Fourth Quarter and Full-Year 2013 Earnings | February 4, 2014



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 receipt of governmental and other approvals and favorable rulings associated with the agreed-upon transaction combining xpedx with Unisource, the successful fulfillment or waiver of all other closing conditions for such transaction without unexpected delays or conditions, and the successful closing of such transaction within the estimated timeframe; and (viii) our ability to achieve the benefits we expect from all 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

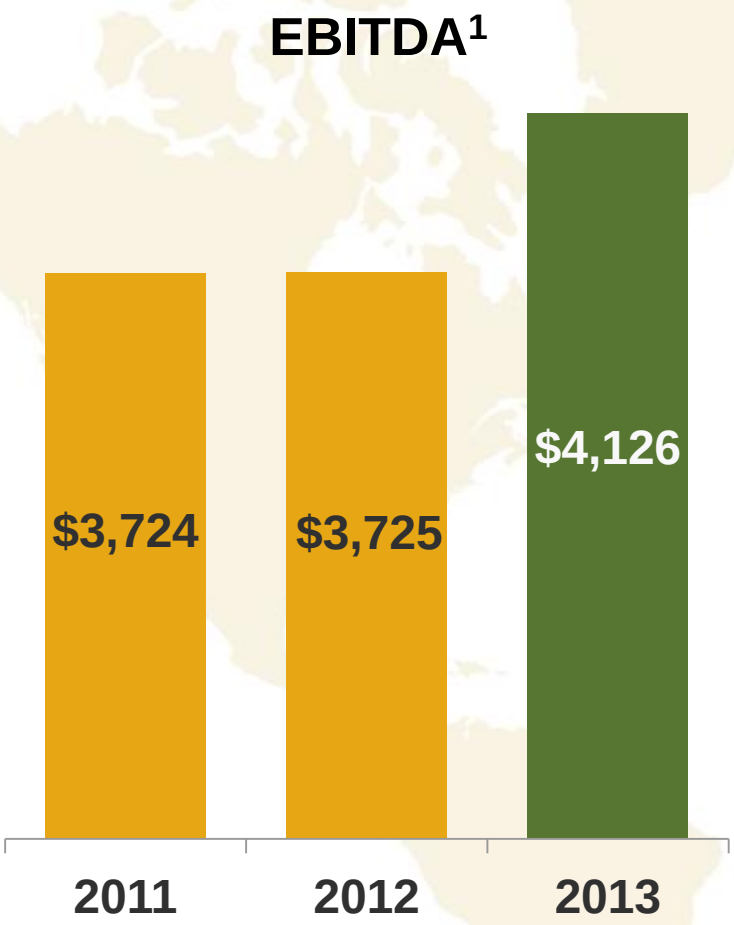
During the course of this presentation, certain non-U.S. GAAP financial information will be presented.

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."

Full-Year 2013 Results



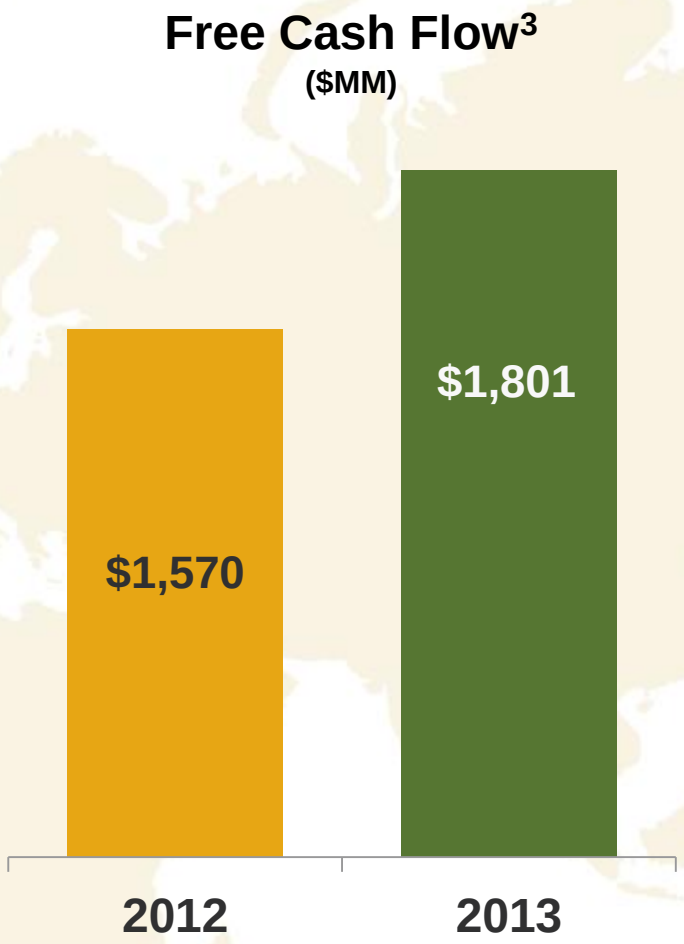
- Delivered record operating earnings and cash from operations
- Strong free cash flow of $1.8B on increased EBITDA
- Industry-leading EBITDA margins across NA businesses
- Further strengthened a healthy Balance Sheet
- Increased dividend by 17% in 4Q and implemented $1.5B share buyback program
- Solid operational performance across key businesses
- Signed definitive agreement on xpedx transaction on January 28, 2014
- Ilim results significantly impacted by FX valuation and project startups
- Exceeded Cost of Capital with ROIC of 9+%

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

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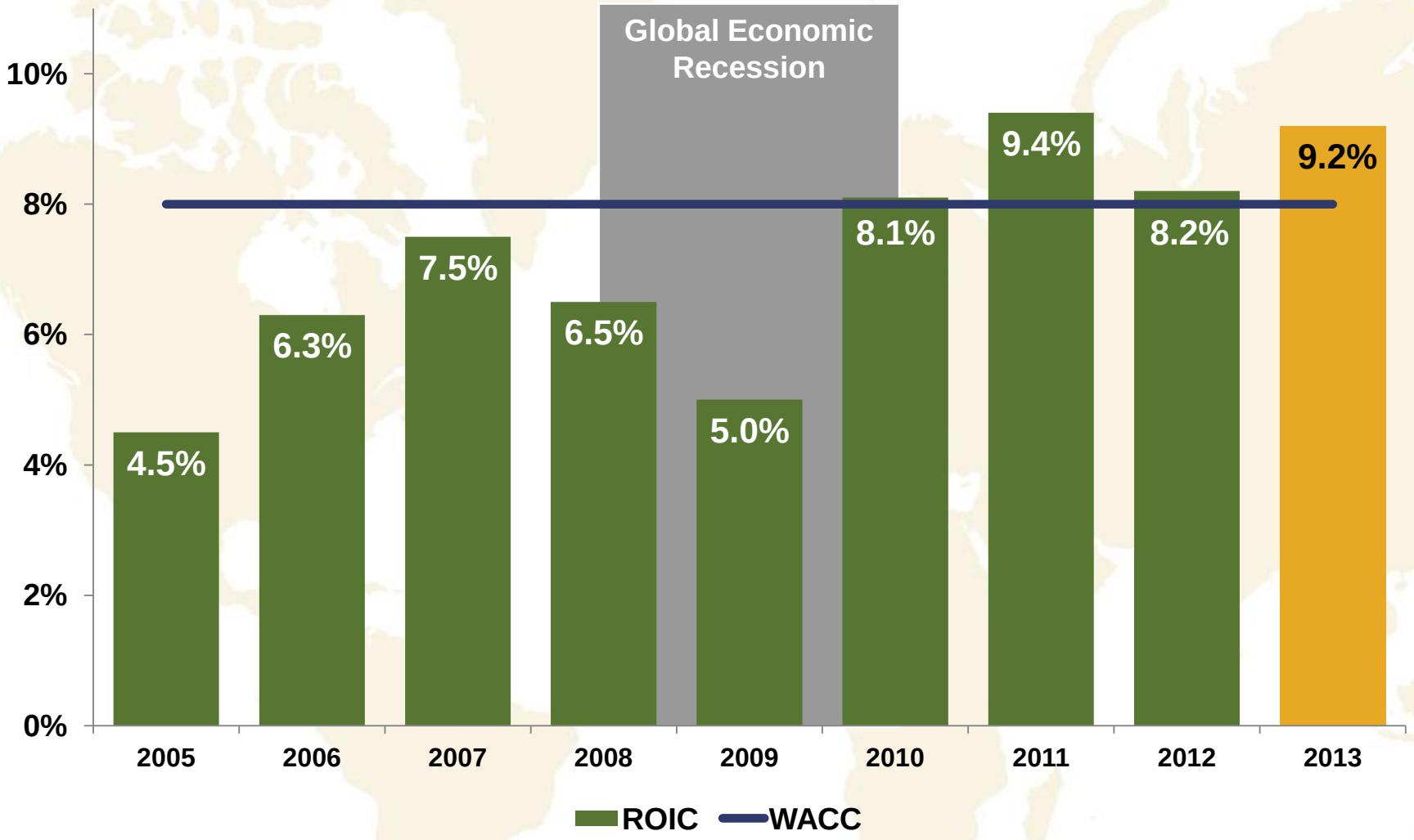
Full-Year 2013 Financial Results

$ Billion (Except as noted)	2012	2013	% Improvement
Sales	$28	$29	4%
EBIT[1]	$2.2	$2.6	15%
EPS[2]	$2.65	$3.16	19%
EBITDA[1]	$3.7	$4.1	11%
EBITDA Margin	13.4%	14.2%	6%
Free Cash Flow[3]	$1.6	$1.8	15%
Year-End Debt	$10.1	$9.5	6%
Cash Balance	$1.3	$1.8	38%



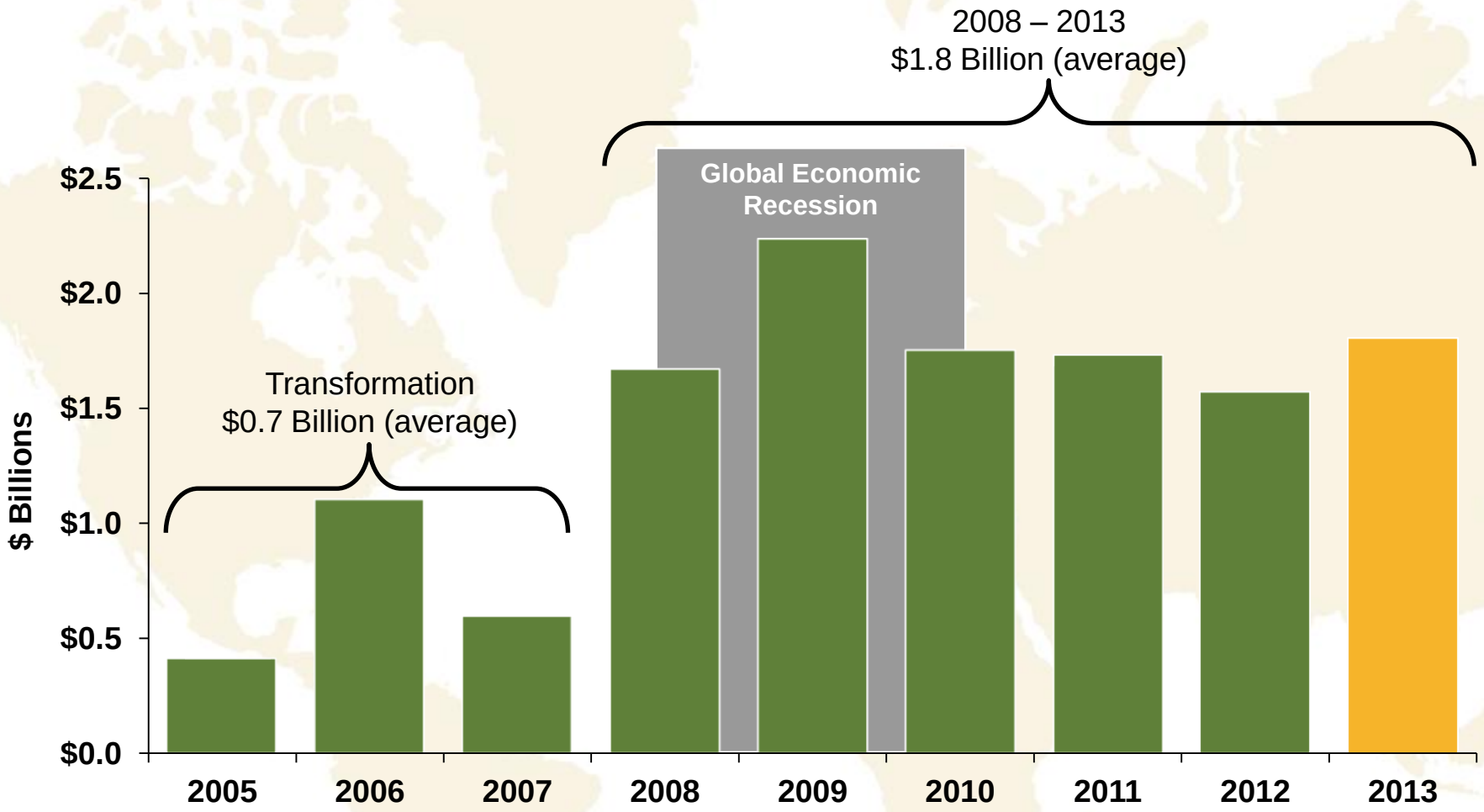
[1] From continuing operations before special items and non-operating pension expense
[2] EPS based on Operating Earnings (defined as Net Earnings (GAAP) from continuing operations before special items and non-operating pension expense)
[3] See slide #34 for a reconciliation of cash provided by continuing operations to free cash flow

Returns on Invested Capital[1] above our Cost of Capital



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

Strong, Sustainable Free Cash Flow



Free cash flow, based on data in the 10-K for each year at the time of filing.
Excludes net cash pension contributions impacting 2006, 2010, 2011 & 2013, cash flows under European accounts receivable securitization beginning in 2009 and ending in 2011, and cash received from Black Liquor Tax Credits in 2009 and 2010. 2012 excludes $120MM cash paid for Temple-Inland change-in-control agreements, $251MM cash received from unwinding a timber monetization, $44MM cash paid for Temple-Inland pension plan contribution, and $80MM cash paid for Guaranty Bank settlement. 2013 excludes $31MM cash paid for pension plan contribution and $30MM cash received from Guaranty Bank insurance reimbursements.

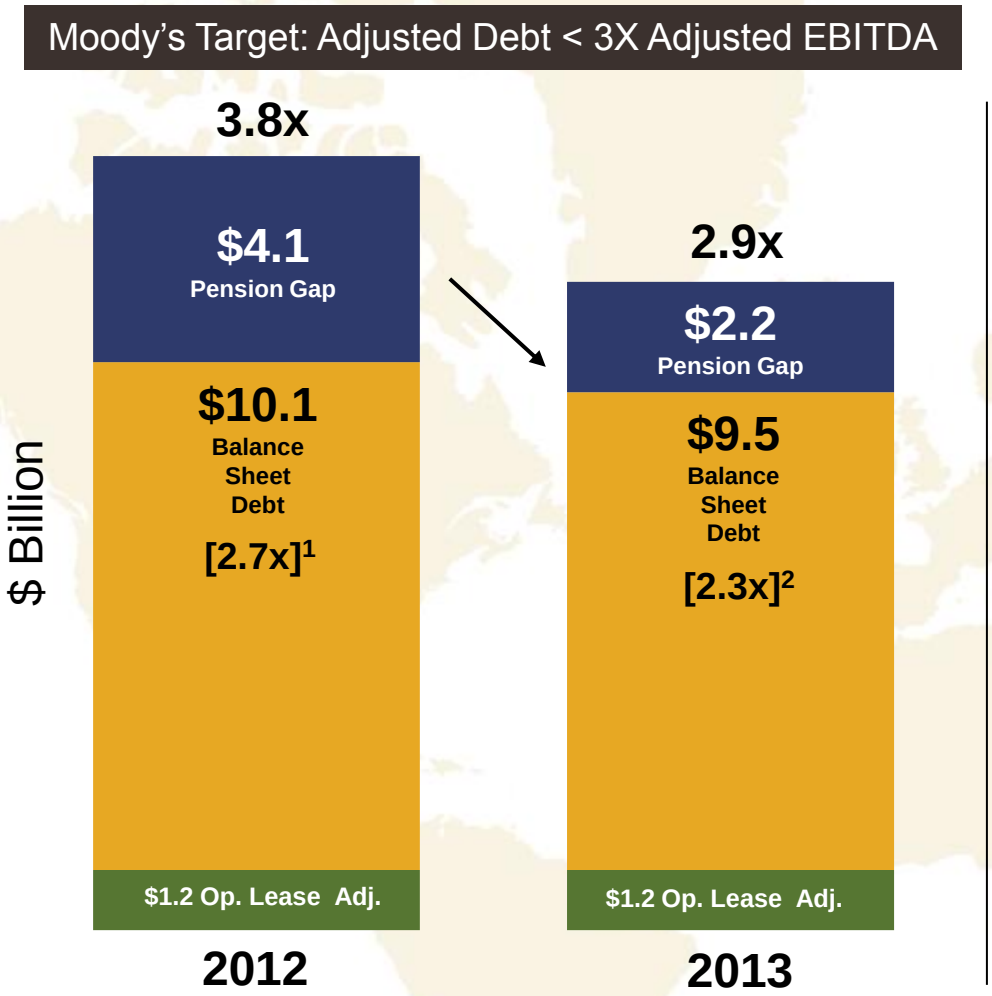
IP's Balanced Use of Cash | Increasing Shareholder Value

2013 Cash from Operations
$3.0B

Sale of Building Products
$730MM

	Use of Cash ($MM)
Return Cash to Shareowners ▪ 17% Dividend increase to $1.40/share ▪ $1.5B Share Buyback Program • Authorized September 10, 2013 • Purchased ~11.7MM shares through Feb 3rd at avg. price of $45.50 per share	~ $550 ~ $530
Debt Reduction	~ $650
Capital Spending	~ $1,200
Selective Reinvestment Olmuksa – Turkey Grupo Orsa – Brazil } Industrial Pkg. deals closed 1Q13	~ $525

