Third Quarter 2015 Earnings | October 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; (vii) successful completion of the expected fourth-quarter 2015 extension of the loan agreements used to monetize the installment notes received in connection with our 2006 sale of forestlands; (viii) the execution of a definitive agreement to sell our corrugated box business in China and South East Asia, and the successful closing of the transaction within the estimated timeframe; and (ix) 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

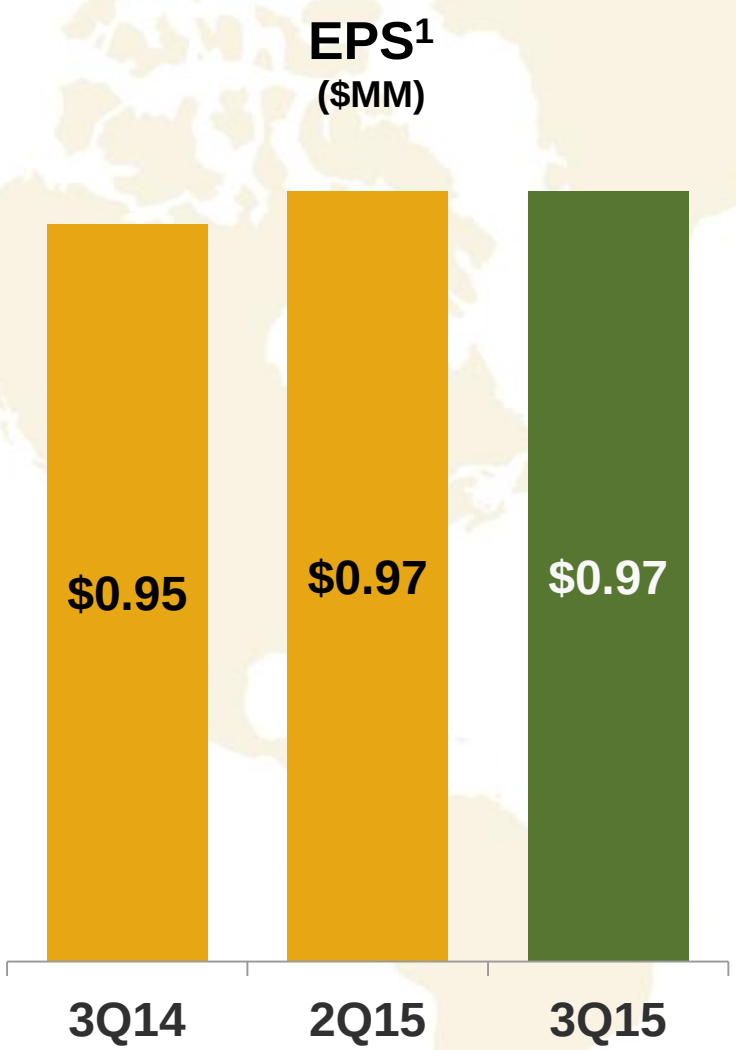
During the course of this presentation, certain non-U.S. GAAP financial information will be presented.

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 2015 Results

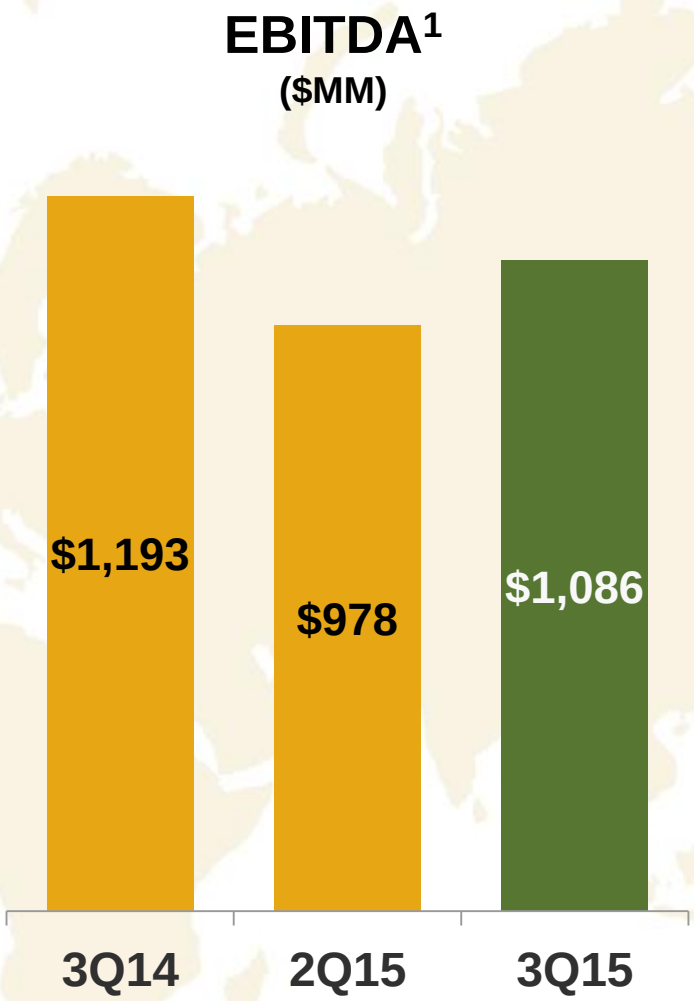


- Solid results overall for the quarter, driven by continued strength of NA Industrial Packaging with 25% EBITDA margins
- Ilim JV continues strong performance
  - Record operational EBITDA results
  - IP received $35MM dividend
- ROIC YTD of 10%+
- Dividend increase along with strengthened payout policy
- Completed restructuring of 2006 timber monetization
- Deal to sell IP's 55% equity interest in Sun JV – closing in progress

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

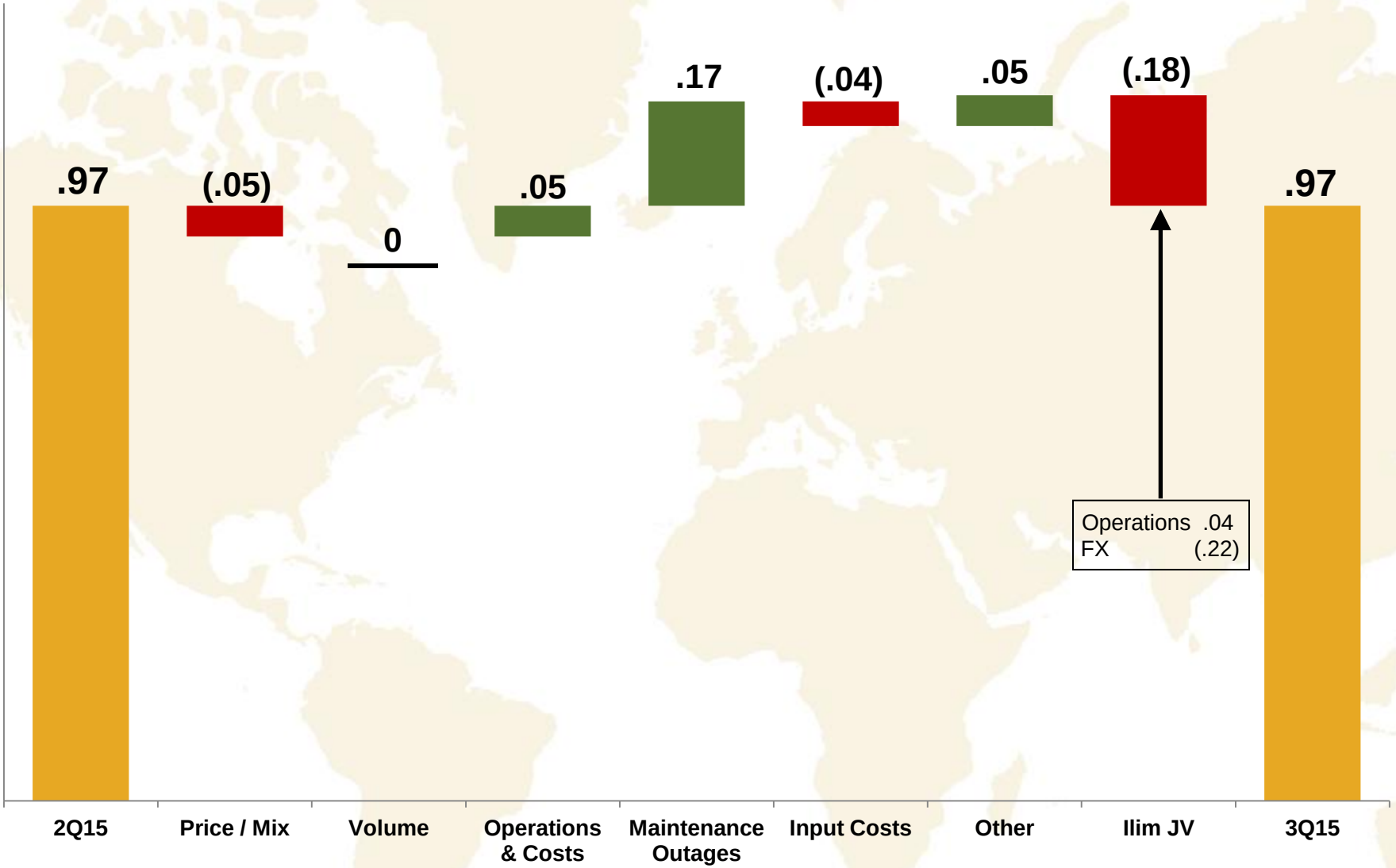
3Q15 Financial Results

	3Q14	2Q15	3Q15
Sales ($B)	$6.1	$5.7	$5.7
EBIT[1] ($MM)	$835	$650	$757
EPS[2]	$0.95	$0.97	$0.97
EPS impact of Ilim F/X[3] – IP Share	($0.19)	$0.06	($0.15)
EBITDA[1] ($MM)	$1,193	$978	$1,086
EBITDA Margin[1]	19.7%	17.1%	19.1%
Free Cash Flow[4] ($MM)	$696	$511	$512



[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 3Q2015)
[4] See slide #21 for a reconciliation of cash provided by operations to free cash flow

3Q15 vs. 2Q15 EPS



Operating Earnings

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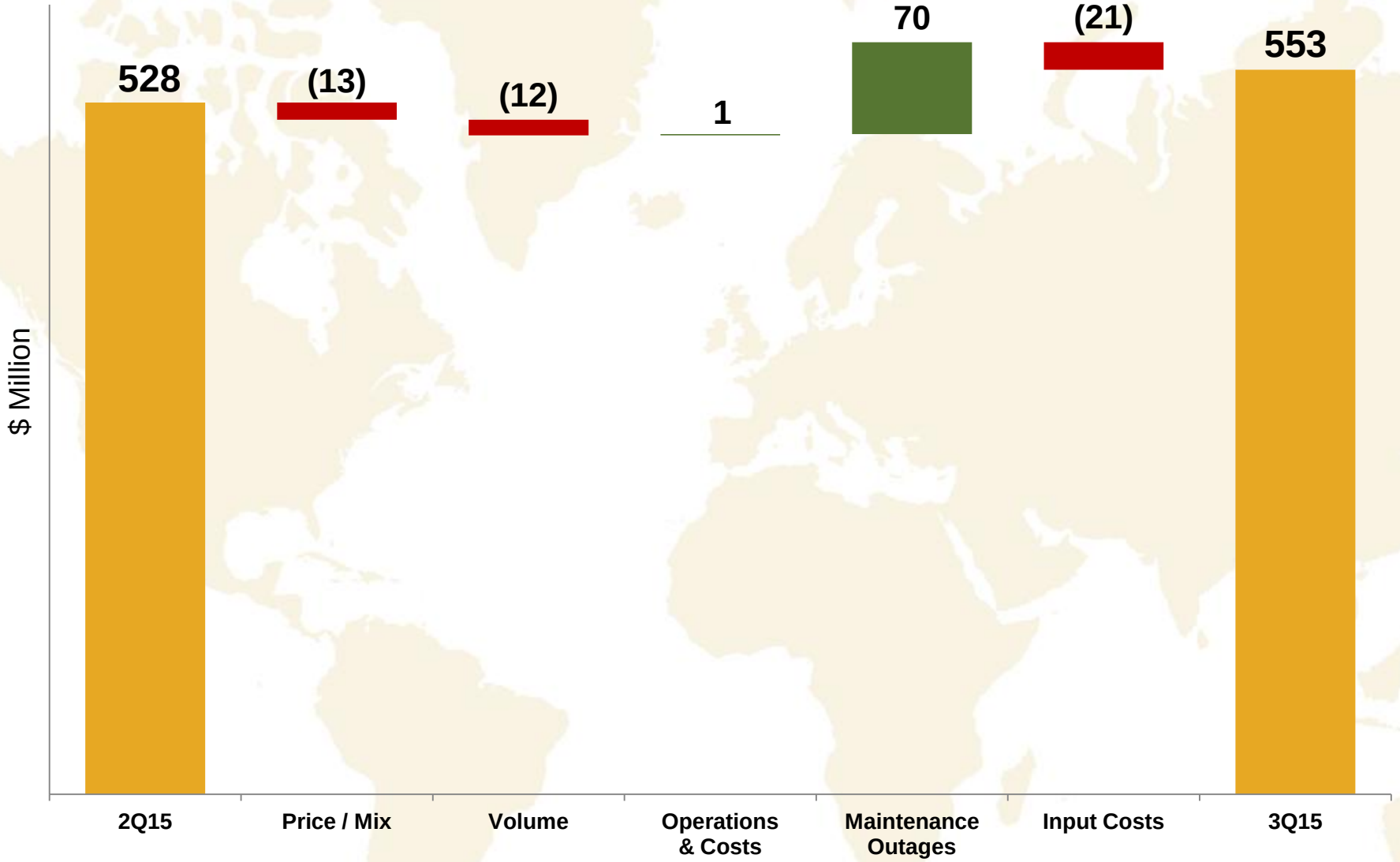
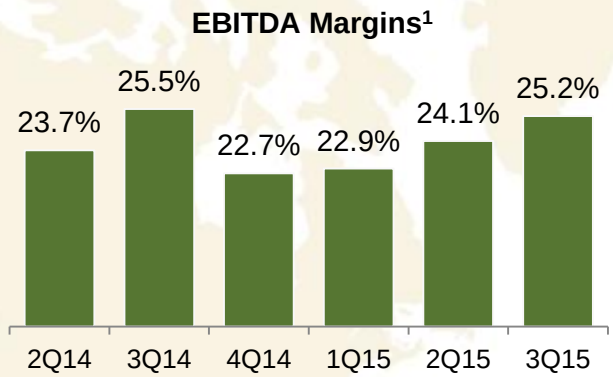
Industrial Packaging | 3Q15 vs. 2Q15



