Sonoco to Sell High Density Film Business

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HARTSVILLE, S.C., Sept. 15 /PRNewswire-FirstCall/ -- Sonoco (NYSE: SON), the global packaging company, has entered into a definitive agreement to sell its high density film business to Hilex Poly Co., LLC, a member of the HPC Group of Companies, Los Angeles, Calif., and DCH I Investment Holdings, LLC, an affiliate of Dewberry Cesinger Hodgson of Atlanta, Ga., and Los Angeles, Calif., the private equity firm affiliate of Atlanta-based Dewberry Capital Corporation, at a price of approximately $123 million, it was announced today by Harris E. DeLoach, Jr., president and chief executive officer. Sonoco's high density film business produces plastic grocery, retail, produce and quick service bags and agricultural film from five plants in the United States.

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

Total proceeds from the sale are expected to include $85 million in cash, plus subordinated notes and preferred nonvoting membership interests, and will result in a net gain. Completion of the sale is expected in the fourth quarter, subject to regulatory approval. Through the first six months of 2003, the Company's high density film operations had sales of approximately $89.5 million and pretax profit from operations of approximately $4.4 million.

"Sonoco is the leading producer of plastic grocery bags in the United States, having led the conversion of grocery bags from paper to principally plastic. While the business has consistently met or exceeded our cost of capital, it is not one of our core businesses. We believe the ability to redirect the value of these assets to our primary growth vehicles will enhance our opportunity to increase total returns to shareholders and significantly reduce the Company's exposure to highly cyclical resin markets," said DeLoach.

Sonoco's high density film operations include approximately 800 personnel, of which about 200 are located at its headquarters and plant in Hartsville, S.C. The operation has four additional plants at Milesburg, Pa.; Mount Olive, N.C.; North Vernon, Ind.; and Victoria, Texas.

Sonoco, founded in 1899, is a $2.8 billion manufacturer of industrial and consumer products and provider of packaging services in some 85 nations. For more information about the Company, visit the Sonoco Web site at www.sonoco.com.

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