Third Quarter 2014 Earnings | November 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 joint ventures; and (vii) 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

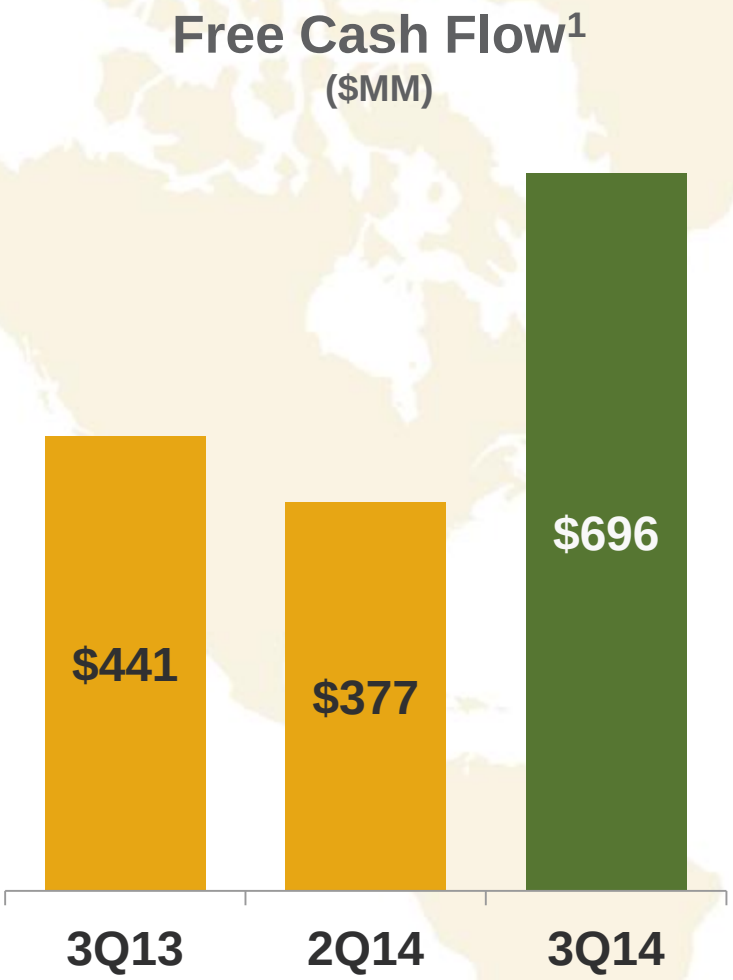
During the course of this presentation, certain non-U.S. GAAP financial information will be presented.

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."

Third Quarter 2014 Results

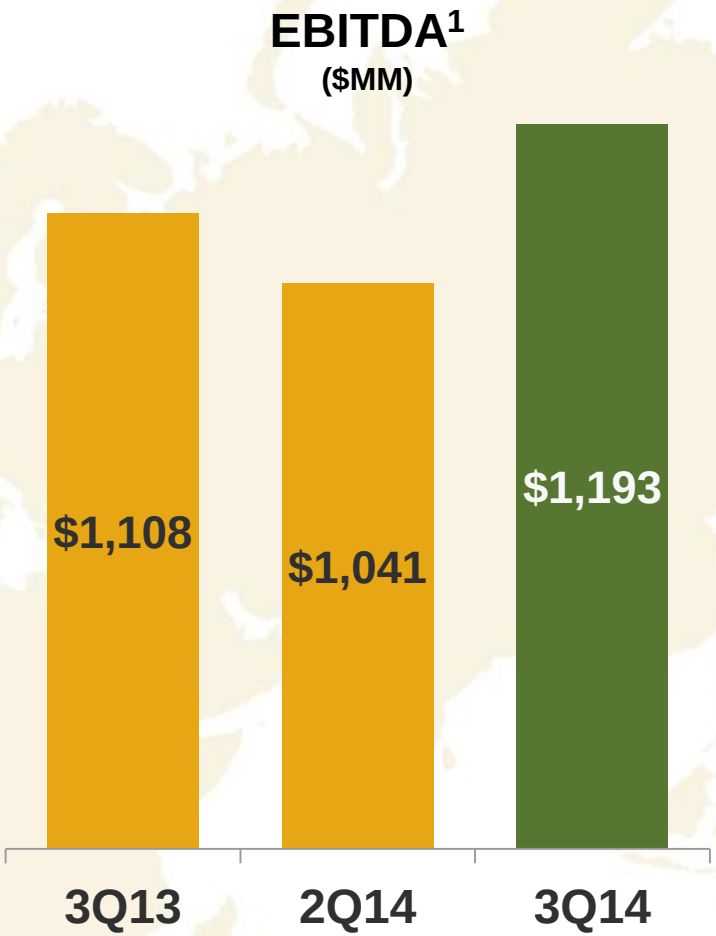


- Record quarter for EBITDA and Free Cash Flow
  - Outstanding performance from NA Industrial Packaging group
  - Strong performance in other key businesses
  - Continuing pressure from input costs
- IP 14% dividend increase to $1.60/share
- Share buyback program purchases of more than $1.4B through October
- Ilim dividend of $56MM received
- Solid operating results at Ilim; unfavorable F/X impact of ($0.19) EPS

[1] See slide #21 for a reconciliation of cash provided by operations to free cash flow
xpedx is reflected as a Discontinued Operation in all periods presented

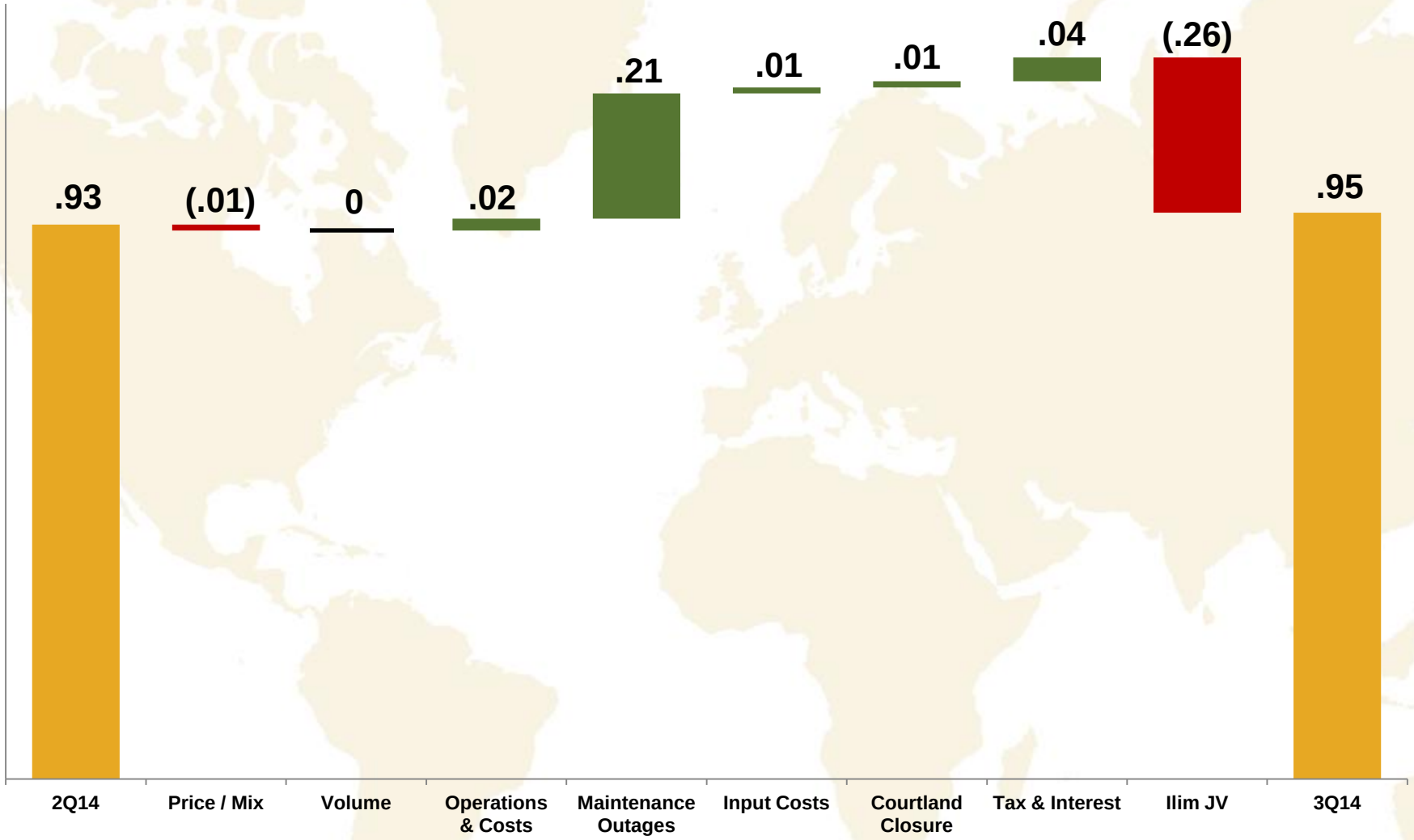
3Q14 Financial Results

	3Q13	2Q14	3Q14
Sales ($B)	$6.0	$5.9	$6.1
EBIT[1] ($MM)	$711	$686	$835
EPS[2]	$1.01	$0.93	$0.95
EBITDA[1] ($MM)	$1,108	$1,041	$1,193
EBITDA Margin[1]	18.5%	17.6%	19.7%
Free Cash Flow[3] ($MM)	$441	$377	$696



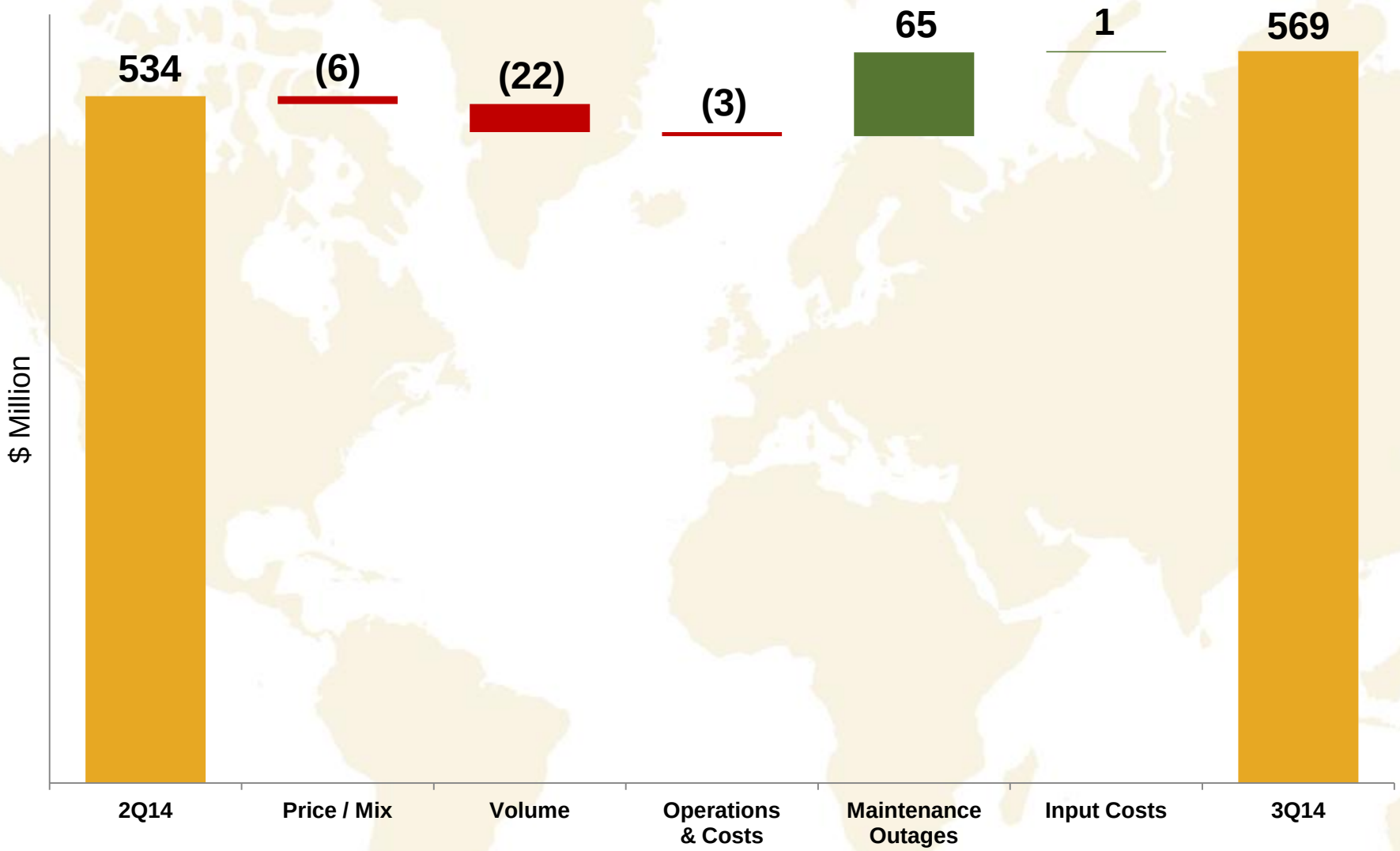
[1] From continuing operations before special items and non-operating pension expense
[2] EPS based on Operating Earnings (defined as Net Earnings (GAAP) from continuing operations before special items and non-operating pension expense)
[3] See slide #21 for a reconciliation of cash provided by operations to free cash flow
xpedx is reflected as a Discontinued Operation in all periods presented