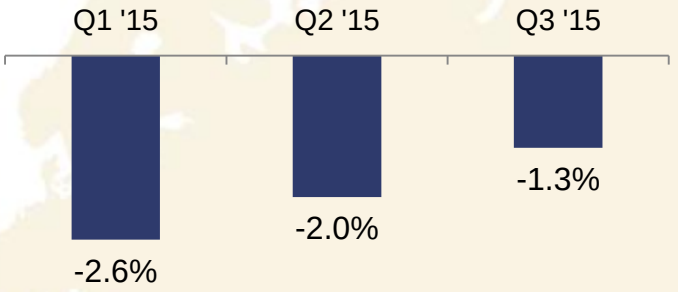
Segment operating profit before special items

3Q15 Highlights

✓ Strong and sustainable margins



✓ Good momentum closing volume gap vs. industry shipments



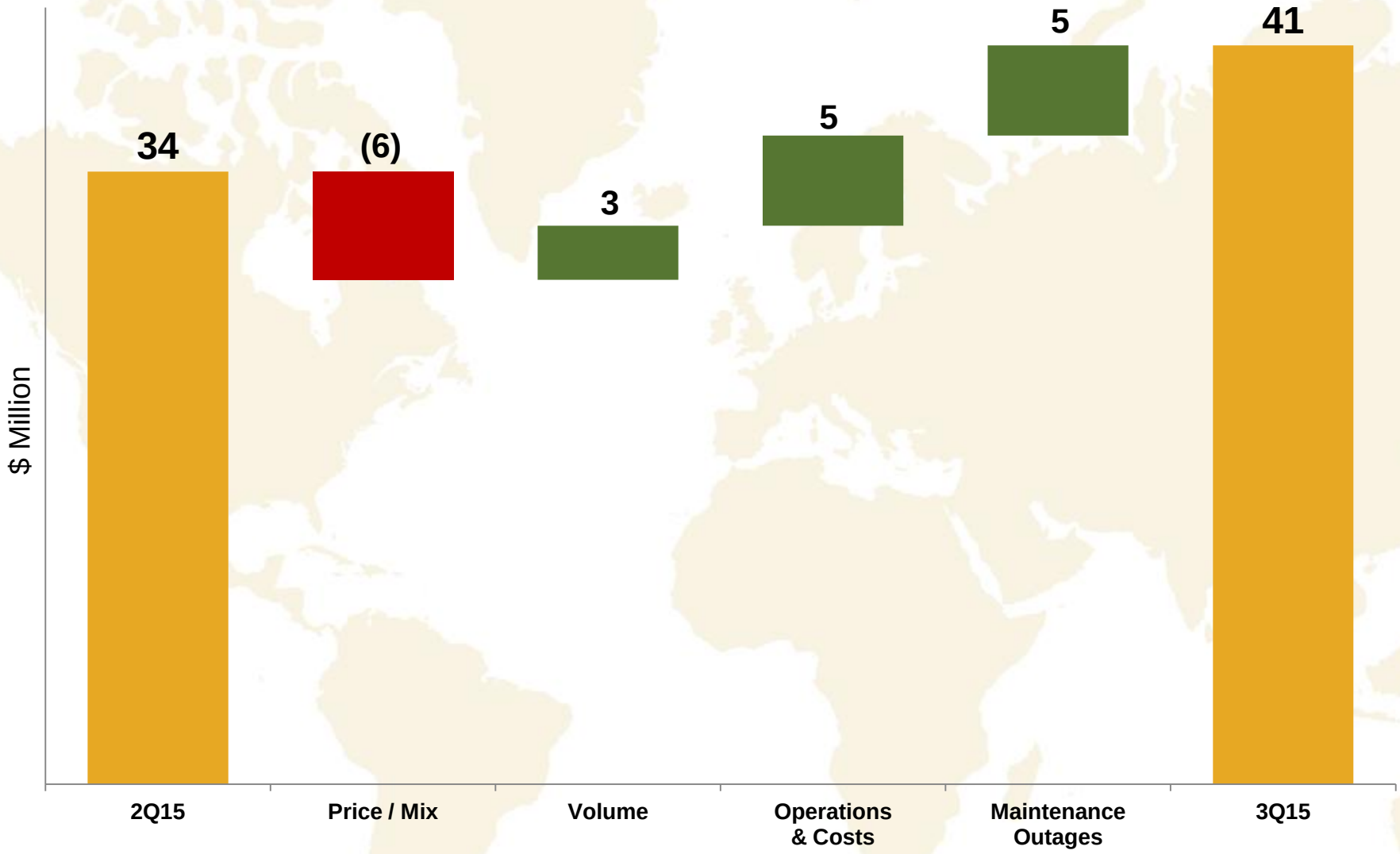
Source: FBA, IP Analysis

✓ Improved demand in key segments IP serves

Shipping & Distribution	↑	Online retail significantly outpacing growth in other segments
Agriculture	↑	Consumer preference toward fresh / healthy foods driving continued growth
Beverage	↑	Volume growth in U.S. market
Protein	→	Trending recovery in poultry / export bans lifted in September
Processed Foods	↘	Changing consumer trends / shift toward healthy and fresh options

[1] IP EBITDA margins based on operating profit before special items; Excludes the Recycling Business and revenue from trade volumes

Consumer Packaging | 3Q15 vs. 2Q15



Segment operating profit before special items

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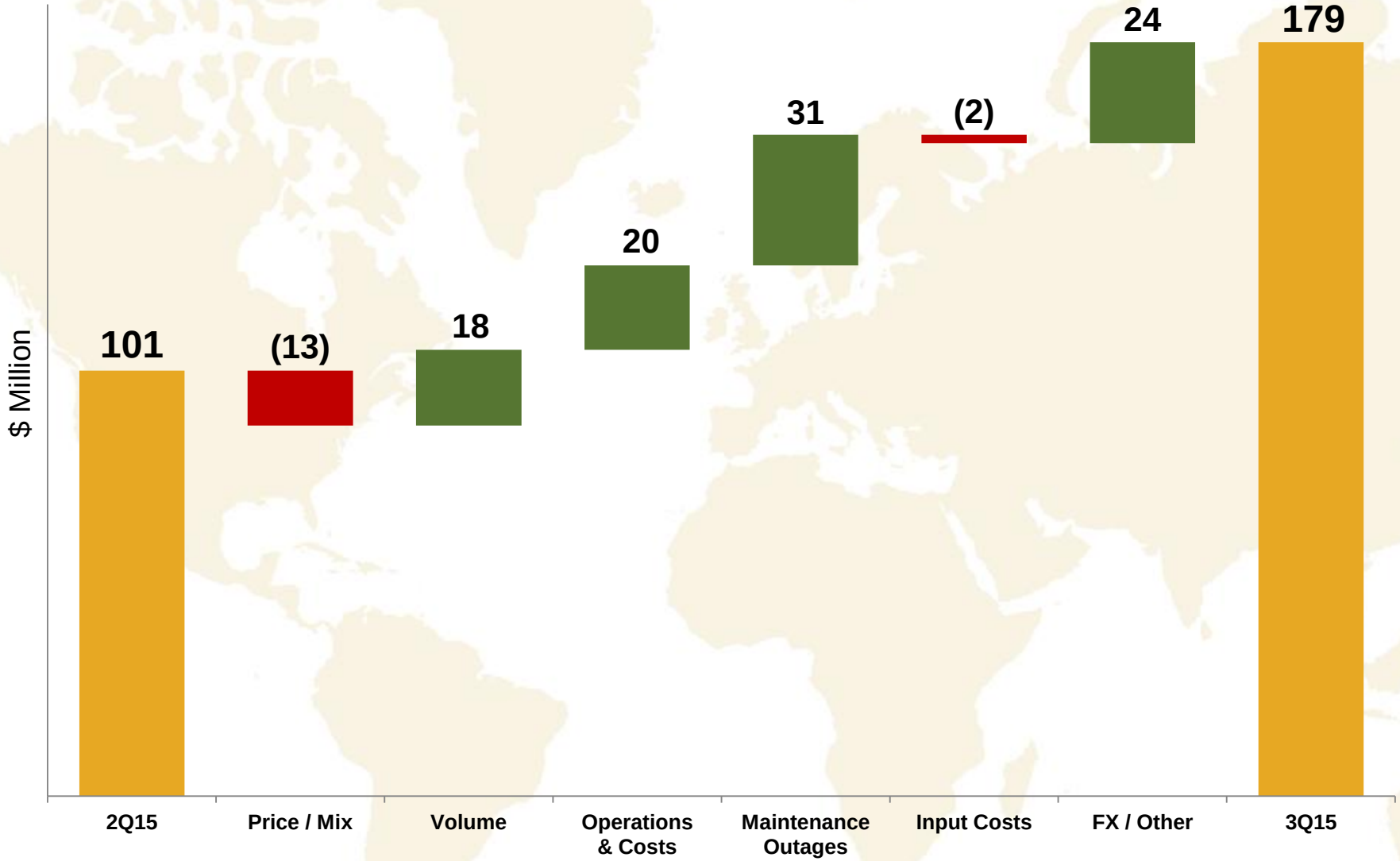
Printing Papers | 3Q15 vs. 2Q15



Segment operating profit before special items

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Delivering strong earnings despite continued economic weakness in Brazil

- ✓ First half domestic price increases partially offsetting weak demand and high general inflation in Brazil
- ✓ Competitive position in export markets benefitting from currency devaluation, resulting in higher margins
- ✓ Expect to build on momentum in 4Q with seasonally higher volume and implementation of additional domestic price increases



Ilim Joint Venture | 3Q15 vs. 2Q15

$ Million	3Q14	2Q15	3Q15
Sales Volume (thousand tons)	766	826	828
Sales	$520	$500	$477
Operational EBITDA[1]	$100	$153	$194
F/X (Impact of USD Net Debt[2])	($210)	$65	($176)
IP Equity Earnings(Loss)[3]	($70)	$67	($9)

- Strong operational performance continues
- IP received $35MM dividend payment in 3Q15
- Moving into 4Q15, expect seasonally higher volume, offset by lower average pulp prices and higher input costs

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

[1] Before F/X impact primarily 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 3Q2015); Ilim Group's functional currency is the Ruble (RUB); Non-functional-denominated currency balances are measured monthly using the month-end exchange rate

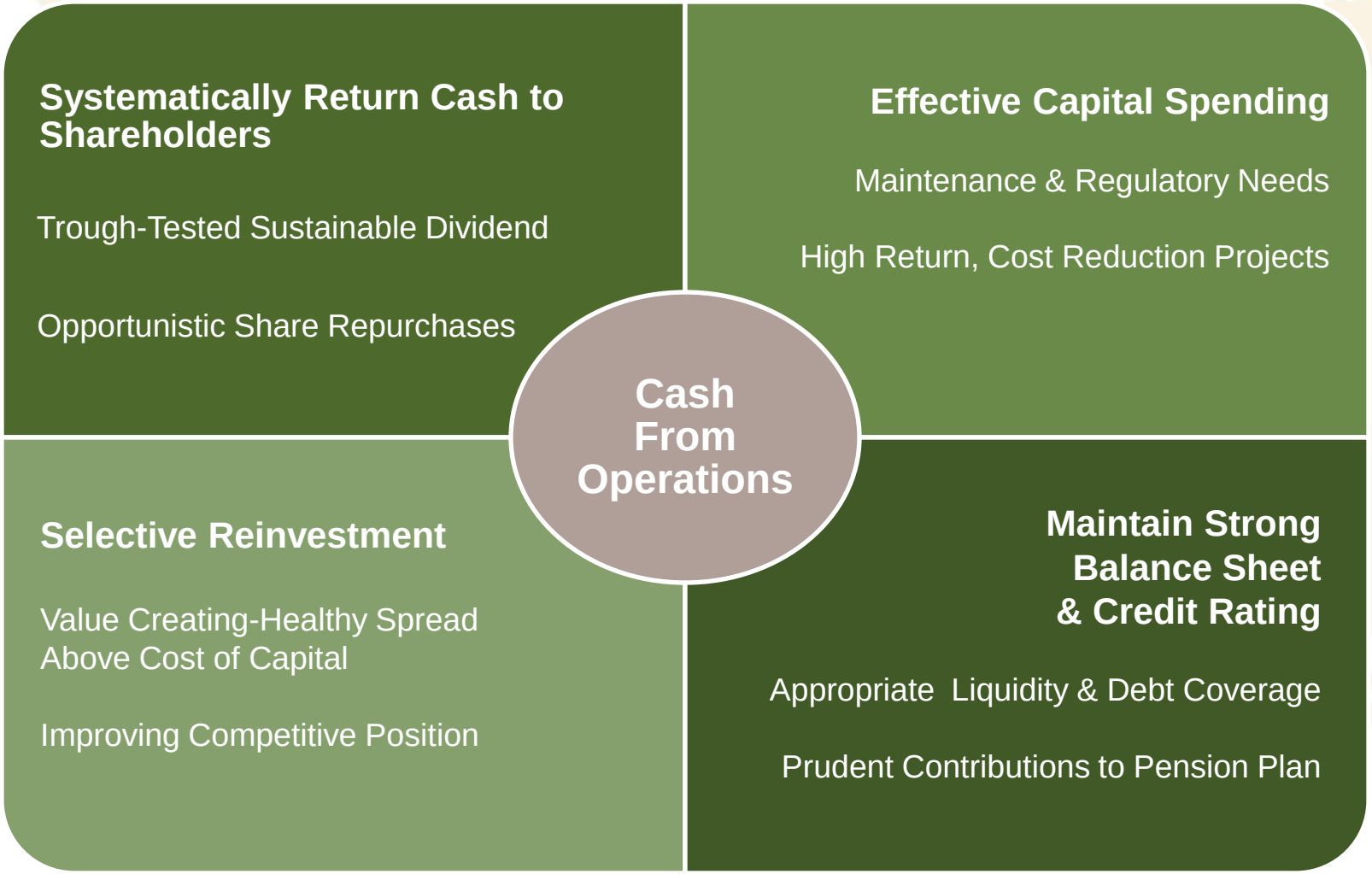
[3] IP Equity Earnings(Loss) for 3Q15 and 3Q14 include after-tax f/x losses (primarily on USD-denominated net debt) of $(65)MM and $(82)MM, respectively; 2Q15 includes an after-tax f/x gain of $27MM.

