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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <div>Form 5500</div> <div>Department of the Treasury<br/>Internal Revenue Service</div> <div>Department of Labor<br/>Employee Benefits Security<br/>Administration</div> <div>Pension Benefit Guaranty Corporation</div> | <div>Annual Return/Report of Employee Benefit Plan</div> <div>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code).</div> <div>▶ Complete all entries in accordance with the instructions to the Form 5500.</div> | <div>OMB Nos. 1210-0110<br/>1210-0089</div> <div>2009</div> <div>This Form is Open to Public Inspection</div> |
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|                                                                                            |                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Part I                                                                                     | Annual Report Identification Information                                                                                                                                                                                                                                                                                     |
| For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009 |                                                                                                                                                                                                                                                                                                                              |
| A                                                                                          | This return/report is for: <div><div><input type="checkbox"/> a multiemployer plan;</div><div><input checked="" type="checkbox"/> a single-employer plan;</div><div><input type="checkbox"/> a multiple-employer plan; or</div><div><input type="checkbox"/> a DFE (specify) ____</div></div>                                |
| B                                                                                          | This return/report is: <div><div><input type="checkbox"/> the first return/report;</div><div><input checked="" type="checkbox"/> an amended return/report;</div><div><input type="checkbox"/> the final return/report;</div><div><input type="checkbox"/> a short plan year return/report (less than 12 months).</div></div> |
| C                                                                                          | If the plan is a collectively-bargained plan, check here. .... ▶ <input type="checkbox"/>                                                                                                                                                                                                                                    |
| D                                                                                          | Check box if filing under: <div><div><input checked="" type="checkbox"/> Form 5558;</div><div><input type="checkbox"/> automatic extension;</div><div><input type="checkbox"/> the DFVC program;</div><div><input type="checkbox"/> special extension (enter description)</div></div>                                        |

|         |                                                                                                                                                                                                                                                     |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Part II | Basic Plan Information—enter all requested information                                                                                                                                                                                              |
| 1a      | Name of plan<br>SONOCO INVESTMENT AND RETIREMENT PLAN                                                                                                                                                                                               |
| 1b      | Three-digit plan number (PN) ▶ 027                                                                                                                                                                                                                  |
| 1c      | Effective date of plan<br>01/01/2004                                                                                                                                                                                                                |
| 2a      | Plan sponsor's name and address (employer, if for a single-employer plan)<br>(Address should include room or suite no.)<br>SONOCO PRODUCTS COMPANY<br><br>STEPHEN M. HEISLER<br>1 NORTH SECOND STREET<br>EMP. BEN. A01<br>HARTSVILLE, SC 29550-0160 |
| 2b      | Employer Identification Number (EIN)<br>57-0248420                                                                                                                                                                                                  |
| 2c      | Sponsor's telephone number<br>843-383-7000                                                                                                                                                                                                          |
| 2d      | Business code (see instructions)<br>322100                                                                                                                                                                                                          |

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

|           |                                                   |            |                                                              |
|-----------|---------------------------------------------------|------------|--------------------------------------------------------------|
| SIGN HERE | Filed with authorized/valid electronic signature. | 04/08/2011 | STEPHEN M HEISLER                                            |
|           | Signature of plan administrator                   | Date       | Enter name of individual signing as plan administrator       |
| SIGN HERE |                                                   |            |                                                              |
|           | Signature of employer/plan sponsor                | Date       | Enter name of individual signing as employer or plan sponsor |
| SIGN HERE |                                                   |            |                                                              |
|           | Signature of DFE                                  | Date       | Enter name of individual signing as DFE                      |

**3a** Plan administrator's name and address (if same as plan sponsor, enter "Same")

SONOCO PRODUCTS COMPANY  
 STEPHEN M. HEISLER  
 1 NORTH SECOND STREET  
 EMP. BEN. A01  
 HARTSVILLE, SC 29550-0160

**3b** Administrator's EIN

57-0248420

**3c** Administrator's telephone number

843-383-7000

**4** If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:**a** Sponsor's name**4b** EIN**4c** PN**5** Total number of participants at the beginning of the plan year**5**

2598

**6** Number of participants as of the end of the plan year (welfare plans complete only lines **6a**, **6b**, **6c**, and **6d**).**a** Active participants.....**6a**

2288

**b** Retired or separated participants receiving benefits.....**6b**

0

**c** Other retired or separated participants entitled to future benefits.....**6c**

104

**d** Subtotal. Add lines **6a**, **6b**, and **6c**.....**6d**

2392

**e** Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....**6e**

6

**f** Total. Add lines **6d** and **6e**.....**6f**

2398

**g** Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....**6g**

2058

**h** Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....**6h**

60

**7** Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....**7****8a** If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:

2H 2J 2T

**b** If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:**9a** Plan funding arrangement (check all that apply)

- (1) ☐ Insurance  
 (2) ☐ Code section 412(e)(3) insurance contracts  
 (3) ☒ Trust  
 (4) ☐ General assets of the sponsor

**9b** Plan benefit arrangement (check all that apply)

- (1) ☐ Insurance  
 (2) ☐ Code section 412(e)(3) insurance contracts  
 (3) ☒ Trust  
 (4) ☐ General assets of the sponsor

**10** Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)**a Pension Schedules**

- (1) ☒ **R** (Retirement Plan Information)  
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary  
 (3) ☐ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

**b General Schedules**

- (1) ☒ **H** (Financial Information)  
 (2) ☐ **I** (Financial Information – Small Plan)  
 (3) ☐ **A** (Insurance Information)  
 (4) ☐ **C** (Service Provider Information)  
 (5) ☒ **D** (DFE/Participating Plan Information)  
 (6) ☐ **G** (Financial Transaction Schedules)



**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity  
code**e** Dollar value of interest in MTIA, CCT, PSA, or  
103-12 IE at end of year (see instructions)

**Part II Information on Participating Plans (to be completed by DFEs)**

(Complete as many entries as needed to report all participating plans)

