

## **Sonoco Signs Definitive Agreement to Acquire Tegrant Corporation**

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### ***Transaction Will Create a North American Leader in Protective Packaging***

HARTSVILLE, S.C., Oct 10, 2011 (BUSINESS WIRE) -- Sonoco (NYSE: SON), one of the largest diversified global packaging companies, today announced that it has signed a definitive agreement to acquire Tegrant Corporation, a leading provider of highly engineered protective, temperature-assured and retail security packaging solutions, from Metalmark Capital for \$550 million in cash. The final consideration is subject to a normal adjustment of net working capital.

According to Harris E. DeLoach, Jr., Sonoco chairman and chief executive officer, the acquisition of Tegrant is the largest in Sonoco's history and will create a North American leader in multimaterial protective packaging. Tegrant is projected to generate 2011 sales of approximately \$440 million. When combined, Sonoco is projected to generate sales of approximately \$5.0 billion in 2012. The transaction is expected to be accretive to Sonoco's 2012 pro forma earnings by approximately \$.10 per diluted share, including estimated adjustments for purchase accounting and approximately \$11 million of expected synergies, when fully realized.

The total purchase consideration, adjusted for expected tax benefits, is approximately 6.8 times Tegrant's estimated pro forma 2011 EBITDA of approximately \$74 million<sup>1</sup>, including synergies. The transaction is expected to be financed from existing cash and debt with an estimated credit leverage ratio of 2.2 times at closing. Sonoco intends to reduce the incremental debt using free cash flow over the next few years. The acquisition is subject to normal regulatory review and is expected to close in November 2011.

Tegrant is headquartered in DeKalb, Ill., and operates three strategic business units. Protexic(TM) Brands, the largest business unit, is North America's premier manufacturer of molded expanded foam. It serves a number of industries, including high technology, consumer electronics, automotive, appliances and medical devices. Tegrant's ThermoSafe(R) Brands unit is the world's leading provider of temperature-assured solutions, primarily used in packaging temperature-sensitive pharmaceuticals and food. Tegrant's Alloyd Brands(R) business unit is a leading manufacturer and designer of high-visibility packaging, printed products and blister packaging machines for retail and medical markets. Tegrant operates more than 30 manufacturing, design and testing facilities in the United States, Mexico and Ireland and employs more than 2,000 employees.

"The addition of Tegrant and its family of businesses significantly advances Sonoco as a protective packaging solutions leader and greatly expands the products, services and capabilities we can offer our customers," said DeLoach.

"Sonoco's combined Protective Packaging businesses will represent approximately 11 percent of Sonoco's projected 2012 sales and further enhance our ability to grow in both consumer and industrial markets globally. As an example, Tegrant brings to Sonoco immediate access to faster growing markets such as medical devices, pharmaceuticals, and health and beauty, while providing us expanded access to a variety of industrial components and automotive markets."

DeLoach said that Tegrant's president and chief executive officer, Ron Leach, has agreed to stay with Sonoco and continue leading Tegrant's businesses. John Colyer, Sonoco's vice president, Global Industrial Converting, will be given expanded responsibility for the Company's global protective packaging, tubes and cores, and wire and cable reels integration leader for the combined Sonoco Protective Packaging businesses.

Macquarie Capital served as financial advisor to Sonoco. Tegrant was represented by Sagent Advisors.

### **Conference Call and Webcast**

Sonoco will host a conference call and webcast today, Monday, October 10, 2011, at 10 a.m. Eastern time, to review the Tegrant acquisition. To participate in the conference call, dial 866-730-5763 (international callers should dial +857-350-1587) and use the participant code, 65166955. In addition, the live conference call can be accessed in a "listen only" mode via the Internet at <http://www.sonoco.com>, under the Investor Relations section. A telephonic replay of the call will be available starting at 1 p.m. Eastern time to U.S. callers at 888-286-8010 (international callers at +617-801-6888). The replay passcode for both U.S. and international calls is 44015383. The archived telephone call will be available through November 10, 2011. The webcast also will be archived in the Investor Relations section of Sonoco's website.

## 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 34 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 website at <http://www.sonoco.com/>.*

## About Metalmark Capital

Metalmark Capital is a leading private equity firm whose principals have a long track record of successful investing in targeted sectors, with particular focus and competence in energy and natural resources, industrials and healthcare. Metalmark Capital seeks to build long-term value through active and supportive partnerships with the companies and management teams in which it invests. Metalmark Capital is an investment center of Citi Capital Advisors. For more information, please visit <http://www.metalmarkcapital.com>.

## Forward-looking Statements

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 and Exchange Act of 1934, as amended. The words "estimate," "project," "intend," "expect," and similar expressions identify forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding future sales, earnings, tax benefits, synergies and free cash flows.

These forward-looking statements are based on current expectations, estimates and projections about our industry, management's beliefs and assumptions made by management. Such information includes, without limitation, discussions as to estimates, expectations, beliefs, plans, strategies and objectives concerning our future financial and operating performance. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict and, in many cases, are beyond the control or knowledge of management. Therefore, actual results may differ materially from those expressed or forecasted in such forward-looking statements.

The Company undertakes no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise.

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 website, <http://www.sec.gov>, the Company's investor relations department and the Company's website, <http://www.sonoco.com>.

<sup>(1)</sup>Non-GAAP Financial Measures. Tegrant's management estimated pro forma 2011 EBITDA is a non-GAAP financial measure that is generally defined as earnings before interest expense, income taxes, depreciation, depletion and amortization.

SOURCE: Sonoco

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