



Overview

INTRODUCTION

Smurfit-Stone Container Corporation (NASDAQ: SSSC) is the industry's leading integrated manufacturer of paperboard and paper-based packaging. The company is the largest North American producer of containerboard and corrugated containers, and is a leading producer of kraft paper packaging, bleached paperboard, and point-of-purchase displays. SSSC is one of the world's largest paper recyclers, a key raw material for its products.

As North America's largest paperboard packaging company, Smurfit-Stone continues to identify developing retail trends, creating innovative packaging concepts and speeding them to market. In the process, Smurfit-Stone is changing customer perceptions of what packaging can do and what the company can deliver.

Smurfit-Stone's combination of production capabilities and innovation form one of the broadest product ranges of any paper-based packaging producer and give the company the ability to meet the growing demand for value-added packaging.

HISTORY

SSSC was formed in November 1998, with the merger of Jefferson Smurfit Corporation (JSC) and Stone Container Corporation (Stone). JSC's roots go back to 1974, when Dublin, Ireland-based Jefferson Smurfit Group (JSG) acquired partial interest in Time Industries, a Chicago-based paper and packaging company. JSG established a major presence in the United States with the 1981 acquisition of the Alton Box Board Company and the 1982 acquisition of Diamond International's packaging operations. In 1983, JSG's U.S. operations reorganized. The majority of these operations became subsidiaries of JSC. JSC went on to establish a leadership position in the U.S. paper and packaging industry with its 1986 acquisition of 50 percent of Container Corporation of America (CCA) from Mobil Corporation. Morgan Stanley Leveraged Equity Fund II (MSLEF II) purchased the other half of CCA. JSC restructured as a privately held company in 1989, jointly owned by JSG and MSLEF II. As part of the restructuring, JSC acquired the remainder of CCA. In 1994, JSC recapitalized as a publicly traded company.

Stone Container was founded in 1926 as J.H. Stone and Company. In 1945, it incorporated under the name Stone Container Corporation. In the 1950s, Stone expanded outside of Chicago, buying and building corrugated container plants in Pennsylvania, Ohio, Indiana, and Michigan. The company acquired facilities from Continental Group in 1983 and acquired additional facilities from Champion International in 1986.

The merger of JSC and Stone brought together two leaders of the paper-based packaging industry. In conjunction with the merger closing, JSG purchased 20 million shares of JSC's stock from MSLEF II and certain other investors. In May 2000, SSSC acquired St. Laurent Paperboard, Inc. In September 2002, the company acquired MeadWestvaco's Stevenson, Alabama, containerboard mill and related operations. That same month, JSG privatized and distributed its stake in SSSC. Today, neither JSG nor MSLEF II are stockholders of SSSC. In March 2003, SSSC exchanged its European assets for JSG's 50 percent ownership of Smurfit-MBI, a Canadian packaging company, and \$189 million cash. SSSC now owns 100 percent of Smurfit-MBI. As a result of this transaction, SSSC became focused almost exclusively on the North American market.

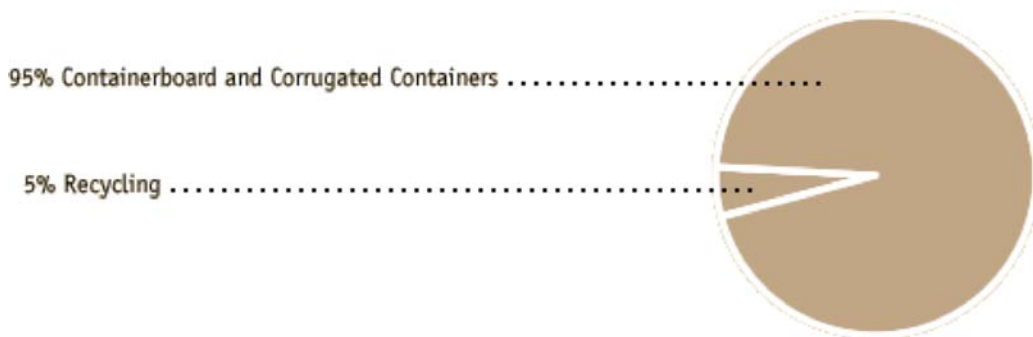
In order to simplify and consolidate the company's debt financing activities, in November 2004 Smurfit-Stone's two primary operating companies, Stone Container Corporation and JSC(U.S.), were merged into a single operating company, Smurfit-Stone Container Enterprises, Inc. (SSCE), a wholly owned subsidiary of SSCC.

