Fourth Quarter and Full-Year 2015 Earnings | February 3, 2016



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 changes 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) 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 (viii) 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

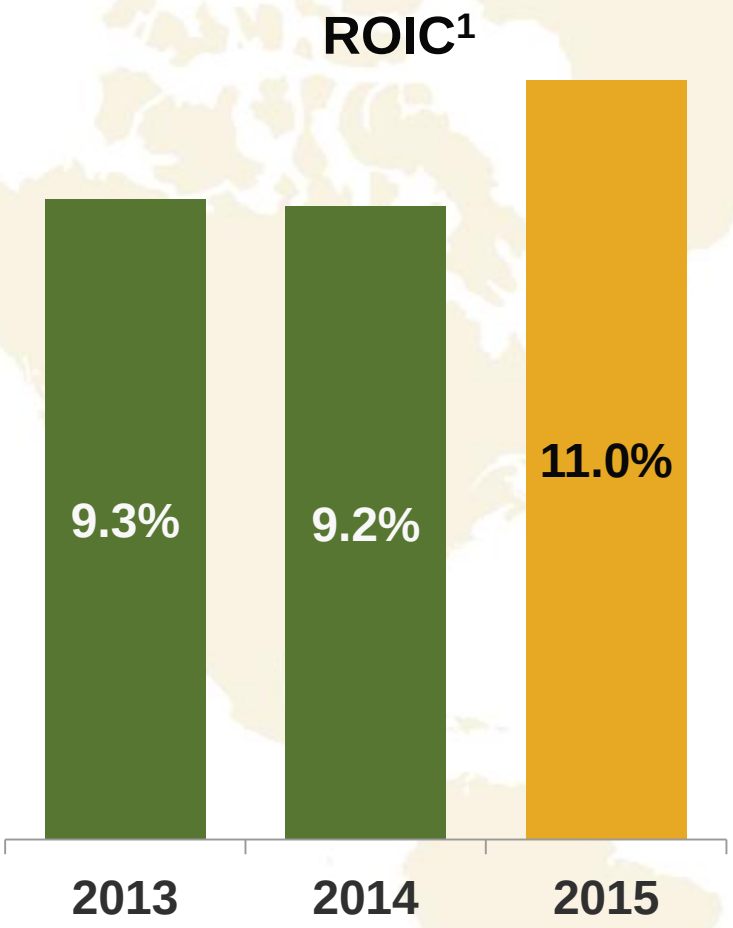
During the course of this presentation, certain non-U.S. GAAP financial information will be presented.

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 2015 Highlights



- Delivered record ROIC of 11%, the sixth straight year that IP has exceeded its Cost of Capital
- Strong Free Cash Flow[2] of $1.8B
- EPS[3] of $3.65, highest level achieved in 20 years
- N.A. Industrial Packaging delivered strong margins and earnings
- Record Ilim JV operational EBITDA[4] of $724MM
- Sold 55% equity interest in Sun JV
- Increased dividend by 10% to $1.76/share and enhanced payout policy
- Full-year share repurchases of ~$500MM; total to date of ~$2.1B

[1] ROIC = Operating Earnings before Interest / Average Invested Capital [Equity (adjusted to remove pension related amounts in OCI, net of tax) + Interest-Bearing Debt]
[2] See slide #23 for a reconciliation of cash provided by operations to Free Cash Flow
[3] EPS based on Operating Earnings (defined as Net Earnings (GAAP) from continuing operations before special items and non-operating pension expense)
[4] Before F/X impact on USD-denominated net debt

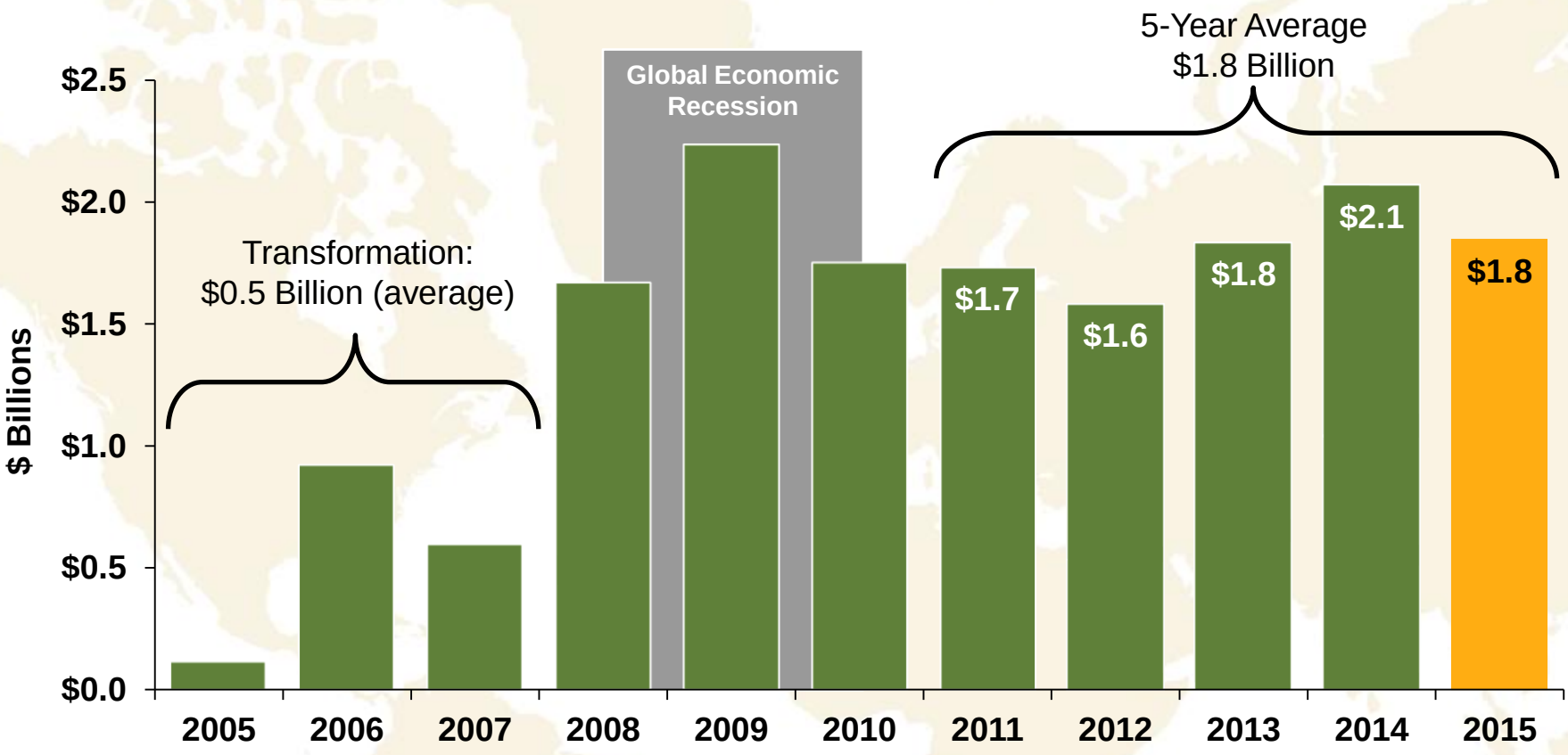
Full-Year 2015 Financial Results

$ Billion (Except as noted)	2013	2014	2015
Sales	$23.5	$23.6	$22.4
EBIT[1]	$2.5	$2.7	$2.6
EPS[2]	$3.06	$3.00	$3.65
EPS impact of Ilim F/X[3] – IP Share	($0.07)	($0.63)	($0.18)
EBITDA[1]	$4.0	$4.1	$3.9
EBITDA Margin	17.2%	17.5%	17.6%
FCF[4]	$1.8	$2.1	$1.8
Year-End Debt	$9.5	$9.4	$9.3
Cash Balance	$1.8	$1.9	$1.0



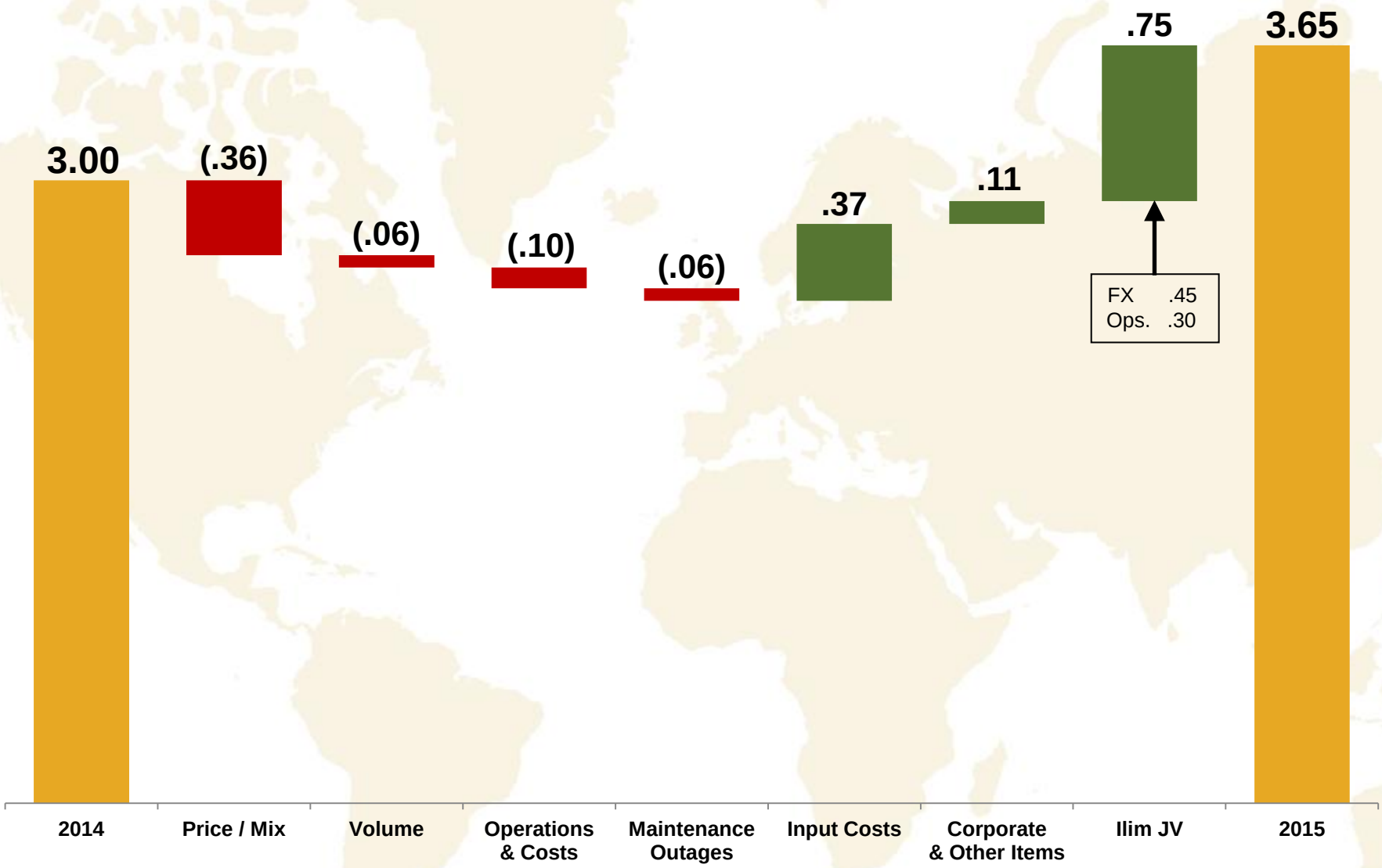
[1] From continuing operations before special items and non-operating pension expense
[2] EPS based on Operating Earnings (defined as Net Earnings (GAAP) from continuing operations before special items and non-operating pension expense)
[3] Represents F/X impact primarily related to Ilim JV USD-denominated net debt (balance of ~$700MM at year end 2015)
[4] See slide #23 for a reconciliation of cash provided by operations to Free Cash Flow
xpedx is reflected as a Discontinued Operation in all periods presented

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. Free Cash Flow reflects cash provided by operations for 2012 onward.
Excludes net cash pension contributions impacting 2006, 2010, 2011, 2013, 2014 & 2015, 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. 2015 excludes $750MM cash paid for pension plan contribution.

2015 vs. 2014 EPS



Operating Earnings

Fourth Quarter 2015 Results

	4Q14	3Q15	4Q15
Sales ($B)	**$5.9**	**$5.7**	**$5.4**
EBIT[1] ($MM)	**$657**	**$757**	**$616**
EPS[2]	**$0.53**	**$0.97**	**$0.87**
EPS impact of Ilim F/X[3] – IP Share	**($0.40)**	**($0.15)**	**($0.05)**
EBITDA[1] ($MM)	**$1,003**	**$1,086**	**$930**
EBITDA Margin[1]	**16.9%**	**19.1%**	**17.1%**
Free Cash Flow[4] ($MM)	**$739**	**$512**	**$501**

