Fourth Quarter and Full- Year 2017 Earnings | February 1, 2018



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; and (vii) our ability to achieve the benefits we expect from 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 the Company's 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 2017 Highlights



- ~16% year-over-year increase in Adjusted EBITDA[1]
  - Excellent commercial performance
  - Successful integration and synergies in Global Cellulose Fibers
- Delivered Adjusted ROIC ~10%, 8th consecutive year above cost of capital
- Strategic investments for growth in Industrial Packaging
- Strategic move in Consumer Packaging
- Strengthened our balance sheet
- Sixth consecutive dividend increase
- Another strong year of performance from Ilim

[1] From continuing operations before special items and non-operating pension expense
[2] Adjusted EBITDA inclusive of N.A. Consumer Packaging, which is treated as a Discontinued Operation in our financial statements from 2013 onward

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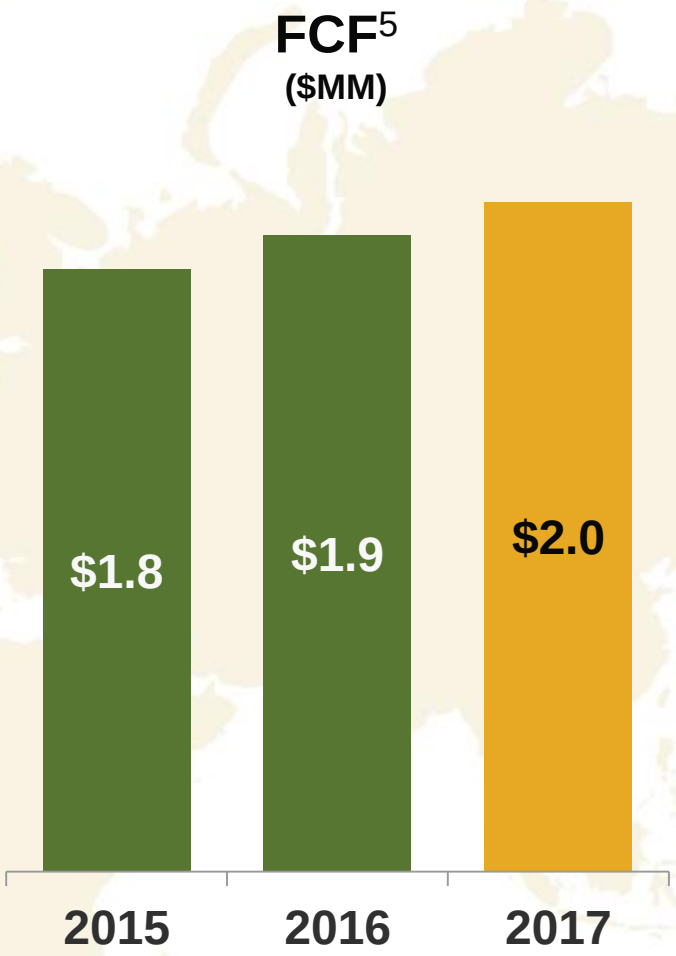
Full-Year 2017 Financial Results

$ Billion (Except as noted)	2015	2016	2017
Sales	$20.7	$19.5	$21.7
Adj. EBIT[1]	$2.5	$2.1	$2.4
Adj. Operating EPS[2]	$3.44	$3.09	$3.49
Adj. Operating EPS with Discontinued Operations[3]	$3.65	$3.35	$3.66
Operating EPS impact of Ilim F/X[4] – IP Share	($0.18)	$0.06	$0.04
Adj. EBITDA[1]	$3.7	$3.2	$3.7
Adj. EBITDA Margin	17.7%	16.6%	17.2%
Equity Earnings ($MM)	$117	$198	$177
FCF[5]	$1.8	$1.9	$2.0
Year-End Debt	$9.3	$11.3	$11.2



All financials, with the exception of Free Cash Flow, have been restated to reflect N.A. Consumer Packaging as a Discontinued Operation from 2013 onward

[1] From continuing operations before special items and non-operating pension expense

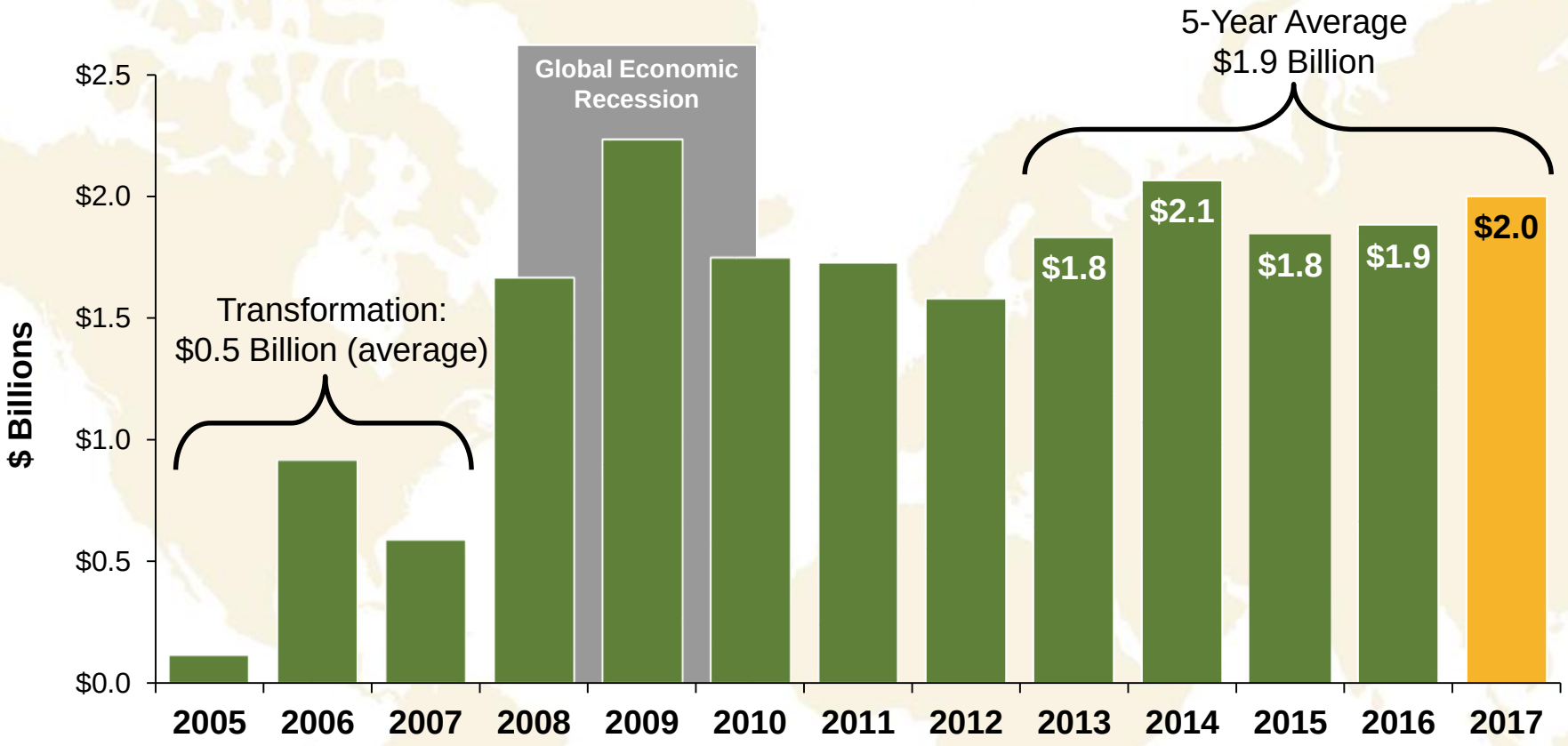
[2] Adjusted operating EPS based on Adjusted Operating Earnings (defined as Net Earnings (GAAP) from continuing operations before special items and non-operating pension expense

[3] Excluding non-operating pension expense and special items related to discontinued operations of ($0.07) and ($0.02), respectively in 2017 (2016 includes ($0.01) related to xpedx)

[4] Represents F/X impact including that related to Ilim JV USD-denominated net debt (balance of ~$0.9B at year end 2017)

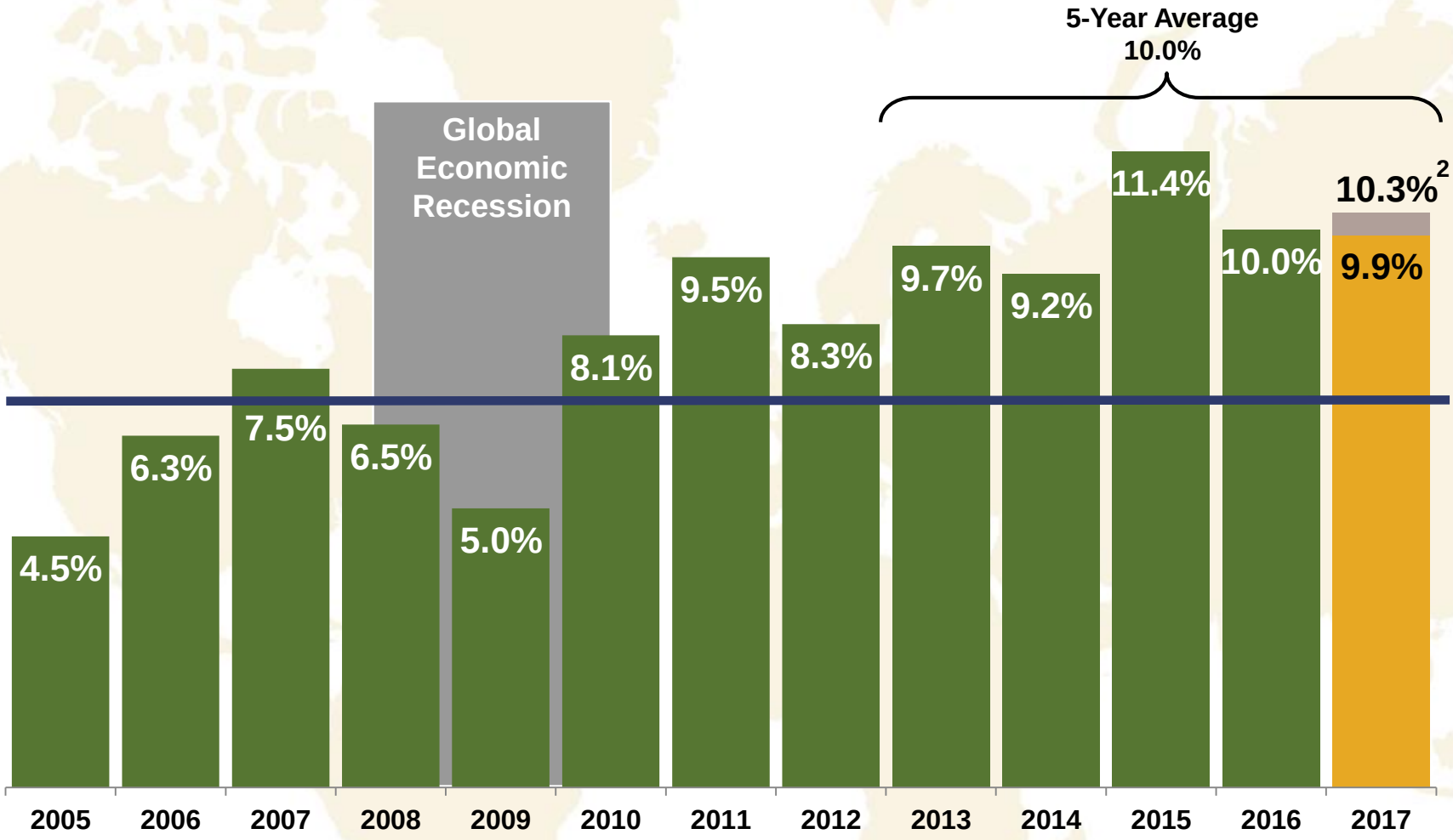
[5] See slide #25 for a reconciliation of cash provided by operations to Free Cash Flow

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 & 2017, 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 $30MM cash received from Guaranty Bank insurance reimbursements. For 2015 onward, see slide #25 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

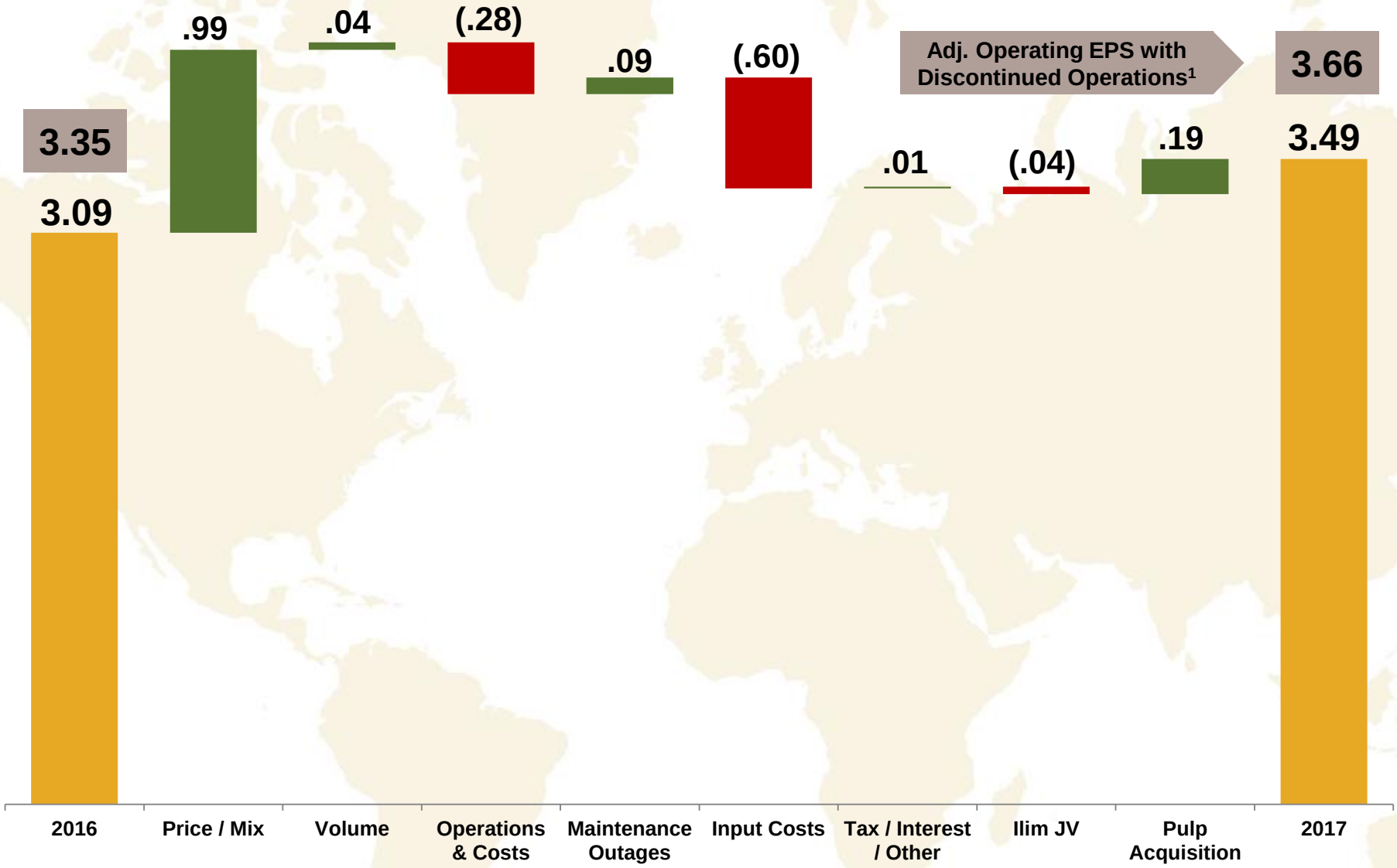


Years 2013-2017 restated to reflect N.A. Consumer Packaging and xpedx as discontinued operations. Years 2005-2012 are as reported in the 10-K for each year at time of filing

