Second Quarter 2015 Earnings | July 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."

Second Quarter 2015 Results

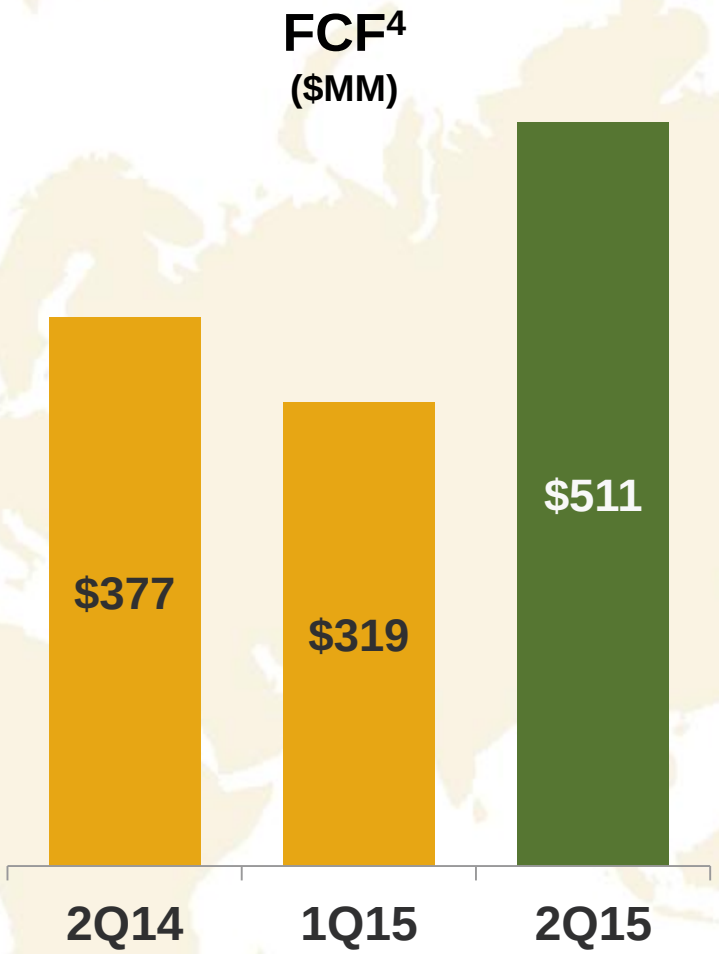


- Strong Q2 earnings driven by outstanding NA Industrial Packaging results with 24% EBITDA margins
- Good operations and heavy outages executed well
- Ilim JV continues to perform well
- Valliant #3 PM fully on-line ahead of schedule
- Substantial FCF generation of $511MM
- 1H2015 ROIC of 10%+

[1] EPS based on Operating Earnings (defined as Net Earnings (GAAP) from continuing operations before special items and non-operating pension expense)

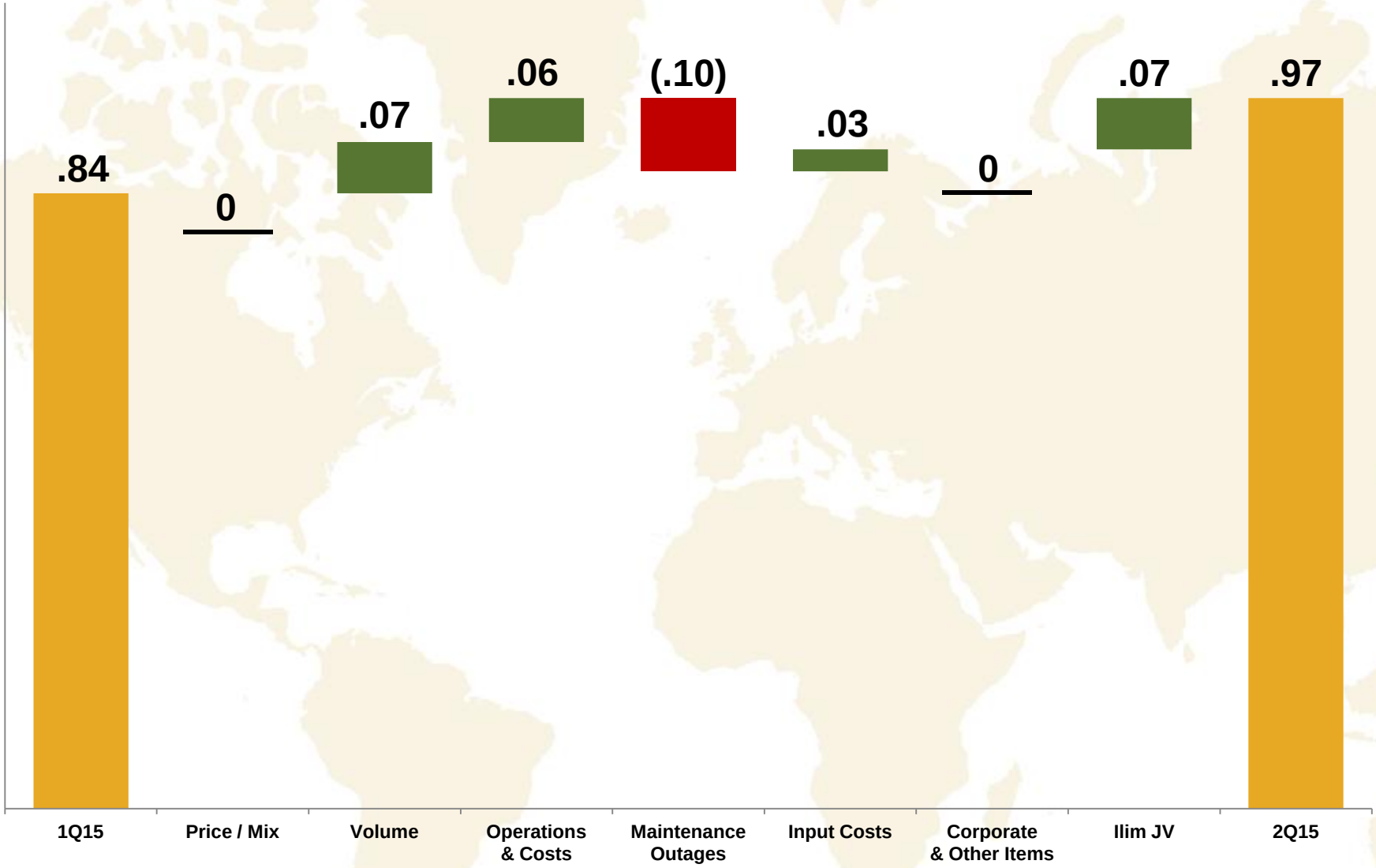
2Q15 Financial Results

	2Q14	1Q15	2Q15
Sales ($B)	$5.9	$5.5	$5.7
EBIT[1] ($MM)	$686	$615	$650
EPS[2]	$0.93	$0.84	$0.97
EPS impact of Ilim F/X[3] – IP Share	$0.07	($0.04)	$0.06
EBITDA[1] ($MM)	$1,041	$938	$978
EBITDA Margin[1]	17.6%	17.0%	17.1%
Free Cash Flow[4] ($MM)	$377	$319	$511



[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 ~$1.1B at end of 2Q2015)
[4] See slide #19 for a reconciliation of cash provided by operations to free cash flow
xpedx is reflected as a Discontinued Operation in all periods presented.

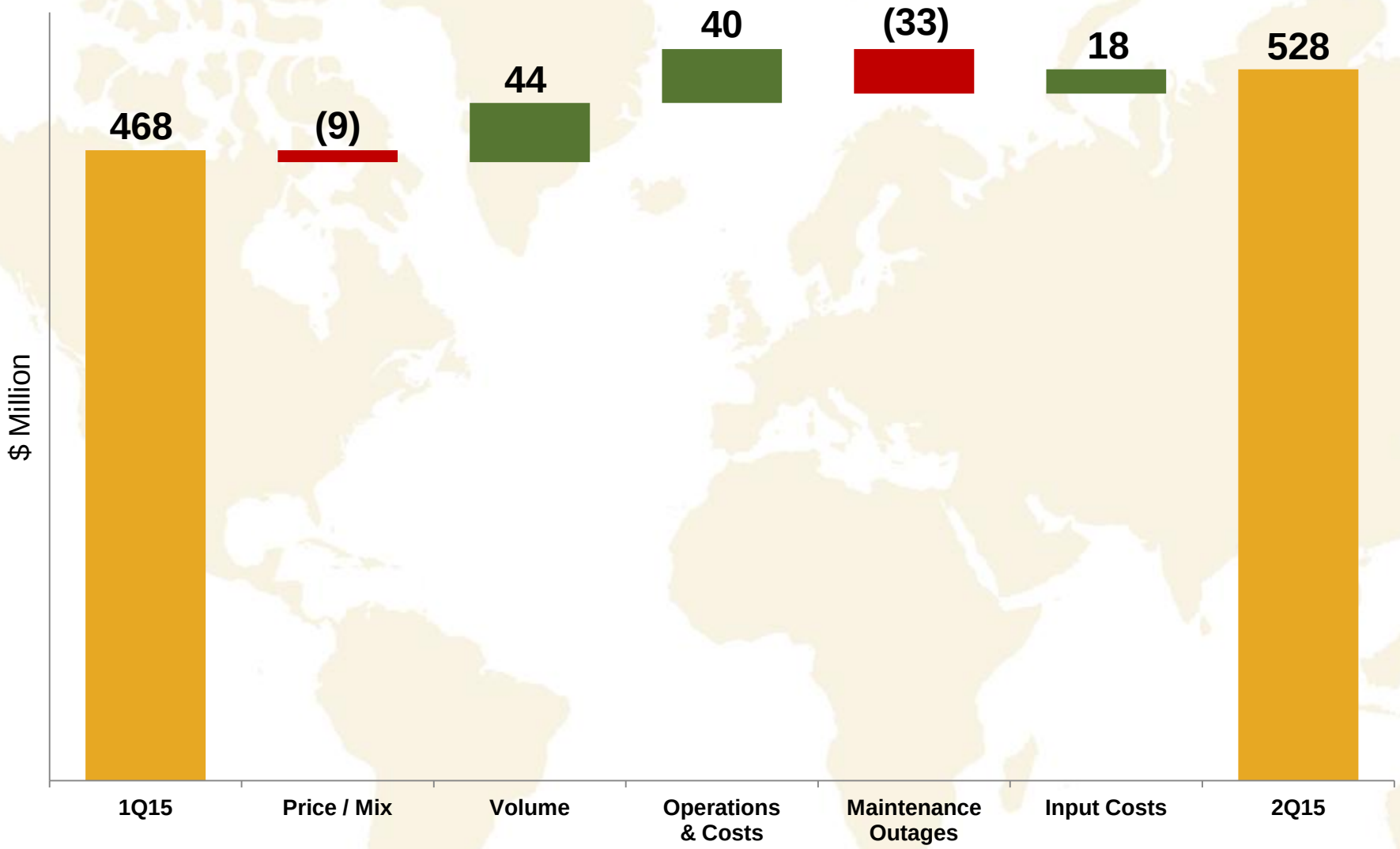
2Q15 vs. 1Q15 EPS



Operating Earnings

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Industrial Packaging | 2Q15 vs. 1Q15



Segment operating profit before special items

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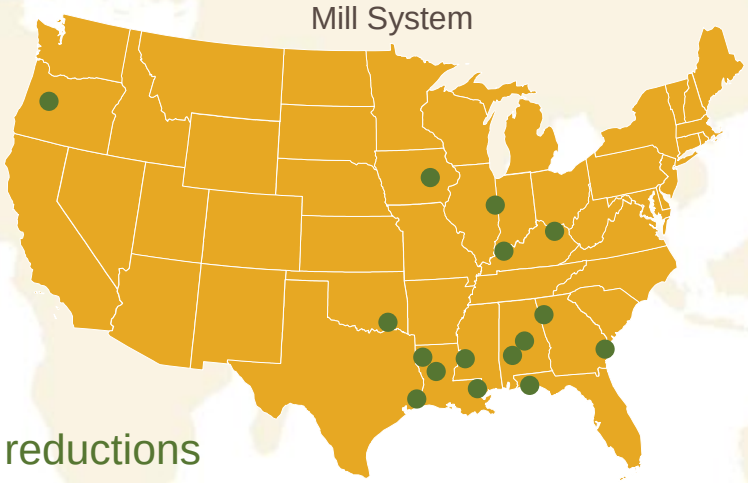


