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): June 13, 2016 (June 8, 2016)

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 (see General Instruction A.2. below):

☐ 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 June 8, 2016, Greif, Inc. (the “Company”) issued a press release (the “Earnings Release”) announcing the financial results for its second quarter ended April 30, 2016. 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) percentage decrease in the Company’s consolidated net sales for the second quarter of 2016 compared to the second quarter of 2015, after adjusting for the impact of divestitures for both quarters and currency translation for the second quarter of 2016, which is equal to (a) the Company’s consolidated net sales for the second quarter of 2016 minus the Company’s consolidated net sales for the second quarter of 2015, after adjusting each quarter for divestitures occurring during fiscal years 2016 and 2015 and after adjusting the second quarter of 2016 for currency translation applicable to such quarter, divided by (b) the Company’s consolidated net sales for the second quarter of 2015 after adjusting such quarter for divestitures occurring during fiscal years 2016 and 2015;

(ii) earnings per diluted class A share of the Company before special items for the second quarter of 2016 and the second quarter of 2015, which is equal to earnings per diluted class A share of the Company for the applicable quarter plus restructuring charges, plus acquisition-related costs, plus non-cash asset impairment charges and less timberland gains and less gains or plus losses, as applicable, on disposal of properties, plants, equipment and businesses, net of tax, each on a consolidated basis for the applicable quarter;

(iii) net sales excluding the impact of divestitures for the Company’s Rigid Industrial Packaging business segment for the second quarter of 2016 and the second quarter of 2015, which is equal to that business segment’s net sales for the applicable quarter as adjusted for divestitures occurring during fiscal years 2016 and 2015 as applicable to that business segment;

(iv) operating profit before special items and excluding the impact of divestitures for the Company’s Rigid Industrial Packaging & Services business segment for the second quarter of 2016 and the second quarter of 2015, which is equal to that business segment’s operating profit plus that business segment’s restructuring charges, plus non-cash asset impairment charges, plus acquisition-related costs, less gains or plus losses, as applicable, on disposal of properties, plants, equipment, and businesses, net, and as further adjusted for divestitures occurring during fiscal years 2016 and 2015 as applicable to the business segment;

(v) operating loss before special items for the Company’s Flexible Products & Services business segment for the second quarter of 2016 and the second quarter of 2015, which is equal to that business segment’s operating loss plus the business segment’s restructuring charges, plus noncash asset impairment charges, less gains on disposal of properties, plants, equipment, and businesses, net, occurring during fiscal years 2016 and 2015 as applicable to the business segment; and

(vi) operating profit before special items and excluding the impact of divestitures for the Company’s Land Management business segment for the second quarter of 2016 and the second quarter of 2015, which is equal to that business segment’s operating profit, less timberland gains and less gains on disposal of properties, plants, equipment, and businesses, net, occurring during fiscal years 2016 and 2015 as applicable to the business segment.

The Earnings Release also included a forward-looking non-GAAP financial measure, 2016 Class A earnings per share excluding gains and losses on the sales of businesses, timberland and property, plant and equipment, acquisition costs and restructuring and impairment charges. No reconciliation of this forward-looking non-GAAP financial measure was included in the Earnings

Release because, due to the high variability and difficulty in making accurate forecasts and projections of some of the excluded information, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measure without unreasonable efforts.

Management of the Company uses the non-GAAP Measures to evaluate ongoing operations and believes that these non-GAAP Measures are useful to enable investors to perform meaningful comparisons of current and historical performance of the Company. Management of the Company also believes that the non-GAAP Measures provide a more stable platform on which to compare the historical performance of the Company than the most nearly equivalent GAAP data.

Section 7 – Regulation FD

Item 7.01. Regulation FD Disclosure.

On June 8, 2016, the Company released recorded remarks of management, made available on the Company's website at www.greif.com/investors , regarding the Company's financial results for its second quarter ended April 30, 2016. The file transcript of management's recorded remarks is attached as Exhibit 99.2 to this Current Report on Form 8-K.

On June 9, 2016, management of the Company held a conference call with interested investors and financial analysts (the "Conference Call") to discuss the Company's financial results for its second quarter ended April 30, 2016. The file transcript of the Conference Call is attached as Exhibit 99.3 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 June 08, 2016 announcing the financial results for its second quarter ended April 30, 2016.
99.2	File transcript of recorded remarks of management of Greif, Inc., made available on the Company's website at www.greif.com/investors on June 08, 2016, regarding the financial results for its second quarter ended April 30, 2016.
99.3	File transcript of conference call held by management of Greif, Inc. on June 09, 2016.

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: June 13, 2016

By /s/ Lawrence A. Hilsheimer

Lawrence A. Hilsheimer,
Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

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99.3	File transcript of conference call held by management of Greif, Inc. on June 9, 2016.

Contact: Matt Eichmann
740-549-6067

Greif Reports Second Quarter 2016 Results

DELAWARE, Ohio (June 8, 2016) – Greif, Inc. (NYSE: GEF, GEF.B), a world leader in industrial packaging products and services, announced second quarter 2016 results. Pete Watson, President and Chief Executive Officer, stated "We are pleased to report another improved quarter at Greif. Our margins expanded compared to the previous year as we continue to implement fundamental operating improvements across the portfolio. Performance was particularly strong in our Rigid Industrial Packaging & Services business, which helped to offset challenging market conditions impacting our Paper Packaging & Services business. I am confident that Greif is headed in the right direction and we remain focused on creating value for both our customers and shareholders."

Highlights include:

- Revised fiscal year 2016 Class A earnings per share guidance of $2.20 - $2.46 per share, excluding gains and losses on the sales of businesses, timberland and property, plant and equipment, acquisition costs and restructuring and impairment charges.
- Net income for the second quarter of 2016 attributable to the corporation that totaled $31.4 million or $0.53 per diluted Class A share compared with net income of $20.8 million or $0.35 per diluted Class A share for the second quarter of 2015. Earnings, excluding the impact of special items [1], of $0.47 per diluted Class A share for the second quarter of 2016 compared to $0.53 per diluted Class A share for the second quarter of 2015.
- Gross profit of $173.7 million for the second quarter of 2016 compared to $181.1 million for the second quarter of 2015. Gross profit margin improved to 20.7 percent for the second quarter of 2016 from 19.8 percent for the same period in 2015.
- Cash provided by operating activities increased $51.1 million for the second quarter of 2016 compared to the same period in 2015. Free cash flow [2] improved $66.7 million for the second quarter of 2016 compared to the second quarter of 2015 and long-term debt decreased $52.2 million since year-end.
- Net sales of $839.6 million for the second quarter of 2016 compared to second quarter 2015 net sales of $915.9 million. After adjusting for the effect of divestitures for both quarters and currency translation for the second quarter 2016 [3], sales were flat compared to the second quarter of 2015.

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1 A summary of all special items that are excluded from the earnings per diluted Class A share before special items and operating profit before special items is set forth in the Selected Financial Highlights table following the Company Outlook in this release

2 Free cash flow is defined as net cash provided by operating activities less cash paid for capital expenditures

3 A summary of the adjustments for the impact of divestitures and currency translation is set forth in the GAAP to Non-GAAP Reconciliation Net Sales to Net Sales Excluding the Impact of Divestitures and Currency Translation in the financial schedules that are part of this release

Note: A reconciliation of the differences between all non-GAAP financial measures used in this release with the most directly comparable GAAP financial measures is included in the financial schedules that are a part of this release.

Segment Results

Net sales are impacted primarily by the volume of products sold, selling prices, product mix and the impact of changes in foreign currencies against the U.S. Dollar. The tables below show the percentage impact of each of these items on net sales for the second quarter of 2016 as compared to the second quarter of 2015 for the business segments with manufacturing operations. The first table excludes the impact of divestitures while the second is not adjusted for divestitures.

Net Sales Impact - Excluding Divestitures:	Rigid Industrial Packaging & Services	Paper Packaging & Services	Flexible Products & Services
Currency Translation	(8.7%)	—	(1.4%)
Volume	(0.2%)	10.7%	(5.9%)
Selling Prices and Product Mix	(0.3%)	(6.5%)	0.2%
	(9.2%)	4.2%	(7.1%)

Net Sales Impact:	Rigid Industrial Packaging & Services	Paper Packaging & Services	Flexible Products & Services
Currency Translation	(8.2%)	—	(1.4%)
Volume	(3.7%)	10.7%	(5.9%)
Selling Prices and Product Mix	0.4%	(6.5%)	0.2%
	(11.5%)	4.2%	(7.1%)

Rigid Industrial Packaging & Services

Net sales decreased to $589.6 million for the second quarter of 2016 compared with $666.6 million for the second quarter of 2015. Excluding the impact of divestitures [4] , net sales decreased $57.9 million to $568.0 million for the second quarter 2016 compared to $625.9 million for the second quarter 2015, due primarily to the negative impact of foreign currency.

Operating profit was $59.2 million for the second quarter of 2016 compared to operating profit of $25.8 million for the second quarter of 2015. The increase was primarily attributable to a $20.3 million increase in gain/loss on disposal of properties, plants, equipment and businesses, net, a reduction in restructuring costs of $3.5 million and a reduction in non-cash asset impairment charges of $3.1 million, as well as an improvement in gross profit margin of 2.1 percent and reductions in SG&A of $8.8 million. Operating profit before special items and excluding the impact of divestitures was $54.3 million for the second quarter of 2016 versus $49.4 million for the second quarter of 2015, due primarily to improvements in gross profit margin and reductions in SG&A costs related to transformation efforts across the segment, partially offset by the negative impact of foreign currency.

Paper Packaging & Services

Net sales increased 4.2 percent to $167.2 million for the second quarter of 2016 compared with $160.4 million for the second quarter of 2015. The increase was primarily due to volume increases related to increased containerboard output from the Riverville modernization project in the third quarter of 2015 and the addition of two lines in the corrugator business, offset by a reduction in prices as a result of a change in index prices impacting the first and second quarters of 2016.

Operating profit was $24.2 million for the second quarter of 2016 compared with $27.1 million for the second quarter of 2015. Higher production costs for the second quarter of 2016, as compared to the second quarter of 2015, more than offset the increase in net sales.

Flexible Products & Services

Net sales decreased $5.8 million to $76.2 million for the second quarter of 2016 compared with $82.0 million for the second quarter of 2015, due primarily to reduced volumes and the negative impact of foreign currency.

Operating loss was $2.9 million for the second quarter of 2016 versus an operating loss of $5.3 million for the second quarter of 2015. Operating loss before special items and excluding the impact of divestitures was $1.1 million for the second quarter of 2016 versus $5.7 million for the second quarter of 2015. The decrease in operating loss before special items and excluding the impact of divestitures was primarily related to improved margins as a result of transformation efforts in commercial excellence and reductions in SG&A expense and transportation and other production costs, partially offset by the impact of reduced sales volumes and the impact of additional labor expenses incurred as a result of moving to an in-house labor model in Turkey.

Land Management

Net sales decreased to $6.6 million for the second quarter of 2016 compared with $6.9 million for the second quarter of 2015.

Operating profit before special items was $2.0 million for the second quarter of 2016 compared with $2.6 million for the second quarter of 2015, due primarily to the decrease in sales compared to the second quarter of 2015.

