SONOCO PRODUCTS CO
Form 10-K/A
August 26, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
(Amendment No. 1)

ý ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Fiscal Year Ended December 31, 2014
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 1 N. Second St. Hartsville, SC 29550 Telephone: 843/383-7000	I.R.S. Employer Identification No. 57-0248420

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of exchange on which registered
No par value common stock	New York Stock Exchange, LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ý No o
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ý
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 ý No o
Indicate by check mark whether the registrant has submitted electronically and posted to its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). Yes ý No o
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form

10-K. o

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

Large accelerated filer x Accelerated filer o Non-accelerated filer o Smaller reporting company o

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

The aggregate market value of voting common stock held by nonaffiliates of the registrant (based on the New York Stock Exchange closing price) on June 29, 2014, which was the last business day of the registrant’s most recently completed second fiscal quarter, was $4,357,280,269. Registrant does not (and did not at June 29, 2014) have any non-voting common stock outstanding.

As of February 13, 2015, there were 100,691,732 shares of no par value common stock outstanding.

Documents Incorporated by Reference

Portions of the Proxy Statement for the annual meeting of shareholders held on April 15, 2015 are incorporated by reference in Part III.

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Explanatory Note

Restatement of Consolidated Financial Statements

On July 16, 2015, Sonoco Products Company (the "Company") announced that it was conducting a review of the financial results for a contract packaging center in Irapuato, Mexico, part of its Display and Packaging segment, due to the discovery of misstatements of prior periods' earnings. Through this review, which concluded in August 2015, the Company determined that revenue and cost of sales had been misstated from 2012 through the first quarter of 2015, resulting in a cumulative overstatement of net income of approximately $23.3 million, or $0.23 per diluted common share. The reported balance sheets were also misstated for the annual and interim periods from 2012 through the first quarter of 2015. The most significant misstatements were in trade accounts receivable, other receivables, prepaid expenses, payable to suppliers, and accrued expenses and other.

Promptly upon discovery, the Company reported these accounting irregularities to the Audit Committee of the Board of Directors and self-reported the matter to the Securities and Exchange Commission. The Company's Audit Committee initiated a formal investigation into the matter to determine whether any adjustments would be required with respect to the Company's previously issued financial statements and management's report on internal control over financial reporting. The Audit Committee retained independent outside legal and accounting advisers to assist with this investigation. Based on the findings of the third party investigation and management's own internal investigation, the Company made the determination to restate its consolidated financial statements for the years ended December 31, 2014, 2013, and 2012, the interim periods within the year ended December 31, 2014, and the three-month period ended March 29, 2015.

In addition, these restatements reflect the correction of certain out-of-period adjustments made in 2014 that the Company concluded at the time, based on its evaluation of both quantitative and qualitative factors, were not material to any of its previously issued financial statements. These adjustments included the following:

- As disclosed in the Company's Form 10-Q for the interim period ended June 29, 2014, during the second quarter of 2014 the Company recorded a valuation allowance of $11.5 million on deferred tax assets related to the pension plan of a foreign subsidiary. This valuation allowance should have been established in years prior to 2014 when the deferred tax assets were recognized. The error affected comprehensive income, but not net income, from 2010 through the first quarter of 2014.
- In December 2014, the valuation of finished goods and work in process inventory in our Flexible Packaging business (part of the Consumer Packaging segment) was found to have been based on incorrect costing standards resulting in the overstatement of finished goods and work in process inventory and a corresponding understatement of cost of sales totaling $1.2 million. Pretax operating profits for the segment had been overstated by approximately $0.9 million in 2012 and $0.3 million in 2013. The adjustment resulted in a $0.8 million reduction in the Company's reported net income in 2014.
- In December 2014, an out-of-period adjustment was made that reduced both deferred tax expense and deferred tax liabilities in various jurisdictions by a total of $3.2 million. Of this adjustment, approximately $0.6 million related to 2013, $0.5 million to 2012, $0.8 million to 2011, $0.9 million to 2010, and $0.4 million to 2009.

In its assessment of materiality, the Company considered, both individually and in the aggregate, the misstatements at the contract packaging center in Mexico, and the impact of the other items discussed above. Its assessment included an evaluation of the quantitative and qualitative factors relevant to that assessment.

The Company concluded that the misstatements associated with the Irapuato packaging center warranted restatement of the previously reported financial statements for the years ended December 31, 2012, 2013, and 2014, the interim periods within the year ended December 31, 2014, and the quarterly period ended March 29, 2015. In addition, the accompanying restated consolidated financial statements have been revised to reflect in the proper periods the previously recorded out-of-period adjustments described above. See Note 2 - Restatement of Consolidated Financial Statements, which is included in "Financial Statements and Supplementary Data" in Item 8 of this 2014 amended Annual Report on Form 10-K/A.

Internal Control Over Financial Reporting

Management reassessed its evaluation of the effectiveness of its internal control over financial reporting as of December 31, 2014, based on the framework established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. As a result of that reassessment, management identified material weaknesses and, accordingly, has concluded that the Company did not maintain effective internal control over financial reporting as of December 31, 2014. Management has restated its report on internal control over financial reporting. For a description of the material weaknesses in internal control over financial reporting and actions taken and to be taken to remediate the material weaknesses, see "Part II - Item 9A - Controls and Procedures."

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Amended Items in this Form 10-K/A
The following items in the original filing have been amended:
Part II, Item 6. Selected Financial Data
Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
Part II, Item 8. Financial Statements and Supplementary Data
Part II, Item 9A. Controls and Procedures
Part IV, Item 15. Exhibits and Financial Statement Schedules

The Company's Chief Executive Officer and Chief Financial Officer are providing currently dated certifications in connection with this 2014 amended Annual Report on Form 10-K/A. These certifications are filed as Exhibits 31 and 32.

This 2014 amended Annual Report on Form 10-K/A does not reflect events occurring after the original filing on March 2, 2015, or modify or update those disclosures affected by subsequent events, except for the effects of the restatement. Disclosures not affected by the restatement are unchanged and reflect the disclosures made at the time of original filing.

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SONOCO PRODUCTS COMPANY

Forward-looking statements
Statements included in this amended Annual Report on Form 10-K/A 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,” “c “guidance,” “outlook,” “forecast,” “future,” "re-envision," “will,” “would,” "can," "could," "may," "might," “aspires,” "potenti 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;
- 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;
- financial results for future periods;
- producing improvements in earnings;
- profitable sales growth and rates of growth;
- market leadership;
- research and development spending;
- 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;
- 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, 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 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 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 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;

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- changes in U.S. and foreign tax rates, and tax laws, regulations and interpretations 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;
- 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;
- loss of consumer or investor confidence;
- ability to protect our intellectual property rights;
- actions of domestic or foreign government agencies and changes in laws and regulations affecting the Company;
- 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 Item 1A - "Risk Factors" and throughout other sections of this 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 amended Annual Report on Form 10-K/A 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.

References to our website address

References to our website address and domain names throughout this amended Annual Report on Form 10-K/A are for informational purposes only, or to fulfill specific disclosure requirements of the Securities and Exchange Commission’s rules or the New York Stock Exchange Listing Standards. These references are not intended to, and do not, incorporate the contents of our websites by reference into this amended Annual Report on Form 10-K/A.

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PART II

Item 6. Selected financial data

The selected financial information for the fiscal years ended December 31, 2014, 2013, and 2012 and as of December 31, 2014 and 2013, was derived from audited consolidated financial statements included in this amended filing and has been adjusted for the effects of the restatement more fully described in Note 2, "Restatement of Consolidated Financial Statements," which is included in "Financial Statements and Supplementary Data" in Item 8 of this amended Annual Report on Form 10-K/A. The selected financial information as of December 31, 2012 was derived from consolidated financial statements not included in this filing; however, such financial information has been similarly adjusted for the effects of the restatement. The following selected financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements and related notes thereto.

	Years ended December 31				
(Dollars and shares in thousands except per share data)	2014 As Restated [2]	2013 As Restated [2]	2012 As Restated [3]	2011 [4]	2010 [5]
Operating Results					
Net sales	$5,016,994	$4,861,657	$4,813,571	$4,498,932	$4,124,121
Cost of sales and operating expenses	4,616,104	4,487,184	4,437,722	4,139,626	3,761,945
Restructuring/Asset impairment charges	22,792	25,038	32,858	36,826	23,999
Interest expense	55,140	59,913	64,114	41,832	37,413
Interest income	(2,749)	(3,187)	(4,129)	(3,758)	(2,307)
Loss from the early extinguishment of debt	—	—	—	—	48,617
Income before income taxes	325,707	292,709	283,006	284,406	254,454
Provision for income taxes	108,758	93,631	100,402	77,634	63,575
Equity in earnings of affiliates, net of tax	(9,886)	(12,029)	(12,805)	(12,061)	(11,505)
Net income	226,835	211,107	195,409	218,833	202,384
Net (income) attributable to noncontrolling interests	(919)	(1,282)	(110)	(527)	(421)
Net income attributable to Sonoco	$225,916	$209,825	$195,299	$218,306	$201,963
Per common share					
Net income attributable to Sonoco:					
Basic	$2.21	$2.05	$1.92	$2.16	$1.99
Diluted	2.19	2.03	1.90	2.14	1.97
Cash dividends	1.27	1.23	1.19	1.15	1.11
Weighted average common shares outstanding:					
Basic	102,215	102,577	101,804	101,071	101,599
Diluted	103,172	103,248	102,573	102,173	102,543
Actual common shares outstanding at December 31	100,603	102,147	100,847	100,211	100,510
Financial Position					

Net working capital	$461,596	$498,105	$453,145	$467,958	$376,867
Property, plant and equipment, net	1,148,607	1,021,920	1,034,906	1,013,622	944,136
Total assets	4,193,911	3,974,523	4,160,390	3,980,083	3,276,435
Long-term debt	1,200,885	946,257	1,099,454	1,232,966	603,941
Total debt	1,253,165	981,458	1,373,062	1,286,632	620,890
Total equity	1,503,847	1,706,049	1,487,539	1,412,692	1,503,114
Current ratio	1.5	1.6	1.4	1.6	1.5
Total debt to total capital[1]	45.5 %	36.5 %	48.0 %	47.7 %	29.2 %

1 Calculated as total debt divided by the sum of total debt and total equity.

2 The effects of the restatement on the Company's consolidated balance sheets as of December 31, 2014 and 2013 and consolidated statements of income for the fiscal years ended December 31, 2014, 2013 and 2012 are described in the “Explanatory Note” immediately preceding Part II and Note 2, “Restatement of Consolidated Financial Statements,” in Notes to Consolidated Financial Statements of this amended Form 10-K/A.

3 Selected Financial Data for the fiscal year ended December 31, 2012 has also been restated to reflect adjustments related to the errors described in the “Explanatory Note” immediately preceding Part II of this amended Form 10-K/A. The effects of the restatement on the Company's consolidated balance sheets as of December 31, 2012 are shown below.

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(Dollars and shares in thousands)	Years ended December 31 2012 As Reported	Effect of Restatement	2012 As Restated
Financial Position			
Net working capital	$455,661	$(2,516)	$453,145
Property, plant and equipment, net	1,034,906	—	1,034,906
Total assets	4,176,065	(15,675)	4,160,390
Long-term debt	1,099,454	—	1,099,454
Total debt	1,373,062	—	1,373,062
Total equity	1,503,214	(15,675)	1,487,539

4 Previously reported financial statements for the year ended December 31, 2011 have been revised for certain adjustments as described in the "Explanatory Note" immediately preceding Part II of this amended Form 10-K/A. The effect of the revisions include a $14,788 decrease to both total assets (deferred tax assets) and total equity (accumulated other comprehensive loss) for the recognition of a valuation allowance on deferred tax assets related to a pension plan of a foreign subsidiary. In addition, revisions to deferred tax expense increased previously reported net income by $789 in 2011 ($0.01 per diluted common share). These adjustments, combined with the carryover impact of revisions recognized in 2010 (see Note 5 below), increased previously reported total assets (deferred tax assets) and total equity (retained earnings) by $2,072.

5 Previously reported financial statements for the year ended December 31, 2010 have been revised for certain adjustments as described in the "Explanatory Note" immediately preceding Part II of this amended Form 10-K/A. The effect of the revisions include a $5,862 decrease to both total assets (deferred tax assets) and total equity (accumulated other comprehensive loss) for the recognition of a valuation allowance on deferred tax assets related to a pension plan of a foreign subsidiary. In addition, revisions to deferred tax expense increased previously reported net income by $910 in 2010 ($0.01 per diluted common share) and $373 in 2009. These adjustments increased previously reported total assets (deferred tax assets) and total equity (retained earnings) by $1,283.

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Item 7. Management’s discussion and analysis of financial condition and results of operations

The following section provides management's view of the financial condition and results of operations and should be read in conjunction with the Selected Financial Data, the audited Consolidated Financial Statements, and related notes included elsewhere in this report.

All of the financial information presented in this Item 7 has been revised to reflect the restatement of our consolidated financial statements more fully described in Note 2 - Restatement of Consolidated Financial Statements, which is included in "Financial Statements and Supplementary Data" in Item 8 of this 2014 amended Annual Report on Form 10-K/A.

General overview

Sonoco is a leading manufacturer of consumer, industrial and protective packaging products and provider of packaging services with 336 locations in 34 countries. The Company’s operations are organized, managed and reported in four segments, Consumer Packaging, Display and Packaging, Paper and Industrial Converted Products, and Protective Solutions. Effective January 1, 2014, the Company began reporting Sonoco Alloyd, the Company's retail packaging business and previously part of the Protective Solutions segment, as part of the Display and Packaging segment. This change reflects the evolving integration of these businesses, which enables them to better leverage the Company's capabilities, products and services to provide complete solutions to our retail merchandising customers.

Generally, the Company serves two broad end-use markets, consumer and industrial, which, period to period can exhibit different economic characteristics from each other. Geographically, approximately 65% of sales were generated in the United States, 17% in Europe, 6% in Canada and 12% in other regions.

The Company is a market-share leader in many of its product lines, particularly in tubes, cores and composite containers. Competition in most of the Company’s businesses is intense. Demand for the Company’s products and services is primarily driven by the overall level of consumer consumption of non-durable goods; however, certain product and service groups are tied more directly to durable goods, such as appliances, automobiles and construction. The businesses that supply and/or service consumer product companies have tended to be, on a relative basis, more recession resistant than those that service industrial markets.

Financially, the Company’s objective is to deliver average annual double-digit total returns to shareholders over time. To meet that target, the Company focuses on three major areas: driving profitable sales growth, improving margins and leveraging the Company’s strong cash flow and financial position. Operationally, the Company’s goal is to be the acknowledged leader in high-quality, innovative, value-creating packaging solutions within targeted customer market segments.

Over the next three to four years, the Company aspires to grow sales to between $5.5 and $6.0 billion, increase base earnings per share, on average, by 8% to 10% per year and increase return on net assets employed to 11%, or more. Achieving these goals will be difficult in the current low-growth environment. The Company’s plan for achieving these goals includes organic sales growth, including new product development and expansion in emerging international markets, strategic acquisitions, and margin enhancement through more effective organizational design, indirect spend management, and improved manufacturing productivity, supply chain and back office support processes.

Use of Non-GAAP financial measures

To assess and communicate the financial performance of the Company, Sonoco management uses, both internally and externally, certain financial performance measures that are not in conformance with generally accepted accounting principles (“non-GAAP” financial measures). These non-GAAP financial measures reflect the Company’s GAAP operating results adjusted to remove amounts relating to restructuring initiatives, asset impairment charges, environmental charges, acquisition-related costs, excess property insurance recoveries, and certain other items, if any, the exclusion of which management believes improves the period-to-period comparability and analysis of the underlying financial performance of the business. The adjusted non-GAAP results are identified using the term “base,” for example, “base earnings.”

The Company’s base financial performance measures are not in accordance with, nor an alternative for, measures conforming to generally accepted accounting principles and may be different from non-GAAP measures used by other

companies. The Company uses the non-GAAP “base” performance measures presented herein for internal planning and forecasting purposes, to evaluate its ongoing operations, and to evaluate the ultimate performance of management and each business unit against plan/forecast.

Reconciliations of GAAP to base results are presented on pages 11 and 12 in conjunction with management’s discussion and analysis of the Company’s results of operations. Whenever reviewing a non-GAAP financial measure, readers are encouraged to review the related reconciliation to fully understand how it differs from the related GAAP measure.

2014 overview and 2015 outlook

Sonoco delivered on many of its financial and operational objectives in 2014 and made good progress in its effort to re-envision the Company to achieve future accelerated growth. The Company achieved record sales and gross profits and completed a major acquisition late in the year that significantly expands the Company's international presence. The year started out slowly as unusually severe winter weather disrupted normal operations and significantly impacted first-quarter sales. However, results for the rest of the year were markedly better and annual operating results reflect a balanced mix of higher volume, an over-all positive price / cost relationship and solid manufacturing productivity improvements as well as lower year-over-year pension and post retirement expenses. As a result, Sonoco’s base earnings grew 8.9% over 2013 levels and gross profit margins improved to 18.1% from 17.7%.

Also during the year, we made good progress strategically aligning our diversified organization to facilitate the design and delivery of 360-degree Customized Solutions™ to our customers. The intent of this strategy is to grow the business by leveraging the Company's broad range of capabilities in conceptualization, design, creation, testing, prototyping, manufacturing, supply chain integration, marketing, graphics management and sustainability services and support to provide customers the ability, in one stop, to efficiently construct a complete solution that best fits their needs. Late in the year, we completed a detailed assessment our processes, systems and organization and have identified a series of meaningful changes we will be implementing over the course of 2015 aimed at better leveraging existing capabilities, driving efficiencies, and optimizing business performance.

Key expectations for 2014 were that overall volumes would increase by around 2.0%, price/cost would be relatively flat, and productivity would be strong enough to more than offset inflation in labor and other costs. Company-wide volume was up in line with expectations and although increases in labor and other costs exceeded moderately strong productivity gains the impact was more than offset by the overall positive price/cost relationship.

Pension and postretirement benefit expenses were significantly lower in 2014. The aggregate unfunded position of the Company’s various defined benefit plans increased from $270 million at December 31, 2013, to $454 million at the end of 2014. This increase was largely driven by the impact of lower discount rates and newly issued mortality tables, partially offset by contributions to the plans totaling $54 million.

The effective tax rate on GAAP earnings was 1.4 percentage points higher than the prior year while the rate on base earnings was 1.1 percentage points higher than in 2013. The effective tax rate on base earnings ended the year approximately 1.3 percentage points lower than beginning of the year expectations due to the mix of earnings among tax jurisdictions and favorable changes in uncertain tax positions.

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The Company generated $418 million in cash from operations during 2014, compared with $538 million in 2013. The majority of the year-over-year decrease is attributable to more of a normal increase in the amount of cash used to fund working capital, higher pension contributions and income tax payments, and the funding of a proposed settlement of environmental claims and related litigation. Cash flow from operations is expected to be approximately $500 million in 2015.

Outlook

Entering 2015, the Company continues to be cautious regarding the future pace and sustainability of the global economic recovery. Forecasts for a continued strengthening of the dollar, if realized, will create pressure on reported earnings. In 2015, management will be focused on successfully integrating the recent acquisition of Weidenhammer Packaging Group, continuing its work to re-envision the Company and implementing the changes referred to above, while selectively pursuing opportunities to grow its businesses. The majority of the Company’s targeted growth projects fall within its Consumer Packaging and Protective Solutions segments and emerging markets. The Weidenhammer acquisition is expected to contribute approximately $.09 per share of incremental diluted earnings per share in 2015.

Management expects 2015 overall volume, excluding acquisitions, to increase approximately 2%, reflecting its assumption that the economic recovery will continue at a modest pace. However, volume in the Protective Solutions segment is expected to increase more than 5% driven largely by new and expanded business in the automotive and life science markets. Price/cost is expected to be relatively flat with average prices paid for both recovered paper and steel tinplate expected to remain largely unchanged from 2014 levels; prices for plastic resins and film, energy and freight are projected to be somewhat lower, reflecting a benefit from lower oil and natural gas prices. Manufacturing productivity is expected to be strong enough to offset most of the increase expected in labor and other costs, including higher pension and post retirement expense. As a result, management is projecting overall margins for gross profit and base EBIT to remain in line with 2014.

Management’s outlook for 2015 reflects a $13 million increase in pension and postretirement benefit plan expenses due largely to lower discount rates and newly issued mortality tables. Total contributions to the Company’s domestic and international pension and postretirement plans are expected to be approximately $36 million.

Net interest expense is expected to increase approximately $2.6 million due to the term loan entered into to fund the Weidenhammer acquisition. The consolidated effective tax rate on base earnings is expected to be approximately 32% in 2015 compared with 31.5% in 2014.

In 2015, the Company will begin undertaking efforts aimed at realigning elements of its management and operating support structures in order to both improve effectiveness and reduce ongoing costs. Management expects this work to occur in stages over the course of the year and possibly extend into 2016. Although the scope and nature of these efforts are not yet fully defined, the Company expects to incur severance and other implementation costs related to the resulting changes. Once complete, the Company is targeting to achieve an annualized reduction in the overall cost structure of between $25 million and $30 million,

Acquisitions and joint ventures

The Company completed two acquisitions during 2014 at an aggregate cost of $334.1 million in cash. The most significant of these was the October 31, 2014, acquisition of the privately held Weidenhammer Packaging Group ("Weidenhammer"), a manufacturer of composite cans, drums, and luxury tubes, as well as rigid plastic containers using thin-walled injection molding technology with in-mold labeling. Markets served include processed foods, powdered beverages, tobacco, confectionery, personal care, pet food, pharmaceuticals, and home and garden products. Headquartered in Hockenheim, Germany, Weidenhammer has approximately 1,100 employees and operates 13 production facilities, including five in Germany, along with individual plants in Belgium, France, the Netherlands, the United Kingdom, the United States, Chile, Greece, and Russia. Total consideration paid for Weidenhammer was approximately $355.3 million, including cash of $323.2 million, and debt and other liabilities assumed totaling $32.1 million. Final consideration will be subject to adjustment for the change in working capital to the date of closing. The acquisition was funded with proceeds from a new three-year $250 million term loan, along with existing cash on hand.

On May 2, 2014, the Company completed the acquisition of Dalton Paper Products, Inc., a manufacturer of tubes and

cores, for a net cash cost of $11.3 million. The acquisition consisted of a single manufacturing facility located in Dalton, Georgia. Also during 2014, the Company received cash totaling $0.3 million in connection with the final working capital settlement related to a 2013 acquisition.
The Company completed three acquisitions during 2013 at an aggregate cost of $4.0 million in cash. These acquisitions consisted of Imagelinx, a global brand artwork management business in the United Kingdom, a small tube and core business in Australia, and a small recycling broker in the United States. The all-cash purchase price of Imagelinx, including the cost of paying off various obligations, was $3.0 million. The aggregate all-cash purchase prices for the other businesses was $1.0 million. Also during 2013, the Company purchased a minority ownership in a small paper recycling business in Finland. The all cash cost of this investment was $3.6 million.
During 2012, the Company paid an additional $0.5 million in cash to complete its November 2011 acquisition of Tegrant Holding Corporation. The payment was for changes in working capital levels to the date of the closing. No other acquisitions were completed during 2012.
The Company has accounted for these acquisitions as purchases and, accordingly, has included their results of operations in the Company's consolidated statements of net income from the respective dates of acquisition.
See Note 4 to the Consolidated Financial Statements for further information about acquisition activities.
Restructuring and asset impairment charges
Due to its geographic footprint (336 locations in 34 countries) and the cost-competitive nature of its businesses, the Company is constantly seeking the most cost-effective means and structure to serve its customers and to respond to fundamental changes in its markets. As such, restructuring costs have been and are expected to be a recurring component of the Company's operating costs. The amount of these costs can vary significantly from year to year depending upon the scope and location of the restructuring activities.

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The following table recaps the impact of restructuring and asset impairment charges on the Company’s net income for the periods presented (dollars in thousands):

	Year Ended December 31		
	2014	2013	2012
Exit costs:			
2014 Actions	$12,161		
2013 Actions	2,593	11,572	
2012 and Earlier Actions	(101)	5,228	24,431
Asset impairments:	8,139	8,238	8,427
Total restructuring/asset impairment charges	$22,792	$25,038	$32,858
Income tax benefit	(5,732)	(6,774)	(9,836)
Equity method investments, net of tax	—	—	22
Impact of noncontrolling interests, net of tax	(52)	2	116
Total impact of restructuring/asset impairment charges, net of tax	$17,008	$18,266	$23,160

During 2014, the Company announced the closures of a tube and core plant in Canada; a molded foam plant in the United States and a temperature-assured packaging plant in the United States; and two recycling facilities - one in the United States and one in Brazil. The Company also recognized exit costs and asset impairment charges as the result of halting the planned start up of a rigid paper facility in Europe following the acquisition of Weidenhammer Packaging Group. In addition to these actions, the Company continued to realign its cost structure, resulting in the elimination of approximately 125 positions.

During 2013, the Company announced the closures of a thermoforming operation in Ireland, a rigid paper packaging plant in the United States, a small tube and core operation in Europe, and a fulfillment service center in the United States. The Company also sold a small corrugated box operation in the United States and realigned its cost structure resulting in the elimination of approximately 120 positions.

During 2012, the Company announced the closures of a paper mill in Germany and a paperboard-based protective packaging operation in the United States. In addition, the Company continued its manufacturing rationalization efforts in its blow-molding businesses, including the previously announced closure of a facility in Canada, and realigned its cost structure resulting in the elimination of approximately 165 positions.

The Company expects to recognize future additional costs totaling approximately $1.1 million 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 2015. As noted above, the Company regularly evaluates its cost structure, including its manufacturing capacity, and additional restructuring actions may be undertaken. Restructuring and asset impairment charges are subject to significant fluctuations from period to period due to the varying levels of restructuring activity and the inherent imprecision in the estimates used to recognize the impairment of assets and the wide variety of costs and taxes associated with severance and termination benefits in the countries in which the Company operates.

See Note 5 to the Consolidated Financial Statements for further information about restructuring activities and asset impairment charges.

Reconciliations of GAAP to non-GAAP financial measures

The following tables reconcile the Company’s non-GAAP financial measures to their most directly comparable GAAP financial measures for each of the years presented:

	For the year ended December 31, 2014				
Dollars and shares in thousands, except per share data	GAAP (as Restated)	Restructuring/ Asset Impairment	Acquisition Related Cost	Tax Related Adjustments & Other[1]	Base (as Restated)
Income before interest and income taxes	$378,098	$22,792	$9,221	$(2,568)	$407,543
Interest expense, net	52,391	—	—	—	52,391
Income before income taxes	$325,707	$22,792	$9,221	$(2,568)	$355,152

Provision for income taxes	108,758	5,732	722	787	115,999
Income before equity in earnings of affiliates	$216,949	$17,060	$8,499	$(3,355)	$239,153
Equity in earnings of affiliates, net of tax	9,886	—	—	—	9,886
Net income	$226,835	$17,060	$8,499	$(3,355)	$249,039
Less: Net (income)/loss attributable to noncontrolling interests, net of tax	(919)	(52)	—	533	(438)
Net income attributable to Sonoco	$225,916	$17,008	$8,499	$(2,822)	$248,601
Per diluted common share	$2.19	$0.16	$0.08	$(0.03)	$2.41

(1) Consists of excess property insurance settlement gains on a facility in Thailand damaged by a flood in 2011 totaling $2,568 pretax ($2,006 after tax) and other non-base income tax benefits totaling $1,349.

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	For the year ended December 31, 2013				
Dollars and shares in thousands, except per share data	GAAP (as Restated)	Restructuring/ Asset Impairment	Acquisition Related Cost	Tax Related Adjustments & Other[(2)]	Base (as Restated)
Income before interest and income taxes	$349,435	$25,038	$484	$(703)	$374,254
Interest expense, net	56,726	—	—	—	56,726
Income before income taxes	$292,709	$25,038	$484	$(703)	$317,528
Provision for income taxes	93,631	6,774	139	(462)	100,082
Income before equity in earnings of affiliates	$199,078	$18,264	$345	$(241)	$217,446
Equity in earnings of affiliates, net of tax	12,029	—	—	—	12,029
Net income	$211,107	$18,264	$345	$(241)	$229,475
Less: Net (income)/loss attributable to noncontrolling interests, net of tax	(1,282)	2	—	—	(1,280)
Net income attributable to Sonoco	$209,825	$18,266	$345	$(241)	$228,195
Per diluted common share	$2.03	$0.18	$—	$—	$2.21

(2) Consists primarily of excess property insurance settlement gains totaling $916 pretax ($689 after tax) on a facility in Thailand damaged by a flood in 2011, partially offset by the impact of the February 2013 devaluation of the Venezuelan bolivar fuerte, and additional tax expense of $279 associated with the repatriation of cash completed in 2013.

	For the year ended December 31, 2012				
Dollars and shares in thousands, except per share data	GAAP (as Restated)	Restructuring/ Asset Impairment	Acquisition Related Cost	Tax Related Adjustments & Other[(3)]	Base (as Restated)
Income before interest and income taxes	$342,991	$32,858	$311	$(4,800)	$371,360
Interest expense, net	59,985	—	—	—	59,985
Income before income taxes	$283,006	$32,858	$311	$(4,800)	$311,375
Provision for income taxes	100,402	9,836	99	(12,302)	98,035
Income before equity in earnings of affiliates	$182,604	$23,022	$212	$7,502	$213,340
Equity in earnings of affiliates, net of tax	12,805	22	—	—	12,827
Net income	$195,409	$23,044	$212	$7,502	$226,167
Less: Net (income)/loss attributable to noncontrolling interests, net of tax	(110)	116	—	—	6
Net income attributable to Sonoco	$195,299	$23,160	$212	$7,502	$226,173
Per diluted common share	$1.90	$0.22	$—	$0.08	$2.20

(3) Consists primarily of excess property insurance settlement gains totaling $4,800 pretax ($3,289 after tax) on a facility destroyed by fire in 2010 and a facility in Thailand damaged by a flood in 2011, and additional tax expense of $11,744 associated with a planned repatriation of cash.

Results of operations – 2014 versus 2013

For 2014, net income attributable to Sonoco was $225.9 million ($2.19 per diluted share), compared with $209.8 million ($2.03 per diluted share) for 2013. Current year earnings were negatively impacted by after-tax charges of

$22.7 million consisting of restructuring costs, asset impairment charges, acquisition expenses, and acquisition inventory step-up costs, partially offset by excess property insurance proceeds.

Net income in 2013 was negatively impacted by after-tax restructuring and other charges of $18.4 million, net of gains from property sales and excess property insurance recoveries.

Base earnings in 2014 were $248.6 million ($2.41 per diluted share), compared with $228.2 million ($2.21 per diluted share) in 2013. This 8.9% increase in base earnings was the result of manufacturing productivity improvements, a positive price/cost relationship, volume growth, proceeds from a legal settlement, acquisitions and lower pension expense. These favorable factors were partially offset by higher labor, maintenance, management incentive and other operating costs.

The consolidated effective tax rate was 33.4%, compared with 32.0% in 2013 and the effective tax rate on base earnings was 32.7%, compared with 31.5% in 2013.

Consolidated net sales for 2014 were $5.0 billion, a $155 million, or 3.2%, increase from 2013.

The components of the sales change were:

($ in millions)	
Volume/Mix	$87
Selling price	27
Acquisitions/Divestitures	100
Currency exchange rate/Other	(59)
Total sales increase	$155

Total volume was up in all of the Company's segments. For the most part, price changes for the Company’s products are driven by changes in the underlying product costs. Of the selling price gains, approximately 50% came in Paper and Industrial Converted Products, primarily driven by increases in South America and Europe. The majority of the remaining gains came in the Consumer Packaging segment, primarily reflecting price changes to pass through higher resin, film and other costs. Total domestic sales were $3.3 billion, up 1.7% from 2013 levels. International

sales were 1.7 billion, up 6.2% from 2013 with most of the increase coming in Europe which was largely driven by the Weidenhammer acquisition.