- FCF generation of $501MM
- Solid N.A. Industrial Packaging results supported by steady box demand, impacted by the cost of additional downtime
- N.A. domestic prices generally stable across businesses
- Seasonally higher volumes and price increases in Brazil, Russia and Europe
- Strong sales and production results at Ilim; unfavorable F/X impact of ($0.05) 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 ~$700MM at year end 2015)
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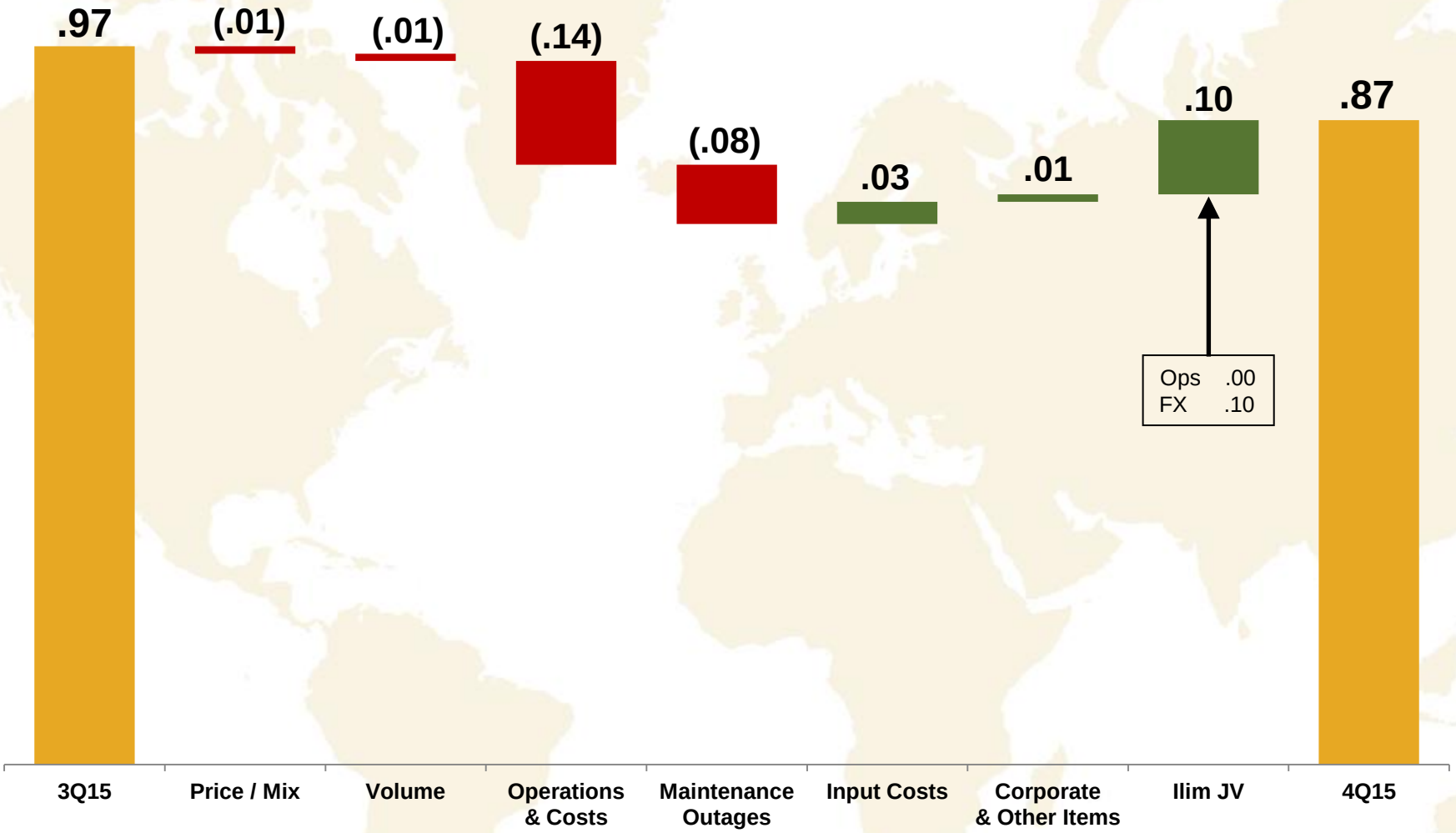
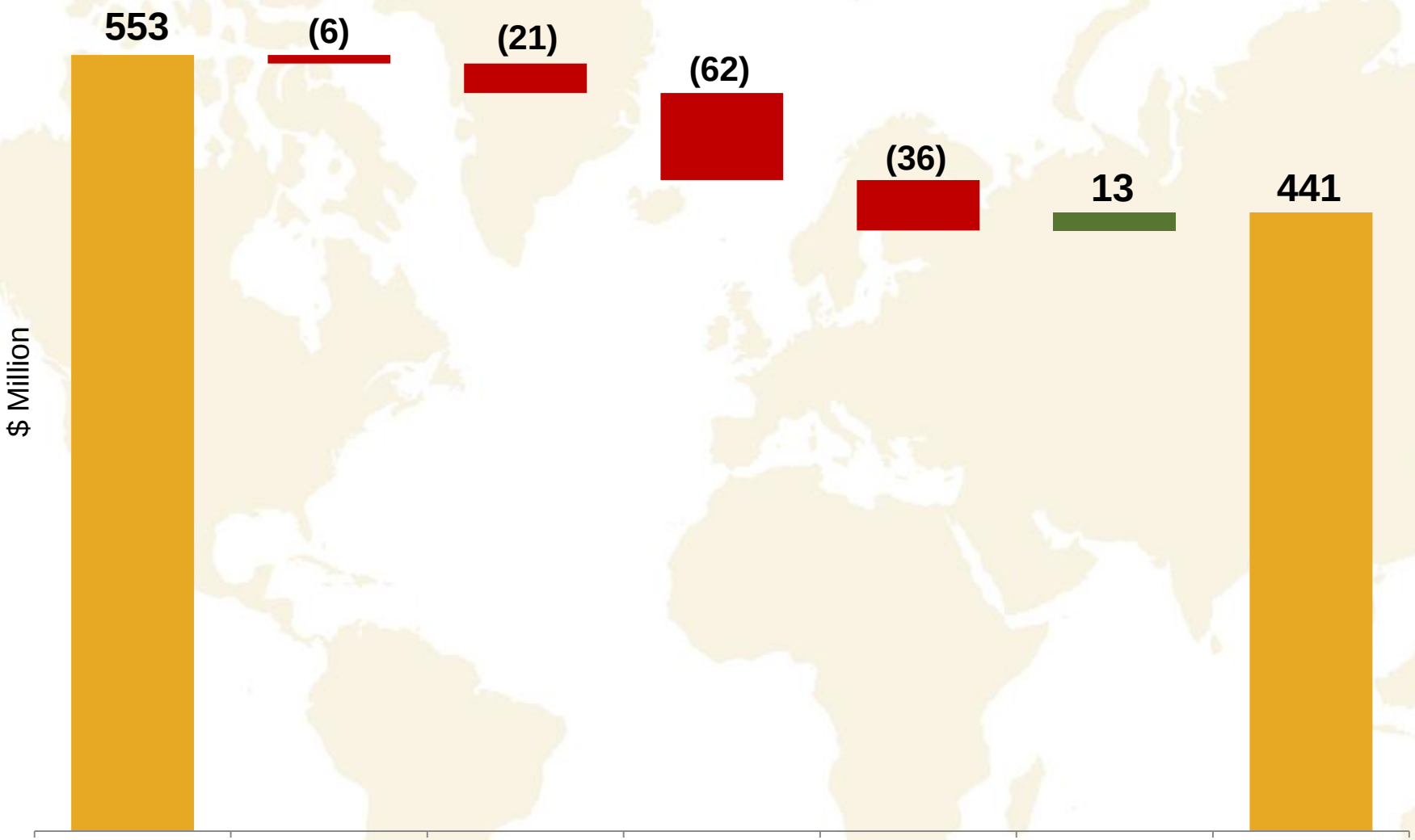
xpedx is reflected as a Discontinued Operation in all periods presented

4Q15 vs. 3Q15 EPS



Operating Earnings

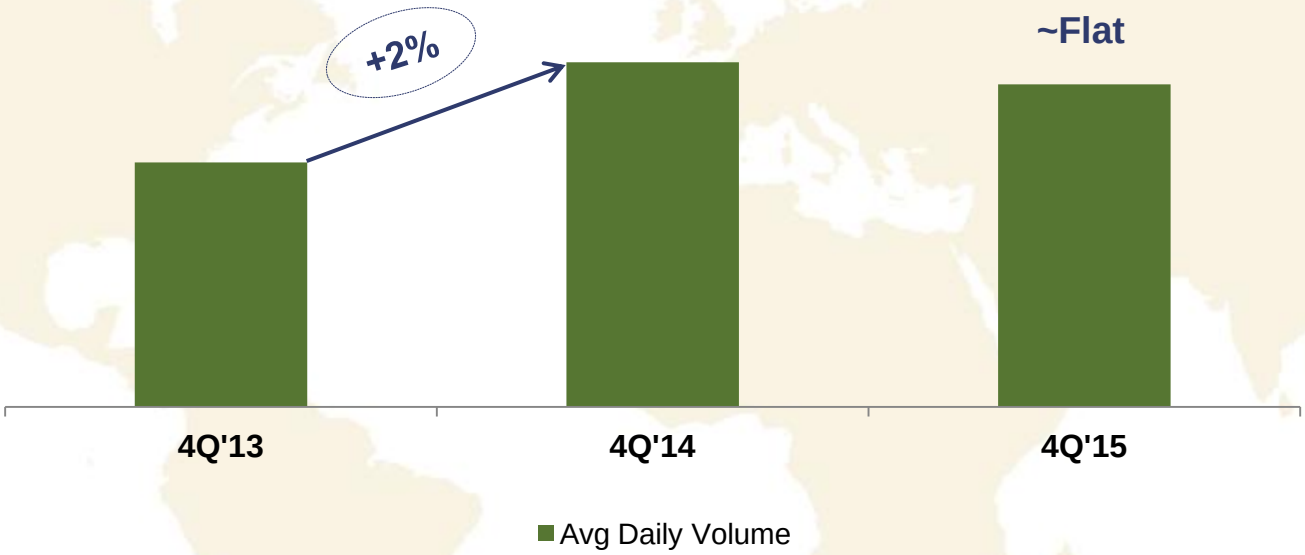
Industrial Packaging | 4Q15 vs. 3Q15



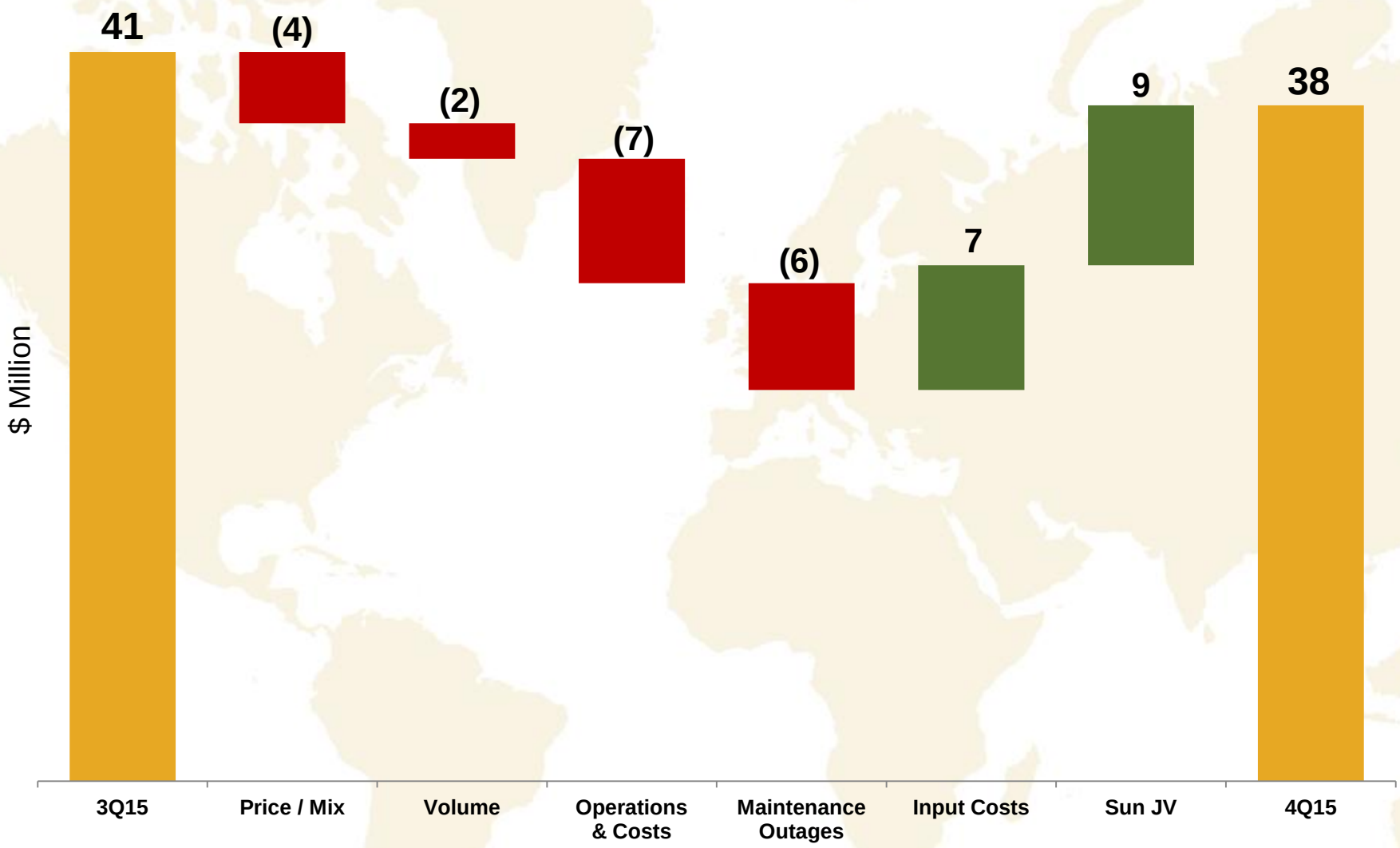
Segment operating profit before special items

INTERNATIONAL PAPER

IP YoY shipment increase seen beginning in 4Q'14 has been sustained



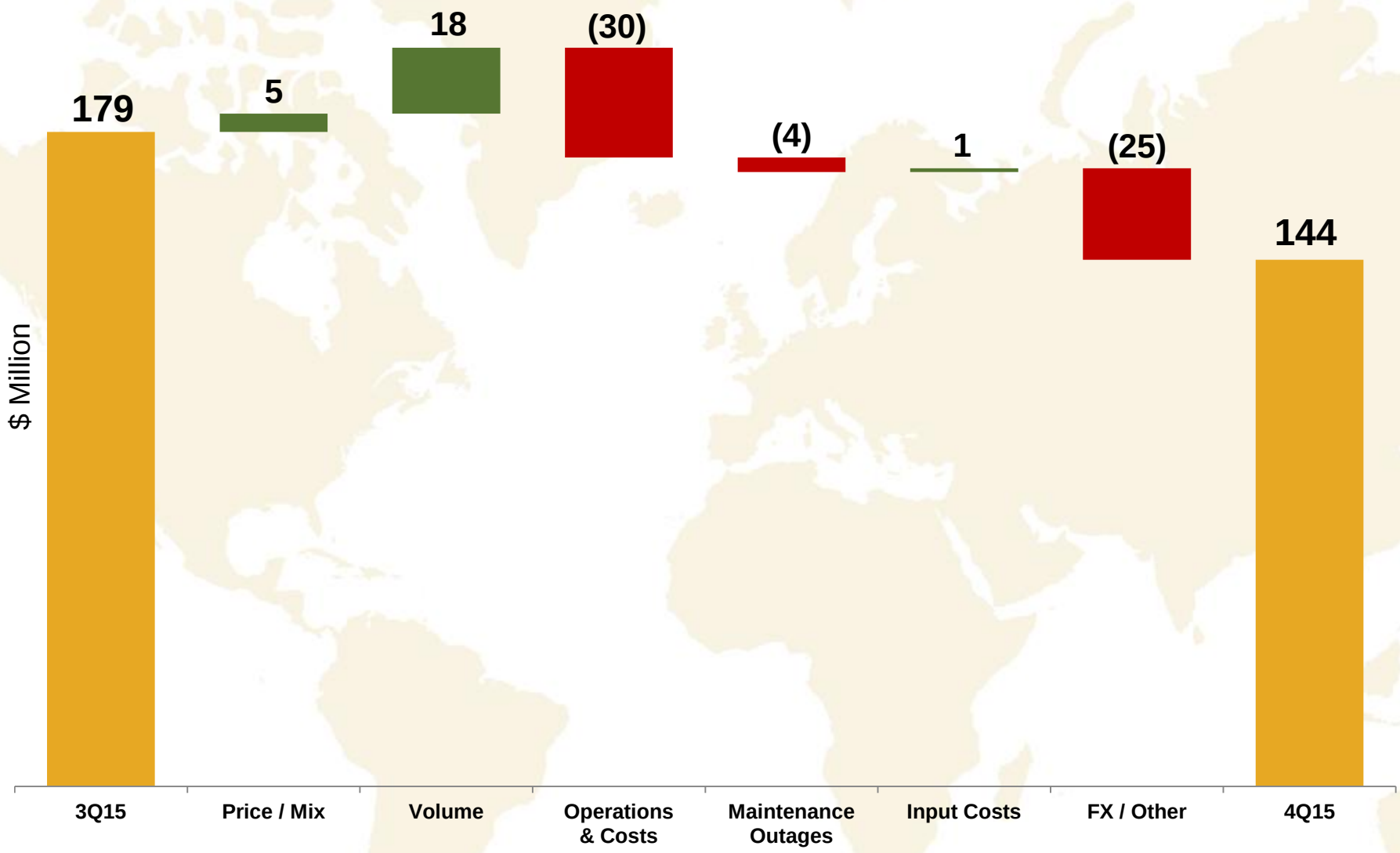
Consumer Packaging | 4Q15 vs. 3Q15



Segment operating profit before special items

INTERNATIONAL PAPER

Printing Papers | 4Q15 vs. 3Q15



Segment operating profit before special items

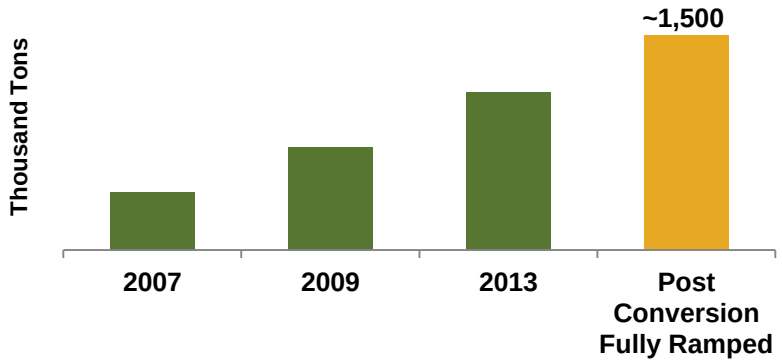
INTERNATIONAL PAPER

Riegelwood & N.A. Pulp System Update

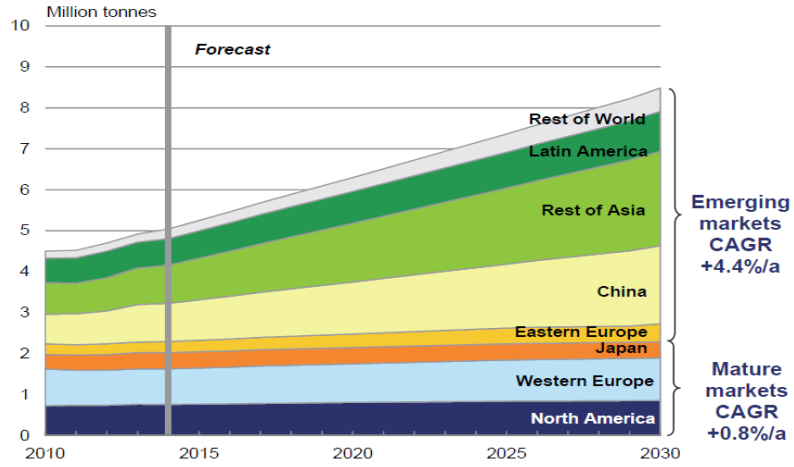
Growing Pulp business

- Riegelwood Mill conversion underway
- Additional 400,000 tons of capacity on line by mid-year 2016
- Flexibility to produce softwood market pulp while fluff demand ramps up
- Post conversion, IP will have 1.7MM tons of pulp capacity in NA (~1.5MM tons of which can be fluff)