Valliant Update

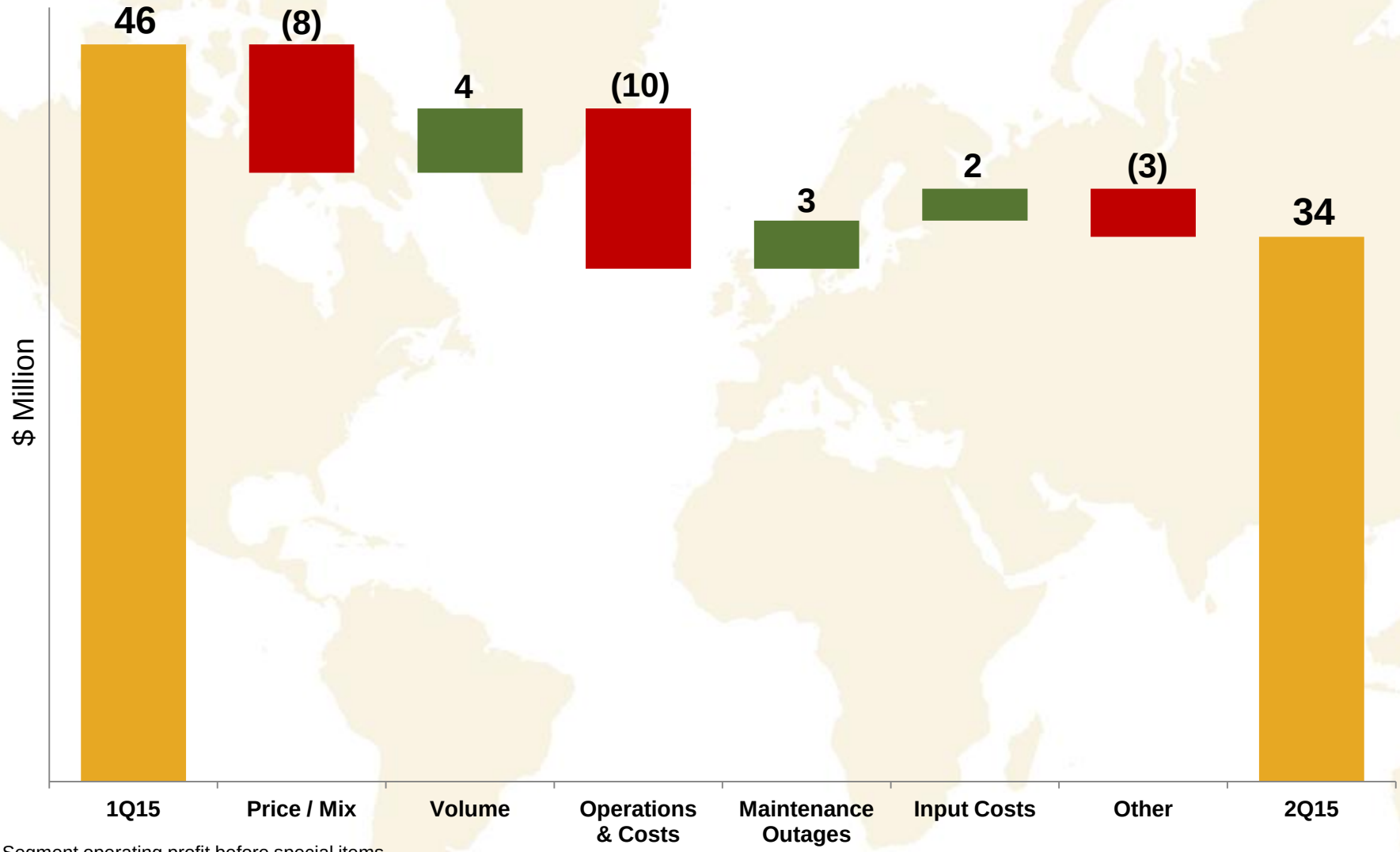
- Achieved full ramp-up in less than two months
- Qualifications complete
- Provides flexibility to optimize system and reduce total delivered cost
- On track to deliver project IRR of 25+%

Next Phase of Optimization

- ~$300MM capital investment within mill system
- 20%+ IRR projects
- Key Drivers
  - ✓ Improves system flexibility
  - ✓ Enhances quality
  - ✓ Further manufacturing and supply chain cost reductions
  - ✓ Supports future growth potential



Consumer Packaging | 2Q15 vs. 1Q15



Segment operating profit before special items

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Riegelwood, NC realignment progressing well

- Carolina brand sale complete
- Coated paperboard transition on track
- Pulp expansion/conversion activities underway

Foodservice expansion at Kenton, OH Facility

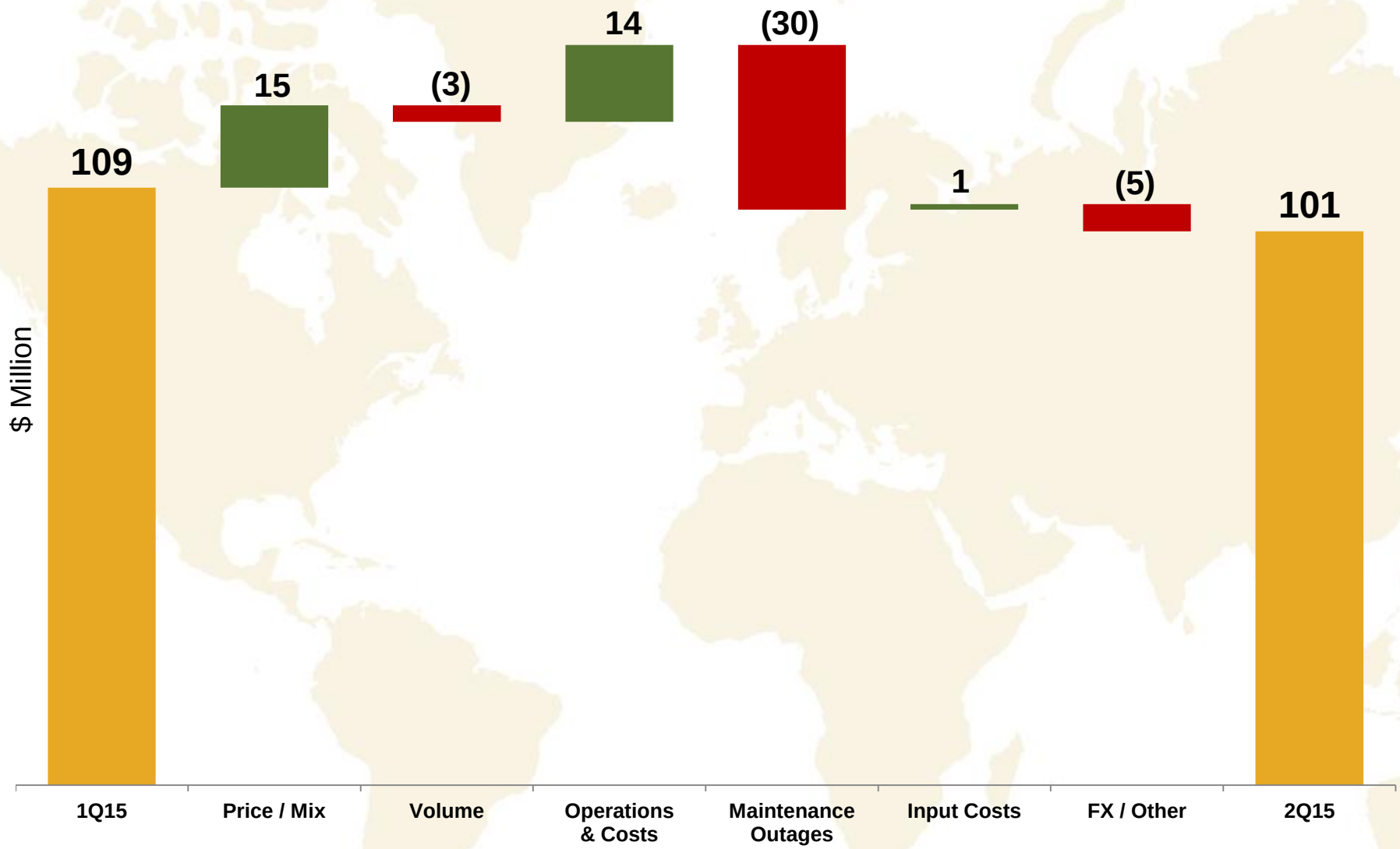
- Expansion project on track
- Equipment coming on line within next 90 days
- Enables IP to facilitate fiber cup growth opportunities with existing customers and new customer wins



The U.S. cup market growth continues, in part due to the consumer driven foam-to-paper conversion.



Printing Papers | 2Q15 vs. 1Q15



Segment operating profit before special items

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Ilim Joint Venture | 2Q15 vs. 1Q15

$ Million	2Q14	1Q15	2Q15
Sales Volume (thousand tons)	782	805	826
Sales	$545	$462	$500
Operational EBITDA[1]	$112	$186	$153
F/X (Impact of USD Net Debt[2]**)**	$72	($47)	$65
IP Equity Earnings(Loss)[3]	$43	$39	$67

- Solid results during heavy outage quarter
- Favorable post-project production continues at Bratsk and Koryazhma
- Experiencing increased inflation and expect some softwood pulp price pressure

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] Represents F/X impact primarily related to Ilim JV USD-denominated net debt (balance of ~$1.1B at end of 2Q2015); 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 1Q15 includes an after-tax f/x loss (primarily on USD-denominated net debt) of $(18)MM; 2Q14 and 2Q15 include after-tax f/x gains of $29MM and $27MM, respectively.

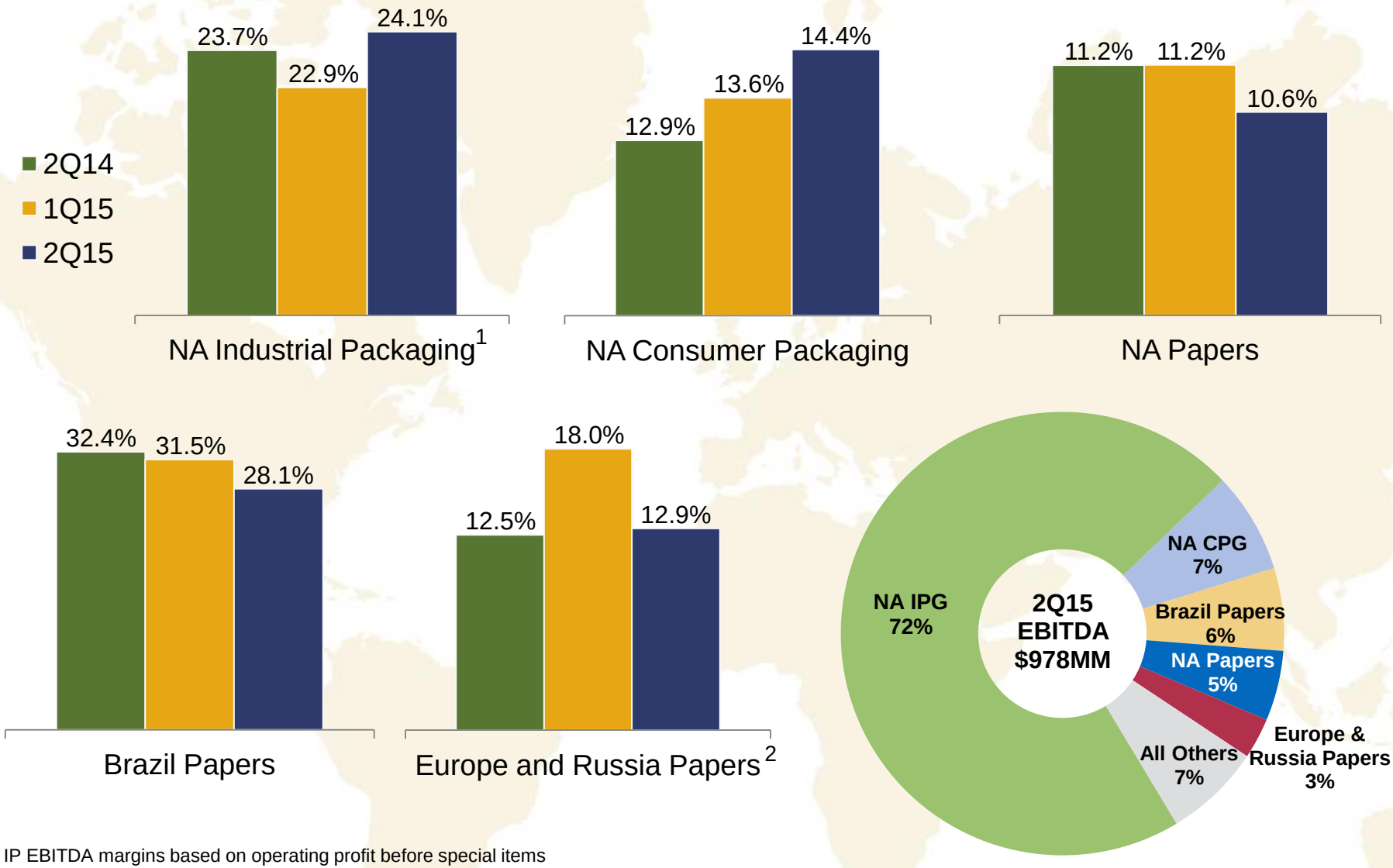
- ✓ $2B senior unsecured notes issuance in May to cover debt tender and pension contribution
  - ➢ $1.0B tender offer
  - ➢ $750MM contribution to pension plan
- ✓ $420MM YTD share repurchases, totaling $1.865B against our $3.0B program

