Fourth Quarter and Full-Year 2014 Earnings | January 28, 2015



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

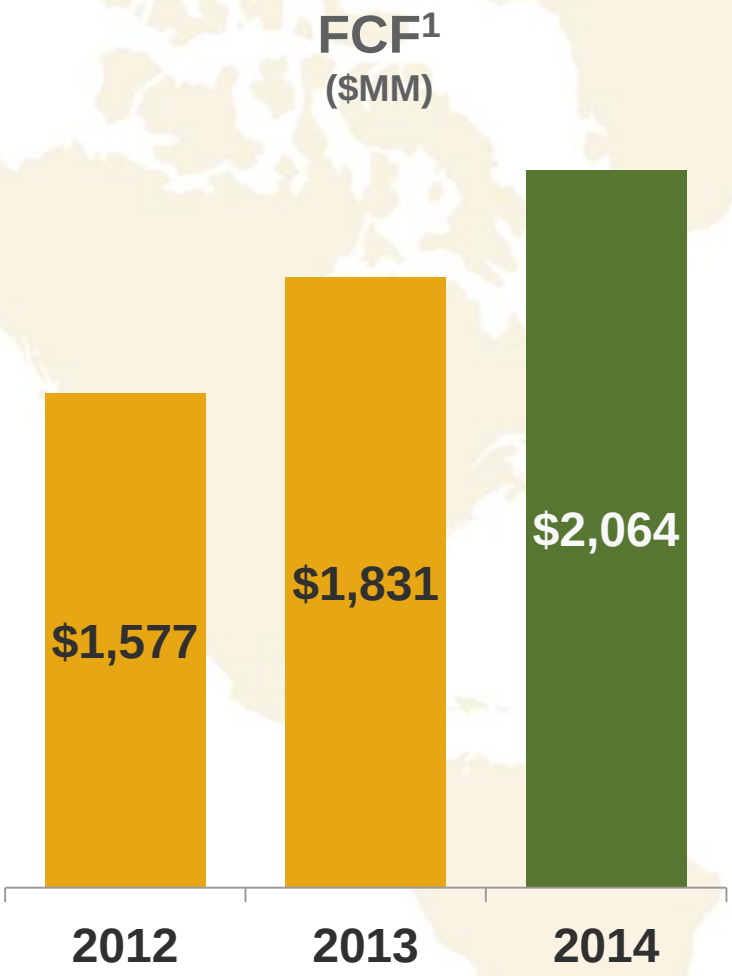
During the course of this presentation, certain non-U.S. GAAP financial information will be presented.

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."

Full-Year 2014 Results

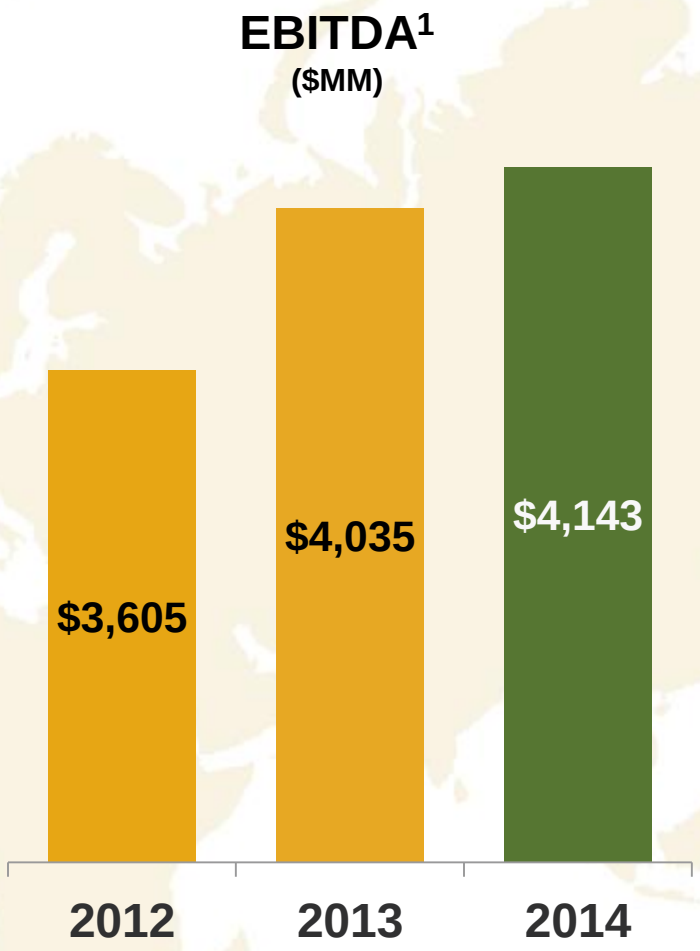


- Delivered record cash from operations and free cash flow of $2.1B
- N.A. Industrial Packaging achieved EBITDA of $2.7B and 24% margins
- ROIC above the cost of capital for fifth consecutive year
- Margin expansion across key businesses
- Successful debt restructuring program; annualized interest savings of ~$40MM
- Increased dividend by 14% to $1.60/share
- Share buyback program purchases of ~ $1B in 2014
- Courtland closure completed
- Completed xpedx spin-off; $400MM received
- $470MM operational EBITDA up 126% at Ilim JV; $56MM dividend to IP

[1] See slide #27 for a reconciliation of cash provided by operations to free cash flow

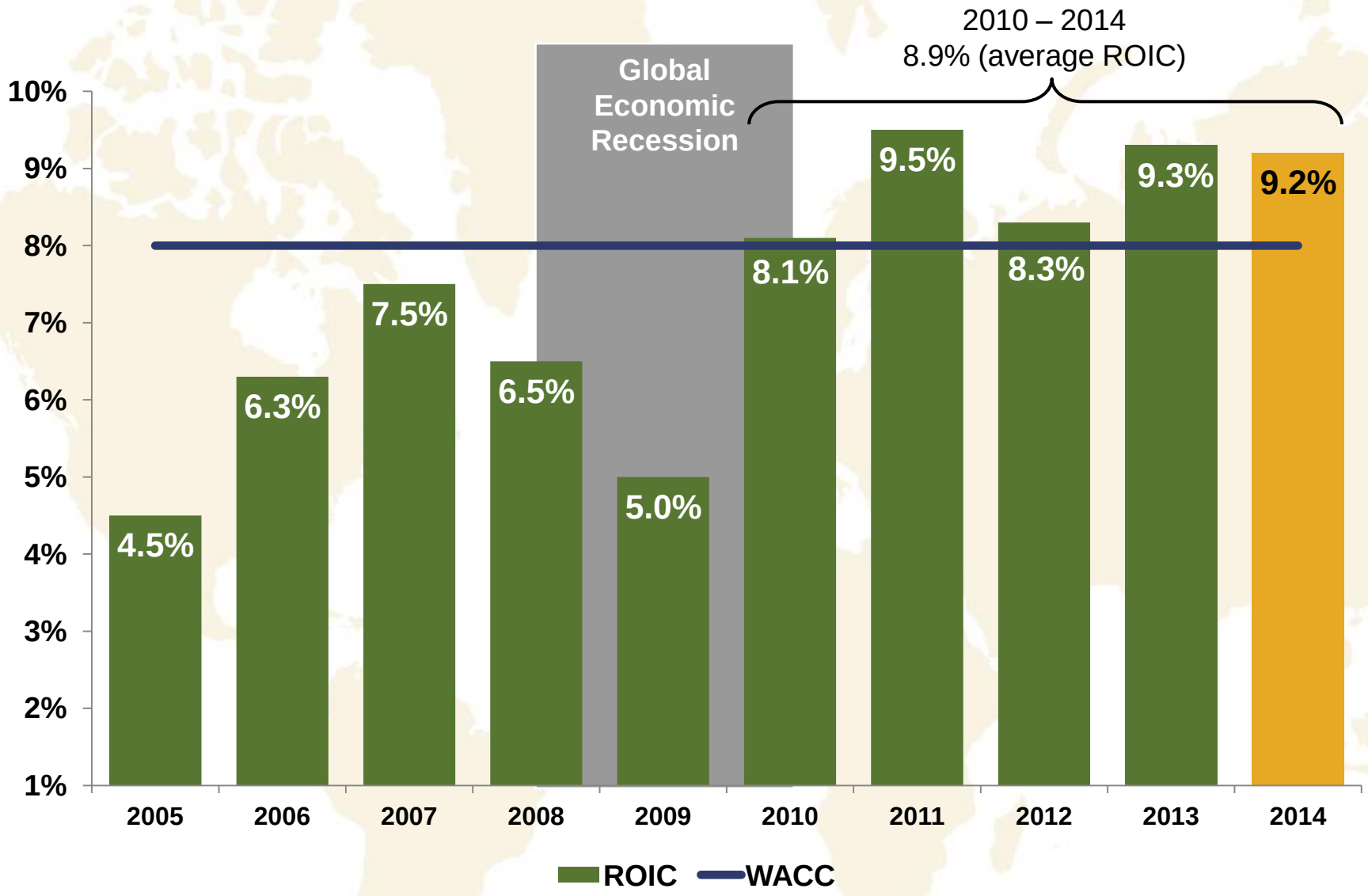
Full-Year 2014 Financial Results

$ Billion (Except as noted)	2012	2013	2014
Sales	$21.9	$23.5	$23.6
EBIT[1]	$2.1	$2.5	$2.7
EPS[2]	$2.51	$3.06	$3.00
EPS impact of Ilim F/X[3] – IP Share	$0.04	($0.07)	($0.63)
EBITDA[1]	$3.6	$4.0	$4.1
EBITDA Margin	16.5%	17.2%	17.5%
FCF[4]	$1.6	$1.8	$2.1
Year-End Debt	$10.1	$9.5	$9.4
Cash Balance	$1.3	$1.8	$1.9



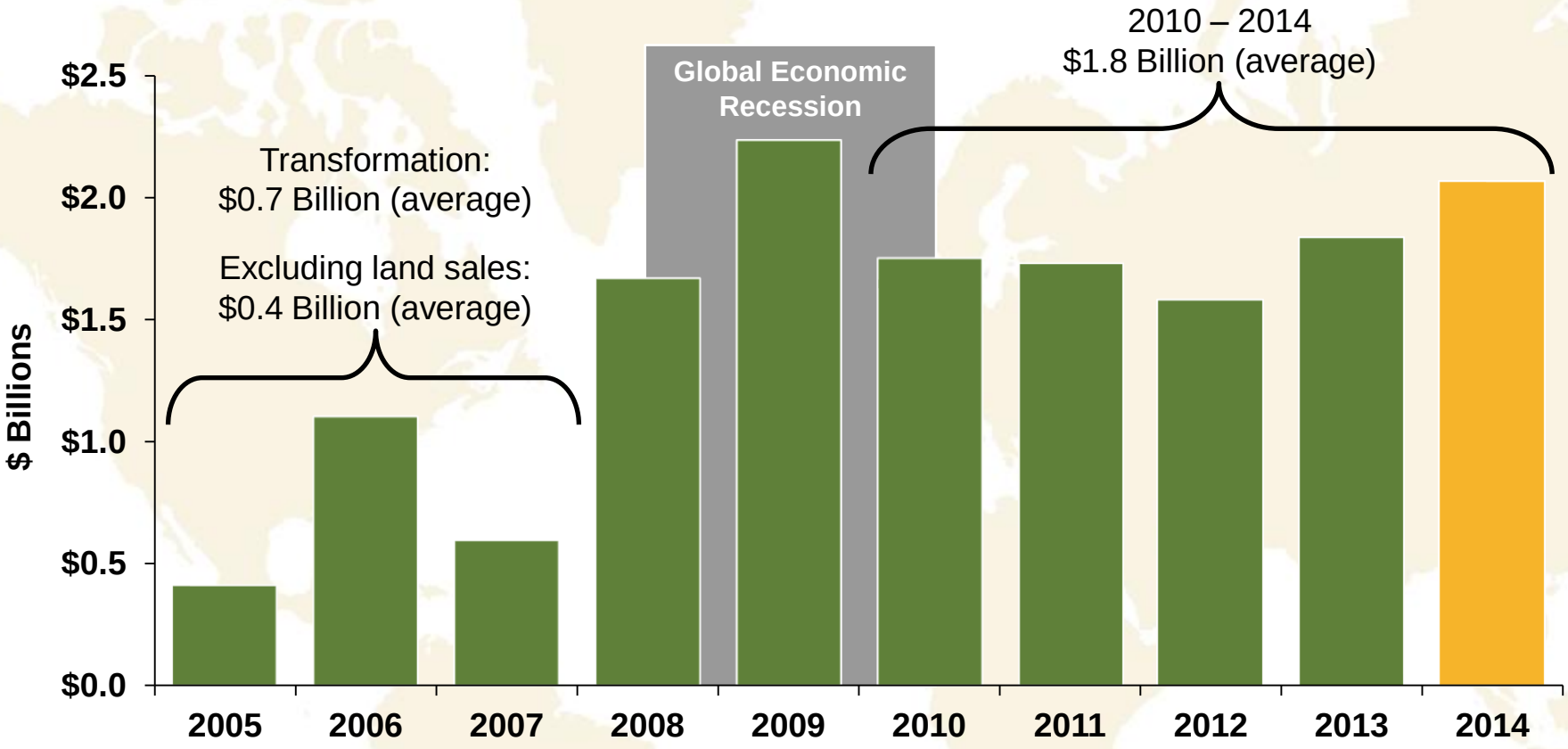
[1] From continuing operations before special items and non-operating pension expense
[2] EPS based on Operating Earnings (defined as Net Earnings (GAAP) from continuing operations before special items and non-operating pension expense)
[3] Represents F/X impact primarily related to Ilim JV USD-denominated net debt (balance of ~$1.3B at year end 2014)
[4] See slide #27 for a reconciliation of cash provided by operations to free cash flow
xpedx is reflected as a Discontinued Operation in all periods presented

ROIC[1] above our Cost of Capital | Increasing Shareholder Value



[1] ROIC = Operating Earnings before Interest / Average Invested Capital [Equity (adjusted to remove pension related amounts in OCI, net of tax) + Interest-Bearing Debt]

Strong, Sustainable Free Cash Flow



Free cash flow reflects cash provided by continuing operations for 2005 – 2011, 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 & 2014, 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. 2014 excludes $353MM cash paid for pension plan contribution.
Free cash flow reflects cash provided by operations for 2012 – 2014.

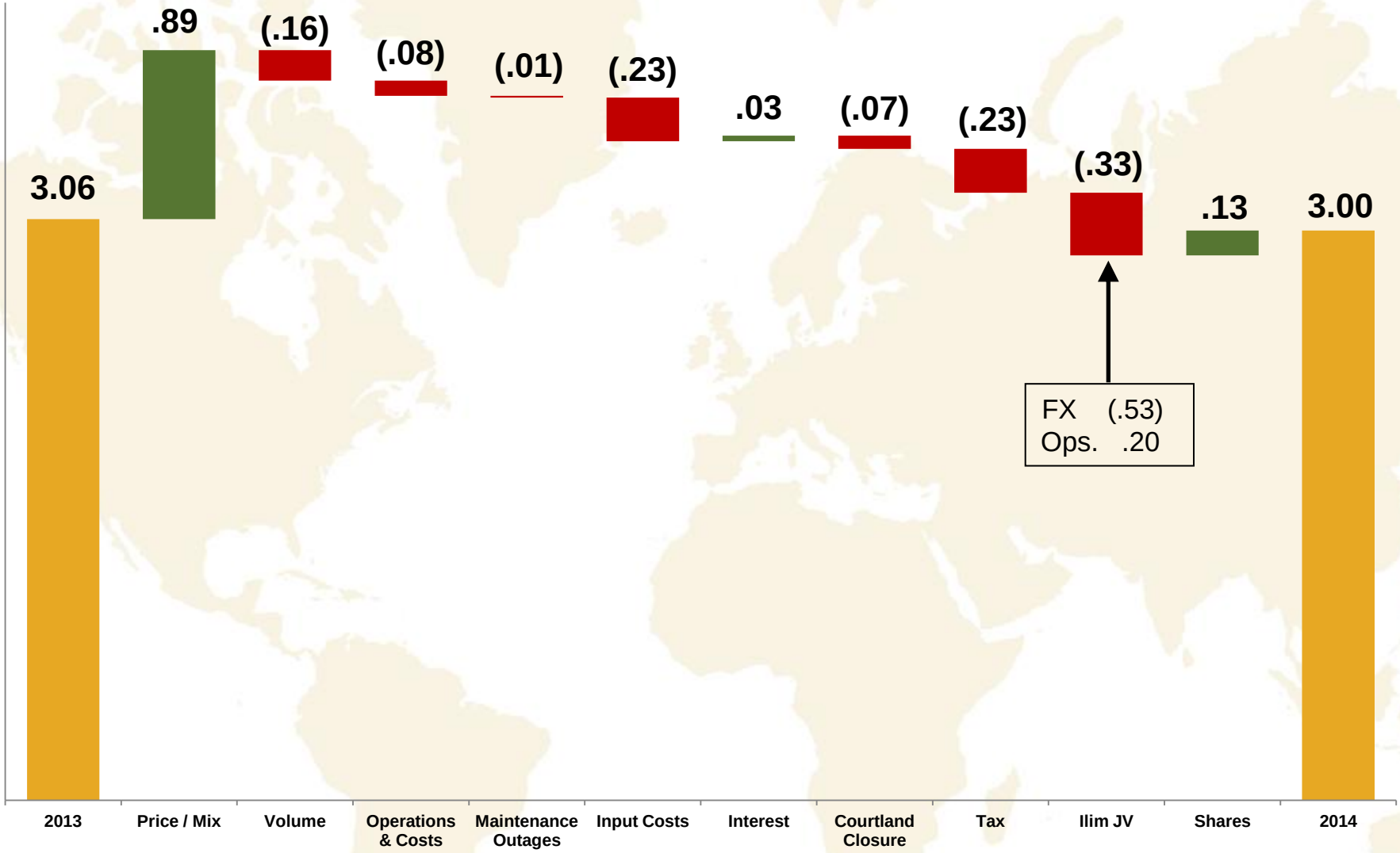
IP's Balanced Use of Cash | Increasing Shareholder Value

