Reconciliation of Non-GAAP Information to U.S. GAAP

Calculation of EBITDA Margin before Special Items

$ Millions	North American Industrial Packaging	North American Printing Papers	Europe & Russia Printing Papers	Brazilian Printing Papers	U.S. Market Pulp	U.S. Coated Paperboard
	1H 2010					
Earnings from Continuing Operations Before Interest, Income Taxes, Noncontrolling Interest, Equity Earnings and Cumulative Effect of Accounting Changes	192	(199)	103	50	15	17
Depreciation, amortization and cost of timber harvested	288	109	37	68	28	68
Special Items: Restructuring and Other Charges	3	315	-			
EBITDA before Special Items	483	225	140	118	43	85
Net Sales	4,009	1,361	634	501	316	759
EBITDA Margin	12.0%	16.5%	22.1%	23.6%	13.6%	11.2%

$ Millions	North American Industrial Packaging	North American Printing Papers	Europe & Russia Printing Papers	Brazilian Printing Papers	U.S. Market Pulp	U.S. Coated Paperboard
	2H 2010					
Earnings from Continuing Operations Before Interest, Income Taxes, Noncontrolling Interest, Equity Earnings and Cumulative Effect of Accounting Changes	571	217	96	109	92	92
Depreciation, amortization and cost of timber harvested	266	98	40	69	28	74
Special Items: Restructuring and Other Charges	10	-				
EBITDA before Special Items	847	315	136	178	120	166
Net Sales	4,343	1,384	671	588	401	815
EBITDA Margin	19.5%	22.8%	20.3%	30.3%	29.9%	20.4%

International Paper Company
Calculation of EBITDA before Special Items

$ Millions	2005 Full Year *	2010 2nd Half
Earnings Before Interest, Income Taxes, Equity Earnings and Cumulative Effect of Accounting Changes	1,179	1,181
Depreciation, amortization and cost of timber harvested	1,376	722
Special Items:		
Restructuring and other charges	358	53
Insurance recoveries	(258)	-
Net (gains) losses on sales and impairments of business held for sale	111	(23)
Reversals of reserves no longer needed	(4)	-
EBITDA before Special Items	2,762	1,933
Annualized EBITDA before Special Items	2,762	3,866

* As reported in 2005