Fourth Quarter and Full-Year 2012 Earnings | January 29, 2013



Forward-Looking Statements

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) the level of our indebtedness and 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; (vi) risks inherent in conducting business through a joint venture; (vii) the failure to realize synergies and cost savings from the Temple-Inland Inc. (“Temple-Inland”) transaction or delay in realization thereof; and (viii) our ability to achieve the benefits we expect from all other strategic acquisitions, divestitures and restructurings. 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 our Securities and Exchange Commission filings. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Statements Relating to Non-GAAP Financial Measures

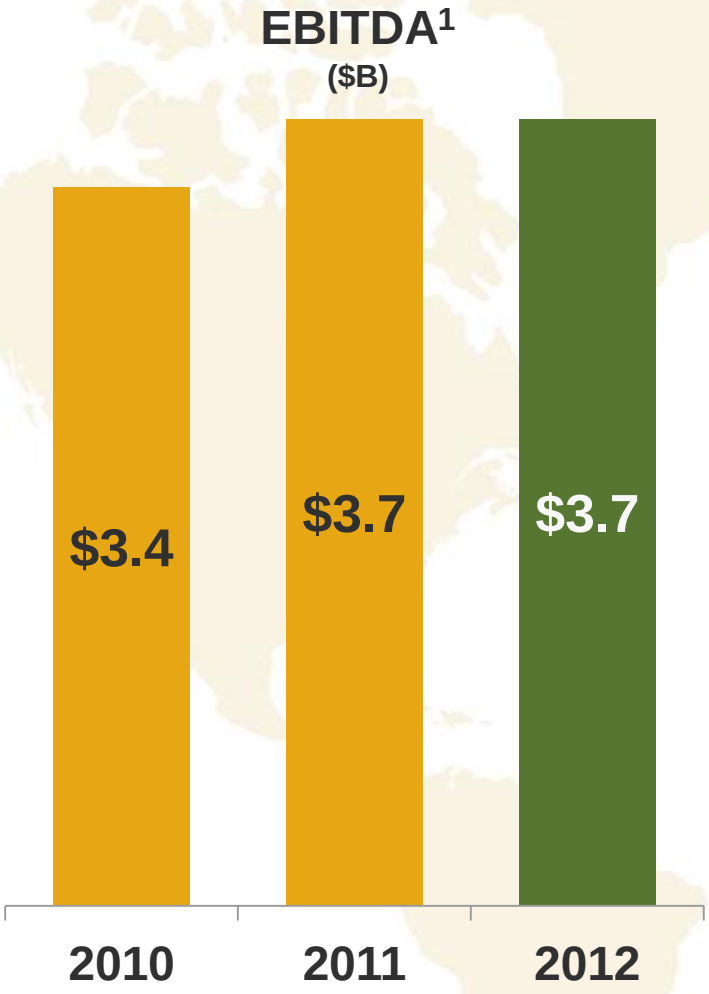
During the course of this presentation, certain non-U.S. GAAP financial information will be presented.

A reconciliation of those numbers to U.S. GAAP financial measures is available on the company's website at internationalpaper.com under Investors.

Ilim JV Information

All financial information and statistical measures regarding our 50/50 Ilim joint venture in Russia ("Ilim"), other than historical International Paper Equity Earnings and dividends received by International Paper, have been prepared by the management of Ilim. International Paper has not verified or audited any of this information. Ilim management has indicated that the financial information was prepared in accordance with International Financial Reporting Standards and extracted from Ilim's financial statements. Any projected financial information and statistical measures reflect the current views of Ilim management and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such projections. See "Forward-Looking Statements."

Strong Full-Year 2012 Results | Temple-Inland Acquisition Delivering Results

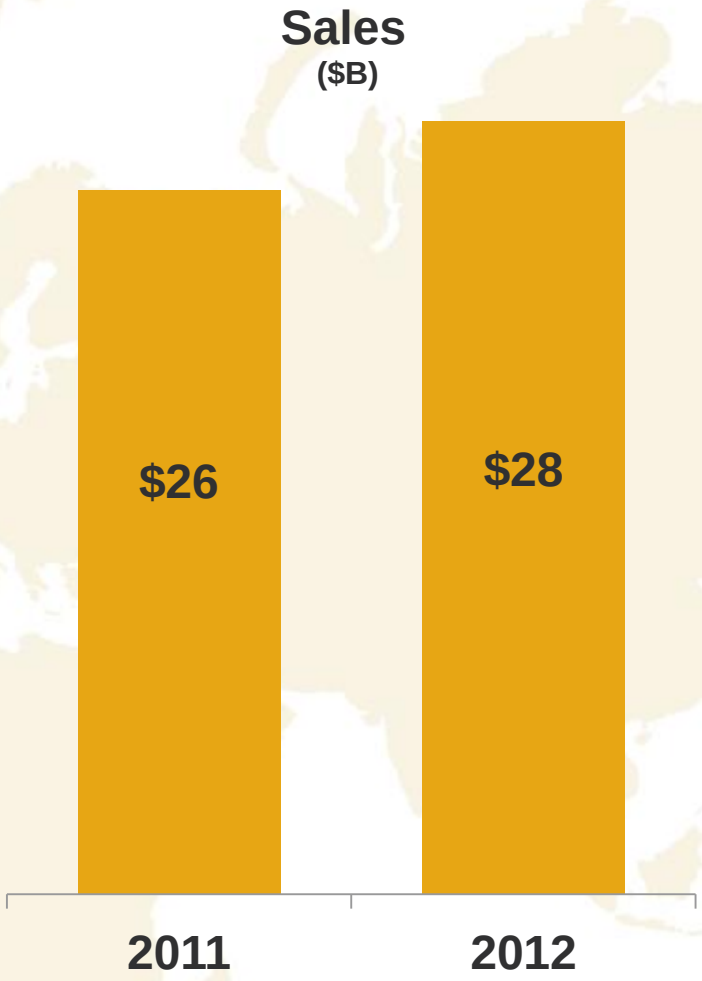


- Record cash generation from operations
- Temple-Inland integration ahead of plan
  - Achieved $360MM/yr synergy run rate
- Solid execution of containerboard and box price increase
- Strong operations and cost management
- Weaker consumer packaging, pulp and export prices year over year partially offset by lower inputs
- ROIC above cost of capital
- Maintained strong balance sheet – reduced debt by $1.9B post TIN acquisition (~15% of peak debt)
- Increased dividend 14%
- Good trajectory on strategic earnings runway projects moving into 2013

[1] From continuing operations before special items and non-operating pension expense

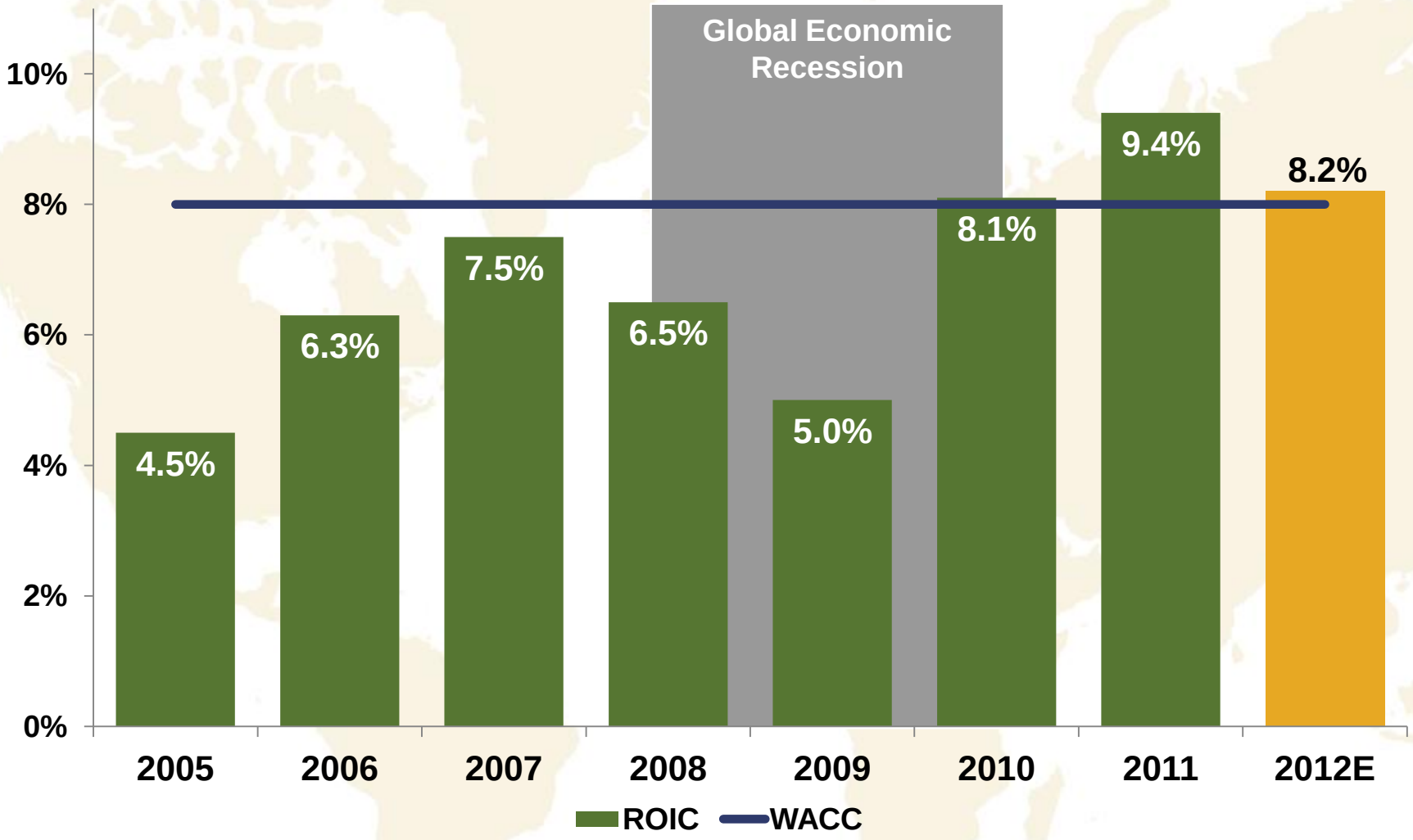
Full-Year 2012 Financial Results

$ Billion (Except as noted)	2011	2012
Sales	$26.0	$27.8
EBIT[1]	$2.4	$2.2
EPS[2]	$3.12	$2.65
Cash From Operations[3]	$2.9	$3.0
Free Cash Flow[3]	$1.7	$1.6
Year-End Debt	$9.9[4]	$10.1
Cash Balance	$4.0[4]	$1.3



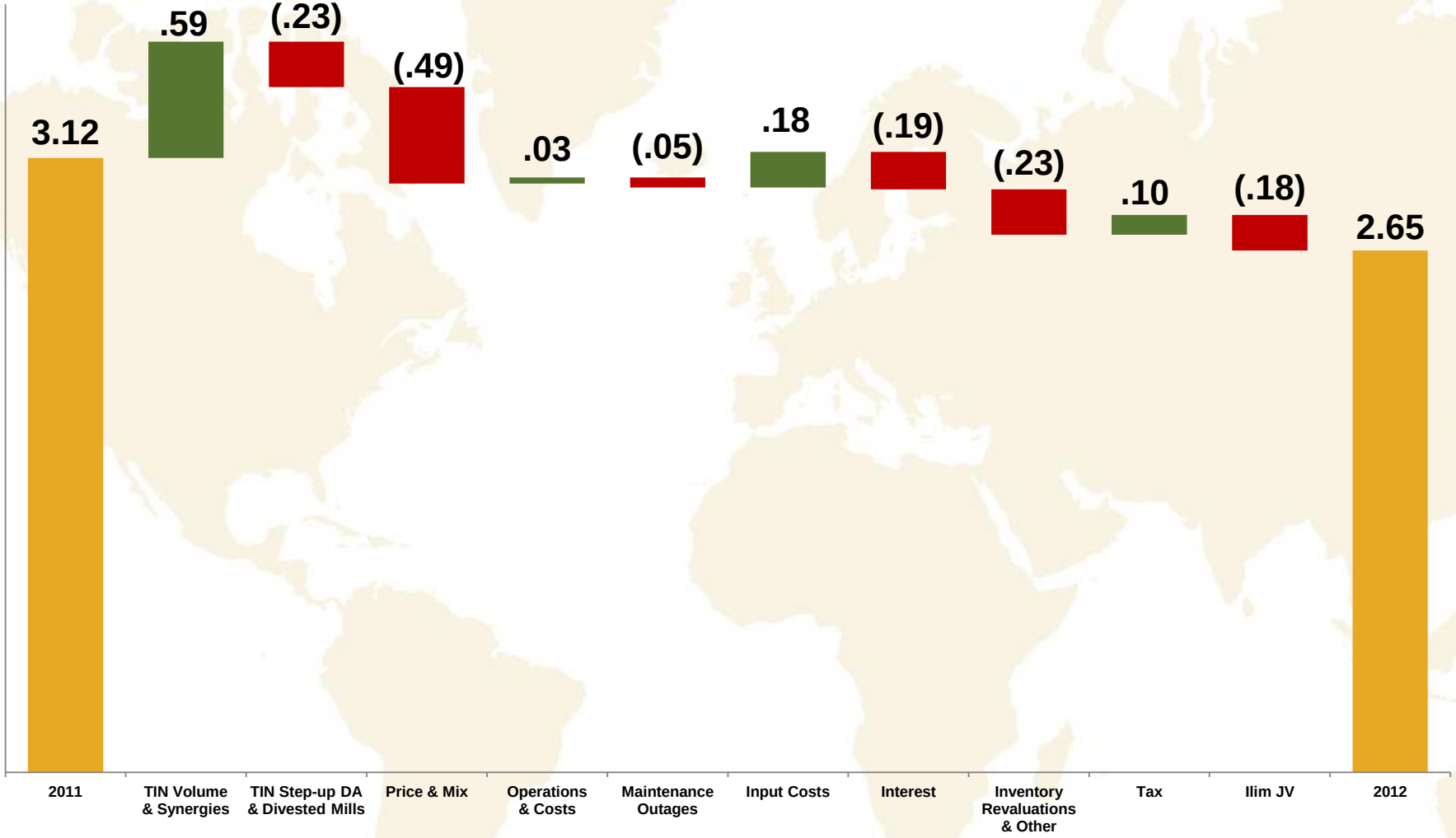
[1] From continuing operations before special items and non-operating pension expense
[2] Operating Earnings, defined as Net Earnings (GAAP) from continuing operations before special items and non-operating pension expense
[3] See slide #36 for a reconciliation of cash provided by continuing operations to free cash flow
[4] Includes $1.5B cash raised for TIN acquisition

Improving Returns on Invested Capital[1]



[1] ROIC = [Operating Earnings before Interest] / [Equity (adjusted for pension) + Interest-Bearing Debt]

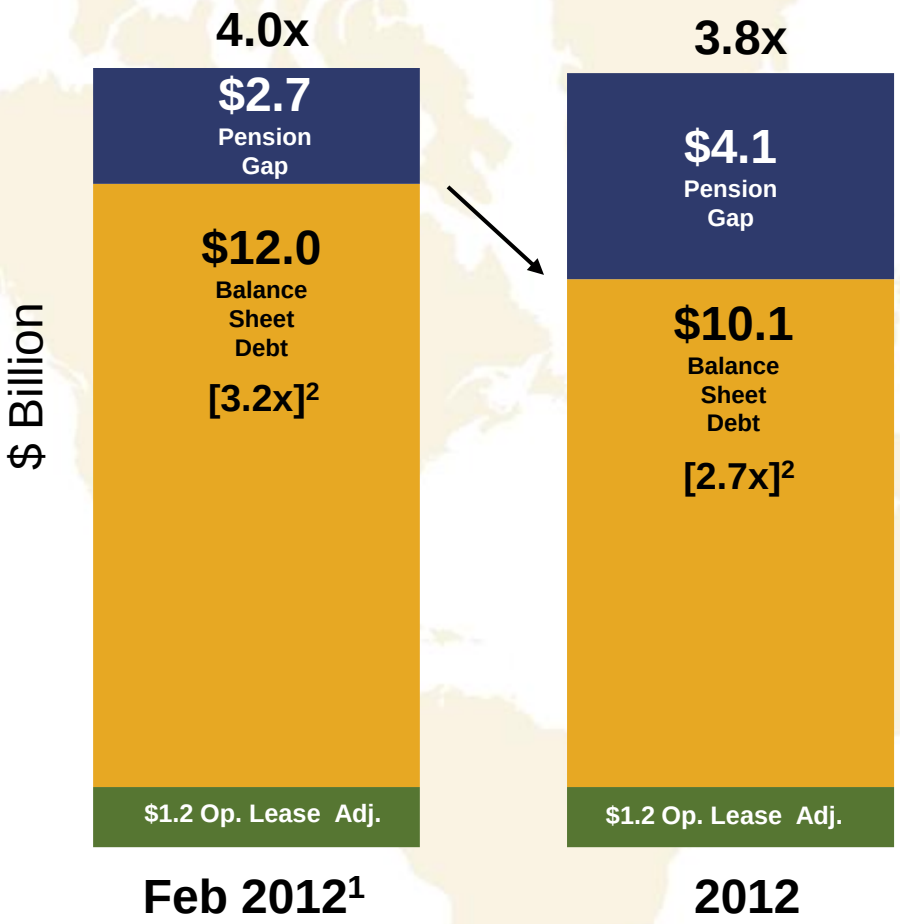
2012 vs. 2011 EPS



Operating Earnings

Balance Sheet | Debt Coverage

Moody's Target: Adjusted Debt < 3X Adjusted EBITDA



- Reduced Balance Sheet debt $1.9B since Temple-Inland acquisition (Feb 2012)
- Pension Gap increased by $1.4B due to ~100 bps lower discount rate (AA Corporate Bond Rate)
- On track to meet Moody's debt coverage target of < 3X adjusted debt by year-end 2013
- **Required pension cash contribution of ~$40MM in 2013**

