UNITED STATES
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): December 14, 2009 (December 9, 2009)

GREIF, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-00566**	**31-4388903**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer 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**

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 — Financial Information

Item 2.02. Results of Operations and Financial Condition.

On December 9, 2009, Greif, Inc. (the "Company") issued a press release (the "Earnings Release") announcing the financial results for its fiscal year and fourth quarter ended October 31, 2009. The full text of the Earnings Release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The Earnings Release included the following non-GAAP financial measures (the "non-GAAP Measures"): (i) income before restructuring charges, restructuring-related inventory charges, debt extinguishment charges and timberland disposals, net on a consolidated basis; (ii) diluted earnings per Class A share and per Class B share before restructuring charges, restructuring-related inventory charges, debt extinguishment charges and timberland disposals, net on a consolidated basis; (iii) operating profit before restructuring charges, restructuring-related inventory charges and timberland disposals, net on a consolidated basis; (iv) operating profit before restructuring charges with respect to the Company's Paper Packaging segment; (v) operating profit before restructuring charges and restructuring-related inventory charges with respect to the Company's Industrial Packaging segment and (vi) operating profit before restructuring charges and timberland disposals, net with respect to the Company's Land Management (formerly Timber) segment. Net income before restructuring charges, restructuring-related inventory charges, debt extinguishment charges and timberland disposals, net on a consolidated basis is equal to GAAP net income plus restructuring charges, restructuring-related inventory charges and debt extinguishment charges less timberland disposals, net, each item net of tax, on a consolidated basis. Diluted earnings per Class A share and per Class B share before restructuring charges, restructuring-related inventory charges, debt extinguishment charges and timberland disposals, net on a consolidated basis is equal to GAAP diluted earnings per Class A share and per Class B share plus restructuring charges, restructuring-related inventory charges and debt extinguishment charges less timberland disposals, net, each item net of tax, on a consolidated basis. Operating profit before restructuring charges, restructuring-related inventory charges and timberland disposals, net on a consolidated basis is equal to GAAP operating profit plus restructuring charges and restructuring-related inventory charges less timberland disposals, net on a consolidated basis. Operating profit before restructuring charges with respect to the Company's Paper Packaging segment is equal to that segment's GAAP operating profit plus that segment's restructuring charges. Operating profit before restructuring charges and restructuring-related inventory charges with respect to the Company's Industrial Packaging segment is equal to that segment's GAAP operating profit plus that segment's restructuring charges and restructuring-related inventory charges. Operating profit before restructuring charges and timberland disposals, net with respect to the Company's Land Management segment is equal to that segment's GAAP operating profit plus that segment's restructuring charges less timberland disposals, net.

The Company discloses the non-GAAP Measures described in Items (i) through (vi), above, because management believes that these non-GAAP Measures are a better indication of the Company's operational performance than GAAP net income, diluted earnings per Class A share and per Class B share and operating profit since they exclude restructuring charges, restructuring-related inventory charges and debt extinguishment charges, which are not representative of ongoing operations, and timberland disposals, net, which are volatile from period to period. These non-GAAP Measures provide a more stable platform on which to compare the historical performance of the Company.

The full text of the Earnings Release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

Section 7 — Regulation FD

Item 7.01. Regulation FD Disclosure.

On December 10, 2009, management of the Company conducted a conference call with interested investors and financial analysts to review the Company's financial results for its fiscal year and fourth quarter ended October 31, 2009. The file transcript is attached as Exhibit 99.2 to this Current Report on Form 8-K.

Section 9 — Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press release issued by Greif, Inc. on December 9, 2009 announcing the financial results for its fiscal year and fourth quarter ended October 31, 2009.
99.2	File transcript of conference call by Greif, Inc. on December 10, 2009.

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.

GREIF, INC.

Date: December 14, 2009

By: /s/ Donald S. Huml
Donald S. Huml,
Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release issued by Greif, Inc. on December 9, 2009, announcing the financial results for its fiscal year and fourth quarter ended October 31, 2009.
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EXHIBIT 99.1

Greif, Inc. Reports Fiscal and Fourth Quarter 2009 Results

- Net sales were $2.8 billion in fiscal 2009 compared to $3.8 billion in fiscal 2008. Net sales were $761 million in the fourth quarter of 2009, down from $982 million in the fourth quarter of 2008 and up sequentially from $718 million in the third quarter of 2009.
- Net income before special items, as defined below, was $194 million ($3.32 per diluted Class A share) in fiscal 2009 compared to $267 million ($4.54 per diluted Class A share) in fiscal 2008. GAAP net income was $132 million ($2.28 per diluted Class A share) and $234 million ($3.99 per diluted Class A share) in fiscal 2009 and 2008, respectively.
- Net income before special items was $90 million ($1.53 per diluted Class A share) in the fourth quarter of 2009 compared to $75 million ($1.27 per diluted Class A share) in the fourth quarter of 2008. GAAP net income was $79 million ($1.35 per diluted Class A share) and $60 million ($1.03 per diluted Class A share) in the fourth quarter of 2009 and 2008, respectively.

DELAWARE, Ohio (Dec. 9, 2009) – Greif, Inc. (NYSE: GEF, GEF.B), a global leader in industrial packaging products and services, today announced results for its fiscal year and fiscal fourth quarter ended Oct. 31, 2009.

Michael J. Gasser, chairman and chief executive officer, said, “During 2009, we rapidly and decisively adapted to difficult global market conditions and volatile raw material prices, achieved over $150 million in contingency savings, and completed several tuck-in acquisitions. We expect to realize further benefits in 2010 from actions taken during 2009.”

Gasser added, “We are encouraged by our operating results for the fourth quarter of 2009, which were above the same period last year and significantly higher sequentially. Volumes continued to gradually improve and further cost-savings were realized. We completed two acquisitions during the quarter, bringing the total to six for the year, and we continue to pursue our pipeline of consolidation and product line extension opportunities in 2010.”

Special Items and GAAP to Non-GAAP Reconciliations

Special items are as follows: (i) for fiscal 2009, restructuring charges of $67 million ($52 million net of tax), restructuring-related inventory charges of $11 million ($9 million net of tax) and debt extinguishment charges of $0.8 million ($0.6 million net of tax); (ii) for fiscal 2008, restructuring charges of $43 million ($33 million net of tax) and gain on timberland disposals, net of $0.4 million ($0.3 million net of tax); (iii) for the fourth quarter of 2009, restructuring charges of $9 million ($10 million net of tax) and restructuring-related inventory charges of $0.7 million ($1.0 million net of tax); and (iv) for the fourth quarter of 2008, restructuring charges of $19 million ($14 million net of tax). Reconciliations of the differences between all non-GAAP financial measures used in this release with the most directly comparable GAAP financial measures are included in the financial schedules that are a part of this release.

Consolidated Results

Fiscal 2009

Net sales decreased 26 percent for fiscal 2009 compared to fiscal 2008 due to lower sales volumes (16 percent), foreign currency translation (6 percent) and lower selling prices (4 percent). The 20 percent constant-currency decrease was primarily due to lower sales volumes resulting from the sharp decline in the global economy and lower selling prices primarily resulting from the pass-through of lower raw material costs. The net sales decrease of $1.0 billion to $2.8 billion in fiscal 2009 from $3.8 billion in fiscal 2008 was due to lower net sales in the Industrial Packaging ($0.8 billion) and Paper Packaging ($0.2 billion) segments.

