

- P2 Berry Plastics chooses Stealth Core™ film core
- P2 Sonoco's Forestry Management Program recognized
- P4 Fourth quarter 2008 outlook

**SON  
LISTED  
NYSE**

## Sonoco's Target cereal container named Package of the Year

*Food and Beverage Packaging* magazine in November named the sleek-shaped Linearpak® package that Sonoco designed and is producing exclusively for Target as the 2008 Package of the Year in the Food Category.

The new cereal package is a significant first for the breakfast cereal category where bag-in-the-box packaging has long reigned supreme. Target used the Sonoco Linearpak container to launch its Archer Farms® cereals. Tall and designed

to fit comfortably in consumers' hands, the new Archer Farms package doesn't have corners. Instead, its edges are gently rounded, allowing its vibrant graphics to flow seamlessly around the container. It also has a hinged plastic overcap for easy pouring and reclosability, another first on the cereal aisle. And when consumers open the package, instead of a hard-to-open bag, they find a tabbed membrane that peels away from the top of the cereal container with just a gentle tug.

In 2006, *Consumer Reports* surveyed consumers who said they didn't like opening the bag inside cereal boxes because cereal frequently ended up everywhere but in their bowl. They also didn't like the fact that the bags couldn't be securely closed, resulting in stale cereal. Viewing consumers' complaints as an opportunity to differentiate itself in the cereal aisle, Target asked Sonoco to work with it to develop a better cereal package.

According to Charles Sullivan, executive vice president, Consumer, this was the first time Sonoco had worked directly with a retailer to solve a consumer complaint.

"This was right up our alley," said Sullivan. "Sonoco is a technology-driven company, with tremendous package design, materials science and testing resources. Because we're vertically integrated and produce our own specialty paperboard, rigid containers, membrane closures, labels and opening systems, we felt certain we could meet Target's expectations."

Target markets 18 varieties of its Archer Farms cereal in Sonoco's award-winning Linearpak container throughout its more than 1,600 stores in 47 states in the United States.



## Sonoco awarded Colgate-Palmolive contract in Wroclaw, Poland

Colgate-Palmolive announced in December that Sonoco was awarded a contract to manage all European promotional packing requirements for Colgate's oral care products. Sonoco's service center will be located in Wroclaw, Poland.

For Colgate, the decision to build the new pack center in Wroclaw was a logical step since it will be located near Colgate's established oral care manufacturing facility in Swidnica, Poland. Sonoco will provide a number of services at the new service center, including program management, materials purchasing as well as warehouse and distribution management.

"Colgate-Palmolive was looking for a dependable partner with a successful history of starting up and operating dedicated service centers. We were able to demonstrate that we have the people, experience, skills and expertise to successfully meet their expectations," said Sonoco Chairman, President and Chief Executive Officer Harris E. DeLoach Jr. "This new facility will consolidate previous co-packing work performed for Colgate-Palmolive in more than 25 countries throughout Europe."

Operations at the new service center are expected to begin in the first quarter of 2009.

## Manufacturing realignment implemented in face of challenging economic conditions

In order to align its manufacturing capacity and fixed cost structure to match market conditions, Sonoco is implementing further cost-reduction measures which are expected to achieve approximately \$28 million in annualized pretax savings when fully phased in through 2009, DeLoach announced in December.

"Sonoco—like all manufacturing companies around the world—has had to operate in increasingly challenging economic conditions. We have seen significant price volatility in the raw materials it takes to make our products and in the energy it takes to run our plants, mills and other facilities. We also have seen great volatility in our volumes, particularly in our businesses which primarily serve industrial markets, as customer demand has contracted. This has resulted in curtailed work schedules and extended shutdowns at many of our operations," DeLoach said.

"To better realign our manufacturing capacity to match market conditions and to ensure we have an affordable and appropriate ongoing fixed cost structure, we have made the difficult decision to close approximately 15 plants globally and reduce approximately 705 positions. These plant closings are primarily focused on reducing our industrial manufactur-

ing footprint where we have seen the biggest declines in volumes, although some consumer manufacturing facilities are also impacted,” he added.