Costs and expenses/margins

Cost of sales was up $109.1 million in 2014, or 2.7%, from the prior year primarily driven by higher volume and the impact of acquisitions. This was less than the 3.2% increase in sales reflecting the benefits of higher volume, improved productivity and lower pension and post retirement expense, as well as the ability in 2014 for most of our businesses to increase prices in line with or somewhat more than the increases in the direct costs of materials, energy and freight. Partially offsetting these benefits were higher labor and other costs. As a result, gross profit margins improved year over year to 18.1% from 17.7% in the prior year. In our industrial businesses, lower average market prices for recovered paper in the U.S. were largely offset by increases in Europe and South America, while Consumer Packaging was negatively impacted by higher resin, tinplate steel and other costs.

In 2014, aggregate pension and postretirement plan expenses decreased $21.5 million to $40.4 million, versus $61.9 million in 2013. Approximately 75% of these expenses are reflected in cost of sales, with the balance in selling, general and administrative expenses. The lower expense was primarily the result of lower amortization of actuarial losses due to higher discount rates at the end of 2013.

Selling, general and administrative expenses increased $19.8 million, or 4.1%, and were 10.1% of sales compared to 10.0% of sales in 2013. The dollar increase was driven primarily by the impact of acquisitions, higher incentive costs, wage and general inflation and higher volume-driven costs such as commissions. Partially offsetting these increases were the lower pension expense and proceeds received during the year from a legal settlement. Base earnings before interest and income taxes were 8.1% of sales in 2014 compared to 7.7% in 2013, driven by the improved gross profit margins discussed above.

Restructuring and restructuring related asset impairment charges totaled $22.8 million and $25.0 million in 2014 and 2013, respectively. Additional information regarding restructuring actions and impairments is provided in Note 5 to the Company's Consolidated Financial Statements.

Research and development costs, all of which were charged to expense, were $24.2 million in 2014 and $20.1 million in 2013. Management expects research and development spending in 2015 to remain in line with 2014.

Net interest expense totaled $52.4 million for the year ended December 31, 2014, compared with $56.7 million in 2013. The decrease was due primarily to lower average debt levels.

Reportable segments

The Company reports its financial results in four reportable segments – Consumer Packaging, Display and Packaging, Paper and Industrial Converted Products, and Protective Solutions. Effective January 1, 2014, the Company began reporting Sonoco Alloyd, the Company's retail packaging business and previously part of the Protective Solutions segment, as part of the Display and Packaging segment. This change reflects the evolving integration of these businesses, which enables them to better leverage the Company's capabilities, products and services to provide complete solutions to our retail merchandising customers. Prior period results for the affected segments have been recast to reflect this change.

Consolidated operating profits, also referred to as "Income before interest and income taxes" on the Consolidated Statements of Income, are comprised of the following:

($ in millions)	2014 as Restated	2013 as Restated	% Change
Segment operating profit			
Consumer Packaging	$200.6	$186.9	7.3%
Display and Packaging	10.7	9.2	16.0%
Paper and Industrial Converted Products	162.3	138.1	17.5%
Protective Solutions	34.0	40.1	(15.2)%
Restructuring/Asset impairment charges	(22.8)	(25.0)	(9.0)%
Acquisition-related costs	(9.2)	(0.5)	1,805.2%
Property insurance gains	2.6	0.7	265.3%
Consolidated operating profits	$378.1	$349.4	8.2%

Segment results viewed by Company management to evaluate segment performance do not include restructuring charges, asset impairment charges, acquisition-related charges, specifically identified tax adjustments, and certain other items, if any, the exclusion of which the Company believes improves comparability and analysis. Accordingly, the term "segment operating profits" is defined as the segment's portion of "Income before interest and income taxes" excluding those items. General corporate expenses, with the exception of restructuring charges, asset impairment charges, acquisition-related charges, net interest expense and income taxes, have been allocated as operating costs to each of the Company's reportable segments.

See Note 17 to the Company's Consolidated Financial Statements for more information on reportable segments.

Consumer Packaging

($ in millions)	2014 as Restated	2013 as Restated	% Change	
Trade sales	$1,962.9	$1,893.5	3.7	%
Segment operating profits	200.6	186.9	7.3	%
Depreciation, depletion and amortization	75.8	74.1	2.2	%
Capital spending	63.1	48.8	29.4	%

Sales increased year over year primarily due to the acquisition of Weidenhammer in November 2014 and higher volume in flexible packaging and plastic containers, partially offset by lower volume in composite cans. The volume gain in flexible packaging was driven largely by the expanded use of pouches in the shelf stable foods market and volume increases in the cookies and crackers market. Plastic containers saw growth in both the personal care and food market segments while composite can volume was off largely due to the continued decline in the

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frozen concentrate market, product specific shifts by consumers in portion/package style preferences, and sales opportunities lost to the severe winter weather in 2014. Selling prices were mixed, but slightly higher for the segment as whole. Most of the price gain came in plastic containers as a result of passing through higher resin costs. The impact of translation due to a stronger US dollar reduced reported segment trade sales by approximately $13 million. Domestic sales were approximately $1,496 million, up 1.3%, or $19 million, from 2013, while international sales were approximately $467 million, up 12.0%, or $50 million, from 2013.

Segment operating profits increased by $13.7 million year over year and operating profit margins increased to 10.2% from 9.9% in 2013. The increase in segment operating profits was largely driven by strong manufacturing cost productivity improvements, a positive price/cost relationship and lower pension expense. These benefits were partially offset by inflation in labor and other costs, the impact of foreign currency translation and higher management incentive expense. The most significant driver of the improvement in segment operating profits was widespread manufacturing productivity gains that were achieved across the segment. Despite lower volume, the Company’s thermoformed plastics business saw a significant year-over-year increase in operating profits due to productivity improvements and reduced fixed costs.

Significant capital spending in the Consumer Packaging segment included numerous productivity projects and the start up of new rigid paper manufacturing facilities in Asia.

Display and Packaging

($ in millions)	2014 as Restated	2013 as Restated	% Change	
Trade sales	$666.8	$638.6	4.4	%
Segment operating profits	10.7	9.2	16.0	%
Depreciation, depletion and amortization	17.0	18.0	(5.6	)%
Capital spending	9.4	7.4	27.1	%

Trade sales were up $27.9 million year over year, reflecting volume growth in the Company's U.S. display and packaging and international contract packaging operations partially offset by foreign currency translation. Both domestic and international sales benefited from organic growth with existing customers while higher volumes in international display and packaging also reflect new business. Domestic sales increased $7 million, or 2.4%, to $293 million, while international sales increased $21 million, or 6.0%, to $374 million.

The increase in segment operating profit was driven by the higher sales volume and manufacturing productivity, partially offset by higher fixed costs incurred to support new business and international growth.

To the extent not offset by new business, the Company estimates that Display and Packaging trade sales could decline in 2015 by as much as ten percent due to a combination of volume, price and unfavorable foreign exchange rate translation. However, due to mix, the Company expects that the relative impact on segment operating profits would be less than the impact on sales.

Capital spending in the segment included numerous productivity and customer development projects in the United States and capacity expansion in Poland.

Paper and Industrial Converted Products

($ in millions)	2014	2013	% Change	
Trade sales	$1,902.4	$1,858.9	2.3	%
Segment operating profits	162.3	138.1	17.5	%
Depreciation, depletion and amortization	83.1	82.4	0.8	%
Capital spending	73.6	88.6	(16.8	)%

Although the 2014 average market costs for recovered paper in the U.S. were lower year over year, resulting in lower selling prices, average sales prices for the segment as a whole were up. Selling prices were higher in Brazil and the Andean region, primarily due to overall inflation, and were up in Europe due to the pass through of higher material costs in international markets. Volume was mixed across the segment, but gains in Europe and Asia more than offset weakness in reels and North America tubes and cores. Volume was up in Europe due to a combination of market share gains and regional expansion while Asia was up due largely to the continuing economic recovery in Thailand and growth in China. Volume in reels decreased on lower demand for steel reels used in both on- and off-shore

applications in the oil and gas industry. The impact of translation due to a stronger US dollar reduced reported segment trade sales by approximately $27 million. Total domestic sales in the segment increased $26 million, or 2.4%, to $1,090 million while international sales increased $17 million, or 2.1%, to $812 million.

Segment operating profit increased year over year as a positive price/cost relationship, improved manufacturing productivity and a net increase in volume were only partially offset by higher labor, incentives, and other costs. Lower pension and post retirement costs also contributed to the improvement as did proceeds from a legal settlement. Most of the operating profit gains occurred in North American and European paper, tubes and cores, although our Brazilian and Andean operations also showed good year over year improvements.

Significant capital spending in the segment included the modification of several paper machines, primarily in North America, Canada and Europe, and numerous productivity projects. Capital spending is net of tax credits received on energy generation equipment of $3.8 million and $21.9 million in 2014 and 2013, respectively.

Protective Solutions

($ in millions)	2014	2013	% Change
Trade sales	$484.8	$470.7	3.0 %
Operating profits	34.0	40.1	(15.2)%
Depreciation, depletion and amortization	22.8	23.1	(1.2)%
Capital spending	22.2	15.9	39.8 %

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Sales increased year over year primarily due to higher volume driven by increased demand and/or new contracts in the automotive, temperature-assurance, industrial and appliance packaging product lines.
Segment operating profit decreased year over year as the volume improvements were more than offset by an unfavorable price/cost relationship and increases in labor, overhead and other costs.
Domestic sales were $407 million in 2014, essentially unchanged from 2013, while international sales increased $12 million, or 18.0%, to $78 million.
Capital spending in the segment included the start up of a new manufacturing facility in the United States and numerous productivity and customer development projects.

Financial position, liquidity and capital resources

Cash flow

Operating activities

Cash flow from operations totaled $417.9 million in 2014 and $538.0 million in 2013, a year-over-year decrease of $(120.1) million. Higher year-over-year net income increased operating cash flows by $15.7 million, while lower pension and postretirement non-cash expenses and higher pension and postretirement cash contributions resulted in a combined year-over-year decrease in operating cash flows of $(45.4) million. Changes in working capital levels also contributed significantly to the year-over-year reduction in operating cash flows. Higher trade accounts receivable balances created a $(36.1) million year-over-year use of cash. The higher trade receivables were the result of greater levels of business activity in the latter part of 2014 compared with the latter part of 2013. Decreases in inventory provided $6.2 million of operating cash flow in 2014, compared with using $(32.5) million of cash in 2013, a year-over-year increase in operating cash flows of $38.8 million. The provision of cash in 2014 was a result of lower year-over-year inventory levels at December 31, 2014, resulting from inventory reduction initiatives in place at that time. In addition, some of the Company's businesses increased raw material inventory levels at the end of 2013 to take advantage of favorable raw material pricing. Accounts payable provided $26.9 million of cash in 2014 compared with $71.0 million in 2013, a year-over-year decrease in operating cash flows of $(44.2) million. While increased business activity during the latter part of 2014 drove accounts payable up year over year, it was not as great as the increase from 2012 to 2013. The increase during that period was greater due to raw material increases at the end of 2013 due to favorable raw material pricing. The change in the Fox River environmental reserves reflects higher year-over-year cash payments of $12.5 million, stemming from the $14.7 million funding of a proposed settlement in 2014. The negative impact on operating cash flow from cash paid for taxes was $26.7 million higher in 2014 than in 2013 due to higher pretax income, less excess tax over book depreciation primarily due to the biomass boiler project completed in 2013, and a reduction in the amount of currently deductible stock compensation expense due to fewer vested distributions occurring in 2014.
Cash flow from operations totaled $538.0 million in 2013 and $403.9 million in 2012, a year-over-year increase of $134.1 million. Higher year-over-year net income and non-cash pension and postretirement plan expenses increased operating cash flows by $25.4 million, while lower year-over-year pension and postretirement plan contributions accounted for an additional increase of $33.1 million. Changes in working capital levels also had a significant effect on year-over-year cash flows. Trade accounts receivable provided $1.0 million less cash in 2013 compared with 2012 as the level of business activity in the latter part of each year was relatively similar. Inventory increased in 2013 using $32.5 million of cash, compared with providing $17.1 million of cash in 2012, a year-over-year decrease in operating cash flows of $(49.6) million. During the fourth quarter of 2013, some of the Company's businesses increased raw material inventory levels to take advantage of favorable raw material pricing and/or built inventories in preparation for expected first-quarter demand, whereas the provision of cash in 2012 was a result of lower year-over-year inventory levels at December 31, 2012 resulting from inventory reduction initiatives in place at that time. Accounts payable provided $71.0 million of cash in 2013 compared with a $(16.0) million use of cash in 2012, a year-over-year increase in operating cash flows of $87.0 million. Accounts payable increases during 2013 were directly related to the inventory purchases in the fourth quarter and a lower year-over-year decrease in business activity during the fourth quarter in some of our businesses. Changes in Deferred Taxes provided $35.7 million of cash in 2013 compared with $17.2 million in 2012. This year-over-year change of $18.5 million resulted primarily from an increase in the exercise and distribution of vested share-based compensation awards and the benefit of accelerated depreciation on the new

biomass boiler in Hartsville, South Carolina, and other fixed assets placed into service in 2013.

Investing activities

Cash flow used by investing activities was $507.4 million in 2014, compared with $169.5 million in 2013. Cash used for acquisitions was $330.1 million higher in 2014 than 2013 as the Company acquired two businesses for a total cash cost of $334.1 million in 2014, including $323.2 million to acquire the Weidenhammer Packaging Group on October 31, 2014. Acquisition spending in 2013 totaled only $4.0 million. Capital spending was $177.1 million in 2014, compared with $172.4 million in 2013, an increase of $4.6 million. Capital spending is expected to total approximately $220 million in 2015, net of expected proceeds from dispositions.

Cash flow used by investing activities was $169.5 million in 2013, compared with $183.4 million in 2012. Capital spending was $172.4 million in 2013, compared with $214.9 million in 2012, a decrease of $42.5 million, due largely to the December 2013 completion of the biomass boiler project at our Hartsville manufacturing complex and the receipt of federal tax credit incentives related to the project which reduced our net cash outlay by $21.9 million. The favorable impact of the lower capital spending was partially offset by a $21.5 million year-over-year decrease in proceeds from the sale of assets as the prior year included proceeds from the sale of several facilities that had been closed as part of restructuring initiatives and insurance proceeds from casualty losses. Cash paid for acquisitions totaled $4.0 million in 2013 versus $0.5 million paid in the prior year. In addition, the Company paid $3.6 million in 2013 for a minority interest in a European recycling business.

Financing activities

Net cash provided by financing activities totaled $39.5 million in 2014, compared with a $515.1 million use in 2013, an increased provision of cash of $554.6 million. Net debt borrowings provided $245.2 million of cash in 2014, compared with net debt repayments using $388.4 million of cash in 2013, representing an increase in the net provision of cash of $633.6 million. The 2014 borrowings consisted primarily of a new $250 million three-year term loan used to partially fund the acquisition of the Weidenhammer Packaging Group on October 31, 2014. A portion of the debt repayments in 2013 were funded by the repatriation of approximately $260 million of cash from the Company's foreign subsidiaries. This cash was used to pay off the $135 million balance of a term loan entered into in November 2011 to fund the Tegrant acquisition and the remainder was used to pay down commercial paper. In addition, the Company utilized $117.7 million of cash on hand to fund the repayment of its 6.5% debentures upon their maturity in November 2013. Cash dividends increased 3.2% to $128.8 million in 2014 compared to $124.8 million in 2013. Net proceeds from the exercise of stock awards totaled $5.4 million in 2014, compared with $15.8 million in 2013, and the excess tax benefit of share-based compensation totaled $4.1 million in 2014, compared with $12.5 million in 2013. In addition, Sonoco acquired 2.1 million shares of its common stock in 2014 at a cost of $87.8 million, compared with 0.7 million shares in 2013 at a cost of $27.2 million. Two million of the shares purchased in 2014 were done so under a previously announced share repurchase authorization.

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Net cash used by financing activities totaled $515.1 million in 2013, compared with $27.4 million in 2012, an increased use of cash of $487.7 million. Net debt repayments used $388.4 million of cash in 2013, compared with net debt borrowings having provided $85.7 million of cash in 2012, an increased use of cash of $474.1 million. As noted above, the Company repatriated approximately $260 million of cash from its foreign subsidiaries in 2013, using the proceeds to pay off debt. In addition the Company utilized $117.7 million of cash on hand to fund the repayment of its 6.5% debentures upon their maturity in November 2013. Cash dividends increased 4.2% to $124.8 million in 2013 compared to $119.8 million in 2012. Net proceeds from the exercise of stock awards totaled $15.8 million in 2013, compared with $9.7 million in 2012, and the excess tax benefit of share-based compensation totaled $12.5 million in 2013, compared with $2.7 million in 2012. Additionally, shares acquired used $27.2 million of cash in 2013 compared to $4.2 million in 2012. The change resulted from a year-over-year increase in exercises of stock awards and $5.1 million used in 2013 to repurchase shares under an outstanding authorization.
Current assets increased year over year by $11.8 million to $1,390.2 million at December 31, 2014, and current liabilities increased by $38.2 million to $905.5 million, largely as the result of the assets acquired and liabilities assumed in the Weidenhammer acquisition. The Company’s current ratio decreased slightly to 1.54 at December 31, 2014 from 1.59 at December 31, 2013.

Contractual obligations

The following table summarizes contractual obligations at December 31, 2014:

	Payments Due In					
($ in millions)	Total	2015	2016-2017	2018-2019	Beyond 2019	Uncertain
Debt obligations	$1,253.2	$52.3	$333.0	$3.2	$864.7	$—
Interest payments[1]	976.7	50.5	94.4	92.3	739.5	—
Operating leases	170.4	45.8	64.1	34.7	25.8	—
Income tax contingencies[2]	20.2	1.5	—	—	—	18.7
Purchase obligations[3]	245.6	73.6	125.3	33.6	13.1	—
Total contractual obligations[4]	$2,666.1	$223.7	$616.8	$163.8	$1,643.1	$18.7

1 Includes interest payments on outstanding fixed-rate, long-term debt obligations, as well as financing fees on the backstop line of credit.

2 Due to the nature of this obligation, the Company is unable to estimate the timing of the cash outflows. Includes gross unrecognized tax benefits of $26.0, plus accrued interest associated with the unrecognized tax benefit of $2.8, adjusted for the deferred tax benefit associated with the future deduction of unrecognized tax benefits and the accrued interest of $7.6 and $1.0, respectively.

3 Includes only long-term contractual commitments. (Does not include short-term obligations for the purchase of goods and services used in the ordinary course of business.)

4 Excludes potential cash funding requirements of the Company’s retirement plans and retiree health and life insurance plans.

Capital resources

The Company’s cash balances are held in numerous locations throughout the world. At December 31, 2014 and 2013, approximately $118.5 million and $163.4 million, respectively, of the Company’s reported cash and cash equivalents balances of $161.2 million and $217.6 million, respectively, were held outside of the United States by its 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 current law, cash repatriated to the U.S. is 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, we have generally considered our offshore cash balances to be indefinitely invested outside the United States and, accordingly, had not provided for U.S. federal tax liability on these amounts for financial reporting purposes. The Company currently has no plans to repatriate cash balances held outside the United States. However, if any such balances were

to be repatriated, additional U.S. federal income tax payments could result. Computation of the potential deferred tax liability associated with unremitted earnings deemed to be indefinitely reinvested is not practicable. The Company utilizes a variety of tax planning and financing strategies to ensure that our worldwide cash is available in the locations where it is needed.

Under Internal Revenue Service rules, U.S. corporations may borrow funds from foreign subsidiaries for up to 30 days without unfavorable tax consequences. The Company has utilized these rules at various times in prior years to temporarily access offshore cash in lieu of issuing commercial paper. The Company did not access any offshore cash under these rules in 2014. However, depending on its immediate offshore cash needs, the Company may choose to access such funds again in the future as allowed under the rules.

The Company operates a $350 million commercial paper program, supported by a committed revolving bank credit facility of the same amount. In October 2014, the Company entered into a new credit agreement with a syndicate of eight banks for that revolving facility, together with a new $250 million three-year term loan. The revolving bank credit facility is committed through October 2019. 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. The Company had no outstanding commercial paper at December 31, 2014 or 2013.

The Company's total debt at December 31, 2014, was $1,253 million, a year-over-year increase of $272 million stemming primarily from the drawing of the new $250 million three-year term loan. The proceeds from this borrowing, along with existing cash on hand, were used to fund the acquisition of Weidenhammer Packaging Group on October 31, 2014.

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.

Acquisitions and internal investments are key elements of the Company's growth strategy. The Company believes that cash on hand, cash generated from operations and the available borrowing capacity under its existing credit agreement will enable it to support this strategy. Although the Company currently has no intent to do so, it may obtain additional financing in order to pursue its growth strategy. Although the Company believes that it has excess borrowing capacity beyond its current lines, there can be no assurance that such financing would be available or, if so, at terms that are acceptable to the Company.

The Company's various U.S and international defined benefit pension and postretirement plans were underfunded at the end of 2014 by approximately $454 million. During 2014, the Company contributed approximately $66 million to its benefit plans. The Company anticipates that

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benefit plan contributions in 2015 will total approximately $36 million. Future funding requirements will depend largely on actual investment returns and future actuarial assumptions. Participation in the U.S. qualified defined benefit pension plan is frozen for salaried and non-union hourly U.S. employees hired on or after January 1, 2004. In February 2009, the plan was further amended to freeze service credit earned effective December 31, 2018. This change is expected to moderately reduce the volatility of long-term funding exposure and expenses.

Total equity decreased $202.6 million during 2014 as net income of $240.1 million was offset by other comprehensive losses totaling $253.4 million, dividend payments of $130.0 million, and share repurchases of $87.8 million. The primary components of other comprehensive loss were a $105.5 million translation loss from the impact of a stronger U.S. dollar on the Company's foreign investments and a $142.2 million adjustment, net of tax, reflecting actuarial losses in the Company's various defined benefit plans resulting from lower discount rates and new mortality assumptions. Total equity increased $222.1 million during 2013, as net income of $220.4 million and other comprehensive income totaling $116.4 million were partially offset by dividend payments of $126.4 million. The primary components of other comprehensive income were a $29.3 million translation loss from the impact of a stronger U.S. dollar on the Company's foreign investments and a $139.2 million net defined benefit plan adjustment reflecting actuarial gains in the Company's various defined benefit plans, which resulted primarily from higher discount rates and higher than expected returns on plan assets.

The Company's Board of Directors has authorized the repurchase of up to 5 million shares of the Company's common stock. During 2014, a total of 2.0 million shares were repurchased at a cost of $82.4 million. In the previous year, a total of 132.5 thousand shares were repurchased at a cost of $5.1 million. Accordingly, at December 31, 2014, a total of 2.87 million shares remain authorized for repurchase. The Company currently does not intend to repurchase additional shares under this authorization in 2015.

Although the ultimate determination of whether to pay dividends is within the sole discretion of the Board of Directors, the Company plans to increase dividends as earnings grow. Dividends per common share were $1.27 in 2014, $1.23 in 2013 and $1.19 in 2012. On February 11, 2015, the Company declared a regular quarterly dividend of $0.32 per common share payable on March 10, 2015, to shareholders of record on February 10, 2015.

Off-balance sheet arrangements

The Company had no material off-balance sheet arrangements at December 31, 2014.

Risk management

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 facilities are spread throughout the world, and the Company generally sells in the same countries where it produces. 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 and cultural risks, but the risks are mitigated by diversification and the relative stability of the countries in which the Company has significant operations.

In January 2003, the Venezuelan government suspended the free exchange of bolivars (BsF) for foreign currency. Since 2003, the only consistent mechanism potentially available to the Company for exchanging currency has been via the central bank at the official rate. The official rate has been devalued significantly from 1.6 BsF/US$ in January 2003 to 6.3 BsF/US$ presently and access to U.S dollars at the official rate is extremely limited. Since January 1, 2010, the Company has considered Venezuela to be a hyperinflationary economy and has accounted for its operations accordingly. Due to actions taken over the past year, in addition to the official rate, the Venezuelan government now supports two alternative foreign exchange mechanisms. However, due to program limitations preventing the Company's participation and/or a lack of transparency, the Company continues to use the official rate to report the results of its operations in Venezuela. At December 31, 2014, the indicated exchange rates under these alternative mechanisms were 12.0 BsF/US$ and 50.0 BsF/US$ and may represent more realistic rates at which the Company could expect to convert its BsF denominated monetary assets and liabilities into dollars. If the Company were to begin reporting the results of its operations in Venezuela using 12.0 BsF/US$ or 50.0 BsF/US$, it would report a translation loss of approximately $2 million or $4 million, respectively. In addition, the use of a significantly less advantageous exchange rate mechanism than the official rate may also result in an impairment charge related to non-recoverability

of other assets such as inventory and property and equipment. The Company will continue to monitor developments regarding these, or other, alternative mechanisms and assess if a rate other than the official rate would be appropriate for remeasuring reported financial results. Annual net sales in Venezuela are approximately $23 million. The Company's total net investment in Venezuela is $14 million, of which $8 million is exposed to translation gains/losses due to changes in the exchange rate.

The Company is exposed to interest-rate fluctuations as a result of using debt as a source of financing for its operations. The Company may, from time to time, use traditional, unleveraged interest-rate swaps to manage its mix of fixed and variable rate debt and to control its exposure to interest rate movements within select ranges.

The Company is a purchaser of various raw material inputs such as recovered paper, energy, steel, aluminum and plastic resin. The Company generally does not engage in significant hedging activities for these purchases, other than for energy and, from time to time, aluminum, because there is usually a high correlation between the primary input costs and the ultimate selling price of its products. Inputs are generally purchased at market or at fixed prices that are established with individual vendors as part of the purchase process for quantities expected to be consumed in the ordinary course of business. On occasion, where the correlation between selling price and input price is less direct, the Company may enter into derivative contracts such as futures or swaps to manage the effect of price fluctuations.

At December 31, 2014, the Company had derivative contracts outstanding to hedge the price on a portion of anticipated commodity and energy purchases as well as to hedge certain foreign exchange risks for various periods through March 2016. These contracts included swaps to hedge the purchase price of approximately 5.2 MMBTUs of natural gas in the U.S. and Canada representing approximately 79% and 5% of anticipated natural gas usage for 2015 and 2016, respectively. Additionally, the Company had swap contracts covering 2,648 metric tons of aluminum, representing approximately 33% of anticipated usage for 2015. The aluminum hedges relate to fixed-price customer contracts. At December 31, 2014, the Company had a number of foreign currency contracts in place for both designated and undesignated hedges of either anticipated foreign currency denominated transactions or existing financial assets and liabilities. At December 31, 2014, the total notional amount of these contracts, in U.S. dollar terms, was $167 million, of which $76 million related to the Canadian dollar, $43 million to the Mexican peso, $18 million to the Colombian peso, $14 million to the euro; $7 million to the Australian dollar; and $9 million to all other currencies.

The total fair market value of the Company's derivatives was in a net unfavorable position of $10.7 million at December 31, 2014, and a net unfavorable position of $0.1 million at December 31, 2013. Derivatives are marked to fair value using published market prices, if available, or using estimated values based on current price quotes and a discounted cash flow model. See Note 10 to the Consolidated Financial Statements for more information on financial instruments.

The Company is subject to various federal, state and local environmental laws and regulations concerning, among other matters, solid waste disposal, wastewater effluent and air emissions. Although the costs of compliance have not been significant due to the nature of the materials and processes used in manufacturing operations, such laws also make generators of hazardous wastes and their legal successors financially responsible for the cleanup of sites contaminated by those wastes. The Company has been named a potentially responsible party at several

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environmentally contaminated sites. These regulatory actions and a small number of private party lawsuits are believed to represent the Company's largest potential environmental liabilities. The Company has accrued $59.3 million (including $37.8 million associated with U.S. Mills) at December 31, 2014, compared with $73.0 million at December 31, 2013 (including $52.1 million associated with U.S. Mills), with respect to these sites. See "Environmental Charges," Item 3 – Legal Proceedings and Note 15 to the Consolidated Financial Statements for more information on environmental matters.

Results of operations – 2013 versus 2012

Consolidated net sales for 2013 were $4.86 billion, a $48 million, or 1.0%, increase from 2012.

The components of the sales change were:

($ in millions)	
Volume/Mix	$54
Selling price	30
Acquisitions/Divestitures	(7)
Currency exchange rate/Other	(29)
Total sales increase	$48

Volume was up in nearly all of the Company's businesses outside of the Consumer Packaging segment. For the most part, price changes for the Company's products are driven by changes in the underlying product costs. Of the selling price gains, approximately 70% came in Paper and Industrial Converted Products, where prices increased in response to higher recovered paper prices. The majority of the remaining gains came in the Consumer Packaging segment, primarily reflecting contract price resets to pass through higher paper and tinplate steel costs, and, to a lesser extent, higher film and resin costs. Included in Other is a $31 million reduction due to the Company's decision to exit the recycled fiber trading business in Europe. Total domestic sales were $3.2 billion, up 2% from 2012 levels. International sales were $1.6 billion, essentially flat with 2012.

Costs and expenses

Cost of sales increased in 2013 by $26.0 million, or 0.7%, from 2012. The higher cost of sales was less than the 1.0% increase in sales, reflecting the benefits of higher volume and productivity gains as well as the ability for most of our businesses to increase prices in 2013 in line with, or somewhat more than, the increases in the direct costs of materials, energy and freight. Gross profit margins improved to 17.7% in 2013 from 17.4% in 2012. Higher average market prices for recovered paper increased costs in our industrial businesses, while Consumer Packaging was negatively impacted by higher resin, tinplate steel and other costs. The benefits of a positive price/cost relationship and productivity improvements were partially offset by higher labor, pension and other costs.

In 2013, aggregate pension and postretirement expenses increased $9.1 million to $62.0 million, versus $52.9 million in 2012. Approximately 75% of these expenses were reflected in cost of sales, with the balance in selling, general and administrative expenses. The higher expense was primarily the result of higher actuarial loss amortization due to lower discount rates.

Selling, general and administrative expenses increased $23.5 million, or 5.1%, and were 10.0% of sales compared to 9.6% of sales in 2012. The increase as a percent of sales was driven primarily by higher incentive and pension costs with the total dollar increase also reflecting wage and general inflation and higher volume-driven costs such as commissions. Base earnings before interest and income taxes were 7.7% of sales in 2013 compared to 7.7% in 2012, this percentage was flat year-over-year as gross margin improvements discussed above were offset by higher costs discussed above.

Restructuring and restructuring related asset impairment charges totaled $25.0 million and $32.9 million in 2013 and 2012, respectively. Additional information regarding restructuring actions and impairments is provided in Note 5 to the Company's Consolidated Financial Statements.

Research and development costs, all of which were charged to expense, were $20.1 million in 2013 and $20.2 million in 2012.

Net interest expense totaled $56.7 million for the year ended December 31, 2013, compared with $60.0 million in 2012. The decrease was due primarily to lower average debt levels stemming from the repayment of debt using repatriated offshore cash in early 2013.

Reportable segments

Consolidated operating profits, also referred to as "Income before interest and income taxes" on the Consolidated Statements of Income, are comprised of the following:

($ in millions)	2013 as Restated	2012 as Restated	% Change
Segment operating profit			
Consumer Packaging	$186.9	$175.8	6.3 %
Display and Packaging	9.2	17.3	(46.6)%
Paper and Industrial Converted Products	138.1	141.4	(2.3)%
Protective Solutions	40.1	36.9	8.6 %
Restructuring/Asset impairment charges	(25.0)	(32.9)	(23.8)%
Acquisition-related costs	(0.5)	(0.3)	55.6 %
Property insurance gains	0.7	4.8	(85.4)%
Consolidated operating profits	$349.4	$343.0	1.9 %

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Consumer Packaging

($ in millions)	2013 as Restated	2012 as Restated	% Change
Trade sales	$1,893.5	$1,912.6	(1.0)%
Segment operating profits	186.9	175.8	6.3 %
Depreciation, depletion and amortization	74.1	75.6	(1.9)%
Capital spending	48.8	58.3	(16.3)%

Sales decreased in 2013 from the previous year due primarily to lower volume in rigid paper and plastic containers, a significant driver of which was lower demand for our customers' products, partially offset by gains in flexible packaging. Demand for certain of the company's metal-end products declined due to customer transitions to other formats and insourcing. In addition, demand for certain of the segment's products, particularly those used for frozen food, declined as the effect of higher agricultural commodity costs on retail prices weighed down consumer spending on packaged food. Selling prices were mixed, but slightly higher for the segment as whole. Prices were higher in both rigid paper and plastic containers, reflecting the pass through of higher costs relative to the prior year. The benefit to trade sales of higher selling prices was largely offset by the impact of foreign exchange rates. Domestic sales in 2013 were approximately $1,477 million, up 0.8%, or $12 million, from 2012, while international sales were approximately $417 million in 2013, down 7.0%, or $31 million, from 2012.