Fourth Quarter Outlook | Changes from 3Q15

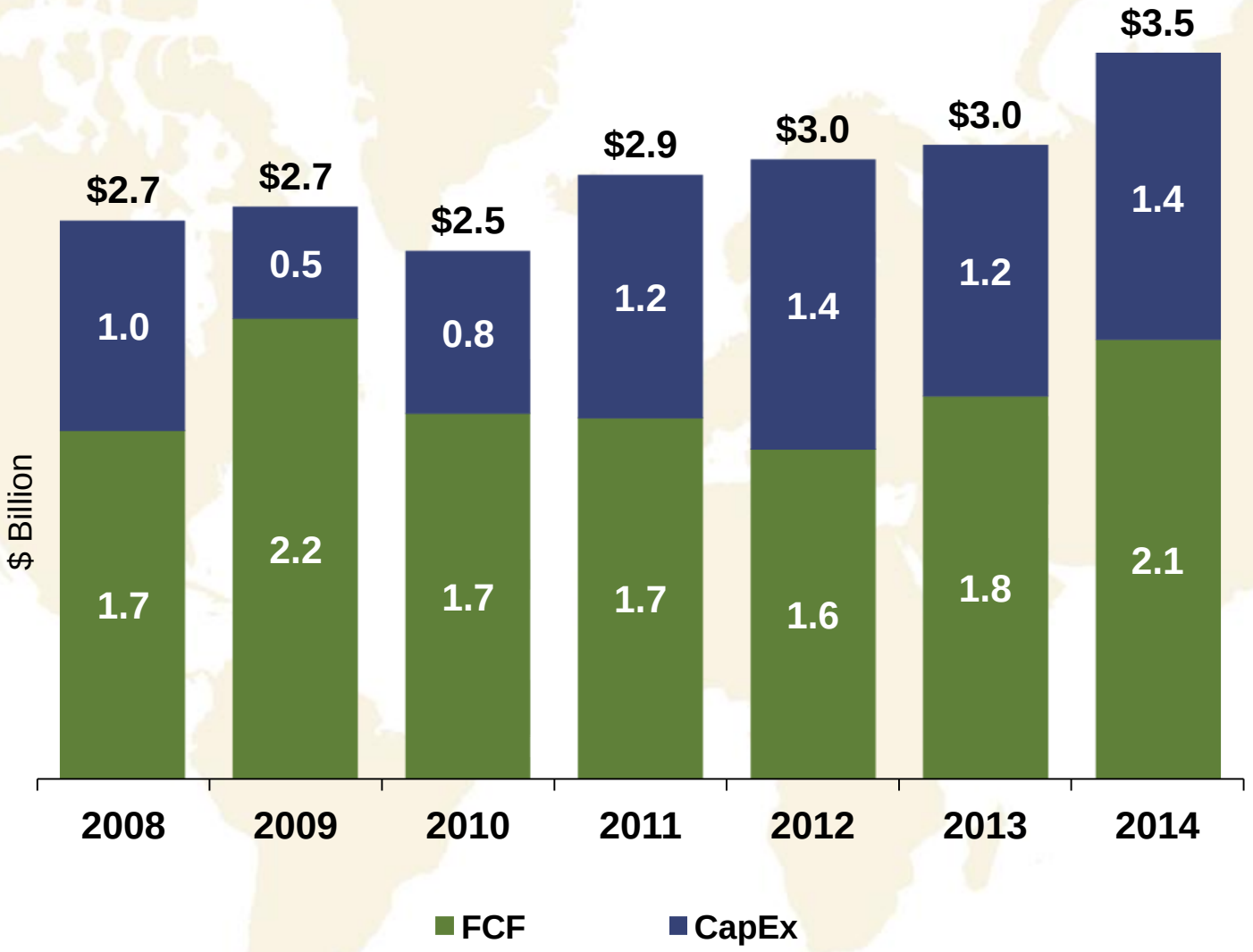
		North America	EMEA & Russia	Brazil
Volume	Paper	Stable	Stable	Seasonally Stronger
	Packaging	3 Less Days	Stable	Stable
Pricing / Mix	Paper	Seasonal Mix	Stable	Stable
	Packaging	Seasonal Mix	Stable	Stable
Operations & Other	Paper	Flood & Seasonality	Stable	Stable
	Packaging	Seasonality	Stable	Stable
Inputs & Freight	Paper	Higher Energy Costs	Stable	Stable
	Packaging	Higher Energy Costs	Stable	Stable
Mill Maintenance Outages	Paper	Increase $21MM	Decrease $14MM	Decrease $2MM
	Packaging	Increase $46MM	Decrease $5MM	N/A
Asia[1]		▪ Stable with exception of $1MM decrease in mill maintenance outages		
Ilim JV Equity Earnings		▪ Seasonally higher volume offset by lower average pulp prices and higher input costs ▪ Non-recurring 3Q currency impact of ($0.15) on USD net debt, assuming stable F/X as of Sept. 30, 2015		
Other Items		▪ Tax rate, in line with full-year outlook of 33% ▪ Interest expense, ~$140MM in 4Q2015 ▪ Corporate expense, ~$15MM in 4Q2015		

[1] Includes India

Capital Allocation | IP's Balanced Use of Cash



Cash From Operations & Free Cash Flow



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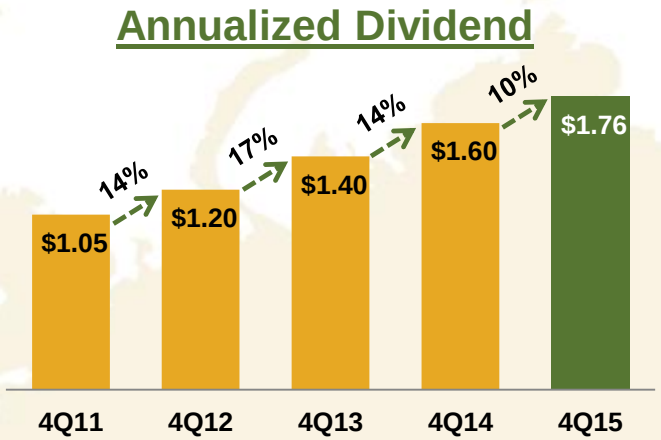
Capital Allocation Update

✓ Dividend increase

- 10% increase to $1.76/share
- 4th consecutive year of double-digit increase
- Strengthened dividend policy to 40-50% of Free Cash Flow



✓ Continued share buybacks

✓ Successfully restructured and extending 2006 timber monetization

- Structure moves from full recourse to limited recourse
- Assets and liabilities come onto the balance sheet
- Tax deferral maintained

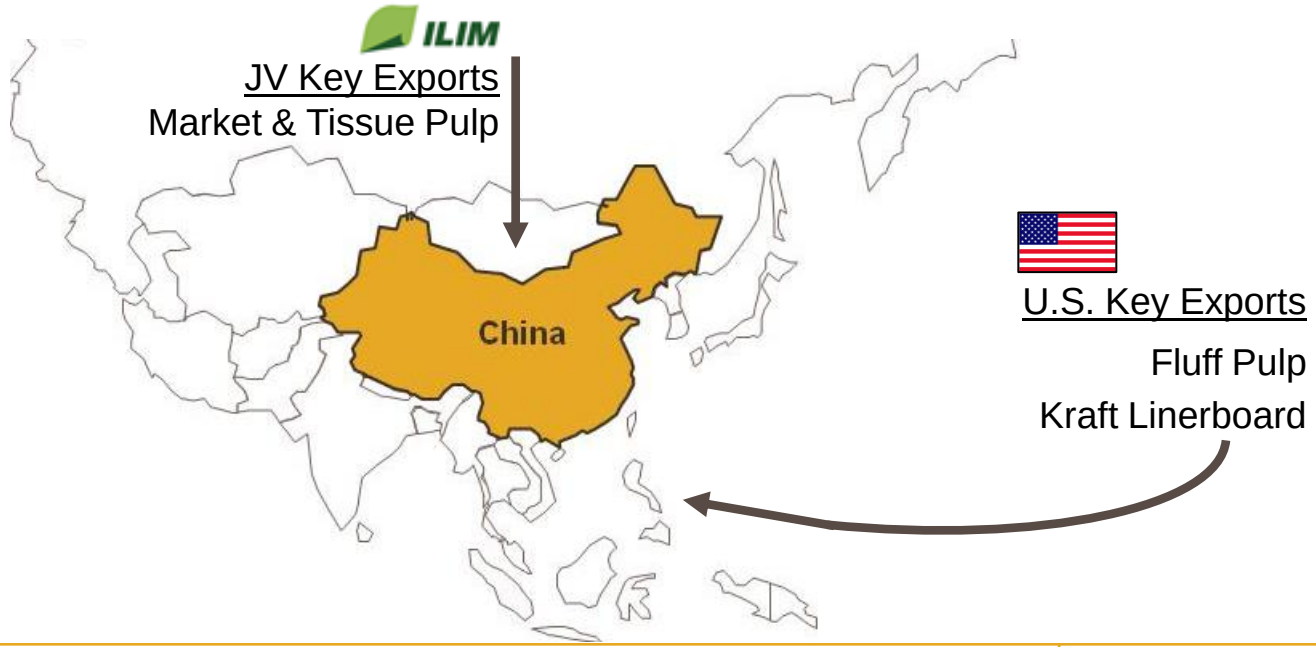
✓ Capital spending forecast

- 2016 plan set at $1.4B, inclusive of NA Industrial Packaging optimization projects and Riegelwood, NC fluff pulp conversion

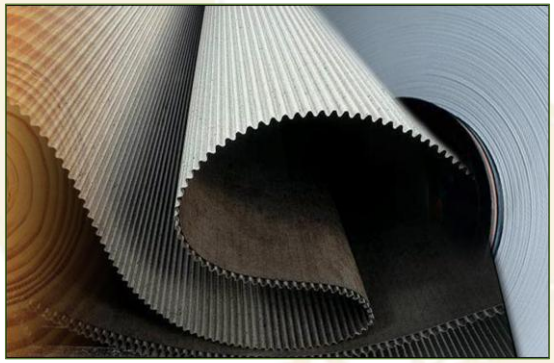
✓ Sun JV debt of ~$400MM will be removed from IP's consolidated balance sheet in 4Q15

Reshaping IP's approach to serving the important Asian market

- ✓ **Exit manufacturing of coated paperboard and industrial packaging**
  - ➢ Sold share of Sun JV to partner
  - ➢ Signed Letter of Intent to sell Asia Industrial Packaging business (box converting operations)
- ✓ **Continue to serve Asian markets from the U.S. and through our Ilim JV in Russia**



IP Investment Thesis | Why IP Will Outperform

Vision	Strategy	Shareholder Value
		
Leadership position Attractive markets Low-cost assets **Generating…** Strong FCF Returns above cost-of-capital	• Global packaging and paper platforms • Leadership positions in scale businesses • Operational excellence • Operate in key markets where we can grow profitably	**ROIC ➔** Consistently >WACC **FCF ➔** Strong Sustainable Improving **Capital Allocation** ✔ Value Creation ✔ Return Cash to Shareholders

Appendix

Investor Relations Contacts

Jay Royalty	901-419-1731
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Media Contact

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Free Cash Flow

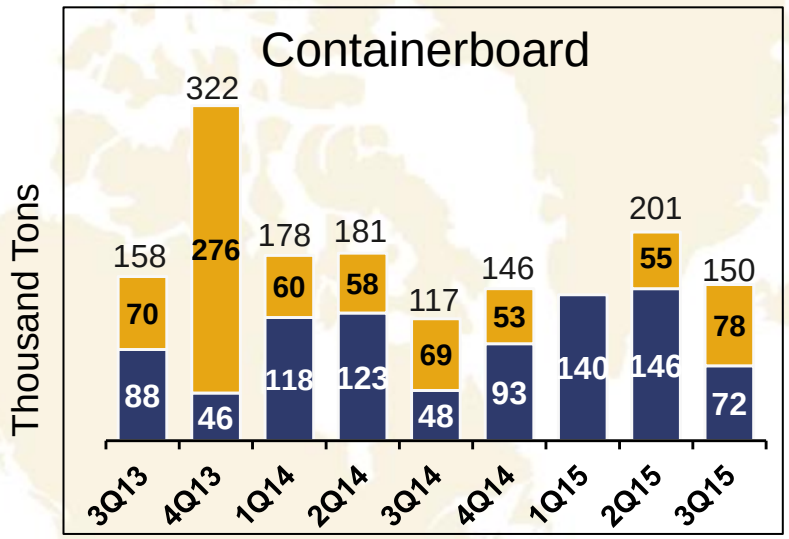
$ Million	3Q14	2Q15	3Q15
Cash Provided by Operations	$1,023[1]	$865[2]	$837
Less Capital Investment	($327)	($354)	($325)
Free Cash Flow	$696	$511	$512

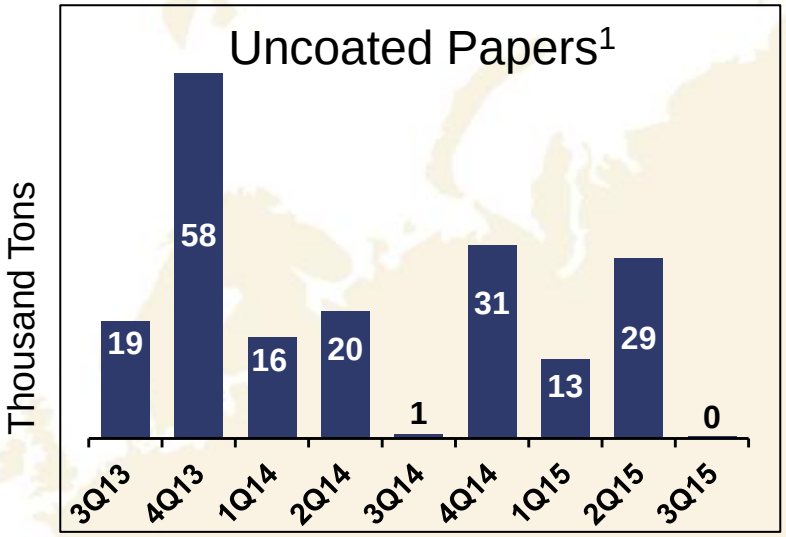
[1] Excludes $90MM cash paid for pension plan contribution
[2] Excludes $750MM cash paid for pension plan contribution

