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INTERNATIONAL PAPER CO /NEW/  
Form 10-K405  
March 18, 2002

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
-----

FORM 10-K

(Mark One)

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for Fiscal Year Ended December 31, 2001

or

Transition Report Pursuant to Section 13 or 15(d) of the Securities Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

COMMISSION FILE NO. 1-3157

INTERNATIONAL PAPER COMPANY  
(Exact name of Company as specified in its charter)

New York 13-0872805  
(State or other jurisdiction of (I.R.S. Employee Identification No.)  
incorporation or organization)

400 Atlantic Street  
Stamford, Connecticut 06921  
(Zip Code)  
(Address of principal executive offices)

Company's telephone number, including area code: 203-541-8000

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Securities registered pursuant to Section 12(b) of the Act:

Title of each class -----	Name of each exchange on which registered -----
Common Stock, \$1 per share par value	New York Stock Exchange
7 7/8% Debentures due 2038	New York Stock Exchange

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Securities Registered Pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the Company (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Company was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item

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405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

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The aggregate market value of the common stock of the Company outstanding as of March 12, 2002, held by non-affiliates of the Company was \$21,399,113,271, calculated on the basis of the closing price on the Composite Tape on March 12, 2002. For this computation, the Company has excluded the market value of all common stock beneficially owned by all executive officers and directors of the Company and their associates as a group and treasury stock. Such exclusion is not to signify in any way that members of this group are 'affiliates' of the Company.

The number of shares outstanding of the Company's common stock, as of March 12, 2002:

Outstanding -----	In Treasury -----
482,716,847	1,912,972

The following documents are incorporated by reference into the parts of this report indicated below:

2001 Annual Report to Shareholders

(Inside front cover and pages 18 through 78)..... Parts I, II, and IV  
Proxy Statement dated March 25, 2002 (to be filed on or about March 25, 2002) Part III

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PART I

Item 1. Business

General

International Paper Company (the Company or International Paper, which may be referred to as we or us), is a global forest products, paper and packaging company that is complemented by an extensive distribution system, with primary markets and manufacturing operations in the United States, Canada, Europe, the Pacific Rim, and South America. Substantially all of our businesses have experienced, and are likely to continue to experience, cycles relating to available industry capacity and general economic conditions. We are a New York corporation and were incorporated in 1941 as the successor to the New York corporation of the same name organized in 1898. Our home page on the Internet is [www.internationalpaper.com](http://www.internationalpaper.com). You can learn more about us by visiting that site.

In the United States at December 31, 2001, the Company operated 33 pulp, paper and packaging mills, 90 converting and packaging plants, 35 wood products facilities, seven specialty panels and laminated products plants and eight

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specialty chemicals plants. Production facilities at December 31, 2001 in Europe, Asia, South America and Canada included 12 pulp, paper and packaging mills, 45 converting and packaging plants, 10 wood products facilities, three specialty panels and laminated products plants and seven specialty chemicals plants. We distribute printing, packaging, graphic arts, maintenance and industrial products through over 289 distribution branches located primarily in the United States. At December 31, 2001, the Company and its subsidiaries controlled about 10.4 million acres of forestlands in the United States, 1.5 million acres in Brazil and had, through licenses and forest management agreements, harvesting rights on government-owned timberlands in Canada and Russia.

Through Carter Holt Harvey, a New Zealand company which is approximately 50.4% owned by International Paper, the Company operates five mills producing pulp, paper, packaging and tissue products, 24 converting and packaging plants and 63 wood products manufacturing and distribution facilities, primarily in New Zealand and Australia. Carter Holt Harvey distributes paper and packaging products through six distribution branches located in New Zealand and Australia. In New Zealand, Carter Holt Harvey owns approximately 810,000 acres of forestlands.

For financial reporting purposes, our businesses are separated into six segments: Printing Papers; Industrial and Consumer Packaging; Distribution; Forest Products; Carter Holt Harvey; and Other Businesses. A description of these business segments can be found on pages 19 through 21 of our 2001 Annual Report to Shareholders (Annual Report), which information is incorporated herein by reference.

From 1996 through 2001, International Paper's capital expenditures approximated \$8.1 billion, excluding expenditures for mergers and acquisitions. These capital expenditures reflect our continuing efforts to improve product quality and environmental performance, lower costs, and improve forestlands. Capital spending in 2001 was \$1.0 billion and is budgeted to be approximately \$1.0 billion in 2002. This amount is below our annual depreciation and amortization expense of \$1.9 billion. You can find more information about capital expenditures on page 25 of our Annual Report, which information is incorporated herein by reference.

Discussions of mergers and acquisitions can be found on pages 26 and 48 of the Annual Report, which information is incorporated herein by reference.

You can find discussions of restructuring charges, divestitures and other special items on pages 26, 27, 29 through 32 and 48 through 59 of the Annual Report, which information is incorporated herein by reference.

Throughout this 10-K report, we 'incorporate by reference' certain information in parts of other documents filed with the Securities and Exchange Commission (SEC). The SEC permits us to disclose important information by referring to it in that manner. Please refer to such information.

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### Financial Information Concerning Industry Segments

The financial information concerning segments is set forth on pages 38 and 39 of the Annual Report, which information is incorporated herein by reference.

