

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

In re Smurfit-Stone Container Corporation, et al ,

Chapter 11  
Case No 09-10235

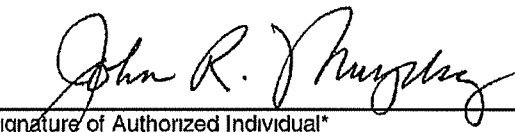
Debtor

**Monthly Operating Report**  
For the Period July 1, 2009 to July 31, 2009

**REQUIRED DOCUMENTS**

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I declare under penalty of perjury (28 U S C Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief

  
Signature of Authorized Individual\*

8-31-09  
Date

By John R Murphy  
Title Senior Vice President and Chief Financial Officer

\*Authorized individual must be an officer, director or shareholder if debtor is a corporation, a partner if debtor is a partnership, a manager or member if debtor is a limited liability company

Notes

(1) Refer to Appendix A for a complete listing of Debtors

**In re Smurfit Stone Container Corporation, et al.**

**NOTES TO THE MONTHLY OPERATING REPORT**

**1. Background and Basis of Presentation:** On January 26, 2009, Smurfit-Stone Container Corporation ("SSCC" or the "Company") and certain of its U.S. and Canadian subsidiaries (collectively, the "Debtor Entities") filed voluntary petitions in the United States Bankruptcy Court for the District of Delaware (the "U.S. Court") seeking relief under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code"). On the same day, certain of the Company's Canadian subsidiaries also filed to reorganize (the "Canadian Petition") under the Companies' Creditors Arrangement Act ("CCAA") in the Ontario Superior Court of Justice in Canada (the "Canadian Court," and together with the U.S. Court, the "Bankruptcy Courts"). The Company's operations in Mexico and Asia and certain U.S. and Canadian legal entities ("Non-Debtor Affiliates") were not included in the Chapter 11 filings and will continue to operate outside of the Chapter 11 process.

The unaudited financial statements included herein include the accounts and results of operations of the U.S. and Canadian Debtor Entities. The information contained in this Monthly Operating Report ("MOR") is provided to fulfill the reporting requirements set forth by the Office of the United States Trustee. All information contained herein is unaudited and subject to future adjustment.

Investments in Non-Debtor Affiliates are accounted for in these financial statements using the equity method of accounting on a non-consolidated basis. These financial statements include results of operations for the month of July 2009 and for the period January 26, 2009 through July 31, 2009.

In accordance with U.S. generally accepted accounting principles ("GAAP"), the Company has applied American Institute of Certified Public Accountants' Statement of Position ("SOP") 90-7, "Financial Reporting by Entities in Reorganization under the Bankruptcy Code" ("SOP 90-7"), in preparing the financial statements. SOP 90-7 requires that the financial statements, for periods subsequent to the Chapter 11 filing, distinguish transactions and events that are directly associated with the reorganization from the ongoing operations of the business. Accordingly, certain revenues, expenses (including professional fees), realized gains and losses and provisions for losses that are realized or incurred in the bankruptcy proceedings are recorded in reorganization items on the accompanying unaudited statements of operations. In addition, pre-petition and certain post-petition obligations that may be impacted by the bankruptcy reorganization process have been classified on the unaudited balance sheet at July 31, 2009 as liabilities subject to compromise.

These financial statements are not intended to be prepared in conformity with U.S. GAAP, because they do not include all of the information and footnote disclosures required by U.S. GAAP for complete financial statements. The information contained in this MOR (i) has not been audited or reviewed by independent registered public accountants, (ii) is limited to the time period indicated and (iii) is not intended to reconcile to the consolidated financial statements filed by the Company with the Securities and Exchange Commission ("SEC") in its Annual Report on Form 10-K for the year ended December 31, 2008 ("2008 Form 10-K") or in its Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 ("2009 Second Quarter Form 10-Q").

Preparation of the MOR requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The Company cannot determine future events and their effects with certainty, particularly while the Chapter 11 cases are proceeding. Therefore, the determination of estimates requires the exercise of judgment based on various assumptions, and

other factors such as historical experience, current and expected economic conditions, and in some cases, actuarial calculations. The Company constantly reviews these significant factors and makes adjustments when appropriate.

The statements of operations and cash flows presented in the MOR for any interim period are not necessarily indicative of the results that may be expected for a full quarter, full year, or any future interim period. While every effort has been made to assure the accuracy and completeness of this MOR, errors or omissions may have inadvertently occurred and the Company reserves the right to amend the MOR as necessary. In particular, the Company is in the process of reconciling its pre-petition and post-petition liabilities, as well as its liabilities subject to compromise and not subject to compromise and such amounts are subject to reclassification and/or adjustment in the future.

For the reasons discussed above, the Company cautions readers not to place undue reliance upon information contained in the MOR. For further information, refer to the Company's consolidated financial statements and footnotes included in its 2008 Form 10-K and its 2009 Second Quarter Form 10-Q filed with the SEC.

**2. Reclassifications:** Certain reclassifications of prior period presentations have been made to conform to the current period presentation.

**3. DIP Credit Facility:** In connection with the commencement of the Chapter 11 and CCAA proceedings, on January 26, 2009 the Company and certain of its affiliates filed a motion with the U.S. Court seeking approval to enter into a post-petition credit agreement (the "DIP Credit Agreement"). On January 27, 2009, the U.S. Court granted interim approval of the DIP Credit Agreement. Based on such interim approval, on January 28, 2009, the Company entered into the DIP Credit Agreement, subject to final approval of the Bankruptcy Courts. Final approval of the DIP Credit Agreement was granted by the U.S. Court on February 23, 2009 and by the Canadian Court on February 24, 2009. Amendments to the DIP Credit Agreement were entered into on February 25 and 27, 2009.

The DIP Credit Agreement, as amended, provides for borrowings up to an aggregate committed amount of \$750 million, consisting of a \$400 million U.S. term loan for borrowings by Smurfit-Stone Container Enterprises, Inc ("SSCE"); a \$35 million Canadian term loan for borrowings by Smurfit-Stone Container Canada Inc. ("SSC Canada"); a \$250 million U.S. revolving loan for borrowings by SSCE and/or SSC Canada; and a \$65 million Canadian revolving loan for borrowings by SSCE and/or SSC Canada.

The use of proceeds under the DIP Credit Agreement is limited to (i) working capital, letters of credit and capital expenditures; (ii) other general corporate purposes of the Company and certain of its subsidiaries (including certain intercompany loans); (iii) the refinancing in full of indebtedness outstanding under the receivables securitization programs; (iv) payment of any related transaction costs, fees and expenses; and (v) the costs of administration of the cases arising out of the Chapter 11 Petition and the Canadian Petition.

In accordance with the terms of the DIP Credit Agreement, on January 28, 2009, the Company used U.S. and Canadian term loan proceeds to terminate the Company's receivables securitization programs and repay all indebtedness outstanding under the programs of \$385 million and to pay related transaction costs and other expenses.

The outstanding principal amount of the loans under the DIP Credit Agreement, plus interest accrued and unpaid, will be due and payable in full at maturity, which is January 28, 2010 (subject to an earlier maturity date under certain circumstances); provided, that the maturity date may be extended through April 28, 2010 and subsequently through July 28, 2010, upon the satisfaction of certain conditions precedent (including the payment of specified fees).

Borrowings under the DIP Credit Agreement are guaranteed by the Company and certain of its affiliates, and are secured by first priority liens in the collateral accounts and all presently owned and hereafter acquired assets of the Company and each of its subsidiaries party to the DIP Credit Agreement, subject to certain permitted prior liens. Subject to certain exceptions, the DIP Credit Agreement requires certain mandatory prepayments of borrowings from the net proceeds of certain asset dispositions, and casualty or condemnation payments. The only Canadian entity that guarantees U.S. obligations is SSC Canada.

The DIP Credit Agreement includes affirmative, negative and financial covenants that impose substantial restrictions on the Company's financial and business operations and those of certain of its subsidiaries, including their ability to incur or secure debt, make investments, sell assets, pay dividends or make acquisitions. The DIP Credit Agreement contains events of default customary for debtor-in-possession financings of this type. As of July 31, 2009, the Company was in compliance with these covenants.

U.S. and Canadian borrowings are each subject to a borrowing base derived from a formula based on certain eligible accounts receivable and inventory, and an amount attributable to real property and equipment, less certain reserves. As of July 31, 2009, borrowing availability under the DIP Credit Agreement and available cash and cash equivalents were as follows.

