

MEXICAN ECONOMIC DEVELOPMENT INC  
Form 6-K  
October 26, 2017

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 UNDER  
THE SECURITIES EXCHANGE ACT OF 1934

For the month of October 2017

FOMENTO ECONÓMICO MEXICANO, S.A.B. DE C.V.

(Exact name of Registrant as specified in its charter)

Mexican Economic Development, Inc.

(Translation of Registrant's name into English)

United Mexican States

(Jurisdiction of incorporation or organization)

General Anaya No. 601 Pte.  
Colonia Bella Vista  
Monterrey, Nuevo León 64410

México

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): \_\_\_\_\_

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): \_\_\_\_\_

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-\_\_\_\_\_

FEMSA Announces Third Quarter 2017 Results

**Monterrey, Mexico, October 26, 2017** — Fomento Económico Mexicano, S.A.B. de C.V. (“FEMSA”) (NYSE: FMX; BMV: FEMSAUBD) announced today its operational and financial results for the third quarter of 2017.

FINANCIAL HIGHLIGHTS:

- 14.3% revenue growth (5.4% on an organic<sup>1</sup> basis) at FEMSA Consolidated
- 11.9% revenue growth at FEMSA Comercio’s Retail Division
- 5.3% income from operations growth at FEMSA Comercio’s Health Division
- 16.2% same-station sales growth at FEMSA Comercio’s Fuel Division
- 16.6% revenue growth (-1.8% on an organic<sup>1</sup> basis) at Coca-Cola FEMSA

**FINANCIAL SUMMARY FOR THE THIRD QUARTER AND FIRST NINE MONTHS OF 2017**

Change vs. same period of last year

	Revenues		Gross Profit		Income from Operations		Same-Store Sales	
	3Q17	YTD17	3Q17	YTD17	3Q17	YTD17	3Q17	YTD17
FEMSA CONSOLIDATED	14.3%	20.9%	13.3%	18.9%	0.9%	8.0%		
FEMSA COMERCIO								
Retail Division	11.9%	13.3%	13.8%	15.7%	6.6%	9.0%	4.9%	7.0%
Health Division	1.8%	12.0%	5.2%	13.6%	5.3%	2.4%	0.2%	8.6%
Fuel Division	27.5%	37.2%	19.2%	20.6%	3.3%	-11.7%	16.2%	21.0%
COCA-COLA FEMSA	16.6%	25.6%	16.6%	22.9%	-2.8%	7.0%		

Carlos Salazar Lomelín, FEMSA’s CEO, commented: “The third quarter was atypical, and one that unfortunately we will remember for the number and severity of natural disasters that took place during the month of September. In particular, the earthquakes in Mexico caused tremendous human loss. Much less importantly, but of relevance to our results, these disasters had a moderate impact on our numbers.

However, our business units made progress across markets. FEMSA Comercio's Retail Division added new stores at an accelerated pace, and same-store-sales continued to grow well in spite of some quake-related temporary store closures, while we saw stable results at our Health Division. And at the Fuel Division, we saw sequential improvement in profitability as the industry continues to evolve. Meanwhile, at Coca-Cola FEMSA our Mexico operations had to contend with flooding and business disruptions linked to the natural disasters, while we continued to see challenging conditions in some of our South American markets but early signs of stabilization in Brazil, and encouraging trends in Argentina.

Finally, as you know we successfully monetized a small portion of our Heineken shares, strengthening our balance sheet and improving our financial flexibility in an efficient manner. All told, it was an eventful third quarter that sets us up for a solid close of the year and, more importantly, for sustained growth in 2018 and beyond.”

<sup>1</sup> Excludes the effects of significant mergers and acquisitions in the last twelve months. Includes the results of Coca-Cola FEMSA Philippines Inc., as if consolidation had taken place in 2016.

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1

9:00 AM ET [Earnings Conference Call](#)

**Quarterly results***Results are compared to the same period of previous year*

femsa consolidated

**FEMSA CONSOLIDATED****3Q17 Financial Summary**

(Millions of Ps.)

	<b>3Q17</b>	<b>3Q16</b>	Var.	
Revenues	114,648	100,325	14.3	%
Income from Operations	9,385	9,303	0.9	%
Income from Operations Margin (%)	8.2	9.3	-110	bps
Operative Cash Flow (EBITDA)	14,813	13,340	11.0	%
Operative Cash Flow (EBITDA) Margin (%)	12.9	13.3	-40	bps
Net Income	33,715	7,930	N.S.	

**CONSOLIDATED BALANCE SHEET**

(Millions of Ps.)

As of September 30, 2017	Ps.	US\$ <sup>3</sup>
Cash Balance	101,139	5,573
Short-term debt	6,737	371
Long-term debt	113,121	6,233
<b>Net debt<sup>4</sup></b>	<b>18,719</b>	<b>1,031</b>

**Total revenues** increased 14.3%, reflecting growth across all operations including the consolidation of the Philippines and the integration of Vonpar at Coca-Cola FEMSA. On an organic basis,<sup>1</sup> total revenues grew 5.4%.

**Gross profit** grew 13.3%. Gross margin contracted 30 basis points, mostly driven by the growth of lower margin businesses at FEMSA Comercio.

**Income from operations** increased 0.9%. On an organic basis,<sup>1</sup> income from operations decreased 5.9% reflecting a decline at Coca-Cola FEMSA. Consolidated operating margin decreased 110 basis points to 8.2% of total revenues, mostly driven by a margin contraction at Coca-Cola FEMSA. This decrease also reflects higher freight and labor expenses, and the consolidation of Coca-Cola FEMSA's results in the Philippines, as well as a margin contraction at FEMSA Comercio's Retail Division.

Our **effective income tax rate** was 16.8% in 3Q17 compared to 21.9% in 3Q16.

**Net consolidated income** increased significantly to reach Ps. 33,715 million, mainly driven by the extraordinary non-operating income generated from the sale of 5.24% of the combined interest in the Heineken Group completed on September 18, 2017. This increase also reflected a gain in Other financial income driven by Coca-Cola FEMSA, and a foreign exchange gain related to a substantially higher U.S. dollar-denominated cash position at FEMSA coming from the sale of the Heineken shares, as impacted by the depreciation of the Mexican peso during the final days of the quarter.

**Net majority income** was Ps. 9.07 per FEMSA Unit<sup>2</sup> and US\$ 5.00 per FEMSA ADS.

**Capital expenditures** amounted to Ps. 6,139 million, reflecting higher investments in Coca-Cola FEMSA.

<sup>1</sup> Excludes the effects of significant mergers and acquisitions in the last twelve months. Includes the results of Coca-Cola FEMSA Philippines Inc., as if consolidation had taken place in 2016.

<sup>2</sup> FEMSA Units consist of FEMSA BD Units and FEMSA B Units. Each FEMSA BD Unit is comprised of one Series B Share, two Series D-B Shares and two Series D-L Shares. Each FEMSA B Unit is comprised of five Series B Shares. The number of FEMSA Units outstanding as of September 30, 2017 was 3,578,226,270, equivalent to the total number of FEMSA Shares outstanding as of the same date, divided by 5.

<sup>3</sup> The exchange rate published by the Federal Reserve Bank of New York for September 29, 2017 was 18.1480 MXN per USD.

<sup>4</sup> Includes the effect of derivative financial instruments on long-term debt.

October 26, 2017 2

## FEMSA COMERCIO – RETAIL DIVISION

## FEMSA COMERCIO – RETAIL DIVISION

## 3Q17 Financial Summary

(Millions of Ps. except same-stores sales)

	3Q17	3Q16	Var.	
Same-store sales (thousands of Ps.)	788	751	4.9	%
Revenues	40,292	35,997	11.9	%
Income from Operations	3,267	3,064	6.6	%
<i>Income from Operations Margin (%)</i>	8.1	8.5	-40	<i>bps</i>
Operative Cash Flow (EBITDA)	4,446	4,084	8.9	%
<i>Operative Cash Flow (EBITDA) Margin (%)</i>	11.0	11.3	-30	<i>bps</i>

**Total revenues** increased 11.9% reflecting the opening of 225 net new OXXO stores in the quarter to reach 1,304 total net new store openings for the last twelve months. As of September 30, 2017, FEMSA Comercio's Retail Division had a total of 15,999 OXXO stores. OXXO's same-store sales increased an average of 4.9%, reflecting resilient consumer trends that were partially offset by the headwinds from natural disasters that affected central and southern Mexico during September. This performance was driven by 3.8% growth in average customer ticket and an increase of 1.1% in store traffic.

**Gross profit** increased by 13.8%, resulting in a gross margin expansion of 60 basis points to 37.4% of total revenues, on top of a challenging comparison base in 2016. This expansion mainly reflects: i) sustained growth of the services category, including income from financial services; ii) increased and more efficient promotional programs with our key supplier partners; and iii) healthy trends in our commercial income activity.

**Income from operations** increased 6.6%. Operating expenses increased 15.9% to Ps. 11,788 million, above revenues, mainly reflecting: i) our continuing initiative to improve the compensation structure of key in-store personnel; ii) a sustained increase in electricity tariffs year over year; and iii) higher secure cash transportation costs driven by increased volume and higher fuel prices. Operating margin contracted 40 basis points to 8.1% of total revenues.

## FEMSA COMERCIO – HEALTH DIVISION

## FEMSA COMERCIO – HEALTH DIVISION

## 3Q17 Financial Summary

(Millions of Ps. except same-stores sales)

	3Q17	3Q16	Var.	
Same-store sales (thousands of Ps.)	1,482	1,479	0.2	%
Revenues	11,395	11,194	1.8	%
Income from Operations	417	396	5.3	%
<i>Income from Operations Margin (%)</i>	3.7	3.5	20	<i>bps</i>
Operative Cash Flow (EBITDA)	636	625	1.8	%
<i>Operative Cash Flow (EBITDA) Margin (%)</i>	5.6	5.6	0	<i>bps</i>

**Total revenues** increased 1.8%, mainly driven by growth in our South American operations. As of September 30, 2017, FEMSA Comercio's Health Division had a total of 2,178 points of sale across our territories, reflecting the addition of 24 net new stores in the quarter to reach 77 total net new store openings for the last twelve months. Same-store sales for drugstores increased an average of 0.2%, reflecting soft growth trends in the Chilean market as well as in Mexico, where we continued to experience pressure in oil-dependent southeastern markets as well as increased competitive dynamics overall.

**Gross profit** increased by 5.2%, resulting in a gross margin expansion of 90 basis points to 29.9% of total revenues, reflecting positive sales mix as well as a more effective collaboration and execution with our key supplier partners.

**Income from operations** grew 5.3%. Operating expenses increased 5.1% to Ps. 2,992 million, ahead of revenues. Operating margin increased 20 basis points to 3.7% of total revenues. In Mexico we again saw pressure on profitability as we continue advancing the integration of a single operating platform, building our distribution capabilities and increased services at our drugstores such as on-site doctors and home delivery in Mexico.

October 26, 2017 4



## FEMSA COMERCIO – FUEL DIVISION

## FEMSA COMERCIO – FUEL DIVISION

## 3Q17 Financial Summary

(Millions of Ps. except same-stations sales)

	3Q17	3Q16	Var.	
Same-station sales (thousands of Ps.)	8,520	7,335	16.2	%
Revenues	9,624	7,548	27.5	%
Income from Operations	94	91	3.3	%
<i>Income from Operations Margin (%)</i>	1.0	1.2	-20	<i>bps</i>
Operative Cash Flow (EBITDA)	130	115	13.0	%
<i>Operative Cash Flow (EBITDA) Margin (%)</i>	1.4	1.5	-10	<i>bps</i>

**Total revenues** increased 27.5% reflecting a national price increase established at the beginning of the year as well as moderate growth in the number of stations. As of September 30, 2017, FEMSA Comercio's Fuel Division had a total of 397 OXXO GAS service stations. Same-station sales increased an average of 16.2%, as the average price per liter increased by 18.2% reflecting the national price increase mentioned above, while the average volume decreased by 1.7% mainly from consumer reaction to the higher prices.

**Gross profit** increased by 19.2%, below revenues, resulting in a gross margin contraction of 50 basis points to 7.5% of total revenues as a consequence of the aforementioned national price increase.

**Income from operations** increased 3.3%. Operating expenses increased 22.1% to Ps. 625 million, below revenues. Operating margin contracted 20 basis points to 1.0% of total revenues, reflecting the gross margin contraction described in the previous paragraph, partially offset by expense containment and certain operating efficiencies at our service stations.

October 26, 2017 5

**results FOR THE FIRST NINE MONTHS OF 2017***Results are compared to the same period of previous year*

femsa consolidated

**FEMSA CONSOLIDATED****YTD Financial Summary**

(Millions of Ps.)

	YTD17	YTD16	Var.
Revenues	340,950	281,970	20.9 %
Income from Operations	27,580	25,548	8.0 %
<i>Income from Operations Margin (%)</i>	8.1	9.1	-100 <i>bps</i>
Operative Cash Flow (EBITDA)	43,287	36,556	18.4 %
<i>Operative Cash Flow (EBITDA) Margin (%)</i>	12.7	13.0	-30 <i>bps</i>
Net Income	45,693	18,356	148.9 %

**Total revenues** increased 20.9%, mainly driven by the consolidation of Coca-Cola FEMSA Philippines and Vonpar into Coca-Cola FEMSA's results and by solid growth across all operations. On an organic basis,<sup>1</sup> total revenues increased 11.0%.

**Gross profit** increased 18.9%. Gross margin decreased 60 basis points to 36.1% of total revenues, reflecting a contraction in Coca-Cola FEMSA's gross margin as a result of higher sugar costs in Mexico, as well as the incorporation and growth of lower margin businesses at FEMSA Comercio.

**Income from operations** increased 8.0%. On an organic basis,<sup>1</sup> income from operations decreased 1.8%. Our consolidated operating margin decreased 100 basis points to 8.1% of total revenues, reflecting: i) the incorporation of structurally lower-margin results from Coca-Cola FEMSA Philippines, ii) an operating margin contraction across several businesses, and iii) the integration and faster growth of FEMSA Comercio's three divisions, whose lower margins tend to compress FEMSA's consolidated margins over time.

**Net consolidated income** increased 148.9% to Ps. 45,693 million, reflecting growth in our income from operations and higher non-operating income resulting from the sale of 5.24% of the combined interest in the Heineken Group completed on September 18, 2017, which more than offset higher financing expenses.

**Net majority income** per FEMSA Unit<sup>2</sup> was Ps. 11.00 (US\$ 6.06 per ADS).

**Capital expenditures** amounted to Ps. 17,183 million, reflecting higher investments in most of our business units.

<sup>1</sup> Excludes the effects of significant mergers and acquisitions in the last twelve months. Includes the results of Coca-Cola FEMSA Philippines Inc., as if consolidation had taken place in 2016.

<sup>2</sup> FEMSA Units consist of FEMSA BD Units and FEMSA B Units. Each FEMSA BD Unit is comprised of one Series B Share, two Series D-B Shares and two Series D-L Shares. Each FEMSA B Unit is comprised of five Series B Shares. The number of FEMSA Units outstanding as of September 30, 2017 was 3,578,226,270, equivalent to the total number of FEMSA Shares outstanding as of the same date, divided by 5.

October 26, 2017 6

**femsa comercio – retail division****FEMSA COMERCIO – RETAIL DIVISION****YTD Financial Summary**

(Millions of Ps. except same-stores sales)

	YTD17	YTD16	Var.	
Same-store sales (thousands of Ps.)	764	714	7.0	%
Revenues	114,022	100,646	13.3	%
Income from Operations	8,064	7,401	9.0	%
<i>Income from Operations Margin (%)</i>	7.1	7.4	-30	<i>bps</i>
Operative Cash Flow (EBITDA)	11,533	10,346	11.5	%
<i>Operative Cash Flow (EBITDA) Margin (%)</i>	10.1	10.3	-20	<i>bps</i>

**Total revenues** increased 13.3%. OXXO's same-store sales increased an average of 7.0%, driven by a 4.2% increase in average customer ticket and a 2.6% increase in store traffic.

**Gross profit** increased by 15.7%. Gross margin expanded by 80 basis points to 36.7% of total revenues.

**Income from operations** increased 9.0% resulting in an operating margin of 7.1%, which represents a contraction of 30 basis points, largely reflecting our continuing initiative to improve the compensation structure of key in-store personnel and a sustained increase in electricity tariffs.

**femsa comercio – health division****FEMSA COMERCIO – HEALTH DIVISION****YTD Financial Summary**

(Millions of Ps. except same-stores sales)

	YTD17	YTD16	Var.	
Same-store sales (thousands of Ps.)	1,551	1,428	8.6	%
Revenues	34,850	31,119	12.0	%

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Income from Operations	996	973	2.4	%
<i>Income from Operations Margin (%)</i>	2.9	3.1	-20	<i>bps</i>
Operative Cash Flow (EBITDA)	1,694	1,613	5.0	%
<i>Operative Cash Flow (EBITDA) Margin (%)</i>	4.9	5.2	-30	<i>bps</i>

**Total revenues** increased by 12.0%. Same-store sales for drugstores increased by an average of 8.6%.

**Gross profit** increased by 13.6%. Gross margin expanded by 40 basis points to 29.2% of total revenues.

**Income from operations** increased 2.4% resulting in an operating margin of 2.9%, which represents a contraction of 20 basis points, reflecting: i) higher expenses in Mexico stemming from the ongoing integration of a shared business platform, ii) improvements to the incentive and compensation structure for our in-store personnel, and iii) increased services at our drugstores in Mexico.