Segment operating profits in 2013 increased by $11.1 million over 2012 and operating profit margins increased to 9.9% in 2013 from 9.2% in 2012. The increase in segment operating profits was largely driven by strong manufacturing cost productivity improvements, lower fixed costs due to restructuring and cost control actions, and a positive price/cost relationship. These benefits were partially offset by higher pension expense and inflation in labor and other costs. Nearly half of the improvement in segment operating profits was attributable to higher volume and a more profitable mix of business in the Company's flexible packaging operations. Despite lower volume, the Company's thermoformed plastics business saw a significant year-over-year increase in operating profits due to strong productivity improvements and reduced fixed costs.

Significant capital spending in the Consumer Packaging segment included spending on projects to increase rigid paper, flexible packaging, and blowmolding production capacity, numerous productivity projects, and the start up of a new rigid paper container manufacturing facility in Poland.

Display and Packaging

($ in millions)	2013 as Restated	2012 as Restated	% Change
Trade sales	$638.6	$608.6	4.9 %
Segment operating profits	9.2	17.3	(46.6)%
Depreciation, depletion and amortization	18.0	15.8	14.6 %
Capital spending	7.4	9.2	(19.1)%

Trade sales in 2013 were up $30.0 million over 2012, reflecting volume growth in the Company's U.S. display and packaging and international contract packaging operations along with a positive impact from foreign currency translation. Both domestic and international sales benefited from organic growth with existing customers while higher volumes in U.S. display and packaging also reflect the addition of a major new customer. Demand for the Company's retail security packaging products continued to be weak with a decrease in volume, slightly offset by increased pricing. Domestic sales increased $20 million, or 7.7%, in 2013 to $286 million, while international sales increased $10 million, or 2.6%, to $353 million.

The significant year-over-year decrease in segment operating profit was driven by operating and productivity issues in our contract packaging center in Mexico and weaker results in retail security packaging. In addition, the segment incurred higher fixed costs to support the major new customer in the U.S. and international growth in Brazil and Poland. These cost increases were slightly offset by higher sales volume in display and packaging,

Capital spending in the segment included numerous productivity and customer development projects in the United States and capacity expansion in Poland.

Paper and Industrial Converted Products

($ in millions)	2013	2012	% Change
Trade sales	$1,858.9	$1,840.8	1.0 %
Segment operating profits	138.1	141.4	(2.3)%
Depreciation, depletion and amortization	82.4	83.3	(1.1)%
Capital spending	88.6	112.3	(21.1)%

Higher selling prices, primarily due to higher average market costs for old corrugated containers (OCC), and higher volumes in the majority of the segment's operations accounted for nearly all of the reported increase in segment trade sales in 2013. Partially offsetting these gains was a $31 million reduction in trade sales due to the Company's decision to exit its European recycled fiber trading business. Due to relatively low margins, this decision had little effect on segment operating profits. Most of the segment's volume gains occurred in its North American paper and recycling operations and Asian tube and core operations. These gains were partially offset by lower reels volume and the impact of exchange rates. Volume in reels decreased on lower demand for steel reels due to a variety of factors that worked to reduce capital spending by the Company's customers, one-time orders in 2012 that did not repeat, and a weaker market for nailed wood reels. Total domestic sales in the segment increased $45 million, or 4.4%, in 2013 to $1,064 million while international sales decreased $27 million, or 3.3%, to $795 million, with approximately $9 million of the decrease a result of unfavorable foreign exchange rate changes.

Segment operating profit decreased year over year as higher labor, incentives, pension and other costs more than offset higher volume, improved productivity and a modest overall positive price/cost relationship. Operating profit improvements in North American paper and recycling

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and Asian converted products were largely offset by operating profit declines in North American tubes and cores and South American paper and converted products as well as higher segment overhead costs. Despite the decline in volume, operating profits in reels was flat year over year.
Significant capital spending in the segment included final installation work on the new biomass boiler, the modification of several paper machines, primarily in North America and Europe, and numerous productivity projects. Capital spending in 2013 is net of $21.9 million in tax credits received on the biomass boiler.

Protective Solutions

($ in millions)	2013	2012	% Change	
Trade sales	$470.7	$451.5	4.2	%
Operating profits	40.1	36.9	8.6	%
Depreciation, depletion and amortization	23.1	25.8	(10.3	)%
Capital spending	15.9	8.9	79.0	%

Sales increased year over year primarily due to higher volume in each of the segment's businesses. Most of the volume improvement was driven by increased demand and/or new contracts in the automotive, industrial and appliance packaging product lines.
Segment operating profit increased year over year as higher volume and strong productivity gains were partially offset by an unfavorable change in the mix of business and higher labor and other costs.
Domestic sales decreased $12 million, or 2.9%, to $405 million, while international sales increased $31 million, or 88.6%, to $66 million.
Capital spending in the segment included the start up of a new manufacturing facility in Mexico and numerous productivity and customer development projects.

Critical accounting policies and estimates

Management’s discussion and analysis of the Company’s financial condition and results of operations are based upon the Company’s Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company evaluates these estimates and assumptions on an ongoing basis, including but not limited to those related to inventories, bad debts, derivatives, income taxes, intangible assets, restructuring, pension and other postretirement benefits, environmental liabilities, and contingencies and litigation. Estimates and assumptions are based on historical and other factors believed to be reasonable under the circumstances. The results of these estimates may form the basis of the carrying value of certain assets and liabilities and may not be readily apparent from other sources. Actual results could differ from those estimates. The impact of and any associated risks related to estimates, assumptions and accounting policies are discussed in Management’s Discussion and Analysis of Financial Condition and Results of Operations, as well as in the Notes to the Consolidated Financial Statements, if applicable, where such estimates, assumptions and accounting policies affect the Company’s reported and expected financial results.
The Company believes the accounting policies discussed in the Notes to the Consolidated Financial Statements included in Item 8 of this amended Annual Report on Form 10-K/A are critical to understanding the results of its operations. The following discussion represents those policies that involve the more significant judgments and estimates used in the preparation of the Company’s Consolidated Financial Statements.

Impairment of long-lived, intangible and other assets

Assumptions and estimates used in the evaluation of potential impairment can result in adjustments affecting the carrying values of long-lived, intangible and other assets and the recognition of impairment expense in the Company’s Consolidated Financial Statements. The Company evaluates its long-lived assets (property, plant and equipment), definite-lived intangible assets and other assets (including notes receivable and equity investments) for impairment whenever indicators of impairment exist, or when it commits to sell the asset. If the sum of the undiscounted expected future cash flows from a long-lived asset or definite-lived intangible asset group is less than the carrying value of that

asset group, an asset impairment charge is recognized. Key assumptions and estimates used in the cash flow model generally include price levels, sales growth, profit margins and asset life. The amount of an impairment charge, if any, is calculated as the excess of the asset's carrying value over its fair value, generally represented by the discounted future cash flows from that asset or, in the case of assets the Company evaluates for sale, as estimated proceeds less costs to sell. The Company takes into consideration historical data and experience together with all other relevant information available when estimating the fair values of its assets. However, fair values that could be realized in actual transactions may differ from the estimates used to evaluate impairment. In addition, changes in the assumptions and estimates may result in a different conclusion regarding impairment.

Impairment of goodwill

In accordance with ASC 350, the Company assesses its 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. If the carrying value of a reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment charge is recognized for the excess. The Company's reporting units are one level below its operating segments, as determined in accordance with ASC 350.

The Company completed its most recent annual goodwill impairment testing during the third quarter of 2014. In its testing, the Company estimated the fair values of all of its reporting units utilizing both an income approach and a market approach, while giving consideration to certain qualitative factors including such things as the macroeconomic environment, Company stock price and market capitalization movement, business strategy changes, and significant customer wins and losses. As a result of this testing, the Company concluded that there was no impairment of goodwill for any of its reporting units.

When the Company estimates the fair value of its reporting units, it does so using a discounted cash flow model based on projections of future years' operating results and associated cash flows, together with comparable trading and transaction multiples. The Company's model discounts projected future cash flows, forecasted over a ten-year period, with an estimated residual growth rate. The Company's projections incorporate management's best estimates of the expected future results, including significant assumptions and estimates related to, among other things: sales volumes and prices, new business, profit margins, income taxes, capital expenditures and changes in working capital requirements and, where applicable, improved operating margins. Projected future cash flows are discounted to present value using a discount rate management believes is commensurate with the risks inherent in the cash flows.

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The Company's assessments, whether qualitative or quantitative, incorporate management's expectations for the future, including forecasted growth rates and/or margin improvements. Therefore, should there be changes in the relevant facts and circumstances and/or expectations, management's assessment regarding goodwill impairment may change as well. Management's projections related to revenue growth and/or margin improvements are based on a combination of factors, including expectations for volume growth with existing customers, product expansion, improved price/cost relationship, productivity gains, fixed cost leverage, improvement in general economic conditions, increased operational capacity, and customer retention.

In considering the level of uncertainty regarding the potential for goodwill impairment, management has concluded that any such impairment would likely be the result of adverse changes in more than one assumption. Management does not consider any of its assumptions to be either aggressive or conservative, but rather its best estimate based on available evidence at the time of the assessment. Other than in Display and Packaging, which is discussed below, there is no specific singular event or change in circumstances management has identified that it believes could reasonably result in a change to expected future results in any of its reporting units sufficient to result in goodwill impairment. In management's opinion, a change of such magnitude would more likely be the result of changes to some combination of the factors identified above, a general deterioration in competitive position, introduction of a superior technology, significant unexpected changes in customer preferences, an inability to pass through significant raw material cost increases, and other such items as identified in "Item 1A. Risk Factors" in this amended Annual Report on Form 10-K/A.

Although no reporting units failed the testing noted above, in management's opinion, the reporting units having the greatest risk of future impairment if actual results fall significantly short of expectations are Plastics - Blowmolding, Display and Packaging, and Tubes and Cores/Paper - Brazil. Total goodwill associated with these reporting units was approximately $122 million, $205 million and $3 million, respectively, at December 31, 2014.

Plastics – Blowmolding manufactures blow-molded plastic containers primarily for use in nonfood applications. This reporting unit is the result of the purchase of Matrix Packaging in May 2007, which was acquired to be a growth platform for the Company and to provide an avenue into the health and beauty market. Although operating results since that time have often lagged expectations, in order for the unit to achieve its growth potential the Company has continued to invest significantly in the business. As a result, current projections for this reporting unit reflect revenue growth as well as improvements in operating margins due largely to expected execution improvements. Sales growth is expected to be driven by the continued return of volume that was shifted to competitors in 2013 due to temporary production down time, new business from key nonfood customers, expansion into more food-based applications and collaboration with large-scale packaging service providers. Margins are expected to improve largely as a result of future productivity improvements and the leveraging of new sales volume. Should the sales growth and/or margin improvements not materialize, a goodwill impairment charge may be incurred. Based on the valuation work performed for the 2014 test, the estimated fair value of Plastics - Blowmolding exceeded its carrying value by approximately 32%. This is an increase from the prior year due to improvements in current and projected operating results, partially offset by an increase in the discount rate utilized in the analysis.

Display and Packaging designs, manufactures, assembles, packs and distributes temporary, semipermanent and permanent point-of-purchase displays; provides supply chain management services, including contract packing, fulfillment and scalable service centers; and manufactures retail packaging, including printed backer cards, thermoformed blisters and heat sealing equipment. Management expects that this unit will experience price pressure and customer turnover during the next 12 to 24 months which, in turn, could pressure overall profitability and profit margins. However, management expects that new business, partially driven by synergies between retail packaging manufacturing and packaging services, and productivity gains will more than offset those negatives. In addition, a large portion of sales in this unit is concentrated in one customer. Management expects to retain this business; however, if a significant amount is lost and not replaced, or the expected synergies and productivity gains are not realized, it is possible that a goodwill impairment charge may be incurred. Total goodwill associated with this reporting unit was approximately $205 million at December 31, 2014. Based on the valuation work performed for the 2014 test, the estimated fair value of Display and Packaging exceeded its carrying value by approximately 19%.

Tube and Cores/Paper - Brazil manufactures paperboard tubes and cores, fiber-based construction tubes and forms, and recycled paperboard and linerboard. Weakness in the Brazilian economy, together with rising input costs and strong price competition, put pressure on this unit's operating results in 2014. Planned investments in production capacity of both paper and tubes and cores, as well as new product development and productivity projects, are expected to drive top line growth and improved profit margins in this reporting unit over the next 12 to 24 months. Management expects this unit to grow significantly above Brazil GDP levels in 2015 and then track GDP in the following years. Control of fixed costs will be a major focus area and improved productivity is expected to be needed to offset inflation. Should the sales growth and/or margin improvements not materialize, a goodwill impairment charge may be incurred. Based on the valuation work performed for the current year test, the estimated fair value of Tubes and Cores/Paper - Brazil exceeded its carrying value by approximately 67%.

In its 2014 analysis, projected future cash flows were discounted at 9.9%, 10.2% and 8.2% for Plastics - Blowmolding, Display and Packaging and Tubes and Cores/Paper - Brazil, respectively. Holding other valuation assumptions constant, Plastics - Blowmolding projected operating profits across all future periods would have to be reduced approximately 21%, or the discount rate increased to 12.0%, in order for the estimated fair value to fall below the reporting unit’s carrying value. The corresponding percentages for Display and Packaging are 15% and 11.5% and for Tubes and Cores/Paper - Brazil, 34% and 12.0%.

The restatement of historical financial results for the Company's Display and Packaging business discussed in Note 2 was considered a triggering event resulting in a reassessment of the most recent annual impairment test for the Display and Packaging reporting unit completed in the third quarter of 2014. Accordingly, the Company reperformed the impairment analysis for this reporting unit taking into consideration the restated financial data and concluded that goodwill in the Display and Packaging reporting unit was not impaired. During the time subsequent to the annual evaluation, and at December 31, 2014, the Company considered whether any other events and/or changes in circumstances had resulted in the likelihood that the goodwill of any of its reporting units may have been impaired. It is management’s opinion that no other such events have occurred.

Income taxes

The Company follows ASC 740, Accounting for Income Taxes, which requires a reduction of the carrying amounts of deferred tax assets by recording a valuation allowance if, based on the available evidence, it is more likely than not such assets will not be realized. Deferred tax assets generally represent expenses that have been recognized for financial reporting purposes, but for which the corresponding tax deductions will occur in future periods. The valuation of deferred tax assets requires judgment in assessing the likely future tax consequences of events that have been recognized in our financial statements or tax returns and future profitability. Our accounting for deferred tax consequences represents our best estimate of those future events. Changes in our current estimates, due to unanticipated events or otherwise, could have a material impact on our financial condition and results of operations.

For those tax positions where it is more likely than not that a tax benefit will be sustained, the Company has recorded the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority having full knowledge of all

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relevant information. For those positions not meeting the more-likely-than-not standard, no tax benefit has been recognized in the financial statements. Associated interest has also been recognized, where applicable.

The estimate for the potential outcome of any uncertain tax issue is highly judgmental. The Company believes it has adequately provided for any reasonably foreseeable outcome related to these matters. 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 limitations on potential assessments expire. Additionally, the jurisdictions in which earnings or deductions are realized may differ from current estimates. As a result, the eventual resolution of these matters could have a different impact on the effective rate than currently reflected or expected.

Stock-based compensation plans

The Company utilizes share-based compensation in the form of stock appreciation rights, restricted stock units and other share-based awards. Certain awards are in the form of contingent stock units where both the ultimate number of units and the vesting period are performance based. The amount and timing of compensation expense associated with these performance-based awards are based on estimates regarding future performance using measures defined in the plans. In 2014, the performance measures consisted of Earnings per Share and Return on Net Assets Employed. Changes in estimates regarding the future achievement of these performance measures may result in significant fluctuations from period to period in the amount of compensation expense reflected in the Company’s Consolidated Financial Statements.

The Company uses an option-pricing model to determine the grant date fair value of its stock options and stock appreciation rights. Inputs to the model include a number of subjective assumptions. Management routinely assesses the assumptions and methodologies used to calculate estimated fair value of share-based compensation. Circumstances may change and additional data may become available over time that results in changes to these assumptions and methodologies, which could materially impact fair value determinations.

Pension and postretirement benefit plans

The Company has significant pension and postretirement benefit liabilities and costs that are measured using actuarial valuations. The actuarial valuations employ key assumptions that can have a significant effect on the calculated amounts. The key assumptions used at December 31, 2014, in determining the projected benefit obligation and the accumulated benefit obligation for U.S. retirement and retiree health and life insurance plans include: discount rates of 4.19% and 3.88% for the active and inactive qualified retirement plans, respectively, 3.85% for the nonqualified retirement plans, and 3.52% for the retiree health and life insurance plan; and rates of compensation increases ranging from 3.42% to 6.24%. The key assumptions used to determine 2014 net periodic benefit cost for U.S. retirement and retiree health and life insurance plans include: discount rates of 5.08% and 4.62% for the active and inactive qualified retirement plans, respectively, 4.55% for the nonqualified retirement plans, and 4.03% for the retiree health and life insurance plan; an expected long-term rate of return on plan assets of 7.85% and 7.55% for the active and inactive qualified retirement plans, respectively; and rates of compensation increases ranging from 3.44% to 5.92%.

During 2014, the Company recorded total pension and postretirement benefit expenses of approximately $40.4 million, compared with $61.9 million during 2013. The 2014 amount reflects $94.8 million of expected returns on plan assets at an average assumed rate of 7.2% and interest cost of $74.5 million at a weighted-average discount rate of 4.7%. The 2013 amount reflects $88.1 million of expected returns on plan assets at an average assumed rate of 7.2% and interest cost of $68.2 million at a weighted-average discount rate of 4.0%. During 2014, the Company made contributions to its pension and postretirement plans of $65.9 million. In the prior year, the Company made contributions to its pension and postretirement plans totaling $42.0 million. Contributions vary from year to year depending on various factors, the most significant being the market value of assets and interest rates. Cumulative net actuarial losses were approximately $723 million at December 31, 2014, and are primarily the result of low discount rates and the poor asset performance in 2008. Actuarial losses/gains outside of the 10% corridor defined by U.S. GAAP are amortized over the average remaining service life of the plan’s active participants or the average remaining life expectancy of the plan’s inactive participants (if all, or almost all, of the plan’s participants are inactive).

Expected mortality is a key assumption in the measurement of the Company's pension and postretirement obligations. New actuarial tables were approved by the Society of Actuaries in the fourth quarter of 2014 and were adopted by the Company effective with the December 31, 2014 valuation of its domestic pension and postretirement plan obligations.

The new tables reflect longer life expectancies than projected by the previously used tables and represent a better estimate of the expected duration of future benefit payments.

The Company is projecting total benefit plan expense in 2015 to be approximately $13 million higher than in 2014 due primarily to higher amortization expense as a result of actuarial losses recorded in 2014. These actuarial losses were driven by lower discount rates and the new mortality assumptions.

The Company adjusts its discount rates at the end of each fiscal year based on yield curves of high-quality debt instruments over durations that match the expected benefit payouts of each plan. The expected rate of return assumption is derived by taking into consideration the targeted plan asset allocation, projected future returns by asset class and active investment management. A third party asset return model was used to develop an expected range of returns on plan investments over a 12- to 15-year period, with the expected rate of return selected from a best estimate range within the total range of projected results. The Company periodically rebalances its plan asset portfolio in order to maintain the targeted allocation levels. The rate of compensation increase assumption is generally based on salary and incentive increases. A key assumption for the U.S. retiree health and life insurance plan is a medical cost trend rate beginning at 8.0% for post-age 65 participants and trending down to an ultimate rate of 5.6% in 2044. The ultimate trend rate of 5.6% represents the Company’s best estimate of the long-term average annual medical cost increase over the duration of the plan’s liabilities. It provides for real growth in medical costs in excess of the overall inflation level.

Other assumptions and estimates impacting the projected liabilities of these plans include inflation, participant withdrawal and mortality rates and retirement ages. The Company annually re-evaluates assumptions used in projecting the pension and postretirement liabilities and associated expense. These judgments, assumptions and estimates may affect the carrying value of pension and postretirement plan net assets and liabilities and pension and postretirement plan expenses in the Company’s Consolidated Financial Statements.

The sensitivity to changes in the critical assumptions for the Company’s U.S. plans as of December 31, 2014, is as follows:

Assumption ($ in millions)	Percentage Point Change	Projected Benefit Obligation Higher/(Lower)	Annual Expense Higher/ (Lower)
Discount rate	-.25 pts	$51.1	$2.8
Expected return on assets	-.25 pts	N/A	$2.6

See Note 13 to the Consolidated Financial Statements for additional information on the Company’s pension and postretirement plans.

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Recent accounting pronouncements

Information regarding recent accounting pronouncements is provided in Note 3 to the Consolidated Financial Statements included in Item 8 of this amended Annual Report on Form 10-K/A.

Item 8. Financial statements and supplementary data

The Consolidated Financial Statements and Notes to the Consolidated Financial Statements are provided on pages F-1 through F-55 of this report. Selected quarterly financial data is provided in Note 19 to the Consolidated Financial Statements included in this amended Annual Report on Form 10-K/A.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and directors of Sonoco Products Company:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, comprehensive income, changes in total equity and cash flows present fairly, in all material respects, the financial position of Sonoco Products Company and its subsidiaries at December 31, 2014 and December 31, 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Management and we previously concluded that the Company maintained effective internal control over financial reporting as of December 31, 2014. However, management has subsequently determined that material weaknesses in internal control over financial reporting existed as of that date. The material weaknesses related to ineffectively designed transaction level and business performance review controls at the Company’s contract packaging operations; ineffectively designed controls over the completeness and accuracy of financial information accumulated from international locations; ineffectively designed controls over the recording and review of journal entries at international locations; and ineffectively designed business performance reviews at certain domestic locations. These material weaknesses contributed to an additional material weakness as the Company did not effectively design controls in response to the risks of material misstatement. Accordingly, management’s report has been restated and our present opinion on internal control over financial reporting, as presented herein, is different from that expressed in our previous report. In our opinion, the Company did not maintain, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on criteria established in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) because material weaknesses in internal control over financial reporting existed as of that date. The material weaknesses related to improperly designed transaction level and business performance review controls at the Company’s contract packaging operations; ineffectively designed controls over the completeness and accuracy of financial information accumulated from international locations; ineffectively designed controls over the recording and review of journal entries at international locations; and ineffectively designed business performance reviews at certain domestic locations. These material weaknesses contributed to an additional material weakness as the Company did not effectively design controls in response to the risks of material misstatement. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. The material weaknesses referred to above are described in Management's Report on Internal Control over Financial Reporting (restated) appearing under Item 9A. We considered these material weaknesses in determining the nature, timing, and extent of audit tests applied in our audit of the 2014 consolidated financial statements and our opinion regarding the effectiveness of the Company’s internal control over financial reporting does not affect our opinion on the consolidated financial statements. The Company's management is responsible for these financial statements and the financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in management's report referred to above. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company’s internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk

that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Note 2 to the consolidated financial statements, the Company has restated its 2014, 2013 and 2012 consolidated financial statements to correct misstatements.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

As described in Management's Report on Internal Control over Financial Reporting appearing under Item 9A, management has excluded Weidenhammer Packaging Group (Weidenhammer) from its assessment of internal control over financial reporting as of December 31, 2014 because it was acquired by the Company in a purchase business combination during 2014. We have also excluded Weidenhammer from our audit of internal control over financial reporting. Weidenhammer is a wholly-owned subsidiary whose total assets and total revenues represent 9.3% and 1.0%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2014.

Charlotte, North Carolina
March 2, 2015, except for the effects on the consolidated financial statements of the restatement described in Note 2, the goodwill measurement period adjustment described in Note 4, and the matter described in the second paragraph of Management's Report on Internal Control over Financial Reporting, as to which the date is August 25, 2015

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CONSOLIDATED BALANCE SHEETS
Sonoco Products Company

(Dollars and shares in thousands) At December 31	2014 as Restated	2013 as Restated
Assets		
Current Assets		
Cash and cash equivalents	$161,168	$217,567
Trade accounts receivable, net of allowances of $8,547 in 2014 and $9,771 in 2013	653,737	614,053
Other receivables	38,580	38,995
Inventories		
Finished and in process	151,150	157,072
Materials and supplies	269,126	252,531
Prepaid expenses	61,071	60,214
Deferred income taxes	38,957	39,406
	1,373,789	1,379,838
Property, Plant and Equipment, Net	1,148,607	1,021,920
Goodwill	1,177,962	1,099,207
Other Intangible Assets, Net	280,935	243,920
Long-term Deferred Income Taxes	45,442	61,232
Other Assets	167,176	168,406
Total Assets	$4,193,911	$3,974,523
Liabilities and Equity		
Current Liabilities		
Payable to suppliers	$517,228	$496,924
Accrued expenses and other	256,566	271,288
Accrued wages and other compensation	77,520	69,671
Notes payable and current portion of long-term debt	52,280	35,201
Accrued taxes	8,599	8,649
	912,193	881,733
Long-term Debt	1,200,885	946,257
Pension and Other Postretirement Benefits	444,231	263,718
Deferred Income Taxes	91,157	128,006
Other Liabilities	41,598	48,760
Commitments and Contingencies		
Sonoco Shareholders' Equity		
Serial preferred stock, no par value		
Authorized 30,000 shares		
0 shares issued and outstanding as of December 31, 2014 and 2013		
Common shares, no par value		
Authorized 300,000 shares		
100,603 and 102,147 shares issued and outstanding at December 31, 2014 and 2013, respectively	7,175	7,175
Capital in excess of stated value	396,980	457,190
Accumulated other comprehensive loss	(608,851)	(369,869)
Retained earnings	1,692,891	1,596,965
Total Sonoco Shareholders' Equity	1,488,195	1,691,461
Noncontrolling Interests	15,652	14,588
Total Equity	1,503,847	1,706,049

Total Liabilities and Equity	$4,193,911	$3,974,523

The Notes beginning on page F-7 are an integral part of these financial statements.

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CONSOLIDATED STATEMENTS OF INCOME
Sonoco Products Company

(Dollars and shares in thousands except per share data) Years ended December 31	2014 as Restated	2013 as Restated	2012 as Restated
Net sales	$5,016,994	$4,861,657	$4,813,571
Cost of sales	4,109,108	4,000,013	3,974,007
Gross profit	907,886	861,644	839,564
Selling, general and administrative expenses	506,996	487,171	463,715
Restructuring/Asset impairment charges	22,792	25,038	32,858
Income before interest and income taxes	378,098	349,435	342,991
Interest expense	55,140	59,913	64,114
Interest income	2,749	3,187	4,129
Income before income taxes	325,707	292,709	283,006
Provision for income taxes	108,758	93,631	100,402
Income before equity in earnings of affiliates	216,949	199,078	182,604
Equity in earnings of affiliates, net of tax	9,886	12,029	12,805
Net income	226,835	211,107	195,409
Net (income) attributable to noncontrolling interests	(919)	(1,282)	(110)
Net income attributable to Sonoco	$225,916	$209,825	$195,299
Weighted average common shares outstanding:			
Basic	102,215	102,577	101,804
Assuming exercise of awards	957	671	769
Diluted	103,172	103,248	102,573
Per common share			
Net income attributable to Sonoco:			
Basic	$2.21	$2.05	$1.92
Diluted	$2.19	$2.03	$1.90
Cash dividends	$1.27	$1.23	$1.19

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Sonoco Products Company

(Dollars in thousands) Years ended December 31	2014 as Restated	2013 as Restated	2012 as Restated
Net income	$226,835	211,107	195,409
Other comprehensive (loss)/income:			
Foreign currency translation adjustments	(103,447)	(29,147)	25,022
Changes in defined benefit plans, net of tax	(130,664)	144,754	(43,753)
Change in derivative financial instruments, net of tax	(5,700)	6,465	1,460
Other comprehensive (loss)/income	(239,811)	122,072	(17,271)
Comprehensive (loss)/income	(12,976)	333,179	178,138
Net (income) attributable to noncontrolling interests	(919)	(1,282)	(110)
Other comprehensive loss/(income) attributable to noncontrolling interests	829	922	(505)
Comprehensive (loss)/income attributable to Sonoco	$(13,066)	$332,819	$177,523

The Notes beginning on page F-7 are an integral part of these financial statements.

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CONSOLIDATED STATEMENTS OF CHANGES IN TOTAL EQUITY
Sonoco Products Company

(Dollars and shares in thousands)	Total Equity (as Restated)	Common Shares		Capital in Excess of Stated Value	Accumulated Other Comprehensive Loss (as Restated)	Retained Earnings (as Restated)	Non-controlling Interests
		Outstanding	Amount				
January 1, 2012	$1,412,692	100,211	$7,175	$427,484	$(475,087)	$1,439,507	$13,613
Net income	195,409					195,299	110
Other comprehensive income/(loss):							
Translation gain	25,022				24,517		505
Defined benefit plan adjustment[1]	(43,753)				(43,753)		
Derivative financial instruments[1]	1,460				1,460		
Other comprehensive loss	(17,271)				(17,776)		505
Dividends	(121,300)					(121,300)	
Issuance of stock awards	13,324	763		13,324			
Shares repurchased	(4,167)	(127)		(4,167)			
Stock-based compensation	8,851			8,851			
December 31, 2012	$1,487,538	100,847	$7,175	$445,492	$(492,863)	$1,513,506	$14,228
Net income	211,107					209,825	1,282
Other comprehensive income/(loss):							
Translation loss	(29,147)				(28,225)		(922)
Defined benefit plan adjustment[1]	144,754				144,754		
Derivative financial instruments[1]	6,465				6,465		
Other comprehensive income	122,072				122,994		(922)
Dividends	(126,366)					(126,366)	
Issuance of stock awards	27,465	2,008		27,465			
Shares repurchased	(27,239)	(708)		(27,239)			
Stock-based compensation	11,472			11,472			
December 31, 2013	$1,706,049	102,147	$7,175	$457,190	$(369,869)	$1,596,965	$14,588
Net income	226,835					225,916	919
Other comprehensive income/(loss):							
Translation loss	(103,447)				(102,618)		(829)
Defined benefit plan adjustment[1]	(130,664)				(130,664)		
	(5,700)				(5,700)		

Derivative financial instruments[1]							
Other comprehensive loss	(239,811)				(238,982)		(829)
Dividends	(129,990)					(129,990)	
Issuance of stock awards	10,491	583		10,491			
Shares repurchased	(87,800)	(2,127)		(87,800)			
Stock-based compensation	17,099			17,099			
Purchase of non-controlling interest	974						974
December 31, 2014	$1,503,847	100,603	$7,175	$396,980	$(608,851)	$1,692,891	$15,652

[1] net of tax

The Notes beginning on page F-7 are an integral part of these financial statements.

