UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2007

or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission File No. 0-516

SONOCO PRODUCTS COMPANY

Incorporated under the laws of South Carolina	I.R.S. Employer Identification No. 57-0248420

1 N. Second St.
Hartsville, South Carolina 29550
Telephone: 843/383-7000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes ☑ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act.
Large accelerated filer ☑ Accelerated filer o Non-accelerated filer o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes o No ☑

Indicate the number of shares outstanding of each of the issuer’s classes of common stock at October 26, 2007:

Common stock, no par value: 99,424,809

SONOCO PRODUCTS COMPANY

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements.

SONOCO PRODUCTS COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)
(Dollars and shares in thousands)

	September 30, 2007	December 31, 2006*
Assets		
Current Assets		
Cash and cash equivalents	$ 80,854	$ 86,498
Trade accounts receivable, net of allowances	549,385	459,022
Other receivables	36,619	33,287
Inventories:		
Finished and in process	142,438	126,067
Materials and supplies	196,338	177,781
Prepaid expenses and other	107,394	60,143
	1,113,028	942,798
Property, Plant and Equipment, Net	1,096,047	1,019,594
Goodwill	817,878	667,288
Other Intangible Assets, Net	141,575	95,885
Other Assets	192,300	191,113
Total Assets	$ 3,360,828	$ 2,916,678
Liabilities and Shareholders' Equity		
Current Liabilities		
Payable to suppliers	$ 391,557	$ 357,856
Accrued expenses and other	283,444	243,387
Notes payable and current portion of long-term debt	59,269	51,903
Accrued taxes	8,386	6,678
	742,656	659,824
Long-Term Debt, Net of Current Portion	916,275	712,089
Pension and Other Postretirement Benefits	226,142	209,363
Deferred Income Taxes and Other	142,453	116,334
Commitments and Contingencies		
Shareholders' Equity		
Common stock, no par value		
Authorized 300,000 shares 99,423 and 100,550 shares issued and outstanding at September 30, 2007 and December 31, 2006, respectively	7,175	7,175
Capital in excess of stated value	388,059	430,002
Accumulated other comprehensive loss	(183,883)	(262,305)
Retained earnings	1,121,951	1,044,196
Total Shareholders' Equity	1,333,302	1,219,068
Total Liabilities and Shareholders' Equity	$ 3,360,828	$ 2,916,678

* The year-end condensed consolidated balance sheet data was derived from audited financial statements but does not include all disclosures required by generally accepted accounting principles.

See accompanying Notes to Condensed Consolidated Financial Statements

SONOCO PRODUCTS COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (unaudited)
(Dollars and shares in thousands except per share data)

	Three Months Ended		Nine Months Ended	
	September 30, 2007	September 24, 2006	September 30, 2007	September 24, 2006
Net sales	$ 1,029,764	$ 931,522	$ 2,979,874	$ 2,667,301
Cost of sales	842,485	749,954	2,417,357	2,155,531
Selling, general and administrative expenses	96,881	88,777	306,390	258,777
Restructuring / Asset impairment charges	17,401	1,064	27,496	5,983
Income before interest and income taxes	72,997	91,727	228,631	247,010
Interest expense	16,188	12,542	45,261	38,659
Interest income	(2,134)	(1,801)	(6,959)	(4,548)
Income before income taxes	58,943	80,986	190,329	212,899
Provision for income taxes	(2,029)	23,191	39,541	66,487
Income before equity in earnings of affiliates/minority interest in subsidiaries	60,972	57,795	150,788	146,412
Equity in earnings of affiliates/minority interest in subsidiaries, net of tax	3,561	3,296	9,200	9,165
Net income	$ 64,533	$ 61,091	$ 159,988	$ 155,577
Weighted average common shares outstanding:				
Basic	100,775	99,569	100,831	99,763
Diluted	101,859	101,011	102,243	101,176
Per common share:				
Net income:				
Basic	$ 0.64	$ 0.61	$ 1.59	$ 1.56
Diluted	$ 0.63	$ 0.60	$ 1.56	$ 1.54
Cash dividends	$ 0.26	$ 0.24	$ 0.76	$ 0.71

See accompanying Notes to Condensed Consolidated Financial Statements

SONOCO PRODUCTS COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)
(Dollars in thousands)

	Nine Months Ended	
	September 30, 2007	September 24, 2006*
Cash Flows from Operating Activities:		
Net income	$ 159,988	$ 155,577
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	133,591	121,566
Environmental charges	21,100	—
Non-cash share-based compensation expense	7,782	9,181
Equity in earnings of affiliates/minority interest in subsidiaries	(9,200)	(9,165)
Loss (gain) on disposition of assets/asset impairment	17,660	(4,650)
Tax effect of nonqualified stock options	9,525	9,868
Excess tax benefit of share-based compensation	(9,266)	(9,868)
Deferred taxes	(11,931)	(761)
Cash dividend from affiliated companies	7,638	6,151
Change in assets and liabilities, net of effects from acquisitions, dispositions, and foreign currency adjustments:		
Receivables	(53,096)	(47,572)
Inventories	(15,525)	20,496
Prepaid expenses	(32,239)	475
Payables and taxes	12,988	60,516
Benefit plan contributions	(9,529)	(7,591)
Other assets and liabilities	28,420	19,552
Net cash provided by operating activities	257,906	323,775
Cash Flows from Investing Activities:		
Purchase of property, plant and equipment	(135,279)	(87,529)
Cost of acquisitions, exclusive of cash acquired	(215,341)	(40,017)
Proceeds from the sale of assets	11,618	19,157
Investment in affiliates and other	2,652	(2,328)
Net cash used in investing activities	(336,350)	(110,717)
Cash Flows from Financing Activities:		
Proceeds from issuance of debt	33,868	31,474
Principal repayment of debt	(32,558)	(58,181)
Net increase (decrease) in commercial paper borrowings	206,000	(30,000)
Net (decrease) increase in bank overdrafts	(1,325)	425
Excess tax benefit of share-based compensation	9,266	9,868
Cash dividends — common	(76,646)	(70,749)
Shares acquired	(108,139)	(82,669)
Common shares issued	49,445	44,384
Net cash provided by (used in) financing activities	79,911	(155,448)
Effects of Exchange Rate Changes on Cash	(7,111)	707
Net (Decrease) Increase in Cash and Cash Equivalents	(5,644)	58,317
Cash and cash equivalents at beginning of period	86,498	59,608
Cash and cash equivalents at end of period	$ 80,854	$ 117,925

* Prior year's data have been reclassified to conform to the current year's presentation.

See accompanying Notes to Condensed Consolidated Financial Statements

SONOCO PRODUCTS COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands except per share data)
(unaudited)

Note 1: Basis of Interim Presentation

In the opinion of the management of Sonoco Products Company (the "Company"), the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting of only normal recurring adjustments, unless otherwise stated) necessary to state fairly the consolidated financial position, results of operations and cash flows for the interim periods reported herein. Operating results for the three and nine months ended September 30, 2007, are not necessarily indicative of the results that may be expected for the year ending December 31, 2007. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006.

With respect to the unaudited condensed consolidated financial information of the Company for the three and nine month periods ended September 30, 2007 and September 24, 2006 included in this Form 10-Q, PricewaterhouseCoopers LLP reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated October 30, 2007, appearing herein, states that they did not audit and they do not express an opinion on that unaudited financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. PricewaterhouseCoopers LLP is not subject to the liability provisions of Section 11 of the Securities Act of 1933 (the "Act") for their report on the unaudited financial information because that report is not a "report" or a "part" of a registration statement prepared or certified by PricewaterhouseCoopers LLP within the meaning of Sections 7 and 11 of the Act.

Note 2: Acquisitions

During the second quarter of 2007, the Company acquired Matrix Packaging, Inc., a blow-mold packaging business with operations in the United States and Canada. This acquisition, which is expected to generate annual sales of approximately $140,000, is included in the Consumer Packaging segment. Also in the second quarter, the Company acquired a small tube and core business in Mexico, which is included in the Tubes and Cores/Paper segment. During the third quarter of 2007, the Company acquired a small corner post business in the United States, which is included in All Other Sonoco. The aggregate cost of these acquisitions was approximately $215,000 in cash. In conjunction with these acquisitions, the Company recorded a preliminary fair value of assets acquired as follows: identifiable intangibles of approximately $50,000, goodwill of approximately $126,000 (none of which is expected to be deductible for income tax purposes) and other net tangible assets of approximately $39,000. The Company has accounted for these acquisitions as purchases and, accordingly, has included their results of operations in consolidated net income from the date of acquisition.

Note 3: Shareholders' Equity

Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended		Nine Months Ended	
	September 30, 2007	September 24, 2006	September 30, 2007	September 24, 2006
Numerator:				
Net income	$ 64,533	$ 61,091	$ 159,988	$ 155,577
Denominator:				
Weighted average common shares outstanding	100,775,000	99,569,000	100,831,000	99,763,000
Dilutive effect of:				
Stock-based compensation	1,084,000	1,442,000	1,412,000	1,413,000
Dilutive shares outstanding	101,859,000	101,011,000	102,243,000	101,176,000

SONOCO PRODUCTS COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands except per share data)
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2007	September 24, 2006	September 30, 2007	September 24, 2006
Reported net income per common share:				
Basic	$ 0.64	$ 0.61	$ 1.59	$ 1.56
Diluted	$ 0.63	$ 0.60	$ 1.56	$ 1.54

Stock options to purchase approximately 617,000 and 1,828,000 shares at September 30, 2007 and September 24, 2006, respectively, were not dilutive and, therefore, are excluded from the computations of diluted income per common share amounts. No adjustments were made to reported net income in the computations of earnings per share.

Stock Repurchases

On April 19, 2006, the Company's Board of Directors authorized the repurchase of up to 5,000,000 shares of the Company's common stock. This authorization does not have a specific expiration date. On February 7, 2007, the Company's Board of Directors, in anticipation of a pending 1,500,000 share repurchase, authorized the reinstatement of those shares to its existing 5,000,000 share authorization. On February 8, 2007, the Company completed the repurchase of 1,500,000 shares of its common stock and, accordingly, 5,000,000 shares remained available for repurchase. On August 27, 2007, the Company completed an additional repurchase of 1,500,000 shares of its common stock On October 15, 2007, the Company's Board of Directors reinstated 1,500,000 shares to its authorization, returning the total number of shares available for future repurchase to 5,000,000 as of that date.

Note 4: Restructuring and Asset Impairment

The Company has two active restructuring plans, one of which was approved in October 2006 (the 2006 Plan), and the other in August 2003 (the 2003 Plan). In addition, during the third quarter of 2007, the Company recognized asset impairment charges that are unrelated to any of its current restructuring activities. During the three- and nine-month periods ended September 30, 2007 and September 24, 2006, the Company recognized total restructuring and asset impairment charges, net of adjustments, of:

	Three Months Ended		Nine Months Ended	
	September 30, 2007	September 24, 2006	September 30, 2007	September 24, 2006
Restructuring	$ 2,296	$ 1,064	$ 12,391	$ 5,983
Asset impairment	15,105	—	15,105	—
Total	17,401	1,064	27,496	5,983
Income tax benefit	(5,835)	(353)	(8,290)	(2,127)
Restructuring / Asset impairment charges, net of adjustments (after tax)	$ 11,566	$ 711	$ 19,206	$ 3,856

Restructuring and asset impairment charges attributable to the minority interest share of the Company's equity method investments is also reflected in "Equity in earnings of affiliates/minority interest in subsidiaries, net of tax" in the Company's Condensed Consolidated Statements of Income. Additional disclosure concerning 2007 asset impairment charges and the 2006 and 2003 restructuring plans is provided below.

Restructuring and asset impairment charges are included in "Restructuring / Asset impairment charges" in the Condensed Consolidated Statements of Income, except for restructuring charges applicable to equity method investments, which are included in "Equity in earnings of affiliates/minority interest in subsidiaries, net of tax."

(Dollars in thousands except per share data)

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Additional disclosure concerning 2007 asset impairment charges and the 2006 and 2003 restructuring plans is provided below.

Asset Impairment Charges

The current period asset impairment charges relate primarily to the write down of property, plant and equipment at three of the Company's operations. In each case, assets were determined to be impaired as a result of changes in business conditions and/or contractual arrangements. The impairment charges are comprised of $11,260 at a metal ends plant in Brazil (Consumer Packaging Segment), $3,400 at a rigid plastics plant in the United States (Consumer Packaging Segment), and $445 at a molded plastics plant in Turkey (All Other Sonoco).

The impairment in Brazil relates to certain capitalized costs that will have no future value due to management's decision to close the operation and to move the production lines to the United States. Accordingly, an impairment loss was recognized as the carrying amounts of those assets were fully reserved. In addition, the charge includes approximately $3,100 of value added tax receivables that are not likely to be realized as the Company does not currently expect to generate the qualifying Brazilian sales needed for recovery.

The 2006 Plan

The 2006 Plan calls for the closure of approximately 12 plant locations and the reduction of approximately 540 positions worldwide. The majority of the restructuring program is focused on international operations, principally within Europe, and is intended to make those operations more cost effective. These measures began in the fourth quarter of 2006 and are expected to be substantially complete by the end of 2007.

The total pre-tax cost of the 2006 Plan is estimated to be approximately $39,600, most of which is related to severance and other termination costs. Accordingly, the vast majority of the total restructuring cost will result in the expenditure of cash. As of September 30, 2007, the Company had incurred total charges of $30,054 associated with these activities. The following table provides additional details of the cumulative charges recognized through September 30, 2007:

2006 Plan Restructuring Charges Inception to Date	**Severance and Termination Benefits**	**Asset Impairment/ Disposal of Assets**	**Other Exit Costs**	**Total**
Tubes and Cores/Paper Segment	$ 11,313	$ 3,913	$ 4,220	$ 19,446
Consumer Packaging Segment	4,753	2,547	1,138	8,438
Packaging Services Segment	528	—	—	528
All Other Sonoco	847	261	534	1,642
Cumulative Restructuring Charges, net of adjustments	$ 17,441	$ 6,721	$ 5,892	$ 30,054

The Company expects to recognize an additional pre-tax cost of approximately $9,500 associated with the 2006 Plan. These expected charges consist primarily of severance and termination benefits. Of these future costs, it is estimated that $9,100 will impact the Tubes and Cores/Paper segment, $300 will impact the Consumer Packaging segment, and $100 will impact All Other Sonoco.