Operating profit before special items was $313 million for fiscal 2009 compared to $413 million for fiscal 2008. The lower operating profit before special items for the Industrial Packaging ($83 million) and Paper Packaging ($19 million) segments, as compared to fiscal 2008, was due to lower net sales and lower net gains on asset disposals, significantly offset by cost reductions achieved under the previously announced accelerated Greif Business System (GBS) initiatives and specific contingency actions. The Land Management (formerly Timber) segment's operating profit before special items improved by $2 million. The Company's GAAP operating profit was $235 million and $370 million in fiscal 2009 and 2008, respectively.

Net income before special items was $194 million for fiscal 2009 compared to $267 million for fiscal 2008. Diluted earnings per share before special items were $3.32 compared to $4.54 per Class A share and $5.00 compared to $6.89 per Class B share for fiscal 2009 and 2008, respectively. The Company had GAAP net income of $132 million, or $2.28 per diluted Class A share and $3.42 per diluted Class B share, in fiscal 2009 compared to GAAP net income of $234 million, or $3.99 per diluted Class A share and $6.04 per diluted Class B share, in fiscal 2008.

Fourth Quarter of 2009

Net sales decreased 23 percent for the fourth quarter of 2009 as compared to the fourth quarter of 2008 due to lower selling prices (12 percent), lower sales volumes (10 percent) and foreign currency translation (1 percent). Net sales were $761 million in the fourth quarter of 2009 compared to $982 million in the fourth quarter of 2008. The $221 million decrease was attributable to lower net sales in Industrial Packaging ($177 million) and Paper Packaging ($51 million), partially offset by higher net sales in Land Management ($7 million). Net sales volumes were up 6 percent sequentially in the fourth quarter 2009 as compared to the third quarter of 2009.

Operating profit before special items increased 13 percent to $127 million in the fourth quarter of 2009 compared to $112 million in the fourth quarter of 2008. The $15 million increase was attributable to higher operating profit before special items in Industrial Packaging ($19.4 million) and Land Management ($10.3 million), partially offset by lower operating profit before special items in Paper Packaging ($14.7 million). GAAP operating profit was $118 million and $93 million in the fourth quarter of 2009 and 2008, respectively.

Net income before special items increased 20 percent to $90 million in the fourth quarter of 2009 compared to $75 million in the fourth quarter of 2008. Diluted earnings per share before special items were $1.53 compared to $1.27 per Class A share and $2.32 compared to $1.93 per Class B share for the fourth quarter of 2009 and 2008, respectively. The Company had GAAP net income of $79 million, or $1.35 per diluted Class A share and $2.05 per diluted Class B share, in the fourth quarter of 2009 compared to GAAP net income of $60 million, or $1.03 per diluted Class A share and $1.56 per diluted Class B share, in the fourth quarter of 2008.

Business Group Results

Industrial Packaging net sales decreased 26 percent to $2.3 billion in fiscal 2009 from $3.1 billion in fiscal 2008 due to lower sales volumes (16 percent), foreign currency translation (7 percent) and lower selling prices (3 percent). Operating profit before special items was $232 million in fiscal 2009 compared to $315 million in fiscal 2008. The $83 million decrease was primarily due to lower net sales and lower net gains on asset disposals. These reductions were partially offset by lower raw material costs and related last-in, first-out (LIFO) benefits. In addition, labor, transportation and energy costs were lower in fiscal 2009 as compared to fiscal 2008. The gross profit margin for this segment was 18.8 percent in fiscal 2009 and 18.6 percent in fiscal 2008. The Industrial Packaging segment's cost of products sold and selling, general and administrative expenses continue to benefit from GBS and specific contingency initiatives. GAAP operating profit was $155 million and $281 million in fiscal 2009 and 2008, respectively.

For the fourth quarter of 2009, the Industrial Packaging segment net sales decreased 21 percent to $616 million from $793 million in the fourth quarter of 2008. This decrease was due to lower selling prices (11 percent), lower sales volumes (8 percent) and foreign currency translation (2 percent). Operating profit before special items was $99 million in the fourth quarter of 2009 compared to $80 million in the fourth quarter of 2008. The $19 million increase was primarily due to lower raw material costs and related LIFO benefits and higher net gains on asset disposals. GAAP operating profit was $88 million and $67 million in the fourth quarter of 2009 and 2008, respectively.

Paper Packaging net sales decreased 28 percent to $505 million in fiscal 2009 from $697 million in fiscal 2008. This $192 million decrease was primarily due to lower sales volumes (20 percent) and lower selling prices (8 percent) in fiscal 2009 as compared to fiscal 2008. Operating profit before special items was $59 million in fiscal 2009 compared to $78 million in fiscal 2008. The $19 million decrease was due to lower net sales, partially offset by lower raw material costs, especially for old corrugated containers, and related LIFO benefits. In addition, labor, transportation and energy costs were lower in fiscal 2009 as compared to fiscal 2008. The gross profit margin for this segment was 19.5 percent in fiscal 2009 and 17.1 percent in fiscal 2008. The Paper Packaging segment's cost of products sold and selling, general and administrative expenses continue to benefit from GBS and specific contingency initiatives. GAAP operating profit was $58 million and $68 million in fiscal 2009 and 2008, respectively.

For the fourth quarter of 2009, the Paper Packaging segment net sales decreased 27 percent to $136 million from $187 million in the fourth quarter of 2008. This decrease was due to lower sales volumes (16 percent) and lower selling prices (11 percent). Operating profit before special items was $15 million in the fourth quarter of 2009 compared to $30 million in the fourth quarter of 2008, primarily due to the lower net sales. GAAP operating profit was $18 million and $24 million in the fourth quarter of 2009 and 2008, respectively.

Net sales for the Land Management segment were $21 million and $19 million in fiscal 2009 and 2008, respectively. Operating profit before special items was $22 million in fiscal 2009 compared to $21 million in fiscal 2008. Included in these amounts were operating profits from the sale of special use properties (e.g., surplus, higher and better use, and development properties) of $15 million in fiscal 2009 and $17 million in fiscal 2008. GAAP operating profit was $22 million and $21 million in fiscal 2009 and 2008, respectively.

For the fourth quarter of 2009, net sales for the Land Management segment increased to $8.4 million from $1.9 million in the fourth quarter of 2008. Operating profit before special items was $12.3 million in the fourth quarter of 2009 compared to $2.0 million in the fourth quarter of 2008. GAAP operating profit was $12.3 million and $2.0 million in the fourth quarter of 2009 and 2008, respectively.

Financing Arrangements

Senior Secured Credit Facilities

In the second quarter of 2009, the Company closed on its $700 million senior secured credit facilities. The new facilities replaced an existing $450 million revolving credit facility that was scheduled to mature in March 2010. The new credit agreement provides for a $500 million revolving credit facility and a $200 million term loan, which both mature in February 2012.

Senior Notes

In the third quarter of 2009, the Company issued $250 million aggregate principal amount of its 7 $^3/_4$ percent Senior Notes due 2019. The net proceeds from the issuance of these Senior Notes are available for general corporate purposes, including the repayment of amounts outstanding under its revolving credit facility, without any permanent reduction to the commitments.

Other Financial Information

During fiscal 2009, the Company completed six acquisitions, including five Industrial Packaging companies and one Paper Packaging company, for a total purchase price of $91 million. During fiscal 2008, there were five acquisitions with a total purchase price of $90 million. In addition, there were net gains from asset disposals of $34 million and $60 million in fiscal 2009 and 2008, respectively.

Capital expenditures were $125 million, excluding timberland purchases of $1 million, for fiscal 2009 compared with capital expenditures of $143 million, excluding timberland purchases of $3 million, for fiscal 2008. Depreciation, depletion and amortization expense was $103 million and $106 million for fiscal 2009 and 2008, respectively.