Lower of borrowing base or total commitment.....	\$ 706,694
Outstanding borrowings:	
Term loans.....	421,767
Letter of credit obligations.....	13,513
Revolving loans.....	-
Excess borrowing availability.....	<u>271,414</u>
Available cash.....	<u>672,765</u>
Excess borrowing availability plus available cash.....	<u>\$ 944,179</u>

The Company's borrowing base as of July 31, 2009 increased approximately \$109 million compared to June 30, 2009. The Company obtained appraisals for certain real property and equipment which resulted in the borrowing base attributable to real property and equipment to be restored.

**4. Significant Accounting Policies:** The significant accounting policies are consistent with those listed in the Company's 2008 Form 10-K and the 2009 Second Quarter Form 10-Q.

**5. Liabilities Subject to Compromise:** SOP 90-7 requires prepetition liabilities that are subject to compromise to be reported at the amounts expected to be allowed, even if they may be settled for lesser amounts. The amounts currently classified as liabilities subject to compromise may be subject to future adjustments depending on court actions, further developments with respect to disputed claims, determinations of the secured status of certain claims, the values of any collateral securing such claims, or other events. Certain accounts included in the liabilities subject to compromise may be entitled to administrative expense priority under section 503(b)(9) of the Bankruptcy Code.

As of July 31, 2009, the components of liabilities subject to compromise consisted of:

Unsecured debt.....	\$ 2,439,075
Deferred debt issuance cost for unsecured debt.....	(15,036)
Accounts payable .....	389,665
Interest payable .....	146,216
Postretirement health care and life insurance benefit obligations.....	160,221
Defined benefit pension obligations.....	1,021,241
Unrecognized tax benefits.....	42,727
Executory contracts and leases.....	60,761
Other.....	37,120
Liabilities subject to compromise.....	<u>\$ 4,281,990</u>

Under the Bankruptcy Code, the Debtors generally must assume or reject pre-petition executory contracts, including but not limited to real property leases, subject to the approval of the Bankruptcy Courts and certain other conditions. In this context, "assumption" means that the Company agrees to perform its obligations and cure all existing defaults under the contract or lease, and "rejection" means that it is relieved from its obligations to perform further under the contract or lease, but is subject to a pre-petition claim for damages for the breach thereof subject to certain limitations. Any damages resulting from rejection of executory contracts that are permitted to be recovered under the Bankruptcy Code will be treated as liabilities subject to compromise unless such claims were secured prior to the Petition Date.

Since the Petition Date, the Company has received Court approval to reject a number of leases and other executory contracts of various types. The Company is reviewing all of its executory contracts and unexpired leases to determine which additional contracts and leases it will reject. The Company expects that additional liabilities subject to compromise will arise due to rejection of executory contracts, including leases, and from the determination of the U.S. Court (or agreement by parties in interest) of allowed claims for contingencies and other disputed amounts. The Company also expects that the assumption of additional executory contracts and unexpired leases will convert certain of the liabilities shown on the accompanying MOR financial statements as subject to compromise to post-petition liabilities. Due to the uncertain nature of many of the potential claims, the Company cannot project the magnitude of such claims with any degree of certainty.

On June 22, 2009, the Bankruptcy Courts entered an order establishing August 28, 2009, as the bar date for potential creditors to file claims. The bar date is the date by which certain claims against the Company must be filed if the claimants wish to receive any distribution in the bankruptcy cases. Proof of claim forms received after this time will not be eligible for consideration of recovery as part of the Company's bankruptcy cases. Creditors were notified of the bar date and the requirement to file a proof of claim with the Bankruptcy Courts. Differences between liability amounts estimated by the Company and claims filed by creditors will be investigated and, if necessary, the Bankruptcy Courts will make a final determination of the allowable claim. The determination of how liabilities will ultimately be treated cannot be made until the Bankruptcy Courts approve a Chapter 11 plan of reorganization. Accordingly, the ultimate amount or treatment of such liabilities is not determinable at this time.

**6. Income Taxes:** Through July 31, 2009, the Company recorded an income tax provision of approximately \$6.0 million related to U.S. alternative minimum income taxes, state and local income taxes, Canadian withholding taxes and interest on unrecognized tax benefits previously recorded. Because it is more likely than not that substantially all of the deferred tax assets that are generated in 2009 may not be realized, the Company has recorded a full valuation allowance and has not recorded any additional tax benefit through July 31, 2009.

**7. Alternative Energy Tax Credits:** The U.S. Internal Revenue Code allows an excise tax credit for alternative fuel mixtures produced by a taxpayer for sale, or for use as a fuel in a taxpayer's trade or business. The credit is scheduled to expire on December 31, 2009. On May 6, 2009, SSCE was notified its registration as an alternative fuel mixer was approved by the Internal Revenue Service. SSCE submitted refund claims of approximately \$353 million for the periods January 1, 2009 through July 31, 2009 related to production at ten of its U.S. mills, of which \$294 million was received as of July 31, 2009. In August 2009, the outstanding refund claims of \$59 million were received. Through July 31, 2009, SSCE recorded other operating income of \$335 million, net of expected fees, in its consolidated statements of operations related to this matter.

Debtor

**MOR-1**  
**Debtors Consolidated Schedule of Receipts and Disbursements (1)**  
(Dollars in Thousands)

	<u>For the Period</u> <u>July 1, 2009</u> <u>Through</u> <u>July 31, 2009</u>
<b>Beginning cash balance</b>	<b>\$ 584,466</b>
Cash receipts (2)	596,345
Alternative energy tax credit (3)	89,279
Total receipts (2)	<u>685,624</u>
<b>Disbursements</b>	
Payroll and benefits	(133,474)
Professional fees	(3,745)
Interest	(10,298)
Capital expenditures	(11,461)
Repayment of debt	(8,311)
Other disbursements (2)(4)	<u>(416,485)</u>
Total disbursements	<u>(583,774)</u>
<b>Ending cash balance (5)</b>	<b><u>\$ 686,316</u></b>

**Notes:**

(1) The Debtors' accounting systems are designed to provide operating reports in accordance with GAAP. The accounting systems are not designed to produce reports that are consistent with the requirements of the U.S. Trustee. As a result, the information presented in the this cash flow was prepared using the information available to the Debtors. The numbers presented in the cash flow are subject to change as additional information is made available. The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. All information contained herein is unaudited and subject to future adjustment. See notes to the financial statements.

(2) Receipts and disbursements include inter-company cash settlements of approximately \$54 million.

(3) The U.S. Internal Revenue Code allows an excise tax credit for alternative fuel mixtures produced by a taxpayer for sale, or for use as a fuel in a taxpayer's trade or business. The credit is scheduled to expire on December 31, 2009. On May 6, 2009, SSCE was notified that its registration as an alternative fuel mixer was approved by the Internal Revenue Service. Subsequently, SSCE submitted refund claims of approximately \$353 million for the periods January 1, 2009 through July 31, 2009 related to production at ten of its U.S. mills, of which \$89 million of this refund request was received during July.

(4) Other disbursements primarily include materials, freight, utilities, selling, general and administrative expenses.

(5) The cash balances include restricted cash of \$13 million which represents amounts funded to a utility deposit account to provide financial assurance to certain utility vendors.

Debtor

**MOR-2****Schedule of Cash Disbursements by Debtor Entity**  
(Dollars in Thousands)

<b>Debtor Entity</b>	<b>Bankruptcy Case Number</b>	<b>Disbursements for the Period July 1, 2009 to July 31, 2009 (1)</b>
Smurfit -Stone Container Corporation (2)	09-10235	\$ -
Smurfit-Stone Container Enterprises, Inc.	09-10236	(490,186)
Calpine Corrugated LLC	09-10237	(8,890)
Cameo Container Corporation	09-10238	(1,659)
Lot 24D Redevelopment Corporation (2)	09-10239	-
Atlanta & St. Andrews Bay Railroad Company (2)	09-10240	-
Stone International Services Corporation	09-10241	(5)
Stone Global, Inc. (2)	09-10242	-
Stone Connecticut Paperboard Properties, Inc. (2)	09-10243	-
Smurfit-Stone Puerto Rico, Inc.	09-10244	(3,290)
Smurfit Newsprint Corporation (2)	09-10245	-
SLP Finance I, Inc. (2)	09-10246	-
SLP Finance II, Inc. (2)	09-10247	-
SMBI Inc. (2)	09-10248	-
Smurfit-Stone Container Canada Inc.	09-10249	(34,512)
Stone Container Finance Co of Canada II	09-10250	(1)
3083527 Nova Scotia Company	09-10251	(1)
MBI Limited/Limitée (2)	09-10252	-
Smurfit-MBI	09-10253	(44,900)
639647 British Columbia Ltd. (2)	09-10254	-
B.C. Shipper Supplies Ltd.	09-10255	(329)
Specialty Containers Inc. (2)	09-10256	-
SLP Finance General Partnership	09-10257	(1)
Francobec Company (2)	09-10258	-
605861 N B Inc. (2)	09-10259	-
<b>Total Disbursements</b>		<b>\$ (583,774)</b>

**Notes:**

(1) Disbursement amounts include all payments issued during the period, including inter-company cash settlements. Transfers between bank accounts are not included. Any disbursements made in Canadian dollars have been converted to U.S. dollars using the exchange rate at the end of the period.

