

GREIF INC

FORM 8-K (Unscheduled Material Events)

Filed 1/30/2001 For Period Ending 1/30/2001

Address	425 WINTER ROAD DELAWARE, Ohio 43015
Telephone	740-549-6000
CIK	0000043920
Industry	Containers & Packaging
Sector	Basic Materials
Fiscal Year	10/31

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) January 30, 2001
(January 26, 2001)

GREIF BROS. CORPORATION

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	1-566 (Commission File Number)	31-4388903 (I.R.S. Employer Identification No.)
---	--------------------------------------	---

425 Winter Road, Delaware, Ohio (Address of principal executive offices)	43015 (Zip Code)
---	---------------------

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

Not Applicable
(Former name or former address, if changed since last report)

Page 1 of 9 Pages
Index to Exhibits at Page 4

Item 5. Other Events

Industrial Shipping Containers Acquisition

On October 27, 2000, as amended, the Company signed a definitive agreement to purchase the Industrial Packaging Division of Royal Packaging Industries Van Leer N.V., a Netherlands limited liability company, ("Van Leer Industrial") from Huhtamaki Van Leer Oyj, a Finish corporation, ("Huhtamaki") for \$555 million less the amount of Van Leer Industrial's debt and certain other obligations as of the closing date. Van Leer Industrial is a leading worldwide provider of industrial packaging and components, including steel, fibre and plastic drums, polycarbonate water bottles, as well as intermediate bulk containers and closure systems with operations in over 40 countries. Van Leer Industrial reported EUR 921 million in net sales for its fiscal year ended December 31, 1999.

The transaction will be accounted for as a purchase and is expected to be completed during the first quarter of calendar 2001 subject to regulatory and other approvals. The Company expects to finance the purchase through additional long-term borrowings.

The amendment to this transaction is more fully described in a press release issued by the Company dated January 26, 2001, which is included herewith as Exhibit 99.1.

Sale and Purchase of Timber Properties

On December 21, 2000, Soterra LLC, a wholly-owned subsidiary of the Company, sold certain hardwood timberlands to a third party situated in Arkansas, Mississippi and Louisiana for approximately \$44 million. As such, the Company recognized a gain of approximately \$43 million related to this transaction. In addition, an agreement to sell other hardwood timberlands for approximately \$30 million in March 2001 was signed in December 2000. A total of approximately 65,000 acres of timber properties were sold or will be sold as a result of these transactions.

On December 21, 2000, Soterra LLC, a wholly-owned subsidiary of the Company, purchased certain softwood timberlands from a third party situated in Louisiana for approximately \$43 million. In a related agreement signed in December 2000, the Company agreed to purchase other softwood timberlands for approximately \$43 million in March 2001. A total of approximately 63,000 acres of timber properties were purchased

or will be purchased as a result of these transactions.

Page 2 of 9 Pages

The gains on the sales transactions, as described above, will be recognized under accounting principles generally accepted in the United States. For tax purposes, the transactions will be treated as like-kind exchanges pursuant to Section 1031 of the Internal Revenue Code, and will result in a deferral of the tax gain on the sale transactions.

The transactions are more fully described in a press release issued by the Company dated January 26, 2001, which is included herewith as Exhibit 99.2.

Item 7. Financial Statements and Exhibits

(c) Exhibits:

Exhibit	Number	Description
99.1		Press Release dated January 26, 2001 issued by the Company.
99.2		Press Release dated January 26, 2001 issued by the Company.

SIGNATURES

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

DATE: January 30, 2001

Greif Bros. Corporation

BY /s/ Kenneth E. Kutcher
Kenneth E. Kutcher, Chief
Financial Officer and
Secretary

Page 3 of 9 Pages

INDEX TO EXHIBITS

Exhibit Number	Description	Pages
99.1	Press Release dated January 26, 2001 issued by the Company.	5 - 6
99.2	Press Release dated January 26, 2001 issued by the Company.	7 - 9

**PRESS RELEASE DATED JANUARY 26, 2001
ISSUED BY THE COMPANY**

FOR IMMEDIATE RELEASE

**GREIF BROS. CORPORATION ANNOUNCES
REVISED PURCHASE PRICE FOR VAN LEER INDUSTRIAL**

DELAWARE, Ohio (January 26, 2001) Greif Bros. Corporation (NASDAQ: GBCOA/GBCOB), the leading U.S. manufacturer of industrial shipping containers, today announced the purchase price for the Van Leer industrial packaging division ("Van Leer Industrial") of Huhtamaki Van Leer Oyj of Espoo, Finland (HEX: HVL1V and AEX: HVL) will be US \$555 million, which includes the assumption of debt and other obligations.

On October 30, 2000, the Company announced the purchase price was expected to be US \$620 million, which also included the assumption of debt and other obligations as of the closing date. The reduction in the final purchase price was made as a result of additional due diligence performed after the transaction announcement.

As previously reported, the Company anticipates this transaction will close during the first quarter of calendar 2001.

Van Leer Industrial, headquartered in Amsterdam, The Netherlands, is a leading worldwide provider of industrial packaging and components, including steel, fibre and plastic drums, intermediate bulk containers and closure systems. This acquisition is expected to effectively double the size of Greif and establishes a strong competitive position for the Company in key global markets.

About Greif Bros. Corporation

Greif, which is headquartered in Delaware, Ohio, has been a packaging Company since its inception in 1877. Greif provides industrial container and packaging solutions and services, primarily to North American-based industries. The Company manufactures a broad variety of industrial shipping containers (which include fibre drums, plastic drums, steel drums, and intermediate bulk containers) and containerboard and corrugated products (which include semichemical and recycled medium, recycled linerboard, corrugated boxes, corrugated honeycomb products, and multiwall packaging) as well as manages timber

Page 5 of 9 Pages

properties. Greif has over 5,000 employees in the U.S., Canada, and Mexico. Additional corporate information is on the Company's web site at www.greif.com.

