SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C.
20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1995 COMMISSION FILE NUMBER 1-11261

SONOCO PRODUCTS COMPANY

INCORPORATED UNDER THE LAWS OF SOUTH CAROLINA

I.R.S. EMPLOYER IDENTIFICATION NO. 57-0248420

POST OFFICE BOX 160
HARTSVILLE, SOUTH CAROLINA 29551-0160

TELEPHONE: 803-383-7000

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	Name of exchange on which registered
No par value common stock	New York Stock Exchange, Inc.
Series A Cumulative Preferred Stock	New York Stock Exchange, Inc.

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 and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ---

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of voting stock held by nonaffiliates of the registrant (based on the New York Stock Exchange closing price) on March 3, 1996, was $2,483,756,350. .

As of March 3, 1996, there were 91,147,022 shares of no par value common stock outstanding.

Documents Incorporated by Reference

Portions of the Annual Report to Shareholders for the fiscal year ended December 31, 1995, are incorporated by reference in Parts I, II and IV; portions of the Proxy Statement for the annual meeting of shareholders to be held on April 17, 1996, are incorporated by reference in Part III.

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

PART I

ITEM I. BUSINESS

The Company

The Company, a South Carolina corporation founded in Hartsville, South Carolina in 1899, is a major global manufacturer of paperboard-based and plastic-based packaging products. The Company is also vertically integrated into paperboard production and recovered paper collection. The paperboard utilized in the Company's packaging products is produced substantially from recovered paper. The Company operates an extensive network of plants in the United States and has subsidiaries in Europe, North America, South America, Australia and Asia, and affiliates in Canada, Japan, France and Italy. The Company's business is organized by global product lines in order to leverage its U.S. customer base, to take advantage of synergies from its worldwide operations and to serve its customers worldwide on a timely basis and with consistent quality.

The Company serves a wide variety of industrial and consumer markets. Industrial markets, which represented approximately 58% of the Company's sales in 1995, include paper manufacturers, chemical and pharmaceutical producers, textile manufacturers, automotive manufacturers, the wire and cable industry and the building and construction industry. Consumer markets, which represented approximately 42% of the Company's sales in 1995, include food and beverage processors, the personal and health care industries, supermarkets, retail outlets, household good manufacturers and consumer electronics. The Company believes that it is a leading producer in most markets served.

The Company's operations are divided into three segments (two domestic and one international) for financial reporting purposes. Domestic segments include Converted Products and Paper. The Financial Reporting For Business Segments Table as shown in Note 18 of the Company's 1995 Annual Report to Shareholders, which is included as Exhibit 13, presents selected financial data by major lines of business or segments for each of the past three fiscal years. This table is hereby incorporated by reference herein and should be read in conjunction with the Management's Discussion and Analysis of the 1995 Annual Report to Shareholders, which is also hereby incorporated by reference herein.

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

ITEM I. BUSINESS, CONTINUED

Acquisitions/Dispositions

Acquisitions over the past five years have been an important part of the Company's strategy for growth. The 1992 acquisition of the Trent Valley paper mill in Trenton, Ontario, Canada, provided the Company with a new forming technology that improves the dimensional stability of paperboard, a critical property in certain market segments. During 1993, the Company purchased Crellin Holding, Inc., an international manufacturer, designer and marketer of molded plastic products. The Company also completed the acquisition of the OPV/Durener Group, Germany's second largest manufacturer of tubes and cores. In October 1993, the Company acquired Engraph, Inc., creating the opportunity to grow into new packaging markets. These markets included pressure-sensitive labels and package inserts, flexible packaging, screen process printing and paperboard cartons and specialities. During 1994, the Company acquired M. Harland & Son Limited, a leading producer of pressure-sensitive roll labels and roll-label application equipment headquartered in the United Kingdom.

During 1995, the Company completed several acquisitions which were strategically important both in the U. S. and internationally. In January, the Company acquired the remaining 50% interest in the CMB/Sonoco joint venture. CMB/Sonoco is a producer of composite cans with manufacturing facilities in England and France. In March, the Company purchased a flexible packaging plant in Edinburgh, Ind., from Hargro Flexible Packaging Corporation. The Edinburgh plant, which further enhances the Company's flexible packaging business, manufactures packaging for the confection, snack food and pharmaceutical markets. In October, the Company completed the acquisition of the assets of Cricket Converters, Inc., of Hightstown, N.J., a major manufacturer of high-quality, pressure-sensitive labels for the pharmaceutical and health care markets. In November, the Company formed a joint venture to produce paperboard in Shanghai, China, and in December acquired a minority interest in Demolli Industria Cartaria SRL, a manufacturer of tubes and cores in Italy. Also during 1995, the Company purchased three converting operations and a paper mill in Brazil, a small tube and paper manufacturer in France and three recovered paper collection plants in the United States.

Competition

The Company believes it has several competitive advantages in the industrial and consumer markets it serves. First, the Company manufactures and sells many of its products globally. As a result, the Company believes it has the capability to respond effectively to customers seeking national or international supply agreements. Secondly, the Company believes its technological leadership, reputation for quality and vertical integration has enabled the Company to coordinate its product development and global expansion with the rapidly changing needs of its major customers, who demand high-quality, state-of-the-art, environmentally compatible packaging. Thirdly, the Company and its customers have

ITEM I. BUSINESS, CONTINUED

Competition, Continued

developed international standards to reduce costs and increase quality. Finally, the Company believes that its strategy of vertical integration, via its unique interrelationship between its industrial products and papermaking operations, increases its control over the availability and quality of raw materials used in its products. The Company believes investments made in the fast growing flexible packaging and pressure-sensitive label businesses have enhanced its competitive position with new products in existing markets while providing new market opportunities.

Converted Products Segment - The Company is a U.S. market leader in nearly all of its primary businesses, including the manufacture of high-value tubes, cores and cones; composite cans; fibre and plastic drums; nailed wood and metal reels and pressure-sensitive labels. The Company is the second U.S. leading producer of fibre partitions. The Company is the leading U.S. producer of high-density, high-molecular weight, plastic carry-out grocery bags. The Company also produces plastic bags for the high-volume retail market and the convenience store market, and film for the agricultural market. In 1995, the Company completed a $25-million expansion project, expanding capacity by about two billion bags annually, to accommodate additional business resulting from the exit of a competitor during 1994.

Paper Segment - The domestic Paper Division, with 12 plants and 22 machines, is one of the world's leading producers of recycled paperboard, most of which is consumed internally. The Company has a strong degree of vertical integration with the paper-converting business. This tactic, combined with advancing technology and a strong recovered paper operation, helps to keep the Company a competitive producer.

International - Having operated internationally for more than 70 years, the International segment has been important in the Company's ability to serve and retain many of its customers that have international packaging requirements. The Company considers its ability to serve its customers worldwide in a timely, consistent and cost-effective manner a competitive advantage.

The Company's products are sold in highly competitive market environments. Within each of these markets, supply and demand are the major factors controlling the market environment. Additionally, and to a lesser degree, these markets are influenced by the overall rate of economic activity. Throughout the year, the Company remained highly competitive within each of the markets served. None of the Company's segments is seasonal to any significant degree. The Management's Discussion and Analysis of the 1995 Annual Report to Shareholders discusses the various segments of the Company and is hereby incorporated by reference herein.

ITEM I. BUSINESS, CONTINUED

Raw Materials

The principal raw materials used by the Company are plastic resins, metal, pulpwood, recovered paper and paper. With the exception of pulpwood, recovered paper and paper, the Company's raw materials and supplies are purchased from a number of outside sources; however, the supply is considered adequate to meet the Company's requirements. Company-owned timberlands, timber-cutting rights and suppliers are believed to be sufficient to assure the future availability of pulpwood. Recovered paper used in the manufacture of paperboard is purchased either directly from suppliers near manufacturing operations or through the Company's subsidiary, Paper Stock Dealers, Inc.

Although the Company considers the supply of raw materials to be adequate to meet its needs, the majority of raw materials are subject to price volatility as experienced in 1995 and 1994. In the early part of the year, costs for primary raw materials, such as recovered paper, plastic resins, aluminum and steel, were extremely high, resulting in selling price increases, where possible. Later in the year, there were selected selling price decreases to reflect the falling costs of some raw materials. On balance, the Company was able to recover the cost increases in 1995. Although cost pressures on raw materials are expected to be a continuing factor, the Company expects to mitigate any adverse earnings impact over time through selling price increases. The Company has also been strengthening its fibre recovery system over the past two years. Three paper collection operations were acquired during the year to expand the Company's collection base. In addition, the Company continues to work on such arrangements as joint ventures and partnership agreements to strengthen its supply stability.

Backlog

Most customer orders are manufactured with a lead time not to exceed three weeks. Domestic long-term contracts, primarily for composite cans, exist for approximately 18% of trade sales (no one contract exceeds 3%). These contracts, which are for a specific duration, generally include price escalation provisions for raw materials, labor and overhead costs. There are no significant long-term purchase contracts because the Company considers the supply of raw materials adequate to meet its needs.

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

ITEM I. BUSINESS, CONTINUED

Patents, Trademarks and Related Contracts

No segment of the business is materially dependent upon the existence of patents, trademarks or related contracts.

Research and Development

The Company has 113 employees engaged in new product development and technical support for existing product lines. Company-sponsored spending in this area was $12.7 million, $12.1 million and $12.9 million in 1995, 1994, and 1993, respectively. Spending focused on projects related to Sonoco's primary businesses and reflects a commitment to ensure that the Company is the technology leader in markets served. Customer-sponsored spending has been immaterial for the past three years.

Environmental Protection

The Financial Position, Liquidity and Capital Resources section of the Management's Discussion and Analysis in the 1995 Annual Report to Shareholders provides the required information and is hereby incorporated by reference herein.

Employees

The number of employees at December 31, 1995, was approximately 19,000.

Financial Information about Foreign and Domestic Operations and Export Sales

The Company has subsidiaries and affiliates operating in twenty-nine countries. The primary operations of the international subsidiaries are similar to the Company's domestic business in products and markets served. The Management's Discussion and Analysis and Notes 16 and 18 to the Financial Statements of the Annual Report to Shareholders are hereby incorporated by reference herein. United States export sales are immaterial.

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

ITEM 2. PROPERTIES

The main plant and corporate offices are located in Hartsville, South Carolina. The Company has 181 branch or manufacturing operations in the United States, 25 in Canada and 73 in 27 other international countries.

Information about the Company's manufacturing operations by segment follows:

	Segment		
	Converted Products	Paper	International
Number of Plants:			
Owned	70	31	47
Leased for terms up to ten years with options to renew for additional terms	71	5	51
Leased with lease purchase agreements	3	1	
Total manufacturing operations	144	37	98

The Company believes that its properties are suitable and adequate for current needs and that the total productive capacity is adequately utilized.

ITEM 3. LEGAL PROCEEDINGS

In the normal course of business, 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. On May 3, 1994, a civil action was filed against the Company in the United States District Court for the District of Massachusetts by Integrated Bagging Systems Corporation and BPI Packaging Technologies, Inc. for alleged patent infringement. The suit also seeks to have a patent owned by the Company declared invalid. There were no new developments in this matter during 1995, and the Company believes this lawsuit is without merit. The Company continues to vigorously defend its position and expects to prevail.

Although the level of future expenditures for legal and environmental matters is impossible to determine with any degree of probability, it is management's opinion that such costs, when finally determined, will not have a material adverse effect on the consolidated financial position, liquidity or results of operation, of the Company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market and Market Prices of Common Stock

The Company's common stock began trading on the New York Stock Exchange (NYSE) March 8, 1995, under the stock symbol "SON". Prior to that date, the common stock was traded on the NASDAQ National Market System. The Comparative Highlights in the 1995 Annual Report to Shareholders (Exhibit 13 of this report) shows, by quarter, the high and low price on the NASDAQ market for the period January 1, 1994 through March 7, 1995, and the NYSE for the period March 8, 1995 through December 31, 1995, and is hereby incorporated by reference herein.

Approximate Number of Security Holders

There were approximately 33,000 shareholder accounts as of March 3, 1996.

Dividends

Information required is included in the Comparative Highlights in the 1995 Annual Report to Shareholders, and is hereby incorporated by reference herein.

On April 19, 1995, the Board of Directors declared a five percent stock dividend for all shareholders, and of record May 19, 1995, to be distributed on June 9, 1995.

ITEM 6. SELECTED FINANCIAL DATA

The Selected Eleven-Year Financial Data in the 1995 Annual Report to Shareholders provides the required data, and is hereby incorporated by reference herein.

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information presented under Management's Discussion and Analysis of the 1995 Annual Report to Shareholders is hereby incorporated by reference herein.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Consolidated Financial Statements

The consolidated financial statements, notes to consolidated financial statements and the report of Certified Public Accountants for the Company included in the 1995 Annual Report to Shareholders are hereby incorporated by reference herein.

Supplementary Financial Data

The information set forth under "Comparative Highlights" in the 1995 Annual Report to Shareholders is hereby incorporated by reference herein.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and Directors of
Sonoco Products Company:

Our report on the consolidated financial statements of Sonoco Products Company has been incorporated by reference in this Form 10-K from page 45 of the 1995 Annual Report to Shareholders of Sonoco Products Company. In connection with our audits of such financial statements, we have also audited the related financial statement schedule listed in the exhibit index of this Form 10-K.

In our opinion, the financial statement schedule referred to above, when considered in relation to the basic fianancial statements taken as a whole, presents fairly, in all material respects, the information required to be included therein.

/s/ Coopers & Lybrand L.L.P.

COOPERS & LYBRAND L.L.P.

Charlotte, North Carolina
January 31, 1996

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Identification of Directors

Information about the Directors of the Company and Compliance with the Securities Exchange Act of 1934 is shown on pages 4 through 10 and page 27, respectively, of the Definitive Proxy Statement (included as Exhibit 99-1 of this report) and is hereby incorporated by reference herein.

Identification of Executive Officers

NAME	AGE	POSITION	YEAR FIRST ELECTED OFFICER	BUSINESS EXPERIENCE DURING LAST FIVE YEARS
C. W. Coker	62	Chairman of the Board and Chief Executive Officer	1961	Present position since 1990.
P. C. Browning	54	President and Chief Operating Officer	1993	Present position since February 1996, previously having served as Executive Vice President - Global Industrial Products and Paper Divisions since 1993. President, Chairman and Chief Executive Officer - National Gypsum Company (manufacturer and supplier of products and services used in building and construction) since 1990.
T. C. Coxe, III	65	Senior Executive	1977	Present position since 1993, Vice President previously having served as Executive Vice President since 1985. Retired February 1996.
L. Benatar	66	Senior Vice President	1993	Present position since 1993. Chairman and Chief Executive Officer of Engraph, Inc. (printer and fabricator of roll labels, decals, specialty paperboard items and flexible packaging) since 1981. Retirement announced for Spring 1996.
B. W. Campbell	46	Vice President - Information Services	1996	Present position since February 1996, previously having served as Staff Vice President - Information Services since 1991.

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT, CONTINUED

NAME	AGE	POSITION	YEAR FIRST ELECTED OFFICER	BUSINESS EXPERIENCE DURING LAST FIVE YEARS
A. V. Cecil	54	Vice President - Investor Relations and Corporate Communications	1996	Present position since January 1996. Prior to joining the Company, was with National Gypsum Company as Vice President - Corporate Communications & Investor Relations since 1993 and Vice President - Corporate Public Affairs since 1990.
C. W. Claypool	60	Vice President - Paper Division	1987	Present position since 1987.
P. C. Coggeshall, Jr.	52	Vice President - Administration	1979	Present position since 1991.
H. E. DeLoach, Jr.	51	Executive Vice President	1986	Present position since February 1993, previously having served as Group Vice President since October 1993, Vice President - Film, Plastics and Special Products since February 1993 and Vice President - High Density Film Products Division since 1989.
C. A. Hartley	47	Vice President - Human Resources	1995	Present position since 1995, previously having served as Vice President - Human Resources with Dames & Moore since 1994 and Vice President - Human Resources with National Gypsum Company since 1991.
F. T. Hill, Jr.	43	Vice President and Chief Financial Officer	1987	Present position since 1995, previously having served as Vice President - Finance since 1994 and Vice President - Industrial Products North America since 1990.
R. E. Holley	53	Vice President - High Density Film Products	1987	Present position since 1993, previously having served as Vice President - Total Quality Management since 1990.

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT, CONTINUED

NAME	AGE	POSITION	YEAR FIRST ELECTED OFFICER	BUSINESS EXPERIENCE DURING LAST FIVE YEARS
C. J. Hupfer	49	Vice President, Treasurer and Corporate Secretary	1988	Present position since 1995, previously having served as Treasurer since 1988.
J. R. Kelley	41	Vice President - Industrial Products Division - North America	1994	Present position since 1994, previously having served as Division Vice President - Industrial Industrial Container since 1990.
R. L. McGowan, Jr.	44	Vice President - Consumer Products, U.S. and Canada	1996	Present position since February 1996, previously having served as Division Vice President and General Manager - Consumer Products Division, U.S. and Canada since 1994 and Division Vice President - Sales, Marketing and Technology - Consumer Products Division since 1987.
H. J. Moran	63	Executive Vice President	1987	Present position since February 1996, previously having served as Group Vice President - Consumer Packaging Group since 1993 and Vice President and General Manager - Consumer Packaging since 1990.
E. P. Norman, Jr.	59	Vice President - Technology	1989	Present position since 1989.
M. M. Richardson	61	Vice President of Sonoco and President of Sonoco Engraph	1996	Present position since February 1996, previously having served as Chief Executive Officer - Sonoco Engraph's label, screen printing and paperboard carton businesses since 1995, President and Chief Operating Officer of Engraph since 1994, Executive Vice President and Chief Operating Officer since 1992 and Group Vice President since 1983.

Family Relationships

C. W. Coker and F. L. H. Coker are brothers and the first cousins of J. L. Coker and P. C. Coggeshall, Jr.

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

ITEM 11. EXECUTIVE COMPENSATION

Executive Compensation, as discussed on pages 14 - 16 and pages 18 - 23 of the Proxy Statement, included as Exhibit 99-1 of this report, is hereby incorporated by reference herein.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The security ownership of management as shown on pages 12 - 13 of the Proxy Statement, Exhibit 99-1 of this report, is hereby incorporated by reference herein.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Transactions with management as shown on pages 23 - 24 of the Proxy Statement, included as Exhibit 99-1 of this report, is hereby incorporated by reference herein.

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

Data incorporated by reference from the
1995 Annual Report to Shareholders
(included as Exhibit 13 of this report):

Comparative Highlights (Selected Quarterly
Financial Data)

Management's Discussion and Analysis of
Financial Condition and Results of
Operations

Selected Eleven-Year Financial Data

Consolidated Balance Sheets as of
December 31, 1995 and 1994

Consolidated Statements of Income for
the years ended December 31, 1995, 1994 and 1993

Consolidated Statements of Changes in
Shareholders' Equity for the years ended
December 31, 1995, 1994 and 1993

Consolidated Statements of Cash Flows
for the years ended December 31, 1995,
1994 and 1993

Notes to Consolidated Financial Statements

Shareholder Information (Selected Financial Data)

Data submitted herewith:

Report of Independent Accountants (included under Item 8)

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K, CONTINUED

Financial Statement Schedule:

Schedule II - Valuation and Qualifying Accounts

All other schedules are omitted because they are not required, are not applicable or the required information is given in the financial statements or notes thereto.

Exhibits:

4	Instruments Defining the Rights of Securities Holders, including Indentures *
10	Material Contracts
11	Computation of Earnings Per Share
13	1995 Annual Report to Shareholders
21	Subsidiaries and Affiliates of the Registrant
23	Consent of Independent Accountants
27	Financial Data Schedule (for SEC use only)
99-1	Proxy Statement, filed in conjunction with annual shareholders' meeting scheduled for April 17, 1996
99-2	Form 11-K Annual Report - 1983 and 1991 Sonoco Products Company Key Employee Stock Option Plans

* Incorporated by reference to the Registrant's Form S-3 (filed October 4, 1993, File No. 33-50503, and June 6, 1991, File No. 33-40538).

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K, CONTINUED

Reports on Form 8-K

No reports on Form 8-K were filed by the Company during the fourth quarter of 1995.

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993
(DOLLARS IN THOUSANDS)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COSTS AND EXPENSES	DEDUC- TIONS(1)	BALANCE AT END OF PERIOD
1995				
Restructuring Reserve	$10,923	$	$ 3,794	$ 7,129
Allowance for Doubtful Accounts	$ 6,058	$ 3,168	$ 2,896	$ 6,330
1994				
Restructuring Reserve	$27,114	$	$16,191	$10,923
Allowance for Doubtful Accounts	$ 6,514	$ 2,546	$ 3,002	$ 6,058
1993				
Restructuring Reserve	$39,130	$	$12,016	$27,114
Allowance for Doubtful Accounts	$ 3,511	$ 5,537	$ 2,534	$ 6,514

(1) Includes amounts written off, translation adjustments and payments.

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on this 27th day of March 1996.

SONOCO PRODUCTS COMPANY

/s/ C. W. Coker
C. W. Coker
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report is signed below by the following person on behalf of the Registrant and in the capacities indicated on this 27th day of March 1996.

/s/ F. T. Hill, Jr.
F. T. Hill, Jr.
Chief Financial Officer
(and Principal Accounting Officer)

SIGNATURES, CONTINUED

/s/ C. W. Coker C. W. Coker	Chief Executive Officer and Director
/s/ P. C. Browning P. C. Browning	President, Chief Operating Officer and Director
/s/ L. Benatar L. Benatar	Senior Vice President and Director
/s/ C. J. Bradshaw C. J. Bradshaw	Director
/s/ R. J. Brown R. J. Brown	Director
/s/ F. L. H. Coker F. L. H. Coker	Director
J. L. Coker	Director
/s/ T. C. Coxe, III T. C. Coxe, III	Director
/s/ A. T. Dickson A. T. Dickson	Director
/s/ R. E. Elberson R. E. Elberson	Director
/s/ J. C. Fort J. C. Fort	Director
/s/ P. Fulton P. Fulton	Director
/s/ B. L. M. Kasriel B. L. M. Kasriel	Director
R. C. King, Jr.	Director
/s/ E. H. Lawton, Jr. E. H. Lawton, Jr.	Director
/s/ H. L. McColl, Jr. H. L. McColl, Jr.	Director
/s/ E. C. Wall, Jr. E. C. Wall, Jr.	Director
/s/ Dona Davis Young Dona Davis Young	Director

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

EXHBIT INDEX

Exhibit Number	Description
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EXHIBIT (10)

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

MATERIAL CONTRACTS
- ------------------

Sonoco Products Company 1991 Key Employee Stock Plan

The 1991 Key Employee Stock Plan (As Amended) is included as Exhibit I of the Company's Proxy Statement dated March 17, 1995 (filed March 16, 1995), and is hereby incorporated by reference herein.

