First Quarter 2014 Earnings | April 30, 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

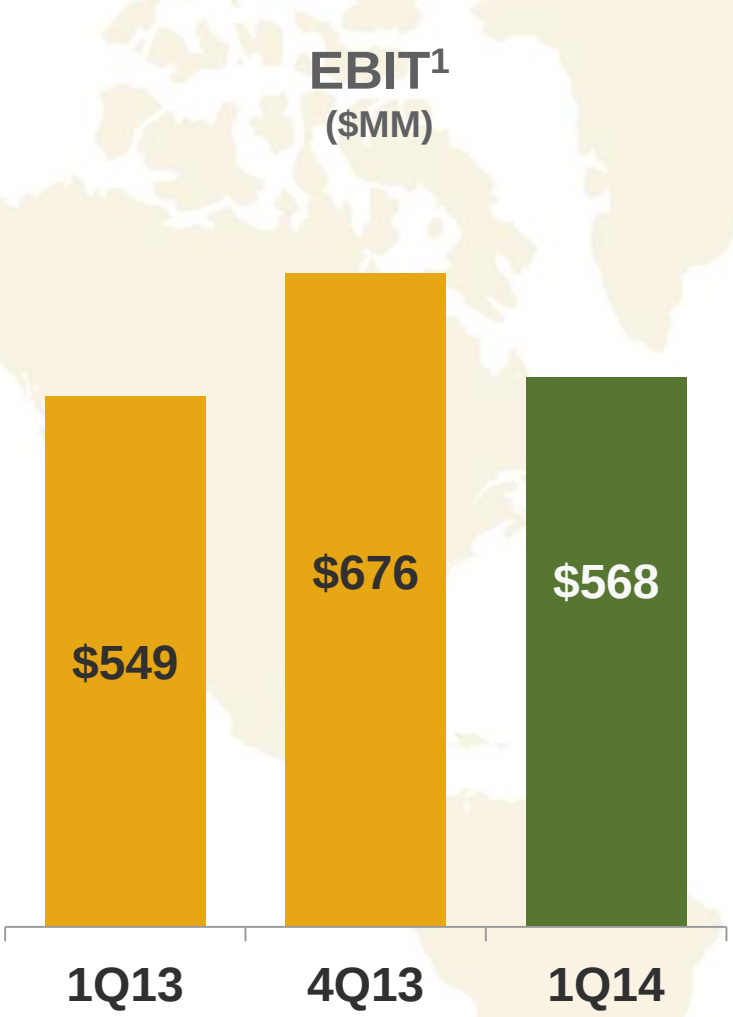
During the course of this presentation, certain non-U.S. GAAP financial information will be presented.

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. Ilim management has indicated that the financial information was prepared in accordance with International Financial Reporting Standards and extracted from Ilim's financial statements, but International Paper has not verified or audited any of this information. 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."

First Quarter 2014 Results

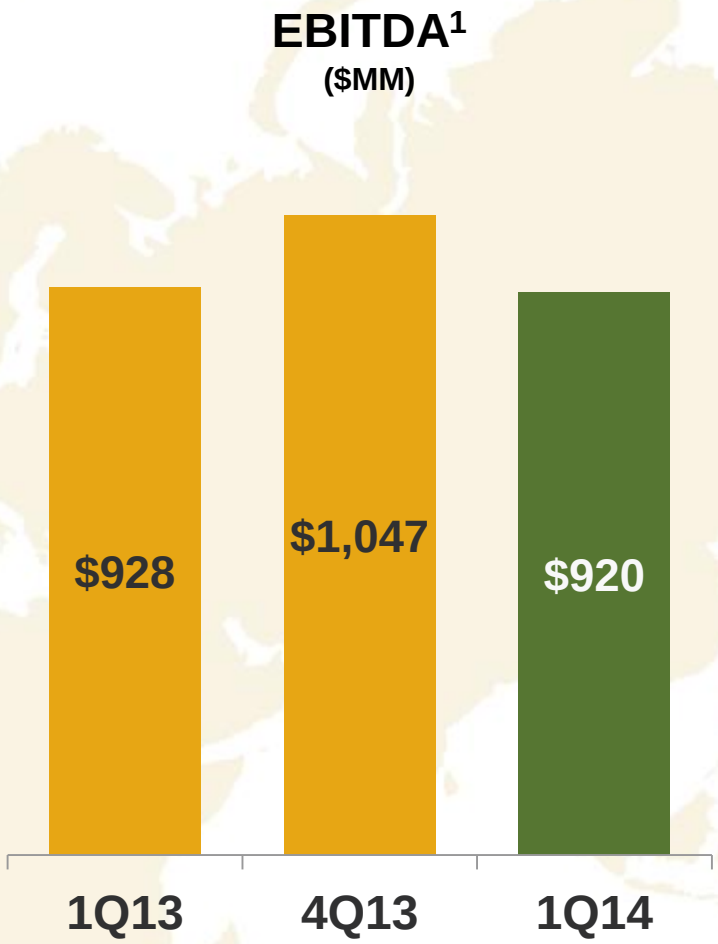


- Solid results despite NA weather impact in quarter (~$60MM)
- Higher pricing momentum in most global businesses
- Record 1Q results in NA Industrial Packaging
- Good execution on maintenance outages
- Courtland closure complete; costs ramping down
- xpedx spin progressing toward early 3Q close
- Significantly improved Ilim operational EBITDA
- Share buyback program well ahead of plan

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

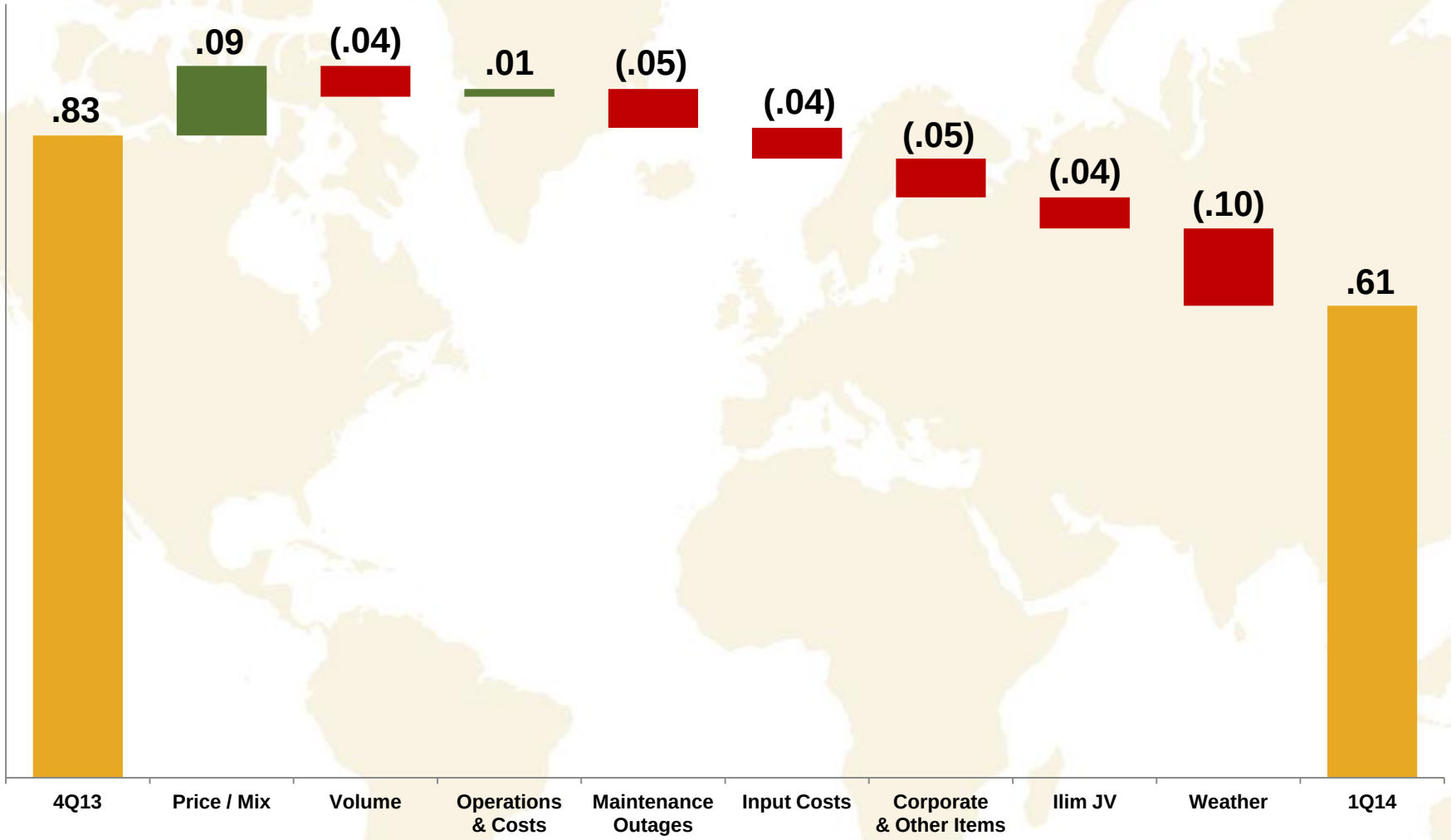
1Q14 Financial Results

	1Q13	4Q13	1Q14
Sales ($B)	$7.1	$7.2	$7.0
EBIT[1] ($MM)	$549	$676	$568
EPS[2]	$0.65	$0.83	$0.61
EBITDA[1] ($MM)	$928	$1,047	$920
EBITDA Margin[1]	13.1%	14.4%	13.1%
Free Cash Flow[3] ($MM)	$300	$595	$254



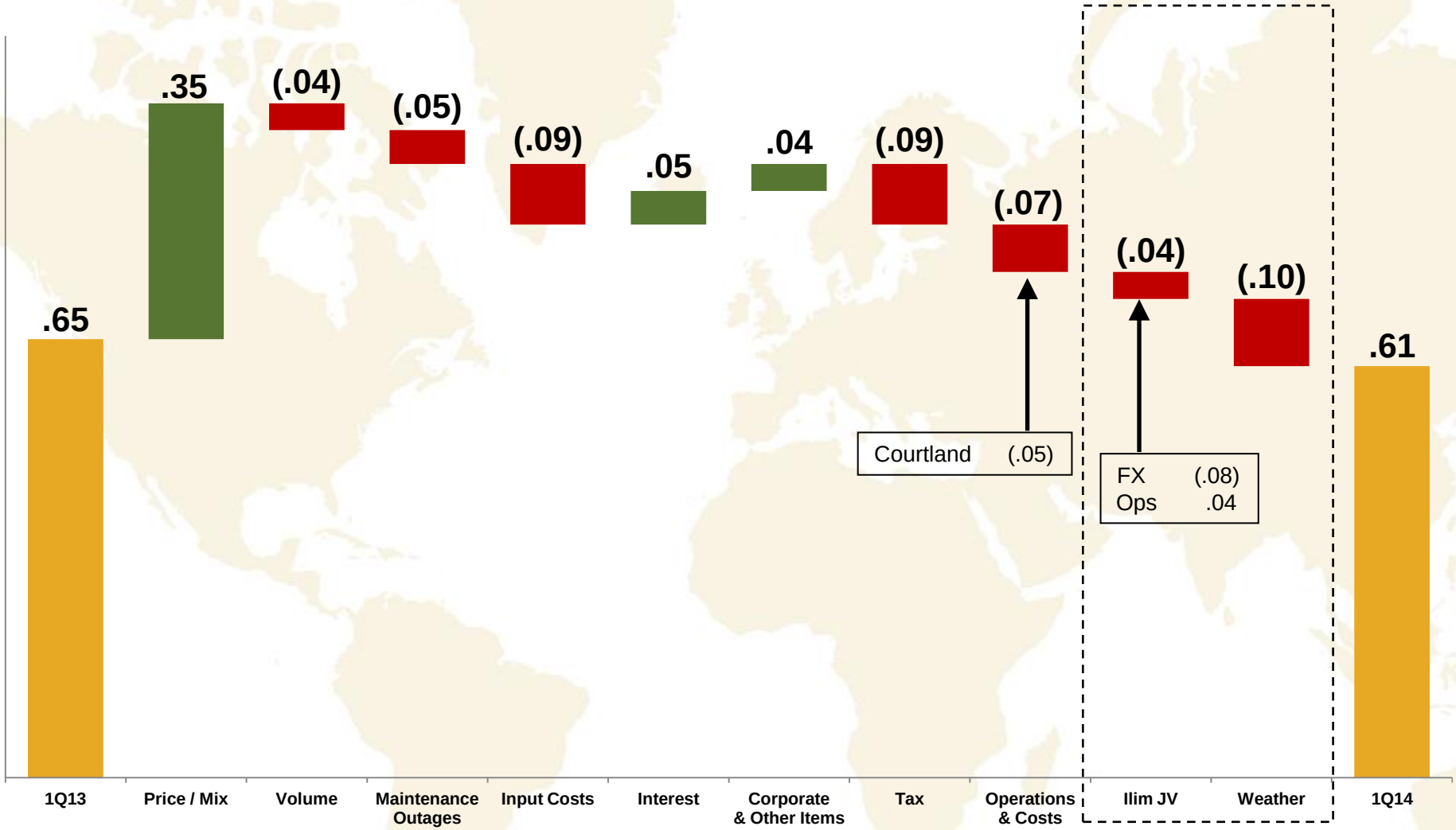
[1] From continuing operations before special items and non-operating pension expense
[2] EPS based on Operating Earnings (defined as Net Earnings (GAAP) from continuing operations before special items and non-operating pension expense)
[3] See slide #27 for a reconciliation of cash provided by continuing operations to free cash flow