On Dec. 8, 2009, the Board of Directors declared quarterly cash dividends of $0.38 per share of Class A Common Stock and $0.56 per share of Class B Common Stock. These dividends are payable on Jan. 1, 2010 to stockholders of record at close of business on Dec. 21, 2009.

Greif Business System (GBS) and Accelerated Initiatives

In December 2008, the Company announced specific plans to address the adverse impact to its businesses resulting from the sharp decline of the global economy, which began in the Company's fourth quarter of 2008. Management aggressively implemented plans that included the following initiatives:

- Incremental GBS initiatives, including operational and commercial improvements and global sourcing initiatives, produced savings of approximately $50 million during fiscal 2009.

- Accelerated GBS and contingency initiatives, including active portfolio management, administrative staffing reductions and curtailed discretionary spending, captured more than $150 million in annual savings in fiscal 2009. The permanent benefits ($120 million) from these initiatives are expected to be fully realized in fiscal 2010.

As a result of these initiatives, the Company recorded restructuring charges of $67 million during fiscal 2009. The restructuring and other cost reduction activities included the closure of 19 facilities and the elimination of more than 2,100 operating and administrative positions in fiscal 2009.

Company Outlook

For fiscal 2010, the Company's management is cautiously optimistic due to its expectation of continued gradual improvement in sales volumes and the full realization of fiscal 2009 permanent cost reductions. As such, the Company expects that Class A earnings per share, before special items, will be in the range of $4.00 to $4.25 per share for fiscal 2010.

Conference Call

The Company will host a conference call to discuss fiscal 2009 results on Dec. 10, 2009, at 10 a.m. Eastern Time (ET). To participate, domestic callers should call 877-485-3107 and ask for the Greif conference call. The number for international callers is +1 201-689-8427. Phone lines will open at 9:50 a.m. ET. The conference call will also be available through a live webcast, including slides, which can be accessed at www.greif.com. A replay of the conference call will be available on the Company's website in the investor center approximately one hour following the call.

About Greif

Greif is a world leader in industrial packaging products and services. The Company produces steel, plastic, fibre, corrugated and multiwall containers, packaging accessories and containerboard, and provides blending and packaging services for a wide range of industries. Greif also manages timber properties in North America. The Company is strategically positioned in more than 45 countries to serve global as well as regional customers. Additional information is on the Company's website at www.greif.com.

Forward-Looking Statements

All statements other than statements of historical facts included in this news release, including, without limitation, statements regarding the Company's 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 the Private Securities Litigation Reform Act of 1995. 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 track" or "target" or the negative thereof or variations thereon or similar terminology. All forward-looking statements made in this news release are based on information currently available to management. Although the Company believes that the expectations reflected in forward-looking statements have a reasonable basis, the Company 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. Such risks and uncertainties that might cause a difference include, but are not limited to: general economic and business conditions, including a prolonged or substantial economic downturn; the availability of the credit markets to our customers and suppliers, as well as the Company; changing trends and demands in the industries in which the Company competes, including industry over-capacity; industry competition; the continuing consolidation of the Company's customer base for its industrial packaging, containerboard and corrugated products; political instability in those foreign countries where the Company manufactures and sells its products; foreign currency fluctuations and devaluations; availability and costs of raw materials for the manufacture of the Company's products, particularly steel, resin and old corrugated containers; price fluctuations in energy costs; costs associated with litigation or claims against the Company pertaining to environmental, safety and health, product liability and other matters; work stoppages and other labor relations matters; property loss resulting from wars, acts of terrorism or natural disasters; the Company's ability to integrate its newly acquired operations effectively with its existing business; the Company's ability to achieve improved operating efficiencies and capabilities; the Company's ability to effectively embed and realize improvements from the Greif Business System; the frequency and volume of sales of the Company's timber, timberland and special use timberland; and the deviation of actual results from the estimates and/or assumptions used by the Company in the application of its significant accounting policies. These and other risks and uncertainties that could materially affect the Company's consolidated financial results are further discussed in its filings with the Securities and Exchange Commission, including its Form 10-K for the year ended Oct. 31, 2008. The Company assumes no obligation to update any forward-looking statements.

GREIF, INC. AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF INCOME
UNAUDITED
(Dollars and shares in millions, except per share amounts)

	Quarter ended October 31,		Year ended October 31,	
	2009	2008	2009	2008
Net sales	$ 760.5	$ 981.8	$ 2,792.2	$ 3,790.5
Cost of products sold	582.6	789.4	2,257.1	3,097.7
Gross profit	177.9	192.4	535.1	692.8
Selling, general and administrative expenses	76.1	87.1	267.6	339.2
Restructuring charges	8.8	18.8	66.6	43.2
Asset disposals, net	24.6	6.8	34.4	59.9
Operating profit	117.6	93.3	235.3	370.3
Interest expense, net	15.9	11.4	53.6	49.6
Debt extinguishment charges	—	—	0.8	—
Other income (expense), net	(3.1)	0.5	(7.2)	(8.8)
Income before income tax expense and equity earnings and minority interests	98.6	82.4	173.7	311.9
Income tax expense	18.1	20.2	37.7	73.6
Equity earnings and minority interests	(1.2)	(1.8)	(3.6)	(3.9)
Net income	$ 79.3	$ 60.4	$ 132.4	$ 234.4
Basic earnings per share:				
Class A Common Stock	$ 1.36	$ 1.04	$ 2.29	$ 4.04
Class B Common Stock	$ 2.05	$ 1.56	$ 3.42	$ 6.04
Diluted earnings per share:				
Class A Common Stock	$ 1.35	$ 1.03	$ 2.28	$ 3.99
Class B Common Stock	$ 2.05	$ 1.56	$ 3.42	$ 6.04
Earnings per share were calculated using the following number of shares:				
Basic earnings per share:				
Class A Common Stock	24.4	24.0	24.3	23.9
Class B Common Stock	22.5	22.6	22.5	22.8
Diluted earnings per share:				
Class A Common Stock	24.8	24.5	24.6	24.4
Class B Common Stock	22.5	22.6	22.5	22.8

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
CONSOLIDATED STATEMENTS OF INCOME
UNAUDITED
(Dollars in millions, except per share amounts)

	Quarter ended October 31, 2009			Quarter ended October 31, 2008		
		Diluted per share amounts			Diluted per share amounts	
		Class A	Class B		Class A	Class B
GAAP — operating profit	$ 117.6			$ 93.3		
Restructuring charges	8.8			18.8		
Restructuring-related inventory charges	0.7			—		
Timberland disposals, net	—			—		
Non-GAAP — operating profit before restructuring charges, restructuring-related inventory charges and timberland disposals, net	$ 127.1			$ 112.1		
GAAP — net income	$ 79.3	$ 1.35	$ 2.05	$ 60.4	$ 1.03	$ 1.56
Restructuring charges, net of tax	9.5	0.16	0.25	14.3	0.24	0.37
Restructuring-related inventory charges, net of tax	1.0	0.02	0.02	—	—	—
Timberland disposals, net of tax	—	—	—	—	—	—
Non-GAAP — net income before restructuring charges, restructuring-related inventory charges and timberland disposals, net	$ 89.8	$ 1.53	$ 2.32	$ 74.7	$ 1.27	$ 1.93