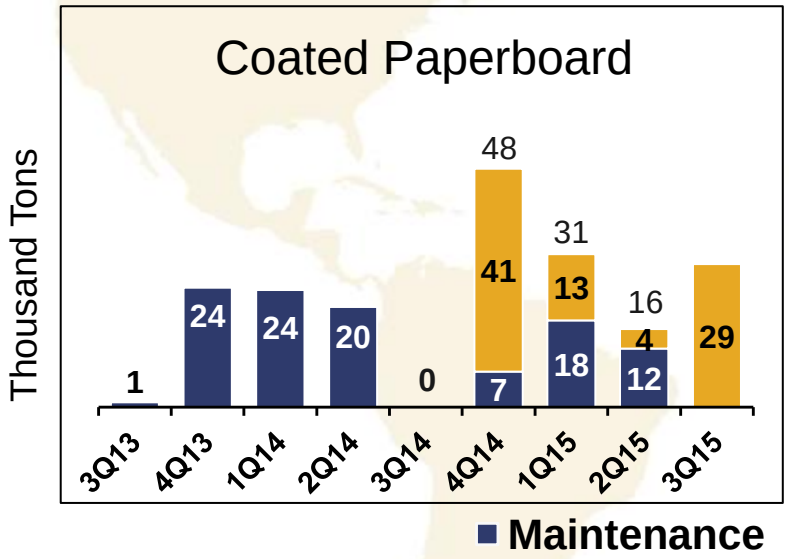
Maintenance Outages Expenses | 2015

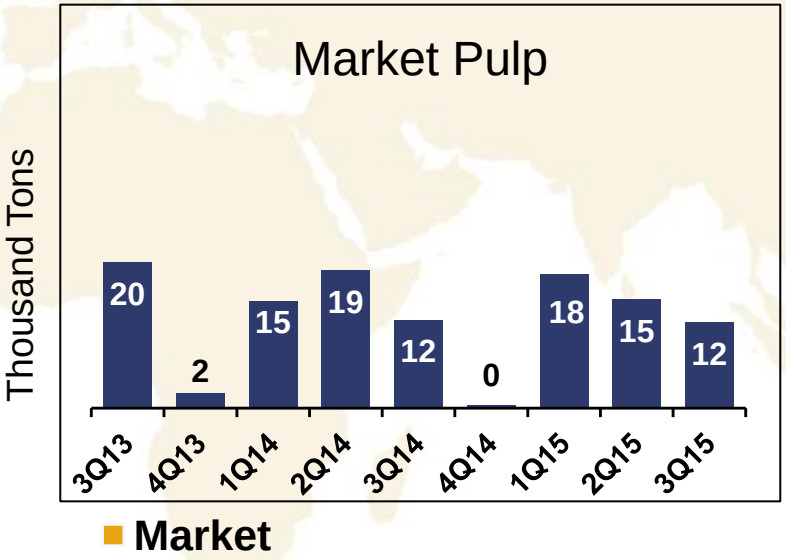
$ Million	1Q15A	2Q15A	3Q15A	4Q15F	2015F
Industrial Packaging	**$63**	**$95**	**$27**	**$61**	**$246**
North America	63	93	27	61	244
Brazil	0	2	0	0	2
Printing Papers	**$33**	**$63**	**$32**	**$36**	**$164**
North America	27	41	15	36	119
Europe	0	22	14	0	36
Brazil	6	0	2	0	8
India	0	0	1	0	1
Consumer Packaging	**$15**	**$12**	**$7**	**$14**	**$48**
North America	15	10	2	14	41
Europe	0	2	5	0	7
Total Impact	**$111**	**$170**	**$66**	**$111**	**$458**

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)		3Q14	2Q15	3Q15
Industrial Packaging	EMEA Restructuring Costs	($5)		
	Multi-Employer Pension Plan Exit Liability	($35)		
	Other	($2)		
Printing Papers	Courtland Mill Shutdown	($3)		
	India Reserve Release	$20		
	Brazil Tax Settlement	($32)		
Consumer Pkg.	Riegelwood Repurposing		$14	($7)
	Impairment of Sun JV Goodwill & PPE			($186)
	Other	($2)	($1)	($1)
Corporate	Debt Extinguishment	($13)		
	Debt Premium Costs		($207)	
	Timber Monetization Restructure			($17)
	Other	($5)	$4	
Total Special Items Before Tax		**($77)**	**($190)**	**($211)**

Special Items Net of Taxes

	2Q15		3Q15	
	$ Million	EPS	$ Million	EPS
Earnings Before Special Items and Non-Operating Pension Expense	$409	$0.97	$407	$0.97
Special Items Net of Taxes:				
Debt Premium Costs	($133)			
Timber Monetization Restructure			($11)	
Tax Adjustments	($28)			
Riegelwood Repurposing	$9		($4)	
Impairment of Sun JV Goodwill & PPE			($125)	
Other	$1		($1)	
Total Special Items Net of Taxes	($151)	($0.36)	($141)	($0.33)
Non-Operating Pension Expense	($31)	($0.07)	($46)	($0.11)
Net Earnings	$227	$0.54	$220	$0.53

3Q15 EBITDA | Integrated Mill Business Margins

	Operating Profit $ Million	D & A $ Million	Tons Thousand	EBITDA per Ton	EBITDA Margin
Industrial Packaging					
North America[1]	$554	$169	3,475	$208	25%
Brazil	($4)	$4	78	$0	0%
Printing Papers					
North America[2]	$81	$21	491	$208	20%
Europe & Russia[3]	$24	$13	302[4]	$123	18%[4]
Brazil	$56	$20	294	$259	35%
India[5]	($4)	$4	41	$0	0%
North America Pulp	$16	$17	339	$97	15%
Consumer Packaging					
North America[6]	$30	$45	371	$202	15%
Europe	$20	$3	96	$240	29%

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	3Q14	2Q15	3Q15
Industrial Packaging	$569	$528	$553
Printing Papers	$192	$101	$179
Consumer Packaging	$79	$34	$41
Operating Profit	**$840**	**$663**	**$773**
Net Interest Expense	($152)	($144)	($141)
Noncontrolling Interest / Equity Earnings Adjustment	($2)	($5)	($6)
Corporate Items	($3)	($8)	($10)
Non-Operating Pension Expense	($54)	($50)	($76)
Special Items	($77)	($190)	($211)
Net Earnings from continuing operations before income taxes, equity earnings & noncontrolling interest	**$552**	**$266**	**$329**
Equity Earnings(Loss), net of taxes – Ilim	**($70)**	**$67**	**($9)**

Geographic Business Segment Operating Results

$ Million	Sales			Operating Profit		
	3Q14	2Q15	3Q15	3Q14	2Q15	3Q15
Industrial Packaging						
North America	$3,210	$3,205	$3,175	$570	$533	$557
Europe	$310	$277	$262	$4	$4	$1
Brazil	$88	$63	$55	($2)	($7)	($4)
Asia	$146	$149	$150	($3)	($2)	($1)
Printing Papers						
North America	$529	$471	$500	$75	$31	$81
Europe	$365	$312	$284	$44	$20	$30
Brazil	$266	$210	$219	$58	$35	$56
India / Asia	$58	$45	$39	($5)	($3)	($4)
N.A. Pulp	$235	$211	$216	$20	$18	$16
Consumer Packaging						
North America	$528	$500	$494	$52	$27	$30
Europe	$94	$75	$80	$27	$16	$20
Asia (Sun JV)	$254	$222	$235	$0	($9)	($9)

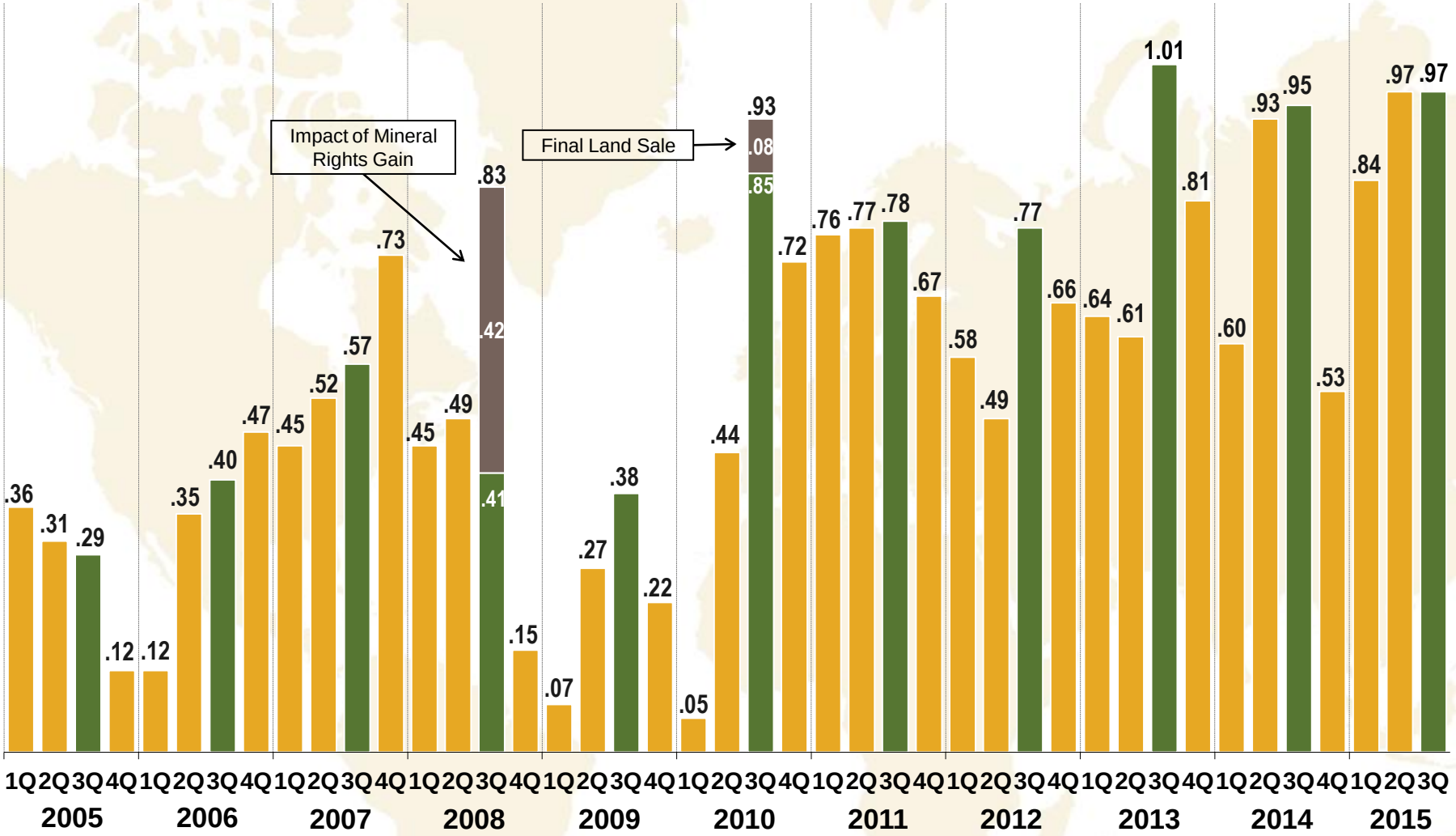
Does not reflect total company sales

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
3Q15	$616	($206)	$10	($13)	$407	418	$0.97
Non-Operating Pension Expense							
1Q15	($72)	$28	$0	$0	($44)	424	($0.10)
2Q15	($50)	$19	$0	$0	($31)	422	($0.07)
3Q15	($76)	$30	$0	$0	($46)	418	($0.11)
Net Special Items							
1Q15	$0	$0	$0	$0	$0	424	$0.00
2Q15	($190)	$39	$0	$0	($151)	422	($0.36)
3Q15	($211)	$70	$0	$0	($141)	418	($0.33)
Net Earnings from Continuing Operations							
1Q15	$406	($130)	$2	$35	$313	424	$0.74
2Q15	$266	($110)	$9	$62	$227	422	$0.54
3Q15	$329	($106)	$10	($13)	$220	418	$0.53

[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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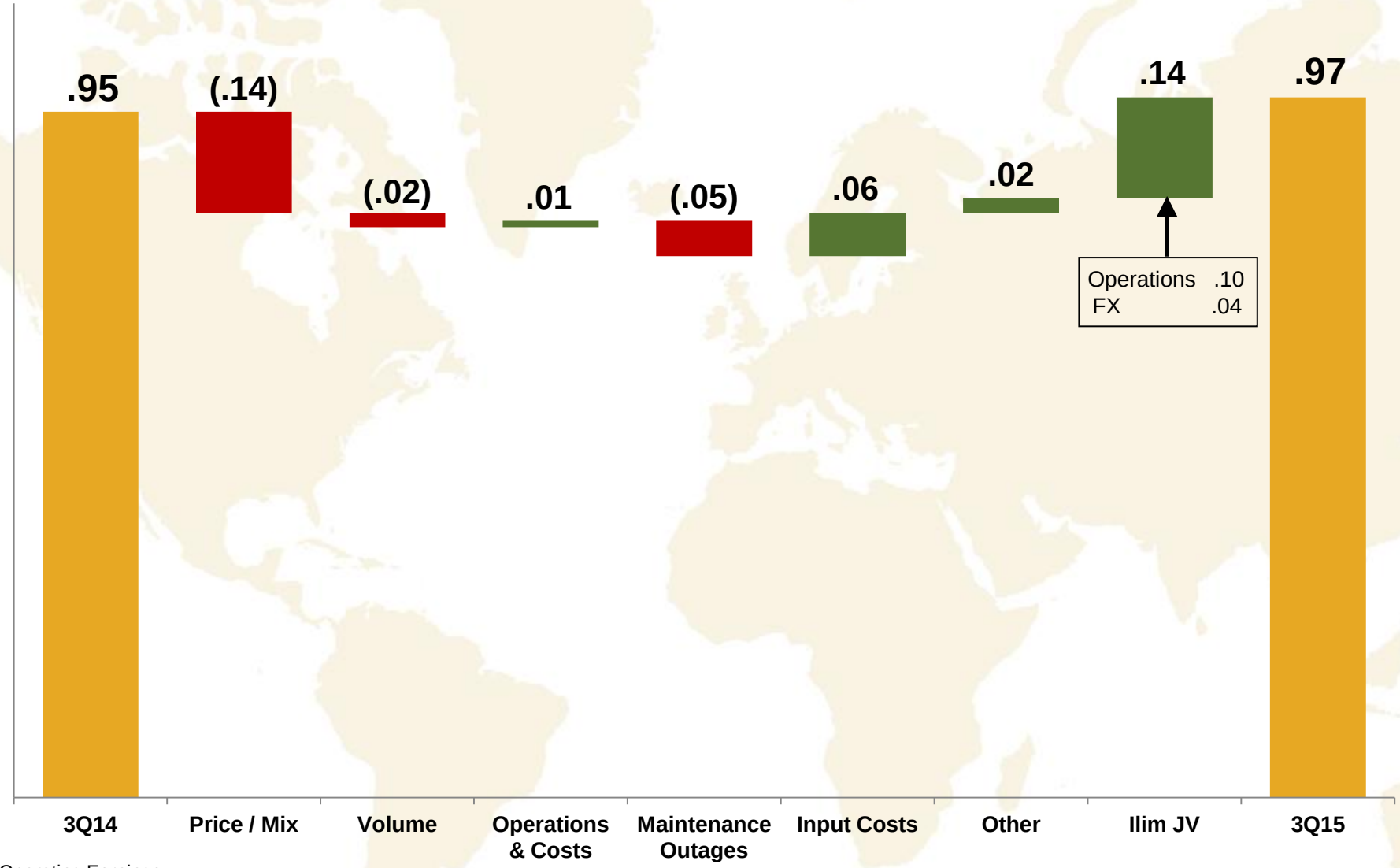
3Q15 vs. 3Q14 EPS



