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): September 4, 2012 (August 29, 2012)

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 August 29, 2012, Greif, Inc. (the "Company") issued a press release (the "Earnings Release") announcing the financial results for its third quarter ended July 31, 2012. 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) net income attributable to the Company before special items on a consolidated basis, which is equal to net income attributable to the Company plus restructuring charges, acquisition-related costs and a non-cash intangible asset impairment charge, each item net of tax, on a consolidated basis;

(ii) diluted earnings per Class A share and per Class B share before special items on a consolidated basis, which is equal to diluted earnings per Class A share and per Class B share, respectively, plus restructuring charges, acquisition-related costs and a non-cash intangible asset impairment charge, each item net of tax, on a consolidated basis;

(iii) operating profit before special items on a consolidated basis, which is equal to operating profit plus restructuring charges, acquisition-related costs and a non-cash intangible asset impairment charge on a consolidated basis;

(iv) EBITDA of the Company on a consolidated basis, which is equal to net income plus interest expense, net plus income tax expense less equity earnings of unconsolidated affiliates, net of tax plus depreciation, depletion and amortization on a consolidated basis;

(v) EBITDA for each of the Company's business segments, which is equal to a business segment's operating profit less that segment's other expense (income), net plus that segment's depreciation, depletion and amortization expense, as applicable to that segment;

(vi) EBITDA of the Company before special items on a consolidated basis, which is equal to EBITDA plus restructuring charges, acquisition-related costs and a non-cash intangible asset impairment charge on a consolidated basis;

(vii) net working capital of the Company on a consolidated basis, which is equal to current assets less current liabilities less cash and cash equivalents on a consolidated basis;

(viii) net debt of the Company on a consolidated basis, which is equal to long-term debt plus current portion of long-term debt plus short-term borrowings less cash and cash equivalents on a consolidated basis; and

(ix) free cash flows of the Company on a consolidated basis, which is equal to cash provided by (used in) operating activities less purchases of properties, plants, equipment and timber properties.

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 August 30, 2012, management of the Company held a conference call with interested investors and financial analysts to discuss the Company's financial results for its third quarter ended July 31, 2012. The file transcript is attached as Exhibit 99.2 to this Current Report on Form 8-K.

Section 8 – Other Events

Item 8.01 Other Events.

Exhibit 99.3 to this Form 8-K includes certain quarterly statistical information for Greif, Inc. and its subsidiaries for the fiscal years ended October 31, 2010 and October 31, 2011 and the quarters ended January 31, 2012, April 30, 2012 and July 31, 2012. This information is being disclosed under both Items 7.01 and 8.01 of this Form 8-K and shall be considered furnished under Item 7.01 and shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section.

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 August 29, 2012 announcing the financial results for its third quarter ended July 31, 2012.
99.2	File transcript of conference call held by management of Greif, Inc. on August 30, 2012.
99.3	Greif, Inc. – certain quarterly statistical information for the fiscal years ended October 31, 2010 and October 31, 2011 and the quarters ended January 31, 2012, April 30, 2012 and July 31, 2012.

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: September 4, 2012

By /s/ Robert M. McNutt

Robert M. McNutt,
Senior Vice President and Chief Financial Officer

EXHIBIT INDEX

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EXHIBIT 99.1

Contacts:

Analysts: Robert Lentz
614-876-2000

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740-816-0692 cell

Greif, Inc. Reports Third Quarter 2012 Results

DELAWARE, Ohio (Aug. 29, 2012) – Greif, Inc. (NYSE: GEF, GEF.B), a global leader in industrial packaging products and services, today announced results for its third quarter, which ended July 31, 2012. The company reported third quarter net sales of $1,102.8 million, operating profit of $86.1 million and net income attributable to Greif, Inc. of $40.7 million, or $0.70 per diluted Class A share. EBITDA [1] was $125.8 million. Operating profit before special items was $91.6 million and net income attributable to Greif, Inc. before special items was $44.2 million, or $0.75 per diluted Class A share.

(Dollars in millions, except per share amounts)	Three months ended July 31,		Nine months ended July 31,	
Selected Financial Highlights	2012	2011 [2]	2012 [2]	2011 [2]
Net sales	$1,102.8	$1,121.9	$3,193.6	$3,116.5
Operating profit	86.1	107.6	225.7	266.8
Operating profit before special items	91.6	116.7	253.6	300.4
Net income attributable to Greif, Inc.	40.7	66.9	105.8	158.4
Net income attributable to Greif, Inc. before special items	44.2	74.1	124.6	184.6
Diluted Class A earnings per share attributable to Greif, Inc. common shareholders	0.70	1.14	1.82	2.70
Diluted Class A earnings per share attributable to Greif, Inc. common shareholders before special items	0.75	1.26	2.14	3.15
EBITDA [1]	125.8	138.0	341.3	359.5
EBITDA before special items	131.3	147.1	369.2	393.1
Special items				
Restructuring charges	$ 3.9	$ 3.4	$ 22.9	$ 11.4
Acquisition-related costs	1.6	2.7	5.0	19.2
Non-cash asset impairment charge	—	3.0	—	3.0
Total special items	5.5	9.1	27.9	33.6
Total special items, net of tax	3.5	7.2	18.8	26.2

	July 31, 2012	Oct. 31, 2011
Working capital [3]	$ 314.3	$ 358.2
Net working capital [3]	222.6	230.8
Long-term debt	1,198.2	1,345.1
Net debt [4]	1,225.8	1,367.5

1 EBITDA is defined as net income plus interest expense, net plus income tax expense less equity earnings of unconsolidated subsidiaries, net of tax plus depreciation, depletion and amortization.

2 In the third quarter 2012, the company corrected prior period accounting errors that occurred over a number of years primarily with respect to the Latin America region of the Rigid Industrial Packaging & Services segment. The impact of the errors was not material to the company in any prior year. However, the cumulative effect of the correction of the prior period errors would have been material to the current year's consolidated financial statements of operations. As a result of correcting the errors, net income attributable to Greif, Inc. for the following periods presented in this earnings release increased as follows: $4.4 million for the nine months ended July 31, 2012 (unaudited); $4.0 million for the three months ended July 31, 2011 (unaudited); and $3.2 million for the nine months ended July 31, 2011 (unaudited).

3 Working capital represents current assets less current liabilities. Net working capital represents working capital less cash and cash equivalents.

4 Net debt represents long-term debt plus the current portion of long-term debt plus short-term borrowings less cash and cash equivalents.

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.

David B. Fischer, president and chief executive officer, said, “Our third quarter operating performance was impacted by lower than expected volumes and the negative effect of foreign currency translation in our Rigid Industrial Packaging & Services and Flexible Products & Services segments, while the Paper Packaging segment achieved solid results. Contingency actions and Greif Business System initiatives implemented during the past year benefited our third quarter performance. Progress was also achieved through further acquisition integration that is positioning us for more profitable future growth. Free cash flow [5] increased significantly for the third quarter and first nine months of 2012. We remain focused on our 2012 priorities while continuing to adapt promptly to changes in business and market conditions.”

Consolidated Results

Third Quarter 2012

Net sales were $1,102.8 million for third quarter 2012 compared with $1,121.9 million for the same period in 2011. Sales volumes, including acquisitions, increased 5 percent but were more than offset by a negative 6 percent impact of foreign currency translation. Third quarter 2012 selling prices were generally in line with the prior year with some variances among business segments. Overall, volumes on a same-structure basis were 1 percent below third quarter 2011. This decrease was principally due to market conditions in the Rigid Industrial Packaging & Services and Flexible Products & Services segments, partially offset by stronger volumes in the Paper Packaging segment, compared with the same period last year.

Gross profit declined approximately 4 percent to $202.5 million for third quarter 2012 compared with $211.1 million for the same period in 2011. Gross profit margin decreased to 18.4 percent for third quarter 2012 from 18.8 percent for the same period last year. The decline in gross profit margin was principally due to lower same-structure volumes and market pressure in the Rigid Industrial Packaging & Services and Flexible Products & Services segments, which was partially offset by higher volumes and lower input costs in the Paper Packaging segment compared with a year ago.

SG&A expenses increased to $115.8 million, or 10.5 percent of net sales, for third quarter 2012 from $109.2 million, or 9.7 percent of net sales, for third quarter 2011. The $6.6 million increase was primarily due to the inclusion of SG&A expenses for companies acquired in 2011. Acquisition-related costs were $1.6 million and $2.7 million for the third quarters of 2012 and 2011, respectively.

Third quarter 2012 restructuring charges were $3.9 million compared with $3.4 million during third quarter 2011. These charges were related to the consolidation of operations in the Flexible Products & Services segment as part of the ongoing implementation of the Greif Business System and rationalization of operations and contingency actions in Rigid Industrial Packaging & Services.

Operating profit was $86.1 million for third quarter 2012 compared with $107.6 million for the same period last year. This decrease was primarily due to lower results in Rigid Industrial Packaging & Services (-$9.5 million), Land Management (-$9.2 million) and Flexible Products & Services (-$6.3 million), partially offset by solid results in Paper Packaging ($3.5 million), compared with a year ago.

Interest expense, net, was $22.7 million for third quarter 2012 compared with $18.4 million for third quarter 2011. The increase was primarily due to the higher level of debt outstanding related to acquisitions completed during the past year.

Income tax expense was $24.5 million for third quarter 2012 compared with $17.3 million for the same period last year. This was attributable to a change in the global earnings mix caused by a greater proportion of income generated in the United States, which is a higher tax jurisdiction. The annual book tax rate was 32.6 percent for third quarter 2012 compared with 22.3 percent a year ago. The cash tax rate for fiscal 2012 is expected to be approximately 20 percent for fiscal 2012, which is consistent with the prior year’s rate.

[5] Free cash flow is defined as cash provided by (used in) operating activities less capital expenditures and timberland purchases.

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.

Net income attributable to Greif, Inc. was $40.7 million, or $0.70 per diluted Class A share and $1.05 per diluted Class B share, for third quarter 2012 compared with net income of $66.9 million, or $1.14 per diluted Class A share and $1.72 per diluted Class B share, for third quarter 2011.

EBITDA was $125.8 million and $138.0 million for the third quarters of 2012 and 2011, respectively. This decrease was primarily due to the same factors that impacted operating profit. Depreciation, depletion and amortization expense was $37.4 million for third quarter 2012 compared with $34.9 million for the same period last year.

Segment Results

Rigid Industrial Packaging & Services

Net sales were $805.1 million for third quarter 2012 compared with $803.9 million for third quarter 2011 due to a 6 percent volume increase, including acquisitions, and a 1 percent increase in prices offset by a negative 7 percent impact of foreign currency translation. On a same-structure basis, sales volumes declined 2 percent due to economic conditions and market pressure that impacted all geographic regions by the end of the third quarter 2012. Volumes in Europe continue to be below expectations and were softer in the Asia Pacific and Latin America regions and the non-agricultural business in North America compared with the same period last year.

Gross profit was $148.2 million and $149.9 million for the third quarters of 2012 and 2011, respectively. Gross profit margin declined to 18.4 percent for third quarter 2012 from 18.7 percent for third quarter 2011. The decrease in gross profit margin compared with last year was primarily due to lower volumes on a same-structure basis.

