Fourth Quarter and Full-Year 2016 Earnings | February 2, 2017



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) changes in our estimates for the costs and insurance coverage associated with the recent incident at our Pensacola, Florida mill and for the time required to resume full operations at the mill; (vi) whether we experience a material disruption at one of our other manufacturing facilities; (vii) risks inherent in conducting business through joint ventures; (viii) the failure to realize the expected synergies and cost-savings from our purchase of the cellulose fibers business of Weyerhaeuser Company; and (ix) our ability to achieve the benefits we expect from all other 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.

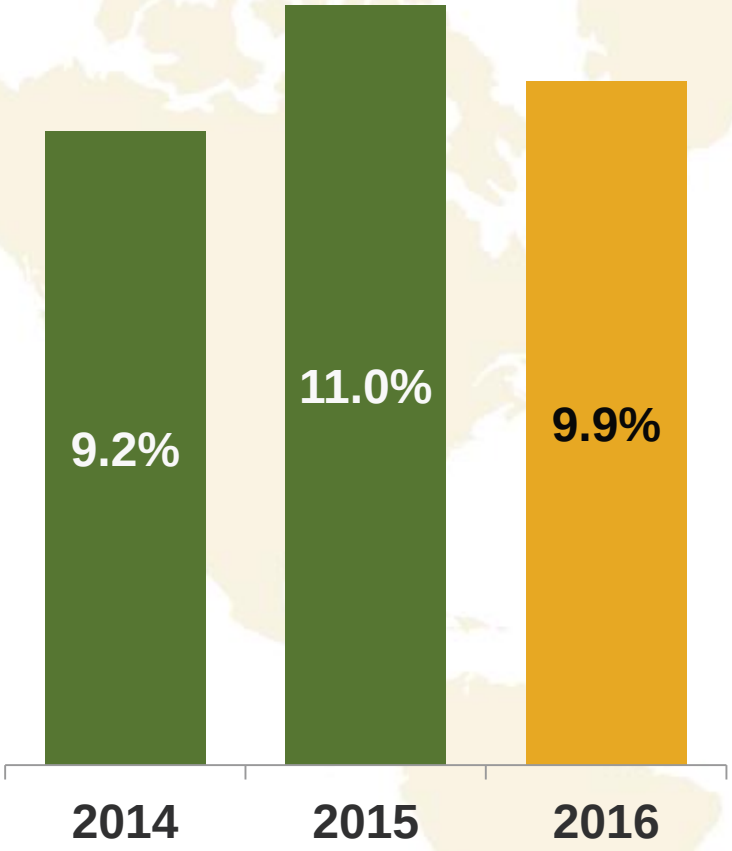
A reconciliation of all presented non-GAAP measures (and their components) to U.S. GAAP financial measures is available on the company's website at internationalpaper.com under Performance/Investors.

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. 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 2016 Highlights

Adjusted ROIC[1]

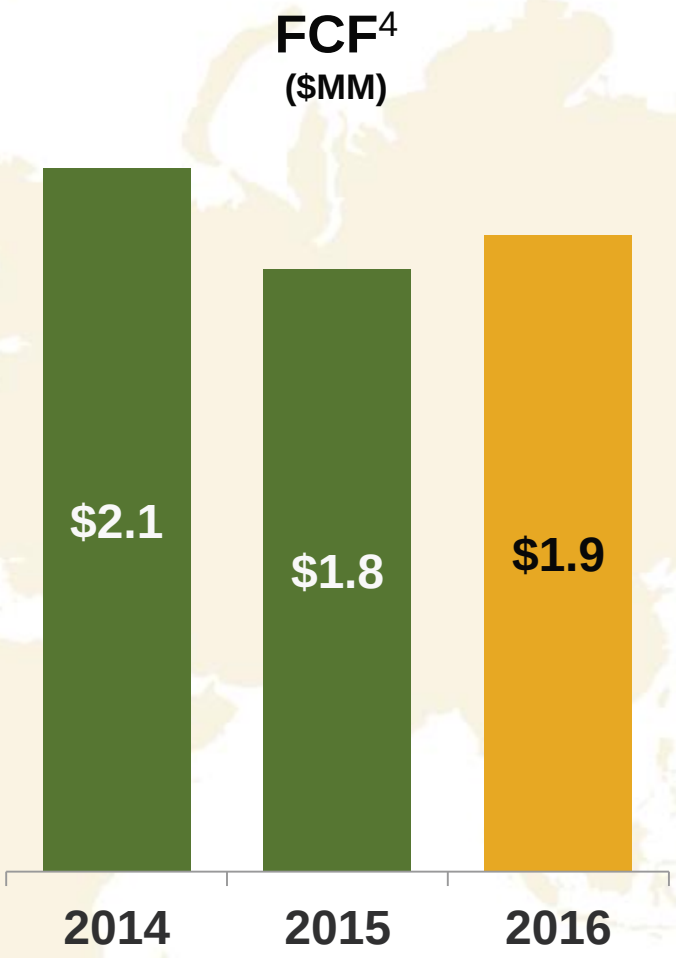


- Strong Free Cash Flow[2] of $1.9B
- Delivered Adjusted ROIC of ~10%, 7th consecutive year above cost of capital
- Key strategic levers:
  - Further strengthened N.A. Industrial Packaging business
  - Acquisition of Weyco's pulp business
  - Conversion of Riegelwood Mill
  - Acquisition and planned conversion of Madrid Mill
  - Sale of Asia Box business
- Increased dividend by 5% to $1.85/share

[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]
[2] See slide #27 for a reconciliation of cash provided by operations to Free Cash Flow

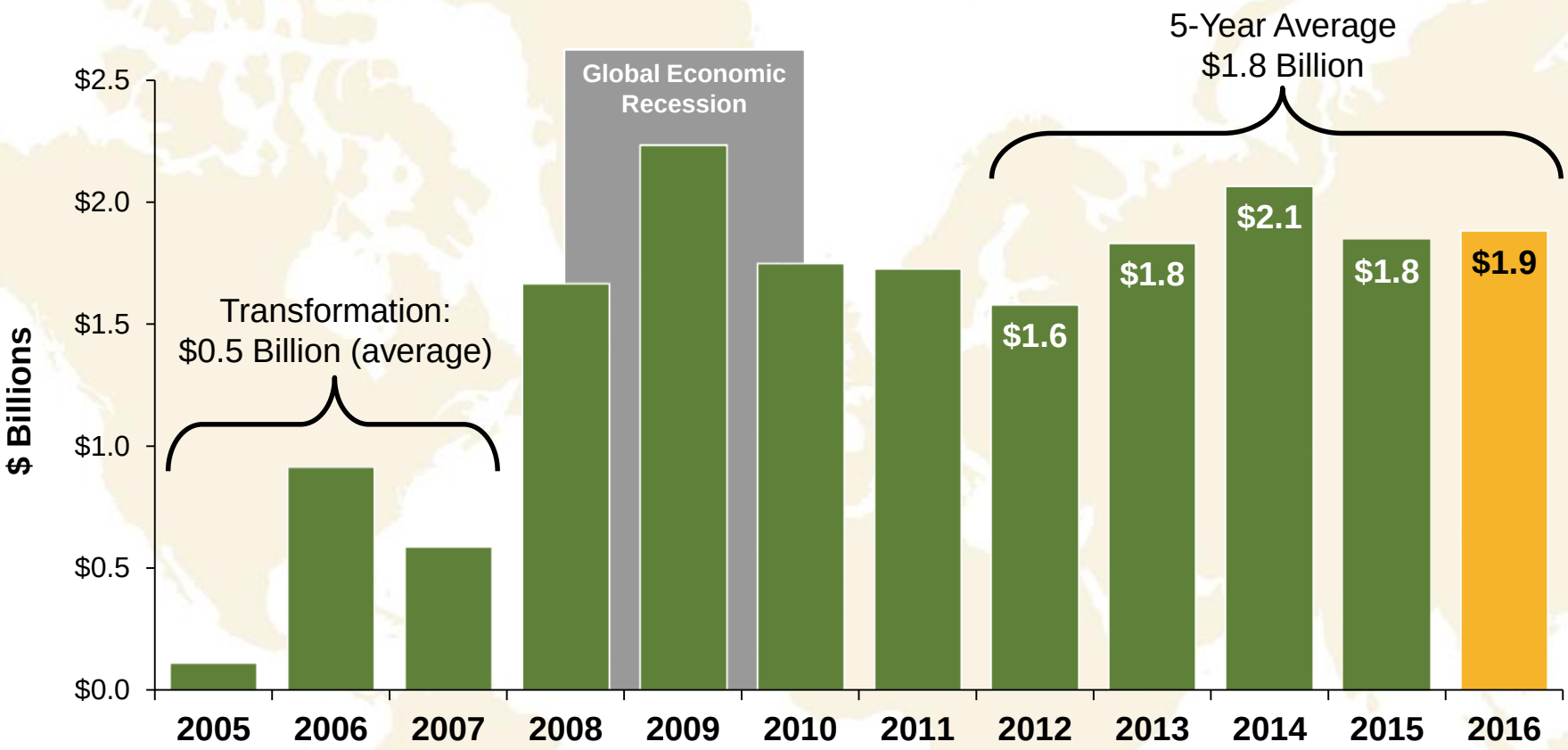
Full-Year 2016 Financial Results

$ Billion (Except as noted)	2014	2015	2016
Sales	$23.6	$22.4	$21.1
Adj. EBIT[1]	$2.7	$2.6	$2.3
Adj. Operating EPS[2]	$3.00	$3.65	$3.35
Operating EPS impact of Ilim F/X[3] – IP Share	($0.63)	($0.18)	$0.06
Adj. EBITDA[1]	$4.1	$3.9	$3.5
Adj. EBITDA Margin	17.5%	17.6%	16.6%
FCF[4]	$2.1	$1.8	$1.9
Year-End Debt	$9.4	$9.3	$11.3
Cash Balance	$1.9	$1.0	$1.0



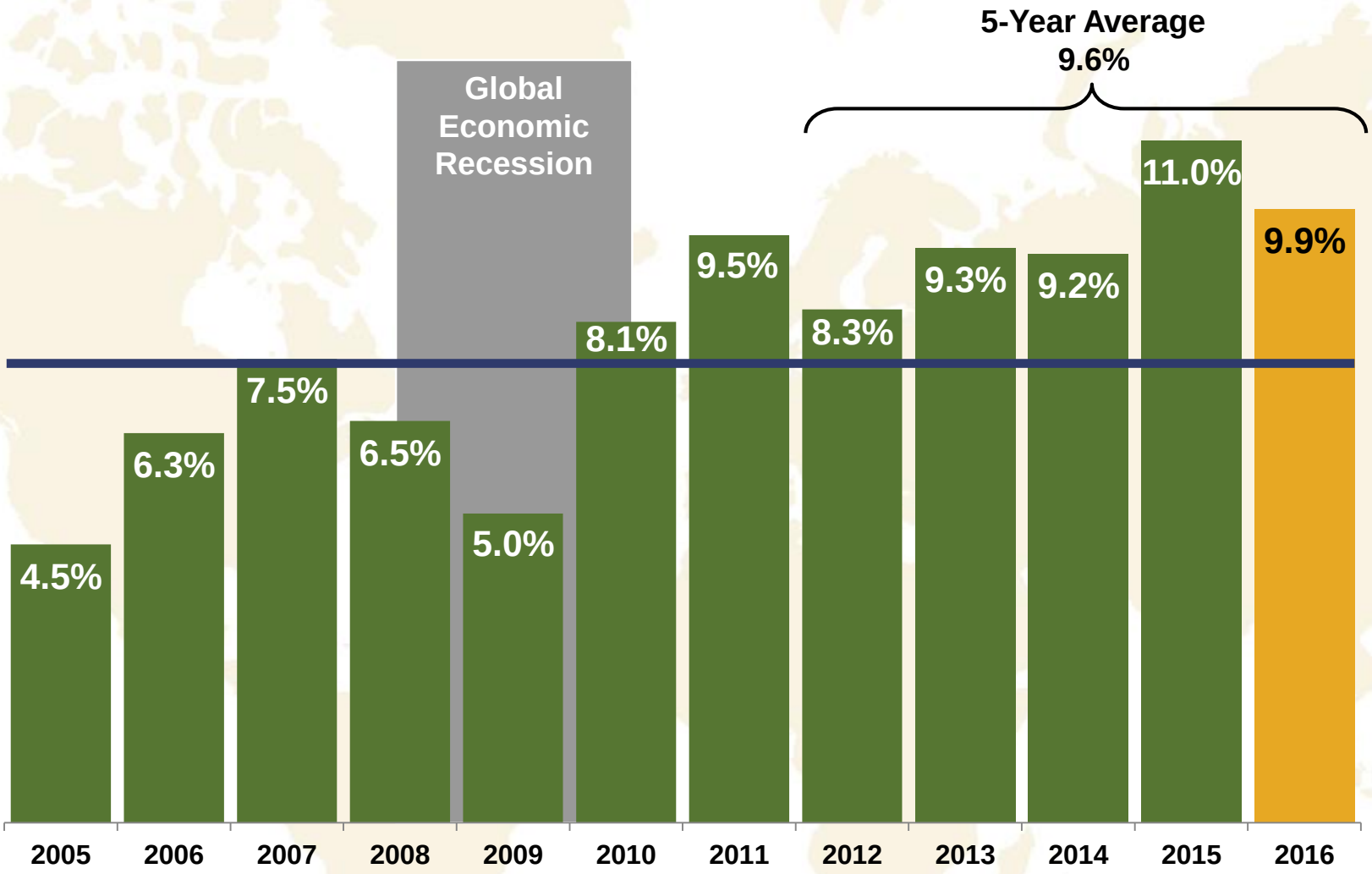
[1] From continuing operations before special items and non-operating pension expense
[2] Adjusted operating EPS based on Adjusted Operating Earnings (defined as Net Earnings (GAAP) from continuing operations before special items and non-operating pension expense)
[3] Represents F/X impact including that related to Ilim JV USD-denominated net debt (balance of ~$0.6B at year end 2016)
[4] See slide #27 for a reconciliation of cash provided by operations to Free Cash Flow

Strong, Sustainable Free Cash Flow



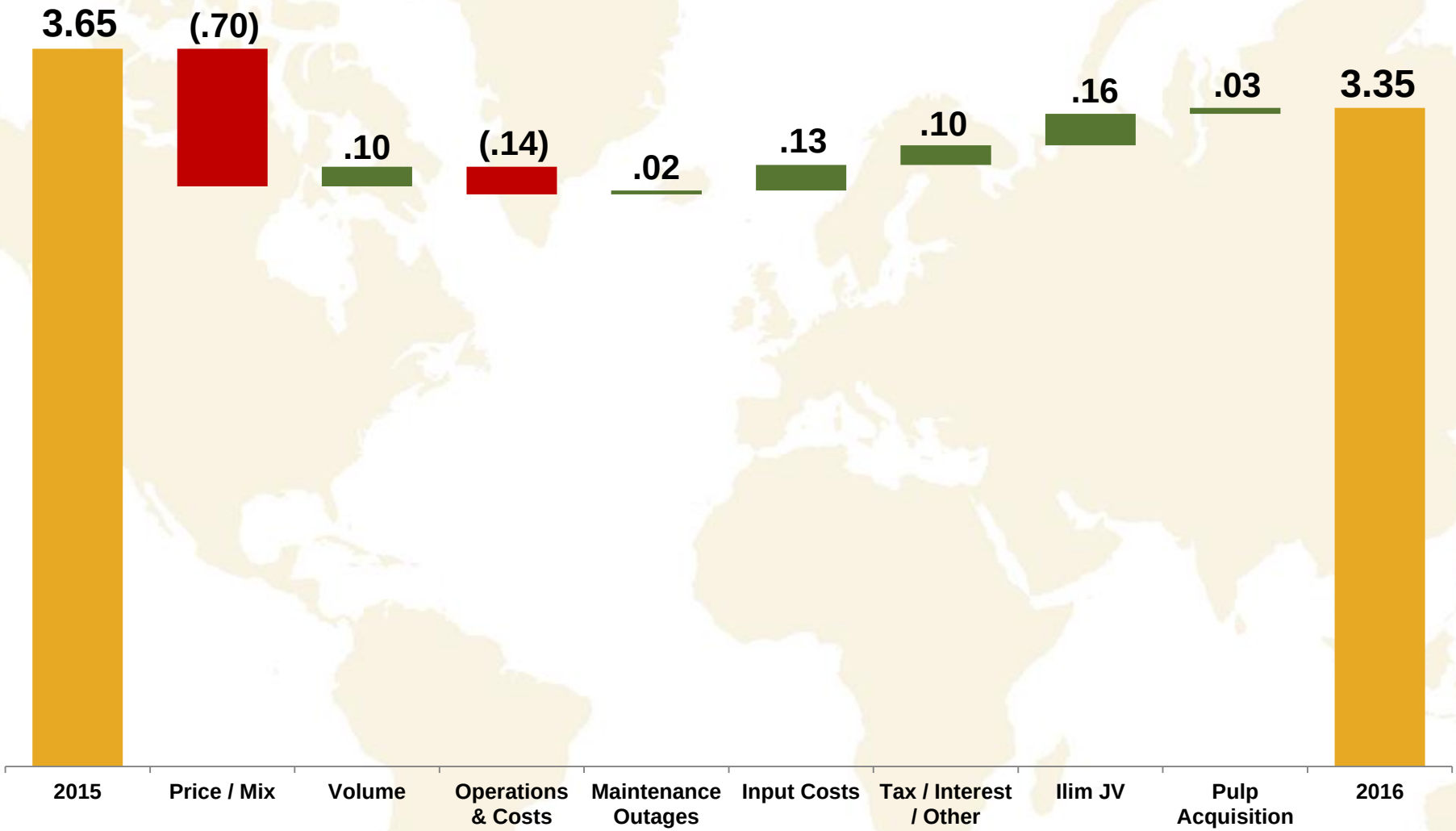
Free Cash Flow, a non U.S. GAAP measure, reflects cash provided by continuing operations for 2005 – 2011, based on data in the 10-K for each year at the time of filing. Free Cash Flow reflects cash provided by operations for 2012 onward.
Excludes net cash pension contributions impacting 2006, 2010, 2011, 2013, 2014, 2015 & 2016, 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. For 2014 onward, see slide #27 for a reconciliation of cash provided by operations to Free Cash Flow.

