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

FORM 10-Q

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

For the quarterly period ended April 1, 2018

or

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

For the transition period from __________ to __________

Commission File No. 001-11261

SONOCO PRODUCTS COMPANY

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

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐(do not check if a smaller reporting company)	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock at April 20, 2018:

Common stock, no par value: 99,563,083

SONOCO PRODUCTS COMPANY

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Part I. FINANCIAL INFORMATION

Item 1. Financial Statements.

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

	April 1, 2018	December 31, 2017*
Assets		
Current Assets		
Cash and cash equivalents	$ 305,250	$ 254,912
Trade accounts receivable, net of allowances	756,102	725,251
Other receivables	91,319	64,561
Inventories:		
Finished and in process	155,417	196,204
Materials and supplies	305,310	277,859
Prepaid expenses	50,638	44,849
	1,664,036	1,563,636
Property, Plant and Equipment, Net	1,164,968	1,169,377
Goodwill	1,252,877	1,241,875
Other Intangible Assets, Net	321,768	331,295
Deferred Income Taxes	51,820	62,053
Other Assets	197,600	189,485
Total Assets	$ 4,653,069	$ 4,557,721
Liabilities and Equity		
Current Liabilities		
Payable to suppliers	$ 555,246	$ 548,309
Accrued expenses and other	278,380	283,355
Notes payable and current portion of long-term debt	175,530	159,327
Accrued taxes	26,218	8,979
	1,035,374	999,970
Long-term Debt, Net of Current Portion	1,289,045	1,288,002
Pension and Other Postretirement Benefits	349,819	355,187
Deferred Income Taxes	72,303	74,073
Other Liabilities	110,072	110,429
Commitments and Contingencies		
Sonoco Shareholders' Equity		
Common stock, no par value		
Authorized 300,000 shares 99,563 and 99,414 shares issued and outstanding at April 1, 2018 and December 31, 2017, respectively	7,175	7,175
Capital in excess of stated value	329,596	330,157
Accumulated other comprehensive loss	(637,031)	(666,272)
Retained earnings	2,072,423	2,036,006
Total Sonoco Shareholders' Equity	1,772,163	1,707,066
Noncontrolling Interests	24,293	22,994
Total Equity	1,796,456	1,730,060
Total Liabilities and Equity	$ 4,653,069	$ 4,557,721

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

See accompanying Notes to Condensed Consolidated Financial Statements

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

	Three Months Ended	
	April 1, 2018	April 2, 2017
Net sales	$ 1,304,187	$ 1,172,324
Cost of sales	1,053,585	949,345
Gross profit	250,602	222,979
Selling, general and administrative expenses	137,441	125,209
Restructuring/Asset impairment charges	3,063	4,111
Operating profit	110,098	93,659
Non-operating pension (income)/cost	(291)	3,686
Interest expense	14,795	13,085
Interest income	1,440	1,027
Income before income taxes	97,034	77,915
Provision for income taxes	23,356	25,539
Income before equity in earnings of affiliates	73,678	52,376
Equity in earnings of affiliates, net of tax	1,247	1,954
Net income	74,925	54,330
Net income attributable to noncontrolling interests	(870)	(597)
Net income attributable to Sonoco	$ 74,055	$ 53,733
Weighted average common shares outstanding:		
Basic	100,396	100,112
Diluted	100,896	100,980
Per common share:		
Net income attributable to Sonoco:		
Basic	$ 0.74	$ 0.54
Diluted	$ 0.73	$ 0.53
Cash dividends	$ 0.39	$ 0.37

See accompanying Notes to Condensed Consolidated Financial Statements

SONOCO PRODUCTS COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME (unaudited)
(Dollars in thousands)

	Three Months Ended	
	April 1, 2018	**April 2, 2017**
Net income	$ 74,925	$ 54,330
Other comprehensive income/(loss):		
Foreign currency translation adjustments	22,983	30,836
Changes in defined benefit plans, net of tax	5,817	11,299
Changes in derivative financial instruments, net of tax	1,047	(2,949)
Other comprehensive income	29,847	39,186
Comprehensive income	104,772	93,516
Net income attributable to noncontrolling interests	(870)	(597)
Other comprehensive (income) attributable to noncontrolling interests	(430)	(680)
Comprehensive income attributable to Sonoco	$ 103,472	$ 92,239

See accompanying Notes to Condensed Consolidated Financial Statements

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

	Three Months Ended	
	April 1, 2018	April 2, 2017
Cash Flows from Operating Activities:		
Net income	$ 74,925	$ 54,330
Adjustments to reconcile net income to net cash provided by operating activities:		
Asset impairment	162	337
Depreciation, depletion and amortization	58,068	49,008
Share-based compensation expense	3,048	3,026
Equity in earnings of affiliates	(1,247)	(1,954)
Cash dividends from affiliated companies	900	1,950
Net gain on disposition of assets	(227)	(46)
Pension and postretirement plan expense	8,492	12,353
Pension and postretirement plan contributions	(18,724)	(43,557)
Net increase/(decrease) in deferred taxes	(1,669)	463
Change in assets and liabilities, net of effects from acquisitions, dispositions, and foreign currency adjustments:		
Trade accounts receivable	(19,346)	(10,002)
Inventories	(17,814)	(9,752)
Payable to suppliers	10,267	14,684
Prepaid expenses	(4,202)	(1,224)
Accrued expenses	(229)	(11,550)
Income taxes payable and other income tax items	17,183	10,283
Other assets and liabilities	10,178	(951)
Net cash provided by operating activities	119,765	67,398
Cash Flows from Investing Activities:		
Purchase of property, plant and equipment	(41,360)	(50,455)
Cost of acquisitions, net of cash acquired	—	(221,417)
Proceeds from the sale of assets	5,352	1,481
Investment in affiliates and other, net	148	133
Net cash used in investing activities	(35,860)	(270,258)
Cash Flows from Financing Activities:		
Proceeds from issuance of debt	21,488	170,297
Principal repayment of debt	(19,662)	(17,637)
Net change in commercial paper	10,000	41,000
Net (decrease)/increase in outstanding checks	(5,506)	2,742
Cash dividends	(38,829)	(36,840)
Shares acquired	(4,088)	(5,539)
Net cash provided by/(used in) financing activities	(36,597)	154,023
Effects of Exchange Rate Changes on Cash	3,030	4,401
Net Increase/(Decrease) in Cash and Cash Equivalents	50,338	(44,436)
Cash and cash equivalents at beginning of period	254,912	257,226
Cash and cash equivalents at end of period	$ 305,250	$ 212,790

See accompanying Notes to Condensed Consolidated Financial Statements

Note 1: Basis of Interim Presentation

In the opinion of the management of Sonoco Products Company (the “Company” or “Sonoco”), the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting of only normal recurring adjustments, unless otherwise stated) necessary to state fairly the consolidated financial position, results of operations and cash flows for the interim periods reported herein. Operating results for the three months ended April 1, 2018, are not necessarily indicative of the results that may be expected for the year ending December 31, 2018. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and the notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

With respect to the unaudited condensed consolidated financial information of the Company for the three-month periods ended April 1, 2018 and April 2, 2017 included in this Form 10-Q, PricewaterhouseCoopers LLP reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated May 2, 2018 appearing herein, states that they did not audit and they do not express an opinion on that unaudited financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. PricewaterhouseCoopers LLP is not subject to the liability provisions of Section 11 of the Securities Act of 1933 for their report on the unaudited financial information because that report is not a “report” or a “part” of a registration statement prepared or certified by PricewaterhouseCoopers LLP within the meaning of Sections 7 and 11 of the Act.

Note 2: New Accounting Pronouncements

In August 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2017-12, "Derivatives and Hedging: Targeted Improvements to Accounting for Hedging Activities," which expands and refines hedge accounting for both financial and non-financial risk components, aligns the recognition and presentation of the effects of hedging instruments and hedge items in the financial statements, and includes certain targeted improvements to ease the application of current guidance related to the assessment of hedge effectiveness. The update to the standard is effective for periods beginning after December 15, 2018, with early adoption permitted in any interim period after issuance of this update. The Company implemented this ASU effective January 1, 2018, and recorded a cumulative adjustment to retained earnings of $176 as of that date in order to remove previously recognized ineffectiveness losses on contracts outstanding as of the date of adoption.

In March 2017, the FASB issued ASU 2017-07, “Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost,” which requires an employer to report service cost in the same line item as other compensation costs arising from employees during the period. The other components of net benefit cost as defined are required to be presented separately from the service cost component and outside a subtotal of income from operations, if one is presented, or disclosed. This update also allows only the service cost component to be eligible for capitalization when applicable and is effective for periods beginning after December 15, 2017. The amendments are to be applied retrospectively for the presentation of the components of net benefit cost in the income statement and prospectively for the capitalization of the service cost component. The Company implemented this ASU effective January 1, 2018, modifying its income statement presentation of the components of net benefit cost accordingly, including the retrospective application to previously reported results. As a result of the retrospective application, the amounts previously reported in "Cost of sales" and "Selling, general and administrative expenses" for the three months ended April 2, 2017, were reduced by $2,757 and $929, respectively, and "Operating profit" increased by $3,686, in order to conform to the current presentation. No change was required to the Company's historical policy regarding the capitalization of such costs.

In January 2017, the FASB issued ASU 2017-04, “Simplifying the Test for Goodwill Impairment,” eliminating the requirement to determine the fair value of individual assets and liabilities of a reporting unit to measure goodwill impairment. Under ASU 2017-04, goodwill impairment testing is performed by comparing the fair value of the reporting unit with its carrying amount and recognizing an impairment charge for the amount by which the carrying amount exceeds the reporting unit’s fair value. The new standard is effective for annual and interim goodwill impairment tests in fiscal years beginning after December 15, 2019, with early adoption permitted, and should be applied on a prospective basis. The Company elected early adoption of the standard effective January 1, 2018. Any future goodwill impairment, should it occur, will be determined in accordance with this ASU.

In October 2016, the FASB issued ASU 2016-16, "Intra-Entity Transfers of Assets Other Than Inventory," which requires an entity to recognize the income tax consequences of an intra-entity transfer of an asset upon transfer other than inventory, eliminating the current recognition exception. Prior to this ASU, GAAP prohibited the recognition of current and deferred income taxes for intra-entity asset transfers until the asset was sold to an outside party. The recognition prohibition was an exception to the principle of comprehensive recognition of current and deferred income taxes in GAAP. This guidance became effective for the Company on January 1, 2018, and did not have a material effect on its consolidated financial statements.

In August 2016, the FASB issued ASU 2016-15, "Classification of Certain Cash Receipts and Cash Payments," providing clarification on eight cash flow classification issues, including 1) debt prepayment or debt extinguishment costs, 2) settlement of relatively insignificant debt instruments, 3) contingent consideration payments, 4) insurance claim settlements, 5) life insurance settlements, 6) distributions received from equity method investees, 7) beneficial interests in securitization transactions, and 8) separately identifiable cash flows. This guidance, which applies to both interim and annual periods, became effective for the Company on January 1, 2018. Adoption of this ASU did not have a material effect on the Company's consolidated financial statements in the periods ended April 1, 2018 and April 2, 2017, as the Company either did not realize any cash flows from these types of activities, such amounts were immaterial, or the prescribed guidance did not differ from its current practice.

In March 2016, the FASB issued ASU 2016-08, "Revenue from Contracts with Customers, Principal versus Agent Considerations (Reporting Revenue Gross versus Net)," which provides guidance on recording revenue on a gross basis versus a net basis based on the determination of whether an entity is a principal or an agent when another party is involved in providing goods or services to a customer. The amendments in this update affect the guidance in ASU No. 2014-09 and are effective in the same time frame as ASU 2014-09 as discussed below.

In February 2016, the FASB issued ASU 2016-02, "Leases" which changes accounting for leases and requires lessees to recognize the assets and liabilities arising from all leases, including those classified as operating leases under previous accounting guidance on the balance sheet and requires disclosure of key information about leasing arrangements to increase transparency and comparability among organizations. The accounting for lessors does not fundamentally change except for changes to conform and align guidance to the lessee guidance. The guidance is effective for reporting periods beginning after December 15, 2018, including interim periods within those fiscal years and requires retrospective application. The Company is still assessing the impact of ASU 2016-02 on its consolidated financial statements, but expects the adoption of this ASU to have a material impact on its consolidated balance sheet for the initial recognition of the right-of-use asset and lease liability associated with operating leases that are not currently recognized on the balance sheet under present U.S. GAAP.

In May 2014, the FASB issued ASU 2014-09, "Revenue From Contracts With Customers," which changes the definitions/criteria used to determine when revenue should be recognized from being based on risks and rewards to being based on control. Among other changes, ASU 2014-09 changes the manner in which variable consideration is recognized, requires recognition of the time value of money when payment terms exceed one year, provides clarification on accounting for contract costs, and expands disclosure requirements. The Company adopted ASU 2014-09 in the first quarter of 2018 following the modified retrospective transition method and, as such, recorded a cumulative adjustment of $1,721 to beginning retained earnings for the period. The most significant impacts to the Company's financial statements from the adoption of this ASU are the acceleration of revenue recognition compared to prior standards for arrangements under which the Company is producing customer-specific products without alternative use and would be entitled to payment for work completed, including a reasonable margin, and the recognition of material customer contract rights for certain agreed-upon future price concessions.

During the three-month period ended April 1, 2018, there have been no other newly issued nor newly applicable accounting pronouncements that have had, or are expected to have, a material impact on the Company’s financial statements. Further, at April 1, 2018, there were no other pronouncements pending adoption that are expected to have a material impact on the Company’s consolidated financial statements.

(Dollars in thousands except per share data)

Note 3: Changes in Accounting Policy

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these condensed consolidated financial statements.

The Company adopted Topic 606, "Revenue from Contracts with Customers," effective January 1, 2018. As a result, the Company has changed its accounting policy for revenue recognition as detailed in Note 14.

The Company applied Topic 606 using the cumulative effect method by recognizing the cumulative effect of initially applying Topic 606 as an adjustment to the opening balance of equity at January 1, 2018. Therefore, the comparative information has not been adjusted and continues to be reported under Topic 605. The details of the significant changes and quantitative impact of the changes are set out below.

	December 31, 2017 As Reported	Adjustments	January 1, 2018 Adjusted
Assets			
Current Assets			
Trade accounts receivable, net of allowances	725,251	3,636	728,887
Other receivables	64,561	41,351	105,912
Inventories:			
Finished and in process	196,204	(37,447)	158,757
Total Assets	$ 4,557,721	$ 7,540	$ 4,565,261
Liabilities and Equity			
Current Liabilities			
Accrued expenses and other	283,355	5,215	288,570
	999,970	5,215	1,005,185
Deferred Income Taxes	74,073	604	74,677
Sonoco Shareholders' Equity			
Retained earnings	2,036,006	1,721	2,037,727
Total Sonoco Shareholders' Equity	1,707,066	1,721	1,708,787
Total Equity	1,730,060	1,721	1,731,781
Total Liabilities and Equity	$ 4,557,721	$ 7,540	$ 4,565,261

(Dollars in thousands except per share data)

The following table summarizes the impact of the adoption of Topic 606 on the Company's Condensed Consolidated Balance Sheet as of April 1, 2018:

	April 1, 2018 As Reported	Adjustments	Balances without Adoption of Topic 606
Assets			
Current Assets			
Trade accounts receivable, net of allowances	756,102	(3,819)	752,283
Other receivables	91,319	(44,489)	46,830
Inventories:			
Finished and in process	155,417	40,070	195,487
Total Assets	$ 4,653,069	$ (8,238)	$ 4,644,831
Liabilities and Equity			
Current Liabilities			
Accrued expenses and other	278,380	(5,476)	272,904
	1,035,374	(5,476)	1,029,898
Deferred Income Taxes	72,303	(718)	71,585
Sonoco Shareholders' Equity			
Retained earnings	2,072,423	(2,044)	2,070,379
Total Sonoco Shareholders' Equity	1,772,163	(2,044)	1,770,119
Total Equity	1,796,456	(2,044)	1,794,412
Total Liabilities and Equity	$ 4,653,069	$ (8,238)	$ 4,644,831

The following table summarizes the impact of the adoption of Topic 606 on the Company's Condensed Consolidated Statement of Income for the three months ended April 1, 2018:

	Three Months Ended		
	April 1, 2018 As Reported	Adjustments	Balances without Adoption of Topic 606
Net sales	$ 1,304,187	$ (3,060)	$ 1,301,127
Cost of sales	1,053,585	(2,623)	1,050,962
Gross profit	250,602	(437)	250,165
Operating profit	110,098	(437)	109,661
Income before income taxes	97,034	(437)	96,597
Provision for income taxes	23,356	(114)	23,242
Income before equity in earnings of affiliates	73,678	(323)	73,355
Net income	74,925	(323)	74,602
Net income attributable to Sonoco	$ 74,055	$ (323)	$ 73,732

The following table summarizes the impact of the adoption of Topic 606 on the Company's Condensed Consolidated Statement of Comprehensive Income for the three months ended April 1, 2018:

	Three Months Ended		
	April 1, 2018 As Reported	Adjustments	Balances without Adoption of Topic 606
Net income	$ 74,925	$ (323)	$ 74,602
Comprehensive income	104,772	(323)	104,449
Comprehensive income attributable to Sonoco	$ 103,472	$ (323)	$ 103,149

(Dollars in thousands except per share data)

The following table summarizes the impact of the adoption of Topic 606 on the Company's Condensed Consolidated Statement of Cash Flows for the three months ended April 1, 2018:

	Three Months Ended		
	April 1, 2018 As Reported	Adjustments	Balances without Adoption of Topic 606
Cash Flows from Operating Activities:			
Net income	$ 74,925	$ (323)	$ 74,602
Trade accounts receivable	(19,346)	182	(19,164)
Inventories	(17,814)	516	(17,298)
Accrued expenses	(229)	(261)	(490)
Income taxes payable and other income tax items	17,183	(114)	17,069
Net cash provided by operating activities	119,765	—	119,765

Note 4: Acquisitions

On April 12, 2018, subsequent to quarter end, the Company completed the acquisition of Highland Packaging Solutions ("Highland"). Total consideration for this acquisition was $150,000, including cash paid at closing of $142,500 and a contingent purchase liability of $7,500. Final consideration will also be subject to an adjustment for working capital, which is expected to be completed by the end of the third quarter of 2018. The contingent purchase liability is based upon a sales metric which the Company expects to meet and is payable in two installments. The first installment of $5,000 is to be paid one year after the closing date and the second installment of $2,500 is to be paid two years after the closing date. Highland manufactures thermoformed plastic packaging for fresh produce and dairy products from a single production facility in Plant City, Florida, providing total packaging solutions for customers that include sophisticated engineered containers, flexographic printed labels, and inventory management through distribution warehouses in the Southeast and West Coast of the United States. The Company financed the acquisition with proceeds from a new $100,000 term loan, along with proceeds from existing credit facilities. As the acquisition of Highland was completed subsequent to the end of the quarter, the preliminary assessment of the fair values of the assets acquired and liabilities assumed in connection with the acquisition has not been completed. Accordingly, such amounts cannot yet be provided.