Some of the information in this press release contains "forward- looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The words "believe," "expect," "anticipate," "project," and similar expressions, among others, identify forward-looking statements. Forward-looking statements speak only as of the date the statement was made. Such forward- looking statements are subject to certain risks and uncertainties that could cause the Company's actual results to differ materially from those projected, including the statements that the Company anticipates this transaction will close during the first quarter of calendar 2001 (paragraph three), and the acquisition is expected to effectively double the size of Greif and establishes a strong competitive position for the Company in key global markets (paragraph four). Risks and uncertainties that might cause a difference include, but are not limited to, changes in general business and economic conditions, risks of doing business in foreign countries, litigation or claims against the Company pertaining to this transaction, risks associated with the Company's acquisition strategy, and the Company's ability to integrate its newly acquired operations effectively with its existing businesses. These and other risks and uncertainties that could materially affect the financial results of the Company are further discussed in the Company's Annual Report on Form 10-K for the year ended October 31, 1999. All forward-looking statements made in this announcement are based on information presently available to the management of the Company. The Company assumes no obligation to update any forward-looking statement.

Media Inquiries

Anita Bose
Robinson Lerer & Montgomery
212-484-7699

Shareholder/Analyst/Investor Inquiries

Bob Lentz
Robert A. Lentz & Associates
614-876-2000

**PRESS RELEASE DATED JANUARY 26, 2001
ISSUED BY THE COMPANY**

FOR IMMEDIATE RELEASE

**GREIF BROS. CORPORATON PURCHASES PINE TIMBER PROPERTIES
TO FURTHER OPTIMIZE ANNUAL YIELDS**

DELAWARE, Ohio (January 26, 2001) Greif Bros. Corporation (NASDAQ: GBCOA/GBCOB), a leading U.S. industrial packaging company with a core timber business, today announced a major transaction that is expected to enhance future yields from the Company's timber properties.

The Company has agreed to purchase approximately 63,000 acres of pine timber in Louisiana for \$85.9 million. The closing will take place in two installments, which includes \$42.8 million paid in December 2000 and an additional \$43.1 million that is expected to be paid in March 2001. A portion of the property will be transferred at each closing.

"Our business strategy focuses on valuable pine timber and having a continuous supply available to meet the demands of each harvest year," stated Charles R. Chandler, president of Greif's timber business. "These acquired lands contain various stages of pine tree growth that augment our current portfolio and will help us achieve our long-term yield objective of \$30 million to \$40 million of annual timber sales. This is in addition to intensive efforts to regenerate our forests for an ongoing supply of timber."

The Company has also agreed to sell approximately 65,000 acres of hardwood timber in Arkansas, Mississippi and Louisiana for \$74.4 million. In December 2000, \$44.4 million of these properties were sold and a portion of the acreage was transferred. The sale of the remaining \$30.0 million of timber properties is expected to close in March 2001.

Page 7 of 9 Pages

The Company's first quarter 2001 financial results will include a \$43.0 million pre-tax gain from the \$44.4 million portion of the sale that closed in December 2000. This is anticipated to represent net earnings of approximately \$0.95 per Class A share and \$1.41 per Class B share for the three months ended January 31, 2001. An additional pre-tax gain of approximately \$27 million is expected to be included in the Company's second quarter 2001 results related to the \$30.0 million portion of the sale.

Following completion of these transactions, the Company will own approximately 279,000 acres of timber properties in the southeastern United States.

About Greif Bros. Corporation

Greif, which is headquartered in Delaware, Ohio, has been a packaging company since its inception in 1877. Greif provides industrial container and packaging solutions and services, primarily to North American-based industries. The Company manufactures a broad variety of industrial shipping containers (which include fibre drums, plastic drums, steel drums, and intermediate bulk containers) and containerboard and corrugated products (which include semichemical and recycled medium, recycled linerboard, corrugated boxes, corrugated honeycomb products, and multiwall packaging) as well as manages timber properties. Greif has approximately 5,000 employees in the U.S., Canada, and Mexico. Additional corporate information is on the Company's web site at www.greif.com.

Some of the information in this press release contains "forward- looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The words "believe," "expect," "anticipate," "project," and similar expressions, among others, identify forward-looking statements. Forward-looking statements speak only as of the date the statement was made. Such forward- looking statements are subject to certain risks and uncertainties that could cause the Company's actual results to differ materially from those projected, including the statements that the purchase transaction is expected to enhance future yields from the Company's timber properties (paragraph one), the final closing for each transaction is expected to take place in March 2001 (paragraph two and paragraph four), the gain on the sale is anticipated to represent net earnings of approximately \$0.95 per Class A share and \$1.41 per Class B share for the three months ended January 31, 2001 (paragraph five), and the pre-tax gain of approximately \$27 million is expected to be included in the Company's second quarter 2001 results (paragraph five). Risks and uncertainties that might cause a difference include, but are not limited to, changes in general business and economic conditions and litigation or claims against the Company pertaining to these transactions. These and other risks and uncertainties that could materially affect the financial results of the Company are further discussed in the Company's Annual Report on Form 10-K for the year ended October 31, 1999. All forward-looking statements made in this announcement are based on information presently available to the management of the Company. The Company assumes no obligation to update any forward-looking statement.

Page 8 of 9 Pages

Media Inquiries:

Anita Bose
Robinson Lerer & Montgomery
212-484-7699

Shareholder/Analyst/Investor Inquiries:
Bob Lentz
Robert A. Lentz & Associates
614-876-2000

Page 9 of 9 Pages

End of Filing

Powered By  EDGAR[®]
Online

© 2005 | EDGAR Online, Inc.