Court File No. CV-09-7966-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SMURFIT-STONE CONTAINER CANADA INC., STONE CONTAINER FINANCE COMPANY OF CANADA II, 3083527 NOVA SCOTIA COMPANY, MBI LIMITED, 639647 BRITISH COLUMBIA LTD., B.C. SHIPPER SUPPLIES LTD., SPECIALTY CONTAINERS INC., FRANCOBEC COMPANY AND 605681 N.B. INC.

APPLICANTS

FOURTH REPORT OF THE MONITOR
DATED JUNE 23, 2009

INTRODUCTION

1) By Order of this Honourable Court dated January 26, 2009, as amended and restated (the "**Initial Order**"), Smurfit-Stone Container Canada Inc. ("**SSC Canada**"), Stone Container Finance Company of Canada II, 3083527 Nova Scotia Company, MBI Limited/Limitée, 639647 British Columbia Ltd., B.C. Shipper Supplies Ltd., Specialty Containers Inc., Francobec Company and 605681 N.B. Inc. (collectively, the "**Applicants**") obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The Initial Order also granted relief in respect of certain affiliated partnerships of the Applicants, namely Smurfit-MBI and SLP Finance General Partnership (the "**Partnerships**" and, with the Applicants, the "**CCAA Entities**") and recognized the Chapter 11 Proceedings (as defined below) as a "foreign proceeding" as defined in section 267 of the *Bankruptcy and Insolvency Act*, R.S.C., c. B-3, as amended (the "**BIA**"). The CCAA proceedings of the CCAA Entities are referred to herein as the "**CCAA Proceedings**".

2) Pursuant to the Initial Order, Deloitte & Touche Inc. ("**Deloitte**") was appointed monitor of the CCAA Entities as part of the CCAA Proceedings (the "**Monitor**").

3) On February 24, 2009, this Honourable Court issued a Stay Extension Order which extended the stay in respect of the CCAA Entities until April 30, 2009.

4) On March 12, 2009, this Honourable Court issued an Order approving a cross border insolvency protocol between the U.S. Court (as defined below) and this Honourable Court.

5) On April 28, 2009, this Honourable Court issued a further Stay Extension Order which extended the stay in respect of the CCAA Entities until June 30, 2009.

6) The Initial Order, together with certain other court documents, the Pre-Filing Report of Deloitte in its capacity as the Proposed Monitor of the CCAA Entities dated January 26, 2009 (the "**Pre-Filing Report**"), the First Report of the Monitor dated February 23, 2009 (the "**First Report**"), the Second Report of the Monitor dated March 6, 2009 (the "**Second Report**"), the Third Report of the Monitor dated April 26, 2009 (the "**Third Report**") and, with the Pre-Filing Report, the First Report, and the Second Report (the "**Previous Reports**"), and the Notice to Creditors dated February 3, 2009, are posted on the Monitor's website at www.deloitte.com/ca/smurfitstonecanada (the "**Monitor's Website**"). The Monitor has also established a toll free number at 1-866-859-6954 for creditors and other interested parties to call with any questions or concerns in regards to the CCAA Proceedings.

7) Each of the CCAA Entities also filed for protection in the Chapter 11 Proceedings along with Smurfit-Stone Container Corporation ("**SSCC**") and certain other Smurfit-Stone entities. SSCC, together with its direct and indirect subsidiaries, are referred to herein as the "**Company**" or "**Smurfit-Stone**".

8) The purpose of this report ("**Fourth Report**") is to provide this Honourable Court with an update in respect of the following:

   i) the ongoing operations of the CCAA Entities;

ii) the Chapter 11 Proceedings;

iii) the DIP facility;

iv) critical suppliers and pre-CCAA expenses;

v) pension and other employee matters;

vi) the cash flow forecast and results relative to forecast;

vii) revised updated cash flow forecast;

viii) restructuring efforts to date;

ix) claims procedure; and

x) the Monitor's recommendations.

9) Unless otherwise provided, capitalized terms not defined in this Fourth Report are as defined in the Previous Reports or, if not defined therein, the Initial Order.

TERMS OF REFERENCE

10) In preparing this Fourth Report, the Monitor has relied upon unaudited financial information, the Company's books and records, the financial information prepared by the Company and its advisors, and discussions with management, legal counsel and financial advisors of the Company. The Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information and, accordingly, the Monitor expresses no opinion or other form of assurance on the information contained in this Fourth Report.

11) Certain of the information referred to in this Fourth Report consists of forecasts and/or projections. An examination or review of financial forecasts and projections, as outlined in the Canadian Institute of Chartered Accountants Handbook, has not been performed. Future oriented financial information referred to in this Fourth Report was prepared by the Company and its advisors based on management's estimates and assumptions. Readers are cautioned that since forecasts are based upon assumptions about future

events and conditions that are not ascertainable, actual results will vary from the forecasts and, even if the assumptions materialize, the variations could be significant.

12) Unless otherwise noted, all dollar amounts contained in this Fourth Report are expressed in U.S. dollars.