### Financial Information About International and Domestic Operations

The financial information concerning international and domestic operations

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and export sales is set forth on page 39 of the Annual Report, which information is incorporated herein by reference.

### Competition and Costs

Despite the size of the Company's manufacturing capacities for paper, paperboard, packaging and pulp products, the markets in all of the cited product lines are large and highly fragmented. The markets for wood and specialty products are similarly large and fragmented. There are numerous competitors, and the major markets, both domestic and international, in which the Company sells its principal products are very competitive. These products are in competition with similar products produced by others, and in some instances, with products produced by other industries from other materials.

Many factors influence the Company's competitive position, including prices, costs, product quality and services. You can find more information about the impact of prices and costs on operating profits on pages 18 through 25 of the Annual Report, which information is incorporated herein by reference.

### Marketing and Distribution

The Company sells paper and packaging products through our own sales organization directly to users or converters for manufacture. Sales offices are located throughout the United States as well as internationally. We also sell significant volumes of products through paper merchants and distributors, including facilities in our distribution network.

We market our U.S. production of lumber and plywood through independent and Company-owned distribution centers. Specialty products are marketed through various channels of distribution.

### Description of Principal Products

The Company's principal products are described on pages 19 through 21 of the Annual Report, which information is incorporated herein by reference.

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Sales volumes of major products for 2001, 2000 and 1999 were as follows:

	Sales By Volume (1)	(2)	(3)
	(Unaudited)		
	2001	2000	1999
	-----	-----	-----
Printing papers (In thousands of tons)			
Uncoated Papers and Bristols.....	6,439	5,957	5,342
Coated papers.....	2,132	2,062	1,263
Market Pulp(4).....	2,531	1,996	1,503
Packaging			
Containerboard.....	2,091	2,347	2,874
Bleached Packaging Board.....	1,247	1,339	1,460
Kraft.....	587	489	423
Industrial and Consumer Packaging.....	4,683	5,135	5,064
Forest Products (In millions)			
Panels.....	2,991	2,380	1,910
Lumber (board feet).....	4,089	3,302	2,759

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MDF and Particleboard (sq. ft. 3/4"--basis) 660 654 385

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- (1) Includes third party and inter-segment sales.
  - (2) Includes sales volumes for Champion from July 1, 2000.
  - (3) Sales volumes for divested businesses are included through the date of sale.
  - (4) Includes internal sales to mills.

### Research and Development

The Company operates research and development centers at Sterling Forest, New York; Cincinnati, Ohio; Kaukauna, Wisconsin; Odenton, Maryland; Jacksonville, Florida; Savannah, Georgia; Annecy, France; a regional center for applied forest research in Bainbridge, Georgia; a forest biotechnology center in Rotorua, New Zealand; and several product laboratories. We direct research and development activities to short-term, long-term and technical assistance needs of customers and operating divisions; process, equipment and product innovations; and improve profits through tree generation and propagation research. Activities include studies on improved forest species and management; innovation and improvement of pulping, bleaching, chemical recovery, papermaking and coating processes; packaging design and materials development; reduction of environmental discharges; re-use of raw materials in manufacturing processes; recycling of consumer and packaging paper products; energy conservation; applications of computer controls to manufacturing operations; innovations and improvement of products; and development of various new products. Our development efforts specifically address product safety as well as the minimization of solid waste. The cost to the Company of its research and development operations in 2001 was \$92 million; \$92 million in 2000, including Champion for the period of July-December; and \$88 million in 1999.

### Environmental Protection

Information concerning the effects of the Company's compliance with Federal, State and local provisions enacted or adopted relating to environmental protection matters is set forth on pages 33 through 35 of the Annual Report, which information is incorporated herein by reference.

### Employees

As of December 31, 2001, the Company had approximately 100,000 employees, 63,000 of whom were located in the United States. Of the domestic employees, approximately 35,000 are hourly employees, 21,000 of whom are represented by the Paper, Allied-Industrial, Chemical and Energy International Union.

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During 2001, labor agreements were ratified at four mills. During 2002 labor agreements are scheduled to be negotiated at six mills: Texarkana; Ticonderoga; Savannah; Courtland; Augusta and Pineville.

During 2001, 19 labor agreements were settled in non-papermill operations. Settlements included 12 in paper converting, three in building materials, two in distribution, one in chemicals and one office workers unit. During 2002, 25 non-papermill operations will negotiate new labor agreements.

In 2001, effects of sale, closure or downsizing agreements were bargained with unions at 18 locations including six papermills, four building materials plants, five paper converting operations, two distribution sites and one forest resources operation.

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Approximately 5,600 of our U.S. based hourly employees are subject to labor agreements that are scheduled to be negotiated during 2002.

### Raw Materials

For information on the sources and availability of raw materials essential to our business, see Item 2. Properties.

### Forward-looking Statements

Certain statements in this report and in our 2001 Annual Report to Shareholders, and in particular, statements found in Management's Discussion and Analysis, that are not historical in nature may constitute forward-looking statements. These statements are often identified by the words, "believe," "expect," "plan," "appear," "project," "estimate," "intend," and words of similar import. Such statements reflect the current views of International Paper with respect to future events and are subject to risks and uncertainties. Actual results may differ materially from those expressed or implied in these statements. Factors which could cause actual results to differ include, among other things, the timing and magnitude of the expected economic recovery, fluctuations in foreign currency exchange rates against the U.S. dollar, fluctuations in interests rates, changes in overall demand, whether our initiatives relating to balancing our supply with customer demand will be successful, changes in domestic or foreign competition, changes in the cost or availability of raw materials, the cost of compliance with environmental laws and regulations, and whether anticipated savings from restructuring activities and facility rationalizations can be achieved. In view of such uncertainties, investors are cautioned not to place undue reliance on these forward-looking statements. International Paper does not assume any obligation to update these forward-looking statements.