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]

2016 vs. 2015 Adj. Operating EPS



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

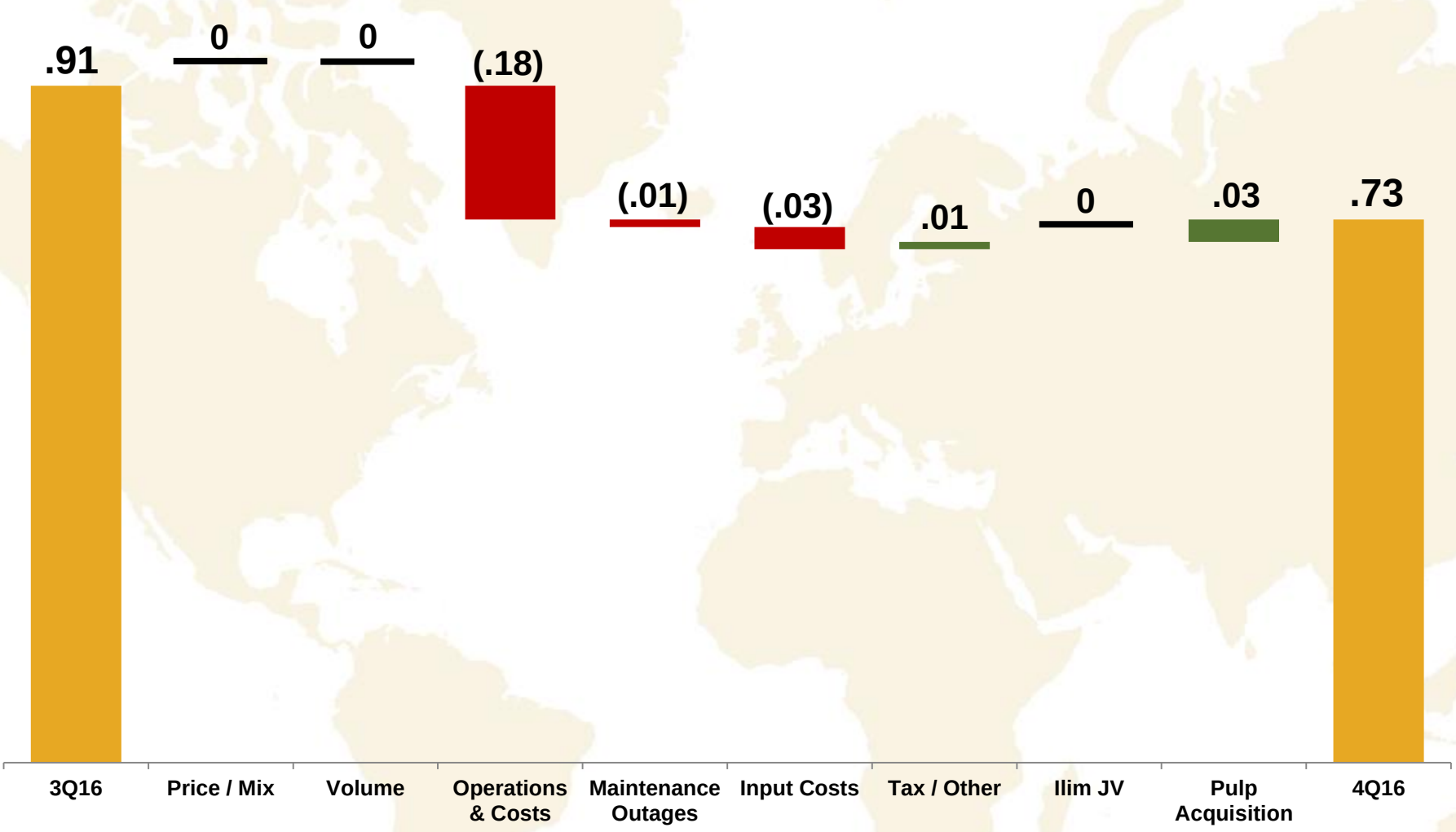
4Q16 Financial Results

	4Q15	3Q16	4Q16
Sales ($B)	**$5.4**	**$5.3**	**$5.4**
Adj. EBIT[1] ($MM)	**$616**	**$613**	**$498**
Adj. Operating EPS[2]	**$0.87**	**$0.91**	**$0.73**
Operating EPS impact of Ilim F/X[3] – IP Share	**($0.05)**	**$0.01**	**$0.01**
Adj. EBITDA[1] ($MM)	**$930**	**$927**	**$826**
Adj. EBITDA Margin[1]	**17.1%**	**17.6%**	**15.4%**
Free Cash Flow[4] ($MM)	**$501**	**$575**	**$467**

- Solid results in N.A. Industrial Pkg driven by strong demand and increasing prices
- Higher input costs ($17MM) unfavorably impacted earnings
- Impact from Hurricane Matthew
- Continued solid operational performance across businesses
- Strong performance at Ilim JV continued with adjusted operational EBITDA of $180MM
- Closed acquisition of Weyco pulp business and integrating as new Global Cellulose Fibers business

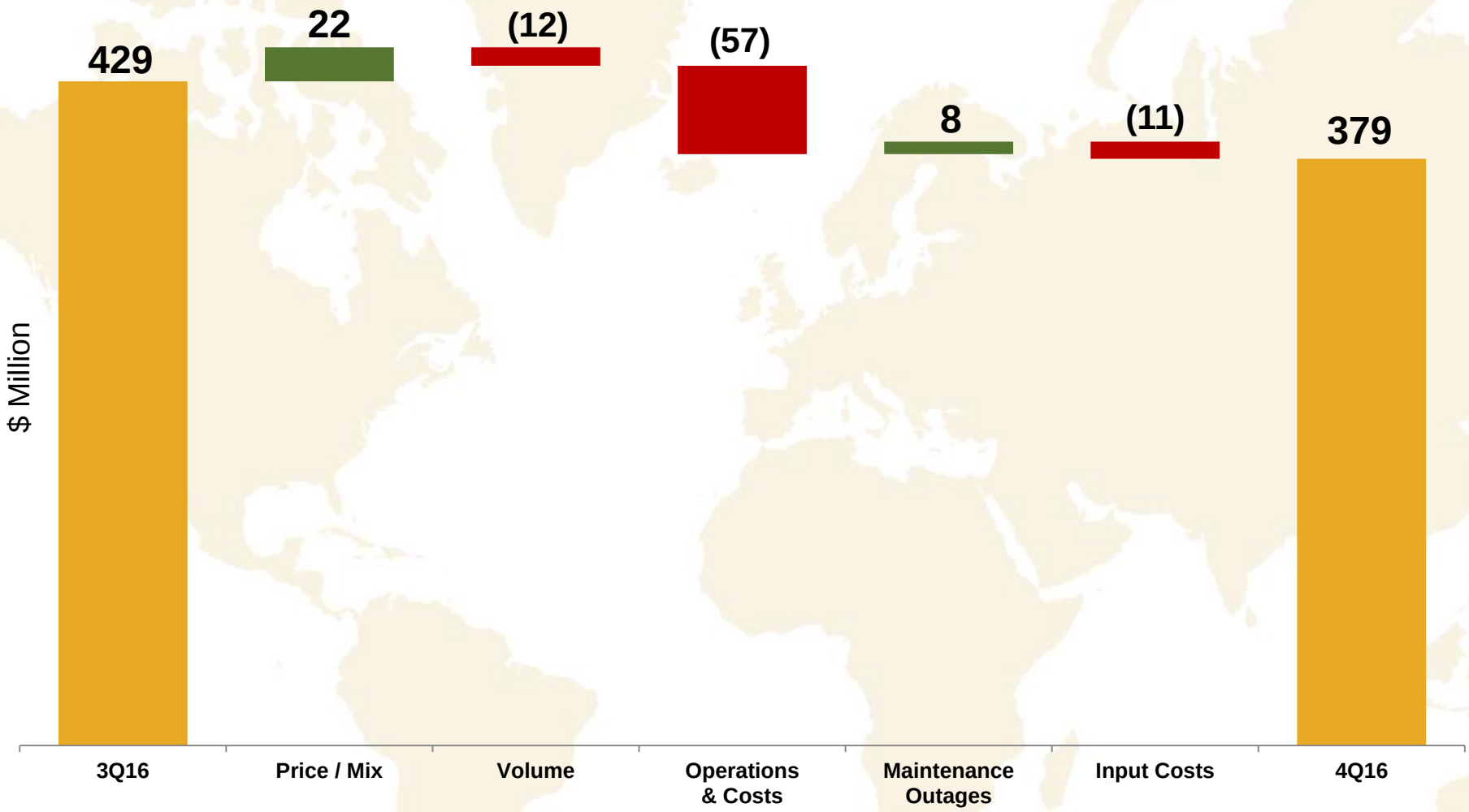
[1] From continuing operations before special items and non-operating pension expense
[2] Adjusted operating EPS based on Adjusted Operating Earnings (defined as Net Earnings (GAAP) from continuing operations before special items and non-operating pension expense)
[3] Represents F/X impact including that related to Ilim JV USD-denominated net debt (balance of ~$0.6B at end of 4Q16)
[4] See slide #27 for a reconciliation of cash provided by operations to free cash flow

4Q16 vs. 3Q16 Adj. Operating EPS



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

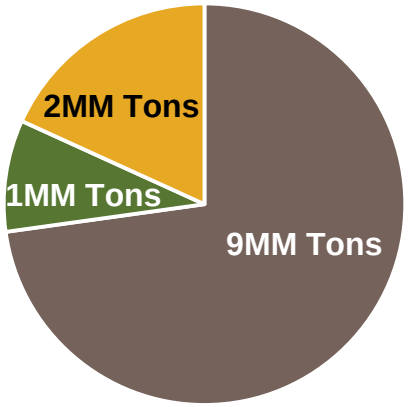
Industrial Packaging | 4Q16 vs. 3Q16 Adj. EBIT[1]



[1] Segment adjusted operating profit before special items

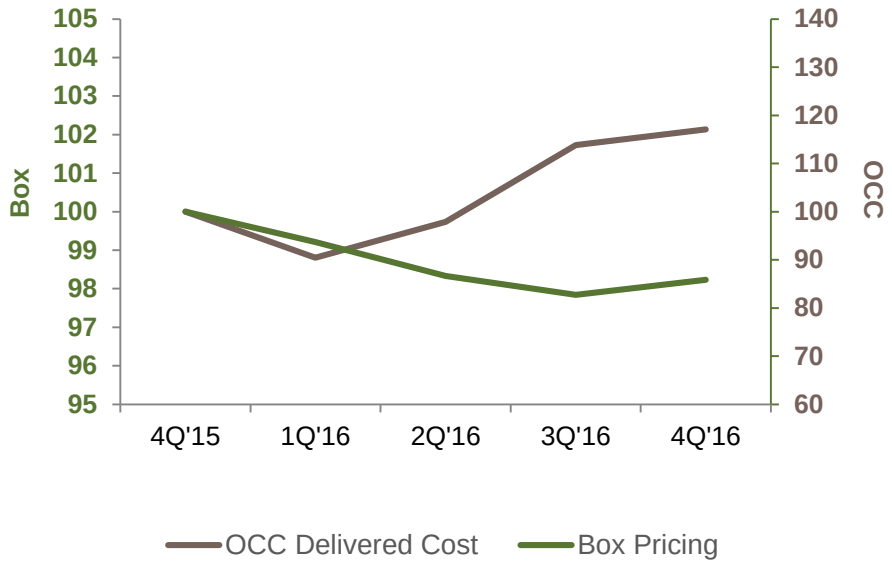
N.A. Industrial Packaging | October 2016 Price Increase Update

IP Containerboard Shipment Volume
~12 Million Tons[1]



- US IP Box Plants; ~9MM Tons
- Domestic (Open Mkt); ~1MM Tons
- Export (Open Mkt) and Non-US IP Box Plants; ~2MM Tons

Indexed to 4TH Quarter 2015[2]



Impact of Domestic Containerboard Price Increase = ~$400MM Annualized

2017 Full Year benefits partially offset by:

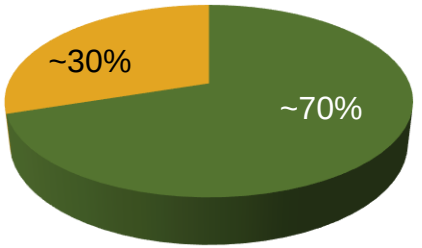
- 2016 price reductions and exit rate (see chart above)
- Price increase implementation timing
- Rising input costs

[1] Excludes Saturating Kraft/Gypsum Liner
[2] IP data

Global Cellulose Fibers | Business Overview



Current Product Mix[1]

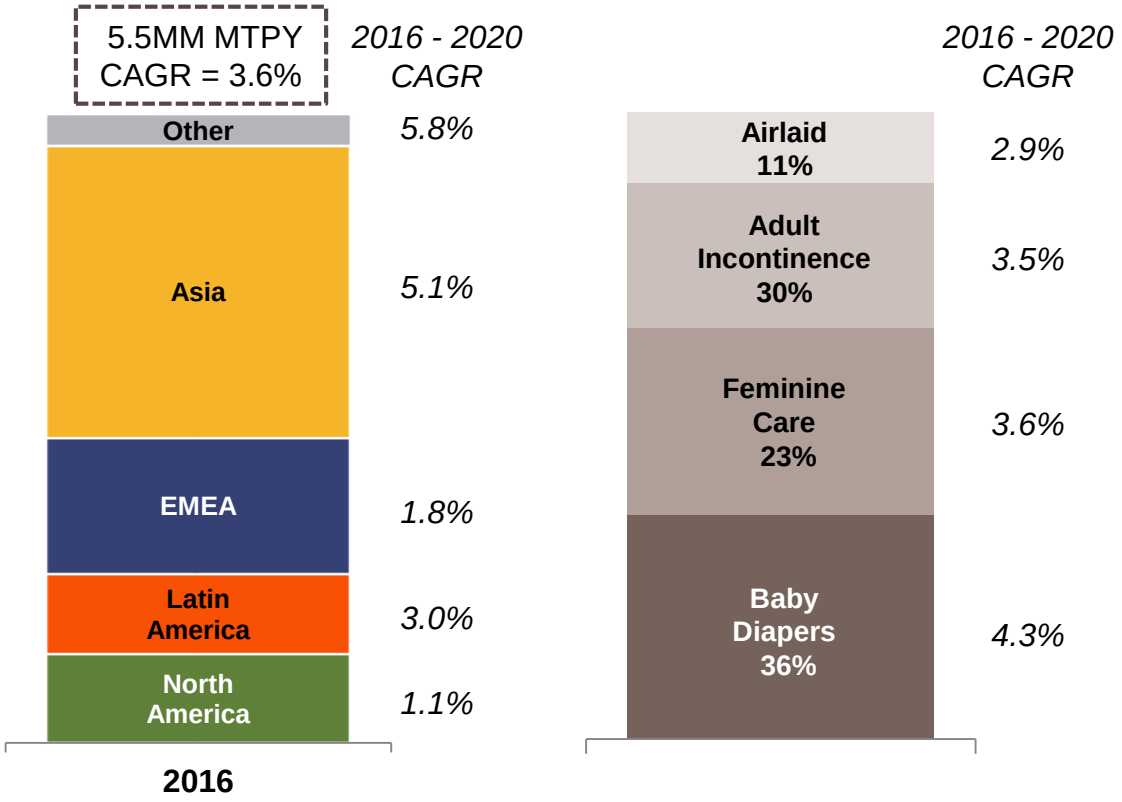


Total Capacity	~3.6MM MTPY	Targeted Mix
Fluff Pulp & Specialties	3.0MM	85%
Market Pulp	0.6MM	15%

[1] Combined businesses, with Riegelwood PM18 running SW market pulp

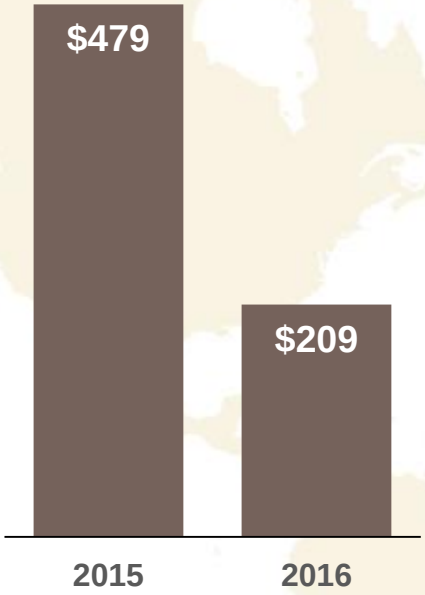
Well-Positioned to Serve Growing Demand with Global, Strategic Customers

Fluff Demand by Region and End Use



Source: Poyry World Fibre Outlook up to 2030, IP Analysis

Combined Business Pro-forma EBITDA
(Before Special Items)



2017 Outlook

- Demand growth
- Ramp up of synergies
- Implement recently announced price increases

- Exit rate pricing
- Short-term mix impact
- Port Wentworth capital investment downtime