Income Taxes

Income tax expense for the quarter totaled $28.7 million on pre-tax income of $61.2 million or 46.9%. Income tax expense for the quarter reflected the application of the Company’s annual projected effective tax rate, which is impacted by net discrete losses for which there is not a proportionate tax benefit recognized, adjustments to uncertain tax position estimates and the impact of losses in jurisdictions with a valuation allowance, for which the Company receives no tax benefit. The annual effective tax rate projection for the 2016 fiscal year remains in the range of 39% to 41%.

Dividends

On June 7, 2016, the Board of Directors declared quarterly cash dividends of $0.42 per share of Class A Common Stock and $0.63 per share of Class B Common Stock. Dividends are payable on July 1, 2016, to stockholders of record at the close of business on June 20, 2016.

Senior Notes Due 2017

The Company reclassified $300 million of Senior Notes to current portion of long-term debt during the quarter because the stated maturity date for those Senior Notes is February 2017. The Company intends to refinance those Senior Notes prior to the maturity date.

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4 A summary of all adjustments by business segment related to the impact of divestitures and special items that are excluded from net sales, gross profit and operating profit is set forth in the GAAP to Non-GAAP Reconciliation Selected Financial Information Excluding the Impact of Divestitures in the financial schedules that are part of this release

Company Outlook

The company revises its 2016 Class A earnings per share to $2.20 - $2.46 per share, which excludes gains and losses on the sales of businesses, timberland and property, plant and equipment, acquisition costs and restructuring and impairment charges. The company's transformation activities will more than offset the impact of a sluggish global industrial economy and weaker containerboard environment.

Note: No reconciliation of the fiscal year 2016 Class A earning per share guidance, a non-GAAP financial measure which excludes gains and losses on the sales of businesses, timberland and property, plant and equipment, acquisition costs and restructuring and impairment charges, is included in this release because, due to the high variability and difficulty in making accurate forecasts and projections of some of the excluded information, together with some of the excluded information not being ascertainable or accessible, we are unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measure without unreasonable efforts.

GREIF, INC. AND SUBSIDIARY COMPANIES
SELECTED FINANCIAL HIGHLIGHTS
UNAUDITED
(Dollars in millions, except per share amounts)

	Three months ended April 30		Six months ended April 30	
	2016	2015	2016	2015
Selected Financial Highlights				
Net sales	$ 839.6	$ 915.9	$1,611.0	$ 1,818.2
Gross profit	173.7	181.1	325.0	335.0
Gross profit margin	20.7%	19.8%	20.2%	18.4%
Operating profit	82.8	51.1	100.4	116.5
Operating profit before special items	79.3	72.6	137.4	114.9
EBITDA	113.1	83.0	160.0	182.9
EBITDA before special items	109.6	104.5	197.0	181.3
Cash provided by (used in) operating activities	83.9	32.8	57.7	(26.5)
Net income attributable to Greif, Inc.	31.4	20.8	20.3	50.9
Diluted Class A earnings per share attributable to Greif, Inc.	$ 0.53	$ 0.35	$ 0.35	$ 0.87
Diluted Class A earnings per share attributable to Greif, Inc. before special items	$ 0.47	$ 0.53	$ 0.88	$ 0.82
Special items				
Restructuring charges	$ (5.4)	$ (7.3)	$ (7.7)	$ (10.5)
Acquisition-related costs	(0.1)	—	(0.1)	(0.2)
Timberland gains	—	—	—	24.3
Non-cash asset impairment charges	(1.7)	(4.5)	(40.8)	(4.7)
Gain (loss) on disposal of PPE and businesses, net	10.7	(9.7)	11.6	(7.3)
Total special items	3.5	(21.5)	(37.0)	1.6
Total special items, net of tax and noncontrolling interest	3.6	(10.7)	(31.3)	2.7
Impact of total special items, net of tax, on diluted Class A earnings per share attributable to Greif, Inc.	$ 0.06	$ (0.18)	$ (0.53)	$ 0.05

	April 30, 2016	October 31, 2015	April 30, 2015	October 31, 2014
Operating working capital [5]	369.1	345.4	465.5	411.3

5 Operating working capital represents trade accounts receivable plus inventories less accounts payable.

Conference Call

The Company will host a conference call to discuss the second quarter of 2016 results on June 9, 2016, at 8:30 a.m. Eastern Time (ET). To participate, domestic callers should call 877-201-0168. The Greif ID is 16173742. The number for international callers is 647-788-4901. Phone lines will open at 8:00 a.m. ET. The conference call will also be available through a live webcast, including slides, which can be accessed at www.greif.com by clicking on the Investors tab and searching under the events calendar. A replay of the conference call will be available on the company's website approximately two hours following the call.

The Company encourages interested investors, analysts and portfolio managers to submit questions in advance of the conference call regarding Greif's quarterly performance to investors@Greif.com. Questions will be accepted until Wednesday, June 8 at 5:00 p.m. ET. The company will address both previously submitted questions and questions asked during the call.

About Greif

Greif is a world leader in industrial packaging products and services. The company produces steel, plastic, fibre, flexible and corrugated containers and containerboard, and provides reconditioning, blending, filling and packaging services for a wide range of industries. Greif also manages timber properties in North America. The company is strategically positioned in 50 countries to serve global as well as regional customers. Additional information is on the company's website at www.greif.com.

Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words "may," "will," "expect," "intend," "estimate," "anticipate," "aspiration," "objective," "project," "believe," "continue," "on track" or "target" or the negative thereof and similar expressions, among others, identify forward-looking statements. All forward-looking statements are based on assumptions, expectations and other information currently available to management. Such forward-looking statements are subject to certain risks and uncertainties that could cause the company's actual results to differ materially from those forecasted, projected or anticipated, whether expressed or implied. The most significant of these risks and uncertainties are described in Part I of the company's Annual Report on Form 10-K for the fiscal year ended Oct. 31, 2015. The company undertakes no obligation to update or revise any forward-looking statements.

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 the company's actual results to differ materially from those forecasted, projected or anticipated, whether expressed in or implied by the statements. Such risks and uncertainties that might cause a difference include, but are not limited to, the following: (i) historically, our business has been sensitive to changes in general economic or business conditions, (ii) our operations subject us to currency exchange and political risks that could adversely affect our results of operations, (iii) the current and future challenging global economy and disruption and volatility of the financial and credit markets may adversely affect our business, (iv) the continuing consolidation of our customer base and suppliers may intensify pricing pressure, (v) we operate in highly competitive industries, (vi) our business is sensitive to changes in industry demands, (vii) raw material and energy price fluctuations and shortages may adversely impact our manufacturing operations and costs, (viii) we may encounter difficulties arising from acquisitions, (ix) we may incur additional restructuring costs and there is no guarantee that our efforts to reduce costs will be successful, (x) tax legislation initiatives or challenges to our tax positions may adversely impact our results or condition, (xi) full realization of our deferred tax assets may be affected by a number of factors, (xii) several operations are conducted by joint ventures that we cannot operate solely for our benefit, (xiii) our ability to attract, develop and retain talented and qualified employees, managers and executives is critical to our success, (xiv) our business may be adversely impacted by work stoppages and other labor relations matters, (xv) our pension plans are underfunded and will require future cash contributions, and our required future cash contributions could be higher than we expect, each of which could have a material adverse effect on our financial condition and liquidity, (xvi) we may be subject to losses that might not be covered in whole or in part by existing insurance reserves or insurance coverage, (xvii) our business depends on the uninterrupted operations of our facilities, systems and business functions, including our information technology and other business systems, (xviii) a security breach of customer, employee, supplier or company information may have a material adverse effect on our business, financial condition and results of operations, (xix) legislation/regulation related to environmental and health and safety matters and corporate social responsibility could negatively impact our operations and financial performance, (xx) product liability claims and other legal proceedings could adversely affect our operations and financial performance, (xxi) 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,

(xxii) changing climate, climate change regulations and greenhouse gas effects may adversely affect our operations and financial performance, (xxiii) the frequency and volume of our timber and timberland sales will impact our financial performance, (xxiv) changes in U.S. generally accepted accounting principles and SEC rules and regulations could materially impact our reported results, (xxv) if the company fails to maintain an effective system of internal control, the company may not be able to accurately report financial results or prevent fraud, and (xxvi) the company has a significant amount of goodwill and long-lived assets which, if impaired in the future, would adversely impact our results of operations. Changes in business results may impact our book tax rates. The risks described above 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. For a detailed discussion of the most significant risks and uncertainties that could cause our actual results to differ materially from those forecasted, projected or anticipated, see “Risk Factors” in Part I, Item 1A of our most recently filed Form 10-K and our other filings with the Securities and Exchange Commission. All forward-looking statements made in this news release 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.

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

	Three months ended April 30		Six months ended April 30	
	2016	**2015**	**2016**	**2015**
Net sales	$ 839.6	$ 915.9	$1,611.0	$1,818.2
Cost of products sold	665.9	734.8	1,286.0	1,483.2
Gross profit	173.7	181.1	325.0	335.0
Selling, general and administrative expenses	94.5	108.5	187.7	220.3
Restructuring charges	5.4	7.3	7.7	10.5
Timberland gains	—	—	—	(24.3)
Non-cash asset impairment charges	1.7	4.5	40.8	4.7
(Gain) on disposal of properties, plants and equipment, net	(7.9)	(0.7)	(8.8)	(2.3)
(Gain) loss on disposal of businesses	(2.8)	10.4	(2.8)	9.6
Operating profit	82.8	51.1	100.4	116.5
Interest expense, net	19.9	18.2	38.4	37.8
Other expense, net	1.7	2.5	4.7	2.6
Income before income tax expense and equity earnings of unconsolidated affiliates, net	61.2	30.4	57.3	76.1
Income tax expense	28.7	9.6	34.7	27.1
Equity earnings (losses) of unconsolidated affiliates, net of tax	—	(0.3)	—	(0.3)
Net income	32.5	20.5	22.6	48.7
Net (income) loss attributable to noncontrolling interests	(1.1)	0.3	(2.3)	2.2
Net income attributable to Greif, Inc.	$ 31.4	$ 20.8	$ 20.3	$ 50.9
Basic earnings per share attributable to Greif, Inc. common shareholders:				
Class A Common Stock	$ 0.53	$ 0.35	$ 0.35	$ 0.87
Class B Common Stock	$ 0.80	$ 0.53	$ 0.51	$ 1.29
Diluted earnings per share attributable to Greif, Inc. common shareholders:				
Class A Common Stock	$ 0.53	$ 0.35	$ 0.35	$ 0.87
Class B Common Stock	$ 0.80	$ 0.53	$ 0.51	$ 1.29
Shares used to calculate basic earnings per share attributable to Greif, Inc. common shareholders:				
Class A Common Stock	25.8	25.7	25.7	25.6
Class B Common Stock	22.1	22.1	22.1	22.1
Shares used to calculate diluted earnings per share attributable to Greif, Inc. common shareholders:				
Class A Common Stock	25.8	25.7	25.7	25.7
Class B Common Stock	22.1	22.1	22.1	22.1

