GREIF INC
Form 10-K
December 26, 2012
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended October 31, 2012

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 number: 001-00566

(Exact name of Registrant as specified in its charter)

State of Delaware	**31-4388903**
(State or other jurisdiction of	**(I.R.S. Employer**

incorporation or organization)	**Identification No.)**
425 Winter Road, Delaware, Ohio	**43015**
(Address of principal executive offices)	**(Zip Code)**

Registrant s telephone number, including area code 740-549-6000

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

Title of Each Class	**Name of Each Exchange on Which Registered**
Class A Common Stock	New York Stock Exchange
Class B Common Stock	New York Stock Exchange

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 x No ¨

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ¨ No x

Indicate by check mark whether the Registrant (1) has filed all reports 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 x No ¨

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

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

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 definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer x	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange). Yes ¨ No x

The aggregate market value of voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold as of the last business day of the Registrant s most recently completed second fiscal quarter was as follows:

Non-voting common equity (Class A Common Stock) - 1,299,196,848

Voting common equity (Class B Common Stock) 302,381,135

The number of shares outstanding of each of the Registrant s classes of common stock, as of December 14, 2012, was as follows:

Class A Common Stock 25,338,098

Class B Common Stock 22,119,966

Listed hereunder are the documents, portions of which are incorporated by reference, and the parts of this Form 10-K into which such portions are incorporated:

1. The Registrant s Definitive Proxy Statement for use in connection with the Annual Meeting of Stockholders to be held on February 25, 2013 (the 2013 Proxy Statement), portions of which are incorporated by reference into Parts II and III of this Form 10-K. The 2013 Proxy Statement will be filed within 120 days of October 31, 2012.

Table of Contents

IMPORTANT INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

All statements, other than statements of historical facts, included in this Annual Report on Form 10-K of Greif, Inc. and subsidiaries (this Form 10-K) or incorporated herein, including, without limitation, statements regarding our future financial position, business strategy, budgets, projected costs, goals and plans and objectives of management for future operations, are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). Forward-looking statements generally can be identified by the use of forward-looking terminology such as may, will, expect, intend, estimate, anticipate, project, believe, continue, on tra negative thereof or variations thereon or similar terminology. All forward-looking statements made in this Form 10-K are based on information currently available to our management. Forward-looking statements speak only as of the date the statements were made. Although we believe that the expectations reflected in forward-looking statements have a reasonable basis, we can give no assurance that these expectations will prove to be correct. Forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed in or implied by the statements. For a discussion of the most significant risks and uncertainties that could cause our actual results to differ materially from those projected, see Risk Factors in Item 1A of this Form 10-K. The risks described in this Form 10-K are not all inclusive, and given these and other possible risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. All forward-looking statements made in this Form 10-K are expressly qualified in their entirety by reference to such risk factors. Except to the limited extent required by applicable law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Table of Contents

Index to Form 10-K Annual Report for the Year ended October 31, 2012

Form 10-K Item		Description	Page
Part I	1.	Business	4
		(a) General Development of Business	4
		(b) Financial Information about Segments	4
		(c) Narrative Description of Business	4
		(d) Financial Information about Geographic Areas	6
		(e) Available Information	6
		(f) Other Matters	6
	1A.	Risk Factors	6
	1B.	Unresolved Staff Comments	11
	2.	Properties	12
	3.	Legal Proceedings	15
	4.	Mine Safety Disclosures	15
Part II	5.	Market for the Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	16
	6.	Selected Financial Data	19
	7.	Management s Discussion and Analysis of Financial Condition and Results of Operations	19
	7A.	Quantitative and Qualitative Disclosures about Market Risk	42
	8.	Financial Statements and Supplementary Data	46
		Consolidated Statements of Income	46
		Consolidated Balance Sheets	47
		Consolidated Statements of Cash Flows	49
		Consolidated Statements of Changes in Shareholders Equity	50
		Note 1 Basis of Presentation and Summary of Significant Accounting Policies	51
		Note 2 - Acquisitions and Other Significant Transactions	59
		Note 3 - Sale of Non-United States Accounts Receivable	60
		Note 4 - Inventories	62
		Note 5 Net Assets Held for Sale	62
		Note 6 Goodwill and Other Intangible Assets	63
		Note 7 Restructuring Charges	64
		Note 8 Significant Nonstrategic Timberland Transactions and Consolidation of Variable Interest Entities	65
		Note 9 Long-Term Debt	67
		Note 10 Financial Instruments and Fair Value Measurements	69
		Note 11 Stock-Based Compensation	71
		Note 12 - Income Taxes	73
		Note 13 Post Retirements Benefit Plans	75
		Note 14 - Contingent Liabilities and Environmental Reserves	82
		Note 15 Earnings Per Share	82
		Note 16 Equity Earnings of Unconsolidated Affiliates, Net of Tax and Net Income Attributable to Noncontrolling Interests	84
		Note 17 Business Segment Information	84
		Note 18 Quarterly Financial Data (Unaudited)	87
		Note 19 Correction of Errors and Restatement	88
		Note 20 Subsequent Event	90
		Report of Independent Registered Public Accounting Firm	92
	9.	Changes in and Disagreements with Accountants on Accounting and Financial Disclosures	93
	9A.	Controls and Procedures	93
		Report of Independent Registered Public Accounting Firm	95
	9B.	Other Information	96
Part III	10.	Directors, Executive Officers and Corporate Governance	96
	11.	Executive Compensation	96

	12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	96
	13.	Certain Relationships and Related Transactions, and Director Independence	96
	14.	Principal Accountant Fees and Services	97
Part IV	15.	Exhibits and Financial Statement Schedules	98
		Signatures	106
Schedules		Schedule II	107
Exhibits		Exhibits and Certifications	

Table of Contents

PART I

ITEM 1. BUSINESS

(a) General Development of Business

We are a leading global producer of industrial packaging products and services with manufacturing facilities located in over 50 countries. We offer a comprehensive line of rigid industrial packaging products, such as steel, fibre and plastic drums, rigid intermediate bulk containers, closure systems for industrial packaging products, transit protection products, water bottles and reconditioned containers, and services, such as container life cycle services, blending, filling and other packaging services, logistics and warehousing. We are also a leading global producer of flexible intermediate bulk containers and a North American producer of industrial and consumer shipping sacks and multiwall bag products. We also produce containerboard and corrugated products for niche markets in North America. We sell timber to third parties from our timberland in the southeastern United States that we manage to maximize long-term value. We also own timberland in Canada that we do not actively manage. In addition, we sell, from time to time, timberland and special use land, which consists of surplus land, higher and better use (HBU) land, and development land. Our customers range from Fortune 500 companies to medium and small-sized companies in a cross section of industries.

We were founded in 1877 in Cleveland, Ohio, as Vanderwyst and Greif, a cooperage shop co-founded by one of four Greif brothers. One year after our founding, the other three Greif brothers were invited to join the business, renamed Greif Bros. Company, making wooden barrels, casks and kegs to transport post-Civil War goods nationally and internationally. We later purchased nearly 300,000 acres of timberland to provide raw materials for our cooperage plants. We still own significant timber properties located in the southeastern United States and in Canada. In 1926, we incorporated as a Delaware corporation and made a public offering as The Greif Bros. Cooperage Corporation. In 1951, we moved our headquarters from Cleveland, Ohio to Delaware, Ohio, which is in the Columbus metro-area, where our corporate headquarters are currently located. Since the latter half of the 1900s, we have transitioned from our keg and barrel heading mills, stave mills and cooperage facilities to a global producer of industrial packaging products. Following our acquisition of Van Leer in 2001, a global steel and plastic drum manufacturer, we changed our name to Greif, Inc.

Our fiscal year begins on November 1 and ends on October 31 of the following year. Any references in this Form 10-K to the years 2012, 2011 or 2010, or to any quarter of those years, relate to the fiscal year ended in that year.

As used in this Form 10-K, the terms Greif, the Company, we, us, and our refer to Greif, Inc. and its subsidiaries.

(b) Financial Information about Segments

We operate in four business segments: Rigid Industrial Packaging & Services; Flexible Products & Services; Paper Packaging; and Land Management. Information related to each of these segments is included in Note 17 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K.

(c) Narrative Description of Business

Products and Services

In the Rigid Industrial Packaging & Services segment, we are a leading global producer of rigid industrial packaging products, including steel, fibre and plastic drums, rigid intermediate bulk containers, closure systems for industrial packaging products, transit protection products, water bottles and reconditioned containers, and services, such as container life cycle services, blending, filling and other packaging services, logistics and warehousing. We sell our industrial packaging products to customers in industries such as chemicals, paints and pigments, food and beverage, petroleum, industrial coatings, agricultural, pharmaceutical and mineral, among others.

Table of Contents

In the Flexible Products & Services segment, we are a leading global producer of flexible intermediate bulk containers and a North American producer of industrial and consumer shipping sacks and multiwall bag products. Our flexible intermediate bulk containers consist of a polypropylene-based woven fabric that is partly produced at our production sites, as well as sourced from strategic regional suppliers. Our flexible products are sold globally and service customers and market segments similar to those as our Rigid Industrial Packaging & Services segment. Additionally, our flexible products significantly expand our presence in the agricultural and food industries, among others. Our industrial and consumer shipping sacks and multiwall bag products are used to ship a wide range of industrial and consumer products, such as seed, fertilizers, chemicals, concrete, flour, sugar, feed, pet foods, popcorn, charcoal and salt, primarily for the agricultural, chemical, building products and food industries.

In the Paper Packaging segment, we sell containerboard, corrugated sheets and other corrugated products to customers in North America in industries such as packaging, automotive, food and building products. Our corrugated container products are used to ship such diverse products as home appliances, small machinery, grocery products, building products, automotive components, books and furniture, as well as numerous other applications.

In the Land Management segment, we are focused on the active harvesting and regeneration of our United States timber properties to achieve sustainable long-term yields. While timber sales are subject to fluctuations, we seek to maintain a consistent cutting schedule, within the limits of market and weather conditions. We also sell, from time to time, timberland and special use land, which consists of surplus land, HBU land and development land. As of October 31, 2012, we owned approximately 270,100 acres of timber property in the southeastern United States and approximately 11,860 acres of timber property in Canada.

Customers

Due to the variety of our products, we have many customers buying different types of our products and due to the scope of our sales, no one customer is considered principal in our total operations.

Backlog

We supply a cross-section of industries, such as chemicals, paints and pigments, food and beverage, petroleum, industrial coatings, agricultural, pharmaceutical and mineral products, and must make spot deliveries on a day-to-day basis as our products are required by our customers. We do not operate on a backlog to any significant extent and maintain only limited levels of finished goods. Many customers place their orders weekly for delivery during the week.

Competition

The markets in which we sell our products are highly competitive with many participants. Although no single company dominates, we face significant competitors in each of our businesses. Our competitors include large vertically integrated companies as well as numerous smaller companies. The industries in which we compete are particularly sensitive to price fluctuations caused by shifts in industry capacity and other cyclical industry conditions. Other competitive factors include design, quality and service, with varying emphasis depending on product line.

In both the rigid industrial packaging industry and flexible packaging industry, we compete by offering a comprehensive line of products on a global basis. In the paper packaging industry, we compete by concentrating on providing value-added, higher-margin corrugated products to niche markets. In addition, over the past several years we have closed higher cost facilities and otherwise restructured our operations, which we believe have significantly improved our cost competitiveness.

Compliance with Governmental Regulations Concerning Environmental Matters

Our operations are subject to extensive federal, state, local and international laws, regulations, rules and ordinances relating to pollution, the protection of the environment, the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials and numerous other environmental laws and regulations. In the ordinary course of business, we are subject to periodic environmental inspections and monitoring by governmental enforcement authorities. In addition, certain of our production facilities require environmental permits that are subject to revocation, modification and renewal.

Based on current information, we believe that the probable costs of the remediation of company-owned property will not have a material adverse effect on our financial condition or results of operations. We believe that we have adequately reserved for our liability for these matters as of October 31, 2012.

We do not believe that compliance with federal, state, local and international provisions, which have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, has had or will have a material effect upon our capital expenditures, earnings or competitive position. We do not anticipate any material capital expenditures related to environmental control in 2013.

Refer also to Item 7 of this Form 10-K and Note 14 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K for additional information concerning environmental expenses and cash expenditures for 2012, 2011 and 2010, and our reserves for environmental liabilities as of October 31, 2012.

Table of Contents

Raw Materials

Steel, resin and containerboard, as well as used industrial packaging for reconditioning, are the principal raw materials for the Rigid Industrial Packaging & Services segment, resin is the primary raw material for the Flexible Products & Services segment, and pulpwood, old corrugated containers for recycling and containerboard are the principal raw materials for the Paper Packaging segment. We satisfy most of our needs for these raw materials through purchases on the open market or under short-term and long-term supply agreements. All of these raw materials are purchased in highly competitive, price-sensitive markets, which have historically exhibited price, demand and supply cyclicality. From time to time, some of these raw materials have been in short supply at certain of our manufacturing facilities. In those situations, we ship the raw materials in short supply from one or more of our other facilities with sufficient supply to the facility or facilities experiencing the shortage. To date, raw material shortages have not had a material adverse effect on our financial condition or results of operations.

Research and Development

While research and development projects are important to our continued growth, the amount expended in any year is not material in relation to our results of operations.

Other

Our businesses are not materially dependent upon patents, trademarks, licenses or franchises.

No material portion of our businesses is subject to renegotiation of profits or termination of contracts or subcontracts at the election of a governmental agency or authority.

The businesses of our segments are not seasonal to any material extent.

Employees

As of October 31, 2012, we had approximately 13,560 full time employees. A significant number of our full time employees are covered under collective bargaining agreements. We believe that our employee relations are generally good.

(d) Financial Information about Geographic Areas

Our operations are located in North and South America, Europe, the Middle East, Africa and the Asia Pacific region. Information related to our geographic areas of operation is included in Note 17 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K. Refer to Quantitative and Qualitative Disclosures about Market Risk, included in Item 7A of this Form 10-K.

(e) Available Information

We maintain a website at www.greif.com. We file reports with the United States Securities and Exchange Commission (SEC) and make available, free of charge, on or through our website, our annual reports on Form 10-K, quarterly reports on Form 10-Q or Form 10-Q/A, current reports on Form 8-K, proxy and information statements and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we have electronically filed such material with, or furnished it to, the SEC.

Any of the materials we file with the SEC may also be read and/or copied at the SEC s Public Reference Room at 100 F Street, NE, Washington, DC 20549. Information on the operation of the SEC s Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

(f) Other Matters

Our common equity securities are listed on the New York Stock Exchange (NYSE) under the symbols GEF and GEF.B. David B. Fischer, our President and Chief Executive Officer, has timely certified to the NYSE that, at the date of the certification, he was unaware of any violation by our Company of the NYSE s corporate governance listing standards. In addition, Mr. Fischer and Robert M. McNutt, our Senior Vice President and Chief Financial Officer, have provided certain certifications in this Form 10-K regarding the quality of our public disclosures. Refer to Exhibits 31.1 and 31.2 to this Form 10-K.

ITEM 1A. RISK FACTORS

Statements contained in this Form 10-K may be forward-looking within the meaning of Section 21E of the Exchange Act. Such forward-looking statements are subject to certain risks and uncertainties that could cause our operating results to differ materially from those projected. The following factors, among others, in some cases have affected, and in the future could affect, our actual financial and/or operational performance.

Table of Contents

The Current and Future Challenging Global Economy may Adversely Affect Our Business.

The current economic downturn and any further economic decline in future reporting periods could negatively affect our business and results of operations. The volatility of the current economic climate makes it difficult for us to predict the complete impact of this downturn on our business and results of operations. Due to these current economic conditions, our customers may face financial difficulties, the unavailability of or reduction in commercial credit, or both, that may result in decreased sales by and revenues to our company. Certain of our customers may cease operations or seek bankruptcy protection, which would reduce our cash flows and adversely impact our results of operations. Our customers that are financially viable and not experiencing economic distress may nevertheless elect to reduce the volume of orders for our products or close facilities in an effort to remain financially stable or as a result of the unavailability of commercial credit which would negatively affect our results of operations. We may also have difficulty accessing the global credit markets due to the tightening of commercial credit availability and the financial difficulties of our customers, which would result in decreased ability to fund capital-intensive strategic projects. Further, we may experience challenges in forecasting revenues and operating results due to these global economic conditions. The difficulty in forecasting revenues and operating results may result in volatility in the market price of our common stock.

In addition, the lenders under our senior secured credit agreement and other borrowing facilities described in Item 7 of this Form 10-K under Liquidity and Capital Resources Borrowing Arrangements and the counterparties with whom we maintain interest rate swap agreements, currency forward contracts and derivatives and other hedge agreements may be unable to perform their lending or payment obligations in whole or in part, or may cease operations or seek bankruptcy protection, which would negatively affect our cash flows and our results of operations.

Historically, Our Business has been Sensitive to Changes in General Economic or Business Conditions.

Our customers generally consist of other manufacturers and suppliers who purchase industrial packaging products and containerboard and related corrugated products for their own containment and shipping purposes. Because we supply a cross section of industries, such as chemicals, paints and pigments, food and beverage, petroleum, industrial coatings, agricultural, pharmaceutical and mineral products, and have operations in many countries, demand for our products and services has historically corresponded to changes in general economic and business conditions of the industries and countries in which we operate. Accordingly, our financial performance is substantially dependent upon the general economic conditions existing in these industries and countries, and any prolonged or substantial economic downturn in the markets in which we operate, including the current economic downturn, could have a material adverse effect on our business, results of operations or financial condition.

Our Operations are Subject to Currency Exchange and Political Risks that Could Adversely Affect Our Results of Operations.

We have operations in over 50 countries. As a result of our international operations, we are subject to certain risks that could disrupt our operations or force us to incur unanticipated costs.

Our operating performance is affected by fluctuations in currency exchange rates by:

- translations into United States dollars for financial reporting purposes of the assets and liabilities of our international operations conducted in local currencies; and
- gains or losses from transactions conducted in currencies other than the operation s functional currency.

