Vertical Research Partners Materials Conference | June 14, 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 January 2017 incident at our Pensacola, Florida 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.

IP Investment Thesis



Our **Vision**

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

Our **Mission**

To improve people's lives, the planet and our company's performance by transforming renewable resources into products people depend on every day

Who We Are

We are one of the world's leading producers of fiber-based packaging, pulp and paper

What We Do

We transform renewable resources into recyclable products people depend on every day

How We Do It

We do the right things, in the right ways, for the right reasons, all of the time.



THE IP WAY FORWARD

The IP Way Forward is how we go beyond just doing the right things.

It's how we create long-term value for all IP stakeholders.

Strong Domestic Market Positions

Revenue by Business[1]

- 63% Industrial Packaging
- 10% GCF — Global Cellulose Fibers
- 18% Uncoated Freesheet
- 9% Consumer Packaging

North America

1st | 1st* | 2nd | 2nd

GCF

EMEA[3]

Russia

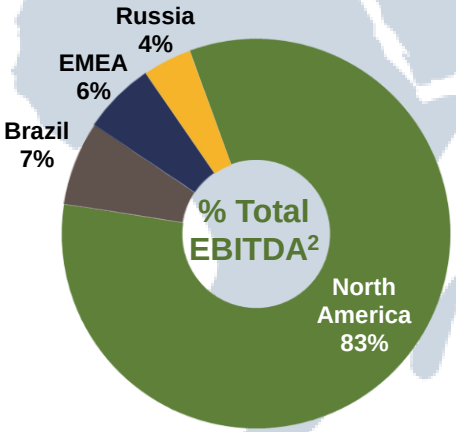
1st | 1st

Ilim Pulp

India

Latin America

1st



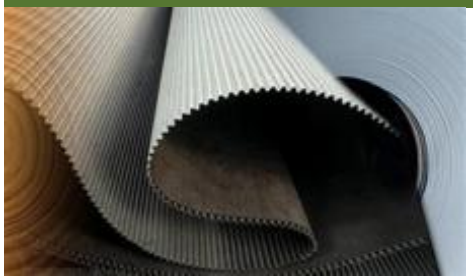
* Fluff pulp & specialties grades

[1] Based on 1Q17 sales

[2] From continuing operations before special items and non-operating pension expense; does not reflect equity earnings from Ilim JV

[3] Excludes Russia

Strategy



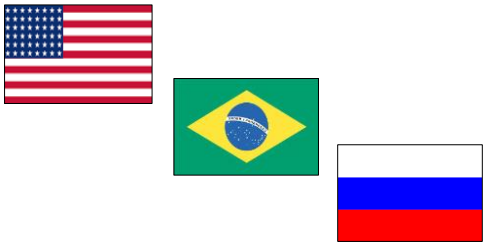
- Fiber-based Packaging, Pulp and Paper
- Advantaged positions in attractive markets

✓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

Shareholder Value



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

Capital Allocation

Strong and sustainable free cash flow to:

- ✓ Fund dividends (40-50% of FCF)
- ✓ Maintain healthy balance sheet and credit rating
- ✓ Enable opportunistic share buybacks
- ✓ Reinvest in the businesses and strengthen portfolio

Value Creation Levers

Improve what we have:

- ✓ Manufacturing excellence efforts
- ✓ Commercial optimization

Targeted investments (IRR>WACC):

- ✓ Integrate newly-acquired pulp business and deliver synergies
- ✓ N.A. Industrial Packaging projects
- ✓ Madrid mill acquisition / conversion

Second Quarter Update and Outlook for Full Year 2017

- **Second Quarter Highlights**
- **First half initiatives set stage for strong second half with continued momentum**
  - Implementation of recent price announcements / margin improvement
  - Operational excellence and cost-savings efforts
  - Significantly lower maintenance outage expenses in second half
  - GCF integration and synergies
  - Madrid Mill conversion and start up
- **Allocate capital to create value with a near-term focus on debt reduction**
- **Remain confident in upside to full year 10%+ YoY EBITDA growth**