IP's Total Fluff Pulp Capacity

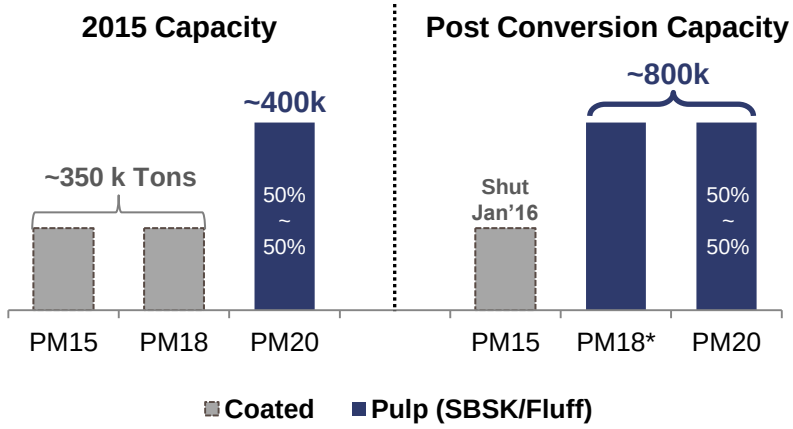


World Demand for Fluff Pulp



Source: Poyry World Fibre Outlook up to 2030

Riegelwood Mill Conversion



*Shut Dec'15 and convert by May'16

INTERNATIONAL PAPER

Ilim Joint Venture | 4Q15 vs. 3Q15

$ Million	4Q14	3Q15	4Q15	2014	2015
Sales Volume (thousand tons)	859	828	891	3,188	3,350
Sales	$520	$477	$492	$2,139	$1,931
Operational EBITDA[1]	$143	$194	$191	$470	$724
F/X (Impact of USD Net Debt[2])	($432)	($176)	($60)	($684)	($218)
IP Equity Earnings(Loss)[3]	($136)	($9)	$34	($194)	$131

- Continued strong operational and financial results through optimization and leveraging advantaged export position
- Achieved $724MM operational EBITDA in 2015
- Expect continued strong operations offset by softwood pulp price pressure and normal seasonality for 1Q'16

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

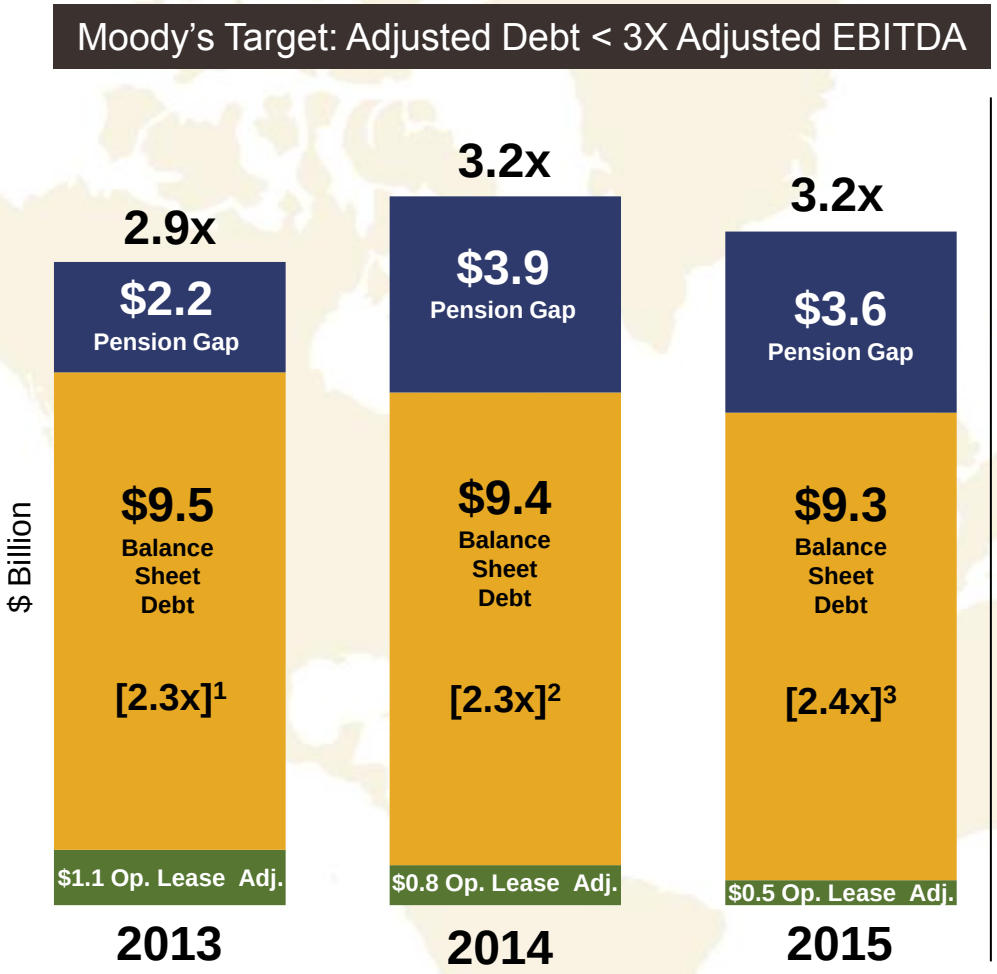
[1] Before F/X impact on USD-denominated net debt

[2] 4Q15 mainly driven by Ilim JV USD-denominated net debt balance of ~$700MM; 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 4Q14, 3Q15, and 4Q15 include after-tax f/x losses (primarily on USD-denominated net debt) of $(171)MM, $(65)MM, and $(19)MM, respectively; FY14 and FY15 include after-tax f/x losses of $(269)MM and $(75)MM respectively (US GAAP)

ILIM | INTERNATIONAL PAPER

Balance Sheet | Financial Strength



2015 Highlights

- Pension gap decreased by $0.3B
- Made $750MM voluntary pension contribution
- Significant debt restructuring mid-2015
  - ✓ Bond issue and tender offer successfully reduced debt towers
- Raised dividend 10% to $1.76/share
- Continued share buybacks of ~$500MM
- $1.0B cash balance at year end

Adjusted Debt reflects gross balance sheet debt plus pension gap and operating leases (Moody's Methodology)
Adjusted EBITDA of $4.2B incorporates pension and lease expense adjustments (Moody's Methodology)
[1] Simple Debt Coverage: Balance Sheet Debt / 2013 Reported EBITDA of $4.1B
[2] Simple Debt Coverage: Balance Sheet Debt / 2014 Reported EBITDA of $4.1B
[3] Simple Debt Coverage: Balance Sheet Debt / 2015 Reported EBITDA of $3.9B

First Quarter Outlook | Changes from 4Q15

		North America	EMEA & Russia	Brazil
Volume	Paper	Stable	Stable	Seasonal Decrease
	Packaging	Seasonal Mix & Bristols Exit	Stable	Stable
Pricing / Mix	Paper	Pulp Pressure	Improving	Improving
	Packaging	Containerboard Export / U.S. Box	Stable	Stable
Operations & Other	Paper	Stable	Stable	Stable
	Packaging	Improving	Stable	Stable
Inputs & Freight	Paper	Stable	Inflationary Pressure	Inflationary Pressure
	Packaging	Stable	Stable	Stable
Mill Maintenance Outages	Paper	Increase $31MM	Decrease $1MM	N/A
	Packaging	Increase $25MM	N/A	Increase $1MM
Asia / India		▪ Stable		
Ilim JV Equity Earnings		▪ Strong operations offset by softwood pulp price pressure and normal seasonality ▪ Non-recurring 4Q currency impact of ($0.05) on USD net debt, assuming stable F/X as of Dec. 31, 2015		
Other Items		▪ Tax rate, in line with full-year outlook of 34% ▪ Interest expense, flat ▪ Corporate expense, ~$15MM in 1Q2016		

Key Financial Metrics

$ Million (Except as noted)	2014	2015	2016
Capital Spending	$1.4B	$1.5B	$1.3B
Depreciation & Amortization	$1.4B	$1.3B	~$1.3B
Net Interest Expense[1]	$601	$555	~$550
Corporate Items	$51	$36	~$50
Effective Tax Rate	31%	33%	~34%

[1]Before special items

IP Focus Areas For 2016

- Continue to improve our N.A. Industrial Packaging business
- Riegelwood Mill conversion – new capacity on line 2H'16
- Recent expansion of Foodservice business enables profitable cup growth
- Optimize N.A. Paper commercial opportunities and mix
- Asia Industrial Packaging sale
- Continued strong performance at Ilim JV
- Capital allocation to create value



IP Investment Thesis | Why IP Will Outperform

Vision



Leadership position

Attractive markets

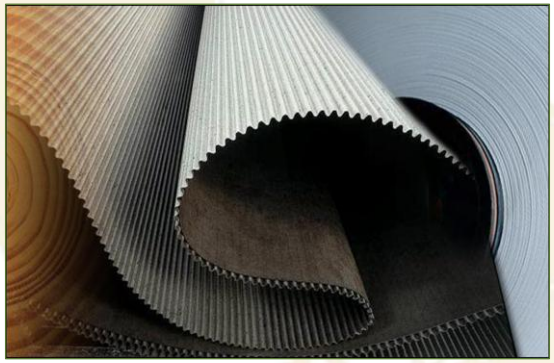
Low-cost assets

Generating…

Strong FCF

Returns above cost-of-capital

Strategy



- Global packaging and paper platforms
- Leadership positions in scale businesses
- Operational excellence
- Operate in key markets where we can grow profitably

Shareholder Value



ROIC ➔ Consistently >WACC

FCF ➔ Strong Sustainable Improving

Capital Allocation

✔ Value Creation

✔ Return Cash to Shareholders

Appendix

Investor Relations Contacts

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Media Contact

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Free Cash Flow

$ Million	2013	4Q14	2014	1Q15	2Q15	3Q15	4Q15	2015
Cash Provided by Operations	$3,029[1]	$1,144	$3,430[2]	$638	$865[3]	$837	$990	$3,330[3]
Less Capital Investment	($1,198)	($405)	($1,366)	($319)	($354)	($325)	($489)	($1,487)
Free Cash Flow	$1,831	$739	$2,064	$319	$511	$512	$501	$1,843

[1] Excludes $31MM cash paid for pension plan contribution and $30MM cash received from Guaranty Bank insurance reimbursements
[2] Excludes $353MM cash paid for pension plan contribution
[3] Excludes $750MM cash paid for pension plan contribution

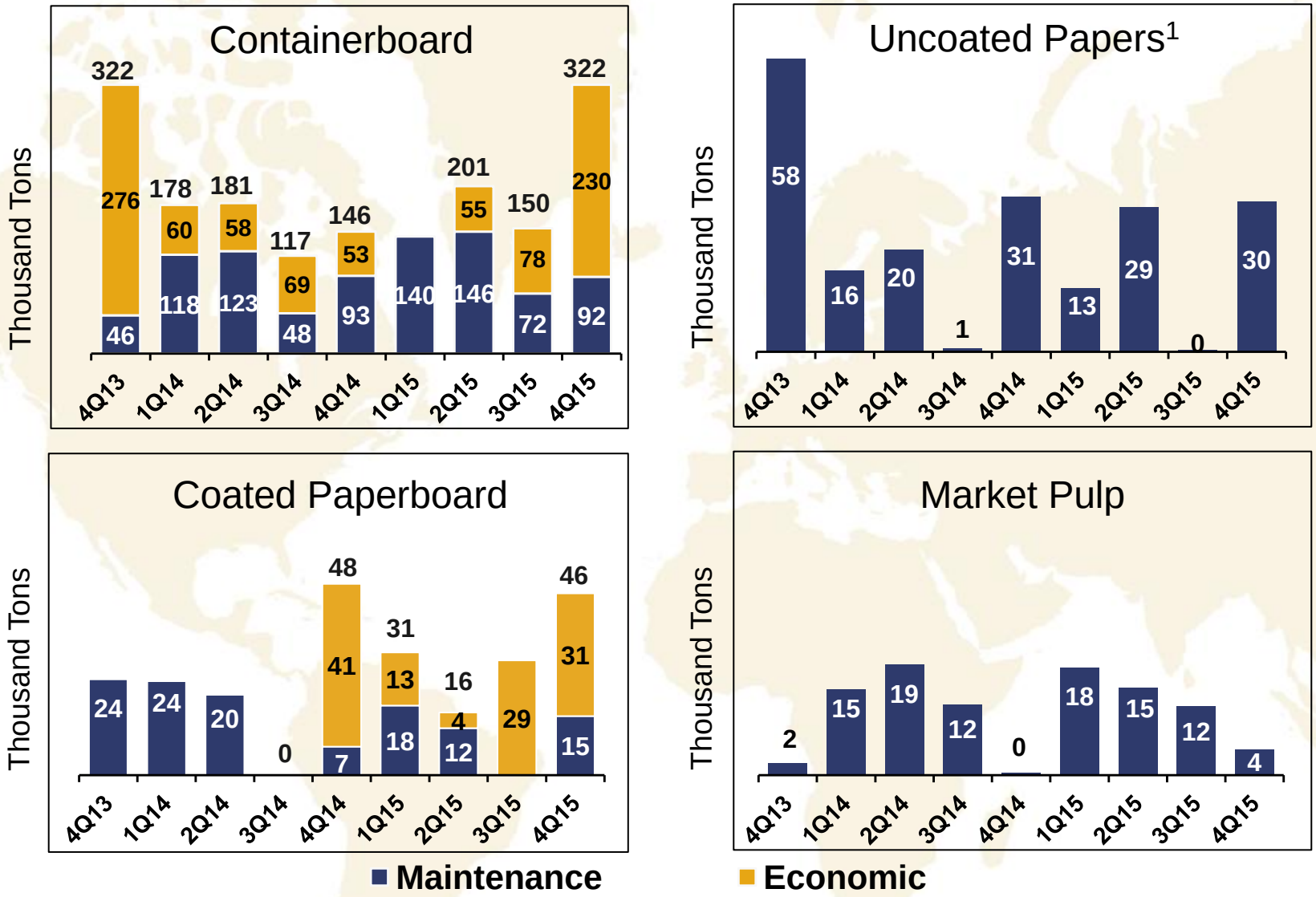
Maintenance Outages Expenses | 2015

$ Million	1Q15A	2Q15A	3Q15A	4Q15A	2015A
Industrial Packaging	**$63**	**$95**	**$27**	**$63**	**$248**
North America	63	93	27	63	246
Brazil	0	2	0	0	2
Printing Papers Total	**$33**	**$63**	**$32**	**$37**	**$165**
North America	27	41	15	36	119
Europe	0	22	14	1	37
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**	**$114**	**$461**