BACKGROUND

13) Based in St. Louis and Chicago, Smurfit-Stone is a leading North American producer of paperboard products, market pulp, corrugated containers and other specialty packaging products. It is also one of the world's largest recyclers of paper. The Company currently holds approximately 18% of the North American containerboard market. SSC Canada and Smurfit-MBI are the principal Canadian operating companies. SSC Canada directly operates mills and plants producing linerboard (a component of corrugated containerboard), corrugating medium (a further component of corrugated containerboard) and foodboard (coated corrugated cardboard). Smurfit-MBI is a converting operation that produces corrugated containers using, amongst other inputs, linerboard and medium from Smurfit-Stone's mills. The CCAA Entities currently employ approximately 2,600 people (both non-unionized and unionized) across Canada. Further background on the CCAA Entities and Smurfit-Stone is contained in the Pre-Filing Report and the Jones Affidavit, both of which are available on the Monitor's Website.

14) On January 26, 2009, SSCC and certain of its direct and indirect subsidiaries, including Smurfit-Stone Container Enterprises Inc. and the CCAA Entities (collectively, the "**U.S. Debtors**"), filed for bankruptcy protection pursuant to Chapter 11 of the *United States Code* (the "**Bankruptcy Code**") in the United States Bankruptcy Court (the "**U.S. Court**") for the district of Delaware (the "**Chapter 11 Proceedings**" and, with the CCAA Proceedings, the "**Proceedings**"). Information concerning the Chapter 11 Proceedings can be found at http://chapter11.epiqsystems.com/smurfit (the "Epiq Website"). Further information regarding Smurfit-Stone's restructuring activities can be found on the Company's website at http://www.smurfit.com/content/company/restructuring/. Smurfit-Stone has also established a hotline at 1-877-264-9638 for creditors and other interested parties to call with any questions or concerns in regards to the Company.

ONGOING OPERATIONS

15) Since January 26, 2009, the CCAA Entities have worked diligently to stabilize their operations and have maintained operations in the normal course during the CCAA Proceedings. Smurfit-Stone continues to sell products to its customers and has obtained the necessary supplies from its suppliers. There have been no significant changes in the workforce of the CCAA Entities and the Company has secured the necessary financing, through the DIP Facility, to continue operations while it attempts to restructure.

16) The Company and its counsel are continuing to deal with a number of potential lien claimants that primarily relate to the expansion of Smurfit-MBI's plant in Guelph, Ontario. The Monitor understands that work is currently being completed on the Guelph property.

CHAPTER 11 PROCEEDINGS

17) As noted previously, the Chapter 11 Proceedings in respect of the CCAA Entities have been recognized by this Honourable Court as a "foreign proceeding" under section 268 of the BIA. In addition, this Honourable Court recognized and gave full effect in Canada to the U.S. DIP Order in respect of the Partnerships under section 268 of the BIA.

18) The Third Report reported on the actual results of April 3, 2009. Since that time, the following significant orders have been issued by the U.S. Court:

i) On April 22, 2009, an Order authorizing the U.S. Debtors to pay certain management incentive payments and long term incentive payments;

ii) On June 18, 2009, an Order authorizing the rejection of certain executory contracts and unexpired leases of which the CCAA Entities were parties to one month-to-month warehouse lease in Regina, Saskatchewan; and

iii) On June 22, 2009, an Order establishing a bar date for filing proofs of claim and approving the form and manner of notice.

19) Copies of the U.S. Orders and other documents in the Chapter 11 Proceedings are posted on the Epiq Website. A link to the Epiq Website is also available from the Monitor's Website.

DIP FACILITY

20) As outlined in the Previous Reports, the Company entered into the DIP Credit Agreement with the DIP Lenders. The DIP Facility provides for an aggregate of $750.0 million in DIP financing for Smurfit-Stone under both revolving and term facilities.

21) As at June 5, 2009, there have not been any net additional borrowings by SSC Canada under the DIP Facility since the filing of the Third Report.

22) As at June 5, 2009, there have not been any additional borrowings by SSC U.S. under the DIP Facility since the filing of the Third Report.

23) The DIP Credit Agreement requires that the Company provide weekly and monthly combined Borrowing Base Certificates (as defined in the **DIP Credit Agreement)** to the DIP Agent for both the Canadian Loan Parties and U.S. Loan Parties. The Borrowing Base Certificate determines the available borrowing base (which includes certain qualifying accounts receivable, inventory and property plant and equipment) to support the borrowings by the Canadian Loan Parties and the U.S. Loan Parties under the DIP Facility. Pursuant to Section 24(d) of the Initial Order, the Monitor has reviewed the borrowing base information provided by Smurfit-Stone to the DIP Agent up to and including June 5, 2009. The Monitor is not aware of any events of default with respect to the DIP Credit Agreement.