During the three-month period ended April 1, 2018, the Company finalized its valuations of the assets and liabilities acquired in conjunction with the 2017 acquisition of Packaging Holdings, Inc. and subsidiaries, including Peninsula Packaging LLC ("Packaging Holdings"), based on information obtained about facts and circumstances that existed as of the acquisition date. As a result, measurement period adjustments were made to the previously disclosed provisional fair values of Packaging Holding's net assets that decreased deferred tax assets by $6,516, increased long-term debt by $664, and increased goodwill by $7,180. The adjustments were primarily related to a reduction in the Company’s valuation of acquired tax loss carryforwards and the fair value of capital lease obligations.

Acquisition-related costs of $545 and $4,325 were incurred during the three months ended April 1, 2018 and April 2, 2017, respectively. Acquisition-related costs consist primarily of legal and professional fees and are included in "Selling, general and administrative expenses" in the Company's Condensed Consolidated Statements of Income.

Note 5: Shareholders' Equity

Earnings per Share

The following table sets forth the computation of basic and diluted earnings per share (dollars and shares in thousands, except per share data):

	Three Months Ended	
	April 1, 2018	April 2, 2017
Numerator:		
Net income attributable to Sonoco	$ 74,055	$ 53,733
Denominator:		
Weighted average common shares outstanding:		
Basic	100,396	100,112
Dilutive effect of stock-based compensation	500	868
Diluted	100,896	100,980
Net income attributable to Sonoco per common share:		
Basic	$ 0.74	$ 0.54
Diluted	$ 0.73	$ 0.53

Potentially dilutive securities are calculated in accordance with the treasury stock method, which assumes the proceeds from the exercise of all dilutive stock appreciation rights (SARs) are used to repurchase the Company’s common stock. Certain SARs are not dilutive because either the exercise price is greater than the average market price of the stock during the reporting period or assumed repurchases from proceeds from the exercise of the SARs were antidilutive. These SARs may become dilutive in the future if the market price of the Company's common stock appreciates.

The average number of SARs that were not dilutive and therefore not included in the computation of diluted earnings per share during the three-month periods ended April 1, 2018 and April 2, 2017 was as follows (in thousands):

	Three Months Ended	
	April 1, 2018	April 2, 2017
Anti-dilutive stock appreciation rights	738	356

No adjustments were made to net income attributable to Sonoco in the computations of earnings per share.

Stock Repurchases

On February 10, 2016, the Company’s Board of Directors authorized the repurchase of up to 5,000 shares of the Company's common stock. A total of 2,030 were purchased in 2016. No shares were repurchased under this authorization during 2017 or during the three months ended April 1, 2018. Accordingly, a total of 2,970 shares remain available for repurchase at April 1, 2018.

The Company frequently repurchases shares of its common stock to satisfy employee tax withholding obligations in association with certain share-based compensation awards. These repurchases, which are not part of a publicly announced plan or program, totaled 78 shares in the three months ended April 1, 2018 at a cost of $4,088, and 105 shares in the three months ended April 2, 2017 at a cost of $5,539.

Dividend Declarations

On February 14, 2018, the Board of Directors declared a regular quarterly dividend of $0.39 per share. This dividend was paid on March 9, 2018 to all shareholders of record as of February 28, 2018.

On April 18, 2018, the Board of Directors declared a regular quarterly dividend of $0.41 per share. This dividend is payable on June 8, 2018 to all shareholders of record as of May 11, 2018.

(Dollars in thousands except per share data)

Note 6: Restructuring and Asset Impairment

The Company has engaged in a number of restructuring actions over the past several years. Actions initiated in 2018 and 2017 are reported as “2018 Actions” and “2017 Actions,” respectively. Actions initiated prior to 2017, all of which were substantially complete at April 1, 2018, are reported as “2016 and Earlier Actions.”

Following are the total restructuring and asset impairment charges/(credits), net of adjustments, and gains on dispositions recognized by the Company during the periods presented:

	Three Months Ended	
	April 1, 2018	April 2, 2017
Restructuring/Asset impairment:		
2018 Actions	$ 2,207	$ —
2017 Actions	405	2,304
2016 and Earlier Actions	451	1,807
Restructuring/Asset impairment charges	$ 3,063	$ 4,111
Income tax benefit	(685)	(1,298)
Less: Costs attributable to noncontrolling interests, net of tax	(5)	(2)
Restructuring/asset impairment charges attributable to Sonoco, net of tax	$ 2,373	$ 2,811

Pre-tax restructuring and asset impairment charges are included in “Restructuring/Asset impairment charges” in the Condensed Consolidated Statements of Income.

When recognizable in accordance with GAAP, the Company expects to recognize future additional charges totaling approximately $1,800 in connection with previously announced restructuring actions. The Company believes that the majority of these charges will be incurred and paid by the end of 2018. The Company continually evaluates its cost structure, including its manufacturing capacity, and additional restructuring actions are likely to be undertaken.

2018 Actions

During 2018, the Company announced the closure of a flexible packaging plant in North Carolina and a global brand management facility in Canada (both part of the Consumer Packaging segment), a tubes and cores plant in Alabama (part of the Paper and Industrial Converted Products segment), and a protective packaging plant in North Carolina (part of the Protective Solutions segment). In addition, approximately 20 positions were eliminated in the first quarter of 2018 in conjunction with the Company's ongoing organizational effectiveness efforts.

(Dollars in thousands except per share data)

Below is a summary of 2018 Actions and related expenses by segment and by type incurred and estimated to be incurred through completion.

2018 Actions	First Quarter 2018	Estimated Total Cost
Severance and Termination Benefits		
Consumer Packaging	$ 788	$ 938
Display and Packaging	175	175
Paper and Industrial Converted Products	991	991
Protective Solutions	259	259
Corporate	223	223
Asset Impairment / Disposal of Assets		
Consumer Packaging	(14)	(14)
Protective Solutions	(272)	(272)
Other Costs		
Consumer Packaging	11	311
Paper and Industrial Converted Products	—	1,000
Protective Solutions	46	46
Total Charges and Adjustments	$ 2,207	$ 3,657

The following table sets forth the activity in the 2018 Actions restructuring accrual included in “Accrued expenses and other” on the Company’s Condensed Consolidated Balance Sheets:

2018 Actions Accrual Activity 2018 Year to Date	Severance and Termination Benefits	Asset Impairment/ Disposal of Assets	Other Costs	Total
Liability at December 31, 2017	$ —	$ —	$ —	$ —
2018 charges	2,436	(286)	57	2,207
Cash receipts/(payments)	(259)	2,049	(10)	1,780
Asset write downs/disposals	—	(1,763)	—	(1,763)
Foreign currency translation	(4)	—	—	(4)
Liability at April 1, 2018	$ 2,173	$ —	$ 47	$ 2,220

Included in "Asset Impairment/Disposal of Assets" above is a net gain of $272 resulting from the sale of a building and land relating to the closure of a protective packaging plant in North Carolina. The Company received proceeds of $2,019 from the sale and wrote off assets of $1,747.

The Company expects to pay the majority of the remaining 2018 Actions restructuring costs by the end of 2018 using cash generated from operations.

2017 Actions

During 2017, the Company announced the closure of an expanded foam protective packaging plant in the United States (part of the Protective Solutions segment) and five tubes and cores plants - three in the United States, one in Belgium, and one in China (all part of the Paper and Industrial Converted Products segment). In addition, approximately 255 positions were eliminated throughout 2017 in conjunction with the Company's ongoing organizational effectiveness efforts.

(Dollars in thousands except per share data)

Below is a summary of 2017 Actions and related expenses by segment and by type incurred and estimated to be incurred through completion.

2017 Actions	Three Months Ended April 1, 2018	Three Months Ended April 2, 2017	Total Incurred to Date	Estimated Total Cost
Severance and Termination Benefits				
Consumer Packaging	$ 372	$ 967	$ 4,563	$ 4,763
Display and Packaging	(8)	106	733	733
Paper and Industrial Converted Products	4	541	4,022	4,022
Protective Solutions	133	75	1,531	1,531
Corporate	—	456	452	452
Asset Impairment / Disposal of Assets				
Consumer Packaging	—	—	351	351
Display and Packaging	166	—	166	166
Paper and Industrial Converted Products	(665)	—	(760)	(760)
Protective Solutions	—	—	871	871
Other Costs				
Consumer Packaging	107	159	986	986
Display and Packaging	(348)	—	441	441
Paper and Industrial Converted Products	550	—	1,551	1,551
Protective Solutions	94	—	836	836
Corporate	—	—	(9)	(9)
Total Charges and Adjustments	$ 405	$ 2,304	$ 15,734	$ 15,934

The following table sets forth the activity in the 2017 Actions restructuring accrual included in “Accrued expenses and other” on the Company’s Condensed Consolidated Balance Sheets:

2017 Actions **Accrual Activity** **2018 Year to Date**	Severance and Termination Benefits	Asset Impairment/ Disposal of Assets	Other Costs	Total
Liability at December 31, 2017	$ 3,889	$ —	$ 213	$ 4,102
2018 charges	501	(499)	403	405
Cash payments	(1,727)	1,023	(501)	(1,205)
Asset write downs/disposals	—	(524)	—	(524)
Foreign currency translation	69	—	11	80
Liability at April 1, 2018	$ 2,732	$ —	$ 126	$ 2,858

Included in "Asset Impairment/Disposal of Assets" above is a gain of $774 primarily related to the sale of a building and land from the closure of a tubes and cores plant in Iowa. The Company received proceeds of $1,023 and wrote off assets of $249.

“Other costs” consist primarily of costs related to plant closures including equipment removal, utilities, plant security, property taxes and insurance. The Company expects to pay the majority of the remaining 2017 Actions restructuring costs by the end of 2018 using cash generated from operations.

2016 and Earlier Actions

2016 and Earlier Actions are comprised of a number of plant closures and workforce reductions initiated prior to 2017. Charges for these actions in both 2018 and 2017 primarily relate to the cost of plant closures including severance, equipment removal, plant security, property taxes and insurance.

(Dollars in thousands except per share data)

The Company expects to recognize future pretax charges of approximately $100 associated with 2016 and Earlier Actions.

Below is a summary of expenses/(income) incurred by segment for 2016 and Earlier Actions for the three-month periods ended April 1, 2018 and April 2, 2017.

2016 and Earlier Actions	2018 First Quarter	2017 First Quarter
Consumer Packaging	$ 465	$ (26)
Display and Packaging	1	395
Paper and Industrial Converted Products	(33)	1,353
Protective Solutions	18	78
Corporate	—	7
Total Charges and Adjustments	$ 451	$ 1,807

The accrual for 2016 and Earlier Actions totaled $2,189 and $3,044 at April 1, 2018 and December 31, 2017, respectively, and is included in “Accrued expenses and other” on the Company’s Condensed Consolidated Balance Sheets. The majority of the liability associated with 2016 and Earlier Actions relates to unpaid severance and building lease termination costs and is expected to be paid by the end of 2018 using cash generated from operations.

Note 7: Accumulated Other Comprehensive Loss

The following table summarizes the components of accumulated other comprehensive loss and the changes in the balances of each component of accumulated other comprehensive loss, net of tax as applicable, for the three months ended April 1, 2018 and April 2, 2017:

	Gains and Losses on Cash Flow Hedges	Defined Benefit Pension Items	Foreign Currency Items	Accumulated Other Comprehensive Loss
Balance at December 31, 2017	$ (641)	$ (467,136)	$ (198,495)	$ (666,272)
Other comprehensive income/(loss) before reclassifications	1,182	(1,145)	22,553	22,590
Amounts reclassified from accumulated other comprehensive loss to net income	(180)	6,962	—	6,782
Amounts reclassified from accumulated other comprehensive loss to fixed assets	45	—	—	45
Other comprehensive income/(loss)	1,047	5,817	22,553	29,417
Amounts reclassified from retained earnings to accumulated other comprehensive loss	$ (176)	$ —	$ —	(176)
Balance at April 1, 2018	$ 230	$ (461,319)	$ (175,942)	$ (637,031)
Balance at December 31, 2016	$ 1,939	$ (453,821)	$ (286,498)	$ (738,380)
Other comprehensive income/(loss) before reclassifications	(2,626)	4,924	30,156	32,454
Amounts reclassified from accumulated other comprehensive loss to net income	(365)	6,375	—	6,010
Amounts reclassified from accumulated other comprehensive loss to fixed assets	42	—	—	42
Other comprehensive income/(loss)	(2,949)	11,299	30,156	38,506
Balance at April 2, 2017	$ (1,010)	$ (442,522)	$ (256,342)	$ (699,874)

(Dollars in thousands except per share data)

"Other comprehensive income/(loss) before reclassifications" during the three months ended April 2, 2017, includes $5,071 of "Defined Benefit Pension Items" related to the release of a portion of the valuation allowance on deferred tax assets related to the pension plan of a foreign subsidiary.

The following table summarizes the effects on net income of significant amounts reclassified from each component of accumulated other comprehensive loss for the three-month periods ended April 1, 2018 and April 2, 2017:

Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Loss — Three Months Ended April 1, 2018	Amount Reclassified from Accumulated Other Comprehensive Loss — Three Months Ended April 2, 2017	Affected Line Item in the Condensed Consolidated Statements of Income
Gains and losses on cash flow hedges			
Foreign exchange contracts	$ 810	$ 1,040	Net sales
Foreign exchange contracts	(527)	(725)	Cost of sales
Commodity contracts	(58)	248	Cost of sales
	225	563	Income before income taxes
	(45)	(198)	Provision for income taxes
	$ 180	$ 365	Net income
Defined benefit pension items			
Amortization of defined benefit pension items[a]	(9,301)	(10,117)	Non-operating pension (income)/cost
	(9,301)	(10,117)	Income before income taxes
	2,339	3,742	Provision for income taxes
	$ (6,962)	$ (6,375)	Net income
Total reclassifications for the period	$ (6,782)	$ (6,010)	Net income

(a)See Note 12 for additional details.

