

INTERNATIONAL PAPER CO /NEW/  
Form 424B5  
November 30, 2009  
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The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

**Subject to Completion**

**Preliminary Prospectus Supplement dated November 30, 2009**

**Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-157573**

**PROSPECTUS SUPPLEMENT**

**(TO PROSPECTUS DATED FEBRUARY 27, 2009)**

\$

**International Paper Company**

**% Notes due**

The notes will bear interest at the rate of % per year. Interest on the notes will be payable on and of each year, beginning , 2010. Interest on the notes will be subject to adjustment upon the occurrence of the events discussed under the caption Description of the Notes Interest Rate Adjustment. The notes will mature on . We may redeem some or all of the notes at any time at the redemption prices discussed under the caption Description of the Notes Optional Redemption. If we experience a Change of Control Triggering Event, we will be required to offer to repurchase the notes from holders at 101% of the principal amount thereof. See Description of the Notes Change of Control Triggering Event.

The notes will be our unsecured senior obligations and will rank equally with all of our other unsecured senior indebtedness from time to time outstanding.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.**

**Investing in the notes involves risks. See Risk Factors beginning on page S-7 of this prospectus supplement.**

	<b>Per Note</b>	<b>Total</b>
Public Offering Price	%	\$
Underwriting Discount	%	\$
Proceeds to International Paper (before expenses)	%	\$
Interest on the notes will accrue from _____, 2009.		

The notes will not be listed on any securities exchange. Currently, there is no public market for the notes.

The underwriters expect that the notes will be ready for delivery in book-entry form only through The Depository Trust Company, including Euroclear and Clearstream Luxembourg, as participants, on or about \_\_\_\_\_, 2009.

*Joint Book-Running Managers*

**BofA Merrill Lynch**

**Deutsche Bank Securities**

, 2009

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus with respect to this offering filed by us with the Securities and Exchange Commission, or the SEC. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and any free writing prospectus with respect to this offering filed by us with the SEC, as well as information we previously filed with the SEC and incorporated by reference, is accurate as of its respective date. Our business, financial condition, results of operations and prospects may have changed since that date.

We are offering to sell, and are seeking offers to buy, the notes only in jurisdictions where offers and sales are permitted. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. Persons outside the United States who come into possession of this prospectus supplement and the accompanying prospectus must inform themselves about and observe any restrictions relating to the offering of the notes and the distribution of this prospectus supplement and the accompanying prospectus outside the United States. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer to sell, or a solicitation of an offer to buy, any notes offered by this prospectus supplement and the accompanying prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation.

### **PRESENTATION OF INFORMATION**

These offering materials consist of two documents: (A) this prospectus supplement, which describes the terms of the notes that we are currently offering, and (B) the accompanying prospectus, which provides, among other things, general information about our debt securities, some of which may not apply to the notes that we are currently offering. The information contained in this prospectus supplement supersedes any inconsistent information included or incorporated by reference in the accompanying prospectus.

In various places in this prospectus supplement and the accompanying prospectus, we refer you to other sections of such documents for additional information by indicating the caption heading of such other sections. The page on which each principal caption included in this prospectus supplement and the accompanying prospectus can be found is listed in the table of contents above. All such cross references in this prospectus supplement are to captions contained in this prospectus supplement and not in the accompanying prospectus, unless otherwise stated.

As used in this prospectus supplement, the terms International Paper, the Company, we, us and our refer to International Paper Company and its subsidiaries, unless the context requires otherwise, such as in Summary The Offering and Description of the Notes.

### **FORWARD-LOOKING STATEMENTS**

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act, as amended. These include statements concerning our financial condition, results of operations and business. These statements are often identified by the words will, may, should, continue, anticipate, believe, expect, plan, appear, project, estimate, or similar import.

