Sonoco Announces Price Increase for Paper-Based Engineered Carriers

March 31, 2000

HARTSVILLE, S.C., March 31 /PRNewswire/ -- Sonoco (NYSE: SON) will increase prices for its paper-based engineered carriers (tubes and cores) by 6% to 9% in the United States, effective May 1, it was announced today by Harris E. DeLoach, Jr., senior executive vice president and chief operating officer.

Approximately 80% of the Company's engineered carriers are sold domestically. The Company is also increasing prices in Continental Europe and the Nordic Countries by 8% to 12%, effective May 15.

"This price increase is driven primarily by cost increases in paperboard and specialty papers, adhesives, freight, energy, repair materials and other vital supplies. Historically, full implementation of our price increases for engineered carriers lags increased raw material costs in the short term," said DeLoach. "Therefore, we would not expect to realize a positive impact from the price increase in the second quarter. This is a normal market characteristic that we have successfully managed in the past and expect to do so again," said DeLoach. "We continue to see strong demand for our engineered carriers, with paper mills running at capacity and productivity improvement continuing.

Sonoco, founded in 1899, is a $2.5 billion manufacturer of industrial and consumer packaging products with over 285 operations in 33 countries serving customers in some 85 nations.

Cautionary Statements

Statements included herein that are not historical in nature are intended to be, and are hereby identified as, "forward-looking statements" for purposes of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements are based on current expectations, estimates and projections about the company's industry, management's beliefs and certain assumptions made by management. Such information includes, without limitation, discussions as to estimates, expectations, beliefs, plans, strategies and objectives concerning the company's future financial and operating performance.

These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially from those expressed or forecasted in such forward-looking statements. Such risks and uncertainties include, without limitation: availability and pricing of raw materials; success of new product development and introduction; ability to maintain or increase productivity levels; international, national and local economic and market conditions; ability to maintain market share; pricing pressures and demand for products; continued strength of the company's paperboard-based tube, core and composite can operations; and currency stability and the rate of growth in foreign markets. Additional information concerning some of the factors that could cause materially different results is included in the company's reports on Forms 10-K, 10-Q and 8-K filed with the Securities and Exchange Commission. Such reports are available from the Securities and Exchange Commission's public reference facilities and its Internet website or from the company's investor relations department.
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