**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN**a** Plan name**b** Name of  
plan sponsor**c** EIN-PN

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              |                                               |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110                             |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>2009</b>                                   |
|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                              | <b>This Form is Open to Public Inspection</b> |

|                                                                                                          |                                                                        |            |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|------------|
| For calendar plan year 2009 or fiscal plan year beginning <b>01/01/2009</b> and ending <b>12/31/2009</b> |                                                                        |            |
| <b>A</b> Name of plan<br><b>SONOCO INVESTMENT AND RETIREMENT PLAN</b>                                    | <b>B</b> Three-digit plan number (PN)                                  | <b>027</b> |
|                                                                                                          |                                                                        |            |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><b>SONOCO PRODUCTS COMPANY</b>          | <b>D</b> Employer Identification Number (EIN)<br><br><b>57-0248420</b> |            |

|               |                                      |
|---------------|--------------------------------------|
| <b>Part I</b> | <b>Asset and Liability Statement</b> |
|---------------|--------------------------------------|

**1** Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

| Assets                                                                                            |                 | (a) Beginning of Year | (b) End of Year |
|---------------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>a</b> Total noninterest-bearing cash .....                                                     | <b>1a</b>       |                       |                 |
| <b>b</b> Receivables (less allowance for doubtful accounts):                                      |                 |                       |                 |
| <b>(1)</b> Employer contributions .....                                                           | <b>1b(1)</b>    | 4848546               | 4795844         |
| <b>(2)</b> Participant contributions .....                                                        | <b>1b(2)</b>    |                       |                 |
| <b>(3)</b> Other.....                                                                             | <b>1b(3)</b>    | 11822                 | 17872           |
| <b>c</b> General investments:                                                                     |                 |                       |                 |
| <b>(1)</b> Interest-bearing cash (include money market accounts & certificates of deposit) .....  | <b>1c(1)</b>    |                       |                 |
| <b>(2)</b> U.S. Government securities.....                                                        | <b>1c(2)</b>    |                       |                 |
| <b>(3)</b> Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(3)(A)</b> |                       |                 |
| <b>(B)</b> All other.....                                                                         | <b>1c(3)(B)</b> |                       |                 |
| <b>(4)</b> Corporate stocks (other than employer securities):                                     |                 |                       |                 |
| <b>(A)</b> Preferred .....                                                                        | <b>1c(4)(A)</b> |                       |                 |
| <b>(B)</b> Common .....                                                                           | <b>1c(4)(B)</b> |                       |                 |
| <b>(5)</b> Partnership/joint venture interests .....                                              | <b>1c(5)</b>    |                       |                 |
| <b>(6)</b> Real estate (other than employer real property) .....                                  | <b>1c(6)</b>    |                       |                 |
| <b>(7)</b> Loans (other than to participants) .....                                               | <b>1c(7)</b>    |                       |                 |
| <b>(8)</b> Participant loans .....                                                                | <b>1c(8)</b>    |                       |                 |
| <b>(9)</b> Value of interest in common/collective trusts.....                                     | <b>1c(9)</b>    |                       |                 |
| <b>(10)</b> Value of interest in pooled separate accounts.....                                    | <b>1c(10)</b>   |                       |                 |
| <b>(11)</b> Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   | 4962591               | 9822359         |
| <b>(12)</b> Value of interest in 103-12 investment entities .....                                 | <b>1c(12)</b>   |                       |                 |
| <b>(13)</b> Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   |                       |                 |
| <b>(14)</b> Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   |                       |                 |
| <b>(15)</b> Other .....                                                                           | <b>1c(15)</b>   |                       |                 |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 9822959               | 14636075        |

**Liabilities**

|                                                                           |           |      |      |
|---------------------------------------------------------------------------|-----------|------|------|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |      |      |
| <b>h</b> Operating payables .....                                         | <b>1h</b> | 1016 | 8594 |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |      |      |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> |      |      |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 1016 | 8594 |

**Net Assets**

|                                                           |           |         |          |
|-----------------------------------------------------------|-----------|---------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 9821943 | 14627481 |
|-----------------------------------------------------------|-----------|---------|----------|

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>a Contributions:</b>                                                                                    |                 |            |           |
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 4822693    |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> |            |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 4822693   |
| <b>b Earnings on investments:</b>                                                                          |                 |            |           |
| (1) Interest:                                                                                              |                 |            |           |
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) .....       | <b>2b(1)(A)</b> |            |           |
| <b>(B)</b> U.S. Government securities .....                                                                | <b>2b(1)(B)</b> |            |           |
| <b>(C)</b> Corporate debt instruments .....                                                                | <b>2b(1)(C)</b> |            |           |
| <b>(D)</b> Loans (other than to participants) .....                                                        | <b>2b(1)(D)</b> |            |           |
| <b>(E)</b> Participant loans .....                                                                         | <b>2b(1)(E)</b> |            |           |
| <b>(F)</b> Other .....                                                                                     | <b>2b(1)(F)</b> |            |           |
| (G) Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                                     | <b>2b(1)(G)</b> |            | 0         |
| (2) Dividends: <b>(A)</b> Preferred stock .....                                                            | <b>2b(2)(A)</b> |            |           |
| <b>(B)</b> Common stock .....                                                                              | <b>2b(2)(B)</b> |            |           |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                                  | <b>2b(2)(C)</b> |            |           |
| (D) Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> .....                         | <b>2b(2)(D)</b> |            | 0         |
| (3) Rents .....                                                                                            | <b>2b(3)</b>    |            |           |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                                 | <b>2b(4)(A)</b> |            |           |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                                              | <b>2b(4)(B)</b> |            |           |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result .....                  | <b>2b(4)(C)</b> |            | 0         |

|                                                                                                   |                 | (a) Amount | (b) Total |
|---------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....              | <b>2b(5)(A)</b> |            |           |
| (B) Other .....                                                                                   | <b>2b(5)(B)</b> |            |           |
| (C) Total unrealized appreciation of assets.<br>Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....    | <b>2b(5)(C)</b> |            | 0         |
| (6) Net investment gain (loss) from common/collective trusts .....                                | <b>2b(6)</b>    |            |           |
| (7) Net investment gain (loss) from pooled separate accounts .....                                | <b>2b(7)</b>    |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                        | <b>2b(8)</b>    |            | 848618    |
| (9) Net investment gain (loss) from 103-12 investment entities .....                              | <b>2b(9)</b>    |            |           |
| (10) Net investment gain (loss) from registered investment<br>companies (e.g., mutual funds)..... | <b>2b(10)</b>   |            |           |
| <b>c</b> Other income.....                                                                        | <b>2c</b>       |            |           |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....           | <b>2d</b>       |            | 5671311   |