[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] ROIC excluding the impact of 2017 tax reform

2017 vs. 2016 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)

[1] Excluding non-operating pension expense and special items related to discontinued operations of ($0.07) and ($0.02), respectively in 2017 (2016 includes ($0.01) related to xpedx)

4Q17 Financial Results

	4Q16	3Q17	4Q17
Sales ($B)	**$5.0**	**$5.5**	**$5.7**
Adj. EBIT[1] ($MM)	**$461**	**$665**	**$831**
Adj. Operating EPS[2]	**$0.67**	**$1.01**	**$1.27**
Adj. Operating EPS with Discontinued Operations[3]	**$0.73**	**$1.08**	**$1.34**
Operating EPS impact of Ilim F/X[4] – IP Share	**$0.01**	**$0.02**	**$0.01**
Adj. EBITDA[1] ($MM)	**$0.8**	**$1.0**	**$1.2**
Adj. EBITDA Margin[1]	**15.3%**	**18.2%**	**20.5%**
Equity Earnings ($MM)	**$47**	**$45**	**$64**
Free Cash Flow[5] ($MM)	**$467**	**$624**	**$732**

- Record Operating EPS in 4Q17
- Healthy industry conditions
- Record volume in N.A. Industrial Packaging and Global Cellulose Fibers
- Full realization of first half 2017 price increases
- Successful realization of Global Cellulose Fibers synergies
- Strong performance from Ilim; IP equity earnings of $64MM

All financials, with the exception of Free Cash Flow, have been restated to reflect N.A. Consumer Packaging as a Discontinued Operation from 2013 onward

[1] From continuing operations before special items and non-operating pension expense

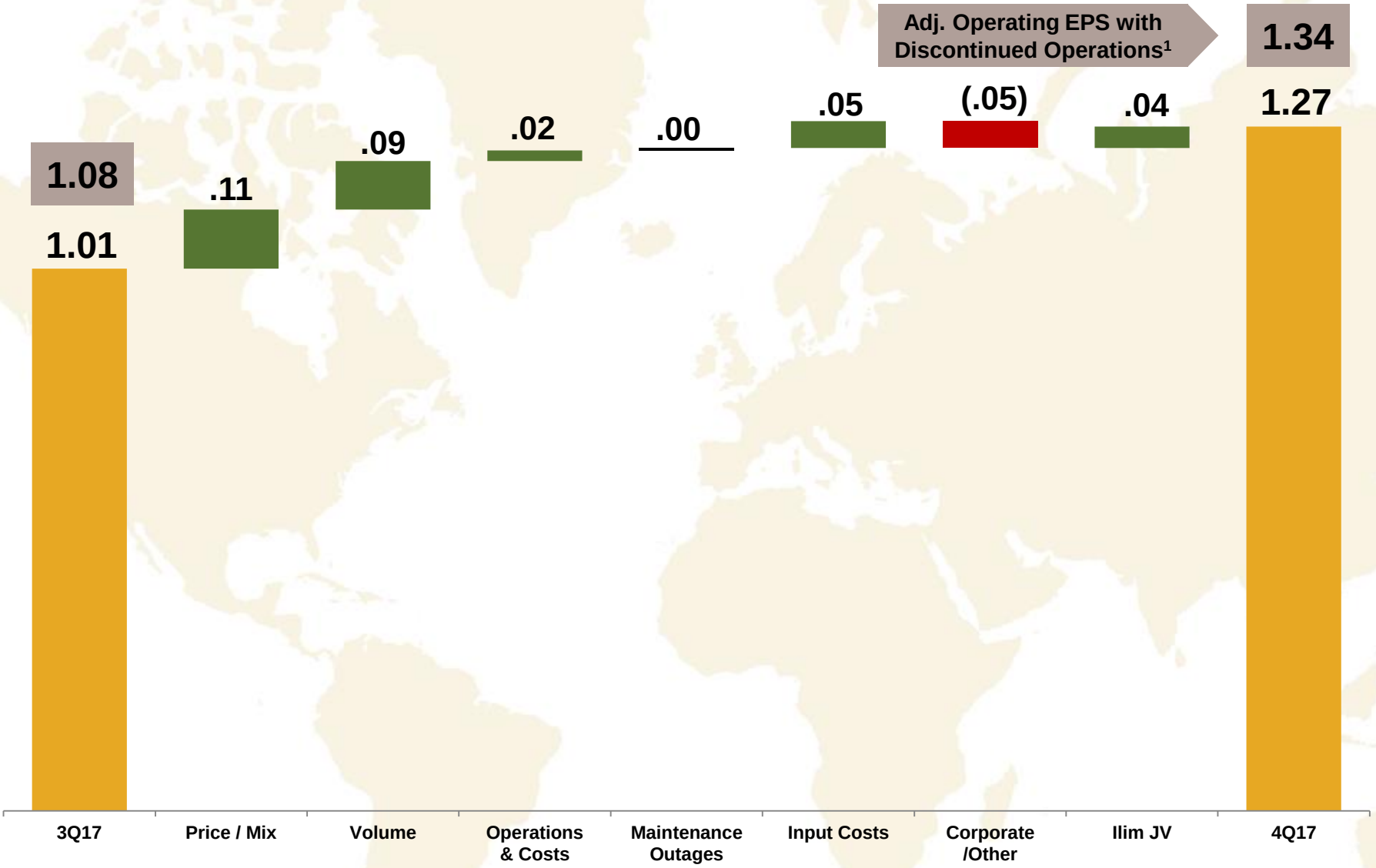
[2] Adjusted operating EPS based on Adjusted Operating Earnings (defined as Net Earnings (GAAP) from continuing operations before special items and non-operating pension expense

[3] Excluding non-operating pension expense and special items related to discontinued operations of $0.00, $0.00 and $0.09 for 4Q16, 3Q17 and 4Q17, respectively

[4] Represents F/X impact including that related to Ilim JV USD-denominated net debt (balance of ~$0.9B at end of 4Q17)

[5] See slide #25 for a reconciliation of cash provided by operations to free cash flow

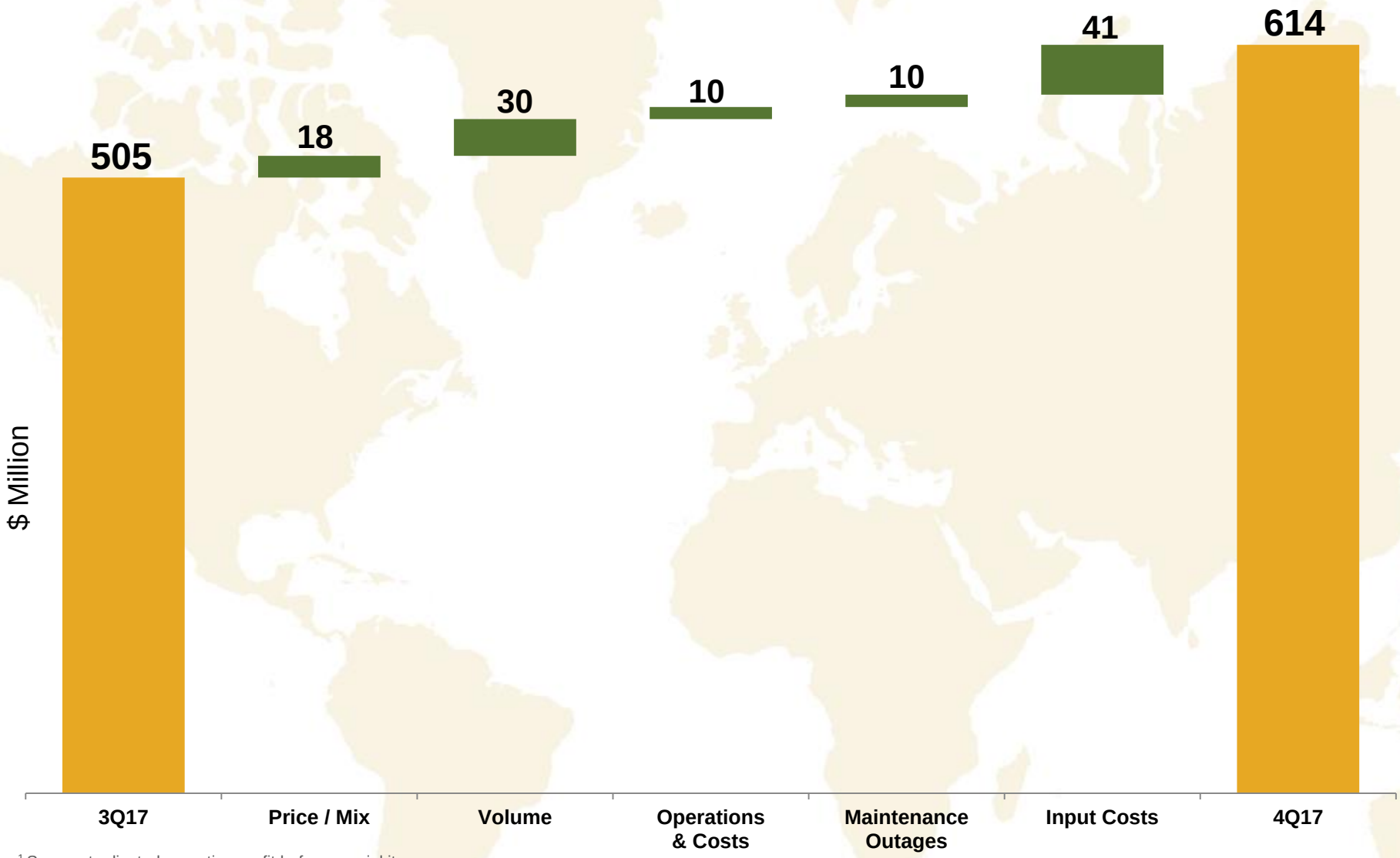
4Q17 vs. 3Q17 Adj. Operating EPS



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

[1] Excluding non-operating pension expense and special items related to discontinued operations of $0.00 and $0.09 for 3Q17 and 4Q17, respectively

Industrial Packaging | 4Q17 vs. 3Q17 Adj. EBIT[1]



[1] Segment adjusted operating profit before special items
Includes European Coated Paperboard adjusted operating profit of $21MM and $18MM for 3Q17 and 4Q17, respectively

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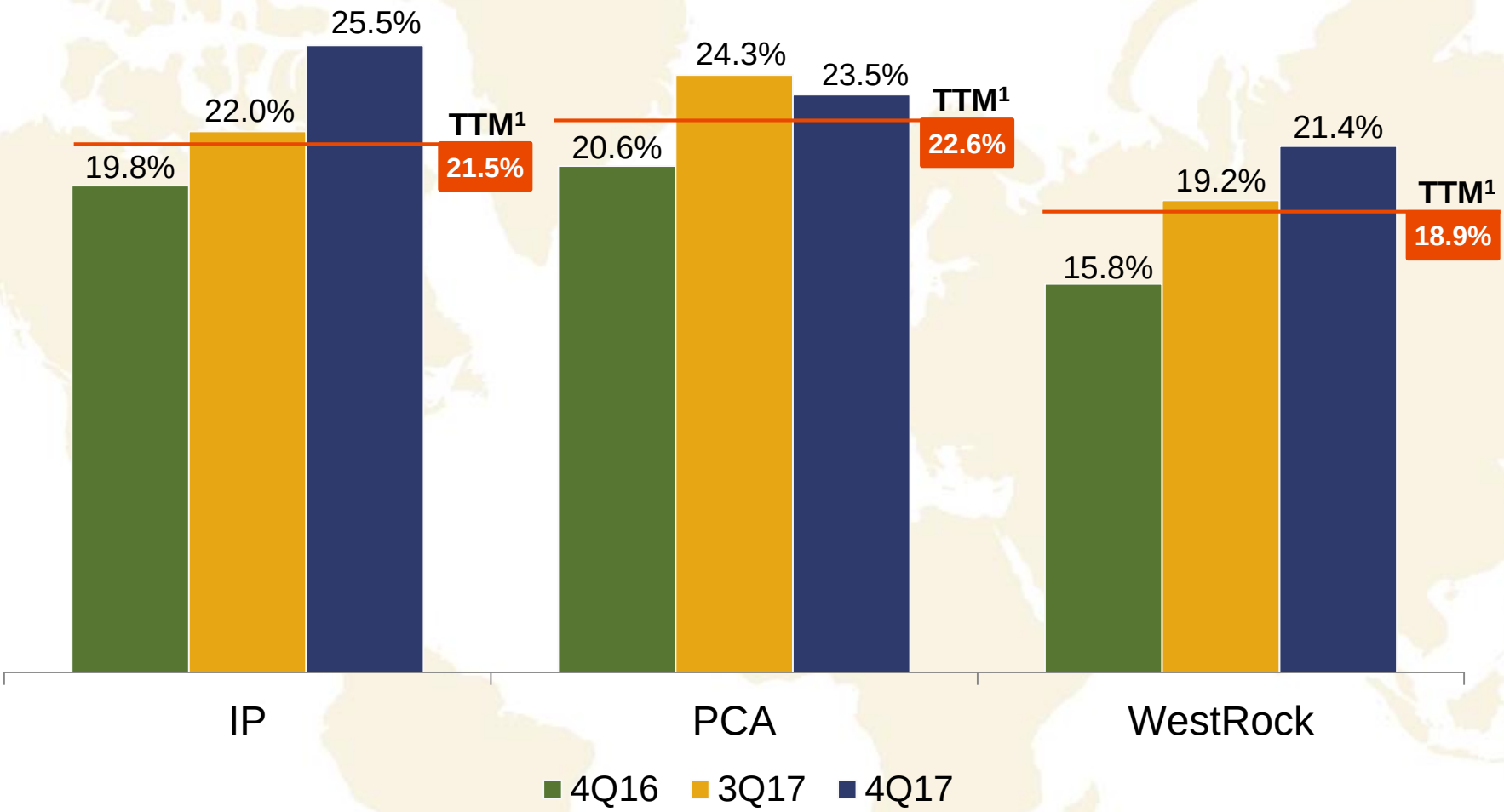
N.A. Industrial Packaging Relative Adj. EBITDA Margins



[1]Trailing Twelve Months
IP Adjusted EBITDA margins based on North American Industrial Packaging operating profit before special items
Excludes the Recycling Business, revenue from trade volumes and other non-US sales
Competitor Adjusted EBITDA margin estimates obtained from public filings and IP analysis

