

INTERNATIONAL PAPER

Building a Premier Global Packaging Business

Revised Proposal to Acquire Smurfit Kappa I March 26, 2018

No offer or solicitation

This presentation is provided for informational purposes only and is not intended to and does not constitute an offer to subscribe for or purchase nor a solicitation of an offer to sell or the solicitation of any vote or approval in any jurisdiction in respect of, shares of International Paper Company ("International Paper" or "IP") or Smurfit Kappa Group plc ("Smurfit Kappa"). Further to the announcement by IP on 6 March 2018 of its possible offer to acquire the entire issued and to be issued share capital of Smurfit Kappa (the "Possible Offer"): (i) any offer for Smurfit Kappa would, if it is proposed to implement the offer by way of a scheme of arrangement, be made pursuant to the terms of a circular to be issued by Smurfit Kappa to its shareholders in due course setting out the terms and conditions of the offer, including details of how to vote in respect of the offer ("Circular") or, in the event that IP determines to conduct the acquisition pursuant to a takeover offer, be made pursuant to the terms of a takeover offer document to be despatched by IP to Smurfit Kappa shareholders in due course setting out the terms and conditions of the offer, including details of how to accept the offer ("Takeover Offer Document"); and (ii) if an offer is made, IP may, to the extent required, publish a prospectus for the purposes of EU Directive 2003/71/EC (together with any applicable implementing measures in any Member State, the "Prospectus Directive") in relation to shares which will be issued by it in connection with the offer ("Prospectus"). Any decision in respect of, or in response to, the Possible Offer or any subsequent offer should be made only on the basis of the information in a Circular (or Takeover Offer Document, if appropriate) and Prospectus issued for the purpose of such offer. Investors are advised to read any such Circular (or Takeover Offer Document, if appropriate) and Prospectus carefully.

This presentation is not intended to and does not constitute a prospectus for the purposes of the Prospectus Directive. Accordingly, investors should not subscribe for, or purchase, any securities referred to in this presentation except on the basis of the information to be contained in the Prospectus, which, if published, will be prepared in accordance with the Prospectus Directive. Copies of the Prospectus, if published, will be available from IP's website at (http://investor.internationalpaper.com/investor-relations/Smurfit-Kappa-Proposal/).

Restrictions on certain information under the Irish Takeover Rules

Smurfit Kappa is a company subject to the jurisdiction of the Irish Takeover Panel Act, 1997, Takeover Rules 2013 ("Irish Takeover Rules"). Under the Irish Takeover Rules, IP management is prohibited from discussing any material information or significant new opinions which have not been publicly announced. Any person interested in securities of Smurfit Kappa or IP is encouraged to consult their professional advisers.

Statements required by the Irish Takeover Rules

The directors of IP accept responsibility for the information contained in this presentation, save that the only responsibility accepted by the Directors of IP in respect of the information in this presentation relating to Smurfit Kappa, the Smurfit Kappa group, the Smurfit Kappa board and persons connected with them, which has been compiled from published sources, has been to ensure that such information has been correctly and fairly reproduced or presented (and no steps have been taken by the Directors of IP to verify such information). To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in this presentation for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Disclosure requirements of the Irish Takeover Rules

Under the provisions of Rule 8.3 of the Irish Takeover Rules, if any person is, or becomes, "interested" (directly or indirectly) in, 1% or more of any class of "relevant securities" of Smurfit Kappa or IP, all "dealings" in any "relevant securities" of Smurfit Kappa or IP (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30pm (Irish/UK time) in respect of "relevant securities" of Smurfit Kappa and 3.30pm (New York time) in respect of "relevant securities" of IP on the "business" day following the date of the relevant transaction. This requirement will continue until the "offer period" ends. If two or more persons co-operate on the basis of any agreement, either express or tacit, either oral or written, to acquire an "interest" in "relevant securities" of Smurfit Kappa or IP, they will be deemed to be a single person for the purposes of Rule 8.3 of the Irish Takeover Rules.

Under the provisions of Rule 8.1 of the Irish Takeover Rules, all "dealings" in "relevant securities" of Smurfit Kappa by IP or "relevant securities" of IP by Smurfit Kappa, or by any party "acting in concert" with either of them, must also be disclosed by no later than 12 noon (Irish/UK time) in respect of "relevant securities" of Smurfit Kappa and 12 noon (New York time) in respect of "relevant securities" of IP on the "business" day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, can be found on the Irish Takeover Panel's website at www.irishtakeoverpanel.ie.