**Expenses**

|                                                                                            |              |        |        |
|--------------------------------------------------------------------------------------------|--------------|--------|--------|
| <b>e</b> Benefit payment and payments to provide benefits:                                 |              |        |        |
| (1) Directly to participants or beneficiaries, including direct rollovers .....            | <b>2e(1)</b> | 865773 |        |
| (2) To insurance carriers for the provision of benefits .....                              | <b>2e(2)</b> |        |        |
| (3) Other .....                                                                            | <b>2e(3)</b> |        |        |
| (4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....                | <b>2e(4)</b> |        | 865773 |
| <b>f</b> Corrective distributions (see instructions) .....                                 | <b>2f</b>    |        |        |
| <b>g</b> Certain deemed distributions of participant loans (see instructions).....         | <b>2g</b>    |        |        |
| <b>h</b> Interest expense.....                                                             | <b>2h</b>    |        |        |
| <b>i</b> Administrative expenses: (1) Professional fees .....                              | <b>2i(1)</b> |        |        |
| (2) Contract administrator fees .....                                                      | <b>2i(2)</b> |        |        |
| (3) Investment advisory and management fees .....                                          | <b>2i(3)</b> |        |        |
| (4) Other .....                                                                            | <b>2i(4)</b> |        |        |
| (5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....         | <b>2i(5)</b> |        | 0      |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | <b>2j</b>    |        | 865773 |

**Net Income and Reconciliation**

|                                                                               |              |  |         |
|-------------------------------------------------------------------------------|--------------|--|---------|
| <b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> ..... | <b>2k</b>    |  | 4805538 |
| <b>l</b> Transfers of assets:                                                 |              |  |         |
| (1) To this plan.....                                                         | <b>2l(1)</b> |  |         |
| (2) From this plan .....                                                      | <b>2l(2)</b> |  |         |

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: GRANT THORNTON, LLP

(2) EIN: 36-6055558

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

|                                                                                                                                                                                                                                                                                                                 | Yes | No | Amount   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|----------|
| <b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....                 |     | X  |          |
| <b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)..... |     | X  |          |
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                                                                                                            |     | X  |          |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....                                                                                                                  |     | X  |          |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                                                                                                         | X   |    | 10000000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                                                                                                         |     | X  |          |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                                      |     | X  |          |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                            |     | X  |          |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                                                                                                   |     | X  |          |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....                                                                                    |     | X  |          |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                                                                                                              |     | X  |          |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                                                                                                              |     | X  |          |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                                                                                                     |     | X  |          |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                                                                                                        |     | X  |          |

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?  
If yes, enter the amount of any plan assets that reverted to the employer this year ..... ☐ Yes ☐ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

**5b(1)** Name of plan(s)

**5b(2)** EIN(s)

**5b(3)** PN(s)

| 5b(1) Name of plan(s) | 5b(2) EIN(s) | 5b(3) PN(s) |
|-----------------------|--------------|-------------|
|                       |              |             |
|                       |              |             |
|                       |              |             |
|                       |              |             |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2009</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

|                                                                                                 |                                                                    |
|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>SONOCO INVESTMENT AND RETIREMENT PLAN</u>                           | <b>B</b> Three-digit plan number (PN) ▶<br><u>027</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>SONOCO PRODUCTS COMPANY</u> | <b>D</b> Employer Identification Number (EIN)<br><u>57-0248420</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

All references to distributions relate only to payments of benefits during the plan year.

|                                                                                                                                                                                                                                                                    |          |          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u> |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): <u>13-7047099</u> |          |          |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                   |          |          |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> |          |

|                |                                                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part) |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                             |                              |                             |                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                                                                                                                         | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| If the plan is a defined benefit plan, go to line 8.                                                                                                                                                                                                                                                                                                        |                              |                             |                              |
| <b>5</b> If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____<br>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule. |                              |                             |                              |
| <b>6 a</b> Enter the minimum required contribution for this plan year .....                                                                                                                                                                                                                                                                                 | <b>6a</b>                    |                             |                              |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                  | <b>6b</b>                    |                             |                              |
| <b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....                                                                                                                                                                                                             | <b>6c</b>                    |                             |                              |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                                                                                                                               |                              |                             |                              |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                                                                                                                          | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |
| <b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....                                                                                                     | <input type="checkbox"/> Yes | <input type="checkbox"/> No | <input type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                                |                                   |                                   |                               |                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|
| <b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input type="checkbox"/> No |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|-----------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                              |                              |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                       | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                    | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                               | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009  
v.092308.1

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</b> If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers ..... | <b>16b</b> |  |

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

**a** Enter the percentage of plan assets held as:  
 Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

**b** Provide the average duration of the combined investment-grade and high-yield debt:  
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate item 19(b)?  
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): \_\_\_\_\_

# Sonoco Investment and Retirement Plan

Financial Statements  
December 31, 2009 and 2008

# Sonoco Investment and Retirement Plan

## Index

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## Report of Independent Certified Public Accountants

To the Participants and the Employee Benefits Committee of the  
Sonoco Investment and Retirement Plan:

We were engaged to audit the financial statements of the **Sonoco Investment and Retirement Plan** (the Plan) as of December 31, 2009 and 2008, and for the years then ended, as listed in the accompanying index. These financial statements are the responsibility of the Plan's management.

As permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the plan administrator instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Note 5, which was certified by State Street Bank and Trust Company, the trustee of the Plan, except for comparing the information with the related information included in the financial statements. We have been informed by the plan administrator that the trustee holds the Plan's investment assets and executes investment transactions. The plan administrator has obtained a certification from the trustee as of and for the years ended December 31, 2009 and 2008, that the information provided to the plan administrator by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to, and do not, express an opinion on the accompanying financial statements taken as a whole. The form and content of the information included in the financial statements, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America established by the American Institute of Certified Public Accountants and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

*Grant Thornton LLP*

Columbia, South Carolina  
October 8, 2010

**Sonoco Investment and Retirement Plan**  
**Statements of Net Assets Available for Benefits**  
**December 31, 2009 and 2008**

|                                                                                                                                          | <u>2009</u>          | <u>2008</u>         |
|------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------|
| <b>Assets</b>                                                                                                                            |                      |                     |
| Investments (at fair value):                                                                                                             |                      |                     |
| Plan interest in Sonoco Products Company Master Trust                                                                                    | \$ 9,822,359         | \$ 4,962,591        |
|                                                                                                                                          | <u>9,822,359</u>     | <u>4,962,591</u>    |
| Receivables:                                                                                                                             |                      |                     |
| Employer contribution                                                                                                                    | 4,795,844            | 4,848,546           |
| Dividend and interest receivable                                                                                                         | 17,872               | 11,822              |
| Total receivables                                                                                                                        | <u>4,813,716</u>     | <u>4,860,368</u>    |
| Total assets                                                                                                                             | <u>14,636,075</u>    | <u>9,822,959</u>    |
| <b>Liability</b>                                                                                                                         |                      |                     |
| Accrued administrative fees                                                                                                              | 8,594                | 1,016               |
| Total liabilities                                                                                                                        | <u>8,594</u>         | <u>1,016</u>        |
| Net assets reflecting all assets at fair value                                                                                           | 14,627,481           | 9,821,943           |
| Adjustment from fair value to contract value for interest in collective trusts relating to fully benefit-responsive investment contracts | <u>(58,880)</u>      | <u>62,290</u>       |
| Net assets available for benefits                                                                                                        | <u>\$ 14,568,601</u> | <u>\$ 9,884,233</u> |

The accompanying notes are an integral part of these financial statements.

**Sonoco Investment and Retirement Plan**  
**Statements of Changes in Net Assets Available for Benefits**  
**Years Ended December 31, 2009 and 2008**

|                                                       | 2009                 | 2008                |
|-------------------------------------------------------|----------------------|---------------------|
| <b>Additions to net assets attributed to:</b>         |                      |                     |
| Plan interest in Sonoco Products Company Master Trust |                      |                     |
| investment income (loss) (Note 3):                    |                      |                     |
| Net appreciation/(depreciation) in investments        | 525,568              | (216,500)           |
| Interest and dividends                                | 224,026              | 143,012             |
| Net investment income (loss)                          | 749,594              | (73,488)            |
| Employer contributions                                | 4,822,693            | 4,848,676           |
| Total additions                                       | 5,572,287            | 4,775,188           |
| <b>Deductions from net assets attributed to:</b>      |                      |                     |
| Distributions to participants                         | 865,773              | 368,137             |
| Administrative expenses (Note 7)                      | 22,146               | 12,932              |
| Total deductions                                      | 887,919              | 381,069             |
| <br>Net increase in net assets available for benefits | <br>4,684,368        | <br>4,394,119       |
| <br><b>Net assets available for benefits:</b>         |                      |                     |
| Beginning of year                                     | 9,884,233            | 5,490,114           |
| End of year                                           | <u>\$ 14,568,601</u> | <u>\$ 9,884,233</u> |

The accompanying notes are an integral part of these financial statements.

# Sonoco Investment and Retirement Plan

## Notes to Financial Statements

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### Note 1. Description of the Plan

#### General

The Sonoco Investment and Retirement Plan ("the Plan") is a defined contribution plan covering U.S. employees of Sonoco Products Company (the "Company") who were hired on or after January 1, 2004. The Company is a major global manufacturer of paperboard based and other industrial and consumer packaging products. The Company is a South Carolina corporation founded in Hartsville, South Carolina in 1899. The following description of the Plan is provided for general information purposes only. Participants should refer to the Plan document or the Summary Plan Description, not included herein, for a more complete description of the Plan and its provisions. The Plan is subject to the applicable provisions of the Employee Retirement Income and Security Act of 1974, as amended ("ERISA").

#### Contributions

Effective January 1, 2004, the Company contributes 4% of eligible pay plus 4% of eligible pay in excess of the Social Security wage base to eligible participant accounts. All contributions are made by the Company.

#### Participant Accounts

Each participant's account is credited with the annual contribution for service in the previous year for eligible participants and Plan earnings and losses. Twenty-five percent of the Company's contributions are nonparticipant directed and invested in the Stable Value fund. Seventy-five percent of the Company's contributions are invested in the Stable Value fund and will remain in that fund until they are directed by the participant. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

#### Vesting

Vesting in the Company's contributions and earnings thereon are based on years of service. A participant is 100% vested after three years of service or upon reaching age fifty-five, if earlier. The participant's account is fully payable at retirement.

#### Payment of Benefits

If the vested value of the account does not exceed \$5,000, it is distributed in a single lump-sum payment as soon as administratively practicable when employment ends. If the vested value is greater than \$5,000, the distribution may be deferred until the participant reaches the age of 70 ½. If the participant dies, and the balance is less than \$5,000, the vested account balance is distributed to the beneficiary as soon as administratively possible. If the balance is greater than \$5,000, the beneficiary may elect to defer distribution of the vested account balance to a later date. However, the distribution cannot be postponed beyond the age 70 ½ for a spouse, one year for a non-spousal beneficiary, or the beneficiary can make an election for a payment option for a complete distribution within five years of the participant's death.

#### Forfeitures

When certain terminations of participation in the Plan occur, the non-vested portion of the participant's account, as defined by the Plan, represents a forfeiture. Forfeitures are utilized to reduce future Company contributions. At December 31, 2009 and 2008, forfeited non-vested accounts were approximately \$294,000 and \$162,000, respectively. In 2009 and 2008, Company contributions were reduced by approximately \$7,000 and \$175,000, respectively, from forfeited non-vested accounts. The available forfeitures at December 31, 2009 have been used to reduce the employer contribution receivable at December 31, 2009.

# Sonoco Investment and Retirement Plan

## Notes to Financial Statements

---

### Note 1. Description of the Plan (Continued)

#### Additional Participants

On February 4, 2009 the Sonoco Pension Plan was amended to freeze plan benefits for all active participants effective December 31, 2018. At that time, remaining active participants in the Sonoco Pension Plan will become the participants of the Plan effective January 1, 2019. Active participants in the Sonoco Pension Plan had a one-time option to transfer into the Plan effective January 1, 2010. Approximately one third of the active participants chose that option.