24) The CCAA Entities currently enjoy a good liquidity position. Including the cash on hand as of June 5, 2009, the $5.0 million repayment of the DIP Facility made on April 9, 2009, and the available borrowing base of the Canadian Loan Parties, the CCAA Entities are currently projecting sufficient liquidity to fund future operations. As of the date of this Fourth Report, the only outstanding draws on the DIP Facility by the CCAA Entities relate to the repayment of the pre-filing accounts receivable securitization facility.

CRITICAL SUPPLIERS AND PRE-CCAA EXPENSES

25) Paragraph 6(c)(i) of the Initial Order permits the CCAA Entities, with the consent of the Monitor and the DIP Agent, to pay for goods and services supplied to the Applicants and Partnerships prior to January 26, 2009, by railways, trucking companies and other carriers and customs brokers. For the period from April 4, 2009, to June 5, 2009, the Monitor has consented to total payments of approximately $237,000, all of which have been paid. For the period from January 26, 2009, to June 5, 2009, the Monitor has consented to total payments of approximately $1.2 million, all of which have been paid.

26) Paragraph 6(c)(ii) of the Initial Order permits the CCAA Entities, with the consent of the Monitor and the DIP Agent, to pay pre-filing amounts owed to other suppliers up to $11.6 million if, in the opinion of the CCAA Entities, the supplier is critical to the business and ongoing operations of the CCAA Entities. For the period April 4, 2009, to June 5, 2009, the Monitor has consented to payments to critical suppliers in the approximate amount of $614,000, of which approximately $456,000 has been paid. For the period January 26, 2009, to June 5, 2009, the Monitor has consented to total payments of approximately $2.3 million, of which $1.2 million has been paid. The Monitor has been informed by Management that the balance of the payments will be made once Management has completed their final review including receipt of signed supply agreements, and the critical vendor requests have gone through the Company's payment process.

PENSION AND OTHER EMPLOYEE MATTERS

27) As outlined in the Previous Reports, the CCAA Entities have various pension and other employee benefit plans in place for their current and former employees. The status of the payments under these plans since the commencement of the CCAA Proceedings remain the same as follows:

    i) SSC Canada and Smurfit-MBI have continued to make current service and employer contributions in respect of their defined benefit registered pension plans during the CCAA Proceedings; and

ii) SSC Canada has continued to match employee contributions to group registered retirement savings plans.

28) SSC Canada and Smurfit-MBI have paid certain outstanding pre-filing obligations with respect to the various benefit programs in place for their active employees and retirees. SSC Canada and Smurfit-MBI are continuing to work with their advisors to address various pension matters.

29) The SSC Canada and Smurfit-MBI non-unionized plans have been amended to reflect previously agreed to changes that provide that all active non-unionized members of the plans will accrue, starting March 1, 2009, defined contribution benefits instead of defined benefits to their pension plan.

CASH FLOW FORECAST AND RESULTS RELATIVE TO FORECAST

30) The Company continues to use its Centralized Cash Management System to collect funds and pay expenses associated with its operations. The Centralized Cash Management System is managed using the oversight procedures and controls that were implemented by Smurfit-Stone's centralized treasury operations in Creve Coeur, Missouri.

31) Prior to the CCAA Proceedings, the Company did not cash settle the various entities within Smurfit-Stone for the use of centralized services. Management is currently reviewing the 2008 actual centralized services costs for the fiscal year ending December 31, 2008, to determine if there should be an adjustment of the intercompany monthly charge of $750,000 in the future.

32) SSC U.S. and SSC Canada continue to receive payments of receivables on behalf of each other. The Company continues to track the intercompany receivables and payables on a daily basis and then the respective accounts are settled once per month.

33) The CCAA Entities' cash receipts and disbursements for the period April 4, 2009, to June 5, 2009 (the "**Variance Period**"), are presented below with a comparison to the cash flow forecast filed with this Honourable Court in the Third Report.

34) Overall there is a $15.7 million favourable variance between the actual and forecasted cash balance during the Variance Period, related primarily to the receipt of third party receivables on behalf of SSC U.S. For the entire CCAA period from January 26, 2009, to June 5, 2009, the Company has had an overall net cash inflow of $8.3 million and a positive foreign exchange adjustment of $880,000. For the nine week period from April 4, 2009, to June 5, 2009, the material components of this overall variance are outlined below:

SSC Canada Inc.
Schedule of Actual Versus Forecasted Cash Flow
(in US $000's)
(Unaudited)