2014 Cash from Operations
$3.4 B

xpedx Spin-off
$0.4 B

Use of Cash ($MM)	
Return Cash to Shareowners ▪ 14% Dividend increase to $1.60/share ▪ Share Buyback Program • $1.5B program authorized September 2013 • Additional $1.5B program authorized July 2014	~ $600 ~ $1,000
Debt Reduction & Pension Contribution	~ $450
Capital Spending	~ $1,400
Selective Reinvestment Brazil – Grupo Orsa, acquired remaining shares	~ $135

2014 vs. 2013 EPS



Operating Earnings

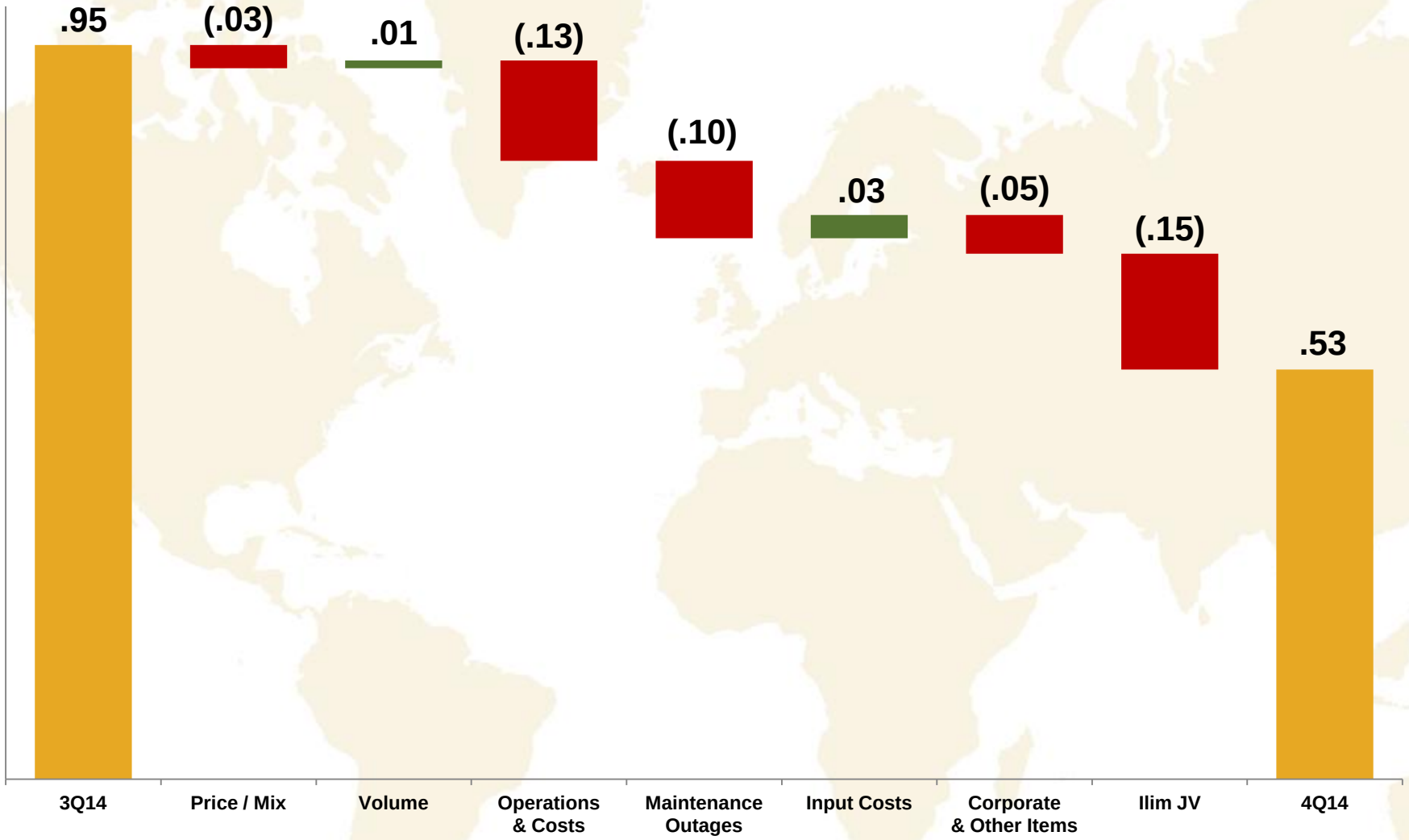
Fourth Quarter 2014 Results

	4Q13	3Q14	4Q14
Sales ($B)	**$5.8**	**$6.1**	**$5.9**
EBIT[1] ($MM)	**$661**	**$835**	**$657**
EPS[2]	**$0.81**	**$0.95**	**$0.53**
EPS impact of Ilim F/X[3] – IP Share	**($0.01)**	**($0.19)**	**($0.40)**
EBITDA[1] ($MM)	**$1,028**	**$1,193**	**$1,003**
EBITDA Margin[1]	**17.6%**	**19.7%**	**16.9%**
Free Cash Flow[4] ($MM)	**$598**	**$696**	**$739**

- Record FCF quarter, strong working capital management
- Solid performance across key businesses
- Benefit of stronger demand for N.A. box muted by weak global conditions
- Input cost headwinds began to moderate in quarter
- $170MM of shares repurchased in quarter, bringing total since September 2013 to $1.44B
- Strong operating results at Ilim; unfavorable F/X impact of ($0.40) EPS

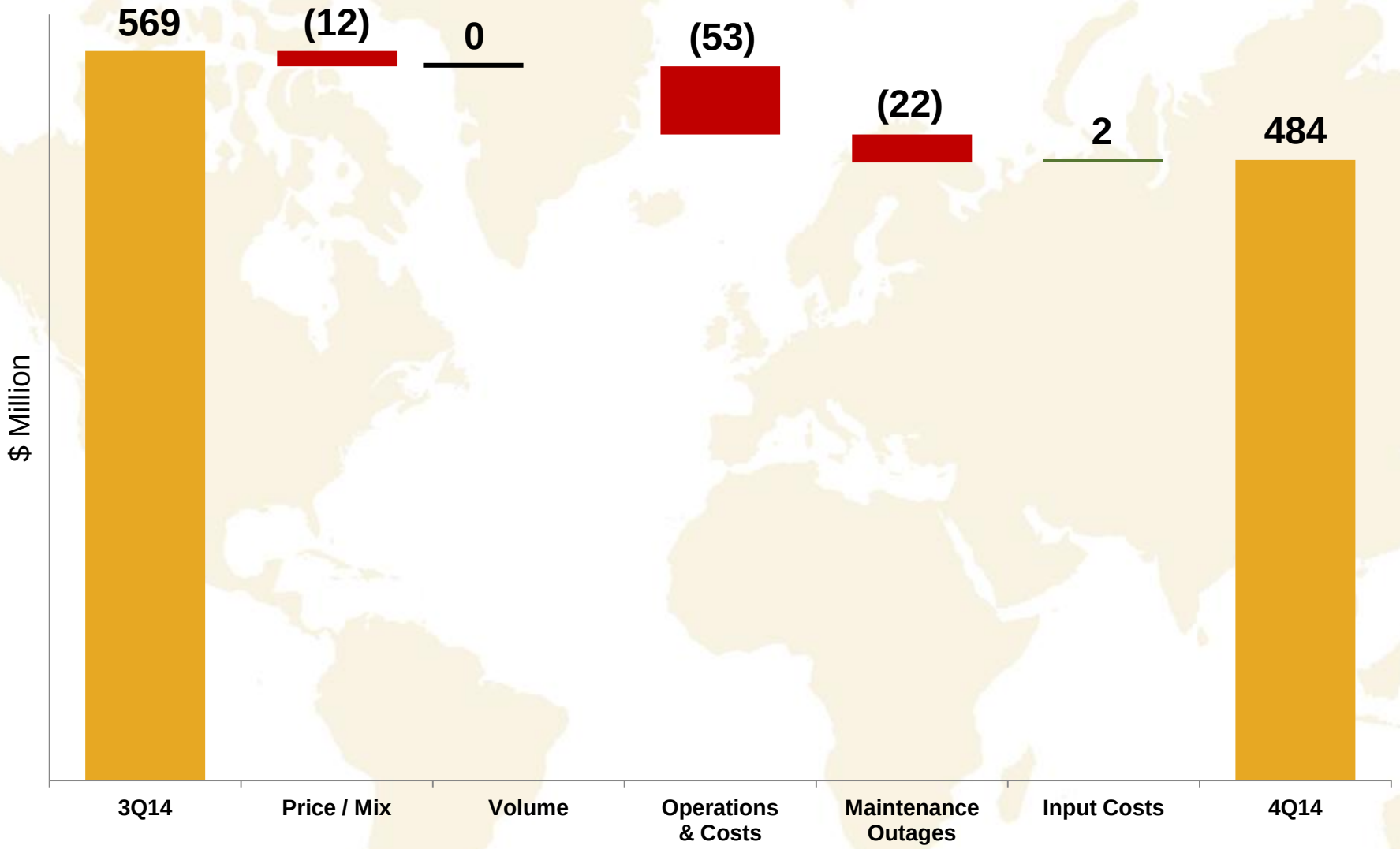
[1] From continuing operations before special items and non-operating pension expense
[2] EPS based on Operating Earnings (defined as Net Earnings (GAAP) from continuing operations before special items and non-operating pension expense)
[3] Represents F/X impact primarily related to Ilim JV USD-denominated net debt (balance of ~$1.3B at year end 2014)
[4] See slide #27 for a reconciliation of cash provided by operations to free cash flow
xpedx is reflected as a Discontinued Operation in all periods presented.

4Q14 vs. 3Q14 EPS



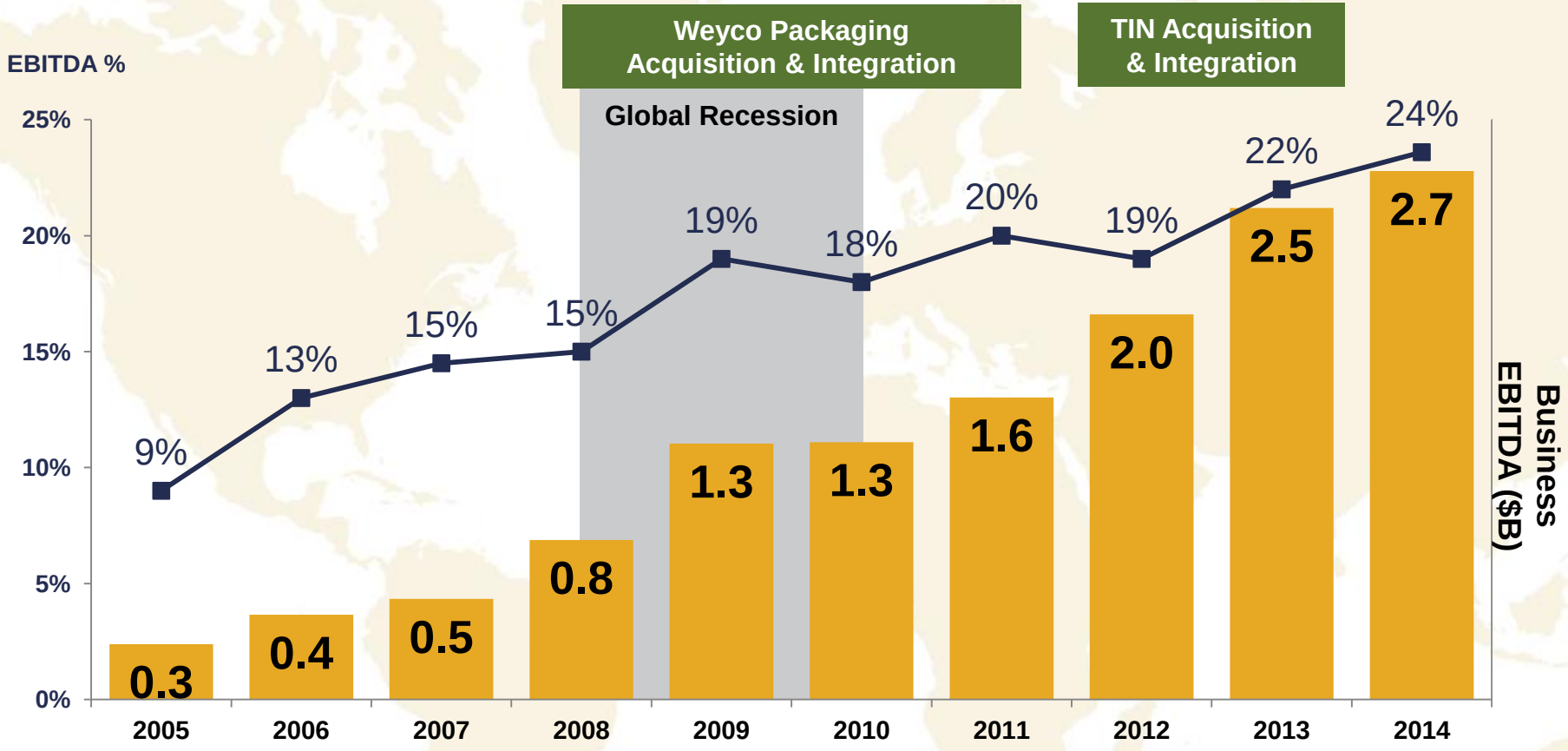
Operating Earnings

Industrial Packaging | 4Q14 vs. 3Q14



Segment operating profit before special items

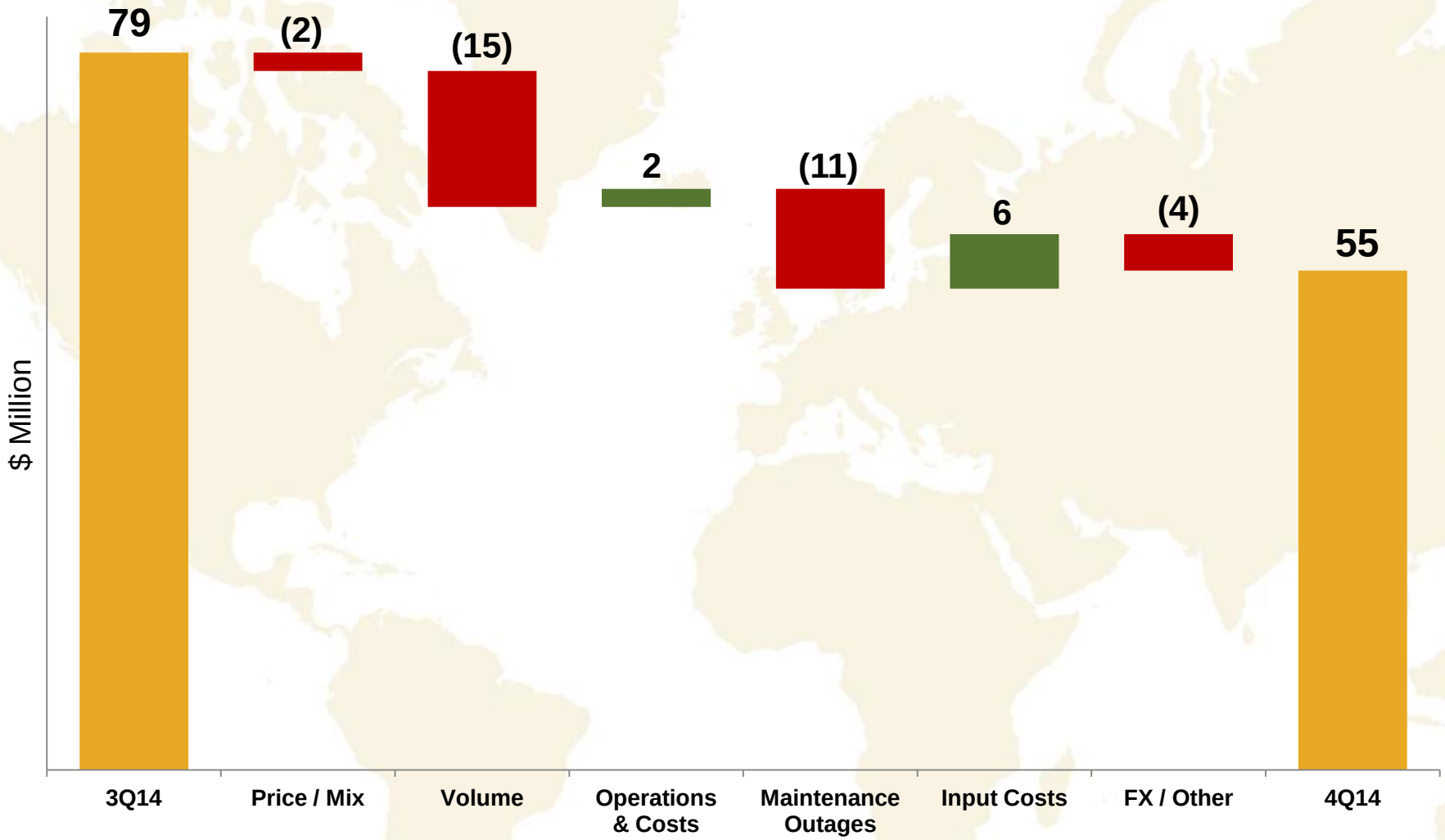
Growth and Margin Expansion through Strategic Acquisitions and Successful Integrations



