

Sonoco Investing in New Boiler Installation at Its Holyoke, Mass. Paper Mill

May 5, 2010 8:15 AM ET

HARTSVILLE, S.C., May 05, 2010 (BUSINESS WIRE) --Sonoco (NYSE: SON), one of the largest diversified global packaging companies, today announced that it is investing \$2.8 million at its 100 percent uncoated recycled paper mill, located in Holyoke, Massachusetts. The investment includes the installation of two high-efficiency, natural gas-fired boilers that will supply steam to the mill's papermaking process. Construction of a new building and installation of the boilers is expected to be completed in August 2010.

The Holyoke mill has been making paper for 136 years. Sonoco has the last running paper machine in "Paper City" with an annual output of 66,000 tons of uncoated recycled paperboard. Sonoco also manufactures paper tubes and cores at a separate location in Holyoke that uses approximately 80 percent of the paperboard produced at the Company's neighboring paper mill. The two locations combined employ more than 135 people.

Holyoke Gas and Electric (HG&E) announced in mid-2009 that it would cease steam production operations by late third quarter 2010, citing a major decrease in industrial demand as the key driver for its decision. Sonoco worked closely with HG&E to develop a mutually acceptable exit strategy and the Company will continue to purchase electricity and natural gas for the new boilers from HG&E.

Dave Schultz, Sonoco plant manager, states, "There has been true collaboration throughout a very difficult time for both parties. Jim Lavelle and his team have been outstanding to deal with throughout this process. We look forward to continuing our long-standing partnership with HG&E and the City as we prepare for the future."

Schultz added that Sonoco would also like to thank U.S. Congressman John W. Olver, State Senator Michael Knapik, State Representative Michael F. Kane, the Massachusetts Department of Energy Resources and Kathleen Anderson at the City of Holyoke Economic Development for their continued support.

Sonoco is a strong supporter of local environmental sustainability as it uses recycled old corrugated containers (cardboard boxes), mixed office waste and newspapers from local communities to produce paperboard that achieves 85 percent post-consumer status for its converted products. As a result, Sonoco has earned certifications through the Sustainable Forestry Initiative (PwC-SFICOC-294) and Forest Stewardship Council (SW-COC-003307). Sonoco's Holyoke mill recycled a total of 62,900 tons of local post-consumer waste in 2008. Sonoco also runs the only loose paper collection operation that pays cash to local neighbors to drop off cardboard and newspapers to make paper.

About Sonoco

Founded in 1899, Sonoco is a \$3.6 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. For more information on the Company, visit our Web site at <http://www.sonoco.com>.

SOURCE: Sonoco

Sonoco

Roger Schrum, 843-339-6018
roger.schrum@sonoco.com