(Dollars in thousands except per share data)

The following table summarizes the before and after tax amounts for the various components of other comprehensive income/(loss) for the three-month periods ended April 1, 2018 and April 2, 2017:

	Three months ended April 1, 2018			Three months ended April 2, 2017		
	Before Tax Amount	Tax (Expense) Benefit	After Tax Amount	Before Tax Amount	Tax (Expense) Benefit	After Tax Amount
Foreign currency items	$ 22,553	$ —	$ 22,553	$ 30,156	$ —	$ 30,156
Defined benefit pension items:						
Other comprehensive income/(loss) before reclassifications	(1,145)	—	(1,145)	(147)	5,071	4,924
Amounts reclassified from accumulated other comprehensive income/(loss) to net income	9,301	(2,339)	6,962	10,117	(3,742)	6,375
Net other comprehensive income/(loss) from defined benefit pension items	8,156	(2,339)	5,817	9,970	1,329	11,299
Gains and losses on cash flow hedges:						
Other comprehensive income/(loss) before reclassifications	1,475	(293)	1,182	(4,048)	1,422	(2,626)
Amounts reclassified from accumulated other comprehensive income/(loss) to net income	(225)	45	(180)	(563)	198	(365)
Amounts reclassified from accumulated other comprehensive income/(loss) to fixed assets	45	—	45	42	—	42
Net other comprehensive income/(loss) from cash flow hedges	1,295	(248)	1,047	(4,569)	1,620	(2,949)
Other comprehensive income/(loss)	$ 32,004	$ (2,587)	$ 29,417	$ 35,557	$ 2,949	$ 38,506

Note 8: Goodwill and Other Intangible Assets

Goodwill

A summary of the changes in goodwill by segment for the three months ended April 1, 2018 is as follows:

	Consumer Packaging	Display and Packaging	Paper and Industrial Converted Products	Protective Solutions	Total
Goodwill at December 31, 2017	$ 572,716	$ 203,414	$ 233,778	$ 231,967	$ 1,241,875
Foreign currency translation	1,528	—	1,940	354	3,822
Other	7,180	—	—	—	7,180
Goodwill at April 1, 2018	$ 581,424	$ 203,414	$ 235,718	$ 232,321	$ 1,252,877

In the first three months of 2018, measurement period adjustments were made to finalize the fair values of the assets acquired and the liabilities assumed in the March 2017 acquisition of Packaging Holdings resulting in an increase in goodwill of $7,180. See Note 4 for additional information.

The Company assesses goodwill for impairment annually and from time to time when warranted by the facts and circumstances surrounding individual reporting units or the Company as a whole. The Company completed its most recent annual goodwill impairment testing during the third quarter of 2017. As part of this testing, the Company analyzed certain qualitative and quantitative factors in determining goodwill impairment. The Company's assessments reflected a number of significant management assumptions and estimates including the Company's forecast of sales volumes and prices, profit margins, income taxes, capital expenditures and changes in working capital requirements. Changes in these assumptions and/or discount rates could materially impact the Company's conclusions. Based on its assessments, the Company concluded that there was no impairment of goodwill for any of its reporting units.

Although no reporting units failed the assessments noted above, in management’s opinion, the reporting units having the greatest risk of a significant future impairment if actual results fall short of expectations are Display and Packaging, and Paper and Industrial Converted Products - Europe. Total goodwill associated with these reporting units was $203,414 and $97,065, respectively, at April 1, 2018. A large portion of projected sales in the Display and Packaging reporting unit is concentrated in several major customers, the loss of any of which could impact the Company's conclusion regarding the likelihood of goodwill impairment for the unit.

(Dollars in thousands except per share data)

There have been no triggering events identified between the most recent annual impairment test and April 1, 2018. On April 20, 2018, the Company was advised by one if its Display and Packaging customers that that its contract would not be renewed upon expiration on December 31, 2018. Annual sales under this contract have only been approximately $12,000, or 2.4% of total sales for the reporting unit. However, due to the narrow excess of this reporting unit's estimated fair value over carrying value as of its most recent goodwill impairment test, management believes that as a result of this development it is probable that a goodwill impairment charge may be incurred. The Company is in the process of finalizing its quantitative analysis of the impact, but based on its current assessment of operating performance and assumptions regarding forecasts of the remainder of the Display and Packaging business, management estimates any such impairment charge will be less than $20,000.

Other Intangible Assets

A summary of other intangible assets as of April 1, 2018 and December 31, 2017 is as follows:

	April 1, 2018	December 31, 2017
Other Intangible Assets, gross:		
Patents	$ 21,956	$ 21,957
Customer lists	499,970	497,634
Trade names	25,161	25,148
Proprietary technology	20,792	20,779
Land use rights	303	298
Other	1,743	1,740
Other Intangible Assets, gross	$ 569,925	$ 567,556
Accumulated Amortization:		
Patents	(7,659)	(7,187)
Customer lists	(220,589)	(210,212)
Trade names	(4,930)	(4,427)
Proprietary technology	(13,645)	(13,192)
Land use rights	(50)	(47)
Other	(1,284)	(1,196)
Total Accumulated Amortization	$ (248,157)	$ (236,261)
Other Intangible Assets, net	$ 321,768	$ 331,295

Other intangible assets are amortized on a straight-line basis over their respective useful lives, which generally range from three to forty years. The Company has no intangible assets with indefinite lives.

Aggregate amortization expense was $10,202 and $7,211 for the three months ended April 1, 2018 and April 2, 2017, respectively. Amortization expense on other intangible assets is expected to total approximately $43,400 in 2018, $42,300 in 2019, $39,900 in 2020, $38,900 in 2021 and $37,100 in 2022.

Note 9: Debt

On April 12, 2018, subsequent to quarter end, the Company entered into a $100,000 term loan with Bank of America, N.A. The full amount was drawn from this facility on April 12, 2018, and the proceeds, along with proceeds from existing credit facilities, were used to fund the acquisition of Highland Packaging Solutions. The loan
has a 364-day term and the Company has a one-time option to extend the term for an additional 364 days at its sole discretion. Interest is assessed at the London Interbank Offered Rate (LIBOR) plus a margin based on a pricing grid that uses the Company's credit ratings. The current LIBOR margin is 110 basis points. There is no required amortization and repayment can be accelerated at any time at the discretion of the Company.

(Dollars in thousands except per share data)

Note 10: Financial Instruments and Derivatives

The following table sets forth the carrying amounts and fair values of the Company’s significant financial instruments for which the carrying amount differs from the fair value.

	April 1, 2018		December 31, 2017	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt, net of current portion	$ 1,289,045	$ 1,407,163	$ 1,288,002	$ 1,426,862

The carrying value 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 determined based on recent trade information in the financial markets of the Company’s public debt or is determined by discounting future cash flows using interest rates available to the Company for issues with similar terms and maturities. It is considered a Level 2 fair value measurement.

Adoption of Accounting Standards Update 2017-12

The Company elected to early adopt Accounting Standards Update (ASU) 2017-12, "Derivatives and Hedging: Targeted Improvements to Accounting for Hedging Activities," as of January 1, 2018. The impact of the adoption of ASU 2017-12 was the recognition of a $176 increase in the Company's beginning retained earnings with an offsetting change in accumulated other comprehensive loss in order to remove previously recognized ineffectiveness losses on contracts outstanding as of the date of adoption. See Note 2 for additional information.

Cash Flow Hedges

At April 1, 2018 and December 31, 2017, the Company had derivative financial instruments outstanding to hedge anticipated transactions and certain asset and liability related cash flows. These contracts, which have maturities ranging to December 2019, qualify as cash flow hedges under U.S. GAAP. For derivative instruments that are designated and qualify as a cash flow hedge, the gain or loss on the derivative instrument is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings and is presented in the same income statement line item as the earnings effect of the hedged item. Gains and losses on the derivative instrument representing hedge components excluded from the assessment of effectiveness are recognized currently in current earnings and are presented in the same line of the income statement expected for the hedged item.

Commodity Cash Flow Hedges

The Company has entered into certain derivative contracts to manage the cost of anticipated purchases of natural gas and aluminum. At April 1, 2018, natural gas swaps covering approximately 6.0 million MMBTUs were outstanding. These contracts represent approximately 74% and 32% of anticipated U.S. and Canadian usage for the remainder of 2018 and 2019, respectively. Additionally, the Company had swap contracts covering 2,858 metric tons of aluminum, representing approximately 51% of anticipated usage for the remainder of 2018. The fair values of the Company’s commodity cash flow hedges netted to a loss position of $(1,826) at April 1, 2018, and $(1,713) at December 31, 2017. The amount of the loss included in Accumulated Other Comprehensive Loss at April 1, 2018, that is expected to be reclassified to the income statement during the next twelve months is $(1,303).

Foreign Currency Cash Flow Hedges

The Company has entered into forward contracts to hedge certain anticipated foreign currency denominated sales, purchases, and capital spending forecast to occur in 2018. The net positions of these contracts at April 1, 2018 were as follows (in thousands):

Currency	Action	Quantity
Colombian peso	purchase	5,714,591
Mexican peso	purchase	538,032
Polish zloty	purchase	180,204
Canadian dollar	purchase	40,162
Russian ruble	purchase	24,491
Turkish lira	purchase	3,856
British pound	purchase	3,423
New Zealand dollar	sell	(464)
Australian dollar	sell	(1,240)
Euro	sell	(40,724)

The fair value of these foreign currency cash flow hedges related to forecasted sales and purchases netted to gain positions of $1,837 at April 1, 2018 and $620 at December 31, 2017. In addition, the Company has entered into forward contracts to hedge certain foreign currency cash flow transactions related to construction in progress. As of April 1, 2018 and at December 31, 2017, the net position of these contracts was $295 and $330, respectively. During the three months ended April 1, 2018, gains from these hedges totaling $45 were reclassified from accumulated other comprehensive income and included in the carrying value of the related fixed assets acquired. For all cash flow hedges, gains of $1,837 are expected to be reclassified from accumulated other comprehensive income to the income statement during the next twelve months. Also during the next twelve months, gains of $295 are expected to be reclassified from accumulated other comprehensive income and included in the carrying value of the related fixed assets acquired.

Other Derivatives

The Company routinely enters into forward contracts or swaps to economically hedge the currency exposure of intercompany debt and existing foreign currency denominated receivables and payables. The Company does not apply hedge accounting treatment under ASC 815 for these instruments. As such, changes in fair value are recorded directly to income and expense in the periods that they occur.

The net positions of these contracts at April 1, 2018, were as follows (in thousands):

Currency	Action	Quantity
Colombian peso	purchase	5,868,637
Mexican peso	sell	(15,638)
Canadian dollar	sell	(59,117)

The fair value of the Company’s other derivatives was in a gain position of $171 and a loss position of $(581) at April 1, 2018 and December 31, 2017, respectively.

(Dollars in thousands except per share data)

The following table sets forth the location and fair values of the Company’s derivative instruments at April 1, 2018 and December 31, 2017:

Description	Balance Sheet Location	April 1, 2018	December 31, 2017
Derivatives designated as hedging instruments:			
Commodity Contracts	Prepaid expenses	$ —	$ 149
Commodity Contracts	Accrued expenses and other	$ (1,448)	$ (1,417)
Commodity Contracts	Other liabilities	$ (378)	$ (445)
Foreign Exchange Contracts	Prepaid expenses	$ 2,964	$ 2,232
Foreign Exchange Contracts	Accrued expenses and other	$ (832)	$ (1,282)
Derivatives not designated as hedging instruments:			
Foreign Exchange Contracts	Prepaid expenses	$ 833	$ 90
Foreign Exchange Contracts	Accrued expenses and other	$ (662)	$ (671)

While certain of the Company’s derivative contract arrangements with its counterparties provide for the ability to settle contracts on a net basis, the Company reports its derivative positions on a gross basis. There are no collateral arrangements or requirements in these agreements.

The following tables set forth the effect of the Company’s derivative instruments on financial performance for the three months ended April 1, 2018 and April 2, 2017:

Description	Amount of Gain or (Loss) Recognized in OCI on Derivatives	Location of Gain or (Loss) Reclassified from Accumulated OCI Into Income	Amount of Gain or (Loss) Reclassified from Accumulated OCI Into Income
Derivatives in Cash Flow Hedging Relationships:			
Three months ended April 1, 2018			
Foreign Exchange Contracts	$ 1,646	Net sales	$ 810
		Cost of sales	$ (527)
Commodity Contracts	$ (171)	Cost of sales	$ (58)
Three months ended April 2, 2017			
Foreign Exchange Contracts	$ (2,692)	Net sales	$ 1,040
		Cost of sales	$ (725)
Commodity Contracts	$ (1,356)	Cost of sales	$ 248

Description	Location of Gain or (Loss) Recognized in Income Statement	Gain or (Loss) Recognized
Derivatives not Designated as Hedging Instruments:		
Three months ended April 1, 2018		
Foreign Exchange Contracts	Cost of sales	$ —
	Selling, general and administrative	$ 754
Three months ended April 2, 2017		
Foreign Exchange Contracts	Cost of sales	$ —
	Selling, general and administrative	$ (567)

(Dollars in thousands except per share data)

	April 1, 2018		April 2, 2017	
Description	**Revenue**	**Cost of sales**	**Revenue**	**Cost of sales**
Total amount of income and expense line items presented in the Condensed Consolidated Statements of Income	$ 810	$ (585)	$ 1,040	$ (477)
The effects of cash flow hedging:				
Gain or (loss) on cash flow hedging relationships in Subtopic 815-20:				
Foreign exchange contracts:				
Amount of gain or (loss) reclassified from accumulated other comprehensive income into net income	$ 810	$ (527)	$ 1,040	$ (725)
Commodity contracts:				
Amount of gain or (loss) reclassified from accumulated other comprehensive income into net income	$ —	$ (58)	$ —	$ 248

Note 11: Fair Value Measurements

Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability. A three-tier fair value hierarchy is used to prioritize the inputs in measuring fair value as follows:

Level 1 – Observable inputs such as quoted market prices in active markets;

Level 2 – Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 – Unobservable inputs for which there is little or no market data, which require the reporting entity to develop its own assumptions.

The following table sets forth information regarding the Company’s financial assets and financial liabilities, excluding retirement and postretirement plan assets, measured at fair value on a recurring basis:

Description	April 1, 2018	Assets measured at NAV	Level 1	Level 2	Level 3
Hedge derivatives, net:					
Commodity contracts	$ (1,826)	$ —	$ —	$ (1,826)	$ —
Foreign exchange contracts	$ 2,132	$ —	$ —	$ 2,132	$ —
Non-hedge derivatives, net:					
Foreign exchange contracts	$ 171	$ —	$ —	$ 171	$ —
Deferred compensation plan assets	$ 266	$ —	$ 266	$ —	$ —

Description	December 31, 2017	Assets measured at NAV	Level 1	Level 2	Level 3
Hedge derivatives, net:					
Commodity contracts	$ (1,713)	$ —	$ —	$ (1,713)	$ —
Foreign exchange contracts	$ 950	$ —	$ —	$ 950	$ —
Non-hedge derivatives, net:					
Foreign exchange contracts	$ (581)	$ —	$ —	$ (581)	$ —
Deferred compensation plan assets	$ 268	$ —	$ 268	$ —	$ —

(Dollars in thousands except per share data)

As discussed in Note 10, the Company uses derivatives to mitigate the effect of raw material and energy cost fluctuations, foreign currency fluctuations and, from time to time, interest rate movements. Fair value measurements for the Company's derivatives are classified under Level 2 because such measurements are estimated based on observable inputs such as interest rates, yield curves, spot and future commodity prices and spot and future exchange rates.

Certain deferred compensation plan liabilities are funded by assets invested in various exchange traded mutual funds. These assets are measured using quoted prices in accessible active markets for identical assets.

The Company does not currently have any non-financial assets or liabilities that are recognized or disclosed at fair value on a recurring basis. None of the Company's financial assets or liabilities are measured at fair value using significant unobservable inputs. There were no transfers in or out of Level 1 or Level 2 fair value measurements during the three-month period ended April 1, 2018.

Note 12: Employee Benefit Plans

Retirement Plans and Retiree Health and Life Insurance Plans

The Company provides non-contributory defined benefit pension plans to certain of its employees in the United States and certain of its employees in Mexico and Belgium. The Company also sponsors contributory defined benefit pension plans covering the majority of its employees in the United Kingdom, Canada, and the Netherlands. In addition, the Company provides postretirement healthcare and life insurance benefits to a limited number of its retirees and their dependents in the United States and Canada, based on certain age and/or service eligibility requirements.

The Company froze participation in its U.S. qualified defined benefit pension plan for newly hired salaried and non-union hourly employees effective December 31, 2003. To replace this benefit, the Company provides non-union U.S. employees hired on or after January 1, 2004, with an annual contribution, called the Sonoco Retirement Contribution (SRC), to their participant accounts in the Sonoco Retirement and Savings Plan. The SRC is equal to 4% of the participant's eligible pay plus 4% of eligible pay in excess of the social security wage base. Also eligible for the SRC are former participants of the U.S. qualified defined benefit pension plan who elected to transfer out of that plan under a one-time option effective January 1, 2010.

On February 4, 2009, the U.S. qualified defined benefit pension plan was amended to freeze plan benefits for all active participants effective December 31, 2018. Remaining active participants in the U.S. qualified plan will become eligible for SRC contributions effective January 1, 2019.

The components of net periodic benefit cost include the following:

	Three Months Ended	
	April 1, 2018	April 2, 2017
Retirement Plans		
Service cost	$ 4,672	$ 4,712
Interest cost	13,978	14,701
Expected return on plan assets	(23,209)	(20,838)
Amortization of prior service cost	249	231
Amortization of net actuarial loss	9,420	10,168
Net periodic benefit cost	$ 5,110	$ 8,974
Retiree Health and Life Insurance Plans		
Service cost	$ 79	$ 84
Interest cost	111	120
Expected return on plan assets	(472)	(414)
Amortization of prior service credit	(126)	(127)
Amortization of net actuarial gain	(242)	(155)
Net periodic benefit income	$ (650)	$ (492)

The Company made aggregate contributions of $4,573 and $29,491 to its defined benefit retirement and retiree health and life insurance plans during the three months ended April 1, 2018 and April 2, 2017, respectively. The Company expects to make additional aggregate contributions of approximately $20,000 to its defined benefit retirement and retiree health and life insurance plans over the remainder of 2018.

