

Press Release

International Paper Inaugurates 100 Crore World Class Cut Size Sheeter in India

~ New A4 sheeting line at Rajahmundry mill increases A4 sheeting capacity by 90,000 MT/yr~

Hyderabad, India, September 2nd, 2013 - The Andhra Pradesh Paper Mills Ltd. (an International Paper Group Company in India), today announced the inauguration of a new Bielomatik A4 sheeter at its Rajahmundry unit. The new equipment will enable the mill to increase the conversion capacity of branded copier paper.

The state-of-the-art sheeting line installed at the new facility is designed to convert paper reels into A4, A3 and FS (Fullscape) size products. The automated process installed in the facility has advanced ream wrapping, carton packing and palletizing capabilities. The conversion capacity of the new facility is 265 MT/day. The extended facility was built in 13 months with an investment of over INR 100 crore.

William Michael Amick, Jr., President, IP India and Chairman, APPM said, *“The new investment in the Rajahmundry Mill reiterates International Paper’s commitment to India. The branded copier paper market has good growth potential in India. The advanced sheeter and IP’s global leadership in the copier market will allow us to serve this market with world class products. We continue to be optimistic about the business potential which India offers.”*

International Paper which has a number of A4 sheeting lines installed in various countries including the US and Brazil, has for the first time installed this world class technology in India. The Bielomatik A4 line is one of the best sheeting lines in the world and the Rajahmundry facility will now have automation of this level.

About The Andhra Pradesh Paper Mills Limited

The Andhra Pradesh Paper Mills Limited (Andhra Paper), a group company of International Paper in India, is a leading manufacturer of pulp and paper products and caters to both domestic and foreign markets. Andhra Paper produces writing, printing and copier papers at its two manufacturing units in Andhra Pradesh, India which have a total paper production capacity of 240,000 metric tons per year. The company is becoming a driving force in sustainability in the paper manufacturing arena in the world economy with sales of approximately US \$228 million as on 31.3.2013, focused social and community programs including its own pioneering work in raw material generation through social farm forestry and a very strong strategic growth focus. International Paper owns a majority interest in Andhra Paper and the remaining shares are publicly traded on the Bombay Stock Exchange and National Stock Exchange in India. For more information on Andhra Paper, please visit andhraper.com

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 and uncoated papers, complemented by xpedx, the company's North American distribution company. Headquartered in Memphis, Tenn., the company employs approximately 70,000 people and is strategically located in more than 24 countries serving customers worldwide. International Paper net sales for 2012 were \$28 billion. For more information about International Paper, its products and stewardship efforts, visit internationalpaper.com.

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