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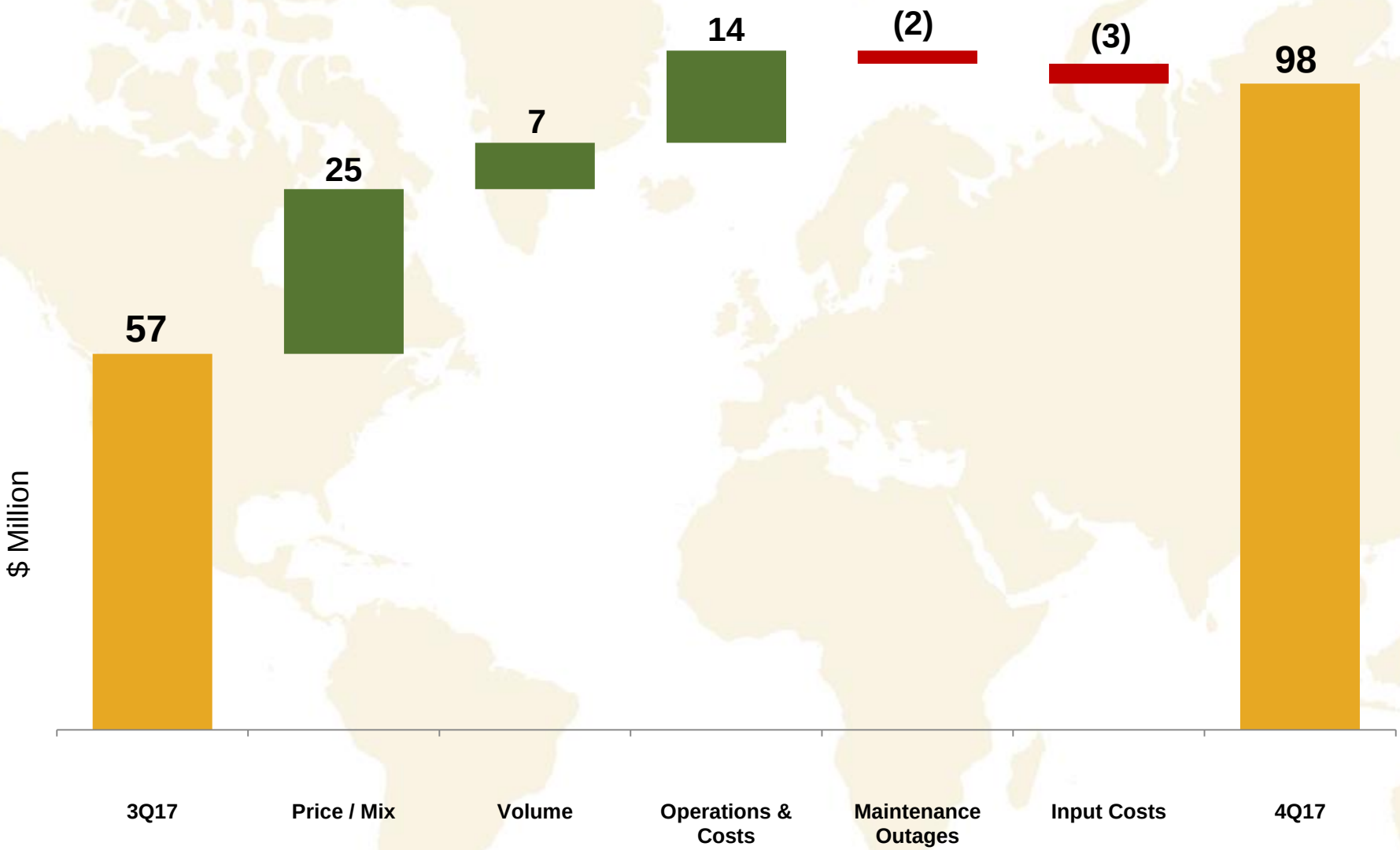
Global Cellulose Fibers | 4Q17 vs. 3Q17 Adj. EBIT[1]



[1] Segment adjusted operating profit before special items

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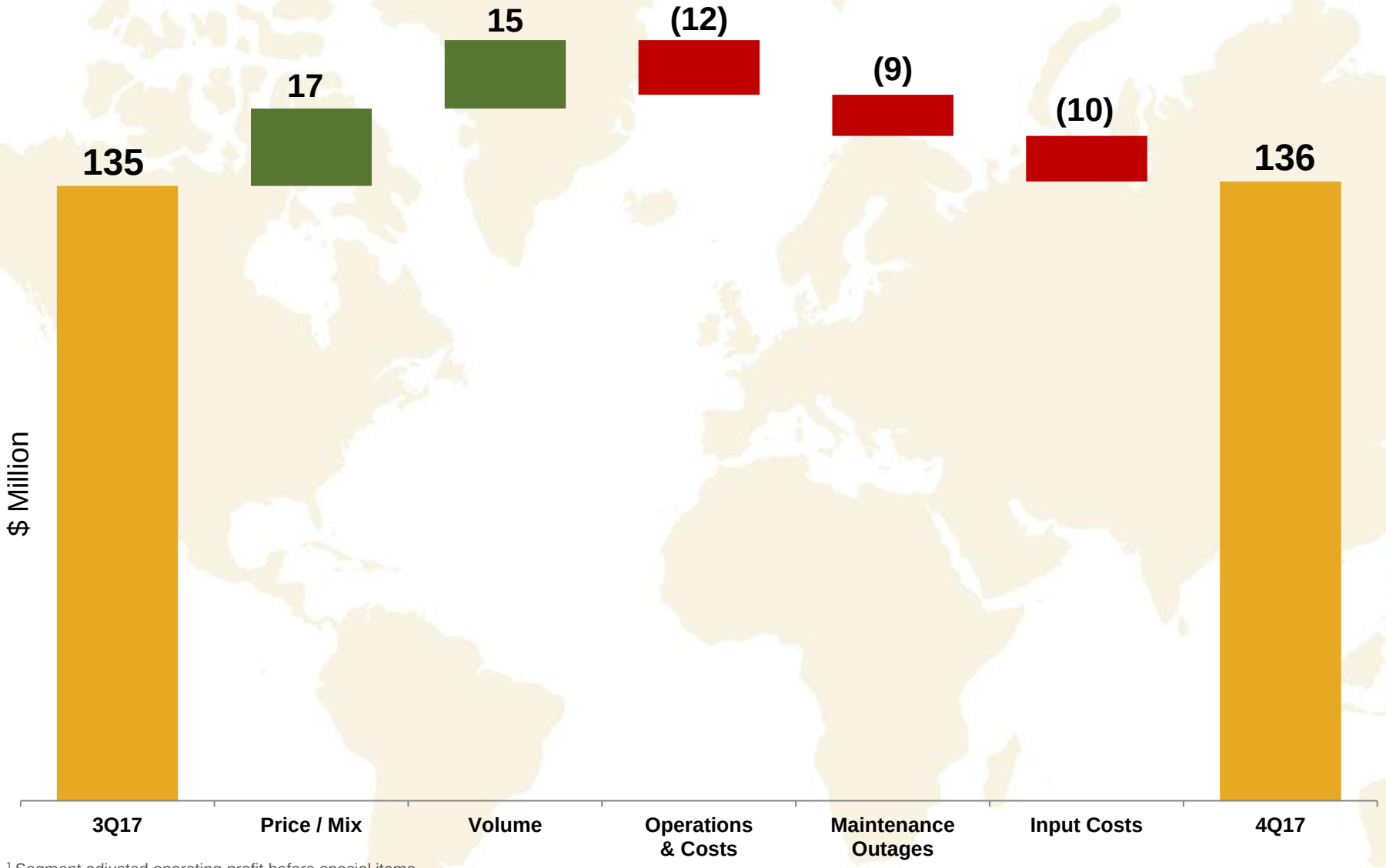
Global Cellulose Fibers | Integration Synergies Update

Synergy Category	Description	4Q17 Actual ($MM)	2017 Actual ($MM)	Current Run Rate Annualized ($MM)	Full Synergy Target ($MM)
SG&A / Other	▪ Eliminate duplication	$20	$67	$50	$50
Commercial Mix Opportunities	▪ Customer and segment optimization ▪ High value product growth ▪ Leverage innovation	$18	$36	$85	$50
Manufacturing, Supply Chain, & Sourcing	▪ Grade / machine mix optimization ▪ Logistics optimization ▪ Efficiency improvements (Waste, Freight) ▪ Purchasing opportunities	$15	$52	$70	$100
Total		$53	$155	$205	$200

Printing Papers | 4Q17 vs. 3Q17 Adj. EBIT[1]



[1] Segment adjusted operating profit before special items

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Ilim Joint Venture | 4Q17 vs. 3Q17

$ Millions	4Q16	3Q17	4Q17	2016	2017
Sales Volume (thousand metric tonnes)	895	772	843	3,195	3,110
Sales	$539	$523	$632	$1,927	$2,150
EBITDA	$194	$184	$236	$743	$732
F/X (Impact of USD Net Debt)[1]	$14	$18	$7	$63	$37
Adj. Operational EBITDA[2]	$180	$166	$229	$680	$695
IP Equity Earnings (Loss)[3]	$45	$48	$64	$199	$183

- Higher pricing and strong sales volume in 4Q17
- F/X gain (non-cash) on USD denominated net debt driven by ruble strengthening
- 1Q18 equity earnings projected to be $80M-$90MM[4] on continued strong, demand-driven market fundamentals

Ilim JV results are on U.S. GAAP basis

[1] Represents F/X impact including amounts related to Ilim JV USD-denominated net debt (balance of ~$0.9B at end of 4Q17); Ilim Group's functional currency is the Ruble (RUB); Non-functional-denominated currency balances are measured monthly using the month-end exchange rate

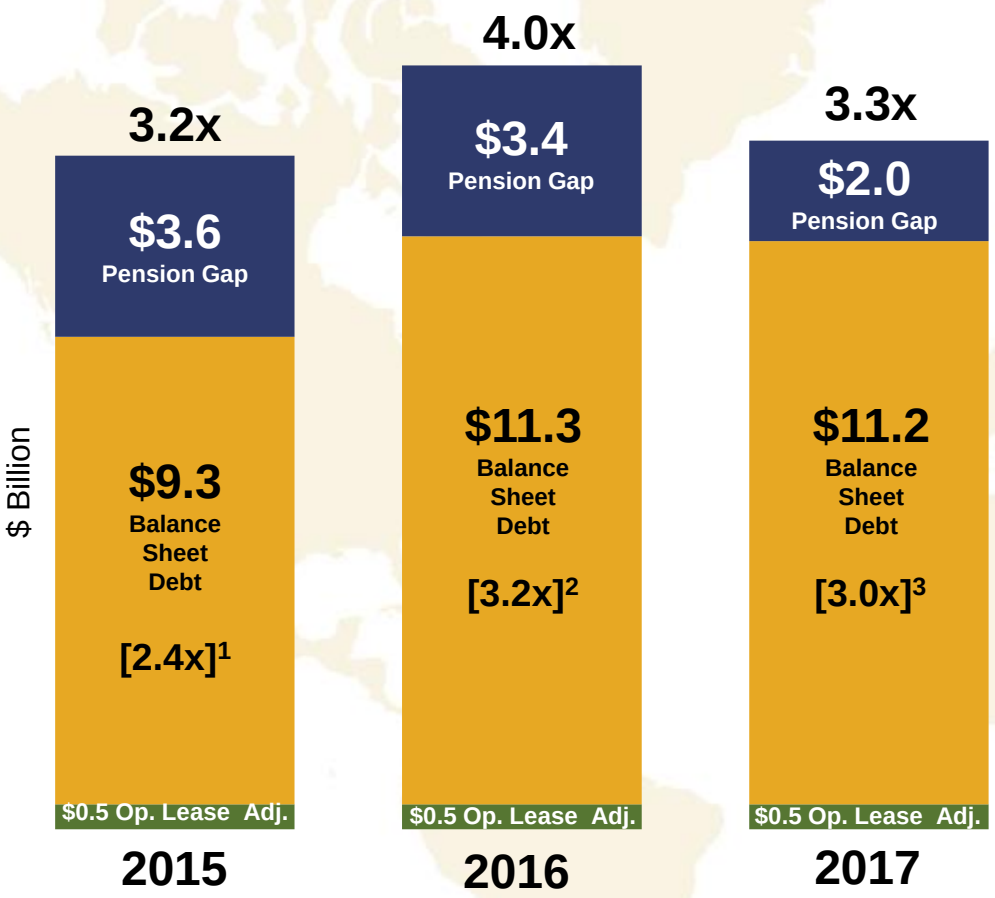
[2] Before F/X impact including USD-denominated net debt

[3] IP Equity Earnings (Loss) for 4Q16, 3Q17 and 4Q17 include after-tax F/X gains (losses) (primarily on USD-denominated net debt) of $6MM, $7MM and $3MM, respectively

[4] At December 31, 2017 RUB/USD exchange rate

Balance Sheet | Financial Strength

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



2017 Highlights

- Pension gap decreased by $1.4B
  - ✓ Made $1.25B voluntary pension contribution
  - ✓ Took meaningful measures to further de-risk our pension plan
  - ✓ Year-end discount rate decreased from 4.1% (2016) to 3.6% (2017)
- Attractive $1.0B debt issuance partly funded pension contribution
- $ 1.0B cash balance at year end

Moody's methodology adjusted to exclude N.A. Consumer Packaging in 2017

[1] Simple Debt Coverage: Balance Sheet Debt / 2015 IP's Adjusted EBITDA of $3.9B

[2] Simple Debt Coverage: Balance Sheet Debt / 2016 IP's Adjusted EBITDA of $3.5B

[3] Simple Debt Coverage: Balance Sheet Debt / 2017 IP's Adjusted EBITDA of $3.7B

Corporate Tax Reform | Enhancing Global Competitiveness

Approximate Annual Impact $200MM+ Beginning 2018

	Major Tax Reform Items and Impact to IP
Tax Rate	Majority of operations US-based, which drives global operational tax rate ~25-27%
Accelerated Depreciation	Take advantage of 100% capital expensing in US during provisional period
Repatriation of Cash	Provides tremendous strategic flexibility; negative impact from toll charge
Interest Deduction	No limitation at current income & debt levels

First Quarter Outlook | Changes from 4Q17

	Stable outlook, with the exception of items noted below
Price / Mix	**Higher export price realization in N.A. Industrial Packaging** **Improved pricing in Papers segment on 2017 increases**
Volume	**Typical seasonal decrease in N.A. Packaging and Brazil Paper** **Modest decrease in Global Cellulose Fibers due to Chinese New Year**
Operations & Other	**Severe cold weather disruptions across N.A. mill system** **Non-repeat of Pensacola insurance in N.A. Packaging** **Non-repeat of inventory valuation in Global Cellulose Fibers** **Higher costs in Europe Packaging (Madrid Mill)**
Mill Maintenance Outages	**Increase of ~$145MM across businesses and geographies** See Maintenance Outage Schedule on slide 27
Inputs & Freight	**Higher energy, wood and transportation across geographies**
Other Items	▪ Corporate expense, ~$30MM in 1Q18 ▪ Interest expense, in line with full-year outlook of ~$525MM-$550MM ▪ Tax rate, in line with full-year outlook of ~25-27% ▪ Equity earnings from Ilim JV forecasted at ~$80MM-$90MM[1] ▪ Equity earnings from 20.5% ownership interest in Graphic Packaging

[1] At Dec. 31, 2017 RUB/USD exchange rate

Key Financial Metrics

$ Million (Except as noted)		2016	2017	2018F
Maintenance Outage Expense		$412	$426	$566
Capex	Maintenance & Regulatory	$0.8B	$0.9B	$0.9B
	Cost Reduction	$0.1B	$0.1B	$0.1B
	Strategic	$0.4B	$0.4B	$0.5B
Depreciation & Amortization		$1.1B	$1.3B	~$1.35B
Net Interest Expense		$520	$578	~$525-550
Corporate Expense		$121	$91	~$120
Effective Tax Rate		32%	30%	~26%

Continuing operations before special items

2018 Capital Investment | Optimizing Advantaged Assets

Maintenance & Regulatory

Maintaining world-class, low-cost, advantaged assets

$0.9B

Cost Reduction

Creating value through pipeline of high return projects ≥ 30% IRR

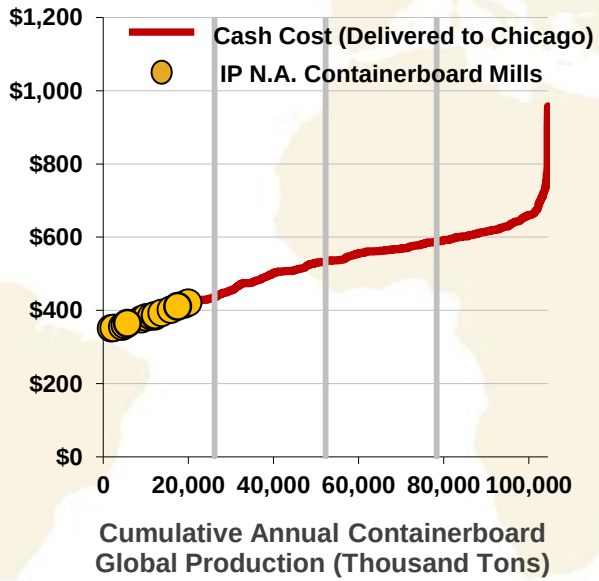
$0.1B

Strategic

Reinvesting in core businesses with higher growth profile

$0.5B







Madrid Mill Conversion

Source: IP Analysis, FisherSolve™ 2Q17 data

2018 Outlook | Momentum Continues

Confident in Another Year of 10%+ Growth in EBITDA

Demand	Strong outlook in core businesses
Margin	Full-year price flow through of 2017 increases
Catalysts	Cost reduction initiatives GCF optimization Madrid Mill start-up
Free Cash Flow	Strong cash generation and conversion