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

INTERNATIONAL PAPER

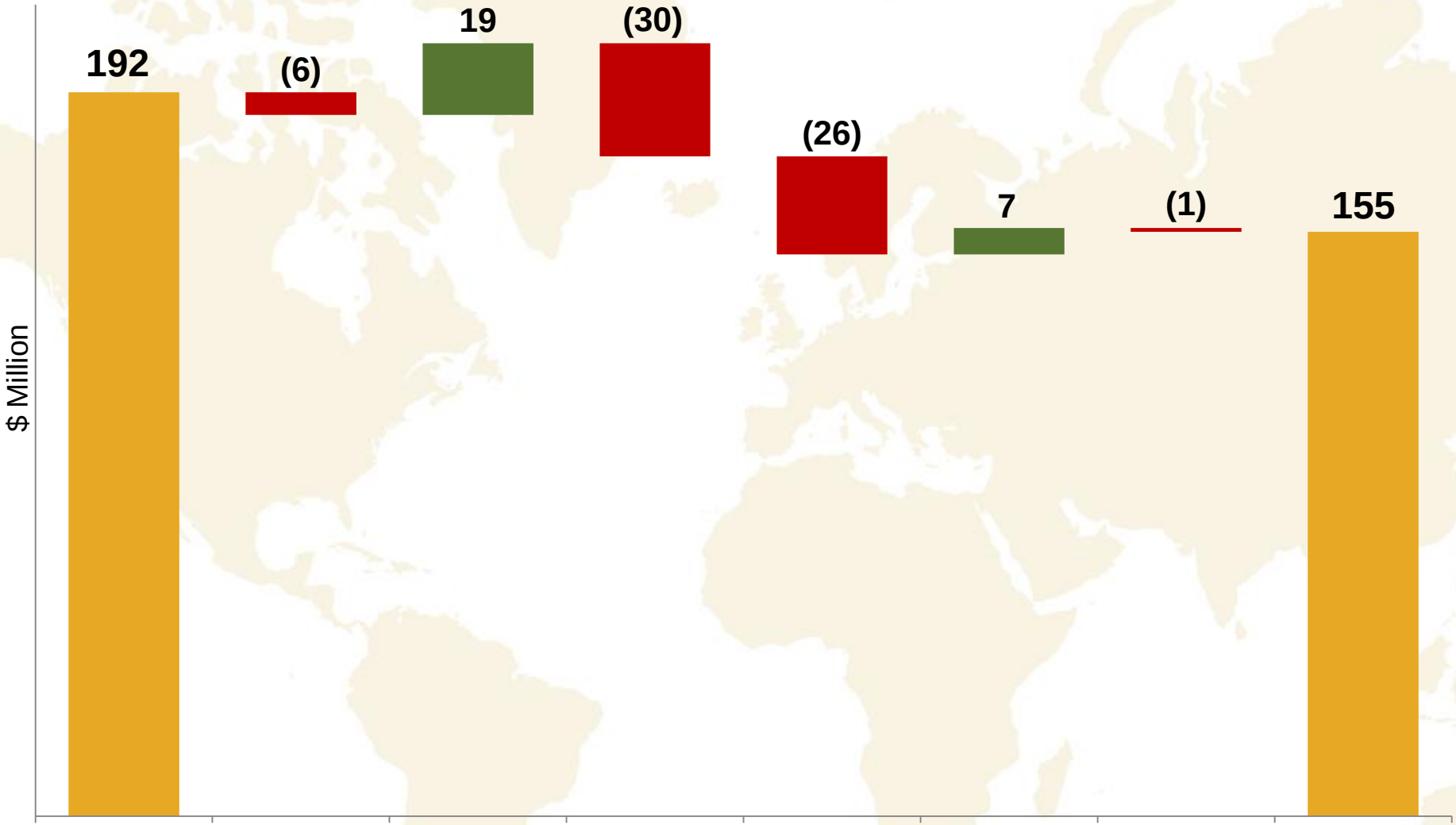
Consumer Packaging | 4Q14 vs. 3Q14



Segment operating profit before special items

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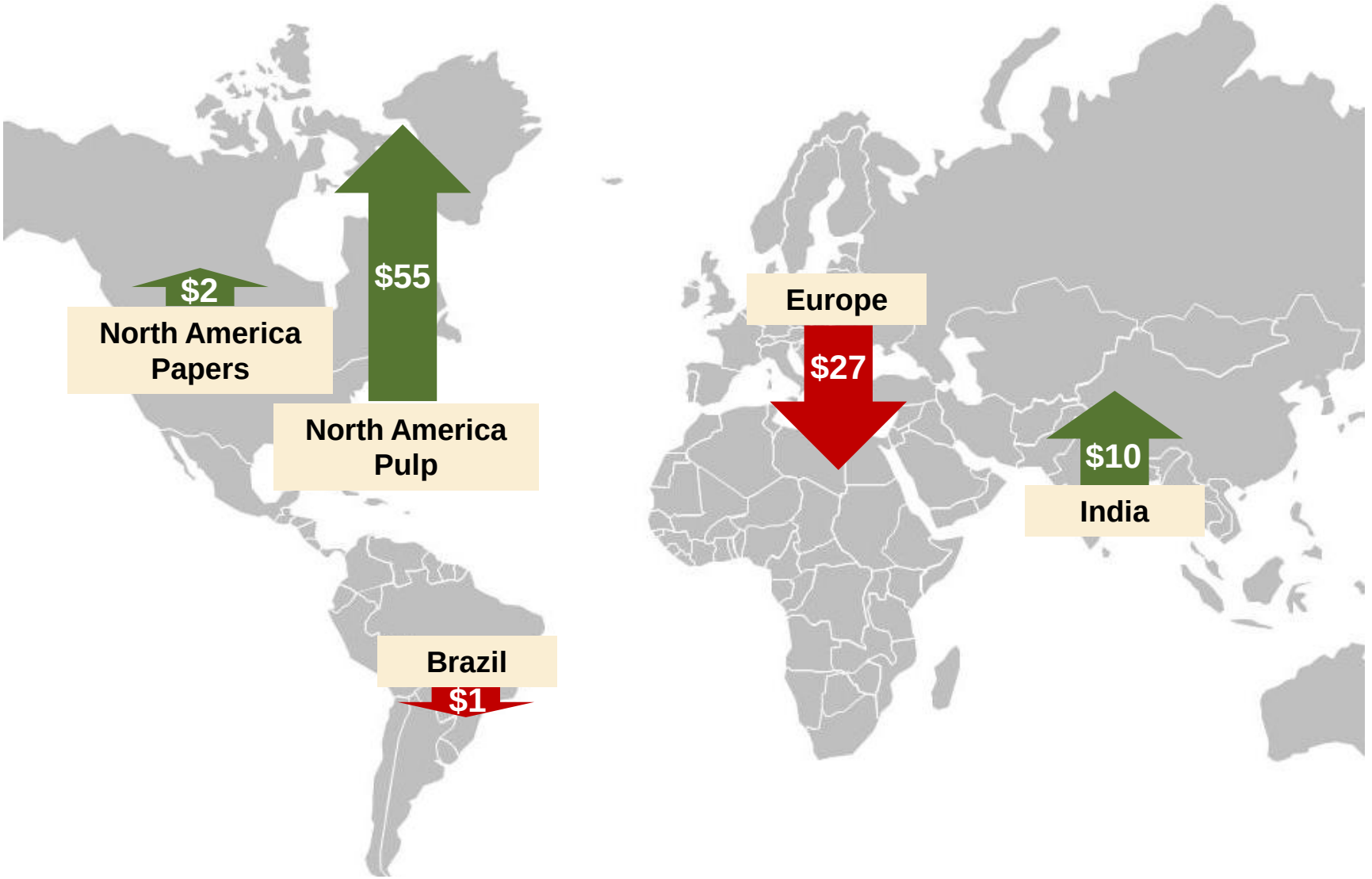
Printing Papers | 4Q14 vs. 3Q14



Segment operating profit before special items

INTERNATIONAL PAPER

Printing Papers | 2014 vs. 2013 Change in Segment Operating Profit[1] ($MM)



[1]Before special items

INTERNATIONAL PAPER

Ilim Joint Venture | 4Q14 vs. 3Q14

$ Million	4Q13	3Q14	4Q14	2013	2014
Sales Volume (thousand tons)	677	766	859	2,679	3,188
Sales	$482	$520	$520	$1,897	$2,139
Operational EBITDA[1]	$61	$100	$143	$208	$470
F/X (Impact of USD Net Debt[2]**)**	($15)	($210)	($432)	($80)	($684)
IP Equity Earnings(Loss)[3]	($12)	($70)	($136)	($46)	($194)

- Continued improvement in operational EBITDA and record volumes following major JV-funded capital projects and efficiency improvements
- 4Q14 operational EBITDA run rate approaching $600MM target
- Significant unfavorable non-cash F/X impact on debt; however, ruble devaluation has positioned JV as lowest cost NBSK in the world

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

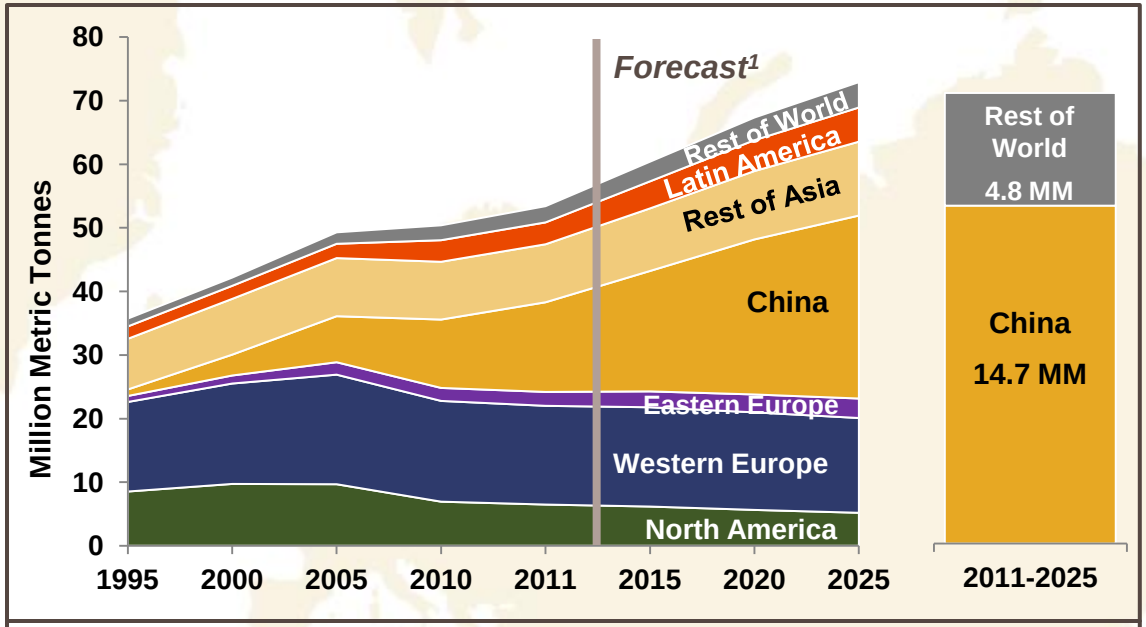
[1] Before F/X impact on USD-denominated net debt

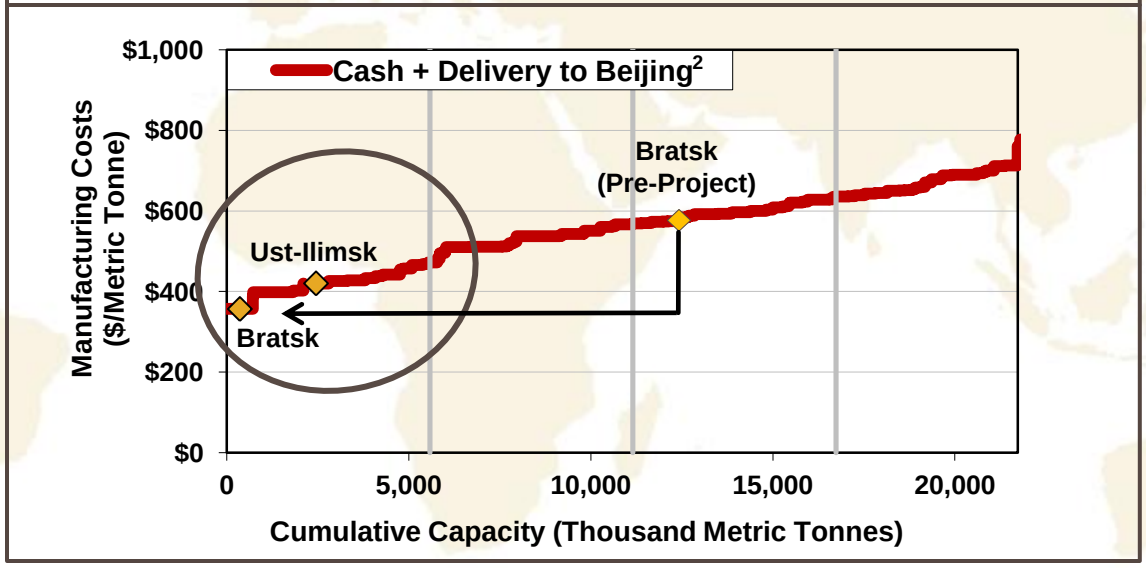
[2] 4Q14 mainly driven by Ilim JV USD-denominated net debt balance of ~$1.3B; Ilim Group's functional currency is the Ruble (RUB); Non-functional-denominated currency balances are measured monthly using the month-end exchange rate

[3] IP Equity Earnings(Loss) for 4Q13, 3Q14, and 4Q14 include after-tax f/x losses (primarily on USD-denominated net debt) of $(6)MM, $(82)MM, and $(171)MM, respectively; FY13 and FY14 include after-tax f/x losses of $(32)MM and $(269)MM respectively (US GAAP)

Ilim Joint Venture | Well-Positioned to Serve Growing Pulp Markets

- China will account for 75% of world's incremental market pulp growth
- 1st quartile cost positions with favorable access to China NBSK market
- Access to significant Russian wood basket





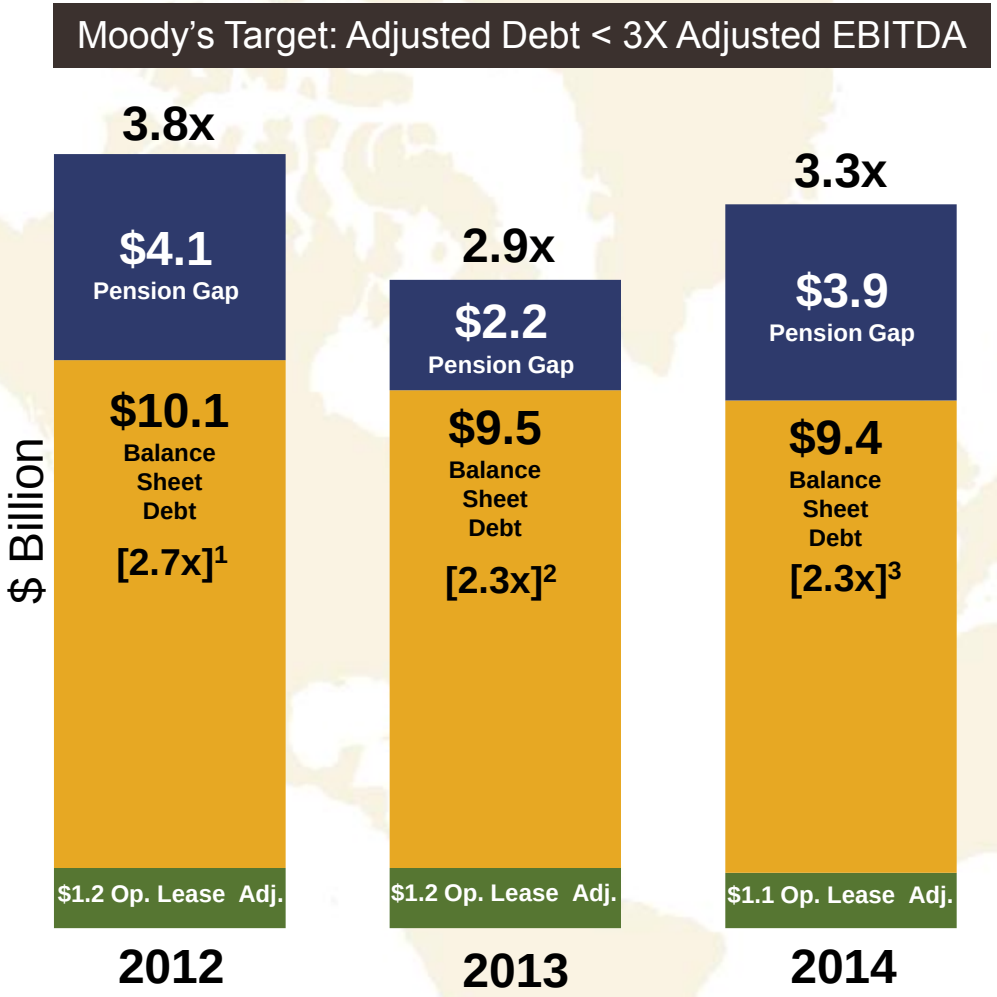
Units shown in metric tonnes

[1] Source: Poyry World Fibre Outlook 2012

[2] Based on Poyry's 2014 CostTrac model at 3rd Quarter, 2014, prices and exchange rates.

