



Sonoco Enters Into Agreement with Italian-Based Demolli

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HARTSVILLE, S.C., March 4 /PRNewswire-FirstCall/ -- Sonoco (NYSE: SON), the global packaging company, has entered into a put/call agreement with the majority shareholders of joint venture partner Demolli Industria Cartaria S.p.A., an Italian-based manufacturer of paperboard and engineered carriers, it was announced today by Harris E. DeLoach, Jr., president and chief executive officer.

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

Under the agreement, Demolli will be able to require through a put option arrangement that Sonoco buy the remaining shares in Demolli that it does not currently own at any time through December 2006. The agreement also gives Sonoco the right, at its discretion, to purchase the remaining shares in Demolli through a call option arrangement at any time after December 2006 through December 2009. Sonoco currently owns 25 percent of Demolli, a position it has held since 1995. The price of the shares purchased will be determined by a predetermined formula, which Sonoco believes to approximate fair value, related to an earnings multiple at the time such shares might be put or called.

"This agreement is a continuation of Sonoco's overall growth strategy which includes acquisitions and joint ventures in addition to organic growth encompassing new product and market development, extensions of existing technologies and geographical expansion," said DeLoach. "Demolli and its principal, Carlo Ripamonti, have been excellent partners since forming our joint venture in late 1995. We are delighted to complete this agreement that further enhances our outstanding relationship," added DeLoach.

Demolli, with annual sales of approximately \$80 million, is Italy's largest manufacturer of tubes and cores and a major manufacturer of recovered paperboard, serving markets in Italy and northern Europe.

Sonoco, founded in 1899, is a \$2.8 billion global manufacturer of industrial and consumer products and provider of packaging services, with approximately 295 locations in 32 countries, serving customers in 85 nations. Additional information about the Company is available at www.sonoco.com.

Forward-looking Statements and Other Information

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. The words "estimate," "project," "intend," "expect," "believe," "anticipate," "objective," "goal," and similar expressions identify forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding offsetting high raw material costs, adequacy of income tax provisions, refinancing of debt, adequacy of cash flows, effects of acquisitions and dispositions, adequacy of provisions for environmental liabilities and financial strategies and the results expected from them, and producing improvements in earnings. Such forward-looking statements are based on current expectations, estimates and projections about our 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 our 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; fluctuations in obligations and earnings of pension and postretirement benefit plans; ability to maintain market share; pricing pressures and demand for products; continued strength of our paperboard-based engineered carrier and composite can operations; anticipated results of restructuring activities; resolution of income tax contingencies; ability to successfully integrate newly acquired businesses into the Company's operations; currency stability and the rate of growth in foreign markets; use of financial instruments to hedge foreign exchange, interest rate and commodity price risk; actions of government agencies; and loss of consumer confidence and economic disruptions resulting from terrorist activities.

Information about the Company's use of non-GAAP financial measures, why management believes presentation of non-GAAP financial measures provides useful information to investors about the Company's financial condition and results of operations, and the purposes for which management uses non-GAAP financial measures is included in the Company's 2002 Annual Report on Form 10-K filed with the Securities and Exchange Commission. 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 Web site, the Company's investor relations department and the Company's Web site, www.sonoco.com.

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