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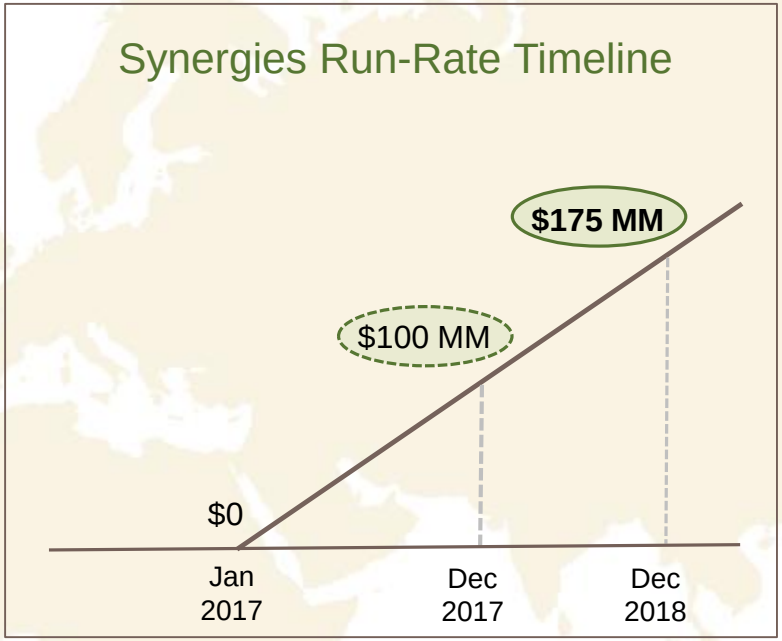
Synergy Categories

- SG&A
- Commercial mix opportunities
- Manufacturing, Supply Chain and Sourcing

One-time Costs/Expenses[1]

~$85 Million



[1] Treated as special items

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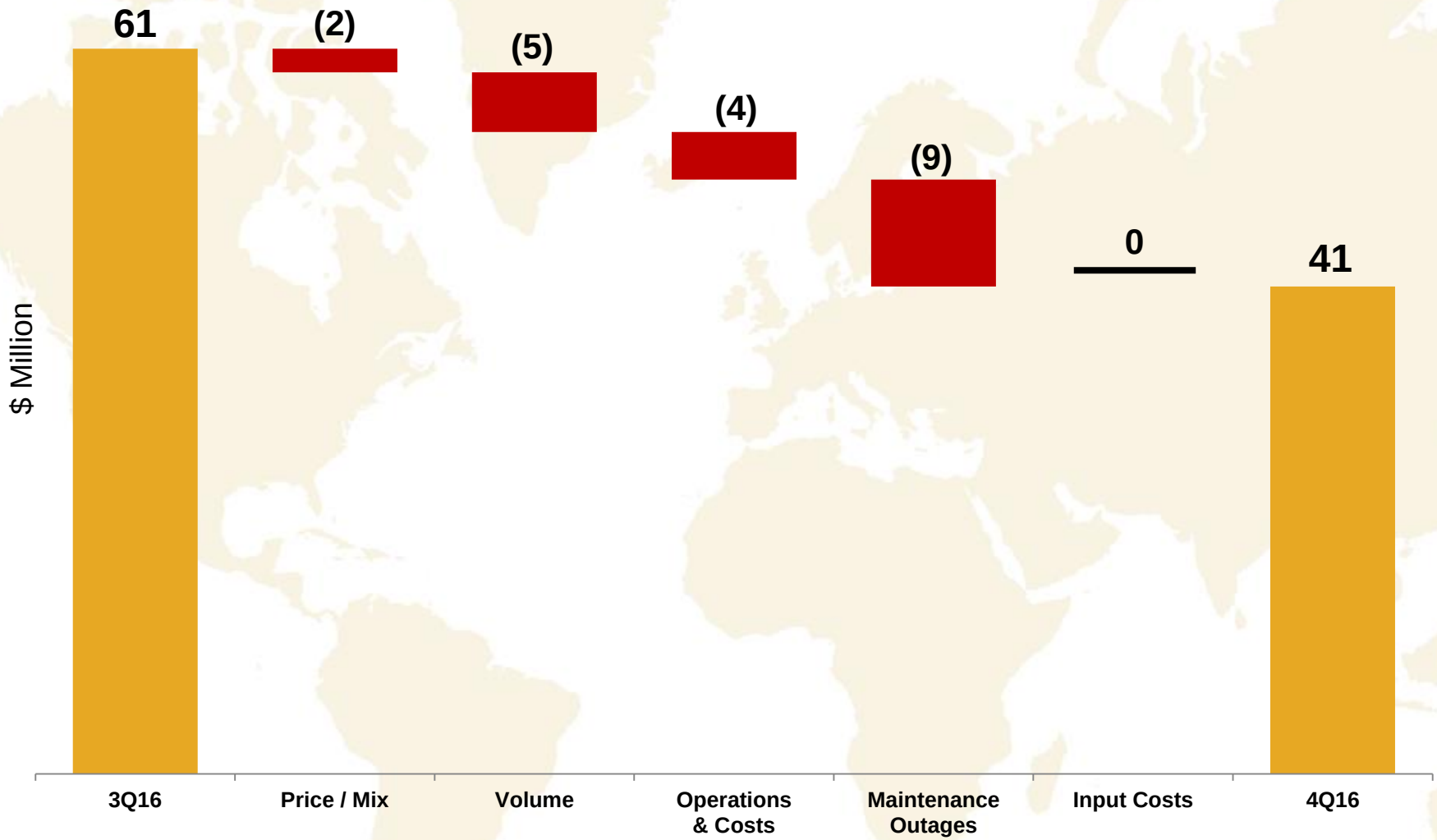
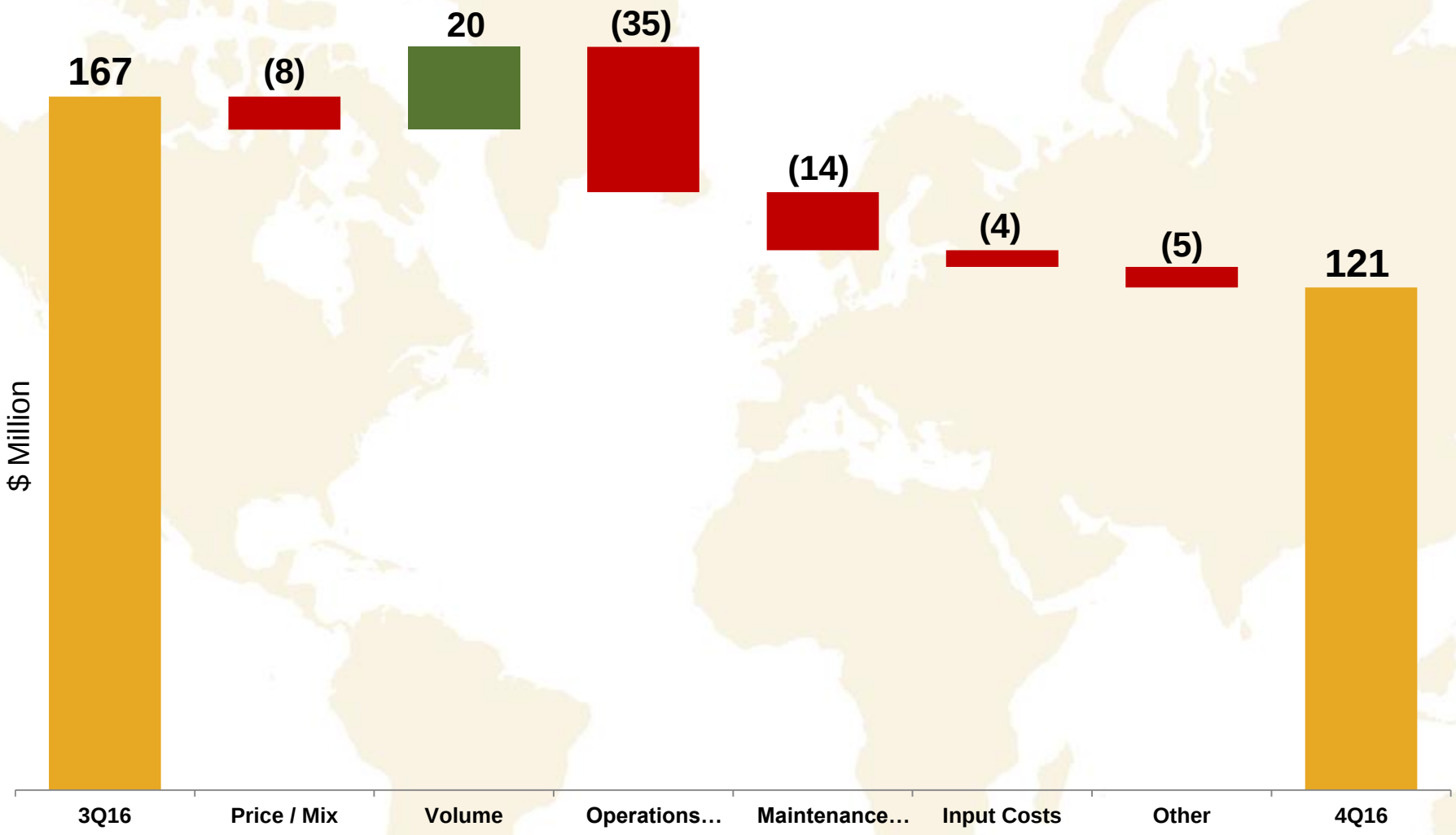
Consumer Packaging | 4Q16 vs. 3Q16 Adj. EBIT[1]



[1] Segment adjusted operating profit before special items

Printing Papers | 4Q16 vs. 3Q16 Adj. EBIT[1]



[1] Segment adjusted operating profit before special items

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Ilim Joint Venture | 4Q16 vs. 3Q16

$ Million	4Q15	3Q16	4Q16	2015	2016
Sales Volume (thousand tons)	891	849	987	3,349	3,523
Sales	$492	$473	$539	$1,931	$1,927
EBITDA	$129	$172	$194	$506	$743
F/X (Impact of USD Net Debt)[1]	($48)	$6	$14	($188)	$63
Adj. Operational EBITDA[2]	$177	$166	$180	$694	$680
IP Equity Earnings (Loss)[3]	$34	$46	$45	$131	$199

- Record production at all three mills in 4Q and full year
- Higher sales volume driven by stronger demand
- Expect modest export price improvement, more than offset by normal seasonality for 1Q'17

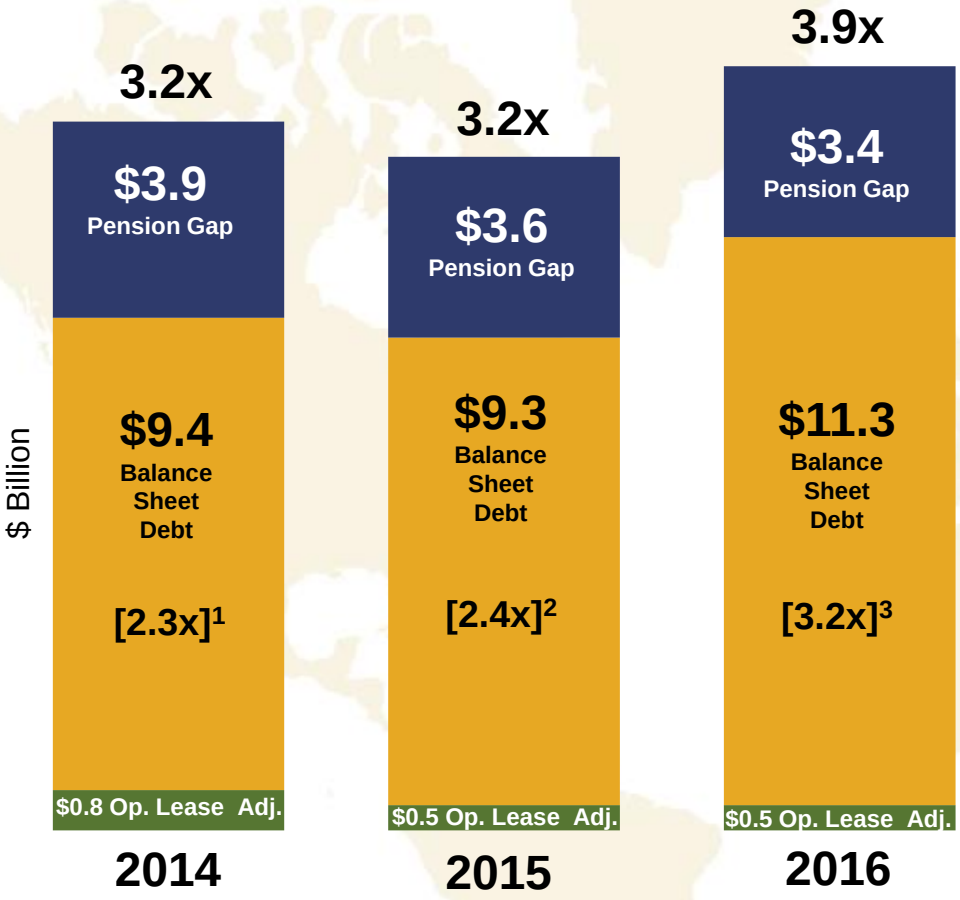
Ilim JV results are on U.S. GAAP basis

[1] Represents F/X impact including that related to Ilim JV USD-denominated net debt (balance of ~$0.6B at end of 4Q16); Ilim Group's functional currency is the Ruble (RUB); Non-functional-denominated currency balances are measured monthly using the month-end exchange rate

[2] Before F/X impact including USD-denominated net debt

[3] IP Equity Earnings (Loss) for 4Q15 include after-tax f/x losses (primarily on USD-denominated net debt) of ($19)MM, 3Q16 and 4Q16 include after-tax F/X gains (primarily on USD-denominated net debt) of $3MM and $6MM, respectively; FY15 include after-tax f/x loss of ($75)MM and FY16 include after-tax f/x gain of $25MM

Moody's Target: Adjusted Debt < 3X Adjusted EBITDA



2016 Highlights

- Pension gap decreased by $0.2B
  - ✓ Made $750MM voluntary pension contribution
  - ✓ Year-end discount rate decreased from 4.4% (2015) to 4.1% (2016)
- Attractive debt financing
  - ✓ 10 year and 30 year debt to finance Weyco pulp acquisition
- $ 1.0B cash balance at year end

Moody's methodology: Adjusted Debt reflects gross balance sheet debt plus pension gap and operating leases
Moody's methodology: 2016 Adjusted EBITDA of $3.9B incorporates pension and lease expense adjustments
[1] Simple Debt Coverage: Balance Sheet Debt / 2014 IP's Adjusted EBITDA of $4.1B
[2] Simple Debt Coverage: Balance Sheet Debt / 2015 IP's Adjusted EBITDA of $3.9B
[3] Simple Debt Coverage: Balance Sheet Debt / 2016 IP's Adjusted EBITDA of $3.5B

First Quarter Outlook[1] | Changes from 4Q16

		North America	EMEA & Russia	Brazil
Price / Mix	Packaging	Continued implementation	Stable	Stable
	Cellulose Fibers	Stable		
	Paper	Stable	Stable	Improving
Volume	Packaging	Stable	Stable	Stable
	Cellulose Fibers	Acquisition		
	Paper	Stable	Stable	Seasonal decrease
Operations & Other	Packaging	Non-repeats	Stable	Stable
	Cellulose Fibers	Stable		
	Paper	Non-repeats	Improving	Stable
Mill Maintenance Outages	Packaging	Increase $46MM	N/A	Increase $1MM
	Cellulose Fibers	Increase $47MM		
	Papers	Increase $23MM	Decrease $15MM	N/A
Inputs & Freight	Packaging	Higher OCC & energy	Stable	Stable
	Cellulose Fibers	Higher energy		
	Printing Papers	Higher energy	Stable	Stable
Other Items		▪ Corporate expense, ~$15MM in 1Q17 ▪ Interest expense, in line with full-year outlook of ~$575MM-$600MM ▪ Tax rate, in line with full-year outlook of ~33% ▪ Ilim JV, lower due to normal seasonality		

[1] Does not include impact from 1/22/17 Pensacola incident

Pensacola Update | January 22 Digester Incident



Key Focus Areas:

- Ensure the health and safety of all employees, contractors and residents
- Clean up affected areas and property and address community needs
- Take care of our customers
- Safely restore mill operations

Overview:

- Entire mill went down following significant structural damage to the mill's largest digester and power house
- Teams currently engaged in cleanup outside the mill
- Business continuity and restoration plans underway

Key Financial Metrics

$ Million (Except as noted)	2015	2016	2017
Capital Spending	$1.5B	$1.35B	~$1.5B
Depreciation & Amortization	$1.3B	$1.2B	~$1.4B
Net Interest Expense	$555	$520	$575 - 600
Corporate Items	$36	$69	~$60
Effective Tax Rate	33%	32%	~33%
Input Cost Fav / (Unfav)	$232	$82	($180 - $200)

IP Focus Areas For 2017

- Deliver strong free cash flow and Adjusted ROIC ≥ 10%
- Integrate newly acquired pulp business and drive synergies to bottom line; improve Global Cellulose Fibers product mix
- Drive N.A. Industrial Packaging earnings improvement
- Continue strong operations and cost reduction initiatives
- Conversion of Madrid Mill
- Continue strong performance at Ilim JV
- Allocate capital to create value with focus on near-term debt reduction









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Appendix

Investor Relations Contacts

Jay Royalty	901-419-1731
Michele Vargas	901-419-7287

Media Contact

Tom Ryan	901-419-4333

Free Cash Flow

$ Million	2014	4Q15	2015	1Q16	2Q16	3Q16	4Q16	2016
Cash Provided by Operations	**$3,077**	**$990**	**$2,580**	**$620**	**$605**	**$341**	**$912**	**$2,478**
Cash Invested in Capital Projects	($1,366)	($489)	($1,487)	($309)	($328)	($266)	($445)	($1,348)
Cash Contribution to Pension Plan	$353	-	$750	-	$250	$500	-	$750
Free Cash Flow	**$2,064**	**$501**	**$1,843**	**$311**	**$527**	**$575**	**$467**	**$1,880**