### Berry Plastics chooses Sonoco’s Stealth Core™ film core

To enhance the environmentally sustainable qualities of its new Saturn™ handheld film line, Berry Plastics chose to manufacture its film using Sonoco’s new Stealth Core film cores, the latest innovation in film packaging.

Sonoco introduced Stealth Core cores to the film industry in early November, which is about the same time Berry offered its Saturn film line throughout North America. Compared to a traditional .65 gauge of handheld film, the .33 gauge of the Saturn film line offers lightweight rolls that are easy to handle, enhanced by the lighter weight of

Stealth Core film cores, as compared to traditional film cores.

“Our customers’ desire for environmental sustainable products was a driving reason for Berry to develop our new Saturn handheld film,” said John Matuscak, president, Flexibles Films division, Berry Plastics. “Manufacturing this film with the most sustainable core available is not only the right decision for the envi-

ronment, but also a way to increase the value of our products for our customers by reducing the impact of its packaging.”

Stealth Core film cores are designed using Active Tension Displacement, or ATD Technology™, which allows the core to maintain internal diameter and length integrity, despite the tension created during the winding process and post production as film cures.

The Stealth Core film core’s revolutionary design dissipates radial pressures by actively dispersing it in compound directions, protecting the core’s internal diameter integrity and reducing core length growth, during and after the winding process. Stealth Core film cores are designed to fit seamlessly on existing equipment for effortless systems integration.

Compared with standard film cores, the Stealth Core film core not only has a higher recycled materials content and lighter weight, but also is made using less energy and producing fewer greenhouse gasses. These benefits can amount to an improved sustainability scorecard rating when compared with standard cores.

### Sonoco’s Forestry Management Program recognized for best practices

Sonoco recently received certification from the Sustainable Forestry Initiative (SFI)® for the management of its forests. The certification recognizes businesses and industries that demon-

strate responsible and sustainable forestry practices.

Sonoco currently owns and manages approximately 56,490 acres of timberland that are included within the scope of the SFI standard. These Company-owned forests are primarily hardwoods and provide a fiber source used to produce corrugated paper at Sonoco’s Hartsville-based paper mill. The Company ensures maximum utilization of the trees harvested by using “in-woods” whole tree chippers.



SUSTAINABLE FORESTRY INITIATIVE  
Good for you.  
Good for our forests.™

Sonoco began participating in the SFI program in 1995 and achieved independent certification by:

- Practicing sustainable forestry
- Regenerating the forest and maintaining productive capacity
- Protecting and maintaining long-term forest and soil productivity
- Protecting water resources
- Protecting special sites and biological diversity
- Promoting and protecting wildlife habitat
- Complying with appropriate legal requirements
- Continually working to improve its overall forest management practices.

“Receiving the SFI certification for forestry management was important to us because it’s a responsibility we’ve always taken very seriously at Sonoco,” said Jim Bowen, senior vice president Sonoco Recycling and Internal Supply. “The certification certainly validates our commitment to sustainable forestry practices and reflects the hard work and dedication of the employees who made it happen. It also shows that we’re effectively implementing the highest environmental standards possible in our forestry management program.”

### Sonoco spotlights products during Pack Expo

Pack Expo International 2008 was held in Chicago in November and Sonoco put the spotlight on a number of industrial and consumer products.

#### INDUSTRIAL

**Intellicore™ cores** – Specifically designed for the paper industry, the Intellicore core is the world’s first RFID (Radio Frequency Identification) enabled core solution. Using dual frequency technology, the new cores allow customers to automatically identify, track and locate paper rolls at any point in the supply chain.



**Stealth Core™ film cores** – Introduced to the film industry this past November, the Stealth Core film core uses Active Tension Displacement, or ATD Technology. The core’s revolutionary design dissipates radial pressures by actively dispersing it in compound directions, protecting the core’s internal integrity.

## CONSUMER

**Ultrapeel™ membrane ends** – Designed specifically for heat-and-eat foods, this closure is the first retortable membrane end manufactured in the Americas. Ultrapeel can withstand the rigors of thermal processing and is currently being used by one of the largest U.S. soup companies on all 11 varieties of its popular microwavable soup cans.