Sonoco Retirement Contribution (SRC)

The SRC, which is funded annually in the first quarter, totaled $14,151 during the three months ended April 1, 2018, and $14,066 during the three months ended April 2, 2017. No additional SRC contributions are expected during the remainder of 2018. The Company recognized expense related to the SRC of $4,032 and $3,871 for the three-month periods ended April 1, 2018 and April 2, 2017, respectively.

Note 13: Income Taxes

The Company's effective tax rate for the three-month period ending April 1, 2018, was 24.1% and its effective rate for the three-month period ending April 2, 2017, was 32.8%. The rate for the three-month period ending April 1, 2018 varied from the U.S. statutory rate due primarily to the new international tax regime of the U.S. as part of the enactment of the Tax Cuts and Jobs Act as well as the effect of state income taxes. The rate for the the three-month period ending April 2, 2017 varied from the U.S. statutory rate due primarily to the favorable effect of certain international operations that were subject to tax rates generally lower than the U.S. rate.

On December 22, 2017, the SEC staff issued Staff Accounting Bulletin No. 118 ("SAB 118") to address the application of U.S. GAAP in situations where a registrant does not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Tax Act. The Company recognized the provisional tax impacts related to deemed repatriated earnings and the revaluation of deferred tax assets and liabilities and included these amounts in its consolidated financial statements for the year ended December 31, 2017. The ultimate impact may differ from these provisional amounts, possibly materially, due to, among other things, additional analysis, changes in interpretations and assumptions the Company has made, additional regulatory guidance that may be issued, and actions the Company may take as a result of the Tax Act. No subsequent adjustments were made during the period ended April 1, 2018, to the provisional amounts recorded in December. Any such adjustments will be recorded to current tax expense in 2018 in the quarter the analysis is completed.

The Company and/or its subsidiaries file federal, state and local income tax returns in the United States and various foreign jurisdictions. With few exceptions, the Company is no longer subject to income tax examinations by tax authorities for years before 2012. The Company is currently under audit by the Internal Revenue Service for the 2012 and 2013 tax years.

The Company's reserve for uncertain tax benefits has increased by approximately $1,000 since December 31, 2017, due primarily to an increase in reserves related to existing uncertain tax positions. The Company believes that it is reasonably possible that the amount reserved for unrecognized tax benefits at April 1, 2018 will decrease by approximately $800 over the next twelve months. This change includes the anticipated increase in reserves related to existing positions offset by settlements of issues currently under examination and the release of existing reserves due to the expiration of the statute of limitations. Although the Company's estimate for the potential outcome for any uncertain tax issue is highly judgmental, management believes that any reasonably foreseeable outcomes related to these matters have been adequately provided for. However, future results may include favorable or unfavorable adjustments to estimated tax liabilities in the period the assessments are made or resolved or when statutes of limitation on potential assessments expire. Additionally, the jurisdictions in which earnings or deductions are realized may differ from current estimates. As a result, the Company's effective tax rate may fluctuate significantly on a quarterly basis. The Company has operations and pays taxes in many countries outside of the U.S. and taxes on those earnings are subject to varying rates. The Company is not dependent upon the favorable benefit of any one jurisdiction to an extent that loss of those benefits would have a material effect on the Company's overall effective tax rate.

As previously disclosed, the Company received a draft Notice of Proposed Adjustment ("NOPA") from the Internal Revenue Service (IRS) in February 2017 proposing an adjustment to income for the 2013 tax year based on the IRS's recharacterization of a distribution of an intercompany note made in 2012, and the subsequent repayment of the note over the course of 2013, as if it were a cash distribution made in 2013. In March 2017, the Company received a draft NOPA proposing penalties of $18,000 associated with the IRS's recharacterization, as well as an Information Document Request

(Dollars in thousands except per share data)

("IDR") requesting the Company's analysis of why such penalties should not apply. The Company responded to this IDR in April 2017. On October 5, 2017, the Company received two revised draft NOPAs proposing the same adjustments and penalties as in the prior NOPAs. On November 14, 2017, the Company received two final NOPAs proposing the same adjustments and penalties as in the prior draft NOPAs. On November 20, 2017, the Company received a Revenue Agent's Report ("RAR") that included the same adjustments and penalties as in the NOPAs. At the time of the distribution in 2012, it was characterized as a dividend to the extent of earnings and profits, with the remainder as a tax free return of basis and taxable capital gain. As the IRS proposes to recharacterize the distribution, the entire distribution would be characterized as a dividend. The incremental tax liability associated with the income adjustment proposed in the RAR would be approximately $89,000, excluding interest and the previously referenced penalties. On January 22, 2018, the Company filed a protest to the proposed deficiency with the IRS, which will cause the matter to be referred to the Appeals Division of the IRS. The Company strongly believes the position of the IRS with regard to this matter is inconsistent with applicable tax laws and existing Treasury regulations, and that the Company's previously reported income tax provision for the year in question is appropriate. However, there can be no assurance that this matter will be resolved in the Company's favor. Regardless of whether the matter is resolved in the Company's favor, the final resolution of this matter could be expensive and time consuming to defend and/or settle. While the Company believes that the amount of tax originally paid with respect to this distribution is correct, and accordingly has not provided additional reserve for tax uncertainty, there is still a possibility that an adverse outcome of the matter could have a material effect on its results of operations and financial condition.

Note 14: Revenue Recognition

The Company adopted ASU 2014-09, "Revenue from Contracts with Customers," as of January 1, 2018. The impact of the adoption was the recognition of a $1,721 increase in the Company's beginning retained earnings. See impact of adoption in Note 3 and additional discussion in Note 2 to these condensed consolidated financial statements.

The Company records revenue when control is transferred to the customer, which is either upon shipment or over time when the Company is entitled to payment and products are customer specific without alternative uses. The Company recognized over time revenue under the output method as goods are produced. Revenue that is recognized at a point in time is recognized when the customer obtains control of the goods. Customers obtain control either when goods are delivered to the customer facility, if the Company is responsible for arranging transportation, or when picked up by the customer's designated carrier. The Company enters into Master Supply Arrangements (MSA) with customers to provide services over specific time periods. Customers submit purchase orders with quantities and prices to create a contract for accounting purposes. Shipping and handling expenses are included in "Cost of Sales," and freight charged to customers is included in "Net Sales" in the Company's Condensed Consolidated Statements of Income.

The Company has rebate agreements with certain customers. These rebates are recorded as reductions of sales and are accrued using sales data and rebate percentages specific to each customer agreement. Accrued customer rebates are included in "Accrued expenses and other" in the Company's Condensed Consolidated Balance Sheets.
Payment terms under the Company's arrangements are short term in nature, generally no longer than 120 days. The Company does provide prompt payment discounts to certain customers if invoices are paid within a predetermined period. Prompt payment discounts are treated as a reduction of revenue and are determinable within a short period of the sale.

The following table sets forth information about receivables, contract assets and liabilities from contracts with customers. The balances of the contract assets and liabilities are located in "Other receivables" and "Accrued expenses and other" on the Condensed Consolidated Balance Sheets.

	April 1, 2018	January 1, 2018 As adjusted
Contract Assets	$ 49,721	$ 45,877
Contract Liabilities	$ (5,476)	$ (5,215)

(Dollars in thousands except per share data)

Significant changes in the contract assets and liabilities balances during the period were as follows:

	April 1, 2018		January 1, 2018 Adjusted	
	Contract Asset	Contract Liability	Contract Asset	Contract Liability
Beginning Balance	$ 45,877	$ (5,215)	$ —	$ —
Revenue recognized that was included in the contract liabilities balance at the beginning of the period	—	(261)	—	—
Increases due to cash received, excluding amounts recognized as revenue during the period	49,721	—	—	—
Transferred to receivables from contract assets recognized at the beginning of the period	(45,877)	—	—	—
Increase as a result of cumulative catch-up arising from changes in the estimate of completion, excluding amounts transferred to receivables during the period	—	—	45,877	(5,215)
Impairment of contract asset	—	—	—	—
Acquired as part of a business combinations	—	—	—	—
Ending Balance	$ 49,721	$ (5,476)	$ 45,877	$ (5,215)

Contract assets and liabilities are generally short in duration given the nature of products produced by the Company. Contract assets represents goods produced without alternative use for which the Company is entitled to payment with margin prior to shipment. Upon shipment, the Company is entitled to bill the customer, and therefore amounts included in contract assets will be reduced with the recording of an account receivable as they represent an unconditional right to payment. Contract liabilities represent revenue deferred due to pricing mechanisms utilized by the Company in certain multi-year arrangements. Generally the Company will defer revenue during the initial term of the arrangement, and will release the deferral over the back half of the contract term. The Company's reportable segments are aligned by product nature as disclosed in Note 15.

The following table sets forth information about revenue disaggregated by primary geographic regions, and timing of revenue recognition for the three-month period ended April 1, 2018. The table also includes a reconciliation of disaggregated revenue with reportable segments.

	Consumer Packaging	Display and Packaging	Paper and Industrial Converted Products	Protective Solutions
Primary Geographical Markets:				
United States	$ 397,986	$ 73,884	$ 265,762	$ 110,500
Europe	107,063	65,945	92,855	6,789
Canada	27,706	—	32,873	—
Other	37,097	2,829	69,163	13,735
Total	$ 569,852	$ 142,658	$ 460,653	$ 131,024
Timing of Revenue Recognition:				
Products transferred at a point in time	$ 345,003	$ 64,715	$ 440,477	$ 111,798
Products transferred over time	224,849	77,943	20,176	19,226
Total	$ 569,852	$ 142,658	$ 460,653	$ 131,024

(Dollars in thousands except per share data)

Note 15: Segment Reporting

The Company reports its financial results in four reportable segments: Consumer Packaging, Display and Packaging, Paper and Industrial Converted Products, and Protective Solutions.

The Consumer Packaging segment includes the following products and services: round and shaped rigid containers and trays (both composite and thermoformed plastic); extruded and injection-molded plastic products; printed flexible packaging; global brand artwork management; and metal and peelable membrane ends and closures.

The Display and Packaging segment includes the following products and services: point-of-purchase displays; supply chain management services; retail packaging, including printed backer cards, thermoformed blisters and heat sealing equipment; and paperboard specialties, such as coasters and glass covers.

The Paper and Industrial Converted Products segment includes the following products: paperboard tubes and cores; fiber-based construction tubes and forms; wooden, metal and composite wire and cable reels and spools; and recycled paperboard, linerboard, corrugating medium, recovered paper and material recycling services.

The Protective Solutions segment includes the following products: custom-engineered, paperboard-based and expanded foam protective packaging and components; and temperature-assured packaging.

The following table sets forth net sales, intersegment sales and operating profit for the Company's reportable segments. "Segment operating profit" is defined as the segment's portion of "Operating profit" excluding restructuring charges, asset impairment charges, acquisition-related costs, and certain other items, if any, the exclusion of which the Company believes improves comparability and analysis of the financial performance of the business. General corporate expenses have been allocated as operating costs to each of the Company's reportable segments.

SEGMENT FINANCIAL INFORMATION

	Three Months Ended	
	April 1, 2018	**April 2, 2017**
Net sales:		
Consumer Packaging	$ 569,852	$ 482,181
Display and Packaging	142,658	114,635
Paper and Industrial Converted Products	460,653	442,502
Protective Solutions	131,024	133,006
Consolidated	$ 1,304,187	$ 1,172,324
Intersegment sales:		
Consumer Packaging	$ 739	$ 1,223
Display and Packaging	538	750
Paper and Industrial Converted Products	34,543	28,373
Protective Solutions	573	399
Consolidated	$ 36,393	$ 30,745
Operating profit:		
Segment operating profit:		
Consumer Packaging	$ 61,088	$ 59,460
Display and Packaging	1,732	3,222
Paper and Industrial Converted Products	39,781	26,850
Protective Solutions	10,680	10,931
Restructuring/Asset impairment charges	(3,063)	(4,111)
Other, net	(120)	(2,693)
Consolidated	$ 110,098	$ 93,659

Note 16: Commitments and Contingencies

Pursuant to U.S. GAAP, accruals for estimated losses are recorded at the time information becomes available indicating that losses are probable and that the amounts are reasonably estimable. As is the case with other companies in similar industries, the Company faces exposure from actual or potential claims and legal proceedings from a variety of sources. Some of these exposures, as discussed below, have the potential to be material.

Environmental Matters

The Company is subject to a variety of environmental and pollution control laws and regulations in all jurisdictions in which it operates.

Spartanburg

In connection with its acquisition of Tegrant in November 2011, the Company identified potential environmental contamination at a site in Spartanburg, South Carolina. The total remediation cost of the Spartanburg site was estimated to be $17,400 at the time of acquisition and an accrual in this amount was recorded on Tegrant's opening balance sheet. Since the acquisition, the Company has spent a total of $1,075 on remediation of the Spartanburg site. During previous years, the Company has increased its reserves for this site by a total of $17 in order to reflect its best estimate of what it is likely to pay in order to complete the remediation. At April 1, 2018 and December 31, 2017, the Company's accrual for environmental contingencies related to the Spartanburg site totaled $16,342 and $16,504, respectively. The Company cannot currently estimate its potential liability, damages or range of potential loss, if any, beyond the amounts accrued with respect to this exposure. However, the Company does not believe that the resolution of this matter has a reasonable possibility of having a material adverse effect on the Company's financial statements.

Other environmental matters

The Company has been named as a potentially responsible party at several other environmentally contaminated sites. All of the sites are also the responsibility of other parties. The potential remediation liabilities are shared with such other parties, and, in most cases, the Company's share, if any, cannot be reasonably estimated at the current time. However, the Company does not believe that the resolution of these matters has a reasonable possibility of having a material adverse effect on the Company's financial statements. At April 1, 2018 and December 31, 2017, the Company's accrual for these other sites totaled $3,389 and $3,802, respectively.

Summary

As of April 1, 2018 and December 31, 2017, the Company (and its subsidiaries) had accrued $19,731 and $20,306, respectively, related to environmental contingencies. These accruals are included in "Accrued expenses and other" on the Company's Condensed Consolidated Balance Sheets.