Description	For the 9 Week Period from April 4, 2009 to June 5, 2009 Cumulative Actual ($)	Cumulative Forecast ($)	Variance - Favourable (Unfavourable) ($)	Cumulative Actual Receipts and Disbursements from January 26, 2009 to June 5, 2009 ($)
Operating Cash Receipts				
Collection of Accounts Receivables - Third party	98,071	99,052	(981)	199,755
Collection of Accounts Receivables - Intercompany	49,360	49,383	(23)	85,627
Other Receipts - Third party	-	-	-	2,635
Other Receipts - Intercompany	14,713	(2,057)	16,770	22,216
Tax Refunds / Sales Taxes Collected & other	-	-	-	1,351
Total Operating Receipts	162,144	146,378	15,765	311,584
Operating Cash Disbursements				
Purchases - Container Board	(48,274)	(47,411)	(863)	(74,369)
Purchases of other raw materials and supplies	(36,493)	(38,950)	2,456	(67,859)
Non inventory purchases and overheads	(35,753)	(39,091)	3,338	(79,499)
Employee related costs and benefits	(29,807)	(24,831)	(4,976)	(59,813)
Capital Expenditures	(497)	(1,283)	786	(665)
Non operational mill costs	(714)	(3,006)	2,292	(3,248)
Restructuring Professional Fees	(1,009)	(1,600)	591	(1,406)
Applicant's share of centralized services costs	(1,500)	(1,500)	-	(2,395)
Other Disbursements	(224)	-	(224)	(1,695)
Total Operating Cash Disbursements	(154,272)	(157,671)	3,399	(290,947)
Net Operating Cash Inflow (Outflow)	7,872	(11,293)	19,165	20,637
Financing Cash Receipts				
Canadian DIP Loan Advance (Repayment)	(5,000)	(493)	(4,507)	35,000
Total Financing Cash Receipts	(5,000)	(493)	(4,507)	35,000
Financing Cash Disbursements				
Pre-Filing Secured Debt Interest	(1,726)	(1,564)	(162)	(5,661)
DIP Loan Fees and Interest	(3,847)	(3,690)	(157)	(10,103)
Repayment of A/R securitization loan	-	-	-	(31,600)
Total Financing Cash Disbursements	(5,573)	(5,254)	(319)	(47,364)
Net Financing Cash Inflow (Outflow)	(10,573)	(5,747)	(4,826)	(12,364)
Net Cash Inflow (Outflow)	(2,701)	(17,040)	14,339	8,273
Opening Cash Balance	17,554	17,040	514	6,041
Add: Void Cheques				514
FX Impact on Opening Cash	856	-	856	880
Closing Cash Balance	15,709	-	15,709	15,709

Note: Subject to rounding differences

CASH RECEIPTS

35) There was an overall favourable variance of cash receipts of $15.8 million, which is primarily related to SSC Canada's receipt of $13.1 million of third party receivables on behalf of SSC U.S., which will be paid to SSC U.S. as part of the May and June intercompany settlements.

ACCOUNTS RECEIVABLE-THIRD PARTY

36) The collection of accounts receivable from third parties was $981,000 lower than forecast primarily due to receivables for the Pointe aux Trembles facility that were collected by SSC U.S. on behalf of SSC Canada, and recorded under Other Receipts – Intercompany. SSC U.S. will pay the receivables collected in respect of the Pointe aux Trembles facility to SSC Canada as part of the May and June intercompany settlements.

OTHER RECEIPTS-INTERCOMPANY

37) In addition, other intercompany receipts showed a favourable variance of $16.8 million which, as noted above, is primarily related to receivables that SSC Canada has collected on behalf of SSC U.S. and will be paid as part of the May and June intercompany settlements.

PURCHASES OF CONTAINER BOARD

38) The unfavourable variance of $863,000 is a negative permanent variance as a result of higher than forecast expenditures.

PURCHASES OF OTHER RAW MATERIALS AND SUPPLIES

39) The favourable variance of $2.5 million is due to a positive permanent variance related to raw material shipping costs of which actual results were recorded under Non-Inventory Purchases and Overhead, a positive timing variance due to lower than expected payments to critical vendors, and other negative forecasting differences.

NON INVENTORY PURCHASES AND OVERHEADS

40) There is a positive variance of $3.3 million consisting of timing variances for other critical vendors, repairs and maintenance, utilities and fixed manufacturing costs, which are primarily offset by negative variances for GST and QST.

EMPLOYEE RELATED COSTS AND BENEFITS

41) The negative variance of approximately $5.0 million is primarily permanent in nature, as the forecasted payroll expenditures including reimbursable administration costs related to pension plans, other benefit costs and other remittances were underestimated.

CAPITAL EXPENDITURES

42) There was a positive variance of $786,000 related to the Company's efforts to defer and minimize unnecessary capital expenditures.

NON OPERATIONAL MILL COSTS

43) The positive variance of $2.3 million is related to lower than forecast plant and environmental costs associated with dormant mills.

RESTRUCTURING PROFESSIONAL FEES

44) The positive variance of $591,000 is a timing difference which is expected to reverse once professional fee invoices are rendered and paid by the CCAA Entities.

OTHER DISBURSEMENTS

45) The negative variance of $224,000 is related to unforecasted disbursements.

PRE-FILING SECURED DEBT INTEREST

46) There was an unfavourable permanent variance of $162,000, due to a difference in interest rate assumptions compared to actual interest incurred.

DIP LOAN FEES AND INTEREST

47) There was an unfavourable permanent variance of $157,000, due to different interest rates incurred compared to forecast and unforecasted DIP lender legal fees.

CANADIAN DIP LOAN REPAYMENT

48) As noted in the Third Report, on April 9, 2009, there was a DIP repayment of $5.0 million as compared to a forecast net DIP repayment of $493,000 resulting in an unfavourable disbursement variance of $4.5 million, but a positive liquidity variance of the same amount.

