Strengthening IP's North American Pulp Business | May 2, 2016



Forward-Looking Statements

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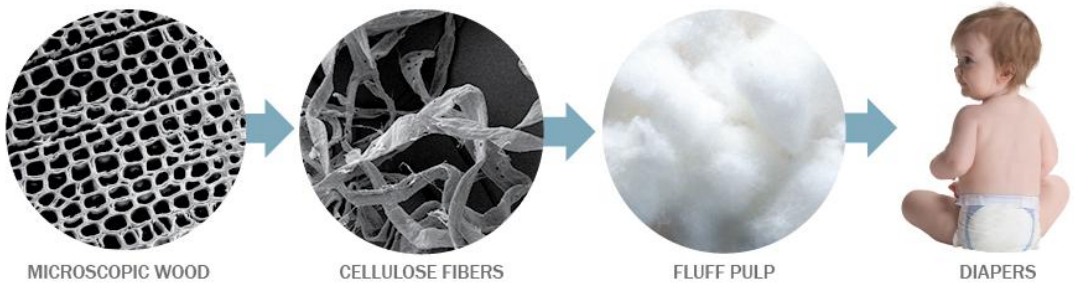
Statements Relating to Non-GAAP Financial Measures

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

A reconciliation of those numbers to U.S. GAAP financial measures would then be available on the company's website at internationalpaper.com under Investors.

INTERNATIONAL PAPER

Weyerhaeuser

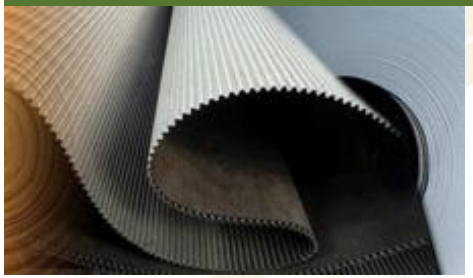


Vision



To be among the most successful, sustainable and responsible companies in the world

Strategy



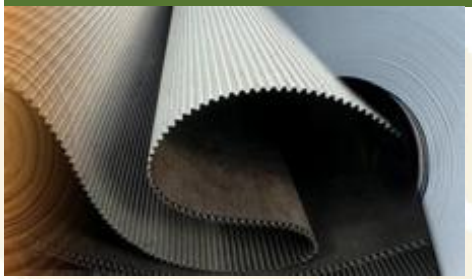
- Fiber-based Packaging, Paper and Pulp
- Advantaged positions in advantaged markets

Shareholder Value



- Strong and sustainable Free Cash Flow
- Increase value creation
- Exceed shareholders' TSR expectations

Strategy



- Fiber-based Packaging, Paper and Pulp
- Advantaged positions in advantaged markets

✓Channels to Market

- Strong market positions
- Sell products in markets where they are valued
- Winning with the right customers and segments

✓Renewable Natural Resources

Availability and access to low-cost, sustainable fiber in key manufacturing regions



✓Cost Positions

- Low-cost asset base
  - Mill footprint on cost curve
  - Disciplined capital spending
- Sustained low-cost positions through operational excellence and optimization

Compelling Strategic Acquisition | Strengthening IP N.A. Pulp Business



- IP has agreed to acquire the assets of Weyerhaeuser's pulp business for $2.2 Billion
- Strengthens IP's position in the global fluff pulp market
- Adds significant value to IP and for its shareholders
  - Annual run-rate synergies of ~$175 Million expected by end of 2018
  - Additional cash tax benefit of ~$300 Million by purchasing assets
  - Returns greater than cost-of-capital expected
- Weyerhaeuser pulp business consists of best-in-class assets, outstanding customers and a highly talented workforce
- Expansive portfolio of value-added, innovative pulp products in addition to fluff pulp will allow IP to offer a broader portfolio of products to customers
- IP has proven track record of successful large-scale integrations

Compelling Strategic Acquisition | Weyerhaeuser's Pulp Business

Low Cost, Best-in-Class Assets, Products and Technology

- 2015 sales of $1.5 Billion
- 2015 EBITDA[(1)] of $350 million
- 4 Fluff Pulp Mills (1.5 Million tonnes capacity)
- 1 NBSK Mill (0.4 Million tonnes capacity)
- 2 Converting Facilities

[(1)] Operating profit plus depreciation and amortization less special items

Weyco & IP Mill Locations



INTERNATIONAL PAPER

Compelling Strategic Acquisition | Asset Purchase Overview

Purchase Price	**$2.2B**
Net Present Value of Asset Step Up for Tax(1)	**$0.3B**
Net Price	**$1.9B**
EBITDA Multiple(2) ***(Net of Tax Benefit)***	**5.4**
Expected Synergies at Full Run Rate	**$175M**
EBITDA Multiple(2) ***(Net of Tax Benefit & with Synergies)***	**3.6**

(1) Estimate
(2) Based on 2015 EBITDA of $350 million

Compelling Strategic Acquisition | Key Terms of Proposed Transaction

Purchase Price & Consideration	$2.2 Billion
Synergies	One-time costs of $85MM required to capture expected annual synergies of $175MM
Timing	Closing expected 4Q2016
Regulatory	Obtain all regulatory approvals
Financing	Banks and capital markets

- **Excellent Strategic Fit** ☑
- **Improves Core Pulp Business** ☑
- **Returns Greater than Cost of Capital** ☑
- **Significant Synergies** ☑
- **Compelling Economics and Tax Step Up** ☑
- **Quality Assets** ☑

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