	Year ended October 31, 2009			Year ended October 31, 2008		
		Diluted per share amounts			Diluted per share amounts	
		Class A	Class B		Class A	Class B
GAAP — operating profit	$ 235.3			$ 370.3		
Restructuring charges	66.6			43.2		
Restructuring-related inventory charges	10.8			—		
Timberland disposals, net	—			(0.4)		
Non-GAAP — operating profit before restructuring charges, restructuring-related inventory charges and timberland disposals, net	$ 312.7			$ 413.1		
GAAP — net income	$ 132.4	$ 2.28	$ 3.42	$ 234.4	$ 3.99	$ 6.04
Restructuring charges, net of tax	52.1	0.89	1.34	33.0	0.55	0.86
Restructuring-related inventory charges, net of tax	8.5	0.14	0.22	—	—	—
Debt extinguishment charges, net of tax	0.6	0.01	0.02	—	—	—
Timberland disposals, net of tax	—	—	—	(0.3)	—	(0.01)
Non-GAAP — net income before restructuring charges, restructuring-related inventory charges, debt extinguishment charges and timberland disposals, net	$ 193.6	$ 3.32	$ 5.00	$ 267.1	$ 4.54	$ 6.89

GREIF, INC. AND SUBSIDIARY COMPANIES
SEGMENT DATA
UNAUDITED
(Dollars in millions)

	Quarter ended October 31,		Year ended October 31,	
	2009	2008	2009	2008
Net sales				
Industrial Packaging	$ 616.1	$ 792.8	$ 2,266.9	$ 3,074.8
Paper Packaging	136.0	187.1	504.7	696.9
Land Management	8.4	1.9	20.6	18.8
Total	$ 760.5	$ 981.8	$ 2,792.2	$ 3,790.5
Operating profit				
Operating profit before restructuring charges, restructuring-related inventory charges and timberland disposals, net:				
Industrial Packaging	$ 99.4	$ 80.0	$ 231.7	$ 315.0
Paper Packaging	15.4	30.1	58.7	77.5
Land Management	12.3	2.0	22.3	20.6
Operating profit before restructuring charges, restructuring-related inventory charges and timberland disposals, net	127.1	112.1	312.7	413.1
Restructuring charges:				
Industrial Packaging	11.0	13.0	65.7	34.0
Paper Packaging	(2.2)	5.8	0.7	9.1
Land Management	—	—	0.2	0.1
Restructuring charges	8.8	18.8	66.6	43.2
Restructuring-related inventory charges:				
Industrial Packaging	0.7	—	10.8	—
Timberland disposals, net:				
Land Management	—	—	—	0.4
Total	$ 117.6	$ 93.3	$ 235.3	$ 370.3
Depreciation, depletion and amortization expense				
Industrial Packaging	$ 20.2	$ 19.3	$ 73.2	$ 73.8
Paper Packaging	6.7	8.0	26.3	28.2
Land Management	1.2	0.1	3.1	4.4
Total	$ 28.1	$ 27.4	$ 102.6	$ 106.4

GREIF, INC. AND SUBSIDIARY COMPANIES
GEOGRAPHIC DATA
UNAUDITED
(Dollars in millions)

	Quarter ended October 31, 2009	Quarter ended October 31, 2008	Year ended October 31, 2009	Year ended October 31, 2008
Net sales				
North America	$ 400.4	$ 534.9	$ 1,530.4	$ 2,001.3
Europe, Middle East and Africa	226.9	306.1	835.1	1,278.4
Other	133.2	140.8	426.7	510.8
Total	$ 760.5	$ 981.8	$ 2,792.2	$ 3,790.5
Operating profit				
Operating profit before restructuring charges, restructuring-related inventory charges and timberland disposals, net:				
North America	$ 65.9	$ 67.4	$ 199.3	$ 195.6
Europe, Middle East and Africa	46.3	31.5	95.2	133.9
Other	14.9	13.2	18.2	83.6
Operating profit before restructuring charges and timberland disposals, net	127.1	112.1	312.7	413.1
Restructuring charges	8.8	18.8	66.6	43.2
Restructuring-related inventory charges	0.7	—	10.8	—
Timberland disposals, net	—	—	—	0.4
Total	$ 117.6	$ 93.3	$ 235.3	$ 370.3

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
SEGMENT DATA
UNAUDITED
(Dollars in millions)

	Quarter ended October 31,		Year ended October 31,	
	2009	**2008**	**2009**	**2008**
Industrial Packaging				
GAAP — operating profit	$ 87.7	$ 67.0	$ 155.2	$ 281.0
Restructuring charges	11.0	13.0	65.7	34.0
Restructuring-related inventory charges	0.7	—	10.8	—
Non-GAAP — operating profit before restructuring charges and restructuring-related inventory charges	$ 99.4	$ 80.0	$ 231.7	$ 315.0
Paper Packaging				
GAAP — operating profit	$ 17.6	$ 24.3	$ 58.0	$ 68.4
Restructuring charges	(2.2)	5.8	0.7	9.1
Non-GAAP — operating profit before restructuring charges	$ 15.4	$ 30.1	$ 58.7	$ 77.5
Land Management				
GAAP — operating profit	$ 12.3	$ 2.0	$ 22.1	$ 20.9
Restructuring charges	—	—	0.2	0.1
Timberland disposals, net	—	—	—	(0.4)
Non-GAAP — operating profit before restructuring charges and timberland disposals, net	$ 12.3	$ 2.0	$ 22.3	$ 20.6

GREIF, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEETS
UNAUDITED
(Dollars in millions)

	October 31, 2009	October 31, 2008
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 111.9	$ 77.6
Trade accounts receivable	337.0	392.5
Inventories	227.4	304.0
Other current assets	157.4	148.5
	833.7	922.6
LONG-TERM ASSETS		
Goodwill	592.1	513.0
Intangible assets	131.4	104.4
Assets held by special purpose entities	50.9	50.9
Other long-term assets	112.1	88.6
	886.5	756.9
PROPERTIES, PLANTS AND EQUIPMENT	1,092.3	1,066.4
	$ 2,812.5	$ 2,745.9
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 335.8	$ 384.6
Short-term borrowings	19.6	44.3
Other current liabilities	189.2	242.9
	544.6	671.8
LONG-TERM LIABILITIES		
Long-term debt	738.6	673.2
Liabilities held by special purpose entities	43.2	43.3
Other long-term liabilities	386.5	298.1
	1,168.3	1,014.6
MINORITY INTEREST	7.0	3.7
SHAREHOLDERS' EQUITY	1,092.6	1,055.8
	$ 2,812.5	$ 2,745.9

Conference Call Transcript

GEF — Q4 2009 Greif Earnings Conference Call

Event Date/Time: Dec 10, 2009 / 010:00PM EST

CORPORATE PARTICIPANTS

Deb Stohmaier
Greif — VP Communications

Mike Gasser
Greif — Chairman & CEO

Don Huml
Greif — EVP & CFO

CONFERENCE CALL PARTICIPANTS

Chris Manuel
Keybanc Capital Market — Analyst

Jim Lucas
Janney Montgomery Scott — Analyst

Christopher Chun
Deutsche Banc — Analyst

Steven Chercover
D.A. Davidson & Co. — Analyst

Scott Blumenthal
Emerald Advisers, Inc. — Analyst

Gregory DiMarzio
Century Capital — Analyst

PRESENTATION

Operator

Greetings and welcome to the conference call. At this time all participants are in a listen only mode. A brief question and answer session will follow a formal presentation. (Operator Instructions). As a reminder this conference is being recorded. It is now my pleasure to introduce your host Deb Stohmaier of Greif Incorporated.

Deb Stohmaier — *Greif — VP Communications*

Good morning. As reminder you may follow this presentation on the web at Greif.com in the investor center under conference calls. If you don't have the earnings release it's also available on our website. We are on slide two.

