First Quarter 2015 Earnings | April 29, 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

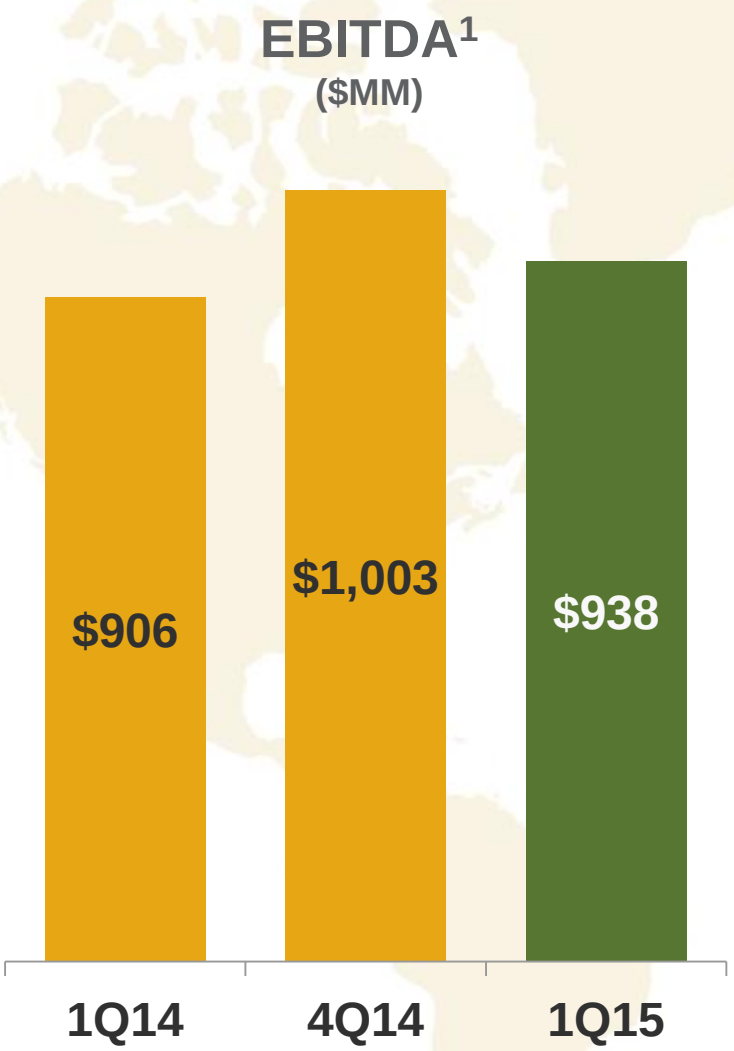
During the course of this presentation, certain non-U.S. GAAP financial information will be presented.

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."

First Quarter 2015 Results

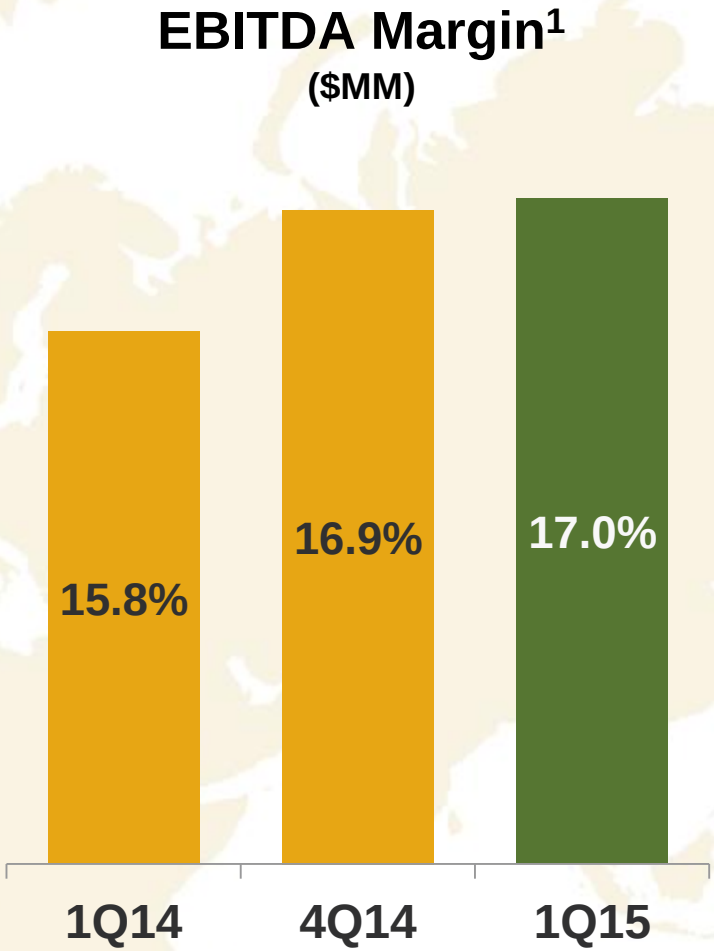


- Solid performance through successfully managing margins
- Good execution on maintenance outages
- Strong operating results at Ilim JV and continued improvement in operational EBITDA
- Modest impact from winter weather in Southeast U.S.
- Improved YoY performance in EBITDA margin, EBITDA and FCF

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

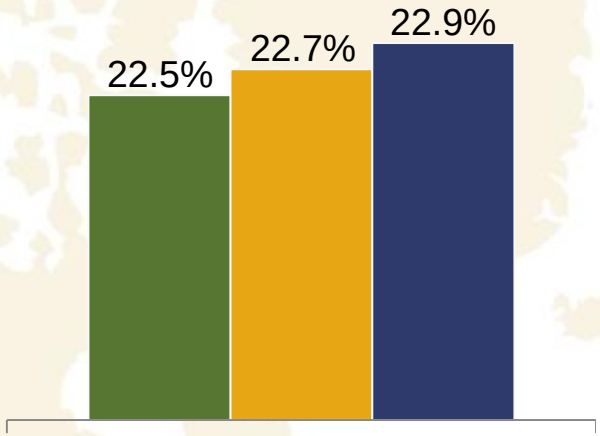
1Q15 Financial Results

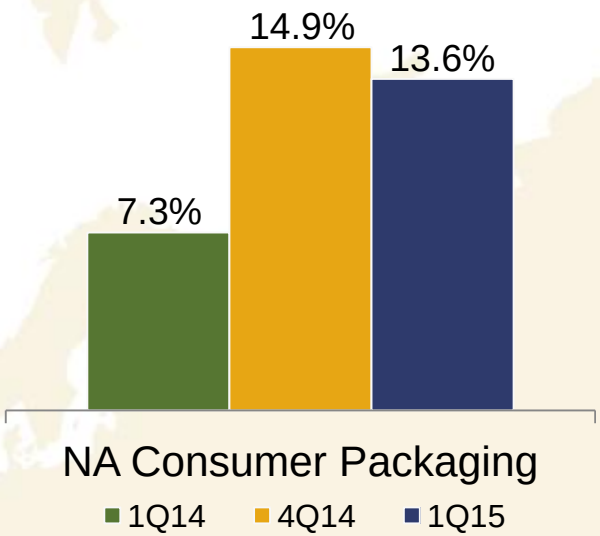
	1Q14	4Q14	1Q15
Sales ($B)	$5.7	$5.9	$5.5
EBIT[1] ($MM)	$559	$657	$615
EPS[2]	$0.60	$0.53	$0.84
EPS impact of Ilim F/X[3] – IP Share	($0.10)	($0.40)	($0.04)
EBITDA[1] ($MM)	$906	$1,003	$938
EBITDA Margin[1]	15.8%	16.9%	17.0%
Free Cash Flow[4] ($MM)	$252	$739	$319

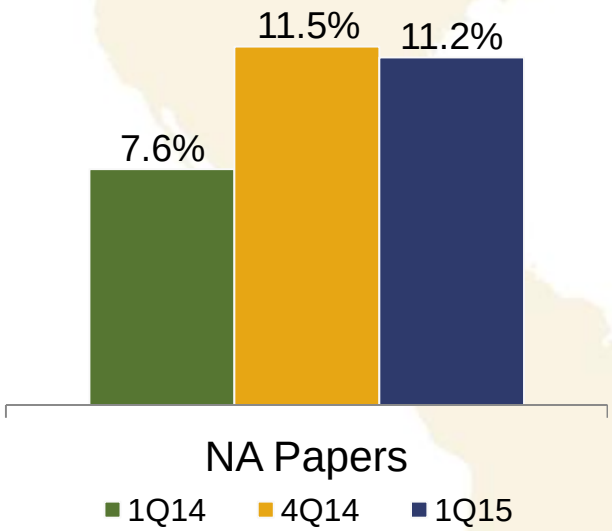


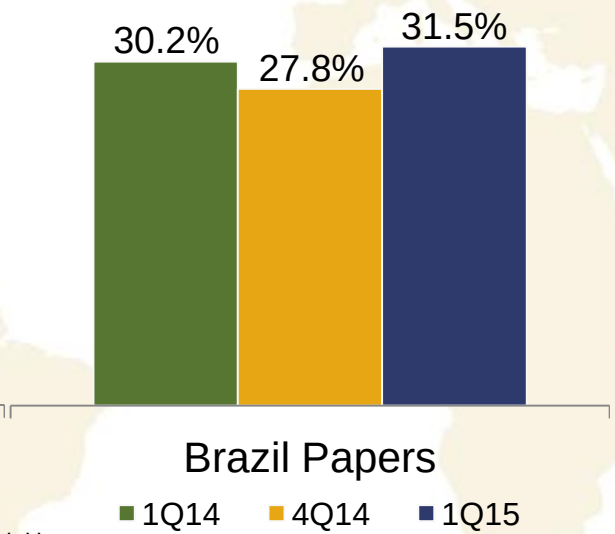
[1] From continuing operations before special items and non-operating pension expense
[2] EPS based on Operating Earnings (defined as Net Earnings (GAAP) from continuing operations before special items and non-operating pension expense)
[3] Represents F/X impact primarily related to Ilim JV USD-denominated net debt (balance of ~$1.2B at end of 1Q2015)
[4] See slide #20 for a reconciliation of cash provided by operations to free cash flow
xpedx is reflected as a Discontinued Operation in all periods presented.

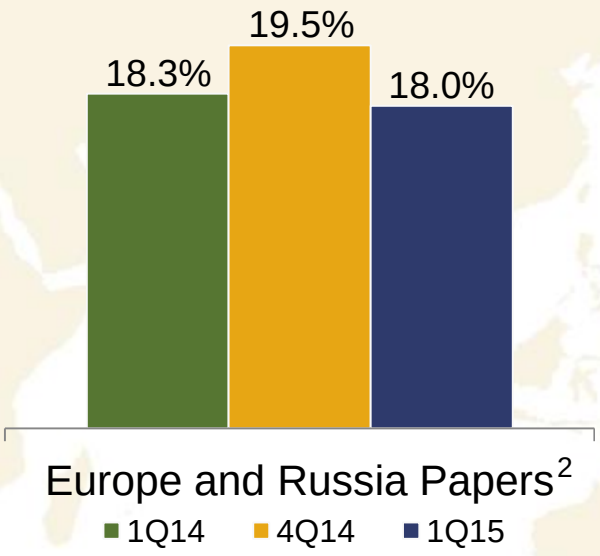
IP EBITDA Margins | Strong Performance Across Key Businesses









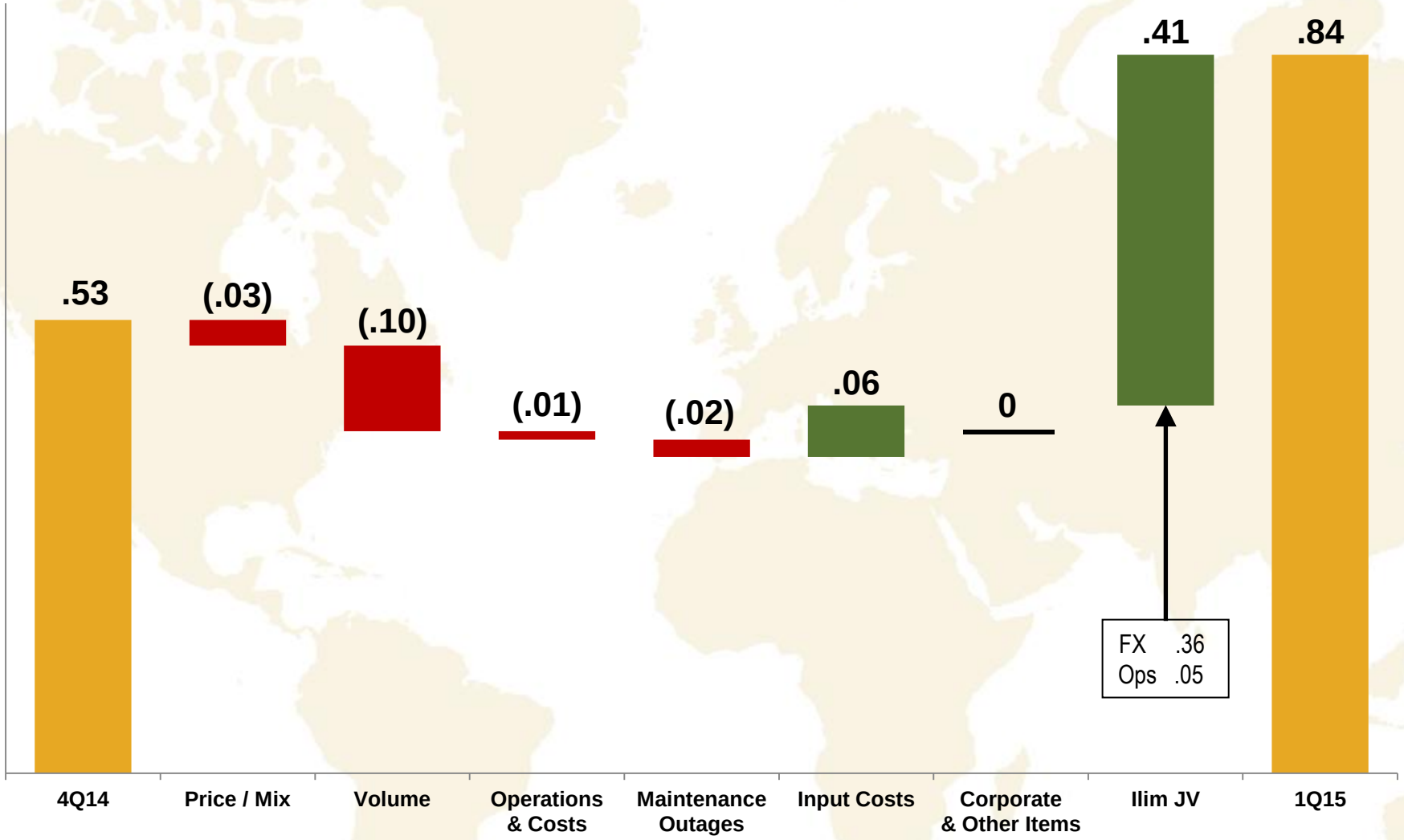


IP EBITDA margins based on operating profit before special items

[1] Excludes the Recycling Business and revenue from trade volumes

[2] Uncoated Papers (excludes Pulp); Excludes Joint Marketing Agreement (JMA) sales