3Q14 vs. 2Q14 EPS



Operating Earnings

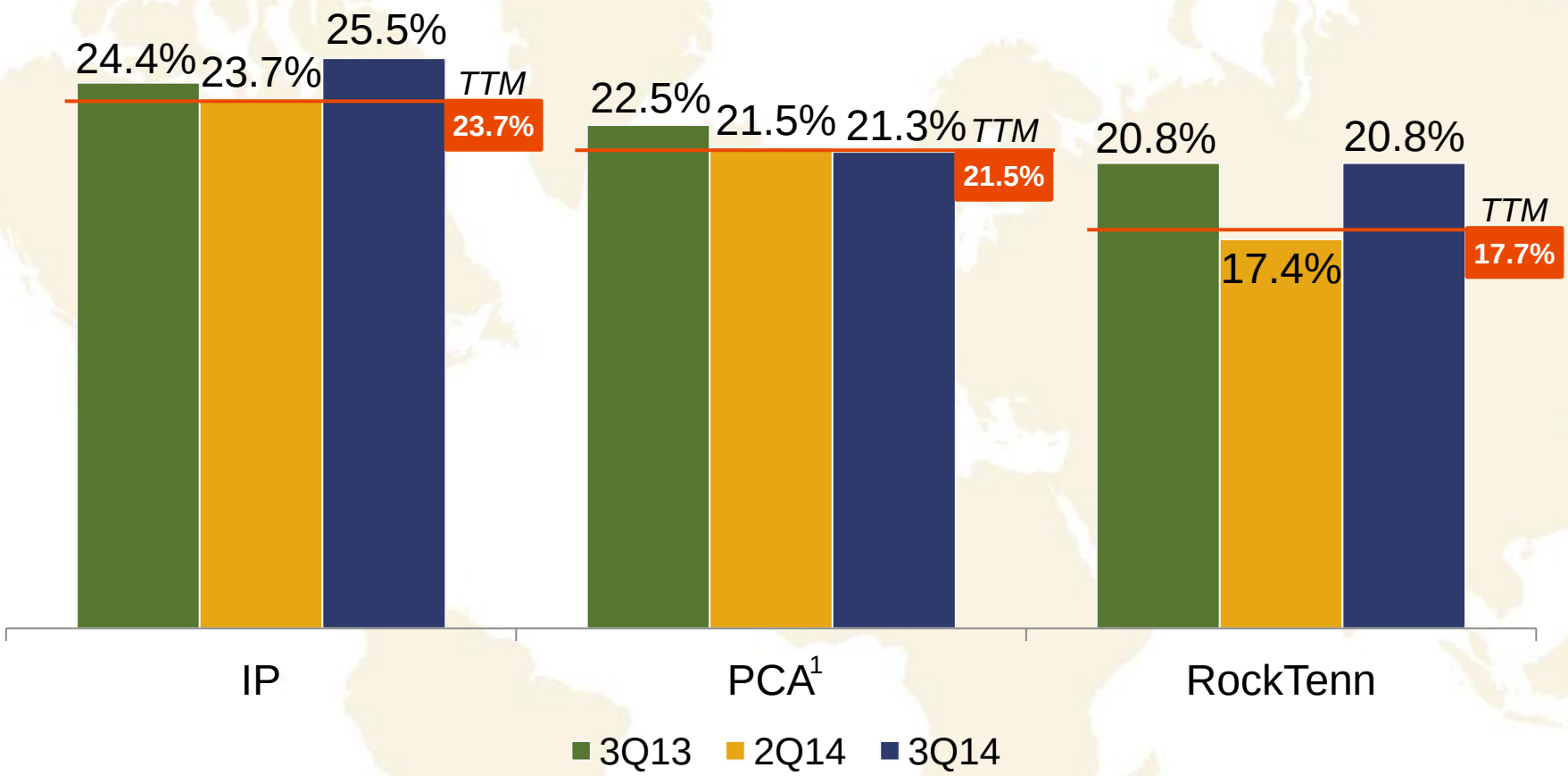
Industrial Packaging | 3Q14 vs. 2Q14



Segment operating profit before special items

INTERNATIONAL PAPER

NA Industrial Packaging Relative EBITDA Margins



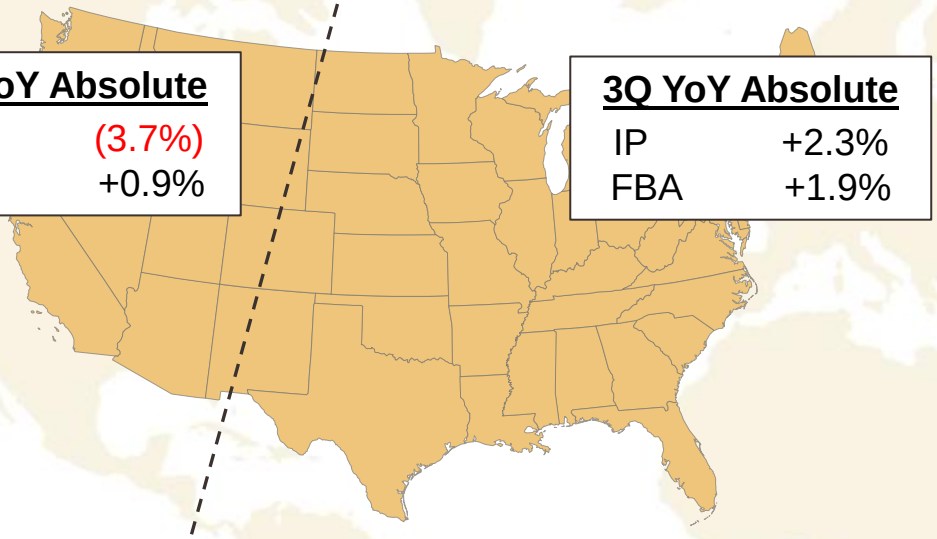
[1] Reflects Company's change in accounting method beginning in 2014
IP EBITDA margins based on North American Industrial Packaging operating profit before special items
Excludes the Recycling Business and revenue from trade volumes
Competitor EBITDA margin estimates obtained from public filings and IP analysis

INTERNATIONAL PAPER

IP Volume

West of Rockies
19% of Volume

East Of Rockies
81% of Volume



3Q YoY Absolute	
IP	(3.7%)
FBA	+0.9%

3Q YoY Absolute	
IP	+2.3%
FBA	+1.9%

Total Box Volume	3Q YoY
IP	+1.1%
FBA Industry	+1.7%

IP Select Segment Performance (YoY)

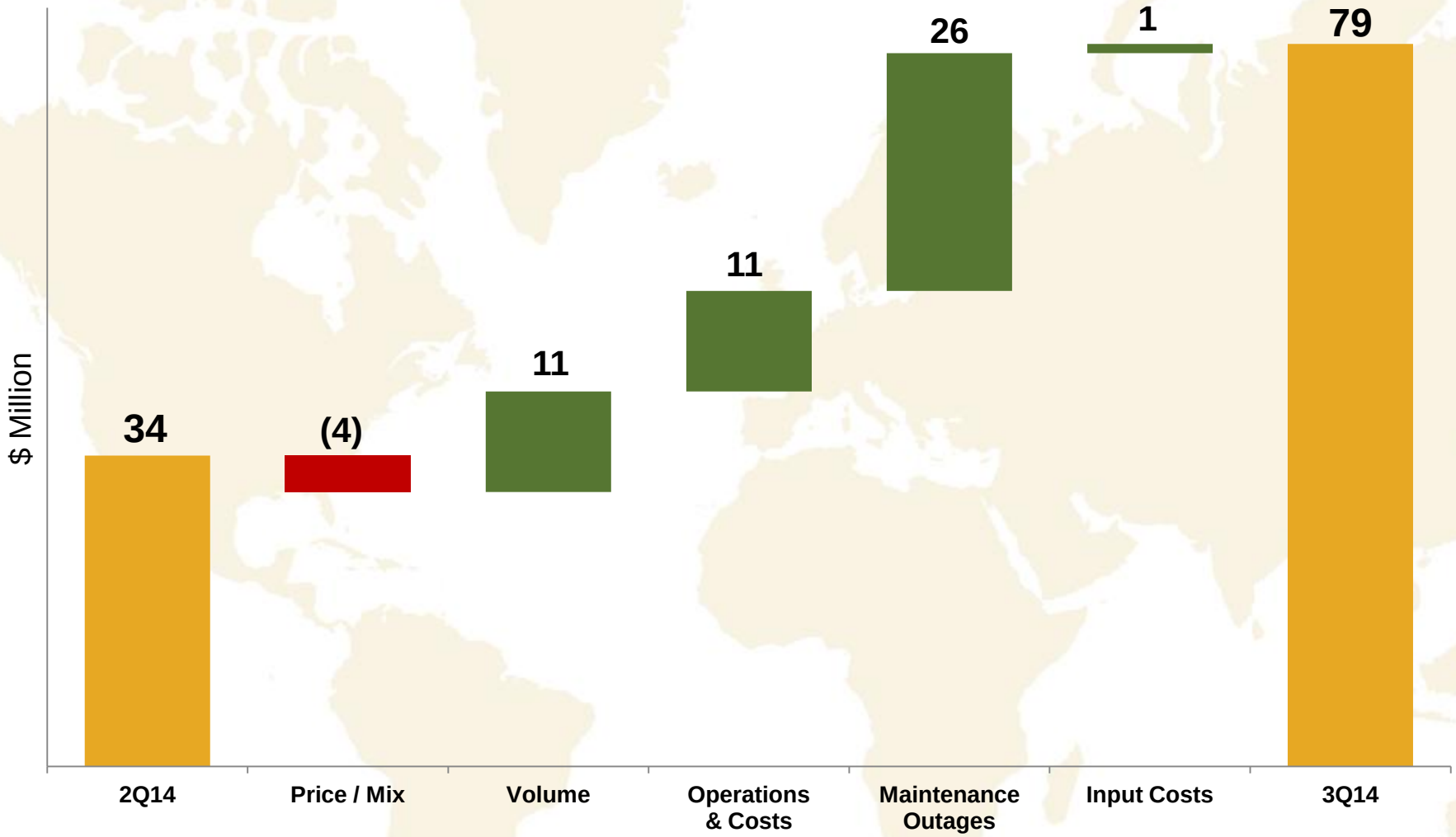
- Poultry
- Shipping & Distribution

- Beverage
- Processed Foods
- Beef

- Agriculture (West Coast)

