International Paper Company
Calculation of EBITDA before Special Items

$ Millions	Q3 2011 YTD IPG	International Operations	Printing Papers	Coated Paperboard	Corporate & Other	Total
Earnings from Continuing Operations Before Interest, Income Taxes, Equity Earnings and Cumulative Effect of Accounting Changes	792	416	415	190	(368)	1,445
Depreciation, amortization and cost of timber harvested	357	230	192	108	124	1,011
Special Items:						
Restructuring and other charges	8	2	(22)		123	111
Net (gains) losses on sales and impairments of business held for sale		8			211	219
EBITDA before Special Items	1,157	656	585	298	90	2,786
Annualized EBITDA before Special Items	1,543	875	780	397	120	3,715

$ Millions	Q3 2011 YTD European Ind Pkg	Asian Ind Pkg	European Papers	Brazil	European Cons Pkg	Asian Cons Pkg	Total
Earnings from Continuing Operations Before Interest, Income Taxes, Equity Earnings and Cumulative Effect of Accounting Changes	47	2	144	124	69	30	416
Depreciation, amortization and cost of timber harvested	21	11	59	112	14	13	230
Special Items:							
Restructuring and other charges	2						2
Net (gains) losses on sales and impairments of business held for sale			8				8
EBITDA before Special Items	70	13	211	236	83	43	656
Annualized EBITDA before Special Items	93	17	281	315	111	57	875

International Paper Company
Calculation of EBITDA before Special Items

$ Millions	Full Year 2005 Divested Businesses	Forest Products	N.A. IPG	International Operations*	N.A. Printing Papers	N.A. Coated Paperboard	Corporate & Other	Total
Earnings from Continuing Operations Before Interest, Income Taxes, Equity Earnings and Cumulative Effect of Accounting Changes	372	679	99	296	41	58	(315)	1,230
Depreciation, amortization and cost of timber harvested	237	60	185	198	337	166	193	1,376
Special Items:								
Restructuring and other charges		11	4	-	26	1	298	340
Insurance recoveries							(258)	(258)
Reserve adjustments							(4)	(4)
Net (gains) losses on sales and impairments of business held for sale				-			111	111
EBITDA before Special Items	609	750	288	494	404	225	25	2,795

*International Operations

$ Millions	Full Year 2005 European Ind Pkg	European Papers	Brazil	Asia	Total
Earnings from Continuing Operations Before Interest, Income Taxes, Equity Earnings and Cumulative Effect of Accounting Changes	45	98	165	(12)	296
Depreciation, amortization and cost of timber harvested	28	114	54	2	198
Special Items:					
Restructuring and other charges					-
Net (gains) losses on sales and impairments of business held for sale					-
EBITDA before Special Items	73	212	219	(10)	494

	Divested Businesses	Forest Products	N.A. IPG	International Operations*	N.A. Printing Papers	N.A. Coated Paperboard	Corporate & Other	Total
EBITDA 2005	609	750	288	494	404	225	25	2,795
EBITDA Annualized Q3 2011			1,543	875	780	397	120	3,715
Improvement	(609)	(750)	1,255	381	376	172	95	920