EXHIBIT (11)

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

COMPUTATION OF EARNINGS PER SHARE
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE)

	Years Ended December 31		
	1995	1994	1993
Primary Earnings:			
Net income available to common shareholders	$ 156,756	$ 122,086	$ 117,570
Weighted average number of common shares outstanding	91,138,507	91,444,613	91,681,461
Assuming exercise of options reduced by the number of shares that could have been purchased (at average price) with proceeds from exercise of such options	1,807,531	873,055	900,197
Weighted average number of shares outstanding as adjusted	92,946,038	92,317,668	92,581,658
Primary earnings per common share	$1.68	$ 1.32	$ 1.27
Assuming Full Dilution:			
Net income available to common shareholders	$ 156,756	$ 122,086	$ 117,570
Elimination of preferred dividends	7,763	7,763	7,763
Fully diluted net income	$ 164,519	$ 129,849	$ 125,333
Weighted average number of common shares outstanding	91,138,507	91,444,613	91,681,461
Assuming exercise of options reduced by the number of shares that could have been purchased (at the higher of the end-of-year price or the yearly average) with proceeds from exercise of such options	2,092,403	873,056	900,198
Assuming conversion of preferred stock	7,155,300	7,155,300	7,155,300
Weighted average number of common shares outstanding as adjusted	100,386,210	99,472,969	99,736,959
Earnings per common share assuming full dilution	$ 1.64	$ 1.31	$ 1.26

COMPARATIVE HIGHLIGHTS (UNAUDITED)

Sonoco Products Company

(Dollars in thousands, except per share)	YEARS ENDED DECEMBER 31 1995	1994	% INCREASE
Net sales	$2,706,173	$2,300,127	17.7%
Gross profit	599,186	496,700	20.6%
Net income available to common shareholders	156,756	122,086	28.4%
Return on common equity	22.2%	19.1%	16.2%
Return on total equity (including preferred stock)	18.7%	16.0%	16.9%
Return on net sales	6.1%	5.6%	8.9%
Return on net assets	10.4%	8.8%	18.2%
Approximate number of employees	19,000	17,200	10.5%
Approximate number of locations	270	250	8.0%
Per common share			
Net income available to common shareholders:			
- Assuming no dilution	1.72	1.34	28.4%
- Assuming full dilution	1.64	1.31	25.2%
Cash dividends - common	.58	.53	9.4%
Ending common stock market price	26.25	20.83	26.0%
Book value per common share	8.19	7.23	13.3%
Price/earnings ratio	16.01	15.90	.7%

SELECTED QUARTERLY FINANCIAL DATA (Dollars in thousands, except per share)	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
1995				
Net sales	$645,142	$691,726	$686,998	$682,307
Gross profit	140,339	151,007	149,948	157,892
Net income available to common shareholders	35,596	42,172	38,699	40,289
Per common share				
Net income available to common shareholders:				
- Assuming no dilution	.39	.46	.43	.44
- Assuming full dilution	.37	.44	.41	.42
Cash dividends - common	.133	.15	.15	.15
Market price - high	23.21	25.25	28.50	28.75
- low	19.11	22.74	24.50	23.75
1994				
Net sales	$537,372	$564,391	$591,178	$607,186
Gross profit	113,609	121,994	124,710	136,387
Net income available to common shareholders	26,159	30,895	30,568	34,464
Per common share				
Net income available to common shareholders:				
- Assuming no dilution	.29	.34	.33	.38
- Assuming full dilution	.28	.33	.33	.37
Cash dividends - common	.129	.133	.133	.133
Market price - high	24.52	21.67	22.86	22.62
- low	20.48	18.81	19.52	18.81

Per share amounts restated to reflect the 5% common stock dividend on June 9, 1995.

SALES
(billions $)

[GRAPH]

SALES CLIMBED TO AN ALL-TIME HIGH OF $2.71 BILLION IN 1995.

NET INCOME
(millions $)

[GRAPH]

1995 WAS A RECORD YEAR FOR SONOCO. NET INCOME AVAILABLE TO COMMON SHAREHOLDERS INCREASED 28.4% TO $156.8 MILLION.

EARNINGS PER SHARE-
FULLY DILUTED
($)

[GRAPH]

EARNINGS PER SHARE IMPROVED 25.2% OVER 1994.

RESULTS OF OPERATIONS 1995-1994

Consolidated net sales for 1995 were $2.71 billion, a 17.7% increase, compared with $2.3 billion in 1994.

A major portion of the sales increase in 1995 resulted from selling price increases. These increases were necessary to recover unprecedented volatility in raw material costs throughout the world. Volume increased in our consumer-related businesses, but after a good start, weakened in the second half of the year in our industrial markets. Several acquisitions increased 1995 sales by $83 million. On a full-year basis, those acquisitions are expected to add $119 million in sales.

Gross profit margins improved to 22.1% from the 21.6% reported in 1994. The margin increase reflects a combination of selling price and raw material cost volatility during 1995. In the early part of the year, costs for primary raw materials, such as recovered paper, plastic resins, aluminum and steel, were extremely high, resulting in price increases, where possible. Later in the year, there were selected price decreases to reflect the falling costs of some raw materials. On balance, Sonoco was able to improve overall gross margin percentages slightly. In addition, productivity improvements resulting from capital expenditures in many operations and technology enhancements were factors in the gross margin improvement.

Selling, general and administrative costs include company-owned life insurance (COLI), which is discussed in Note 8 to the Consolidated Financial Statements. In addition, a major business redesign effort in the Global Industrial Products and Paper operations, called Process Excellence, resulted in consulting and other costs totalling $10 million in 1995, or approximately $.06 per share, assuming full dilution. Excluding the COLI and Process Excellence costs, selling, general and administrative expenses would have dropped to 10% of sales in 1995, compared with 10.7% in 1994, reflecting continued emphasis on cost and headcount levels. The Company expects savings from Process Excellence to offset any additional costs in 1996 and to result in gains to income beginning in 1997.

[PHOTO]

Sonoco listed on the New York Stock Exchange in 1995. (l-r) Michael Davis, stock specialist with Spear, Leeds & Kellogg; Nora Sisk, NYSE representative, and Trent Hill, Sonoco CFO, discuss the Sonoco listing.

Net income for 1995 was $156.8 million, or $1.64 per share, assuming full dilution, a 25.2% increase in earnings per share over the $122.1 million, or $1.31 per share for 1994. The per share numbers reflect full dilution assuming the conversion of all preferred shares issued to finance the Engraph acquisition and the assumed exercise of all stock options under the Company's stock programs. Assuming no dilution, earnings per share for 1995 were $1.72, compared with $1.34 for 1994, an increase of 28.4%.

Capital expenditures in 1995 increased to $181.4 million, compared with $126.7 million in 1994. This increased spending included projects to expand capacity and introduce new technology in many business units. Further details are included in the Segment Reporting section. The Company expects to increase capital investment during the next two years to approximately $250 million per year. These capital spending increases support the Vision 2000 objective of doubling sales and earnings. A key change in Vision 2000 is a higher proportion of growth coming from internal opportunities with less reliance on acquisitions. With the higher internal growth emphasis, capital spending increases are required to increase capacity and improve cost efficiency to support that objective. The end result is expected to be higher returns on invested capital, quicker realization of those returns and lower risk when compared with acquisition alternatives.

Acquisition spending totaled $107 million in 1995. Acquisitions included a label producer in New Jersey, a paper mill and three converting operations in Brazil, a flexible packaging operation, geographic expansion of paper recovery operations and additional operations in Europe.

[GRAPH]
NET SALES BY SEGMENT
(millions $)
The sales increase in 1995 was broad based with gains in all segments.

Research and development costs charged to expense were $12.7 million for 1995.

compared with $12.1 million in 1994. Sonoco is committed to technology leadership in its businesses and is enhancing its technical expertise in both consumer packaging and industrial packaging. The new pressure-sensitive label and flexible packaging businesses are two areas receiving additional research and development spending.

The Company's effective tax rate in 1995 was 39.4%, compared with 39.1% in 1994. Tax benefits from the COLI program are included in the tax rates for both years. Proposed legislation would eliminate the tax-favored status of this program, if enacted.

Segment Reporting

The following segmental data includes the converted products segment, the paper segment, the international segment and corporate.

The converted products segment consists of the following domestic businesses, all of which are described in the Operations Review: the Industrial Products Division; the Consumer Products Division; Sonoco Flexible Packaging; Sonoco Engraph; Industrial Container Division; High Density Film Products Division; Crellin Molded and Extrusion Plastics Division; Fibre Partitions Division; Protective Packaging Division; and the Baker Reels Division.

Converted products is the largest of Sonoco's business segments, representing approximately 80% of the Company's consolidated sales and profits. Trade sales in this segment were $1.96 billion in 1995, compared with $1.74 billion in 1994, an increase of 12.7%. This increase is due to volume increases in the consumer-related businesses and selling price increases resulting from increased materials costs. Acquisitions in 1995 added $37 million to sales.

The overall operating profit for the converted products segment was $215.6 million in 1995, compared with $188.5 million in 1994, an increase of 14.3%. This segment was impacted by consulting fees for the Process Excellence initiative. This initiative, which is explained in the Operations Review, will result in significant changes in critical processes that will make the Company even more efficient and responsive to customers.

Sales in the Industrial Products Division's tube and core businesses increased approximately 18%, with nearly all product lines showing strength, especially in the first half of the year. In the second half of 1995, volume declined in comparison to the previous year, but increased selling prices boosted the sales of these operations. Selling price increases were implemented to recover the paperboard cost increases. Late in the year there were some selling price decreases as paperboard costs declined.

[GRAPH]

IDENTIFIABLE ASSETS BY SEGMENT
(millions $)
Identifiable assets increased in 1995 in all segments of the Company.

In the Consumer Products Division, volume gains in the snack, refrigerated dough, powdered beverage, miscellaneous food and caulk markets offset declines in the shortening and concentrate markets. The sales increase for the year was the result of volume gains plus price increases implemented due to rising materials costs. This division implemented several projects that resulted in significant productivity gains and is continuing its growth by introducing new products, expanding current markets and converting self-manufacturers to Sonoco composite cans.

Growth continued in Sonoco Flexible Packaging. Sales increases resulted from volume increases, as the plant in Morristown, Tenn., continued to improve its capacity utilization. In addition, the Company acquired the Edinburgh, Ind., plant from Hargro, Inc. early in 1995, and sales from this operation boosted the flexible packaging performance. The Company added new rotogravure presses at both the Morristown and Edinburgh plants that increased capacity and productivity.

Sales and earnings continued to grow at double digit rates in the Sonoco Engraph businesses, reflecting the growth potential of this operation. The label and package insert business continued to grow in several different markets. In October, Sonoco acquired Cricket Converters of Hightstown, N.J., a producer of labels for the pharmaceutical and cosmetic markets. Sonoco Engraph began consolidation of its various label businesses during the fourth quarter. Benefits of consolidation include lower costs, increased technology focus and improved customer responsiveness. Screen process printing showed sales and earnings increases during the year in the beverage and fleet graphics markets. The paperboard carton business continued to grow as new equipment was added to provide more product identification options for customers. The glass cover and coaster business remained strong.

The Industrial Container Division sales were up during the year. Most of the sales growth reflected an increase in sales prices due to materials costs increases in paperboard, steel and plastic resins. Volume was down in the fibre drum operations, but increased in both the plastic drum and intermediate bulk container operations. There was pressure on margins in this business due to competitive pressures, including a trend to increase reuse of plastic containers in several markets.

The High Density Film Products Division had sales gains in all markets during 1995, with the gains in the grocery segment resulting from the exit of a major competitor during 1994. The division installed additional capacity to accommodate this business with much of that capacity coming on line during 1995. In addition to gains in the grocery market, there were increases in the convenience store, retail and agricultural film markets. Price increases were implemented to recover increases in the cost of plastic resins and ink. The division improved productivity, resulting from installation of new machinery and full capacity utilization during the year. A second line was added during the third quarter to produce agricultural film. In 1995, the division began test markets with several major quick service restaurant chains to test the use of plastic bags for takeout customers.

The Crellin Molded and Extrusion Plastics Division increased sales slightly for the year but saw a decrease in profits because of an inability to recover cost increases for plastic resins. While business did increase in the automotive and filtration operations, it declined in the textile and wire and cable markets.

The Fibre Partitions Division had increases in both sales and profits due to continued progress in converting customers from traditional corrugated partitions to solid fibre. In addition to the sales increase, there were several projects to control costs and increase productivity throughout this division. The Protective Packaging operations also increased both sales and profits as demand for Sonopost(R) packaging forms remained strong in the major appliance packaging market. The engineered cushion fibre business also increased as conversions were made in both the small appliance and computer peripherals markets.

The Baker Division's reel business saw a decrease in volume resulting from a slowdown in the cable television and home building markets, but strong productivity increases and cost control measures helped increase earnings.

Capital spending in this segment rose to $86.5 million from the $77.3 million in 1994. This increase was spread across the segment as new machinery to add capacity or increase productivity was installed in nearly all the major converting businesses.

Paper Segment

The paper segment represents all of Sonoco's domestic papermaking and paper collection facilities. This includes the Company's 21 cylinder board paper machines and one Fourdrinier machine in the United States. In addition, this segment includes recovered paper collection sites operated through the Company's paper mills or by its subsidiary, Paper Stock Dealers, Inc.

The Fourdrinier paper machine, located in Hartsville, S.C., is operated in partnership with Georgia-Pacific Corporation. The annual capacity of this machine is 176,000 tons, which is sold by contract to Georgia-Pacific.

[GRAPH]

OPERATING INCOME BY SEGMENT
(millions $)
All segments contributed to the
higher profit performance in 1995.

Operating income by segment has been restated to exclude 1992 Restructuring Charges.

Sonoco has a capacity of approximately 750,000 tons per year of cylinder board production in the United States mills. Approximately 80% of the board produced by Sonoco's paper operations is sold to other Sonoco operations to be converted into paperboard packaging.

The Company's Recycling and Reclamation operation (which includes the Paper Stock Dealers subsidiary and the mill collection system) processed approximately one and one-half million tons of recovered paper during 1995, with more than half of that used in Sonoco's papermaking operations. In addition to supplying Sonoco's needs, this group also supplies many large paper mills in the Southeast. Because of the volatility in recovered paper costs and supply, Sonoco's recovery system is a key competitive advantage, providing a security of supply as well as a better control over the cost of this raw material. The higher prices for recovered paper in the first half of 1995 added to the overall sales and profits of this segment.

Total domestic paper sales, including both internal and external sales, were $445.1 million in 1995, compared with $331 million in 1994, an increase of 34.5%. Operating profits for this segment increased 35.6% to $87.5 million in 1995, compared with $64.5 million in 1994.

There were two major factors affecting the performance of this division during 1995: the volatile cost of recovered paper and the drop in volume during the second half of the year. Recovered paper costs were at all-time highs during the first half of 1995, resulting in several paperboard price increases. At the same time, the higher recovered paper costs increased profits in the paper collection operations. As prices for recovered paper decreased later in the year, profits dropped significantly in the paper collection operations. The domestic paper division operated at 96% capacity for the year. Volume decreases during the second half of the year resulted in downtime, mostly in the fourth quarter, reflecting slowing economic conditions.

Capital spending in this segment during 1995 was $37.4 million, compared with $18.9 million in 1994. This spending included several projects to improve productivity at mills in Hartsville, S.C.; Sumner, Wash.; Newport, Tenn. and Holyoke, Mass. The major project to upgrade the capacity, quality and energy generation in Hartsville was only about one-third completed at the end of 1995. Three paper collection operations were acquired during the year to expand the collection base geographically.

International Segment

The international segment includes all of Sonoco's non-U.S. operations.

The largest of

these operations are in Canada, the United Kingdom, France, Mexico, Australia, Germany and a rapidly growing presence in Asia. These operations are similar to the United States businesses in products and markets served.

Sales in 1995 in this segment were $566.3 million, compared with $431.2 million in 1994, a 31.3% increase. Operating profits increased to $42 million from $15.7 million in 1994. Acquisitions in 1995 added approximately $42 million to sales.

The increase in sales and profits resulted from the acquisition of the remaining 50% interest of the CMB/Sonoco joint venture for producing composite cans in Europe, higher volume in most geographic areas and increased selling prices to recover significant materials cost increases in the paper and paper converting operations.

Business was strong in nearly all of the international operations during 1995, though there was some decline in volume in the industrial products and paper operations in Europe toward the end of 1995.

Other acquisitions during the year included a small tube and paper producer in France; a 25% interest in Demolli Industria Cartaria SRL, one of Italy's leading tube makers; three tube manufacturing operations and a paper mill in Brazil; and a composite can operation in Mexico. In the fourth quarter, Sonoco Asia signed a joint venture agreement for a paper mill in Shanghai, China. Internal expansion included increased composite can making capacity in Venezuela and the start-up of an engineered cushion fibre operation in New Zealand.

In early 1996, a joint venture to produce composite cans and other converted paper products in Indonesia was signed. In addition, a new composite can plant is scheduled to open in Belgium during the first half of 1996.

Capital spending in the international segment was $45 million, compared with $27.7 million in 1994. The primary projects involved productivity upgrades in Venezuela and Mexico in the composite can operations and rebuilding a paper mill in France to improve productivity and quality.

Corporate

Interest income, interest expense and unallocated corporate expenses are excluded from the operating profits by segment and are shown under Corporate.

Interest expense in 1995 was $44 million, compared with $35.9 million in 1994. This increase resulted primarily from higher debt levels and from increasing the fixed rate mix of debt with the issuance of $100 million of 6.75% 15-year debentures in November 1995.

General corporate expense increased in 1995, primarily due to the increased cost of the company-owned life insurance program (COLI). The tax benefit from this program is reflected in the effective tax rate.

FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES 1995-1994 AND 1994-1993

Sonoco's financial position remains strong. At December 31, 1995, the Company's long-term debt was rated A+ by Standard & Poor's (S&P) and A2 by Moody's. Commercial paper was rated A1 and P1 by S&P and Moody's, respectively.

Cash provided by operations was $254.6 million in 1995, compared with $219.5 million in 1994 and $162.8 million in 1993. The 1995 improvement in cash flow was largely a result of higher net income. Cash provided by operations was higher in 1994, compared with 1993, due to lower payables in 1993 and the prepayment of $15 million in taxes that would have otherwise been payable in 1994. Earnings before interest and taxes were 7.2 times interest expense in 1995, compared with 6.9 times in 1994 and 7.2 times in 1993.

The debt to total capital ratio was 39.6% at December 31, 1995, compared with 38.1% and 38% at December 31, 1994 and 1993, respectively. The 1995 ratio adjusts debt levels for excess cash at year-end related to the issuance of restricted-purpose bonds. Debt increased $139.4 million to $686.8 million at December 31, 1995, primarily due to funding acquisitions of $107.2 million, as well as increased capital spending and an increase in cash and cash equivalents. Debt increased $31.6 million to $547.4 million at December 31, 1994, primarily due to the purchase of $29.5 million of Company stock and to fund $30.4 million in acquisitions. Capital spending was $181.4 million in 1995, compared with $126.7 million in 1994 and $115.6 million in 1993.

In June 1995, the Company issued $35.1 million of 6.125% Industrial Revenue Bonds (IRBs) due June 1, 2025. As of December 31, 1995, $30.9 million of the proceeds from the IRBs were being held in trust until qualifying expenditures took place, explaining most of the increase in cash and cash equivalents. In November 1995, the Company issued $100 million of 6.75% Debentures due November 1, 2010, in order to lengthen the maturities of the Company's indebtedness. The net proceeds from this issue were used to reduce outstanding commercial paper obligations. During 1995, the Company increased its authorized commercial paper program from $250 million to $300 million and has fully committed bank lines of credit supporting the program by a like amount.

The Company expects internally generated cash flow along with borrowings under its existing credit facilities to be sufficient to meet operating and normal capital expenditure requirements in the future. Capital spending for 1996 is expected to be approximately $250 million.

While Vision 2000 focuses on higher internal growth, small tactical acquisitions will continue to be a part of the Company's strategy for growth. The Company expects to acquire additional businesses with market and technology positions consistent with its overall goals and strategies.

Net working capital increased to $229.3 million at December 31, 1995, from $222.1 million in 1994 and $209.9 million in 1993. The current ratio was 1.5 at December 31, 1995, compared with 1.6 and 1.7 at December 31, 1994 and 1993, respectively. Current assets increased in 1995 largely as a result of business growth and selling price increases implemented during 1995, plus excess cash, as explained above. Current liabilities increased primarily as a result of higher notes and taxes payable. Notes payable increased as a result of using short-term bank lines in place of long-term debt. Taxes payable increased primarily due to the higher profitability levels and reclassifications from deferred taxes to taxes payable.

Shareholders' equity increased $86.5 million to $918.7 million at December 31, 1995, as a result of $164.5 million in earnings, reduced by common and preferred cash dividends of $60.9 million, the repurchase of $18.7 million of the Company's stock and a translation adjustment of $9.7 million. The translation adjustment was primarily due to the devaluation of the Mexican peso. In 1994, shareholders' equity increased $43.9 million to $832.2 million, primarily from $129.8 million in earnings, offset by common and preferred dividend payments of $56 million, the repurchase of $29.5 million of the Company's stock and a translation adjustment of $7.2 million.

In April 1995, the Board of Directors declared a 5% common stock dividend and increased the dividend payable to common shareholders to $.15 per share from the $.13 per share that had been paid since the second quarter of 1994. The Company's policy is to increase dividends as earnings grow. The return on common equity was 22.2% in 1995, compared with 19.1% in 1994 and 19.9% in 1993. Assuming the conversion of preferred stock, return on total equity was 18.7% in 1995, compared with 16% in 1994 and 19% in 1993. The book value per common share was $8.19 in 1995, compared with $7.23 in 1994 and $6.71 in 1993.

The Company is exposed to interest rate fluctuations as a result of using debt as a major source of financing its operations. When necessary, the Company will use traditional, unleveraged interest rate swaps to manage its mix of fixed and variable rate debt to ensure exposure to interest rate movements is maintained within established ranges. The Company is also subject to risk due to foreign exchange rate changes as a result of operating globally. The Company monitors these exposures and can use traditional currency swaps and forward foreign exchange contracts to hedge a portion of the net investment in foreign subsidiaries or to hedge firm commitments denominated in foreign currencies. Use of these financial instruments was not material to the financial statements as a whole as of December 31, 1995 or 1994.

[GRAPH]

CAPITAL SPENDING BY SEGMENT
(millions $)
In 1995, capital spending increased in all segments as projects to expand capacity and introduce technology were undertaken

In October 1995, the Financial Accounting Standards Board issued Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation" (FAS 123). The Company did not elect early adoption of this standard in 1995. The standard encourages companies to adopt a fair value based method of accounting for stock compensation plans. However, a company may continue following the current accounting prescribed by APB Opinion No. 25 and disclose the impact of fair value accounting on its stock plans. The Company is evaluating the options allowed under this standard and plans to implement this standard in 1996.

Except for the impact of raw materials prices, as discussed in the segmental information, inflation did not have a material impact on the Company's operations in 1995, 1994 or 1993.

The Company is subject to various federal, state and local environmental laws and regulations concerning, among other matters, wastewater effluent and air emissions. Compliance costs have not been significant due to the nature of the materials and processes used in manufacturing operations. Such laws also make generators of hazardous wastes, and their legal successors, financially responsible for the clean-up of sites contaminated by those wastes. The Company has been named a potentially responsible party at several environmentally contaminated sites primarily located in the Northeast and owned by third parties. These sites are believed to represent the Company's largest potential environmental liabilities. The Company has accrued $4.4 million as of December 31, 1995, with respect to these sites. In determining the amounts to accrue with respect to such sites, the Company has considered: 1) the aggregate potential clean-up costs in light of the joint and several liability to which the Company may be subject, 2) the availability of insurance coverage, 3) the likelihood that insurance coverage may be contested, 4) potential sources of contribution and/or indemnification, 5) the periods in which claims for recovery may be realized, 6) the financial condition of third parties from which recovery is expected, 7) the identification of specific sites for clean-up, 8) statutory defenses and 9) the status of federal and state regulatory action. Due to the complexity of determining clean-up costs associated with the sites, a reliable estimate of the ultimate cost to the Company cannot be determined; however, costs will be accrued as necessary once reasonable estimates are determined. Because it appears unlikely that these matters will be completely resolved in the near future, and because they involve matters in areas of law and policy that are constantly changing, any opinion the Company has regarding such matters must necessarily be qualified to reflect the uncertainty. Nevertheless, it is management's opinion (based on prior experiences with such matters; rough estimates of counsel, consultants and others; the apparent ability and obligation of other parties to share clean-up costs; and the Company's present and estimated future financial position) that such costs, when finally determined, will not have a material adverse effect on the consolidated financial position of the Company.

