

Sonoco Products Company

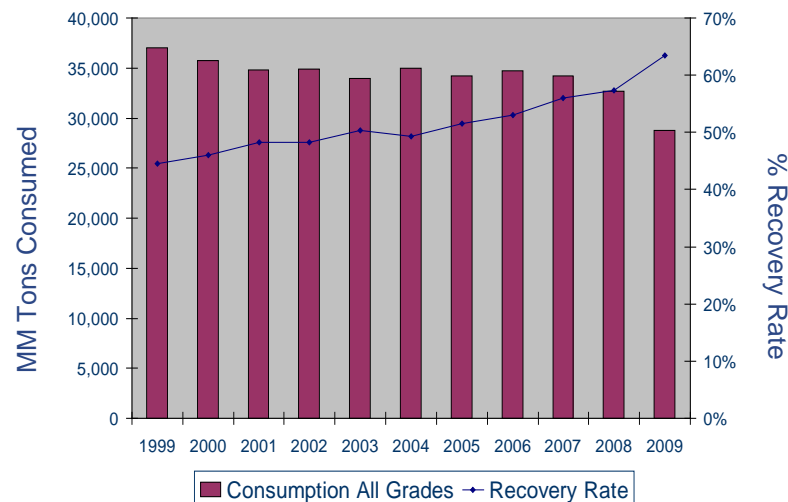
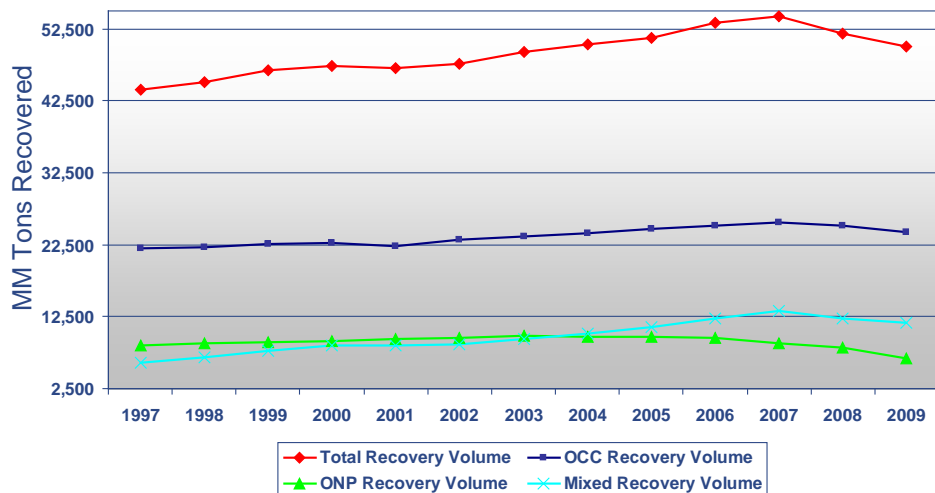
General discussion of fiber recycling and quality from the perspective of recycled board manufacturers

Discussion Topics

- Market trends for recovery and consumption
- Sonoco's recycling and paper manufacturing footprint
- Sonoco's recovered fiber mix trends over the last decade
- Recovered fiber quality determinants (mill perspective)
- Ongoing, non-recyclable or difficult to recycle fiber

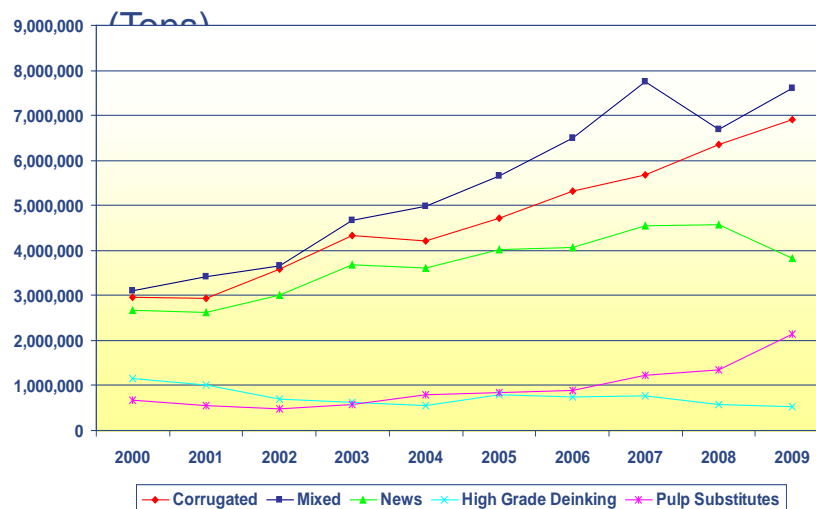
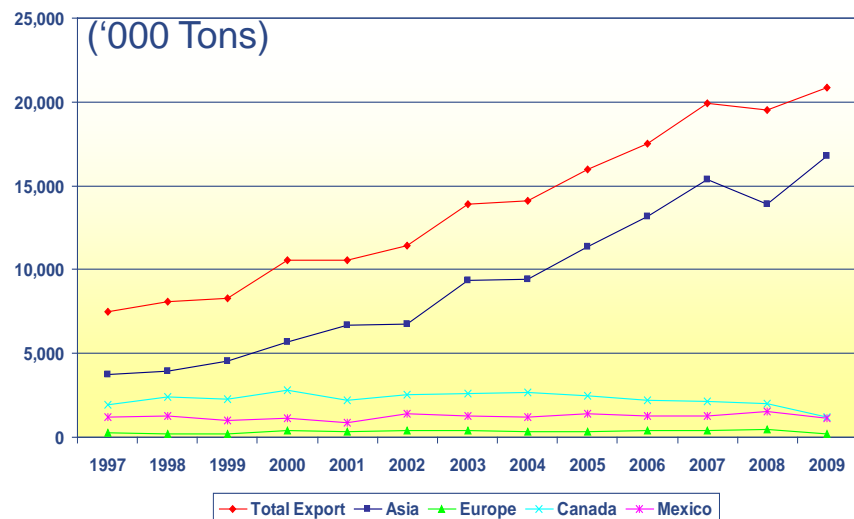
U.S. Fiber Recovery & Paper Consumption...