"Interests in securities" arise, in summary, when a person has a long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue off any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Irish Takeover Rules, which can also be found on the Irish Takeover Panel's website. If you are in any doubt as to whether or not you are required to disclose dealings under Rule 8, please consult with the Irish Takeover Panel's website at www.irishtakeoverpanel.ie or contact the Irish Takeover Panel by telephone on +353 1 678 9020.

No profit forecast / asset valuations

No statement in this presentation is intended to constitute a profit forecast for any period nor should any statements be interpreted to mean that profits and/or or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for IP or Smurfit Kappa as appropriate. No statement in this presentation constitutes an asset valuation.

The statements that the Revised Proposal meets IP's objectives for the combined company of earnings per share accretion in the first full year, free cash flow enhancement in the first full year and return on invested capital exceeding IP's weighted average cost of capital by the third year are not, nor should they be construed as, profit forecasts for the purposes of the Irish Takeover Rules and should not be interpreted to mean that profits and/or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods. The statements are not, nor should they be construed as, estimates of the anticipated financial effects of the Revised Proposal, if completed, and accordingly have not been reported on for the purposes of Rule 19.3(b)(ii) of the Irish Takeover Rules. No quantification of the level of accretion, free cash flow enhancement, return on invested capital or weighted average cost of capital has been provided by IP, nor has any base figure against which such accretion, free cash flow enhancement, return on invested capital or weighted average cost of capital may be determined been provided.

Forward-looking statements

Certain statements in this presentation may be considered forward-looking statements. Words such as "expects", "anticipates", "estimates" and similar expressions identify forward-looking statements. The forward-looking statements include, but are not limited to, information regarding the ability of IP to complete the transaction, the estimated and anticipated impact of the transaction on IP's future results of operations (including earnings per share, free cash flow), return on investment, cost of capital, estimated synergies, credit ratings, costs, opportunity for growth, nature of the combined company, leverage ratios, and dividends. 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 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 faced, cyclicality and changes in consumer preferences, demand and pricing for IP 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 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 IP experiences a material disruption at one of its manufacturing facilities; (vi) risks inherent in conducting business through joint ventures; (vii) ability to achieve the benefits expected from strategic acquisitions, divestitures and restructurings; (viii) the outcome of consultations with employees required by applicable law; and (ix) other factors that can be found in IP's press releases and U.S. Securities and Exchange Commission (the "SEC") filings. 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 IP's SEC filings. IP undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Merger benefit statement

There are various material assumptions underlying the statement that IP expects that the acquisition of Smurfit Kappa will result in total run-rate pre-tax operating synergies of at least $450 million by the end of the fourth year following completion (the "Merger Benefits Statement"), which may result in the value of the Merger Benefits Statement being materially greater or less than estimated. The Merger Benefits Statement should therefore be read in conjunction with the key assumptions underlying the statement which are set out in Part A of Appendix I to IP's announcement pursuant to Rule 2.4 of the Irish Takeover Rules on 26 March 2018 (the "Revised Proposal Announcement").

The Merger Benefits Statement is not, and should not be construed as, a profit forecast or interpreted to mean that the combined profits and/or earnings per share of IP and Smurfit Kappa in in the first full year following the transaction, or in any subsequent period would necessarily match or be greater than or less than those of IP and/or Smurfit Kappa for the relevant preceding financial period or any other period.

The Merger Benefits Statement has been reported on for the purposes of Rule 19.3(b)(ii) of the Irish Takeover Rules by Deloitte LLP, IP's reporting accountants, and by Deutsche Bank AG, London Branch, IP's financial adviser. Copies of their respective reports are included in Part B and Part C of Appendix I of the Revised Proposal Announcement.

Publication on website

Pursuant to Rule 19.9 of the Irish Takeover Rules, this presentation will be made available (including to IP's employees) on IP's website (http://investor.internationalpaper.com/investor-relations/Smurfit-Kappa-Proposal).