1Q14 vs. 4Q13 EPS



Operating Earnings

1Q14 vs. 1Q13 EPS



Operating Earnings

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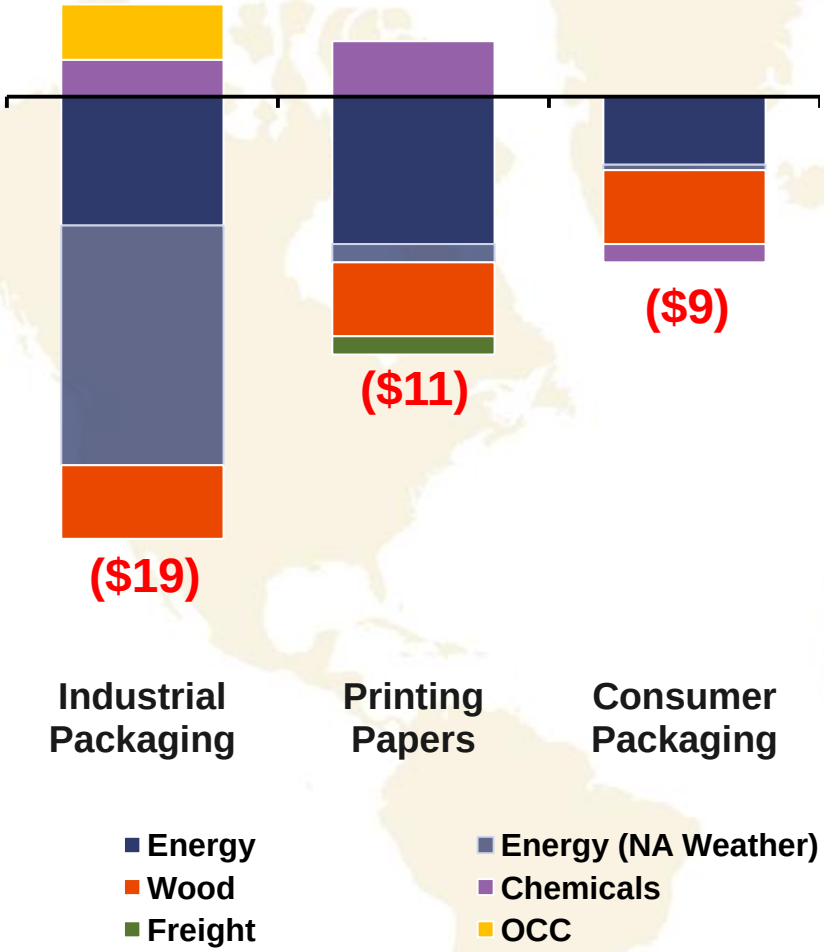
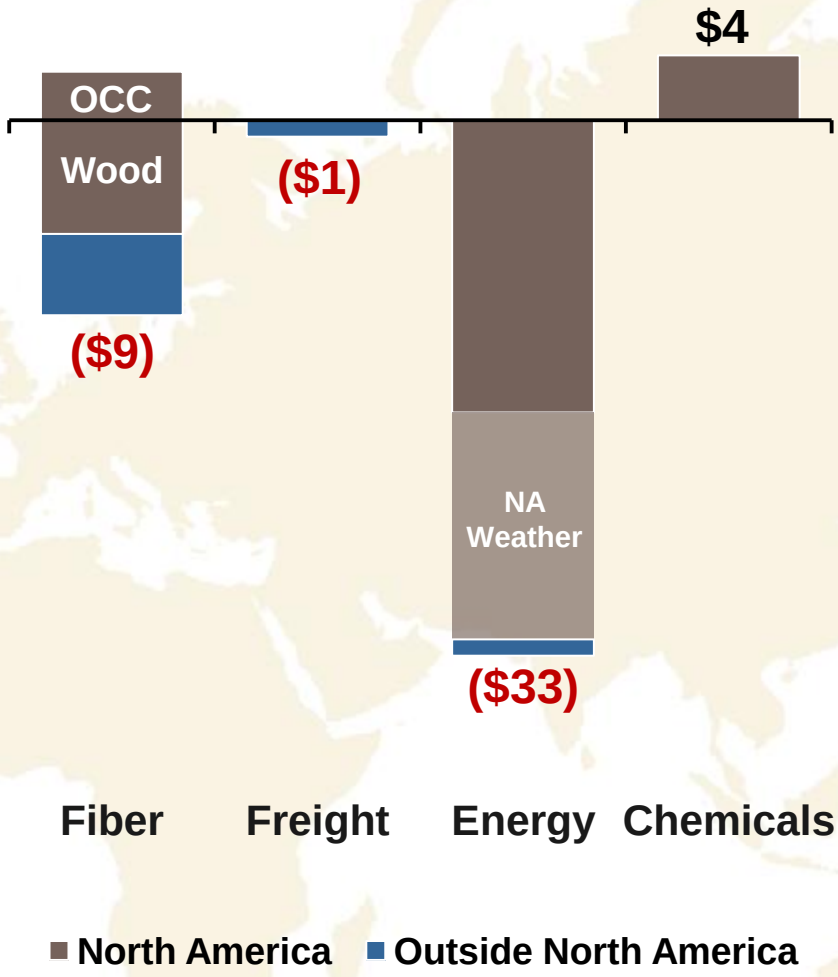
Global Input Costs vs. 4Q13 | $39MM Unfavorable, or $0.06 per Share

By Business

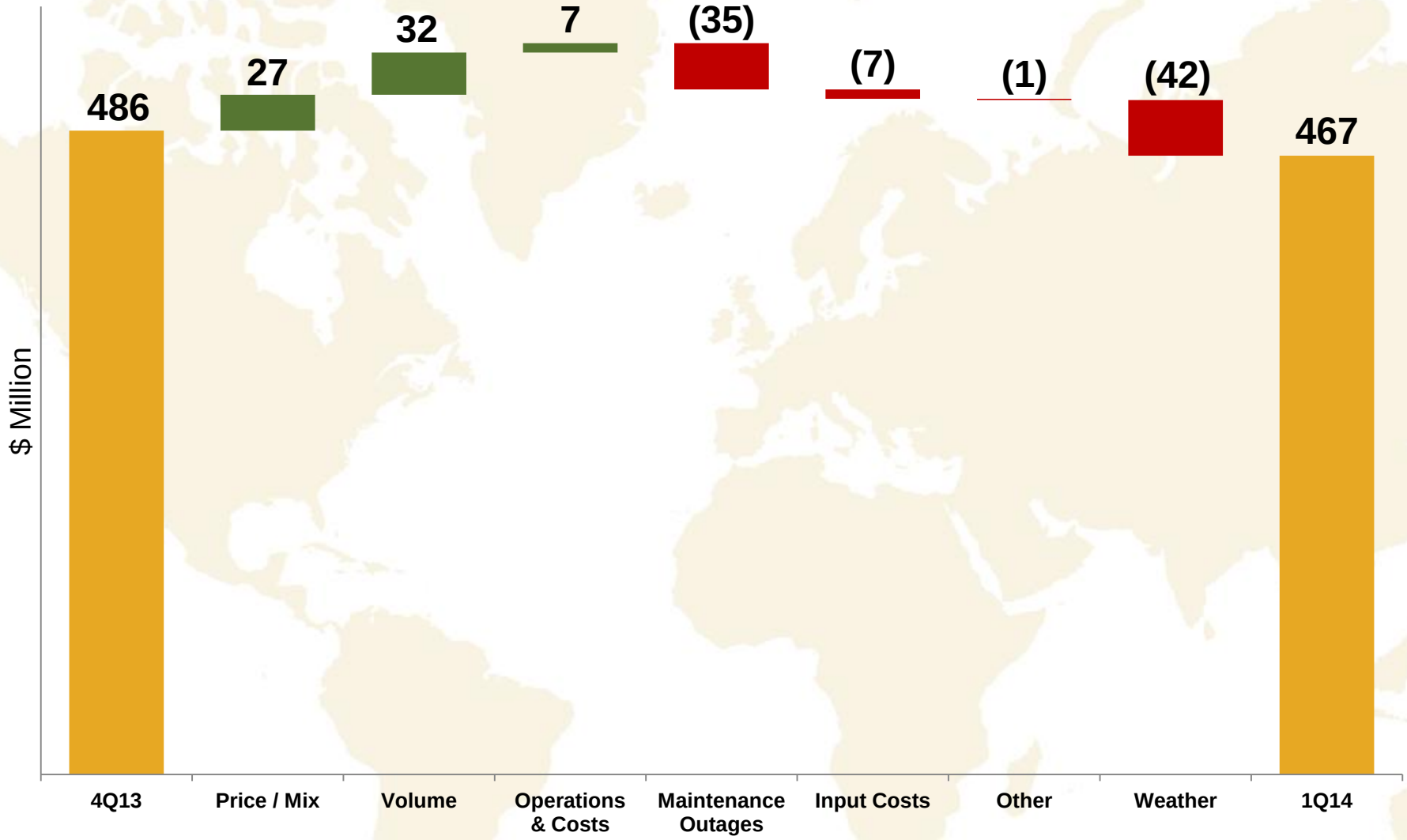


By Input Type



Input costs ($MM) for continuing businesses

Industrial Packaging | 1Q14 vs. 4Q13



Segment operating profit before special items

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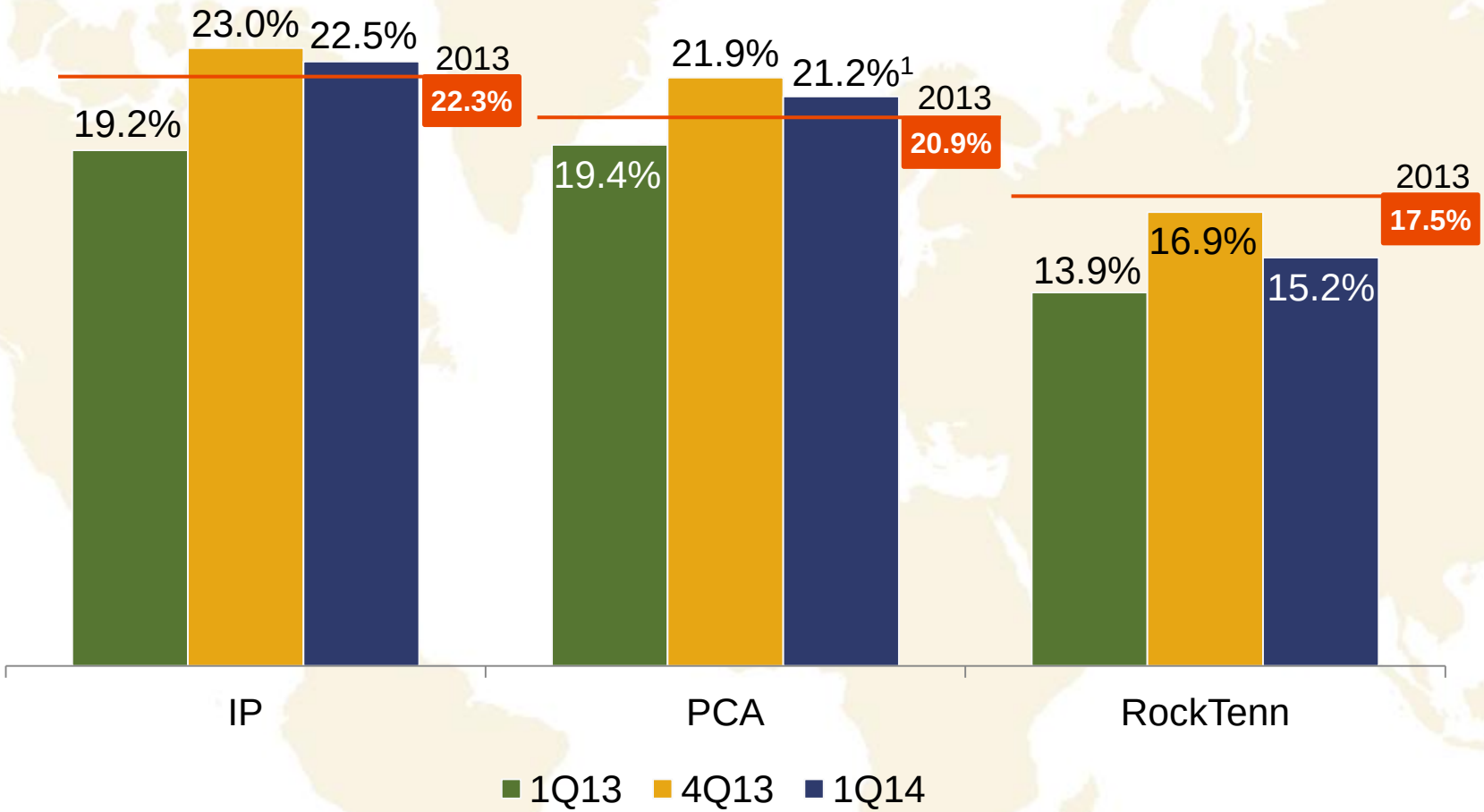
NA Industrial Packaging Relative EBITDA Margins



[1] Reflects Company's change in accounting method beginning in 1Q14
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

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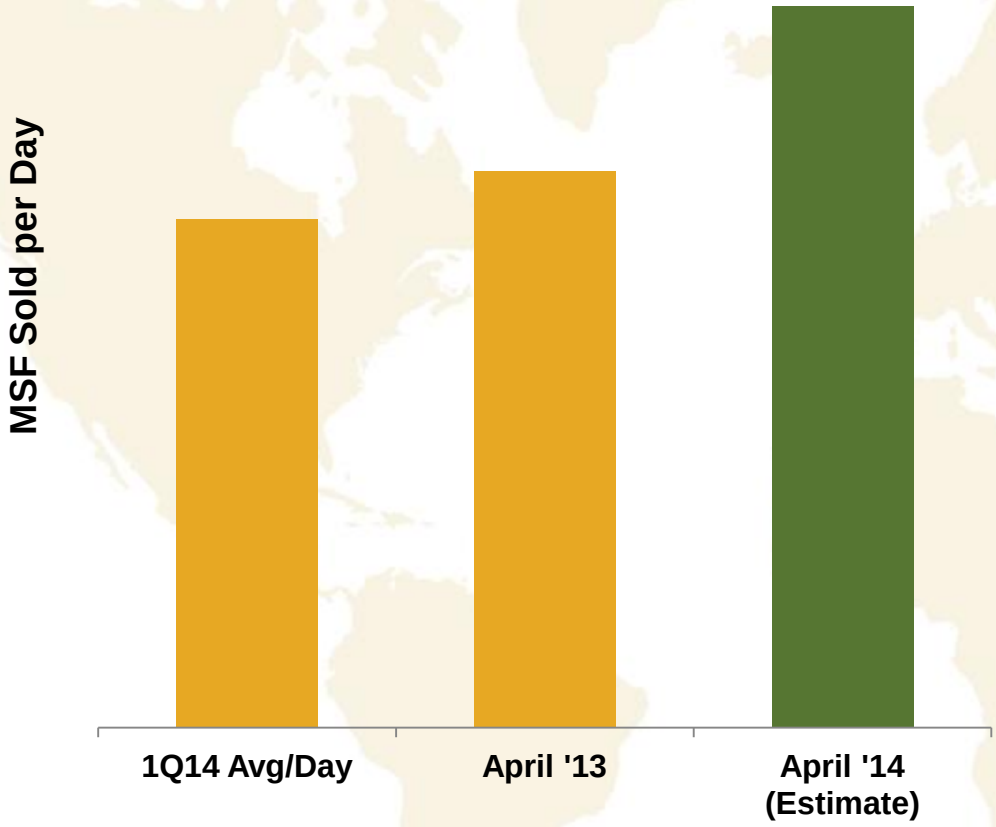
IP U.S. Corrugated Shipments