Operating Earnings

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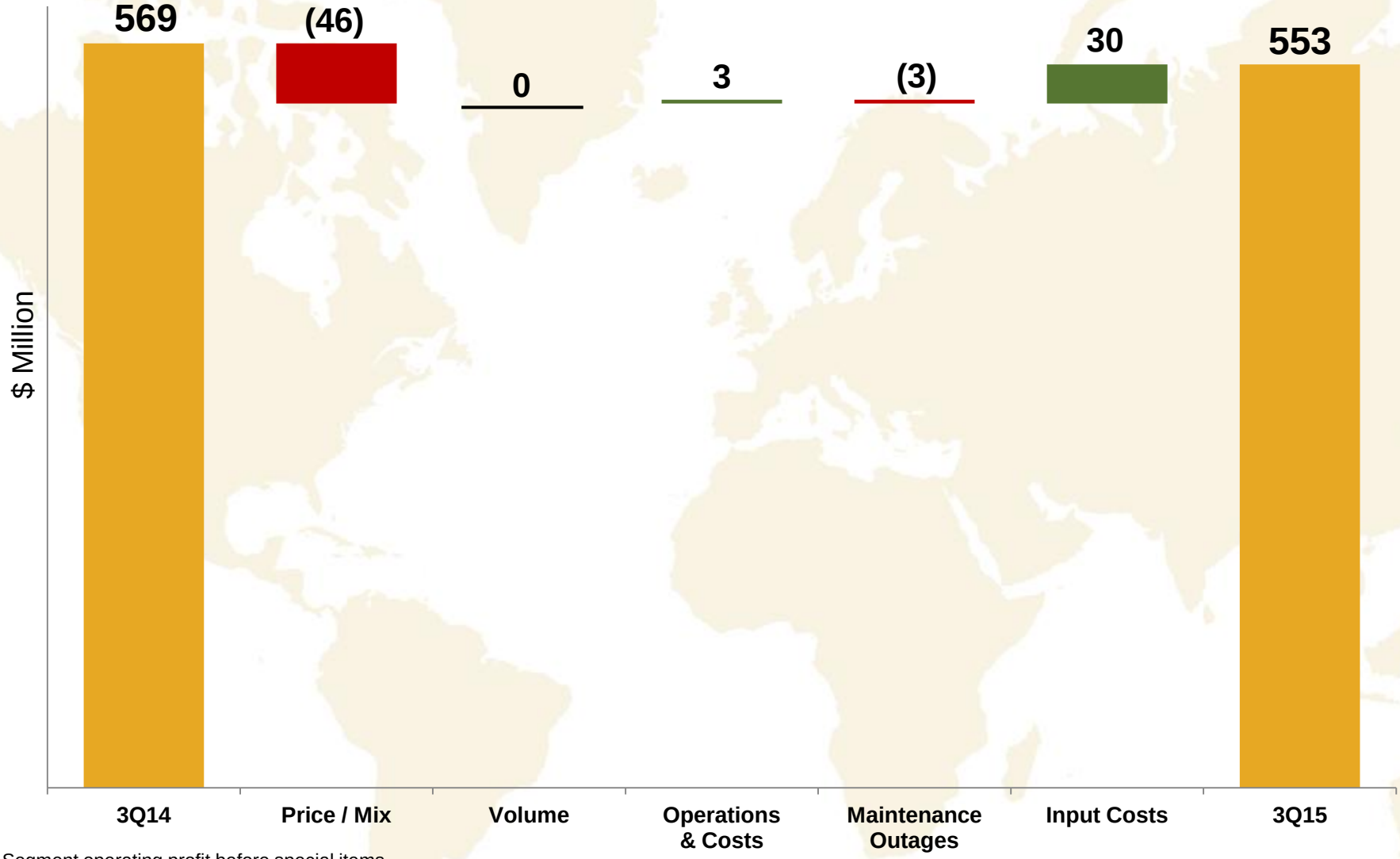
Industrial Packaging | 3Q15 vs. 3Q14



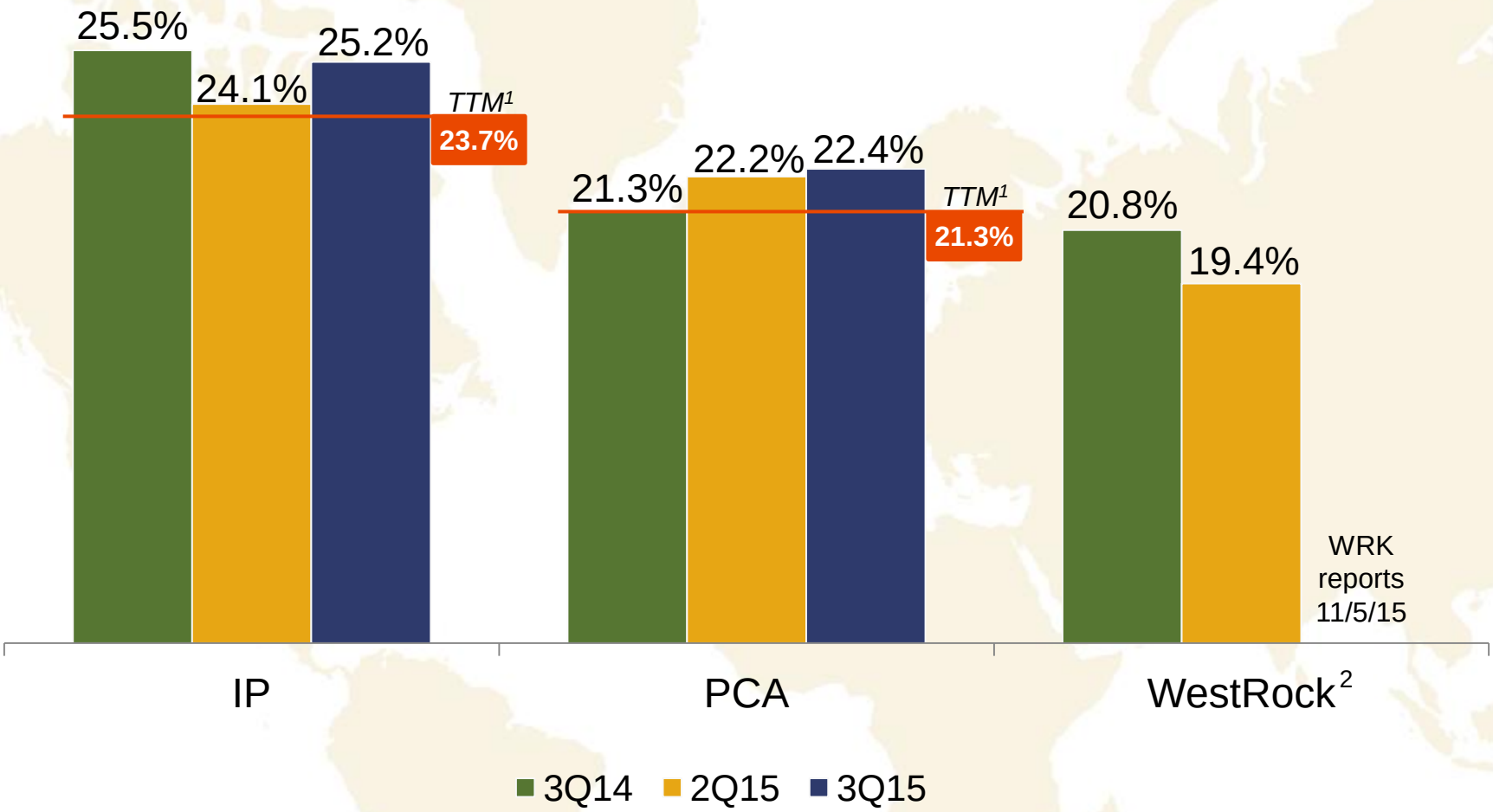
Segment operating profit before special items

	3Q15 vs. 2Q15		3Q15 vs. 3Q14	
Business	**Volume**	**Price / Mix per Ton**	**Volume**	**Price / Mix per Ton**
N.A. Container[1]	**(2%)**	**($4)**	**~Flat**	**($12)**
European Container	**(5%)**	**€13**	**2%**	**€7**

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

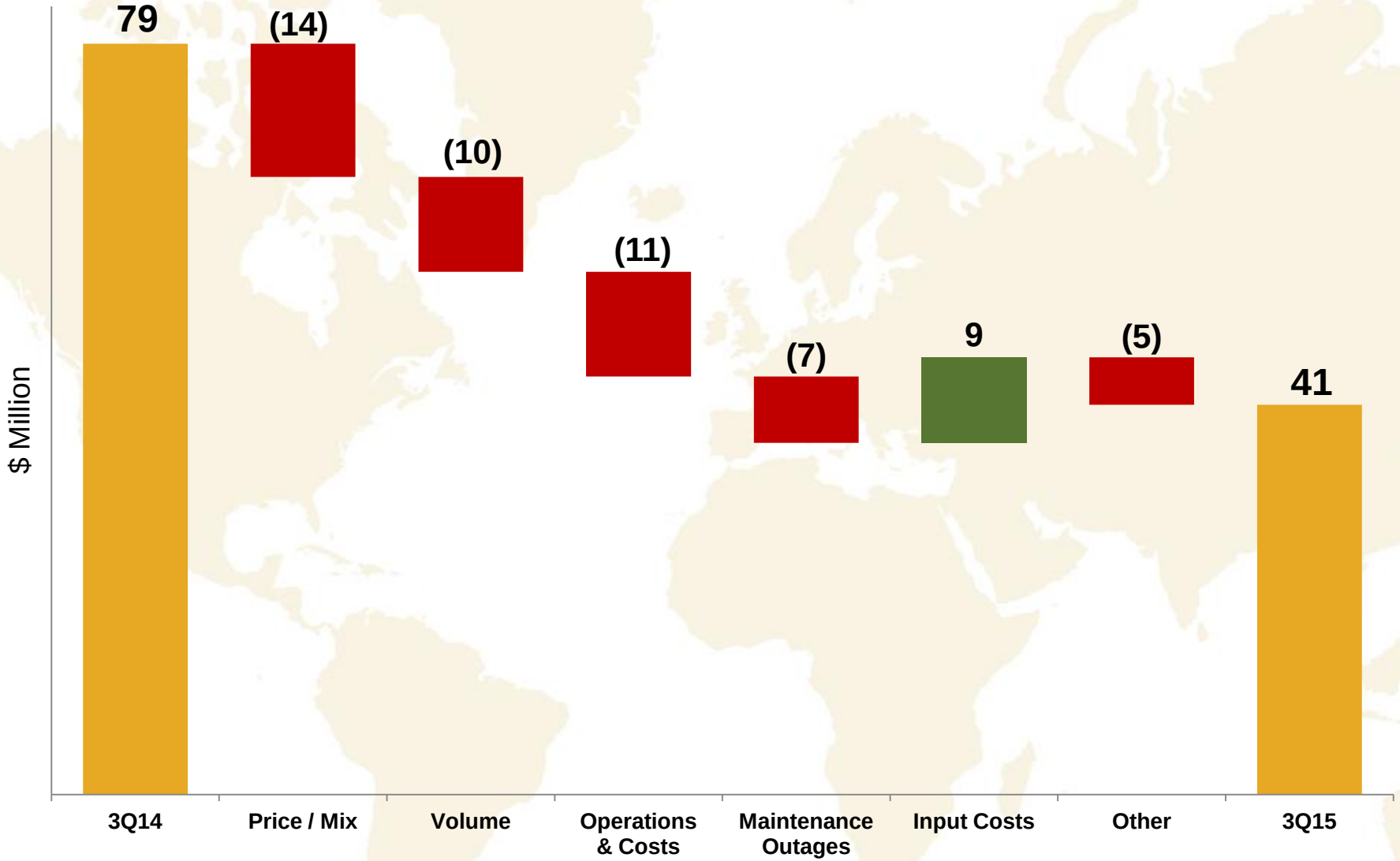
[1] Corrugator plant sales on FBA shipping day basis

NA Industrial Packaging Relative EBITDA Margins



[1] Trailing twelve months
[2] RockTenn margins prior to 3Q15
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 | 3Q15 vs. 3Q14