SONOCO PRODUCTS COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands except per share data)
(unaudited)

During the three months ended September 30, 2007, the Company recognized restructuring charges associated with the 2006 Plan of $2,458, net of adjustments. The following table provides additional details of these net charges:

2006 Plan Restructuring Charges Third Quarter	Severance and Termination Benefits	Asset Impairment/ Disposal of Assets	Other Exit Costs	Total
2007				
Tubes and Cores/Paper Segment	$ 1,398	$ (84)	$ 789	$ 2,103
Consumer Packaging Segment	68	(50)	289	307
Packaging Services Segment	—	—	—	—
All Other Sonoco	—	—	48	48
Total	$ 1,466	$ (134)	$ 1,126	$ 2,458

The net charges for the three months ended September 30, 2007, relate primarily to the announced closures of the following: rigid packaging production lines in the United Kingdom, a paper mill in France, two tube and core plants in Canada, a tube and core plant in the United States and a molded plastics plant in the United States.

The minority interest holder’s portion of restructuring costs that were charged to expense during the three months ended September 30, 2007, totaled $13 after tax.

During the nine months ended September 30, 2007, the Company recognized restructuring charges associated with the 2006 Plan of $12,556, net of adjustments. The following table provides additional details of these net charges:

2006 Plan Restructuring Charges Year to Date	Severance and Termination Benefits	Asset Impairment/ Disposal of Assets	Other Exit Costs	Total
2007				
Tubes and Cores/Paper Segment	$ 2,848	$ (707)	$ 2,090	$ 4,231
Consumer Packaging Segment	3,696	2,237	983	6,916
Packaging Services Segment	451	—	—	451
All Other Sonoco	472	—	486	958
Total	$ 7,467	$ 1,530	$ 3,559	$ 12,556

The net charges for the nine months ended September 30, 2007, relate primarily to the announced closures of the following: a rigid packaging plant in Germany, rigid packaging production lines in the United Kingdom, a paper mill in France, two tube and core plants in Canada, a tube and core plant in the United States and a molded plastics plant in the United States.

The minority interest holder’s portion of restructuring costs that were charged to expense during the nine months ended September 30, 2007, totaled $56 after tax.

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SONOCO PRODUCTS COMPANY
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(Dollars in thousands except per share data)
(unaudited)

The following table sets forth the activity in the 2006 Plan restructuring accrual included in "Accrued expenses and other" on the Company's Condensed Consolidated Balance Sheets:

2006 Plan Accrual Activity 2007 Year to Date	Severance and Termination Benefits	Asset Impairment/ Disposal of Assets	Other Exit Costs	Total
Liability, December 31, 2006	$ 8,264	$ —	$ 1,685	$ 9,949
New charges	7,878	2,519	3,534	13,931
Cash (payments)/receipts	(12,791)	982	(4,803)	(16,612)
Asset writedown/disposals (noncash)	—	(2,512)	—	(2,512)
Foreign currency translation	359	—	68	427
Adjustments and disposal of assets	(411)	(989)	25	(1,375)
Liability, September 30, 2007	$ 3,299	$ —	$ 509	$ 3,808

During the nine months ended September 30, 2007, the Company recognized pre-tax asset impairment charges totaling $2,519. Most of this cost was associated with the sale of a rigid packaging business in Germany and the closure of a rigid packaging production line in the United Kingdom. Both of these operations were part of the Consumer Packaging segment. Favorable adjustments of $989 were recorded during this same period related primarily to the sale of equipment previously impaired as the result of the closure of a paper mill in France. This operation was reported in the Tubes and Cores/Paper segment.

Other exit costs consist primarily of building lease termination charges and other miscellaneous exit costs.

The Company expects to pay the majority of the remaining 2006 Plan restructuring costs, with the exception of ongoing pension subsidies and certain building lease termination expenses, by the end of 2007, using cash generated from operations.

The 2003 Plan

In August 2003, the Company announced general plans to reduce its overall cost structure by $54,000 pretax by realigning and centralizing a number of staff functions and eliminating excess plant capacity. Pursuant to these plans, the Company has initiated or completed 22 plant closings and has reduced its workforce by approximately 1,120 employees. As of September 30, 2007, the Company had incurred cumulative charges, net of adjustments, of approximately $102,841 pretax associated with these activities. The following table provides additional details of these net charges:

2003 Plan Restructuring Charges Inception to Date	Severance and Termination Benefits	Asset Impairment/ Disposal of Assets	Other Exit Costs	Total
Tubes and Cores/Paper Segment	$ 36,724	$ 17,048	$ 19,103	$ 72,875
Consumer Packaging Segment	11,195	5,084	4,730	21,009
Packaging Services Segment	333	—	—	333
All Other Sonoco	2,999	326	92	3,417
Corporate	5,094	—	113	5,207
Cumulative Restructuring Charges, net of adjustments	$ 56,345	$ 22,458	$ 24,038	$ 102,841

The Company expects to recognize additional costs of approximately $100 pretax associated with the 2003 Plan. These costs are expected to be comprised of other exit costs within the Tubes and Cores/Paper segment.

SONOCO PRODUCTS COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands except per share data)
(unaudited)

During the three months ended September 30, 2007, the Company recognized a net restructuring credit of $164 in connection with the 2003 Plan, compared with a net restructuring charge of $1,064 recognized during the same period last year. The current year's net credit resulted from adjustments to previously recognized lease termination costs at a rigid packaging facility in the United States and severance costs at two European tube and core operations. These costs were settled for less than originally expected resulting in a favorable adjustment to restructuring expense. These favorable adjustments were partially offset by other exit costs incurred during the period associated with a previously closed paper mill in the United States and previously closed tube and core plants in the United States and Europe. The following table provides additional details of these net charges:

2003 Plan Restructuring Charges Third Quarter	Severance and Termination Benefits	Asset Impairment/ Disposal of Assets	Other Exit Costs	Total
2007				
Tubes and Cores/Paper Segment	$ (149)	$ —	$ 441	$ 292
Consumer Packaging Segment	—	—	(456)	(456)
Total	$ (149)	$ —	$ (15)	$ (164)
2006				
Tubes and Cores/Paper Segment	$ (138)	$ —	$ 820	$ 682
Consumer Packaging Segment	182	498	(302)	378
All Other Sonoco	4	—	—	4
Total	$ 48	$ 498	$ 518	$ 1,064

The minority interest holder's portion of restructuring costs that were charged to expense during the three months ended September 24, 2006, totaled $142 after tax.

During the nine months ended September 30, 2007 and September 24, 2006, the Company recognized restructuring (credits)/charges, net of adjustments, of $(167) and $5,983, respectively. The current year's net credit resulted from a gain on the sale of a building and tract of land adjoining a paper mill in Downingtown, Pennsylvania, that was shut down in 2005 and from adjustments to previously recognized lease termination costs at a rigid packaging facility in the United States and severance costs at two European tube and core operations. These costs were settled for less than originally expected resulting in a favorable adjustment to restructuring expense. The gain and favorable adjustments exceeded other exit costs incurred during the period associated with this paper mill and previously closed tube and core plants in the United States and Europe. The following table provides additional details of these net charges:

2003 Plan Restructuring Charges Year to Date	Severance and Termination Benefits	Asset Impairment/ Disposal of Assets	Other Exit Costs	Total
2007				
Tubes and Cores/Paper Segment	$ (210)	$ (1,025)	$ 1,524	$ 289
Consumer Packaging Segment	—	—	(456)	(456)
Total	$ (210)	$ (1,025)	$ 1,068	$ (167)
2006				
Tubes and Cores/Paper Segment	$ 1,273	$ 2	$ 3,637	$ 4,912
Consumer Packaging Segment	849	498	(280)	1,067
All Other Sonoco	4	—	—	4
Total	$ 2,126	$ 500	$ 3,357	$ 5,983

SONOCO PRODUCTS COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands except per share data)
(unaudited)

The minority interest holder's portion of restructuring costs that were charged to expense during the nine months ended September 24, 2006, totaled $363 after tax.

The following table sets forth the activity in the 2003 Plan restructuring accrual included in "Accrued expenses and other" on the Company's Condensed Consolidated Balance Sheets:

2003 Plan Accrual Activity 2007 Year to Date	Severance and Termination Benefits	Asset Impairment/ Disposal of Assets	Other Exit Costs	Total
Liability, December 31, 2006	$ 567	$ —	$ 4,112	$ 4,679
New charges	—	—	1,522	1,522
Cash (payments)/receipts	(134)	2,104	(2,117)	(147)
Asset writedown/disposals (noncash)	—	(1,079)	—	(1,079)
Foreign currency translation	16	—	122	138
Adjustments and disposal of assets	(210)	(1,025)	(454)	(1,689)
Liability, September 30, 2007	$ 239	$ —	$ 3,185	$ 3,424

During the nine months ended September 30, 2007, the Company received cash of $2,104 in connection with the sale of a building and tract of land associated with a paper mill in Downingtown, Pennsylvania. The mill had been closed in 2005 and an impairment charge recognized as the assets were written down to their estimated fair value. The sale resulted in a favorable adjustment to restructuring as the sales proceeds were in excess of their previously estimated fair value. This adjustment was related to the Tubes and Cores/Paper segment.

Other exit costs consist primarily of building lease termination charges and other miscellaneous exit costs.

The Company expects to pay the majority of the remaining restructuring costs, with the exception of ongoing pension subsidies and certain building lease termination expenses, by the end of 2007, using cash generated from operations.

Note 5: Comprehensive Income

The following table reconciles net income to comprehensive income:

	Three Months Ended		Nine Months Ended	
	September 30, 2007	September 24, 2006	September 30, 2007	September 24, 2006
Net income	$ 64,533	$ 61,091	$ 159,988	$ 155,577
Other comprehensive income:				
Foreign currency translation adjustments	42,206	12,820	77,797	26,692
Changes in defined benefit plans	(4,717)	—	435	—
Changes in derivative financial instruments, net of income tax	(1,669)	(5,496)	190	(13,005)
Comprehensive income	$ 100,353	$ 68,415	$ 238,410	$ 169,264

SONOCO PRODUCTS COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands except per share data)
(unaudited)

The following table summarizes the components of accumulated other comprehensive loss and the changes in accumulated other comprehensive loss, net of tax as applicable, for the nine months ended September 30, 2007:

	Foreign Currency Translation Adjustments	Defined Benefit Plans	Derivative Financial Instruments	Accumulated Other Comprehensive Loss
Balance at December 31, 2006	$ (22,630)	$ (237,616)	$ (2,059)	$ (262,305)
Year-to-date change	77,797	435	190	78,422
Balance at September 30, 2007	$ 55,167	$ (237,181)	$ (1,869)	$ (183,883)

At September 30, 2007, the Company had commodity swaps outstanding to fix the costs of a portion of raw materials and energy. These swaps, which have maturities ranging from October 2007 to June 2010, qualify as cash flow hedges under Statement of Financial Accounting Standards No. 133 ‘Accounting for Derivative Instruments and Hedging Activities.’ The fair market value of these commodity swaps was a net unfavorable position of $3,393 at September 30, 2007, and $3,223 at December 31, 2006.

The cumulative deferred tax benefit associated with the Defined Benefit Plans was $138,354 at September 30, 2007, and $138,790 at December 31, 2006. Additionally, the cumulative deferred tax benefit of Derivative Financial Instruments was $1,111 and $1,164 at September 30, 2007 and December 31, 2006, respectively. The tax effect on Derivative Financial Instruments for the three and nine months ended September 30, 2007 was $985 and $(53), respectively.

Note 6: Goodwill and Other Intangible Assets

Goodwill

A summary of the changes in goodwill for the nine months ended September 30, 2007 is as follows:

	Tubes and Cores /Paper Segment	Consumer Packaging Segment	Packaging Services Segment	All Other Sonoco	Total
Balance as of December 31, 2006	$ 225,957	$ 224,657	$ 150,973	$ 65,701	$ 667,288
2007 Acquisitions	—	126,434	—	—	126,434
Foreign currency translation	11,758	14,873	44	198	26,873
Other	—	(2,423)	—	—	(2,423)
Adjustments	254	(529)	1	(20)	(294)
Balance as of September 30, 2007	$ 237,969	$ 363,012	$ 151,018	$ 65,879	$ 817,878

The Company disposed of $1,888 of goodwill associated with the sale of a rigid packaging business in Germany in the second quarter of 2007 and disposed of $535 of goodwill associated with the sale of a rigid packaging business in Belgium in the third quarter of 2007. The goodwill disposed of totaled $2,423 and is shown above under the caption “Other”.

Adjustments to goodwill consist primarily of changes to deferred tax valuation allowances established in connection with acquisitions made in prior years.

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During the third quarter of 2007, the Company completed its annual test for goodwill impairment in accordance with Statement of Financial Accounting Standards No. 142, 'Goodwill and Other Intangible Assets' (FAS 142). Based on the results of this evaluation, the Company concluded that there was no impairment of goodwill for any of our reporting units. This evaluation used forward-looking projections, which included expected improvement in results at certain reporting units, most notably, the Flexible Packaging operations within the Consumer Packaging segment. The assessment of the relevant facts and circumstances is ongoing, and if actual performance in this reporting unit falls significantly short of the projected results, a non-cash impairment charge may be required.

Other Intangible Assets

A summary of other intangible assets as of September 30, 2007 and December 31, 2006 is as follows:

	September 30, 2007		December 31, 2006	
	Gross Carrying Amount	**Accumulated Amortization**	**Gross Carrying Amount**	**Accumulated Amortization**
Patents	$ 3,360	$ 3,263	$ 3,360	$ 3,255
Customer lists	160,552	28,936	108,741	20,651
Land use rights	7,086	2,954	6,855	2,797
Supply agreements	1,000	625	1,000	550
Other	11,048	5,693	8,302	5,120
Total	$ 183,046	$ 41,471	$ 128,258	$ 32,373

The Company recorded $49,965 of identifiable intangibles in connection with 2007 acquisitions. Of this total, $47,250 related to customer lists and $2,715 to other identifiable intangibles, primarily trademarks and non-compete agreements.

Other intangible assets are amortized, usually on a straight-line basis, over their respective useful lives, which generally range from three to fifteen years. Aggregate amortization expense was $3,110 and $1,593 for the three months ended September 30, 2007 and September 24, 2006, respectively, and $8,147 and $5,766 for the nine months ended September 30, 2007 and September 24, 2006, respectively. Amortization expense on other intangible assets is expected to approximate $11,527 in 2007, $13,192 in 2008, $12,584 in 2009, $12,243 in 2010 and $12,045 in 2011.

Note 7: Dividend Declarations

On July 18, 2007, the Board of Directors declared a regular quarterly dividend of $0.26 per share. This dividend was paid September 10, 2007 to all shareholders of record as of August 17, 2007.