The company also has indebtedness, agreements to purchase raw materials and agreements to sell finished products that are denominated in Euros. Recent events in Europe have called into question the viability of a common European currency. The failure of the Euro could negatively impact our business, results of operations and financial condition.

We are subject to various other risks associated with operating in international countries, such as the following:

- political, social and economic instability which has commonly been associated with developing countries but presently is also impacting several industrialized countries;

war, civil disturbance or acts of terrorism;

taking of property by nationalization or expropriation without fair compensation;

changes in government policies and regulations;

imposition of limitations on conversions of currencies into United States dollars or remittance of dividends and other payments by international subsidiaries;

imposition or increase of withholding and other taxes on income remittances and other payments by international subsidiaries;

hyperinflation in certain countries and the current threat of global deflation; and

impositions or increase of investment and other restrictions or requirements by non-United States governments.

Table of Contents

The Continuing Consolidation of Our Customer Base and Suppliers may Intensify Pricing Pressure.

Over the last few years, many of our large industrial packaging, containerboard and corrugated products customers have acquired, or been acquired by, companies with similar or complementary product lines. In addition, many of our suppliers of raw materials such as steel, resin and paper, have undergone a similar process of consolidation. This consolidation has increased the concentration of our largest customers, resulting in increased pricing pressures from our customers. The consolidation of our largest suppliers has resulted in increased cost pressures from our suppliers. Any future consolidation of our customer base or our suppliers could negatively impact our financial performance.

We Operate in Highly Competitive Industries.

Each of our business segments operates in highly competitive industries. The most important competitive factors we face are price, quality and service. To the extent that one or more of our competitors become more successful with respect to any of these key competitive factors, we could lose customers and our sales could decline. In addition, due to the tendency of certain customers to diversify their suppliers, we could be unable to increase or maintain sales volumes with particular customers. Certain of our competitors are substantially larger and have significantly greater financial resources.

Our Business is Sensitive to Changes in Industry Demands.

Industry demand for containerboard in the United States and certain of our industrial packaging products in our United States, European and other international markets has varied in recent years causing competitive pricing pressures for those products. We compete in industries that are capital intensive, which generally leads to continued production as long as prices are sufficient to cover marginal costs. As a result, changes in industry demands like the current economic downturn, including any resulting industry over-capacity, may cause substantial price competition and, in turn, negatively impact our financial performance.

Raw Material and Energy Price Fluctuations and Shortages may Adversely Impact Our Manufacturing Operations and Costs.

The principal raw materials used in the manufacture of our products are steel, resin, pulpwood, old corrugated containers for recycling, used industrial packaging for reconditioning, and containerboard, which we purchase or otherwise acquire in highly competitive, price sensitive markets. These raw materials have historically exhibited price and demand cyclicality. Some of these materials have been, and in the future may be, in short supply. However, we have not recently experienced any significant difficulty in obtaining our principal raw materials. We have long-term supply contracts in place for obtaining a portion of our principal raw materials. The cost of producing our products is also sensitive to the price of energy (including its impact on transport costs). We have, from time to time, entered into short-term contracts to hedge certain of our energy costs. Energy prices, in particular oil and natural gas, have fluctuated in recent years, with a corresponding effect on our production costs. Potential legislation, regulatory action and international treaties related to climate change, especially those related to the regulation of greenhouse gases, may result in significant increases in raw material and energy costs. There can be no assurance that we will be able to recoup any past or future increases in the cost of energy and raw materials.

We may Encounter Difficulties Arising from Acquisitions.

We have in recent years invested a substantial amount of capital in acquisitions, joint ventures and strategic investments and we expect that we will continue to do so in the foreseeable future. We are continually evaluating acquisitions and strategic investments that are significant to our business both in the United States and internationally. Acquisitions, joint ventures and strategic investments involve numerous risks, including the failure to retain key customers, employees and contracts, the inability to integrate businesses without material disruption, unanticipated costs incurred in connection with integrating businesses, the incurrence of liabilities greater than anticipated or operating results that are less than anticipated, the inability to realize the projected value, and the projected synergies are not realized. In addition, acquisitions, joint ventures and strategic investments and associated integration activities require time and attention of management and other key personnel, and other companies in our industries have similar acquisition and investment strategies. There can be no assurance that any acquisitions, joint ventures and strategic investments will be successfully integrated into our operations, that competition for acquisitions will not intensify or that we will be able to complete such acquisitions, joint ventures and strategic investments on acceptable terms and conditions. The costs of unsuccessful acquisition, joint venture and strategic investment efforts may adversely affect our results of operations, financial condition or prospects.

We may Incur Additional Restructuring Costs and there is no Guarantee that Our Efforts to Reduce Costs will be Successful.

We have restructured portions of our operations from time to time in recent years, particularly following acquisitions of businesses and periods of economic downturn, and it is possible that we may engage in additional restructuring opportunities. Because we are not able to predict with certainty acquisition opportunities that may become available to us, market conditions, the loss of large customers, or the selling prices for our

products, we also may not be able to predict with certainty when it will be appropriate to undertake restructurings. It is also possible, in connection with these restructuring efforts, that our costs could be higher than we anticipate and that we may not realize the expected benefits. As discussed elsewhere, in 2003 we implemented the Greif Business System, a quantitative, systematic and disciplined process to improve productivity, increase profitability, reduce costs and drive shareholder value. While we expect these initiatives to result in significant profit opportunities and savings throughout our organization, our estimated profits and savings are based on several assumptions that may prove to be inaccurate, and as a result, there can be no assurance that we will realize these profits and cost savings or that, if realized, these profits and cost savings will be sustained. If we cannot successfully continue to implement and sustain Greif Business System initiatives, our financial conditions and results of operations would be negatively affected.

Table of Contents

Tax Legislation Initiatives or Challenges to Our Tax Positions May Adversely Impact Our Results or Condition.

We are a large multinational corporation with operations in the United States and international jurisdictions. As such, we are subject to the tax laws and regulations of the U.S. federal, state and local governments and of many international jurisdictions. Due to widely varying tax rates in the taxing jurisdictions applicable to our business, a change in income generation to higher taxing jurisdictions or away from lower taxing jurisdictions may have an adverse effect on our financial condition and results of operations.

From time to time, various legislative initiatives may be proposed that could adversely affect our tax positions. There can be no assurance that our effective tax rate or tax payments will not be adversely affected by these initiatives. In addition, U.S. federal, state and local, as well as international, tax laws and regulations are extremely complex and subject to varying interpretations. There can be no assurance that our tax positions will not be challenged by relevant tax authorities or that we would be successful in any such challenge.

Several Operations are Conducted by Joint Ventures that we cannot Operate Solely for Our Benefit.

Several operations, particularly in emerging markets, are conducted through joint ventures, such as a significant joint venture in our Flexible Products & Services segment. In joint ventures, we share ownership and, in some instances, management of a company with one or more parties who may or may not have the same goals, strategies, priorities or resources as we do. In general, joint ventures are intended to be operated for the benefit of all co-owners, rather than for our exclusive benefit. Operating a business as a joint venture often requires additional organizational formalities as well as time-consuming procedures for sharing information, accounting and making decisions. In certain cases, our joint venture partners must agree in order for the applicable joint venture to take certain actions, including acquisitions, the sale of assets, budget approvals, borrowing money and granting liens on joint venture property. Our inability to take unilateral action that we believe is in our best interests may have an adverse effect on the financial performance of the joint venture and the return on our investment. In joint ventures, we believe our relationship with our co-owners is an important factor to the success of the joint venture, and if a co-owner changes, our relationship may be adversely affected. In addition, the benefits from a successful joint venture are shared among the co-owners, so that we do not receive all the benefits from our successful joint ventures. Finally, we may be required on a legal or practical basis or both, to accept liability for obligations of a joint venture beyond our economic interest, including in cases where our co-owner becomes bankrupt or is otherwise unable to meet its commitments. For additional information with respect to the joint venture relating to our Flexible Products & Services segment, refer to Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operation Business Acquisitions.

Our Ability to Attract, Develop and Retain Talented Employees, Managers and Executives is Critical to Our Success.

Our ability to attract, develop and retain talented employees, including executives and other key managers, is important to our business. The loss of certain key officers and employees, or the failure to attract and develop talented new executives and managers, could have a materially adverse effect on our business. Effective succession planning is also important to our long-term success. Failure to ensure effective transfer of knowledge and smooth transitions involving key employees could hinder our strategic planning and execution.

Our Business may be Adversely Impacted by Work Stoppages and Other Labor Relations Matters.

We are subject to risk of work stoppages and other labor relations matters because a significant number of our employees are represented by unions. We have experienced work stoppages and strikes in the past, and there may be work stoppages and strikes in the future. Any prolonged work stoppage or strike at any one of our principal manufacturing facilities could have a negative impact on our business, results of operations or financial condition.

We may be Subject to Losses that Might not be Covered in Whole or in Part by Existing Insurance Reserves or Insurance Coverage.

We are self-insured for certain of the claims made under our employee medical and dental insurance programs and for certain of our workers compensation claims. We establish reserves for estimated costs related to pending claims, administrative fees and claims incurred but not reported. Because establishing reserves is an inherently uncertain process involving estimates, currently established reserves may not be adequate to cover the actual liability for claims made under our employee medical and dental insurance programs and for certain of our workers compensation claims. If we conclude that our estimates are incorrect and our reserves are inadequate for these claims, we will need to increase our reserves, which could adversely affect our financial performance.

Table of Contents

We carry comprehensive liability, fire and extended coverage insurance on most of our facilities, with policy specifications and insured limits customarily carried for similar properties. However, there are certain types of losses, such as losses resulting from wars, acts of terrorism, wind storm, flood, earthquake or other natural disasters, that may be uninsurable or subject to restrictive policy conditions. In these instances, should a loss occur in excess of insured limits, we could lose capital invested in that property, as well as the anticipated future revenues derived from the manufacturing activities conducted at that property, while remaining obligated for any mortgage indebtedness or other financial obligations related to the property. Any such loss would adversely impact our business, financial condition and results of operations.

We purchase insurance policies covering general liability and product liability with substantial policy limits. However, there can be no assurance that any liability claim would be adequately covered by our applicable insurance policies or it would not be excluded from coverage based on the terms and conditions of the policy. This could also apply to any applicable contractual indemnity.

We also purchase environmental liability policies where legally required and may elect to purchase coverage in other circumstances in order to transfer all or a portion of environmental liability risk through insurance. However, there can be no assurance that any environmental liability claim would be adequately covered by our applicable insurance policies or that it would not be excluded from coverage based on the terms and conditions of the policy.

Our Business Depends on the Uninterrupted Operations of Our Facilities, Systems and Business Functions, including Our Information Technology and Other Business Systems.

Our business is dependent upon our ability to execute, in an efficient and uninterrupted fashion, necessary business functions, such as accessing key business data, order processing, invoicing and the operation of information technology dependent manufacturing equipment. A shut-down of or inability to access one or more of our facilities, a power outage, a pandemic, or a failure of one or more of our information technology, telecommunications or other systems could significantly impair our ability to perform such functions on a timely basis.

Our information technology systems exist on platforms in more than 50 countries, many of which have been acquired in connection with business acquisitions, resulting in a complex technical infrastructure. Such complexity creates difficulties and inefficiencies in monitoring business results and consolidating financial data and could result in a material adverse effect on our business operations and financial performance. In order to reduce this complexity, we have initiated a standard information technology platform project to transition from many of the former systems to a single system. Given its scope, this project will take several years to complete and will require significant human and financial resources. There can be no assurance that this project will be successful, and even if successful, there can be no assurance that there will not exist other difficulties and inefficiencies in our systems.

A security breach of our computer systems could also interrupt or damage our operations or harm our reputation. In addition, we could be subject to liability if confidential information relating to customers, suppliers, employees or other parties is misappropriated from our computer system. Despite the implementation of security measures, these systems may be vulnerable to physical break-ins, computer viruses, programming errors or similar disruptive problems.

We have established a business continuity plan in an effort to ensure the continuation of core business operations in the event that normal operations could not be performed due to a catastrophic event. While we continue to test and assess our business continuity plan to ensure it meets the needs of our core business operations and addresses multiple business interruption events, there is no assurance that core business operations could be performed upon the occurrence of such an event.

Legislation/Regulation Related to Climate Change and Environmental and Health and Safety Matters and Corporate Social Responsibility Could Negatively Impact our Operations and Financial Performance.

We must comply with extensive laws, rules and regulations in the United States and in each of the countries we engage in business regarding environmental matters, such as air, soil and water quality, waste disposal and climate change. We must also comply with extensive laws, rules and regulations regarding safety, health and corporate responsibility matters. There can be no assurance that compliance with existing and new laws, rules and regulations will not require significant expenditures. For example, the passage of the Health Care Reform Act in 2010 could significantly increase the cost of the health care benefits provided to our U.S. employees. In addition, the failure to comply materially with such existing and new laws, rules and regulations could adversely affect our operations and financial performance.

We believe it is also likely that the scientific and political attention to issues concerning the extent and causes of climate change will continue, with the potential for further regulations that could affect our operations and financial performance.

As an update to legislation and regulatory activity that impacts or could impact our business:

The U.S. EPA issued a finding in 2009 that greenhouse gases contribute to air pollution that endangers public health and welfare. The endangerment finding and EPA s determination that greenhouse gases are subject to regulation under the Clean Air Act, will lead to widespread regulation of stationary sources of greenhouse gas emissions.

Table of Contents

Congress may continue to consider legislation on greenhouse gas emissions, which may include a cap and trade system for stationary sources and a carbon fee on transportation fuels.

In 2010, the Canadian government added bisphenol A (BPA), a chemical monomer used primarily in the production of plastic and epoxy resins, to the list of toxic substances in Schedule 1 of the Canadian Environmental Protection Act, 1999. Such designation may lead to additional regulation of the use of BPA in food contact applications.

In 2012, the SEC, as directed by Section 1502 of The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted new annual disclosure and reporting requirements for companies regarding the use of conflict minerals from the Democratic Republic of the Congo and adjoining countries. These new requirements could affect the sourcing, availability and cost of minerals used in the manufacture of certain of our products. It is also likely that we will incur costs associated with complying with the new supply chain due diligence procedures required by the SEC. In addition, because our supply chain is complex, we may face reputation challenges with our customers and other stakeholders if we are unable to sufficiently verify the origins of all minerals used in our products through the due diligence procedures that we implement.

Although there may be adverse financial impact (including compliance costs, potential permitting delays and increased cost of energy, raw materials and transportation) associated with any such legislation, regulation or other action, the extent and magnitude of that impact cannot be reliably or accurately estimated due to the fact that some requirements have only recently been adopted and the present uncertainty regarding other additional measures and how they will be implemented.

Product Liability Claims and Other Legal Proceedings Could Adversely Affect our Operations and Financial Performance.

We produce products and provide services related to other parties products. While we have built extensive operational processes to ensure that the design and manufacture of our products meet rigorous quality standards, there can be no assurance that we or our customers will not experience operational process failures that could result in potential product, safety, regulatory or environmental claims and associated litigation. We are also subject to a variety of legal proceedings and legal compliance risks in our areas of operation around the globe. We and the industries in which we operate are at times being reviewed or investigated by regulators and other governmental authorities, which could lead to enforcement actions, fines and penalties or the assertion of private litigation claims and damages. Simply responding to actual or threatened litigation or government investigations of our compliance with regulatory standards may require significant expenditures of time and other resources. While we believe that we have adopted appropriate risk management and compliance programs, the global and diverse nature of our operations means that legal and compliance risks will continue to exist and legal proceedings and other contingencies, the outcome of which cannot be predicted with certainty, will arise from time to time that could adversely affect our operations and financial performance.

We may Incur Fines or Penalties, Damage to Our Reputation or Other Adverse Consequences if Our Employees, Agents or Business Partners Violate, or are Alleged to Have Violated, Anti-bribery, Competition or Other Laws.

We cannot provide assurance that our internal controls will always protect us from reckless or criminal acts committed by our employees, agents or business partners that would violate U.S. and/or non-U.S. laws, including anti-bribery, competition, trade sanctions and regulation, and other laws. Any such improper actions could subject us to civil or criminal investigations in the U.S. and in other jurisdictions, could lead to substantial civil or criminal monetary and non-monetary penalties against us or our subsidiaries, and could damage our reputation. Even the allegation or appearance of our employees, agents or business partners acting improperly or illegally could damage our reputation and result in significant expenditures in investigating and responding to such actions.

Changing Climate Conditions may Adversely Affect Our Operations and Financial Performance.

Climate change, to the extent it produces rising temperatures and sea levels and changes in weather patterns, could impact the frequency or severity of weather events, wildfires and flooding. These types of events may adversely impact our suppliers, our customers and their ability to purchase our products and our ability to manufacture and transport our products on a timely basis and could result in a material adverse effect on our business operations and financial performance.

The Frequency and Volume of Our Timber and Timberland Sales will Impact Our Financial Performance.

We have a significant inventory of standing timber and timberland and approximately 47,750 acres of special use properties in the United States and Canada as of October 31, 2012. The frequency, demand for and volume of sales of timber, timberland and special use properties will have an effect on our financial performance. In addition, volatility in the real estate market for special use properties could negatively affect our

results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

Table of Contents

ITEM 2. PROPERTIES

The following are our principal operating locations and the products manufactured at such facilities or the use of such facilities. We consider our operating properties to be in satisfactory condition and adequate to meet our present needs. However, we expect to make further additions, improvements and consolidations of our properties to support our business.