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CONSOLIDATED STATEMENTS OF CASH FLOWS
Sonoco Products Company

(Dollars in thousands) Years ended December 31	2014 as Restated	2013 as Restated	2012 as Restated
Cash Flows from Operating Activities			
Net income	$226,835	$211,107	$195,409
Adjustments to reconcile net income to net cash provided by operating activities			
Asset impairment	8,155	8,238	8,427
Depreciation, depletion and amortization	198,718	197,671	200,403
Share-based compensation expense	17,099	11,472	8,851
Equity in earnings of affiliates	(9,886)	(12,029)	(12,805)
Cash dividends from affiliated companies	9,809	13,631	9,329
Gain on disposition of assets	(2,103)	(493)	(6,690)
Pension and postretirement plan expense	40,435	61,946	52,856
Pension and postretirement plan contributions	(65,944)	(42,007)	(75,059)
Tax effect of share-based compensation exercises	3,918	11,462	5,698
Excess tax benefit of share-based compensation	(4,126)	(12,456)	(2,682)
Net increase in deferred taxes	38,760	35,660	17,150
Change in assets and liabilities, net of effects from acquisitions, dispositions and foreign currency adjustments			
Trade accounts receivable	(35,920)	162	1,190
Inventories	6,230	(32,527)	17,081
Payable to suppliers	26,850	71,009	(16,010)
Prepaid expenses	(13,282)	(1,993)	1,114
Accrued expenses	(8,713)	9,025	(4,059)
Income taxes payable and other income tax items	(1,111)	6,063	(6,868)
Fox River environmental reserves	(14,349)	(1,848)	(2,796)
Other assets and liabilities	(3,460)	3,934	13,376
Net cash provided by operating activities	417,915	538,027	403,915
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	(177,076)	(172,442)	(214,862)
Cost of acquisitions, net of cash acquired	(334,132)	(4,005)	(503)
Proceeds from the sale of assets	7,758	10,511	31,967
Investment in affiliates and other	(3,983)	(3,517)	26
Net cash used by investing activities	(507,433)	(169,453)	(183,372)
Cash Flows from Financing Activities			
Proceeds from issuance of debt	294,846	57,952	7,568
Principal repayment of debt	(49,624)	(294,347)	(46,820)
Net (decrease) increase in commercial paper borrowings	—	(152,000)	125,000
Net increase (decrease) in outstanding checks	1,335	(2,825)	(1,600)
Cash dividends – common	(128,793)	(124,845)	(119,771)
Excess tax benefit of share-based compensation	4,126	12,456	2,682
Shares acquired	(87,800)	(27,239)	(4,167)
Shares issued	5,373	15,781	9,739
Net cash provided (used) by financing activities	39,463	(515,067)	(27,369)
Effects of Exchange Rate Changes on Cash	(6,344)	(9,024)	4,387
(Decrease) Increase in Cash and Cash Equivalents	(56,399)	(155,517)	197,561

Cash and cash equivalents at beginning of year	217,567	373,084	175,523
Cash and cash equivalents at end of year	$161,168	$217,567	$373,084
Supplemental Cash Flow Disclosures			
Interest paid, net of amounts capitalized	$54,496	$60,772	$66,171
Income taxes paid, net of refunds	$67,192	$40,446	$84,422

The Notes beginning on page F-7 are an integral part of these financial statements.

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

1. Summary of significant accounting policies
Basis of presentation
The Consolidated Financial Statements include the accounts of Sonoco Products Company and its majority-owned subsidiaries (the "Company" or "Sonoco") after elimination of intercompany accounts and transactions.
Investments in affiliated companies in which the Company shares control over the financial and operating decisions, but in which the Company is not the primary beneficiary, are accounted for by the equity method of accounting. Income applicable to these equity investments is reflected in "Equity in earnings of affiliates, net of tax" in the Consolidated Statements of Income. The aggregate carrying value of equity investments is reported in "Other Assets" in the Company's Consolidated Balance Sheets and totaled $114,063 and $116,193 at December 31, 2014 and 2013, respectively.
Affiliated companies in which the Company held a significant investment at December 31, 2014, included:

Entity	Ownership Interest Percentage at December 31, 2014	
RTS Packaging JVCO	35.0	%
Cascades Conversion, Inc.	50.0	%
Cascades Sonoco, Inc.	50.0	%
Showa Products Company Ltd.	20.0	%
Conitex Sonoco Holding BVI Ltd.	30.0	%
Weidenhammer New Packaging, LLC	40.0	%

Also included in the investment totals above is the Company's 19.5% ownership in a small tube and core business in Chile and its 12.19% ownership in a small paper recycling business in Finland. These investments are accounted for under the cost method.
Estimates and assumptions
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
Revenue recognition
The Company records revenue when title and risk of ownership pass to the customer, and when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the sales price to the customer is fixed or determinable and when collectibility is reasonably assured. Certain judgments, such as provisions for estimates of sales returns and allowances, are required in the application of the Company's revenue policy and, therefore, are included in the results of operations in its Consolidated Financial Statements. Shipping and handling expenses are included in "Cost of sales," and freight charged to customers is included in "Net sales" in the Company's 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 Consolidated Balance Sheets.
Accounts receivable and allowance for doubtful accounts
The Company's trade accounts receivable are non-interest bearing and are recorded at the invoiced amounts. The allowance for doubtful accounts represents the Company's best estimate of the amount of probable credit losses in existing accounts receivable. Provisions are made to the allowance for doubtful accounts at such time that collection of all or part of a trade account receivable is in question. The allowance for doubtful accounts is monitored on a regular basis and adjustments are made as needed to ensure that the account properly reflects the Company's best estimate of uncollectible trade accounts receivable. Account balances are charged off against the allowance for

doubtful accounts when the Company determines that the receivable will not be recovered.

Sales to one of the Company's customers accounted for approximately 7% of the Company's net sales in 2014, 7% in 2013 and 9% in 2012, primarily in the Display and Packaging and Consumer Packaging segments. Receivables from this customer accounted for approximately 7% and 5% of the Company's total trade accounts receivable at December 31, 2014 and 2013, respectively. The Company's next largest customer comprised approximately 3% of the Company's net sales in 2014, 5% in 2013 and 5% in 2012.

Research and development

Research and development costs are charged to expense as incurred and include salaries and other directly related expenses. Research and development costs totaling approximately $24,200 in 2014, $20,100 in 2013 and $20,200 in 2012 are included in "Selling, general and administrative expenses" in the Company's Consolidated Statements of Income.

Restructuring and asset impairment

Costs associated with exit or disposal activities are recognized when the liability is incurred. If assets become impaired as a result of a restructuring action, the assets are written down to fair value, less estimated costs to sell, if applicable. A number of significant estimates and assumptions are involved in the determination of fair value. The Company considers historical experience and all available information at the time the estimates are made; however, the amounts that are ultimately realized upon the sale of divested assets may differ from the estimated fair values reflected in the Company's Consolidated Financial Statements.

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Cash and cash equivalents

Cash equivalents are composed of highly liquid investments with an original maturity of three months or less. Cash equivalents are recorded at cost, which approximates market.

Inventories

Inventories are stated at the lower of cost or market. The last-in, first-out (LIFO) method is used for the valuation of certain of the Company’s domestic inventories, primarily metal, internally manufactured paper and paper purchased from third parties.

The LIFO method of accounting was used to determine the carrying costs of approximately 16% and 17% of total inventories at December 31, 2014 and 2013, respectively. The remaining inventories are determined on the first-in, first-out (FIFO) method.

If the FIFO method of accounting had been used for all inventories, total inventory would have been higher by $17,908 and $18,146 at December 31, 2014 and 2013, respectively.

Property, plant and equipment

Plant assets represent the original cost of land, buildings and equipment, less depreciation, computed under the straight-line method over the estimated useful lives of the assets, and are reviewed for impairment whenever events indicate the carrying value may not be recoverable.

Equipment lives generally range from 3 to 11 years, and buildings from 15 to 40 years.

Timber resources are stated at cost. Depletion is charged to operations based on the estimated number of units of timber cut during the year.

Goodwill and other intangible assets

The Company evaluates its goodwill for impairment at least annually, and more frequently if indicators of impairment are present. In performing the impairment test, the Company typically first makes an assessment regarding the likelihood of impairment for each reporting unit. If it is not more likely than not that goodwill is impaired for any of its reporting units, no further testing is performed. Otherwise, the Company uses discounted future cash flows to estimate the fair value of each reporting unit it believes may have a goodwill impairment giving consideration to multiples it believes could be obtained in a sale. Alternatively, on occasion the Company will perform a discounted cash flow analysis to estimate the fair values of all of its reporting units in order to have a more recent baseline from which to judge the likelihood of impairment in subsequent years as well as assess the likelihood of current impairment. If the fair value of a reporting unit exceeds the carrying value of the reporting unit’s assets, including goodwill, there is no impairment. If not, and the carrying value of the reporting unit’s goodwill exceeds the implied fair value of that goodwill, an impairment charge is recognized for the excess. Goodwill is not amortized.

Intangible assets are amortized, usually on a straight-line basis, over their respective useful lives, which generally range from 3 to 40 years. The Company evaluates its intangible assets for impairment whenever indicators of impairment exist. The Company has no intangibles with indefinite lives.

Income taxes

The Company provides for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting requirements and tax laws. Assets and liabilities are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Derivatives

The Company uses derivatives to mitigate the effect of fluctuations in some of its raw material and energy costs, foreign currency fluctuations and interest rate movements. The Company purchases commodities such as recovered paper, metal, resins and energy generally at market or at fixed prices that are established with the vendor as part of the purchase process for quantities expected to be consumed in the ordinary course of business. The Company may enter into commodity futures or swaps to manage the effect of price fluctuations. The Company may use foreign currency forward contracts and other risk management instruments to manage exposure to changes in foreign currency cash flows and the translation of monetary assets and liabilities on the Company’s consolidated financial statements. The Company is exposed to interest-rate fluctuations as a result of using debt as a source of financing for its operations.

The Company may from time to time use traditional, unleveraged interest rate swaps to adjust its mix of fixed and variable rate debt to manage its exposure to interest rate movements.

The Company records its derivatives as assets or liabilities on the balance sheet at fair value using published market prices or estimated values based on current price and/or rate quotes and discounted estimated cash flows. Changes in the fair value of derivatives are recognized either in net income or in other comprehensive income, depending on the designated purpose of the derivative. Amounts in accumulated other comprehensive income are reclassified into earnings in the same period or periods during which the hedged forecasted transaction affects earnings. It is the Company’s policy not to speculate in derivative instruments.

Reportable segments

The Company identifies its reportable segments by evaluating the level of detail reviewed by the chief operating decision maker, gross profit margins, nature of products sold, nature of the production processes, type and class of customer, methods used to distribute products, and nature of the regulatory environment. Of these factors, the Company believes that the most significant are the nature of the products and the type of customers served.

Contingencies

Pursuant to U.S. GAAP for accounting for contingencies, accruals for estimated losses are recorded at the time information becomes available indicating that losses are probable and that the amounts are reasonably estimable. Amounts so accrued are not discounted.

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2. Restatement of Consolidated Financial Statements

Misstatements at the Irapuato Packaging Center

In July 2015, in the course of closing its books for the second quarter of 2015, the Company discovered certain accounting irregularities at a contract packaging center in Irapuato, Mexico, part of the Display and Packaging segment.

Promptly upon discovery, the Company reported these accounting irregularities to the Audit Committee of the Board of Directors, and a formal investigation into the matter was initiated to determine whether any adjustments would be required with respect to the Company's previously issued financial statements. The Audit Committee retained independent outside legal and accounting advisers to assist with this investigation.

Through this investigation, which concluded in August 2015, the irregularities were found to have consisted of a pattern of unsupported journal entries and other actions involving the Irapuato finance, plant, and pack center managers that misstated revenue, cost of sales, trade accounts receivable, other receivables, prepaid expenses, accrued expenses and other, and trade accounts payable for reporting periods dating back to 2011. The misstatements were made to manage earnings and conceal shortfalls in operating profits at the Irapuato packaging center. Neither cash nor previously reported cash flows from operations were affected. The Irapuato finance manager did not fully disclose the extent of his conduct to his managers and concealed these irregularities from senior management, corporate finance, and our independent registered public accounting firm.

The Company determined that revenue and cost of sales had been misstated from 2012 through the first quarter of 2015, resulting in a cumulative overstatement of net income of approximately $23,315, or $0.23 per diluted common share. Of this overstatement, approximately $2,139 related to the first quarter of 2015, while $10,817, $9,758, and $601 related to the years ending December 31, 2014, 2013, and 2012, respectively. The reported balance sheets were also misstated for the annual and interim periods from 2012 through the first quarter of 2015.

Other Items

In addition to the misstatements related to the Irapuato, Mexico, packaging center, certain out-of-period adjustments were made in 2014 that the Company concluded at the time, based on its evaluation of both quantitative and qualitative factors, were not material to any of its previously issued financial statements. These adjustments included the following:

- As disclosed in the Company's Form 10-Q for the three and six-month periods ending June 29, 2014, during the second quarter of 2014 the Company recorded a valuation allowance of $11,516 on deferred tax assets related to the pension plan of a foreign subsidiary. This valuation allowance should have been established in years prior to 2014 when the deferred tax assets were recognized. The error affected comprehensive income, but not net income, from 2010 through the first quarter of 2014.
- In December 2014, the valuation of finished goods and work in process inventory in our Flexible Packaging business (part of the Consumer Packaging segment) was found to have been based on incorrect costing standards resulting in the overstatement of finished goods and work in process inventory and a corresponding understatement of cost of sales totaling $1,184. Pretax operating profits for the segment had been overstated by approximately $924 in 2012 and $260 in 2013. The adjustment resulted in a $770 reduction in the Company's reported net income in 2014.
- In December 2014, an out-of-period adjustment was made that reduced both deferred tax expense and deferred tax liabilities in various jurisdictions by a total of $3,202. Of this adjustment, approximately $639 related to 2013, $491 to 2012, $789 to 2011, $910 to 2010, and $373 to 2009.

Analysis

In its assessment of materiality, the Company considered, both individually and in the aggregate, the misstatements at the contract packaging center in Irapuato, Mexico, and the impact of the other items discussed above. Its assessment included an evaluation of the quantitative and qualitative factors relevant to that assessment.

Conclusion

The Company concluded that the misstatements associated with the Irapuato packaging center warranted restatement of the previously reported financial statements for the years ended December 31, 2012, 2013, and 2014, the interim periods within the year ended December 31, 2014, and for the three-month period ended March 29, 2015. The impact of the accounting irregularities prior to 2012 was not material. The Irapuato packaging center commenced operations

in 2010 and those operations were not fully to scale until 2012.
The Audit Committee of the Board of Directors analyzed these misstatements, and, after consulting with management, concluded on August 9, 2015, that the financial statements for the years ended December 31, 2012, 2013, and 2014, the interim periods within the year ended December 31, 2014, and for the three-month period ended March 29, 2015, should be restated and should no longer be relied upon.
Restatement Details
The following previously issued financial statements have been restated and are included herein: Consolidated Balance Sheets for the years ended December 31, 2014 and 2013; and Consolidated Statements of Income, Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Total Equity, and Consolidated Statements of Cash Flows for the years ended December 31, 2014, 2013, and 2012. In addition, the accompanying restated consolidated financial statements have been revised to reflect in the proper periods the previously recorded out-of-period adjustments noted above.
The Company expects to file on August 26, 2015 a Quarterly Report Form 10-Q for the period ended June 29, 2015, in which it will provide restated condensed consolidated financial statements for the three- and six-month periods ended June 29, 2014. Additionally, by the end of August 2015, the Company expects to file an amended Quarterly Report on Form 10-Q/A for the period ended March 29, 2015, in which it will provide restated condensed consolidated financial statements for the three-month periods ended March 29, 2015 and March 30, 2014.
The following tables provide a reconciliation of the amounts previously reported to the restated amounts as of and for the years ended December 31, 2014, 2013, and 2012. Restated condensed consolidated financial statements for the three- and nine-month periods ended September 28, 2014 are included in Note 19 of these financial statements.

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CONSOLIDATED BALANCE SHEETS
Sonoco Products Company

(Dollars and shares in thousands) At December 31	2014 as Previously Reported	Measurement Period Adjustment (see Note 4)	Effect of Restatement	2014 as Restated
Assets				
Current Assets				
Cash and cash equivalents	$161,168	—	—	$161,168
Trade accounts receivable, net of allowances of $8,547 in 2014	668,710	—	(14,973)	653,737
Other receivables	44,411	—	(5,831)	38,580
Inventories				
Finished and in process	151,150	—	—	151,150
Materials and supplies	269,126	—	—	269,126
Prepaid expenses	56,761	—	4,310	61,071
Deferred income taxes	38,957	—	—	38,957
	1,390,283	—	(16,494)	1,373,789
Property, Plant and Equipment, Net	1,148,607	—	—	1,148,607
Goodwill	1,182,936	(4,974)	—	1,177,962
Other Intangible Assets, Net	280,935	—	—	280,935
Long-term Deferred Income Taxes	40,059	—	5,383	45,442
Other Assets	167,176	—	—	167,176
Total Assets	$4,209,996	$(4,974)	$(11,111)	$4,193,911
Liabilities and Equity				
Current Liabilities				
Payable to suppliers	$511,630	—	5,598	$517,228
Accrued expenses and other	255,079	—	1,487	256,566
Accrued wages and other compensation	77,520	—	—	77,520
Notes payable and current portion of long-term debt	52,280	—	—	52,280
Accrued taxes	8,936	—	(337)	8,599
	905,445	—	6,748	912,193
Long-term Debt	1,200,885	—	—	1,200,885
Pension and Other Postretirement Benefits	444,231	—	—	444,231
Deferred Income Taxes	95,062	(4,974)	1,069	91,157
Other Liabilities	41,598	—	—	41,598
Commitments and Contingencies				
Sonoco Shareholders' Equity				
Serial preferred stock, no par value				
Authorized 30,000 shares				
0 shares issued and outstanding				
Common shares, no par value				
Authorized 300,000 shares				
100,603 shares issued and outstanding at December 31, 2014	7,175	—	—	7,175
Capital in excess of stated value	396,980	—	—	396,980
Accumulated other comprehensive loss	(611,099)	—	2,248	(608,851)
Retained earnings	1,714,067	—	(21,176)	1,692,891

Total Sonoco Shareholders' Equity	1,507,123	—	(18,928)	1,488,195
Noncontrolling Interests	15,652	—	—	15,652
Total Equity	1,522,775	—	(18,928)	1,503,847
Total Liabilities and Equity	$4,209,996	$(4,974)	$(11,111)	$4,193,911

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CONSOLIDATED BALANCE SHEETS
Sonoco Products Company

(Dollars and shares in thousands) At December 31	2013 as Previously Reported	Effect of Restatement	2013 as Restated
Assets			
Current Assets			
Cash and cash equivalents	$217,567	—	$217,567
Trade accounts receivable, net of allowances of $9,771 in 2013	614,053	—	614,053
Other receivables	38,995	—	38,995
Inventories			
Finished and in process	158,256	(1,184)	157,072
Materials and supplies	252,531	—	252,531
Prepaid expenses	57,666	2,548	60,214
Deferred income taxes	39,406	—	39,406
	1,378,474	1,364	1,379,838
Property, Plant and Equipment, Net	1,021,920	—	1,021,920
Goodwill	1,099,207	—	1,099,207
Other Intangible Assets, Net	243,920	—	243,920
Long-term Deferred Income Taxes	67,364	(6,132)	61,232
Other Assets	168,406	—	168,406
Total Assets	$3,979,291	$(4,768)	$3,974,523
Liabilities and Equity			
Current Liabilities			
Payable to suppliers	$491,809	5,115	$496,924
Accrued expenses and other	261,895	9,393	271,288
Accrued wages and other compensation	69,671	—	69,671
Notes payable and current portion of long-term debt	35,201	—	35,201
Accrued taxes	8,649	—	8,649
	867,225	14,508	881,733
Long-term Debt	946,257	—	946,257
Pension and Other Postretirement Benefits	263,718	—	263,718
Deferred Income Taxes	128,006	—	128,006
Other Liabilities	48,760	—	48,760
Commitments and Contingencies			
Sonoco Shareholders' Equity			
Serial preferred stock, no par value			
Authorized 30,000 shares			
0 shares issued and outstanding			
Common shares, no par value			
Authorized 300,000 shares			
102,147 shares issued and outstanding at December 31, 2013	7,175	—	7,175
Capital in excess of stated value	457,190	—	457,190
Accumulated other comprehensive loss	(358,520)	(11,349)	(369,869)
Retained earnings	1,604,892	(7,927)	1,596,965
Total Sonoco Shareholders' Equity	1,710,737	(19,276)	1,691,461
Noncontrolling Interests	14,588	—	14,588
Total Equity	1,725,325	(19,276)	1,706,049

Total Liabilities and Equity	$3,979,291	$(4,768)	$3,974,523

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CONSOLIDATED STATEMENTS OF INCOME
Sonoco Products Company

(Dollars and shares in thousands except per share data) Years ended December 31	2014 as Previously Reported	Effect of Restatement	2014 as Restated
Net sales	$5,014,534	$2,460	$5,016,994
Cost of sales	4,093,235	15,873	4,109,108
Gross profit	921,299	(13,413)	907,886
Selling, general and administrative expenses	506,996	—	506,996
Restructuring/Asset impairment charges	22,792	—	22,792
Income before interest and income taxes	391,511	(13,413)	378,098
Interest expense	55,140	—	55,140
Interest income	2,749	—	2,749
Income before income taxes	339,120	(13,413)	325,707
Provision for income taxes	108,922	(164)	108,758
Income before equity in earnings of affiliates	230,198	(13,249)	216,949
Equity in earnings of affiliates, net of tax	9,886	—	9,886
Net income	240,084	(13,249)	226,835
Net (income) attributable to noncontrolling interests	(919)	—	(919)
Net income attributable to Sonoco	$239,165	$(13,249)	$225,916
Weighted average common shares outstanding:			
Basic	102,215	—	102,215
Assuming exercise of awards	957	—	957
Diluted	103,172	—	103,172
Per common share			
Net income attributable to Sonoco:			
Basic	$2.34	$(0.13)	$2.21
Diluted	$2.32	$(0.13)	$2.19
Cash dividends	$1.27	$—	$1.27

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Sonoco Products Company

(Dollars in thousands) Years ended December 31	2014 as Previously Reported	Effect of Restatement	2014 as Restated
Net income	$240,084	$(13,249)	$226,835
Other comprehensive income/(loss):			
Foreign currency translation adjustments	(105,528)	2,081	(103,447)
Changes in defined benefit plans, net of tax	(142,180)	11,516	(130,664)
Change in derivative financial instruments, net of tax	(5,700)	—	(5,700)
Other comprehensive loss	(253,408)	13,597	(239,811)
Comprehensive loss	(13,324)	348	(12,976)
Net (income) attributable to noncontrolling interests	(919)	—	(919)
Other comprehensive loss attributable to noncontrolling interests	829	—	829
Comprehensive (loss) attributable to Sonoco	$(13,414)	$348	$(13,066)

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CONSOLIDATED STATEMENTS OF INCOME
Sonoco Products Company

(Dollars and shares in thousands except per share data) Years ended December 31	2013 as Previously Reported	Effect of Restatement	2013 as Restated
Net sales	$4,848,092	$13,565	$4,861,657
Cost of sales	3,974,588	25,425	4,000,013
Gross profit	873,504	(11,860)	861,644
Selling, general and administrative expenses	487,171	—	487,171
Restructuring/Asset impairment charges	25,038	—	25,038
Income before interest and income taxes	361,295	(11,860)	349,435
Interest expense	59,913	—	59,913
Interest income	3,187	—	3,187
Income before income taxes	304,569	(11,860)	292,709
Provision for income taxes	96,203	(2,572)	93,631
Income before equity in earnings of affiliates	208,366	(9,288)	199,078
Equity in earnings of affiliates, net of tax	12,029	—	12,029
Net income	220,395	(9,288)	211,107
Net (income) attributable to noncontrolling interests	(1,282)	—	(1,282)
Net income attributable to Sonoco	$219,113	$(9,288)	$209,825
Weighted average common shares outstanding:			
Basic	102,577	—	102,577
Assuming exercise of awards	671	—	671
Diluted	103,248	—	103,248
Per common share			
Net income attributable to Sonoco:			
Basic	$2.14	$(0.09)	$2.05
Diluted	$2.12	$(0.09)	$2.03
Cash dividends	$1.23	$—	$1.23

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Sonoco Products Company

(Dollars in thousands) Years ended December 31	2013 as Previously Reported	Effect of Restatement	2013 as Restated
Net income	$220,395	$(9,288)	$211,107
Other comprehensive income/(loss):			
Foreign currency translation adjustments	(29,308)	161	(29,147)
Changes in defined benefit plans, net of tax	139,227	5,527	144,754
Change in derivative financial instruments, net of tax	6,465	—	6,465
Other comprehensive income	116,384	5,688	122,072
Comprehensive income	336,779	(3,600)	333,179
Net (income) attributable to noncontrolling interests	(1,282)	—	(1,282)
Other comprehensive loss attributable to noncontrolling interests	922	—	922
Comprehensive income attributable to Sonoco	$336,419	$(3,600)	$332,819

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CONSOLIDATED STATEMENTS OF INCOME
Sonoco Products Company

(Dollars and shares in thousands except per share data) Years ended December 31	2012 as Previously Reported	Effect of Restatement	2012 as Restated
Net sales	$4,786,129	$27,442	$4,813,571
Cost of sales	3,942,497	31,510	3,974,007
Gross profit	843,632	(4,068)	839,564
Selling, general and administrative expenses	463,715	—	463,715
Restructuring/Asset impairment charges	32,858	—	32,858
Income before interest and income taxes	347,059	(4,068)	342,991
Interest expense	64,114	—	64,114
Interest income	4,129	—	4,129
Income before income taxes	287,074	(4,068)	283,006
Provision for income taxes	103,759	(3,357)	100,402
Income before equity in earnings of affiliates	183,315	(711)	182,604
Equity in earnings of affiliates, net of tax	12,805	—	12,805
Net income	196,120	(711)	195,409
Net (income) attributable to noncontrolling interests	(110)	—	(110)
Net income attributable to Sonoco	$196,010	$(711)	$195,299
Weighted average common shares outstanding:			
Basic	101,804	—	101,804
Assuming exercise of awards	769	—	769
Diluted	102,573	—	102,573
Per common share			
Net income attributable to Sonoco:			
Basic	$1.93	$(0.01)	$1.92
Diluted	$1.91	$(0.01)	$1.90
Cash dividends	$1.19	$—	$1.19

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Sonoco Products Company

(Dollars in thousands) Years ended December 31	2012 as Previously Reported	Effect of Restatement	2012 as Restated
Net income	$196,120	$(711)	$195,409
Other comprehensive income/(loss):			
Foreign currency translation adjustments	25,016	6	25,022
Changes in defined benefit plans, net of tax	(41,498)	(2,255)	(43,753)
Change in derivative financial instruments, net of tax	1,460	—	1,460
Other comprehensive loss	(15,022)	(2,249)	(17,271)
Comprehensive income	181,098	(2,960)	178,138
Net (income) attributable to noncontrolling interests	(110)	—	(110)
Other comprehensive (income) attributable to noncontrolling interests	(505)	—	(505)
Comprehensive income attributable to Sonoco	$180,483	$(2,960)	$177,523

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CONSOLIDATED STATEMENTS OF CHANGES IN TOTAL EQUITY
Sonoco Products Company

	2014 as Previously Reported	Effect of Restatement	2014 as Restated
COMMON SHARES:			
Shares, beginning of year	102,147	—	102,147
Issuance of stock awards	583	—	583
Shares repurchased	(2,127)	—	(2,127)
Shares, end of year	100,603	—	100,603
COMMON STOCK - PAR VALUE $0.01 PER SHARE:			
Balance, beginning of year	$7,175	$—	$7,175
Issuance of stock awards	—	—	—
Balance, end of year	$7,175	$—	$7,175
CAPITAL IN EXCESS OF STATED VALUE:			
Balance, beginning of year	$457,190	$—	$457,190
Issuance of stock awards	10,491	—	10,491
Shares repurchased	(87,800)	—	(87,800)
Stock-based compensation	17,099	—	17,099
Balance, end of year	$396,980	$—	$396,980
ACCUMULATED OTHER COMPREHENSIVE LOSS:			
Balance, beginning of year	$(358,520)	$(11,349)	$(369,869)
Translation gain	(104,699)	2,081	(102,618)
Defined benefit plan adjustment	(142,180)	11,516	(130,664)
Derivative financial instruments	(5,700)	—	(5,700)
Balance, end of year	$(611,099)	$2,248	$(608,851)
RETAINED EARNINGS:			
Balance, beginning of year	$1,604,892	$(7,927)	$1,596,965
Net income	239,165	(13,249)	225,916
Dividends	(129,990)	—	(129,990)
Balance, end of year	$1,714,067	$(21,176)	$1,692,891
NON-CONTROLLING INTERESTS:			
Balance, beginning of year	$14,588	$—	$14,588
Net income	919	—	919
Translation gain	(829)	—	(829)
Purchase of non-controlling interest	974	—	974
Balance, end of year	$15,652	$—	$15,652
TOTAL STOCKHOLDERS' EQUITY	$1,522,775	$(18,928)	$1,503,847

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CONSOLIDATED STATEMENTS OF CHANGES IN TOTAL EQUITY
Sonoco Products Company

	2013 as Previously Reported	Effect of Restatement	2013 as Restated
COMMON SHARES:			
Shares, beginning of year	100,847	—	100,847
Issuance of stock awards	2,008	—	2,008
Shares repurchased	(708)	—	(708)
Shares, end of year	102,147	—	102,147
COMMON STOCK - PAR VALUE $0.01 PER SHARE:			
Balance, beginning of year	$7,175	$—	$7,175
Issuance of stock awards	—	—	—
Balance, end of year	$7,175	$—	$7,175
CAPITAL IN EXCESS OF STATED VALUE:			
Balance, beginning of year	$445,492	$—	$445,492
Issuance of stock awards	27,465	—	27,465
Shares repurchased	(27,239)	—	(27,239)
Stock-based compensation	11,472	—	11,472
Balance, end of year	$457,190	$—	$457,190
ACCUMULATED OTHER COMPREHENSIVE LOSS:			
Balance, beginning of year	$(475,826)	$(17,037)	$(492,863)
Translation gain	(28,386)	161	(28,225)
Defined benefit plan adjustment	139,227	5,527	144,754
Derivative financial instruments	6,465	—	6,465
Balance, end of year	$(358,520)	$(11,349)	$(369,869)
RETAINED EARNINGS:			
Balance, beginning of year	$1,512,145	$1,361	$1,513,506
Net income	219,113	(9,288)	209,825
Dividends	(126,366)	—	(126,366)
Balance, end of year	$1,604,892	$(7,927)	$1,596,965
NON-CONTROLLING INTERESTS:			
Balance, beginning of year	$14,228	$—	$14,228
Net income	1,282	—	1,282
Translation gain	(922)	—	(922)
Purchase of non-controlling interest	—	—	—
Balance, end of year	$14,588	$—	$14,588
TOTAL STOCKHOLDERS' EQUITY	$1,725,325	$(19,276)	$1,706,049

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CONSOLIDATED STATEMENTS OF CHANGES IN TOTAL EQUITY
Sonoco Products Company

	2012 as Previously Reported	Effect of Restatement	2012 as Restated
COMMON SHARES:			
Shares, beginning of year	100,211	—	100,211
Issuance of stock awards	763	—	763
Shares repurchased	(127)	—	(127)
Shares, end of year	100,847	—	100,847
COMMON STOCK - PAR VALUE $0.01 PER SHARE:			
Balance, beginning of year	$7,175	$—	$7,175
Issuance of stock awards	—	—	—
Balance, end of year	$7,175	$—	$7,175
CAPITAL IN EXCESS OF STATED VALUE:			
Balance, beginning of year	$427,484	$—	$427,484
Issuance of stock awards	13,324	—	13,324
Shares repurchased	(4,167)	—	(4,167)
Stock-based compensation			
Purchase of non-controlling interest	8,851	—	8,851
Balance, end of year	$445,492	$—	$445,492
ACCUMULATED OTHER COMPREHENSIVE LOSS:			
Balance, beginning of year	$(460,299)	$(14,788)	$(475,087)
Translation gain	24,511	6	24,517
Defined benefit plan adjustment	(41,498)	(2,255)	(43,753)
Derivative financial instruments	1,460	—	1,460
Balance, end of year	$(475,826)	$(17,037)	$(492,863)
RETAINED EARNINGS:			
Balance, beginning of year	$1,437,435	$2,072	$1,439,507
Net income	196,010	(711)	195,299
Dividends	(121,300)	—	(121,300)
Balance, end of year	$1,512,145	$1,361	$1,513,506
NON-CONTROLLING INTERESTS:			
Balance, beginning of year	$13,613	$—	$13,613
Net income	110	—	110
Translation gain	505	—	505
Purchase of non-controlling interest	—	—	—
Balance, end of year	$14,228	$—	$14,228
TOTAL STOCKHOLDERS' EQUITY	$1,503,214	$(15,676)	$1,487,538

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CONSOLIDATED STATEMENTS OF CASH FLOWS
Sonoco Products Company