Adjusted EBITDA[1] ($MM)



[1] From continuing operations before special items and non-operating pension expense

Appendix

Investor Relations Contacts

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Media Contact

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Free Cash Flow

$ Million	2015	4Q16	2016	1Q17	2Q17	3Q17	4Q17	2017
Cash Provided by Operations	**$2,580**	**$912**	**$2,478**	**$633**	**$645**	**($709)**	**$1,188**	**$1,757**
Cash Invested in Capital Projects	($1,487)	($445)	($1,348)	($374)	($290)	($271)	($456)	($1,391)
Cash Contribution to Pension Plan	$750	-	$750	-	-	$1,250	-	$1,250
Kleen Products Settlement	-	-	-	-	-	$354	-	$354
Free Cash Flow	**$1,843**	**$467**	**$1,880**	**$259**	**$355**	**$624**	**$732**	**$1,970**

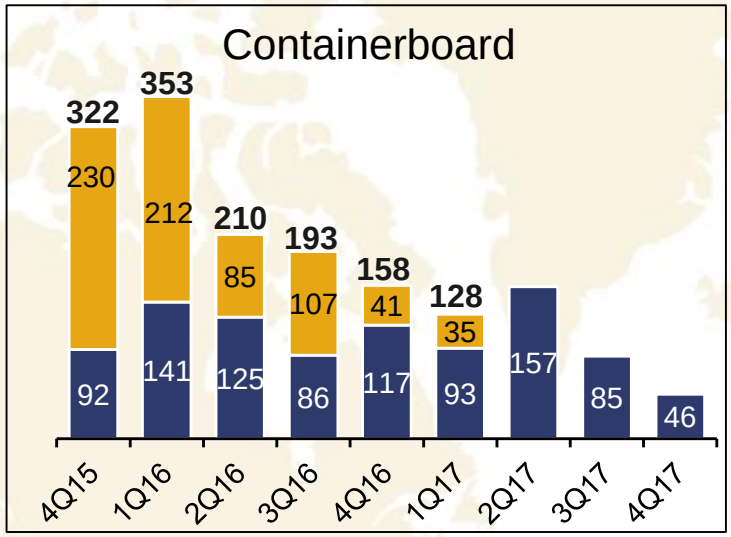
Maintenance Outages Expenses | 2017 Actual

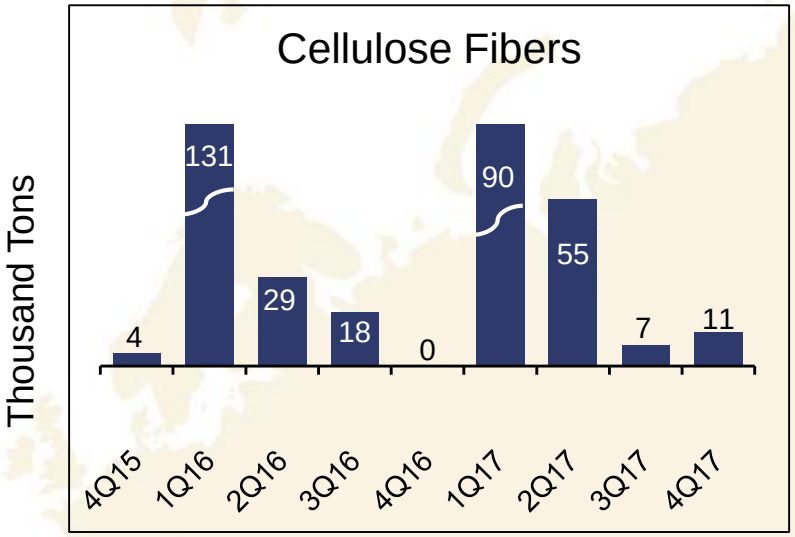
$ Million	1Q17A	2Q17A	3Q17A	4Q17A	2017A
Industrial Packaging	**$71**	**$102**	**$38**	**$28**	**$239**
North America	69	100	38	28	235
Europe	0	0	0	0	0
Europe Coated Paperboard	0	2	0	0	2
Brazil	2	0	0	0	2
Global Cellulose Fibers	**$50**	**$44**	**$7**	**$9**	**$110**
North America	50	43	7	9	109
Europe	0	1	0	0	1
Printing Papers	**$23**	**$43**	**$1**	**$10**	**$77**
North America	23	34	0	10	67
Europe	0	6	0	0	6
Brazil	0	3	0	0	3
India	0	0	1	0	1
Total Impact	**$144**	**$189**	**$46**	**$47**	**$426**

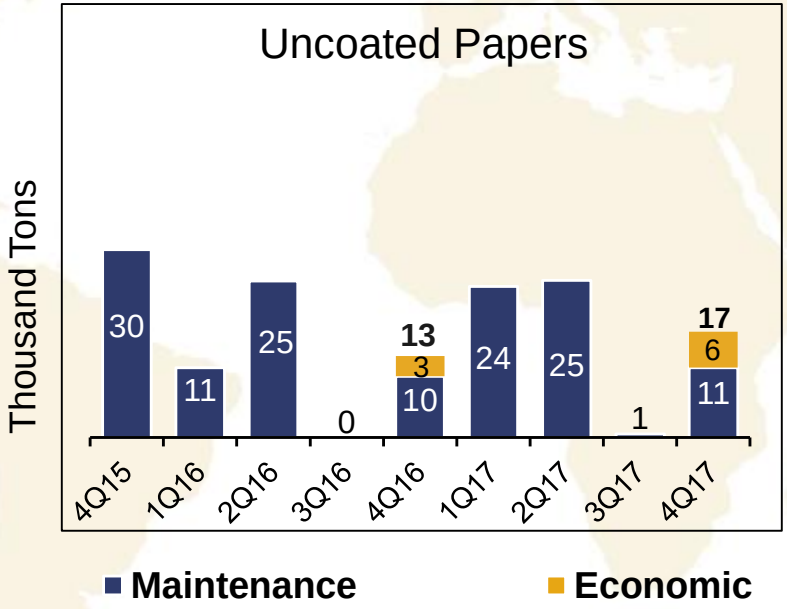
Maintenance Outages Expenses | 2018 Forecast

$ Million	1Q18F	2Q18F	3Q18F	4Q18F	2018F
Industrial Packaging	**$87**	**$122**	**$77**	**$22**	**$308**
North America	81	117	77	22	297
Europe	0	0	0	0	0
Europe Coated Paperboard	5	3	0	0	8
Brazil	1	2	0	0	3
Global Cellulose Fibers	**$61**	**$44**	**$9**	**$36**	**$150**
North America	59	37	9	36	141
Europe	2	7	0	0	9
Printing Papers	**$45**	**$50**	**$4**	**$9**	**$108**
North America	32	29	0	9	70
Europe	8	17	0	0	25
Brazil	5	4	2	0	11
India	0	0	2	0	2
Total Impact	**$193**	**$216**	**$90**	**$67**	**$566**

North American Downtime







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Special Items Before Tax | Continuing Operations

Special Items Pre-Tax ($ Million)		4Q16	3Q17	4Q17
Industrial Packaging	Brazil Packaging Intangible Asset Amort.		($10)	
	Turkey Facility Closure	($7)		
	Other		($5)	($5)
Global Cellulose Fibers	Pulp Business Acquisition	($19)	($6)	($18)
	Weyco Pulp Business Inventory Step-up Amortization	($19)		
	Other		($2)	($1)
Corporate	Debt Extinguishment			($83)
	Interest Income on Income Tax Refund Claims			$1
Total Special Items Before Tax		**($45)**	**($23)**	**($106)**

N.A. Consumer Packaging is reflected as a discontinued operation in all periods presented

Special Items Net of Taxes

	4Q17		2017	
	$ Million	EPS	$ Million	EPS
Earnings Before Special Items	$530	$1.27	$1,456	$3.49
Special Items Net of Taxes:				
Tax Reform	$1,222		$1,222	
Kleen Settlement			($219)	
Debt Extinguishment	($51)		($51)	
Tax Expense – International Investment Restructuring			($34)	
Pulp Business Acquisition	($11)		($20)	
Polish Tax Law Change	($9)		($9)	
Pulp Business Inventory Step-up Amortization			($8)	
Brazil Packaging Intangible Asset Amortization			($7)	
Asia Foodservice Sale			($4)	
ArborGen Sale			$9	
Holmen Acquisition Bargain Purchase Gain			$6	
Net Income Tax Refund Claims	$28		$78	
Other	($3)		($11)	
Total Special Items Net of Taxes	$1,176	$2.82	$952	$2.28
Non-Operating Pension Expense	($238)	($0.57)	($298)	($0.72)
Earnings from Continuing Operations	$1,468	$3.52	$2,110	$5.05
Discontinued Operations Net of Taxes	($8)	($0.02)	$34	$0.08

N.A. Consumer Packaging is reflected as a discontinued operation in all periods presented

Adj. Operating Profits by Industry Segment | Continuing Operations

$ Million$	4Q16	3Q17	4Q17	2016	2017
Earnings (Loss) From Continuing Operations Before Income Taxes and Equity Earnings	**$244**	**$457**	**$197**	**$795**	**$848**
Interest Expense, Net	$136	$152	$142[1]	$520	$577[1]
Noncontrolling Interest / Equity Earnings Adjustment	-	-	($1)	$1	($2)
Corporate Items, Net	$25	$32	$18	$121	$91
Special Items, Net	$45	$23	$106	$182	$496
Non-Operating Pension Expense	$37	$33	$386[2]	$610[3]	$484[2]
Adj. Operating Profit Before Special Items	**$487**	**$697**	**$848**	**$2,229**	**$2,494**
Industrial Packaging[4]	$398	$505	$614	$1,818	$1,919
Global Cellulose Fibers[4,5]	($32)	$57	$98	($129)	$116
Printing Papers[4]	$121	$135	$136	$540	$459
Total Adj. Industry Segment Operating Profit[3,4]	**$487**	**$697**	**$848**	**$2,229**	**$2,494**
Equity Earnings (Loss), net of taxes – Ilim	**$45**	**$48**	**$64**	**$199**	**$183**

[1] Excludes special item of $1MM and $5MM related to interest income for 4Q17 and FY2017, respectively
[2] Includes non-cash settlement charge before tax of $376MM
[3] Includes non-cash settlement charge before tax of $439MM
[4] Excludes special items (Non-GAAP)
[5] Earnings from newly acquired pulp business are reflected beginning December 1, 2016

Geographic Business Segment Operating Results | Quarterly

$ Million	Sales			D & A	Adj. Operating Profit[1]		
	4Q16	3Q17	4Q17	4Q17	4Q16	3Q17	4Q17
Industrial Packaging							
North America	$3,106	$3,383	$3,455	$179	$384	$492	$610
Europe	$325	$333	$343	$8	$9	($5)	($8)
Europe Coated Paperboard	$78	$88	$90	$5	$20	$21	$18
Brazil	$77	$68	$64	$5	($14)	($3)	($6)
Global Cellulose Fibers[2]							
Global Cellulose Fibers	$379	$654	$721	$68	($32)	$57	$98
Printing Papers							
North America	$465	$470	$449	$20	$43	$54	$26
Europe	$284	$292	$322	$12	$28	$38	$43
Brazil	$260	$239	$287	$24	$50	$46	$66
India	$47	$44	$50	$4	$0	($3)	$1

Does not reflect total company sales
[1] Excludes special items (Non-GAAP)
[2] Sales and Earnings from newly acquired pulp business are reflected beginning December 1, 2016

Geographic Business Segment Operating Results | Annually

$ Million	Sales		Adj. Operating Profit[1]	
	2016	2017	2016	2017
Industrial Packaging				
North America	$12,450	$13,329	$1,757	$1,872
Europe	$1,227	$1,334	$22	$0
Europe Coated Paperboard	$327	$335	$93	$72
Brazil	$232	$251	($43)	($25)
Global Cellulose Fibers[2]				
Global Cellulose Fibers	$1,092	$2,551	($129)	$116
Printing Papers				
North America	$1,890	$1,883	$236	$134
Europe	$1,109	$1,187	$142	$136
Brazil	$897	$972	$173	$194
India	$167	$189	($11)	($5)

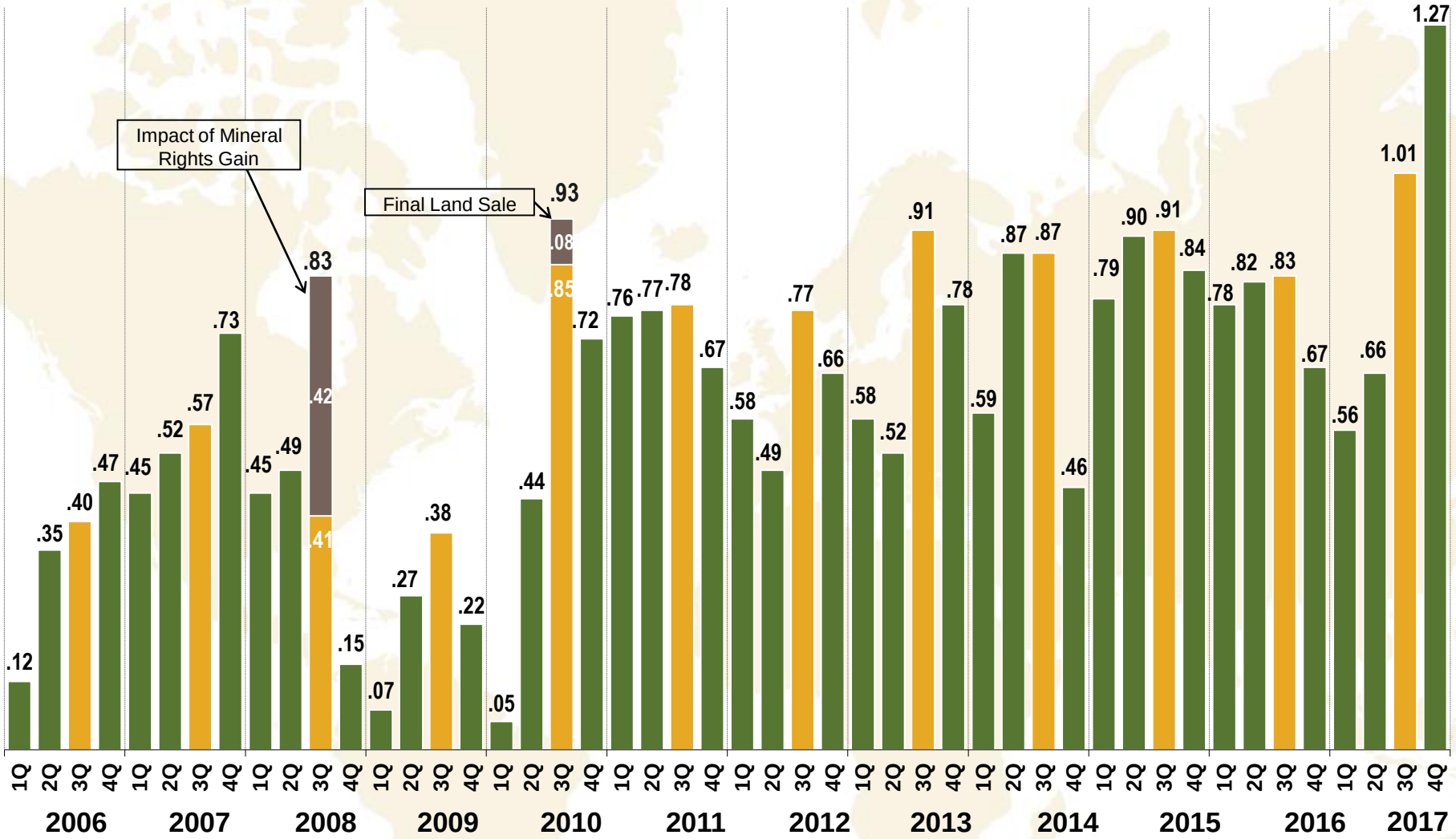
Does not reflect total company sales
[1] Excludes special items (Non-GAAP)
[2] Sales and Earnings from newly acquired pulp business are reflected beginning December 1, 2016