The information provided during this morning's call contains forward looking statements. Actual results or outcomes may differ materially from those that may be expressed or implied. Some factors that could cause the results or outcomes to differ are on slide two of this presentation, in the Company's 2008 Form 10-K and in other Company SEC filings as well as Company earnings news releases.

As noted on slide three, this presentation uses certain non-GAAP financial measures including those that exclude special items such as restructuring charges and Timberland disposal. Management believes the non-GAAP measure provide better indication of operational performance and more stable platform on which to compare the historical performance of the Company than the most nearly equivalent GAAP data. All non-GAAP data in the presentation are indicated by foot notes. Tables showing the reconciliation between GAAP and non-GAAP measures are available at the end of this presentation and in the fourth quarter and fiscal year 2009 earnings release.

I will now turn the call over to Chairman and CEO, Mike Gasser.

Mike Gasser — *Greif — Chairman & CEO*

Thank you Deb. Good morning, everyone. Thank you for joining our conference call today. For those following this presentation on the web, we are on slide four. I'm very happy to report that our fiscal 2009 has ended. However, I believe our solid defensive measures mitigated much of the unprecedented challenges while at the same time our reinforced offense allowed us to take advantage of some unparalleled opportunities.

At the beginning of 2009 and throughout, I have said that our goal was to end this year better than when we started it. Today, I can confidently say we did that. As difficult as 2009 was, Greif is a better and stronger company for it. On defense, during fiscal 2009 we adapted to a difficult global market conditions and bowed to raw material prices. Through the Greif Business System initiatives and other contingency actions, we achieved over $150 million in cost saving, exceeding our target. From these actions, we expect to fully realize permanent benefits of $120 million in fiscal 2010.

To fortify our offense, we closed on new senior secured credit facilities and issued senior notes in 2009 improving our financial position meaningfully. Our strong cash flow and balance sheet give us a financial flexibility to pursue profitable growth. Speaking of growth, we completed six tuck-in acquisitions and continue to pursue our robust pipeline of consolidation and product line extension opportunities in 2010.

Looking at the fourth quarter, we were encouraged by our operating results which were above the same period last year and significantly higher sequentially. Volumes continue to gradually improve and further cost savings were realized. Slide five outlines some of our key sustainability efforts. Each of these actions is intended to benefit the greater good, while also yielding return on investment to our business.

Two years ago, we challenged all Greif locations to reduce their energy usage by 10% by January 2010. We achieved this goal. And we will soon announce our new mid-term energy and carbon reduction goals to be realized by the end of 2015 in our aspirational long term goals set for the end of 2020.

We changed name of our timber segment to land management which reflects the focus of this business now. Where before we had been primarily concerned about responsible timber management and harvesting, we have evolved to consciously take advantage of the full range of opportunities our forest lands present, including wildlife stewardship, recreation and development.

Taking advantage of a product line extension, Greif is piloting rain water management system in two cities, which we hope to eventually scale to other regions of the world. We are also partnering with various organizations to create complementary water purification processes for communities with a lack of access to safe water.

Executive Vice-President Chief Financial Officer, Don Huml will now provide you with an update of our financial results.

Don Huml — *Greif — EVP & CFO*

Thank you, Mike. Good morning, everyone. Please go to slide six. Our net sales for the year decreased 26% due to lower sales volumes of 16%, foreign currency translation of 6% and lower selling prices of 4%. The lower sales volumes resulted from a dramatic decline in the global economy. And lower selling prices were primarily due to the pass through of a lower raw material cost. Importantly following a sharp drop in sales volumes in the first quarter, we achieved sequential growth for the remainder of the year, and exited 2009 with positive volume comparisons.

Operating profits before special items was $313 million for 2009 compared to $413 million last year. The decrease was primarily due to lower net sales. The cost reductions achieved under Greif Business System initiatives and specific contingency actions significantly offset these reductions. As these savings are annualized, they will provide further contributions in 2010.

Interest expense was $54 million for 2009, compared to $50 million the prior year. We expect an incremental increase in borrowing costs during 2010 from the 2009 levels due to the 2009 financing activities and further implementation of our growth strategy, partially offset by expected strong operating cash flows.

The effective tax rate for 2009 was 21.7% versus 23.6% a year ago. Based on current expectations and earnings mix projections, a realistic range for 2010 is 20% to 25%. Diluted earnings per share before special items were $3.32 in 2009, compared to $4.54 per class A share last year.

Free cash flow is approximately $180 million for 2009 which improved sequentially throughout the year. At year end, we were comfortably within our targeted debt to capital range as we strengthened our balance sheet during the second half of the year.

On slide seven, industrial packaging net sales decreased 26% to $2.3 billion for the year, primarily due to lower sales volumes in lower selling prices this year compared to last year. Operating profit before special items was $232 million for the year. The $83 million decrease from last year was primarily due to lower net sales, which was partially offset by lower raw material costs as compared to the previous year. In addition, cost reduction actions significantly offset the segment's lower operating profit.

Now on slide eight, paper packaging net sales decreased 28% to $505 million on fiscal 2009. This was primarily due to lower sales volumes in selling prices. Operating profit before special items was $59 million for the year compared to $78 million last year due to lower net sales, partially offset by lower raw material costs especially for OCC. Recent announcements in the industry concerning a $50 to $70 per ton container board increase as early as next month, if realized would help resolve the price cost squeeze we are currently experiencing.

As shown on slide nine, our land management business formally known as Timber continues to perform as planned. The segment's operating profit before special items was $21 million for the year, an increase of $2 million over last year. This amount includes $15 million from the sale of special use properties compared to $17 million last year.

Now on slide ten. Capital expenditures were $125 million for 2009, compared with $143 million last year. We anticipate that our 2010 capital expenditures will be similar to 2009. For 2010, we were cautiously optimistic due to our expectation of continued improvement in sales volumes and the full realization of 2009 permanent cost reductions. Because of this, we expect the class A earning per share before special items will be in the range of $4 to $4.25 for 2010.

That concludes my remarks. You should now go to slide 11. Mike and I will be pleased to answer your questions.

QUESTION AND ANSWER

Operator

Thank you. (Operator Instructions). Our first question comes from Chris Manuel with Keybanc Capital Market. Please state your question.

Chris Manuel — *Keybanc Capital Market — Analyst*

Good morning, gentlemen.

Mike Gasser — *Greif — Chairman & CEO*

Good morning.

Chris Manuel — *Keybanc Capital Market — Analyst*

Couple questions. First let's start with if I can a couple of the special items through the quarter, the asset disposals you had. Can you differentiate for us what was within I think you have given some color within timber and then what was I'm assuming the balance in the industrial business. Can you differentiate between those and then, B, what was the component that was in the industrial business? Can we get some color there?

Don Huml — *Greif — EVP & CFO*

Yes, Chris. The asset disposition gains for the quarter were about $25 million. One-third of that would have been the gain on the sale of special use properties. And two-thirds of that represents the sale of facilities and you are likely to see that be a bit elevated as a result of all of the rationalization activities. And so we would anticipate for next year we would see some increase in asset disposition gains. So would really look to a range of $20 million to $30 million perhaps being closer to the upper end of that range for next year.

Chris Manuel — *Keybanc Capital Market — Analyst*

And then for the full year, the $34 or so million, was it at a similar split?

Don Huml — *Greif — EVP & CFO*

About — yes, that would be a similar split.

Chris Manuel — *Keybanc Capital Market — Analyst*

And so just so I understand this correctly, and my second question is going to move on to the bridge that you gave us for 2010 numbers, the $4 to $4.25, if we could walk through how we get from 2009 to 2010, some of the components. It sounds like you will have more in the way of asset disposition gains and if I heard you correctly that’s something in the $20 million to $30 million range.