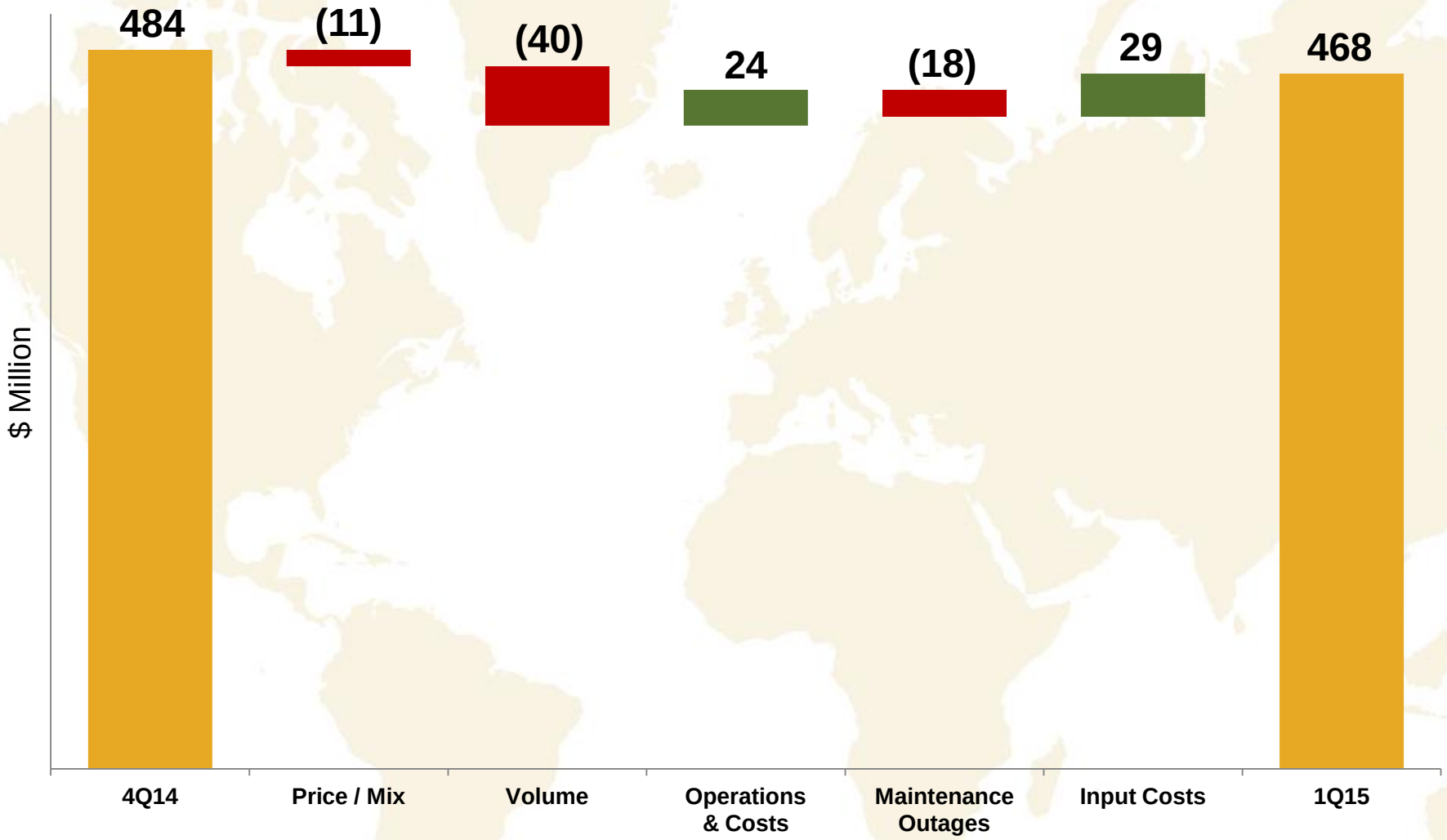
1Q15 vs. 4Q14 EPS



Operating Earnings

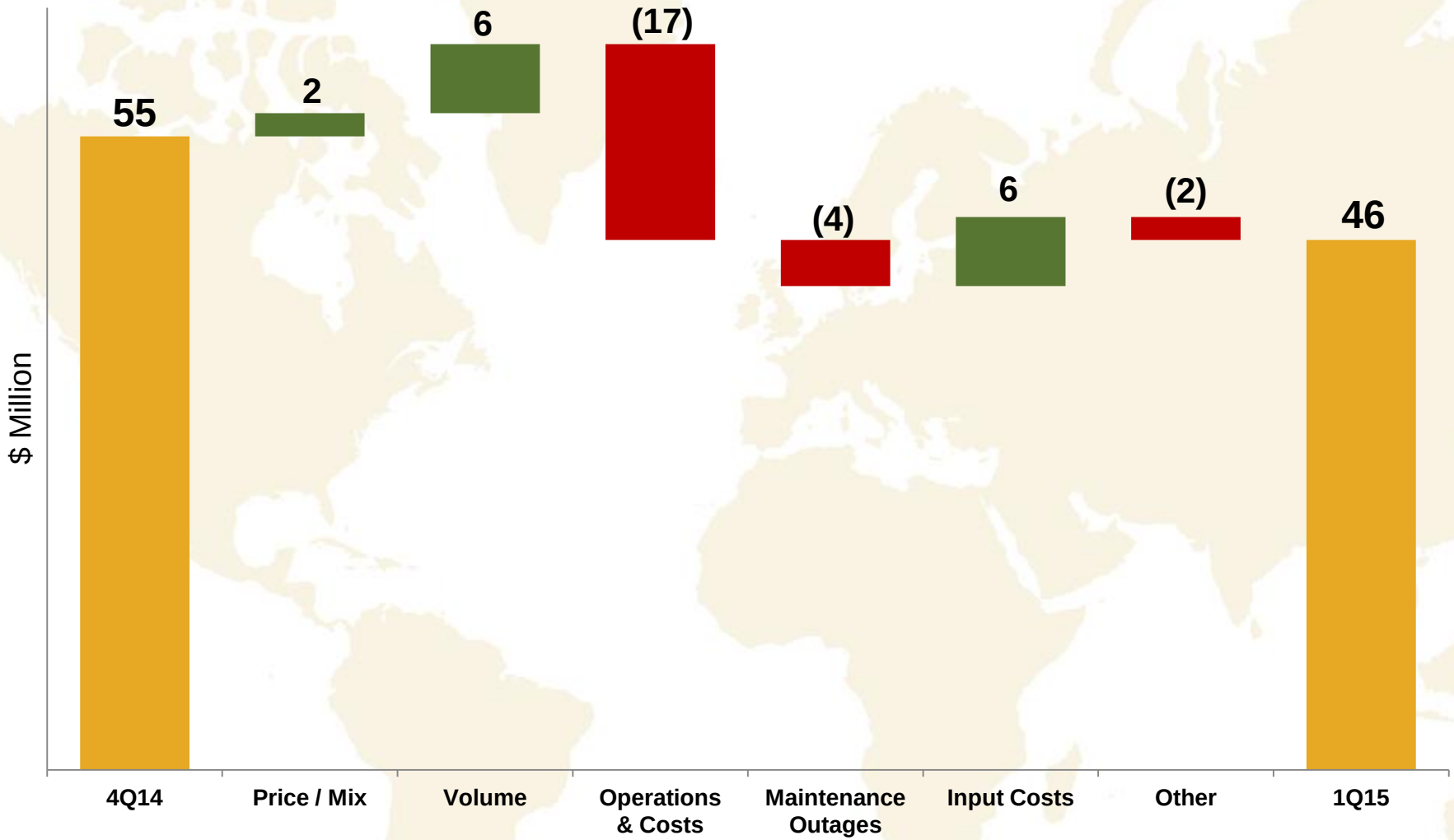
INTERNATIONAL PAPER

Industrial Packaging | 1Q15 vs. 4Q14



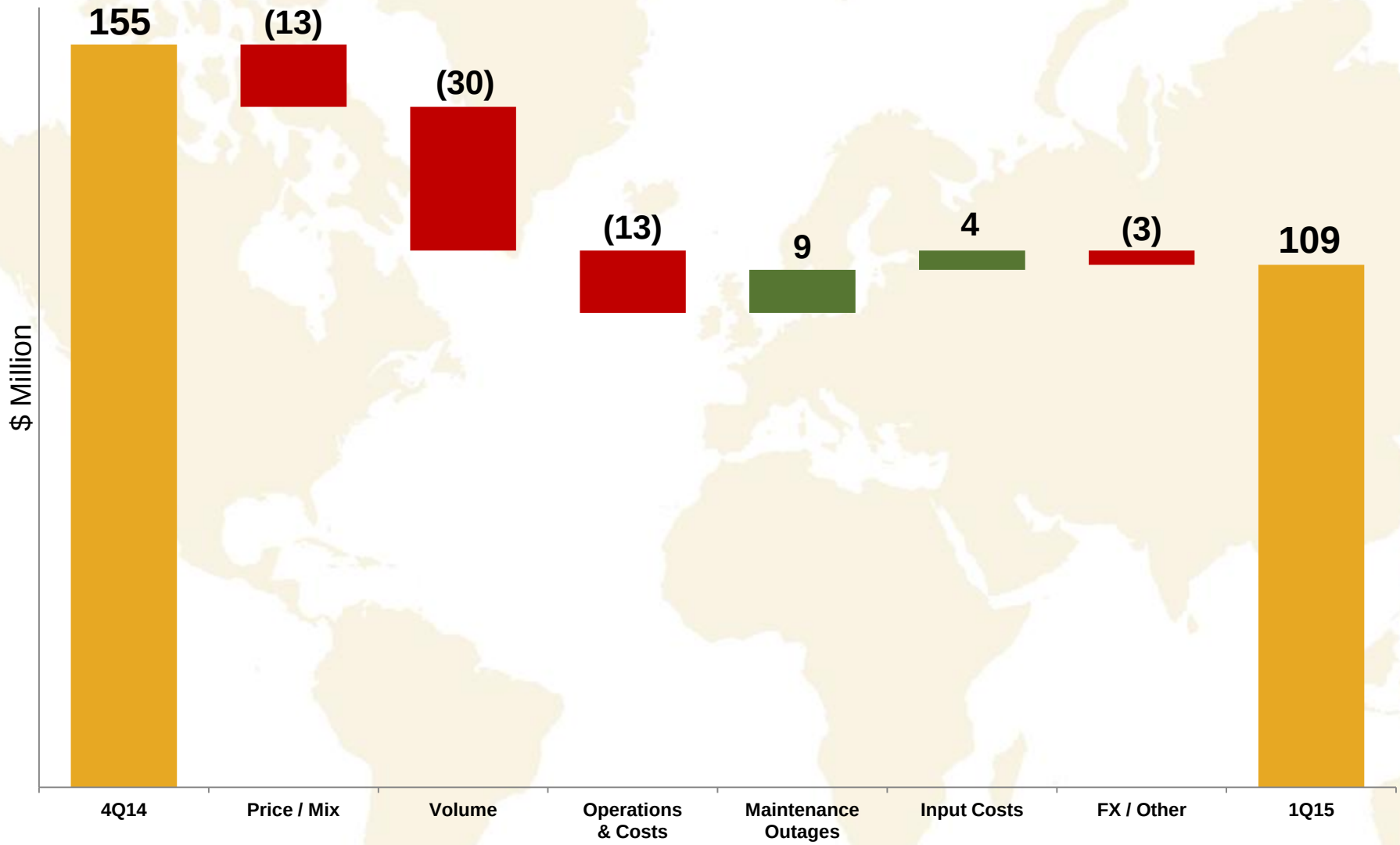
Segment operating profit before special items

Consumer Packaging | 1Q15 vs. 4Q14



Segment operating profit before special items

Printing Papers | 1Q15 vs. 4Q14



Segment operating profit before special items

INTERNATIONAL PAPER

Ilim Joint Venture | 1Q15 vs. 4Q14

$ Million	1Q14	4Q14	1Q15
Sales Volume (thousand tons)	781	859	805
Sales	$554	$520	$462
Operational EBITDA[1]	$115	$143	$186
F/X (Impact of USD Net Debt[2]**)**	($114)	($432)	($47)
IP Equity Earnings(Loss)[3]	($31)	($136)	$39

- Post-project opportunities for system optimization and cost management
- Slightly unfavorable non-cash F/X impact on debt; however, ruble devaluation has positioned JV as lowest cost NBSK producer in the world
- Bratsk outage expense and higher inflation expected in 2Q

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] Mainly driven by Ilim JV USD-denominated net debt (1Q15 balance ~$1.2B); Ilim Group's functional currency is the Ruble (RUB); Non-functional-denominated currency balances are measured monthly using the month-end exchange rate