Operating profit was $62.1 million for third quarter 2012 compared with $71.6 million for the same period last year. The $9.5 million decrease was primarily due to lower same-structure volumes in global markets and, to a lesser extent, the negative effect of foreign currency translation. There were $3.4 million of restructuring charges for third quarter 2012, primarily related to rationalization of operations and contingency actions implemented during the quarter, compared with $3.4 million for the same period last year. There were $1.6 million and $2.1 million of acquisition-related costs for the third quarters of 2012 and 2011, respectively.

EBITDA was $87.0 million and $91.1 million for the third quarters of 2012 and 2011, respectively, due to the same factors that impacted the segment's operating profit. Depreciation, depletion and amortization expense was $25.3 million for third quarter 2012 compared with $22.4 million for the same period last year.

Flexible Products & Services

Net sales were $109.7 million for third quarter 2012 compared with $141.2 million for third quarter 2011. The $31.5 million decline was attributable to a 7 percent decrease in volumes due to weak market conditions in Europe, supply chain issues resulting from network consolidation and, to a lesser extent, market conditions for multiwall bags in the U.S. There was a 4 percent decrease in prices and a negative 9 percent impact of foreign currency translation compared with third quarter 2011.

Gross profit was $20.0 million for third quarter 2012 versus $32.3 million a year ago. Gross profit margin decreased to 18.2 percent for third quarter 2012 from 22.9 percent for third quarter 2011. The decline in gross profit margin was primarily attributable to lower volumes coupled with higher costs associated with ongoing consolidation of operations in Europe.

Operating profit was $1.4 million for third quarter 2012 compared with operating profit of $7.7 million for third quarter 2011. The negative impact of lower volumes, higher production costs plus startup costs principally related to the fabric hub in Saudi Arabia was partially offset by lower restructuring charges and acquisition-related costs. There were $0.5 million of restructuring charges for third quarter 2012, primarily related to the ongoing consolidation of operations, compared with $0.7 million for the same period last year. There were no acquisition-related costs in third quarter 2012 compared with $0.6 million of acquisition-related costs for the prior year.

EBITDA was $7.3 million for third quarter 2012 and $10.1 million for third quarter 2011 due to the same factors that impacted the segment's operating profit. Depreciation, depletion and amortization expense was $3.7 million and $4.2 million for third quarters of 2012 and 2011, respectively.

Paper Packaging

Net sales increased 6 percent to $182.7 million for third quarter 2012 compared with $172.8 million for third quarter 2011. Volumes increased 8 percent while prices declined 2 percent due to product mix.

Gross profit increased to $32.5 million for third quarter 2012 compared with $27.6 million a year ago due to higher volumes and lower costs for old corrugated containers (OCC) partially offset by slightly lower selling prices. Consequently, gross profit margin increased to 17.8 percent for third quarter 2012 from 16.0 percent for third quarter 2011.

Operating profit was $21.0 million for third quarter 2012 versus $17.5 million for third quarter 2011. Higher volumes and lower OCC costs were partially offset by slightly lower selling prices and expenses related to annual mill maintenance shutdowns at both mills during third quarter 2012 as planned.

EBITDA increased to $29.2 million for third quarter 2012 compared with $25.5 million for third quarter 2011. EBITDA for both periods was affected by the same factors that impacted the segment's operating profit. Depreciation, depletion and amortization expense was $7.7 million and $7.8 million for third quarters of 2012 and 2011, respectively.

Land Management

Net sales were $5.3 million for third quarter 2012 compared with $4.0 million for third quarter 2011, primarily due to the timing of timber sales.

Third quarter 2012 operating profit was $1.6 million versus $10.8 million for third quarter 2011. This included special use property disposals of $0.3 million and $7.0 million for 2012 and 2011, respectively. Third quarter 2011 also included a $2.5 million purchase price adjustment related to the expropriation of surplus property from a prior period.

EBITDA was $2.3 million and $11.3 million for the third quarters of 2012 and 2011, respectively, and was affected by the same factors that impacted the segment's operating profit. Depreciation, depletion and amortization expense was $0.7 million for third quarter 2012 and $0.5 million for the same period last year.

Other Financial Information

Working capital was $314.3 million at July 31, 2012, compared with $358.2 million at Oct. 31, 2011. Improvements came from lower cash and accounts receivable balances plus improved payment terms for accounts payable and, to a lesser extent, the currency translation impact of the stronger U.S. dollar versus the euro and other major currencies.

Cash provided by operating activities was $151.7 million for third quarter 2012 versus $35.4 million for the same period last year. Free cash flow was $112.9 million for the third quarter 2012 compared with negative $11.2 million for the third quarter 2011. For the first nine months of 2012, cash provided by operating activities was $319.9 million versus $22.7 million for the first nine months of 2011. Free cash flow was $209.0 million for the first nine months of 2012 compared with negative $98.5 million for the same period in 2011.

There were no acquisitions in third quarter 2012 compared with two acquisitions in third quarter 2011.

Capital expenditures were $38.0 million, excluding $0.8 million of timberland purchases for third quarter 2012, compared with $44.1 million, excluding timberland purchases of $2.5 million, for third quarter 2011. The 2012 capital expenditures include carryover projects related to our growth platforms, including the fabric hub in Saudi Arabia. The company expects capital expenditures, excluding timberland purchases, to be approximately $145 million in 2012 compared with approximately $162 million in 2011.

Long-term debt declined $146.9 million to $1,198.2 million at July 31, 2012, from $1,345.1 million at Oct. 31, 2011. This decrease was primarily due to improved cash flows from operations and, to a lesser extent, the currency translation impact of the stronger U.S. dollar versus the euro and other major currencies.

On Aug. 28, 2012, 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. These dividends are payable on Oct. 1, 2012, to stockholders of record at close of business on Sep. 20, 2012.

Company Outlook

For the remainder of fiscal 2012, we expect our Rigid Industrial Packaging & Services and Flexible Products & Services segments to be impacted by lower volumes than previously anticipated in the company’s second quarter 2012 earnings release. The negative effect of foreign currency translation and the higher annual book tax rate is also expected to impact our fourth quarter 2012 results. Solid fourth quarter 2012 performance is anticipated for the Paper Packaging and Land Management segments. Contributions from contingency actions, acquisition integration and ongoing Greif Business System initiatives implemented during 2012 are expected to provide additional benefits to the fourth quarter 2012 results. EBITDA is anticipated to be $445 million to $465 million for fiscal 2012.

Conference Call

Management will host a conference call to discuss third quarter 2012 results on Aug. 30, 2012, at 10 a.m. ET. To participate, domestic callers should call 877-485-3107 and ask for the Greif conference call. The number for international callers is +1 201-689-8427. Phone lines will open at 9:50 a.m. ET. The conference call will also be available through a live webcast, including slides, which can be accessed at www.greif.com in the Investor Center. A replay of the conference call will be available on our website approximately one hour following the call.

About Greif

Greif is a world leader in industrial packaging products and services. We produce steel, plastic, fibre, intermediate bulk, remanufactured and reconditioned rigid industrial containers as well as flexible containers, corrugated and multiwall containers and containerboard, and provide services such as blending, filling, packaging and recycling of industrial containers for a wide range of industries. We also manage timber properties in North America and provide land management consulting services. We are strategically positioned in more than 55 countries to serve global as well as regional customers. Additional information is on our website at www.greif.com.

Forward-Looking Statements

All statements, other than statements of historical facts, included in this news release, including without limitation statements regarding our future financial position, business strategy, budgets, projected costs, goals and plans and objectives of management for future operations, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements generally can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “project,” “believe,” “continue,” “on track” or “target” or the negative thereof or variations thereon or similar terminology. All forward-looking statements made in this news release are based on information currently available to management. Although we believe that the expectations reflected in forward-looking statements have a reasonable basis, we can give no assurance that these expectations will prove to be correct. Forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed in or implied by the statements.

Such risks and uncertainties that might cause a difference include, but are not limited to, the following: (i) the current and future challenging global economy may adversely affect our business; (ii) historically, our business has been sensitive to changes in general economic or business conditions; (iii) our operations are subject to currency exchange and political risks that could adversely affect our results of operations; (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 financial results or condition; (xi) several operations are conducted by joint ventures that we cannot operate solely for our benefit; (xii) our ability to attract, develop and retain talented employees, managers and executives is critical to our success; (xiii) our business may be adversely impacted by work stoppages and other labor relations matters; (xiv) we may be subject to losses that might not be covered in whole or in part by existing insurance reserves or insurance coverage; (xv) our business depends on the uninterrupted operations of our facilities, systems and business functions, including our information technology and other business systems; (xvi) legislation/regulation related to climate change and environmental and health and safety matters and product liability claims could negatively impact our operations and financial performance; (xvii) changing climate conditions may adversely affect our operations and financial performance; (xviii) we may incur fines or penalties, damage to 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; (xix) the frequency and volume of our timber and timberland sales will impact our financial performance; and (xx) potential accounting restatements. 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 projected, see “Risk Factors” in Part I, Item 1A of our Form 10-K for the year ended Oct. 31, 2011 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
CONSOLIDATED STATEMENTS OF OPERATIONS
UNAUDITED
(Dollars and shares in millions, except per share amounts)

	Three months ended July 31,		Nine months ended July 31,	
	2012	2011 [6]	2012 [6]	2011 [6]
Net sales	$1,102.8	$1,121.9	$3,193.6	$3,116.5
Cost of products sold	900.3	910.8	2,606.5	2,522.4
Gross profit	202.5	211.1	587.1	594.1
Selling, general and administrative expenses	115.8	109.3	344.9	330.0
Restructuring charges	3.9	3.4	22.9	11.4
(Gain) on disposal of properties, plants and equipment, net	(3.3)	(9.2)	(6.4)	(14.1)
Operating profit	86.1	107.6	225.7	266.8
Interest expense, net	22.7	18.4	70.5	53.8
Other (income) expense, net	(2.3)	4.5	0.2	9.9
Income before income tax expense and equity earnings of unconsolidated affiliates, net	65.7	84.7	155.0	203.1
Income tax expense	24.5	17.3	50.5	45.3
Equity earnings of unconsolidated affiliates, net of tax	0.5	1.5	2.5	2.0
Net income	41.7	68.9	107.0	159.8
Net income attributable to noncontrolling interests	(1.0)	(2.0)	(1.2)	(1.4)
Net income attributable to Greif, Inc.	$ 40.7	$ 66.9	$ 105.8	$ 158.4
Basic earnings per share attributable to Greif, Inc. common shareholders:				
Class A Common Stock	$ 0.70	$ 1.15	$ 1.82	$ 2.72
Class B Common Stock	$ 1.05	$ 1.72	$ 2.72	$ 4.06
Diluted earnings per share attributable to Greif, Inc. common shareholders:				
Class A Common Stock	$ 0.70	$ 1.14	$ 1.82	$ 2.70
Class B Common Stock	$ 1.05	$ 1.72	$ 2.72	$ 4.06
Shares used to calculate basic earnings per share attributable to Greif, Inc. common shareholders:				
Class A Common Stock	25.2	24.9	25.1	24.8
Class B Common Stock	22.1	22.4	22.1	22.4
Shares used to calculate diluted earnings per share attributable to Greif, Inc. common shareholders:				
Class A Common Stock	25.3	25.1	25.2	25.0
Class B Common Stock	22.1	22.4	22.1	22.4

[6] In the third quarter 2012, the company corrected prior period accounting errors that occurred over a number of years primarily with respect to the Latin America region of the Rigid Industrial Packaging & Services segment. The impact of the errors was not material to the company in any prior year. However, the cumulative effect of the correction of the prior period errors would have been material to the current year's consolidated financial statements of operations. As a result of correcting the errors, net income attributable to Greif, Inc. for the following periods presented in this earnings release increased as follows: $4.4 million for the nine months ended July 31, 2012 (unaudited); $4.0 million for the three months ended July 31, 2011 (unaudited); and $3.2 million for the nine months ended July 31, 2011 (unaudited).