ILIM | INTERNATIONAL PAPER

Balance Sheet | Debt Coverage



- Pension Gap increased by $1.7B primarily due to discount rate[4] decrease and updated mortality assumptions
- Significant debt restructuring in mid-2014
  - ✓ Bond issue and tender offer successfully reduced 2018 and 2019 debt towers
  - ✓ Lowered annualized interest expense ~$40MM
- Made ~$350MM pension contribution in 2014
- $1.9B 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] Simple Debt Coverage: Balance Sheet Debt / 2014 Reported EBITDA of $4.1B
[4] AA Corporate Bond Rate

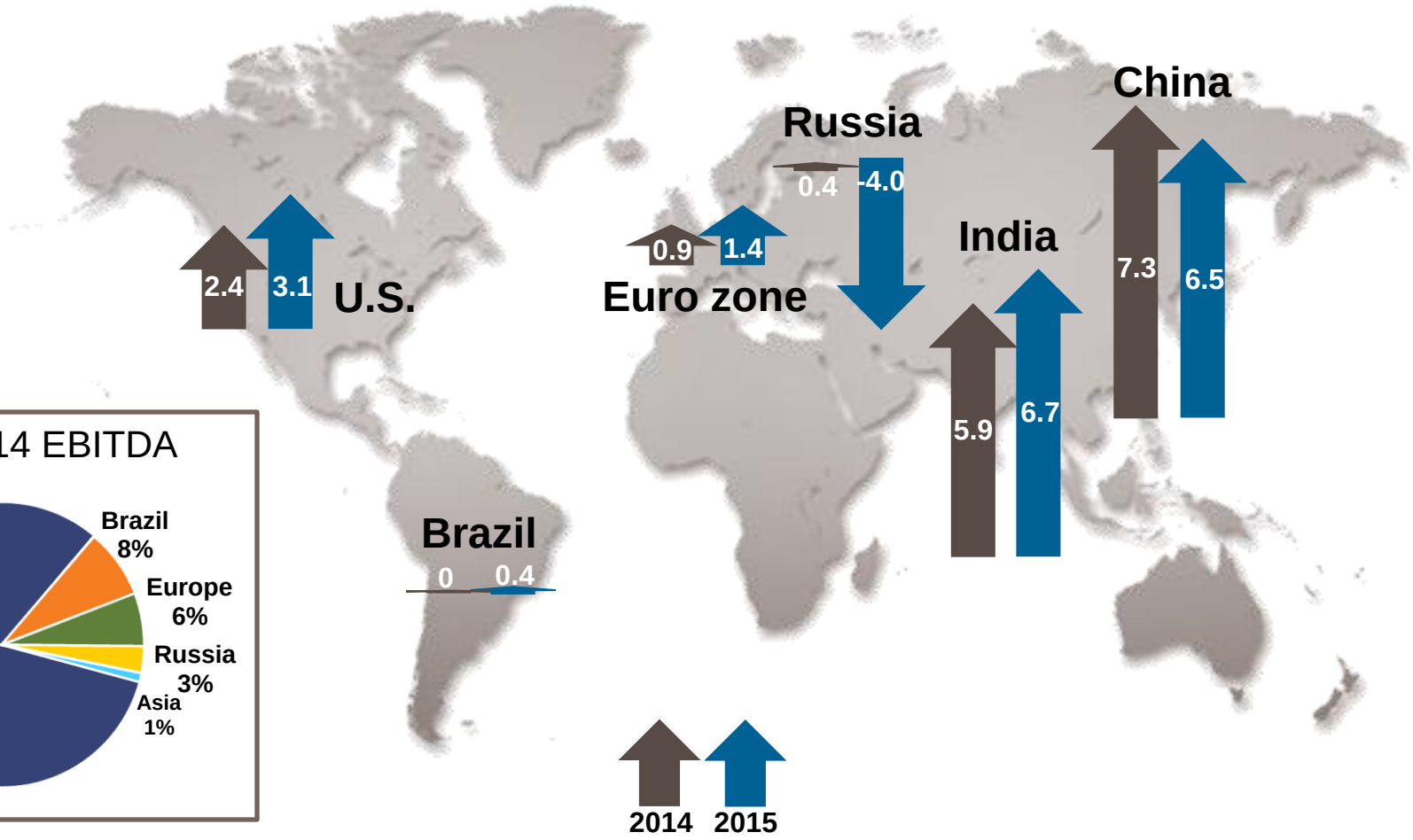
First Quarter Outlook | Changes from 4Q14

		North America	EMEA & Russia	Brazil	Asia[1]
Volume	Paper	Stable	Seasonal Decrease	Seasonal Decrease	Stable
	Packaging	Stable	Stable	Seasonal Decrease	Stable
Pricing / Mix	Paper	Stable	Pressure	Stable	Stable
	Packaging	Stable	Pressure	Stable	Stable
Operations & Other	Paper	Stable	Stable	Improving	Stable
	Packaging	Industrial (+) / Consumer (-)	Stable	Stable	Stable
Inputs & Freight	Paper	Stable	Stable	Stable	Stable
	Packaging	Improving	Stable	Stable	Stable
Mill Maintenance Outages	Paper	Decrease $3MM	N/A	Decrease $5MM	N/A
	Packaging	Increase $22MM	N/A	N/A	N/A
ILIM JV Equity Earnings			Non-recurring currency impact[2]		
Other Items		▪ Tax rate, in line with full-year outlook of 33% ▪ Interest, flat ▪ Corporate expense, ~$15MM in 1Q2015 ▪ Operating pension expense, ~$5MM higher in 1Q2015 (~$20MM higher full year)			

[1] Includes India [2] Assumes F/X at 4Q14 exit rate

Macro View Entering 2015

Real GDP, % change on prior year
Global 2014 forecast 2.7%
2015 forecast 3.0%



Source: IHS Economics & Country Risk

Key Financial Metrics

Continued Strong Cash From Operations and Cash Flow Generation

$ Million (Except as noted)	2013	2014	2015 Estimate
Capital Spending	$1.2 B	$1.4 B	~ $1.5 B
Depreciation & Amortization	$1.5 B	$1.4 B	~ $1.4 B
Net Interest Expense[1]	$618	$601	~ $580
Corporate Items	$61	$51	~ $60
Effective Tax Rate	26%	31%	~ 33%

[1]Before special items

- **NA Industrial Packaging mix refinement**
  - **System and commercial optimization**
  - **Valliant PM 3 restart**
  - **Remaining DOJ purchase commitments expire mid-year**
- **Printing Papers first full year post Courtland**
- **Consumer-driven demand for fiber-based food packaging**
- **Improvement at Brazil Industrial Packaging**
- **Margin expansion opportunities at Ilim**

Wrap Up & Looking Ahead

- Strong results in 2014
- 2015 focus areas
  - Execution
  - High return capital project opportunities
  - Creating value for shareholders



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	4Q13	2013	1Q14	2Q14	3Q14	4Q14	2014
Cash Provided by Operations	$2,960[1]	$1,037	$3,029[2]	$529[3]	$734[4]	$1,023[5]	$1,144	$3,430[6]
Less Capital Investment	($1,383)	($439)	($1,198)	($277)	($357)	($327)	($405)	($1,366)
Free Cash Flow	$1,577	$598	$1,831	$252	$377	$696	$739	$2,064

[1] 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.
[2] Excludes $31MM cash paid for pension plan contribution and $30MM cash received from Guaranty Bank insurance reimbursements
[3] Excludes $58MM cash paid for pension plan contribution
[4] Excludes $205MM cash paid for pension plan contribution
[5] Excludes $90MM cash paid for pension plan contribution
[6] Excludes $353MM cash paid for pension plan contribution

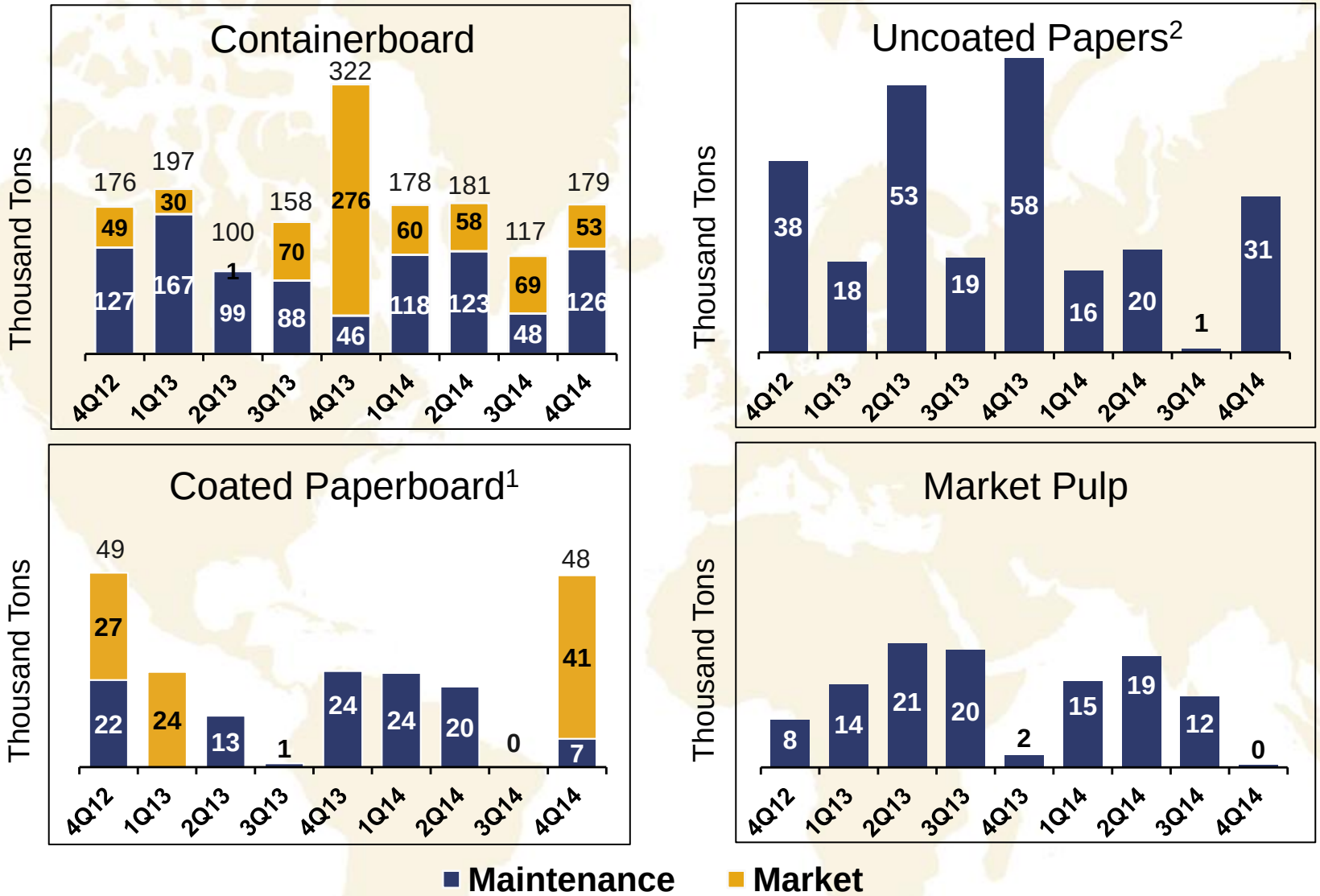
Maintenance Outages Expenses | 2014

$ Million	1Q14	2Q14	3Q14	4Q14	2014
Industrial Packaging	**$69**	**$91**	**$26**	**$48**	**$234**
North America	69	91	23	48	231
Brazil	0	0	3	0	3
Printing Papers Total	**$31**	**$60**	**$16**	**$43**	**$150**
North America	30	35	14	32	111
Europe	1	24	1	0	26
Brazil	0	1	0	11	12
India	0	0	1	0	1
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**	**$102**	**$442**

Maintenance Outages Expenses | 2015

$ Million	1Q15F	2Q15F	3Q15F	4Q15F	2015F
Industrial Packaging	**$66**	**$99**	**$37**	**$67**	**$269**
North America	66	96	37	67	265
Brazil	0	3	0	0	3
Printing Papers Total	**$35**	**$67**	**$32**	**$46**	**$180**
North America	29	43	14	39	125
Europe	0	23	17	0	40
Brazil	6	1	0	7	14
India	0	0	1	0	1
Consumer Packaging	**$15**	**$17**	**$11**	**$17**	**$60**
North America	15	12	4	17	48
Europe	0	5	7	0	12
Total Impact	**$116**	**$183**	**$80**	**$130**	**$509**

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)		4Q13	3Q14	4Q14
Industrial Packaging	Acquisition and Integration Costs	($16)	($1)	($5)
	Multi-Employer Pension Plan Exit Liability		($35)	
	Asia Goodwill Impairment			($100)
	Other	$3	($6)	
Printing Papers	Courtland Mill Shutdown	($67)	($3)	($7)
	India Reserve Release		$20	
	India Goodwill & Trade Name Impairment	($123)		
	Brazil Tax Settlement		($32)	
Consumer Pkg.	Other	($2)	($2)	($4)
Corporate	Debt Extinguishment	($1)	($13)	($1)
	ASG Loss on Sale & Impairment			($47)
	Other		($5)	$9
Total Special Items Before Tax		**($206)**	**($77)**	**($155)**

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

Special Items Net of Taxes

	4Q14		2014	
	$ Million	EPS	$ Million	EPS
Earnings Before Special Items	$227	$0.53	$1,296	$3.00
Special Items Net of Taxes:				
Tax items[1]	$90		$81	
Debt Extinguishment Costs	($1)		($169)	
ASG Loss on Sale & Impairment	($36)		($36)	
Acquisition and Integration Costs	($4)		($10)	
Multi-Employer Pension Plan Exit Liability			($21)	
Courtland Mill Shutdown	($4)		($338)	
India Reserve Release			$20	
Brazil Tax Settlement			($17)	
Asia Box Goodwill Impairment	($100)		($100)	
Other	$3		($9)	
Total Special Items Net of Taxes	($52)	($0.12)	($599)	($1.39)
Non-Operating Pension Expense	($32)	($0.07)	($129)	($0.30)
Discontinued Operations Net of Taxes	($9)	($0.02)	($13)	($0.02)
Net Earnings	$134	$0.32	$555	$1.29

[1] Mainly business restructuring items
xpedx is reflected as a Discontinued Operation in all periods presented.

4Q14 EBITDA | Integrated Mill Business Margins

	Operating Profit $ Million	D & A $ Million	Tons Thousand	EBITDA per Ton	EBITDA Margin
Industrial Packaging					
North America[1]	$479	$177	3,441	$191	23%
Brazil	($1)	$6	80	$63	6%
Printing Papers					
North America[2]	$37	$22	494	$119	12%
Europe & Russia[3]	$38	$15	346[4]	$153	20%[4]
Brazil	$53	$27	320	$250	28%
India[5]	($3)	$4	44	$23	3%
North America Pulp	$30	$18	362	$133	21%
Consumer Packaging					
North America[6]	$32	$42	357	$207	15%
Europe	$27	$5	101	$317	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	4Q13	3Q14	4Q14	2013	2014
Industrial Packaging	$486	$569	$484	$1,849	$2,054
Printing Papers	$143	$192	$155	$512	$550
Consumer Packaging	$32	$79	$55	$208	$186
Operating Profit	**$661**	**$840**	**$694**	**$2,569**	**$2,790**
Net Interest Expense	($134)	($152)	($142)	($618)	($601)
Noncontrolling Interest / Equity Earnings Adjustment	$4	($2)	($2)	$5	($2)
Corporate Items	($4)	($3)	($35)	($61)	($51)
Non-Operating Pension Expense	($78)	($54)	($53)	($323)	($212)
Special Items	($210)	($77)	($155)	($344)	($1,052)
Net Earnings from continuing operations before income taxes, equity earnings & noncontrolling interest	**$239**	**$552**	**$307**	**$1,228**	**$872**
Equity Earnings(Loss), net of taxes – Ilim	**($12)**	**($70)**	**($136)**	**($46)**	**($194)**

Geographic Business Segment Operating Results | Revenue

$ Million	Sales				
	4Q13	3Q14	4Q14	2013	2014
Industrial Packaging					
North America	$3,115	$3,210	$3,159	$12,520	$12,663
Europe	$335	$310	$316	$1,270	$1,307
Brazil	$95	$88	$79	$335	$349
Asia	$170	$146	$143	$685	$625
Printing Papers					
North America	$600	$529	$511	$2,550	$2,055
Europe	$395	$365	$352	$1,475	$1,472
Brazil	$295	$266	$288	$1,090	$1,061
Asia / India	$70	$58	$55	$275	$237
N.A. Pulp	$210	$235	$234	$815	$895
Consumer Packaging					
North America	$480	$528	$495	$1,950	$1,992
Europe	$95	$94	$95	$380	$365
Asia (Sun JV)	$290	$254	$264	$1,105	$1,045