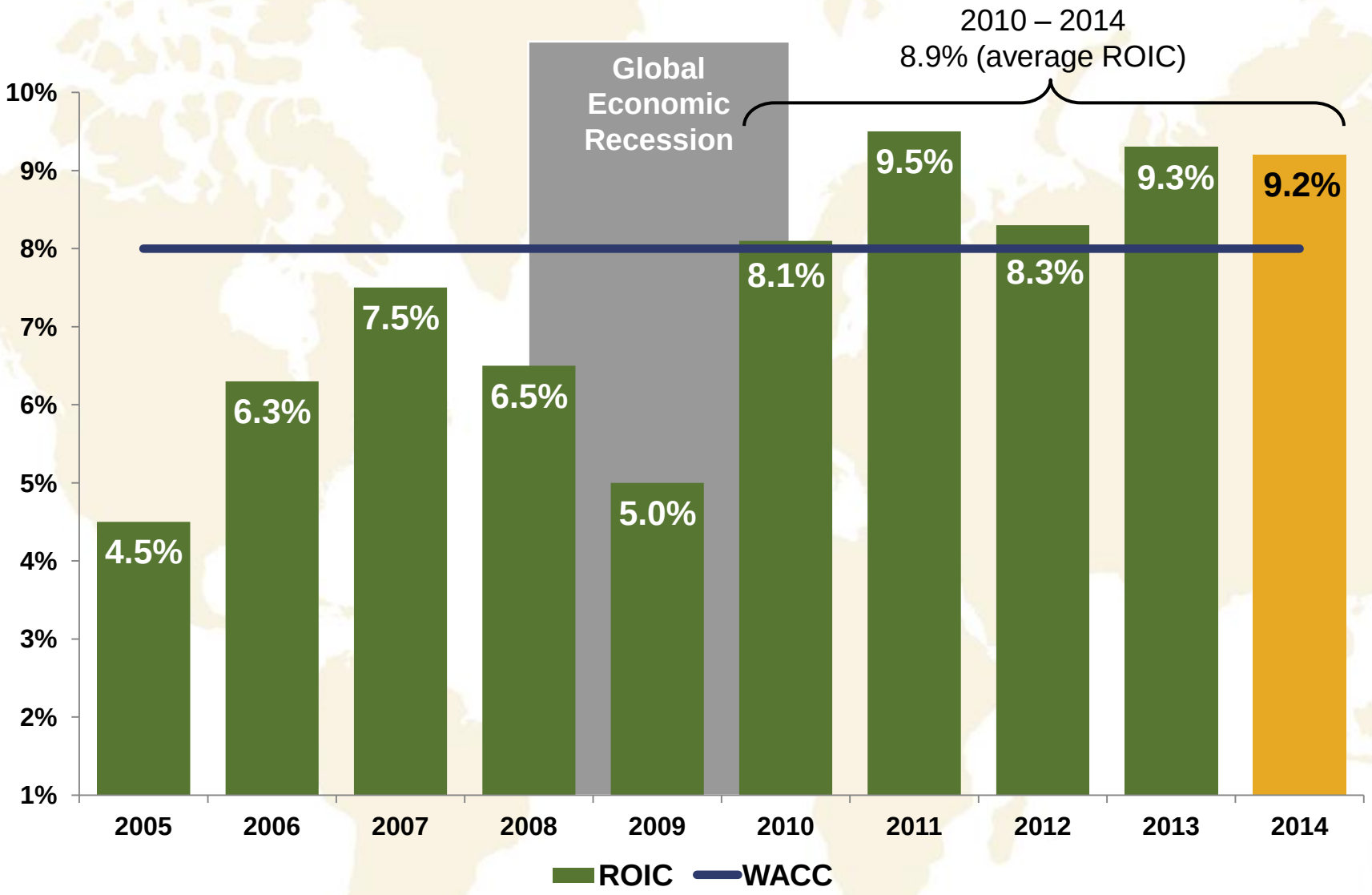
[3] IP Equity Earnings(Loss) for 1Q14, 4Q14 and 1Q15 include after-tax f/x losses (primarily on USD-denominated net debt) of ($45)MM, $(171)MM and $(18)MM, respectively.

Second Quarter Outlook | Changes from 1Q15

		North America	EMEA & Russia	Brazil	Asia[1]
Volume	Paper	Stable	Stable	Improving	Stable
	Packaging	Seasonal Increase	Stable	Stable	Stable
Pricing / Mix	Paper	Improving Mix	Stable	Increasing	Stable
	Packaging	Stable	Stable	Stable	Stable
Operations & Other	Paper	Improving	Stable	Stable	Stable
	Packaging	Improving	Stable	Stable	Stable
Inputs & Freight	Paper	Stable	Stable	Stable	Stable
	Packaging	Stable	Stable	Stable	Stable
Mill Maintenance Outages	Paper	Increase $16MM	Increase $24MM	Decrease $6MM	N/A
	Packaging	Increase $26MM	Increase $3MM	Increase $2MM	N/A
Ilim JV Equity Earnings			Stable		
Other Items		▪ Tax rate, in line with full-year outlook of 33% ▪ Interest expense, ~$140MM in 2Q2015 ▪ Corporate expense, ~$15MM in 2Q2015			

[1] Includes India

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]

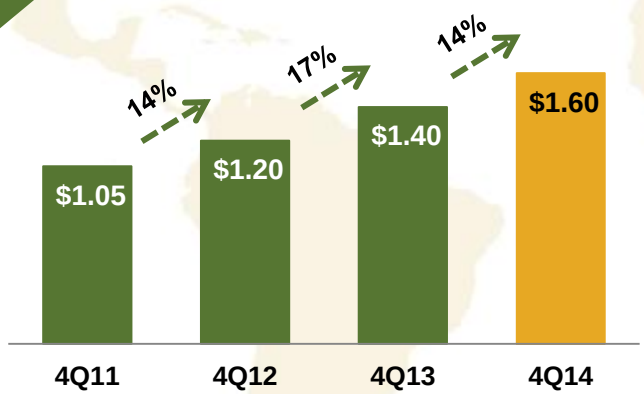
Delivering on Our Commitments For Value Creation

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

Robust Capital Allocation Strategy

- Return Cash to Shareholders
- Maintain Strong Balance Sheet
- Strategically Reinvest in Business

Annualized Dividend



Share Buybacks

$1.5B share buyback
(September 2013)

COMPLETED

+

Additional $1.5B authorization
(July 2014)

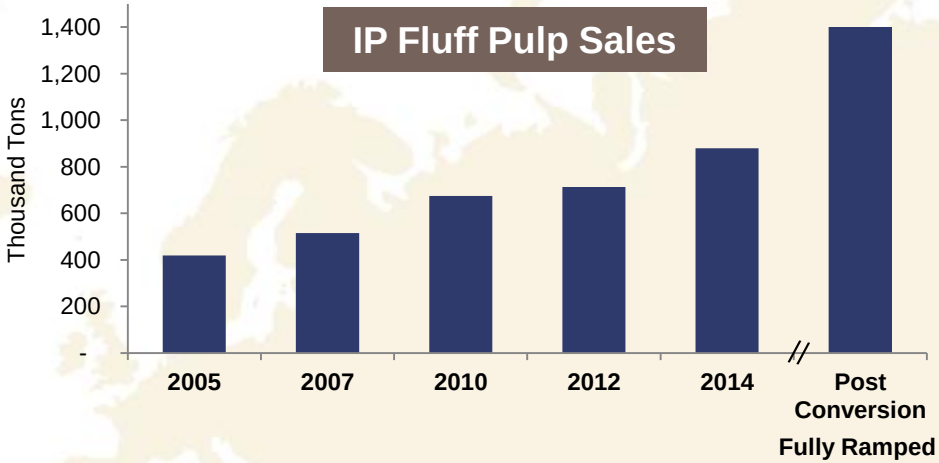


- Valliant #3 produced first saleable product within the last several days
- Ramp up expected through end of 2015
- ~360k tons of capacity in recycled medium provides flexibility to optimize system and serve our customers well
- Machine is very cost competitive due to leveraging existing mill infrastructure
- A capital effective project with greater than 25% IRR

Strategic Reinvestment | Riegelwood, NC Conversion

As announced on March 31, 2015:

- **Conversion of Riegelwood Mill**
  - $135MM investment with 20%+ IRR
- **Growing NA Pulp business**
  - Additional 400,000 tons of capacity on line by mid-year 2016
  - Flexibility to produce softwood market pulp while fluff demand ramps up



Fluff Pulp Conversion Startups (capacity in tons)

2002: Pensacola +330k	2012: Franklin +200k
2007: Riegelwood +190k	2016: Riegelwood +400k

- **Streamlining and repositioning Coated Paperboard business**
  - Selling Carolina® brand of coated bristols
  - Reducing coated paperboard capacity by 350,000 at Riegelwood by early 2016
  - Focusing on growth in food service and packaging markets out of Texarkana and Augusta mills

1Q15 Key Takeaways

Performing Well

- ✓ Strong positions in key markets
- ✓ Managing margins in a tough environment
- ✓ High return capital projects
- ✓ Strong FCF enabling robust capital allocation strategy

INTERNATIONAL PAPER



Appendix

Investor Relations Contacts

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

Media Contact

Tom Ryan	901-419-4333

Free Cash Flow

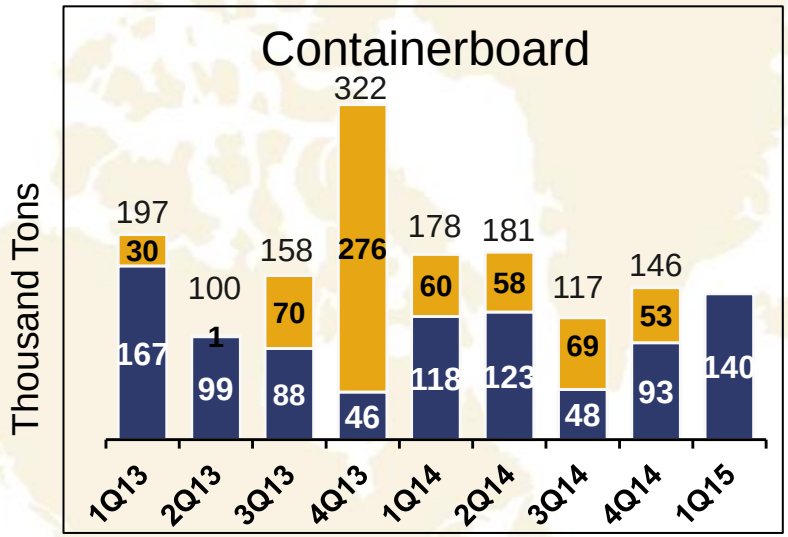
$ Million	1Q14	4Q14	1Q15
Cash Provided by Operations	$529[1]	$1,144	$638
Less Capital Investment	($277)	($405)	($319)
Free Cash Flow	$252	$739	$319

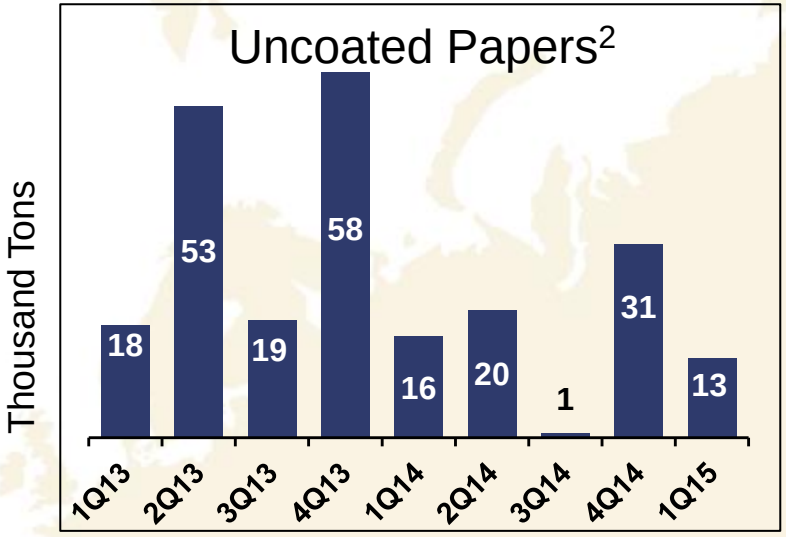
[1] Excludes $58MM cash paid for pension plan contribution

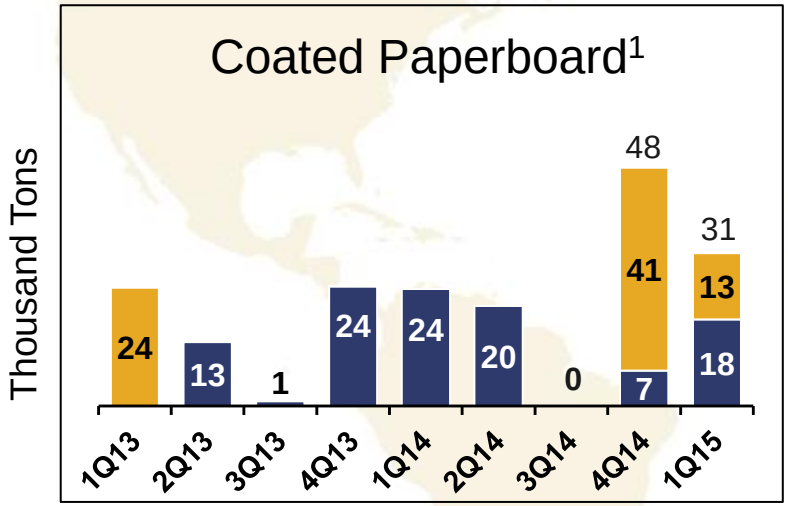
Maintenance Outages Expenses | 2015

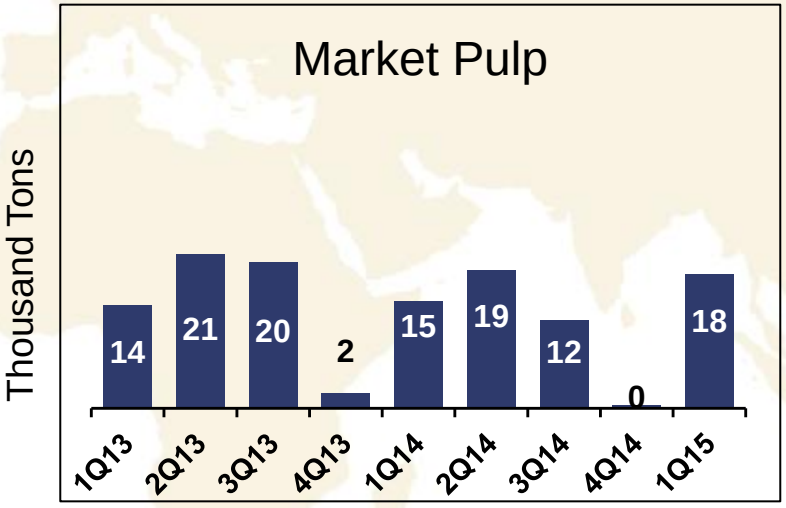
$ Million	1Q15A	2Q15F	3Q15F	4Q15F	2015F
Industrial Packaging	**$63**	**$94**	**$36**	**$66**	**$259**
North America	63	92	35	66	256
Brazil	0	2	1	0	3
Printing Papers Total	**$33**	**$67**	**$38**	**$46**	**$184**
North America	27	43	14	39	123
Europe	0	24	22	0	46
Brazil	6	0	1	7	14
India	0	0	1	0	1
Consumer Packaging	**$15**	**$15**	**$6**	**$17**	**$53**
North America	15	12	4	17	48
Europe	0	3	2	0	5
Total Impact	**$111**	**$176**	**$80**	**$129**	**$496**