Other Legal Matters

In addition to those matters described above, the Company is subject to other various legal proceedings, claims, and litigation arising in the ordinary course of business. While the outcome of these matters could differ from management's expectations, the Company does not believe the resolution of these matters has a reasonable possibility of having a material adverse effect on the Company's financial statements.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and shareholders Sonoco Products Company,

Results of Review of Financial Statements

We have reviewed the accompanying condensed consolidated balance sheet of Sonoco Products Company and its subsidiaries as of April 1, 2018, and the related condensed consolidated statements of income, comprehensive income and cash flows for the three-month periods ended April 1, 2018 and April 2, 2017, including the related notes (collectively referred to as the “interim financial statements”). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of December 31, 2017, and the related consolidated statements of income, comprehensive income, changes in total equity and cash flows for the year then ended (not presented herein), and in our report dated February 28, 2018, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2017, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

These interim financial statements are the responsibility of the Company’s management. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Charlotte, North Carolina
May 2, 2018

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

Statements included in this Quarterly Report on Form 10-Q that are not historical in nature, are intended to be, and are hereby identified as “forward-looking statements” for purposes of the safe harbor provided by Section 21E of the Securities Exchange Act of 1934, as amended. In addition, the Company and its representatives may from time to time make other oral or written statements that are also “forward-looking statements.” Words such as “estimate,” “project,” “intend,” “expect,” “believe,” “consider,” “plan,” “strategy,” “opportunity,” “commitment,” “target,” “anticipate,” “objective,” “goal,” “guidance,” “outlook,” “forecast,” “future,” “re-envision,” “assume,” “will,” “would,” “can," “could,” “may,” “might,” “aspires,” “potential,” or the negative thereof, and similar expressions identify forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding:

- *availability and supply of raw materials, and offsetting high raw material costs, including the impact of potential changes in tariffs;*
- *improved productivity and cost containment;*
- *improving margins and leveraging strong cash flow and financial position;*
- *effects of acquisitions and dispositions;*
- *realization of synergies resulting from acquisitions;*
- *costs, timing and effects of restructuring activities;*
- *adequacy and anticipated amounts and uses of cash flows;*
- *expected amounts of capital spending;*
- *refinancing and repayment of debt;*
- *financial strategies and the results expected of them;*
- *plans with respect to repatriation of off-shore earnings;*
- *financial results for future periods;*
- *producing improvements in earnings;*
- *profitable sales growth and rates of growth;*
- *market leadership;*
- *research and development spending;*
- *expected impact and costs of resolution of legal proceedings;*
- *extent of, and adequacy of provisions for, environmental liabilities;*
- *adequacy of income tax provisions, realization of deferred tax assets, outcomes of uncertain tax issues and tax rates;*
- *goodwill impairment charges and fair values of reporting units;*
- *future asset impairment charges and fair values of assets;*
- *anticipated contributions to pension and postretirement benefit plans, fair values of plan assets, long-term rates of return on plan assets, and projected benefit obligations and payments;*
- *expected impact of implementation of new accounting pronouncements;*
- *creation of long-term value and returns for shareholders;*
- *continued payment of dividends; and*
- *planned stock repurchases.*

Such forward-looking statements are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management. Such information includes, without limitation, discussions as to guidance and other estimates, perceived opportunities, expectations, beliefs, plans, strategies, goals and objectives concerning our future financial and operating performance. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially from those expressed or forecasted in such forward-looking statements. The risks, uncertainties and assumptions include, without limitation:

- *availability and pricing of raw materials, energy and transportation, including the impact of potential changes in tariffs, and the Company's ability to pass raw material, energy and transportation price increases and surcharges through to customers or otherwise manage these commodity pricing risks;*
- *costs of labor;*
- *work stoppages due to labor disputes;*
- *success of new product development, introduction and sales;*
- *consumer demand for products and changing consumer preferences;*

- *ability to be the low-cost global leader in customer-preferred packaging solutions within targeted segments;*
- *competitive pressures, including new product development, industry overcapacity, and changes in competitors' pricing for products;*
- *ability to maintain or increase productivity levels, contain or reduce costs, and maintain positive price/cost relationships;*
- *ability to negotiate or retain contracts with customers, including in segments with concentration of sales volume;*
- *ability to improve margins and leverage cash flows and financial position;*
- *continued strength of our paperboard-based tubes and cores and composite can operations;*
- *ability to manage the mix of business to take advantage of growing markets while reducing cyclical effects of some of the Company's existing businesses on operating results;*
- *ability to maintain innovative technological market leadership and a reputation for quality;*
- *ability to attract and retain talented and qualified employees, managers and executives;*
- *ability to profitably maintain and grow existing domestic and international business and market share;*
- *ability to expand geographically and win profitable new business;*
- *ability to identify and successfully close suitable acquisitions at the levels needed to meet growth targets, and successfully integrate newly acquired businesses into the Company's operations;*
- *the costs, timing and results of restructuring activities;*
- *availability of credit to us, our customers and suppliers in needed amounts and on reasonable terms;*
- *effects of our indebtedness on our cash flow and business activities;*
- *fluctuations in interest rates and our borrowing costs;*
- *fluctuations in obligations and earnings of pension and postretirement benefit plans;*
- *accuracy of assumptions underlying projections of benefit plan obligations and payments, valuation of plan assets, and projections of long-term rates of return;*
- *cost of employee and retiree medical, health and life insurance benefits;*
- *resolution of income tax contingencies;*
- *foreign currency exchange rate fluctuations, interest rate and commodity price risk and the effectiveness of related hedges;*
- *changes in U.S. and foreign tax rates, and tax laws, regulations, interpretations and implementation thereof;*
- *accuracy in valuation of deferred tax assets;*
- *accuracy of assumptions underlying projections related to goodwill impairment testing, and accuracy of management's assessment of goodwill impairment;*
- *accuracy of assumptions underlying fair value measurements, accuracy of management's assessments of fair value and fluctuations in fair value;*
- *ability to maintain effective internal controls over financial reporting;*
- *liability for and anticipated costs of resolution of legal proceedings;*
- *liability for and anticipated costs of environmental remediation actions;*
- *effects of environmental laws and regulations;*
- *operational disruptions at our major facilities;*
- *failure or disruptions in our information technologies;*
- *failure of third party transportation providers to deliver our products to our customers or to deliver raw materials to us;*
- *substantially lower than normal crop yields;*
- *loss of consumer or investor confidence;*
- *ability to protect our intellectual property rights;*
- *changes in laws and regulations relating to packaging for food products and foods packaged therein, other actions and public concerns about products packaged in our containers, or chemicals or substances used in raw materials or in the manufacturing process;*
- *changing climate, climate change regulations and greenhouse gas effects;*
- *actions of domestic or foreign government agencies and other changes in laws and regulations affecting the Company and increased costs of compliance;*
- *international, national and local economic and market conditions and levels of unemployment; and*
- *economic disruptions resulting from terrorist activities and natural disasters.*

More information about the risks, uncertainties and assumptions that may cause actual results to differ materially from those expressed or forecasted in forward-looking statements is provided in the Company's Annual Report on Form 10-K under Item 1A - "Risk Factors" and throughout other sections of that report and in other reports filed with the Securities and Exchange Commission. In light of these various risks, uncertainties and assumptions, the forward-looking events discussed in this report might not occur.

The Company undertakes no obligation to publicly update or revise forward-looking statements, whether as a result of new information, future events or otherwise. You are, however, advised to review any further disclosures we make on related subjects, and about new or additional risks, uncertainties and assumptions, in our future filings with the Securities and Exchange Commission on Forms 10-K, 10-Q and 8-K.

COMPANY OVERVIEW

Sonoco is a leading provider of consumer packaging, industrial products, protective packaging and packaging supply chain services, with approximately 300 locations in 33 countries.

Sonoco competes in multiple product categories, with its operations organized and reported in four segments: Consumer Packaging, Display and Packaging, Paper and Industrial Converted Products, and Protective Solutions. The majority of the Company’s revenues are from products and services sold to consumer and industrial products companies for use in the packaging of their products for sale or shipment. The Company also manufactures paperboard, primarily from recycled materials, for both internal use and open market sale. Each of the Company’s operating units has its own sales staff and maintains direct sales relationships with its customers.

First Quarter 2018 Compared with First Quarter 2017

RECONCILIATIONS OF GAAP TO NON-GAAP FINANCIAL MEASURES

Measures calculated and presented in accordance with generally accepted accounting principles are referred to as GAAP financial measures. The following tables reconcile the Company’s non-GAAP financial measures to their most directly comparable GAAP financial measures in the Company’s Condensed Consolidated Statements of Income for each of the periods presented. These non-GAAP financial measures (referred to as “Base”) are the GAAP measures adjusted to exclude (dependent upon the applicable period) restructuring charges, asset impairment charges, acquisition charges, specifically identified tax adjustments, pension settlement charges and certain other items, if any, the exclusion of which the Company believes improves comparability and analysis of the underlying financial performance of the business. More information about the Company's use of Non-GAAP financial measures is provided in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 under Item 7 - "Management's discussion and analysis of financial condition and results of operations," under the heading "Use of non-GAAP financial measures."

	For the three months ended April 1, 2018			
Dollars in thousands, except per share data	GAAP	Restructuring/ Asset Impairment	Other Adjustments(1)	Base
Operating profit	$ 110,098	$ 3,063	$ 120	$ 113,281
Non-operating pension (income)/costs	(291)	—	—	(291)
Interest expense, net	13,355	—	—	13,355
Income before income taxes	97,034	3,063	120	100,217
Provision for income taxes	23,356	685	1,912	25,953
Income before equity in earnings of affiliates	73,678	2,378	(1,792)	74,264
Equity in earnings of affiliates, net of tax	1,247	—	—	1,247
Net income	74,925	2,378	(1,792)	75,511
Net (income) attributable to noncontrolling interests	(870)	(5)	—	(875)
Net income attributable to Sonoco	$ 74,055	$ 2,373	$ (1,792)	$ 74,636
Per diluted common share*	$ 0.73	$ 0.02	$ (0.02)	$ 0.74

*Due to rounding individual items may not sum across

(1)Consists of a gain totaling $1,975 from the effect of a change in the U.S. corporate tax rate on deferred tax adjustments, as well as a small insurance settlement gain, partially offset by acquisition-related costs.

Dollars in thousands, except per share data	For the three months ended April 2, 2017 GAAP	Restructuring/ Asset Impairment	Other Adjustments(1)	Base
Operating profit	$ 93,659	$ 4,111	$ 2,693	$ 100,463
Non-operating pension (income)/costs	3,686	—	—	3,686
Interest expense, net	12,058	—	—	12,058
Income before income taxes	77,915	4,111	2,693	84,719
Provision for income taxes	25,539	1,298	(641)	26,196
Income before equity in earnings of affiliates	52,376	2,813	3,334	58,523
Equity in earnings of affiliates, net of tax	1,954	—	—	1,954
Net income	54,330	2,813	3,334	60,477
Net (income) attributable to noncontrolling interests	(597)	(2)	—	(599)
Net income attributable to Sonoco	$ 53,733	$ 2,811	$ 3,334	$ 59,878
Per diluted common share*	$ 0.53	$ 0.03	$ 0.03	$ 0.59

*Due to rounding individual items may not sum across

(1) Consists primarily of acquisition-related costs, partially offset by insurance settlement gains. Also includes net tax charges totaling $1,434 primarily related to the settlement of a tax audit in Canada.

RESULTS OF OPERATIONS

The following discussion provides a review of results for the three months ended April 1, 2018 versus the three months ended April 2, 2017.

OVERVIEW

Net sales for the first quarter of 2018 increased 11.2% to $1,304 million, compared with $1,172 million in the same period last year. The increase in sales was the result of sales from businesses acquired in the last year, the positive impact of foreign exchange, and higher selling prices. Sales price increases primarily reflect higher raw material costs which the Company was able to pass through to customers.

Net income attributable to Sonoco for the first quarter of 2018 increased 37.8% to $74.1 million, $0.73 per diluted share, compared to $53.7 million, $0.53 per diluted share, reported for the same period of 2017. Current quarter net income includes after-tax, non-base charges totaling $0.6 million. These charges consist primarily of restructuring and asset impairment charges and acquisition-related costs, partially offset by favorable deferred tax adjustments related to tax rate changes resulting from the enactment of the Tax Cuts and Jobs Act (Tax Act) and an insurance settlement gain. Results for the first quarter of 2017 include after-tax restructuring and asset impairment charges of $2.8 million and after-tax acquisition and non-base tax charges of $3.3 million. Adjusted for these items, first-quarter base net income attributable to Sonoco (base earnings) increased 24.6% to $74.6 million, $0.74 per diluted share, from $59.9 million, $0.59 per diluted share, in 2017.

The higher first quarter 2018 earnings were largely the result of a positive price/cost impact, particularly in the Company's Paper and Industrial Converted Products segment, as first-quarter selling prices to many of the segment's customers were reset during the fourth quarter of 2017 when old corrugated containers (OCC) prices were higher than they subsequently averaged during the first quarter of 2018, and as a result of price increases implemented on non-contract business in this segment. Strong manufacturing productivity in the Company's Consumer Packaging segment and lower restructuring, asset impairment charges, and costs related to acquisitions also contributed to the overall increase in earnings over the previous year's first quarter. These positive factors were slightly offset by higher management incentives as well as general wage and other inflation.

OPERATING REVENUE

Net sales for the first quarter of 2018 increased $132 million from the prior-year quarter.

The components of the sales change were:

		($ in millions)
Volume/mix	$	7
Selling prices		22
Acquisitions and Divestitures		61
Foreign currency translation and other, net		42
Total sales increase	$	132

COSTS AND EXPENSES

The Company's gross profit margin percentage increased to 19.2% this quarter compared to 19.0% in the prior-year quarter. The 20 basis point increase in gross profit margin was largely attributable to the favorable timing and direction of material price changes and improved manufacturing cost productivity, partially offset by wage and operating cost inflation. The translation impact of a weaker dollar increased reported cost of goods sold by approximately $37 million compared to the first quarter of 2017.

Selling, general and administrative ("SG&A") costs for the quarter increased $12.2 million, or 9.8%, year over year due primarily to SG&A expenses incurred by the operations of acquired businesses, higher management incentives and wage inflation.

First-quarter restructuring costs and asset impairment charges totaled $3.1 million compared with $4.1 million in the same period last year. Additional information regarding restructuring and asset impairment charges is provided in Note 6 to the Company's Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Net interest expense for the first quarter increased to $13.4 million, compared with $12.1 million during the first quarter of 2017. The increase was primarily due to higher average borrowings in the current-year quarter stemming from acquisition financing.

The effective tax rate on GAAP and base earnings in the first quarter of 2018 was 24.1% and 25.9%, respectively, compared with 32.8% and 30.9%, respectively, for last year's quarter. Although the Tax Act lowered the year-over-year effective tax rate on both GAAP and base earnings, it had a more meaningful impact on certain non-base items resulting in a larger decrease in the GAAP rate.

REPORTABLE SEGMENTS

The following table recaps net sales for the first quarters of 2018 and 2017 (*$ in thousands*):

	Three Months Ended				
		April 1, 2018		April 2, 2017	% Change
Net sales:					
Consumer Packaging	$	569,852	$	482,181	18.2 %
Display and Packaging		142,658		114,635	24.4 %
Paper and Industrial Converted Products		460,653		442,502	4.1 %
Protective Solutions		131,024		133,006	(1.5)%
Consolidated	$	1,304,187	$	1,172,324	11.2 %

Consolidated operating profits on the Company's Condensed Consolidated Statements of Income are comprised of the following (*$ in thousands*):

	Three Months Ended		
	April 1, 2018	April 2, 2017	% Change
Operating profit:			
Segment operating profit:			
Consumer Packaging	$ 61,088	$ 59,460	2.7 %
Display and Packaging	1,732	3,222	(46.2)%
Paper and Industrial Converted Products	39,781	26,850	48.2 %
Protective Solutions	10,680	10,931	(2.3)%
Restructuring/Asset impairment charges	(3,063)	(4,111)	
Other, net	(120)	(2,693)	
Consolidated	$ 110,098	$ 93,659	17.6 %

The following table recaps restructuring/asset impairment charges attributable to each of the Company's segments during the first quarters of 2018 and 2017 (*$ in thousands*):

	Three Months Ended	
	April 1, 2018	April 2, 2017
Restructuring/Asset impairment charges:		
Consumer Packaging	$ 1,729	$ 1,100
Display and Packaging	(14)	501
Paper and Industrial Converted Products	847	1,894
Protective Solutions	278	153
Corporate	223	463
Consolidated	$ 3,063	$ 4,111

Segment results viewed by Company management to evaluate segment performance do not include restructuring charges, asset impairment charges, acquisition-related charges, or certain other items, if any, the exclusion of which the Company believes improves the comparability and analysis of the ongoing operating performance of the business. Accordingly, the term "segment operating profit" is defined as the segment's portion of "operating profit" excluding those items. All other general corporate expenses have been allocated as operating costs to each of the Company's reportable segments.

Consumer Packaging

The Consumer Packaging segment includes the following products and services: round and shaped rigid containers and trays (both composite and thermoformed plastic); extruded and injection-molded plastic products; printed flexible packaging; global brand artwork management; and metal and peelable membrane ends and closures.

Segment sales increased 18.2% compared to the prior-year quarter due to acquisitions, higher selling prices and the positive impact of changes in foreign exchange rates.

Segment operating profit grew 2.7% compared to the prior-year quarter due to strong improvement in manufacturing productivity, a positive price/cost relationship, and the benefit of acquisitions, partially offset by a negative change in volume/mix, higher wages and operating costs. Higher sales volume/positive sales mix in global plastics and international composite can operations were more than offset by lower composite can volume in North America. Segment operating margin declined to 10.7% in the quarter from 12.3% in 2017 due to higher operating costs, certain resin material inflation and changes in mix of business, including acquisitions.

Display and Packaging

The Display and Packaging segment includes the following products and services: designing, manufacturing, assembling, packing and distributing temporary, semi-permanent and permanent point-of-purchase displays; supply chain management services, including contract packing, fulfillment and scalable service centers; retail packaging, including printed backer cards, thermoformed blisters and heat sealing equipment; and paper amenities, such as coasters and glass covers.

Sales for the quarter were up 24.4% compared to last year’s quarter due primarily to volume growth from a new pack center near Atlanta and the positive impact of foreign exchange.

Segment operating profit decreased $1.5 million, or 46.2%, largely due to inefficiencies and higher operating costs associated with the ramp up of production at the new pack center. Results from the new pack center nonetheless showed sequential quarterly improvement. The Company continues working to resolve these and other operational issues and remains optimistic that over time the pack center will be able to achieve efficiency and cost levels in line with expectations.

Paper and Industrial Converted Products

The Paper and Industrial Converted Products segment includes the following products: paperboard tubes and cores; fiber-based construction tubes and forms; wooden, metal and composite wire and cable reels and spools; and recycled paperboard, linerboard, corrugating medium, recovered paper and material recycling services.

Reported segment sales increased approximately 4.1% from the prior-year quarter due to the positive impact of foreign exchange and higher selling prices implemented to recover higher freight and other operating costs, partially offset by lower volume/mix. Volume/mix gains in wire and cable reels as well as North America and European paper operations were more than offset by declines in North America tube and core and recycling volumes.

Operating profit increased 48.2% over the prior year driven by a positive price/cost relationship across most of the segment, including continued improvement in the Company's corrugating medium operations. Segment operating margin improved 250 basis points to 8.6%.

