Sonoco Announces a Surcharge on Tube and Core Shipments

March 8, 2011

HARTSVILLE, S.C., Mar 08, 2011 (BUSINESS WIRE) -- Sonoco (NYSE: SON), the world's largest producer of tubes and cores, today announced it will implement a surcharge on shipments of its paper-based tubes and cores beginning April 4, 2011. The fee is a direct result of escalating diesel costs, which have increased more than 40 percent over the past 12 months.

Sonoco will apply the surcharge as a flat rate to all customers except those who have diesel-related provisions in their contracts. This fee, which will be based upon the shipping distance from Sonoco's manufacturing plant to the customer destination, will be evaluated quarterly and adjusted when a significant swing in diesel pricing occurs. The initial surcharge fee schedule is:

- Less than 50 miles — $ 50 per shipment
- 50 to 149 miles — $150 per shipment
- 150 to 249 miles — $250 per shipment
- 250 miles or more — $300 per shipment

"While we have taken action to reduce our expenses, the high cost of diesel has simply forced our hand. We are now at a point where we have no choice but to implement this surcharge," said James Harrell, division vice president of Sonoco's Industrial Carriers Division. "Sonoco is committed to eliminating this surcharge once the market stabilizes and diesel prices return to our baseline price."

Sonoco established a baseline diesel price of $3.38 per gallon in July 2008 when market prices for the fuel significantly increased. A surcharge applied at the time was eliminated in early 2009 when diesel prices fell below the baseline for three consecutive months.

About Sonoco

Founded in 1899, Sonoco is a $4.1 billion global manufacturer of industrial and consumer products and provider of packaging services, with more than 300 operations in 35 countries, serving customers in some 85 nations. Sonoco is a proud member of the Dow Jones Sustainability World Index. For more information on the Company, visit our Web site at www.sonoco.com.

SOURCE: Sonoco

Sonoco
Robin Montgomery, +843-383-7509
robin.montgomery@sonoco.com