2017 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							
1Q17	$217	($73)	-	$48	$192	416	$0.46
2Q17	($23)	$87	-	$20	$84	416	$0.20
3Q17	$457	($136)	-	$45	$366	417	$0.88
4Q17	$197	$1,207	-	$64	$1,468	418	$3.52
Net Special Items							
1Q17	$14	$7	-	-	$21	416	$0.05
2Q17	$353	($184)	-	-	$169	416	$0.41
3Q17	$23	$11	-	-	$34	417	$0.08
4Q17	$106	($1,282)	-	-	($1,176)	418	$2.82
Non-Operating Pension Expense							
1Q17	$31	($12)	-	-	$19	416	$0.05
2Q17	$34	($13)	-	-	$21	416	$0.05
3Q17	$33	($13)	-	-	$20	417	$0.05
4Q17	$386	($148)	-	-	$238	418	$0.57
Adj. Operating Earnings							
1Q17	$262	($78)	-	$48	$232	416	$0.56
2Q17	$364	($110)	-	$20	$274	416	$0.66
3Q17	$513	($138)	-	$45	$420	417	$1.01
4Q17	$689	($223)	-	$64	$530	418	$1.27

[1] A reconciliation to GAAP EPS is available at www.internationalpaper.com under the Performance tab, Investors section

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
N.A. Consumer Packaging is reflected as a Discontinued Operation from 2013 onward

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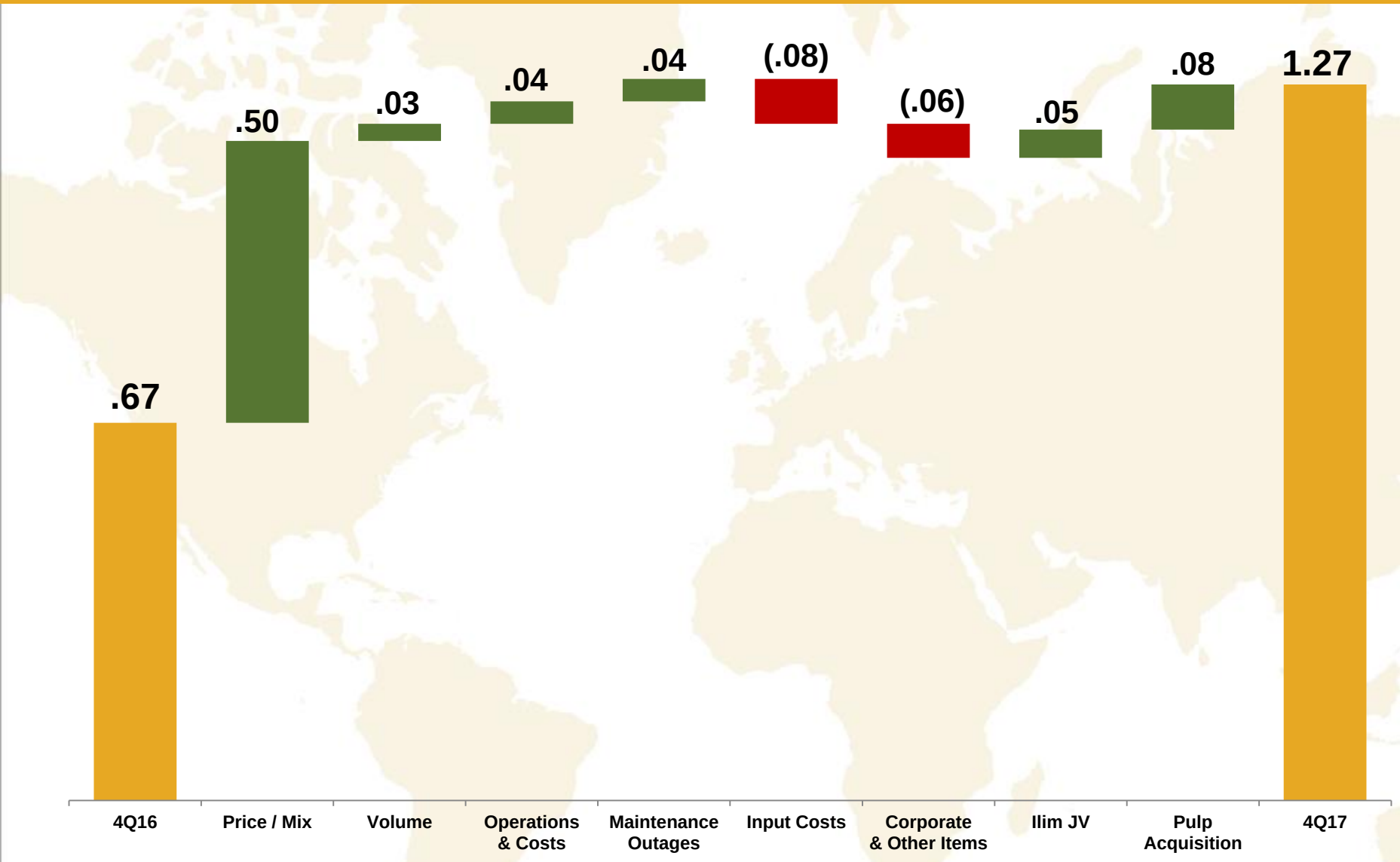
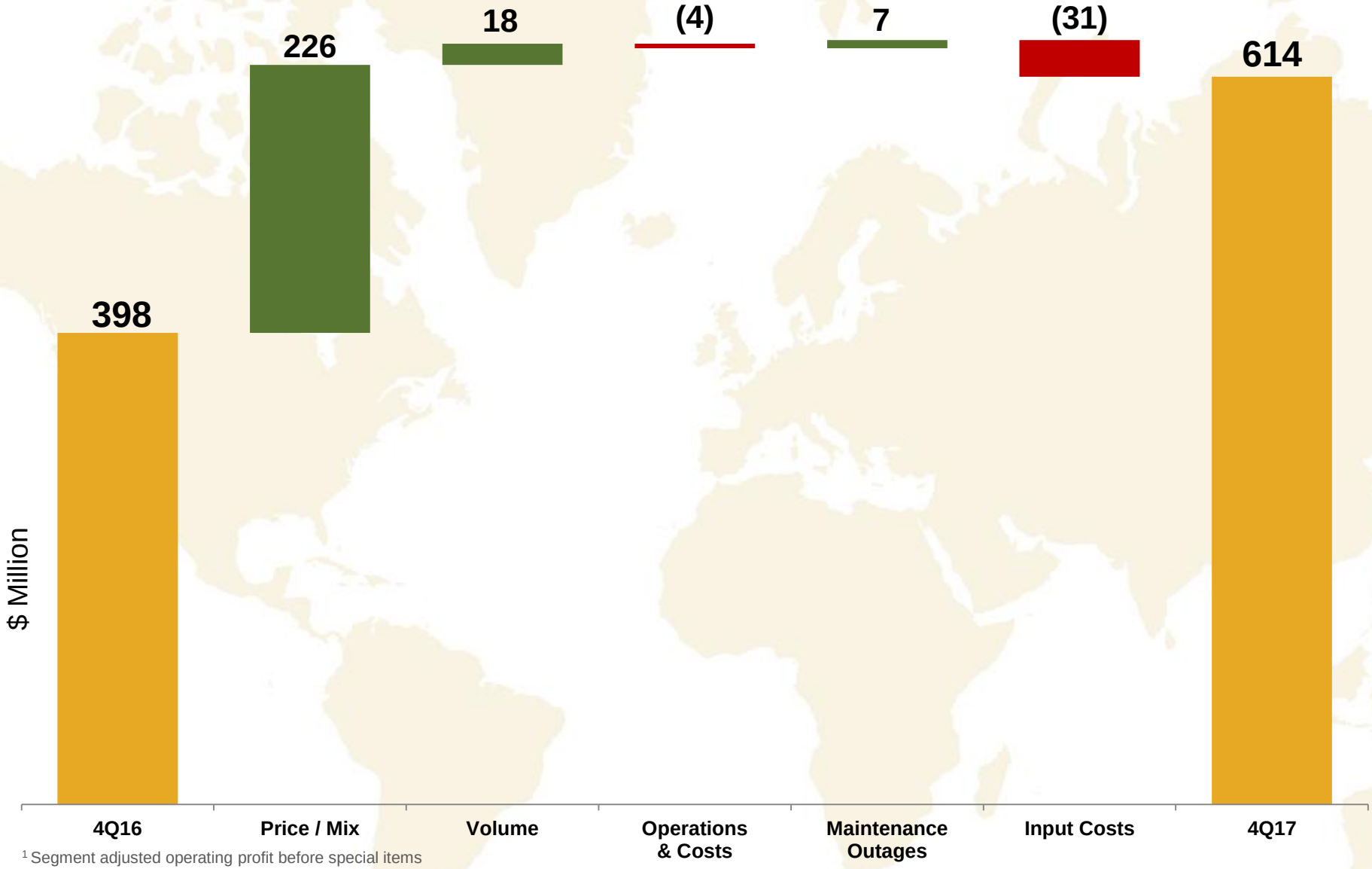
4Q17 vs. 4Q16 Adj. Operating EPS



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 | 4Q17 vs. 4Q16 Adj. EBIT[1]



[1] Segment adjusted operating profit before special items
Includes European Coated Paperboard adjusted operating profit of $20MM and $21MM for 4Q16 and 4Q17, respectively

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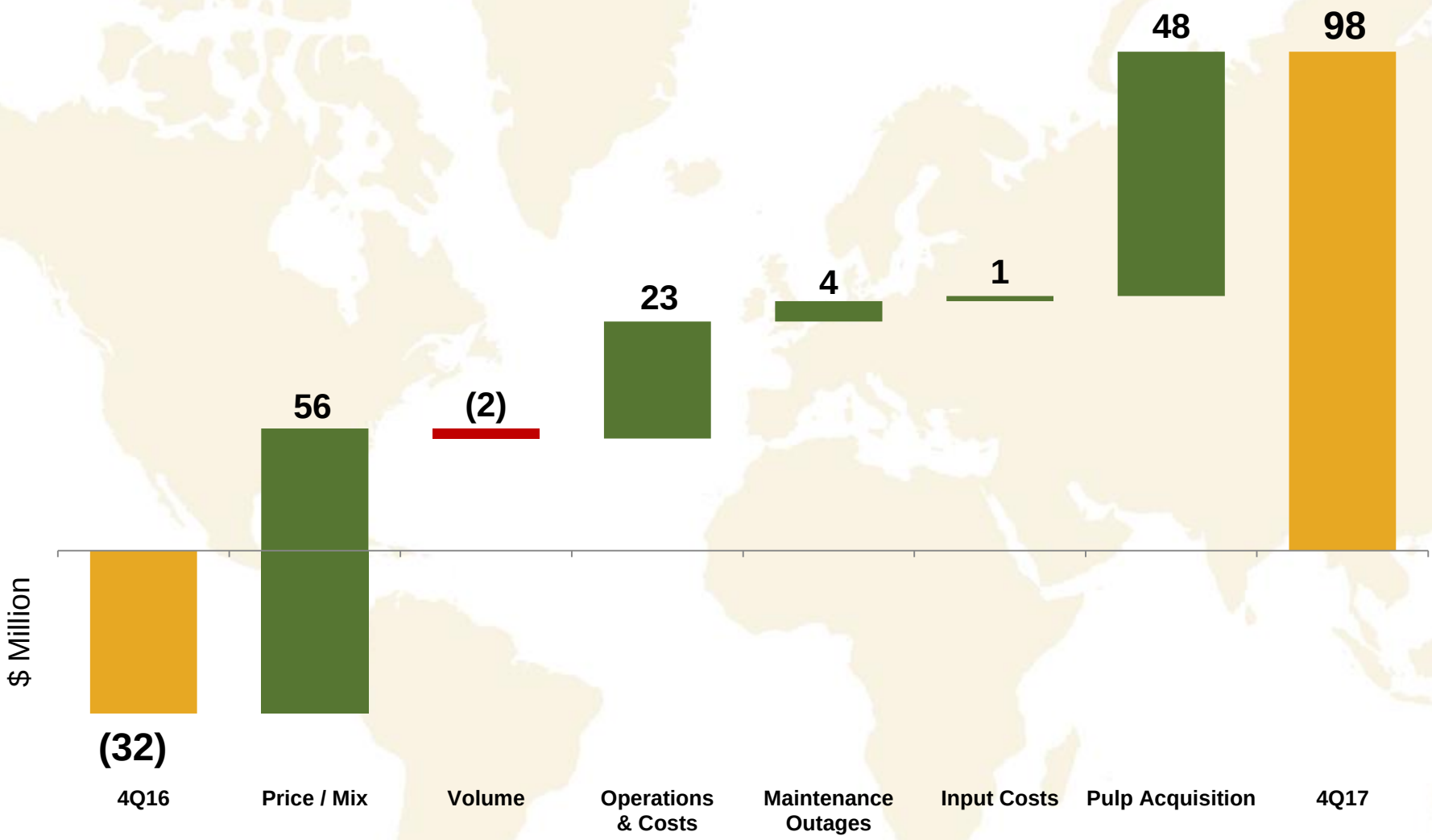
	4Q17 vs. 3Q17		4Q17 vs. 4Q16	
Business	**Volume**	**Price / Mix per Ton**	**Volume**	**Price / Mix per Ton**
N.A. Container[1]	**3.5%**	**$2**	**0.3%**	**$67**
European Container	**10%**	**(€5)**	**Flat**	**€33**

Average IP volume and price realization (includes the impact of mix across all segments)
[1] On a per day FBA basis

Global Cellulose Fibers | 4Q17 vs. 4Q16 Adj. EBIT[1]



[1] Segment adjusted operating profit before special items

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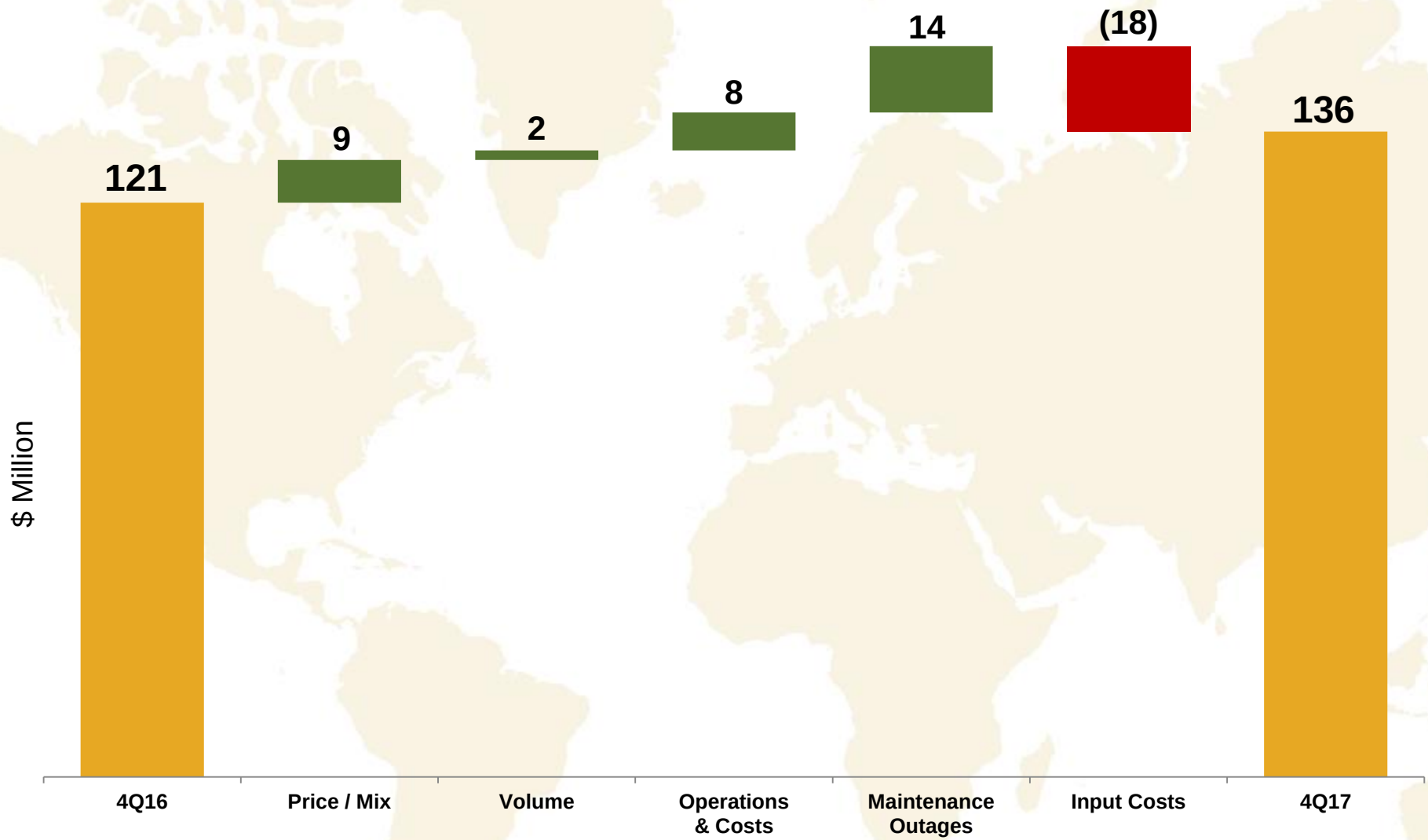
Global Cellulose Fibers | Volume and Pricing Trends

