Sonoco Announces Purchase of Hutchinson, KS Paper Mill From Republic Group LLC

October 12, 2001

HARTSVILLE, S.C., Oct. 12 /PRNewswire/ -- Sonoco (NYSE: SON) today announced that it has signed a definitive agreement to purchase the 90,000-ton paper mill at Hutchinson, Kansas from Republic Group LLC, a privately-owned investment group, according to Harris E. DeLoach, Jr., president and chief executive officer. The mill is expected to be slightly accretive to Sonoco's earnings in the first year. The purchase price was not disclosed.

(Photo: http://www.newscom.com/cgi-bin/prnh/19991006/SNCLOGO)

The Hutchinson mill, which has two pressure former paper machines and employs approximately 145, had annualized sales through September 30, 2001 of approximately $30 million. Sonoco is the mill's largest customer, purchasing paperboard for composite cans, primarily for refrigerated dough products, and for tubes.

"The acquisition of the Hutchinson mill will further strengthen Sonoco's position in the less cyclical consumer driven tissue and towel core market," said DeLoach. "The Hutchinson mill, combined with our recent acquisitions of U.S. Paper Mills Corp., will make Sonoco the market leader in tissue and towel coreboard, and will provide Sonoco with needed additional lightweight capacity for outerplies of tubes and composite cans, particularly to supply our midwestern and western markets," stated DeLoach.

"The Hutchinson mill shares much of the same culture as Sonoco, with a heavy emphasis on quality, service and safety stemming from its years under the management of the Simpson family. We are delighted with this newest addition to our core businesses that will further strengthen Sonoco's cash flow driven growth strategy," DeLoach added.

Sonoco, founded in 1899, is a $2.7 billion manufacturer of industrial and consumer packaging products and provider of packaging services, with approximately 295 operations in 33 countries serving customers in 85 nations. For more information regarding the Company, visit our website at www.sonoco.com.

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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