On October 16, 2007, the Board of Directors declared a regular quarterly dividend of $0.26 per share. This dividend is payable December 10, 2007 to all shareholders of record as of November 16, 2007.

Note 8: Employee Benefit Plans

The Company provides non-contributory defined benefit pension plans for a majority of its employees in the United States and certain of its employees in Mexico and Belgium. Effective December 31, 2003, the Company froze participation for newly hired salaried and non-union hourly U.S. employees in its traditional defined benefit plan. The Company has a defined contribution plan, the Sonoco Investment and Retirement Plan (SIRP), covering its non-union U.S. employees hired on or after January 1, 2004. The Company also sponsors contributory pension plans covering the majority of its employees in the United Kingdom, Canada, and the Netherlands, as well as postretirement healthcare and life insurance benefits to the majority of its retirees and their eligible dependents in the United States and Canada.

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The components of net periodic benefit cost include the following:

	Three Months Ended		Nine Months Ended	
	September 30, 2007	September 24, 2006	September 30, 2007	September 24, 2006
Retirement Plans				
Service cost	$ 7,298	$ 5,990	$ 21,725	$ 20,878
Interest cost	17,316	14,734	52,050	46,810
Expected return on plan assets	(21,981)	(18,645)	(65,866)	(58,971)
Amortization of net transition obligation	58	154	174	457
Other	12	—	12	—
Amortization of prior service cost	495	374	1,461	1,180
Amortization of net actuarial loss	4,913	6,373	15,440	20,449
Net periodic benefit cost	$ 8,111	$ 8,980	$ 24,996	$ 30,803
Retiree Health and Life Insurance Plans				
Service cost	$ 586	$ 607	$ 1,810	$ 1,859
Interest cost	1,109	988	3,577	3,718
Expected return on plan assets	(542)	(554)	(1,584)	(1,690)
Amortization of prior service cost	(2,427)	(2,602)	(7,279)	(7,117)
Amortization of net actuarial loss	741	1,117	3,027	4,185
Net periodic benefit (income)cost	$ (533)	$ (444)	$ (449)	$ 955

During the nine months ended September 30, 2007, the Company made contributions of $8,128 to its retirement and retiree health and life insurance plans. The Company anticipates that it will make additional contributions of approximately $3,300 in 2007. The Company also contributed $1,401 to the SIRP during this same nine-month period. No additional SIRP contributions are expected during the remainder of 2007.

Note 9: Income Taxes

The Company adopted the provisions of Financial Accounting Standards Board Interpretation No. 48, “Accounting for Uncertainty in Income Taxes” (FIN 48), on January 1, 2007. As a result of the adoption, the Company recorded a reduction of approximately $5,600 to the January 1, 2007 balance of retained earnings.

The Company’s total liability for uncertain tax positions was approximately $61,000, exclusive of interest and penalties, at the date of adoption. Of this balance, approximately $39,200 would have had an impact on the effective tax rate if ultimately recognized. At the end of third quarter of 2007, the Company’s total liability for uncertain tax positions was approximately $50,000. Of this balance, approximately $27,300 will have an impact on the effective tax rate if ultimately recognized. Changes in uncertain tax positions reduced the Company’s reported income tax expense for the first nine months of 2007 by approximately $11,700. These changes were due primarily to the expiration of the statutes of limitations in various taxing jurisdictions within the United States. The Company’s 2007 year-to-date effective tax rate of 20.8% varies from the statutory rate due largely to these changes in uncertain tax positions.

The Company continues to recognize interest and/or penalties related to income taxes as part of income tax expense and, at the date of adoption, had approximately $4,700 accrued for interest, net of tax.

The Company and/or its subsidiaries file federal, state and local income tax returns in the United States and various foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, or non-U.S., income tax examinations by tax authorities for years before 2004. With respect to state and local income taxes, the Company is no longer subject to examination prior to 2002, with few exceptions.

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The Company's estimate for the potential outcome for any uncertain tax issue is highly judgmental. Management believes that any reasonable foreseeable outcome related to these matters have been adequately provided for. However, future results may include favorable or unfavorable adjustments to estimated tax liabilities in the period the assessments are made or resolved or when statutes of limitation on potential assessments expire. Additionally, the jurisdictions in which earnings or deductions are realized may differ from current estimates. As a result, the Company's effective tax rate may fluctuate significantly on a quarterly basis.

Note 10: New Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board (FASB) issued FAS 157, "Fair Value Measurements," which defines fair value, established a framework for measuring fair value and expands disclosures about fair value measurements. This Statement will become effective for the Company as of January 1, 2008. The adoption of FAS 157 is not expected to have a material impact on the Company's financial statements.

In February 2007, the FASB issued FAS 159, "The Fair Value Option for Financial Assets and Financial Liabilities — Including an Amendment of FASB Statement No. 115." This Statement permits companies to elect to measure eligible items at fair value. At each reporting date subsequent to adoption, unrealized gains and losses on items for which the fair value option has been elected must be reported in earnings (or another performance indicator if the business entity does not report earnings). This Statement will become effective for the Company as of January 1, 2008. Early adoption is permitted. The adoption of FAS 159 is not expected to have a material impact on the Company's financial statements.

In March 2007, the FASB ratified the consensus reached by the Emerging Issues Task Force (EITF) in issue 6-10, "Accounting for the Deferred Compensation and Post Retirement Benefit Aspects of Collateral Assignment Split-Dollar Life Insurance Arrangements." Under this consensus, the EITF concluded that an employer should recognize a liability for the postretirement benefit, if any, related to a collateral assignment split-dollar life insurance arrangement and should recognize and measure the asset under a collateral assignment arrangement based on the substance of the arrangement. The consensus is effective for fiscal years beginning after December 15, 2007. The Company is still in the process of evaluating the effects of EITF Issue 6-10, but its application is not expected to have a material impact on the Company's financial position or results of operations.

In June 2007, the FASB ratified the consensus reached by the EITF in issue 6-11, "Accounting for Income Tax Benefits of Dividends on Share-Based Payment Awards." Under this consensus, the EITF concluded a realized income tax benefit from dividends or dividend equivalents that are charged to retained earnings and are paid to employees for equity classified nonvested equity shares, nonvested equity share units, and outstanding equity share options should be recognized as an increase in additional paid-in capital. The consensus is effective prospectively for income tax benefits derived from dividends declared in fiscal years beginning after December 15, 2007. The adoption of EITF 6-11 is not expected to have a material impact on the Company's financial statements.

No other accounting pronouncement issued or effective during the current year-to-date period has had, or is expected to have, a material impact on the Company's consolidated financial statements.

Note 11: Financial Segment Information

Sonoco reports its results in three segments, Consumer Packaging, Tubes and Cores/Paper and Packaging Services. The remaining operations are reported as All Other Sonoco.

The Consumer Packaging segment includes the following products: round and shaped rigid packaging (both composite and plastic); printed flexible packaging; and metal and peelable membrane ends and closures.

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The Tubes and Cores/Paper segment includes the following products: high-performance paper and composite paperboard tubes and cores; fiber-based construction tubes and forms; recycled paperboard and linerboard; recovered paper and other recycled materials.

The Packaging Services segment provides the following products and services: designing, manufacturing, assembling, packing and distributing temporary, semi-permanent and permanent point-of-purchase displays; brand artwork management; and supply chain management services including contract packing, fulfillment and scalable service centers.

All Other Sonoco represents the Company's businesses that do not meet the aggregation criteria outlined in Statement of Financial Accounting Standards No. 131, 'Disclosures about Segments of an Enterprise and Related Information,' and therefore cannot be combined with other operating segments into a reportable segment. All Other Sonoco includes the following products: wooden, metal and composite wire and cable reels; molded and extruded plastics; custom-designed protective packaging; and paper amenities such as coasters and glass covers.

The following table sets forth net sales, intersegment sales and operating profit for the Company's three reportable segments and All Other Sonoco. Operating profit at the segment level is defined as "Income before interest and income taxes" on the Company's Condensed Consolidated Statements of Income, adjusted for restructuring and asset impairment charges, which are not allocated to the reporting segments.

FINANCIAL SEGMENT INFORMATION

	Three Months Ended		Nine Months Ended	
	September 30, 2007	September 24, 2006	September 30, 2007	September 24, 2006
Net Sales:				
Consumer Packaging	$ 369,472	$ 328,649	$ 1,051,178	$ 954,488
Tubes and Cores/Paper	433,686	387,477	1,268,300	1,112,626
Packaging Services	132,445	122,014	377,787	325,579
All Other Sonoco	94,161	93,382	282,609	274,608
Consolidated	$ 1,029,764	$ 931,522	$ 2,979,874	$ 2,667,301
Intersegment Sales:				
Consumer Packaging	$ 748	$ 612	$ 2,375	$ 2,718
Tubes and Cores/Paper	23,642	22,698	70,181	65,895
Packaging Services	197	—	521	38
All Other Sonoco	11,642	9,480	32,720	28,170
Consolidated	$ 36,229	$ 32,790	$ 105,797	$ 96,821
Income Before Income Taxes:				
Operating Profit				
Consumer Packaging	$ 23,696	$ 27,998	$ 75,781	$ 80,154
Tubes and Cores/Paper[1]	42,339	42,817	106,036	107,557
Packaging Services	10,924	9,424	33,869	27,122
All Other Sonoco	13,439	12,552	40,441	38,160
Restructuring / Asset impairment charges	(17,401)	(1,064)	(27,496)	(5,983)
Interest, net	(14,054)	(10,741)	(38,302)	(34,111)
Consolidated	$ 58,943	$ 80,986	$ 190,329	$ 212,899

1 Operating profits for the three- and nine-month periods ended September 30, 2007, reflect an environmental remediation charge of $1,100 and $21,100, respectively. See Note 12 to the Company's Condensed Consolidated Financial Statements for details.

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Note 12: Commitments and Contingencies

The Company is a party to various legal proceedings incidental to its business and is subject to a variety of environmental and pollution control laws and regulations in all jurisdictions in which it operates. As is the case with other companies in similar industries, the Company faces exposure from actual or potential claims and legal proceedings. Some of these exposures have the potential to be material. Information with respect to these and other exposures appears in Part I — Item 3 — "Legal Proceedings" and Part II — Item 8 — "Financial Statements and Supplementary Data" (Note 13 - "Commitments and Contingencies") in the Company's Annual Report on Form 10-K for the year ended December 31, 2006, and in Part II — Item 1 of this report. The Company cannot currently estimate the final outcome of many of the items described or the ultimate amount of potential losses.

Pursuant to Statement of Financial Accounting Standards No. 5, 'Accounting for Contingencies,' accruals for estimated losses are recorded at the time information becomes available indicating that losses are probable and that the amounts are reasonably estimable. Amounts so accrued are not discounted. While the ultimate liabilities relating to claims and proceedings may be significant to profitability in the period recognized, it is management's opinion that such liabilities, when finally determined, will not have an adverse material effect on Sonoco's consolidated financial position or liquidity.

Environmental Matters

During the fourth quarter of 2005, the United States Environmental Protection Agency (EPA) notified U.S. Paper Mills Corp. (U.S. Mills), a wholly owned subsidiary of the Company, that U.S. Mills and NCR Corporation (NCR), an unrelated party, would be jointly held responsible to undertake a program to remove and dispose of certain PCB-contaminated sediments at a particular site on the lower Fox River in Wisconsin. U.S. Mills and NCR reached an agreement between themselves that each would fund 50% of the costs of remediation, which the Company currently estimates to be between $26,200 and $29,100 for the project as a whole. The low end of this range increased by $2,200 during the third quarter of 2007; accordingly, U.S. Mills recorded a charge of $1,100 in the third quarter for their estimated share of the additional remediation cost. The actual costs associated with cleanup of this particular site are dependent upon many factors and it is reasonably possible that remediation costs could be higher than the current estimate of project costs. The Company acquired U.S. Mills in 2001, and the alleged contamination predates the acquisition.

In February 2007, the EPA and Wisconsin Department of Natural Resources issued a general notice of potential liability under CERCLA and a request to participate in remedial action implementation negotiations relating to a stretch of lower Fox River, including the bay at Green Bay, (Operating Units 2 — 5) to eight potentially responsible parties, including U.S. Mills. Operating Units 2 — 5 comprise a vastly larger area than the site referred to in the paragraph above. Although it has not accepted any liability, U.S. Mills is reviewing this information and discussing possible remediation scenarios, and the allocation of responsibility therefor, with other potentially responsible parties. On April 9, 2007, U.S. Mills, in conjunction with other potentially responsible parties, presented to the EPA and the Wisconsin Department of Natural Resources a proposed schedule to mediate the allocation issues among eight potentially responsible parties, including U.S. Mills. Non-binding mediation began in May 2007 and is currently in recess but is expected to continue although no agreement among the parties appears imminent. The mediation proceedings have caused U.S. Mills to revise its estimate of the range of loss probable to be incurred in connection with the remediation of Operating Units 2 — 5. Accordingly, U.S. Mills recorded a charge of $20,000 in the second quarter for the remediation of Operating Units 2 — 5. The second quarter charge represents the minimum estimated amount of potential loss U.S. Mills believes it is likely to incur. Developments since the second quarter, including the ongoing mediation, have not provided U.S. Mills with a reasonable basis for further revising its estimate of the range of possible loss. Although U.S. Mills' ultimate share of the liability could conceivably exceed its net worth, Sonoco Products Company believes the maximum additional exposure to Sonoco's consolidated financial position is limited to the equity position of U.S. Mills which was approximately $80,000 as of September 30, 2007, excluding any tax benefits that may reduce the net charge.

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The Company has been named as a potentially responsible party at several other environmentally contaminated sites. All of the sites are also the responsibility of other parties. The potential remediation liabilities are shared with such other parties, and, in most cases, the Company's share, if any, cannot be reasonably estimated at the current time.

As of September 30, 2007, and December 31, 2006, the Company (and its subsidiaries) had accrued $30,071 and $15,316, respectively, related to environmental contingencies. These accruals include $26,789 and $11,661 for U.S. Mills at September 30, 2007 and December 31, 2006, respectively. U.S. Mills has insurance pursuant to which it may recover some or all of the costs it ultimately incurs, or it may be able to recoup some or all of such costs from third parties. There can be no assurance that such claims for recovery would be successful and no amounts have been recognized in the consolidated financial statements of the Company for such potential recovery or recoupment.

