



**FOR IMMEDIATE RELEASE**  
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**XPEDX SAYS NORTH AMERICAN RETAILERS CAN SAVE  
MILLIONS ANNUALLY BY OUTSOURCING  
NOT-FOR-RESALE OPERATIONS**

**Supply chain specialist says many retailers can greatly improve, streamline their procurement, distribution and management of not-for-resale goods**

LAS VEGAS, March 5, 2007—Many North American retailers continue to spend too much money and time handling the procurement, distribution and management of their not-for-resale items, needlessly hurting the bottom line and draining resources from the retailer's core job of merchandise sales.

That view comes from xpdx, one of North America's largest distributors and a major provider of third-party logistics services that specializes in helping retailers improve their not-for-resale operations. xpdx has saved individual clients as much as \$10 million annually by assuming the day-to-day not-for-resale responsibilities across their store networks.

xpdx executives and staff will be discussing its not-for-resale program during GlobalShop 2007, Las Vegas. The company is at Booth 1862 at the Sands Expo Center at the Venetian, March 7-9.

xpdx serves a blue chip customer list of large retailers, high-end specialty stores and large regional retailers with a team of specialists that tailor services to client needs. xpdx owns and operates 105 distribution centers across North America, operates 1,300 trucks and has an extensive global freight network.

“When a retailer assigns management of their not-for-resale operations to a qualified provider with meaningful scale, the retailer can get back to doing what they do best—selling merchandise and making money,” said Matt Morrow, Tampa, Florida-based director of business development for xpdx. “Virtually all of the time- and cost-intensive work on non-revenue producing tasks can be eliminated.”

Costs associated with not-for-resale operations—primarily goods, transportation and logistics—account for about 10% of a retailer's total sales, general and administrative (SG&A) costs, Morrow noted. Detailed studies of the retail industry's not-for-resale processes have shown cost savings of between 10% to 28% when this function is outsourced to a high-performing outside contractor.

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### **What to look for in a service provider**

Morrow said retailers need to look for providers with deep national and international distribution expertise, a specialization in not-for-resale operations, and information technology systems that can seamlessly integrate with the retailer's systems, giving them up-to-the-minute visibility on their supply chain. Specifically, he noted, a supplier's IT system should:

- interact and integrate with the retailer's IT platform, including order management and accounting;
- feature robust demand planning/forecasting software capabilities; and
- offer detailed performance management and reporting/measurement.

A quality not-for-resale contractor should also be able to provide turnkey support for a retailer's new store openings, equipping the empty building with all of the internal products needed—from shelves and displays to hangers and tags to register tape, pens and paper.

“Coordinating all of these details can be a challenging and expensive job for many retailers and can take away from their core business of selling merchandise,” Morrow explained. “We can take this job off their hands and ensure it's being done well—to their specifications.”

For more information visit xpedx representatives at Booth 1862 during GlobalShop 2007, visit [xpedx.com/retail](http://xpedx.com/retail), or call 888-234-6323.

### **About xpedx**

Loveland, Ohio-headquartered xpedx, an International Paper company (NYSE: IP), is one of the largest distributors in North America, bringing tens of thousands of businesses the goods they use and sell every day. The company, which has more than 7,000 employees in 250 locations, posted more than \$6.7 billion in revenues last year.

xpedx is also playing an increasing role across North America and worldwide by providing end-to-end logistics services to large and mid-size corporations. xpedx roots in distribution and inventory management date back to 1833.

The company provides the full scope of end-to-end logistics and distribution services: asset management, business integration, order management, warehousing and distribution, transportation management, reverse logistics, ocean freight services, customs brokerage, supplier relationship management and performance measurement.

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xpedx provides a custom mix of delivery type—mode and carrier—along with proven inventory management expertise, state-of-the-art IT systems, real-time reporting tools, VMI and customization/sub-assembly. Its e-commerce system, anchored by xpedx.com, handled more than 5.5 million orders last year worth \$1.2 billion.

#### 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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