
INTERNATIONAL PAPER

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 receipt of regulatory approvals for our pending transaction to purchase the pulp business of Weyerhaeuser Company and the successful fulfillment or waiver of all other closing conditions without unexpected delays or conditions; (viii) the failure to realize the expected synergies and cost-savings from the Weyerhaeuser transaction or delay in realization thereof; 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 measures will be presented, such as Adjusted Operating EPS, Adjusted EBIT, Adjusted EBITDA, Adjusted EBITDA Margin, Free Cash Flow and Adjusted ROIC.

A reconciliation of all presented non-GAAP measures (and their components) to U.S. GAAP financial measures is available on the company's website at internationalpaper.com under Performance/Investors.

IP Investment Thesis | Long-Term Value Creation

Vision



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

Strategy



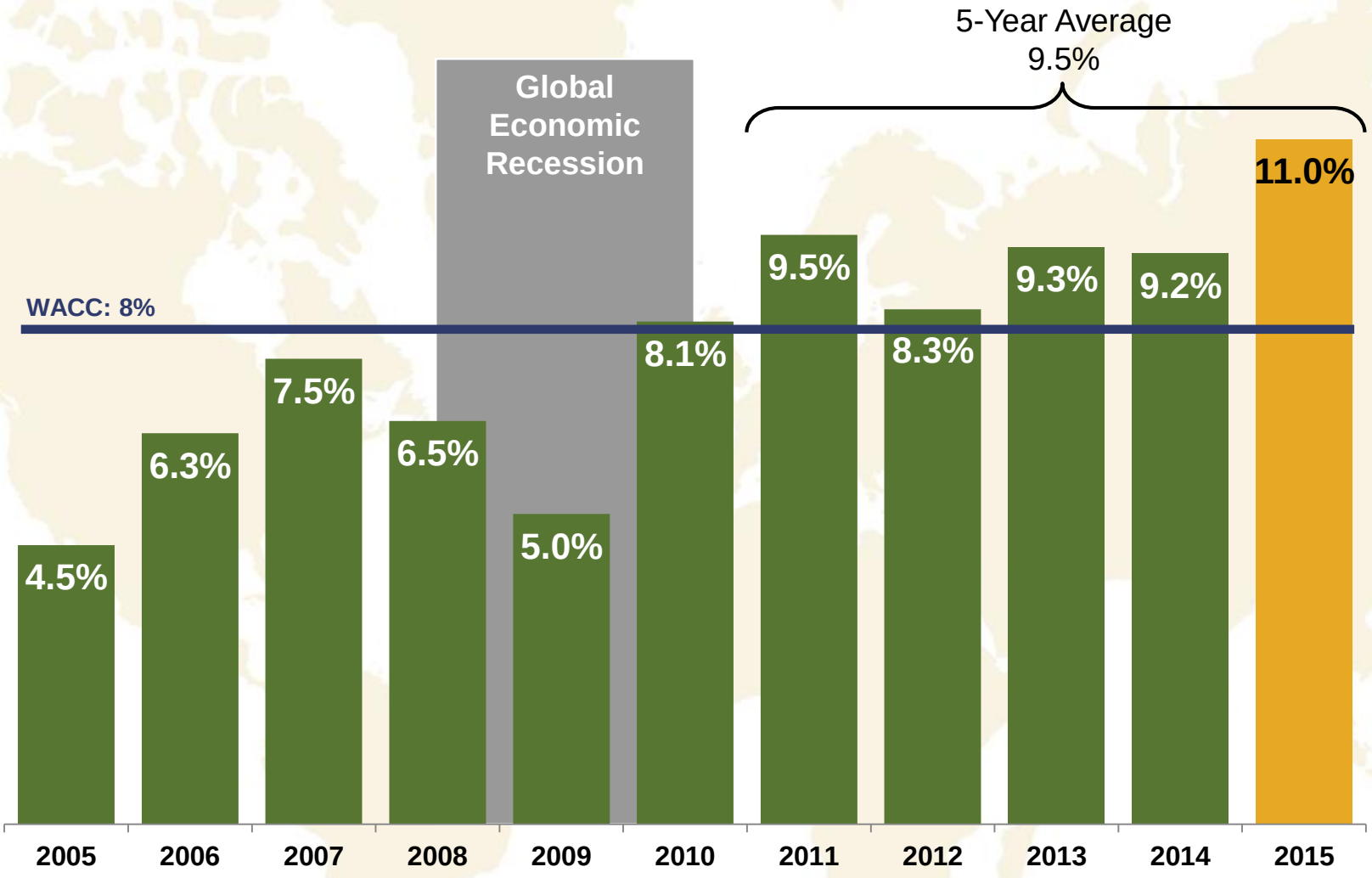
- Fiber-based Packaging, Pulp and Paper
- Advantaged positions in advantaged markets

