Sonoco Acquires Remaining Interest in Italy-based Demolli

December 1, 2006

HARTSVILLE, S.C., Dec. 1 /PRNewswire-FirstCall/ -- Sonoco (NYSE: SON), the global packaging company, has entered into an agreement whereby Sonoco- Alcore, S.a.r.l., wholly owned by Sonoco, has acquired the remaining 75 percent interest in Demolli Industria Cartaria S.p.A., it was announced today by Harris E. DeLoach, Jr., Sonoco's chairman, president and chief executive officer. The acquisition is expected to be slightly accretive to Sonoco's earnings in 2007.

Demolli, with annual sales of approximately $60 million, is Italy's largest manufacturer of tubes and cores and recycled paperboard, serving markets in Italy and northern Europe. The transaction includes the purchase of three tube and core manufacturing facilities and a recycled paperboard mill.

With the completion of the Demolli transaction, Sonoco holds 100 percent interest in and operates 30 tube and core plants and seven paper mills in Europe. As previously reported, Sonoco purchased from the Ahlstrom Corporation of Finland its 35.5 percent interest in Sonoco-Alcore, S.a.r.l. in October of 2005. The combined purchase price of the Demolli and Ahlstrom transactions is approximately $120 million.

In commenting on the acquisition DeLoach said, "This transaction further strengthens our competitive position in Europe, allowing us to fully integrate our European operations and better leverage our worldwide tube, core and paper manufacturing capabilities."

As previously reported, Sonoco initiated in October 2006 cost-reduction measures primarily focused on certain international operations that are expected to result in the closing of 12 plant locations globally and the reduction of 520 positions worldwide. 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 total cost of the restructuring program is estimated to be approximately $35 million.

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 http://www.sonoco.com .

SOURCE Sonoco
CONTACT: Roger Schrum of Sonoco, +1-843-339-6018, or
roger.schrum@sonoco.com
Web site: http://www.sonoco.com
(SON)