Does not reflect total company sales

Geographic Business Segment Operating Results | Before Special Items

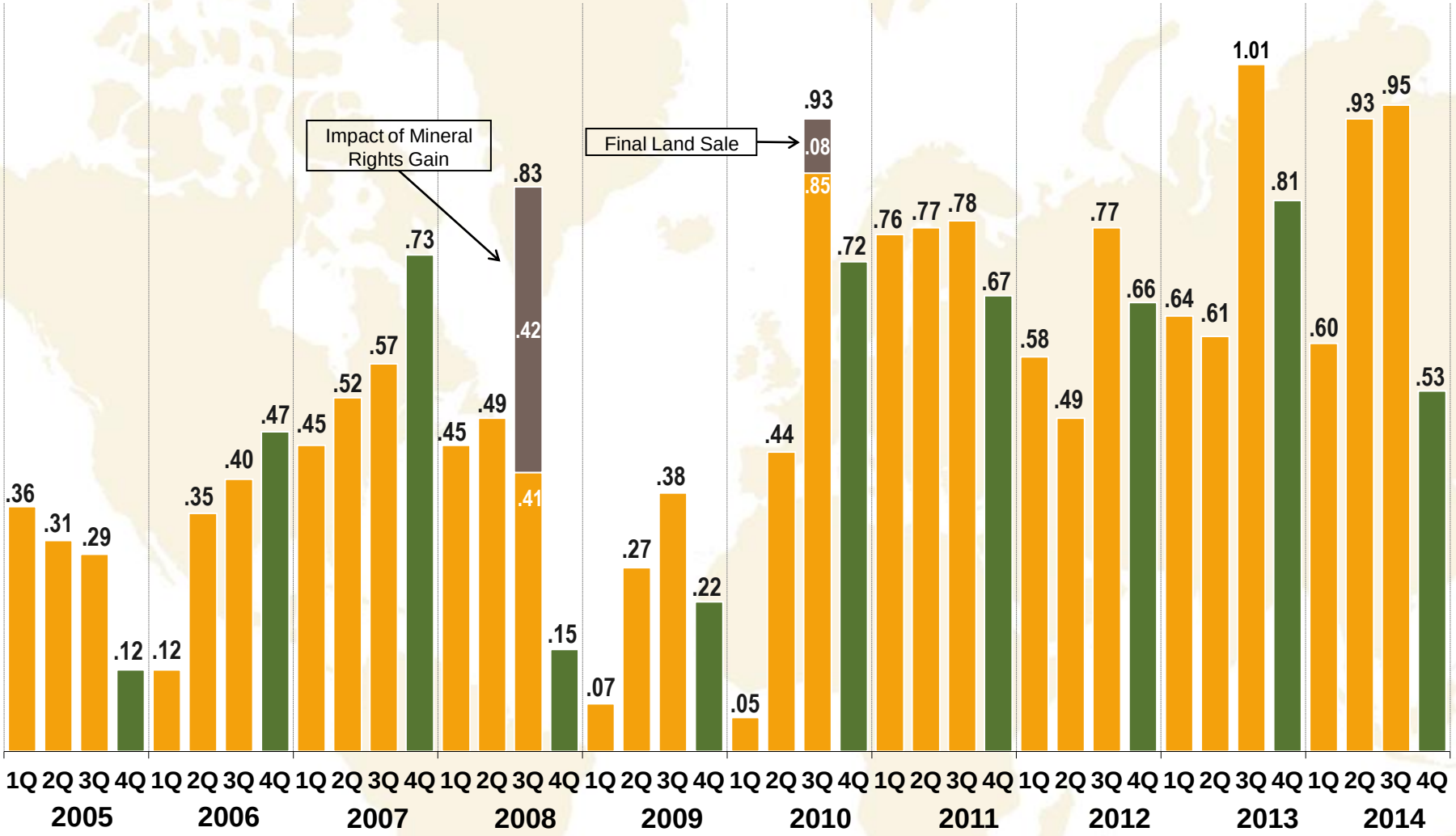
$ Million	Segment Operating Profit				
	4Q13	3Q14	4Q14	2013	2014
Industrial Packaging					
North America	$479	$570	$479	$1,813	$2,032
Europe	$8	$4	$8	$32	$31
Brazil	($1)	($2)	($1)	$2	($4)
Asia	$0	($3)	($2)	$2	($5)
Printing Papers					
North America	$37	$75	$37	$154	$156
Europe	$36	$44	$38	$167	$140
Brazil	$61	$58	$53	$210	$209
Asia / India	($2)	($5)	($3)	($21)	($12)
N.A. Pulp	$11	$20	$30	$2	$57
Consumer Packaging					
North America	$4	$52	$32	$110	$100
Europe	$25	$27	$27	$100	$91
Asia (Sun JV)	$3	$0	($4)	($2)	($5)

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
4Q14	$515	($158)	$6	($136)	$227	425	$0.53
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)
4Q14	($53)	$21	$0	$0	($32)	425	($0.07)
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)
4Q14	($155)	$103	$0	$0	($52)	425	($0.12)
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
4Q14	$307	($34)	$6	($136)	$143	425	$0.34

[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.

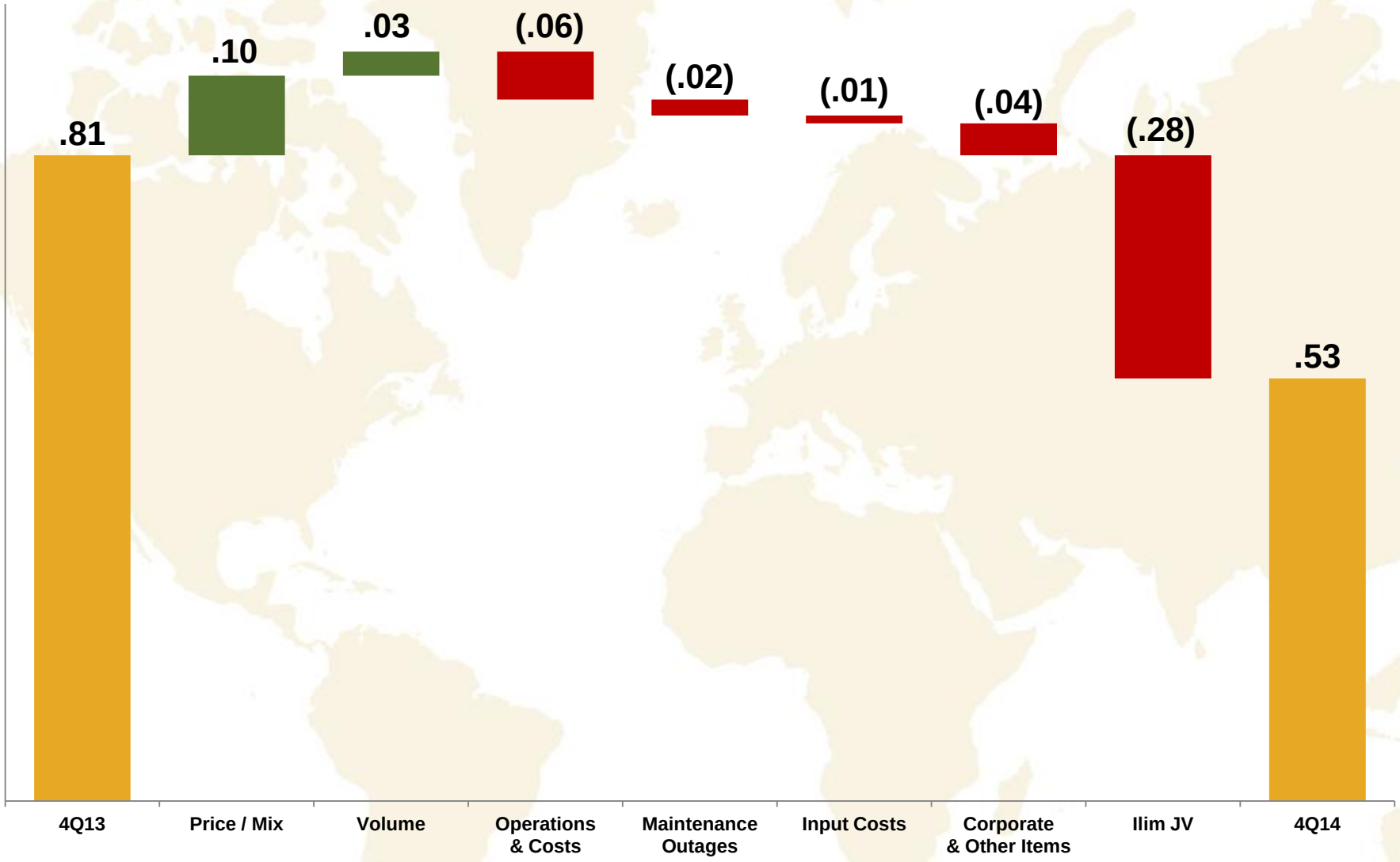
Operating Business EPS



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.

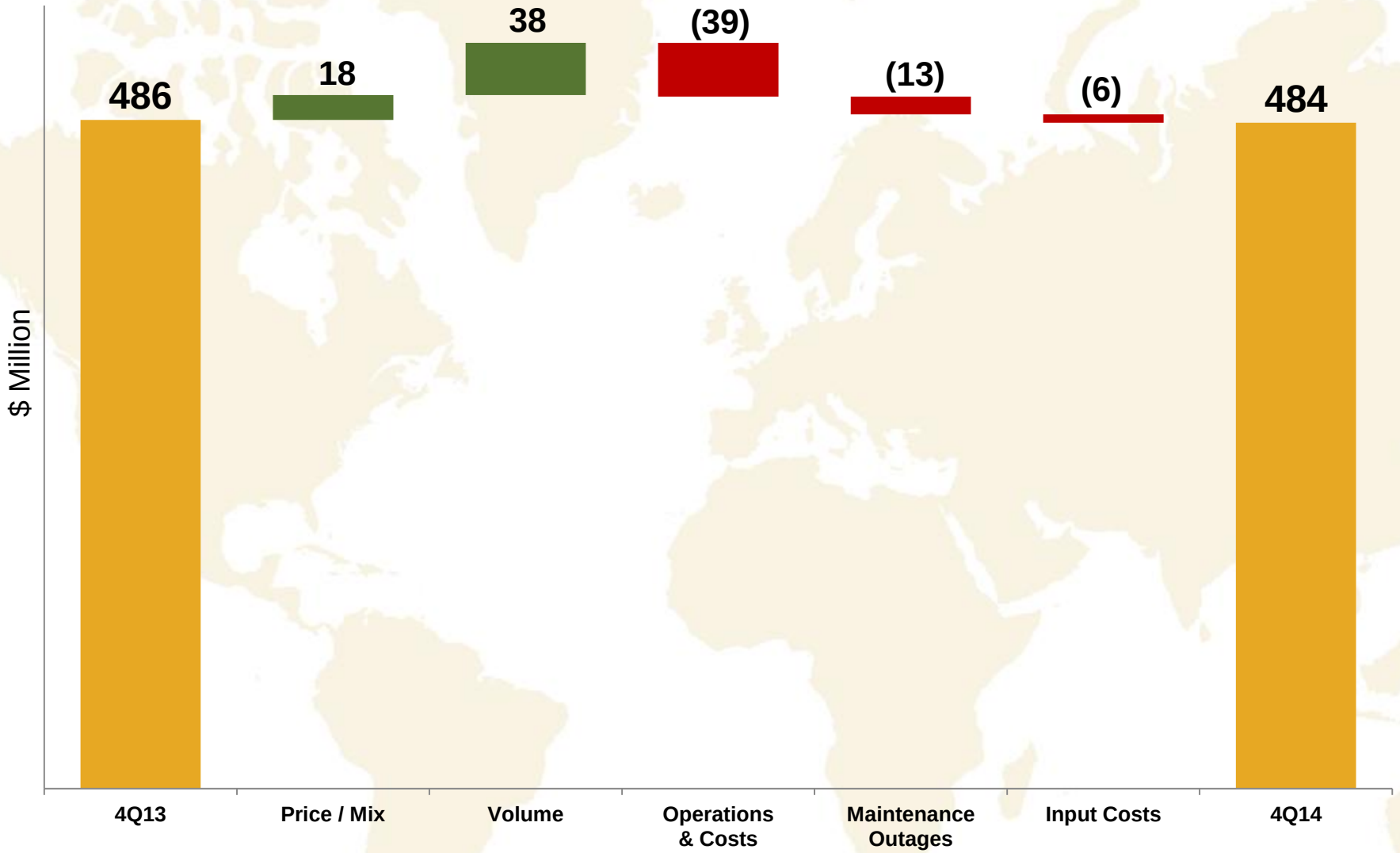
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4Q14 vs. 4Q13 EPS



Operating Earnings

Industrial Packaging | 4Q14 vs. 4Q13



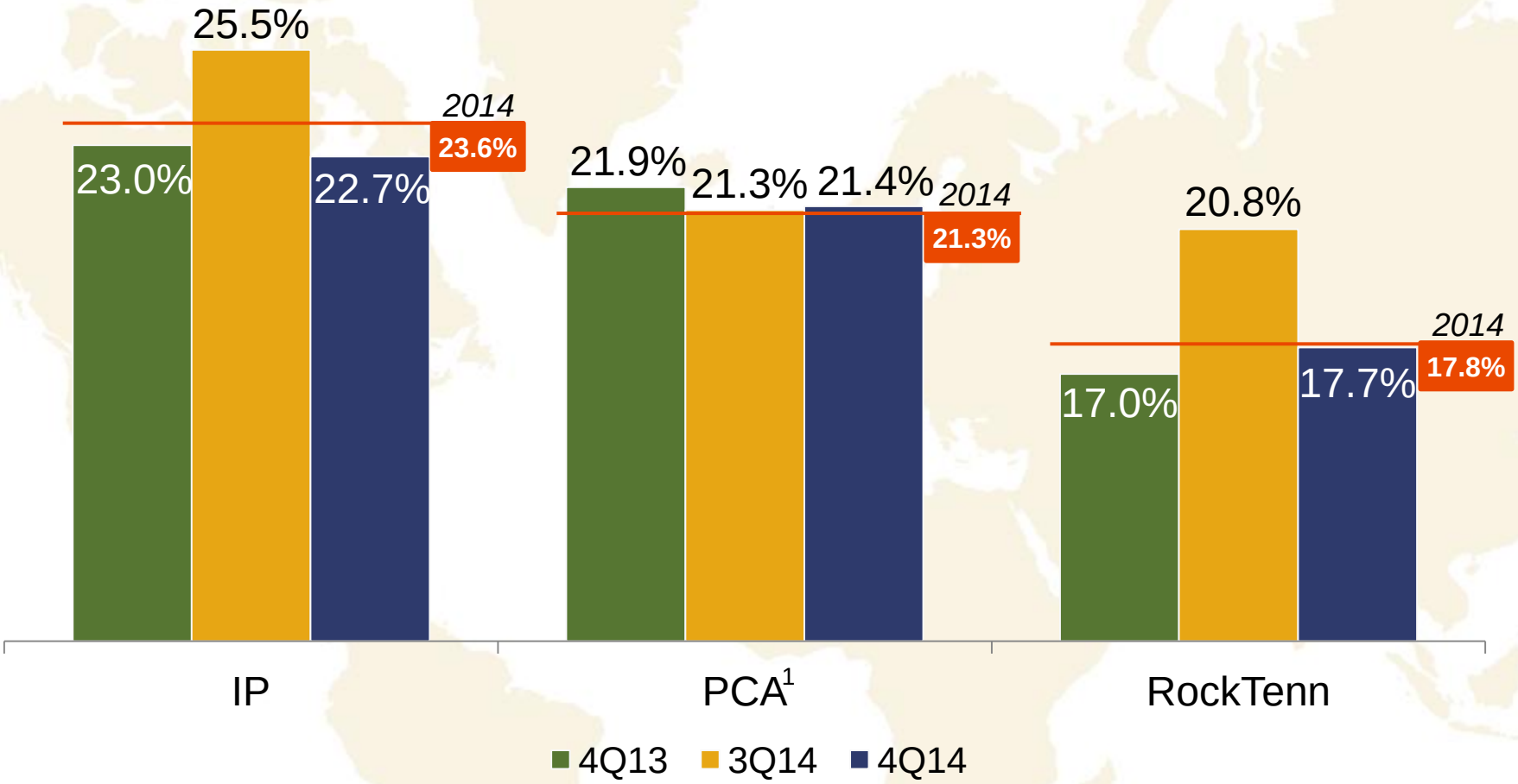
Segment operating profit before special items

	4Q14 vs. 3Q14		4Q14 vs. 4Q13	
Business	**Volume**	**Price / Ton**	**Volume**	**Price / Ton**
N.A. Container[1]	**4%**	**($1)**	**2%**	**$7**
European Container	**8%**	**(€16)**	**3%**	**(€13)**