North American Downtime









■ **Maintenance** ■ **Market**

[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)		1Q14	4Q14	1Q15
Industrial Packaging	Acquisition and Integration Costs	($14)	($5)	-
	Asia Goodwill Impairment	-	($100)	-
Printing Papers	Courtland Mill Shutdown	($495)	($7)	-
Consumer Pkg.	Other	($1)	($4)	-
Corporate	ASG Loss on Sale & Impairment	-	($47)	-
	Other	($1)	$8	-
Total Special Items Before Tax		**($511)**	**($155)**	**$0**

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

1Q15 EBITDA | Integrated Mill Business Margins

	Operating Profit $ Million	D & A $ Million	Tons Thousand	EBITDA per Ton	EBITDA Margin
Industrial Packaging					
North America[1]	$471	$164	3,347	$190	23%
Brazil	($3)	$5	72	$28	3%
Printing Papers					
North America[2]	$34	$20	471	$115	11%
Europe & Russia[3]	$30	$11	320[4]	$128	18%[4]
Brazil	$37	$25	235	$264	31%
India[5]	($2)	$4	64	$31	6%
North America Pulp	$5	$16	329	$64	10%
Consumer Packaging					
North America[6]	$22	$42	338	$189	14%
Europe	$25	$3	99	$283	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 Joint Marketing Agreement (JMA) sales
[5] Includes adjustment for minority ownership share
[6] Includes Foodservice business

Operating Profits by Industry Segment | Continuing Operations

$ Million	1Q14	4Q14	1Q15
Industrial Packaging	$467	$484	$468
Printing Papers	$85	$155	$109
Consumer Packaging	$18	$55	$46
Operating Profit	**$570**	**$694**	**$623**
Net Interest Expense	($143)	($142)	($137)
Noncontrolling Interest / Equity Earnings Adjustment	$0	($2)	$1
Corporate Items	($11)	($35)	($9)
Non-Operating Pension Expense	($44)	($53)	($72)
Special Items	($511)	($155)	$0
Net Earnings from continuing operations before income taxes, equity earnings & noncontrolling interest	**($139)**	**$307**	**$406**
Equity Earnings(Loss), net of taxes – Ilim	**($31)**	**($136)**	**$39**

Geographic Business Segment Operating Results

$ Million	Sales			Operating Profit		
	1Q14	4Q14	1Q15	1Q14	4Q14	1Q15
Industrial Packaging						
North America	$3,084	$3,159	$3,063	$460	$479	$468
Europe	$342	$316	$282	$9	$8	$4
Brazil	$85	$79	$62	($2)	($1)	($3)
Asia	$182	$143	$146	$0	($2)	($1)
Printing Papers						
North America	$515	$511	$482	$11	$37	$34
Europe	$375	$352	$293	$38	$38	$35
Brazil	$245	$288	$197	$45	$53	$37
Asia / India	$64	$55	$47	($2)	($3)	($2)
N.A. Pulp	$207	$234	$209	($7)	$30	$5
Consumer Packaging						
North America	$464	$496	$470	($6)	$32	$22
Europe	$91	$95	$83	$26	$27	$25
Asia (Sun JV)	$274	$264	$225	($2)	($4)	($1)

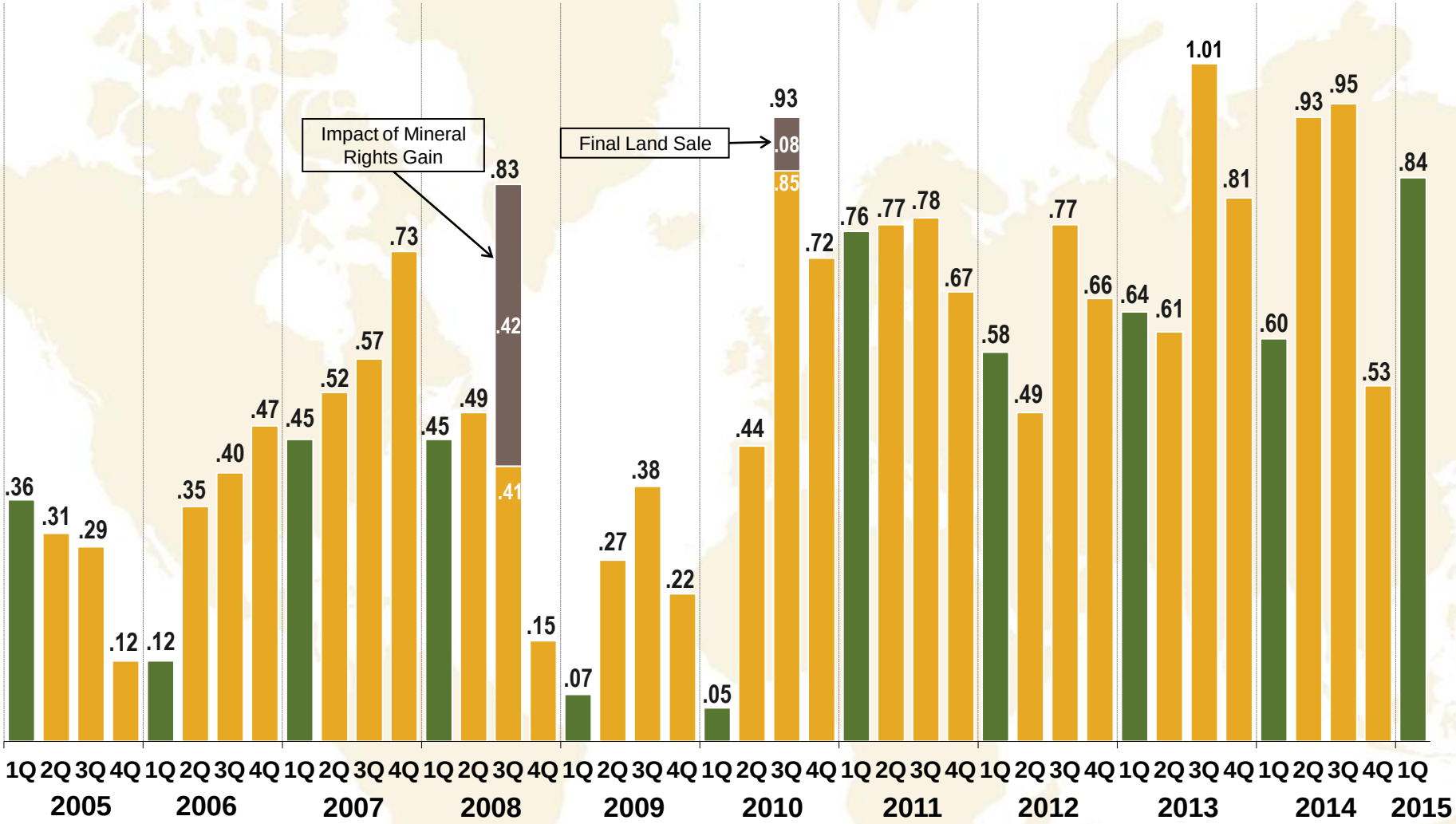
Does not reflect total company sales

2015 Operating Earnings

	Pre-Tax $MM	Tax $MM	Non-controlling Interest $MM	Equity Earnings	Net Income $MM	Average Shares MM	Diluted EPS[1]
Operating Earnings							
1Q15	$478	($158)	$2	$35	$357	424	$0.84
Non-Operating Pension Expense							
1Q15	($72)	$28	$0	$0	($44)	424	($0.10)
Net Special Items							
1Q15	$0	$0	$0	$0	$0	424	$0.00
Net Earnings from Continuing Operations							
1Q15	$406	($130)	$2	$35	$313	424	$0.74

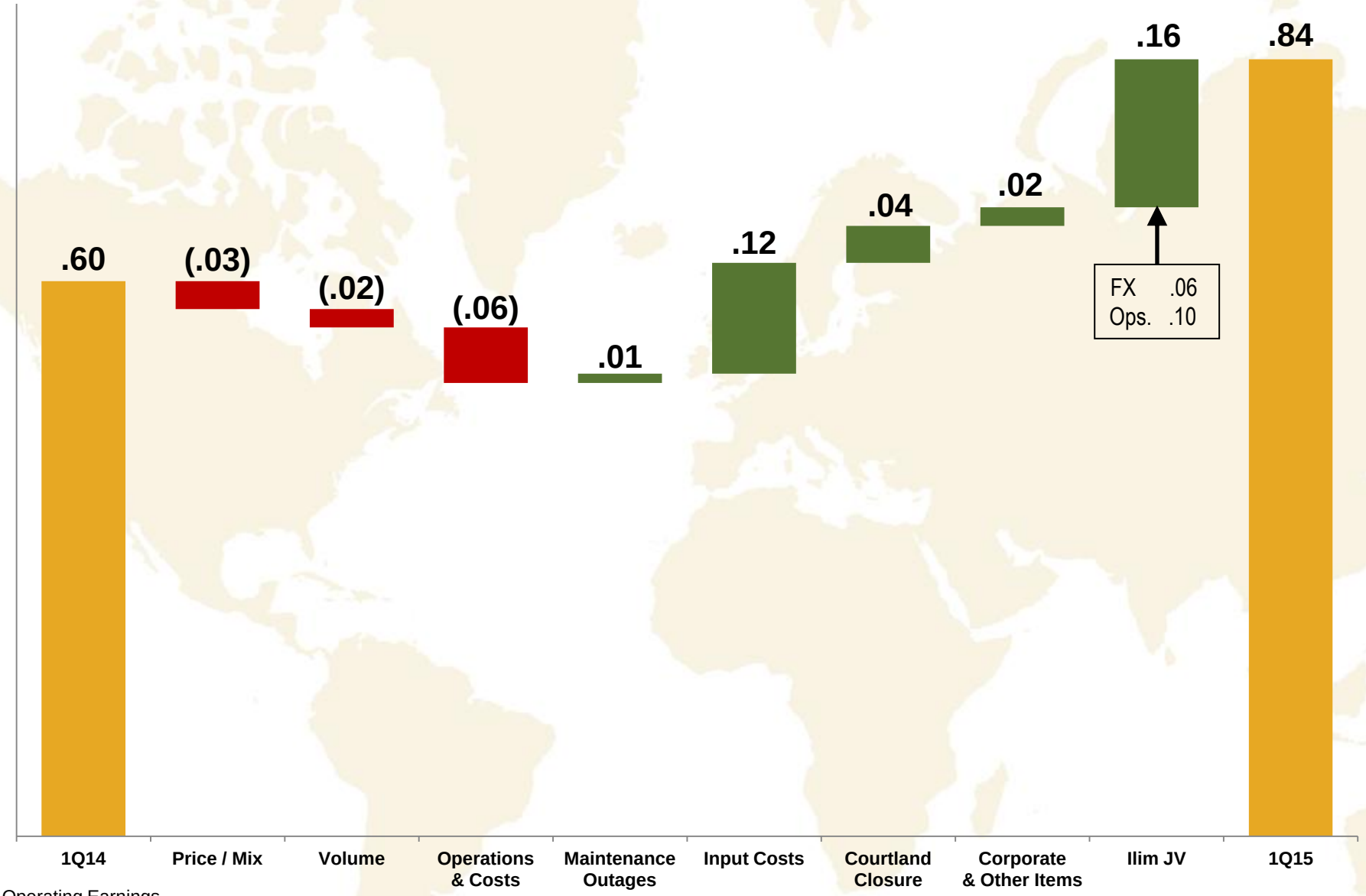
[1] A reconciliation to GAAP EPS is available at www.internationalpaper.com under the Investors tab at Webcasts and Presentations
xpedx is reflected as a Discontinued Operation in all periods presented.

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.