	4Q17 vs. 3Q17		4Q17 vs. 4Q16[1]	
Business	**Volume**	**Price / Mix per Tonne**	**Volume**	**Price / Mix per Tonne**
Pulp (metric ton)	**8%**	**$27**	**10%**	**$66**

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

[1]Pro Forma basis- Combined Global Cellulose Fibers

Printing Papers | 4Q17 vs. 4Q16 Adj. EBIT[1]



[1] Segment adjusted operating profit before special items

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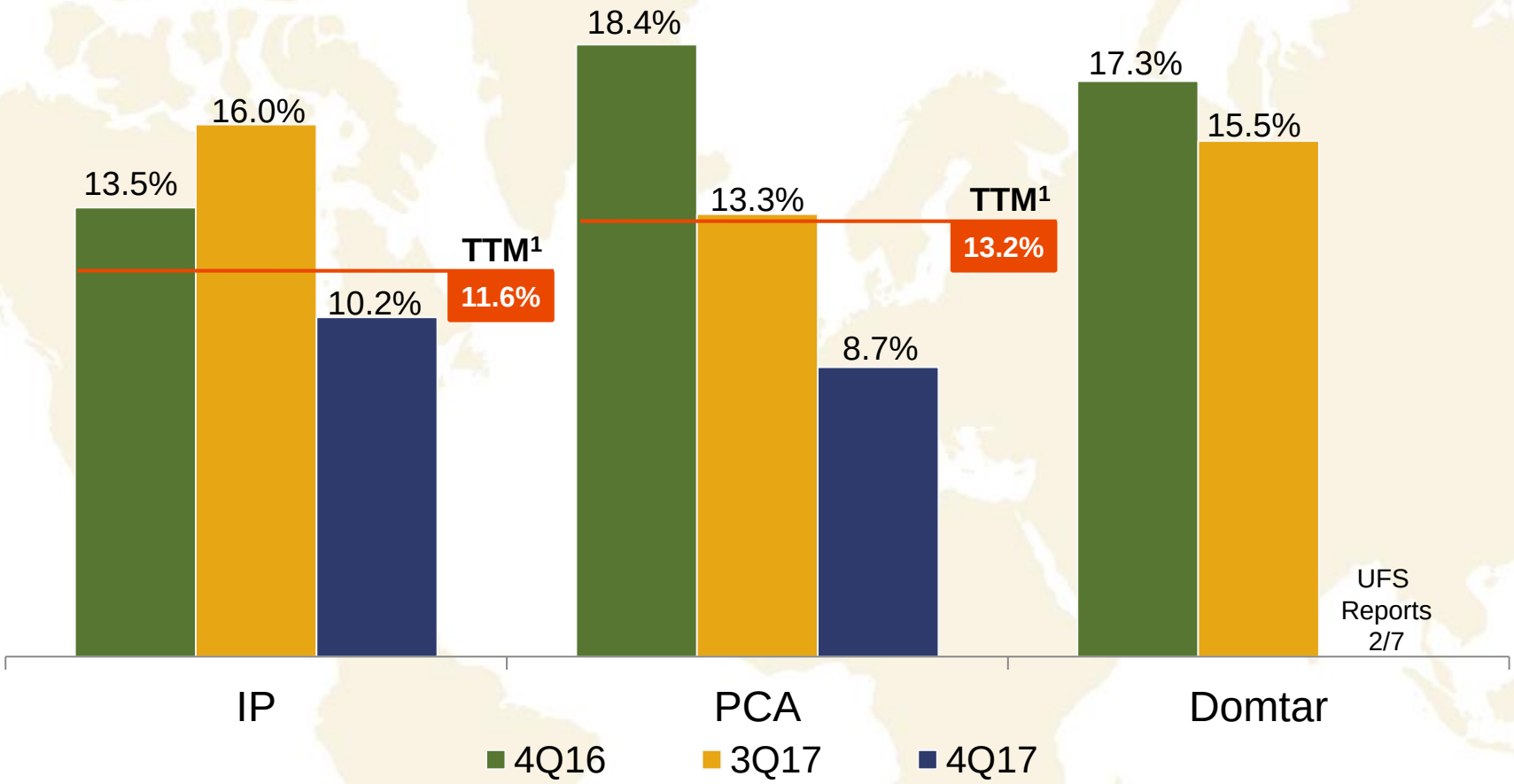
Printing Papers | Volume and Pricing Trends

	4Q17 vs. 3Q17		4Q17 vs. 4Q16	
Business	**Volume**	**Price / Mix per Ton**	**Volume**	**Price / Mix per Ton**
N.A. Printing Papers	**(6%)**	**$15**	**(1%)**	**($26)**
European Papers[1]	**10%**	**€14**	**(8%)**	**€47**

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



[1]Trailing Twelve Months
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	4Q16	3Q17	4Q17
Sales	$260	$239	$287
Adj. Earnings	$50	$46	$66
Adj. EBITDA Margin	29%	30%	31%

	4Q17 vs. 3Q17		4Q17 vs. 4Q16	
Uncoated Freesheet	Volume	Price / Mix per Ton	Volume	Price / Mix per Ton
Domestic (BRL)	23%	R$14	12%	(R$22)
Export (USD)	19%	$15	0%	$29

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	2017
Sales Volume (Million metric tonnes)	**2.4**	**2.9**	**3.0**	**3.2**	**3.1**
Sales ($B)	**1.9**	**2.1**	**1.9**	**1.9**	**2.2**
Debt ($B)	**1.5**	**1.4**	**1.2**	**1.5**	**1.6**
Adj. Operating EBITDA ($MM)	**203**	**459**	**694**	**680**	**695**
F/X Gain (Loss)[1] ($MM)	(80)	(674)	(188)	63	37
EBITDA ($MM)	**123**	**(215)**	**506**	**743**	**732**
Depreciation ($MM)	176	188	128	121	151
EBIT ($MM)	**(53)**	**(403)**	**378**	**622**	**581**
Interest Expense ($MM)	**39**	**69**	**52**	**81**	**$88**
Net Income / (Loss) ($MM)	**(72)**	**(359)**	**237**	**385**	**362**
IP Equity Earnings / (Loss) ($MM)	**(46)**	**(194)**	**131**	**199**	**183**
Dividends (to IP) ($MM)	**0**	**56**	**35**	**60**	**134**

Ilim JV results are US GAAP basis

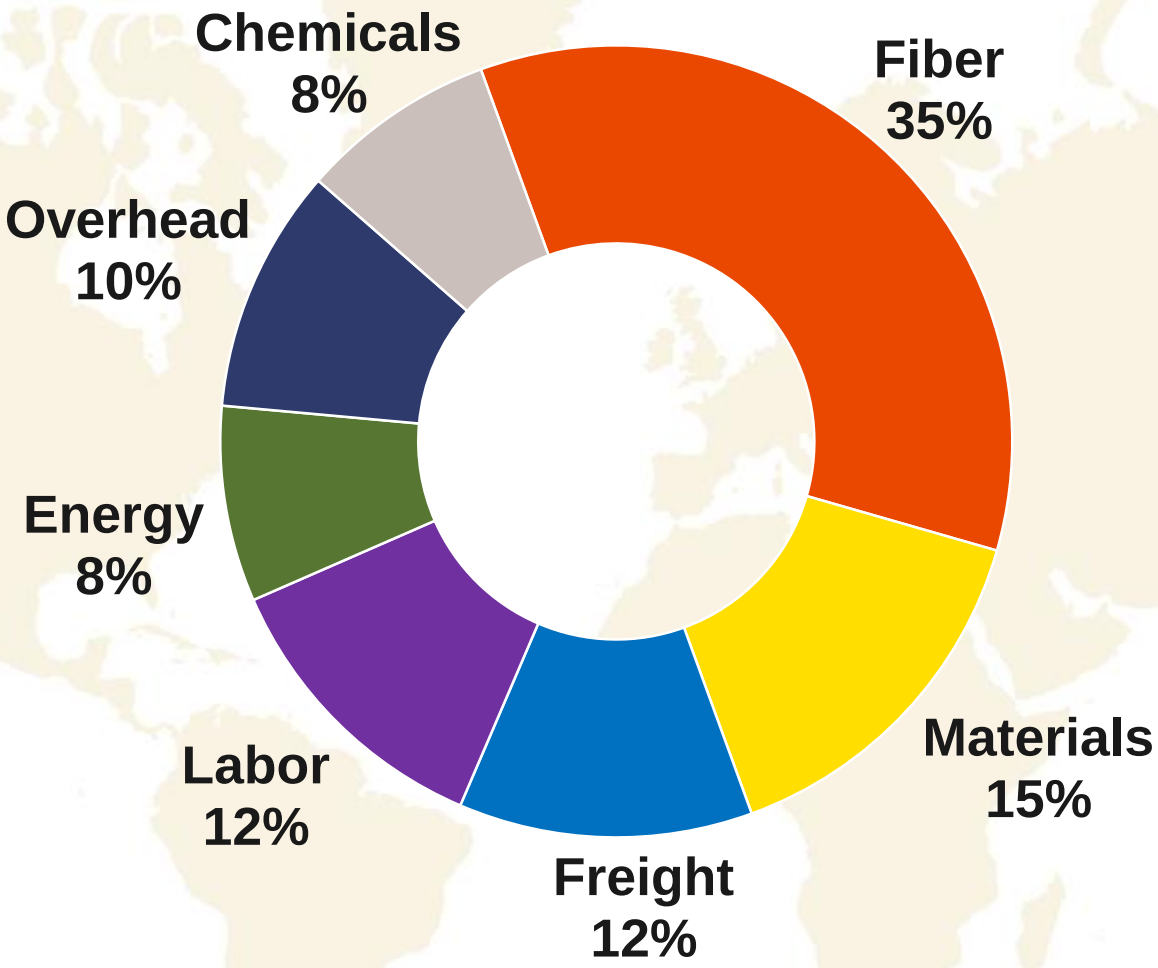
[1] Represents F/X impact including that related to Ilim JV USD-denominated net debt (balance of ~$0.9B at year end 2017)

Ilim Joint Venture | Volume and Pricing Trends

	4Q17 vs. 3Q17		4Q17 vs. 4Q16	
Business	**Volume**	**Price / Mix per Tonne**	**Volume**	**Price / Mix per Tonne**
Pulp (metric ton)	**16%**	**$91**	**(7%)**	**$155**

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

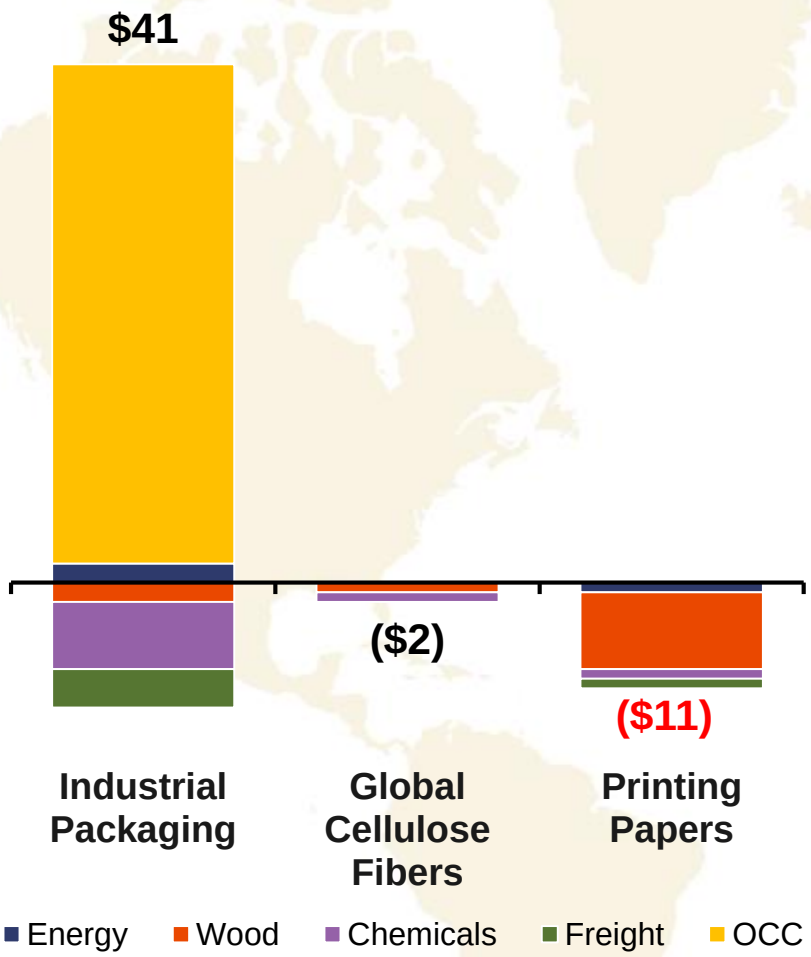
Total Cash Cost Components | 2017



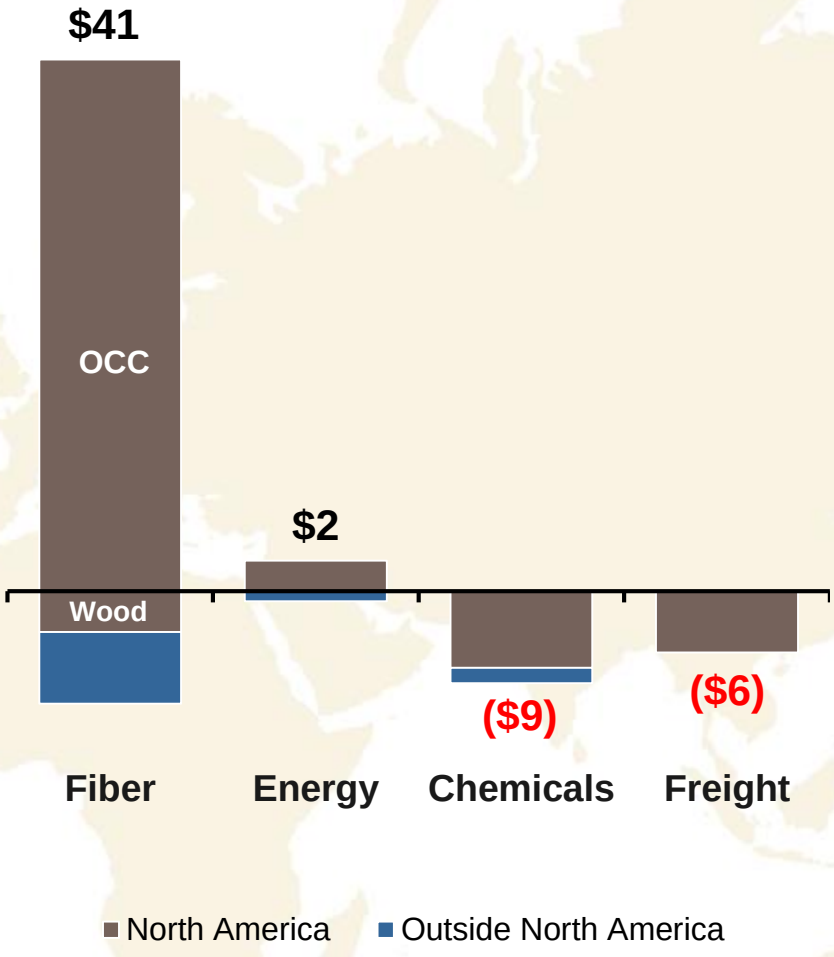
North American mills only (Excludes Newly Acquired Pulp Business)