(2) Debtor entity does not have disbursements to report during the period.



Debtor

**MOR-3**  
**Schedule of Debtors Bank Account Book Balances (1)**  
**(Dollars in Thousands)**

Debtor Entity	Bank Name	Book Balance as of July 31, 2009
3083527 Nova Scotia Company	US Bank	\$ 1
605681 N B Inc.	US Bank	1
605681 N B Inc.	Scotia Bank	-
639647 British Columbia, Ltd.	US Bank	-
B.C. Shipper Supplies Ltd.	US Bank	1
B.C. Shipper Supplies Ltd.	Royal Bank of Canada	7
Calpine Corrugated LLC	JP Morgan Chase	-
Calpine Corrugated LLC	Wachovia	-
Calpine Corrugated LLC	Union Bank of California	8,345
Calpine Corrugated LLC	Union Bank of California	-
Francobec Company	US Bank	1
MBI Limited/Limitée	US Bank	-
SMBI, Inc.	US Bank	-
Smurfit-MBI	US Bank	1
Smurfit-MBI	Scotia Bank	811
Smurfit-MBI	Scotia Bank	-
Smurfit-MBI	Scotia Bank	2
Smurfit-MBI	Scotia Bank	42
Smurfit-MBI	Scotia Bank	6,502
Smurfit-MBI	Scotia Bank	927
Smurfit-MBI	Scotia Bank	1,539
Smurfit-MBI	JP Morgan Chase	-
Smurfit-MBI	JP Morgan Chase	-
Smurfit-MBI	US Bank	1
Smurfit Stone Container Enterprises, Inc.	Bank of America	25
Smurfit Stone Container Enterprises, Inc.	Bank of America	9
Smurfit Stone Container Enterprises, Inc.	Bank of America	108
Smurfit Stone Container Enterprises, Inc.	Bank of America	22
Smurfit Stone Container Enterprises, Inc.	Bank of America	8
Smurfit Stone Container Enterprises, Inc.	Bank of America	10
Smurfit Stone Container Enterprises, Inc.	Bank of America	11
Smurfit Stone Container Enterprises, Inc.	Bank of America	-
Smurfit Stone Container Enterprises, Inc.	Fifth Third Bank	2
Smurfit Stone Container Enterprises, Inc.	Commerce Bank	6
Smurfit Stone Container Enterprises, Inc.	National City Bank	5
Smurfit Stone Container Enterprises, Inc.	Bank of America	2
Smurfit Stone Container Enterprises, Inc.	Bank of America	6
Smurfit Stone Container Enterprises, Inc.	Sun Trust	7
Smurfit Stone Container Enterprises, Inc.	Wells Fargo National Bank of Alaska	49
Smurfit Stone Container Enterprises, Inc.	National City Bank	53
Smurfit Stone Container Enterprises, Inc.	JP Morgan Chase	2,022
Smurfit Stone Container Enterprises, Inc.	JP Morgan Chase (Restricted)	13,551
Smurfit Stone Container Enterprises, Inc.	Bank of America	12
Smurfit Stone Container Enterprises, Inc.	Bank of America	367
Smurfit Stone Container Enterprises, Inc.	Bank of America	504
Smurfit Stone Container Enterprises, Inc.	JP Morgan Chase	627,000
Smurfit Stone Container Enterprises, Inc.	JP Morgan Chase	-
Smurfit Stone Container Enterprises, Inc.	JP Morgan Chase	421
Smurfit Stone Container Enterprises, Inc.	JP Morgan Chase	-
Smurfit Stone Container Enterprises, Inc.	JP Morgan Chase	-

Debtor

**MOR-3**  
**Schedule of Debtors Bank Account Book Balances (1)**  
**(Dollars in Thousands)**

Debtor Entity	Bank Name	Book Balance as of July 31, 2009
Smurfit Stone Container Enterprises, Inc.	JP Morgan Chase	-
Smurfit Stone Container Enterprises, Inc.	JP Morgan Chase	-
Smurfit Stone Container Enterprises, Inc.	JP Morgan Chase	-
Smurfit Stone Container Enterprises, Inc.	JP Morgan Chase	-
Smurfit Stone Container Enterprises, Inc.	Bank of America	16,539
Smurfit Stone Container Enterprises, Inc.	JP Morgan Chase	-
Smurfit Stone Container Enterprises, Inc.	JP Morgan Chase	-
Smurfit Stone Container Enterprises, Inc.	Wachovia	-
Smurfit Stone Container Enterprises, Inc.	Wachovia	-
Smurfit Stone Container Enterprises, Inc.	Wachovia	-
Smurfit-Stone Container Canada Inc.	Scotia Bank	290
Smurfit-Stone Container Canada Inc.	Scotia Bank	542
Smurfit-Stone Container Canada Inc.	Scotia Bank	1
Smurfit-Stone Container Canada Inc.	Scotia Bank	777
Smurfit-Stone Container Canada Inc.	Bank of Nova Scotia	2,626
Smurfit-Stone Container Canada Inc.	Bank of Nova Scotia	1,518
Smurfit-Stone Container Canada Inc.	Scotia Bank	3
Smurfit-Stone Container Canada Inc.	Scotia Bank	458
Smurfit-Stone Container Canada Inc.	JP Morgan Chase	-
Smurfit-Stone Container Canada Inc.	JP Morgan Chase	-
Smurfit-Stone Container Canada Inc.	JP Morgan Chase	-
Smurfit-Stone Container Canada Inc.	JP Morgan Chase	-
Smurfit-Stone Container Canada Inc.	JP Morgan Chase	-
Smurfit-Stone Container Canada Inc.	US Bank	1
Smurfit-Stone Puerto Rico, Inc.	Banco Bilbao Vizcaya	1,105
Smurfit-Stone Puerto Rico, Inc.	Banco Bilbao Vizcaya	-
Smurfit-Stone Puerto Rico, Inc.	Banco Bilbao Vizcaya	-
Smurfit-Stone Puerto Rico, Inc.	Banco Bilbao Vizcaya	74
Stone Container Finance Co of Canada II	US Bank	1
		<b>\$ 686,316</b>

**Notes:**

(1) The book bank account balances presented herein, include an adjusting entry required by Generally Accepted Accounting Principles (GAAP) to reclassify balances related to outstanding checks to accounts payable. As a result, the cash balances reported in this schedule agree to the cash balance presented in the balance sheet.

Debtor

**MOR-4**  
**Schedule of Professional Fees and Expenses Paid (1)**  
 For the Period Ended July 31, 2009  
 (Dollars in Thousands)

This schedule is to include all retained professional payments from case inception to current month.