Neither the contents of IP's website, nor the contents of any other website accessible from hyperlinks on such websites, is incorporated herein or forms part of this presentation.

Statements Relating to Non-GAAP 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.

Employee consultation

No potential options, proposals, analysis and costings in this presentation are, or should be deemed to be, an indication that any decision has been made to implement any course of action that could affect employees. No final decisions will be made until legally required employee consultation has concluded.

Important Additional Information

In connection with a potential acquisition by IP of Smurfit Kappa that is carried out by way of a scheme of arrangement ("Scheme"), the new IP shares to be issued to Smurfit Kappa shareholders under the terms of the Scheme have not been, and will not be, registered under the U.S. Securities Act of 1933 or under the securities laws of any state, district or other jurisdiction of the United States. It is expected that the new IP shares would be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act of 1933 provided by Section 3(a)(10) thereof. Nothing in this presentation should be construed as meaning that the potential acquisition will be carried out by a scheme of arrangement, or at all.

In the event that a Scheme does not qualify (or IP otherwise elects pursuant to its right to proceed with the transaction in a manner that does not qualify) for an exemption from the registration requirements of the U.S. Securities Act of 1933, IP would expect to register the offer and sale of the securities it would issue to Smurfit Kappa's shareholders by filing with the SEC a registration statement on Form S-4 (the "Registration Statement"), which would contain the Prospectus, as well as other relevant materials (the "Tender Offer Documents"). No such materials have yet been filed. This communication is not a substitute for any Registration Statement or Prospectus that IP may file with the SEC.

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE TENDER OFFER DOCUMENTS AND ALL OTHER RELEVANT DOCUMENTS THAT IP OR SMURFIT KAPPA HAS FILED OR MAY FILE WITH THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION THAT INVESTORS AND SECURITY HOLDERS SHOULD CONSIDER BEFORE MAKING ANY DECISION REGARDING THE PROPOSED ACQUISITION.

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Revised Proposal to Acquire Smurfit Kappa

Building a Premier Global Packaging Business

- **Combines two highly complementary businesses with compelling strategic and financial rationale**
- **Identified run-rate, pre-tax operating synergies of at least $450 million** by the end of the fourth year (see "Merger Benefits Statement") with the potential for additional revenue synergies[1]
  - International Paper (IP) has a proven track record for successfully integrating acquisitions
- **Revised Proposal of €25.25 in cash and 0.3028 new IP shares of common stock** for each Smurfit Kappa ordinary share
  - Values Smurfit Kappa at a material premium to both its undisturbed and all time high share prices
- Reinforces IP's commitment to remain disciplined and adhere to its stated financial objectives
- Announcement follows a series of attempts to engage with Smurfit Kappa

[1] Source: As stated in IP's announcement of the Revised Proposal on 26 March 2018 (the "Revised Proposal Announcement"). The Merger Benefits Statement is not, and should not be construed as, a profit forecast or interpreted to mean that the combined profits and/or earnings per share of IP and Smurfit Kappa in the first full year following the transaction, or in any subsequent period, would necessarily match or be greater than or less than those of IP and/or Smurfit Kappa for the relevant preceding financial period or any other period. The Merger Benefits Statement has been reported on under Rule 19.3(b)(ii) of the Irish Takeover Rules by Deloitte LLP, IP's reporting accountants, and by Deutsche Bank AG, London Branch, IP's financial adviser. Copies of their respective reports are included in Part B and Part C of Appendix I to the Revised Proposal Announcement. The statements relating to revenue synergies do not form part of the Merger Benefits Statement and have not been reported on for the purposes of Rule 19.3(b)(ii) of the Irish Takeover Rules.