Report of Independent Registered Public Accounting Firm

To the Shareholders and Directors of Sonoco Products Company:

We have reviewed the accompanying condensed consolidated balance sheet of Sonoco Products Company as of September 30, 2007, and the related condensed consolidated statements of income for the three-month and nine-month periods ended September 30, 2007 and September 24, 2006 and the condensed consolidated statements of cash flows for the nine-month periods ended September 30, 2007 and September 24, 2006. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying condensed consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of December 31, 2006, and the related consolidated statements of income, shareholders' equity and cash flows for the year then ended, management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2006 and the effectiveness of the Company's internal control over financial reporting as of December 31, 2006; and in our report dated February 28, 2007, we expressed unqualified opinions thereon. The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting referred to above are not presented herein. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2006, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

/s/PricewaterhouseCoopers LLP

Charlotte, North Carolina
October 30, 2007

SONOCO PRODUCTS COMPANY

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Statements included in this report that are not historical in nature, are intended to be, and are hereby identified as "forward-looking statements" for purposes of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended. The words "estimate," "project," "intend," "expect," "believe," "consider," "plan," "anticipate," "objective," "goal," "guidance" and similar expressions identify forward-looking statements. Forward-looking statements include, but are not limited to statements regarding offsetting high raw material costs; improved productivity and cost containment; adequacy of income tax provisions; refinancing of debt; adequacy of cash flows; anticipated amounts and uses of cash flows; effects of acquisitions and dispositions; adequacy of provisions for environmental liabilities; financial strategies and the results expected from them; continued payments of dividends; stock repurchases; and producing improvements in earnings. Such forward-looking statements are based on current expectations, estimates and projections about our industry, management's beliefs and assumptions made by management. Such information includes, without limitation, discussions as to guidance and other estimates, expectations, beliefs, plans, strategies and objectives concerning our future financial and operating performance. These statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially from those expressed or forecasted in such forward-looking statements. The risks and uncertainties include, without limitation:

- *Availability and pricing of raw materials;*
- *Success of new product development and introduction;*
- *Ability to maintain or increase productivity levels and contain or reduce costs;*
- *International, national and local economic and market conditions;*
- *Fluctuations in obligations and earnings of pension and postretirement benefit plans;*
- *Ability to maintain market share;*
- *Pricing pressures and demand for products;*
- *Continued strength of our paperboard-based tubes and cores and composite can operations;*
- *Anticipated results of restructuring activities;*
- *Resolution of income tax contingencies;*
- *Ability to successfully integrate newly acquired businesses into the Company's operations;*
- *Currency stability and the rate of growth in foreign markets;*
- *Use of financial instruments to hedge foreign currency, interest rate and commodity price risk;*
- *Actions of government agencies and changes in laws and regulations affecting the Company;*
- *Anticipated costs of environmental remediation actions;*
- *Loss of consumer confidence; and*
- *Economic disruptions resulting from terrorist activities.*

The Company undertakes no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this report might not occur.

SONOCO PRODUCTS COMPANY

COMPANY OVERVIEW

Sonoco is a leading manufacturer of industrial and consumer packaging products and provider of packaging services, with over 330 locations in 35 countries.

Sonoco competes in multiple product categories with the majority of its operations organized and reported in three segments: Consumer Packaging, Tubes and Cores/Paper and Packaging Services. Various other operations are reported as "All Other Sonoco." Each of the Company's operating units has its own sales staff and maintains direct sales relationships with its customers. Some of the units have service staff at the manufacturing facilities that interact directly with customers. Divisional sales personnel also provide sales management, marketing and product development assistance as needed.

Third Quarter 2007 Compared with Third Quarter 2006

RESULTS OF OPERATIONS

The following discussion provides a review of results for the three months ended September 30, 2007 versus the three months ended September 24, 2006.

OVERVIEW

Net income for the third quarter of 2007 was $64.5 million, an increase of 6 percent compared to $61.1 million for the same period in 2006. Results for the current year third quarter included after-tax asset impairment charges of $9.9 million primarily at the Company's metal ends plant in Brazil and its rigid plastics plant in Wisconsin, after-tax restructuring of $1.6 million related to previously announced cost-reduction measures, and a $.6 million after-tax environmental reserve adjustment associated with a subsidiary's paper operation. The Company reported a net income tax benefit of $2.0 million for the third quarter, primarily due to the release of reserves for uncertain tax positions upon expiration of their related statutory assessment periods. Prior year results included $.6 million of after-tax restructuring charges. Gross profit increased 3% year over year despite a decline in the gross profit margin to 18.2%, compared with 19.5% in the same period of 2006. Higher average selling prices and productivity improvements were partially offset by increases in material and other costs.

OPERATING REVENUE

Net sales for the third quarter of 2007 were $1,030 million, compared to $931 million for the third quarter of 2006, an increase of $99 million.

The components of the sales change were:

($ in millions)	
Acquisitions/Divestitures	$53
Selling Prices	19
Currency Exchange Rates	28
Volume	(1)
Total Sales Increase	$99

The selling price impact reflects price increases implemented over the past year, primarily in the Tubes and Cores/Paper segment, to offset the higher costs of material, labor, energy and freight. The acquisitions late in 2006 of Clear Pack Company and the remaining 75% interest in Demolli Industria Cartaria S.p.A., combined with the second quarter 2007 purchase of Matrix Packaging, Inc., accounted for the majority of the impact of acquisitions on net sales. Excluding the impact of these acquisitions, company-wide volume was essentially flat with third quarter 2006 levels. Domestic sales were $645 million, up 8.3% over third quarter 2006, while international sales were $384 million, up 14.6% over third quarter 2006. These increases were driven by acquisitions and the impact of currency translation on international results.

COSTS AND EXPENSES

The average market price for old corrugated containers (OCC), one of the Company's largest cost components, was significantly higher than the same period last year and is expected to remain higher than comparable prior periods for the near future. As has been the case in recent quarters, managing price swings in OCC is expected to be a challenge over the upcoming quarters. Due to the sharply higher costs for OCC and continued price pressure from certain other raw materials and operating costs, the Company experienced an unfavorable selling price/material cost relationship during the quarter. Manufacturing productivity improvements and lower pension and postretirement costs in the third quarter of 2007 offset the small volume decline and the negative impact of an unfavorable change in the mix of products and services sold. During the third quarter of 2007, the Company recorded asset impairment charges of $15.1 million, primarily related to the Company's metal ends plant in Brazil and its rigid plastics plant in Wisconsin. In addition, the Company also recorded a $1.1 million adjustment to the environmental reserve at a subsidiary's paper operation during the quarter. Restructuring charges totaled $2.3 million and $1.1 million for the third quarters of 2007 and 2006, respectively. Restructuring and asset impairment charges are not reflected in segment operating profit.

Net interest expense for the third quarter of 2007 increased to $14.1 million, compared with $10.7 million during the same period in 2006. The increase was due to higher debt levels and, to a lesser extent, higher interest rates on commercial paper during the second half of the quarter.

During the third quarter, the Company completed its annual test for goodwill impairment in accordance with Statement of Financial Accounting Standards No. 142, 'Goodwill and Other Intangible Assets.' No impairment charge for goodwill was required, but the evaluation used forward-looking projections, which included expected improvement in results in the flexible packaging operations within the Consumer Packaging segment. If actual performance in this reporting unit falls short of the projected results, a non-cash impairment charge may be required.

The Company reduced its tax reserves in the third quarter of 2007 due to the expiration of the statutes of limitations in various taxing jurisdictions within the United States. As a result, the Company reported a net income tax benefit of $2.0 million (effective tax rate of – 3.4%) for the third quarter. This compares to an effective tax rate of 28.6% during the third quarter of 2006.

REPORTABLE SEGMENTS

The following table recaps net sales for the third quarters of 2007 and 2006:

	Three Months Ended	
	September 30, 2007	September 24, 2006
Net Sales:		
Consumer Packaging	$ 369,472	$ 328,649
Tubes and Cores/Paper	433,686	387,477
Packaging Services	132,445	122,014
All Other Sonoco	94,161	93,382
Consolidated	$ 1,029,764	$ 931,522

SONOCO PRODUCTS COMPANY

Consolidated operating profits, which are referred to as “Income before income taxes” on the Consolidated Statements of Income, are comprised of the following:

	Three Months Ended	
	September 30, 2007	September 24, 2006
Operating Profit		
Consumer Packaging	$ 23,696	$ 27,998
Tubes and Cores/Paper	42,339	42,817
Packaging Services	10,924	9,424
All Other Sonoco	13,439	12,552
Restructuring/Asset Impairment Charges	(17,401)	(1,064)
Interest, net	(14,054)	(10,741)
Income before income taxes	$ 58,943	$ 80,986

Segment results viewed by Company management to evaluate segment performance do not include restructuring, asset impairment and net interest charges. Accordingly, the term “operating profit,” as used with respect to segment results, is defined as the segment’s portion of “Income before income taxes” excluding restructuring charges and net interest expense. General corporate expenses, with the exception of restructuring charges, interest, and income taxes, have been allocated as operating costs to each of the Company’s reportable segments and All Other Sonoco.

Consumer Packaging

Sonoco’s Consumer Packaging segment includes the following products: round and shaped rigid packaging (both composite and plastic); printed flexible packaging; and metal and peelable membrane ends and closures.

Sales in the Consumer Packaging segment increased approximately $41 million, or 12%, from last year’s third quarter. The year-over-year increase in sales was primarily due to acquisitions, which accounted for approximately $38 million of the improvement and the favorable impact of foreign currency translation. These were partially offset by price declines in flexible packaging and volume declines in North American rigid paper containers, flexible packaging and ends and closures. Volume, excluding the impact of acquisitions, declined approximately 1%.

Despite the benefit of the overall increase in sales, segment operating profits declined 15% from the same quarter last year. Of this decline, approximately 9 percentage points was due to the settlement of a specific product claim resolved in the quarter. The remaining six percent decline was due to the lower volumes, price reductions in certain flexible packaging without offsetting reductions in costs, and rising operating costs. Productivity improvements, along with the impact of the Matrix and Clearpack acquisitions, partially offset these unfavorable variances.

Tubes and Cores/Paper

The Tubes and Cores/Paper segment includes the following products: high-performance paper and composite paperboard tubes and cores; fiber-based construction tubes and forms; and recycled paperboard, linerboard, recovered paper and other recycled materials.

Sales in the Tubes and Cores/Paper segment increased approximately $46 million, or 12%, from 2006 levels. The third quarter sales increase included additional revenue from acquired businesses of approximately $15 million, the benefits of higher selling prices throughout the segment and favorable foreign currency rates. Volume, excluding the impact of acquisitions, declined slightly less than 2%, primarily due to declines in North American tubes and cores.

Operating profits were slightly down for the quarter versus the same period of last year. An additional environmental charge of $1.1 million at a subsidiary’s paper operations, along with the impact of higher conversion costs were the primary reasons behind the modest decline in operating profits. Despite significantly higher costs of materials, primarily OCC, which have remained high after a sharp increase earlier in the year, the Company was able to maintain a slightly favorable selling price/material cost relationship in this segment. This, along with productivity improvements nearly offset the unfavorable variances described above.

Packaging Services

The Packaging Services segment includes the following products and services: designing, manufacturing, assembling, packing and distributing temporary, semi-permanent and permanent point-of-purchase displays; brand artwork management; and supply chain management services including contract packing, fulfillment and scalable service centers.

Sales in the Packaging Services segment increased approximately $10 million, or 9%, from last year's third quarter. Sales in the segment benefited from higher volume in both point-of-purchase displays and service center operations along with the favorable impact of foreign currency rates. Sales price reductions, resulting from recent bidding activity with a major customer, partially mitigated these favorable variances.

Third quarter operating profit increased 16% due to productivity improvements and the higher volume, particularly in point of purchase displays where margins are higher relative to other business units in the segment. These were partially offset by lower selling prices and increased operating costs.

All Other Sonoco

All Other Sonoco includes businesses that are not aggregated in a reportable segment and includes the following products: wooden, metal and composite wire and cable reels; molded and extruded plastics; custom-designed protective packaging; and paper amenities such as coasters and glass covers.

Sales in All Other Sonoco were slightly higher than the same quarter last year as favorable foreign currency rates and selling price increases were partially offset by lower volume in molded and extruded plastics and wire and cable reels. Price increases were recorded in all businesses within All Other Sonoco.

Third quarter operating profit increased 7% when compared with last year as productivity improvements in protective packaging and molded and extruded plastics were able to offset increased operating costs and lower volume. In addition, a $.6 million gain on the sale of a building boosted profitability in this segment.

Nine Months Ended September 30, 2007 Compared with Nine Months Ended September 24, 2006

RESULTS OF OPERATIONS

The following discussion provides a review of results for the nine months ended September 30, 2007 versus the nine months ended September 24, 2006.

OVERVIEW

Net income for the first three quarters of 2007 was $160.0 million, an increase of approximately 3% when compared to $155.6 million for the same period in 2006. Current year results included a $12.4 million after-tax charge relating to an increase in the environmental reserve at a subsidiary's paper operations in Wisconsin, after-tax restructuring charges of $9.2 million related to previously announced cost-reduction measures and after-tax asset impairment charges of $9.9 million. These impairment charges were primarily related to the Company's metal ends plant in Brazil and its rigid plastics plant in Wisconsin. Prior year results included $3.5 million of after-tax restructuring charges. While gross profit increased by nearly 10%, sales increased by nearly 12%, resulting in a decline in the gross profit margin to 18.9%, compared with 19.2% in 2006. The year-over-year increases in material costs were more than offset by higher average selling prices, while productivity improvements more than offset the impact of inflation on operating costs. These factors, along with the impact of acquisitions over the last 12 months, resulted in an increase in operating profits. As a result of the Company's accounting calendar, the first nine months of 2007 included six more days than the same period of 2006. The impact of these additional days is included below as part of volume growth.

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OPERATING REVENUE

Net sales for the first three quarters of 2007 were $2,980 million, compared to $2,667 million for the same period of 2006, an increase of $313 million or, 12%.

The components of the sales change were:

($ in millions)	
Volume	$ 65
Acquisitions/Divestitures	123
Selling Prices	62
Currency Exchange Rates	63
Total Sales Increase	$313

Selling prices were higher than in 2006, reflecting price increases implemented over the past year to offset the impact of higher costs of material, labor, energy and freight. Excluding the impact of acquisitions, year-to-date company-wide volume was up over 2% from 2006 levels, largely as a result of the additional days in the first nine months of 2007. The late 2006 acquisitions of Clear Pack Company and the remaining 75% interest in Demolli Industria Cartaria S.p.A., combined with the second quarter 2007 purchase of Matrix Packaging, Inc., accounted for the majority of the impact of acquisitions on net sales. Domestic sales were $1,863 million, up 8.6% from 2006 levels. International sales were $1,116 million, up 17.3% over 2006, driven by the impact of acquisitions, currency translation and improvement in European Tubes and Cores/Paper operations.