OPENING CASH BALANCE

49) The opening balance of April 4, 2009, was $17.6 million. There was a favourable variance of $514,000 which relates to void cheques within the previous variance period ending April 3, 2009. There is also a favourable foreign exchange adjustment of $856,000 reflected during the Variance Period.

INTERCOMPANY SETTLEMENTS

50) In the April Revised Cash Flow Forecast, two intercompany settlements were forecast to be made on April 24, 2009 (the "**March Intercompany Settlement**"), and May 22, 2009 (the "**April Intercompany Settlement**"). The March Intercompany Settlement was $13.7 million payable to SSC U.S. by SSC Canada. This included a reimbursement of $2.1 million consisting of third party receivables collected by SSC Canada on behalf of SSC U.S., net of funds collected by SSC U.S. for SSC Canada. The April Intercompany Settlement was $4.8 million payable to SSC U.S. by SSC Canada. This included a reimbursement of $9.8 million consisting of third party receivables collected by SSC Canada on behalf of SSC U.S., net of funds collected by SSC U.S. for SSC Canada and interplant sales between Canada and the U.S.

REVISED CASH FLOW FORECAST

51) The Company and its financial advisor have provided the Monitor with a 17-week cash flow forecast (the "**June Revised Cash Flow Forecast**") which is attached hereto as Schedule "A".

52) The June Revised Cash Flow Forecast represents the Company's best estimate of the CCAA Entities' operations and cash flows for the period ending October 2, 2009. This forecast assumes no material changes to ongoing operations.

53) Management has advised the Monitor that Canada Revenue Agency is currently auditing the Company's GST returns. The last GST refund received was in March 2009, representing the December 2008 and January 2009 refund. Accordingly, as the audit is ongoing and the result is unknown, Management has not forecasted GST refunds during this period.

54) The June Revised Cash Flow Forecast projects that SSC Canada's draw on the DIP Facility of $35.0 million will have a net increase of approximately $22.0 million by October 2, 2009. The Company has forecast repayments on the DIP Facility throughout this forecast period as funds become available to do so.

55) The June Revised Cash Flow Forecast indicates that the May intercompany settlement scheduled to take take place on July 3, 2009, will be a net payable of $9.7 million, as it primarily relates to a reimbursement of $10.9 million of receivables that SSC Canada collected on SSC U.S.'s behalf. The June Revised Cash Flow Forecast also indicates a reimbursement on July 31, 2009, of the remaining $2.2 million of receivables that SSC Canada collected on behalf of SSC U.S. Other intercompany settlements incorporated into the June Revised Cash Flow Forecast are scheduled for the week ending September 4, 2009.

56) Management is forecasting an economic impact to its Mill divisions related to the stronger Canadian dollar and the decrease in expected customer demand. The combination of these factors has resulted in additional downtime being forecast at the LaTuque mill which have been reflected in the June Revised Cash Flow Forecast.

57) During the forecast period, there are four monthly payments of $750,000 forecast for a total of $3.0 million to SSC U.S. for SSC Canada's allocated share of the costs of centralized services. These costs are forecast to be part of the monthly intercompany settlement between SSC U.S. and SSC Canada.

58) The June Revised Cash Flow Forecast also includes $4.1 million for pre-filing secured debt interest, $1.4 million for DIP loan fees and interest and $3.0 million for restructuring professional fees.

59) The June Revised Cash Flow Forecast includes continued payments for current service obligations for the CCAA Entities' various pension plans.

RESTRUCTURING EFFORTS TO DATE

60) Since the commencement of the CCAA Proceedings, the Company has undertaken the following initiatives and actions in connection with its restructuring efforts:

i) the Company has continued its efforts to sell non core assets; and

ii) as noted previously, the Company has repudiated certain real property leases and other executory contracts.

CLAIMS PROCESS

61) In conjunction with the CCAA Entities' motion to extend the stay period to September 30, 2009, they are also requesting an order from this Court approving claims bar dates and related notice procedures.

62) While the Company has not yet developed a restructuring plan ("**Plan**"), the Company believes that the establishment and commencement of claims processes in both Canada and the U.S. will assist the Company in its restructuring efforts.

63) The CCAA Entities are seeking approval of an order establishing claims bar dates and notice procedures calling for Claims and Subsequent Claims (as defined below) of their creditors to be filed with the Monitor. Claims against the CCAA Entities are to be filed in these CCAA proceedings and not in the Chapter 11 Proceedings. However, in recognition

of the fact that certain creditors of the CCAA Entities may file claims in the Chapter 11 Proceedings, the CCAA Entities, in consultation with the Monitor, have proposed that claims timely filed in the Chapter 11 Proceedings against the CCAA Entities be deemed to have been timely filed in the CCAA Proceedings.

