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News Release

International Paper's xpedx Business to Acquire Central Lewmar, A Leading U.S. Paper & Packaging Distributor

MEMPHIS, Tenn., Aug. 13 /PRNewswire-FirstCall/ -- International Paper (NYSE: IP) today announced it has agreed to acquire Central Lewmar LLC, one of the largest privately held paper and packaging distributors in the United States, from Philadelphia-based private equity firm Chrysalis Capital Partners, Inc. for approximately \$185 million, subject to customary closing and post-closing conditions. The acquisition is expected to be complete within 30 days.

International Paper's distribution business, xpedx, will operate Central Lewmar as a business unit within its multiple brand strategy. xpedx is one of North America's largest business-to-business distributors.

"This combination is an exciting opportunity for International Paper, xpedx and our customers," said Tom Kadien, International Paper senior vice president and president of xpedx. "The acquisition of Central Lewmar will provide greater access to important customers and improved operating synergies, while meeting our selective reinvestment criteria. We believe the acquisition of a well-respected, customer-focused paper and packaging business like Central Lewmar will enhance the value of our expanding distribution business, and we are pleased that Central Lewmar's management team will remain in place."

"Central Lewmar has a strong reputation for customer service," said Les Stern, Central Lewmar president and chief executive officer. "By joining the xpedx network of 105 distribution centers and more than 140 retail stores in the U.S., Canada and Mexico, the combined business will be well positioned for future growth. As a unit of xpedx, Central Lewmar will continue to deliver outstanding customer service, top quality products, and distribution solutions to customers," he noted.

About Central Lewmar

Founded in 1899, Central Lewmar is one of the largest privately held paper and packaging distributors in the United States. Serving 6,500 customers, the company has annual sales of approximately \$900 million and 400,000 square feet of warehouse space. The company employs approximately 550 people at three hub centers, 22 offices, and 14 locations, including Strategic Paper Group, Whiteman Tower, Andrews Paper House of York, Buff-Pac, Central Lewmar International, Central Lewmar/MidAtlantic, Central Lewmar/Newark, Central Lewmar South, Automated Machine and Control, First State Paper, Geo. W. Millar, Marquardt & Company, McAliece Imaging Products, and eight PickQuick Papers stores. For more information, please visit www.centrallewmar.com.

About Chrysalis Capital Partners

Philadelphia-based Chrysalis Capital Partners, Inc. is a private equity firm focused on investments in a wide range of industries and circumstances throughout the United States. For more information, visit www.ccpfund.com.

About xpedx

xpedx is North America's largest marketer and distributor of printing papers and graphics supplies and equipment. It is also a major distributor of packaging supplies and equipment and janitorial-sanitary supplies and equipment. Customers include commercial printers, publishers, manufacturers, retailers, facility managers and companies across many industry segments served from more than 240 xpedx locations. 2006 revenues for xpedx exceeded \$6.7 billion.

xpedx also provides third-party logistics services for companies worldwide through xpedx Supply Chain Services, Tampa, Fla. Other xpedx owned-and-operated businesses include New York-based Bulkley Dunton; Lenexa, Kan.-based xpedx Printing Technologies; Loveland, Ohio-based Saalfeld Redistribution; Cleveland, Ohio-based xpedx National Technology Center, as well as a network of more than 140 retail paper and graphics stores across North America. xpedx has a large business-to-business e-commerce hub at xpedx.com. For more information, visit xpedx.com.

About International Paper

International Paper (NYSE:IP), founded in 1898, is a global uncoated paper and packaging company with primary markets and manufacturing operations in North America, Europe, Russia, Latin America, North Africa and Asia. Its uncoated papers and packaging businesses are complemented by xpedx, North America's largest distributor of printing papers and graphics supplies and equipment. Headquartered in the United States, International Paper employs approximately 54,000 people in more than 20 countries, and serves customers worldwide. Annual sales are about \$22 billion. International Paper partners with customers and environmental, academic,

civic and governmental organizations, as well as landowners and harvesting professionals, to encourage responsible forest stewardship, improve the health and productivity of forestlands and increase recovery of our recyclable products. The company has a long-standing policy of using no wood from endangered forests. To learn more about International Paper, its products and commitment to economic, social and environmental sustainability, visit www.internationalpaper.com.

This press release may contain 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 relate to: (i) the ability of the parties to successfully consummate the transactions contemplated by the sale agreement without a significant purchase price adjustment; (ii) the successful fulfillment (or waiver) of all conditions set forth in the sale agreement; and (iii) the successful closing of the transaction within the estimated timeframe. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. 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.

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