Trend Improving on Per Day Basis

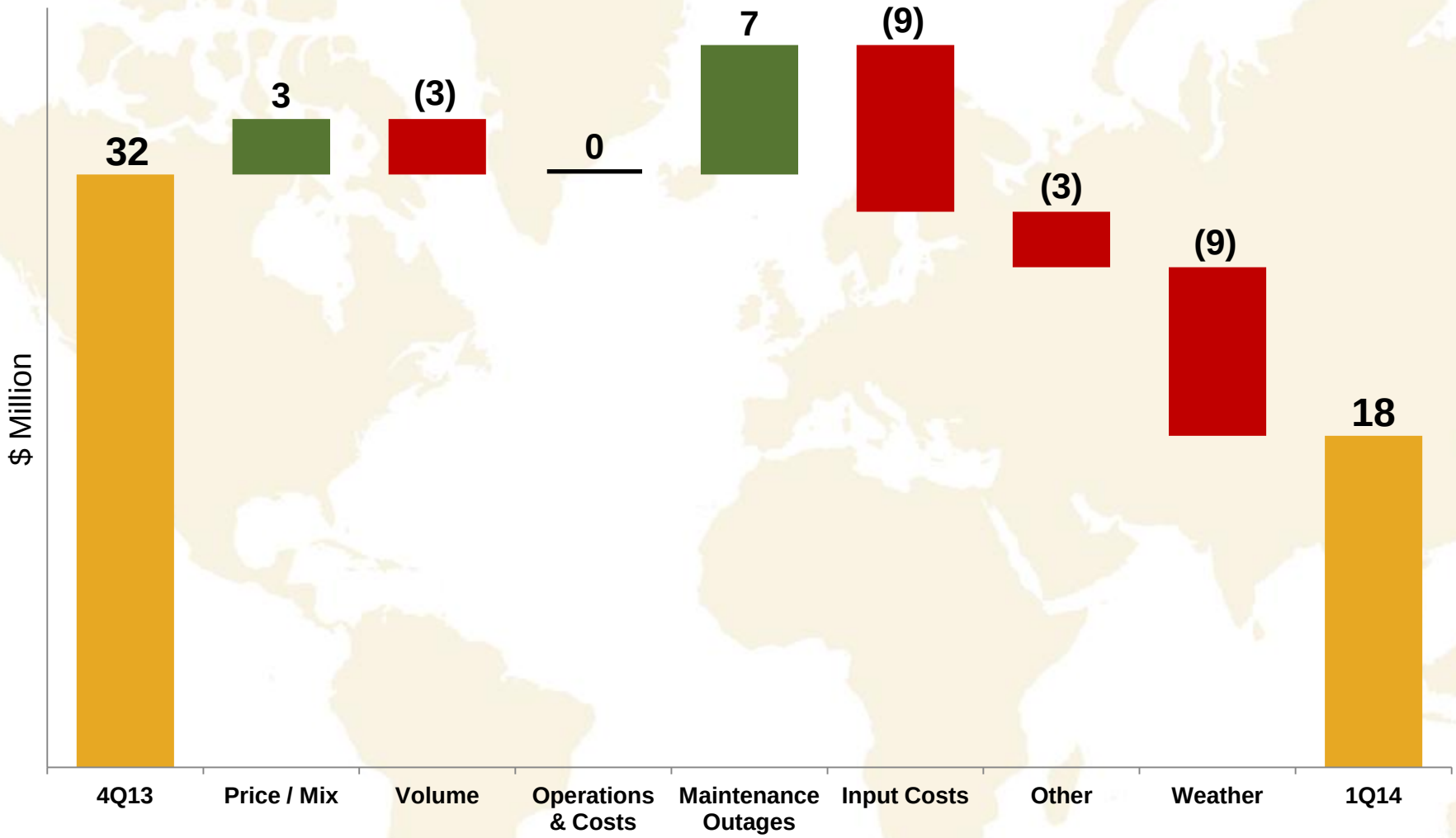


April 2014 Volume

+3% vs 1Q14 Avg

+2% vs April 2013

Consumer Packaging | 1Q14 vs. 4Q13



Segment operating profit before special items

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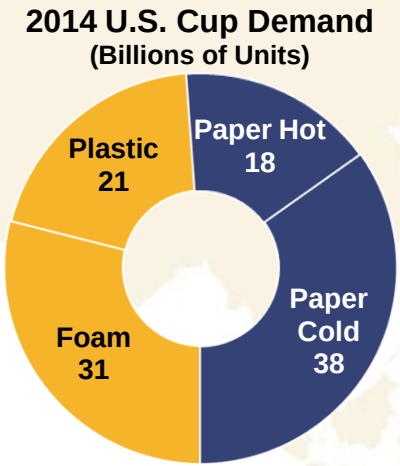
Consumer Packaging Earnings Runway

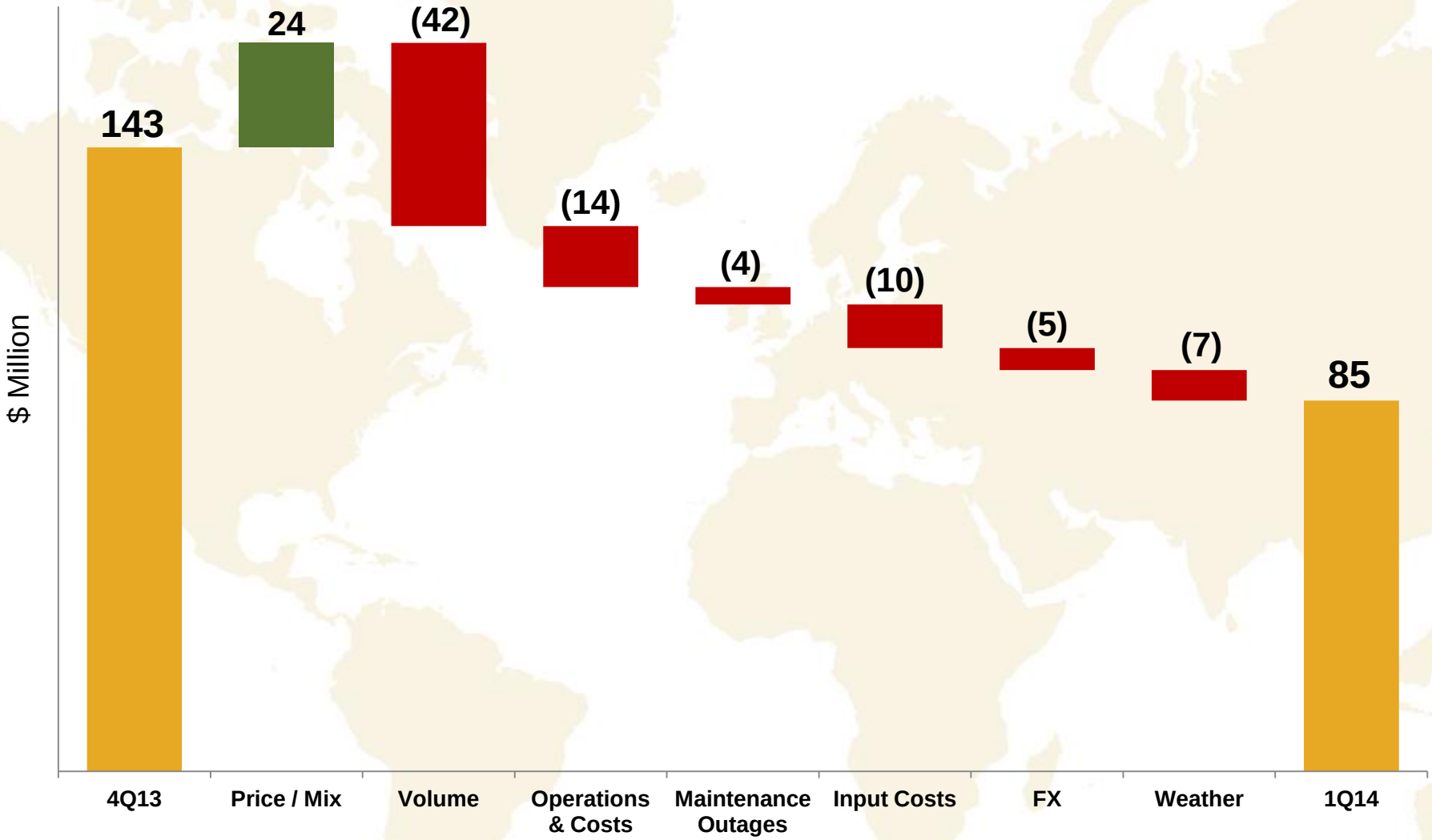
- Market Fundamentals
  - ✓ NA SBS industry backlogs remain strong at 5 weeks, up over 20% vs. a year ago
  - ✓ Continued realization of $50/ton March 1 price increase
- IP continues to capitalize on the growing shift from foam-based cups to paper cups (benefits Coated Paperboard and Foodservice businesses)
  - ✓ Kenton, OH foodservice facility expansion complete by mid-2015
    - $60-70MM investment
    - Adding 250,000 sq. feet and 125 jobs

Every 1 Billion Foam & Plastic Cups Converted to Paper = 15 – 25 Thousand Tons of Coated Paperboard Demand



- Kwidzyn, Poland investment in coated paperboard machine completed 1st quarter. Enhances product quality and service platform for regional folding boxboard market

Printing Papers | 1Q14 vs. 4Q13



Segment operating profit before special items

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NA Printing Papers Update

Courtland Shutdown Complete; Good Progress on Transition of Business



- All machines down early Feb
- Sheeters down in March
- Inventory to be depleted by late May
- Paper qualification trials 95% complete
- A significant number of employees have found jobs internally/externally
- Some cost impacts will continue into 2Q14 and beyond

Distribution | 1Q14 vs. 4Q13

$ Million	1Q13	4Q13	1Q14
Sales	$1,385	$1,415	$1,302
Earnings	$2	$5	$7

Daily Sales Change	vs. 1Q13	vs. 4Q13
Printing	(4%)	(8%)
Packaging	1%	(4%)
Facility Solutions	(15%)	(16%)

- Slightly improved margins and lower costs more than offset weaker sales
- Sales negatively impacted by unfavorable weather
- Spin/Merge expected to be completed early 3Q14

Segment operating profit before special items

Ilim Joint Venture | 1Q14 vs. 4Q13

$ Million	1Q13	4Q13	1Q14
Sales Volume (thousand tons)	647	677	781
Sales	$462	$482	$554
Operational EBITDA[1]	$38	$61	$115
F/X (Impact of USD Debt[2]**)**	($27)	($15)	($114)
IP Equity Earnings[3]	($11)	($12)	($31)

- Operational EBITDA improvement due to higher volume, pulp pricing and operational performance
- Unfavorable non-cash F/X impact due to Ruble weakening on the JV's USD debt

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] 1Q14 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 1Q13, 4Q13, and 1Q14 include after-tax f/x losses of $11MM, $6MM, and $45MM, respectively.



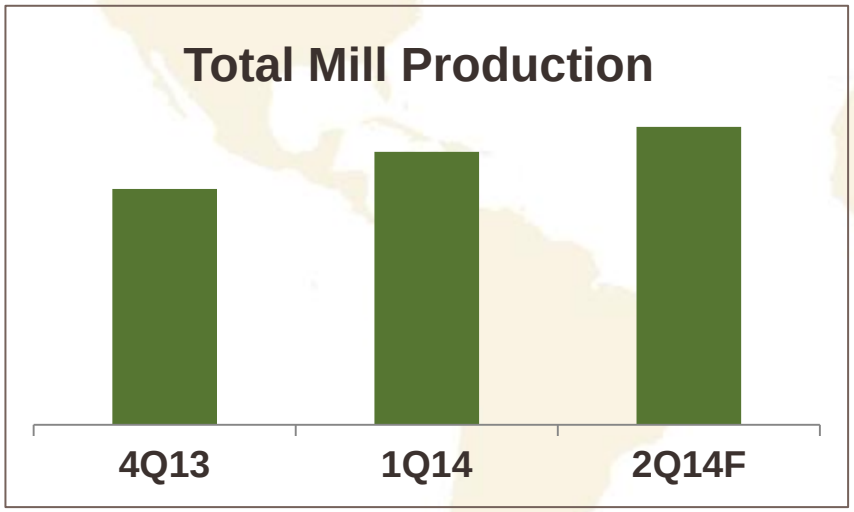
Bratsk Mill

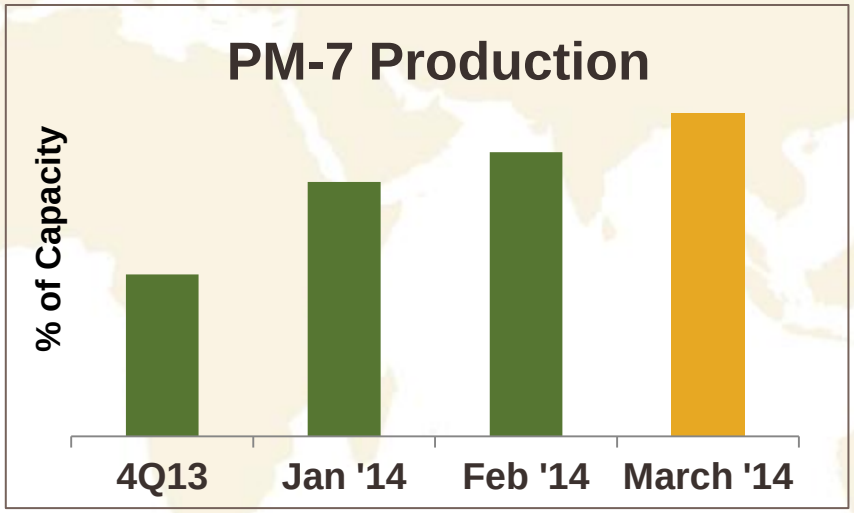
Project ramp continues; Expect to achieve full production by end of 2014



Koryazhma Mill

Production levels at 100% of project expectations in March





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Second Quarter Outlook | Changes from 1Q14

		North America	EMEA & Russia	Brazil	Asia[1]
Volume	Paper	Stable	Modestly lower	Stable	Stable
	Packaging	Seasonal increase	Stable	Improving	Stable
Pricing / Mix	Paper	Increasing	Modestly lower	Increasing	Stable
	Packaging	CPG improving	Stable	Increasing	Stable
Operations & Other	Paper	Courtland wind down	Stable	Stable	Stable
	Packaging	Stable	Stable	Stable	Stable
Inputs & Freight	Paper	Stable	Increasing wood costs	Stable	Stable
	Packaging	Stable	Stable	Stable	Stable
Mill Maintenance Outages	Paper	Increase $9MM	Increase $23MM	Increase $1MM	None scheduled
	Packaging	Increase $19MM	Increase $8MM	None scheduled	None scheduled
1Q14 Weather Events		Non-recurring $60MM			
xpedx Earnings		Stable			
ILIM JV Equity Earnings			Non-recurring currency impact[2]		

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

2Q14 Outlook Summary | Continuing to run our businesses well



- Improved volume in NA Industrial Packaging
- Continued price increase implementation in NA Papers, NA Pulp, NA Consumer Packaging, Brazil Papers and Brazil Packaging
- Lower transitional costs as Courtland winds down
- Non-repeat of severe weather impacts in NA