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

	July 31, 2012	Oct. 31, 2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 91.7	$ 127.4
Trade accounts receivable	492.8	563.0
Inventories	398.2	431.8
Current portion related party notes receivable	2.3	1.7
Other current assets	162.5	169.2
	1,147.5	1,293.1
LONG-TERM ASSETS		
Goodwill	952.4	1,005.1
Intangible assets	198.6	228.8
Related party note receivable	16.6	18.3
Assets held by special purpose entities	50.9	50.9
Other long-term assets	152.8	164.0
	1,371.3	1,467.1
PROPERTIES, PLANTS AND EQUIPMENT	1,394.9	1,433.9
	$ 3,913.7	$ 4,194.1
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 461.2	$ 492.9
Short-term borrowings	97.4	137.3
Current portion of long-term debt	21.9	12.5
Other current liabilities	252.7	292.2
	833.2	934.9
LONG-TERM LIABILITIES		
Long-term debt	1,198.2	1,345.1
Liabilities held by special purpose entities	43.3	43.3
Other long-term liabilities	481.3	497.0
	1,722.8	1,885.4
SHAREHOLDERS' EQUITY	1,357.7	1,373.8
	$ 3,913.7	$ 4,194.1

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

	Three months ended July 31,		Nine months ended July 31,	
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 41.7	$ 68.9	$ 107.0	$ 159.8
Depreciation, depletion and amortization	37.4	34.9	115.8	102.6
Other non-cash adjustments to net income	(8.8)	(13.3)	(17.7)	(21.5)
Increase (decrease) in cash from changes in certain assets and liabilities and other	81.4	(55.1)	114.8	(218.2)
Net cash provided by operating activities	151.7	35.4	319.9	22.7
CASH FLOWS FROM INVESTING ACTIVITIES:				
Acquisitions of companies, net of cash acquired	—	(157.2)	—	(185.7)
Cash paid for deferred purchase price	—	—	(14.3)	—
Purchases of properties, plants, equipment and timber properties	(38.8)	(46.6)	(110.9)	(121.2)
Repayments (issuance) of notes receivable to related party	13.0	0.5	1.1	(21.3)
Other	2.2	12.4	9.2	17.3
Net cash used in investing activities	(23.6)	(190.9)	(114.9)	(310.9)
CASH FLOWS FROM FINANCING ACTIVITIES:				
(Payments) proceeds on debt, net	(113.3)	188.5	(162.7)	357.5
Dividends paid	(24.5)	(24.6)	(73.3)	(73.4)
Other	0.3	1.4	0.9	(1.2)
Net cash (used in) provided by financing activities	(137.5)	165.3	(235.1)	282.9
EFFECTS OF EXCHANGE RATES ON CASH	(3.8)	3.8	(5.6)	7.4
Net (decrease) increase in cash and cash equivalents	(13.2)	13.6	(35.7)	2.1
Cash and cash equivalents at beginning of the period	104.9	95.5	127.4	107.0
Cash and cash equivalents at end of the period	$ 91.7	$ 109.1	$ 91.7	$ 109.1

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

	Three months ended July 31, 2012			Three months ended July 31, 2011 [7]		
		Diluted per share amounts			Diluted per share amounts	
		Class A	Class B		Class A	Class B
Operating profit	$ 86.1			$ 107.6		
Restructuring charges	3.9			3.4		
Acquisition-related costs	1.6			2.7		
Non-cash asset impairment charge	—			3.0		
Operating profit before special items	$ 91.6			$ 116.7		
Net income attributable to Greif, Inc.	$ 40.7	0.70	1.05	$ 66.9	$ 1.14	$ 1.72
Restructuring charges, net of tax	2.5	0.03	0.04	2.7	0.04	0.07
Acquisition-related costs, net of tax	1.0	0.02	0.03	2.1	0.04	0.05
Non-cash asset impairment charge, net of tax	—	—	—	2.4	0.04	0.06
Net income attributable to Greif, Inc. before special items	$ 44.2	$ 0.75	$ 1.12	$ 74.1	$ 1.26	$ 1.90

	Nine months ended July 31, 2012 [7]			Nine months ended July 31, 2011 [7]		
		Diluted per share amounts			Diluted per share amounts	
		Class A	Class B		Class A	Class B
Operating profit	$ 225.7			$ 266.8		
Restructuring charges	22.9			11.4		
Acquisition-related costs	5.0			19.2		
Non-cash asset impairment charge	—			3.0		
Operating profit before special items	$ 253.6			$ 300.4		
Net income attributable to Greif, Inc.	$ 105.8	1.82	2.72	$ 158.4	$ 2.70	$ 4.06
Restructuring charges, net of tax	15.4	0.26	0.39	8.9	0.16	0.23
Acquisition-related costs, net of tax	3.4	0.06	0.09	15.0	0.25	0.38
Non-cash asset impairment charge, net of tax	—	—	—	2.3	0.04	0.06
Net income attributable to Greif, Inc. before special items	$ 124.6	$ 2.14	$ 3.20	$ 184.6	$ 3.15	$ 4.73

[7] In the third quarter 2012, the company corrected prior period accounting errors that occurred over a number of years primarily with respect to the Latin America region of the Rigid Industrial Packaging & Services segment. The impact of the errors was not material to the company in any prior year. However, the cumulative effect of the correction of the prior period errors would have been material to the current year's consolidated financial statements of operations. As a result of correcting the errors, net income attributable to Greif, Inc. for the following periods presented in this earnings release increased as follows: $4.4 million for the nine months ended July 31, 2012 (unaudited); $4.0 million for the three months ended July 31, 2011 (unaudited); and $3.2 million for the nine months ended July 31, 2011 (unaudited).

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

	Three months ended July 31, 2012	Three months ended July 31, 2011 [8]	Nine months ended July 31, 2012 [8]	Nine months ended July 31, 2011 [8]
Net sales:				
Rigid Industrial Packaging & Services	$ 805.1	$ 803.9	$2,311.3	$2,201.8
Flexible Products & Services	109.7	141.2	338.4	404.0
Paper Packaging	182.7	172.8	524.2	496.1
Land Management	5.3	4.0	19.7	14.6
Total net sales	$1,102.8	$1,121.9	$3,193.6	$3,116.5
Operating profit:				
Rigid Industrial Packaging & Services	$ 62.1	$ 71.6	$ 153.8	$ 183.0
Flexible Products & Services	1.4	7.7	1.9	11.2
Paper Packaging	21.0	17.5	58.3	56.5
Land Management	1.6	10.8	11.7	16.1
Total operating profit	86.1	107.6	225.7	266.8
Restructuring charges:				
Rigid Industrial Packaging & Services	3.4	3.4	16.2	8.0
Flexible Products & Services	0.5	0.7	6.7	3.9
Paper Packaging	—	(0.7)	—	(0.5)
Total restructuring charges	3.9	3.4	22.9	11.4
Acquisition-related costs:				
Rigid Industrial Packaging & Services	1.6	2.1	4.1	6.3
Flexible Products & Services	—	0.6	0.9	12.9
Total acquisition-related costs	1.6	2.7	5.0	19.2
Non-cash asset impairment charge:				
Flexible Products & Services	—	3.0	—	3.0
Total non-cash asset impairment charge	—	3.0	—	3.0
Operating profit before special items:				
Rigid Industrial Packaging & Services	67.1	77.1	174.1	197.3
Flexible Products & Services	1.9	12.0	9.5	31.0
Paper Packaging	21.0	16.8	58.3	56.0
Land Management	1.6	10.8	11.7	16.1
Total operating profit before special items	$ 91.6	$ 116.7	$ 253.6	$ 300.4

8 In the third quarter 2012, the company corrected prior period accounting errors that occurred over a number of years primarily with respect to the Latin America region of the Rigid Industrial Packaging & Services segment. The impact of the errors was not material to the company in any prior year. However, the cumulative effect of the correction of the prior period errors would have been material to the current year's consolidated financial statements of operations. As a result of correcting the errors, net income attributable to Greif, Inc. for the following periods presented in this earnings release increased as follows: $4.4 million for the nine months ended July 31, 2012 (unaudited); $4.0 million for the three months ended July 31, 2011 (unaudited); and $3.2 million for the nine months ended July 31, 2011 (unaudited).

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

	July 31, 2012	Oct. 31, 2011
Current assets	$ 1,147.5	$ 1,293.1
Less: current liabilities	833.2	934.9
Working capital	314.3	358.2
Less: cash and cash equivalents	91.7	127.4
Net working capital	$ 222.6	$ 230.8
Long-term debt	$ 1,198.2	$ 1,345.1
Plus: current portion of long-term debt	21.9	12.5
Plus: short-term borrowings	97.4	137.3
Less: cash and cash equivalents	91.7	127.4
Net debt	$ 1,225.8	$ 1,367.5

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

	Three months ended July 31,		Nine months ended July 31,	
	2012	**2011 [10]**	**2012 [10]**	**2011 [10]**
Net income	$ 41.7	$ 68.9	$107.0	$159.8
Plus: interest expense, net	22.7	18.4	70.5	53.8
Plus: income tax expense	24.5	17.3	50.5	45.3
Plus: depreciation, depletion and amortization expense	37.4	34.9	115.8	102.6
Less: equity earnings of unconsolidated affiliates, net of tax	0.5	1.5	2.5	2.0
EBITDA	125.8	138.0	341.3	359.5
Restructuring charges	3.9	3.4	22.9	11.4
Acquisition-related costs	1.6	2.7	5.0	19.2
Non-cash asset impairment charge	—	3.0	—	3.0
EBITDA before special items	$ 131.3	$ 147.1	$369.2	$393.1
Net income	$ 41.7	$ 68.9	$107.0	$159.8
Plus: interest expense, net	22.7	18.4	70.5	53.8
Plus: income tax expense	24.5	17.3	50.5	45.3
Plus: other (income) expense, net	(2.3)	4.5	0.2	9.9
Less: equity earnings of unconsolidated affiliates, net of tax	0.5	1.5	2.5	2.0
Operating profit	86.1	107.6	225.7	266.8
Less: other (income) expense, net	(2.3)	4.5	0.2	9.9
Plus: depreciation, depletion and amortization expense	37.4	34.9	115.8	102.6
EBITDA	125.8	138.0	341.3	359.5
Restructuring charges	3.9	3.4	22.9	11.4
Acquisition-related costs	1.6	2.7	5.0	19.2
Non-cash asset impairment charge	—	3.0	—	3.0
EBITDA before special items	$ 131.3	$ 147.1	$369.2	$393.1

9 EBITDA is defined as net income plus interest expense, net plus income tax expense less equity earnings of unconsolidated subsidiaries, net of tax plus depreciation, depletion and amortization.