Location	Products or Use	Owned	Leased
RIGID INDUSTRIAL PACKAGING & SERVICES			
Algeria	Steel drums	1	
Argentina	Steel and plastic drums, water bottles, distribution centers and administrative office	2	1
Australia	Closures		2
Austria	Steel drums, reconditioned containers and services and administrative office		1
Belgium	Steel and plastic drums, reconditioned containers and services, administrative office and coordination center (shared services)	3	1
Brazil	Steel and plastic drums, water bottles, closures, intermediate bulk containers, warehouse and general office	5	11
Canada	Fibre, steel and plastic drums and blending and packaging services	3	2
Chile	Steel drums, water bottles and distribution centers	1	1
China	Steel drums, closures, blending and packaging services and general offices		10
Costa Rica	Steel drums		1
Colombia	Steel and plastic drums, water bottles and administrative office	1	1
Czech Republic	Steel drums	1	
Denmark	Fibre drums, intermediate bulk containers and administrative office	0	1
Egypt	Steel drums	1	
France	Steel and plastic drums, closures, reconditioned containers and services and distribution centers	5	3
Germany	Fibre, steel and plastic drums, closures, intermediate bulk containers, reconditioned containers and services, administrative office and distribution centers	5	4
Greece	Steel drums and warehouse	1	1
Guatemala	Steel drums	1	
Hungary	Steel drums	1	
Israel	Fibre, steel and plastic drums and intermediate bulk containers		1
Italy	Steel and plastic drums, closures, water bottles, intermediate bulk containers and distribution center	1	4
Jamaica	Distribution center		1

Table of Contents

Kazakhstan	Distribution center		1
Kenya	Steel and plastic drums		1
Malaysia	Steel and plastic drums		1
Mexico	Fibre, steel and plastic drums, closures and distribution centers	1	2
Morocco	Steel and plastic drums and plastic bottles	1	
Netherlands	Fibre, steel and plastic drums, closures, reconditioned containers and services, research center and general offices	4	1
Nigeria	Steel and plastic drums		3
Norway	Steel drums and reconditioned containers and services		1
Philippines	Steel drums and water bottles		1
Poland	Steel drums and water bottles	1	1
Portugal	Steel drums	1	
Russia	Steel drums, water bottles and intermediate bulk containers	7	1
Saudi Arabia	Steel drums		1
Singapore	Steel drums, steel parts and distribution center		1
South Africa	Steel and plastic drums and distribution center		4
Spain	Steel drums and distribution center	3	1
Sweden	Fibre and steel drums and distribution centers	3	1
Taiwan	Steel drums, distribution center and administrative office		1
Turkey	Steel drums and water bottles	1	
Ukraine	Distribution center and water bottles		1
United Arab Emirates	Steel drums		1
United Kingdom	Steel and plastic drums, water bottles, reconditioned containers and services and distribution centers	3	1
United States	Fibre, steel and plastic drums, intermediate bulk containers, reconditioned containers and services, closures, steel parts, water bottles, distribution centers and blending and packaging services	22	19
Venezuela	Steel and plastic drums and water bottles	2	
Vietnam	Steel drums		1

Table of Contents

Location	Products or Use	Owned	Leased
FLEXIBLE PRODUCTS & SERVICES:			
Australia	Distribution center and administrative office		6
Belgium	Manufacturing plant		1
China	Manufacturing plant, administrative office, and sales office	1	1
Finland	Manufacturing plants	1	1
France	Manufacturing plants and distribution centers	1	2
Germany	Distribution center and administrative office		4
India	Distribution center and administrative office		2
Ireland	Distribution center		1
Mexico	Manufacturing plant		1
Netherlands	Manufacturing plants, distribution center and administrative office		2
Pakistan	Manufacturing plants and administrative office		6
Portugal	Manufacturing plants		2
Romania	Manufacturing plants		2
Saudi Arabia	Manufacturing plant and administrative office		2
Sweden	Distribution center		1
Turkey	Manufacturing plants		3
Ukraine	Manufacturing plants	1	1
United Kingdom	Manufacturing plant and distribution center		1
United States	Distribution centers		4
Vietnam	Manufacturing plant		1

Table of Contents

Location	Products or Use	Owned	Leased
PAPER PACKAGING:			
United States	Corrugated sheets, containers and other products, containerboard, multiwall bags, investment property and distribution centers	17	3
LAND MANAGEMENT:			
United States	General offices	4	1
CORPORATE:			
Luxembourg	General office		1
United States	Principal and general offices	2	

We also own a substantial amount of timber properties. As of October 31, 2012, our timber properties consisted of approximately 270,100 acres in the southeastern United States and approximately 11,860 acres in Canada.

ITEM 3. LEGAL PROCEEDINGS

We do not have any pending material legal proceedings.

From time to time, various legal proceedings arise at the country, state or local levels involving environmental sites to which we have shipped, directly or indirectly, small amounts of toxic waste, such as paint solvents. To date, we have been classified as a de minimis participant and such proceedings do not involve potential monetary sanctions in excess of $100,000.

ITEM 4. MINE SAFETY DISCLOSURES

None.

Table of Contents

PART II

ITEM 5. MARKET FOR THE REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Shares of our Class A and Class B Common Stock are listed on the New York Stock Exchange under the symbols GEF and GEF.B, respectively.

Financial information regarding our two classes of common stock, as well as the number of holders of each class and the high, low and closing sales prices for each class for each quarterly period for the two most recent years, is included in Note 18 to the Notes to Consolidated Financial Statements in Item 8 of this Form 10-K.

We pay quarterly dividends of varying amounts computed on the basis described in Note 15 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K. The annual dividends paid for the last two years are as follows:

2012 Dividends per Share Class A $1.68; Class B $2.51

2011 Dividends per Share Class A $1.68; Class B $2.51

The terms of our current credit agreement limit our ability to make restricted payments, which include dividends and purchases, redemptions and acquisitions of our equity interests. The payment of dividends and other restricted payments are subject to the condition that certain defaults not exist under the terms of our current credit agreement and are limited in amount by a formula based, in part, on our consolidated net income. Refer to Liquidity and Capital Resources Borrowing Arrangements in Item 7 of this Form 10-K.

The following tables set forth our purchases of our shares of Class A and Class B Common Stock during 2012.

Issuer Purchases of Class A Common Stock

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Shares that May Yet be Purchased under the Plans or Programs (1)
November 2011				816,728
Decebmer 2011				816,728
January 2012				816,728
February 2012				816,728
March 2012				816,728
April 2012				815,728
May 2012				815,728
June 2012				815,728
July 2012				815,728
August 2012				815,728
September 2012				815,728
October 2012				815,728
Total				

16

Table of Contents

Issuer Purchases of Class B Common Stock

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Shares that May Yet be Purchased under the Plans or Programs (1)
November 2011				816,728
Decebmer 2011				816,728
January 2012				816,728
February 2012				816,728
March 2012				816,728
April 2012	1,000	$ 57.17	1,000	815,728
May 2012				815,728
June 2012				815,728
July 2012				815,728
August 2012				815,728
September 2012				815,728
October 2012				815,728
Total	1,000		1,000	

(1) Our Board of Directors has authorized a stock repurchase program which permits us to purchase up to 4.0 million shares of our Class A or Class B Common Stock, or any combination thereof. As of October 31, 2012, the maximum number of shares that could be purchased was 815,728 which may be any combination of Class A or Class B Common Stock.

Table of Contents

Performance Graph

The following graph compares the performance of shares of our Class A and B Common Stock to that of the Standard and Poor s 500 Index and our industry group (Peer Index) assuming $100 invested on October 31, 2007 and reinvestment of dividends for each subsequent year. The graph does not purport to represent our value.

The Peer Index comprises the containers and packaging index as shown by Dow Jones.

Equity compensation plan information required by Items 201(d) of Regulation S-K will be found under the caption Equity Compensation Plan Information in the 2013 Proxy Statement, which information is incorporated herein by reference.

Table of Contents

ITEM 6. SELECTED FINANCIAL DATA

In the fourth quarter 2012, the Company completed its review of accounting errors that occurred over a number of years with respect to the Latin America region of the Rigid Industrial & Packaging segment. In addition, the Company corrected several prior period errors related to deferred tax assets, tax reserves and withholding taxes. The Company also corrected prior period errors related to the financing structures of two of the Company s joint ventures formed in 2010 and 2011. The impact of these errors was not material to the Company in any prior year. However, the cumulative effect of the correction of these prior period errors would have been material to the current year s consolidated financial statement of operations. Therefore, these errors were corrected by restating the relevant prior periods. The five-year selected financial data, as restated, is as follows (Dollars in millions, except per share amounts):

As of and for the years ended October 31,	2012	2011	2010	2009	2008
Net sales	$ 4,269.5	$ 4,248.2	$ 3,461.8	$ 2,789.5	$ 3,790.5
Net income attributable to Greif, Inc.	$ 126.1	$ 177.5	$ 202.8	$ 105.3	$ 238.6
Total assets	$ 3,856.9	$ 4,188.8	$ 3,481.5	$ 2,813.4	$ 2,786.3
Long-term debt, including current portion of long-term debt	$ 1,200.3	$ 1,383.9	$ 965.6	$ 738.6	$ 673.2
Basic earnings per share:					
Class A Common Stock	$ 2.17	$ 3.05	$ 3.48	$ 1.82	$ 4.11
Class B Common Stock	$ 3.24	$ 4.56	$ 5.21	$ 2.72	$ 6.15
Diluted earnings per share:					
Class A Common Stock	$ 2.17	$ 3.04	$ 3.46	$ 1.82	$ 4.06
Class B Common Stock	$ 3.24	$ 4.56	$ 5.21	$ 2.72	$ 6.15
Dividends per share:					
Class A Common Stock	$ 1.68	$ 1.68	$ 1.60	$ 1.52	$ 1.32
Class B Common Stock	$ 2.51	$ 2.51	$ 2.39	$ 2.27	$ 1.97

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

The terms Greif, the Company, we, us and our as used in this discussion refer to Greif, Inc. and its subsidiaries. Our fiscal year begins on November 1 and ends on October 31 of the following year. Any references in this Form 10-K to the years 2012, 2011 or 2010 or to any quarter of those years, relates to the fiscal year or quarter, as the case may be, ending in that year.

The discussion and analysis presented below relates to the material changes in financial condition and results of operations for our consolidated balance sheets as of October 31, 2012 and 2011, and for the consolidated statements of operations for the years ended 2012, 2011 and 2010. This discussion and analysis should be read in conjunction with the consolidated financial statements that appear elsewhere in this Form 10-K. This information will assist in your understanding of the discussion of our current period financial results.

As noted in Item 6 to this Form 10-K, the Company has corrected certain prior period errors by restating the relevant prior periods during the fourth quarter 2012. Prior period balances included in this Item are presented as restated.

Business Segments

We operate in four business segments: Rigid Industrial Packaging & Services; Flexible Products & Services; Paper Packaging; and Land Management.

We are a leading global producer of rigid industrial packaging products, such as steel, fibre and plastic drums, rigid intermediate bulk containers, closure systems for industrial packaging products, transit protection products, water bottles and remanufactured and reconditioned industrial containers, and services, such as container life cycle management, recycling of industrial containers, blending, filling, logistics, warehousing and other packaging services. We sell our industrial packaging products and services to customers in industries such as chemicals, paints and

pigments, food and beverage, petroleum, industrial coatings, agricultural, pharmaceutical and mineral, among others.

Table of Contents

We are a leading global producer of flexible intermediate bulk containers and related services and a North American producer of industrial and consumer multiwall bag products. Our flexible intermediate bulk containers consist of a polypropylene-based woven fabric that is partly produced at our fully integrated production sites, as well as sourced from strategic regional suppliers. Our flexible products are sold globally and service similar customers and market segments as our Rigid Industrial Packaging & Services segment. Additionally, our flexible products significantly expand our presence in the agricultural and food industries, among others. Our industrial and consumer multiwall bag products are used to ship a wide range of industrial and consumer products, such as seed, fertilizers, chemicals, concrete, flour, sugar, feed, pet foods, popcorn, charcoal and salt, primarily for the agricultural, chemical, building products and food industries.

We sell containerboard, corrugated sheets and other corrugated products to customers in North America in industries such as packaging, automotive, food and building products. Our corrugated container products are used to ship such diverse products as home appliances, small machinery, grocery products, building products, automotive components, books and furniture, as well as numerous other applications.

As of October 31, 2012, we owned approximately 270,100 acres of timber properties in the southeastern United States, which are actively managed, and approximately 11,860 acres of timber properties in Canada, which are not actively managed. Our Land Management team is focused on the active harvesting and regeneration of our United States timber properties to achieve sustainable long-term yields. While timber sales are subject to fluctuations, we seek to maintain a consistent cutting schedule, within the limits of market and weather conditions. We also sell, from time to time, timberland and special use properties, which consist of surplus properties, higher and better use (HBU) properties, and development properties.

Greif Business System

In 2003, we implemented the Greif Business System, a quantitative, systematic and disciplined process to improve productivity, increase profitability, reduce costs and drive shareholder value. The Greif Business System is directed by the Greif Way, which embodies the principles that are at the core of our culture: respect for one another, treating others as we want to be treated and respect for our environment. The operating engine for the Greif Business System is a combination of lean manufacturing; network alignment and continuous improvement within our facilities; customer service; value selling and other commercial initiatives; maximizing cash flow; and strategic sourcing and supply chain initiatives to more effectively leverage our global spend. More recently, we have also focused on applying lean principles to back-office activities to streamline and improve transactional processes across our network of business and shared services. At the core supporting the Greif Business System is our people, using rigorous performance management and robust strategic planning skills to guide our continued growth.

Critical Accounting Policies

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States (GAAP). The preparation of these consolidated financial statements, in accordance with these principles, require us to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities at the date of our consolidated financial statements.

A summary of our significant accounting policies is included in Note 1 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K. We believe that the consistent application of these policies enables us to provide readers of the consolidated financial statements with useful and reliable information about our results of operations and financial condition. The following are the accounting policies that we believe are most important to the portrayal of our results of operations and financial condition and require our most difficult, subjective or complex judgments.

Other items that could have a significant impact on the financial statements include the risks and uncertainties listed in Part I, Item 1A Risk Factors. Actual results could differ materially using different estimates and assumptions, or if conditions are significantly different in the future.

Allowance for Accounts Receivable. We evaluate the collectability of our accounts receivable based on a combination of factors. In circumstances where we are aware of a specific customer s inability to meet its financial obligations to us, we record a specific allowance for bad debts against amounts due to reduce the net recognized receivable to the amount we reasonably believe will be collected. In addition, we recognize allowances for bad debts based on the length of time receivables are past due with allowance percentages, based on our historical experiences, applied on a graduated scale relative to the age of the receivable amounts. If circumstances change (e.g., higher than expected bad debt experience or an unexpected material adverse change in a major customer s ability to meet its financial obligations to us), our estimates of the recoverability of amounts due to us could change by a material amount.

Inventory Reserves. Reserves for slow moving and obsolete inventories are provided based on historical experience, inventory aging and product demand. We continuously evaluate the adequacy of these reserves and make adjustments to these reserves as required. We also evaluate reserves for losses under firm purchase commitments for goods or inventories.

Net Assets Held for Sale. Net assets held for sale represent land, buildings and land improvements less accumulated depreciation. We record net assets held for sale in accordance with Accounting Standards Codification (ASC) 360 Property, Plant, and Equipment, at the lower of carrying value or fair value less cost to sell. Fair value is based on the estimated proceeds from the sale of the facility utilizing recent purchase offers, market comparables and/or data obtained from our commercial real estate broker. Our estimate as to fair value is regularly reviewed and subject to changes in the commercial real estate markets and our continuing evaluation as to the facility s acceptable sale price.

Goodwill, Other Intangible Assets and Other Long-Lived Assets. We account for goodwill in accordance with ASC 350, Intangibles Goodwill and Other. Under ASC 350, purchased goodwill and intangible assets with indefinite lives are not amortized, but instead are tested for impairment either annually or when events and circumstances indicate an impairment may have occurred. Our reporting units contain goodwill and indefinite-lived intangibles that are assessed for impairment. A reporting unit is the operating segment, or a business one level below that operating segment (the component level) if discrete financial information is prepared and regularly reviewed by segment management. However, components are aggregated as a single reporting unit if they have similar economic characteristics. Intangible assets with finite lives, primarily customer relationships, patents, non-competition agreements and trademarks, continue to be amortized over their useful lives. In conducting the annual impairment tests, the estimated fair value of our reporting units is compared to its carrying amount including goodwill. If the estimated fair value exceeds the carrying amount, then no impairment exists. If the carrying amount exceeds the estimated fair value, further analysis is performed to assess impairment.

Our determination of estimated fair value of the reporting units is based on a discounted cash flow analysis utilizing the income approach. Under this method, the principal valuation focus is on the reporting unit s cash-generating capabilities. The discount rates used for impairment testing are based on our weighted average cost of capital. The use of alternative estimates, peer groups or changes in the industry, or adjusting the discount rate, earnings before interest, taxes, depreciation, depletion and amortization (EBITDA) multiples or price earnings ratios used could affect the estimated fair value of the assets and potentially result in impairment. Any identified impairment would result in an adjustment to our results of operations.

We performed our annual impairment tests in fiscal 2012, 2011, and 2010, which resulted in no impairment charges.

Properties, Plants and Equipment. Depreciation on properties, plants and equipment is primarily provided on the straight-line method over the estimated useful lives of our assets.

We own timber properties in the southeastern United States and in Canada. With respect to our United States timber properties, which consisted of approximately 270,100 acres as of October 31, 2012, depletion expense is computed on the basis of cost and the estimated recoverable timber acquired. Our land costs are maintained by tract. Merchantable timber costs are maintained by five product classes, pine saw timber, pine chip-n-saw, pine pulpwood, hardwood sawtimber and hardwood pulpwood, within a depletion block, with each depletion block based upon a geographic district or subdistrict. Currently, we have eight depletion blocks. These same depletion blocks are used for pre-merchantable timber costs. Each year, we estimate the volume of our merchantable timber for the five product classes by each depletion block. These estimates are based on the current state in the growth cycle and not on quantities to be available in future years. Our estimates do not include costs to be incurred in the future. We then project these volumes to the end of the year. Upon acquisition of a new timberland tract, we record separate amounts for land, merchantable timber and pre-merchantable timber allocated as a percentage of the values being purchased. These acquisition volumes and costs acquired during the year are added to the totals for each product class within the appropriate depletion block(s). The total of the beginning, one-year growth and acquisition volumes are divided by the total undepleted historical cost to arrive at a depletion rate, which is then used for the current year. As timber is sold, we multiply the volumes sold by the depletion rate for the current year to arrive at the depletion cost. Our Canadian timber properties, which consisted of approximately 11,860 acres as of October 31, 2012, did not have any depletion expense since they were not actively managed at this time.

