



Sonoco to Purchase Flexible Packaging Division Of Graphic Packaging Corporation

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HARTSVILLE, S.C., July 26 /PRNewswire/ -- Sonoco (NYSE: SON), a global packaging company, has signed a definitive agreement to purchase the flexible packaging division of Graphic Packaging Corporation, a wholly owned subsidiary of ACX Technologies, Inc. (NYSE: ACX), headquartered in Golden, Colo., for approximately \$105 million, it was announced today by Peter C. Browning, president and chief executive officer.

Sonoco expects the all-cash purchase to be earnings neutral for the first year. Completion of the purchase, which is subject to regulatory approval, is expected in the third quarter. Graphic Packaging and Sonoco's flexible packaging business had 1998 sales of approximately \$120 million each.

"This acquisition will add significant new and expanded North American capabilities to our current flexible packaging operations. Since entering the flexible packaging industry in 1993, we have successfully grown our present markets, principally confectioneries, cookies, crackers and specialty films, in addition to the internal supply of liner, lidding and labels to our composite can business. Based on our positive experience, we have elected to expand our position in flexible packaging, the fastest growing segment of the packaging industry," said Mr. Browning. "The acquisition will provide us with needed capacity for our growing flexible business," concluded Mr. Browning.

Graphic Packaging has flexible manufacturing locations in Vancouver, British Columbia; Winnipeg, Manitoba; Toronto, Ontario; Terrebonne, Quebec; Franklin, Ohio; and Charlotte, N.C. Sonoco has locations in Morristown, Tenn.; Edinburgh, Ind.; and Fulton, N.Y.

The purchase will expand Sonoco's manufacturing capabilities and product offerings to include flexographic printing and highly decorated multi-layer premade bags for the coffee and cookie markets. In addition, Sonoco's and Graphic Packaging's flexible operations provide complementary capabilities in rotogravure printing and both adhesive and extrusion lamination technologies that will enable Sonoco to serve such new markets as beverage labels, coffee and personal care. The combined product and technology base will strengthen Sonoco's leadership position in the confectionery, cookie and cracker markets. Both Sonoco's and Graphic Packaging's flexible packaging customers will gain value from these expanded capabilities as well as Sonoco's commitment to delivering innovative flexible packaging solutions.

"This purchase will increase Sonoco's position in the consumer segment from approximately 44% of total sales to about 48%, thus improving the balance between the company's consumer and industrial business segments," said Mr. Browning. "Furthermore, we believe Sonoco's 76 years of international experience, including global leadership in engineered carriers and composite cans, position the company well for its Canadian expansion into the flexible packaging business," added Mr. Browning.

"Sonoco's significant presence and experience in Canada since 1933, proven success in the North American flexible packaging market and expertise with similar raw materials and technology through its high density film and capseals businesses, both of which are part of the overall flexible packaging industry, provide Sonoco with the ability to maximize the value of Graphic Packaging's flexible operations," Browning concluded.

Sonoco, which is celebrating its 100th anniversary, is a \$2.6 billion manufacturer of industrial and consumer packaging products, with approximately 275 operations in 32 countries serving customers in some 85 nations.

Statements included herein that are not historical in nature are intended to be, and are hereby identified as, "forward-looking statements" for purposes of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements are based on current expectations, estimates and projections about the company's industry, management's beliefs and certain assumptions made by management. Such information includes, without limitation, discussions as to estimates, expectations, beliefs, plans, strategies and objectives concerning the company's future financial and operating performance.

These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially from those expressed or forecasted in such forward-looking statements. Such risks and uncertainties include, without limitation: availability and pricing of raw materials; success of new product development and introduction; ability to maintain or increase productivity levels; international, national and local economic and market conditions; ability to maintain market share; pricing pressures and demand for products; continued strength of the company's paperboard-based tube, core and composite can operations; and currency stability and the rate of growth in foreign markets. Additional information concerning some of the factors that could cause materially different results is included in the company's reports on Forms 10-K, 10-Q and 8-K filed with the Securities and Exchange Commission. Such reports are available from the Securities and Exchange Commission's public reference facilities and its internet website or from the company's investor relations department.

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