Maintenance Outages Expenses | 2016 Actual

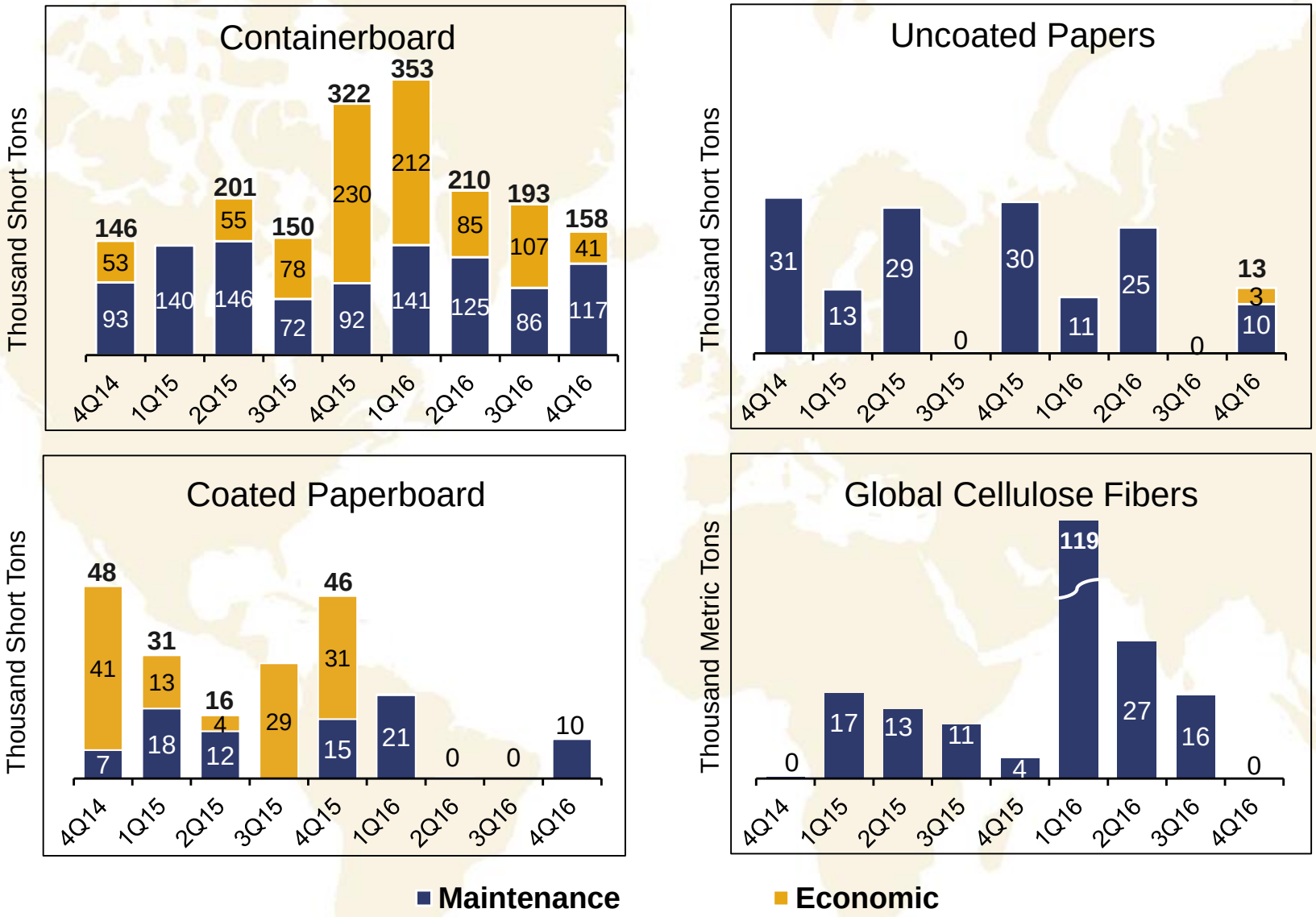
$ Million	1Q16A	2Q16A	3Q16A	4Q16A	2016A
Industrial Packaging	**$73**	**$80**	**$44**	**$36**	**$233**
North America	73	78	44	35	230
Brazil	0	2	0	1	3
Global Cellulose Fibers[1]	**$50**	**$9**	**$16**	**$3**	**$78**
Printing Papers Total	**$16**	**$41**	**$11**	**$28**	**$96**
North America	16	26	0	13	55
Europe	0	8	10	15	33
Brazil	0	7	0	0	7
India	0	0	1	0	1
Consumer Packaging	**$19**	**$3**	**$2**	**$11**	**$35**
North America	19	0	0	11	30
Europe	0	3	2	0	5
Total Impact	**$158**	**$133**	**$73**	**$78**	**$442**

[1] 4Q'16 and FY'16 includes Dec'16 maintenance outages expenses from newly-acquired pulp business

Maintenance Outages Expenses | 2017 Forecast

$ Million	1Q17F	2Q17F	3Q17F	4Q17F	2017F
Industrial Packaging	**$94**	**$95**	**$47**	**$48**	**$284**
North America	92	95	47	48	282
Brazil	2	0	0	0	2
Global Cellulose Fibers	**$50**	**$49**	**$27**	**$10**	**$136**
Printing Papers Total	**$36**	**$42**	**$9**	**$12**	**$99**
North America	36	33	1	11	81
Europe	0	9	0	1	10
Brazil	0	0	7	0	7
India	0	0	1	0	1
Consumer Packaging	**$0**	**$31**	**$0**	**$11**	**$42**
North America	0	28	0	11	39
Europe	0	3	0	0	3
Total Impact	**$180**	**$217**	**$83**	**$81**	**$561**

North American Downtime



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Special Items Before Tax | Continuing Operations

Special Items Pre-Tax ($ Million)		4Q15	3Q16	4Q16
Industrial Packaging	Turkey Facility Closure			($7)
	Impairment of Asia Box & Restructuring		($5)	
	Impairment of Brazil Packaging Goodwill & Intangible	($137)		
Global Cellulose Fibers	Weyco Pulp Business Acquisition		($7)	($19)
	Weyco Pulp Business Inventory Step-up Amortization			($19)
Consumer Pkg.	Riegelwood Repurposing	($15)		
	Impairment of Sun JV Goodwill & PPE	$12		
Corporate	Debt Extinguishment		($29)	
	India Packaging Evaluation Write-off		($17)	
	Regulatory Pre-Engineering Write-off		($8)	
	Legal Reserve	($15)		
	Other	($3)		
Total Special Items Before Tax		**($158)**	**($66)**	**($45)**

Special Items Net of Taxes

	4Q16		2016	
	$ Million	EPS	$ Million	EPS
Earnings Before Special Items	$303	$0.73	$1,392	$3.35
Special Items Net of Taxes:				
Impairment of Asia Box & Restructuring			($58)	
Debt Extinguishment			($18)	
Weyco Pulp Business Acquisition	($14)		($21)	
Weyco Pulp Business Inventory Step-up Amortization	($11)		($11)	
India Packaging Evaluation Write-off			($11)	
Turkey Facility Closure	($6)		($6)	
Riegelwood Repurposing			($6)	
Regulatory Pre-Engineering Write-off			($5)	
Sale of Arizona Chemical Investment			$5	
Tax Adjustments	($31)		$23	
Total Special Items Net of Taxes	($62)	($0.15)	($108)	($0.26)
Non-Operating Pension Expense	($23)	($0.05)	($375)	($0.90)
Discontinued Operations Net of Taxes			($5)	($0.01)
Net Earnings	$218	$0.53	$904	$2.18

Adj. Operating Profits by Industry Segment | Continuing Operations

$ Million	4Q15	3Q16	4Q16	2015	2016
Earnings (Loss) From Continuing Operations Before Income Taxes and Equity Earnings	**$265**	**$373**	**$280**	**$1,266**	**$956**
Interest Expense, Net	$133	$132	$136	$555	$520
Noncontrolling Interest / Equity Earnings Adjustment	($2)	$1	$0	$8	$1
Corporate Items, Net	$9	$11	$11	$36	$69
Special Items, Net	$158	$66	$45	$559	$182
Non-Operating Pension Expense	$60	$42	$37	$258	$610[1]
Adj. Operating Profit Before Special Items	**$623**	**$625**	**$509**	**$2,682**	**$2,338**
Industrial Packaging[2]	$441	$429	$379	$1,990	$1,728
Global Cellulose Fibers[2,3]	$14	($32)	($32)	$68	($130)
Printing Papers[2]	$130	$167	$121	$465	$540
Consumer Packaging[2]	$38	$61	$41	$159	$200
Total Adj. Industry Segment Operating Profit[2,3]	**$623**	**$625**	**$509**	**$2,682**	**$2,338**
Equity Earnings (Loss), net of taxes – Ilim	**$34**	**$46**	**$45**	**$131**	**$199**

[1] Includes non-cash settlement charge before tax of $439MM
[2] Excludes special items (Non-GAAP)
[3] 4Q'16 and FY'16 includes Dec'16 results from newly-acquired pulp business

Geographic Business Segment Operating Results | Quarterly

$ Million	Sales			D & A	Adj. Operating Profit[1]		
	4Q15	3Q16	4Q16	4Q16	4Q15	3Q16	4Q16
Industrial Packaging							
North America	$3,098	$3,087	$3,052	$167	$451	$439	$384
Europe	$293	$313	$325	$9	$4	$0	$9
Brazil	$48	$62	$77	$7	($12)	($9)	($14)
Global Cellulose Fibers[2]							
Global Cellulose Fibers	$244	$241	$379	$40	$14	($32)	($32)
Printing Papers							
North America	$489	$477	$465	$20	$33	$82	$43
Europe	$270	$278	$284	$10	$41	$40	$28
Brazil	$252	$229	$260	$25	$58	$53	$50
India	$41	$35	$47	$5	($2)	($8)	$0
Consumer Packaging							
North America	$475	$407	$386	$27	$12	$39	$21
Europe	$81	$87	$78	$3	$26	$22	$20

[1] Excludes special items (Non-GAAP)
[2] 4Q'16 and FY'16 includes Dec'16 results from newly-acquired pulp business

Geographic Business Segment Operating Results | Annually

$ Million	Sales		Adj. Operating Profit[1]	
	2015	2016	2015	2016
Industrial Packaging				
North America	$12,541	$12,227	$2,009	$1,757
Europe	$1,114	$1,227	$13	$22
Brazil	$228	$232	($26)	($43)
Global Cellulose Fibers[2]				
Global Cellulose Fibers	$975	$1,092	$68	($130)
Printing Papers				
North America	$1,942	$1,890	$179	$236
Europe	$1,064	$1,109	$111	$142
Brazil	$878	$897	$186	$173
India	$172	$167	($11)	($11)
Consumer Packaging				
North America	$1,939	$1,628	$91	$107
Europe	$319	$327	$87	$93

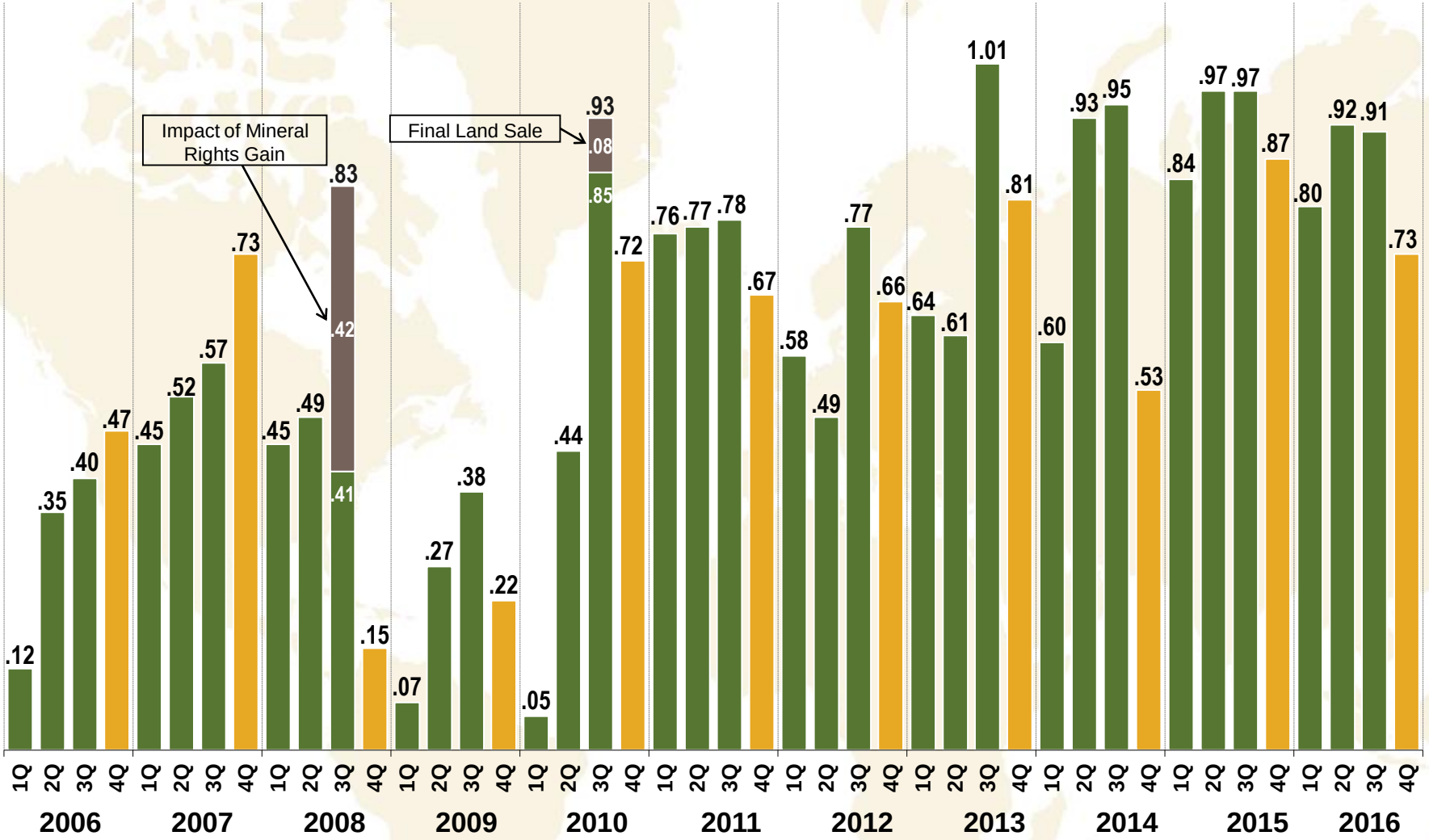
[1] Excludes special items (Non-GAAP)
[2] 4Q'16 and FY'16 includes Dec'16 results from newly-acquired pulp business

2016 Operating Earnings

	Pre-Tax $MM	Tax $MM	Non-controlling Interest $MM	Equity Earnings	Net Income $MM	Average Shares MM	Diluted EPS[1]
Net Earnings from Continuing Operations							
1Q16	$317	($41)	-	$63	$339	414	$0.82
2Q16	($14)	$9	-	$45	$40	415	$0.10
3Q16	$373	($107)	$3	$43	$312	415	$0.75
4Q16	280	($108)	($1)	$47	$218	416	$0.53
Net Special Items							
1Q16	$38	($74)	-	-	($36)	414	($0.09)
2Q16	$33	$7	-	-	$40	415	$0.10
3Q16	$66	($24)	-	-	$42	415	$0.10
4Q16	$45	$17	-	-	$62	416	$0.15
Non-Operating Pension Expense							
1Q16	$44	($17)	-	-	$27	414	$0.07
2Q16	$487	($188)	-	-	$299[2]	415	$0.72[2]
3Q16	$42	($16)	-	-	$26	415	$0.06
4Q16	$37	($14)	-	-	$23	416	$0.05
Adj. Operating Earnings							
1Q16	$399	($132)	-	$63	$330	414	$0.80
2Q16	$506	($172)	-	$45	$379	415	$0.92
3Q16	$481	($147)	$3	$43	$380	415	$0.91
4Q16	$362	($105)	($1)	$47	$303	416	$0.73

[1] A reconciliation to GAAP EPS is available at www.internationalpaper.com under the Performance tab, Investors section
[2] Includes non-cash settlement charge before tax of $439MM and net of taxes of $270MM, or ($0.65) EPS