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

	April 30, 2016	October 31, 2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 89.6	$ 106.2
Trade accounts receivable	404.8	403.7
Inventories	290.3	297.0
Other current assets	143.4	201.6
	928.1	1,008.5
LONG-TERM ASSETS		
Goodwill	798.8	807.1
Intangible assets	125.7	132.7
Assets held by special purpose entities	50.9	50.9
Other long-term assets	105.7	98.8
	1,081.1	1,089.5
PROPERTIES, PLANTS AND EQUIPMENT	1,198.0	1,217.7
	$ 3,207.2	$ 3,315.7
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 326.0	$ 355.3
Short-term borrowings	59.4	40.7
Current portion of long-term debt	317.7	30.7
Other current liabilities	205.6	220.3
	908.7	647.0
LONG-TERM LIABILITIES		
Long-term debt	777.0	1,116.2
Liabilities held by special purpose entities	43.3	43.3
Other long-term liabilities	442.3	449.3
	1,262.6	1,608.8
REDEEMABLE NONCONTROLLING INTEREST	35.4	—
EQUITY		
Total Greif, Inc. equity	982.2	1,015.6
Noncontrolling interests	18.3	44.3
	1,000.5	1,059.9
	$ 3,207.2	$ 3,315.7

GREIF, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(Dollars in millions)

	Three months ended April 30,		Six months ended April 30,	
	2016	**2015**	**2016**	**2015**
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 32.5	$ 20.5	$ 22.6	$ 48.7
Depreciation, depletion and amortization	32.0	34.7	64.3	69.3
Asset impairments	1.7	4.5	40.8	4.7
Other non-cash adjustments to net income	(11.4)	(2.3)	(11.3)	(23.9)
Operating working capital changes	9.1	(20.7)	(26.1)	(79.4)
Deferred purchase price on sold receivables	0.7	(0.6)	(15.2)	(0.6)
Increase (decrease) in cash from changes in certain assets and liabilities and other	19.3	(3.3)	(17.4)	(45.3)
Net cash provided by (used in) operating activities	83.9	32.8	57.7	(26.5)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Acquisitions of companies, net of cash acquired	(0.4)	—	(0.4)	(0.4)
Collection of subordinated note receivable	—	—	44.2	—
Purchases of properties, plants and equipment	(15.0)	(30.6)	(44.8)	(69.8)
Purchases of and investments in timber properties	(3.5)	—	(3.5)	(25.4)
Purchases of properties, plants and equipment with insurance proceeds	(3.6)	—	(3.6)	—
Proceeds from the sale of PPE, businesses, timberland and other assets	25.3	12.7	27.4	51.7
Proceeds on insurance recoveries	6.6	—	6.6	—
Net cash provided by (used in) investing activities	9.4	(17.9)	25.9	(43.9)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from (payments on) debt, net	(42.2)	24.1	(44.6)	108.4
Dividends paid to Greif, Inc. shareholders	(24.8)	(24.7)	(49.3)	(49.2)
Other	(7.1)	(0.9)	(7.3)	(1.4)
Net cash provided by (used in) financing activities	(74.1)	(1.5)	(101.2)	57.8
Effects of exchange rates on cash	5.1	(1.8)	1.0	(5.1)
Net increase (decrease) in cash and cash equivalents	24.3	11.6	(16.6)	(17.7)
Cash and cash equivalents, beginning of period	65.3	55.8	106.2	85.1
Cash and cash equivalents, end of period	$ 89.6	$ 67.4	$ 89.6	$ 67.4

GREIF, INC. AND SUBSIDIARY COMPANIES
FINANCIAL HIGHLIGHTS BY SEGMENT
UNAUDITED
(Dollars in millions)

	Three months ended April 30		Six months ended April 30	
	2016	2015	2016	2015
Net sales:				
Rigid Industrial Packaging & Services	$ 589.6	$ 666.6	$1,124.5	$1,316.3
Paper Packaging & Services	167.2	160.4	325.6	319.6
Flexible Products & Services	76.2	82.0	149.1	170.1
Land Management	6.6	6.9	11.8	12.2
Total net sales	$ 839.6	$ 915.9	$1,611.0	$1,818.2
Operating profit (loss):				
Rigid Industrial Packaging & Services	$ 59.2	$ 25.8	$ 56.6	$ 46.0
Paper Packaging & Services	24.2	27.1	45.4	55.2
Flexible Products & Services	(2.9)	(5.3)	(6.0)	(14.1)
Land Management	2.3	3.5	4.4	29.4
Total operating profit	$ 82.8	$ 51.1	$ 100.4	$ 116.5
EBITDA [6]:				
Rigid Industrial Packaging & Services	$ 78.7	$ 47.9	$ 96.2	$ 92.7
Paper Packaging & Services	32.1	34.4	61.0	69.9
Flexible Products & Services	(1.0)	(3.9)	(3.3)	(10.9)
Land Management	3.3	4.6	6.1	31.2
Total EBITDA	$ 113.1	$ 83.0	$ 160.0	$ 182.9
EBITDA before special items:				
Rigid Industrial Packaging & Services	$ 73.8	$ 69.8	$ 129.4	$ 116.1
Paper Packaging & Services	32.0	35.3	62.4	70.8
Flexible Products & Services	0.8	(4.3)	—	(11.2)
Land Management	3.0	3.7	5.2	5.6
Total EBITDA	$ 109.6	$ 104.5	$ 197.0	$ 181.3

6 EBITDA is defined as net income, plus interest expense, net, plus income tax expense plus depreciation, depletion and amortization. However, because the company does not calculate net income by segment, this table calculates EBITDA by segment with reference to operating profit (loss) by segment, which, as demonstrated in the table of Consolidated EBITDA, is another method to achieve the same result. See the reconciliations in the table of Segment EBITDA.

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
OPERATING WORKING CAPITAL
UNAUDITED
(Dollars in millions)

	April 30, 2016	October 31, 2015
Trade accounts receivable	$ 404.8	$ 403.7
Plus: inventories	290.3	297.0
Less: accounts payable	326.0	355.3
Operating working capital	$ 369.1	$ 345.4

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
CONSOLIDATED EBITDA [7]
UNAUDITED
(Dollars in millions)

	Three months ended April 30		Six months ended April 30	
	2016	**2015**	**2016**	**2015**
Net income	$ 32.5	$ 20.5	$ 22.6	$ 48.7
Plus: interest expense, net	19.9	18.2	38.4	37.8
Plus: income tax expense	28.7	9.6	34.7	27.1
Plus: depreciation, depletion and amortization expense	32.0	34.7	64.3	69.3
EBITDA	$ 113.1	$ 83.0	$160.0	$182.9
Net income	$ 32.5	$ 20.5	$ 22.6	$ 48.7
Plus: interest expense, net	19.9	18.2	38.4	37.8
Plus: income tax expense	28.7	9.6	34.7	27.1
Plus: other expense, net	1.7	2.5	4.7	2.6
Less: equity earnings (losses) of unconsolidated affiliates, net of tax	—	(0.3)	—	(0.3)
Operating profit	82.8	51.1	100.4	116.5
Less: other expense, net	1.7	2.5	4.7	2.6
Plus: equity earnings (losses) of unconsolidated affiliates, net of tax	—	(0.3)	—	(0.3)
Plus: depreciation, depletion and amortization expense	32.0	34.7	64.3	69.3
EBITDA	$ 113.1	$ 83.0	$160.0	$182.9

7 EBITDA is defined as net income, plus interest expense, net, plus income tax expense, plus depreciation, depletion and amortization. As demonstrated in this table, EBITDA can also be calculated with reference to operating profit.

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
SEGMENT EBITDA [8]
UNAUDITED
(Dollars in millions)

	Three months ended April 30		Six months ended April 30	
	2016	**2015**	**2016**	**2015**
Rigid Industrial Packaging & Services				
Operating profit	$ 59.2	$ 25.8	$ 56.6	$ 46.0
Less: other expense, net	1.6	2.0	3.3	1.6
Plus: equity earnings of unconsolidated affiliates, net of tax	—	(0.1)	—	(0.1)
Plus: depreciation and amortization expense	21.1	24.2	42.9	48.4
EBITDA	$ 78.7	$ 47.9	$ 96.2	$ 92.7
Restructuring charges	2.9	6.4	4.3	8.8
Acquisition-related costs	0.1	—	0.1	0.2
Non-cash asset impairment charges	1.7	4.8	38.5	4.9
(Gain) loss on disposal of properties, plants, equipment and businesses, net	(9.6)	10.7	(9.7)	9.5
EBITDA before special items	$ 73.8	$ 69.8	$129.4	$116.1
Paper Packaging & Services				
Operating profit	$ 24.2	$ 27.1	$ 45.4	$ 55.2
Plus: depreciation and amortization expense	7.9	7.3	15.6	14.7
EBITDA	$ 32.1	$ 34.4	$ 61.0	$ 69.9
Restructuring charges	—	0.5	—	0.5
Non-cash asset impairment charges	—	0.5	1.5	0.5
Gain on disposal of properties, plants, equipment and businesses, net	(0.1)	(0.1)	(0.1)	(0.1)
EBITDA before special items	$ 32.0	$ 35.3	$ 62.4	$ 70.8
Flexible Products & Services				
Operating loss	$ (2.9)	$ (5.3)	$ (6.0)	$ (14.1)
Less: other expense, net	0.1	0.5	1.4	1.0
Plus: equity earnings of unconsolidated affiliates, net of tax	—	(0.2)	—	(0.2)
Plus: depreciation and amortization expense	2.0	2.1	4.1	4.4
EBITDA	$ (1.0)	$ (3.9)	$ (3.3)	$ (10.9)
Restructuring charges	2.5	0.4	3.4	1.2
Non-cash asset impairment charges	—	(0.8)	0.8	(0.7)
Gain on disposal of properties, plants, equipment and businesses, net	(0.7)	—	(0.9)	(0.8)
EBITDA before special items	$ 0.8	$ (4.3)	$ —	$ (11.2)
Land Management				
Operating profit	$ 2.3	$ 3.5	$ 4.4	$ 29.4
Plus: depreciation, depletion and amortization expense	1.0	1.1	1.7	1.8
EBITDA	$ 3.3	$ 4.6	$ 6.1	$ 31.2
Timberland gains	—	—	—	(24.3)
Gain on disposal of properties, plants, equipment and businesses, net	(0.3)	$ (0.9)	(0.9)	$ (1.3)
EBITDA before special items	$ 3.0	$ 3.7	$ 5.2	$ 5.6
Consolidated EBITDA	$ 113.1	$ 83.0	$160.0	$182.9
Consolidated EBITDA before special items	$ 109.6	$ 104.5	$197.0	$181.3

8 EBITDA is defined as net income, plus interest expense, net, plus income tax expense, plus depreciation, depletion and amortization. However, because the company does not calculate net income by segment, this table calculates EBITDA by segment with reference to operating profit (loss) by segment, which, as demonstrated in the table of Consolidated EBITDA, is another method to achieve the same result.