In June 2006, Smurfit-Stone sold its consumer packaging division to Texas Pacific Group, and paid down debt with the proceeds. The sale consisted of 40 folding carton, label, flexible packaging, and multiwall and specialty bag facilities; as well as four boxboard mills. As a result of this transaction, Smurfit-Stone is now fully focused on the paperboard and corrugated container market.

BUSINESS SEGMENTS

In 2006, Smurfit-Stone had one reportable business segment. The containerboard and corrugated containers segment which accounted for 95 percent of net sales and included the company's containerboard mills and corrugated container operations. The reclamation operations accounted for 5 percent of net sales and consisted of recycling operations, including collection centers and brokerage sales offices.

SSCC 2006 Revenue: \$7.2 Billion



Containerboard and Corrugated Containers

Smurfit-Stone is North America's leading producer of corrugated containers – the boxes made from linerboard and corrugated medium. The company draws its resources from the largest and most geographically diverse network of containerboard mills and corrugated container plants in North America and can deliver packaging solutions to meet almost any need, from high-impact graphics and structural engineering to market research and product development. Smurfit-Stone offers a broad array of specialty products including pizza boxes and corrugated clamshells for the food industry, as well as a complete line of retail-ready, point-of-purchase (P-O-P) displays.

CONTAINERBOARD OPERATIONS

Smurfit-Stone owns and operates 19 containerboard and pulp mills in North America and is the world's largest containerboard producer and a supplier of market pulp. It produces a full line of commodity and specialty paperboards for conversion into corrugated containers, folding cartons and related products. The containerboard operations use almost 2.8 million tons of reclaimed fiber per year, and Smurfit-Stone is one of the largest North American producers of recycled containerboard products.

Smurfit-Stone draws upon a diverse raw material base of both recycled and renewable wood fiber to produce the industry's broadest line of unbleached linerboard and corrugated medium grades. Recycled fiber consists of approximately 33 percent of this raw material base. SSCC is North America's largest producer of specialty grades, which are targeted to the high-graphics segment of the corrugated container industry. As a market leader, SSCC works with customers to develop innovative new products and value-added services.

The containerboard group produces a variety of bleached products for many uses, including high quality SBS used in high-end folding cartons, paper cups and paper plates, and carded packaging. The company manufactures high quality bleached hardwood pulp for photographic papers and pharmaceutical product fillers.

The board sales group is responsible for marketing and selling nearly 3.6 million tons of pulp, paper and paperboard products worldwide. Strong technical and marketing teams, with particular strengths in corrugator operations and high-impact graphics applications, complement the sales force. These experts work together with the company's customers to get the most out of Smurfit-Stone's products.

CONTAINERBOARD PRODUCT LINES AND END-USE MARKETS

Linerboard and Medium: SSCC's containerboard mills produce a wide range of unbleached kraft linerboard grades, which provide high quality performance for traditional box packaging and specialty applications in basis weights ranging from 26- to 96-pound. Medium is available in 100 percent recycled or a blend of recycled and virgin fiber grades. Medium basis weights range from 18-pound featherweight to sturdy 45-pound grades.

White Top, Bleached, and Coated White Top Liner: SSCC produces the highest quality white top linerboard in North America. Manufactured with a layer of white pulp over unbleached kraft material, our linerboard provides a superior surface for high-impact graphics. The company also produces bleached liner and coated white top linerboard at our La Tuque, Quebec, mill. Available in basis weights of 26- to 69-pounds, coated white top is ideal for a wide range of high-graphics applications, including high-end packaging and point-of-purchase displays.

Solid Bleached Sulfate (SBS): SSCC specializes in high quality grades of SBS, designed to meet the most challenging print requirements of folding carton and carded packaging customers in the food, pharmaceutical, cosmetic and other niche markets. Coated and uncoated high ink absorption SBS grades are available.

Kraft Paper: Kraft paper is produced at our Hodge, Louisiana, mill. Grades include natural retail, natural multiwall, natural twisting, and standard converting regular and wet-strength, and shingle wrap. Kraft paper is used in numerous products, including consumer and industrial bags, grocery and shopping bags, counter rolls, handle stock and refuse bags.

Specialty Board: In addition to standard containerboard production, SSCC's La Tuque, Quebec, mill produces specialty solid bleached paperboard. La Tuque's solid bleached, non-corrugated paper can be found in paper cups and plates. In addition, SSCC's Pointe-aux-Trembles, Quebec, extrusion coating operation coats containerboard in polyethylene to make food containers.

Market Pulp: SSCC is a supplier of pulp to the photographic industry, specialty paper makers, printing and writing sectors, and related markets.