Adj. Operating EPS



2006 as originally reported
2007-2011 adjusted for elimination of the Ilim JV reporting lag
2006-2010 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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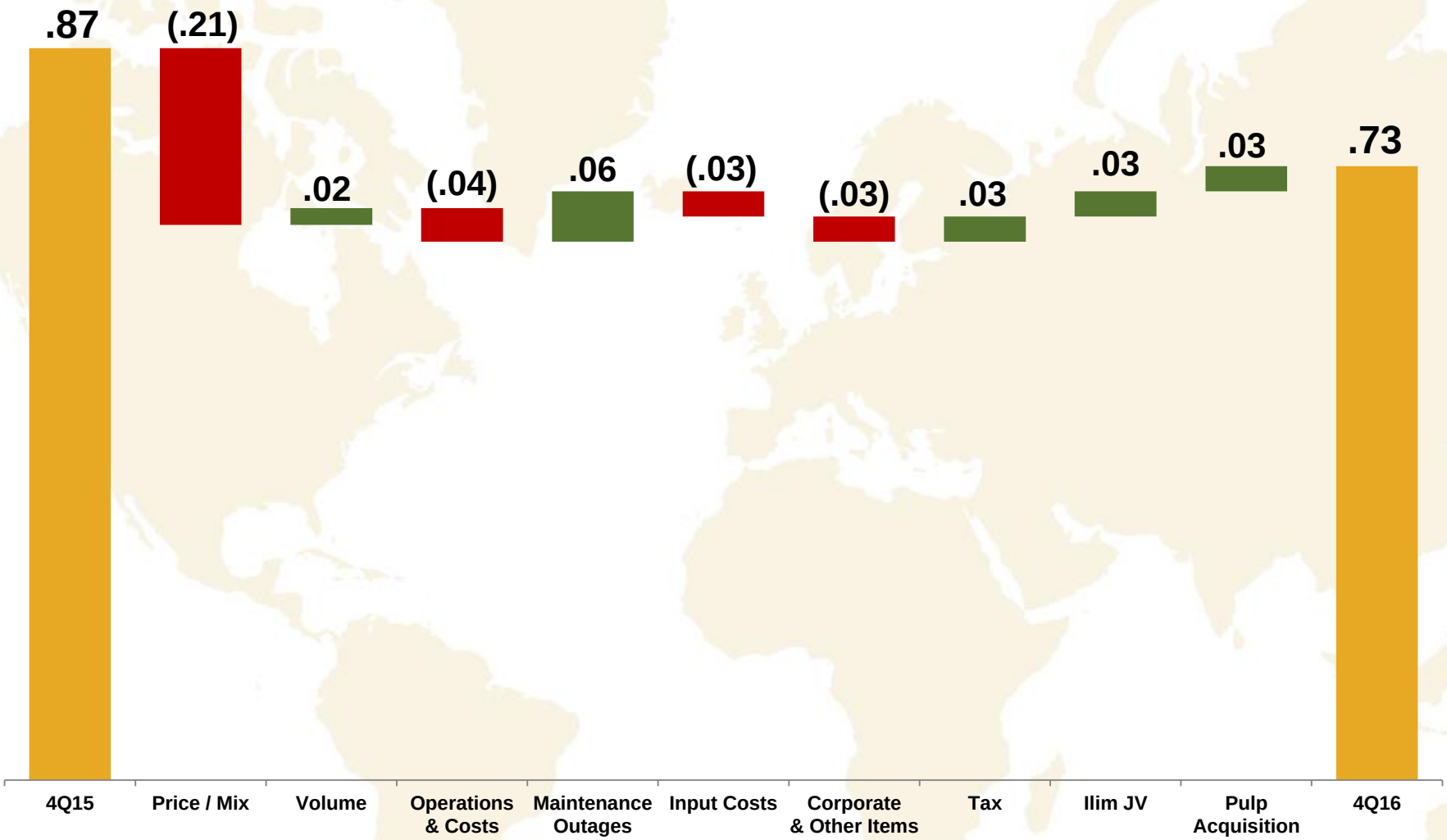
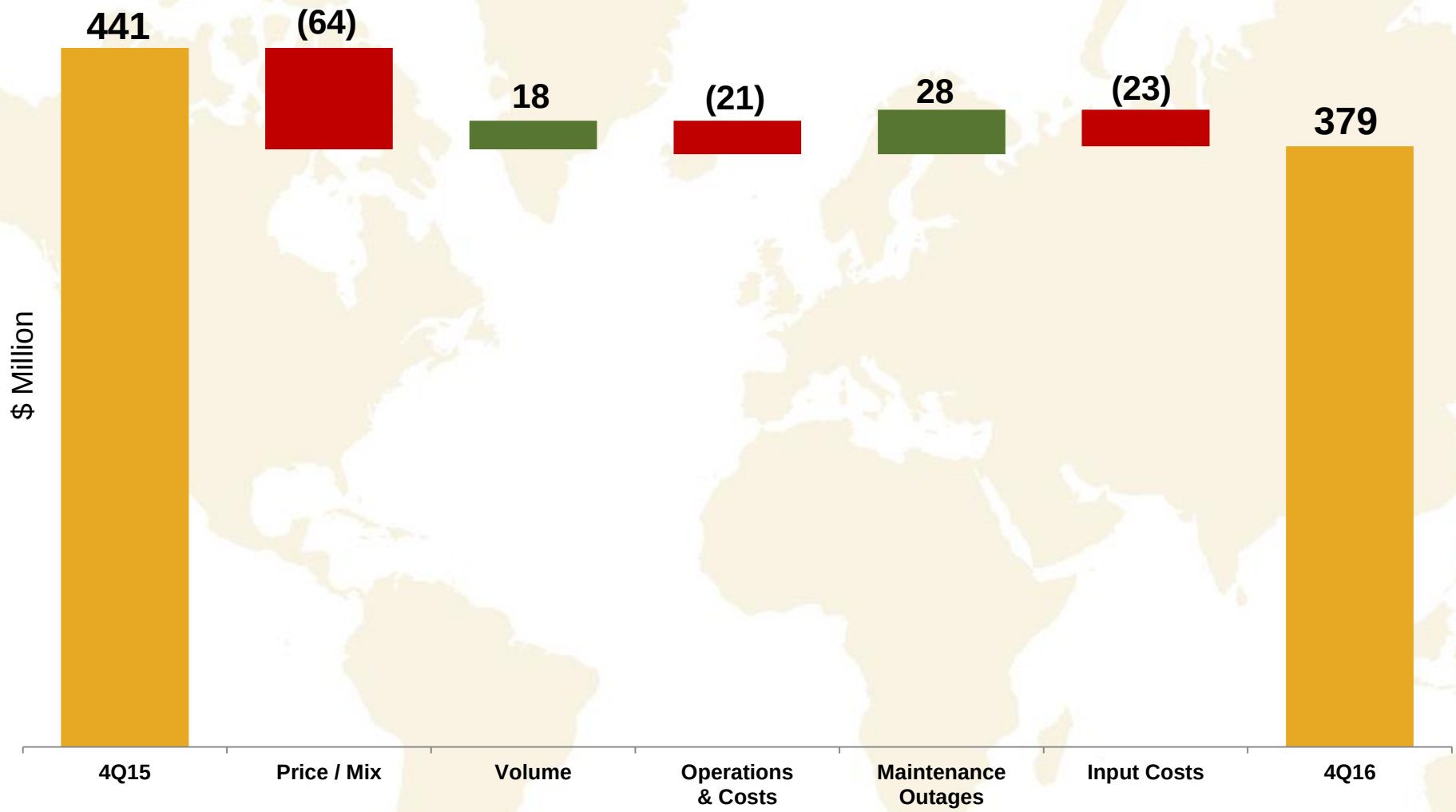
4Q16 vs. 4Q15 Adj. Operating EPS



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

Industrial Packaging | 4Q16 vs. 4Q15 Adj. EBIT[1]



[1] Segment adjusted operating profit before special items

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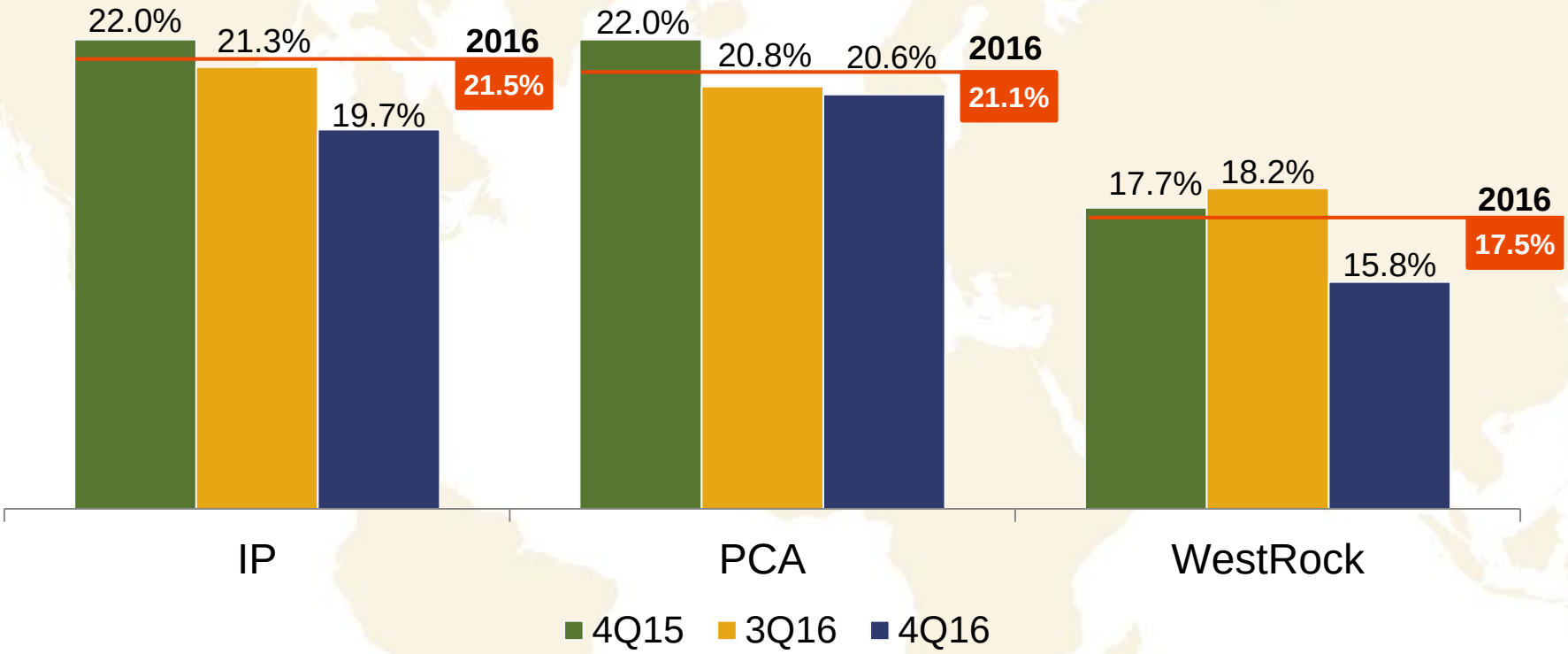
	4Q16 vs. 3Q16		4Q16 vs. 4Q15	
Business	**Volume**	**Price / Mix per Ton**	**Volume**	**Price / Mix per Ton**
N.A. Container[1]	**5%**	**$4**	**2%**	**($18)**
European Container	**12%**	**(€12)**	**2%**	**€1**

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 Adj. EBITDA Margins



IP Adjusted EBITDA margins based on North American Industrial Packaging operating profit before special items
Excludes the Recycling Business and revenue from trade volumes
Competitor Adjusted EBITDA margin estimates obtained from public filings and IP analysis

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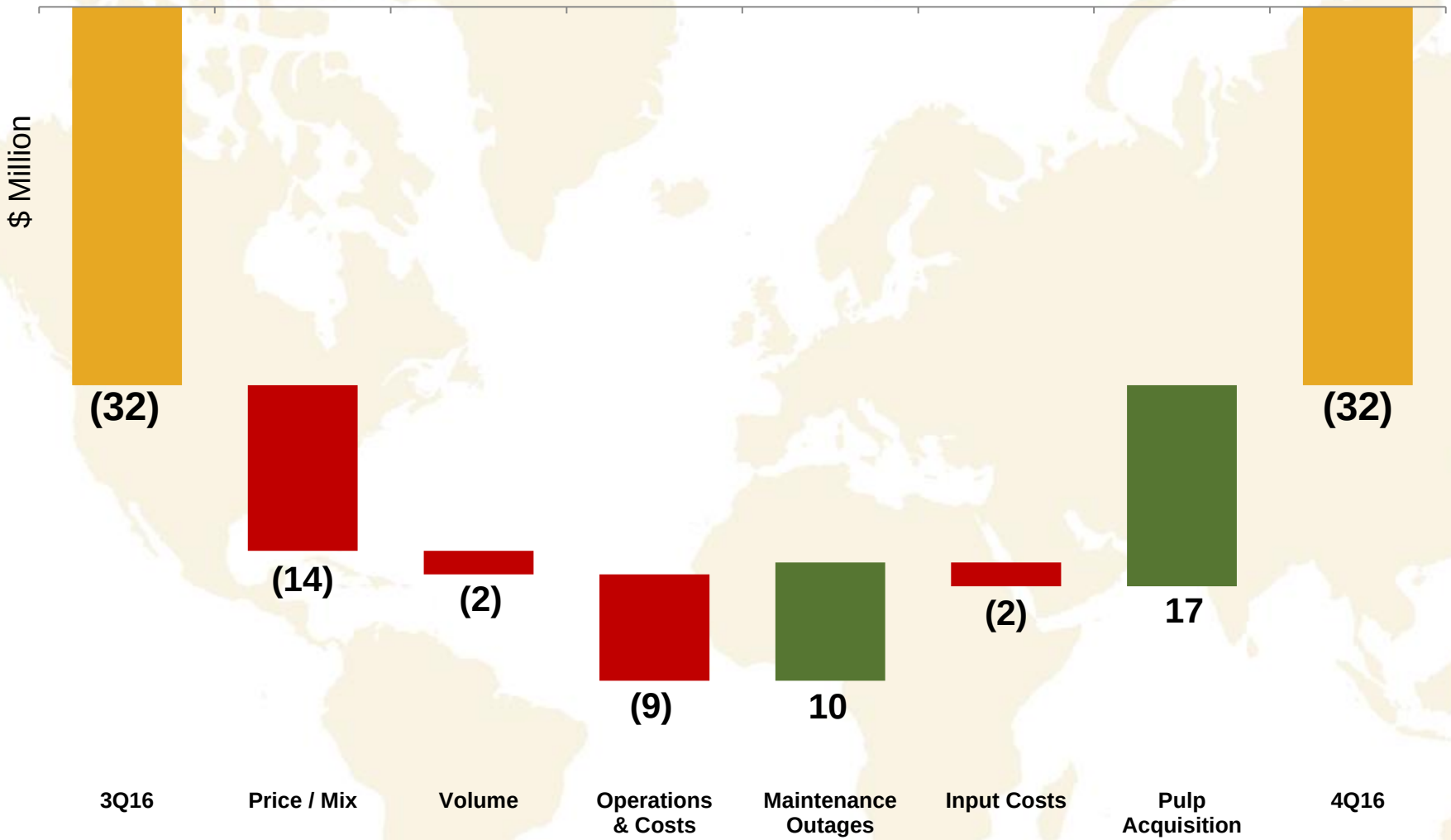
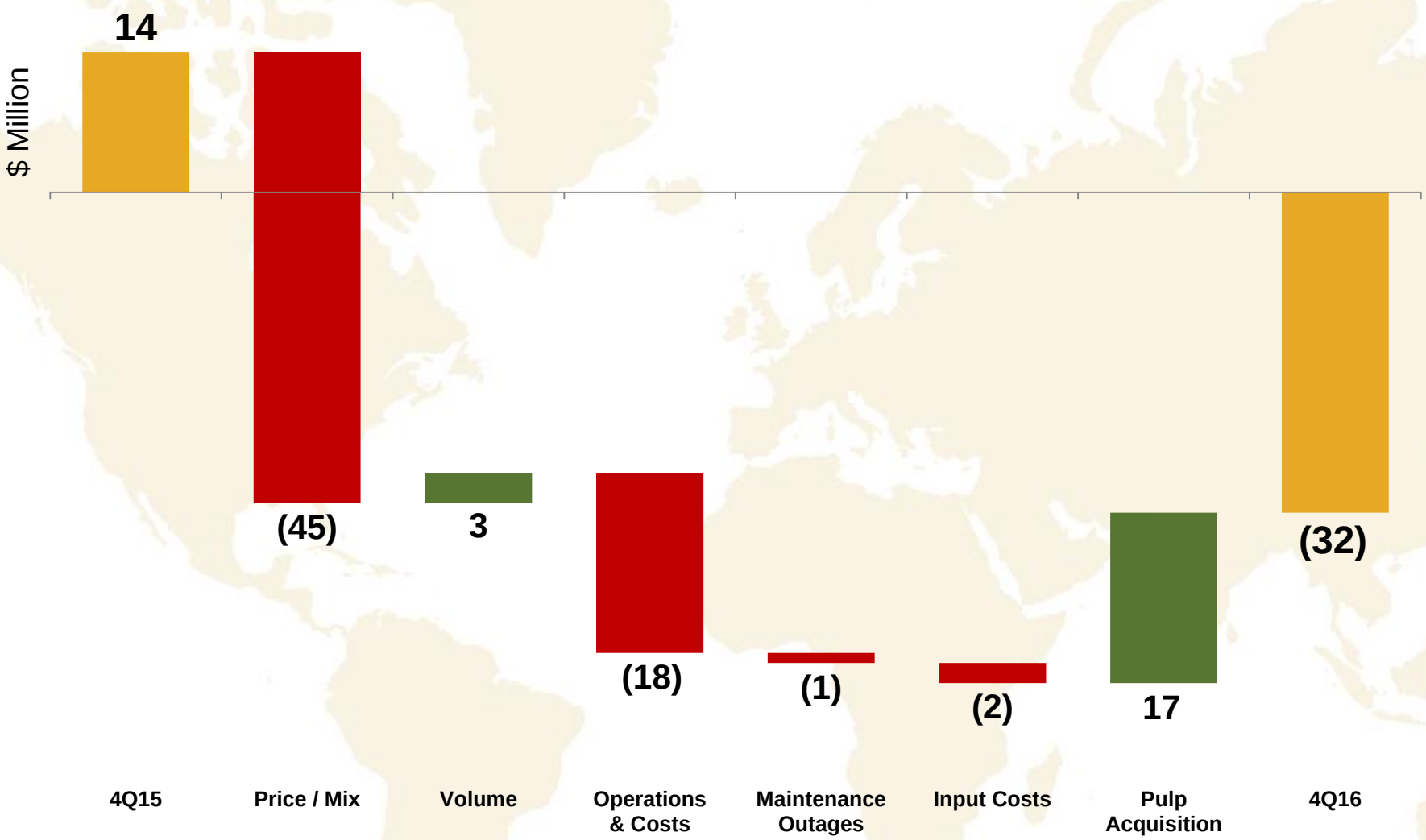
Global Cellulose Fibers | 4Q16 vs. 3Q16 Adj. EBIT[1]