Protective Solutions

The Protective Solutions segment includes the following products: custom-engineered, paperboard-based and expanded foam protective packaging and components; and temperature-assured packaging.

Segment sales for the quarter declined 1.5% year over year as the positive impact of foreign exchange and higher selling prices was offset by lower volume/mix, primarily in the segment’s automotive components business.

Operating profits decreased 2.3% from the prior-year quarter due primarily to lower volume in automotive components. However, the segment's operating profits did improve sequentially as the segment is focused on reducing fixed costs in response to the lower automotive component volume. Segment operating margin was 8.2%, essentially flat with the prior-year quarter.

OTHER ITEMS

Subsequent Events

New term loan

On April 12, 2018, the Company entered into a $100 million term loan with Bank of America, N.A. The full amount was drawn from this facility on April 12, 2018, and the proceeds, along with proceeds from existing credit facilities, were used to fund the acquisition of Highland Packaging Solutions ("Highland"). The loan has a 364-day term and the Company has a one-time option to extend the term for an additional 364 days at its sole discretion. Interest is assessed at the London Interbank Offered Rate (LIBOR) plus a margin based on a pricing grid that uses the Company's credit ratings. The current LIBOR margin is 110 basis points. There is no required amortization and repayment can be accelerated at any time at the discretion of the Company.

Completion of acquisition

On April 12, 2018, the Company completed the acquisition of Highland . Total consideration for this acquisition was $150 million, including cash paid at closing of $142.5 million and a contingent purchase liability of $7.5 million. Final consideration will also be subject to an adjustment for working capital, which is expected to be completed by the end of the third quarter of 2018. Highland manufactures thermoformed plastic packaging for fresh produce and dairy products from a single production facility in Plant City, Florida, providing total packaging solutions for customers that include sophisticated engineered containers, flexographic printed labels, and inventory management through distribution warehouses in the Southeast and West Coast of the United States. The Company financed the acquisition with proceeds from the new term loan, along with proceeds from existing credit facilities. Highland is expected to generate annual sales of approximately $100 million in the Consumer Packaging segment.

Interim Goodwill Impairment Assessment

Information regarding the interim goodwill impairment assessment and potential charge to be recorded in the second quarter of 2018 is included in Note 8 to the Company's Condensed Consolidated Financial Statements, included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Critical Accounting Policies and Estimates

Income taxes

As previously disclosed, the Company received a draft Notice of Proposed Adjustment (“NOPA”) from the Internal Revenue Service (IRS) in February 2017 proposing an adjustment to income for the 2013 tax year based on the IRS's recharacterization of a distribution of an intercompany note made in 2012, and the subsequent repayment of the note over the course of 2013, as if it were a cash distribution made in 2013. In March 2017, the Company received a draft NOPA proposing penalties of $18 million associated with the IRS’s recharacterization, as well as an Information Document Request (“IDR”) requesting the Company’s analysis of why such penalties should not apply. The Company responded to this IDR in April 2017. On October 5, 2017, the Company received two revised draft NOPAs proposing the same adjustments and penalties as in the prior NOPAs. On November 14, 2017, the Company received two final NOPAs proposing the same adjustments and penalties as in the prior draft NOPAs. On November 20, 2017, the Company received a Revenue Agent's Report (“RAR”) that included the same adjustments and penalties as in the NOPAs. At the time of the distribution in 2012, it was characterized as a dividend to the extent of earnings and profits, with the remainder as a tax free return of basis and taxable capital gain. As the IRS proposes to recharacterize the distribution, the entire distribution would be characterized as a dividend. The incremental tax liability associated with the income adjustment proposed in the RAR would be approximately $89 million, excluding interest and the previously referenced penalties. On January 22, 2018, the Company filed a protest to the proposed deficiency with the IRS, which will cause the matter to be referred to the Appeals Division of the IRS. The Company strongly believes the position of the IRS with regard to this matter is inconsistent with applicable tax laws and existing Treasury regulations, and that the Company's previously reported income tax provision for the year in question is appropriate. However, there can be no assurance that this matter will be resolved in the Company's favor. Regardless of whether the matter is resolved in the Company's favor, the final resolution of this matter could be expensive and time consuming to defend and/or settle. While the Company believes that the amount of tax originally paid with respect to this distribution is correct, and accordingly has not provided additional reserve for tax uncertainty, there is still a possibility that an adverse outcome of the matter could have a material effect on its results of operations and financial condition.

Financial Position, Liquidity and Capital Resources

Operating cash flows totaled $119.8 million in the three months ended April 1, 2018 compared with $67.4 million during the same period last year, an increase of $52.4 million. A year-over-year increase in net income of $20.6 million, and a decrease in year-to-date net pension and post-retirement contributions, net of plan expenses, of $21.0 million drove the majority of the year-over-year change. Changes in tax accounts provided $4.8 million more cash in the first three months of 2018 compared to 2017, driven by larger 2017 estimated tax payments attributable to events discrete to 2017.

Accounts Receivable consumed $19.3 million in the first quarter of 2018 compared with $10.0 million last year. Additionally, inventories consumed $17.8 million in the first quarter of 2018 compared with $9.8 million last year, reflecting the seasonal building of inventory at recently acquired businesses. Trade accounts payable provided $10.3 million of cash during the three months ended April 1, 2018 while providing $14.7 million in the same period last year. Although the first three months of both 2018 and 2017 saw increased rates of business activity following seasonal year-end slow downs, the first quarter of 2018 saw a greater increase in business activity compared to the increase in the first quarter of 2017, resulting in an increased use of cash year over year.

Decreases in accrued expenses used $0.2 million of cash in the three months ended April 1, 2018 while using $11.6 million in the same period last year. The greater use of cash in the prior year is primarily due to the payment of management incentives, the accruals for which were greater at the end of 2016 than the end of 2017. Changes in prepaid expenses and other assets and liabilities provided $8.2 million of additional cash in 2018 compared to 2017, largely attributable to the collection of various other receivables outstanding at the end of 2017. Similar levels of miscellaneous receivable items were not outstanding at the end of 2016.

Cash used in investing activities was $35.9 million in the three months ended April 1, 2018, compared with $270.3 million in the same period last year, a lower year-over-year use of cash totaling $234.4 million. The most significant driver of the decrease was the first quarter 2017 acquisition of Packaging Holdings for $221.4 million. There was no acquisition spending in the first quarter of 2018. Capital spending was approximately $9.1 million lower year over year. Capital spending for the remainder of 2018 is expected to total approximately $180 million.

Cash used by financing activities totaled $36.6 million in the three months ended April 1, 2018, compared with a provision of cash totaling $154.0 million in the same period last year. The $190.6 million year-over-year reduction is primarily due to proceeds from borrowings in the prior year for the acquisition of Packaging Holdings. The Company paid cash dividends of $38.8 million during the three months ended April 1, 2018, an increase of $2.0 million over the same period last year. Cash used to repurchase the Company's common stock was lower year over year by $1.5 million. Total debt outstanding was $1,464.6 million at April 1, 2018 compared with $1,447.3 million at December 31, 2017.

The Company operates a $350 million commercial paper program, supported by a $500 million five-year revolving credit facility. In July 2017, the Company entered into a new credit agreement with a syndicate of eight banks for that revolving facility, together with a new $250 million five-year term loan. The revolving bank credit facility is committed through July 2022. If circumstances were to prevent the Company from issuing commercial paper, it has the contractual right to draw funds directly on the underlying revolving bank credit facility. On April 12, 2018, in conjunction with the previously mentioned purchase of Highland Packaging Solutions, the Company entered into a new $100 million 364-day term loan facility.

The Company continually explores strategic acquisition opportunities which may result in the additional use of cash. Given the nature of acquisitions, the timing and amounts of such utilization are not predictable. The Company expects that acquisitions requiring funding in excess of cash on hand would be financed using available borrowing capacity.

Cash and cash equivalents totaled $305.3 million and $254.9 million at April 1, 2018 and December 31, 2017, respectively. Of these totals, approximately $281.7 million and $238.4 million, respectively, were held outside of the United States by the Company’s foreign subsidiaries. Cash held outside of the United States is available to meet local liquidity needs, or for capital expenditures, acquisitions, and other offshore growth opportunities. Under prior law, cash repatriated to the United States was subject to federal income taxes, less applicable foreign tax credits. As the Company enjoys ample domestic liquidity through a combination of operating cash flow generation and access to bank and capital markets borrowings, it has generally considered its offshore cash balances to be indefinitely invested outside the United States and had no plans to repatriate these cash balances. However, due to changes in U.S. tax laws as part of the enactment of the Tax Cuts and Jobs Act, beginning in 2018 repatriated cash will generally not be subject to federal income taxes; accordingly, the Company is considering opportunities to repatriate cash balances. The Company will finalize its analysis during 2018 and, as provided for in SAB 118, will make any necessary adjustments in the financial statements of future periods within the provided time frame, including a determination of our intentions with respect to undistributed earnings of international subsidiaries.

The Company uses a notional pooling arrangement with an international bank to help manage global liquidity requirements. Under this pooling arrangement, the Company and its participating subsidiaries may maintain either a cash deposit or borrowing position through local currency accounts with the bank, so long as the aggregate position of the global pool is a notionally calculated net cash deposit. Because it maintains a security interest in the cash deposits, and has the right to offset the cash deposits against the borrowings, the bank provides the Company and its participating subsidiaries favorable interest terms on both.

During the three months ended April 1, 2018, the Company reported a net increase in cash and cash equivalents of $3.0 million due to a weaker U.S. dollar relative to certain foreign currencies, most notably the euro and Mexican peso.

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 covenants currently require the Company to maintain a minimum level of interest coverage and a minimum level of net worth, as defined in the agreements. As of April 1, 2018, the Company’s interest coverage and net worth were substantially above the minimum levels required under these covenants.

The Company anticipates making additional contributions to its pension and postretirement plans of approximately $20 million during the remainder of 2018, which would result in total 2018 contributions of approximately $39 million. Future funding requirements beyond the current year will vary depending largely on actual investment returns, future actuarial assumptions, and legislative actions.

Fair Value Measurements, Foreign Exchange Exposure and Risk Management

Certain assets and liabilities are reported in the Company’s financial statements at fair value, the fluctuation of which can impact the Company’s financial position and results of operations. Items reported by the Company at fair value on a recurring basis include derivative contracts and pension and deferred compensation related assets. The valuation of the vast majority of these items is based either on quoted prices in active and accessible markets or on other observable inputs.

As a result of operating globally, the Company is exposed to changes in foreign exchange rates. The exposure is well diversified, as the Company’s operations are located throughout the world, and the Company generally sells in the same countries where it produces with both revenue and costs transacted in the local currency. The Company monitors these exposures and may use traditional currency swaps and forward exchange contracts to hedge a portion of forecasted transactions that are denominated in foreign currencies, foreign currency assets and liabilities or net investment in foreign subsidiaries. The Company’s foreign operations are exposed to political, geopolitical and cultural risks, but the risks are mitigated by diversification and the relative stability of the countries in which the Company has significant operations.

Prior to July 1, 2015, the Company used Venezuela's official exchange rate to report the results of its operations in Venezuela. As a result of significant inflationary increases, and to avoid distortion of its consolidated results from translation of its Venezuelan operations, the Company concluded that it was an appropriate time to begin translating its Venezuelan operations at an alternative exchange rate. Accordingly, effective July 1, 2015, the Company began translating its Venezuelan operating results and all monetary assets and liabilities in Venezuela using the alternative rate known as the SIMADI rate (replaced in 2016 by the DICOM rate). At April 1, 2018, the carrying value of the Company's net investment in its Venezuelan operations was approximately $1.8 million. In addition, at April 1, 2018, the Company's Accumulated Other Comprehensive Loss included a translation loss of $3.6 million related to its Venezuelan operations which would need to be reclassified to net income in the event of a complete exit of the business or a deconsolidation of these operations.

At April 1, 2018, the Company had commodity contracts outstanding to fix the cost of a portion of anticipated raw materials and natural gas purchases. The total net fair market value of these instruments was an unfavorable position of $(1.8) million and $(1.7) million at at April 1, 2018 and December 31, 2017, respectively. Natural gas and aluminum hedge contracts covering an equivalent of 6.0 million MMBTUs and 2,858 metric tons, respectively, were outstanding at April 1, 2018. Additionally, the Company had various currency contracts outstanding to fix the exchange rate on certain anticipated foreign currency cash flows. The total market value of these instruments was a net favorable position of $2.1 million and $1.0 million at April 1, 2018 and December 31, 2017, respectively. These contracts qualify as cash flow hedges and mature within twelve months of their respective reporting dates.

In addition, at April 1, 2018, the Company had various currency contracts outstanding to fix the exchange rate on certain foreign currency assets and liabilities. Although placed as an economic hedge, the Company does not apply hedge accounting to these contracts. The fair value of these currency contracts was a net favorable position of $0.2 million at April 1, 2018 and a net unfavorable position of $(0.6) million at December 31, 2017.

At April 1, 2018, the U.S. dollar had weakened against most of the functional currencies of the Company's foreign operations compared to December 31, 2017, resulting in a translation gain of $22.6 million being recorded in accumulated other comprehensive loss during the three months ended April 1, 2018.

Restructuring and Impairment

Information regarding restructuring charges and restructuring-related asset impairment charges is provided in Note 6 to the Company’s Condensed Consolidated Financial Statements, included in Part I, Item 1 of this Form 10-Q.

New Accounting Pronouncements

Information regarding new accounting pronouncements is provided in Note 2 to the Company’s Condensed Consolidated Financial Statements, included in Part I, Item 1 of this Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Information about the Company’s exposure to market risk is discussed under Part I, Item 2 in this report and was disclosed in its Annual Report on Form 10-K for the year ended December 31, 2017, which was filed with the Securities and Exchange Commission on February 28, 2018. There have been no other material quantitative or qualitative changes in market risk exposure since the date of that filing.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Under the supervision, and with the participation, of our management, including our Company’s Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), we conducted an evaluation pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended, ("the Exchange Act") of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Based on this evaluation, our CEO and CFO concluded that such controls and procedures, as of April 1, 2018, the end of the period covered by this Quarterly Report on Form 10-Q, were effective to ensure that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. For this purpose, disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information that is required to be disclosed in the reports we file or submit under the Exchange Act is accumulated and communicated to the Company’s management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company’s internal control over financial reporting occurring during the three months ended April 1, 2018, that materially affected, or that are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Information with respect to legal proceedings and other exposures appears in Part I - Item 3 - “Legal Proceedings” and Part II - Item 8 - “Financial Statements and Supplementary Data” (Note 14 - “Commitments and Contingencies”) in the Company’s Annual Report on Form 10-K for the year ended December 31, 2017, and in Part I - Item 1 - “Financial Statements” (Note 16 - “Commitments and Contingencies”) of this report.

Environmental Matters

The Company has been named as a potentially responsible party (PRP) at several environmentally contaminated sites not owned by the Company. 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 arrangements with other PRPs with respect to a particular site. Such agreements relate to the sharing of legal defense costs or cleanup 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, and actual costs to be incurred for these environmental matters in future periods is likely to vary from current estimates because of the inherent uncertainties in evaluating environmental exposures. Accordingly, the ultimate cost to the Company with respect to such sites, beyond what has been accrued at April 1, 2018, cannot be determined. As of April 1, 2018 and December 31, 2017, the Company had accrued $19.7 million and $20.3 million, respectively, related to environmental contingencies. The Company periodically reevaluates the assumptions used in determining the appropriate reserves for environmental matters as additional information becomes available and, when warranted, makes appropriate adjustments.

Other legal matters

Additional information regarding legal proceedings is provided in Note 16 to the Condensed Consolidated Financial Statements of this Quarterly Report on Form 10-Q.

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

ISSUER PURCHASES OF EQUITY SECURITIES

Period	(a) Total Number of Shares Purchased[1]		(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs[2]	(d) Maximum Number of Shares that May Yet be Purchased under the Plans or Programs[2]
1/01/18 - 2/04/18	8,472	$	53.81	—	2,969,611
2/05/18 - 3/04/2018	69,032	$	52.44	—	2,969,611
3/05/18 - 4/01/2018	230	$	51.32	—	2,969,611
Total	77,734	$	52.59	—	2,969,611

1 A total of 77,734 common shares were repurchased in the first quarter of 2018 related to shares withheld to satisfy employee tax withholding obligations in association with certain share-based compensation awards. These shares were not repurchased as part of a publicly announced plan or program.

2 On February 10, 2016, the Company's Board of Directors authorized the repurchase of up to 5,000,000 shares of the Company's common stock. A total of 2,030,389 shares were repurchased under this authorization during 2016. No shares were repurchased during 2017 or during the three-month period ended April 1, 2018. Accordingly, a total of 2,969,611 shares remain available for repurchase at April 1, 2018.

Item 6. Exhibits.