[1]Corrugator plant sales
Source: Fibre Box Association (FBA), IP Analysis

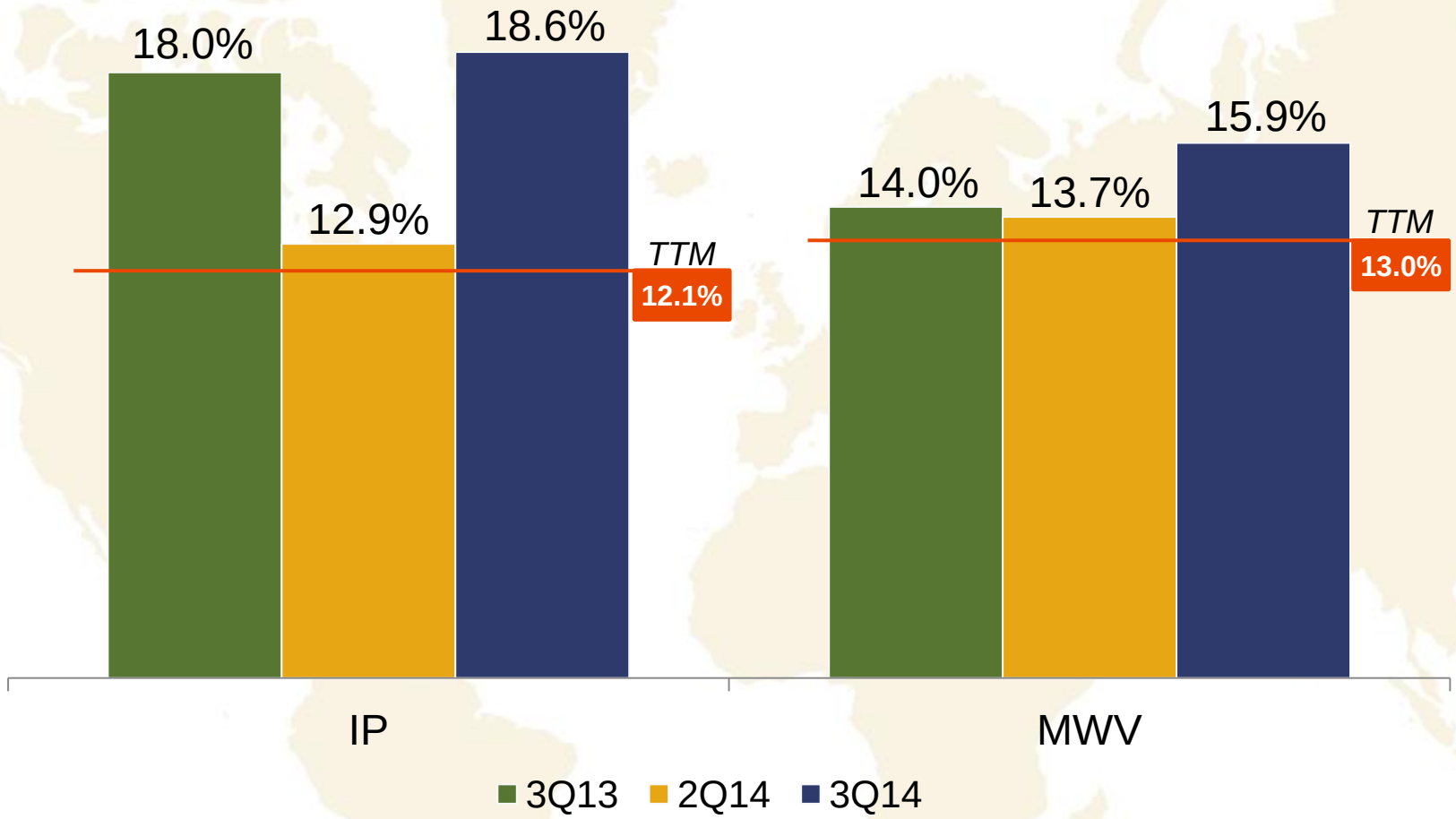
Consumer Packaging | 3Q14 vs. 2Q14



Segment operating profit before special items

INTERNATIONAL PAPER

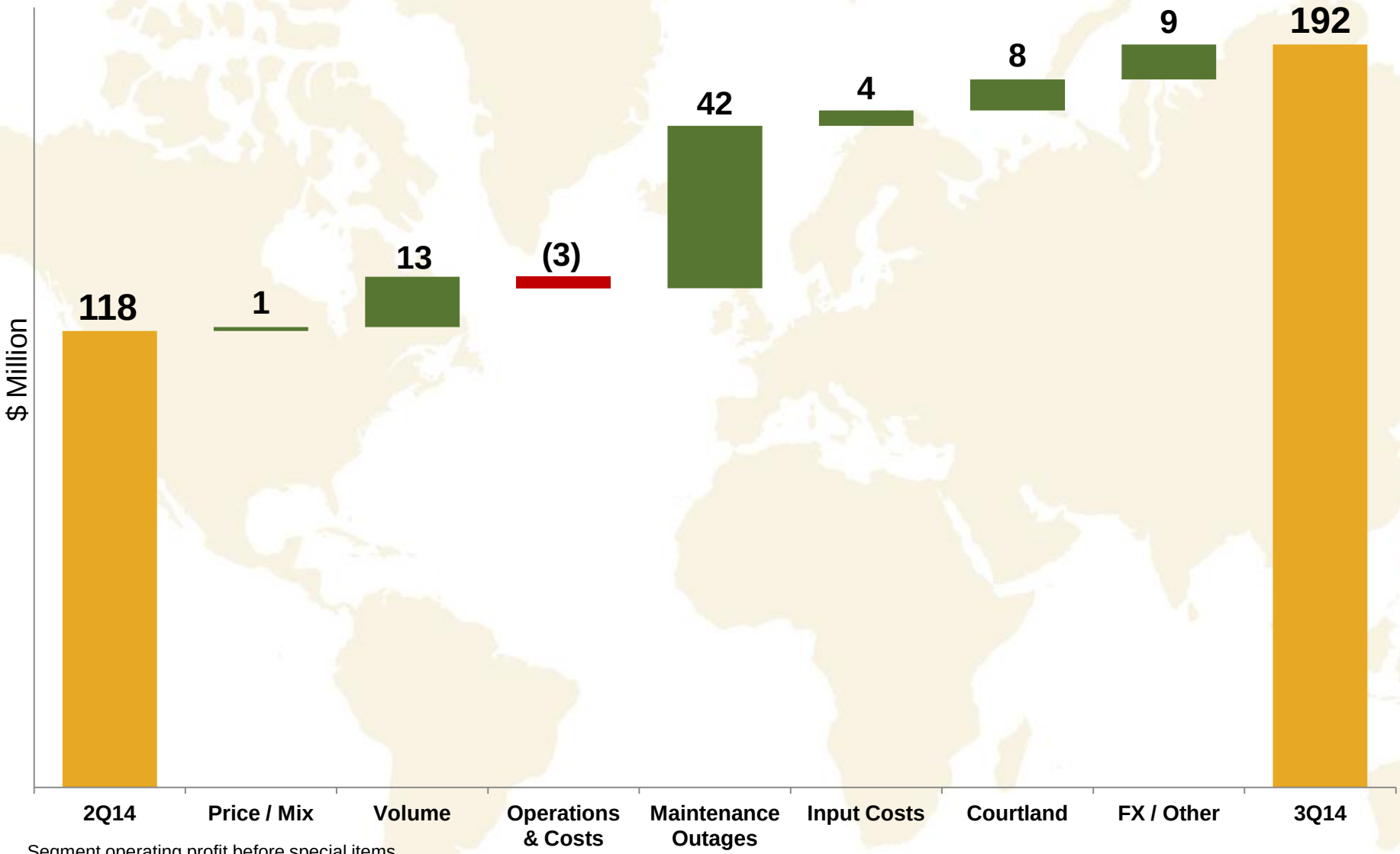
NA Consumer Packaging Relative EBITDA Margins



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

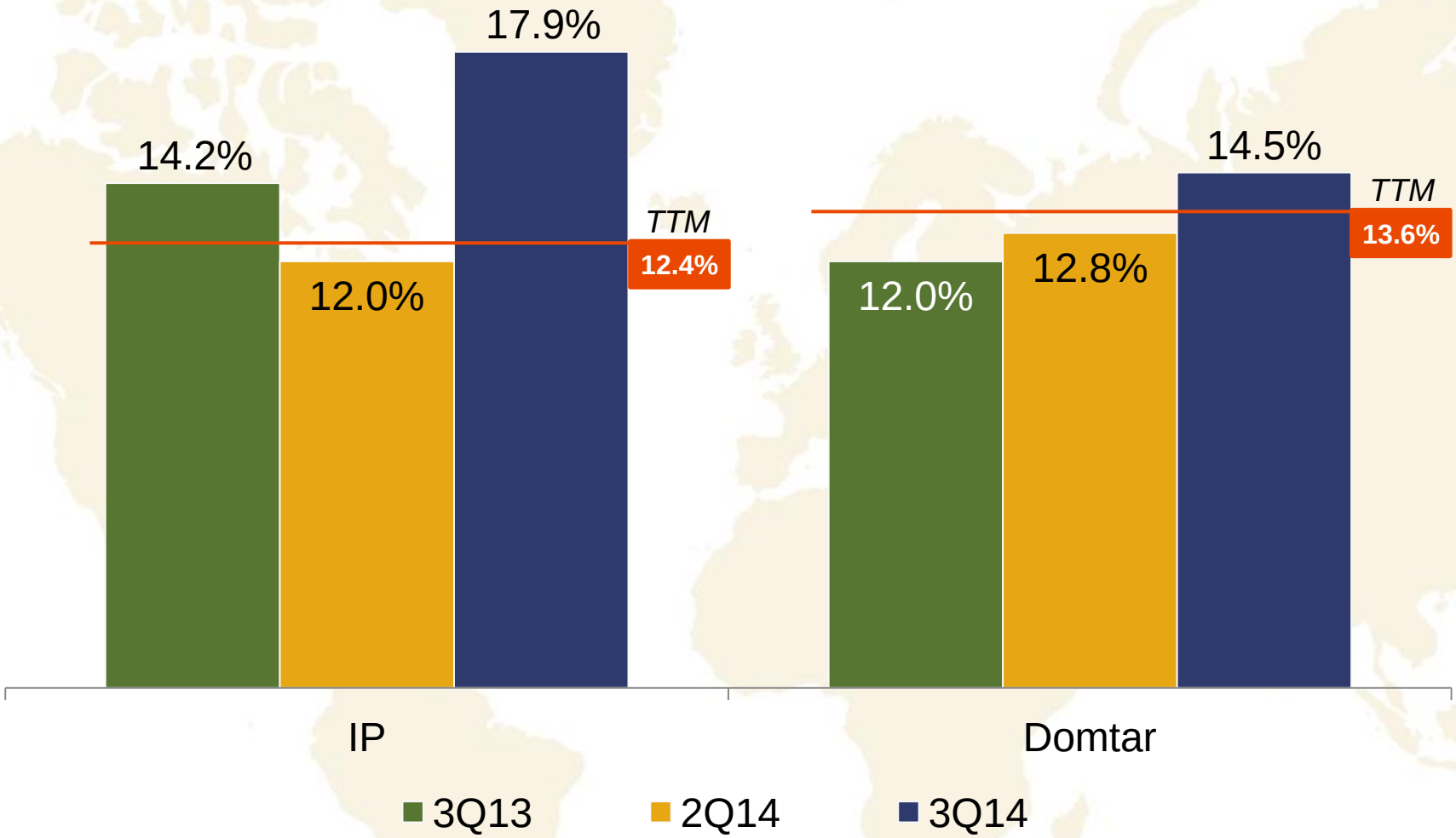
INTERNATIONAL PAPER

Printing Papers | 3Q14 vs. 2Q14



Segment operating profit before special items

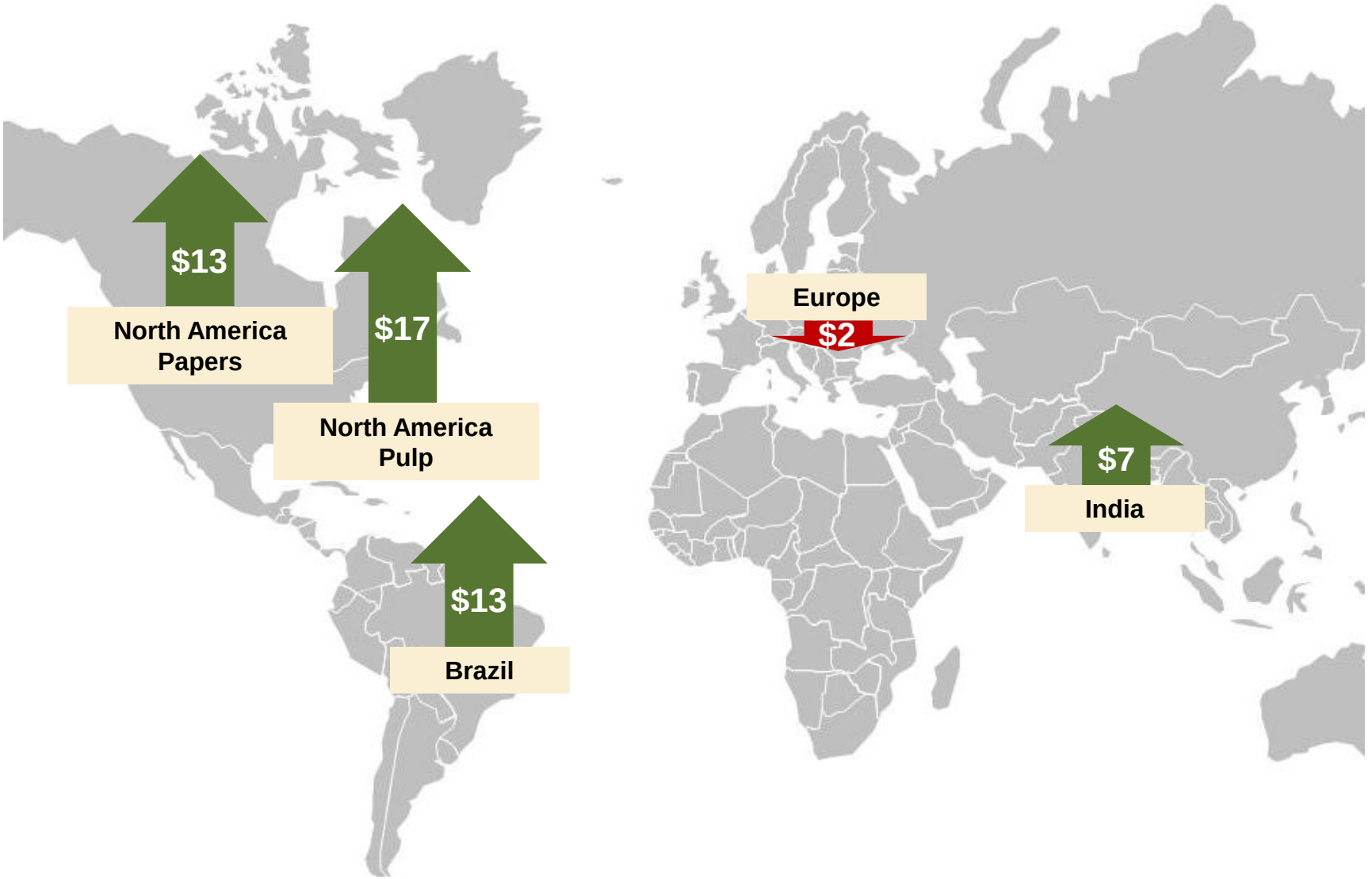
N.A. Printing Papers Relative EBITDA Margins



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

INTERNATIONAL PAPER

Printing Papers | 3Q14 vs. 3Q13 Change in Segment Operating Profit[1] ($MM)



[1]Before special items

INTERNATIONAL PAPER

Ilim Joint Venture | 3Q14 vs. 2Q14

$ Million	3Q13	2Q14	3Q14
Sales Volume (thousand tons)	707	782	766
Sales	$488	$545	$520
Operational EBITDA[1]	$73	$112	$100
F/X (Impact of USD Debt[2]**)**	$19	$72	($210)
IP Equity Earnings(Loss)[3]	$11	$43	($70)

- Continued solid operational performance following Bratsk outage
- $56MM dividend payment
- Unfavorable non-cash F/X impact on debt

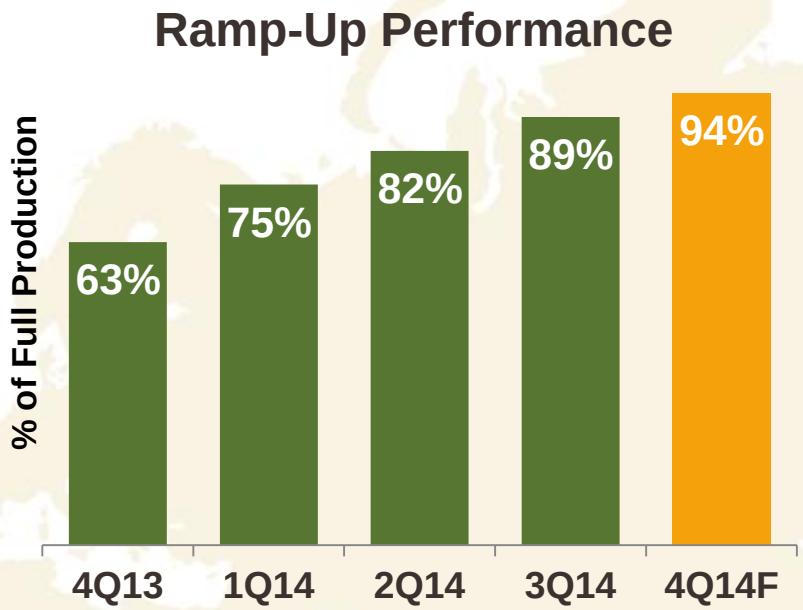
Ilim JV results are on an IFRS basis with the exception of IP Equity Earnings which is US GAAP

[1] Before F/X impact

[2] 3Q14 Ilim JV USD-denominated debt balance of ~$1.5B; 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(Loss) for 3Q13 and 2Q14 include after-tax f/x gains of $8MM and $29MM, respectively; 3Q14 includes an after-tax f/x loss of $82MM.