## Item 2. Properties

### Forestlands

The principal raw material used by International Paper is wood in various forms. As of December 31, 2001, the Company or its subsidiaries controlled approximately 10.4 million acres of forestlands in the United States, 1.5 million acres in Brazil and had, through licenses and forest management agreements, harvesting rights on government-owned timberlands in Canada. An additional 810,000 acres of forestlands in New Zealand were held through Carter Holt Harvey, a consolidated subsidiary of the Company.

During 2001, the U.S. forestlands supplied 18 million tons of roundwood to the Company's U.S. facilities. This amounted to the following percentages of the roundwood requirements of its U.S. mills and forest products facilities: 19% in its Northern mills and 41% in its Southern mills. The balance was acquired from other private industrial and nonindustrial forestland owners, with only an insignificant amount coming from public lands of the United States government. In addition, in 2001, 10 million tons of wood were sold to other users. In November 1994, we adopted the Sustainable Forestry Principles developed by the American Forest and Paper Association in August 1994.

### Mills and Plants

A listing of our production facilities, the vast majority of which we own, can be found in Appendix I hereto, which is incorporated herein by reference.

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The Company's facilities are in good operating condition and are suited for the purposes for which they are presently being used. We continue to study the economics of modernization or adopting other alternatives for higher cost facilities.

### Capital Investments and Dispositions

Given the size, scope and complexity of our business interests, we continuously examine and evaluate a wide variety of business opportunities and planning alternatives, including possible acquisitions and sales or other dispositions of properties. You can find planned capital investments for 2002, dispositions, and restructuring activities as of December 31, 2001 on pages 19, 25 through 32 and 48 through 59 of the Annual Report, which information is incorporated herein by reference.

### Item 3. Legal Proceedings

Information concerning the Company's legal proceedings is set forth on pages 33 through 35 and 61 through 65 of the Annual Report, which information is incorporated herein by reference.

### Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to a vote of security holders during the fourth quarter of the fiscal year ended December 31, 2001.

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## PART II

### Item 5. Market for Registrant's Common Equity and Related Stockholder Matters.

Dividends per share data on the Company's common stock and the high and low sale prices for the Company's common stock are set forth on page 74 of the Annual Report and are incorporated herein by reference.

As of March 12, 2002, there were 39,653 holders of record of the Company's common stock.

### Item 6. Selected Financial Data

The Company columnar table showing selected financial data for the Company is set forth on pages 74 through 76 of the Annual Report and is incorporated herein by reference.

### Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation

Management discussion and analysis on the consolidated financial statements are set forth on pages 18 through 37 of the Annual Report and is incorporated herein by reference.

### Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Quantitative and qualitative disclosures about market risk are set forth on pages 36 and 37 of the Annual Report and are incorporated herein by reference.

### Item 8. Financial Statements and Supplementary Data

The Company's consolidated financial statements, the notes thereto and the

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reports of the independent public accountants and Company management are set forth on pages 40 through 73 of the Annual Report and are incorporated herein by reference.

### Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

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## PART III

### Item 10. Directors and Executive Officers of the Registrant

Information with respect to the directors of the Company is included on pages 11 through 13 of the Company's Proxy Statement, dated March 25, 2002 (Proxy Statement), to be filed on or about March 25, 2002, which information is incorporated herein by reference. Information with respect to the executive officers of the Company is set forth below:

John T. Dillon, 63, chairman and chief executive officer since 1996. Prior to that he was executive vice president-packaging from 1987 to 1995, when he became president and chief operating officer.

Robert M. Amen, 52, executive vice president since 2000. He served as President of International Paper- Europe from 1996 to 2000 and prior to that was vice president-consumer packaging.

John V. Faraci, 52, executive vice president and chief financial officer since 2000. Prior to that he was senior vice president-finance and chief financial officer from 1999. From 1995 until 1999 he was chief executive officer and managing director of Carter Holt Harvey Limited of New Zealand.

James P. Melican Jr., 61, executive vice president since 1991. Prior to that he was senior vice president and general counsel from 1987 until 1991.

David W. Oskin, 59, executive vice president since 1995. He was chief executive and managing director of Carter Holt Harvey Limited of New Zealand from 1992 to 1995. Prior to that he was senior vice president-distribution, timber and wood.

Marianne M. Parrs, 58, executive vice president since 1999. She was senior vice president and chief financial officer from 1995 to 1999.

Andrew R. Lessin, 59, vice president-finance and chief accounting officer since 2000. From 1995 to 2000 he was vice president and controller. Prior to that he was controller from 1991 to 1995.

William B. Lytton, 53, senior vice president and general counsel since January 1999. From 1996 to 1999 he was vice president and general counsel.

Executive officers of International Paper are elected to hold office until the next annual meeting of the Board of Directors following the annual meeting of shareholders and until election of successors, subject to removal by the Board.