RESULTS OF OPERATIONS 1994-1993

Consolidated net sales for 1994 were $2.3 billion, compared with $1.95 billion in 1993, an increase of 18.1%. Several factors impact the sales comparison between 1994 and 1993. Sales in 1994 included a full year of the Engraph acquisition, completed in October 1993, as well as reductions from operations closed in 1993. Sales in 1993 also increased because of the elimination of Sonoco's historical reporting lag of one month for most international operations, which resulted in 13 months of sales being reported during 1993. Excluding the above factors, the sales gain in 1994 was 9.5%.

Net income for 1994 was $122.1 million, or $1.31 per share (assuming full dilution). This included the expected first-year dilution for the Engraph acquisition. Net income for 1993 of $117.6 million, or $1.26 per share (assuming full dilution), included a one-time gain of $.04 per share from the early repayment of the Graham note (see Note 3 to the Financial Statements). Excluding the dilution, the one-time gain in 1993 and the elimination of the international reporting lag, base operating income increased by 12%. Additional information on sales and profits is included in the segment discussions below.

Capital expenditures increased to $126.7 million in 1994, compared with $115.6 million in 1993. These expenditures were for projects to expand capacity and introduce new technology.

Segment Reporting

Sonoco changed the segmental reporting in 1994 by combining the miscellaneous segment with the converted products segment. The Company determined the operations in both segments were converting businesses and, given the small size of the miscellaneous segment, separate reporting was no longer appropriate. The following segmental data includes the converted products segment, the paper segment, the international segment and corporate.

Converted Products Segment

Trade sales in this segment were $1.74 billion compared with $1.44 billion in 1993, an increase of 20.8%. The key factors affecting this sales increase included additional volume in nearly every business, the full-year sales impact for Engraph, acquired in October 1993, and higher selling prices.

The overall operating profit for the converted products segment was $188.5 million, compared with $157.4 million in 1993, an increase of 19.7%.

Capital spending rose to $77.3 million in this segment, up from $47 million in 1993. Much of this spending was to implement new manufacturing processes in the tube and core business, to cover start-up plants in the protective packaging area and to add equipment and facilities in the Engraph operations.

Paper Segment

Total domestic paper sales, including both internal and external, for 1994 were $331 million, compared with $278.9 million in 1993, an 18.7% increase. Operating profits increased 11.5% to $64.5 million in 1994 from $57.9 million in 1993.

Capital spending in this segment during 1994 was $18.9 million, compared with $20.5 million in 1993.

International Segment

Sales in 1994 were $431.2 million, compared with $404.1 million in 1993. Due to the elimination of a one-month historical reporting lag, 13 months of sales were included in 1993 for many international operations. Several businesses were sold in 1993, impacting the year-to-year comparison. Excluding the above, the sales gain for 1994 was 16.5%. Operating profits increased 31.9% to $15.7 million in 1994 from $11.9 million in 1993.

Capital spending in the international segment was $27.7 million, compared with $41.2 million in 1993. The primary projects focused on process improvements at plants in Mexico, Canada, Germany and France.

Corporate

Interest expense in 1994 was $35.9 million, compared with $31.2 million in 1993, a result of higher average debt levels, primarily due to acquisitions, offset partially by the impact of a lower average cost of funds. Although short-term rates were higher in 1994, the Company benefited from the favorable impact of the prepayment of the 9.3% privately placed notes in November 1993 and the maturing of various fixed-rate instruments in 1994. Interest income was lower in 1994 due to the early repayment of the Graham note in November 1993. The repayment of this note resulted in a $5.8 million gain (net of certain corporate charges), which was included in general corporate expense in 1993.

General corporate expense increased in 1994 due primarily to the pretax cost of a broad-based, company-owned life insurance program. The tax benefit from this program was reflected in the effective tax rate.

SELECTED ELEVEN-YEAR FINANCIAL DATA
Sonoco Products Company

(Dollars and shares in thousands except per share data)	1995	1994	1993*	1992*
Operating Results				
Net sales	$ 2,706,173	$ 2,300,127	$ 1,947,224	$ 1,838,026
Cost of sales and operating expenses	2,396,284	2,055,734	1,734,980	1,641,075
Interest expense	44,004	35,861	31,154	30,364
Interest income	(4,905)	(2,398)	(6,017)	(6,416)
Unusual items*			(5,800)	42,000
Income from operations before income taxes	270,790	210,930	192,907	131,003
Taxes on income	106,640	82,500	75,200	51,800
Equity in earnings of affiliates	369	1,419	1,127	2,048
Income before cumulative effect of changes in accounting principles	164,519	129,849	118,834	81,251
Cumulative effect of changes in accounting principles (FAS 106 and FAS 109)				(37,892)
Net income	164,519	129,849	118,834	43,359
Preferred dividends	(7,763)	(7,763)	(1,264)	
Net income available to common shareholders	156,756	122,086	117,570	43,359
Returns before cumulative effect of changes in accounting principles				
Return on common equity	22.2%	19.1%	19.9%	13.7%
Return on total equity (including preferred stock)	18.7%	16.0%	19.0%	13.7%
Return on net sales	6.1%	5.6%	6.1%	4.4%
Per common share				
Income before cumulative effect of changes in accounting principles	1.72	1.34	1.28	.89
Cumulative effect of changes in accounting principles				(.41)
Net income available to common shareholders:				
Assuming no dilution	1.72	1.34	1.28	.48
Assuming full dilution	1.64	1.31	1.26	.47
Cash dividends declared - common	.58	.53	.51	.47
Average common shares outstanding:				
Assuming no dilution	91,139	91,445	91,681	91,069
Assuming full dilution	100,386	99,473	99,737	92,214
Actual common shares outstanding at December 31	91,117	91,254	91,819	91,501
Financial Position				
Net working capital	229,328	222,068	209,932	152,478
Property, plant and equipment	865,629	763,109	737,154	614,018
Total assets	2,115,413	1,835,053	1,707,125	1,246,531
Long-term debt	591,894	487,959	455,262	240,982
Shareholders' equity	918,749	832,218	788,364	561,890
Current ratio	1.5	1.6	1.7	1.5
Total debt to total capital	39.6%**	38.1%	38.0%	35.1%
Book value per common share	8.19	7.23	6.71	6.14
Other Data				
Depreciation, depletion and amortization expense	125,836	112,797	95,745	83,309
Cash dividends declared - common	53,145	48,287	46,333	42,443
Market price per common share (ending)	26.25	20.83	20.95	22.74

*Included in 1993 and 1991 were gains on the sale of Sonoco Graham (see Note 3 to the Consolidated Financial Statements). Also includes restructuring charges of $42,000 pretax, or $25,000 after-tax, in 1992 and $75,000 pretax, or $54,650 after-tax, in 1990. In 1987, includes acquisition consolidation charges of $10 million pretax, or $5,600 after-tax.

**Debt levels adjusted for excess cash at year-end related to the issuance of restricted-purpose bonds.

Prior years' data adjusted for stock splits and stock dividends.

1991*	1990*	1989	1988	1987*	1986	1985
$ 1,697,058	$ 1,669,142	$ 1,655,830	$ 1,599,751	$ 1,312,052	$ 963,796	$ 869,598
1,528,543	1,481,271	1,470,877	1,413,912	1,174,777	858,680	773,910
28,186	28,073	29,440	25,175	18,593	8,552	8,686
(6,870)	(2,196)	(2,573)	(1,517)	(1,045)	(602)	(1,782)
(8,525)	75,000			10,000		
155,724	86,994	158,086	162,181	109,727	97,166	88,784
63,600	43,934	60,906	67,029	48,714	44,435	41,871
2,681	7,308	6,381	1,125	469	1,945	2,496
94,805	50,368	103,561	96,277	61,482	54,676	49,409
94,805	50,368	103,561	96,277	61,482	54,676	49,409
94,805	50,368	103,561	96,277	61,482	54,676	49,409
17.8%	9.6%	21.3%	23.0%	17.0%	17.4%	17.7%
17.8%	9.6%	21.3%	23.0%	17.0%	17.4%	17.7%
5.6%	3.0%	6.3%	6.0%	4.7%	5.7%	5.7%
1.05	.55	1.12	1.05	.67	.59	.54
1.05	.55	1.12	1.05	.67	.59	.54
1.04	.55	1.11	1.04	.66	.59	.54
.44	.43	.39	.30	.24	.20	.17
90,620	91,464	92,184	92,014	92,117	91,993	91,822
91,114	91,963	93,060	92,884	92,645	92,479	92,091
90,815	90,405	91,826	92,108	91,908	92,017	91,960
163,860	184,066	193,035	188,085	143,972	104,614	105,070
580,787	562,591	494,290	533,427	482,357	267,353	245,990
1,135,940	1,113,594	995,132	977,459	877,625	559,459	500,833
227,528	279,135	226,240	275,535	263,489	58,440	73,383
562,306	512,828	511,574	454,486	379,912	332,890	295,743
1.6	1.7	2.1	2.0	1.8	1.9	2.1
30.6%	34.7%	30.4%	36.8%	38.6%	17.7%	19.9%
6.19	5.67	5.57	4.93	4.13	3.62	3.22
76,561	72,152	67,263	69,055	57,086	35,654	31,182
39,703	39,216	35,583	28,046	21,942	17,963	15,746
16.43	15.48	17.62	16.31	10.12	9.05	7.32

CONSOLIDATED BALANCE SHEETS
Sonoco Products Company

(Dollars and shares in thousands)	December 31 1995	1994
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 61,624	$ 28,444
Trade accounts receivable, net of allowances	314,207	270,439
Other receivables	17,074	20,211
Inventories		
Finished and in process	103,073	86,238
Materials and supplies	128,403	121,424
Prepaid expenses	21,277	29,943
Deferred income taxes	16,125	14,012
	661,783	570,711
PROPERTY, PLANT AND EQUIPMENT, NET	865,629	763,109
COST IN EXCESS OF FAIR VALUE OF ASSETS PURCHASED, NET	411,343	358,965
OTHER ASSETS	176,658	142,268
	$ 2,115,413	$ 1,835,053
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Payable to suppliers	$ 149,512	$ 158,098
Accrued expenses and other	105,750	83,268
Accrued wages and other compensation	30,885	30,855
Notes payable and current portion of long-term debt	94,898	59,421
Taxes on income	51,410	17,001
	432,455	348,643
LONG-TERM DEBT	591,894	487,959
POSTRETIREMENT BENEFITS OTHER THAN PENSIONS	103,898	104,179
DEFERRED INCOME TAXES AND OTHER	68,417	62,054
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Serial preferred stock, no par value		
Authorized 30,000 shares		
Issued 3,450 shares	172,500	172,500
Common shares, no par value		
Authorized 150,000 shares		
Issued 96,433 shares	7,175	7,175
Capital in excess of stated value	170,458	60,908
Translation of foreign currencies	(55,925)	(46,252)
Retained earnings	694,681	697,299
Treasury shares at cost (1995--5,316 SHARES; 1994--5,179 shares)	(70,140)	(59,412)
	918,749	832,218
	$ 2,115,413	$ 1,835,053

Shares restated to reflect the 5% stock dividend on June 9, 1995.

The Notes beginning on page 38 are an integral part of these financial statements.

(Dollars and shares in thousands except per share data)	Years ended December 31 1995	1994	1993
Net sales	$ 2,706,173	$ 2,300,127	$ 1,947,224
Cost of sales	2,106,987	1,803,427	1,525,671
Selling, general and administrative expenses	289,297	252,307	209,309
Interest expense	44,004	35,861	31,154
Interest income	(4,905)	(2,398)	(6,017)
Unusual items			(5,800)
Income before income taxes	270,790	210,930	192,907
Taxes on income	106,640	82,500	75,200
Income before equity in earnings of affiliates	164,150	128,430	117,707
Equity in earnings of affiliates	369	1,419	1,127
Net income	164,519	129,849	118,834
Preferred dividends	(7,763)	(7,763)	(1,264)
Net income available to common shareholders	$ 156,756	$ 122,086	$ 117,570
Per common share			
Net income available to common shareholders:			
Assuming no dilution	$ 1.72	$ 1.34	$ 1.28
Assuming full dilution	$ 1.64	$ 1.31	$ 1.26
Cash dividends - common	$ .58	$ .53	$ .51
Average common shares outstanding:			
Assuming no dilution	91,139	91,445	91,681
Assuming full dilution	100,386	99,473	99,737

Shares outstanding and per share data have been restated to reflect the 5% stock dividend on June 9, 1995.

The Notes beginning on page 38 are an integral part of these financial statements.

(GRAPH)

NET SALES
(billions $)
Net sales increased 17.7% in 1995 due to price increases, acquisitions and volume gains in many operations.

(GRAPH)

NET INCOME
(millions $)
Net income has grown at a compound annual growth rate of 13.4% since 1991.

Adjusted to exclude restructuring charges and cumulative effect of accounting changes in 1992.

(GRAPH)

EARNINGS PER SHARE - FULLY DILUTED
($)
Earnings per share improved 25.2% over 1994.

Adjusted to exclude restructuring charges and cumulative effect of accounting changes in 1992. Prior years earnings per share restated to reflect the 5% stock dividend in June 1995.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Sonoco Products Company

(Dollars and shares in thousands except per share data)	Common Shares Outstanding	Common Shares Amount	Preferred Stock Amount	Capital in Excess of Stated Value	Translation of Foreign Currencies	Retained Earnings	Treasury Shares Amount
January 1, 1993	91,501	$7,175	$	$ 61,608	$(19,952)	$552,263	$(39,204)
Net income						118,834	
Cash dividends:							
Preferred						(1,264)	
Common, $.51 per share						(46,333)	
Translation loss					(19,064)		
Issuance of 3,450 preferred shares			172,500	(3,968)			
Issuance of treasury shares under							
Stock option plan	219			1,388			1,493
Employee stock ownership plan	247			3,249			2,001
Treasury shares acquired	(148)						(2,362)
December 31, 1993	91,819	7,175	172,500	62,277	(39,016)	623,500	(38,072)
Net income						129,849	
Cash dividends:							
Preferred						(7,763)	
Common, $.53 per share						(48,287)	
Translation loss					(7,236)		
Issuance of treasury shares under							
Stock option plan	344			(442)			3,748
Employee stock ownership plan	156			1,779			1,581
Treasury shares acquired	(1,335)						(29,462)
Other	270			(2,706)			2,793
December 31, 1994	91,254	7,175	172,500	60,908	(46,252)	697,299	(59,412)
Net income						164,519	
Cash dividends:							
Preferred						(7,763)	
Common, $.58 per share						(53,145)	
5% common stock dividend				106,213		(106,229)	
Translation loss					(9,673)		
Issuance of treasury shares under							
Stock option plan	561			5,584			6,286
Treasury shares acquired	(824)						(18,657)
Other	126			(2,247)			1,643
December 31, 1995	91,117	$7,175	$172,500	$170,458	$(55,925)	$694,681	$(70,140)

Shares outstanding and per share data have been restated to reflect the 5% common stock dividend on June 9, 1995.

The Notes beginning on page 38 are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Sonoco Products Company

(Dollars and shares in thousands)	Years ended December 31 1995	1994	1993
Cash Flows from Operating Activities			
Net income	$ 164,519	$ 129,849	$ 118,834
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation, depletion and amortization	125,836	112,797	95,745
Loss on disposition of assets	157	2,901	836
Deferred taxes	(5,347)	5,668	22,361
Gain on sale of investment in affiliate			(15,299)
Changes in assets and liabilities, net of effects from acquisitions, dispositions and foreign currency adjustments			
Accounts receivable	(31,778)	(33,127)	860
Inventories	(12,931)	(17,637)	5,545
Prepaid expenses	8,319	1,563	(1,411)
Payables and taxes	27,313	29,536	(45,881)
Other assets and liabilities	(21,538)	(12,035)	(18,746)
Net cash provided by operating activities	254,550	219,515	162,844
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	(181,432)	(126,746)	(115,596)
Cost of acquisitions, exclusive of cash	(107,156)	(30,370)	(392,950)
Proceeds from the sale of assets	4,557	5,533	42,467
Proceeds from collection of a note receivable			33,672
Net cash used by investing activities	(284,031)	(151,583)	(432,407)
Cash Flows from Financing Activities			
Proceeds from issuance of debt	305,851	96,838	662,800
Principal repayment of debt	(169,807)	(81,053)	(523,817)
Cash dividends - common and preferred	(60,908)	(56,004)	(46,333)
Treasury shares acquired	(18,657)	(29,462)	(2,362)
Treasury shares issued	8,370	3,334	2,428
Preferred shares issued			172,500
Net cash provided (used) by financing activities	64,849	(66,347)	265,216
Effects of Exchange Rate Changes on Cash	(2,188)	1,001	(7,863)
Increase (Decrease) in Cash and Cash Equivalents	33,180	2,586	(12,210)
Cash and cash equivalents at beginning of year	28,444	25,858	38,068
Cash and cash equivalents at end of year	$ 61,624	$ 28,444	$ 25,858
Supplemental Cash Flow Disclosures			
Interest paid	$ 41,851	$ 37,123	$ 31,504
Income taxes paid	$ 75,635	$ 61,254	$ 75,374

Excluded from the Consolidated Statements of Cash Flows is the effect of certain non-cash activities. On June 9, 1995, the Company issued a 5% common stock dividend ($106,213 fair value). The Company assumed approximately $75,000 of debt obligations in 1993 in conjunction with acquisitions.

The Notes beginning on page 38 are an integral part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Sonoco Products Company
(Dollars and shares in thousands except per share data)

The following notes are an integral part of the consolidated financial statements. The accounting principles followed by the Company appear in bold type.

1. BASIS OF PRESENTATION

THE CONSOLIDATED FINANCIAL STATEMENTS INCLUDE THE ACCOUNTS OF SONOCO PRODUCTS COMPANY AND ITS SUBSIDIARIES AFTER ELIMINATION OF INTERCOMPANY ACCOUNTS AND TRANSACTIONS. INVESTMENTS IN AFFILIATED COMPANIES IN WHICH THE COMPANY OWNS 20% TO 50% OF THE VOTING STOCK ARE INCLUDED ON THE EQUITY METHOD OF ACCOUNTING.

THE PREPARATION OF FINANCIAL STATEMENTS IN CONFORMITY WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES REQUIRES MANAGEMENT TO MAKE ESTIMATES AND ASSUMPTIONS THAT AFFECT THE REPORTED AMOUNT OF ASSETS AND LIABILITIES AT THE DATE OF THE FINANCIAL STATEMENTS AND THE REPORTED AMOUNTS OF REVENUES AND EXPENSES DURING THE REPORTING PERIOD. ACTUAL RESULTS COULD DIFFER FROM THOSE ESTIMATES.

2. ACQUISITIONS

Sonoco completed several acquisitions during 1995 which were strategically important to both U.S. and international operations. The aggregate cost of these acquisitions was approximately $107,000 in cash. In January 1995, the Company acquired the remaining 50% interest in the CMB/Sonoco joint venture. CMB/Sonoco is a producer of composite cans with manufacturing facilities in Manchester, U.K. and Lieven, France. In March 1995, the Company completed the purchase of a flexible packaging plant in Edinburgh, Ind., formerly owned by Hargro Flexible Packaging Corporation. The Edinburgh plant manufactures packaging for the confection, snack food and pharmaceutical markets. During the fourth quarter, the Company completed the acquisition of Cricket Converters, Inc. of Hightstown, N.J. Cricket supplies labels to the pharmaceutical and health care markets. The Company also purchased three converting operations and a paper mill in Brazil, a small tube and paper manufacturer in France and three additional recovered paper collection plants in the U.S.

During 1994, the Company completed several acquisitions with an aggregate cost of approximately $30,000 and the assumption of $6,000 in debt.

The Company has accounted for each of these acquisitions as a purchase and, accordingly, has included their results of operations in consolidated net income from the date of acquisition.

3. UNUSUAL ITEMS

Unusual items in 1993 include a gain from the early repayment of a note issued in connection with the sale of Sonoco Graham in 1991. This gain was partially offset by charges for refinancing debt related to the Engraph acquisition and various other unusual items in 1993.

4. CASH AND CASH EQUIVALENTS

CASH EQUIVALENTS ARE COMPOSED OF HIGHLY LIQUID INVESTMENTS WITH AN ORIGINAL MATURITY OF THREE MONTHS OR LESS AND ARE RECORDED AT MARKET.

At December 31, 1995 and 1994, outstanding checks of $19,808 and $28,182, respectively, were included in Payable to suppliers.

At December 31, 1995, $30,892 of cash and cash equivalents represented proceeds from the issuance of the 6.125% Industrial Revenue Bonds (IRBs) and was restricted to funding qualified expenditures as provided for by the IRBs.

5. INVENTORIES

INVENTORIES ARE STATED AT THE LOWER OF COST OR MARKET. The last-in, first-out (LIFO) method was used to determine costs of approximately 38% of total inventories in 1995 and 43% in 1994. The remaining inventories are determined on the first-in, first-out (FIFO) method.

If the FIFO method of accounting had been used for all inventories, the totals would have been higher by $12,084 in 1995 and $9,961 in 1994.

6. PROPERTY, PLANT AND EQUIPMENT

PLANT ASSETS REPRESENT THE ORIGINAL COST OF LAND, BUILDINGS AND EQUIPMENT LESS DEPRECIATION COMPUTED UNDER THE STRAIGHT-LINE METHOD OVER THE ESTIMATED USEFUL LIFE OF THE ASSET. Equipment lives range from 5 to 11 years,

buildings from 20 to 30 years.
TIMBER RESOURCES ARE STATED AT COST. DEPLETION IS CHARGED TO OPERATIONS BASED ON THE NUMBER OF UNITS OF TIMBER CUT DURING THE YEAR.
Depreciation and depletion expense amounted to $110,706 in 1995, $99,767 in 1994 and $87,721 in 1993.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Sonoco Products Company
(Dollars and shares in thousands except per share data)

Details of property, plant and equipment at December 31 are as follows:

	1995	1994
Land	$ 35,733	$ 28,179
Timber resources	32,529	31,699
Buildings	302,383	279,634
Machinery & equipment	1,131,503	1,009,024
Construction in progress	107,099	62,988
	1,609,247	1,411,524
Accumulated depreciation and depletion	(743,618)	(648,415)
	$ 865,629	$ 763,109

Estimated costs for completion of authorized capital additions under construction totaled approximately $118,000 at December 31, 1995.

Certain operating properties and equipment are leased under non-cancellable operating leases. Total rental expense under operating leases was $31,000, $28,000 and $26,400 in 1995, 1994 and 1993, respectively. Future minimum rentals under non-cancellable operating leases with terms of more than one year are as follows: 1996 - $17,100; 1997 - $14,800; 1998 - $11,900; 1999 - $8,800; 2000 - $6,200; 2001 and thereafter - $11,800.