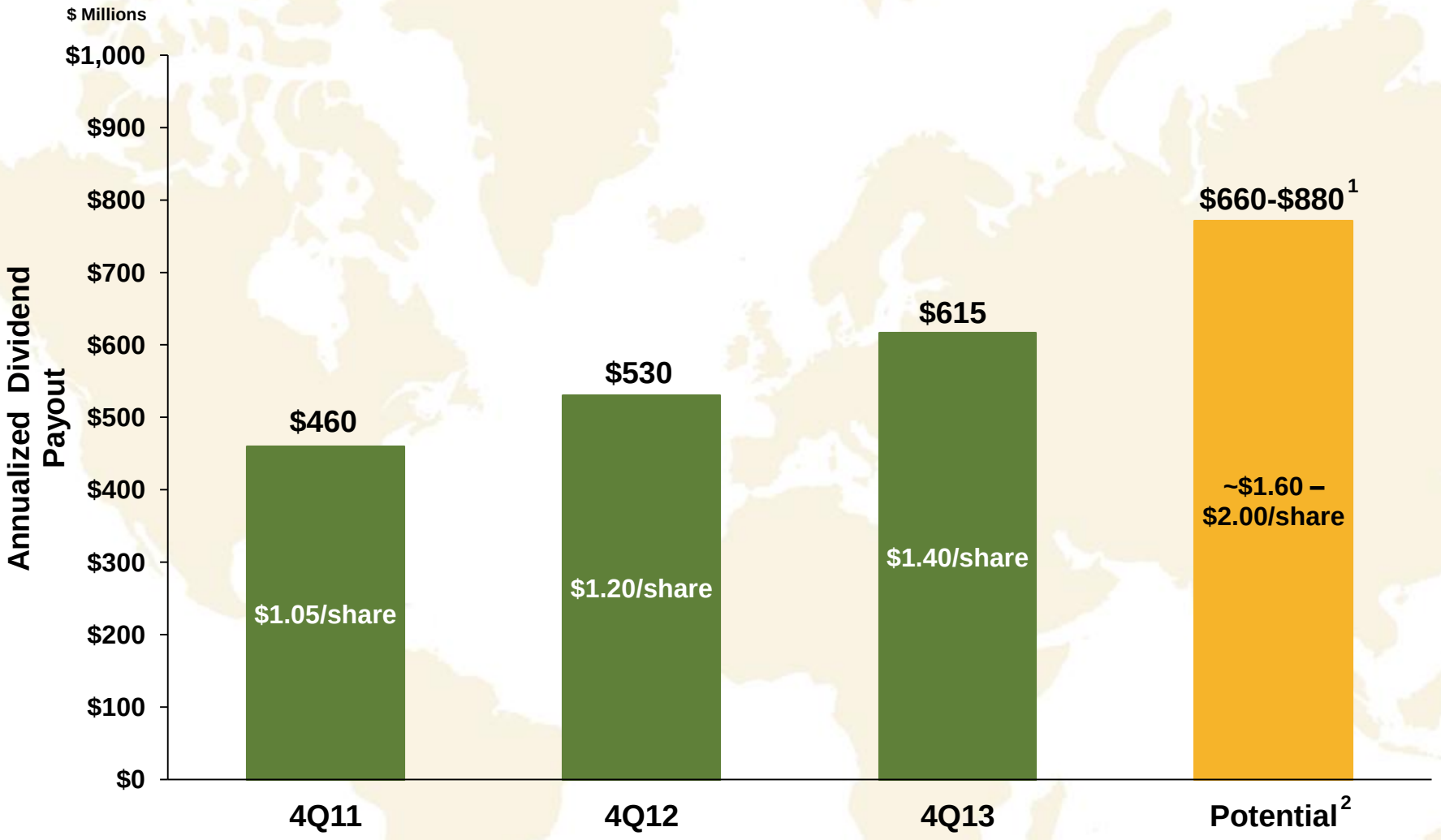
- Heaviest maintenance outage quarter of year ($60MM higher vs. 1Q)
- NA Industrial Packaging mix normalizes
- Tax rate expected to be approximately 32% for the year
- Interest expense – non-repeat of 1Q favorable item

Delivering on Our Commitments

Running our businesses well and generating higher levels of FCF;
Returns consistently above cost of capital

- **Strengthening Balance Sheet**
  - ✓ Reduced balance sheet debt ~$2.5B since 1Q12
  - ✓ Achieved Moody's debt coverage target of <3X adjusted EBITDA as of year end 2013
- **Returning more cash to shareholders**
  - ✓ Increasing dividend over time
    - ➢ 4Q12 $1.05 → $1.20/share ~14% increase
    - ➢ 4Q13 $1.20 → $1.40/share ~17% increase
- **Buying back shares**
  - ✓ $1.5B share buyback program

Dividend Potential | Continuing Growth



[1] Total annual dollars based on 30%-40% of mid-cycle potential FCF of $2.2B as shared at May 2012 Investor Day
[2] Based on potential post buyback share count (~420MM shares)

$1.5B Share Buyback Program

- Authorized September 10, 2013
- Since 4Q13 call (Feb. 4) purchased ~**$460MM** (~10MM shares at average price of ~$46)
- Total program purchases through April 29 of ~**$992MM** (~21.7MM shares at average price of $45.80)

What Makes IP Different? | Key Levers and Runway

Enterprise



- Manufacturing expertise with low-cost assets
- People Capability
- EBITDA growth based on IP specific initiatives
- Ramping dividend and sizeable share repurchase program
- Attractive FCF yield with improving FCF

North America



- Strong positions – best margins
- Industrial Packaging optimization
- Consumer Packaging foam to paper cup conversions
- Papers repositioning post Courtland
- xpedx spin

Global



- Leveraging global platform for profitable growth
- Coated Paperboard quality project at Kwidzyn
- Packaging synergies at Orsa
- Ilim ramp up

Appendix

Investor Relations Contacts

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

Media Contact

Tom Ryan	901-419-4333

Free Cash Flow

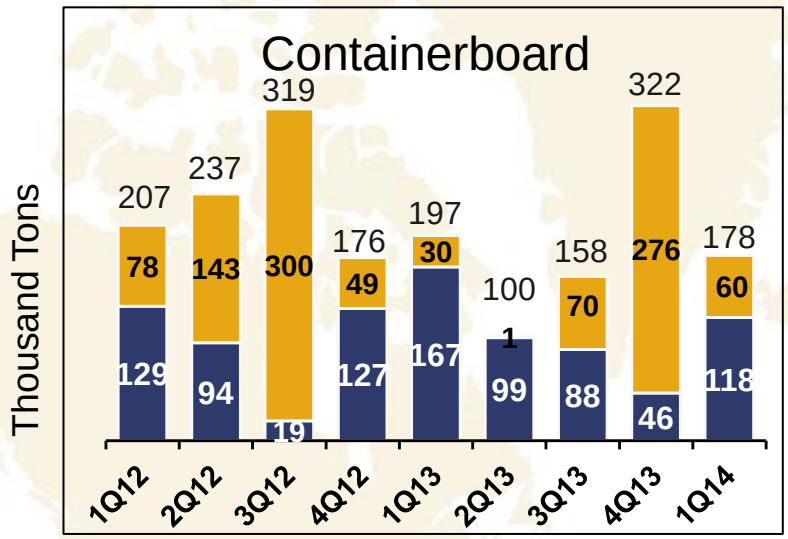
$ Million	1Q13	4Q13	1Q14
Cash Provided by Continuing Operations	$516	$1,034	$531[1]
Less Capital Investment	($216)	($439)	($277)
Free Cash Flow	$300	$595	$254

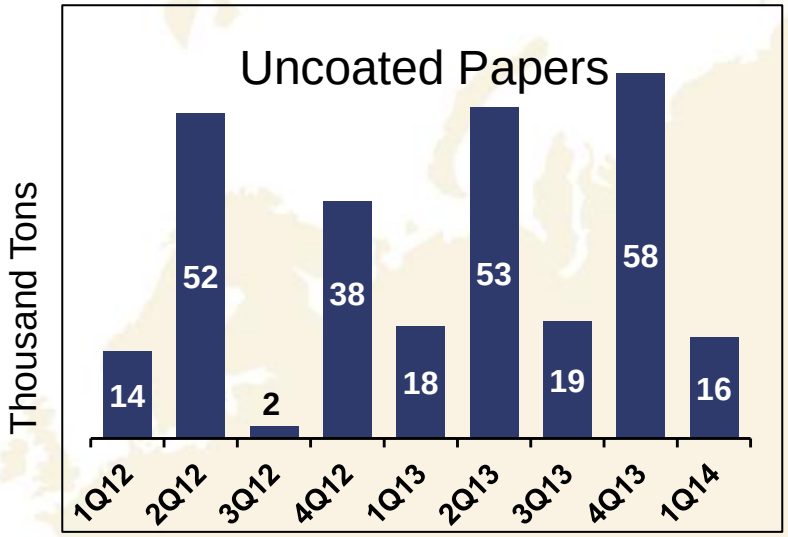
[1] Excludes $58MM cash paid for pension plan contribution

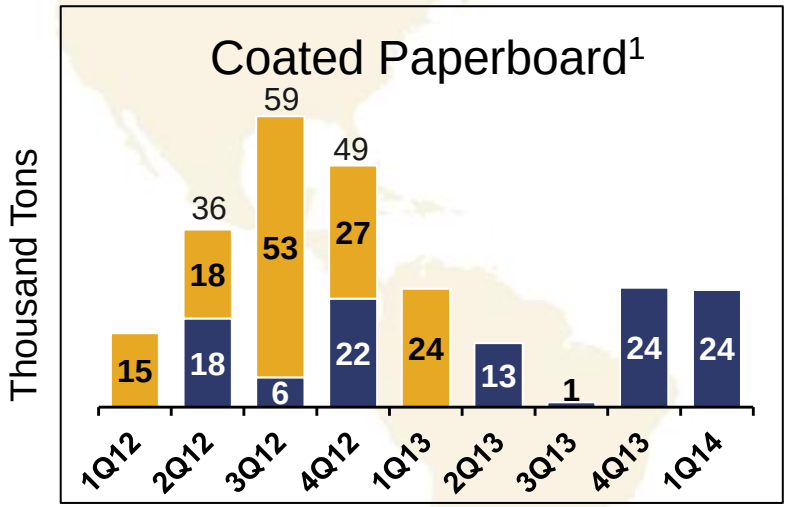
Maintenance Outages Expenses | 2014

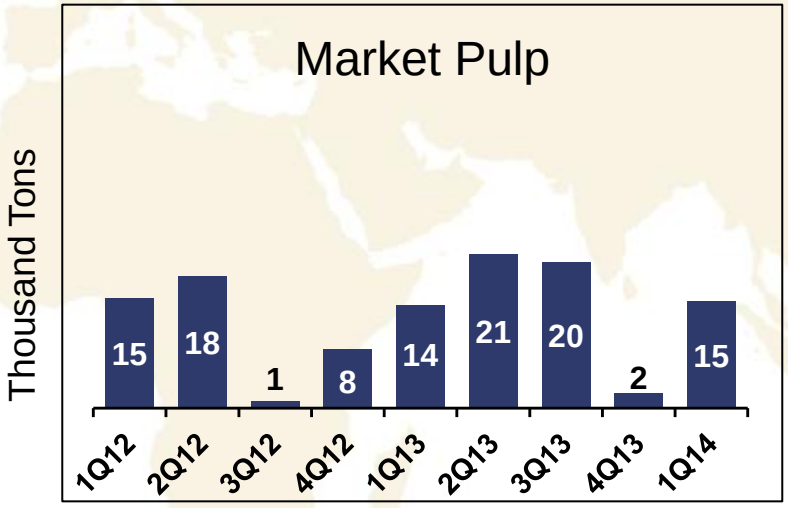
$ Million	1Q14	2Q14F	3Q14F	4Q14F	2014F
Industrial Packaging	**$69**	**$88**	**$28**	**$43**	**$228**
North America	69	88	25	43	225
Brazil	0	0	3	0	3
Printing Papers Total	**$31**	**$64**	**$28**	**$46**	**$169**
North America	30	39	12	38	118
Europe	1	24	1	0	26
Brazil	0	1	12	8	21
India	0	0	3	0	3
Consumer Packaging	**$20**	**$28**	**$0**	**$14**	**$62**
North America	20	20	0	14	54
Europe	0	8	0	0	8
Total Impact	**$120**	**$180**	**$56**	**$103**	**$459**

North American Downtime









[1]Augusta PM#2 was permanently shutdown in March 2013 (36000 tons / quarter)

Special Items Before Tax | Continuing Operations

Special Items Pre-Tax ($ Million)		1Q13	4Q13	1Q14
Industrial Packaging	Acquisition and Integration Costs	($12)	($16)	($14)
	Box Plant Closures		$5	
	Other	($2)	($2)	
Printing Papers	Courtland Mill Shutdown		($67)	($495)
	India Goodwill & Trade Name Impairment		($123)	
Consumer Pkg.	Augusta PM Shutdown	($44)		
	Other		($2)	($1)
xpedx	Reorganization	($7)	($2)	($2)
	Goodwill Impairment		($400)	
Corporate	Debt Extinguishment	($6)	($1)	
	Interest Income	$6		
	xpedx Spinoff		($8)	($16)
	Other			($1)
Total Special Items Before Tax		**($65)**	**($616)**	**($529)**

Special Items Net of Taxes

	1Q14	
	$ Million	EPS
Earnings Before Special Items	$265	$0.61
Special Items Net of Taxes:		
Tax Items	($9)	
Acquisition and Integration Costs	($8)	
Courtland Mill Shutdown	($302)	
xpedx Spinoff	($10)	
Other	($2)	
Total Special Items Net of Taxes	($331)	($0.76)
Non-Operating Pension Expense	($27)	($0.06)
Discontinued Operations Net of Taxes	($2)	($0.00)
Net Earnings	($95)	($0.21)

1Q14 EBITDA | Integrated Mill Business Margins

	Operating Profit $ Million	D & A $ Million	Tons Thousand	EBITDA per Ton	EBITDA Margin
Industrial Packaging					
North America[1]	$460	$172	3,346	$189	23%
Brazil[2]	($2)	$5	59	$51	5%
Printing Papers					
North America[3]	$11	$28	506	$77	8%
Europe & Russia[4]	$37	$15	375	$139	15%
Brazil	$45	$29	271	$273	30%
India[2]	($2)	$5	44	$69	9%
North American Pulp	($7)	$16	327	$28	4%
Consumer Packaging					
North America[5]	($6)	$40	351	$97	7%
Europe	$26	$4	84	$357	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	1Q13	4Q13	1Q14
Industrial Packaging	$369	$486	$467
Printing Papers	$149	$143	$85
Consumer Packaging	$51	$32	$18
Distribution	$2	$5	$7
Operating Profit	**$571**	**$666**	**$577**
Net Interest Expense	($170)	($133)	($142)
Noncontrolling Interest / Equity Earnings Adjustment	$0	$4	$0
Corporate Items	($22)	$6	($9)
Non-Operating Pension Expense	($84)	($78)	($44)
Special Items	($65)	($620)	($529)
Net Earnings from continuing operations before income taxes, equity earnings & noncontrolling interest	**$230**	**($155)**	**($147)**
Equity Earnings, net of taxes - Ilim	**($11)**	**($12)**	**($31)**

