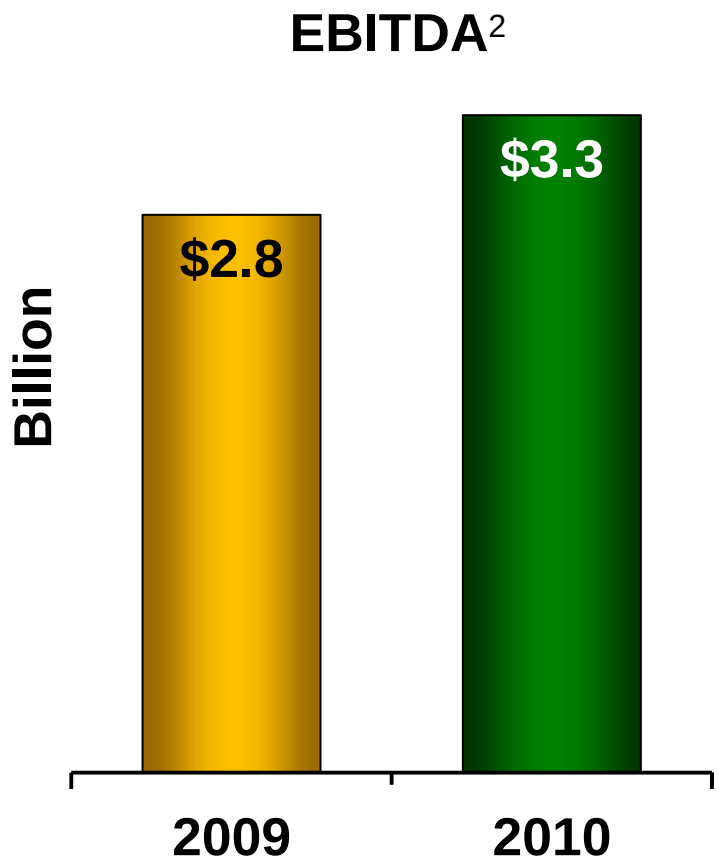
- **$3.3 B EBITDA**
- **$1.7 B Free Cash Flow[1]**
- **110 BPS EBITDA Margin Expansion**
- **250 BPS ROI Improvement**
- **Significant Debt Reduction Progress**
  - Pension Funding Gap down $1.3 B
  - Net Debt down $550 MM
- **Annual Dividend Rate Increase**
  - From $0.10 to $0.75

Earnings from continuing operations before special items

[1] See slide #34 for a reconciliation of free cash flows

Strong Full-Year 2010 Results

$ Billion	2009	2010
Sales	$23.4	$25.2
Free Cash Flow[1]	$2.2	$1.7
Year-End Debt	$9.0	$8.7
Cash Balance	$1.9	$2.1



[1] See slide #34 for a reconciliation of free cash flows
[2] Earnings from continuing operations before special items

2010 Revenue
$1.8 Billion Increase

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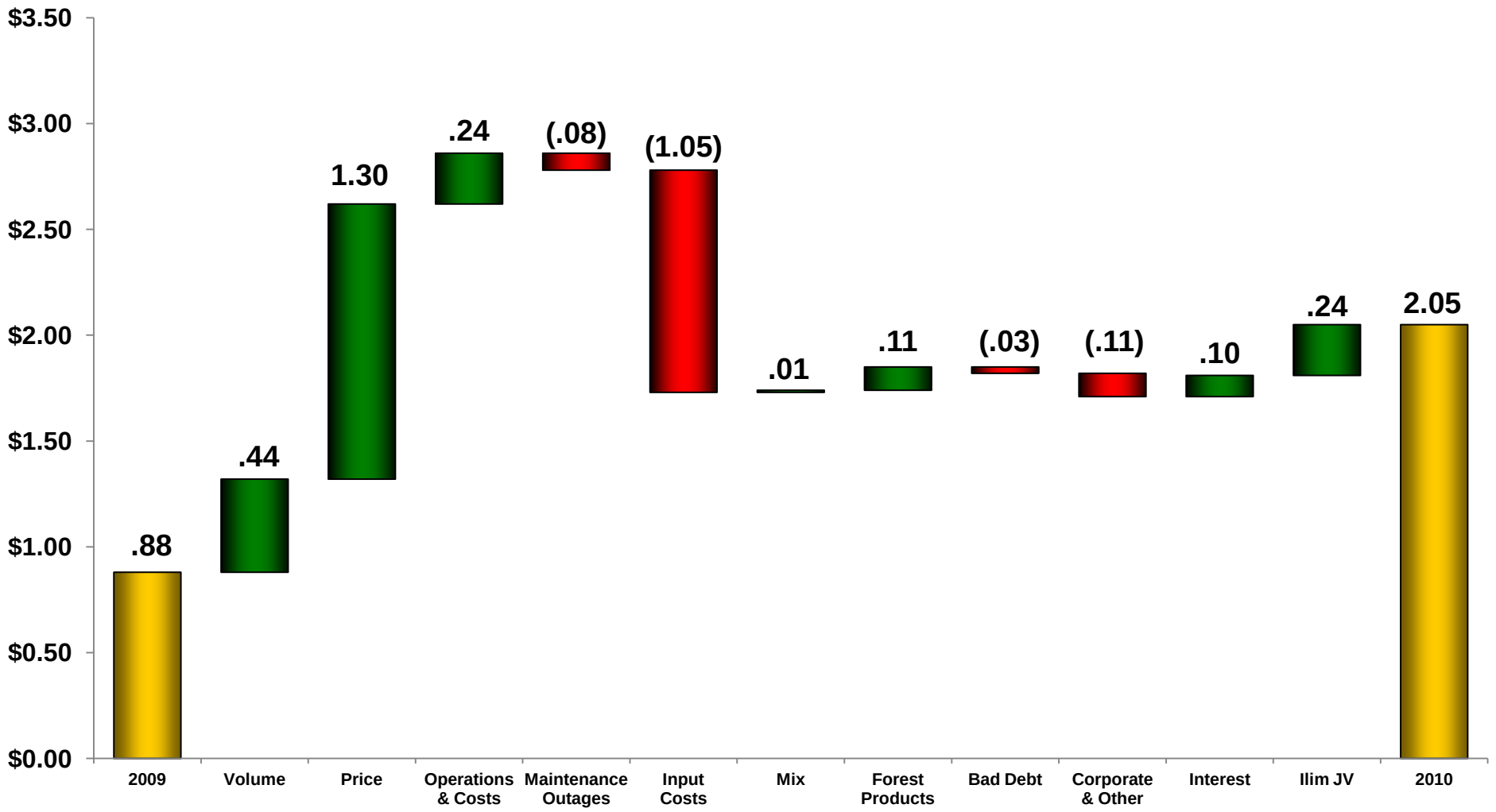
2010 vs. 2009 Revenue Growth	
U.S.	6%
Non-U.S.	13%
Ilim Joint Venture	33%
Non-U.S., Inc. Ilim[1]	18%

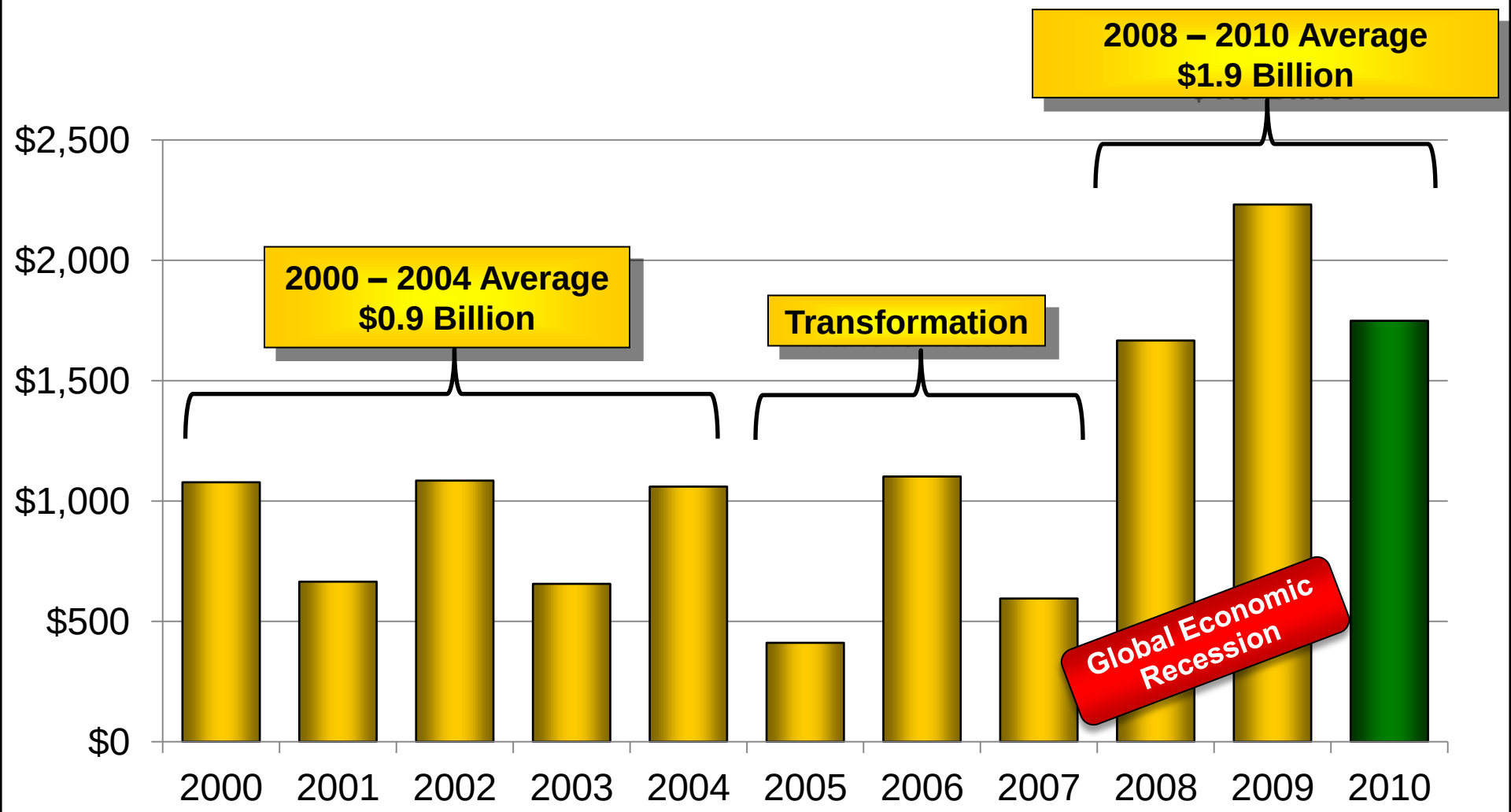
[1] Reflects 100% of Ilim's revenues

2010 vs. 2009 EPS



Earnings from continuing operations before special items

Step-Change Improvement in Free Cash Flow



Free cash flow, based on data in the 10-K for each year at the time of filing.
See slide #34 for a reconciliation of free cash flows

Transformation Enabling Improved Returns

Recovering from Global Recession

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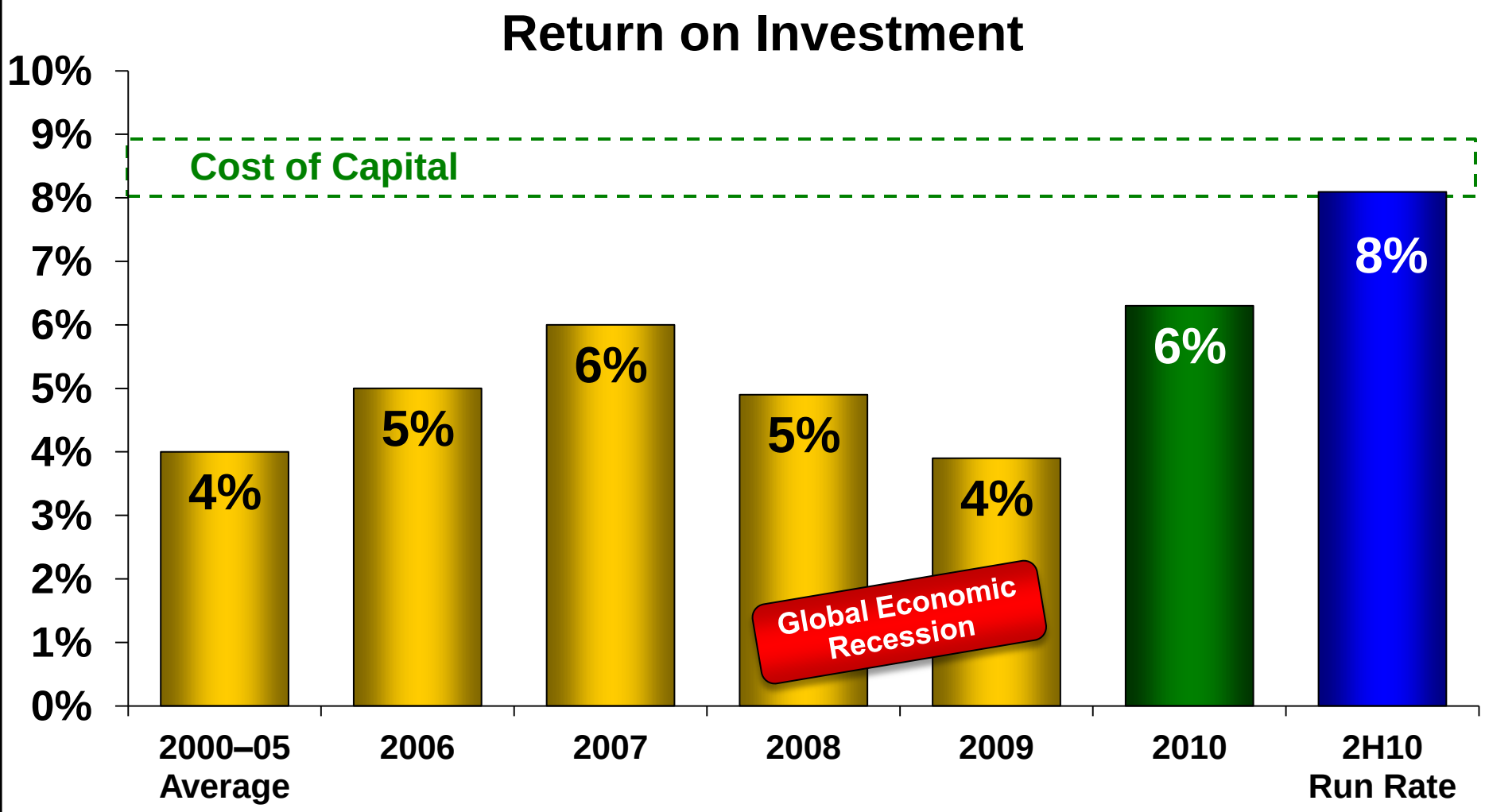

4Q10 Financial Snapshot

Strong EBITDA & Free Cash Flow

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	4Q09	3Q10	4Q10
Sales ($B)	$6.0	$6.7	$6.5
EBITDA[1] ($MM)	$669	$1,061	$872
EBITDA Margin	11%	16%	13%
Free Cash Flow[2] ($MM)	$530	$753	$601
Debt ($B)	$9.0	$8.7	$8.7
Cash Balance ($B)	$1.9	$1.4	$2.1

[1] Earnings from continuing operations before special items

[2] 4Q09 excludes cash received from alternative fuel credits of $388 MM; See slide #34 for a reconciliation of 3Q10 and 4Q10 free cash flows