Adjusted Debt reflects gross balance sheet debt plus pension gap and operating leases (Moody's Methodology)
Adjusted EBITDA of $4.0B incorporates pension and lease expense adjustments (Moody's Methodology)
[1] Includes Temple-Inland debt & pension gap
[2] Simple Debt Coverage: Balance Sheet Debt / 2012 Reported EBITDA of $3.7B

Solid Fourth Quarter 2012 Results

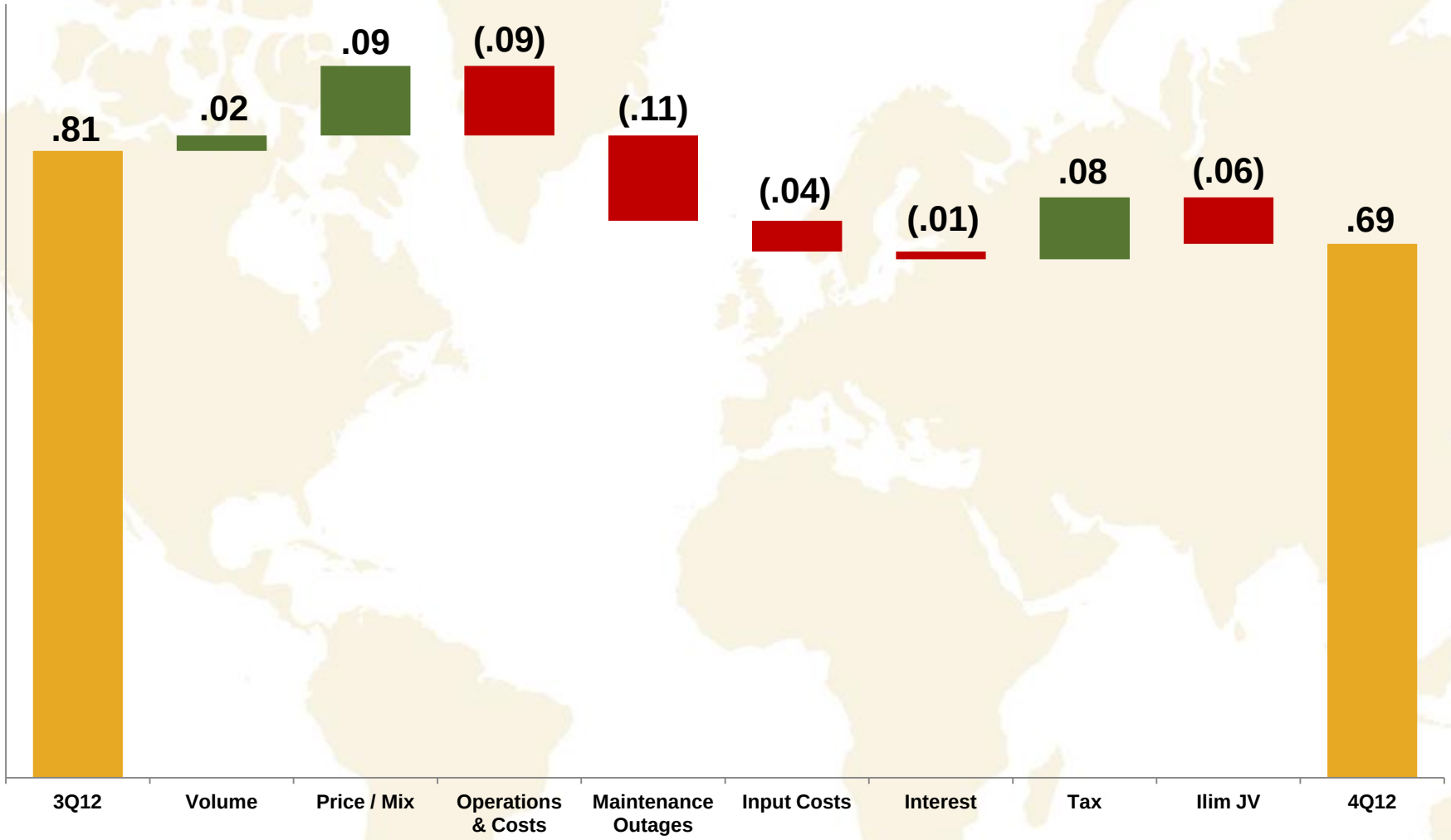
Earnings per Share



- Achieved TIN synergy run-rate at $360MM/yr
- Fully realized containerboard price increase
- Average box price increase of $29/ton vs. prior quarter, full benefit realized in January (~$50/ton)
- Pricing softness in consumer grades and paper exports; modest improvement in pulp prices
- Incurred higher operational and supply chain costs associated with upset conditions[1]
- Sun JV PM ramp-up
- Higher planned mill maintenance outages
- Higher fiber and energy input costs
- Lower tax rate associated State tax reserves
- Reached agreement to sell TIN building products business

Operating Earnings
[1] Including Hurricane Sandy

4Q12 vs. 3Q12 EPS



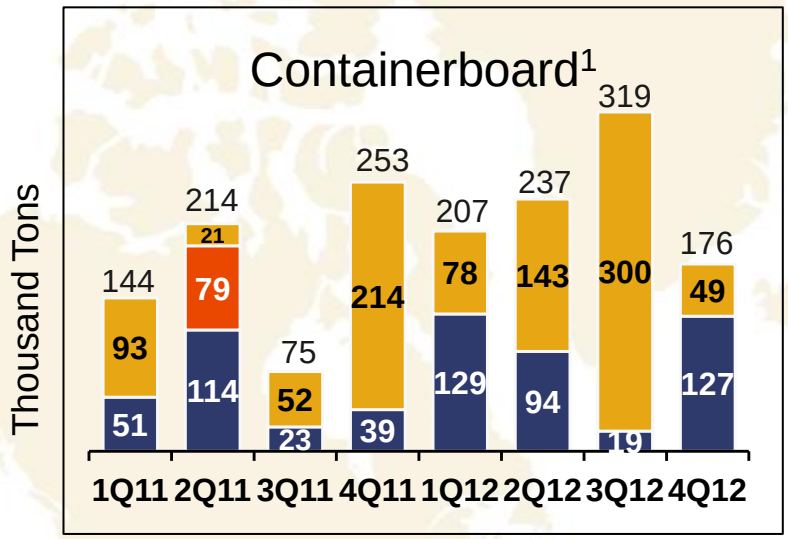
Operating Earnings

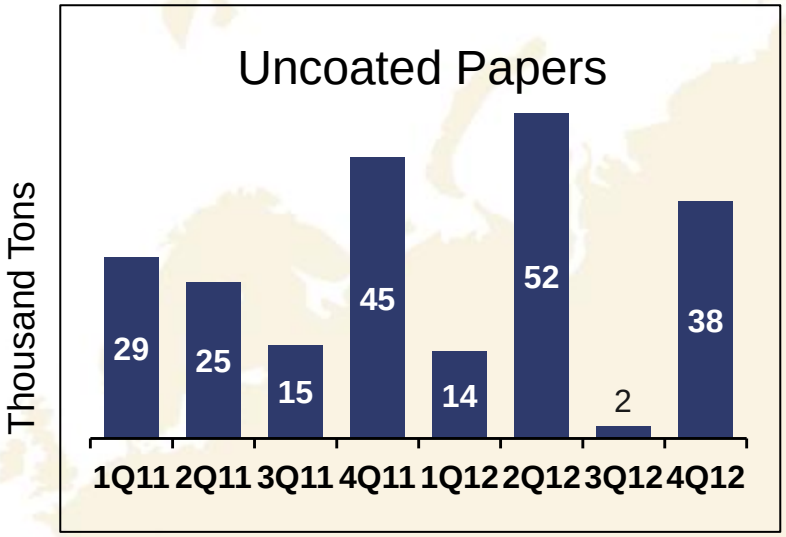
4Q12 Financial Snapshot

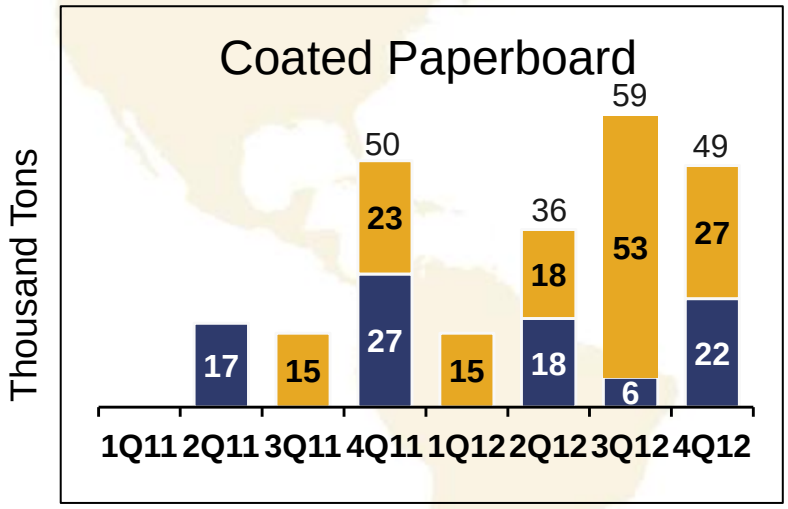
$ Million (Except as noted)	4Q11	3Q12	4Q12
Sales	$6.4 B	$7.0 B	$7.1 B
EBITDA[1]	$0.9 B	$1.0 B	$0.9 B
EBITDA[1] Margin	14.2%	14.5%	13.0%
Capital Investment	($434)	($296)	($382)
Free Cash Flow[2]	$328	$567	$384

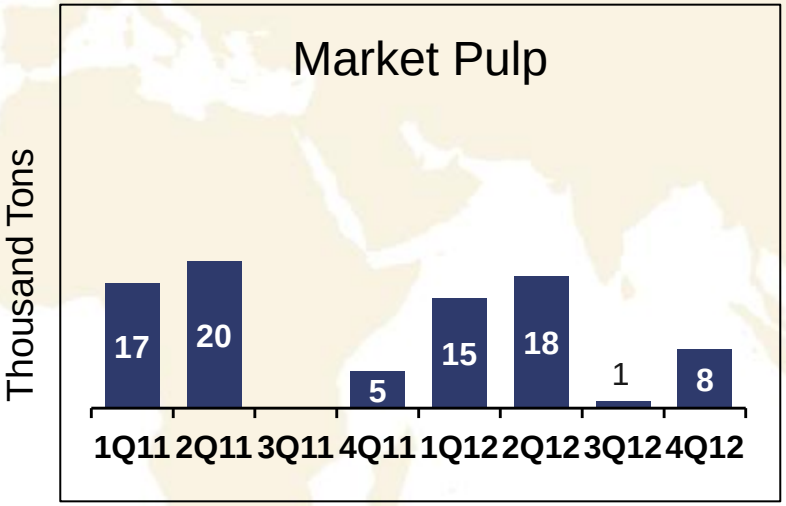
[1] From continuing operations before special items and non-operating pension expense
[2] See slide #36 for a reconciliation of cash provided by continuing operations to free cash flow

North American Downtime | Lower Market-Related Downtime in 4Q12







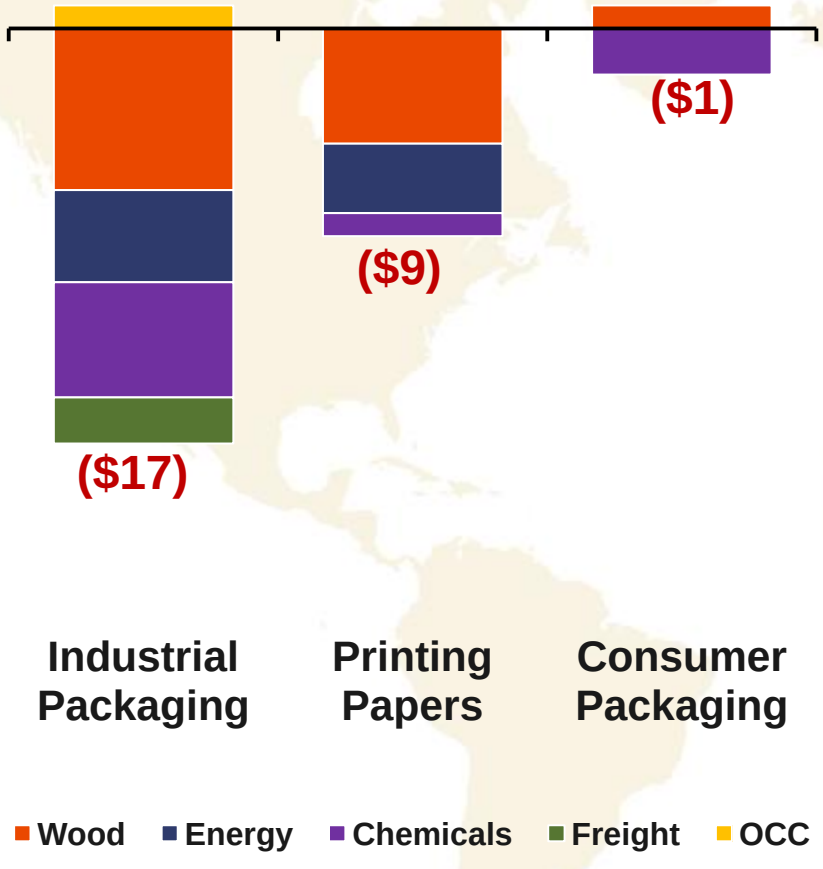


■ Maintenance ■ Vicksburg Flood ■ Market

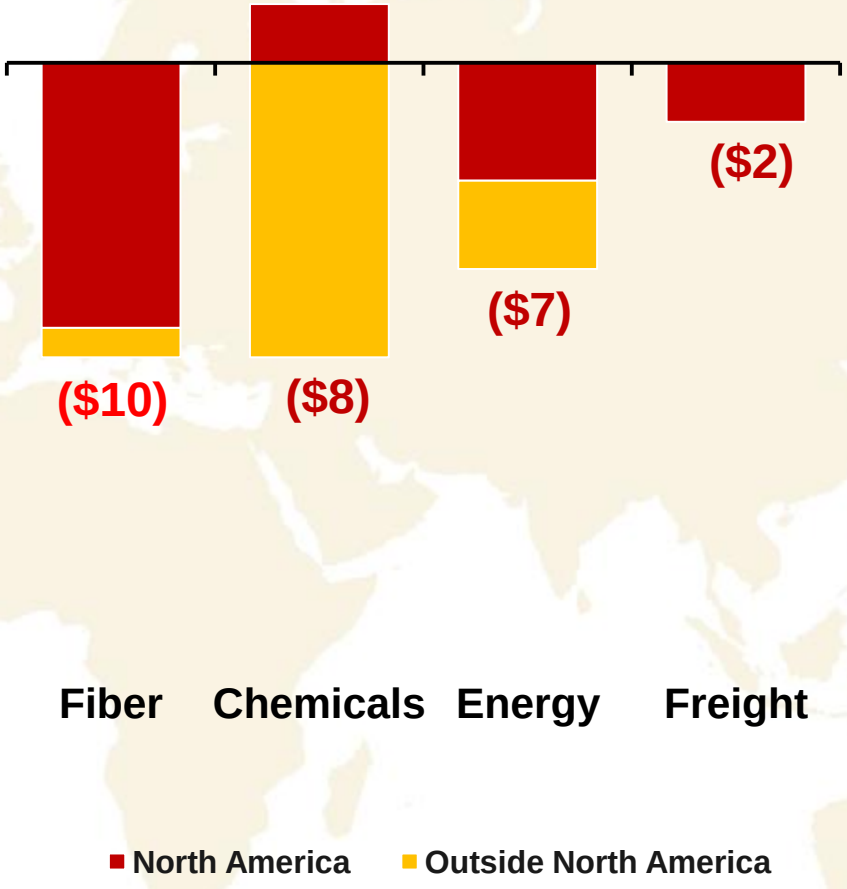
[1] 1Q12 - 4Q12 include Temple-Inland mills