<u>Professional</u>	<u>Role</u>	<u>Fees &amp; Expenses</u>	
		<u>Amount Paid</u> <u>Month</u>	<u>Amount Paid</u> <u>Cumulative</u>
Armstrong Teasdale LLP	Debtors Counsel	\$ -	\$ 55
Bennett Jones LLP	Debtors Canadian Counsel	27	207
Blake, Cassels & Graydon LLP	Debtor in Possession Financing Lender Counsel	4	688
Bryan Cave LLP	Debtor in Possession Financing Lender Counsel	-	818
Capstone Advisors LLC	Debtor in Possession Financing Consultant	-	701
Deloitte & Touche LLP	Canadian Court Appointed Bankruptcy Monitor	5	709
Ernst & Young LLP	Auditor, Tax Advisor, and Risk Advisory Services	140	140
EPIQ Bankruptcy Solutions	Claims, Noticing, and Balloting Agent	-	1,660
FTI Consulting, Inc.	Financial Advisor for Unsecured Creditors	436	914
Goodman LLP	Counsel for the Canadian Court Appointed Monitor	-	160
Great American Group LLC	Valuation Services	-	14
Houlihan Lokey Howard & Zukin Capital, Inc.	Financial Advisor for Unsecured Creditors	-	523
Jeffer Mangels Butler & Marmaro LLP	Debtors Counsel	-	61
Kibel Green	Debtors Counsel	-	31
Kramer Levin Naftalis & Frankel LLP	Debtors Counsel	272	1,146
Lazard Freres & Co. LLC	Debtors Financial Consultant	-	426
Mercer Consulting	Debtor in Possession Consultant	-	122
Merrill Corporation	Data Site Services	2	28
Pepper Hamilton LLC	Debtors Counsel	-	18
PricewaterhouseCoopers LLP	Debtors Financial and Tax Advisor	2,045	3,736
Richards, Layton & Finger, P.A.	Debtor in Possession Financing Lender Counsel	-	24
Sidley Austin LLP	Debtors Counsel	813	3,645
Stikeman Elliott	Debtors Canadian Counsel	1	410
Young Conaway Stargatt & Taylor LLP	Debtors Counsel	-	185
<b>Total</b>		<b>\$ 3,745</b>	<b>\$ 16,421</b>

**Notes:**

- (1) Professional fees do not include payments to professionals or consultants that are paid in the ordinary course. Payments made to professionals in Canadian dollars have been converted to US dollars.
- (2) Payments to professionals do not include payments made to Ernst & Young during the period for ordinary course audit fees.

Debtor

MOR-5

Declaration Regarding the Reconciliation of the Debtors' Bank Accounts  
As of July 31, 2009

John R. Murphy hereby declares under penalty of perjury:

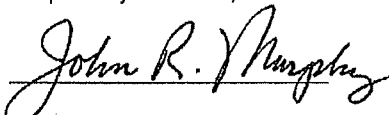
1. I am the Senior Vice President and Chief Financial Officer for Smurfit Stone Corporation, *et al.*, the above-captioned debtors and debtors in possession (collectively, the "Debtors"). I am familiar with the Debtors' day-to-day operations, business, affairs and books and records.

2. All statements in this Declaration are based on my personal knowledge, my review of the relevant documents, my discussions with other employees of the Debtors, or my opinion based upon my experience and knowledge of the Debtors' operations and financial condition. If I were called upon to testify, I could and would testify to each of the facts set forth herein based on such personal knowledge, review of documents or opinion. I am authorized to submit this Declaration on behalf of the Debtors.

3. To the best of my knowledge, all of the Debtors' bank balances as of July 31, 2009 have been reconciled in an accurate and timely manner.

Dated: August 31, 2009

Respectfully submitted,



By: John R. Murphy

Title: Senior Vice President and Chief Financial Officer

Debtor

**MOR-6**  
**Debtors Combined Balance Sheet (1)**  
(Dollars in Thousands)

	<b>July 31, 2009</b>
<b>ASSETS</b>	
<b>Current assets</b>	
Cash and cash equivalents	\$ 672,765
Restricted cash	13,551
Receivables	626,045
Receivable for alternative energy tax credits	59,139
Inventories	475,940
Prepaid expenses and other current assets	34,438
<b>Total current assets</b>	<b>1,881,878</b>
Net property, plant and equipment	3,345,778
Timberlands, less timber depletion	31,586
Deferred income taxes	25,334
Investments in and advances to non-debtor affiliates (2)	76,207
Other assets	67,135
	<b>\$ 5,427,918</b>
<b>LIABILITIES AND EQUITY (DEFICIT)</b>	
<b>Liabilities not subject to compromise</b>	
<b>Current liabilities</b>	
Current maturities of long-term debt	\$ 1,770,833
Accounts payable	341,347
Accrued compensation and payroll taxes	118,448
Interest payable	7,094
Income taxes payable	12,752
Current deferred income taxes	21,052
Other current liabilities	129,703
<b>Total current liabilities</b>	<b>2,401,229</b>
<b>Other long-term liabilities</b>	<b>123,257</b>
<b>Total liabilities not subject to compromise</b>	<b>2,524,486</b>
<b>Liabilities subject to compromise</b>	<b>4,281,990</b>
<b>Total liabilities</b>	<b>6,806,476</b>
<b>Total equity (deficit)</b>	<b>(1,378,558)</b>
	<b>\$ 5,427,918</b>

**Notes:**

(1) The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. All information contained herein is unaudited and subject to future adjustment. See notes to the financial statements.

(2) Intercompany receivable represents a net balance and includes both pre-petition and post-petition balances. The pre-petition balances are subject to compromise.

Debtor

**MOR-7**  
**Debtors Combined Statements of Operations (1)**  
(Dollars in Thousands)

	For the Period July 1, 2009 Through July 31, 2009	For the Period January 26, 2009 Through July 31, 2009
Net sales	\$ 481,045	\$ 2,874,817
<b>Costs and expenses</b>		
Cost of goods sold	433,304	2,529,796
Selling and administrative expenses	44,621	286,681
Restructuring charges	2,483	20,942
(Gain) loss on disposal of assets	102	(39)
Other operating income (2)	(59,100)	(335,400)
Operating income	59,635	372,837
<b>Other income (expense)</b>		
Interest expense, net (3)	(24,598)	(153,150)
Debtor-in-possession debt issuance costs		(63,096)
Loss on early extinguishment of debt (non-cash)		(19,777)
Equity in gains (losses) of non-debtor affiliates	662	(2,971)
Foreign currency exchange losses	(3,500)	(6,100)
Other, net	3,572	8,273
Income before reorganization items and income taxes	35,771	136,016
<b>Reorganization items</b>		
Professional fees	(5,500)	(34,373)
Provision for rejected/settled executory contracts & leases		(64,400)
Accounts payable settlement gains	8	3,348
Reorganization items, net	(5,492)	(95,425)
Income before income taxes	30,279	40,591
Provision for income taxes	(1,302)	(6,000)
Net income	28,977	34,591
Preferred stock dividends & accretion	(1,021)	(6,126)
Net income attributable to common stockholders	\$ 27,956	\$ 28,465

**Notes:**

(1) The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. All information contained herein is unaudited and subject to future adjustment. See notes to the financial statements.

(2) Includes other operating income of \$59.1 million and \$335.4 million, net of expected fees, for the month and for the period January 26, 2009 through July 31, 2009, respectively, related to alternative energy tax credits.

(3) Includes interest expense on both secured and unsecured debt. Interest expense of \$16.4 million and \$100.5 million for the month and for the period January 26, 2009 through July 31, 2009, respectively, relate to unsecured debt, and will not be paid during the bankruptcy proceeding.

Debtor

MOR-8

Declaration Regarding the Status of Post-Petition Taxes of the Debtors  
As of July 31, 2009

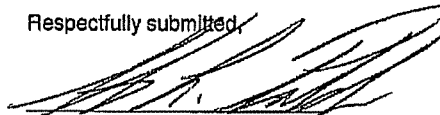
Stace L. Faulders hereby declares under penalty of perjury:

\_\_\_\_\_

1. I am the Director of Taxes for Smurfit Stone Corporation, *et al.*, the above-captioned debtors and debtors in possession (collectively, the "Debtors"). I am familiar with the Debtors' day-to-day operations, business, affairs and books and records.
2. All statements in this Declaration are based on my personal knowledge, my review of the relevant documents, my discussions with other employees of the Debtors, or my opinion based upon my experience and knowledge of the Debtors' operations and financial condition. If I were called upon to testify, I could and would testify to each of the facts set forth herein based on such personal knowledge, review of documents or opinion. I am authorized to submit this Declaration on behalf of the Debtors.
3. To the best of my knowledge, the Debtors have filed all necessary federal, state and local tax returns and made all required post petition tax payments in connection therewith on a timely basis or have promptly remediated any late filings or payments that may have occurred due to unintentional oversights.

Dated: August 31, 2009

Respectfully submitted,



By: Stace L. Faulders  
Title: Director of Taxes

Debtor

**MOR-9**  
**Combined Listing of Post-Petition Aged Accounts Payable**  
**As of July 31, 2009**  
(Dollars in Thousands)

	Number of Days Outstanding				Total
	0-30	31-60	61-90	Over 90	
Accounts payable (1)	\$ 113,024	\$ 25,645	\$ 8,175	\$ 3,041	\$ 149,885
Other payables (2)	191,462				191,462
Amounts due to insiders (3)					
<b>Total post-petition debts</b>	<b>\$ 304,486</b>	<b>\$ 25,645</b>	<b>\$ 8,175</b>	<b>\$ 3,041</b>	<b>\$ 341,347</b>

**Notes:**

(1) The post-petition accounts payable reported represents open and outstanding trade vendor invoices, based on invoice date, that have been entered into the Debtors' accounts payable system.