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
FREE CASH FLOW [9]
UNAUDITED
(Dollars in millions)

	Three months ended April 30		Six months ended April 30	
	2016	**2015**	**2016**	**2015**
Net cash provided by (used in) operating activities	$ 83.9	$ 32.8	$ 57.7	$(26.5)
Less: Cash paid for capital expenditures	(15.0)	(30.6)	(44.8)	(69.8)
Free Cash Flow	$ 68.9	$ 2.2	$ 12.9	$(96.3)

FREE CASH FLOW FROM VENEZUELA OPERATIONS [10]

	Three months ended April 30		Six months ended April 30	
	2016	**2015**	**2016**	**2015**
Net cash provided by operating activities for Venezuela	$ —	$ 3.3	$ —	$ 5.6
Less: Cash paid for capital expenditures for Venezuela	—	(3.3)	—	(14.4)
Free Cash Flow for Venezuela	$ —	$ —	$ —	$ (8.8)

FREE CASH FLOW EXCLUDING THE IMPACT OF VENEZUELA OPERATIONS [11]

	Three months ended April 30		Six months ended April 30	
	2016	**2015**	**2016**	**2015**
Net cash provided by (used in) operating activities excluding the impact of Venezuela operations	$ 83.9	$ 29.5	$ 57.7	$(32.1)
Less: Cash paid for capital expenditures excluding the impact of Venezuela operations	(15.0)	(27.3)	(44.8)	(55.4)
Free Cash Flow Excluding the Impact of Venezuela Operations	$ 68.9	$ 2.2	$ 12.9	$(87.5)

9 Free cash flow is defined as net cash provided by operating activities less cash paid for capital expenditures.

10 Free cash flow from Venezuela operations is defined as net cash provided by Venezuela operating activities less cash paid for Venezuela capital expenditures.

11 Free cash flow excluding the impact of Venezuela operations is defined as net cash provided by operating activities, excluding Venezuela's net cash provided by operating activities, less capital expenditures, excluding Venezuela's capital expenditures. The information is relevant and presented due to the impact of the devaluation of the Venezuelan currency at the end of the third quarter 2015 from 6.3 bolivars per USD to 199.4 bolivars per USD. The translated value of both the cash provided by operating activities of Venezuela and the cash paid for capital expenditures does not reflect the true economic impact to the company because actual conversion of bolivars to U.S. dollars at the official exchange rate used for the first three quarters of 2015 would not have been possible.

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
SEGMENT OPERATING PROFIT (LOSS) BEFORE SPECIAL ITEMS [12]
UNAUDITED
(Dollars in millions)

	Three months ended April 30		Six months ended April 30	
	2016	**2015**	**2016**	**2015**
Operating profit (loss):				
Rigid Industrial Packaging & Services	$ 59.2	$ 25.8	$ 56.6	$ 46.0
Paper Packaging & Services	24.2	27.1	45.4	55.2
Flexible Products & Services	(2.9)	(5.3)	(6.0)	(14.1)
Land Management	2.3	3.5	4.4	29.4
Total operating profit (loss)	82.8	51.1	100.4	116.5
Restructuring charges:				
Rigid Industrial Packaging & Services	2.9	6.4	4.3	8.8
Paper Packaging & Services	—	0.5	—	0.5
Flexible Products & Services	2.5	0.4	3.4	1.2
Total restructuring charges	5.4	7.3	7.7	10.5
Acquisition-related costs:				
Rigid Industrial Packaging & Services	0.1	—	0.1	0.2
Total acquisition-related costs	0.1	—	0.1	0.2
Timberland gains:				
Land Management	—	—	—	(24.3)
Total timberland gains	—	—	—	(24.3)
Non-cash asset impairment charges:				
Rigid Industrial Packaging & Services	1.7	4.8	38.5	4.9
Paper Packaging & Services	—	0.5	1.5	0.5
Flexible Products & Services	—	(0.8)	0.8	(0.7)
Total non-cash asset impairment charges	1.7	4.5	40.8	4.7
(Gain) loss on disposal of properties, plants, equipment and businesses, net:				
Rigid Industrial Packaging & Services	(9.6)	10.7	(9.7)	9.5
Paper Packaging	(0.1)	(0.1)	(0.1)	(0.1)
Flexible Products & Services	(0.7)	—	(0.9)	(0.8)
Land Management	(0.3)	(0.9)	(0.9)	(1.3)
Total (gain) loss on disposal of properties, plants, equipment and businesses, net	(10.7)	9.7	(11.6)	7.3
Operating profit (loss) before special items:				
Rigid Industrial Packaging & Services	54.3	47.7	89.8	69.4
Paper Packaging & Services	24.1	28.0	46.8	56.1
Flexible Products & Services	(1.1)	(5.7)	(2.7)	(14.4)
Land Management	2.0	2.6	3.5	3.8
Total operating profit (loss) before special items	$ 79.3	$ 72.6	$137.4	$114.9

12 Operating profit (loss) before special items is defined as operating profit (loss), plus restructuring charges plus acquisition-related costs, plus non-cash impairment charges, less timberland gains, less (gain) loss on disposal of properties, plants, equipment and businesses, net, plus the impact of Venezuela devaluation on cost of products sold.

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
CLASS A EARNINGS PER SHARE BEFORE SPECIAL ITEMS
UNAUDITED
(Dollars in millions, except for per share amounts)

Three months ended April 30, 2016		**Class A**
Net Income Attributable to Greif, Inc.	$ 31.4	$ 0.53
Less: (Gain) loss on disposal of properties, plants, equipment and businesses, net	(8.1)	(0.14)
Plus: Restructuring charges	3.4	0.06
Plus: Non-cash asset impairment charges	1.1	0.02
Net Income Attributable to Greif, Inc. Excluding Special Items	$ 27.8	$ 0.47

Three months ended April 30, 2015		**Class A**
Net Income Attributable to Greif, Inc.	$ 20.8	$ 0.35
Less: (Gain) loss on disposal of properties, plants, equipment and businesses, net	2.9	0.05
Plus: Restructuring charges	4.9	0.08
Plus: Non-cash asset impairment charges	2.9	0.05
Net Income Attributable to Greif, Inc. Excluding Special Items	$ 31.5	$ 0.53

Six months ended April 30, 2016		**Class A**
Net Income Attributable to Greif, Inc.	$ 20.3	$ 0.35
Less: (Gain) loss on disposal of properties, plants, equipment and businesses, net	(8.6)	(0.15)
Plus: Restructuring charges	5.0	0.09
Plus: Non-cash asset impairment charges	34.8	0.59
Plus: Acquisition related costs	0.1	—
Net Income Attributable to Greif, Inc. Excluding Special Items	$ 51.6	$ 0.88

Six months ended April 30, 2015		**Class A**
Net Income Attributable to Greif, Inc.	$ 50.9	$ 0.87
Less: (Gain) loss on disposal of properties, plants, equipment and businesses, net	1.5	0.02
Less: Timberland Gains	(14.9)	(0.25)
Plus: Restructuring charges	7.6	0.13
Plus: Non-cash asset impairment charges	3.0	0.05
Plus: Acquisition related costs	0.1	—
Net Income Attributable to Greif, Inc. Excluding Special Items	$ 48.2	$ 0.82

All special items are net of tax and noncontrolling interests

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
SELECTED FINANCIAL INFORMATION EXCLUDING
THE IMPACT OF DIVESTITURES
UNAUDITED
(Dollars in millions)

	Three months ended April 30			Six months ended April 30		
	2016	Impact of Divestitures	Excluding the Impact of Divestitures 2016 [13]	2016	Impact of Divestitures	Excluding the Impact of Divestitures 2016 [13]
Net Sales:						
Rigid Industrial Packaging & Services	$589.6	$ 21.6	$ 568.0	$1,124.5	$ 42.1	$ 1,082.4
Paper Packaging & Services	167.2	—	167.2	325.6	—	325.6
Flexible Products and Services	76.2	—	76.2	149.1	—	149.1
Land Management	6.6	—	6.6	11.8	—	11.8
Consolidated	$839.6	$ 21.6	$ 818.0	$1,611.0	$ 42.1	$ 1,568.9
Gross Profit:						
Rigid Industrial Packaging & Services	$123.9	$ 1.5	$ 122.4	$ 226.7	$ 3.3	$ 223.4
Paper Packaging & Services	37.4	—	37.4	73.2	—	73.2
Flexible Products and Services	9.6	—	9.6	20.1	—	20.1
Land Management	2.8	—	2.8	5.0	—	5.0
Consolidated	$173.7	$ 1.5	$ 172.2	$ 325.0	$ 3.3	$ 321.7
Operating Profit (Loss):						
Rigid Industrial Packaging & Services	$ 59.2	$ 1.3	$ 57.9	$ 56.6	$ (23.4)	$ 80.0
Paper Packaging & Services	24.2	—	24.2	45.4	—	45.4
Flexible Products and Services	(2.9)	—	(2.9)	(6.0)	—	(6.0)
Land Management	2.3	—	2.3	4.4	—	4.4
Consolidated	$ 82.8	$ 1.3	$ 81.5	$ 100.4	$ (23.4)	$ 123.8
Operating profit (loss) before special items:						
Rigid Industrial Packaging & Services	$ 54.3	$ —	$ 54.3	$ 89.8	$ 0.1	$ 89.7
Paper Packaging & Services	24.1	—	24.1	46.8	—	46.8
Flexible Products and Services	(1.1)	—	(1.1)	(2.7)	—	(2.7)
Land Management	2.0	—	2.0	3.5	—	3.5
Consolidated	$ 79.3	$ —	$ 79.3	$ 137.4	$ 0.1	$ 137.3

	2015*	Impact of Divestitures	Excluding the Impact of Divestitures 2015	2015*	Impact of Divestitures	Excluding the Impact of Divestitures 2015
Net Sales:						
Rigid Industrial Packaging & Services	$666.6	$ 40.7	$ 625.9	$1,316.3	$ 86.9	$ 1,229.4
Paper Packaging & Services	160.4	—	160.4	319.6	—	319.6
Flexible Products and Services	82.0	—	82.0	170.1	3.3	166.8
Land Management	6.9	—	6.9	12.2	—	12.2
Consolidated	$915.9	$ 40.7	$ 875.2	$1,818.2	$ 90.2	$ 1,728.0
Gross Profit:						
Rigid Industrial Packaging & Services	$125.8	$ 1.8	$ 124.0	$ 230.3	$ 3.4	$ 226.9
Paper Packaging & Services	41.2	—	41.2	81.9	—	81.9
Flexible Products and Services	10.8	—	10.8	17.9	0.5	17.4
Land Management	3.3	—	3.3	4.9	—	4.9
Consolidated	$181.1	$ 1.8	$ 179.3	$ 335.0	$ 3.9	$ 331.1
Operating Profit (Loss):						
Rigid Industrial Packaging & Services	$ 25.8	$ (3.8)	$ 29.6	$ 46.0	$ (5.7)	$ 51.7
Paper Packaging & Services	27.1	—	27.1	55.2	—	55.2
Flexible Products and Services	(5.3)	—	(5.3)	(14.1)	0.1	(14.2)
Land Management	3.5	—	3.5	29.4	—	29.4
Consolidated	$ 51.1	$ (3.8)	$ 54.9	$ 116.5	$ (5.6)	$ 122.1
Operating profit (loss) before special items:						
Rigid Industrial Packaging & Services	$ 47.7	$ (1.7)	$ 49.4	$ 69.4	$ (3.8)	$ 73.2
Paper Packaging & Services	28.0	—	28.0	56.1	—	56.1
Flexible Products and Services	(5.7)	—	(5.7)	(14.4)	0.1	(14.5)
Land Management	2.6	—	2.6	3.8	—	3.8
Consolidated	$ 72.6	$ (1.7)	$ 74.3	$ 114.9	$ (3.7)	$ 118.6

Note: The 2015 Acquisitions were completed at the beginning of the fiscal year and are not adjusted because they are fully reflected in both periods.

