# Sonoco to Acquire Ahlstrom's Interest in European Joint Venture

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HARTSVILLE, S.C., July 24 /PRNewswire-FirstCall/ -- Sonoco (NYSE: SON) and Ahlstrom Corporation, Finland, have reached an agreement under which Sonoco will acquire Ahlstrom's 35.5 percent interest in Sonoco-Alcore, S.a.r.l., a joint venture formed in 2004 when the two companies combined their European tube, core and coreboard operations, it was announced today by Harris E. DeLoach, Jr., chairman, president and chief executive officer.

The purchase, which will increase Sonoco's ownership in the operations from 64.5 to 100 percent, is expected to be completed in this year's third quarter, pending certain regulatory approvals. No additional approval is required by the Commission of the European Communities.

"We are pleased to have this opportunity to purchase the remaining interest in the Sonoco-Alcore properties and look forward to further enhancing their value within the Sonoco European portfolio of tube, core and paperboard operations. We expect that the purchase will be slightly accretive to Sonoco's earnings in the fourth quarter of this year," said DeLoach.

Sonoco, as the majority interest holder, has accounted for the joint venture as an acquisition since its inception and, therefore, has been consolidating the results of the joint venture and reporting Ahlstrom's share as minority interest in its financial statements.

Today, the joint venture consists of 28 tube and core plants and six paper mills. Total sales for the joint venture in 2005 were approximately $330 million. Sonoco-Alcore's European operations also include a 25 percent interest in Demolli Industries S.p.A., the largest manufacturer of paperboard and tubes and cores in Italy.

Founded in 1899, Sonoco is a $3.5 billion global manufacturer of industrial and consumer packaging products and provider of packaging services, with more than 300 operations in 35 countries, serving customers in 85 nations. Additional information about Sonoco is available at http://www.sonoco.com.

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