October 26, 2017 7

**FEMSA COMERCIO – FUEL DIVISION**

**FEMSA COMERCIO – FUEL DIVISION**

**YTD Financial Summary**

(Millions of Ps. except same-stations sales)

	YTD17	YTD16	Var.	
Same-station sales (thousands of Ps.)	8,437	6,972	21.0	%
Revenues	28,211	20,562	37.2	%
Income from Operations	158	179	-11.7	%
<i>Income from Operations Margin (%)</i>	0.6	0.9	-30	<i>bps</i>
Operative Cash Flow (EBITDA)	259	250	3.6	%
<i>Operative Cash Flow (EBITDA) Margin (%)</i>	0.9	1.2	-30	<i>bps</i>

**Total revenues** increased 37.2%. Same-station sales increased an average of 21.0%, driven by a 21.6% increase in the average price per liter and a slight decrease of 0.5% in the average volume.

**Gross profit** increased by 20.6%. Gross margin contracted by 100 basis points to 6.9% of total revenues, reflecting the fact that gross profit per liter remained flat in peso terms compared to the same period in 2016.

**Income from operations** decreased 11.7%, resulting in an operating margin contraction of 30 basis points, as expense containment and operational efficiencies only partially offset the contraction in gross margin described above.

**coca-cola femsa**

*Coca-Cola FEMSA's financial results and discussion thereof are incorporated by reference from Coca-Cola FEMSA's press release, which is attached to this press release or may be accessed by visiting [www.coca-colafemsa.com](http://www.coca-colafemsa.com).*

**recent developments**

**FEMSA COMPLETES SHARE OFFERING OF A 5.24% COMBINED INTEREST IN THE HEINEKEN GROUP**

On September 18, 2017, FEMSA announced the sale of 5.24% of the combined interest in the Heineken Group (the “Equity Offering”), comprising a combination of existing issued ordinary shares of both Heineken N.V. and Heineken Holding N.V.

The Equity Offering consisted of:

22,485,000 Shares in Heineken N.V. representing 3.90% of the issued share capital at a price of €84.50 per share, raising gross proceeds of approximately 1.9 billion Euros.

7,700,000 Shares in Heineken Holding N.V. representing 2.67% of the issued share capital at a price of €78.00 per share, raising gross proceeds of approximately 600 million Euros.

Following the completion of the Equity Offering, FEMSA’s shareholding in Heineken N.V. decreased from 12.53% to 8.63% and in Heineken Holding N.V. from 14.94% to 12.26%, for an overall decrease of FEMSA’s economic interest in the Heineken Group from 20.00% to 14.76%. L'Arche Green N.V., the entity through which the Heineken family exercises control of Heineken Holding N.V., acquired 2,564,102 shares of Heineken Holding N.V. in the Equity Offering.

After the Equity Offering, FEMSA, under the terms of the Corporate Governance Agreement dated April 30, 2010, retained its existing governance rights, including one seat on the Board of Directors of Heineken Holding N.V. and two seats on the Supervisory Board of Heineken N.V.

October 26, 2017 8

FEMSA continues to be a significant shareholder in the Heineken Group and a long term supporter of the Heineken Group's strategy.

#### CONFERENCE CALL INFORMATION:

Our Third Quarter 2017 Conference Call will be held on: Friday, October 27, 2017, 9:00 AM Eastern Time (8:00 AM Mexico City Time). To participate in the conference call, please dial: Domestic US: (888) 602 6363; International: (719) 457 2735; Conference Id: 9150893. The conference call will be webcast live through streaming audio. For details please visit [www.femsa.com/investor](http://www.femsa.com/investor).

If you are unable to participate live, the conference call audio will be available on <http://ir.FEMSA.com/results.cfm>.

FEMSA is a leading company that participates in the beverage industry through Coca-Cola FEMSA, the largest franchise bottler of Coca-Cola products in the world by volume; and in the beer industry, through its ownership of the second largest equity stake in Heineken, one of the world's leading brewers with operations in over 70 countries. In the retail industry it participates through FEMSA Comercio, comprising a Retail Division operating various small-format store chains including OXXO, a Fuel Division, operating the OXXO GAS chain of retail service stations, and a Health Division, which includes drugstores and related operations. Additionally, through its Strategic Businesses unit, it provides logistics, point-of-sale refrigeration solutions and plastics solutions to FEMSA's business units and third-party clients.

The translations of Mexican pesos into US dollars are included solely for the convenience of the reader, using the noon buying rate for Mexican pesos as published by the Federal Reserve Bank of New York on September 29, 2017, which was 18.1480 Mexican pesos per US dollar.

#### **FORWARD-LOOKING STATEMENTS**

*This report may contain certain forward-looking statements concerning our future performance that should be considered as good faith estimates made by us. These forward-looking statements reflect management's expectations and are based upon currently available data. Actual results are subject to future events and uncertainties, which could materially impact our actual performance.*

Seven pages of tables and Coca-Cola FEMSA's press release to follow



October 26, 2017 9

**FEMSA****Consolidated Income Statement****Millions of Pesos**

For the third quarter of:

	2017	% of rev.
Total revenues	114,648	100.0
Cost of sales	73,130	63.8
Gross profit	41,518	36.2
Administrative expenses	3,895	3.4
Selling expenses	27,920	24.3
Other operating expenses (income), net <sup>(1)</sup>	318	0.3
Income from operations <sup>(2)</sup>	9,385	8.2
Other non-operating expenses (income)	(28,161 )	
Interest expense	2,734	
Interest income	443	
Interest expense, net	2,291	
Foreign exchange loss (gain)	(771 )	
Other financial expenses (income), net.	(1,535 )	
Financing expenses, net	(15 )	
Income before income tax and participation in associates results	37,561	
Income tax	6,302	
Participation in associates results <sup>(3)</sup>	2,456	
Net consolidated income	33,715	
Net majority income	32,449	
Net minority income	1,266	

	2017	% of rev.
Operative Cash Flow & CAPEX		
Income from operations	9,385	8.2
Depreciation	4,148	3.6
Amortization & other non-cash charges	1,280	1.1
Operative Cash Flow (EBITDA)	14,813	12.9
CAPEX	6,139	

Financial Ratios

2017

RockTenn's and Smurfit-Stone's obligation to pay the termination fee may discourage a

See The Merger Agreement Termination, Effect of Termination, Termination

**Comparison of Rights of RockTenn Shareholders and Smurfit-Stone Stockholders**

Smurfit-Stone is a Delaware corporation. RockTenn is a Georgia corporation. The shares of

For a summary of certain differences among the rights of RockTenn shareholders and Smurfit-Stone

**Matters to be Considered at the Meetings**

***RockTenn***

RockTenn shareholders will be asked to vote on the proposal to approve the issuance of shares

***Smurfit-Stone***

Smurfit-Stone stockholders will be asked to vote on the proposal to approve and adopt the

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**Table of Contents**

**Voting by RockTenn and Smurfit-Stone Directors and Executive Officers**

On the RockTenn record date, directors and executive officers of RockTenn and their affil

**Appraisal Rights**

Section 262 of the DGCL provides holders of Smurfit-Stone common stock with the abilit

To seek appraisal, you must deliver a written demand for appraisal to Smurfit-Stone before

Due to the complexity of the procedures described above, Smurfit-Stone stockholders who

**Listing of RockTenn Common Stock Issued in connection with the Merger on the NY**

RockTenn common stock received by Smurfit-Stone stockholders in connection with the m

**Litigation Relating to the Merger**

RockTenn, Sam Acquisition, LLC and Smurfit-Stone, as well as the members of Smurfit-S

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**Table of Contents**

The following table sets forth selected historical financial data for RockTenn. The following

Net sales
Alternative fuel mixture credit, net of expenses (a)
Restructuring and other costs, net
Cellulosic biofuel producer credit, net (b)
Net income attributable to RockTenn shareholders
Diluted earnings per share attributable to RockTenn shareholders (c)
Dividends paid per common share
Book value per common share
Total assets
Current portion of debt
Total long-term debt
Total debt (c)
Total RockTenn shareholders' equity
Net cash provided by operating activities
Capital expenditures
Cash paid (received) for investment in unconsolidated entities
Cash paid for purchase of businesses, including amounts (received from) paid into escrow, net of cash
Cash paid for the purchase of a leased facility

**Notes to Selected Financial Data**

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**Table of Contents**

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**Table of Contents**

The following table sets forth selected historical financial data for Smurfit-Stone. The following

Smurfit-Stone emerged from its Chapter 11 and Companies' Creditors Arrangement Act

*(in millions, except per share and statistical data)*

**Summary of Operations**

Net sales

Operating income (loss) (e)

Income (loss) from continuing operations

Discontinued operations, net of income tax provision

Net income (loss) attributable to common stockholders

Diluted earnings per share of common stock Income (loss) from continuing operations

Discontinued operations, net of income tax provision

Net income (loss) attributable to common stockholders

Weighted average basic shares outstanding

Weighted average diluted shares outstanding

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**Table of Contents**

*(in millions, except per share and statistical data)*

**Other Financial Data**

Net cash provided by (used for) operating activities  
Net cash provided by (used for) investing activities  
Net cash provided by (used for) financing activities  
Depreciation, depletion and amortization  
Capital expenditures and acquisitions  
Working capital, net (f)  
Net property, plant, equipment (g)  
Total assets  
Total debt (f)(h)  
Redeemable preferred stock  
Stockholders' equity (deficit)

**Statistical Data (tons in thousands)**

Containerboard production (tons)  
Market pulp production (tons)  
SBS/SBL production (tons)  
Kraft paper production (tons)  
Corrugated containers sold (billion square feet)  
Fiber reclaimed and brokered (tons)  
Number of employees (i)

**Notes to Selected Financial Data**





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**Table of Contents**

RockTenn's common stock is listed on the NYSE under the symbol RKT and Smurfit-

**Fiscal Year Ending September 30, 2011:**

First Quarter  
Second Quarter (through March 29, 2011)

**Fiscal Year Ended September 30, 2010:**

First Quarter  
Second Quarter  
Third Quarter  
Fourth Quarter

**Fiscal Year Ended September 30, 2009:**

First Quarter  
Second Quarter  
Third Quarter  
Fourth Quarter

**Fiscal Year Ended September 30, 2008:**

First Quarter  
Second Quarter  
Third Quarter  
Fourth Quarter

**Year Ending December 31, 2011:**

First Quarter (through March 29, 2011)

**Year Ended December 31, 2010:**

Third Quarter (since June 30, 2010)  
Fourth Quarter

**Predecessor Smurfit-Stone (2)**

**Year Ended December 31, 2010:**

First Quarter  
Second Quarter

**Year Ended December 31, 2009:**

First Quarter  
Second Quarter  
Third Quarter  
Fourth Quarter

**Year Ended December 31, 2008:**

First Quarter  
Second Quarter  
Third Quarter  
Fourth Quarter

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**Table of Contents**

(1) For an explanation of RockTenn's and Smurfit-Stone's dividend history and policy, See "Company Information"

(2) Each share of Predecessor Smurfit-Stone's common stock was canceled pursuant to the terms of the merger agreement.

The following table sets forth the closing price per share of RockTenn and Smurfit-Stone common stock as of the date indicated below.

January 21, 2011

, 2011

(1)

The information in the preceding tables is historical only. The market prices of RockTenn and Smurfit-Stone common stock are subject to significant fluctuations.

**Dividends and Other Distributions**

RockTenn's board of directors has approved a resolution to pay a quarterly dividend of \$0.10 per share of common stock.

Smurfit-Stone has not paid or declared cash dividends on its common stock since its emergence from Chapter 11 reorganization.

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**Table of Contents**

The following summary unaudited pro forma condensed combined financial information is

The unaudited pro forma balance sheet assumes that the merger and the related financing

The unaudited pro forma condensed combined financial statements were prepared using the

RockTenn expects to incur significant costs associated with integrating the operations of the

The following unaudited pro forma financial data is derived from the historical consolidated

---

**Table of Contents**

consummated on the dates indicated and should not be construed as being indicative of fut

**Pro Forma Condensed Combined Statement of Income Data:**

Net Sales

Cost of Sales

Gross Profit

Net Income from Continuing Operations

Diluted Earnings Per Share from Continuing Operations

**Pro Forma Condensed Combined Balance Sheet Data:**

Working Capital

Total Assets

Long-Term Debt due after one year

Shareholder Equity

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**Table of Contents**

The following table summarizes earnings per share data regarding earnings from continuing

The pro forma book value per share information was computed as if the merger and the re

---

**Table of Contents**

The following unaudited comparative per share data is derived from the historical consolidated

**RockTenn Historical:**

Book value per share  
Cash dividends per share  
Diluted earnings per share from continuing operations  
Basic earnings per share from continuing operations

**Smurfit-Stone Historical:**

Book value per share  
Cash dividends per share  
Diluted earnings per share from continuing operations  
Basic earnings per share from continuing operations

**RockTenn Pro Forma Combined:**

Book value per share  
Cash dividends per share  
Diluted earnings per share from continuing operations  
Basic earnings per share from continuing operations

**Smurfit-Stone Pro Forma Equivalent:**

Book value per share  
Cash dividends per share  
Diluted earnings per share from continuing operations  
Basic earnings per share from continuing operations

(1)

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**Table of Contents**

**Risk Factors Relating to RockTenn and Smurfit-Stone**

RockTenn's and Smurfit-Stone's businesses are, and following the completion of the me

**Risk Factors Relating to the Merger**

*Because the market price of RockTenn's common stock will fluctuate, the value of Roc*

Upon completion of the merger, each share of Smurfit-Stone common stock will be conve

*The number of shares of RockTenn common stock and the cash amount payable as con*

The allocation of RockTenn common stock and cash to be received by Smurfit-Stone stock



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**Table of Contents**

compliance with the continuity of interest requirement for tax-free reorganizations under

*If an adjustment to the merger consideration is required, then Smurfit-Stone stockholders*

An adjustment in the merger consideration as described in *Risk Factors* *The number of shares*

*If the merger is completed, RockTenn may not be able to successfully integrate the business*

Realization of the anticipated benefits in the merger will depend on RockTenn's ability to

---

**Table of Contents**

The process of integrating Smurfit-Stone's operations could cause an interruption of, or loss of,

***Failure to complete the merger could negatively impact the stock prices and the future business***

Although RockTenn and Smurfit-Stone have agreed to use their reasonable best efforts to

In addition, each company would not realize any of the expected benefits of having completed

If the merger is not completed, the price of RockTenn and Smurfit-Stone common stock may

---

**Table of Contents**

In addition, if the merger is not completed and the RockTenn or Smurfit-Stone board of di

*The merger agreement limits RockTenn's and Smurfit-Stone's ability to pursue an alt*

The merger agreement prohibits RockTenn and Smurfit-Stone from soliciting, initiating, e

These provisions limit RockTenn's and Smurfit-Stone's ability to pursue offers from thir

*In order to complete the merger, RockTenn and Smurfit-Stone must obtain certain gove*

Completion of the merger is conditioned upon the receipt of certain governmental clearan

*Some of the directors and executive officers of Smurfit-Stone have interests in the merg*

When considering the recommendation of the Smurfit-Stone board of directors with respec

---

**Table of Contents**

stockholders of Smurfit-Stone generally. These interests include their designation as Rock

Stockholders should consider these interests in conjunction with the recommendation of the

***RockTenn's ability to use Smurfit-Stone's net operating loss carryforwards to offset future***

If a corporation undergoes an ownership change under Section 382 of the Code, the amount of

As of December 31, 2010, Smurfit-Stone had NOL carryforwards for federal income tax purposes

---

**Table of Contents**

In addition, the amount of the NOL carryforwards is subject to review and audit by the IRS.

***RockTenn is expected to incur substantial expenses related to the merger and the integration.***

RockTenn is expected to incur substantial expenses in connection with the merger and the integration.

***If the merger is completed, the integration of RockTenn and Smurfit Stone's operations is expected to be complex.***

Prior to the merger, both RockTenn and Smurfit-Stone have each previously evaluated and managed their own operations.

***The need to integrate Smurfit-Stone's workforce following the mergers presents the potential for increased costs.***

The successful integration of Smurfit-Stone and achievement of the anticipated benefits of the merger will depend on a number of factors.

***The Pension Benefit Guaranty Corporation, or PBGC, could request additional financing to cover the cost of the merger.***

Smurfit-Stone's defined benefit pension plans and RockTenn's defined benefit pension plans are subject to the requirements of the Pension Benefits Guaranty Act of 1974.