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

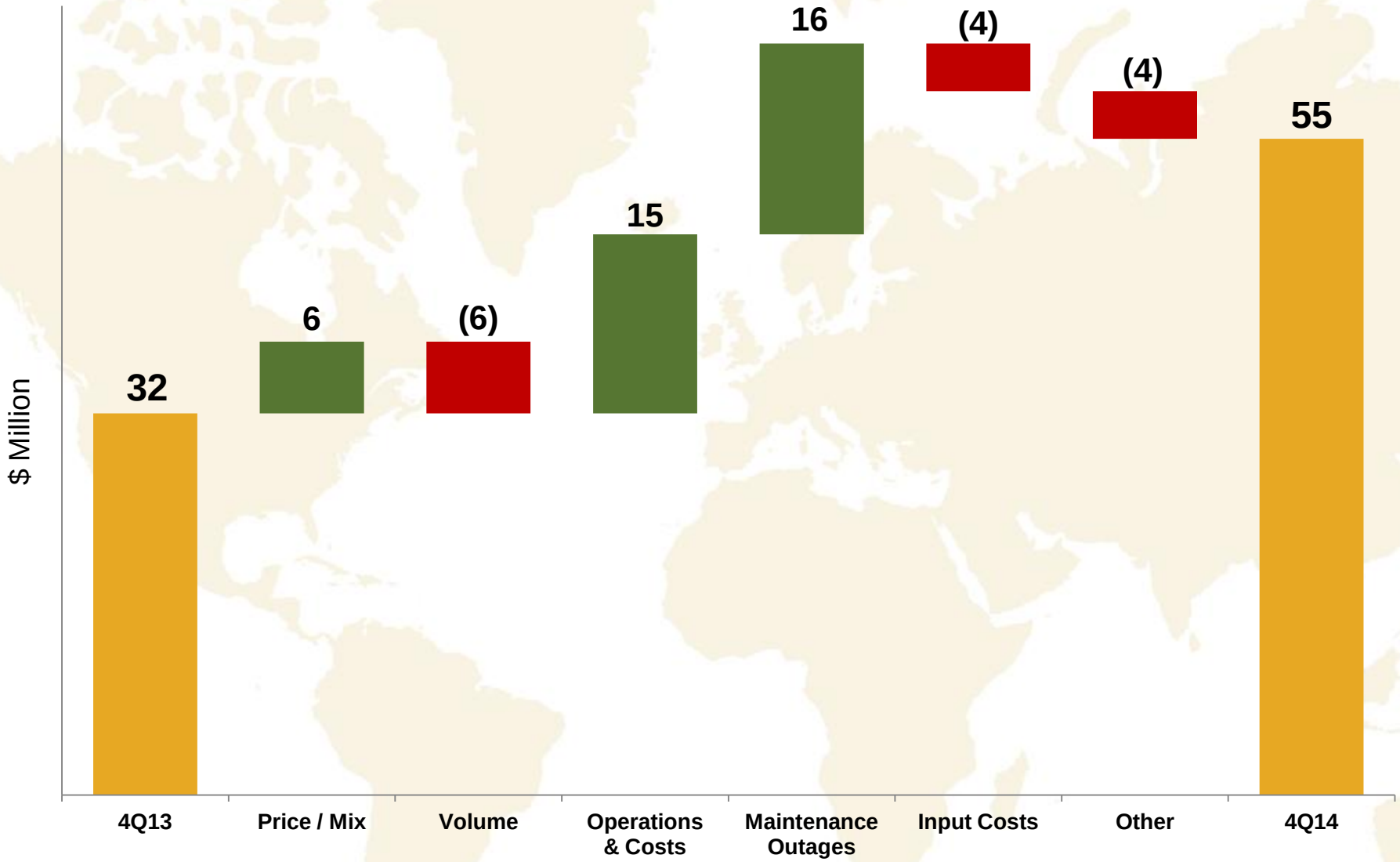
[1] Corrugator plant sales on FBA shipping day basis

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

Consumer Packaging | 4Q14 vs. 4Q13



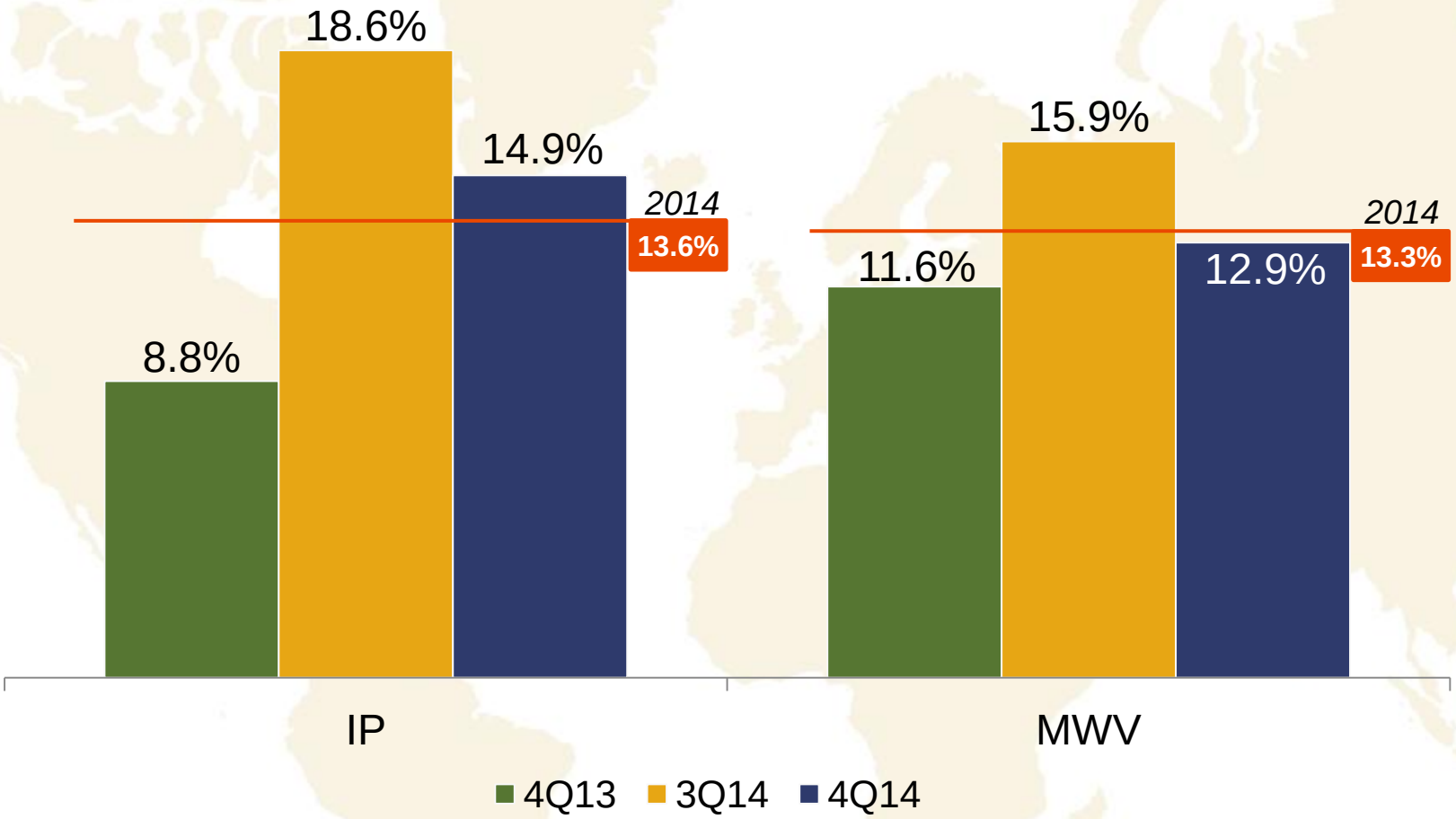
Segment operating profit before special items

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	4Q14 vs. 3Q14		4Q14 vs. 4Q13	
	Volume	Price/Ton	Volume	Price/Ton
NA Coated Paperboard	(14%)	$10	(4%)	$43
	Revenue	Price	Revenue	Price
Foodservice	3%	NA	11%	NA

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

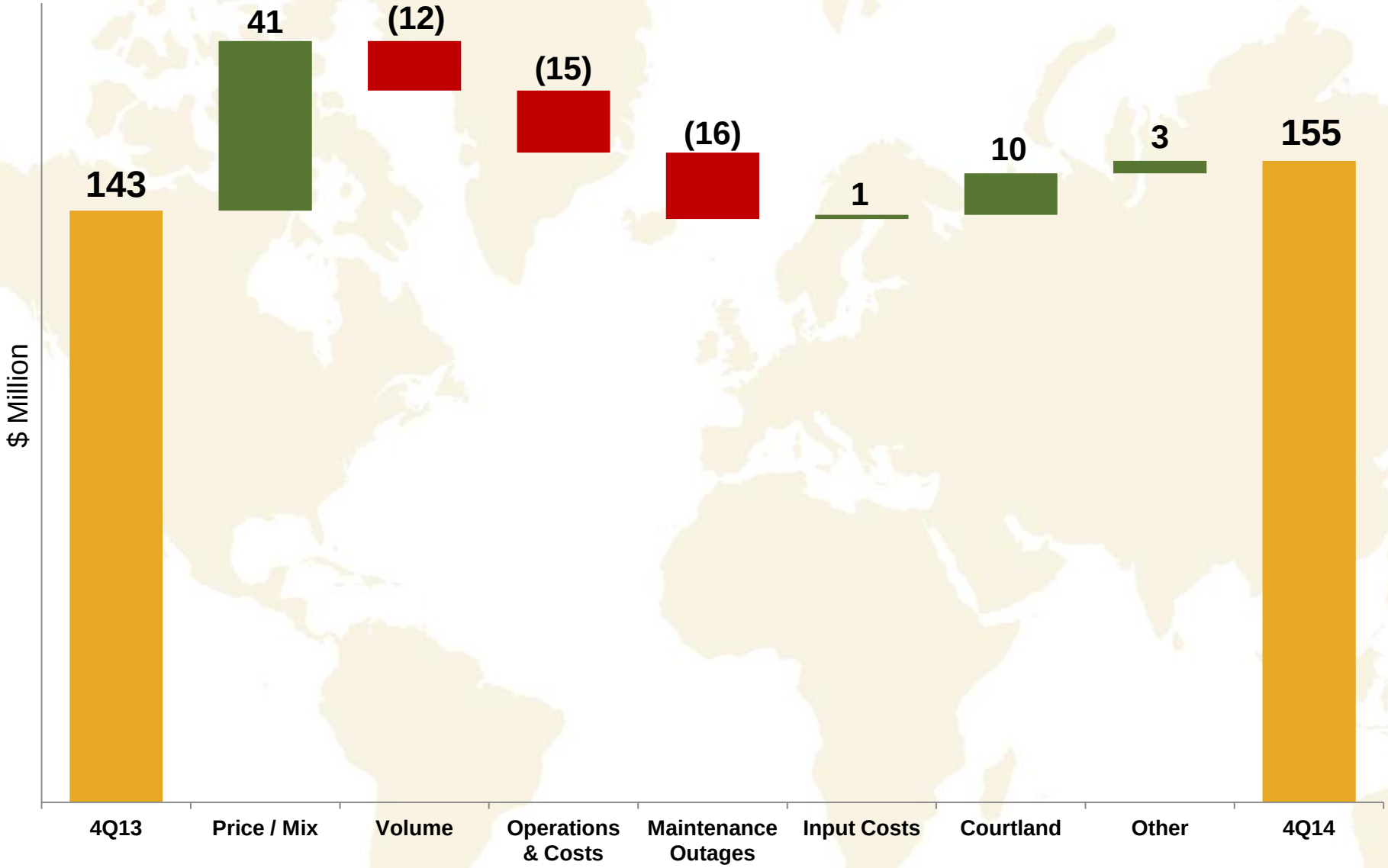
NA Consumer Packaging Relative EBITDA Margins



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

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Printing Papers | 4Q14 vs. 4Q13



Segment operating profit before special items

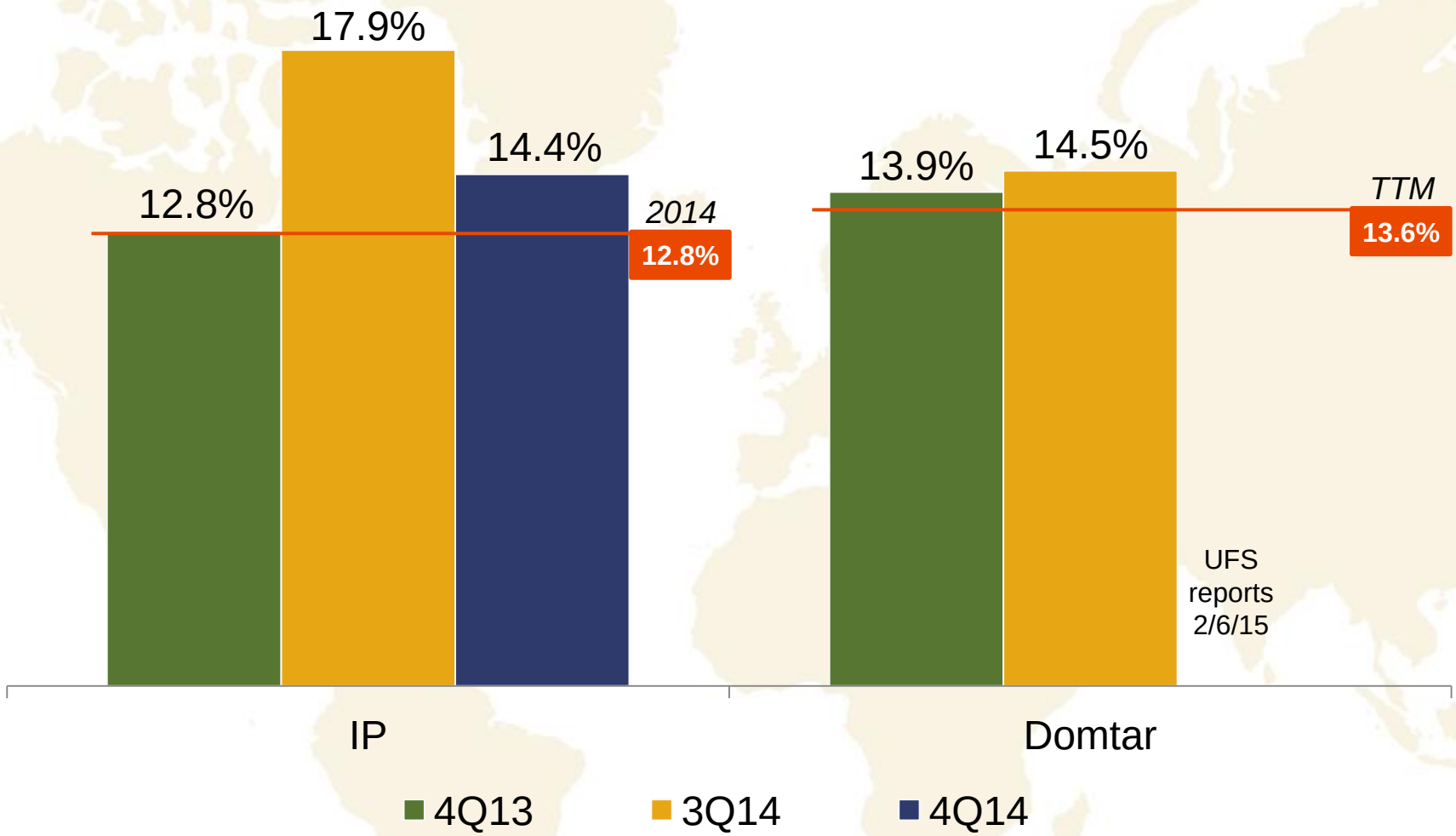
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Printing Papers | Volume and Pricing Trends

	4Q14 vs. 3Q14		4Q14 vs. 4Q13	
Business	**Volume**	**Price / Ton**	**Volume**	**Price / Ton**
NA Paper	**(4%)**	**$3**	**(21%)**	**$72**
NA Pulp[1]	**2%**	**($16)**	**8%**	**$20**
European Paper[2]	**12%**	**(€14)**	**3%**	**(€21)**

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

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	4Q13	3Q14	4Q14
Sales	$295	$266	$288
Earnings	$61	$58	$53
EBITDA Margin	31%	33%	28%

	4Q14 vs. 3Q14		4Q14 vs. 4Q13	
Business	Volume	Price/Ton	Volume	Price/Ton
Uncoated Freesheet	15%	($1)	1%	$32
Domestic	25%	$6	9%	$52
Export	5%	($9)	(8%)	$5

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	2014
Sales Volume (Million short tons)	**2.6**	**2.8**	**2.8**	**2.9**	**2.7**	**3.2**
Sales ($B)	**1.3**	**1.9**	**2.2**	**2.0**	**1.9**	**2.1**
Capital Employed ($B)	**1.2**	**1.2**	**1.6**	**2.1**	**2.4**	**1.4**
Debt ($B)	**0.4**	**0.5**	**0.9**	**1.2**	**1.5**	**1.4**
Operating EBITDA ($MM)	**197**	**516**	**591**	**291**	**208**	**470**
F/X Gain (loss)[1]	(35)	12	(60)	39	(80)	(684)
EBITDA ($MM)	**163**	**528**	**531**	**330**	**128**	**(214)**
EBITDA Margin	12%	28%	24%	17%	7%	(10%)
Depreciation ($MM)	120	121	124	134	177	193
EBIT ($MM)	**43**	**407**	**406**	**196**	**(49)**	**(408)**
Interest Expense ($MM)	**28**	**18**	**7**	**6**	**39**	**69**
Net Income (loss) ($MM)	**(19)**	**266**	**299**	**132**	**(72)**	**(362)**
IP Equity Earnings (loss) ($MM)	**(27)**	**103**	**134**	**56**	**(46)**	**(194)**
Dividends (to IP) ($MM)	**50**	**34**	**85**	**0**	**0**	**56**