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These forward-looking statements reflect our current views with respect to future events and are subject to risks and uncertainties. A number of factors, including those discussed under Risk Factors, could cause our actual results to differ materially from those expressed or implied in these statements. Factors that could cause actual results to differ include, among other things, the following:

the amount of our debt obligations,

downgrades in credit ratings,

changes in the cost or availability of raw materials, energy and transportation,

economic cyclicalities and changes in consumer preferences in the industries in which we operate,

changes in the pricing and demand for our products,

the effects of competition in the United States and internationally,

continued adverse developments in general business and economic conditions,

the impairment of financial institutions with which we execute transactions,

pension and health care costs,

pension plan funding obligations that could be material over the next several years,

changes in international conditions,

unanticipated expenditures relating to the cost of compliance with environmental and other governmental regulations,

results of legal proceedings,

material disruptions at one of our manufacturing facilities,

risks related to operations conducted by joint ventures, and

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changes in tax laws.

In view of such uncertainties, investors are cautioned not to place undue reliance on these forward-looking statements. We note these factors for investors as permitted by the Private Securities Litigation Reform Act of 1995. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. Additional information concerning these and other factors is contained in our filings with the SEC, including, but not limited to, our (i) Annual Report on Form 10-K for the year ended December 31, 2008 as updated by our Current Report on Form 8-K filed on May 13, 2009 and (ii) Quarterly Report on Form 10-Q for the quarter ended September 30, 2009.

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**SUMMARY**

**International Paper Company**

We are a global paper and packaging company that is complemented by an extensive North American merchant distribution system, with primary markets and manufacturing operations in North America, Europe, Latin America, Russia, Asia and North Africa. We are a New York corporation, incorporated in 1941 as the successor to the New York corporation of the same name organized in 1898.

On August 4, 2008, we completed our purchase of the Containerboard, Packaging and Recycling business of Weyerhaeuser Company, which we refer to as the CBPR business. We refer to this transaction as the CBPR Acquisition.

In the United States at September 30, 2009 we operated 23 pulp, paper and packaging mills, 146 converting and packaging plants, 19 recycling plants and three bag facilities. On October 22, 2009, we announced plans to close our paper mill and associated operations in Franklin, Virginia, and our containerboard mills in Pineville, Louisiana and Albany, Oregon. Production facilities at September 30, 2009 in Europe, Asia, Latin America and South America included seven pulp, paper and packaging mills, 54 converting and packaging plants and two recycling plants. We distribute printing, packaging, graphic arts, maintenance and industrial products principally through 235 distribution branches in the United States and 38 distribution branches located in Canada, Mexico and Asia. At September 30, 2009, we owned or managed approximately 200,000 acres of forestlands in the United States, approximately 250,000 acres in Brazil and had, through licenses and forest management agreements, harvesting rights on government-owned forestlands in Russia. Substantially all of our businesses have experienced, and are likely to continue to experience, cycles relating to industry capacity and general economic conditions.

For management and financial reporting purposes, our businesses are separated into six segments: Industrial Packaging; Printing Papers; Consumer Packaging; Distribution; Forest Products; and Specialty Businesses and Other. The Company's 50% equity interest in Ilim Holding S.A. is also a separate reportable industry segment.

For the fiscal year ended December 31, 2008, our net sales were \$24.8 billion and the net loss attributable to us was \$1.3 billion, which includes goodwill impairment charges of \$1.8 billion. For the nine months ended September 30, 2009, our net sales were \$17.4 billion and the net earnings attributable to us were \$764 million, which includes \$944 million, after tax, related to alternative fuel mixture credits.

The address of our principal executive offices is 6400 Poplar Avenue, Memphis, Tennessee 38197 and our main telephone number is 901-419-7000.