### Note 2. Summary of Significant Accounting Policies

#### Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the plan. The plan invests in investment contracts through a collective trust in the Stable Value Fund. The Statement of Net Assets Available for Benefits presents the fair value of the investments in the collective trust as well as the adjustment of the investment in the collective trust from fair value to contract value relating to the investment contracts. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis.

#### Contributions

Contributions from the Company are recorded in the year and in the amount authorized by the Board. The contribution receivable from the Company represents amounts authorized at year-end, but not yet received by the Plan. All contributions from the Company are in the form of cash payments. Seventy-five percent of the employer contributions are participant directed.

#### Investment Valuation and Income Recognition

The Plan's investments are stated at fair value. The fair value of the Plan's interest in the master trust is based on the specific interest that each plan has in the underlying investment options. The investments held by the master trust are valued as follows:

Shares of collective trusts are valued at the net asset value of shares held at year end. The fair value of the guaranteed insurance contracts ("GIC") are calculated by discounting the related cash flows based on current yields of similar instruments with comparable durations. Individual assets of the synthetic investment contract are valued at representative quoted market prices. The fair value of the wrap contract for the synthetic GIC is determined using the market approach discounting methodology which incorporates the difference between current market level rates for contract level wrap fees and the wrap fee being charged. The difference is calculated as a dollar value and discounted by the prevailing interpolated swap rate as of period end. All GIC investments are held in the Stable Value Fund, see Note 3. Shares of common stock are valued at open market values published by the respective stock exchange markets. Common stocks are investments of the Master Trust, but the Plan does not participate in these investments in accordance with the Plan's documents.

# Sonoco Investment and Retirement Plan

## Notes to Financial Statements

---

### Note 2. Summary of Significant Accounting Policies (Continued)

#### Investment Valuation and Income Recognition (Continued)

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan to make significant estimates and assumptions that affect the reported amounts of net assets at the date of the financial statements and the reported amounts of changes in net assets available for plan benefits during the reporting periods. Actual results could differ from those estimates.

#### Payment of Benefits

Benefits are recorded when paid.

#### Administrative Expenses

Most trust and custodial expenses and investment management fees are paid by the Plan. These expenses are deducted from the investment returns in the accompanying Statements of Changes in Net Assets Available for Benefits. Certain trust and custodial expenses and investment management fees are paid by the Plan Sponsor in accordance with the plan documents.

#### New Accounting Pronouncements

In 2009, the Plan adopted Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standard (SFAS) No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles, a replacement of FASB Statement No. 162*. This statement modified the GAAP hierarchy by establishing only two levels of GAAP, authoritative and nonauthoritative accounting literature. Effective July 1, 2009, the FASB Accounting Standards Codification (ASC), became the single source of authoritative U.S. accounting and reporting standards, except for additional authoritative rules and interpretive releases issued by the SEC. The adoption of the ASC had no impact on the Plan's financial statements.

In the second quarter of 2009, the Plan adopted FASB authoritative guidance that established requirements for the accounting and disclosure of events that occur after the balance sheet date, but before the financial statements are issued or available to be issued. The adoption of this guidance had no impact on the Plan's net assets available for benefits. The Plan has evaluated events that occurred between December 31, 2009 and October 8, 2010 the date the financial statements were issued.

For the year ended December 31, 2009, the Plan adopted an ASC update for fair value measurements and disclosures related to certain alternative investments. This guidance permits the use of a qualifying investment's net asset value per share to estimate fair value, as a practical expedient to measuring fair value. The update also requires additional disclosures by major category of investment about the nature and risks of investments within its scope that are measured at fair value on a recurring or nonrecurring basis. This update was effective for the Plan for the year ended December 31, 2009 and was applied prospectively. The adoption of this update did not have a significant impact on the valuation of the Plan's assets or liabilities.

# Sonoco Investment and Retirement Plan

## Notes to Financial Statements

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### Note 2. Summary of Significant Accounting Policies (Continued)

#### Accounting Pronouncements Issued But Not Yet Effective

In January 2010, the FASB issued ASU No. 2010-06, *Fair Value Measurements and Disclosures* (Topic 820) ("ASU 2010-06") which requires new disclosures and clarifies existing disclosures required under current fair value guidance. Under the new guidance, a reporting entity must disclose separately gross transfers in and gross transfers out of Levels 1, 2, and 3 and describe the reasons for the transfers. A reporting entity must also disclose and consistently follow its policy for determining when transfers between levels are recognized. The new guidance also requires separate presentation of purchases, sales, issuances, and settlements rather than net presentation in the Level 3 reconciliation. ASU 2010-06 also requires that the fair values of derivative assets and liabilities be presented on a gross basis except for the Level 3 reconciliation which may be presented on a net or a gross basis. The ASU also makes clear the appropriate level of disaggregation for fair value disclosures, which is generally by class of assets and liabilities, as well as clarifies the requirement to provide disclosures about valuation techniques and inputs for both recurring and nonrecurring fair value measurements that fall under Level 2 or Level 3. The new disclosure requirements will be effective for the Plan year ending December 31, 2010 with the exception of the requirement to separately disclose purchases, sales, issuances, and settlements which will be effective for the Plan year ending December 31, 2011. The Plan will incorporate the required disclosures into 2010 fair value footnote but has not yet determined whether it will early adopt the 2011 requirements as permitted under the guidance.

### Note 3. Investments

The Sonoco Products Company Master Trust (the "Master Trust") was established for the investment of assets of both the Plan and the Sonoco Savings Plan ("SSP"), another retirement plan sponsored by the Company. The assets of the Master Trust are held by State Street Bank and Trust ("SSBT"). SSBT served as trustee of the Master Trust in both 2009 and 2008. StateStreet Global Advisors ("SSGA") is wholly owned subsidiary of SSBT that manages several of the investment funds held by the Master Trust. Each plan has an undivided interest in the Master Trust investment accounts in which they both participate. Investments in the Self-Managed Account and the Sonoco Stock Fund represent specific interests of the SSP, as the SSP is the sole owner of these investments. Investment options in which both the Plan and SSP participate include the S&P 500 Index Fund, Bond Market Index Fund, Russell 2000 Index Fund, International Stock Index Fund, Moderate Strategic Balanced Fund, S&P MidCap Fund, SSGA Retirement Income Fund, SSGA Retirement 2010 Fund, SSGA Retirement 2020 Fund, SSGA Retirement 2030 Fund, SSGA Retirement 2040 Fund, and the Stable Value Fund.