10 In the third quarter 2012, the company corrected prior period accounting errors that occurred over a number of years primarily with respect to the Latin America region of the Rigid Industrial Packaging & Services segment. The impact of the errors was not material to the company in any prior year. However, the cumulative effect of the correction of the prior period errors would have been material to the current year's consolidated financial statements of operations. As a result of correcting the errors, net income attributable to Greif, Inc. for the following periods presented in this earnings release increased as follows: $4.4 million for the nine months ended July 31, 2012 (unaudited); $4.0 million for the three months ended July 31, 2011 (unaudited); and $3.2 million for the nine months ended July 31, 2011 (unaudited).

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
SEGMENT EBITDA [11]
UNAUDITED
(Dollars in millions)

	Three months ended July 31,		Nine months ended July 31,	
	2012	2011 [12]	2012 [12]	2011 [12]
Rigid Industrial Packaging & Services				
Operating profit	$ 62.1	$ 71.6	$153.8	$183.0
Less: other expense, net	0.4	2.9	2.0	7.5
Plus: depreciation and amortization expense	25.3	22.4	78.5	64.6
EBITDA	87.0	91.1	230.3	240.1
Restructuring charges	3.4	3.4	16.2	8.0
Acquisition-related costs	1.6	2.1	4.1	6.3
EBITDA before special items	$ 92.0	$ 96.6	$250.6	$254.4
Flexible Products & Services				
Operating profit	$ 1.4	$ 7.7	$ 1.9	$ 11.2
Less: other (income) expense, net	(2.2)	1.8	(1.1)	2.0
Plus: depreciation and amortization expense	3.7	4.2	11.4	12.5
EBITDA	7.3	10.1	14.4	21.7
Restructuring charges	0.5	0.7	6.7	3.9
Acquisition-related costs	—	0.6	0.9	12.9
Non-cash asset impairment charge	—	3.0	—	3.0
EBITDA before special items	$ 7.8	$ 14.4	$ 22.0	$ 41.5
Paper Packaging				
Operating profit	$ 21.0	$ 17.5	$ 58.3	$ 56.5
Less: other (income) expense, net	(0.5)	(0.2)	(0.7)	0.4
Plus: depreciation and amortization expense	7.7	7.8	23.4	23.4
EBITDA	29.2	25.5	82.4	79.5
Restructuring charges	—	(0.7)	—	(0.5)
EBITDA before special items	$ 29.2	$ 24.8	$ 82.4	$ 79.0
Land Management				
Operating profit	$ 1.6	$ 10.8	$ 11.7	$ 16.1
Plus: depreciation, depletion and amortization expense	0.7	0.5	2.5	2.1
EBITDA and EBITDA before special items	$ 2.3	$ 11.3	$ 14.2	$ 18.2
Consolidated EBITDA	$ 125.8	$ 138.0	$341.3	$359.5
Consolidated EBITDA before special items	$ 131.3	$ 147.1	$369.2	$393.1

11 EBITDA is defined as net income plus interest expense, net plus income tax expense less equity earnings of unconsolidated subsidiaries, net of tax plus depreciation, depletion and amortization.

12 In the third quarter 2012, the company corrected prior period accounting errors that occurred over a number of years primarily with respect to the Latin America region of the Rigid Industrial Packaging & Services segment. The impact of the errors was not material to the company in any prior year. However, the cumulative effect of the correction of the prior period errors would have been material to the current year's consolidated financial statements of operations. As a result of correcting the errors, net income attributable to Greif, Inc. for the following periods presented in this earnings release increased as follows: $4.4 million for the nine months ended July 31, 2012 (unaudited); $4.0 million for the three months ended July 31, 2011 (unaudited); and $3.2 million for the nine months ended July 31, 2011 (unaudited).

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

	Three months ended July 31,		Nine months ended July 31,	
	2012	**2011**	**2012**	**2011**
Cash provided by (used in) operating activities	$ 151.7	$ 35.4	$ 319.9	$ 22.7
Less: Purchases of properties, plants, equipment and timber properties	(38.8)	(46.6)	(110.9)	(121.2)
Free Cash Flows	$ 112.9	$ (11.2)	$ 209.0	$ (98.5)

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

	Three months ended July 31,		Nine months ended July 31,	
	2012	2011 [13]	2012 [13]	2011 [13]
Net sales:				
North America	$ 509.0	$ 502.4	$1,469.0	$1,426.2
Europe, Middle East and Africa	433.9	445.3	1,236.1	1,197.0
Asia Pacific and Latin America	159.9	174.2	488.5	493.3
Total net sales	$1,102.8	$1,121.9	$3,193.6	$3,116.5
Operating profit:				
North America	$ 53.8	$ 60.4	$ 139.9	$ 144.3
Europe, Middle East and Africa	34.2	41.5	80.1	104.2
Asia Pacific and Latin America	(1.9)	5.7	5.7	18.3
Total operating profit	86.1	107.6	225.7	266.8
Restructuring charges:				
North America	(0.1)	(0.5)	2.2	1.7
Europe, Middle East and Africa	2.4	3.9	10.7	9.5
Asia Pacific and Latin America	1.6	—	10.0	0.2
Total restructuring charges	3.9	3.4	22.9	11.4
Acquisition-related costs:				
North America	—	2.1	1.4	7.0
Europe, Middle East and Africa	1.5	0.4	3.5	11.5
Asia Pacific and Latin America	0.1	0.2	0.1	0.7
Total acquisition-related costs	1.6	2.7	5.0	19.2
Non-cash intangible asset impairment charge:				
North America	—	—	—	—
Europe, Middle East and Africa	—	3.0	—	3.0
Asia Pacific and Latin America	—	—	—	—
Total Non-cash intangible asset impairment charge	—	3.0	—	3.0
Operating profit before special items:				
North America	$ 53.7	$ 62.0	$ 143.5	$ 153.0
Europe, Middle East and Africa	38.1	48.8	94.3	128.2
Asia Pacific and Latin America	(0.2)	5.9	15.8	19.2
Total operating profit before special items	$ 91.6	$ 116.7	$ 253.6	$ 300.4

[13] In the third quarter 2012, the company corrected prior period accounting errors that occurred over a number of years primarily with respect to the Latin America region of the Rigid Industrial Packaging & Services segment. The impact of the errors was not material to the company in any prior year. However, the cumulative effect of the correction of the prior period errors would have been material to the current year's consolidated financial statements of operations. As a result of correcting the errors, net income attributable to Greif, Inc. for the following periods presented in this earnings release increased as follows: $4.4 million for the nine months ended July 31, 2012 (unaudited); $4.0 million for the three months ended July 31, 2011 (unaudited); and $3.2 million for the nine months ended July 31, 2011 (unaudited).

THOMSON REUTERS STREETEVENTS

EDITED TRANSCRIPT

GEF - Q3 2012 Greif Inc. Earnings Conference Call

EVENT DATE/TIME: AUGUST 30, 2012 / 02:00PM GMT

OVERVIEW:

GEF reported 3Q12 net sales of $1.1b, net income attributable to Co. before special items of $44m and net income attributable to Co. per Class A share, before special items of $0.75.

CORPORATE PARTICIPANTS

Deb Strohmaier *Greif, Inc . — VP Corporate Communications*

Rob McNutt *Greif, Inc.—SVP & CFO*

David Fischer *Greif, Inc.—President and CEO*

CONFERENCE CALL PARTICIPANTS

George Staphos *BofA Merrill Lynch—Analyst*

Phil Gresh *JPMorgan—Analyst*

Chris Manuel *Wells Fargo Securities—Analyst*

Adam Josephson *KeyBanc Capital Markets—Analyst*

Matt Wooten *Robert W. Baird & Co.—Analyst*

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

Walt Liptak *Barrington Research Associates, Inc.—Analyst*

PRESENTATION

Operator

Greetings. Welcome to the Greif Inc Third Quarter 2012 earnings Conference Call. At this time all participants are in a listen only mode. A brief question and answer session will follow the formal presentation.

(Operator Instructions)

As a reminder this conference is being recorded. It is now my pleasure to introduce your host, Debra Strohmaier, Vice President of Corporate Communications for Greif. Thank you, you may begin.

Deb Strohmaier — *Greif, Inc.—VP Corporate Communications*

Thank you, Christine. Good morning. As a reminder you may follow this presentation on the web at Greif.com in the investor center under Conference Calls. If you don't already have the earnings release, it is also available on our website. We are on slide 2.

The information provided during this morning's call contains forward-looking statements. Actual results or outcomes may differ materially from those that may be expressed or implied. Some factors that could cause the results or outcomes to differ are on slide 2 of this presentation, in the Company's 2011 Form 10K and in other Company SEC filings, as well as Company earnings news releases. This presentation uses certain non-GAAP financial measures including those that exclude special items such as restructuring charges and acquisition related costs and EBITDA before and after special items. EBITDA is defined as net income plus interest expense, net plus income tax expense less equity earnings of unconsolidated subsidiaries, net of tax less depreciation, depletion and amortization expense.

Management believes the non-GAAP measures provide a better indication of operational performance and a more stable platform on which to compare the historical performance of the Company than the most nearly equivalent GAAP data. All non-GAAP data in the presentation are indicated by footnotes. Tables showing the reconciliation between GAAP and non-GAAP measures are available at the end of this presentation and in the third quarter 2012 earnings release. Giving prepared remarks today are, in order of speaking, Senior Vice President and CFO Rob McNutt, and President and CEO David Fischer. I'll now turn the call over to Mr. McNutt.

Rob McNutt —*Greif, Inc.—SVP & CFO*

Thank you, Deb. I'm on slide 3. Our three priorities for fiscal 2012 include improving our working capital, increasing cash flow and integrating acquisitions. We're also taking additional steps to counteract stubborn economic challenges. We achieved further progress on each of our priorities during the third quarter. Working capital was $314 million at July 31, 2012 or $44 million below year-end 2011. Recall that Q3 tends to increase our receivables due to the food and agricultural season and this year is no exception. However, continued improvements in other working capital items more than offset the impact of the food and ag season.

Net cash provided by operating activities was $152 million for the third quarter 2012 compared with $35 million for the same period last year. Free cash flow was $113 million for third quarter 2012 compared with a negative $11 million for the third quarter of 2011. Free cash flow for the 2012 year-to-date period was $209 million versus a negative $99 million for the first nine months of 2011, which represents a positive swing of over $300 million during the past 12 months. This improved free cash flow enabled us to reduce debt by $142 million and return $73 million to shareholders in the form of cash dividends during the first nine months of 2012. Our third priority for this year, acquisition integration, is gaining traction and positive contributions are being realized, although the economic headwinds in Europe have offset a lot of the good work that's been done in these newly acquired businesses. David will provide an update of our integration progress in his remarks. We made no acquisitions in the third quarter of 2012.