Shareholder Value



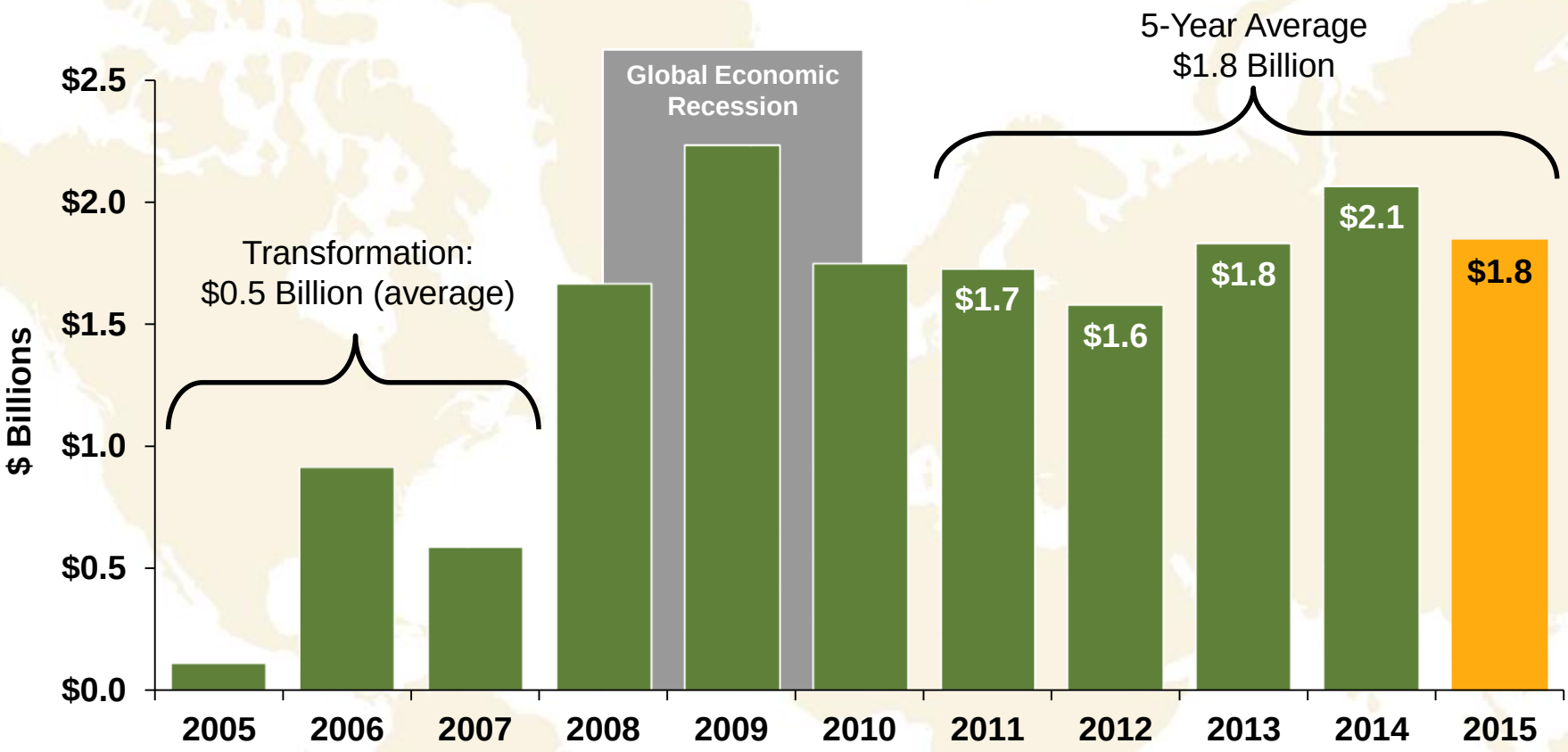
- Strong Free Cash Flow Generation
- Value creation driving ROIC above cost of capital
- Exceed shareholders' TSR expectations

Expanded Spread of Adj. ROIC[1] Above Cost of Capital | Increasing Shareholder Value



[1] Adjusted ROIC = Adjusted Operating Earnings before Interest / Average Invested Capital [Equity (adjusted to remove pension related amounts in OCI, net of tax) + Interest-bearing Debt]

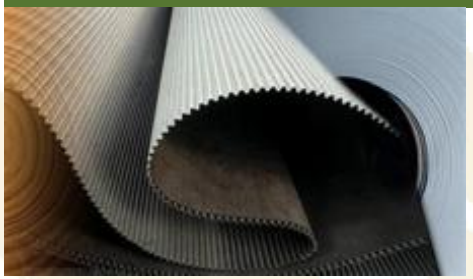
Strong Free Cash Flow Generation



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.