Geographic Business Segment Operating Results | Revenue

$ Million	Sales			Operating Profit		
	1Q13	4Q13	1Q14	1Q13	4Q13	1Q14
Industrial Packaging						
North America	$3,025	$3,115	$3,084	$350	$479	$460
Europe	$320	$335	$342	$18	$8	$9
Brazil	$45	$95	$85	$1	($1)	($2)
Asia	$170	$170	$182	$0	$0	$0
Printing Papers						
North American	$645	$600	$515	$63	$37	$11
Europe	$365	$395	$375	$54	$36	$38
Brazil	$260	$295	$245	$45	$61	$45
Asia / India	$75	$70	$64	($4)	($2)	($2)
N.A. Pulp	$195	$210	$207	($9)	$11	($7)
Consumer Packaging						
North America	$460	$480	$464	$22	$4	($6)
Europe	$95	$95	$91	$32	$25	$26
Asia (Sun JV)	$275	$290	$274	($3)	$3	($2)
xpedx	$1,385	$1,415	$1,302	$2	$5	$7

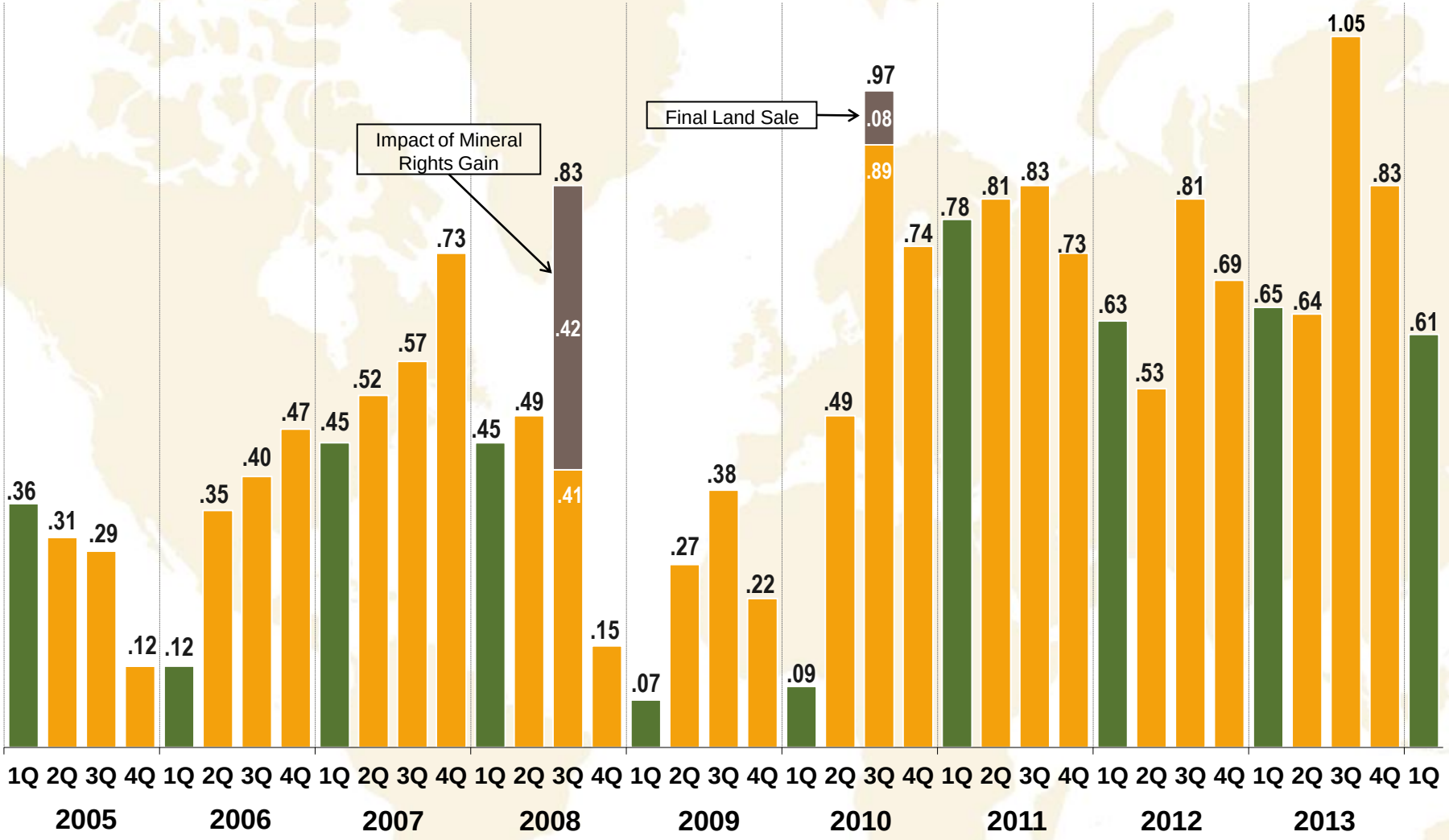
Does not reflect total company sales

2014 Operating Earnings

	Pre-Tax $MM	Tax $MM	Non-controlling Interest $MM	Equity Earnings	Net Income $MM	Average Shares MM	Diluted EPS[1]
Operating Earnings							
1Q14	$426	($132)	$4	($33)	$265	436	$0.61
Non-Operating Pension Expense							
1Q14	($44)	$17	$0	$0	($27)	436	($0.06)
Net Special Items							
1Q14	($529)	$198	$0	$0	($331)	436	($0.76)
Net Earnings from Continuing Operations							
1Q14	($147)	$83	$4	($33)	($93)	436	($0.21)

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

Operating Business 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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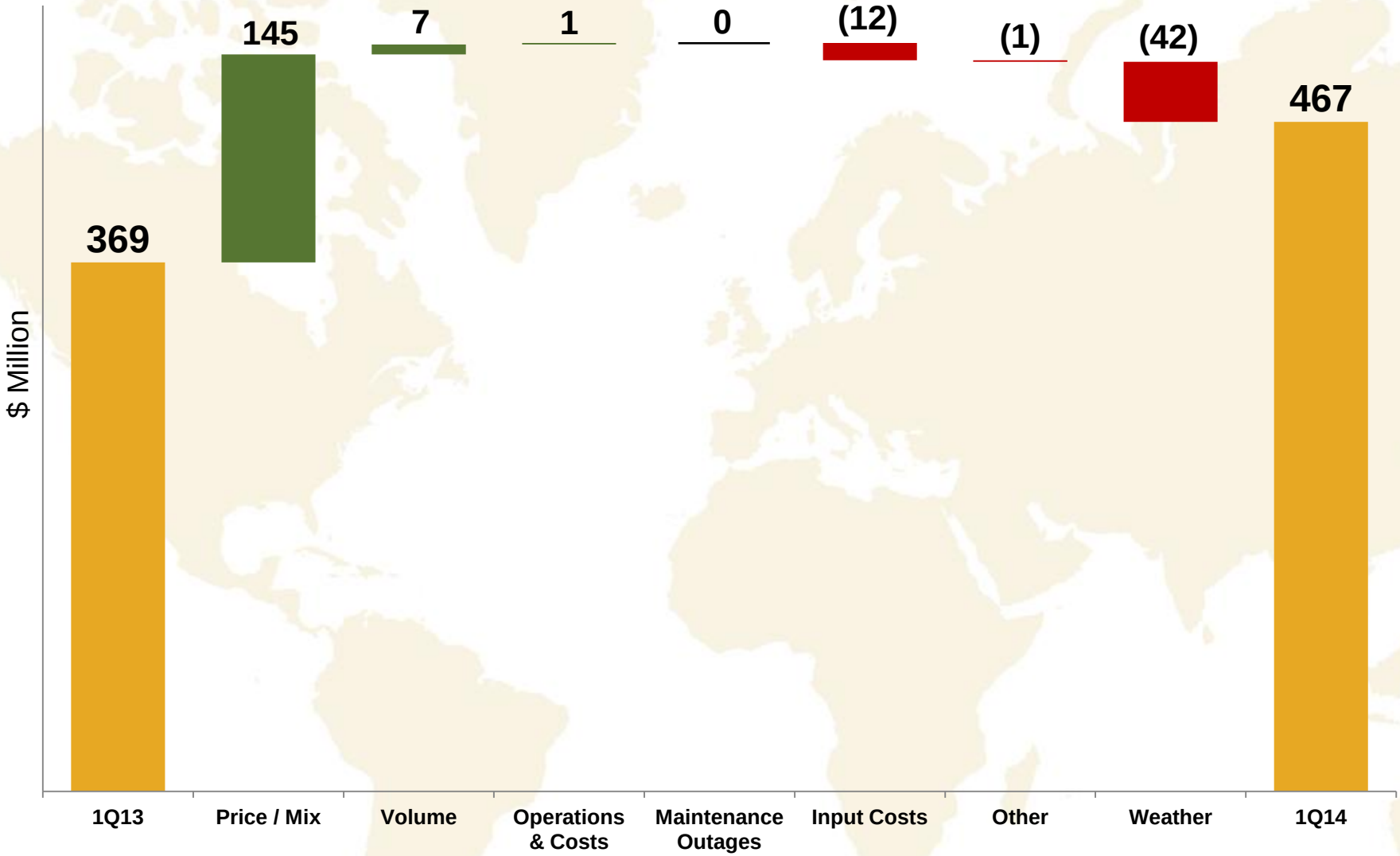
Industrial Packaging | 1Q14 vs. 1Q13



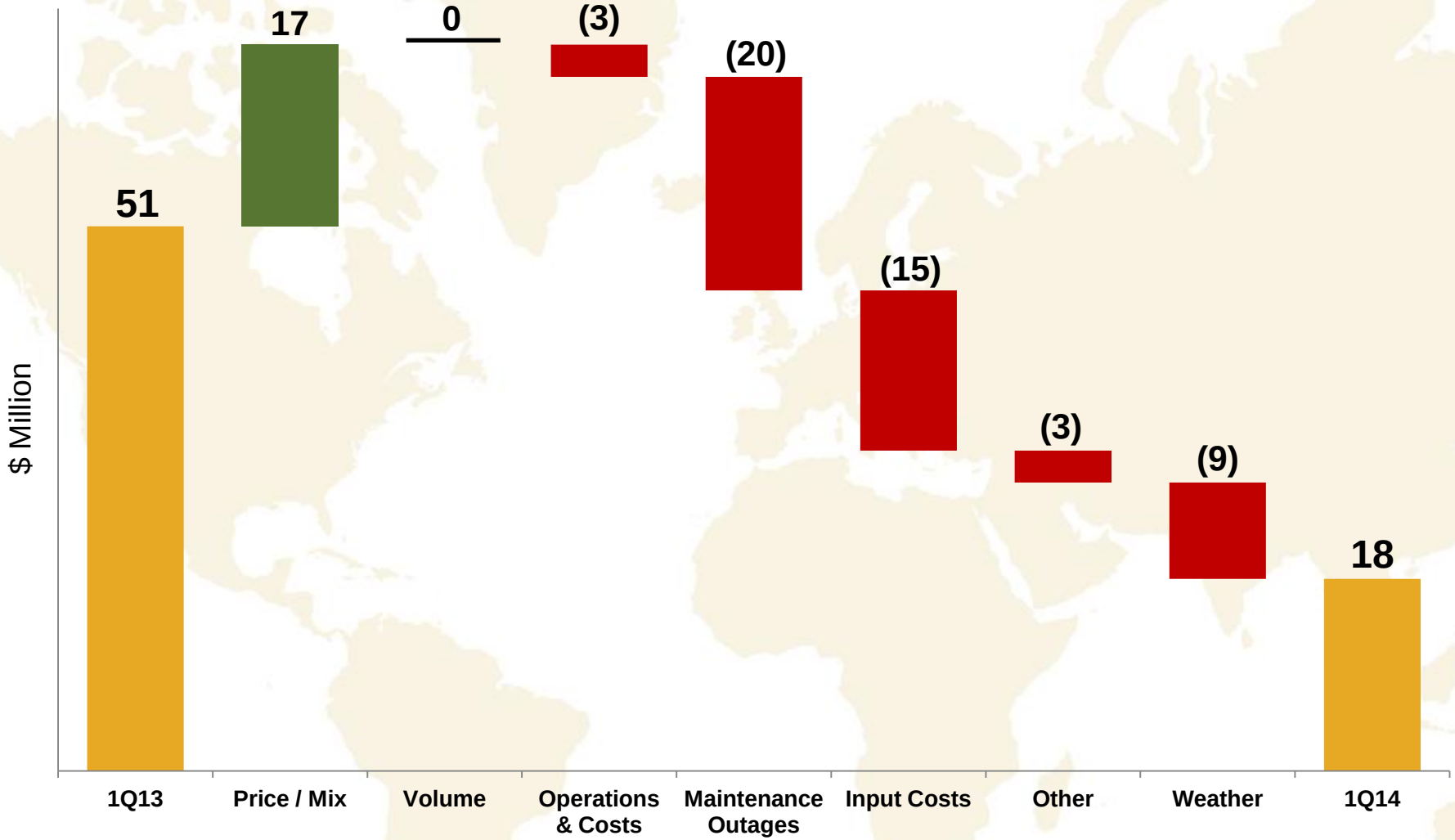
Segment operating profit before special items

	1Q14 vs. 4Q13		1Q14 vs. 1Q13	
Business	**Volume**	**Price / Ton**	**Volume**	**Price / Ton**
U.S. Container[1]	**(4%)**	**$9**	**(2%)**	**$58**
European Container	**2%**	**€4**	**4%**	**€0**