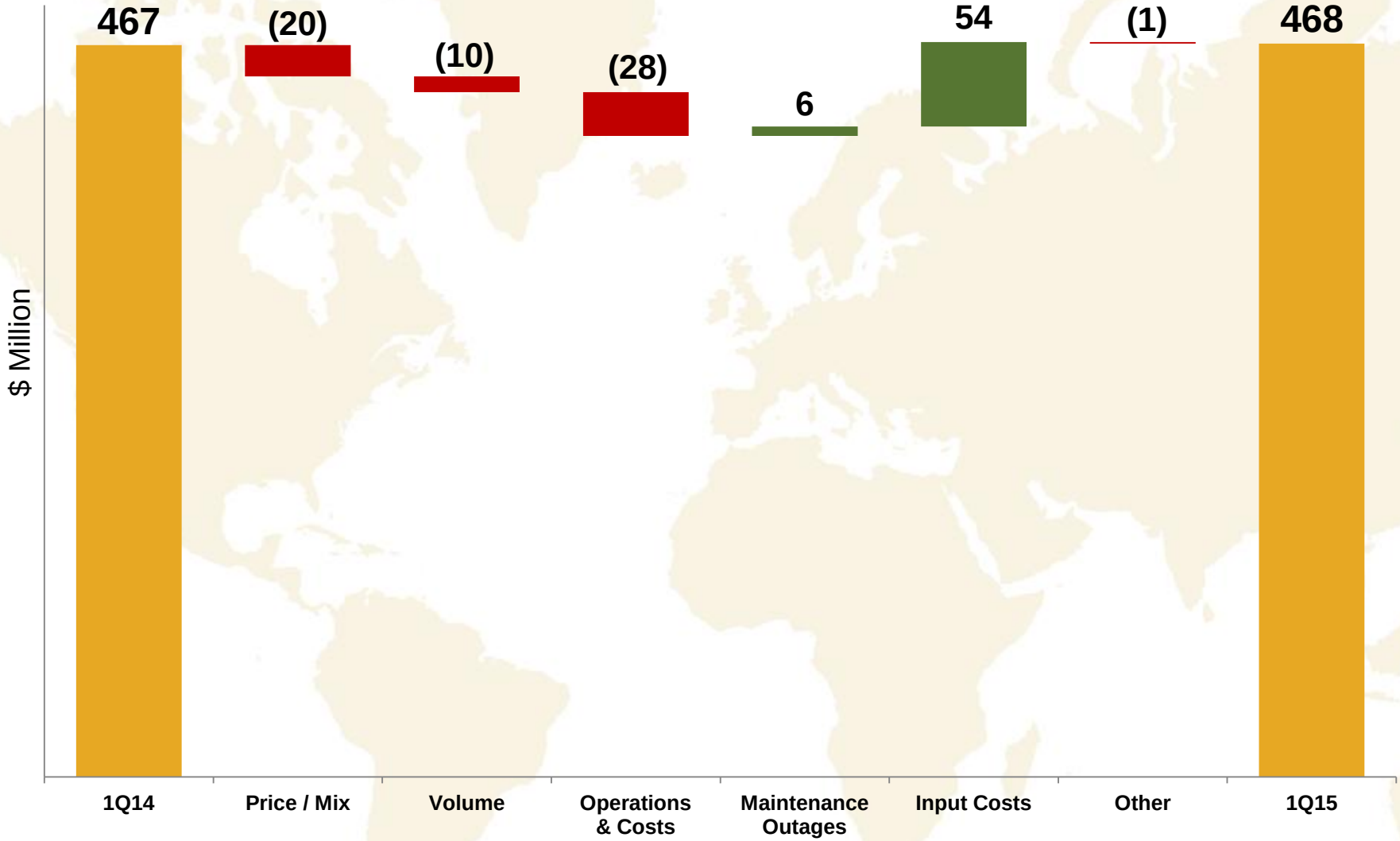
1Q15 vs. 1Q14 EPS



Operating Earnings

INTERNATIONAL PAPER

Industrial Packaging | 1Q15 vs. 1Q14



Segment operating profit before special items

INTERNATIONAL PAPER

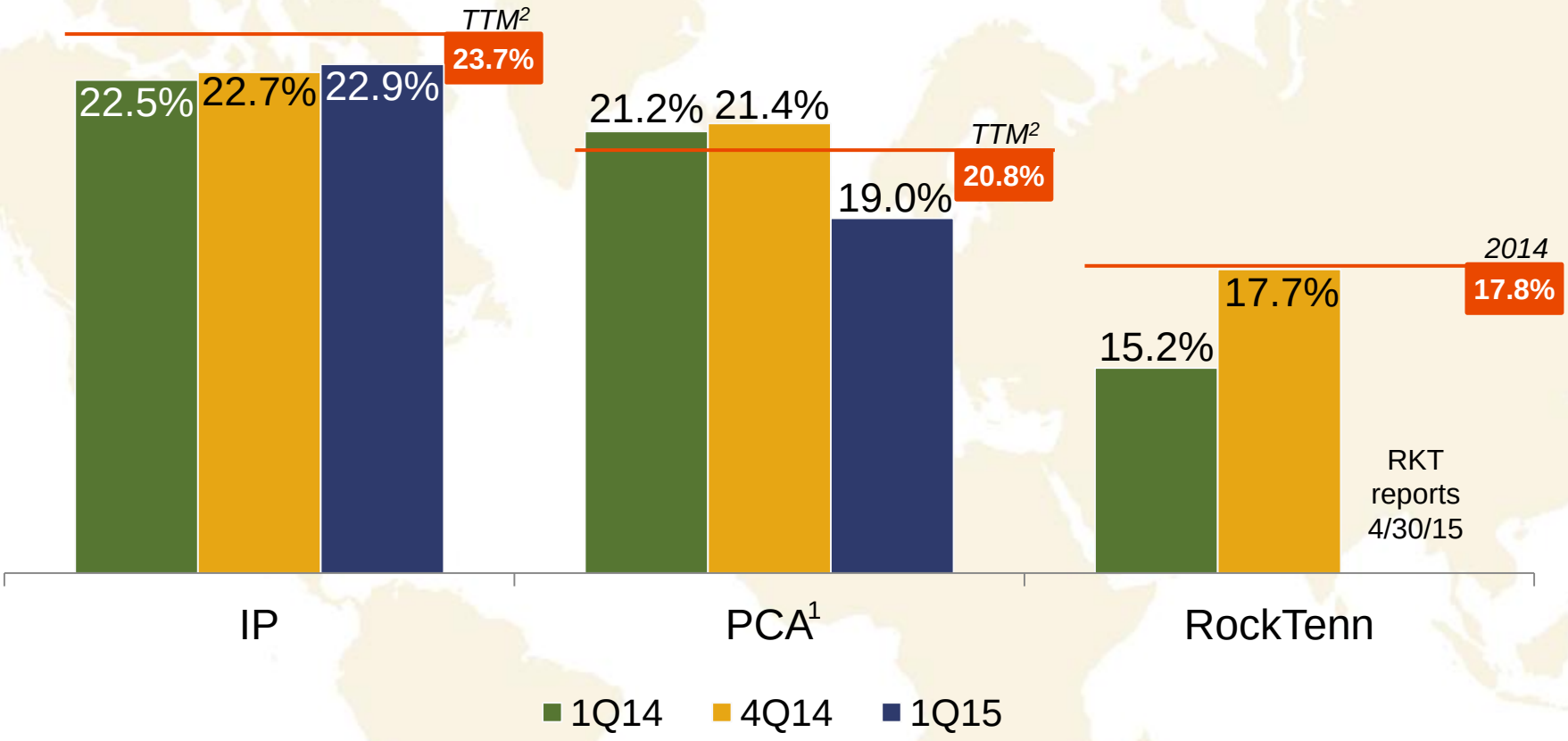
Industrial Packaging | Volume and Pricing Trends

	1Q15 vs. 4Q14		1Q15 vs. 1Q14	
Business	**Volume**	**Price / Ton**	**Volume**	**Price / Ton**
N.A. Container[1]	**(5%)**	**($6)**	**1%**	**($8)**
European Container	**(3%)**	**€7**	**(1%)**	**(€10)**

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

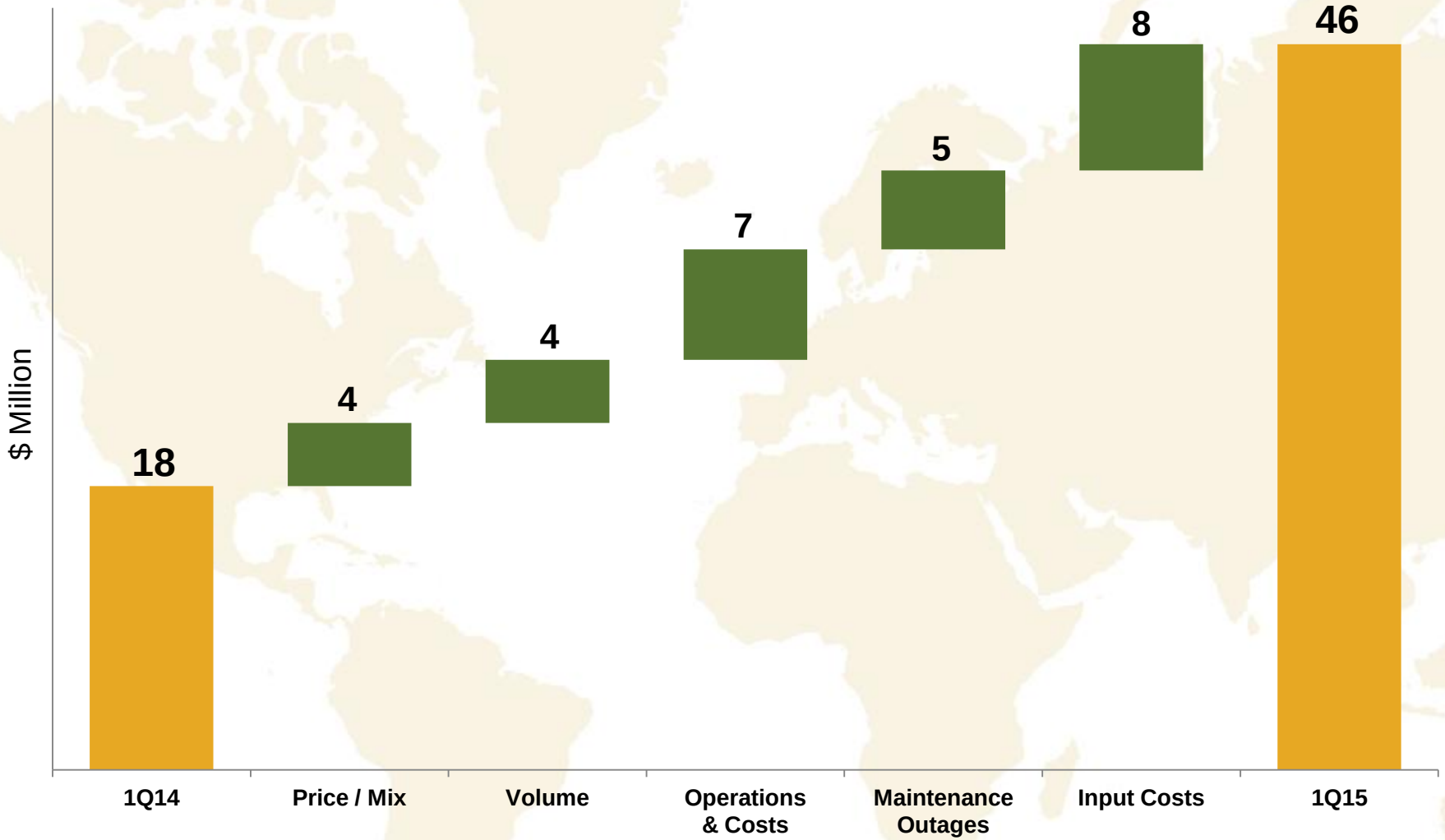
[1] Corrugator plant sales on FBA shipping day basis

NA Industrial Packaging Relative EBITDA Margins



[1] Reflects Company's change in accounting method beginning in 2014
[2] Trailing twelve months
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 | 1Q15 vs. 1Q14



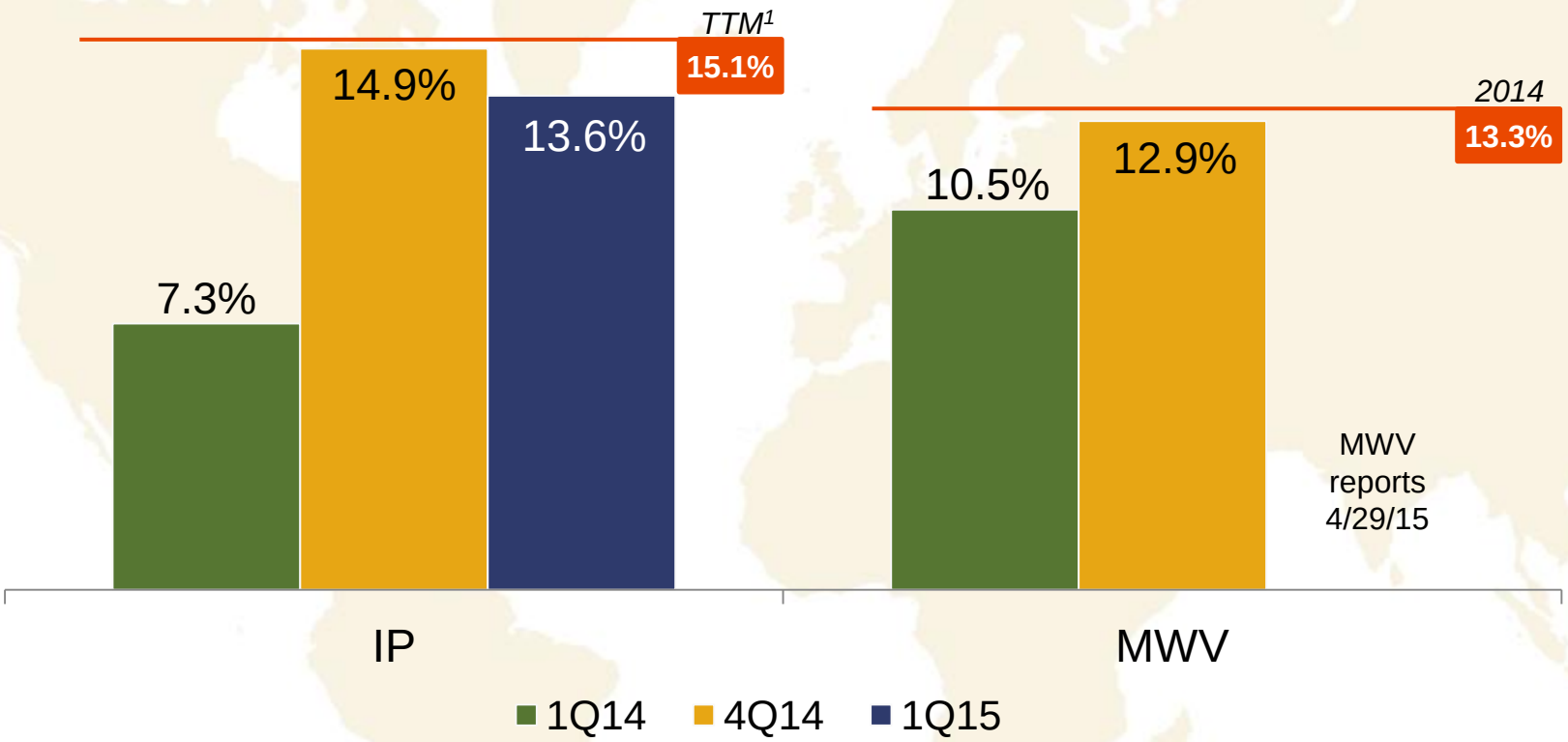
Segment operating profit before special items

INTERNATIONAL PAPER

	1Q15 vs. 4Q14		1Q15 vs. 1Q14	
	Volume	Price/Ton	Volume	Price/Ton
NA Coated Paperboard	(1%)	$3	(2%)	$41
	Revenue	Price	Revenue	Price
Foodservice	(3%)	NA	10%	NA