COSTS AND EXPENSES

Even though OCC unit costs were significantly higher year over year, the Company was able to increase selling prices sufficiently to maintain a positive selling price/material cost relationship. Additional positive factors in the year-over-year increase in net income included the impact of manufacturing productivity improvements, lower pension and postretirement expenses, and the impact of increased volume and acquisitions. Partially offsetting these positive factors were the impacts of inflation on operating expenses and an unfavorable change in the mix of products and services sold in 2007. During the first nine months of 2007, the Company recorded a $21.1 million charge related to an increase in the environmental reserve at a subsidiary’s paper operations in Wisconsin and asset impairment charges totaling $15.1 million, associated with its metal ends plant in Brazil and its rigid plastic plant in Wisconsin. Charges in connection with previously announced restructuring actions totaled $12.4 million and $6.0 million for the first nine months of 2007 and 2006, respectively. Restructuring and asset impairment charges are not allocated to the operating segments.

Net interest expense for the first three quarters of 2007 increased to $38.3 million, compared with $34.1 million during the same period of 2006, due to higher debt levels and interest rates.

The effective tax rate for the first nine months of 2007 was 20.8% compared with 31.2% for the same period last year. Both periods included favorable adjustments to tax contingency reserves, which were larger in 2007 than they were in 2006. The 2007 effective tax rate also reflects the benefit of improved international operations.

The Company’s estimate for the potential outcome for any uncertain tax issue is highly judgmental and its future results may include favorable or unfavorable adjustments to its estimated tax liabilities in the period the assessments are made or resolved or when statutes of limitation on potential assessments expire. As a result, the effective tax rate may fluctuate significantly on a quarterly basis. However, the Company does not anticipate any significant adjustments to occur during the remainder of 2007.

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REPORTABLE SEGMENTS

The following table recaps net sales for the first three quarters of 2007 and 2006:

	Nine Months Ended	
	September 30, 2007	September 24, 2006
Net Sales:		
Consumer Packaging	$ 1,051,178	$ 954,488
Tubes and Cores/Paper	1,268,300	1,112,626
Packaging Services	377,787	325,579
All Other Sonoco	282,609	274,608
Consolidated	$ 2,979,874	$ 2,667,301

Consolidated operating profits, which are referred to as “Income before income taxes” on the Consolidated Statements of Income, are comprised of the following:

	Nine Months Ended	
	September 30, 2007	September 24, 2006
Operating Profit		
Consumer Packaging	$ 75,781	$ 80,154
Tubes and Cores/Paper	106,036	107,557
Packaging Services	33,869	27,122
All Other Sonoco	40,441	38,160
Restructuring/Asset Impairment Charges	(27,496)	(5,983)
Interest, net	(38,302)	(34,111)
Income before income taxes:	$ 190,329	$ 212,899

Consumer Packaging

Sales in the Consumer Packaging segment increased approximately $97 million, or 10%, from last year’s first nine months. This increase was due primarily to acquisitions, which accounted for $74 million of the increase, volume growth, and the favorable impact of foreign currency translation. Favorable pricing of rigid paper containers and ends and closures in North America was offset by price reductions in flexible packaging. Year-to-date volume, excluding the impact of acquisitions, increased approximately 1% on growth in ends and closures and international rigid paper and plastics.

Despite the benefit of the overall increase in sales, operating profit decreased approximately 5% as productivity improvements and the impact of volume growth, both organic and via acquisitions, were offset by selling price declines in flexible packaging, an unfavorable shift in the mix of the business and increases in operating costs. Due to higher raw material costs in rigid paper and plastic operations along with the selling price declines in flexible packaging, the segment reported an unfavorable selling price/material cost relationship when compared to the first nine months of 2006.

Tubes and Cores/Paper

Sales in the Tubes and Cores/Paper segment increased approximately $156 million, or 14%, from 2006 levels. This increase included additional revenue from acquired businesses totaling $47 million, the benefits of higher selling prices throughout the segment, volume increases and favorable foreign currency rates. Volume, excluding the impact of acquisitions, increased approximately 1%, primarily due to improvements in international tubes and cores.

Operating profit showed only a modest decline after absorbing a $21.1 million charge taken for an increase in environmental reserves. Despite significantly higher raw material costs, primarily for OCC, the segment maintained a positive price/cost relationship during the first nine months of 2007. This favorable relationship, together with productivity improvements, most notably in European and North American tubes and cores operations, were able to offset a significant portion of the environmental charge and higher operating costs.

Packaging Services

Sales during the first nine months of 2007 in the Packaging Services segment increased approximately $52 million, or 16%, from 2006's levels. Sales in the segment benefited from higher volume in both point-of-purchase displays and service center operations along with the favorable impact of foreign currency rates.

Operating profit in the first three quarters increased due to the higher point-of-purchase volume and productivity improvements, partially offset by decreased selling prices in point of purchase displays and increased operating costs. Because the increased volume in service center operations was largely on a pass-through basis with little margin, the related increase in sales did not have a material impact on operating profits.

All Other Sonoco

Sales in All Other Sonoco increased $8 million, or 3% over the first three quarters of 2006. Volume growth, favorable foreign currency rates and increased selling prices all contributed to the increase.

Operating profit increased on overall volume growth and productivity improvements in protective packaging, wire and cable reels and molded and extruded plastics. These gains were partially offset by an unfavorable shift in the mix of business and increased operating costs.

Financial Position, Liquidity and Capital Resources

The Company's financial position remained strong during the first nine months of 2007. Cash flows from operations totaled $257.9 million in this year's first nine months, compared with $323.8 million in the same period last year. This decrease of $65.9 million was primarily the result of increased working capital.

Total debt increased by $211.6 million to $975.5 million from $764.0 million at December 31, 2006, primarily reflecting higher amounts of outstanding commercial paper, which totaled $295.0 million and $89.0 million at September 30, 2007 and December 31, 2006, respectively. The higher debt was principally the result of funding the Company's May 31, 2007 acquisition of Matrix Packaging, Inc. at a cost of approximately $212 million, and the repurchase of 3 million shares of its common stock at a cost of $108.1 million.

During the nine months ended September 30, 2007, the Company received cash proceeds of approximately $49.4 million from the issuance of common stock, which related to the exercise of stock options. In addition, the Company funded capital expenditures of $135.3 million, paid dividends of $76.6 million, and completed the aforementioned repurchase of its common stock.

The Company anticipates capital spending for the fourth quarter and full year of 2007 to be approximately $30 million and $165 million, respectively. Capital spending is expected to return to more historic levels of approximately $125-$130 million in 2008.

At September 30, 2007, the Company had commodity swaps outstanding to fix the costs of a portion of anticipated raw materials and energy purchases. These swaps, which have maturities ranging from October 2007 to June 2010, qualify as cash flow hedges under FAS 133. The fair market value of these commodity swaps was a net unfavorable position of $3.4 million and $3.2 million at September 30, 2007 and December 31, 2006, respectively.

Restructuring and Impairment

Information regarding the Company's restructuring programs is provided in Note 4 to the Company's Condensed Consolidated Financial Statements.

New Accounting Pronouncements

Information regarding new accounting pronouncements is provided in Note 10 to the Company's Condensed Consolidated Financial Statements.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Information about the Company's exposure to market risk was disclosed in its Annual Report on Form 10-K for the year ended December 31, 2006, which was filed with the Securities and Exchange Commission on February 28, 2007. There have been no material quantitative or qualitative changes in market risk exposure since the date of that filing.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Under the supervision, and with the participation, of our management, including our principal executive officer and principal financial officer, we conducted an evaluation pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934 of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based on this evaluation, our principal executive officer and principal financial officer concluded that such controls and procedures, as of the end of the period covered by this Quarterly Report on Form 10-Q, were effective.

Changes in Internal Controls

The Company is continuously seeking to improve the efficiency and effectiveness of its operations and of its internal controls. This results in refinements to processes throughout the Company. However, there has been no change in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Information with respect to legal proceedings and other exposures appears in Part I — Item 3 — "Legal Proceedings" and Part II — Item 8 — "Financial Statements and Supplementary Data" (Note 13 - - "Commitments and Contingencies") in the Company's Annual Report on Form 10-K for the year ended December 31, 2006, and in Part I — Item 1 — "Financial Statements" (Note 12 — "Commitments and Contingencies") of this report. As noted in the 10-K, in April 2006, the United States and the State of Wisconsin (plaintiffs) sued U.S. Paper Mills Corp. (U.S. Mills), a wholly owned subsidiary of the Company, and NCR Corporation (NCR), an unrelated company, to recover certain costs incurred for response activities undertaken regarding the release and threatened release of hazardous substances and specific areas of elevated concentrations of polychlorinated biphenyls in sediments in the Lower Fox River and Green Bay in northeastern Wisconsin (hereinafter the Site). Pursuant to a Consent Decree agreed to by NCR and U.S. Mills, the Site is to be cleaned up on an expedited basis and NCR and U.S. Mills started removing contaminated sediment in May 2007. The remediation will involve removal of sediment from the riverbed, dewatering of the sediment and storage at an offsite landfill. U.S. Mills and NCR reached an agreement between themselves that each would fund 50% of the costs of remediation, which the Company currently estimates to be between $26 million and $29 million for the project as a whole. The actual costs associated with cleanup of this particular site are dependent upon many factors and it is reasonably possible that remediation costs could be higher than the current estimate of project costs.

In addition to the Site discussed above, as previously disclosed in its Annual Report on Form 10-K for the year ended December 31, 2006, U.S. Mills faces additional exposure related to potential natural resource damage and environmental remediation costs for a larger stretch of the lower Fox River, including the bay at Green Bay, which includes the Site discussed above (Operating Units 2 — 5). On April 9, 2007, U.S. Mills, in conjunction with other potentially responsible parties (PRPs), presented to the U.S. Environmental Protection Agency and the Wisconsin Department of Natural Resources a proposed schedule to mediate the allocation issues among eight PRPs, including U.S. Mills. Non-binding mediation began in May 2007 and is currently in recess but expected to continue although no agreement among the parties appears imminent. The mediation proceedings have caused U.S. Mills to revise its estimate of the range of loss probable to be incurred in connection with the remediation of Operating Units 2 — 5. Accordingly, U.S. Mills recorded a charge of $20 million in the second quarter of 2007 representing the minimum

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estimated amount of potential loss U.S. Mills believes it is likely to incur. Developments since the second quarter, including the ongoing mediation, have not provided U.S. Mills with a reasonable basis for further revising its estimate of the range of possible loss. As has previously been disclosed, the upper end of the range may exceed the net worth of U.S. Mills; however, because the discharges of hazardous materials into the environment occurred before the Company acquired U.S. Mills, and U.S. Mills has been operated as a separate subsidiary of the Company, the Company does not believe that it bears financial responsibility for the legacy environmental liabilities of U.S. Mills. Therefore, the Company continues to believe that the maximum additional exposure to its consolidated financial position is limited to the equity position of U.S. Mills, which was approximately $80 million at September 30, 2007.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

ISSUER PURCHASES OF EQUITY SECURITIES

Period	(a) Total Number of Shares Purchased[1]	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[2]	(d) Maximum Number of Shares that May Yet be Purchased under the Plans or Programs[2,3]
7/02/07 — 8/05/07	471	$ 43.75	—	5,000,000
8/06/07 — 9/02/07	1,500,000	$ 34.27	1,500,000	3,500,000
9/03/07 — 9/30/07	—	—	—	3,500,000
Total	1,500,471	$ 34.28	1,500,000	3,500,000

1 The shares purchased include 471 shares withheld to cover the tax withholding obligations in association with the exercise of stock appreciation rights. These shares were not repurchased as part of a publicly announced plan or program.

2 On April 19, 2006, the Company's Board of Directors rescinded all then existing programs in conjunction with its approval of a new program which authorized the repurchase of up to 5.0 million shares of the Company's common stock. This new repurchase program does not have a specific expiration date. On August 27, 2007, the Company completed the repurchase of 1.5 million shares of its common stock; accordingly, 3.5 million shares remain available for repurchase.

3 On October 15, 2007, the Company's Board of Directors authorized the reinstatement of 1.5 million shares to the remaining authorized amount so that a total of 5 million shares were authorized and available for purchase as of that date.

Item 6. Exhibits.

Exhibit 10-1 —	Sonoco Products Company 1991 Key Employee Stock Plan, as amended on July 18, 2007
Exhibit 10-2 —	Sonoco Products Company 1996 Non-employee Directors' Stock Plan, as amended on July 18, 2007
Exhibit 10-3 —	Deferred Compensation Plan for Corporate Officers of Sonoco Products Company, as amended on July 18, 2007
Exhibit 15 —	Letter re: unaudited interim financial information
Exhibit 31 —	Certifications of Chief Executive Officer and Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and 17 C.F.R. 240.13a-14(a)
Exhibit 32 —	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and 17 C.F.R. 240.13a-14(b)

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SONOCO PRODUCTS COMPANY
(Registrant)

Date: October 30, 2007

By: /s/ Charles J. Hupfer
Charles J. Hupfer
Senior Vice President and Chief Financial Officer
(principal financial officer)

By: /s/ Barry L. Saunders
Barry L. Saunders
Staff Vice President and Corporate Controller
(principal accounting officer)

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EXHIBIT INDEX

Exhibit Number	Description
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10-2	Sonoco Products Company 1996 Non-employee Directors' Stock Plan, as amended on July 18, 2007
10-3	Deferred Compensation Plan for Corporate Officers of Sonoco Products Company, as amended on July 18, 2007
15	Letter re: unaudited interim financial information
31	Certifications of Chief Executive Officer and Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and 17 C.F.R. 240.13a-14(a)
32	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and 17 C.F.R. 240.13a-14(b)

Exhibit 10.1

Sonoco Products Company

1991 Key Employee Stock Plan

February 6, 1991

(As amended March 17, 1995)
(As amended February 3, 1999)
(As amended November 14, 2002)
(As amended July 18, 2007)

(This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933)

1. *Purpose.* The Sonoco Products Company 1991 Key Employee Stock Plan (the "Plan") has been adopted by the Board of Directors (the "Board") to encourage and create significant ownership of the Common Stock ("Common Stock" or "Shares") of Sonoco Products Company (the "Company") by employees. Additional purposes of the Plan include generating a meaningful incentive to participants to make substantial contributions to the Company's future success, enhancing the Company's ability to attract and retain persons who will make such contributions, and ensuring that the Company can provide competitive compensation opportunities for its key personnel. By meeting these objectives, the Plan is intended to benefit the shareholders of the Company.