We believe that the lives and methods of determining depreciation and depletion are reasonable; however, using other lives and methods could provide materially different results.

As of October 31, 2012, 2011 and 2010, we recorded capitalized interest costs of $2.7 million, $3.8 million and $5.3 million, respectively.

Restructuring Reserves. Restructuring reserves are determined in accordance with appropriate accounting guidance, including ASC 420, Exit or Disposal Cost Obligations. Under ASC 420, a liability is measured at its fair value and recognized as incurred.

Income Taxes. We record a tax provision for the anticipated tax consequences of our reported results of operations. In accordance with ASC 740, Income Taxes the provision for income taxes is computed using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently

enacted tax rates that apply to taxable income in effect for the years in which those tax assets are expected to be realized or settled. We record a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

Our effective tax rate is based on income, statutory tax rates and tax planning opportunities available to us in the various jurisdictions in which we operate. Significant judgment is required in determining our effective tax rate and in evaluating our tax positions.

Table of Contents

We have been providing a valuation allowance against deferred tax assets as required under ASC 740. During 2012, this valuation allowance increased by $11.6 million, primarily due to an increase related to net operating loss carryforwards outside the U.S. We reevaluate our ability to use net operating losses on an annual basis.

In accordance with ASC 740, Income Taxes , we believe it is more likely than not that forecasted income, including income that may be generated as a result of certain tax planning strategies, together with the tax effects of the deferred tax liabilities, will be sufficient to fully recover the remaining deferred tax assets. In the event that all or part of the net deferred tax assets are determined not to be realizable in the future, an adjustment to the valuation allowance would be charged to earnings, in the period such determination is made.

In addition, the calculation of tax liabilities involves significant judgment in estimating the impact of uncertainties in the application of ASC 740 and other complex tax laws. Resolution of these uncertainties in a manner inconsistent with our expectations could have a material impact on our financial condition and operating results. During 2012 we decreased tax liabilities primarily due to a prior year issue in a non-U.S. jurisdiction where a settlement was made with the tax authorities. Refer to Note 12 to the Notes to Consolidated Financial Statements in Item 8 of this Form 10-K for further discussion.

A number of years may elapse before a particular matter, for which we have established a reserve, is audited and finally resolved. The number of years with open tax audits varies depending on the tax jurisdiction. While it is often difficult to predict the final outcome or the timing of resolution of any particular tax matter, we believe that our reserves reflect the probable outcome of known tax contingencies. Unfavorable settlement of any particular issue would require use of our cash. Favorable resolution would be recognized as a reduction to our effective tax rate in the period of resolution.

We have estimated the reasonably possible expected net change in unrecognized tax benefits through October 31, 2012 based on lapses of the applicable statutes of limitation on unrecognized tax benefits. The estimated net decrease in unrecognized tax benefits for the next 12 months ranges from $0 to $28.0 million. Actual results may differ from this estimated range.

Pension and Postretirement Benefits. Pension and postretirement assumptions are significant inputs to the actuarial models that measure pension and postretirement benefit obligations and related effects on operations. Two assumptions discount rate and expected return on assets are important elements of plan expense and asset/liability measurement. We evaluate these critical assumptions at least annually on a plan and country-specific basis. At least annually, we evaluate other assumptions involving demographic factors, such as retirement age, mortality and turnover, and update them to reflect our experience and expectations for the future. Actual results in any given year will often differ from actuarial assumptions because of economic and other factors.

Accumulated and projected benefit obligations are measured as the present value of future cash payments. We discount those cash payments using the weighted average of market-observed yields for high quality fixed income securities with maturities that correspond to the payment of benefits. Lower discount rates increase present values and subsequent-year pension expense; higher discount rates decrease present values and subsequent-year pension expense.

Our discount rates for consolidated pension plans at October 31, 2012, 2011 and 2010 were 3.92%, 4.94 % and 5.20%, respectively, reflecting market interest rates.

To develop the expected long-term rate of return on assets assumption, we use a generally consistent approach worldwide. The approach considers various sources, primarily inputs from a range of advisors, inflation, bond yields, historical returns, and future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio. This rate is gross of any investment or administrative expenses. Assets in our principal pension plans earned 11.92% in 2012. Based on our analysis of future expectations of asset performance, past return results, and our current and expected asset allocations, we have assumed a 5.70% long-term expected return on those assets for cost recognition in 2013. This is a reduction from the 6.46%, 7.20% and 7.50% long-term affected return we had assumed in 2012, 2011 and 2010, respectively.

Changes in key assumptions for our consolidated pension and postretirement plans would have the following effects.

Discount rate A 25 basis point increase in discount rate would decrease pension and postretirement cost in the following year by $1.3 million and would decrease the pension and postretirement benefit obligation at year-end by about $12.8 million.

Expected return on assets A 50 basis point decrease in the expected return on assets would increase pension and postretirement cost in the following year by $1.4 million.

Further discussion of our pension and postretirement benefit plans and related assumptions is contained in Note 13 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K.

Table of Contents

Environmental Cleanup Costs. We expense environmental expenditures related to existing conditions caused by past or current operations and from which no current or future benefit is discernible. Expenditures that extend the life of the related property, or mitigate or prevent future environmental contamination, are capitalized. Reserves for large environmental exposures are principally based on environmental studies and cost estimates provided by third parties, but also take into account management estimates. Reserves for less significant environmental exposures are principally based on management estimates.

Environmental expenses were $1.3 million, $0.1 million, and $0.2 million in 2012, 2011, and 2010, respectively. Environmental cash expenditures were $2.4 million, $1.3 million, and $1.7 million in 2012, 2011 and 2010, respectively. Our reserves for environmental liabilities as of October 31, 2012 amounted to $27.5 million, which included a reserve of $13.9 million related to our blending facility in Chicago, Illinois, $7.4 million related to various European drum facilities acquired from Blagden and Van Leer, $4.2 million related to various container life cycle management and recycling facilities acquired in 2011 and 2010, and $2.0 million related to various other facilities around the world. The remaining reserves were for asserted and unasserted environmental litigation, claims and/or assessments at manufacturing sites and other locations where we believe it is probable the outcome of such matters will be unfavorable to us, but the environmental exposure at any one of those sites was not individually material. As of October 31, 2012 we estimated that our payments for environmental remediation will be $8.6 million in 2013, $3.8 million in 2014, $2.1 million in 2015, $3.8 million in 2016, $2.1 million in 2017, and $7.1 million thereafter.

We anticipate that expenditures for remediation costs at most of the sites will be made over an extended period of time. Given the inherent uncertainties in evaluating environmental exposures, actual costs may vary from those estimated as of October 31, 2012. Our exposure to adverse developments with respect to any individual site is not expected to be material. Although environmental remediation could have a material effect on results of operations if a series of adverse developments occur in a particular quarter or fiscal year, we believe that the chance of a series of adverse developments occurring in the same quarter or fiscal year is remote. Future information and developments will require us to continually reassess the expected impact of these environmental matters.

Contingencies. Various lawsuits, claims and proceedings have been or may be instituted or asserted against us, including those pertaining to environmental, product liability, and safety and health matters. While the amounts claimed may be substantial, the ultimate liability cannot currently be determined because of the considerable uncertainties that exist.

All lawsuits, claims and proceedings are considered by us in establishing reserves for contingencies in accordance with ASC 450, Contingencies. In accordance with the provisions of ASC 450, we accrue for a litigation-related liability when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Based on currently available information known to us, we believe that our reserves for these litigation-related liabilities are reasonable and that the ultimate outcome of any pending matters is not likely to have a material adverse effect on our financial position or results from operations.

Transfers and Servicing of Financial Assets. We have agreed to sell trade receivables meeting certain eligibility requirements that the seller had purchased from other of our indirect wholly-owned subsidiaries, under a factoring agreement. The structure of the transactions provide for a legal true sale, on a revolving basis, of the receivables transferred from our various subsidiaries to the respective banks. The purchaser funds an initial purchase price of a certain percentage of eligible receivables based on a formula, with the initial purchase price approximating 75 percent to 90 percent of eligible receivables. The remaining deferred purchase price is settled upon collection of the receivables. At the balance sheet reporting dates, we remove from accounts receivable the amount of proceeds received from the initial purchase price since they meet the applicable criteria of ASC 860, Transfers and Servicing, and we continue to recognize the deferred purchase price in our accounts receivable. The receivables are sold on a non-recourse basis with the total funds in the servicing collection accounts pledged to the banks between settlement dates.

Fair Value Measurements. ASC 820, Fair Value Measurements and Disclosures defines fair value, establishes a framework for measuring fair value in GAAP and expands disclosures about fair value measurements for financial and non-financial assets and liabilities. Additionally, this guidance established a three-level fair value hierarchy that prioritizes the inputs used to measure fair value. This hierarchy requires entities to maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of inputs used to measure fair values are as follows:

Level 1 Observable inputs such as unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2 Observable inputs other than quoted prices in active markets for identical assets and liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

Equity Earnings of Unconsolidated Affiliates, net of tax and Noncontrolling Interests. Equity earnings represent investments in affiliates in which we do not exercise control and have a 20 percent or more voting interest. Such investments in affiliates are accounted for using the equity method of accounting. If the fair value of an investment in an affiliate is below its carrying value and the difference is deemed to be other than temporary, the difference between the fair value and the carrying value is charged to earnings.

Table of Contents

Revenue Recognition. We recognize revenue when title passes to customers or services have been rendered, with appropriate provision for returns and allowances. Revenue is recognized in accordance with ASC 605, Revenue Recognition.

Timberland disposals, timber and special use property revenues are recognized when closings have occurred, required down payments have been received, title and possession have been transferred to the buyer, and all other criteria for sale and profit recognition have been satisfied.

We report the sale of surplus and HBU property in our consolidated statements of income under gain on disposals of property, plants, and equipment, net and report the sale of development property under net sales and cost of goods sold. All HBU and development property, together with surplus property, is used by us to productively grow and sell timber until the property is sold.

Other Items. Other items that could have a significant impact on our financial statements include the risks and uncertainties listed in Item 1A under Risk Factors. Actual results could differ materially using different estimates and assumptions, or if conditions are significantly different in the future.

RESULTS OF OPERATIONS

Historically, revenues and earnings may or may not be representative of future operating results due to various economic and other factors.

The non-GAAP financial measures of operating profit before special items and EBITDA are used throughout the following discussion of our results of operations. EBITDA is defined as net income plus interest expense, net plus income tax expense less equity earnings of unconsolidated affiliates, net of tax plus depreciation, depletion and amortization. Since we do not calculate net income by segment, EBITDA by segment is reconciled to operating profit by segment. In our Rigid Industrial Packaging & Services segment, operating profit before special items adds back restructuring charges, restructuring-related inventory charges, acquisition-related costs and non-cash asset impairment charges to that segment s operating profit. In our Flexible Products & Services segment, operating profit before special items adds back restructuring charges, acquisition-related costs and non-cash asset impairment charges to that segment s operating profit. In our Paper Packaging segment, operating profit before special items adds back restructuring charges to that segment s operating profit. We use the above-identified non-GAAP financial measures to evaluate our ongoing operations and believe the non-GAAP financial measures are useful to enable investors to perform meaningful comparisons of current and historical performance. We also believe that these non-GAAP financial measures provide a better indication of operational performance and a more stable platform on which to compare the historical performance of us than the most nearly equivalent GAAP data.

Table of Contents

The following table sets forth the net sales, operating profit and operating profit before special items for each of our business segments for 2012, 2011 and 2010 (Dollars in millions):

For the year ended October 31,	2012	2011	2010
Net sales			
Rigid Industrial Packaging & Services	$ 3,075.6	$ 3,014.3	$ 2,588.2
Flexible Products & Services	453.3	538.0	233.1
Paper Packaging	713.8	675.0	624.1
Land Management	26.8	20.9	16.4
Total net sales	$ 4,269.5	$ 4,248.2	$ 3,461.8
Operating profit (loss):			
Rigid Industrial Packaging & Services	$ 186.7	$ 219.9	$ 257.8
Flexible Products & Services	(1.0)	16.9	(1.3)
Paper Packaging	83.5	74.9	55.5
Land Management	15.3	19.0	9.0
Total operating profit	284.5	330.7	321.0
Restructuring charges:			
Rigid Industrial Packaging & Services	22.0	24.1	21.0
Flexible Products & Services	11.4	6.9	0.6
Paper Packaging		(0.5)	5.1
Total restructuring charges	33.4	30.5	26.7
Restructuring-related inventory charges:			
Rigid Industrial Packaging & Services			0.1
Total restructuring-related inventory charges			0.1
Acquisition-related costs:			
Rigid Industrial Packaging & Services	7.3	9.9	7.6
Flexible Products & Services	0.9	14.5	19.5
Total acquisition-related costs	8.2	24.4	27.1
Non-cash asset impairment charges:			
Rigid Industrial Packaging & Services		1.5	
Flexible Products & Services		3.0	
Total non-cash asset impairment charges		4.5	
Operating profit before special items:			
Rigid Industrial Packaging & Services	216.0	255.4	286.5
Flexible Products & Services	11.3	41.3	18.8
Paper Packaging	83.5	74.4	60.6
Land Management	15.3	19.0	9.0
Total operating profit before special items	$ 326.1	$ 390.1	$ 374.9

The following table sets forth EBITDA for our consolidated results for 2012, 2011 and 2010 (Dollars in millions):

For the year ended October 31,	2012	2011	2010
Net income	$ 131.6	$ 180.4	$ 208.5
Plus: interest expense, net	89.9	76.0	65.5
Plus: income tax expense	56.8	65.0	43.5
Plus: depreciation, depletion and amortization expense	154.7	144.2	116.0
Less: equity earnings of unconsolidated affiliates, net of tax	1.3	4.8	3.6
EBITDA	$ 431.7	$ 460.8	$ 429.9
Net income	$ 131.6	$ 180.4	$ 208.5
Plus: interest expense, net	89.9	76.0	65.5
Plus: income tax expense	56.8	65.0	43.5
Plus: other expense, net	7.5	14.1	7.1
Less: equity earnings of unconsolidated affiliates, net of tax	1.3	4.8	3.6
Operating profit	284.5	330.7	321.0
Less: other expense, net	7.5	14.1	7.1
Plus: depreciation, depletion and amortization expense	154.7	144.2	116.0
EBITDA	$ 431.7	$ 460.8	$ 429.9

Table of Contents

The following table sets forth EBITDA for each of our business segments for 2012, 2011 and 2010 (Dollars in millions):

For the year ended October 31,	2012	2011	2010
Rigid Industrial Packaging & Services			
Operating profit	$ 186.7	$ 219.9	$ 257.8
Less: other expense (income), net	10.7	12.3	5.1
Plus: depreciation and amortization expense	105.1	93.0	79.1
EBITDA	$ 281.1	$ 300.6	$ 331.8
Flexible Products & Services			
Operating profit (loss)	$ (1.0)	$ 16.9	$ (1.3)
Less: other expense (income), net	(3.2)	1.4	1.2
Plus: depreciation and amortization expense	14.7	16.6	4.9
EBITDA	$ 16.9	$ 32.1	$ 2.4
Paper Packaging			
Operating profit	$ 83.5	$ 74.9	$ 55.5
Less: other expense (income), net		0.4	0.1
Plus: depreciation and amortization expense	31.6	31.6	29.2
EBITDA	$ 115.1	$ 106.1	$ 84.6
Land Management			
Operating profit	$ 15.3	$ 19.0	$ 9.0
Less: other expense (income), net			0.7
Plus: depreciation, depletion and amortization expense	3.3	3.0	2.8
EBITDA	18.6	22.0	11.1
Consolidated EBITDA	$ 431.7	$ 460.8	$ 429.9

Year 2012 Compared to Year 2011

Net Sales

Net sales were $4,269.5 million for 2012 compared with $4,248.2 million for 2011. The $21.3 million increase in 2012 compared 2011 was attributable to Rigid Industrial Packaging & Services ($61.3 million increase), Paper Packaging ($38.8 million increase), Land Management ($5.9 million increase) and Flexible Products & Services ($84.7 million decrease).

The 1 percent increase in net sales for 2012 compared with 2011 was primarily due to higher prices. Sales volumes, including acquisitions, increased 3 percent for 2012 compared to 2011, but were offset by a negative 3 percent impact of foreign currency translation. Overall, volumes on a same structure basis for 2012 decreased 2 percent compared with the prior year. This decrease was principally due to market conditions in the Rigid Industrial Packaging & Services and Flexible Products & Services segments, partially offset by stronger volumes in the Paper Packaging segment, compared with the prior year.

Operating Costs

Gross profit decreased to $779.7 million for 2012 from $798.4 million for 2011. Gross profit margin was 18.3 percent for 2012 versus 18.8 percent for 2011. The decline in gross profit margin was principally due to market pressure and higher conversion costs in the Rigid Industrial Packaging & Services segment and higher conversion costs and sales mix in the Flexible Products & Services segment, partially offset by lower costs for old corrugated containers in the Paper Packaging segment.

Selling, general and administrative (SG&A) expenses were $469.4 million, or 11.0 percent of net sales, in 2012 compared with $453.3 million, or 10.7 percent of net sales, in 2011. The dollar increase in SG&A expenses was primarily due to the inclusion of SG&A expenses for acquired companies, higher pension, medical and other employee benefit and incentive costs and higher professional fees, partially offset by the positive impact of foreign currency translation and lower acquisition-related costs. Acquisition-related costs of $8.2 million and $24.4 million were included in SG&A expenses for 2012 and 2011, respectively. Acquisition-related costs represent amounts incurred to purchase and integrate our acquisitions.