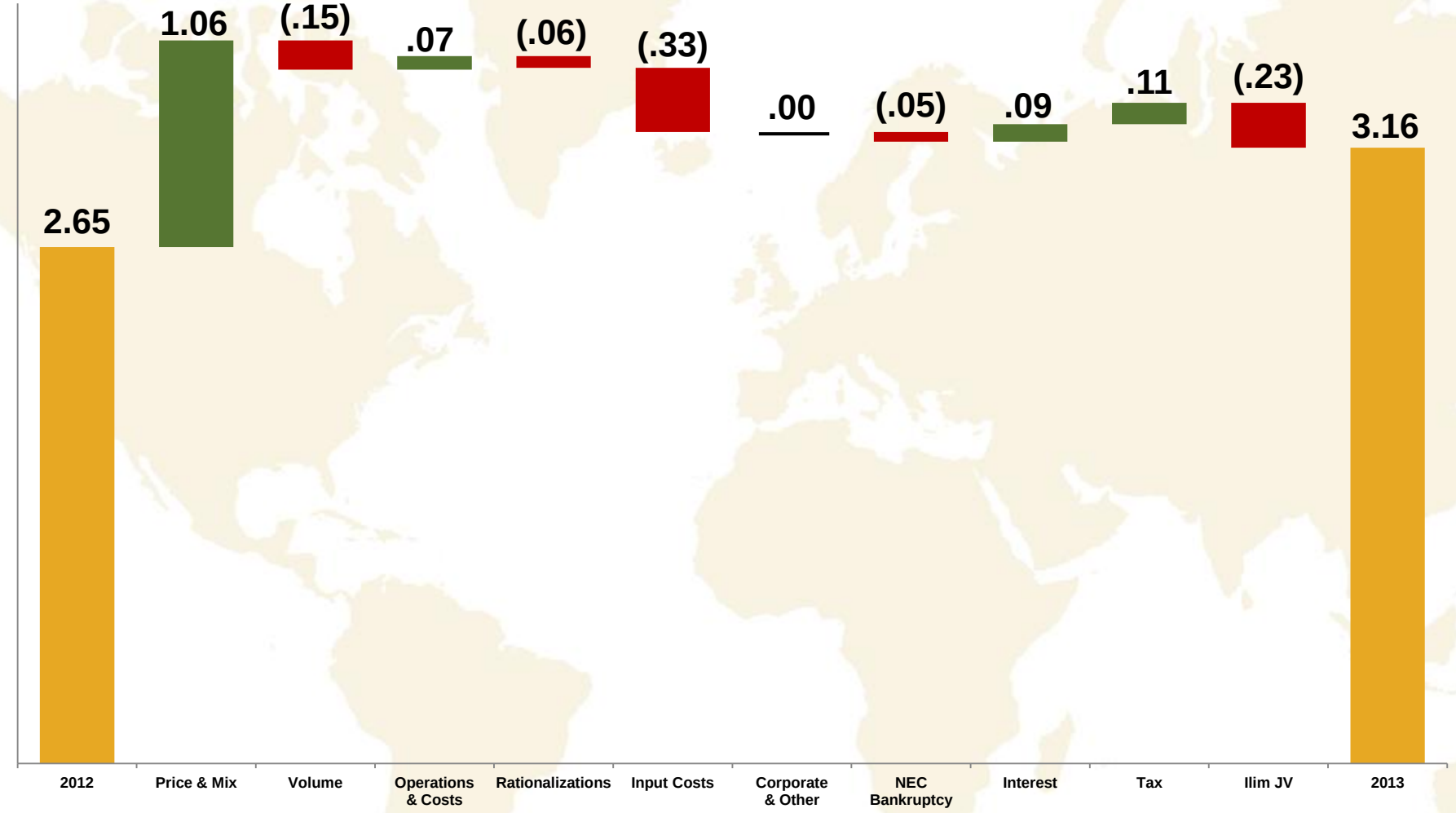
Balance Sheet | Debt Coverage



- Reduced Balance Sheet debt $2.5B since Temple-Inland acquisition; $650MM paid in 2013
- Pension Gap decreased by $1.9B due to asset performance and discount rate[3] increase
- Achieved Moody's debt coverage target of < 3X adjusted EBITDA as of year end 2013
- $1.8B cash balance at year end

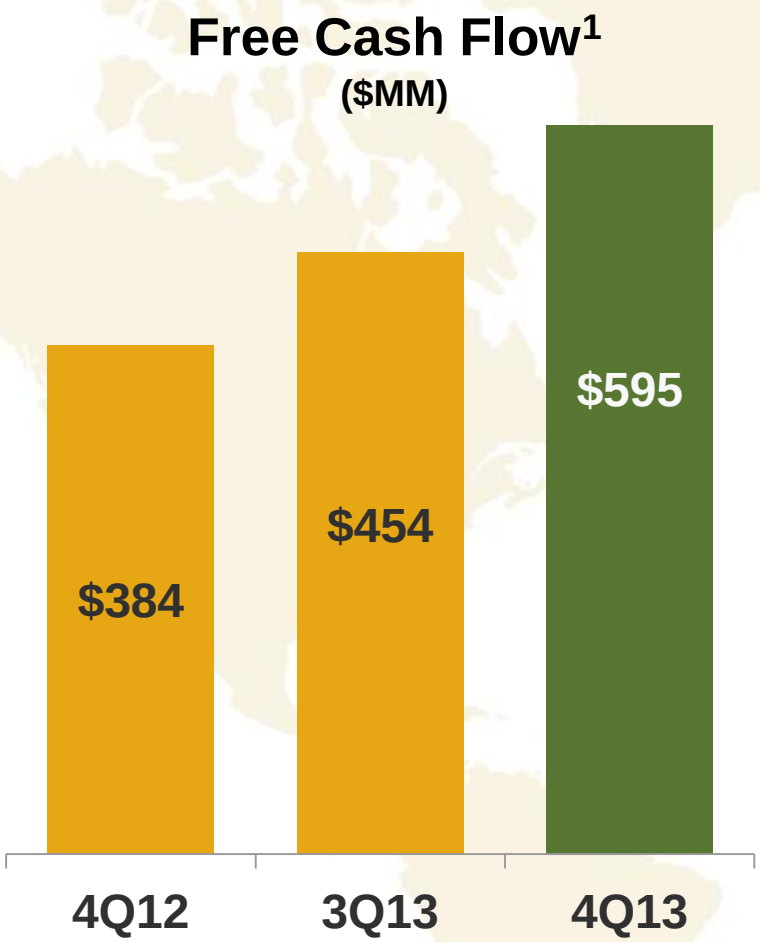
Adjusted Debt reflects gross balance sheet debt plus pension gap and operating leases (Moody's Methodology)
Adjusted EBITDA of $4.4B incorporates pension and lease expense adjustments (Moody's Methodology)
[1] Simple Debt Coverage: Balance Sheet Debt / 2012 Reported EBITDA of $3.7B
[2] Simple Debt Coverage: Balance Sheet Debt / 2013 Reported EBITDA of $4.1B
[3] AA Corporate Bond Rate

2013 vs. 2012 EPS



Operating Earnings

Fourth Quarter 2013 Results

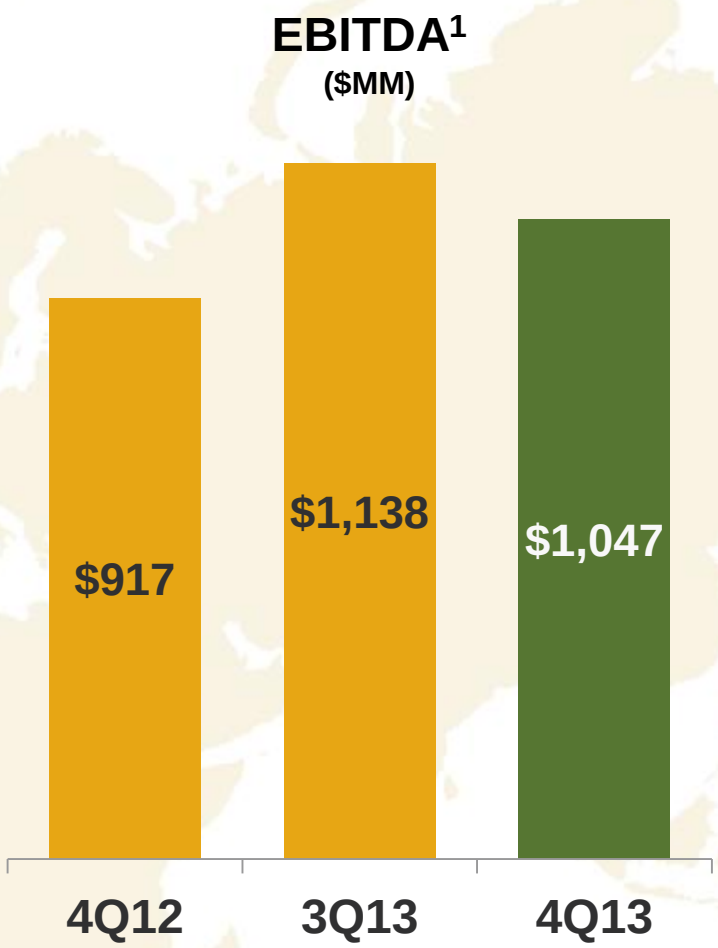


- Strongest free cash flow quarter of the year
- Price improvement in NA and Brazil businesses
- Strong performance in NA Industrial Packaging
  - Industry leading margins despite 276,000 tons of market downtime
  - Closed volume gap by year end
- Good progress on Courtland shutdown; costs partially offset by good operations
- Continued progress in Ilim ramp-ups more than offset by seasonally high inputs and FX
- xpedx results below expectations due to challenging environment

[1] See slide #34 for a reconciliation of cash provided by continuing operations to free cash flow

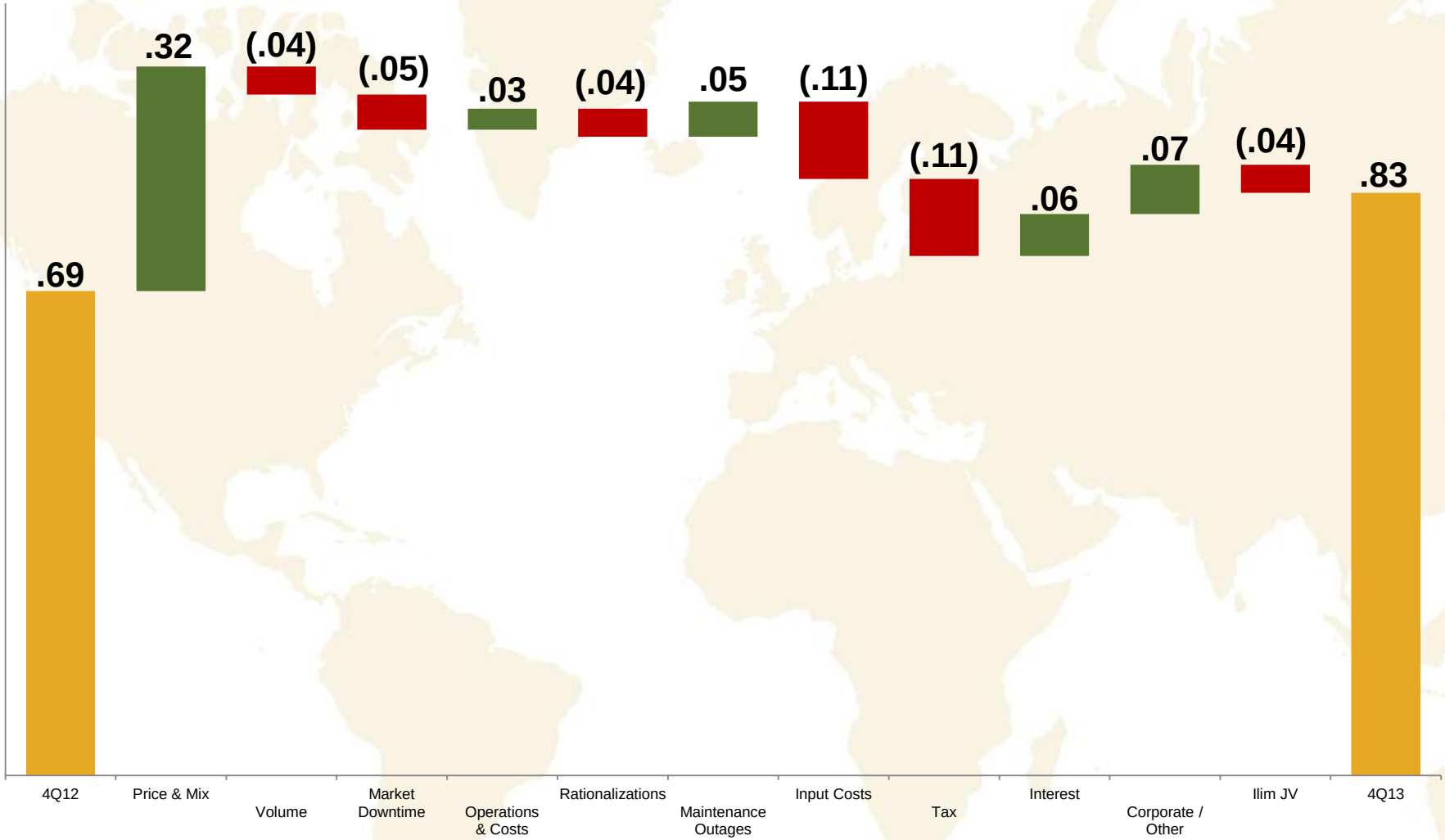
4Q13 Financial Results

	4Q12	3Q13	4Q13
Sales ($B)	$7.1	$7.4	$7.2
EBIT[1] ($MM)	$542	$737	$676
EPS[2]	$0.69	$1.05	$0.83
EBITDA[1] ($MM)	$917	$1,138	$1,047
EBITDA Margin[1]	13.0%	15.4%	14.4%
Free Cash Flow[3] ($MM)	$384	$454	$595



[1] From continuing operations before special items and non-operating pension expense
[2] EPS based on Operating Earnings (defined as Net Earnings (GAAP) from continuing operations before special items and non-operating pension expense)
[3] See slide #34 for a reconciliation of cash provided by continuing operations to free cash flow