---

**Table of Contents**

plans, subject to legal limits, in the event that the pension plans terminate. As of December

Actions taken or requested by the PBGC in response to the merger could include, among o

*The shares of RockTenn common stock to be received by Smurfit-Stone stockholders as*

Following completion of the merger, Smurfit-Stone stockholders will no longer be stockh

*RockTenn has incurred, and will continue to incur, substantial additional indebtedness*

Upon completion of the merger, RockTenn expects to have engaged in acquisition debt fir

*If RockTenn is unable to obtain sufficient financing, the acquisition of Smurfit-Stone b*

RockTenn intends to finance the merger with debt financing, existing cash on hand, and th

---

**Table of Contents**

to pay for fees and expenses incurred in connection with the merger and related transaction

*Pending litigation against RockTenn, Sam Acquisition, LLC, Smurfit-Stone and the directors*

Since the announcement on January 23, 2011 of the signing of the merger agreement, RockTenn

One of the conditions to the closing of the merger is that no order issued by a government

---

**Table of Contents**

*RockTenn's principal externally sourced raw materials, recovered paper and virgin paper*

Historically, the costs of recovered paper and virgin paperboard, RockTenn's principal ex

*Following the merger, the combined company may be unable to retain key employees.*

The success of RockTenn after the merger will depend in part upon its ability to retain key



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**Table of Contents**

This joint proxy statement/prospectus, including information included or incorporated by reference,

Such forward-looking statements include, but are not limited to, statements regarding:

With respect to these forward-looking statements, RockTenn and Smurfit-Stone have made



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**Table of Contents**

Further, RockTenn and Smurfit-Stone's businesses are subject to a number of general risks

Such risks and other factors that may impact management's assumptions are more particularly

The information contained in this joint proxy statement/prospectus speaks as of the date hereof

---

**Table of Contents**

*The following is a discussion of the merger and the material terms of the merger agreement*

**Background of the Merger**

On January 26, 2009, Smurfit-Stone and its U.S. and Canadian Subsidiaries filed a voluntary

Smurfit-Stone regularly reviews and evaluates its business strategy with the goal of enhancing

On September 16, 2010, representatives of a financial advisor to a third party, which we refer

On October 7, 2010, members of the senior management team of Smurfit-Stone and representatives

On or about November 8, 2010 through November 21, 2010, Smurfit-Stone responded to

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**Table of Contents**

On November 23, 2010, a special meeting of the Smurfit-Stone board of directors was held

On November 30, 2010, Smurfit-Stone received a second letter from Party A reiterating its

On December 15, 2010, the Smurfit-Stone special committee held a special meeting, at which

---

**Table of Contents**

On or around December 17, 2010, Party A contacted Mr. Hake to indicate that it was having

Beginning in late November, RockTenn management performed various analyses and prepared

On December 21, 2010, Mr. Foster received a call from a representative of Wells Fargo Securities

On December 23, 2010, the Smurfit-Stone special committee held a special meeting via teleconference

On December 24, 2010, representatives of Wells Fargo Securities contacted a representative of

---

**Table of Contents**

interested in setting up a call between Mr. Rubright and Mr. Hake to discuss the proposal

On January 4, 2011, the board of directors of RockTenn held a special meeting via telecon

On January 4, 2011, Mr. Rubright contacted Mr. Hake and proposed a meeting so that Ro

On January 9, 2011, Smurfit-Stone received a non-binding written offer from RockTenn to

On January 10, 2011, the Smurfit-Stone special committee held a special meeting via tele

---

**Table of Contents**

offers, and discussed again the risks involved in doing so, including the risks associated w

Smurfit-Stone and RockTenn entered into a confidentiality agreement, dated as of January

On January 18, 2011, Smurfit-Stone and Wachtell Lipton received a draft merger agreeme

Also on January 20, 2011, representatives of Lazard had discussions with representatives o



---

**Table of Contents**

Promptly following the RockTenn board meeting on January 20, 2011, Mr. Rubright called

On the evening of January 20, 2011, the Smurfit-Stone special committee held a special m

On January 21, 2011, Wachtell Lipton and Smurfit-Stone provided RockTenn and King &

On Sunday, January 23, 2011, the Smurfit-Stone special committee and the Smurfit-Stone

---

**Table of Contents**

Smurfit-Stone board of directors approve the merger agreement and recommend approval

Also on Sunday, January 23, 2011, the RockTenn board of directors held a special meeting

The terms of the merger agreement are more fully described in the section entitled "The M

**RockTenn Board of Directors Recommendation**

At a meeting on January 23, 2011, the RockTenn board of directors unanimously (1) deter

In connection with the foregoing actions, the RockTenn board of directors consulted with

---

**Table of Contents**

In addition, the RockTenn board of directors also considered the following factors:

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**Table of Contents**

The RockTenn board of directors also considered a number of potentially negative factors

---

**Table of Contents**

In view of the wide variety of factors considered in connection with its evaluation of the m

In addition, the RockTenn board of directors did not undertake to make any specific deter

**Smurfit-Stone Board of Directors Recommendation**

At its meeting held on January 23, 2011, following detailed presentations by Smurfit-Ston

In evaluating the merger agreement and the transactions contemplated by the merger agree

*Strategic Considerations Supporting the Transaction*

The Smurfit-Stone special committee and the Smurfit-Stone board of directors viewed the

---

**Table of Contents**

*Financial and Other Considerations Supporting the Transaction*

The Smurfit-Stone special committee and the Smurfit-Stone board of directors also viewed

---

**Table of Contents**

*Countervailing Considerations*

The Smurfit-Stone special committee and the Smurfit-Stone board of directors weighed th

---

**Table of Contents**

*Conclusion*

The Smurfit-Stone special committee and the Smurfit-Stone board of directors concluded



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**Table of Contents**

The reasons set forth above are not intended to be exhaustive, but include the material factors

**Opinion of Financial Advisor to the RockTenn Board of Directors**

The board of directors of RockTenn retained Wells Fargo Securities to act as its financial advisor

On January 23, 2011, Wells Fargo Securities rendered its oral opinion, which was subsequently

**The full text of Wells Fargo Securities' written opinion to the board of directors of RockTenn**

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**Table of Contents**

**directors of RockTenn and does not constitute a recommendation as to how any hold**

In arriving at its opinion, Wells Fargo Securities, among other things:

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**Table of Contents**

In connection with its review, Wells Fargo Securities assumed and relied upon the accuracy and completeness of the information provided to it by the issuer.

In rendering its opinion, Wells Fargo Securities assumed, with the consent of the board of directors, that the issuer's management has provided it with all the information necessary to complete its review.

The opinion of Wells Fargo Securities only addresses the fairness, as of January 23, 2011, of the financial statements and the related disclosures included in the prospectus.

The summary set forth below does not purport to be a complete description of the analyses performed by Wells Fargo Securities.

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**Table of Contents**

process and is not necessarily susceptible to partial analysis or summary description. Well

*Smurfit-Stone Financial Analyses*

*Comparable Public Companies Analysis.* Wells Fargo Securities reviewed and compared

The companies included in the comparable public companies analysis for Smurfit-Stone w

Wells Fargo Securities calculated and compared the financial multiples for the selected co

---

**Table of Contents**

The following table presents the results of this analysis:

EV/2011E EBITDA  
EV/2012E EBITDA  
AEV/2011E EBITDA  
AEV/2012E EBITDA  
P/2011E EPS  
P/2012E EPS

Based on these analyses and utilizing its professional judgment and experience, Wells Fargo

Wells Fargo Securities also applied AEV/estimated CY 2011 EBITDA multiples ranging from

*Selected Transactions Analysis.* Wells Fargo Securities analyzed certain information relating to

**Target**

Weyerhaeuser Company's Packaging Business

Southern Container Corp.

Norampac Inc.

Linpac Containers Group

Gaylord Container Corporation

Williamette Industries, Inc.

St. Laurent Paperboard Inc.

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**Table of Contents**

For each of the selected transactions, Wells Fargo Securities calculated and reviewed the t

LTM EBITDA **Enterprise Value as a Mu**  
Based on this review and their professional judgment and experience, Wells Fargo Securit

*Premiums Paid Analysis.* Based on publicly available information, Wells Fargo Securities

**Date Announced**

2/5/07  
2/7/07  
2/19/07  
5/28/07

6/4/07  
6/27/07  
6/27/07  
7/17/07

11/18/07  
12/7/07

6/3/08  
7/11/08  
1/15/09  
4/8/09  
4/29/09  
8/31/09  
11/1/09  
4/15/10  
6/21/10

7/12/10  
9/3/10

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**Table of Contents**

1

Wells Fargo Securities reviewed the implied premiums paid in these transactions represent

Mean

Median

25th Percentile

75th Percentile

Based on this review and their professional judgment and experience, Wells Fargo Securiti

*Discounted Cash Flow Analysis.* Wells Fargo Securities performed an illustrative discount

Wells Fargo Securities performed the same analysis as described in the immediately precede

---

**Table of Contents**

*RockTenn Financial Analyses*

*Comparable Public Companies Analysis.* Wells Fargo Securities reviewed and compared

The companies included in the comparable public companies analysis for RockTenn were

Wells Fargo Securities calculated and compared the financial multiples for the selected co

The following table presents the results of this analysis:

EV/2011E EBITDA  
EV/2012E EBITDA  
AEV/2011E EBITDA  
AEV/2012E EBITDA  
P/2011E EPS  
P/2012E EPS





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**Table of Contents**

Based on these analyses and utilizing its professional judgment and experience, Wells Fargo

Wells Fargo Securities also applied selected AEV/estimated CY 2011 EBITDA multiples

*Discounted Cash Flow Analysis.* Wells Fargo Securities performed an illustrative discount

*Pro Forma Financial Impact.* Wells Fargo Securities analyzed the pro forma financial imp

*Other Considerations.* Wells Fargo Securities prepared the analyses described above for p

---

**Table of Contents**

was solely that of the board of directors of RockTenn. As described above, Wells Fargo S

Wells Fargo Securities is the trade name for certain capital markets and investment banking

**Opinion of Financial Advisor to the Smurfit-Stone Board of Directors**

On January 23, 2011, Lazard rendered its opinion to the special committee of the Smurfit-

---

**Table of Contents**

**The full text of the written opinion of Lazard, dated January 23, 2011, which sets forth**

In connection with its opinion, Lazard:

Lazard assumed and relied upon the accuracy and completeness of the foregoing information

---

**Table of Contents**

appraisal. With respect to the publicly available financial forecasts referred to above, Lazard

In rendering its opinion, Lazard assumed, with Smurfit-Stone's consent, that the merger would

Lazard's opinion was necessarily based on economic, monetary, market and other conditions

The preparation of a fairness opinion is a complex process involving various determinations

---

**Table of Contents**

portions of the analyses or of the summary set forth below, without considering the analysis

The following is a brief summary of the material financial and comparative analyses that I

Lazard's valuation analyses performed in connection with rendering its opinion excluded

Some of the summaries of the financial analyses include information presented in tabular

*Smurfit-Stone Discounted Cash Flow Analysis*

Based on the projections provided by Smurfit-Stone management, which are described in

---

**Table of Contents**

years ending December 31, 2011 through December 31, 2015. Lazard also calculated estimated

*Smurfit-Stone Selected Comparable Companies Analysis*

Lazard reviewed and analyzed selected public companies in the containerboard and paper

Although none of the selected companies is directly comparable to Smurfit-Stone, the com

---

**Table of Contents**

described in the immediately preceding sentence in performing this analysis to account for

Low

Median

High

In addition, Lazard considered the following companies as additional reference points; how

Based on the foregoing and Lazard's professional judgment, Lazard applied multiples of

In addition, Lazard provided the Smurfit-Stone special committee and the Smurfit-Stone b

The results of the analyses were as follows:

Low

Median

High

Based on such review and Lazard's professional judgment, Lazard applied multiples of 5.



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**Table of Contents**

*Smurfit-Stone Selected Precedent Transactions Analysis*

Lazard reviewed and analyzed certain publicly available financial information of target co

Although none of the selected precedent transactions or the companies party to such transa

The Containerboard Transactions reviewed were:

	<b>Date</b>
July 2010	
March 2008	
January 2008	
September 2005	
April 2004	
April 2004	
June 2002	
July 2002	
January 2002	
September 2001	
March 2001	
April 2001	
July 2000	
February 2000	

For each of the Containerboard Transactions, Lazard calculated and, to the extent informa

Low  
Mean  
Median  
High

---

**Table of Contents**

The Paperboard Transactions reviewed were:

	<b>Date</b>
April 2010	
May 2006	
February 2006	
April 2005	
March 2003	
July 2002	
August 2000	
October 1999	
March 1999	
March 1999	
December 1996	
June 1996	
November 1995	
October 1995	

For each of the Paperboard Transactions, Lazard calculated and, to the extent information

Low

Mean

Median

High

Based on the foregoing analyses and Lazard's professional judgment, Lazard applied mul

*Other Smurfit-Stone Analyses*

The analyses and data relating to Smurfit-Stone described below were presented to the Sm

*Present Value of Hypothetical Future Stock Prices Analysis*

Lazard performed an illustrative analysis of the implied present values of the future stock

---

**Table of Contents**

from the resulting amount the projected net debt as of December 31, 2013. Lazard then ca

*Analyst Price Targets Analysis*

Lazard reviewed the Wall Street research equity analyst per share target prices for Smurfit

*Premiums Paid Analysis*

Lazard performed a premiums paid analysis based on premiums paid in U.S. merger and a

*RockTenn Discounted Cash Flow Analysis*

Based on the projections provided by RockTenn management, Lazard performed a discou

---

**Table of Contents**

*RockTenn Selected Comparable Companies Analysis*

Lazard reviewed and analyzed selected public companies in the containerboard and paper

Although none of the selected companies is directly comparable to RockTenn, the compar

Low

Median

High

In addition, Lazard considered the following companies as additional reference points; how



---

**Table of Contents**

Based on the foregoing calculations and Lazard's professional judgment, Lazard applied

*RockTenn Selected Precedent Transactions Analysis*

Using the containerboard transactions and paperboard transactions listed in the analysis de

*Other RockTenn Analyses*

The analyses and data described below were presented to the Smurfit-Stone special comm

*Present Value of Hypothetical Future Stock Prices Analysis*

Lazard performed an illustrative analysis of the implied present values of the future stock

*Analyst Price Targets Analysis*

Lazard reviewed the Wall Street research equity analyst per share target prices for RockT

*Pro Forma Merger Analysis*

Lazard analyzed the potential pro forma financial effects of the merger on RockTenn's es

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**Table of Contents**

*Miscellaneous*

Lazard prepared these analyses solely for purposes of, and the analyses were delivered to

Lazard, as part of its investment banking business, is continually engaged in the valuation

In connection with Lazard's services as financial advisor to the Smurfit-Stone special com

The type and amount of consideration payable in the merger was determined through arm

---

**Table of Contents**

merger. The decision to enter into the merger agreement was solely that of the Smurfit-Stone

Lazard is an internationally recognized investment banking firm providing a full range of

**Financial Projections**

Neither RockTenn nor Smurfit-Stone in the ordinary course makes public forecasts or pub

The prospective financial information was not prepared with a view toward public disclos

The prospective financial information reflects numerous estimates and assumptions made



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**Table of Contents**

the prospective results will be realized or that actual results will not be significantly higher

The prospective financial information in this joint proxy statement/prospectus does not take

The inclusion of the prospective financial information should not be regarded as an admission

Neither the RockTenn board of directors, RockTenn management, the Smurfit-Stone special

*Smurfit-Stone Projections Prepared by Smurfit-Stone*

Smurfit-Stone management provided estimated financial information for the fiscal year ending

In the normal course, Smurfit-Stone management prepares an internal budget for the upcoming

---

**Table of Contents**

board of directors on December 15, 2010. In addition, in connection with the Smurfit-Ston

The prospective financial information set forth in the next paragraph, including Smurfit-St

The following is a summary of the estimated financial information prepared by Smurfit-St

*(In millions)*

Revenue  
*% Growth*  
Adjusted EBITDA<sup>(2)</sup>  
*% Margin*  
Adjusted EBITDAP<sup>(3)</sup>  
*% Margin*  
Depreciation & Amortization  
Capital Expenditures  
Change in Net Working Capital  
Cash Restructuring Charges  
Pension Contributions

(1)

(2)

(3)

---

**Table of Contents**

These projections for Smurfit-Stone differ from those prepared by RockTenn management

The following is an explanation of each of the adjustments that Smurfit-Stone has made to

A reconciliation of Smurfit-Stone's Adjusted EBITDA and Adjusted EBITDAP to GAAP

---

**Table of Contents**

and expenses, certain financial information of Successor Smurfit-Stone for the period after

**Reconciliation to Projected GAAP Financial Measures**

(In millions)

**Net income (GAAP)**

(Benefit from) provision for  
income taxes

Interest expense, net

Depreciation, depletion and amortization

**EBITDA**

Reorganization items (income) expense

Alternative fuel tax mixture credits

Non-cash foreign currency

exchange gains

Restructuring charges

Gain on disposal of assets

Multi-employer pension plan

withdrawal charge

Other

**Adjusted EBITDA**

Pension (income) expense

**Adjusted EBITDAP**

*Smurfit-Stone Projections Prepared by RockTenn*

Smurfit-Stone management also provided estimated financial information for the fiscal year

The prospective financial information set forth below with respect to Adjusted EBITDA m

---

**Table of Contents**

The following is a summary of the prospective financial information of Smurfit-Stone prep

*(In millions)*

Revenue  
*% Growth*  
Adjusted EBITDA <sup>(1)</sup>  
*% Margin*  
Capital Expenditures  
Change in Net Working Capital  
Pension Funding More Than Expense  
Depreciation, depletion and amortization

(1)

These projections differ from those prepared by Smurfit-Stone management because of the

The following is an explanation of each of the adjustments that RockTenn made to arrive at

---

**Table of Contents**

A reconciliation of Smurfit-Stone's Adjusted EBITDA, as calculated by RockTenn, to Smurfit-Stone's Adjusted EBITDA

**Reconciliation to Projected GAAP Financial Measures**

(In millions)

**Net income (GAAP)**

(Benefit from) provision for  
income taxes

Interest expense, net

Depreciation, depletion and amortization

**EBITDA**

Gain on disposal of assets

Reorganization items (income) expense

Restructuring charges

**Adjusted EBITDA**

*RockTenn NOL Projections*

RockTenn provided prospective financial information related to the utilization for U.S. federal income tax purposes of net operating loss carryforwards.