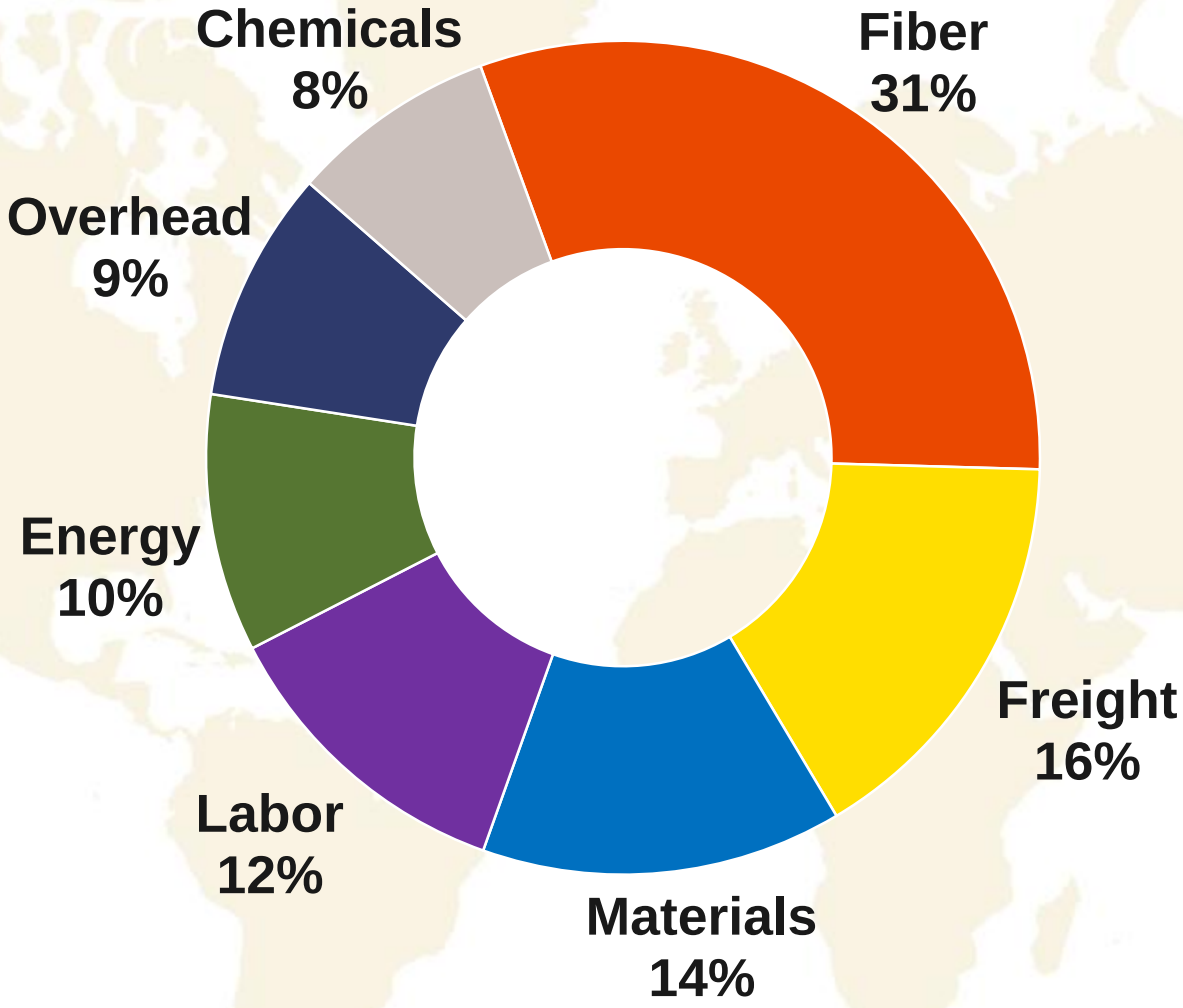
Ilim JV results are IFRS basis.
IP Equity Earnings (loss) on US GAAP basis.
[1]Represents F/X impact primarily related to Ilim JV USD-denominated net debt (balance of ~$1.3B at year end 2014)

Ilim Joint Venture | Volume and Pricing Trends

	4Q14 vs. 3Q14		4Q14 vs. 4Q13	
Business	**Volume**	**Price/Ton**	**Volume**	**Price/Ton**
Pulp	**14%**	**($23)**	**33%**	**($46)**

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

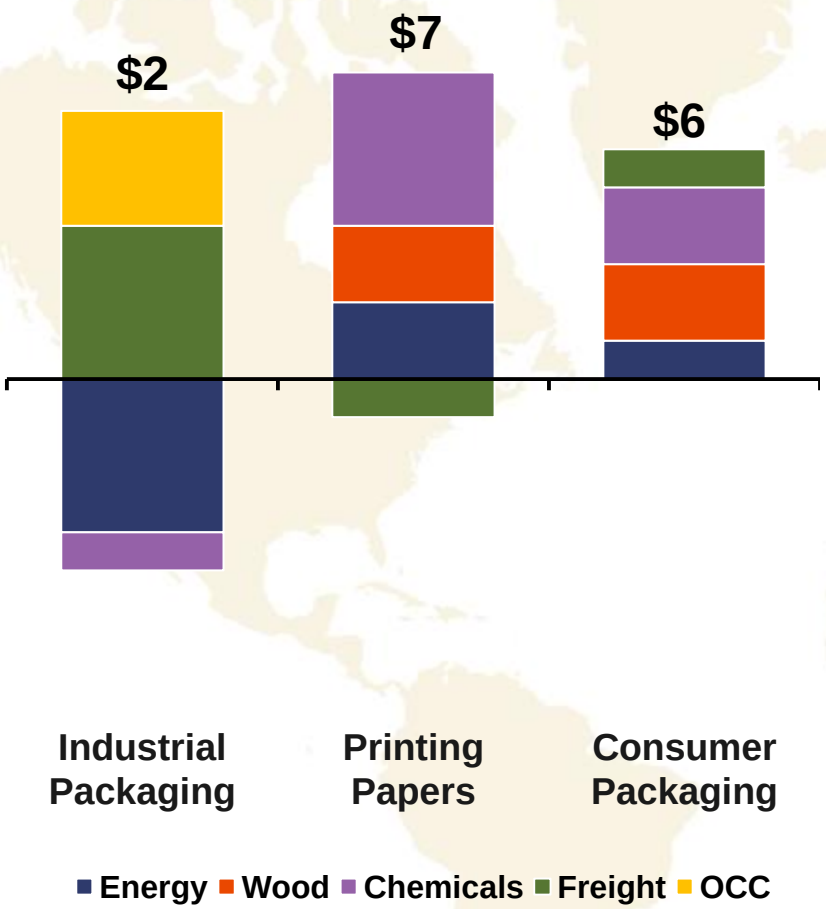
Total Cash Cost Components | 4Q14 YTD



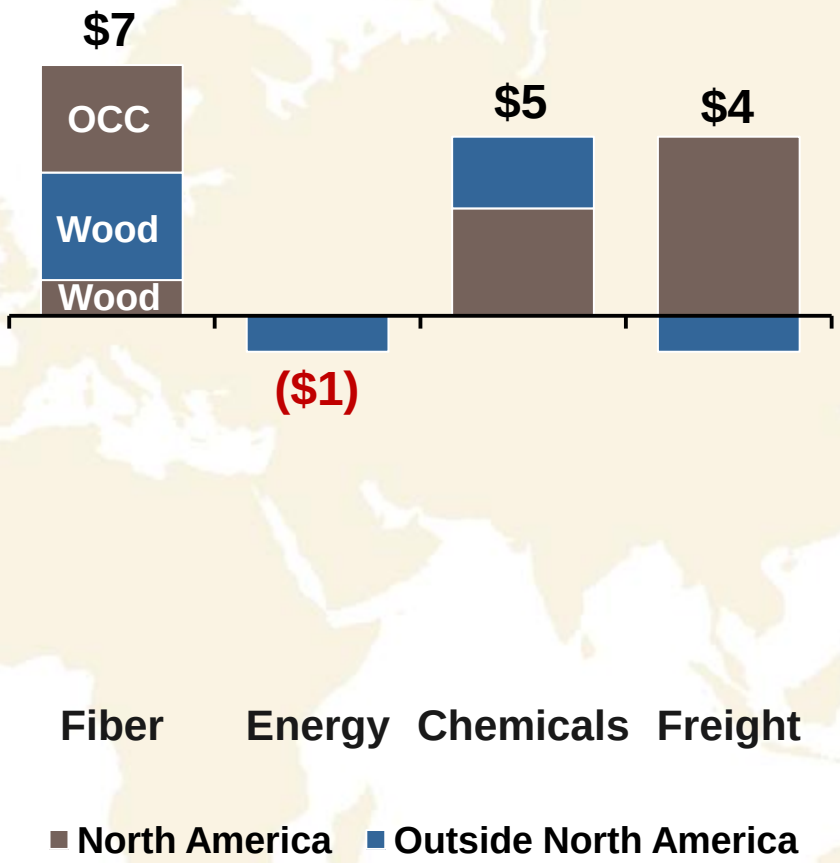
North American mills only

Global Input Costs vs. 3Q14 | $15MM Favorable, or $0.03/Share

By Business



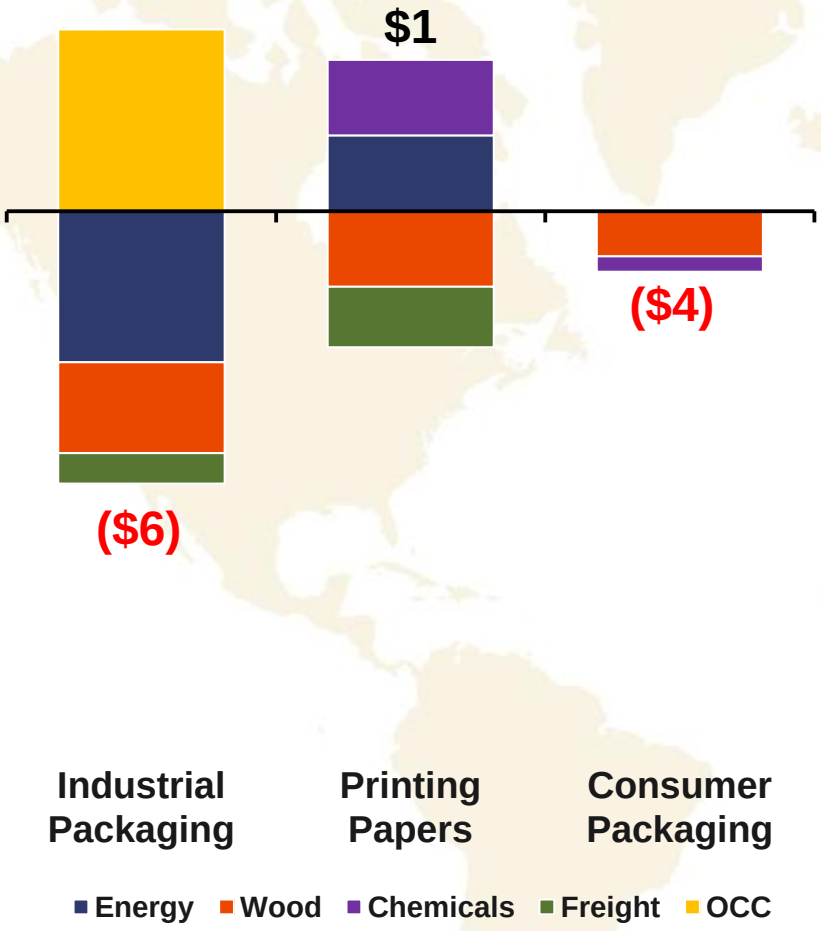
By Input Type



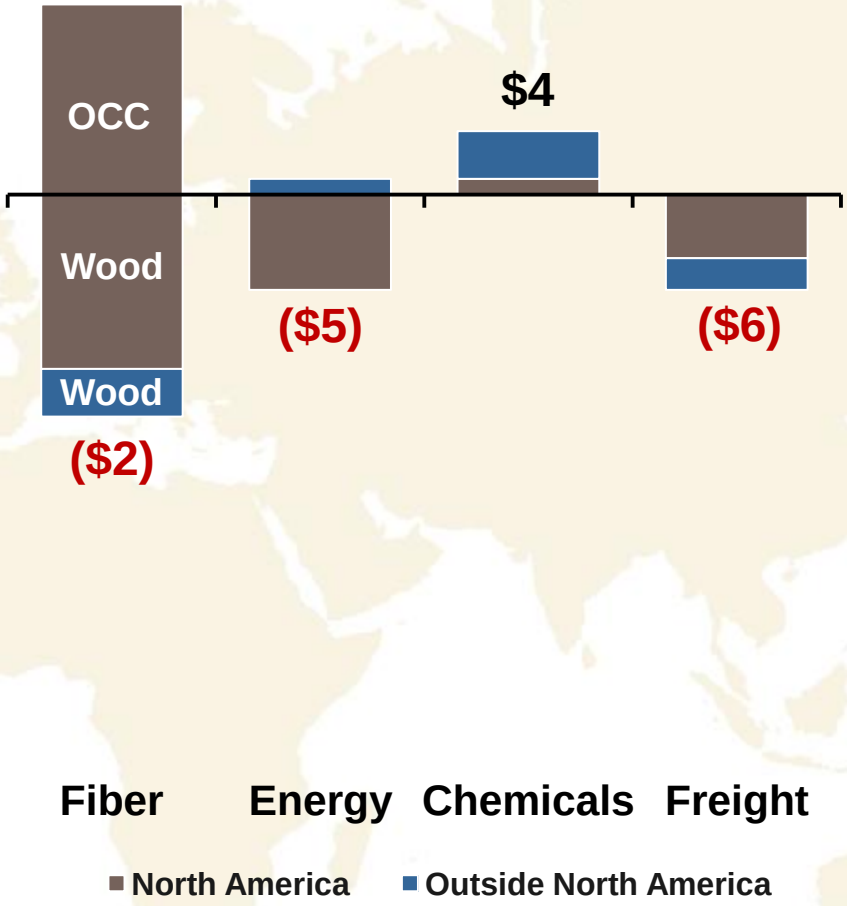
Input costs ($MM) for continuing businesses

Global Input Costs vs. 4Q13 | $9MM Unfavorable, or $0.01/Share

By Business



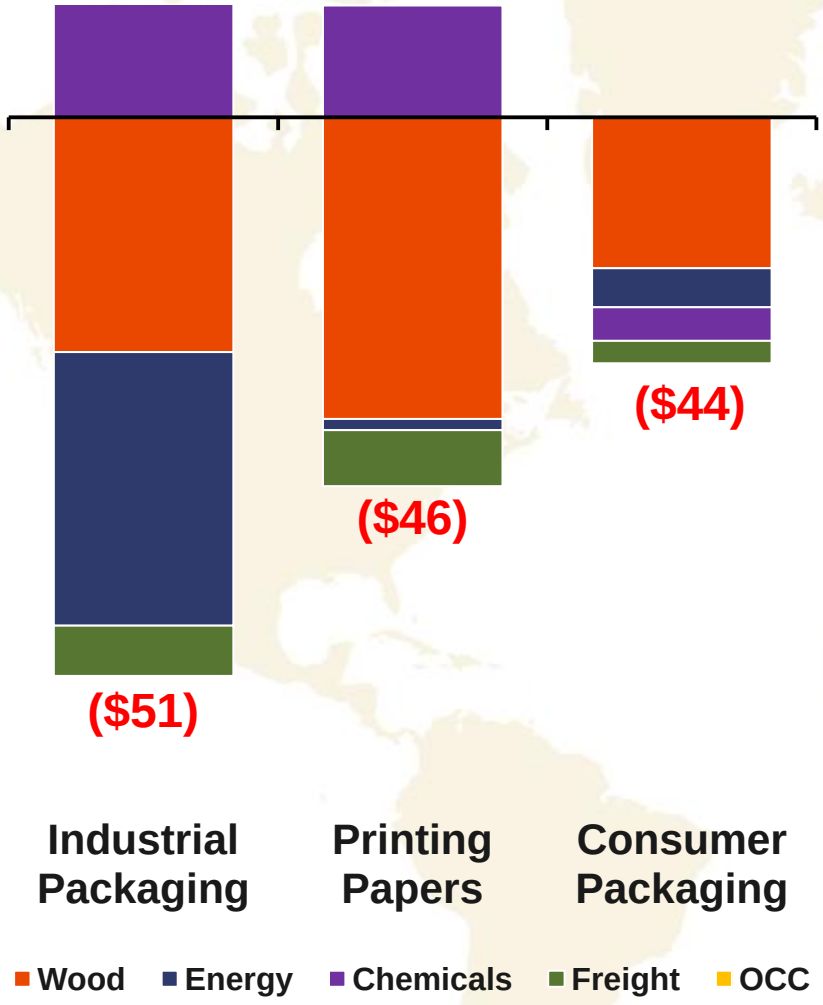
By Input Type



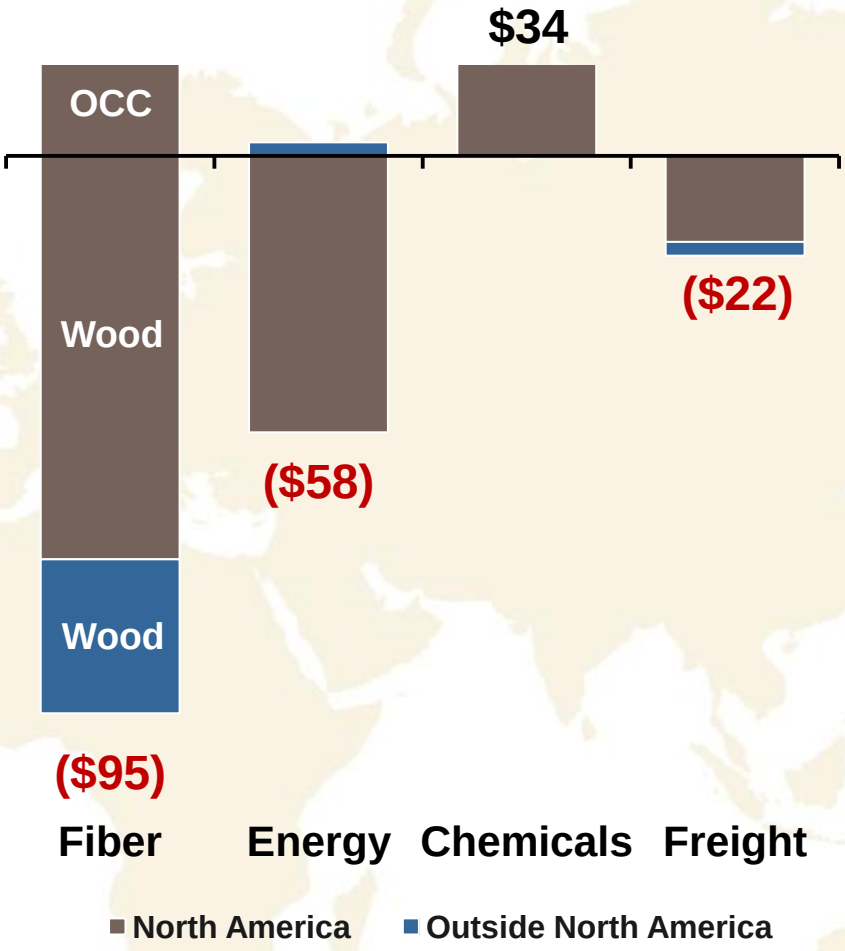
Input costs ($MM) for continuing businesses