[1] Segment adjusted operating profit before special items

INTERNATIONAL PAPER

Global Cellulose Fibers | 4Q16 vs. 4Q15 Adj. EBIT[1]



[1] Segment adjusted operating profit before special items

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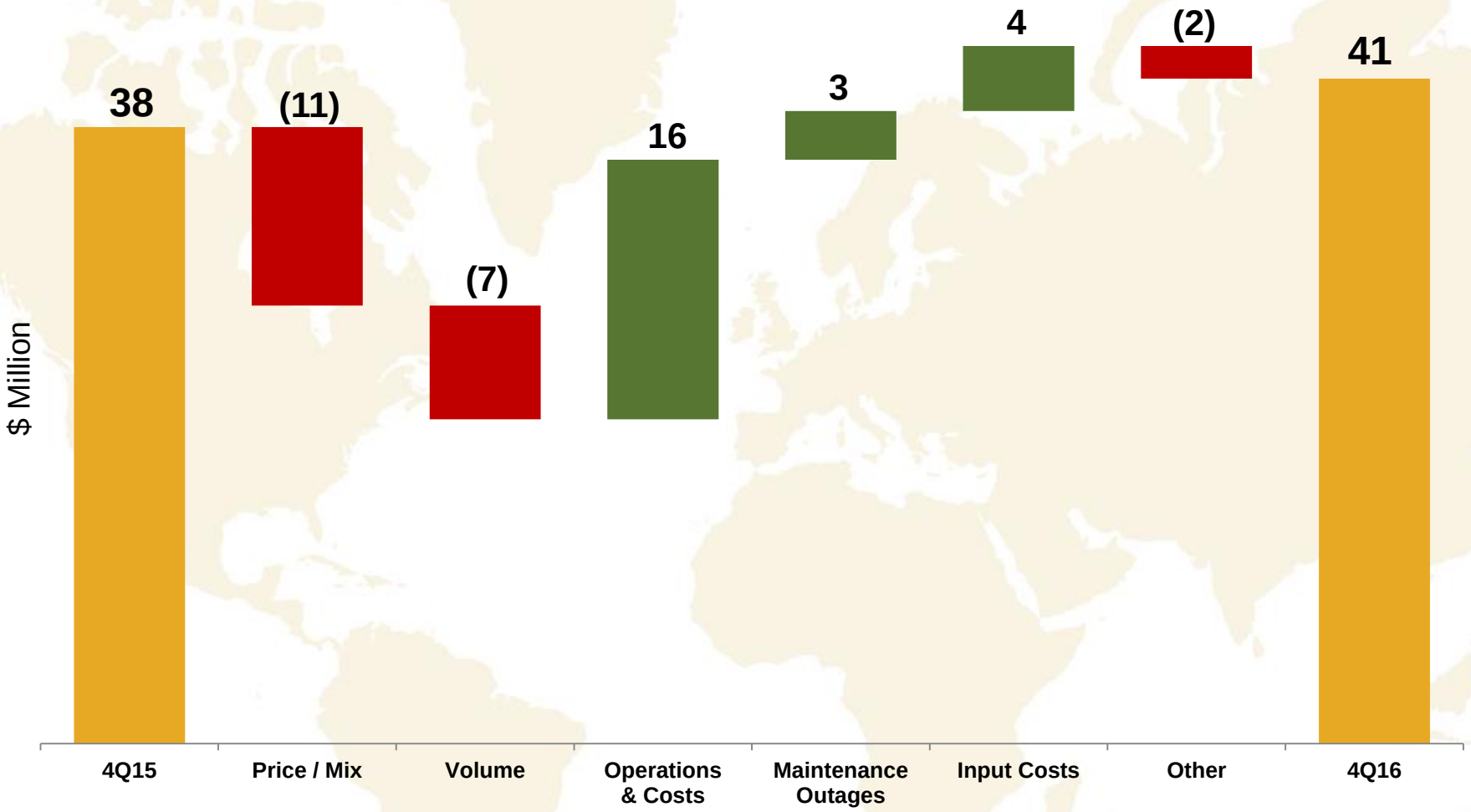
Consumer Packaging | 4Q16 vs. 4Q15 Adj. EBIT[1]



[1] Segment adjusted operating profit before special items

INTERNATIONAL PAPER

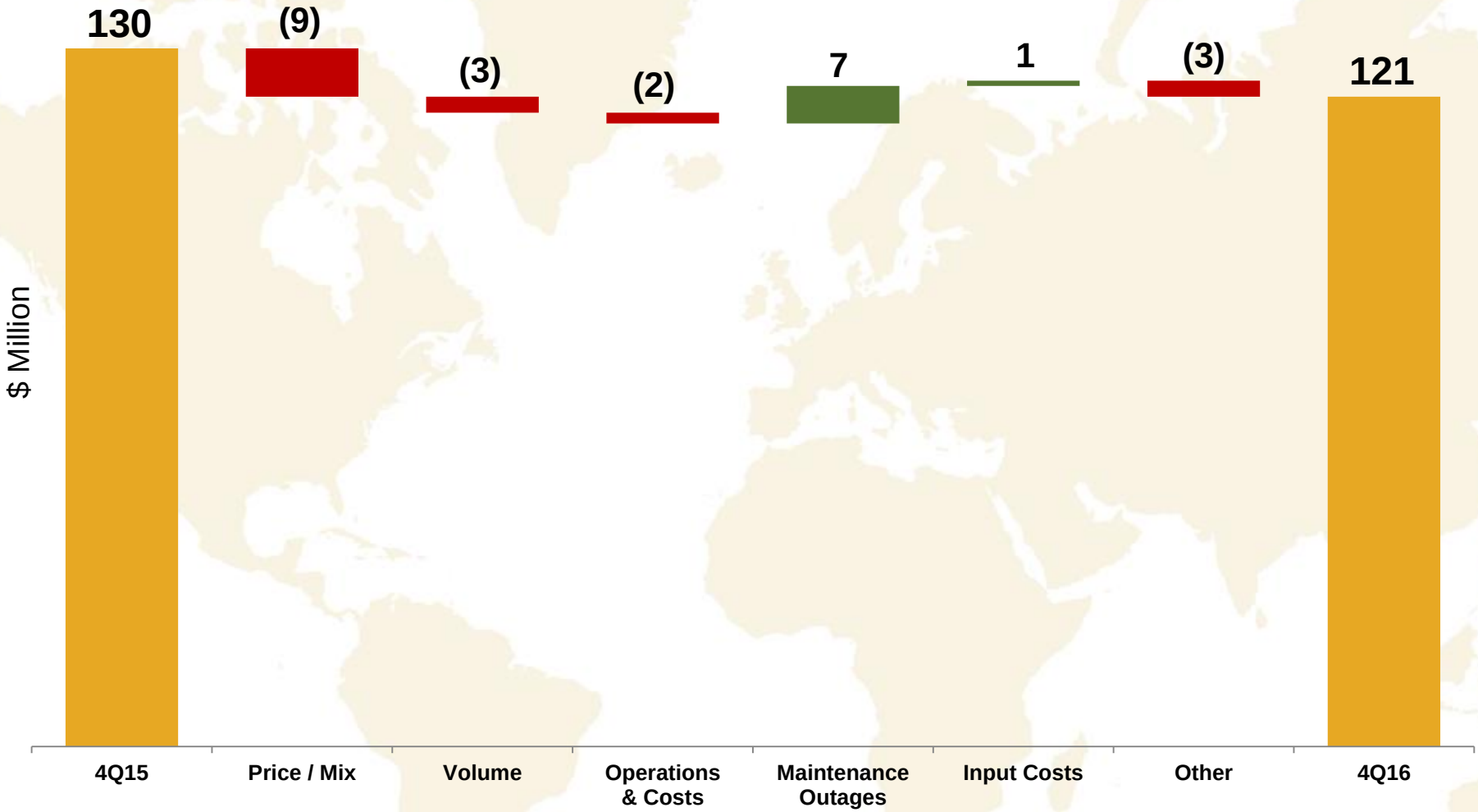
Consumer Packaging | Volume and Pricing Trends

	4Q16 vs. 3Q16		4Q16 vs. 4Q15	
	Volume	Price / Mix per Ton	Volume	Price / Mix per Ton
N.A. Coated Paperboard[1]	(10%)	$2	(1%)	($34)
	Revenue		Revenue	
Foodservice	2%		(5%)	

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

[1] All periods exclude Carolina brand coated bristols sales

Printing Papers | 4Q16 vs. 4Q15 Adj. EBIT[1]



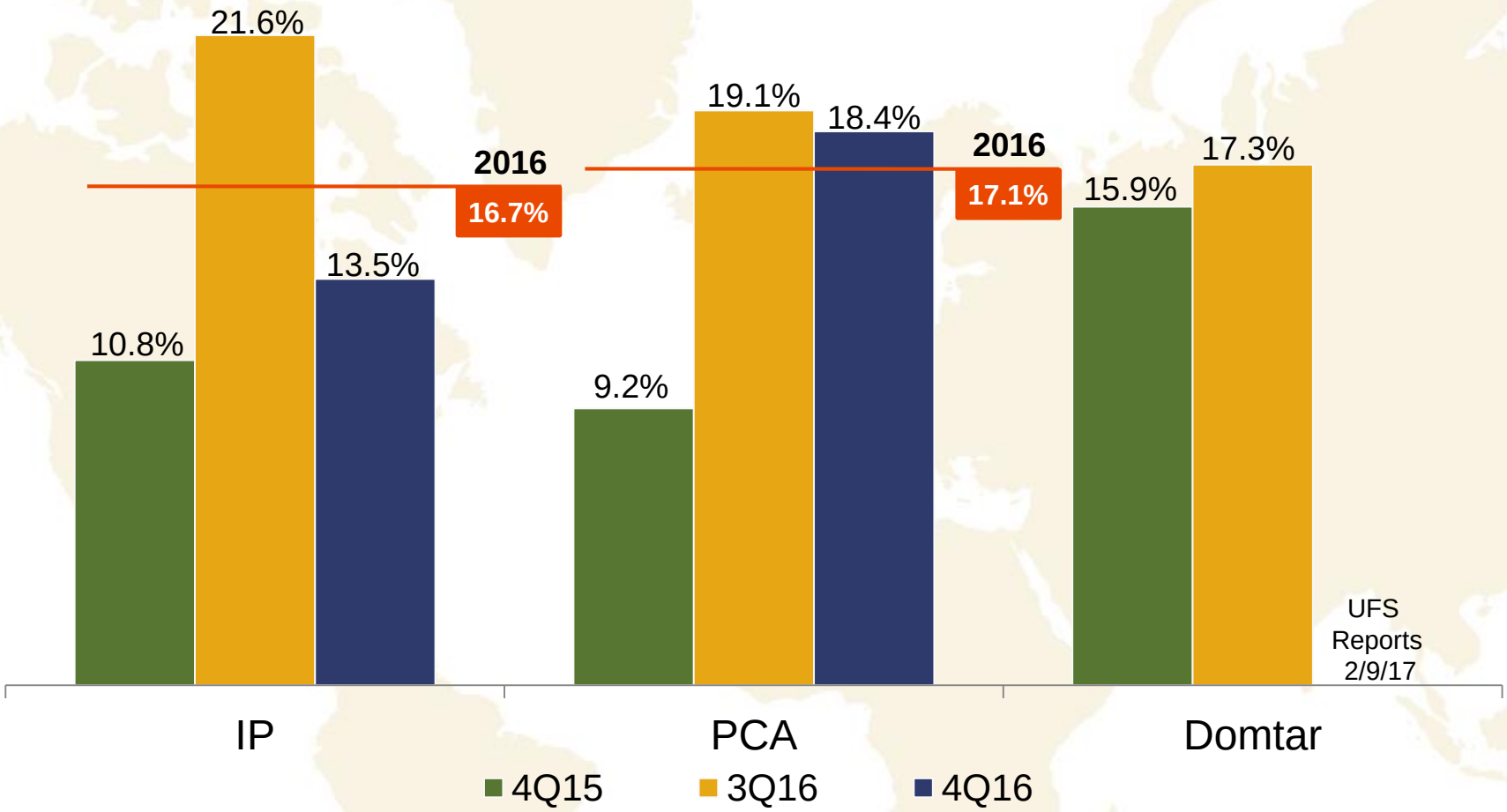
[1] Segment adjusted operating profit before special items

INTERNATIONAL PAPER

	4Q16 vs. 3Q16		4Q16 vs. 4Q15	
Business	**Volume**	**Price / Mix per Ton**	**Volume**	**Price / Mix per Ton**
N.A. Printing Papers	**Flat**	**($23)**	**(1%)**	**($41)**
European Papers[1]	**16%**	**(€15)**	**11%**	**(€15)**

Average IP volume and price realization (includes the impact of mix across all grades)
[1] Excludes Russia

N.A. Printing Papers Relative Adj. EBITDA Margins



IP Adjusted EBITDA margins based on operating profit from continuing operations before special items
Competitor Adjusted EBITDA margin estimates obtained from public filings and IP analysis

$ Million	4Q15	3Q16	4Q16
Sales	$252	$229	$260
Adj. Earnings	$58	$53	$51
Adj. EBITDA Margin	31%	34%	29%

	4Q16 vs. 3Q16		4Q16 vs. 4Q15	
Uncoated Freesheet	Volume	Price / Mix per Ton	Volume	Price / Mix per Ton
Domestic (BRL)	8%	R$64	(16%)	R$515
Export (USD)	20%	($3)	(1%)	($55)

Segment adjusted 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

	2013	2014	2015	2016
Sales Volume (Million tons)	**2.7**	**3.2**	**3.3**	**3.5**
Sales ($B)	**1.9**	**2.1**	**1.9**	**1.9**
Debt ($B)	**1.5**	**1.4**	**1.2**	**1.5**
Adj. Operating EBITDA ($MM)	**203**	**459**	**694**	**680**
F/X Gain (Loss)[1] ($MM)	(80)	(674)	(188)	63
EBITDA ($MM)	**123**	**(215)**	**506**	**743**
Depreciation ($MM)	176	188	128	121
EBIT ($MM)	**(53)**	**(403)**	**378**	**622**
Interest Expense ($MM)	**39**	**69**	**52**	**81**
Net Income / (Loss) ($MM)	**(72)**	**(359)**	**237**	**385**
IP Equity Earnings / (Loss) ($MM)	**(46)**	**(194)**	**131**	**199**
Dividends (to IP) ($MM)	**0**	**56**	**35**	**60**

Ilim JV results are US GAAP basis

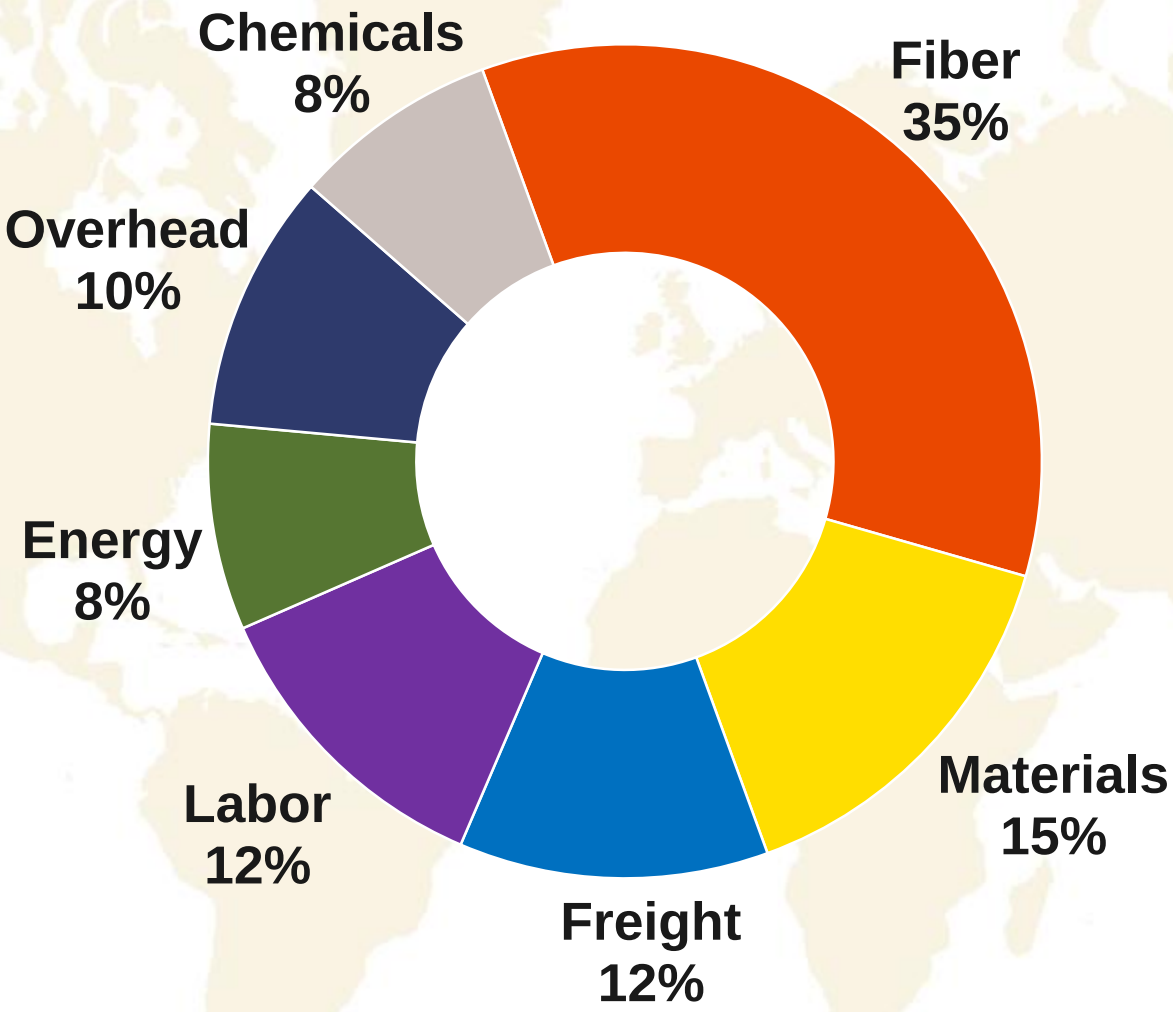
[1] Represents F/X impact including that related to Ilim JV USD-denominated net debt (balance of ~$0.6B at year end 2016)