The following is a summary of the prospective value attributable to Smurfit-Stone's NOL carryforwards:

(In Millions)

**NOLs Available for Use**

Tax Shield @ 39%

The calculation of the estimated NOL carryforwards is net of reserves. In addition, these projections are based on the assumption that the NOL carryforwards will be utilized in the period presented.

*RockTenn Projections Regarding Smurfit-Stone Pension Underfunding*

RockTenn provided prospective financial information to Wells Fargo Securities and the RockTenn Pension Committee regarding the projected pension underfunding of Smurfit-Stone's pension plan.

---

**Table of Contents**

the prospective financial information prepared by RockTenn management with respect to

**(In Millions)**

Underfunding Amount <sup>(1)</sup>

Funded Percentage

**(In Millions)**

GAAP Pension Expense

Cash Contributions

1

**(In Millions)**

Discount Rate U.S. Pension Plans

(Hourly/Salaried)

Expected Return on Assets for U.S. Pension Plans

Discount Rate Canadian Pension Plans

Expected Return on Assets for Canadian Pension Plans

*RockTenn Financial Projections*

RockTenn provided prospective financial information relating to RockTenn to the RockTenn

The prospective financial information set forth below with respect to RockTenn's Adjusted

**Table of Contents**

The following is a summary of the prospective financial information of RockTenn prepared

*(In millions)*

Revenue  
 % Growth  
 Adjusted EBITDA <sup>(1)</sup>  
 % Margin  
 Capital Expenditures  
 Change in Net Working Capital  
 Pension Funding More Than Expense  
 Depreciation and amortization

(1)

The projections of RockTenn, prepared by RockTenn management, assume price fluctuati

RockTenn made certain adjustments to EBITDA relating to one-time, non-cash charges as

A reconciliation of RockTenn's Adjusted EBITDA, as calculated by RockTenn, to RockT

**Reconciliation to Projected GAAP Financial Measures**

*(\$ in millions)*

Consolidated Net Income (GAAP)  
 (Benefit from) provision for income taxes  
 Interest expense, net  
 Depreciation and amortization

EBITDA  
 Restructuring Charges  
 Equity in income of unconsolidated entities  
 Loss on extinguishment of debt

Adjusted EBITDA



---

**Table of Contents**

*RockTenn Synergies Projections*

RockTenn provided prospective financial information related to the synergies expected to

(In Millions)

**Total Synergies Estimate**

(1)

The projected synergies assume various initiatives including manufacturing optimizations.

**Interests of Smurfit-Stone Directors and Executive Officers in the Merger**

In considering the recommendation of Smurfit-Stone's board of directors with respect to

***RockTenn Board of Directors***

In accordance with the merger agreement, up to three directors of Smurfit-Stone may be ap

***Smurfit-Stone Employment Arrangements***

*Employment Agreement between Patrick Moore and Smurfit-Stone*

On June 30, 2010, Smurfit-Stone entered into an amended and restated employment agree

Mr. Moore's employment agreement provides for a gross-up payment to make him wh

---

**Table of Contents**

control of Smurfit-Stone (including the merger) and any federal, state and local taxes asso

On February 15, 2011, Smurfit-Stone and Mr. Moore entered into an amendment to his em

*Smurfit-Stone Employment Security Agreements*

On June 30, 2010, Smurfit-Stone entered into amended and restated employment security

The payments and benefits to be paid or provided to an executive officer in connection wi

In the event that the employment of each executive officer described above who is a party

---

**Table of Contents**

*Klinger Employment and Consulting Arrangements with Smurfit-Stone*

Steven J. Klinger, a former director and executive officer of Smurfit-Stone, resigned as pro

Under the terms of the merger agreement, Smurfit-Stone may enter into an amendment to

*Equity Compensation Awards*

At the effective time of the merger, each outstanding option to purchase shares of Smurfit-

Except as set forth above, each converted RockTenn option generally will be subject to the

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**Table of Contents**

At the effective time of the merger, each outstanding Smurfit-Stone restricted stock unit av

At the effective time of the merger, each outstanding Smurfit-Stone restricted stock unit av

As of the date of this filing, no Smurfit-Stone equity awards have been granted since the d

Based on Smurfit-Stone executive officers' equity compensation holdings as of February

*Retention Awards*

Under the terms of the merger agreement, Smurfit-Stone may establish a retention program

*Director and Officer Indemnification and Insurance*

Smurfit-Stone directors and officers are entitled to continued indemnification and insuranc

For a more complete description, please see The Merger Agreement Indemnification and

**Ownership of Common Stock of the Combined Company After the Merger**

RockTenn shareholders will own approximately 55% of the combined company and Smur

---

**Table of Contents**

**Regulatory Approvals Required for the Merger**

*United States Antitrust Laws*

Under the HSR Act, the merger may not be completed until notifications have been given

At any time before the effective time of the merger, the Department of Justice or the FTC

In fulfilling the obligation to use their reasonable best efforts to resolve any regulatory obj

*Foreign Competition Filings*

RockTenn and Smurfit-Stone are required to make filings with the competition authorities

**Restrictions on Sales of Shares of RockTenn Smurfit-Stone Securities Received in the**

Shares of RockTenn common stock issued in the merger will not be subject to any restricti

---

**Table of Contents**

any Smurfit-Stone stockholder who may be deemed to be an affiliate of RockTenn for

**Listing of RockTenn Common Stock Issued in the Merger**

Before the completion of the merger, RockTenn has agreed to use its reasonable best effort

**De-Listing of Smurfit-Stone Common Stock**

Upon completion of the merger, the Smurfit-Stone common stock currently listed on the N

**Accounting Treatment**

RockTenn will account for the merger under the acquisition method of accounting, as pres

All unaudited pro forma combined financial information contained in this joint proxy state

**Appraisal Rights**

Under the merger agreement, holders of shares of Smurfit-Stone common stock may seek

The following summary of the provisions of Section 262 of the DGCL is not a complete st

---

**Table of Contents**

If a holder of shares of Smurfit-Stone common stock wishes to seek appraisal in connection

Under Section 262 of the DGCL, Smurfit-Stone is required to notify each of its stockholders

ALL REFERENCES IN THIS SUMMARY AND IN SECTION 262 OF THE DGCL TO

Because a duly executed proxy that does not contain voting instructions will, unless revoked

Voting for the approval and adoption of the merger agreement will constitute a waiver

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**Table of Contents**

The shares of Smurfit-Stone common stock with respect to which holders have perfected t

Within ten days after the effective date of the merger, the surviving corporation must mail

Within 120 days after the date the merger becomes effective, but not thereafter, the surviv

Within 120 days after the merger becomes effective, any holder of shares of Smurfit-Stone

After determining the holders entitled to appraisal, the Court of Chancery will appraise the

The Court of Chancery may determine the cost of the appraisal action and may allocate th

Any holder of shares of Smurfit-Stone common stock who duly demands appraisal in com



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**Table of Contents**

Smurfit-Stone common stock for any purpose or be entitled to the payment of dividends on

If any Smurfit-Stone stockholder who demands appraisal of shares of Smurfit-Stone common

A Smurfit-Stone stockholder will lose the right to appraisal if such stockholder does not file

Failure to follow the procedures required by Section 262 of the DGCL for perfecting appraisal

Appraisal rights are available only to the record holders of shares. If you wish to exercise

**In view of the complexity of Section 262 of the DGCL, Smurfit-Stone stockholders who**

**Litigation Relating to the Merger**

Four complaints on behalf of the same putative class of Smurfit-Stone stockholders have been

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**Table of Contents**

consolidated *Gould* matter in favor of competing litigation pending in Delaware. The plain

On February 17, 2011, a putative class action complaint asserting similar claims was filed

Three complaints on behalf of the same putative class of Smurfit-Stone stockholders have

The defendants believe the suits are without merit and will vigorously defend against the a

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**Table of Contents**

The following general discussion sets forth the anticipated material United States federal i

This discussion addresses only those Smurfit-Stone common stockholders that hold their s

Determining the actual tax consequences of the merger to you may be complex. They will

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**Table of Contents**

For purposes of this discussion in this joint proxy statement/prospectus, the term "U.S. holder" means

The United States federal income tax consequences to a partner in an entity or arrangement

**Tax Consequences of the Merger Generally**

The parties intend for the merger to be treated as a reorganization for United States federal income tax purposes

Provided the merger is treated for federal income tax purposes as a reorganization within the meaning of Section 368(a)(1)(B)

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**Table of Contents**

**Cash Instead of a Fractional Share**

If you receive cash instead of a fractional share of RockTenn common stock, you will be t

**Backup Withholding**

If you are a non-corporate holder of Smurfit-Stone common stock you may be subject to in

Any amounts withheld under the backup withholding rules will generally be allowed as a r

**This summary of certain material United States federal income tax consequences is f**

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**Table of Contents**

*The following discussion summarizes material provisions of the merger agreement, a copy*

**Form and Effective Time of the Merger**

Subject to the terms and conditions of the merger agreement and in accordance with Dela

The merger will become effective upon the filing of a certificate of merger with the Secret

**Consideration to be Received in the Merger**

*Smurfit-Stone Common Stock*

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**Table of Contents**

*Fractional Shares*

Holders of Smurfit-Stone common stock will receive cash for any fractional shares (round

**Treatment of Smurfit-Stone Stock Options and Other Stock-Based Awards**

At the effective time of the merger, each outstanding option to purchase Smurfit-Stone com

The restrictions on each Smurfit-Stone restricted stock unit award with respect to shares o

**Procedures for Exchange of Certificates**

The conversion of each share of Smurfit-Stone common stock into RockTenn common sto

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**Table of Contents**

The transmittal letter will contain instructions with respect to obtaining the merger consid

After completion of the merger, each certificate that previously represented shares of Smu

Smurfit-Stone stockholders have the right to dissent from the merger and seek appraisal of

None of Smurfit-Stone, RockTenn, the exchange agent, or any other person will be liable

**Representations and Warranties**

The merger agreement contains customary representations and warranties made by RockT



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**Table of Contents**

**Financing**

RockTenn has agreed to take, or cause to be taken, all action necessary to ensure that as of

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**Table of Contents**

Smurfit-Stone will, will cause its subsidiaries to, and will use its reasonable best efforts to

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**Table of Contents**

Notwithstanding the foregoing, until the merger becomes effective, neither Smurfit-Stone,

RockTenn has also agreed to reimburse Smurfit-Stone for all reasonable and documented

In the event that the commitment letter is amended, replaced, supplemented, or otherwise

**Conduct of Business Pending the Merger**

Under the merger agreement, each of RockTenn and Smurfit-Stone has agreed that, from t

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**Table of Contents**

In addition, each of RockTenn and Smurfit-Stone has agreed that, from the date of the me

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**Table of Contents**

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**Table of Contents**

**Agreement to Use Reasonable Best Efforts With Respect to Certain Matters**

Each of RockTenn and Smurfit-Stone has agreed to use its reasonable best efforts to:

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**Table of Contents**

The merger agreement provides that neither RockTenn nor Smurfit-Stone is required to ag

The merger agreement also provides that RockTenn and Smurfit-Stone will consult with e

Before the completion of the merger, RockTenn has agreed to use its reasonable best effort

**Conditions to Completion of the Merger**

Each party's obligation to effect the merger is subject to the satisfaction or waiver of vari



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**Table of Contents**

The merger agreement provides that a "material adverse effect" means, when used with re

---

**Table of Contents**

The merger agreement provides that any or all of the conditions described above may be w

**No Solicitation**

In the merger agreement, each of RockTenn and Smurfit-Stone has agreed that it will:

In the merger agreement, each of RockTenn and Smurfit-Stone has agreed that it will not c

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**Table of Contents**

There is an exception if, at any time before the date that the vote required to be obtained fr

The merger agreement provides that:

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**Table of Contents**

The merger agreement also provides that, except as described below, the board of directors

Notwithstanding these provisions, at any time before the vote required to be obtained from

The merger agreement also provides that each party will promptly advise the other party of

**Termination**

The merger agreement may be terminated at any time prior to the effective time of the merger

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**Table of Contents**

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**Table of Contents**

**Effect of Termination**

If the merger agreement is terminated, it will become void, and there will be no liability on

**Termination Fee-Payable by Smurfit-Stone**

Under the terms of the merger agreement, Smurfit-Stone is obligated to pay RockTenn a c

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**Table of Contents**

**Termination Fee-Payable by RockTenn**

Under the terms of the merger agreement, RockTenn is obligated to pay Smurfit-Stone a c

**Expenses**

Whether or not the merger is completed, all fees and expenses incurred in connection with

---

**Table of Contents**

**Employee Matters**

The merger agreement provides that, following completion of the merger, the Smurfit-Stone

In addition, RockTenn will provide severance benefits to any Smurfit-Stone employee who

RockTenn will generally recognize service with Smurfit-Stone prior to the merger for purposes

Immediately before the merger becomes effective, Smurfit-Stone will pay each of its employees

The intent of the foregoing is to provide each Smurfit-Stone employee with a partial year of



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**Table of Contents**

**Indemnification and Insurance**

The merger agreement provides that, following the completion of the merger, RockTenn v

The merger agreement also provides that RockTenn will cause to be maintained, for a peri

**Amendment; Extension and Waiver**

Subject to applicable law:

**Governing Law**

The merger agreement is governed by and will be construed in accordance with the laws o

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**Table of Contents**

**Overview**

In connection with the merger, RockTenn has entered into a commitment letter with Wells

Pursuant to the commitment letter, the lenders have committed to provide new senior secu

The joint lead arrangers and joint lead bookrunners are currently in the process of syndicat

Although the debt financing described in this joint proxy statement/prospectus is not subje

**Term Loans**

Pursuant to the terms of the commitment letter, the proceeds of the term loans will be avai

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**Table of Contents**

**Revolving Credit Facility**

Pursuant to the terms of the commitment letter, the proceeds of the revolving credit facility

**Conditions Precedent**

The commitments of the lenders to provide the credit facilities are subject to certain condi

**Interest**

At the option of RockTenn, borrowings under the credit facilities will bear interest at eithe

**Guarantors**

All obligations under the credit facilities will be fully and unconditionally guaranteed by e

In addition, the obligations of Rock-Tenn Company of Canada and certain other Canadian

**Covenants and Events of Default**

Pursuant to the terms of the commitment letter, the credit facilities will contain certain pre

---

**Table of Contents**

In addition, the Term A term loan and the revolving credit facility will include financial covenants.

The credit facilities will also contain certain customary events of default, including relationships with other lenders.

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**Table of Contents**

**Rock-Tenn Company**

504 Thrasher Street

Norcross, Georgia 30071

(770) 448 2193

RockTenn was incorporated in the State of Georgia on September 20, 1985. RockTenn is

For more information regarding RockTenn, see [Where You Can Find More Information](#)

**Sam Acquisition, LLC**

504 Thrasher Street

Norcross, Georgia 30071

(770) 448 2193

Sam Acquisition, LLC is a Delaware limited liability company and a direct wholly owned

**Smurfit-Stone Container Corporation**

222 N. LaSalle Street

Chicago, Illinois 60601

(312) 346-6600

Smurfit Stone is one of the industry's leading integrated manufacturers of paperboard and

For more information regarding Smurfit-Stone, see [Where You Can Find More Information](#)

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**Table of Contents**

**Date, Time and Place**

These proxy materials are delivered in connection with the solicitation by RockTenn's board of directors.

**Purpose of the RockTenn Special Meeting**

At the RockTenn special meeting, RockTenn shareholders will be asked to:

The RockTenn board of directors has unanimously determined that the merger agreement is in the best interests of RockTenn and its shareholders.

For a more complete description of RockTenn's reasons for the merger and the recommendation of the board of directors, please refer to the proxy statement.

**RockTenn Record Date; Stock Entitled to Vote**

Only RockTenn shareholders of record of RockTenn common stock as of the close of business on the record date are entitled to notice of and to vote at the special meeting.

As of the record date, a complete list of shareholders entitled to notice and to vote at the special meeting will be available to all shareholders.

**Quorum**

In order to carry on the business of the special meeting, RockTenn must have a quorum. A quorum will be present if a majority of the shares of RockTenn common stock are represented at the meeting.

