



January 26, 2009

To all Smurfit-Stone Retirees:

Because you are a retiree of Smurfit-Stone, we wanted to make you aware of an important development regarding the company.

On January 26, we voluntarily filed petitions to reorganize our company under Chapter 11 of the U.S. Bankruptcy Code and under the Companies' Creditors Arrangement Act in Canada.

After careful consideration and consultation with our legal and financial advisors, we determined that this was the path that would best protect and strengthen Smurfit-Stone's long-term value.

The company has a significant amount of debt, which we are unable to address in light of the unprecedented economic environment and frozen credit markets. The reorganization process will allow us to emerge a stronger, more financially healthy competitor, well- positioned to invest in and grow the business over the long term. During this process, the company will continue to operate as usual, manufacturing great products, serving our customers and growing our business.

We have a clear strategy, a strong leadership team and a focus on completing our restructuring as quickly as possible. We plan to emerge as a dynamic, profitable and competitive company – as many other companies have done.

You should be assured that any 401(k) assets you may have in Smurfit-Stone's 401(k) retirement plan are held in a trust that is separate from the company. These assets are protected under U.S. federal law against the claims of Smurfit-Stone's creditors and cannot be used by the company to meet other obligations or to pay its debts.

Also, you should know that the status of the qualified defined benefit pension plan administered by Smurfit-Stone has not changed as a result of the filings.

We have attached a Question/Answer document with additional information about how Smurfit-Stone's Chapter 11 and CCA filings affect you. We have also posted additional information on Smurfit-Stone's website, in a new restructuring information section at www.smurfitstone.com. In addition, please feel free to call 1-877-264-9638 to speak to a representative.

Sincerely,

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

Patrick J. Moore
Chairman & Chief Executive Officer