Reconciliation of Non-GAAP Information to U.S. GAAP
Calculation of EBITDA Margin before Special Items

	2013											
$ Millions	North American Industrial Packaging	EMEA Industrial Packaging	Brazilian Industrial Packaging	Asian Industrial Packaging	North American Printing Papers	North American Pulp	Total European Printing Papers	Brazilian Printing Papers	North American Consumer Packaging	European Consumer Packaging	Asian Consumer Packaging	Distribution
Earnings from Continuing Operations Before Interest, Income Taxes, Noncontrolling Interest, Equity Earnings and Cumulative Effect of Accounting Changes	1,762	43	(2)	(2)	36	2	167	210	63	100	(2)	(389)
Depreciation, amortization and cost of timber harvested [1]	732	36	18	13	156	70	69	124	153	20	16	16
Special Items	51	(11)	4	4	118	-	-	-	47	-	-	432
EBITDA before Special Items	2,545	68	20	15	310	72	236	334	263	120	14	59
Less: Recycling Business EBITDA	-	-	-	-	-	-	-	-	-	-	-	-
Less: Market Pulp Business EBITDA	-	-	-	-	-	-	(2)	-	-	-	-	-
EBITDA before Special Items after Exclusions	2,545	68	20	15	310	72	238	334	263	120	14	59
Net Sales	12,523	1,270	332	685	2,550	815	1,475	1,090	1,950	380	1,105	5,650
Less: Trade Sales	748	-	-	-	-	-	-	-	-	-	-	-
Less: Recycling Business Net Sales	384	-	-	-	-	-	-	-	-	-	-	-
Less: Adjustment for Minority Ownership Share of Sales	-	-	83	-	-	-	-	-	-	-	552	-
Less: Market Pulp Business Net Sales	-	-	-	-	-	-	145	-	-	-	-	-
Net Sales after Exclusions	11,391	1,270	249	685	2,550	815	1,330	1,090	1,950	380	553	5,650
EBITDA Margin	22.3%	5.4%	8.0%	2.2%	12.2%	8.8%	17.9%	30.6%	13.5%	31.6%	2.5%	1.0%

[1] Reflects IP's ownership share for Brazil Industrial Packaging, Indian Printing Papers and Asian Consumer Packaging

	2005					
$ Millions	North American Industrial Packaging	North American Printing Papers	Total European Printing Papers	Brazilian Printing Papers	North American Consumer Packaging	European Consumer Packaging
Earnings from Continuing Operations Before Interest, Income Taxes, Noncontrolling Interest, Equity Earnings and Cumulative Effect of Accounting Changes	102	19	67	114	55	30
Depreciation, amortization and cost of timber harvested	185	269	107	38	165	18
Special Items:						
Restructuring and Other Charges	-	26	-	-	1	-
EBITDA before Special Items	287	314	174	152	221	48
Less: Market Pulp Business EBITDA	-	-	-	-	-	-
EBITDA before Special Items after Exclusions	287	314	174	152	221	48
Net Sales	3,445	3,201	1,212	465	1,553	188
Less: Trade Sales	289	-	-	-	-	-
Less: Market Pulp Business Net Sales	-	-	91	-	-	-
Net Sales after Exclusions	3,156	3,201	1,121	465	1,553	188
EBITDA Margin	9.1%	9.8%	15.5%	32.7%	14.2%	25.5%

Reconciliation of Non-GAAP Information to U.S. GAAP
Return on Invested Capital – Invested Capital definition

The denominator for purposes of calculating Return on Invested Capital is based on average Invested Capital. Invested Capital is defined as equity (adjusted to remove pension related amounts included in the Other Comprehensive Income component of equity, net of tax) plus interest bearing liabilities.