Information with respect to compliance with Section 16(a) of the Securities and Exchange Act is set forth on page 16 of the Proxy Statement and is incorporated herein by reference.



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### Item 11. Executive Compensation

Information with respect to the compensation of executives and directors of the Company is included in the Proxy Statement on the pages set forth below, which information is incorporated herein by reference:

A description of the compensation of the Company's directors is set forth on page 10.

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A discussion regarding the Company's compensation committee interlocks and insider participation is set forth on page 16.

A description of the compensation of the Company's executive officers is set forth on pages 14 through 16 and pages 18 through 23.

A discussion regarding termination agreements with various executive officers of the Company is set forth on pages 24 and 25.

The Report of the Management Development and Compensation Committee of the Board of Directors is set forth on pages 14 through 16.

The Performance Graph comparing an investment in Company Stock with an investment in the S&P 500 and peer group companies is set forth on page 17.

### Item 12. Security Ownership of Certain Beneficial Owners and Management

A description of the security ownership of certain beneficial owners and management is set forth on pages 8 and 9 of the Proxy Statement and is incorporated herein by reference.

The table showing ownership of the Company's common stock held by individual directors and by directors and executive officers as a group is set forth on pages 8 and 9 of the Proxy Statement, and is incorporated herein by reference.

### Item 13. Certain Relationships and Related Transactions

A description of certain relationships and related transactions is set forth on page 7 of the Proxy Statement and is incorporated herein by reference.

## PART IV

### Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) Documents filed as part of this report:

#### 1. Consolidated financial statements

The consolidated financial statements of the Company and consolidated subsidiaries listed below are incorporated herein by reference to the following pages of the Annual Report:

Page  
-----

Consolidated statement of earnings for fiscal years ended December 31, 2001,

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2000 and 1999.....	41
Consolidated balance sheet at December 31, 2001 and 2000.....	42
Consolidated statement of cash flows for fiscal years ended December 31, 2001, 2000 and 1999.....	43
Consolidated statement of common shareholders' equity.....	44
Notes to consolidated financial statements.....	45-73
Report of independent public accountants.....	40

### 2. Financial statement schedule

The following additional financial data should be read in conjunction with the financial statements in the Annual Report. Schedules not included with this additional financial data have been omitted because they are not applicable, or the required information is shown in the financial statements or notes thereto.

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#### ADDITIONAL FINANCIAL DATA 2001, 2000 AND 1999

Report of Independent Public Accountants on Financial Statement Schedule...	13
Consolidated Schedule:	
II Valuation and Qualifying Accounts.....	14

### 3. Exhibits

- (3.1) Form of Restated Certificate of Incorporation of International Paper Company (incorporated by reference to the Company's Report on Form 8-K dated November 20, 1990, File No. 1-3157).
- (3.2) Certificate of Amendment to the Certificate of Incorporation of International Paper Company (incorporated herein by reference to Exhibit (3) (i) to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999, File No. 1-3157).
- (3.3) Certificate of Amendment of the Certificate of Incorporation of International Paper Company (incorporated by reference to Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2001, File No. 1-3157).
- (3.4) By-laws of the Company, as amended.
- (4.1) Specimen Common Stock Certificate (incorporated by reference to Exhibit 2-A to the Company's registration statement on Form S-7, No. 2-56588, dated June 10, 1976).
- (4.2) Indenture, dated as of April 12, 1999, between International Paper and The Bank of New York as Trustee (incorporated by reference to Exhibit 4.1 to International Paper's Report on Form 8-K dated June 29, 2000, File No. 1-3157).
- (4.3) Floating Rate Notes Supplemental Indenture, dated as of June 14, 2000, between International Paper and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4.2 to International Paper's Report on Form 8-K filed on June 29, 2000, File No. 1-3157).
- (4.4) 8% Notes Due July 8, 2003 Supplemental Indenture, dated as of June 14, 2000, between International Paper and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4.3 to International Paper's Report on Form 8-K filed on June 29, 2000, File No. 1-3157).
- (4.5) 8 1/8% Notes Due July 8, 2005 Supplemental Indenture dated as of June 14, 2000, between International Paper and The Bank of New York, as Trustee (incorporated by reference to Exhibit 4.4 to International Paper's Report on Form 8-K filed on June 29, 2000, File No. 1-3157).

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- (4.6) Form of New Floating Rate Notes due July 8, 2002 (incorporated by reference to Exhibit 4.1 International Paper Company's Registration Statement on Form S-4, dated October 23, 2000, as amended November 15, 2000, File No. 333-48434).
- (4.7) Form of New 8% Notes due July 8, 2003 (incorporated by reference to Exhibit 4.1 to International Paper Company's Registration Statement on Form S-4 dated October 23, 2000, as amended November 15, 2000, File No. 333-48434).
- (4.8) Form of New 8 1/8% Note due July 8, 2005 (incorporated by reference to Exhibit 4.1 to International Paper Company's Registration Statement on Form S-4 dated October 23, 2000, as amended November 15, 2000, File No. 333-48434).