Maintenance Outages Expenses | 2016 Forecast

$ Million	1Q16F	2Q16F	3Q16F	4Q16F	2016F
Industrial Packaging	**$84**	**$93**	**$58**	**$50**	**$284**
North America	84	91	58	50	282
Brazil	0	2	0	0	2
Printing Papers Total	**$67**	**$54**	**$29**	**$55**	**$205**
North America	67	40	17	40	164
Europe	0	8	11	14	33
Brazil	0	6	0	1	7
India	0	0	1	0	1
Consumer Packaging	**$18**	**$4**	**$3**	**$19**	**$44**
North America	18	0	0	17	35
Europe	0	4	3	2	9
Total Impact	**$169**	**$151**	**$90**	**$124**	**$534**

North American Downtime



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

Special Items Before Tax | Continuing Operations

Special Items Pre-Tax ($ Million)		4Q14	3Q15	4Q15
Industrial Packaging	Acquisition and Integration Costs	($5)		
	Impairment of Asia Box Goodwill	($100)		
	Impairment of Brazil Packaging Goodwill & Intangible			($137)
Printing Papers	Courtland Mill Shutdown	($7)		
Consumer Pkg.	Riegelwood Repurposing		($7)	($15)
	Impairment of Sun JV Goodwill & PPE		($186)	$12
	Other	($4)	($1)	
Corporate	Debt Extinguishment	($1)		
	ASG Loss on Sale & Impairment	($47)		
	Timber Monetization Restructure		($17)	
	Legal Reserve			($15)
	Other	$9		($3)
Total Special Items Before Tax		**($155)**	**($211)**	**($158)**

Special Items Net of Taxes

	4Q15		2015	
	$ Million	EPS	$ Million	EPS
Earnings Before Special Items	$361	$0.87	$1,534	$3.65
Special Items Net of Taxes:				
Tax items	($2)		$37	
Debt Premium Costs	--		($133)	
Timber Monetization Restructure	--		($10)	
Legal Reserve	($9)		($9)	
Riegelwood Repurposing	($9)		($4)	
Impairment of Sun JV Goodwill & PPE	$12		($180)	
Impairment of Brazil Packaging Goodwill & Intangible	($137)		($137)	
Other	($2)		($3)	
Total Special Items Net of Taxes	($147)	($0.35)	($439)	($1.04)
Non-Operating Pension Expense	($36)	($0.09)	($157)	($0.38)
Net Earnings	$178	$0.43	$938	$2.23

4Q15 EBITDA | Integrated Mill Business Margins

	Operating Profit $ Million	D & A $ Million	Tons Thousand	EBITDA per Ton	EBITDA Margin
Industrial Packaging					
North America[1]	$450	$164	3,392	$181	22%
Brazil	($12)	$4	77	($104)	-17%
Printing Papers					
North America[2]	$33	$20	481	$110	11%
Europe & Russia[3]	$42	$12	321[4]	$168	24%[4]
Brazil	$58	$20	342	$228	31%
India[5]	($2)	$4	44	$45	6%
North America Pulp	$7	$17	338	$71	12%
Consumer Packaging					
North America[6]	$12	$45	345	$165	12%
Europe	$26	$4	97	$309	37%

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	4Q14	3Q15	4Q15	2014	2015
Industrial Packaging	$484	$553	$441	$2,054	$1,990
Printing Papers	$155	$179	$144	$550	$533
Consumer Packaging	$55	$41	$38	$186	$159
Operating Profit	**$694**	**$773**	**$623**	**$2,790**	**$2,682**
Net Interest Expense	($142)	($141)	($133)	($601)	($555)
Noncontrolling Interest / Equity Earnings Adjustment	($2)	($6)	$2	($2)	($8)
Corporate Items	($35)	($10)	($9)	($51)	($36)
Non-Operating Pension Expense	($53)	($76)	($60)	($212)	($258)
Special Items	($155)	($211)	($158)	($1,052)	($559)
Net Earnings from continuing operations before income taxes, equity earnings & noncontrolling interest	**$307**	**$329**	**$265**	**$872**	**$1,266**
Equity Earnings(Loss), net of taxes – Ilim	**($136)**	**($9)**	**$34**	**($194)**	**$131**

Geographic Business Segment Operating Results | Revenue

$ Million	Sales				
	4Q14	3Q15	4Q15	2014	2015
Industrial Packaging					
North America	$3,159	$3,175	$3,098	$12,663	$12,541
Europe	$316	$262	$293	$1,307	$1,114
Brazil	$79	$55	$48	$349	$228
Asia	$143	$150	$156	$625	$601
Printing Papers					
North America	$511	$500	$489	$2,055	$1,942
Europe	$352	$284	$306	$1,472	$1,195
Brazil	$288	$219	$252	$1,061	$878
India / Asia	$55	$39	$41	$237	$172
N.A. Pulp	$234	$216	$208	$895	$844
Consumer Packaging					
North America	$496	$494	$475	$1,993	$1,939
Europe	$95	$80	$81	$365	$319
Asia (Sun JV)	$264	$235	$0	$1,045	$682

Does not reflect total company sales

Geographic Business Segment Operating Results | Before Special Items

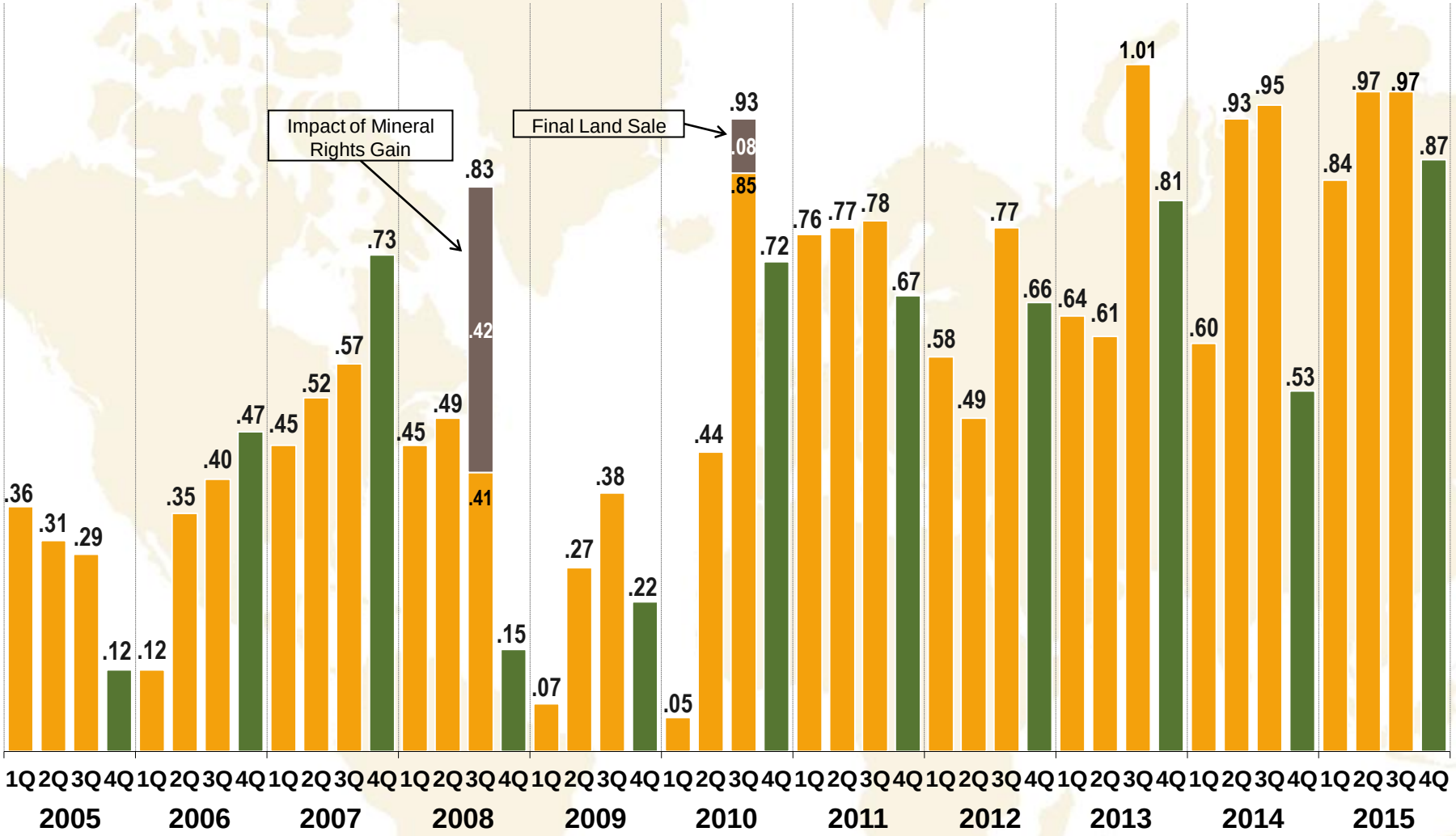
$ Million	Segment Operating Profit				
	4Q14	3Q15	4Q15	2014	2015
Industrial Packaging					
North America	$479	$557	$451	$2,032	$2,009
Europe	$8	$1	$4	$31	$13
Brazil	($1)	($4)	($12)	($4)	($26)
Asia	($2)	($1)	($2)	($5)	($6)
Printing Papers					
North America	$37	$81	$33	$156	$179
Europe	$38	$30	$48	$140	$133
Brazil	$53	$56	$58	$209	$186
India / Asia	($3)	($4)	($2)	($12)	($11)
N.A. Pulp	$30	$16	$7	$57	$46
Consumer Packaging					
North America	$32	$30	$12	$100	$91
Europe	$27	$20	$26	$91	$87
Asia (Sun JV)	($4)	($9)	$0	($5)	($19)

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
4Q15	$483	($155)	$0	$33	$361	416	$0.87
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)
4Q15	($60)	$24	$0	$0	($36)	416	($0.09)
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)
4Q15	($158)	$11	$0	$0	($147)	416	($0.35)
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
4Q15	$265	($120)	$0	$33	$178	416	$0.43

[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 onward

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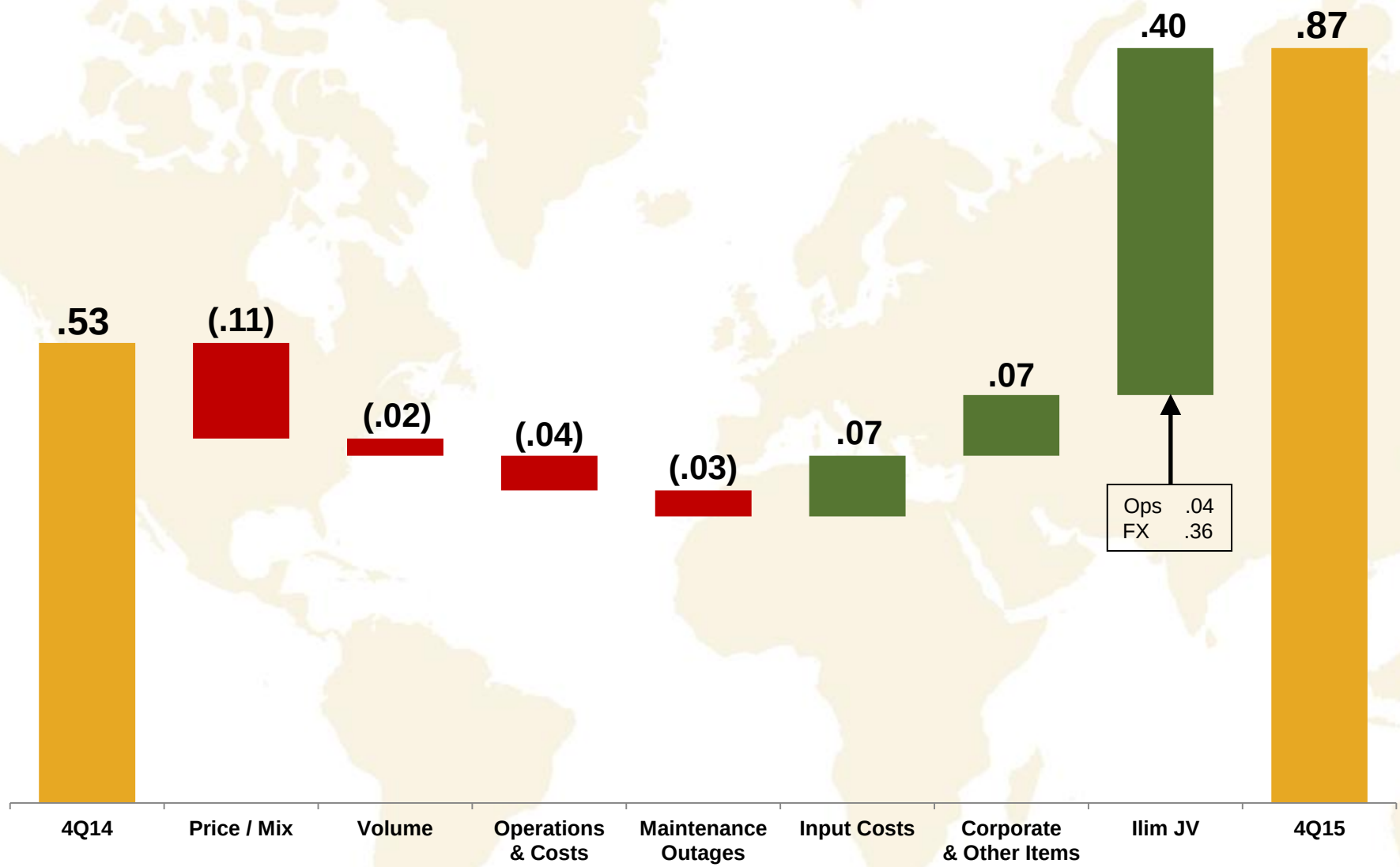
4Q15 vs. 4Q14 EPS