Exhibit Index

10. Term Loan Agreement between Sonoco Products Company and Bank of America, N.A., dated April 12, 2018

15. Letter re: unaudited interim financial information

31. Certifications of Chief Executive Officer and Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 and 17 C.F.R. 240.13a-14(a)

32. Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and 17 C.F.R. 240.13a-14(b)

101. The following materials from Sonoco Products Company’s Quarterly Report on Form 10-Q for the quarter ended April 1, 2018, formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets at April 1, 2018 and December 31, 2017, (ii) Condensed Consolidated Statements of Income for the three months ended April 1, 2018 and April 2, 2017, (iii) Condensed Consolidated Statements of Comprehensive Income for the three months ended April 1, 2018 and April 2, 2017, (iv) Condensed Consolidated Statements of Cash Flows for the three months ended April 1, 2018 and April 2, 2017, and (v) Notes to Condensed Consolidated Financial Statements.

SIGNATURE

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

SONOCO PRODUCTS COMPANY
(Registrant)

Date:	May 2, 2018	By:	/s/ Barry L. Saunders
			Barry L. Saunders Senior Vice President and Chief Financial Officer (principal financial officer)
			/s/ James W. Kirkland
			James W. Kirkland Corporate Controller (principal accounting officer)

EXHIBIT 10

EXECUTION VERSION

April 12, 2018

Sonoco Products Company
One North Second Street
Hartsville, SC 29550
Attn: Treasurer

Re: 364-Day Term Loan Facility

Ladies and Gentlemen:

BANK OF AMERICA, N.A. (the "Lender") is pleased to make available to SONOCO PRODUCTS COMPANY, a South Carolina corporation (the "Borrower"), a 364-day term loan facility on the terms and subject to the conditions set forth below. Terms not defined herein have the meanings assigned to them in Exhibit A hereto.

1. **The Facility**.

(a) **The Term Loan**. Subject to the terms and conditions set forth herein, the Lender agrees to make a term loan to the Borrower (the "Term Loan"), which is due and payable on the Maturity Date, in an aggregate principal amount of $100,000,000, to be advanced on the Closing Date. Amounts repaid on the Term Loan may not be reborrowed. The Term Loan shall be comprised of one or more individual Base Rate Loans and/or Eurodollar Rate Loans as set forth herein.

(b) **Borrowings, Conversions, Continuations**. The Borrower may request that the Term Loan be (i) made as or converted to Base Rate Loans by irrevocable notice to be received by the Lender not later than 1:00 p.m. on the Business Day of the borrowing or conversion, or (ii) made or continued as, or converted to, Eurodollar Rate Loans by irrevocable notice to be received by the Lender not later than 1:00 p.m. three Business Days prior to the Business Day of the borrowing, continuation or conversion. If the Borrower fails to give a notice of conversion or continuation prior to the end of any Interest Period in respect of any Eurodollar Rate Loan, the Borrower shall be deemed to have requested that such Term Loan be converted to a Base Rate Loan on the last day of the applicable Interest Period. If the Borrower requests that a Term Loan be continued as or converted to a Eurodollar Rate Loan, but fails to specify an Interest Period with respect thereto, the Borrower shall be deemed to have selected an Interest Period of one month. Notices pursuant to this Paragraph 1(b) may be given by telephone if promptly confirmed in writing.

Each Eurodollar Rate Loan shall be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof. Each Base Rate Loan shall be in a minimum principal amount of $5,000,000 or a whole multiple of $100,000 in excess thereof. There shall not be more than five different Interest Periods in effect at any time.

(c) **Interest**. At the option of the Borrower, the Term Loan shall bear interest at a rate per annum equal to (i) the Eurodollar Rate plus the Applicable Rate; or (ii) the Base Rate plus the Applicable Rate. Interest on Base Rate Loans when the Base Rate is determined by the Lender's "prime rate" shall be calculated on the basis of a year of 365 or 366 days and actual days elapsed. All other interest hereunder shall be calculated on the basis of a year of 360 days and actual days elapsed.

The Borrower promises to pay interest (i) for each Eurodollar Rate Loan, (A) on the last day of the applicable Interest Period, and, if the Interest Period is longer than three months, on the respective dates that fall every three months after the beginning of the Interest Period, and (B) on the date of any conversion of such Term Loan to a Base Rate Loan; (ii) for Base Rate Loans, on the last Business Day of each calendar quarter; and (iii) for the Term Loan, on the Maturity Date. If the time for any payment is extended by operation of law or otherwise, interest shall continue to accrue for such extended period.

After the date any principal amount of the Term Loan is due and payable (whether on the Maturity Date, upon acceleration or otherwise), or after any other monetary obligation hereunder shall have become due and payable (in each case without regard to any applicable grace periods), the Borrower shall pay, but only to the extent permitted by law, interest (after as well as before judgment) on such amounts at a rate per annum equal to the Base Rate plus the Applicable Rate plus 2%. Furthermore, while any Event of Default exists, the Borrower shall pay interest on the principal amount of the Term Loan at a rate per annum equal to the Base Rate plus the Applicable Rate plus 2%. Accrued and unpaid interest on past due amounts shall be payable on demand.

In no case shall interest hereunder exceed the amount that the Lender may charge or collect under applicable law.

(d) **Evidence of Loans**. The Term Loan and all payments thereon shall be evidenced by the Lender's loan accounts and records; provided, however, that upon the request of the Lender, the Term Loan may be evidenced by a promissory note in the form of Exhibit B hereto in addition to such loan accounts and records. Such loan accounts, records and promissory note shall be conclusive absent manifest error of the amount of the Term Loan and payments thereon. Any failure to record the Term Loan or payment thereon or any error in doing so shall not limit or otherwise affect the obligation of the Borrower to pay any amount owing with respect to the Term Loan.

(e) **Repayment**. The Borrower promises to pay the Term Loan then outstanding on the Maturity Date.

The Borrower shall make all payments required hereunder not later than 1 p.m. on the date of payment in same day funds in Dollars at the office of the Lender located at Bank of America, N.A., Building C, 2380 Performance Dr., Richardson, TX 75082, Attn: Gabe Flores, Telephone: 469-201-8294, Email: gabe.flores@baml.com or such other address as the Lender may from time to time designate in writing and in accordance with the following wiring instructions (or such other wiring instructions as the Lender may from time to time designate in writing):

Bank of America, N.A.
ABA: 026009593
Acct #: 1366072250600
Acct Name: Wire Clearing Acct for Syn Loans - LIQ
Reference: Sonoco Product Company

All payments by the Borrower to the Lender hereunder shall be made to the Lender in full without set-off or counterclaim and free and clear of and exempt from, and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, duties or charges of whatsoever nature imposed by any government or any political subdivision or taxing authority thereof. The Borrower shall reimburse the Lender for any taxes imposed on or withheld from such payments (other than taxes imposed on the Lender's income, and franchise taxes imposed on the Lender, by the jurisdiction under the laws of which the Lender is organized or any political subdivision thereof).

(f) **Prepayments**. The Borrower may, upon three Business Days' notice, in the case of Eurodollar Rate Loans, and upon same-day notice in the case of Base Rate Loans, prepay the Term Loan on any Business Day; provided that the Borrower pays all Breakage Costs (if any) associated with such prepayment on the date of such prepayment. Prepayments of Eurodollar Rate Loans must be accompanied by a payment of interest on the amount so prepaid. Prepayments of Eurodollar Rate Loans must in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof. Prepayments of Base Rate Loans must be in a principal amount of $5,000,000 or a whole multiple of $1,000,000 in excess thereof or, if less, the entire principal amount thereof then outstanding. Subject to the foregoing terms, amounts prepaid under this Paragraph 1(f) shall be applied as the Borrower may elect; provided, that, if the Borrower shall fail to specify its elected application with respect to any voluntary prepayment, such voluntary prepayment shall be applied first to Base Rate Loans and then to Eurodollar Rate Loans in direct order of Interest Period maturities.

(g) **Application of the Facility**. The proceeds of the Term Loan established hereby shall be used by the Borrower and its Subsidiaries solely in connection with the HPS Acquisition.

(h) **One-Time Extension of the Maturity Date**.

(i) The Borrower may, by notice to the Lender and on a one-time basis only, request that the Lender extend the Maturity Date as of the Closing Date (the "Existing Maturity Date") for an additional period of 364 days; provided, that such request must be made no earlier than 60 days prior to the Existing Maturity Date but no later than 45 days prior to the Existing Maturity Date.

(ii) As a condition precedent to such extension, the Borrower shall deliver to the Lender a certificate of the Borrower dated as of the Existing Maturity Date signed by a Responsible Officer of the Borrower certifying that, before and after giving effect to such extension, (A) the Incorporated Representations are true and correct on and as of the Existing Maturity Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this Paragraph 1(h), the representations and warranties contained in Section 5.05 of the Incorporated Agreement shall be deemed to refer to the most recent statements furnished pursuant to Section 6.01(a) of the Incorporated Agreement, and (B) no Default exists.

2. **Conditions Precedent to Loans**.

(a) **Conditions Precedent to Initial Loan**. As a condition precedent to the initial Term Loan hereunder, the Lender must receive the following from the Borrower in form satisfactory to the Lender:

(i) the enclosed duplicate of this Agreement duly executed and delivered on behalf of the Borrower;

(ii) a certified borrowing resolution or other evidence of the Borrower's authority to borrow;

(iii) a certificate of incumbency;

(iv) if requested by the Lender, a promissory note as contemplated in Paragraph 1(d) above;

(v) any fees (including an upfront fee of $50,000, which fee shall be fully earned on the Closing Date and shall be nonrefundable) required to be paid on or before the Closing Date;

(vi) unless waived by the Lender, payment of all fees, charges and disbursements of counsel to the Lender (directly to such counsel if requested by the Lender) to the extent invoiced prior to or on the Closing Date, plus such additional amounts of fees, charges and disbursements as shall constitute its reasonable estimate of fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrower and the Lender); and

(vii) such other documents and certificates (including legal opinions) as the Lender may reasonably request.

(b) **Conditions to Each Borrowing, Continuation and Conversion**. As a condition precedent to each borrowing (including the initial borrowing), continuation and conversion of the Term Loan:

(i) the Borrower must furnish the Lender with, as appropriate, a notice of borrowing, continuation or conversion;

(ii) with respect to a borrowing, each representation and warranty set forth in Paragraph 3 below shall be true and correct in all material respects as if made on the date of such borrowing; and

(iii) no Default shall have occurred and be continuing on the date of such borrowing, continuation or conversion.

Each notice of borrowing and notice of continuation or conversion shall be deemed a representation and warranty by the Borrower that the conditions referred to in clauses (ii) and (iii) above have been met.

3. **Representations and Warranties**. The Borrower represents and warrants that the proceeds of the Term Loan have been and shall be used by the Borrower and its Subsidiaries solely in connection with the HPS Acquisition. The Borrower hereby further agrees that the representations and warranties contained in Article V of the Incorporated Agreement (the "Incorporated Representations") as such representation or warranty is in effect on the Closing Date are hereby incorporated by reference and shall be as binding on the Borrower as if fully set forth herein. Notwithstanding the above, with respect to the Incorporated Representations, (i) the representations and warranties contained in Section 5.05 of the Incorporated Agreement shall be deemed to refer to the most recent statements furnished pursuant to Section 6.01(a) of the Incorporated Agreement and (ii) the references to the "Closing Date" in Sections 5.05(b) and (c) and 5.15 of the Incorporated Agreement shall be deemed to refer to the Closing Date hereof.

4. **Covenants**. So long as principal of and interest on the Term Loan or any other amount payable hereunder or under any other Loan Document remains unpaid or unsatisfied, the Borrower shall comply with all the covenants and agreements applicable to it contained in Articles VI (Affirmative Covenants) and VII (Negative Covenants) of the Incorporated Agreement, including for purposes of this Paragraph 4 each Additional Incorporated Agreement Covenant. The covenants and agreements of the Borrower referred to in the preceding sentence (including all exhibits, schedules and defined terms referred to therein) are hereby (or, in the case of each Additional Incorporated Agreement Covenant, shall, upon its effectiveness, be) incorporated herein by reference as if set forth in full herein with appropriate substitutions, including the following:

(a) all references to "this Agreement" shall be deemed to be references to this Agreement;

(b) all references to "the Borrower" shall be deemed to be references to the Borrower;

(c) all references to "the Administrative Agent", "the Lenders" and the "Required Lenders" shall be deemed to be references to the Lender;

(d) all references to "Default" and "Event of Default" shall be deemed to be references to a Default and an Event of Default, respectively; and

(e) all references to "Loans" shall be deemed to be references to the Term Loan.

All such covenants and agreements so incorporated herein by reference shall survive any termination, cancellation, discharge or replacement of the Incorporated Agreement.

Any financial statements, certificates or other documents received by the Lender under the Incorporated Agreement shall be deemed delivered hereunder, it being agreed that the requirement to deliver any such financial statements, certificates and other documents required to be delivered by the covenants and agreements so incorporated herein by reference shall survive any termination, cancellation, discharge or replacement of the Incorporated Agreement.

5. **Events of Default**. The following are "Events of Default:"

(a) The Borrower fails to pay any principal of the Term Loan as and on the date when due; or

(b) The Borrower fails to pay any interest on the Term Loan, or any fee due hereunder, or any portion thereof, within three days after the date when due; or the Borrower fails to pay any other fee or amount payable to the Lender under any Loan Document, or any portion thereof, within five days after the date due; or

(c) The Borrower fails to comply with (i) any covenant or agreement incorporated herein by reference pursuant to Paragraph 4 above, subject to any applicable grace period and/or notice requirement set forth in Section 8.01(c) of the Incorporated Agreement (it being understood and agreed that any such notice requirement shall be met by the Lender's giving the applicable notice to the Borrower hereunder) or (ii) any other provision of such Paragraph 4; or

(d) Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading when made or deemed made; or

(e) Any "Event of Default" specified in Article VIII of the Incorporated Agreement (including for purposes of this Paragraph 5(e) each Additional Incorporated Agreement Event of Default) occurs and is continuing, without giving effect to any waiver or amendment thereof pursuant to the Incorporated Agreement, it being agreed that each such "Event of Default" shall survive any termination, cancellation, discharge or replacement of the Incorporated Agreement.

Upon the occurrence of an Event of Default, the Lender may declare all sums outstanding hereunder and under the other Loan Documents, including all interest thereon, to be immediately due and payable, whereupon the same shall become and be immediately due and payable, without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demands of any kind or character, all of which are hereby expressly waived; provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under the Bankruptcy Code of the United States of America, all sums outstanding hereunder and under each other Loan Document, including all interest thereon, shall become and be immediately due and payable, without notice of default, presentment or demand for payment, protest or notice of nonpayment or dishonor, or other notices or demands of any kind or character, all of which are hereby expressly waived.

6. **Miscellaneous**.

(a) The parties hereto hereby agree that the provisions set forth in Sections 1.02 1.03, 1.04 and 1.05 and Article III (other than Section 3.06) of the Incorporated Agreement (the "Additional Incorporated Provisions") are incorporated by reference (with such adjustments or modifications as necessary to maintain the substance of the provisions contained therein) and shall be binding on the parties hereto as if set forth fully herein. The incorporation by reference to the Incorporated Agreement of the Incorporated Representations, the Incorporated Covenants, the Incorporated Events of Default and the Additional Incorporated Provisions shall survive the termination of the Incorporated Agreement. The Incorporated Representations, the Incorporated Covenants, the Incorporated Events of Default and the Additional Incorporated Provisions (including all exhibits, schedules and defined terms referred to therein) are hereby incorporated herein by reference as if set forth in full herein with appropriate substitutions, including the following (with such adjustments or modifications as necessary to maintain the substance of the provisions contained therein): (a) all references to **"this Agreement"** shall be deemed to be references to this Agreement; (b) all references to **"the Administrative Agent"** shall be deemed to be references to the Lender, (c) all references to **"the Lenders"** shall be deemed to be references to the Lender, (d) all references to **"the Required Lenders"** shall be deemed to be references to the Lender; (e) all references to **"Default"** and **"Event of Default"** shall be deemed to be references to a Default and an Event of Default, respectively; (f) all references to **"the Loans"** shall be deemed to be references to the Term Loan; (g) all references to "**Revolving Loans**" shall be deemed to be references to the Term Loan; (h) all references to **"Eurodollar Rate Loan"** shall be deemed to be references to Eurodollar Rate Loan as defined herein; and (i) all references as to "**Loan Document**" or **"Loan Documents"** or any similar reference shall be deemed refer to this Agreement as well as the other Loan Documents.

(b) No amendment or waiver of any provision of this Agreement (including any provision of the Incorporated Agreement incorporated herein by reference pursuant to Paragraph 4 above and any waiver of Paragraph 5(d) or Paragraph 5(e) above) or of any other Loan Document and no consent by the Lender to any departure therefrom by the Borrower shall be effective unless such amendment, waiver or consent shall be in writing and signed by a duly authorized officer of the Lender, and any such amendment, waiver or consent shall then be effective only for the period and on the conditions and for the specific instance specified in such writing. No failure or delay by the Lender in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other rights, power or privilege.