13 See table contained herein entitled GAAP to Non-GAAP Reconciliation Segment Operating Profit (Loss) Before Special Items for a reconciliation of each segment's operating profit (loss) before special items.

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
NET SALES TO NET SALES EXCLUDING THE IMPACT OF DIVESTITURES AND CURRENCY TRANSLATION
UNAUDITED
(Dollars in millions)

	Three months ended April 30			
	2016	**2015**	**(Decrease) in Net Sales ($)**	**(Decrease) in Net Sales (%)**
Net Sales	$ 839.6	$ 915.9	$ (76.3)	(8.3%)
Impact of Divestitures	21.6	40.7		
Net Sales excluding the impact of divestitures	$ 818.0	$ 875.2		
Currency Translation	(55.7)	N/A		
Net Sales excluding the impact of divestitures and currency translation	$ 873.7	$ 875.2	$ (1.5)	(0.2%)

	Six months ended April 30			
	2016	**2015**	**(Decrease) in Net Sales ($)**	**(Decrease) in Net Sales (%)**
Net Sales	$1,611.0	$1,818.2	$ (207.2)	(11.4%)
Impact of Divestitures	42.1	90.2		
Net Sales excluding the impact of divestitures	$1,568.9	$1,728.0		
Currency Translation	(134.1)	N/A		
Net Sales excluding the impact of divestitures and currency translation	$1,703.0	$1,728.0	$ (25.0)	(1.4%)

Good morning everyone and thank you for your time. My name is Matt Eichmann and I am the Vice President for Investor Relations at Greif. Similar to previous quarters, we are pleased to provide you with a copy of our earnings conference call slides, management remarks and 2016 second quarter earnings release for your review.

Turning to Slide 2. You are encouraged to submit questions today to investors@greif.com for the second quarter call to be held at 830AM eastern time on Thursday, June 9, 2016. Management will discuss our second quarter results at that time.

Turning to Slide 3. As a reminder, the information provided contains forward looking statements and uses certain non-GAAP financial measures. Please review the information on this slide. Our second quarter 2016 earnings release was issued before the market opened on Wednesday, June 8, 2016 and is posted to our website at www.greif.com .

And now, I'd like to turn the presentation over to Greif's President and Chief Executive Officer, Pete Watson.

Thank you Matt, and good morning everyone. Thank you for joining us today. I am pleased to report another improved quarter at Greif. While we still have much yet to do, I am confident we are headed in the right direction.

The Transformation process remains our number one priority and is helping to drive sustainable improvements across our portfolio. In addition, we are striving to build a better – and more engaged – team to achieve our vision of becoming the best performing customer-service company in the world.

We continue to execute against three Transformation priorities –

- First, optimizing and strengthening the portfolio to unlock further earnings potential;
- Second, executing on fundamental operating levers of the Greif Business System to expand our gross margins; and,
- Third, operating with a higher degree of fiscal discipline to create a lower cost structure and generating higher levels of free cash flow from our business.

I am encouraged that the team's efforts and focus have translated into improved operational performance and cash flow.

Please turn to slide 5. Our second quarter performance reflects improvements across many parts of the business:

- Our gross margin ratio expanded compared to the prior year quarter, and improved by 110 basis points sequentially over Q1 2016. Notably, this was our highest gross profit margin percentage in the last ten quarters, led by improvements in our Rigid Industrial Packaging business and in spite of pricing challenges in Paper Packaging;
- SG&A spending was reduced by $14M dollars versus a year ago;
- Our operating profit before special items margin grew to 9.4 percent – our best consolidated quarterly performance since 2013; and, finally

- We generated more than $65M dollars more free cash flow than the prior year quarter, driven by better operating performance, lower capital expenditures and improved working capital efficiencies.

I am now on slide 6. Over the last four quarters, we have delivered gross margins and operating profit margins of 19.6 percent and 8.5 percent, respectively. Our trailing four quarter SG&A ratio is 11.2 percent. Our focus on improving basic operating fundamentals is gaining traction, and our Transformation initiatives are starting to generate improvement in our business.

We plan to cover our Transformation progress in greater detail on June 24 th at our annual Investor Day in New York. If you have not already done so, please contact Matt Eichmann if you are interested in attending.

Please turn to slide 7. We are focused on improving operating fundamentals in our Rigid Industrial Packaging segment.

We continue to show improved performance in North America, helped by strong IBC demand, solid fiber drum volumes and operational efficiencies. This comes despite a slow start to the agriculture season and continued demand weakness in the Gulf coast region. We are pleased with the progress made by Ole Rosgaard and his team.

In Latin America, results continue to be hampered by currency headwinds and weakness in Brazil's industrial sector, but benefitted from strong plastic drum volumes driven by increased agro-chemical demand.

Please turn to slide 8. EMEA turned in a solid quarter, driven by strong steel demand across much of Europe and higher IBC volumes, especially out of Germany and Russia. The team is also making good progress on improving underperforming operations.

APAC delivered a second consecutive record operating profit quarter as they executed on their IBC growth strategy and continue to demonstrate disciplined cost control.

I am now on slide 9. Paper Packaging delivered respectable results despite a challenged containerboard environment. Volume improved net sales by roughly 11% year-over-year – offsetting lower containerboard prices – and we continue to see demand accelerate in our CorrChoice sheet feeder network. Additionally, specialty sales are expanding, with triplewall packaging, litho-laminate sheets and coating sales showing particular strength compared to the previous year.

Please turn to slide 10. Flexible Products and Services recorded a sequential quarterly improvement and its operating profit before special items and improved by almost five million dollars versus a year ago. That said, the pace of improvement in the performance of this business remains much below our expectations. We made a change to the team's leadership during the quarter. Hari Kumar – who previously led the transformation of FPS' Asia Pacific operations and returned that unit to strong profitability – has taken over the segment and will accelerate FPS' pace of change. Hari is a seasoned operator, and will be at Investor Day later in June.

Please turn to slide 11. Our land management business delivered results that were in line with expectations, in spite of lower planned timber sales. We continue to advance non-timber related revenue opportunities. As an example, our consulting practice is expanding and eclipsed its full year 2015 sales during the second quarter.

Now, I'd like to turn the balance of the presentation over to our Chief Financial Officer, Larry Hilsheimer.

Thanks Pete, and good morning everyone. I am now on slide 12.

Although sales were flat compared to the previous year after adjusting for divestitures and currency translation, our operating profit before special items grew by more than $6 million dollars. Operating profit growth, coupled with better working capital management and lower capital spend, helped us generate in excess of $65 million dollars more free cash flow this quarter than in the same quarter of the previous year.

Our effective tax rate for the quarter substantially exceeds our expected annual effective tax rate due to discrete tax items isolated to this quarter, the disproportionate second quarter impact of losses in jurisdictions with a valuation allowance for which the company receives no tax benefit and due to discrete tax benefits anticipated to be recognized in subsequent quarters of the year. These factors combined to equate to a roughly $0.11 per share impact to earnings during the quarter.

In summary, I am excited about the momentum building at Greif, and proud of the collective efforts of our colleagues worldwide. That momentum is vital as we continue to weather tepid economic conditions worldwide.

Turning now to slide 13. Although the U.S. industrial economy is improving moderately, Eurozone activity remains unsteady. Latin America also continues to be hampered by weaker conditions, especially in Brazil’s industrial sector. That said, we are working hard to capitalize on the opportunities available to us and we continue to benefit from the reach of our global portfolio that helps to mitigate region specific economic volatility.

Turning now to slide 14. We are making several refinements to our full year outlook this quarter following six months of actual performance. We have increased our restructuring expense slightly higher to account for some activities predominantly in our RIPS business. Operating improvements in our various segments result in an improved full year 2016 earnings per class A before special items guidance range of $2.20 to $2.46 per share up from $2.10 to $2.40 per share last quarter. Stronger operations – coupled with better working capital management – have also allowed us to increase the top end of our free cash flow range by $10 million dollars from what was shared at Q1 2016.

We are not updating our full year tax rate, and we continue to expect our full year range to fall between 39 and 41 percent. As I previously mentioned, our Q2 tax rate was impacted by discrete tax items isolated to the quarter and by the timing of losses in jurisdictions with full valuation allowances. Furthermore, we book our interim period taxes in accordance with FIN 18 guidelines that can cause quarterly volatility in tax expense – so our Q2 rate isn’t necessarily instructive of our full year expectation. And with that, I’d like to turn the program back to Matt Eichmann.

Thank you Larry.

At this point, we have concluded our remarks regarding the second quarter 2016 results.

On Thursday, June 9 th , 2016 Pete and Larry will gladly take your questions at 830AM eastern time during a live Question and Answer session. You are welcomed and encouraged to submit questions in advance to investors@greif.com .

Thank you for listening.

Greif, Inc.
Second Quarter 2016 Earnings Results Conference Call
June 9, 2016

CORPORATE PARTICIPANTS

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Pete Watson *Greif Inc - President & CEO*

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Chris Manuel *Wells Fargo Securities - Analyst*

Justin Bergner *Gabelli & Company - Analyst*

Mehul Dalia *Robert W. Baird & Company - Analyst*

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Alex Wong *BofA Merrill Lynch - Analyst*

PRESENTATION

Operator

Good morning. My name is Sylvie and I will be your conference operator today. At this time, I would like to welcome everyone to the Greif second-quarter 2016 earnings conference call.

(Operator Instructions)

Matt Eichmann, you may begin your conference.

Matt Eichmann - ***Greif Inc - VP of IR***

Thank you, Sylvie. Good morning, everyone, and welcome to the question-and-answer portion of Greif's 2016 second-quarter earnings conference call. Consistent with Greif's commitment to enhance transparency, yesterday morning we posted a slide presentation and recorded remarks regarding our 2016 second-quarter results to our website.

I am now on slide 2. Responding to your written and live questions this morning are Pete Watson, President and Chief Executive Officer; and Larry Hilsheimer, Executive Vice President and Chief Financial Officer.

Please turn to slide 3. This morning's question-and-answer session will contain forward-looking statements. Actual results or outcomes may differ materially from those that may be expressed or implied. Please review our filings with the Securities and Exchange Commission for more information regarding the factors that could cause actual results to differ materially from these projections or expectations.

During this question-and-answer session, certain non-GAAP financial measures may be discussed, including those that exclude the impacts of acquisitions and divestitures, special items such as restructuring charges and impairment charges, and acquisition-related costs. There are reconciliation tables included in our earnings release and the presentation posted on greif.com yesterday.