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**Table of Contents**

votes entitled to be cast on the matter are represented in person or by proxy at such special

**Votes Required for Approval**

The approval of the issuance of shares of RockTenn common stock pursuant to the merger

The special meeting may be adjourned for any purpose, including to solicit additional proxy

**Voting by RockTenn Directors and Executive Officers**

On the RockTenn record date, directors and executive officers of RockTenn and their affil

**Voting by Holders of Record**

If you own shares of RockTenn common stock in your own name, you are an owner of r

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**Table of Contents**

RockTenn requests that RockTenn shareholders complete and sign the accompanying proxy

If you are a RockTenn shareholder, your broker or other nominee does not have authority

The Internet and telephone proxy procedures are designed to authenticate stockholders' identities

**Your vote is very important. Whether or not you plan to attend the special meeting, please**

**Effects of Abstentions and Failures to Vote**

Abstentions are counted for purposes of determining the presence or absence of a quorum

**Voting of Shares Held in Street Name**

If you hold shares through a broker or other nominee, you may instruct your broker or other

**Revocability of Proxies and Changes to a RockTenn Shareholder's Vote**

You may change your vote at any time before your proxy is voted at the RockTenn special



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**Table of Contents**

Your attendance alone will not revoke any proxy.

Written notices of revocation and other communications about revoking RockTenn proxies

If your shares are held in street name, you should follow the instructions of your broker re

Once voting on a particular matter is completed at the RockTenn special meeting, a RockT

All shares represented by valid proxies that RockTenn receives through this solicitation an

**Solicitation of Proxies**

RockTenn will bear the entire cost of soliciting proxies from its shareholders, except that I

RockTenn has also made arrangements with Georgeson, Inc. to assist in soliciting proxies

**Shareholders Sharing an Address**

RockTenn may send a single set of shareholder documents to any household at which two

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**Table of Contents**

these documents, or if you are receiving duplicate copies of these documents and wish to h

**Other Matters to Come Before the Meeting**

The RockTenn board of directors is not aware of any other business to be acted upon at th

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**Table of Contents**

**Date, Time and Place**

The special meeting of Smurfit-Stone stockholders will be held on \_\_\_\_\_, 2011 at \_\_\_\_\_

**Purpose**

At the special meeting, Smurfit-Stone stockholders will be asked to vote on the following

**Record Date; Stock Entitled to Vote**

Only holders of record of Smurfit Stone common stock at the close of business on \_\_\_\_\_

As of the close of business on the record date, there were \_\_\_\_\_ shares of Smurfit-Stone

**Quorum**

The presence in person or by proxy of the holders of shares of Smurfit-Stone common stock

**Required Vote; Stock Ownership of Smurfit-Stone Directors and Executive Officers**

Approval of the proposal to approve and adopt the merger agreement requires the affirmative

Approval of the proposal to adjourn the special meeting for any purpose, including to solicit

As of the close of business on the record date, directors and executive officers of Smurfit-

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**Table of Contents**

**Abstentions**

Abstentions are counted as present and entitled to vote for purposes of determining a quorum.

**Voting of Proxies**

All shares represented by properly executed proxies received in time for the Smurfit-Stone meeting are entitled to vote.

Only shares affirmatively voted for the approval and adoption of the merger agreement and the amended charter are entitled to vote.

**Voting by Holders of Record**

If you own shares of Smurfit-Stone common stock in your own name, you are an owner of record and are entitled to vote.

The Internet and telephone proxy procedures are designed to authenticate stockholders' identities and to ensure the integrity of the proxy process.

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**Table of Contents**

The named proxies will vote all Smurfit-Stone shares at the special meeting that have been

Your vote is important. Accordingly, please submit your proxy by telephone, through the

**Voting of Shares Held in Street Name**

If you hold shares through a broker or other nominee, you may instruct your broker or other

**Revocability of Proxies**

You may change your vote at any time before your proxy is voted at the Smurfit-Stone special

Your attendance alone will not revoke any proxy.

Written notices of revocation and other communications about revoking Smurfit-Stone proxy

If your shares are held in street name, you should follow the instructions of your broker re

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**Table of Contents**

Once voting on a particular matter is completed at the Smurfit-Stone special meeting, a Smurfit-Stone

**Solicitation of Proxies**

This joint proxy statement/prospectus is furnished in connection with the solicitation of proxies for the

This joint proxy statement/prospectus and the proxy card are first being sent to Smurfit-Stone

Smurfit-Stone has engaged MacKenzie Partners, Inc. to assist in the solicitation of proxies for the

**Adjournment of the Special Meeting**

Although it is not currently expected, the special meeting may be adjourned for any purpose, including to

In the proposal to adjourn the special meeting to solicit additional proxies, we are asking you to

**Vote Required and Smurfit-Stone Board of Directors Recommendation**

Approval of the proposal to adjourn the special meeting for any purpose, including to solicit proxies for the

**The Smurfit-Stone board of directors recommends that you vote FOR the proposal to adjourn the special meeting for any purpose, including to solicit proxies for the**

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**Table of Contents**

The following unaudited pro forma condensed combined financial information is designed

The unaudited pro forma balance sheet assumes that the merger and the related financing

We have made certain reclassifications to Smurfit-Stone's presentation to conform to Ro

The unaudited pro forma condensed combined financial statements were prepared using th

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**Table of Contents**

The adjustments to the unaudited pro forma condensed combined statement of income are

The following unaudited pro forma financial data is derived from the historical consolidated

RockTenn expects to incur significant costs associated with integrating the operations of the



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**Table of Contents**

Current Assets:

Cash and cash equivalents

Accounts receivable

Inventories

Other current assets

Total current assets

Net property, plant and equipment

Goodwill

Intangibles, net

Investment in unconsolidated entities

Other assets

Current liabilities:

Current portion of debt

Accounts payable

Accrued compensation and benefits

Other current liabilities

Total current liabilities

Long-term debt due after one year

Accrued pension and other long-term benefits

Deferred income taxes

Other long-term liabilities

Redeemable noncontrolling interests

Equity:

Class A common stock

Capital in excess of par value

Retained earnings

Accumulated other comprehensive (loss) income

Total shareholders' equity

Noncontrolling interests

Total equity

See the accompanying notes to the unaudited pro forma condensed combined financial sta

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**Table of Contents**

Net sales
Cost of goods sold
Gross profit
Selling, general and administrative expenses
Restructuring and other costs, net
Operating profit
Interest expense
Interest income and other income, net
Equity in income of unconsolidated entities
Income before reorganization items and income taxes
Reorganization items income (expense), net
Income before income taxes
Income tax expense
Consolidated net income
Less: Net income attributable to noncontrolling interests
Net income attributable to Rock-Tenn Company shareholders
Basic weighted average shares outstanding
Diluted weighted average shares outstanding
Basic earnings per share attributable to Rock-Tenn Company shareholders
Diluted earnings per share attributable to Rock-Tenn Company shareholders

See the accompanying notes to the unaudited pro forma condensed combined financial sta



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**Table of Contents**

Net sales

Cost of goods sold

Gross profit

Selling, general and administrative expenses

Restructuring and other costs, net

Operating profit

Interest expense

Gain on extinguishment of debt

Interest income and other income, net

Equity in income of unconsolidated entities

Income before reorganization items and income taxes

Reorganization items income (expense), net

Income before income taxes

Income tax (expense) benefit

Consolidated net income

Less: Net income attributable to noncontrolling interests

Net income

Preferred stock dividends and accretion

Net income attributable to Rock-Tenn Company shareholders

Basic weighted average shares outstanding

Diluted weighted average shares outstanding

Basic earnings per share attributable to Rock-Tenn Company shareholders

Diluted earnings per share attributable to Rock-Tenn Company shareholders

(1)

See the accompanying notes to the unaudited pro forma condensed combined financial sta

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**Table of Contents**

**Note 1. Basis of Presentation**

On January 23, 2011, RockTenn entered into the merger agreement whereby Smurfit-Stone

The restrictions on each Smurfit-Stone restricted stock unit award with respect to shares of  
stock, subject to certain specified tax withholdings. In addition, at the effective time of the

In addition, at the effective time of the merger, with respect to shares of Smurfit-Stone com

In connection with the merger, RockTenn has entered into a commitment letter with the le

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**Table of Contents**

indebtedness of Smurfit-Stone and to refinance RockTenn's existing credit facilities, and

The joint lead arrangers and joint lead bookrunners are currently in the process of syndicat

For a more complete description of the financing for the merger, including expected chang

The accompanying unaudited pro forma condensed combined financial statements were p

The unaudited pro forma condensed combined balance sheet has been adjusted to reflect th



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**Table of Contents**

common stock outstanding as of March 29, 2011, the number of shares of Smurfit-Stone c

The preliminary purchase price is calculated as follows:

The table below represents a preliminary allocation of the total purchase price to Smurfit-S

**Note 2. Condensed Combined Pro Forma Balance Sheet Adjustments**

The following represents an explanation of the various pro forma adjustments to the unau

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**Table of Contents**

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**Table of Contents**

**Note 3. Condensed Combined Pro Forma Income Statement Adjustments**

The following represents an explanation of the various pro forma adjustments to the unaudited

(a)

(b)

(c)

(d)

(e)

(f)

(g)

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**Table of Contents**

We have summarized below the material terms of RockTenn's common stock. This summary

The RockTenn articles of incorporation provide that the total number of shares of capital s

**Voting Powers**

**General**

The outstanding shares of RockTenn common stock are fully paid and nonassessable. Exc

**Votes Per Share**

Holders of RockTenn common stock are entitled to one vote, in person or by proxy, for ea

**Cumulative Voting**

Holders of RockTenn common stock are not entitled to cumulative voting of their shares i

**Liquidation Rights**

In the event of the voluntary or involuntary liquidation, dissolution, or winding up of Rock

**Dividends**

Subject to the provisions of applicable law and the rights of the holders of any outstanding

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**Table of Contents**

**Preemptive Rights**

No holder of shares of any capital stock of RockTenn has any preemptive right to subscribe

**Transfer Agent and Registrar**

The transfer agent and registrar for the common stock is Computershare Investor Services

**Anti-takeover Provisions**

RockTenn has elected to be governed by the business combination and fair price provisions

**Business Combination Statute**

In general, the business combination statute set forth in Sections 14-2-1131 through 14-2-

**Fair Price Provisions**

The fair price provisions contained in Sections 14-2-1110 through 14-2-1113 of the GB

**Advance Notice Provisions for Shareholder Nominations and Shareholder Proposals**

Only people who are nominated by, or at the direction of, the board of directors, or by a sh

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**Table of Contents**

**Staggered Board of Directors**

RockTenn's board of directors currently consists of ten (10) directors, and the directors are

After the merger, the existing members of the RockTenn board of directors will continue to

**Blank-Check Preferred Stock**

The RockTenn articles of incorporation authorize the board of directors to issue, without a

**General Provisions Relating to Preferred Stock**

As of the date of this joint proxy statement/prospectus, no shares of RockTenn preferred stock

The description of shares of each series of RockTenn preferred stock, including any designations

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**Table of Contents**

Smurfit-Stone is a Delaware corporation and is governed by the DGCL. RockTenn is a Ge

Upon completion of the merger, Smurfit-Stone's stockholders will become RockTenn sha

The following description summarizes the material differences between the rights of the sh

***Capital Stock:***

***Dividends:***

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**Table of Contents**

*Voting Rights:*

*Number of Directors and Size  
of Board:*



**Table of Contents**

*Removal of Directors:*

*Vacancies on the Board:*

*Board Quorum and Vote  
Requirement:*

*Annual Stockholders  
Meeting:*

**Table of Contents**

*Special Stockholders  
Meetings:*

*Quorum for Stockholders  
Meetings Under  
Applicable Law:*

*Advance Notice Provisions:*

**Table of Contents**

*Stockholder Action by  
Written Consent:*

*Amendment of Articles of Incorporation / Certificate of Incorporation:*

*Amendment of Bylaws:*

---

**Table of Contents**

*Exculpation of Directors:*

*Indemnification of Directors and Officers:*

---

**Table of Contents**

*Anti-Takeover Provisions:*

*Preemptive Rights:*

**Table of Contents**

*Appraisal Rights:*

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**Table of Contents**

The validity of the shares of RockTenn common stock to be issued pursuant to the merger

The consolidated financial statements of RockTenn appearing in RockTenn's Annual Report

The consolidated financial statements and financial statement schedules of Smurfit-Stone

**RockTenn**

To be considered for inclusion in RockTenn's proxy statement for the 2012 annual meeting

Rock-Tenn Company

504 Thrasher Street

Norcross, Georgia 30071

Attention: Corporate Secretary

In addition, a shareholder may bring business before RockTenn's annual meeting, other than

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**Table of Contents**

**Smurfit-Stone**

If the merger is consummated, there will be no Smurfit-Stone annual meeting of stockholders.

RockTenn and Smurfit-Stone file annual, quarterly and current reports, proxy statements and

RockTenn has filed with the SEC a registration statement of which this joint proxy statement is a

In addition, the SEC allows RockTenn and Smurfit-Stone to disclose important information

This joint proxy statement/prospectus incorporates by reference the documents listed below.

**RockTenn SEC Filings**



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**Table of Contents**

**Smurfit-Stone SEC Filings**

In addition, RockTenn and Smurfit-Stone incorporate by reference any future filings they

You can obtain any of the other documents listed above from the SEC, through the SEC s

Rock-Tenn Comp  
504 Thrasher Stre  
Norcross, Georgia 3  
Attn: Investor Relat  
Telephone: (678) 291

These documents are available from RockTenn or Smurfit-Stone, as the case may be, with

You may also obtain documents incorporated by reference into this joint proxy statement/

Georgeson, Inc  
199 Water Street 26<sup>th</sup>  
New York, New York  
Phone: (877) 278-9

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**Table of Contents**

**If you would like to request any documents, please do so by \_\_\_\_\_, 2011 in order**

This document is a prospectus of RockTenn and is a joint proxy statement of RockTenn and

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**Table of Contents**

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**Table of Contents**

**ARTICLE I THE MERGER**

- 1.1
- 1.2
- 1.3
- 1.4
- 1.5
- 1.6
- 1.7
- 1.8
- 1.9
- 1.10
- 1.11
- 1.12
- 1.13

**ARTICLE II EXCHANGE OF SHARES**

- 2.1
- 2.2
- 2.3

**ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

- 3.1
- 3.2
- 3.3
- 3.4
- 3.5
- 3.6
- 3.7
- 3.8
- 3.9
- 3.10
- 3.11
- 3.12
- 3.13
- 3.14
- 3.15
- 3.16
- 3.17
- 3.18
- 3.19
- 3.20
- 3.21
- 3.22
- 3.23
- 3.24
- 3.25
- 3.26
- 3.27

---

**Table of Contents**

**ARTICLE IV REPRESENTATIONS AND WARRANTIES OF PARENT AND ME**

- 4.1
- 4.2
- 4.3
- 4.4
- 4.5
- 4.6
- 4.7
- 4.8
- 4.9
- 4.10
- 4.11
- 4.12
- 4.13
- 4.14
- 4.15
- 4.16
- 4.17
- 4.18
- 4.19
- 4.20
- 4.21
- 4.22
- 4.23
- 4.24
- 4.25
- 4.26
- 4.27

**ARTICLE V COVENANTS RELATING TO CONDUCT OF BUSINESS**

- 5.1
- 5.2
- 5.3
- 5.4

**ARTICLE VI ADDITIONAL AGREEMENTS**

- 6.1
- 6.2
- 6.3
- 6.4
- 6.5
- 6.6
- 6.7
- 6.8
- 6.9
- 6.10
- 6.11
- 6.12
- 6.13
- 6.14
- 6.15

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**Table of Contents**

6.16

6.17

6.18

6.19

6.20

**ARTICLE VII CONDITIONS PRECEDENT TO THE CONSUMMATION OF THE**

7.1

7.2

7.3

**ARTICLE VIII TERMINATION, AMENDMENT AND WAIVER**

8.1

8.2

8.3

8.4

**ARTICLE IX MISCELLANEOUS**

9.1

9.2

9.3

9.4

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**Table of Contents**

**AGREEMENT AND PLAN OF MERGER**, dated as of January 23, 2011 (the Agreement)

**WHEREAS**, the Boards of Directors of each of Parent and the Company, and the sole member of the Board of Directors of the Company,

**WHEREAS**, the parties desire to make certain representations, warranties and agreements,

**NOW, THEREFORE**, in consideration of the foregoing and the mutual covenants, representations and warranties,

**1.1 The Merger.**

(a) Upon the terms and subject to the satisfaction or waiver of the conditions set forth in the Agreement,

(b) Parent and Merger Sub may at any time, and to the extent necessary to facilitate the Merger,

**1.2 Closing; Effective Time.** Subject to the terms and conditions of this Agreement, the Merger shall become effective at the closing of the Merger.

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**Table of Contents**

conditions (or, to the extent legally permitted, waiver by the party or parties entitled to the

**1.3 Effects of the Merger.** At and after the Effective Time, the Merger shall have the

**1.4 Certificate of Incorporation and Bylaws.** The Certificate of Formation of Merger

**1.5 Officers of the Surviving Entity.** From and after the Effective Time, the officers of

**1.6 Conversion of Company Capital Stock.**

(a) Subject to Section 2.2(e) and Section 1.12, each share of the common stock, with p

(b) All of the shares of Company Common Stock converted into the right to receive th



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**Table of Contents**

(c) At the Effective Time, (1) all shares of Company Common Stock that are owned by

(d) The sole limited liability company interest of Merger Sub issued and outstanding in

**1.7 Certain Claims.**

(a) At the Effective Time, each share of Company Common Stock that has been reserved

(b) At the Effective Time, Parent (i) shall deposit, or shall cause to be deposited, into t

**1.8 Parent Common Stock.** At and after the Effective Time, each share of Parent cap

**1.9 Company Equity and Equity-Based Awards.**

(a) Company Stock Options.