#### Plan's Interest in Master Trust Investment Accounts

At December 31, 2009 and 2008, the Plan's interest in the Master Trust was approximately 1.77% and 1.07%, respectively. At December 31, 2009 and 2008, the total reported value of the Plan's interests in the Master Trust's investment accounts was approximately \$9,763,000 and \$5,025,000, respectively. At December 31, 2009 and 2008 the total value of the Master Trust's funds in which the Plan actively participates were approximately \$485,640,000 and \$415,126,000, respectively.

*S&P 500 Index Fund (0.27% and 0.12% Undivided Interest at December 31, 2009 and 2008, respectively)*  
The S&P 500 Index Fund invests in all 500 common stocks included in the S&P 500 Index.

# Sonoco Investment and Retirement Plan

## Notes to Financial Statements

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### Note 3. Investments (Continued)

#### **Bond Market Index Fund (0.26% and 0.12% Undivided Interest at December 31, 2009 and 2008, respectively)**

The Bond Market Index Fund invests primarily in government, corporate, mortgage-backed and asset-backed securities that comprises the Lehman Brothers Aggregate Bond Index.

#### **Russell 2000 Index Fund (0.46% and 0.20% Undivided Interest at December 31, 2009 and 2008, respectively)**

The Russell 2000 Index Fund invests in the 2000 small cap stocks that comprise the Russell 2000 Index.

#### **International Stock Index Fund (0.91% and 0.39% Undivided Interest at December 31, 2009 and 2008, respectively)**

The International Stock Index Fund invests in the stocks in the Morgan Stanley Capital International EAFE Index, a compilation of international equities.

#### **Moderate Strategic Balanced Fund (1.05% and 0.57% Undivided Interest at December 31, 2009 and 2008, respectively)**

The Moderate Strategic Balanced Fund seeks to provide income from fixed income securities and growth of principal from stock funds. The Fund's risk profile is moderate due to the presence of well-diversified stock and bond holdings. The fund is comprised of the S&P 500 Index, Russell Small Cap Completeness Index, Morgan Stanley Capital International EAFE Index, and the Lehman Brothers Aggregate Bond Index in varying percentages.

#### **S&P MidCap Fund (0.68% and 0.30% Undivided Interest at December 31, 2009 and 2008, respectively)**

The S&P MidCap Fund invests in all stocks in the S&P MidCap 400 Index in proportion to their weighting in the Index.

#### **Self-Managed Account (0% Interest at December 31, 2009 and 2008; Prohibited Fund for the Plan)**

The Self-Managed Account allows employees to invest in a wide variety of common stocks. To invest in the Self-Managed Account, participants must transfer funds from other investment options. The initial investment must be at least \$2,500 and the total amount in the Self-Managed Account cannot exceed 50% of the participant's vested account balance.

#### **SSgA Retirement Income Fund (0.38% and 0.26% Undivided Interest at December 31, 2009 and 2008, respectively)**

The SSgA Target Retirement Income Fund is the option in the Target Retirement series with a focus on income generation as opposed to wealth accumulation. The strategy seeks to address the needs of investors who have reached their retirement date and is comprised mainly of bonds with a reduced exposure to equities to provide greater stability and income. The fund has a target mix of 35% stock funds and 65% bond and money market funds.

#### **SSgA Retirement 2010 Fund (1.03% and 0.14% Undivided Interest at December 31, 2009 and 2008, respectively)**

The 2010 Fund starts out with a stock and bond allocation suitable from now until the year 2010 and beyond. This fund has a target mix of 53% equities and 47% fixed income. Professional managers then adjust the index fund mix annually, gradually decreasing the stock allocations while increasing the bond allocations as the retirement date approaches.

# Sonoco Investment and Retirement Plan

## Notes to Financial Statements

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### Note 3. Investments (Continued)

#### *SSgA Retirement 2020 Fund (1.68% and 0.47% Undivided Interest at December 31, 2009 and 2008, respectively)*

The 2020 Fund starts out with a stock and bond allocation suitable from now until the year 2020 and beyond. This fund has a target mix of 73% equities and 27% fixed income. Professional managers then adjust the index fund mix annually, gradually decreasing the stock allocations while increasing the bond allocations as the retirement date approaches.

#### *SSgA Retirement 2030 Fund (1.98% and 0.78% Undivided Interest at December 31, 2009 and 2008, respectively)*

The 2030 Fund starts out with a stock and bond allocation suitable from now until the year 2030 and beyond. This fund has a target mix of 85% equities and 15% fixed income. Professional managers then adjust the index fund mix annually, gradually decreasing the stock allocations while increasing the bond allocations as the retirement date approaches.

#### *SSgA Retirement 2040 Fund (3.67% and 1.49% Undivided Interest at December 31, 2009 and 2008, respectively)*

The 2040 Fund starts out with a stock and bond allocation suitable for the full time horizon – from now until the year 2040 and beyond. This fund has a target mix of 90% equities and 10% fixed income. Professional managers then adjust the index fund mix annually, gradually decreasing the stock allocations while increasing the bond allocations as the retirement date approaches.

#### *Stable Value Fund (3.69% and 2.15% Undivided Interest at December 31, 2009 and 2008, respectively)*

The Stable Value Fund is a collective fund that invests primarily in guaranteed investment contracts and fully benefit-responsive synthetic investment contracts, which are supported by underlying assets owned by the Master Trust. Assets underlying the synthetic investment contracts include government securities, private and public mortgage-backed securities, investment grade corporate obligations and cash equivalents held for liquidity purposes. These synthetic investment contracts are credited with earnings on the underlying investments and charged for benefit withdrawals and administrative expenses. The guaranteed investment contracts are included in the financial statements of the Plan at fair value, with an adjustment to contract value, as reported to the Master Trust by the issuers. Contract values reflect contributions made under the contract, plus earnings, less benefit withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value.