(Dollars in thousands) Years ended December 31	2014 as Previously Reported	Effect of Restatement	2014 as Restated
Cash Flows from Operating Activities			
Net income	$240,084	$(13,249)	$226,835
Adjustments to reconcile net income to net cash provided by operating activities			
Asset impairment	8,155	—	8,155
Depreciation, depletion and amortization	198,718	—	198,718
Share-based compensation expense	17,099	—	17,099
Equity in earnings of affiliates	(9,886)	—	(9,886)
Cash dividends from affiliated companies	9,809	—	9,809
Gain on disposition of assets	(2,103)	—	(2,103)
Pension and postretirement plan expense	40,435	—	40,435
Pension and postretirement plan contributions	(65,944)	—	(65,944)
Tax effect of share-based compensation exercises	3,918	—	3,918
Excess tax benefit of share-based compensation	(4,126)	—	(4,126)
Net increase in deferred taxes	38,196	564	38,760
Change in assets and liabilities, net of effects from acquisitions, dispositions and foreign currency adjustments			
Trade accounts receivable	(52,332)	16,412	(35,920)
Inventories	7,414	(1,184)	6,230
Payable to suppliers	25,642	1,208	26,850
Prepaid expenses	(11,605)	(1,677)	(13,282)
Accrued expenses	(782)	(7,931)	(8,713)
Income taxes payable and other income tax items	(383)	(728)	(1,111)
Fox River environmental reserves	(14,349)	—	(14,349)
Other assets and liabilities	(10,045)	6,585	(3,460)
Net cash provided by operating activities	417,915	—	417,915
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	(177,076)	—	(177,076)
Cost of acquisitions, net of cash acquired	(334,132)	—	(334,132)
Proceeds from the sale of assets	7,758	—	7,758
Investment in affiliates and other	(3,983)	—	(3,983)
Net cash used by investing activities	(507,433)	—	(507,433)
Cash Flows from Financing Activities			
Proceeds from issuance of debt	294,846	—	294,846
Principal repayment of debt	(49,624)	—	(49,624)
Net increase (decrease) in commercial paper borrowings	—	—	—
Net increase in outstanding checks	1,335	—	1,335
Cash dividends – common	(128,793)	—	(128,793)
Excess tax benefit of share-based compensation	4,126	—	4,126
Shares acquired	(87,800)	—	(87,800)
Shares issued	5,373	—	5,373
Net cash provided by financing activities	39,463	—	39,463
Effects of Exchange Rate Changes on Cash	(6,344)	—	(6,344)
Decrease in Cash and Cash Equivalents	(56,399)	—	(56,399)

Cash and cash equivalents at beginning of year	217,567	—	217,567
Cash and cash equivalents at end of year	$161,168	$—	$161,168
Supplemental Cash Flow Disclosures			
Interest paid, net of amounts capitalized	$54,496	$—	$54,496
Income taxes paid, net of refunds	$67,192	$—	$67,192

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CONSOLIDATED STATEMENTS OF CASH FLOWS
Sonoco Products Company

(Dollars in thousands) Years ended December 31	2013 as Previously Reported	Effect of Restatement	2013 as Restated
Cash Flows from Operating Activities			
Net income	$220,395	$(9,288)	$211,107
Adjustments to reconcile net income to net cash provided by operating activities			
Asset impairment	8,238	—	8,238
Depreciation, depletion and amortization	197,671	—	197,671
Share-based compensation expense	11,472	—	11,472
Equity in earnings of affiliates	(12,029)	—	(12,029)
Cash dividends from affiliated companies	13,631	—	13,631
Gain on disposition of assets	(493)	—	(493)
Pension and postretirement plan expense	61,946	—	61,946
Pension and postretirement plan contributions	(42,007)	—	(42,007)
Tax effect of share-based compensation exercises	11,462	—	11,462
Excess tax benefit of share-based compensation	(12,456)	—	(12,456)
Net increase in deferred taxes	37,202	(1,542)	35,660
Change in assets and liabilities, net of effects from acquisitions, dispositions and foreign currency adjustments			
Trade accounts receivable	162	—	162
Inventories	(32,787)	260	(32,527)
Payable to suppliers	65,894	5,115	71,009
Prepaid expenses	(1,993)	—	(1,993)
Accrued expenses	(368)	9,393	9,025
Income taxes payable and other income tax items	7,093	(1,030)	6,063
Fox River environmental reserves	(1,848)	—	(1,848)
Other assets and liabilities	6,842	(2,908)	3,934
Net cash provided by operating activities	538,027	—	538,027
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	(172,442)	—	(172,442)
Cost of acquisitions, net of cash acquired	(4,005)	—	(4,005)
Proceeds from the sale of assets	10,511	—	10,511
Investment in affiliates and other	(3,517)	—	(3,517)
Net cash used by investing activities	(169,453)	—	(169,453)
Cash Flows from Financing Activities			
Proceeds from issuance of debt	57,952	—	57,952
Principal repayment of debt	(294,347)	—	(294,347)
Net decrease in commercial paper borrowings	(152,000)	—	(152,000)
Net decrease in outstanding checks	(2,825)	—	(2,825)
Cash dividends – common	(124,845)	—	(124,845)
Excess tax benefit of share-based compensation	12,456	—	12,456
Shares acquired	(27,239)	—	(27,239)
Shares issued	15,781	—	15,781
Net cash used by financing activities	(515,067)	—	(515,067)
Effects of Exchange Rate Changes on Cash	(9,024)	—	(9,024)
Decrease in Cash and Cash Equivalents	(155,517)	—	(155,517)

Cash and cash equivalents at beginning of year	373,084	—	373,084
Cash and cash equivalents at end of year	$217,567	$—	$217,567
Supplemental Cash Flow Disclosures			
Interest paid, net of amounts capitalized	$60,772	$—	$60,772
Income taxes paid, net of refunds	$40,446	$—	$40,446

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CONSOLIDATED STATEMENTS OF CASH FLOWS
Sonoco Products Company

(Dollars in thousands) Years ended December 31	2012 as Previously Reported	Effect of Restatement	2012 as Restated
Cash Flows from Operating Activities			
Net income	$196,120	$(711)	$195,409
Adjustments to reconcile net income to net cash provided by operating activities			
Asset impairment	8,427	—	8,427
Depreciation, depletion and amortization	200,403	—	200,403
Share-based compensation expense	8,851	—	8,851
Equity in earnings of affiliates	(12,805)	—	(12,805)
Cash dividends from affiliated companies	9,329	—	9,329
(Gain)/Loss on disposition of assets	(6,690)	—	(6,690)
Pension and postretirement plan expense	52,856	—	52,856
Pension and postretirement plan contributions	(75,059)	—	(75,059)
Tax effect of share-based compensation exercises	5,698	—	5,698
Excess tax benefit of share-based compensation	(2,682)	—	(2,682)
Net increase in deferred taxes	18,989	(1,839)	17,150
Change in assets and liabilities, net of effects from acquisitions, dispositions and foreign currency adjustments			
Trade accounts receivable	1,190	—	1,190
Inventories	16,157	924	17,081
Payable to suppliers	(16,010)	—	(16,010)
Prepaid expenses	1,114	—	1,114
Accrued expenses	(4,059)	—	(4,059)
Income taxes payable and other income tax items	(5,350)	(1,518)	(6,868)
Fox River environmental reserves	(2,796)	—	(2,796)
Other assets and liabilities	10,232	3,144	13,376
Net cash provided by operating activities	403,915	—	403,915
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	(214,862)	—	(214,862)
Cost of acquisitions, net of cash acquired	(503)	—	(503)
Proceeds from the sale of assets	31,967	—	31,967
Investment in affiliates and other	26	—	26
Net cash used by investing activities	(183,372)	—	(183,372)
Cash Flows from Financing Activities			
Proceeds from issuance of debt	7,568	—	7,568
Principal repayment of debt	(46,820)	—	(46,820)
Net increase (decrease) in commercial paper borrowings	125,000	—	125,000
Net decrease in outstanding checks	(1,600)	—	(1,600)
Cash dividends – common	(119,771)	—	(119,771)
Excess tax benefit of share-based compensation	2,682	—	2,682
Shares acquired	(4,167)	—	(4,167)
Shares issued	9,739	—	9,739
Net cash (used) provided by financing activities	(27,369)	—	(27,369)
Effects of Exchange Rate Changes on Cash	4,387	—	4,387
Increase (Decrease) in Cash and Cash Equivalents	197,561	—	197,561

Cash and cash equivalents at beginning of year	175,523	—	175,523
Cash and cash equivalents at end of year	$373,084	$—	$373,084
Supplemental Cash Flow Disclosures			
Interest paid, net of amounts capitalized	$66,171	$—	$66,171
Income taxes paid, net of refunds	$84,422	$—	$84,422

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3. New accounting pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers." ASU 2014-09 changes the definitions/criteria used to determine when revenue should be recognized from being based on risks and rewards to being based on control. It also 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. ASU 2014-09 is effective for reporting periods beginning after December 15, 2016. Due to the nature of the Company's business and its standard terms of sale, management currently expects that there is not likely to be a material difference for Sonoco between the current transfer of risks and rewards model and the new transfer of control model. In addition, few of the Company's sales, if any, contain an element of variable consideration or have payment terms exceeding one year. Accordingly, we do not expect the implementation of ASU 2014-09 to have a material impact on the Company's financial statements.

During the year ended December 31, 2014, there have been no other newly issued nor newly applicable accounting pronouncements that have, or are expected to have, a material impact on the Company’s financial statements. Further, at December 31, 2014, there were no other pronouncements pending adoption that are expected to have a material impact on the Company’s financial statements.

4. Acquisitions

The Company completed two acquisitions during 2014 at an aggregate cost of $334,132 in cash. The most significant of these was the October 31, 2014, acquisition of the privately held Weidenhammer Packaging Group ("Weidenhammer"), a manufacturer of composite cans, drums, and luxury tubes, as well as rigid plastic containers using thin-walled injection molding technology with in-mold labeling. Markets served include processed foods, powdered beverages, tobacco, confectionery, personal care, pet food, pharmaceuticals, and home and garden products. Headquartered in Hockenheim, Germany, Weidenhammer has approximately 1,100 employees and operates 13 production facilities, including five in Germany, along with individual plants in Belgium, France, the Netherlands, the United Kingdom, the United States, Chile, Greece, and Russia. Total consideration paid for Weidenhammer was approximately $355,316, including cash of $323,168, and debt and other liabilities assumed totaling $32,148. Final consideration will be subject to adjustment for the change in working capital to the date of close. The acquisition was funded with proceeds from a new three-year term loan, along with existing cash on hand. Weidenhammer is expected to generate annualized sales of approximately $300,000 in the Company's Consumer Products segment.

The allocation of the purchase price of Weidenhammer to the tangible and intangible assets acquired and liabilities assumed was based on the Company's preliminary estimates of their fair value, based on information currently available. As the acquisition was completed close to the end of the year, management is continuing to finalize its valuation of certain assets and liabilities, including, but not limited to: property, plant and equipment; income taxes; and environmental reserves. During the first half of 2015, the Company finalized its valuations of certain of the acquired assets and liabilities 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 provisional fair values that reduced long-term deferred income tax liabilities and goodwill by $4,974 at December 31, 2014. The Company will complete the valuation of all assets and liabilities within 12 months from the date of acquisition.

Following is a summary of the fair values of the assets acquired and liabilities assumed at the acquisition date, reflecting the post-acquisition measurement period adjustments noted above:

Trade accounts receivable	$32,935
Other receivables	2,215
Inventories	34,132
Prepaid expenses	1,657
Property, plant and equipment	161,475
Goodwill	104,315
Other intangible assets	71,682
Other assets	3,820
Payables to suppliers	(12,631)

Accrued expenses and other	(22,634)
Total debt	(27,904)
Pension and other postretirement benefits	(2,969)
Deferred income taxes, net	(21,951)
Noncontrolling interests	(974)
Total net assets	$323,168

Of the $71,682 of acquired intangibles, $57,557 was assigned to customer relationships with an average expected life of 12 years and $12,151 to patents with an average expected life of 11 years. In addition, a total of $1,974 was assigned to trade names which the Company subsequently impaired as they are not expected to be utilized. The impairment charge is included in “Restructuring/Asset impairment charges” in the Company’s Consolidated Statements of Income.

Goodwill recorded in connection with the Weidenhammer acquisition totaled $104,315. Factors comprising goodwill include efficiencies derived by the elimination of certain redundant functions and expenses due to synergies with our existing business, the ability to leverage product offerings across a broader customer base, and the value of the assembled workforce. The Company expects approximately $10,000 of the goodwill to be tax deductible.

On May 2, 2014, the Company completed the acquisition of Dalton Paper Products, Inc., a manufacturer of tubes and cores, for a net cash cost of $11,286. The acquisition consisted of a single manufacturing facility located in Dalton, Georgia, and is expected to generate annual sales of approximately $20,000 for the Paper and Industrial Converted Products segment. In connection with this acquisition, the Company recorded net tangible assets of $4,656, identifiable intangibles of $3,380, and goodwill of $3,250. The goodwill is not deductible for income tax purposes.

Also during 2014, the Company received cash totaling $322 in connection with the final working capital settlement related to a 2013 acquisition.

During 2013, the Company completed three acquisitions at an aggregate cost of $4,005 in cash. These acquisitions consisted of Imagelinx, a global brand artwork management business in the United Kingdom, a small tube and core business in Australia, and a small recycling broker in the United States. The all-cash purchase price of Imagelinx, including the cost of paying off various obligations, was $3,024. In conjunction with this acquisition, the Company recorded net tangible assets of $2,228 and goodwill of $796, the majority of which is expected to be tax deductible. The aggregate all-cash purchase price for the other businesses was $981. In conjunction with these acquisitions, the Company

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recorded net tangible assets of $909 and identifiable intangibles of $72. These acquisitions are expected to generate annual sales of approximately $12,500 ($10,000 in the Consumer Packaging segment and $2,500 in the Paper and Industrial Converted Products segment).

Also during 2013, the Company purchased a minority ownership in a small paper recycling business in Finland. The all-cash cost of this investment was $3,628. This investment is recorded in Other Assets.

During 2012, the Company paid an additional $503 in cash to complete its November 2011 acquisition of Tegrant Holding Corporation. The payment was for changes in working capital levels to the date of the closing. No other acquisitions were completed during 2012.

Acquisition-related costs of $9,221, $484 and $311 were incurred in 2014, 2013 and 2012, respectively. These costs, consisting primarily of legal and professional fees, are included in “Selling, general and administrative expenses” in the Company’s Consolidated Statements of Income.

The Company has accounted for these acquisitions as business combinations under the acquisition method of accounting, in accordance with the business combinations subtopic of the Accounting Standards Codification and, accordingly, has included their results of operations in the Company’s consolidated statements of net income from the respective dates of acquisition.

5. Restructuring and asset impairment

The Company has engaged in a number of restructuring actions over the past several years. Actions initiated in 2014 and 2013 are reported as “2014 Actions” and “2013 Actions,” respectively. Actions initiated prior to 2013, all of which were substantially complete at December 31, 2014, are reported as “2012 and Earlier Actions.”

Following are the total restructuring and asset impairment charges, net of adjustments, recognized by the Company during the periods presented:

	Year Ended December 31		
	2014	2013	2012
Restructuring/Asset impairment:			
2014 Actions	$15,279	$—	$—
2013 Actions	2,649	18,821	—
2012 and Earlier Actions	160	6,217	32,858
Other asset impairments	4,704	—	—
Restructuring/Asset impairment charges	$22,792	$25,038	$32,858
Income tax benefit	(5,732)	(6,774)	(9,836)
Equity method investments, net of tax	—	—	22
Restructuring cost/(benefit) attributable to noncontrolling interests, net of tax	(52)	2	116
Total impact of restructuring/asset impairment charges, net of tax	$17,008	$18,266	$23,160

Pretax restructuring and asset impairment charges are included in “Restructuring/Asset impairment charges” in the Consolidated Statements of Income.

The Company expects to recognize future additional costs totaling approximately $1,100 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 2015. The Company continually evaluates its cost structure, including its manufacturing capacity, and additional restructuring actions may be undertaken.

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2014 Actions

During 2014, the Company announced the closures of a tube and core plant in Canada (part of the Paper and Industrial Converted Products segment); a molded foam plant in the United States and a temperature-assured packaging plant in the United States (both part of the Protective Solutions segment); and two recycling facilities - one in the United States and one in Brazil (both part of the Paper and Industrial Converted Products segment). The Consumer Packaging segment also realized significant cash and non-cash restructuring charges as the result of halting the planned start up of a rigid paper facility in Europe following the acquisition of Weidenhammer Packaging Group. In addition, the Company continued to realign its cost structure, resulting in the elimination of approximately 125 positions.

Below is a summary of 2014 Actions and related expenses by type incurred and estimated to be incurred through completion.

2014 Actions	Year Ended December 31, 2014	Estimated Total Cost
Severance and Termination Benefits		
Consumer Packaging	$850	$850
Display and Packaging	594	594
Paper and Industrial Converted Products	3,277	3,277
Protective Solutions	761	811
Asset Impairment/Disposal of Assets		
Consumer Packaging	2,446	2,446
Paper and Industrial Converted Products	781	781
Protective Solutions	335	335
Other Costs		
Consumer Packaging	5,246	5,546
Display and Packaging	5	5
Paper and Industrial Converted Products	647	697
Protective Solutions	337	487
Total Charges and Adjustments	$15,279	$15,829

The following table sets forth the activity in the 2014 Actions restructuring accrual included in “Accrued expenses and other” on the Company’s Consolidated Balance Sheets:

2014 Actions Accrual Activity	Severance and Termination Benefits	Asset Impairment/ Disposal of Assets	Other Costs	Total
Liability, December 31, 2013	$—	$—	$—	$—
2014 charges	5,482	3,562	6,235	15,279
Cash receipts/(payments)	(4,574)	174	(5,767)	(10,167)
Asset write downs/disposals	—	(3,736)	—	(3,736)
Foreign currency translation	(49)	—	(5)	(54)
Liability, December 31, 2014	$859	$—	$463	$1,322

Included in "Asset Impairment/Disposal of Assets" are non-cash charges stemming from the impairment of certain buildings and equipment associated with operations closed in 2014, including the impairment of certain assets under construction for a planned composite can facility in Belgium which will not be completed as a result of the Weidenhammer acquisition.

“Other Costs” include lease termination fees of $3,633 and cancellation fees on assets under construction of $1,135 related to the Company’s decision not to continue with the planned start up of a composite can operation in Belgium following the Weidenhammer acquisition, and 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 2014 Actions restructuring costs by the end of 2015 using cash generated from operations.

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2013 Actions

During 2013, the Company announced the closures of a thermoforming operation in Ireland and a rigid paper packaging plant in the United States (parts of the Consumer Packaging segment), a small tube and core operation in Europe (part of the Paper and Industrial Converted Products segment), and a fulfillment service center in the United States (part of the Display and Packaging segment). The Company also sold a small corrugated box operation in the United States (part of the Protective Solutions segment) and realigned its cost structure resulting in the elimination of approximately 120 positions.

Below is a summary of 2013 Actions and related expenses by type incurred and estimated to be incurred through completion.

2013 Actions	Year Ended December 31, 2014	2013	Total Incurred to Date	Estimated Total Cost
Severance and Termination Benefits				
Consumer Packaging	$132	$4,910	$5,042	$5,042
Display and Packaging	464	1,404	1,868	1,868
Paper and Industrial Converted Products	997	3,347	4,344	4,344
Protective Solutions	(222)	216	(6)	(6)
Asset Impairment/Disposal of Assets				
Consumer Packaging	—	5,926	5,926	5,926
Display and Packaging	—	165	165	165
Paper and Industrial Converted Products	(597)	492	(105)	(105)
Protective Solutions	185	662	847	847
Other Costs				
Consumer Packaging	889	1,021	1,910	1,910
Display and Packaging	108	97	205	255
Paper and Industrial Converted Products	576	447	1,023	1,123
Protective Solutions	117	134	251	251
Total Charges and Adjustments	$2,649	$18,821	$21,470	$21,620

The following table sets forth the activity in the 2013 Actions restructuring accrual included in "Accrued expenses and other" Company's Consolidated Balance Sheets:

2013 Actions Accrual Activity	Severance and Termination Benefits	Asset Impairment/ Disposal of Assets	Other Costs	Total
Liability, December 31, 2012	$—	$—	$—	$—
2013 charges	9,877	7,245	1,699	18,821
Cash receipts/(payments)	(6,716)	6,641	(1,699)	(1,774)
Asset write downs/disposals	—	(13,886)	—	(13,886)
Foreign currency translation	97	—	—	97
Liability, December 31, 2013	$3,258	$—	$—	$3,258
2014 charges	2,106	315	1,766	4,187
Adjustments	(735)	(727)	(76)	(1,538)
Cash receipts/(payments)	(3,715)	855	(1,690)	(4,550)
Asset write downs/disposals	—	(443)	—	(443)
Foreign currency translation	(74)	—	—	(74)
Liability, December 31, 2014	$840	$—	$—	$840

"Adjustments"' in 2014 include the favorable impact of settling severance obligations for less than originally anticipated and the gain from the sale of the land and building at a former tubes and cores facility in New Zealand. The majority of the 2013 activity in “Asset Impairment/Disposal of Assets” relates to the closure of a thermoformed plastics operation in Ireland and the sale of a small corrugated box business acquired as part of the November 2011 acquisition of Tegrant. Charges related to the thermoformed plastics operation consisted of impairments of net fixed assets, spare parts inventory, and certain other intangible assets (primarily customer lists). The sale of the box business resulted in a small loss as the assets written off in connection with the sale, including net fixed assets, net working capital, goodwill, and other intangible assets (primarily customer lists), were slightly greater than the sales proceeds. “Other Costs” consist primarily of lease termination costs and costs related to plant closures including the cost of equipment removal, utilities, plant security, property taxes and insurance. The Company expects to pay the majority of the remaining 2013 Actions restructuring costs by the end of 2015 using cash generated from operations.

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2012 and Earlier Actions

2012 and Earlier Actions are comprised of a number of plant closures and workforce reductions initiated prior to 2013.

Below is a summary of 2012 and Earlier Actions and related expenses by type incurred.

2012 and Earlier Actions	Year Ended December 31, 2014	2013	2012
Severance and Termination Benefits			
Consumer Packaging	$(16)	$256	$5,919
Display and Packaging	81	(3)	2,243
Paper and Industrial Converted Products	(197)	858	10,660
Protective Solutions	—	67	1,279
Corporate	(27)	—	297
Asset Impairment/Disposal of Assets			
Consumer Packaging	—	(284)	(665)
Display and Packaging	191	—	(791)
Paper and Industrial Converted Products	(669)	(99)	669
Protective Solutions	—	561	161
Other Costs			
Consumer Packaging	(833)	2,374	4,942
Display and Packaging	—	249	1,182
Paper and Industrial Converted Products	1,630	1,988	5,610
Protective Solutions	—	216	1,352
Corporate	—	34	—
Total Charges and Adjustments	$160	$6,217	$32,858

The following table sets forth the activity in the 2012 and Earlier Actions restructuring accrual included in “Accrued expenses and other” on the Company’s Consolidated Balance Sheets:

2012 and Earlier Actions Accrual Activity	Severance and Termination Benefits	Asset Impairment/ Disposal of Assets	Other Costs	Total
Liability, December 31, 2012	$11,452	$—	$170	$11,622
2013 charges	1,666	1,375	6,316	9,357
Adjustments	(487)	(2,641)	(12)	(3,140)
Cash receipts/(payments)	(8,114)	2,277	(6,457)	(12,294)
Asset write downs/disposals	—	(1,011)	—	(1,011)
Foreign currency translation	12	—	1	13
Liability, December 31, 2013	$4,529	$—	$18	$4,547
2014 charges	97	429	1,950	2,476
Adjustments	(256)	(1,247)	(813)	(2,316)
Cash receipts/(payments)	(4,194)	2,006	(154)	(2,342)
Asset write downs/disposals	—	(1,188)	—	(1,188)
Foreign currency translation	(26)	—	(1)	(27)
Liability, December 31, 2014	$150	$—	$1,000	$1,150

“Adjustments” consists primarily of gains from the sales of a former blowmolding facility in Canada and a former rigid paper facility in the United States, closed in prior years.

“Other Costs” consist primarily of costs related to demolition and cleanup costs at two former paper mills in the United States. These sites were closed in 2009 and 2008, respectively. The Company expects to recognize future pretax

charges of approximately $400 associated with 2012 and Earlier Actions.

The accrual for 2012 and Earlier Actions relates primarily to environmental remediation costs at a former paper mill in the United States. The Company expects to pay the majority of the remaining 2012 and Earlier Actions restructuring costs by the end of 2015 using cash generated from operations.

Other Asset Impairments

In addition to the restructuring charges discussed above, the Company recorded a pretax asset impairment charge of $2,730 in the third quarter of 2014 to write off the customer list obtained in the 2008 acquisition of a small packaging fulfillment business included in the Company's Display and Packaging segment. This business provided display assembly and fulfillment services to a single customer in the pharmaceutical industry. As a result of losing this business, the Company has impaired the remaining unamortized balance of the customer list.

In the fourth quarter of 2014, the Company recorded an additional pretax impairment charge of $1,974 related to assets purchased in its acquisition of Weidenhammer Packaging Group. The Company intends to discontinue the use of the acquired company's trade name and has determined that the fair value of the affected asset has been impaired

These asset impairment charges are included in “Restructuring/Asset impairment charges” in the Company’s Consolidated Statements of Income.

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6. Cash and cash equivalents

At December 31, 2014 and 2013, outstanding checks totaling $9,839 and $9,034, respectively, were included in “Payable to suppliers” on the Company’s Consolidated Balance Sheets. In addition, outstanding payroll checks of $1,030 and $501 as of December 31, 2014 and 2013, respectively, were included in “Accrued wages and other compensation” on the Company’s Consolidated Balance Sheets.

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 cash deposit or borrowing positions 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. The Company’s Consolidated Balance Sheets reflect a net cash deposit under this pooling arrangement of $18,679 and $7,863 as of December 31, 2014 and 2013, respectively.

7. Property, plant and equipment

Details of the Company's property, plant and equipment at December 31 are as follows:

	2014	2013
Land	$86,453	$81,905
Timber resources	40,548	40,260
Buildings	483,607	467,386
Machinery and equipment	2,851,049	2,725,435
Construction in progress	103,214	90,770
	3,564,871	3,405,756
Accumulated depreciation and depletion	(2,416,264)	(2,383,836)
Property, plant and equipment, net	$1,148,607	$1,021,920

Estimated costs for completion of capital additions under construction totaled approximately $108,000 at December 31, 2014. Depreciation and depletion expense amounted to $169,911 in 2014, $169,400 in 2013 and $171,905 in 2012.

The Company has certain properties and equipment that are leased under noncancelable operating leases. Future minimum rentals under noncancelable operating leases with terms of more than one year are as follows: 2015 – $45,800; 2016 – $37,300; 2017 – $26,800; 2018 – $19,700; 2019 – $15,000 and thereafter – $25,800. Total rental expense under operating leases was approximately $70,300 in 2014, $68,500 in 2013 and $68,200 in 2012.

8. Goodwill and other intangible assets

Goodwill

The changes in the carrying amount of goodwill by segment for the year ended December 31, 2014, are as follows:

	Consumer Packaging	Display and Packaging	Paper and Industrial Converted Products	Protective Solutions	Total
Balance as of January 1, 2014	$418,765	$204,629	$254,648	$221,165	$1,099,207
Goodwill on acquisitions	104,315	—	3,250	—	107,565
Other	(231)	—	—	—	(231)
Foreign currency translation	(14,267)	—	(14,312)	—	(28,579)
Balance as of December 31, 2014	$508,582	$204,629	$243,586	$221,165	$1,177,962

During 2014, the Company recorded $104,315 of goodwill in connection with the acquisition of Weidenhammer Packaging Group, a global composite can, composite drum, and rigid plastic containers business based in Germany, and $3,250 of goodwill in connection with the acquisition of Dalton Paper Products, a tube and core business located in Dalton, Georgia. The Weidenhammer goodwill reflects post-acquisition measurement period adjustments as discussed in Note 4.

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. As part of this testing, the Company analyzes certain qualitative and quantitative factors in determining goodwill impairment. In its most recent assessment, completed in the third quarter of 2014, the Company estimated the fair values of all of its reporting units utilizing both an income approach and a market approach. The estimated fair values reflect 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 estimated fair values.

When the Company estimates the fair value of a reporting unit, it does so using a discounted cash flow model based on projections of future years’ operating results and associated cash flows, together with comparable trading and transaction multiples. The Company’s model discounts projected future cash flows, forecasted over a ten-year period, with an estimated residual growth rate. The Company’s projections incorporate management’s best estimates of the expected future results, which include expectations related to new business, and, where applicable, improved operating margins. Management's projections related to revenue growth and/or margin improvements arise from a combination of factors, including expectations for volume growth with existing customers, product expansion, improved price/cost, productivity gains, fixed cost leverage, improvement in general economic conditions, increased operational capacity, and customer retention. Projected future cash flows are then discounted to present value using a discount rate management believes is commensurate with the risks inherent in the cash flows.

Based on the results of its third quarter 2014 assessments, the Company concluded that there was no impairment of goodwill for any of its reporting units. Because the Company’s assessments incorporate management’s expectations for the future, including forecasted growth and/or margin improvements, if there are changes in the relevant facts and circumstances and/or expectations, management’s assessment regarding goodwill impairment may change as well. In considering the level of uncertainty regarding the potential for goodwill impairment, management has concluded that any such impairment would likely be the result of adverse changes in more than one assumption.

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Although no reporting units failed the qualitative or quantitative assessments noted above, in management's opinion, the reporting units having the greatest risk of future impairment if actual results fall significantly short of expectations are Plastics – Blowmolding, Display and Packaging, and Tubes and Cores/Paper - Brazil. Total goodwill associated with these reporting units was approximately $122,000, $205,000, and $3,300, respectively, at December 31, 2014. A large portion of sales in the Display and Packaging unit is concentrated in one customer. Management expects to retain this business; however, if a significant amount is lost and not replaced, it is possible that a goodwill impairment charge may be incurred.

The restatement of historical financial results for the Company's Display and Packaging business discussed in Note 2 was considered a triggering event resulting in a reassessment of the most recent annual impairment test for the Display and Packaging reporting unit completed as of the third quarter of 2014. Accordingly, the Company reperformed the impairment analysis for this reporting unit taking into consideration the restated financial data and concluded that goodwill in the Display and Packaging reporting unit was not impaired. There have been no other triggering events subsequent to the completion of the annual goodwill impairment testing in the third quarter of 2014.

Other intangible assets

Details at December 31 are as follows:

	2014	2013
Other Intangible Assets, Gross:		
Patents	$13,883	$2,221
Customer lists	385,466	339,911
Trade names	19,366	21,232
Proprietary technology	17,786	17,866
Land use rights	320	323
Other	1,309	4,731
Other Intangible Assets, Gross	$438,130	$386,284
Accumulated Amortization	$(157,195)	$(142,364)
Other Intangible Assets, Net	$280,935	$243,920

The Company recorded $75,062 of identifiable intangibles in connection with 2014 acquisitions. Of this total, $60,877 related to customer lists, $12,151 to patents, and $60 to other intangible assets. In addition, a total of $1,974 was assigned to trade names acquired as part of the Weidenhammer acquisition. This asset was subsequently impaired as they are not expected to be utilized. The customer lists will be amortized over lives ranging from 10 to 12 years, and the patents and other intangible assets will be amortized over lives ranging from three to 11 years.

Aggregate amortization expense on intangible assets was $28,807, $28,271 and $28,498 for the years ended December 31, 2014, 2013 and 2012, respectively. Amortization expense on intangible assets is expected to approximate $34,100 in 2015, $33,100 in 2016, $32,300 in 2017, $31,700 in 2018 and $30,400 in 2019.

9. Debt

Debt at December 31 was as follows:

	2014	2013
5.75% debentures due November 2040	$604,353	$604,520
4.375% debentures due November 2021	249,220	249,106
9.2% debentures due August 2021	4,321	4,321
5.625% debentures due November 2016	75,201	75,165
Term loan, due October 2017	250,000	—
Commercial paper, average rate of 0.22% in 2014 and 0.37% in 2013	—	—
Foreign denominated debt, average rate of 4.6% in 2014 and 4.4% in 2013	56,763	35,268
Other notes	13,307	13,078
Total debt	1,253,165	981,458
Less current portion and short-term notes	52,280	35,201

Long-term debt	$1,200,885	$946,257

The Company operates a $350,000 commercial paper program, supported by a committed revolving bank credit facility of the same amount. In October 2014, the Company entered into a new credit agreement with a syndicate of eight banks for that revolving facility, together with a new $250,000 three-year term loan. The revolving bank credit facility is committed through October 2019. If circumstances were to prevent the Company from issuing commercial paper, it has the contractual right to draw funds directly on the underlying bank credit facility. The Company had no outstanding commercial paper at December 31, 2014 or 2013. On October 30, 2014, the Company drew the new $250,000 three-year term loan. The proceeds from this borrowing, along with existing cash on hand, were used to fund the acquisition of Weidenhammer Packaging Group on October 31, 2014. The loan has no amortization requirement, but repayment can be accelerated at any time at the discretion of the Company. Interest on the term loan is assessed at the London Interbank Offered Rate (LIBOR) plus 112.5 basis points.