Forest Resources: The forest resources group is responsible for supplying the containerboard mill operations with wood fiber. Smurfit-Stone owns approximately one million acres of woodlands located in Canada. The company's wood procurement operations in the United States are third party certified under both International Organization for Standardization (ISO) 14001 Environmental Management standards and the American Forest & Paper Association's Sustainable Forestry Initiative® (SFI) standards.

In 2006, North American containerboard operations, consisting of 19 mills, produced a wide range of paper grades:

- 7 mills produce kraft linerboard
- 11 mills produce medium
- 3 mills produce white top linerboard
- 1 mill produces solid bleached liner and specialty bleached paperboard
- 1 mill produces SBS
- 2 mills produce bleached pulp
- 1 mill produces kraft paper

Containerboard Production

| UNITS (THOUSAND TONS) | 2006 | 2005 | 2004 |
|---|--------------|-------|-------|
| Containerboard | 7,402 | 7,215 | 7,438 |
| Bleached Liner / Solid Bleached Sulfate | 313 | 283 | 276 |
| Market Pulp | 564 | 563 | 549 |
| Kraft Paper | 199 | 204 | 259 |

CORRUGATED CONTAINER OPERATIONS

Smurfit-Stone is the industry's leading supplier of corrugated containers, which are made from high quality linerboard and corrugated medium supplied by SSCC's network of paper mills. The company converts approximately 5.3 million tons of containerboard. SSCC is a trusted supplier to hundreds of national and international manufacturers, as well as thousands of local and regional customers.

CORRUGATED CONTAINER PRODUCT LINES AND END-USE MARKETS

Corrugated Containers: SSCC's corrugated container operations offer a full range of high quality corrugated containers designed and manufactured to protect, ship, store and display products. Each design meets a detailed set of customer specifications. SSCC manufactures corrugated packaging for pizza, vegetables, bicycles, computers, canned goods and a multitude of other products. No other packaging material is used as universally as corrugated containers.

Today, packaging does more than simply protect products. More and more, customers are using corrugated containers as a marketing tool, and the increasing prominence of mega-retailers is requiring eye-catching, durable and cost effective options. Smurfit-Stone's complete line of packaging graphics capabilities meets these needs.

Packaging Solutions: In addition to delivering value-added packages, SSCC provides packaging solutions for its customers with special materials and high quality graphics. These solutions include mechanical packaging equipment, custom packaging, safe-transit approved laboratory research, electronic data interchange capability, market research, and product development.

Specialty Products: SSCC offers a broad array of specialty products, including pizza boxes and corrugated clamshells for the food industry, as well as a complete line of retail-ready P-O-P displays.

Packaging Systems: Smurfit-Stone's packaging systems group in Orlando, Florida, designs, manufactures and markets a complete line of corrugated packaging machinery. Product lines include knock-down and wraparound case packers, case erectors, case sealers, trayformers, product accumulators, loaders and customized equipment.

As of December 31, 2006, corrugated container operations include:

- 99 corrugated container plants
- 24 sheet plants
- 5 sheet feeder plants
- 2 preprint plants
- 1 packaging systems plant
- 5 contract packaging plants
- 4 packaging solution centers
- 1 training center

Smurfit-Stone also has partial ownership interest in three Asian corrugated container facilities, as well as two sheet plants and a lithographic printing plant.

Corrugated Container Shipments

| | 2006 | 2005 | 2004 |
|-----------------------|------|------|------|
| Corrugated Containers | | | |
| Billion square feet | 80.0 | 81.3 | 81.8 |

Corrugated Container Sales By Category

- 40% Food
- 18% Other nondurables
- 17% Producer goods
- 15% Household supplies
- 10% Durable consumer goods



Recycling Operations

To serve its recycling-based mills, Smurfit-Stone has built one of the largest reclamation businesses in the industry and now handles more than 6.6 million tons of recycled paper annually.

RECYCLING PRODUCT LINES AND END-USE MARKETS

SSCC's recycling business has the capacity and flexibility to process recovered paper generated by industrial, commercial and residential sources.

Approximately 38 percent of the fiber collected is used in the company's containerboard mills. The majority of the remainder is sold on the open market. Of the volume collected and sold externally*, 43 percent is old corrugated containers (OCC); 18 percent double lined kraft (DLK); 16 percent is old newspapers (ONP); and 23 percent is a variety of grades including non-fiber products, such as aluminum, glass and plastic. Smurfit-Stone Waste Reduction Services' (SWRS) experts counsel a wide range of customers on strategies to develop comprehensive waste management solutions, reduce costs and increase efficiency.

