DeLoach Urges Packaging Industry to be a 'Change Agent in Change'

October 30, 2006

Sonoco CEO Provides Opening Keynote Address at Pack Expo International 2006

CHICAGO, Oct. 30 /PRNewswire-FirstCall/ -- The $450 billion global packaging industry must transform itself from being viewed simply as a supplier of packaging products and services to becoming a partner capable of meeting rapidly changing customers' demands, said Sonoco (NYSE: SON) Chairman, President and Chief Executive Officer Harris E. DeLoach, Jr., during his keynote address at the opening conference held today (October 30, 2006) at Pack Expo International 2006.

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

"Packaging has truly established itself as an important change agent in domestic and global markets. But, make no mistake, packaging companies cannot rely solely on existing technologies, products and services for their continued growth, regardless of previous success," DeLoach said. "One thing is certain -- business as usual for packaging companies is not an option, and that is not all bad. I am convinced that this changing environment presents unique opportunities. I also believe that those packaging companies who will enjoy success are those able and willing to change from being so fixated on their historical products and service to becoming more focused on what the customer wants and needs and then executes by developing and delivering solutions."

DeLoach offered a number of "stalking horse" suggestions on how the packaging industry might better add value and help avoid "being perceived as a commodity to be purchased solely on the basis of lowest price." Those suggestions included:

- Moving toward customers' demand for seeking suppliers capable of providing full-service packaging solutions across their entire packaging supply chain on a global basis.
- Developing relationships with customers outside of normal purchasing channels, by becoming a partner that is able to reduce costs and increase productivity by offering expanded services.
- Providing one supplier face to the customer rather than forcing them to deal with multiple representatives for different products and services provided by the same supplier.
- Increasing customers' speed-to-market by improving the full packaging supply chain from conception to rollout.
- Developing new avenues to grow customers' sales by applying new packaging technologies, market differentiating designs and targeted marketing applications, such as retail point-of-purchase displays.

DeLoach cited increasing consumer environmental awareness, with a growing preference for reduced and recycled packaging, as a key issue in which the packaging industry must provide leadership.

"Consumers want to do business with companies which have embraced sustainability as an operating objective. Packaging companies can either be lightening rods or white knights as consumer product goods companies are looking to packaging to help them meet retailers' expectations," DeLoach said. "Each of us carries a responsibility to our customers, to our industry, and to our communities to assume a leadership role in helping to maximize a more sustainable global society for all."

DeLoach said he was optimistic about the future of the packaging industry and that the current operating environment presents an excellent opportunity for packaging to build its position with customers.

"The possibilities for success in packaging will be determined by how well we organize our efforts at developing products and services based on the changing needs of customers and the marketplace," said DeLoach. "The opportunities for packaging are clearly there. The willingness and ability to change our offerings to meet these needs and to successfully execute their implementation in a timely manner is up to us."

For a transcript of Mr. DeLoach's comments, go to Sonoco's new Web site at http://www.sonoco.com or visit Sonoco at Pack Expo at Booth #8801 Hall E Lakeside Center, McCormick Center, Chicago, Ill.

About Sonoco

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 its new Web site at http://www.sonoco.com.

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