Third Quarter Outlook | Changes from 2Q15

		North America	EMEA & Russia	Brazil	Asia[1]
Volume	Paper	Improving	Stable	Seasonally Stronger	Stable
	Packaging	Stable	Stable	Stable	Pressure
Pricing / Mix	Paper	Stable	Improving in Europe	Stable	Stable
	Packaging	Stable	Pressure	Stable	Pressure
Operations & Other	Paper	Improving	Stable	Improving	Stable
	Packaging	Improving	Stable	Stable	Stable
Inputs & Freight	Paper	Stable	Stable	Electricity & Wood	Stable
	Packaging	Energy, OCC & Rail Rates	Stable	Stable	Stable
Mill Maintenance Outages	Paper	Decrease $26MM	Decrease $6MM	Increase $2MM	Increase $1MM
	Packaging	Decrease $62MM	Increase $2MM	Decrease $1MM	N/A
Ilim JV Equity Earnings		▪ Less outages will enable increased production and sales ▪ Non-recurring 2Q currency impact of +$0.06 on USD net debt, assuming stable F/X as of June 30, 2015			
Other Items		▪ Tax rate, in line with full-year outlook of 33% ▪ Interest expense, ~$145MM in 3Q2015 ▪ Corporate expense, ~$15MM in 3Q2015			

[1] Includes India

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 Ilim Joint Marketing Agreement (JMA) sales

Strength of International Paper

- ✓ Continuing to perform well, particularly in light of challenges in Brazil and Asia
- ✓ Attractive margins driven by solid execution and IP initiatives
- ✓ Executing well on accretive investment opportunities
- ✓ Significant and reliable FCF generation enables attractive capital allocation strategy

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Appendix

Investor Relations Contacts

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Media Contact

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Free Cash Flow

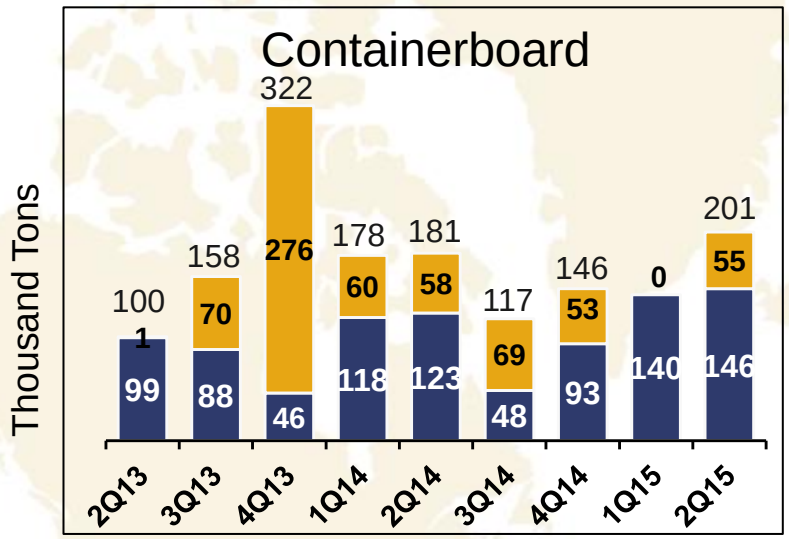
$ Million	2Q14	1Q15	2Q15
Cash Provided by Operations	$734[1]	$638	$865[2]
Less Capital Investment	($357)	($319)	($354)
Free Cash Flow	$377	$319	$511

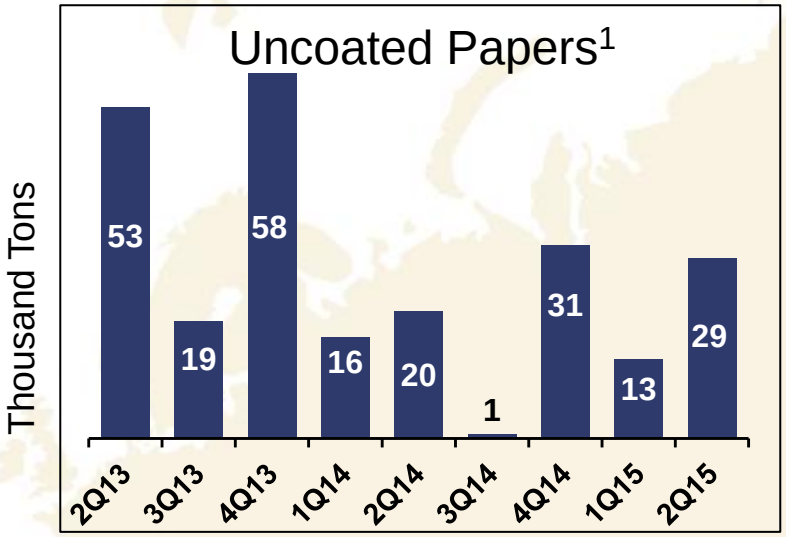
[1] Excludes $205MM cash paid for pension plan contribution
[2] Excludes $750MM cash paid for pension plan contribution

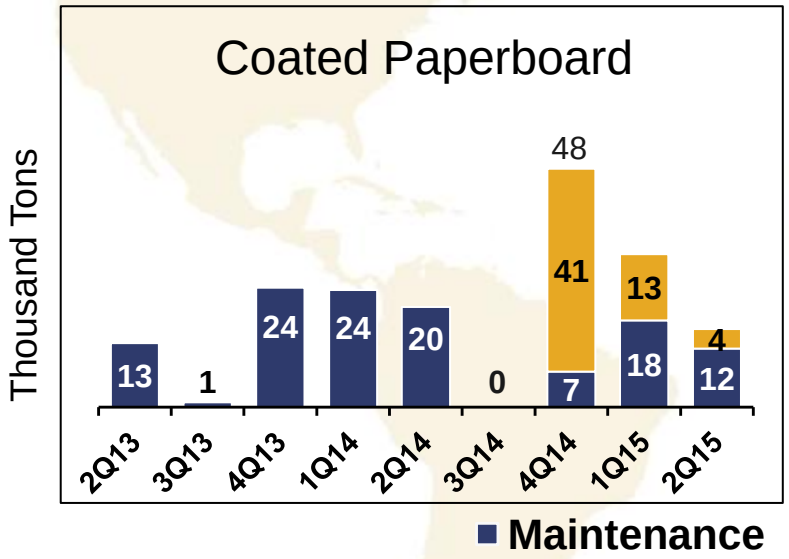
Maintenance Outages Expenses | 2015

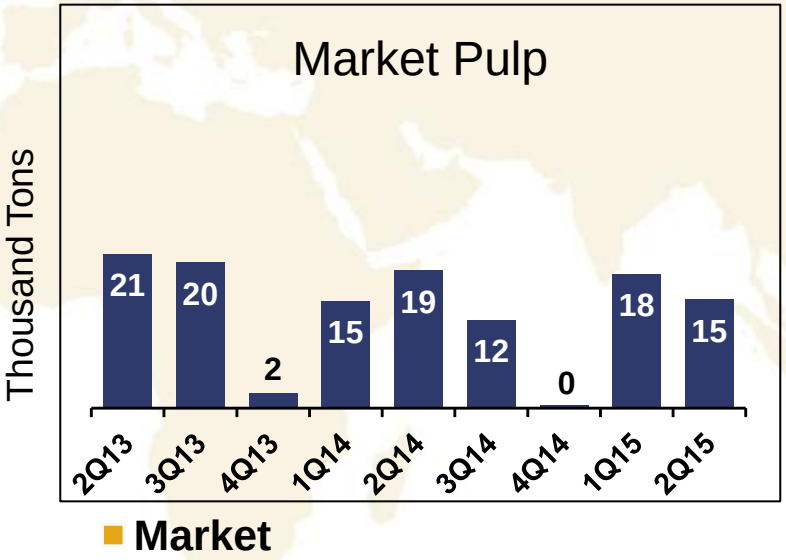
$ Million	1Q15A	2Q15A	3Q15F	4Q15F	2015F
Industrial Packaging	**$63**	**$95**	**$38**	**$65**	**$261**
North America	63	93	37	65	258
Brazil	0	2	1	0	3
Printing Papers Total	**$33**	**$63**	**$34**	**$36**	**$166**
North America	27	41	15	36	119
Europe	0	22	16	0	38
Brazil	6	0	2	0	8
India	0	0	1	0	1
Consumer Packaging	**$15**	**$12**	**$8**	**$17**	**$52**
North America	15	10	4	17	46
Europe	0	2	4	0	4
Total Impact	**$111**	**$170**	**$80**	**$118**	**$479**

North American Downtime









[1]Courtland shutdown of two machines in 4Q13; entire mill shutdown of four machines complete in February 2014

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Special Items Before Tax | Continuing Operations

Special Items Pre-Tax ($ Million)		2Q14	1Q15	2Q15
Industrial Packaging	Acquisition and Integration Costs	$4	-	-
	Other	($1)	-	-
Printing Papers	Courtland Mill Shutdown	($49)	-	-
Consumer Pkg.	Riegelwood Repurposing	-	-	$14
	Other	($1)		($1)
Corporate	Debt Extinguishment	($262)	-	-
	Debt Premium Costs		-	($207)
	Other		-	$4
Total Special Items Before Tax		**($309)**	**$0**	**($190)**

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

Special Items Net of Taxes

	2Q15	
	$ Million	EPS
Earnings Before Special Items and Non-Operating Pension Expense	$409	$0.97
Special Items Net of Taxes:		
Debt Premium Costs	($133)	
Tax Adjustments	($28)	
Riegelwood Repurposing	$9	
Other	$1	
Total Special Items Net of Taxes	($151)	($0.36)
Non-Operating Pension Expense	($31)	($0.07)
Net Earnings	$227	$0.54

2Q15 EBITDA | Integrated Mill Business Margins

	Operating Profit $ Million	D & A $ Million	Tons Thousand	EBITDA per Ton	EBITDA Margin
Industrial Packaging					
North America[1]	$532	$167	3,507	$199	24%
Brazil	($7)	$5	81	($25)	(3%)
Printing Papers					
North America[2]	$31	$19	459	$109	11%
Europe & Russia[3]	$16	$13	300[4]	$97	13%[4]
Brazil	$35	$24	254	$232	28%
India[5]	($3)	$4	63	$16	3%
North America Pulp	$18	$16	328	$104	16%
Consumer Packaging					
North America[6]	$27	$45	371	$194	14%
Europe	$16	$4	89	$225	27%

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	2Q14	1Q15	2Q15
Industrial Packaging	$534	$468	$528
Printing Papers	$118	$109	$101
Consumer Packaging	$34	$46	$34
Operating Profit	**$686**	**$623**	**$663**
Net Interest Expense	($164)	($137)	($144)
Noncontrolling Interest / Equity Earnings Adjustment	$2	$1	($5)
Corporate Items	($2)	($9)	($8)
Non-Operating Pension Expense	($61)	($72)	($50)
Special Items	($309)	$0	($190)
Net Earnings from continuing operations before income taxes, equity earnings & noncontrolling interest	**$152**	**$406**	**$266**
Equity Earnings(Loss), net of taxes – Ilim	**$43**	**$39**	**$67**

Geographic Business Segment Operating Results

$ Million	Sales			Operating Profit		
	2Q14	1Q15	2Q15	2Q14	1Q15	2Q15
Industrial Packaging						
North America	$3,210	$3,063	$3,205	$523	$468	$533
Europe	$339	$282	$277	$10	$4	$4
Brazil	$97	$62	$63	$1	($3)	($7)
Asia	$154	$146	$149	$0	($1)	($2)
Printing Papers						
North America	$500	$482	$471	$33	$34	$31
Europe	$380	$293	$312	$20	$35	$20
Brazil	$262	$197	$210	$53	$37	$35
Asia / India	$60	$47	$45	($2)	($2)	($3)
N.A. Pulp	$219	$209	$211	$14	$5	$18
Consumer Packaging						
North America	$505	$470	$500	$22	$22	$27
Europe	$85	$83	$75	$11	$25	$16
Asia (Sun JV)	$253	$225	$222	$1	($1)	($9)