**In-mold labeled plastic containers** – Giving consumers a compelling reason to buy a product, especially during challenging economic times, is a key initiative for marketers looking for superior shelf presentation and enhanced functionality. The container offers strong visual appeal as well as strength, durability and a resistance to scuffing.



**Rigid paperboard cans** – Sonoco's new grades of stronger, more rigid paperboard is helping many of the world's largest producers of powdered infant formula, powdered beverages and various other products convert from more expensive and traditional steel cans to high-performance composite cans.



Compared to metal cans, composite cans require a 27 percent reduction in material weight inputs, a 34 percent reduction in energy inputs and a 20 percent reduction in greenhouse gas emissions. Companies that recently switched to rigid paperboard cans include: Nurture Growing Baby Follow-on Milk, HappyBaby™ HappyBellies™ organic baby cereal and Top 1 Oil.

## Industrial and consumer appointments announced

Sonoco recently announced management appointments in its Industrial and Consumer Packaging and Services segments.

**Jim Bowen** was named senior vice president, Sonoco Recycling and Internal Supply. In this assignment, Bowen is responsible for expanding Sonoco Recycling's business through market development, acquisitions and new services offerings. Sonoco Recycling collects and processes recyclable materials through 46 locations throughout North America. He also has responsibility for the Company's internal supply businesses including the Adhesives, Machinery Manufacturing and Forest Products divisions.

Bowen has been senior vice president since 2002, holding various senior management positions in the Company's global paper operations. He joined the Company in 1972 after graduating from the Pulp and Paper engineering program at North Carolina State University. He also holds an MBA from Duke University.

**John Colyer** was named vice president, Industrial Converted Products North America. In this position, he is responsible for all of Sonoco's North American industrial converting businesses including tubes and cores, wire and cable reels, protective packaging and paperboard specialties.

Colyer joined Sonoco in 1983 and has held several senior business leadership and manufacturing positions at the Company in businesses serving industrial and consumer markets. Prior to this appointment, he was vice president and general manager, IPD North America. Colyer is a graduate of Southern Oregon State University with a B.S. degree in business administration.

**Marcy Thompson** was promoted to division vice president and general manager, Industrial Products, North America, reporting to Colyer. In this role, Thompson has the responsibility for Sonoco's 45 United States and Canadian tube and core operations.

Thompson joined the Company in 2006 as division vice president of sales and marketing, IPD North America. Prior to coming to Sonoco, she was chief marketing officer for General Electric Company's Healthcare Commercial Finance business. She is a 1983 graduate of The Pennsylvania State University with a B.S. degree in Metallurgy and holds a Six Sigma Master Black Belt certification.

**Jim W. Brown** was promoted to division vice president and general manager, South America. In this new role, Brown has the responsibility for continuing to grow Sonoco's industrial products and consumer packaging operations in Brazil, Colombia, Chile and Venezuela and developing other new markets throughout South America. Sonoco currently operates two uncoated recycled paperboard mills and 12 industrial converting operations as well as composite can and other rigid paper container operations in South America.

Brown joined Sonoco in 1985 as a production worker and moved his way up through the Company including holding several operating management positions in both the Company's industrial and consumer businesses. Based in Brazil, Brown was general manager, South America, prior to this appointment. He holds a B.S. degree in industrial technology from Western Washington University.

**Sean Cairns** has joined Sonoco as general manager of European Consumer Packaging.

In this position, Cairns is responsible for the Company's rigid paper packaging business in Europe, including operations in Manchester, United Kingdom, and Lieven, France. He is based in Manchester.

Cairns joined Sonoco from Crown Holdings' Specialty Packaging where he was previously business and development director for Northwest and Central Europe. He has a mechanical engineering degree from the University of Wales College, Cardiff, Wales, U.K., and an executive MBA from Manchester Business School, U.K., and is a Fellow of the Institute of Mechanical Engineers.



Bowen



Colyer



Thompson



Brown