Don Huml — *Greif — EVP & CFO*

Yes.

Chris Manuel — *Keybanc Capital Market — Analyst*

Total amount. So the incremental increase will be approximately what?

Don Huml — *Greif — EVP & CFO*

Well, why don’t we walk through the bridge in the various steps.

Chris Manuel — *Keybanc Capital Market — Analyst*

Yes.

Don Huml — *Greif — EVP & CFO*

So if we start with the operating profit of $313 million for 2009, the first step in the bridge would be the higher volumes. And basically the assumption is they will improve by about 9% at our — at the contribution margin that we have been experiencing. That would contribute about $75 million.

Chris Manuel — *Keybanc Capital Market — Analyst*

So you just said 9% of volume increase?

Don Huml — *Greif — EVP & CFO*

Yes. Now, Chris, as you know, in the first half of the year for 2009 our volumes were down 20%. We have exited the year basically the fourth quarter was down 9%. And so we are definitely going to — if you just assume a steady state and no further improvement, you're basically going to see about a 7.5% increase based on the volumes being down 20% during the first half of 2009. The third quarter was down 18% and then the fourth quarter down 9%. So again, you basically have assuming no change in the run rate about a 7.5% improvement. We are assuming a gradual recovery in the global economy and that that would contribute organic growth of about 2% to 3% above that.

Chris Manuel — *Keybanc Capital Market — Analyst*

So we are starting at $313 million, 9% volume growth.

Don Huml — *Greif — EVP & CFO*

That's right. The next step in the bridge would be a step down. We are taking a cautious approach with respect to paper packaging and the price cost squeeze. As you know, China is a large buyer of OCC. There is strong economic activity. There is some concern about a possible spike in recycled fiber. We think it's prudent to include a provision for that. So we are basically saying OCC could increase $30 to $40 per ton. So we have a step down of $15 million. We have the expectation of a carry over of cost savings basically the full year benefit of $60 million and we are assuming a return of the nonpermanent items of $30 million. So that would be a $30 million contribution.

Chris Manuel — *Keybanc Capital Market — Analyst*

Okay.

Don Huml — *Greif — EVP & CFO*

The pension expense will be increasing by about $10 million due to lower discount rate. And then we are assuming that acquisitions and we basically completed one subsequent to the end of the year that acquisitions would contribute $10 million.

Chris Manuel — *Keybanc Capital Market — Analyst*

Okay. That's helpful.

Don Huml — *Greif — EVP & CFO*

And then below the operating profit line, just annualizing the increase in financing cost related to the new note offering, that would be an increase in interest expense of about $15 million. That basically would get you to the guidance.

Chris Manuel — *Keybanc Capital Market — Analyst*

And that's helpful. Then the last question and I will turn it over. Mike, could you — Don started to do this. Maybe give us a sense of what the volume trajectory has looked like? I know looking at it the quarter can be misleading because you had August that you were lapping difficult and October you were starting to lap more easy. Maybe give us a sense what October or November looked like in the industrial business in the drum side?

Mike Gasser — *Greif — Chairman & CEO*

Yes, Chris. What we did last quarter and I will give you a bunch of numbers I think because I think it will put it in perspective how our volume has been gradually improving toward the tail end of this year. And then I will get to your specific question right at the end. But if you can bear with me here and I will compare the fourth quarter this year to the third quarter this year. Sequential change. And I will give it to you by region, Chris. So Europe was down between flat to 5% down. And that really is because of the seasonality of the business, the third quarter is always stronger than the fourth quarter in Europe. Asia was up 15% to 20%. North America was up 5% to 10%. And Latin America was flat.

If we compare fourth quarter to fourth quarter and we are comparing a strong fourth quarter last year to this fourth quarter. Europe was flat, Asia was up 25% to 30%, North America was down 5% to 10% so that was an improvement and Latin America was down 5% to 10%. If we look at just October to October, in total, the business was up 6% over last year. And if we look at November to November, just in total November this year to November of last year, we were up 9%. That shows you that gradually throughout the year volumes have started to improve in the industrial segment.

Chris Manuel — *Keybanc Capital Market — Analyst*

Okay. That's helpful. So the trajectory does — and supports your plus nine for the year as exit rate from November to November.

Mike Gasser — *Greif — Chairman & CEO*

We are actually hitting that right now.

Chris Manuel — *Keybanc Capital Market — Analyst*

Thanks. I will jump back in the queue.

Operator

Our next question comes from Jim Lucas with Janney Montgomery Scott. Please state your question.

Jim Lucas — *Janney Montgomery Scott — Analyst*

Thanks. Good morning.

Mike Gasser — *Greif — Chairman & CEO*

Good morning.

Jim Lucas — *Janney Montgomery Scott — Analyst*

Two questions here. Unrelated. First if we could — give us more color what you are seeing within the acquisition environment? You said you had one more close subsequent and believe that you are looking at the nine that you closed last year. You've talked about the pipeline in the past. Maybe give us an update what you are seeing out there not only in terms of maybe the types of properties as well as what you are seeing from a valuation standpoint. And secondly, at the beginning I thought it was somewhat curious mentioning the rain water management systems and purifications. Could you talk a little bit more about what exactly you are doing there and is this potentially a new growth market for you?

Mike Gasser — *Greif — Chairman & CEO*

Yes, Jim. I will start with your first question, the acquisitions. Give you an update and where we are at in the funnel and where we start where we left off last quarter. If you recall we mentioned that we had eleven deals in the pipeline at the end of the third quarter. During the fourth quarter we actually closed on two of those deals. And to put it in perspective the multiples were from 4.1 to 6.2 so that gives you the range of the deal close for those two deals. The purchase price combined purchase price between the two of them was less than $55 million so they weren't really large deals. And the sales were about 1.5 times. The sales about 1.5 times the purchase price. Those were the two deals that closed in the fourth quarter.

As we mentioned in our opening remarks we did close six deals total in 2009. But generally they were one plant small type acquisitions. Also during the fourth quarter, there were two deals in the pipeline that actually got canceled because they didn't meet our expectations from a profitability standpoint. But quite honestly they were quite small deals anyways. And there was one new deal added to the pipeline.

So right now as of the end of October, we have eight deals in the pipeline. And they are really split 50/50 between being consolidations and new product extension. But product line extension. So it's 50/50 between those two. The deal range, Jim, is between five and seven times EBITDA so that would be the multiple range to give you an idea. The cumulative purchase price if we would consummate all eight of them would be a little south of $450 million. And corresponding sales that would come with that would be a little bit less than two times the purchase price.

So that gives you an idea what's in there. Still quite robust. I think activity is still quite good out there for us. Some of these are further along than others and by the end of the second quarter we would either expect to close these or not even — or get out of them entirely. We would expect to close these within the next six months or exit them entirely.

As far as the comment of the rain water purification. That's an indication. We have industrial equipment that we are making rain barrels that are an ideal fit for our equipment. We have test in place right now with a couple of cities. The preliminary results are very encouraging. We think that this would be a great product line extension for that equipment. And quite frankly it's a great thing for the environment to be able to capture rain water to use, nonportable rain water to be able to use to water plants. We are looking at that as a product line extension. If that takes off we will be letting you know how that goes in subsequent quarters.

Jim Lucas — *Janney Montgomery Scott — Analyst*

Are you selling directly to the municipality here?

Mike Gasser — *Greif — Chairman & CEO*

We will go through a variety of ways to sell this. And that hasn't been fully vetted out yet. We will comment on that as we get closer.

Jim Lucas — *Janney Montgomery Scott — Analyst*

And in your prepared remarks after the rain water management, you made a reference to purification.