Restructuring Charges

Restructuring charges were $33.4 million and $30.5 million for 2012 and 2011, respectively. Restructuring charges for 2012 consisted of $13.4 million in employee separation costs, $10.2 million in asset impairments and $9.8 million in other costs primarily consisting of lease termination costs and professional fees. These charges were related to the consolidation of operations in the Flexible Products & Services segment and the ongoing implementation of the Greif Business System and the rationalization of operations in Rigid Industrial Packaging & Services. Restructuring charges for 2011 consisted of $13.3 million in employee separation costs, $4.5 million in asset impairments and $12.7 million in other costs primarily consisting of lease termination costs, professional fees, relocation costs and other costs. The focus for restructuring activities during 2011 was on the integration of recent acquisitions in the Rigid Industrial Packaging & Services and Flexible Products & Services segments.

Table of Contents

Acquisition-Related Costs

Acquisition-related costs were $8.2 million and $24.4 million for the 2012 and 2011, respectively. For 2012, these costs included $4.2 million of acquisition-related costs and $4.0 million of post-acquisition integration costs attributable to acquisitions completed during 2011. For 2011, these costs included $8.5 million of acquisition-related costs and $15.9 million of post-acquisition integration costs associated with integrating acquired companies, such as costs associated with implementing the Greif Business System, sourcing and supply chain initiatives, and finance and administrative reorganizations.

Operating Profit

Operating profit was $284.5 million and $330.7 million in 2012 and 2011, respectively. The $46.2 million decrease was primarily due to lower results in Rigid Industrial Packaging & Services ($33.2 million), Flexible Products & Services ($17.9 million) and Land Management ($3.7 million) partially offset by higher results in Paper Packaging ($8.6 million), compared with 2011.

EBITDA

EBITDA was $431.7 million and $460.8 million for 2012 and 2011, respectively. The decrease was primarily due to the same segment results that impacted operating profit. Depreciation, depletion and amortization expense was $154.7 million for 2012 compared with $144.2 million for 2011.

Trends

Overall market conditions improved modestly on a sequential basis during 2012, but at a rate below previous expectations for 2012. Continued weakness in Europe and slower than anticipated market recovery in the North America, Latin America and Asia Pacific regions impacted the Rigid Industrial Packaging & Services and Flexible Products & Services segments. A slower pace of economic recovery in all regions compared with expectations earlier in the year will continue to impact the Rigid Industrial Packaging & Services and Flexible Products & Services segments in the first quarter of 2013. The Paper Packaging segment is anticipated to achieve solid first quarter of 2013 performance based on expected strong volumes and existing containerboard prices. Positive contributions are anticipated from contingency actions, acquisition integration and ongoing Greif Business System initiatives implemented during 2012, which we believe will provide additional benefits to the 2013 results.

Segment Review

Rigid Industrial Packaging & Services

Our Rigid Industrial Packaging & Services segment offers a comprehensive line of rigid industrial packaging products, such as steel, fibre and plastic drums, rigid intermediate bulk containers, closure systems for industrial packaging products, water bottles and remanufactured and reconditioned industrial containers, and services, such as container life cycle management, recycling of industrial containers, blending, filing, logistics, warehousing and other packaging services. Key factors influencing profitability in the Rigid Industrial Packaging & Services segment are:

- Selling prices, customer demand and sales volumes;
- Raw material costs, primarily steel, resin and containerboard and used industrial packaging for reconditioning;
- Energy and transportation costs;
- Benefits from executing the Greif Business System;

Restructuring charges;

Contributions from recent acquisitions;

Divestiture of facilities; and

Impact of foreign currency translation.

Table of Contents

Net sales were $3,075.6 million for 2012 compared with $3,014.3 million for 2011. The 2 percent increase in net sales for 2012 compared with 2011 was primarily due to a 2 percent increase in sales prices and a 4 percent increase in sales volumes, partially offset by a 4 percent negative impact of foreign currency translation.

Gross profit was $545.8 million and $558.0 million for 2012 and 2011, respectively. Gross profit margin decreased to 17.7 percent from 18.5 percent for 2012 and 2011, respectively. This reduction was primarily due to market pressure and higher conversion costs.

Operating profit was $186.7 million and $219.9 million for 2012 and 2011, respectively. Operating profit before special items decreased to $216.0 million for 2012 from $255.4 million for 2011. The $39.4 million decrease was primarily due to higher conversion costs.

EBITDA was $281.1 million and $300.6 million for 2012 and 2011, respectively. This decrease was due to the same factors that impacted the segment s operating profit. Depreciation, depletion and amortization expense was $105.1 million for 2012 compared with $93.0 million for 2011.

Flexible Products & Services

Our Flexible Products & Services segment offers a comprehensive line of flexible products, such as flexible intermediate bulk containers and multiwall bags. Key factors influencing profitability in the Flexible Products & Services segment are:

- Selling prices, customer demand and sales volumes;
- Raw material costs, primarily resin and containerboard;
- Energy and transportation costs;
- Benefits from executing the Greif Business System;
- Restructuring charges; and
- Impact of foreign currency translation.

Net sales were $453.3 million for 2012 compared with $538.0 million for 2011. The 16 percent decrease in net sales for 2012 compared with 2011 was primarily due to a 9 percent decrease in sales volumes due to market conditions, especially in Europe, and restructuring activities, partially offset by higher volumes for multiwall bags in the United States. For 2012, there was also a 1 percent decrease in prices and a negative 5 percent impact of foreign currency translation compared with 2011.

Gross profit was $86.2 million for 2012 versus $115.0 million for 2011. Gross profit margin was 19.0 percent and 21.4 percent for 2012 and 2011, respectively. The decrease in gross profit margin was primarily due to lower sales volumes coupled with higher costs associated with ongoing consolidation of operations and product mix.

There was an operating loss of $1.0 million for 2012 compared with an operating profit of $16.9 million for 2011. The negative impact of lower volumes, higher production costs, and startup costs principally related to the fabric hub in Saudi Arabia was partially offset by lower acquisition-related costs. Operating profit before special items decreased to $11.3 million for 2012 from $41.3 million for 2011.

EBITDA was $16.9 million and $32.1 million for 2012 and 2011, respectively. This decrease was due to the same factors that impacted the segment s operating profit. Depreciation, depletion and amortization expense was $14.7 million for 2012 compared with $16.6 million for 2011.

Paper Packaging

Our Paper Packaging segment sells containerboard, corrugated sheets and corrugated containers in North America. Key factors influencing profitability in the Paper Packaging segment are:

- Selling prices, customer demand and sales volumes;
- Raw material costs, primarily old corrugated containers;
- Energy and transportation costs;
- Benefits from executing the Greif Business System; and
- Divestiture of facilities.

Table of Contents

Net sales were $713.8 million for 2012 compared with $675.0 million for 2011. The 6 percent increase in net sales for 2012 compared with 2011 was primarily due to a 7 percent increase in sales volumes, partially offset by 1 percent lower selling prices that resulted primarily from product mix.

Gross profit was $135.8 million for 2012 compared with $115.8 million for 2011. Gross profit margin increased to 19.0 percent from 17.2 percent for 2012 and 2011, respectively. This increase was primarily due to higher volumes and lower costs for old corrugated containers.

Operating profit was $83.5 million and $74.9 million for 2012 and 2011, respectively. Operating profit before special items increased to $83.5 million for 2012 from $74.4 million for 2011. The $9.1 million increase was primarily due to higher volumes and gross profit margin improvement principally due to lower raw material costs.

EBITDA was $115.1 million and $106.1 million for 2012 and 2011, respectively. This increase was due to the same factors that impacted the segment s operating profit. Depreciation, depletion and amortization expense was $31.6 million for 2012 and 2011.

Land Management

As of October 31, 2012, our Land Management segment consisted of approximately 270,100 acres of timber properties in the southeastern United States, which are actively harvested and regenerated, and approximately 11,860 acres in Canada. Key factors influencing profitability in the Land Management segment are:

- Planned level of timber sales;
- Selling prices and customer demand;
- Gains (losses) on sale of timberland; and
- Gains on the disposal of special use properties (surplus, HBU and development properties).

Net sales were $26.8 million and $20.9 million for 2012 and 2011, respectively. While timber sales are subject to fluctuations, we seek to maintain a consistent cutting schedule, within the limits of market and weather conditions and the age distribution of timber stands.

Operating profit and operating profit before the impact of special items were $15.3 million and $19.0 in 2012 and 2011, respectively. During 2011, a purchase price adjustment related to the expropriation of surplus property from a prior period resulted in a $2.5 million gain.

EBITDA was $18.6 million and $22.0 million for 2012 and 2011, respectively. This decrease was due to the same factors that impacted the segment s operating profit. Depreciation, depletion and amortization expense was $3.3 million for 2012 compared with $3.0 million for 2011.

In order to maximize the value of our timber property, we continue to review our current portfolio and explore the development of certain of these properties in Canada and the United States. This process has led us to characterize our property as follows:

- Surplus property, meaning land that cannot be efficiently or effectively managed by us, whether due to parcel size, lack of productivity, location, access limitations or for other reasons.
- HBU property, meaning land that in its current state has a higher market value for uses other than growing and selling timber.

Development property, meaning HBU land that, with additional investment, may have a significantly higher market value than its HBU market value.

Timberland, meaning land that is best suited for growing and selling timber.

We report the sale of surplus and HBU property in our consolidated statements of income under gain on disposals of properties, plants and equipment, net and report the sale of development property under net sales and cost of products sold. All HBU and development property, together with surplus property, continues to be used by us to productively grow and sell timber until sold.

Whether timberland has a higher value for uses other than growing and selling timber is a determination based upon several variables, such as proximity to population centers, anticipated population growth in the area, the topography of the land, aesthetic considerations, including access to lakes or rivers, the condition of the surrounding land, availability of utilities, markets for timber and economic considerations both nationally and locally. Given these considerations, the characterization of land is not a static process, but requires an ongoing review and re-characterization as circumstances change.

Table of Contents

As of October 31, 2012, we estimated that there were approximately 45,747 acres in Canada and the United States of special-use property, which we expect will be available for sale in the next five to seven years.

Year 2011 Compared to Year 2010

Net Sales

Net sales were $4,248.2 million for 2011 compared with $3,461.8 million for 2010. The $786.4 million increase in 2011 compared 2010 was due to Rigid Industrial Packaging & Services ($426.1 million increase), Paper Packaging ($50.9 million increase), Land Management ($4.5 million increase) and Flexible Products & Services ($304.9 million increase).

The 23 percent increase in net sales for 2011 compared with 2010 was primarily due higher sales volumes and prices. Sales volumes, including acquisitions, increased 13 percent for 2011 compared to 2010, including a positive 3 percent impact of foreign currency translation. Overall, sales volumes on a same structure basis for 2011 increased 2 percent compared with the prior year. This increase was principally due to same structure growth in all segments.

Operating Costs

Gross profit increased to $798.4 million for 2011 from $701.4 million for 2010. Gross profit margin was 18.8 percent for 2011 versus 20.3 percent for 2010. The decline in gross profit margin was principally due to sales mix and higher conversion costs in the Rigid Industrial Packaging & Services segment and higher costs of old corrugated containers in the Paper Packaging segment.

SG&A expenses were $453.3 million, or 10.7 percent of net sales, in 2011 compared with $365.1 million, or 10.5 percent of net sales, in 2010. The increase in SG&A expenses was primarily due to the inclusion of SG&A expenses for acquired companies, the negative impact of foreign currency translation, higher professional fees, and non-cash asset impairment charges, partially offset by a reduction in performance based incentive accruals. Acquisition-related costs of $24.4 million and $27.1 million were included in SG&A expenses for 2011 and 2010, respectively. Acquisition-related costs represent amounts incurred to purchase and integrate our acquisitions.

Restructuring Charges

Restructuring charges were $30.5 million and $26.7 million for 2011 and 2010, respectively. Restructuring charges for 2011 consisted of $13.3 million in employee separation costs, $4.5 million in asset impairments and $12.7 million in other costs primarily consisting of lease termination costs, professional fees, relocation costs and other costs. The focus for restructuring activities during 2011 was on the integration of recent acquisitions in the Rigid Industrial Packaging & Services and Flexible Products & Services segments. Restructuring charges for 2010 consisted of $13.7 million in employee separation costs, $2.9 million in asset impairments, $2.4 million in professional fees and $7.7 million in other restructuring charges. The focus for restructuring activities during 2010 was on the integration of recent acquisitions in the Rigid Industrial Packaging & Services and Flexible Products & Services segments. In addition, we recorded $0.1 million of restructuring-related inventory charges as a cost of products sold in our Rigid Industrial Packaging & Services segment.

Acquisition-Related Costs

Acquisition-related costs were $24.4 million and $27.1 million for the 2011 and 2010, respectively. For 2011, these costs included $8.5 million of acquisition-related costs and $15.9 million of post-acquisition integration that represented costs associated with integrating acquired companies, such as costs associated with implementing the Greif Business System, sourcing and supply chain initiatives, and finance and administrative reorganizations. For 2010, these costs included $19.0 million of acquisition-related costs and $8.1 million of post-acquisition integration costs.

Operating Profit

Operating profit was $330.7 million and $321.0 million in 2011 and 2010, respectively. The $9.7 million increase was primarily due to higher results in Flexible Products & Services ($18.2 million), Paper Packaging ($19.4 million) and Land Management ($10.0 million), partially offset by lower results in Rigid Industrial Packaging & Services ($37.9 million) compared with 2010.

EBITDA

EBITDA was $460.8 million and $429.9 million for 2011 and 2010, respectively. The increase was primarily due to the same segment results that impacted operating profit. Depreciation, depletion and amortization expense was $144.2 million for 2011 compared with $116.0 million for 2010.

Table of Contents

Segment Review

Rigid Industrial Packaging & Services

Our Rigid Industrial Packaging & Services segment offers a comprehensive line of rigid industrial packaging products, such as steel, fibre and plastic drums, rigid intermediate bulk containers, closure systems for industrial packaging products, water bottles and remanufactured and reconditioned industrial containers, and services, such as container life cycle management, recycling of industrial containers, blending, filing, logistics, warehousing and other packaging services. Key factors influencing profitability in the Rigid Industrial Packaging & Services segment are:

- Selling prices, customer demand and sales volumes;
- Raw material costs, primarily steel, resin and containerboard;
- Energy and transportation costs;
- Benefits from executing the Greif Business System;
- Restructuring charges;
- Contributions from recent acquisitions;
- Divestiture of facilities; and
- Impact of foreign currency translation.

Net sales were $3,014.3 million for 2011 compared with $2,588.2 million for 2010. The 16 percent increase in net sales for 2011 compared with 2010 was primarily due to higher sales volumes and prices. Sales volumes, including acquisitions, increased 6 percent for 2011 compared to 2010, which included a 4 percent increase from acquisitions and a 2 percent increase in same-structure volumes.

Gross profit was $558.0 million and $540.0 million for 2011 and 2010, respectively. Gross profit margin declined to 18.5 percent for 2011 from 20.9 percent for 2010. The reduction from was primarily due to sales mix and increased market pressure on margins and volumes.

Operating profit was $219.9 million and $257.8 million for 2011 and 2010, respectively. Operating profit before special items decreased to $255.4 million for 2011 from $286.5 million for 2010. The $31.1 million decrease was primarily due to the lower gross profit margin and higher depreciation and amortization in this segment.

EBITDA was $300.6 million and $331.8 million for 2011 and 2010, respectively. This decrease was due to lower gross profit margin and an increase in restructuring and acquisition-related costs. Depreciation, depletion and amortization expense was $93.0 million for 2011 compared with $79.1 million for 2010.

Flexible Products & Services

Our Flexible Products & Services segment offers a comprehensive line of flexible products, such as flexible intermediate bulk containers and multiwall bags. Key factors influencing profitability in the Flexible Products & Services segment are:

- Selling prices, customer demand and sales volumes;
- Raw material costs, primarily resin and containerboard;
- Energy and transportation costs;
- Benefits from executing the Greif Business System;
- Restructuring charges; and
- Impact of foreign currency translation.

Net sales were $538.0 million for 2011 compared with $233.1 million for 2010. The $304.9 million increase was primarily due to same-structure growth and sales attributable to flexible intermediate bulk contained companies acquired in 2010.

Table of Contents

Gross profit was $115.0 million and $49.2 million for 2011 and 2010, respectively. Gross profit margin increased to 21.4 percent for 2011 from 21.1 percent for 2010. The change in gross profit margin was primarily due to operating efficiencies attributable to the Greif Business System.

There was an operating profit of $16.9 million for 2011 compared with an operating loss of $1.3 million for 2010. The increase was primarily due to acquisitions during 2010 and the improved gross profit margins for this segment. Operating profit before special items increased to $41.3 million for 2011 from $18.8 million for 2010.

EBITDA was $32.1 million and $2.4 million for 2011 and 2010, respectively. The increase was primarily due to acquisitions during 2010 and the improved gross profit margins for this segment. Depreciation, depletion and amortization expense was $16.6 million for 2011 compared with $4.9 million for 2010.

Paper Packaging

Our Paper Packaging segment sells containerboard, corrugated sheets and corrugated containers in North America. Key factors influencing profitability in the Paper Packaging segment are:

- Selling prices, customer demand and sales volumes;
- Raw material costs, primarily old corrugated containers;
- Energy and transportation costs;
- Benefits from executing the Greif Business System; and
- Divestiture of facilities.

Net sales were $675.0 million for 2011 compared with $624.1 million for 2010. The 8 percent increase in net sales for 2011 compared with 2010 was primarily due to 7 percent higher sales volumes and 4 percent higher selling prices that resulted primarily from product mix.

Gross profit was $115.8 million and $104.6 million for 2011 and 2010, respectively. Gross profit margin increased to 17.2 percent from 16.8 percent for 2011 and 2010, respectively. This increase was primarily due to higher selling prices and lower energy costs, substantially offset by higher raw material costs, including year over year cost increase of approximately 27 percent, or $39 per ton, for old corrugated containers compared to last year.

Operating profit was $74.9 million and $55.5 million for 2011 and 2010, respectively. Operating profit before special items increased to $74.4 million for 2011 from $60.6 million for 2010. The $13.8 million increase was primarily due to the increase in net sales and the higher gross profit margin in 2011.

EBITDA was $106.1 million and $84.6 million for 2011 and 2010, respectively. This increase was due to the same factors that impacted the segment s operating profit. Depreciation, depletion and amortization expense was $31.6 million for 2011 compared with $29.2 million for 2010.