Operating Earnings

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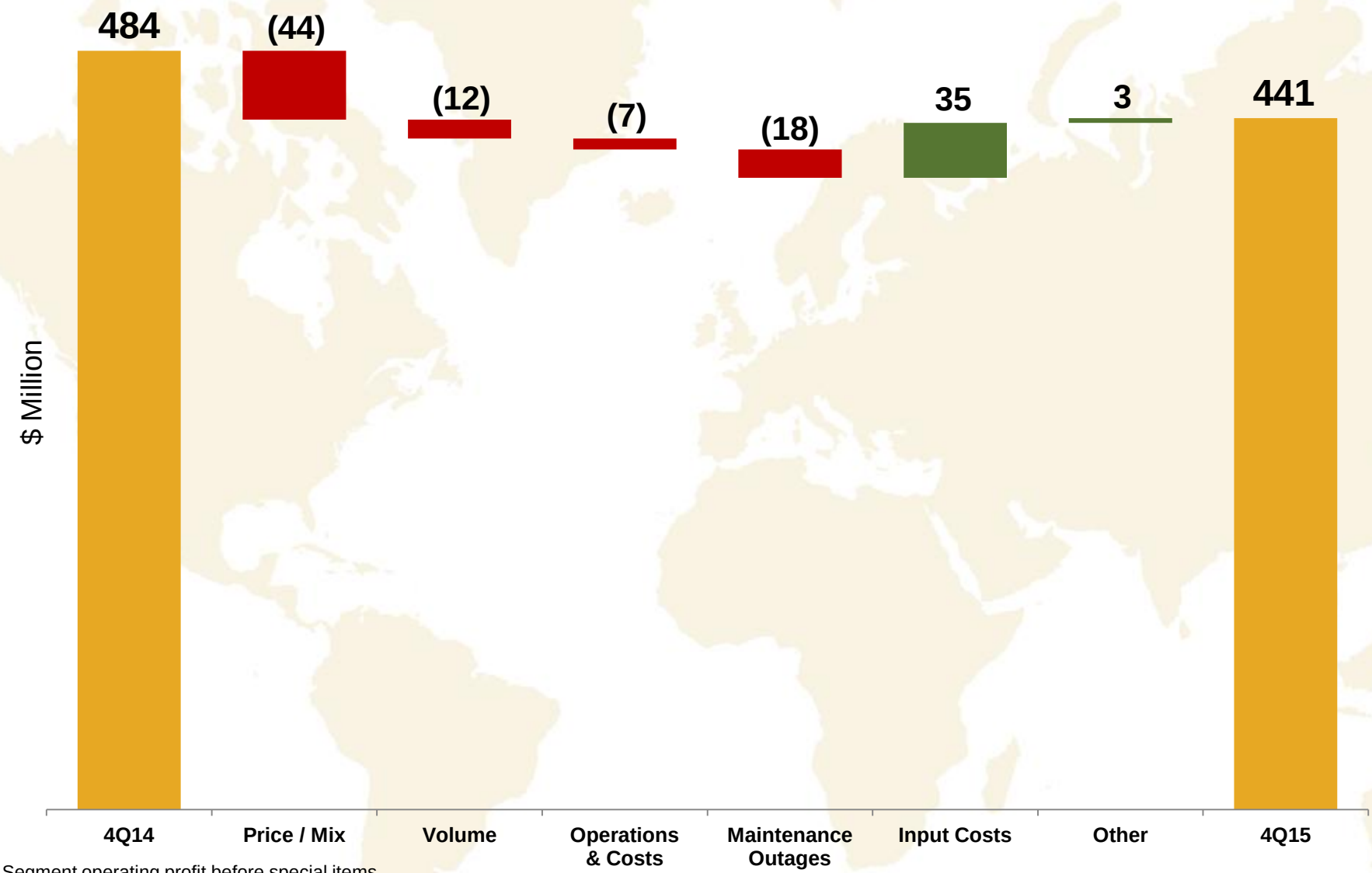
Industrial Packaging | 4Q15 vs. 4Q14



Segment operating profit before special items

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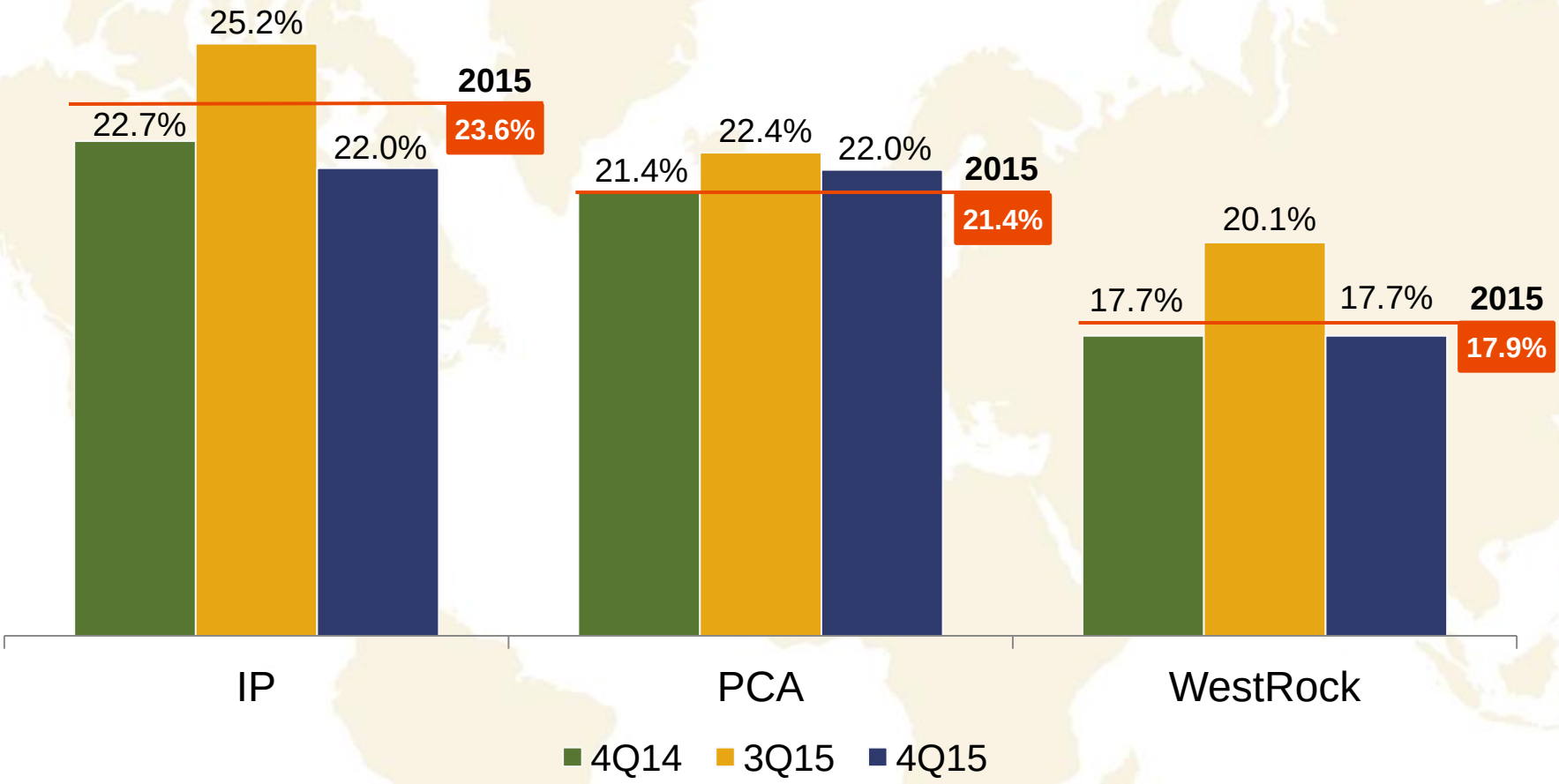
	4Q15 vs. 3Q15		4Q15 vs. 4Q14	
Business	**Volume**	**Price / Mix per Ton**	**Volume**	**Price / Mix per Ton**
N.A. Container[1]	**4%**	**($5)**	**~Flat**	**($15)**
European Container	**10%**	**(€10)**	**4%**	**€13**

Average IP volume and price realization (includes the impact of mix across all segments)
[1] Corrugator plant sales on FBA shipping day basis

N.A. Industrial Packaging Relative EBITDA Margins



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

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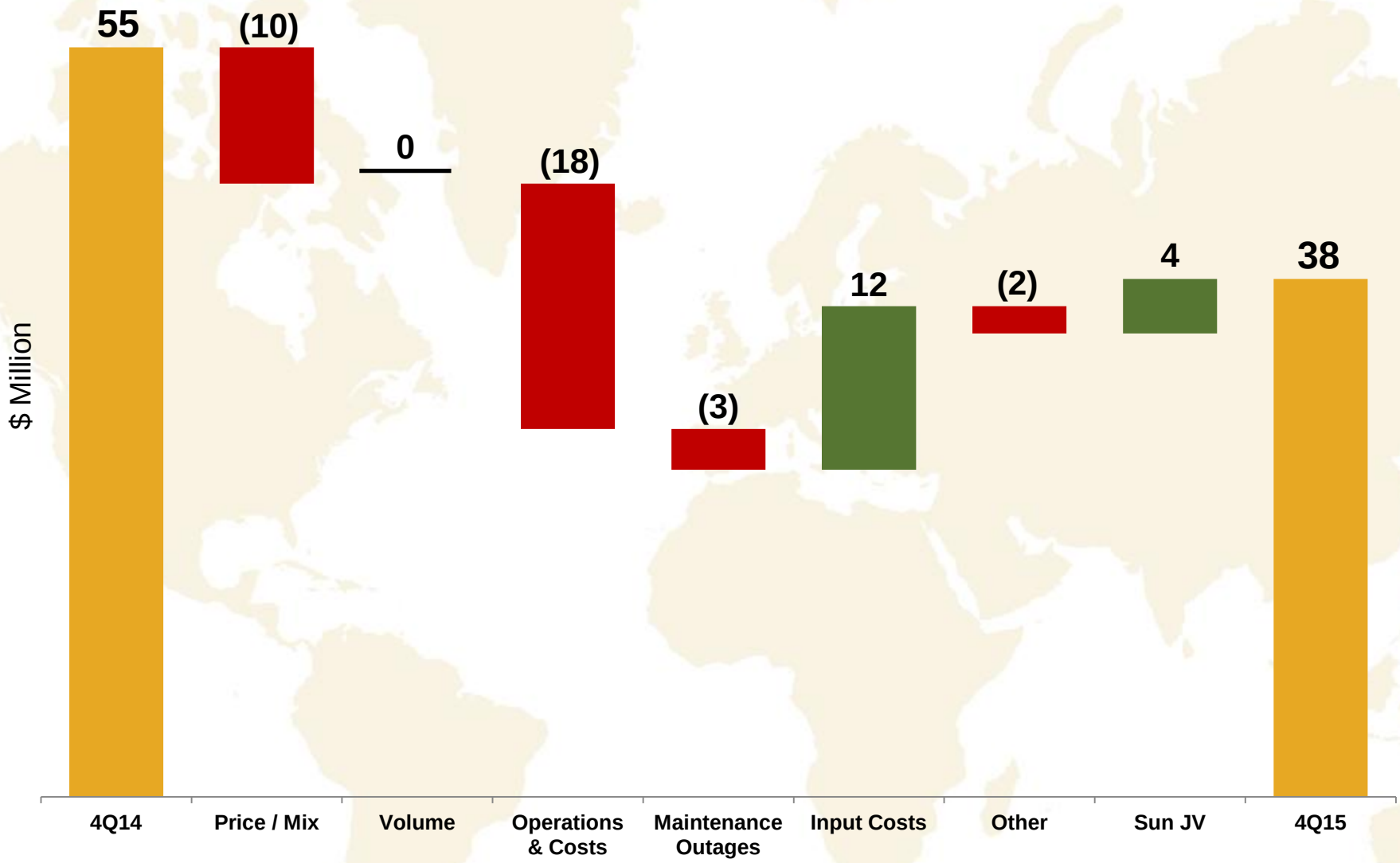
Consumer Packaging | 4Q15 vs. 4Q14



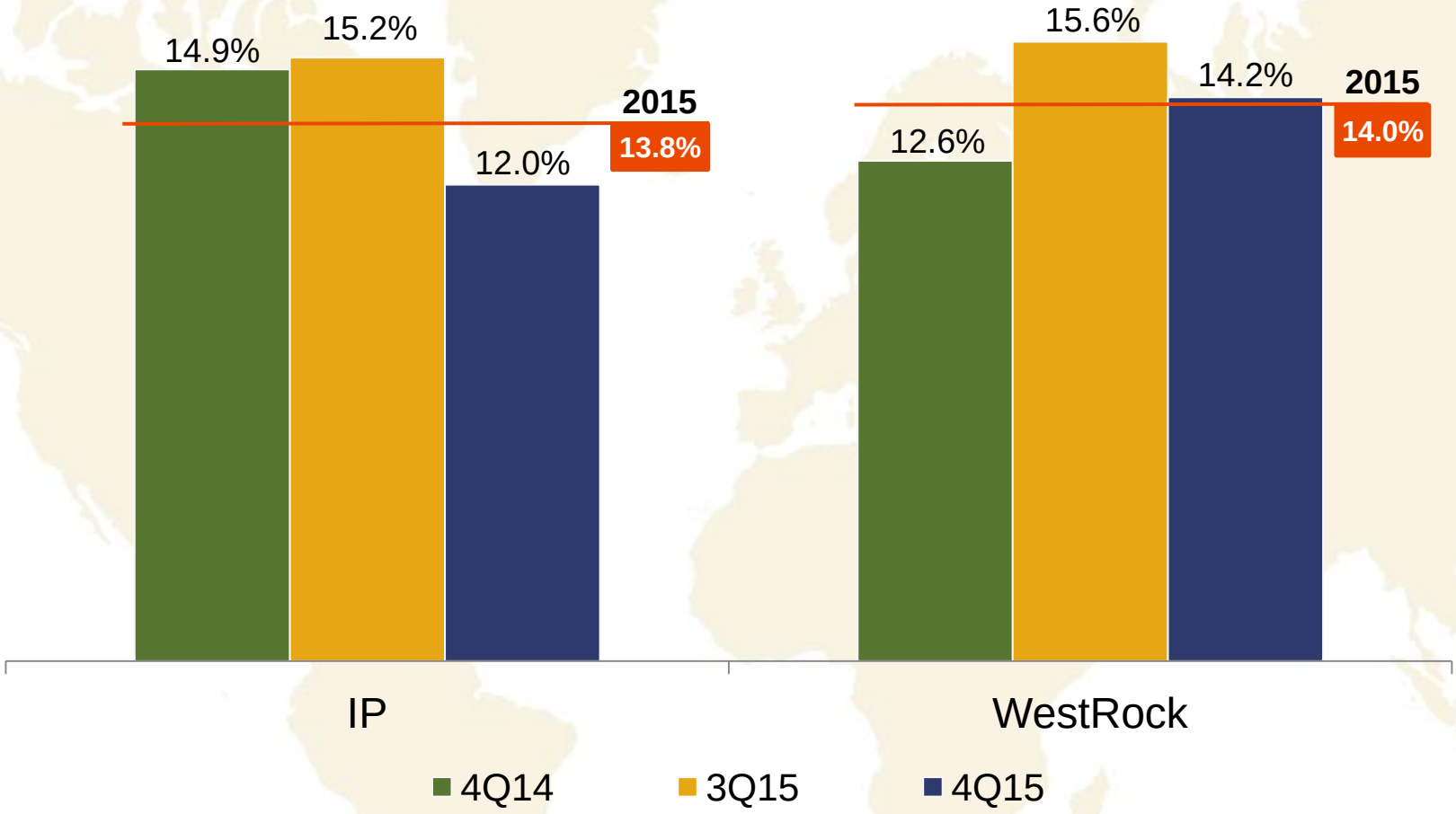
Segment operating profit before special items

Consumer Packaging | Volume and Pricing Trends

	4Q15 vs. 3Q15		4Q15 vs. 4Q14	
	Volume	Price / Mix per Ton	Volume	Price / Mix per Ton
NA Coated Paperboard	(9%)	($15)	(2%)	($43)
	Revenue		Revenue	
Foodservice	7%		6%	

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

N.A. Consumer Packaging Relative EBITDA Margins



IP EBITDA margins based on North American Consumer Packaging operating profit before special items
Competitor EBITDA margin estimates obtained from public filings