4Q10 vs. 3Q10 EPS

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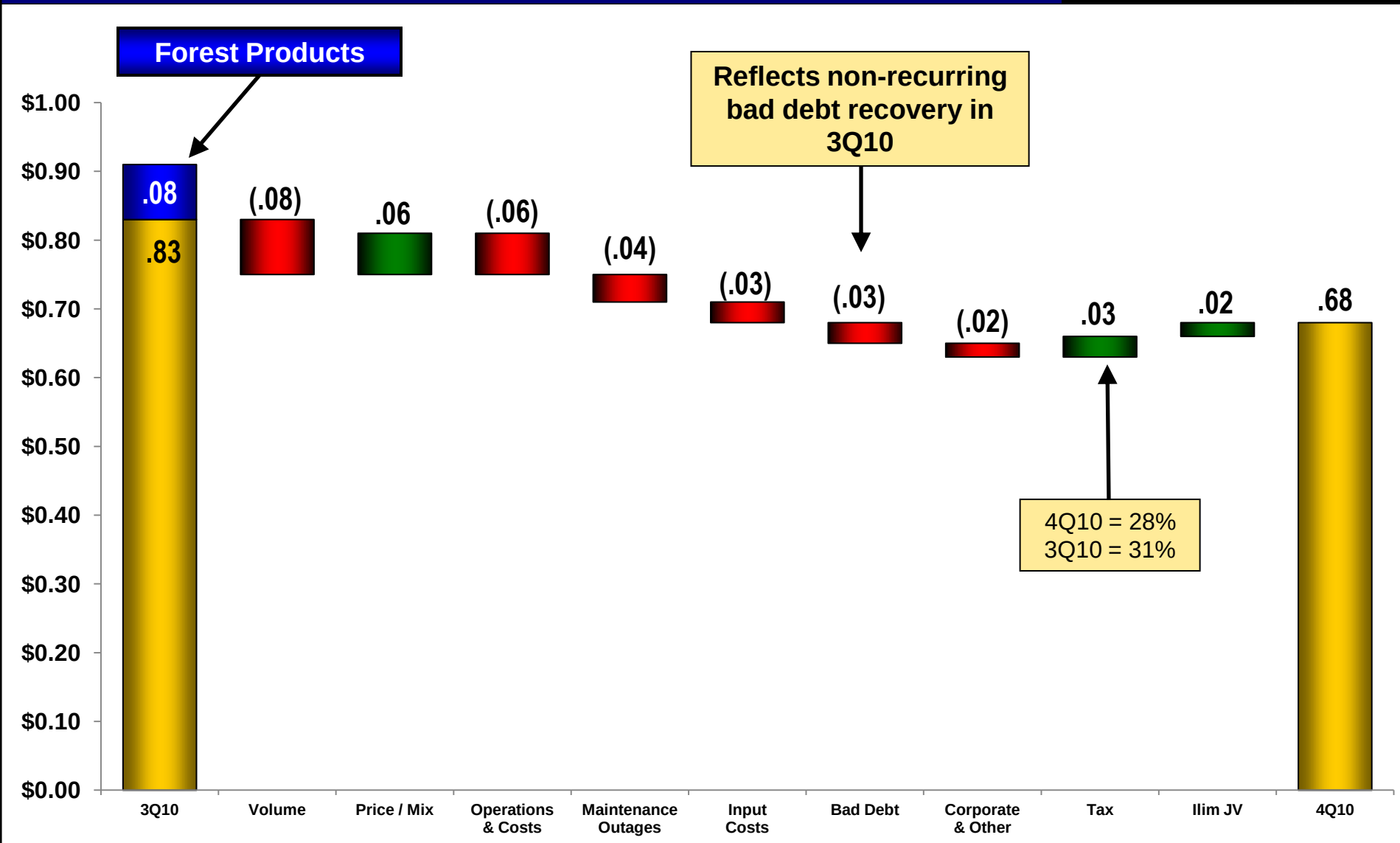

Earnings before special items

Global Input Costs vs. 3Q10

$22 MM Unfavorable, or $0.03/Share

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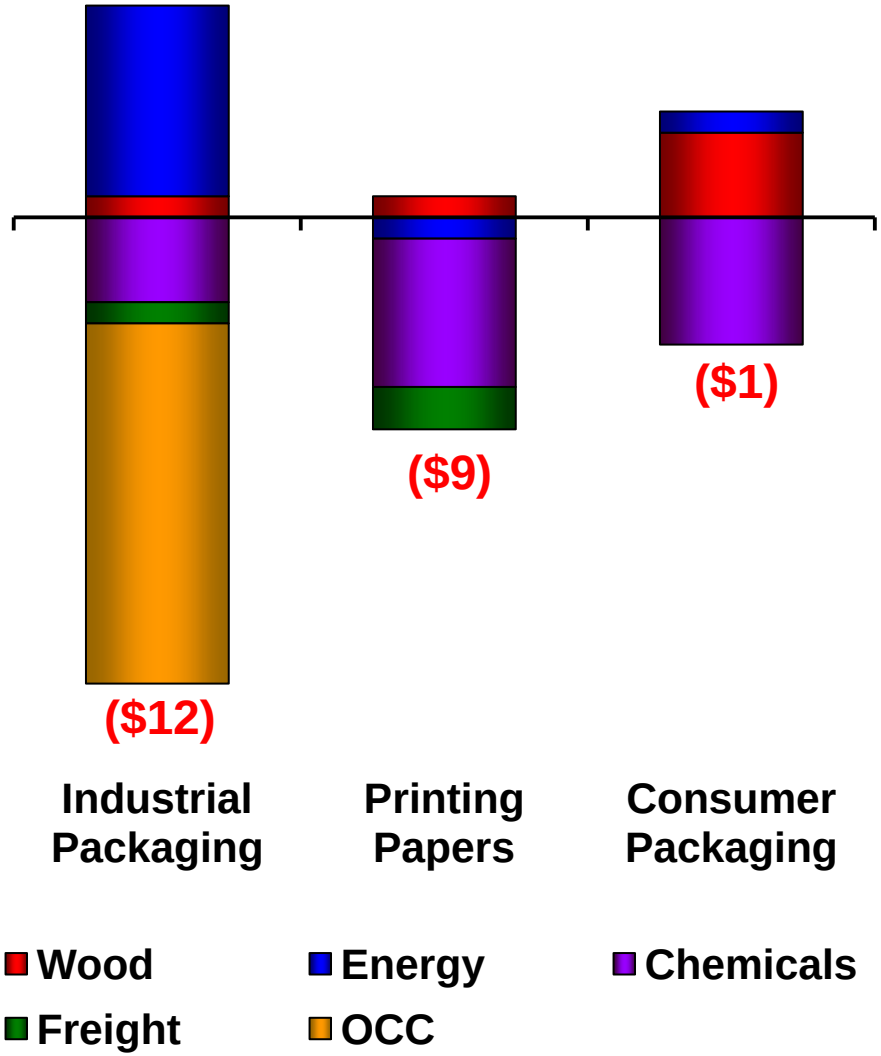
By Business



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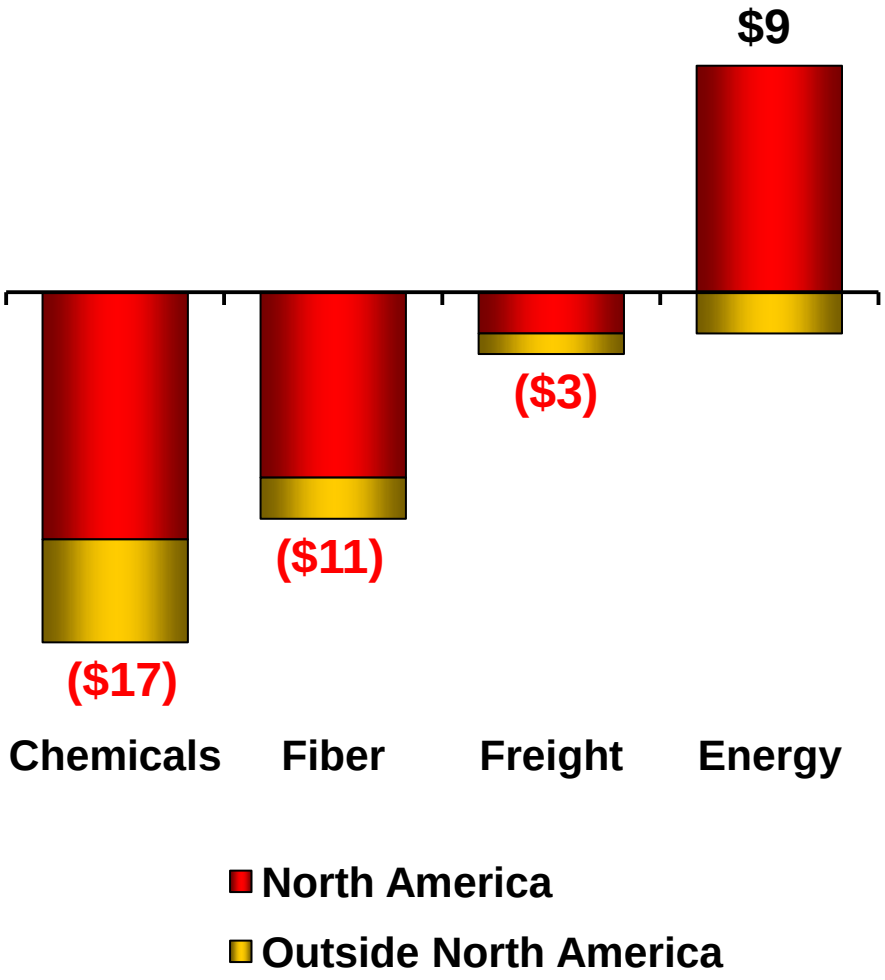
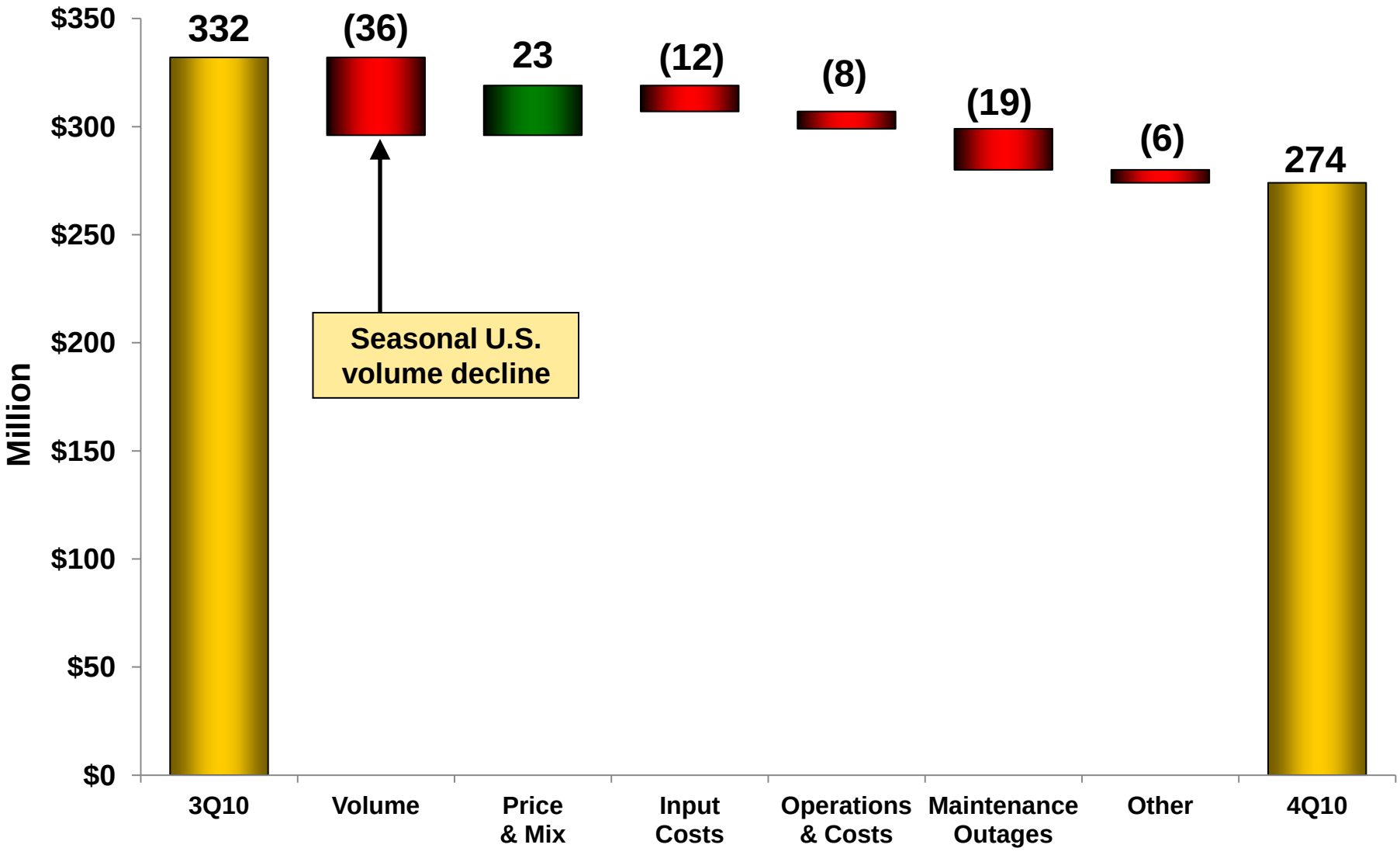
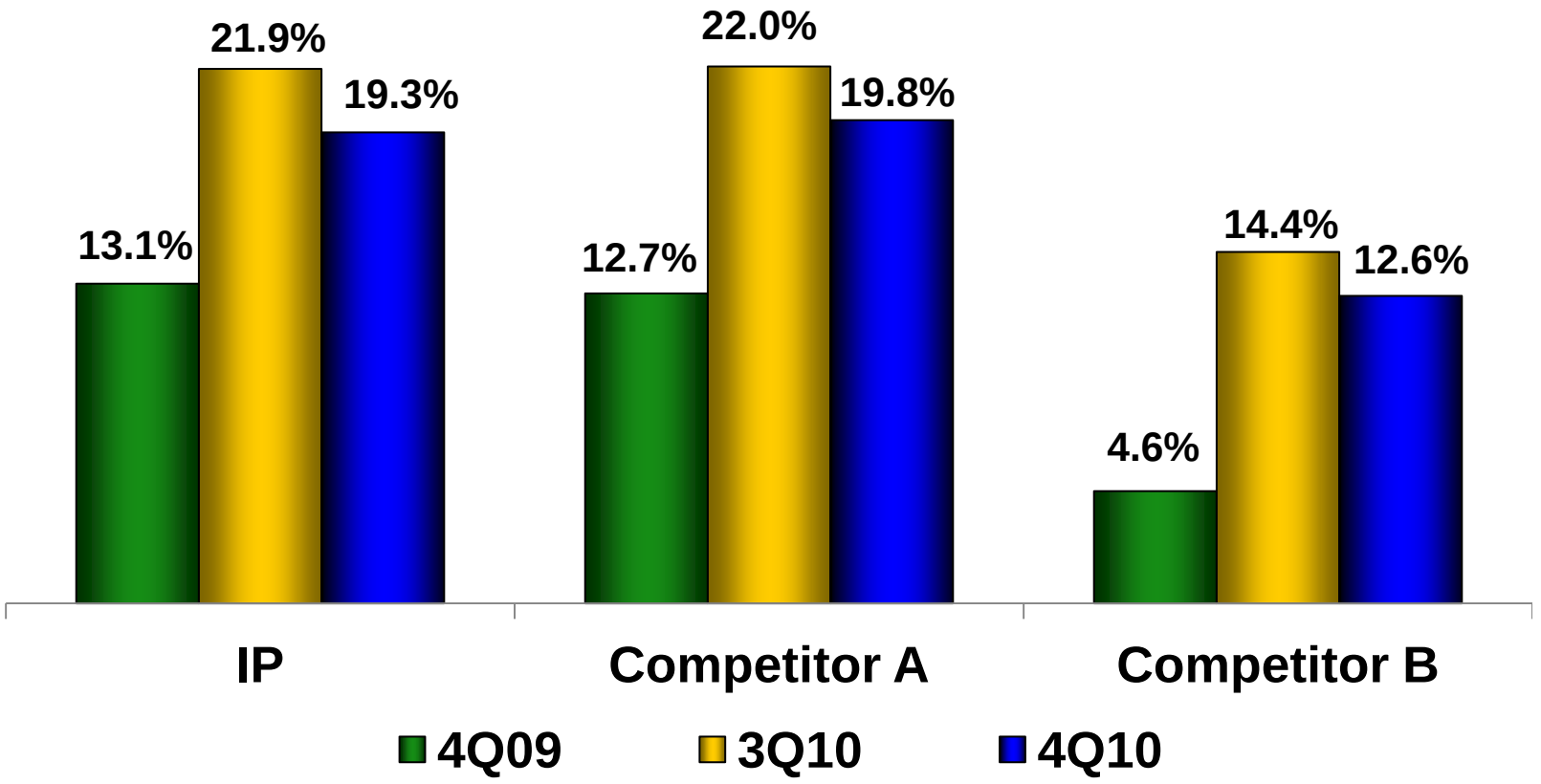