Land Management

As of October 31, 2011, our Land Management segment consisted of approximately 267,750 acres of timber properties in the southeastern United States, which are actively harvested and regenerated, and approximately 14,700 acres in Canada. Key factors influencing profitability in the Land Management segment are:

- Planned level of timber sales;
- Selling prices and customer demand;
- Gains (losses) on sale of timberland; and
- Gains on the disposal of special use properties (surplus, HBU and development properties).

Net sales were $20.9 million and $16.4 million for 2011 and 2010, respectively. The $4.5 million increase was primarily due to the timing of timber sales.

Operating profit and operating profit before special items was $19.0 million for 2011 compared to $9.0 million for 2010. The results of this segment reflect an increase in disposal of special-use properties (surplus, HBU and development properties) of $8.9 million for 2011 compared to $3.3 million for 2010. During 2011, a $2.5 million purchase price adjustment which resulted in a gain related to the expropriation of surplus property from a prior period was recorded.

EBITDA was $22.0 million and $11.1 million for 2011 and 2010, respectively. This decrease was due to the same factors that impacted the segment s operating profit. Depreciation, depletion and amortization expense was $3.0 million for 2011 compared with $2.8 million for 2010.

As of October 31, 2011, we estimated that there were approximately 48,550 acres in Canada and the United States of special-use property, which we expect will be available for sale in the next five to seven years

Other Income Statement Changes

Interest Expense, Net

Interest expense, net was $89.9 million and $76.0 million 2012 and 2011, respectively. The increase in interest expense, net was primarily attributable to higher average debt outstanding during most of the year resulting from acquisitions and related working capital requirements.

Other Expense, Net

Other expense, net was $7.5 million and $14.1 million for 2012 and 2011, respectively. The decrease was primarily attributable to a reduction in fees associated with the sale of our non-United States accounts receivable and the impact of foreign currency translation.

Income Tax Expense

During 2012, the effective tax rate was 30.4 percent compared to 27.0 percent in 2011. The change in the effective tax rate was primarily attributable to the change in global earnings mix, which caused a higher percentage of our income to be generated from countries with higher tax rates. The effective tax rate may fluctuate based on the mix of income inside and outside the United States and other factors.

Equity earnings of unconsolidated affiliates, net of tax

We recorded $1.3 million and $4.8 million of equity earnings of unconsolidated affiliates, net of tax, during 2012 and 2011, respectively.

Net income attributable to noncontrolling interests

Net income attributable to noncontrolling interests represent the portion of earnings from the operations of our majority owned subsidiaries that was deducted from net income to arrive at net income attributable to us. Net income attributable to noncontrolling interests was $5.5 million and $2.9 million for 2012 and 2011, respectively.

Net income attributable to Greif, Inc.

Based on the foregoing, net income attributable to Greif, Inc. decreased $51.4 million to $126.1 million in 2012 from $177.5 million in 2011.

BALANCE SHEET CHANGES

Working capital changes

The $107.5 million decrease in trade accounts receivable to $453.9 million as of October 31, 2012 from $561.4 as of October 31, 2011 was primarily due to increased collection efforts, increased sales of accounts receivable under the European RPA entered into during the second quarter of 2012 and the impact of foreign currency translation.

The $54.7 million decrease in inventories to $374.3 million as of October 31, 2012 from $429.0 million as of October 31, 2011 was primarily due to a focus on inventory management and working capital reduction, especially with respect to companies acquired in 2011, and the impact of foreign currency translation.

The $27.2 million decrease in accounts payable to $466.1 million as of October 31, 2012 from $493.3 million as of October 31, 2011 was primarily due to the decrease in inventories and the impact of foreign currency translation, partially offset by efforts to extend payment terms with suppliers, especially for non-inventory purchases.

Table of Contents

The $15.3 million decrease in prepaid expenses and other current assets to $117.2 million as of October 31, 2012 from $132.5 million as of October 31, 2011 was primarily due to lower value added tax receivables in Europe and Latin America and the impact of foreign currency translation.

The $11.6 million decrease in restructuring reserves to $8.0 million as of October 31, 2012 from $19.6 million as of October 31, 2011 was primarily due to the completion of restructuring projects and the impact of foreign currency translation.

The $60.2 million decrease in short-term borrowings to $77.1 million as of October 31, 2012 from $137.3 million as of October 31, 2011 was primarily related to improved cash flows from operations, the related repayment of debt and the impact of foreign currency translation.

The $17.2 million increase in other current liabilities to $181.6 million as of October 31, 2012 from $164.4 million as of October 31, 2011 was primarily due to the reclassification from other long-term liabilities of a future payment for the purchase price of a 2011 acquisition which was due within one year as of October 31, 2012, partially offset by the impact of foreign currency translation

Other balance sheet changes

The $26.5 million decrease in goodwill to $976.1 million as of October 31, 2012 from $1,002.6 million as of October 31, 2011 was primarily due to fair value updates on our 2011 acquisitions and the impact of foreign currency translation. Refer to Note 6 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K.

The $30.2 million decrease in other intangible assets to $198.6 million as of October 31, 2012 from $228.8 million as of October 31, 2011 was primarily due to fair value updates on our 2011 acquisitions and the impact of foreign currency translation. Refer to Note 6 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K.

The $61.4 million decrease in deferred tax assets to $13.6 million as of October 31, 2012 from $75.0 million as of October 31, 2011 was primarily due to utilization of expiring net operating loss carry forwards in connection with a tax restructuring in one of our foreign subsidiaries.

The $196.1 million decrease in long term debt to $1,175.3 million as of October 31, 2012 from $1,371.4 million as of October 31, 2011 was primarily related to improved cash flows from operations and the related repayment of debt as well as the impact of foreign currency translation. Refer to Note 9 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K.

The $47.3 million increase in pension liabilities to $123.4 million as of October 31, 2012 from $76.1 million as of October 31, 2011 was primarily due to a reduction to the discount rate, which contributed to an increase in the projected benefit obligation.

The $90.2 million decrease in other long-term liabilities to $116.2 million as of October 31, 2012 from $206.4 million as of October 31, 2011 was primarily due to the reclassification to other current liabilities of a future payment for the purchase price of a 2011 acquisition which was due within one year as of October 31, 2012 and the impact of foreign currency translation

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are operating cash flows and borrowings under our senior secured credit facility and the senior notes we have issued and, to a lesser extent, proceeds from our U.S. trade accounts receivable credit facility and proceeds from the sale of our non-United States accounts receivable. We use these sources to fund our working capital needs, capital expenditures, cash dividends, common stock repurchases and acquisitions. We anticipate continuing to fund these items in a like manner. We currently expect that operating cash flows, borrowings under our senior secured credit facility, proceeds from our U.S. trade accounts receivable credit facility and proceeds from the sale of our non-United States accounts receivable will be sufficient to fund our anticipated working capital, capital expenditures, debt repayment, potential acquisitions of businesses and other liquidity needs for at least 12 months.

Capital Expenditures

During 2012, 2011 and 2010, we invested $166.0 million (excluding $3.7 million for timberland properties), $162.4 million (excluding $3.5 million for timberland properties), $144.1 million (excluding $21.0 million for timberland properties) in capital expenditures, respectively.

We anticipate future capital expenditures, excluding the potential purchase of timberland properties, of approximately $140 million through October 31, 2013. The expenditures will replace and improve existing equipment and fund new facilities.

34

Sale of Non-United States Accounts Receivable

Certain of our international subsidiaries have entered into discounted receivables purchase agreements and factoring agreements (collectively, the RPAs) pursuant to which trade receivables generated from certain countries other than the United States and which meet certain eligibility requirements are sold to certain international banks or their affiliates. In particular, in April 2012, certain of our international subsidiaries entered into a new RPA with affiliates of a major international bank. Under this new RPA, the maximum amount of receivables that may be financed at any time is 145 million ($187.7 million as of October 31, 2012). A significant portion of the proceeds from this new RPA was used to pay the obligations under previous RPAs, which were then terminated, and to pay expenses incurred in connection with this transaction. The remaining proceeds from this new RPA will be available for working capital and general corporate purposes. Under the terms of a performance and indemnity agreement, the performance obligations of our international subsidiaries under this new RPA have been guaranteed by Greif, Inc.

Transactions under the RPAs are structured to provide for legal true sales, on a revolving basis, of the receivables transferred from our various subsidiaries to the respective banks or their affiliates. The banks or their affiliates fund an initial purchase price of a certain percentage of eligible receivables based on a formula with the initial purchase price paid by the banks approximating 75 percent to 90 percent of eligible receivables, and under our new RPA, the balance of purchase price to the originating subsidiaries is paid from the proceeds of a related party subordinated loan. The remaining deferred purchase price and the repayment of the subordinated loan are settled upon collection of the receivables. As of the balance sheet reporting dates, we remove from accounts receivable the amount of proceeds received from the initial purchase price since they meet the applicable criteria of ASC 860 Transfers and Servicing , and continue to recognize the deferred purchase price in our accounts receivable. The receivables are sold on a non-recourse basis with the total funds in the servicing collection accounts pledged to the respective banks between the settlement dates. The maximum amount of aggregate receivables that may be financed under our various RPAs was $204.9 million as of October 31, 2012. As of October 31, 2012, total accounts receivable of $182.9 million were sold to and held by third party financial institutions or their affiliates under the various RPAs.

At the time the receivables are initially sold, the difference between the carrying amount and the fair value of the assets sold are included as a loss on sale and classified as other expense in the consolidated statements of operations. Expenses associated with the various RPAs totaled $2.2 million and $0.2 million for the year ended October 31, 2012 and 2011, respectively. Additionally, we perform collections and administrative functions on the receivables sold similar to the procedures we use for collecting all of our receivables. The servicing liability for these receivables is not material to the consolidated financial statements.

Refer to Note 3 to the Consolidated Financial Statements included in Item 8 of this Form 10-K for additional information regarding these various RPAs.

Acquisitions, Divestitures and Other Significant Transactions

There were no material acquisitions in 2012. During 2012, we made a $14.3 million deferred cash payment related to an acquisition completed in 2010.

During 2011, we completed eight acquisitions, all in the Rigid Industrial Packaging and Services segment: four European companies acquired in February, May, July and August; two joint ventures entered into in February and August in North America and in the Asia Pacific region, respectively; the acquisition of the remaining outstanding noncontrolling shares from a 2008 acquisition in South America; and the acquisition of additional shares of a company in North America that is a consolidated subsidiary as of October 31, 2011.

The cash paid, net of cash received for the eight 2011 acquisitions was $344.9 million. There is a future payment due related to one of the 2011 acquisitions.

During 2010, we completed twelve acquisitions consisting of seven rigid industrial packaging companies and five flexible products companies and made a contingent purchase price related to a 2007 acquisition. The seven rigid industrial packaging companies consisted of a European company purchased in November 2009, an Asian company purchased in June 2010, a North American drum reconditioning company purchased in July, a North American drum reconditioning company purchased in August 2010, one European company purchased in August 2010, a 51 percent interest in a Middle Eastern company purchased in September 2010 and a South American company purchased in September 2010. We completed acquisitions of five flexible products companies. These five flexible product companies conduct business throughout Europe, Asia and North America and were acquired in February, June, August and September 2010, On September 29, 2010, we entered into a joint venture agreement with Dabbagh Group Holding Company Limited, a Saudi Arabia corporation (Dabbagh), and National Scientific Company Limited, a Saudi Arabia limited liability company and a subsidiary of Dabbagh (NSC), referred to herein as the Flexible Packaging JV . Thereafter, we contributed the five acquired flexible product companies to the Flexible Packaging JV. We own 50 percent of the Flexible Packaging JV, but exercise management control of its operations. The results of the Flexible Packaging JV have been consolidated within our 2011 and 2010

results.

The aggregate purchase price for the twelve 2010 acquisitions was $274.3 million.

During 2010, we sold specific Paper Packaging segment assets and facilities in North America. The net gain from these sales was immaterial.

Refer to Note 2 to the Consolidated Financial Statements included in Item 8 of this Form 10-K for additional disclosures regarding our 2012, 2011 and 2010 acquisitions and other significant transactions.

Table of Contents

Borrowing Arrangements

Long-term debt is summarized as follows (Dollars in millions):

	October 31, 2012	October 31, 2011
2010 Credit Agreement	$ 255.0	$ 355.4
Senior Notes due 2017	302.3	302.9
Senior Notes due 2019	243.6	242.9
Senior Notes due 2021	256.1	280.2
U.S. Trade accounts receivable credit facility	110.0	130.0
Other long-term debt	33.4	72.5
	1,200.4	1,383.9
Less current portion	(25.0)	(12.5)
Long-term debt	$ 1,175.4	$ 1,371.4

Credit Agreement

On December 19, 2012, we and two of our international subsidiaries amended and restated (the Amended Credit Agreement) our existing $1.0 billion senior secured credit agreement (the 2010 Credit Agreement), which is with substantially the same syndicate of financial institutions. The Amended Credit Agreement and the 2010 Credit Agreement are each described below.

The Amended Credit Agreement provides us with an $800 million revolving multicurrency credit facility and a $200 million term loan, both expiring in December 2017, with an option to add $250 million to the facilities with the agreement of the lenders. The $200 million term loan is scheduled to amortize by the payment of principal in the amount of $10 million each quarter-end for the first eight quarters, $20 million each quarter-end for the next eleven quarters and the remaining balance on the maturity date. The revolving credit facility under the Amended Credit Agreement is available to fund ongoing working capital and capital expenditure needs, for general corporate purposes and to finance acquisitions. Interest is based on a Eurodollar rate or a base rate that resets periodically plus an agreed upon margin amount.

The Amended Credit Agreement contains many of the same covenants as the 2010 Credit Agreement, and includes financial covenants that require us to maintain a certain leverage ratio and an interest coverage ratio. The leverage ratio generally requires that at the end of any fiscal quarter we will not permit the ratio of (a) our total consolidated indebtedness, to (b) our consolidated net income plus depreciation, depletion and amortization, interest expense (including capitalized interest), income taxes, and minus certain extraordinary gains and non-recurring gains (or plus certain extraordinary losses and non-recurring losses) and plus or minus certain other items for the preceding twelve months (adjusted EBITDA) to be greater than 4.00 to 1 (or 3.75 to 1, during any collateral release period). The interest coverage ratio generally requires that at the end of any fiscal quarter we will not permit the ratio of (a) our consolidated adjusted EBITDA to (b) our consolidated interest expense to the extent paid or payable, to be less than 3.00 to 1, during the applicable trailing twelve month period.

The terms of the Amended Credit Agreement limit our ability to make restricted payments, which include dividends and purchases, redemptions and acquisitions of our equity interests. The repayment of amounts borrowed under the Credit Agreement are secured by a security interest in the personal property of Greif, Inc. and certain of our United States subsidiaries, including equipment and inventory and certain intangible assets, as well as a pledge of the capital stock of substantially all of our United States subsidiaries. The repayment of amounts borrowed under the Amended Credit Agreement is also secured, in part, by capital stock of the non-U.S. subsidiaries that are parties to the Amended Credit Agreement. However, in the event that we receive and maintain an investment grade rating from either Moody s Investors Service, Inc. or Standard & Poor s Corporation, we may request the release of such collateral. The payment of outstanding principal under the Amended Credit Agreement and accrued interest thereon may be accelerated and become immediately due and payable upon our default in its payment or other performance obligations or its failure to comply with the financial and other covenants in the Amended Credit Agreement, subject to applicable notice requirements and cure periods as provided in the Amended Credit Agreement.

During the fourth quarter of 2012 and until December 19, 2012, we and two of our international subsidiaries were borrowers under the 2010 Credit Agreement. The 2010 Credit Agreement provided us with a $750 million revolving multicurrency credit facility and a $250 million term loan, both expiring October 29, 2015, with an option to add $250 million to the facilities with the agreement of the lenders. The $250 million term loan was scheduled to amortize by the payment of principal in the amount of $3.1 million each quarter-end for the first eight quarters, $6.3

million each quarter-end for the next eleven quarters and the remaining balance on the maturity date. The revolving credit facility under the 2010 Credit Agreement was available to fund ongoing working capital and capital expenditure needs, for general corporate purposes and to finance acquisitions. Interest was based on a Eurodollar rate or a base rate that would reset periodically plus an agreed upon margin amount. As of October 31, 2012, a total of $255.0 million was outstanding under the 2010 Credit Agreement. The weighted average interest rate on the 2010 Credit Agreement was 2.15% for the twelve months ended October 31, 2012.

Table of Contents

The 2010 Credit Agreement contained certain covenants, which include financial covenants that required us to maintain a certain leverage ratio and a fixed charge coverage ratio. The leverage ratio generally required that at the end of any fiscal quarter we would not permit the ratio of (a) our total consolidated indebtedness, to (b) our adjusted EBITDA to be greater than 3.75 to 1 (or 3.5 to 1, during any collateral release period). The fixed charge coverage ratio generally required that at the end of any fiscal quarter we would not permit the ratio of (a) (i) our consolidated adjusted EBITDA, less (ii) the aggregate amount of certain of our cash capital expenditures, and less (iii) the aggregate amount of our federal, state, local and foreign income taxes actually paid in cash (other than taxes related to asset sales not in the ordinary course of business), to (b) the sum of (i) our consolidated interest expense to the extent paid or payable in cash and (ii) the aggregate principal amount of all of our regularly scheduled principal payments or redemptions or similar acquisitions for value of outstanding debt for borrowed money, but excluding any such payments to the extent refinanced through the incurrence of additional indebtedness, to be less than 1.5 to 1, during the applicable trailing twelve month period. On October 31, 2012, we were in compliance with these two covenants.