#### *Sonoco Stock Fund (0% Interest at December 31, 2009 and 2008; Prohibited Fund for the Plan)*

Employees may also elect to invest in the Sonoco Stock Fund that consists solely of investments in Company common stock and cash equivalents held for liquidity purposes.

# Sonoco Investment and Retirement Plan

## Notes to Financial Statements

### Note 3. Investments (Continued)

The following table presents the fair values and contract values of all investments in the Master Trust at December 31:

|                                                                      | 2009                      | 2008                      |
|----------------------------------------------------------------------|---------------------------|---------------------------|
|                                                                      | (in thousands of dollars) | (in thousands of dollars) |
| Investments at fair value                                            |                           |                           |
| Collective Trusts (0.62% and 0.24% Undivided Interest, respectively) | \$ 265,832                | \$ 204,182                |
| Common Stock (Prohibited Interest)                                   | 67,117                    | 54,332                    |
| Stable Value Fund (3.69% and 2.15% Undivided Interest, respectively) | 221,400                   | 208,043                   |
| <i>Total Investments at Fair Value</i>                               | <u>554,349</u>            | <u>466,557</u>            |
| Adjustment to state Stable Value Fund at Contract Value              | (1,592)                   | 2,901                     |
| <b>Total Master Trust Investments</b>                                | <u><b>\$ 552,757</b></u>  | <u><b>\$ 469,458</b></u>  |

Investment income (loss) for the Master Trust is as follows:

|                                                                                     | Year ended<br>December 31, |                            |
|-------------------------------------------------------------------------------------|----------------------------|----------------------------|
|                                                                                     | 2009                       | 2008                       |
|                                                                                     | (in thousands of dollars)  | (in thousands of dollars)  |
| Net appreciation/(depreciation) in fair value of investments -<br>collective trusts | \$ 52,308                  | \$ (98,206)                |
| Net appreciation/(depreciation) in fair value of investments -<br>common stock      | 14,760                     | (21,747)                   |
| Interest and dividends                                                              | 10,842                     | 9,536                      |
|                                                                                     | <u><b>\$ 77,910</b></u>    | <u><b>\$ (110,417)</b></u> |

# Sonoco Investment and Retirement Plan

## Notes to Financial Statements

### Note 4. Fair Value Measurements

The following table sets forth information regarding the Plan's financial assets that are measured at fair value. All amounts are in dollars.

| <u>Description</u> | <u>December 31, 2009</u> | <u>Fair Value Measurements at Reporting Date Using</u>                                                      |                                                                      |                                                              |
|--------------------|--------------------------|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------|
|                    |                          | <u>Quoted Market<br/>Prices in Active<br/>Market for<br/>Identical<br/>Assets/Liabilities<br/>(Level 1)</u> | <u>Significant<br/>Other<br/>Observable<br/>Inputs<br/>(Level 2)</u> | <u>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</u> |
| Assets:            |                          |                                                                                                             |                                                                      |                                                              |
| Collective         |                          |                                                                                                             |                                                                      |                                                              |
| Trusts (a)         | \$ 1,642,505             | \$ —                                                                                                        | \$ 1,642,505                                                         | \$ —                                                         |
| GIC (b)            | \$ 334,556               | \$ —                                                                                                        | \$ 334,556                                                           | \$ —                                                         |
| SIC-Commingled (b) | \$ 3,071,154             | \$ —                                                                                                        | \$ 3,071,154                                                         | \$ —                                                         |
| SIC-Corporate (b)  | \$ 283,659               | \$ —                                                                                                        | \$ 283,659                                                           | \$ —                                                         |
| SIC-Government (b) | \$ 1,549,896             | \$ —                                                                                                        | \$ 1,549,896                                                         | \$ —                                                         |
| SIC-Mortgage (b)   | \$ 1,914,016             | \$ —                                                                                                        | \$ 1,914,016                                                         | \$ —                                                         |
| Short Term         |                          |                                                                                                             |                                                                      |                                                              |
| Investments (b)    | <u>\$ 1,026,573</u>      | <u>\$ —</u>                                                                                                 | <u>\$ 1,026,573</u>                                                  | <u>\$ —</u>                                                  |
| Grand Total        | \$ 9,822,359             | \$ —                                                                                                        | \$ 9,822,359                                                         | \$ —                                                         |

(a) The Collective Trusts consist of the Plan's proportionate investment in the Master Trust for all funds not specifically listed elsewhere in the chart. The underlying investments consist of mutual funds, index funds, and target retirement funds that predominantly invest in publicly traded instruments. Each Collective Trust fund provides for daily redemptions by the Plan at reported net asset values per share with no advance notice requirement. The underlying investments are valued based on the respective Funds' net asset values.

(b) These investments are all components of the Plan's ownership of the Stable Value Fund. They represent Guaranteed Investment Contracts (GIC), fully benefit-responsive Synthetic Investment Contracts (SIC), and Short Term Investments in highly liquid instruments. These instruments are valued based on the underlying contracts fair market value.

# Sonoco Investment and Retirement Plan

## Notes to Financial Statements

### Note 4. Fair Value (Continued)

| Fair Value Measurements at Reporting Date Using |                   |                                                                                |                                            |                                     |
|-------------------------------------------------|-------------------|--------------------------------------------------------------------------------|--------------------------------------------|-------------------------------------|
| Description                                     | December 31, 2008 | Quoted Market                                                                  | Significant                                | Significant                         |
|                                                 |                   | Prices in Active<br>Market for<br>Identical<br>Assets/Liabilities<br>(Level 1) | Other<br>Observable<br>Inputs<br>(Level 2) | Unobservable<br>Inputs<br>(Level 3) |
| Assets:                                         |                   |                                                                                |                                            |                                     |
| Collective                                      |                   |                                                                                |                                            |                                     |
| Trusts (a)                                      | \$ 499,918        | \$ —                                                                           | \$ 499,918                                 | \$ —                                |
| GIC (b)                                         | \$ 342,287        | \$ —                                                                           | \$ 342,287                                 | \$ —                                |
| SIC-Commingled (b)                              | \$ 1,402,661      | \$ —                                                                           | \$ 1,402,661                               | \$ —                                |
| SIC-Corporate (b)                               | \$ 21,752         | \$ —                                                                           | \$ 21,752                                  | \$ —                                |
| SIC-Government (b)                              | \$ 915,480        | \$ —                                                                           | \$ 915,480                                 | \$ —                                |
| SIC-Mortgage (b)                                | \$ 1,410,537      | \$ —                                                                           | \$ 1,410,537                               | \$ —                                |
| Short Term                                      |                   |                                                                                |                                            |                                     |
| Investments (b)                                 | \$ 369,956        | \$ —                                                                           | \$ 369,956                                 | \$ —                                |
| Grand Total                                     | \$4,962,591       | \$ —                                                                           | \$4,962,591                                | \$ —                                |