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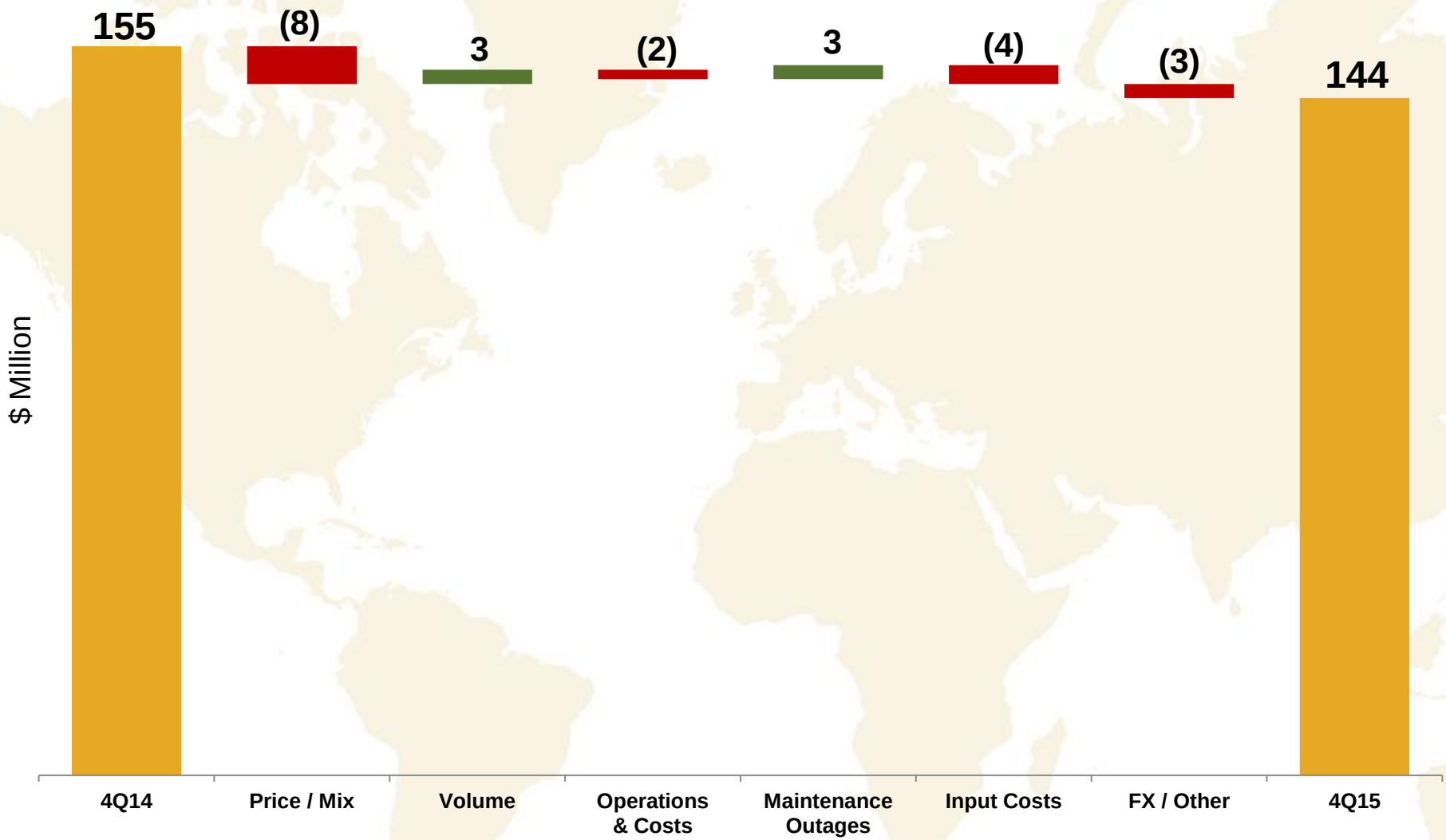
Printing Papers | 4Q15 vs. 4Q14



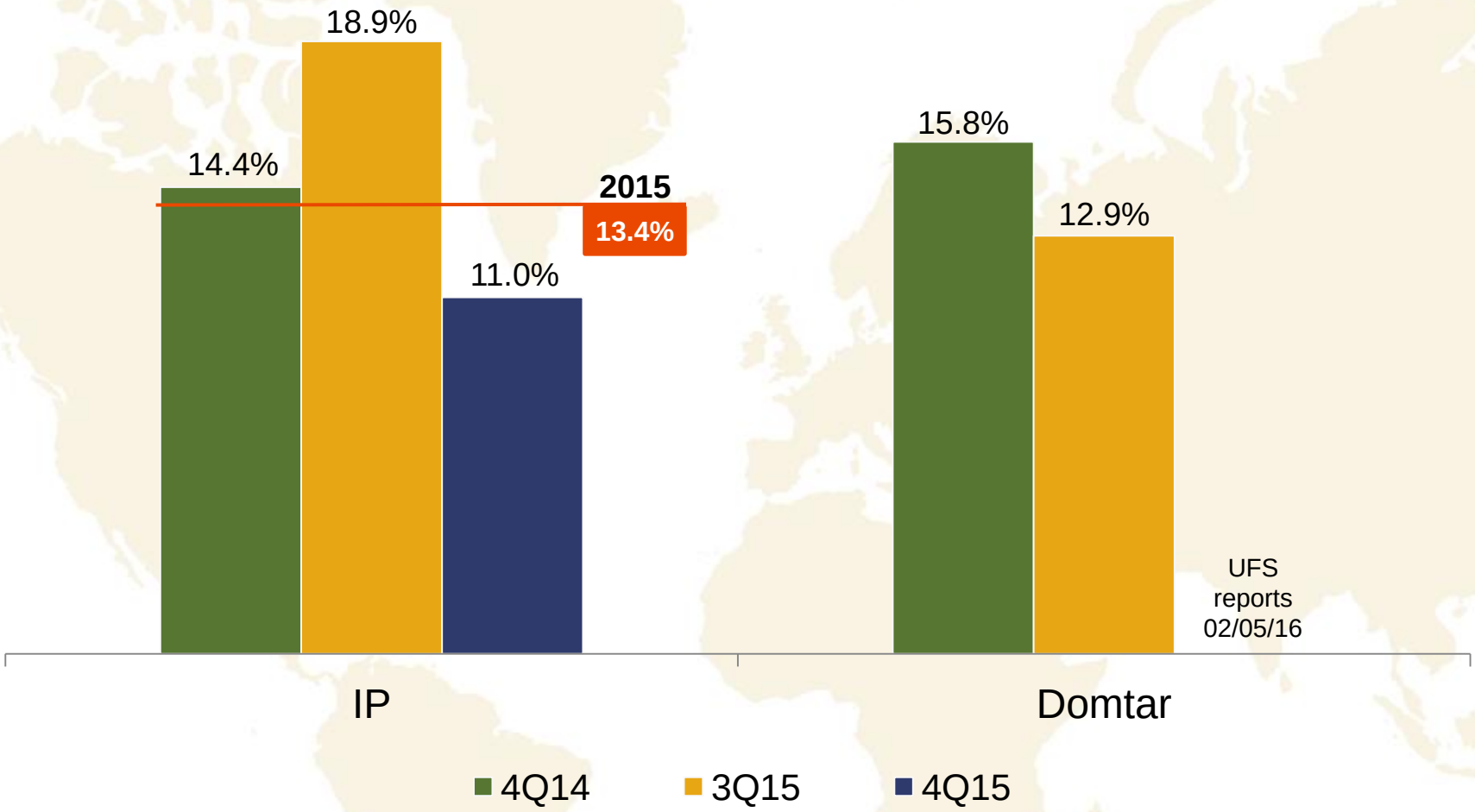
Segment operating profit before special items

Printing Papers | Volume and Pricing Trends

	4Q15 vs. 3Q15		4Q15 vs. 4Q14	
Business	**Volume**	**Price / Mix per Ton**	**Volume**	**Price / Mix per Ton**
NA Paper	**(2%)**	**$3**	**(3%)**	**($15)**
NA Pulp[1]	**Flat**	**($19)**	**(7%)**	**($31)**
European Paper[2]	**5%**	**€25**	**(7%)**	**€29**

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. Papers & Pulp 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

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$ Million	4Q14	3Q15	4Q15
Sales	$288	$219	$252
Earnings	$53	$56	$58
EBITDA Margin	28%	35%	31%

	4Q15 vs. 3Q15		4Q15 vs. 4Q14	
Uncoated Freesheet	Volume	Price / Mix per Ton	Volume	Price / Mix per Ton
Domestic (BRL)	17%	R$105	(7%)	R$226
Export (USD)	18%	($9)	25%	($72)

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	2015
Sales Volume (Million short tons)	**2.6**	**2.8**	**2.8**	**2.9**	**2.7**	**3.2**	**3.3**
Sales ($B)	**1.3**	**1.9**	**2.2**	**2.0**	**1.9**	**2.1**	**1.9**
Debt ($B)	**0.4**	**0.5**	**0.9**	**1.2**	**1.5**	**1.4**	**1.2**
Operating EBITDA ($MM)	**197**	**516**	**591**	**291**	**208**	**470**	**724**
F/X Gain (loss)[1]	(35)	12	(60)	39	(80)	(684)	(218)
EBITDA ($MM)	**163**	**528**	**531**	**330**	**128**	**(214)**	**506**
Depreciation ($MM)	120	121	124	134	177	193	240
EBIT ($MM)	**43**	**407**	**406**	**196**	**(49)**	**(408)**	**266**
Interest Expense ($MM)	**28**	**18**	**7**	**6**	**39**	**69**	**53**
Net Income (loss) ($MM)	**(19)**	**266**	**299**	**132**	**(72)**	**(362)**	**150**
IP Equity Earnings (loss) ($MM)	**(27)**	**103**	**134**	**56**	**(46)**	**(194)**	**131**
Dividends (to IP) ($MM)	**50**	**34**	**85**	**0**	**0**	**56**	**35**

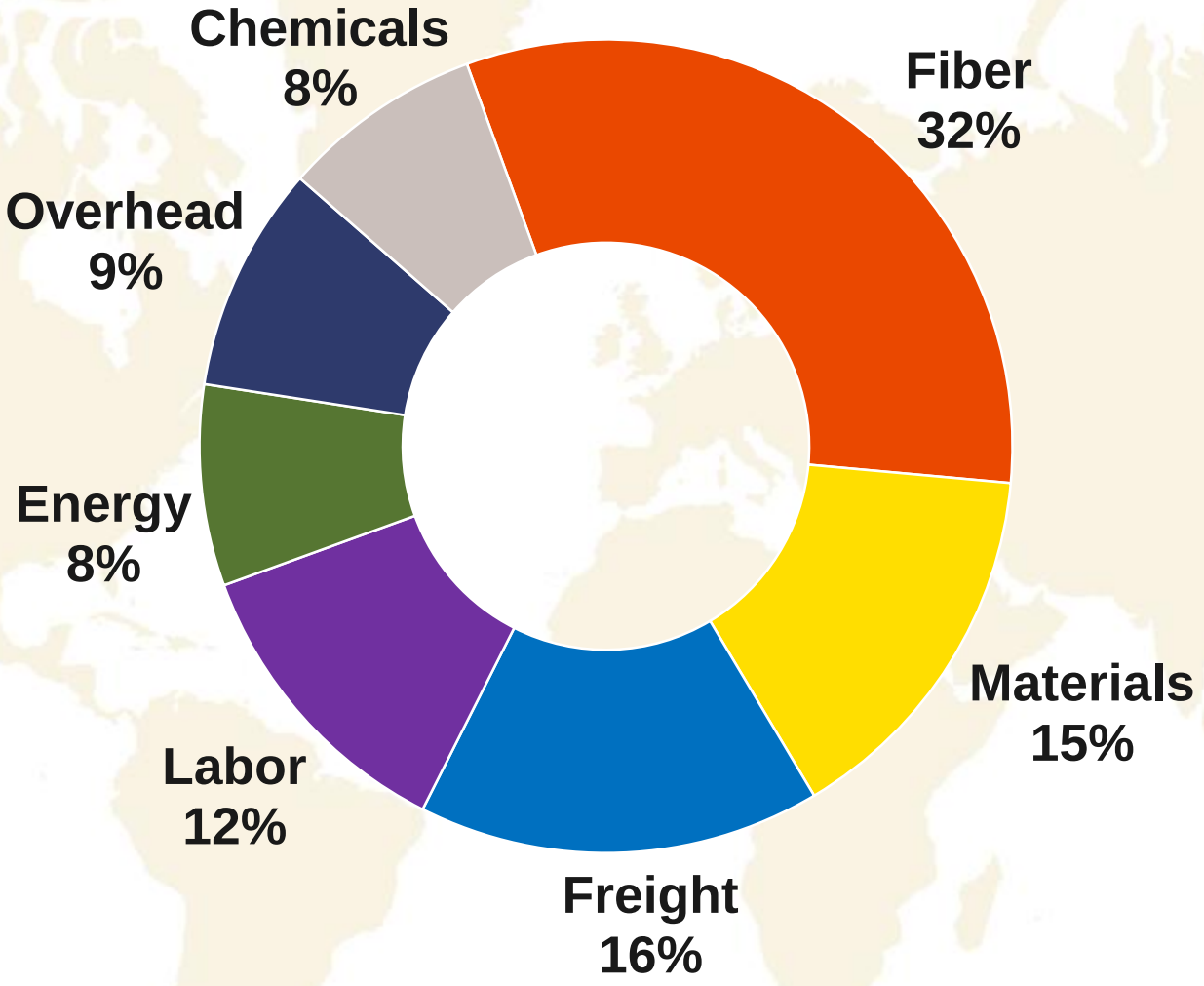
Ilim JV results are IFRS basis.
IP Equity Earnings (loss) on US GAAP basis.
[1]Represents F/X impact primarily related to Ilim JV USD-denominated net debt (balance of ~$700MM at year end 2015)

Ilim Joint Venture | Volume and Pricing Trends

	4Q15 vs. 3Q15		4Q15 vs. 4Q14	
Business	Volume	Price / Mix per Ton	Volume	Price / Mix per Ton
Pulp	12%	($34)	8%	($52)