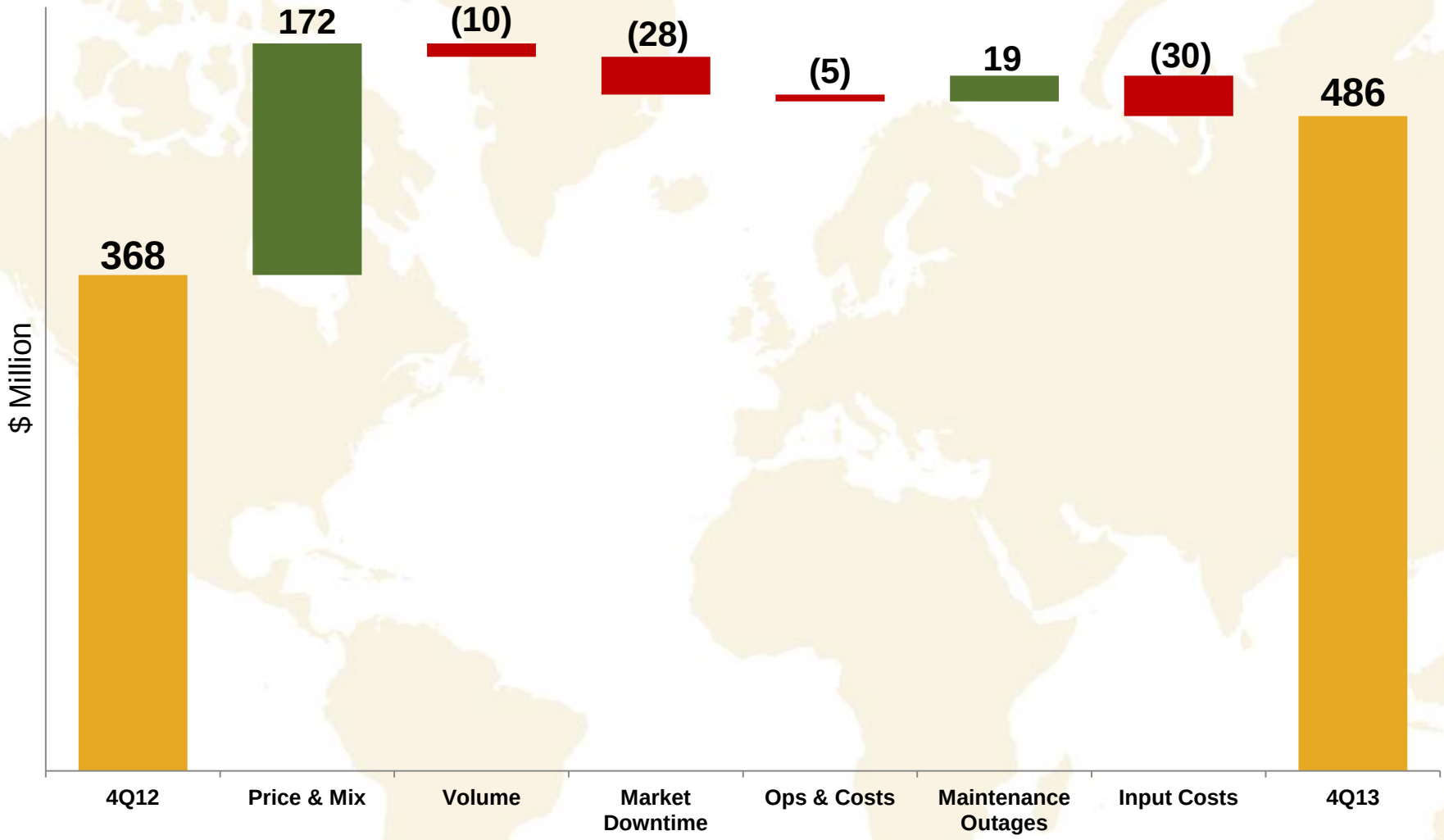
4Q13 vs. 4Q12 EPS



Operating Earnings

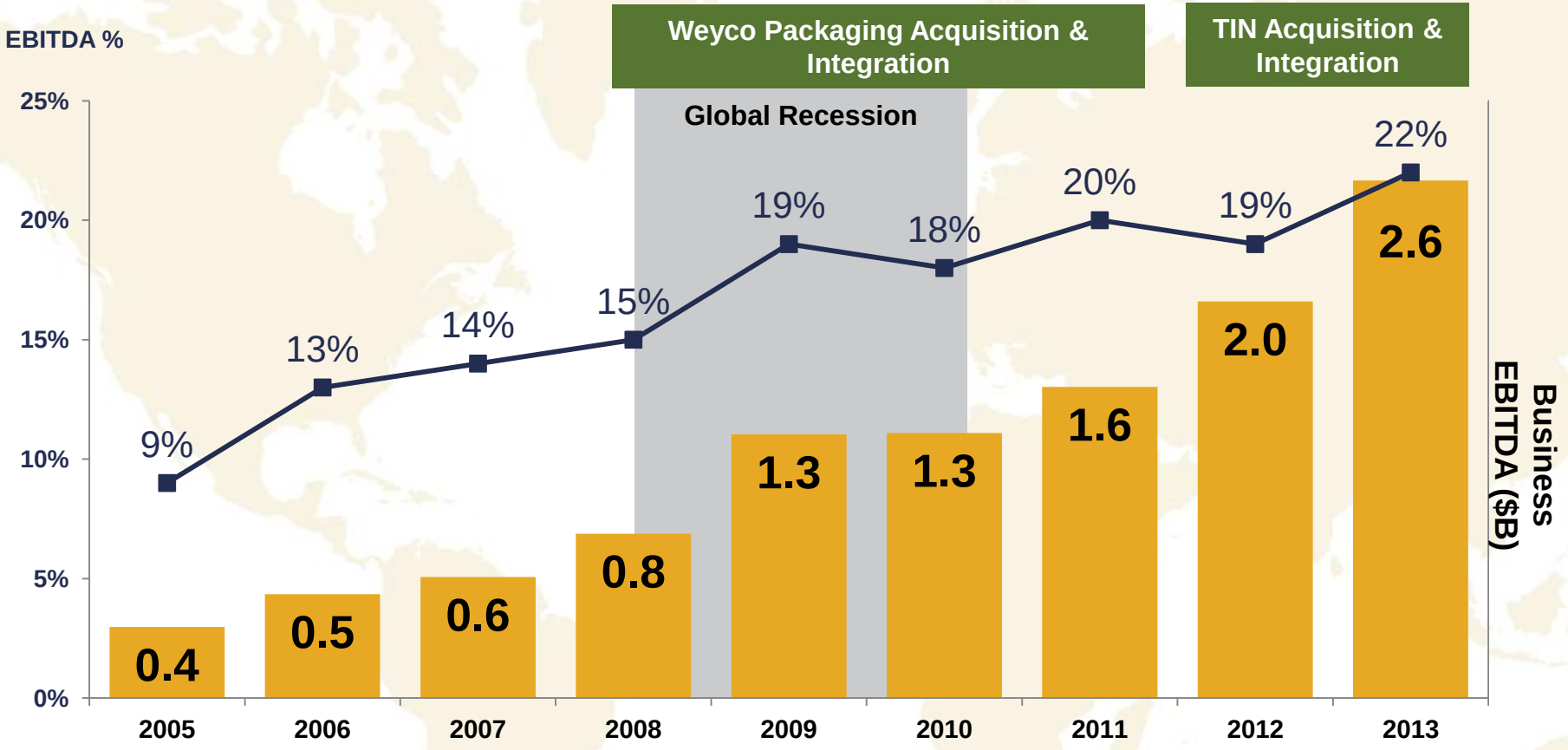
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Industrial Packaging | 4Q13 vs. 4Q12



Segment operating profit before special items

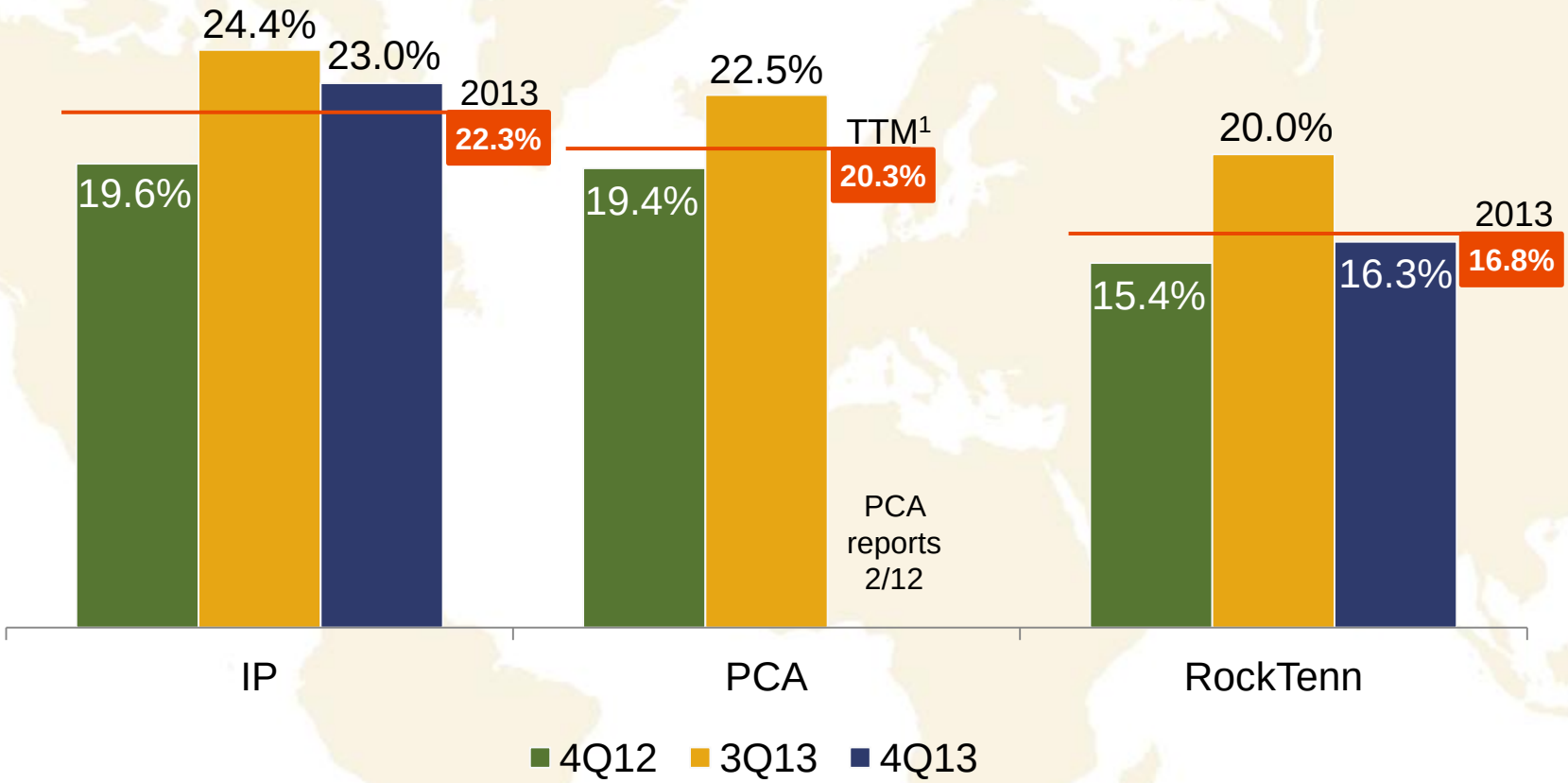
Growth and Margin Expansion through Strategic Acquisitions and Successful Integrations



IP EBITDA margins based on North American Industrial Packaging operating profit before special items
Excludes the Recycling Business and revenue from trade volumes

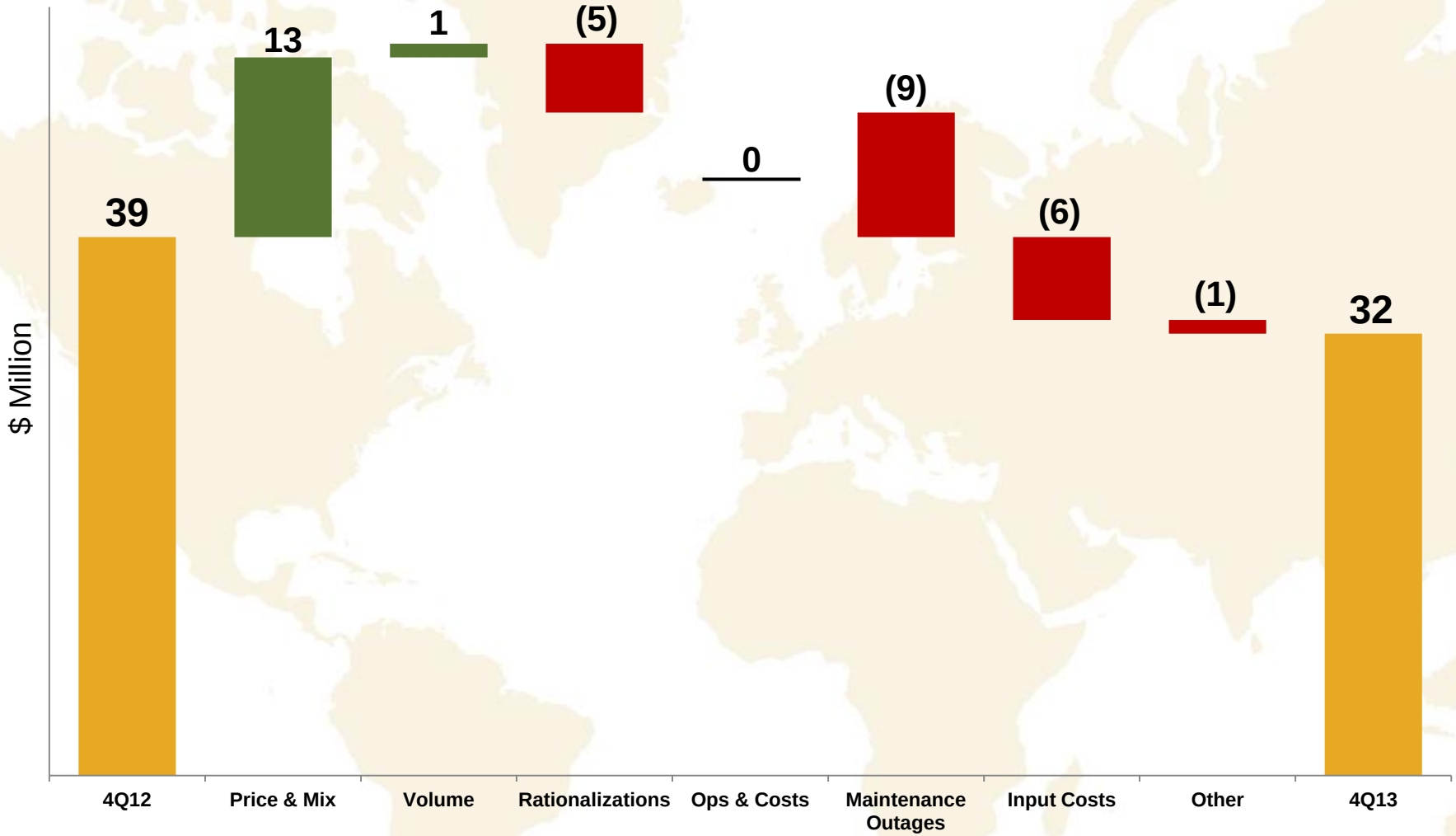
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NA Industrial Packaging Relative EBITDA Margins



[1]Trailing twelve months EBITDA margin based on most recent actual quarterly data
IP EBITDA margins based on North American Industrial Packaging operating profit before special items
Excludes the Recycling Business and revenue from trade volumes
Competitor EBITDA margin estimates obtained from public filings and IP analysis

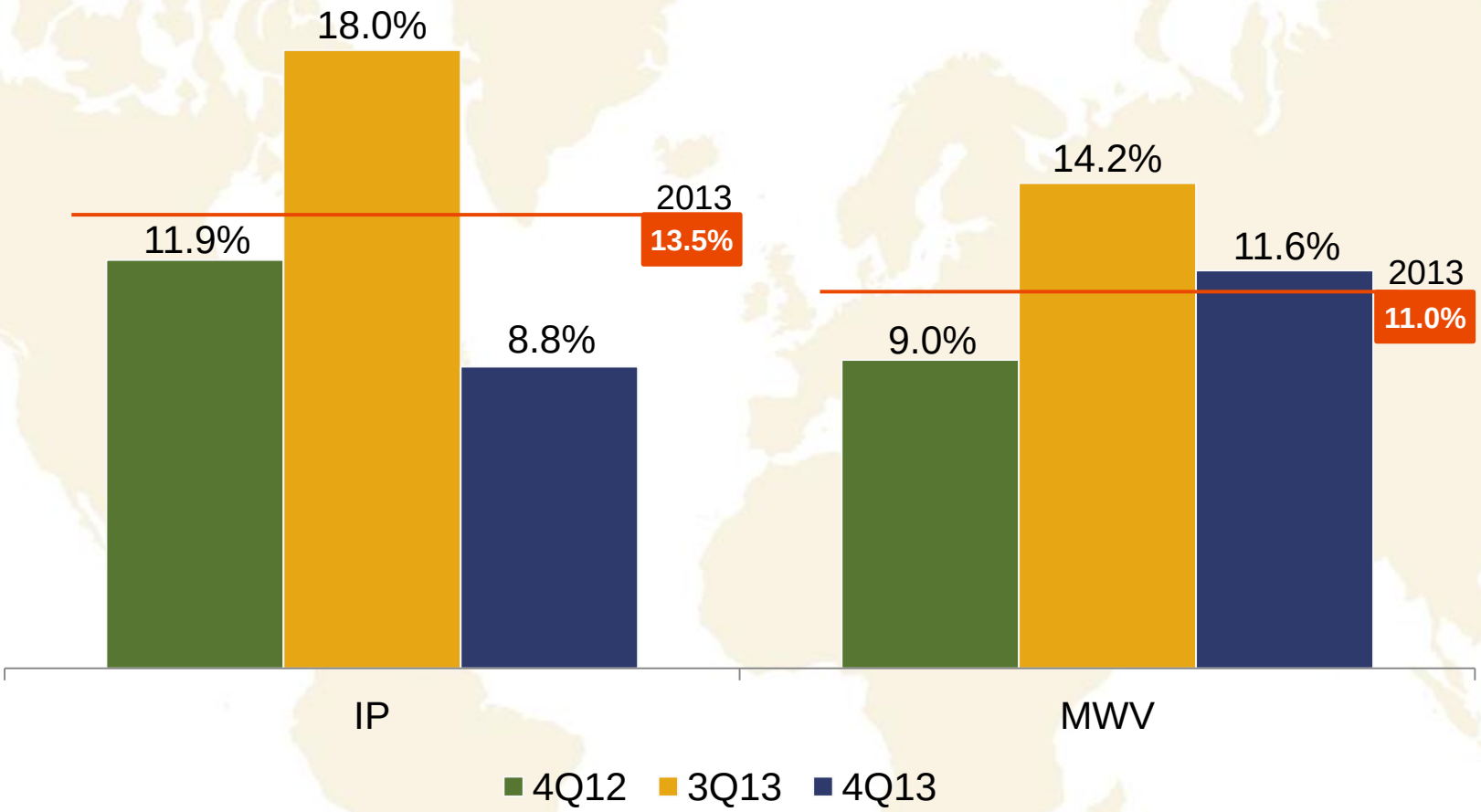
Consumer Packaging | 4Q13 vs. 4Q12



Segment operating profit before special items

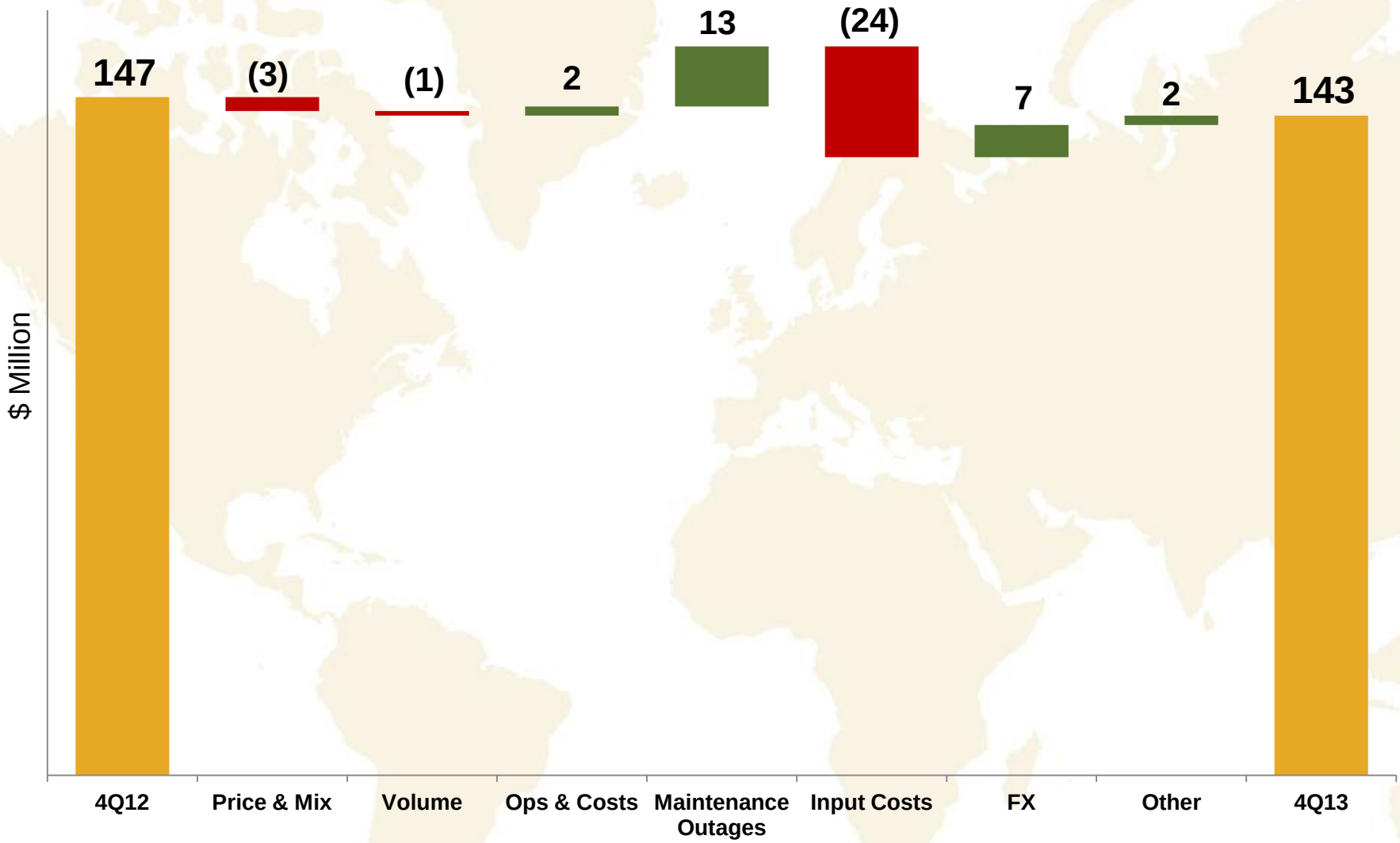
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NA Consumer Packaging EBITDA Margins