Industrial Packaging Earnings
4Q10 vs. 3Q10



Earnings before special items

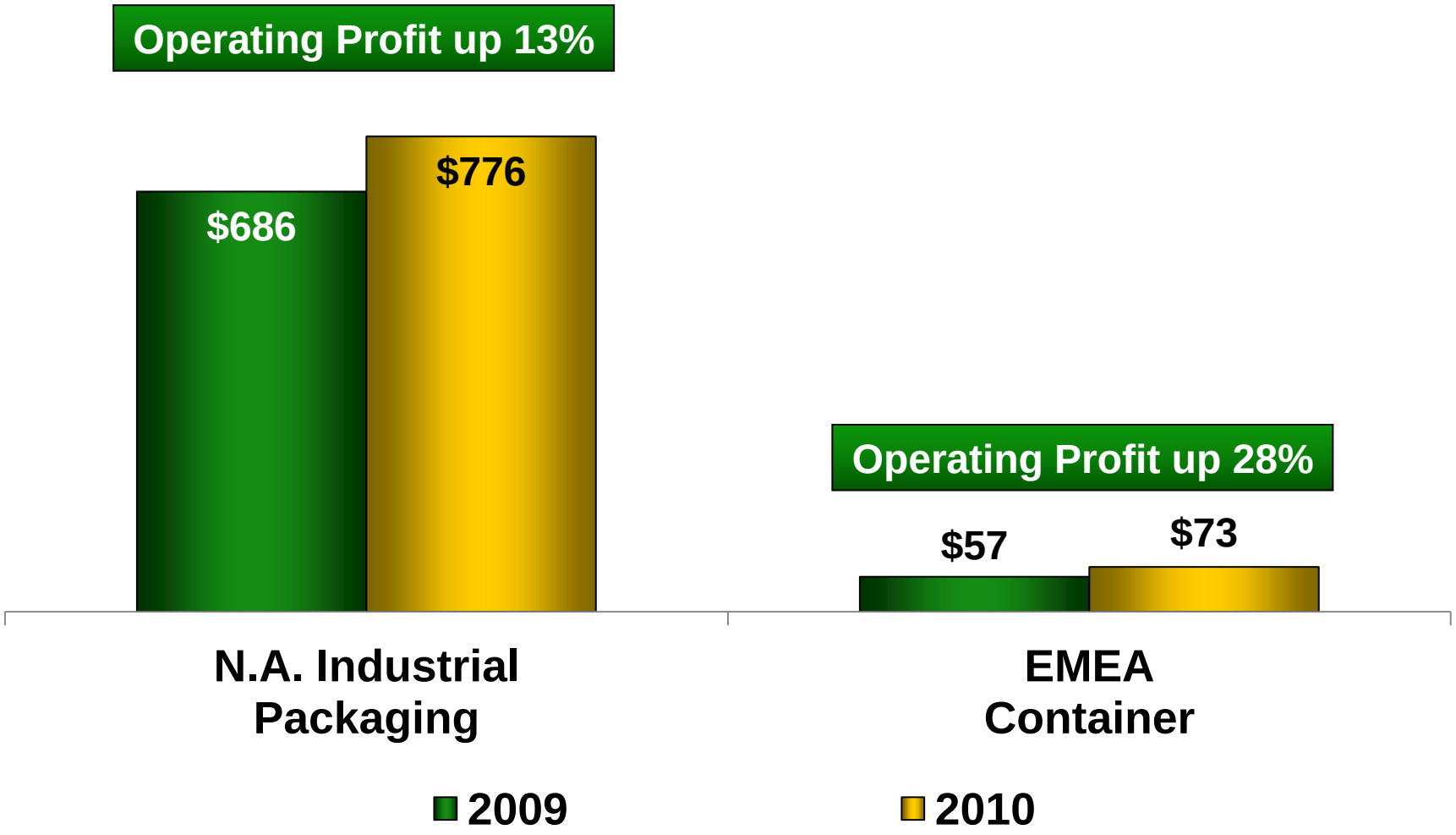
N.A. Industrial Packaging Relative EBITDA Margins



4Q10 Sales	$2.0 B	$0.6 B	$1.6 B

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
Excludes revenue from trade volumes

N.A. Industrial Packaging Relative EBIT



Operating profit before special items.

Printing Papers Earnings
4Q10 vs. 3Q10

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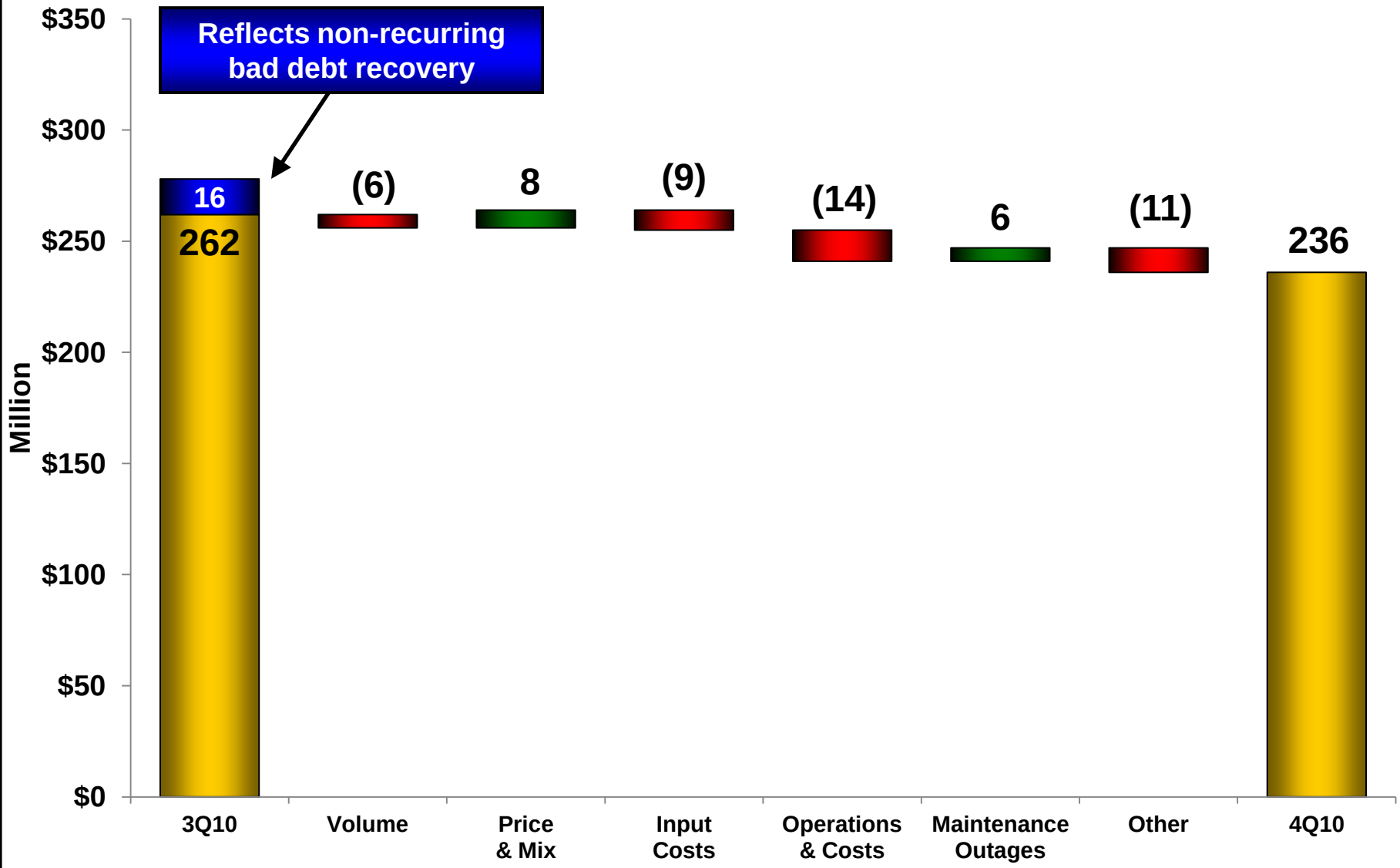
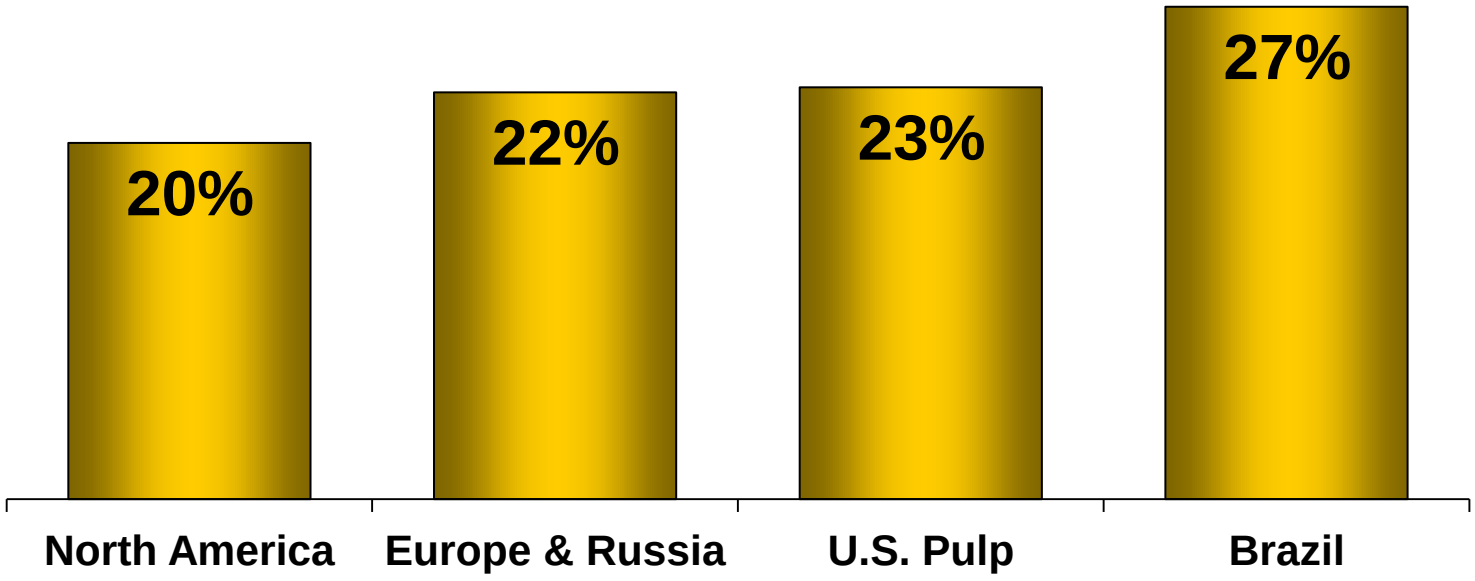


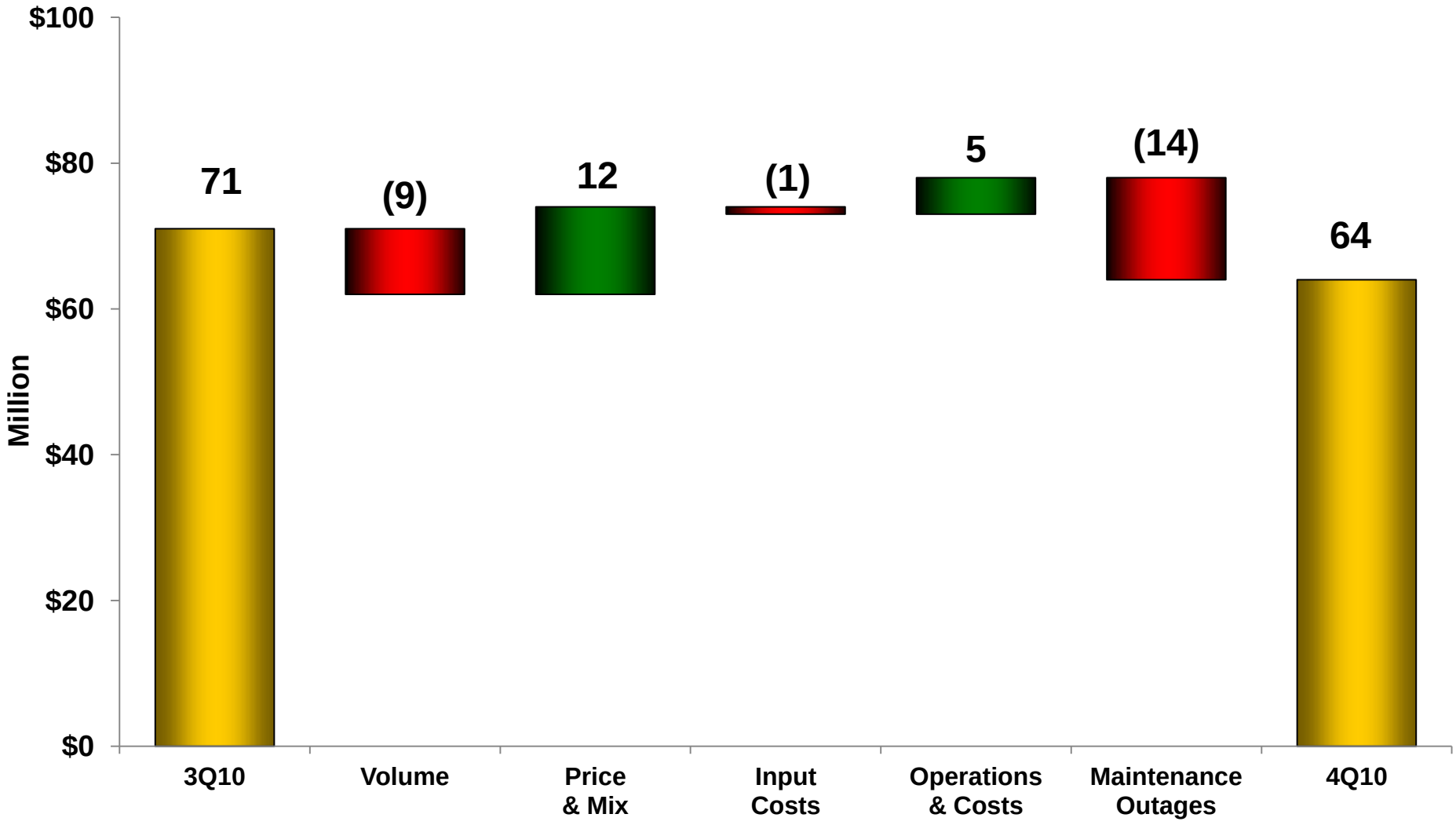
Earnings before special items

Printing Papers EBITDA Margins
Strong Recovery in 2010 in all Regions



2009 Margin	19%	15%	(6%)	24%

Consumer Packaging Earnings
4Q10 vs. 3Q10



Earnings before special items

U.S. Coated Paperboard EBITDA Margins

Now similar to UFS & Containerboard Margins

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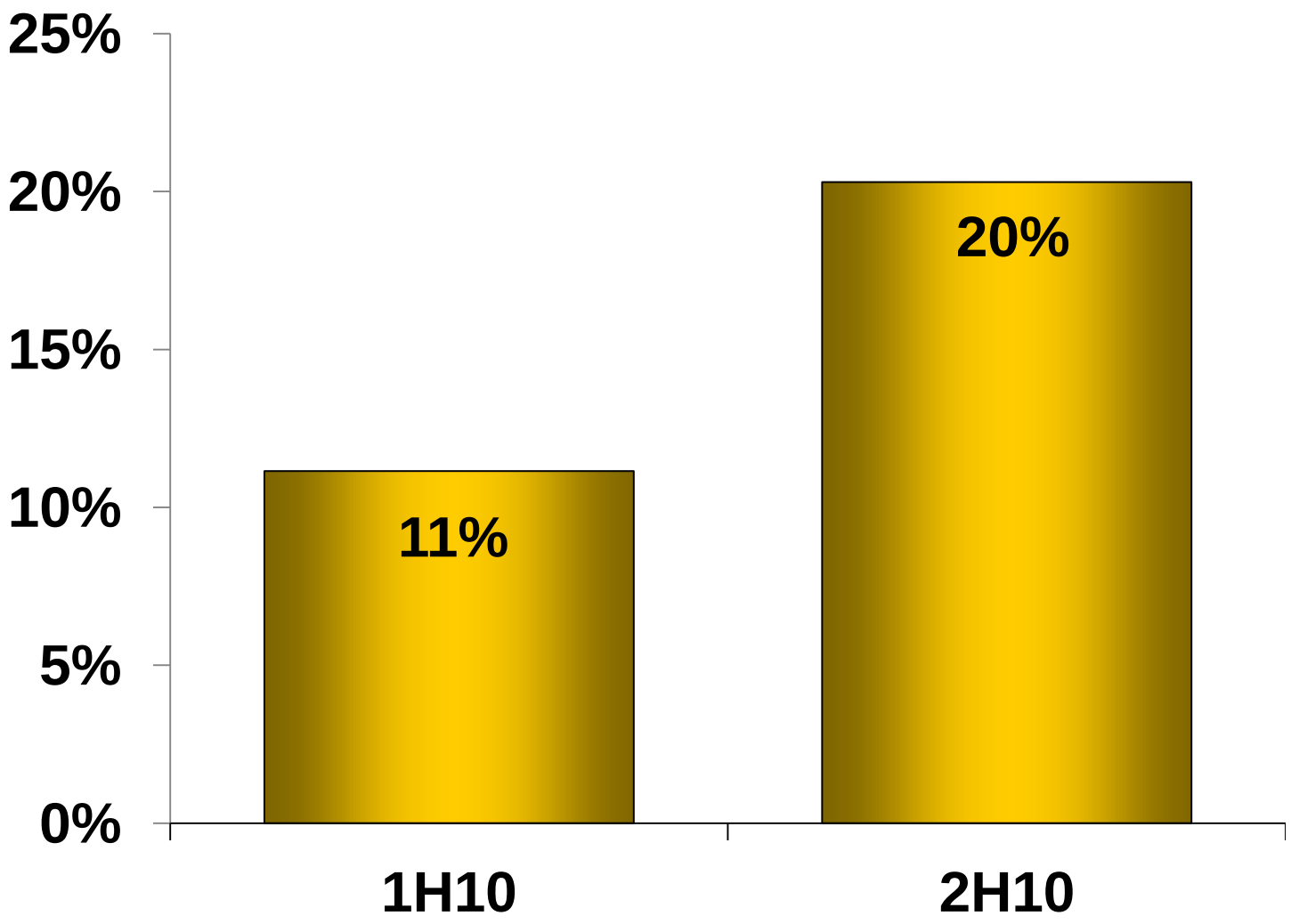

xpedx
4Q10 vs. 3Q10

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$ Million	4Q09	3Q10	4Q10
Sales	$1,675	$1,755	$1,770
Earnings	$31	$22	$9

Daily Sales Change	vs. 3Q10
Printing	2.8%
Packaging	5.8%
Facility Supplies	6.0%

- 2010 EBIT increased more than 40% vs. 2009
- Average daily sales rates increased in all segments
- 4Q10 results include initial investments to improve results, including charges to exit specific retail and printing equipment segments
- Plans under development to significantly improve operating earnings

Earnings before special items

Ilim Joint Venture
4Q10 vs. 3Q10

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$ Million	4Q09	3Q10	4Q10
Sales (100%)	$350	$465	$490
Earnings (IP Share)	$6	$22	$31[1]

	4Q10 vs. 3Q10		4Q10 vs. 4Q09	
Business	Volume	Price / Ton	Volume	Price / Ton
Pulp	4%	($46)	7%	$217
Containerboard	7%	$61	(2%)	$185

[1] Ilim recorded an asset impairment charge (IP share was $12 million)
Ilim's results are reported on a one-quarter lag.
IP's shares of Ilim's reported earnings for 4Q09 & 4Q10 include an after-tax foreign exchange gain of $2MM and $10MM, respectively. 3Q10 earnings include an after-tax foreign exchange loss of $6MM.