7. COST IN EXCESS OF FAIR VALUE OF ASSETS PURCHASED

GOODWILL ARISING FROM BUSINESS ACQUISITIONS ($64,000 in 1995 and $27,000 in 1994) IS AMORTIZED ON THE STRAIGHT-LINE BASIS OVER PERIODS RANGING FROM 20 TO 40 YEARS. THE COMPANY EVALUATES, AT EACH BALANCE SHEET DATE, THE REALIZABILITY OF GOODWILL FOR EACH SUBSIDIARY HAVING A GOODWILL BALANCE. Amortization expense amounted to $15,130 in 1995; $13,030 in 1994; and $8,024 in 1993. Accumulated amortization at December 31, 1995 and 1994 was $45,346 and $34,336, respectively.

8. INVESTMENT IN LIFE INSURANCE

Company-owned life insurance (COLI) policies are recorded net of policy loans in Other Assets. The net pretax cost of company-owned life insurance, including interest expense, was $9,171 in 1995 and $5,532 in 1994 and is included in Selling, general and administrative expenses. The related interest expense was $34,634 in 1995 and $18,630 in 1994. Tax benefits from the COLI program amounted to $10,024 and $5,091 in 1995 and 1994, respectively. Proposed legislation will eliminate the tax-favored status of this program, if enacted.

9. DEBT

Debt at December 31 was as follows:

	1995	1994
Commercial paper, average rate of 5.9% in 1995 and 4.2% in 1994	$134,500	$173,700
9.2% notes due August 2021	99,926	99,917
6.75% debentures due November 2010	99,790	
5.875% notes due November 2003	99,471	99,405
5.49% notes due April 2000	75,000	75,000
6.125% IRBs due June 2025	34,439	
Foreign denominated debt, average rate of 6.6% at December 31, 1995 and 6.8% at December 31, 1994	108,970	70,304
Other notes	34,696	29,054
Total debt	686,792	547,380
Less current portion and short-term notes	94,898	59,421
Long-term debt	$591,894	$487,959

The Company has authorized a commercial paper program totaling $300 million and has fully committed bank lines of credit supporting the program by a like amount. These bank lines expire in the year 2000. Accordingly, commercial paper borrowings are classified as long-term debt.

The approximate principal requirements of debt maturing in the next five years are: 1996 - $95,000; 1997 - $5,200; 1998 - $4,800; 1999 - $4,800; and 2000 - $5,800. It is management's intent to extend indefinitely the line of credit agreements supporting the commercial paper program. Accordingly, no principal repayments are projected through the year 2000.

Certain of the Company's debt agreements impose restrictions with respect to the maintenance of financial ratios and the disposition of assets. The most restrictive covenant currently requires that tangible net worth at the end of each fiscal quarter be greater than $365,000. In addition to the committed availability under the commercial paper program, unused short-term lines of credit for general Company purposes at December 31, 1995, were approximately $94,500 with interest at mutually agreed upon rates.

10. FINANCIAL INSTRUMENTS

The Company enters into currency swaps and foreign exchange forward contracts to hedge a portion of the net investment in certain foreign subsidiaries. Gains and losses on such contracts are recognized in the cumulative translation adjustments account in Shareholders' Equity. As of December 31, 1995 and 1994, the notional value of such contracts was approximately $38,000 and $32,000, respectively. All financial instruments are executed with credit worthy financial institutions; therefore, the Company considers the risk of non-performance on these instruments to be remote.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Sonoco Products Company
(Dollars and shares in thousands except per share data)

NOTE 10: FINANCIAL INSTRUMENTS - CONTINUED

The following table sets forth the carrying amounts and fair values of the Company's significant financial instruments where the carrying amount differs from the fair value. The carrying amount of cash and cash equivalents, short-term debt and long-term variable rate debt approximates fair value. The fair value of long-term debt is based on quoted market prices or by discounting future cash flows using interest rates available to the Company for issues with similar terms and average maturities. Foreign currency agreements are valued based on termination values or quoted market prices of comparable instruments.

	December 31, 1995		December 31, 1994	
	Carrying Amount of Asset/ (Liability)	Fair Value of Asset/ (Liability)	Carrying Amount of Asset/ (Liability)	Fair Value of Asset/ (Liability)
Long-term debt	$(591,894)	$(622,695)	$(487,959)	$(468,126)
Foreign currency agreements......	(2,690)	(2,690)	1,309	1,309

11. STOCK PLANS

The Company has stock option plans under which common shares are reserved for sale to certain employees. Options granted under the plans were at the market value of the shares at the date of grant. Options are generally exercisable one year after the date of grant, and expire 10 years after the date of grant. At December 31, 1995, 1,726,684 shares were reserved for future grants.

On February 7, 1996, the Board recommended, pending shareholder approval, the adoption of the 1996 Non-Employee Director's Stock Plan. This plan provides for the granting of options to non-employee directors beginning with 2,000 per participant granted in 1996. In 1994, the Company granted one-time awards of contingent shares to 13 of the Company's executives. Three hundred thirty-six thousand shares were granted under this plan from shares allocated in the 1991 Key Employee Stock Plan.

Information with respect to the Company's stock option plans follows:

	Option Shares	Option Price Range
1993		
Outstanding at beginning of year......................	3,416,263	$ 4.78-$17.86
Granted	1,005,165	$19.76-$22.98
Assumed - Engraph	654,314	$ 3.55-$17.52
Exercised	(218,688)	$ 4.78-$17.86
Cancelled	(6,195)	$ 22.98
Outstanding at end of year	4,850,859	$ 3.55-$22.98
1994		
Granted	1,274,920	$ 0.00-$23.93
Exercised	(343,734)	$ 3.55-$17.86
Cancelled	(36,588)	$ 4.78-$23.93
Outstanding at end of year	5,745,457	$ 0.00-$23.93
1995		
Granted	1,083,060	$19.88-$23.57
Exercised	(560,664)	$ 5.09-$23.93
Cancelled	(32,921)	$ 5.09-$23.93
Outstanding at end of year	6,234,932	$ 0.00-$23.93
Options exercisable at December 31, 1995.........	4,814,822	

All option shares and option prices have been restated to reflect the 5% stock dividend on June 9, 1995.

12. RETIREMENT BENEFIT PLANS

Non-contributory defined benefit pension plans cover substantially all U.S. employees. Under the plans, retirement benefits are based either on both years of service and compensation or on service only. IT IS THE COMPANY'S POLICY TO FUND THESE PLANS, AT A MINIMUM, IN AMOUNTS REQUIRED UNDER ERISA. Plan assets consist primarily of common stocks, bonds and real estate.

The Company also maintains a plan to supplement executive benefits limited through qualified plans. Benefits are based on years of service and compensation. The plan is partially funded through a grantor trust as defined under Section 671 of the Internal Revenue Service Code of 1986. The Company sponsors contributory pension plans covering approximately 75% of the employees in the United Kingdom and substantially all of the Canadian employees. Pension benefits are based either on the employee's salary in the year of retirement or the average of the final three years. THE FUNDING POLICY IS TO CONTRIBUTE ANNUALLY AT ACTUARIALLY DETERMINED RATES. IT IS THE COMPANY'S INTENT TO MAINTAIN A WELL-FUNDED PLAN.

Net pension cost for the domestic, United Kingdom and Canadian plans includes the following components:

	Combined Plans		
	1995	1994	1993
Service cost-benefits earned during year	$ 12,532	$ 13,716	$ 9,555
Interest cost on projected benefit obligation	32,537	27,160	23,881
Actual return on plan assets	(81,926)	(1,205)	(32,165)
Net amortization and deferral	45,007	(33,209)	2,031
	$ 8,150	$ 6,462	$ 3,302

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Sonoco Products Company
(Dollars and shares in thousands except per share data)

The following table sets forth the funded status of the plans at December 31:

	Over-Funded Plan		Under-Funded Plan	
	1995	1994	1995	1994
Projected benefit obligation				
Vested benefits	$ 366,805	$ 273,601	$	$
Non-vested benefits	10,241	8,043	19,332	14,521
Accumulated benefit obligation	377,046	281,644	19,332	14,521
Effect of assumed increase in compensation levels	47,203	45,523	1,345	2,442
Projected benefit obligation	424,249	327,167	20,677	16,963
Plan assets at fair value	461,270	365,802	14,234	12,965
Plan assets in excess of (less than) projected benefit obligation	37,021	38,635	(6,443)	(3,998)
Unrecognized net loss	43,583	20,376	5,094	1,997
Unrecognized prior service cost	3,039	2,192	1,735	1,803
Unrecognized net transition (asset) obligation	(9,207)	(2,671)	1,142	1,370
Adjustment required to recognize minimum liability .			(6,625)	(2,728)
Prepaid (accrued) pension cost	$ 74,436	$ 58,532	$ (5,097)	$ (1,556)

Prepaid pension costs of $5,737 and $8,188 were included in Prepaid expenses in 1995 and 1994, respectively. In addition $68,699 and $50,344 were included in Other Assets in 1995 and 1994, respectively.

The weighted-average discount rate used in determining the projected benefit obligations was 7.25% in 1995, 8.5% in 1994, and 7% in 1993. The assumed compensation increase was 4% in 1995 and 1993, and 5% in 1994. The expected long-term rate of return on assets was 9.5% for all years presented.

The Company's Employee Savings and Stock Ownership Plan provides that all eligible employees may contribute 1% to 16% of their gross pay to the Plan subject to Internal Revenue Service regulations. The Company may make matching contributions in an amount to be determined annually by the Company's Board of Directors. The Company's contributions to the plan for 1995, 1994, and 1993, were $5,570, $5,380 and $5,250, respectively.

13. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

The Company provides health care and life benefits to the majority of its United States retirees and their eligible dependents. The Company's subsidiaries in Canada also provide postretirement benefits to eligible retirees. In accordance with the provisions of Statement of Financial Accounting Standards 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" (FAS 106), the Company accrues for postretirement benefits other than pensions over an employee's career. THE COMPANY FUNDS BENEFIT COSTS PRINCIPALLY ON A PAY-AS-YOU-GO BASIS, WITH THE RETIREE PAYING A PORTION OF THE COSTS. In situations where full-time employees retire from the Company between age 55 and age 65, most are eligible to receive, at a cost to the retiree equal to the cost for an active employee, certain health care benefits identical to those available to active employees. After attaining age 65, an eligible retiree's health care benefit coverage becomes coordinated with Medicare. For purposes of projecting future benefit payments, early retiree contributions were assumed to increase at the health care cost trend.

Non-pension retirement benefit expense includes the following:

	1995	1994	1993
Service cost-benefits earned during year	$ 3,749	$ 5,180	$ 2,482
Interest cost on APBO	8,673	7,110	8,196
Actual return on plan assets	(5,441)	459	(874)
Net amortization and deferral	(312)	(5,400)	(189)
Net periodic postretirement benefit cost	$ 6,669	$ 7,349	$ 9,615

The following sets forth the accrued obligation included in the accompanying December 31 Consolidated Balance Sheets applicable to each employee group for non-pension retirement benefits:

	1995	1994
Accumulated postretirement benefit obligation (APBO):		
Retired employees	$ 69,627	$ 50,008
Active employees-fully eligible ..	21,489	17,671
Active employees-not yet eligible	26,128	27,329
Accumulated benefit obligation	117,244	95,008
Plan assets at fair value	25,816	17,375
Plan assets less than accumulated benefit obligation	(91,428)	(77,633)
Unrecognized net loss from changes in assumptions	22,766	9,552
Unrecognized prior service cost.......	(17,980)	(22,459)
Accrued postretirement benefit cost	$ (86,642)	$ (90,540)

Prepaid postretirement medical costs of $17,256 and $13,639 were included in Other Assets in 1995 and 1994, respectively. The discount rate used in determining the APBO was 7.25% in 1995, 8.5% in 1994 and 7% in 1993. The assumed health care cost trend rate used in measuring the APBO was 10% in 1995 declining to 5% in the year 2005. Increasing the assumed trend rate for health care costs by one percentage point would result in an increase in the APBO of approximately $5,100 at December 31, 1995, and an

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Sonoco Products Company
(Dollars and shares in thousands except per share data)

increase of $640 in the related 1995 expense. Plan assets are the result of funding these benefit costs in amounts representing the maximum allowable under Section 401(h) of the Internal Revenue Code. These assets are combined with the pension plan assets and consist primarily of common stocks, bonds and real estate. The expected long-term rate of return on assets was 9.5% for all years presented.

14. INCOME TAXES

In accordance with Statement of Financial Accounting Standards 109, "Accounting for Income Taxes" (FAS 109), the provision (benefit) for taxes on income for the years ending December 31 consists of the following:

	1995	1994	1993
Pretax income			
Domestic	$ 233,125	$ 202,363	$ 189,122
Foreign	37,665	8,567	3,785
Total pretax income	$ 270,790	$ 210,930	$ 192,907
Current			
Federal	$ 86,611	$ 62,800	$ 43,998
State	13,533	10,074	7,320
Foreign	11,843	3,958	1,521
Total current	111,987	76,832	52,839
Deferred			
Federal	(6,065)	4,263	14,005
State	(866)	949	2,924
Foreign	1,584	456	5,432
Total deferred	(5,347)	5,668	22,361
Total taxes	$ 106,640	$ 82,500	$ 75,200

Current deferred income tax (benefit) expense results from temporary differences in the recognition of revenue and expense for tax and financial statement purposes. The sources of these differences and the tax effect of each are as follows:

	1995	1994	1993
Restructuring charge	$ 1,034	$ 2,815	$ 8,711
Sale of an affiliate			6,409
Depreciation expense	(2,884)	45	1,163
Benefit plan costs	(1,282)	3,125	7,379
Other items, net	(2,215)	(317)	(1,301)
Total deferred	$ (5,347)	$ 5,668	$ 22,361

Cumulative deferred tax liabilities (assets) are comprised of the following at December 31:

	1995	1994
Depreciation	$ 67,872	$ 70,751
Employee benefits	26,182	21,062
Other	970	2,179
Gross deferred tax liabilities	95,024	93,992
Restructuring	(3,354)	(4,193)
Retiree health benefits	(31,550)	(27,482)
Foreign loss carryforwards	(10,960)	(11,231)
Capital loss carryforwards	(6,047)	(6,830)
Employee benefits	(15,382)	(13,026)
Other	(8,024)	(7,199)

	1995	1994
Gross deferred tax assets	(75,317)	(69,961)
Valuation allowance on deferred tax assets	10,960	11,231
Total deferred taxes, net	$ 30,667	$ 35,262

The net change in the valuation allowance for deferred tax assets is a net decrease of $271 in 1995, compared with a net increase of $3,220 in 1994. The change relates to utilization of current net operating losses of certain foreign subsidiaries and the addition to the reserve for current net operating losses for which their use is limited to future taxable earnings.

Approximately $28,000 of foreign subsidiary net operating loss carryforwards remain at December 31, 1995. Their use is limited to future taxable earnings of the respective foreign subsidiaries. Of these loss carryforwards approximately $17,300 have no expiration date. The remaining loss carryforwards expire at various dates in the future.

A reconciliation of the U.S. federal statutory tax rate to the actual consolidated tax expense is as follows:

	1995		1994		1993	
Statutory tax rate	$ 94,776	35.0%	$ 73,825	35.0%	$ 67,517	35.0%
State income taxes, net of federal tax benefit	8,560	3.2	7,087	3.3	7,039	3.6
Goodwill	3,556	1.3	3,777	1.8	1,694	.9
Company-owned life insurance	(10,024)	(3.7)	(5,091)	(2.4)	(1,570)	(.8)
Adjustment of prior years' accrual	6,266	2.3				
Other, net	3,506	1.3	2,902	1.4	520	.3
Total taxes	$ 106,640	39.4%	$ 82,500	39.1%	$ 75,200	39.0%

The Internal Revenue Service has examined the Company's federal income tax returns for all years through 1992, and the years have been closed through 1989. The Company believes that it has made adequate provision for income taxes that may become payable with respect to open years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Sonoco Products Company
(Dollars and shares in thousands except per share data)

Undistributed earnings of international subsidiaries totaled $49,192 at December 31, 1995. There have been no U.S. income taxes provided on the undistributed earnings since the Company considers these earnings to be indefinitely reinvested to finance international growth and expansion. If such amounts were remitted, loaned to the Company or the stock in the foreign subsidiaries sold, these earnings could become subject to tax; however, the Company believes United States foreign tax credits would substantially eliminate any taxes due.

15. 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. In 1994, a suit was filed against the Company in the U.S. District Court for the District of Massachusetts for alleged patent infringement involving grocery bag packs. The suit also seeks to have a patent involving plastic bag loading systems owned by the Company declared invalid. The Company believes this lawsuit is without merit. The Company is vigorously defending its position and expects to prevail.

The Company has been named as a potentially responsible party at several environmentally contaminated sites, primarily located in the Northeast, owned by third parties. These sites represent the Company's largest potential environmental liabilities. The Company has $4,400 accrued for these contingencies as of December 31, 1995 and 1994. Due to the complexity of determining clean-up costs associated with the sites, a reliable estimate of the ultimate cost to the Company cannot be determined. Further, all of the sites are also the responsibility of other parties. The Company's liability, if any, is shared with such other parties, but the Company's share has not been finally determined in most cases. In some cases, the Company has cost sharing agreements with other potentially responsible parties with respect to a particular site. Such agreements relate to the sharing of legal defense costs or clean-up costs, or both. The Company has assumed, for purposes of estimating amounts to be accrued, that the other parties to such cost sharing agreements will perform as agreed. It appears that final resolution of some of the sites is years away. Accordingly, a reliable estimate of the ultimate cost to the Company with respect to such sites cannot be determined. However, costs will be accrued as necessary once reasonable estimates are determined.

Although the level of future expenditures for legal and environmental matters is impossible to determine with any degree of probability, it is management's opinion that such costs, when finally determined, will not have a material adverse effect on the consolidated financial position of the Company.

16. INTERNATIONAL OPERATIONS

The operating profit, net assets and dividends received by the Company from operations outside the United States are as follows:

	1995	1994
Operating profit	$ 41,984	$ 15,675
Net assets	299,792	245,423
Dividends	581	502

The aggregate foreign currency transaction gain/loss recognized in net income was immaterial for 1995, 1994 and 1993. Information regarding the Company's significant foreign geographic area in Europe is as follows:

	1995	1994	1993
Sales to unaffiliated customers................	$276,029	$184,247	$180,044
Operating profit (loss).....	8,446	(2,085)	(890)
Total assets...............	296,325	258,463	171,073

17.SHAREHOLDERS' EQUITY

On April 19, 1995, the Board of Directors declared a five percent stock dividend issued on June 9, 1995. All references in the accompanying Consolidated Financial Statements to numbers of common shares and per share data have been restated to give retroactive effect to the stock dividend.

In 1993, the Company issued 3,450,000 shares of $2.25 Series A Cumulative Convertible Preferred Stock for $172,500, or $50 per share. These securities are convertible into the Company's common stock at a price of $24.11 per share.

This stock is redeemable at the option of the Company, on or after November 8, 1996, at a redemption price of $51.575 per share and decreasing ratably annually to $50 per share on or after November 1, 2003. Dividends on the Convertible Preferred Stock, which are paid quarterly, accrue and are cumulative from the date of original issuance.

Notes to Consolidated Financial Statements
Sonoco Products Company

18. FINANCIAL REPORTING FOR BUSINESS SEGMENTS

(Years ended December 31)

The Financial Reporting for Business Segments should be read in conjunction with the Management's Discussion and Analysis (which describes the segments in detail) appearing on pages 26-31.

(Dollars in thousands)	CONVERTED PRODUCTS	PAPER	INTERNATIONAL	CORPORATE	CONSOLIDATED
Total Revenue					
1995	$1,994,535	$ 445,072	$ 574,890		$ 3,014,497
1994	1,771,441	330,982	438,383		2,540,806
1993	1,466,486	278,904	406,914		2,152,304
Intersegment Sales(1)					
1995	$ 32,375	$ 267,401	$ 8,548		$ 308,324
1994	29,970	203,569	7,140		240,679
1993	28,615	173,640	2,825		205,080
Sales to Unaffiliated Customers					
1995	$1,962,160	$ 177,671	$ 566,342		$ 2,706,173
1994	1,741,471	127,413	431,243		2,300,127
1993	1,437,871	105,264	404,089		1,947,224
Operating Profit(2)					
1995	$ 215,553	$ 87,455	$ 41,984	$ (74,202)	$ 270,790
1994	188,517	64,495	15,675	(57,757)	210,930
1993	157,426	57,867	11,923	(34,309)	192,907
Identifiable Assets(3)					
1995	$1,150,146	$ 193,739	$ 492,916	$ 278,612	$ 2,115,413
1994	1,056,341	157,408	405,604	215,700	1,835,053
1993	1,018,056	140,406	349,144	199,519	1,707,125
Depreciation, Depletion and Amortization					
1995	$ 76,767	$ 15,876	$ 27,857	$ 5,336	$ 125,836
1994	69,076	14,471	23,161	6,089	112,797
1993	51,360	12,974	26,135	5,276	95,745
Capital Expenditures					
1995	$ 86,514	$ 37,402	$ 45,044	$ 12,472	$ 181,432
1994	77,275	18,874	27,727	2,870	126,746
1993	46,969	20,450	41,209	6,968	115,596

(1) Intersegment sales are recorded at a market-related transfer price.

(2) Interest income, interest expense and unallocated corporate expenses are excluded from the operating profits by segment and are shown under Corporate. In addition, 1993 Corporate operating profit includes $5,800 for unusual items, as described in Note 3 to the Consolidated Financial Statements.

(3) Identifiable assets are those assets used by each segment in its operations. Corporate assets consist primarily of cash and cash equivalents, investments in affiliates, headquarters facilities and prepaid expenses.

Report of Management

The management of Sonoco Products Company is responsible for the integrity and objectivity of the financial statements and other financial information included in this annual report. These statements have been prepared in conformity with generally accepted accounting principles.

Sonoco's accounting systems are supported by internal control systems augmented by written policies, internal audits and the selection and training of qualified personnel.

The Board of Directors, through its Audit Committee, consisting of outside directors, is responsible for reviewing and monitoring the Company's financial reporting and accounting practices. This committee meets periodically with management, the internal auditors and the independent accountants to assure each is carrying out its responsibilities.

Coopers & Lybrand L.L.P., independent certified public accountants, have audited the financial statements, and their report is herein.

F. Trent Hill, Jr.
- ------------------
F. Trent Hill, Jr.

Vice President and
Chief Financial Officer

Report of Independent Certified Public Accountants

TO THE SHAREHOLDERS AND DIRECTORS OF
SONOCO PRODUCTS COMPANY:

We have audited the accompanying consolidated balance sheets of Sonoco Products Company as of December 31, 1995 and 1994, and the related consolidated statements of income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Sonoco Products Company as of December 31, 1995 and 1994, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1995, in conformity with generally accepted accounting principles.

COOPERS & LYBRAND L.L.P.
- ------------------------
COOPERS & LYBRAND L.L.P.

Charlotte, North Carolina
January 31, 1996

Board of Directors:

[PHOTO] [PHOTO] [PHOTO]

Leo Benatar Charles J. Bradshaw Robert J. Brown

LEO BENATAR, 66, Chairman - Sonoco Engraph, Atlanta, Ga., 1995 - 1996 and Senior Vice President, Sonoco Products Company 1993 - 1996. Served on Board since 1993.

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CHARLES J. BRADSHAW, 59, President and Director, Bradshaw Investments, Inc. (private investments), Georgetown, S.C., since 1986. Served on Board since 1986. Member of the Executive Compensation Committee.