Global Input Costs vs. 3Q12 | $27MM Unfavorable, or $0.04/Share

By Business

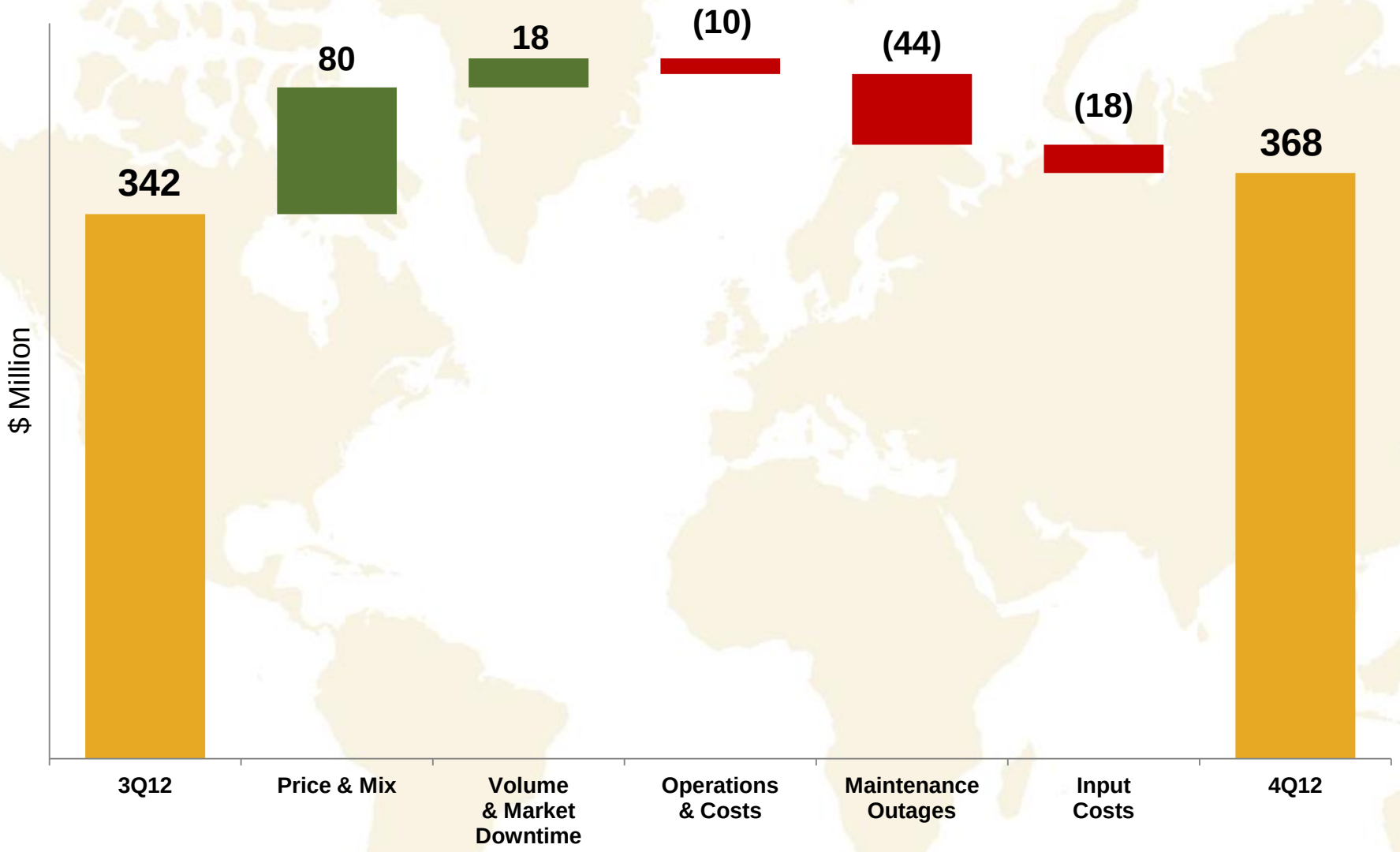


By Input Type



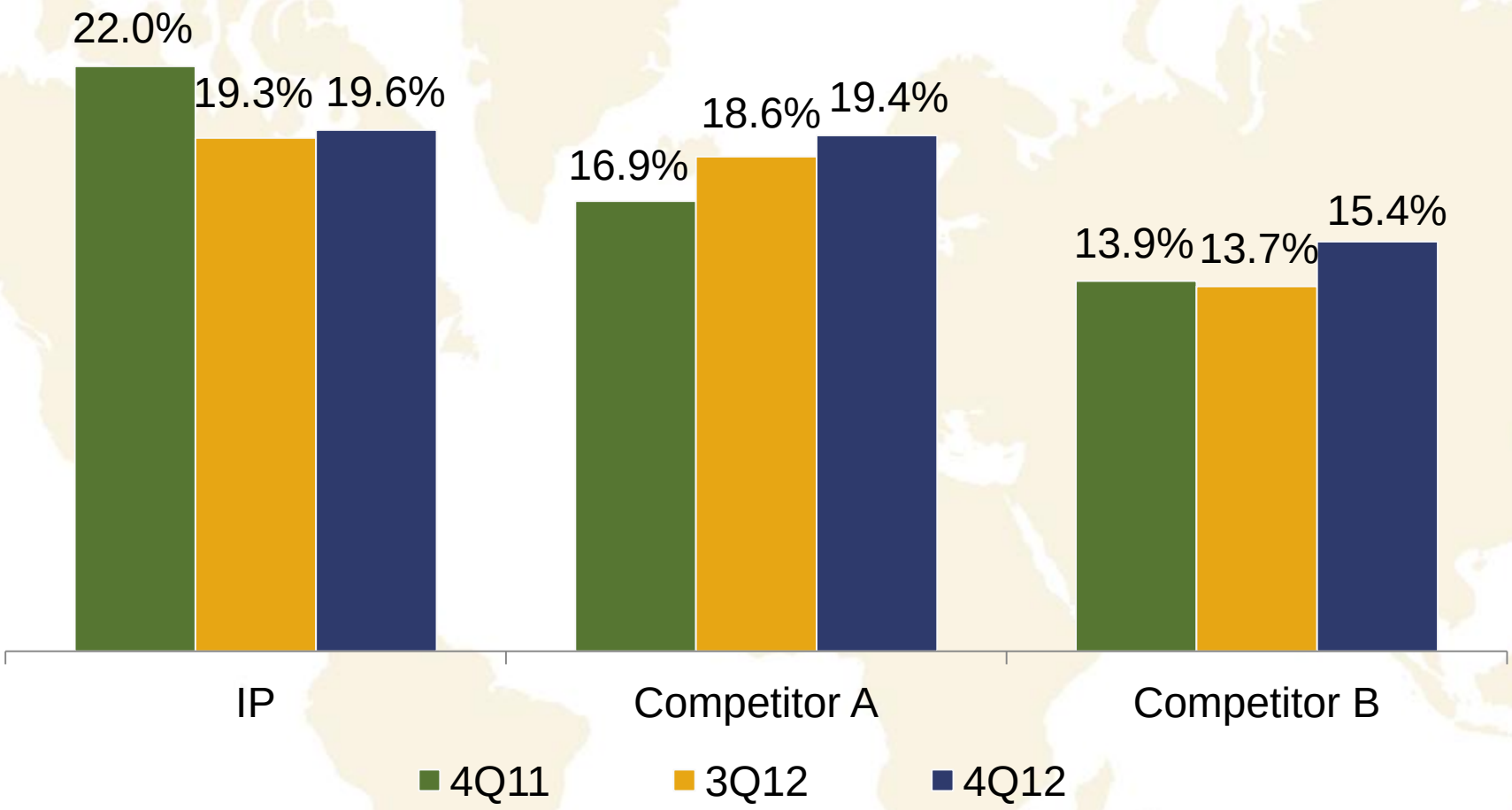
INTERNATIONAL PAPER

Industrial Packaging | 4Q12 vs. 3Q12



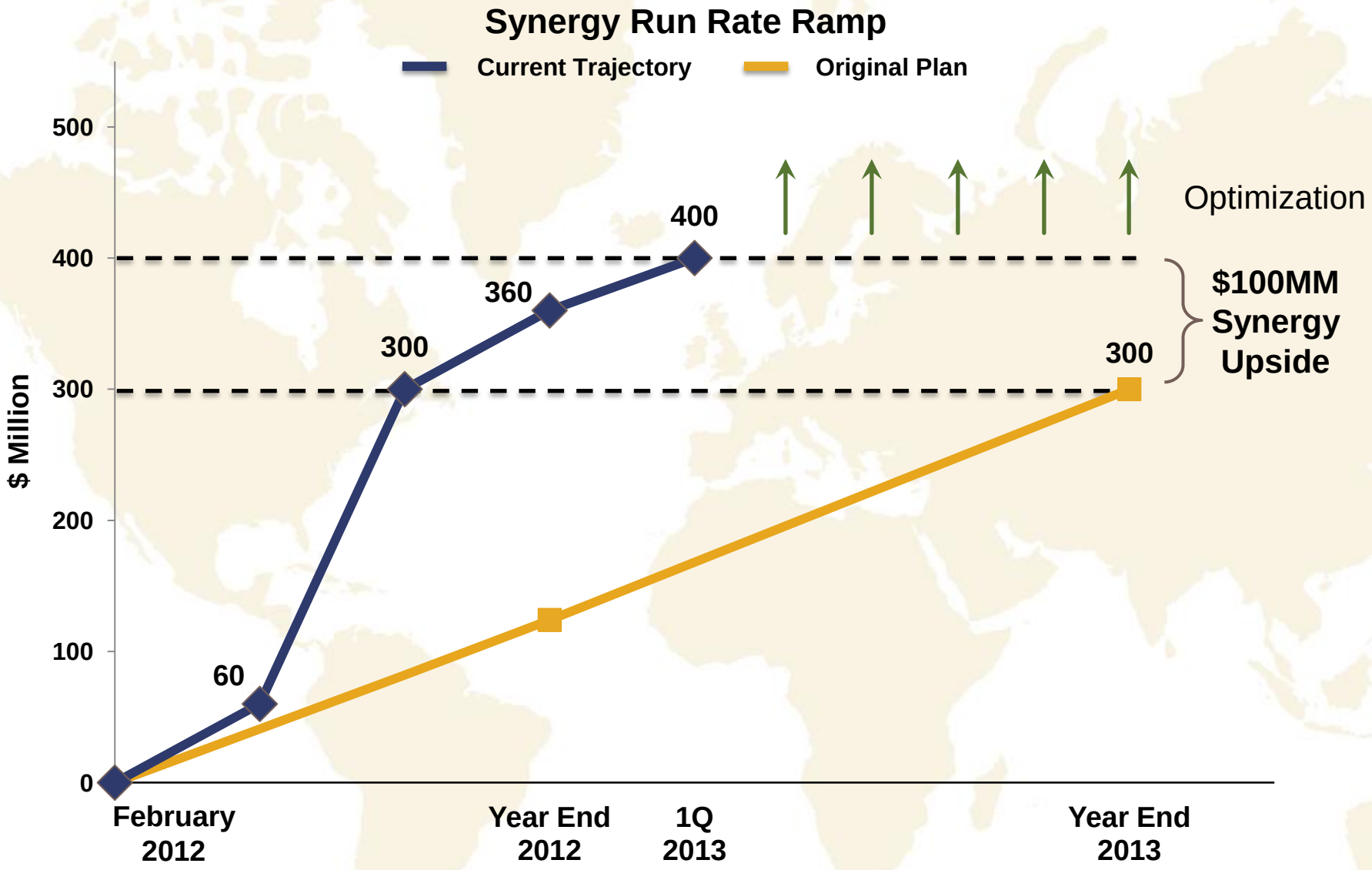
Segment operating profit before special items

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 the Recycling Business and revenue from trade volumes

Temple-Inland Integration | More Synergies, Faster



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Temple-Inland Integration | More Synergies, Faster

Synergy Category	Description	Synergy Target ($MM)	4Q12 Run Rate Annualized
S G & A	▪ Eliminate Duplication	$115	~90% Achieved
Containerboard Mills / Supply Chain	▪ Grade / Machine Mix Optimization ▪ Efficiency Improvements ▪ Logistics Optimization	$90	~60% Achieved
Box Plants	▪ Efficiency Improvements (Waste, Freight) ▪ System Streamlining ▪ Customer and Segment Optimization	$150	100% Achieved
Sourcing	▪ Purchasing Consolidation	$45	~90% Achieved
Total Synergies		**$400**	**~$360**

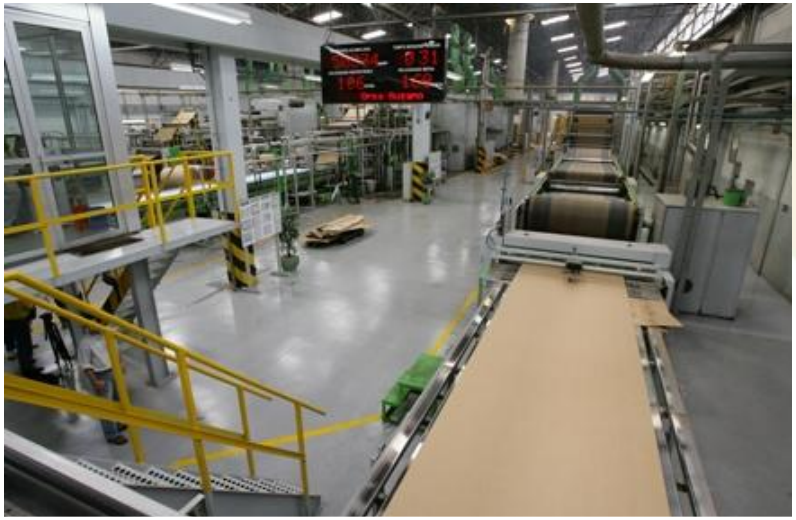
Brazil Packaging | Orsa International Paper Embalagens S.A.