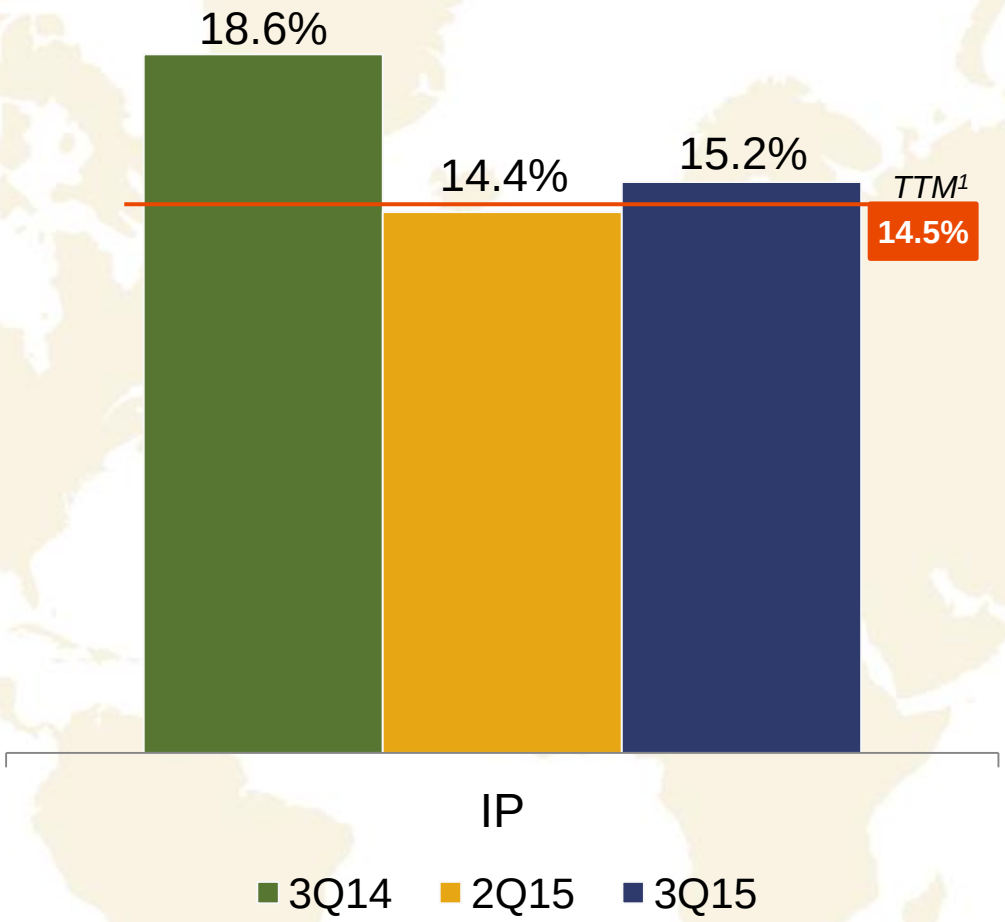
Segment operating profit before special items

Consumer Packaging | Volume and Pricing Trends

	3Q15 vs. 2Q15		3Q15 vs. 3Q14	
	Volume	Price / Mix per Ton	Volume	Price / Mix per Ton
NA Coated Paperboard	2%	($12)	(8%)	($19)
	Revenue		Revenue	
Foodservice	(1%)		2%	

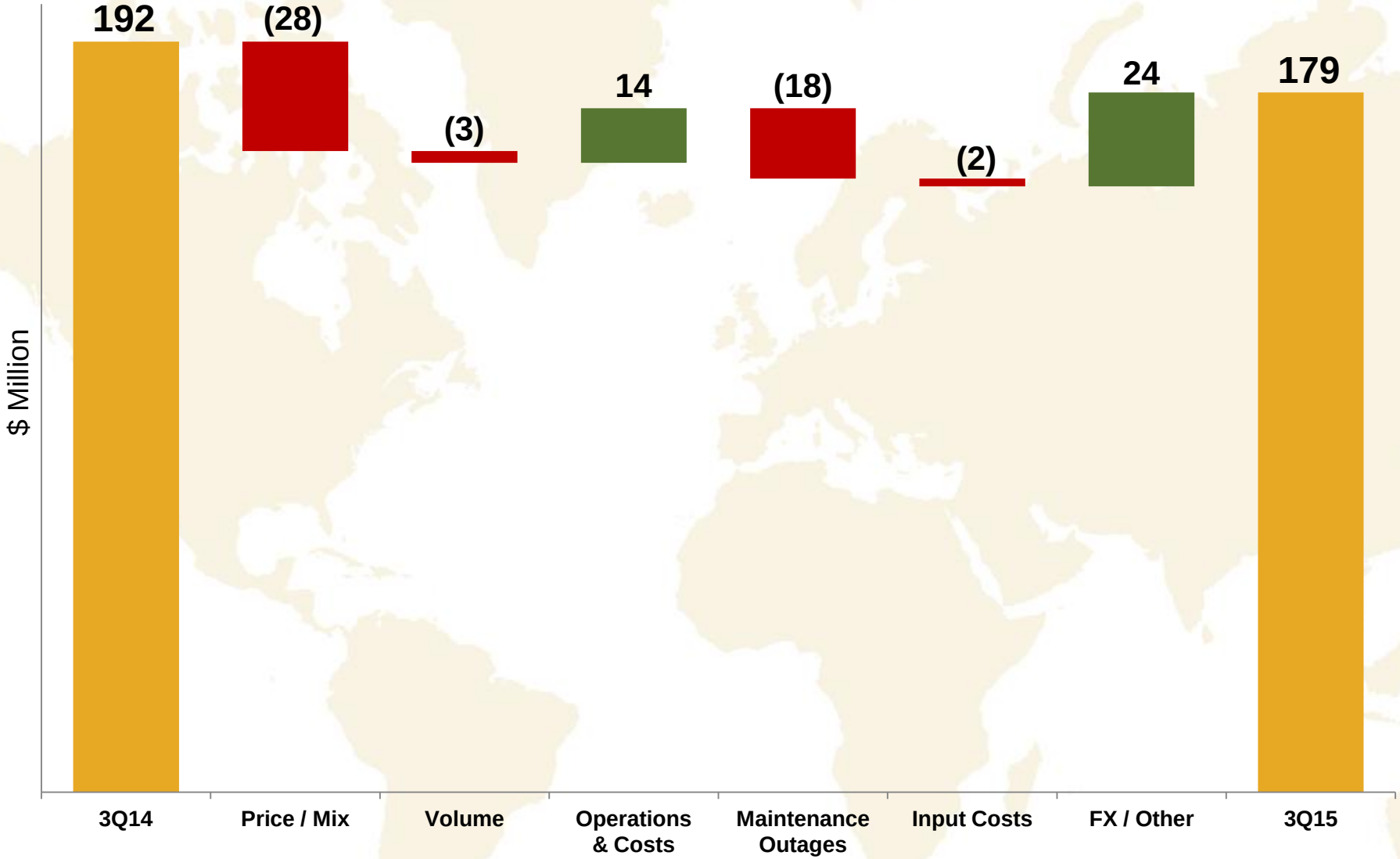
Average IP price realization (includes the impact of mix across all grades)

NA Consumer Packaging EBITDA Margins



[1] Trailing twelve months
IP EBITDA margins based on North American Consumer Packaging operating profit before special items

Printing Papers | 3Q15 vs. 3Q14



Segment operating profit before special items

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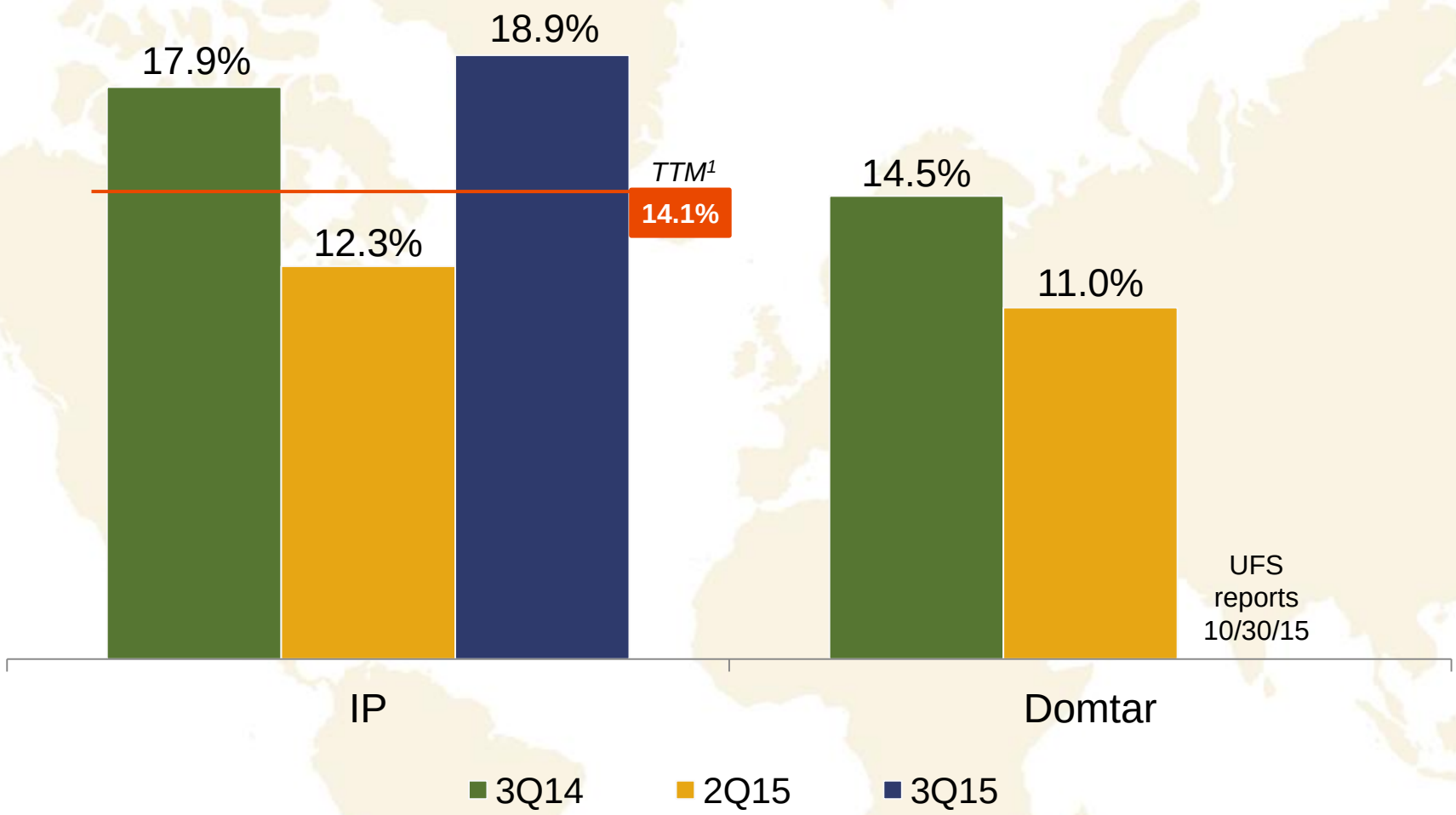
	3Q15 vs. 2Q15		3Q15 vs. 3Q14	
Business	**Volume**	**Price / Mix per Ton**	**Volume**	**Price / Mix per Ton**
NA Paper	**7%**	**($12)**	**(4%)**	**($15)**
NA Pulp[1]	**3%**	**($8)**	**(5%)**	**($28)**
European Paper[2]	**(6%)**	**€5**	**(1%)**	**(€10)**

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

NA 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	3Q14	2Q15	3Q15
Sales	$266	$210	$219
Earnings	$58	$35	$56
EBITDA Margin	33%	28%	35%

	3Q15 vs. 2Q15		3Q15 vs. 3Q14	
Uncoated Freesheet	Volume	Price / Mix per Ton	Volume	Price / Mix per Ton
Domestic (BRL)	31%	R$12	Flat	R$134
Export (USD)	4%	($9)	11%	($73)

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**

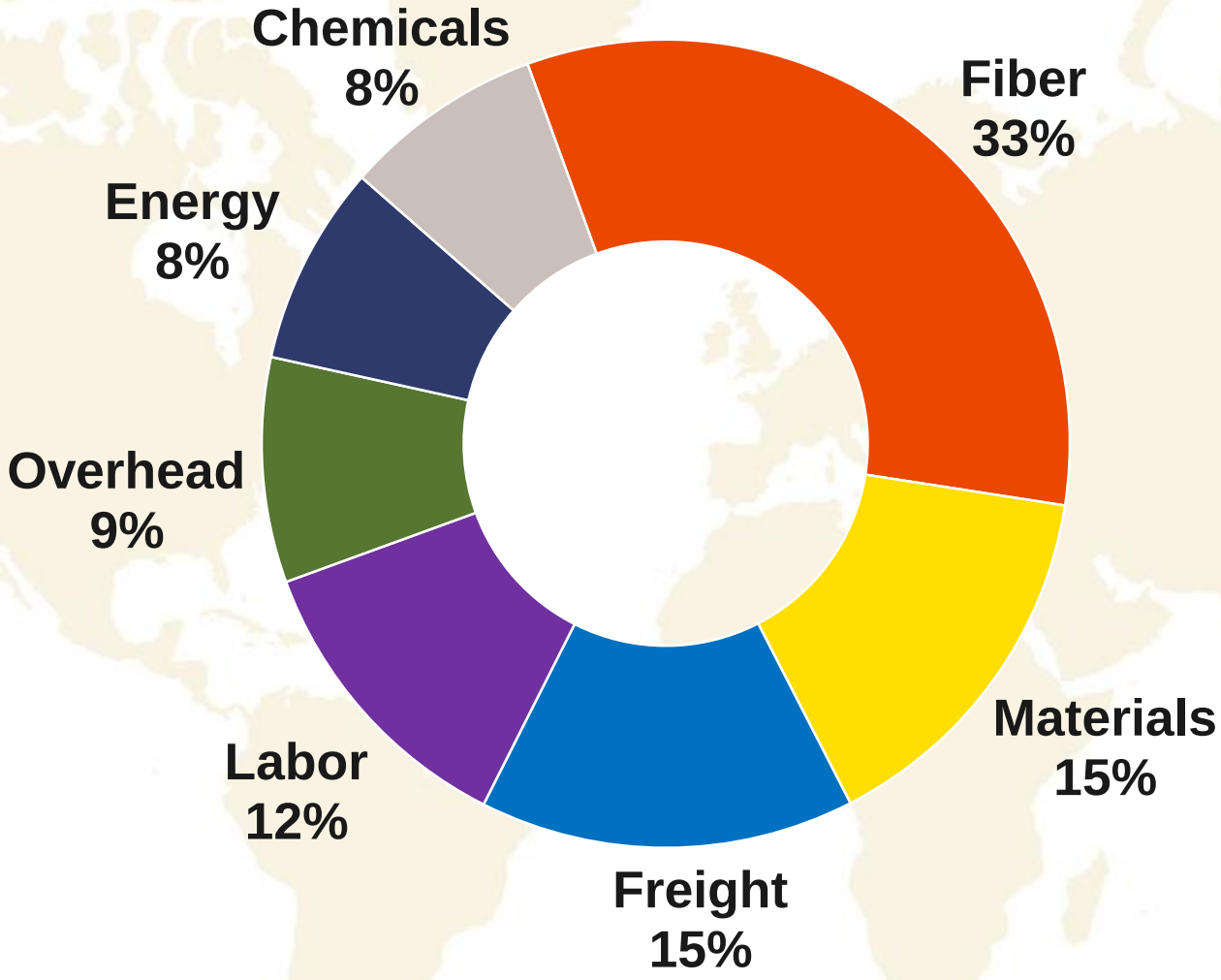
Ilim JV results are IFRS basis.
IP Equity Earnings (loss) on US GAAP basis.
[1]Represents F/X impact primarily related to Ilim JV USD-denominated net debt (balance of ~$1.3B at year end 2014)