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

[1] Corrugator plant sales on FBA shipping day basis

Consumer Packaging | 1Q14 vs. 1Q13



Segment operating profit before special items

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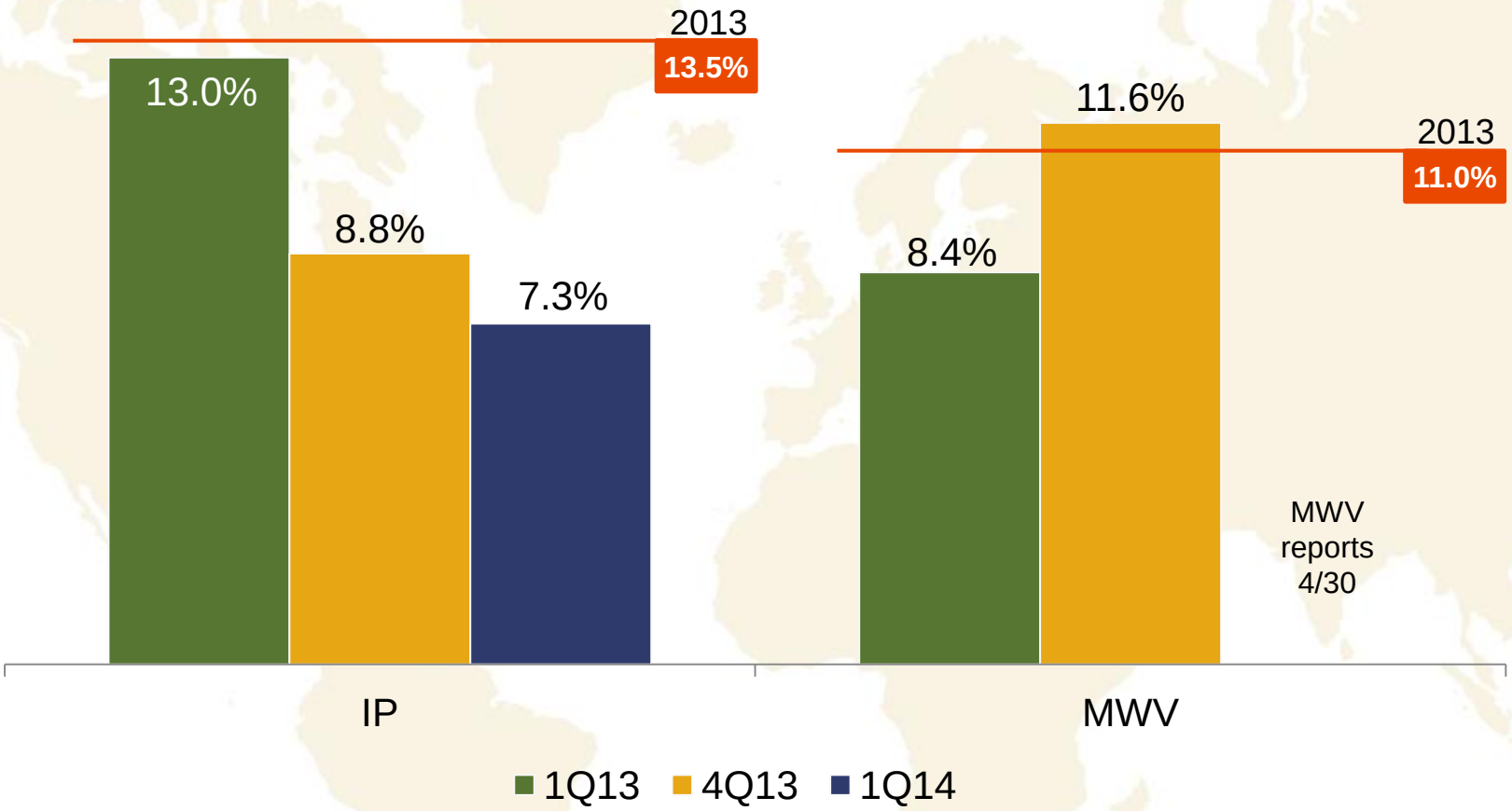
	1Q14 vs. 4Q13		1Q14 vs.1Q13	
	Volume	Price/Ton	Volume	Price/Ton
NA Coated Paperboard	(4%)	$4	(5%)	$29
	Revenue	Price	Revenue	Price
Foodservice	(2%)	NA	11%	NA

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

NA Consumer Packaging EBITDA Margins



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

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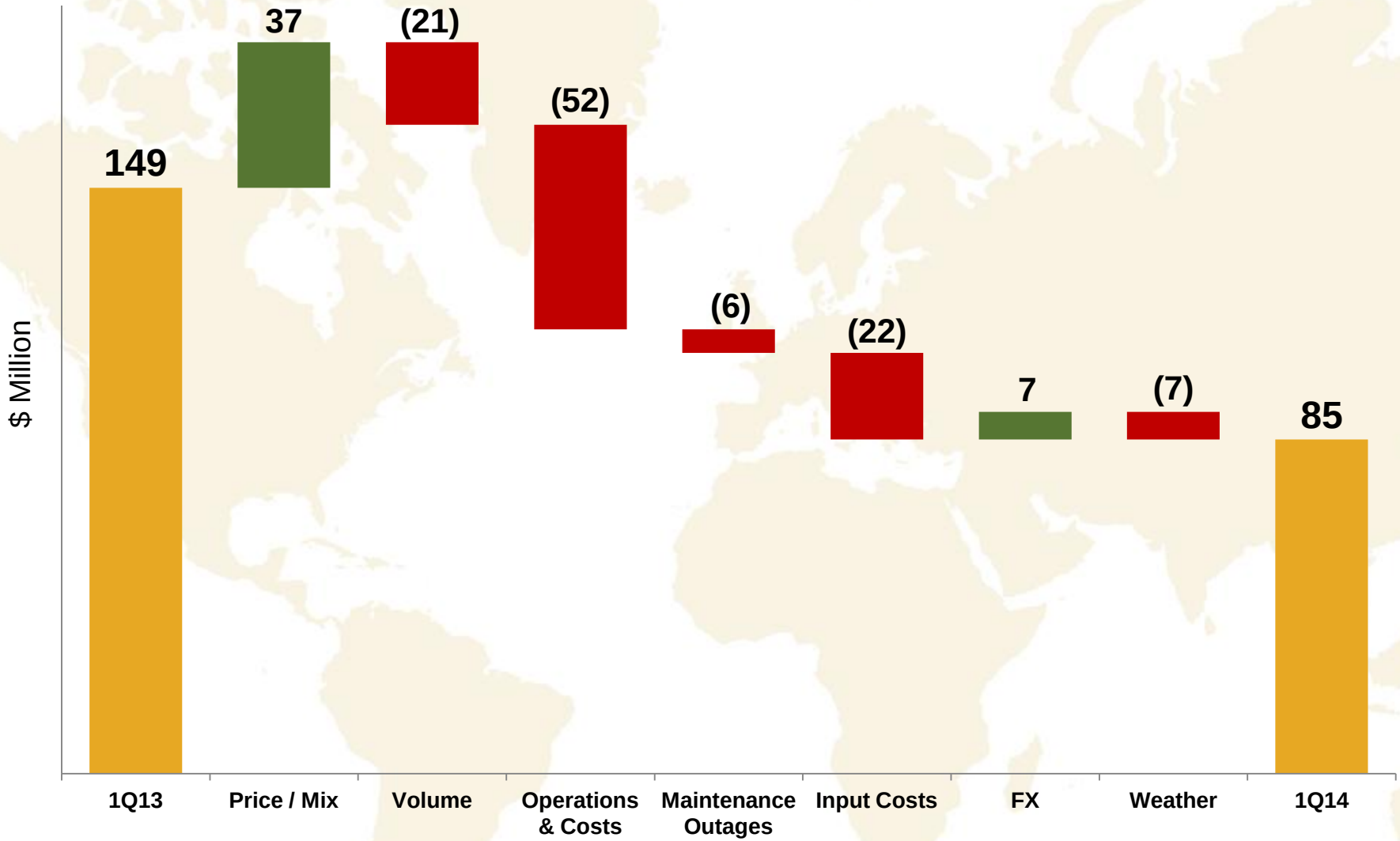
Printing Papers | 1Q14 vs. 1Q13

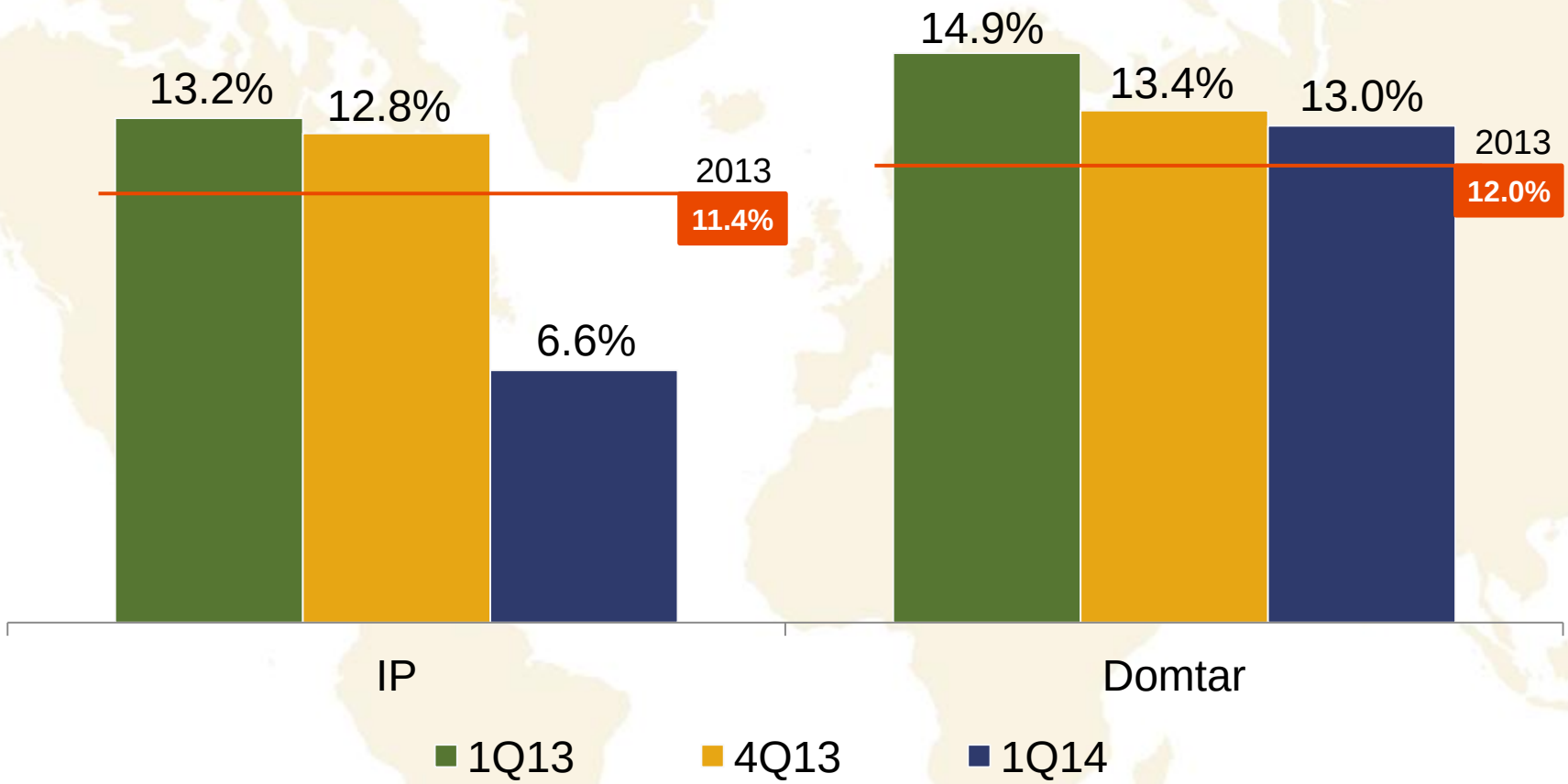


Segment operating profit before special items

	1Q14 vs. 4Q13		1Q14 vs. 1Q13	
Business	**Volume**	**Price / Ton**	**Volume**	**Price / Ton**
NA Paper	**(19%)**	**$56**	**(23%)**	**$41**
NA Pulp[1]	**(3%)**	**$5**	**(2%)**	**$35**
European Paper	**Flat**	**(€4)**	**17%**	**(€34)**

Average IP volume and price realization (includes the impact of mix across all grades)
[1] Reflects Fluff and Market Pulp combined

N.A. Printing Papers Relative EBITDA Margins



IP EBITDA margins based on operating profit from continuing operations before special items
Competitor EBITDA margin estimates obtained from public filings and IP analysis
EBITDA margins reflect the Printing Papers and Pulp businesses

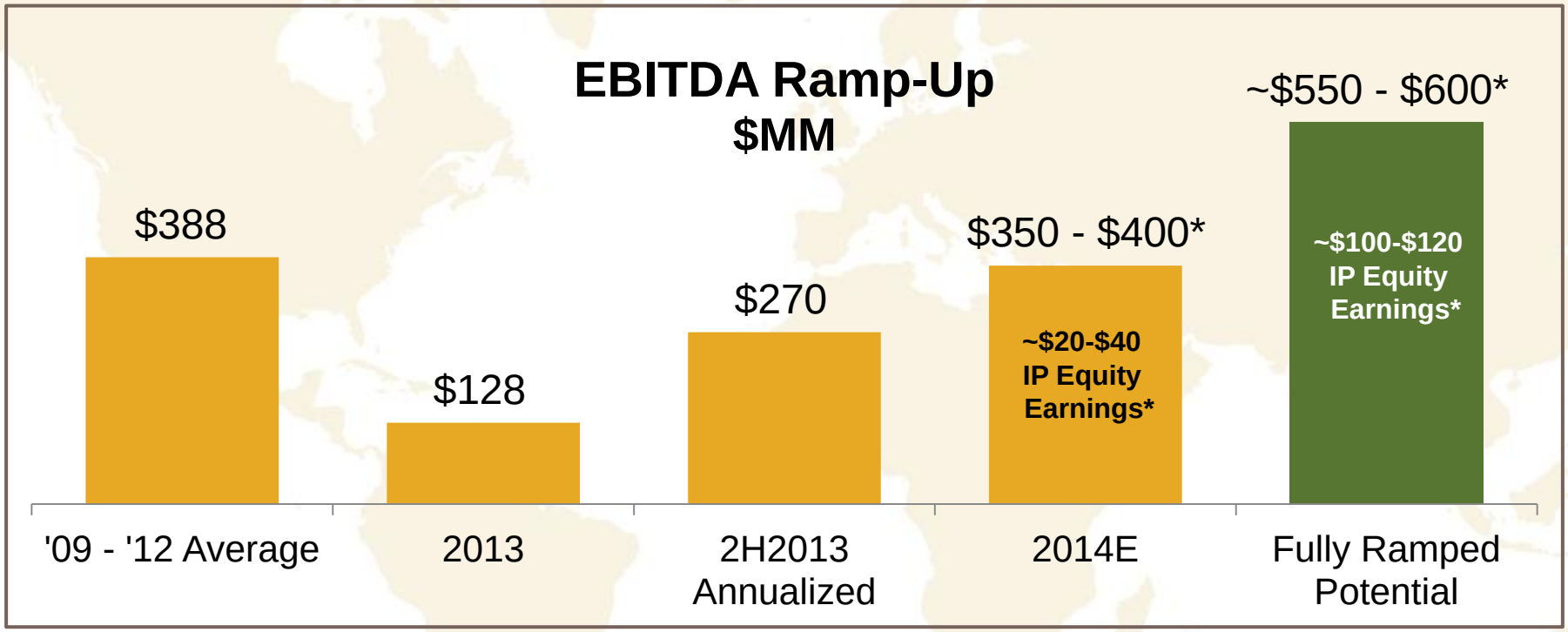
$ Million	1Q13	4Q13	1Q14
Sales	$260	$295	$245
Earnings	$45	$61	$45
EBITDA Margin	30%	31%	30%

	1Q14 vs. 4Q13		1Q14 vs. 1Q13	
Business	Volume	Price/Ton	Volume	Price/Ton
Uncoated Freesheet	(15%)	$8	4%	$31
Domestic	(19%)	$19	7%	$83
Export	(11%)	($2)	1%	($19)

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 | Pro Forma View – As Shared on February 4th Earnings Call