The format for today's call is to first respond to questions emailed to investors at greif.com regarding our second-quarter results. We will then address live questions in the same sequence. We appreciate those of you who took the time to review our materials and submitted questions in advance. Similar questions have been combined so we can efficiently address as many topics as possible.

I'd now like to turn the call over to Pete Watson, Greif's President and Chief Executive Officer for a few opening comments.

Pete Watson - *Greif Inc - President & CEO*

Thank you, Matt, and good morning, everyone. We appreciate your interest in Greif. Our Company is committed to customer service excellence, with high expectation to deliver exceptional value to both our customers and our shareholders. Our path to accomplish this is through a disciplined execution of our transformation process.

Highlights of our second quarter include: improved operational performance which expanded our gross profit margin by 90 basis points compared to Q2 2015; free cash flow expansion, which is largely the result of improved operations and greater discipline in managing our working capital; and we have revised our FY16 Class A earnings per share guidance range of $2.20 to $2.46 a share, which reflects our stronger transformational performance.

I'm pleased with our progress and I'm quick to acknowledge that we have more untapped opportunities that remain in each of our strategic business segments. With that, I will turn it back to Matt for questions.

QUESTION AND ANSWER

Matt Eichmann - *Greif Inc - VP of IR*

Thank you, Pete. This first question is actually directed for you and comes from multiple analysts. What are your views on the global industrial markets and what impact are they having on your business?

Pete Watson - *Greif Inc - President & CEO*

Thank you for the question. Let me walk through our views of the global industrial economy in the markets we compete in. And it is really a collection of different scenarios and trends.

I'll start with the US. As many of you know, the ISM index rose in May to 51.3 and it's been over the target expansion range of 50 in the past three months. The Fed has the industrial production indexes improved since April.

And our business has really reflected that cautious optimism in North America. Just to point to some examples within that view, our paper packaging business has seen improvement in demand, particularly in our CorrChoice sheet feeder network. Both in the second quarter where we had 16% growth year over year but we are also seeing similar growth demand patterns in May.

The business also serves a very diverse profile of corrugated box plants in the Eastern US. And it can be argued that corrugated box plants are seen as one bellwether for manufacturing health in the US. If I go over to our North American in rigid industrial packaging business, we have seen sequential improvements since the start of our fiscal year, both in our steel drum business and our IBC business.

If I could, let me go to the euro zone. Our experience in the industrial economy in Europe really remains unchanged in the past six months. We have seen slow and steady growth in the majority of our EMEA region and this is reflected in GDP stats that show moderate growth across that region as well.

We have experienced better performance in Q2 in certain regions within Western and Southern Europe and specifically in Russia. Our steel drum volume was 2.7% higher in Q2 versus prior year and our IBC volumes continue to expand sequentially. We're 10% increase year over year.

If I could move to China, industrial output statistics show 6% growth in May and similar to April status. But to be quite honest, it doesn't feel like that in the business. We continue to see a very broad slowdown which is particularly impacted by continued pressures caused by supply and demand imbalance in a lot of the commodity material sectors.

And our steel industry is a perfect example of that statement. Those views really mirror our steel drum demand, however I would like to point out in our IBC business we continue to see strong growth with double-digit increases year over year.

And finally, let me review Latin America. As many of you know, our main concentration of business is centered in Brazil. We are experiencing the same difficult environment of that region as most businesses are, due to the political and economical challenges that continue to persist.

And we frankly don't see any short-term relief in Brazil. This has negatively impacted our steel drum business that serves the industrial sector.

And with that said, we did experience positive growth in our plastic drum business in Latin America, predominantly in Brazil and Colombia, due to improved demand in the agrochemical sector which we have 9% year over year increases in plastic drums. We also see hope for positive improvements in Argentina with the new president.

Matt Eichmann - ***Greif Inc - VP of IR***

Thank you, Pete. Larry, this next question is for you and also comes from multiple investors and analysts. Please provide greater color on the factors that drove you to improve your earnings and free cash flow guidance ranges.

Larry Hilsheimer - ***Greif Inc - EVP & CFO***

Thanks, Matt. Yes, we are obviously extremely pleased to be able to increase the midpoint of our EPS range by $0.08 a share and our free cash flow midpoint by $8 million, despite what Pete described from an economic perspective. But our self-help agenda is really advancing and we are continuing to gain confidence in the sustainability and trajectory of the improvements that are the result of our transformation efforts, particularly what we are seeing being driven by our new leaders in the business.

We had begun to see that at the end of Q1 and were cautious at that point about the sustainability. But having another quarter of traction has given us the confidence to extend our range, our target midpoints, upward.

We're particularly focused on the benefits gained by the focus on unplanned downtime, the operational efficiencies, some of the SKU rationalization and Comex activities in each of the markets. It's very difficult to pinpoint what is one driver because there are not just one driver.

When you think about the US, consider that in last year, in 2015, we closed 8% of our US production facilities. And yet, we are still seeing improved operations and not that much downfall in sales. So we look forward to continued trajectory, continued improvement and that's what's reflected into our revised guidance.

Going back, also, normally our second half of the fiscal year is historically stronger due to seasonality, particularly tied to the agricultural markets which also gave us the confidence to improve our guidance. Our improved free cash range takes into account the better earnings improvement we're seeing, the focus on having continual improvement in working capital as opposed to year-end heroics. And we are partially offsetting that with a slightly higher expectation on restructuring charges, moving that up $5 million to take into account some other planned actions by our new leadership.

Matt Eichmann - ***Greif Inc - VP of IR***

Great, thank you, Larry. Sticking with you, please, Adam Josephson of KeyBanc writes what is the expected geographic composition of earnings during the second half the year?

Larry Hilsheimer - ***Greif Inc - EVP & CFO***

Adam, thank you. As you know, we don't provide earnings expectations by geography. What I will share that will be disclosed in our 10-Q that we expect to file later today, is that in the second quarter approximately 48% of our sales came from the US, 37% from EMEA and 15% from the rest the world. And we would anticipate that to be relatively consistent the remainder of the year.

Matt Eichmann - ***Greif Inc - VP of IR***

Pete, this next question is for you. It comes from Chris Manuel, Wells Fargo, and also Adam Josephson from KeyBanc.

They both asked about the flexibles business. Operating losses continue, we've made a management change but what's the path forward and how do you view the business within the context of the current portfolio?

Pete Watson - ***Greif Inc - President & CEO***

Yes, thank you, Chris and Adam, for the questions. Let me start, as you know, our flexible products business had an operating loss of $1 million in Q2. It is a $5 million improvement over Q2 2015 and a $0.5 million improvement sequentially versus Q1.

One note, we did book a one-time $1 million charge related to a labor dispute during the quarter. Backing that out, FPS would have been operating profit positive during the quarter.

But I will tell you, we are not happy with the pace of change at FPS. The performance trajectory of the business is not acceptable as it relates to our transformation plan. And as you indicated in the question, we did make a leadership change in FPS.

A gentleman named Hari Kumar who previously led our FPS APAC business from a loss maker to profitability, has assumed the role of division president. Both Larry and I have great respect and faith in his abilities as a leader and operator and we have high expectations for what he can do. The FPS team has a very clear path forward and what has to happen.

We will continue to be diligent in measuring that performance versus our milestone goals. We will point to a substantially higher run rate performance by our fourth quarter. I would also like to note that we continue to work together with our JV partner toward meeting these performance standards that both of us expect.

We do expect FPS to have positive EBITDA for the full year and like to highlight four key levers that will drive us to meet those expectations. One, we need to create further cost reductions in that business. We have to improve under-performing operations in specifically Turkey, Mexico and Vietnam.

We have labor efficiency gains that we're behind in, in our large integrated factories. And finally, we have to continue to complete the commercial initiatives that we've embarked on from a year ago. So we've got a lot to do there but have a lot of confidence that Hari and that team can get us back on track.

Matt Eichmann - *Greif Inc - VP of IR*

Thank you, Pete. Larry, the next question is for you, please. It comes from multiple investors and analysts who ask what FX rates are you assuming in your guidance? And what impact does FX have on your improved EPS guidance range?

Larry Hilsheimer - *Greif Inc - EVP & CFO*

Thanks, Matt. As we've talked about in prior calls and in our individual meetings, the complexity of our supply chain with over 220 locations in over 50 countries and the dynamic global markets that we source in, particularly given what's going on in the steel markets recently, makes specific determinations of net income impact on a forecasting basis extremely difficult. So what we've done is try to develop an index that we hope is instructive in terms of what we are facing, at least on a revenue basis.

We had explained earlier in the year that we believe the year-over-year impact of currency would be 6.5% related to our overall sales revenue. We now believe with this shifts, that it's more like 5.5% for this year. So if you wanted to do a rough back-of-the-envelope on the EPS impact, we believe it's become 1% more favorable on revenue.

If you apply that 1% to $3.3 billion, $3.4 billion revenue, you have $33 million. If you said apply our operating profit margin rate ex the paper business, you're going to come down to on an after-tax basis $0.01 to $0.02 a share of lift for the year. So it's not a major impact to us on the positive side but at least it was moving in a positive direction.

Matt Eichmann - *Greif Inc - VP of IR*

Thank you, Larry. Pete, Chris Manuel from Wells Fargo asks can you provide better update or an update on the current progress of your transformation plan?

Pete Watson - *Greif Inc - President & CEO*

Yes, thanks, Chris, for that question. I would say we are very pleased to date with our transformation efforts. And we believe those process initiatives are positively impacting our results.

We have assembled a relatively new leadership team, as you know, and our business leaders are seasoned, experienced operators who are driving greater accountability in the business. I hope that many of you can participate in Investor Day because you'll get a chance to meet and interact directly with them.

I'm very happy with the cultural intensity that we have focusing on customer service excellence. Our expectation is that process and that mindset will continue to drive results going forward.

Inside our portfolio we've made very good strides in fixing under-performing businesses. We've divested non-core assets and closed facilities that, quite frankly, had unacceptable long-term performance. And we are also starting to see results from our strategic growth projects.

Our plans to expand gross margins are gaining traction. We are executing on basic fundamental process improvements in all our commercial sourcing supply chain and operations that really comprise the Greif business system. And we are starting to embed inside the DNA of our Company the mindset of fiscal discipline, which really is around controlling costs in our SG&A area, and have a greater intensity and purpose on generating cash through operating working capital efficiencies.

Again, we hope to provide much more discreet data at our Investor Day in June in New York City.

Matt Eichmann - *Greif Inc - VP of IR*

Thank you, Pete.

Larry, Adam Josephson from KeyBanc, he asks the free cash flow guidance range outlook improved but the range is also wider. Why is that? And what gets you to the top end or the bottom end of that range?

Larry Hilsheimer - *Greif Inc - EVP & CFO*

Adam, thank you for the question.

Yes, we did improve our free cash flow range guidance to $130 million to $160 million. When a bunch of accountants and lawyers sit around and talk about these things, you tend to have a lot more focus on downsides than you do upsides. So you get a little reluctance to move your downside up as much.

But we do have great confidence in the improving operations. We raised the bottom of the range up by $5 million and the top up by $10 million. This is going to be influenced by the obvious things.