Ilim Joint Venture
Three-Year Progress

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2010

- EPS accretive
- Record earnings

2007 - 2010

- $0.15 per share of equity earnings
- $152 million in cash dividends

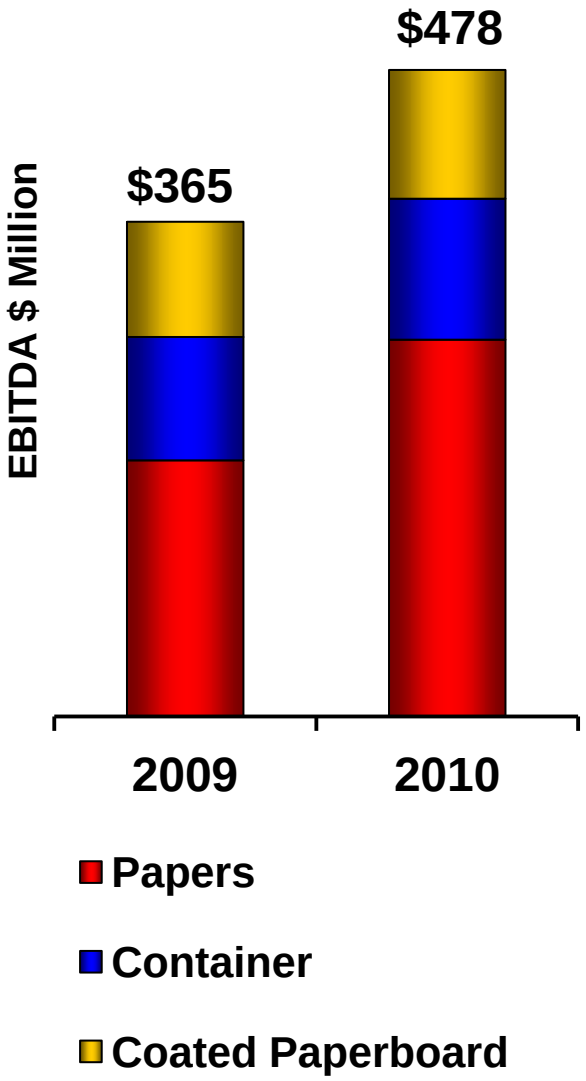
Current

- Developed & implementing strategic capital expansion program

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

IP Europe, Middle East & Africa

2010: 10% of IP Sales & 15% of IP EBITDA



- **Record earnings in 2010**
- **Strong earnings in paper & packaging segments**
- **Strong returns in both Western & Eastern Europe**

Return on Investment	2010
European Papers, excl. Russia	18%
Russian Papers	15%
EMEA Container	11%
Total Capital Employed (Billion)	$1.6

Debt Reduction Progress

Target: Adjusted Debt < 3X EBITDA

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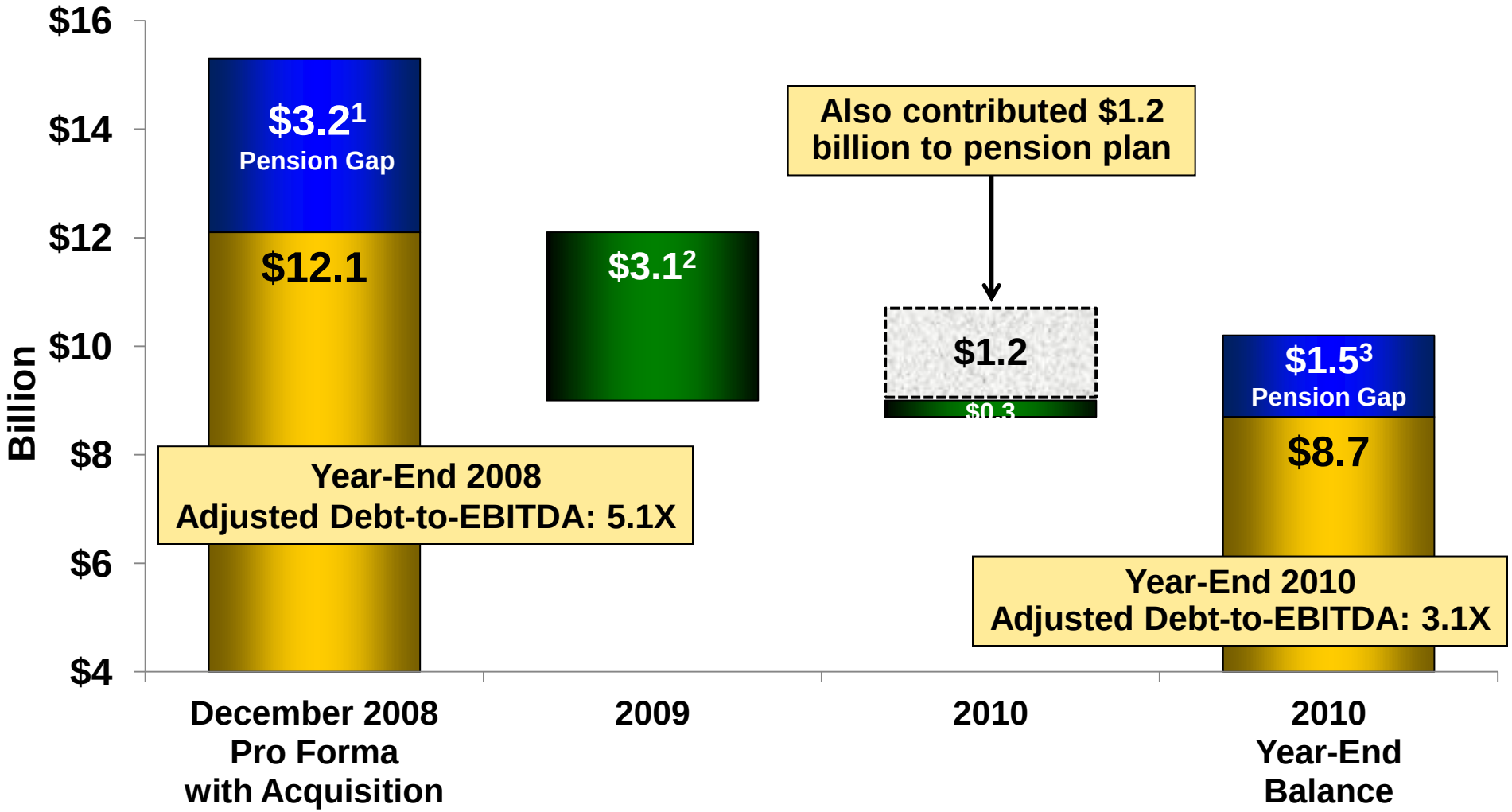

Adjusted Debt reflects gross balance sheet debt plus pension gap

[1] Pension gap as of 12/31/08

[2] Excludes debt repayments of $2.75 B from the proceeds of bonds issuances of $2.75 B

[3] Pension gap as of 12/31/10

Capital Spending

2011 Estimate: $1.2 - $1.3 Billion

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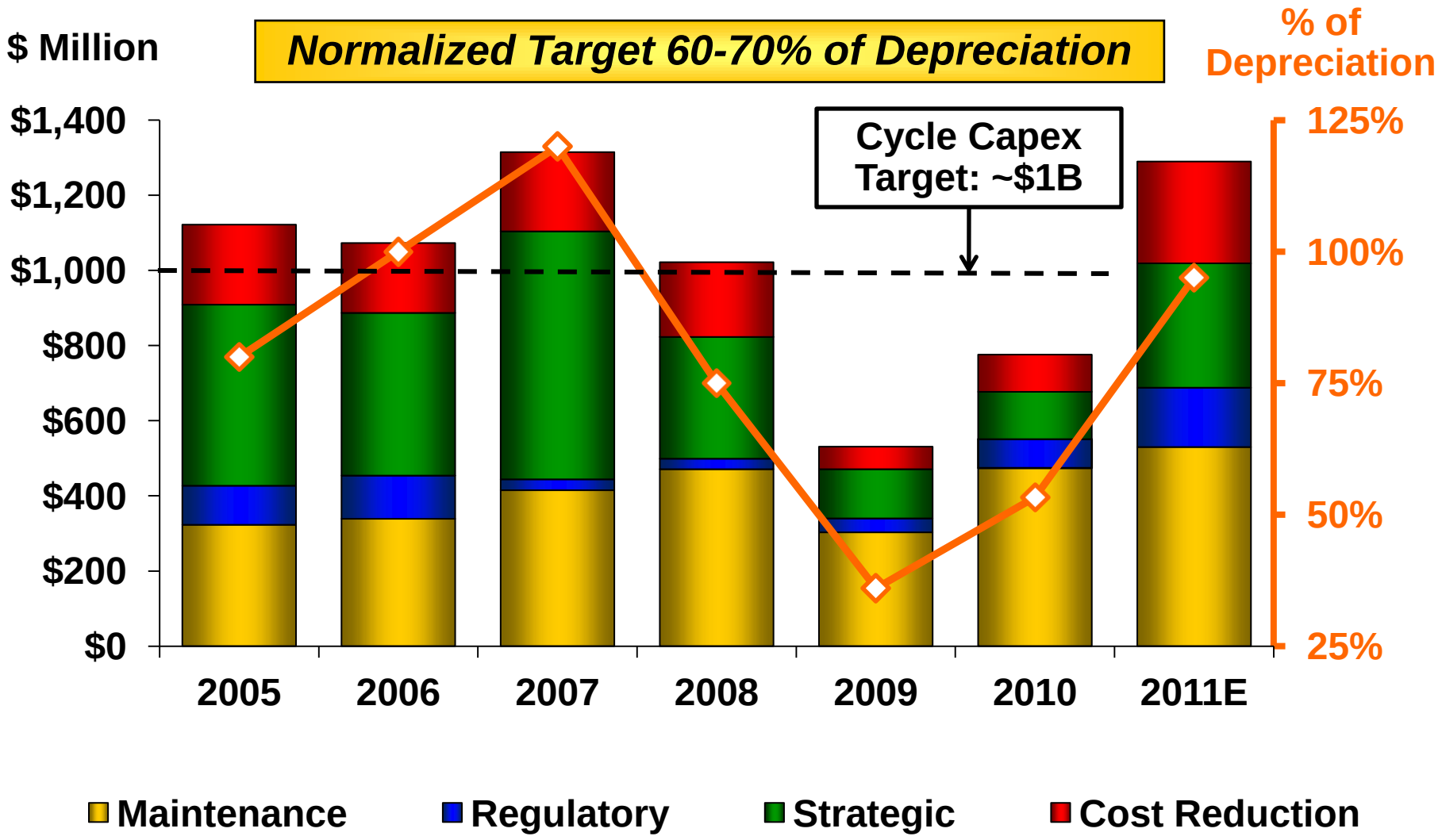

Reflects continuing operations

Energy Efficiency Progress

Record-Low Purchased Energy Consumption

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U.S. Mill System 2010 Fossil Fuel Consumption per Ton

- 8% less than 2009 ($75 MM)
- 45% less than 2000 ($360 MM)
- Set new low-record for purchased energy usage
- 5 mills set new records

2010 Most-Improved Mills

- Saillat – 18% lower
- Svetogorsk – 16% lower

Fourth-Quarter Summary

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- Started with strong 3Q momentum
- Seasonal volume decline offset by price realization
- More maintenance outages
- Input cost increases
- Strong Ilim JV contribution

Strong 4Q Earnings & Free Cash Flow

First Quarter Outlook
Changes from 4Q10

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		North America	Europe	Brazil	Asia
Volume	Paper	Stable	Stable	Seasonal Decrease	
	Packaging	Stable	Stable		Stable
Pricing	Paper	Stable	Stable	Stable	
	Packaging	Stable	Stable		Stable
Maintenance Outages		~$12MM Increase	~$14MM Decrease	Stable	
Input & Freight Costs		Higher Fiber & Chemicals	Slight Increase	Stable	Stable

xpedx	Increase

Ilim	Increase

1Q & 2011 Outlook
Momentum Continues

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1Q11 Outlook

- Stable volumes
- Stable prices (with some pressure on exports)
- Increasing fiber & chemicals costs
- Strong Ilim JV contribution

Strong 1Q EPS & FCF

2011 Outlook

- Global economies continue to recover
- Demand growth in most IP business segments
- Inventories in good shape
- Robust margin-improvement initiatives
- OCC costs to remain high

Strong EPS, FCF & ROI

Appendix

Investor Relations Contacts

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

Media Contact

Tom Ryan	901-419-4333

Key Financial Statistics

$ Million (Except as noted)	2009	2010	2011 Estimate
Capital Spending	$534	$775	$1.2 - $1.3 B
Depreciation & Amortization	$1,472	$1,456	$1.4 B
Net Interest Expense	$669	$608	$575 - $600
Corporate Items	$181	$226	$175 - $200
Effective Tax Rate	30%	30%	32 - 34%

Before special items and excluding Ilim

Free Cash Flow
2010

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$ Million	2008	2009	1Q10	2Q10	3Q10	4Q10	2010
Cash from Operations	$2,669	$2,766[1]	$159	$509	$937[2]	$919[3]	$2,524[2,3]
Cash Received from AFMTC & CBTC	$0	$1,684	$0	$132	$0	$17	$149
Cash Provided by Continuing Operations	**$2,669**	**$4,655**	**$159**	**$641**	**$937**	**$936**	**$2,673**
Less Capital Investment	**($1,002)**	**($534)**	**($120)**	**($153)**	**($184)**	**($318)**	**($775)**
Free Cash Flow	**$1,667**	**$4,121**	**$39**	**$488**	**$753**	**$618**	**$1,898**
Free Cash Flow Excluding AFMTC, CBTC & European AR Cash	**$1,667**	**$2,232**	**$39**	**$356**	**$753**	**$601**	**$1,749**

[1] Includes $205 MM cash received under European accounts receivable securitization
[2] Excludes $1,150 MM cash paid for voluntary pension contributions
[3] Excludes a tax receivable of $108 MM collected related to pension contributions
IP received $1,684 MM cash from alternative fuel mixture tax credits (AFMTC) in 2009; $132 MM in 2Q10
IP received $17 MM cash from cellulosic biofuel tax credits (CBTC) in 4Q10