(i) Effective as of the Effective Time, each then outstanding option to purchase shares

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**Table of Contents**

- (ii) the Equity Award Exchange Ratio (rounded up to the nearest whole cent), provided, ho
- (ii) Effective as of the Effective Time, each then outstanding Company Stock Option,
- (b) Company RSU Awards.
- (i) At the Effective Time, the restrictions and vesting conditions applicable to each res
- (ii) At the Effective Time, each Company RSU Award that is outstanding immediately

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**Table of Contents**

restricted stock unit award ( Assumed RSU Award ), on the same terms and conditions (

(c) Certain Defined Terms.

(i) Equity Award Exchange Ratio shall mean the sum of (x) 0.30605 and (y) the qu

(ii) Parent Closing Price shall mean the average, rounded to the nearest one ten thou

(d) Reservation of Shares. Parent has taken all corporate actions necessary to reserve t

**1.10 Intended Tax Treatment**. It is intended that the Merger shall qualify as a reorga

**1.11 Appraisal Rights**.

(a) Notwithstanding anything in this Agreement to the contrary, any shares (the Dis

(b) The Company shall give Parent and Merger Sub (i) prompt notice of any demands

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**Table of Contents**

such demands, and any other instruments served pursuant to Section 262 of the DGCL and

- (c) Each Dissenting Stockholder who becomes entitled under the Appraisal Rights Pro

**1.12 Limitation on Cash Consideration Payable to the Company Stockholders.**

Notwithstanding anything in this Agreement to the contrary, if Parent determines that the

- (a) The term Threshold Percentage shall mean the quotient, expressed as a percentage
- (b) The term Aggregate Stock Consideration shall mean the product of (i) the aggreg
- (c) The term Applicable Stock Value shall mean \$57.18, which is the closing price o
- (d) The term Aggregate Cash Amount shall mean the aggregate amount of cash to b

**1.13 Governance.** On or prior to the Effective Time, the Parent Board shall cause the n

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**Table of Contents**

**2.1 Parent to Make Merger Consideration Available.** Prior to the Effective Time, P

**2.2 Exchange of Shares.**

- (a) Each holder of shares of Company Common Stock that have been converted into
- (b) No dividends or other distributions declared with respect to Parent Common Stock
- (c) If any certificate representing shares of Parent Common Stock is to be issued in,

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**Table of Contents**

- (d) After the Effective Time, there shall be no transfers on the stock transfer books of
- (e) Notwithstanding anything to the contrary contained in this Agreement, no certific
- (f) Any portion of the Exchange Fund that remains unclaimed by the shareholders of
- (g) In the event any Certificate shall have been lost, stolen or destroyed, upon the ma
- (h) To the extent that any shares of Company Common Stock are in book-entry form

**2.3 Withholding Rights.** The Exchange Agent (or, subsequent to the first anniversary

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**Table of Contents**

Except as set forth in (i) the Company SEC Reports filed since January 1, 2010 but at least

**3.1 Corporate Organization.**

- (a) The Company is a corporation duly organized, validly existing and in corporate g
- (b) The Company has all requisite corporate power and authority to own, lease or op
- (c) The Subsidiaries set forth on Schedule 3.1(c) of the Company Disclosure Letter a

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**Table of Contents**

**3.2 Capitalization.**

- (a) The authorized capital stock of the Company consists of 150,000,000 shares of C
- (b) All issued and outstanding shares of Company Common Stock have been, and all
- (c) As of January 21, 2011, the Company had outstanding Company Stock Options
- (d) Each Subsidiary of the Company is a wholly-owned Subsidiary of Company. Ex



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**Table of Contents**

documents) and nonassessable and, with respect to such interests or shares held directly or

(e) There are no voting trusts or other agreements to which the Company or any of its

**3.3 Authority.** On or prior to the date of this Agreement, the Company Board has (a)

**3.4 No Violation; Required Filings and Consents.** Assuming the adoption and approval

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**Table of Contents**

**3.5 SEC Filings; Controls and Procedures.**

(a) Since January 1, 2008, the Company has timely filed all reports, registrations, sta

(b) The Company: (i) maintains a system of internal accounting controls sufficient t

**3.6 Financial Statements.** Each of the consolidated financial statements (including, b

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**Table of Contents**

Exchange Act), and (c) fairly presented the consolidated financial position of the Company,

3.7 **Absence of Undisclosed Liabilities.** Except for matters reflected or reserved against

3.8 **Absence of Certain Changes or Events.** Since September 30, 2010, through the

3.9 **Broker's Fees.** Neither the Company nor any of its officers, directors, employees,

3.10 **Legal Proceedings.** Except for Environmental Claims, which are the subject of S

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**Table of Contents**

**3.11 Permits; Compliance with Applicable Laws.** The Company and its Subsidiaries

**3.12 Taxes and Tax Returns.**

- (a) Except as has not had, and would not reasonably be expected to have, a Company
- (b) Each of the Company and its Subsidiaries has timely filed, or has caused to be ti
- (i) The most recent financial statements contained in the Company SEC Reports filed
- (ii) There is no audit, examination, deficiency, refund litigation, proposed adjustment
- (iii) There are no outstanding written agreements, consents or waivers to extend the st
- (iv) Neither the Company nor any of its Subsidiaries is a party to any agreement provi

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**Table of Contents**

common parent of which is the Company or a subsidiary of the Company) or (B) has any l

(v) There are no material Encumbrances for Taxes (other than for current Taxes not y

(vi) In the last five (5) years, neither the Company nor any of its Subsidiaries has cons

(vii) Neither the Company nor any of its Subsidiaries has participated in a listed trans

**3.13 Reorganization.**

As of the date of this Agreement, the Company is not aware of any fact or circumstance th

**3.14 Employee Benefit Programs.** Except for such matters that, individually or in the e

**3.15 Labor and Employment Matters.** As of the date of this Agreement, there are no

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**Table of Contents**

other hand, and there is no charge or complaint pending or threatened in writing against the

**3.16 Material Contracts.** Section 3.16 of the Company Disclosure Letter sets forth a tr

**3.17 Properties.**

- (a) The Company or each of its Subsidiaries, as applicable, holds fee simple title to all
- (b) Neither the Company nor any of its Subsidiaries has, and to the Company's know

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**Table of Contents**

any material real property to any Person other than the Company and its Subsidiaries. All

**3.18 Environmental Matters.**

- (a) Each of the Company and its Subsidiaries since January 1, 2008 has been and is in
- (b) Each of the Company and its Subsidiaries has obtained all Environmental Permits
- (c) There is no Environmental Claim pending (i) against the Company or any of its S
- (d) To the knowledge of the Company, there have not been any releases of any Mater

**3.19 State Takeover Laws.** The Company Board has approved this Agreement and ha

**3.20 Required Vote of Company Stockholders.** The affirmative vote of the holders o

**3.21 Intellectual Property.** All registered trademarks and registered service marks, tra

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**Table of Contents**

a Company Material Adverse Effect. Except as would not have, individually or in the aggregate,

3.22 **Insurance.** Except for failures to maintain insurance or self-insurance that, individually,

3.23 **Opinion of Lazard Freres & Co. LLC.** The Company Board has received the opinion of

3.24 **Joint Proxy Statement; Company Information.** The information relating to the Company

3.25 **Affiliate Transactions.** There are no transactions, Company Material Contracts, and

3.26 **No Rights Plan.** There is no stockholder rights plan, poison pill anti-takeover plan

3.27 **Bankruptcy Matters.** On June 21, 2010, the Bankruptcy Court entered the Confirmation



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**Table of Contents**

the entry of the Confirmation Order on June 21, 2010, and (z) has been substantially completed.

Except as set forth in (i) the Parent SEC Reports filed since January 1, 2010 but at least through the date of this report.

**4.1 Corporate Organization.**

- (a) Parent is a corporation duly organized, validly existing and in corporate good standing under the laws of the State of Mexico.
- (b) Parent has all requisite corporate power and authority and all necessary governmental approvals to enter into the transactions contemplated by this report.
- (c) Merger Sub was formed solely for the purpose of engaging in the transactions contemplated by this report.

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**Table of Contents**

Parent and Merger Sub, as the case may be, to perform its respective obligations under this

- (d) The Subsidiaries set forth on Schedule 4.1(d) of the Parent Disclosure Letter attached

**4.2 Capitalization.**

- (a) The authorized capital stock of Parent consists of 175,000,000 shares of Parent Common Stock
- (b) All issued and outstanding shares of Parent Common Stock have been, and all shares of
- (c) As of January 21, 2011, Parent had outstanding Parent Stock Options to purchase

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**Table of Contents**

that are subject to vesting over time or upon the satisfaction of any condition precedent, or

(d) Each Subsidiary of Parent is a wholly-owned Subsidiary of Parent. Except as set

(e) There are no voting trusts or other agreements to which Parent or any of its Subs

**4.3 Authority.** Each of Parent and Merger Sub has all requisite corporate power and

**4.4 Consents and Approvals.** Except for (a) filings, permits, authorizations, conse

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**Table of Contents**

(the Form S-4 ) in which the Joint Proxy Statement will be included as a prospectus, and

**4.5 SEC Filings; Controls and Procedures.**

- (a) Since January 1, 2008, Parent has timely filed all reports, registrations, statements
- (b) Parent: (i) maintains a system of internal accounting controls sufficient to provide

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**Table of Contents**

Parent SEC Report that is a report on Form 10-K or Form 10-Q, or any amendment thereto.

**4.6 Financial Statements.** Each of the consolidated financial statements (including,

**4.7 Absence of Undisclosed Liabilities.** Except for matters reflected or reserved ag

**4.8 Absence of Certain Changes or Events.** Since September 30, 2010, through th

**4.9 Broker s Fees.** Neither Parent nor Merger Sub nor any of their respective offic

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**Table of Contents**

except for fees and commissions incurred in connection with the engagement of Wells Far

**4.10 Legal Proceedings.** Except for Environmental Claims, which are the subject of

**4.11 Permits; Compliance with Applicable Laws.** Parent and its Subsidiaries hold

**4.12 Taxes and Tax Returns.**

(a) Except as has not had, and would not reasonably be expected to have, a Parent M

(i) Each of Parent and its Subsidiaries has timely filed, or has caused to be timely filed

(ii) The most recent financial statements contained in the Parent SEC Reports filed pri

(iii) There is no audit, examination, deficiency, refund litigation, proposed adjustment

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**Table of Contents**

- (iv) There are no outstanding written agreements, consents or waivers to extend the sta
- (v) Neither Parent nor any of its Subsidiaries is a party to any agreement providing for
- (vi) There are no material Encumbrances for Taxes (other than for current Taxes not y
- (vii) In the last five (5) years, neither Parent nor any of its Subsidiaries has constituted
- (viii) Neither Parent nor any of its Subsidiaries has participated in a listed transaction
- 4.13 Reorganization.** As of the date of this Agreement, neither Parent nor Merger Sub
- 4.14 Employee Benefit Programs.** Except for such matters that, individually or in the

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**Table of Contents**

**4.15 Labor and Employment Matters.** As of the date of this Agreement, there are no

**4.16 Material Contracts.** Section 4.16 of the Parent Disclosure Letter sets forth a true

**4.17 Properties.**

(a) Parent or each of its Subsidiaries, as applicable, holds fee simple title to all real

(b) Neither Parent nor any of its Subsidiaries has, and to Parent's knowledge, none



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**Table of Contents**

any of its Subsidiaries leases, subleases or licenses any material real property to any Person

**4.18 Environmental Matters.**

- (a) Each of Parent and its Subsidiaries since January 1, 2008 has been and is in compliance with all applicable Environmental Laws.
- (b) Each of Parent and its Subsidiaries has obtained all Environmental Permits necessary for the operation of its business.
- (c) There is no Environmental Claim pending (i) against Parent or any of its Subsidiaries.
- (d) To the knowledge of Parent, there have not been any releases of any Materials or substances that are hazardous to the environment.

**4.19 State Takeover Laws.** Parent Board has taken all requisite action such that the parent is in compliance with all applicable State Takeover Laws.

**4.20 Required Vote of Parent Stockholders.** The affirmative vote of a majority of the Parent Stockholders is required for the approval of any transaction that would result in a change of control of the Parent.

**4.21 Financing.** Parent has delivered to the Company true, correct and complete fully-executed copies of all financing agreements.

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**Table of Contents**

Agreement (the Commitment Letter ), together with a redacted copy of the fee letter rel

**4.22 Intellectual Property.** All registered trademarks and registered service marks, t

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**Table of Contents**

- 4.23 **Insurance.** Except for failures to maintain insurance or self-insurance that, indiv
- 4.24 **Joint Proxy Statement; Parent Information.** The information relating to Par
- 4.25 **Affiliate Transactions.** There are no transactions, Parent Material Contracts, arra
- 4.26 **No Rights Plan.** There is no stockholder rights plan, poison pill anti-takeover
- 4.27 **Opinion of Wells Fargo Securities** The Parent Board has received the opinion o
- 
- 5.1 **Conduct of Company Business Pending the Effective Time.** During the period

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**Table of Contents**

continuing until the earlier of the termination of this Agreement pursuant to its terms or the

- (a) propose or adopt any amendments to its articles of organization, certificate of incorporation or bylaws;
- (b) (i) authorize for issuance, issue, deliver, sell, pledge, transfer, grant, dispose of or encumber any securities of the Company;
- (c) grant, confer or award any option, right, warrant, deferred stock unit, conversion right or other security of the Company;
- (d) except as required by any Company Pension Plan, Company Benefit Plan or Company

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**Table of Contents**

- (e) (i) declare, set aside or pay any dividend or make any other distribution or payment (
- (f) (i) transfer, sell, lease, sublease, license, sublicense or otherwise dispose of any mater
- (g) (i) other than in the ordinary course of business consistent with past practice, amend,
- (h) other than foreign exchange rate swaps with respect to intercompany debt, enter into
- (i) other than in the ordinary course of business consistent with past practice or as necess
- (j) merge with or enter into a consolidation with or otherwise acquire an interest of 50%

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**Table of Contents**

- (k) create, incur or assume any indebtedness for borrowed money, or issue any debt security
- (l) change any of its methods, principles or practices of financial accounting currently in use
- (m) write up, write down or write off the book value of any of its assets, other than (i) in connection with a reorganization or (ii) in connection with a change of control
- (n) waive, release, assign, settle or compromise any pending or threatened Action which is or may be asserted against the Company or any of its subsidiaries
- (o) knowingly take or fail to take any action in breach of this Agreement for the purpose of evading or circumventing the provisions of this Agreement
- (p) authorize any of, or commit, resolve, announce, offer or agree to take any of, the foregoing actions

**5.2 Conduct of Parent Business Pending the Effective Time.** During the period from the date of the execution of this Agreement to the date of the effectiveness of the Agreement, the Company shall:

- (a) propose or adopt any amendments to its articles of organization, certificate of incorporation or any other organizational documents

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**Table of Contents**

- (b) (i) authorize for issuance, issue, deliver, sell, pledge, transfer, grant, dispose of or
- (c) other than in the ordinary course consistent with past practices, grant, confer or award
- (d) except as required by any Parent Pension Plan, Parent Benefit Plan or Parent Other P
- (e) other than with respect to regular quarterly dividends in an amount not to exceed \$0.