(2) Other payables include an accrual for professional fees of approximately \$18 million related to reorganization. Other payables also include accruals for invoices not yet received or entered into the Debtors' accounts payable system. As a result, these other payables were not able to be aged and have all been classified in the 0-30 day category on the aging.

(3) "Insider" is defined in 11 U.S.C. Section 101(31).



Debtor

**MOR-10**  
**Combined Listing of Aged Accounts Receivable (1)**  
**As of July 31, 2009**  
(Dollars in Thousands)

	Number of Days Outstanding				Total
	0-30	31-60	61-90	Over 90	
Accounts Receivable	\$ 420,562	\$ 156,322	\$ 31,213	\$ 31,912	\$ 640,009
Other Receivables (2)	35,848				35,848
<b>Accounts Receivable (3)</b>	<b>\$ 456,410</b>	<b>\$ 156,322</b>	<b>\$ 31,213</b>	<b>\$ 31,912</b>	<b>\$ 675,857</b>

**Notes:**

(1) All amounts have been translated into U.S. dollars.

(2) Other receivables primarily include advances to suppliers and Canadian sales tax receivables, which are not reported net of Canadian sales tax liabilities.

(3) The accounts receivable does not include any provisions for bad debt or amounts due to customers for trade rebates. The allowance for bad debt is approximately (\$22.7) million and the trade rebate reserve is approximately (\$27.1) million.

Debtor

MOR 11

Summary of Debtors Post-Petition Inter-Company Receivables and Payables (1)  
(Dollars in Thousands)

Debtor Entity	Net Inter-company Receivables			Net Inter-company Payables		
	Balance as of June 30, 2009	Balance as of July 31, 2009	Change	Balance as of June 30, 2009	Balance as of July 31, 2009	Change
Smurfit-Stone Container Corporation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Smurfit-Stone Container Enterprises, Inc.	31,931	18,395	(13,536)	-	-	-
Calpine Corrugated LLC	-	-	-	(14,205)	(12,161)	2,044
Cameo Container Corporation	4,603	6,124	1,521	-	-	-
Lot 24D Redevelopment Corporation	-	-	-	-	-	-
Atlanta & St. Andrews Bay Railroad Company	-	-	-	-	-	-
Stone International Services Corporation	-	-	-	(19)	(18)	1
Stone Global, Inc.	-	-	-	-	-	-
Stone Connecticut Paperboard Properties, Inc.	-	-	-	-	-	-
Smurfit-Stone Puerto Rico, Inc.	-	-	-	(2,595)	(1,701)	894
Smurfit Newsprint Corporation	-	-	-	-	-	-
SLP Finance I, Inc.	-	-	-	-	-	-
SLP Finance II, Inc.	-	-	-	-	-	-
SMBI Inc.	-	-	-	-	-	-
Smurfit-Stone Container Canada Inc.	51,796	53,552	1,756	-	-	-
Stone Container Finance Co of Canada II	-	-	-	(1)	(1)	-
3083527 Nova Scotia Company	54	54	-	-	-	-
MBI Limited/Limitée	-	-	-	-	-	-
Smurfit-MBI	-	-	-	(66,081)	(59,362)	6,719
639647 British Columbia Ltd.	-	-	-	-	-	-
B.C. Shipper Supplies Ltd.	-	-	-	-	-	-
Specialty Containers Inc.	-	-	-	-	-	-
SLP Finance General Partnership	-	-	-	-	-	-
Francobec Company	-	-	-	(3)	(1)	2
605861 N B Inc.	-	-	-	(1)	(1)	-
	\$ 88,384	\$ 78,125	\$ (10,259)	\$ (82,905)	\$ (73,245)	\$ 9,660

Notes:

(1) The inter-company balances presented in the schedule above represent debtors' post-petition inter-company balances.

Debtor

**MOR-12**  
**Debtors' Questionnaire**  
**For the Period Ended July 31, 2009**

	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this period? If yes, provide an explanation below.  See MOR-12a	X	
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all post-petition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverage in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X

Debtor

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**MOR-12a**  
**Supplement to Debtors' Questionnaire**  
**For the Period Ended July 31, 2009**

Listing of assets sold outside the normal course of business.

<u>Date</u>	<u>Asset Sold</u>	<u>Buyer</u>	<u>Gross Selling Price</u>
7/20/09	Signode Bundle Tyer	Haire Machine Corp	\$ 4,000
7/20/09	Used Scrap Blowers	Haire Machine Corp	1,000
7/23/09	Fullerton, CA Real Property	PSIP WR Raymond LLC	8,250,000
7/29/09	Sumo Image Setter	MG Integritech Inc.	8,901

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In re Smurfit-Stone Container Corporation, et al.,

Chapter 11

Case No. 09-10235

Debtor

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**Appendix A**  
**Listing of Debtor Entities**

<b>Debtor Entities</b>	<b>Case Number</b>
Smurfit-Stone Container Corporation	09-10235
Smurfit-Stone Container Enterprises, Inc.	09-10236
Calpine Corrugated LLC	09-10237
Cameo Container Corporation	09-10238
Lot 24D Redevelopment Corporation	09-10239
Atlanta & St. Andrews Bay Railroad Company	09-10240
Stone International Services Corporation	09-10241
Stone Global, Inc.	09-10242
Stone Connecticut Paperboard Properties, Inc.	09-10243
Smurfit-Stone Puerto Rico, Inc.	09-10244
Smurfit Newsprint Corporation	09-10245
SLP Finance I, Inc.	09-10246
SLP Finance II, Inc.	09-10247
SMBI Inc.	09-10248
Smurfit-Stone Container Canada Inc.	09-10249
Stone Container Finance Co of Canada II	09-10250
3083527 Nova Scotia Company	09-10251
MBI Limited/Limitée	09-10252
Smurfit-MBI	09-10253
639647 British Columbia Ltd.	09-10254
B.C. Shipper Supplies Ltd.	09-10255
Specialty Containers Inc.	09-10256
SLP Finance General Partnership	09-10257
Francobec Company	09-10258
605861 N B Inc.	09-10259

**In re Smurfit Stone Container Corporation, *et al.***

**NOTES TO FINANCIAL STATEMENTS PRESENTED IN APPENDIX B and  
APPENDIX C**

**1. Debtors' Combined Financial Statements by Legal Entity:** The Company prepares consolidated financial statements in accordance with US GAAP and files these consolidated financial statements on a quarterly and an annual basis with the SEC. The Company's consolidated financial statements include the operating results for both the Debtor and Non-Debtor entities. The financial statements presented in Appendix B (Debtors Combined Balance Sheets) and Appendix C (Debtors Combined Statements of Operations) are reported on a legal entity basis for Debtor entities only. Certain transactions and adjustments for the Company are recorded on a consolidated basis and may not be reflected in this MOR at the legal entity level. As a result, the Company cautions readers not to place undue reliance upon information contained in Appendix B and Appendix C. For further information, refer to the Company's consolidated financial statements and footnotes included in its 2008 Form 10-K and its 2009 Second Quarter Form 10-Q.