Aim Remains to Work Constructively Toward a Recommended Transaction

A series of attempts to engage with Smurfit Kappa have been denied

14 February	▪ Initial approach to Smurfit Kappa CEO
20 February	▪ Smurfit Kappa refuses to engage stating it's not in the interest of its Shareholders
23 February	▪ Meeting with Smurfit Kappa Chairman and CEO to deliver the Proposal
5 March	▪ Private rejection of the Proposal by Smurfit Kappa
6 March	▪ Smurfit Kappa announces rejection (overnight US time, 07:00 UK/Irish time) ▪ IP responds with confirmation of rejection and details of the Proposal
12 March	▪ IP seeks further engagement with Smurfit Kappa
22 March	▪ Revised Proposal submitted to Smurfit Kappa Chairman
26 March	▪ Revised Proposal rejected by Smurfit Kappa ▪ IP announces terms of Revised Proposal

Building a Premier Global Packaging Business

Combination is highly complementary and offers compelling strategic and financial rationale

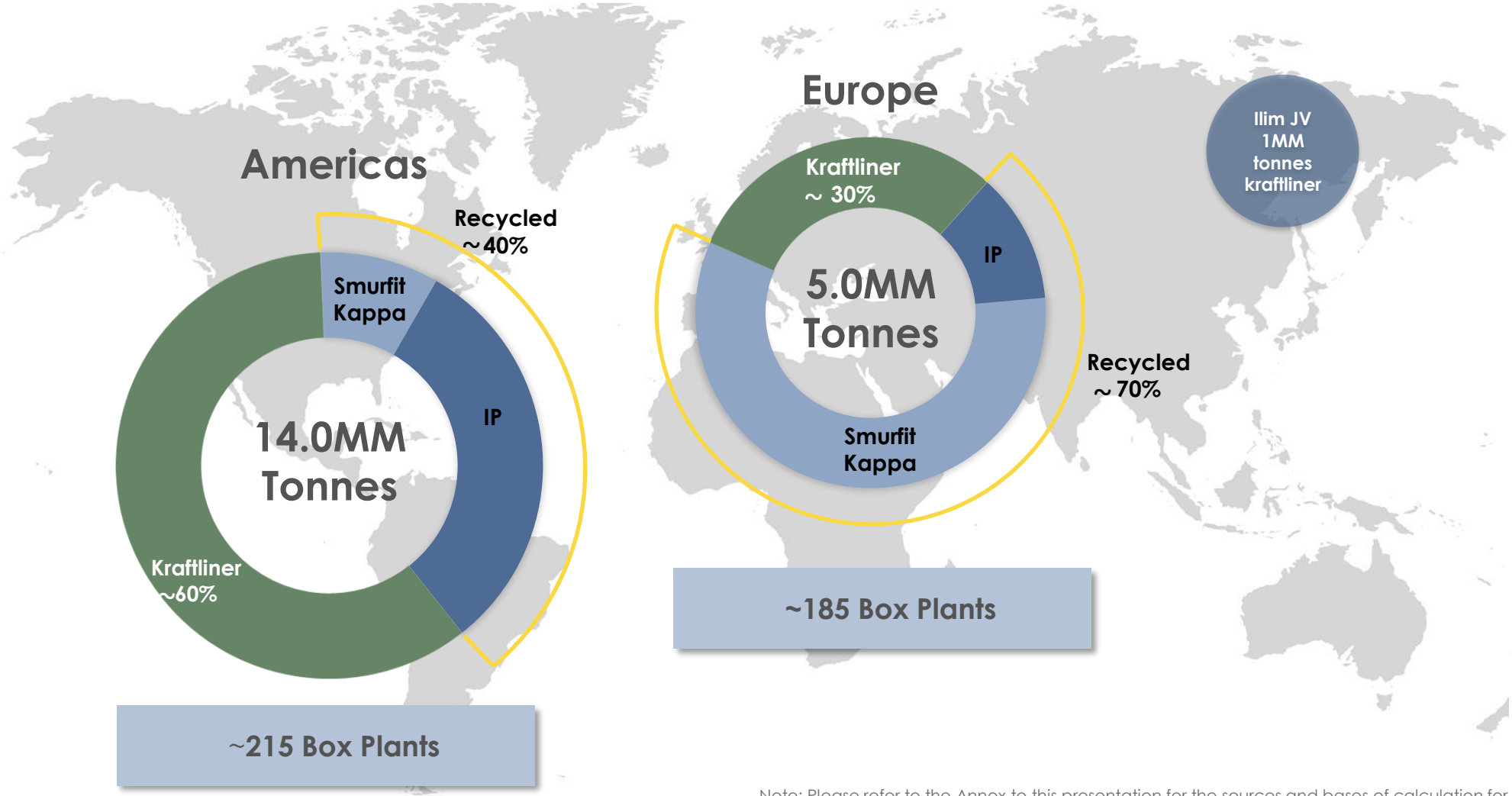
- Global platform well positioned to capture growth in expanding containerboard and corrugated packaging markets
- Improves access to attractive markets in the most profitable geographies
- Creates a global leader with advantaged assets and access to low cost virgin and recovered fiber
- Delivers enhanced supply chain solutions to benefit both local, regional and global customers