- Steady progress throughout 2014
- Significant outage in early 3Q
- On track to ramp up to full production by year end

Fourth Quarter Outlook | Changes from 3Q14

		North America	EMEA & Russia	Brazil	Asia[1]
Volume	Paper	Stable	Stable	Seasonally Stronger	Stable
	Packaging	3 Less Days	Stable	Stable	Stable
Pricing / Mix	Paper	Seasonal Weakness	Slight Decline	Stable	Stable
	Packaging	Export Price Weakness	Stable	Stable	Stable
Operations & Other	Paper	Stable	Stable	Stable	Stable
	Packaging	Stable	Stable	Stable	Stable
Inputs & Freight	Paper	Stable	Stable	Stable	Stable
	Packaging	Stable	Stable	Stable	Stable
Mill Maintenance Outages	Paper	Increase $24MM	Decrease $1MM	Increase $9MM	Decrease $1MM
	Packaging	Increase $34MM	N/A	Decrease $3MM	N/A
ILIM JV Equity Earnings			Non-recurring currency impact[2]		
Other Items		▪ Tax rate, in line with full-year outlook of 32% ▪ Interest, flat ▪ Corporate expense, ~$15MM in 4Q2014			

[1] Includes India [2] Assumes F/X at 3Q14 exit rate

Executing Well | Driving Shareholder Value

- Record quarter for both EBITDA and FCF
- 4Q outlook - seasonally slower demand, fewer box shipping days and higher planned outage expenses
- Leveraging our strong, well-positioned businesses which we continue to run very well
- Delivering strong, sustainable free cash flow and focused on executing our capital allocation strategy, which includes:
  - Three consecutive years of double-digit dividend increases
  - Opportunistic buy back of shares
  - Selective strategic reinvestment
  - Strong balance sheet

Appendix

Investor Relations Contacts

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

Media Contact

Tom Ryan	901-419-4333

Free Cash Flow

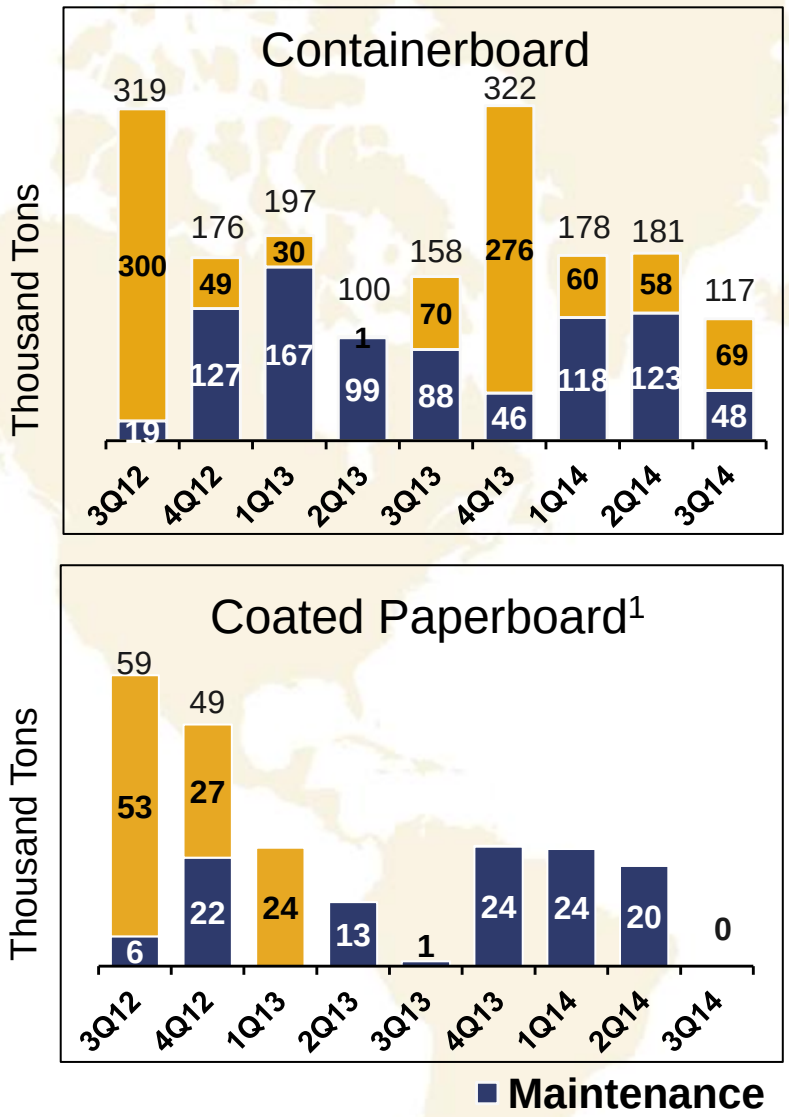
$ Million	3Q13	2Q14	3Q14
Cash Provided by Operations	$712	$734[1]	$1,023[2]
Less Capital Investment	($271)	($357)	($327)
Free Cash Flow	$441	$377	$696

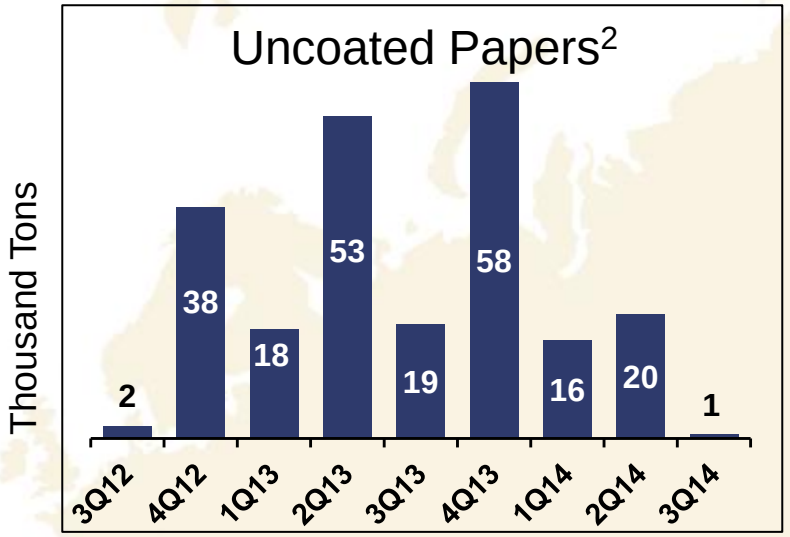
[1] Excludes $205MM cash paid for pension plan contribution
[2] Excludes $90MM cash paid for pension plan contribution

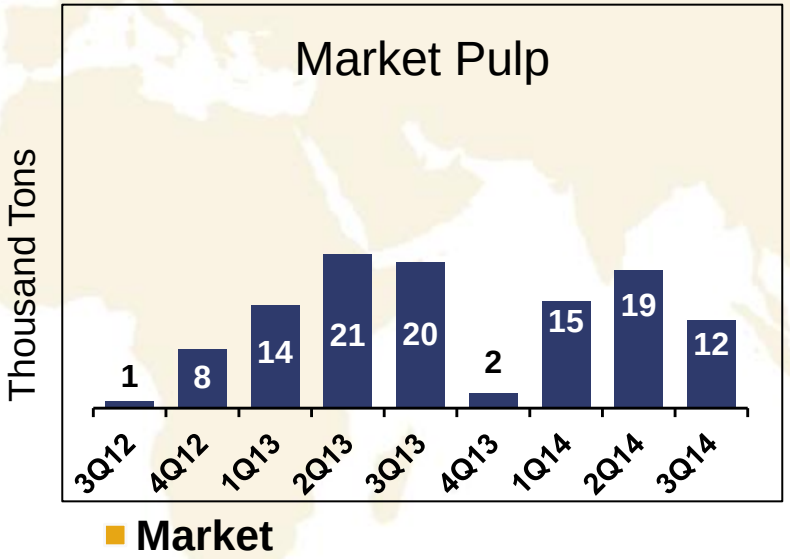
Maintenance Outages Expenses | 2014

$ Million	1Q14	2Q14	3Q14	4Q14F	2014F
Industrial Packaging	**$69**	**$91**	**$26**	**$47**	**$233**
North America	69	91	23	47	230
Brazil	0	0	3	0	3
Printing Papers Total	**$31**	**$60**	**$16**	**$47**	**$154**
North America	30	35	14	38	117
Europe	1	24	1	0	26
Brazil	0	1	0	9	10
India	0	0	1	0	2
Consumer Packaging	**$20**	**$26**	**$1**	**$11**	**$58**
North America	20	19	1	11	51
Europe	0	7	0	0	7
Total Impact	**$120**	**$177**	**$43**	**$105**	**$445**

North American Downtime







[1] Augusta PM#2 was permanently shutdown in March 2013 (36000 tons / quarter)
[2] Courtland shutdown of two machines in 4Q13; shutdown complete in February 2014

Special Items Before Tax | Continuing Operations

Special Items Pre-Tax ($ Million)		3Q13	2Q14	3Q14
Industrial Packaging	Acquisition and Integration Costs	($24)	$4	($1)
	EMEA Restructuring Costs			($5)
	Box Plant Closures	$8		$1
	Multi-Employer Pension Plan Exit Liability			($35)
	Other	($2)	($1)	($2)
Printing Papers	Courtland Mill Shutdown	($51)	($49)	($3)
	India Reserve Release			$20
	Brazil Tax Settlement			($32)
Consumer Pkg.	Other		($1)	($2)
Corporate	Debt Extinguishment	($15)	($262)	($13)
	Other			($5)
Total Special Items Before Tax		**($84)**	**($309)**	**($77)**

xpedx is reflected as a Discontinued Operation in all periods presented.

Special Items Net of Taxes

	2Q14		3Q14	
	$ Million	EPS	$ Million	EPS
Earnings Before Special Items	$400	$0.93	$409	$0.95
Special Items Net of Taxes:				
Debt Extinguishment Costs	($160)		($8)	
Acquisition and Integration Costs	$3		($1)	
EMEA Restructuring Costs			($3)	
Multi-Employer Pension Plan Exit Liability			($21)	
Courtland Mill Shutdown	($30)		($2)	
India Reserve Release			$20	
Brazil Tax Settlement			($17)	
Other	($2)		($5)	
Total Special Items Net of Taxes	($189)	($0.44)	($37)	($0.08)
Non-Operating Pension Expense	($37)	($0.09)	($33)	($0.08)
Discontinued Operations Net of Taxes	($13)	($0.03)	$16	$0.04
Net Earnings	$161	$0.37	$355	$0.83

xpedx is reflected as a Discontinued Operation in all periods presented.