2. *Term.* The Plan shall be effective as of February 6, 1991. The amendments to the Plan shall be effective when approved by shareholders and until terminated pursuant to Section 14.7.

3. *Common Shares Available for Issuance.* Subject to adjustments contemplated by Section 5, 5,000,000 shares of Common Stock of the Company became available for issuance under the Plan, on February 6, 1991. Beginning on January 1, 1995, and ending on January 1, 2005, the number of shares available for issuance under the Plan shall be increased on each January 1 by an amount equal to 1.2% of the number of shares of common stock issued on such day. Furthermore, the Committee may designate for issuance under the Plan any shares of common stock that are repurchased by the Company after April 19, 1995, and before April 19, 2005, (the "Repurchased Shares") on the open market or in private transactions in which the Company paid fair market value, so long as the aggregate price paid for the Repurchased Shares does not exceed the cumulative amount received in cash by the Company after April 19, 1995, for the exercise of options granted under the Plan or the 1983 Key Employee Stock Option Plan (the "Prior Plan"). Shares available for issuance under the plan, which are not issued in a given year, will be carried forward and continue to be available in the succeeding year. Any shares issued under the Plan may be either authorized but unissued shares, or previously-issued shares reacquired by the Company.

4. *Share Usage*. If grants made under the Plan expire or are cancelled without the issuance of shares, the shares of stock covered by such grants shall remain available for issuance under the Plan. Further, any shares which are exchanged by a participant as full or partial payment to the Company of the purchase price of shares being acquired through the exercise of a stock option granted under the Plan or the Prior Plan shall be added to the aggregate number of shares available for issuance for grants other than incentive stock option grants. In instances

where a stock appreciation right (SAR) or a stock grant is settled in cash or any form other than shares, then the shares covered by these settlements shall not be deemed issued and shall remain available for issuance under the Plan. The payment in shares of dividends in conjunction with outstanding grants shall not be counted against the shares available for issuance.

5. *Adjustments and Reorganizations.* The Board shall make such adjustments as it deems appropriate to meet the intent of the Plan in the event of changes that impact the Company's share price or share status, provided that any such actions are consistently and equitably applicable to all affected participants.

   a. In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of Company assets to shareholders, or any other change affecting shares, such proportionate adjustments, if any, are appropriate to reflect such change shall be made with respect to (i) aggregate number of shares that may be issued under the Plan; (ii) each outstanding grant made under the Plan; (iii) the price per share for any outstanding stock options, SARs and other rights granted under the Plan; and the limitations on share usage and allocation set forth in Section 9. In addition, any shares issued or settlement of grants by the Company through the assumption or substitution of outstanding grants or grant commitments from an acquired company or other entity shall not be counted against the limitations set forth in Section 3 and Section 9.

b. In the event that the Company is not the surviving company of a merger, consolidation or amalgamation with another company or in the event of a liquidation or reorganization of the Company, and in the absence of the surviving corporation's assumption of outstanding grants made under the Plan, the Board shall provide for appropriate adjustments and settlements of such grants either at the time of grant or at a subsequent date.

6. *Plan Administration.*

6.1 *The Committee*. A Committee (the "Committee") appointed by the Board shall be responsible for administering the Plan. The Committee shall be comprised of three or more members of the Board who qualify to administer the Plan as contemplated by Rule 16b-3 under the Securities Exchange Act of 1934 (the "1934 Act"), or any successor rule.

6.2 *Powers of the Committee*. Subject only to the express restrictions and limitations otherwise set forth in the Plan, the Committee shall have sole, absolute and full authority and power to:

(a) Interpret the Plan and undertake such actions and make such determinations and decisions as it deems necessary and appropriate to carry out the Plan intent;

(b) Select individuals to receive grants;

(c) Determine the amount of shares to be covered by each grant;

(d) Decide the type grant or grants to be made to each participant and the terms and conditions applicable to each such grant;

(e) Award grants to individuals who are foreign nationals or who are employed outside the United States or both, on such terms and conditions (which may be different than specified by the Plan) which it deems are necessary to assure the viability of such grants in meeting the purposes of the Plan;

(f) Enter into grant agreements evidencing grants made under the Plan and their respective terms and conditions;

(g) Establish, amend and repeal rules and regulations relating to the Plan; and

(h) Amend the Plan to the extent permitted by Section 14.6.

6.3 *Delegation of Authority*. The Committee may designate persons other than members of the Committee or the Board to carry-out its responsibilities subject to such limitations, restrictions and conditions as it may prescribe, except that the Committee may not delegate its authority with regard to the awarding of grants to persons subject to Section 16 of the 1934 Act.

Further, the Committee may not delegate its authority if such delegation would cause the Plan not to comply with the requirements of Rule 16b-3 or any successor rule under the 1934 Act.

6.4 *Dividends and Dividend Equivalents*. The Committee may provide that grants awarded under the Plan earn dividends or dividend equivalents. Such dividend equivalents may be paid currently or may be credited to a participant's account. In addition, dividends paid on outstanding grants or issued shares may be credited to a participant's account, including additional shares or share equivalents, rather than paid currently. Any crediting of dividends or dividend equivalents may be subject to such restrictions and conditions as the Committee may establish, including reinvestment in additional shares or share equivalents.

6.5 *Deferrals and Settlements*. The Committee may require or permit participants to elect to defer the issuance of shares or the settlement of grants in cash under such rules and procedures as it may establish under the Plan. It also may provide that deferred settlements include the payment or crediting of interest on the deferral amounts or the payment or crediting of dividend equivalents on deferred settlements denominated in shares. The Committee also may require or permit grants to be settled in the form of other grant types.

6.6 *Documentation of Grants.* Grants under the Plan shall be evidenced by written agreements or such other appropriate documentation as the

Committee shall prescribe. The Committee need not require the execution of any instrument or acknowledgement of notice of a grant under the Plan, in which case acceptance of such a grant by the respective participant will constitute agreement to the terms of the grant.

7. *Plan Eligibility.* Any employee of the Company (including any entity that is directly or indirectly controlled by the Company or any entity in which the Company has a significant equity interest, as determined by the Committee) shall be eligible to be designated a participant under the Plan.

8. *Grant Types.* Awards under the Plan may consist of single, combination, tandem or replacement grants of the following types.

8.1 *Stock Options*. A stock option shall confer on a participant the right to purchase a specified number of shares from the Company subject to the terms and conditions of the stock option grant. A stock option may be in the form of an incentive stock option or any other option type. Any incentive stock option grant shall comply with the requirements of Section 422 of the Internal Revenue Code of 1986, as amended (the “Code”), and accordingly, the aggregate fair market value at the time of grant of the shares covered by incentive stock option grants exercisable by any one optionee in any calendar year shall not exceed $100,000 (or such other limit as may be required by the Code). The recipient of a stock option grant shall pay for the shares at the time of exercise in cash or such other form as the Committee may approve, including the transfer of shares (whether actual or constructive), valued at their fair market value on the date of exercise, or in a combination of payment forms.

8.2 *Stock Appreciation Rights*. A SAR grant shall confer on a participant the right to receive in shares, cash or a combination of both, up to the positive difference, if any, between the fair market value of a designated number of shares on the date the SARs are exercised and the designated price of the SARs contained in the terms and conditions of the grant. Shares issued in settlement of the exercise of SARs shall be valued at their fair market value on the date of the exercise of the SARs.

8.3 *Stock Grants*. A stock grant shall confer on a participant the right to receive a specified number of shares, cash equal in value to a designated number of shares or a combination of both, subject to the terms and conditions of the grant, which may include forfeitability contingencies based on continued employment with the Company or the meeting of performance criteria or both. The performance criteria that may be used by the Committee in awarding contingent stock grants will consist of total shareholder’s return, earnings growth, revenue growth, and/or profitability measured by return ratios. The Committee may select one criterion or multiple criteria for measuring performance, and the measurement may be based on absolute Company or business unit performance or based on comparative performance with other companies. A stock grant may be received by a participant as part of or in lieu of the participant’s normal compensation or as part of or in lieu of a payment under another incentive compensation or employee benefit plan of the Company, subject to such rules and conditions as the Committee may establish for such grants.

9. *Grant Limits*. Subject to adjustments contemplated by Section 5, the following limitations on the usage of shares of Common Stock shall be effective for grants made after April 19, 1995:

9.1 *Stock Options and SARs*. Commencing with 1995, no individual may receive a stock option or SAR, or combination of both, in any one calendar year that covers more than 200,000 shares plus unused shares carried forward for up to five years commencing in 1995. The aggregate number of shares that may be covered by incentive stock options granted under the Plan cannot exceed 5,000,000 shares.

9.2 *Stock Grants*. Commencing with 1995, no individual may receive a stock grant in any one calendar year that covers more than 100,000 shares plus unused shares carried forward for up to five years commencing in 1995. The aggregate number of shares that may be covered by stock grants made in any one calendar year shall not exceed 0.4% of the number of issued shares of Common Stock as of the first day of such calendar year commencing in 1995, plus any unused shares which were available for stock grants in any prior years commencing in 1995.

10. *Transferability and Exercisability*

10.1 *Transferability*. Any grant under the Plan will be non-transferable and, accordingly, shall not be assignable, alienable, salable or otherwise transferable by the participant other than as provided in Section 10.2 or:

(a) By will or the laws of descent and distribution;

(b) Pursuant to a qualified domestic relations order, to the extent permitted by the Committee, either at time of grant or subsequently; and

(c) By gift or other transfer to, either (i) a trust or estate in which the participant or such person's spouse, or other relative has a substantial interest, or (ii) the participant's spouse or other relative, to the extent permitted by the Committee, either at time of grant or subsequently, provided further that any such transfer by a person subject to Section 16 of the 1934 Act, the Committee may require the shares covered by such grant to continue to be deemed beneficially owned.

10.2 *Third Party Exercises*. In the event that a participant terminates employment with the Company to assume a position with a governmental, charitable, educational or similar non-profit institution, the Committee may subsequently authorize a third party, including but not limited to a "blind" trust, to act on behalf of and for the benefit of the respective participant with respect to any outstanding grants held by the participant subsequent to such termination of employment. If permitted by the Committee, a participant may designate a beneficiary or beneficiaries to exercise the rights of the participant and receive any distributions under the Plan upon the death of the participant.

11. Grant Terms and Internal Revenue Code Section 409A

11.1 *Grant Terms and Conditions.* The Committee shall determine the provisions and duration of grants made under the Plan, including the purchase prices for all stock options, the established prices for all SARs, the consideration, if any, to be required from participants for all other grants and the conditions under which a participant will retain rights in the event of the participant's termination of employment while holding outstanding grants made under the Plan. However, any stock option or SAR may not have an exercise or designated price of less than 100% of the fair market value of the covered shares on the date of grant, except that, in the case of a stock option or SAR granted retroactively in tandem with or as a substitution for another grant, the exercise or designated price may be the same as the exercise or designated price of such other grant.

11.2 *Section 409A.* If any award made under this Plan provides for deferred compensation subject to Internal Revenue Code Section 409A, the terms of the award shall be set forth in writing in a manner that complies with the requirements of Internal Revenue Code Section 409A and the regulations thereto.

12. *Tax Withholding.* The Company shall have the right to deduct from any settlement of a grant made under the Plan, including the delivery or vesting of shares, a sufficient amount to cover withholding of any federal, state or local taxes required by law or to take such other action as may be necessary to satisfy any such withholding obligations. The Committee may permit shares to be used to satisfy required tax withholding and such shares shall be valued at their fair market value as of the settlement date of the applicable grant.

13. *Other Company Benefit and Compensation Programs.* Unless otherwise determined by the Committee, settlements of grants received by participants under the Plan shall not be deemed a part of a participant's regular, recurring compensation for purposes of calculating payments or benefits from any Company benefit or severance program (or severance pay law of any country). The above notwithstanding, the Company may adopt other compensation programs, plans or arrangements as it deems appropriate or necessary.

14. *General.* The following provisions are applicable to the Plan generally:

    14.1 *Future Rights.* No person shall have any claim or rights to be awarded a grant under the Plan, and no participant shall have any rights under the Plan to be retained in the employ of the Company.

    14.2 *Fair Market Value*. The term "fair market value" as used in the Plan means the closing price of a share of Common Stock on the date of the applicable transaction or such other appropriate valuation method as the Committee may determine.

14.3 *No Fractional Shares*. No fractional shares shall be issued under the Plan and cash shall be paid in lieu of any fractional shares in settlement of grants awarded under the Plan.

14.4 *Unfunded Plan*. Unless otherwise determined by the Committee, the Plan shall be unfunded and shall not create (or be construed to create) a trust or a separate fund or funds. The Plan shall not establish any fiduciary relationship between the Company and any participant or other person. To the extent any person holds any rights by virtue of a grant awarded under the Plan, such right (unless otherwise determined by the Committee) shall be no greater than the right of an unsecured general creditor of the Company.

14.5 *Successors and Assigns*. The Plan shall be binding on all successors and assigns of a participant, including, without limitation, the estate of such participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the participant's creditors.

14.6 *Plan Amendment*. The Committee may amend the Plan as it deems necessary or appropriate to better achieve the purposes of the Plan, except that no amendment without the approval of the Company's shareholders shall be made which would:

(a) Subject to adjustments contemplated by Section 5, increase the total number of shares available for issuance under Section 3 or the share limits set forth in Section 9; and

(b) Reduce the minimum exercise or designated price for any stock options or SARs granted under the Plan.

14.7 *Plan Termination*. The Board may terminate the Plan at any time. However, if so terminated, then-existing previously-awarded grants shall remain outstanding and in effect in accordance with their applicable terms and conditions.

14.8 *Governing Law*. The validity, construction and effect of the Plan and any actions taken or relating to the Plan shall be determined in accordance with the laws of the State of South Carolina and applicable federal law.

ADDENDUM — ADDITIONAL INFORMATION

1. *Approval*. The Plan was ratified by Sonoco shareholders on April 17, 1991.
2. *ERISA*. This Plan is not subject to the Employee Retirement Income Security Act of 1974.
3. *Contact*. For additional information contact:

    Sonoco Products Company
    P.O. Box 160
    Hartsville, SC. 29550
    Attn.: Lana Roper — B01,
    Assistant Treasurer
    (803) 383-7277

4. *Plan Administrators*. The term of office of plan administrators is one year. Plan administrators are appointed to or removed from office by the Board of Directors.
5. *Frequency of Reports*. A report detailing terms, conditions, award amounts, administrative procedures and tax treatments is distributed to participants for each new grant. An additional report detailing the status of prior grants (grants outstanding, exercised, canceled, vesting provisions, term, etc.) is distributed on an annual basis and available upon request from Lana Roper.