Nova Campinas Mill



Manaus Box Plant

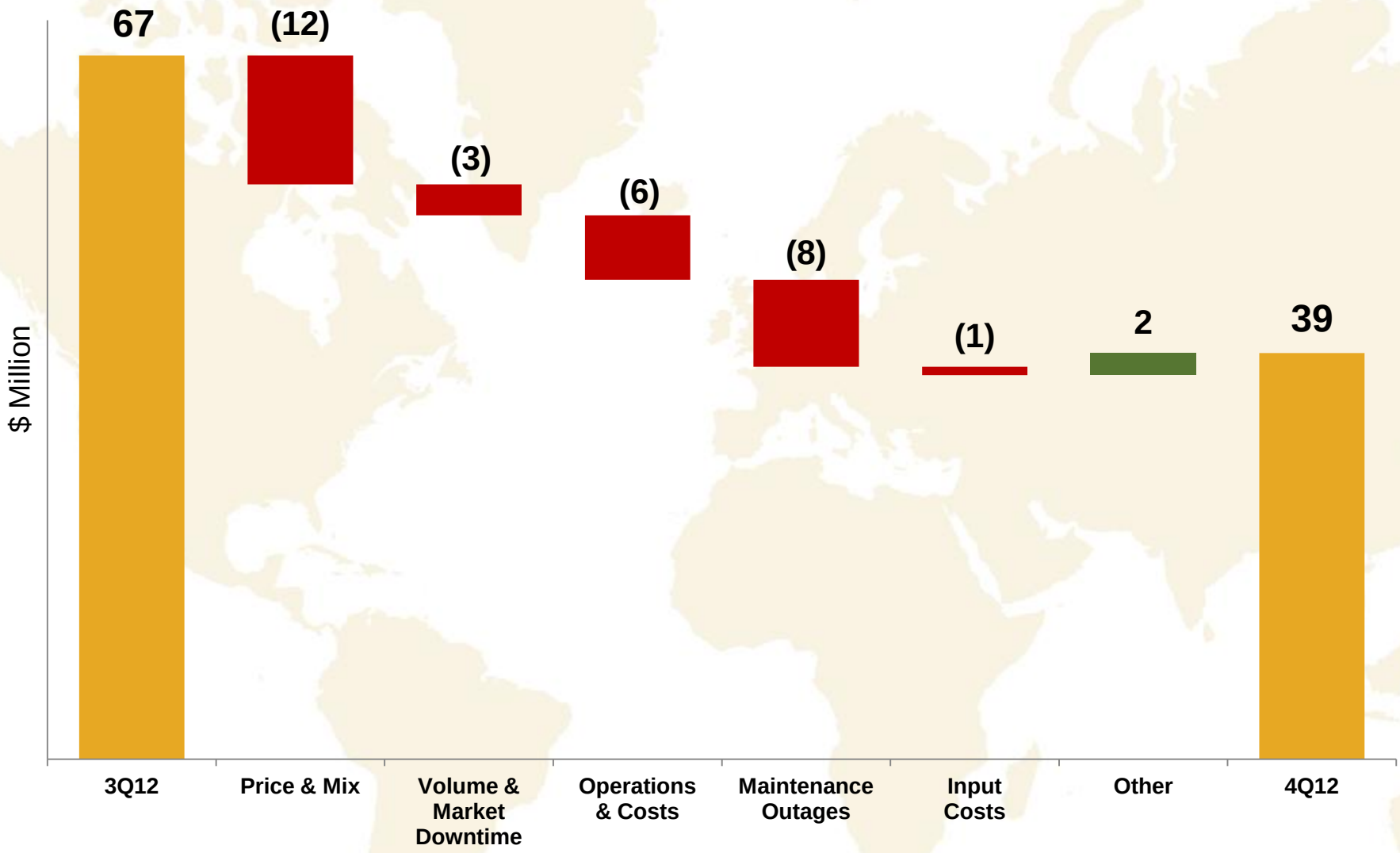


Suzano Box Plant



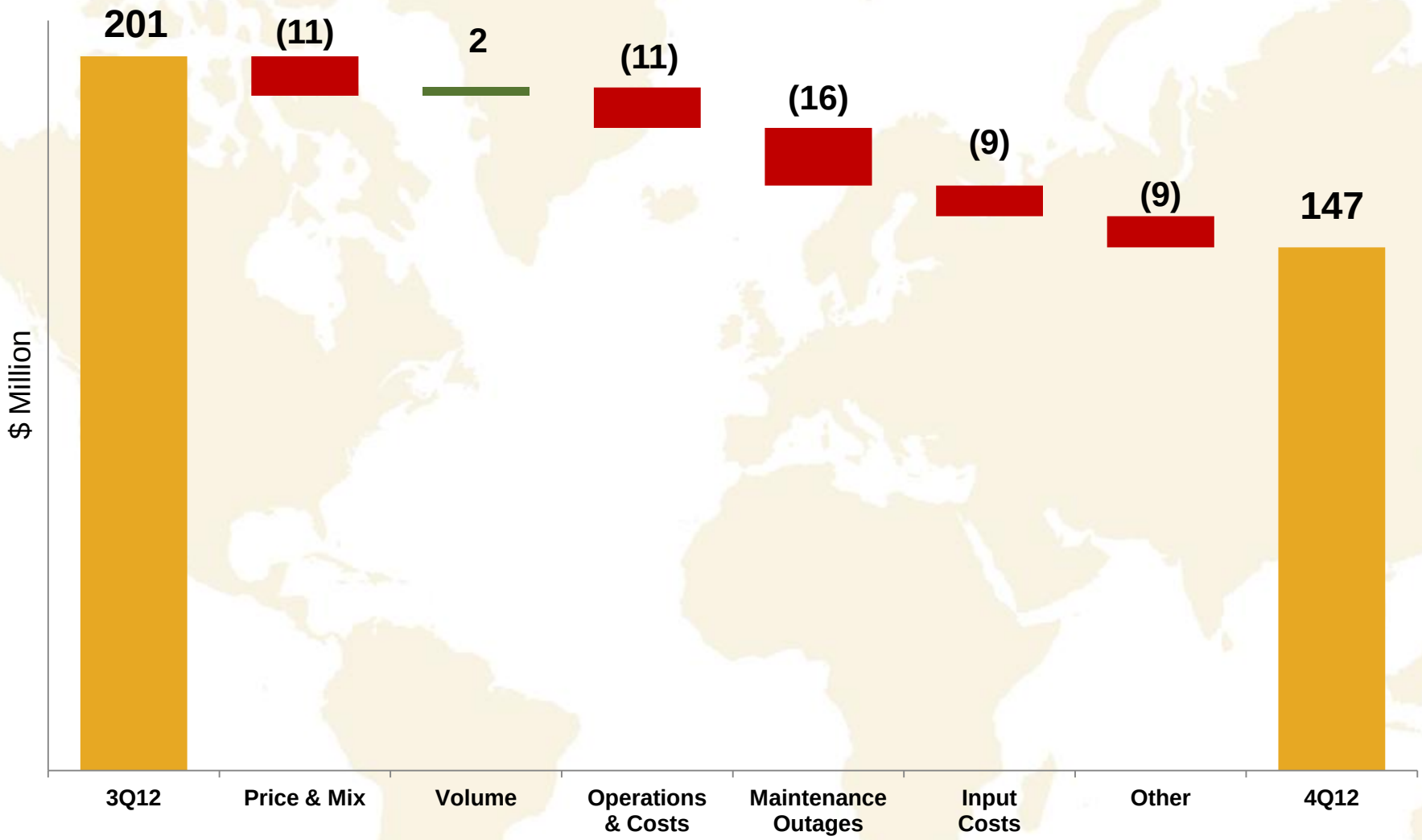
Rio Verde Box Plant

Consumer Packaging | 4Q12 vs. 3Q12



Segment operating profit before special items

Printing Papers | 4Q12 vs. 3Q12



Segment operating profit before special items

Printing Papers | IP uncoated freesheet volume up >2% over 2011

	N.A. Papers	Europe /Russia	Brazil	India
Volume Change[1]	(4%) Domestic	6%	9% Domestic	11%[2]
	53% Export		(3%) Export	

[1] 2012 vs. 2011
[2] 2011 provided by APPM

Brazil Printing Papers | Mogi Guacu Boiler Complete

- Boiler on-line and fully operational
- Expect $7MM energy mix improvement in 1Q13
- Reduced consumption of fossil fuels (~75%) and purchased electricity (~15%)



Distribution | 4Q12 vs. 3Q12

$ Million	4Q11	3Q12	4Q12
Sales	$1,625	$1,535	$1,530
Earnings	$33	$24	$11

Daily Sales Change	vs. 4Q11	vs. 3Q12
Printing	(2%)	0%
Packaging	(3%)	3%
Facility Solutions	(2%)	2%

- Year over year revenue decline and higher operating costs
- U.S. print market demand decline slowed in 4Q12
- Business performed better than the market helped by restructuring

Segment operating profit before special items

Ilim Joint Venture | 4Q12 vs. 3Q12

$ Million	4Q11	3Q12	4Q12
Sales Volume (M Tons)	623	644	669
Sales	$503	$471	$500
Operational EBITDA[1]	$107	$77	$58
F/X (Impact of USD Debt[2])	($21)	$49	$16
EBITDA	$87	$126	$74
IP Equity Earnings[3]	$25	$33	$8

- Weak export market pricing (BSKP) and higher seasonal input costs
- Completing projects at Bratsk and Koryazhma remains top priority
  - ➢ Commissioning in 1Q / Commercial start-up in 2Q

Ilim JV results are on an IFRS basis with the exception of IP Equity Earnings which is US GAAP

[1] Before F/X impact

[2] 4Q12 Ilim JV USD-denominated debt balance of ~$900MM; Ilim Group's functional currency is the Ruble (RUR); Non-functional-denominated currency balances are measured monthly using the month-end exchange rate

[3] IP Equity Earnings for 4Q12 & 3Q12 include an after-tax f/x gain of $6MM and $21MM, respectively; 4Q11 earnings include an after-tax f/x loss of $8MM

ILIM | INTERNATIONAL PAPER

4Q12 Financial Summary



- Achieved TIN synergy run rate of $360MM/yr
- Fully realized containerboard domestic price increase
- Realized avg. of $29/ton box price increase vs. 3Q12
  - January realization at $50/ton
- Reduced market-related downtime
- Lower tax rate



- Incurred higher operational and supply chain costs
- Sun JV ramp-up costs
- Weaker pricing in consumer grades and paper exports
- Higher planned outage-related maintenance expenses
- Higher fiber and energy input costs

IP's Balanced Use of Cash | Increasing Shareholder Value

2012 Cash from Operations and Divestitures

Return Cash to Shareowners

14% Dividend Increase to $1.20/share

Capital Spending

$1.4B (93% of depreciation)

Debt Reduction[1]

$1.9B Balance Sheet Debt Repayment

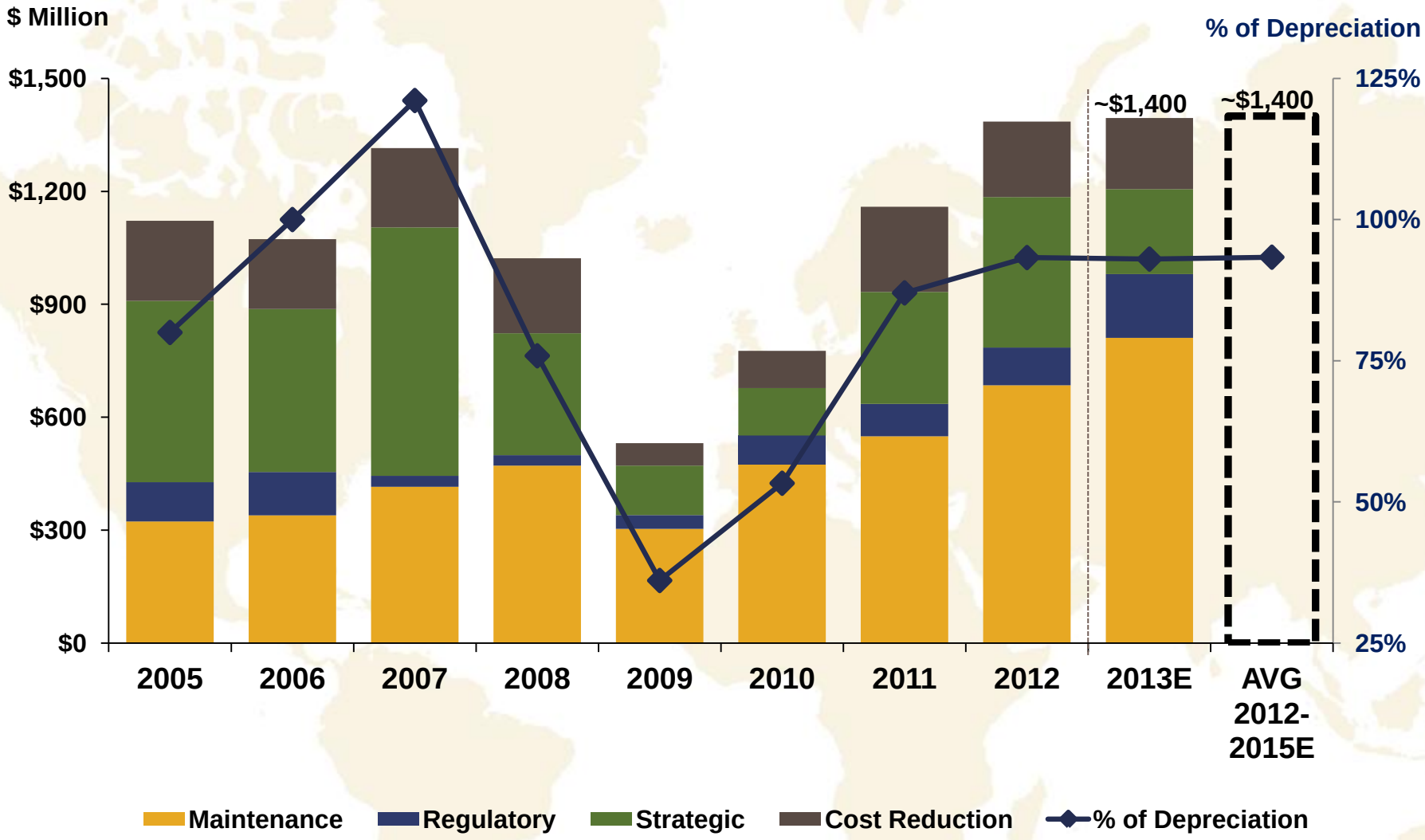
Selective Reinvestment

Olmuksa – Turkey
Grupo Orsa – Brazil

} **Corrugated Packaging**

[1] Since Temple-Inland acquisition

Capital Spending | Projected Boiler MACT Spending 2012-15 down ~$400MM



Reflects continuing operations

First Quarter Outlook | Changes from 4Q12

		North America	EMEA & Russia	Brazil	Asia
Volume	Paper	Stable	Seasonal Decrease	Seasonal Decrease	Stable
	Packaging	Stable	Stable		Start-up Increase
Pricing / Mix	Paper	Stable	Stable	Seasonal Mix Decrease	Stable
	Packaging	Increase	Stable		Start-up Volume Mix Decrease
Operations & Other	Paper	Franklin & Overhead[1]	Mills & Overhead[1]	Biomass Boiler	Stable
	Packaging	Mills &Supply Chain[1]	Italy Earthquake Insurance[1]		Stable
Inputs & Freight	Paper	Stable	Higher Wood	Stable	Higher Wood
	Packaging	Higher Fiber & Energy	Stable		Stable
Mill Maintenance Outages	Paper	Decrease $11MM	None Scheduled	Decrease $4MM	None Scheduled
	Packaging	Increase $8MM			
Distribution		Stable			
ILIM JV			Currency Impact[1] ($6MM)		

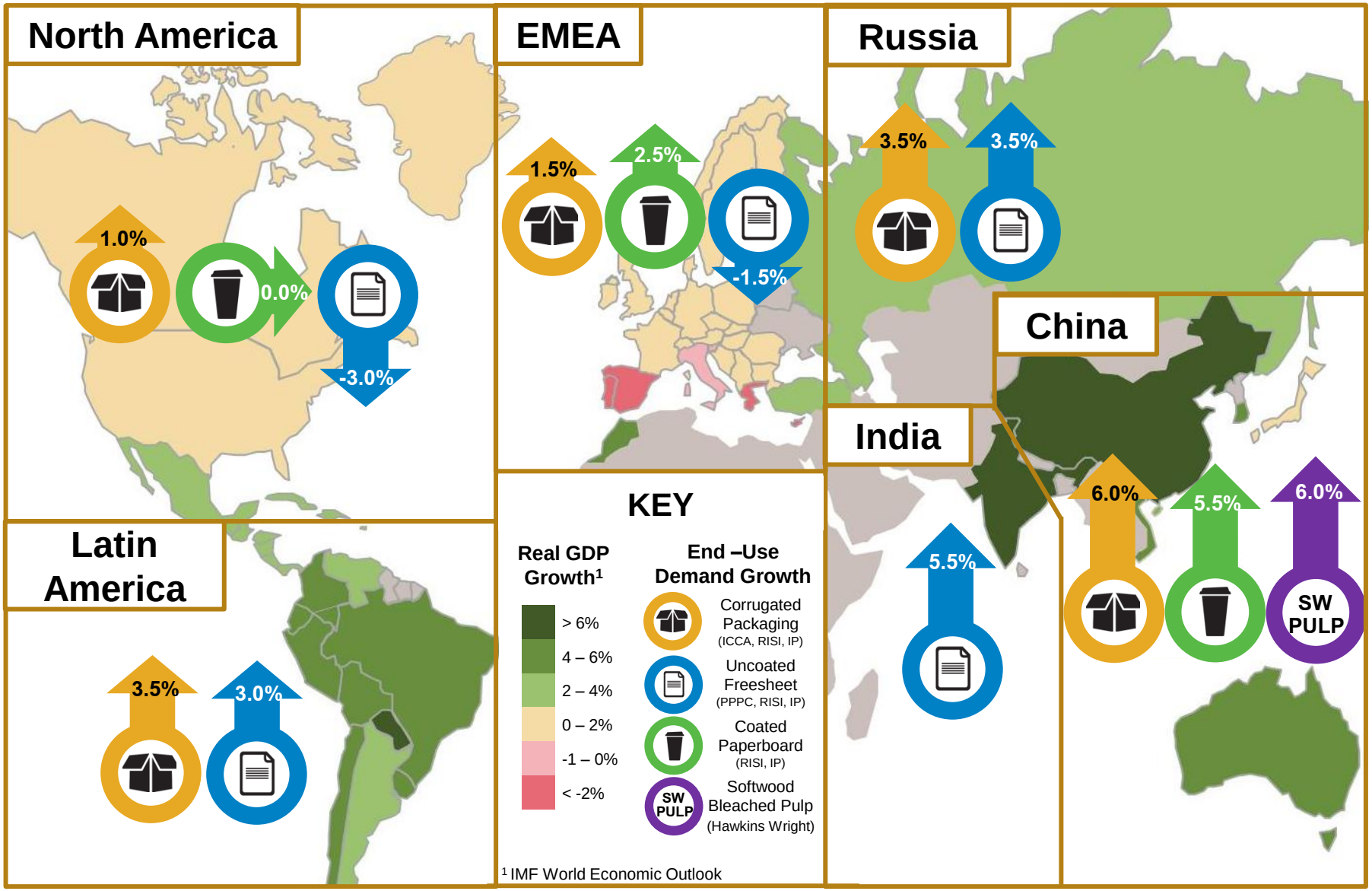
[1] Impact of non-repeating item

1Q13 Outlook

- North America demand - more of the same
- Seasonally weaker volumes in Europe and Brazil
- Full benefit of North America box price increase
- Improved operations and costs, benefit of non-repeating 4Q12 items
- Biomass Boiler in Brazil on-line
- Higher wood, OCC and energy inputs
- $32MM tax impact[1]

[1] American Taxpayer Relief Act of 2012

2013 Global Economic Assumptions | IP Well Positioned



Full-Year 2013 Outlook

- Global growth of 3-4% / U.S. growth of 1-2%
- Full annual benefit of the 3Q12 North America containerboard & box price increase
- High operating rates across our North America packaging businesses throughout the year ahead
- Earnings runway drivers ramp-up
  - Incremental $350-$450MM
- Input cost inflation ~ ($200MM)
- Divested mills impact ~ ($100MM)
  - Purchases ramp down in 2H
- Excellent cash generation - continue debt reduction