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- (4.9) Zero Coupon Convertible Debentures due June 20, 2021 (incorporated by reference to Exhibit 4.1 to International Paper Company's Registration Statement on Form S-3 dated June 20, 2001, as amended September 7, 2001, October 31, 2001 and January 16, 2002, File No. 333-69082).
- (4.10) 6.75% Notes due 2011 Supplemental Indenture between International Paper Company and The Board of New York (incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q dated September 30, 2001, File No. 1-3157).
- (4.11) In accordance with Item 601 (b) (4) (iii) (A) of Regulation S-K, certain instruments representing term debt of the Company have been omitted but will be furnished to the Commission upon request.
- (10.1) Long-Term Incentive Compensation Plan, as amended
- (10.2) Restricted Stock Plan for Non-Employee Directors (incorporated by reference to Exhibit 99 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999, File No. 1-3157).
- (10.3) Champion Merger Integration Chief Executive Officer Performance Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000, File No. 1-3157).
- (10.4) Champion Merger Integration Savings and Synergy Plan (incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2000, File No. 1-3157).
- (10.5) Management Incentive Plan (incorporated by reference to Exhibit 99 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1998, File No. 1-3157).
- (10.6) Form of individual non-qualified stock option agreement under the Company's Long-Term Incentive Compensation Plan.
- (10.7) Form of individual executive continuity award under the Company Long-Term Incentive Compensation Plan (incorporated by reference to Exhibit 10.9 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1999, File No. 1-3157).
- (10.8a) Form of Change of Control Agreement for Chief Executive Officer
- (10.8b) Form of Change of Control Agreement--Tier I
- (10.8c) Form of Change of Control Agreement--Tier II
- (10.9) Unfunded Supplemental Retirement Plan for Senior Managers, as amended.

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- (10.11) International Paper Company Unfunded Savings Plan (incorporated by reference to the Company's Form 10K/A for the year 2000 dated January 16, 2002, File No. 1-3157).
- (10.12) International Paper Company Pension Restoration Plan for Salaried Employees (incorporated by reference to the Company's Form 10K/A for the year 2000 dated January 16, 2002, File No. 1-3157).
- (10.13) International Paper Company Unfunded Supplemental Plan for Senior Managers (incorporated by reference to the Company's Form 10K/A for the fiscal year ended 2000, dated January 16, 2002, File No. 1-3157).
- (10.14) Agreement by and between C.W. Smith and International Paper Company (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001, File No. 1-3157).
- (11) Statement of Computation of Per Share Earnings.
- (12) Computation of Ratio of Earnings to Fixed Charges.
- (13) 2001 Annual Report to Shareholders of the Company.
- (21) List of Subsidiaries of Registrant.
- (23) Consent of Independent Public Accountants (Arthur Andersen LLP).
- (24) Power of Attorney.

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(b) Reports on Form 8-K

International Paper filed a report on Form 8-K on October 17, 2001, reporting earnings for the quarter ended September 30, 2001.

International Paper filed a report on Form 8-K on November 27, 2001 under Item 9, reporting that Mr. Amen was speaking at an industry conference and including copies of his presentation.

International Paper filed a report on Form 8-K on January 22, 2002 under Item 5, reporting earnings for quarter ended December 31, 2001 and earnings for the year ended December 31, 2001.

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS  
ON FINANCIAL STATEMENT SCHEDULE

To International Paper Company:

We have audited in accordance with auditing standards generally accepted in the United States, the consolidated financial statements included in the Company's 2001 Annual Report to Shareholders incorporated by reference in this Form 10-K and have issued our report thereon dated February 12, 2002. Our audits were made for the purpose of forming an opinion on those statements taken as a whole. The schedule listed in the accompanying index is the responsibility of the Company's management and is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part

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of the basic financial statements. The schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, based on our audits, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP

New York, N.Y.  
February 12, 2002

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SCHEDULE II

INTERNATIONAL PAPER COMPANY AND CONSOLIDATED SUBSIDIARIES

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS

For the Year Ended December 31, 2001

Description	Balance at Beginning of Period	Additions Charged to Earnings	Additions		Balance a End of Period
			Charged to Other Accounts	Deductions From Reserves	
(In millions)					
Reserves Applied Against Specific Assets Shown on Balance Sheet:					
Doubtful accounts--current.....	\$128	\$ 82		\$ (31) (a)	\$179
Restructuring reserves.....	242	385		(306) (b)	321

For the Year Ended December 31, 2000

Description	Balance at Beginning of Period	Additions Charged to Earnings	Additions		Balance a End of Period
			Charged to Other Accounts	Deductions From Reserves	
(In millions)					
Reserves Applied Against Specific Assets Shown on Balance Sheet:					
Doubtful accounts--current.....	\$106	\$ 46		\$ (24) (a)	\$128
Restructuring reserves.....	115	248		(121) (b)	242

For the Year Ended December 31, 1999

Description	Balance at Beginning of Period	Additions Charged to Earnings	Additions		Balance a End of Period
			Charged to Other Accounts	Deductions From Reserves	

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(In millions)

Reserves Applied Against Specific Assets

Shown on Balance Sheet:

Doubtful accounts--current.....	\$115	\$ 34	\$ (43) (a)	\$106
Restructuring reserves.....	71	149	(105) (b)	115

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- (a) Includes write-offs, less recoveries, of accounts determined to be uncollectible and other adjustments.
- (b) Includes payments and deductions for reversals of previously established reserves that were no longer required.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INTERNATIONAL PAPER COMPANY

