

News Release

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International Paper Completes Acquisition of Holmen's Madrid Paper Mill Mill Conversion to Produce Recycled Containerboard Scheduled for 2017

Brussels, Belgium /Madrid, Spain – June 30, 2016 –International Paper announced today that it has completed the previously announced acquisition of Holmen's Madrid, Spain paper mill as well as associated recycling operations (CARPA) and a 50-percent ownership interest in a cogeneration joint venture, following regulatory approvals.

“This significant investment is a clear sign of our commitment to our corrugated packaging customers in the EMEA region”, said John Sims, President of International Paper Europe, Middle East & Africa (EMEA). “It is a unique opportunity to convert one of the best newsprint machines in Europe to making high-performance recycled containerboard and enable us to further enhance our value proposition and offer our customers even more choices in terms of innovative, tailored and high performing packaging solutions.”

International Paper plans to convert the newsprint machine to produce recycled containerboard during the second half of 2017. Once completed, the converted mill will support the Company's corrugated packaging business in the EMEA region.

Until that time, the Madrid mill will continue to produce newsprint, commercialized by Holmen Paper, under a manufacturing agreement between the parties.

Certain statements in this press release may be considered forward-looking statements. These statements reflect Company 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) industry conditions; (ii) global economic conditions and political changes; and (iii) other factors that can be found in the Company's press releases and Securities and Exchange Commission filings. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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About International Paper

International Paper (NYSE: IP) is a global leader in packaging and paper with manufacturing operations in North America, Europe, Latin America, Russia, Asia and North Africa. Its businesses include industrial and consumer packaging along with uncoated papers and pulp. Headquartered in Memphis, Tenn., the company employs approximately 55,000 people and is strategically located in more than 24 countries serving customers worldwide. International Paper net sales for 2015 were \$22 billion. For more information about International Paper, its products and global citizenship efforts, visit internationalpaper.com.

In Europe, Middle East, Africa & Russia (EMEA), International Paper focuses on the production and marketing of office papers and paper-based packaging. The company is a leading supplier of high-quality cutsize papers, coated and uncoated paperboard and corrugated containers for a wide range of applications. International Paper in EMEA had net sales of approximately \$2.6 billion in 2015 and employs approximately 9,000 people.

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