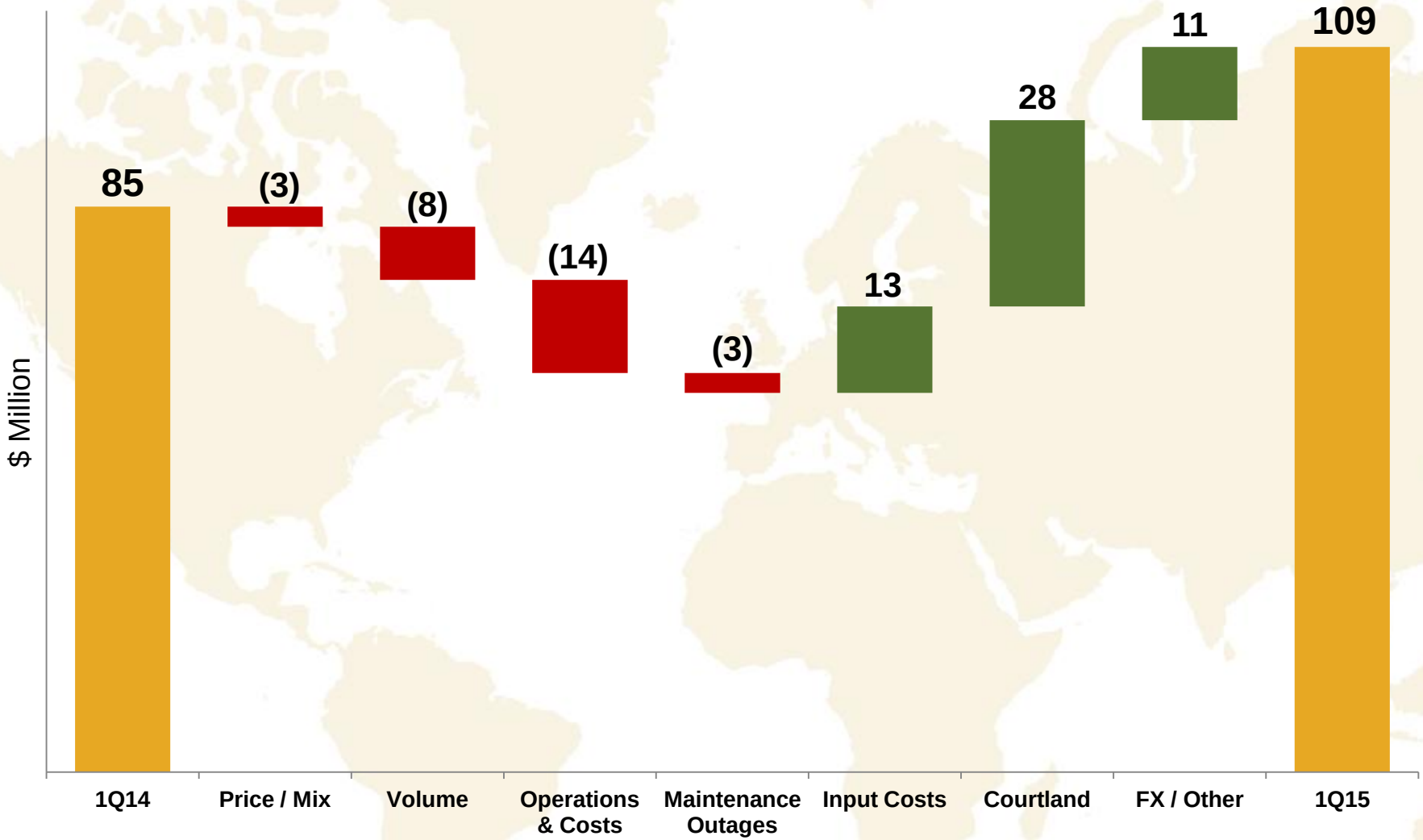
Average IP price realization (includes the impact of mix across all grades)

NA Consumer Packaging Relative EBITDA Margins



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

Printing Papers | 1Q15 vs. 1Q14

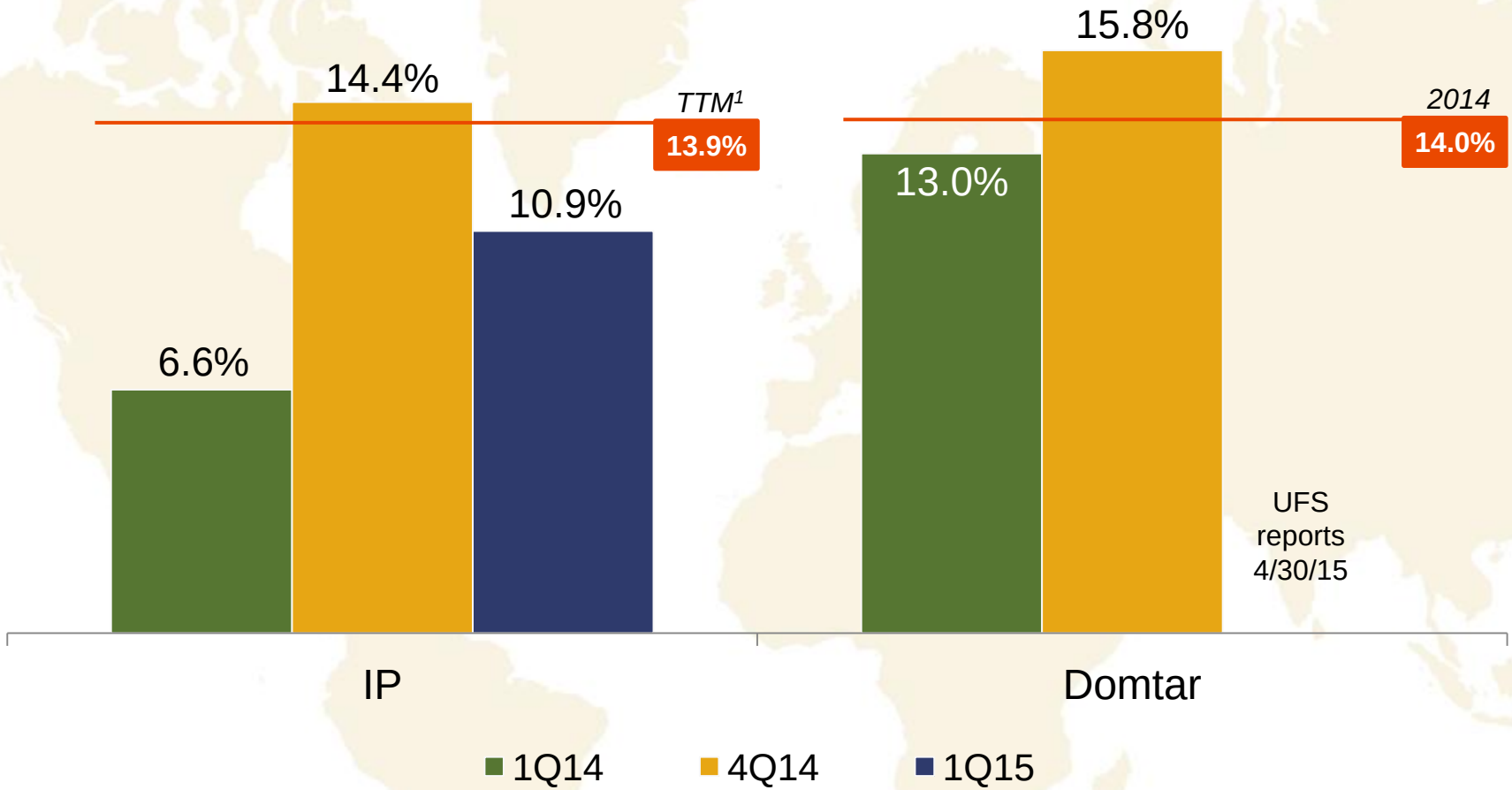


Segment operating profit before special items

	1Q15 vs. 4Q14		1Q15 vs. 1Q14	
Business	**Volume**	**Price / Ton**	**Volume**	**Price / Ton**
NA Paper	**(5%)**	**($12)**	**(7%)**	**$4**
NA Pulp[1]	**(9%)**	**($12)**	**1%**	**$4**
European Paper[2]	**(6%)**	**(€7)**	**(2%)**	**(€25)**

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 & Pulp Relative EBITDA Margins



[1] Trailing twelve months
IP EBITDA margins based on operating profit from continuing operations before special items
Competitor EBITDA margin estimates obtained from public filings and IP analysis

$ Million	1Q14	4Q14	1Q15
Sales	$245	$288	$197
Earnings	$45	$53	$37
EBITDA Margin	30%	28%	31%

	1Q15 vs. 4Q14		1Q15 vs. 1Q14	
Business	Volume	Price/Ton	Volume	Price/Ton
Uncoated Freesheet	(27%)	($11)	(13%)	$7
Domestic	(39%)	$34	(19%)	$61
Export	(11%)	($49)	(8%)	($40)

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 ($B)	**1.3**	**1.9**	**2.2**	**2.0**	**1.9**	**2.1**
Debt ($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)**
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**

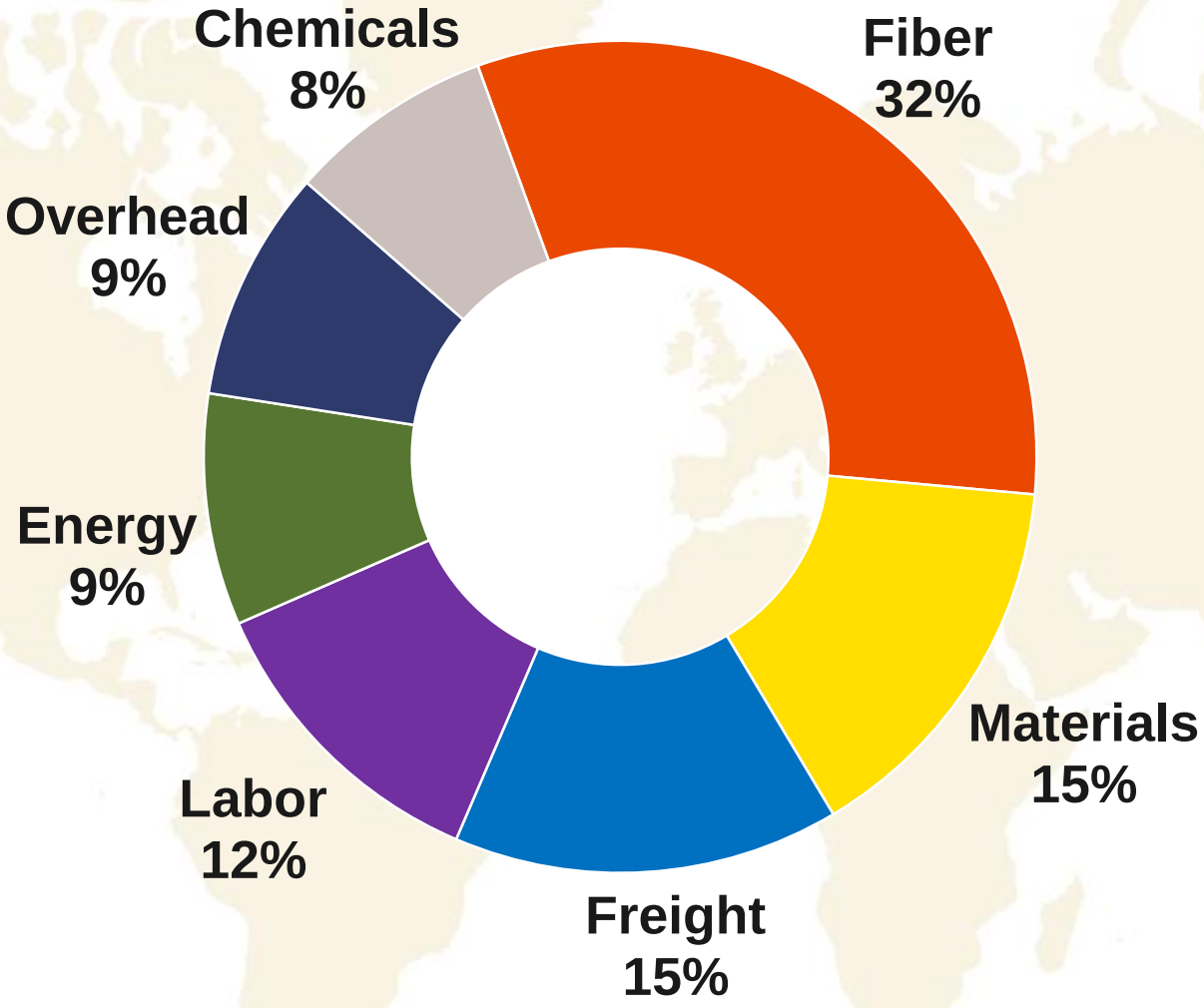
Ilim JV results are IFRS basis.
IP Equity Earnings (loss) on US GAAP basis.
[1]Represents F/X impact primarily related to Ilim JV USD-denominated net debt (balance of ~$1.3B at year end 2014)

Ilim Joint Venture | Volume and Pricing Trends

	1Q15 vs. 4Q14		1Q15 vs. 1Q14	
Business	**Volume**	**Price/Ton**	**Volume**	**Price/Ton**
Pulp	**(5%)**	**($13)**	**4%**	**($73)**

