

# International Paper Finalizes Purchase of Weyerhaeuser's Pulp Business

12/01/2016

***Newly Combined Business to be Called Global Cellulose Fibers  
-- Deal Strengthens IP's Position in Global Fluff Pulp Market  
-- Offers Significant Synergies, Superior R&D Capabilities and Valuable Patent Portfolio***

MEMPHIS, Tenn., Dec. 1, 2016 /PRNewswire/ -- International Paper (NYSE: IP) today announced that it has completed its acquisition of Weyerhaeuser's pulp business for approximately \$2.2 billion in cash, subject to post-closing adjustments. Because the transaction is a purchase of assets, International Paper expects to realize a tax benefit with an estimated net present value of approximately \$300 million. International Paper expects annual synergies of approximately \$175 million by the end of 2018, which will require the need for one-time costs of approximately \$85 million.



"This transaction positions International Paper as the premier global supplier of fluff pulp and enhances our ability to generate additional cash flow," said International Paper Chairman and CEO Mark Sutton. "I want to personally welcome the talented employees of Weyerhaeuser to the International Paper family as we look forward to serving our customers around the world."

In this transaction, International Paper acquired five pulp mills and two converting facilities that produce fluff pulp, softwood pulp, and specialty pulp products for a number of consumer applications including diapers, other hygiene products, tissue, and textiles. The acquired business has approximately 1,900 employees around the world, with manufacturing operations based in Canada, Poland and the U.S. (located in Mississippi, Georgia and North Carolina).

The combined businesses will be called Global Cellulose Fibers, led by senior vice president Jean-Michel Ribieras, and reported as a separate business segment beginning with the Company's release of earnings for the fourth quarter of 2016. Certain statements in this press release 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 failure to realize the expected synergies, cost-savings and other benefits from the acquisition of Weyerhaeuser's pulp business or delay in realization thereof in light of integration difficulties or other challenges; (ii) the level of our indebtedness and changes in interest rates; (iii) industry conditions, including but not limited to changes in the cost or availability of raw materials, energy and

transportation costs, competition we face, cyclicalities and changes in consumer preferences, demand and pricing for our products; (iv) 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; (v) unanticipated expenditures related to the cost of compliance with existing and new environmental and other governmental regulations and to actual or potential litigation; and (vi) whether we experience a material disruption at one of our manufacturing facilities. 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.

### **About International Paper**

International Paper (NYSE: IP) is a leading global producer of renewable fiber-based packaging, pulp and paper products with manufacturing operations in North America, Latin America, Europe, North Africa, Asia and Russia. We produce packaging products that enable world-wide commerce; pulp for diapers, tissue and other personal hygiene products; papers that drive communication; paper bags that carry groceries; and paper cups and food containers. We are headquartered in Memphis, Tenn., and employ roughly 55,000 colleagues located in more than 24 countries. Net sales for 2015 were \$22 billion. For more information about International Paper, our products and global citizenship efforts, please visit [internationalpaper.com](http://internationalpaper.com).

Logo - <http://photos.prnewswire.com/prnh/20020701/IPLOGO>

To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/international-paper-finalizes-purchase-of-weyerhaeusers-pulp-business-300370642.html>

SOURCE International Paper

Media: Thomas J. Ryan, 901-419-4333; Investors: Jay Royalty, 901-419-1731 and Michele Vargas, 901-419-7287