[1] Trailing twelve months EBITDA margin based on most recent actual quarterly data
IP EBITDA margins based on North American Consumer Packaging operating profit before special items
Competitor adjusted EBITDA margins obtained from public filings and IP analysis; reflects Food & Beverage segment

Printing Papers | 4Q13 vs. 4Q12



Segment operating profit before special items

- **4Q13 Update**
  - First two machines shutdown in November as scheduled
  - Trials and qualifications running ahead of schedule
  - Exiting low margin business as planned
  - Costs largely in line with 4Q expectations, partially offset by favorable spending and operational performance
- **1Q14 Update**
  - Accelerated shutdown of remaining two machines by February 2nd
  - Inventory will increase to facilitate transitions
  - Higher costs expected with shutdown of two machines plus remainder of mill
  - Some cost impact will continue into 2Q14 and beyond

Distribution | 4Q13 vs. 3Q13

$ Million	4Q12	3Q13	4Q13
Sales	$1,530	$1,445	$1,415
Earnings	$11	$19	$5

Daily Sales Change	vs. 4Q12	vs. 3Q13
Printing	(7%)	(2%)
Packaging	(4%)	1%
Facility Solutions	(15%)	(4%)

- Lower revenues in a challenging environment
- Continued reduction in operating costs
- Full year 2013 EBITDA of $59MM

Segment operating profit before special items

- ✓ April 22, 2013 – Letter of Intent signed
- ✓ January 28, 2014 – Definitive Agreement signed
- Transaction expected to be completed in mid-2014

- Value creation for IP shareholders
  - IP shareholders to own ~51% of NewCo, through a tax-free Reverse Morris Trust structure
  - IP to receive a cash payment of ~$400MM, financed with new debt in NewCo's capital structure
  - IP has the potential to receive an "earn-out" of $100MM in the sixth year following the closing
  - Improved margins for IP
- Filing of initial registration statement in coming weeks will begin the SEC review process

Ilim Joint Venture | 4Q13 vs. 3Q13

$ Million	4Q12	3Q13	4Q13
Sales Volume (thousand tons)	738	707	677
Sales	$500	$488	$482
Operational EBITDA[1]	$58	$73	$61
F/X (Impact of USD Debt[2]**)**	$15	$19	($15)
EBITDA	$74	$92	$45
IP Equity Earnings[3]	$8	$11	($12)

- Seasonally higher input costs offset price improvement and operational progress
- Unfavorable F/X impact ($34MM quarter over quarter swing) and increased depreciation costs

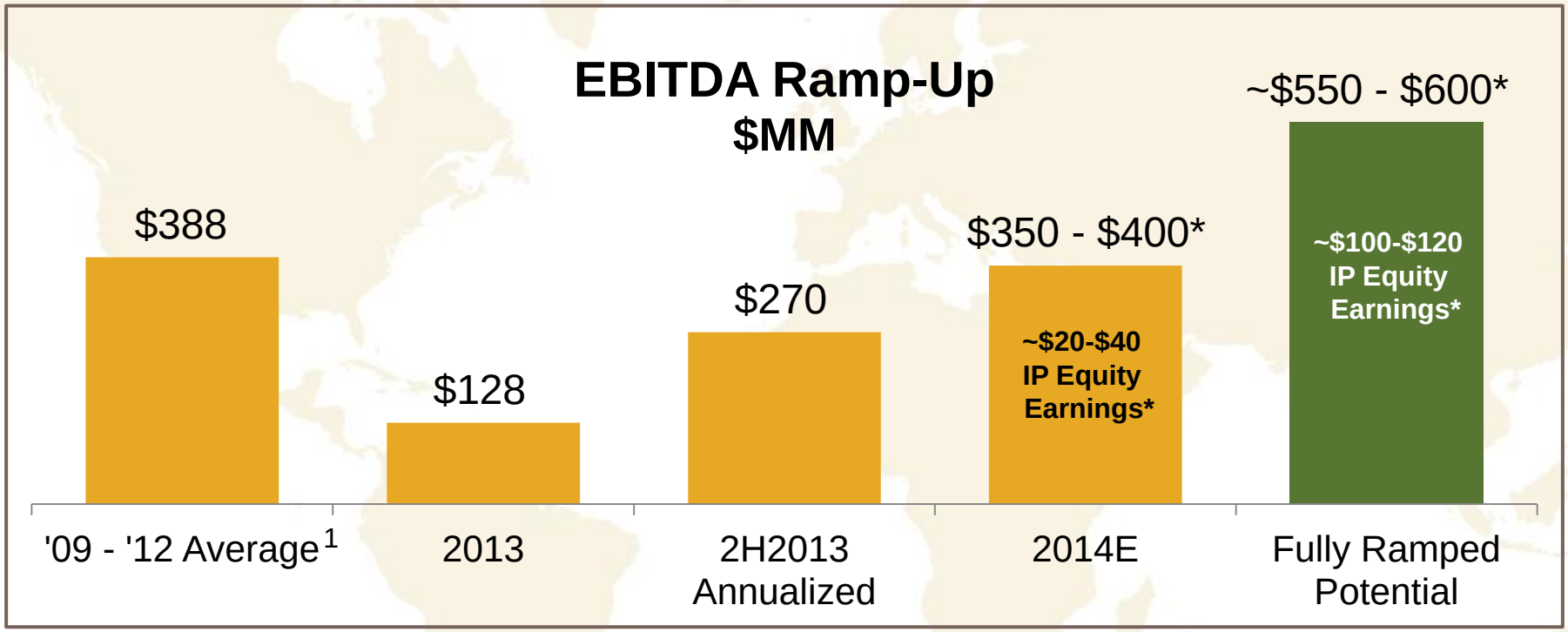
Ilim JV results are on an IFRS basis with the exception of IP Equity Earnings which is US GAAP

[1] Before F/X impact

[2] 4Q13 Ilim JV USD-denominated debt balance of ~$1.4B; Ilim Group's functional currency is the Ruble (RUB); Non-functional-denominated currency balances are measured monthly using the month-end exchange rate

[3] IP Equity Earnings for 4Q12 and 3Q13 include after-tax f/x gains of $6MM and $8MM, respectively; 4Q13 earnings include an after-tax f/x loss of $6MM

$ Million	'09-'12 Average[1]	2013	2014
Depreciation	$125	$177	~$225
Interest Expense	$15	$39	~$75



Ilim JV figures are on an IFRS basis with the exception of IP Equity Earnings which is US GAAP. IP position in joint venture is 50%.
* Assumes stable FX & current pulp prices
[1] See slide #54 for yearly results and additional financial measures

First Quarter Outlook | Changes from 4Q13

		North America	EMEA & Russia	Brazil	Asia[1]
Volume	Paper	Decline due to Restructuring	Seasonal Decrease	Seasonal Decrease	Stable
	Packaging	2 More Days – Weather Impact	Kwidzyn Project	Seasonal Decrease	Stable
Pricing / Mix	Paper	Improving	Stable	Increasing	Stable
	Packaging	Mix Improvement	Stable	Stable	Stable
Operations & Other	Paper	Courtland Closure	Stable	Stable	Stable
	Packaging	– Weather Impact	Kwidzyn Project	Improving	Stable
Inputs & Freight	Paper	Energy and – Weather Impact	Stable	Stable	Stable
	Packaging	Energy and – Weather Impact	Stable	Stable	Stable
Mill Maintenance Outages	Paper	Increase $22MM	Decrease $14MM	Decrease $4MM	None Scheduled
	Packaging	Increase $43MM	None Scheduled	None Scheduled	None Scheduled
xpedx Earnings		Flat			
ILIM JV Equity Earnings			Non-recurring Currency Impact[2]		

[1] Includes India [2] Assumes stable F/X

1Q14 Outlook Summary | Continuing to run our businesses well



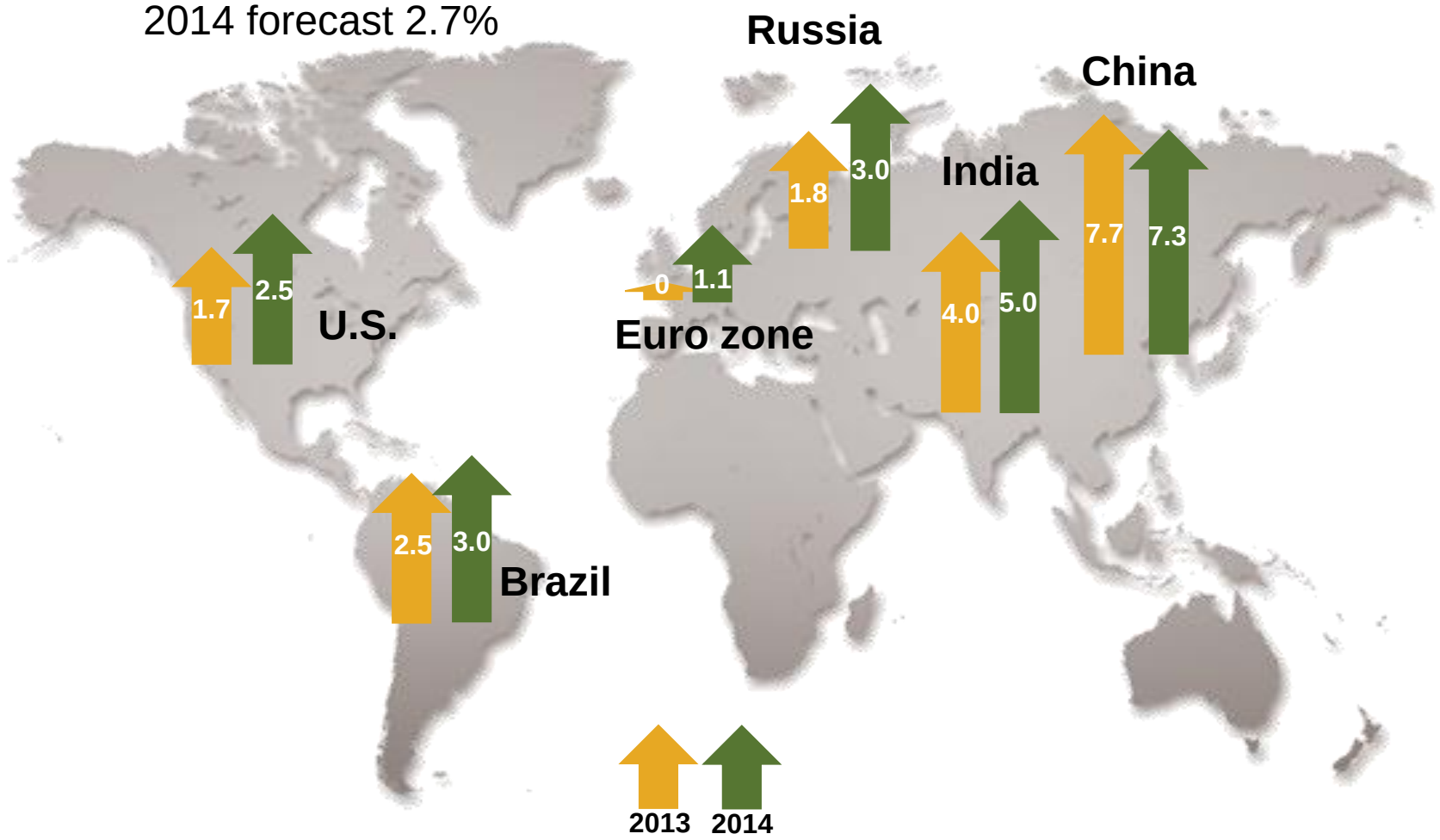
- Continued implementation of price increases in NA Papers and Pulp, and Brazil businesses
- NA Industrial Packaging volume increase due to 2 additional shipping days



- ~$40MM-$50MM severe weather impact across NA businesses (volume, manufacturing operations and energy costs)
- NA Paper repositioning and Courtland wind down
- Heavy scheduled maintenance outage quarter ($47MM)
- Seasonal volume decrease in Brazil
- Moderately higher seasonal energy costs
- Higher tax rate and non-repeat of interest benefit

Macro View Entering 2014

GDP, % change on prior year
Global 2013 forecast 2.0%
2014 forecast 2.7%



Source: Global Insight, Economist Intelligence Unit (EIU), IMF

North America

- Industrial Packaging optimization
- Consumer Packaging foam to paper cup conversions
- Papers repositioning post Courtland
- Complete xpedx spin



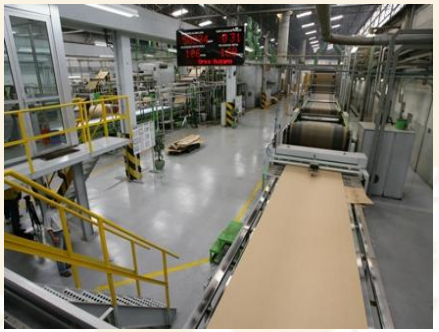




International

- Coated Paperboard quality project at Kwidzyn
- Packaging synergies at Orsa
- Ilim ramp up toward potential







Full-Year 2014 Financial Metrics

- Meaningful increase in EBITDA ~10%
- Free Cash Flow generation ~$2 Billion
- Capital Allocation
  - Current Dividend – $1.40/share (~$650MM); more runway
  - Share Buyback – ~$530MM purchased in 4½ months; ~$970MM remaining on authorization
  - Pension Contribution – ~$450MM
  - $400MM cash proceeds from pending xpedx transaction
  - Continue to evaluate value-creating reinvestments

$ Million (Except as noted)	2012	2013	2014 Estimate
Capital Spending	$1.4 B	$1.2 B	~ $1.4 B
Input Cost Inflation	($113)	$207	$175 – $200
Depreciation & Amortization	$1.5 B	$1.5 B	~ $1.5 B
Net Interest Expense	$672	$612	~ $625
Corporate Items	$51	$29	~ $40
Effective Tax Rate	29%	27%	~ 33%

1Q14 U.S. Weather Shocks



Source: Associated Press

Earnings Wrap-Up

- Completed another strong year of results in 2013
- Good momentum going into 2014; expect strong growth in EBITDA, FCF and EPS
- 1Q will be lightest earnings quarter of year given temporary headwinds
- 2014 will be another meaningful step toward $5.1B EBITDA goal

Appendix

Investor Relations Contacts

Jay Royalty	901-419-1731
Michele Vargas	901-419-7287

Media Contact

Tom Ryan	901-419-4333

Free Cash Flow

$ Million	2012	1Q13	2Q13	3Q13	4Q13	2013
Cash Provided by Continuing Operations	$2,953[1]	$516	$724[2]	$725	$1,034	$2,999[2]
Less Capital Investment	($1,383)	($216)	($272)	($271)	($439)	($1,198)
Free Cash Flow	$1,570	$300	$452	$454	$595	$1,801

[1] Excludes $120MM cash paid for Temple-Inland change-in-control agreements, $44MM cash paid for Temple-Inland pension plan contribution, $80MM cash paid for Guaranty Bank settlement, and $251MM cash received from unwinding a timber monetization

[2] Excludes $31MM cash paid for pension plan contribution and $30MM cash received from Guaranty Bank insurance reimbursements

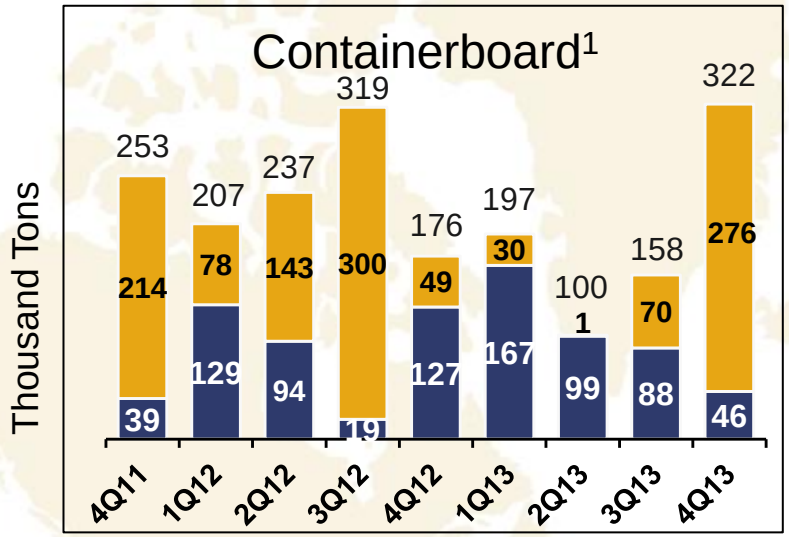
Maintenance Outages Expenses | 2013

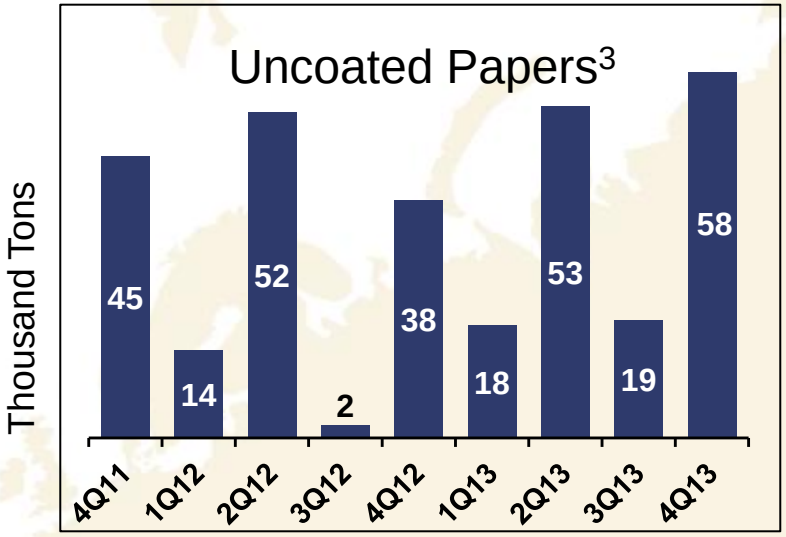
$ Million	1Q13	2Q13	3Q13	4Q13	2013
Industrial Packaging	**$69**	**$72**	**$37**	**$33**	**$211**
Printing Papers Total	**$24**	**$87**	**$42**	**$27**	**$180**
North America	24	66	26	8	124
Europe	0	20	2	15	37
Brazil	0	1	7	4	12
India	0	0	7	0	7
Consumer Packaging	**$0**	**$19**	**$1**	**$28**	**$48**
North America	0	12	0	28	40
Europe	0	7	1	0	8
Total Impact	**$93**	**$178**	**$80**	**$88**	**$439**

