Sonoco to Close Montreal, Quebec, Canada, Paperboard Mill

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HARTSVILLE, S.C.--(BUSINESS WIRE)--July 3, 2008--Sonoco (NYSE: SON), one of the largest diversified global packaging companies, announced today that it will permanently close its Montreal, Quebec, Canada, uncoated recycled paperboard mill, effective August 27, 2008, according to James Harrell, division vice president and general manager, Paper North America.

The mill, located at 50, rue des Seigneurs in Montreal, has the capacity to produce 48,000 tons annually of primarily heavy-weight coreboard that has been principally used for the Company's internal converting operations. The plant closure will impact 53 employees. The Company will offer severance benefits and outplacement assistance to employees.

"The Montreal mill has had a good operating history with excellent employees, and we regret that this decision is necessary. However, a significant downturn in the Canadian paper industry has resulted in a decline in demand for cores and subsequently in coreboard," Harrell said. "In addition, escalating energy, transportation and chemical costs have further impacted the profitability of the mill making it unpractical to run the mill at less than full capacity. As a result, we have no other choice than to close down operations."

Following the closure, Sonoco will operate 23 paper mills and 33 paper machines globally. The Company will maintain paperboard operations at its Trent Valley mill in Trenton, Ontario, Canada, and Brantford, Ontario, mill to meet its customers' supply needs.

About Sonoco

Sonoco, founded in 1899, is a global manufacturer of industrial and consumer products and provider of packaging services, with more than 330 operations in 35 countries serving customers in 85 nations. Additional information about Sonoco is available at http://www.sonoco.com.

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