Debtor

**Appendix B**  
**Debtors Combined Balance Sheets (1)**  
(Dollars in Thousands)

	U.S. Debtors	Canadian Debtors	Sub-Total	(2) Adjusting Entries	July 31, 2009
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 656,712	\$ 16,053	\$ 672,765	\$	\$ 672,765
Restricted cash	13,551		13,551		13,551
Receivables	530,212	95,833	626,045		626,045
Receivable for alternative energy tax credits	59,139		59,139		59,139
Inventories	377,988	97,952	475,940		475,940
Prepaid expenses and other current assets	22,587	11,851	34,438		34,438
<b>Total current assets</b>	<b>1,660,189</b>	<b>221,689</b>	<b>1,881,878</b>		<b>1,881,878</b>
Net property, plant and equipment	2,889,431	456,347	3,345,778		3,345,778
Timberlands, less timber depletion	2,058	29,528	31,586		31,586
Deferred income taxes		46,968	46,968	(21,634)	25,334
Intercompany receivable with other SSCC entities, net, subject to compromise (3)		145,855	145,855	(87,305)	58,550
Investments in non-debtor affiliates				17,657	17,657
Other assets	59,158	7,977	67,135		67,135
	<b>\$ 4,610,836</b>	<b>\$ 908,364</b>	<b>\$ 5,519,200</b>	<b>\$ (91,282)</b>	<b>\$ 5,427,918</b>
<b>LIABILITIES AND EQUITY (DEFICIT)</b>					
<b>Liabilities not subject to compromise</b>					
<b>Current liabilities</b>					
Current maturities of long-term debt	\$ 1,342,743	\$ 428,090	\$ 1,770,833	\$	\$ 1,770,833
Accounts payable	307,283	34,064	341,347		341,347
Accrued compensation and payroll taxes	106,328	12,120	118,448		118,448
Interest payable	6,152	942	7,094		7,094
Income taxes payable	12,752		12,752		12,752
Current deferred income taxes	21,052		21,052		21,052
Other current liabilities	115,926	13,777	129,703		129,703
<b>Total current liabilities</b>	<b>1,912,236</b>	<b>488,993</b>	<b>2,401,229</b>		<b>2,401,229</b>
Deferred income taxes	21,634		21,634	(21,634)	
Other long-term liabilities	119,887	3,370	123,257		123,257
<b>Total liabilities not subject to compromise</b>	<b>2,053,757</b>	<b>492,363</b>	<b>2,546,120</b>	<b>(21,634)</b>	<b>2,524,486</b>
Intercompany payable with other SSCC entities, net, subject to compromise (3)	87,305		87,305	(87,305)	
Losses in excess of investments in Canadian and non-debtor affiliates	18,341		18,341	(18,341)	
<b>Liabilities subject to compromise</b>	<b>3,829,991</b>	<b>451,999</b>	<b>4,281,990</b>		<b>4,281,990</b>
<b>Total liabilities</b>	<b>5,989,394</b>	<b>944,362</b>	<b>6,933,756</b>	<b>(127,280)</b>	<b>6,806,476</b>
<b>Total equity (deficit)</b>	<b>(1,378,558)</b>	<b>(35,998)</b>	<b>(1,414,556)</b>	<b>35,998</b>	<b>(1,378,558)</b>
	<b>\$ 4,610,836</b>	<b>\$ 908,364</b>	<b>\$ 5,519,200</b>	<b>\$ (91,282)</b>	<b>\$ 5,427,918</b>

**Notes:**

(1) The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. All information contained herein is unaudited and subject to future adjustment. See notes to the financial statements.

(2) Adjusting entries relate to elimination of deferred tax liability against deferred tax asset, elimination of intercompany receivable (payable) between U.S. and Canada and elimination of U.S. investment in Canada.

(3) Intercompany receivable (payable) represents a net balance and includes both pre-petition and post-petition balances. The pre-petition balances are subject to compromise.

Debtor

**Appendix B.1**  
**U.S. Debtors Combined Balance Sheets (1)**  
(Dollars in Thousands)

	Smurfit-Stone Plusco Rite, Inc.	SLP Finco I, Inc.	SLP Finco II, Inc.	Smurfit Newsprint Corporation	Smurfit-Stone Container Corporation	Smurfit-Stone Container Enterprises, Inc.	Smurfit-Stone Container Enterprises, Inc.	Capline Corporation	Stone International Services Corporation	Atlanta & St. Andrews Bay Railroad Company	Stone Global, Inc.	Lat 240 Recreation Corporation	Connecticut Paperboard Properties, Inc.	SHB Inc.	US Entities	Adjusting Entries	July 31, 2009
<b>ASSETS</b>																	
<b>Current assets</b>																	
Cash and cash equivalents	\$ 1,179	\$ -	\$ -	\$ -	\$ -	\$ 647,188	\$ 8,345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 656,712	\$ -	\$ 656,712
Restricted cash	-	-	-	-	-	13,551	-	-	-	-	-	-	-	-	13,551	-	13,551
Receivables	3,351	2,988	-	-	-	512,425	26,365	-	-	-	-	-	-	-	545,129	(14,917)	530,212
Receivable for alternative energy tax credits	-	-	-	-	-	59,139	-	-	-	-	-	-	-	-	59,139	-	59,139
Inventories	2,616	3,542	-	-	-	367,444	4,386	-	-	-	-	-	-	-	377,988	-	377,988
Prepaid expenses and other current assets	12	245	-	-	-	16,715	165	-	-	-	-	-	-	-	19,137	3,450	22,587
Total current assets	5,979	7,854	-	-	-	1,616,462	39,261	-	-	-	-	-	-	-	1,671,656	(11,467)	1,660,189
Net property, plant and equipment	6,950	4,258	-	-	-	2,842,976	35,247	-	-	-	-	-	-	-	2,889,431	-	2,889,431
Timberlands, less timber depletion	-	-	-	-	-	2,058	-	-	-	-	-	-	-	-	2,058	-	2,058
Investments in affiliates	-	-	275,000	-	(42)	(170,028)	-	-	-	-	-	-	-	-	379,930	(379,930)	-
Other assets	-	-	-	-	-	57,621	1,537	-	-	-	-	-	-	-	59,158	-	59,158
	\$ 12,929	\$ 12,212	\$ 275,000	\$ -	\$ (42)	\$ 4,351,089	\$ 76,045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,002,233	\$ (391,397)	\$ 4,610,836
<b>LIABILITIES AND EQUITY (DEFICIT)</b>																	
<b>Liabilities not subject to compromise</b>																	
Current liabilities																	
Accounts payable	784	598	-	52	-	1,297,740	45,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,342,743	\$ -	1,342,743
Accrued compensation and payroll taxes	308	390	-	-	-	316,220	1,807	-	(259)	-	-	-	-	-	319,202	(11,919)	307,283
Interest payable	-	-	-	-	-	104,731	899	-	-	-	-	-	-	-	106,328	-	106,328
Income taxes payable (receivable)	-	(168)	202	-	-	5,996	156	-	-	-	-	-	-	-	6,152	-	6,152
Current deferred income taxes	-	-	-	-	-	12,516	-	-	-	-	-	-	-	-	12,752	-	12,752
Other current liabilities	256	-	-	-	-	21,052	-	-	-	-	-	-	-	-	21,052	-	21,052
Total current liabilities	1,348	820	202	52	-	1,673,691	47,859	(259)	-	-	-	-	-	-	1,692,266	(11,919)	1,680,347
Deferred income tax (asset) liability	59	479	(8,241)	-	(143,500)	181,078	-	-	-	-	-	-	-	-	21,634	-	21,634
Other long-term liabilities	-	-	-	-	(2)	116,071	1,819	-	-	-	-	-	-	-	119,887	-	119,887
Total liabilities not subject to compromise	1,407	1,299	(8,039)	52	(143,502)	2,173,040	49,717	(259)	-	-	-	-	-	-	2,065,676	(11,919)	2,053,757
Intercompany (receivable) payable with other SSSC entities, net, subject to compromise (3)	(43,503)	4,220	-	(52)	-	1,378,640	69,743	4,270	-	-	-	-	-	-	1,413,318	(1,326,013)	87,305
Leases, in excess of investments in Canadian and non-debtor affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,341	18,341
Liabilities subject to compromise	1,212	914	-	1	5,450	3,817,066	5,328	-	-	-	-	-	-	-	3,829,991	-	3,829,991
Total liabilities	(40,894)	6,433	(8,039)	1	(138,052)	7,368,766	124,788	4,011	-	-	-	-	-	-	7,308,985	(1,319,691)	5,989,394
Total equity (deficit)	53,813	5,779	283,039	(1)	138,010	(3,017,677)	(48,743)	(4,011)	4,270	-	-	-	-	-	(2,306,752)	928,194	(1,378,558)
	\$ 12,929	\$ 12,212	\$ 275,000	\$ -	\$ (42)	\$ 4,351,089	\$ 76,045	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,002,233	\$ (391,397)	\$ 4,610,836

Notes:

(1) The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. All information contained herein is unaudited and subject to future adjustments. See notes to the financial statements.  
 (2) Adjusting entries relate primarily to elimination of investments in and intercompany receivables (payables) between U.S. debtor entities.  
 (3) Intercompany (receivable) payable represents a net balance and includes both pre-petition and post-petition balances. The pre-petition balances are subject to compromise.