6. *Availability of Pertinent Information*. Documents incorporated by reference in Item 3 Part II of the registration statement are available without charge, and are incorporated by reference in the Plan document. Other documents required to be delivered to employees pursuant to Securities Act Rule 428b are also available without charge.

7. *Tax Information*. Under the current federal tax law, the granting of a stock option does not produce income to the participant or a tax deduction for the Company. Upon exercise of a non-qualified stock option, the excess of the fair market value of the shares over the option exercise price is taxable to the participant as ordinary income and deductible by the Company. The cost basis of the shares acquired is the fair market value at the time of exercise. Upon exercise of an incentive stock option, the excess of the fair market value of the stock acquired over the option price will be an item of tax preference. If no disposition of the stock is made within two years from the date of granting of the incentive stock option or within one year after the transfer of the stock to the participant, the participant does not realize income as a result of exercising the incentive stock option; the tax basis of the stock received is the option price; any gain or loss realized on the ultimate sale of the stock is long-term capital gain or loss and the Company is not entitled to any tax deduction by reason of the exercise. If the participant disposes of the stock within the two-year or one-year periods referred to above, the excess of the fair market value of the stock at the time of exercise (or the proceeds of disposition, if less) over the option price will at that time be taxable to the participant as ordinary income and deductible by the Company. For determining capital gain or loss on

such a disposition, the tax basis of the stock will be the fair market value at the time of exercise.

* * * * *

IN WITNESS WHEREOF, the Company has caused its duly authorized officers to execute and seal this Document this 17th day of April, 1991.

COMPANY:
SONOCO PRODUCTS COMPANY

(CORPORATE SEAL)

By: /s/ T. C. Coxe, III
T. C. Coxe, III
Title: Senior Executive Vice President

Attest: /s/ Lana Roper
Lana Roper
Title: Assistant Secretary

SONOCO PRODUCTS COMPANY
1996 Non-Employee Directors' Stock Plan
As Amended October 14, 1996
As Amended February 4, 2004
As Amended February 1, 2006
As Amended July 18, 2007

1. **Purpose.** The Sonoco Products Company Non-Employee Directors Stock Plan (the "Plan") is intended to enhance the Company's ability to attract and retain talented individuals to serve as members of the Board and to promote a greater alignment of interests between non-employee members of the Board and the shareholders of the Company.

2. **Definitions.** As used in the Plan, the following terms have the respective meanings:

   a. "Annual Stock Option" means the Stock Option granted to each Eligible Director pursuant to Section 7.

   b. "Board" means the Company's Board of Directors.

   c. "Common Stock" means the Company's no par value Common Stock.

   d. "Company" means Sonoco Products Company, a corporation established under the laws of the State of South Carolina.

   e. "Deferred Stock Unit" means a bookkeeping entry, equivalent in value to a share of Common Stock, credited in accordance with an election made by an Eligible Director pursuant to Section 8.

   f. "Election Date" means the date on which an Eligible Director files an election with the Secretary of the Company pursuant to Section 8(a).

   g. "Eligible Director" means any director who is not an employee of the Company or any subsidiary or affiliate of the Company on the applicable Grant Date for purposes of Section 7 and on the applicable Election Date for purposes of Section 8.

   h. "Exercise Price" shall mean (a) the Fair Market Value for a Stock Option granted pursuant to Section 7 of the Plan.

   i. "Fair Market Value" means the closing price of a share of Common Stock as reported on the composite tape for securities listed on the New York Stock Exchange (the "Exchange") for the specific Grant Date or other date in question. If no sales of Common Stock were made on the Exchange on that date, the closing price of a share of Common Stock as reported on said composite tape for the preceding day on which sales of Common Stock were made on the Exchange shall be used.

   j. "Grant Date" means the date specified in Section 7 and Section 8(b) as shall be applicable.

   k. "Plan" means this Stock Plan for Non-Employee Directors.

   l. "Stock Option" means a right granted pursuant to Section 7 of the Plan to an Eligible Director to purchase Common Stock at the applicable Exercise Price.

   m. "1934 Act" means the Securities Exchange Act of 1934.

3. **Effective Date.** Subject to the approval by the shareholders of the Company prior to December 31, 1996, the Plan shall be effective as of February 7, 1996.

4. **Common Shares Available for Issuance.** Subject to any adjustments contemplated by Section 5, Beginning April 17, 1996, and ending April 17, 2006, for each calendar year the Plan is in effect 125,000 shares of common stock shall be cumulatively available for Stock Options and the settlement of Deferred Stock Units. Thus, any shares which are not issued in the year they become available, shall be available in subsequent years for the settlement of Stock Options and Deferred Stock Units. In addition, any shares of Common Stock which may be exchanged, either actually or by attestation, as full or partial payment to the Company upon the exercise of a Stock Option, shall be available for future awards under the Plan. If a Stock Option expires without being exercised, the shares of Common Stock covered by such option shall remain available for issuance under the Plan. If a Stock Option or Deferred Stock Unit is settled in cash or in any form other than shares, then the shares covered by these settlements shall not be deemed issued and shall remain available for issuance under the Plan. The crediting of dividend equivalent in conjunction with outstanding Deferred Stock Units shall not be counted against the shares available for issuance. Any shares issued under the Plan may be either authorized but unissued shares, or previously-issued shares reacquired by the Company.

5. **Adjustments and Reorganizations.** The Board may make such adjustments as it deems appropriate to meet the intent of the Plan in the event of changes that impact the Company's share price or share status, provided that any such actions are consistently and equitably applied to all affected Eligible Directors (and are not inconsistent with adjustments made to stock options and other stock-based awards held by employees of the Company).

   Accordingly, in the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of Company assets to shareholders, or any other change affecting shares, such proportionate adjustments, if any, as the Board in its discretion may deem appropriate to reflect such change, shall be made with respect to

   (i) the aggregate number of shares that may be issued under the Plan;

   (ii) the number of shares covered by each outstanding award made under the Plan;

   (iii) the Exercise Price for each outstanding Stock Option, provided such adjustment does not result in the option becoming deferred compensation under Section 409A; and

   (iv) the limit on the number of shares that may be covered by each annual stock option grant set forth in Section 7.

   In the event the Company is not the surviving company of a merger, consolidation or amalgamation with another company or in the event of a liquidation, reorganization or significant change of control of the Company, and in the absence of any surviving corporation's assumption of outstanding awards made under the Plan, the Board may provide for appropriate settlements of such awards either at the time of grant or at a subsequent date.

6. **Plan Operation.** The Plan is intended to permit Eligible Directors to qualify as "disinterested" persons under Rule 16b-3 promulgated by the Securities and Exchange Commission under the 1934 Act. Accordingly, in many respects the Plan is self-governing and requires no discretionary action by the Board except as contemplated by the language herein. However, should any questions of interpretation arise, they shall be resolved by the Board or such committee of the Board as may be designated from time to time.

7. Annual Stock Option Grants.

a. *Grants to be Made at the First Regularly Scheduled Meeting of the Board.* Commencing with calendar year 1996, at the first regularly scheduled Board meeting of each calendar year the Plan is in effect, each Eligible Director will receive an Annual Stock Option to purchase 2,000 shares of Common Stock or such higher number as may be established pursuant to Section 17. The Exercise Price of each such option shall be the Fair Market Value on the Grant Date, and each such option shall have a ten-year term.

b. *Grants to be Made Subsequent to the First Regularly Scheduled Meeting of the Board.* A person who becomes an Eligible Director subsequent to The Board's initial regularly scheduled meeting of a calendar year during which the Plan is in effect shall receive an Annual Stock Option grant on the date such person becomes an Eligible Director. The number of shares covered by the annual Stock Option granted to such individual shall be the product of multiplying

(i) the number of shares to be covered by the annual Stock Option grant received by each Eligible Director for such calendar year pursuant to subsection (a) above by

(ii) (A) 100% if the person becomes an Eligible Director during the first calendar quarter, or

(B) 75% if the person becomes an Eligible Director during the second calendar quarter, or

(C) 50% if the person becomes an Eligible Director during the third calendar quarter, or

(D) 25% if the person becomes an Eligible Director during the fourth calendar quarter. If such calculation results in a fractional share, the number of shares shall be increased to the next whole number.

c. *Discretion to discontinue annual stock option grants.* The Board of Directors may, in its discretion, discontinue annual stock option grants pursuant to this Section 7, for an indefinite period of time, and, thereafter, in its discretion, recommence such annual grants.

8. Deferred Stock Units in lieu of Retainers and Meeting Fees. Each Eligible Director may elect to take a portion or all of his or her annual retainer and committee and meeting fees in the form of Deferred Stock Units, provided that the Board has determined to permit such form of deferred payment to be available for such an election. However, in no event may the portion of the Eligible Director's annual compensation affected by such an election be less than 25%.

a. *Method of Electing.* In order to elect such form of deferred payment, the Eligible Director must complete and deliver to the Secretary of the Company a written election designating the portion of his or her compensation that is to be deferred and form of payment. Such an election to defer shall be made annually prior to the calendar year in which it is to be effective. Any such election shall only be effective to the extent that there are sufficient shares of Common Stock available under the Plan at the time the election is made pursuant to Section 4.

b. *Deferred Stock Units substituted for Compensation.* If an Eligible Director elects to receive compensation in the form of Deferred Stock Units, such individual will have Deferred Stock Units credited to his or her account on the first business day of each calendar quarter during which his or her election is effective. The number of Deferred Stock Units covered by each such crediting shall be determined by the following formula:

$$\text{Number of Deferred Stock Units} = \frac{\text{Amount of Compensation to be Deferred}}{\text{Fair Market Value}}$$

Deferred Stock Units shall be credited with dividend equivalents when dividends are paid on shares of Common Stock and such dividend equivalents shall be converted into additional Deferred Stock Units based on the Fair Market Value on the date credited.

c. *Form of Payment Election.* Subject to limitations as the Board may impose, a Director electing hereunder to defer compensation earned after 2004 into Deferred Stock Units shall also elect at the same time as his or her deferral election a fixed period of time commencing in the January following his or her separation from service with the company over which the elected amount deferred shall be paid to in substantially equal annual installments and a fixed period (which may be a different period) over which the unpaid portion of the elected amount deferred shall be paid to a Beneficiary or estate in annual installments in the event of the Director's death.

d. Any election to defer compensation that is earned and vested after December 31, 2004, and any form of payment election related to such compensation shall be irrevocable and may not be changed or modified thereafter by a Director, his or her beneficiary, his or her estate or the Company. Notwithstanding anything in this Plan to the contrary, a Director may make or change his or her form of payment election described in Section 8(c) above at any time on or before December 31, 2007.

9. Option Exercisability and Restoration. A Stock Option shall not be exercisable until the later of 12 months following its Grant Date, or 12 months following the date that the Plan is approved by the shareholders. The following terms and conditions shall apply if applicable:

a. *Participant's Death.* In the event of the optionee's death during the final year of the term of an outstanding Stock Option, such option shall remain exercisable for one full year after the participant's death.

b. *Exercise Payment.* A Stock Option, or portion thereof, may be exercised by written notice of exercise delivered to the Secretary of the Company, accompanied by payment of the aggregate Exercise Price. Such payments may be made in cash, personal check or with Common Stock (either actually or by attestation) already owned by the individual valued at the Fair Market Value on the date of exercise, or a combination of such payment methods. The Board, however, may deny the exercise of Stock Options during a period of time that it deems necessary to prevent any possible violation of federal securities or any other laws. As soon as practicable after notice of exercise and receipt of full payment for shares of Common Stock being acquired, the Company shall deliver a certificate to the individual representing the Common Stock purchased through the Stock Option.

c. *Restoration Option Right.* Commencing in 1998, each Stock Option granted pursuant to the Plan will contain a restoration right whereby, if the optionee, who is an Eligible Director on the date of exercise, exercises the option by tendering, either actually or by attestation, previously acquired shares of Common Stock, such individual will receive a Stock Option covering the number of shares tendered with the term equal to the remaining term of the original Stock Option and with a per share Exercise Price equal to the Fair Market Value as of the date of exercise of the original

Stock Option. Stock Options granted pursuant to such restoration rights also will carry restoration Stock Option rights.

d. *Discretion to approve Restoration Option Right.* The Board of Directors may, in its discretion, elect to delete Restoration Option Rights from the provisions of any Director Option grants pursuant to this section 9.

10. Termination of Board Service. Upon separation of service from the Board by an individual holding awards granted under the Plan, the following conditions shall apply:

a. *Stock Options.* Each Stock Option shall continue to remain outstanding for the duration of its term, subject to the extension of such term in the event of an optionee's death while holding the option as provided in Section 9(a).

b. *Deferred Stock Units.* Unless the Eligible Director has made a form of payment election under Section 8(c) or Section 8(d) above (or with respect to amounts deferred on or before December 31, 2004, elected, prior to termination of Board service, to receive payment in fifteen or fewer annual installments commencing in the January following the individual's termination of Board service), he or she will receive a lump sum payment equal to the aggregate Fair Market Value of the Deferred Stock Units credited to his or her account as of such date. This payment may be in the form of shares of Common Stock equal in number to the amount of Deferred Stock Units credited to the Eligible Director's account. Installment payments may similarly be made in shares of Common Stock. However, the Board may determine to settle a portion of or all of an award payment in cash based on the Fair Market Value at time of payment.

11. No Fractional Shares. No fractional shares shall be issued under the Plan and cash shall be paid based on the Fair Market Value at time of payment in lieu of any fractional shares in settlement of Deferred Stock Units granted under the Plan pursuant to Section 8.

12. Transferability of Awards. Stock Options and Deferred Stock Units shall not be transferable or assignable other than

a. by will or the laws of descent and distribution;

b. pursuant to a qualified domestic relation order; or

c. to the extent permitted by Rule 16b-3 under the 1934 Act as then applicable to the Company's employee benefits plans, by gift or other transfer to either

(i) any trust or estate in which the original award recipient or such person's spouse or other immediate relative has a substantial beneficial interest or

(ii) a spouse or other immediate relative, provided that such a transfer would continue to require such awards to be disclosed pursuant to Item 403 of Regulation S-K under the Securities Act of 1933, as amended from time to time.