3Q14 EBITDA | Integrated Mill Business Margins

	Operating Profit $ Million	D & A $ Million	Tons Thousand	EBITDA per Ton	EBITDA Margin
Industrial Packaging					
North America[1]	$571	$176	3,471	$215	25%
Brazil	($2)	$7	76	$66	6%
Printing Papers					
North America[2]	$75	$24	513	$192	19%
Europe & Russia[3]	$44	$17	303[4]	$201	23%[4]
Brazil	$58	$30	278	$317	33%
India[5]	($5)	$4	44	($23)	(2%)
North American Pulp	$20	$18	355	$107	16%
Consumer Packaging					
North America[6]	$52	$46	396	$247	19%
Europe	$27	$5	91	$352	34%

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 Bleached Kraft business

[3] Uncoated Papers (excludes Pulp)

[4] Excludes JMA sales

[5] Includes adjustment for minority ownership share

[6] Includes Foodservice business

Operating Profits by Industry Segment | Continuing Operations

$ Million	3Q13	2Q14	3Q14
Industrial Packaging	$517	$534	$569
Printing Papers	$144	$118	$192
Consumer Packaging	$73	$34	$79
Operating Profit	**$734**	**$686**	**$840**
Net Interest Expense	($146)	($164)	($152)
Noncontrolling Interest / Equity Earnings Adjustment	($3)	$2	($2)
Corporate Items	($20)	($2)	($3)
Non-Operating Pension Expense	($78)	($61)	($54)
Special Items	($84)	($309)	($77)
Net Earnings from continuing operations before income taxes, equity earnings & noncontrolling interest	**$403**	**$152**	**$552**
Equity Earnings(Loss), net of taxes – Ilim	**$11**	**$43**	**($70)**

Geographic Business Segment Operating Results

$ Million	Sales			Operating Profit		
	3Q13	2Q14	3Q14	3Q13	2Q14	3Q14
Industrial Packaging						
North America	$3,190	$3,210	$3,210	$516	$523	$570
Europe	$305	$339	$310	($2)	$10	$4
Brazil	$95	$97	$88	$1	$1	($2)
Asia	$165	$154	$146	$2	$0	($3)
Printing Papers						
North American	$660	$500	$529	$62	$33	$75
Europe	$355	$380	$365	$46	$20	$44
Brazil	$265	$262	$266	$45	$53	$58
Asia / India	$70	$60	$58	($12)	($2)	($5)
N.A. Pulp	$205	$219	$235	$3	$14	$20
Consumer Packaging						
North America	$505	$505	$528	$51	$22	$52
Europe	$95	$85	$94	$25	$11	$27
Asia (Sun JV)	$285	$253	$254	($3)	$1	$0

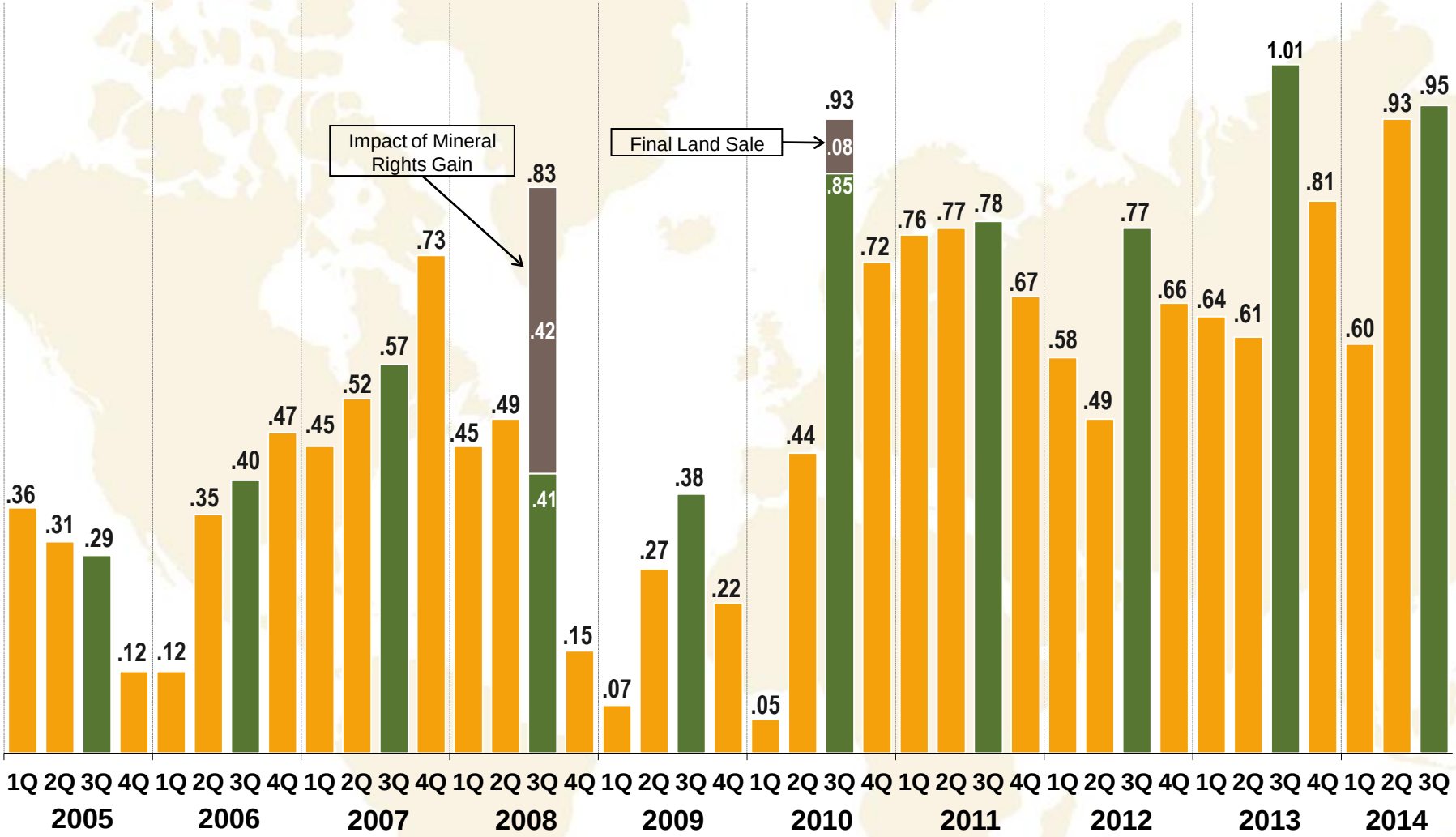
Does not reflect total company sales

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	$416	($127)	$4	($33)	$260	436	$0.60
2Q14	$522	($166)	$3	$41	$400	432	$0.93
3Q14	$683	($208)	$6	($72)	$409	429	$0.95
Non-Operating Pension Expense							
1Q14	($44)	$17	$0	$0	($27)	436	($0.06)
2Q14	($61)	$24	$0	$0	($37)	432	($0.09)
3Q14	($54)	$21	$0	$0	($33)	429	($0.08)
Net Special Items							
1Q14	($511)	$190	$0	$0	($321)	436	($0.74)
2Q14	($309)	$120	$0	$0	($189)	432	($0.44)
3Q14	($77)	$40	$0	$0	($37)	429	($0.08)
Net Earnings from Continuing Operations							
1Q14	($139)	$80	$4	($33)	($88)	436	($0.20)
2Q14	$152	($22)	$3	$41	$174	432	$0.40
3Q14	$552	($147)	$6	($72)	$339	429	$0.79

[1] A reconciliation to GAAP EPS is available at www.internationalpaper.com under the Investors tab at Webcasts and Presentations
xpedx is reflected as a Discontinued Operation in all periods presented.

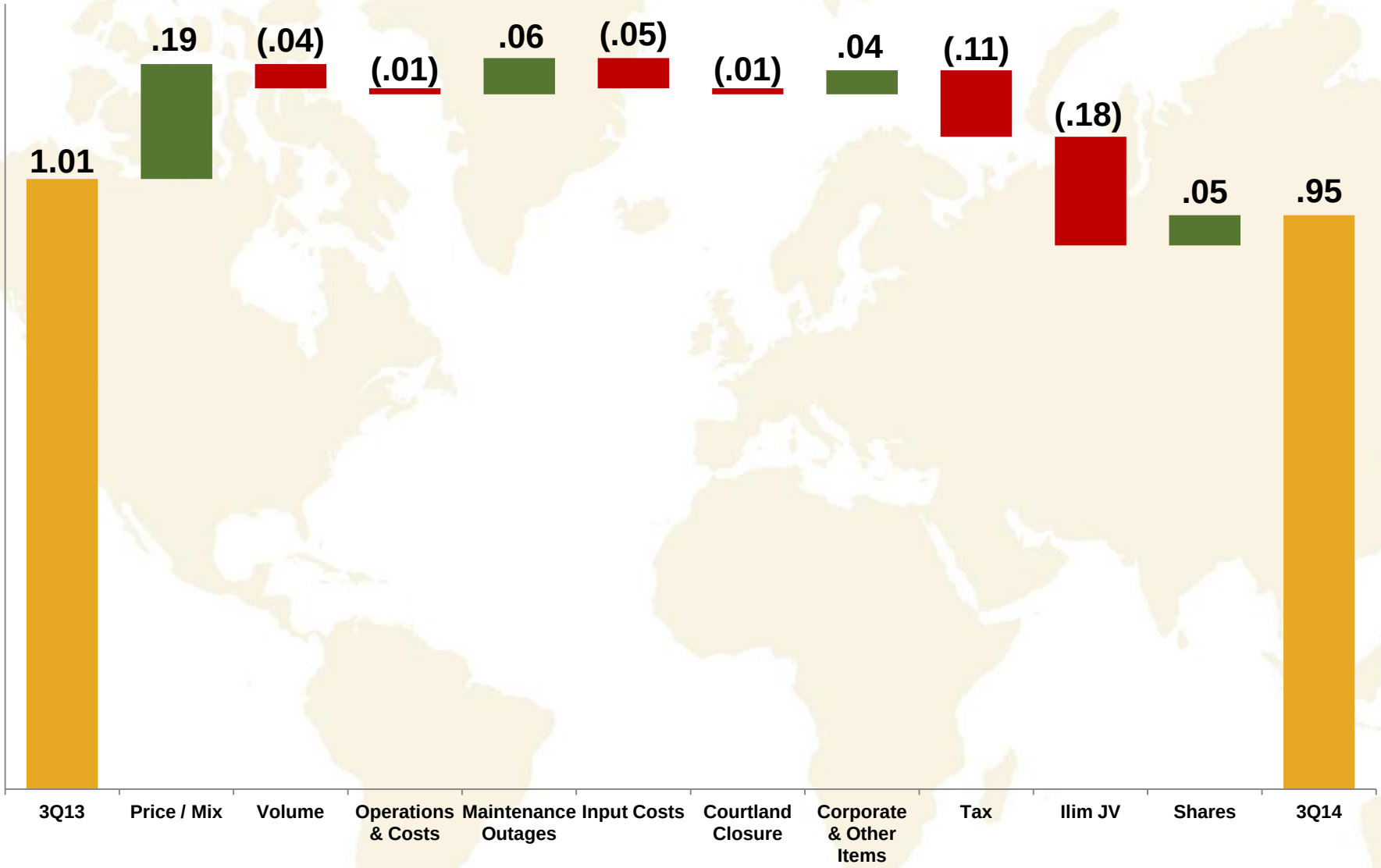
Operating Business EPS



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
xpedx is reflected as a Discontinued Operation from 2010 forward.