Mike Gasser — *Greif — Chairman & CEO*

Right.

Jim Lucas — *Janney Montgomery Scott — Analyst*

Is that separate or —

Mike Gasser — *Greif — Chairman & CEO*

That is separate. That is in its preliminary stages. We are having a conversation with groups of people who have interest in this and what we are looking at is our distribution network which is quite phenomenal in 220 locations around the world our manufacturing equipment and is there a way for us to develop products that can run on our machine and other people have filtration systems that we could actually make a difference as far as a potable water for people who don't have safe drinking water. These are in preliminary stages. But we do have a commitment to sustainability in water is one of the points of sustainability. And if we can make it a business that's a profitable business for our Company, it seems to be a win for everyone.

Jim Lucas — *Janney Montgomery Scott — Analyst*

Okay. Great. Thank you.

Operator

Our next question comes from Christopher Chun from Deutsche Banc. Please state your name.

Christopher Chun — *Deutsche Banc — Analyst*

Good morning, guys. First of all I want to ask about 4Q. The quarter benefited from higher than expected earnings in the land segment. As well as fairly low tax rate. So you back those two items out it looks to me like somewhat of a miss. I was wondering if there was anything that developed in 4Q that was a negative surprise relative to what you anticipated back on the 3Q call?

Don Huml — *Greif — EVP & CFO*

Now that's a very good question, Chris. Let me address the effective tax rate first. And then the asset disposition gains and then also some of the head winds that were perhaps a bit stronger than we had originally anticipated. As far as the effective tax rate, as you know on a full year basis it is down 1.9 points. You can really point to the black liquor credit. We benefited very modestly, but there was about $3.9 million that translated to about two points. You could say that on a full year basis that contributed to the lower rate. But what I would quickly add is that we are really quite confident that the rate is sustainable based on an expected shift in the earnings mix that would be favorable based on the very strong improvement in profitability outside of the US. So we gave a fairly broad range for effective tax rate for next year. But there is no step down in our guidance bridge. It really implies that we should be able to sustain the rate for 2010. So that was really the first point I wanted to make.

As far as the asset disposition gains, those are a recurring component of our earnings albeit a lumpy one. But we would definitely don't want that to mask what was a fundamentally strong operating performance before asset disposition gains. The fourth quarter we achieved a record operating profit before the disposition gains of 13.5% sequential earnings improvement of 35%. And that was really notwithstanding the challenges within our paper packaging business that were a bit greater than we had anticipated. The price cost squeeze is a result of lower container board pricing and higher recycled fiber costs. So that was worse than expected. Fortunately there were recent developments that are encouraging and could address that.

And then finally we did have some meaningful disruptions to our supply chain as a result of steel availability issues. Really both in North America and Europe. The one thing we have been managing about extreme volatility. And we just as we liquidated our high cost inventories, and had them at low levels based on the lower activity, we had an uptick and unfortunately the steal industry was severely curtailed and it took time to respond and as a result we experienced stockouts. We were incurring additional costs to transfer steel to other facilities. We were using different gauges in some cases. But we did incur some rather meaningful costs that really if you were to combine the impact of the paper packaging price cost squeeze and the supply — steel supply chain disruptions, it's really an amount that would substantially offset that nontimber related component of the disposition gains.

Christopher Chun — *Deutsche Banc — Analyst*

Thanks for all that color, Don. That's very helpful. For the record, I would agree with you that relative to your comps the quarter was still fine. It's just that relative to what we expected based on what you said it just seems weak once you back out the land and the tax that's all.

Don Huml — *Greif — EVP & CFO*

I really appreciate you mentioning the comparison to comps. Because I don't mean to throw our paper packaging segment under the bus because there is a fairly comparable company that we highly admire and that is a very strong performer. We were able to deliver an operating profit margin 2X of that company. So I really do think that notwithstanding the challenges that it was a solid performance.

Christopher Chun — *Deutsche Banc — Analyst*

Okay. And then I wanted to drill down a little more in terms of the — on the assumptions underlying your 2010 guidance. On the paper packaging business, you mentioned that you were baking in a negative $15 million on price costs squeeze. So does that mean that you are not an accounting for any benefits from the $50 a ton price hike initiative that's currently in the market container board?

Don Huml — *Greif — EVP & CFO*

We basically had assumed as part of our budgeting process there would be an increase but that it would occur at mid-year and really based on our fiscal year we would benefit perhaps by one-quarter. There is definitely upside potential if the price increase gets traction much earlier than had been assumed in our budget.

Christopher Chun — *Deutsche Banc — Analyst*

Right. And then in terms of the bridge you described earlier, I don't recall that you mentioned any further benefits from any of these deals that Mike outlined?

Don Huml — *Greif — EVP & CFO*

Yes, we basically have $10 million for acquisitions. A conservative number I would also say that the initial year that the company is acquired an integrated is really one where we are embedding the Greif business system and we tend to shrink before we grow. So, yes, there will be some accretion. I think there is some upside potential. But we are providing $10 million as our assumption for the bridge.

Christopher Chun — *Deutsche Banc — Analyst*

Okay. Fair enough. And then maybe this is more appropriate in terms of looking out toward 2011. Mike mentioned that there were eight deals in the pipeline that might total $450 million. And I understand there is still some some issues whether or not they all got completed. In trying to think about what the order of magnitude impact might be, let's say if two-thirds of those deals get done, you know, what would be the impact on 2011?

Mike Gasser — *Greif — Chairman & CEO*

Chris, I'm going to go back to 2010. We haven't factored much in for those eight deals. So we will start with that. The $10 million is really the annualized deals we closed last year. Plus a deal we closed the first quarter this year. And maybe a little bit at the end of this year. I think as we get to 2011 we will wait until later until we close the deals and I think we will be in better shape to speculate because I think right now to speculate until we close is probably a little premature on that.

Christopher Chun — *Deutsche Banc — Analyst*

Okay. Fair enough. I will go ahead and turn it over. Thanks, guys.

Operator

Our next question comes from Steven Chercover from D.A. Davidson. Please state your question.

Steven Chercover — *D.A. Davidson & Co. — Analyst*

Good morning, everyone. Your color on the assumptions that you are baking in are very helpful. Just a little bit more on the volume. You indicated that you have seen sequential growth. You get 7.5% by basically maintaining the status quo. There is anything that you seen around your operations globally that give you pause, that make you fear perhaps is a double dip?

Don Huml — *Greif — EVP & CFO*

Steve, we haven't seen that yet. I mean, we were cautious in that statement because everyone is concerned that potentially that could happen. But we have not seen that yet. Customer attitudes from with a we talked and what we read about them is fairly confident in light of what we all gone through from 2009. So I think we have a cautious approach by the 9% volume increase. I think we will continue to update everyone each quarter as we go forward as we look at volumes because that's an important part of our story and everyone's story. The only thing we can report on is that over the last four months we have seen sequential improvement and that gives us some comfort that the 9% is at least a good number sitting here right now.

Steven Chercover — *D.A. Davidson & Co. — Analyst*

And volumes certainly in the first half of your fiscal year were impacted by I would assume destocking throughout the economy in general. Do you believe there could be at some stage some restocking that would actually boost volumes beyond kind of the general takeaway demand?

Mike Gasser — *Greif — Chairman & CEO*

Yes. That possibility exists. I think people, us included are probably much more cautious on working capital. And inventory build. So because of the situation we all went through in 2009. Yes, I think that possibility exists. We don't see it yet. I think it will see a much more of a cautious approach before people actually build inventories if they are anything like us because we are more cautious than we had been in the past.

