



January 26, 2009

Dear Valued Supplier:

Because of our valued relationship, we wanted to reach out to you directly to update you on some immediate and important steps we have taken to improve our capital structure.

In light of the unprecedented economic environment and frozen credit markets, we have been unable to adequately restructure our debt in a manner that will support our long-term business objectives. After careful consideration, we have determined that a court-supervised reorganization process is the best path to reorganize our capital structure to invest in and grow our business into the future. Therefore, we announced today that we voluntarily filed petitions to reorganize under Chapter 11 of the U.S. Bankruptcy Code and under the Companies' Creditors Arrangement Act (CCAA) in Canada.

**It is important for you to know that all of our recycling and container plants and paper mills will continue normal business operations and Smurfit-Stone is moving forward in a "business as usual" mode.**

The company has sufficient cash on hand; in fact, we have already received court approval to access \$550 million of the \$750 million in financing commitments we have received from our lenders, and we will apply for approval for the full amount at a hearing in February. This financing ensures we have the necessary liquidity to continue normal business during this process.

**Please rest assured that you will be paid in full for goods and services received on and after the filing date (January 26, 2009).**

U.S. and Canadian bankruptcy laws mandate that any unpaid debts for goods and services provided to Smurfit-Stone prior to our filings cannot be paid without specific court authorization. Any such claims will be resolved as part of the reorganization process supervised by the court. We recognize how important timely payment is to you and sincerely regret any hardship or inconvenience our reorganization might have on you as a valued business partner.

Please know that this step was necessary, as a result of the inability to access the frozen capital markets, to improve our capital structure and become a stronger, better-positioned company.

We will keep you informed of significant developments. Throughout the next several months, information will be available on our website at [www.smurfit-stone.com](http://www.smurfit-stone.com). Alternatively, you can call 1-877-264-9638. If you have any additional questions, do not hesitate to be in touch with your regular Smurfit-Stone contact.

Thank you for your continued support. We greatly value our partnership with you – both in the past and as we proceed with this reorganization to make Smurfit-Stone a stronger company – and look forward to continuing our relationship.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick J. Moore".

Patrick J. Moore  
Chairman & CEO

A handwritten signature in black ink, appearing to read "Steven J. Klinger".

Steven J. Klinger  
President & COO