Before reviewing our quarterly results, I want to note some specific challenges our Company recently faced in Latin America. During our normal internal control review processes, we identified weaknesses in our internal controls there, which we are addressing. These issues did not impact our third quarter 2012 results or cash flows, but did involve matters dating back as far as 2000. Internal controls have been strengthened and appropriate management changes have been made in the business in response to these matters. Further details will be included in our third quarter 2012 Form 10-Q and subsequent Form 8-K filing next month.

Please now turn to slide 4. The financial summary presents our consolidated results for third quarter 2012 compared with the same period last year. Net sales of $1.1 billion were comparable for both periods. Net sales volumes, including acquisitions, increased 5% from a year ago and were 1% below the same period last year on a same structure basis. Rigid Industrial Packaging and Services and Flexible Products and Services segments volumes were less than we had anticipated for the third quarter 2012 and are also expected to remain below previous expectations for the fourth quarter. Volumes in July, the final month of the quarter, were especially soft and the impact was evident among more business units and geographic regions. It is now clear that the pace of global economic recovery is below our previous expectations for the later portion of this fiscal year.

Negative foreign currency translation presented a significant challenge for the third quarter 2012 with a negative 6% impact compared with the same period last year. Gross profit was $203 million or 18.4% of net sales for third quarter 2012 compared with $211 million or 18.8% of net sales last year. Higher volume and lower input costs in the Paper Packaging segment were more than offset by lower same structure volumes and market pressures in Rigid Industrial Packaging and Flexible Products businesses. SG&A expenses were $116 million or 10.5% of sales for third quarter versus $109 million or 9.7% of net sales for the same period last year. This $7 million increase is primarily related to SG&A expenses for companies acquired in 2011. The acquisition related costs were approximately $2 million for third quarter this year, a decline of $1 million from a year ago.

For the first nine months of 2012, restructuring charges more than doubled to $23 million from $11 million last year. This increase reflects our actions to respond to economic conditions. Restructuring charges were $4 million in third quarter 2012 compared with $3 million for the same period last year. The third quarter 2012 restructuring charges were related to the consolidation of our operations in Flexible Products and Services segment as part of ongoing implementation of Greif Business System initiatives and rationalization of operations and contingency action in our Rigid Industrial Packaging and Services segment.

We are currently evaluating additional site specific contingency actions. This includes evaluation of plants that are marginal economic performers to determine the best appropriate course of action. The Greif Business System continues to be a powerful and effective tool for determining and implementing such decisions. Operating profit before special items was $92 million for third quarter versus $117 million for the same period last year. Improved results for our Paper Packaging segment were more than offset by lower year over year comparisons in each of our other business segments. Net interest expense was $23 million for third quarter compared with $18 million for the third quarter 2011. The key factor contributing to this increase was a higher level of debt outstanding for acquisitions completed last year.

Book income tax expense increased to approximately $25 million for third quarter 2012 compared with $17 million for the same period last year. This was due to a change in global earnings mix caused by a greater portion of income in the United States, which is a higher tax jurisdiction and where our operations include Paper Packaging, Land Management, and Rigid Industrial Packaging. The annual book tax rate increased to 32.6% for 2012 from 22.3% the prior year. The cash tax rate for fiscal 2012 is expected to be approximately 20% which is consistent with the prior year's rate. Net income attributable to Greif, Inc before special items was $44 million for the third quarter 2012 compared with $74 million last year, which represents $0.75 per Class A share versus $1.26 a year ago. EBITDA was $126 million for third quarter compared with $138 million for the same period last year.

Please turn to slide 5. Net sales of $805 million for the Rigid Industrial Packaging and Services segment were essentially flat with prior year. With 6% volume increase including the acquisitions plus a 1% increase in selling prices was completely offset by the impact of foreign currency translation, which was 7% below a year ago. Volumes on a same structure basis were 2% below third quarter 2011. Volumes continue to be below expectations in Europe and were softer in the Asia Pacific and Latin American regions, as well as in our non-agricultural business in North America. Third quarter 2012 gross profit was $148 million versus $150 million for third quarter of 2011. Gross profit margin declined to 18.4% for third quarter from 18.7% a year ago.

Operating profit before special items was $67 million for third quarter compared with $77 million last year. The year over year decrease was principally due to lower same structure volumes. Restructuring charges were $3 million for third quarters of 2012 and 2011 respectively related to rationalization of operations and contingency actions implemented. Acquisition related costs were approximately $2 million in third quarter of 2012 and 2011. Third quarter 2012 EBITDA was $87 million for our rigid packaging business compared with $91 million a year ago.

I'm now on slide 6. Net sales for the Flexible Products and Services segment declined to $110 million for third quarter of 2012 from $141 million for the same period last year, driven by a negative impact of 9% foreign currency translation, a 7% decline in volumes and a 4% decrease in selling prices compared to a year ago. Weak volumes continued in Europe, which represents the majority of this segment's sales. Selling prices were 4% below same period last year, primarily because of lower polypropylene prices and product mix. Network consolidation issues primarily related to closing manufacturing plants earlier this year and redistributing production volumes, plus the adverse weather conditions that impacted multi-wall bag sales during the quarter, also impacted this segment's results.

Operating profit was $20 million for third quarter versus $32 million for the same period last year. Gross profit margin declined to18.2% of net sales for third quarter from 22.9% a year ago. This decrease was principally due to lower volumes and higher costs associated with ongoing consolidation of operations in Europe. Operating profit before special items was approximately $2 million for third quarter compared with $12 million in 2011. The impact of lower volumes, higher production costs, plus start up costs principally related to the fabric hub in Saudi Arabia, is partially offset by lower restructuring charges and acquisition related costs compared to the third quarter of 2011. EBITDA was $7 million for Flexible Products and Services segment for third quarter 2012 versus $10 million for the same period last year.

Please turn to slide 7, which highlights our Paper Packaging segment. We're pleased with the solid performance of this segment and volume growth each quarter this year compared with the same periods in 2011. Net sales increased 6% to $183 million for third quarter from $173 million for third quarter of 2011. Volume increased 8% for third quarter 2012, while selling prices declined 2% driven by product mix. Greif remains a niche player in this market focused on serving the needs of specialty customers. Pete Watson and his team continue to deliver solid results.

Earlier this month, we notified our customers of a $50 per ton containerboard price increase. Modest initial benefits may be realized late in the fiscal fourth quarter, however, the full impact is expected to begin in first quarter 2013. Third quarter gross profit was $33 million versus $28 million a year ago. Higher volumes and lower OCC costs were partially offset by slightly lower selling prices due to mix, as I said earlier. Operating profit before special items increased to $21 million for the third quarter from $17 million for the same period last year. Higher volumes and lower input costs, especially for OCC, were partially offset by slightly lower selling prices and expenses related to annual maintenance shutdowns at both of our mills during the third quarter of 2012. Maintenance shutdowns also occurred during the third quarter of 2011. EBITDA for the Paper Packaging segment increased to $29 million from $26 million for the same period in 2011.

I'm on slide 8. Net sales for the Land Management segment were $5 million for third quarter compared with $4 million for the same period in 2011, principally due to the timing of timber sales. Revenue from recreation, mineral, and consulting initiatives was 29% of net sales for third quarter of 2012. Operating profit before special items was $2 million for third quarter of 2012 compared with $11 million for the same period last year. Special use property sales were $300,000 for this year's third quarter versus $7 million in 2011. Special use property sales fluctuate primarily due to the timing of closings for specific transactions. Third quarter 2011 results also included a positive $2.5 million purchase price adjustment for surplus property subject to expropriation from a prior period, again, that's third quarter of 2011 results. Land Management's EBITDA for third quarter of 2012 was $2 million compared with $11 million last year.

Please turn to slide 9. Capital expenditures decreased to $38 million versus $44 million for the same period last year. Consistent with disclosure in the second quarter 2012 Form 10-Q, our upper range remains $145 million for capital expenditures this year compared with $162 million last year.

On slide 10, you see that net cash provided by operating activities was $320 million for the first nine months of 2012 compared with $23 million for the same period last year. To put that into perspective, it is nearly double the previous record set in 2007 that was $166 million. At July 31, 2012, net debt was $1.226 billion, which represents a $142 million or 10% decline in net debt outstanding since year-end 2011. There were no acquisitions during the first nine months of fiscal 2012 compared with acquisitions net of cash acquired of $186 million for the same period last year.

Please turn to slide 11. Recall that when we started the year, and until recently, we had anticipated a recovery during the second half of our fiscal year. We saw continued modest improvement in Europe, but at a lower rate than we had anticipated. In addition, in July we saw a sharp drop in monthly operating profits in our North American and Asia Pacific based Rigid Industrial Packaging businesses, coupled with no meaningful recovery in Latin America and continued difficult conditions in our flexible products business. For example, our Rigid Industrial Packaging business in North America recorded operating profit for July just over 25% below that of June.

Asia Pacific recorded a higher percentage decrease. These decreases were largely volume driven. The lack of recovery versus our prior forecast led us to review our outlook for 2012. For the remainder of this fiscal year, we expect our Rigid Industrial Packaging and flexible products businesses to be impacted by lower volumes than we had previously anticipated.

Solid fourth quarter 2012 performance is anticipated for the Paper Packaging and Land Management segments. The contributions from contingency actions, acquisition integration and ongoing Greif Business System initiatives implemented during 2012 are expected to provide additional benefits to fourth quarter of 2012 results. EBITDA is anticipated to be $445 million to $465 million for Fiscal 2012. That concludes my remarks. I'll now turn the call over to David Fischer.

David Fischer —*Greif, Inc.—President and CEO*

Thank you, Rob. We're on slide 12. During the third quarter, we continued to closely monitor and adapt to an operating environment dominated by global macroeconomic volatility. The heightened level of uncertainty this has created for our customers during the past year is reflected in our quarterly volumes. Following a sharp drop in volumes in July of 2011, I said on the first quarter conference call that conditions had generally stabilized in Europe, the region most affected during the past year. On last quarter's call I confirmed that there were signs of modest initial improvement in Europe, although the pace of global economic recovery remained uneven and stubbornly slow to accelerate. Our original outlook in December of 2011 for the second half of this year was based on a stronger recovery, which has fallen short of our expectations.

With the continued instability in the world's economies, we are not yet comfortable that a new normal economic outlook is fully in place and volatility will continue. Rather than wait for a change to occur in an uncertain time frame during 2012, we have began implementing contingency plans and taking steps to adapt our cost structure to anticipated sales levels. This involves closely monitoring each market, taking the appropriate actions consistent with our long-term strategy and accelerating acquisition integration steps at a faster pace. During the past quarter we consolidated our Latin America Rigid Industrial Packaging business unit with that of North America and put the new Americas Strategic Business unit under the leadership of seasoned veteran Addison Killibarda. This move allows for greater leverage of resources across both geographies. We have also made several management changes in specific countries in Latin America to correspond to the new structure.

On the financial front, we have been working diligently to achieve our previously stated priorities for 2012, which include increasing cash flow, improving working capital management, and integrating acquisitions. Solid progress has been achieved so far in each of these areas. Net cash provided by operating activities and free cash flow for the first nine months of 2012 exceed our achievements for each of the past four years and, as Rob mentioned, has established a new record performance for the Company. A sharpened focus on cash is not simply a one year priority. It is essential to our long-term plans and led by Rob has been embedded in our processes as an integral part of the Greif Business System.