Global Input Costs vs. 3Q17 | $28MM Favorable, or $0.05/Share

By Business



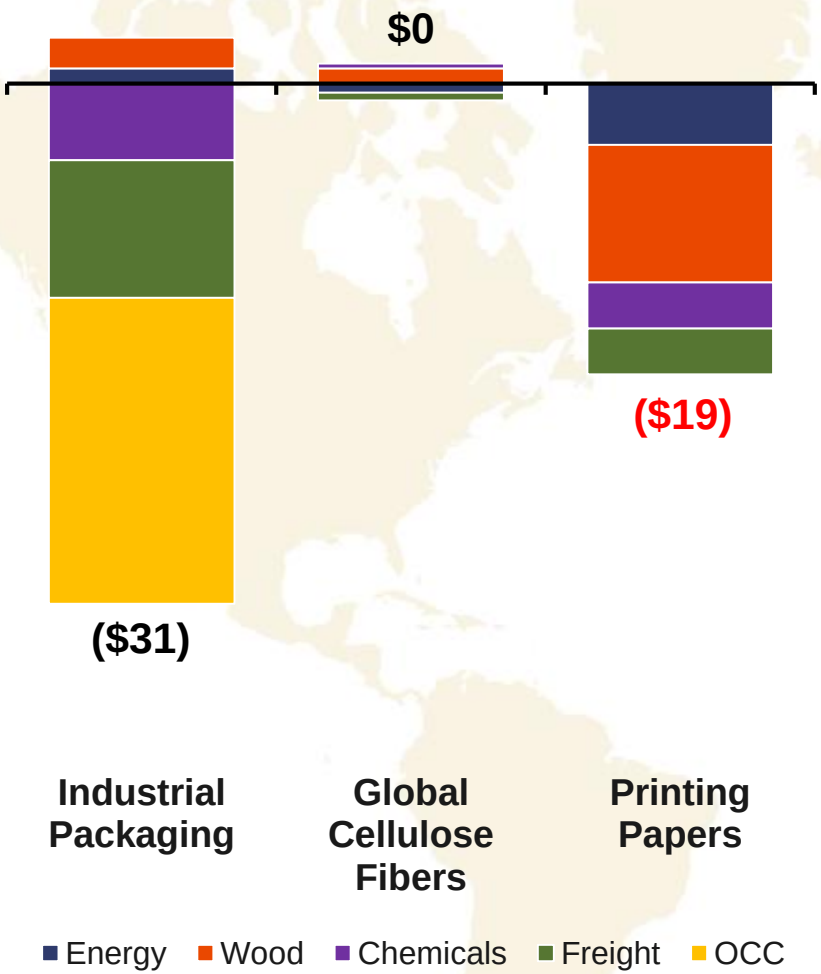
By Input Type



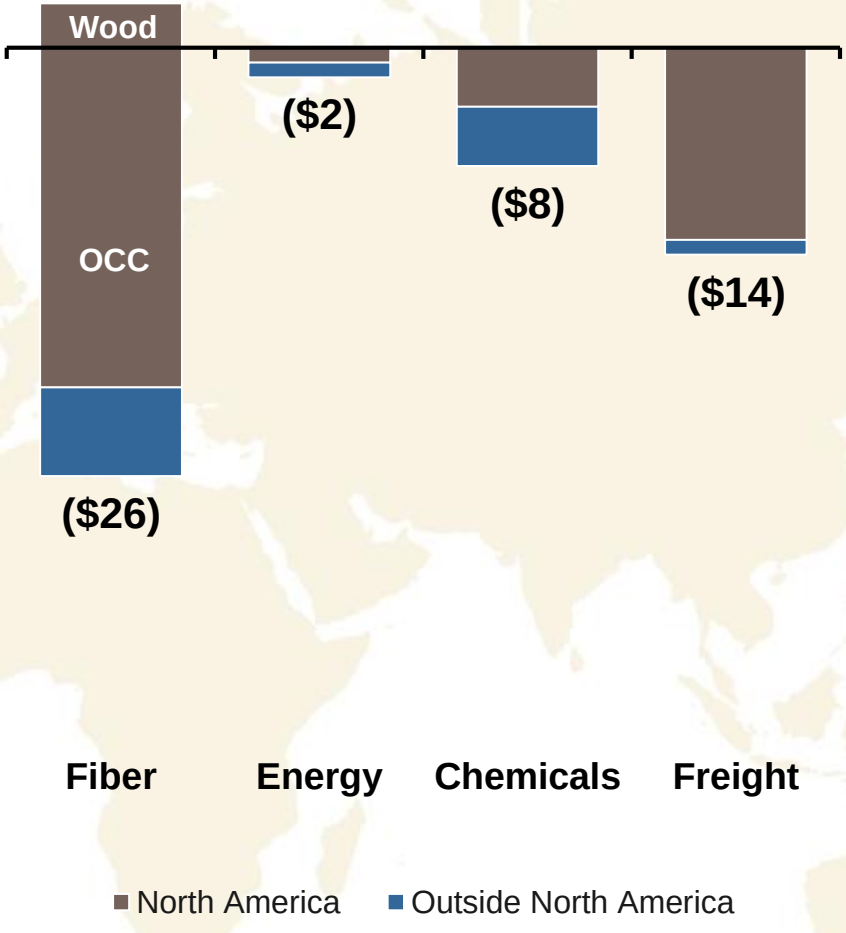
Input costs ($MM) for continuing businesses

Global Input Costs vs. 4Q16 | $50MM Unfavorable, or $0.08/Share

By Business



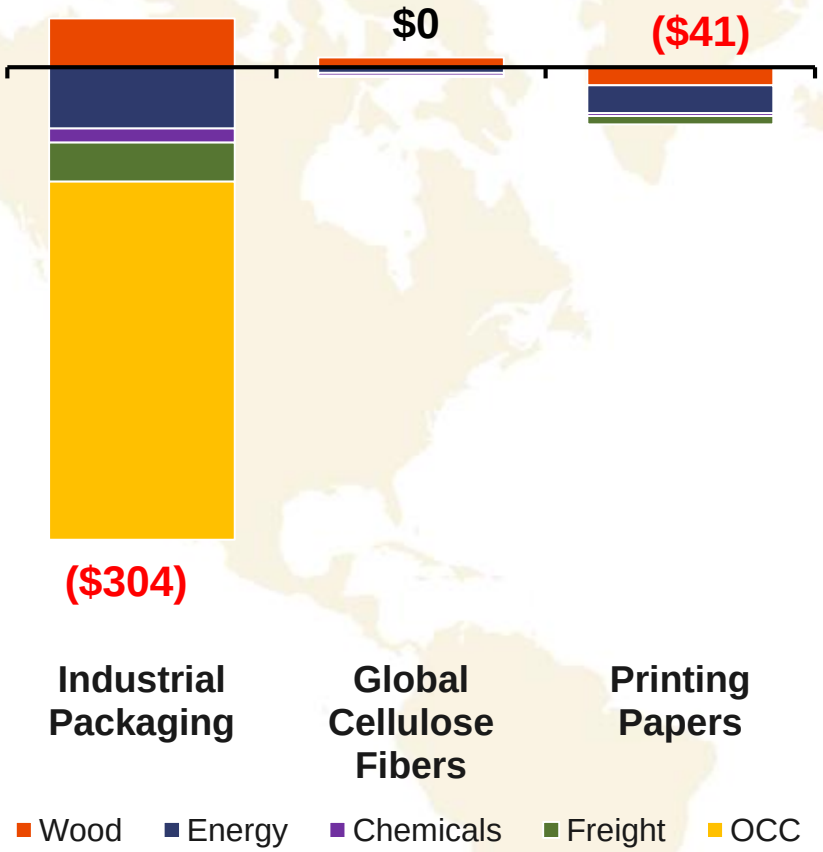
By Input Type



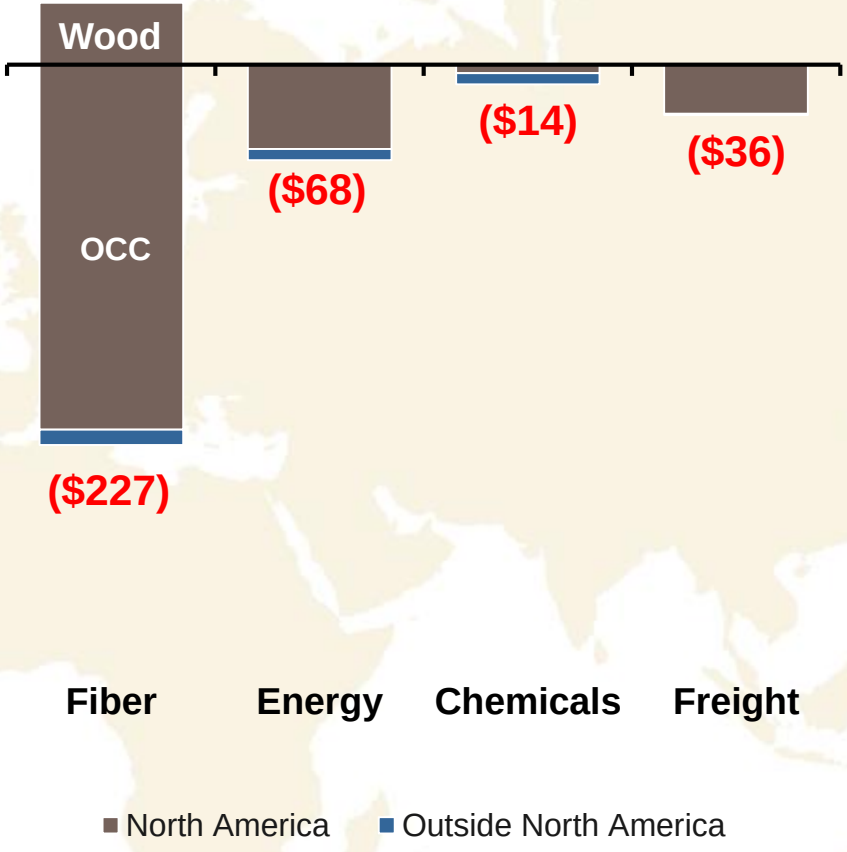
Input costs ($MM) for continuing businesses

Global Input Costs vs. 2016 | $345MM Unfavorable, or $0.60/Share

By Business



By Input Type



Input costs ($MM) for continuing businesses

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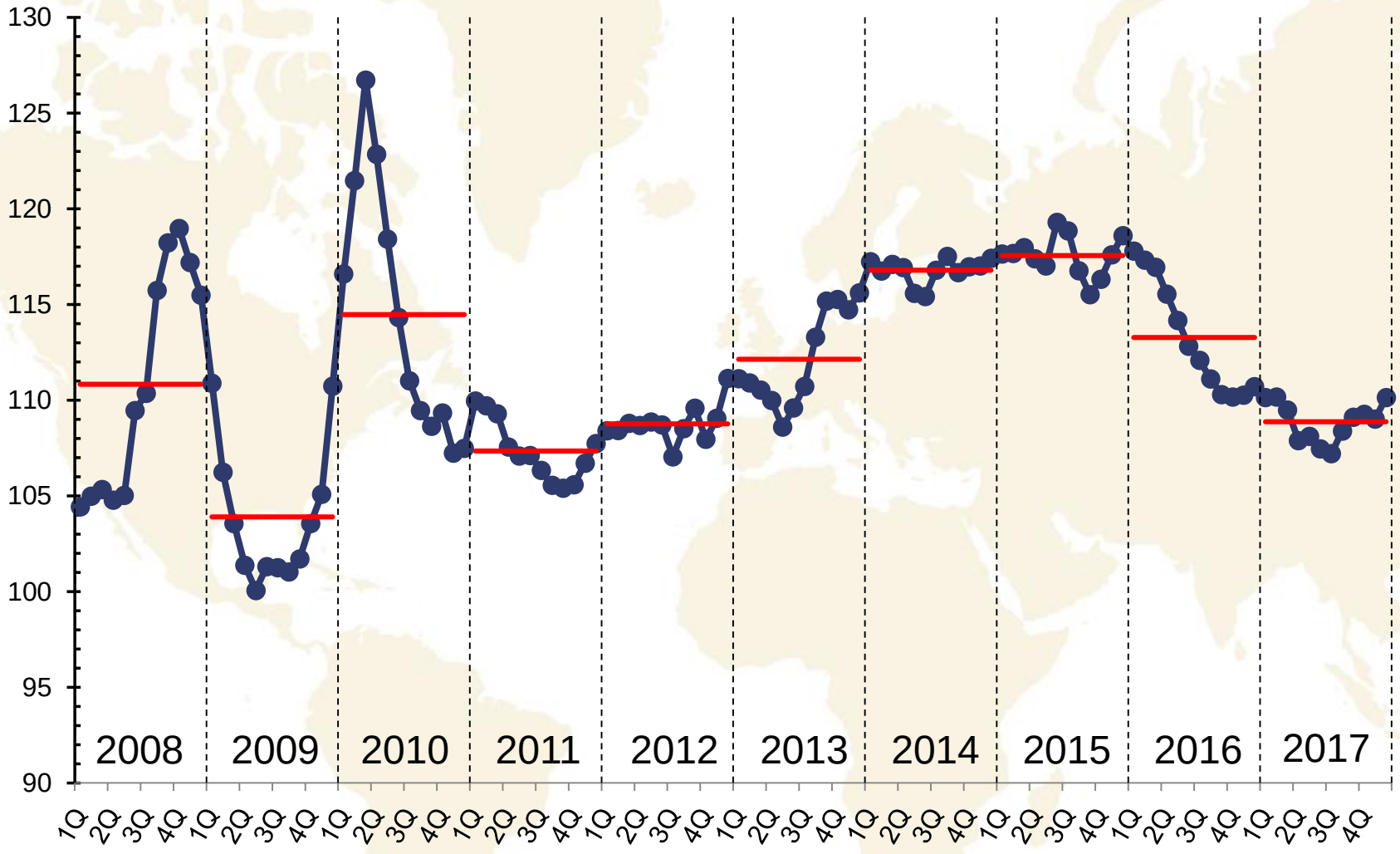
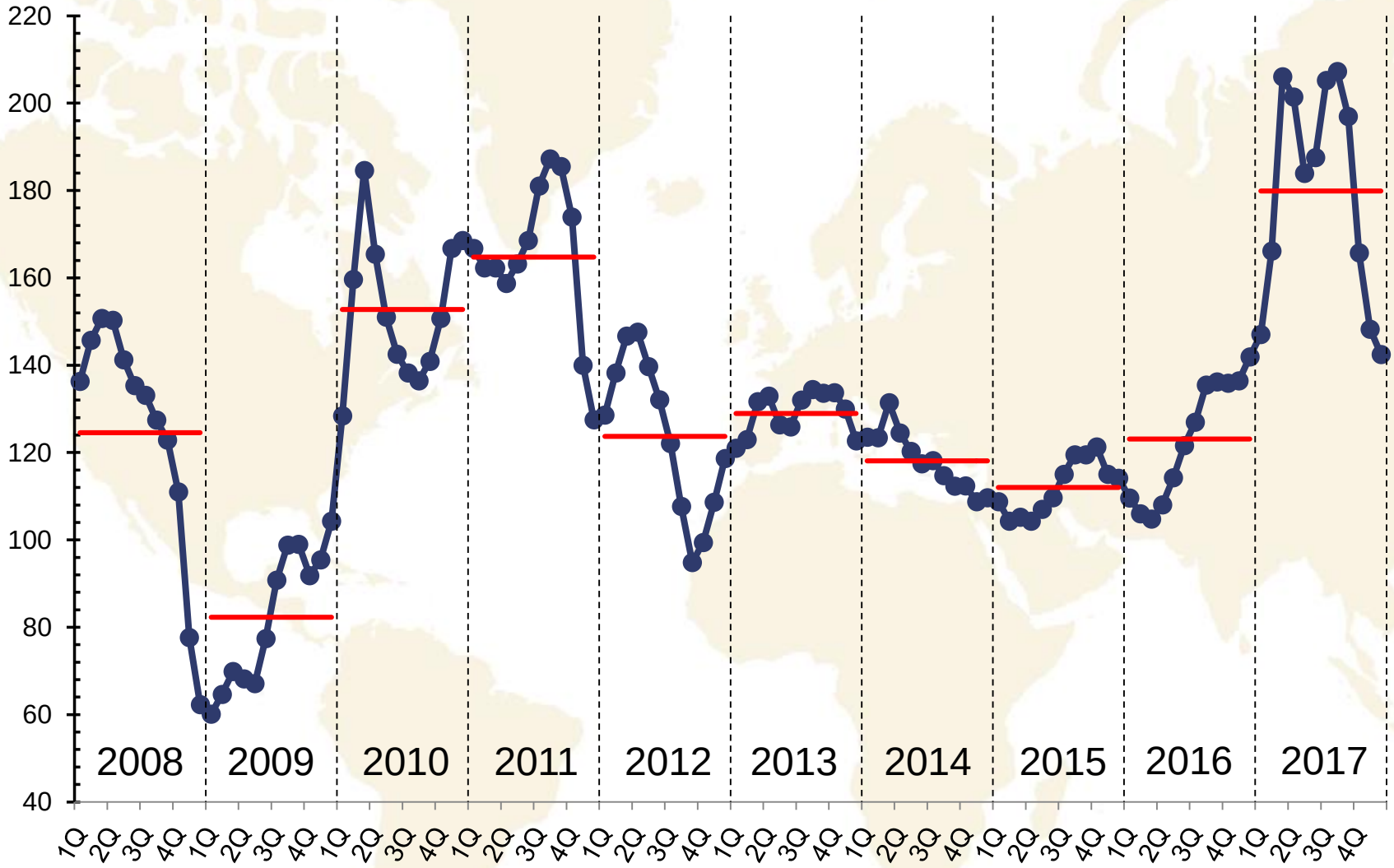
U.S. Mill Wood Delivered Cost Trend | 4Q17 Average Cost Up 1% vs. 3Q17