Debt Maturity Profile

Maturities as of Year-End

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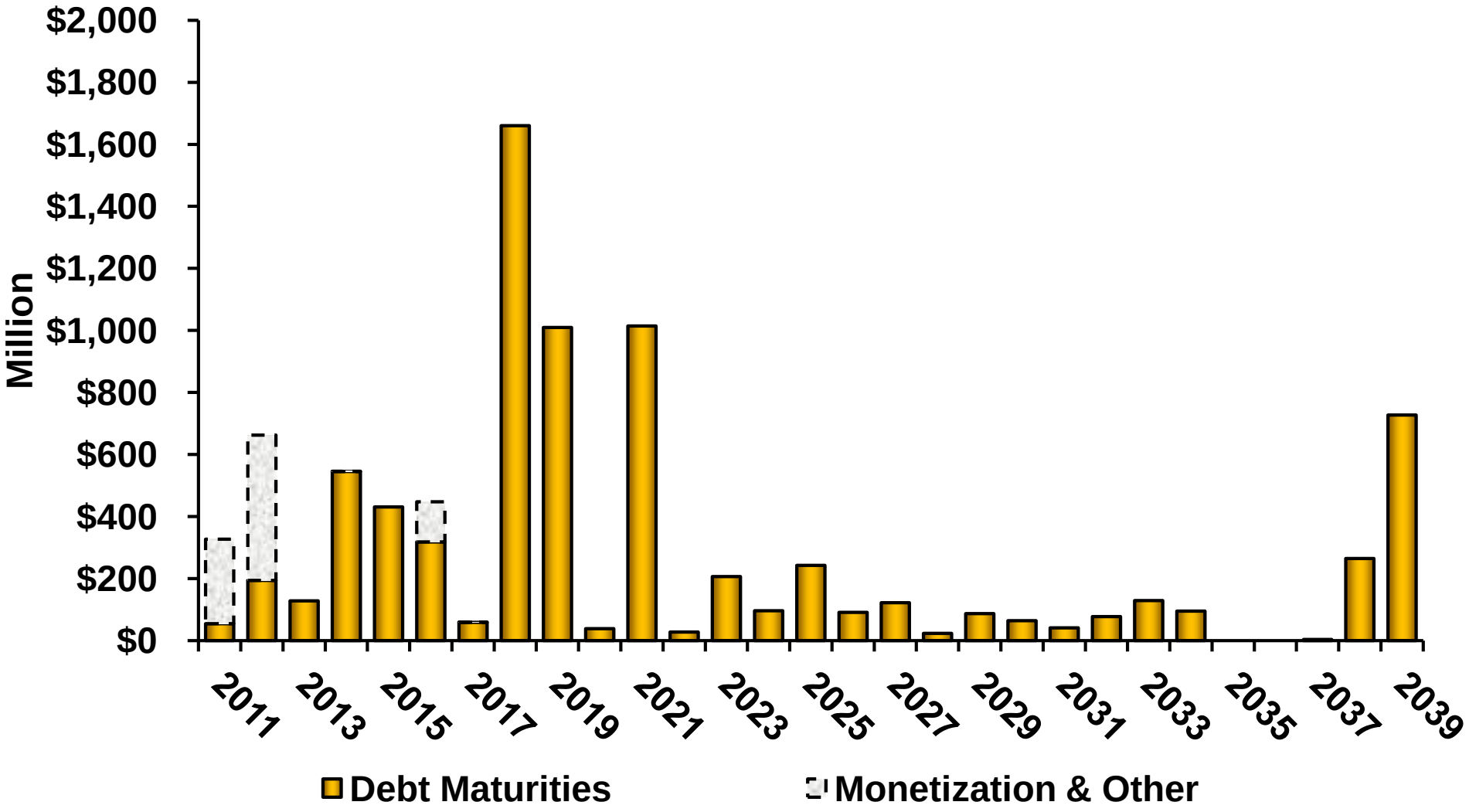

Monetization & Other: Timber Monetization debt and other debt intended to be rolled over or refinanced, (Sun joint venture debt and other foreign subsidiary debt)

Cash & Committed Facilities
$4.6 Billion

	Maturity	Facility	Cost
Quarter-End Cash	-	$2.1 B	-
$1 B[1] Accounts Receivables Program	JAN 2012	Zero Drawn	CP Rate[2] + 75 bps
$1.5 B Corporate Revolver	NOV 2012	Zero Drawn	LIBOR + 300 bps
Total Cash & Committed Facilities		$4.6 B	-

Cost includes commitment fees

[1] $877 MM available at quarter-end based on eligible receivable balances. Program renewed in January, 2011.

[2] Conduit's rate

Debt Covenants & Credit Ratings

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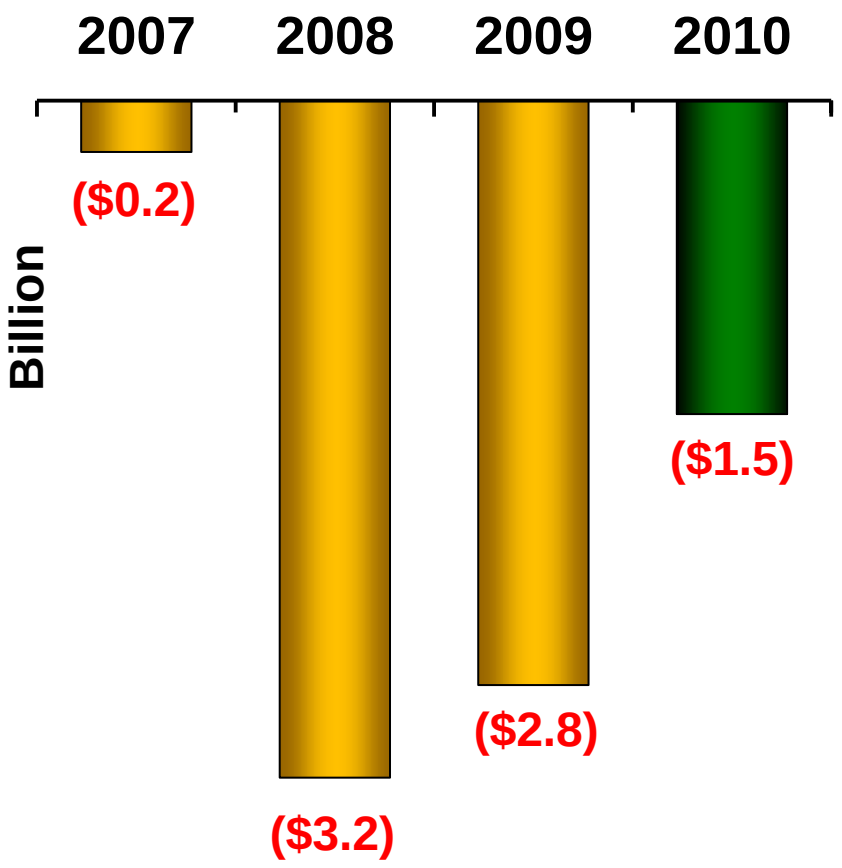
	Covenant	12/31/10 Actual
Maximum Debt-to-Total Capital	60%	41.2%
Minimum Consolidated Net Worth	$9 B	$12.4 B

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

Pension Update

- Market value of assets increased to $8.3 B
  - 15.1% return on plan assets in 2010
- Pension benefits obligation increased to $9.8 B[1]
- Unfunded obligation declined from $2.8 B to $1.5 B[1]
- No cash contribution required in 2011

Year-End Funded Status



[1] US GAAP basis

Pension Plan

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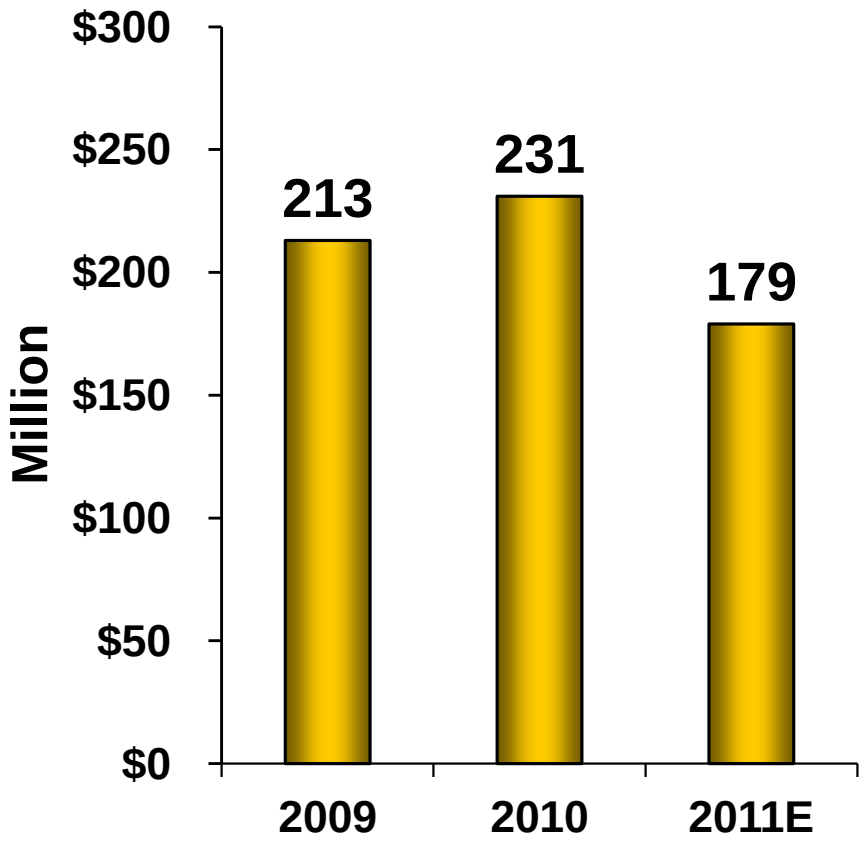
Annual Pension Expense*



Key Variables	2009	2010	2011E
Assumed Rate of Return	8.25%	8.25%	8.25%
Discount Rate	6.0%	5.8%	5.6%

Average Annualized Returns	
2010	15.1%
Past Five Years	6.5%
Past Ten Years	7.2%

Portfolio Asset Allocation at 12-31-10		
	Target	Actual
Equity	40% - 51%	49%
Bonds	30% - 40%	31%
Real Estate	7% – 13%	8%
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

Maintenance Outages Expenses

$ Million	4Q10	1Q11E	2010	2011E
Industrial Packaging	**$22**	**$41**	**$136**	**$149**
North America	$29	$39	$131	$138
Europe	14	0	$38	$35
Brazil	0	0	$13	$15
Printing Papers Total	**$43**	**$39**	**$182**	**$188**
Consumer Packaging	**$17**	**$0**	**$42**	**$44**
Total Impact	**$82**	**$80**	**$360**	**$381**

~60% of 2011 outage expense planned for 1H11

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

Industrial Packaging

	4Q10 vs. 3Q10		4Q10 vs. 4Q09	
Business	**Volume**	**Price / Ton**	**Volume**	**Price / Ton**
N.A. Container	**(5%)**	**$4**	**3%**	**$89**
European Container*	**13%**	**€7**	**7%**	**€76**

* European Container volumes reflect box shipments only, including the shipments by the non-consolidated joint venture in Turkey

Printing Papers

	4Q10 vs. 3Q10		4Q10 vs. 4Q09	
Business	**Volume**	**Price / Ton**	**Volume**	**Price / Ton**
N.A. Paper	**(6%)**	**$7**	**(12%)**	**$91**
N.A. Pulp	**(10%)**	**$3**	**(14%)**	**$211**
European Paper	**(2%)**	**€26**	**(7%)**	**€94**

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

Consumer Packaging

	4Q10 vs. 3Q10		4Q10 vs. 4Q09	
	Volume	Price/Ton	Volume	Price/Ton
U.S. Coated Paperboard	(7%)	$14	9%	$77
	Revenue	Price	Revenue	Price
Converting Businesses	4%	NA	7%	NA

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

Cellulosic Biofuel Tax Credit
4Q10

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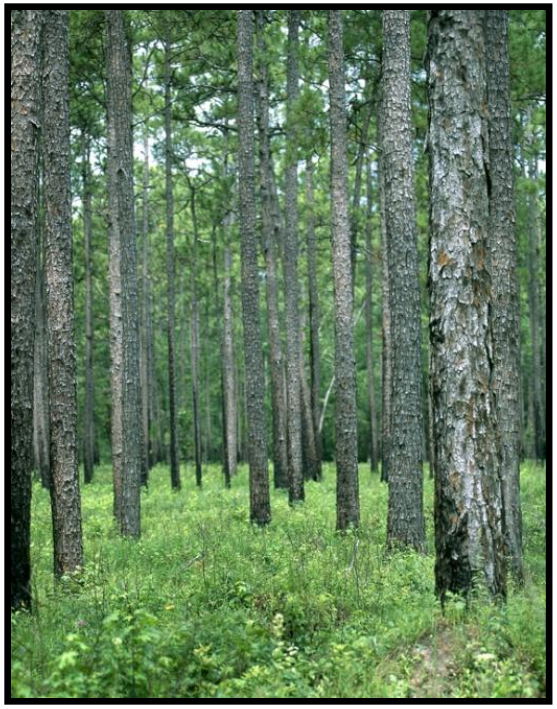

- **$40 million after-tax credit[1]**
- **$17 million cash benefit**

- **IP cannot quantify the value of additional CBTC because it depends on future taxable earnings, but it could be significant**

[1] Reflects the after-tax value of 65 million gallons of black liquor processed in 2009 that was not submitted for alternative fuel mixture tax credits

Special Items Pre-Tax
from Continuing Operations

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Special Items Pre-Tax ($Million)		4Q09	3Q10	4Q10
Industrial Packaging	Alternative Fuel Mixture Credits	$212		
	Facility & Machine Closure Costs	($670)		($10)
	Integration Costs	($15)		
	Other	($2)		($3)
Printing Papers	Alternative Fuel Mixture Credits	$221		
	Facility Closure Costs	($223)		
	Other			($2)
Consumer Packaging	Alternative Fuel Mixture Credits	$83		
	Facility Closure Costs	($67)		
	Reorganization	($2)		($4)
xpedx	Reorganization	($5)		
Corporate	Net Gain on Sale of Business			$25
	Restructuring & Other Charges	($82)		($36)
Total Special Items Pre-Tax		**($550)**	**$0**	**($30)**

Special Items Net of Taxes
from Continuing Operations

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	4Q10		2010	
	$ Million	EPS	$ Million	EPS
Earnings Before Special Items	**$296**	**$0.68**	**$890**	**$2.05**
Special Items Net of Taxes:				
Mill & Machine Shutdowns	$1		($196)	
Tax Adjustments			($46)	
Debt Extinguishment Costs	($8)		($21)	
Environmental Reserve	($11)		($11)	
Box Plant Closures	($9)		($9)	
Cellulosic Biofuel Tax Credit	$40		$40	
Reorganization	($2)		($4)	
Overhead Reduction Initiative	($3)		($4)	
Other	($3)		($10)	
Net Gain on Sale of Business	$15		$15	
Total Special Items Net of Taxes	**$20**	**$0.05**	**($246)**	**($0.57)**
Net Earnings	**$316**	**$0.73**	**$644**	**$1.48**

4Q10 EBITDA

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	Operating Profit $ Million	D & A $ Million	Tons Thousand	EBITDA per Ton	EBITDA Margin
Industrial Packaging					
North America[1]	$259	$128	2,463	$157	19.5%
Europe	$16	$10	272	$96	9.4%
Printing Papers					
North America[2]	$92	$49	663	$214	21.0%
Eastern Europe & Russia[3]	$37	$21	306	$190	19.3%
Brazil	$63	$36	289	$343	31.6%
U.S. Market Pulp	$43	$14	250	$228	30.0%
Consumer Packaging					
U.S. Coated Paperboard	$36	$36	341	$211	18.2%

[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	4Q09	3Q10	4Q10	2009	2010
Industrial Packaging	$84	$332	$274	$741	$845
Printing Papers	$139	$278	$236	$464	$798
Consumer Packaging	$49	$71	$64	$177	$215
Distribution	$31	$22	$9	$55	$78
Forest Products	$18	$49	($3)	$25	$94
Operating Profit	**$321**	**$752**	**$580**	**$1,462**	**$2,030**
Net Interest Expense	($163)	($152)	($150)	($669)	($608)
Noncontrolling Interest / Equity Earnings Adjustment	$4	$5	($5)	$23	$15
Corporate Items	($40)	($58)	($63)	($181)	($226)
Special Items	($550)	$0	($30)	$564	($389)
Earnings from continuing operations before income taxes, equity earnings & noncontrolling interest	**($428)**	**$547**	**$332**	**$1,199**	**$822**
Equity Earnings, net of taxes - Ilim	**$6**	**$22**	**$31**	**($50)**	**$55**