We also increased our restructuring expense, as I mentioned earlier, by roughly $5 million. The upside and downside are going to be influenced by what we obviously achieve in operations but also the timing of the cash restructuring payments. And then how do we really execute on working capital the remainder of the year.

As I said earlier, we are trying to become much more disciplined to have that sustained working capital improvement throughout the year. A lot of moving pieces but that's the range that we're comfortable with at this point time.

Matt Eichmann - *Greif Inc - VP of IR*

Thanks, Larry. Sticking with you, the next couple questions are for you. First is from Ghansham Panjabi from R.W. Baird who asks, how do you perform in Q2 versus your internal expectations given that your results landed $0.10 below consensus?

Larry Hilsheimer - *Greif Inc - EVP & CFO*

Thanks, Ghansham. As you know, we don't provide quarterly guidance so we don't necessarily compare ourselves to Street consensus, though obviously we're quite aware of it.

That said, we delivered a very solid operational quarter and it was slightly better than our internal forecast. As noted, the discrete tax items impacted our results by $0.11 per share which we expect to recover over the rest of the year.

Matt Eichmann - *Greif Inc - VP of IR*

Terrific. And also from Ghansham Panjabi at R.W. Baird, Larry, what led to your higher tax during the second quarter?

Larry Hilsheimer - *Greif Inc - EVP & CFO*

Ghansham, thank you. Obviously, that is a major impact to the quarter. That tax expense was impacted by booking of discrete tax items that had to do with adjustments to reserves, certain changed circumstances, law changes, that kind of thing that require you to book such discrete items.

In addition to the discrete items, we were also impacted by the timing of losses in several parts of the world in entities in which we have recorded valuation allowances that effectively do not allow us to take a tax benefit for those associated losses, which contributed to the higher tax rate. We anticipate the performance in some of those operations to improve through the remainder of the year.

And we also are anticipating the benefit of several discrete tax items related to transactions in planning strategies to impact the rest of the year and bring us back to our full-year tax rate between 39% and 41%. Obviously that range is always dependent on accomplishment of those improved operations, but our confidence level is high. We also expect cash taxes to roughly equal the book tax expense for the full year.

Matt Eichmann - *Greif Inc - VP of IR*

Thank you. And finally, Larry, from an unnamed investor, you reclassified your 2017 senior notes to a current liability during the quarter. What's your plan to refinance?

Larry Hilsheimer - *Greif Inc - EVP & CFO*

Obviously we are quite focused on that and have been for some time. We have been in discussions with most of, if not all, of our lending partners.

We have multiple alternatives to consider, thankfully, because of our strong performance and balance sheet. We anticipate moving forward with this process more aggressively late summer, early fall for both the 2017 bonds and the existing credit facility, and look forward to working with our credit partners in that regard.

Matt Eichmann - *Greif Inc - VP of IR*

Thank you. Sylvie, with that we're going to move over to live questions. So I'm going to turn it back over to you, please.

Operator

(Operator Instructions)

Chris Manuel, Wells Fargo Securities.

Chris Manuel - *Wells Fargo Securities - Analyst*

Yes, just a couple questions for you here. First, Larry, for you, what specifically do you have embedded into your assumptions for working capital for the balance of the year? And then if I'm thinking about the range for both EPS and for cash flow, what would be the items specifically that would take you higher or lower?

Is it working capital higher or lower? Is it volumes higher? What would be the factors or environments or conditions that would get you to the top end and bottom end of your ranges?

Larry Hilsheimer - *Greif Inc - EVP & CFO*

Sure, thanks, Chris. On working capital, what we're projecting is that on an overall basis for the year over year, that we will be anywhere from $9 million up to $13 million down in the range. Obviously we're working hard to have that be improvement.

We had shown really strong improvement at the end of last year. As I said, Chris, what we're trying to do is get more consistent management of working capital throughout the year. So obviously in the second quarter we did quite well and we're going to try to sustain that, but at this point that is where we would look at it on a year-over-year basis.

On the EPS element, it's really, Chris, just a combination of a lot of different factors that go into that range on the upside and the downside. We factor in that we know we have additional headwind in the paper business. We talked last quarter of a $15 million headwind on paper for the remainder of the year relative to the initial guidance.

That's more in the $18 million to $20 million range now. We believe that's being offset by the improved operations in our RIPS business. Little bit of drag from flexibles.

But that's not a significant impact, in our SG&A savings range that we talked about, $30 million to $35 million, which had FX benefits of $21 million to $23 million. Those FX benefits will be slightly lower but not dramatically. Otherwise, we expect that to be consistent.

So it really is going to come down to the range of performance in each of the RIPS businesses around the world. We expect North America to continue to maintain the excellent performance in margins and slight improvements in sales by winning back customers through customer service excellence. And continued strong performance in EMEA, executing on opportunities there particularly related to agriculture.

We are also — some of that range goes around our APAC business. Their performance has just been outstanding and yet the economy is not that strong. So we have a little bit of range around what we think they will accomplish in the second half of the year.

Hopefully that's responsive.

Chris Manuel - *Wells Fargo Securities - Analyst*

Okay. And I had one follow-up for Pete. Look, it's been a lot of movement in the last few months in steel in particular.

At times you guys have done well with raw materials. At times you guys have ended up behind the curve in price-cost. If you could, as you sit today, remind us of — across the different substrates or geographies or however you choose to do it — where you are with mechanisms that adjust.

How much of a headwind in some of the contractual business that you have, could price-cost for steel or resin be a headwind in the back half of the year? Is that factored into your guidance?

Pete Watson - *Greif Inc - President & CEO*

Thanks, Chris. Let me start with the steel market. Many of you may be following but there's a lot of turbulence in the steel markets globally. There are tariffs.

The US has put tariffs on imported steel as much as 500% from China and 70%-plus from Japan. The European Union is following suit but at a much slower and measured pace. So the supply chain considerations have changed quite dramatically in the past six months.

We've seen this coming and anticipated it. In regard to Greif and our sourcing, we have no impact or concerns that are material to our business in rigid industrial packaging, whether it's supply or price. So that being said, there are tighter market conditions in the US and Europe which is resulting right now in increasing of our steel raw material.

We are correspondingly active in raising prices based on that raw material changes. We do have contracts that have pass-through mechanisms. And I think as Larry has indicated in the past, we have a significant number with different variables, so there are delays in some of them.

But we also have a lot of business that doesn't have contracts. In those we're actively passing along that raw material price increases in the form higher drum prices, as we speak. We have a very measured and controlled process on that and our teams are very, very focused on that.

If you look at China, in regard to steel, they are in a world of hurt in the steel industry because they are being shut out of markets. They have roughly 350 million to 400 million tons of extra capacity, so they have to make some dramatic structural changes.

In the meantime, we do not see any significant cost increases on steel to our business, so I think that's a much different market in respect to how it impacts our business. We'll continue to manage our business in China and Asia-Pacific in a similar fashion that we had, which I feel very strongly how we're doing it.

In regard to our guidance and the impact on raw material pricing or increases or decreases, whether it's paper packaging or rigid packaging or FPS, inside our guidance we have taken into account some of that turbulence. We feel pretty confident that we have to manage that appropriately and we've got levers in place to do that.

Larry Hilsheimer - *Greif Inc - EVP & CFO*

Let me supplement a little bit what Pete said, so on your look forward you consider this as well. We have talked before that we have many, many different types of contracts for these price adjustment mechanisms, 13 different types in North America alone, point to point, average to average, those kinds of things and when they come into play. So there is a lot of complexity to figuring out the impact.

As Pete said, we have it built into the guidance. But one thing I will remind folks is that as prices go up, because these price adjustment mechanisms deal with the impact of the relative cost factor in your pricing on the raw material, as the pricing goes up, your margin percentage is going to go down. Because you're profit, dollar-wise, would stay the same, but the price goes up.

Now, that's obviously just focused on that element alone. We work hard in the market to make sure that the customers who value what we deliver and work with us, we also try to address other costs like increasing healthcare cost and all kinds of other items so that we maintain and maintain our margins, and then work obviously on the operational component drive efficiencies in our business and improve our margin percentage.

Chris Manuel - *Wells Fargo Securities - Analyst*

Thank you.

Operator

Justin Bergner, Gabelli & Company.

Justin Bergner - *Gabelli & Company - Analyst*

Good morning, everyone.

Matt Eichmann - *Greif Inc - VP of IR*

Hi, Justin.

Justin Bergner - *Gabelli & Company - Analyst*

Quick question on the guidance. Are you changing your underlying macro assumptions as it relates to global growth currency or input costs in your revised guidance? Or are you keeping those three factors unchanged or unchanged on a net basis?

Larry Hilsheimer - *Greif Inc - EVP & CFO*

Justin, I covered the FX item earlier. It's a very minor impact, $0.01 to $0.02, as I said. On the global macroeconomic things, and Pete went through it in our views, it does not have a major influence on our guidance range.

We have a moderately seemingly improved path in the United States but that's recent. So we didn't bake a lot in for that. We are really focused on the improvements being driven by our self-help activities.

And factoring in some things that we know about some successes we've had in the marketplace by continuing to regain customer confidence and more orders.

Justin Bergner - *Gabelli & Company - Analyst*

Great. And on the input costs, does that affect your guidance change in any way?

Larry Hilsheimer - *Greif Inc - EVP & CFO*

No, as Pete just tried to address in response to Chris' call, with 70%-plus in pass-through mechanism contracts, that ebbs and flows as you go. So the raw material impact to us is relatively minimal.

From time to time we'll have an advantage because our sourcing guys did a good job on something. But even as Chris mentioned, sometimes that goes the other way. But in a whole, we did not factor that in large in our guidance.

Justin Bergner - *Gabelli & Company - Analyst*

Okay. Great, one more question. Paper packaging, could you quickly describe the change in headwind from $15 million to $18 million to $20 million?

Pete Watson - *Greif Inc - President & CEO*

Yes, Justin, that's really relative to OCC input cost changes. May and June saw $5 to $10 increases based on regions where we source OCC. So that's where that's coming from.

I will note in paper packaging, it's well noted that there's been turbulence in the containerboard market. Our view now is that turbulence has quieted and I think partly that has to do with OCC input cost prices going up. So that's the reference Larry suggested in our headwinds.

Larry Hilsheimer - *Greif Inc - EVP & CFO*

Yes, just a follow-up on that, Justin. We use about 55,000 tons a month of OCC.

Justin Bergner - *Gabelli & Company - Analyst*

Great, thanks for taking my questions, guys.

Pete Watson - *Greif Inc - President & CEO*

Thank you.

Operator

Ghansham Panjabi, Robert Baird Company.

Mehul Dalia - *Robert W. Baird & Company - Analyst*

Good morning this is actually Mehul Dalia sitting in for Ghansham. How are you doing?

Pete Watson - *Greif Inc - President & CEO*

Good, how are you?

Mehul Dalia - *Robert W. Baird & Company - Analyst*

Great. Can you talk about inter-quarter trends by business? Was there any deviation month by month that was notable? And how was May in terms of performance?

Pete Watson - *Greif Inc - President & CEO*

I won't reference May in terms of performance but I will comment on some of the growth that we are seeing as it relates to my initial comments on the overall general economy. I think in the US we are starting to see improvements in our volumes April and May.

