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Chairman &
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Second Quarter 2011 Review

July 28, 2011

Forward-Looking Statements

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Certain statements in these slides and made during this presentation may be considered 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 include but are not limited 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, changes in tax laws and 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; (v) whether we experience a material disruption at one of our manufacturing facilities and risks inherent in conducting business through a joint venture; and (vi) our ability to achieve the benefits we expect from strategic acquisitions and divestitures. 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 (“SEC”) filings. Other important factors that could cause or contribute to actual results differing materially are included but are not limited to those discussed in the SEC filings of Temple-Inland Inc. (“Temple-Inland”). We undertake no obligation to publicly update any forward-looking statements or other information related to this presentation or the tender offer for the outstanding shares of common stock (including the associated preferred stock purchase rights) of Temple-Inland, whether as a result of new information, future events or otherwise.

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.

Second Quarter 2011

Improved Earnings Despite Headwinds

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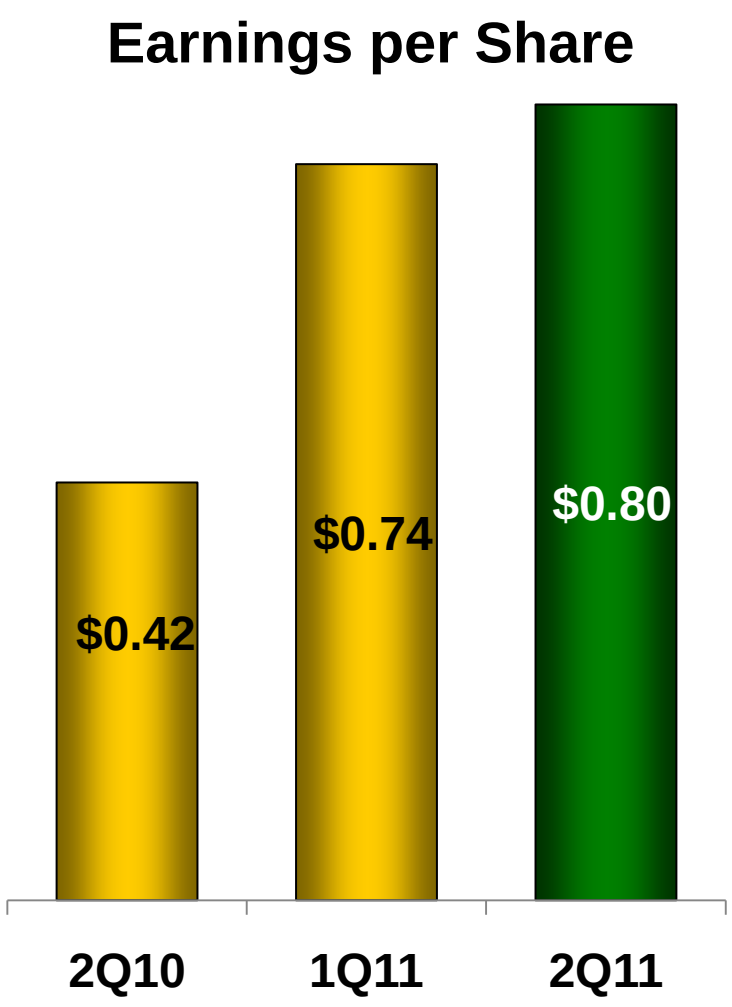

Earnings from continuing operations before special items

- **Earnings Driven by Balanced Segment & Global Portfolio**
- **Strong Contribution from Printing Papers, Coated Paperboard & Ilim JV**
- **Outstanding Operations & Cost Management**
- **Good Maintenance Outage Execution**
- **Seasonal Improvement in Demand**
- **Offset Significant Input Cost Escalation**

Balanced Segment & Global Portfolio
Driving Earnings

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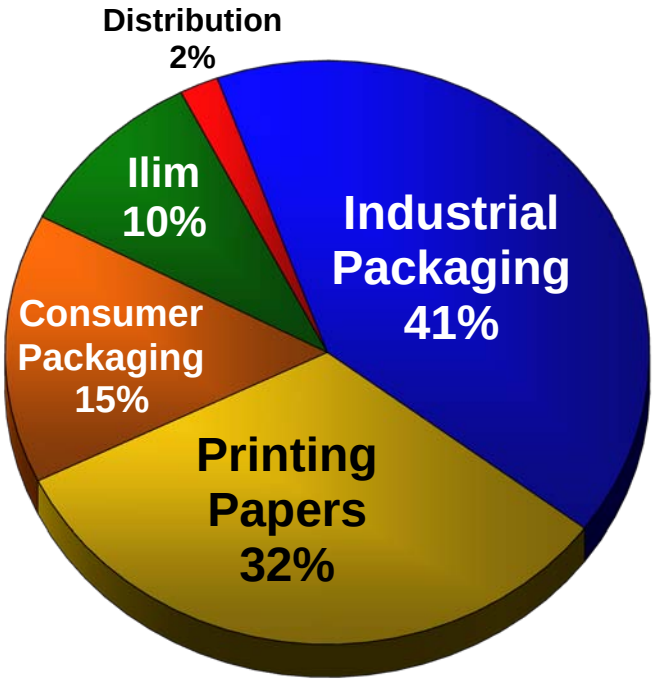
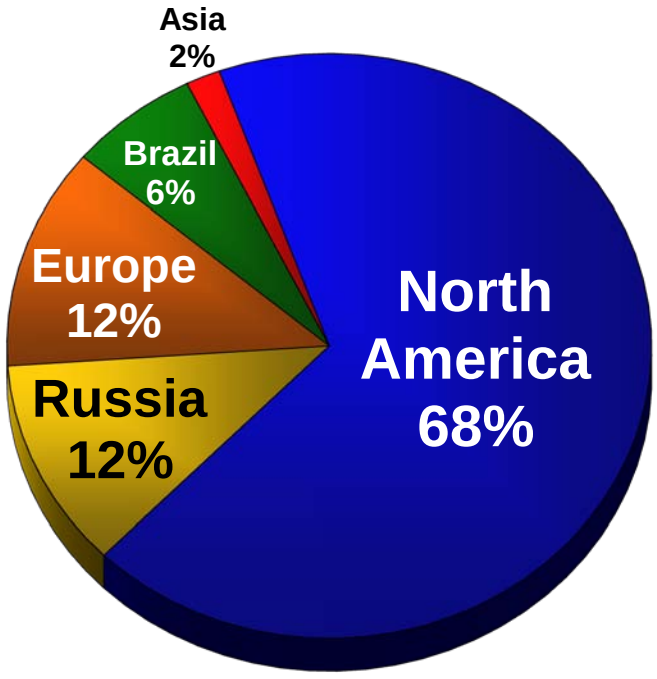
Operating Earnings by Segment



Operating Earnings by Region



Based on 1H11 earnings before special items
Russia includes the Svetogorsk mill and IP's share of Ilim JV equity earnings
IP's share of Ilim JV equity earnings reflect approximate proportional adjustments for interest & tax

2Q11 Financial Snapshot

Continued Strength in Free Cash Flow

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	2Q10	1Q11	2Q11
Sales ($B)	$6.1	$6.4	$6.6
EBITDA[1] ($MM)	$782	$897	$912
EBITDA Margin	13%	14%	14%
Free Cash Flow[2] ($MM)	$356	$419	$419

- 8% Revenue Growth
- 100BP Margin Expansion

[1] Earnings from continuing operations before special items

[2] 2Q10 excludes cash received from alternative fuel credits of $132 MM; See slide #26 for a reconciliation of 1Q11 and 2Q11 free cash flows

2Q11 Operating Business EPS

Step Change in Performance

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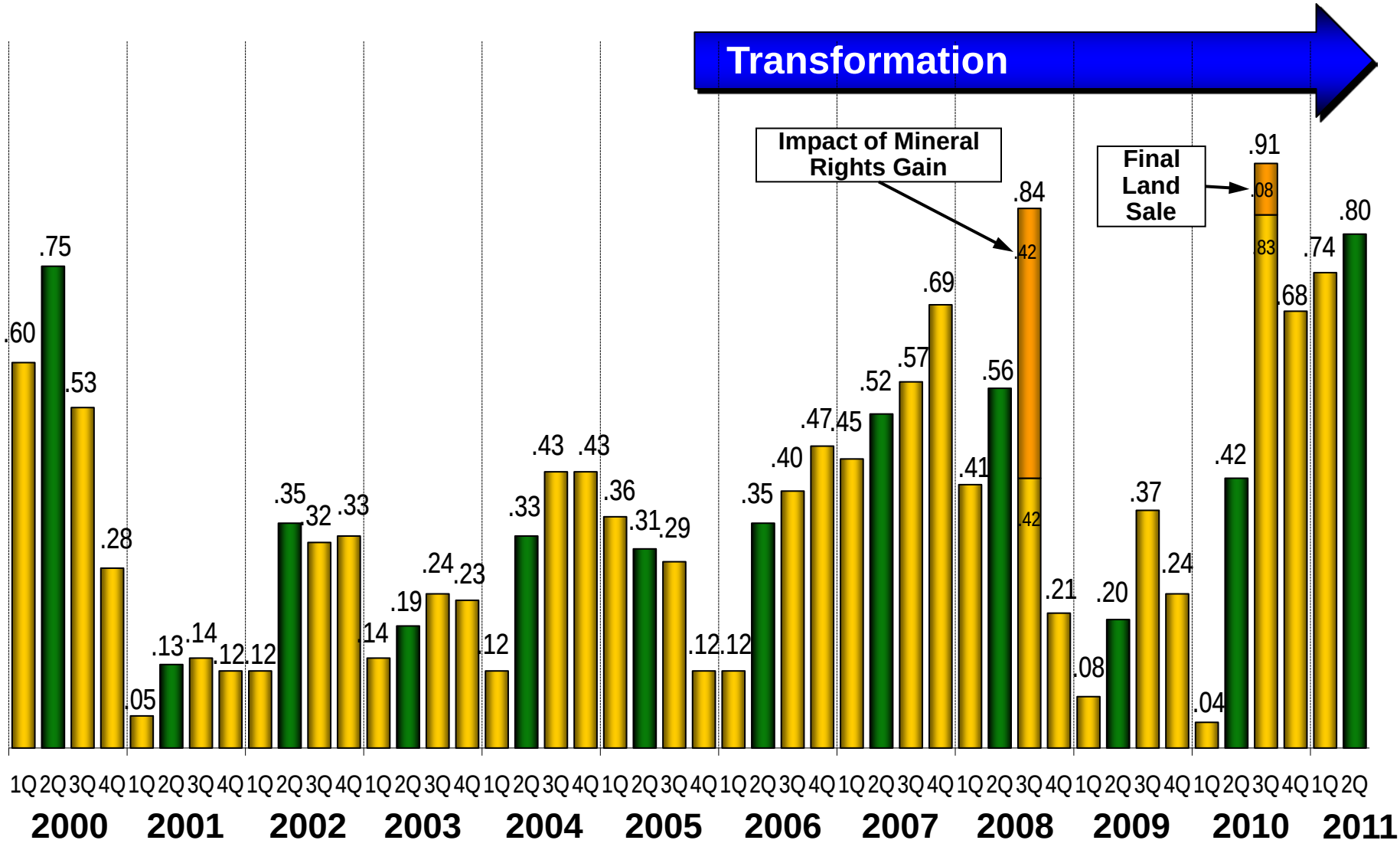
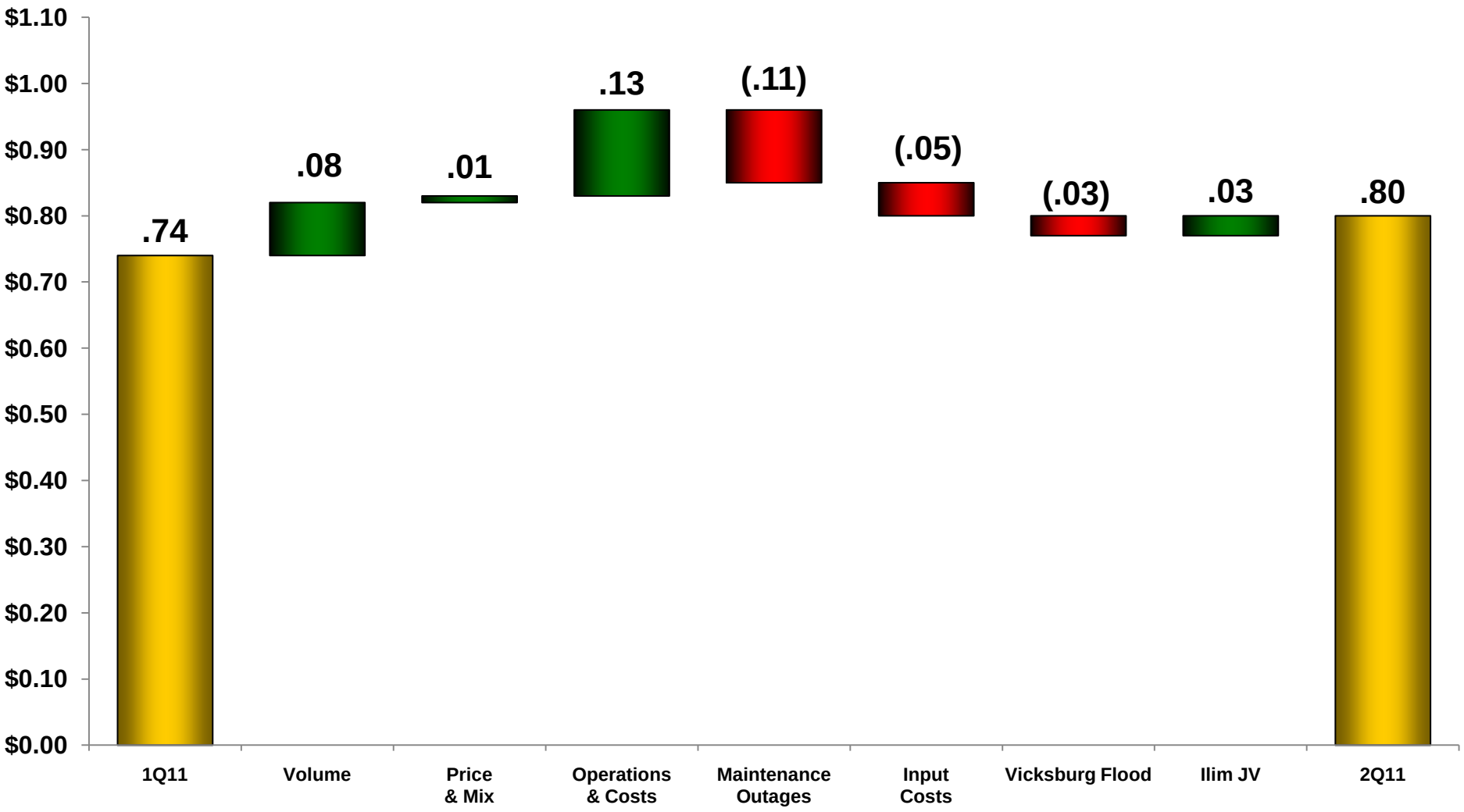