(a) The Collective Trusts consist of the Plan's proportionate investment in the Master Trust for all funds not specifically listed elsewhere in the chart. The underlying investments consist of mutual funds, index funds, and target retirement funds that predominantly invest in publicly traded instruments. Each Collective Trust fund provides for daily redemptions by the Plan at reported net asset values per share with no advance notice requirement. The underlying investments are valued based on the respective Funds' net asset values.

(b) These investments are all components of the Plan's ownership of the Stable Value Fund. They represent Guaranteed Investment Contracts (GIC), fully benefit-responsive Synthetic Investment Contracts (SIC), and Short Term Investments in highly liquid instruments. These instruments are valued based on the underlying contracts fair market value.

The Plan currently has no nonfinancial assets or liabilities that are recognized or disclosed at fair value on a recurring basis. Changes in the Fair Value of investments held at the end of the period are reported in "Net appreciation/(depreciation) in investments" in the Statement of Changes in Net Assets Available for Benefits. For the periods ended December 31, 2009 and 2008, the net amounts reported were \$525,568 and \$(216,500), respectively.

# Sonoco Investment and Retirement Plan

## Notes to Financial Statements

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### Note 5. Investments Certified by StateStreet Bank and Trust Company

The Plan Administrator has elected the method of compliance by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, as permitted under such election, the Plan Administrator instructed in the Plan's independent auditors not to perform any auditing procedures with respect to the following information certified by StateStreet Bank and Trust Company, the trustee, except for comparing such information certified by the trustee to information included in the Plan's financial statements. For the Stable Value Fund, the trustee certified investments at contract value in the amount of \$8,123,974 and \$4,524,963 at December 31, 2009 and 2008, respectively. For the remaining investments, the trustee certified investments at fair market value in the amount of \$1,642,505 and \$499,918 at December 31, 2009 and 2008, respectively. There was one single investment representing more than 5% of the Plan's net assets at December 31, 2009 and 2008. This investment was the StateStreet Stable Value Fund in the amount of \$8,123,974 and \$4,524,963 at December 31, 2009 and 2008, respectively.

StateStreet Bank and Trust Company also certified to the completeness and accuracy of \$525,568 and \$(216,500) of net appreciation/(depreciation) in the fair value of investments and \$224,026 and \$143,012 of interest and dividends related to the aforementioned investments for the year ended December 31, 2009 and 2008, respectively.

### Note 6. Nonparticipant-Directed Investments

As stated in Note 1, the participants are not allowed to direct twenty-five percent of the Company's contributions. At December 31, 2009 and 2008, total nonparticipant-directed investments consisted of investments at contract value – Stable Value Fund in the amount of \$2,386,547 and \$1,328,146, respectively. For the years ended December 31, 2009 and 2008, the changes in net assets consists of the following information and the significant components of the changes in net assets relating to the nonparticipant-directed investments is as follows:

|                               | 2009                | 2008              |
|-------------------------------|---------------------|-------------------|
| Changes in net assets         |                     |                   |
| Contributions                 | \$ 1,210,952        | \$ 943,389        |
| Interest/Dividends            | 59,849              | 39,998            |
| Benefits paid to participants | (210,262)           | (94,489)          |
| Administrative fees           | (2,138)             | (1,584)           |
| Total changes in net assets   | <u>\$ 1,058,401</u> | <u>\$ 887,314</u> |

### Note 7. Related Party Transactions

Certain Master Trust investments are managed by StateStreet Global Advisors and StateStreet Bank & Trust Company ("StateStreet"). StateStreet is the trustee as defined by the Master Trust and, therefore, these transactions qualify as party-in-interest transactions. Fees paid by the Master Trust for the investment management service amounted to approximately \$22,000 and \$13,000 for the years ended December 31, 2009 and 2008, respectively.

# Sonoco Investment and Retirement Plan

## Notes to Financial Statements

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### Note 8. Tax Status

The Internal Revenue Service ("IRS") has determined and informed the Company by a letter dated November 30, 2005, that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code ("IRC"). The Plan Administrator believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC. Accordingly, no provision for income taxes has been included in the Plan's financial statements.

### Note 9. Plan Termination

Although it has not expressed any intention to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in ERISA.

### Note 10. Risks and Uncertainties

The Plan provides for various investment options in collective trusts and a stable value fund. Investments are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits.

### Note 11. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for plan benefits per the financial statements at December 31 to the Form 5500:

|                                                                                                      | 2009                 | 2008                |
|------------------------------------------------------------------------------------------------------|----------------------|---------------------|
| Net assets available for plan benefits per the financial statements                                  | \$ 14,568,601        | \$ 9,884,233        |
| Less: Adjustment from fair value to contract value for fully benefit-responsive investment contracts | 58,880               | (62,290)            |
| Net assets available for plan benefits per Form 5500                                                 | <u>\$ 14,627,481</u> | <u>\$ 9,821,943</u> |

## Sonoco Investment and Retirement Plan

### Notes to Financial Statements

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#### Note 11. Reconciliation of Financial Statements to Form 5500 (Continued)

The following is a reconciliation of changes in net assets available for benefits per the financial statements for the years ended December 31, 2009 to the Form 5500:

|                                                                                                                | <u>2009</u>                |
|----------------------------------------------------------------------------------------------------------------|----------------------------|
| Net increase in net assets available for benefits per the financial statements                                 | \$ 4,684,368               |
| Less: Change in adjustment from fair value to contract value for fully benefit-responsive investment contracts | <u>121,170</u>             |
| Net increase in net assets available for benefits per Form 5500                                                | <u><u>\$ 4,805,538</u></u> |