2013 Earnings Runway | +$350-450MM ~40% of Mid-Cycle Potential

Project & Stated Goal		2013 Ramp-up Timing	2013 Incremental EBITDA (% of Target[1])
Temple-Inland Synergies	• Strengthen core N.A. Corrugated Pkg. Segment	1H13	
Pulp Mill Conversion Franklin, VA	• Repurpose asset to grow with Global Fluff Pulp demand	1H13	
xpedx Transformation	• Achieve Cost of Capital returns in Distribution	2H13	
Biomass Boiler Mogi Guacu, BZ	• Energy Cost Savings through elimination of Fossil Fuels	1Q13	
IP-Sun JV Coated Paperboard PM (100%)	• Capacity to grow with Chinese Paperboard Pkg. demand	2H13	
APPM Acquisition	• Platform for Paper & Packaging growth in India	2H13	
Olmuksa JV - Sabanci Shares Acquisition	• Buyout of partner in Corrugated Pkg. JV in Turkey	1Q13	
Grupo Orsa Acquisition	• Strategic Entry into Corrugated Pkg. in Brazil	2Q13	
	2013 Earnings Upside (Consolidated Businesses)		+$350-450MM
ILIM JV Build-Out (100%)	• BSKP Capacity to grow with Export Demand (China) • UFS Capacity to grow with Domestic Demand (Russia)	2H13	

[1] Project target EBITDA at mid-cycle pricing/inputs

Appendix

Investor Relations Contacts

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Media Contact

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Key Financial Statistics

$ Million (Except as noted)	2011	2012	2013 Estimate
Capital Spending	$1.2 B	$1.4 B	~ $1.4 B
Depreciation & Amortization	$1.3 B	$1.5 B	~ $1.5 B
Net Interest Expense	$541	$672	~ $650
Corporate Items	$102	$51	~ $15
Effective Tax Rate	32%	29%	31 – 33%

Free Cash Flow

$ Million	2011	1Q12	2Q12	3Q12	4Q12	2012
Cash Provided by Continuing Operations	$2,886[1]	$642[2]	$682[3]	$863	$766[4]	$2,953[2,3,4]
Less Capital Investment	($1,159)	($285)	($420)	($296)	($382)	($1,383)
Free Cash Flow	$1,727	$357	$262	$567	$384	$1,570

[1]Excludes a $209 MM increase in working capital related to the cessation of the European A/R securitization program, $123 MM tax receivable collected related to pension contributions, $300 MM cash paid for voluntary pension contribution and $175 MM cash received from unwinding a timber monetization

[2] Excludes $120 MM cash paid for Temple-Inland change-in-control agreements and $111 MM cash received from unwinding a timber monetization

[3] Excludes $44 MM cash paid for Temple-Inland pension plan contribution and $140 MM cash received from unwinding a timber monetization

[4] Excludes $80 MM cash paid for Guaranty Bank settlement

Maintenance Outages Expenses | 2012

$ Million	1Q12	2Q12	3Q12	4Q12	2012
Industrial Packaging	**$67**	**$63**	**$11**	**$53**	**$194**
Printing Papers Total	**$27**	**$102**	**$23**	**$43**	**$195**
North America	27	60	5	39	131
Europe	0	33	11	0	44
Brazil	0	1	7	4	12
India	0	8	0	0	8
Consumer Packaging	**$0**	**$21**	**$11**	**$18**	**$50**
North America	0	18	6	18	42
Europe	0	3	5	0	8
Total Impact	**$94**	**$186**	**$45**	**$114**	**$439**

Maintenance Outages Expenses | 2013 Forecast

$ Million	1Q13E	2Q13E	3Q13E	4Q13E	2013E
Industrial Packaging	**$79**	**$82**	**$31**	**$35**	**$227**
Printing Papers Total	**$29**	**$84**	**$54**	**$50**	**$217**
North America	29	70	27	31	157
Europe	0	12	16	14	42
Brazil	0	0	10	5	15
India	0	2	1	0	3
Consumer Packaging	**$5**	**$19**	**$4**	**$38**	**$66**
North America	5	15	4	38	62
Europe	0	4	0	0	4
Total Impact	**$113**	**$185**	**$89**	**$123**	**$510**

Special Items Before Tax & Noncontrolling Interest | Continuing Operations

Special Items Pre-Tax ($ Million)		4Q11	3Q12	4Q12
Industrial Packaging	Acquisition and Integration Costs	($12)	($58)	($28)
	Mill Divestiture Costs		($19)	($1)
	European Packaging Restructuring		($16)	($1)
	Other	$2	$6	($2)
Printing Papers	Facility Closure Costs	$2		
	Other	($3)	$1	
Consumer Packaging	Fixed Asset Impairment or Adjustment	$4		
	Shorewood Sale Adjustments			$2
xpedx	Reorganization	($17)	($9)	($7)
Corporate	Debt Extinguishment		($13)	($9)
	Acquisition Costs	($2)		($3)
	Other	$12	($2)	$3
Total Special Items Before Tax & Noncontrolling Interest		**($14)**	**($110)**	**($46)**

Special Items Net of Taxes

	4Q12		2012	
	$ Million	EPS	$ Million	EPS
Operating Earnings	$305	$0.69	$1,167	$2.65
Special Items Net of Taxes:				
Tax Items	($19)		($25)	
Debt Extinguishment Costs	($6)		($30)	
Shorewood Sale Adjustments	$2		$4	
Acquisition and Integration Costs	($19)		($117)	
Mill Divestiture Costs	($1)		($93)	
Reorganization	($5)		($45)	
Other	($1)		$1	
Total Special Items Net of Taxes	($49)	($0.11)	($305)	($0.69)
Non-Operating Pension Expense	($31)	($0.07)	($113)	($0.26)
Discontinued Operations Net of Taxes	$10	$0.02	$45	$0.10
Net Earnings	$235	$0.53	$794	$1.80

4Q12 EBITDA | Integrated Mill Business Margins

	Operating Profit $ Million	D & A $ Million	Tons Thousand	EBITDA per Ton	EBITDA Margin
Industrial Packaging					
North America[1]	$338	$186	3,465	$151	20%
Printing Papers					
North America[2]	$52	$41	656	$142	14%
Europe & Russia[3]	$60	$19	338	$234	24%
Brazil	$44	$31	306	$245	25%
India	($6)	$6	61	$0	0%
North American Pulp	($7)	$12	329	$15	3%
Consumer Packaging					
North America[4]	$17	$39	368	$152	12%
Europe	$29	$4	94	$351	35%

Segment operating profit before special items

[1] Includes Corrugated Packaging, Saturating Kraft & Bag businesses; excludes Recycling business and revenue from trade volumes

[2] Includes Bleached Kraft business

[3] Uncoated Papers (excludes Pulp)

[4] Includes Foodservice business

Operating Profits by Industry Segment | Continuing Operations

$ Million	4Q11	3Q12	4Q12	2011	2012
Industrial Packaging	$316	$342	$368	$1,160	$1,355
Printing Papers	$190	$201	$147	$859	$599
Consumer Packaging	$62	$67	$39	$364	$265
Distribution	$33	$24	$11	$86	$71
Operating Profit	**$601**	**$634**	**$565**	**$2,469**	**$2,290**
Net Interest Expense	($144)	($163)	($169)	($547)	($672)
Noncontrolling Interest / Equity Earnings Adjustment	$4	$0	($8)	$25	$0
Corporate Items	($20)	($1)	($15)	($102)	($51)
Non-Operating Pension Expense	($11)	($40)	($40)	($43)	($159)
Special Items	($14)	($110)	($46)	($344)	($384)
Net Earnings from continuing operations before income taxes, equity earnings & noncontrolling interest	**$416**	**$320**	**$287**	**$1,458**	**$1,024**
Equity Earnings, net of taxes - Ilim	**$25**	**$33**	**$8**	**$134**	**$56**

Geographic Business Segment Operating Results

$ Million	Sales				
	4Q11	3Q12	4Q12	2011	2012
Industrial Packaging					
North America	$2,060	$2,935	$2,950	$8,605	$11,610
Europe	$280	$230	$255	$1,130	$1,010
Asia	$170	$170	$175	$695	$660
Printing Papers					
North American	$670	$695	$650	$2,760	$2,715
Europe	$340	$345	$375	$1,430	$1,390
Brazil	$320	$280	$295	$1,190	$1,130
Asia / India	$50	$70	$60	$110	$270
N.A. Pulp	$170	$190	$200	$725	$725
Consumer Packaging					
North America	$595	$475	$470	$2,480	$1,960
Europe	$95	$95	$95	$375	$380
Asia (Sun JV)	$215	$195	$250	$855	$830
xpedx	$1,625	$1,535	$1,530	$6,630	$6,040

Does not reflect total company sales

Geographic Business Segment Operating Results | Before Special Items

$ Million	Segment Operating Profit				
	4Q11	3Q12	4Q12	2011	2012
Industrial Packaging					
North America	$294	$328	$338	$1,094	$1,278
Europe	$19	$12	$29	$61	$72
Asia	$3	$2	$1	$5	$5
Printing Papers					
North American	$83	$110	$52	$399	$331
Europe	$55	$51	$64	$207	$179
Brazil	$45	$45	$44	$169	$163
Asia / India	($3)	($2)	($6)	($3)	($15)
N.A. Pulp	$10	($3)	($7)	$87	($59)
Consumer Packaging					
North America	$33	$45	$17	$236	$162
Europe	$24	$21	$29	$93	$99
Asia (Sun JV)	$5	$1	($7)	$35	$4
xpedx	$33	$24	$11	$86	$71

Does not reflect total company operating profit

2010 Operating Earnings

	Pre-Tax $MM	Tax $MM	Non-controlling Interest $MM	Equity Earnings	Net Income $MM	Estimated Tax Rate	Average Shares[1] MM	Diluted EPS[2]
Operating Earnings								
1Q10	$62	($20)	($9)	$6	$39	32%	429	0.09
2Q10	$282	($87)	($7)	$24	$212	31%	433	0.49
3Q10	$569	($177)	($2)	$31	$421	31%	434	0.97
4Q10	$382	($105)	($3)	$50	$324	28%	435	0.74
Non-Operating Pension Expense								
1Q10	($22)	$7	$0	$0	($15)	32%	429	(0.03)
2Q10	($20)	$6	$0	$0	($14)	31%	433	(0.03)
3Q10	($22)	$7	$0	$0	($15)	31%	434	(0.04)
4Q10	($20)	$5	$0	$0	($15)	28%	435	(0.03)
Net Special Items								
1Q10	($215)	$37	$0	$0	($178)	17%	429	(0.42)
2Q10	($144)	$56	$0	$0	($88)	39%	433	(0.21)
3Q10	$0	$0	$0	$0	$0	0%	434	0.00
4Q10	($30)	$50	$0	$0	$20	167%	435	0.05
Net Earnings from Continuing Operations								
1Q10	($175)	$24	($9)	$6	($154)	14%	429	(0.36)
2Q10	$118	($25)	($7)	$24	$110	21%	433	0.25
3Q10	$547	($170)	($2)	$31	$406	31%	434	0.93
4Q10	$332	($50)	($3)	$50	$329	15%	435	0.76

[1] Assuming dilution

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

2011 Operating Earnings

	Pre-Tax $MM	Tax $MM	Non-controlling Interest $MM	Equity Earnings	Net Income $MM	Estimated Tax Rate	Average Shares[1] MM	Diluted EPS[2]
Operating Earnings								
1Q11	$429	($143)	($5)	$58	$339	33%	434	0.78
2Q11	$452	($149)	($8)	$52	$347	33%	431	0.81
3Q11	$523	($158)	($5)	$0	$360	30%	435	0.83
4Q11	$441	($141)	($4)	$23	$319	32%	436	0.73
Non-Operating Pension Expense								
1Q11	($8)	$3	$0	$0	($5)	33%	434	(0.01)
2Q11	($13)	$4	$0	$0	($9)	33%	431	(0.02)
3Q11	($11)	$3	$0	$0	($8)	30%	435	(0.02)
4Q11	($11)	$4	$0	$0	($7)	32%	436	(0.01)
Net Special Items								
1Q11	($53)	$17	$0	$7	($29)	32%	434	(0.07)
2Q11	($146)	$27	$0	$0	($119)	18%	431	(0.28)
3Q11	($131)	$239	$8	$0	$116	182%	435	0.27
4Q11	($14)	($17)	$0	$0	($31)	(121%)	436	(0.07)
Net Earnings from Continuing Operations								
1Q11	$368	($123)	($5)	$65	$305	33%	434	0.70
2Q11	$293	($118)	($8)	$52	$219	40%	431	0.51
3Q11	$381	$84	$3	$0	$468	(22%)	435	1.08
4Q11	$416	($154)	($4)	$23	$281	37%	436	0.65

[1] Assuming dilution

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

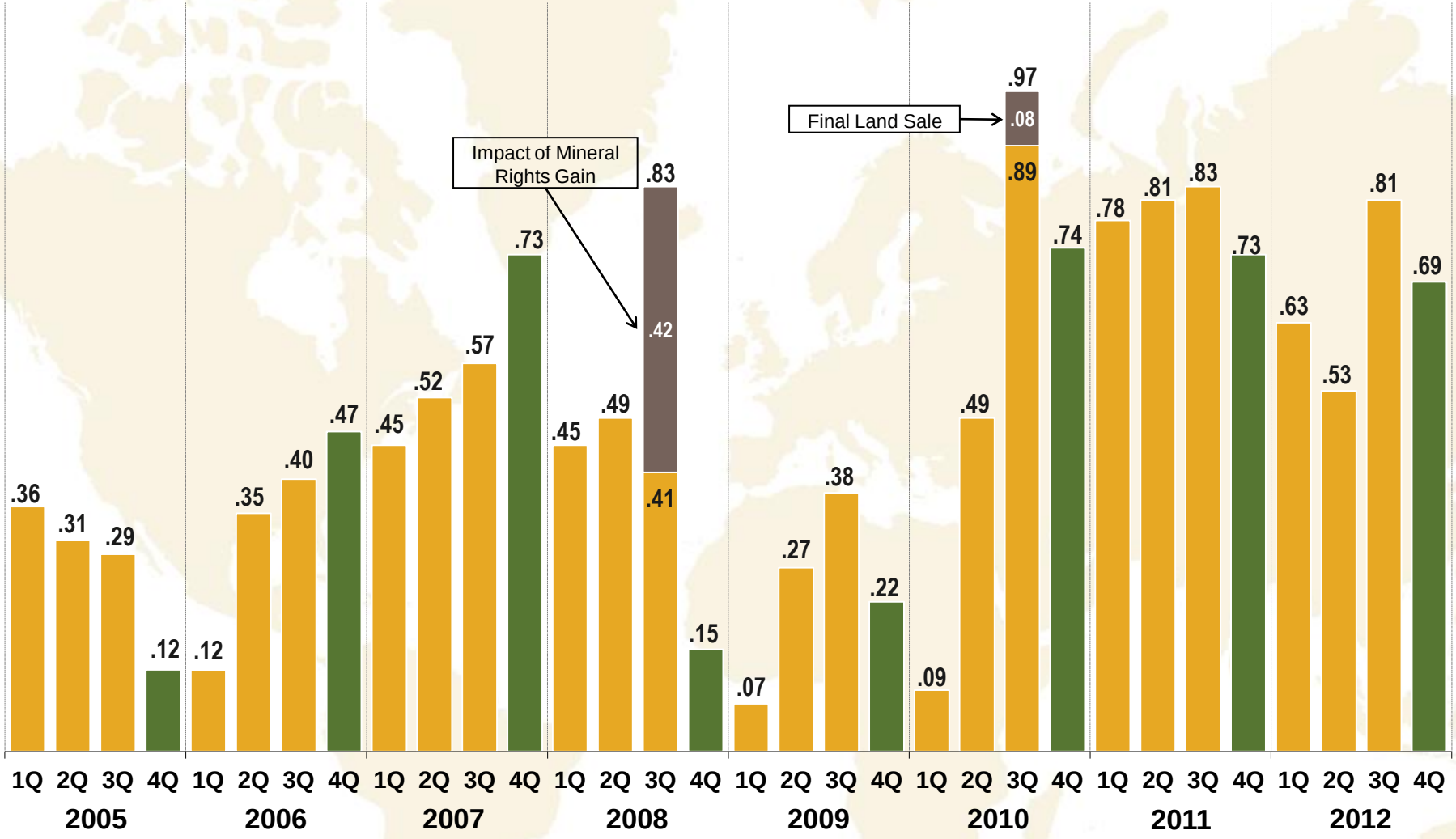
2012 Operating Earnings

	Pre-Tax $MM	Tax $MM	Non-controlling Interest $MM	Equity Earnings	Net Income $MM	Estimated Tax Rate	Average Shares[1] MM	Diluted EPS[2]
Operating Earnings								
1Q12	$342	($110)	($4)	$44	$272	32%	439	0.63
2Q12	$382	($121)	($3)	($26)	$232	32%	438	0.53
3Q12	$470	($145)	($1)	$34	$358	31%	440	0.81
4Q12	$373	($80)	$3	$9	$305	22%	442	0.69
Non-Operating Pension Expense								
1Q12	($37)	$12	$0	$0	($25)	32%	439	(0.06)
2Q12	($42)	$13	$0	$0	($29)	32%	438	(0.07)
3Q12	($40)	$12	$0	$0	($28)	31%	440	(0.06)
4Q12	($40)	$9	$0	$0	($31)	22%	442	(0.07)
Net Special Items								
1Q12	($92)	$28	$0	$0	($64)	30%	439	(0.15)
2Q12	($136)	$51	$0	$0	($85)	38%	438	(0.19)
3Q12	($110)	$3	$0	$0	($107)	3%	440	(0.24)
4Q12	($46)	($3)	$0	$0	($49)	(7%)	442	(0.11)
Net Earnings from Continuing Operations								
1Q12	$213	($70)	($4)	$44	$183	33%	439	0.42
2Q12	$204	($57)	($3)	($26)	$118	28%	438	0.27
3Q12	$320	($130)	($1)	$34	$223	41%	440	0.51
4Q12	$287	($74)	$3	$9	$225	26%	442	0.51