Following the past two years that involve 20 acquisitions and the launch of three growth platforms, we enter 2012 focused on successfully integrating these businesses. While the issues impacting Europe during the past year have generated strong headwinds that reach foreign shores, we have responded to these challenges by being nimble and staying focused on our long-term goals. These conditions have extended the timeline to achieve our initial goals, but I believe these continue to be strong businesses for the Company in the long-term.

Please go to slide 13. In June of 2010, we announced our strategy for the polywoven business, which is included in the Flexible Products and Services segment. This is structured as a 50/50 joint venture, which aligns us with a valued partner and provides balance in terms of our business and financial risk. The world's economic outlook is a lot different today, however, the fundamental reasons we identified to enter this business remain sound and we are working diligently to implement our strategy and create value under very challenging market conditions.

I want to take a few moments to share with you what has been accomplished during the past 26 months, a challenge that has surfaced during this period and our growth plans going forward for this business. The downturn in Europe has led us to accelerate consolidation activities. Following the acquisition of the three largest manufactures in this global market and the largest distributor of flexible intermediate bulk containers in Europe during 2010, we promptly began to integrate these companies into a single business. The Greif Business System has been both a catalyst and an efficient integration tool to help us achieve these plans. Among the early benefits of these efforts were greater operating efficiencies and increased production capacity.

In May of 2011 we were operating at approximately 98% of expanded capacity. This is about the time when we started the construction of the fabric hub in Saudi Arabia. Since that time we have been streamlining our manufacturing footprint further. For example, we closed a manufacturing plant in Poland last February and more recently, two facilities in China. These operations were consolidated into other existing facilities. Simultaneously, we have also been implementing plans to diversify our geographic sales mix and expanded portfolio. We have also established a low cost and highly efficient converting facility in Morocco. Products shipped from this facility benefit our existing business in the Euro zone and also enable us to accelerate penetration of the market for polywoven products in the United States and in Latin America.

As previously discussed, a converting facility was also established in Columbia for shipping sacks, which hold approximately 22 kilos or 50 pounds of product compared with the flexible intermediate bulk containers that can hold approximately 1000 kilos of product. The global shipping sacks' market has annual sales of approximately $5 billion and complements the $3 billion global market of flexible intermediate bulk containers. Unfortunately, a recent tropical storm has caused severe structural damage to our leased manufacturing facility, which required us to cease operations due to the safety concerns. Fortunately, no one was injured and our equipment was not materially damaged and we are currently transferring the equipment to another Greif facility. Conversion activities should resume beginning in the first quarter of 2013.

The fabric hub that has been under construction in the Kingdom of Saudi Arabia is now undergoing a commissioning process. Following completion of these start up procedures, we anticipate the initial phase of the fabric hub will commence operations late this calendar year. It represents an addition to our total polywoven production capacity and we are seeking to build customer demand to balance our total production and conversion capacity. Incremental expense related to the fabric hub commencing operation is estimated to be approximately $1 million per quarter, which is similar to the third quarter 2012 amount. We remain focused on the long-term profitable growth opportunities and benefits in this business.

The persistent macroeconomic issues in Europe have caused us to reconsider the timetable for achieving our previously stated goals by 2015 for this business. The aspirational goal we set in 2010 of $1 billion in net sales remains achievable, but not likely by 2015 due to the market conditions that have significantly deteriorated in the past year, plus the additional impact of foreign currency translation. Flexible Products and Services net sales for 2011 were $538 million, just over halfway our original aspirational goal of $1 billion by 2015. Organic growth for this business historically has been between 4% and 5% annually. Sales volumes for polywoven declined 6% year-to-date from last year. This decrease is more significant when considering the expected annual organic growth rate of 4% to 5%. Looking forward, applying a lower growth rate and including the impact of foreign exchange, yields a revised expectation.

Given the slowdown in market conditions, we are extending the complete phase-in of the KSA hub, which also impacts the achievement of full scale advantages of the network. Based on these factors, combined with plans we are implementing to grow this business, and assuming no change in our operating environment, we are revising our net expectation to $700 million to $750 million of sales by 2015. The other aspirational goal we introduced for this segment in June of 2010 was operating profit of 15% by 2015. The path to achieving this goal was illustrated in the form of a bridge that included five key factors. Three of those are directly within our control, including operational excellence, commercial excellence, and a reduction in SG&A expenses. Together these factors represent a potential operating profit lift of 4.5 percentage points.

The other two factors, sourcing and the fabric hub, represent potential operating profit lift of 5.5 percentage points and are dependent on more favorable market conditions and historical volume growth, plus some market channel acquisitions to fully achieve those efficiencies. It is currently more likely that these two factors will initially add approximately 3 percentage points to operating profit until market conditions improve. The five factors I just noted are incremental to the starting point of approximately 5% operating profit, which is what we assumed in 2010. We are currently operating below that level of performance. As I pointed out in my earlier remarks, we are aggressively seeking to improve the segment's results through greater geographic sales diversification into North and South America, plus product expansion opportunities such as shipping sacks, geotextiles and other related products. We remain committed to the long-term strategic plan for this business.

We are now on slide 14. As Rob mentioned we are currently evaluating site specific contingency actions. These include evaluation of plants that are marginal economic performers to determine the appropriate course of action. Our strategy includes a directive for us to fix, sell, or close underperforming assets. The Greif Business System continues to be a powerful tool for determining and implementing such decisions. We are pursuing strategic initiatives to implement structural changes in our businesses. These involve combining IT platforms, consolidating operations and back office support activities, and evaluating our management structure.

Several months ago, we initiated a multi-year project to consolidate all of our ERP and management reporting systems into a single platform, which will greatly increase our option to leverage resources across multiple businesses and geographies. The large number of current systems is an outcome of the Company's growth of more than 40 acquisitions during the past 10 years. Initial installations will take place beginning in fiscal 2013. When this project is completed and we believe it will be integral defining a pathway toward permanent lower SG&A expenses as a percentage of net sales by balancing additional growth with increasing operating efficiencies. These strategic initiatives can result in significant long-term savings.

While SG&A expensed dollars may increase in the near-term as we implement this initiative, we are confident that substantial permanent long-term savings can be achieved. For example, 1 percentage point decline in our annual SG&A expense to net sales ratio represents approximately $50 million of potential savings. We believe that we can do much better than that amount when the project is fully implemented and we will keep you informed of our progress. This concludes our prepared remarks. Rob and I will now answer your questions.

QUESTION AND ANSWER

Operator

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(Operator Instructions)

George Staphos with Bank of America Merrill Lynch.

George Staphos —*BofA Merrill Lynch—Analyst*

Congratulations on your free cash flow progress. The question I have was around volume and the volume outlook. David, I think you mentioned that the polywoven business, the secular growth rate was 4% to 5%, you've seen a 6% decline year-to-date. Should we assume that that was the growth rate, secular growth rate was what you expected in the third quarter and for the back half of the year. Similarly, for the other businesses, Rigid in particular, you mentioned that volumes were below your expectations. Well, what were you actually expecting in the quarter and the back half of the year that was initially in your guidance and then lastly, can you update us on what kind of volume you're seeing early thus far in the fourth quarter? Thank you.

David Fischer —*Greif, Inc.—President and CEO*

Thanks for your question, George. I am going to try to answer it. So, the growth rate we had pegged for the Flexible business was in fact that 4% to 5% for the second half of this year. For the rest of the business I think you asked the question and I'm assuming that means the rest of the Rigid Industrial Packaging business and three, and as far as your third part of your question remind me real quick?

George Staphos —*BofA Merrill Lynch—Analyst*

What are you seeing thus far early in the fourth quarter?

David Fischer —*Greif, Inc.—President and CEO*

For, this may be a little bit of a lengthy answer, but just to give you the usual flavor of volumes around the world, let me start with paper. Our paper business in general remains very strong. Our order book remains good and it's similar to the past six months for the mills. For our CorrChoice, our sheet feeding operation, we're actually running just near or just shy of capacity, so the business there is very strong. We're up about 13% in the CorrChoice business over last year and we expect that growth to stay stagnant at a high level or stay level at a high level for the remainder of this year based upon what we're seeing.

When you take a look at the rigid business, I would tell you that this is where the demand has become more choppy, more volatile, like it was about a year ago. Up until July when we had a drop off in volume, we had commented that volumes had been stabilizing to slightly or modestly stronger for EMEA and Asia had remained fairly solid, but since July, we've seen the turn down in Asia and a resumption of choppy order patterns across North America. Latin America is just coming out of their seasonal low period. What's been a bit surprising for us is that the August volumes for the rigid business in North America have bounced back to pre-July levels, but in some of our other businesses we're seeing, and we use this kind of as a triangulation, this choppy period resuming, reconditioning our empty units both in North America and Europe are — when they remain scarce and hard to come by and a little bit more expensive. Our closure sales are mixed, I would say, across the globe with a softening order book for the coming months. New drum sales vary by region and I can give you some details on that if you'd like. And we have our big customers expressing a little more uncertainty around the globe and in North America tied to the geopolitical outcome of the election and what may happen with certain economic policies.

Lastly, our filling and warehousing business has also seemed to have softened in July and remains soft for August. Just to go around the world real quick and not take everybody's time up but in rigids in North America, let me just give you a series of indicators on volume versus Q3 2011 and then I'll rundown the same geographic areas for versus Q2 of 2012. Versus Q3 2011, we see North America up slightly. We see EMEA flat, essentially flat, APAC versus Q3 2011 up about high single digits, Latin America down mid teens, so it remains down versus 2011. And then I commented earlier on polywoven and the mills versus last quarter, looking at the more near term trend of what is happening around the world, North America Q3 versus Q2 of this year up slightly. Europe up high single digits. APAC, Asia Pacific, has fallen off low single digits and Latin America up slightly. So, hopefully that gives you some flavor about this choppy environment we're facing and the uncertainty echoing from our customer base.

George Staphos —*BofA Merrill Lynch—Analyst*

Thanks, David, I'll turn it over.

Operator

Phil Gresh with JPMorgan.

Phil Gresh —*JPMorgan—Analyst*

If I could just throw two together here, you talked a lot about potential restructuring activities. I was wondering if you could in any way give us some sense of the scope or scale of this opportunity you see ahead and would you say that's mostly in Europe or is it on a more global basis. And then for Rob, obviously, the very strong free cash flow continues here in the third quarter. Hoping you could give us a sense of how you see the longer term free cash flow generation potential of the Company. Obviously, there's been some working capital benefits this year, but how should we think about the longer term opportunity? Thanks.

David Fischer —*Greif, Inc.—President and CEO*

Without being too quantitative on the restructuring, I'll give you my perspective on it. The Company has grown rapidly over the last 10 years and has grown seven or eight individual business units that operate across the globe. We operate in 58 countries and we have about 280 manufacturing sites. We ought to be able to take a clean sheet look at some of those, particularly in the stressed economies and look at ways of consolidating some of the manufacturing footprint, warehousing footprint, capabilities footprint across the globe and look for ways to leverage our management structure across businesses a little bit more efficiently and I'll let Rob comment about the free cash flow.