Geographic Business Segment Operating Results

$ Million	Sales				
	4Q09	3Q10	4Q10	2009	2010
Industrial Packaging					
North American	$1,855	$2,210	$2,135	$7,585	$8,355
European	$260	$235	$275	$980	$990
Asian	$95	$165	$160	$325	$495
Printing Papers					
North American	$700	$715	$675	$2,815	$2,750
European	$340	$325	$345	$1,280	$1,305
Brazilian	$300	$275	$315	$960	$1,090
U.S. Market Pulp	$160	$210	$190	$575	$715
Asian	$25	$25	$15	$50	$80
Consumer Packaging					
North American	$540	$615	$605	$2,200	$2,350
European	$85	$85	$95	$315	$345
Asian (Sun JV)	$160	$170	$180	$545	$705
Distribution	$1,675	$1,755	$1,770	$6,525	$6,730

Excludes Forest Products

Geographic Business Segment Operating Results
from Continuing Operations before Special Items

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$ Million	Operating Profit				
	4Q09	3Q10	4Q10	2009	2010
Industrial Packaging					
North American	$65	$320	$261	$682	$776
European	$17	$14	$16	$57	$73
Asian	$2	($2)	($3)	$2	($4)
Printing Papers					
North American	$70	$125	$92	$307	$333
European	$46	$58	$38	$115	$199
Brazilian	$33	$46	$63	$112	$159
U.S. Market Pulp	($11)	$49	$43	($71)	$107
Asian	$1	$0	$0	$1	$0
Consumer Packaging					
North American	$22	$51	$38	$87	$105
European	$21	$17	$20	$66	$76
Asian (Sun JV)	$6	$3	$6	$24	$34
Distribution	$31	$22	$9	$55	$78

Excludes Forest Products

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

2010 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								
1Q10	$40	($13)	($9)	($2)	$16	32%	429	$0.04
2Q10	$262	($81)	($7)	$7	$181	31%	433	$0.42
3Q10	$547	($170)	($2)	$22	$397	31%	434	$0.91
4Q10	$362	($100)	($3)	$37	$296	28%	435	$0.68
2010	$1,211	($364)	($21)	$64	$890	30%	434	$2.05
Special Items								
1Q10	($215)	$37	$0	$0	($178)	17%	429	($0.42)
2Q10	($144)	$56	$0	$0	($88)	39%	433	($0.21)
3Q10	$0	$0	$0	$0	$0	0%	434	$0
4Q10	($30)	$50	$0	$0	$20	167%	435	$0.05
2010	($389)	$143	$0	$0	($246)	37%	434	($0.57)
Earnings								
1Q10	($175)	$24	($9)	($2)	($162)	14%	429	($0.38)
2Q10	$118	($25)	($7)	$7	$93	21%	433	$0.21
3Q10	$547	($170)	($2)	$22	$397	31%	434	$0.91
4Q10	$332	($50)	($3)	$37	$316	15%	435	$0.73
2010	$822	($221)	($21)	$64	$644	27%	434	$1.48

[1] Assuming dilution

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

4Q10 vs. 4Q09 EPS

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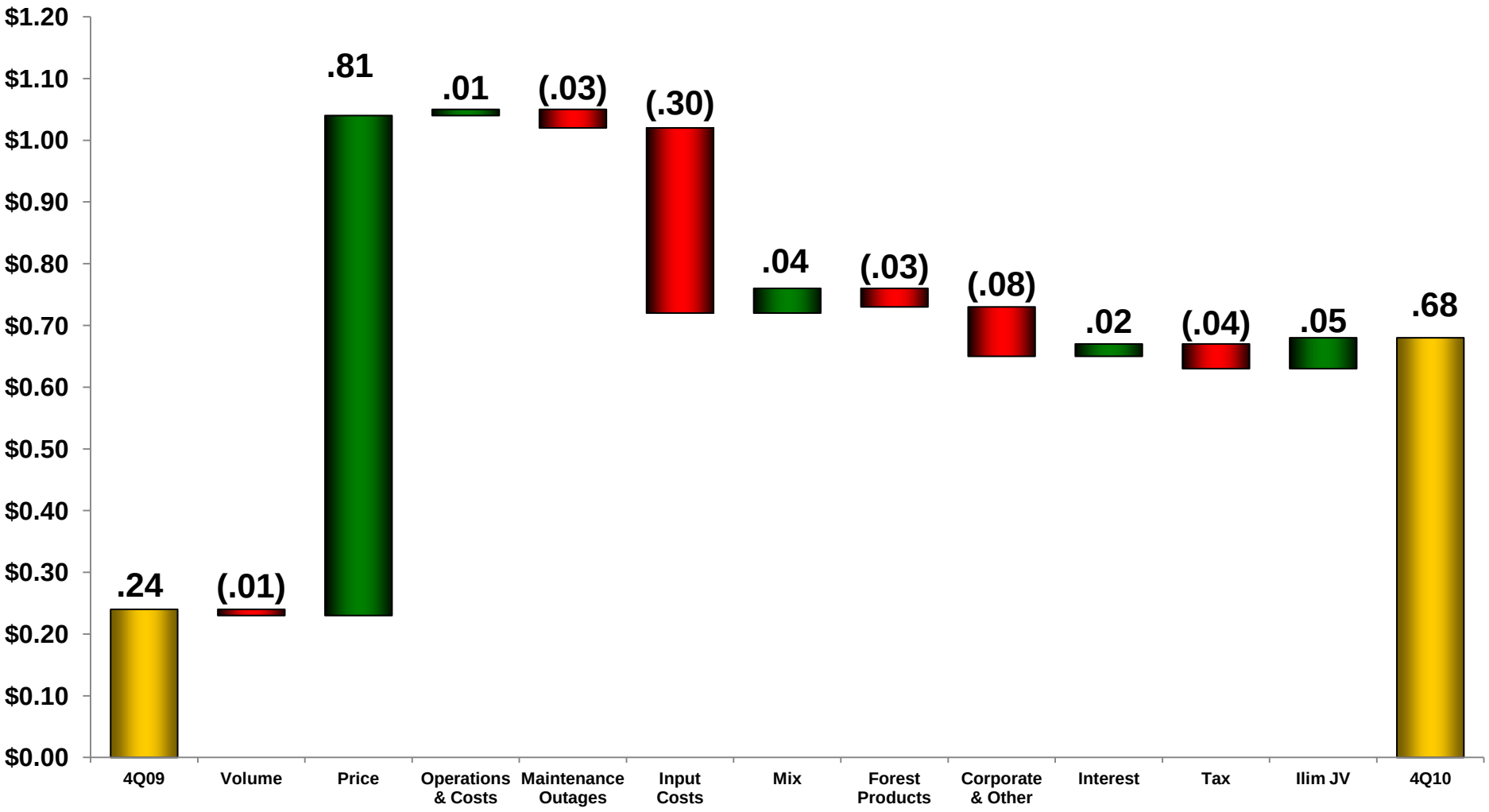

Earnings from continuing operations before special items

Industrial Packaging Earnings
4Q10 vs. 4Q09

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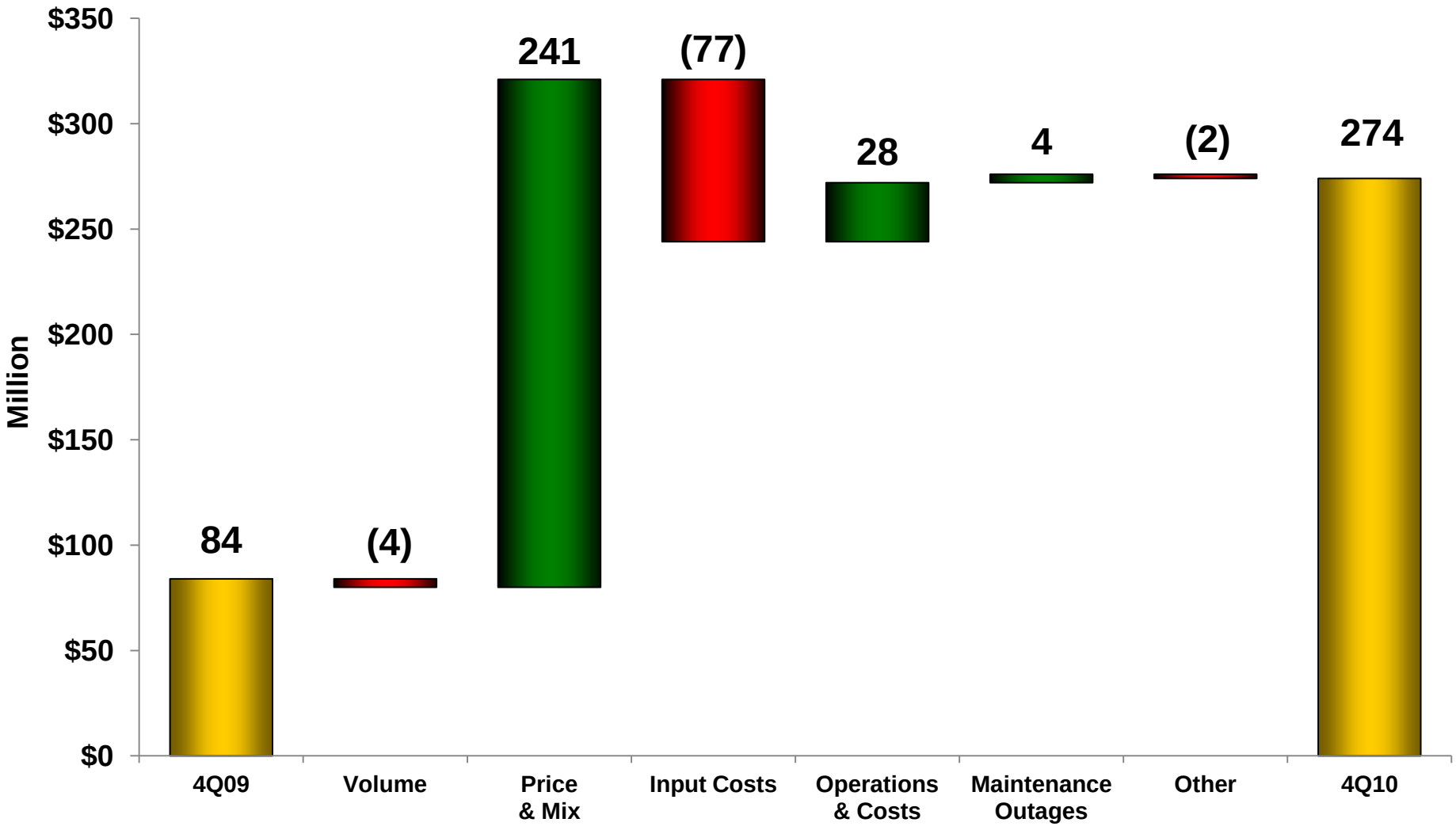

Earnings before special items

Printing Papers Earnings
4Q10 vs. 4Q09

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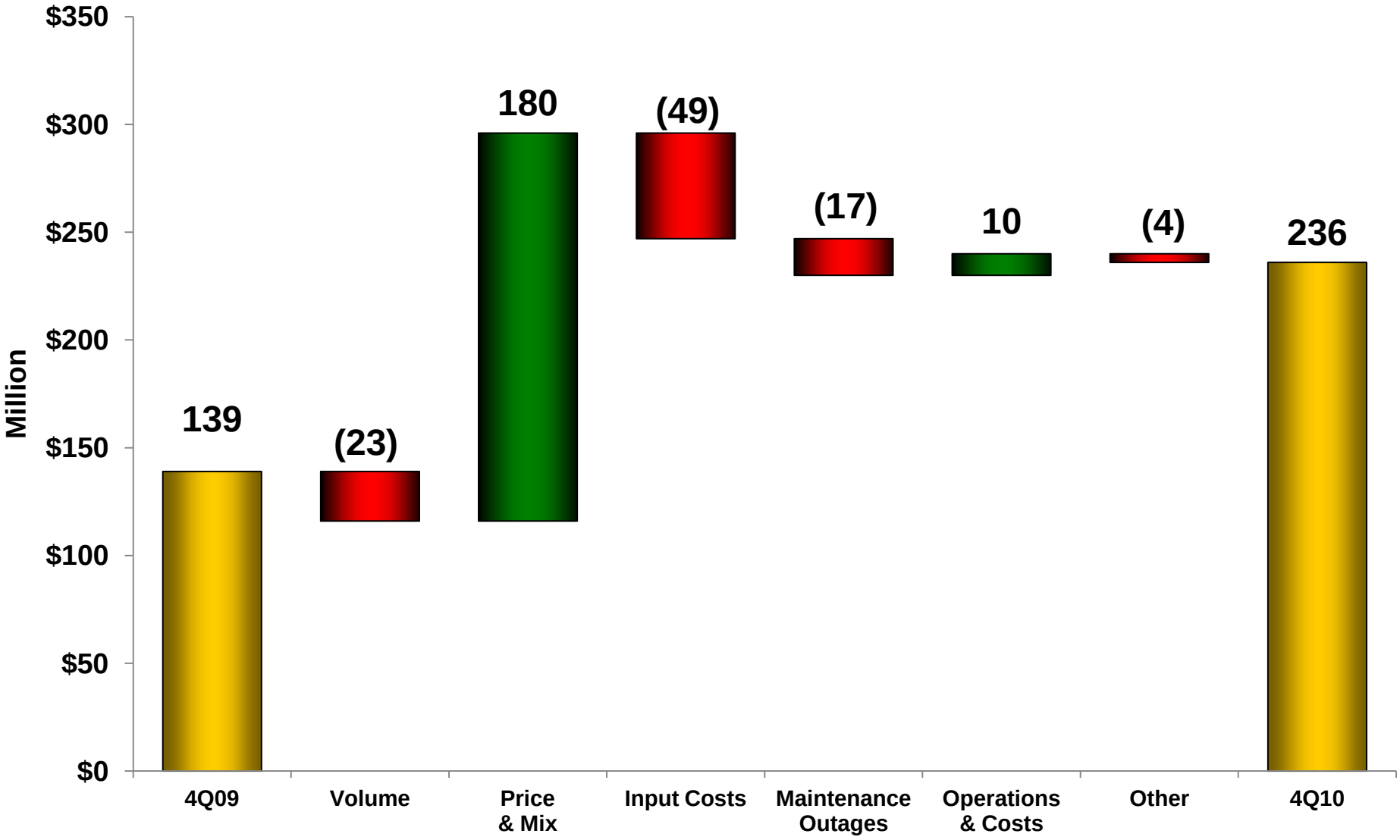

Earnings before special items

IP Brazil

$ Million	4Q09	3Q10	4Q10
Sales	$300	$275	$315
Earnings	$33	$46	$63
EBITDA Margin	23%	29%	32%

	4Q10 vs. 3Q10		4Q10 vs. 4Q09	
Business	Volume	Price / Ton	Volume	Price / Ton
Uncoated Freesheet	10%	($7)	(7%)	$93
Domestic	13%	($23)	5%	$7
Export	8%	$6	(15%)	$167