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ROBERT J. BROWN, 61, Founder, Chairman and President of B & C Associates (a public relations and marketing research firm), High Point, N.C., since 1973. Served on Board since 1993. Member of the Audit Committee and the Finance Committee.

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[PHOTO]

Peter C. Browning

PETER C. BROWNING, 54, President and Chief Operating Officer since 1996. Served on Board since April 1995.

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[PHOTO]

Charles W. Coker

CHARLES W. COKER, 62, Chairman and Chief Executive Officer since 1990. Served on Board since 1962.

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[PHOTO]

Fitz L. H. Coker

FITZ L. H. COKER, 60, Retired, formerly Senior Vice President, 1976 - 1979. Served on Board since 1964. Member of the Finance Committee and the Nominating Committee.

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[PHOTO]

James L. Coker

JAMES L. COKER, 55, President, JLC Enterprises (private investments), Stonington, Conn., since 1979. Served on Board since 1969. Member of the Nominating Committee and the Finance Committee.

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[PHOTO]

Thomas C. Coxe, III

THOMAS C. COXE, III, 65, Retired, formerly Senior Executive Vice President 1993-1996. Served on Board since 1982.

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[PHOTO]

Alan T. Dickson

ALAN T. DICKSON, 64, Chairman, Ruddick Corporation (a diversified holding company), Charlotte, N.C., since February 1994. Formerly President and Director, Ruddick Corporation, since 1968. Served on Board since 1981. Member of the Executive Compensation Committee, the Finance Committee and the Audit Committee.

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[PHOTO]

Robert E. Elberson

ROBERT E. ELBERSON, 67, Retired, formerly Vice Chairman and Director, Sara Lee Corporation, Chicago, Ill., 1986 - 1989. Served on Board since 1985. Member of the Executive Compensation Committee and the Nominating Committee.

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[PHOTO]

James C. Fort

JAMES C. FORT, 69, Retired, formerly Senior Vice President, 1979 - 1987. President and Director of the Trust Company of South Carolina, Inc. (insurance brokers), Hartsville, S.C., since 1987. Served on Board since 1969. Member of the Audit Committee and the Nominating Committee.

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[PHOTO]

Paul Fulton

PAUL FULTON, 61, Dean, The Kenan-Flagler Business School, The University of N.C., Chapel Hill, N.C., since 1993. Formerly President and Director of Sara Lee Corporation. Served on Board since 1989. Member of the Finance Committee and the Executive Compensation Committee.

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[PHOTO]

Bernard L. M. Kasriel

BERNARD L. M. KASRIEL, 49, Vice Chairman and COO of Lafarge (a construction materials group), Paris, France. Served on Board since April 1995. Member of the Audit Committee and Executive Compensation Committee.

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[PHOTO]

Russell C. King, Jr.

RUSSELL C. KING, JR., 61, Retired, formerly President and Chief Operating Officer 1990 - 1994. Served on Board since 1991. Member of the Audit Committee and the Finance Committee.

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[PHOTO]

Edgar H. Lawton, Jr.

EDGAR H. LAWTON, JR., 66, President and Director, Hartsville Oil Mill (a vegetable oil processor), Darlington, S.C., since 1962. Served on Board since 1968. Member of the Nominating Committee and the Executive Compensation Committee.

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HUGH L. MCCOLL, JR., 60, Chief Executive Officer, NationsBank Corporation, Charlotte, N.C., since 1983. Served on Board since 1972. Member of the Finance Committee and the Nominating Committee.

[PHOTO]	[PHOTO]	[PHOTO]
Hugh L. McColl, Jr.	E. Craig Wall, Jr.	Dona Davis Young

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E. CRAIG WALL, JR., 58, President and Director, Canal Industries (a forest products firm), Conway, S.C., since 1969. Served on Board since 1976. Member of the Audit Committee and the Finance Committee.

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DONA DAVIS YOUNG, 42, Executive Vice President, Individual Insurance and General Counsel of Phoenix Home Life Mutual Insurance Company since 1995. Served on Board since October 1995. Member of the Executive Compensation Committee and the Audit Committee.

Executive Officers:

CHARLES W. COKER, 62, Chairman of the Board and Chief Executive Officer since 1990. Previously President and Chief Executive Officer 1976 - 1990; President 1970 - 1976; Executive Vice President 1966-1970. Began full-time employment with Sonoco in 1958.

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PETER C. BROWNING, 54, President and Chief Operating Officer since February 1996. Previously Executive Vice President - Global Industrial Products & Paper Divisions 1993 - 1996; Chairman & Chief Executive Officer - National Gypsum Company 1990 - 1993. Joined Sonoco in 1993.

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THOMAS C. COXE, III, 65, Senior Executive Vice President since 1993. Previously Executive Vice President 1985 - 1993; Senior Vice President 1979 - 1983; Senior Vice President - Corporate Development 1977-1979; Vice President - Corporate Development 1977. Joined Sonoco in 1970. Retired February 1996.

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LEO BENATAR, 66, Senior Vice President since 1993 and Chairman of Sonoco Engraph since 1995. Previously Chairman and CEO of Engraph, Inc. 1981 - 1993; President - Mead Packaging 1972 - 1981. Began working with The Mead Corporation in 1954. Joined Sonoco with the Engraph acquisition in 1993. Retirement announced for Spring 1996.

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[PHOTO]

Bernard W. Campbell

BERNARD W. CAMPBELL, 46, Vice President - Information Services since February 1996. Previously Staff Vice President - Information Services 1991 - 1996; Director - Corporate Information Services 1990 - 1991; Director - Software Support 1988. Joined Sonoco in 1988.

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[PHOTO]

Allan V. Cecil

ALLAN V. CECIL, 54, Vice President, Investor Relations and Corporate Communications since 1996. Prior to Sonoco was with National Gypsum Company and Mesa Petroleum Company. Joined Sonoco in January 1996.

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[PHOTO]

C. William Claypool

C. WILLIAM CLAYPOOL, 60, Vice President - Paper Division since 1987. Previously Division Vice President, General Manager - Paper 1986 - 1987; Division Vice President 1980 - 1986; Regional General Manager 1977 - 1980. Joined Sonoco in 1977.

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[PHOTO]

Peter C. Coggeshall, Jr.

PETER C. COGGESHALL, JR., 52, Vice President - Administration since 1991. Previously Group Vice President-Global Paper - 1990 - 1991; Vice President-Industrial Products Division - 1986 - 1990; Vice President-Paper Division - 1978 - 1986; Division Vice President/General Manager - Paper Division 1977 - 1978; Division Vice President Operations - General Products Division 1977. Joined Sonoco in 1969.

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[PHOTO]

Harris E. Delolach, Jr.

HARRIS E. DELOACH, JR., 51, Executive Vice President since February 1996. Previously Group Vice President 1993 - 1996; Vice President - Film, Plastics & Special Products 1993; Vice President - High Density Film Products Division 1989 - 1993; Vice President Administration & General Counsel 1985 - 1989. Joined Sonoco in 1985.

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[PHOTO]

Cynthia A. Hartley

CYNTHIA A. HARTLEY, 47, Vice President - Human Resources since 1995. Previously

Vice President - Human Resources with National Gypsum Company, Dames & Moore and previous experience with Continental Can Corp. Joined Sonoco in 1995.

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[PHOTO]

F. Trent Hill, Jr.

F. TRENT HILL, JR., 43, Vice President and Chief Financial Officer since 1995. Previously Vice President - Finance 1994 - 1995; Vice President - Industrial Products North America 1990 - 1994; Vice President - Finance 1987-1989; Vice President - Corporate Controller 1982 - 1987; Staff Vice President Corporate Controller 1981 - 1982; Director of Audit & Taxes 1979 - 1981; Internal Audit Manager 1979. Prior to joining Sonoco in 1979 he worked with Coopers & Lybrand.

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[PHOTO]

Ronald E. Holley

RONALD E. HOLLEY, 53, Vice President - High Density Film Products since 1993. Previously Vice President - Total Quality Management 1990 - 1993; Vice President - - Industrial Products Division 1987 - 1990; Division Vice President - Industrial Products Division 1985 - 1987; Division Vice President Consumer Products Division 1983. Joined Sonoco in 1964.

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[PHOTO]

Charles J. Hupfer

CHARLES J. HUPFER, 49, Vice President, Treasurer and Corporate Secretary since 1995. Previously Treasurer 1988 - 1995; Director of Tax and Audit 1985 - 1988; Director - International Finance & Accounting 1980 - 1985; Manager of Corporate Accounting 1978 - 1980; Manager of Financial Reporting 1975 - 1978. Prior to joining Sonoco in 1975 he worked with Coopers & Lybrand.

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[PHOTO]

J. Randy Kelley

J. RANDY KELLEY, 41, Vice President Industrial Products Division - North America since 1994. Previously Division Vice President Industrial Container 1991 - 1993; Area Manufacturing Manager - Consumer Products Division 1988 - 1990; Manager - Special Projects 1986 - 1987; Plant Manager - Consumer Products Division, Naperville, Ill., 1984 - 1986. Joined Sonoco in 1978.

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[PHOTO]

Raymond L. McGowan, Jr.

RAYMOND L. MCGOWAN, JR., 44, Vice President - Consumer Products Division, U.S. and Canada since February 1996. Previously Division Vice President & General Manager - Consumer Products Division, U.S. and Canada 1994 - 1996; Division Vice President - Sales, Marketing & Technology - Consumer Products Division 1987 - 1992; Division Sales Manager - Consumer Products Division 1987; Division Marketing Manager 1985. Prior to joining Sonoco in 1983 worked with Container Corporation of America.

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[PHOTO]

Harry J. Moran

HARRY J. MORAN, 63, Executive Vice President since February 1996. Previously Group Vice President - Consumer Packaging Group 1993 - 1996; Vice President & General Manager - Consumer Packaging 1990 - 1993; Division Vice President & General Manager - Consumer Products Division 1985 - 1990; Division Vice President - Consumer Products Division 1983 - 1984. Prior to joining Sonoco in 1983 he worked with Container Corporation of America.

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[PHOTO]

Earl P. Norman, Jr.

EARL P. NORMAN, JR., 59, Vice President - Technology since 1989. Previously Staff Vice President - Business Development & Technology 1985 - 1986; Director - Business Development & Technology 1985. Prior to joining Sonoco in 1969 worked with Reynolds Metals Company.

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[PHOTO]

Maurice M. Richardson

MAURICE M. RICHARDSON, 61, Vice President of Sonoco and President of Sonoco Engraph since February 1996. Previously Chief Executive Officer - Sonoco

Engraph's label, screen printing and paperboard carton businesses 1995 - 1996; President, Chief Operating Officer of Engraph 1994 - 1995; Executive Vice President, Chief Operating Officer 1992 - 1994; Group Vice President 1983 - 1992. Prior to working with Engraph was with Mead Packaging. Joined Sonoco with the Engraph acquisition in 1993.

Division and Staff Officers/Subsidiary and Affiliate Officers

JIM C. BOWEN, 45, Vice President - Manufacturing North America, Paper Division since 1994. Previously Director of Manufacturing North America, Paper Division 1993 - 1994. Northeast Regional Manufacturing Manager 1988 - 1993. Production Manager - Hartsville Cylinder Mill 1983 - 1988. Joined Sonoco in 1972.

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GARY A. CRUTCHFIELD, 46, Division Vice President - Industrial Container Division since 1994. Previously Division Vice President - Special Products 1989 - 1990; General Manager - Retail & Industrial Film - High Density Film Division 1988 - 1989; Assistant to Senior Vice President 1987 - 1988; General Manager - Baker Reels Division 1985 - 1987; Area Manufacturing Manager - Consumer Products Division 1985. Joined Sonoco in 1974.

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BASIL H. FORD, 51, Staff Vice President since 1995. Previously Vice President with Engraph. Joined Sonoco with the Engraph acquisition in 1993.

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LARRY O. GANTT, 58, Division Vice President - Global Operations - Consumer Packaging since 1994. Previously Division Vice President Manufacturing - Consumer Products Division 1987 - 1994; Division Operations Manager - Consumer Packaging 1985 - 1987; Manufacturing Manager - Consumer Packaging 1980 - 1985; Regional and Area Manager - Consumer Packaging 1973 - 1980; Plant Manager - Consumer Packaging 1967 - 1973. Joined Sonoco in 1963.

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DONALD M. GORE, 46, Division Vice President - Textiles and Specialty - Industrial Products Division North America since 1994. Previously Vice President - Sales for Industrial Products Division North America 1987 - 1991; Director - Sales & Marketing 1983 - 1987; Director - Marketing 1972 - 1983; Sales Representative 1972. Joined Sonoco in 1972.

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JOHN D. HORTON, 53, Division Vice President - Sales & Marketing - High Density Film Products since 1988. Previously Sales & Marketing Manager - Polysack 1987 - 1988; National Sales Manager - Consumer Products Division 1978 - 1987; R&D Manager - Consumer Products Division 1977 - 1978; R&D Project Leader 1975 - 1977; Plant Manager - Consumer Products Division - Alpha, Ohio, facility 1974 - 1975; Account Representative - Consumer Products Division 1974. Joined Sonoco in 1972.

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KEVIN P. MAHONEY, 40, Staff Vice President - Corporate Planning since February 1996. Previously Director of Corporate Planning 1993 - 1996; Manager of Financial Planning 1989 - 1993. Prior to joining Sonoco in 1987 he worked with Arthur Andersen.

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JOHN MIKULA, 54, Division Vice President, Marketing/Customer Service - Industrial Container Division since October 1994. Previously Manager - Strategic Planning and New Business Development 1992 - 1994; General Manager Sonoco Plastic Drum 1986 - 1992. Prior to joining Sonoco in 1986 he worked with Pepsi and Continental Fibre Drum.

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MARC W. NATHAN, 43, Staff Vice President - Compensation and Benefits since 1994. Previously Director - Compensation and Benefits 1990 - 1994. Prior to joining Sonoco in 1990 worked with Ryder System, Inc. and Sirota & Alper Associates.

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JOHN L. NEWSOME, JR., 49, Division Vice President - Paper Mill Core & Film Core Business Units - Industrial Products since 1994. Previously Division Vice President - Operations North America - Industrial Products Division 1992 - 1994; Vice President - Operations - Paper Division 1987 - 1992; Division Vice President 1984 - 1987; Production Manager - Hartsville Cylinder Mill 1976. Joined Sonoco in 1969.

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CHARLES F. PATERNO, 39, Division Vice President, Industrial Products/Paper-Europe since 1996. Previously President-Sonoco Limited 1994 - 1995; General Manager, Specialty Business Unit - IPD 1991 - 1994; General Manager - Western Region IPD 1989 - 1991; Sales Manager - Northwest IPD 1987 - 1989; Plant Manager - Vancouver, Wash. - IPD 1985 - 1987; Plant Manager - Camden, Ark. 1984 - 1985. Joined Sonoco in 1983.

- - -

FRANK J. POPELARS, 54, Staff Vice President, Corporate Controller since 1993. Previously served as Director Administration & Control, Consumer Packaging Group 1989 - 1993; Assistant Controller, Consumer Products Group 1987 - 1989;

Division Manager, Accounting/MIS 1986 - 1987. Prior to joining Sonoco in 1983 worked with Container Corporation of America.

- - -

CHARLES W. REID, 57, Division Vice President and General Manager - Baker Division since 1988. Worked with Baker Reels during and prior to Sonoco's 1980 acquisition. Rejoined Sonoco in 1988.

- - -

J. C. RHODES, 57, Division Vice President - Operations Support since 1991. Previously Division Vice President - Industrial Products Division 1980 - 1991; General Manager of the Midwest Region Industrial Products Division 1978 - 1980; Plant Manager - Industrial Products - Akron, Ind., plant 1973-1978. Joined Sonoco in 1961.

- - -

JUAN ROMAN, 54, Vice President IPD/Paper South America since 1993; General Manager, Colombia, 1984 - 1992. Joined Sonoco in 1984. Previously with International Paper, W.R. Grace and Fabricato Colombia.

- - -

JAMES H. SHELLEY, 52, Staff Vice President - Employee Relations & Labor Counsel since 1980. Previously Director of Industrial Relations & Personnel 1974 - 1980; Director, Industrial Relations 1974. Joined Sonoco in 1965.

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EDDIE L. SMITH, 44, Division Vice President - Consumer Products, Europe since 1994. Prior to joining Sonoco, he was Managing Director, CMB/Sonoco 1989 - 1993. He also held the positions of General Manager and Sales and Marketing Manager with CarnaudMetalbox.

- - -

KARL SVENDSEN, 54, Division Vice President, Operating Resources - Industrial Container Division since October 1994. Previously General Manufacturing Manager 1981 - 1994; Plant Manager 1981. Prior to joining Sonoco in 1970 worked with General Dynamics.

- - -

DAVID THORNELY, 51, Managing Director - Sonoco Australasia since 1994. Previously General Manager - Sonoco Australia 1991 - 1994. Prior to joining Sonoco was Managing Director, Bunzl Industries Ltd., Australia.

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Subsidiary and Affiliate Officers

CRELLIN INTERNATIONAL
MICHAEL DRANICHAK, 61, President & CEO - Crellin International since 1989. Previously President - Crellin, Inc. 1984 - 1989; Assistant to the President, Vice President and President of Crellin Plastics (Albany International) 1969 - 1983; Service Engineer, Designer and Department Manager of several different production departments 1959 - 1969. Joined Sonoco with the Crellin acquisition in 1993.

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PAPER STOCK DEALERS, INC.
J. BLAKE BOYD, 43, President-Paper Stock Dealers, Inc. since 1989. Previously Manager - Paper Stock Procurement 1980 - 1989; Eastern Regional Manager - Paper Stock Procurement 1976 - 1979. Joined Sonoco in 1976.

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PAPETERIES DU RHIN
PIERRE LHOMME, 73, President-Papeteries Du Rhin since 1986. Previously Chairman of Lhomme S.A. 1965 - 1990; President of the French Cardboard Federation 1974 - 1980; President of the Chamber of Commerce in Sens 1985 - 1989. Joined Sonoco in 1990 when Lhomme S.A. was purchased by Sonoco.

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SHOWA MARUTSUTSU
ISAO SATO, 64, Chairman of Showa Marutsutsu Company, Ltd. and Showa Products Company Ltd. since July 1995 and October 1995, respectively. President of Showa Products and Showa Marutsutsu since 1964 and 1966, respectively. Joined Showa Marutsutsu in 1954.

- - -

JUN SATO, 35, President of Showa Marutsutsu and Showa Products since July 1995 and October 1995, respectively. Director of Showa Marutsutsu since 1991. Joined Showa Marutsutsu in 1986.

- - -

SONOCO ASIA
PERRY D. SMITH, 45, Managing Director - Sonoco Asia, L.L.C. since 1994. Previously Director, Business Development - Asia Pacific 1992 - 1994; Director, Marketing - International Division (Asia) 1988 - 1992. Prior to joining Sonoco in 1988 worked with LTV Aerospace and Defense.

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SONOCO ENGRAPH
MAURICE M. RICHARDSON, 61, President of Sonoco Engraph since 1994.

- - -

WILLIAM J. BIEDENHARN, 43, President, General Manager-Labels, Sonoco Engraph since 1996. Previously Division Vice President - Industrial Products & Paper Europe 1993 - 1995; Division Vice President - Global Marketing Industrial Products Division 1989 - 1993; Consumer Products Division Marketing Manager 1985-1989. Prior to joining Sonoco in 1985 he worked with Owens-Illinois.

- - -

SONOCO LIMITED
RODGER D. FULLER, 34, President - Sonoco Limited since February 1996. Previously Manager of Manufacturing - Consumer Products Division 1994 - 1996; Area Manufacturing Manager 1991 - 1994; Plant Manager 1989 - 1990; miscellaneous manufacturing and administrative positions since joining Sonoco in 1985.

Shareholder Information

Corporate Offices
North Second Street
Hartsville, SC 29550
(803) 383-7000
Fax: (803) 383-7008

Independent Accountants
Coopers & Lybrand L.L.P.
NationsBank Corporate Center
100 North Tryon Street, #3400
Charlotte, NC 28202

Transfer Agent
Wachovia Bank of North Carolina, N.A.
Corporate Trust Department
P.O. Box 3001
Winston-Salem, NC 27102

Legal Counsel
Sinkler & Boyd, P.A.
P.O. Box 11889
Columbia, SC 29211

Shareholder Services
Sonoco Products Company
Treasurer-B01
P.O. Box 160
Hartsville, SC 29551-0160
(803) 383-7277

Investor Relations and
Corporate Communications
Sonoco Products Company
Corporate Communications-A09
P.O. Box 160
Hartsville, SC 29551-0160
(803) 383-7437
Fax: (803) 383-7008
Internet: http://www.sonoco.com

Sonoco News Release
Copies of the Company's recent news releases are available at no charge via fax by calling "Company News On-Call" at 1-800-758-5804, Sonoco code #805487. This program is a service of PR NewsWire.

Annual Meeting of Sonoco Shareholders
The annual meeting of shareholders will be held at the Center Theater on Fifth Street in Hartsville, S.C., at 11 a.m., Wednesday, April 17, 1996.

Sonoco Shares
Sonoco common (symbol:SON) and preferred (symbol:SONprA) stock is traded on the New York Stock Exchange.

[LOGO]

Form 10-K Available
A copy of the Company's annual report on Form 10-K filed with the Securities and Exchange Commission may be obtained by shareholders without charge after April 1, 1996, by writing to:

Sonoco Products Company
Corporate Communications - A09
P.O. Box 160
Hartsville, SC 29551-0160

Dividend Reinvestment
A dividend reinvestment plan is available to record Sonoco shareholders. For more information write to:

Wachovia Bank of North Carolina, N.A.
Corporate Trust Department
P.O. Box 3001
Winston-Salem, NC 27102

Direct Deposit of Dividends

Sonoco shareholders may request automatic deposit of cash dividends to checking, savings or money market accounts that participate in the Automatic Clearinghouse System. If you would like this service, please contact:

Wachovia Bank of North Carolina, N.A.
Corporate Trust Department
P.O. Box 3001
Winston-Salem, NC 27102

Share Account Information

Shareholders with inquiries concerning their accounts may call Wachovia Bank of North Carolina, N.A. on their toll-free line. The number is 1-800-633-4236.

[GRAPH]

CASH DIVIDENDS DECLARED - COMMON
(millions $)

The Sonoco quarterly dividend was increased from $.13 to $.15 per share beginning in the second quarter of 1995. Dividends are increased as earnings justify.

[GRAPH]

MARKET VS. BOOK VALUE
PER COMMON SHARE
($)

The market price of the Company's stock increased 26% to $26.25 per share at the end of 1995. The book value per common share increased to $8.19 in 1995, compared with $7.23 in 1994.

Prior years' data restated to reflect the 5% stock dividend in June 1995.

[GRAPH]

LONG-TERM DEBT
(millions $)

Long-term debt increased $103.9 million to $591.9 million in 1995, primarily to fund acquisitions and internal expansion.

EXHIBIT (21)

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

SUBSIDIARIES OF THE REGISTRANT

Subsidiaries of Sonoco Products Company, pursuant to Item 601 of Regulation S-K, as of December 31, 1995 are:

1. KMI Continental Fibre Drum, Inc., 100%-owned domestic subsidiary incorporated in the State of Delaware.

    a. Sonoco Fibre Drum, Inc., 100%-owned domestic subsidiary, incorporated in the State of Delaware.