64) The Company and the Monitor are expected to encounter a number of issues as a result of the cross border nature of these proceedings including (i) filing of duplicate claims in both these proceedings and the Chapter 11 Proceedings; and (ii) valuation of the creditors' claims that may be materially different from the Company's estimate of such claims. The commencement of the claims processes now will provide useful information to the Company and its stakeholders in addressing these issues and the development of a Plan.

65) On June 12, 2009, the U.S. Debtors filed a motion in the U.S. Court for an order to establish a bar date for the filing of proofs of claim and approving the form and manner of the claims notice. The bar date requested for approval by the U.S. Court is the same as that requested of this Honourable Court for the delivery of Claims to the Monitor: August 28, 2009.

66) The U.S. motion materials with respect to the claims bar date state: "Nothing in the Bar Date Order shall prejudice the right of the Monitor to perform all of its responsibilities and obligations as required in the Canadian proceedings. In particular, with respect to the [CCAA Entities], the Monitor shall have the right, subject to the terms hereof, to participate in the processing and review of claims filed against the [CCAA Entities]."

PROPOSED CLAIMS PROCEDURE

67) The purpose of the proposed claims bar procedure (the "**Claims Procedure**") is to establish a call for claims against the CCAA Entities as of January 26, 2009 ("**Claim(s)**"), as well as any subsequent claims arising as a result of or in connection with the repudiation or termination by the CCAA Entities of any contract, lease or other agreement after January 26, 2009 ("**Subsequent Claim(s)**").

68) No Proof of Claim needs to be filed in respect of the following (collectively, the "**Excluded Claims**"):

i) any Claim or Subsequent Claim secured by the Administration Charge, the Directors' Charge or the DIP Lenders Charge;

ii) any intercompany claim;

iii) any Claim or Subsequent Claim already allowed by this Court or by the U.S. Court;

iv) any Claim of the lenders under the Company's pre-filing senior secured credit facility;

v) Claims with respect to goods and/or services provided to the CCAA Entities after January 26, 2009; or

vi) other Claims or Subsequent Claims ordered by this Court to be treated as Excluded Claims.

69) The significant steps of the Claims Procedure are as follows[1]:

i) A Claims Package will be mailed out to each Known Creditor on or before July 10, 2009. A bilingual Claims Package will be mailed to each Known Creditor who resides in the province of Quebec.

ii) In order to co-ordinate the Claims Procedure in both Canada and the U.S., Epiq has been engaged to send out the Claims Package which also includes the U.S. Proof of Claim form.

iii) A Notice to Creditors will be published in the Montreal Gazette and the Globe and Mail (National Edition) for one day in each of the two weeks following the date of the Claims Procedure Order.

iv) The Monitor will post the Notice to Creditors and the Claims Package on the Monitor's website within three days of the date of the Claims Procedure Order.

v) A Claims Package will be mailed out to any Person requesting such material.

vi) Proofs of Claim must be received by 4:00 p.m. (Eastern Daylight Time) on August 28, 2009 (i.e. the Claims Bar Date).

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[1] If not otherwise defined herein, the capitalized terms used in this paragraph 69 are as defined in the draft Claims Procedure Order filed by the CCAA Entities in connection with their motion seeking approval of same.

vii) Proofs of Claim for Subsequent Claims must be received by the later of (a) the Claims Bar Date; and (b) the date established for such purpose by either this Court or the U.S. Court.

viii) All Proofs of Claim must be received by the Monitor in writing and may be delivered by personal delivery, courier, prepaid mail, email or facsimile.

ix) Creditors whose Claim or Subsequent Claim is listed in the Schedules organized by the Company and posted on the Monitor's Website and Epiq's Website and: (a) whose Claim or Subsequent Claim is not listed as contingent, unliquidated or disputed; and (b) who do not dispute the classification or the amount of the Claim or Subsequent Claim as set forth in the Schedules, are not required to file a Proof of Claim in respect of such Claim or Subsequent Claim listed on the Schedules.

x) Separate Proofs of Claim must be filed against each Applicant or Partnership.

xi) Any U.S. Proof of Claim filed against an Applicant or Partnership in accordance with the U.S. Claims Procedure will be deemed to be a Proof of Claim that has been timely delivered to the Monitor in accordance with the Claims Procedure.

xii) In the event that a creditor files a Proof of Claim in respect of the same Claim or Subsequent Claim with both the Monitor and Epiq, the last timely Proof of Claim received by the Monitor or Epiq will govern.

xiii) Notice of any changes made by the Debtors to the Schedules after the scheduled mailing date (June 29, 2009) will be provided to the Monitor and the applicable Creditor. Upon any such amendment being made, the applicable Creditor shall have until the later of (i) the Claims Bar Date, or (ii) 30 days after the Creditor is given notice of the change to file a Proof of Claim or an amendment to any Proof of Claim already filed.

70) The draft Claims Procedure Order proposed by the CCAA Entities does not presently include provisions in respect of procedures for reviewing and determining Claims or Subsequent Claims. As provided for in the draft Claims Procedure Order, the Monitor understands that the CCAA Entities will apply for approval of such procedures at a later date pending further discussions in respect of same amongst the Company, its advisors and the Monitor.