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



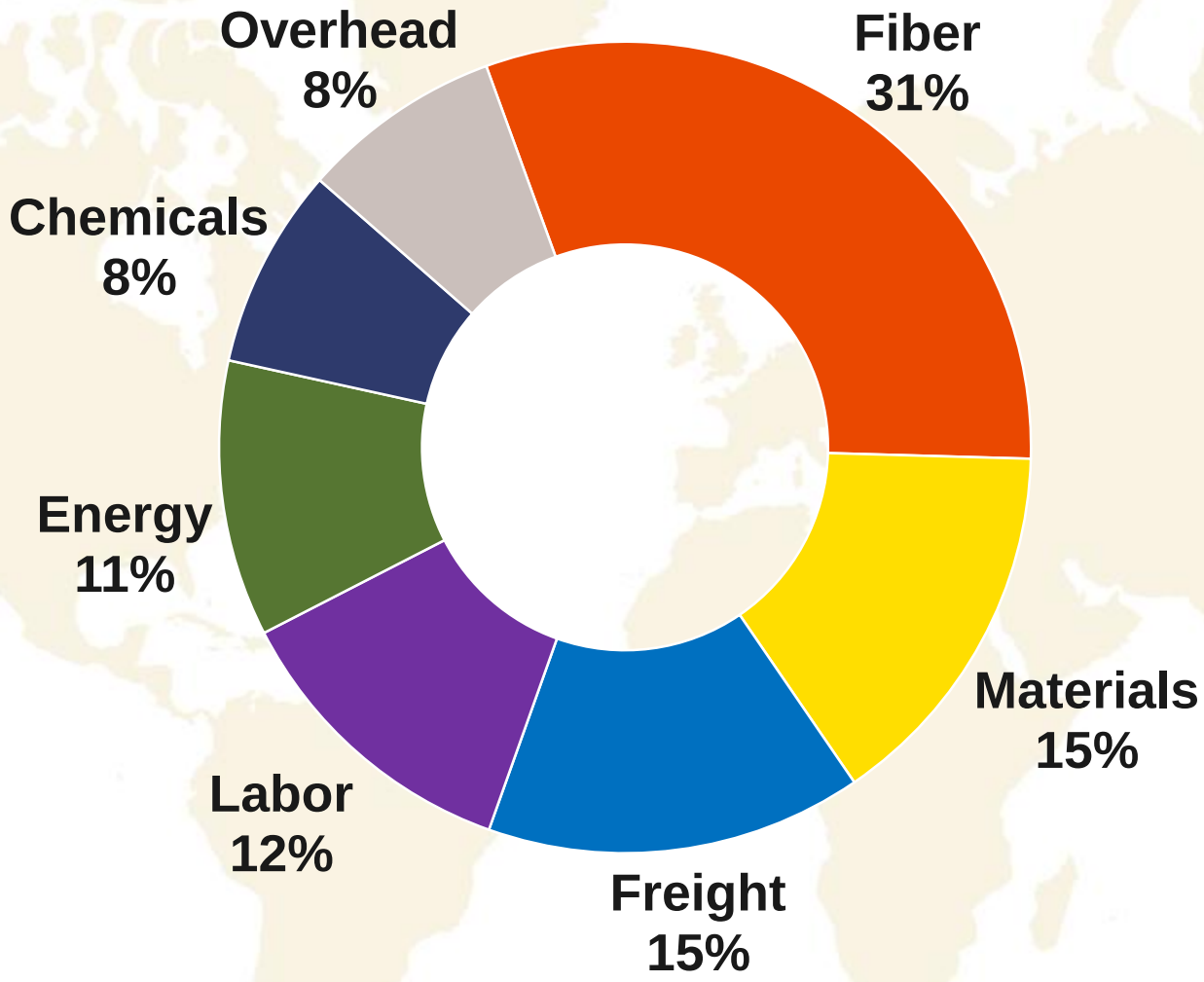
Ilim JV figures are on an IFRS basis with the exception of IP Equity Earnings which is US GAAP. IP position in joint venture is 50%.
* Assumes stable FX & current pulp prices

Ilim Joint Venture | Volume and Pricing Trends

	1Q14 vs. 4Q13		1Q14 vs. 1Q13	
Business	**Volume**	**Price/Ton**	**Volume**	**Price/Ton**
Pulp	**21%**	**$14**	**19%**	**$61**
Containerboard	**(5%)**	**($27)**	**(8%)**	**($18)**

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

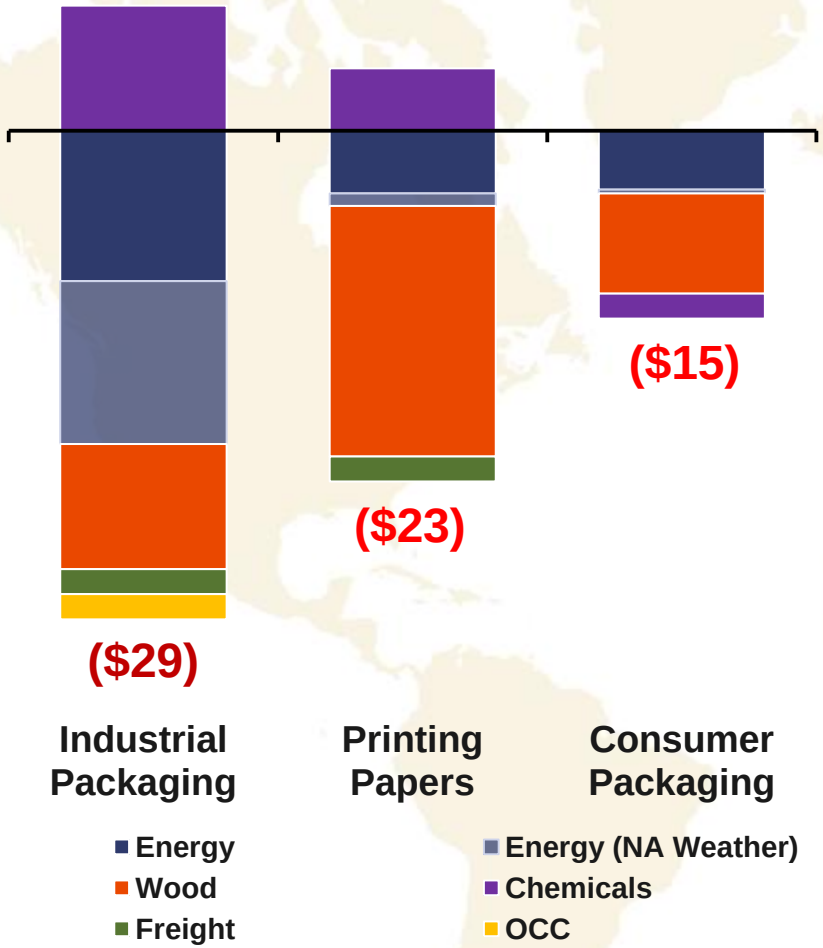
Total Cash Cost Components | 1Q14 YTD



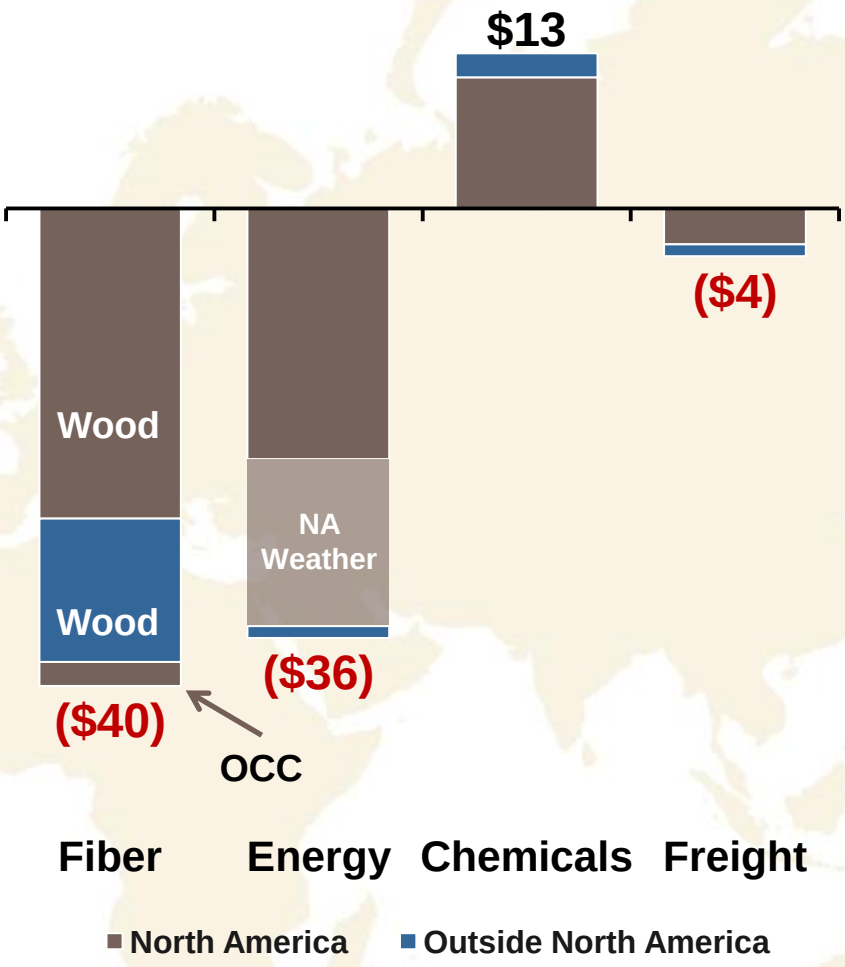
North American mills only

Global Input Costs vs. 1Q13 | $67MM Unfavorable, or $0.12/Share

By Business

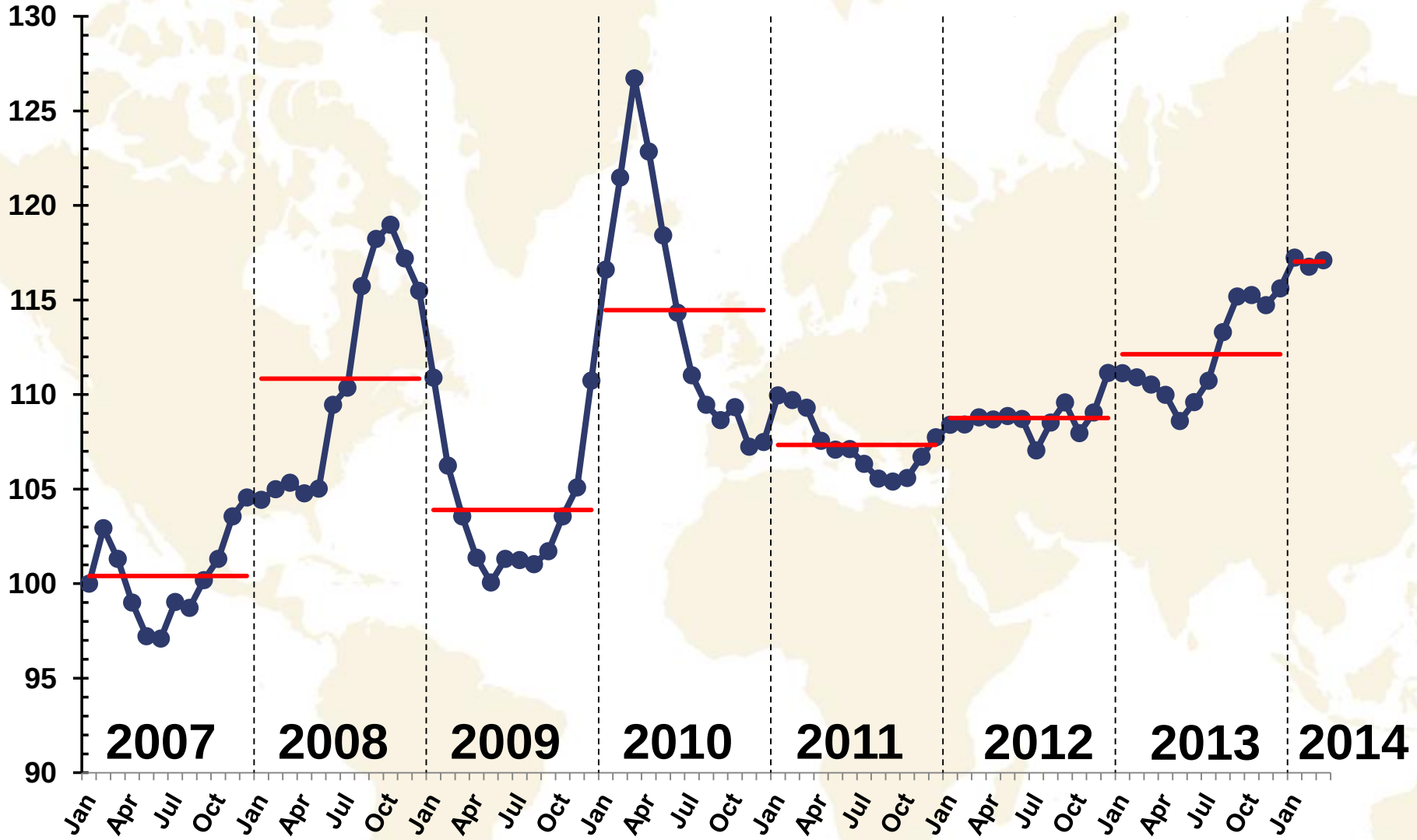


By Input Type



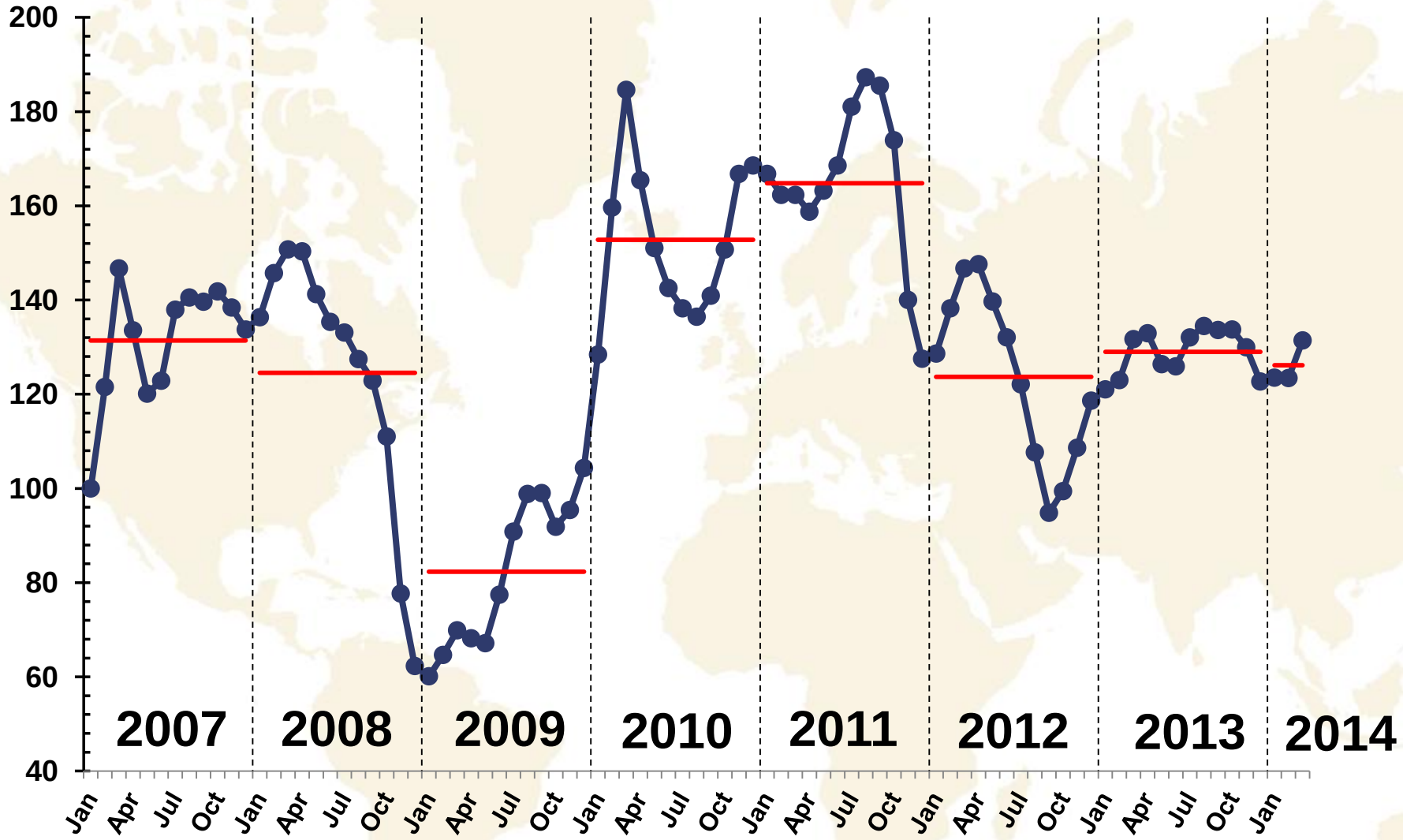
Input costs ($MM) for continuing businesses