Earnings from continuing operations before special items as reported at the time

2Q11 vs. 1Q11 EPS



Earnings before special items

Global Input Costs vs. 1Q11

$31 MM Unfavorable, or $0.05/Share

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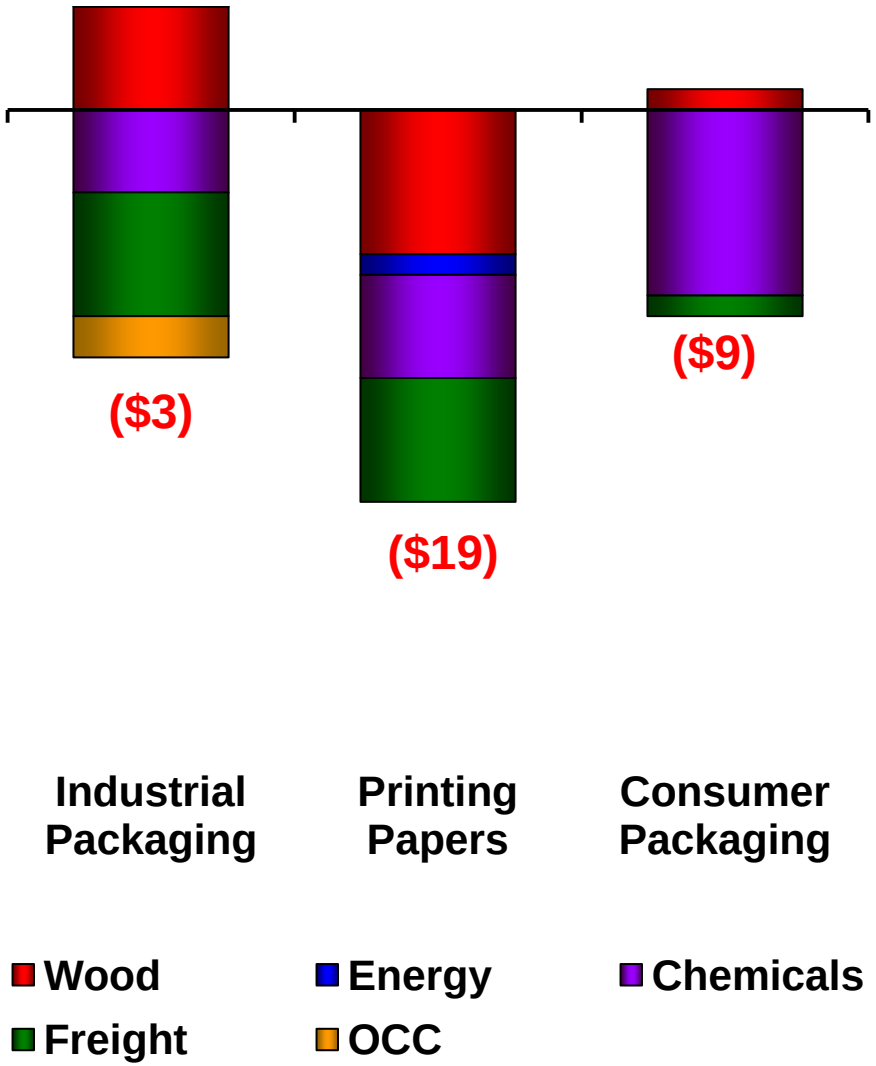
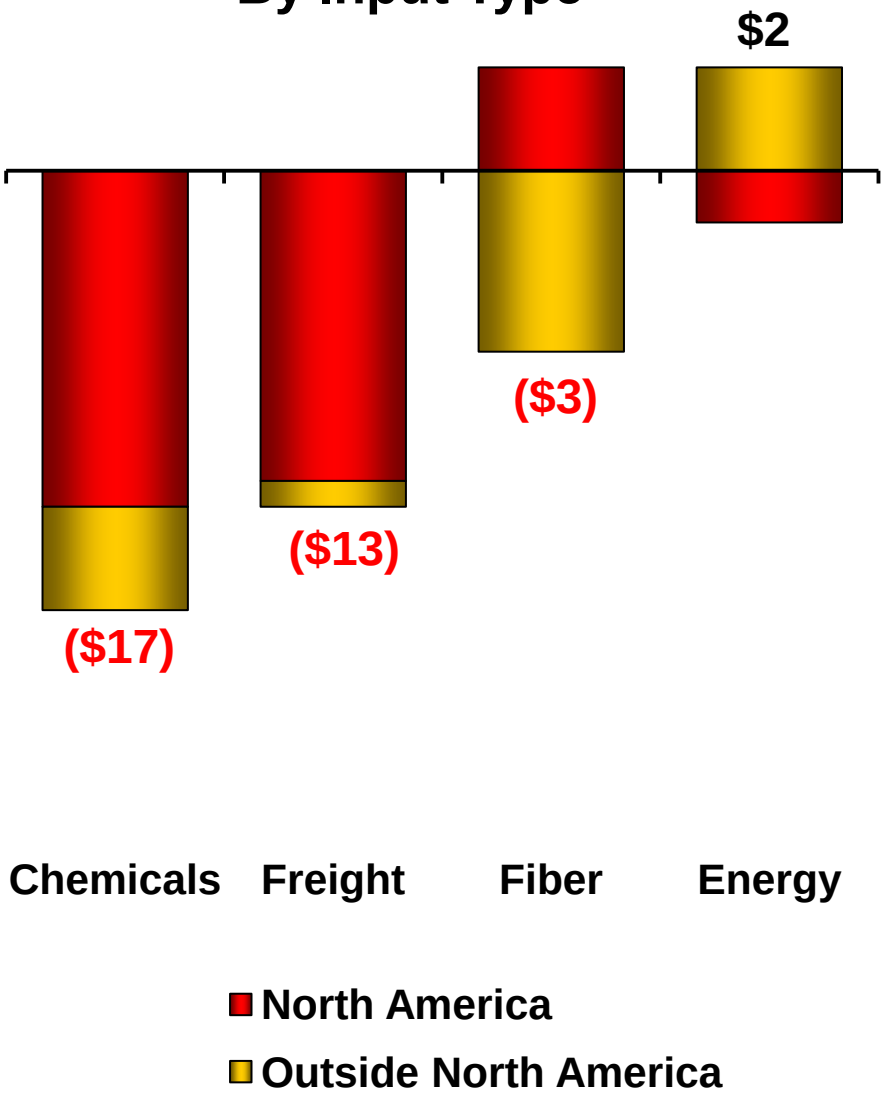
By Business



By Input Type



Printing Papers
2Q11 vs. 1Q11

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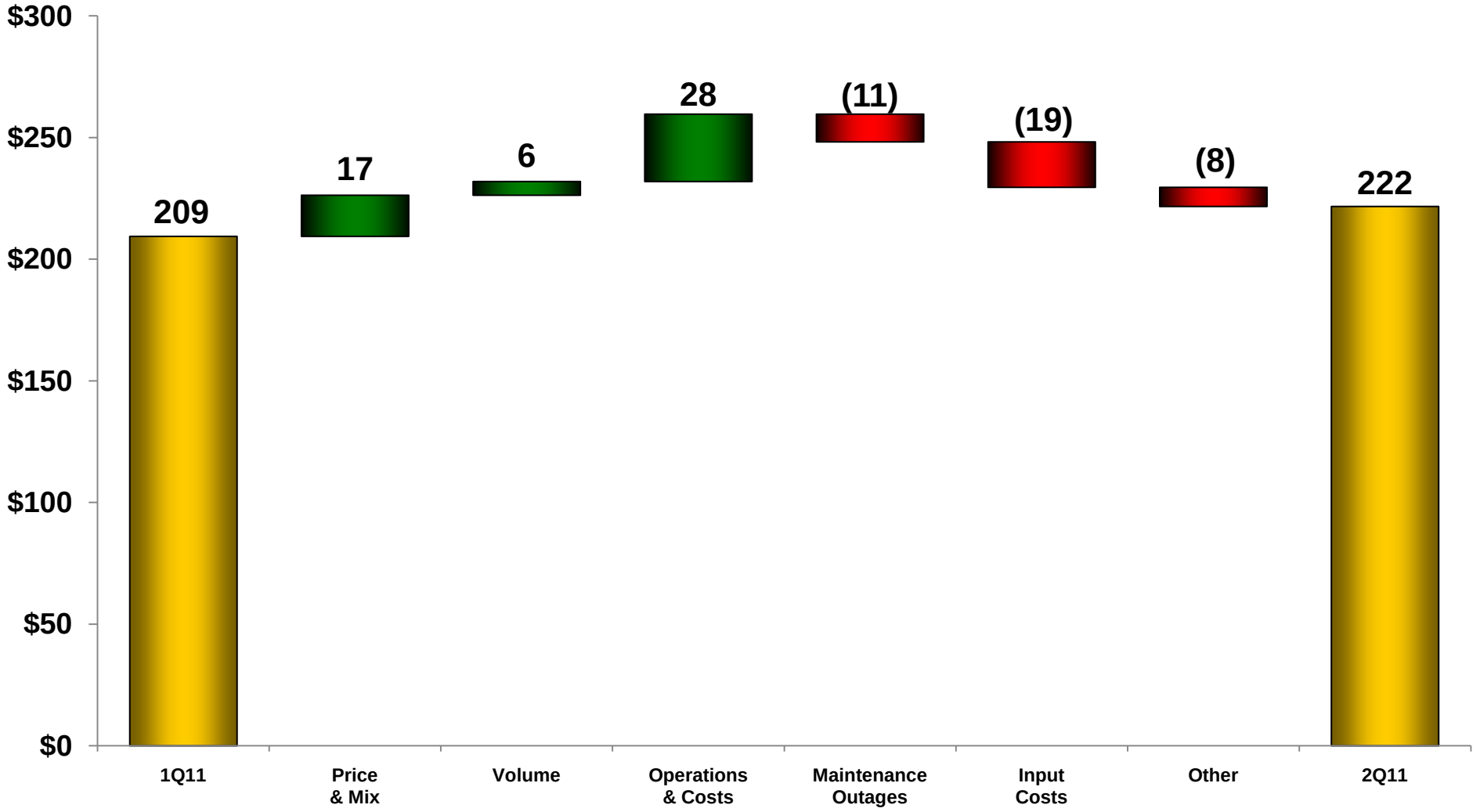
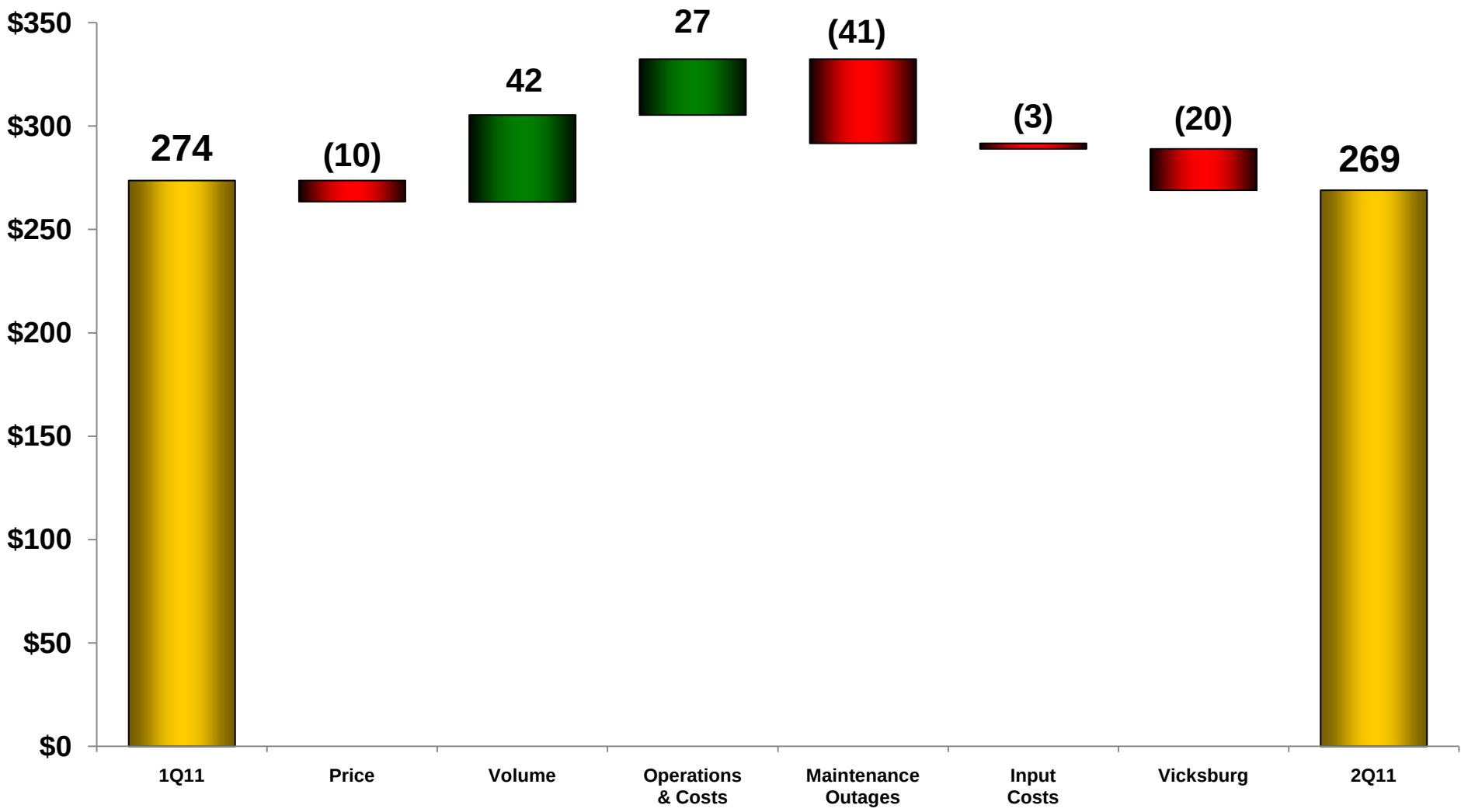