[1] Assuming dilution

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

Operating Business EPS | Well Positioned for next Step-Change in Performance



2005-2006 as originally reported
2007-2011 adjusted for elimination of the Ilim JV reporting lag
2005-2010 Net Earnings from continuing operations and before special items; 2010 onward reflects Operating Earnings

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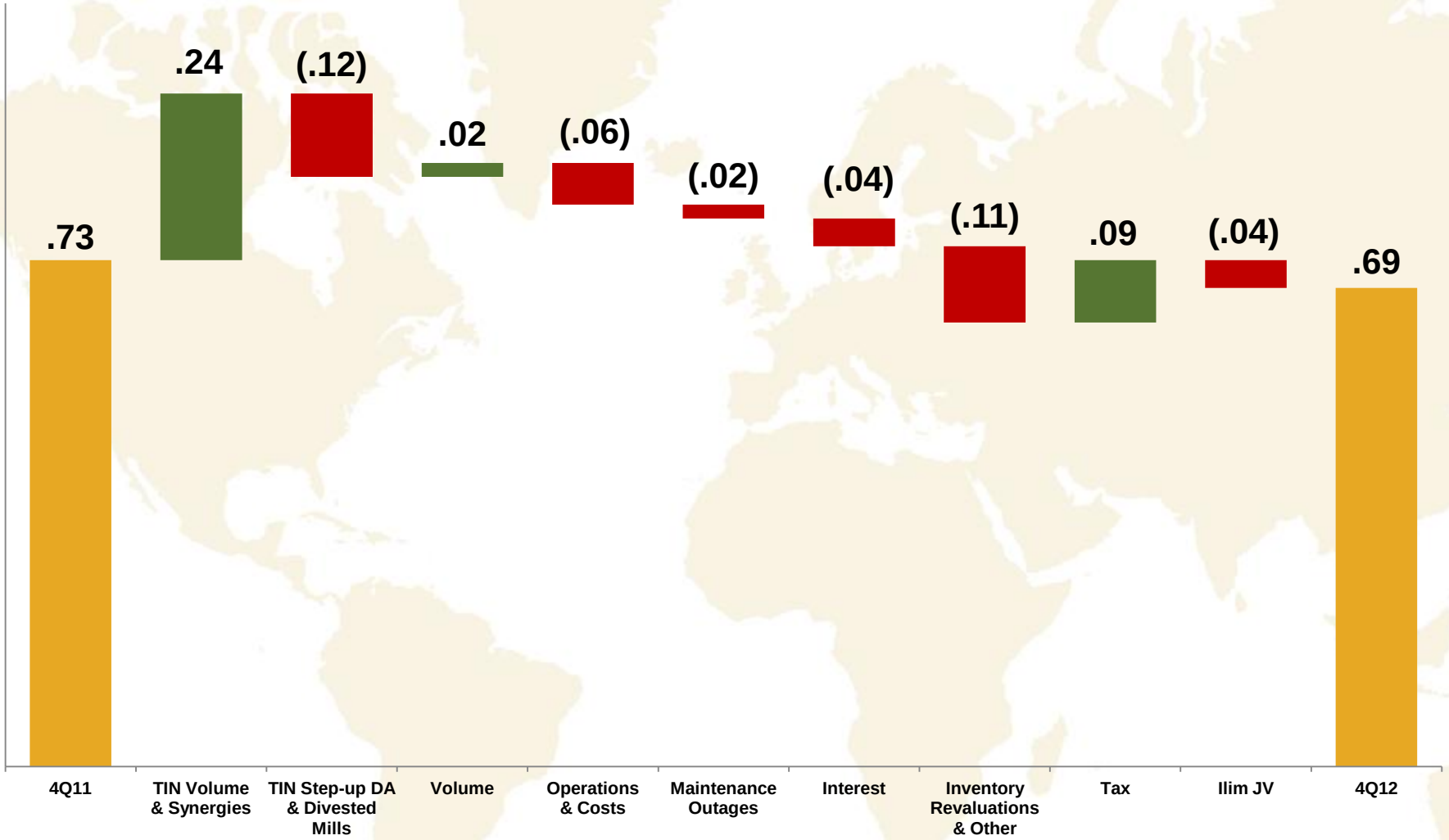
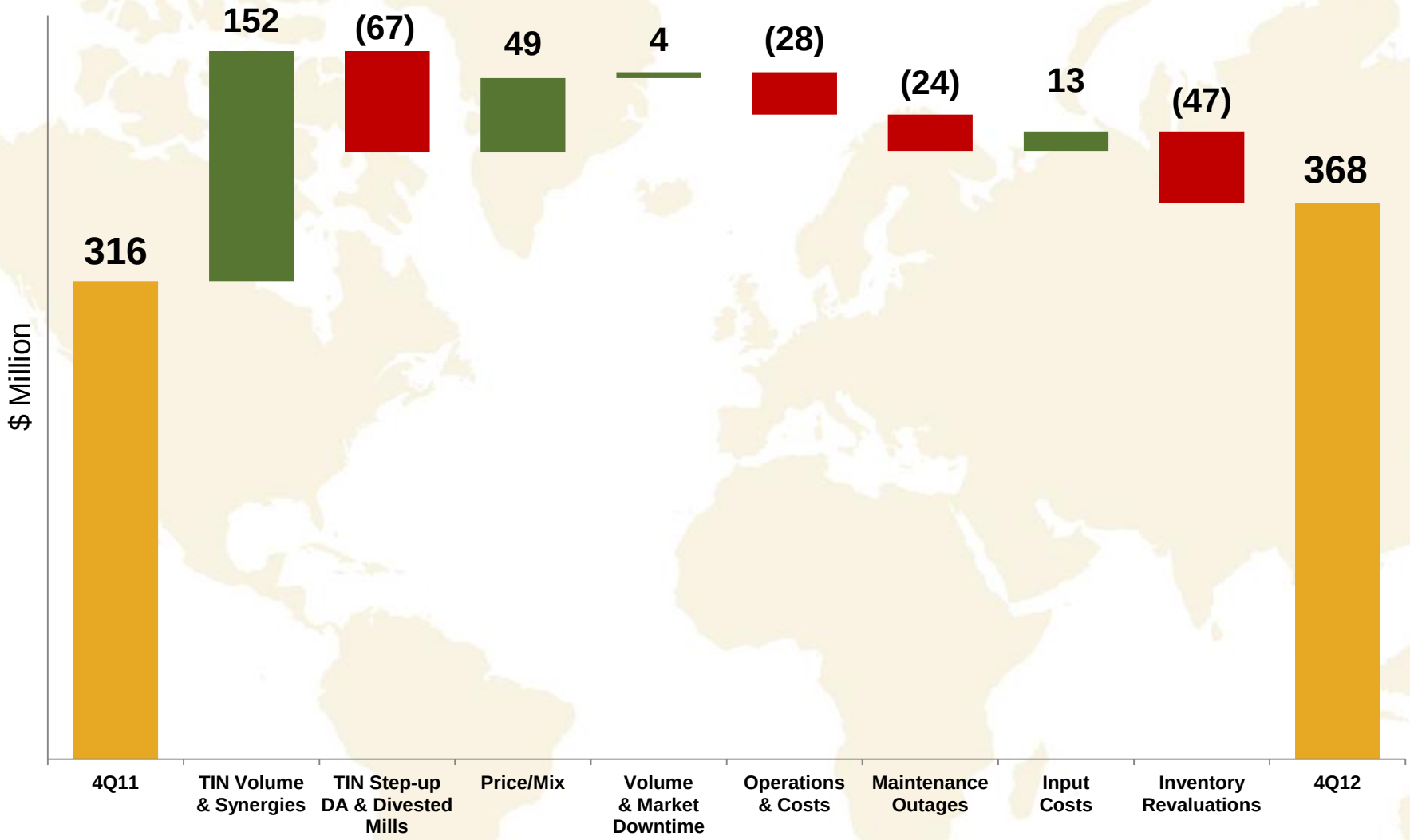
4Q12 vs. 4Q11 EPS



Operating Earnings

Industrial Packaging | 4Q12 vs. 4Q11



Segment operating profit before special items

Industrial Packaging | Volume and Pricing Trends

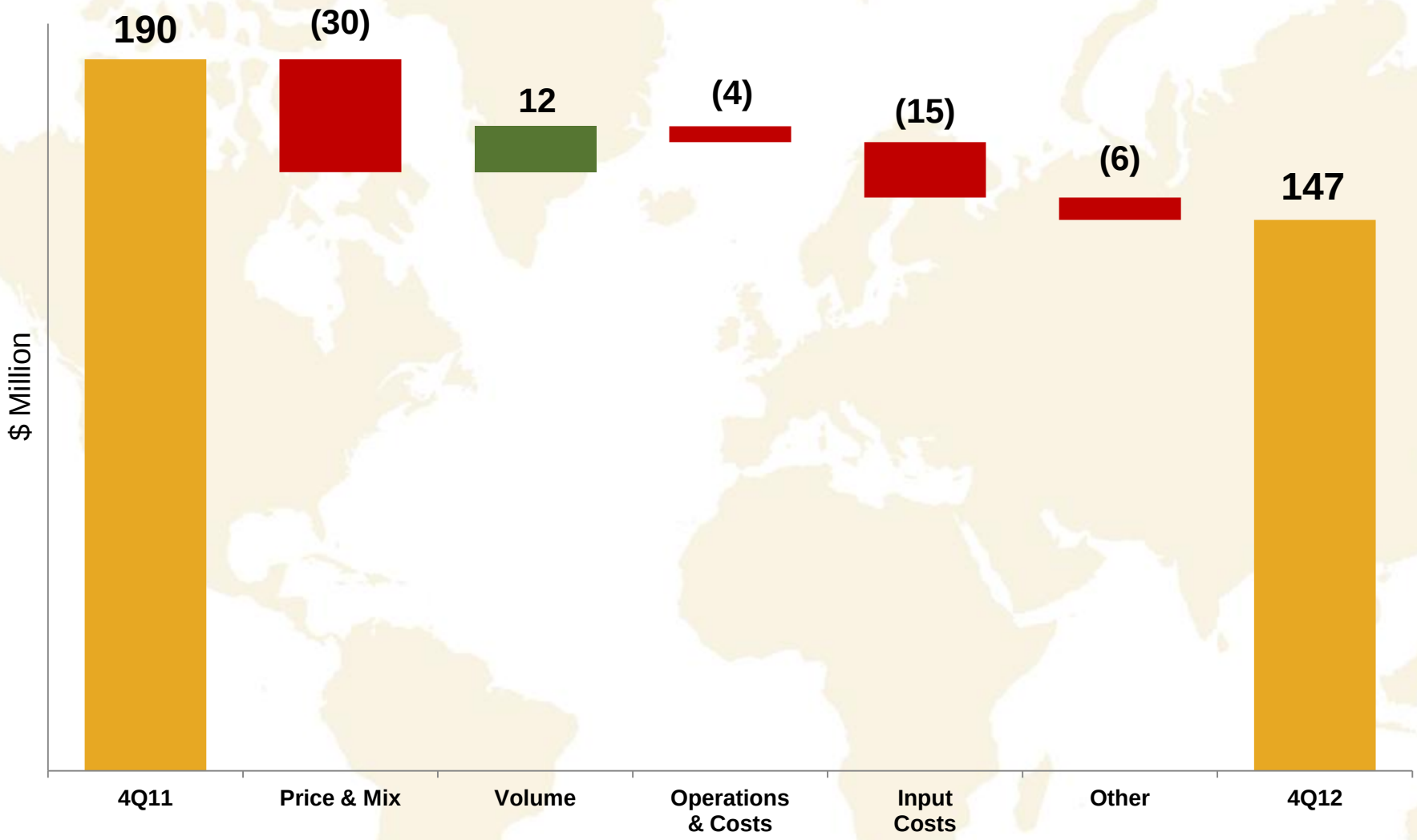
	4Q12 vs. 3Q12		4Q12 vs. 4Q11	
Business	**Volume**	**Price / Ton**	**Volume**	**Price / Ton**
N.A. Container[1]	**(3%)**	**$29**	**(4%)**	**$23**
European Container[2]	**7%**	**(€29)**	**1%**	**(€40)**

Average IP volume and price realization (includes the impact of mix across all segments)

[1] N.A. Container Volume on FBA reporting basis (excludes shipments from the Display & Bulk Segment and facilities in Mexico and Latin America but includes shipments from domestic Sheet Plants); All periods include full quarter of Temple-Inland volume

[2] European Container Volume reflects box shipments only (includes shipments from the non-consolidated joint venture in Turkey)

Printing Papers | 4Q12 vs. 4Q11



Segment operating profit before special items

Printing Papers | Volume and Pricing Trends

	4Q12 vs. 3Q12		4Q12 vs. 4Q11	
Business	**Volume**	**Price / Ton**	**Volume**	**Price / Ton**
N.A. Paper	(6%)	($13)	(1%)	($23)
N.A. Pulp[1]	6%	($6)	32%	($72)
European Paper	4%	(€5)	8%	(€18)

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

[1] Reflects Fluff and Market Pulp combined

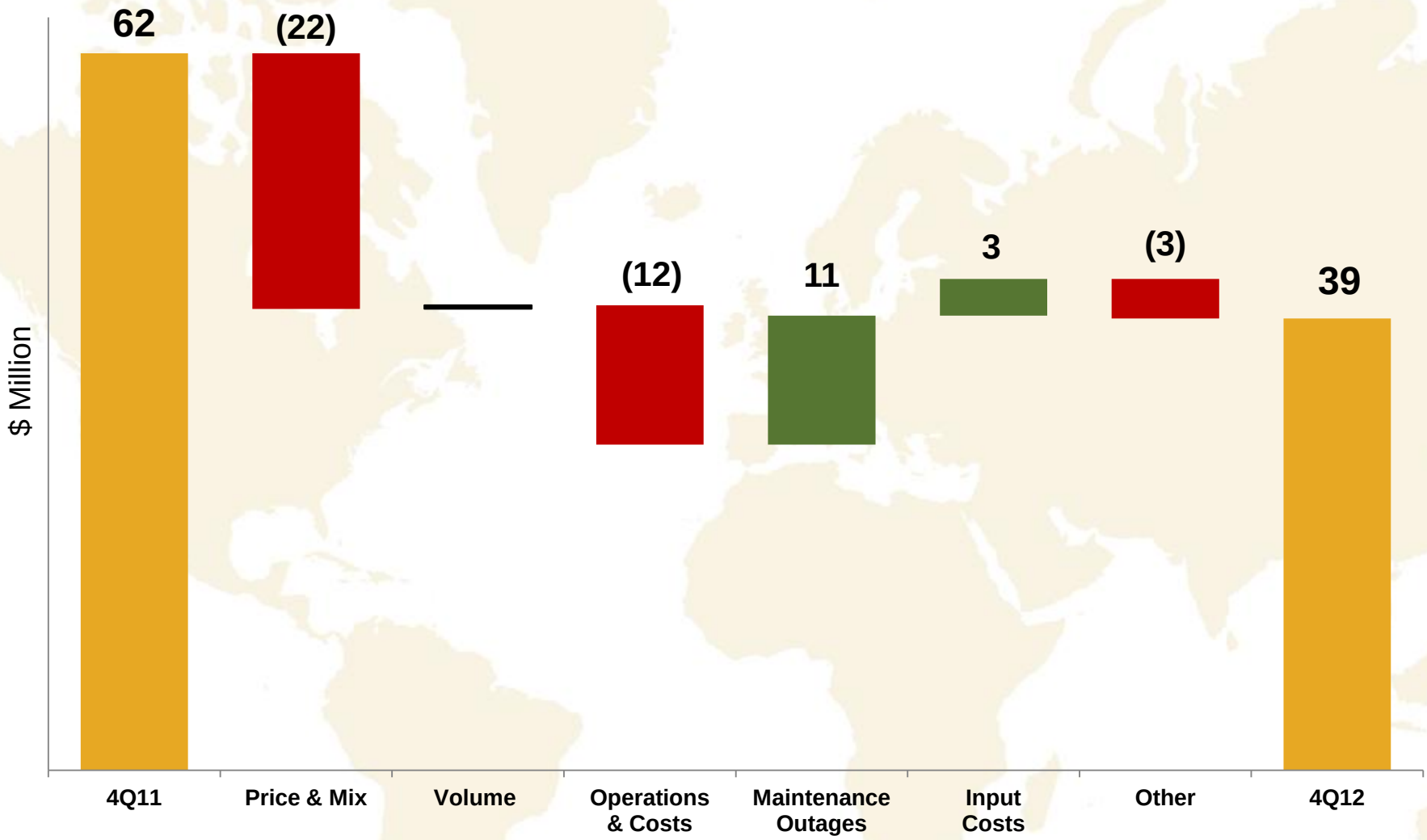
Printing Papers | IP Brazil

$ Million	4Q11	3Q12	4Q12
Sales	$320	$280	$295
Earnings	$45	$45	$44
EBITDA Margin	26%	27%	25%