U.S. Mill Wood Delivered Cost Trend | 2% Increase vs. 4Q13 Average Cost



Cost Indexed to January 2007 values

U.S. OCC Delivered Cost Trend | 2% Decrease vs. 4Q13 Average Cost



Cost Indexed to January 2007 values

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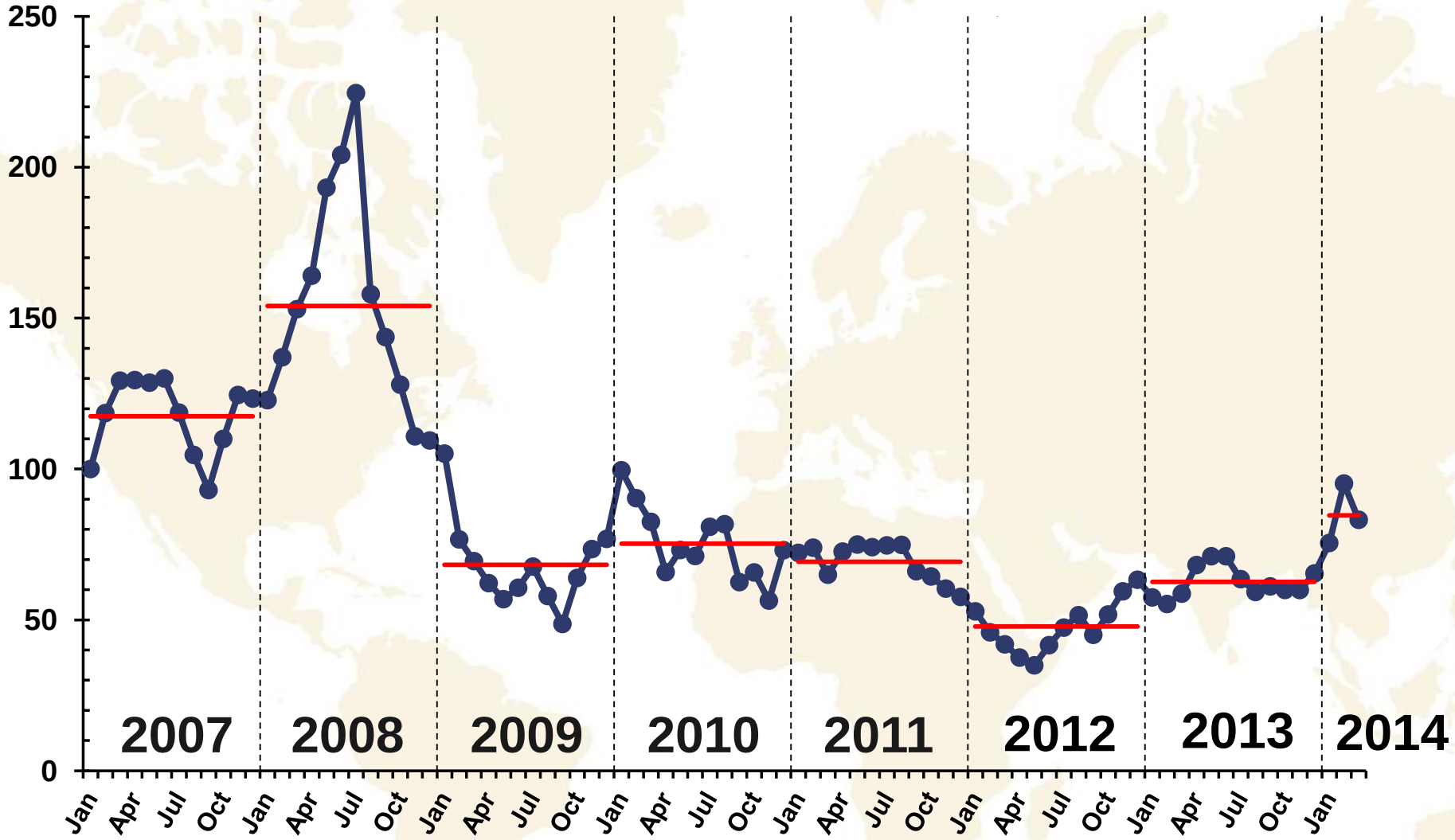
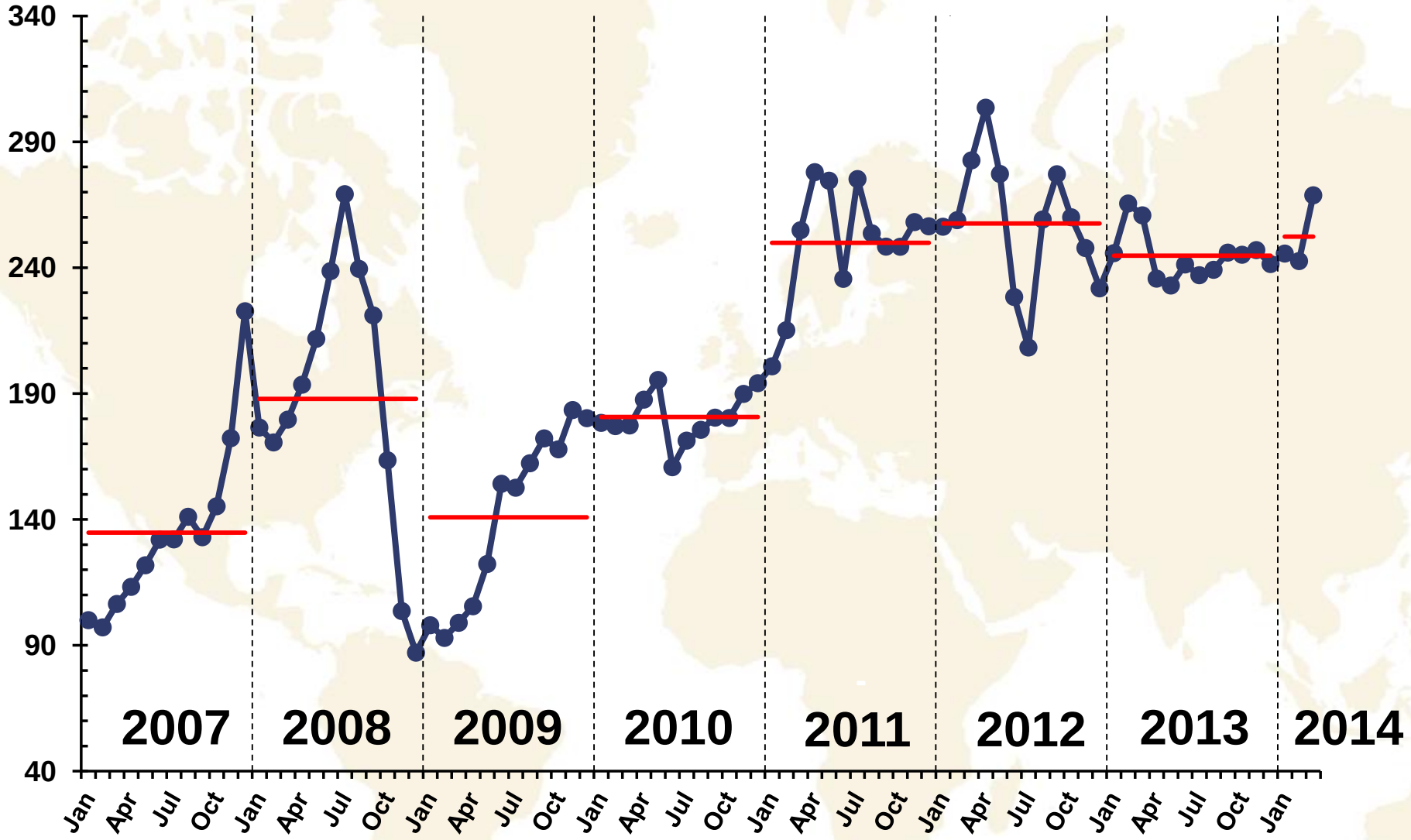
Natural Gas Costs Trend | 37% Increase vs. 4Q13 Average Cost



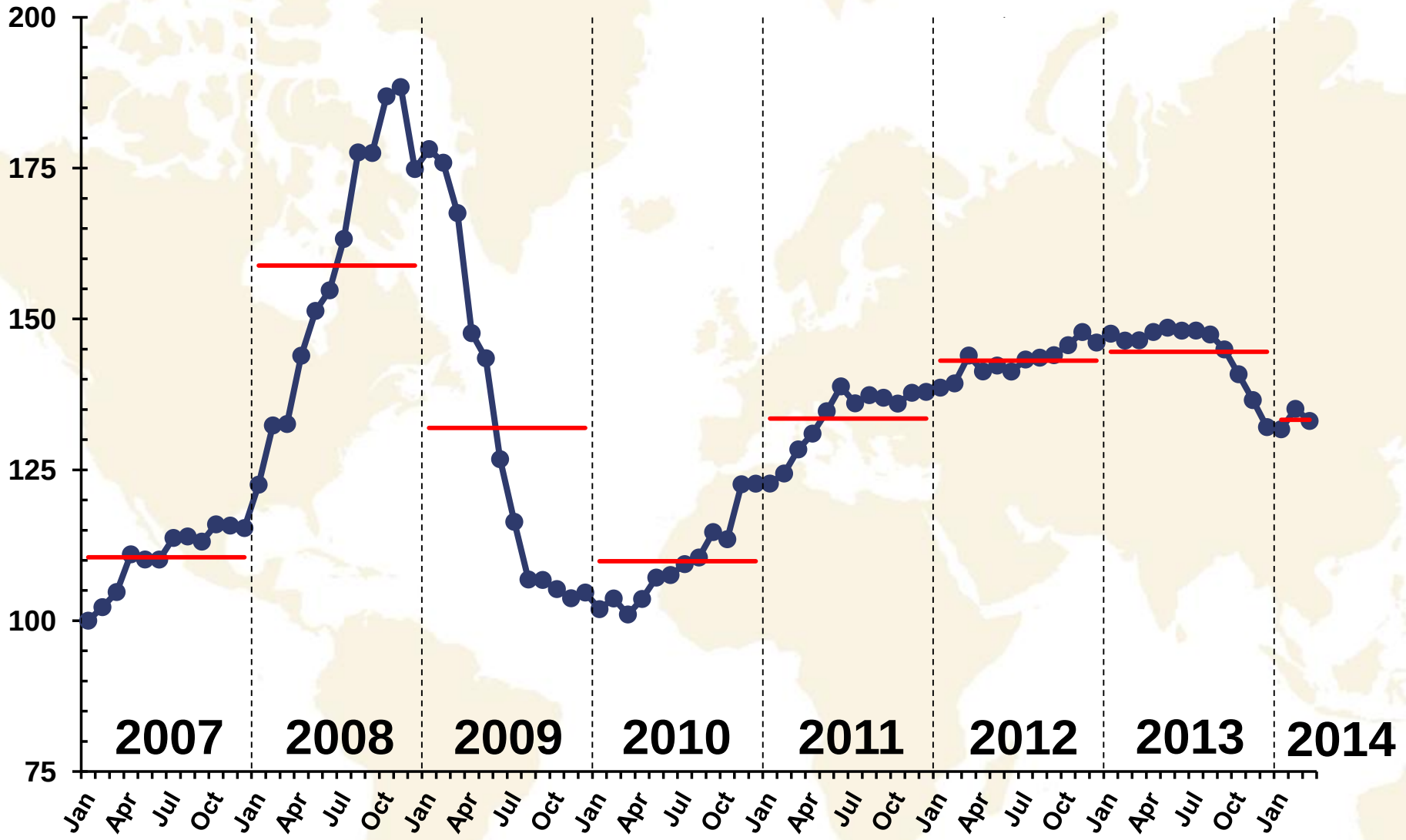
Cost Indexed to January 2007 values
NYMEX Natural Gas closing prices

U.S. Fuel Oil Trend | 3% Increase vs. 4Q13 Average Cost



Cost Indexed to January 2007 values
WTI Crude prices

U.S. Chemical Composite Index Trend | 2% Decrease vs. 4Q13 Average Cost



Cost Indexed to January 2007 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)	65,000,000	11,000,000
	Fuel Oil (Barrels)	880,000	400,000
	Coal (Tons)	490,000	700,000
Fiber	Wood (Tons)	52,000,000	9,000,000
	Old Corrugated Containers / DLK (Tons)	4,500,000	430,000
Chemicals	Caustic Soda (Tons)	400,000	130,000
	Starch (Tons)	430,000	102,000
	Sodium Chlorate (Tons)	180,000	45,000
	LD Polyethylene (Tons)	40,000	-
	Latex (Tons)	16,000	5,000

Does not include Asia or volume consumed by joint ventures (Sun JV, Ilim JV)
Estimates are based on normal operations and may be impacted by downtime
Excludes consumption related to Courtland operations terminated in 1Q14