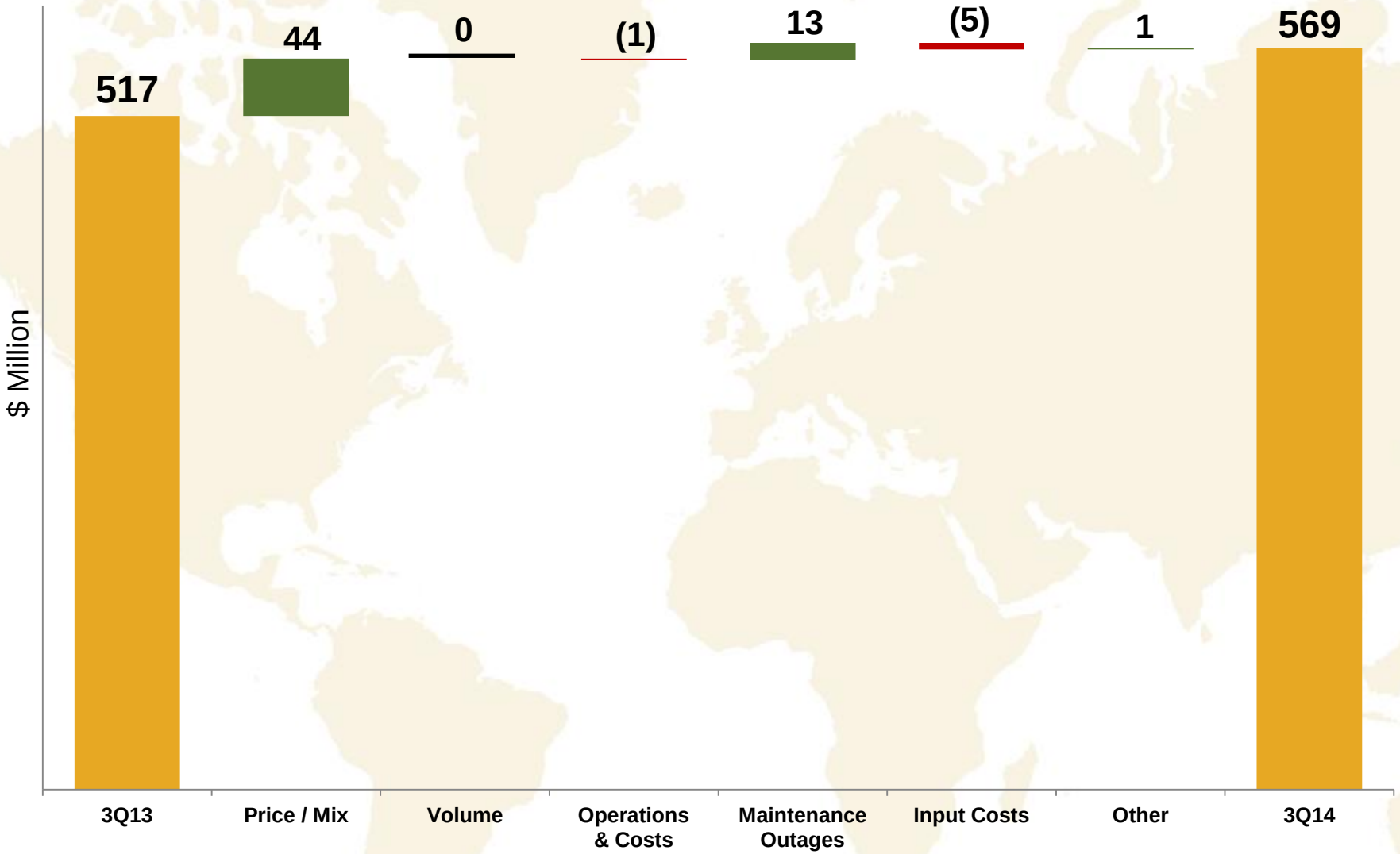
INTERNATIONAL PAPER

3Q14 vs. 3Q13 EPS



Operating Earnings

Industrial Packaging | 3Q14 vs. 3Q13



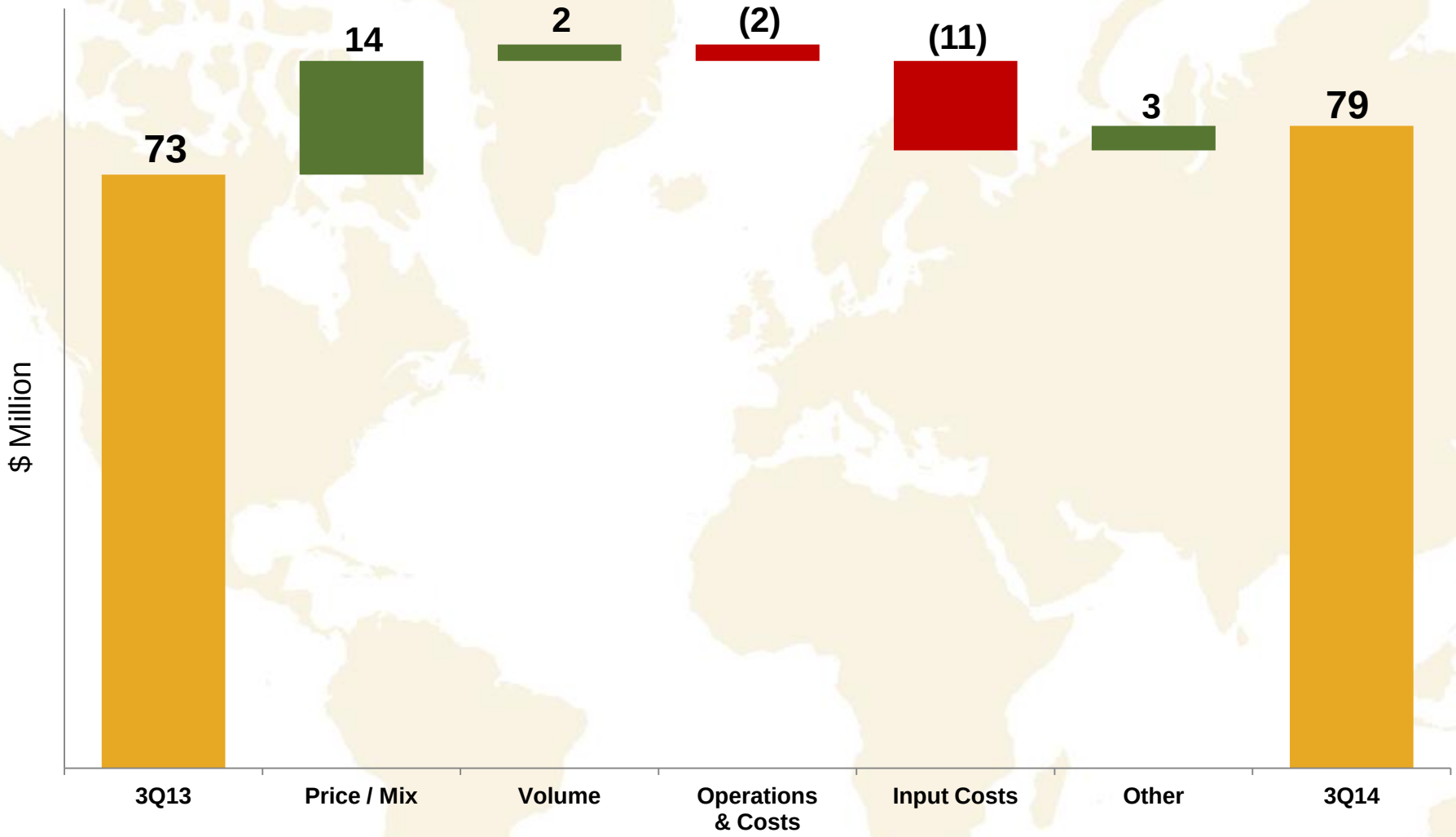
Segment operating profit before special items

	3Q14 vs. 2Q14		3Q14 vs. 3Q13	
Business	**Volume**	**Price / Ton**	**Volume**	**Price / Ton**
U.S. Container[1]	**(2%)**	**$1**	**Flat**	**$17**
European Container	**(4%)**	**€2**	**2%**	**(€15)**

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 | 3Q14 vs. 3Q13



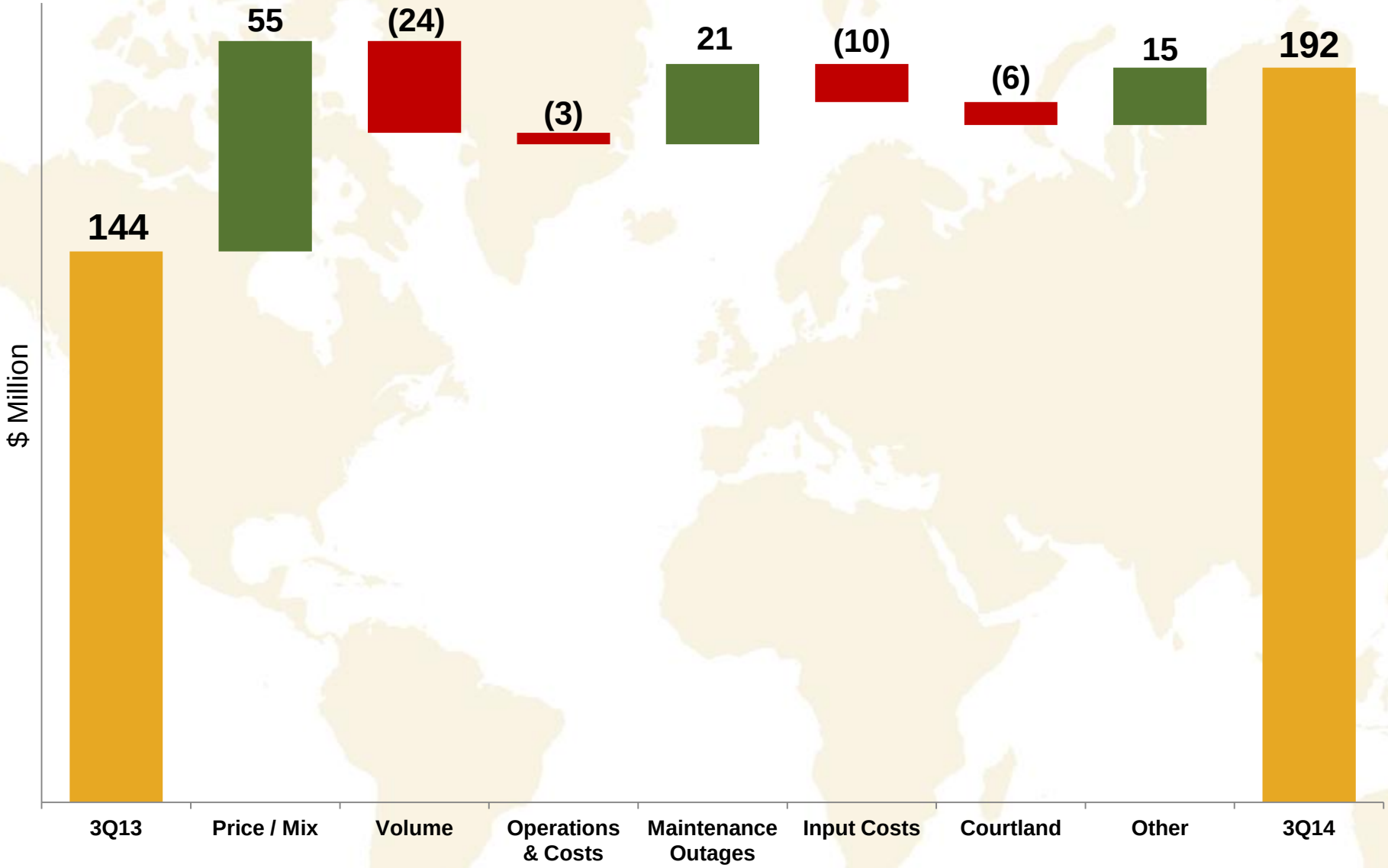
Segment operating profit before special items

INTERNATIONAL PAPER

	3Q14 vs. 2Q14		3Q14 vs.3Q13	
	Volume	Price/Ton	Volume	Price/Ton
NA Coated Paperboard	**7%**	**$8**	**(1%)**	**$47**
	Revenue	Price	Revenue	Price
Foodservice	**4%**	**NA**	**15%**	**NA**

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

Printing Papers | 3Q14 vs. 3Q13



Segment operating profit before special items

INTERNATIONAL PAPER

	3Q14 vs. 2Q14		3Q14 vs. 3Q13	
Business	**Volume**	**Price / Ton**	**Volume**	**Price / Ton**
NA Paper	6%	($7)	(26%)	$74
NA Pulp[1]	6%	$11	7%	$40
European Paper[2]	(3%)	($30)	(5%)	($34)

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

$ Million	3Q13	2Q14	3Q14
Sales	$265	$262	$266
Earnings	$45	$53	$58
EBITDA Margin	28%	32%	33%

	3Q14 vs. 2Q14		3Q14 vs. 3Q13	
Business	Volume	Price/Ton	Volume	Price/Ton
Uncoated Freesheet	2%	$1	(4%)	$37
Domestic	14%	$6	(3%)	$56
Export	(8%)	($5)	(5%)	$18

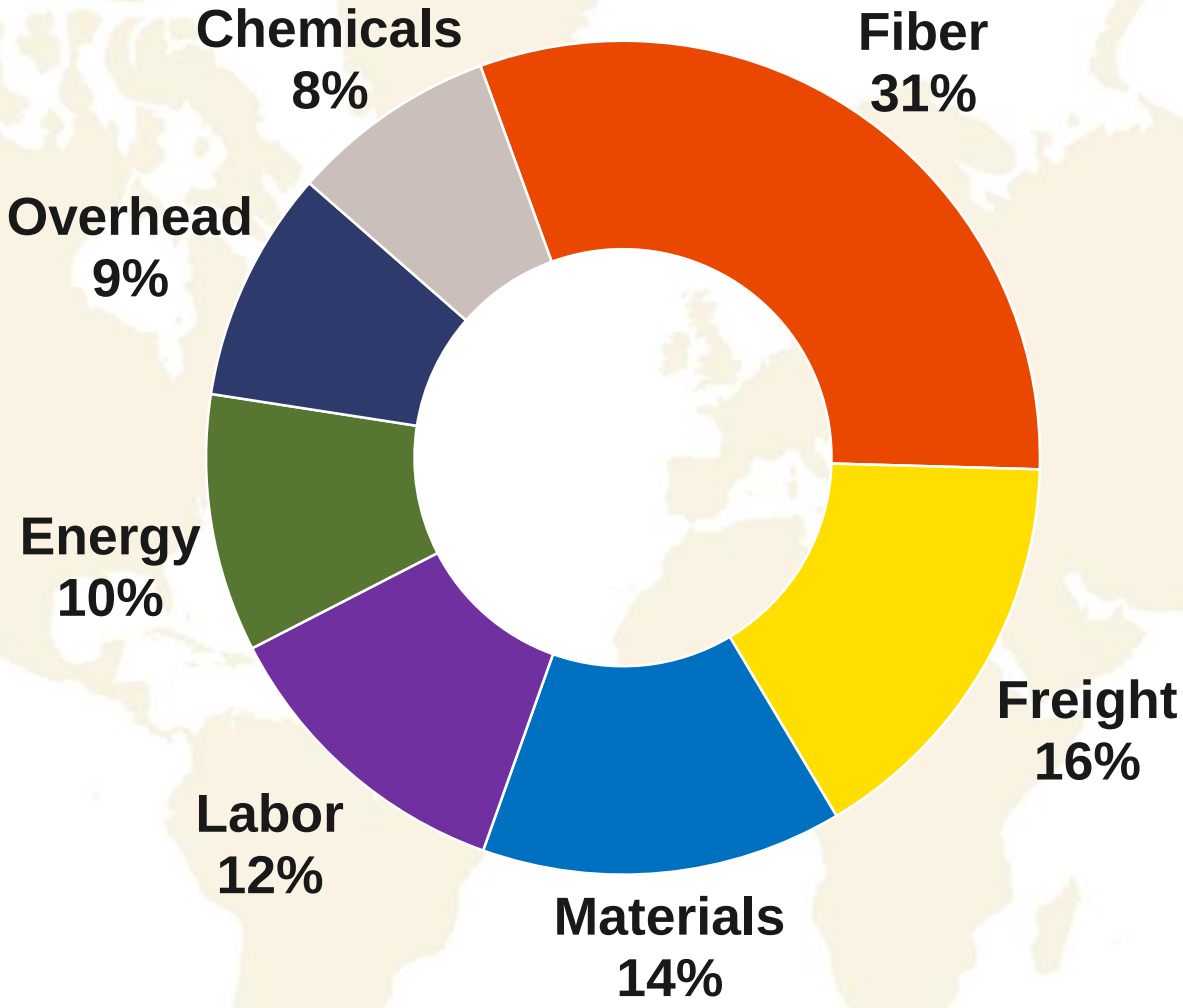
Segment operating profit before special items
IP Brazil results are reported in the Printing Papers segment
Average IP Brazil price realization (includes the impact of mix across all grades)