North American recycling operations include:

- 23 collection facilities
- 12 sales offices (one in China)

| UNITS (THOUSAND TONS) | 2006 | 2005 | 2004 |
|----------------------------------|---------------|-------|-------|
| Recycled Volume Processed | | | |
| Recovered Fiber | 6,614 | 6,501 | 6,542 |
| Non-Fiber | 128 | 108 | 88 |
| Total | 6,742 | 6,609 | 6,630 |
| Open-market Shipments | 4,153* | 3,651 | 3,637 |

* Statistics reflect third party treatment of key fiber sales to the company's former Consumer Packaging business.

Shareholder Information

CORPORATE LOCATIONS

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Chicago, Illinois 60601-7568
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Creve Coeur, Missouri 63141-7167
Telephone: (314) 656-5300

630 Rene-Levesque Boulevard West
Montreal, Quebec, Canada H3B 5C7
Telephone: (514) 864-5103

www.smurfit-stone.com

COMMON STOCK

Smurfit-Stone Common Stock is traded on The NASDAQ Global Select Stock Market under the symbol SSCC.

PREFERRED STOCK

Smurfit-Stone's 7 percent Series A Cumulative Exchangeable Redeemable Convertible Preferred Stock is traded on The NASDAQ Global Select Stock Market under the symbol SSCCP.

INVESTOR RELATIONS CONTACTS

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Financial Highlights

| (in millions except share data) | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|-----------------|----------|----------|----------|----------|
| Net sales | \$ 7,157 | \$ 6,812 | \$ 6,716 | \$ 6,146 | \$ 6,025 |
| Adjusted EBITDA (as defined below) | 707 | 605 | 775 | 715 | 962 |
| Net income (loss) available to common stockholders | (71) | (339) | (57) | (208) | 54 |
| Diluted earnings per common share | (0.28) | (1.33) | (0.23) | (0.85) | 0.22 |
| Total debt | 3,634 | 4,571 | 4,498 | 4,807 | 4,990 |
| Net cash provided by operating activities | 265 | 221 | 273 | 162 | 503 |
| Capital expenditures | 274 | 276 | 219 | 212 | 207 |

EBITDA AND ADJUSTED EBITDA (as defined below, in millions, unaudited)

| | Year ended December 31, | |
|--|-------------------------|----------|
| | 2006 | 2005 |
| Income (loss) from continuing operations | \$ (70) | \$ (378) |
| (Benefit from) provision for income taxes | (40) | (241) |
| Income from discontinued operations before income taxes (Note 1) | 23 | 86 |
| Interest expense, net | 341 | 345 |
| Depreciation, depletion and amortization | 377 | 408 |
| EBITDA | 631 | 220 |
| Receivables discount expense | 27 | 18 |
| Restructuring charges | 43 | 321 |
| Non-cash foreign currency (gain) loss | (1) | 9 |
| Litigation settlements, net | | 36 |
| Loss on early extinguishment of debt | 28 | |
| (Gain)/loss on sale of assets | (24) | 1 |
| Other (Note 2) | 3 | |
| Adjusted EBITDA | \$ 707 | \$ 605 |

Note 1: Income from discontinued operations before income taxes for the year ended December 31, 2005 excludes \$1 million of interest expense allocated to discontinued operations.

Note 2: Income from discontinued operations before income taxes for the year ended December 31, 2006 includes \$3 million of expenses related to the sale of the consumer packaging segment.

“EBITDA” is defined as net loss before benefit from income taxes, interest expense, net and depreciation, depletion and amortization. “Adjusted EBITDA” is defined as EBITDA adjusted as indicated above. EBITDA and Adjusted EBITDA are non-GAAP financial measures. See disclosure attached regarding the use of non-GAAP financial measures.

SMURFIT-STONE CONTAINER CORPORATION NON-GAAP FINANCIAL MEASURES

We measure our performance primarily through our operating profit. In addition to our audited consolidated financial statements presented in accordance with U.S. generally accepted accounting principles (“GAAP”), management uses certain non-GAAP financial measures, including “EBITDA,” “adjusted EBITDA” and “adjusted net income (loss) per diluted share available to common stockholders” to measure our operating performance. We provide a definition of the components of these measurements and reconciliation to the most directly comparable GAAP financial measure.