The terms of the 2010 Credit Agreement limited our ability to make restricted payments, which included dividends and purchases, redemptions and acquisitions of our equity interests. The repayment of amounts borrowed under the 2010 Credit Agreement was secured by a security interest in the personal property of Greif, Inc. and certain of our United States subsidiaries, including equipment and inventory and certain intangible assets, as well as a pledge of the capital stock of substantially all of our United States subsidiaries. The repayment of amounts borrowed under the 2010 Credit Agreement was also secured, in part, by capital stock of the non-U.S. subsidiaries that were parties to the 2010 Credit Agreement. However, in the event that we received and maintained an investment grade rating from either Moody s Investors Service, Inc. or Standard & Poor s Corporation, we could request the release of such collateral. The payment of outstanding principal under the 2010 Credit Agreement and accrued interest thereon could have been accelerated and become immediately due and payable upon our default in its payment or other performance obligations or its failure to comply with the financial and other covenants in the 2010 Credit Agreement, subject to applicable notice requirements and cure periods as provided in the 2010 Credit Agreement.

Refer to Note 9 to the Consolidated Financial Statements included in Item 8 of this Form 10-K for additional disclosures regarding the Credit Agreement.

Senior Notes

We have issued $300.0 million of our 6.75% Senior Notes due February 1, 2017. Proceeds from the issuance of these Senior Notes were principally used to fund the purchase of our previously outstanding senior subordinated notes and for general corporate purposes. These Senior Notes are general unsecured obligations of Greif, Inc. only, provide for semi-annual payments of interest at a fixed rate of 6.75%, and do not require any principal payments prior to maturity on February 1, 2017. These Senior Notes are not guaranteed by any of our subsidiaries and thereby are effectively subordinated to all of our subsidiaries existing and future indebtedness. The Indenture pursuant to which these Senior Notes were issued contains covenants, which, among other things, limit our ability to create liens on our assets to secure debt and to enter into sale and leaseback transactions. These covenants are subject to a number of limitations and exceptions as set forth in the Indenture. As of October 31, 2012, we were in compliance with these covenants.

We have issued $250.0 million of our 7.75% Senior Notes due August 1, 2019. Proceeds from the issuance of these Senior Notes were principally used for general corporate purposes, including the repayment of amounts outstanding under our revolving multicurrency credit facility under our then-existing credit agreement, without any permanent reduction of the commitments thereunder. These Senior Notes are general unsecured obligations of Greif, Inc. only, provide for semi-annual payments of interest at a fixed rate of 7.75%, and do not require any principal payments prior to maturity on August 1, 2019. These Senior Notes are not guaranteed by any of our subsidiaries and thereby are effectively subordinated to all of our subsidiaries existing and future indebtedness. The Indenture pursuant to which these Senior Notes were issued contains covenants, which, among other things, limit our ability to create liens on our assets to secure debt and to enter into sale and leaseback transactions. These covenants are subject to a number of limitations and exceptions as set forth in the Indenture. As of October 31, 2012, we were in compliance with these covenants.

Our Luxembourg subsidiary has issued 200.0 million of 7.375% Senior Notes due July 15, 2021. These Senior Notes are fully and unconditionally guaranteed on a senior basis by Greif, Inc. A portion of the proceeds from the issuance of these Senior Notes was used to repay non-U.S. borrowings under the 2010 Credit Agreement, without any permanent reduction of the commitments thereunder, with the remaining proceeds available for general corporate purposes, including the financing of acquisitions. These Senior Notes are general unsecured obligations of the Luxembourg subsidiary and Greif, Inc. and provide for semi-annual payments of interest at a fixed rate of 7.375%, and do not require any principal payments prior to maturity on July 15, 2021. These Senior Notes are not guaranteed by any subsidiaries of the issuer or Greif, Inc. and thereby are effectively subordinated to all existing and future indebtedness of the subsidiaries of the issuer and Greif, Inc. The Indenture pursuant to which these Senior Notes were issued contains covenants, which, among other matters, limit our ability to create liens on our assets to secure debt and to enter into sale and leaseback transactions. These covenants are subject to a number of limitations and exceptions as set forth in the Indenture. As of October 31, 2012, we were in compliance with these covenants.

The assumptions used in measuring fair value of Senior Notes are considered level 2 inputs, which were based on observable market pricing for similar instruments.

Refer to Note 9 to the Consolidated Financial Statements included in Item 8 of this Form 10-K for additional disclosures regarding the Senior Notes discussed above.

United States Trade Accounts Receivable Credit Facility

We have a $130.0 million U.S. trade accounts receivable credit facility (the Receivables Facility) with a financial institution. The Receivables Facility matures in September 2014. In addition, we can terminate the Receivables Facility at any time upon five days prior written notice. The Receivables Facility is secured by certain of our United States trade receivables and bears interest at a variable rate based on the applicable base rate or other agreed-upon rate plus a margin amount. Interest is payable on a monthly basis and the principal balance is payable upon termination of the Receivables Facility. The Receivables Facility contains certain covenants, including financial covenants for leverage and fixed charge coverage ratios identical to the 2010 Credit Agreement. On December 19, 2012, this leverage ratio was amended to be identical to the ratio in the Amended Credit Agreement, and the fixed charge coverage ratio was deleted and the interest coverage ratio set forth in the Amended Credit Agreement was included. Proceeds of the Receivables Facility are available for working capital and general corporate purposes. As of October 31, 2012, $110.0 million was outstanding under the Receivables Facility.

Refer to Note 9 of the Consolidated Financial Statements included in Item 8 of this Form 10-K for additional disclosures regarding the Receivables Facility.

Other

In addition to the amounts borrowed against the 2010 Credit Agreement and proceeds from the Senior Notes and the United States trade accounts receivable credit facility, as of October 31, 2012, we had outstanding other debt of $110.1 million, comprised of $33.4 million in long-term debt and $77.1 million in short-term borrowings.

As of October 31, 2012, annual maturities, including the current portion, of long-term debt under our various financing arrangements were $25.0 million in 2013, $30.7 million in 2014, $315.0 million in 2015, $302.3 million in 2017, and $499.7 million thereafter.

As of October 31, 2012 and 2011, we had deferred financing fees and debt issuance costs of $14.9 million and $18.9 million, respectively, which are included in other long-term assets.

Financial Instruments

Interest Rate Derivatives

We have interest rate swap agreements with various maturities through 2014. These interest rate swap agreements are used to manage our fixed and floating rate debt mix, specifically debt under the 2010 Credit Agreement. The assumptions used in measuring fair value of these interest rate derivatives are considered level 2 inputs, which were based on interest received monthly from the counterparties based upon the LIBOR and interest paid based upon a designated fixed rate over the life of the swap agreements. These derivative instruments are designated and qualify as cash flow hedges. Accordingly, the effective portion of the gain or loss on these derivative instruments is reported as a component of other comprehensive income and reclassified into earnings in the same line item associated with the forecasted transaction and in the same period during which the hedged transaction affects earnings. The ineffective portion of the gain or loss on the derivative instrument is recognized in earnings immediately.

We had three interest rate derivatives as of October 31, 2011, which expired in the first quarter of 2012. We now have two interest rate derivatives, both of which were entered into during the first quarter of 2012 (floating to fixed swap agreements designated as cash flow hedges), with a total notional amount of $150 million. Under these swap agreements, we receive interest based upon a variable interest rate from the counterparties (weighted average of 0.21% as of October 31, 2012 and 0.27% as of October 31, 2011) and pay interest based upon a fixed interest rate (weighted average of 0.75% as of October 31, 2012 and 1.92% as of October 31, 2011). Losses reclassified to earnings under these contracts (both those that existed as of October 31, 2011 and those entered into in the first quarter 2012) were $0.9 million, $1.9 million and $1.9 million for the twelve months ended October 31, 2012, 2011 and 2010, respectively. These losses were recorded within the consolidated statement of operations as interest expense, net. The fair value of these contracts resulted in losses of $1.4 million and $0.3 million recorded in accumulated other comprehensive income as of October 31, 2012 and October 31, 2011, respectively.

Foreign Exchange Hedges

We conduct business in major international currencies and are subject to risks associated with changing foreign exchange rates. Our objective is to reduce volatility associated with foreign exchange rate changes to allow management to focus its attention on business operations. Accordingly, we enter into various contracts that change in value as foreign exchange rates change to protect the value of certain existing foreign currency assets and liabilities, commitments and anticipated foreign currency revenues and expenses.

Table of Contents

As of October 31, 2012, we had outstanding foreign currency forward contracts in the notional amount of $233.2 million ($160.6 million as of October 31, 2011). These derivative instruments are designated and qualify as cash flow hedges. Accordingly, the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income and reclassified into earnings in the same line item associated with the forecasted transaction and in the same period during which the hedged transaction affects earnings. The ineffective portion of the gain or loss on the derivative instrument is recognized in earnings immediately. The assumptions used in measuring fair value of foreign exchange hedges are considered level 2 inputs, which were based on observable market pricing for similar instruments, principally foreign exchange futures contracts. Losses reclassified to earnings under these contracts were $1.6 million, $0.6 million and $4.5 million for the twelve months ended October 31, 2012, 2011 and 2010, respectively. These gains and losses were recorded within the consolidated statement of operations as other expense, net. The fair value of these contracts resulted in an immaterial loss and a gain of $0.7 million recorded in other comprehensive income as of October 31, 2012 and October 31, 2011, respectively.

Energy Hedges

We are exposed to changes in the price of certain commodities. Our objective is to reduce volatility associated with forecasted purchases of these commodities to allow management to focus its attention on business operations. Accordingly, we enter into derivative contracts to manage the price risk associated with certain of these forecasted purchases.

We have entered into certain cash flow agreements to mitigate our exposure to cost fluctuations in natural gas prices through October 31, 2012. Under these hedge agreements, we have agreed to purchase natural gas at a fixed price. As of October 31, 2012, there were no outstanding energy hedges. As of October 31, 2011 the notional amount of these hedges was $2.7 million. These derivative instruments are designated and qualify as cash flow hedges. Accordingly, the effective portion of the gain or loss on the derivative instrument is reported as a component of other comprehensive income and reclassified into earnings in the same line item associated with the forecasted transaction and in the same period during which the hedged transaction affects earnings. The ineffective portion of the gain or loss on the derivative instrument is recognized in earnings immediately. The assumptions used in measuring fair value of energy hedges are considered level 2 inputs which were based on observable market pricing for similar instruments, principally commodity futures contracts. Losses reclassified to earnings under these contracts were $1.2 million, $0.4 million and $1.4 million for the twelve months ended October 31, 2012, 2011 and 2010, respectively. These losses were recorded within the consolidated statement of operations as cost of products sold. There were no energy hedges as of October 31, 2012. The fair value of these contracts resulted in a loss of $0.1 million recorded in other comprehensive income as of October 31, 2011.

Contractual Obligations

As of October 31, 2012, we had the following contractual obligations (Dollars in millions):

		Payments Due by Period			
	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Long-term debt	$ 1,570.2	$ 66.9	$ 502.6	$ 407.5	$ 593.2
Short-term borrowing	81.4	81.4			
Capital lease obligations	95.7	24.1	39.0	28.3	4.3
Liabilities held by special purpose entities	60.5	2.2	4.5	4.5	49.3
Deferred purchase payments	58.8	45.9	12.9		
Environmental liabilities	27.5	8.6	5.9	5.9	7.1
Operating leases	10.5	4.1	4.6	1.6	0.2
Current portion of long-term debt	25.0	25.0			
Total	$ 1,929.6	$ 258.2	$ 569.5	$ 447.8	$ 654.1

Note: Amounts presented in the contractual obligation table include interest.

Our unrecognized tax benefits under ASC 740, Income Taxes have been excluded from the contractual obligations table because of the inherent uncertainty and the inability to reasonably estimate the timing of cash outflows.

Stock Repurchase Program and Other Share Acquisitions

Our Board of Directors has authorized us to purchase up to four million shares of Class A Common Stock or Class B Common Stock or any combination of the foregoing. During the year ended October 31, 2012, we repurchased no shares of Class A Common Stock and we repurchased 1,000 shares of Class B Common Stock (see Item 5 to this Form 10-K for additional information regarding these repurchases). As of October 31, 2012, we had repurchased 3,184,272 shares, including 1,425,452 shares of Class A Common Stock and 1,758,820 shares of Class B Common Stock under this program, which were all purchased in prior years except for the 1,000 shares referenced above. The total cost of the shares repurchased from November 1, 2009 through October 31, 2012 was approximately $17.8 million.

Table of Contents

Effects of Inflation

Inflation did not have a material impact on our operations during 2012, 2011 or 2010.

Variable Interest Entities

We evaluate whether an entity is a variable interest entity (VIE) and determine if the primary beneficiary status is appropriate on a quarterly basis. We consolidate VIE s for which we are the primary beneficiary. If we are not the primary beneficiary and an ownership interest is held, the VIE is accounted for under the equity method of accounting. When assessing the determination of the primary beneficiary, we consider all relevant facts and circumstances, including: the power to direct the activities of the VIE that most significantly impact the VIE s economic performance and the obligation to absorb the expected losses and/or the right to receive the expected returns of the VIE.

During 2011, we acquired a noncontrolling ownership interest in an entity that is accounted for as an unconsolidated equity investment. This entity is deemed to be a VIE since the total equity investment at risk is not sufficient to permit the legal entity to finance its activities without additional subordinated financial support. However, we are not the primary beneficiary because we do not have (1) the power to direct the activities of the VIE that most significantly impact the VIE s economic performance, or (2) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. As a result, this entity is not consolidated in our results.

Significant Nonstrategic Timberland Transactions

In March 2005, Soterra LLC (a wholly owned subsidiary) entered into two real estate purchase and sale agreements with Plum Creek Timberlands, L.P. (Plum Creek) to sell approximately 56,000 acres of timberland and related assets located primarily in Florida for an aggregate sales price of approximately $90 million, subject to closing adjustments. In connection with the closing of one of these agreements, Soterra LLC sold approximately 35,000 acres of timberland and associated assets in Florida, Georgia and Alabama for $51.0 million. The purchase price was paid in the form of cash and a $50.9 million purchase note payable (the Purchase Note) by an indirect subsidiary of Plum Creek (the Buyer SPE). Soterra LLC contributed the Purchase Note to STA Timber LLC (STA Timber), one of our indirect wholly owned subsidiaries. The Purchase Note is secured by a Deed of Guarantee issued by Bank of America, N.A., London Branch, in an amount not to exceed $52.3 million (the Deed of Guarantee), as a guarantee of the due and punctual payment of principal and interest on the Purchase Note.

In May 2005, STA Timber issued in a private placement its 5.20% Senior Secured Notes due August 5, 2020 (the Monetization Notes) in the principal amount of $43.3 million. In connection with the sale of the Monetization Notes, STA Timber entered into note purchase agreements with the purchasers of the Monetization Notes (the Note Purchase Agreements) and related documentation. The Monetization Notes are secured by a pledge of the Purchase Note and the Deed of Guarantee. The Monetization Notes may be accelerated in the event of a default in payment or a breach of the other obligations set forth therein or in the Note Purchase Agreements or related documents, subject in certain cases to any applicable cure periods, or upon the occurrence of certain insolvency or bankruptcy related events. The Monetization Notes are subject to a mechanism that may cause them, subject to certain conditions, to be extended to November 5, 2020. The proceeds from the sale of the Monetization Notes were primarily used for the repayment of indebtedness. Greif, Inc. and its other subsidiaries have not extended any form of guaranty of the principal or interest on the Monetization Notes. Accordingly, Greif, Inc. and its other subsidiaries will not become directly or contingently liable for the payment of the Monetization Notes at any time. The Buyer SPE is a separate and distinct legal entity from us; however the Buyer SPE has been consolidated into our operations.

The Buyer SPE is deemed to be a VIE since the Buyer SPE is not able to satisfy its liabilities without financing support from us. While Buyer SPE is a separate and distinct legal entity from us, we are the primary beneficiary because we have (1) the power to direct the activities of the VIE that most significantly impact the VIE s economic performance, and (2) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. As a result, Buyer SPE has been consolidated into our operations.

Flexible Products Joint Venture

In 2010, we formed the Flexible Packaging JV with Dabbagh and its subsidiary NSC. The Flexible Packaging JV owns the operations in the Flexible Products & Services segment, with the exception of the North American multi-wall bag business. The Flexible Packaging JV has been consolidated into our operations as of its formation date of September 29, 2010.

All entities contributed to the Flexible Packaging JV were existing businesses acquired by us and were reorganized under Greif Flexibles Asset Holding B.V. and Greif Flexibles Trading Holding B.V. (Asset Co. and Trading Co.), respectively. The Flexible Packaging JV also included

Global Textile Company LLC (Global Textile), which owns and operates a fabric hub in Saudi Arabia that commenced operations in the fourth quarter of 2012. We have 51 percent ownership in Trading Co. and 49 percent ownership in Asset Co. and Global Textile. However, we and NSC have equal economic interests in the Flexible Packaging JV, notwithstanding the actual ownership interests in the various legal entities. All investments, loans and capital contributions are to be shared equally by us and NSC and each partner has committed to contribute capital of up to $150 million and obtain third party financing for up to $150 million as required.

Table of Contents

The Flexible Packaging JV is deemed to be a VIE since the total equity investment at risk is not sufficient to permit the legal entity to finance its activities without additional subordinated financial support from us. We are the primary beneficiary because we have (1) the power to direct the activities of the VIE that most significantly impact the VIE s economic performance, and (2) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

As of October 31, 2012, Asset Co. had outstanding advances to NSC for $0.6 million which are being used to fund certain costs incurred in Saudi Arabia in respect of the fabric hub being constructed and equipped there. These advances are recorded within the current portion related party notes and advances receivable on our consolidated balance sheet since they are expected to be repaid within the next twelve months. As of October 31, 2012, Asset Co. and Trading Co. held short term loans payable to NSC for $8.1 million recorded within short-term borrowings on our consolidated balance sheet. These loans are interest bearing and are used to fund certain operational requirements.

Non-United States Accounts Receivable VIE

As further described in Note 3 to the Consolidated Financial Statements included in Item 8 of this Form 10-K, Cooperage Receivables Finance B.V. is a party to the Nieuw Amsterdam Receivables Purchase Agreement (the European RPA). Cooperage Receivables Finance B.V. is deemed to be a VIE since this entity is not able to satisfy its liabilities without the financial support from us. While this entity is a separate and distinct legal entity from us and no ownership interest in Cooperage Receivables Finance B.V. is held by us, we are the primary beneficiary because we have (1) the power to direct the activities of the VIE that most significantly impact the VIE s economic performance, and (2) the obligation to absorb losses of the VIE that could potentially be significant to the VIE. As a result, Cooperage Receivables Finance B.V. has been consolidated into our operations.