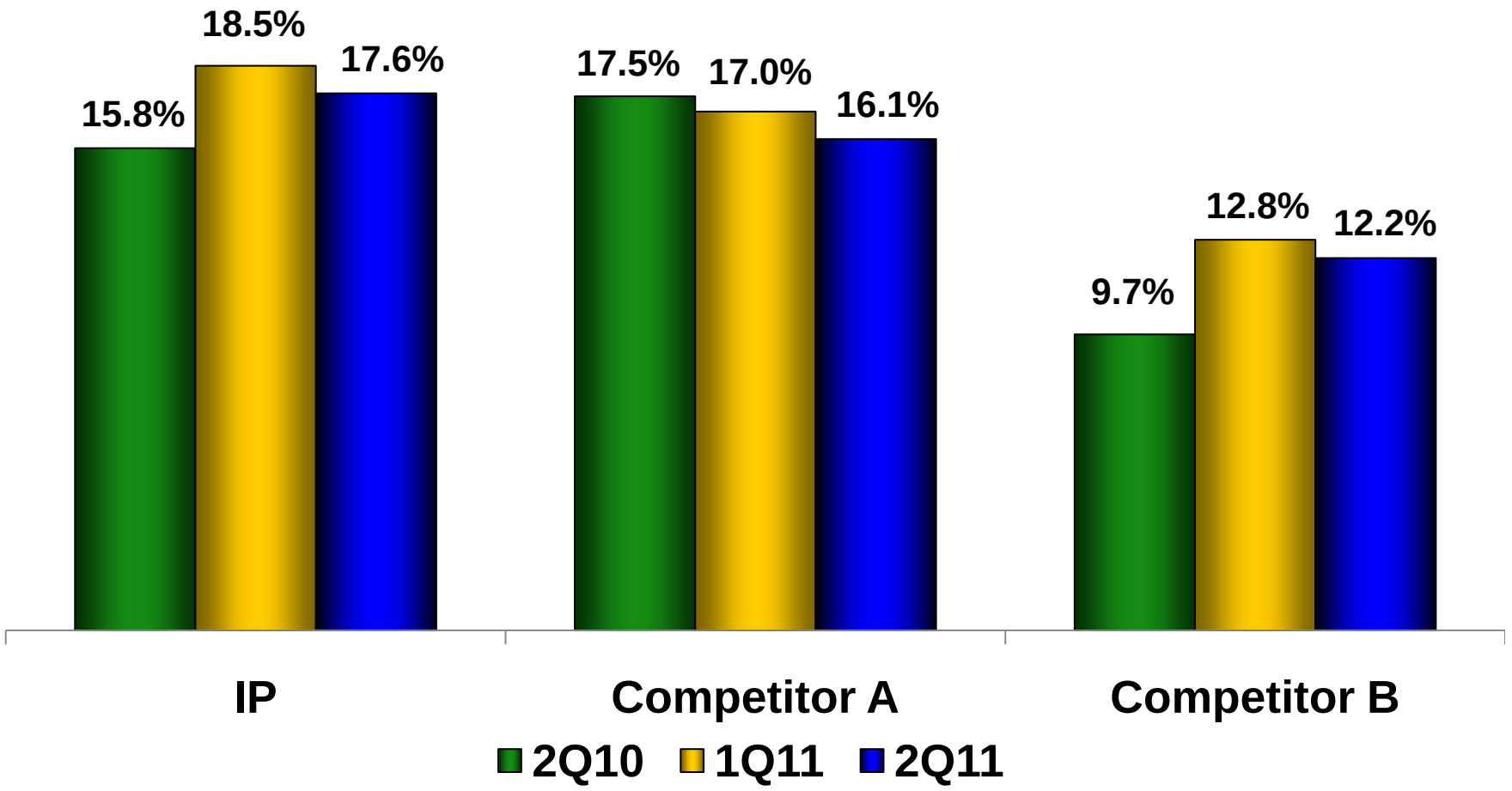
Earnings before special items

Industrial Packaging
2Q11 vs. 1Q11



Earnings before special items

N.A. Industrial Packaging Relative EBITDA Margins



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

U.S. Box Demand

Agriculture in West Impacted by Weather

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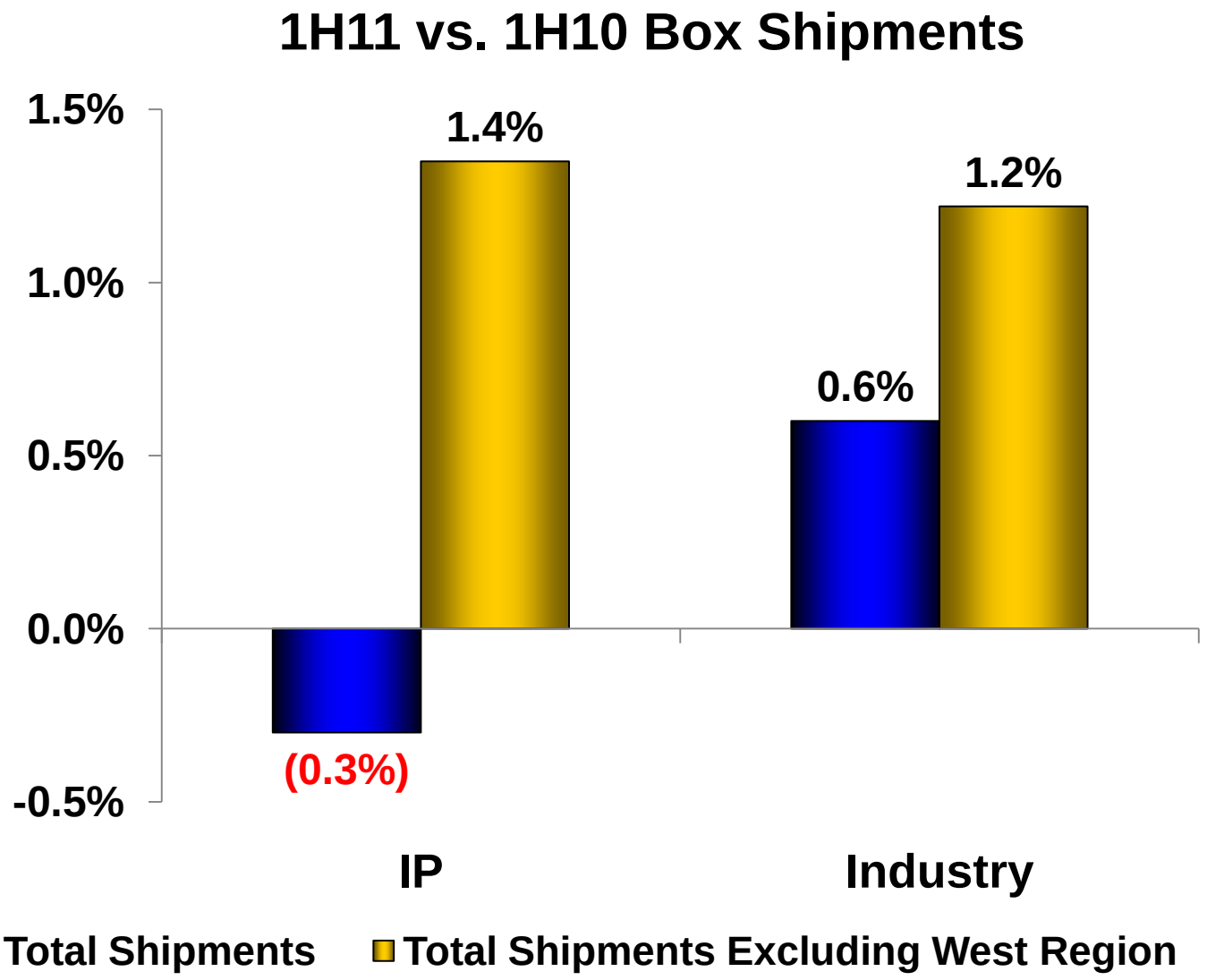