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**Table of Contents**

payment (whether in cash, stock or other property or any combination thereof) with respect to

(f) (i) transfer, sell, lease, sublease, license, sublicense or otherwise dispose of any material

(g) (i) other than in the ordinary course of business consistent with past practice, amend, modify

(h) other than foreign exchange rate swaps with respect to intercompany debt, enter into

(i) other than in the ordinary course of business consistent with past practice or as necessary

(j) (i) merge with or enter into a consolidation with or otherwise acquire an interest of 50%



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**Table of Contents**

- (k) create, incur or assume any indebtedness for borrowed money, or issue any debt security
- (l) change any of its methods, principles or practices of financial accounting currently in use
- (m) write up, write down or write off the book value of any of its assets, other than (i) in connection with a reorganization or (ii) in connection with a change of control
- (n) waive, release, assign, settle or compromise any pending or threatened Action which is or may be brought against the Company
- (o) knowingly take or fail to take any action in breach of this Agreement for the purpose of evading or circumventing the provisions of this Agreement
- (p) authorize any of, or commit, resolve, announce, offer or agree to take any of, the foregoing actions

**5.3 Certain Tax Matters.**

- (a) During the period from the date of this Agreement to the Effective Time, except as otherwise provided, the Company shall comply with all applicable tax laws and regulations
- (b) Except in the ordinary course of business and consistent with past practice, the Company shall not enter into any tax avoidance or tax shelter arrangements

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**Table of Contents**

(c) From and after the date of this Agreement and until the Effective Time, each party to

**5.4 Certain Bankruptcy Matters.** During the period from the date of this Agreement to

**6.1 Joint Proxy Statement.**

(a) Parent and the Company shall cooperate to promptly prepare and file with the SEC

(b) Parent and the Company shall promptly notify the other upon its, or one of its Subsidiaries,

(c) Notwithstanding anything to the contrary stated above, prior to filing and mailing

**6.2 Company Stockholders Meeting; Parent Stockholders Meeting.**

(a) Parent shall take all action necessary in accordance with applicable Law, Parent

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**Table of Contents**

- (b) Subject to the provisions of Section 6.5 hereof, Parent Board shall recommend th
- (c) The Company shall take all action necessary in accordance with applicable Law,
- (d) Subject to the provisions of Section 6.4 hereof, the Company Board shall recom

**6.3 Third Party Consents and Regulatory Approvals.**

- (a) Subject to the terms and conditions of this Agreement, the parties hereto will use
- (b) To the extent permissible under applicable Law, each of the parties hereto shall, I

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**Table of Contents**

or any other Governmental Authority and of any material communication received or given

- (c) If any objections are asserted with respect to the transactions contemplated hereby
- (d) Subject to Section 6.3(e), reasonable best efforts shall not include nor require
- (e) If Parent elects to propose, negotiate, or offer to commit to and effect by consent

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**Table of Contents**

**6.4 No Solicitation – Company.**

- (a) Upon execution of this Agreement, the Company and its Subsidiaries shall, and s
- (b) Except as provided in Section 6.4(c), the Company agrees that neither it nor any
- (c) Notwithstanding Section 6.4(b), from the date hereof and prior to the receipt of th

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**Table of Contents**

- (d) Except as otherwise provided in Section 6.4(e), neither the Company Board nor a
- (e) Notwithstanding Section 6.4(d), at any time prior to the receipt of the Company S
- (f) From and after the execution of this Agreement, the Company shall notify Parent
- (g) Nothing in this Section 6.4 shall be deemed to prohibit the Company from compl

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**Table of Contents**

legal counsel, failing to take such action would be inconsistent with its disclosure obligation

(h) For purposes of this Agreement, Company Superior Proposal shall mean any b

(i) For purposes of this Agreement, Company Acquisition Proposal shall mean an

**6.5 No Solicitation - Parent**

(a) Upon execution of this Agreement, Parent and its Subsidiaries shall, and shall ca

(b) Except as provided in Section 6.5(c), Parent agrees that neither it nor any of its S

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**Table of Contents**

agreement as contemplated by Section 6.5(c), or that requires Parent to abandon, terminate

- (c) Notwithstanding Section 6.5(b), from the date hereof and prior to the receipt of the
- (d) Except as otherwise provided in Section 6.5(e), neither the Parent Board nor any
- (e) Notwithstanding Section 6.5(d), at any time prior to the receipt of the Parent Stock



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**Table of Contents**

Section 8.2(c)(iv) concurrently with and as a condition to such termination. During any su

- (f) From and after the execution of this Agreement, Parent shall notify the Company
- (g) Nothing in this Section 6.5 shall be deemed to prohibit Parent from complying w
- (h) For purposes of this Agreement, Parent Superior Proposal shall mean any bon
- (i) For purposes of this Agreement, Parent Acquisition Proposal shall mean any in

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**Table of Contents**

purchase, tender offer or other acquisition (including by way of merger, consolidation, stock

**6.6 Access to Information.**

- (a) From the date of this Agreement until the earlier of (i) the Effective Time or (ii) the
- (b) With respect to all information furnished by one party to the other party or its Re

**6.7 Directors and Officers Indemnification and Insurance.**

- (a) Parent and Merger Sub agree that any rights to indemnification or exculpation no
- (b) Parent shall cause the Surviving Entity to either (i) cause to be obtained a tail

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**Table of Contents**

omissions occurring prior to the Effective Time with respect to the Indemnified Parties or

(c) The obligations under this Section 6.7 shall not be terminated or modified in such

(d) In the event Parent or the Surviving Entity or any of their respective successors or

**6.8 Additional Agreements.** In case at any time after the Effective Time any further a

**6.9 Publicity.** Except with respect to any action taken pursuant to, and in accordance v

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**Table of Contents**

**6.10** **Rule 16b-3 Actions.** Parent and the Company agree that, in order to most effect

**6.11** **Financing.**

(a) Parent covenants and agrees with the Company, on behalf of itself and its Subsid

(b) The Company shall, shall cause its Subsidiaries to, and shall use its reasonable b

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**Table of Contents**

accountants for use of their reports in any materials relating to the Financing), or other documents

- (c) Notwithstanding the foregoing, until the Effective Time occurs, neither the Company nor the
- (d) In the event that the Commitment Letter is amended, replaced, supplemented or otherwise

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**Table of Contents**

the Commitment Letter (any such agreements the Definitive Financing Agreements ), (E

(e) All non-public or otherwise confidential information regarding the Company obt

**6.12 Notification of Certain Matters.** Each of Parent, Merger Sub and the Company sh

**6.13 Litigation.** Notwithstanding anything to the contrary set forth herein, each party sh

**6.14 Stock De-Registration.** The Company shall use its reasonable best efforts to caus

**6.15 NYSE Listing.** Parent shall use reasonable best efforts to cause the shares of Pare

**6.16 Standstill Agreements.** During the period from the date of this Agreement throug

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**Table of Contents**

**6.17 Actions Regarding Anti-Takeover Statutes.** If Section 203 of the DGCL or any

**6.18 Control of Operations.** Without in any way limiting and subject to the parties' ri

**6.19 Cooperation on Certain Matters.** After the date hereof and prior to the Effective

**6.20 Employee Matters.**

(a) From and after the Effective Time, Parent shall honor all Company Benefit Plans

(b) For all purposes (including purposes of vesting, eligibility to participate and leve

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**Table of Contents**

in which such Company Employee participated immediately before the Effective Time (su

- (c) Immediately prior to the Effective Time, the Company shall pay to each Compan
- (d) Nothing in this Section 6.20 shall be construed to limit the right of Parent or any
- (e) Without limiting the generality of Section 9.9, the provisions of this Section 6.20
- (f) Prior to making any equity awards permitted under Section 5.1(c) of the Compan



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**Table of Contents**

- 7.1 Conditions to Each Party's Obligations To Effect the Merger.** The respective
- (a) Stockholders Approval. (i) This Agreement shall have been approved by the requ
  - (b) NYSE Listing. The shares of Parent Common Stock to be issued to the holders of Co
  - (c) Form S-4. The Form S-4 shall have become effective under the Securities Act and
  - (d) HSR. The waiting period (an any extension thereof) applicable to the consummation
  - (e) Other Regulatory Approvals. Any other regulatory approval or waiting period requ
  - (f) No Injunctions or Restraints: Illegality. No statute, rule, executive order or regulation
- 7.2 Conditions to the Obligations of Parent and Merger Sub.** The obligation of Pa
- (a) Representations and Warranties. (i) The representations and warranties of the Com

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**Table of Contents**

(other than those contained in the preceding clause (i)) shall be true and correct as of the C

(b) Performance of Obligations of Company. The Company shall have performed in al

(c) No Company Material Adverse Effect. Between the date of this Agreement and the

(d) Tax Opinion. Parent shall have received a written opinion of King & Spalding LLP

**7.3 Conditions to the Obligations of Company**. The obligation of the Company to ef

(a) Representations and Warranties. (i) The representations and warranties of Parent co

(b) Performance of Obligations of Parent and Merger Sub. Parent and Merger Sub shall

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**Table of Contents**

or prior to the Closing Date, and the Company shall have received a certificate signed by a

(c) No Parent Material Adverse Effect. Between the date of this Agreement and the CL

(d) Tax Opinion. The Company shall have received a written opinion of Wachtell, Lipt

**8.1 Termination**. This Agreement may be terminated and the Merger and other trans

(a) by mutual written consent of the Company and Parent;

(b) by either Parent or the Company if any Governmental Authority of competent jurisd

(c) by either Parent or the Company if the Merger shall not have been consummated on

(d) by Parent, in the event of a material breach by the Company of any representation, w

(e) by the Company, in the event of a material breach by Parent or Merger Sub, as the ca

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**Table of Contents**

inaccurate after the date of this Agreement, which situation in either case (i) would result in

(f) by either Parent or the Company if the Company Stockholders or Parent Stockholders

(g) by Parent, if (i) the Company Board shall have failed to include the Company Recon

(h) by the Company, if (i) the Parent Board shall have failed to include the Parent Recon

(i) by the Company in order to enter into a definitive agreement with respect to a Compa

(j) by Parent in order to enter into a definitive agreement with respect to a Parent Superi

**8.2 Effect of Termination.**

(a) In the event of a termination of this Agreement by either Parent or the Company

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**Table of Contents**

- (b) Except as otherwise specifically set forth in this Section 8.2, all Expenses incurred
- (c) If this Agreement is terminated:
  - (i) (A) by Parent pursuant to Section 8.1(d), then the Company shall make a cash payment
  - (ii) by (A) Parent pursuant to Section 8.1(g) or (B) the Company pursuant to Section 8.1(h)
  - (iii) by (A) Parent or the Company pursuant to (i) Section 8.1(c) or (ii) Section 8.1(f) in
  - (iv) by (A) the Company pursuant to Section 8.1(h) or (B) Parent pursuant to Section 8.1(g)
  - (v) by (A) Parent or the Company pursuant to (i) Section 8.1(c) or (ii) Section 8.1(f) in

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**Table of Contents**

*bona fide* Parent Acquisition Proposal to Parent or the Parent Stockholders or a *bona fide*

(d) If required to be paid under this Section 8.2, the Parent Expense Reimbursement

**8.3 Amendment.** Subject to compliance with applicable Law, this Agreement may be

**8.4 Extension; Waiver.** At any time prior to the Effective Time, the parties hereto may

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**Table of Contents**

estoppel with respect to, any subsequent or other failure. No provision of this Agreement r

**9.1 Nonsurvival of Representations, Warranties and Agreements.** None of the rep

**9.2 Expenses.** Except as may otherwise be agreed to hereunder or in other writing by t

**9.3 Notices.** All notices or other communications hereunder shall be in writing and sha

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**Table of Contents**

or such other address as shall be furnished in writing by any party, and any such notice or

**9.4 Interpretation.** The language used in this Agreement shall be deemed to be the lan

**9.5 Counterparts.** This Agreement may be executed in counterparts, all of which sha

**9.6 Entire Agreement.** This Agreement, together with the exhibits, annexes and sche



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**Table of Contents**

- 9.7 **Governing Law; Jurisdiction and Venue; WAIVER OF JURY TRIAL.** This A
- 9.8 **Severability.** Any term or provision of this Agreement that is invalid or unenfor
- 9.9 **Assignment; Reliance of Other Parties.** Neither this Agreement nor any of the ri

---

**Table of Contents**

and instruments referred to herein) is not intended to confer upon any Person other than (x)

**9.10 Parent Guarantee.** Parent shall cause Merger Sub, or any other wholly-owned Su

**9.11 Specific Performance.** The parties hereto acknowledge and agree that (i) irrepara

**9.12 Definitions.** Except as otherwise provided herein or as otherwise clearly required b

2011 Bonus Plans shall have the meaning ascribed thereto in Section 6.20(c) hereof.

Action shall have the meaning ascribed thereto in Section 3.10 hereof.

Affiliate shall mean, with respect to any Person, any other Person controlling, controlle

Aggregate Cash Amount shall have the meaning ascribed thereto in Section 1.12(d) her

Aggregate Stock Consideration shall have the meaning ascribed thereto in Section 1.12

Agreement shall have the meaning ascribed thereto in the recitals hereto.

---

**Table of Contents**

Agreement shall mean any contract, agreement, instrument, obligation, undertaking, lease

Applicable Stock Value shall have the meaning ascribed thereto in Section 1.12(c) hereof.

Appraisal Rights Provisions shall have the meaning ascribed thereto in Section 1.11(a)

Assumed RSU Award shall have the meaning ascribed thereto in Section 1.9(b)(ii) hereof.

Assumed Stock Option shall have the meaning ascribed thereto in Section 1.9(a)(i) hereof.

Award Consideration shall have the meaning ascribed thereto in Section 1.9(b)(i) hereof.

Bankruptcy Cases shall mean the chapter 11 bankruptcy cases of the Bankruptcy Debtor.

Bankruptcy Code shall mean Title 11 of the United States Code (11 U.S.C. § 101 et seq.).

Bankruptcy Court shall mean the United States Bankruptcy Court for the District of Delaware.

Bankruptcy Debtors shall mean collectively the Company, Smurfit-Stone Container Enterprises, Inc.

Bonus Period shall have the meaning ascribed thereto in Section 6.20(c) hereof.

Book-Entry Shares shall have the meaning ascribed thereto in Section 2.1 hereof.

Burdensome Effect shall have the meaning ascribed thereto in Section 6.3(d) hereof.

Business Day shall have the meaning ascribed thereto in Rule 14d-1(g)(3) under the Exchange Act.

Bylaws shall mean the bylaws of an entity as currently in effect.

Cancelled Shares shall have the meaning ascribed thereto in Section 1.6(c) hereof.

Cash Consideration shall have the meaning ascribed thereto in Section 1.6(a) hereof.

Cause shall mean misconduct with respect to, or that is harmful to, Parent, the Company or any of its subsidiaries.

---

**Table of Contents**

fraud or dishonesty; (e) any violation of any federal or state law governing the business of

Certificate shall have the meaning ascribed thereto in Section 1.6(b) hereof.

Certificate of Incorporation shall mean the certificate of incorporation or articles of org

Certificate of Merger shall have the meaning ascribed thereto in Section 1.2 hereof.

Circumstance shall mean any event, occurrence, fact, condition, effect, change or devel

Closing shall have the meaning ascribed thereto in Section 1.2 hereof.

Closing Date shall have the meaning ascribed thereto in Section 1.2 hereof.

Code shall mean the Internal Revenue Code of 1986, as amended.

Commitment Letter shall have the meaning ascribed thereto in Section 4.21 hereof.

Company shall have the meaning ascribed thereto in the recitals hereto.

Company Acquisition Proposal shall have the meaning ascribed thereto in Section 6.4(

Company Adverse Recommendation Change shall have the meaning ascribed thereto in

Company Balance Sheet shall have the meaning ascribed thereto in Section 3.6 hereof.

Company Benefit Plans shall mean any employee welfare benefit plan as defined in

Company Board shall mean the board of directors of the Company.

Company Common Stock shall have the meaning ascribed thereto in Section 1.6(a) her

Company Disclosure Letter shall have the meaning ascribed thereto in Article III hereo

Company Employees shall have the meaning ascribed thereto in Section 6.20(a) hereof

Company Expense Reimbursement Amount shall have the meaning ascribed thereto in

Company Indebtedness Agreements shall have the meaning ascribed thereto in Section

Company Financial Statements shall have the meaning ascribed thereto in Section 3.6 h

Company Governmental Approvals shall have the meaning ascribed thereto in Section

Company Leases shall have the meaning ascribed thereto in Section 3.17(b) hereof.

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**Table of Contents**

Company Material Adverse Effect shall mean any Circumstance that, individually or in

- (i) any Circumstance to the extent resulting from any conditions or changes generally
- (ii) any Circumstance to the extent resulting from conditions in the Industry that affect
- (iii) any Circumstance to the extent resulting from the taking of any action required by
- (iv) any Circumstance to the extent resulting from changes in GAAP in each case other
- (v) any Circumstance to the extent resulting solely from changes in the Company's st
- (vi) any Circumstance to the extent resulting from changes, conditions, events or devel
- (vii) any Circumstance to the extent resulting solely from any failure by the Company t
- (viii) any Circumstance to the extent resulting from the pendency or announcement of th

Company Material Business shall have the meaning ascribed thereto in Section 6.4(i) h

Company Material Contracts shall have the meaning ascribed thereto in Section 3.16 h

Company Other Plans shall mean any employment, severance, change-in-control or sim

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**Table of Contents**

Company Pension Plans shall mean any employee pension benefit plan as defined in

Company Personnel shall mean any current or former director, officer, employee, independent

Company Preferred Stock shall have the meaning ascribed thereto in Section 3.2(a) hereof

Company Qualified Bidder shall have the meaning ascribed thereto in Section 6.4(c) hereof

Company Recommendation shall have the meaning ascribed thereto in Section 6.2(d) hereof

Company RSU Award shall have the meaning ascribed thereto in Section 1.9(b)(i) hereof

Company SEC Reports shall have the meaning ascribed thereto in Section 3.5(a) hereof

Company Severance Plan shall have the meaning ascribed thereto in Section 6.20(a) hereof

Company Stock Option(s) shall have the meaning ascribed thereto in Section 1.9(a)(i) hereof

Company Stock Plans shall have the meaning ascribed thereto in Section 1.9(a)(i) hereof

Company Stockholders shall mean the holders of Company Common Stock.

Company Stockholders Approval shall have the meaning ascribed thereto in Section 7.1 hereof

Company Stockholders Meeting shall have the meaning ascribed thereto in Section 3.1 hereof

Company Subsequent Determination Notice shall have the meaning ascribed thereto in Section 6.4 hereof

Company Superior Proposal shall have the meaning ascribed thereto in Section 6.4(h) hereof

Company's knowledge or knowledge of the Company, or any other phrases of similar meaning

Confidentiality Agreement shall mean that certain letter agreement by and between Parties

Confirmation Order shall mean that certain order entitled *Findings of Fact, Conclusion*

Contract shall mean any note, bond, mortgage, indenture, contract, agreement, lease, license

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**Table of Contents**

Controlled Group Liability shall mean any and all liabilities (1) under Title IV of ERISA

D&O Tail Policy shall have the meaning ascribed thereto in Section 6.7(b) hereof.