Recent Accounting Standards

Newly Adopted Accounting Standards

In June 2009, the Financial Accounting Standards Board (FASB) amended ASC 860, Transfers and Servicing. The amendment to ASC 860 requires an enterprise to evaluate whether the transaction is legally isolated from us and whether the results of the transaction are consolidated within the consolidated financial statements. We adopted the new guidance beginning November 1, 2010, and the adoption of the new guidance did not impact our financial position, results of operations or cash flows, other than the related disclosures.

In June 2009, the FASB amended ASC 810, Consolidation. The amendment to ASC 810 changed the methodology for determining the primary beneficiary of a VIE from a quantitative risk and rewards based model to a qualitative determination. It also requires enhanced disclosures that will provide users of financial statements with more transparent information about an enterprise s involvement in a VIE. Accordingly, we reevaluated our previous ASC 810 conclusions, including (1) whether an entity is a VIE, (2) whether the enterprise is the VIE s primary beneficiary, and (3) what type of financial statement disclosures are required. We adopted the new guidance beginning November 1, 2010, and the adoption of the new guidance did not impact our financial position, results of operations or cash flows, other than the related disclosures.

As of November 1, 2011, we adopted Accounting Standards Update (ASU) 2010-29 Business Combinations: Disclosure of supplementary pro forma information for business combinations . The amendment to ASC 805 Business Combinations requires a public entity to disclose pro forma information for business combinations that occurred in the current reporting period. The disclosures include pro forma revenue and earnings of the combined entity for the current reporting period as though the acquisition date for all business combinations that occurred during the year had been as of the beginning of the annual reporting period. If comparative financial statements are presented, the pro forma revenue and earnings of the combined entity for the comparable prior reporting period should be reported as though the acquisition date for all business combinations that occurred during the current year had been as of the beginning of the comparable prior annual reporting period. The adoption of the new guidance did not impact our financial position, results of operations or cash flows, other than the related disclosures.

As of November 1, 2011, we adopted ASU 2011-09 Disclosures about an Employer s Participation in a Multiemployer Plan . The amendment to ASC 715 Compensation-Retirement Benefits requires employers that participate in multiemployer pension plans to provide additional quantitative and qualitative disclosers. These disclosures provide users with more detailed information about an employer s involvement in multiemployer pension plans, including (1) significant multiemployer plans in which the employers participates, (2) the level of participation in those plans, (3) the financial health of the significant plans, and (4) the nature of the employer s commitments to the plan. The adoption of the new guidance did not impact our financial position, results of operations or cash flows, other than the related disclosures.

As of February 1, 2012, we adopted ASU 2011-04 Fair Value Measurement: Amendments to achieve common fair value measurements and disclosure requirements in U.S. GAAP and IFRS . The amendment to ASC 820 Fair Value Measurement clarifies how to apply the existing fair value measurement and disclosure requirements. The adoption of the new guidance did not impact our financial position, results of operations or

cash flows, other than the related disclosures.

Recently Issued Accounting Standards

Effective July 1, 2009, changes to the ASC are communicated through an ASU. As of October 31, 2012, the FASB has issued ASU s 2009-01 through 2012-07. We reviewed each ASU and determined that they will not have a material impact on our financial position, results of operations or cash flows, other than related disclosures.

In June 2011, the FASB issued ASU 2011-05 Comprehensive Income: Presentation of comprehensive income. The amendment to ASC 220 Comprehensive Income requires that all non-owner changes in stockholders equity be presented either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In the two-statement approach, the first statement should present total net income and its components followed consecutively by a second statement that should present total other comprehensive income, the components of other comprehensive income, and the total of comprehensive income. In December 2011, the FASB issued ASU 2011-12 Comprehensive Income: Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items Out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05. This amendment to ASC 220 Comprehensive Income deferred the adoption of presentation of reclassification items out of accumulated other comprehensive income. We expect to adopt the new guidance on ASU 2011-05 beginning November 1, 2012, and the adoption of the new guidance is not expected to impact our financial position, results of operations or cash flows, other than the related disclosures.

In September 2011, the FASB issued ASU 2011-08 Intangibles Goodwill and Other: Testing Goodwill for Impairment which provides an entity the option to first assess qualitative factors to determine whether it is necessary to perform the current two-step test for goodwill impairment. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. Otherwise, no further testing is required. The revised standard is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. However, an entity can choose to early adopt even if its annual test date is before the issuance of the final standard, provided that the entity has not yet performed its 2011 annual impairment test or issued its financial statements. We will consider the applicability of the new guidance beginning November 1, 2012, and the adoption of the new guidance is not expected to impact our financial position, results of operations or cash flows, other than related disclosures.

In December 2011, the FASB issued ASU 2011-11 Balance Sheet: Disclosures about Offsetting Assets and Liabilities. The differences in the offsetting requirements in GAAP and International Financial Reporting Standards (IFRS) account for a significant difference in the amounts presented in statements of financial position prepared in accordance with GAAP and in the amounts presented in those statements prepared in accordance with IFRS for certain institutions. This difference reduces the comparability of statements of financial position. The FASB and IASB are issuing joint requirements that will enhance current disclosures. Entities are required to disclose both gross information and net information about both instruments and transactions eligible for offset in the statement of financial position and instruments and transactions subject to an agreement similar to a master netting arrangement. We expect to adopt the new guidance beginning on November 1, 2013, and the adoption of the new guidance is not expected to impact our financial position, results of operations or cash flows, other than the related disclosures.

In July 2012, the FASB issued ASU 2012-02 Intangibles Goodwill and Other: Testing Indefinite-Lived Intangible Assets for Impairment which provides an entity the option to first assess qualitative factors to determine whether the existence of events and circumstances indicates that it is more-likely-than-not that the indefinite-lived intangible asset is impaired. If, after assessing the totality of events and circumstances, an entity concludes that it is not more likely than not that the indefinite-lived intangible asset is impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the indefinite-lived intangible asset and perform the quantitative impairment test by comparing the fair value with the carrying amount. We will consider the applicability of the new guidance beginning November 1, 2012, and any adoption of the new guidance is not expected to impact our financial position, results of operations or cash flows, other than related disclosures.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We are subject to interest rate risk related to our financial instruments that include borrowings under the Credit Agreement, proceeds from our Senior Notes and U.S. trade accounts receivable credit facility, and interest rate swap agreements. We do not enter into financial instruments for trading or speculative purposes. The interest rate swap agreements have been entered into to manage our exposure to variability in interest rates and changes in the fair value of fixed rate debt.

We had interest rate swap agreements with an aggregate notional amount of $150.0 million and $76.6 million as of October 31, 2012 and 2011, respectively, with various maturities through 2013. The interest rate swap agreements are used to manage our fixed and floating rate debt mix. Under certain of these agreements, we receive interest monthly from the counterparties equal to LIBOR and pay interest at a fixed rate over

the life of the contracts. A liability for the loss on interest rate swap contracts, which represented their fair values, in the amount of $1.4 million and $0.3 million was recorded as of October 31, 2012 and 2011, respectively.

Table of Contents

The tables below provide information about our derivative financial instruments and other financial instruments that are sensitive to changes in interest rates. For the Credit Agreement, Senior Notes and U.S. trade accounts receivable credit facility, the tables present scheduled amortizations of principal and the weighted average interest rate by contractual maturity dates as of October 31, 2012 and 2011. For interest rate swaps, the tables present annual amortizations of notional amounts and weighted average interest rates by contractual maturity dates. Under the cash flow swap agreements, we receive interest monthly from the counterparties and pay interest monthly to the counterparties.

The fair values of our Credit Agreement, Senior Notes and U.S. trade accounts receivable credit facility are based on rates available to us for debt of the same remaining maturity as of October 31, 2012 and 2011. The fair value of the interest rate swap agreements has been determined based upon the market settlement prices of comparable contracts as of October 31, 2012 and 2011.

Financial Instruments

As of October 31, 2012

(Dollars in millions)

	Expected Maturity Date							
	2013	**2014**	**2015**	**2016**	**2017**	**After 2017**	**Total**	**Fair Value**
2010 Credit Agreement:								
Scheduled amortizations	$ 25	$ 25	$ 205				$ 255	$ 255.0
Average interest rate(1)	2.15%	2.15%	2.15%	2.15%			2.154%	
Senior Notes due 2017:								
Scheduled amortizations					$ 300		$ 300	$ 333.1
Average interest rate	6.75%	6.75%	6.75%	6.75%	6.75%		6.75%	
Senior Notes due 2019:								
Scheduled amortizations						$ 250	$ 250	$ 286.9
Average interest rate	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	
Senior Notes due 2021:								
Scheduled amortizations						$ 256	$ 256	$ 280.4
Average interest rate	7.38%	7.38%	7.38%	7.38%	7.38%	7.38%	7.38%	
U.S. Trade accounts receivable credit facility:								
Scheduled amortizations			$ 110				$ 110	$ 110
Interest rate swaps:								
Scheduled amortizations			$ 150				$ 150	$ 148.6
Average pay rate(2)			0.75%					
Average receive rate(3)			0.21%					

(1) Variable rate specified is based on LIBOR or an alternative base rate plus a calculated margin as of October 31, 2012. The rates presented are not intended to project our expectations for the future.
(2) The average pay rate is based upon the fixed rates we were scheduled to pay as of October 31, 2012. The rates presented are not intended to project our expectations for the future.
(3) The average receive rate is based upon the LIBOR we were scheduled to receive as of October 31, 2012. The rates presented are not intended to project our expectations for the future.

Table of Contents

Financial Instruments

As of October 31, 2011

(Dollars in millions)

	Expected Maturity Date							
	2012	**2013**	**2014**	**2015**	**2016**	**After 2016**	**Total**	**Fair Value**
2010 Credit Agreement:								
Scheduled amortizations	$ 13	$ 25	$ 25	$ 292			$ 355	$ 355.4
Average interest rate(1)	2.14%	2.14%	2.14%	2.14%			2.14%	
Senior Notes due 2017:								
Scheduled amortizations						$ 300	$ 300	$ 317.9
Average interest rate	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	
Senior Notes due 2019:								
Scheduled amortizations						$ 250	$ 250	$ 268.8
Average interest rate	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	
Senior Notes due 2021:								
Scheduled amortizations						$ 280	$ 280	$ 280.2
Average interest rate	7.38%	7.38%	7.38%	7.38%	7.38%	7.38%	7.38%	
U.S. Trade accounts receivable credit facility:								
Scheduled amortizations			$ 130				$ 130	$ 130
Interest rate swaps:								
Scheduled amortizations	$ 75	$ 2					$ 77	($ 0.3)
Average pay rate(2)	1.92%	2.69%						
Average receive rate(3)	0.27%	1.61%						

(1) Variable rate specified is based on LIBOR or an alternative base rate plus a calculated margin as of October 31, 2011. The rates presented are not intended to project our expectations for the future.

(2) The average pay rate is based upon the fixed rates we were scheduled to pay as of October 31, 2011. The rates presented are not intended to project our expectations for the future.

(3) The average receive rate is based upon the LIBOR we were scheduled to receive as of October 31, 2011. The rates presented are not intended to project our expectations for the future.

The fair market value of the interest rate swaps as of October 31, 2012 was a net liability of $1.4 million. Based on a sensitivity analysis we performed as of October 31, 2012, a 100 basis point decrease in interest rates would decrease the fair value of the swap agreements by $1.0 million to a net liability of $2.4 million. Conversely, a 100 basis point increase in interest rates would increase the fair value of the swap agreements by $3.2 million to a net asset of $1.8 million.

Currency Risk

As a result of our international operations, our operating results are subject to fluctuations in currency exchange rates. The geographic presence of our operations mitigates this exposure to some degree. Additionally, our transaction exposure is somewhat limited because we produce and sell a majority of our products within each country in which we operate.

As of October 31, 2012, we had outstanding foreign currency forward contracts in the notional amount of $233.2 million ($160.6 million as of October 31, 2011). The purpose of these contracts is to hedge our exposure to foreign currency transactions and short-term intercompany loan balances in our international businesses. The fair value of these contracts as of October 31, 2012 resulted in a gain of $0.5 million recorded in the consolidated statements of operations and an immaterial loss recorded in other comprehensive income. The fair value of similar contracts as of October 31, 2011 resulted in a loss of $0.6 million recorded in consolidated statements of operations and a gain of $0.7 million recorded in other comprehensive income.

Table of Contents

A sensitivity analysis to changes in the foreign currencies hedged indicates that if the U.S. dollar strengthened by 10 percent, the fair value of these instruments would decrease by $2.1 million to a net liability of $1.6 million. Conversely, if the U.S. dollar weakened by 10 percent, the fair value of these instruments would increase by $2.3 million to a net asset of $2.8 million.

Commodity Price Risk

We purchase commodities such as steel, resin, containerboard, pulpwood and energy. We do not currently engage in material hedging of commodities, other than hedges in natural gas, because there has historically been a high correlation between the commodity cost and the ultimate selling price of our products. There were no commodity hedging contracts outstanding as of October 31, 2012.

45

Table of Contents

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
GREIF, INC. AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF INCOME

(Dollars in millions, except per share amounts)

For the years ended October 31,	**2012**	**2011**	**2010**
Net sales	$ 4,269.5	$ 4,248.2	$ 3,461.8
Costs of products sold	3,489.8	3,449.8	2,760.4
Gross profit	779.7	798.4	701.4
Selling, general and administrative expenses	469.4	453.3	365.1
Restructuring charges	33.4	30.5	26.7
(Gain) on disposal of properties, plants and equipment, net	(7.6)	(16.1)	(11.4)
Operating profit	284.5	330.7	321.0
Interest expense, net	89.9	76.0	65.5
Other expense, net	7.5	14.1	7.1
Income before income tax expense and equity earnings of unconsolidated affiliates, net	187.1	240.6	248.4
Income tax expense	56.8	65.0	43.5
Equity earnings of unconsolidated affiliates, net of tax	1.3	4.8	3.6
Net income	131.6	180.4	208.5
Net income attributable to noncontrolling interests	(5.5)	(2.9)	(5.7)
Net income attributable to Greif, Inc.	$ 126.1	$ 177.5	$ 202.8
Basic earnings per share attributable to Greif, Inc.:			
Class A Common Stock	$ 2.17	$ 3.05	$ 3.48
Class B Common Stock	$ 3.24	$ 4.56	$ 5.21
Diluted earnings per share attributed to Greif, Inc.:			
Class A Common Stock	$ 2.17	$ 3.04	$ 3.46
Class B Common Stock	$ 3.24	$ 4.56	$ 5.21

Refer to the accompanying Notes to Consolidated Financial Statements.

Table of Contents

GREIF, INC. AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEETS

(Dollars in millions)

As of October 31,	2012	2011
ASSETS		
Current assets		
Cash and cash equivalents	$ 91.7	$ 127.4
Trade accounts receivable, less allowance of $17.1 in 2012 and $13.8 in 2011	453.9	561.4
Inventories	374.3	429.0
Deferred tax assets	18.9	23.7
Net assets held for sale	5.5	9.4
Current portion related party notes and advances receivable	2.5	1.7
Prepaid expenses and other current assets	117.2	132.5
	1,064.0	1,285.1
Long-term assets		
Goodwill	976.1	1,002.6
Other intangible assets, net of amortization	198.6	228.8
Deferred tax assets	13.6	75.0
Related party notes receivable	15.7	18.3
Assets held by special purpose entities	50.9	50.9
Other long-term assets	118.3	93.4
	1,373.2	1,469.0
Properties, plants and equipment		
Timber properties, net of depletion	217.8	216.0
Land	137.7	123.1
Buildings	460.0	480.4
Machinery and equipment	1,472.6	1,388.4
Capital projects in progress	149.3	140.0
	2,437.4	2,347.9
Accumulated depreciation	(1,017.7)	(913.2)
	1,419.7	1,434.7
Total assets	$ 3,856.9	$ 4,188.8

Refer to the accompanying Notes to Consolidated Financial Statements.

Table of Contents

GREIF, INC. AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEETS

(Dollars in millions)

As of October 31,	2012	2011
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities		
Accounts payable	$ 466.1	$ 493.3
Accrued payroll and employee benefits	96.1	99.8
Restructuring reserves	8.0	19.6
Current portion of long-term debt	25.0	12.5
Short-term borrowings	77.1	137.3
Deferred tax liabilities	8.1	5.1
Other current liabilities	181.6	164.4
	862.0	932.0
Long-term liabilities		
Long-term debt	1,175.3	1,371.4
Deferred tax liabilities	197.0	196.6
Pension liabilities	123.4	76.1
Postretirement benefit obligations	19.3	20.9
Liabilities held by special purpose entities	43.3	43.3
Other long-term liabilities	116.2	206.4
	1,674.5	1,914.7
Shareholders equity		
Common stock, without par value	123.8	113.8
Treasury stock, at cost	(131.4)	(132.0)
Retained earnings	1,404.4	1,376.0
Accumulated other comprehensive loss:		
- foreign currency translation	(69.1)	(41.9)
- interest rate and other derivatives	(0.9)	(0.1)
- minimum pension liabilities	(126.0)	(101.6)
Total Greif, Inc. shareholders equity	1,200.8	1,214.2
Noncontrolling interests	119.6	127.9
Total shareholders equity	1,320.4	1,342.1
Total liabilities and shareholders equity	$ 3,856.9	$ 4,188.8

Refer to the accompanying Notes to Consolidated Financial Statements.

Table of Contents

GREIF, INC. AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in millions)

For the years ended October 31,	2012	2011	2010
Cash flows from operating activities:			
Net income	$ 131.6	$ 180.4	$ 208.5
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	154.7	144.2	116.0
Asset impairments	12.9	9.0	2.9
Unrealized foreign exchange gain	(0.1)		