Box demand on an FBA reporting basis

Consumer Packaging
2Q11 vs. 1Q11

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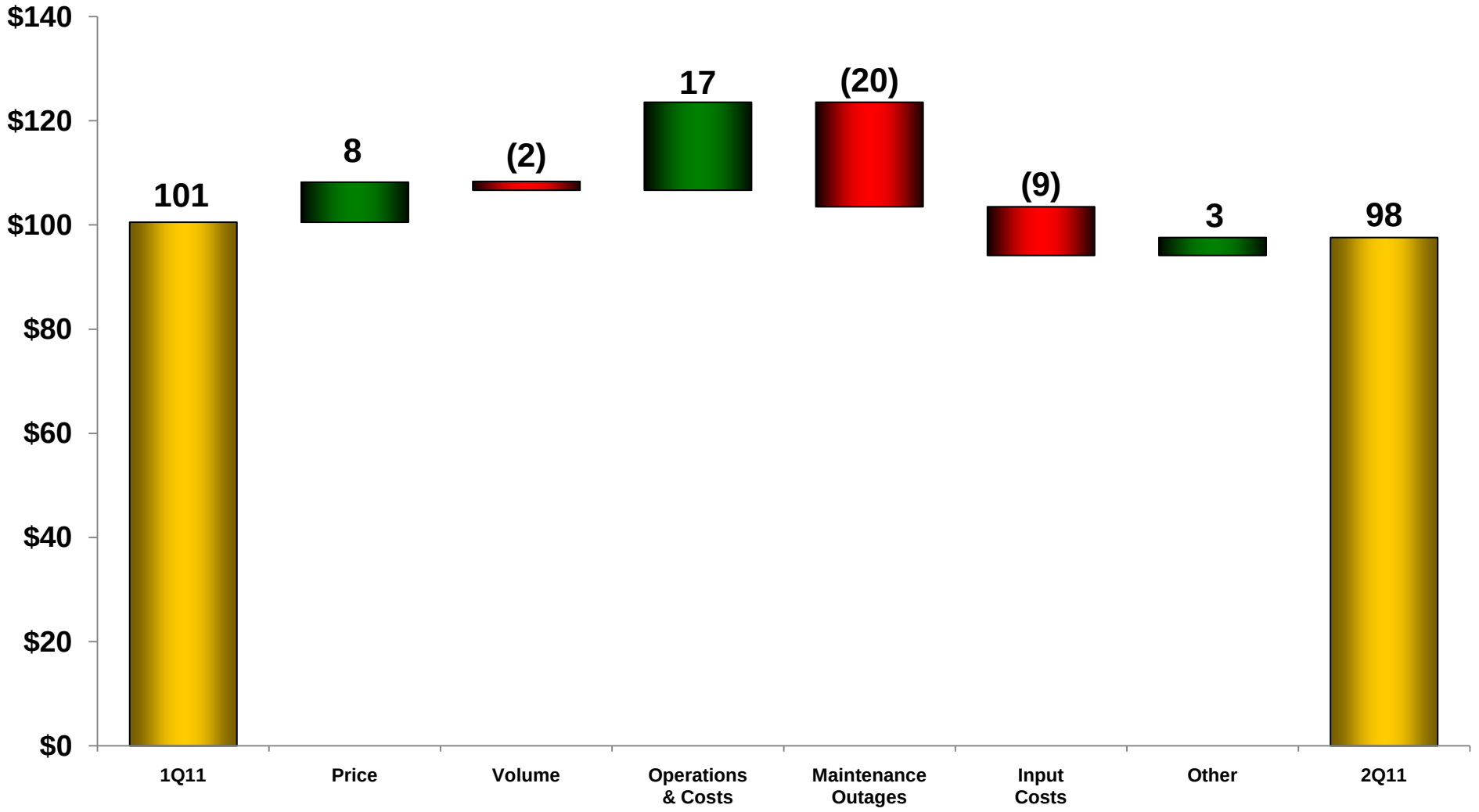
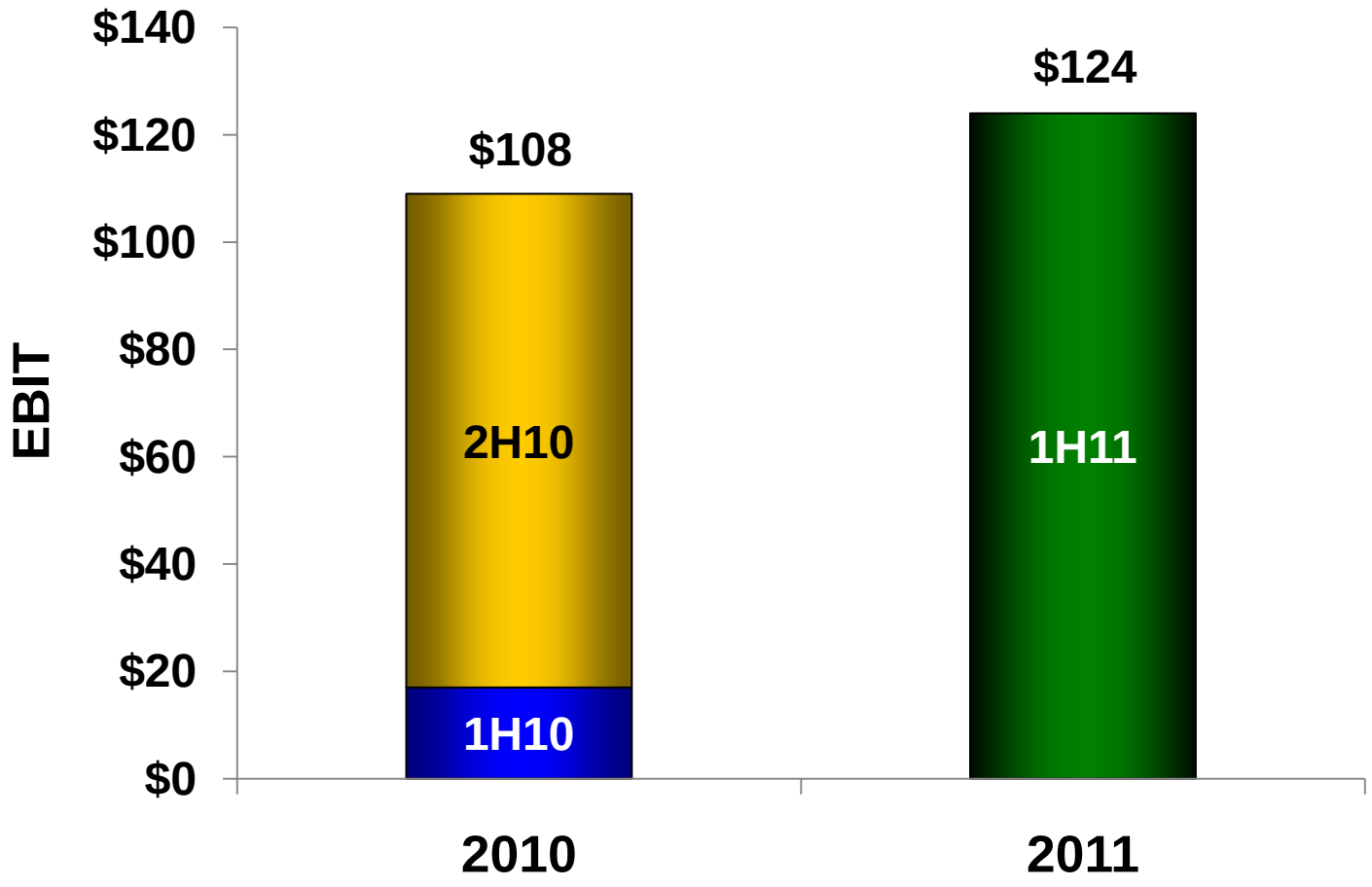


Earnings before special items

N.A. Coated Paperboard

1H11 Earnings Exceed FY10



Earnings before special items

xpedx
2Q11 vs. 1Q11

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$ Million	2Q10	1Q11	2Q11
Sales	$1,630	$1,640	$1,655
Earnings	$26	$12	$14

Daily Sales Change	vs. 2Q10	vs. 1Q11
Printing	(9%)	(3%)
Packaging	9%	5%
Facility Solutions	(3%)	2%

- Margin compression due to higher fuel and transportation costs
- Solid growth in Packaging segment
- Closure of seven warehouses and 27 stores in 1H11

Earnings before special items

Ilim Joint Venture
2Q11 vs. 1Q11

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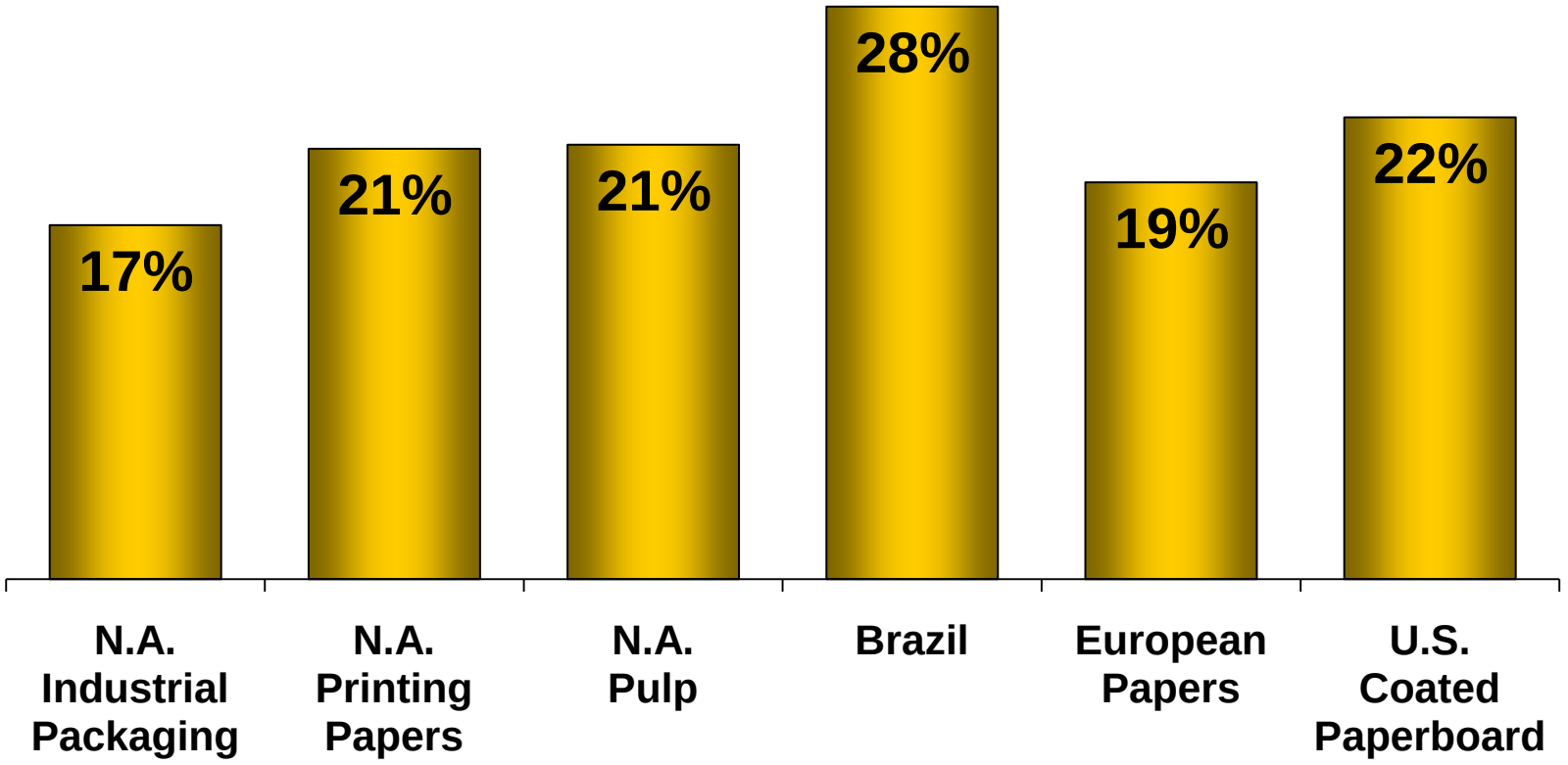
$ Million	2Q10	1Q11	2Q11
Sales (100%)	$435	$515	$580
Earnings (IP Share)	$5	$44	$57

	2Q11 vs. 1Q11		2Q11 vs. 2Q10	
Business	Volume	Price / Ton	Volume	Price / Ton
Pulp	5%	$39	5%	$116
Containerboard	4%	$68	1%	$243

Ilim's results are reported on a one-quarter lag.
IP's shares of Ilim's reported earnings for 2Q11 & 1Q11 include an after-tax foreign exchange gain of $9MM and $2MM, respectively. 2Q10 earnings include an after-tax foreign exchange loss of $0.2MM.

Significantly Improved EBITDA Margins

1H11 Margins

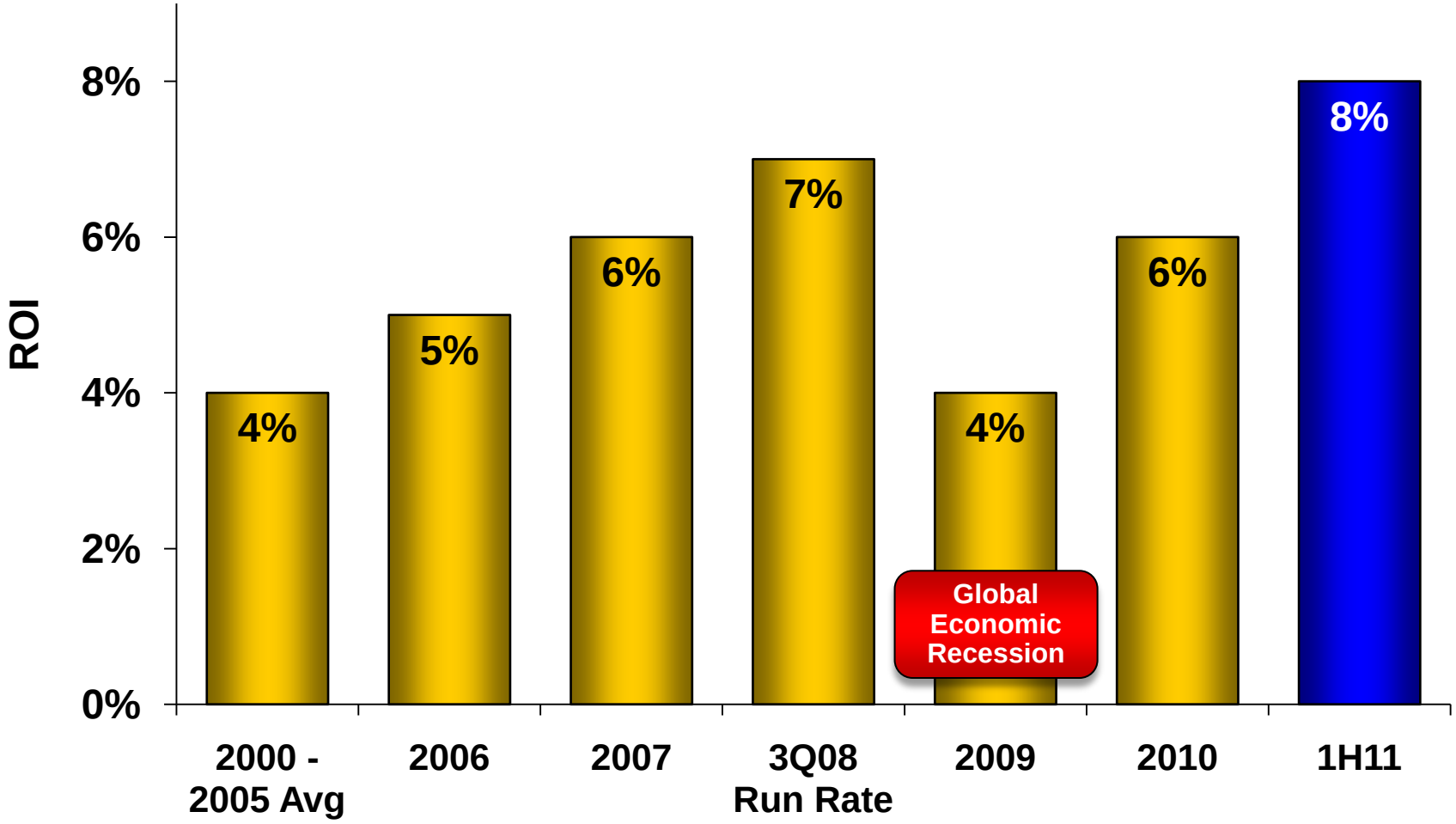


	N.A. Industrial Packaging	N.A. Printing Papers	N.A. Pulp	Brazil	European Papers	U.S. Coated Paperboard
1H10 Margin	12%	17%	14%	24%	22%	11%

Earnings before special items

Improving Returns on Invested Capital

Transformation Driving ROI



Earnings before special items

2Q11 Summary

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- Strong Operations
- Good Cost Management
- Good Outage Execution
- Seasonal Demand Increase
- Strong Ilim JV Earnings
- Input Cost Escalation

Strong EPS, FCF & ROI

Third Quarter Outlook
Changes from 2Q11

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		North America	Europe	Brazil	Asia
Volume	Paper	Stable	Seasonal Decrease	Stable	
	Packaging	Stable	Seasonal Decrease		Stable
Pricing	Paper	Slight Increase, Pulp Decrease	Stable	Slight Increase	
	Packaging	Stable	Slight Increase		Stable
Maintenance Outages		Decrease	Increase	Increase	
Input & Freight Costs		All Higher Except Virgin Fiber	Increase	Increase	Increase

xpedx	Slight Increase

Ilim	Slight Decrease

Other Information
Additional Information

This communication does not constitute an offer to buy or solicitation of an offer to sell any securities. The offer and solicitation to purchase shares of common stock, par value $1.00 per share (and the associated preferred stock purchase rights), of Temple-Inland is only being made pursuant to a Tender Offer Statement on Schedule TO (including the Offer to Purchase, Letter of Transmittal and other related tender offer materials) filed by International Paper Company (the "Company") and Metal Acquisition Inc. with the SEC on July 12, 2011 (as they may be amended and supplemented from time to time). INVESTORS AND SECURITY HOLDERS OF TEMPLE-INLAND ARE URGED TO READ THESE AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors and security holders may obtain free copies of these documents and other documents filed with the SEC by the Company through the web site maintained by the SEC at http://www.sec.gov.

