



Sonoco Products Company
Reconciliation of Non-GAAP Financial Measures

In accordance with the SEC's Regulation G, the following provides definitions of the non-GAAP financial measures discussed during the Company's annual meeting with the financial community on December 2, 2011 together with the most directly comparable financial measures calculated in accordance with GAAP, and a reconciliation of the differences between the non-GAAP financial measures disclosed and the most directly comparable financial measures calculated in accordance with GAAP.

RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES

Measures calculated and presented in accordance with generally accepted accounting principles are referred to as GAAP financial measures. The following tables reconcile the Company's non-GAAP financial measures to their most directly comparable GAAP financial measures in the Company's Condensed Consolidated Statements of Income for each of the periods presented. These measures (referred to as "base") are the GAAP measures adjusted to exclude (dependent upon the applicable period) restructuring charges, asset impairment charges, acquisition related cost, debt tender charges, specifically identified tax adjustments and certain other items, if any, the exclusion of which the Company believes improves comparability and analysis of the underlying financial performance of the business.

For the nine months ended October 2, 2011

<i>Dollars in thousands, except per share data</i>	GAAP	Restructuring/ Asset Impairment ⁽¹⁾	Other ⁽²⁾	Base
Income before interest and income taxes	\$256,601	\$23,943	\$1,994	\$282,538
Interest expense, net	25,245	-	-	25,245
Income before income taxes	231,356	23,943	1,994	257,293
Provision for income taxes	51,303	8,470	19,178	78,951
Income before equity in earnings of affiliates	180,053	15,473	(17,184)	178,342
Equity in earnings of affiliates, net of tax	8,463	-	-	8,463
Net income	188,516	15,473	(17,184)	186,805
Net (income)/loss attributable to noncontrolling interests	(514)	165	-	(349)
Net income attributable to Sonoco	\$188,002	\$15,638	\$(17,184)	\$186,456
Per diluted common share	\$1.84	\$0.15	\$(0.17)	\$1.82

For the nine months ended September 26, 2010

<i>Dollars in thousands, except per share data</i>	GAAP	Restructuring/ Asset Impairment ⁽¹⁾	Other ⁽²⁾	Base
Income before interest and income taxes	\$250,934	\$18,624	\$1,547	\$271,105
Interest expense, net	25,439	-	-	25,439
Income before income taxes	225,495	18,624	1,547	245,666
Provision for income taxes	66,853	7,816	423	75,092
Income before equity in earnings of affiliates	158,642	10,808	1,124	170,574
Equity in earnings of affiliates, net of tax	8,088	58	-	8,146
Net income	166,730	10,866	1,124	178,720
Net loss attributable to noncontrolling interests	(186)	116	-	(70)
Net income attributable to Sonoco	\$166,544	\$10,982	\$1,124	\$186,456
Per diluted common share	\$1.63	\$0.11	\$0.01	\$1.75

- (1) Restructuring/Asset impairment charges are a recurring item as Sonoco's restructuring programs usually require several years to fully implement and the Company is continually seeking to take actions that could enhance its efficiency. Although recurring, these charges are subject to significant fluctuations from period to period due to the varying levels of restructuring activity and the inherent imprecision in the estimates used to recognize the impairment of assets and the wide variety of costs and taxes associated with severance and termination benefits in the countries in which the restructuring actions occur.
- (2) Other adjustments in 2011 consist of acquisition-related costs and net reductions in income tax expense from valuation allowance adjustments on deferred tax assets. Other adjustments in 2010 consist of acquisition-related costs.

	Year Ended December 31,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 Estimate
Diluted Earnings Per Share, as reported (GAAP)	\$ 1.39	\$ 1.43	\$ 1.53	\$ 1.61	\$ 1.92	\$ 2.10	\$ 1.63	\$1.50	\$1.96	\$2.43-\$2.47
Restructuring/asset impairment charges	0.09	0.38	0.14	0.13	0.21	0.25	0.30	0.23	0.15	0.15
Legal settlement			0.03							
Executive life insurance			0.04							
Financial asset impairment							0.31			
Environmental reserve				0.08		0.15				
Recognition of tax benefits or tax repatriation			(0.09)	0.10		(0.12)		0.05		(0.19)
Gain on sale of discontinued operations		(0.51)								
Acquisition costs									0.08	0.02
Loss on extinguishment of Debt									0.31	
Base Earnings Per Share (Non-GAAP)	\$ 1.48	\$ 1.30	\$ 1.65	\$ 1.92	\$ 2.13	\$ 2.38	\$ 2.24	\$1.78	\$2.34	\$2.41-\$2.45

(Dollars in millions)	September 2011 YTD	2010	2009
Base EBIT (Non-GAAP)⁽¹⁾			
Consumer Packaging Segment	\$ 128.2	\$ 179.8	\$ 169.9
Tubes & Cores/Paper Segment	99.8	130.2	72.2
Packaging Services Segment	18.5	12.5	11.0
All Other Sonoco	36.1	41.6	26.4
Total Base EBIT (Non-GAAP)	282.6	364.1	279.6
Restructuring/Asset Impairment Charges	(24.0)	(24.0)	(26.8)
Acquisition-Related Costs	(2.0)	(1.9)	-
Total EBIT, as reported (GAAP)	\$ 256.6	\$ 338.2	\$ 252.8

⁽¹⁾ Consolidated operating profits at the segment level, or “Base EBIT,” are defined as “Income before interest and income taxes” on the Company’s Consolidated Statements of Income, adjusted for restructuring/asset impairment charges and certain other costs which are not allocated to the reporting segments.