Rob McNutt —*Greif, Inc.—SVP & CFO*

Yes, Phil. On the free cash flow, if you look at the components of where it comes from, clearly the EBITDA component of it being a big portion of it, as we continue to grow the business over time and as we take advantage of some of the strategies, for example, grow flexibles take advantage of the hub and the cost structure improvement there, we should see increasing EBITDA over time. As we started the year, we said that about $25 million was our expectation out of working capital for this year. Year-to-date we're about $44 million. Now part of that relates to just the business has not grown to the level that we had anticipated this year and so I'm working from a lower base. But, we've also taken about between three and four days out of our working capital in terms of related to days of sales. And so, that's what I really look at is what are the turns to the individual components of working capital and those we can permanently embed. But, again, you'll get a lot of traction up front with that, then it will take more time and you get some diminishing returns.

So, the objective is to grow working capital at a slower pace than what it's grown in the past as the Company's grown. Big components of that, as you look at our inventory management and inventory turns, the guys who run our GBS shop have done a great job working hand in hand with the business, rolling out some new tools to help them get a better handle on their inventories and tie the sales through the inventory through the production and so that's increased turns. We've got that in place in parts of Latin America, virtually all of North America. We're now rolling it out in EMEA and Asia Pacific and as well into our flexibles business. I was speaking to rigid there. And so, I think we'll see some more traction from that over the coming quarters on the inventory side.

On the payables side we've had some improvement in North America as we've reset the dial-on terms on many of our payables here in North America, now rolling that out to other places in the world. On the receivable side that's tougher, especially in a tough market like this, to reset receivables. So, as you go through the components there I think you've got some more opportunity. The other pieces, we put the halt on acquisitions this year, thus far, as we integrate the acquisitions that we've made, anticipate that we'll continue to grow the business and so as those occur that will obviously have an impact on cash flow going forward. But I think that goes through the major components.

Phil Gresh —*JPMorgan—Analyst*

Okay, thanks.

Operator

Chris Manuel with Wells Fargo.

Chris Manuel —*Wells Fargo Securities—Analyst*

Good morning, gentlemen and congratulations on the strong free cash flow generation year-to-date. A couple questions. The theme that I want to ask around really centers on the path forward in a couple of your businesses and the two areas that I want to focus on are Asia Pacific, Latin America where, at least by looking back at my model over the last decade, aside from your November, December, January quarter of ‘09 that understandablely was pretty rough, this is the first time that business has lost money. So, is there a path forward, what are the options or opportunities in your mind to get that back to potentially a double digit margin business or is that possible? So, that’s the first part of the path forward question.

The second piece of it is thank you for laying out the new flexible strategy, but my question really there is as you mentioned volumes have been declining, to reach your targets you’re at a $450 millionish pace here for 2012, to get to the mid point of your $700 million to $750 million range implies mid to upper teens growth. How do we achieve that or make that transition from degradation to 3X, 2,3X, what is an underlying 4% to 5% market?

Rob McNutt —*Greif, Inc.—SVP & CFO*

The first one on the way we report regions, North America, EMEA and then we combine Latin America and Asia Pacific, and Latin America, Asia Pacific is, if you break it into its component parts and historically that’s been kind of half and half. If you look at Asia Pacific, that’s really driven for us primarily by China and by Singapore operations in Southeast Asia and China, the Asia Pacific region has been a growth region with China being the core of that for us and we’ll continue to grow that business. China has been a large exporter of product chemicals, our downstream customers, as their export markets have softened here over the last year or so, especially the European markets. Our management team in Asia Pacific, I think, has done a great job of moving the customer base somewhat away from the export base to more local consumers, consumption based, customers. And so they did a good job, but that kind of ran out here as the Chinese economy slowed. So, I think that we’re dependent on a couple of possibilities. One is what’s going to happen with the export markets from China, which largely depends on what happens in North America and the US and in Europe, and then relative currencies.

We came into this year at $1.35 or $1.40 Euro to dollar. Now we’re in the $1.20 to $1.25 here over the last month or so and so that obviously has a significant impact on the ability, and then just fundamental demand in Europe. As David said, while we’ve seen improvement at our new drum business in Europe, it’s still hard to find empty drums in Europe, which implies Europe is more exporting. So, all of that plays back to Asia Pacific. At the same time as the economy has slowed down in China, particularly, that’s had an impact on our volumes there. We believe that as the Chinese go through their political change process here later in the year, that typically historically there’s been some stimulus of the economy following that and I think we all read a lot of the same things along those lines and so we anticipate we’ll see growth in Asia Pacific driven by China later this year, although still the damper of what happens with the rest of global economy.

The other part of that is Latin America, and Latin America, the bulk of our business there is in Brazil and Brazil has been tough. Brazil went through a period of a pretty strong Real, which has impacted industrial demand there and that has a direct impact on our business. And politically they’re trying to do a lot of things in terms of infrastructure, investment and so forth, but that tends to be longer term and so I think that’s where we’ve got to see some turn in Brazil and, frankly, that’s not something that we anticipate is going to happen in the very near term. Thus some of the restructuring moves that David spoke to earlier of consolidation of management and we’ll continue to look at, not ready to announce anything today, but we’ll continue to look for further opportunities to drive the cost structure down there. Key in all of that is we’re reluctant to leave, as we’ve said before, any specific market. David, do you have any further comment?

David Fischer —*Greif, Inc.—President and CEO*

No, I think that summarizes it well and I’ll comment just a little bit about FPS, Chris, thanks for the question. Before I jump into the growth question specifically, I’d like to revisit just for a moment a couple of fundamentals and my perspective of the overall business and why we got into it. First, I think, I have to start with the fact that our existing customers want this product. They buy this product and use it and the acquisitions have opened up new customers to us. So, it fits well within our product portfolio and it fits well within our customer base. The product itself has a very useful capability about it and a low life cycle analysis in terms of carbon foot printing. So, I think it’s a product that is here to stay that is going to find, in particularly in the dry goods area, continued growth around the world. The entire flexible market, when you consider geotextiles and the other applications, shipping sacks, ropes, strapping, is over 2x the size of our traditional rigid’s business. So, we are well positioned for an opportunity to grow well outside of our historical product range.

We acquired the leading players in the industry, particularly on the production side, and we have a scale advantage over anybody who might try to follow in our footsteps. Scale is what has allowed us to build long-term differentiated capability in terms of production and we are going to start with that with the KSA hub. So, it may take a bit longer to get to where we want to be, but I think the fundamentals all point us in the right direction. As far as the growth rate, I mentioned just a moment ago that we bought the three leading manufactures in the world and then we’re adding to our network base the KSA hub. Coupled with the KSA hub and the Greif Business System across the entire network, we have more than enough production capacity to accommodate the type of growth we need to achieve to make this business what we all hope and intend it to be.

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As far as acquiring those sales and those sales channels, you should expect us to not only push the organic growth push to other geographies, leverage our existing distributors, but it's not out of the question that we would continue to grow the business via acquisitions in the distribution field of flexibles, whether it be in shipping sacks, FIBCs or even fabric. Because of our cost advantage in production, we also believe selling fabric can yield some pretty good growth there once the network is fully up and running. So, I think the major investments have been done and we've taken the high ground in terms of the capabilities in terms of competing well and the acquisition of some distributors and downstream market channels will be a keen focus of the next couple of years to grow that at a faster than organic pace.

Chris Manuel— *Wells Fargo Securities—Analyst*

Okay, thanks. I'll follow back up.

Operator

Adam Josephson with KeyBanc.

Adam Josephson —*KeyBanc Capital Markets—Analyst*

Two part question. One on volume and one on consolidation. In terms of volume, in light of the recent data coming out of China and in light of what's happening in Europe, do you think it reasonable to — when do you think it reasonable to expect sequential volume improvement in rigid and flexible? And along those lines, what does your 4Q guidance incorporate in terms of sequential volume changes? And on the consolidation question, you talked about the network consolidation issues and flexible negatively affecting sales in the quarter. To the extent that you talked about streamlining your manufacturing footprint in that business, what gives you confidence that you won't experience further consolidation issues?

Rob McNutt —*Greif, Inc.—SVP & CFO*

Adam, this is Rob. Thanks for the questions. In terms of the volume, that's a tough question. If you can tell me what chemical industry production is going to be in Europe and China, that helps solve the problem. But, in terms of the guidance or what's embedded in our guidance is really flat with the back part of the third quarter, is the way we're thinking about it right now. But, as David said, it's choppy. It's very tough to forecast in this environment in the near-term or the long-term. We've got a business where we're on a — this is not where we get nine months or 12 months of lead time, but more like days of lead time and by the way, they can cancel on a day's notice. And so, it's a very tough environment to forecast and so you take your industrial forecast and your chemical forecast for the major economies and that's what drives ours.

In terms of the consolidation issues in the flexibles business, the issues there were very specific as we consolidated some of our production as we shutdown some operations in Europe, as David referenced, and absorbed those into operations, other existing operations, we did have some production hiccups in absorbing those. And as we brought new additional sewing capacity online and so forth in existing operations as we brought things down elsewhere, we had to get things up to speed and our ramp up in there in terms of training, in terms of productivity of those activities was not as sharp as we thought it would be. Again, this is a relatively new business. We learned an awful lot through that and that gives us confidence that we wouldn't do it again, and we are, as we look at the processes going forward as we can further consolidate footprint to the degree we need to, plan to apply those learnings. Again, the Greif Business System and the folks who drive that process really help us spread knowledge across the business and flexibles is no exception to that. So, I think that gives us the confidence.

Adam Josephson —*KeyBanc Capital Markets—Analyst*

Thanks, Rob, appreciate it.

Operator

Ghansham Panjabi with Robert W. Baird.

Matt Wooten —*Robert W. Baird & Co.—Analyst*

Good morning, it's Matt Wooten sitting in for Ghansham today. On the pricing side and, obviously, volume declines put downward pressure on pricing, but there were some declines in both industrial and flexible that were a little greater than we had anticipated. Can you comment on the competitive landscape and how that's affecting Greif?

Rob McNutt —*Greif, Inc.—SVP & CFO*

Yes, a couple of things. On pricing, I mean, recognize that depending on what period you're comparing back to, but about half of our volume in our rigids business, we have pricing directly tied to the input commodity. So, as steel prices go down that pulls down the pricing of the drums and, frankly, the 50% that is not under contract, under that kind of a contract tends to follow the same kind of pattern. So, part of that pricing issue is tied to commodities. Similarly, in the polywoven business there tends to be a link there and I think in both of those businesses, broadly, the folks who run those businesses, I think, do a pretty good job of maintaining that value add margin for us, that is the difference between product price and the raw material input costs. That tends to be on a percent basis rather than an absolute dollar basis that those move. And, so, that I think characterizes a lot of the pricing, but you're right. They tend to also be impacted by competitive environments and market environments, but it tends to be very specific local market driven. And so, for example, I think I've spoken to this previously, in Germany, Germany is a big market for us in rigids.