Debtor

Appendix B.2  
Canadian Debtors Combined Balance Sheets (1)  
(Dollars in Thousands)

SLP Finance General Partnership	Smurfit-Stone Container Canada Inc.	605861 N B Inc.	Smurfit-MBI Company	3083527 Nova Scotia Company	Francobac Company	Stone Container Finance Co of Canada II	639647 British Columbia Ltd.	B.C. Shipper Supplies Ltd.	Specialty Containers Inc.	MBL Limited/ Limitée	Total Unadjusted Canadian	(2) Adjusting Entries	July 31, 2009
\$ -	\$ 6,216	\$ 1	\$ 9,825	\$ 1	\$ 1	\$ 1	\$ -	\$ -	\$ 8	\$ -	\$ 16,053	\$ -	\$ 16,053
-	31,850	-	63,875	-	-	-	-	-	974	-	96,699	(866)	95,833
-	55,542	-	41,656	-	57	-	-	-	697	-	97,952	-	97,952
-	6,178	-	3,266	1,428	8	-	-	-	105	-	10,965	866	11,851
-	99,786	1	118,622	1,429	66	1	-	1,784	-	-	221,689	-	221,689
-	302,479	-	151,657	-	203	-	-	2,008	-	-	456,347	-	456,347
-	29,528	-	-	-	-	-	-	-	-	-	29,528	-	29,528
(686)	33,416	(1,019)	(713)	16,084	-	-	-	(114)	-	-	46,968	-	46,968
362,436	(145,771)	(1,135)	29,172	(240,969)	(308)	142,193	-	237	-	-	145,855	-	145,855
574,490	244,326	-	-	199,462	-	68,414	-	(4,288)	-	-	1,086,692	(1,086,692)	-
-	1,356	-	10,919	-	-	-	-	-	-	-	7,977	-	7,977
\$ 936,240	\$ 565,120	\$ (2,153)	\$ 309,657	\$ (23,994)	\$ (39)	\$ 210,608	\$ -	\$ (383)	\$ -	\$ -	\$ 1,995,056	\$ (1,086,692)	\$ 908,364
\$ -	\$ 427,981	\$ -	\$ 109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 428,090	\$ -	\$ 428,090
-	18,352	-	15,434	-	-	-	-	278	-	-	34,064	-	34,064
-	3,808	-	8,183	-	-	-	-	129	-	-	12,120	-	12,120
-	942	-	-	-	-	-	-	-	-	-	942	-	942
-	11,505	(2,463)	4,688	-	-	-	-	47	-	-	13,777	-	13,777
-	462,588	(2,463)	28,414	-	-	-	-	454	-	-	488,993	-	488,993
-	3,332	-	38	-	-	-	-	-	-	-	3,370	-	3,370
-	465,920	(2,463)	28,452	-	-	-	-	454	-	-	492,363	-	492,363
-	181,236	-	63,380	481	16	206,898	-	(12)	-	-	451,999	-	451,999
-	647,156	(2,463)	91,832	481	16	206,898	-	442	-	-	944,362	-	944,362
936,240	(82,036)	310	217,825	(24,475)	(55)	3,710	-	(825)	-	-	1,050,694	(1,086,692)	(35,998)
\$ 936,240	\$ 565,120	\$ (2,153)	\$ 309,657	\$ (23,994)	\$ (39)	\$ 210,608	\$ -	\$ (383)	\$ -	\$ -	\$ 1,995,056	\$ (1,086,692)	\$ 908,364

ASSETS

Current assets

Cash and cash equivalents

Receivables

Inventories

Prepaid expenses and other current assets

Total current assets

Net property, plant and equipment

Timberlands, less timber depletion

Deferred income tax asset (liability)

Intercompany receivable (payable) with other SSSC

entities, net, subject to compromise (3)

Investments in Canadian affiliates

Other assets

LIABILITIES AND EQUITY (DEFICIT)

Liabilities not subject to compromise

Current liabilities

Current maturities of long-term debt

Accounts payable

Accrued compensation and payroll taxes

Interest payable

Other current liabilities

Total current liabilities

Other long-term liabilities

Total liabilities not subject to compromise

Liabilities subject to compromise

Total liabilities

Total equity (deficit)

Notes:

(1) The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. All information contained herein is unaudited and subject to future adjustment. See notes to the financial statements

(2) Adjusting entries relate primarily to elimination of investments in and intercompany receivables (payables) between Canadian debtor entities.

(3) Intercompany receivable (payable) represents a net balance and includes both pre-petition and post-petition balances. The pre-petition balances are subject to compromise.

Debtor

**Appendix C**  
**Debtors Combined Statements of Operations (1)**  
(Dollars in Thousands)

	U.S. Debtors	Canadian Debtors	Sub-Total	(2) Adjusting Entries	For the Period July 1, 2009 Through July 31, 2009
<b>Net sales</b>	\$ 448,246	\$ 81,857	\$ 530,103	\$ (49,058)	\$ 481,045
<b>Costs and expenses</b>					
Cost of goods sold	406,424	75,938	482,362	(49,058)	433,304
Selling and administrative expenses	40,967	3,654	44,621		44,621
Restructuring charges	1,123	1,360	2,483		2,483
Loss on disposal of assets	89	13	102		102
Other operating income (3)	(59,100)		(59,100)		(59,100)
<b>Operating income</b>	58,743	892	59,635		59,635
<b>Other income (expense)</b>					
Interest expense, net (4)	(22,001)	(2,597)	(24,598)		(24,598)
Debtor-in-possession debt issuance costs	33	(33)			
Equity in gains (losses) of Canadian and other non-debtor affiliates	(1,702)		(1,702)	2,364	662
Foreign currency exchange losses		(3,500)	(3,500)		(3,500)
Other, net	413	3,159	3,572		3,572
<b>Income (loss) before reorganization items and income taxes</b>	35,486	(2,079)	33,407	2,364	35,771
<b>Reorganization items</b>					
Professional fees	(5,369)	(131)	(5,500)		(5,500)
Provision for rejected/settled executory contracts & leases	(6)	6			
Accounts payable settlement gains	8		8		8
Reorganization items, net	(5,367)	(125)	(5,492)		(5,492)
<b>Income (loss) before income taxes</b>	30,119	(2,204)	27,915	2,364	30,279
<b>Provision for income taxes</b>	(1,142)	(160)	(1,302)		(1,302)
<b>Net income (loss)</b>	28,977	(2,364)	26,613	2,364	28,977
<b>Preferred stock dividends &amp; accretion</b>	(1,021)		(1,021)		(1,021)
<b>Net income (loss) attributable to common stockholders</b>	\$ 27,956	\$ (2,364)	\$ 25,592	\$ 2,364	\$ 27,956

**Notes:**

(1) The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. All information contained herein is unaudited and subject to future adjustment. See notes to the financial statements.

(2) Adjusting entries relate to 1) the elimination of the Canadian net loss because the loss is recognized under Canadian Debtors and the loss is also included in the U.S. Debtors column as an equity loss and 2) the elimination of intercompany sales between U.S. and Canadian SSCC legal entities.

(3) During July 2009, SSCE recorded other operating income of \$ 59.1 million, net of expected fees, related to alternative energy tax credits.

(4) Includes interest expense on both secured and unsecured debt. Interest expense of \$16.4 million for the month relates to unsecured debt which will not be paid during the bankruptcy proceeding.