	4Q12 vs. 3Q12		4Q12 vs. 4Q11	
Business	Volume	Price/Ton	Volume	Price/Ton
Uncoated Freesheet	5%	$0	0%	$28
Domestic	5%	$15	6%	$87
Export	6%	($16)	(5%)	($34)

Segment operating profit before special items
IP Brazil results are reported in the Printing Papers segment
Average IP Brazil price realization (includes the impact of mix across all grades)

Consumer Packaging | 4Q12 vs. 4Q11



Segment operating profit before special items

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	4Q12 vs. 3Q12		4Q12 vs. 4Q11	
	Volume	Price/Ton	Volume	Price/Ton
N.A. Coated Paperboard	(9%)	($24)	0%	($43)
	Revenue	Price	Revenue	Price
Converting Businesses	5%	NA	7%	NA

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

Ilim Joint Venture | Full Year Financials

	2008[1]	2009	2010	2011	2012
Sales Volume (Billion ton)	**2.6**	**2.6**	**2.8**	**2.8**	**2.9**
Sales ($B)	**1.9**	**1.3**	**1.9**	**2.2**	**2.0**
Capital Employed ($B)	**1.3**	**1.2**	**1.2**	**1.6**	**2.1**
Debt ($B)	**0.4**	**0.4**	**0.5**	**0.9**	**1.2**
Operating EBITDA ($MM)		**197**	**516**	**591**	**291**
F/X		(35)	12	(60)	39
EBITDA	**290**	**163**	**528**	**531**	**330**
EBITDA Margin	15%	12%	28%	24%	17%
Depreciation		120	121	124	134
EBIT		**43**	**407**	**406**	**196**
Interest Expense		28	18	7	6
Net Income		**(19)**	**266**	**299**	**132**
IP Equity Earnings ($MM)	**11**	**(27)**	**103**	**134**	**56**
Dividends (to IP) ($MM)	**67**	**50**	**34**	**85**	**0**

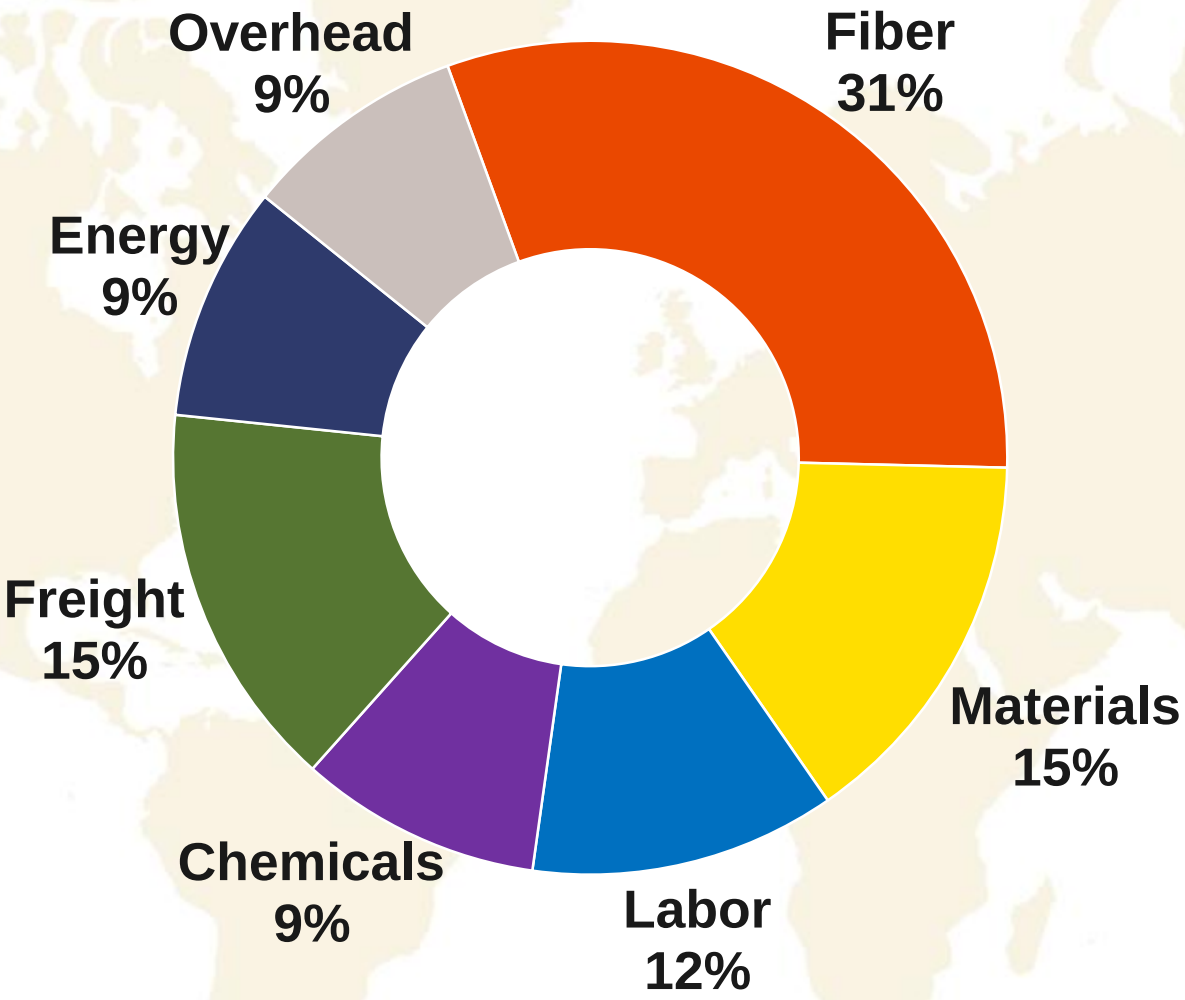
Ilim JV results are IFRS basis. [1] KPK sale was excluded from 2008 results.

Ilim Joint Venture | Volume and Pricing Trends

	4Q12 vs. 3Q12		4Q12 vs. 4Q11	
Business	**Volume**	**Price/Ton**	**Volume**	**Price/Ton**
Pulp	**9%**	**$4**	**10%**	**($74)**
Containerboard	**(2%)**	**$79**	**3%**	**$27**

Average Ilim JV (100%) volume and price realization (includes the impact of mix across all grades)

Total Cash Cost Components | 4Q12 YTD



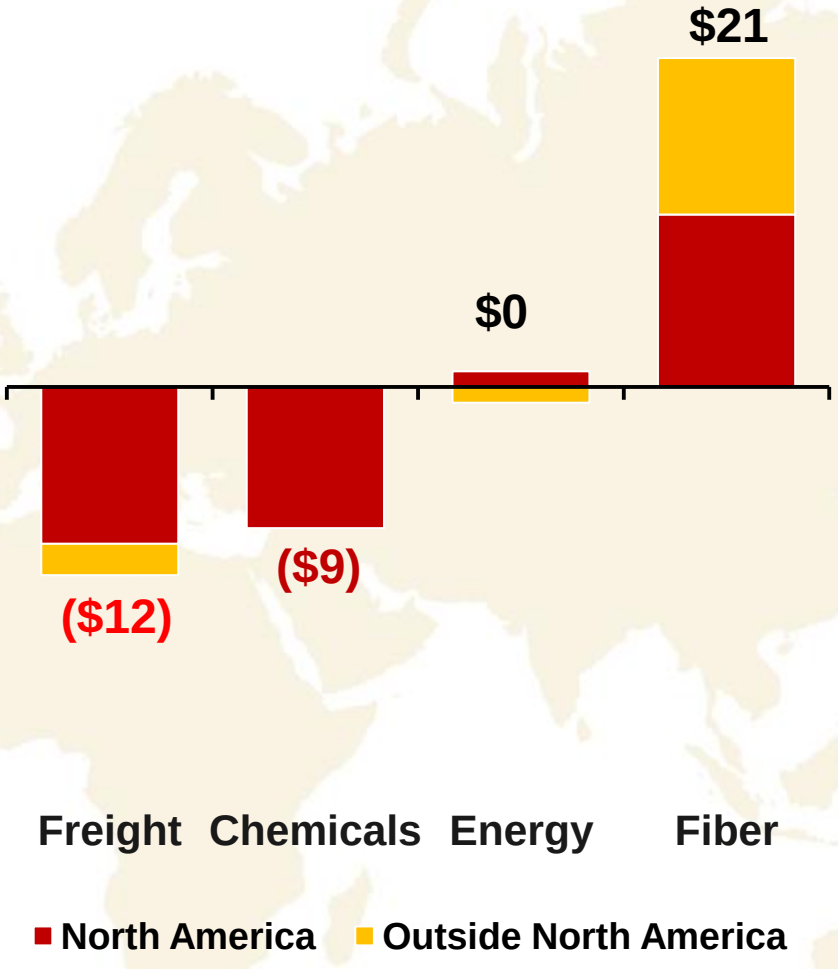
North American Mills Only (Including Temple Inland Mills)