Steven Chercover — *D.A. Davidson & Co. — Analyst*

Two more quick ones if I could. First of all there are some residual benefits from the Greif business initiatives that will trickle down into 2010. Are there any — there is a new round of initiatives that you are contemplating? Have you basically cut to the bone within your existing operations?

Mike Gasser — *Greif — Chairman & CEO*

I will start and then Don can jump in. We had talked last year before the crisis hit and we went into a contingency plan mode. We really have a new round that we are starting which is our best in class round which is really looking at the every operation and find out who does each process the best and trying to implement that in each location. So that is a new round that we had started last year. Really sort of got stopped a little bit as we went into the contingency plan mode and quite frankly I think delivered quite admirably on that contingency plan. So I assume that the economy is going to be better which we all assume. You will see us talking more and more about the best in class mode which we think can be a significant contributor long term to the results of Greif.

Steven Chercover — *D.A. Davidson & Co. — Analyst*

That was not explicitly mentioned in your bridge?

Mike Gasser — *Greif — Chairman & CEO*

It was not. We had not factored that in or anything of value for that.

Steven Chercover — *D.A. Davidson & Co. — Analyst*

Final question. Just between your mix of kind of petrochemical, pharmaceutical and agriculture, are there any trends within those sectors that are worth noting?

Mike Gasser — *Greif — Chairman & CEO*

No. I think we commented on those in the past and those have remained the same. The mix that we have is about the same and so there is nothing to date that we would want to comment on.

Steven Chercover — *D.A. Davidson & Co. — Analyst*

Great. Happy holidays. Best wish for 2010.

Mike Gasser — *Greif — Chairman & CEO*

Thank you.

Don Huml — *Greif — EVP & CFO*

Thanks.

Operator

Thank you. Our next question comes from Scott Blumenthal with Emerald Advisers. Please state your question.

Scott Blumenthal — *Emerald Advisers, Inc. — Analyst*

Good morning, Mike and Don.

Mike Gasser — *Greif — Chairman & CEO*

Good morning.

Scott Blumenthal — *Emerald Advisers, Inc. — Analyst*

Don, just a couple of clean up questions following your comments. Can you give us your expectations for Forex and what you are factoring in the guidance?

Don Huml — *Greif — EVP & CFO*

Yes.

Scott Blumenthal — *Emerald Advisers, Inc. — Analyst*

Thank you.

Don Huml — *Greif — EVP & CFO*

Scott, for 2009, just as for level setting purposes, the Euro was 137. And we are — we do not have a step in the bridge for currency since it's very difficult to predict. If there were no change from today with the Euro at 147, that would translate to about a $10 million benefit. So that would be one of the hard spots in bridge.

Scott Blumenthal — *Emerald Advisers, Inc. — Analyst*

Okay, that's helpful from a measure of degree here. And in the asset disposal area, do you have any more that you are still marketing at this point?

Don Huml — *Greif — EVP & CFO*

Well, we basically have 15 facilities that are part of our assets held for sale. So those transactions will occur really over the next 18 to 24 months.

Mike Gasser — *Greif — Chairman & CEO*

Scott, I would add that number could grow because as we continue to do acquisitions and consolidate, there is always new ones that come on. It would be an ongoing process for those facilities.

Scott Blumenthal — *Emerald Advisers, Inc. — Analyst*

Okay. Understood. Do we have any facilities for sale out of those 15 that are a result of the most recent acquisitions?

Mike Gasser — *Greif — Chairman & CEO*

Not to date. Maybe in the future. Not to date.

Scott Blumenthal — *Emerald Advisers, Inc. — Analyst*

And just two more if I might. Mike, is blending and filling considered to be a consolidation opportunity or a product extension?

Mike Gasser — *Greif — Chairman & CEO*

We considered that as an adjacency.

Scott Blumenthal — *Emerald Advisers, Inc. — Analyst*

Okay.

Mike Gasser — *Greif — Chairman & CEO*

Specifically. A different word but that was an adjacency.

Scott Blumenthal — *Emerald Advisers, Inc. — Analyst*

Okay. And then therefore in your in your deal acquisition funnel when you talked about consolidation opportunities and new product extensions, blending and selling them as adjacency is out or one of those, too?

Mike Gasser — *Greif — Chairman & CEO*

No. Just that we don't have a deal in the current mix that would be in the blending, filling arena.

Scott Blumenthal — *Emerald Advisers, Inc. — Analyst*

Okay. That's really helpful. And I guess the last one for Don, please. Don, you talked about the steel supply issues. And that they were meaningful costs during the quarter. You might have mentioned this and I might have missed it. But did you say that they more than offset the earnings from the facilities disposal?

Don Huml — *Greif — EVP & CFO*

What I basically said was that for the quarter, the $25 million in disposal gains, the two-thirds that was related to facility dispositions were substantially offset by the price costs squeeze combined with the supply chain disruptions.

Scott Blumenthal — *Emerald Advisers, Inc. — Analyst*

Okay. Substantially but not completely?

Don Huml — *Greif — EVP & CFO*

Right, that's correct.

Scott Blumenthal — *Emerald Advisers, Inc. — Analyst*

And then at this point are we suffering from the same type of steel supply issues? Or has that cleared up a little bit?

Don Huml — *Greif — EVP & CFO*

That has definitely cleared up. I appreciate you asking that question. Now that — it was really a result of the industry ramping up and really starting up blast furnaces and unfortunately that takes 30 to 60 day period. So when we reached that inflection point volumes increased. There was difficulty in terms of availability. But those issues have been since resolved.

Scott Blumenthal — *Emerald Advisers, Inc. — Analyst*

Do you have any spots at all on the supply chain where you are struggling with the types of issues that you mentioned?

Don Huml — *Greif — EVP & CFO*

No.

Scott Blumenthal — *Emerald Advisers, Inc. — Analyst*

Okay. Terrific. Thank you.

Don Huml — *Greif — EVP & CFO*

Thanks.

Operator

Our next question comes from Gregory DiMarzio with Century Capital. Please state your question.

Gregory DiMarzio — *Century Capital — Analyst*

Most of my questions have been answered so I will ask a big picture question. Last year your guidance had 325 to 375 and it seemed like wide end of the range and most of the year we were talking about the fact that that upper half of the range was sort of aspirational. This time around it's a much narrower range and it seems like the tone of the call is that there is a lot of conservatism around it. If you could describe to us any — did the way that last year's guidance get perceived have any effect on your thinking of this year or any thought process we should be aware of?

Mike Gasser — *Greif — Chairman & CEO*

I think, Greg, that I think we all lived through the challenging year in 2009 and I think conservativism is the better part of valor right now as you go forward. I think our conservativism is stemmed from the uncertainty of what 2010 is actually going to bring. The way we see it now, this would probably be viewed as conservative. But we were surprised that during last year and hopefully we won't have that surprise. And we have no problem going through the quarter if we see better results to increase our guidance for the year which we had done in 2007 and 2008. We felt that we just need to give you our conservative view right now and we will update it as each quarter as we go forward.

Gregory DiMarzio — *Century Capital — Analyst*

All right, thank you. Most questions have been asked.

Mike Gasser — *Greif — Chairman & CEO*

Thanks.

Operator

Ladies and gentlemen, I will turn the conference back over to Deb Stohmaier for closing remarks.

Deb Stohmaier — *Greif — VP Communications*

Thank you. And thank you all again for joining us this morning. A digital replay of the conference call will be available in approximately one hour on the Company's website at www.Greif.com. Have a great day.

Operator

This does conclude today's teleconference. You may disconnect your lines at this time. Thank you for your participation.