The tender offer expires at 5:00 p.m., Eastern time, on August 9, 2011, unless it is extended. If the tender offer is extended, the Company will issue a press release announcing the extension at or before 9:00 a.m., Eastern time, on the next business day after the date the tender offer was scheduled to expire.

In connection with the proposed transaction, the Company may file a proxy statement with the SEC. Any definitive proxy statement will be mailed to stockholders of Temple-Inland. INVESTORS AND SECURITY HOLDERS OF TEMPLE-INLAND ARE URGED TO READ THESE AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors and security holders will be able to obtain free copies of these documents (if and when available) and other documents filed with the SEC by the Company through the web site maintained by the SEC at http://www.sec.gov.

Other Information

Certain Information Regarding Participants

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The Company and certain of its respective directors and executive officers may be deemed to be participants in the proposed transaction under the rules of the SEC. Security holders may obtain information regarding the names, affiliations and interests of the Company's directors and executive officers in the Company's Annual Report on Form 10−K for the year ended December 31, 2010 which was filed with the SEC on February 25, 2011, and its proxy statement for the 2011 Annual Meeting, which was filed with the SEC on April 8, 2011. These documents can be obtained free of charge from the sources indicated above. Additional information regarding the interests of these participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will also be included in any proxy statement and other relevant materials to be filed with the SEC when they become available.

Appendix

Investor Relations Contacts

Glenn R. Landau	901-419-1731
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
Corporate Items	$181	$226	$175 - $200
Effective Tax Rate	30%	30%	32 - 34%

Before special items and excluding Ilim

Free Cash Flow

$ Million	2Q10	1Q11	2Q11
Cash from Operations	$509	$600[1]	$648
Cash Received from Alternative Fuel Mixture Tax Credits (AFMTC)	$132	$0	$0
Cash Provided by Continuing Operations	**$641**	**$600**	**$648**
Less Capital Investment	**($153)**	**($181)**	**($229)**
Free Cash Flow	**$488**	**$419**	**$419**
Free Cash Flow Excluding AFMTC	**$356**	**$419**	**$419**

[1] Excludes a $209 MM increase in working capital related to the cessation of the European A/R securitization program and a $123 MM tax receivable collected related to pension contributions

Maintenance Outages Expenses

$ Million	1Q11	2Q11	3Q11E	4Q11E	2011E
Industrial Packaging	**$31**	**$72**	**$15**	**$29**	**$147**
Printing Papers Total	**$39**	**$53**	**$62**	**$41**	**$195**
North America	$39	$29	$21	$41	$130
Europe	0	17	25	0	42
Brazil	0	7	16	0	23
Consumer Packaging	**$0**	**$17**	**$0**	**$27**	**$44**
Total Impact	**$70**	**$142**	**$77**	**$97**	**$386**

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

Industrial Packaging

Business	2Q11 vs. 1Q11		2Q11 vs. 2Q10	
	Volume	Price / Ton	Volume	Price / Ton
N.A. Container[1]	6%	($5)	(2%)	$43
European Container[2]	(1%)	€21	9%	€78

[1] Volumes reflect FBA reporting basis, which excludes Display and Bulk products and shipments from facilities in Mexico and Latin America; but includes domestic sheet plant shipments

[2] European Container volumes reflect box shipments only. These shipments include the non-consolidated joint venture in Turkey and reflect its acquisition of D.S. Smith in 3Q10

Printing Papers

	2Q11 vs. 1Q11		2Q11 vs. 2Q10	
Business	**Volume**	**Price / Ton**	**Volume**	**Price / Ton**
N.A. Paper	**(1%)**	**$13**	**(1%)**	**$34**
N.A. Pulp	**10%**	**($1)**	**18%**	**$30**
European Paper	**(2%)**	**€10**	**(1%)**	**€77**

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

Consumer Packaging

	2Q11 vs. 1Q11		2Q11 vs. 2Q10	
	Volume	Price/Ton	Volume	Price/Ton
N.A. Coated Paperboard	0%	$9	4%	$72
	Revenue	Price	Revenue	Price
Converting Businesses	2%	NA	4%	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)		2Q10	1Q11	2Q11
Industrial Packaging	Facility & Machine Closure Costs	($1)	($2)	
	Other		$7	
Printing Papers	Facility Closure Costs	($111)		$21
	Other		($8)	
Consumer Packaging	Fixed Asset Impairment			($129)
	Reorganization	($1)	($1)	($2)
xpedx	Reorganization		($7)	($10)
Corporate	Restructuring & Other Charges	($31)	($35)	($26)
Total Special Items Pre-Tax		**($144)**	**($46)**	**($146)**

Special Items Net of Taxes
from Continuing Operations

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	2Q11	
	$ Million	EPS
Earnings Before Special Items	**$343**	**$0.80**
Special Items Net of Taxes:		
Fixed Asset Impairment	($104)	
Environmental Reserve	($17)	
Reorganization	($6)	
Tax Items	($5)	
Mill & Machine Shutdowns	$13	
Total Special Items Net of Taxes	**($119)**	**($0.28)**
Net Earnings	**$224**	**$0.52**

2Q11 EBITDA

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	Operating Profit $ Million	D & A $ Million	Tons Thousand	EBITDA per Ton	EBITDA Margin
Industrial Packaging					
North America[1]	$250	$120	2,578	$144	17.9%
Europe	$16	$7	266	$86	7.8%
Printing Papers					
North America[2]	$101	$50	681	$222	21.7%
Europe[3]	$45	$20	306	$212	19.7%
Brazil	$39	$38	270	$285	26.1%
U.S. Market Pulp	$35	$13	252	$190	24.6%
Consumer Packaging					
N.A. Coated Paperboard	$60	$35	364	$261	21.6%

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

Operating Profits by Industry Segment

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$ Million	2Q10	1Q11	2Q11
Industrial Packaging	$193	$274	$269
Printing Papers	$158	$209	$222
Consumer Packaging	$49	$101	$98
Distribution	$26	$12	$14
Forest Products	$40	$0	$0
Operating Profit	**$466**	**$596**	**$603**
Net Interest Expense	($157)	($136)	($137)
Noncontrolling Interest / Equity Earnings Adjustment	$7	$5	$9
Corporate Items	($54)	($44)	($36)
Special Items	($144)	($53)	($146)
Earnings from continuing operations before income taxes, equity earnings & noncontrolling interest	**$118**	**$368**	**$293**
Equity Earnings, net of taxes - Ilim	**$5**	**$44**	**$57**

Geographic Business Segment Operating Results
Before Special Items

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$ Million	Sales			Operating Profit		
	2Q10	1Q11	2Q11	2Q10	1Q11	2Q11
Industrial Packaging						
North American	$2,120	$2,115	$2,220	$172	$256	$253
European	$235	$280	$295	$19	$17	$16
Asian	$85	$160	$190	$2	$1	$0
Printing Papers						
North American	$675	$690	$695	$46	$88	$101
European	$320	$360	$380	$55	$57	$47
Brazilian	$275	$285	$295	$39	$48	$39
U.S. Market Pulp	$160	$175	$195	$18	$16	$35
Consumer Packaging						
North American	$580	$620	$625	$17	$65	$62
European	$80	$95	$95	$19	$27	$23
Asian	$185	$190	$225	$13	$9	$13
xpedx	$1,630	$1,640	$1,655	$26	$12	$14

Does not reflect total company sales and operating profit

2011 Earnings from Continuing Operations

	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								
2Q11	$439	($145)	($8)	$57	$343	33%	431	$0.80
Special Items								
2Q11	($146)	$27	$0	$0	($119)	18%	431	($0.28)
Earnings								
2Q11	$293	($118)	($8)	$57	$224	40%	431	$0.52

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

2Q11 vs. 2Q10 EPS

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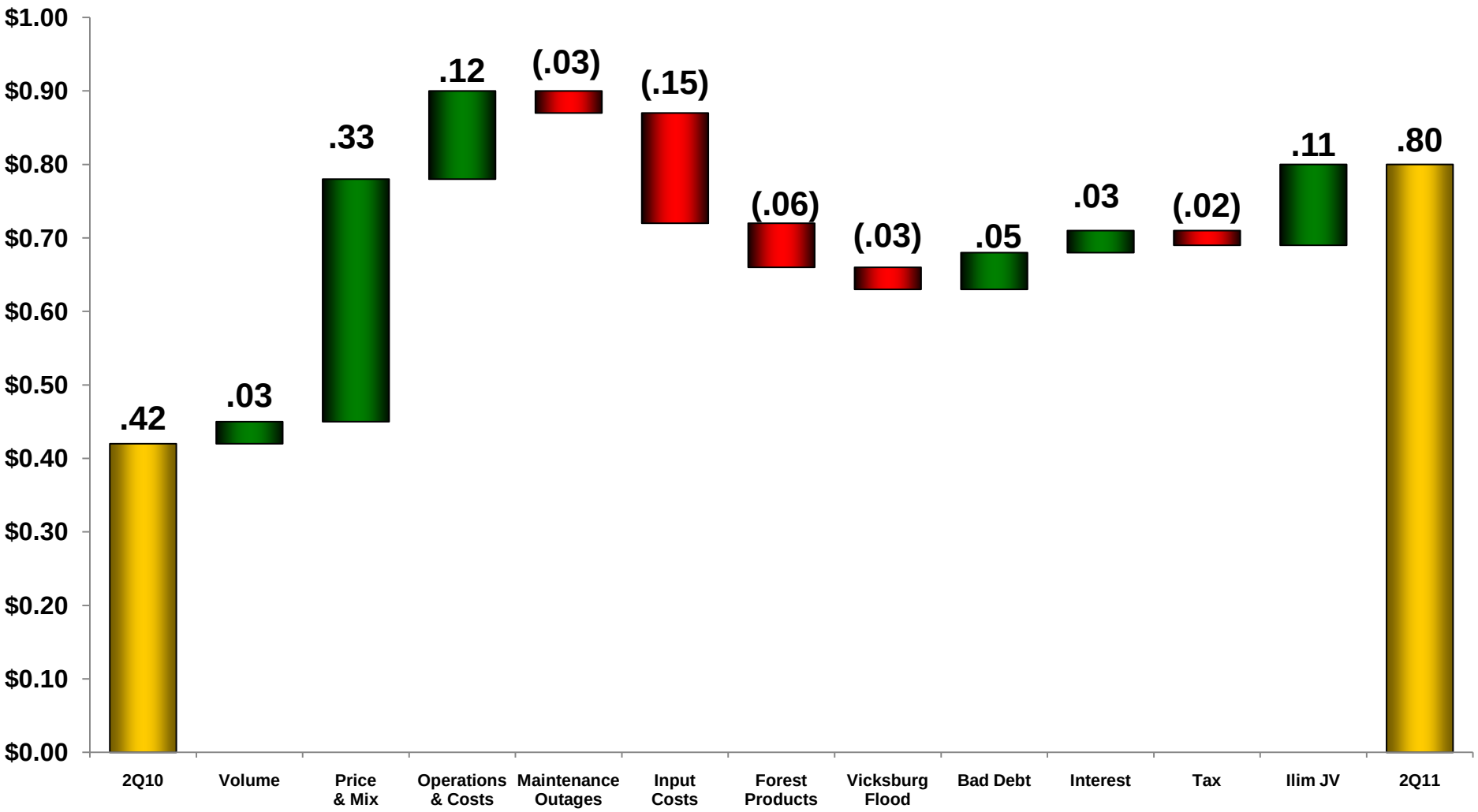