In addition to the $350,000 committed revolving bank credit facility, the Company had approximately $106,000 available under unused short-term lines of credit at December 31, 2014. These short-term lines of credit are for general Company purposes, with interest at mutually agreed-upon rates.

Certain of the Company's debt agreements impose restrictions with respect to the maintenance of financial ratios and the disposition of assets. The most restrictive covenant currently requires the Company to maintain a minimum level of interest coverage, and a minimum level of net worth, as defined. As of December 31, 2014, the Company had substantial tolerance above the minimum levels required under these covenants.

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The principal requirements of debt maturing in the next five years are: 2015 – $52,280; 2016 – $79,459; 2017 – $253,492; 2018 – $1,593 and 2019 – $1,581.

10. Financial instruments and derivatives

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

	December 31, 2014		December 31, 2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt	$1,200,885	$1,322,795	$946,257	$999,247

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 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.

Cash flow hedges

At December 31, 2014 and 2013, the Company had derivative financial instruments outstanding to hedge anticipated transactions and certain asset and liability related cash flows. To the extent considered effective, the changes in fair value of these contracts are recorded in other comprehensive income and reclassified to income or expense in the period in which the hedged item impacts earnings.

Commodity cash flow hedges

The Company has entered into certain derivative contracts to manage the cost of anticipated purchases of natural gas, aluminum, old corrugated containers (OCC), and high impact polystyrene. At December 31, 2014, natural gas swaps covering approximately 5.2 MMBTUs were outstanding. These contracts represent approximately 79% and 5% of anticipated U.S. and Canadian usage for 2015 and 2016, respectively. Additionally, the Company had swap contracts covering 2,648 metric tons of aluminum and 5,280 short tons of OCC, representing approximately 33% and 5% of anticipated usage for 2015, respectively. Also at December 31, 2014, the Company had a swap covering 540,000 gallons of benzene serving as a proxy hedge for the purchase of high impact polystyrene. This swap represents approximately 1% of anticipated purchases in 2015. The total fair values of the Company's commodity cash flow hedges were in net loss positions totaling $(6,086) and $(330) at December 31, 2014 and 2013, respectively. The amount of the loss included in accumulated other comprehensive loss at December 31, 2014, expected to be reclassified to the income statement during the next twelve months is $(5,808).

Foreign currency cash flow hedges

The Company has entered into forward contracts to hedge certain anticipated foreign currency denominated sales and purchases forecasted to occur in 2014. The net positions of these contracts at December 31, 2014, were as follows:

Currency	Action	Quantity
Colombian peso	Purchase	17,614,269
Mexican peso	Purchase	363,649
Canadian dollar	Purchase	59,293
Russian ruble	Purchase	39,628
Turkish lira	Purchase	6,771
British pound	Purchase	4,043
Polish zloty	Purchase	1,128
New Zealand dollar	Sell	(3,191)
Australian dollar	Sell	(6,384)
Euro	Sell	(8,137)

The total net fair values of the Company's foreign currency cash flow hedges were $(3,526) and $(97) at December 31, 2014 and 2013, respectively. During 2014 and 2013, certain foreign currency cash flow hedges related to construction in progress were settled as the capital expenditures were made. A gain totaling $2 and a loss totaling $(81) were reclassified from accumulated other comprehensive loss and netted against the carrying value of the capitalized

expenditures during the years ended December 31, 2014 and 2013, respectively. The amount of the loss included in accumulated other comprehensive loss at December 31, 2014, expected to be reclassified to the income statement during the next twelve months is $(3,375).

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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 December 31, 2014, were as follows:

Currency	Action	Quantity
Colombian peso	Purchase	14,740,896
Mexican peso	Purchase	196,066
Canadian dollar	Purchase	16,389
British pound	Sell	(4,000)
Euro	Sell	(2,747)

The fair value of the Company's other derivatives was $(1,098) and $415 at December 31, 2014 and 2013, respectively.

The Company has determined all derivatives for which it has applied hedge accounting under ASC 815 to be highly effective and as a result no material ineffectiveness has been recorded during the periods presented.

The following table sets forth the location and fair values of the Company's derivative instruments:

Description	Balance Sheet Location	Fair Value at December 31 2014	2013
Derivatives designated as hedging instruments:			
Commodity Contracts	Prepaid expenses	$—	$535
Commodity Contracts	Other assets	$—	$363
Commodity Contracts	Accrued expenses and other	$(5,808)	$(1,228)
Commodity Contracts	Other liabilities	$(278)	$—
Foreign Exchange Contracts	Prepaid expenses	$574	$896
Foreign Exchange Contracts	Accrued expenses and other	$(4,100)	$(993)
Derivatives not designated as hedging instruments:			
Foreign Exchange Contracts	Prepaid expenses	$68	$468
Foreign Exchange Contracts	Accrued expenses and other	$(1,166)	$(53)

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 table sets forth the effect of the Company's derivative instruments on financial performance for the twelve months ended December 31, 2014, excluding the losses on foreign currency cash flow hedges that were reclassified from accumulated other comprehensive loss to the carrying value of the capitalized expenditures:

Description	Amount of Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)	Location of Gain or (Loss) Reclassified from Accumulated OCI Into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated OCI Into Income (Effective Portion)	Location of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion)	Amount of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion)
Derivatives in Cash Flow Hedging Relationships:					
Foreign Exchange Contracts	$ (404)	Net sales	$252	Net sales	$ —

		Cost of sales	$ 2,776	Cost of sales	$ —
Commodity Contracts	$ (5,251)	Cost of sales	$ 505	Cost of sales	$ (5)
		Location of Gain or (Loss) Recognized in Income Statement	Gain or (Loss) Recognized		
Derivatives not designated as hedging instruments:					
Foreign Exchange Contracts		Cost of sales	$ (1,485)		
		Selling, general and administrative	$ (28)		

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The following table sets forth the effect of the Company's derivative instruments on financial performance for the twelve months ended December 31, 2013, excluding the gains on foreign currency cash flow hedges that were reclassified from accumulated other comprehensive loss to the carrying value of the capitalized expenditures:

Description	Amount of Gain or (Loss) Recognized in OCI on Derivative (Effective Portion)	Location of Gain or (Loss) Reclassified from Accumulated OCI Into Income (Effective Portion)	Amount of Gain or (Loss) Reclassified from Accumulated OCI Into Income (Effective Portion)	Location of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion)	Amount of Gain or (Loss) Recognized in Income on Derivative (Ineffective Portion)
Derivatives in Cash Flow Hedging Relationships:					
Foreign Exchange Contracts	$ 5,928	Net sales	$ 4,603	Net sales	$ —
		Cost of sales	$ (2,996)	Cost of sales	$ —
Commodity Contracts	$ 488	Cost of sales	$ (5,455)	Cost of sales	$ 13
		Location of Gain or (Loss) Recognized in Income Statement	Gain or (Loss) Recognized		
Derivatives not designated as hedging instruments:					
Foreign Exchange Contracts		Cost of sales	$ (235)		
		Selling, general and administrative	$ (58)		

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11. Fair value measurements

Fair value is defined as 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 tables set forth information regarding the Company’s financial assets and financial liabilities that are measured at fair value on a recurring basis:

Description	December 31, 2014	Level 1	Level 2	Level 3
Hedge derivatives, net:				
Commodity contracts	$(6,086)	$—	$(6,086)	$—
Foreign exchange contracts	(3,526)	—	(3,526)	—
Non-hedge derivatives, net:				
Foreign exchange contracts	(1,098)	—	(1,098)	—
Deferred compensation plan assets	944	944	—	—
Postretirement benefit plan assets:				
Mutual funds[(a)]	782,211	129,028	653,183	—
Fixed income securities[(b)]	438,067	—	438,067	—
Common stocks	65,121	65,121	—	—
Short-term investments[(c)]	8,182	6,613	1,569	—
Hedge fund of funds[(d)]	80,974	—	80,974	—
Real estate funds[(e)]	49,700	—	49,700	—
Cash and accrued income	3,906	3,906	—	—
Forward contracts	2,364	—	2,364	—
Total postretirement benefit plan assets	$1,430,525	$204,668	$1,225,857	$—

Description	December 31, 2013	Level 1	Level 2	Level 3
Hedge derivatives, net:				
Commodity contracts	$(330)	$—	$(330)	$—
Foreign exchange contracts	(97)	—	(97)	—
Non-hedge derivatives, net:				
Foreign exchange contracts	415	—	415	—
Deferred compensation plan assets	859	859	—	—
Postretirement benefit plan assets:				
Mutual funds(a)	789,863	139,657	650,206	—
Fixed income securities(b)	358,643	—	358,643	—
Common stocks	64,182	64,182	—	—
Short-term investments(c)	15,825	12,673	3,152	—
Hedge fund of funds(d)	78,389	—	78,389	—
Real estate funds(e)	45,169	—	45,169	—
Cash and accrued income	2,427	2,427	—	—
Forward contracts	(67)	—	(67)	—
Total postretirement benefit plan assets	$1,354,431	$218,939	$1,135,492	$—

(a) Mutual fund investments are comprised predominantly of equity securities of U.S. corporations with large capitalizations and also include funds invested in corporate equities in international and emerging markets and funds invested in long-term bonds.
(b) Fixed income securities include funds that invest primarily in U.S. Treasuries and long-term bonds.
(c) This category includes several money market funds used for managing overall liquidity.
(d) This category includes investments in a number of funds representing a variety of strategies intended to diversify risks and reduce volatility. It includes event-driven credit and equity investments targeted at economic policy decisions, long and short positions in U.S. and international equities, arbitrage investments and emerging market equity investments.
(e) This category includes investments in real estate funds (including office, industrial, residential and retail) primarily throughout the United States.

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The Company’s pension plan assets comprise more than 98% of its total postretirement benefit plan assets. The assets of the Company’s various pension plans and retiree health and life insurance plans are largely invested in the same funds and investments and in similar proportions and, as such, are not shown separately, but are combined in the tables above. Postretirement benefit plan assets are netted against postretirement benefit obligations to determine the funded status of each plan. The funded status is recognized in the Company’s Consolidated Balance Sheets as shown in Note 13.

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 and the 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 nonfinancial assets or liabilities that are recognized or disclosed at fair value on a recurring basis. None of the Company's financial assets or liabilities is 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 years ended December 31, 2014 or 2013.

12. Share-based compensation plans

The Company provides share-based compensation to certain employees and non-employee directors in the form of stock appreciation rights, restricted stock units and other share-based awards. Awards issued prior to 2009 were issued pursuant to the 1991 Key Employee Stock Plan (the “1991 Plan”) or the 1996 Non-Employee Directors Stock Plan (the “1996 Plan”). Awards issued from 2009 through 2011 were issued pursuant to the Sonoco Products Company 2008 Long-Term Incentive Plan (the “2008 Plan”) and awards issued from 2012 through 2013 were issued pursuant to the Sonoco Products Company 2012 Long-Term Incentive Plan (the “2012 Plan”). Awards issued after 2013, were issued pursuant to the Sonoco Products Company 2014 Long-Term Incentive Plan (the “2014 Plan”), which became effective upon approval by the shareholders on April 16, 2014. The maximum number of shares of common stock that may be issued under the 2014 Plan was set at 10,381,533 shares, which includes all shares remaining under the 2012 Plan and an additional 4,500,000 shares authorized under the 2014 Plan. Awards granted under all previous plans which are forfeited, expire or are cancelled without delivery of shares, or which result in forfeiture of shares back to the Company, will be added to the total shares available under the 2014 Plan. At December 31, 2014, a total of 9,361,070 shares remain available for future grant under the 2014 Plan. After the effective date of the 2014 Plan, no awards may be granted under any previous plan. The Company issues new shares for stock appreciation right exercises and stock unit conversions. Although the Company from time to time has repurchased shares to replace its authorized shares issued under its stock compensation plans, there is no specific schedule or policy to do so. The Company’s stock-based awards to non-employee directors have not been material.

Accounting for share-based compensation

For stock appreciation rights granted to retiree-eligible employees, the service completion date is assumed to be the grant date; therefore, expense associated with share-based compensation to these employees is recognized at that time. Total compensation cost for share-based payment arrangements was $17,099, $11,472 and $8,851, for 2014, 2013 and 2012, respectively. The related tax benefit recognized in net income was $6,414, $4,163, and $3,113, for the same years, respectively. Share-based compensation expense is included in “Selling, general and administrative expenses” in the Consolidated Statements of Income.

An “excess” tax benefit is created when the tax deduction for an exercised stock appreciation right, exercised stock option or converted stock unit exceeds the compensation cost that has been recognized in income. The excess tax benefit is not recognized on the income statement, but rather on the balance sheet as “Capital in excess of stated value.” The additional net excess tax benefit realized was $4,126, $12,456 and $2,682 for 2014, 2013 and 2012, respectively.

Stock appreciation rights

Since 2006, the Company has granted stock appreciation rights (SARs) annually on a discretionary basis to key employees. These SARs are granted at market (had an exercise price equal to the closing market price on the date of grant), vest over 1 year, have seven-year terms and can be settled only in stock. Stock options, which were awarded prior to 2006, were granted at market, had 10-year terms and vested over one year. Both SARs and stock options are exercisable upon vesting. On February 12, 2014, the Company granted to employees a total of 960,490 stock-settled SARs. All SARs were granted at the closing market price on the date of grant. As of December 31, 2014, unrecognized compensation cost related to nonvested SARs totaled $198. This cost will be recognized over the remaining weighted-average vesting period of approximately two months.

The weighted-average fair value of SARs granted was $4.72, $6.57 and $8.42 per share in 2014, 2013 and 2012, respectively. The Company computed the estimated fair values of all SARs using the Black-Scholes option-pricing model applying the assumptions set forth in the following table:

	2014		2013		2012	
Expected dividend yield	3.0	%	3.9	%	3.5	%
Expected stock price volatility	18.4	%	24.7	%	32.3	%
Risk-free interest rate	1.2	%	0.6	%	0.6	%
Expected life of SARs	4 years		4 years		4 years	

The assumptions employed in the calculation of the fair value of SARs were determined as follows:

- Expected dividend yield – the Company’s annual dividend divided by the stock price at the time of grant.
- Expected stock price volatility – based on historical volatility of the Company’s common stock measured weekly for a time period equal to the expected life.
- Risk-free interest rate – based on U.S. Treasury yields in effect at the time of grant for maturities equal to the expected life.
- Expected life – calculated using the simplified method as prescribed in U.S. GAAP, where the expected life is equal to the sum of the vesting period and the contractual term divided by two.

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The following tables summarize information about stock options and SARs outstanding and exercisable at December 31, 2014. At December 31, 2014, the fair market value of the Company's stock used to calculate intrinsic value was $43.70 per share.

	Options and SARs Vested and Expected to Vest			
Range of Exercise Prices	Number Outstanding	Weighted-average Remaining Contractual Life	Weighted-average Exercise Price	Aggregate Intrinsic Value
$23.69 - $32.03	717,049	3.2 years	$29.78	$9,981
$32.85 - $36.34	683,135	3.6 years	$34.47	$6,360
$38.11 - $41.58	957,460	6.1 years	$41.58	$2,033
$23.69 - $41.58	2,357,644	4.5 years	$35.89	$18,374

	Options and SARs Exercisable			
Range of Exercise Prices	Number Exercisable	Weighted-average Remaining Contractual Life	Weighted-average Exercise Price	Aggregate Intrinsic Value
$23.69 - $32.03	717,049	3.2 years	$29.78	$9,981
$32.85 - $36.34	683,135	3.6 years	$34.39	$6,360
$38.11 - $41.58	1,190	2.0 years	$39.25	$5
$23.69 - $41.58	1,401,374	3.4 years	$32.04	$16,346

The activity related to the Company's stock options and SARs is as follows:

	Nonvested	Vested	Total	Weighted-average Exercise Price
Outstanding, December 31, 2013	838,607	2,166,080	3,004,687	$31.43
Vested	(838,997)	838,997	—	
Granted	960,490	—	960,490	$41.58
Exercised	—	(1,589,503)	(1,589,503)	$30.86
Forfeited/Expired	(3,830)	(14,200)	(18,030)	$36.91
Outstanding, December 31, 2014	956,270	1,401,374	2,357,644	$35.91

The aggregate intrinsic value of options and SARs exercised during the years ended December 31, 2014, 2013 and 2011 was $17,328, $13,838 and $4,193, respectively. Cash received by the Company on option exercises was $5,951, $15,781 and $9,739 for the same years, respectively.

Performance-based stock awards

The Company has granted performance contingent restricted stock units (PCSUs) annually on a discretionary basis to certain of its executives and other members of its management team. Both the ultimate number of PCSUs awarded and the vesting period are dependent upon the degree to which performance targets are achieved over three-year performance periods. Half of the units available to be earned are tied to an earnings target and half are tied to a return on assets target. If the respective performance target is met, units awarded vest at the end of the three-year performance period. In the event performance targets are not met, a minimum number of units are awarded and vest 50% at the end of four years and 50% at the end of five years. Upon vesting, PCSUs are convertible into common shares on a one-for-one basis.

For the awards granted in 2014 and 2013, the total PCSUs that could ultimately vest ranges from 284,205 to 852,615. The 2014 awards can range from 133,160 to 399,480 units and are tied to the three-year period ending December 31,

2016. The 2013 awards can range from 151,045 to 453,135 units and are tied to the three-year period ending December 31, 2015.

The three-year performance cycle for the 2012 awards was completed on December 31, 2014. Based on performance, only 160,868 stock units will be awarded, which was the minimum provided for under the award. A total of 144,780 stock units qualified for vesting on December 31, 2014 with an intrinsic value of $4,059. Approximately half of the remaining 16,088 stock units will vest on December 31, 2015, and the remaining amount will vest on December 31, 2016.

The three-year performance cycle for the 2011 awards was completed on December 31, 2013. Based on performance, 123,413 stock units were awarded, the minimum provided under the award. A total of 61,707 stock units vested on December 31, 2014, with the remaining 61,706 stock units vesting on December 31, 2015. The intrinsic value of the stock units vesting in 2014 was $1,955.

Noncash stock-based compensation associated with PCSUs totaled $9,719, $2,164 and $5,354 for 2014, 2013 and 2012, respectively. As of December 31, 2014, there was approximately $12,213 of total unrecognized compensation cost related to nonvested PCSUs. This cost is expected to be recognized over a weighted-average period of 14 months.

Restricted stock awards

From time to time, the Company grants awards of restricted stock units to certain of its executives and directors. These awards normally vest over a five-year period with one-third vesting on each of the third, fourth and fifth anniversaries of the grant, but may vest over a shorter period in some circumstances. A participant must be actively employed by, or serving as a director of, the Company on the vesting date for shares to be issued. However, in the event of the participant’s death, disability or retirement prior to full vesting, shares will be issued on a pro rata basis up through the time the participant’s employment or service ceases. Participants can elect to defer receipt. Once vested, these awards do not

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expire. As of December 31, 2014, a total of 229,182 restricted stock units remained outstanding, 108,103 of which were vested. During 2014, 31,387 restricted stock units vested and 2,555 restricted stock units were granted. Noncash stock-based compensation associated with restricted stock grants totaled $1,153, $869 and $365 for 2014, 2013 and 2012, respectively. As of December 31, 2014, there was $1,648 of total unrecognized compensation cost related to nonvested restricted stock units. This cost is expected to be recognized over a weighted-average period of 22 months.

The activity related to the PCSUs and restricted stock units is as follows:

	Nonvested	Vested	Total	Average Grant Date Fair Value Per Share
Outstanding, December 31, 2013	792,929	288,736	1,081,665	$ 29.85
Granted	272,185	1,176	273,361	$ 36.26
Performance adjustments	85,773	—	85,773	$ 34.91
Vested	(244,254)	244,254	—	
Converted	—	(11,457)	(11,457)	$ 29.21
Dividend equivalents	4,755	8,787	13,542	$ 42.12
Outstanding, December 31, 2014	911,388	531,496	1,442,884	$ 31.55

Deferred compensation plans

Certain officers and directors of the Company may elect to defer a portion of their compensation in the form of stock units. Units are granted as of the day the cash compensation would have otherwise been paid using the closing price of the Company's common stock on that day. The units immediately vest and earn dividend equivalents. Units are distributed in the form of common stock upon retirement over a period elected by the employee or director. Cash compensation totaling $1,544 was deferred as stock units during 2014, resulting in 37,440 units being granted.

Since 2006, non-employee directors have been required to defer a minimum of 50% of their quarterly retainer fees into stock units. Units are granted as of the day the cash compensation would have otherwise been paid using the closing price of the Company's common stock on that day. The units immediately vest and earn dividend equivalents. Distributions begin after retirement from the board over a period elected by the director.

13. Employee benefit plans

Retirement plans and retiree health and life insurance plans

The Company provides non-contributory defined benefit pension plans for a majority of its employees in the United States, and certain of its employees in Mexico, Belgium, Germany, Greece, France, and Turkey. The Company also sponsors contributory defined benefit pension plans covering the majority of its employees in the United Kingdom, Canada and the Netherlands.

Effective December 31, 2003, the Company froze participation for newly hired salaried and non-union hourly U.S. employees in its traditional defined benefit pension plan. At that time, the Company adopted a defined contribution plan, the Sonoco Investment and Retirement Plan (SIRP), which covers its non-union U.S. employees hired on or after January 1, 2004. 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. Active participants of the U.S. qualified plan had a one-time option to transfer into the SIRP effective January 1, 2010. Approximately one third of the active participants chose that option. Remaining active participants in the U.S. qualified plan will become participants of the SIRP effective January 1, 2019.

The Company also 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 components of net periodic benefit cost include the following:

	2014	2013	2012
Retirement Plans			
Service cost	$21,826	$25,198	$23,551
Interest cost	73,505	67,235	69,928
Expected return on plan assets	(93,198)	(86,545)	(83,758)

Amortization of net transition obligation	405	438	483
Amortization of prior service cost	697	569	409
Amortization of net actuarial loss	26,523	43,776	37,904
Effect of settlement loss	—	1,947	70
Other	77	—	—
Net periodic benefit cost	$29,835	$52,618	$48,587
Retiree Health and Life Insurance Plans			
Service cost	$726	$891	$820
Interest cost	1,034	942	1,120
Expected return on plan assets	(1,599)	(1,510)	(1,526)
Amortization of prior service credit	(1,381)	(2,969)	(6,491)
Amortization of net actuarial gain	(259)	—	(2)
Net periodic benefit income	$(1,479)	$(2,646)	$(6,079)

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The following tables set forth the Plans' obligations and assets at December 31:

	Retirement Plans		Retiree Health and Life Insurance Plans	
	2014	2013	2014	2013
Change in Benefit Obligation				
Benefit obligation at January 1	$1,596,458	$1,734,556	$27,521	$32,581
Service cost	21,826	25,198	726	891
Interest cost	73,505	67,235	1,034	942
Plan participant contributions	486	528	1,049	1,040
Plan amendments	812	1,927	—	—
Actuarial loss/(gain)	278,428	(137,365)	736	(4,349)
Benefits paid	(91,078)	(90,403)	(3,568)	(3,542)
Impact of foreign exchange rates	(26,791)	(836)	(47)	(42)
Effect of settlements	—	(4,382)	—	—
Acquisitions	3,460	—	—	—
Benefit obligation at December 31	$1,857,106	$1,596,458	$27,451	$27,521

	Retirement Plans		Retiree Health and Life Insurance Plans	
	2014	2013	2014	2013
Change in Plan Assets				
Fair value of plan assets at January 1	$1,331,934	$1,267,386	$22,497	$21,183
Actual return on plan assets	144,209	134,229	2,323	2,795
Company contributions	53,020	31,591	875	1,126
Plan participant contributions	486	528	1,049	1,040
Benefits paid	(91,078)	(90,403)	(3,568)	(3,542)
Impact of foreign exchange rates	(23,849)	(952)	—	—
Effect of settlements	—	(4,382)	—	—
Expenses paid	(7,261)	(6,063)	(112)	(105)
Fair value of plan assets at December 31	$1,407,461	$1,331,934	$23,064	$22,497
Funded Status of the Plans	$(449,645)	$(264,524)	$(4,387)	$(5,024)

	Retirement Plans		Retiree Health and Life Insurance Plans	
	2014	2013	2014	2013
Total Recognized Amounts in the Consolidated Balance Sheets				
Noncurrent assets	$3,151	$7,374	$—	$—
Current liabilities	(12,759)	(13,034)	(831)	(801)
Noncurrent liabilities	(440,037)	(258,864)	(3,556)	(4,223)
Net liability	$(449,645)	$(264,524)	$(4,387)	$(5,024)

Items not yet recognized as a component of net periodic pension cost that are included in Accumulated Other Comprehensive Loss (Income) as of December 31, 2014 and 2013, are as follows:

	Retirement Plans		Retiree Health and Life Insurance Plans	
	2014	2013	2014	2013
Net actuarial loss	$725,714	$518,275	$(2,818)	$(3,178)
Prior service cost/(credit)	4,023	3,991	(103)	(1,438)

Net transition obligation	65	470	—	—
	$729,802	$522,736	$(2,921)	$(4,616)

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The amounts recognized in Other Comprehensive Loss/(Income) during December 31, 2014 and 2013 include the following:

	Retirement Plans		Retiree Health and Life Insurance Plans	
	2014	2013	2014	2013
Adjustments arising during the period:				
Net actuarial loss/(gain)	$233,962	$(178,648)	$101	$(5,527)
Prior service cost/(credit)	729	1,902	(46)	—
Net settlements/curtailments	—	(1,947)	—	—
Reversal of amortization:				
Net actuarial loss	(26,523)	(43,776)	259	—
Prior service cost/(credit)	(697)	(569)	1,381	2,969
Net transition obligation	(405)	(438)	—	—
Total recognized in other comprehensive loss/(income)	$207,066	$(223,476)	$1,695	$(2,558)
Total recognized in net periodic benefit cost and other comprehensive loss/(income)	$236,901	$(170,858)	$216	$(5,204)

Of the amounts included in Accumulated Other Comprehensive Loss/(Income) as of December 31, 2014, the portions the Company expects to recognize as components of net periodic benefit cost in 2015 are as follows:

	Retirement Plans	Retiree Health and Life Insurance Plans
Net actuarial loss	$40,691	$ (22)
Prior service cost/(credit)	760	(104)
Net transition obligation	65	—
	$41,516	$ (126)

The accumulated benefit obligation for all defined benefit plans was $1,799,216 and $1,539,382 at December 31, 2014 and 2013, respectively.

The projected benefit obligation (PBO), accumulated benefit obligation (ABO) and fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets were, $1,811,459, $1,757,235 and $1,358,663, respectively, as of December 31, 2014, and $1,510,804, $1,461,700 and $1,238,906, respectively, as of December 31, 2013.

The following table sets forth the Company’s projected benefit payments for the next ten years:

Year	Retirement Plans	Retiree Health and Life Insurance Plans
2015	$89,192	$ 2,814
2016	$87,516	$ 2,823
2017	$90,382	$ 2,753
2018	$92,880	$ 2,676
2019	$95,541	$ 2,558
2019-2023	$512,446	$ 10,041

Assumptions

The following tables set forth the major actuarial assumptions used in determining the PBO, ABO and net periodic cost:

Weighted-average assumptions used to determine benefit obligations at December 31	U.S. Retirement Plans	U.S. Retiree Health and Life Insurance Plans	Foreign Plans
Discount Rate			
2014	4.00 %	3.52 %	3.49 %

2013	4.78	%	4.03	%	4.51	%
Rate of Compensation Increase						
2014	3.99	%	3.42	%	3.51	%
2013	3.99	%	3.44	%	3.80	%

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Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31	U.S. Retirement Plans	U.S. Retiree Health and Life Insurance Plans	Foreign Plans
Discount Rate			
2014	4.78 %	4.03 %	4.51 %
2013	3.90 %	3.16 %	4.36 %
2012	4.45 %	3.76 %	4.98 %
Expected Long-term Rate of Return			
2014	7.66 %	7.39 %	5.57 %
2013	7.65 %	7.42 %	5.57 %
2012	7.79 %	7.52 %	6.10 %
Rate of Compensation Increase			
2014	3.99 %	3.44 %	3.80 %
2013	4.29 %	3.51 %	3.46 %
2012	4.63 %	4.15 %	3.45 %

The Company adjusts its discount rates at the end of each fiscal year based on yield curves of high-quality debt instruments over durations that match the expected benefit payouts of each plan. The expected long-term rate of return assumption is based on the Company's current and expected future portfolio mix by asset class, and expected nominal returns of these asset classes using an economic "building block" approach. Expectations for inflation and real interest rates are developed and various risk premiums are assigned to each asset class based primarily on historical performance. The expected long-term rate of return also gives consideration to the expected level of outperformance to be achieved on that portion of the Company's investment portfolio under active management. The assumed rate of compensation increase reflects historical experience and management's expectations regarding future salary and incentive increases.

Medical trends

The U.S. Retiree Health and Life Insurance Plan makes up approximately 98% of the Retiree Health liability. Therefore, the following information relates to the U.S. plan only.

Healthcare Cost Trend Rate	Pre-age 65	Post-age 65
2014	8.00 %	8.00 %
2013	8.00 %	8.00 %
Ultimate Trend Rate	Pre-age 65	Post-age 65
2014	5.60 %	5.60 %
2013	5.60 %	5.60 %
Year at which the Rate Reaches the Ultimate Trend Rate	Pre-age 65	Post-age 65
2014	2042	2044
2013	2045	2045

Increasing the assumed trend rate for healthcare costs by one percentage point would increase the accumulated postretirement benefit obligation (the APBO) and total service and interest cost component approximately $516 and $49, respectively. Decreasing the assumed trend rate for healthcare costs by one percentage point would decrease the APBO and total service and interest cost component approximately $472 and $44, respectively. Based on amendments to the U.S. plan approved in 1999, which became effective in 2003, cost increases borne by the Company are limited to the Urban CPI, as defined.

Plan changes and amendments

During 2010, certain retiree medical benefits and life insurance coverage under the Company's U.S. Retiree Medical and Life Insurance Plan were changed, reducing the accumulated postretirement benefit obligation by $4,566. The resulting prior service credit is being amortized over a period of approximately four years.

During 2009, the Company's U.S. qualified defined benefit pension plan was amended to allow a lump sum payment option upon termination to plan participants who chose to freeze their benefit December 31, 2009, and move to the SIRP. The effect of this and other smaller amendments was a reduction in the projected benefit obligation of $4,300. Also during 2009, the Company amended its U.S. Retiree Medical and Life Insurance Plan to freeze the Company subsidy for both pre- and post-Medicare retiree medical coverage at 2009 levels effective January 1, 2010, and to eliminate any early retirement reduction factor applied to the Company subsidy for pre-Medicare coverage for current retirees as of December 31, 2009. In addition, the Company will no longer provide post-Medicare retiree medical coverage to its active employees or post-1981 retirees, except for certain union groups. The impact of these changes was an overall reduction in the accumulated postretirement benefit obligation of $17,625, which was amortized over a period of 3.3 years. The benefit from amortizing these prior service credits ended in 2013.

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Retirement plan assets

The following table sets forth the weighted-average asset allocations of the Company's retirement plans at December 31, 2014 and 2013, by asset category.

