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

Calculation of Free Cash Flow
In millions

		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Q1 2011	Annualized Q1 2011
Cash Provided by Operations *		$ 2,430	$ 1,714	$ 2,094	$ 1,822	$ 2,388	$ 1,510	$ 1,223	$ 1,887	$ 2,669	$ 4,655	$ 1,631	$ 514	$ 2,056
Less:	Cash Invested in Capital Projects													
	Continuing Operations	(1,352)	(975)	(1,005)	(1,166)	(1,262)	(1,155)	(1,009)	(1,288)	(1,002)	(534)	(775)	(181)	(724)
	Businesses Sold and Held for Sale	-	(74)	(4)	-	(66)	(17)	(64)	(4)	-	-	-	-	-
	Other Investment Activities	-	-	-	-	-	73	(48)	-					
	Cash Received from Alternative Fuel Mixture Credits and Cellulosic Biofuel Tax Credits	-	-	-	-	-	-	-	-	-	(1,684)	(149)		
	European A/R Securitization										(205)		209	836
	Tax Receivable Collected - Pensions											(108)	(123)	(492)
Add Back:	Voluntary Pension Plan Contribution	-	-	-	-	-	-	1,000	-	-	-	1,150		
Free Cash Flow		$ 1,078	$ 665	$ 1,085	$ 656	$ 1,060	$ 411	$ 1,102	$ 595	$ 1,667	$ 2,232	$ 1,749	$ 419	$ 1,676

* As reported in the Company's 10-K for each year at the time of filing

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	North American Pulp	Brazilian Printing Papers	European Printing Papers	U.S. Coated Paperboard
	3Q 2010 - 1Q 2011					
Earnings from Continuing Operations Before Interest, Income Taxes, Noncontrolling Interest, Equity Earnings and Cumulative Effect of Accounting Changes	827	305	108	157	135	156
Depreciation, amortization and cost of timber harvested	383	148	41	106	54	111
Special Items:						
Restructuring and Other Charges	10					
Other Special Items					8	
EBITDA before Special Items	1,220	453	149	263	197	267
Net Sales	6,458	2,074	576	873	943	1,250
EBITDA Margin	19%	22%	26%	30%	21%	21%

$ Millions	North American Industrial Packaging	North American Printing Papers	North American Pulp	Brazilian Printing Papers	European Printing Papers	U.S. Coated Paperboard
	1H 2010					
Earnings from Continuing Operations Before Interest, Income Taxes, Noncontrolling Interest, Equity Earnings and Cumulative Effect of Accounting Changes	194	(199)	15	50	103	17
Depreciation, amortization and cost of timber harvested	288	109	28	68	37	68
Special Items:						
Restructuring and Other Charges	3	315				
EBITDA before Special Items	485	225	43	118	140	85
Net Sales	4,009	1,361	316	501	634	759
EBITDA Margin	12%	17%	14%	24%	22%	11%

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

Calculation of EBITDA Margin before Special Items

North American Industrial Packaging

$ Millions	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Annualized 1H 2010	Annualized 2H 2010
Earnings from Continuing Operations Before Interest, Income Taxes, Minority Interest, Equity Earnings and Cumulative Effect of Accounting Changes	395	225	167	112	219	105	245	306	326	800	775	388	1,138
Depreciation, amortization and cost of timber harvested	195	185	173	168	181	185	195	214	411	639	555	576	532
Special Items:													
Restructuring and other charges									93	740		6	20
Alternative fuel mixture credits										(849)			
EBITDA before Special Items	590	410	340	280	400	290	440	520	830	1,330	1,330	970	1,690
Net Sales	3,098	2,745	2,626	2,676	3,265	3,479	3,722	3,882	6,144	7,605	8,353	8,018	8,666
EBITDA Margin	19%	15%	13%	10%	12%	8%	12%	13%	14%	17%	16%	12%	20%

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

Calculation of EBITDA Margin

$ Millions	North American Industrial Packaging 2007 Full Year	North American Industrial Packaging Q3 2010 - Q1 2011	North American Industrial Packaging Annualized Q3 2010 - Q1 2011	Total IP Excluding Forest Products 2007 Full Year	Total IP Excluding Forest Products Q3 2010 - Q1 2011	Total IP Excluding Forest Products Annualized Q3 2010 - Q1 2011
Earnings from Continuing Operations Before Interest, Income Taxes, Minority Interest, Equity Earnings and Cumulative Effect of Accounting Changes	305	827	1,103	1,480	1,639	2,185
Depreciation, amortization and cost of timber harvested	200	383	511	1,077	1,059	1,412
Special Items:						
Restructuring and other charges		10	13	95	98	131
Net (gain) losses on sales and impairments of businesses				(327)	(15)	(20)
EBITDA before Special Items	505	1,220	1,627	2,325	2,781	3,708
Net Sales	3,900	6,458	8,611	21,405	19,433	25,911
EBITDA Margin	13%	19%	19%	11%	14%	14%

Free Cash Flow excluding Forest Products

	2007	3Q 2010-1Q 2011 Annualized
Total Company Free Cash Flow	$ 595	2,387
Forest Products:		
Cash Provided by Operations	332	57
Cash Received on Sale of Land	-	150
Less: Cash Invested in Capital Projects	10	-
Free Cash Flow from Forest Resources	322	207
Total Free Cash Flow excluding Forest Products	$ 273	$ 2,180