These non-GAAP measures are considered by our Board of Directors and management as a basis for measuring and evaluating our overall operating performance. They are presented to enhance an understanding of our operating results and are not intended to represent cash flow or results of operations. The use of these non-GAAP measures provides an indication of our ability to service debt and we consider them appropriate measures to use because of our highly leveraged position. We believe these non-GAAP measures are useful in evaluating our operating performance compared to other companies in our industry, and are beneficial to investors, potential investors and other key stakeholders, including analysts and creditors who use these measures in their evaluations of our performance.

EBITDA has certain material limitations associated with its use as compared to net income. These limitations are primarily due to the exclusion of certain amounts that are material to our consolidated results of operations, such as interest expense, income tax expense and depreciation and amortization. In addition, EBITDA may differ from the EBITDA calculations of other companies in our industry, limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA should not be considered a measure of discretionary cash available to us to invest in our business and should be read in conjunction with our consolidated financial statements prepared in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using EBITDA and adjusted EBITDA only as supplemental measures of our operating results. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial statements prepared in accordance with GAAP. The EBITDA presentation includes a reconciliation to net income which we believe is clear and useful to our stakeholders. A further reconciliation to adjusted EBITDA excludes certain unusual or non-recurring items, and presents a more accurate picture of our operating performance.

We use adjusted EBITDA to provide meaningful supplemental information regarding our operating performance and profitability by excluding from EBITDA certain unusual or nonrecurring items that we believe are not indicative of our ongoing operating results as follows:

- **Loss on Early Extinguishment of Debt** – which represents unamortized deferred debt issuance cost or call premiums charged to expense in connection with our financing activities.
- **Non-Cash Foreign Currency Gain or Loss** – which is recorded in connection with fluctuations in the Canadian dollar. The functional currency for our Canadian operations is the U.S. dollar. Fluctuations in Canadian dollar-denominated monetary assets and liabilities result in non-cash gains or losses.
- **Gain or Loss on Sale of Assets** – which occur on an infrequent basis.
- **Receivables Discount Expense** – which is recorded in connection with our accounts receivable securitization program and is considered a financing activity similar to interest expense that is added back

in our presentation of adjusted EBITDA in a manner consistent with our interest expense.

- **Restructuring Charges** – which consist primarily of facility closures and other headcount reductions. A significant amount of these restructuring charges are non-cash charges related to the write-down of property, plant and equipment to estimated net realizable value. We exclude these restructuring charges to more clearly reflect our ongoing operating performance.
- **Litigation Settlements** – which occur on an infrequent basis.

We also use the non-GAAP measure “adjusted net income (loss) per diluted share available to common stockholders.” Management believes this non-GAAP financial measure provides investors, potential investors, security analysts and others with useful information to evaluate the performance of the business because it excludes gains and losses and charges that management believes are not indicative of the ongoing operating results of the business. In addition, this non-GAAP financial measure is used by management to evaluate our operating performance for the same reasons as detailed above in the description of the related components excluded from EBITDA to arrive at adjusted EBITDA.

North American Mill Capacity and Production

| Units (thousand short tons) | | Production | | | | | | | | |
|-----------------------------|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Product Line | Mill | Capacity (a) | | | 2006 | | | 2005 | | |
| | | 2007 | 2006 | 2005 | Liner | Med | Total | Liner | Med | Total |
| Containerboard | Brewton, AL (b) | 303 | 303 | 303 | 304 | | 304 | 283 | | 283 |
| | Carthage, IN | 51 | 49 | 48 | | 49 | 49 | | 46 | 46 |
| | Coshocton, OH | 307 | 304 | 297 | | 304 | 304 | | 273 | 273 |
| | Fernandina Beach, FL | 863 | 868 | 806 | 852 | | 852 | 804 | | 804 |
| | Florence, SC | 677 | 677 | 688 | 673 | | 673 | 652 | | 652 |
| | Hodge, LA | 572 | 589 | 546 | 447 | 141 | 588 | 422 | 111 | 533 |
| | Hopewell, VA | 430 | 444 | 441 | 440 | | 440 | 415 | | 415 |
| | Jacksonville, FL | 458 | 486 | 444 | | 313 | 313 | | 287 | 287 |
| | Los Angeles, CA | 148 | 148 | 145 | | 148 | 148 | | 145 | 145 |
| | Missoula, MT | 593 | 593 | 574 | 591 | | 591 | 573 | | 573 |
| | Ontonagon, MI | 279 | 281 | 266 | | 279 | 279 | | 252 | 252 |
| | Panama City, FL | 337 | 340 | 335 | 339 | | 339 | 301 | | 301 |
| | Snowflake, AZ | 132 | 132 | 128 | | 135 | 135 | | 123 | 123 |
| | Stevenson, AL | 891 | 891 | 863 | | 882 | 882 | | 861 | 861 |
| | Uncasville, CT | 171 | 170 | 171 | | 171 | 171 | | 155 | 155 |
| | West Point, VA (c) | 838 | 841 | 841 | 660 | 163 | 823 | 654 | 158 | 812 |
| | Total U.S. | | 7,050 | 7,116 | 6,896 | 4,306 | 2,585 | 6,891 | 4,104 | 2,411 |
| Bathurst, NB (d) | | 0 | 0 | 141 | | | 0 | | 112 | 112 |
| La Tuque, QC (b) | | 353 | 346 | 337 | 351 | | 351 | 327 | | 327 |
| Matane, QC | | 163 | 160 | 159 | | 160 | 160 | | 140 | 140 |
| New Richmond, QC (d) | | 0 | 0 | 136 | | | 0 | 121 | | 121 |
| Total North America | | 7,566 | 7,622 | 7,669 | 4,657 | 2,745 | 7,402 | 4,552 | 2,663 | 7,215 |
| SBS and SBL | Brewton, AL | 187 | 190 | 187 | | | 189 | | | 177 |
| | La Tuque, QC | 126 | 117 | 111 | | | 124 | | | 106 |
| Total | | 313 | 307 | 298 | | | 313 | | | 283 |
| Kraft Bag | Hodge, LA | 208 | 201 | 214 | | | 199 | | | 204 |
| | Total | 208 | 201 | 214 | | | 199 | | | 204 |
| Pulp | Panama City, FL | 305 | 283 | 311 | | | 319 | | | 324 |
| | Pontiac, QC | 245 | 245 | 245 | | | 245 | | | 239 |
| Total | | 550 | 528 | 556 | | | 564 | | | 563 |