	Appendix C.1 U.S. Debtor Statements of Operations (1) (Dollars in Thousands)											For the Period July 1, 2009 Through July 31, 2009					
	Cameo Container Corporation	Smurfit-Stone Puerto Rico, Inc.	SLP Finance I, Inc.	SLP Finance II, Inc.	Smurfit Newsprint Corporation	Smurfit-Stone Combiner Corporation	Smurfit-Stone Container Enterprises, Inc.	Cajina Corrugated LLC	Stone International Services Corporation	Atlanta & SL Andrews Bay Railroad Company	Stone Global, Inc.		Lot 240 Redevelopment Corporation	Stone Connecticut Paperboard Properties, Inc.	SMBI Inc.	Sub-Total	(2) Adjusting Entries
Net sales	\$ 2,867	\$ 2,370	\$ -	\$ -	\$ -	\$ -	\$ 441,180	\$ 6,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 453,330	\$ (5,084)	\$ 448,246
Costs and expenses																	
Cost of goods sold	1,952	2,109	-	-	-	-	400,619	6,828	-	-	-	-	-	-	411,508	(5,084)	406,424
Selling and administrative expenses	521	145	-	-	-	-	40,020	221	60	-	-	-	-	-	40,967	-	40,967
Restructuring charges	-	-	-	-	-	-	1,123	-	-	-	-	-	-	-	1,123	-	1,123
Loss on disposal of assets	-	9	-	-	-	-	80	-	-	-	-	-	-	-	89	-	89
Other operating income (3)	-	-	-	-	-	-	(59,100)	-	-	-	-	-	-	-	(59,100)	-	(59,100)
Operating income (loss)	385	116	-	-	-	-	58,438	(136)	(60)	-	-	-	-	-	58,743	-	58,743
Other income (expense)																	
Interest expense, net	(363)	(4)	-	-	-	-	(21,088)	(526)	-	-	-	-	-	-	(22,001)	-	(22,001)
Debtor-in-possession debt issuance costs	-	-	-	-	-	-	47	(14)	-	-	-	-	-	-	33	-	33
Equity in losses of Canadian and other non-debtor affiliates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,702)	(1,702)
Other, net	-	-	-	-	-	-	413	-	-	-	-	-	-	-	413	-	413
Income (loss) before reorganization items and income taxes	2	112	-	-	-	-	37,810	(676)	(60)	-	-	-	-	-	37,188	(1,702)	35,486
Reorganization items																	
Professional fees	-	(13)	-	-	-	-	(5,336)	(20)	-	-	-	-	-	-	(5,369)	-	(5,369)
Provision for rejected/settled executory contracts & leases	-	-	-	-	-	-	(6)	-	-	-	-	-	-	-	(6)	-	(6)
Accounts payable settlement gains	-	-	-	-	-	-	8	-	-	-	-	-	-	-	8	-	8
Reorganization items, net	-	(13)	-	-	-	-	(5,334)	(20)	-	-	-	-	-	-	(5,367)	-	(5,367)
Income (loss) before income taxes	2	99	-	-	-	-	32,476	(696)	(60)	-	-	-	-	-	31,821	(1,702)	30,119
Provision for income taxes	-	(12)	(29)	(29)	-	-	(1,072)	-	-	-	-	-	-	-	(1,142)	-	(1,142)
Net income (loss)	2	87	(29)	(29)	-	-	31,404	(696)	(60)	-	-	-	-	-	30,679	(1,702)	28,977
Preferred stock dividends & accretion	-	-	-	-	-	-	(1,021)	-	-	-	-	-	-	-	(1,021)	-	(1,021)
Net income (loss) attributable to common stockholders	\$ 2	\$ 87	\$ (29)	\$ (29)	\$ -	\$ (1,021)	\$ 31,404	\$ (696)	\$ (60)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,658	\$ (1,702)	\$ 27,956

Notes:

- (1) The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. All information contained herein is unaudited and subject to future adjustment. See notes to the financial statements.
- (2) Adjusting entries relate to recognition of Canadian and other non-debtor equity losses for U.S. Debtor consolidation purposes and the elimination of intercompany sales between U.S. Debtors.
- (3) During July 2009, SSCE recorded other operating income of \$59.1 million, net of expected fees, related to alternative energy tax credits.

Debtor

	Appendix C.2 Canadian Debtors Statements of Operations (1) (Dollars in Thousands)										For the Period July 1, 2009 Through July 31, 2009		
	SLP Finance General Partnership	Smurfit-Stone Container Canada Inc.	605861 N B Inc.	3083527 Nova Smurfit-MBI Scotia Company	Francobec Company	Sione Container Finance Co of Canada II	639647 British Columbia Ltd.	B.C. Shipper Supplies Ltd.	Specialty Containers Inc.	MBI Limited/ Limitée		(2) Adjusting Entries	Sub-Total
Net sales	\$ -	\$ 35,417	\$ -	\$ 45,955	\$ -	\$ -	\$ -	\$ 506	\$ -	\$ -	\$ 81,878	\$ (21)	\$ 81,857
Costs and expenses	-	34,697	-	40,706	13	-	543	-	-	-	75,959	(21)	75,938
Cost of goods sold	-	1,052	-	2,550	(12)	-	57	-	-	-	3,654	-	3,654
Selling and administrative expenses	-	24	-	1,336	-	-	-	-	-	-	1,360	-	1,360
Restructuring charges	-	(2)	-	15	-	-	-	-	-	-	13	-	13
(Gain) loss on disposal of assets	-	(354)	-	1,348	(7)	(1)	(94)	-	-	-	892	-	892
Operating income (loss)	-	(354)	-	1,348	(7)	(1)	(94)	-	-	-	892	-	892
Other income (expense)	3,508	(4,916)	-	293	(1,505)	-	23	-	-	-	(2,597)	-	(2,597)
Interest income (expense), net	-	(33)	-	-	-	-	-	-	-	-	(33)	-	(33)
Debtor-in-possession debt issuance costs	(49)	(1,448)	103	(3,231)	1,132	-	(7)	-	-	-	(3,500)	-	(3,500)
Foreign currency exchange gains (losses)	-	4,280	-	2,293	3,421	-	7	-	-	-	10,001	(6,842)	3,159
Other, net	-	(2,471)	103	703	3,041	(1)	(94)	-	-	-	4,763	(6,842)	(2,079)
Income (loss) before reorganization items and income taxes	-	(1)	-	(36)	(1)	-	-	-	-	-	(131)	-	(131)
Reorganization items	-	4	-	2	-	-	-	-	-	-	6	-	6
Professional fees	-	(92)	-	(36)	(1)	-	-	-	-	-	(131)	-	(131)
Provision for rejected/settled executory contracts & leases	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable settlement gains	-	(88)	-	(34)	(1)	(1)	-	-	-	-	(125)	-	(125)
Reorganization items, net	-	(88)	-	(34)	(1)	(1)	-	-	-	-	(125)	-	(125)
Income (loss) before income taxes	3,458	(2,559)	103	669	3,040	(1)	(94)	-	-	-	4,638	(6,842)	(2,204)
Provision for income taxes	-	(160)	-	-	-	-	-	-	-	-	(160)	-	(160)
Net income (loss)	\$ 3,458	\$ (2,719)	\$ 103	\$ 669	\$ 3,040	\$ (1)	\$ (94)	\$ -	\$ -	\$ -	\$ 4,478	\$ (6,842)	\$ (2,364)

Notes:

(1) The information contained herein is provided to fulfill the requirements of the Office of the United States Trustee. All information contained herein is unaudited and subject to future adjustment. See notes to the financial statements.  
 (2) Adjusting entries relate to elimination of Smurfit-MBI net income (loss) recorded as equity income (loss) on its partners, Smurfit-Stone Container Canada Inc. and 3083527 Nova Scotia Company, and the elimination of intercompany sales between Canadian Debtors.

**Appendix D**  
**Debtors Post-Petition Inter-Company Receivables and Payables (1)**  
**July 31, 2009**  
(Dollars in Thousands)

Debtor Entity	Smurfit-Stone Container Enterprises, Inc.	Calpine Corrugated LLC	Cameco Container Corporation	Stone International Services Corporation	Smurfit-Stone Puerto Rico, Inc.	Smurfit-Stone Container Canada Inc.	Stone Container Finance Co of Canada II	3083527 Nova Scotia Company	Smurfit-MBI	Francobec Company	605861 N B Inc.	CCA de Baja California	Stone Container de Mexico	Total
Receivable from (payable to) SSCC entity noted in column 1														
Smurfit-Stone Container Corporation				18	1,701	(9,667)			15,645			(125)	4,768	18,395
Smurfit-Stone Container Enterprises, Inc.	(12,161)	12,161	(6,106)											(12,161)
Calpine Corrugated LLC	6,106								18					6,124
Cameco Container Corporation														
Lot 24D Redevelopment Corporation														
Atlanta & St. Andrews Bay Railroad Company														
Stone International Services Corporation	(18)													(18)
Stone Global, Inc.														
Stone Connecticut Paperboard Properties, Inc.														
Smurfit-Stone Puerto Rico, Inc.	(1,701)													(1,701)
Smurfit Newsprint Corporation														
SLP Finance I, Inc.														
SLP Finance II, Inc.														
SMBI Inc.														
Smurfit-Stone Container Canada Inc.	9,667						1	(54)	43,936	1	1			53,552
Stone Container Finance Co of Canada II						(1)								(1)
3083527 Nova Scotia Company						54								54
MBI Limited/Limitée														
Smurfit-MBI	(15,645)		(18)			(43,936)							237	(59,362)
639547 British Columbia Ltd.														
B.C. Shipper Supplies Ltd.														
Specialty Containers Inc.														
SLP Finance General Partnership														
Francobec Company							(1)							(1)
605861 N B Inc.						(1)								(1)
	\$ (13,752)	\$ 12,161	\$ (6,124)	\$ 18	\$ 1,701	\$ (53,552)	\$ 1	\$ (54)	\$ 59,599	\$ 1	\$ 1	\$ (125)	\$ 5,005	\$ 4,880

Notes:  
(1) The inter-company balances presented in the schedule above represent debtors' post-petition inter-company balances.