2. Sonoco Plastic Drum, Inc., 100%-owned domestic subsidiary, incorporated in the State of Illinois.

    a. Sonoco Plastic Drum Southwest Division, Inc., 100%-owned domestic subsidiary, incorporated in the State of Texas.

    b. Sonoco Plastic Drum Southeast Division, Inc., 100%-owned domestic subsidiary, incorporated in the State of Kentucky.

3. Paper Stock Dealers, Inc., 100%-owned domestic subsidiary, incorporated in the State of North Carolina.

4. Sonoco-Crellin, Inc., 100%-owned domestic subsidiary, incorporated in the State of Delaware.

    a. Crellin International, Inc., 100%-owned domestic subsidiary, incorporated in the State of Delaware, holder of securities in:

        1. Crellin, Inc., 100%-owned domestic subsidiary, incorporated in the State of New York.

            a. Crellin Europe B.V., 100%-owned Dutch subsidiary.

                1. Crellin B.V., 100%-owned Dutch subsidiary.

        2. Sebro Plastics, Inc., 100%-owned domestic subsidiary, incorporated in the State of Michigan.

        3. Injecto Mold, 100%-owned domestic subsidiary, incorporated in the State of Illinois.

5. Engraph, Inc., 100%-owned domestic subsidiary, incorporated in the State of Delaware.

    a. Engraph Puerto Rico, Inc., 100%-owned domestic subsidiary, incorporated in the State of Delaware.

EXHIBIT (21)

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

SUBSIDIARIES OF THE REGISTRANT

b. E L R, Inc., 100%-owned domestic subsidiary, incorporated in the State of Delaware.

1. Screen Graphics, Inc., 100%-owned domestic subsidiary, incorporated in the State of Tennessee.

2. Graphic Resources, Inc., 100%-owned domestic subsidiary, incorporated in the State of Kentucky.

c. Polaris Packaging, Inc., 100%-owned domestic subsidiary, incorporated in the State of New Jersey.

d. Engraph Mexico S.A. de C.V., 100%-owned Mexican subsidiary.

6. SPC Management, Inc., 100%-owned domestic subsidiary, incorporated in the State of Delaware.

a. SPC Capital Management, Inc., 100%-owned domestic subsidiary, incorporated in the State of Delaware.

b. SPC Resources, Inc., 100%-owned domestic subsidiary, incorporated in the State of Delaware.

7. Timber Properties, Ltd., (B.V.I.), 100%-owned by Sonoco Products Company.

8. Sonoco International, Inc., 100%-owned domestic subsidiary, incorporated in the State of Delaware, holder of securities in:

a. Sonoco Limited, 100%-owned Canadian subsidiary.

b. Sonoco U.K. Limited Inc., 100%-owned subsidiary incorporated in the State of Delaware, holder of securities in:

1. Sonoco Products Company U.K. Limited, 100%-owned U.K. subsidiary.

a. Sonoco Limited, 100%-owned English subsidiary.

b. Sonoco Consumer Products Limited, U.K., 100%-owned English subsidiary.

EXHIBIT (21)

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

SUBSIDIARIES OF THE REGISTRANT

2. The Harland Group Limited, 100%-owned U.K. subsidiary.

    a. Harland Machine Systems Ltd., 100%-owned U.K. subsidiary.

    b. Harland France SARL, 100%-owned French subsidiary.

    c. Harlands of America, Inc., 100%-owned subsidiary, incorporated in the State of Delaware.

c. Sonoco Deutschland Holdings GmbH, 100%-owned German subsidiary.

    1. Sonoco Deutschland GmbH, 100%-owned German subsidiary.

    2. Sonoco Plastics GmbH, 100%-owned German subsidiary.

    3. Sonoco IPD GmbH, 100%-owned German subsidiary.

        a. Sonoco MBS GmbH, 100%-owned subsidiary.

        b. OPV Oberrhein GmbH, 100%-owned German subsidiary.

        c. Sonoco MBS GmbH and Company, 100%-owned German partnership.

        d. OPV Textihulsen GmbH, 100%-owned German partnership.

    4. Caprex AG, 72%-owned Swiss subsidiary.

d. Sonoco SNC, 100%-owned French partnership with the following subsidiaries and affiliate:

    1. Sonoco Holdings, 100%-owned French subsidiary.

    a. Sonoco Lhomme S.A., 100%-owned French subsidiary.

        1. Sonoco Eurocore, Belgium, 100%-owned Belgian subsidiary.

        2. Papeteries Du Rhin, 47%-owned French affiliate.

    b. Sonoco Consumer Products S.A., 100%-owned French subsidiary.

e. Sonoco Italia S.R.L., 100%-owned Italian subsidiary.

f. Sonoco Asia, L.L.C., 90.9%-owned limited liability company.

EXHIBIT (21)

SONOCO PRODUCTS COMPANY AND CONSOLIDATED SUBSIDIARIES

SUBSIDIARIES OF THE REGISTRANT

1. Sonoco Singapore Pte, Ltd., 100%-owned Singapore subsidiary.

   a. Sonoco Malaysia, SDN BHD, 100%-owned Malaysian subsidiary.

2. Sonoco Taiwan Limited, 100%-owned Republic of China subsidiary.

3. Sonoco Thailand Ltd., 70%-owned Thai subsidiary.

g. Sonoco Asia Management Company, L.L.C., 70%-owned limited liability company.

EXHIBIT (23)

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference into the registration statements of Sonoco Products Company on Form S-8 (filed September 9, 1985, June 3, 1988, November 28, 1989, February 6, 1992, November 22, 1993 and June 7, 1995) and Form S-3 (filed June 6, 1991, File No. 33-40538; filed October 4, 1993, File No. 33-50501 as amended; filed October 4, 1993, File No. 33-50503 as amended) of our report dated January 31, 1996, on our audits of the consolidated financial statements and financial statement schedule of Sonoco Products Company as of December 31, 1995 and 1994, and for each of the three years in the period ended December 31, 1995, which report is included in this Annual Report on Form 10-K.

/s/ Coopers & Lybrand L.L.P.

COOPERS & LYBRAND L.L.P.

Charlotte, North Carolina
March 27, 1996

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF SONOCO PRODUCTS COMPANY FOR THE YEARS ENDED DECEMBER 31, 1995 AND DECEMBER 31, 1994, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000

YEAR	YEAR
DEC-31-1995	DEC-31-1994
JAN-01-1995	JAN-01-1994
DEC-31-1995	DEC-31-1994
27,300	26,674
34,324	1,770
318,765	276,044
6,330	6,058
231,476	207,662
661,783	570,711
1,609,247	1,411,524
743,618	648,415
2,115,413	1,835,053
432,455	348,643
591,894	487,959
0	0
172,500	172,500
7,175	7,175
739,074	652,543
2,115,413	1,835,053
2,706,173	2,300,127
2,706,173	2,300,127
2,106,987	1,803,427
2,106,987	1,803,427
0	0
3,168	2,546
44,004	35,861
270,790	210,930
106,640	82,500
164,519	129,849
0	0
0	0
0	0
164,519	129,849
$1.72	$1.34
$1.64	$1.31

[SONOCO(R)]

SONOCO PRODUCTS COMPANY

POST OFFICE BOX 160
ONE NORTH SECOND STREET
HARTSVILLE, SOUTH CAROLINA 29551-0160 U.S.A.

March 15, 1996

TO OUR SHAREHOLDERS:

As a shareholder of Sonoco Products Company, you are cordially invited to attend the Annual Shareholders' Meeting to be held at the Center Theater, 212 North Fifth Street, Hartsville, South Carolina, 29550, on Wednesday, April 17, 1996, at 11:00 A.M.

The accompanying Notice of Meeting and Proxy Statement cover the details of matters to be presented at the meeting which consists of the election of directors, a proposal to approve the 1996 Non-Employee Directors' Stock Plan, and the election of independent auditors.

In addition to action to be taken on the matters listed in the Notice of Annual Meeting of Shareholders, the Company's progress will be discussed, and attendees will be given an opportunity to ask questions of general interest to all shareholders.

A copy of the 1995 Annual Report, which reviews the Company's past year's events, is enclosed unless you have signed a statement indicating that you have access to another copy at your address.

Whether or not you plan to attend the meeting, you are urged to participate by completing and returning your proxy in the enclosed business reply envelope. If you later find you can be present or for any reason desire to revoke your proxy, you can do so at any time before the voting. Your vote is important and will be greatly appreciated.

/s/ Charles W. Coker
Charles W. Coker
Chairman and Chief Executive Officer

SONOCO PRODUCTS COMPANY

POST OFFICE BOX 160
ONE NORTH SECOND STREET
HARTSVILLE, SOUTH CAROLINA 29551-0160

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TIME..........................	11:00 A.M. on Wednesday, April 17, 1996.
PLACE.........................	The Center Theater, 212 North Fifth Street, Hartsville, South Carolina, 29550.
PURPOSES......................	(1) To elect six members of the Board of Directors, five to serve for the next three years and one to serve for the next year. (2) To act upon a proposal to approve the 1996 Non-Employee Directors' Stock Plan. (3) To elect independent auditors. (4) To transact such other business as may properly come before the meeting or any adjournment thereof.
RECORD DATE...................	Holders of Common Stock of record at the close of business March 1, 1996, are entitled to notice of and to vote at the meeting.
ANNUAL REPORT.................	The Annual Report of the Company for the year 1995 is enclosed unless you have signed a statement indicating that you have access to another copy at your address.
PROXY VOTING..................	It is important that your shares be represented and voted at the meeting. Please MARK, SIGN, DATE, and RETURN PROMPTLY the enclosed proxy card in the envelope furnished. Any proxy so given can be revoked in the manner described in the accompanying Proxy Statement at any time prior to its exercise at the meeting.

By order of the Board of Directors,

Charles J. Hupfer, Secretary

March 15, 1996

SONOCO PRODUCTS COMPANY

POST OFFICE BOX 160
ONE NORTH SECOND STREET
HARTSVILLE, SOUTH CAROLINA 29551-0160

PROXY STATEMENT

GENERAL INFORMATION

INFORMATION CONCERNING THE SOLICITATION

This statement is furnished in connection with the solicitation of proxies to be used at the Annual Meeting of Shareholders (Annual Meeting) of Sonoco Products Company (the "Company"), a South Carolina corporation, to be held on April 17, 1996.

The solicitation of proxies in the enclosed form is made on behalf of the Board of Directors of the Company.

The cost of preparing, assembling and mailing the proxy material and of reimbursing brokers, nominees and fiduciaries for the out-of-pocket and clerical expense of transmitting copies of the proxy material to the beneficial owners of shares held of record by such persons will be borne by the Company. The Company does not intend to solicit proxies otherwise than by use of the mail; however, certain officers and regular employees of the Company or its subsidiaries, without additional compensation, may use their personal efforts by telephone, telefacsimile or by personal calls to obtain proxies.

The proxy materials are being mailed on March 15, 1996, to shareholders of record at the close of business on March 1, 1996.

Any shareholder who executes and delivers a proxy has the right to revoke it at any time before it is voted. The proxy can be revoked by giving notice of revocation at the Annual Meeting, or by delivery to the Secretary of the Company, Post Office Box 160, Hartsville, South Carolina, 29551-0160, of an instrument which by its terms revokes the proxy, or by delivery to the Secretary of a duly executed proxy bearing a later date. Any shareholder who desires to do so can attend the meeting and vote in person in which case the proxy will not be used.

Shares represented by all properly executed proxies delivered pursuant to this solicitation will be voted at the Annual Meeting or any adjournment thereof. With respect to the election of directors and to any of the proposals for which a choice is provided, the proxy will be voted in the manner directed by the shareholder. If no direction is made, the proxy will be voted FOR the persons named in this Proxy Statement as the Board of Directors' nominees for election to the Board of Directors; FOR the adoption of the 1996 Non-Employee Directors' Stock Plan; and FOR the election of Coopers & Lybrand L.L.P. as the Company's independent auditors for the fiscal year ending December 31, 1996. As to any other matter of business that may be brought before the Annual Meeting, a vote may be cast pursuant to the accompanying proxy in accordance with the best judgment of the persons holding the proxy, but the Board of Directors presently does not know of any other such business.

OUTSTANDING SECURITIES

The Company has authorized two classes of stock consisting of 150,000,000 authorized shares of no par value Common Stock, of which 91,167,620 shares are outstanding and 30,000,000 authorized shares of no par value Preferred Stock of which 3,450,000 shares of $2.25 Series A Cumulative Convertible Preferred Stock are outstanding. Each share of the Company's Common Stock is entitled to one vote. The shareholders of the Company's $2.25 Series A Cumulative Convertible Preferred Stock will not be entitled to vote at the Annual Meeting.

VOTING SECURITIES

Only shareholders of record of the Company's Common Stock at the close of business on March 1, 1996, will be entitled to vote at the Annual Meeting. As of that date there were issued and outstanding 91,167,620 shares of Common Stock. Each share will be entitled to one vote on each matter submitted at the Annual Meeting.

A majority of the shares entitled to be voted at the Annual Meeting constitutes a quorum. If a share is represented for any purpose at the Annual Meeting by the presence of the registered owner or a person holding a valid proxy for the registered owner, it is deemed to be present for purposes of establishing a quorum. Therefore, valid proxies which are marked "Abstain" or "Withhold" and shares that are not voted, including proxies submitted by brokers that are the record owners of shares (so-called "broker non-votes"), will be included in determining the number of votes present or represented at the Annual Meeting.

If a quorum is present at the Annual Meeting, directors will be elected by a plurality of the votes cast by shares present and entitled to vote at the Annual Meeting. Votes that are withheld or that are not voted in the election of directors will have no effect on the outcome of election of directors. Cumulative voting is not permitted.

Approval of the proposal to adopt the 1996 Non-Employee Directors' Stock Plan requires the affirmative vote of a simple majority of the total shares present and entitled to vote at the Annual Meeting. With respect to shares that are present and entitled to vote, votes that are withheld or shares that are not voted for adoption of the plan will have the effect of votes against the plan.

Election of Coopers & Lybrand L.L.P., as independent auditors, and approval of any other matter that may be brought before the meeting require that the votes cast in favor of the matter exceed the votes cast against the matter. Votes that are withheld or shares that are not voted will have no effect on the outcome of such matters.

There is no person known by the management of the Company to own of record or beneficially more than 5% of the outstanding voting shares of the Company.

ELECTION OF DIRECTORS

At this Annual Meeting six directors are to be elected, five of whom shall hold office for the next three years, their terms expiring at the Annual Shareholders' Meeting in 1999, and one of whom shall hold office for the next year, her term expiring at the Annual Shareholders' Meeting in 1997, or until their successors are duly elected and qualified. It is the intention of the persons named on the enclosed form of proxy to vote such proxy FOR the election of the six persons named herein (or if any of the persons nominated is unexpectedly unavailable to serve, for such substitutions as the Board of Directors may designate), unless authority to vote is withheld for all or any of the nominees. Proxies will not be voted for a greater number of persons than the number of nominees named. Each nominee has been recommended for election by the Board of Directors.

INFORMATION CONCERNING NOMINEES

	NAME, AGE, PRINCIPAL OCCUPATION FOR LAST FIVE YEARS AND DIRECTORSHIPS IN PUBLIC CORPORATIONS	SERVED AS A DIRECTOR SINCE
[PHOTO]	C. J. BRADSHAW (59). Mr. Bradshaw is President and Director of Bradshaw Investments, Inc. (private investments), Georgetown, South Carolina, a position held since 1986. He served as President and Chief Operating Officer of Transworld Corporation, New York, New York, from 1984 to 1986 and Chairman of the Board and Chief Executive Officer of Spartan Food Systems, Inc., Spartanburg, South Carolina, from 1961 to 1986. Mr. Bradshaw is a director of Wachovia Bank of South Carolina, N.A.	1986
[PHOTO]	R. J. BROWN (61). Mr. Brown is Founder, Chairman and Chief Executive Officer of B&C Associates, Inc. (a management consulting, marketing research and public relations firm), High Point, North Carolina, a position held since 1973. He is a director of First Union Corporation, Duke Power Company and Pacific National Financial Group.	1993

	NAME, AGE, PRINCIPAL OCCUPATION FOR LAST FIVE YEARS AND DIRECTORSHIPS IN PUBLIC CORPORATIONS	SERVED AS A DIRECTOR SINCE
[PHOTO]	*J. L. COKER (55). Mr. Coker is President of JLC Enterprises (private investments), Stonington, Connecticut, a position held since 1979. He was Secretary of the Company from 1969 to 1995, and was President of Sonoco Limited, Canada, from 1972 to 1979.	1969
[PHOTO]	PAUL FULTON (61). Mr. Fulton is Dean of The Kenan-Flagler Business School, The University of North Carolina, Chapel Hill, North Carolina, a position held since 1994. He was President of Sara Lee Corporation (manufacturer and marketer of consumer products), Chicago, Illinois, from 1988 through 1993. He served as Executive Vice President from 1987 to 1988 and as Senior Vice President of Sara Lee Corporation and President of the Hanes Group of Sara Lee Corporation from 1981 to 1986. Mr. Fulton is a director of NationsBank Corporation, Bassett Furniture Industries, Inc., Cato Corporation and Winston Hotels, Inc.	1989
[PHOTO]	H. L. MCCOLL, JR. (60). Mr. McColl is Chairman of the Board and Chief Executive Officer and Director of NationsBank Corporation, Charlotte, North Carolina, and Chief Executive Officer of each of its subsidiary banks. He has served as Chief Executive Officer of NationsBank Corporation since 1983. He is a director of CSX Corporation, Ruddick Corporation, Jefferson-Pilot Corporation and Jefferson-Pilot Life Insurance Company.	1972

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* C. W. Coker and F. L. H. Coker are brothers and are first cousins of J. L. Coker and of P. C. Coggeshall, Jr., an executive officer of the Company.

	NAME, AGE, PRINCIPAL OCCUPATION FOR LAST FIVE YEARS AND DIRECTORSHIPS IN PUBLIC CORPORATIONS	SERVED AS A DIRECTOR SINCE
[PHOTO]	DONA DAVIS YOUNG (42). Mrs. Young is Executive Vice President, Individual Insurance, General Counsel, and Secretary of the Board of Directors of Phoenix Home Life Mutual Insurance Company, Hartford, Connecticut, positions held since 1995. She served as Executive Vice President, Individual Sales and Marketing, and General Counsel from 1994 to 1995, Senior Vice President and General Counsel from 1989 to 1994, Vice President and Assistant General Counsel from 1987 to 1989, and Second Vice President and Insurance Counsel from 1985 to 1987.	1995

All nominees previously have been elected to the Board of Directors by the Common Shareholders except Mrs. Young.

At its meeting on October 18, 1995, the Board of Directors decided it was in the best interest of the Company to increase the size of the Board of Directors from seventeen to eighteen; and pursuant to Article III, Section 1, of the By-Laws of the Company, amendment of which was approved by the shareholders at their Annual Meeting in 1994, the Board fixed the number of directors of the corporation at eighteen.

Mrs. Young was elected by the Board of Directors at its October 18, 1995, meeting, and has been nominated for election by the shareholders at this Annual Meeting, to serve a one-year term which will expire at the Annual Shareholders' Meeting in 1997. Although Mrs. Young has been nominated for election at the 1996 Annual Meeting to serve only a one-year term, which will expire in 1997, it presently is anticipated that she will be nominated by the Board of Directors for election at the 1997 Annual Meeting to serve an additional three-year term, which will expire in 2000. Mrs. Young's terms are being bifurcated in this manner to cause the distribution of directors among the three classes to be as nearly equal as possible in future years, as required by South Carolina corporate law and the Company's By-Laws. The Nominating Committee of the Board of Directors recommends Mrs. Young for election by the Common Shareholders.

The Nominating Committee recommends to the Board of Directors nominees to fill vacancies on the Board as they occur and recommends candidates for election as directors at Annual Meetings of Shareholders. The committee will consider persons recommended to be nominees by shareholders upon submission in writing to the Nominating Committee of the Company of the names of such persons, together with their qualifications for service and evidence of their willingness to serve. The Company's Restated Articles of Incorporation require that nominations for any person who is not then a director of the Company, whether made by the Nominating Committee or any shareholder, be submitted to the Secretary not less than sixty days prior to the Annual Meeting for which such nominations are made.

Members of the Board of Directors whose terms of office will continue until the Annual Shareholders' Meeting in 1997 are:

	NAME, AGE, PRINCIPAL OCCUPATION FOR LAST FIVE YEARS AND DIRECTORSHIPS IN PUBLIC CORPORATIONS	SERVED AS A DIRECTOR SINCE
[PHOTO]	*C. W. COKER (62). Mr. Coker is Chairman and Chief Executive Officer of the Company. He was President of the Company from 1970 to 1990 and was reappointed President in May 1994, serving until February 1996. He is a director of NationsBank Corporation, Springs Industries, Inc., Sara Lee Corporation and Carolina Power and Light Company.	1962
[PHOTO]	A. T. DICKSON (64). Mr. Dickson is President and Director of Ruddick Corporation (a diversified holding company), Charlotte, North Carolina, a position held since 1968. He is a director of Lance, Inc., NationsBank Corporation and Bassett Furniture Industries, Inc.	1981
[PHOTO]	R. E. ELBERSON (67). Mr. Elberson is a retired executive officer and director of Sara Lee Corporation (manufacturer and marketer of consumer products), Chicago, Illinois. He served as Vice Chairman of Sara Lee Corporation from 1986 to 1989 and as President and Chief Operating Officer from 1983 to 1986. Mr. Elberson is a director of W. W. Grainger, Inc.	1985

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* C. W. Coker and F. L. H. Coker are brothers and are first cousins of J. L. Coker and of P.C. Coggeshall, Jr., an executive officer of the Company.

	NAME, AGE, PRINCIPAL OCCUPATION FOR LAST FIVE YEARS AND DIRECTORSHIPS IN PUBLIC CORPORATIONS	SERVED AS A DIRECTOR SINCE
[PHOTO]	J. C. FORT (69). Mr. Fort is President and Director of Trust Company of South Carolina, Inc. (insurance brokers), Hartsville, South Carolina. Until his retirement from the Company in 1987, Mr. Fort was Senior Vice President, a position held since 1986. He served as Senior Vice President -- International Group from 1983 to 1986.	1969
[PHOTO]	R. C. KING, JR. (61). Mr. King is an independent consultant. Until his retirement from the Company in 1994, he was President and Chief Operating Officer, a position held since 1990. He served as Senior Vice President from 1987 to 1990. He is a director of United Dominion Industries.	1991

Members of the Board of Directors whose terms of office will continue until the Annual Shareholders' Meeting in 1998 are:

	NAME, AGE, PRINCIPAL OCCUPATION FOR LAST FIVE YEARS AND DIRECTORSHIPS IN PUBLIC CORPORATIONS	SERVED AS A DIRECTOR SINCE
[PHOTO]	LEO BENATAR (66). Mr. Benatar is Senior Vice President of the Company, a position held since 1993, and Chairman of Engraph, Inc. (printer and fabricator of roll labels, decals, and specialty paperboard items), Atlanta, Georgia, a position held since 1981. He also was Chief Executive Officer of Engraph, Inc. from 1981 to 1995. Engraph, Inc. became a wholly-owned subsidiary of the Company on October 21, 1993. He was President of Mead Packaging, a division of the Mead Corporation, from 1972 to 1981. Mr. Benatar is a director of Interstate Bakeries Corporation, Aaron Rents, Inc., Mohawk Industries, Inc. and Riverwood International Corporation, and is past Chairman of the Federal Reserve Bank of Atlanta. Mr. Benatar has announced his intention to retire from the Company in the spring of 1996.	1993

NAME, AGE, PRINCIPAL OCCUPATION FOR LAST FIVE YEARS AND DIRECTORSHIPS IN PUBLIC CORPORATIONS	SERVED AS A DIRECTOR SINCE
[PHOTO] P. C. BROWNING (54). Mr. Browning is President and Chief Operating Officer of the Company, a position held since February 1996. He was Executive Vice President of the Company from 1993 to 1996. He served as President, Chairman and Chief Executive Officer of National Gypsum Company (manufacturer and supplier of products and services used in building and construction), Charlotte, North Carolina, from 1990 to 1993 and as President-Gold Bond Division, National Gypsum Company, from 1989 to 1990. Prior to 1989 he spent twenty-four years with Continental Can Company, serving as President of Continental's Bondware and White Cap Divisions and later as the company's Executive Vice President. Mr. Browning is a director of Phoenix Home Life Mutual Insurance Company, Loctite Corporation and First Union National Bank of South Carolina.	1995
[PHOTO] *F. L. H. COKER (60). Mr. Coker is retired. He was President and Director of Sea Corporation of Myrtle Beach, Inc. (private investments), Myrtle Beach, South Carolina, from 1983 to 1989. Until his retirement from the Company in 1979, Mr. Coker was Senior Vice President, a position held since 1976.	1964
[PHOTO] T. C. COXE, III (65). Mr. Coxe retired on February 29, 1996. He was Senior Executive Vice President of the Company from 1993 to 1996 and was Executive Vice President from 1985 to 1993. He is a director of Wachovia Bank of South Carolina, N.A.	1982

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* C. W. Coker and F. L. H. Coker are brothers and are first cousins of J. L. Coker and of P.C. Coggeshall, Jr., an executive officer of the Company.