Earnings before special items

Industrial Packaging
2Q11 vs. 2Q10

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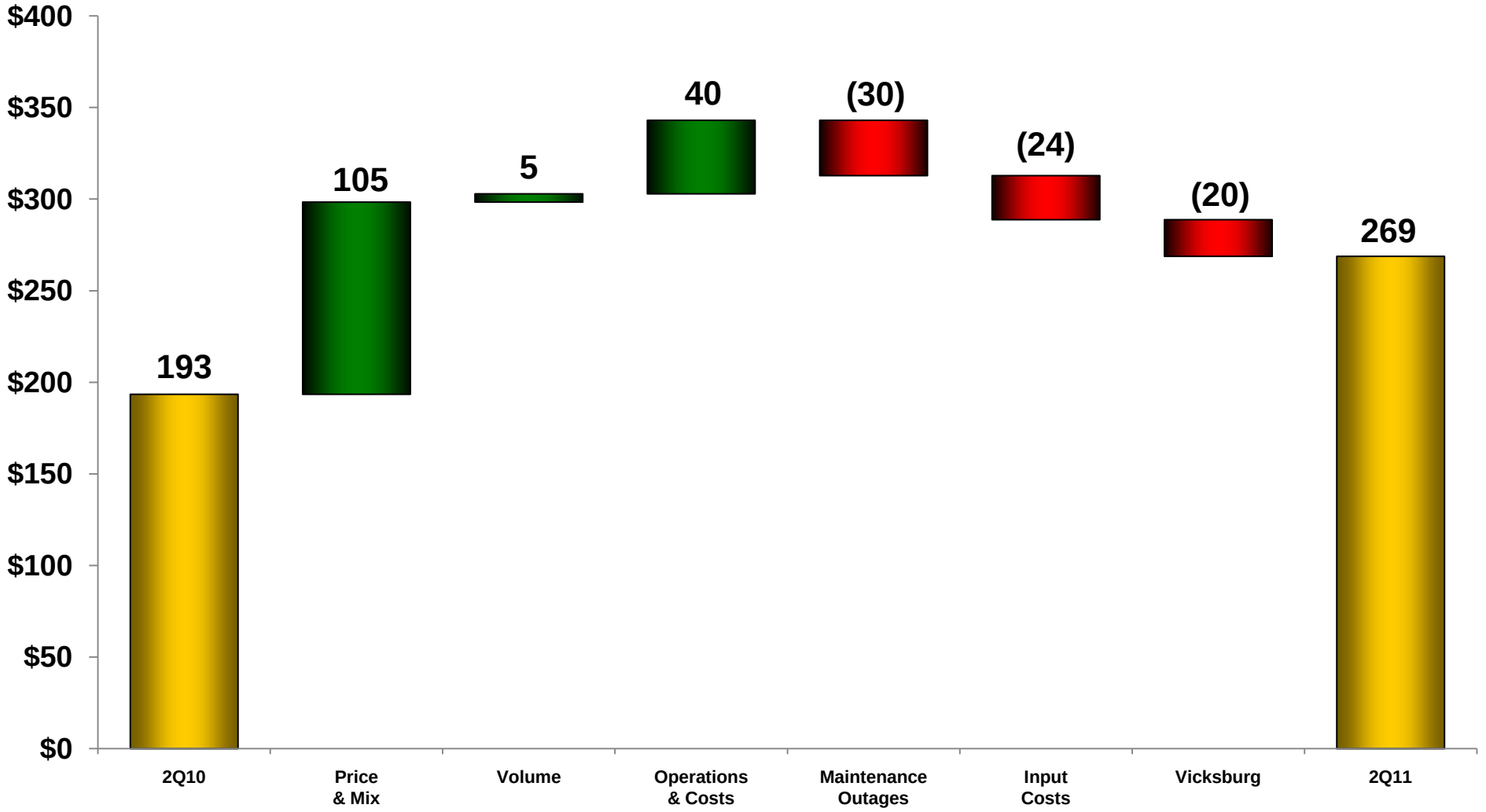

Earnings before special items

IP Brazil

$ Million	2Q10	1Q11	2Q11
Sales	$275	$285	$295
Earnings	$39	$48	$39
EBITDA Margin	27%	30%	26%

	2Q11 vs. 1Q11		2Q11 vs. 2Q10	
Business	Volume	Price / Ton	Volume	Price / Ton
Uncoated Freesheet	(1%)	$29	(4%)	$99
Domestic	(4%)	$2	4%	$5
Export	1%	$46	(9%)	$158

IP Brazil results are reported in the Printing Papers segment

Printing Papers
2Q11 vs. 2Q10

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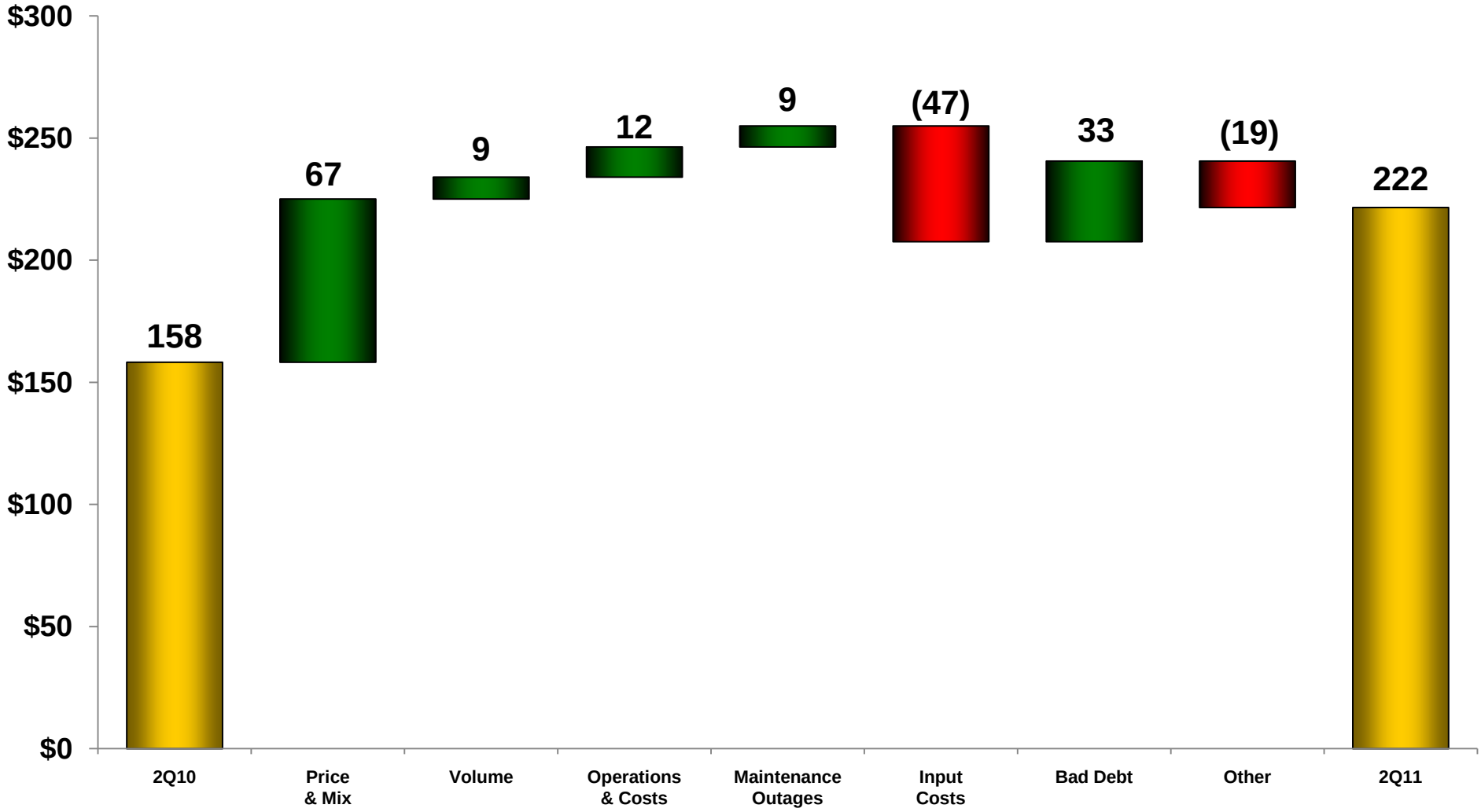

Earnings before special items

Consumer Packaging
2Q11 vs. 2Q10

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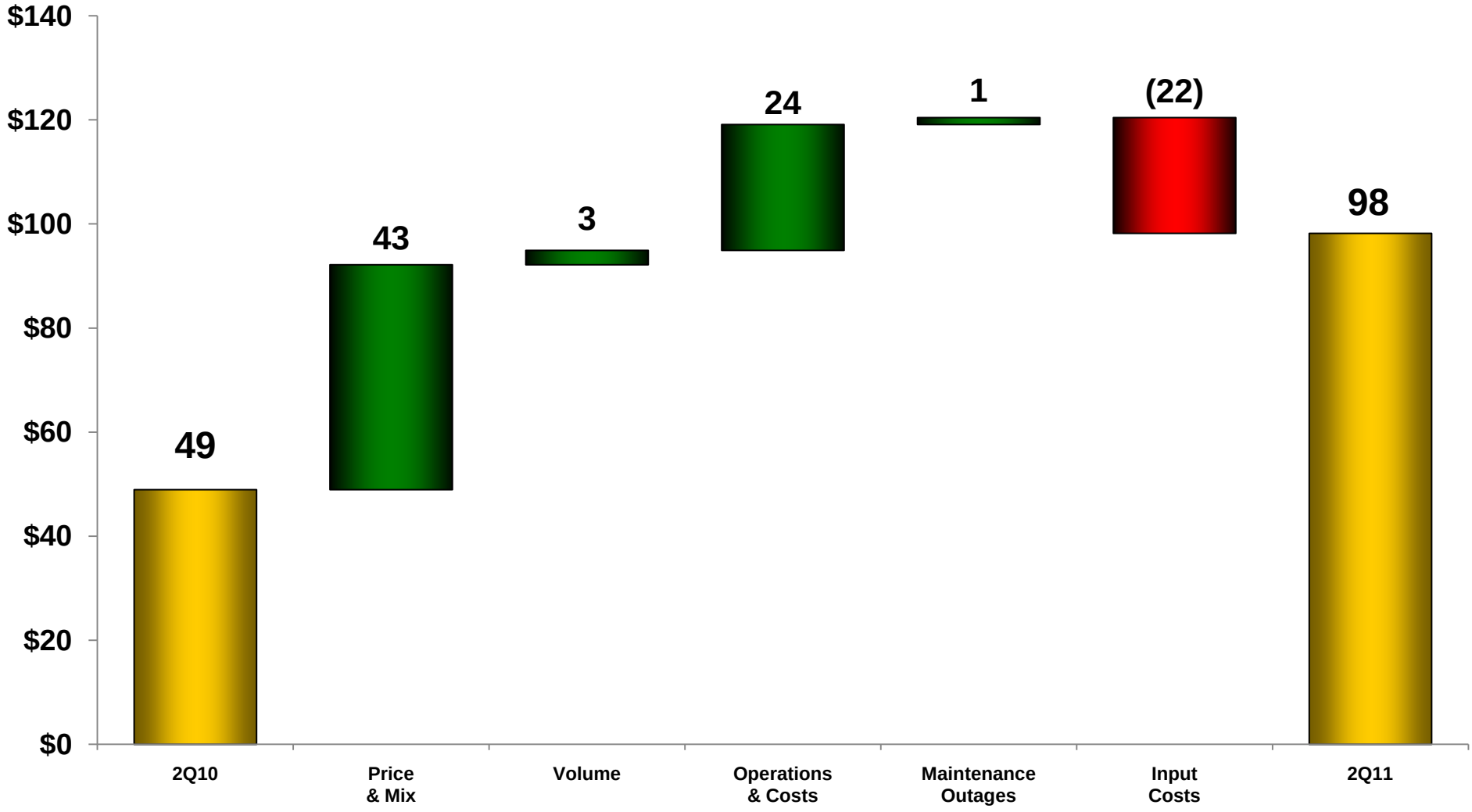
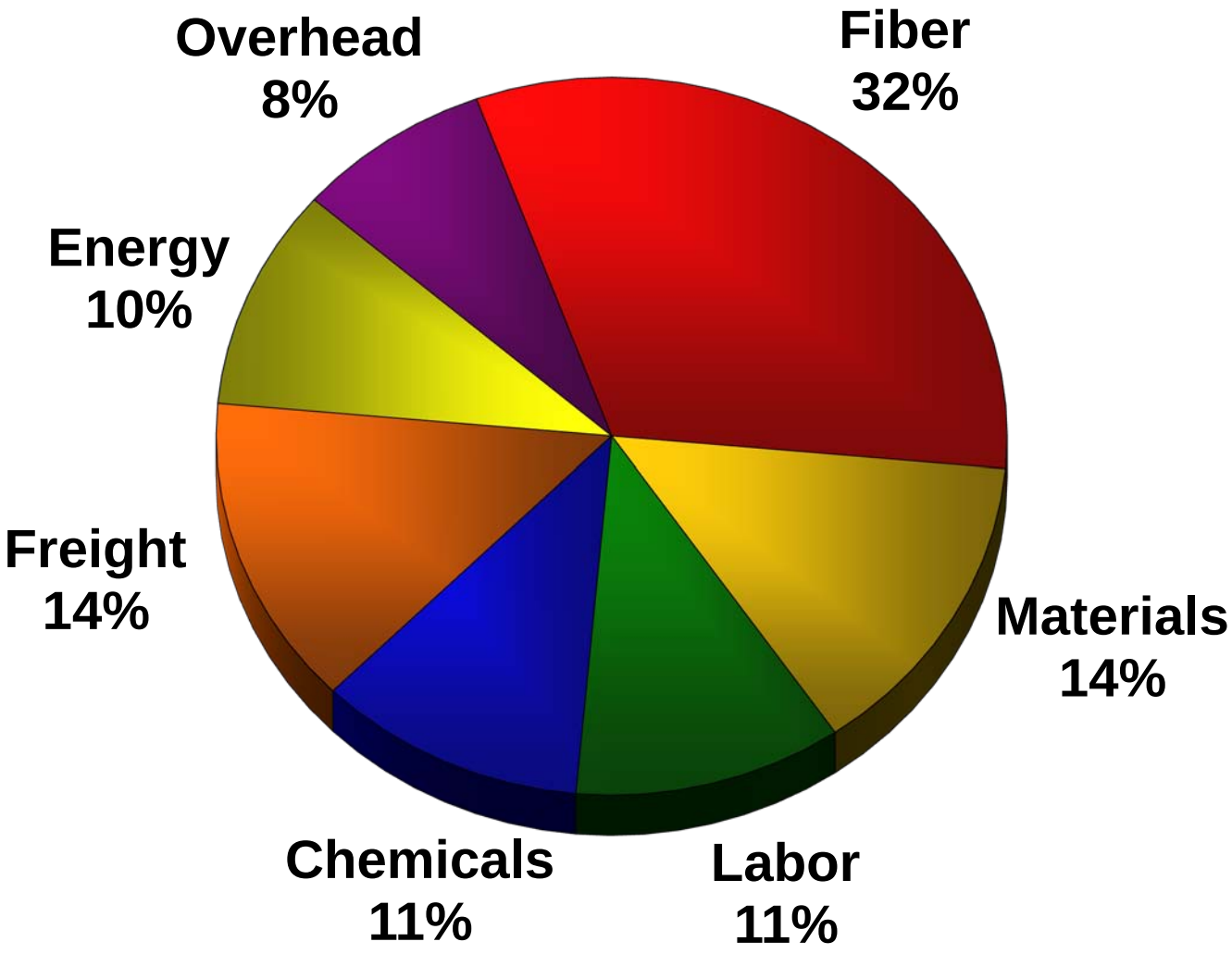