- Complementary fit facilitates improved vertical integration
- Brings together two highly-capable teams with shared core values
- Accelerates capture of secular growth trends driven by e-commerce, consumer fresh food consumption and corrugated packaging as a sustainable solution
- Leverages two world class package design innovators with the commercial expertise to deliver superior customer solutions

Creating a Global Containerboard Leader

Combined system capacity of 19MM tonnes of kraftliner and recycled containerboard



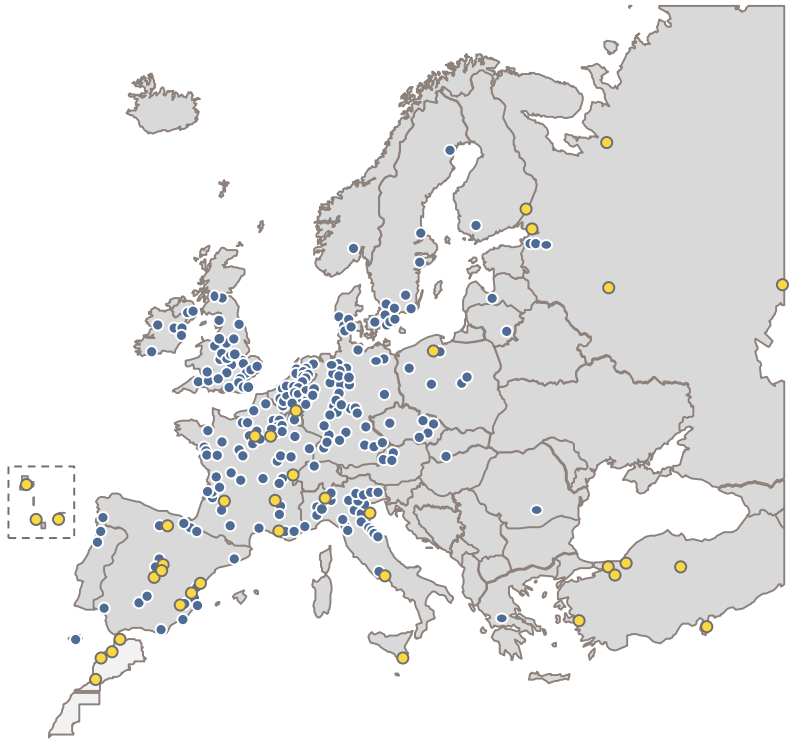
Note: Please refer to the Annex to this presentation for the sources and bases of calculation for figures presented