Ilim Joint Venture | Volume and Pricing Trends

	3Q15 vs. 2Q15		3Q15 vs. 3Q14	
Business	**Volume**	**Price / Mix per Ton**	**Volume**	**Price / Mix per Ton**
Pulp	**(2%)**	**($2)**	**10%**	**($41)**

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

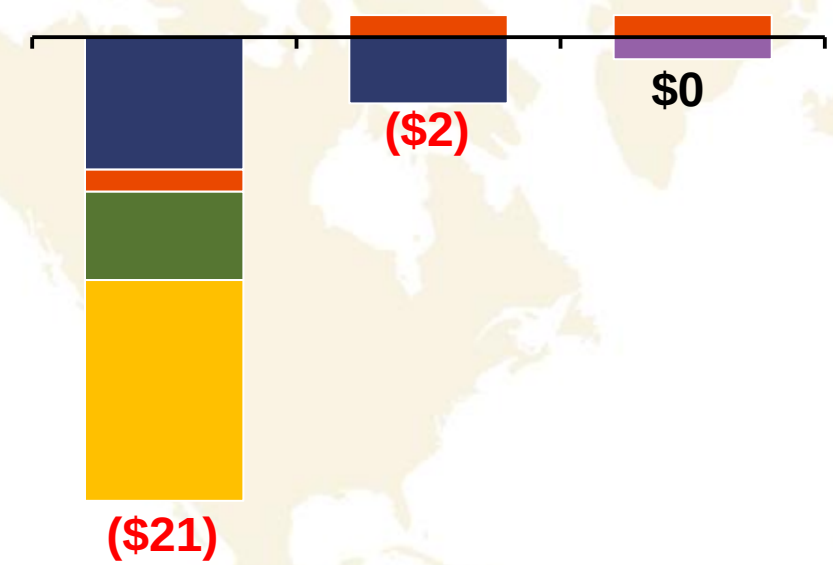
Total Cash Cost Components | 3Q15 YTD



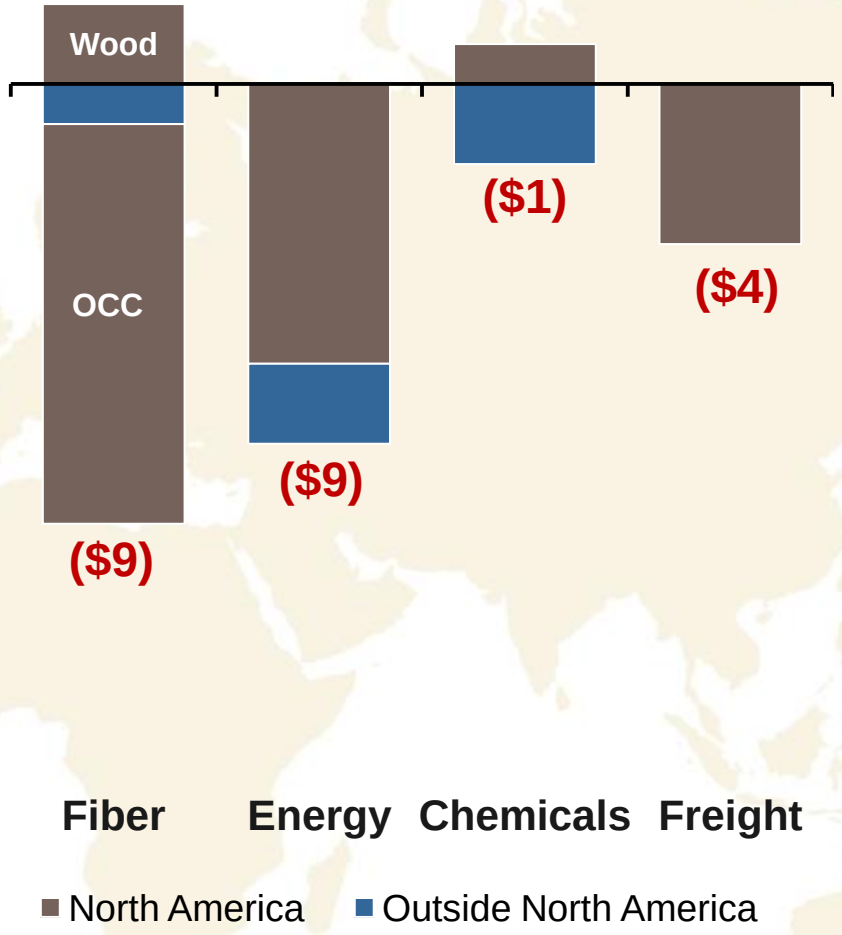
North American mills only

Global Input Costs vs. 2Q15 | $23MM Unfavorable, or $0.04/Share

By Business



By Input Type



Input costs ($MM) for continuing businesses

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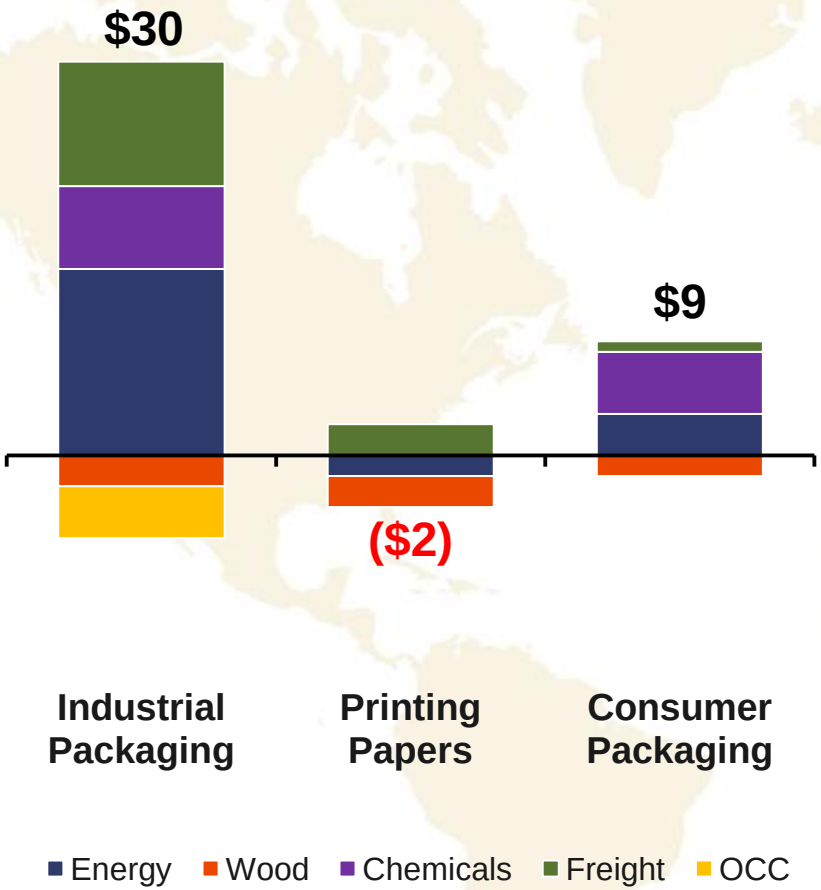
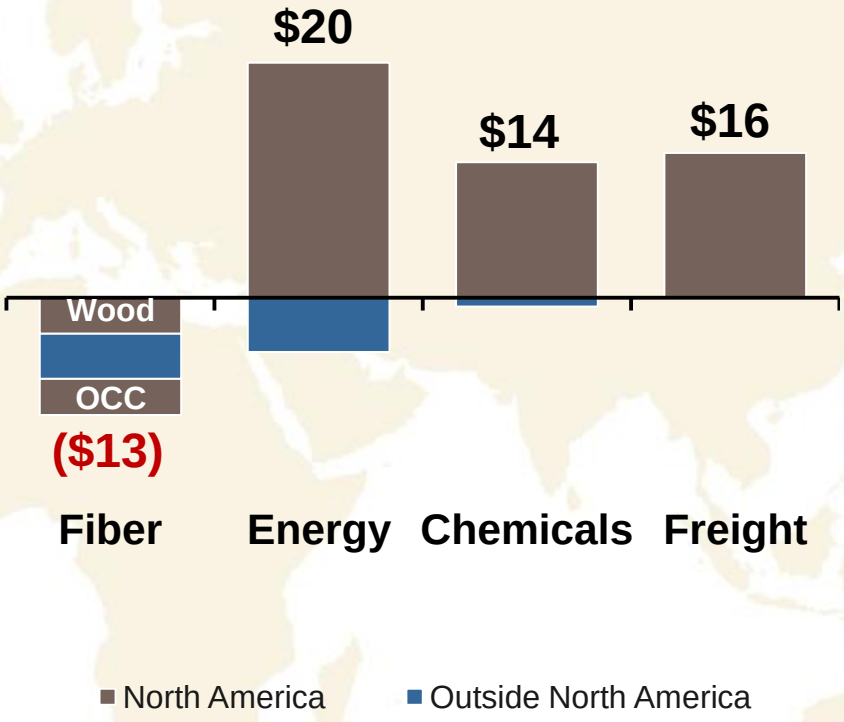
Global Input Costs vs. 3Q14 | $37MM Favorable, or $0.06/Share

By Business



By Input Type



Input costs ($MM) for continuing businesses

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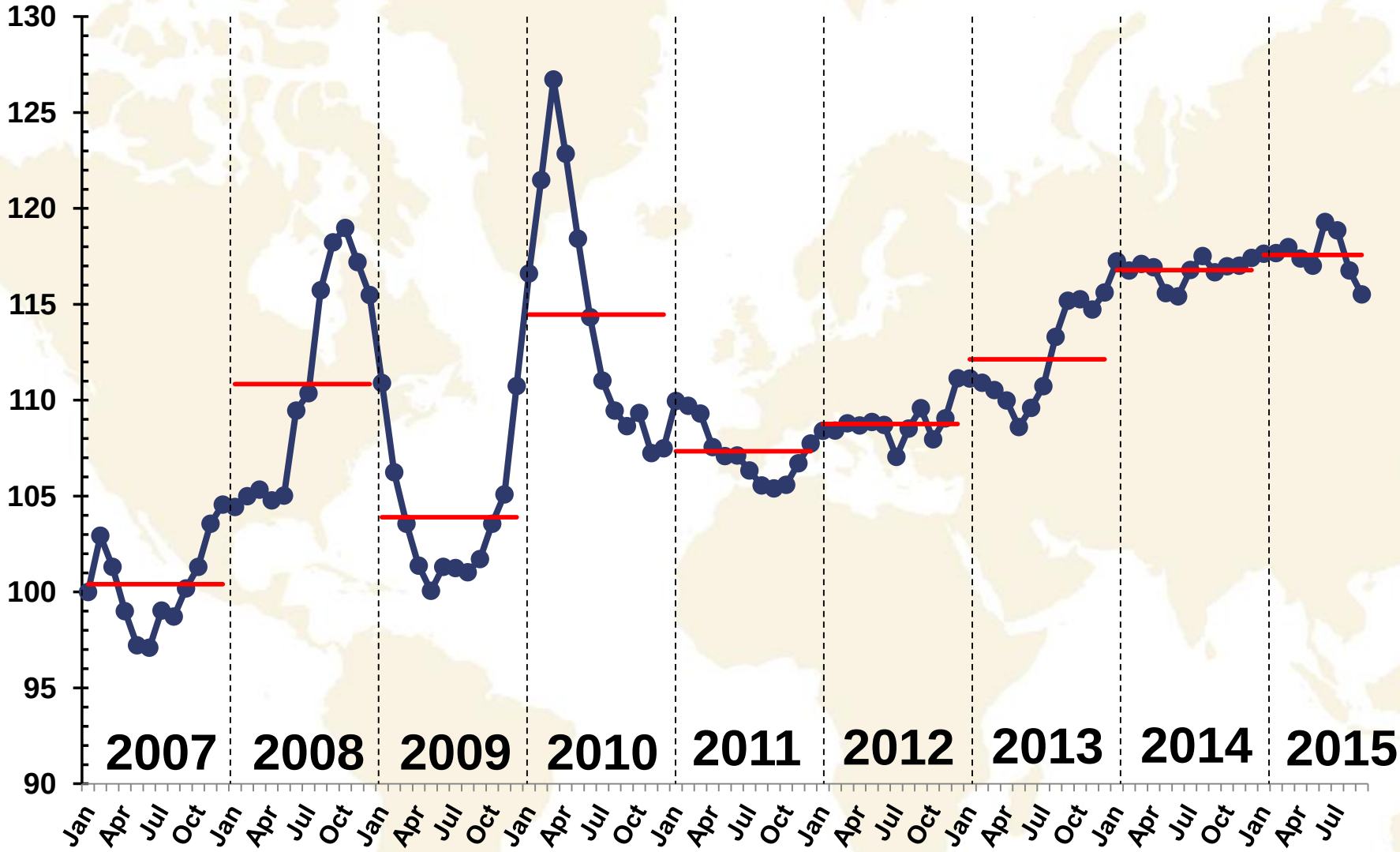
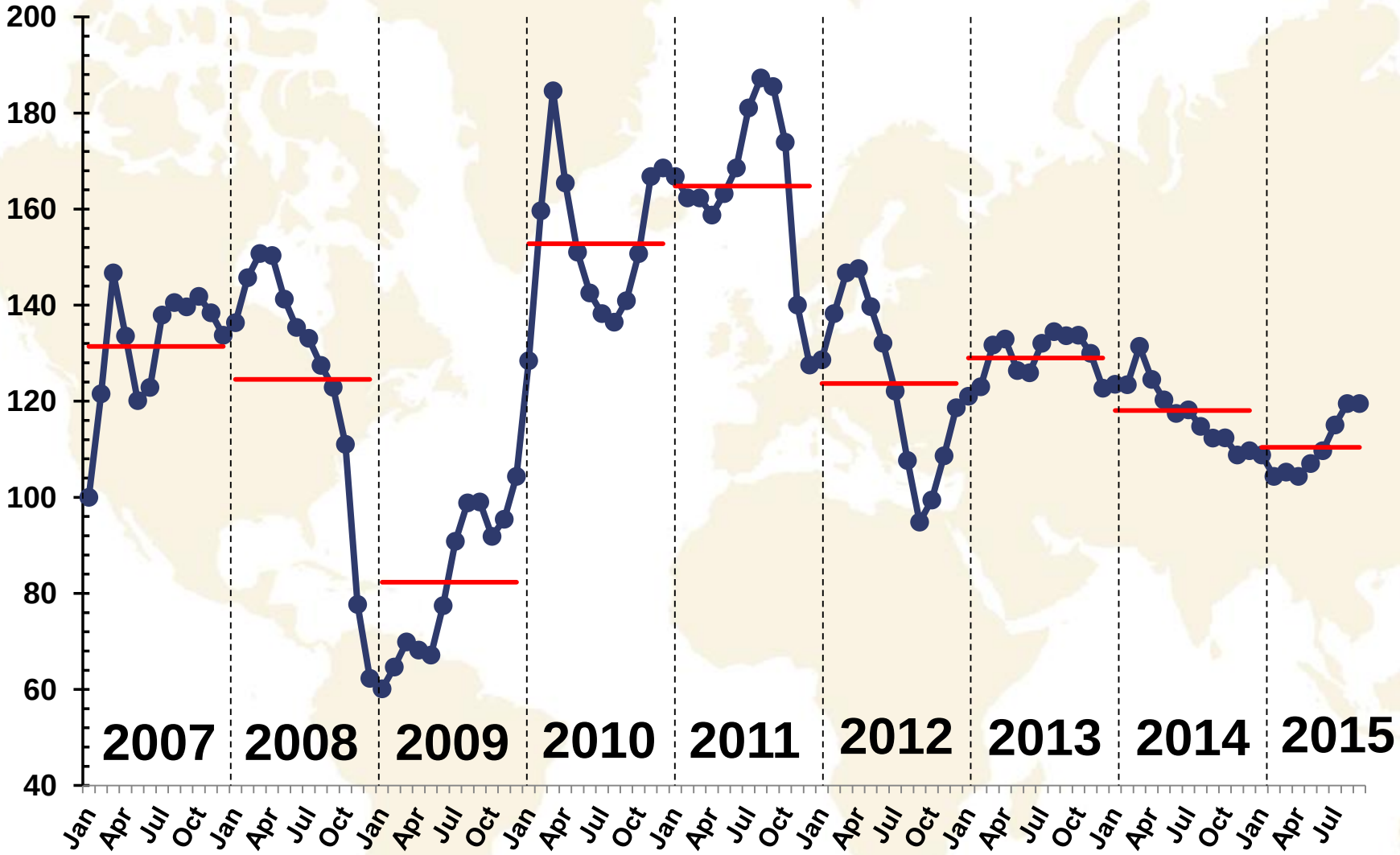
U.S. Mill Wood Delivered Cost Trend | 1% Decrease vs. 2Q15 Average Cost