Asset Category		U.S.		U.K.		Canada	
Equity securities	2014	49.9	%	49.2	%	56.8	%
	2013	53.2	%	53.9	%	64.0	%
Debt securities	2014	37.8	%	49.6	%	43.0	%
	2013	34.5	%	44.8	%	35.4	%
Alternative	2014	12.2	%	—	%	—	%
	2013	12.0	%	—	%	—	%
Cash and short-term investments	2014	0.1	%	1.2	%	0.2	%
	2013	0.3	%	1.3	%	0.6	%
Total	2014	100.0	%	100.0	%	100.0	%
	2013	100.0	%	100.0	%	100.0	%

The Company employs a total-return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a desired level of risk. Alternative assets such as real estate funds, private equity funds and hedge funds are used to enhance expected long-term returns while improving portfolio diversification. Risk tolerance is established through consideration of plan liabilities, plan funded status and corporate financial condition. Investment risk is measured and monitored on an ongoing basis through periodic investment portfolio reviews and periodic asset/liability studies.

At December 31, 2014, postretirement benefit plan assets totaled $1,407,461, of which $1,068,535 were assets of the U.S. Defined Benefit Plans.

U.S. defined benefit plans

The equity investments consist of direct ownership and funds and are diversified among U.S. and non-U.S. stocks of small to large capitalizations. Following the December 2010 amendment that split the U.S. qualified defined benefit pension plan into the Active Plan and the Inactive Plan effective January 1, 2011, the Company completed separate asset/liability studies for both plans during 2011 and adopted revised investment guidelines for each. The revised guidelines establish a dynamic de-risking framework that will gradually shift the allocation of assets to long-duration domestic fixed income from equity and other asset categories, as the relative funding ratio of each plan increases over time. The current target allocation (midpoint) for the Inactive Plan investment portfolio is: Equity Securities – 49%, Debt Securities – 40%, Alternative – 11% and Cash – 0%. The current target allocation (midpoint) for the Active Plan investment portfolio is: Equity Securities – 57%, Debt Securities – 30%, Alternative – 13% and Cash – 0%.

United Kingdom defined benefit plan

The equity investments consist of direct ownership and funds and are diversified among U.K. and international stocks of small and large capitalizations. The current target allocation (midpoint) for the investment portfolio is: Equity Securities – 48%, Debt Securities – 51%, Alternative – 0% and Cash – 1%.

Canada defined benefit plan

The equity investments consist of direct ownership and funds and are diversified among Canadian and international stocks of primarily large capitalizations and short to intermediate duration corporate and government bonds. The current target allocation (midpoint) for the investment portfolio is: Equity Securities – 60%, Debt Securities – 40%, Alternative –0% and Cash – 0%.

Retiree health and life insurance plan assets

The following table sets forth the weighted-average asset allocations by asset category of the Company's retiree health and life insurance plan.

Asset Category	December 31, 2014	December 31, 2013
Equity securities	59.1%	59.1%
Debt securities	34.5%	34.0%
Alternative	6.3%	6.6%
Cash	0.1%	0.3%

Total	100.0%	100.0%

Contributions

Based on current actuarial estimates, the Company anticipates that the total contributions to its retirement plans and retiree health and life insurance plans, excluding contributions to the Sonoco Savings Plan, will be approximately $36,200 in 2015. No assurances can be made, however, about funding requirements beyond 2015, as they will depend largely on actual investment returns and future actuarial assumptions.

Sonoco Investment and Retirement Plan

The Sonoco Investment and Retirement Plan (SIRP) is a defined contribution pension plan provided for the Company's salaried and non-union U.S. employees who were hired on or after January 1, 2004, or those former participants in the Company's U.S. qualified defined benefit pension plan who elected to transfer into the SIRP under a one-time option effective January 1, 2010. The Company makes an annual contribution of 4% of all eligible pay plus 4% of eligible pay in excess of the Social Security wage base to eligible participant accounts. Participants are fully vested after five years of service or upon reaching age 55, if earlier. The Company's expenses related to the plan for 2014,

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2013 and 2012 were approximately $12,079, $11,974 and $10,350, respectively. Cash contributions to the SIRP totaled $12,049, $9,290 and $8,920 in 2014, 2013 and 2012, respectively.

Sonoco Savings Plan

The Sonoco Savings Plan is a defined contribution retirement plan provided for the Company's U.S. employees. The plan provides for participant contributions of 1% to 30% of gross pay. Since January 1, 2010, the Company has matched 50% on the first 4% of compensation contributed by the participant as pretax contributions. The Company's expenses related to the plan for 2014, 2013 and 2012 were approximately $11,400, $10,700 and $8,920, respectively.

Other plans

The Company also provides retirement and postretirement benefits to certain other non-U.S. employees through various Company-sponsored and local government sponsored defined contribution arrangements. For the most part, the liabilities related to these arrangements are funded in the period they arise. The Company's expenses for these plans were not material for all years presented.

14. Income taxes

The provision for taxes on income for the years ended December 31 consists of the following:

	2014 as Restated	2013 as Restated	2012 as Restated
Pretax income			
Domestic	$224,683	$217,305	$202,594
Foreign	101,024	75,404	80,412
Total pretax income	$325,707	$292,709	$283,006
Current			
Federal	$40,600	$32,691	$57,424
State	6,889	2,207	5,891
Foreign	29,630	24,050	20,592
Total current	$77,119	$58,948	$83,907
Deferred			
Federal	$29,078	$33,937	$13,846
State	5,067	4,080	6,346
Foreign	(2,506)	(3,334)	(3,697)
Total deferred	$31,639	$34,683	$16,495
Total taxes	$108,758	$93,631	$100,402

Deferred tax liabilities/(assets) are comprised of the following at December 31:

	2014 as Restated	2013 as Restated
Depreciation	$129,832	$117,752
Intangibles	193,016	161,707
Gross deferred tax liabilities	$322,848	$279,459
Retiree health benefits	$(5,306)	$(7,468)
Foreign loss carryforwards	(75,163)	(83,033)
U.S. Federal loss carryforwards	(11,102)	(19,553)
Capital loss carryforwards	—	(3,053)
Employee benefits	(183,527)	(120,551)
Accrued liabilities and other	(103,935)	(84,958)
Gross deferred tax assets	$(379,033)	$(318,616)
Valuation allowance on deferred tax assets	$63,898	$72,372
Total deferred taxes, net	$7,713	$33,215

Federal operating loss carryforwards of approximately $31,700 remain from the Tegrant acquisition. The use of these losses is limited by U.S. tax law, but it is expected that these losses will be fully utilized prior to their expiration. These carryforwards expire at various times between 2023 and 2031, depending on the year incurred. The Company

does not have any other U.S. federal operating loss carryforwards. Foreign subsidiary loss carryforwards of approximately $298,598 remain at December 31, 2014. Their use is limited to future taxable earnings of the respective foreign subsidiaries. Approximately $221,500 of these loss carryforwards do not have an expiration date. Of the remaining foreign subsidiary loss carryforwards, approximately $17,900 expire within the next five years and approximately $59,198 expire between 2020 and 2034. Approximately $10,000 of state loss carryforwards and $15,000 of state credit carryforwards remain at December 31, 2014. These state loss and credit carryforwards are limited to future taxable earnings of the respective legal entity and expire between 2015 and 2029.

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

	2014 as Restated		2013 as Restated		2012 as Restated	
Statutory tax rate	$113,998	35.0 %	$102,449	35.0 %	$99,053	35.0 %
State income taxes, net of federal tax benefit	8,465	2.6	6,146	2.1 %	4,444	1.6 %
Valuation allowance	(2,264)	(0.7)	(1,256)	(0.4)%	3,478	1.2 %
Tax examinations including change in reserve for uncertain tax positions	(2,109)	(0.6)	(1,421)	(0.5)%	424	0.2 %
Adjustments to prior year deferred taxes	(518)	(0.2)	(562)	(0.2)%	(2,602)	(0.9)%
Foreign earnings taxed at other than U.S. rates	(8,891)	(2.7)	(3,915)	(1.3)%	(7,944)	(2.8)%
U.S. taxes on dividends from foreign subsidiaries	—	—	—	— %	11,744	4.1 %
Effect of tax rate changes enacted during the year	81	—	(915)	(0.3)%	(1,399)	(0.5)%
Deduction related to qualified production activities	(4,003)	(1.2)	(3,819)	(1.3)%	(4,325)	(1.5)%
Other, net	3,999	1.2	(3,076)	(1.1)%	(2,471)	(0.9)%
Total taxes	$108,758	33.4 %	$93,631	32.0 %	$100,402	35.5 %

The change in “Tax examinations including change in reserve for uncertain tax positions” is shown net of associated deferred taxes and accrued interest. Included in the change are net increases of approximately $3,500, $4,500 and $4,300 for uncertain items arising in 2014, 2013 and 2012, respectively. Also included are adjustments related to prior year items, primarily decreases related to lapses of statutes of limitations in international, federal and state jurisdictions as well as overall changes in facts and judgment. These adjustments decreased the reserve by a total of approximately $(5,600), $(5,400) and $(3,800) in 2014, 2013 and 2012, respectively.

In many of the countries in which the Company operates, earnings are taxed at rates lower than in the U.S. This benefit is reflected in “Foreign earnings taxed at other than U.S. rates” along with other items, if any, that impacted taxes on foreign earnings in the periods presented.

The benefits included in “Adjustments to prior year deferred taxes” for each of the years presented consist primarily of adjustments to deferred tax assets and liabilities arising from the availability of more accurate estimates and the correction of errors that arose in, and are immaterial to, prior years.

During 2012, the Company initiated a repatriation of approximately $260,000 of cash from certain foreign subsidiaries and accrued the U.S. tax liability associated with these payments, most of which were a return of capital, at that time. The repatriation was completed in 2013.

Undistributed earnings of international subsidiaries totaled approximately $687,000 at December 31, 2014. Deferred taxes have not been provided on the undistributed earnings, as the Company considers these amounts to be indefinitely reinvested to finance the growth and expansion of its international operations. Computation of the potential deferred tax liability associated with those unremitted earnings deemed to be indefinitely reinvested is not practicable. If such amounts were remitted, loaned to the Company, or the stock in the foreign subsidiaries sold, these earnings could become subject to tax.

Reserve for uncertain tax positions

The following table sets forth the reconciliation of the gross amounts of unrecognized tax benefits at the beginning and ending of the periods indicated:

	2014	2013	2012
Gross Unrecognized Tax Benefits at January 1	$28,800	$31,300	$32,800
Increases in prior years’ unrecognized tax benefits	6,800	1,100	4,300
Decreases in prior years’ unrecognized tax benefits	(5,500)	(1,800)	(4,200)

Increases in current year's unrecognized tax benefits	4,600	4,100	4,300
Decreases in unrecognized tax benefits from the lapse of statutes of limitations	(5,900)	(5,300)	(4,700)
Settlements	(2,800)	(600)	(1,200)
Gross Unrecognized Tax Benefits at December 31	$26,000	$28,800	$31,300

Of the unrecognized tax benefit balances at December 31, 2014 and December 31, 2013, approximately $18,400 and $22,200, respectively, would have an impact on the effective tax rate if ultimately recognized.

Interest and/or penalties related to income taxes are reported as part of income tax expense. The Company had approximately $2,800 and $4,100 accrued for interest related to uncertain tax positions at December 31, 2014 and December 31, 2013, respectively. Tax expense for the year ended December 31, 2014, includes approximately $900 of interest benefit, which is comprised of an interest benefit of approximately $2,400 related to the expiration of statutes of limitations and other releases and interest expense of $1,500 on unrecognized tax benefits. The amounts listed above for accrued interest and interest expense do not reflect the benefit of a federal tax deduction which would be available if the interest were ultimately paid.

The Company and/or its subsidiaries file federal, state and local income tax returns in the United States and various foreign jurisdictions. With few exceptions, the Company is no longer subject to U.S. federal, or non-U.S., income tax examinations by tax authorities for years before 2011. With respect to state and local income taxes, the Company is no longer subject to examination prior to 2010, with few exceptions.

The Company has $1,500 of reserves for uncertain tax benefits for which it believes it is reasonably possible that a resolution may be reached within the next twelve months. The estimate for the potential outcome of any uncertain tax issue is highly judgmental. The Company believes it has adequately provided for any reasonably foreseeable outcome related to these matters. 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 effective tax rate may fluctuate significantly on a quarterly basis.

15. 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.

Fox River

The Site

During the fourth quarter of 2005, the U.S. Environmental Protection Agency (EPA) notified U.S. Paper Mills Corp. (U.S. Mills), a wholly owned subsidiary of the Company, that U.S. Mills and NCR Corporation (NCR), an unrelated party, would be jointly held responsible to undertake a program to remove and dispose of certain PCB-contaminated sediments at a particular site on the lower Fox River in Wisconsin (the “Site”) which is now labeled by the EPA as Phase 1. U.S. Mills and NCR reached an agreement between themselves that each would fund 50% of the costs of remediation of the Site. The Company acquired U.S. Mills in 2001, and the alleged contamination predates the acquisition. Because the discharges of hazardous materials into the environment occurred before the Company acquired U.S. Mills, and U.S. Mills has been operated as a separate subsidiary of the Company, the Company does not believe that it bears financial responsibility for these legacy environmental liabilities of U.S. Mills.

Operating Units 2-5

In February 2007, the EPA and Wisconsin Department of Natural Resources (WDNR) issued a general notice of potential liability under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and a request to participate in remedial action implementation negotiations relating to a stretch of the lower Fox River, including the bay at Green Bay (Operating Units 2 – 5), to eight potentially responsible parties, including U.S. Mills. Operating Units 2 – 5 include, but also comprise, a vastly larger area than the Site. On November 13, 2007, the EPA issued a unilateral Administrative Order for Remedial Action pursuant to Section 106 of CERCLA. The order requires U.S. Mills and the seven other respondents jointly to take various actions to clean up Operating Units 2 – 5.

Pending lawsuits

On June 12, 2008, NCR and Appleton Papers, Inc. (API), as plaintiffs, commenced suit in the United States District Court for the Eastern District of Wisconsin (No. 8-CV-16-WCG) against U.S. Mills, as one of a number of defendants, seeking a declaratory judgment allocating among all the parties the costs and damages associated with the pollution and cleanup of the Operating Units 2 – 5. The suit also seeks damages from the defendants for amounts already spent by the plaintiffs, including natural resource damages, and future amounts to be spent by all parties with regard to the pollution and cleanup of the Operating Units 2 – 5. On December 16, 2009, the court issued an order which concluded that, under the equities of the case, NCR and API were not entitled to any contribution from U.S. Mills and other defendants, thereby granting the defendants’ motions for summary judgment and denying the plaintiffs’ motions for summary judgment. Subsequent to the December 2009 ruling, U.S. Mills and other defendants made motions to have the court rule that, on the same basis as the December 2009 ruling, NCR would be responsible for any costs that U.S. Mills and the other defendants might incur, or have incurred - past, present and future. These motions have been granted by the court. The orders in this case were appealed to the United States Court of Appeals for the Seventh Circuit (7th Circuit). The 7th Circuit has remanded the case to the District Court for reconsideration.

On October 14, 2010, the EPA and WDNR filed suit against NCR, API (now named Appvion), U.S. Mills and nine other defendants in the United States District Court for the Eastern District of Wisconsin (District Court) (No. 10-CV-910-WCG) pursuant to Sections 106 and 107 of CERCLA. The plaintiffs seek to recover unreimbursed costs incurred for activities undertaken in response to the release and threatened release of hazardous substances from facilities at or near Operating Units 2 – 5 as well as damages for injury to, loss of, and destruction of natural resources resulting from such releases. The plaintiffs also seek a ruling that the defendants are liable for future response costs of the plaintiffs and requiring the defendants to comply with the unilateral Administrative Order for Remedial Action

discussed above and in prior filings. On March 26, 2014, U.S. Mills and five other defendants reached a conditional agreement with the EPA and WDNR to settle various issues in the litigation related to Operating Units 2 – 5. U.S. Mills' portion of the proposed settlement is $14,700. The settlement was approved by the District Court on February 6, 2015, but the approval is subject to being, and is expected to be, appealed. The deadline for filing appeals is March 9, 2015. The terms of the settlement will protect U.S. Mills from contribution claims under Section 106 of CERCLA, but not from claims by Appvion under Section 107. U.S. Mills plans to continue to defend its interests in pending lawsuits related to Operating Units 2 – 5 vigorously.

Since 2007, the Company has expensed a total of $78,475 for potential liabilities associated with Operating Units 2 – 5 (including $17,650 for remediation at the Site) and through December 31, 2014, has spent a total of $40,700, including $14,467 for remediation, $14,700 for the funding of the proposed settlement with the EPA and WDNR, and $11,533 for all other costs, primarily legal fees, leaving a reserve of $37,775 remaining at December 31, 2014 for potential liabilities associated with Operating Units 2 – 5 (including the Site). However, the actual costs associated with the cleanup of Operating Units 2 – 5 are dependent upon many factors and it is possible that remediation costs could be higher than the current estimate. Because of the continuing uncertainties in the estimated costs of remediation and continuing uncertainties surrounding U.S. Mills' allocable share, including a potentially favorable resolution, the Company cannot currently estimate its potential liability, damages or range of potential loss, if any, beyond the amounts accrued and the resolution of these matters could have an adverse effect on the Company's financial position, results of operations or cash flows. The Company believes that the maximum additional exposure to its consolidated financial position beyond what has been reserved at December 31, 2014 is limited to the equity position of U.S. Mills, which was approximately $100,000 at December 31, 2014. However, if the approved settlement ultimately survives the expected appeal, and the Appvion claim is substantially narrowed, a significant portion of the $37,775 accrued as of December 31, 2014 may be reversed resulting in the recognition of a gain in the Company's Consolidated Financial Statements.

Tegrant

On November 8, 2011, the Company completed the acquisition of Tegrant. During its due diligence, the Company identified several potentially environmentally contaminated sites. The total remediation cost of these sites was estimated to be $18,850 at the time of the 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 $539 on remediation of these sites. During 2014, the Company increased its reserves for these sites by $324 in order to reflect its best estimate of what it is likely to pay in order to complete the remediation. At December 31, 2014 and 2013, the Company's accrual for Tegrant's environmental contingencies totaled $18,635 and $18,429, 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.

Village of Rockton

On September 15, 2014, the Village of Rockton, Illinois instituted 81 actions against the Company in the Circuit Court for the Seventeenth Judicial Circuit, Winnebago, Illinois. Each action seeks to assess penalties of up to $0.75 per day since December 2, 2007 for violations of one of three sections of the Municipal Code that: (a) require lots or premises to be maintained in a safe and sanitary condition at all times; (b) make it unlawful for any substance which shall be dangerous or detrimental to health to be allowed to exist in connection with any business, be used therein or used in any work or labor carried on in the Village and prohibit any health menace be permitted to exist in connection with business or in connection with any such work or labor; and (c) make it unlawful for any ashes, rubbish, tin cans and all combustibles to be deposited or dumped upon any lot or land in the Village, and require that they be deposited or dumped in the area set aside for that purpose. The actions relate to a paper plant in the Village closed by the Company in 2008 that the Company is in the process of remediating through the Illinois Environmental Protection Agency's "brownfields" program. The Company has removed the cases to the United States District Court for the Northern District of Illinois (Civil Action No. 14-cv-50228) and plans to vigorously defend its interests while continuing to participate in the "brownfields" program.

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.

Summary

As of December 31, 2014 and 2013, the Company (and its subsidiaries) had accrued $59,253 and $73,032, respectively, related to environmental contingencies. Of these, a total of $37,775 and $52,124 relate to U.S. Mills at December 31, 2014 and 2013, respectively. These accruals are included in "Accrued expenses and other" on the Company's Consolidated Balance Sheets. U.S. Mills recognized a $40,825 benefit in 2008 from settlements reached and proceeds received on certain insurance policies covering the Fox River contamination. U.S. Mills' two remaining insurance carriers are in liquidation. It is possible that U.S. Mills may recover from these carriers a small portion of the costs it ultimately incurs. U.S. Mills may also be able to reallocate some of the costs it incurs among other parties. There can be no assurance that such claims for recovery or reallocation would be successful and no amounts have been recognized in the Company's Consolidated Financial Statements for such potential recovery or reallocation.

Other legal matters

In addition to those described above, the Company is subject to other various legal proceedings, claims and litigation arising in the normal course of business. While the outcome of these matters could differ from management's expectations, 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.

Commitments

As of December 31, 2014, the Company had long-term obligations to purchase electricity and steam, which it uses in its production processes, as well as long-term purchase commitments for certain raw materials, principally old corrugated containers. These purchase commitments require the Company to make total payments of approximately $246,200, as follows: $73,600 in 2015; $76,000 in 2016; $49,600 in 2017, $19,700 in 2018 and a total of $27,300 from 2019 through 2023.

16. Shareholders' equity and earnings per share

Stock repurchases

The Company occasionally repurchases shares of its common stock to satisfy employee tax withholding obligations in association with the exercise of stock appreciation rights and performance-based stock awards. These repurchases, which are not part of a publicly announced plan or program, totaled 126,670 shares during 2014, 575,845 shares

during 2013, and 126,765 shares during 2012, at a cost of $5,378 and $22,187 and $4,167, respectively.
The Company's Board of Directors has authorized the repurchase of up to 5,000,000 shares of the Company's common stock. During 2014 and 2013, a total of 2,000,000 and 132,500 shares, respectively, were repurchased at a cost of $82,422 and $5,052, respectively. At December 31, 2014, a total of 2,867,500 shares remain available for repurchase.

Earnings per share

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

	2014 as Restated	2013 as Restated	2012 as Restated
Numerator:			
Net income attributable to Sonoco	$225,916	$209,825	$195,299
Denominator:			
Weighted average common shares outstanding	102,215,000	102,577,000	101,804,000
Dilutive effect of stock-based compensation	957,000	671,000	769,000
Diluted outstanding shares	103,172,000	103,248,000	102,573,000
Per common share:			
Net income attributable to Sonoco:			
Basic	$2.21	$2.05	$1.92
Diluted	$2.19	$2.03	$1.90

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The Company paid dividends totaling $1.27, $1.23, and $1.19 per share in 2014, 2013 and 2012, respectively.
Certain stock appreciation rights to purchase shares of the Company's common stock are not dilutive because the exercise price is greater than the market price of the stock at the end of the fiscal year or they have not fully vested. The average number of shares that were not dilutive and therefore not included in the computation of diluted income per share was as follows for the years ended December 31, 2014, 2013 and 2012:

	2014	2013	2012
Anti-dilutive stock appreciation rights	719,841	1,100,233	2,440,270

These stock appreciation rights may become dilutive in future periods if the market price of the Company's common stock appreciates. No adjustments were made to reported net income in the computation of earnings per share.

Noncontrolling interests

In October 2014, as part of its acquisition of the Weidenhammer Packaging Group ("Weidenhammer"), the Company acquired a 65% ownership in Weidenhammer's Chilean affiliate - Weidenhammer Chile Ltda. The Company's Consolidated Balance Sheets include 100% of the Chilean subsidiary with the partner's 35% share, totaling $974 at December 31, 2014, reflected as "Noncontrolling Interests."

17. 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. Effective January 1, 2014, the Company began reporting Sonoco Alloyd, the Company's retail packaging business and previously part of the Protective Solutions segment, as part of the Display and Packaging segment. This change reflects the evolving integration of these businesses, which enables them to better leverage the Company's capabilities, products and services to provide complete solutions to our retail merchandising customers. Prior period results for the affected segments have been recast to reflect this change.

The Consumer Packaging segment includes the following products and services: round and shaped rigid containers and trays (both composite and thermoformed plastic); blow-molded plastic bottles and jars; 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: designing, manufacturing, assembling, packing and distributing temporary, semipermanent 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.

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-assurance packaging.

Restructuring charges, asset impairment charges, insurance settlement gains, acquisition-related costs, interest expense and interest income are included in income before income taxes under "Corporate."

The following table sets forth financial information about each of the Company's business segments:

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Years ended December 31	Consumer Packaging (as Restated)	Display and Packaging (as Restated)	Paper and Industrial Converted Products	Protective Solutions	Corporate (as Restated)	Consolidated (as Restated)
Total Revenue						
2014	$1,966,989	$668,407	$2,010,160	$487,171	$—	$5,132,727
2013	1,898,690	640,541	1,958,762	473,278	—	4,971,271
2012	1,920,114	610,877	1,937,523	453,626	—	4,922,140
Intersegment Sales[1]						
2014	$4,092	$1,592	$107,712	$2,337	$—	$115,733
2013	5,157	1,968	99,882	2,607	—	109,614
2012	7,493	2,253	96,696	2,127	—	108,569
Sales to Unaffiliated Customers						
2014	$1,962,897	$666,815	$1,902,448	$484,834	$—	$5,016,994
2013	1,893,533	638,573	1,858,880	470,671	—	4,861,657
2012	1,912,621	608,624	1,840,827	451,499	—	4,813,571
Income Before Income Taxes[2]						
2014	$200,591	$10,680	$162,269	$34,003	$(81,836)	$325,707
2013	186,870	9,206	138,094	40,084	(81,545)	292,709
2012	175,844	17,253	141,351	36,912	(88,354)	283,006
Identifiable Assets[3]						
2014	$1,579,950	$495,604	$1,299,356	$564,468	$254,533	$4,193,911
2013	1,281,542	523,292	1,290,353	552,121	327,215	3,974,523
2012	1,297,457	502,578	1,316,606	566,608	477,141	4,160,390
Depreciation, Depletion and Amortization[4]						
2014	$75,782	$17,034	$83,076	$22,826	$—	$198,718
2013	74,127	18,049	82,392	23,103	—	197,671
2012	75,556	15,753	83,329	25,765	—	200,403
Capital Expenditures						
2014	$63,117	$9,432	$73,636	$22,238	$8,653	$177,076
2013	48,770	7,422	88,556	15,908	11,786	172,442
2012	58,284	9,170	112,298	8,889	26,221	214,862

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

2 Included in Corporate are restructuring, asset impairment charges, acquisition-related charges and property insurance settlement gains associated with the following segments:

	Consumer Packaging	Display and Packaging	Paper and Industrial Converted Products	Protective Solutions	Corporate	Consolidated
2014	$12,536	$4,042	$4,340	$1,527	$7,000	$29,445
2013	14,003	2,326	6,785	1,545	159	24,818
2012	9,638	2,632	12,787	2,792	519	28,368

The remaining amounts reported as Corporate consist of interest expense and interest income.

3

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

4 Depreciation, depletion and amortization incurred at Corporate are allocated to the reportable segments.

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Geographic regions

Sales to unaffiliated customers and long-lived assets by geographic region are as follows:

	2014 as Restated	2013 as Restated	2012 as Restated
Sales to Unaffiliated Customers			
United States	$3,285,017	$3,231,135	$3,165,772
Europe	841,452	751,806	768,667
Canada	292,163	299,243	338,657
All other	598,362	579,473	540,475
Total	$5,016,994	$4,861,657	$4,813,571
Long-lived Assets			
United States	$1,738,648	$1,878,728	$1,910,824
Europe	680,791	288,407	275,884
Canada	184,879	205,095	229,129
All other	117,249	109,010	117,071
Total	$2,721,567	$2,481,240	$2,532,908

Sales are attributed to countries/regions based upon the plant location from which products are shipped. Long-lived assets are comprised of property, plant and equipment, goodwill, intangible assets and investment in affiliates (see Notes 7 and 8).

18. Accumulated other comprehensive loss

The following table summarizes the components of accumulated other comprehensive loss and the changes in accumulated other comprehensive loss, net of tax as applicable, for the years ended December 31, 2014 and 2013:

	Foreign Currency Items (as Restated)	Defined Benefit Pension Items (as Restated)	Gains and Losses on Cash Flow Hedges	Accumulated Other Comprehensive Loss (as Restated)
Balance at December 31, 2012	$3,240	$(489,376)	$(6,727)	$(492,863)
Other comprehensive income/(loss) before reclassifications	(28,225)	116,796	3,992	92,563
Amounts reclassified from accumulated other comprehensive loss to net income	—	27,958	2,392	30,350
Amounts reclassified from accumulated other comprehensive loss to fixed assets	—	—	81	81
Other comprehensive income/(loss)	(28,225)	144,754	6,465	122,994
Balance at December 31, 2013	$(24,985)	$(344,622)	$(262)	$(369,869)
Other comprehensive income/(loss) before reclassifications	(102,618)	(148,312)	(3,507)	(254,437)
Amounts reclassified from accumulated other comprehensive loss to net income	—	17,648	(2,191)	15,457
Amounts reclassified from accumulated other comprehensive loss to fixed assets	—	—	(2)	(2)
Other comprehensive income/(loss)	(102,618)	(130,664)	(5,700)	(238,982)
Balance at December 31, 2014	$(127,603)	$(475,286)	$(5,962)	$(608,851)

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Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Loss				Affected Line Item in the Consolidated Statements of Net Income
	Twelve Months Ended December 31, 2014		Twelve Months Ended December 31, 2013		
Gains and losses on cash flow hedges					
Foreign exchange contracts	$252		$4,603		Net Sales
Foreign exchange contracts	2,776		(2,996	)	Cost of sales
Commodity contracts	505		(5,455	)	Cost of sales
	3,533		(3,848	)	Total before tax
	(1,342	)	1,456		Tax benefit
	$2,191		$(2,392	)	Net of tax
Defined benefit pension items					
Amortization of defined benefit pension items	$(19,489	)	$(32,821	)	Cost of sales
Amortization of defined benefit pension items	(6,496	)	(10,940	)	Selling, general, and administrative
	(25,985	)	(43,761	)	Total before tax
	8,337		15,803		Tax benefit
	(17,648	)	(27,958	)	Net of tax
Total reclassifications for the period	$(15,457	)	$(30,350	)	Net of tax

The cumulative tax benefit on Derivative Financial Instruments was $3,655 and $165 at December 31, 2014 and 2013, respectively. The tax benefit on Derivative Financial Instruments increased by $3,490 and decreased by $(3,880) during the years ended December 31, 2014 and 2013, respectively.
The cumulative tax benefit on Defined Benefit Plans was $256,840 and $178,152 at December 31, 2014 and 2013, respectively. The tax benefit on Defined Benefit Plans increased by $78,688 and decreased by $(83,040) during the years ended December 31, 2014 and 2013, respectively.
The change in defined benefit plans includes pretax changes of $(590) and $1,754 during the years ended December 31, 2014 and 2013, related to one of the Company’s equity method investments.

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19. Selected quarterly financial data (unaudited)

The following tables include the Company's selected quarterly financial information for the interim periods during the fiscal years ended December 31, 2014 and 2013, restated for the items described in Note 2 - Restatement of Consolidated Financial Statements. Also provided are the Company's restated condensed consolidated financial statements for the three and nine-month periods ended September 28, 2014 and September 29, 2013. The Company will provide restated condensed consolidated financial statements for the period ended June 29, 2014 in its Quarterly Report on Form 10-Q for the period ended June 28, 2015, and will provide restated condensed consolidated financial statements for the period ended March 30, 2014 in an amended Quarterly Report on Form 10-Q/A for the period ended March 29, 2015, to be filed by the end of August 2015.