IP Investment Thesis | Leveraging Selective Choices

Strategy



- Fiber-based Packaging, Pulp and Paper
- 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



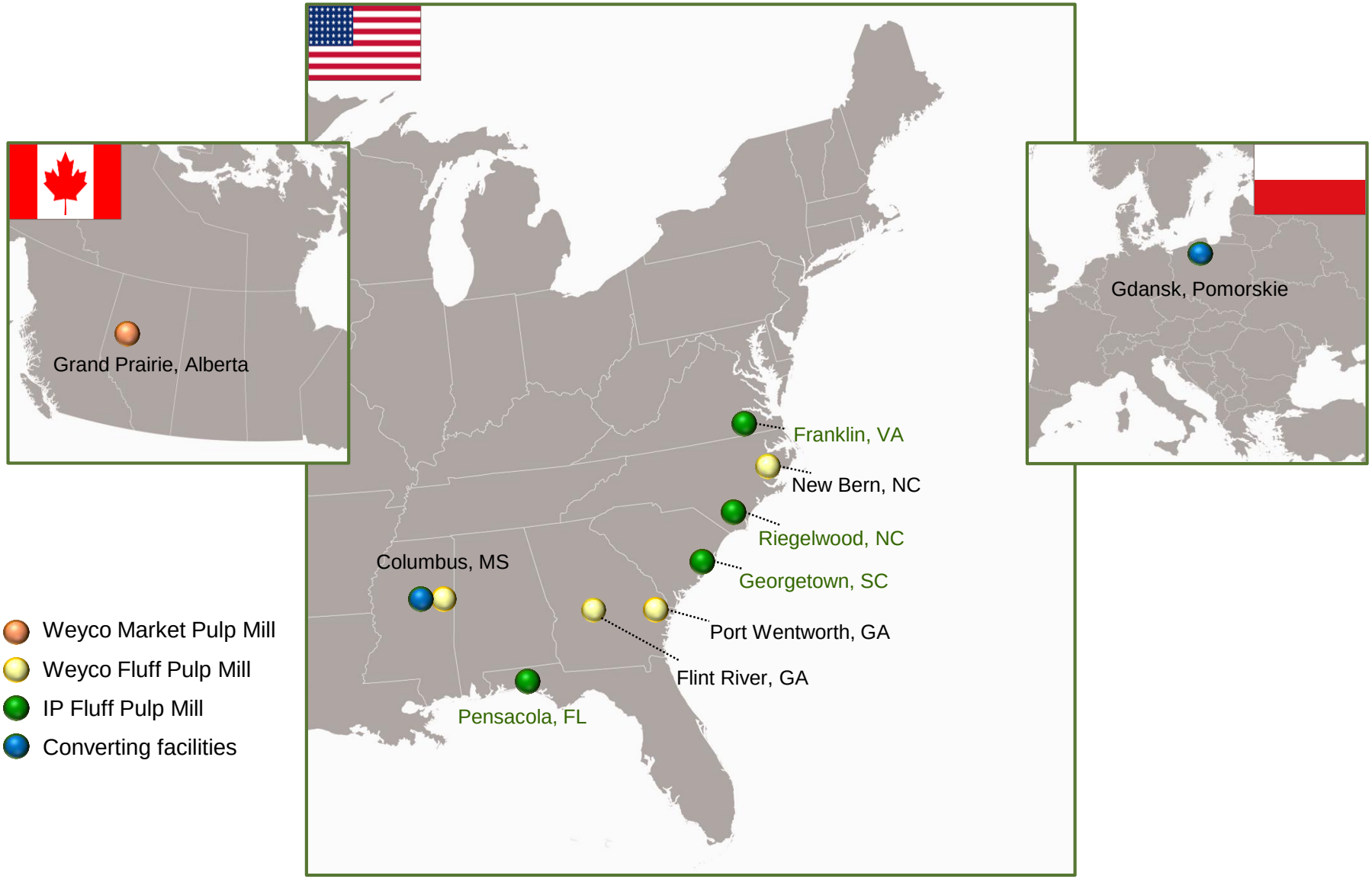
✓Cost Positions

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

Compelling Strategic Acquisition | Weyerhaeuser's Pulp Business

- Excellent Strategic Fit ☑
- Quality Assets, People and Commercial Capabilities ☑
- Improves Core Pulp Business ☑
- Returns Greater than Cost of Capital ☑
- Significant Synergies of $175 Million ☑
- Compelling Economics and Tax Step Up ☑