MONITOR'S RECOMMENDATIONS

71) The stay provided for by the Stay Extension Order of this Honourable Court dated April 28, 2009, extended the stay period provided for in the Initial Order to June 30, 2009. In order to allow the Company sufficient time to continue the restructuring of its business, the CCAA Entities are requesting a further stay to September 30, 2009.

72) The Monitor observes that Company management is working to realize on its non-core assets, reduce its costs, and manage the financial and operational aspects of the Company with a view to enhancing the long term viability of the Company and develop a restructuring plan. The Company is operating in a manner consistent with its business plan and financial projections and the Monitor is not aware of any material changes to its operations in Canada or the U.S. since the commencement of the Proceedings.

73) The Monitor is of the view that the Company has acted, and continues to act, in good faith and with due diligence. Accordingly, the Monitor respectfully recommends that this Honourable Court approve the extension of the stay period to September 30, 2009.

74) The Monitor also recommends that this Honourable Court approve the claims bar dates and related notice procedures proposed by the CCAA Entities as set out herein.

All of which is respectfully submitted at Toronto, Ontario this 23rd day of June, 2009.

DELOITTE & TOUCHE INC.
in its capacity as the Monitor
of Smurfit-Stone Container Canada Inc., *et al.*

Per: ______________________
Paul M. Casey, CA·CIRP
Senior Vice-President

SCHEDULE "A"

SSC Canada Inc.

Cash Flow Forecast for the 17 week period from June 6, 2009 to October 2, 2009

SSC Canada Inc.
Combined Cash Flow Forecast for the 17 week period June 6 to October 2, 2009
(Unaudited)
(In $'000 USD)

	12-Jun	19-Jun	26-Jun	3-Jul	10-Jul	17-Jul	24-Jul	31-Jul	7-Aug	14-Aug	21-Aug	28-Aug	4-Sep	11-Sep	18-Sep	25-Sep	2-Oct	17 week total	
Receipts																			
Collection of Accounts Receivables -																			
Third party	10,899	10,502	10,508	10,516	10,564	11,198	11,439	11,431	11,400	11,371	11,389	11,388	11,386	11,394	10,974	10,979	10,990	188,327	**Note 1**
Intercompany	-	-	-	25,202	-	-	-	32,886	-	-	-	-	38,172	-	-	-	38,864	135,124	**Note 2**
Other Receipts - Intercompany	-	-	-		-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Receipts	**10,899**	**10,502**	**10,508**	**35,718**	**10,564**	**11,198**	**11,439**	**44,318**	**11,400**	**11,371**	**11,389**	**11,388**	**49,558**	**11,394**	**10,974**	**10,979**	**49,854**	**323,451**	
Disbursements																			
Purchases - Container Board	(236)	(236)	(236)	(22,745)	(228)	(228)	(228)	(27,454)	(227)	(227)	(227)	(227)	(28,336)	(193)	(193)	(193)	(27,166)	(108,581)	**Note 3**
Purchases of other raw materials and supplies	(3,706)	(3,709)	(3,449)	(10,036)	(3,575)	(3,393)	(3,610)	(10,318)	(3,856)	(3,857)	(3,857)	(3,847)	(10,296)	(3,871)	(3,827)	(3,827)	(9,725)	(88,759)	**Note 4**
Non inventory purchases and overheads	(6,739)	(6,539)	(5,395)	(4,232)	(4,498)	(5,198)	(4,098)	(4,638)	(3,962)	(4,180)	(4,805)	(3,962)	(4,537)	(3,980)	(4,913)	(3,844)	(4,599)	(80,118)	**Note 5**
Employee related costs and benefits	(3,072)	(3,262)	(2,147)	(3,914)	(3,390)	(3,871)	(2,147)	(3,653)	(2,147)	(4,419)	(2,147)	(2,041)	(3,545)	(3,760)	(2,893)	(2,516)	(3,545)	(52,467)	**Note 6**
Capital Expenditures	(102)	(102)	(102)	(118)	(139)	(139)	(139)	(139)	(137)	(137)	(137)	(137)	(130)	(124)	(124)	(124)	(108)	(2,138)	**Note 7**
Non operational mill costs	(332)	(332)	(317)	(311)	(185)	(185)	(177)	(166)	(166)	(166)	(166)	(169)	(169)	(169)	(169)	(173)	(176)	(3,524)	**Note 8**
Restructuring Professional Fees	(317)	(300)	(317)	(300)	-	(300)	-	(300)	-	(300)	-	(300)	-	(300)	-	(300)	-	(3,035)	**Note 9**
Applicant's share of centralized services costs	-	-	-	(750)	-	-	-	(750)	-	-	-	-	(750)	-	-	-	(750)	(3,000)	**Note 10**
Pre-Filing Secured Debt Interest	(60)	-	-	(1,078)	(84)	-	-	-	(745)	(75)	-	-	(745)	(60)	-	-	(1,250)	(4,097)	**Note 11**
DIP Loan Fees and Interest	-	-	-	77	(50)	-	-	(416)	(50)		-	-	(481)	(50)	-	-	(478)	(1,447)	**Note 12**
Total Disbursements	(14,565)	(14,479)	(11,961)	(43,406)	(12,149)	(13,313)	(10,398)	(47,835)	(11,290)	(13,360)	(11,339)	(10,683)	(48,988)	(13,508)	(12,118)	(10,977)	(47,796)	(348,166)	
Net cash flow	**(3,667)**	**(3,977)**	**(1,454)**	**(7,688)**	**(1,585)**	**(2,115)**	**1,041**	**(3,517)**	**110**	**(1,989)**	**50**	**704**	**570**	**(2,113)**	**(1,144)**	**3**	**2,058**	**(24,716)**	
Forecast Opening Cash Balance	15,709	12,042	8,065	6,611	-	-	-	-	-	-	-	-	-	-	-	-	-		
Intercompany collection repayments, net	-	-	-	(10,877)	-	-	-	(2,265)	-	-	-	-	-	-	-	-	-		**Note 13**
Canadian DIP Loan Advance/(repayment)	-	-	-	11,954	1,585	2,115	(1,041)	5,781	(110)	1,989	(50)	(704)	(570)	2,113	1,144	(3)	(2,058)		**Note 14**
Closing Cash Balance	12,042	8,065	6,611	-	-	-	-	-	-	-	-	-	-	-	-	-	-		