Ilim Joint Venture | Volume and Pricing Trends

	3Q14 vs. 2Q14		3Q14 vs. 3Q13	
Business	**Volume**	**Price/Ton**	**Volume**	**Price/Ton**
Pulp	**Flat**	**($22)**	**6%**	**$7**
Containerboard	**(3%)**	**($24)**	**(3%)**	**($52)**

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

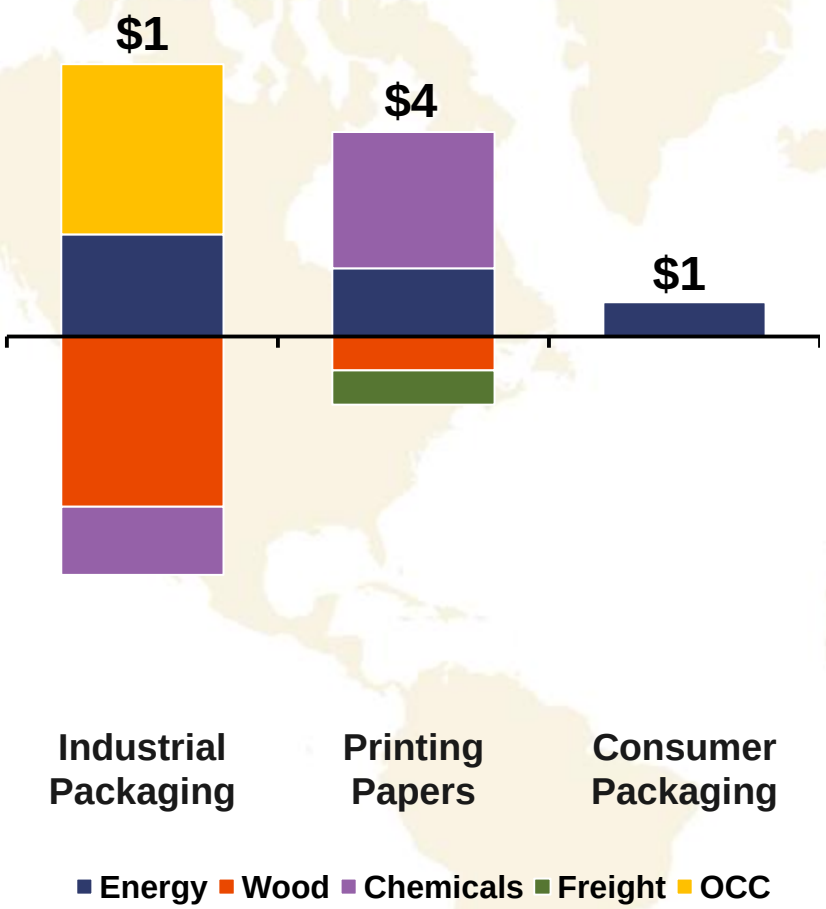
Total Cash Cost Components | 3Q14 YTD



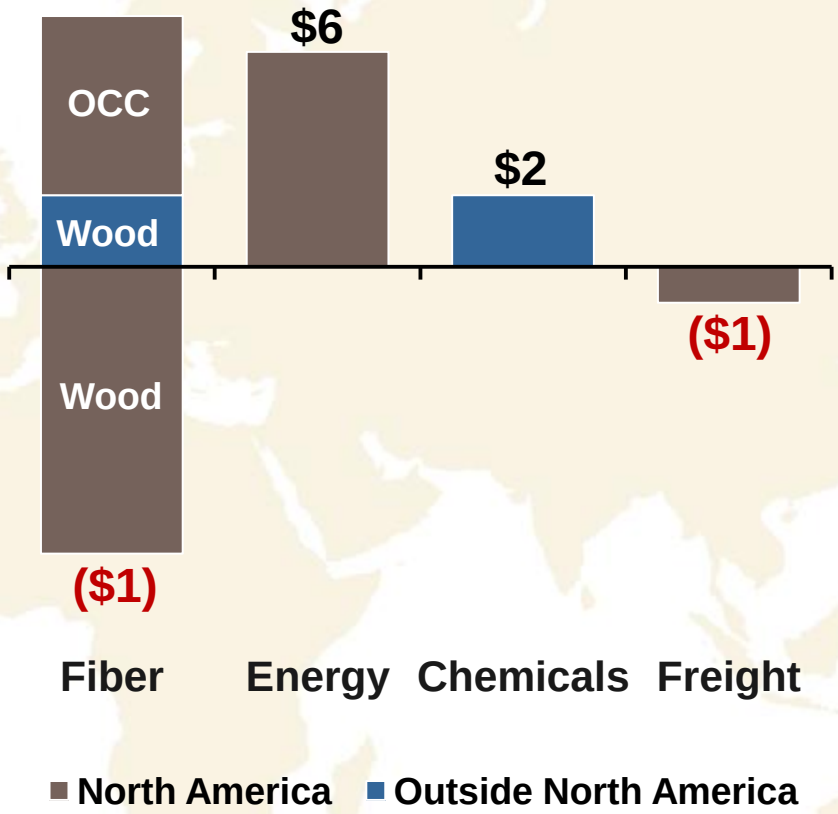
North American mills only

Global Input Costs vs. 2Q14 | $6MM Favorable, or $0.01/Share

By Business



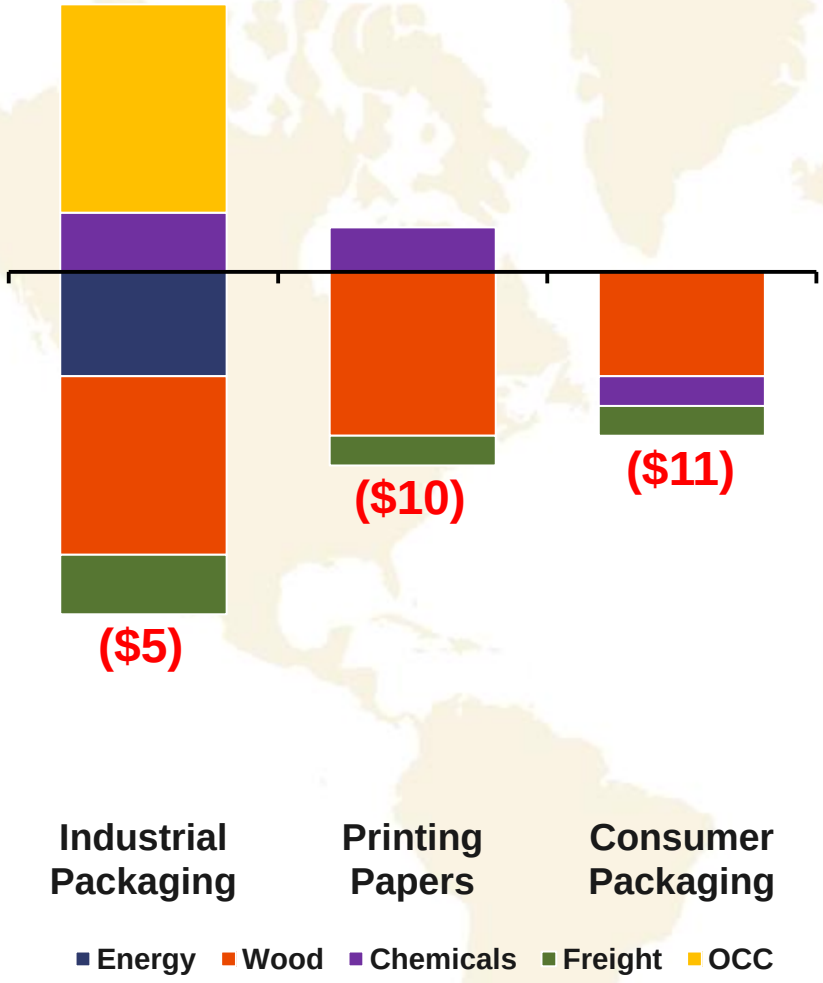
By Input Type



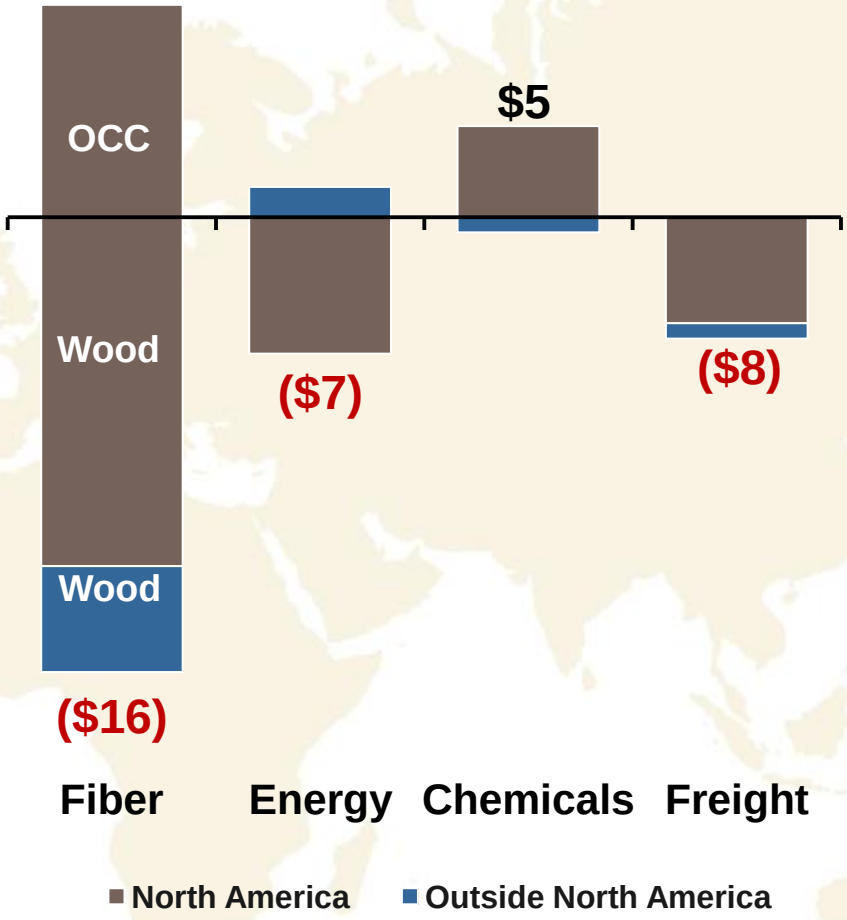
Input costs ($MM) for continuing businesses