Highly Complementary Facility Footprint

Well-positioned, competitive assets across Europe and the Americas

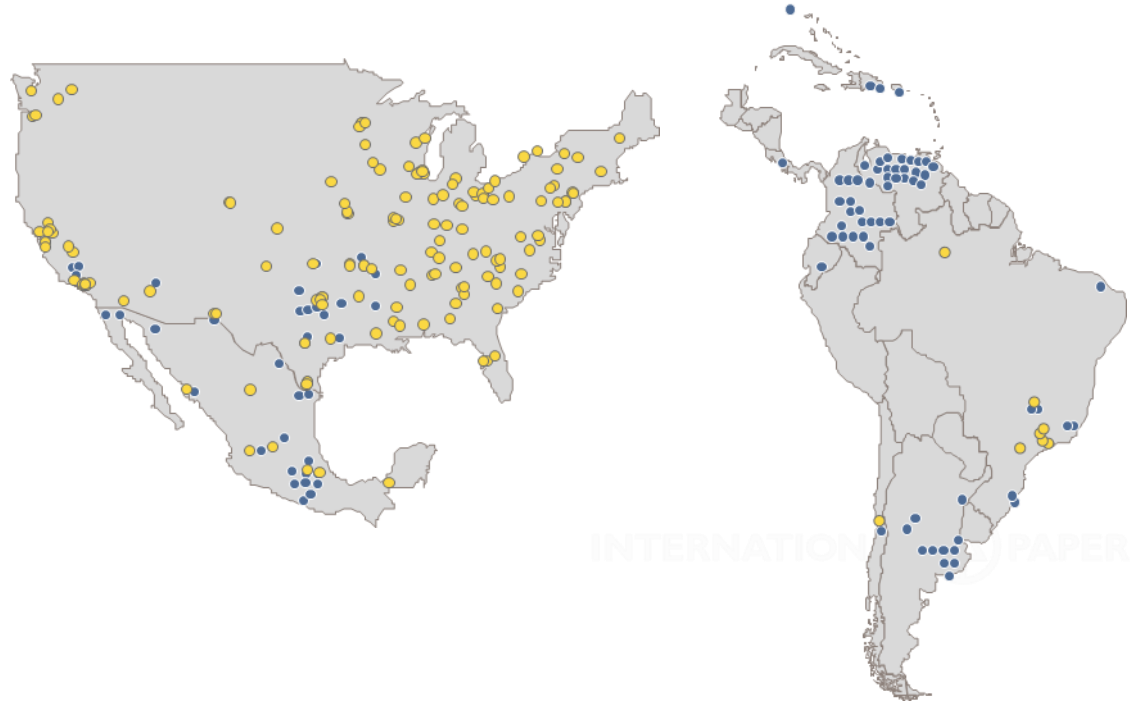
Europe

	IP	SKG
Packaging Mills	2	19
Box Plants	26	158



Americas

North America	IP	SKG
Packaging Mills	18	4
Box Plants	163	25
Latin America	IP	SKG
Packaging Mills	3	10
Box Plants	5	23



Note: Please refer to the Annex to this presentation for the sources and bases of calculation for figures presented

Significant Value Potential from Synergy Realization

Identified at least $450 million in run-rate, pre-tax operating synergies by end of fourth year[1]

SG&A / Other	~20%
Sourcing & Supply Chain	~50%
Operations Execution	~30%

Potential for further revenue synergies[2]

Commercial Excellence

Note: Estimated one-off costs of approximately $570 million over the next four years in relation to realization of cost synergies

[1] Source: As stated in the Revised Proposal Announcement. The Merger Benefits Statement is not, and should not be construed as, a profit forecast or interpreted to mean that the combined profits and/or earnings per share of IP and Smurfit Kappa in the first full year following the transaction, or in any subsequent period, would necessarily match or be greater than or less than those of IP and/or Smurfit Kappa for the relevant preceding financial period or any other period. The Merger Benefits Statement has been reported on under Rule 19.3(b)(ii) of the Irish Takeover Rules by Deloitte LLP, IP's reporting accountants, and by Deutsche Bank AG, London Branch, IP's financial adviser. Copies of their respective reports are included in Part B and Part C of Appendix I to the Revised Proposal Announcement.

[2] The statements relating to revenue synergies do not form part of the Merger Benefits Statement and have not been reported on for the purposes of Rule 19.3(b)(ii) of the Irish Takeover Rules.

Key Highlights of the Revised Proposal

Revised Proposal is at a material premium to SKG all-time high

Terms	• €25.25 cash per each Smurfit Kappa ordinary share • 0.3028 new IP shares of common stock for each Smurfit Kappa ordinary share
Headline Value	• €39.71 per Smurfit Kappa share (as at 5 March 2018)[1] • €37.54 per Smurfit Kappa share (as at 23 March 2018)[2] • €9.5 billion Equity Value (as at 5 March 2018)[3]
Material Premium	• 38.7 percent to Smurfit Kappa's undisturbed share price (based on IP's closing share price on 5 March 2018)[4] • 31.2 percent to Smurfit Kappa's undisturbed share price (based on IP's closing share price on 23 March 2018)[5] • 41.8 percent to Smurfit Kappa's pre-approach share price (based on IP's closing share price on 5 March 2018)[6] • 33.4 percent to Smurfit Kappa's all-time high share price (based on IP's closing share price on 5 March 2018)[7]