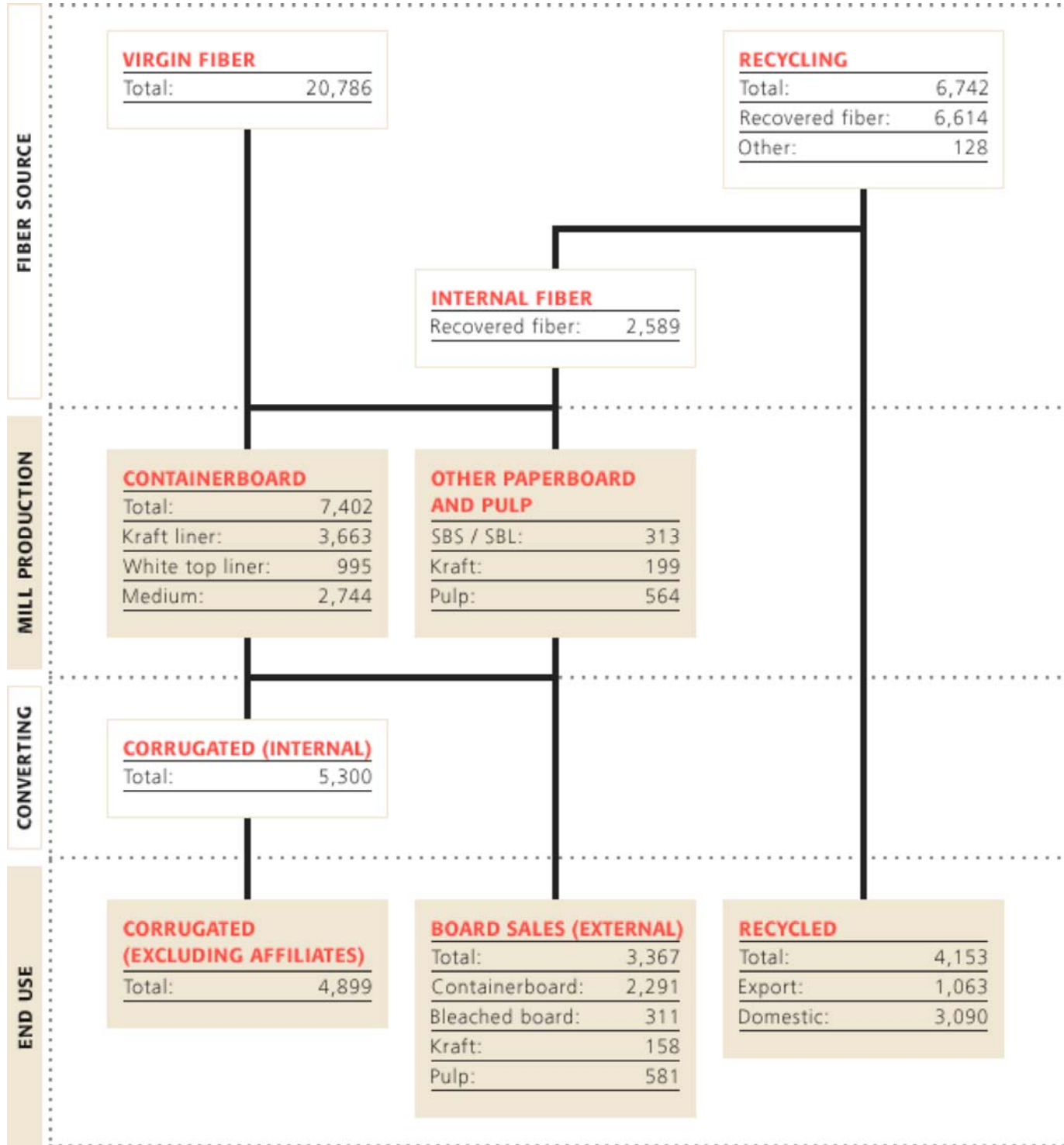
a) Estimated capacity as reported for the American Forest & Paper Associations's 47th Annual Survey.