IP Brazil results are reported in the Printing Papers segment

Consumer Packaging Earnings
4Q10 vs. 4Q09

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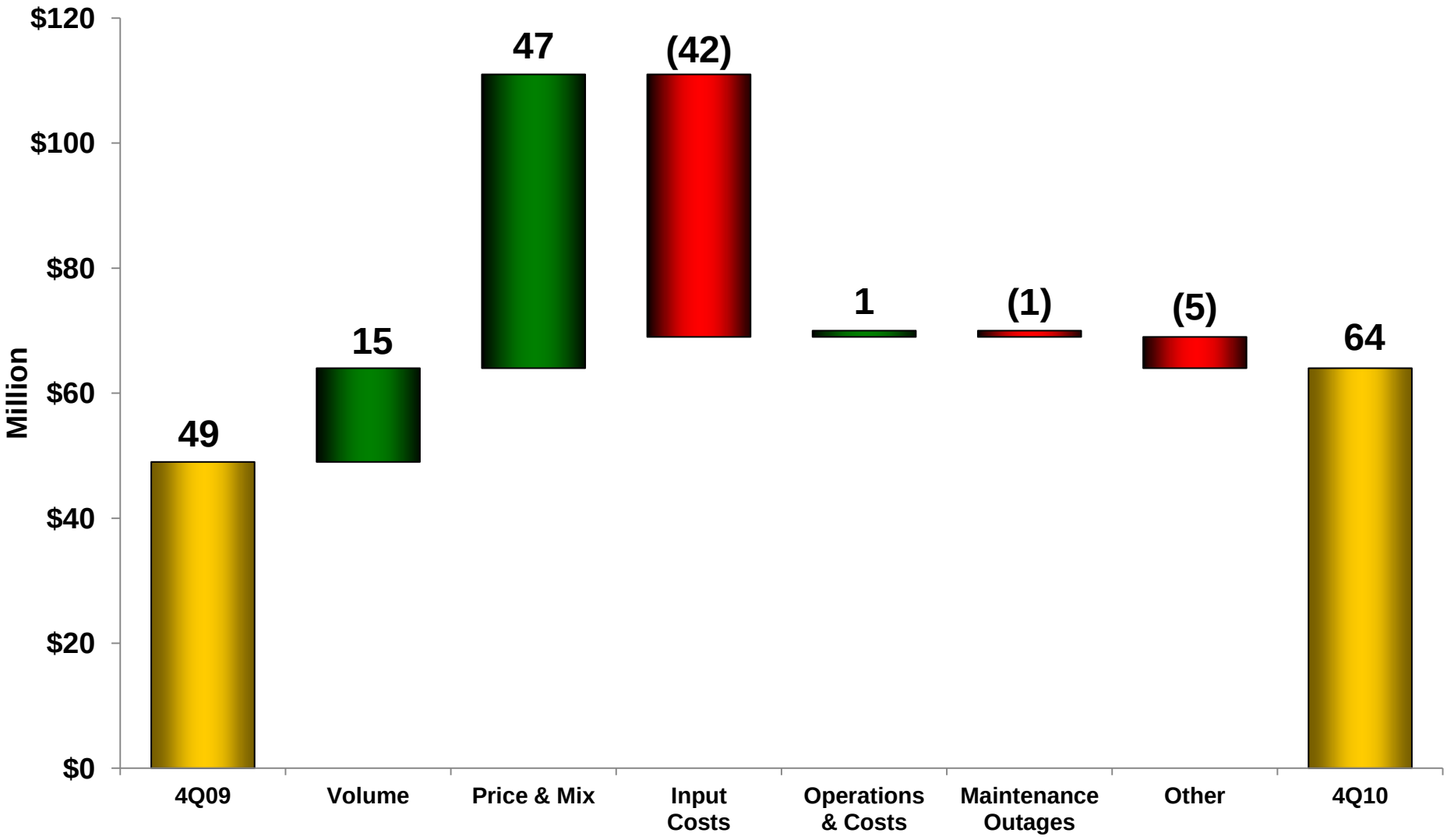

Earnings before special items

2010 Total North American Mills Cash Cost Components

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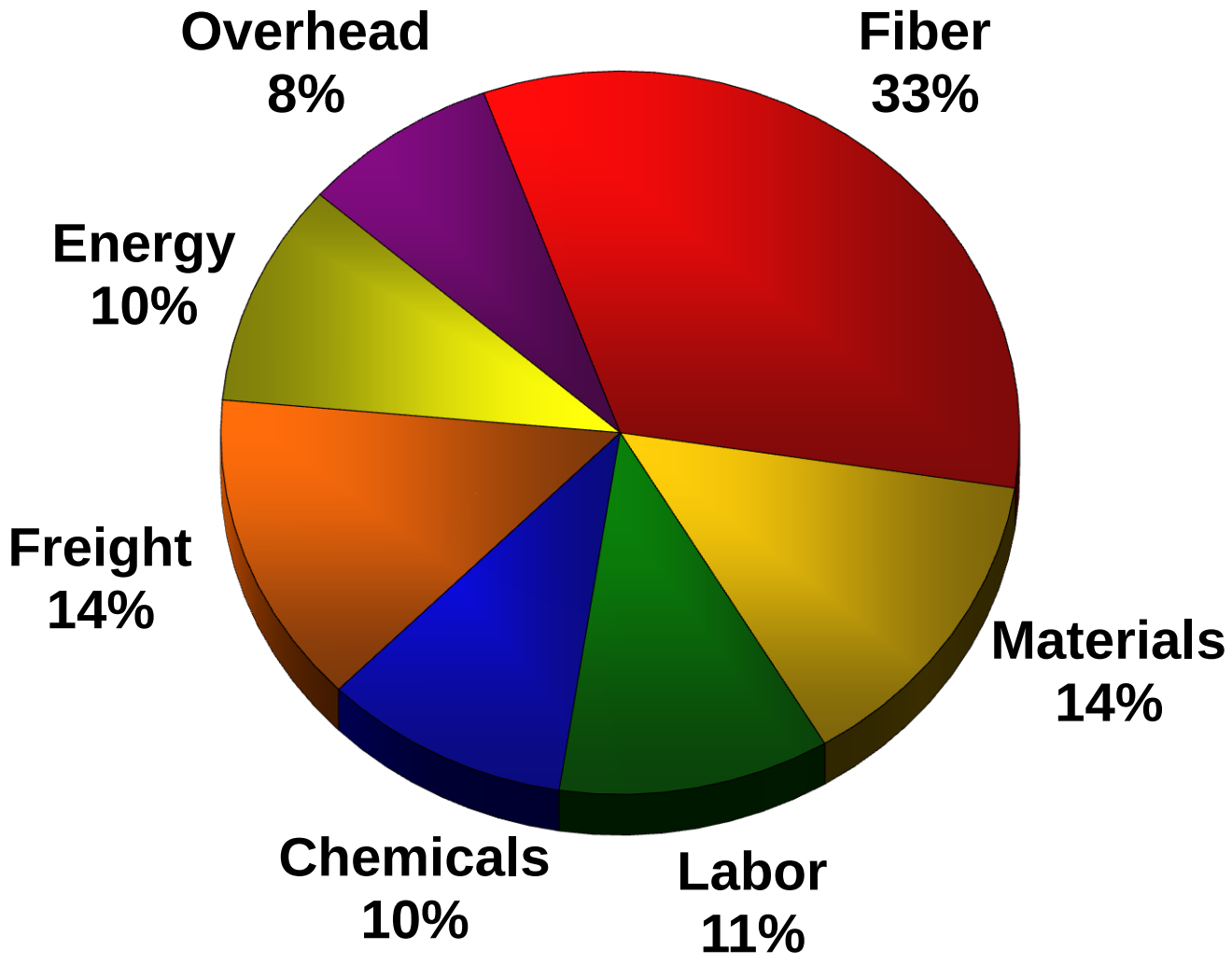

Global Input & Freight Costs vs. 2009

$643 MM Unfavorable, or $1.05/Share

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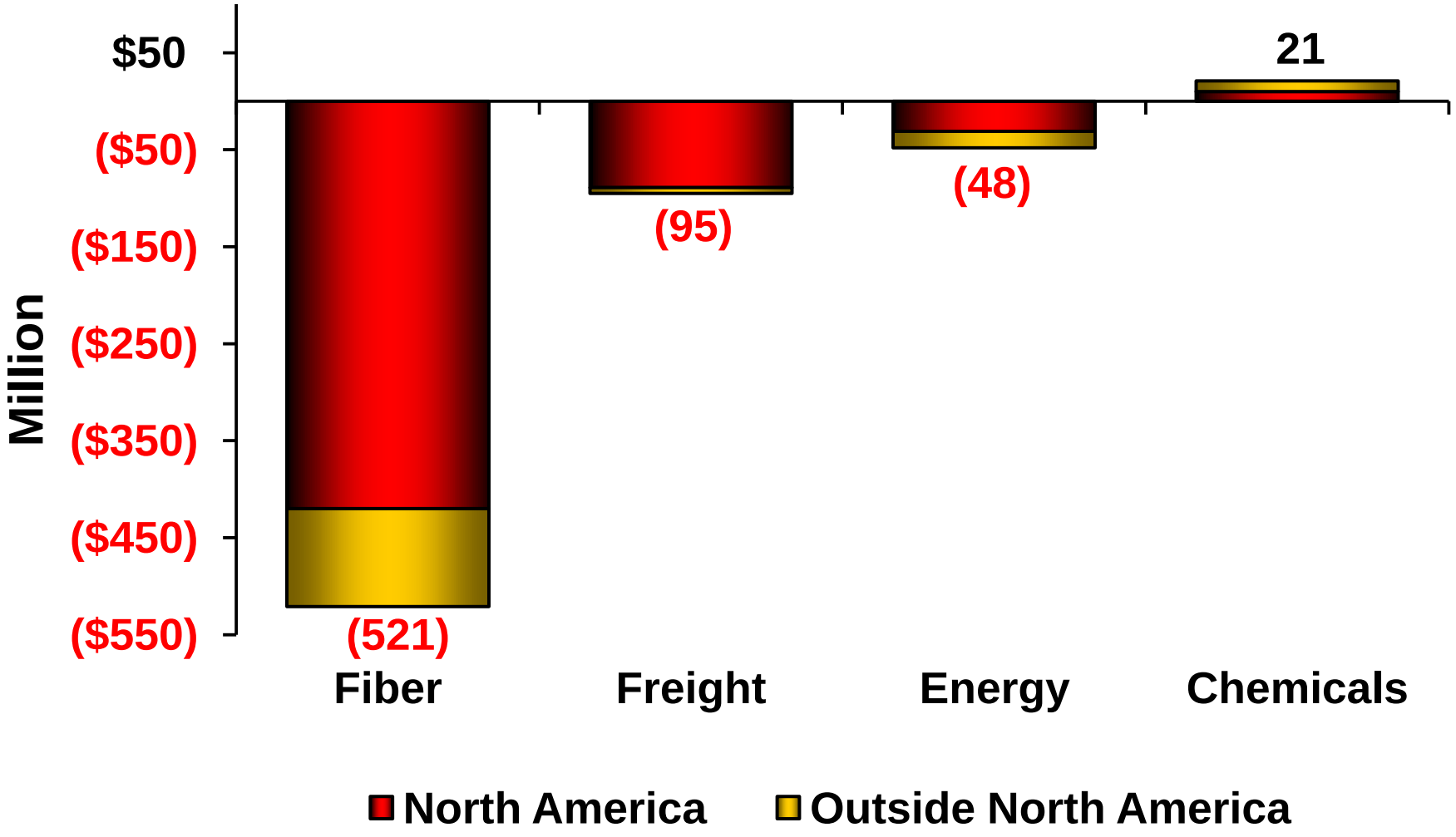

Input costs for continuing businesses

Global Input & Freight Costs vs. 4Q09

$168 MM Unfavorable, or $0.31/Share

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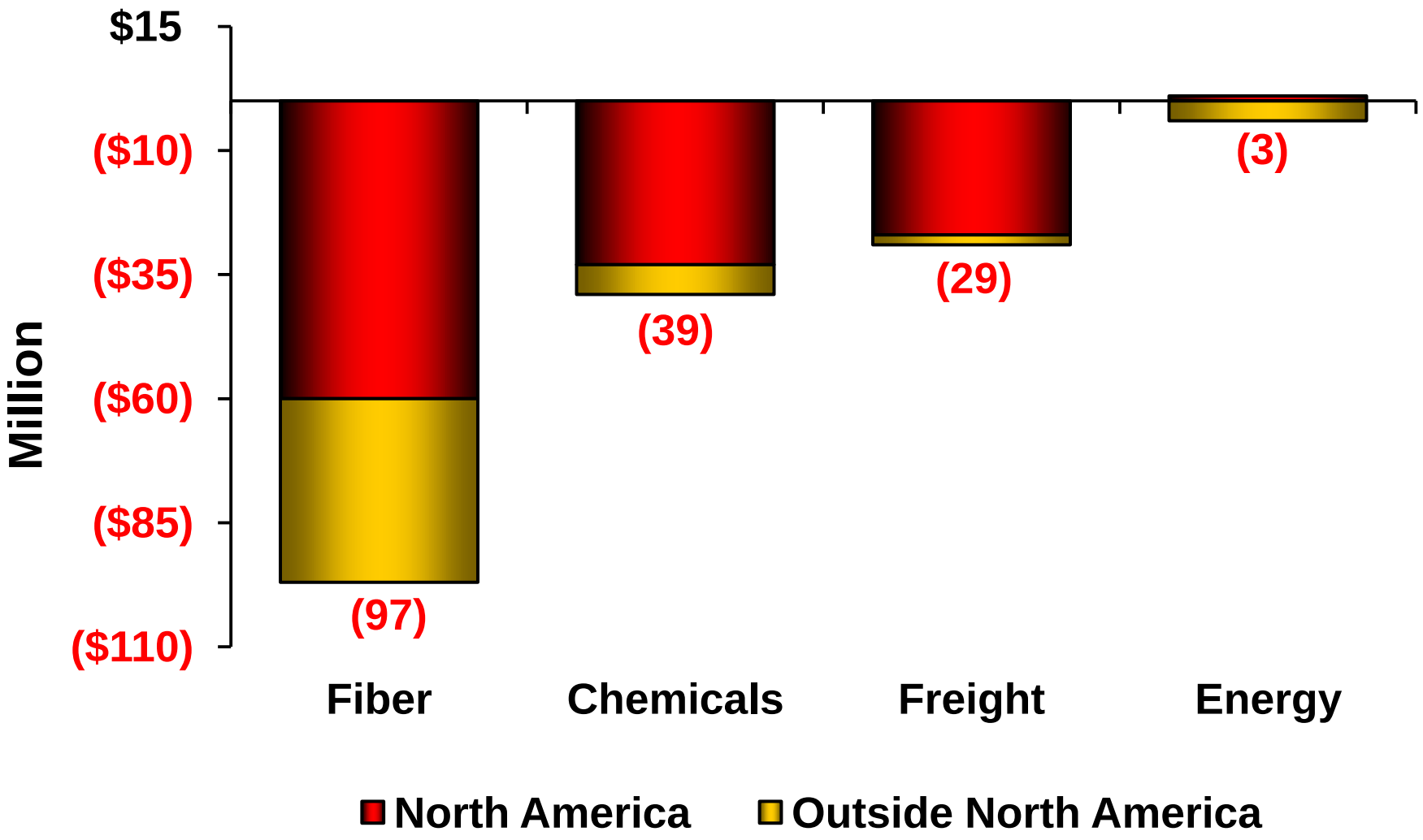

Input costs for continuing businesses

U.S. Mill Wood Delivered Cost Trends

2% Decrease vs. 3Q10 Average Cost

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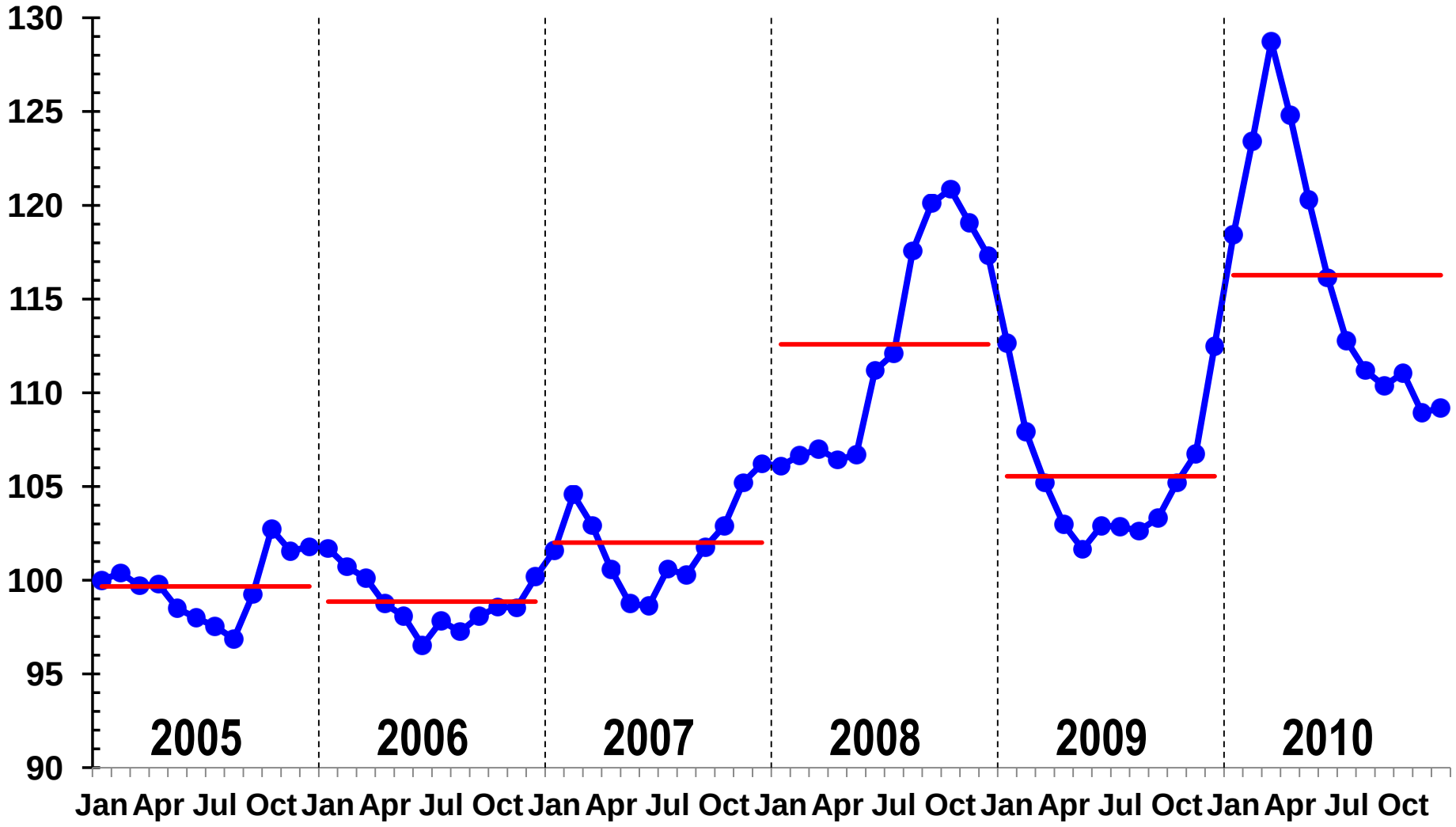