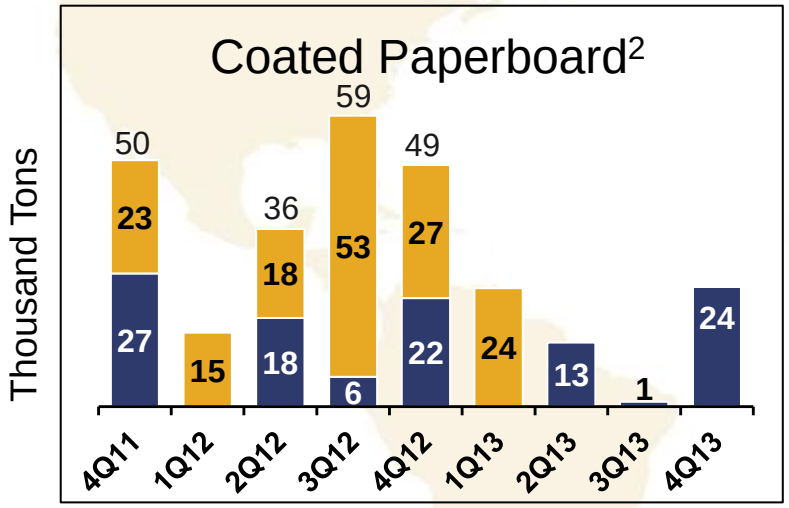
Maintenance Outages Expenses | 2014 Forecast

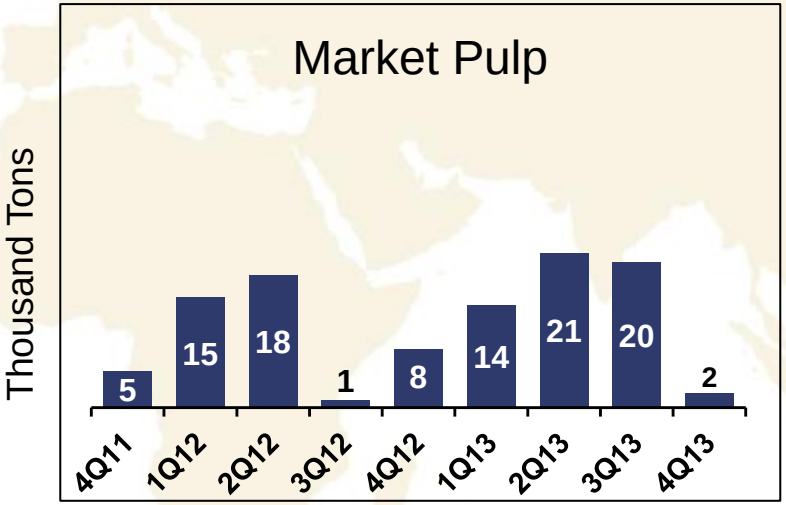
$ Million	1Q14F	2Q14F	3Q14F	4Q14F	2014F
Industrial Packaging	**$84**	**$85**	**$27**	**$43**	**$239**
North America	84	84	25	43	236
Brazil	0	1	2	0	3
Printing Papers Total	**$31**	**$63**	**$32**	**$45**	**$171**
North America	30	38	11	37	116
Europe	1	24	1	0	26
Brazil	0	1	17	8	26
India	0	0	3	0	3
Consumer Packaging	**$20**	**$28**	**$0**	**$14**	**$62**
North America	20	20	0	14	54
Europe	0	8	0	0	8
Total Impact	**$135**	**$176**	**$59**	**$102**	**$472**

North American Downtime | FY13 Market-Related Downtime <3% of Capacity









[1] 1Q12 - 4Q12 include Temple-Inland mills
[2] Augusta PM#2 was permanently shutdown in March 2013 (36000 tons / quarter)
[3] Courtland shutdown of two machines in 4Q13

Special Items Before Tax | Continuing Operations

Special Items Pre-Tax ($ Million)		4Q12	3Q13	4Q13
Industrial Packaging	Acquisition and Integration Costs	($28)	($24)	($16)
	Box Plant Closures		$8	$5
	Other	($4)	($2)	($2)
Printing Papers	Courtland Mill Shutdown		($51)	($67)
	India Goodwill & Trade Name Impairment			($123)
Consumer Pkg.	Shorewood Sale Adjustments	$2		($2)
xpedx	Reorganization	($7)	($6)	($2)
	Goodwill Impairment			($400)
Corporate	Debt Extinguishment	($9)	($15)	($1)
	Acquisition Costs	($3)		
	xpedx Spinoff Evaluation		($11)	($8)
	Other	$3		
Total Special Items Before Tax		**($46)**	**($101)**	**($616)**

Special Items Net of Taxes

	4Q13		2013	
	$ Million	EPS	$ Million	EPS
Earnings Before Special Items	$367	$0.83	$1,418	$3.16
Special Items Net of Taxes:				
Tax Items[1]	$654		$780	
Debt Extinguishment Costs	($1)		($16)	
Acquisition and Integration Costs	($10)		($44)	
Reorganization	($1)		($19)	
Augusta PM Shutdown			($28)	
Box Plant Closures	$3		$8	
Courtland Mill Shutdown	($41)		($72)	
Olmuksan Bargain Purchase Gain			$14	
Guaranty Bank Insurance Reimbursements			$19	
Cass Lake Environmental Reserve			($4)	
Revaluation of Company Airplanes			($5)	
xpedx Spinoff Evaluation	($5)		($14)	
xpedx Goodwill Impairment	($366)		($366)	
India Goodwill & Trade Name Impairment	($119)		($119)	
Other	($3)		($5)	
Total Special Items Net of Taxes	$111	$0.25	$129	$0.29
Non-Operating Pension Expense	($47)	($0.11)	($197)	($0.44)
Discontinued Operations Net of Taxes	$5	$0.01	$45	$0.10
Net Earnings	$436	$0.98	$1,395	$3.11

[1] Release of reserve related to closing of a US Federal income tax audit

4Q13 EBITDA | Integrated Mill Business Margins

	Operating Profit $ Million	D & A $ Million	Tons Thousand	EBITDA per Ton	EBITDA Margin
Industrial Packaging					
North America[1]	$481	$171	3,391	$192	23%
Brazil[2]	($1)	$7	67	$90	9%
Printing Papers					
North America[3]	$37	$38	626	$120	13%
Europe & Russia[4]	$39	$18	386	$148	16%
Brazil	$61	$30	319	$286	31%
India[2]	($3)	$5	47	$43	5%
North American Pulp	$11	$18	336	$86	14%
Consumer Packaging					
North America[5]	$4	$38	368	$114	9%
Europe	$25	$6	87	$356	33%

Segment operating profit before special items

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

[2] Includes adjustment for minority ownership share

[3] Includes Bleached Kraft business

[4] Uncoated Papers (excludes Pulp)

[5] Includes Foodservice business

Operating Profits by Industry Segment | Continuing Operations

$ Million	4Q12	3Q13	4Q13	2012	2013
Industrial Packaging	$368	$517	$486	$1,355	$1,849
Printing Papers	$147	$144	$143	$599	$512
Consumer Packaging	$39	$73	$32	$265	$208
Distribution	$11	$19	$5	$71	$43
Operating Profit	**$565**	**$753**	**$666**	**$2,290**	**$2,612**
Net Interest Expense	($169)	($147)	($133)	($672)	($618)
Noncontrolling Interest / Equity Earnings Adjustment	($8)	($3)	$4	$0	$5
Corporate Items	($15)	($13)	$6	($51)	($29)
Non-Operating Pension Expense	($40)	($78)	($78)	($159)	($323)
Special Items	($46)	($101)	($620)	($384)	($798)
Net Earnings from continuing operations before income taxes, equity earnings & noncontrolling interest	**$287**	**$411**	**($155)**	**$1,024**	**$849**
Equity Earnings, net of taxes - Ilim	**$8**	**$11**	**($12)**	**$56**	**($46)**

Geographic Business Segment Operating Results | Revenue

$ Million	Sales				
	4Q12	3Q13	4Q13	2012	2013
Industrial Packaging					
North America	$2,950	$3,190	$3,115	$11,610	$12,520
Europe	$255	$305	$335	$1,010	$1,270
Brazil	-	$95	$95	-	$335
Asia	$175	$165	$170	$660	$685
Printing Papers					
North American	$650	$660	$600	$2,715	$2,550
Europe	$375	$355	$395	$1,390	$1,475
Brazil	$295	$265	$295	$1,130	$1,090
Asia / India	$60	$70	$70	$270	$275
N.A. Pulp	$200	$205	$210	$725	$815
Consumer Packaging					
North America	$470	$505	$480	$1,960	$1,950
Europe	$95	$95	$95	$380	$380
Asia (Sun JV)	$250	$285	$290	$830	$1,105
xpedx	$1,530	$1,445	$1,415	$6,040	$5,650

Does not reflect total company sales

Geographic Business Segment Operating Results | Before Special Items

$ Million	Segment Operating Profit				
	4Q12	3Q13	4Q13	2012	2013
Industrial Packaging					
North America	$338	$516	$479	$1,278	$1,813
Europe	$29	($2)	$8	$72	$32
Brazil	-	$1	($1)	-	$2
Asia	$1	$2	$0	$5	$2
Printing Papers					
North American	$52	$62	$37	$331	$154
Europe	$64	$46	$36	$179	$167
Brazil	$44	$45	$61	$163	$210
Asia / India	($6)	($12)	($2)	($15)	($21)
N.A. Pulp	($7)	$3	$11	($59)	$2
Consumer Packaging					
North America	$17	$51	$4	$162	$110
Europe	$29	$25	$25	$99	$100
Asia (Sun JV)	($7)	($3)	$3	$4	($2)
xpedx	$11	$19	$5	$71	$43

Does not reflect total company operating profit

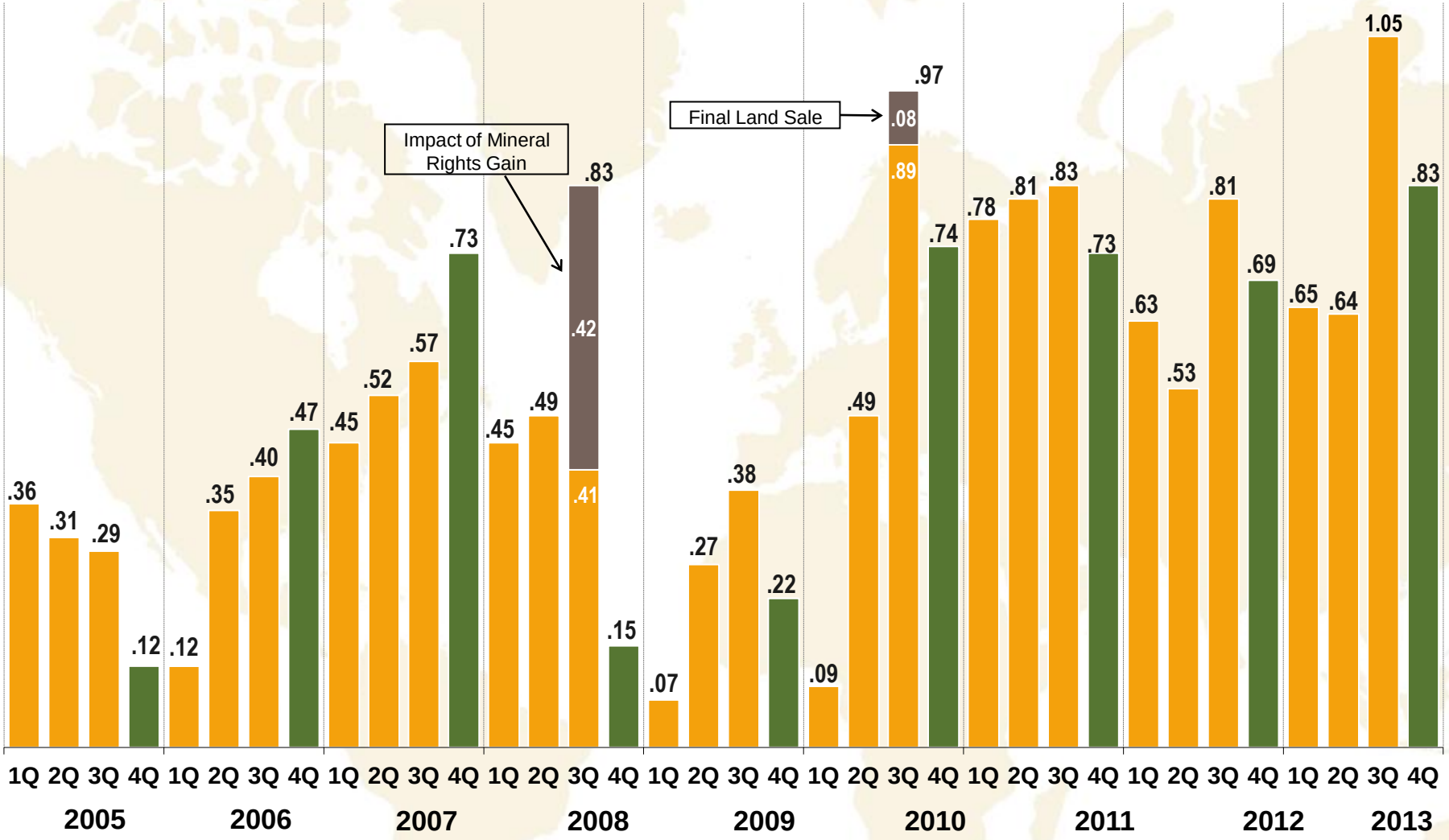
2013 Operating Earnings

	Pre-Tax $MM	Tax $MM	Non-controlling Interest $MM	Equity Earnings	Net Income $MM	Average Shares[1] MM	Diluted EPS[2]
Operating Earnings							
1Q13	$379	($80)	$3	($10)	$292	446	$0.65
2Q13	$458	($136)	$2	($36)	$288	449	$0.64
3Q13	$590	($141)	$6	$16	$471	450	$1.05
4Q13	$543	($170)	$3	($9)	$367	445	$0.83
Non-Operating Pension Expense							
1Q13	($84)	$33	$0	$0	($51)	446	($0.11)
2Q13	($83)	$32	$0	$0	($51)	449	($0.11)
3Q13	($78)	$30	$0	$0	($48)	450	($0.11)
4Q13	($78)	$31	$0	$0	($47)	445	($0.11)
Net Special Items							
1Q13	($65)	$116	$0	$0	$51	446	$0.11
2Q13	($12)	$10	$0	$0	($2)	449	($0.01)
3Q13	($101)	$70	$0	$0	($31)	450	($0.07)
4Q13	($620)	$728	$3	$0	$111	445	$0.25
Net Earnings from Continuing Operations							
1Q13	$230	$69	$3	($10)	$292	446	$0.65
2Q13	$363	($94)	$2	($36)	$235	449	$0.52
3Q13	$411	($41)	$6	$16	$392	450	$0.87
4Q13	($155)	$589	$6	($9)	$431	445	$0.97

[1] Assuming dilution

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

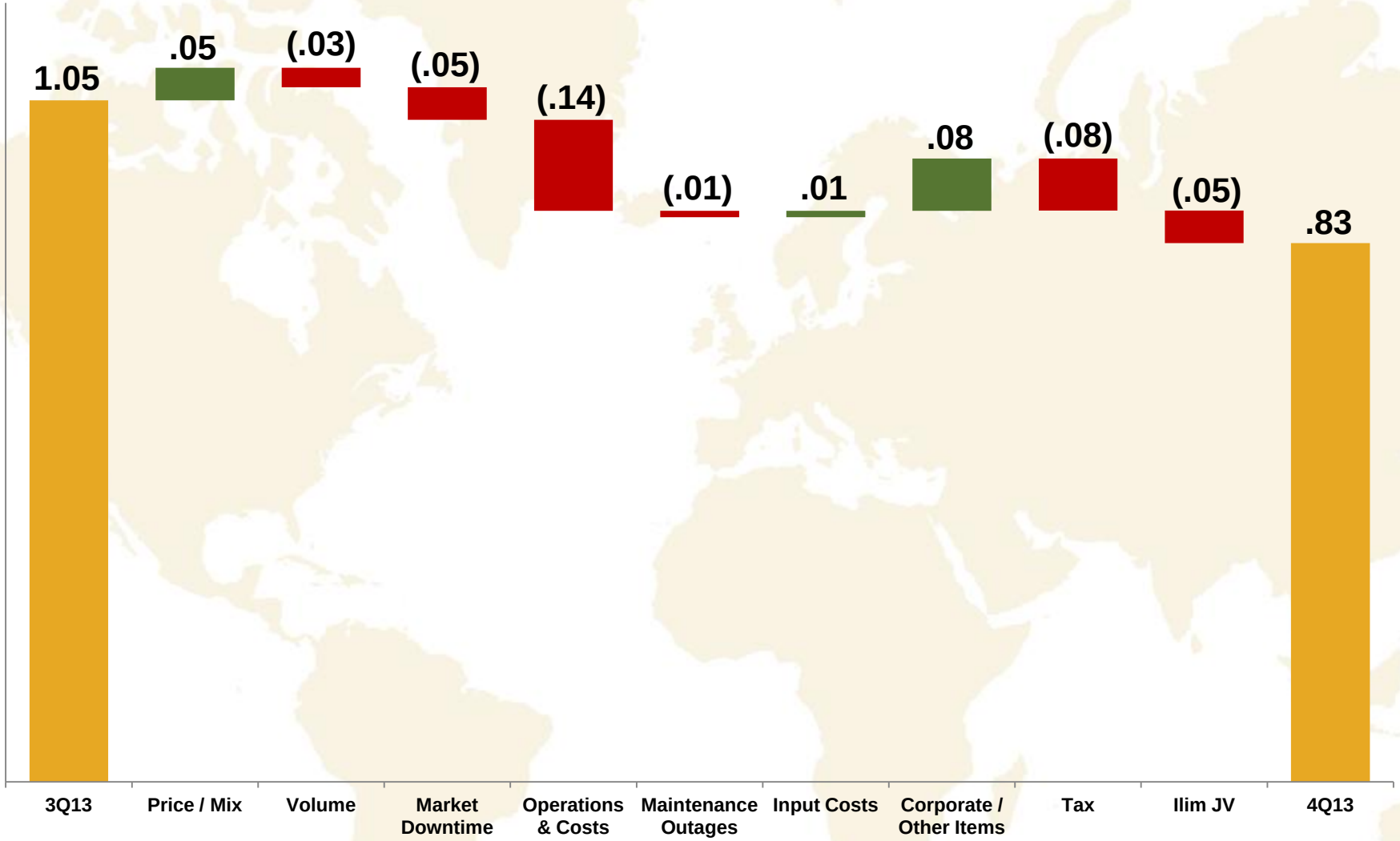
Operating Business EPS | Strong 4th Quarter EPS