DGCL shall mean the General Corporation Law of the State of Delaware, as amended.

Definitive Financing Agreements shall have the meaning ascribed thereto in Section 6.

Dissenting Shares shall have the meaning ascribed thereto in Section 1.11(a) hereof.

Dissenting Stockholders shall have the meaning ascribed thereto in Section 1.11(a) hereof.

DLLCA shall mean the Delaware Limited Liability Company Act, as amended.

DOJ shall have the meaning ascribed thereto in Section 6.3(b) hereof.

Effective Date shall have the meaning ascribed thereto in Section 1.2 hereof.

Effective Time shall have the meaning ascribed thereto in Section 1.2 hereof.

Encumbrance shall mean all transfer and voting restrictions, liens, security interests, mortgages, and other

Environmental Claim shall mean any and all administrative, regulatory or judicial actions, suits, claims, or

Environmental Laws shall mean any and all Laws which (i) regulate or relate to: the protection, preservation,

Environmental Permits shall mean any permit, approval, identification number, license, or other authorization

Equity Award Exchange Ratio shall have the meaning ascribed thereto in Section 1.9(c) hereof.

ERISA shall have the meaning ascribed thereto in Section 3.14 hereof.

Exchange Act shall mean the Securities Exchange Act of 1934, as amended.

Exchange Agent shall have the meaning ascribed thereto in Section 2.1 hereof.

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**Table of Contents**

Exchange Fund shall have the meaning ascribed thereto in Section 2.1 hereof.

Expenses shall have the meaning ascribed thereto in Section 8.2(b) hereof.

Fee Letter shall have the meaning ascribed thereto in Section 4.21 hereof.

Final Order shall mean a court order as to which the time to file an appeal, a motion for

Financing shall have the meaning ascribed thereto in Section 4.21 hereof.

Financing Sources shall mean the Persons that have committed to provide or otherwise

Form S-4 shall have the meaning ascribed thereto in Section 4.4 hereof.

FTC shall have the meaning ascribed thereto in Section 6.3(b) hereof.

GAAP shall mean generally accepted accounting principles.

GBCC shall mean the Georgia Business Corporation Code of the State of Georgia, as a

Governmental Authority shall mean any (i) United States, foreign, federal, state, local o

HSR Act shall mean the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as am

Indemnified Party shall mean each present and former director or officer of the Compan

Industry shall have the meaning ascribed thereto in the definition of Company Material

Infringe shall have the meaning ascribed thereto in Section 3.21 hereof.

Intellectual Property shall mean the following and all rights arising out of or pertaining

IRS shall mean the Internal Revenue Service.

Joint Proxy Statement shall have the meaning ascribed thereto in Section 4.4 hereof.

Key Employee shall mean, with respect to the Company, each of the individuals listed,



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**Table of Contents**

Law shall mean any federal, state, local or foreign law, statute, ordinance or principle of law.

Materials of Environmental Concern shall mean (i) petroleum and its products and derivatives.

Merger shall have the meaning ascribed thereto in the recitals hereto.

Merger Consideration shall have the meaning ascribed thereto in Section 1.6(a) hereof.

Merger Sub shall have the meaning ascribed thereto in the recitals hereto.

New Plans shall have the meaning ascribed thereto in Section 6.20(b) hereof.

NLRB shall have the meaning ascribed thereto in Section 3.15 hereof.

NYSE shall mean the New York Stock Exchange.

Old Plans shall have the meaning ascribed thereto in Section 6.20(b) hereof.

OSHA means the United States Occupational Safety and Health Administration.

Parent shall have the meaning ascribed thereto in the recitals hereto.

Parent Acquisition Proposal shall have the meaning ascribed thereto in Section 6.5(i) hereof.

Parent Adverse Recommendation Change shall have the meaning ascribed thereto in Section 6.5(i) hereof.

Parent Balance Sheet shall have the meaning ascribed thereto in Section 4.6 hereof.

Parent Benefit Plans shall mean any employee welfare benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974.

Parent Board shall mean the board of directors of Parent.

Parent Closing Price shall have the meaning ascribed thereto in Section 1.9(c)(ii) hereof.

Parent Common Stock shall have the meaning ascribed thereto in Section 1.6(a) hereof.

Parent Disclosure Letter shall have the meaning ascribed thereto in Article IV hereof.

Parent Expense Reimbursement Amount shall have the meaning ascribed hereto in Section 4.6 hereof.

Parent Financial Statements shall have the meaning ascribed thereto in Section 4.6 hereof.

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**Table of Contents**

Parent Governmental Approvals shall have the meaning ascribed thereto in Section 4.1

Parent Indebtedness Agreements shall have the meaning ascribed thereto in Section 4.1

Parent Leases shall have the meaning ascribed thereto in Section 4.17(b) hereof.

Parent Material Adverse Effect shall mean any Circumstance that, individually or in the

- (i) any Circumstance to the extent resulting from any conditions or changes generally
- (ii) any Circumstance to the extent resulting from conditions in the Industry that affect
- (iii) any Circumstance to the extent resulting from the taking of any action required by
- (iv) any Circumstance to the extent resulting from changes in GAAP in each case other
- (v) any Circumstance to the extent resulting solely from changes in Parent's stock pri
- (vi) any Circumstance to the extent resulting from changes, conditions, events or devel
- (vii) any Circumstance to the extent resulting solely from any failure by Parent to meet
- (viii) any Circumstance to the extent resulting from the pendency or announcement of th

Parent Material Business shall have the meaning ascribed thereto in Section 6.5(i) hereof

Parent Material Contracts shall have the meaning ascribed thereto in Section 4.16 hereof

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**Table of Contents**

Parent Other Plans shall mean any employment, severance, change-in-control or similar

Parent Pension Plans shall mean any employee pension benefit plan as defined in Se

Parent Personnel shall mean any current or former director, officer, employee, independ

Parent Preferred Stock shall have the meaning ascribed thereto in Section 4.2(a) hereof

Parent Qualified Bidder shall have the meaning ascribed thereto in Section 6.5(c) hereof

Parent Recommendation shall have the meaning ascribed thereto in Section 6.2(b) hereof

Parent Restricted Stock shall mean awards of restricted stock for Parent Common Stock

Parent SEC Reports shall have the meaning ascribed thereto in Section 4.5(a) hereof.

Parent Stock Option shall have the meaning ascribed thereto in Section 4.2(b) hereof.

Parent Stock Plans shall have the meaning ascribed thereto in Section 4.2(a) hereof.

Parent Stockholders shall mean the holders of Parent Common Stock.

Parent Stockholders Approval shall have the meaning ascribed thereto in Section 7.1(

Parent Stockholders Meeting shall have the meaning ascribed thereto in Section 4.3 h

Parent Subsequent Determination Notice shall have the meaning ascribed thereto in Sec

Parent Superior Proposal shall have the meaning ascribed thereto in Section 6.5(h) hereof

Parent Termination Amount shall have the meaning ascribed thereto in Section 8.2(c)(i)

Parent's knowledge or knowledge of Parent , or any other phrases of similar meaning

Permitted Encumbrances shall mean (i) Encumbrances for Taxes not yet due and payab

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**Table of Contents**

Person shall mean any individual, corporation, partnership, joint venture, association, tr

Per Share Consideration shall have the meaning ascribed thereto in Section 1.9(b)(i) he

Plan of Reorganization shall mean that certain Modified Joint Plan of Reorganization fo

Regulatory Law shall mean the Sherman Act, as amended, Council Regulation No.406

Representatives shall mean the directors, officers, employees, Affiliates, agents, invest

Reserved Company Common Stock shall have the meaning ascribed thereto in Section

Sarbanes-Oxley Act shall mean the Sarbanes-Oxley Act of 2002, as amended.

SEC shall have the meaning ascribed thereto in Section 4.4 hereof.

Securities Act shall mean the Securities Act of 1933, as amended.

Stock Consideration shall have the meaning ascribed thereto in Section 1.6(a) hereof.

Subsidiary or Subsidiaries shall mean, when used with reference to a party, any corp

Surviving Entity shall have the meaning ascribed thereto in Section 1.1(a) hereof.

Surviving Entity Certificate shall have the meaning ascribed thereto in Section 1.4 here

Surviving Entity LLC Agreement shall have the meaning ascribed thereto in Section 1.

Takeover Laws shall mean any moratorium, control share acquisition, fair price

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**Table of Contents**

Tax shall include, whether disputed or not, any and all taxes, customs, duties, tariffs, in

Tax Return shall mean any report, return, declaration or filing required or permitted to

Termination Amount shall have the meaning ascribed thereto in Section 8.2(c)(ii) hereof.

Termination Date shall have the meaning ascribed thereto in Section 8.1(c) hereof.

Threshold Percentage shall have the meaning ascribed thereto in Section 1.12(a) hereof.

Treasury shall have the meaning ascribed thereto in Section 3.14 hereof.

U.S. shall mean the United States of America.

Voting Debt shall have the meaning ascribed thereto in Section 3.2(b) hereof.

WARN Act shall have the meaning ascribed thereto in Section 3.15 hereof.

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**Table of Contents**

**IN WITNESS WHEREOF**, Parent, Merger Sub and the Company have caused this Agree

---

**Table of Contents**

Wells Fargo Securities, LLC

301 South College Street

14th Floor

MAC D1053-143

Charlotte, NC 28202

CONFIDENTIAL

January 23, 2011

Board of Directors

Rock-Tenn Company

504 Thrasher Street

Norcross, GA 30071

Ladies and Gentlemen:

You have asked Wells Fargo Securities, LLC ( Wells Fargo Securities ) to advise you with

In arriving at our opinion, we have, among other things:

---

**Table of Contents**

Board of Directors

Rock-Tenn Company

January 23, 2011

Page 2

In connection with our review, we have assumed and relied upon the accuracy and completeness of the information provided to us.



---

**Table of Contents**

Board of Directors

Rock-Tenn Company

January 23, 2011

Page 3

have not assumed any responsibility for) any independent verification of such information

In rendering our opinion, we have assumed, with your consent, that the final form of the A

Our opinion only addresses the fairness, from a financial point of view, to Rock-Tenn of th

The issuance of this opinion was approved by an authorized committee of Wells Fargo Sec

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**Table of Contents**

Board of Directors

Rock-Tenn Company

January 23, 2011

Page 4

facilities created in connection with and for the purpose of funding the Merger, and as left

Wells Fargo Securities and our affiliates provide a full range of financial advisory, securities

It is understood that this opinion is for the information and use of the Board of Directors of

Based upon and subject to the foregoing, our experience as investment bankers, our work

Very truly yours,

WELLS FARGO SECURITIES, LLC

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**Table of Contents**

The Special Committee of the Board of Directors

The Board of Directors

Smurfit-Stone Container Corporation

Six CityPlace Drive

Creve Coeur, MO 63141

Dear Members of the Board:

We understand that Smurfit-Stone Container Corporation, a Delaware corporation ( Company

You have requested our opinion as of the date hereof as to the fairness, from a financial perspective

In connection with this opinion, we have:

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**Table of Contents**

The Special Committee of the Board of Directors

The Board of Directors

Smurfit-Stone Container Corporation

January 23, 2011

Page 2

We have assumed and relied upon the accuracy and completeness of the foregoing information.

Further, our opinion is necessarily based on economic, monetary, market and other conditions.

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**Table of Contents**

The Special Committee of the Board of Directors

The Board of Directors

Smurfit-Stone Container Corporation

January 23, 2011

Page 3

In rendering our opinion, we have assumed, with the consent of Company, that the Transa

Lazard Freres & Co. LLC ( Lazard ) is acting as financial advisor to Company in connec

Our engagement and the opinion expressed herein are for the benefit of the Special Comm

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**Table of Contents**

The Special Committee of the Board of Directors

The Board of Directors

Smurfit-Stone Container Corporation

January 23, 2011

Page 4

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, the

---

**Table of Contents**

**262. Appraisal Rights**

- (a) Any stockholder of a corporation of this State who holds shares of stock on the date of
- (b) Appraisal rights shall be available for the shares of any class or series of stock of a com
- (1) Provided, however, that no appraisal rights under this section shall be available for the
- (2) Notwithstanding paragraph (1) of this subsection, appraisal rights under this section sh
- a. Shares of stock of the corporation surviving or resulting from such merger or consolidat
- b. Shares of stock of any other corporation, or depository receipts in respect thereof, which
- c. Cash in lieu of fractional shares or fractional depository receipts described in the forego
- d. Any combination of the shares of stock, depository receipts and cash in lieu of fractiona

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**Table of Contents**

(3) In the event all of the stock of a subsidiary Delaware corporation party to a merger effe

(c) Any corporation may provide in its certificate of incorporation that appraisal rights und

(d) Appraisal rights shall be perfected as follows:

(1) If a proposed merger or consolidation for which appraisal rights are provided under thi

(2) If the merger or consolidation was approved pursuant to § 228 or § 253 of this title, the



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**Table of Contents**

record date that shall be not more than 10 days prior to the date the notice is given, provided

(e) Within 120 days after the effective date of the merger or consolidation, the surviving o

(f) Upon the filing of any such petition by a stockholder, service of a copy thereof shall be

(g) At the hearing on such petition, the Court shall determine the stockholders who have c

(h) After determining the stockholders entitled to an appraisal, the Court shall appraise the

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**Table of Contents**

- (i) The Court shall direct the payment of the fair value of the shares, together with interest
- (j) The costs of the proceeding may be determined by the Court and taxed upon the parties
- (k) From and after the effective date of the merger or consolidation, no stockholder who h
- (l) The shares of the surviving or resulting corporation to which the shares of such objecti

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**Table of Contents**

**Item 20 - Indemnification of Directors and Officers**

The RockTenn articles of incorporation eliminate, to the fullest extent permitted by applic

Under Article VI of the RockTenn bylaws, and certain agreements entered into by RockT

RockTenn has entered into indemnification agreements with each of its directors. The ind

RockTenn's directors and executive officers are insured against damages from actions an

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**Table of Contents**

**Item 21. Exhibits and Financial Statement Schedules.**

(a) The following Exhibits are filed as part of this registration statement unless otherwise indicated.

**Exhibit No.**

2.1

3.1

3.2

3.3

3.4

4.1

4.2

4.3

4.4

4.5

4.6

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**Table of Contents**

**Exhibit No.**

4.7

4.8

4.9

4.10

4.11

5.1

8.1

8.2

23.1

23.2

23.3

23.4

23.5

24.1

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**Table of Contents**

**Exhibit No.**

99.1

99.2

99.3

99.4

99.5

99.6

99.7

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(b) Financial Statement Schedules.

Schedules have been omitted because the information set forth therein is not material, not

(c) Opinions.

Opinion of Wells Fargo Securities, LLC (included as [Annex B](#) to the joint proxy statement)

Opinion of Lazard Freres & Co. LLC (included as [Annex C](#) to the joint proxy statement/p

**Item 22. Undertakings**

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective ame

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the re

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**Table of Contents**

changes in volume and price represent no more than a 20 percent change in the maximum

(iii) To include any material information with respect to the plan of distribution not previous

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each

(3) To remove from registration by means of a post-effective amendment any of the securi

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any p

(5) That, for the purpose of determining liability of the Registrant under the Securities Act

(i) Any preliminary prospectus or prospectus of the undersigned Registrant relating to the

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the und

(iii) The portion of any other free writing prospectus relating to the offering containing ma

(iv) Any other communication that is an offer in the offering made by the undersigned Reg

(b) The undersigned registrant hereby undertakes that, for purposes of determining any lia

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**Table of Contents**

incorporated by reference in the registration statement shall be deemed to be a new registrant.

(c)

(1) The undersigned registrant hereby undertakes as follows: That prior to any public offering of securities:

(2) The registrant undertakes that every prospectus: (i) that is filed pursuant to paragraph (c)

(d) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted by applicable law, the undersigned registrant hereby undertakes to indemnify and hold the undersigned registrant harmless from and against all such liabilities, including reasonable attorneys' fees, in connection with the offering of securities.

(e) The undersigned registrant hereby undertakes to respond to requests for information that may be received by the Commission or the public.

(f) The undersigned registrant hereby undertakes to supply by means of a post-effective amendment to the registration statement, such information as may be required by the Commission.



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**Table of Contents**

Pursuant to the requirements of the Securities Act of 1993, as amended, the Registrant has

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**Table of Contents**

Pursuant to the requirements of the Securities Act of 1933, this registration statement has

**Signature**

\*

James A. Rubrig

\*

Steven C. Voorhees

\*

A. Stephen Meador

\*

J. Powell Brown

\*

Robert M. Chapman

\*

Robert B. Curren

\*

Russell M. Curren

\*

G. Stephen Felker

\*

Lawrence L. Gellerstein

\*

John W. Spiegel

\*

Bettina M. Whyte

\*

James E. Young

\*By:

---

**Table of Contents**

**Exhibit No.**

2.1

3.1

3.2

3.3

3.4

4.1

4.2

4.3

4.4

4.5

4.6

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**Table of Contents**

**Exhibit No.**

4.7

4.8

4.9

4.10

4.11

5.1

8.1

8.2

23.1

23.2

23.3

23.4

23.5

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**Table of Contents**

**Exhibit No.**

24.1

99.1

99.2

99.3

99.4

99.5

99.6

99.7

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