/S/ BARBARA L. SMITHERS

By: -----  
Barbara L. Smithers  
Vice President and Secretary

March 18, 2002

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Signature -----	Title -----	Date ----
/S/ JOHN T. DILLON ----- John T. Dillon	Chairman of the Board, Chief Executive Officer and Director	March 18, 2002
/S/ ROBERT J. EATON * ----- Robert J. Eaton	Director	March 18, 2002
/S/ SAMIR G. GIBARA* ----- Samir G. Gibara	Director	March 18, 2002
/S/ JAMES A. HENDERSON* ----- James A. Henderson	Director	March 18, 2002
/S/ JOHN R. KENNEDY* ----- John R. Kennedy	Director	March 18, 2002

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/S/ ROBERT D. KENNEDY*	Director	March 18, 2002
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Robert D. Kennedy		
/S/ W. CRAIG MCCLELLAND*	Director	March 18, 2002
-----		
W. Craig McClelland		
/S/ DONALD F. MCHENRY*	Director	March 18, 2002
-----		
Donald F. McHenry		
/S/ PATRICK F. NOONAN*	Director	March 18, 2002
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Patrick F. Noonan		
/S/ JANE C. PFEIFFER*	Director	March 18, 2002
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Jane C. Pfeiffer		
/S/ JEREMIAH J. SHEEHAN*	Director	March 18, 2002
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Jeremiah J. Sheehan		
/S/ CHARLES R. SHOEMATE*	Director	March 18, 2002
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Charles R. Shoemate		
/S/ JOHN V. FARACI		March 18, 2002
-----		
John V. Faraci	Executive Vice President and Chief Financial Officer	
/S/ ANDREW R. LESSIN		March 18, 2002
-----		
Andrew R. Lessin	Vice President--Finance and Chief Accounting Officer	

/S/ BARBARA L. SMITHERS  
 \*By: -----  
 Barbara L. Smithers  
 Attorney-in-fact

Appendix I

2001 Listing of Facilities  
 (All facilities are owned except noted otherwise)

PRINTING PAPERS	Svetogorsk, Russia	Solon, Ohio
	Inverurie, Scotland	Wooster, Ohio
Business Papers, Coated		Lancaster, Pennsylvania
Papers, Fine Papers and	INDUSTRIAL AND CONSUMER	Mount Carmel,
Pulp	PACKAGING	Pennsylvania
U.S.:		Washington,
Courtland, Alabama	INDUSTRIAL PACKAGING	Pennsylvania
Selma,		Georgetown, South
Alabama (Riverdale	Containerboard	Carolina

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<p>Mill)                  Pine Bluff, Arkansas                  Mira Loma, California                  leased (C &amp; D Center)                  Pensacola, Florida                  Augusta, Georgia                  Bastrop,                  Louisiana (Louisiana                  Mill)                  Springhill,                  Louisiana (C &amp; D                  Center)                  Bucksport, Maine                  Jay,                  Maine (Androscoggin                  Mill)                  West Springfield,                  Massachusetts leased                  Westfield,                  Massachusetts (C &amp; D                  center)                  Quinnesec, Michigan                  Sturgis, Michigan (C &amp;                  D Center)                  Sartell, Minnesota                  Corinth, New                  York (Hudson River                  Mill)                  Ticonderoga, New York                  Riegelwood, North                  Carolina                  Wilmington, North                  Carolina leased                  (Reclaim Center)                  Hamilton, Ohio                  Saybrook, Ohio                  leased (C &amp; D center)                  Erie, Pennsylvania                  Hazleton,                  Pennsylvania (C &amp; D                  Center)                  Lock Haven,                  Pennsylvania                  Eastover, South                  Carolina                  Georgetown, South                  Carolina                  Sumter, South                  Carolina (C &amp; D                  Center)                  Franklin, Virginia</p>	<p>U.S.:                  Prattville, Alabama                  Savannah, Georgia                  Terre Haute, Indiana                  Mansfield, Louisiana                  Pineville, Louisiana                  Vicksburg, Mississippi                  Oswego, New York                  Roanoke Rapids, North                  Carolina                  Georgetown, South                  Carolina                  International:                  Arles, France</p> <p>Corrugated Container                  U.S.:                  Bay Minette, Alabama                  Decatur, Alabama                  Conway, Arkansas                  Fordyce, Arkansas                  leased                  Jonesboro, Arkansas                  Russellville, Arkansas                  Carson, California                  Hanford, California                  Modesto, California                  Stockton, California                  Vernon, California                  Putnam, Connecticut                  Auburndale, Florida                  Forest Park, Georgia                  Savannah, Georgia                  Statesboro, Georgia                  Chicago, Illinois                  Des Plaines, Illinois                  Fort Wayne, Indiana                  Lexington, Kentucky                  LaFayette, Louisiana                  Shreveport, Louisiana                  Springhill, Louisiana                  Auburn, Maine                  Howell, Michigan                  Kalamazoo, Michigan                  Monroe, Michigan                  Minneapolis, Minnesota                  Houston, Mississippi                  Kansas City, Missouri                  Geneva, New York                  King's Mountain, North                  Carolina                  Statesville, North                  Carolina                  Cincinnati, Ohio</p>	<p>Spartanburg, South                  Carolina                  Morristown, Tennessee                  Murfreesboro, Tennessee                  Dallas, Texas                  Edinburg, Texas                  El Paso, Texas                  Ft. Worth, Texas                  San Antonio, Texas                  Richmond, Virginia                  Cedarburg, Wisconsin                  Fond du Lac, Wisconsin                  Emerging Markets                  Ranagua, Chile                  Bayamon, Puerto Rico                  International:                  Las Palmas, Canary                  Islands (2 locations)                  Tenerife, Canary                  Islands                  Arles, France                  Chalon-sur-Saone,                  France                  Chantilly, France                  Creil, France                  LePuy, France                  Mortagne, France                  Guadeloupe, French                  West Indies                  Asbourne, Ireland                  Bellusco, Italy                  Catania, Italy                  Pomezia, Italy                  San Felice, Italy                  Alcala, Spain leased                  Almeria, Spain leased                  Barcelona, Spain                  Bilbao, Spain                  Gandia, Spain                  Valladolid, Spain                  Thrapston, United                  Kingdom                  Winsford, United                  Kingdom                  Kraft Paper                  Savannah, Georgia                  Mansfield, Louisiana                  Roanoke Rapids, North                  Carolina                  Courtland, Alabama                  Franklin, Virginia</p> <p>CONSUMER PACKAGING</p> <p>Bleached Board                  Pine Bluff, Arkansas                  Augusta, Georgia                  Riegelwood, North                  Carolina                  Georgetown, South                  Carolina                  Prosperity, South</p>
<p>International:                  Mogi Guacu, Sao Paulo, Brasil                  Aropoti Parana, Brasil                  Hinton, Alberta, Canada                  Quesnel, British                  Columbia, Canada                  Maresquel, France                  Saillat, France                  Saint Die,</p>		