Global Input Costs vs. 2013 | $141MM Unfavorable, or $0.23/Share

By Business



By Input Type



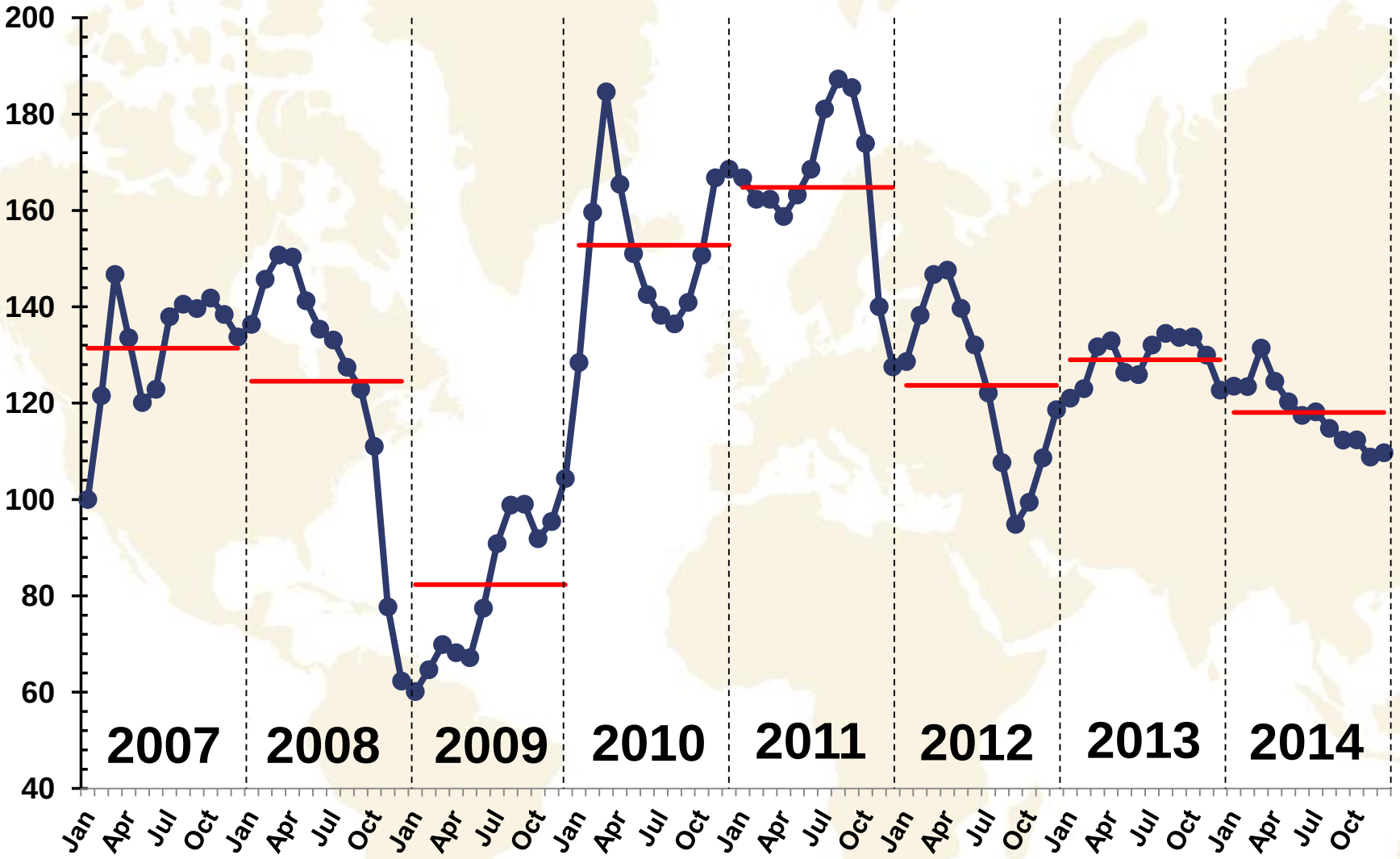
Input costs ($MM) for continuing businesses

U.S. Mill Wood Delivered Cost Trend | Flat vs. 3Q14 Average Cost



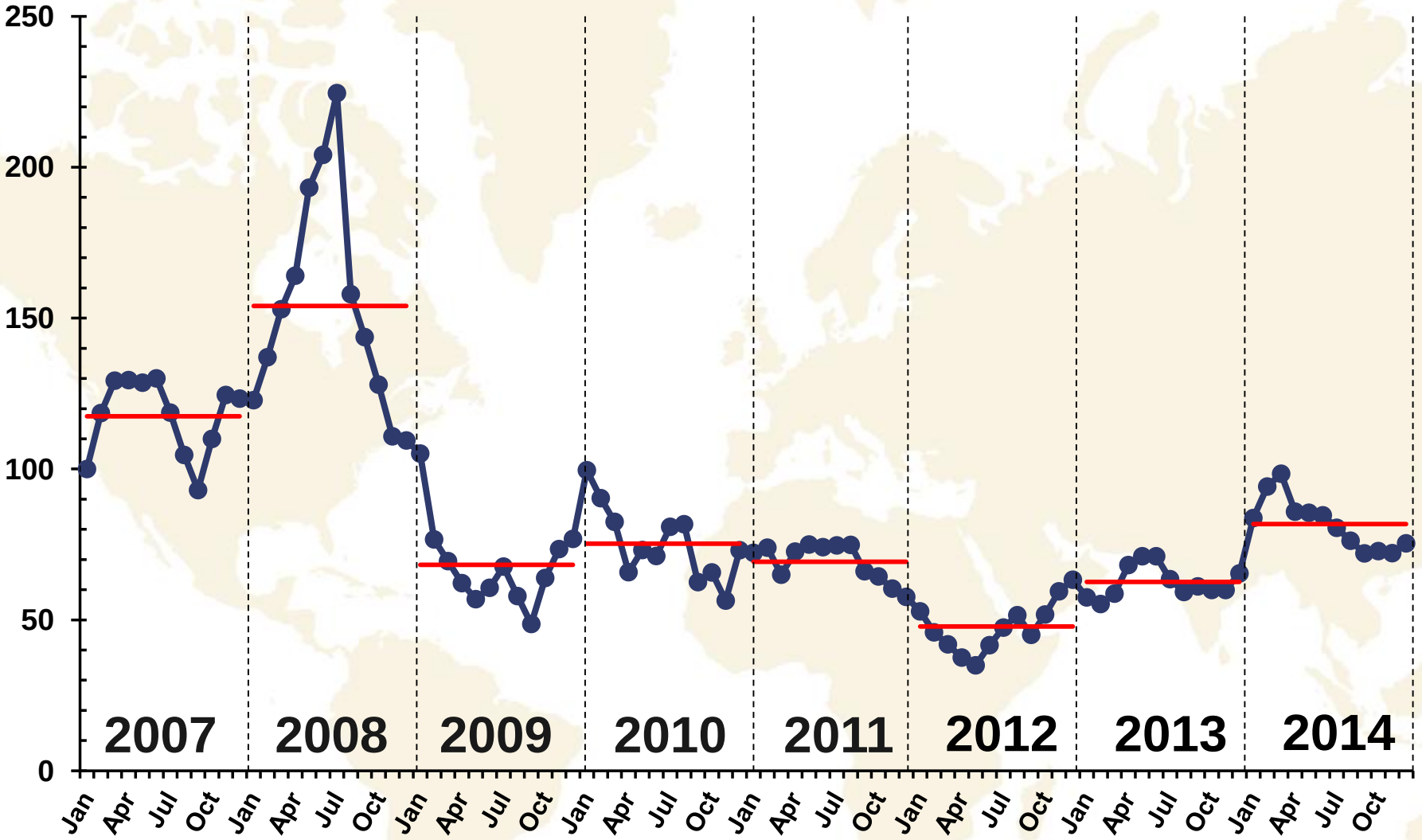
Cost Indexed to January 2007 values

U.S. OCC Delivered Cost Trend | 4% Decrease vs. 3Q14 Average Cost



Cost Indexed to January 2007 values

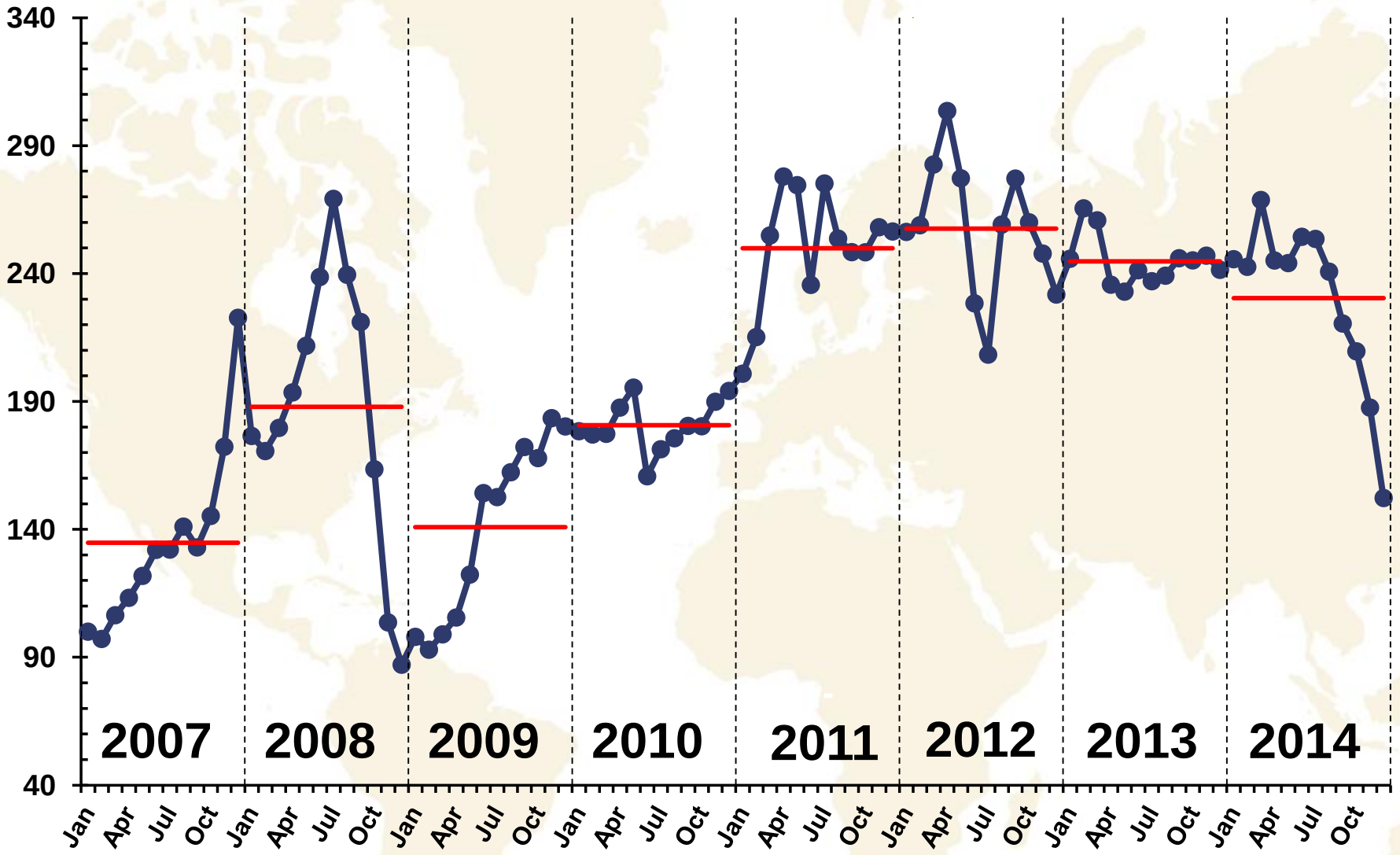
Natural Gas Costs Trend | 4% Decrease vs. 3Q14 Average Cost



Cost Indexed to January 2007 values
NYMEX Natural Gas closing prices

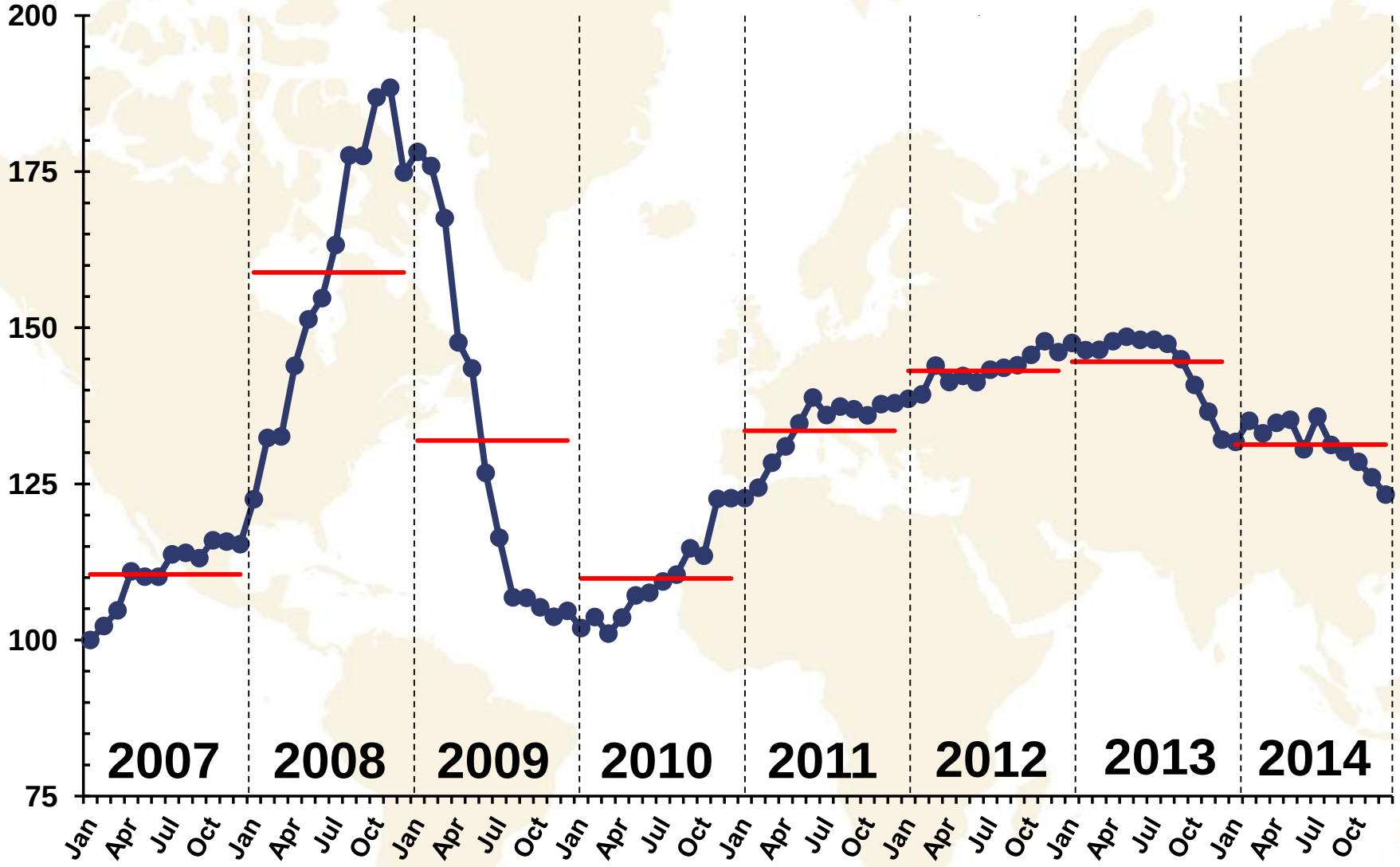
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U.S. Fuel Oil Trend | 23% Decrease vs. 3Q14 Average Cost



Cost Indexed to January 2007 values
WTI Crude prices

U.S. Chemical Composite Index Trend | 5% Decrease vs. 3Q14 Average Cost



Cost Indexed to January 2007 values
Delivered cost to U.S. facilities: includes Caustic Soda, Sodium Chlorate, Starch and Sulfuric Acid 2007 - 2008 excludes WY PKG

2015 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)	650,000	380,000
	Coal (Tons)	415,000	640,000
Fiber	Wood (Tons)	52,000,000	8,000,000
	Old Corrugated Containers / DLK (Tons)	4,600,000	630,000
Chemicals	Caustic Soda (Tons)	350,000	80,000
	Starch (Tons)	390,000	100,000
	Sodium Chlorate (Tons)	160,000	57,000
	LD Polyethylene (Tons)	37,000	-
	Latex (Tons)	22,000	11,000

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