



Sonoco Announces Restructuring to Reduce Annual Costs By \$25 to \$30 Million

January 30, 2001

HARTSVILLE, S.C., Jan. 30 /PRNewswire/ -- Sonoco (NYSE: SON) today announced details of a restructuring program that is expected to permanently reduce annual costs by \$25 to \$30 million.

The restructuring, which began in the fourth quarter of 2000, will be primarily implemented in the first quarter of 2001, with an expected global reduction of 235 salaried positions, including 169 in the United States. In addition, 252 hourly positions are expected to be eliminated globally, including 126 in the United States. Sixty-four positions will be affected in Hartsville. Some position reductions will be the result of not filling existing openings or through retirements or voluntary terminations. The Company has announced its intent to close plants in Shepherd, Mich.; Jacksonville, Fla.; Spokane, Wash.; and Jeffersonville, Ind.; plus five plants internationally.

The Company will report one-time charges of \$5.2 million (\$3.2 million after-tax) related to restructuring actions taken in the fourth quarter of 2000 and a one-time gain on the sale of assets in the fourth quarter of \$5.2 million (pre and after-tax). Sonoco estimates that one-time charges related to the restructuring in the first quarter of 2001 will be approximately \$30 million (\$21 million after-tax).

"We are implementing a number of restructuring initiatives, including aligning and centralizing a number of staff functions to better serve our two global functional groups: Consumer and Industrial," said Harris E. DeLoach, Jr., president and chief executive officer.

"Our restructuring objective is to permanently remove at least \$25 to \$30 million of annualized costs to help provide the lowest possible cost structure while achieving the highest possible performance. We expect to achieve about one-half of the anticipated annualized savings in 2001," said DeLoach.

Sonoco, founded in 1899, is a \$2.7 billion manufacturer of industrial and consumer packaging products and provider of packaging services, with approximately 275 operations in 33 countries, serving customers in 85 nations. Additional information about the Company is available at www.sonoco.com.

SOURCE Sonoco

Photo: NewsCom: <http://www.newscom.com/cgi-bin/prnh/19991006/SNCLOGO> AP Archive: <http://photoarchive.ap.org> PRN Photo Desk, 888-776-6555 or 201-369-3467

Web site: <http://www.sonoco.com>

CONTACT: Allan V. Cecil, Vice President of Sonoco, 843-383-7524, or e-mail, allan.cecil@sonoco.com

CAPTION: SNCLOGO SONOCO LOGO Sonoco Logo. (PRNewsFoto)[KC] HARTSVILLE, SC USA 10/06/1999