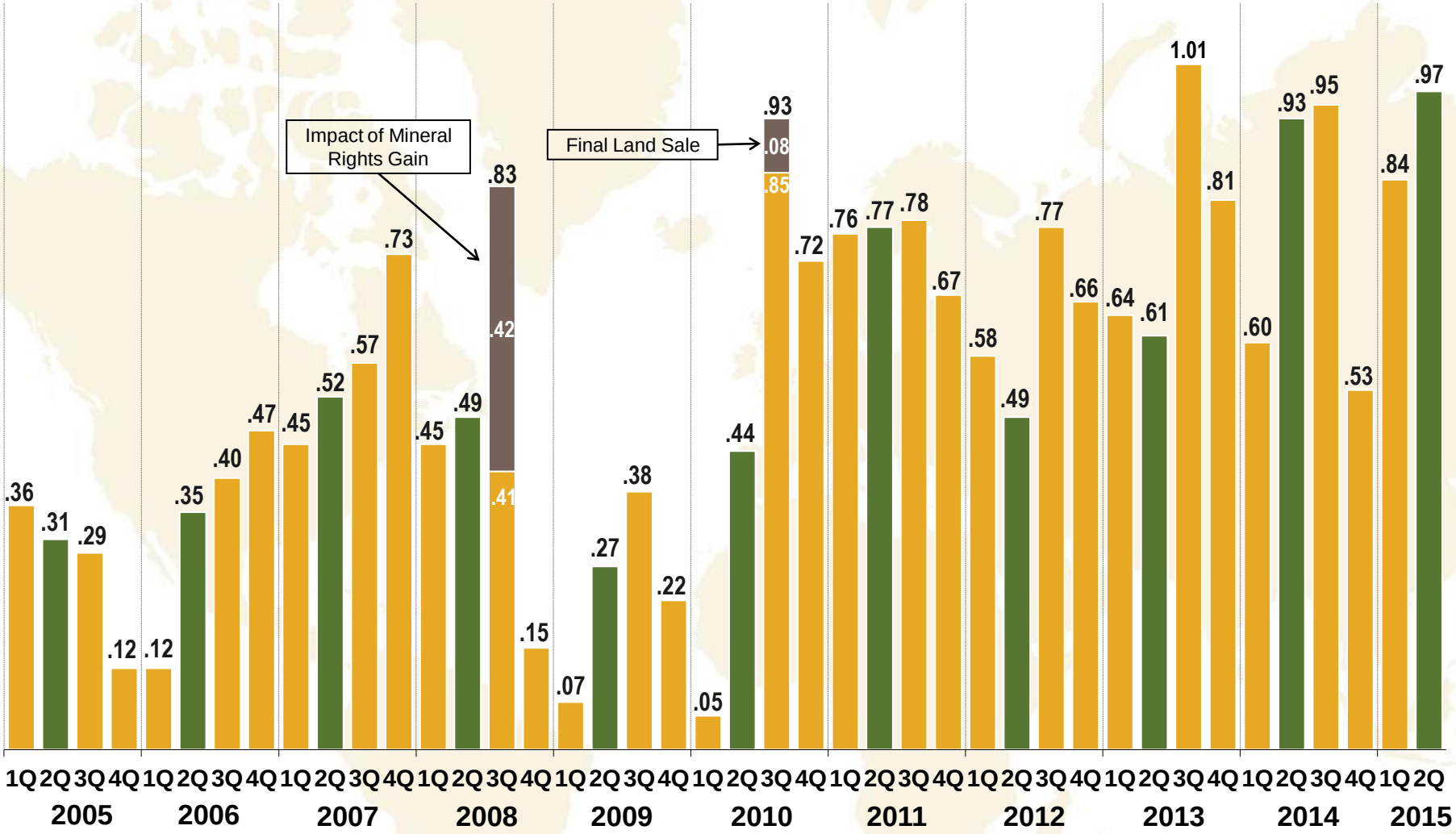
Does not reflect total company sales

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
2Q15	$506	($168)	$9	$62	$409	422	$0.97
Non-Operating Pension Expense							
1Q15	($72)	$28	$0	$0	($44)	424	($0.10)
2Q15	($50)	$19	$0	$0	($31)	422	($0.07)
Net Special Items							
1Q15	$0	$0	$0	$0	$0	424	$0.00
2Q15	($190)	$39	$0	$0	($151)	422	($0.36)
Net Earnings from Continuing Operations							
1Q15	$406	($130)	$2	$35	$313	424	$0.74
2Q15	$266	($110)	$9	$62	$227	422	$0.54

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

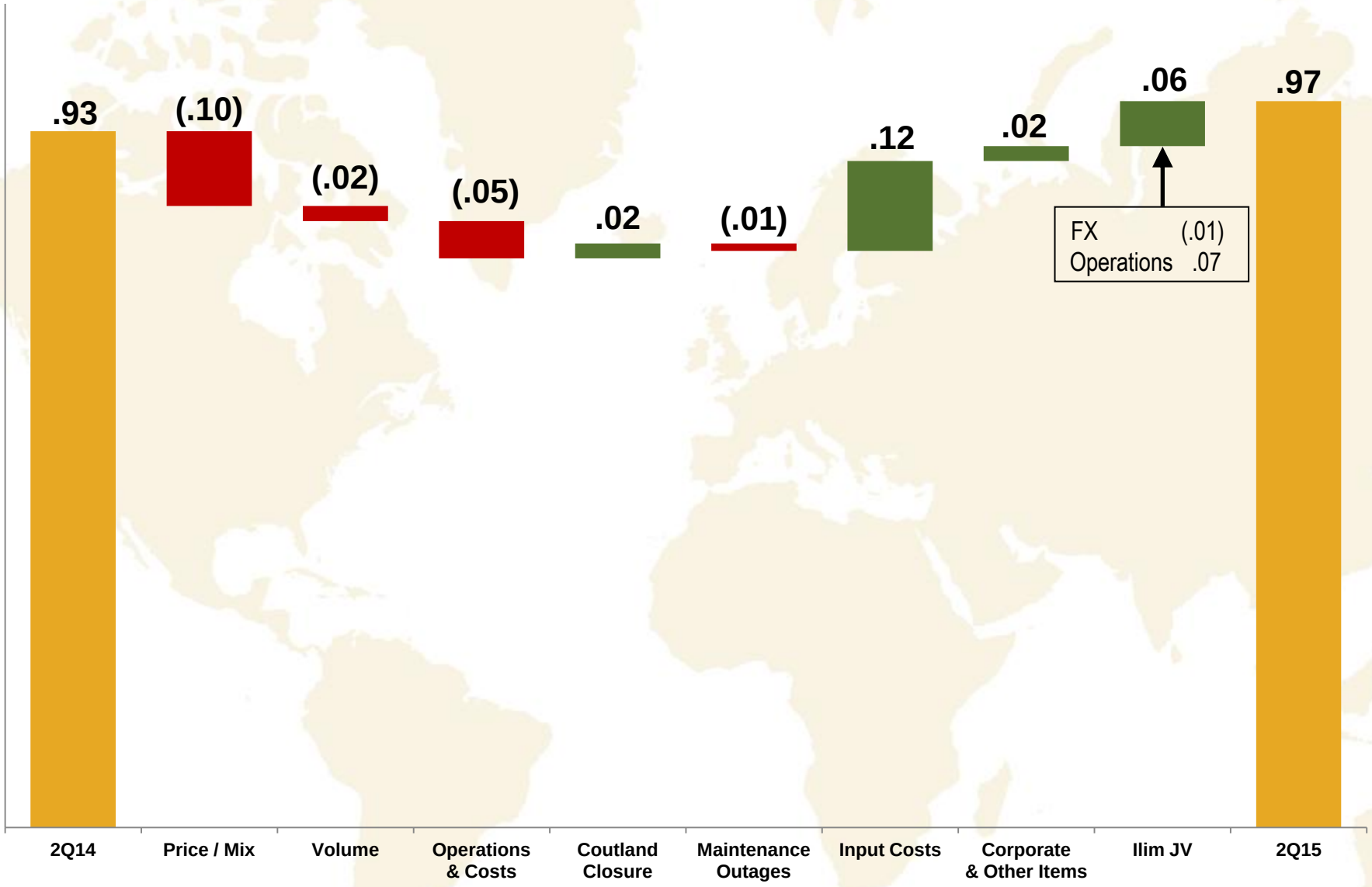
Operating Business EPS



2005-2006 as originally reported
2007-2011 adjusted for elimination of the Ilim JV reporting lag
2005-2010 Net Earnings from continuing operations and before special items; 2010 onward reflects Operating Earnings
xpedx is reflected as a Discontinued Operation from 2010 forward.

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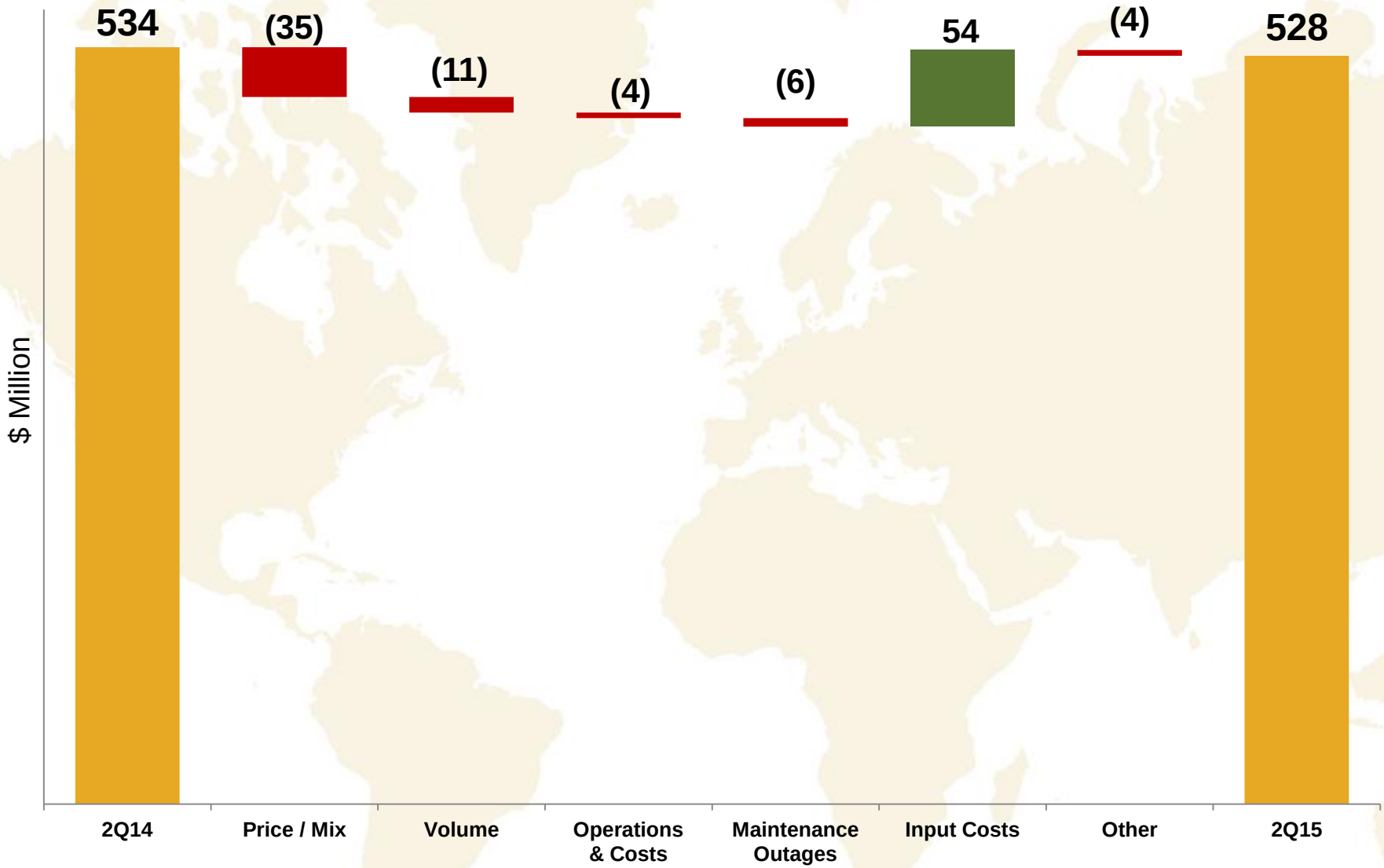
2Q15 vs. 2Q14 EPS



Operating Earnings

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Industrial Packaging | 2Q15 vs. 2Q14