This cash flow forecast must be read in conjunction with the Notes and Summary of Assumptions attached hereto

1 Collection of trade accounts receivable are in connection with sales made to third parties. Collections have been estimated based on payment terms for the top ten customers and average payment terms for the balance, net of an allowance for potential bad debts.

2 Intercompany receipts reflect collection of intercompany sales made by SSCCI and SMBI to SSCE (US Parent) which are settled in the month following the sale. Also included are forecasted collections of PAT sales where customers remit payment to an SSCE lockbox and such amounts are then settled as part of the intercompany balance.

3 Containerboard is the principal commodity used in the production of containers and packaging. Purchases are primarily from SSCE and are paid for as part of the intercompany settlement in the following month.

4 Purchases of other raw materials (including wood) and other converting costs represent raw materials and services purchased from both third parties and containerboard marketing, and used in production at the La Tuque mill and PAT coating facility. An estimate of the amount of post-filing credit that has been provided by these suppliers is reflected in the forecast.

5 Non-inventory purchases and overhead costs represent all other operating costs (except payroll) associated with the production and sale of products and the general administration of the business. This includes rent, utilities, freight, office, and selling costs. An estimate of the amount of post-filing credit that has been provided by these suppliers is reflected in the forecast.

6 Employee costs represent salaries, wages, vacation pay, pension and other benefit costs. Tax withholdings are assumed to be remitted in the week following net payroll funding. Disbursements in respect of the various pension plans are only being made on account of current service; disbursements in respect of past service costs are assumed to not be made, pending finalization of the restructuring plan.

7 Capital expenditures forecasted reflect updated management forecasts as at May 1st.

8 Non-operating mill costs represent occupancy and other non-manufacturing costs associated with the four non-operating mills. An estimate of the amount of post-filing credit that has been provided by these suppliers is reflected in the forecast.

9 Restructuring professional fees represents the estimated fees of the Applicant's legal and financial advisers, the Monitor and its legal counsel only, that are forecast to be paid in the period ending October 2, 2009.

10 The US parent provides an extensive range of services that benefit the Applicants, including accounting, treasury, procurement and senior management. The cost of the Applicants' share of these services provided during each month will be invoiced to the Applicants in the following month and paid through the monthly intercompany settlement.

11 Pursuant to the Canadian DIP agreement, the DIP charge will rank in priority to the pre-filing credit agreement security. It is therefore proposed that interest and fees (not principal) will be paid to the pre-filing credit agreement lenders.

12 The DIP agreement requires payment of interest and DIP lender costs, including legal fees, on a monthly basis.

13 SSCCI collects amounts every week from SSCE customers. When collected, such amounts are booked to the intercompany balance and are settled on a monthly basis.

14 DIP loan advances are made to the Applicants pursuant to the DIP loan financing agreement. The DIP loan availability is subject to a margining formula based on actual accounts receivable and inventory balances. It is assumed that any excess cash during the period will be used to pay down any balance on the revolver.

15 The Can$/US$ foreign exchange rate is assumed to be constant at C$1.15:US$1 throughout the period.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Court File No: CV-09-7966-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SMURFIT-STONE CONTAINER CANADA INC., *et al.*

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

FOURTH REPORT OF THE MONITOR
DATED JUNE 23, 2009

GOODMANS LLP
Barristers & Solicitors
250 Yonge Street, Suite 2400
Toronto, Canada M5B 2M6

Robert J. Chadwick (LSUC#: 35165K)
Christopher G. Armstrong (LSUC# 55148B)

Tel: 416.979.2211
Fax: 416.979.1234

Lawyers for the Monitor, Deloitte & Touche Inc.

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