Earnings before special items

2Q11 YTD Total North American Mills Cash Cost Components



Global Input & Freight Costs vs. 2Q10

$94 MM Unfavorable, or $0.15/Share

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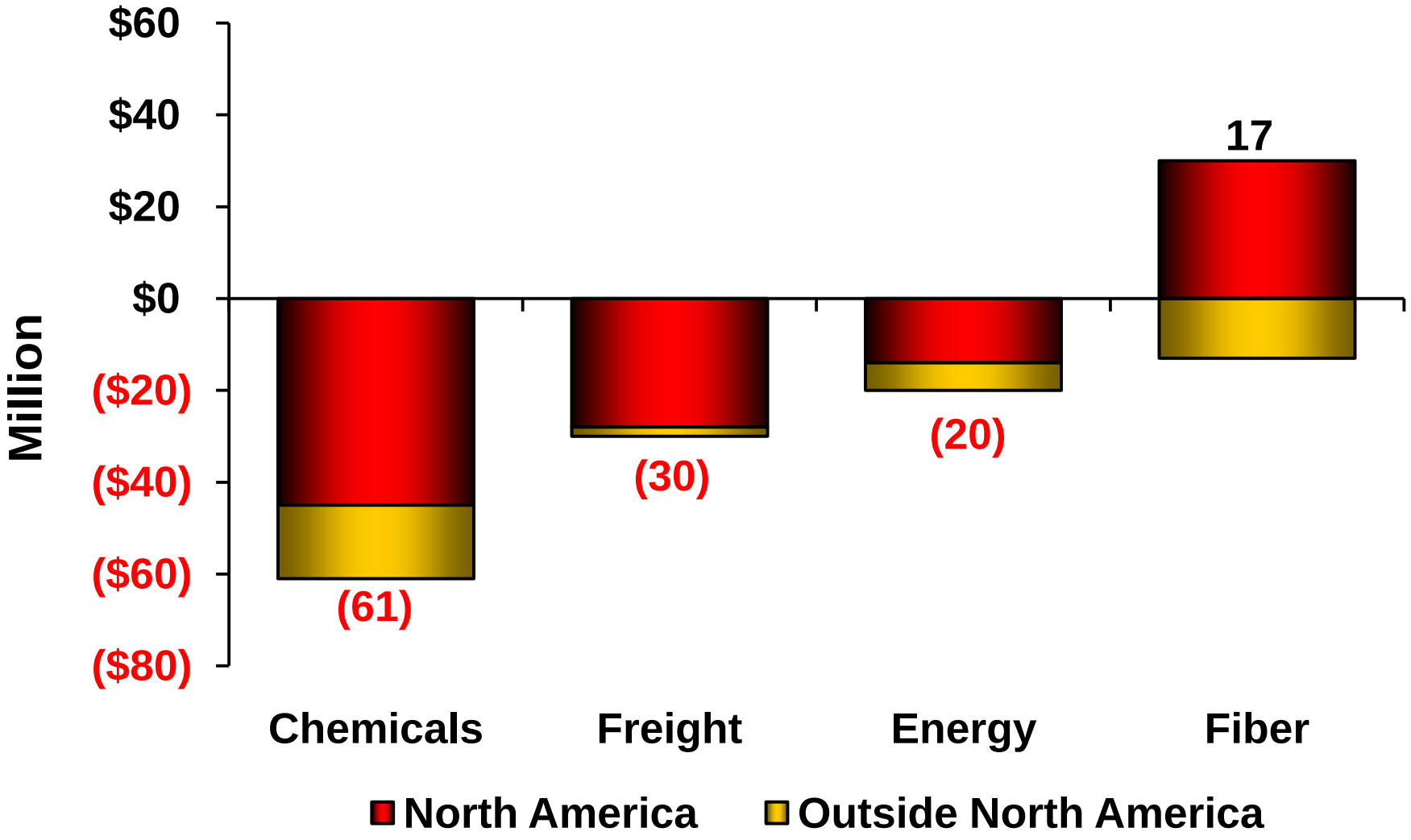

Input costs for continuing businesses

U.S. Mill Wood Delivered Cost Trends

2% Decrease vs. 1Q11 Average Cost

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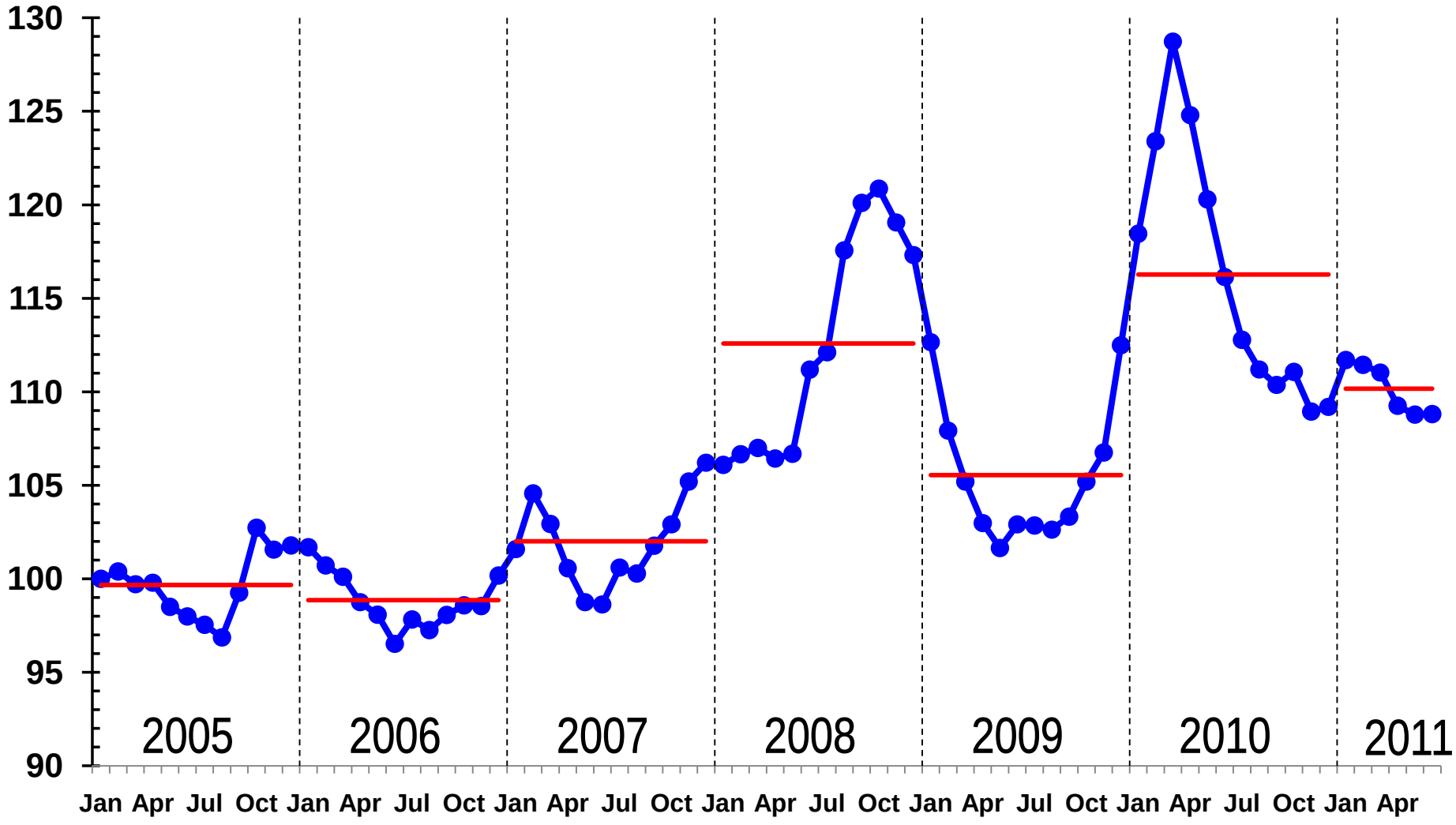

Cost Indexed to January 2005 values

U.S. OCC Delivered Cost Trends
Flat vs. 1Q11 Average Cost

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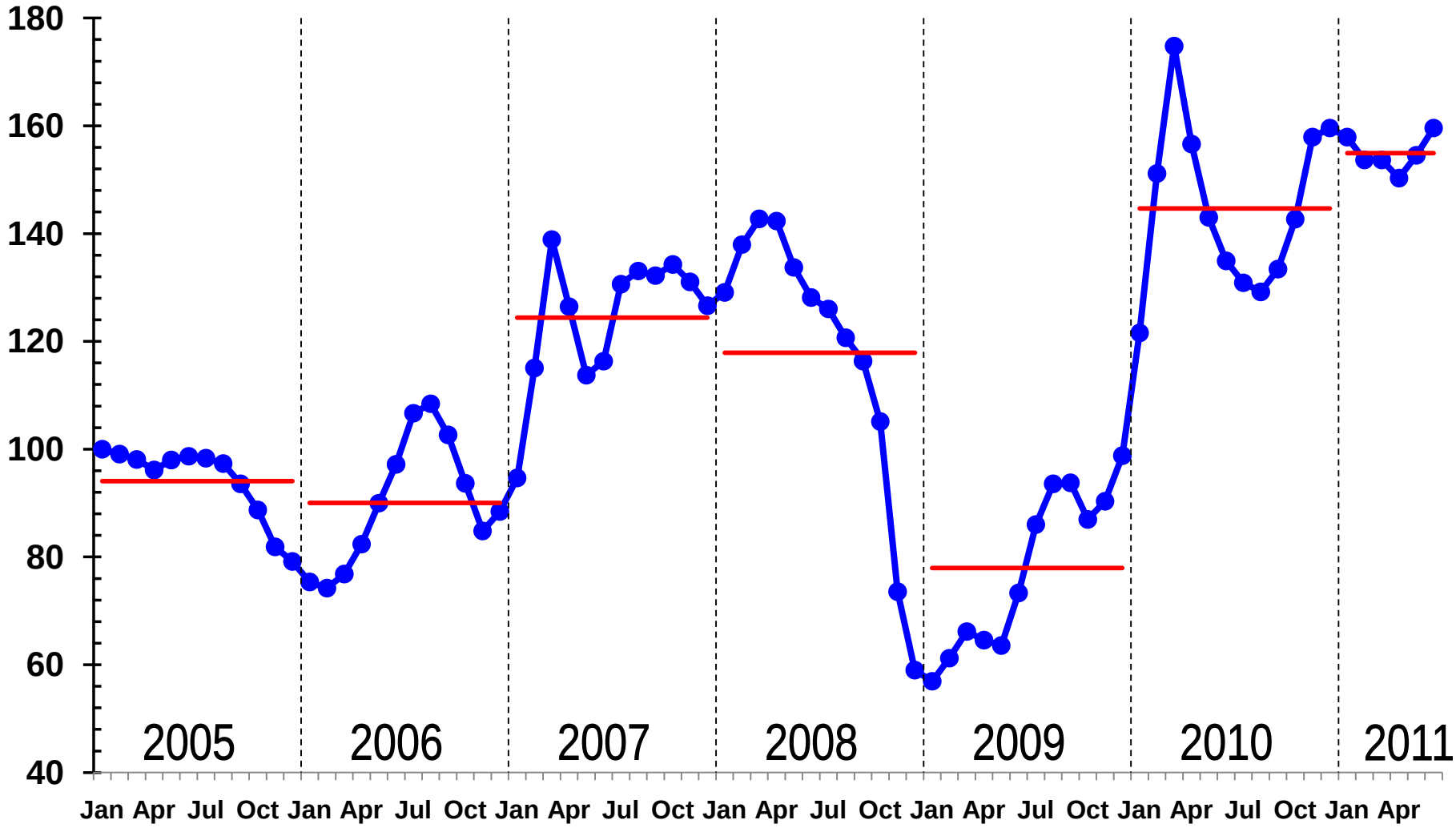