"Recovery Down, Rate Up"



- Total recovery volume down 3.4% vs '08 (1,787 tons) and 7.9% cumulative vs '07 while US achieves **record total recovery rate of 63.4%** (up over 5.7 percentage points YOY)
 - OCC recovery volume down 5% from '07
 - ONP recovery tons continue to decline as readership shifts to electronic, down 24% in 2 years
 - Mixed down 15% from '07
- Reaching entitlement rates on Commercial (OCC) – Future recovery will come from Residential (Mixed/ONP)
- Domestic mill consumption totaled 28.8 MM tons, down 12.5% vs '08

Export Market Up in '09

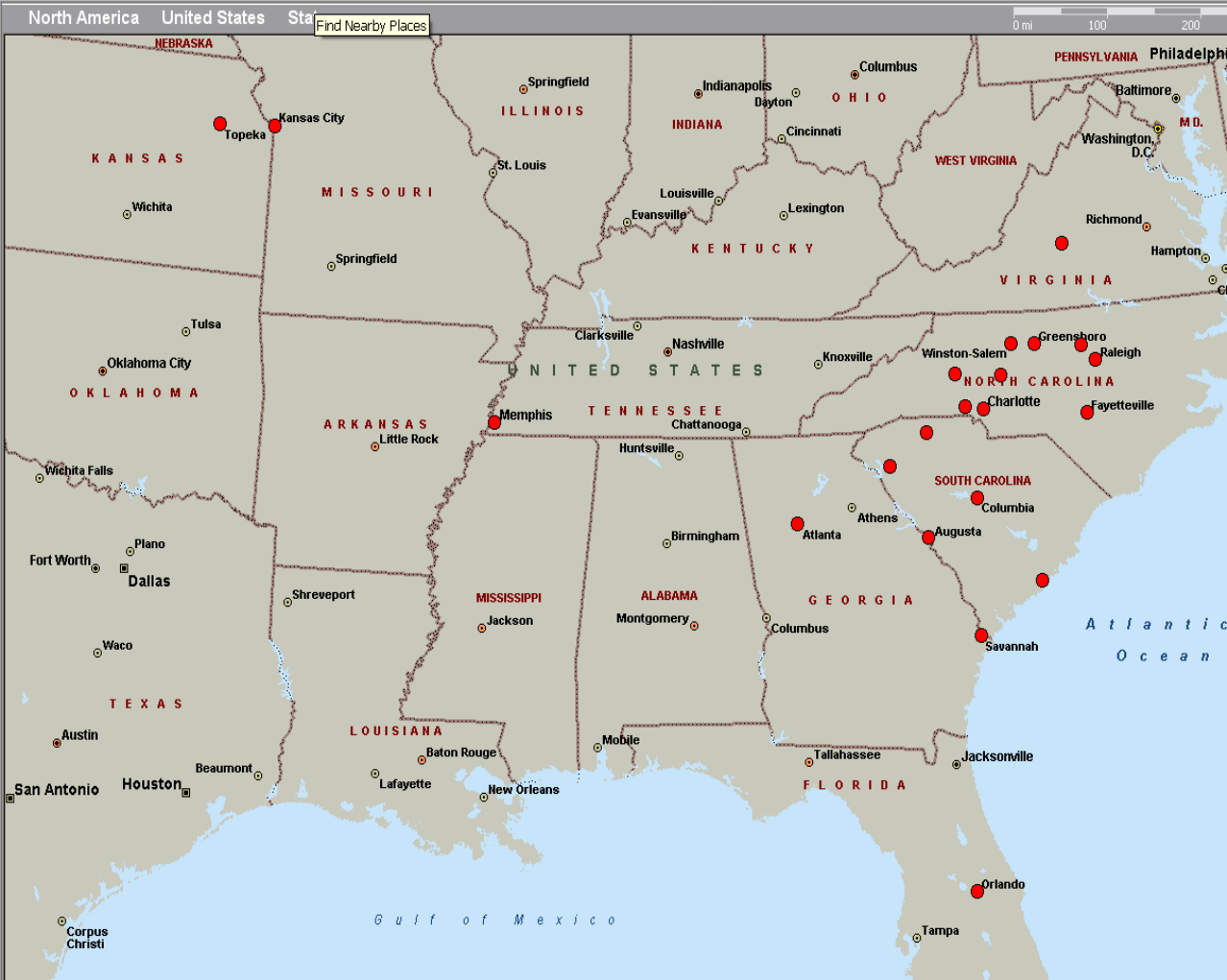


- Scrap paper exports totaled 21MM tons, up 7.5% compared to '08
 - 42% of the scrap paper collected in US was exported, up from 37%
 - 28.7% of OCC, 50.6% of News (Mech'l pulp) and 65.2% of Mixed was exported
 - 28.4% of all scrap paper recovered in US was shipped to China, up from 22.1%
 - China has eclipsed the US as the world's largest producer of paper
 - India will continue to influence the markets we participate in
- Major competitors/partners (GP/Harmon, SSCE, ACN) will continue to grow export
- Container availability continues to be an issue (imbalance of imports vs exports)
 - Container rates up 100% from August '08 (\$1,500/container...\$60/ton)

Sonoco's NA Recycled Paper Operations



Sonoco's Recycling Operations



Paper Mill Furnish Quality Determinants

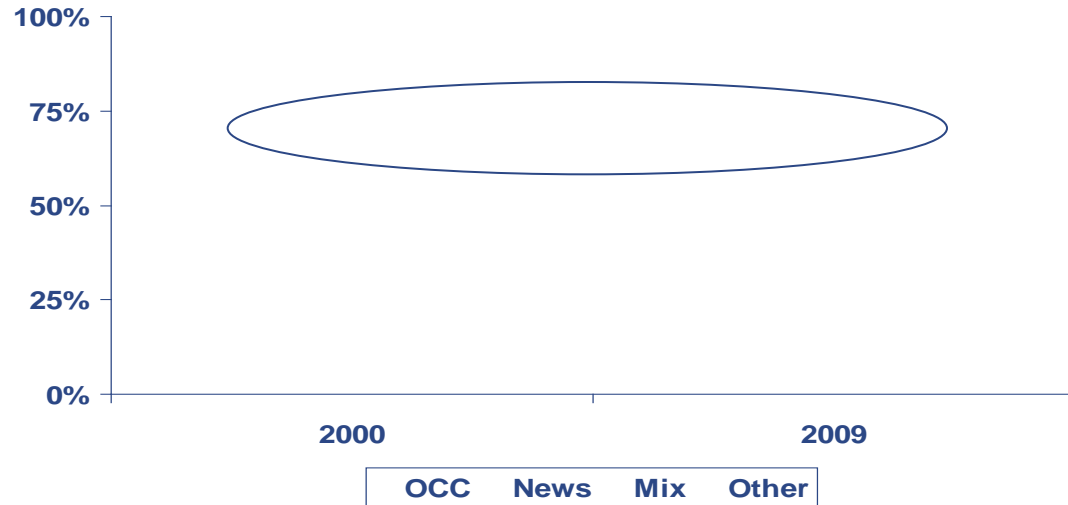


Sonoco's Trend for Recovered Fiber Sourcing