Cost Indexed to January 2007 values

U.S. OCC Delivered Cost Trend | 10% Increase vs. 2Q15 Average Cost



Cost Indexed to January 2007 values

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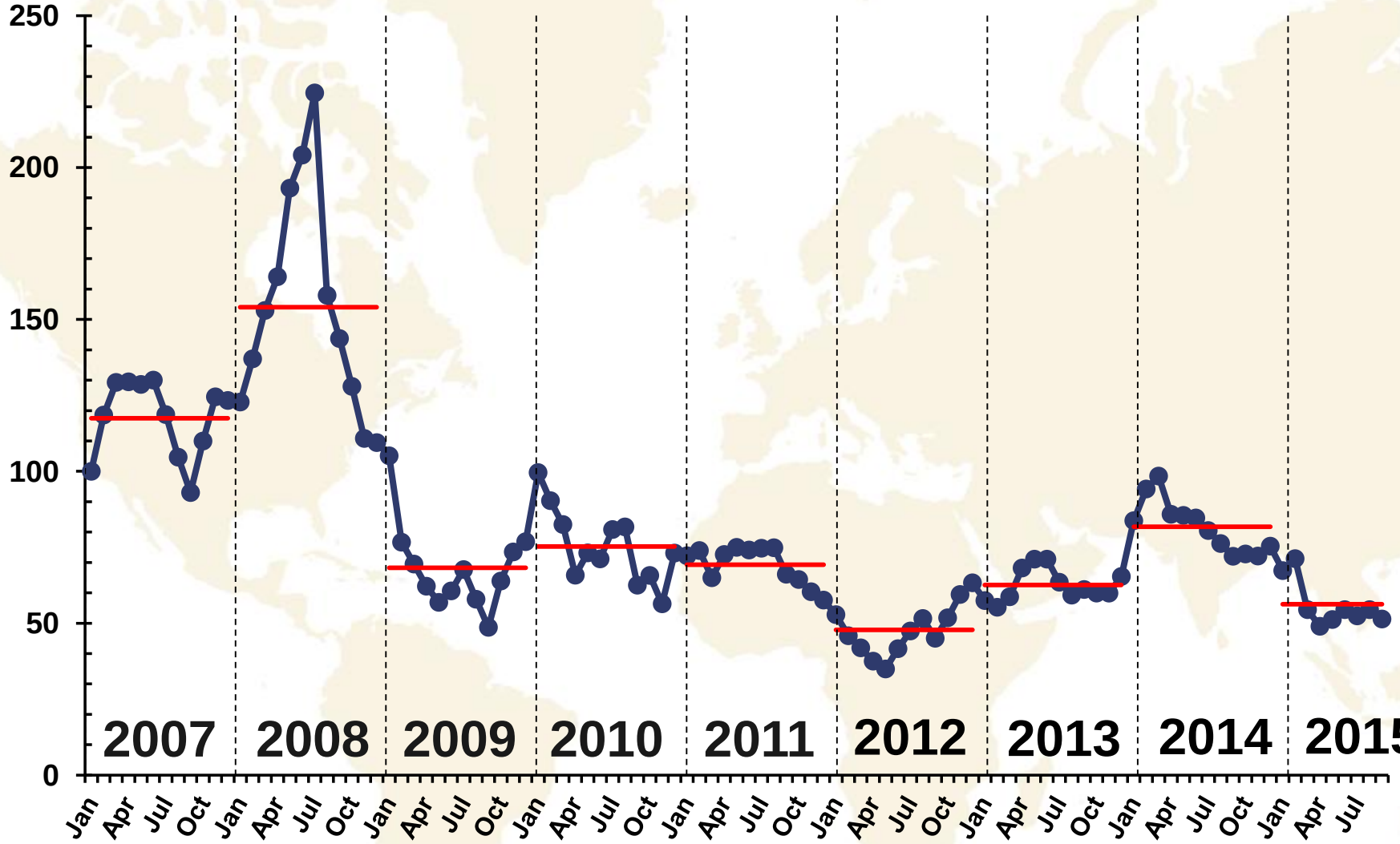
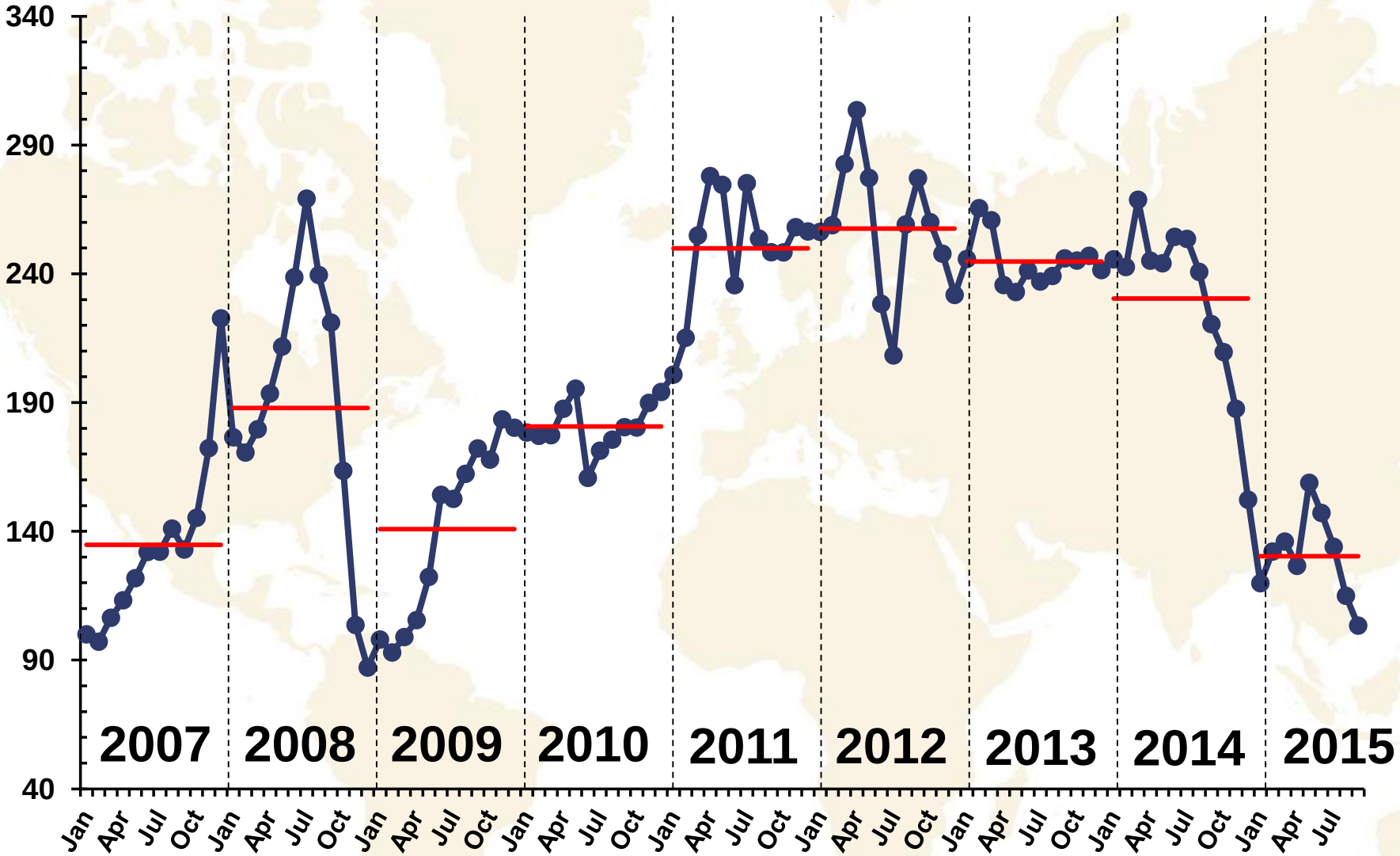
Natural Gas Costs Trend | 2% Increase vs. 2Q15 Average Cost



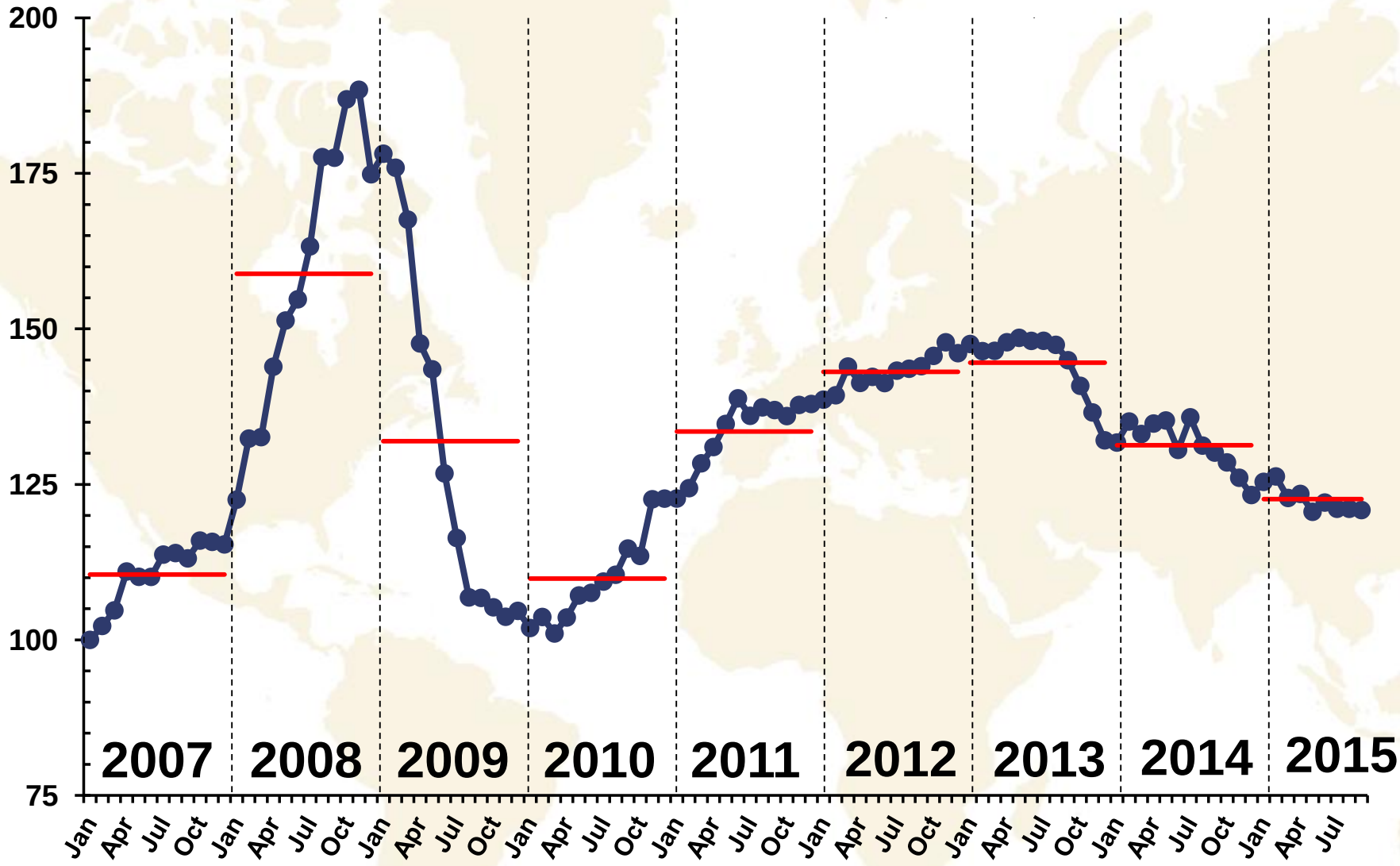
Cost Indexed to January 2007 values
NYMEX Natural Gas closing prices

U.S. Fuel Oil Trend | 19% Decrease vs. 2Q15 Average Cost



Cost Indexed to January 2007 values
WTI Crude prices

U.S. Chemical Composite Index Trend | 1% Decrease vs. 2Q15 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