Segment operating profit before special items

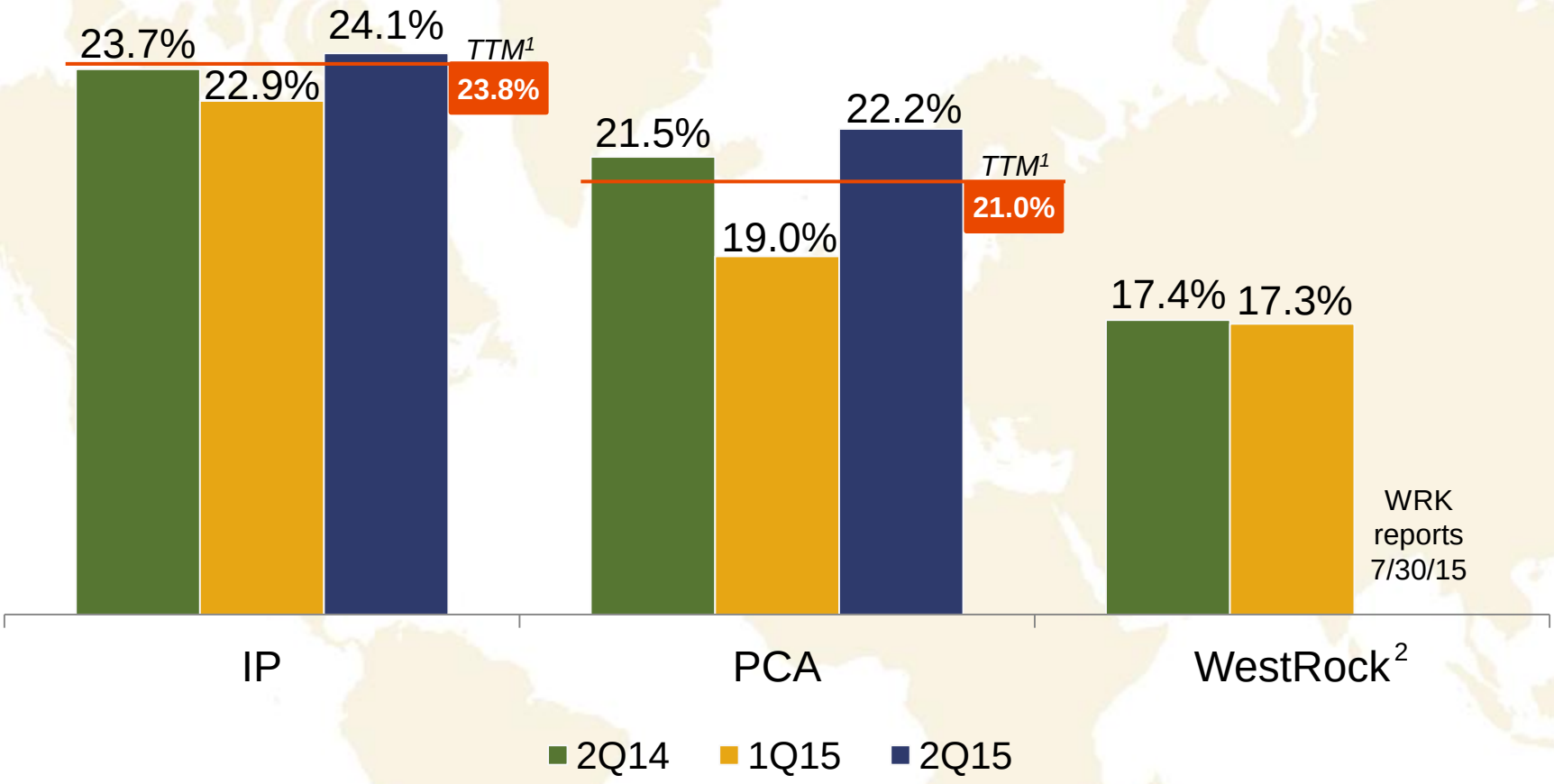
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	2Q15 vs. 1Q15		2Q15 vs. 2Q14	
Business	**Volume**	**Price / Ton**	**Volume**	**Price / Ton**
N.A. Container[1]	**3%**	**($1)**	**(1%)**	**($7)**
European Container	**2%**	**€3**	**2%**	**(€4)**

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

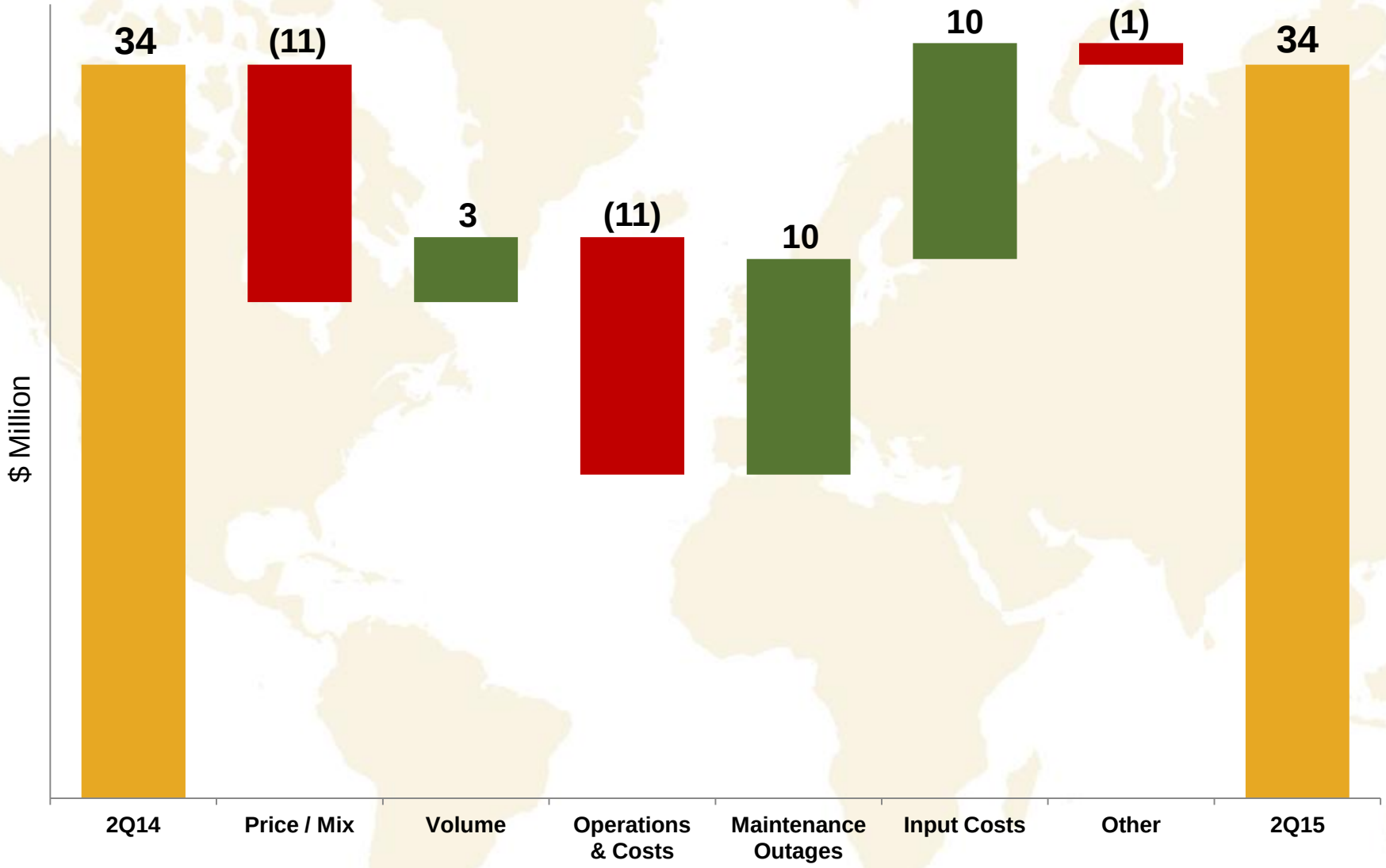
[1] Corrugator plant sales on FBA shipping day basis

NA Industrial Packaging Relative EBITDA Margins



[1] Trailing twelve months
[2] RockTenn margins prior to 2Q15
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 | 2Q15 vs. 2Q14



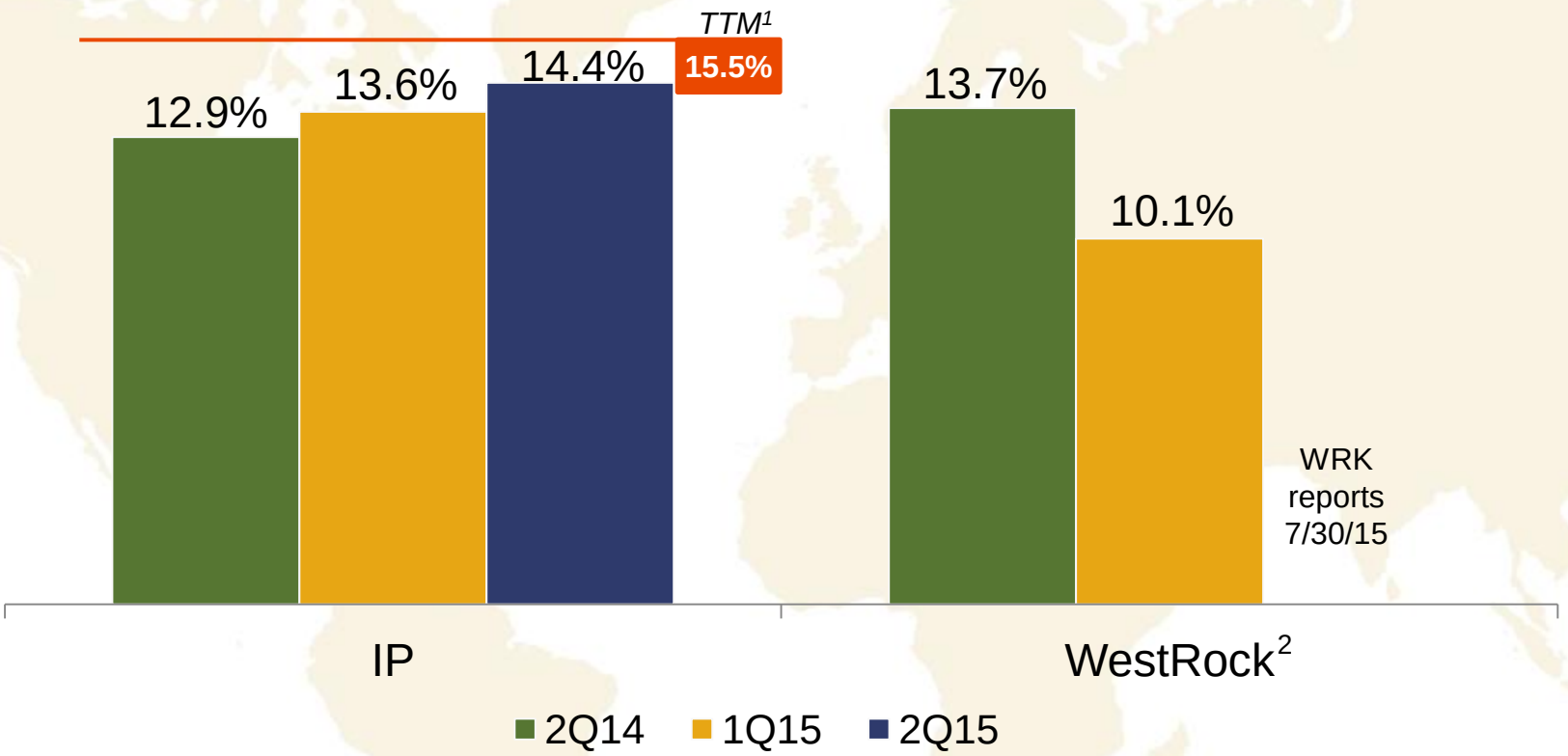
Segment operating profit before special items

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	2Q15 vs. 1Q15		2Q15 vs. 2Q14	
	Volume	Price/Ton	Volume	Price/Ton
NA Coated Paperboard	6%	($19)	(3%)	$1
	Revenue	Price	Revenue	Price
Foodservice	8%	NA	6%	NA

