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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 pulp 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.”

Pensacola Mill Incident Update

- Total cost estimate now expected in the range of $80MM to $120MM
- ~20% of total costs will be capitalized to rebuild fully depreciated continuous digester
- Majority of cost exposure expected to be recovered through insurance in 2017
- Fluff pulp line fully operational in early February as planned



PENSACOLA MILL
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- 1Q17 operating expense of ~$50MM to $60MM
- Rescheduled planned maintenance outages to 2Q17 to meet customer commitments
- ~$20MM of outage expense shifted to 2Q17
- Rebuilt digester and containerboard paper machine targeted for 2Q17 start-up

2017 Focus Areas and Earnings Runway

Potential Upside to EBITDA Growth with Higher Exit Rate

- **Deliver strong free cash flow and Adjusted ROIC ≥ 10%**
- **Grow N.A. Industrial Packaging margin and earnings**
- **Integrate newly acquired pulp business and drive synergies to bottom line; improve Global Cellulose Fibers product mix**
- **Continue strong performance at Ilim JV; $100MM dividend to IP in March**
- **Allocate capital to create value with focus on near-term debt reduction**







