

April 15, 1987

To Our Clients:

Poison Pills: The CREF Shareholder
Resolution is Defeated

In the first test of the shareholders who are attacking the poison pill proposed by CREF and the California state pension funds, the shareholders of International Paper Co. rejected the resolution by a very large margin. Less than 20% of the outstanding shares voted in favor of the resolution. This result demonstrates what can be accomplished when corporate management takes the opportunity to present its case to the shareholders.

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