Cost Indexed to January 2005 values

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

Natural Gas Costs

5% Increase vs. 1Q11 Average Cost

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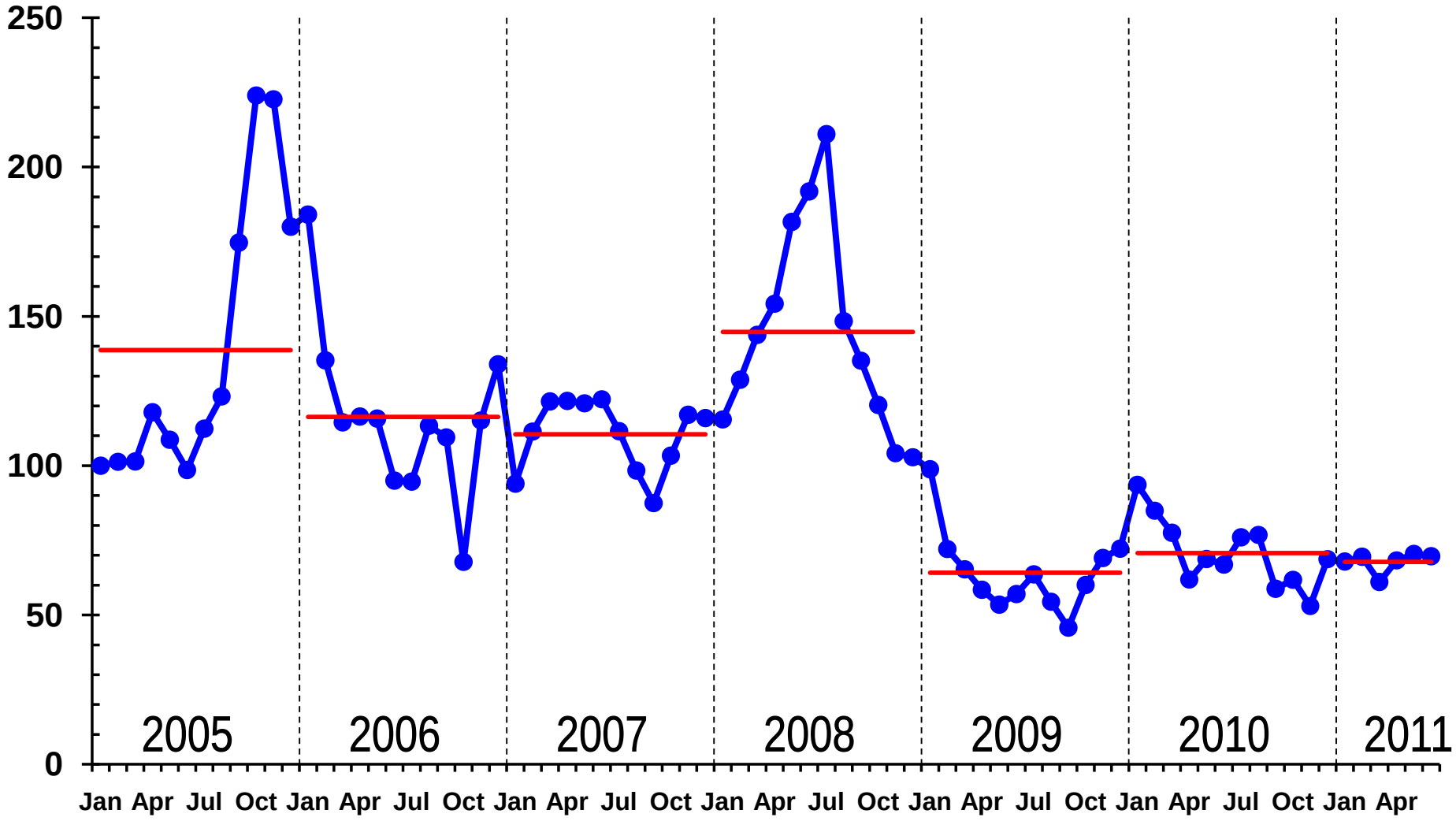

Cost Indexed to January 2005 values

NYMEX Natural Gas closing prices

U.S. Fuel Oil

17% Increase vs. 1Q11 Average Cost

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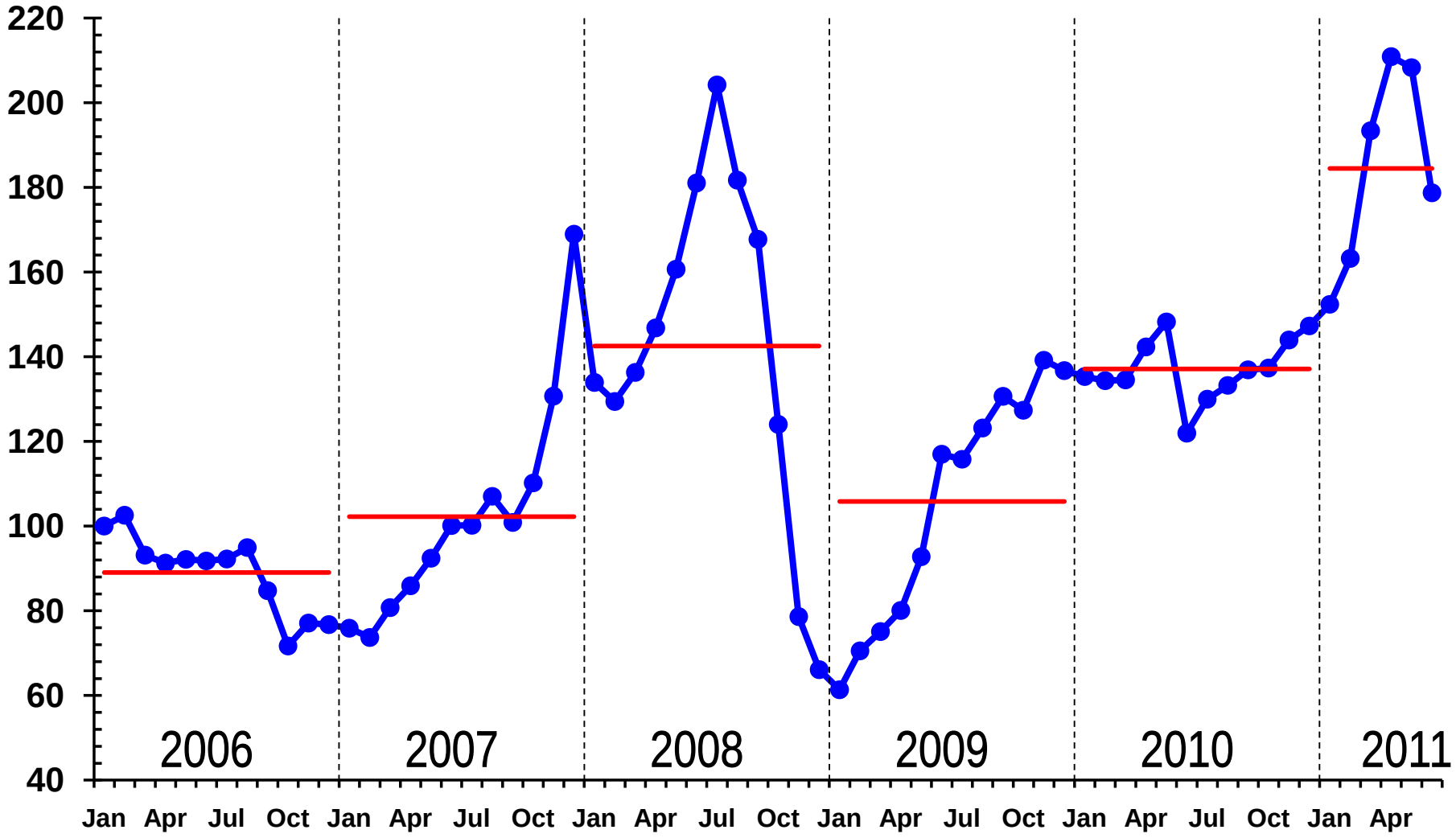

Cost Indexed to January 2006 values

WTI Crude prices

U.S. Chemical Composite Index

8% Increase vs. 1Q11 Average Cost

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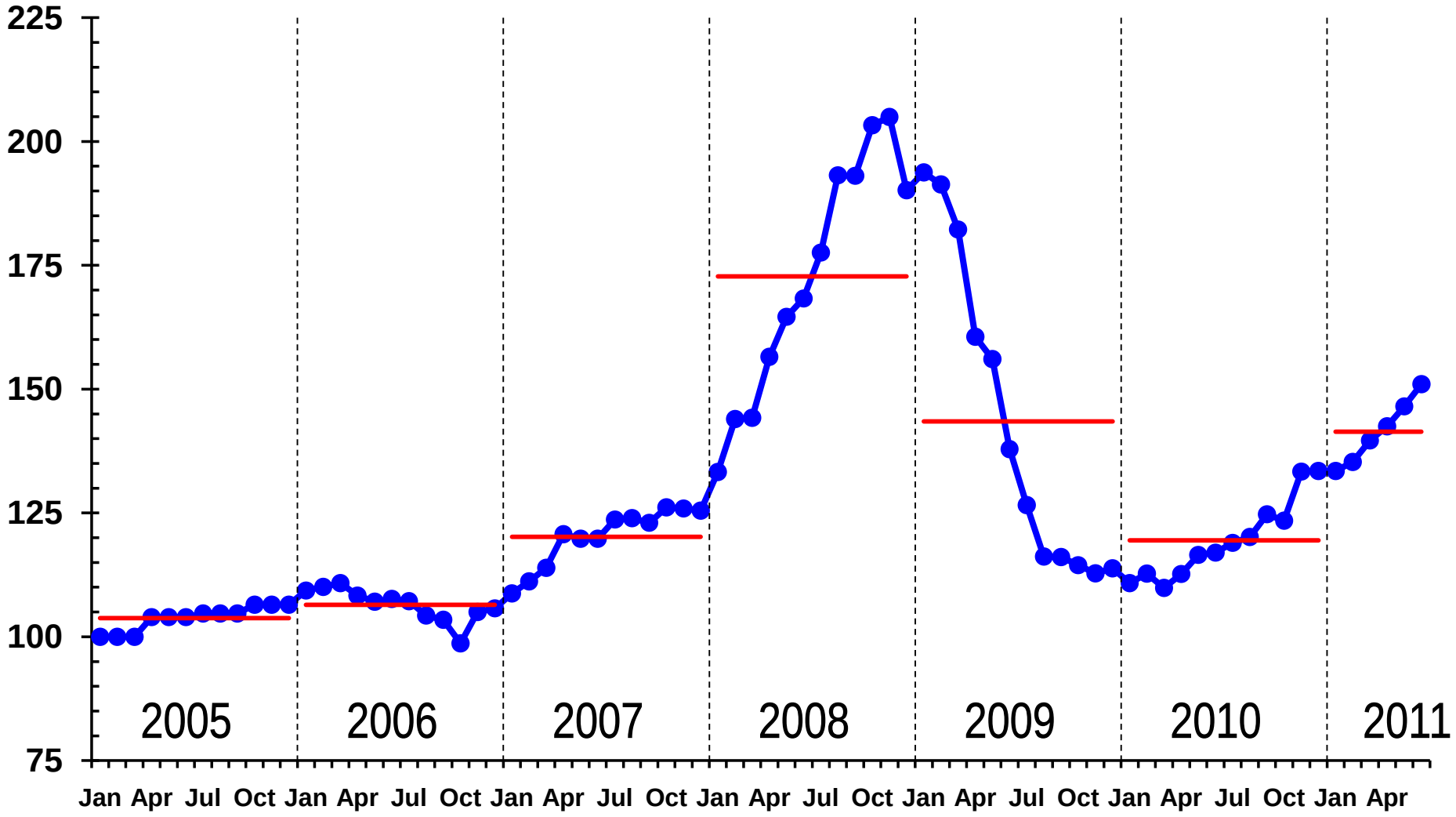

Cost Indexed to January 2005 values

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)	52,000,000	13,000,000
	Fuel Oil (Barrels)	1,100,000	380,000
	Coal (Tons)	755,000	410,000
Fiber	Wood (Tons)	44,200,000	9,300,000
	Old Corrugated Containers (Tons)	3,300,000	100,000
Chemicals	Caustic Soda (Tons)	330,000	70,000
	Starch (Tons)	389,000	100,000
	Sodium Chlorate (Tons)	205,000	49,000
	LD Polyethylene (Tons)	43,000	-
	Latex (Tons)	25,000	7,000

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