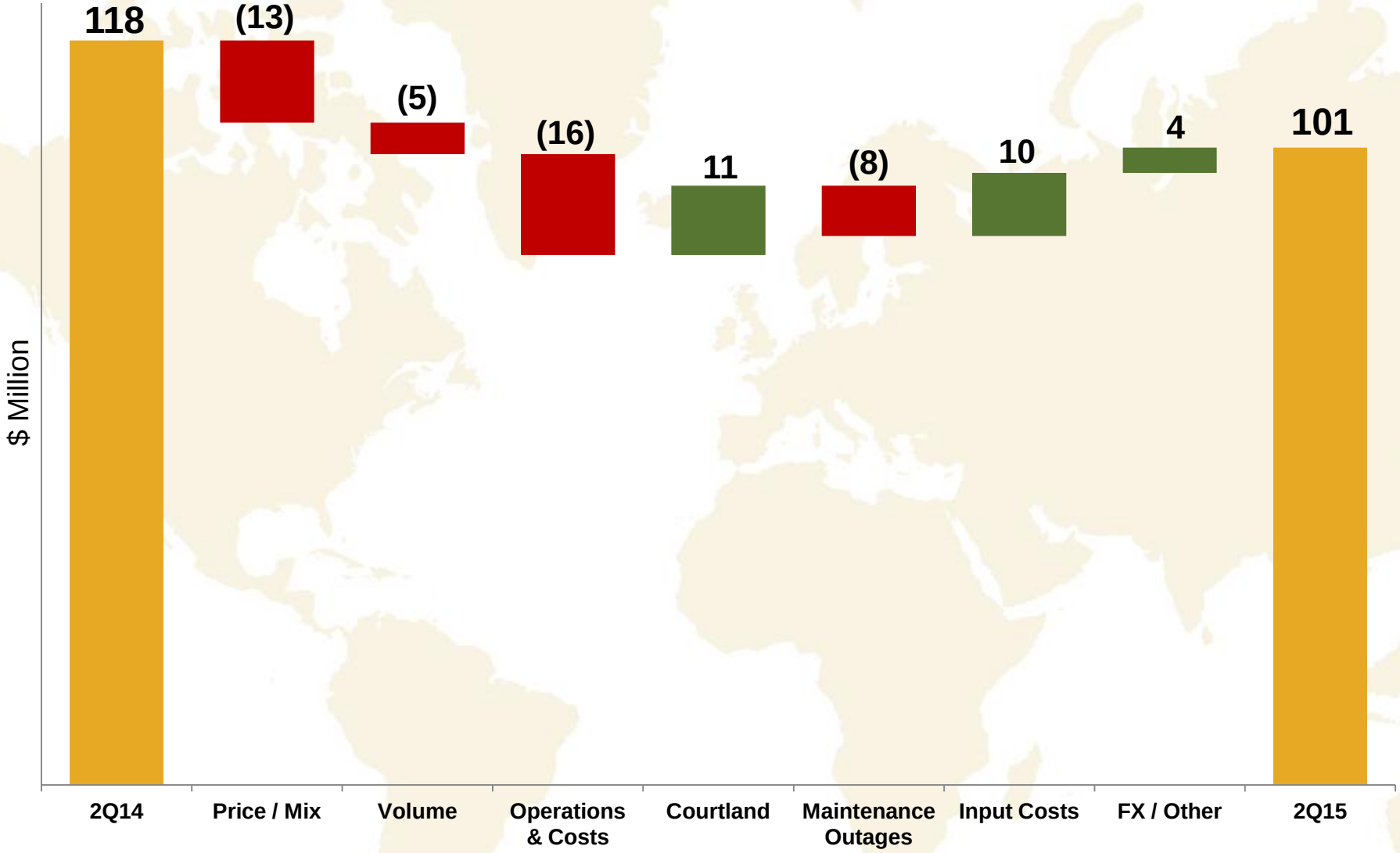
Average IP price realization (includes the impact of mix across all grades)

NA Consumer Packaging Relative EBITDA Margins



[1] Trailing twelve months
[2] MWV margins prior to 2Q15
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 | 2Q15 vs. 2Q14



Segment operating profit before special items

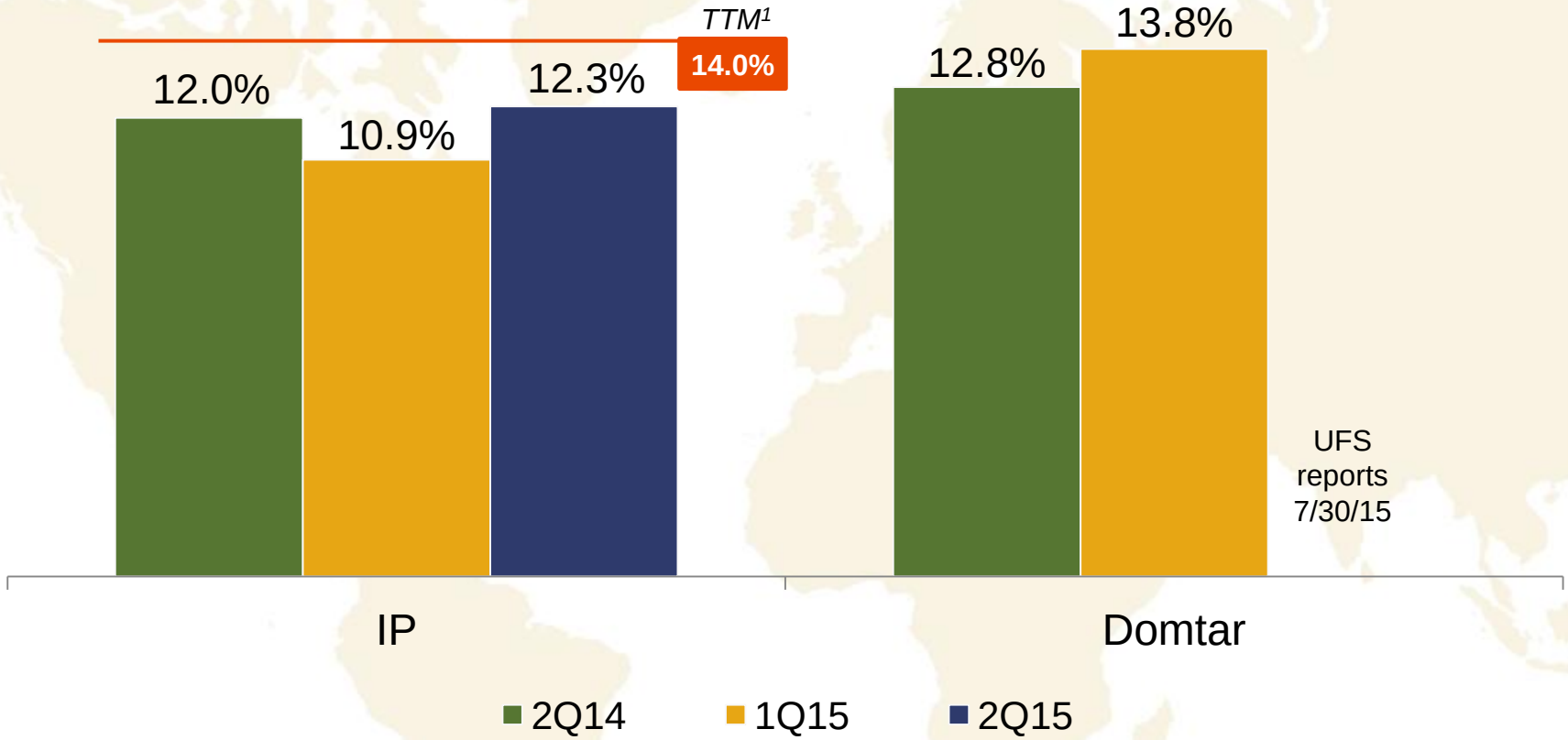
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Printing Papers | Volume and Pricing Trends

	2Q15 vs. 1Q15		2Q15 vs. 2Q14	
Business	**Volume**	**Price / Ton**	**Volume**	**Price / Ton**
NA Paper	**(3%)**	**$7**	**(5%)**	**($9)**
NA Pulp[1]	**Flat**	**$8**	**(2%)**	**($9)**
European Paper[2]	**Flat**	**€5**	**2%**	**(€19)**

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

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$ Million	2Q14	1Q15	2Q15
Sales	$262	$197	$210
Earnings	$53	$37	$35
EBITDA Margin	32%	31%	28%

	2Q15 vs. 1Q15		2Q15 vs. 2Q14	
Uncoated Freesheet	Volume	Price/Ton	Volume	Price/Ton
Domestic (BRL)	0%	R$22	(13%)	R$143
Export (USD)	15%	($11)	(1%)	($66)

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**

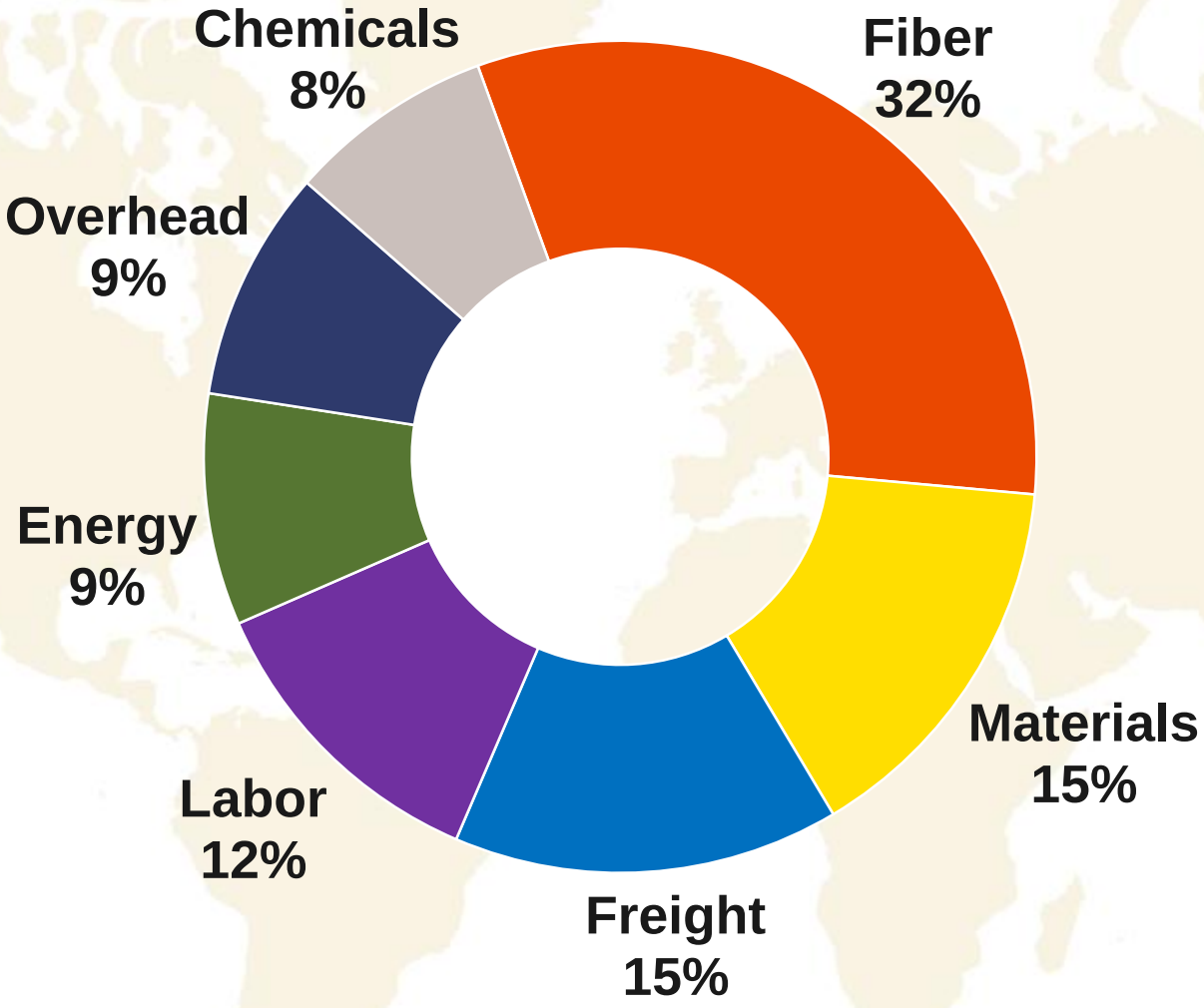
Ilim JV results are IFRS basis.
IP Equity Earnings (loss) on US GAAP basis.
[1]Represents F/X impact primarily related to Ilim JV USD-denominated net debt (balance of ~$1.3B at year end 2014)

Ilim Joint Venture | Volume and Pricing Trends

	2Q15 vs. 1Q15		2Q15 vs. 2Q14	
Business	**Volume**	**Price/Ton**	**Volume**	**Price/Ton**
Pulp	**3%**	**($2)**	**12%**	**($60)**