NAME, AGE, PRINCIPAL OCCUPATION FOR LAST FIVE YEARS AND DIRECTORSHIPS IN PUBLIC CORPORATIONS	SERVED AS A DIRECTOR SINCE
[PHOTO] B. L. M. KASRIEL (49). Mr. Kasriel is Vice Chairman and Chief Operating Officer of Lafarge (a construction materials group), Paris, France, a position held since January 1995. He served as Managing Director of Lafarge Coppee from 1989 to 1994 and as Senior Executive Vice President from 1987 to 1989. Mr. Kasriel temporarily was detached to National Gypsum Company, Charlotte, North Carolina, as President and Chief Operating Officer from 1987 to 1989. He served as Executive Vice President of Lafarge Coppee from 1984 to 1987. Mr. Kasriel is a director of Lafarge and Lafarge Corporation.	1995
[PHOTO] E. H. LAWTON, JR. (66). Mr. Lawton is President and Director of Hartsville Oil Mill (vegetable oils processor), Darlington, South Carolina, a position held since 1962. He is a director of NationsBank, N.A., formerly NationsBank, N.A. (Carolinas).	1968
[PHOTO] E. C. WALL, JR. (58). Mr. Wall is President and Director of Canal Industries (forest products), Conway, South Carolina, a position held since 1969. He is a director of Ruddick Corporation, SCANA Corporation, NationsBank Corporation and Blue Cross-Blue Shield of South Carolina.	1976

BOARD COMMITTEES

During 1995 the Board of Directors held four regularly scheduled meetings and one special meeting to review significant developments affecting the Company and to act on matters requiring Board approval. To assist it in the discharge of its responsibilities, the Board has established four committees:

COMMITTEE NAME	PURPOSE	CURRENT MEMBERS	NUMBER OF 1995 MEETINGS
Audit Committee	Responsible for the scope of both internal and external audit programs in order to fully protect assets of the Company.	E. C. Wall, Jr. -- Chairman R. J. Brown A. T. Dickson J. C. Fort R. C. King, Jr. B. L. M. Kasriel D. D. Young	2
Executive Compensation Committee	Responsible for establishing and maintaining officer-level salaries and administering executive compensation plans.	A. T. Dickson -- Chairman C. J. Bradshaw R. E. Elberson Paul Fulton B. L. M. Kasriel E. H. Lawton, Jr. D. D. Young	5
Nominating Committee	Responsible for recommending to the directors qualified candidates to fill vacancies on the Board.	F. L. H. Coker -- Chairman J. L. Coker R. E. Elberson J. C. Fort E. H. Lawton, Jr. H. L. McColl, Jr.	2
Finance Committee	Responsible for evaluating the Company's financial status, advising corporate management and the full Board on financial matters, and reviewing the Company's long-term financial requirements and plans.	H. L. McColl, Jr. -- Chairman R. J. Brown F. L. H. Coker J. L. Coker A. T. Dickson Paul Fulton R. C. King, Jr. E. C. Wall, Jr.	2

During 1995 all directors attended 75% or more of the aggregate number of meetings of the Board and committees except Mr. F. L. H. Coker who attended 67%.

SECURITY OWNERSHIP OF MANAGEMENT AS OF DECEMBER 31, 1995

NAME	POSITION	COMMON STOCK BENEFICIALLY OWNED NUMBER(1)	PERCENTAGE(2)
C. J. Bradshaw	Director	22,659	
R. J. Brown	Director	1,438	
F. L. H. Coker	Director	1,204,831	1.3
J. L. Coker	Director	292,048	
A. T. Dickson	Director	62,596	
R. E. Elberson	Director	26,150	
J. C. Fort	Director	1,172,399	1.3
Paul Fulton	Director	7,560	
B. L. M. Kasriel	Director	105	
R. C. King, Jr.	Director	285,955	
E. H. Lawton, Jr.	Director	737,269(3)	
H. L. McColl, Jr.	Director	18,207	
E. C. Wall, Jr.	Director	86,824	
D. D. Young	Director	300	
C. W. Coker	Chairman, President, Chief Executive Officer and Director	1,515,159	1.7
P. C. Browning	Executive Vice President and Director	226,400	
T. C. Coxe, III	Senior Executive Vice President and Director	348,716	
Leo Benatar	Senior Vice President and Director	188,813	
H. E. DeLoach, Jr.	Group Vice President	510,092(4)	
All Executive Officers and Directors (28 persons)		7,839,792(5)	8.6

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(1) Shareholdings represent the number of shares beneficially owned directly or indirectly by each named director and executive officer as of December 31, 1995. The number includes shares subject to currently exercisable options, granted by the Company under the 1983 Key Employee Stock Option Plan (the "1983 Plan") and the 1991 Key Employee Stock Plan (the "1991 Plan"), for the following directors and named executive officers: C. W. Coker -- 460,035; P. C. Browning -- 223,965; T. C. Coxe, III -- 94,755; Leo Benatar -- 156,924; H. E. DeLoach, Jr. -- 120,015; and R. C. King, Jr. -- 216,510. Shareholdings do not include Restricted Stock Rights, which begin to vest in 1997, granted under the 1991 Plan for the following named executive officers: C. W. Coker -- 86,547; P. C. Browning -- 64,911; and H. E. DeLoach, Jr. -- 43,274. Shareholdings also do not include 21,637 shares of Restricted Stock Rights granted to T.C. Coxe, III and 21,637 shares of Restricted Stock Rights granted to Leo Benatar under the 1991 Plan, which will fully vest in October 1996.

Also included are shares held in the Company's Dividend Reinvestment Plan (1,606), the Employee Savings and Stock Ownership Plan (47,995), and share equivalents in deferred compensation plans (41,227).

(2) Percentages not shown are less than 1%.

(3) Includes 636,027 shares of Common Stock owned by trusts for which Mr. Lawton is trustee. Mr. Lawton disclaims beneficial ownership of such shares.

(4) Includes 330,118 shares of Common Stock owned by trusts and an estate for which Mr. DeLoach is trustee and executor, respectively. Mr. DeLoach disclaims beneficial ownership of such shares.

(5) Includes 2,093,081 shares of Common Stock which the executive officers and two directors have a right to acquire pursuant to options granted by the Company under the 1983 and 1991 Plans.

EXECUTIVE COMPENSATION COMMITTEE'S REPORT TO SHAREHOLDERS

The Executive Compensation Committee of the Board of Directors (the "Committee") is responsible for setting the remuneration levels for executives of the Company. It also oversees the Company's various executive compensation plans, as well as the overall management compensation program. Additionally, the Committee reviews and plans for top management succession and reviews executive job performance. The Committee periodically evaluates the Company's executive compensation program in terms of appropriateness, including competitive positioning relative to other companies' practices. The Committee obtains independent and impartial advice from external compensation consulting firms in order to maintain objectivity in executing its responsibilities. The Committee met five times during 1995, and had met once in 1996 as of the printing of this report.

PHILOSOPHY

The executive compensation program has been designed to attract, motivate, reward, and retain senior management by providing competitive total compensation opportunities based on performance, teamwork, and the creation of shareholder value. The basic program consists of salary, annual cash bonus awards, annual stock option awards, perquisites, and employee benefits.

In order to determine competitive compensation levels, the Company participates in a number of surveys conducted by independent consulting firms, and from time to time contracts with these firms to perform customized studies of companies in its industry groups and/or with companies showing similar long-term financial performance results. In these surveys executive compensation levels are developed by looking at large numbers of similar positions across American industry and reflect adjustments based upon company revenues. The Dow Jones Containers and Packaging Group Index, which includes the Company, was used in the five-year shareholder return performance graph that appears on Page 17. The companies in this Index also are included, as available, among the companies whose survey data is used in the Company's compensation studies.

The total compensation package for executives is generally structured to be competitive with the median total pay practices for executives of other large corporations. The base salary midpoints are targeted to be at the median of surveyed market rates. Incentive compensation, consisting of the annual cash bonus plan and the annual stock option awards, is targeted at the median of surveyed market compensation for expected Company performance, and provides opportunities to motivate and reward executives for exceptional performance. Executive perquisites are limited and provide a lower benefit than the market median. The benefits program for executives provides a benefit that is somewhat higher than the market median. This benefits program, in particular the retirement and life insurance plans, is designed to enhance retention of executives until normal retirement age.

Following is a discussion of the elements of the executive compensation program, along with a description of the decisions and actions taken by the Committee with regard to 1995 compensation. Also included is a specific discussion of the decisions regarding Mr. Coker's compensation for performing the duties of Chairman, President and Chief Executive Officer ("CEO"). The tables and accompanying narrative and footnotes which follow this report reflect the decisions covered by the discussions below.

SALARY

The Company's salary ranges and resulting salaries are based on a relative valuing of the duties and responsibilities of each position. The Company reviews the base salaries of all salaried employees on an annual basis.

Merit salary increases are based on a table which considers each individual's performance rating and position in his or her salary range. Promotional salary increases are awarded to recognize increased responsibilities and accountabilities. The Committee used this table to determine salary adjustments for each of the executive officers, including Mr. Coker, whose most recent increase was effective June 1, 1995.

ANNUAL BONUS AWARDS

The Company has a bonus plan which provided for cash incentive opportunities for 1995, based upon achievement of pre-determined annual financial performance goals, as well as attainment of key individual strategic and operational objectives. The purpose of this plan is to link a significant portion of executive pay to both the Company's operating performance for the year and to critical issues affecting the long-term health of the Company. The Incentive Compensation Terms that were utilized for Messrs. Coker and Browning were based solely on operating performance measured in earnings per share (EPS), and were designed to obtain tax deductibility for their resulting annual incentive compensation payments.

Financial performance goals were weighted from 73% to 100% of total bonus opportunity. For executives with corporate responsibility, including the Group Vice Presidents, the plan's financial goals were based on corporate EPS from ongoing operations. For executives with business unit responsibility, one half of the bonus opportunity available for financial performance was based on corporate EPS and the remainder was based on business unit profit before interest and taxes.

The key strategic and operational objectives for 1995, which were weighted from 0% to 27% of total bonus opportunity, varied by individual and were in areas such as employee safety, Vision 2000, customer satisfaction, business development, strategic acquisitions, technology innovation, management succession and employee development, process improvement, total quality management, and environmental protection.

On February 6, 1996, the Committee reviewed and approved the 1995 annual bonus awards for executive officers. Initial bonus amounts were assigned to each executive officer (except Messrs. Coker and Browning) based on the scoring of financial goal attainment and subjective evaluations of how well the personalized objectives were met. In some cases the Committee used additional discretion based on its assessment of individual performance and internal equity in the determination of final bonus amounts. Mr. Coker's bonus, which reflects the Committee's assessment of his contribution and efforts in 1995, is included among the values listed under the "Bonus" caption in the Summary Compensation Table on Page 18. In setting the amount, the Committee considered, in addition to the record level of EPS, his performance in leading the Company and his role in establishing strategic initiatives and implementing operational tactics. The amount of Mr. Coker's bonus was less than the maximum that could have been paid under the EPS schedule adopted for him by the Committee in early 1995. Mr. Browning's bonus award also was determined in the same manner as Mr. Coker's bonus award.

STOCK OPTIONS

In 1995 Mr. Coker, the executive officers, and other key management employees were granted options to purchase shares of Common Stock by the Committee under a plan which previously had been approved by the Company's shareholders. The price of these options was set at the prevailing market price on the date the options were awarded. Accordingly, these options will be valuable to the recipients only if the market price of Company stock increases. Stock option awards and annual cash bonus opportunities are the Company's performance-based compensation elements. The level of the combined award opportunities, including Mr. Coker's, reflects median competitive total annual incentive compensation opportunities as reported by the independent consulting firms. Stock option awards for Mr. Coker and the other four named officers are included in the Summary Compensation Table on Page 18 under the caption "Number of Securities Underlying Options Granted" and in the Option Grants Table on Page 20.

OTHER

As a result of recent changes to tax law, companies cannot deduct certain types of compensation paid to the CEO or to the other executive officers named in the Summary Compensation Table for individual amounts in excess of one million dollars unless such compensation is approved by the shareholders and meets certain other requirements. In 1995 shareholders approved Annual Incentive Compensation Terms for Executive Officers and ratified amendments to the Company's 1991 Key Employee Stock Plan. These actions were intended to ensure tax deductibility of all executive compensation payments in 1995 and in future years based on current regulations.

A.T. Dickson (Chairman) C.J. Bradshaw R. E. Elberson
P. Fulton B.L.M. Kasriel E.H. Lawton, Jr. D.D. Young

COMPARATIVE COMPANY PERFORMANCE

The following line graph compares cumulative total shareholder return for the Company with the cumulative total return of the S&P 500 Stock Index and a nationally recognized industry index, the Dow Jones Containers and Packaging Group (which includes the Company), from December 31, 1990, through December 31, 1995.

COMPARISON OF FIVE YEAR CUMULATIVE TOTAL RETURN* AMONG SONOCO PRODUCTS COMPANY, THE S&P 500 STOCK INDEX, AND THE DOW JONES CONTAINERS & PACKAGING GROUP**

MEASUREMENT PERIOD (FISCAL YEAR COVERED)	S&P 500 STOCK INDEX	DOW JONES CONTAINERS & PACKAGING GROUP	SONOCO PRODUCTS COMPANY
1990	100	100	100
1991	130	157	109
1992	140	172	154
1993	155	164	146
1994	157	163	148
1995	215	176	192

ASSUMES $100 INVESTED ON DECEMBER 31, 1990, IN SONOCO PRODUCTS COMPANY COMMON STOCK, THE S&P 500 STOCK INDEX, AND THE DOW JONES CONTAINERS & PACKAGING GROUP.

* TOTAL RETURN ASSUMES REINVESTMENT OF DIVIDENDS
** FISCAL YEAR ENDING DECEMBER 31

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION(2) SALARY	BONUS	LONG-TERM COMPENSATION AWARDS RESTRICTED STOCK RIGHTS(3)	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED(4)	PAYOUTS LTIP PAYOUTS(5)	ALL OTHER COMPENSATION(6)
C. W. Coker	1995	$634,169	$1,000,000	$ -0-	79,275	$ -0-	$ 229,571
Chairman, President	1994	602,835	691,416	1,820,000	66,360	-0-	205,936
and Chief Executive Officer	1993	575,834	451,567	-0-	65,100	-0-	184,233
P. C. Browning	1995	466,791	600,000	-0-	40,215	-0-	92,309
Executive Vice	1994	449,759	360,241	1,365,000	26,250	-0-	56,228
President	1993	73,666	221,000	-0-	157,500	-0-	55,366
T. C. Coxe, III	1995	353,790	450,000	-0-	36,330	-0-	79,771
Senior Executive	1994	340,891	324,109	455,000	30,450	-0-	62,813
Vice President	1993	316,668	200,999	-0-	27,930	-0-	48,975
L. Benatar(1)	1995	380,100	380,100	-0-	23,835	-0-	91,294
Senior Vice	1994	368,579	230,000	455,000	21,000	-0-	87,078
President	1993	360,818	169,106	-0-	-0-	55,200	13,832
H. E. DeLoach, Jr.	1995	309,585	340,415	-0-	23,835	-0-	56,647
Group Vice	1994	259,586	230,512	910,000	21,000	-0-	41,422
President	1993	220,351	172,690	-0-	13,230	-0-	25,398

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(1) Includes amounts paid by Engraph, Inc. for services as Chairman and CEO for the period from January 1, 1993, through October 21, 1993, the date that Engraph, Inc. merged with the Company.

(2) None of the executive officers received perquisites or personal benefits which totaled the lesser of $50,000 or 10% of their respective salary plus bonus payments.

(3) Dollar amounts shown equal the number of units of restricted stock rights granted multiplied by the $22.75 per share stock price on October 21, 1994, the date of grant. The number and dollar value of restricted stock rights held, including dividend equivalents, adjusted for the 1995 stock dividend, based on the closing stock price on December 31, 1995, of $26.25 per share were: C. W. Coker -- 86,547 shares ($2,271,859); P. C. Browning -- 64,911 shares ($1,703,914); T. C. Coxe, III -- 21,637 shares ($567,971); L. Benatar -- 21,637 shares ($567,971); and H. E. DeLoach, Jr. -- 43,274 shares ($1,135,943). Restrictions lapse over a five-year vesting period for Messrs. Coker, Browning, and DeLoach with one-third of the shares vesting on each of the third, fourth, and fifth anniversary dates of the grant. The restrictions lapse and all shares vest for Messrs. Coxe and Benatar in October 1996.

(4) Number of securities adjusted for the 5% stock dividend paid June 9, 1995.

(5) This award was pursuant to the Engraph Long Range Incentive Plan for the 1991-1993 performance period. There are no other potential payment obligations under this plan.

(6) All other compensation for 1995 consisted of the following components:

NAME	SPLIT-DOLLAR LIFE INSURANCE	ABOVE-MARKET DEFERRED COMPENSATION ACCRUALS(2)	COMPANY CONTRIBUTIONS AND ACCRUALS TO DEFINED CONTRIBUTION RETIREMENT PLANS
C. W. Coker	$145,110(1)	$ 44,693	$ 39,768(3)
P. C. Browning	67,498	-0-	24,811(3)
T. C. Coxe, III	26,498	32,936	20,337(3)
L. Benatar	81,544	-0-	9,750(4)
H. E. DeLoach, Jr.	28,553	11,885	16,209(3)

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(1) Includes additional insurance which was purchased for Mr. Coker during December 1992 in exchange for cancellation of stock options that, at the time of the transaction, had a market price gain of $497,875.

(2) Represents the above-market portion of interest credits on previously-earned compensation for which payment has been deferred.

(3) Comprised of contributions to the Company's Employee Savings and Stock Ownership Plan (ESSOP) and accruals to individual accounts in the Company's non-qualified benefits restoration plan, in order to keep employees whole with respect to Company contribution amounts that were limited by tax law.

(4) Comprised of contributions to the Engraph, Inc. Retirement Plus Plan.

OPTION EXERCISES AND YEAR-END VALUES TABLE
AGGREGATED OPTION EXERCISES IN 1995 AND 1995 YEAR-END VALUES

NAME	NUMBER OF SHARES ACQUIRED ON EXERCISE	VALUE REALIZED(1)	NUMBER OF SHARES UNDERLYING UNEXERCISED OPTIONS AS OF 12/31/95		VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS AS OF 12/31/95(2)	
			EXERCISABLE	UNEXERCISABLE	EXERCISABLE	UNEXERCISABLE
C. W. Coker	30,000	$ 314,286	380,760	79,275	$ 2,715,952	$ 504,902
P. C. Browning	-0-	-0-	183,750	40,215	1,082,813	256,129
T. C. Coxe, III	45,000	336,544	58,425	36,330	581,316	231,386
L. Benatar	-0-	-0-	133,090	23,835	1,799,073	151,805
H. E. DeLoach, Jr.	-0-	-0-	96,180	23,835	679,124	151,805

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(1) The difference between the exercise price paid and the value of the acquired shares based on the closing price of the Company's stock on the exercise date.

(2) Based on $26.25 per share, the December 31, 1995, closing price.

OPTION GRANTS TABLE
1995 STOCK OPTION GRANTS

INDIVIDUAL GRANTS					POTENTIAL REALIZABLE VALUE AND RESULTING COMPANY STOCK PRICE AT ASSUMED ANNUAL RATES OF STOCK PRICE APPRECIATION FOR 10 YEAR OPTION TERM(2)	
NAME	NUMBER OF SECURITIES UNDERLYING OPTIONS GRANTED(1)	% OF TOTAL OPTIONS GRANTED TO EMPLOYEES IN 1995	EXERCISE PRICE (PER SHARE)	EXPIRATION DATE	5% ($32.384)	10% ($51.566)
C. W. Coker	79,275	7.4	$19.881	2/1/2005	$ 991,175	$ 2,511,828
P. C. Browning	40,215	3.8	19.881	2/1/2005	502,808	1,274,212
T. C. Coxe, III	36,330	3.4	19.881	2/1/2005	454,234	1,151,116
L. Benatar	23,835	2.2	19.881	2/1/2005	298,009	755,212
H. E. DeLoach, Jr.	23,835	2.2	19.881	2/1/2005	298,009	755,212
Comparable gain in shareholder value for the 91,304,643 shares outstanding as of February 1, 1995, the grant date.					$1,141,581,951	$2,892,987,613

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(1) These options were granted on February 1, 1995, at the closing market price, became exercisable on February 1, 1996, and were granted for a period of ten years, subject to earlier expiration in certain events related to termination of employment. The exercise price can be paid by cash or the delivery of previously-owned shares. Tax obligations also can be paid by an offset of the underlying shares.

(2) The amounts in these columns are the result of calculations based on the assumption that the market price of the Common Stock will appreciate in value from the date of grant to the end of the ten-year option term at the rates of 5% and 10% per year. The 5% and 10% annual appreciation assumptions are required by the rules of the Securities and Exchange Commission; they are not intended to forecast possible future appreciation, if any, of the Company's stock price.

PENSION TABLE

Named executive officers participate in a non-contributory defined benefit program which provides for a maximum annual lifetime retirement benefit equal to 60% of final average compensation, computed as a straight life annuity based on the highest three of the last seven calendar years. In order to receive the full benefit, the executive must have at least 15 years of service and retire no earlier than age 65. Eligible spouses (married one year or longer at the executive's retirement date) receive survivor benefits at a rate of 75% of the benefit paid to the executives. The total benefit provided by the Company is offset by 100% of primary U.S. Social Security.