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

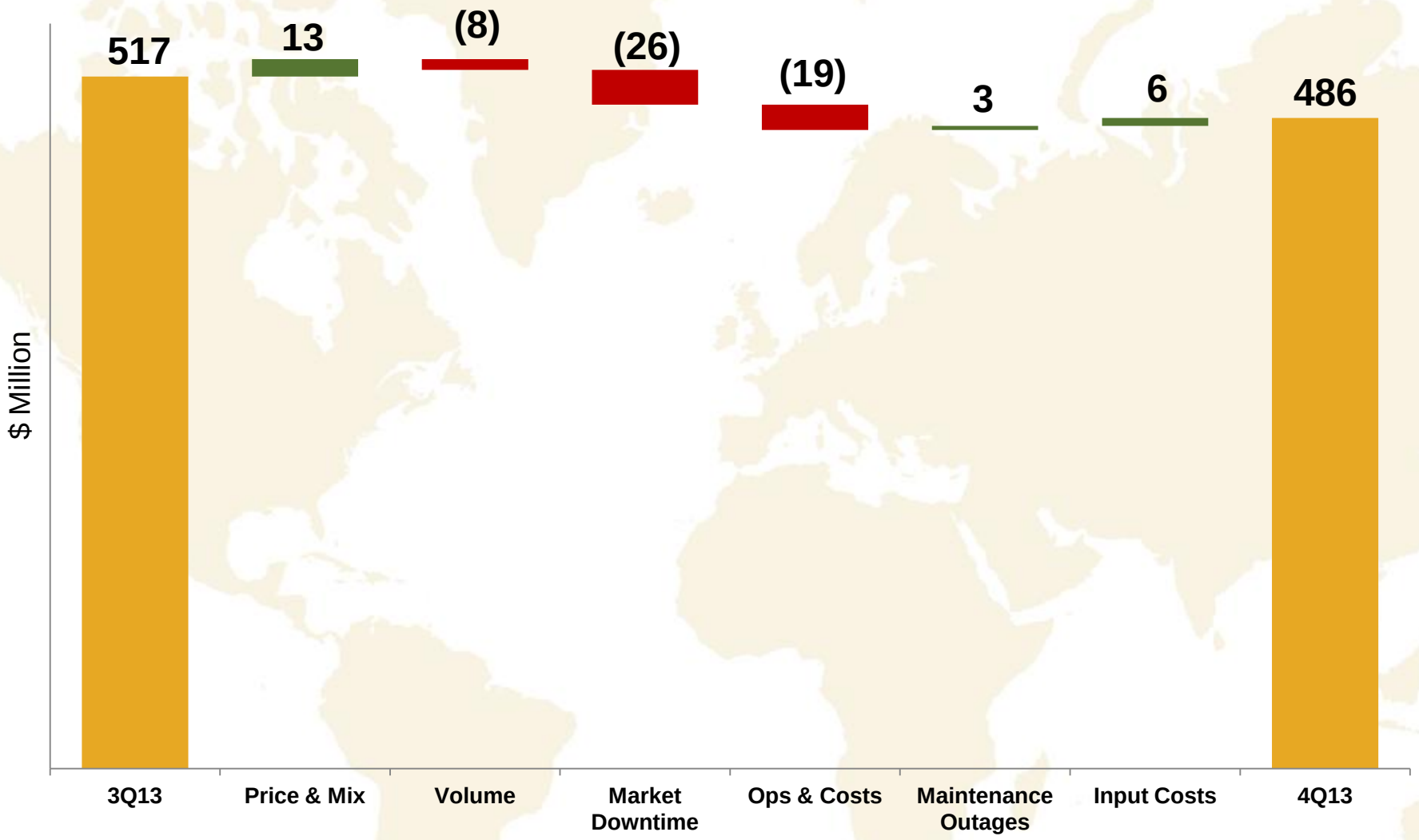
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4Q13 vs. 3Q13 EPS



Operating Earnings

Industrial Packaging | 4Q13 vs. 3Q13



Segment operating profit before special items

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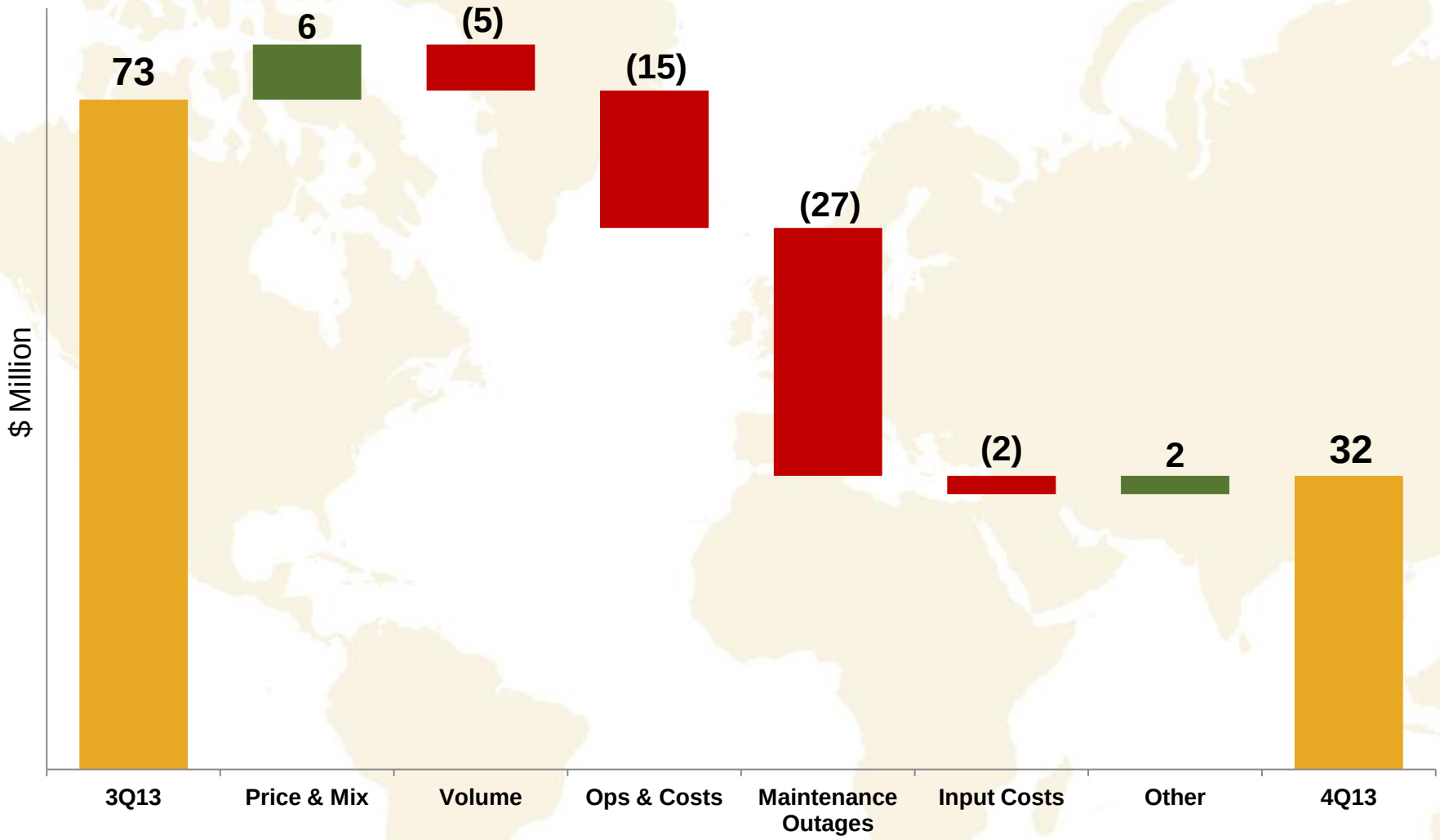
	4Q13 vs. 3Q13		4Q13 vs. 4Q12	
Business	**Volume**	**Price / Ton**	**Volume**	**Price / Ton**
NA Container[1]	**(2%)**	**$9**	**Flat**	**$82**
European Container[2]	**6%**	**(€18)**	**3%**	**€5**

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)

[2] Includes volumes for Turkish box plants beginning 1Q13

Consumer Packaging | 4Q13 vs. 3Q13

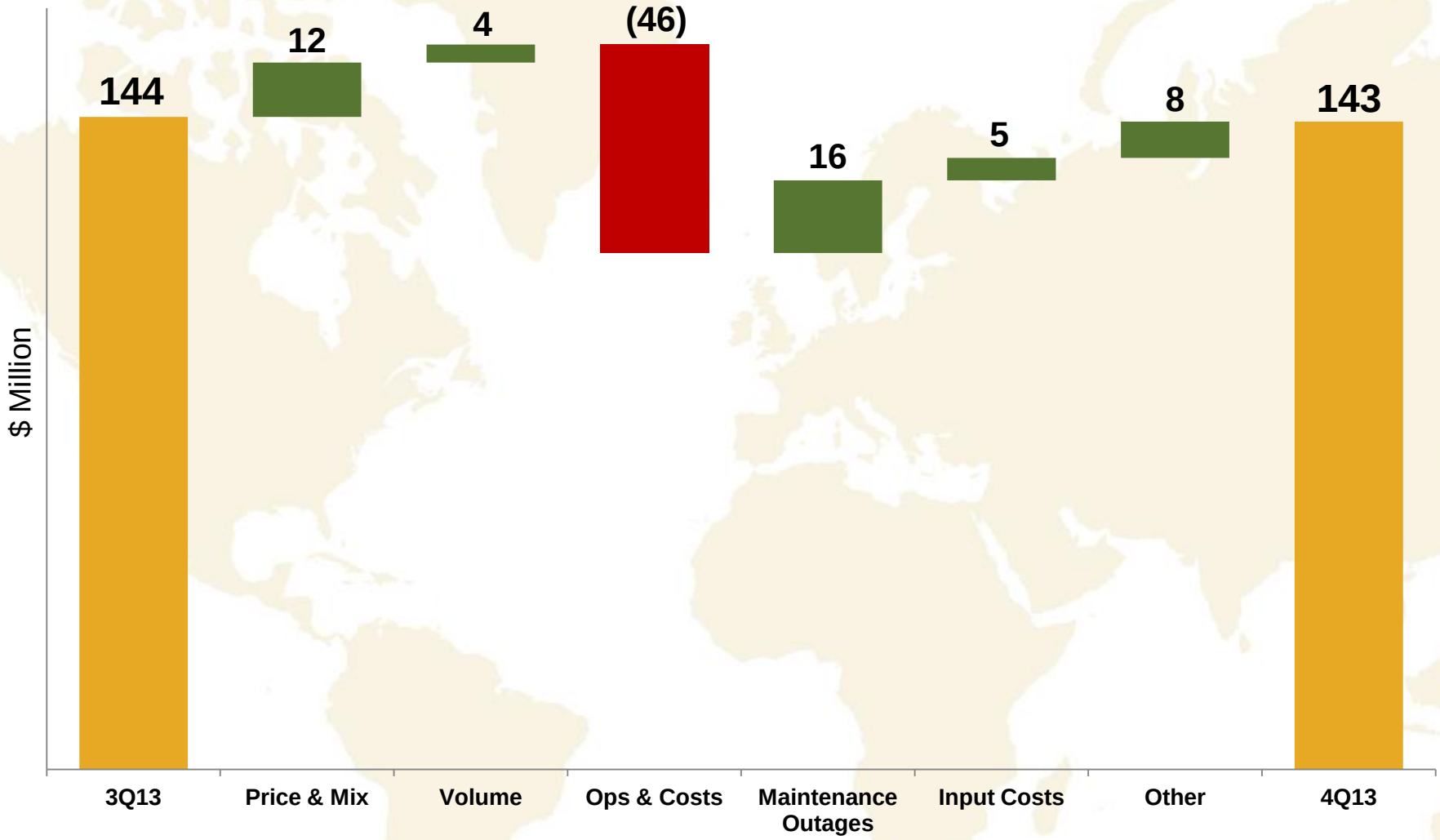


Segment operating profit before special items

	4Q13 vs. 3Q13		4Q13 vs.4Q12	
	Volume	Price/Ton	Volume	Price/Ton
NA Coated Paperboard	**(11%)**	**$14**	**3%**	**$13**
	Revenue	Price	Revenue	Price
Foodservice	**7%**	**NA**	**6%**	**NA**

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

Printing Papers | 4Q13 vs. 3Q13



Segment operating profit before special items

	4Q13 vs. 3Q13		4Q13 vs. 4Q12	
Business	**Volume**	**Price / Ton**	**Volume**	**Price / Ton**
NA Paper	**(9%)**	**$4**	**(5%)**	**($26)**
NA Pulp[1]	**1%**	**$3**	**2%**	**$24**
European Paper	**7%**	**(€15)**	**14%**	**(€35)**

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

[1] Reflects Fluff and Market Pulp combined

$ Million	4Q12	3Q13	4Q13
Sales	$295	$265	$295
Earnings	$44	$45	$61
EBITDA Margin	25%	28%	31%

	4Q13 vs. 3Q13		4Q13 vs. 4Q12	
Business	Volume	Price/Ton	Volume	Price/Ton
Uncoated Freesheet	11%	$6	5%	$20
Domestic	12%	$9	4%	$79
Export	9%	$3	5%	($44)

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)

Ilim Joint Venture | Full Year Financials

	2009	2010	2011	2012	2013
Sales Volume (Million tons)	**2.6**	**2.8**	**2.8**	**2.9**	**2.7**
Sales ($B)	**1.3**	**1.9**	**2.2**	**2.0**	**1.9**
Capital Employed ($B)	**1.2**	**1.2**	**1.6**	**2.1**	**2.4**
Debt ($B)	**0.4**	**0.5**	**0.9**	**1.2**	**1.5**
Operating EBITDA ($MM)	**197**	**516**	**591**	**291**	**208**
F/X Gain (loss)	(35)	12	(60)	39	(80)
EBITDA ($MM)	**163**	**528**	**531**	**330**	**128**
EBITDA Margin	12%	28%	24%	17%	7%
Depreciation ($MM)	120	121	124	134	177
EBIT ($MM)	**43**	**407**	**406**	**196**	**(49)**
Interest Expense ($MM)	**28**	**18**	**7**	**6**	**39**
Net Income (loss) ($MM)	**(19)**	**266**	**299**	**132**	**(72)**
IP Equity Earnings (loss) ($MM)	**(27)**	**103**	**134**	**56**	**(46)**
Dividends (to IP) ($MM)	**50**	**34**	**85**	**0**	**0**

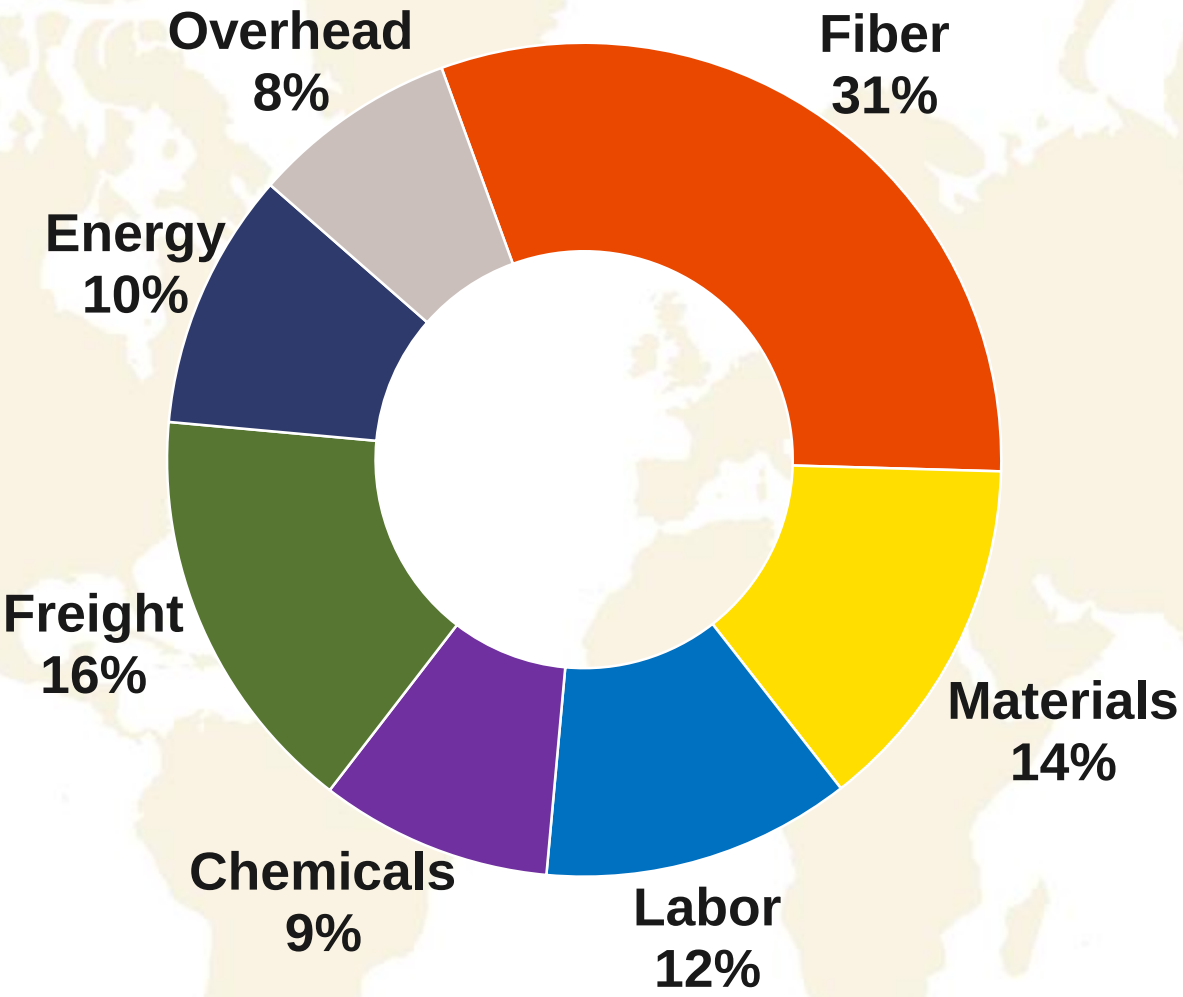
Ilim JV results are IFRS basis.