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

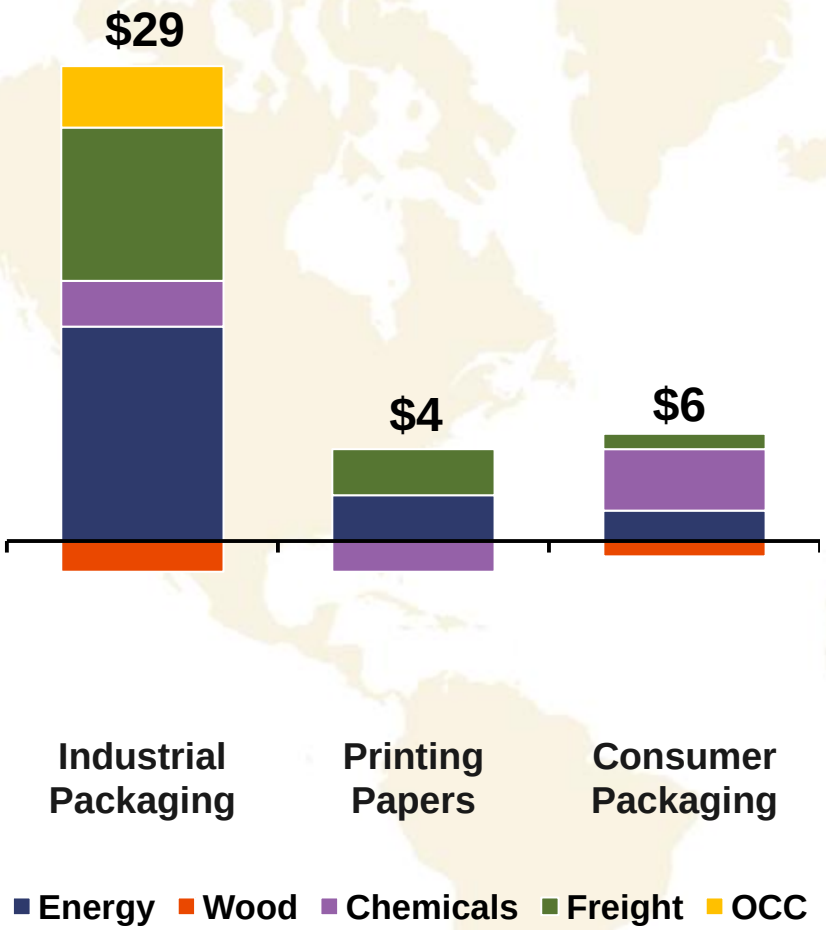
Total Cash Cost Components | 1Q15 YTD



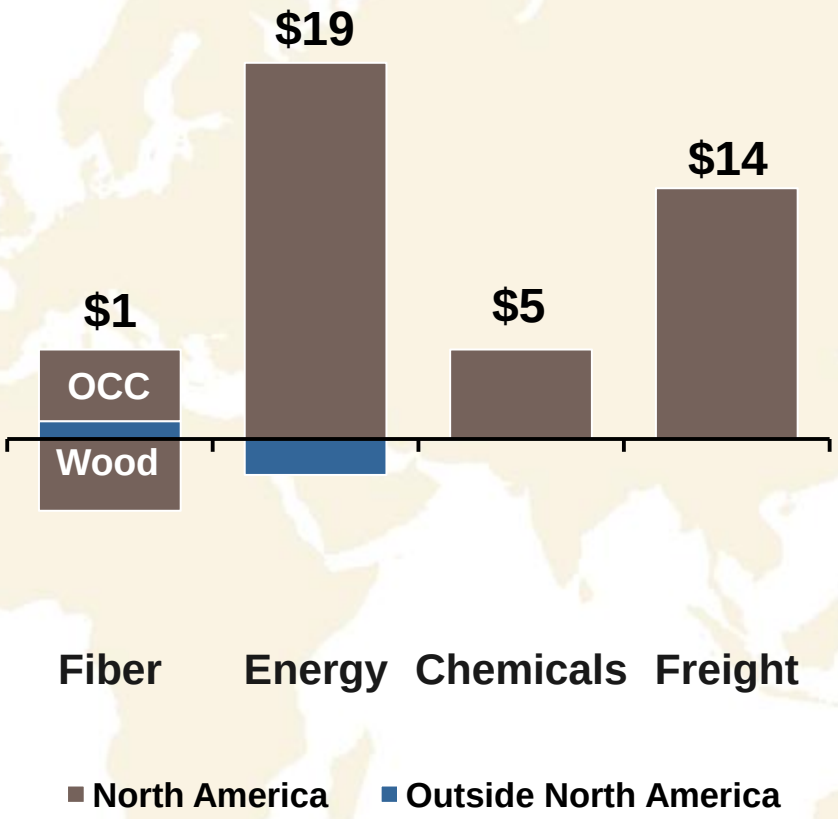
North American mills only

Global Input Costs vs. 4Q14 | $39MM Favorable, or $0.06/Share

By Business



By Input Type

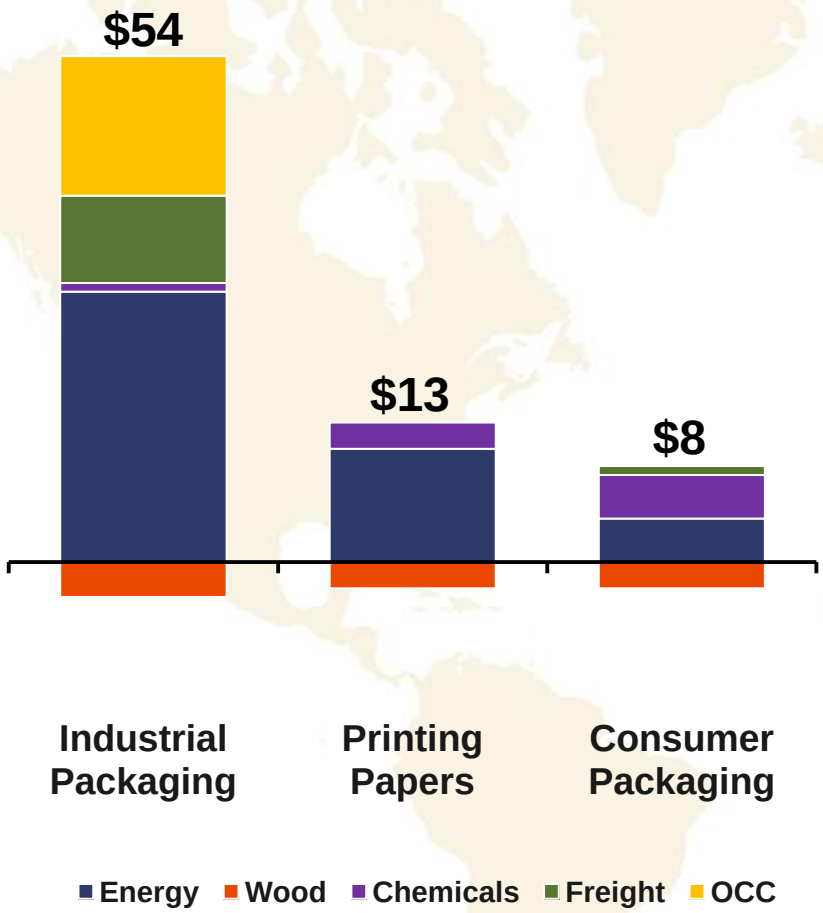


Input costs ($MM) for continuing businesses

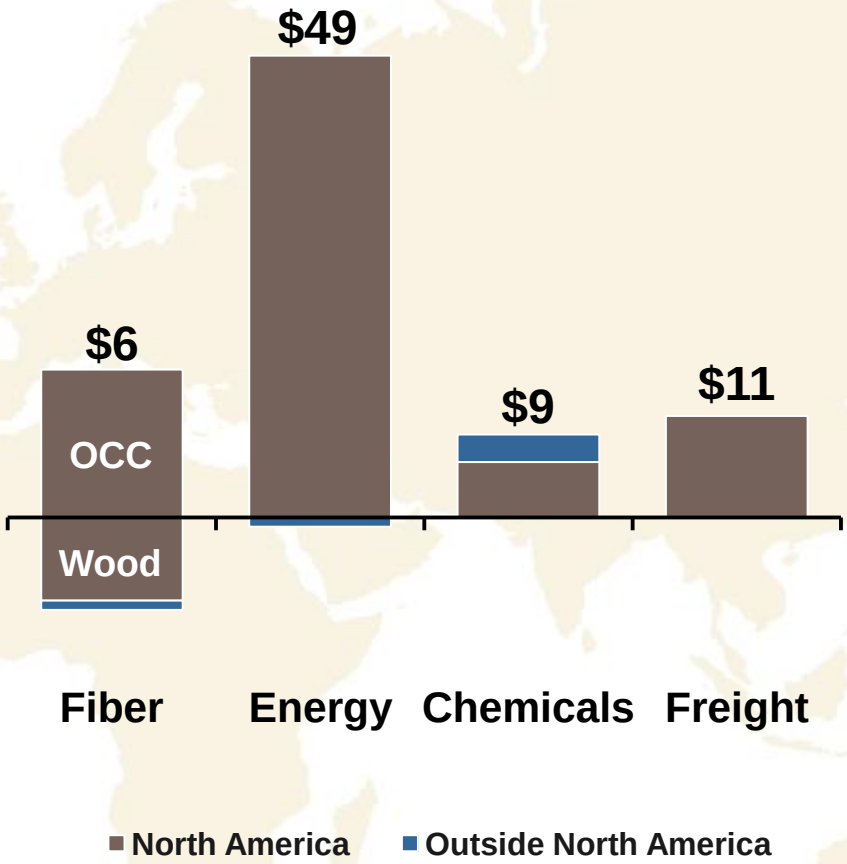
INTERNATIONAL PAPER

Global Input Costs vs. 1Q14 | $75MM Favorable, or $0.12/Share

By Business



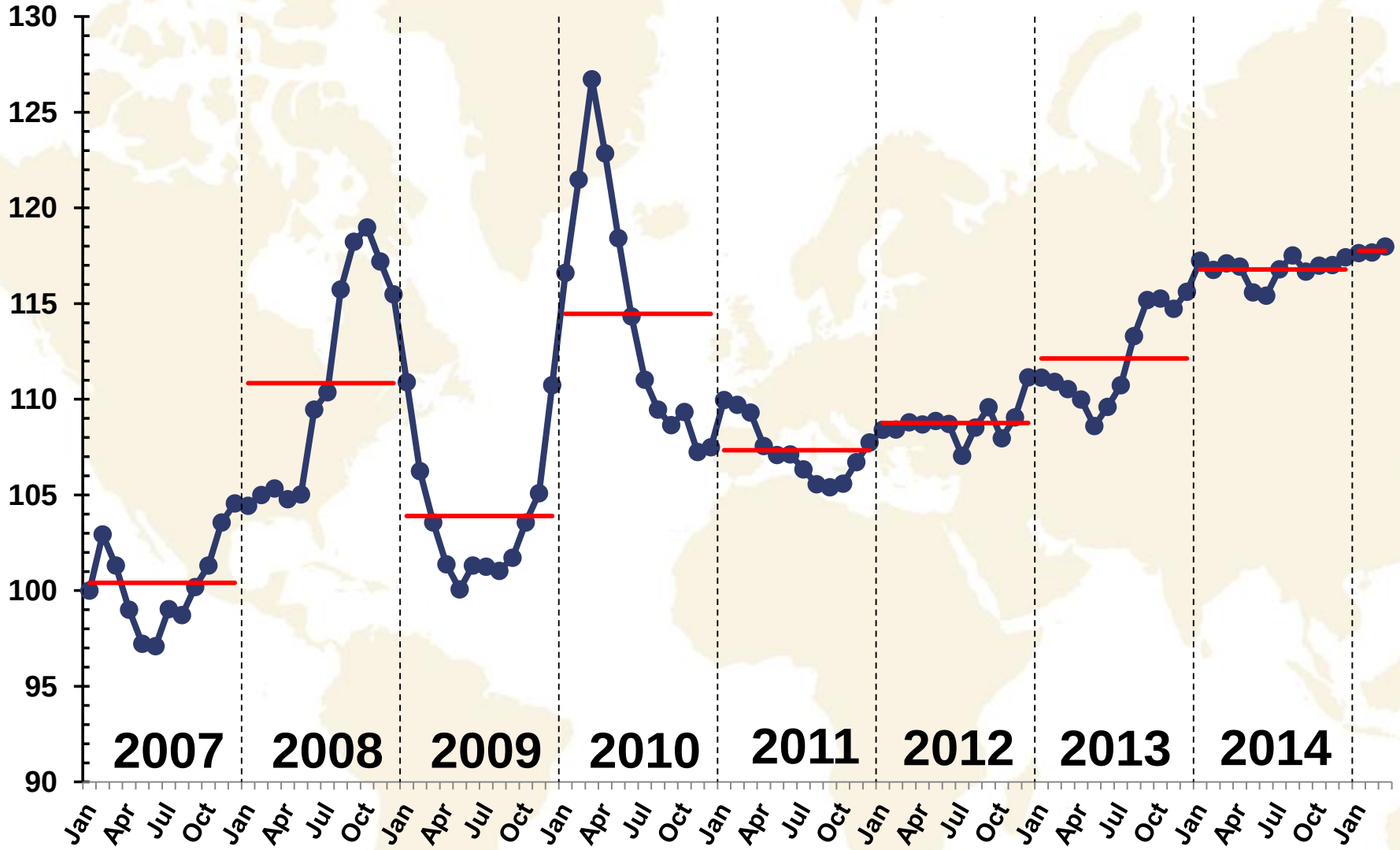
By Input Type



Input costs ($MM) for continuing businesses

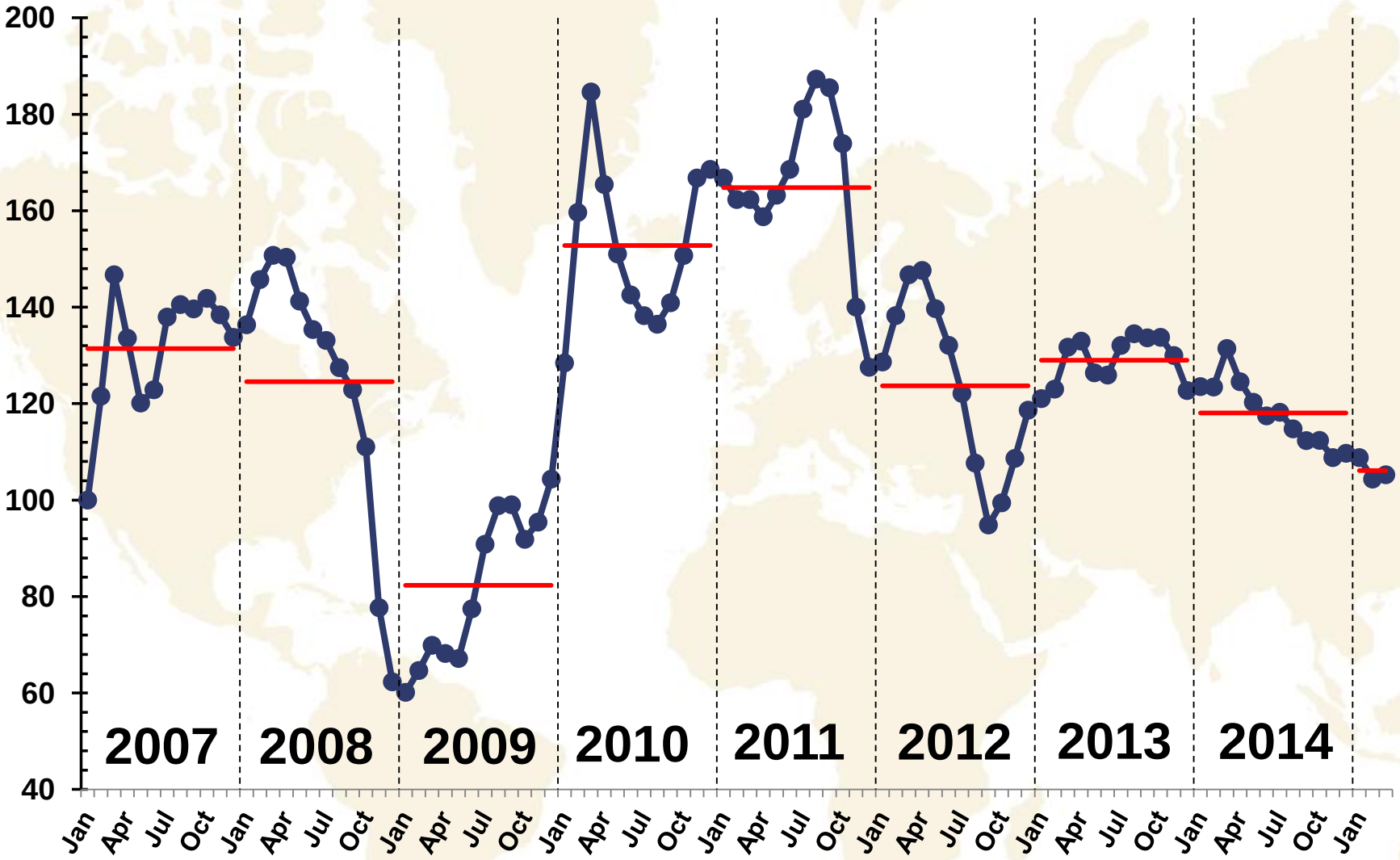
INTERNATIONAL PAPER

U.S. Mill Wood Delivered Cost Trend | 1% Increase vs. 4Q14 Average Cost