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

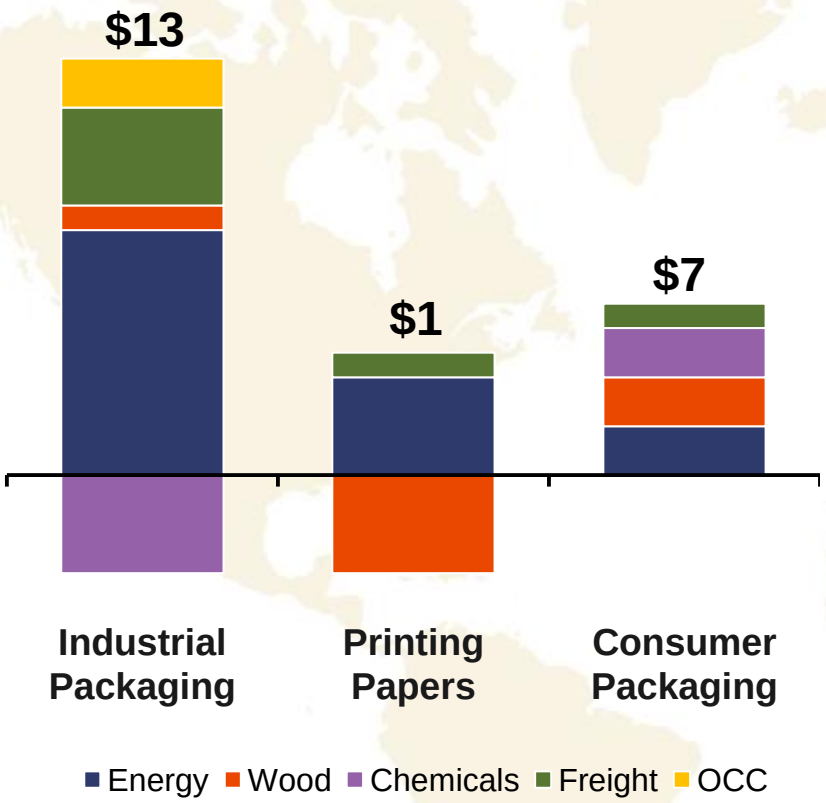
Total Cash Cost Components | FY 2015



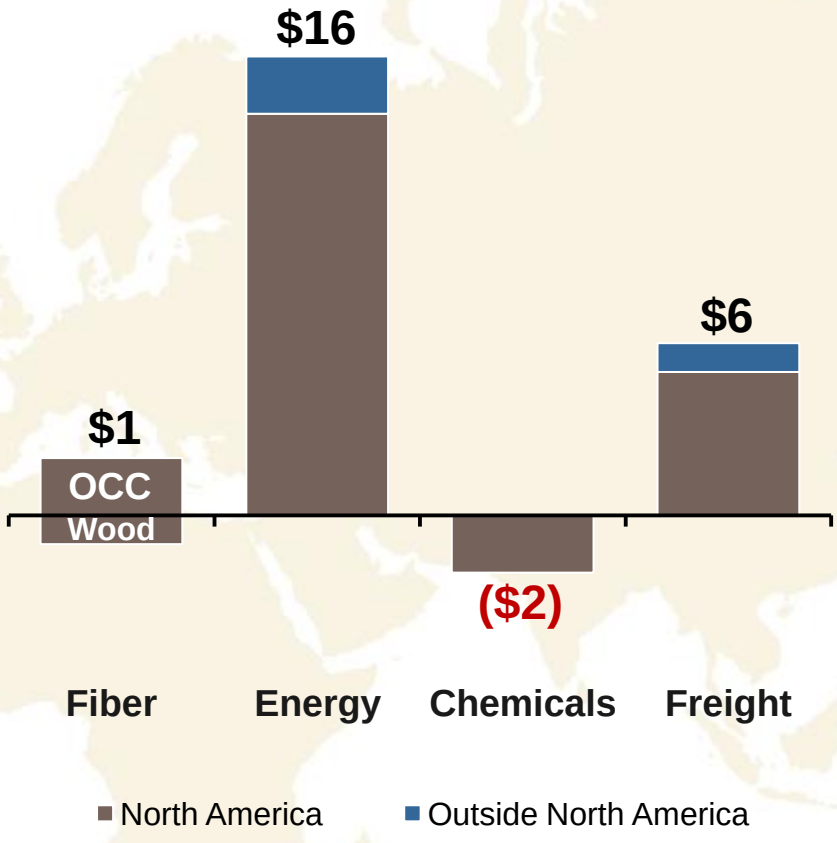
North American mills only

Global Input Costs vs. 3Q15 | $21MM Favorable, or $0.03/Share

By Business



By Input Type



Input costs ($MM) for continuing businesses

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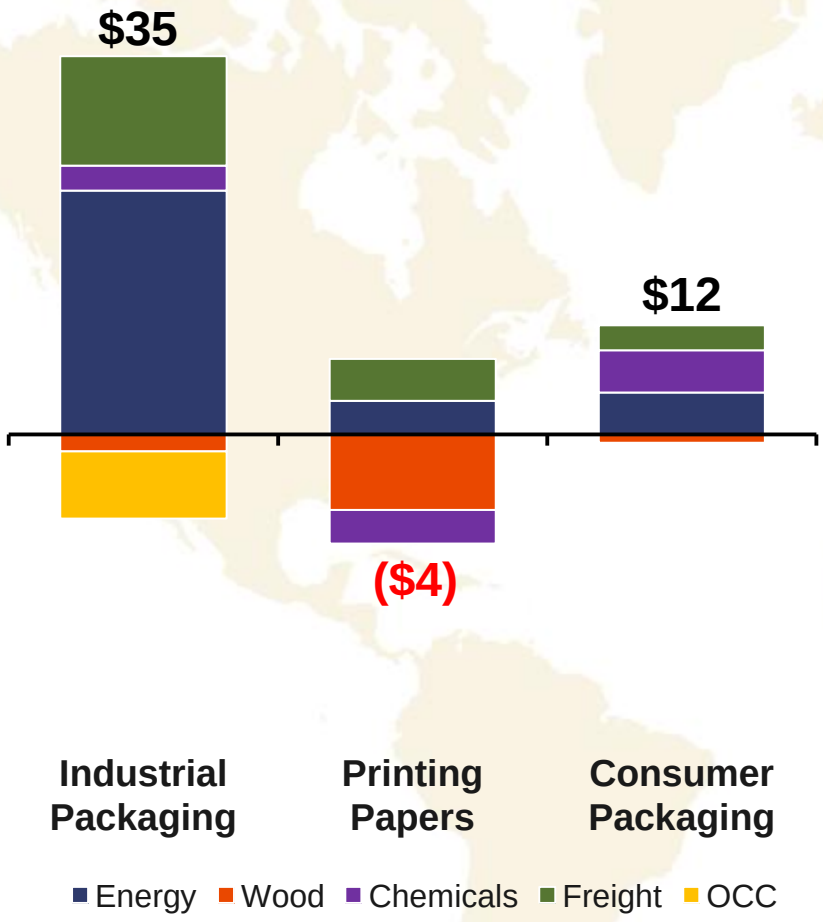
Global Input Costs vs. 4Q14 | $43MM Favorable, or $0.07/Share

By Business



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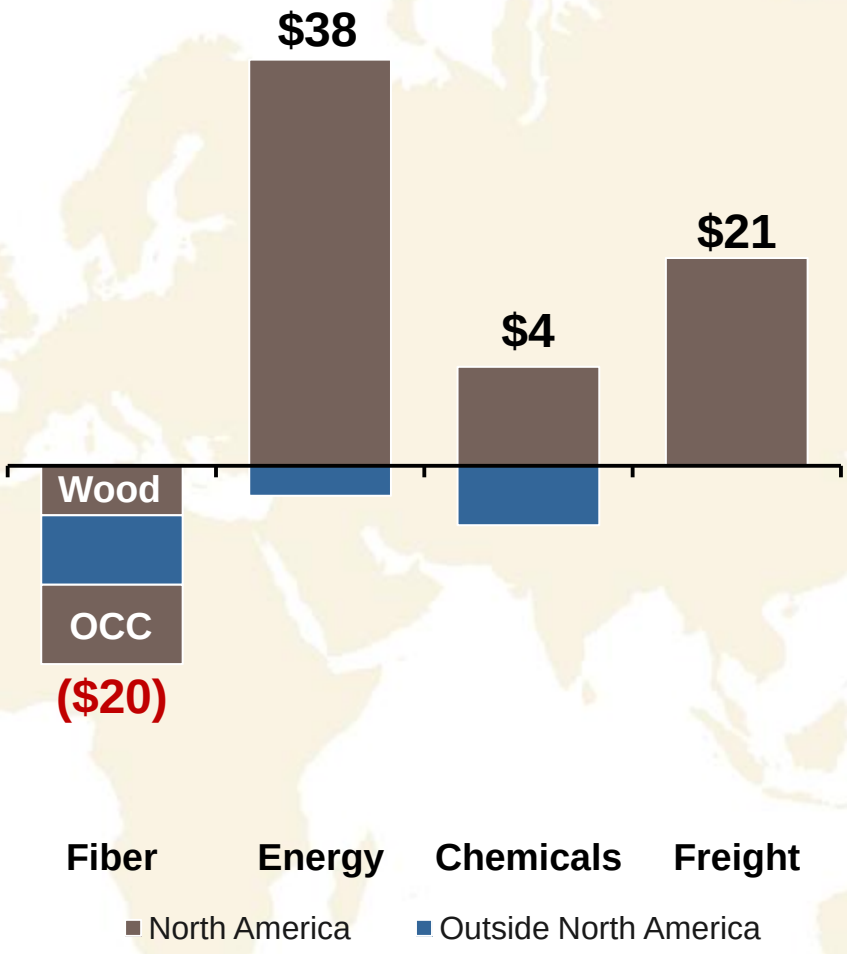
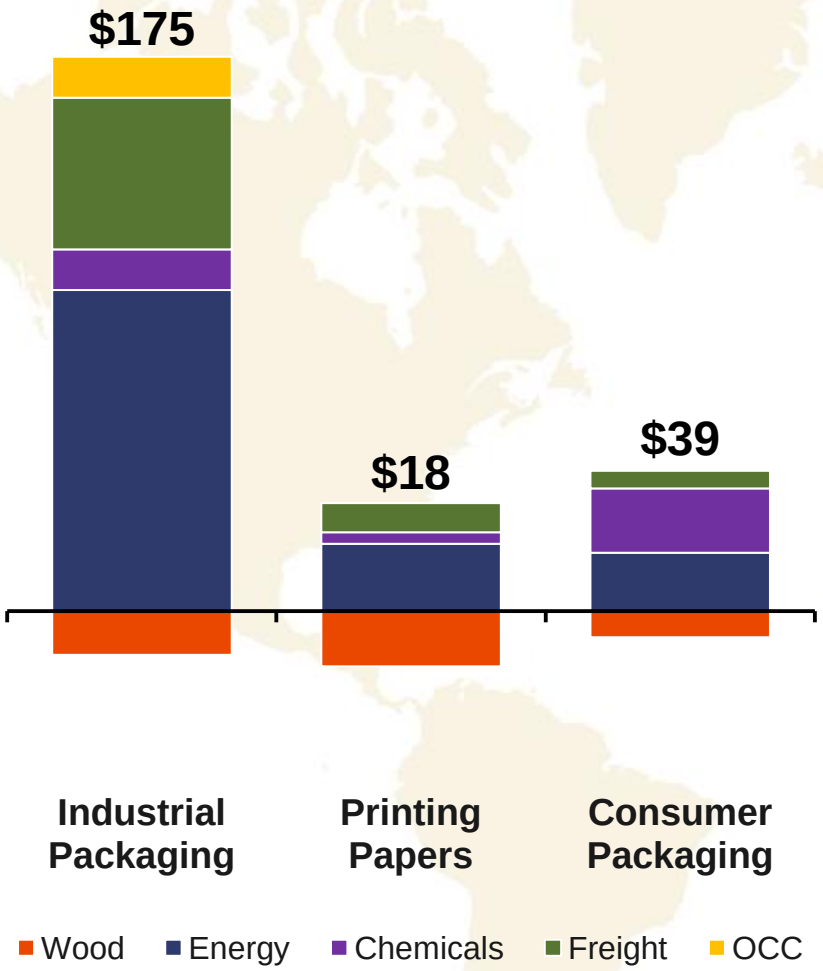


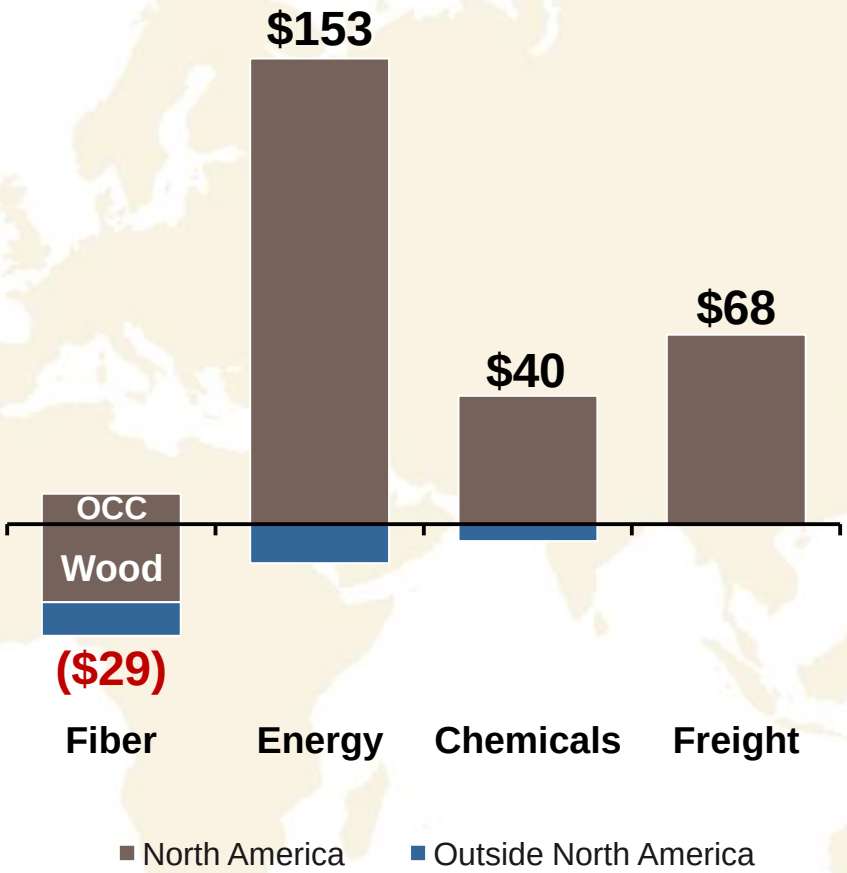
Input costs ($MM) for continuing businesses

Global Input Costs vs. 2014 | $232MM Favorable, or $0.37/Share

By Business



By Input Type



Input costs ($MM) for continuing businesses

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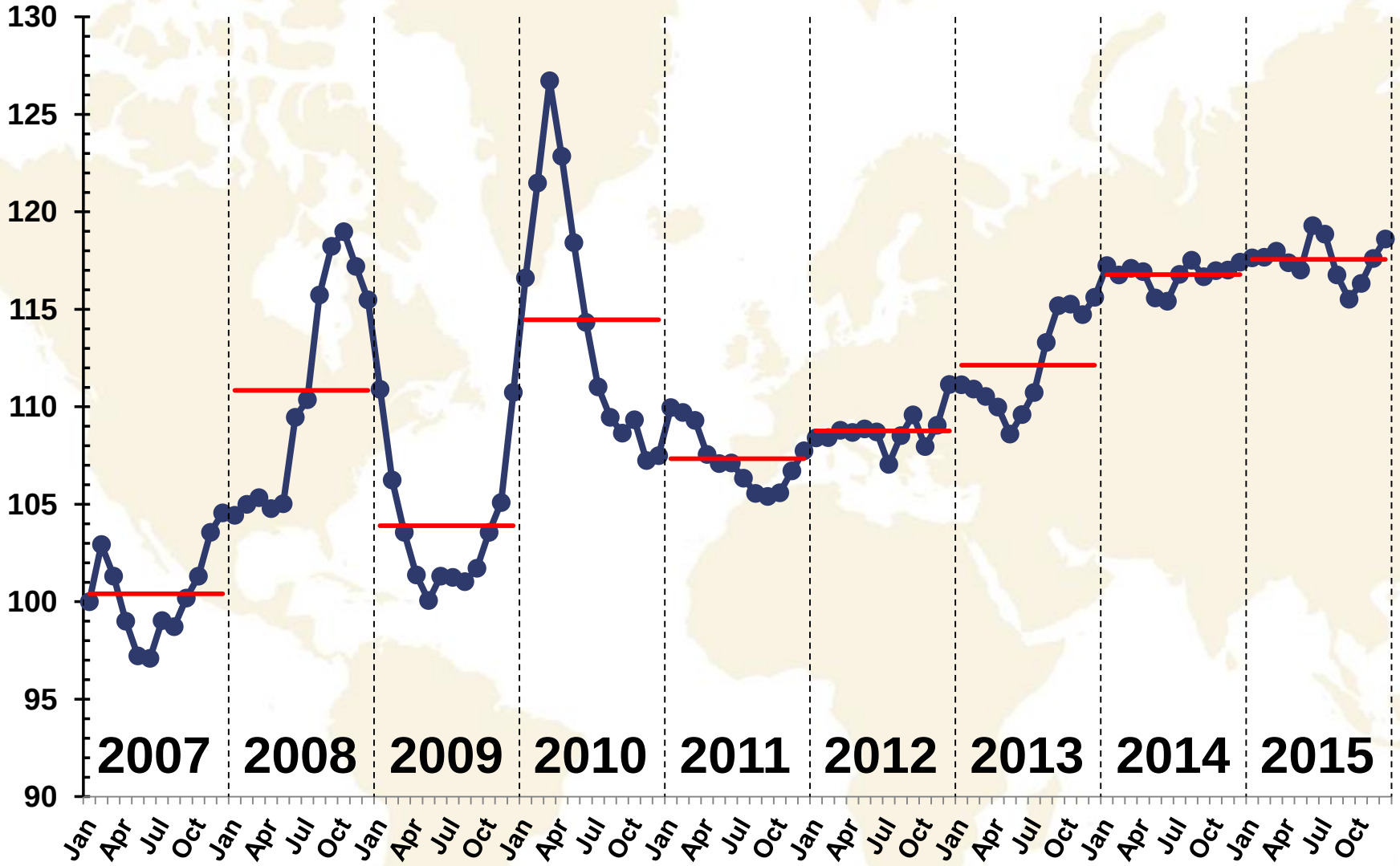
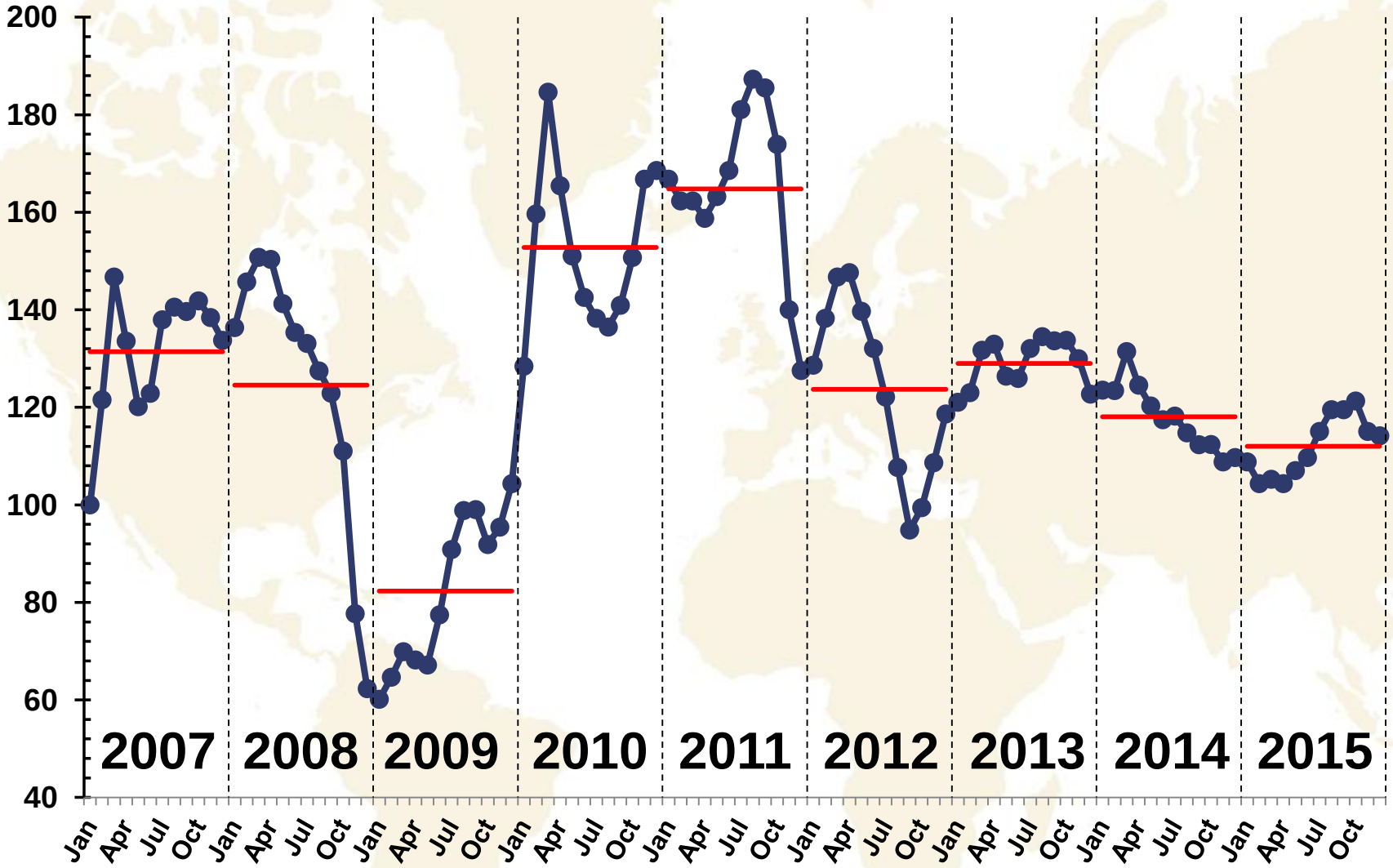
U.S. Mill Wood Delivered Cost Trend | Flat vs. 3Q15 Average Cost