Ilim Joint Venture | Volume and Pricing Trends

	4Q13 vs. 3Q13		4Q13 vs. 4Q12	
Business	**Volume**	**Price/Ton**	**Volume**	**Price/Ton**
Pulp	**(9%)**	**$29**	**(17%)**	**$55**
Containerboard	**(3%)**	**$4**	**(12%)**	**($25)**

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

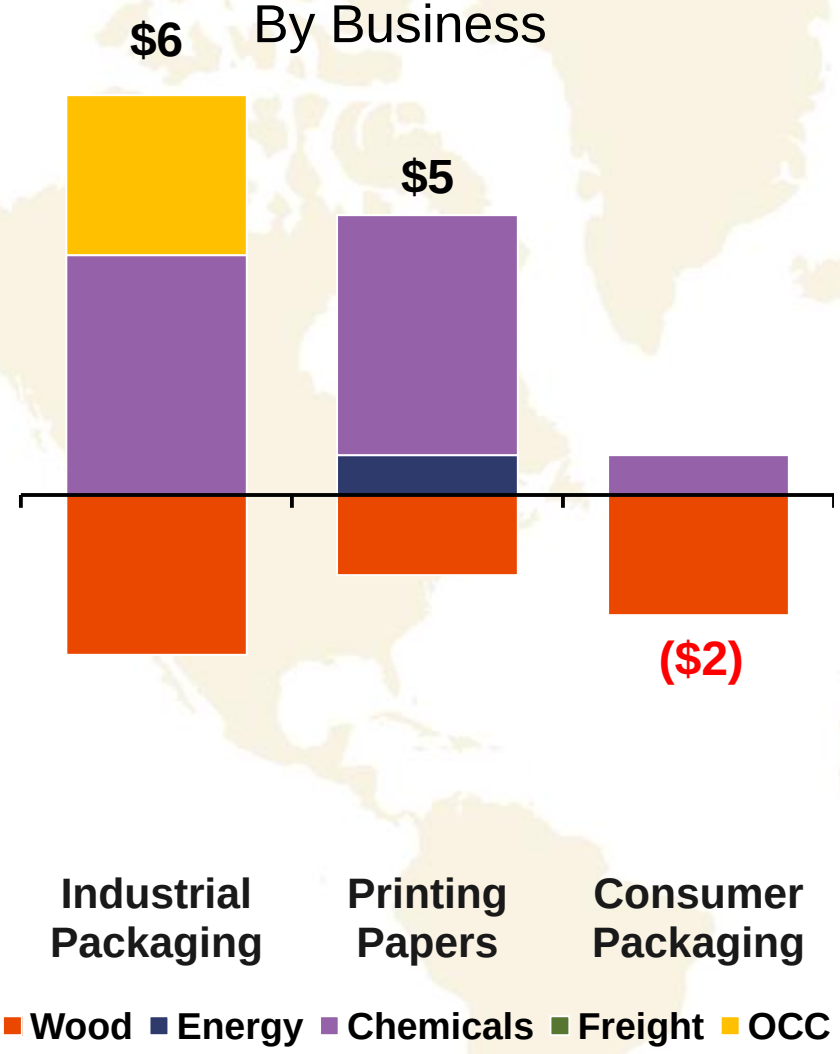
Total Cash Cost Components | 4Q13 YTD



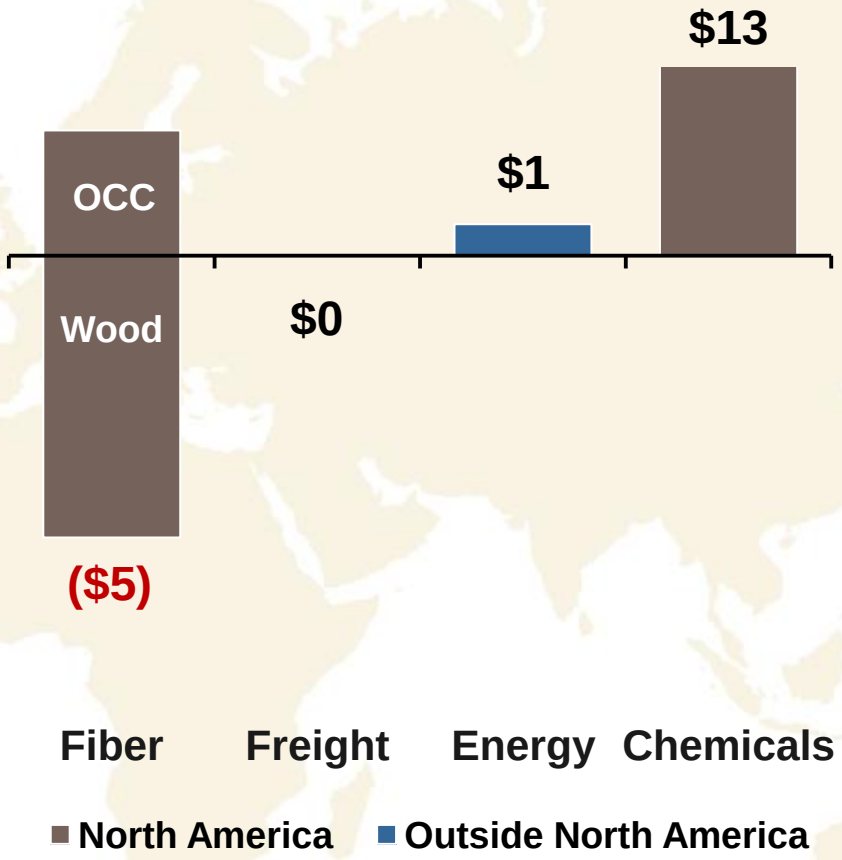
North American mills only

Global Input Costs vs. 3Q13 | $9MM Favorable, or $0.02 per Share

By Business



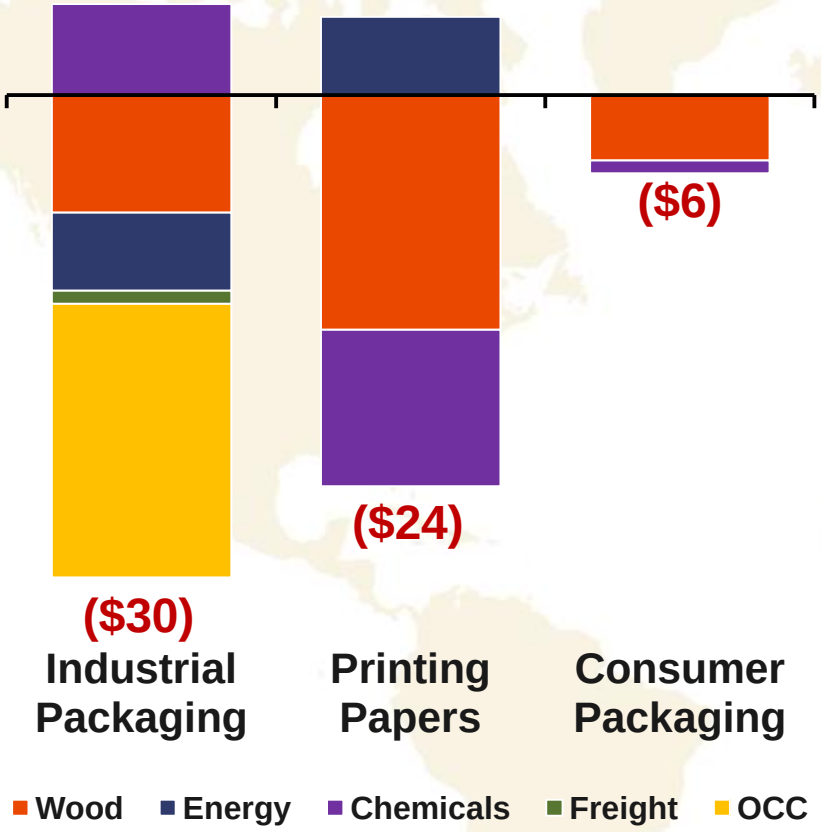
By Input Type



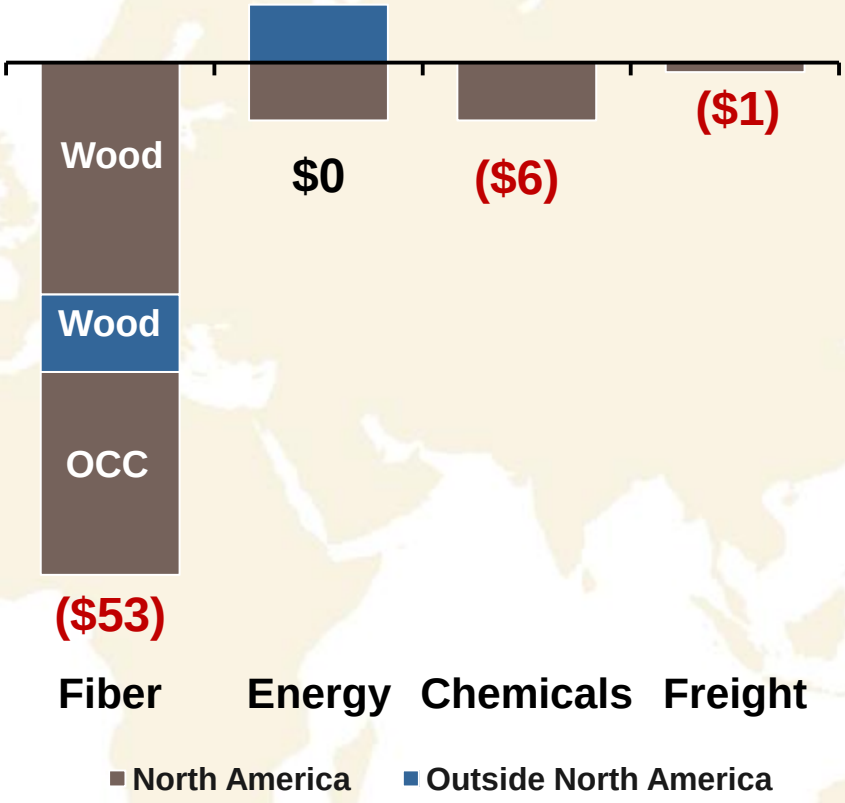
Input costs ($MM) for continuing businesses

Global Input Costs vs. 4Q12 | $60MM Unfavorable, or $0.11/Share

By Business



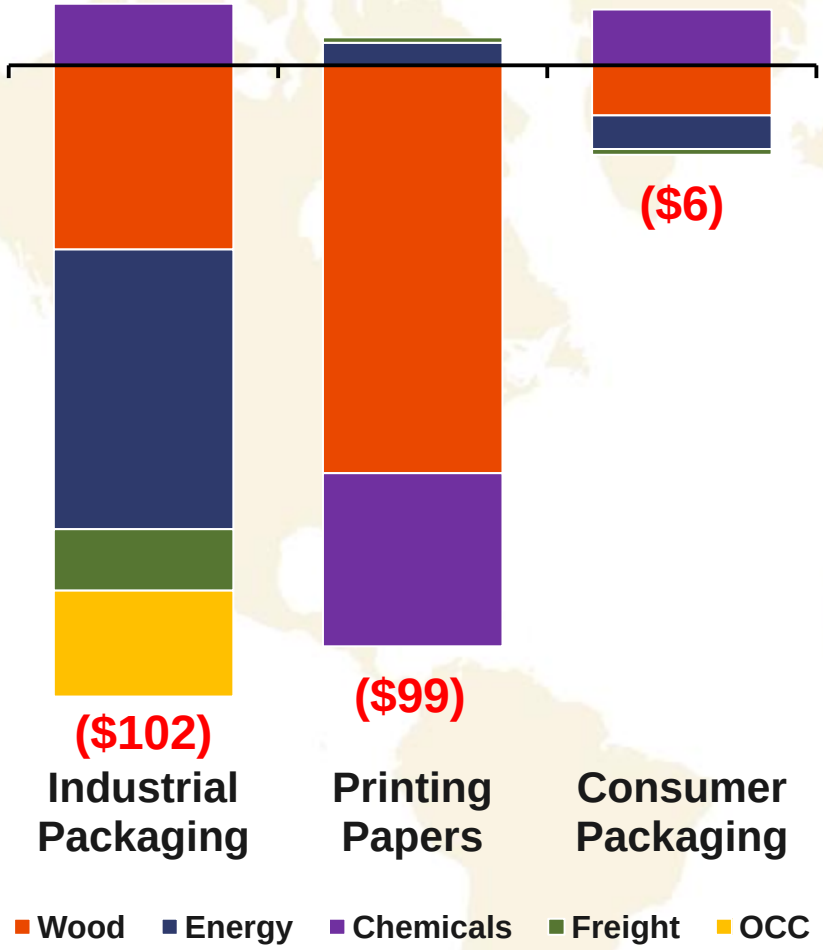
By Input Type



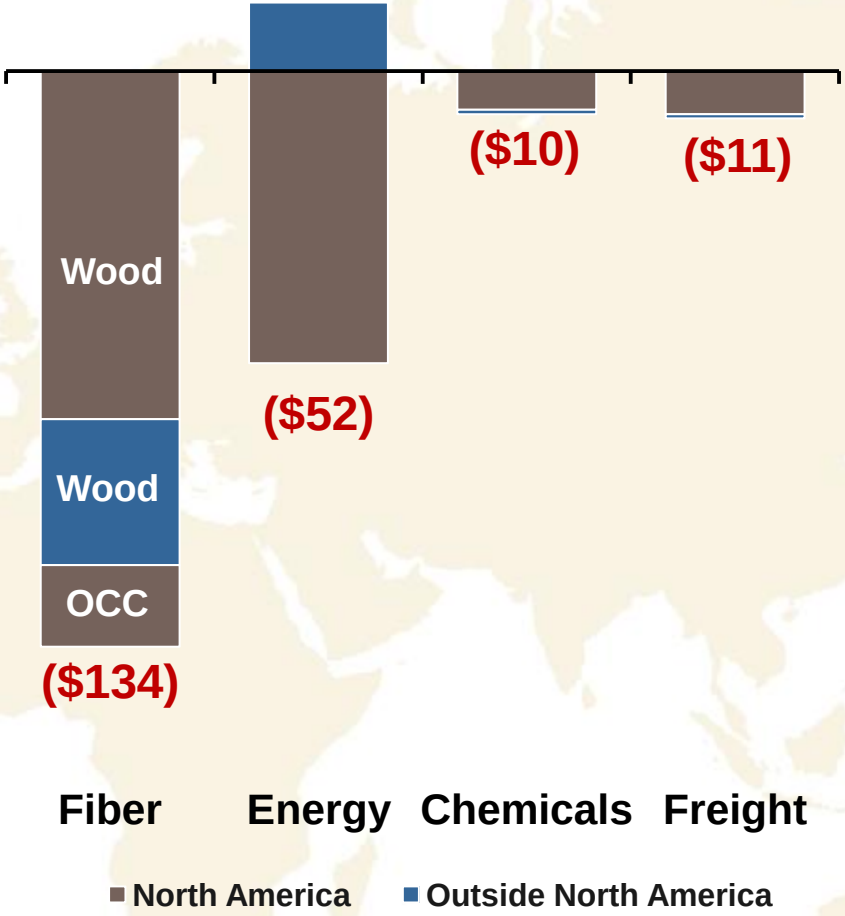
Input costs ($MM) for continuing businesses