U.S. OCC Delivered Cost Trends

17% Increase vs. 3Q10 Average Cost

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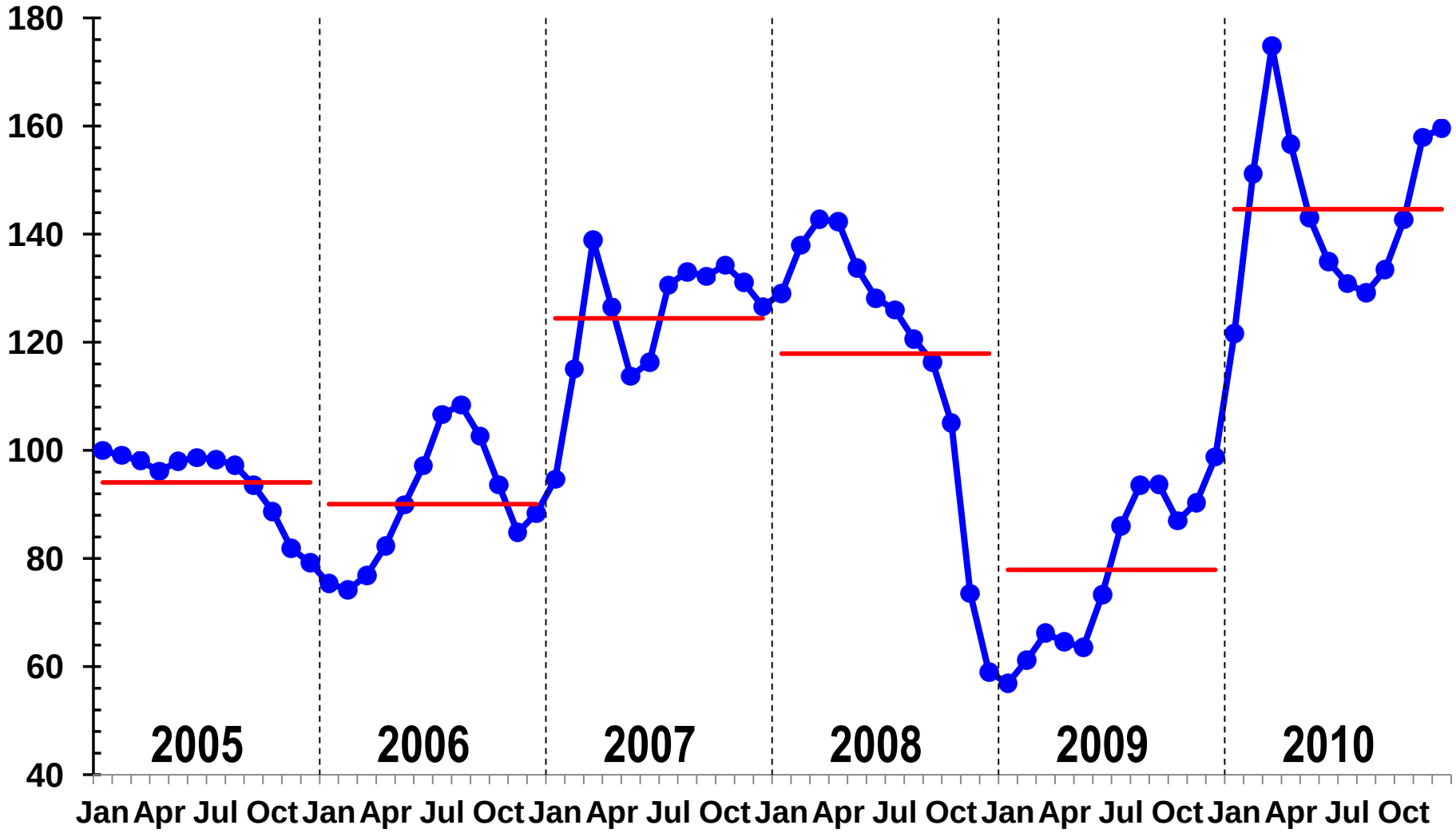

2005-2007 represents WY PKG delivered costs; 2008-2010 represents delivered costs to the integrated system

Natural Gas Costs

13% Decrease vs. 3Q10 Average Cost

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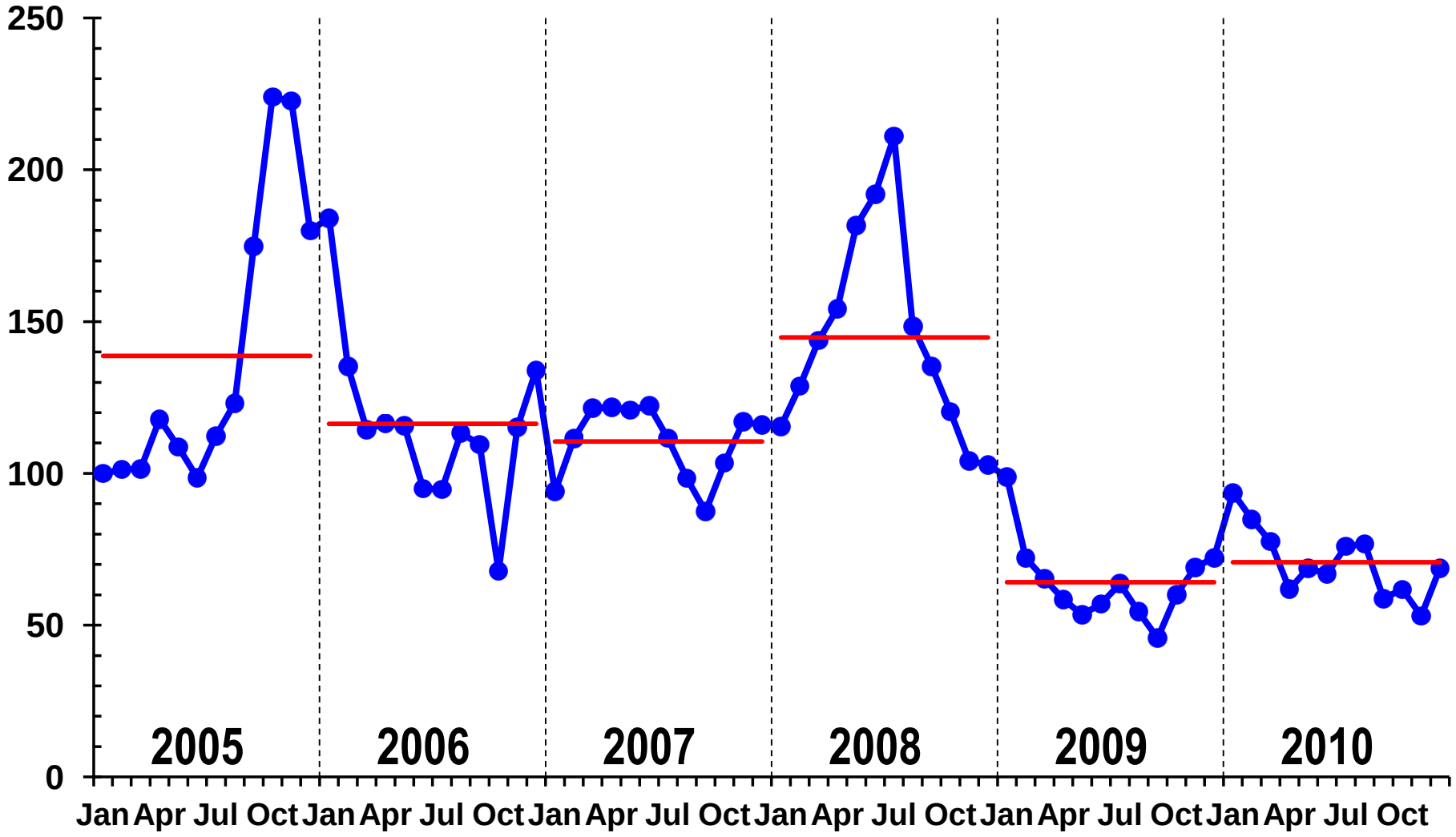

NYMEX Natural Gas closing prices

U.S. Fuel Oil

7% Increase vs. 3Q10 Average Cost

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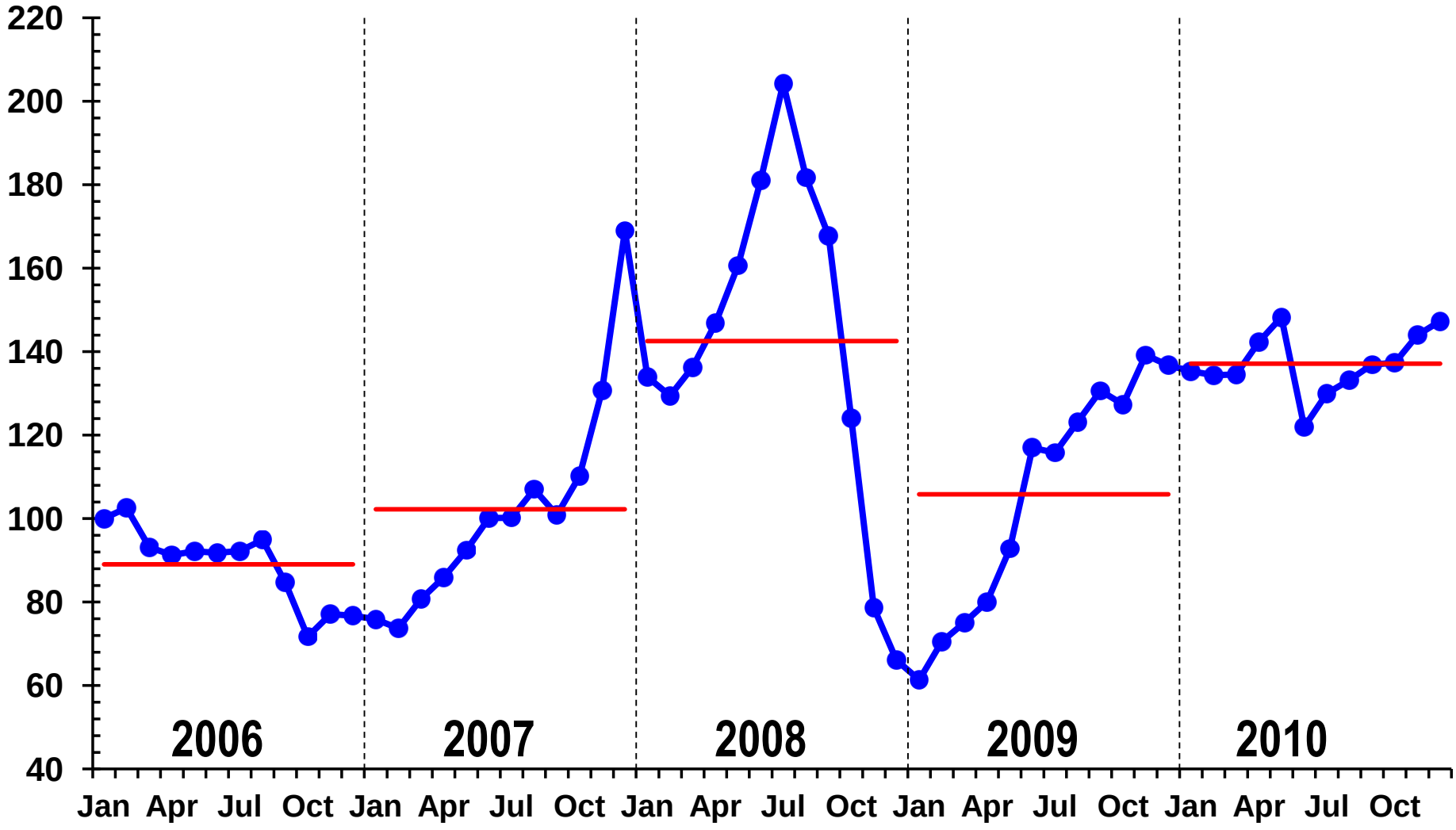

WTI Crude prices

U.S. Chemical Composite Index

7% Increase vs. 3Q10 Average Cost

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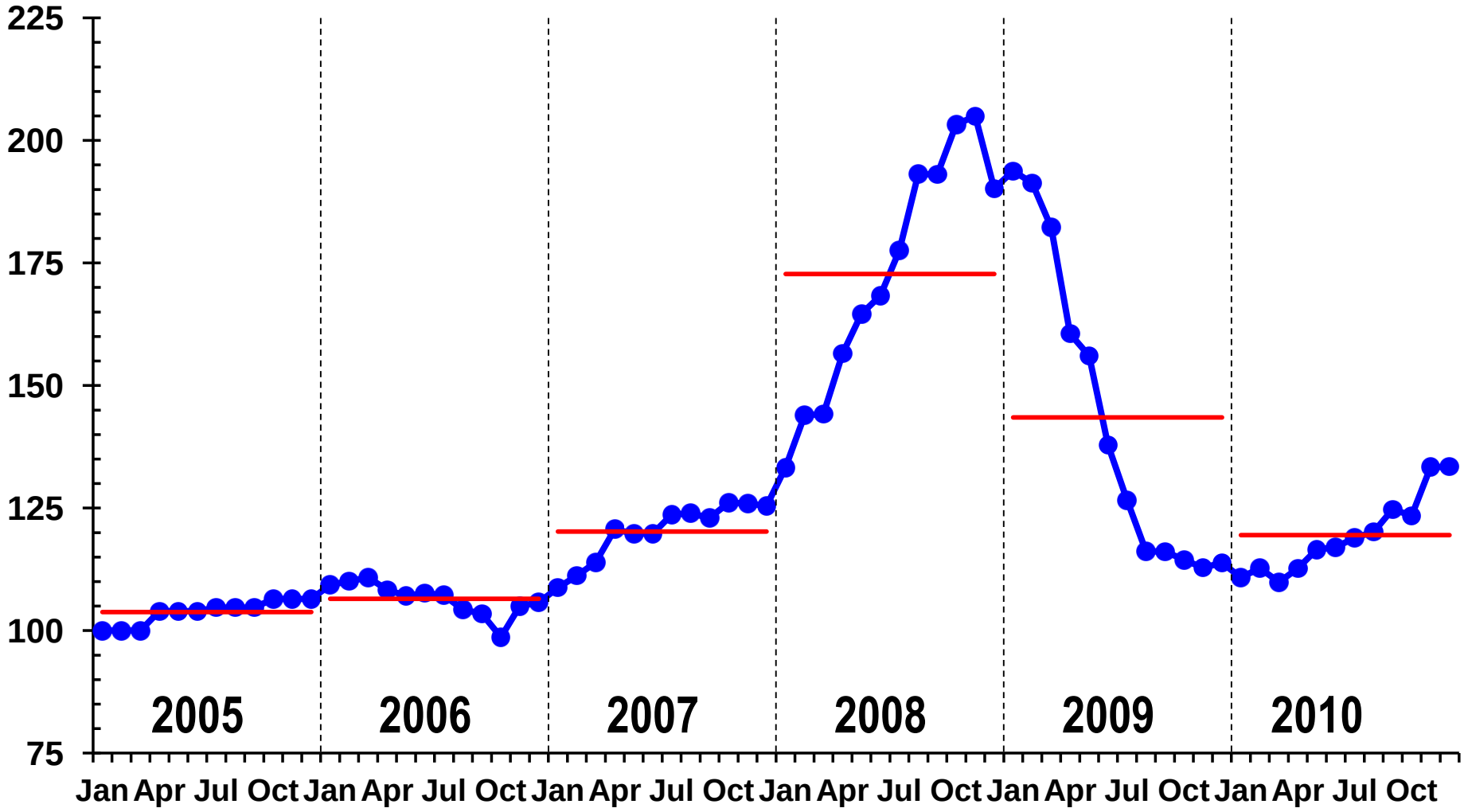

Delivered cost to U.S. facilities; includes Caustic Soda, Sodium Chlorate, Starch and Sulfuric Acid
2005 - 2008 excludes WY PKG

2011 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	-
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