Global Input Costs vs. 4Q11 | Flat

By Business

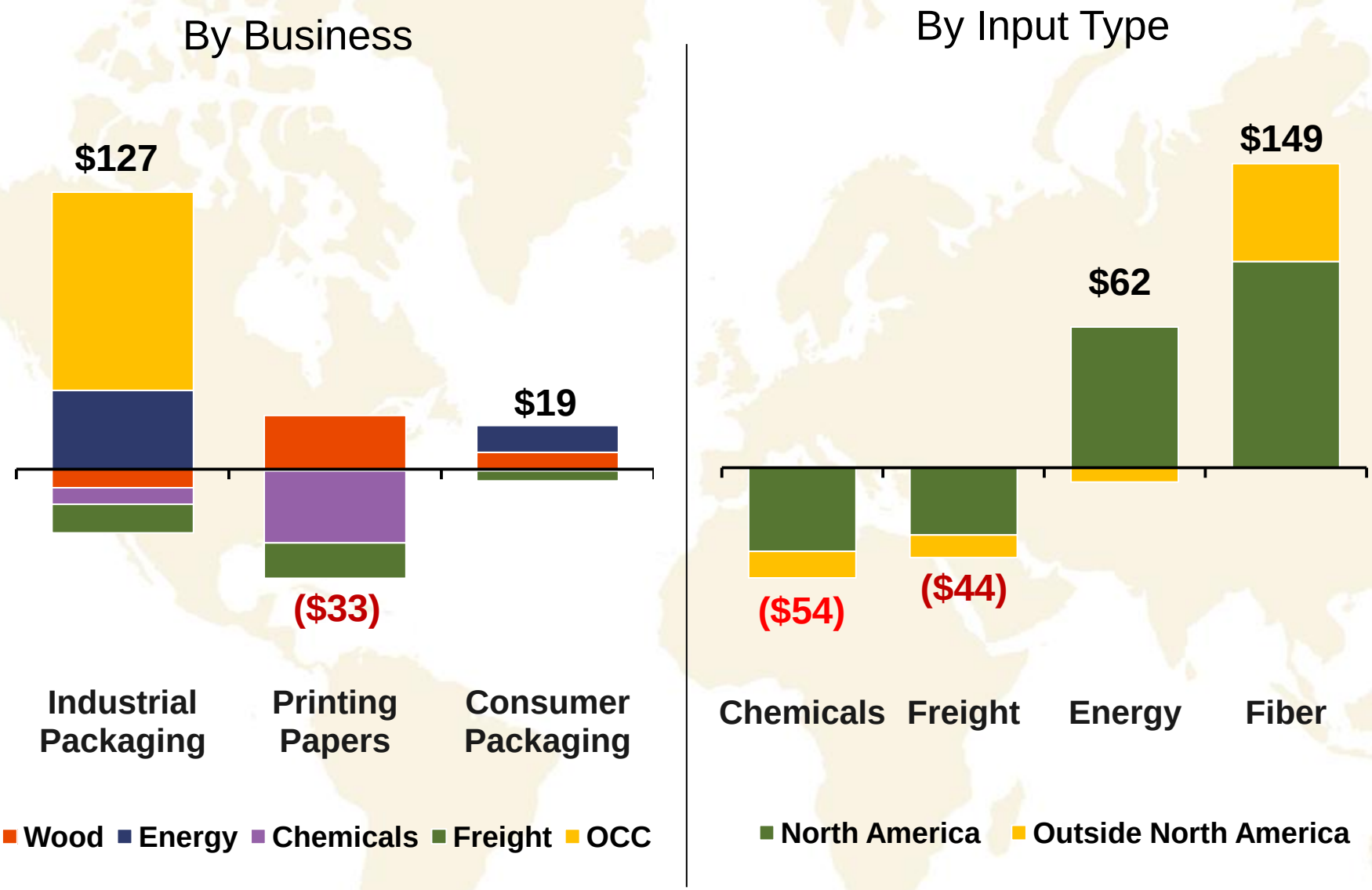


By Input Type



Input costs for continuing businesses

Global Input Costs vs. 2011 | $113MM Favorable, or $0.18 per share



Input costs for continuing businesses

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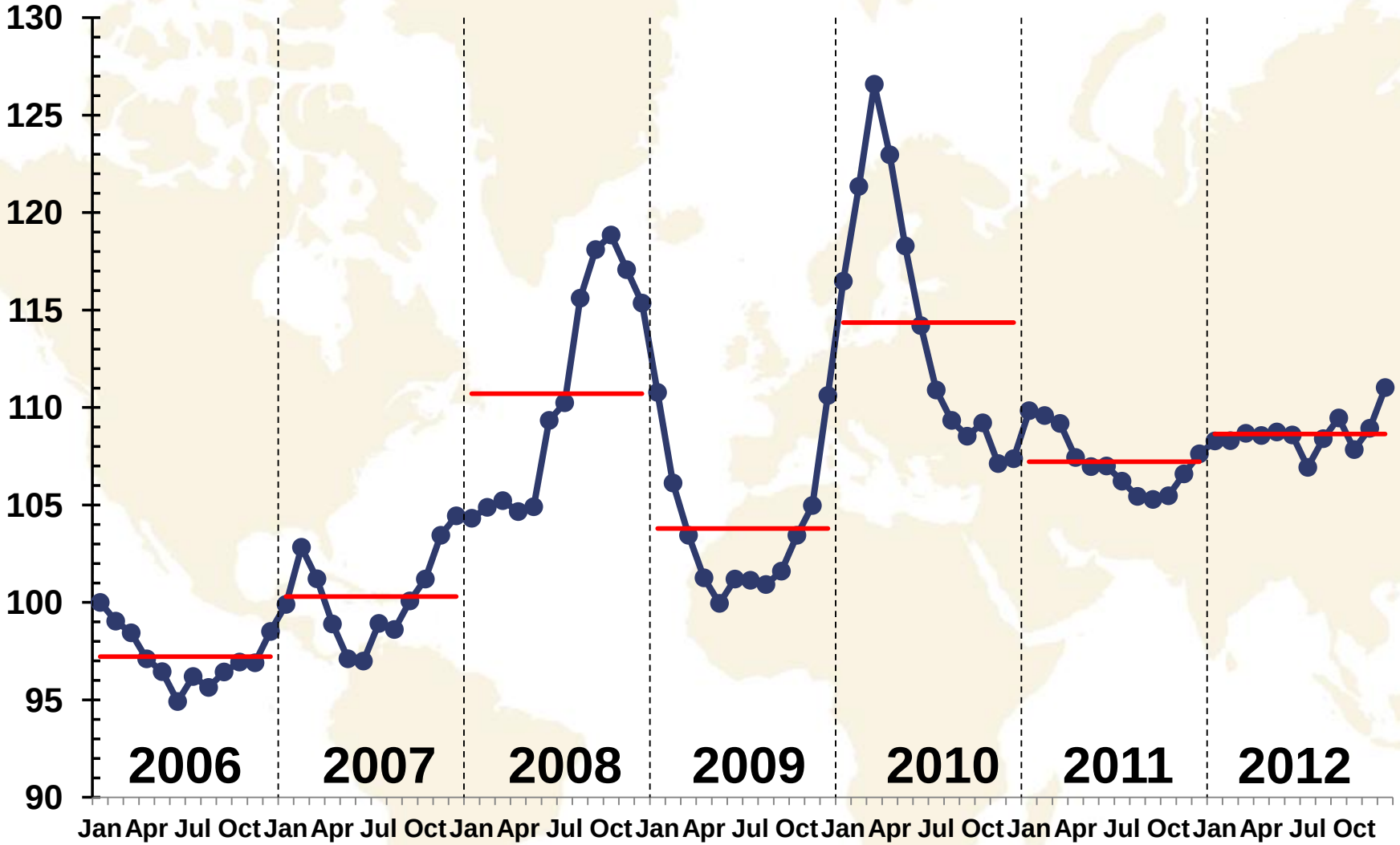
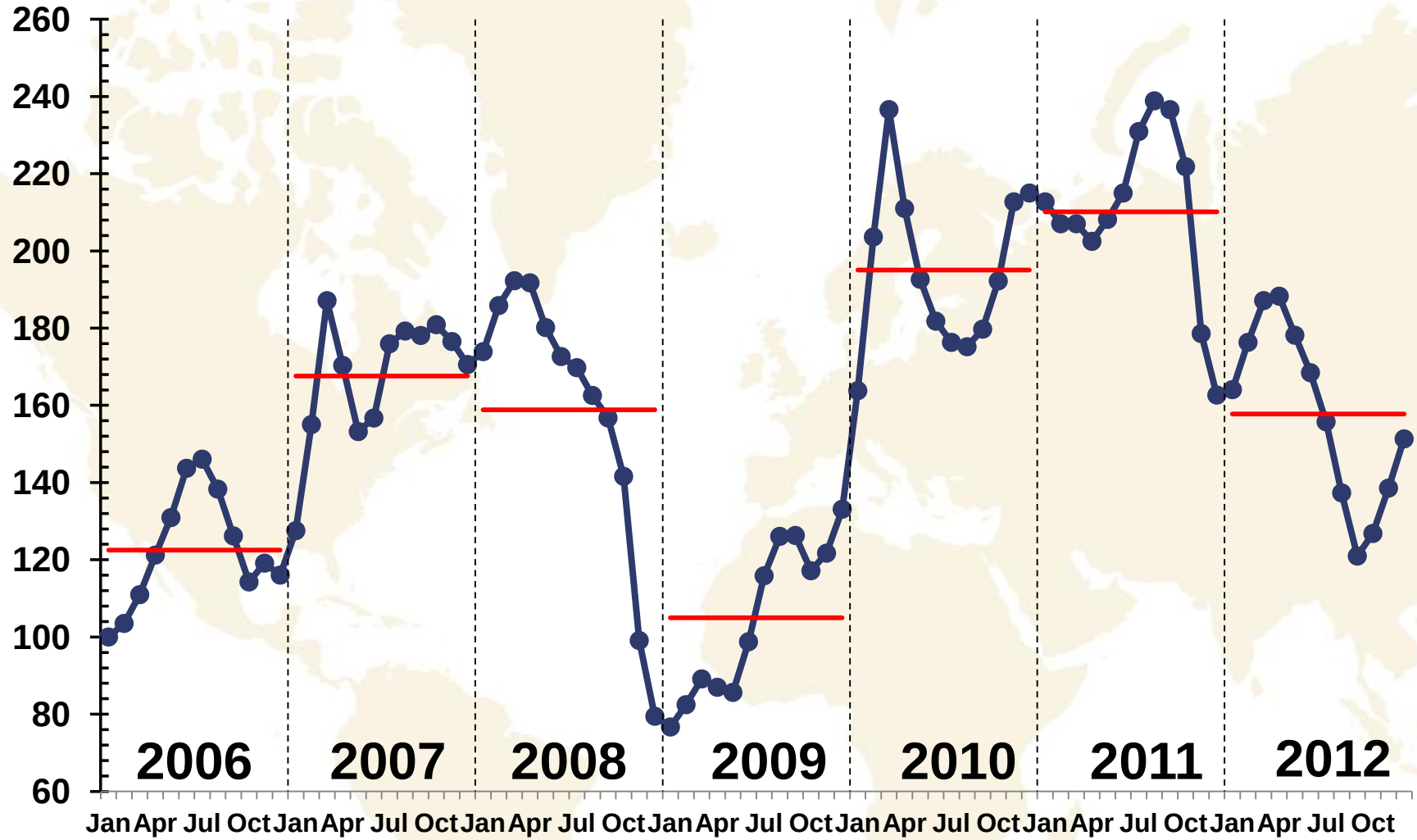
U.S. Mill Wood Delivered Cost Trend | 3% Increase vs. 3Q12 Average Cost



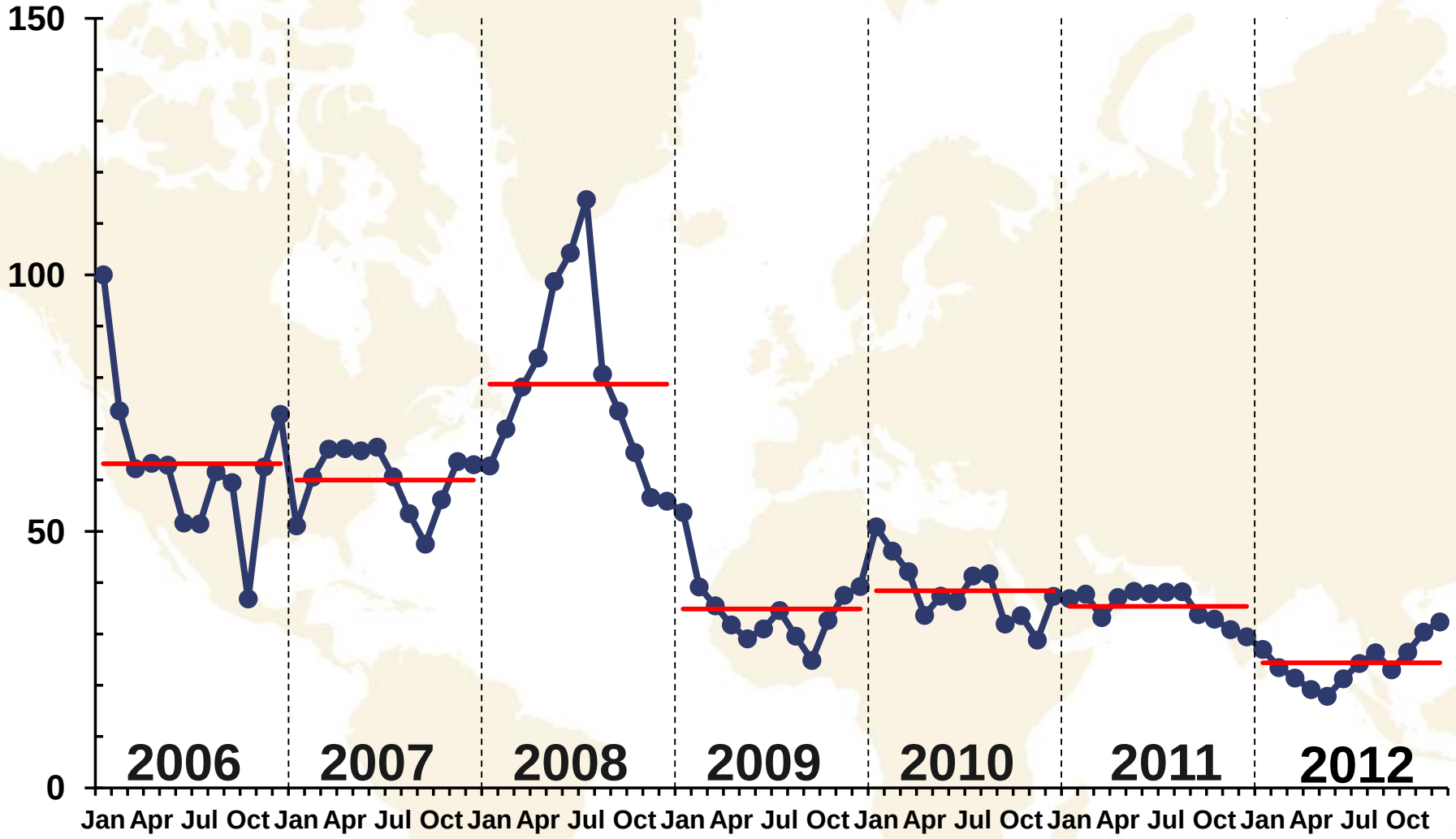
Cost Indexed to January 2006 values

U.S. OCC Delivered Cost Trend | 1% Increase vs. 3Q12 Average Cost



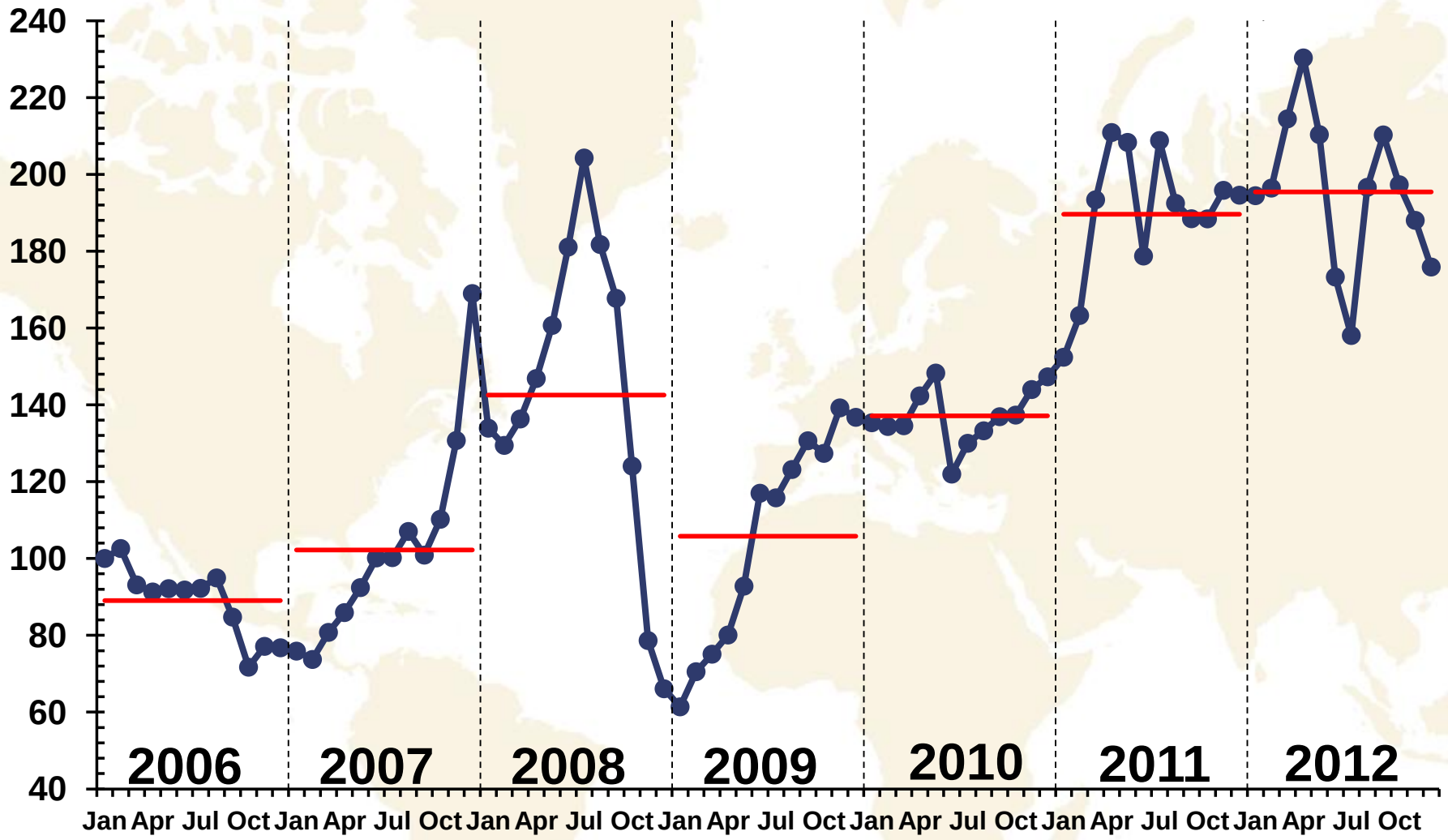
Cost Indexed to January 2006 values
2006-2007 represents WY PKG delivered costs; 2008-2010 represents delivered costs to the integrated system

Natural Gas Costs Trend | 21% Increase vs. 3Q12 Average Cost



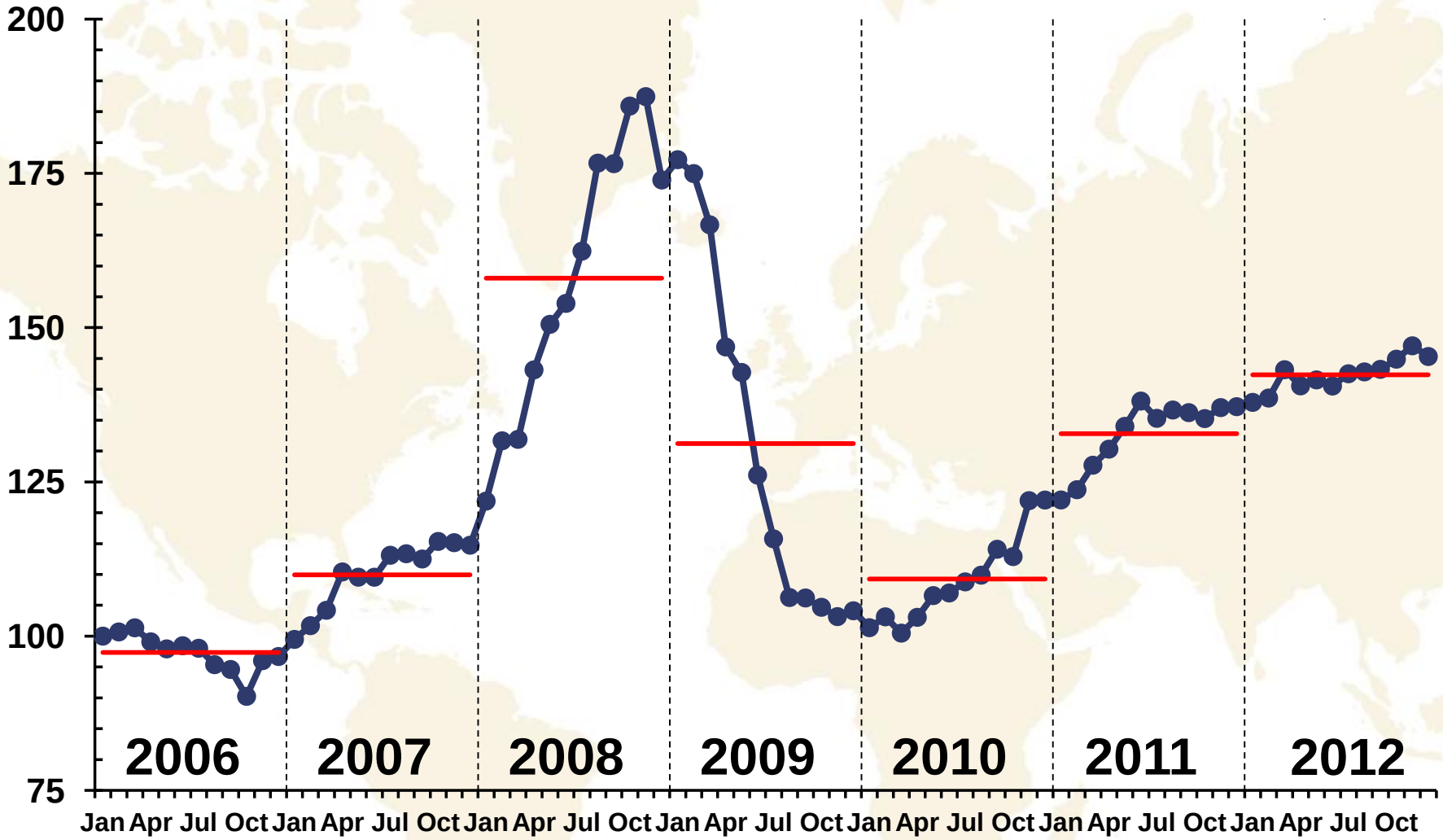
Cost Indexed to January 2006 values
NYMEX Natural Gas closing prices

U.S. Fuel Oil Trend | 1% Decrease vs. 3Q12 Average Cost



Cost Indexed to January 2006 values
WTI Crude prices

U.S. Chemical Composite Index Trend | 2% Increase vs. 3Q12 Average Cost



Cost Indexed to January 2006 values
Delivered cost to U.S. facilities: includes Caustic Soda, Sodium Chlorate, Starch and Sulfuric Acid 2006 - 2008 excludes WY PKG

2013 Global Consumption | Annual Purchase Estimates for Key Inputs

	Commodity	U. S.	Non – U. S.
Energy	Natural Gas (MM BTUs)	65,000,000	12,000,000
	Fuel Oil (Barrels)	750,000	400,000
	Coal (Tons)	480,000	450,000
Fiber	Wood (Tons)	55,300,000	9,100,000
	Old Corrugated Containers (Tons)	3,700,000	100,000
Chemicals	Caustic Soda (Tons)	380,000	65,000
	Starch (Tons)	430,000	107,000
	Sodium Chlorate (Tons)	180,000	50,000
	LD Polyethylene (Tons)	40,000	-
	Latex (Tons)	23,000	6,000

Does not include Asia, India or volume consumed by Joint Ventures (Sun JV, Ilim JV, Orsa JV)
Estimates are based on normal operations and may be impacted by downtime
Excludes consumption related to divested TIN mills and TIN Building Products