FINAL AVERAGE COMPENSATION(1)	AGE 65 RETIREMENT YEARS OF SERVICE						
	5	10	15	20	25	30	35
$ 300,000	$ 60,000	$120,000	$180,000	$180,000	$180,000	$180,000	$180,000
400,000	80,000	160,000	240,000	240,000	240,000	240,000	240,000
500,000	100,000	200,000	300,000	300,000	300,000	300,000	300,000
600,000	120,000	240,000	360,000	360,000	360,000	360,000	360,000
700,000	140,000	280,000	420,000	420,000	420,000	420,000	420,000
800,000	160,000	320,000	480,000	480,000	480,000	480,000	480,000
900,000	180,000	360,000	540,000	540,000	540,000	540,000	540,000
1,000,000	200,000	400,000	600,000	600,000	600,000	600,000	600,000
1,100,000	220,000	440,000	660,000	660,000	660,000	660,000	660,000
1,200,000	240,000	480,000	720,000	720,000	720,000	720,000	720,000
1,300,000	260,000	520,000	780,000	780,000	780,000	780,000	780,000
1,400,000	280,000	560,000	840,000	840,000	840,000	840,000	840,000
1,500,000	300,000	600,000	900,000	900,000	900,000	900,000	900,000
1,600,000	320,000	620,000	960,000	960,000	960,000	960,000	960,000

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(1) Final average compensation includes salary, bonus, and cash awards from the Company's former long-term incentive plan. Age, years of service, and final average compensation as of December 31, 1995, for the named officers are as follows:

NAME	AGE	YEARS OF SERVICE	FINAL AVERAGE COMPENSATION
C. W. Coker	62	38	$1,012,403
P. C. Browning	54	2	523,819
T. C. Coxe, III	65	43	582,622
L. Benatar	65	15	692,132
H. E. DeLoach, Jr.	51	10	434,404

EMPLOYMENT AGREEMENT

On September 12, 1993, in conjunction with the Company's tender offer for Engraph, Inc. Common Stock, the Company entered into an employment agreement with Mr. Leo Benatar, an executive officer and director of the Company. This agreement, which superseded the employment agreement of May 7, 1992, between Engraph, Inc. and Mr. Benatar, secured the continued service of Mr. Benatar until March 31, 1995. The Company has extended the term of this agreement until March 31, 1996. This agreement provides for a minimum annual base salary of $362,500 (Mr. Benatar's then present salary as Chairman and CEO of Engraph, Inc.), subject to annual review by the Board's Executive Compensation Committee, and participation in the Company's executive officer bonus plan, Engraph benefit plans, and the Company's executive benefit and perquisite programs. The agreement stipulates that during the term of his employment and for two years thereafter, Mr. Benatar will not compete with the Company, will not solicit its customers or employees, and will not use or disclose its trade secrets and proprietary information.

DIRECTORS' COMPENSATION

Employee directors receive no additional compensation for their services as members of the Board of Directors. Effective July 1, 1994, non-employee directors were paid a $9,250 quarterly retainer fee and a $1,000 attendance fee for special meetings. On July 1, 1995, the quarterly retainer fee was increased to $10,000.

Directors are able to defer part or all of their fees. Directors can choose to earn market rate interest credits on their deferrals or have their deferrals treated as if invested in equivalent units of Sonoco Products Company Common Stock. In the latter account they earn dividend equivalent credits which are reinvested in stock equivalent units. The directors can choose a fixed period, commencing the January following termination from the Board of Directors, over which the account balances will be paid in annual installments.

In accordance with the terms and conditions of the 1996 Non-Employee Directors' Stock Plan, each non-employee director was awarded 2,000 non-qualified stock options at a price of $27.00 per share, 100% of fair market value on February 7, 1996. Likewise, Mr. T.C. Coxe, III, was awarded 2,000 non-qualified stock options at a price of $27.25 per share, 100% of fair market value on March 1, 1996, the date he became an eligible non-employee director. These grants are subject to approval of shareholders at the Annual Shareholders' Meeting on April 17, 1996.

Mr. R. C. King, Jr. elected to take early retirement from the Company effective May 31, 1994, following over thirty-seven years of distinguished service. To secure his advice and counsel, the Company entered into an agreement with Mr. King under which he will provide consulting services to the Company on an as-needed basis through December 31, 1996. Under this agreement, Mr. King received consulting fees of $331,308 during 1995, and Sonoco arranged for a third party purchase of Mr. King's home in Hartsville for his basis value in the home. The cost to the Company was $66,684. In recognition of Mr. King's innumerable and invaluable contributions to the Company in the past, the Company provided to him certain benefits under the terms of a retirement agreement. Mr. King's retirement benefit, including payments from Primary Social Security or equivalents, Sonoco's Retirement Plan, and Sonoco's Supplemental Executive Retirement Plan, totals $32,536 per month.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Messrs. A. T. Dickson, C. J. Bradshaw, R. E. Elberson, Paul Fulton, B. L. M. Kasriel, E. H. Lawton, Jr. and Mrs. D. D. Young served on the Company's Executive Compensation Committee during the year ended December 31, 1995. Mr. Kasriel was appointed to the committee on April 19, 1995, and Mrs. Young was appointed on October 18, 1995.

Mr. A. T. Dickson and Mr. Paul Fulton are directors of NationsBank Corporation; Mr. E. H. Lawton, Jr., is a director of NationsBank, N.A., formerly NationsBank, N.A. (Carolinas); and Mr. C. J. Bradshaw is a director of Wachovia Bank of South Carolina, N.A. On October 1, 1993, NationsBank of North Carolina, N.A., subsequently NationsBank, N.A. (Carolinas), and now NationsBank N.A., extended to the Company, as a backstop facility for its commercial paper program and general corporate purposes, a five-year committed line of credit for $75,000,000. Wachovia Bank of South Carolina, N.A. has extended a similar line for $65,000,000. These committed lines of credit from NationsBank, N.A. and Wachovia Bank of South Carolina, N.A. have been in place since 1987 and have been renewed and increased or decreased according to the Company's needs. Additionally, NationsBank, N.A. has extended other lines of credit to the Company as support for letters of credit, overdrafts and other corporate needs. NationsBank, N.A. also provides treasury management services to the Company and investment management services through its trust department. The Company pays fees to NationsBank, N.A. for these services and for the availability of the lines of credit, as well as interest on borrowed funds. All transactions were handled on a competitive basis. Management is convinced that the rates and provisions were as favorable to the Company as otherwise could have been obtained.

Mr. H. L. McColl, Jr., an executive officer of NationsBank Corporation, is a member of the Company's Board but is not a member of the Company's Executive Compensation Committee. Mr. C. W. Coker, Chairman and Chief Executive Officer of the Company, is a member of NationsBank Corporation's Compensation Committee.

Mr. P. C. Browning, President and Chief Operating Officer of the Company, serves as a director of Phoenix Home Life Mutual Insurance Company. Mrs. D. D. Young, who is an executive officer of Phoenix Home Life Mutual Insurance Company, serves on the Company's Executive Compensation Committee.

TRANSACTIONS WITH MANAGEMENT

Mr. H. L. McColl, Jr. is Chairman, Chief Executive Officer and Director of NationsBank Corporation. Mr. C. W. Coker, Mr. A. T. Dickson, Mr. Paul Fulton and Mr. E. C. Wall, Jr. are directors of NationsBank Corporation and Mr. E. H. Lawton, Jr. is a director of NationsBank, N.A. Mr. C. J. Bradshaw and Mr. T. C. Coxe, III are directors of Wachovia Bank of South Carolina, N.A. See the "Compensation Committee Interlocks and Insider Participation" section above.

During 1995 the Company purchased lumber from a company of which Mr. E. C. Wall, Jr., a director of the Company, is Chairman of the Board and more than a 10% beneficial owner. Mr. T. C. Coxe, III, a director and former executive officer of the Company, also is a director of this company. The aggregate purchase price of the lumber was $878,960.

The Company also purchased timber during the year from a trust of which Mr. T. C. Coxe, III, a director and former executive officer of the Company, is trustee and more than a 10% beneficial owner. The aggregate purchase price of the timber was $433,514.

The Company purchased wooden pallets from a company of which Mr. J. C. Fort, a director of the Company, is more than a 10% beneficial owner. The aggregate purchase price of the pallets was approximately $683,244. The Company, in turn, sold to the same company approximately $719,000 in hardwood timbers.

Management of the Company believes the prices and terms were comparable to those the Company could have obtained from unaffiliated third parties.

ADOPTION OF THE 1996 NON-EMPLOYEE DIRECTORS' STOCK PLAN

On February 7, 1996, the Board of Directors (the "Board") adopted the 1996 Non-Employee Directors' Stock Plan (the "Plan"), subject to the approval of shareholders at this Annual Meeting. The full text of this Plan is appended to this Proxy Statement as Exhibit I. The following summary of the Plan's terms is qualified in its entirety by the Plan.

The Board believes that the Plan enhances 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. Under the Plan, non-employee directors will receive non-qualified stock options as a part of their compensation package. The Plan also permits non-employee directors to elect to receive all or a portion of their annual retainers and meeting fees in the form of stock options or deferred stock units.

The Board of Directors recommends that you vote FOR ratification of the 1996 Non-Employee Directors' Stock Plan.

The following is a summary description of the Plan.

Term. If approved by the shareholders, the Plan shall be effective February 7, 1996, and will remain in effect for an indefinite period of time, until terminated by the Board.

Common Shares Available for Issuance. For each calendar year the Plan is in effect, beginning in 1996, subject to adjustments discussed below, 125,000 shares of Common Stock will be made available for issuance under the Plan. Accordingly, the number of shares available for issuance under the Plan will increase annually without further shareholder approval. If any grants under the Plan are settled in cash or in any form other than shares, or if any stock options expire without being exercised, then the shares covered by such settlements or expirations shall not be deemed issued and shall remain available for issuance under the Plan. Any shares of Common Stock exchanged as payment upon the exercise of stock options also shall be available for future issuance under the Plan. Additionally, the crediting of dividend equivalents in conjunction with outstanding awards 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.

Adjustments and Reorganizations. The Board may make such adjustments as it deems appropriate 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 directors and are not inconsistent with adjustments made to stock options and other stock-based awards held by employees of the Company. Such events include stock dividends, stock splits, 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. 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.

Plan Operation. The Plan is intended to permit non-employee directors to qualify as "disinterested" persons under Rule 16b-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 ("1934 Act"). Accordingly, in many respects the Plan is self-governing and requires no discretionary action by the Board. 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.

Stock Options. The Plan provides for the granting of two types of stock options: annual stock option awards and deferred compensation stock options. A stock option entitles the recipient to purchase a specified number of shares of Common Stock at a fixed price, subject to terms and conditions of the Plan. Commencing in 1997, stock options issued under the Plan will carry restoration rights whereby, if an active non-employee director exercises an option by tendering previously-acquired shares of Common Stock, such individual will receive another 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 of the Common Stock (as determined under the Plan) as of the date of exercise of such original stock option.

Each non-employee director will receive an annual stock option grant covering 2,000 shares at the Board's first regularly scheduled meeting of each calendar year ("Annual Stock Option"). A person who becomes a non-employee director during any year after the Board's first regularly scheduled meeting for such year shall receive a pro-rata Annual Stock Option grant on the date such person becomes a non-employee director with the number of shares covered by the option prorated for the number of fiscal quarters remaining in the calendar year including any partial fiscal quarters. The exercise price of each such Annual Stock Option shall be the fair market value of the Common Stock on the grant date and each Annual Stock Option shall generally have a ten-year term and may be exercised no sooner than six months after the grant date. The number of shares covered by the Annual Stock Option granted to each non-employee director in any calendar year may be increased to up to 10,000 shares (subject to the overall Plan share limitation) without additional shareholder approval provided that the Board determines that such an amendment would not prevent non-employee directors from being "disinterested persons" for the purposes of Rule 16b-3 of the 1934 Act.

If permitted by the Board, non-employee directors may elect to take a portion or all of their retainers and fees in deferred compensation stock options. Such options are intended to serve as a deferred payment vehicle for compensation earned by non-employee directors. The per share exercise price of each such stock option shall be seventy-five percent of the fair market value of Common Stock on the grant date, and the total purchase price of the option grant shall be three times the amount deferred. This results in a total stock option gain at the time of grant that is equal to the amount of compensation deferred. The number of such stock options shall be the amount of retainers and fees deferred divided by 25% of the fair market value of the Common Stock on the grant date. Each deferred compensation stock option shall have a term that ends five years after the non-employee director ends his or her service on the Board, and shall be credited with partial dividend equivalent rights when dividends are paid on shares of Common Stock.

Deferred Stock Units. If permitted by the Board, non-employee directors may defer their retainers and fees into deferred stock units. A deferred stock unit is a bookkeeping entry, equivalent in value to a share of Common Stock ("Deferred Stock Unit"). Such units are intended to serve as a deferred payment vehicle for compensation earned by non-employee directors. The number of Deferred Stock Units credited shall be equal to the amount of compensation deferred divided by the fair market value of Common Stock on the grant date. Deferred Stock Units shall be credited with dividend equivalent rights when dividends are paid on shares of Common Stock and shall be paid out in one to fifteen annual installments, commencing no sooner than the first business day following the six-month anniversary of the individual's termination of Board service. The payments may be in the form of shares of Common Stock equal in number to the amount of Deferred Stock Units credited to the individual's account and/or in cash based on the fair market value of the Common Stock at time of payment.

General. Stock options and Deferred Stock Units shall be transferable or assignable only by will, by the laws of descent and distribution, pursuant to a qualified domestic relations order; or to the extent permitted by Rule 16b-3 under the 1934 Act to either a trust or estate in which the non-employee director or his or her spouse or other relative has a substantial interest, or to a spouse or other immediate relative.

The Board may amend the Plan no more frequently than once every six months, as it deems necessary or appropriate, to better achieve the purposes of the Plan unless such amendment is necessary to comport with changes in the Internal Revenue Code, the Employee Retirement Income Security Act or the rules thereunder. No amendment without the approval of the Company's shareholders shall be made which would (i) increase the total number of shares available for issuance, (ii) except as discussed above, increase the maximum individual Annual Stock Option limit, (iii) materially increase benefits to participants under the Plan, (iv) materially modify eligibility requirements or (v) cause the Plan not to comply with the then-existing Rule 16b-3 or any successor rule under the 1934 Act.

Under the Internal Revenue Code of 1986, the granting of a stock option does not produce income to the participant or a tax deduction for the Company unless the option itself has a determinable market value and is not an incentive stock option. Upon exercise of a 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 as an expense by the Company.

Subject to shareholder approval of the Plan, each current non-employee director has been granted an Annual Stock Option covering 2,000 shares of Common Stock. Except for the option granted to Mr. Coxe, the exercise price per share for these options is $27.00, the fair market value of the Common Stock on the first regularly scheduled meeting of the Board held on February 7, 1996, the date the options were granted. Mr. Coxe's option was granted on March 1, the date he became a non-employee director as a result of his retirement. The exercise price per share for his option is $27.25, the fair market value of the Common Stock on March 1, 1996. Each of these annual stock options will expire ten years after the grant date, except in the event of the participant's death while the option is outstanding, in which case the option will expire no sooner than one year following the date of death. The amount of any future benefits to be received by non-employee directors under the Plan is not determinable.

In order to be approved, the Plan must receive the affirmative vote of a majority of the outstanding shares of Common Stock present, or represented, and eligible to vote at the Annual Meeting.

The Board of Directors recommends that you vote FOR ratification of the 1996 Non-Employee Directors' Stock Plan.

ELECTION OF INDEPENDENT AUDITORS

Independent auditors are to be elected by the shareholders for the calendar year 1996. The firm of Coopers & Lybrand L.L.P., Certified Public Accountants, has audited the books and records of the Company for many years, and the Audit Committee of the Board of Directors recommends continuing the services of this firm. Representatives of Coopers & Lybrand L.L.P. will be present and available to answer any questions that may arise at the Annual Meeting and may make a statement if they so desire.

The Board of Directors recommends that you vote FOR the election of Coopers & Lybrand L.L.P. as independent auditors for the Company for the current year.

COMPLIANCE WITH THE SECURITIES EXCHANGE ACT OF 1934

As required by Section 16(a) of the Securities Exchange Act of 1934, the Company's directors, its executive officers and certain individuals are required to report periodically their ownership of the Company's Common Stock and any changes in ownership to the Securities and Exchange Commission and the New York Stock Exchange.

The Company failed to file on a timely basis three reports for Mr. E. C. Wall, Jr. Mr. Wall made three small purchases for a Keogh Pension Plan on April 19, 1984, January 30, 1989, and February 12, 1990. Mr. Wall is a director of the Company. This information should have been filed with the Securities and Exchange Commission on Forms 4 due May 10, 1984, February 10, 1989, and March 10, 1990, but was reported on February 9, 1996, on Form 5.

SHAREHOLDER PROPOSALS FOR NEXT ANNUAL MEETING

A shareholder proposal to be presented at the next Annual Meeting must be received by the Company not later than November 1, 1996, in order to be included in the Proxy Statement and Proxy.

OTHER MATTERS

As of the date of this statement management knows of no business which will be presented for consideration at the meeting other than that stated in the notice of the meeting. As to other business, if any, that may properly come before the meeting, it is intended that proxies in the accompanying form will be voted in respect thereof in accordance with the best judgment of the person or persons voting the proxies.

TO ASSURE YOUR REPRESENTATION AT THE MEETING, PLEASE MARK, SIGN, DATE, AND RETURN YOUR PROXY AS PROMPTLY AS POSSIBLE. PLEASE SIGN EXACTLY AS YOUR NAME APPEARS ON THE ACCOMPANYING PROXY.

Charles J. Hupfer, Secretary

March 15, 1996

EXHIBIT 1

SONOCO PRODUCTS COMPANY

1996 NON-EMPLOYEE DIRECTORS' STOCK PLAN

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 and (b) the Fair Market Value less the per share amount of compensation deferred for a Stock Option granted pursuant to Section 8(c) 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 Sections 8(b) and 8(c) as shall be applicable.

(k) "Plan" means the 1996 Non-Employee Directors' Stock Plan.

(l) "Stock Option" means a right granted pursuant to either Section 7 or 8(c) 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, 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 equivalents in conjunction with outstanding Deferred Stock Units or Stock Options 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) he 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; 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, (B) 75% if the person becomes an Eligible Director during the second calendar quarter, (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.

8. Deferred Stock Units and Deferred Compensation Stock Options. Each Eligible Director may elect to take a portion or all of his or her annual retainer and committee and meeting fees in either the form of Deferred Stock Units or in the form of Stock Options, provided that the Board has determined to permit either or both such forms 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 either 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 the form of deferral. Such an election shall be effective beginning with compensation earned for the first calendar quarter commencing six months after the applicable Election Date. Such election may be subsequently amended or revoked, but any such change shall not be effective until the first calendar quarter commencing six months after the Eligible Director has filed such a change in writing with the Secretary of the Company. Any such election shall be effective only to the extent that there are sufficient shares of Common Stock available under the Plan pursuant to Section 4.

b. Deferred Stock Units. 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. Deferred Compensation Stock Options. If an Eligible Director elects to receive compensation in the form of Stock Options, such individual shall be granted a Stock Option on the first business day of each calendar quarter during which his or her election is effective. The per share Exercise Price shall be seventy-five percent of the Fair Market Value of Common Stock on the Grant Date. The number of shares covered by each such Stock Option shall be determined by the following formula:

$$\text{Number of Shares} = \frac{\text{Amount of Compensation to be Deferred}}{\text{25\% of the Fair Market Value}}$$

If this calculation results in a fractional share, the number of shares covered by the resulting Stock Option shall be increased to the next whole number.

Each such option shall expire five years after termination of Board service. Individuals who hold outstanding Stock Options awarded under this Section shall be credited with dividend equivalents based upon 25% of the per share dividend when dividends are paid on shares of Common Stock, and such dividend equivalents shall be converted into Deferred Stock Units based on the Fair Market Value on the date credited.

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

a. Participant's Death. In the event of the participant'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 laws 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 to the individual a certificate representing the Common Stock purchased through the Stock Option.

c. Restoration Option Right. Commencing in 1997, each Stock Option granted pursuant to the Plan will contain a restoration right whereby, if an 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.

10. Termination of Board Service. Upon termination of Board service 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 a participant's death while holding the option as provided in Section 9(a).

b. Deferred Stock Units. Unless the Eligible Director has elected, prior to termination of Board service, to receive payment in fifteen or fewer annual installments, commencing no sooner than the first business day following the six-month anniversary of 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 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 relations order; or (c), to the extent permitted by Rule 16b-3 under the 1934 Act, as then applicable to the Company's employee benefit 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 an award 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 give any Eligible Director a right to be retained in the service of the Company.

15. Unfunded Plan. Unless otherwise determined by 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 rights (unless otherwise determined by the Board) shall be no greater than the rights 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) Subject to adjustments contemplated by Section 5, increase 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

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

(iii) Otherwise cause the Plan not to comply with Rule 16b-3 or any successor rule under the 1934 Act.

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 shall remain outstanding and in effect in accordance with their applicable terms and conditions.

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.

APPENDIX A

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DIRECTORS RECOMMEND VOTING FOR 1, 2 AND 3

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

SONOCO PRODUCTS COMPANY
POST OFFICE BOX 160 - ONE NORTH SECOND STREET - HARTSVILLE, SOUTH CAROLINA 29551-0160

The undersigned hereby appoints Charles W. Coker, Chairman and Chief Executive Officer, or Peter C. Browning, President and Chief Operating Officer, as Proxies, each with the power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated below, all the shares of Common Stock of Sonoco Products Company held of record by the undersigned on March 1, 1996, at the Annual Meeting of Shareholders to be held on April 17, 1996, or any adjournment thereof.

(1) ELECTION OF DIRECTORS

/ / FOR All Nominees   / / WITHHOLD on All Nominees

/ / Withhold On The Following Nominees Only

Nominees -- Three-Year Terms: C. J. Bradshaw, R. J. Brown, J. L. Coker, Paul Fulton, H. L. McColl, Jr.
One-Year Term: Dona Davis Young

(2) PROPOSAL TO APPROVE THE 1996 NON-EMPLOYEE DIRECTORS' STOCK PLAN.

/ / FOR   / / AGAINST   / / ABSTAIN

(3) PROPOSAL TO APPROVE THE ELECTION OF COOPERS & LYBRAND L.L.P., CERTIFIED PUBLIC ACCOUNTANTS, AS THE INDEPENDENT AUDITORS OF THE CORPORATION.

/ / FOR   / / AGAINST   / / ABSTAIN

(Continued and to be signed and dated on the reverse side)

(Continued from other side)

(4) In their discretion the Proxies are authorized to vote upon such other business as may properly come before the meeting.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED SHAREHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR PROPOSALS 1, 2 AND 3.

Date ------------------------ 19 --

Please sign this proxy exactly as your name appears hereon. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by President or other authorized officer. If a partnership, please sign in partnership name by authorized person. PLEASE MARK, SIGN, DATE AND RETURN THE PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE.

EXHIBIT (99-2)

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C.

FORM 11-K

ANNUAL REPORT

PURSUANT TO SECTION 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1995

SONOCO PRODUCTS COMPANY
1983 KEY EMPLOYEE STOCK OPTION PLAN

AND

SONOCO PRODUCTS COMPANY
1991 KEY EMPLOYEE STOCK PLAN

SONOCO PRODUCTS COMPANY

NORTH SECOND STREET

HARTSVILLE, SOUTH CAROLINA 29550

EXHIBIT (99-2)

SONOCO PRODUCTS COMPANY

KEY EMPLOYEE STOCK OPTION PLAN

The Consolidated Financial Statements and Notes to Consolidated Financial Statements of Sonoco Products Company represent the financial statements of the Plans and are hereby incorporated by reference in this Form 11-K Annual Report.