b) White top linerboard.

c) 2006, 2005 and 2004 production, includes 340 tons, 367 tons, and 368 tons, of white top linerboard, respectively.

d) Closed 3Q 2005.

Product Flow Chart



All figures in thousand short tons, unless otherwise noted.

Containerboard Mill Listing*

Containerboard Mills

| | |
|----------------------|------------------|
| Brewton, AL | Florence, SC |
| Carthage, IN | Hodge, LA |
| Coshocton, OH | Hopewell, VA |
| Fernandina Beach, FL | Jacksonville, FL |
| | La Tuque, QC |
| | Los Angeles, CA |

| |
|-----------------|
| Matane, QC |
| Missoula, MT |
| Ontonagon, MI |
| Panama City, FL |
| Pontiac, QC |
| Snowflake, AZ |

| |
|----------------|
| Stevenson, AL |
| Uncasville, CT |
| West Point, VA |

Laminating

| |
|-------------------------|
| Pointe aux Trembles, QC |
|-------------------------|

Tubes

| |
|----------------|
| Dalton, GA (1) |
|----------------|

Sawmill

| |
|----------------|
| Homerville, GA |
|----------------|

(1) Joint venture

* As of 12/31/06

Corrugated Container Plant Listing*

Corrugated Container Plants

Adams, WI
 Atlanta, GA
 Baltimore South, MD
 Birmingham, AL
 Bradenton, FL
 Bridgeview, IL
 Buffalo, NY
 Burlington, ON
 Calgary, AB
 Chattanooga, TN
 Chesterfield, MO
 Chicago, IL
 Cincinnati, OH
 City of Industry, CA
 Columbia, SC
 Columbus, IN
 Corona, CA
 Covington, GA
 Denver, CO
 Dongguon, PRC
 Edmonton, AB
 El Paso, TX (2)
 Etobicoke, ON
 Fargo, ND
 Fernandina Beach, FL
 Fort Worth, TX
 Fullerton, CA
 Galesburg, IL
 Germantown, WI
 Glendale, AZ
 Grand Prairie, TX
 Guadalupe/Monterey, MX
 Guelph, ON
 Highland, IL
 Houston, TX
 Humboldt, TN
 Jacksonville, FL
 Jefferson, OH
 Joliet, IL
 Kansas City, KS

Knoxville, TN
 Latta, SC
 Lewisburg, TN
 Lexington, NC
 Liberty, MO
 Los Angeles, CA
 Mansfield, MA
 Mansfield, OH
 Martinsville, VA
 Memphis, TN
 Mexicali, MX
 Milpitas, CA
 Milton, ON
 Milwaukee, WI
 Minneapolis, MN
 Mishawaka, IN
 Montgomery, AL
 Murfreesboro, TN
 Muskogee, OK
 New Hartford, NY
 New Westminster, BC
 North Chicago, IL
 North Tonawanda, NY
 Philadelphia, PA (2)
 Portland, CT
 Portland, OR
 Queretaro, MX
 Ravenna, OH
 Regina, SK
 Richmond, VA (2)
 Roanoke, VA
 Rogers, AR
 Salinas, CA
 San Juan, PR
 Santa Fe Springs, CA
 Shelby, NC
 Sioux City, IA (2)
 Sioux Falls, SD
 Springfield, MO
 St. Cloud, MN
 St. Joseph, MO