That right now is a fairly competitive market on the pricing side as volumes have come down in Europe since July of last year, we've been impacted in Germany more on the price side than on the volume side, frankly, and we'll pass on some business. So, it tends to be very, very market specific, but Germany is an example that I've spoken to before. Broadly speaking, again volumes come down, prices do tend to be — pricing does tend to be more competitive and we are seeing that.

David Fischer —*Greif, Inc.—President and CEO*

I would say that's exactly right, but I also add that during the, what I would call, the back side of the curve, when the economy is softening, there's an initial lag time. But, after a couple of months, you also see the aggressiveness of supplier vendors hunting for volume as well and you see the growth of import in raw materials coming into the bigger markets of Europe and North America at very attractive rates. So, you also have that dynamic, which allows us to take advantage of regional opportunities as they present themselves and preserve margins despite the fact that prices have come down due to our own competitive dynamics.

Matt Wooten —*Robert W. Baird & Co.—Analyst*

Okay, I appreciate the detail. Thank you.

Rob McNutt —*Greif, Inc.—SVP & CFO*

Thank you.

Operator

Steve Chercover with D.A. Davidson.

Steve Chercover —*.A. Davidson & Co.—Analyst*

You discussed order patterns and, specifically, that they've come down from days to a single day with a right to cancel. Are we not at some sort of theoretical limit to how just in time things can get?

Rob McNutt —*Greif, Inc.—SVP & CFO*

Yes, just let me clarify, Steve, the point is that people give us lead time of a week or so in terms of order, but they do have the ability to cancel and do cancel with shorter lead time now, more recently, and certainly we saw it in July than maybe historical practice has been.

David Fischer —*Greif, Inc.—President and CEO*

I think since the downturn in July you see a repeat of an environment that it may validate your assumption that we've seen in previous years and that is the increase in short order, short lead time orders, our emergency orders, or rush deliveries, which our customers can, just like they cancel on a short basis, they can equally get excited about entering them and needing them in a very short time period. And we are seeing in some of our markets that choppiness resume.

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

And if I could sneak in one more. Glad to see you're supporting the $50 price hike in containerboard. As a supplier to the independent box makers, do you subscribe to the notion that they need the catalyst to boost their margins or some of them said they're going to be a push back, so what are you hearing from your independent clients?

Rob McNutt —*Greif, Inc.—SVP & CFO*

Well, I want to be real careful, obviously, talking about prices and all I can talk about is our perspective and we make pricing decisions based on how we see supply/demand in the marketplace and so that's how we make that decision. That's how we communicate to our customers and at this point, our customers appear to be accepting that price increase at this time is what I would say.

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

Very good. Thank you.

Rob McNutt —*Greif, Inc.—SVP & CFO*

Thanks. I think we've got time for one more. I notice we're about five over, so one more question please?

Operator

Walt Liptak with Barrington Research.

Walt Liptak —*Barrington Research Associates, Inc.—Analyst*

Wanted to ask, we got the qualitative, I guess, on the going forward free cash flow and so I just wanted to ask the question if maybe in the fourth quarter if you can tell us where you think you might end on like a net debt basis?

Rob McNutt —*Greif, Inc.—SVP & CFO*

Yes, Walt that's—we've certainly got an internal forecast. I will tell you that if you take our EBITDA guidance, you can see where the debt is going into the quarter and so you can calculate the interest that's got to be paid from that. You can take the math on the CapEx, we're still at the 145 level, 20% cash taxes, you can see what's been paid year-to-date. So, you can go through all that math.

We've also said that we're not going to do anything material on the acquisition side, certainly, through the fiscal year is what we said early in the year and thus far been sticking to that. And so, if you run that math, unless there is a run up in working capital, that would be your one wild card. Now, what would cause a run up in working capital would be improvement in markets or somewhere along the line we trip in one of the lower working capital elements. I don't see that occurring. Given that we've had nice working capital improvement through the year where we typically have had historically some cash generation, pretty significant cash generation from working capital in the fourth quarter, probably not going to see that at the same rate, the fourth quarter of this year, as we've seen historically based on just having made a lot of progress during the course of the year.

Walt Liptak ***—Barrington Research Associates, Inc.—Analyst***

And then I guess along those lines, you mentioned going out a little further, the diminishing returns and some of those working capital items and I guess where would you like to see the net debt like by the end of 2013? And I guess along those lines, do you have to do a polywoven distribution acquisition or is that something that you're thinking about for 2013? And then in terms of the EBITDA growth that you talked about kind of qualitatively, are we looking at EBITDA growth in 2013 or are you thinking more longer term going out through 2015?

David Fischer ***—Greif, Inc.—President and CEO***

I think the only thing we can concretely say is that we're getting better, a lot better at cash focus throughout the entire Corporation. We feel two times EBITDA we would like to get to and stay in that level. That's kind of a target that Rob and I have in our minds and if we have to do things in between now and then of reaching that goal we are going to do it in a prudent and controlled fashion and work it just out of continued cash flow.

Walt Liptak ***—Barrington Research Associates, Inc.—Analyst***

And if I can just ask one more follow-up on the Saudi joint venture ramp, fourth quarter it sounds like there will be some nominal amount of revenue that starts flowing through, but at this point is there — can we set some sort of an expectation on the kind of revs we would get in 2013?

Rob McNutt ***—Greif, Inc.—SVP & CFO***

Yes, recognize that Saudi hub is strictly going to produce fabric, which is going to go through converting it into markets. And at this point, we haven't put out any 2013 guidance broadly or specifically, but as David said, during start up that's going to cost us about $1 million a quarter is our current estimate for that. So, think about that in the near term and as we go forward we'll think about guidance.

Walt Liptak ***—Barrington Research Associates, Inc.—Analyst***

Okay, thanks.

David Fischer ***—Greif, Inc.—President and CEO***

With that I'll close by saying while the global economy is choppy in the near term creating forecasting uncertainty and stretching out the timeline on our growth initiatives, I continue to believe that the growth platforms we've put in place are the right steps to create long term value for our shareholders. In the meantime, we will continue to improve cash flow from our operations to pay down debt. We will leverage the Greif Business System to drive down our cost structure throughout the organization and focus on integration of acquisitions and consolidation of operations. If you'd like to turn to slide 17, I will now turn it over to Deb to provide the replay information.

Deb Strohmaier ***—Greif, Inc.—VP Corporate Communications***

Thanks, David. A replay of this conference call will be available in approximately one hour on the Company's website at www.Greif.com. We appreciate your interest and participation in this conference call this morning. This concludes today's teleconference. Please disconnect your lines and have a good day. Thank you.

Exhibit 99.3

Greif, Inc.

Quarterly Net Sales Statistics

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012
Rigid Containers (A)											
Volume (Units in Millions) (1)	18.2	21.3	22.3	22.4	20.2	22.4	22.8	21.8	19.4	23.2	24.1
Selling price change per unit over prior quarter (1)	4.5%	0.9%	8.4%	2.1%	2.9%	2.6%	5.2%	-0.2%	-2.9%	-1.0%	0.2%
Flexible Products (B)											
Volume (Kg in Millions) (2)	N/A	N/A	N/A	N/A	21.4	21.8	20.5	19.1	18.7	18.4	18.4
Selling price change per kg over prior quarter (2)	N/A	N/A	N/A	N/A	N/A	4.6%	9.3%	-5.6%	-7.0%	-1.4%	-0.1%
Paper Packaging (C)											
Volume (US Tons in Thousands) (3)	214.5	225.9	240.6	259.7	233.4	248.0	257.5	271.7	260.1	263.0	270.2
Selling price change per ton over prior quarter (3)	8.1%	8.3%	11.1%	2.6%	-0.1%	0.0%	1.3%	-2.4%	-0.8%	0.4%	1.5%

General Notes:

All selling prices and volumes are based on net sales by Greif, Inc. and its subsidiaries (collectively, the "Company") to third party customers and therefore exclude inter-company sales.

Selling price changes include the effect of changes in the costs of key raw materials (such as steel, resin, paper and old corrugated containers), freight, labor and other costs. The selling price changes have been adjusted to reduce the impact of foreign currency translation and the impact of product volume increases and decreases. All references to quarters mean the fiscal quarters of the Company.

Selling price changes and volumes relating to an acquired company or business are included commencing with the third quarter succeeding the quarter in which that acquisition is closed, except that the impact of all acquisitions completed in 2010 involving Flexible Products are included in the 2011 statistics. Selling price changes and volumes relating to joint ventures that are consolidated as subsidiaries are included upon formation, but are not material.

Segment Notes:

(A) Rigid Containers include the following product categories: large steel drums and large plastic drums (unit sizes above 42 gallons or 160 liters) and fibre drums and rigid intermediate bulk containers (RIBCs), and exclude intermediate and small steel and plastic containers, as well as other products and services such as water bottles, reconditioned containers, blending and filling and closure systems.

(1) The volume was calculated based on the number of units of Rigid Containers sold during the quarter. Each drum is counted as one unit, and each RIBC, given its size, is counted as five units. The selling price change per unit for each quarter is determined by first calculating for each product category the difference between its net sales per unit for that quarter over the immediately preceding quarter, divided by the net sales per unit for that product category in the immediately preceding quarter. In addition, given the price differences among the product categories, each such calculation is adjusted by multiplying the product selling price change per unit for that quarter by the ratio of the net sales of that product category for that quarter to the net sales of all Rigid Containers for that quarter. Then, the adjusted calculations for all product categories for that quarter are added together.

(B) Flexible Products include the following product categories: one loop, two loop and four loop polywoven products, and exclude multiwall bag products, shipping sacks and other products and services. Flexible Products activity in 2010 was not representative of the current business since the segment was established in the second quarter and key acquisitions were completed during the remainder of the year. Therefore, 2010 and Q1 2011 volume and selling price change per kg over prior quarter are not presented for Flexible Products.

(2) The volume was calculated based on the number of units of Flexible Products sold during the quarter converted into kilograms for all Flexible Products (including management estimates based on the average weight of the products that were sold from four facilities representing approximately 25% of the volume of Flexible Products). The selling price change per kilogram for each quarter is determined by first calculating for each product category the difference between its net sales per kilogram for that quarter over the immediately preceding quarter, divided by the net sales per kilogram for that product category in the immediately preceding quarter. In addition, given the price differences among the product categories, each such calculation is adjusted by multiplying the product selling price change per unit for that quarter by the ratio of the net sales of that product category for that quarter to the net sales of all Flexible Products for that quarter. Then, the adjusted calculations for all product categories for that quarter are added together.

(C) Paper Packaging includes the following product categories: containerboard, corrugated sheets and corrugated boxes.

(3) The volume was calculated based on the actual number of US tons of containerboard sold during the quarter plus the number of million square feet of corrugated sheets and corrugated boxes sold during the quarter converted to US tons. The selling price change per US ton for each quarter is determined by first calculating for each product category the difference between its net sales per US ton for that quarter over the immediately preceding quarter, divided by the net sales per US ton for that product category in the immediately preceding quarter. In addition, given the price differences among the product categories, each such calculation is adjusted by multiplying the product selling price change per unit for that quarter by the ratio of the net sales of that product category for that quarter to the net sales of all Paper Packaging for that quarter. Then, the adjusted calculations for all product categories for that quarter are added together.