**Table of Contents****The Offering**

*The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the notes, see Description of the Notes. As used in this Summary The Offering, the terms International Paper Company, we, our, us and other similar references refer only to International Paper Company and not to any of its subsidiaries.*

<b>Issuer</b>	International Paper Company.
<b>Notes Offered</b>	\$ _____ aggregate principal amount of _____ % Notes due _____ (referred to as the notes).
<b>Maturity Date</b>	The notes will mature on _____ .
<b>Interest Rate</b>	_____ % per year, subject to adjustment as described below.
<b>Interest Payment Dates</b>	_____ and _____ of each year, beginning _____, 2010.
<b>Ranking</b>	The notes will be our senior unsecured debt and will rank equally with all of our existing and future senior unsecured debt. The notes will be effectively subordinated to all of our existing and future secured debt to the extent of the assets securing that debt. The notes will be structurally subordinated to all indebtedness and other obligations of our subsidiaries.
<b>Optional Redemption</b>	We may redeem all or a portion of the notes, at our option, at any time or from time to time at a redemption price equal to the greater of (1) 100% of the aggregate principal amount of the notes being redeemed, plus accrued and unpaid interest to the redemption date, and (2) the sum of the present values of the remaining scheduled payments of principal and interest in respect of the notes being redeemed (exclusive of interest accrued to the redemption date) discounted to the redemption date, on a semi-annual basis, at the Treasury Rate (as defined in Description of the Notes Optional Redemption ) plus _____ basis points, plus accrued and unpaid interest on the principal amount of the notes being redeemed to the redemption date. See Description of the Notes Optional Redemption.
<b>Offer to Repurchase Upon a Change of Control Triggering Event</b>	Upon the occurrence of a Change of Control Triggering Event (as defined herein), we will be required to make an offer to purchase the notes at a price equal to 101% of their principal amount plus accrued and unpaid interest to the date of repurchase. See Description of the Notes Change of Control Triggering Event.
<b>Interest Rate Adjustment</b>	The interest rate payable on the notes will be subject to adjustment from time to time if either Standard and Poor's Ratings Services, or S&P, or Moody's Investors Service, Inc., or Moody's, downgrades (or subsequently upgrades) the debt rating assigned to the notes, as described under Description of the Notes Interest Rate Adjustment.





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**Sinking Fund**

None.

**Covenants**

The indenture that will govern the notes contains covenants that, among other things, will limit our ability and the ability of our subsidiaries to:

create certain liens;

enter into certain sale and leaseback transactions; and

consolidate, merge or transfer all or substantially all of our assets.

These covenants are subject to important exceptions and qualifications, which are described under [Description of the Notes](#) [Certain Covenants](#).

**Form of Note**

Global notes, held in the name of The Depository Trust Company.

**Use of Proceeds**

The net proceeds, after deducting underwriters' discounts and commissions and other estimated offering expenses payable by us, from the sale of the notes offered hereby will be approximately \$ \_\_\_\_\_ million. We intend to use the net proceeds from this offering to repay certain indebtedness and for general corporate purposes. See [Use of Proceeds](#).

**Governing Law**

State of New York.

**Table of Contents****Summary Financial Data**

Our summary financial information presented below as of and for the three years ended December 31, 2008 has been derived from our audited consolidated financial statements. The summary historical financial information as of and for the nine months ended September 30, 2009 and September 30, 2008 has been derived from our unaudited condensed consolidated financial statements and includes all adjustments (consisting of normal recurring items) which are, in our opinion, necessary for a fair presentation of our financial position as of such dates and results of operations for such periods. The results of operations for the nine months ended September 30, 2009 are not necessarily indicative of the results of our full fiscal year ending December 31, 2009. The summary financial information should be read in conjunction with our filings with the SEC.

All periods presented have been restated to reflect the Carter Holt Harvey Limited, Weldwood of Canada Limited, Kraft Papers, Brazilian Coated Papers, Beverage Packaging, and Wood Products businesses as discontinued operations.