(unaudited)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2014 as Previously Reported				
Net sales	$1,185,626	$1,247,380	$1,263,574	$1,317,954
Gross profit	212,303	231,737	227,664	249,595
Restructuring/Asset impairment charges	(1,992)	(3,671)	(5,908)	(11,221)
Net income attributable to Sonoco	52,302	61,484	70,924	54,455
Per common share:				
Net income attributable to Sonoco:				
- basic	$0.51	$0.60	$0.69	$0.54
- diluted	0.50	0.59	0.69	0.53
Cash dividends				
- common	0.31	0.32	0.32	0.32
Market price				
- high	43.75	44.00	44.65	44.69
- low	39.52	40.20	38.82	35.64
Effect of Restatement				
Net sales	$4,406	$236	$(1,071)	$(1,111)
Gross profit	(2,542)	(2,787)	(5,220)	(2,864)
Restructuring/Asset impairment charges	—	—	—	—
Net income attributable to Sonoco	(1,885)	(2,065)	(3,868)	(5,431)
Per common share:				
Net income attributable to Sonoco:				
- basic	$(0.02)	$(0.02)	$(0.03)	$(0.06)
- diluted	(0.01)	(0.02)	(0.04)	(0.05)
Cash dividends				
- common	—	—	—	—
Market price				
- high	—	—	—	—
- low	—	—	—	—
2014 as Restated				
Net sales	$1,190,032	$1,247,616	$1,262,503	$1,316,843
Gross profit	209,761	228,950	222,444	246,731
Restructuring/Asset impairment charges	(1,992)	(3,671)	(5,908)	(11,221)
Net income attributable to Sonoco	50,417	59,419	67,056	49,024
Per common share:				
Net income attributable to Sonoco:				
- basic	$0.49	$0.58	$0.66	$0.48

- diluted	0.49	0.57	0.65	0.48
Cash dividends				
- common	0.31	0.32	0.32	0.32
Market price				
- high	43.75	44.00	44.65	44.69
- low	39.52	40.20	38.82	35.64

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(unaudited)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2013 as Reported				
Net sales	$1,179,213	$1,226,256	$1,227,749	$1,214,874
Gross profit	205,716	222,564	224,037	221,187
Restructuring/Asset impairment charges	(4,289)	(8,678)	(5,818)	(6,253)
Net income attributable to Sonoco	48,139	54,988	61,240	54,746
Per common share:				
Net income attributable to Sonoco:				
- basic	$0.47	$0.54	$0.60	$0.53
- diluted	0.47	0.53	0.59	0.53
Cash dividends				
- common	0.30	0.31	0.31	0.31
Market price				
- high	35.05	35.93	39.80	41.82
- low	29.75	32.03	34.65	37.85
Effect of Restatement				
Net sales	$3,294	$1,635	$4,046	$4,590
Gross profit	(3,556)	(760)	(2,051)	(5,493)
Restructuring/Asset impairment charges	—	—	—	—
Net income attributable to Sonoco	(2,978)	(627)	(1,713)	(3,970)
Per common share:				
Net income attributable to Sonoco:				
- basic	$(0.03)	$(0.01)	$(0.02)	$(0.03)
- diluted	(0.03)	—	(0.01)	(0.04)
Cash dividends				
- common	—	—	—	—
Market price				
- high	—	—	—	—
- low	—	—	—	—
2013 as Restated				
Net sales	$1,182,507	$1,227,891	$1,231,795	$1,219,464
Gross profit	202,160	221,804	221,986	215,694
Restructuring/Asset impairment charges	(4,289)	(8,678)	(5,818)	(6,253)
Net income attributable to Sonoco	45,161	54,361	59,527	50,776
Per common share:				
Net income attributable to Sonoco:				
- basic	$0.44	$0.53	$0.58	$0.50
- diluted	0.44	0.53	0.58	0.49
Cash dividends				
- common	0.30	0.31	0.31	0.31
Market price				
- high	35.05	35.93	39.80	41.82
- low	29.75	32.03	34.65	37.85

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CONDENSED CONSOLIDATED BALANCE SHEETS
Sonoco Products Company

(Dollars and shares in thousands)	September 28, 2014, as Previously Reported	Effect of Restatement	September 28, 2014, as Restated
Assets			
Current Assets			
Cash and cash equivalents	$231,556	$—	$231,556
Trade accounts receivable, net of allowances	707,311	(2,855)	704,456
Other receivables	35,427	(4,072)	31,355
Inventories			
Finished and in process	138,507	(1,184)	137,323
Materials and supplies	265,073	—	265,073
Prepaid expenses	55,199	2,522	57,721
Deferred income taxes	37,734	—	37,734
	1,470,807	(5,589)	1,465,218
Property, Plant and Equipment, Net	1,018,780	—	1,018,780
Goodwill	1,089,700	—	1,089,700
Other Intangible Assets, Net	222,536	—	222,536
Long-term Deferred Income Taxes	37,723	6,664	44,387
Other Assets	173,458	—	173,458
Total Assets	$4,013,004	$1,075	$4,014,079
Liabilities and Equity			
Current Liabilities			
Payable to suppliers	514,397	$4,816	$519,213
Accrued expenses and other	336,416	12,880	349,296
Notes payable and current portion of long-term debt	71,700	—	71,700
Accrued taxes	6,161	(1,355)	4,806
	928,674	16,341	945,015
Long-term Debt	945,900	—	945,900
Pension and Other Postretirement Benefits	222,933	—	222,933
Deferred Income Taxes	134,583	—	134,583
Other Liabilities	45,088	—	45,088
Commitments and Contingencies			
Sonoco Shareholders' Equity			
Common shares, no par value			
Authorized 300,000 shares			
101,356 shares issued and outstanding at September 28, 2014	7,175	—	7,175
Capital in excess of stated value	426,088	—	426,088
Accumulated other comprehensive loss	(404,907)	478	(404,429)
Retained earnings	1,692,139	(15,744)	1,676,395
Total Sonoco Shareholders' Equity	1,720,495	(15,266)	1,705,229
Noncontrolling Interests	15,331	—	15,331
Total Equity	1,735,826	(15,266)	1,720,560
Total Liabilities and Equity	$4,013,004	$1,075	$4,014,079

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Sonoco Products Company

(Dollars and shares in thousands except per share data)	Three Months Ended September 28, 2014, as Previously Reported		Effect of Restatement		September 28, 2014, as Restated	
Net sales	$1,263,574		$(1,071	)	$1,262,503	
Cost of sales	1,035,910		4,149		1,040,059	
Gross profit	227,664		(5,220	)	222,444	
Selling, general and administrative expenses	110,507		—		110,507	
Restructuring/Asset impairment charges	5,908		—		5,908	
Income before interest and income taxes	111,249		(5,220	)	106,029	
Interest expense	13,620		—		13,620	
Interest income	702		—		702	
Income before income taxes	98,331		(5,220	)	93,111	
Provision for income taxes	28,891		(1,352	)	27,539	
Income before equity in earnings of affiliates	69,440		(3,868	)	65,572	
Equity in earnings of affiliates, net of tax	2,294		—		2,294	
Net income	71,734		(3,868	)	67,866	
Net (income) attributable to noncontrolling interests	(810	)	—		(810	)
Net income attributable to Sonoco	$70,924		$(3,868	)	$67,056	
Weighted average common shares outstanding:						
Basic	102,128		—		102,128	
Diluted	103,087		—		103,087	
Per common share						
Net income attributable to Sonoco:						
Basic	$0.69		$(0.03	)	$0.66	
Diluted	$0.69		$(0.04	)	$0.65	
Cash dividends	$0.32		$—		$0.32	

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Sonoco Products Company

(Dollars in thousands)	Three Months Ended September 28, 2014, as Previously Reported		Effect of Restatement		September 28, 2014, as Restated	
Net income	$71,734		(3,868	)	$67,866	
Other comprehensive (loss)/income:						
Foreign currency translation adjustments	(48,018	)	373		(47,645	)
Changes in defined benefit plans, net of tax	4,386		—		4,386	
Change in derivative financial instruments, net of tax	(1,229	)	—		(1,229	)
Other comprehensive (loss)/income	(44,861	)	373		(44,488	)
Comprehensive (loss)/income	26,873		(3,495	)	23,378	
Net (income) attributable to noncontrolling interests	(810	)	—		(810	)
Other comprehensive loss/(income) attributable to noncontrolling interests	250		—		250	

Comprehensive (loss)/income attributable to Sonoco	$26,313	$(3,495)	$22,818

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Sonoco Products Company

(Dollars and shares in thousands except per share data)	Three Months Ended September 29, 2013, as Previously Reported	Effect of Restatement	September 29, 2013, as Restated
Net sales	$1,227,749	$4,046	$1,231,795
Cost of sales	1,003,712	6,097	1,009,809
Gross profit	224,037	(2,051)	221,986
Selling, general and administrative expenses	117,935	—	117,935
Restructuring/Asset impairment charges	5,818	—	5,818
Income before interest and income taxes	100,284	(2,051)	98,233
Interest expense	15,119	—	15,119
Interest income	833	—	833
Income before income taxes	85,998	(2,051)	83,947
Provision for income taxes	27,085	(338)	26,747
Income before equity in earnings of affiliates	58,913	(1,713)	57,200
Equity in earnings of affiliates, net of tax	2,512	—	2,512
Net income	61,425	(1,713)	59,712
Net (income) attributable to noncontrolling interests	(185)	—	(185)
Net income attributable to Sonoco	$61,240	$(1,713)	$59,527
Weighted average common shares outstanding:			
Basic	102,835	—	102,835
Diluted	103,510	—	103,510
Per common share			
Net income attributable to Sonoco:			
Basic	$0.60	$(0.02)	$0.58
Diluted	$0.59	$(0.01)	$0.58
Cash dividends	$0.31	$—	$0.31

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Sonoco Products Company

(Dollars in thousands)	Three Months Ended September 29, 2013, as Previously Reported	Effect of Restatement	September 29, 2013, as Restated
Net income	$61,425	$(1,713)	$59,712
Other comprehensive (loss)/income:			
Foreign currency translation adjustments	20,351	(27)	20,324
Changes in defined benefit plans, net of tax	7,782	—	7,782
Change in derivative financial instruments, net of tax	1,462	—	1,462
Other comprehensive (loss)/income	29,595	(27)	29,568
Comprehensive (loss)/income	91,020	(1,740)	89,280
Net (income) attributable to noncontrolling interests	(185)	—	(185)
	(32)	—	(32)

Other comprehensive loss/(income) attributable to noncontrolling interests			
Comprehensive (loss)/income attributable to Sonoco	$90,803	$(1,740)	$89,063

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Sonoco Products Company

(Dollars and shares in thousands except per share data)	Nine Months Ended September 28, 2014, as Previously Reported	Effect of Restatement	September 28, 2014, as Restated
Net sales	$3,696,580	$3,571	$3,700,151
Cost of sales	3,024,876	14,120	3,038,996
Gross profit	671,704	(10,549)	661,155
Selling, general and administrative expenses	360,712	—	360,712
Restructuring/Asset impairment charges	11,571	—	11,571
Income before interest and income taxes	299,421	(10,549)	288,872
Interest expense	40,574	—	40,574
Interest income	1,878	—	1,878
Income before income taxes	260,725	(10,549)	250,176
Provision for income taxes	82,053	(2,731)	79,322
Income before equity in earnings of affiliates	178,672	(7,818)	170,854
Equity in earnings of affiliates, net of tax	6,896	—	6,896
Net income	185,568	(7,818)	177,750
Net (income) attributable to noncontrolling interests	(858)	—	(858)
Net income attributable to Sonoco	$184,710	$(7,818)	$176,892
Weighted average common shares outstanding:			
Basic	102,451	—	102,451
Diluted	103,425	—	103,425
Per common share			
Net income attributable to Sonoco:			
Basic	$1.80	$(0.07)	$1.73
Diluted	$1.79	$(0.08)	$1.71
Cash dividends	$0.95	$—	$0.95

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Sonoco Products Company

(Dollars in thousands)	Nine Months Ended September 28, 2014, as Previously Reported	Effect of Restatement	September 28, 2014, as Restated
Net income	$185,568	$(7,818)	$177,750
Other comprehensive (loss)/income:			
Foreign currency translation adjustments	(46,854)	311	(46,543)
Changes in defined benefit plans, net of tax	387	11,516	11,903
Change in derivative financial instruments, net of tax	80	—	80
Other comprehensive (loss)/income	(46,387)	11,827	(34,560)
Comprehensive (loss)/income	139,181	4,009	143,190
Net (income) attributable to noncontrolling interests	(858)	—	(858)
Other comprehensive loss/(income) attributable to noncontrolling interests	115	—	115

Comprehensive (loss)/income attributable to Sonoco	$138,438	$4,009	$142,447

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CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Sonoco Products Company

(Dollars and shares in thousands except per share data)	Nine Months Ended September 29, 2013, as Previously Reported	Effect of Restatement	September 29, 2013, as Restated
Net sales	$3,633,218	$8,975	$3,642,193
Cost of sales	2,980,901	15,342	2,996,243
Gross profit	652,317	(6,367)	645,950
Selling, general and administrative expenses	359,794	—	359,794
Restructuring/Asset impairment charges	18,785	—	18,785
Income before interest and income taxes	273,738	(6,367)	267,371
Interest expense	45,400	—	45,400
Interest income	2,439	—	2,439
Income before income taxes	230,777	(6,367)	224,410
Provision for income taxes	74,746	(1,049)	73,697
Income before equity in earnings of affiliates	156,031	(5,318)	150,713
Equity in earnings of affiliates, net of tax	8,233	—	8,233
Net income	164,264	(5,318)	158,946
Net (income) attributable to noncontrolling interests	103	—	103
Net income attributable to Sonoco	$164,367	$(5,318)	$159,049
Weighted average common shares outstanding:			
Basic	102,586	—	102,586
Diluted	103,164	—	103,164
Per common share			
Net income attributable to Sonoco:			
Basic	$1.60	$(0.05)	$1.55
Diluted	$1.59	$(0.05)	$1.54
Cash dividends	$0.92	$—	$0.92

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Sonoco Products Company

(Dollars in thousands)	Nine Months Ended September 29, 2013, as Previously Reported	Effect of Restatement	September 29, 2013, as Restated
Net income	$164,264	$(5,318)	$158,946
Other comprehensive (loss)/income:			
Foreign currency translation adjustments	(20,348)	112	(20,236)
Changes in defined benefit plans, net of tax	20,507	—	20,507
Change in derivative financial instruments, net of tax	4,352	—	4,352
Other comprehensive (loss)/income	4,511	112	4,623
Comprehensive (loss)/income	168,775	(5,206)	163,569
Net (income) attributable to noncontrolling interests	103	—	103
	595	—	595

Other comprehensive loss/(income) attributable to noncontrolling interests			
Comprehensive (loss)/income attributable to Sonoco	$169,473	$(5,206)	$164,267

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Sonoco Products Company

(Dollars in thousands)	Nine Months Ended September 28, 2014, as Previously Reported	Effect of Restatement	September 28, 2014, as Restated
Cash Flows from Operating Activities			
Net income	$185,568	$(7,818)	$177,750
Adjustments to reconcile net income to net cash provided by operating activities			
Asset impairment	4,139	—	4,139
Depreciation, depletion and amortization	144,728	—	144,728
Share-based compensation expense	11,789	—	11,789
Equity in earnings of affiliates	(6,896)	—	(6,896)
Cash dividends from affiliated companies	5,494	—	5,494
Gain on disposition of assets	(1,173)	—	(1,173)
Pension and postretirement plan expense	29,780	—	29,780
Pension and postretirement plan contributions	(58,421)	—	(58,421)
Tax effect of share-based compensation exercises	2,341	—	2,341
Excess tax benefit of share-based compensation	(2,511)	—	(2,511)
Net increase in deferred taxes	18,076	(1,361)	16,715
Change in assets and liabilities, net of effects from acquisitions, dispositions and foreign currency adjustments			
Trade accounts receivable	(102,862)	2,856	(100,006)
Inventories	1,018	—	1,018
Payable to suppliers	28,661	(299)	28,362
Prepaid expenses	(10,772)	—	(10,772)
Accrued expenses	20,823	3,920	24,743
Income taxes payable and other income tax items	13,776	(1,370)	12,406
Fox River environmental reserves	(15,000)	—	(15,000)
Other assets and liabilities	(1,161)	4,072	2,911
Net cash provided by operating activities	267,397	—	267,397
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	(135,287)	—	(135,287)
Cost of acquisitions, net of cash acquired	(10,964)	—	(10,964)
Proceeds from the sale of assets	6,451	—	6,451
Investment in affiliates and other	(4,520)	—	(4,520)
Net cash used by investing activities	(144,320)	—	(144,320)
Cash Flows from Financing Activities			
Proceeds from issuance of debt	30,526	—	30,526
Principal repayment of debt	(30,267)	—	(30,267)
Net increase in commercial paper borrowings	36,000	—	36,000
Net decrease in outstanding checks	(712)	—	(712)
Cash dividends – common	(96,446)	—	(96,446)
Excess tax benefit of share-based compensation	2,511	—	2,511
Shares acquired	(48,731)	—	(48,731)
Shares issued	2,482	—	2,482

Net cash used by financing activities	(104,637)	—	(104,637)
Effects of Exchange Rate Changes on Cash	(4,451)	—	(4,451)
Increase in Cash and Cash Equivalents	13,989	—	13,989
Cash and cash equivalents at beginning of period	217,567	—	217,567
Cash and cash equivalents at end of period	$231,556	$—	$231,556

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Sonoco Products Company

(Dollars in thousands)	Nine Months Ended September 29, 2013, as Previously Reported	Effect of Restatement	September 29, 2013, as Restated
Cash Flows from Operating Activities			
Net income	$164,264	$(5,318)	$158,946
Adjustments to reconcile net income to net cash provided by operating activities			
Asset impairment	7,352	—	7,352
Depreciation, depletion and amortization	145,574	—	145,574
Share-based compensation expense	7,658	—	7,658
Equity in earnings of affiliates	(8,233)	—	(8,233)
Cash dividends from affiliated companies	8,636	—	8,636
Gain on disposition of assets	(1,286)	—	(1,286)
Pension and postretirement plan expense	46,678	—	46,678
Pension and postretirement plan contributions	(30,514)	—	(30,514)
Tax effect of share-based compensation exercises	6,867	—	6,867
Excess tax benefit of share-based compensation	(3,324)	—	(3,324)
Net increase in deferred taxes	22,504	(876)	21,628
Change in assets and liabilities, net of effects from acquisitions, dispositions and foreign currency adjustments			
Trade accounts receivable	(78,003)	(3,110)	(81,113)
Inventories	(13,069)	195	(12,874)
Payable to suppliers	75,207	6,158	81,365
Prepaid expenses	(1,958)	—	(1,958)
Accrued expenses	25,078	3,124	28,202
Income taxes payable and other income tax items	43,796	(173)	43,623
Fox River environmental reserves	(1,592)	—	(1,592)
Other assets and liabilities	5,649	—	5,649
Net cash provided by operating activities	421,284	—	421,284
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	(143,926)	—	(143,926)
Cost of acquisitions, net of cash acquired	(3,728)	—	(3,728)
Proceeds from the sale of assets	8,950	—	8,950
Investment in affiliates and other	(3,542)	—	(3,542)
Net cash used by investing activities	(142,246)	—	(142,246)
Cash Flows from Financing Activities			
Proceeds from issuance of debt	51,799	—	51,799
Principal repayment of debt	(172,056)	—	(172,056)
Net decrease in commercial paper borrowings	(152,000)	—	(152,000)
Net decrease in outstanding checks	(1,196)	—	(1,196)
Cash dividends – common	3,324	—	3,324
Excess tax benefit of share-based compensation	(93,216)	—	(93,216)
Shares acquired	(8,835)	—	(8,835)
Shares issued	13,443	—	13,443

Net cash used by financing activities	(358,737)	—	(358,737)
Effects of Exchange Rate Changes on Cash	(5,808)	—	(5,808)
Decrease in Cash and Cash Equivalents	(85,507)	—	(85,507)
Cash and cash equivalents at beginning of period	373,084	—	373,084
Cash and cash equivalents at end of period	$287,577	$—	$287,577

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Item 9A. Controls and procedures

Background

The Company announced on July 16, 2015, that the Audit Committee, with the assistance of independent advisors, began an independent investigation of certain accounting matters related to accounting irregularities at its contract packaging center in Irapuato, Mexico, and their potential impact on the Company's previously issued financial statements.

On August 10, 2015, the Company announced that, in connection with this investigation, the Audit Committee, on the recommendation of management, concluded that the Company's previously issued financial statements for fiscal years 2012, 2013 and 2014 and the first quarter of fiscal year 2015 should be restated, and therefore, should no longer be relied on, due to misstatements in the historical operating results and balance sheets of the Irapuato contract packaging center. As a result, we have restated our consolidated financial statements for those periods.

Evaluation of disclosure controls and procedures

In connection with the filing of the Company's 2014 Annual Report on Form 10-K filed on March 2, 2015, the Company's management, including the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 ("Exchange Act") Rule 13a-15(e)) as of December 31, 2014, the end of the period covered by this report. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of such period to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure. Subsequent to that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of December 31, 2014 because of the material weaknesses in our internal control over financial reporting discussed below.

Management's report on internal control over financial reporting (Restated)

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) under the Exchange Act. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Management has concluded that the material weaknesses described below existed as of December 31, 2014. As a result, management has concluded that it did not maintain effective internal control over financial reporting as of December 31, 2014, based on the criteria in Internal Control-Integrated Framework issued by the COSO. Accordingly, management has restated its report on internal control over financial reporting.

A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

Management has identified the following control deficiencies that constituted material weaknesses in our internal control over financial reporting as of December 31, 2014:

- We did not design and maintain effective transaction level and business performance review controls related to our two contract packaging operations. Specifically, transaction level controls unique to our contract packaging operations were not implemented and we did not design effective business performance review controls to analyze and review significant accounts in our contract packaging operations. This control deficiency resulted in the restatement of the Company's consolidated financial statements for the years ended December 31, 2014, 2013, and 2012, each of the quarters within the year ended December 31, 2014 and the quarter ended March 29, 2015.

- We did not design controls to ensure that the financial data for international operations accumulated in the financial consolidation system was done so completely and accurately, which precluded effective business performance reviews for these operations. This material weakness contributed to a material weakness due to ineffective controls over the recording and review of journal entries for completeness and accuracy at certain international locations. Specifically, certain key accounting personnel had the ability to prepare and post journal entries without an appropriately designed independent review.
- We did not design effective business performance review controls to monitor the balance sheet activity of certain domestic locations as divisional level business performance reviews were not appropriately designed and a consolidated business performance review was not designed to operate at a level of precision to detect a material misstatement due to error or fraud.

The material weaknesses identified above also resulted in a material weakness related to the ineffective design of controls in response to the risk of material misstatement.

Additionally, these control deficiencies could result in misstatements of the accounts and disclosures that would result in a material misstatement of the annual or interim consolidated financial statements that would not be prevented or detected. Accordingly, management concluded that these control deficiencies constitute material weaknesses.

In conducting management's evaluation as described above, Weidenhammer Packaging Group (Weidenhammer), acquired October 31, 2014, was excluded. The operations of Weidenhammer, which are included in the Company's 2014 consolidated financial statements, constituted approximately 1.0% of the Company's consolidated revenues and approximately 9.3% of total assets as of December 31, 2014.

PricewaterhouseCoopers LLP, our independent registered public accounting firm, has audited the effectiveness of our internal control over financial reporting as of December 31, 2014, as stated in their report, which appears at the beginning of Item 8 of this Annual Report on Form 10-K/A.

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Remediation Plan

Management is in the process of re-assessing the design of certain control activities and developing its remediation plan for the above identified control weaknesses. The Company's actions are subject to ongoing senior management review, as well as audit committee oversight. The following changes to our internal control over financial reporting have been implemented or will be implemented as soon as practicable:

- Implement account reconciliation and review controls at our contract packaging operations, including for example: formal account reconciliation procedures for revenue, revenue accruals and deferrals and deferred expenses; expanded cross-functional involvement and input into period-end accruals; and periodic business performance reviews.
- Implement detailed reconciliation and independent review controls supporting the completeness and accuracy of international operations' financial data accumulated in the financial consolidation system.
- Redesign procedures and documentation requirements for monitoring balance sheet activity to improve precision of the review and clearly define control operation and accountability.

Management believes that these measures will remediate the material weaknesses in internal control over financial reporting described above. The Company will test the ongoing operating effectiveness of the revised controls in future periods. These material weaknesses cannot be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

Changes in internal control over financial reporting

There has been no change in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) during the fiscal quarter ended December 31, 2014, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations on the Effectiveness of Controls

The Company's management, including the Chief Executive Officer and Principal Financial and Accounting Officer, does not expect that the Company's disclosure controls and procedures or internal control over financial reporting will prevent all error and all fraud. Internal control over financial reporting, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives will be met. Because of the inherent limitations in internal control over financial reporting, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

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PART IV

Item 15. Exhibits and financial statement schedules

(a) 1 Financial Statements – The following financial statements are provided under Item 8 – Financial Statements and Supplementary Data of this amended Annual Report on Form 10-K/A:
– Report of Independent Registered Public Accounting Firm
– Consolidated Balance Sheets as of December 31, 2014 (Restated) and 2013 (Restated)
– Consolidated Statements of Income for the years ended December 31, 2014 (Restated), 2013 (Restated) and 2012 (Restated)
– Consolidated Statements of Comprehensive Income for the years ended December 31, 2014 (Restated), 2013 (Restated) and 2012 (Restated)
– Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2014 (Restated), 2013 (Restated) and 2012 (Restated)
– Consolidated Statements of Cash Flows for the years ended December 31, 2014 (Restated), 2013 (Restated) and 2012 (Restated)
– Notes to Consolidated Financial Statements

2 Financial Statement Schedules
Schedule II – Valuation and Qualifying Accounts for the Years Ended December 31, 2014, 2013 and 2012.

Column A	Column B	Column C - Additions		Column D	Column E
Description	Balance at Beginning of Year	Charged to Costs and Expenses	Charged to Other	Deductions	Balance at End of Year
2014					
Allowance for Doubtful Accounts	$9,771	2,350	$(411)[1]	$3,163[2]	$8,547
LIFO Reserve	18,146	(238)[3]			17,908
Valuation Allowance on Deferred Tax Assets[6]	72,372	828	(5,482)[4]	3,820[5]	63,898
2013					
Allowance for Doubtful Accounts	$7,252	$2,006	$1,444[1]	$931[2]	$9,771
LIFO Reserve	19,476	(1,330)[3]			18,146
Valuation Allowance on Deferred Tax Assets[6]	78,606	2,315	(4,696)[4]	3,853[5]	72,372
2012					
Allowance for Doubtful Accounts	$7,125	$2,821	$209[1]	$2,903[2]	$7,252
LIFO Reserve	20,184	(708)[3]			19,476
Valuation Allowance on Deferred Tax Assets[6]	70,501	5,689	2,864[4]	448[5]	78,606

[1] Includes translation adjustments and other insignificant adjustments.
[2] Includes amounts written off.
[3] Includes adjustments based on pricing and inventory levels.
[4] Includes translation adjustments and increases to deferred tax assets which were previously fully reserved.
[5] Includes utilization of capital loss carryforwards, net operating loss carryforwards and other deferred tax assets.
[6] Previously reported figures have been revised to reflect certain adjustments as described in Note 2 to the Consolidated Financial Statements included in Item 8 of this amended Annual Report on Form 10-K/A.

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

3 Exhibits

3-1

	Articles of Incorporation, as amended (incorporated by reference to the Registrant's Form 8-K filed on February 8, 2012)
3-2	By-Laws, as amended (incorporated by reference to the Registrant's Form 10-Q for the quarter ended July 1, 2012)
4-1	Indenture, dated as of June 15, 1991, between Registrant and The Bank of New York, as Trustee (incorporated by reference to the Registrant's Form S-4 (File Number 333-119863))
4-2	First Supplemental Indenture, dated as of June 23, 2004, between Registrant and The Bank of New York, as Trustee (including form of 5.625% Notes due 2016)(incorporated by reference to the Registrant's Form 10-Q for the quarter ended June 27, 2004)

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4-3	Second Supplemental Indenture, dated as of November 1, 2010, between the Registrant and The Bank of New York Mellon Trust Company, N.A., as Trustee (including form of 5.75% Notes due 2040)(incorporated by reference to Registrant's Form 8-K filed October 28, 2010)
4-4	Form of Third Supplemental Indenture (including form of 4.375% Notes due 2021), between Sonoco Products Company and the Bank of New York Mellon Trust Company, N.A. (incorporated by reference to Registrant's Form 8-K filed October 27, 2011)
4-5	Form of Fourth Supplemental Indenture (including form of 5.75% Notes due 2040), between Sonoco Products Company and the Bank of New York Mellon Trust Company, N.A. (incorporated by reference to Registrant's Form 8-K filed October 27, 2011)
10-1	1991 Sonoco Products Company Key Employee Stock Plan, as amended (incorporated by reference to the Registrant's Form 10-Q for the quarter ended September 30, 2007)
10-2	Sonoco Products Company 1996 Non-employee Directors' Stock Plan, as amended (incorporated by reference to the Registrant's Form 10-Q for the quarter ended September 30, 2007)
10-3	Sonoco Retirement and Savings Plan (formerly the Sonoco Savings Plan), as amended (incorporated by reference to the Registrant's Form 10-K for the year ended December 31, 2012)
10-4	Sonoco Products Company 2008 Long-term Incentive Plan (incorporated by reference to the Company's Proxy Statement for the Annual Meeting of Shareholders on April 16, 2008)
10-5	Sonoco Products Company 2012 Long-term Incentive Plan (incorporated by reference to the Company's Proxy Statement for the Annual Meeting of Shareholders on April 18, 2012)
10-6	Sonoco Products Company 2014 Long-term Incentive Plan (incorporated by reference to the Company's Proxy Statement for the Annual Meeting of Shareholders on April 16, 2014)
10-7	Deferred Compensation Plan for Key Employees of Sonoco Products Company (a.k.a. Deferred Compensation Plan for Corporate Officers of Sonoco Products Company), as amended (incorporated by reference to the Registrant's Form 10-Q for the quarter ended September 28, 2008)
10-8	Omnibus Benefit Restoration Plan of Sonoco Products Company, amended and restated as of January 1, 2015 (incorporated by reference to the Registrant's Form 10-K for the year ended December 31, 2014, filed on March 2, 2015)
10-9	Deferred Compensation Plan for Outside Directors of Sonoco Products Company, as amended (incorporated by reference to the Registrant's Form 10-Q for the quarter ended September 28, 2008)
10-10	Performance-based Annual Incentive Plan for Executive Officers (incorporated by reference to the Registrant's Proxy Statement for the April 19, 2000, Annual Meeting of Shareholders)
10-11	Form of Executive Bonus Life Agreement between the Company and certain executive officers (incorporated by reference to the Registrant's Form 10-Q for the quarter ended September 26, 2004)
10-12	Credit Agreement, effective October 2, 2014 (incorporated by reference to the Registrant's Form 10-Q for the quarter ended September 28, 2014)
10-13	Sonoco Products Company Amended and Restated Trust Agreement for Executives, as of October 15, 2008 (incorporated by reference to the Registrant's Form 10-Q for the quarter ended September 28, 2008)
10-14	Sonoco Products Company Amended and Restated Directors Deferral Trust Agreement, as of October 15, 2008 (incorporated by reference to the Registrant's Form 10-Q for the quarter ended September 28, 2008)
10-15	Description of Stock Appreciation Rights and Performance Contingent Restricted Stock Units granted to executive officers of the Registrant on February 8, 2011 (incorporated by reference to Registrant's Form 8-K filed February 14, 2011)

10-16	Description of Stock Appreciation Rights and Performance Contingent Restricted Stock Units granted to executive officers of the Registrant on February 7, 2012 (incorporated by reference to Registrant's Form 8-K filed February 13, 2012)
10-17	Description of Stock Appreciation Rights and Performance Contingent Restricted Stock Units granted to executive officers of the Registrant on February 12, 2013 (incorporated by reference to Registrant's Form 8-K filed February 19, 2013)
10-18	Description of Stock Appreciation Rights and Performance Contingent Restricted Stock Units granted to executive officers of the Registrant on February 12, 2014 (incorporated by reference to Registrant's Form 8-K filed February 18, 2014)
10-19	Description of Stock Appreciation Rights, Restricted Stock Units and Performance Contingent Restricted Stock Units granted to executive officers of the Registrant on February 11, 2015 (incorporated by reference to Registrant's Form 8-K filed February 17, 2015)
12	Statements regarding Computation of Ratio of Earnings to Fixed Charges
21	Subsidiaries of the Registrant (incorporated by reference to the Registrant's Form 10-K for the year ended December 31, 2014, filed on March 2, 2015)
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	Certifications 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)
99	Proxy Statement, filed in conjunction with annual shareholders' meeting held on April 15, 2015
101	The following materials from Sonoco Products Company's amended Annual Report on Form 10-K/A for the year ended December 31, 2014, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets at December 31, 2014 and 2013, (ii) Consolidated Statements of Income for the years ended December 31, 2014, 2013 and 2012, (iii) Consolidated Statements of Comprehensive Income for the years ended December 31, 2014, 2013 and 2012, (iv) Consolidated Statements of Changes in Total Equity for the years ended December 31, 2014, 2013 and 2012, (v) Consolidated Statements of Cash Flows for the years ended December 31, 2014, 2013 and 2012, and (vi) Notes to the Consolidated Financial Statements.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this amended report to be signed on its behalf by the undersigned, thereunto duly authorized, on this 25th day of August 2015.
SONOCO PRODUCTS COMPANY

/s/ M.J. Sanders
M.J. Sanders
President and Chief Executive Officer

/s/ Barry L. Saunders
Barry L. Saunders
Senior Vice President and Chief Financial Officer
(principal financial officer and principal accounting officer)

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