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France (Anould Mill)  
 Strasbourg, France (La  
 Robertsau Mill)  
 Klucze, Poland  
 Kwidzyn, Poland

Carolina

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<p>Texarkana, Texas</p> <p>Beverage Packaging                  U.S.:                  Turlock, California                  Plant City, Florida                  Cedar Rapids, Iowa                  Kansas City, Kansas                  Framingham,                  Massachusetts                  Kalamazoo, Michigan                  Raleigh, North Carolina                  International:                  London, Ontario, Canada                  Longueuil, Quebec,                  Canada leased                  Shanghai, China                  Santiago, Dominican                  Republic                  San Salvador, El                  Salvador leased                  Fukusaki, Japan                  Seoul, Korea                  Taipei, Taiwan                  Guacara, Venezuela</p> <p>Foodservice                  U.S.:                  Visalia, California                  Shelbyville, Illinois                  Hopkinsville, Kentucky                  Wilmington, North                  Carolina                  Kenton, Ohio                  Jackson, Tennessee                  International:                  Brisbane, Australia                  Santiago, Chile leased                  Bogota, Columbia                  Bombay, India                  Manila, Philippines                  leased</p> <p>Shorewood Packaging                  U.S.:                  Waterbury, Connecticut                  LaGrange, Georgia                  Indianapolis, Indiana</p>	<p>DISTRIBUTION</p> <p>Xpedx                  U.S.:                  Stores Group                  Chicago, Illinois                  155 locations                  nationwide 147 leased                  SouthCentral Region                  Greensboro, North                  Carolina                  28 branches in the                  Middle                  Atlantic and                  Southeast States 12                  leased                  7 branches in                  Michigan and Ohio                  1 leased                  West Region                  Denver, Colorado                  62 branches in the                  West,                  Midwest and South                  States 41 leased                  Specialty Business                  Group                  Erlanger, Kentucky                  3 branches                  nationwide all leased                  Northeast Region                  Hartford, Connecticut                  15 branches in New                  England                  and Middle Atlantic                  States 13 leased                  International:                  Papateries de France                  Pantin, France 2                  locations 1 leased                  Chihuahua, Mexico 10                  locations all leased                  Scalida, Nijmegen,                  Netherlands 2                  locations                  1 leased                  Impap                  Tczew, Poland 5</p>	<p>Gurdon, Arkansas                  Whelen Springs,                  Arkansas                  McDavid, Florida                  Whitehouse, Florida                  Augusta, Georgia                  Cordele, Georgia                  Folkston, Georgia                  Meldrim, Georgia                  Springhill, Louisiana                  Wiggins, Mississippi                  Joplin, Missouri                  Madison, New Hampshire                  Armour, North Carolina                  Seaboard, North                  Carolina                  Johnston, South                  Carolina                  Newberry, South                  Carolina                  Sampit, South Carolina                  Camden, Texas                  Corrigan, Texas                  Henderson, Texas                  Jefferson, Texas                  Nacogdoches, Texas                  New Boston, Texas                  Franklin, Virginia                  Slaughter                  Dallas, Texas (Miller                  Rd)                  Northwest (Milwaukee,                  OR) leased</p> <p>International:                  Burns Lake, British                  Columbia (2 plants)                  Houston, British                  Columbia                  100 Mile House,                  British Columbia                  Quesnel, British                  Columbia (2 plants)                  Williams Lake, British                  Columbia                  Hinton, Alberta                  Strachan, Alberta                  Sundre, Alberta</p>
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Louisville, Kentucky	locations 3 leased	CARTER HOLT HARVEY
Hendersonville, North Carolina	FOREST PRODUCTS	
Weaverville, North Carolina	Forest Resources	Forestlands
Clifton, New Jersey	U.S.:	Approximately 810,000 acres in New Zealand
Edison, New Jersey	Approximately 10.4 million	
Englewood, New Jersey	acres in the U.S.,	Wood Products
Harrison, New Jersey leased	mostly in the South	Sawmills and
West Deptford, New Jersey	International:	Processing Plants
Springfield, Oregon	Approximately 1.5 million acres in	Mt. Gambier, South Australia
Danville, Virginia	Brazil	Myrtleford, Victoria
Newport News, Virginia	Realty Projects	Oberon, New South Wales
Roanoke, Virginia	Haig Point Incorporated	Morwell, Australia
International:	Daufuskie Island,	Box Hill, Victoria leased
Smith Falls, Ontario, Canada	South Carolina	Kopu, New Zealand
Brockville, Ontario, Canada	Wood Products	Nelson, New Zealand
Toronto, Ontario, Canada	U.S.:	Putaruru, New Zealand
Ebbw Vale, Wales, United Kingdom	Chapman, Alabama	Rotorua, New Zealand
Guangzhou, China	Citronelle, Alabama	Taupo, New Zealand
	Maplesville, Alabama	Tokoroa, New Zealand
	Opelika, Alabama	
	Thorsby, Alabama	Timber
	Tuscaloosa, Alabama	Merchants--Australia
	Leola, Arkansas	Box Hill, Victoria leased
		Hamilton Central, Queensland
		Sydney, New South Wales leased