13. Award Documentation. Each award granted under the Plan shall be evidenced by written documentation which shall contain the terms and conditions governing such award. Directors need not execute any instrument or acknowledgment of notice of a grant under the Plan, in which case acceptance of such an award by the respective participant will constitute agreement to the terms of the award.

14. No Right to Service. Neither participation in the Plan nor any action under the Plan shall be construed to giving any Eligible Director a right to be retained in the service of the Company.

15. **Unfunded Plan.** Unless otherwise determined the Board, the Plan shall be unfunded and shall not create (or be construed to create) a trust or a separate fund or funds. The Plan shall not establish any fiduciary relationship between the Company or any participant or other individual. To the extent any individual holds any rights by virtue of a grant awarded under the Plan, such right (unless otherwise determined by the Board) shall be no greater than the right of an unsecured general creditor of the Company.

16. **Successors and Assigns.** The Plan shall be binding on all successors and assigns of a participant, including without limitation, the estate of such participant and the executor, administrator or trustee of such estate, or any receiver or trustee in bankruptcy or representative of the participant's creditors.

17. **Plan Amendment.** The Board may amend the Plan as it deems necessary or appropriate to better achieve the purposes of the Plan, except that no amendment without the approval of the Company's shareholders shall be made which would:

    (i) Accelerate the payout of benefits under the plan.

    (ii) Subject to adjustments contemplated by Section 5, increase with the total number of shares available for issuance under Section 4 or the individual Annual Stock Option limit set forth in Section 7, except that such individual limit may be increased to up to 10,000 shares of Common Stock if the Board has determined that such an amendment would not prevent Eligible Directors from being "disinterested persons" for purposes of Rule 16b-3, if required by such rule or any successor rule under the 1934 Act; or

    (iii) To the extent such amendment would be inconsistent with the then-existing Rule 16b-3 or any successor rule under the 1934 Act , to materially increase the benefits accruing to participants under the Plan or to materially modify the requirements as to eligibility for participation in the Plan ; or

    (iv) Otherwise cause the Plan not to comply with Rule 16B-3 or any successor rule under the 1934 Act, or

    (v) Cause the plan not to comply with Section 409A of the Internal Revenue Service Code.

    In addition, the Plan may not be amended more than once every six months, other than to comport with changes in the Internal Revenue Code, the Employee Retirement Income Security Act, or the rules thereunder.

18. **Plan Termination.** The Board may terminate the Plan at any time. However, if so terminated, prior awards (including Deferred Stock Units) shall remain outstanding and in effect in accordance with their applicable terms and conditions. Notwithstanding the above, if the Company resolves to terminate and liquidate any other deferred compensation plan that is required under Internal Revenue Code Section 409A to be aggregated with the Plan, the Company will continue to pay any benefits otherwise due under the Plan during the first 12 months following a resolution to terminate and liquidate the Plan and shall pay out any remaining amounts deferred under the Plan during the second 12 months following such resolution to terminate and liquidate the Plan.

19. **Governing Law.** The validity, construction and effect of the Plan and any actions taken or relating to the Plan shall be determined in accordance with the laws of the State of South Carolina and applicable federal laws.

Exhibit 10.3

DEFERRED COMPENSATION PLAN
FOR
CORPORATE OFFICERS OF
SONOCO PRODUCTS COMPANY

TABLE OF CONTENTS

SONOCO PRODUCTS COMPANY
DEFERRED COMPENSATION PLAN
FOR KEY EMPLOYEES

ARTICLE I

STATEMENT OF PURPOSE

The purpose of this plan is to provide Key Employees of Sonoco Products Company (the “Company”) the opportunity to defer receipt of compensation earned as an employee to a date following separation from service with the Company. This deferral opportunity is designed to help the Company to attract and retain outstanding individuals as employees of the Company through enhancement of the value of the compensation paid to such individuals.

ARTICLE II

DEFINITIONS

When used herein, the following terms shall have the meanings indicated unless a different meaning is clearly required by the context.

1. “Company”: Sonoco Products Company, a South Carolina Corporation, and Corporate successors.

2. “Committee”: The Administrative Committee appointed by the Board of Directors of the Company to administer this plan.

3: “Key Employee”: Any person who is serving as an officer of the Company.

4: “Participant”: A Key Employee or former Key Employee who has deferred fees hereunder and has a credit balance in his deferred compensation account.

5. “Separation from Service”: The date of termination of an employee’s active service with the Company, which for this purpose includes all companies that would be considered a single employer under Section 414(b) of the Internal Revenue Code (“Code”) applying a standard of “at least 50 percent” instead of “at least 80 percent” as provided in the regulations to Section 409A of the Code.

6. “Plan”: The Deferred Compensation Plan for Key Employees of Sonoco Products Company as contained herein, and as may be amended from time to time hereafter, together with any election forms that the Committee requires a Participant to complete.

7. “Plan Year”: The period commencing January 1 and ending December 31.

8. “Stock Equivalent Account”: The account described in Article V.

9. “Interest Account”: The account described in Article V.

10. “Compensation”: Salary and annual incentive compensation.

ARTICLE III

ELIGIBILITY AND PARTICIPATION

1. Key Employees of the Company are eligible to become participants in the plan, subject to approval of the Board of Directors.
2. An eligible Key Employee participates in the plan by irrevocably electing on an annual basis, in the manner specified herein, to defer future Compensation earned for which the related services commence in the calendar year following the year in which the election is made.
3. An eligible Key Employee may elect to defer up to fifty (50) percent of salary and up to fifty (50) percent of annual incentive earned during the year for which the deferral choice is made.
4. An eligible Key Employee becomes a Participant in the Plan upon the execution and delivery of a Deferred Compensation Agreement. Such Agreement must be executed (and must become irrevocable) in all cases on or before December 31 preceding the calendar year in which the services related to the Compensation to be deferred commence.

ARTICLE IV

DEFERRED COMPENSATION ELECTIONS

1. An officer electing to defer payment of compensation may elect deferral to be invested in the Interest Account or the Stock Equivalent Account.
2. Subject to such limitations as the Committee may impose, an officer electing to defer hereunder shall also elect at the same time as his deferral election, a Fixed Period commencing six months following the officer's Separation from Service over which the amount deferred under such election shall be paid to him in annual installments and a Fixed Period (which may be a different period) over which the unpaid portion of the amount deferred shall be paid to his Beneficiary or estate in annual installments in the event of his death.
3. Any Fixed Period Election to defer compensation shall be irrevocable and may not be changed or modified thereafter by a Participant or the Company.
4. The fact that an officer has made a particular election with respect to a deferral shall not preclude such officer from making different elections with respect to new deferrals covering a future period of service.

ARTICLE V

CREDITS TO DEFERRAL ACCOUNTS

1. Deferred compensation shall be credited to the Stock Equivalent Account or the Interest Account of a Participant or a combination of these accounts, as the Participant may have elected, as follows:

   (a) The deferred incentive amount shall be credited to the Deferral account on the closing date of the Company's fiscal month in which the incentive was to be paid in cash.

   (b) The deferred salary shall be credited on the closing date of the Company's fiscal month in which the salary was to be paid in cash.

2. The compensation credited to a Stock Equivalent Account shall be converted on the closing date of each of the Company's fiscal months into Stock equivalents as though such compensation were applied to the purchase of common stock of the Company as follows:

   The Participant's Account shall be assigned Stock Equivalents which shall be the number of full and fractional (rounded to the nearest tenth) shares of the Company's common stock that could be purchased with the compensation credited to the Officer's Account, at the closing price of such common stock as quoted by the New York Stock Exchange.

3. As of the record date for each dividend declared on the Company's common stock, each Officer's dividend shall be determined by multiplying the cash dividend per share by the number of full and fractional Stock Equivalents in the Officer's Stock

Equivalent Account on the dividend record date. The resulting dividend amount will be converted into stock equivalents as though such dividend amounts were applied to the purchase of common stock of the Company.

4. The balance in the Interest Account will be credited with interest from the date the deferral is credited to the account until payment is complete, at a rate equal to the Merrill Lynch ten year high quality bond index for December 15 of each preceding year.

ARTICLE VI

ADMINISTRATIVE COMMITTEE & CLAIMS

1. This plan shall be administered by the Compensation Committee of the Board of Directors.
2. The construction and interpretation by the Committee of any provision of this plan shall be final and conclusive.
3. The administration of this plan is delegated to the Senior Vice President — Human Resources who is responsible for executive compensation and benefits, or at his election, to the Director, Compensation.
4. No member of the Committee shall be personally liable for any actions taken by the Committee unless the member's action involves willful misconduct.
5. If any claim for benefits under the Plan is wholly or partially denied, the claimant shall be given notice in writing of such denial within a reasonable period of time (not to exceed 90 days after receipt of the claim or, if special circumstances require an extension of time, written notice of the extension shall be furnished to the claimant and an additional 90 days will be considered reasonable) setting forth the following information: (a) the specific reason or reasons for the denial; (b) specific reference to pertinent Plan provisions on which denial is based; (c) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and (d) an explanation that a full and fair review by the Committee of the decision denying the claim may be requested by the claimant or his authorized representative by filing with the Committee, within 60 days after such notice has been received, a written request for such review.

In the event that a claimant does choose to appeal, as described under (d) above, the claimant or his authorized representative may review pertinent documents and submit issues and comments in writing within the same 60-day period specified in subsection (d) above. Upon request (and free of charge), the Member/claimant shall be provided reasonable access to and copies of all documents, records, and other information relevant to his claim for benefits (as further described in DOL regulations, and as determined by the Committee, in its sole discretion), and shall also be informed of his right to bring suit under ERISA.

The decision of the Committee shall be made promptly, and not later than 60 days after the Committee's receipt of the request for review, unless special circumstances require an extension of time for processing, in which case the claimant shall be so notified and a decision shall be rendered as soon as possible, but not later than 120 days after the receipt of the request for review. The claimant shall be given a copy of the decision promptly. The decision shall be in writing and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, and specific references to the pertinent Plan provisions on which the decision is based.

ARTICLE VII

AMENDMENT AND TERMINATION

The Company reserves the right, at any time or from time to time, by action of its Board of Directors, to modify or amend in whole or in part any or all provisions of the Plan or terminate and liquidate the Plan, provided, however, that any such modification, amendment or termination and liquidation shall not substantially and adversely affect the benefits then in effect. In the event of Plan termination and liquidation by the Company, the Company will choose to pay any benefits otherwise due under the Plan during the first 12 months following a resolution to terminate and liquidate the Plan and shall pay out any remaining amounts deferred under the Plan during the second 12 months following such resolution to terminate and liquidate the Plan. Notwithstanding the above, the Plan shall not be terminated and liquidated unless all other plans required to be aggregated under Section 409A of the Code are terminated and liquidated at the same time.

ARTICLE VIII

MISCELLANEOUS

1. NON-ALIENATION OF BENEFITS. No right or benefit under the Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance, or charge, and any attempt to anticipate, alienate, sell, assign, pledge, encumber, or charge any right or benefit under this Deferral shall be void. No right or benefit hereunder shall in any manner be liable for or subject to the debts, contracts, liabilities, or torts of the person entitled to such benefits. If the Participant or any beneficiary hereunder shall become bankrupt, or attempt to anticipate, alienate, sell, assign, pledge, encumber, or charge any right hereunder, then such right or benefit shall, in the discretion of the Committee, cease and terminate, and in such event, the Committee may hold or apply the same or any part thereof for the benefit of the Participant or his beneficiary, spouse, children, or other dependents, or any of them in such manner and in such amounts and proportions as the Committee may deem proper.

2. NO TRUST CREATED. The obligations of the Company to make payments hereunder shall constitute a liability of the Company to a Participant. Such payments shall be made from the general funds of the Company, and the Company shall not be required to establish or maintain any special or separate fund, or purchase or acquire life insurance on a Participant's life, or otherwise segregate assets to assure that payment shall be made, and neither a Participant, his estate nor Beneficiary shall have any interest in any particular asset of the Company by reason of its obligations hereunder. The Participant's rights to deferred amounts will be the same as an unsecured general creditor of the Company, and all property and rights to

property, including rights as a beneficiary of a life insurance contract purchased with deferred amounts, and all income attributable to the deferred amounts and property will remain solely the property of the Company and will be subject to claims of general creditors of the Company. Nothing contained in the Plan shall create or be construed as creating a trust of any kind of any other fiduciary relationship between the Company and a Participant or any other person.

3. The effective date of this plan is January 1, 1991.

4. The plan has been amended effective July 18, 2007, to comply with Section 409A of the Code and the regulations thereunder.

ARTICLE IX

CONSTRUCTION

1. GOVERNING LAW. This Plan shall be construed and governed in accordance with the laws of the State of South Carolina.
2. GENDER. The masculine gender, where appearing in the plan, shall be deemed to include the feminine gender, and the singular may include the plural, unless the context clearly indicates to the contrary.
3. HEADINGS, ETC. The cover page of this plan, the Table of Contents and all headings used in this plan are for the convenience of reference only and are not part of the substance of this plan.

EXHIBIT 15

October 30, 2007

Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Commissioners:

We are aware that our report dated October 30, 2007 on our review of interim financial information of Sonoco Products Company for the three- and nine-month periods ended September 30, 2007 and September 24, 2006 and included in the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2007 is incorporated by reference in its Registration Statements on Forms S-8 (File No. 33-45594; File No. 33-60039; File No. 333-12657; File No. 333-69929; File No. 333-100799; and File No. 333-100798) and Form S-3 (File No. 333-136244).

Yours very truly,

/s/ PricewaterhouseCoopers LLP

EXHIBIT 31

I, Harris E. DeLoach, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sonoco Products Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2007

By: /s/ Harris E. DeLoach, Jr.
Harris E. DeLoach, Jr.
Chief Executive Officer

EXHIBIT 31

I, Charles J. Hupfer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sonoco Products Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: October 30, 2007

By: /s/ Charles J. Hupfer
Charles J. Hupfer
Senior Vice President and Chief Financial Officer

EXHIBIT 32

Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes — Oxley Act of 2002

The undersigned, who are the chief executive officer and the chief financial officer of Sonoco Products Company, each hereby certifies that, to the best of his knowledge, the accompanying Form 10-Q for the quarter ended September 30, 2007, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the issuer.

October 30, 2007

/s/ Harris E. DeLoach, Jr.
Harris E. DeLoach, Jr.
Chief Executive Officer

/s/ Charles J. Hupfer
Charles J. Hupfer
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Sonoco Products Company (the "Company") and will be retained by the Company and furnished to the Securities and Exchange Commission upon request. This certification accompanies the Form 10-Q and shall not be treated as having been filed as part of the Form 10-Q.