St. Laurent, QC
 St. Louis, MO
 Town of Mount Royal, QC
 Tupelo, MS
 Tyler, TX
 Wakefield, MA
 Washington Court
 House, OH
 Whitby, ON
 Williamsport, PA
 Winnipeg, MB
 Wilson, NC
 Winston-Salem, NC
 Xiamen, PRC

Sheet Plants

Atlanta, GA
 Beloit, WI
 Bloomington, IL
 Cincinnati, OH
 Collierville, TN
 Des Moines, IA
 Elkhart, IN
 Fort Smith, AR
 Frankfort, IN
 Houston, TX
 Jonesboro, AR
 Lexington, KY
 Naperville, IL
 Nashville, TN
 Neenah, WI
 Raleigh, NC
 Richmond, VA
 Rochester, MN
 Springfield, MA
 Springfield, MO
 St. Paul, MN
 Tijuana, MX
 Tupelo, MS

Sheet Feeder Plants

Bedford Park, IL
 Blue Springs, MO
 Hanover Park, IL
 Milwaukee, WI
 Philadelphia, PA

Preprint Plants

Atlanta, GA
 Jacksonville, FL

Packaging Systems Plant

Orlando, FL

Contract Packaging Plants

Olive Branch, MS
 Scarborough, ON
 Etobicoke, ON
 Richmond, BC
 Mississauga, ON

Packaging Solution Centers™

Westmont, IL
 Bentonville, AR
 Hong Kong, PRC
 Shanghai, PRC

Training Center

Carol Stream, IL

* As of 12/31/06

Recycling Plant Listing*

Recycling Plants

Anchorage, AK
Augusta, GA
Bakersfield, CA
Chicago, IL
Columbus, OH
Evansville, IN
Fort Lauderdale, FL
Fresno, CA
Jacksonville, FL

Kansas City, KS
Louisville, KY
Nashville, TN
Oakland, CA
Philadelphia, PA
Portland, OR
Sacramento, CA (2)
St. Charles, IL
St. Louis, MO
San Jose, CA

Seattle, WA
Tampa, FL
Torrance, CA

Sales Offices

Atlanta, GA
Maryland Heights, MO
Gardena, CA

Houston, TX
Jacksonville, FL
Middletown, OH
Oakland, CA
Oregon City, OR
Philadelphia, PA
St. Louis, MO
Shanghai, China
Toronto, ON

(1) Joint venture

* As of 12/31/06

Glossary

Corrugated Container: One of the most efficient forms of distributing packageable goods, a corrugated container is manufactured from containerboard — linerboard and medium. In its most common form, a corrugated box is made from two layers of linerboard and a layer of medium. The layers are combined on a corrugator, a machine that presses corrugations into the medium and laminates a ply of linerboard to each side. The resulting corrugated sheets are printed, folded and glued or stapled to form a finished box. Corrugated containers are designed primarily to protect a product during shipping, but increasingly feature graphics, which improve a product's appeal.

Linerboard: Linerboard is the grade of paperboard used for the outer “facings” of a corrugated box. Kraft linerboard is made from wood fiber derived by the kraft process and typically contains no more than 20 percent recycled material. Recycled or testliner may be made of 100 percent recycled material.

Market Pulp: Pulp is a fibrous material produced by reducing woody plants into their component parts from which pulp, paper and paperboard sheets are formed after proper slushing and treatment. Market pulp is any pulp that is produced for sale on the open market. Applications include photographic paper and magazine paper.

Medium: The paperboard grade used to form the inner fluted layer of corrugated board is medium. Like linerboard, medium can be made of recycled material or wood pulp.

Miniflute/Hybrid Packaging: The arches in corrugated medium are known as flutes, which provide vertical compression strength and cushion to a corrugated container. Flutes come in several standard shapes or flute profiles, ranging from A-flute, the largest, on down. F-flute, for example, is extremely small. The smaller flutes are called miniflute and provide enhanced structural and graphics capabilities for retail packaging. Boxes with miniflute are sometimes called hybrid packaging because they combine the structural strength of corrugated containers with the graphics capability of a folding carton. Lithoflute® is Smurfit-Stone's brand name for this litho-laminated miniflute.

Solid Bleached Sulfate (SBS) and Solid Bleached Paperboard (SBL): A premium grade of folding carton board. SBS is a solid sheet of paperboard manufactured from bleached kraft pulp and generally clay-coated on one side. Solid bleached paperboard is similar to SBS but with a lighter basis weight.

White Top/Mottled White Linerboard: Manufactured with a layer of white pulp over unbleached kraft material, this linerboard provides an improved surface for graphics.