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Plywood Mills	Crestmead, Queensland, Australia leased	Industrial Papers
Myrtleford, Victoria	Dandenong, Victoria, Australia leased	U.S.:
Nangwarry, South Australia	Reservoir, Victoria, Australia leased	Lancaster, Ohio
Tokoroa, New Zealand	Smithfield, New South Wales, Australia	De Pere, Wisconsin
Whangarei, Marsden Point, New Zealand	Woodville, Australia	Kaukauna, Wisconsin
	Auckland, New Zealand	Menasha, Wisconsin
	Corrugated	International:
Panel Production Plants--New Zealand	Manufacturing	Limburg, Netherlands
Auckland	Sydney, Australia leased	
Kopu	Melbourne, Australia leased	Decorative Products
Rangiora	Paper Bag	Particleboard
Panel Production	Manufacturing	Franklin, Virginia
Plants--Australia	Penrose, New Zealand	Stuart, Virginia
Gympie, Queensland		Waverly, Virginia
Mt. Gambier (2 plants)		
Oberon, New South Wales (2 plants)		Specialty Panels
		U.S.:
		Chino, California leased
		Glasgow, Kentucky

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Tumut, New South Wales  
St. Leonards, New  
South Wales leased  
Building Supplies  
Retail Outlets  
Retail Outlets, 38  
branches in  
New Zealand (22  
leased)  
Pulp and Paper  
Kraft Paper, Pulp,  
Coated and Uncoated  
Papers and Bristols  
Kinleith, New Zealand  
Cartonboard  
Whakatane, New Zealand  
Containerboard  
Kinleith, New Zealand  
Penrose, New Zealand  
Fiber Recycling  
Operation  
Auckland, New Zealand  
leased  
Specialty Products  
Operations  
Auckland, New Zealand  
Tissue  
Pulp and Tissue  
Mills--New Zealand  
Kawerau, New Zealand  
Box Hill, Victoria  
Conversion Sites  
Box Hill, Victoria,  
Australia leased  
Clayton, Victoria,  
Australia leased  
Keon Park, Victoria,  
Australia leased  
Suva, Fiji leased  
Auckland, New Zealand  
(2 plants)  
Kawerau, New Zealand  
Te Rapa, New Zealand  
leased  
Packaging  
Case Manufacturing  
Suva, Fiji leased  
Central (Levin, New  
Zealand)  
Northern (Auckland,  
New Zealand)  
Solid Fibre  
(Hamilton, New  
Zealand)  
Southern  
(Christchurch, New  
Zealand)  
Carton Manufacturing

Paper Cups  
Brisbane, Australia  
Packaging and Tissue  
Head Office  
South Yarra, Victoria,  
Australia leased  
Distribution  
Paper Merchant  
Warehousing and  
Distribution Centers,  
Australia, 3  
locations (3 leased)  
New Zealand, 4  
locations (3 leased)

OTHER BUSINESSES

Chemicals

U.S.:

Panama City, Florida  
Pensacola, Florida  
Port St. Joe, Florida  
Savannah, Georgia  
Valdosta, Georgia  
Oakdale, Louisiana  
Picayune, Mississippi  
Dover, Ohio

International:

Oulu, Finland  
Valkeakoski, Finland  
Niort, France  
Greaker, Norway  
Sandarne, Sweden  
Chester-Le-Street,  
United Kingdom  
Bedlington, United  
Kingdom

Chemical Cellulose Pulp  
Natchez, Mississippi

Hardrock Minerals

Alvin, Texas

Odenton, Maryland  
Statesville, North  
Carolina  
Tarboro, North Caroli  
Hampton, South Caroli  
Oshkosh, Wisconsin  
International:  
Bergerac, France  
(Couze Mill)  
Ussel, France  
Barcelona, Spain  
(Durion Mill)