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

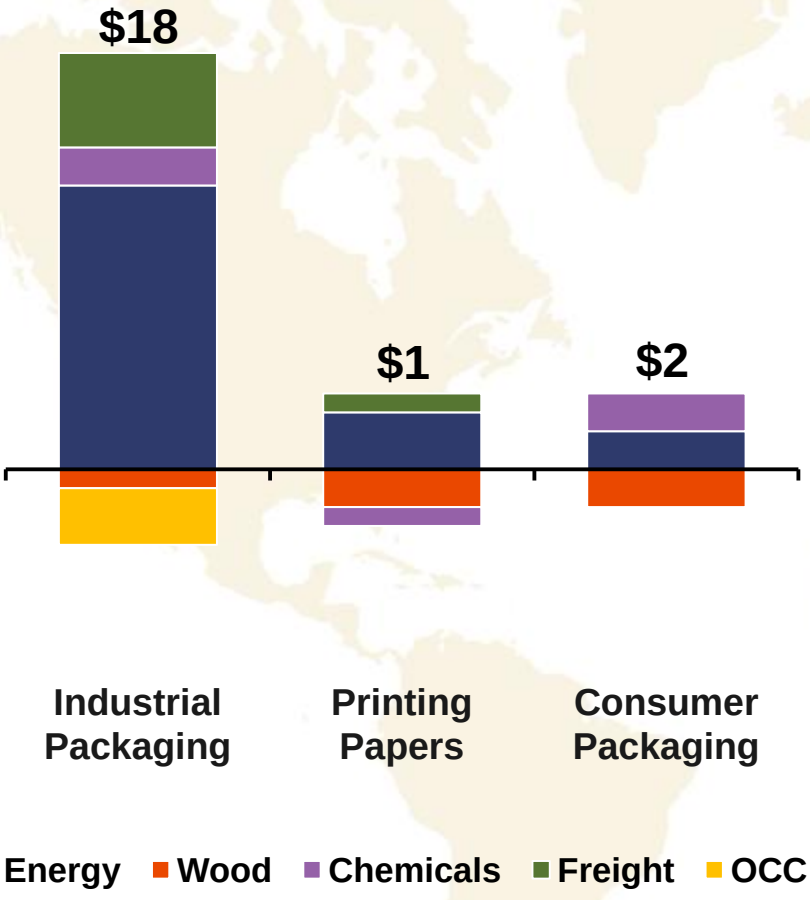
Total Cash Cost Components | 2Q15 YTD



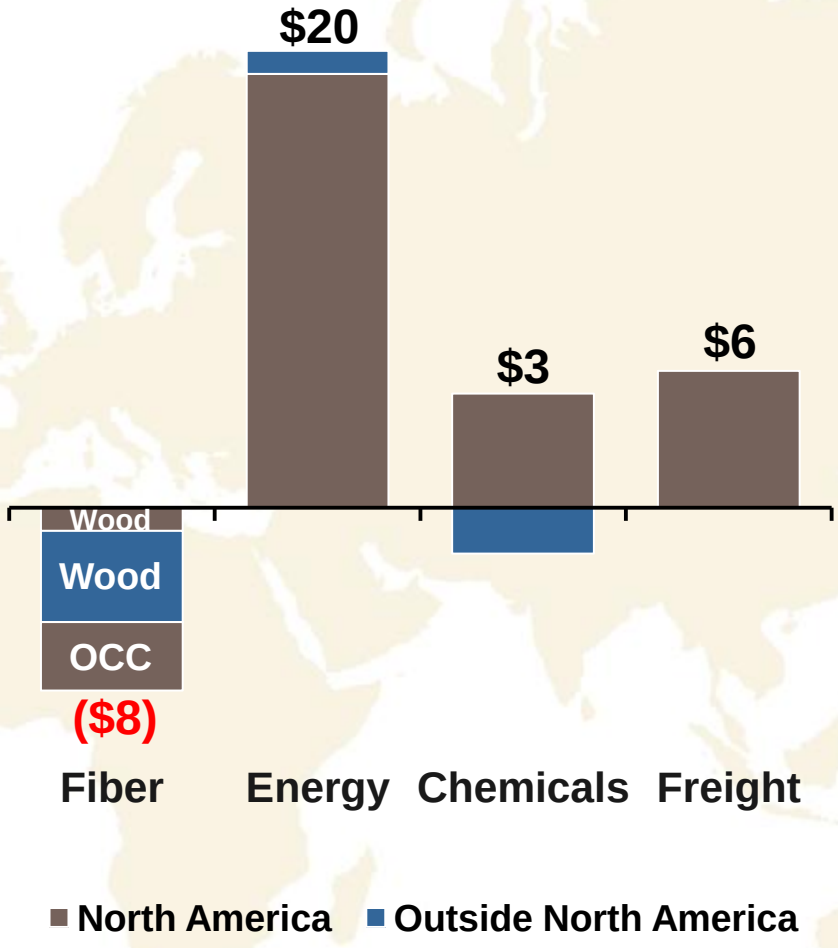
North American mills only

Global Input Costs vs. 1Q15 | $21MM Favorable, or $0.03/Share

By Business



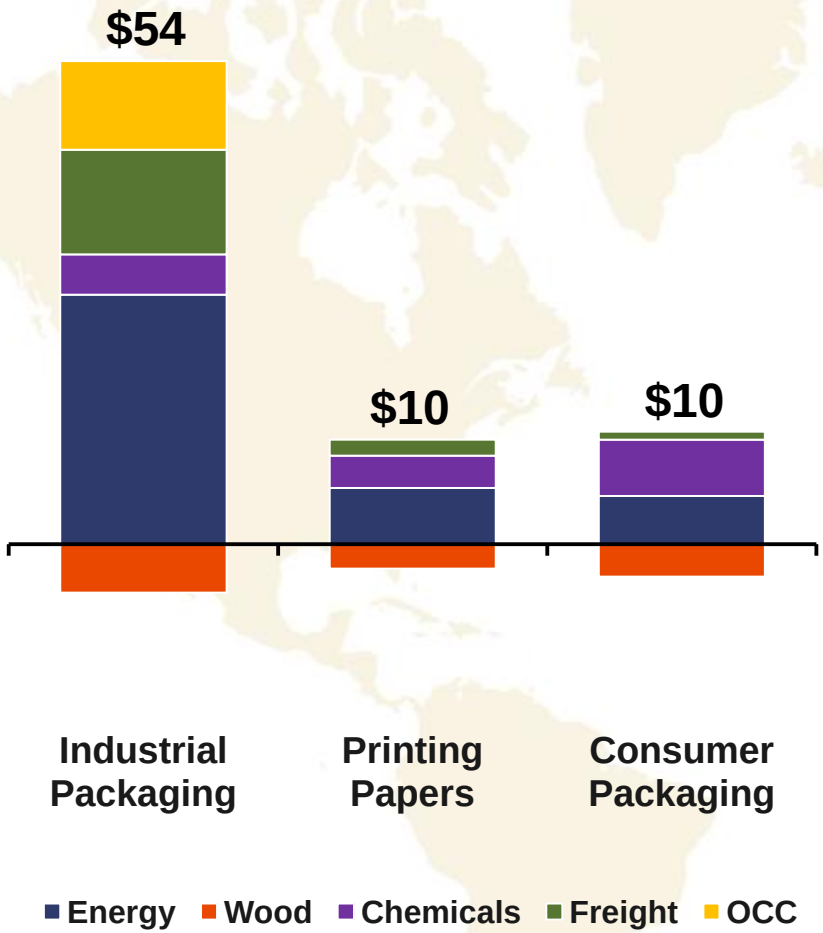
By Input Type



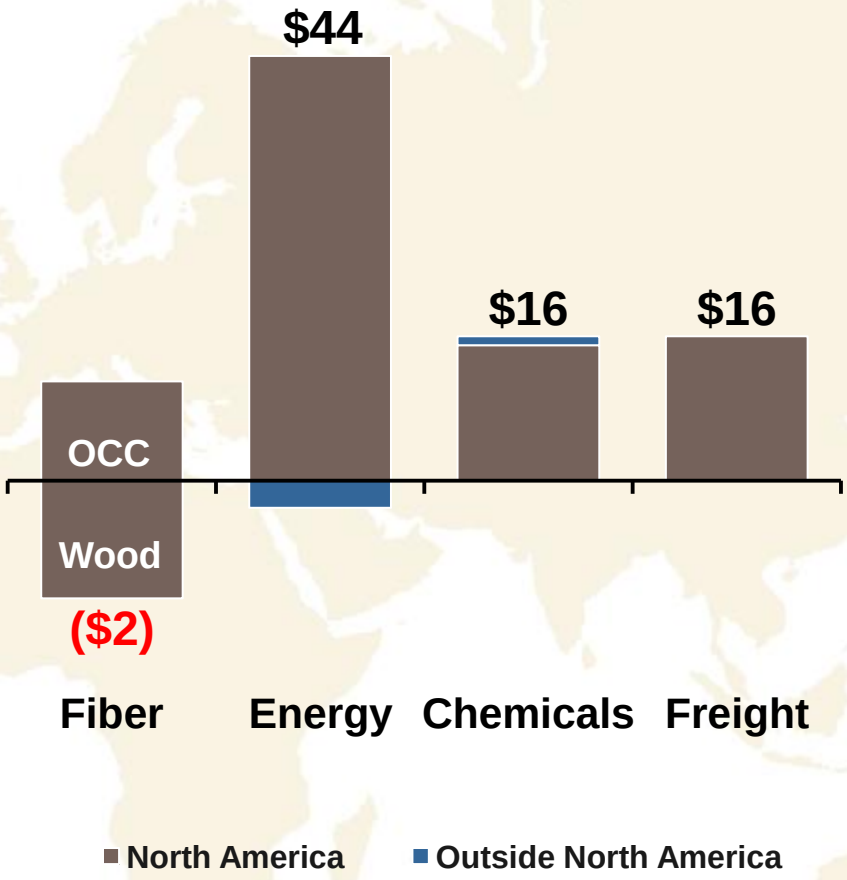
Input costs ($MM) for continuing businesses