	Nine Months Ended September 30,		Year Ended December 31,		
	2009	2008	2008	2007	2006
	(Dollar amounts in millions)				
	(Unaudited)				
<b>Statement of operations data:</b>					
Net sales	\$ 17,389	\$ 18,283	\$ 24,829	\$ 21,890	\$ 21,995
Costs and expenses:					
Cost of products sold	11,270(d)	13,720	18,742	16,060	16,248
Selling and administrative expenses	1,535	1,438	1,947	1,831	1,848
Depreciation, amortization and cost of timber harvested	1,088	965	1,347	1,086	1,158
Distribution expenses	857	962	1,286	1,034	1,075
Taxes other than payroll and income taxes	145	136	182	169	215
Other expenses (income)	361	(9)	1,986	(241)	(2,258)
Interest expense, net	506	306	492	297	521
Earnings (loss) from continuing operations before income taxes and equity earnings	1,627(d-e)	765(f)	(1,153)(h)	1,654(k)	3,188(n)
Income tax provision	790	274	162(i)	415(l)	1,889
Equity (loss) earnings, net of taxes(a)	(59)	51	49		
Earnings (loss) from continuing operations	778	542	(1,266)	1,239	1,299
Discontinued operations, net of taxes		(18)(g)	(13)(j)	(47)(m)	(232)(o)
Net earnings (loss)	778	524	(1,279)	1,192	1,067
Less: Net earnings attributable to noncontrolling interests	14	15	3	24	17
<b>Net earnings (loss) attributable to International Paper Company</b>	<b>\$ 764(d-e)</b>	<b>509(f-g)</b>	<b>\$ (1,282)(h-j)</b>	<b>\$ 1,168(k-m)</b>	<b>\$ 1,050(n-o)</b>
<b>Balance sheet data (at period end):</b>					
Working capital(b)	\$ 3,201	\$ 2,935	\$ 2,605	\$ 2,893	\$ 3,996
Plants, properties and equipment, net	13,699	14,755	14,202	10,141	8,993
Forestlands	749	712	594	770	259
Total assets	26,681	30,169	26,913	24,159	24,034
Long-term debt, including notes payable and current maturities	9,622	12,032	12,074	6,620	7,223
Common shareholders equity	5,645	8,765	4,169	8,672	7,963
<b>Other financial data:</b>					
Cash provided by operations continuing operations	\$ 3,570	\$ 1,956	\$ 2,669	\$ 1,948	\$ 1,010
Cash (used for) provided by investment activities continuing operations	(443)	(6,972)	(7,197)	(434)	1,107

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Cash (used for) provided by financing activities					
continuing operations	(2,678)	4,903	4,859	(2,252)	(2,325)
Capital expenditures	367	732	1,002	1,292	1,073
Ratio of earnings to fixed charges(c)	3.72	2.69		3.77	5.27

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- (a) On October 5, 2007, we purchased 50% of Ilim for approximately \$620 million. We account for our investment in Ilim using the equity method of accounting. Due to the complex organizational structure of Ilim's operations, and the extended time required to prepare consolidated financial information in accordance with accounting principles generally accepted in the United States, we report our share of Ilim's results of operations on a one-quarter lag basis.
- (b) Current assets minus current liabilities.
- (c) For purposes of computing the ratio of earnings to fixed charges, earnings include pre-tax earnings before extraordinary items and the cumulative effect of accounting changes, interest expense, the estimated interest factor in rent expense (which, we believe, approximates one-third of rent expense), preferred dividends of subsidiaries, adjustments for undistributed equity earnings and the amortization of capitalized interest. Fixed charges include interest incurred (including amounts capitalized), amortized premiums, discounts and capitalized expenses related to indebtedness, the estimated interest factor in rent expense and preferred dividends of subsidiaries. For the year ended December 31, 2008, our deficiency in earnings necessary to cover fixed charges was approximately \$1.1 billion.
- (d) Includes a pre-tax gain of \$1.5 billion (\$944 million after taxes) related to alternative fuel mixture credits.
- (e) Includes restructuring and other charges of \$313 million (\$215 million after taxes), including a pre-tax charge of \$127 million (\$78 million after taxes) for costs related to the early extinguishment of debt, a pre-tax charge of \$125 million (\$77 million after taxes) for severance and benefit costs associated with our 2008 overhead reduction program, a \$22 million charge, before and after taxes, for seve