Global Input Costs vs. 3Q13 | $26MM Unfavorable, or $0.05/Share

By Business



By Input Type



Input costs ($MM) for continuing businesses

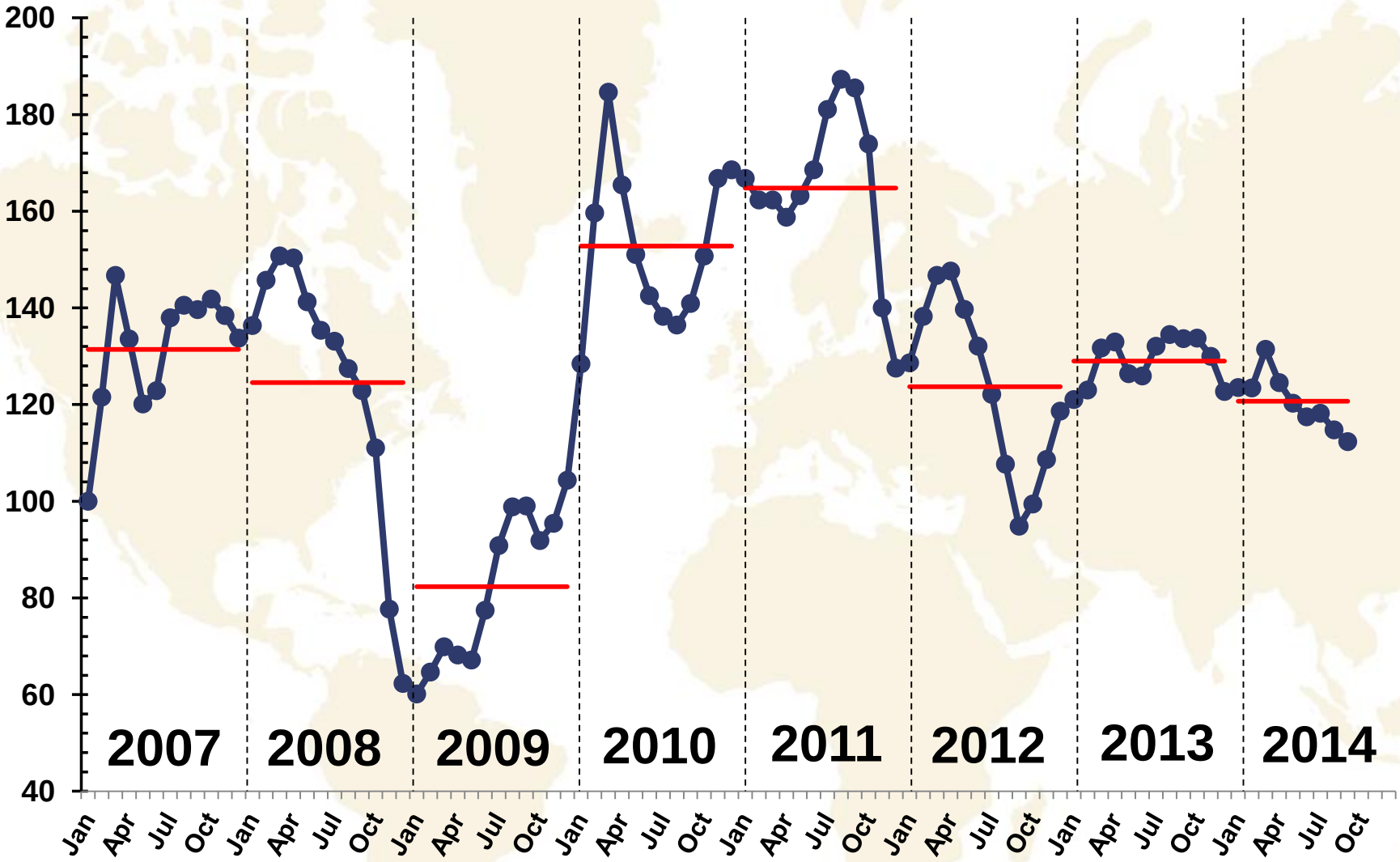
INTERNATIONAL PAPER

U.S. Mill Wood Delivered Cost Trend | 1% Increase vs. 2Q14 Average Cost



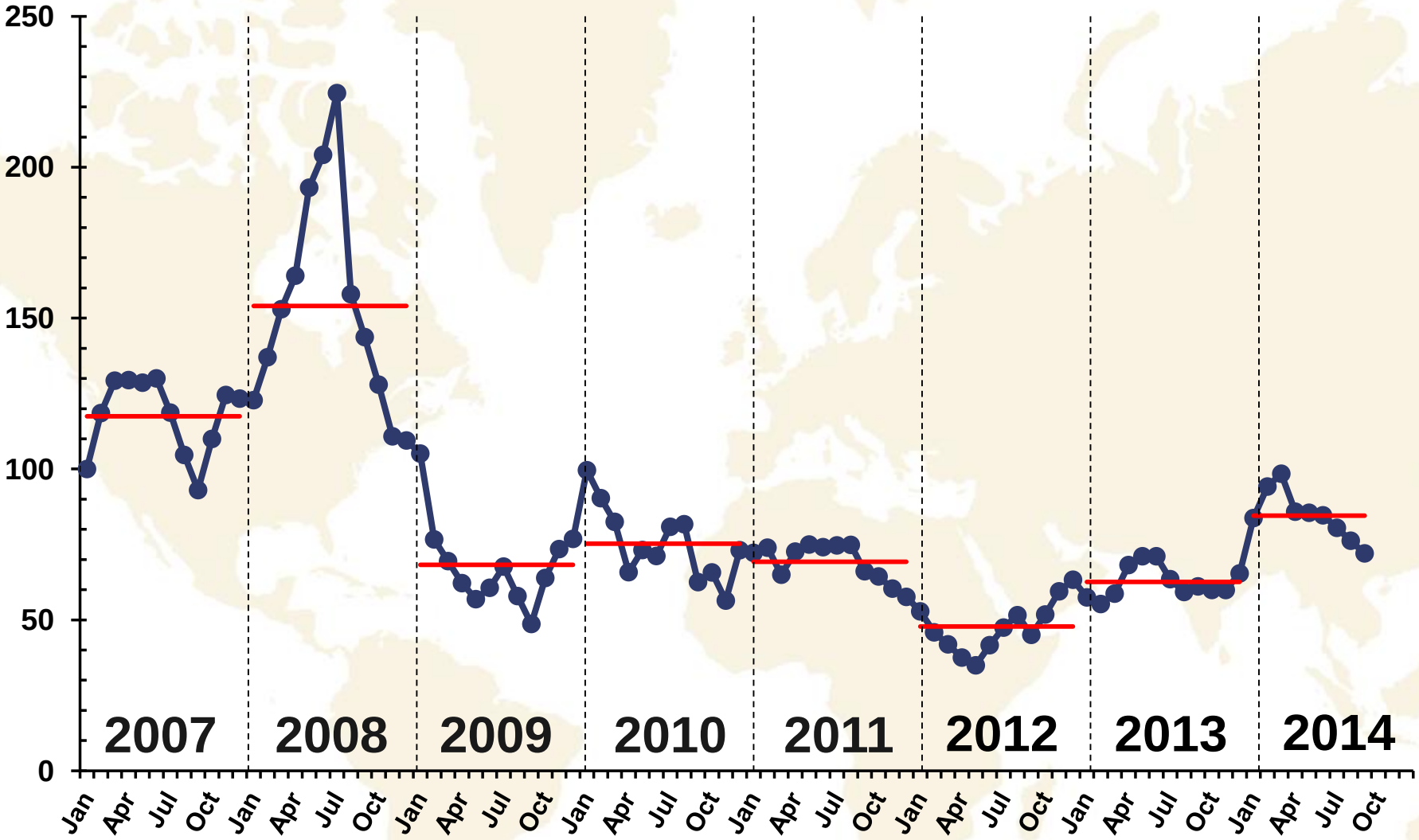
Cost Indexed to January 2007 values

U.S. OCC Delivered Cost Trend | 5% Decrease vs. 2Q14 Average Cost



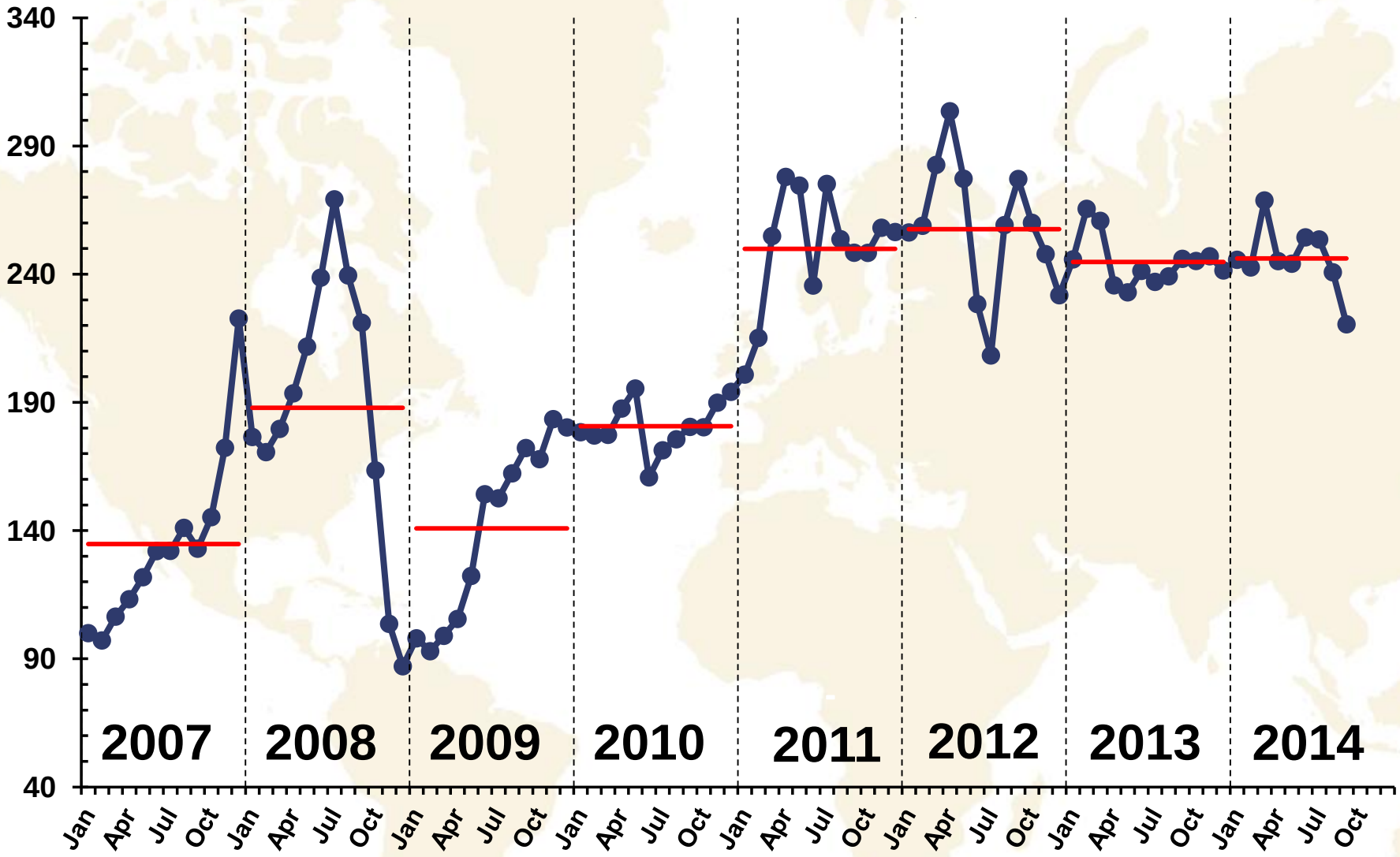
Cost Indexed to January 2007 values

Natural Gas Costs Trend | 11% Decrease vs. 2Q14 Average Cost



Cost Indexed to January 2007 values
NYMEX Natural Gas closing prices

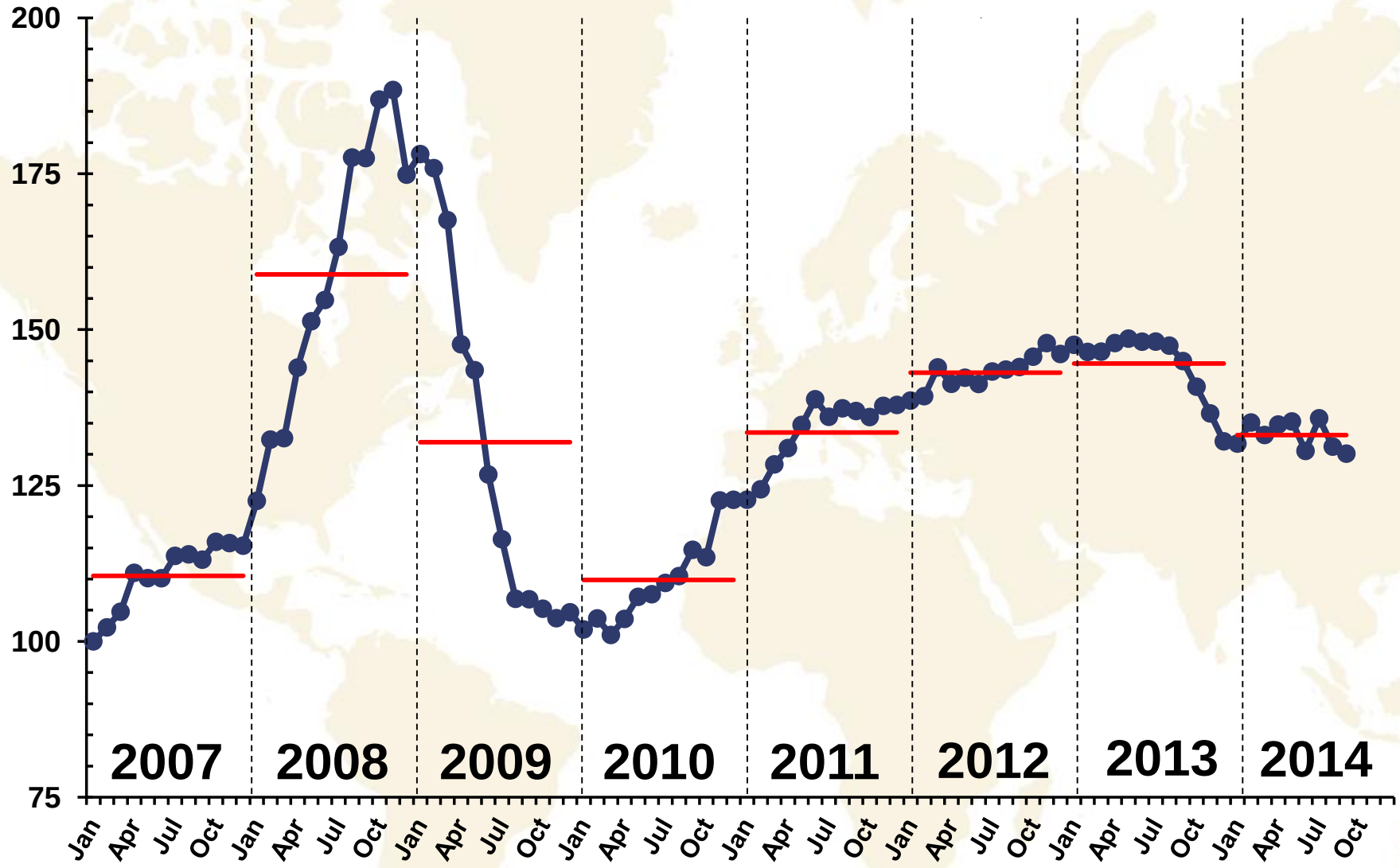
U.S. Fuel Oil Trend | 4% Decrease vs. 2Q14 Average Cost



Cost Indexed to January 2007 values
WTI Crude prices

INTERNATIONAL PAPER

U.S. Chemical Composite Index Trend | 1% Decrease vs. 2Q14 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)	370,000	95,000
	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 annual consumption related to Courtland operations terminated in 1Q14