Cost Indexed to January 2007 values

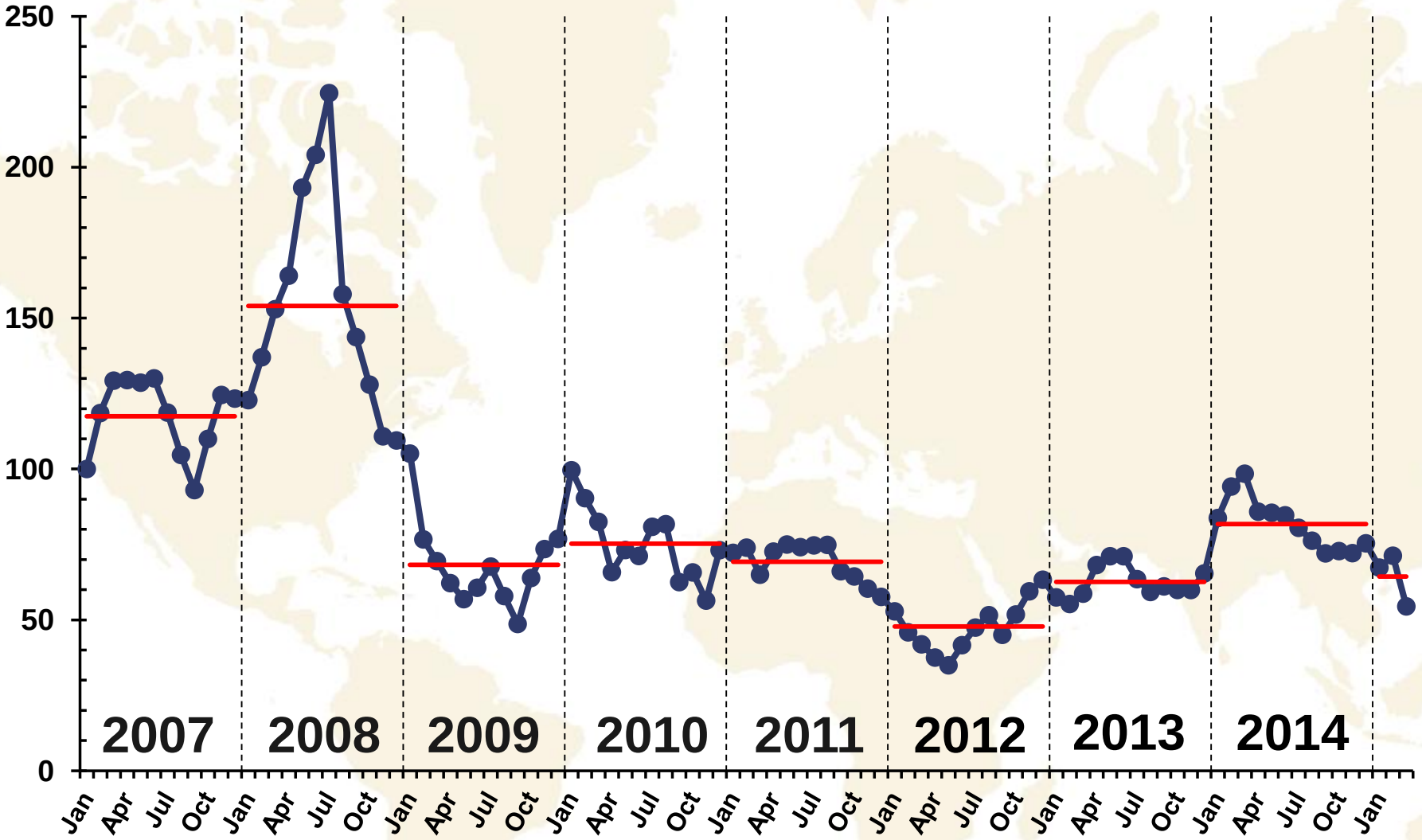
U.S. OCC Delivered Cost Trend | 4% Decrease vs. 4Q14 Average Cost



Cost Indexed to January 2007 values

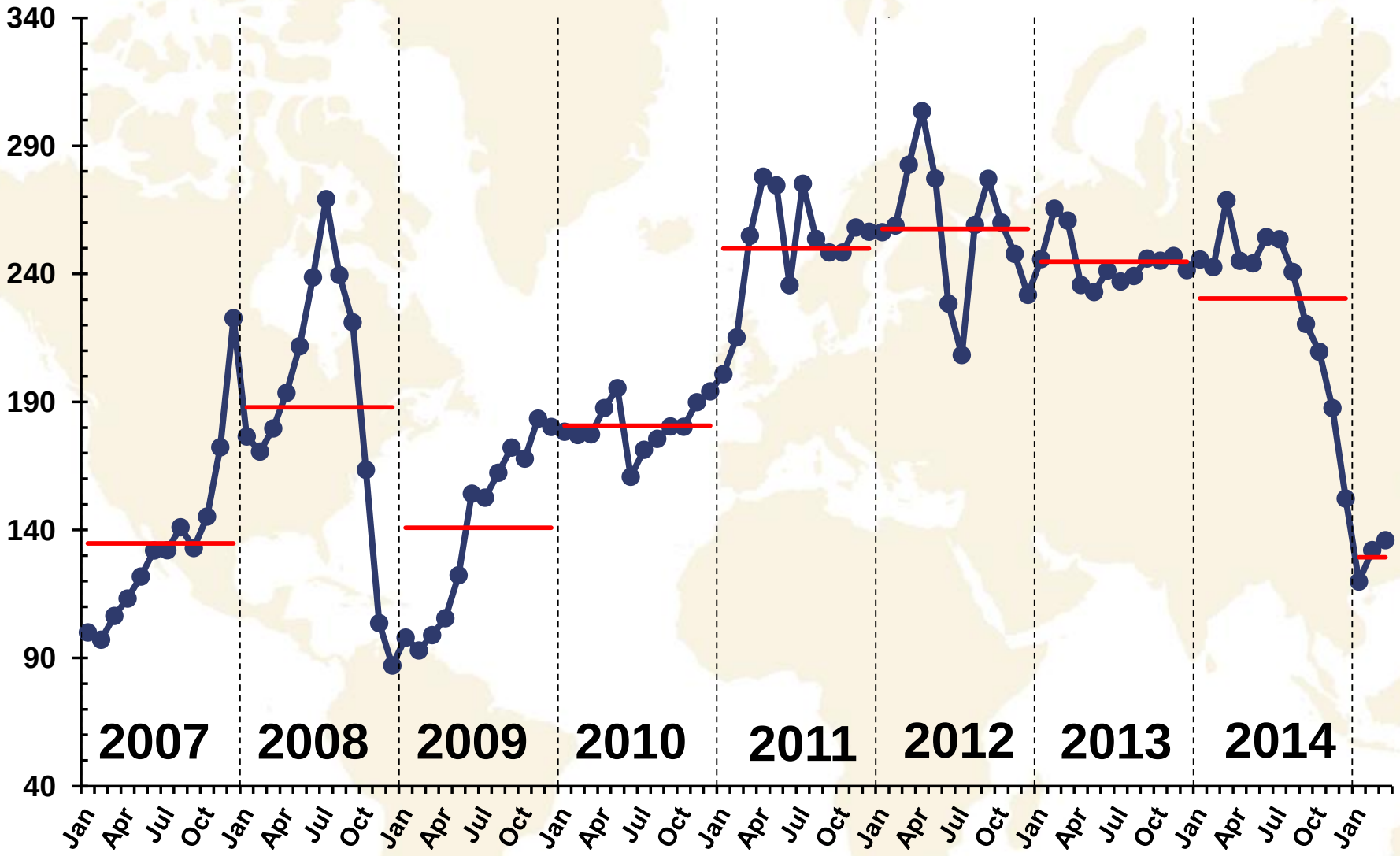
INTERNATIONAL PAPER

Natural Gas Costs Trend | 12% Decrease vs. 4Q14 Average Cost



Cost Indexed to January 2007 values
NYMEX Natural Gas closing prices

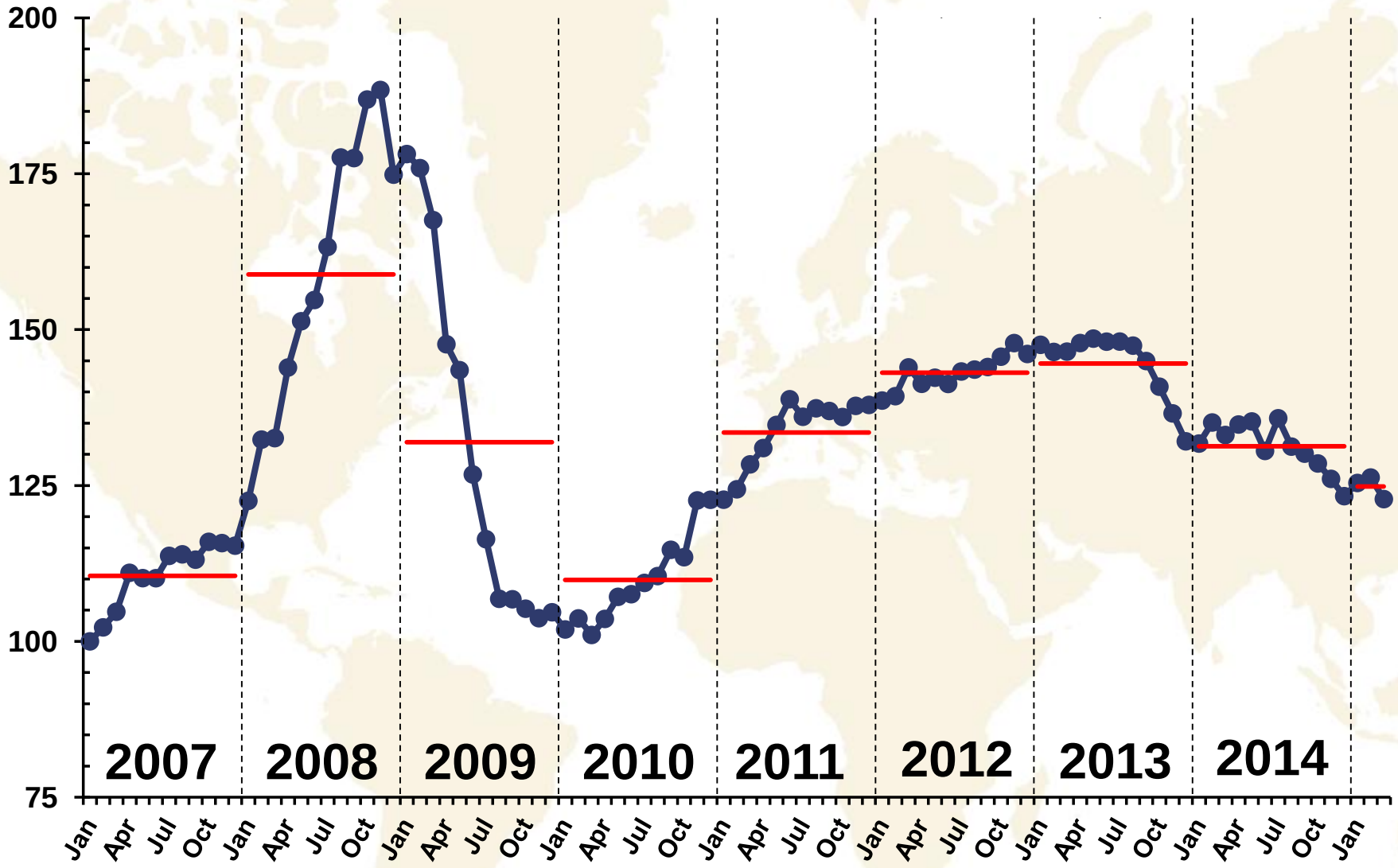
U.S. Fuel Oil Trend | 29% Decrease vs. 4Q14 Average Cost



Cost Indexed to January 2007 values
WTI Crude prices

INTERNATIONAL PAPER

U.S. Chemical Composite Index Trend | 1% Decrease vs. 4Q14 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)	60,000,000	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