Cost Indexed to January 2007 values

U.S. OCC Delivered Cost Trend | 1% Decrease vs. 3Q15 Average Cost



Cost Indexed to January 2007 values

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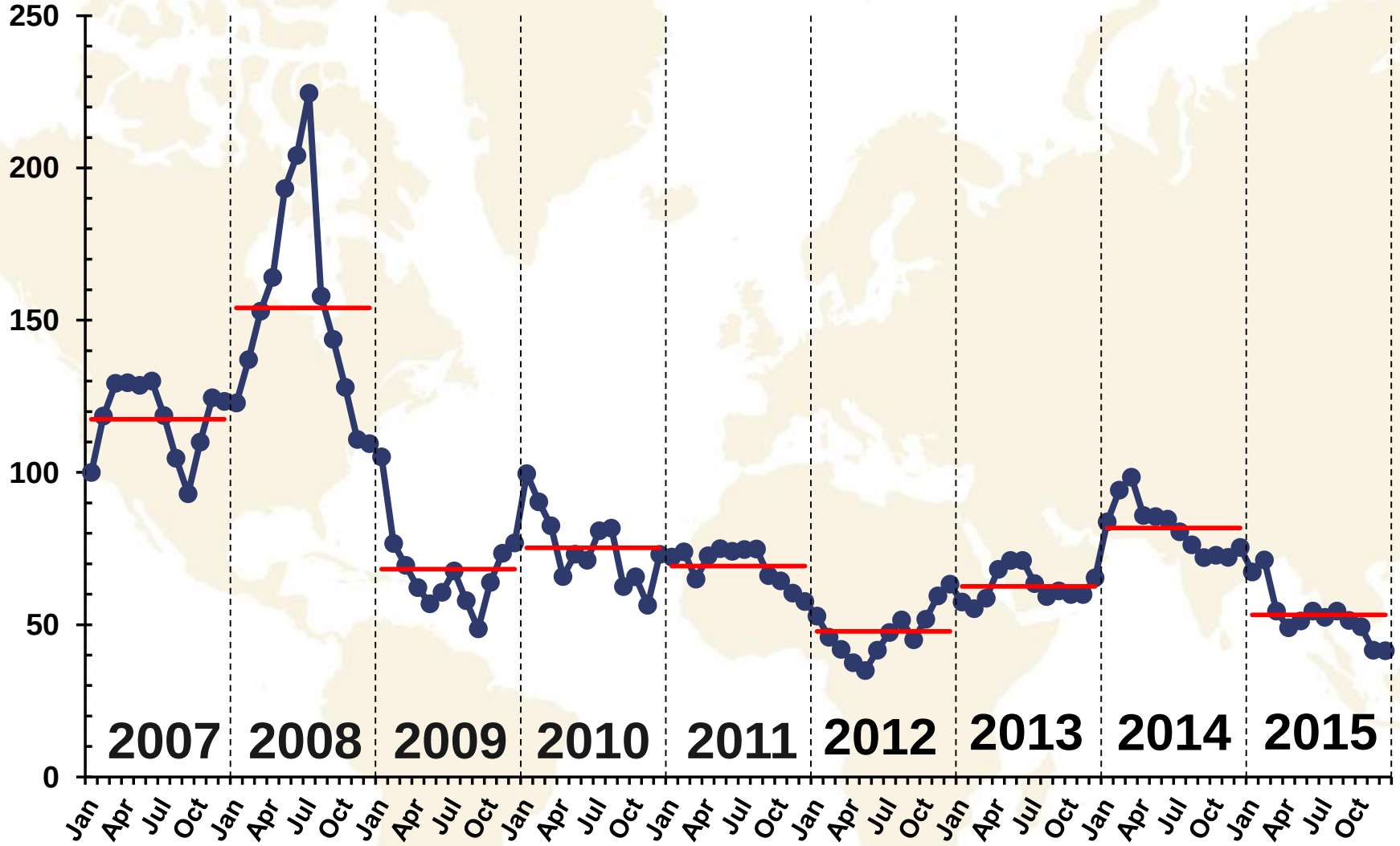
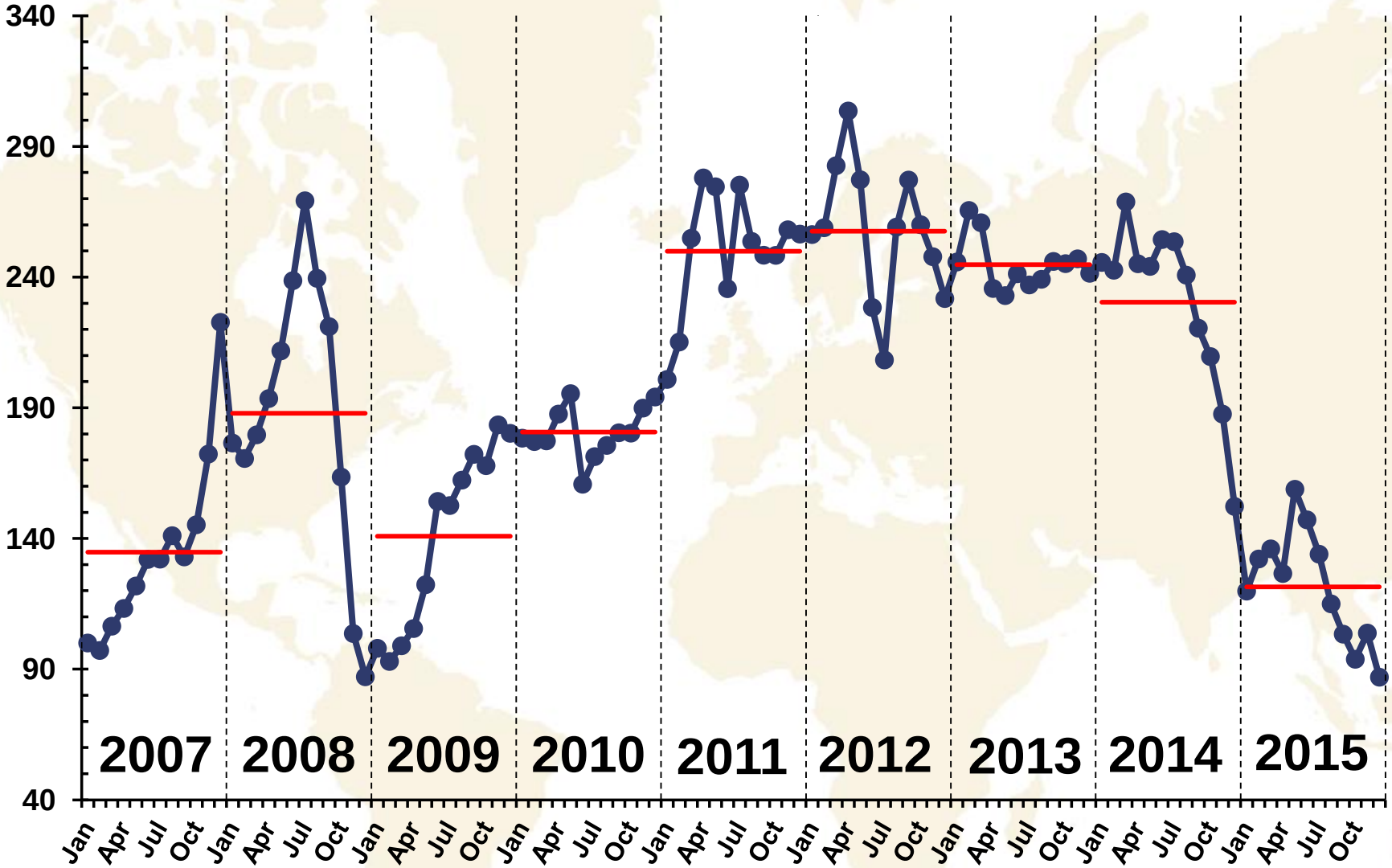
Natural Gas Costs Trend | 16% Decrease vs. 3Q15 Average Cost



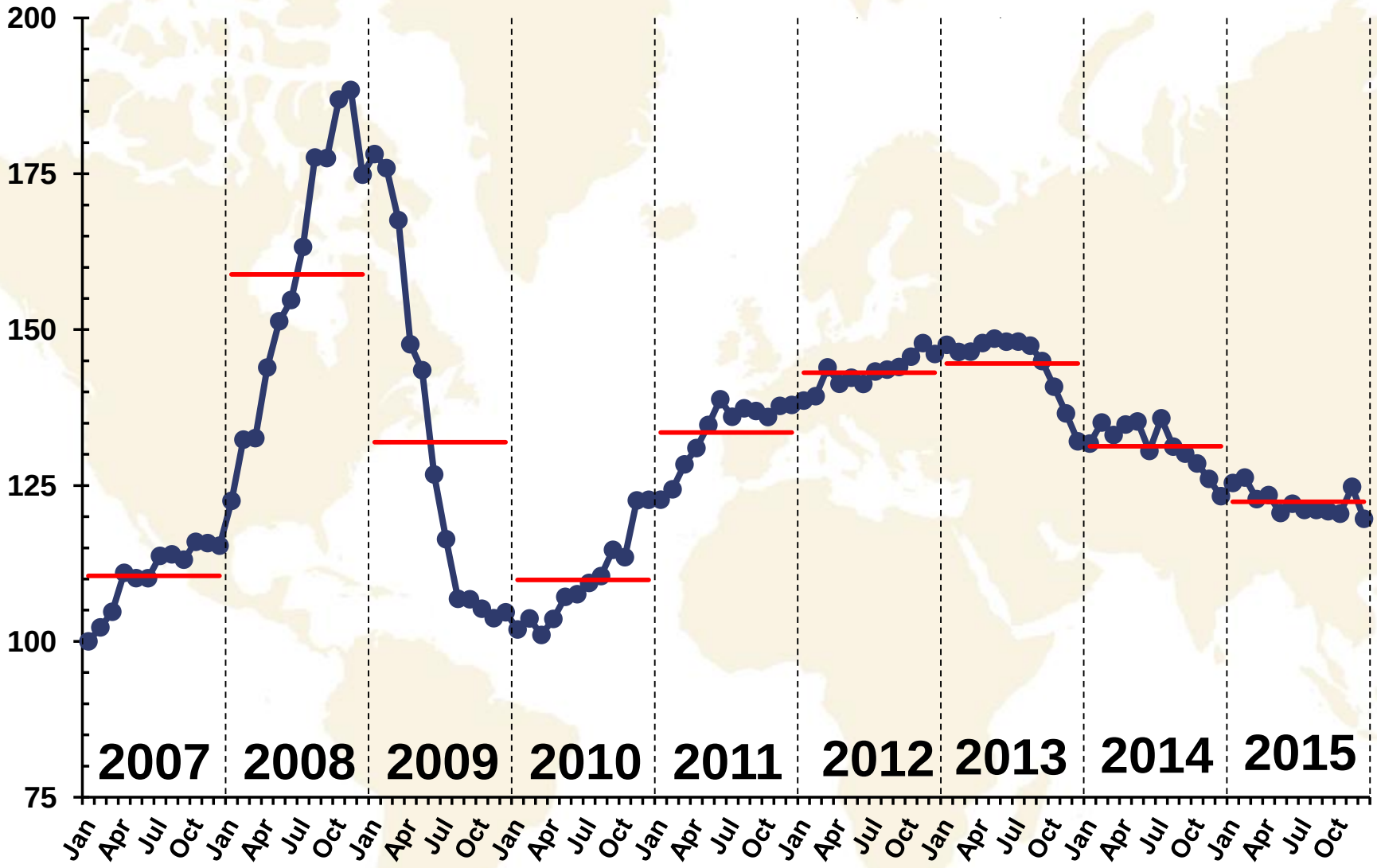
Cost Indexed to January 2007 values
NYMEX Natural Gas closing prices

U.S. Fuel Oil Trend | Flat vs. 3Q15 Average Cost



Cost Indexed to January 2007 values
WTI Crude prices

U.S. Chemical Composite Index Trend | Flat 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)	72,000,000	11,000,000
	Fuel Oil (Barrels)	640,000	390,000
	Coal (Tons)	330,000	610,000
Fiber	Wood (Tons)	50,000,000	8,100,000
	Old Corrugated Containers / DLK (Tons)	4,600,000	420,000
Chemicals	Caustic Soda (Tons)	380,000	70,000
	Starch (Tons)	390,000	120,000
	Sodium Chlorate (Tons)	160,000	50,000
	LD Polyethylene (Tons)	40,000	-
	Latex (Tons)	15,000	6,000

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