

SUPPLIER Q&A

A note to our valued suppliers:

If you have questions that are not addressed here, please contact our communications hotline at 877-264-9638.

1. What is Chapter 11?

Chapter 11 of the U.S. Bankruptcy Code is a legal mechanism for court supervised reorganization for restructuring of the company's obligations. Chapter 11 provides a way for companies to address their financial issues in order to become a viable entity, while continuing day-to-day operations.

2. What is CCAA?

CCAA, or the Companies' Creditors Arrangement Act, is a legal mechanism for court supervised reorganization or modification of a company's debt. CCAA provides a way for companies to gain time to restructure or reduce their debts while continuing day-to-day operations.

3. Why did Smurfit-Stone file to reorganize under Chapter 11 of the U.S. Bankruptcy Code and under the Companies' Creditors Arrangement Act (CCAA)?

The company is taking this action to make significant improvements to its capital structure to become a more financially healthy company that is well positioned to meet the current market challenges and deliver on its long-term growth plans.

The company took this step only after very careful consideration and consultation with experienced financial and legal experts. They decided that this would be the most effective path for Smurfit-Stone—the path that would best protect and strengthen Smurfit-Stone's long-term value.

4. Does this mean that Smurfit-Stone is going out of business?

Absolutely not. Smurfit-Stone filed under Chapter 11 and CCAA to restructure its debt and to develop a long-term capital structure to support the on-going viability and growth of the company. Going forward, suppliers will be paid under normal terms for all goods and services provided on or after the filing. Smurfit-Stone is confident that following this process, it will emerge a stronger, more financially healthy company, which will mean it will be a stronger partner for you.

5. Does Smurfit-Stone have enough cash to stay in business?

Yes. As part of our Second Day motions, we were granted final approval of our \$750 million debtor-in-possession (“DIP”) financing facility. Final approval of the DIP financing is an important step in our restructuring as it provides the company with ample liquidity to operate throughout this process.

6. How long will the reorganization process take?

There is no way to predict today with certainty how long the process will ultimately take, though cases frequently range from one to two years.

7. Which entities are included in the filing?

Please refer to the Restructuring section on the company's website -- www.smurfit.com/restructuring

8. How does this affect Smurfit-Stone’s operations outside the U.S.?

Smurfit-Stone’s Canadian entities have filed for protection under Chapter 11 in the United States and under the Companies’ Creditors Arrangement Act (CCAA) in Canada. A proceeding under the CCAA, like Chapter 11, is a legal mechanism for court supervised reorganization for restructuring of the company's obligations. Smurfit-Stone’s foreign operations in Mexico and Asia are not included in any of these filings and are not subject to the requirements under Chapter 11 or CCAA. The company has adequate funds to support its foreign operations to ensure the continued adequacy of working capital during this process.

9. Where can I find Chapter 11 and CCAA case information?

Please refer to the Restructuring section on the company's website – www.smurfit.com/restructuring

10. Will suppliers continue to be paid for goods and services they provide to Smurfit-Stone?

The company intends to pay suppliers under normal terms for goods received and services rendered on or after the filings (January 26, 2009). Any claims for goods received or services rendered on and after the filing date are considered “administrative claims,” which receive a priority status.

As part of our Second Day motions, we were granted final approval of our \$750 million debtor-in-possession (“DIP”) financing facility. The company plans to use these funds and the cash generated from operations to fund post-petition operating expenses, including supplier obligations.

Suppliers who provided goods or services to Smurfit-Stone prior to the filings (January 26, 2009) may have what are referred to as “pre-petition claims.” These claims cannot be paid at this time and will be addressed through a Chapter 11 plan of reorganization that will be filed later in the case. If you have such pre-petition claims, you will receive additional information from the company’s claims agent (or from the CCAA monitor in Canada) at a later date. Smurfit-Stone sincerely regrets the hardship or inconvenience that this may cause your company.

11. I have unpaid invoices dated before the bankruptcy date (i.e., pre-petition invoices). What should I do?

Once the Bankruptcy Court has confirmed the procedures and deadlines for filing claims, you will receive a proof-of-claim form and instructions on how to file the form with Smurfit-Stone (usually about 90 days).

12. Will I need a claim form, or will I automatically be paid for the outstanding, pre-petition amount owed to me?

U.S. Suppliers: The company will make an effort to list all of its creditors in a filing with the Bankruptcy Court. Suppliers on this list will be receiving a claim form from the company’s claims agent with instructions about how to file a claim.

Canadian Suppliers: The company will make an effort to list all of its creditors. Suppliers on this list will be receiving a claim form from the company’s CCAA monitor with instructions about how to file a claim.

If you have any questions regarding filing a claim, please seek legal counsel.

13. When will I receive payment for goods and services delivered after the bankruptcy date?

All goods and services delivered on and after the bankruptcy filing date (January 26, 2009) will be paid according to established terms.