Ilim Joint Venture | Volume and Pricing Trends

	4Q16 vs. 3Q16		4Q16 vs. 4Q15	
Business	**Volume**	**Price / Mix per Tonne**	**Volume**	**Price / Mix per Tonne**
Pulp (metric ton)	**16%**	**($15)**	**11%**	**($27)**

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

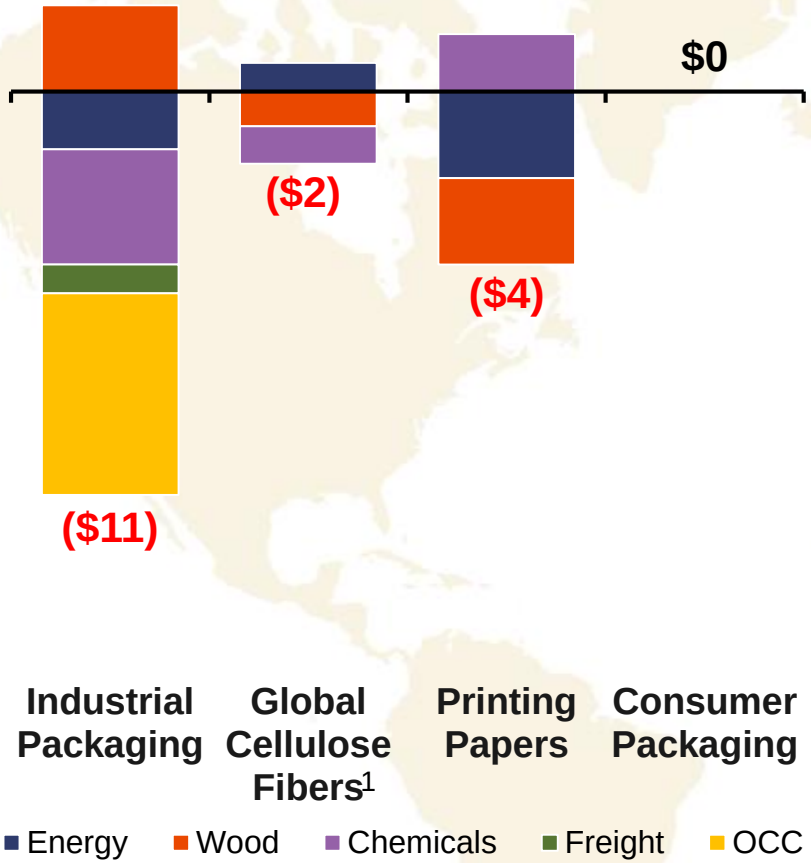
Total Cash Cost Components | FY 2016



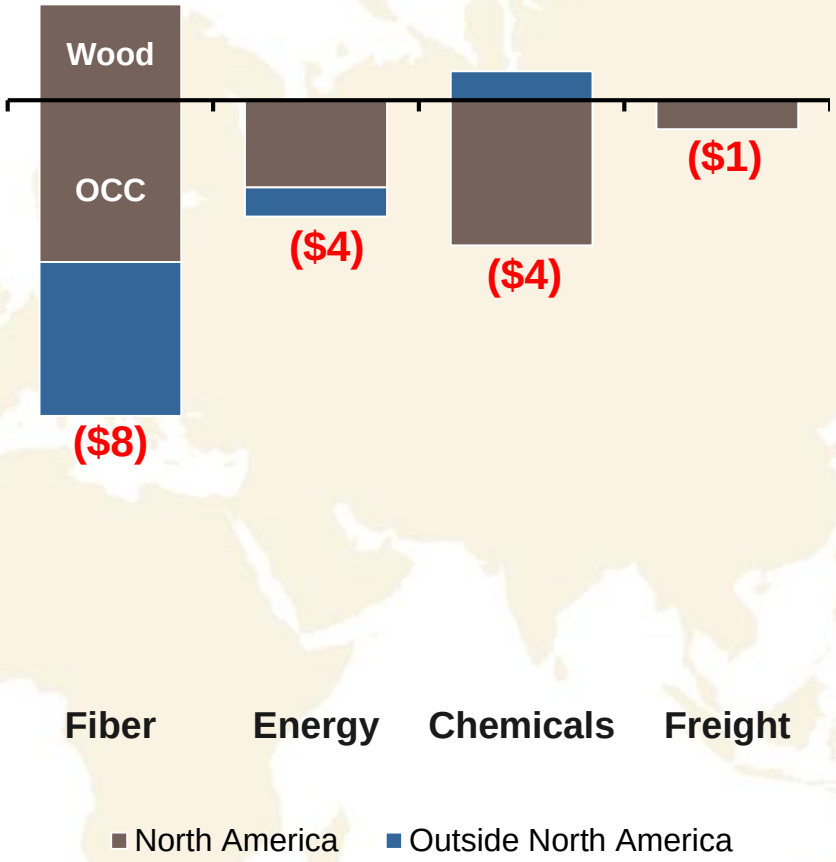
North American mills only

Global Input Costs vs. 3Q16 | $17MM Unfavorable, or $0.03/Share

By Business



By Input Type

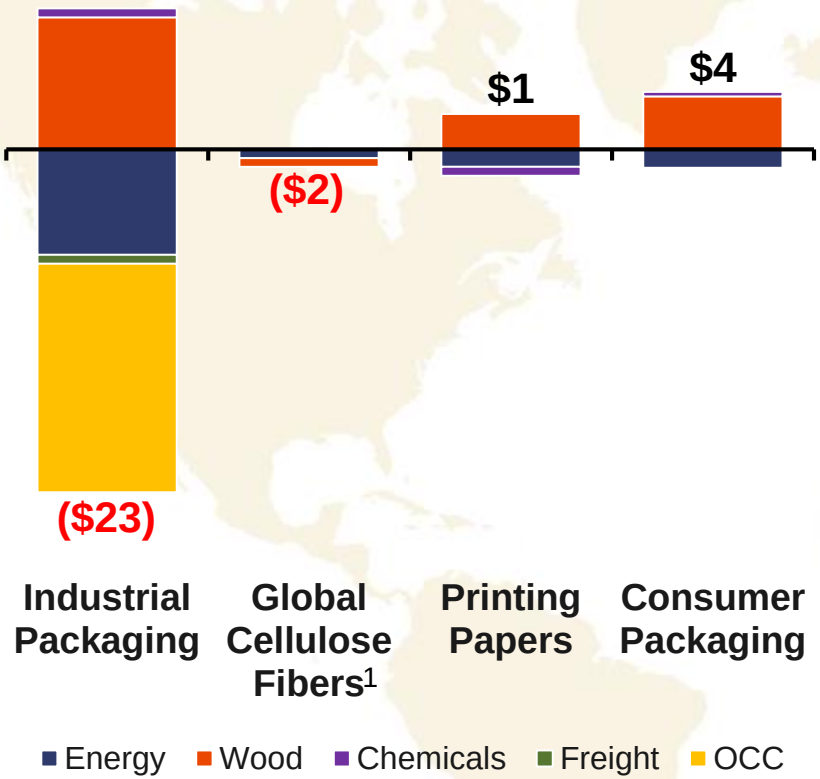


Input costs ($MM) for continuing businesses

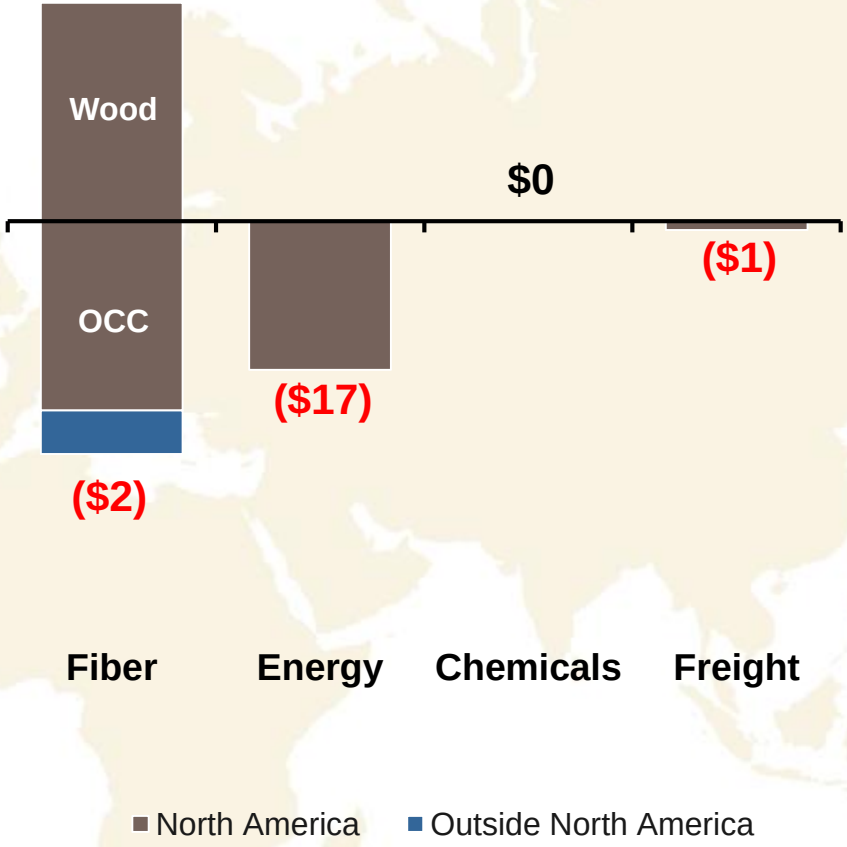
[1] IP legacy pulp only

Global Input Costs vs. 4Q15 | $20MM Unfavorable, or $0.03/Share

By Business



By Input Type

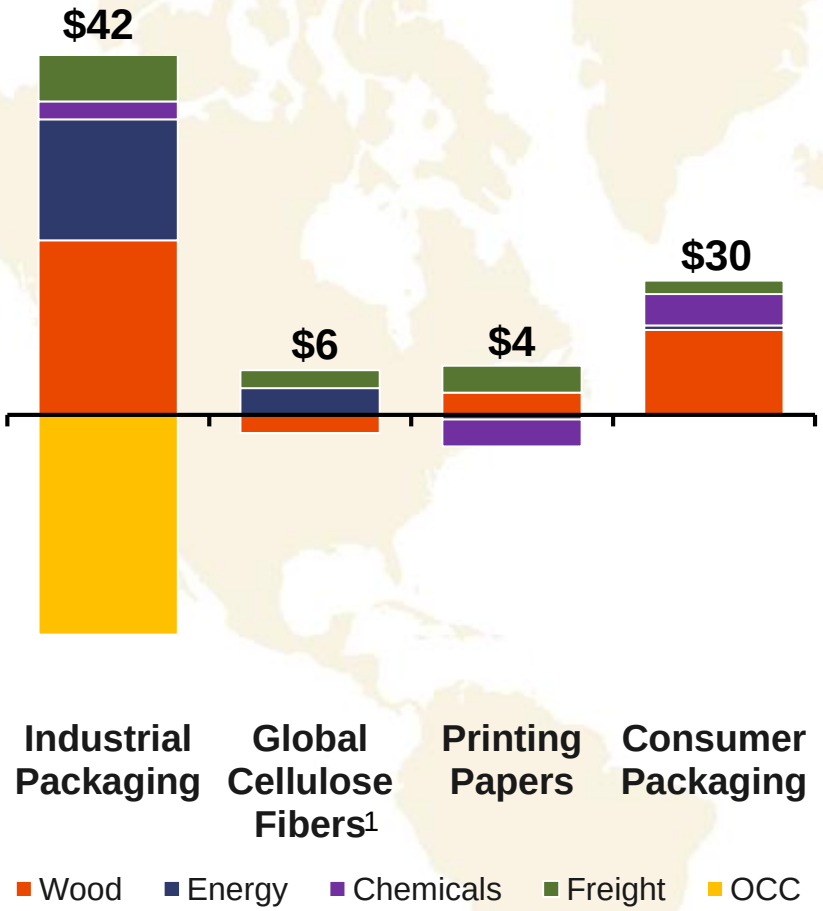


Input costs ($MM) for continuing businesses

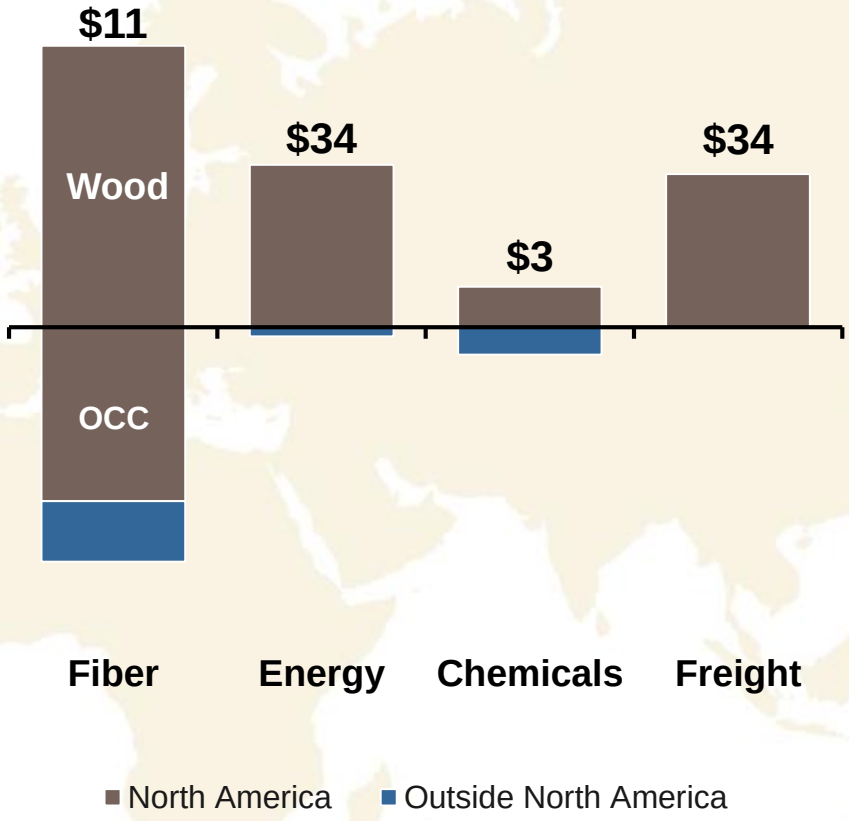
[1] IP legacy pulp only

Global Input Costs vs. 2015 | $82MM Favorable, or $0.13/Share

By Business



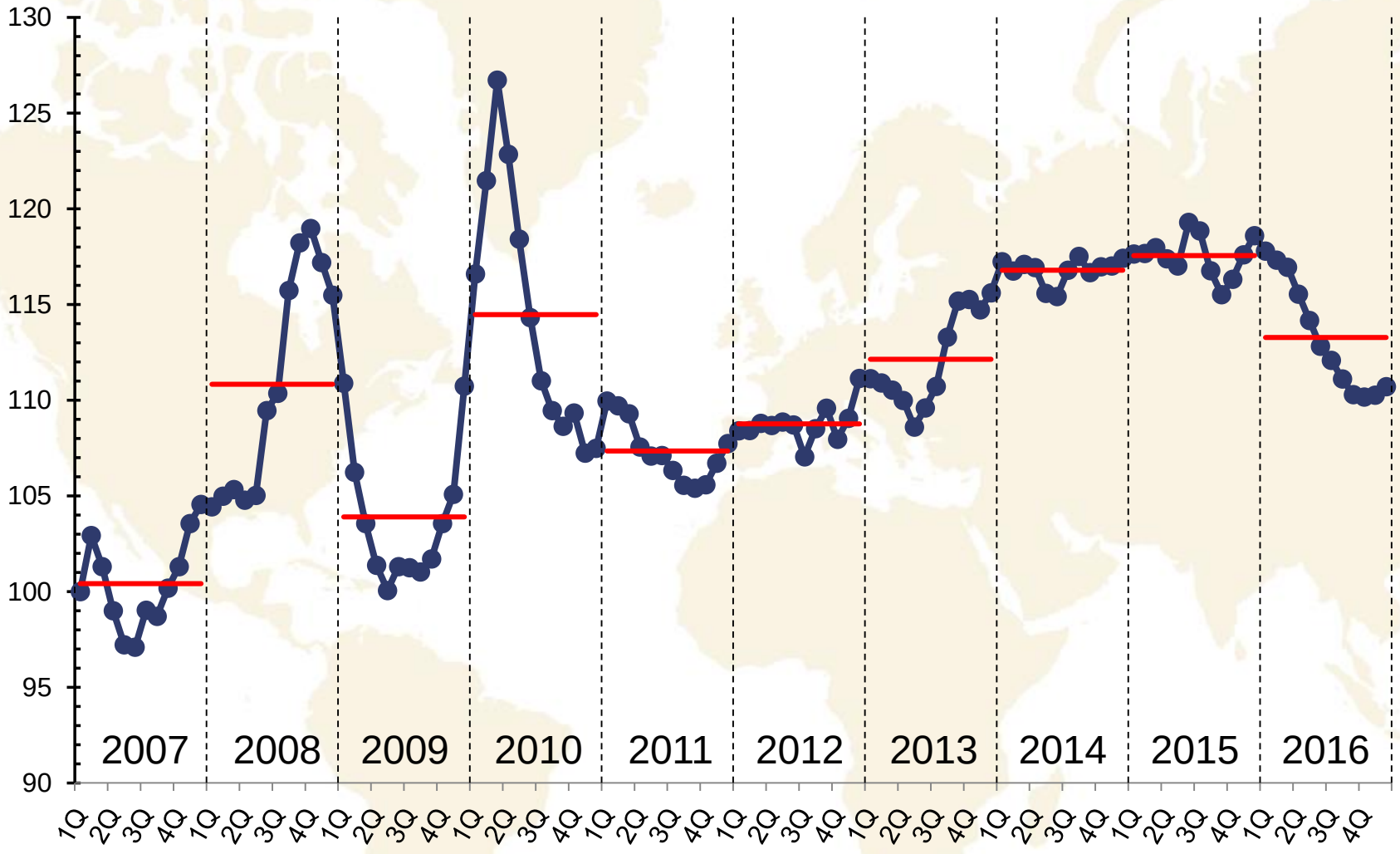
By Input Type



Input costs ($MM) for continuing businesses

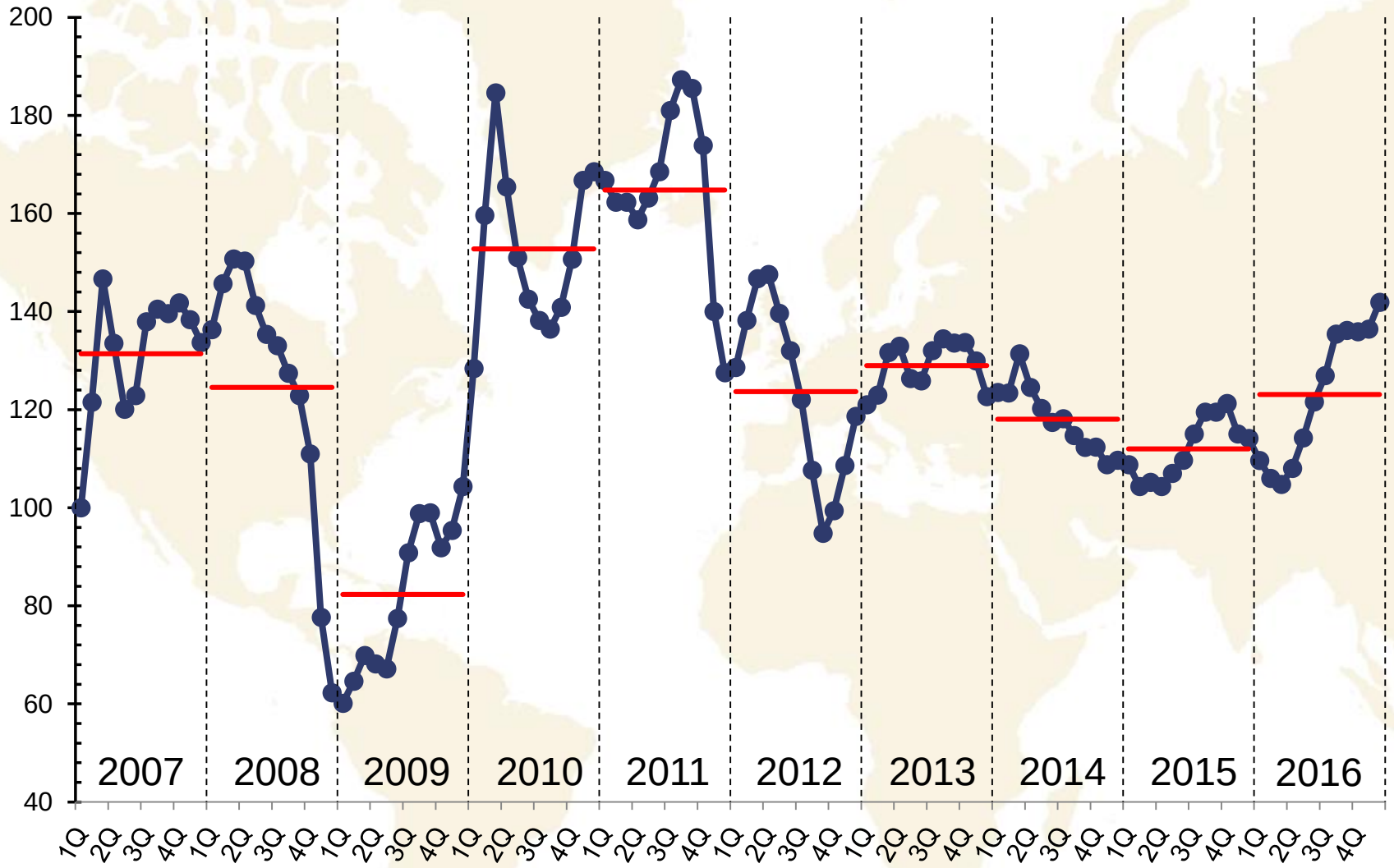
[1] IP legacy pulp only

U.S. Mill Wood Delivered Cost Trend | 4Q16 Average Cost Down 1% vs. 3Q16



