



**FOR IMMEDIATE RELEASE**

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**XPEDX REPORTS \$1.2 BILLION IN 2006 E-COMMERCE SALES**

**Highlights:**

- **North American Industrial Distributor Recorded More than 5.5 Million Orders Electronically in 2006; Sales Up 35% Over Prior Year**
- **Company Sees More E-Commerce Growth in 2007 From Customers Across North America and Worldwide**

LOVELAND, Ohio, February 5, 2007—xpdx today announced it posted \$1.2 billion in e-commerce sales in 2006, up 35% over the prior year. The company said volume in the second half of the year was especially strong as a growing number of customers sought the advantages of electronic ordering and real-time purchasing management.

xpdx, one of North America's largest industrial distributors, said it will continue expanding its e-commerce platform throughout 2007, including powerful new catalog search and invoicing capabilities and new site features for businesses operating outside North America. xpdx e-commerce is conducted via xpdx.com as well as direct connections with customer computer systems.

“Customers are making our online platform an integral part of their business because it allows them to more closely manage their spending, it makes their supply chain more efficient, and it's convenient,” said xpdx President Tom Kadien. “xpdx will continue to place a high priority on investments in our e-commerce platform—it yields big dividends for our customers and our company.”

xpdx e-Business Director David Wallace said that xpdx customers placed 5.5 million orders electronically in 2006. He said xpdx e-commerce sales have grown 35% per year since 2003 and noted businesses with operations outside North America are among those using the company's e-commerce services. xpdx.com alone has more than 14,000 customers using its system.

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Wallace cited the ease of use of xpedx.com, its many functions and customer options as key reasons for the company's strong e-commerce growth. A team of e-Business specialists helps customers maximize the benefits of the site and a highly responsive support staff is available to answer any questions or respond to needs.

xpedx distributes printing papers, graphics, packaging and facility supplies and equipment and provides specialized services including business/operations consulting and third party logistics services for large companies worldwide. Customers across North America using xpedx e-Business services include commercial printers, in-plant printers, manufacturers, retailers, building service contractors, facility managers and the hospitality industry.

### **Customers cite xpedx.com advantages**

xpedx.com is one of the largest business-to-business e-commerce portals on the Internet and the largest providing paper, graphics, packaging and facility supplies, with more than 100,000 SKUs available. xpedx.com complements the extensive xpedx sales, customer service and technical teams and is part of the overall service offering to xpedx customers.

Customers say xpedx.com helps them reduce total procurement costs and employee time associated with ordering supplies and equipment. The site features customer-created lists of frequently ordered products, a personalized tools page and a robust product catalog.

xpedx.com also helps customers better manage supply chains and product inventory levels, key components in productivity and profitability. The site provides in-depth specifications, real-time pricing and inventory checks for all products. Order histories can be downloaded, making it easier for buyers to keep track of orders, buying patterns and to maximize inventory management.

xpedx has more than 10 million square feet of warehouses and distribution centers nationwide—105 locations coast to coast—with deep inventories. Everything xpedx stocks is available via the website and products not stocked by xpedx can be ordered online.

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A staff of experts assists customers in integrating xpedx.com and other relevant xpedx e-commerce solutions into their businesses. In addition, a dedicated help desk for xpedx.com and other e-Business needs is available from 8:00 a.m. to 8:00 p.m. EST by calling 877-269-1784.

### **About xpedx and its businesses**

xpedx, an International Paper company (NYSE: IP), 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 facility supplies and equipment. The company, which posted more than \$6.7 billion in 2006 revenues, has more than 7,000 employees in 250 locations in North America. Customers include commercial printers, publishers, manufacturers, retailers, facility managers and companies across many industry segments.

In addition to delivering the world's largest offering of printing papers from a single source, xpedx provides graphics professionals with advanced digital prepress equipment, hardware and graphics software, Ryobi presses and digital workflows, color management tools, finishing, bindery and packaging systems. xpedx also offers detailed operations analysis, advice and financing to help make a customer's printing operations more efficient and profitable. xpedx is one of the largest providers of post-consumer waste content and recycled printing papers in North America. It also offers the greatest variety of Sustainable Forestry Initiative (SFI) and Forest Stewardship Council (FSC) certified papers in the U.S. and is the only North American paper distributor with chain-of-custody certification in both SFI and FSC.

Other xpedx owned-and-operated businesses include New York-based publishing papers distributor Bulkley Dunton; Lenexa, KS-based xpedx Printing Technologies/Ryobi; the xpedx National Technology Center (NTC), a pre-press laboratory and demonstration center in metropolitan Cleveland, Ohio, as well as a network of 135 retail paper stores in 32 states that operate under the names xpedx Paper & Graphics, xpedx Paper Store, If It's Paper and Arvey Paper & Office Products. In Mexico, xpedx owns and operates 20 distribution centers and retail stores. xpedx operates one of the largest business-to-business e-commerce sites, xpedx.com, as well as suiteshoponline.com for graphics professionals.

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### Forward-Looking Statements

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. Factors which could cause actual results to differ relate to: (i) industry conditions; (ii) market and economic factors, including changes in international conditions; and (iii) results of legal proceedings and compliance costs. 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 Securities and Exchange Commission filings made by International Paper Company.

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Editor's Note: xpedx is always spelled all lower case.

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