Global Input Costs vs. 2Q14 | $74MM Favorable, or $0.12/Share

By Business



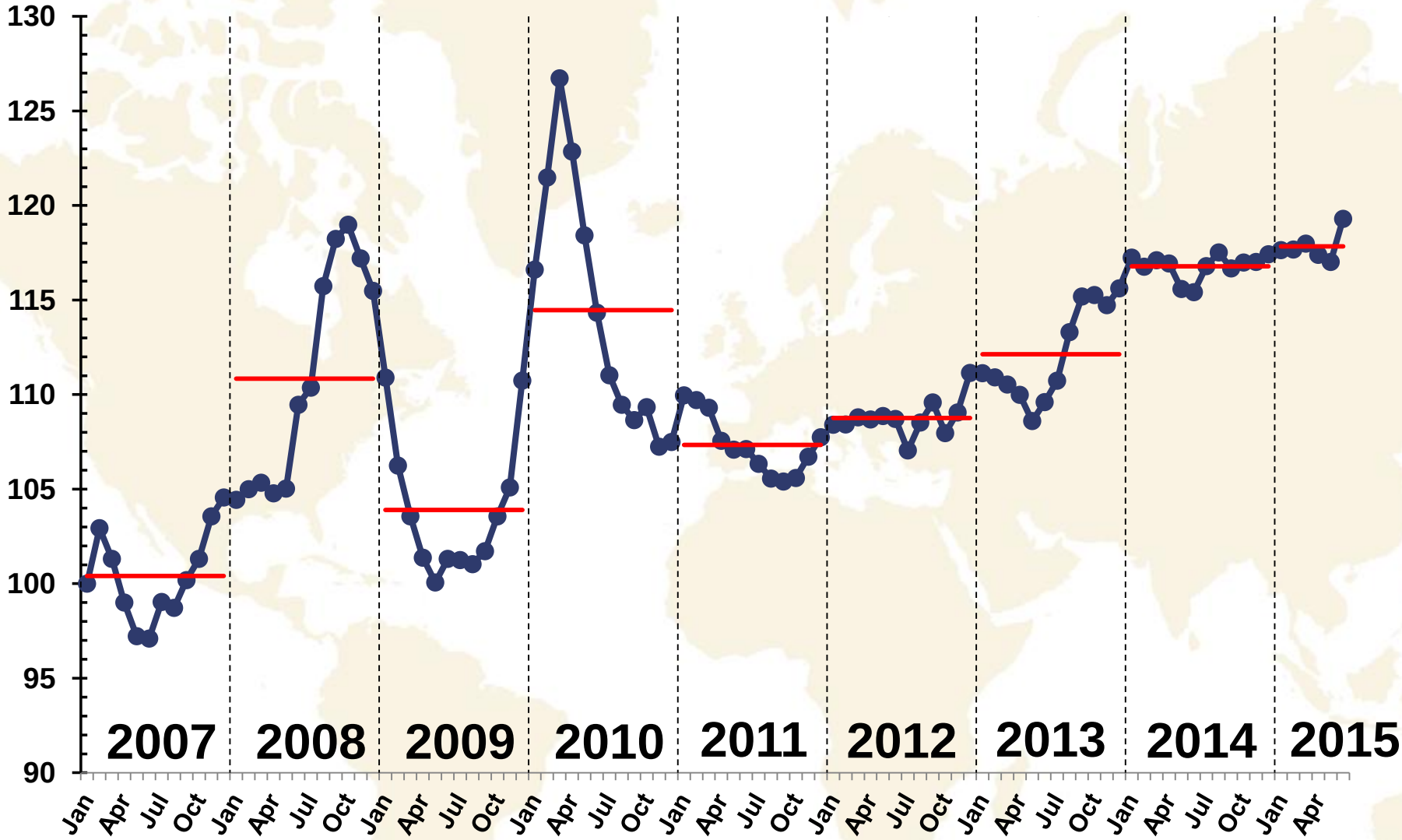
By Input Type



Input costs ($MM) for continuing businesses

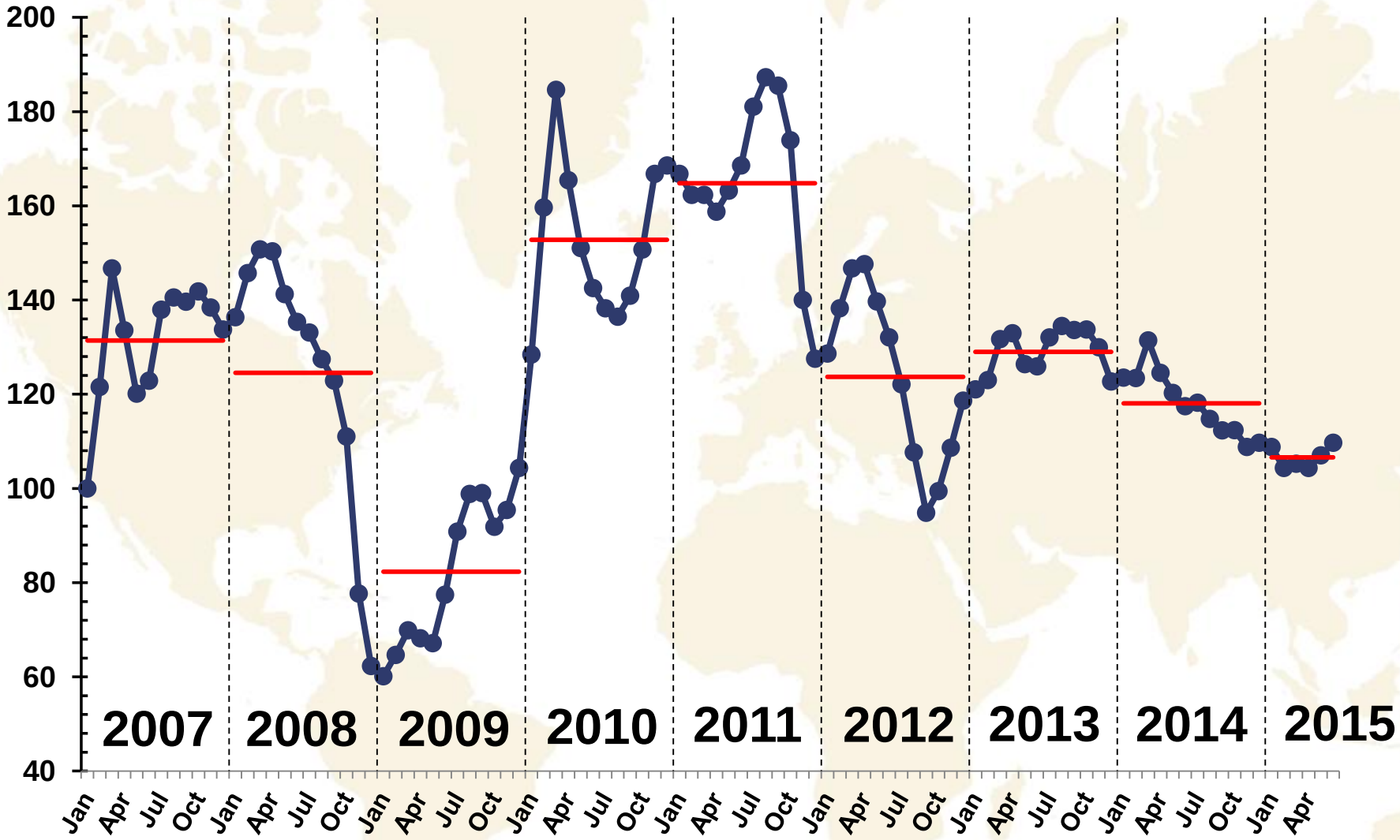
INTERNATIONAL PAPER

U.S. Mill Wood Delivered Cost Trend | Flat vs. 1Q15 Average Cost



Cost Indexed to January 2007 values

U.S. OCC Delivered Cost Trend | 1% Increase vs. 1Q15 Average Cost



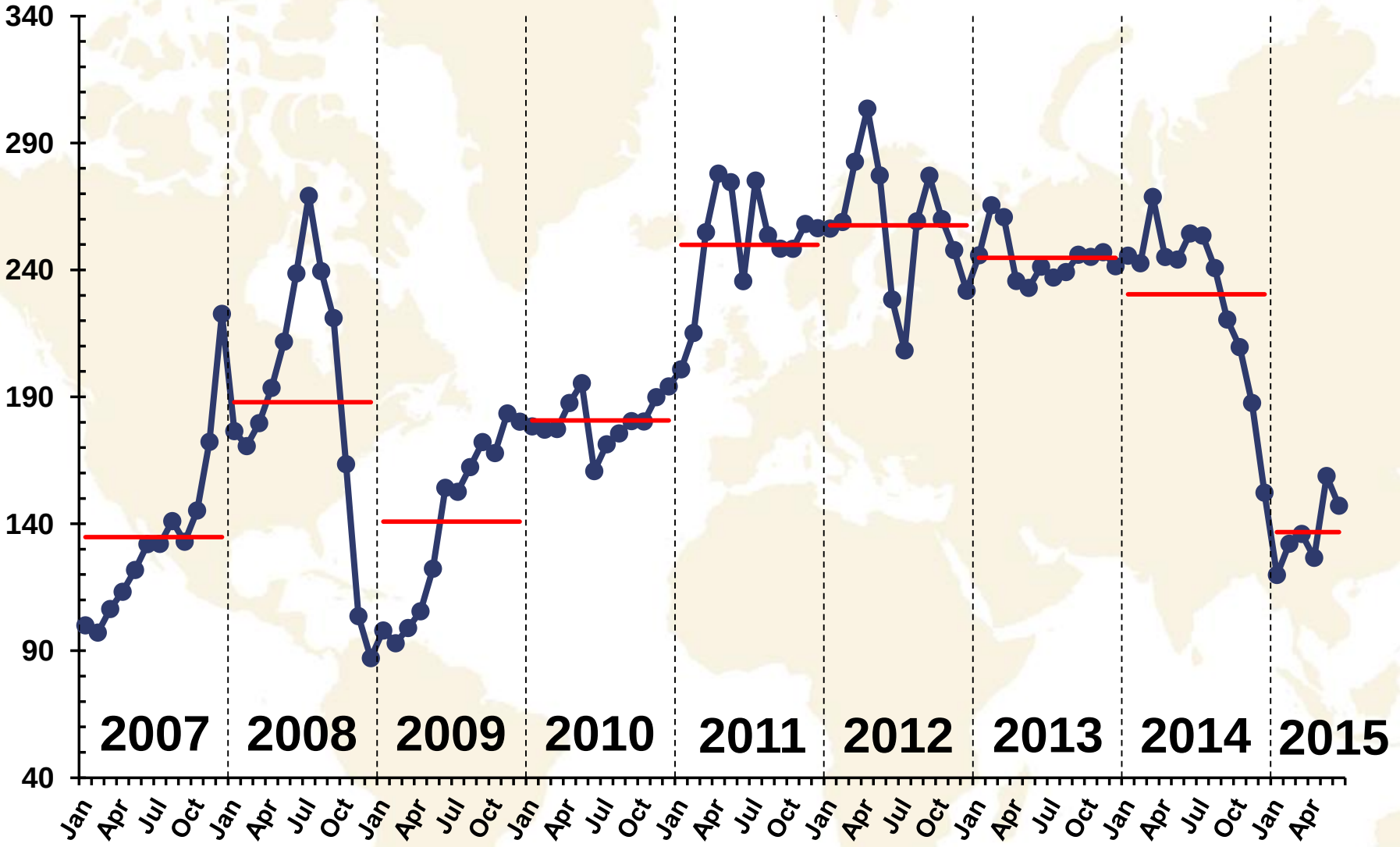
Cost Indexed to January 2007 values

Natural Gas Costs Trend | 20% Decrease vs. 1Q15 Average Cost



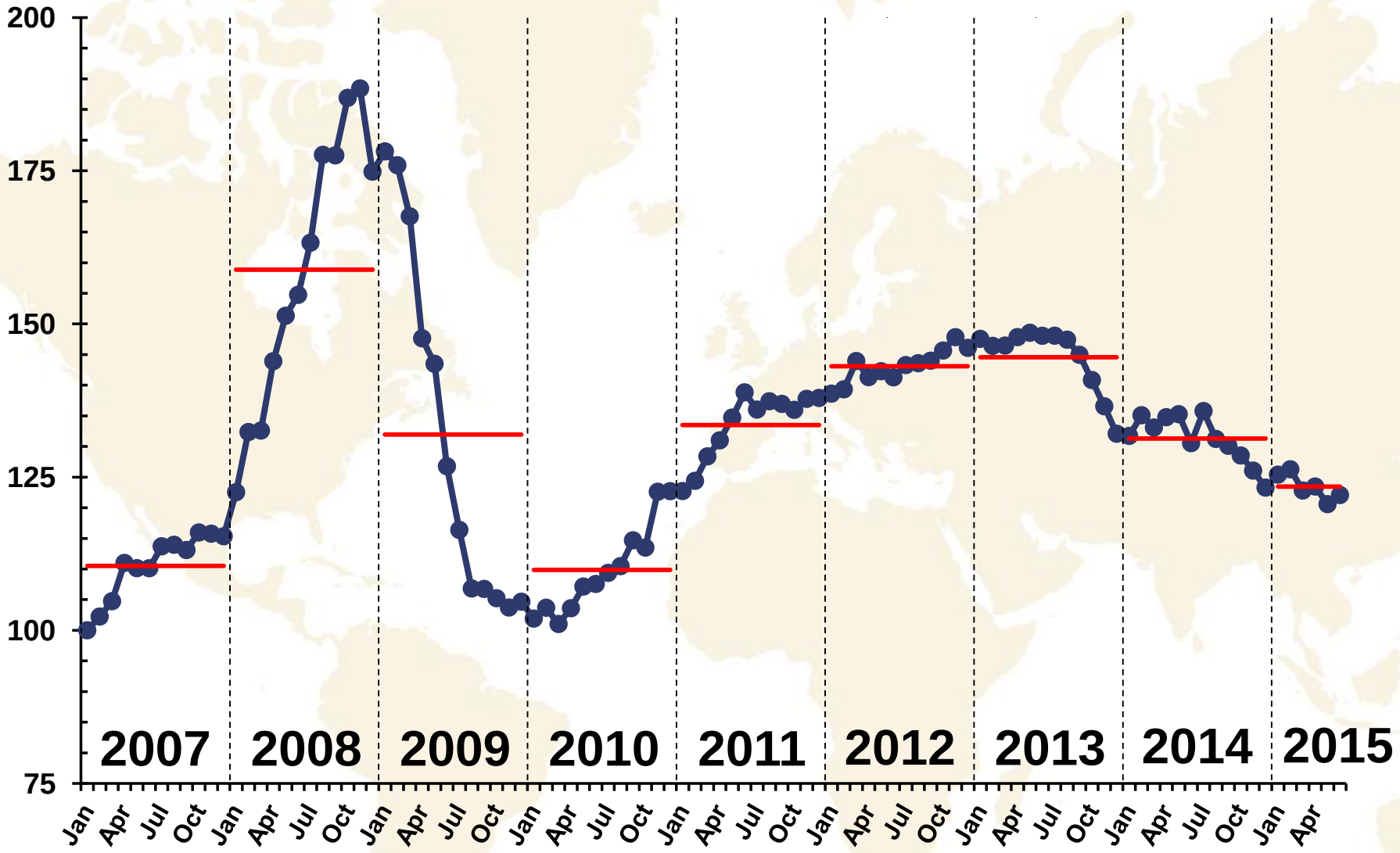
Cost Indexed to January 2007 values
NYMEX Natural Gas closing prices

U.S. Fuel Oil Trend | 11% Increase vs. 1Q15 Average Cost



Cost Indexed to January 2007 values
WTI Crude prices

U.S. Chemical Composite Index Trend | 2% Decrease vs. 1Q15 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)	69,000,000	11,000,000
	Fuel Oil (Barrels)	700,000	380,000
	Coal (Tons)	350,000	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)	20,000	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