# Sonoco Announces International Focused Cost-Reduction Actions

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HARTSVILLE, S.C., Oct 11, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- Sonoco (NYSE: SON), the global packaging company, today announced that it would initiate cost- reduction measures primarily focused on certain of its international operations. According to Harris E. DeLoach, Jr., Sonoco's chairman, president and chief executive officer, these actions are expected to achieve approximately $23 million in annual pre-tax savings when fully phased in through the remainder of 2006 and 2007.

The cost reduction plan calls for the closing of approximately 12 plant locations globally and the reduction of approximately 540 positions worldwide. No significant reductions are anticipated at the Company's Hartsville, South Carolina, headquarters. The total cost of the restructuring program is estimated to be approximately $35 million, the majority of which is severance and other cash costs that will be incurred starting in the fourth quarter of 2006 and continuing into 2007.

"The majority of our restructuring program will focus on Europe, where Sonoco recently announced that it would acquire the remaining 35.5 percent interest of the Sonoco-Alcore, S.a.r.l., joint venture from Ahlstrom Corporation," said DeLoach. "These actions will better optimize Sonoco's operations throughout Europe allowing us to achieve a low cost position in the markets we serve."

About Sonoco

Sonoco, founded in 1899, is a $3.5 billion global manufacturer of consumer and industrial packaging products and provider of packaging services, with more than 300 operations in 35 countries serving customers in some 85 nations. For more information on Sonoco, visit our Web site at http://www.sonoco.com.

SOURCE Sonoco

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