Again, I'd like to — probably most common in North America I think that's been most documented, that from a couple years ago that business had been under-performing and had discipline execution issues. We're very, very pleased with the sequential improvement in that business.

Our new leader, Ole Rosgaard, is doing an excellent job at controlling the levers. That is a big business in our Company and that is one of the reasons why our continued improved performance is gaining traction because of their improved performance in our business.

Larry Hilsheimer - *Greif Inc - EVP & CFO*

The other — to add supplement, that is — we've seen really good improvement in volumes in the CorrChoice part of our paper business. So that's an encouraging sign that our approach on the specialty side of that business has market favor.

Mehul Dalia - *Robert W. Baird & Company - Analyst*

Related to your comments on the US, when do expect that business to return to growth? And how does your — I think it was down 5%, 5.5% in the quarter, your US rigid business how does that compare to the market?

Larry Hilsheimer - *Greif Inc - EVP & CFO*

One thing I'll comment and then let Pete comment too. One thing I'd remind everybody is we shut down, closed down 8% of our production plants in the US in that rigids business less than a year ago. And so, we've captured some of that business out of those plants in adjacent plants but that's probably 65%, 70% of that business.

Even though you're seeing a contraction of 5%, we're pleased with some of the discrete growth opportunities that we have and we've been successful on, particularly on regaining customers by showing that we are delivering quality product and quality service.

At the same time, we've been emphasizing we're running to value not to volume. So we've walked away from business intentionally where we don't think that the value proposition is appropriate for that customer, and let them work with others who are delivering the value that they are interested in.

Pete Watson - *Greif Inc - President & CEO*

And just a few discrete comments, in our IBC business in North America we had the best volume in six quarters. That business continues to improve in fiber in spite of our largest customer's plant being closed. We saw growth quarter over quarter.

We are starting to enter into the seasonal ag markets which will be positive for us. And as Larry indicated in steel, while we closed a good part of our capacity last year, we have seen sequential improvement in volume in the last two quarters. Again we've talked about this continuously.

Part of the reason of our improved performance in North America comes from the commercial decisions we're making, that we're going after value in margin first and volume second. And so that is a critical component of our commercial approach and our business approach.

Again, I am very, very pleased with the trajectory of the performance in North American business. We're very happy with the leadership that Ole Rosgaard is providing to our Company.

Mehul Dalia - *Robert W. Baird & Company - Analyst*

Great. And just one last one, and related to the rigid margins that you were talking about. How sustainable is a 200 to 300 bps improvement that you guys reported in the first half of this year?

Should we assume a similar amount in the back half? Is there anything notable that is going to offset that kind of margin improvement?

Pete Watson - *Greif Inc - President & CEO*

I'm not going to tell you what we think we can improve but I will tell you we believe these margins are sustainable. There is fluctuation quarter to quarter, but we are pulling the levers that drive fundamental improvements in the business. And it's never one lever; there's 100 discrete or 150 discrete actions.

And it's around how we price and manage our product mix, making smart commercial decisions. We talk about value first over volume. We've got over 50 key sourcing and supply chain initiatives throughout the Company that are driving improvements to gross margin.

We've got significant operational plan efficiencies. And our whole theme in our system's around stability of our process. Everything from product quality improvements to waste reduction to increasing machine efficiencies, improving uptime effectiveness.

We think there are still big upside in that area. I'd also point that we are making significant progress in improving our under-performing operations, which for the past two years have been a real drag, not only on our operating profit but on our gross margins. We have a very, very clear intent and focus to fix those plants.

Again, as we demonstrated, we are not afraid to close those operations if they can't meet our expectations. All those elements are what we are driving to affect and improve our gross margin, both in dollars and ratio.

Larry Hilsheimer - *Greif Inc - EVP & CFO*

Yes, I'd supplement with what Pete said and particularly pleased with the close on the dollars and percentage. Because as we said last quarter, we believe the improvements that have been executed on are very sustainable and we obviously are driving for more.

We will talk a lot more about this in Investor Day, about what we believe. But we are committed to the commitments we made — committed to the commitments (laughter) — we'll restate our commitments that we made a year ago June at Investor Day relative to where we believe gross margin should be able to be sustained on a continuous basis.

As I mentioned earlier, when raw material prices go up and we have the adjustment mechanisms in the contract to maintain your dollar value, that can drive down your percentage but maintain your dollar value, as you know. And so that said, we still believe that we should be able to sustain these margins at over 20% levels.

Mehul Dalia - ***Robert W. Baird & Company - Analyst***

Great, thank you so much.

Operator

Ketan Mamtora, BMO Capital Markets.

Ketan Mamtora - ***BMO Capital Markets - Analyst***

Morning, thanks for taking my question.

Matt Eichmann - ***Greif Inc - VP of IR***

Thank you.

Pete Watson - ***Greif Inc - President & CEO***

Good morning.

Ketan Mamtora - ***BMO Capital Markets - Analyst***

First question, I want to come back to RIPS North America. How far along are you with your restructuring efforts there and addressing these surplus capacity issues?

You mentioned earlier shutting about 8% of your capacity there. If you can provide additional color in terms of how much more there needs to be done?

Pete Watson - ***Greif Inc - President & CEO***

Yes, we've completed what we plan to restructure in our operations to supply and demand. I think it would be foolish to ever say you're never done; you always evaluate market conditions and improvements. But I would tell you at this point we are more on a trajectory in how we improve and profitably grow that business and the footprint, as opposed to shrinking and rationalizing and consolidating.

Ketan Mamtora - ***BMO Capital Markets - Analyst***

Understood, that's helpful. Switching to the restructuring expense, from the first half you did about $7.5 million and you raised for guidance and the full year. Can you talk about two or three key buckets, maybe regions or products that will have restructuring in the back half?

Larry Hilsheimer - ***Greif Inc - EVP & CFO***

Yes, we expect further restructuring to be primarily focused in three spaces. Some in our FPS business, some in Latin America and then some in EMEA in the rigid business.

Ketan Mamtora - ***BMO Capital Markets - Analyst***

Got it. And how much of this would be the cash component?

Larry Hilsheimer - ***Greif Inc - EVP & CFO***

Both the cash and the expense — we have a range of $20 million to $30 million on our restructuring expense and $29 million to $38 million cash.

Ketan Mamtora - ***BMO Capital Markets - Analyst***

Got it. And I would imagine that $29 million to $38 million is excluded from your free cash flow guidance of $130 million to $160 million?

Larry Hilsheimer - ***Greif Inc - EVP & CFO***

No, it's included.

Ketan Mamtora - ***BMO Capital Markets - Analyst***

So your $130 million to $160 million is net of the cash you will spend on restructuring, am I correct?

Larry Hilsheimer - ***Greif Inc - EVP & CFO***

Correct.

Ketan Mamtora - ***BMO Capital Markets - Analyst***

Got it. And switching to FPS, Pete, you mentioned that you expect FPS to be substantially higher on a run-rate basis by 4Q. Can you in any way quantify substantially higher? And what are the key mile markers over the next first two quarters and then as you look out?

Larry Hilsheimer - ***Greif Inc - EVP & CFO***

Let me maybe address that. We've said consistently and reaffirmed it through Pete's comments, that we expect to be EBITDA break-even for the year. And we hope, obviously, be better than break-even but that's the guidance we're comfortable with at this point relative to where we are year to date that would give you a clear picture to the rest of the year.

Ketan Mamtora - ***BMO Capital Markets - Analyst***

Understood, that's all I have. Thanks very much. Best of luck for the rest of the year.

I will turn it over.

Pete Watson - ***Greif Inc - President & CEO***

Thank you very much.

Operator

George Staphos, Bank of America Merrill Lynch.

Alex Wong - ***BofA Merrill Lynch - Analyst***

Hi, it's actually Alex Wong on for George, thanks for taking the question. First one on the guidance. If you could clarify, I think earlier in your commentary you mentioned that the SG&A savings goal hasn't changed much.

You touched on a little bit of tailwind from FX. So is the right way to interpret it, the lift in the EPS guidance is really coming from the gross margin side in terms of some of the operational efficiencies you talked about?

Larry Hilsheimer - *Greif Inc - EVP & CFO*

Yes, that's absolutely correct. We've seen great improvement in our RIPS business. It's obviously overcoming that $18 million to $20 million headwind to our guidance, our original guidance, in the PPS business.

And also a little bit shortfall in FPS. So yes, you've got it. Our SG&A guidance stays the same. The FX benefit's only a $0.01 or $0.02 lift and the rest falls to the operational improvements.

Alex Wong - *BofA Merrill Lynch - Analyst*

I appreciate that, Larry. And as a follow-on to the FPS question, the run rate commentary around EBITDA. If we look at it in the second-quarter, I think you guys were EBITDA-positive. So I just wanted to clarify, was that more of a run rate comment?

Because if you're really looking at the second quarter, you're already at that positive, so it's more a quantification. But if you could provide a little more granularity around that.

Pete Watson - *Greif Inc - President & CEO*

Yes, so my comment on a fourth-quarter run rate expectation, it's much higher than positive EBITDA. We're talking about a positive EBITDA full year but our expectations on a run rate are significantly higher. And those expectations are to be on a catch-up on what we would expect going into 2017.

So that will be a critical point in how we evaluate that business.

Larry Hilsheimer - *Greif Inc - EVP & CFO*

Yes, we'll be addressing that much further in a couple weeks at the Investor Day. Hari is doing a great job. There's a number of moving pieces in that, that he's still working through at this point that'll allow us to give much better clarity on that.

Alex Wong - *BofA Merrill Lynch - Analyst*

I appreciate that. And lastly, can you remind us how big IBC is as Greif's product mix? I know the growth strategy has really been in EMEA and Asia, but can you talk about the increased usage of IBCs in North America and how much of that is perhaps some share shift you're seeing in the market?

Pete Watson - *Greif Inc - President & CEO*

Yes, that is a good question. If you look at weighting of the size of the IBC business, EMEA is significantly the largest component of that for our portfolio, by a lot. North America and APAC have similar size.

They are both growing. As you know, we've struggled — North America predominantly because the end-use is in fracking and oil which is a big by product for IBC, has struggled.

Our growth in North America has to do with revamping our commercial organization and significant improvement in our operations to be able to go to market with a better product and more consistent product. But in North America and Asia-Pacific it's a relatively smaller percentage than the rest of our portfolio.

And Europe is starting to grow fairly substantially. But as market opportunities present itself, we expect to grow double-digits in both North America and Asia-Pacific as long as it delivers the right profits and the right value for our Company.

Alex Wong - *BofA Merrill Lynch - Analyst*

Thanks very much.

Operator

I will now turn the call back over to Matt Eichmann.

Matt Eichmann - *Greif Inc - VP of IR*

Thank you, Sylvie. That concludes our presentation for today. I want to remind you that we plan to host an Investor Day on Friday, June 24, 2016. Details about the event are posted on our website.

The replay of this question-and-answer session will be available later today on our website at www.greif.com. We appreciate your interest and your participation. Thank you and have a good remainder to your day.

Operator

This concludes today's conference call. You may now disconnect.