May 24, 2012 Investor Day Presentation
Reconciliation of Non-GAAP Information to U.S. GAAP

Calculation of EBITDA before Special Items

$ Millions	International Paper Company 2005 Full Year	2011 Full Year
Earnings from Continuing Operations Before Interest, Income Taxes, Minority Interest, Equity Earnings and Cumulative Effect of Accounting Changes	$ 1,179	$ 1,999
Depreciation, amortization and cost of timber harvested	1,376	1,332
Special Items:		
Restructuring and other charges	358	132
Insurance Recoveries	(258)	-
Net (gains) losses on sales and impairments of business held for sale	111	218
Reversals of reserves no longer needed	(4)	-
EBITDA before Special Items	2,762	3,681
Net Sales	24,097	26,034
EBITDA Margin	11.5%	14%

$ Millions	Full Year 2011 North American Industrial Packaging	North American Printing Papers [1]	North American Consumer Packaging	xpedx	Brazil	EMEA	Asia	APPM-India [2]	Asia + APPM-India [2]
Earnings from Continuing Operations Before Interest, Income Taxes, Noncontrolling Interest, Equity Earnings and Cumulative Effect of Accounting Changes	$ 1,076	$ 510	$ 35	$ 34	$ 169	$ 343	$ 37	$ 8	$ 45
Depreciation, amortization and cost of timber harvested	471	253	182	14	151	123	31	29	31
Additional Allocation of Corporate Charges	(25)	-	-	-	-	-	-	-	-
Special Items:									
Restructuring and Other Charges	18	(24)	2	52	-	2	-	-	-
Gains/(Losses) on Sales & Impairments of Businesses	-	-	199	-	-	11	-	-	-
EBITDA before Special Items	1,540	739	418	100	320	479	68	37	105

[1] includes Pulp business
[2] 1Q12 annualized

$ Millions	FY 2011 North American Industrial Packaging	Q1 2012 North American Industrial Packaging
Earnings from Continuing Operations Before Interest, Income Taxes, Minority Interest, Equity Earnings and Cumulative Effect of Accounting Changes	$ 1,076	$ 195
Depreciation, amortization and cost of timber harvested	470	160
Special Items:		
Restructuring and Other Charges	18	63
EBITDA before Special Items	1,564	418
Less: Recycling business EBITDA	7	1
EBITDA before Special Items after Exclusions	1,557	417
Net Sales	8,605	2,690
Less: Trade Sales	414	184
Less: Recycling Business Net Sales	527	96
Net Sales after Exclusions	7,664	2,410
EBITDA Margin	20.3%	17.3%

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	North American Printing Papers (excl Pulp)						
$ Millions	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Earnings from Continuing Operations Before Interest, Income Taxes, Noncontrolling Interest, Equity Earnings and Cumulative Effect of Accounting Changes	$ 19	$ 312	$ 416	$ 405	$ 746	$ 17	$ 423
Depreciation, amortization and cost of timber harvested	272	263	241	222	206	207	199
Restructuring and Other Charges	26	-	-	30	232	315	(24)
Alternative Fuel Mixture Credits	-	-	-	-	(671)	-	-
EBITDA before Special Items	317	575	657	657	513	539	598
Net Sales	3,116	3,525	3,497	3,431	2,813	2,745	2,760
EBITDA Margin	10%	16%	19%	19%	18%	20%	22%

	North American Coated Paperboard					
$ Millions	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Earnings from Continuing Operations Before Interest, Income Taxes, Noncontrolling Interest, Equity Earnings and Cumulative Effect of Accounting Changes	$ 93.00	$ 74.00	$ 48.00	$ 355.00	$ 108.00	$ 217.00
Depreciation, amortization and cost of timber harvested	125	126	139	119	143	141
Restructuring and Other Charges	1	-	-	67	-	-
Alternative Fuel Mixture Credits	-	-	-	(330)	-	-
EBITDA before Special Items	219	200	187	211	251	358
Net Sales	1,450	1,518	1,633	1,363	1,574	1,665
EBITDA Margin	15%	13%	11%	15%	16%	22%

	Brazil				
$ Millions	**2007**	**2008**	**2009**	**2010**	**2011**
Earnings from Continuing Operations Before Interest, Income Taxes, Noncontrolling Interest, Equity Earnings and Cumulative Effect of Accounting Changes	$ 171	$ 186	$ 108	$ 159	$ 169
Depreciation, amortization and cost of timber harvested	109	131	120	137	151
EBITDA before Special Items	280	317	228	296	320
Net Sales	848	950	960	1,090	1,190
EBITDA Margin	33%	33%	24%	27%	27%

	EMEA						
				Average			
$ Millions	**2006**	**2007**	**2008**	**2006-2008**	**2009**	**2010**	**2011**
Operating Profit as Reported	$ 22	$ 266	$ 126	$ 138	$ 127	$ 345	$ 354
Restructuring and Other Charges	-	-	-	-	31	3	2
Net Losses on Sales and Impairments of Businesses	115	-	107	74	79	2	11
Bargain Purchase Price Adjustment	-	-	-	-	-	0	(7)
Operating Profit before Special Items	137	266	233	212	237	350	360
Depreciation, amortization and cost of timber harvested	155	145	158	153	129	129	123
EBITDA before Special Items	292	411	391	365	366	479	483
Net Sales	2,502	2,887	3,126	2,838	2,577	2,639	2,935
EBITDA Margin	12%	14%	13%	13%	14%	18%	16.5%