**60,000 Tons Shifted to Lower Cost,
More Available Fiber Sources**

**Sonoco's mix change over
the last decade....**

small changes, big impact



Internal Priorities

- Focus on productivity, furnish costs
- Long-term supply security, ability to run higher variety of furnish sources
- Ongoing investment in mill cleaning systems
- Expansion of Recycling Business: geographic footprint and materials collected

Market Dynamics

- Continued export growth
- Consumer preference for "greener", recyclable products
- Expansion of MRFs, recycling programs
- Shift to single stream
- Increasing level of contaminants

Sonoco's Recycling Message

RECYCLE / RECICLE



All paper, junkmail, paperback books (no food residue)



Glass, tin, metals, aluminum (no scrap metal)



Plastic containers free of hazardous materials and food contamination



NEW!
Rigid plastics made of HDPE must be < 2' in length and 40 lbs.



CITY OF DURHAM

www.durhamnc.gov/departments/solid

Remember

It is illegal to throw away plastic bottles in NC

FOR HELP CALL
PARA AYUDA LLAME AL:

919/560.1200

**SONOCO
RECYCLING**

www.sonocorecycling.com

DO NOT RECYCLE / NO RECICLE



NO hardback books, foil coated, food contaminated or moisture resistant boxes



NO paint cans, motor oil, or hazardous waste



NO glass cookware / dishes, or lightbulbs



NO plastic bags, styrofoam, lids, or caps

Still a Challenge.....

- Glass contaminants
- Other non-fiber contaminants
- Consistency of news grades
- Wax and other coated boards
- Wet-Strength