Global Input Costs vs. 2012 | $207MM Unfavorable, or $0.33/Share

By Business

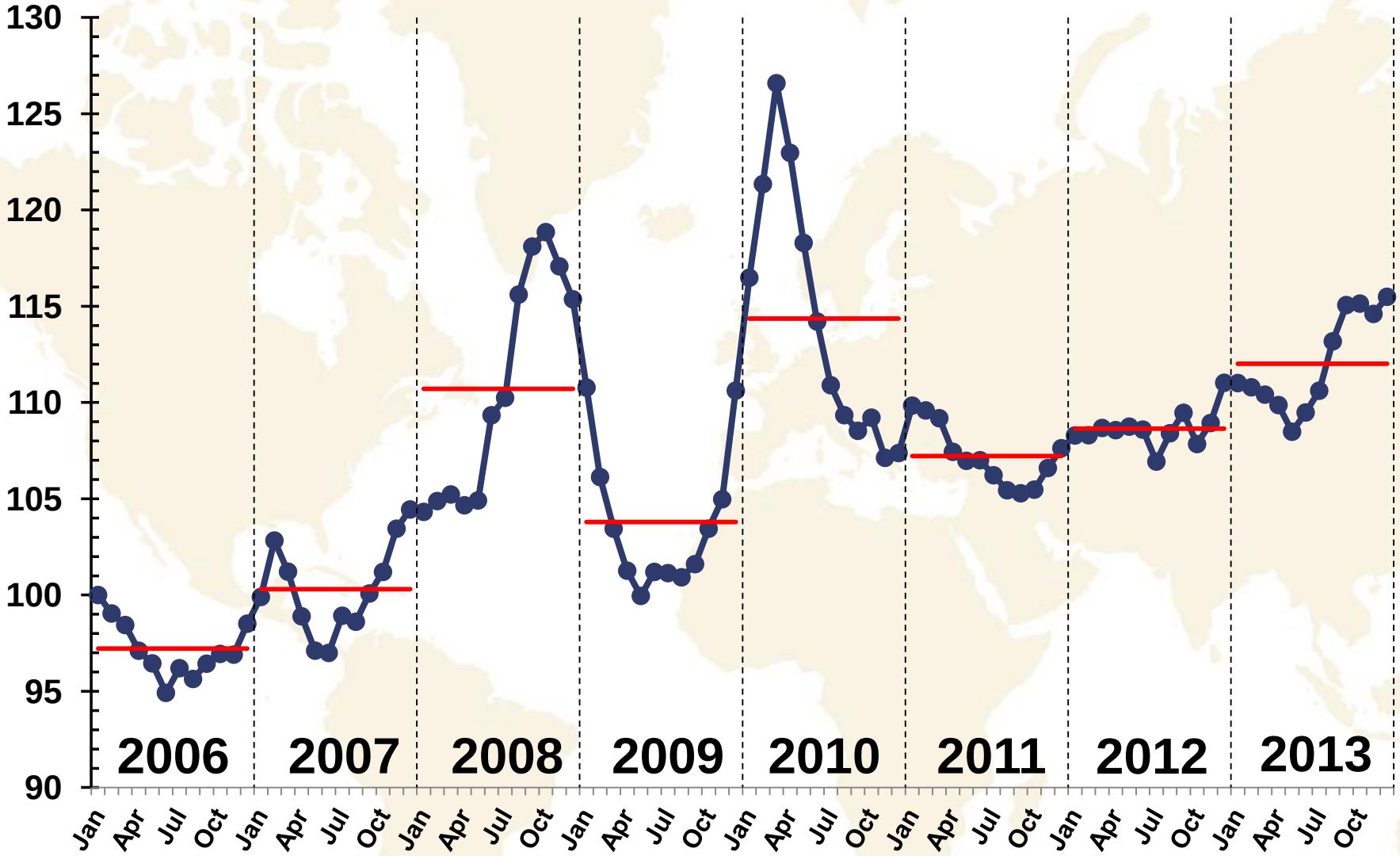


By Input Type



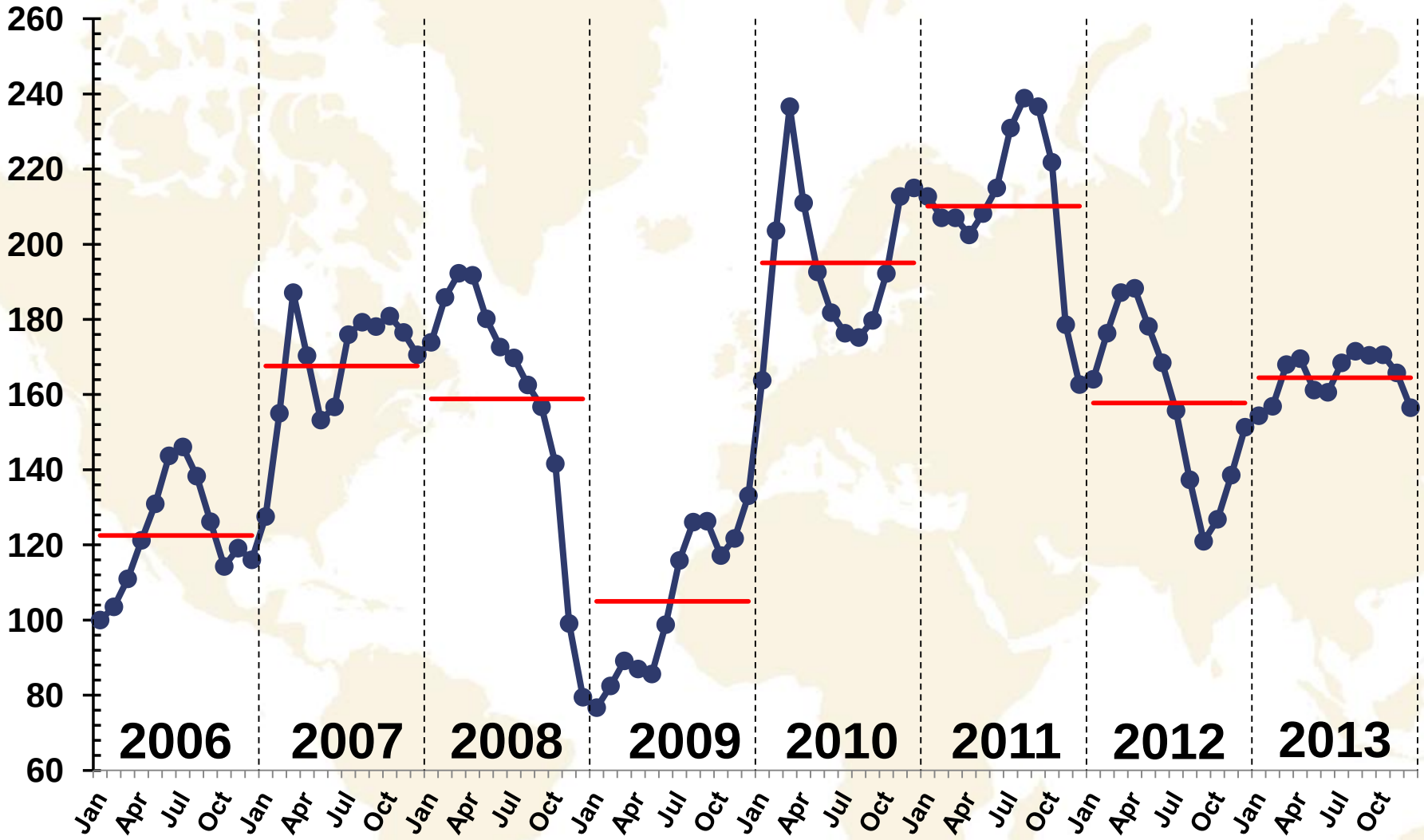
Input costs ($MM) for continuing businesses

U.S. Mill Wood Delivered Cost Trend | 2% Increase vs. 3Q13 Average Cost



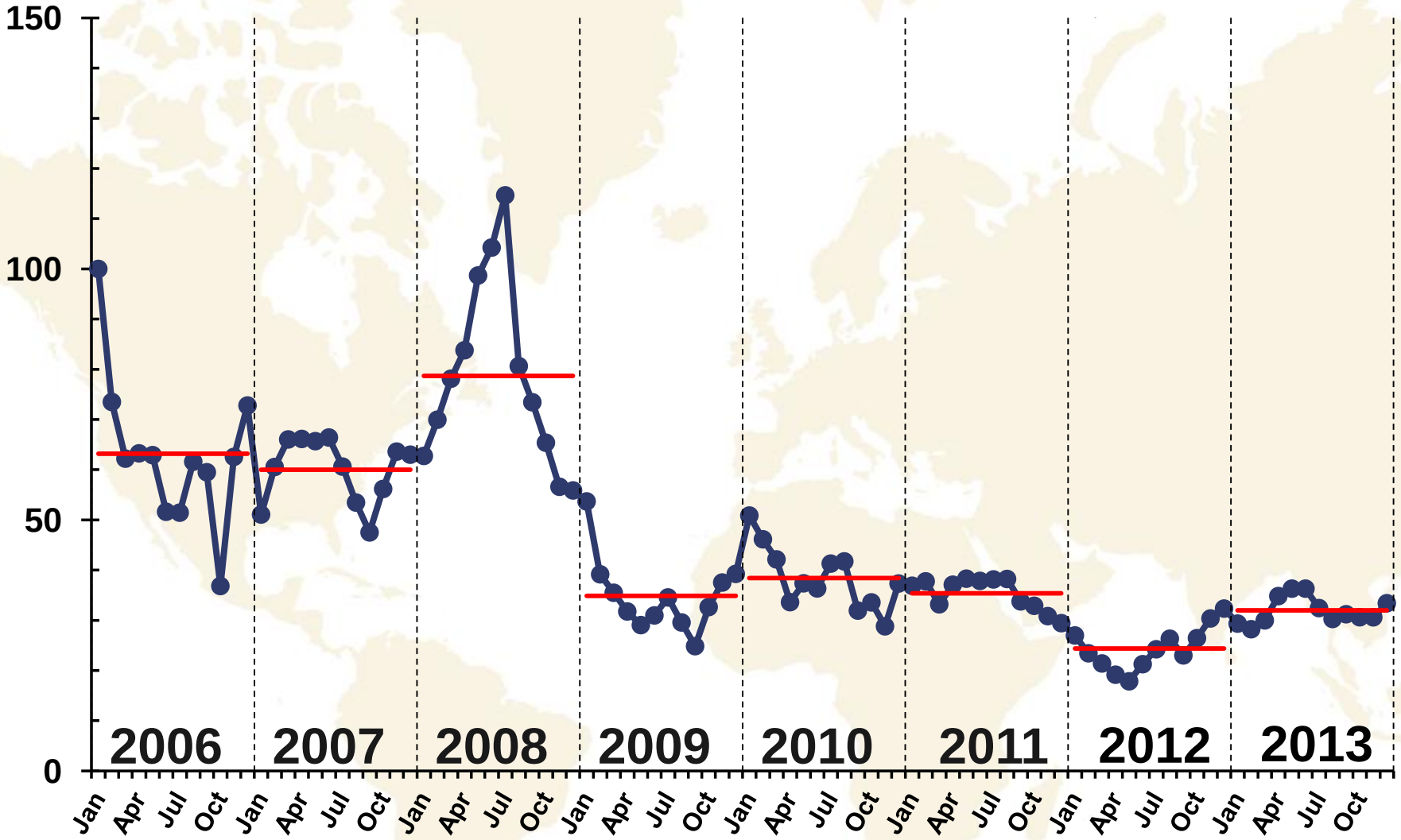
Cost Indexed to January 2006 values

U.S. OCC Delivered Cost Trend | 3% Decrease vs. 3Q13 Average Cost



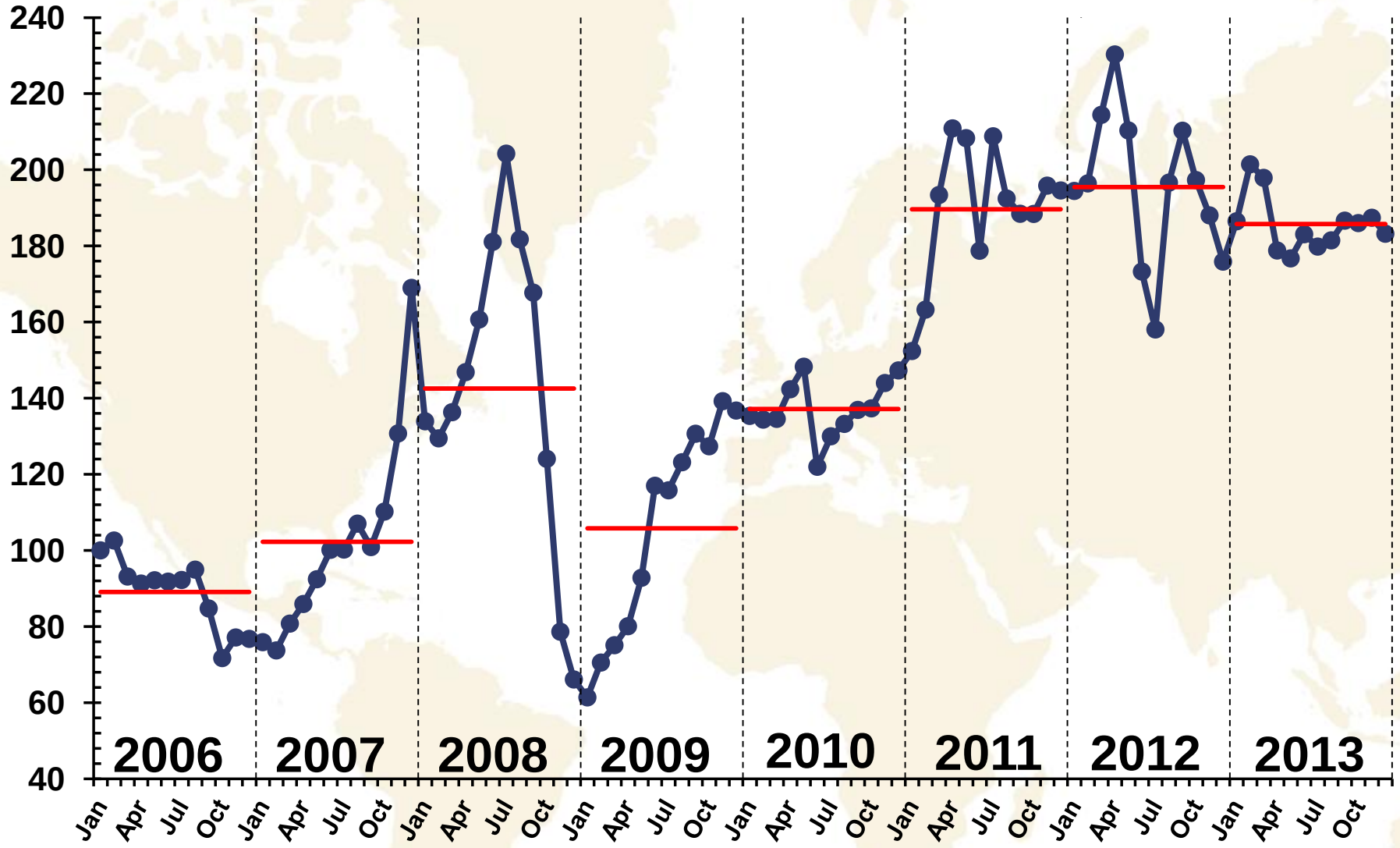
Cost Indexed to January 2006 values
2006-2007 represents WY PKG delivered costs; 2008-2010 represents delivered costs to the integrated system

Natural Gas Costs Trend | 1% Increase vs. 3Q13 Average Cost



Cost Indexed to January 2006 values
NYMEX Natural Gas closing prices

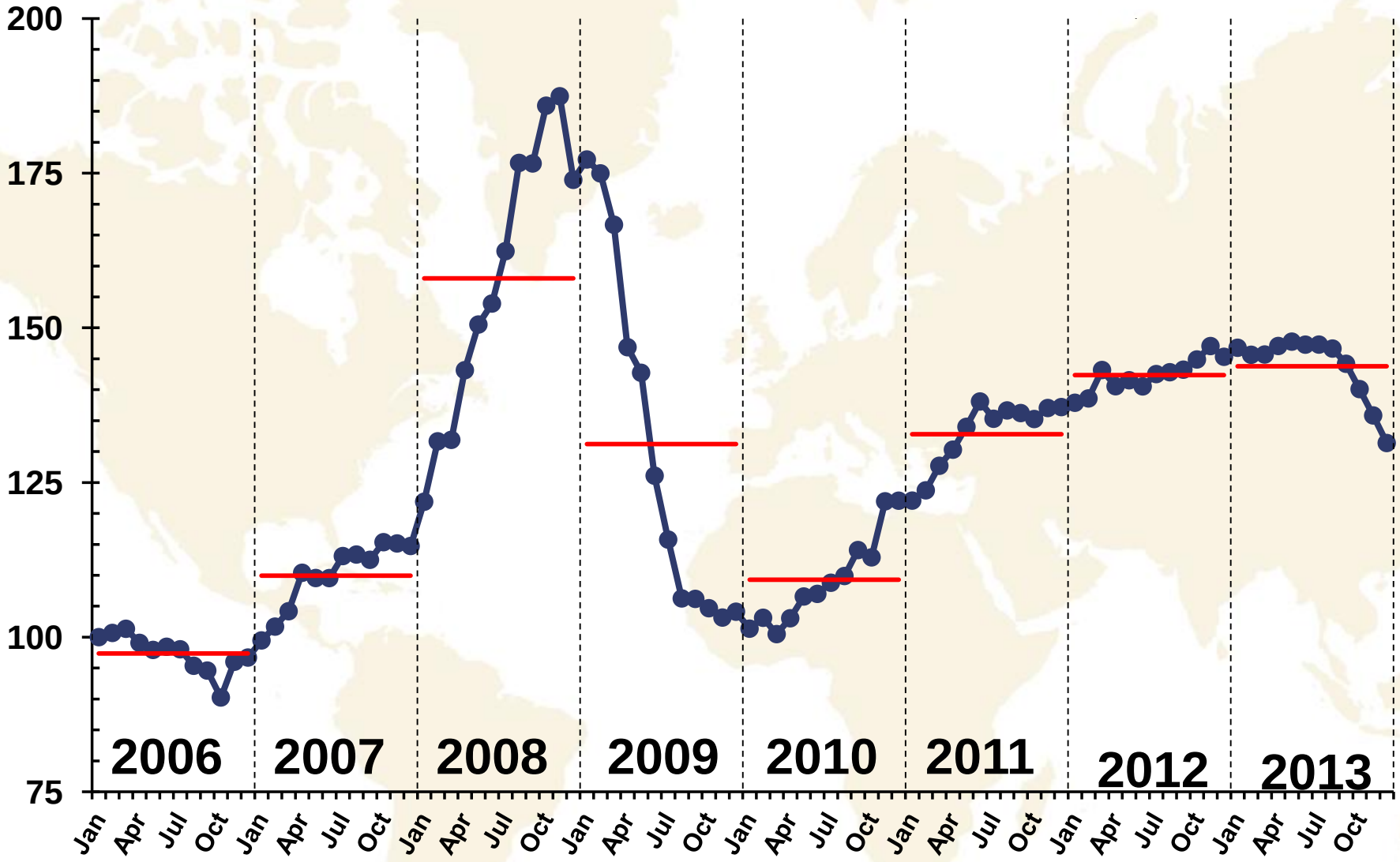
U.S. Fuel Oil Trend | 2% Increase vs. 3Q13 Average Cost



Cost Indexed to January 2006 values
WTI Crude prices

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U.S. Chemical Composite Index Trend | 7% Decrease vs. 3Q13 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

2014 Global Consumption | Annual Purchase Estimates for Key Inputs

	Commodity	U. S.	Non – U. S.
Energy	Natural Gas (MM BTUs)	60,000,000	11,000,000
	Fuel Oil (Barrels)	620,000	400,000
	Coal (Tons)	460,000	450,000
Fiber	Wood (Tons)	52,000,000	9,000,000
	Old Corrugated Containers (Tons)	3,800,000	210,000
Chemicals	Caustic Soda (Tons)	320,000	65,000
	Starch (Tons)	420,000	102,000
	Sodium Chlorate (Tons)	170,000	45,000
	LD Polyethylene (Tons)	40,000	-
	Latex (Tons)	16,000	5,000

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 Courtland operations scheduled to terminate in Q1, 2014.