(c) Except as otherwise expressly provided herein, notices and other communications to each party provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile, to the address provided from time to time by such party. Any such notice or other communication sent by overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). All notices and other communications sent by the other means listed in the first sentence of this paragraph shall be effective upon receipt. Notwithstanding anything to the contrary contained herein, all notices (by whatever means) to the Lender pursuant to Paragraph 1(b) hereof shall be effective only upon receipt. Notices and other communications to the Lender hereunder may be delivered or furnished by electronic communication (including e mail, FpML messaging, and Internet or intranet websites) pursuant to procedures approved by the Lender. The Lender or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications. Unless the Lender otherwise prescribes, notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided that, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient. Any notice or other communication permitted to be given, made or confirmed by telephone hereunder shall be given, made or confirmed by means of a telephone call to the intended recipient at the number specified in writing by such Person for such purpose, it being understood and agreed that a voicemail message shall in no event be effective as a notice, communication or confirmation hereunder.

The Lender shall be entitled to rely and act upon any notices (including telephonic notices of borrowings, conversions and continuations) purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify each Indemnitee from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the Lender may be recorded by the Lender, and the Borrower hereby consents to such recording.

(d) This Agreement shall inure to the benefit of the parties hereto and their respective successors and assigns, except that the Borrower may not assign its rights and obligations hereunder. The Lender may at any time, at its own expense, (i) assign all or any part of its rights and obligations hereunder to any other Person with the consent of the Borrower, such consent not to be unreasonably withheld, provided that no such consent shall be required if the assignment is to an affiliate of the Lender or if a Default exists, and (ii) grant to any other Person participating interests in all or part of its rights and obligations hereunder without notice to the Borrower. The Borrower agrees to execute any documents reasonably requested by the Lender in connection with any such assignment. All information provided by or on behalf of the Borrower to the Lender or its affiliates may be furnished by the Lender to its affiliates and to any actual or proposed assignee or participant.

(e) The Borrower shall pay the Lender, on demand, all reasonable out-of-pocket expenses and legal fees (including the allocated costs for in-house legal services) incurred by the Lender in connection with the enforcement of this Agreement or any instruments or agreements executed in connection herewith.

(f) The Borrower shall indemnify the Lender, its affiliates, and their respective partners, directors, officers, employees, agents and advisors (collectively the "Indemnitees") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, or the consummation of the transactions contemplated hereby or thereby, (ii) the Term Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any Subsidiary, or any Environmental Liability related in any way to the Borrower or any Subsidiary, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower, and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not as to any Indemnitee, be available (A) to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower against an Indemnitee for material breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. To the fullest extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the Term Loan or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby and (B) with respect to a dispute among two or more Indemnitees which does not arise as a result of the action or inaction of the Borrower. The agreements in this Paragraph 6(f) shall survive the repayment, satisfaction or discharge of all the other obligations and liabilities of the Borrower under the Loan Documents. All amounts due under this Paragraph 6(f) shall be payable within ten Business Days after demand therefor.

(g) To the fullest extent permitted by applicable law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the Term Loan or the use of the proceeds thereof. Nothing contained in this Paragraph 6(g) shall be deemed to restrict the Borrower's right to pursue any and all legal remedies available to the Borrower for breach of any representation, covenant, warranty or other agreement set forth in any Loan Document.

(h) If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (i) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (ii) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(i) This Agreement may be executed in one or more counterparts, and each counterpart, when so executed, shall be deemed an original but all such counterparts shall constitute but one and the same instrument.

(j) THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLTED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. THE BORROWER IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE LENDER OR ANY AFFILIATES, PARTNERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, TRUSTEES, ADMINISTRATORS, MANAGERS, ADVISORS AND REPRESENTATIVES OF THE LENDER IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW

YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION. THE BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN THIS PARAGRAPH 6(j). EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN PARAGRAPH 6(j). NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

(k) THE BORROWER AND THE LENDER EACH HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

(l) The Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), the Lender is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Lender to identify the Borrower in accordance with the Act. The Borrower shall, promptly following a request by the Lender, provide all documentation and other information that the Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

(m) The words "execute," "execution," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby (including without limitation amendments or other modifications, notices of borrowing, waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Lender, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act; provided that notwithstanding anything contained herein to the contrary the Lender is under no obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Lender pursuant to procedures approved by it.

(n) If an Event of Default shall have occurred and be continuing, the Lender and each of its affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by the Lender or any such affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to the Lender, irrespective of whether or not the Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch or office of the Lender different from the branch or office holding such deposit or obligated on such indebtedness. The rights of the Lender and its affiliates under this paragraph are in addition to other rights and remedies (including other rights of setoff) that the Lender or its affiliates may have. The Lender agrees to notify the Borrower promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

(o) **THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS CONSTITUTE THE ENTIRE CONTRACT AMONG THE PARTIES RELATING TO THE SUBJECT MATTER HEREOF AND SUPERCEDE ANY AND ALL PREVIOUS**

AGREEMENTS AND UNDERSTANDINGS, ORAL OR WRITTEN, RELATING TO THE SUBJECT MATTER HEREOF.

[Signatures Appear on the Following Page]

Please indicate your acceptance of the Term Loan on the foregoing terms and conditions by returning an executed copy of this Agreement to the undersigned not later than ____________, 2018.

BANK OF AMERICA, N.A.

By:______________________________________
Name:
Title:

Accepted and Agreed to as of the date first written above:

SONOCO PRODUCTS COMPANY

By:____
Name:
Title:

U.S. Taxpayer Identification Number: 57-0248420

Date:____

EXHIBIT A

DEFINITIONS

Additional Incorporated Agreement Covenant:	A covenant or agreement that is added to Articles VI (Affirmative Covenants) or VII (Negative Covenants) of the Incorporated Agreement after the date hereof, as such covenant or agreement is in effect on the date so added, without giving effect to any subsequent amendment or other modification thereof.
Additional Incorporated Agreement Event of Default:	An "Event of Default" that is added to Article VIII of the Incorporated Agreement after the date hereof, as such "Event of Default" is in effect on the date so added, without giving effect to any subsequent amendment or other modification thereof.
Agreement:	This letter agreement, as amended, restated, extended, supplemented or otherwise modified in writing from time to time.
Applicable Rate:	From time to time, the following percentages per annum, based upon the Debt Rating as set forth in the pricing grid below:

Pricing Level	Debt Ratings	Eurodollar Margin	Base Rate Margin
I	≥A/A2	0.850%	0.000%
II	A-/A3	0.975%	0.000%
III	BBB+/Baa1	1.100%	0.100%
IV	BBB/Baa2	1.225%	0.225%
V	≤BBB-/Baa3	1.350%	0.350%

"Debt Rating" means, as of any date of determination, the rating as determined by either S&P or Moody's (collectively, the "Debt Ratings") of the Borrower's non-credit-enhanced, senior unsecured long-term debt; provided that if a Debt Rating is issued by each of the foregoing rating agencies, then the higher of such Debt Ratings shall apply (with the Debt Rating for Pricing Level I being the highest and the Debt Rating for Pricing Level V being the lowest), unless there is a split in Debt Ratings of more than one level, in which case the Pricing Level that is one level higher than the Pricing Level of the lower Debt Rating shall apply.

Initially, the Applicable Rate shall be determined based upon the Debt Rating specified in the certificate delivered pursuant to Paragraph 2(a)(vii). Thereafter, each change in the Applicable Rate resulting from a publicly announced change in the Debt Rating shall be effective, in the case of an upgrade, during the period commencing on the date of delivery by the Borrower to the Administrative Agent of notice thereof pursuant to Section 6.03(e) of the Incorporated Agreement and ending on the date immediately preceding the effective date of the next such change and, in the case of a downgrade, during the period commencing on the date of the public announcement thereof and ending on the date immediately preceding the effective date of the next such change. For purposes of the foregoing, (a) if no Debt Rating shall be available, such rating agencies shall be deemed to have established a Debt Rating which is one rating grade higher than the subordinated debt rating grade of the Borrower, (b) if no Debt Rating or subordinated debt rating grade shall be available, the Applicable Rate shall be as set forth in Pricing Level V.

Base Rate: For any day, a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by the Lender as its "prime rate" and (c) the Eurodollar Rate plus 1.00%; provided, that, if the Base Rate shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement The Lender's prime rate is a rate set by the Lender based upon various factors including the Lender's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in the prime rate announced by the Lender shall take effect at the opening of business on the day specified in the public announcement of such change.

Base Rate Loan: A Loan bearing interest based on the Base Rate.

Breakage Costs: Any loss, cost or expense incurred by the Lender (including any loss of anticipated profits and any loss or expense arising from the liquidation or reemployment of funds obtained by the Lender to maintain the relevant Eurodollar Rate Loan or from fees payable to terminate the deposits from which such funds were obtained) as a result of (i) any continuation, conversion, payment or prepayment of any Eurodollar Rate Loan on a day other than the last day of the Interest Period therefor (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise); or (ii) any failure by the Borrower (for a reason other than the failure of the Lender to make the Term Loan when all conditions to making such Term Loan have been met by the Borrower in accordance with the terms hereof) to prepay, borrow, continue or convert any Eurodollar Rate Loan on a date or in the amount notified by the Borrower. The certificate of the Lender as to its costs of funds, losses and expenses incurred shall be conclusive absent manifest error.

Business Day: Any day other than a Saturday, Sunday, or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, the State of New York or the state where the Lender's lending office is located and, if such day relates to any Eurodollar Rate Loan, means any such day on which dealings in Dollar deposits are conducted by and between banks in the London interbank eurodollar market.

Closing Date April 12, 2018.

Code: The Internal Revenue Code of 1986.

Default: Any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

Dollar or $: The lawful currency of the United States of America.

Environmental Laws: Any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

Environmental Liability: Any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

Eurodollar Rate: (a) For any Interest Period with respect to any Eurodollar Rate Loan, the rate per annum equal to the London Interbank Offered Rate or a comparable or successor rate, which rate is approved by the Lender ("LIBOR"), as published on the applicable Bloomberg screen page (or such other commercially available source providing quotations as may be designated by the Lender from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, for Dollar deposits (for delivery on the first day of such Interest Period) with a term equivalent to such Interest Period; and

(b) For any interest rate calculation with respect to a Base Rate Loan on any date, the rate per annum equal to LIBOR, at or about 11:00 a.m. London time determined two Business Days prior to such date for U.S. Dollar deposits with a term of one month commencing that day;

provided that to the extent a comparable or successor rate is approved by the Lender in connection herewith, the approved rate shall be applied in a manner consistent with market practice; provided, further that to the extent such market practice is not administratively feasible for the Lender, such approved rate shall be applied in a manner as otherwise reasonably determined by the Lender; provided, further that if the Eurodollar Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

Eurodollar Rate Loan: A Loan bearing interest based on the Eurodollar Rate.

Event of Default: Has the meaning set forth in Paragraph 5.

Existing Maturity Date: Has the meaning set forth in Paragraph 1(h).

Federal Funds Date: For any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Lender on such day on such transactions as determined by the Lender; provided that if the Federal Funds Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

Hazardous Materials: All explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

HPS Acquisition: The acquisition of Highland Packaging Solutions by Sonoco Plastics, Inc., a Subsidiary of the Borrower, on terms and conditions and pursuant to the Purchase Agreement dated March 21, 2018 (the "HPS Acquisition Agreement") by and among Sonoco Plastics, Inc., Highland Packaging Solutions, Inc., the Holders named therein and Sonoco Products Company.

Highland Packaging Solutions: Highland Packaging Solutions, LLC, a Florida limited liability company and successor by conversion to Highland Packaging Solutions, Inc., a Florida corporation.

Incorporated Agreement: The Credit Agreement, dated as of July 20, 2017, among the Borrower, each lender from time to time party thereto and Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer. Unless otherwise specified herein, all references to the Incorporated Agreement shall mean the Incorporated Agreement as in effect on the date hereof, without giving effect to any amendment, supplement or other modification thereto or thereof after the date hereof.

Indemnitee: Has the meaning set forth in Paragraph 6(f).

Interest Period: For each Eurodollar Rate Loan, the period commencing on the date such Eurodollar Rate Loan is disbursed or converted to or continued as a Eurodollar Rate Loan and ending on the date one, two, three or six months thereafter (in each case, subject to availability), as selected by the Borrower in its notice to the Lender; provided that:

(a) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless, in the case of a Eurodollar Rate Loan, such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(b) any Interest Period pertaining to a Eurodollar Rate Loan that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) no Interest Period shall extend beyond the Maturity Date.

Loan Documents: This Agreement, the promissory note and fee letter, if any, delivered in connection with this Agreement.

Material Adverse Effect: (a) A material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Borrower or the Borrower and its Subsidiaries taken as a whole; (b) a material impairment of the ability of the Borrower to perform its obligations under any Loan Document; or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrower of any Loan Document.

Maturity Date: The later of (a) April 12, 2019 and (b) if maturity is extended pursuant to Paragraph 1(h), such extended maturity date as determined pursuant to such Section; provided, however, that if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day.

Moody's: Moody's Investors Service, Inc. and any successor thereto.

Person: Any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, governmental authority or other entity.

Responsible Officer: The chief executive officer, president, chief financial officer or treasurer of the Borrower and, solely for purposes of notices given pursuant to Paragraph 1, any other officer of employee of the Borrower so designated by any of the foregoing officers in a notice to the Lender or any other officer or employee of the Borrower designated in or pursuant to an agreement between the Borrower and the Lender. Any document delivered hereunder that is signed by a Responsible Officer of the Borrower shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of the Borrower and such Responsible Officer shall be conclusively presumed to have acted on behalf of the Borrower.

S&P: S&P Global Ratings, a division of S&P Global Inc., and any successor thereto.

Subsidiary: With respect to any Person, a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such

Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" refer to a Subsidiary or Subsidiaries of the Borrower.

EXHIBIT B

FORM OF PROMISSORY NOTE

$100,000,000 April 12, 2018

FOR VALUE RECEIVED, the undersigned, SONOCO PRODUCTS COMPANY, a South Carolina corporation (the "Borrower"), hereby promises to pay to the order of BANK OF AMERICA, N.A. (the "Lender") the principal sum of ONE HUNDRED MILLION DOLLARS ($100,000,000) or, if less, the aggregate unpaid principal amount of all Term Loans made by the Lender to the Borrower pursuant to the letter agreement, dated as of even date herewith (such letter agreement, as it may be amended, restated, extended, supplemented or otherwise modified from time to time, being hereinafter called the "Agreement"), between the Borrower and the Lender, on the Maturity Date. The Borrower further promises to pay interest on the unpaid principal amount of the Term Loans evidenced hereby from time to time at the rates, on the dates, and otherwise as provided in the Agreement.

The loan account records maintained by the Lender shall at all times be conclusive evidence, absent manifest error, as to the amount of the Term Loans and payments thereon; provided, however, that any failure to record any Term Loan or payment thereon or any error in doing so shall not limit or otherwise affect the obligation of the Borrower to pay any amount owing with respect to the Term Loans.

This promissory note is the promissory note referred to in, and is entitled to the benefits of, the Agreement, which Agreement, among other things, contains provisions for acceleration of the maturity of the Term Loans evidenced hereby upon the happening of certain stated events and also for prepayments on account of principal of the Term Loans prior to the maturity thereof upon the terms and conditions therein specified.

Unless otherwise defined herein, terms defined in the Agreement are used herein with their defined meanings therein. This promissory note shall be governed by, and construed in accordance with, the laws of the State of New York.

SONOCO PRODUCTS COMPANY

By:______________________________________
Name:
Title:

EXHIBIT 15

May 2, 2018

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

Commissioners:

We are aware that our report dated May 2, 2018 on our review of interim financial information of Sonoco Products Company, which appears in this Quarterly Report on Form 10-Q, is incorporated by reference in the Registration Statements on Form S-8 (File No. 333-206669, dated August 31, 2015 and as amended on November 1, 2017; File No. 333-206671, dated August 31, 2015; File No. 333-206672, dated August 31, 2015; File No. 333-206673, dated August 31, 2015; File No. 333-206674, dated August 31, 2015; and File No. 333-206675, dated August 31, 2015) and Form S-3 (File No. 333-213559, dated September 9, 2016) of Sonoco Products Company.

Very truly yours,

/s/PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Charlotte, North Carolina

EXHIBIT 31

I, Robert C. Tiede, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sonoco Products Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2018

By: /s/ Robert C. Tiede
Robert C. Tiede
Chief Executive Officer

EXHIBIT 31

I, Barry L. Saunders, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sonoco Products Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2018

By: /s/ Barry L. Saunders

Barry L. Saunders
Chief Financial Officer

EXHIBIT 32

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

The undersigned, who are the chief executive officer and the chief financial officer of Sonoco Products Company, each hereby certifies that, to the best of his knowledge, the accompanying Form 10-Q for the quarter ended April 1, 2018, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the issuer.

May 2, 2018

/s/ Robert C. Tiede
Robert C. Tiede
Chief Executive Officer

/s/ Barry L. Saunders
Barry L. Saunders
Chief Financial Officer

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