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Sonoco Completes Acquisition of Tegrant Corporation

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Transaction Creates North American Leader in Multi-material Protective Packaging

HARTSVILLE, S.C., Nov 08, 2011 (BUSINESS WIRE) -- Sonoco (NYSE: SON), one of the largest diversified global packaging companies, today announced that it has completed the acquisition of Tegrant Corporation, a leading provider of highly engineered protective, temperature-assured and retail security packaging solutions, from Metalmark Capital for \$550 million.

According to Harris E. DeLoach, Jr., Sonoco chairman and chief executive officer, the acquisition of Tegrant has created a North American leader in multi-material protective packaging with more than 40 years of industry experience. Sonoco's Protective Packaging businesses operate nearly 40 manufacturing, design and testing facilities in the United States, Mexico, Puerto Rico and Ireland, with estimated annualized net sales of \$540 million.

"We are pleased to welcome Tegrant's businesses and its more than 2,000 employees to the Sonoco family," said DeLoach. "Sonoco's new Protective Packaging segment combines our strong application engineering capabilities and problem-solving expertise to help deliver custom-engineered protective packaging solutions to a variety of growing consumer and industrial markets. Sonoco Protective Packaging now has leading positions in fast growing markets, including medical devices, pharmaceuticals, automotive components and health and beauty products, along with expanded access to a variety of industrial markets."

Sonoco's new Protective Packaging segment includes four businesses. Protexic(TM) Brands, the largest business, 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. ThermoSafe(R) Brands is the world's leading provider of temperature-assured solutions, primarily used in packaging temperature-sensitive pharmaceuticals and food. Alloyd Brands(R) is a leading manufacturer and designer of high-visibility packaging, printed products and blister packaging machines for retail and medical markets. Sonoco's existing protective packaging business is a leading provider of custom-designed paper-based packaging solutions for household appliances, heating and air conditioning units, home and office furniture, lawn and garden equipment, and a variety of other consumer products.

Financings Update

In preparation for completing the Tegrant acquisition, Sonoco previously issued \$500 million of new senior unsecured notes consisting of \$250 million of 4.375% Notes due 2021 and a reopening of its 5.75% Notes due 2040 for \$250 million.

Additionally, the Company recently entered into a \$150 million three-year Term Loan Agreement, using a substantial portion of the proceeds to reduce outstanding commercial paper.

Merrill Lynch, Pierce, Fenner & Smith Incorporated; J.P. Morgan Securities, LLC; and Wells Fargo Securities, LLC acted as joint book-running managers for the Notes offering.

The lenders under the Term Loan include Bank of America, N.A.; J.P. Morgan Chase Bank, N.A.; and Wells Fargo Bank, N.A. Bank of America is also the administrative agent and Merrill Lynch, Pierce, Fenner & Smith Incorporated; J.P. Morgan Securities LLC; and Wells Fargo Securities LLC are joint lead arrangers.

About Sonoco

Founded in 1899, Sonoco is a global provider of a variety of consumer packaging, industrial products, protective packaging and packaging supply chain services. With annualized net sales of approximately \$5 billion, the Company has more than 19,000 employees working in 340 operations in 34 countries, serving some of the world's best known brands in some 85 nations. Sonoco is a proud member of the 2011/2012 Dow Jones Sustainability World Index. For more information on the Company, visit our website at <http://www.sonoco.com>.

SOURCE: Sonoco

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

Roger Schrum
Vice President, Investor Relations
& Corporate Affairs
Phone: +843-339-6018
Email: roger.schrum@sonoco.com

**Continental Stock Transfer &
Trust Company**
17 Battery Place - 8th floor
New York, NY 10004
Domestic: 866-509-5584
International shareholders:
+212-981-1705
www.ContinentalStock.com

Elizabeth Kremer
Phone: +843-383-7924
Email:
elizabeth.kremer@sonoco.com

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