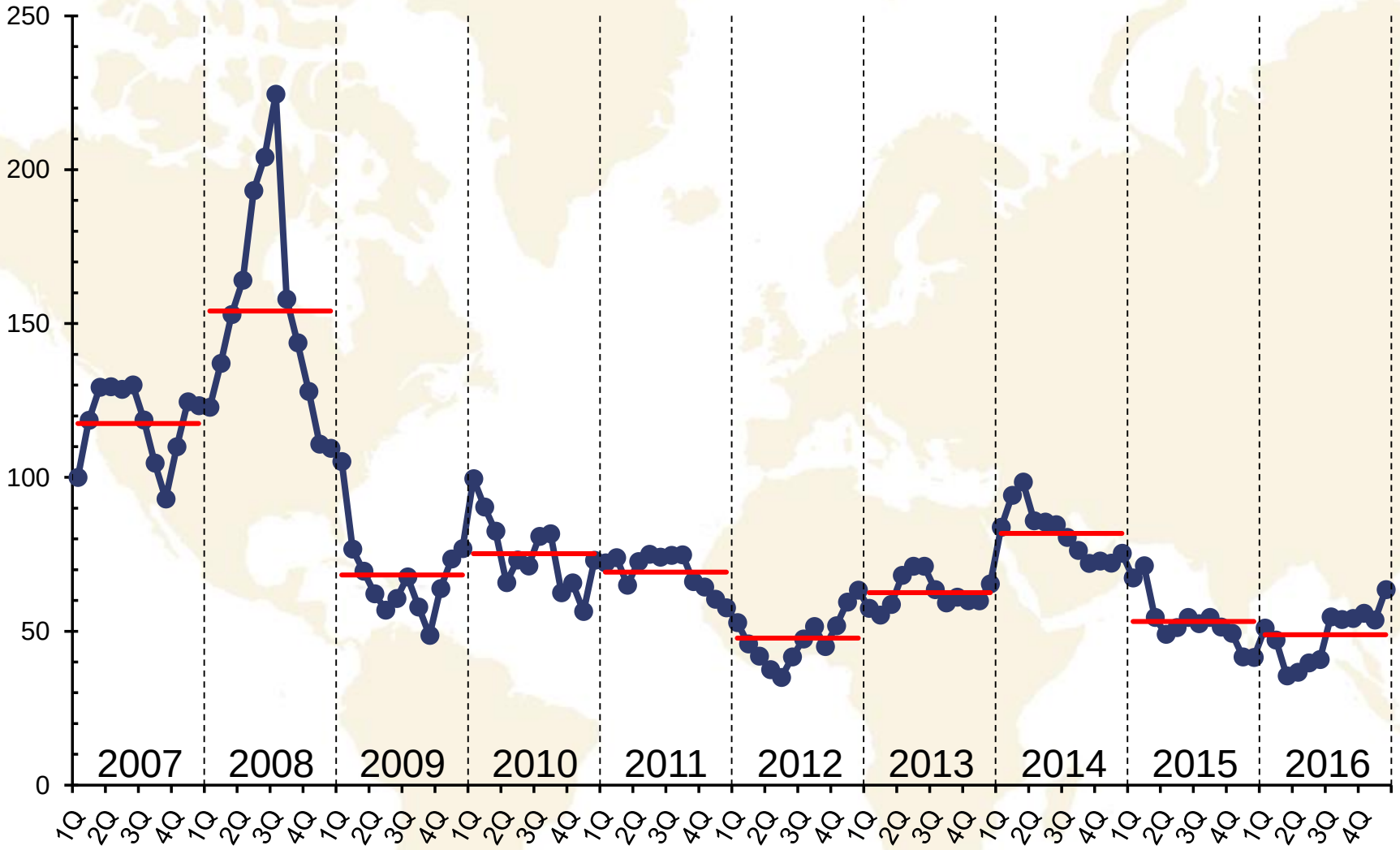
IP cost Indexed to January 2007 values

U.S. OCC Delivered Cost Trend | 4Q16 Average Cost Up 4% vs. 3Q16



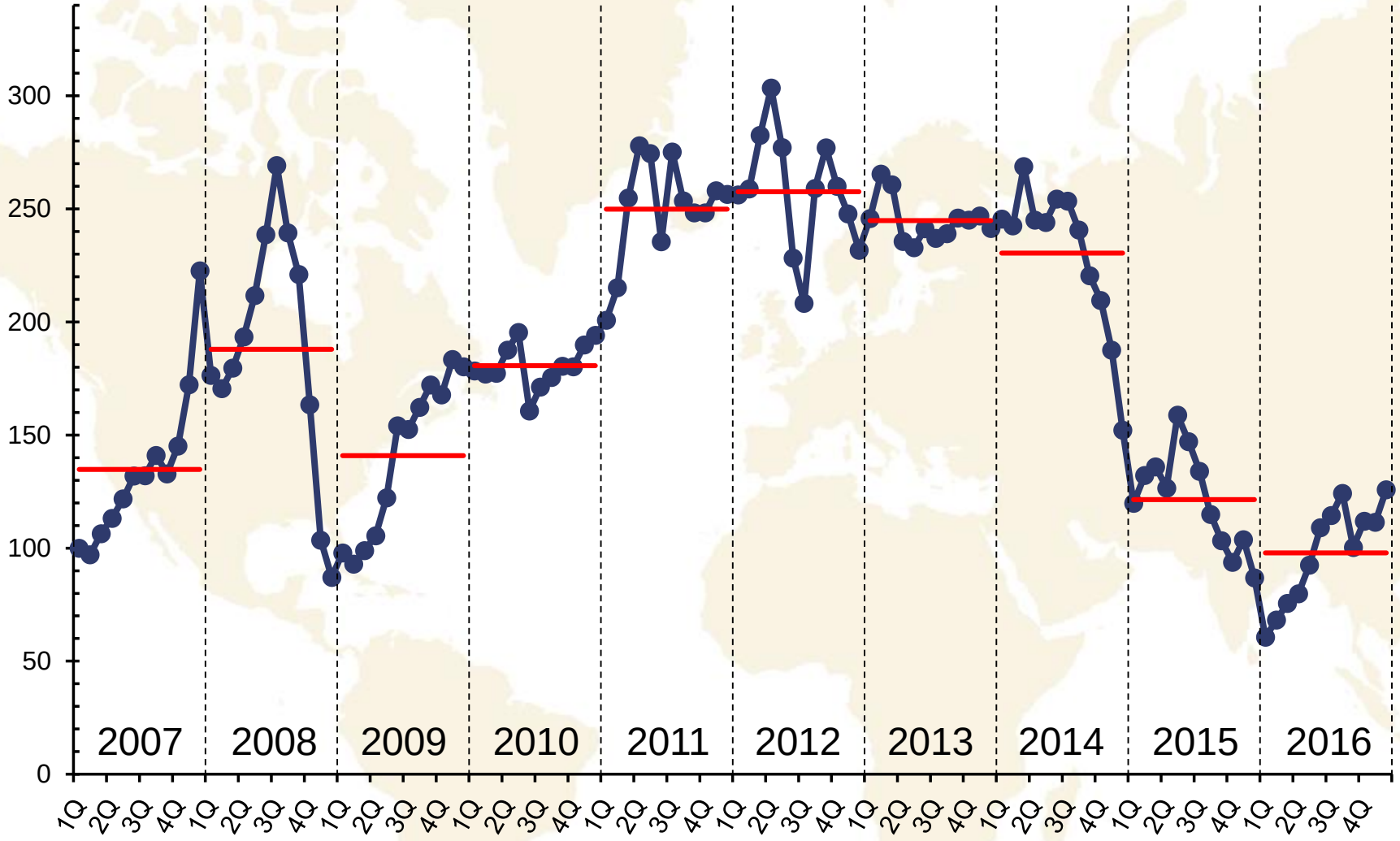
IP cost Indexed to January 2007 values

U.S. Natural Gas Cost Trend | 4Q16 Average Cost Up 6% vs. 3Q16



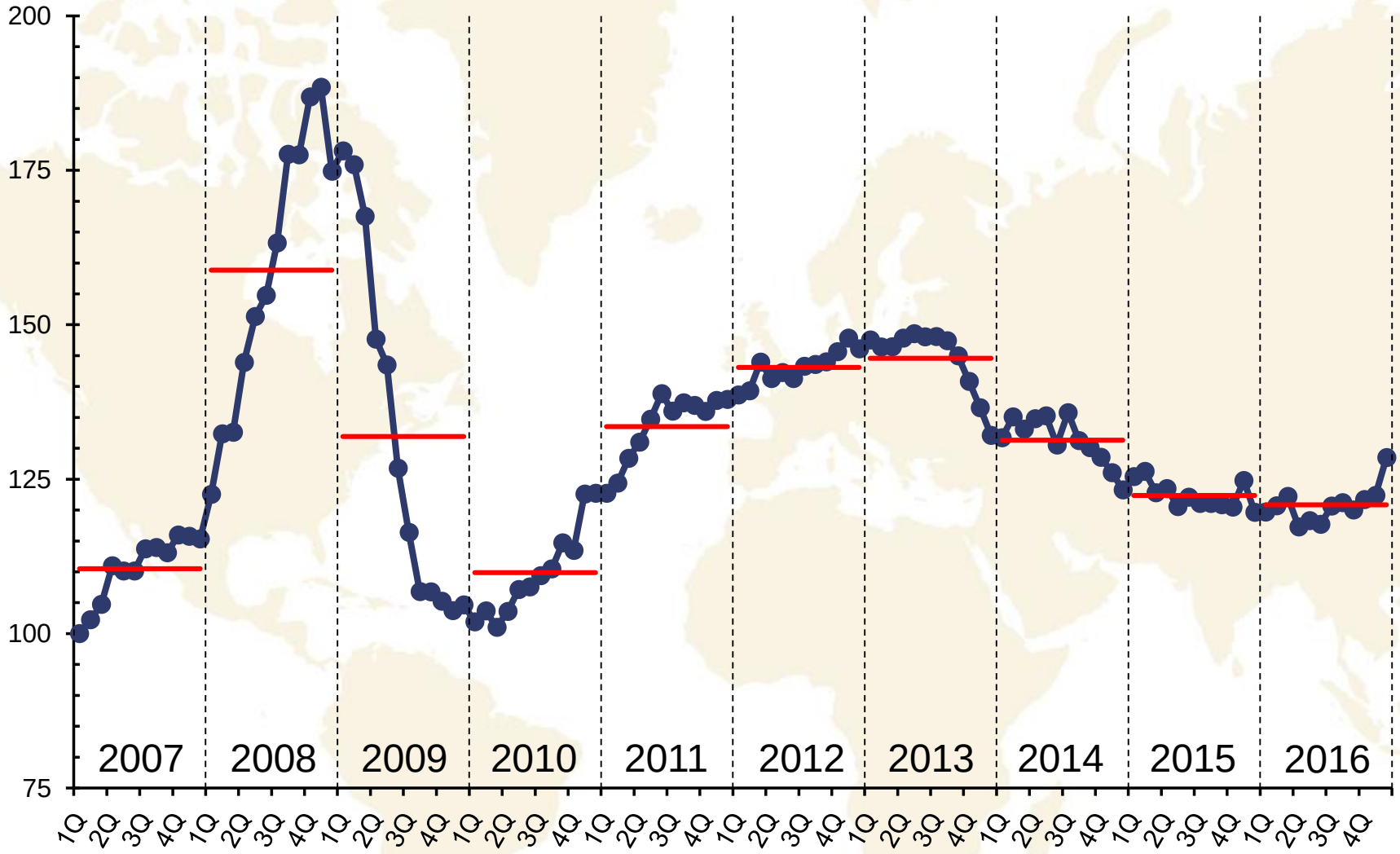
IP cost Indexed to January 2007 values
NYMEX Natural Gas closing prices

U.S. Fuel Oil Cost Trend | 4Q16 Average Cost Up 3% vs. 3Q16



IP cost Indexed to January 2007 values
WTI Crude prices

U.S. Chemical Composite Cost Trend | 4Q16 Average Cost Up 3% vs. 3Q16



IP 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

2017 Global Consumption | Annual Purchase Estimates for Key Inputs

	Commodity	U. S.	Non – U. S.
Energy	Natural Gas (MM BTUs)	75,000,000	11,000,000
	Fuel Oil (Barrels)	350,000	400,000
	Coal (Tons)	130,000	600,000
Fiber	Wood (Tons)	52,000,000	8,000,000
	Old Corrugated Containers / DLK (Tons)	4,800,000	400,000
Chemicals	Caustic Soda (Tons)	320,000	70,000
	Starch (Tons)	370,000	120,000
	Sodium Chlorate (Tons)	160,000	50,000
	LD Polyethylene (Tons)	40,000	-
	Latex (Tons)	10,000	6,000

Data does not include newly-acquired pulp business