Weyerhaeuser & IP Mill Locations



Industrial Packaging Strategy | Drive IP Success Through Value Creation







Grow ***With the Right Customers***

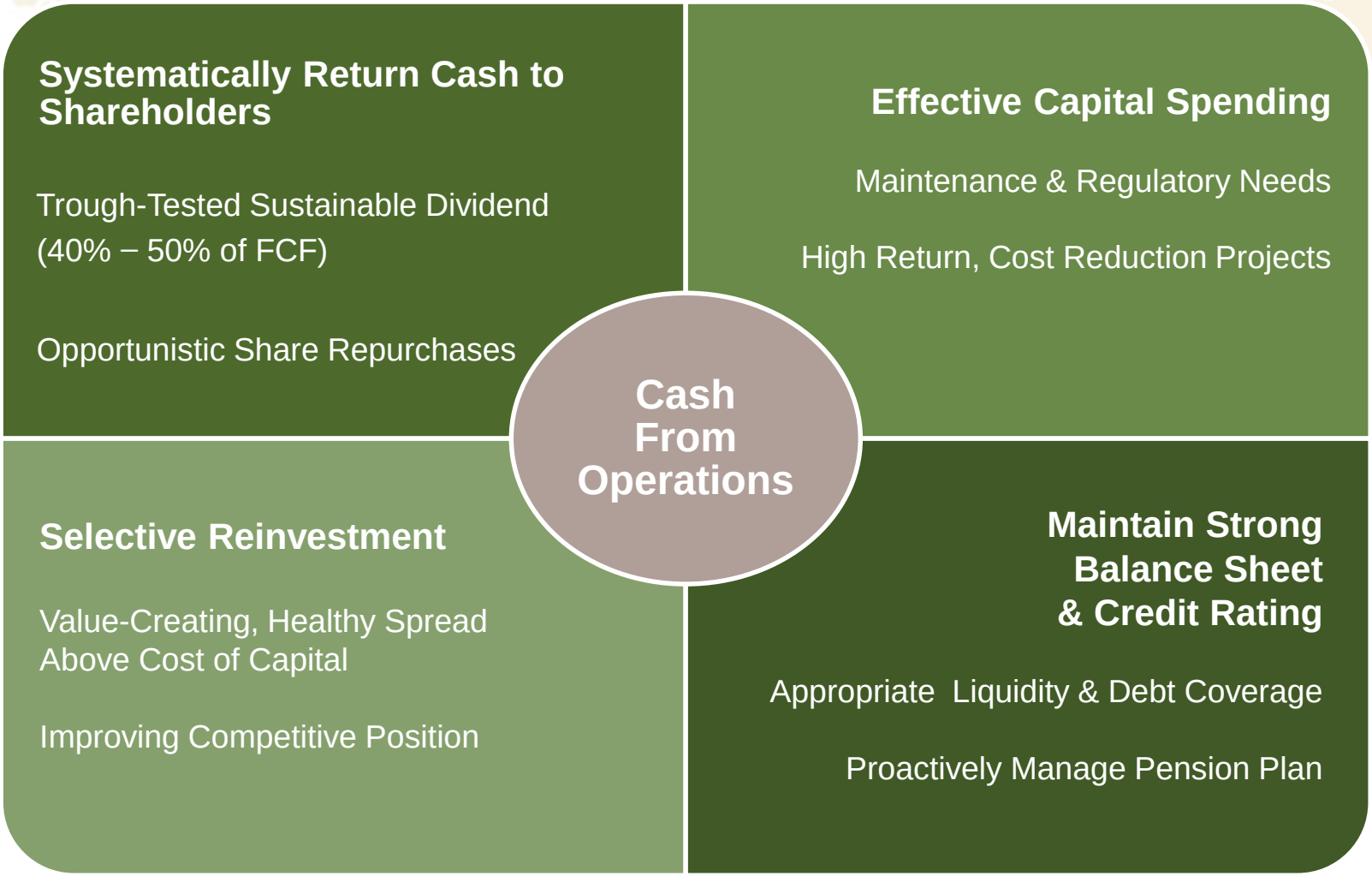
Build **Capability**

Manage **Cost Aggressively**

Optimize **Margins**

Engaged Employees Working Safely

Capital Allocation | IP's Balanced Use of Cash



Summary | IP Poised for Further Success

- ✓ Long-term value creation driving ROIC above cost of capital
- ✓ Leveraging selective choices within IP's strategic framework
- ✓ Strong FCF generation enables high-return reinvestment and return of capital to shareholders







