Sonoco and Ahlstrom Complete European Joint Venture

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Sonoco Also Completes Purchase of Ahlstrom Operation in China

HARTSVILLE, S.C., Nov. 2 /PRNewswire-FirstCall/ -- Sonoco (NYSE: SON), the global packaging company, Hartsville, South Carolina, and Ahlstrom Corporation, Helsinki, Finland, completed their previously announced joint venture which combines their respective European paper-based tube/core and coreboard operations, it was announced today by Harris E. DeLoach, Jr., president and chief executive officer, Sonoco, and Jukka Moisio, president and chief executive officer, Ahlstrom Corporation.

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

Completion of the joint venture was approved by the Commission of the European Communities on October 6. This approval was conditioned on completion of an agreement to sell Ahlstrom's core production facility at Sveberg, Norway. A binding sales agreement regarding this facility has now been signed.

The joint venture, to be held 64.5 percent by Sonoco and 35.5 percent by Ahlstrom, will operate under the name Sonoco-Alcore S.a.r.l. Sonoco will manage the joint venture, which will be headed by James A. Harrell, III, division vice president, Sonoco Industrial Products/Paper-Europe. The board of directors of the joint venture consists of seven members, four, including the chairman, from Sonoco, and three from Ahlstrom. Sonoco contributed to the joint venture its ownership in 25 tube and core plants, consisting of one in Belgium, five in France, three in Germany, one in Greece, three in Italy, one in the Netherlands, one in Norway, one in Poland, two in Spain, one in Switzerland, one in Turkey and five in the United Kingdom. Sonoco also contributed six paper mills, consisting of two in France, one in Germany, one in Greece, one in Italy and one in the United Kingdom.

Ahlstrom contributed 14 tube and core plants, consisting of one in Estonia, three in Finland, one in France, two in Germany, two in the Netherlands, one in Poland, one in Russia and three in Sweden. Ahlstrom also contributed its paper mill in Karhula, Finland, and recutting center in Anjalankoski, Finland.

Total sales in 2003 for the properties being contributed by Sonoco and Ahlstrom to this joint venture were approximately $235 million and $102 million, respectively.

Following an initial two and one-half year standstill period and subject to certain conditions, Ahlstrom shall have the right over the next three and one-half years to "put" its shares in the joint venture to Sonoco for purchase primarily based on a multiple of earnings. During the seventh year, Sonoco shall have the right to "call" Ahlstrom's shares in the joint venture for purchase based on the same formula.

Sonoco Purchases Ahlstrom China Operation

In a separate but related previously announced transaction, Sonoco completed the purchase of 100 percent of Ahlstrom's Chinese paper core/tube operation in Shouguang to serve the rapidly growing Chinese market for paper mill cores. The purchase price was undisclosed, and the operation will not be part of the joint venture.

Sonoco currently has a paper mill and tube and core operations in Shanghai, a tube and core converting facility in Kaiping in the south of China and is building a new tube and core converting facility in Wujiang, Shengze, town of Jiangsu province which is expected to be operational by year-end 2004.

"This additional capacity in China is indicative of Sonoco's commitment to provide our technology to our customers wherever they choose to do business. This is becoming even more important in light of continuing movement offshore, particularly to China, of increasingly larger portions of products previously produced in North America and Western Europe by industries and companies which are Sonoco customers. Furthermore, we are committed to participating in the growth of the domestic Chinese markets in which we choose to compete," explained DeLoach.

Ahlstrom, headquartered in Helsinki, Finland, is a leader in high performance fiber-based materials serving niche markets worldwide. The Company's fiber solutions serve the environment, healthcare, transport, packaging, and home and office markets. The 150-year old company employs approximately 6,700 personnel serving customers from facilities in more than 20 countries on five continents.

Sonoco, headquartered in Hartsville, South Carolina, and founded in 1899, is a global manufacturer of industrial and consumer products and provider of packaging services, with more than 300 operations in 36 countries serving customers in some 85 nations. For more information, visit Sonoco's Web site, http://www.sonoco.com .

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/CONTACT: Allan V. Cecil, Vice President, Sonoco, +1-843-383-7524, or allan.cecil@sonoco.com /
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