[1] Based on International Paper's closing price of $58.94 as of 5 March 2018 and EUR/USD FX of 1.2343, the last business day prior to Smurfit Kappa's announcement of the Proposal on 6 March 2018
[2] Based on International Paper's closing price of $50.15 as of 23 March 2018 and EUR/USD FX of 1.2356, the last business day prior to the Revised Proposal Announcement
[3] Based on 237,177,809 Smurfit Kappa ordinary shares in issue as disclosed pursuant to Rule 2.10 in the Smurfit Kappa announcement dated 6 March 2018. Impact of dilutive securities amounting to 1,840,571 Smurfit Kappa shares, constituting: (i) 525,260 convertible shares (which may be converted into ordinary shares in Smurfit Kappa) in issue in Smurfit Kappa and (ii) a maximum number of 1,315,311 ordinary shares issuable, in certain circumstances, pursuant to the vesting of share awards under the Smurfit Kappa Group 2011 Deferred Annual Bonus Plan (as disclosed pursuant to Rule 2.10 in the Smurfit Kappa announcement dated 6 March 2018). Based on headline value per Smurfit Kappa share as calculated in footnote 1
[4] Based on Smurfit Kappa's closing share price of €28.62 on 5 March 2018 (being the last business day prior to Smurfit Kappa's announcement of the Proposal on 6 March 2018) and the headline value of the Revised Offer as calculated in footnote 1
[5] Based on Smurfit Kappa's closing share price of €28.62 on 5 March 2018 (being the last business day prior to Smurfit Kappa's announcement of the Proposal on 6 March 2018) and the headline value of the Revised Offer as calculated in footnote 2
[6] Based on Smurfit Kappa's share price of €28.00 on 13 February 2018 (being the last business day prior to IP's initial approach to Smurfit Kappa) and the headline value of the Revised Offer as calculated in footnote 1
[7] Based on Smurfit Kappa's all-time high share price (prior to the announcement of the Proposal on 6 March) of €29.76 on 20 February 2018 and the headline value of the Revised Offer as calculated in footnote 1

Firm Commitment to Financial Objectives and Value Creation

Proposal aligns with International Paper's disciplined approach to capital allocation

- ✓ EPS accretive in the first full year
- ✓ Free Cash Flow enhancement in the first full year
- ✓ ROIC > WACC by the third year
- ✓ Continued alignment with current Dividend Policy
- ✓ Continued commitment to strong Balance Sheet
  - Strong FCF generation enables rapid deleveraging post completion
  - Investment grade credit rating

[1] The statements that the Revised Proposal meets IP's objectives for the combined company of earnings per share accretion in the first full year, free cash flow enhancement in the first full year and return on invested capital exceeding IP's weighted average cost of capital by the third year are not, nor should they be construed as, profit forecasts for the purposes of the Irish Takeover Rules and should not be interpreted to mean that profits and/or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods. The statements are not, nor should they be construed as, estimates of the anticipated financial effects of the Revised Proposal, if completed, and accordingly have not been reported on for the purposes of Rule 19.3(b)(ii) of the Irish Takeover Rules. No quantification of the level of accretion, free cash flow enhancement, return on invested capital or weighted average cost of capital has been provided by IP, nor has any base figure against which such accretion, free cash flow enhancement, return on invested capital or weighted average cost of capital may be determined been provided.

Full Alignment with International Paper's Framework for Value Creation

Disciplined approach to acquisitions with clearly defined strategic and financial objectives

Fiber-based Packaging, Pulp and Paper

Advantaged Positions

- Low cost, competitive assets
- Operational excellence
- Availability and access to low cost, sustainable fiber
- Capability to provide both differentiated and innovative value propositions
- Opportunity for optimization and productivity gains

Attractive Markets

- Good market growth rates
- Customers and markets that value our products and innovations
- Strong growing supply positions
- Access to the best global customers and segments

Shareholder Value

- Delivers strong and sustainable free cash flows
- Increases intrinsic value with return spreads above our cost of capital (ROIC > WACC)
- Supports policies to return capital to shareholders
- Strong balance sheet

Renewable Natural Resources

Thank you for participating in our webcast. The full presentation, including the appendix slides, as well as the Merger Benefits Statement, referenced in today's presentation are available now and can be found at

http://investor.internationalpaper.com/investor-relations/Smurfit-Kappa-Proposal

Please direct any questions using the contact information provided on the next slide.



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