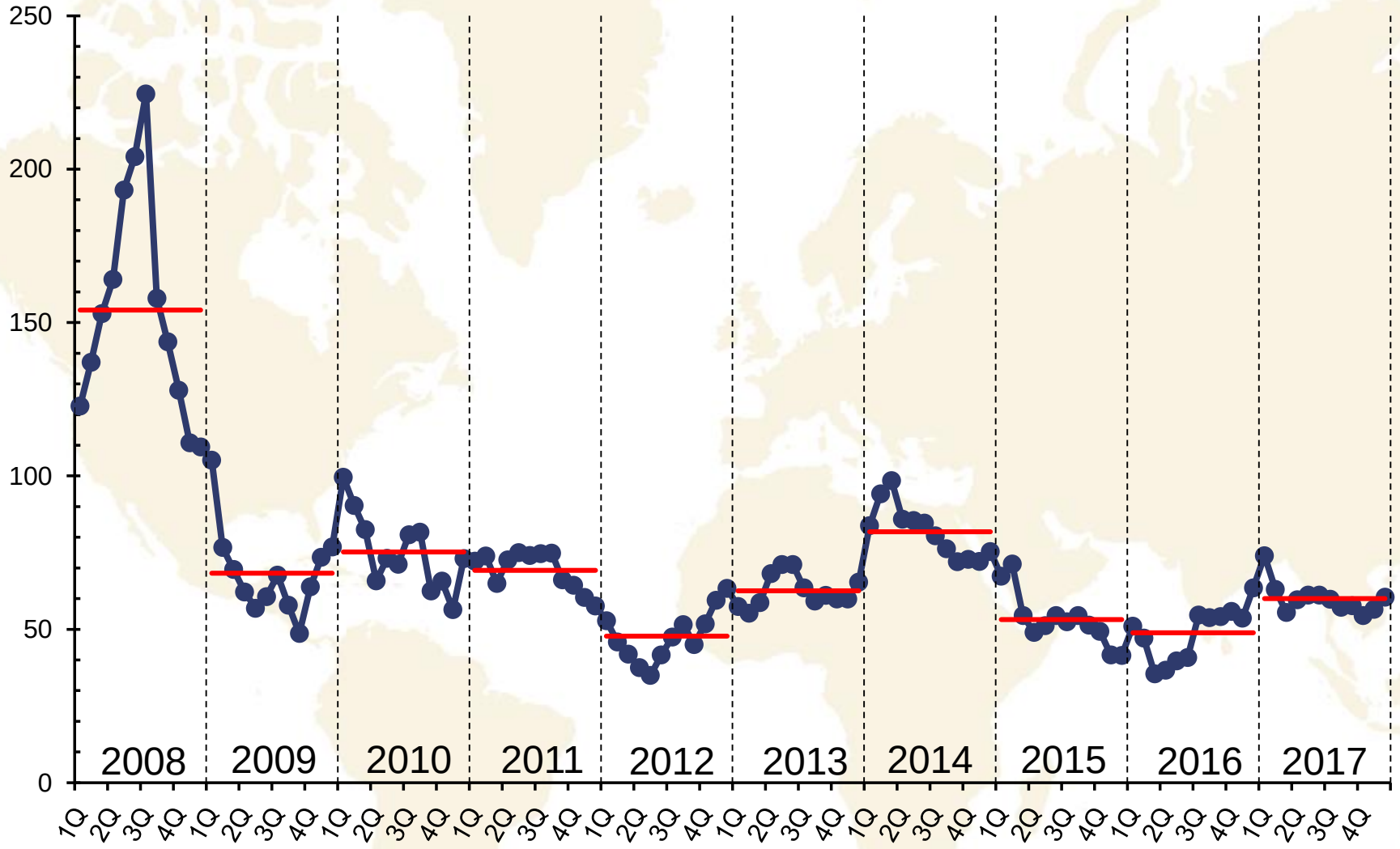
IP data, cost Indexed to January 2007 values

U.S. OCC Delivered Cost Trend | 4Q17 Average Cost Down 25% vs. 3Q17



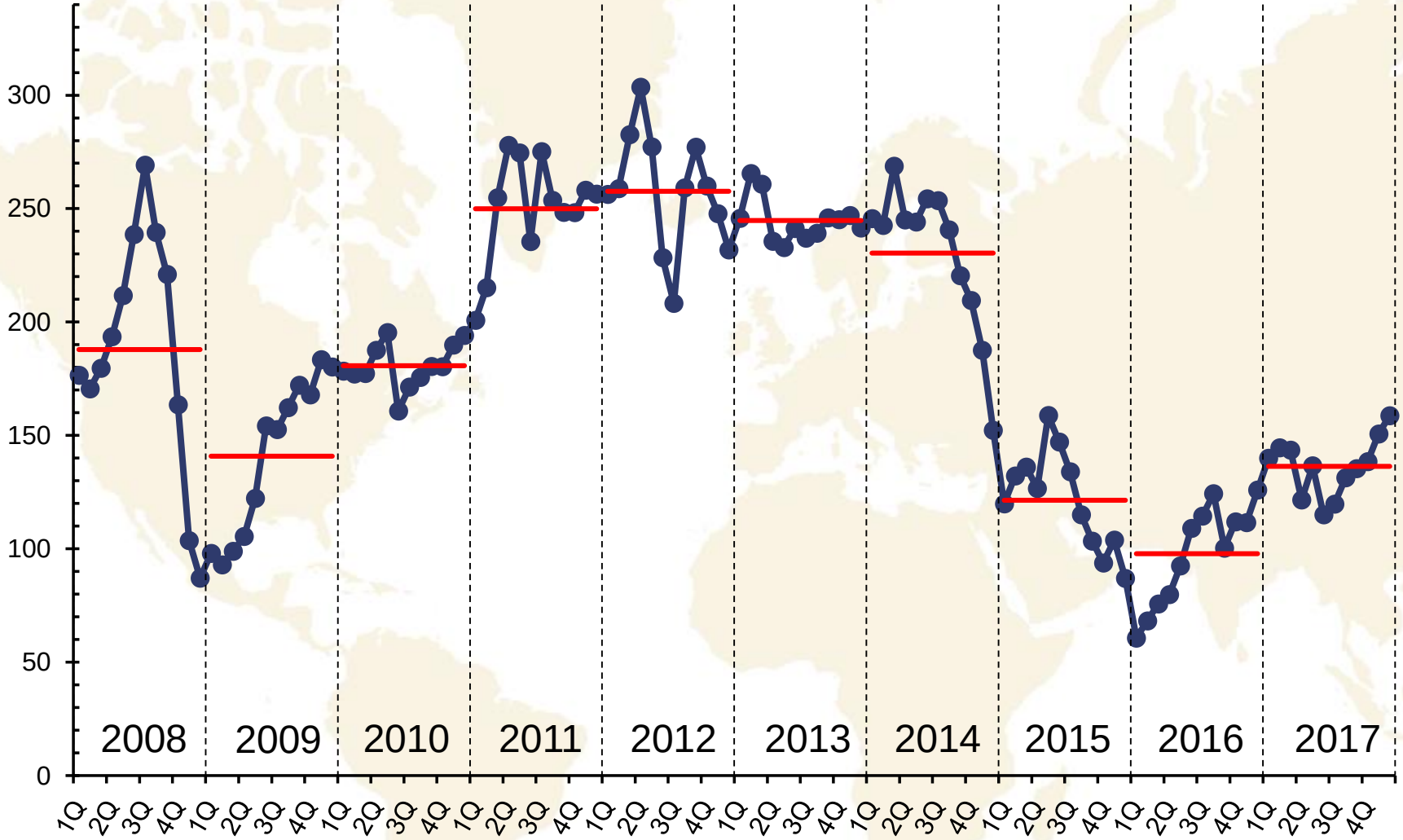
IP data, cost Indexed to January 2007 values

U.S. Natural Gas Cost Trend | 4Q17 Average Cost Down 2% vs. 3Q17



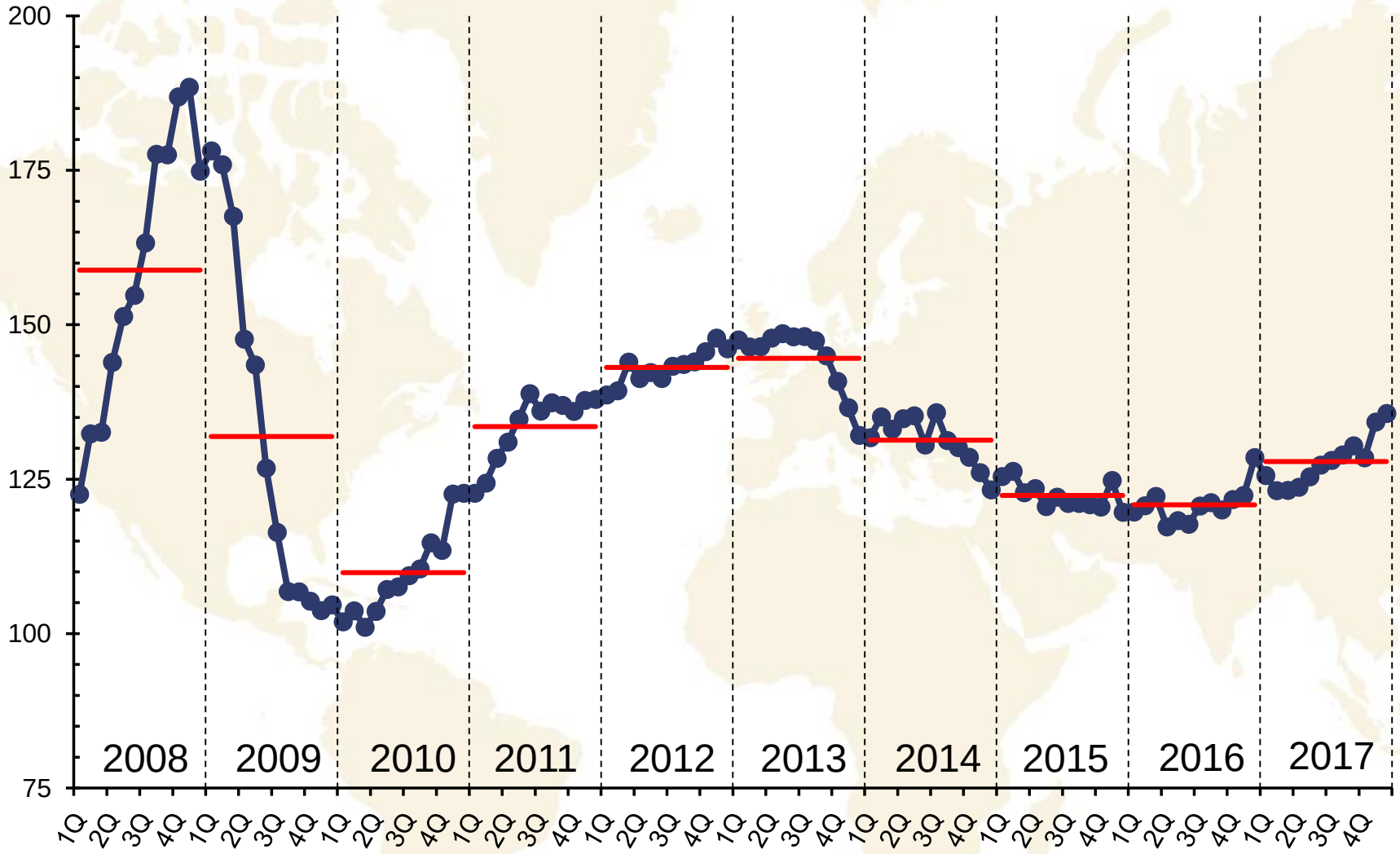
IP data, cost Indexed to January 2007 values
NYMEX Natural Gas closing prices

U.S. Fuel Oil Cost Trend | 4Q17 Average Cost Up 16% vs. 3Q17



IP data, cost Indexed to January 2007 values
WTI Crude prices

U.S. Chemical Composite Cost Trend | 4Q17 Average Cost up 3% vs. 3Q17



IP data, cost Indexed to January 2007 values
Delivered cost to US facilities: includes Caustic Soda, Sodium Chlorate, Starch and Sulfuric Acid 2007 - 2008 excludes WY PKG

2017 Global Consumption | Annual Purchases for Key Inputs

	Commodity	North America	Non – North America
Energy	Natural Gas (MMBTUs)	80,000,000	11,000,000
	Fuel Oil (Barrels)	450,000	400,000
	Coal (Tons)	85,000	550,000
Fiber	Wood (Tons)	55,000,000	8,000,000
	Old Corrugated Containers / DLK (Tons)	4,900,000	250,000
Chemicals	Caustic Soda (Tons)	420,000	70,000
	Starch (Tons)	340,000	110,000
	Sodium Chlorate (Tons)	170,000	50,000
	LD Polyethylene (Tons)	-	-
	Latex (Tons)	-	10,000

Annual purchases exclude N.A. Consumer Packaging