

News Release

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International Paper agrees to sell its corrugated packaging businesses in the United Kingdom and Ireland to SAICA

BRUSSELS, Belgium – Nov. 27, 2006 – International Paper today announced that it has agreed to sell its corrugated packaging businesses in the United Kingdom (Thrapston and Winsford plants) and Ireland (Ashbourne plant) to SAICA, one of the leading operators in the European packaging market, headquartered in Zaragoza, Spain. Completion of the transaction is expected within the next 30 to 60 days, subject to signing a fully negotiated purchase agreement that will be subject to normal closing conditions, as well as to approval by both companies' board of directors.

“We are committed to growing our corrugated business in Europe,” said Paul Brown, vice president of International Paper’s European container business. “However, we have to make choices as to where to focus our efforts.”

SAICA operates five production centres and seven paper machines in France and Spain, as well as 33 box plants in Spain, Portugal, Italy and France. “We are very pleased that we have signed a letter of intent to sell our corrugated businesses in the UK and Ireland to SAICA,” Brown said. “Our converting plants in Ashbourne, Thrapston and Winsford are good businesses with sound customer bases. We believe the new ownership will provide an opportunity for these plants to become part of a company that is strategically focused on growing its business in the geographic area and the market segments they serve.”

Headquartered in the United States, International Paper has been a leader in the forest products industry for more than 100 years. The company is currently transforming its operations to focus on its global uncoated papers and packaging businesses, which operate and serve customers in the U.S., Europe, South America and Asia. These businesses are complemented by an extensive North American merchant distribution system. International Paper is committed to environmental, economic and social sustainability, and has a long-standing policy of using no wood from endangered forests. To learn more, visit www.internationalpaper.com.

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This release contains 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. The primary factor that could cause actual results to differ is the possible failure or delay of the company or SAICA to reach agreement on the terms of a purchase agreement or satisfy any conditions to closing to be contained in the purchase agreement. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. 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.