

GREIF INC

FORM 8-K (Unscheduled Material Events)

Filed 12/16/1997 For Period Ending 12/10/1997

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

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) December 10, 1997

GREIF BROS. CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-566
(Commission
File Number)

31-4388903
(I.R.S. Employer
Identification No.)

425 Winter Road, Delaware, Ohio
(Address of principal executive offices)

43015
(Zip Code)

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

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

Page 1 of 6 Pages
Index to Exhibits at Page 4

Item 5. Other Events

On December 10, 1997, Greif Bros. Corporation (the "Company") signed a non-binding letter of intent (the "Letter of Intent") to acquire all of the outstanding shares of KMI Continental Fibre Drum, Inc. ("KMI"), a Delaware corporation, Fibro Tambor, S.A. de C.V. ("Fibro Tambor"), a Mexican corporation and Sonoco Plastic Drum, Inc. ("SPD"), an Illinois corporation, all of which are wholly-owned subsidiaries of Sonoco Products Co. ("Sonoco"). In addition, the Company would purchase Sonoco's interest in Total Packaging Systems of Georgia, LLC ("TPS"), a Delaware limited liability company. The business operations of KMI, SPD, Fibro Tambor, TPS and their respective subsidiaries comprise the entire industrial container business operation of Sonoco and its affiliates (the "Industrial Container Business").

The Letter of Intent provides that the purchase price for the Industrial Container Business will be \$225,000,000 in cash. The acquisition will include twelve fibre drum plants and five plastic drum plants along with facilities for research and development, packaging services and distribution.

The Company and Sonoco expect to proceed toward negotiation and execution of a definitive purchase agreement with respect to the purchase and sale of the Industrial Container Business, which purchase agreement will include such representations, warranties, covenants, conditions (which conditions will include, among others, satisfactory completion of due diligence by the Company and receipt of all required governmental approvals or expiration of applicable waiting periods, as the case may be) and indemnification provisions as are typical in transactions of this nature.

The execution of the Letter of Intent is described in the press release issued by the Company on December 11, 1997, which is included herewith as Exhibit 99.

Item 7. Financial Statements and Exhibits

(a) - (b) Not applicable

(c) Exhibits:

Exhibit Number

Description

99

Press Release issued
December 11, 1997

SIGNATURES

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

DATE: December 15, 1997

Greif Bros. Corporation

*BY /s/ Michael J. Gasser
Michael J. Gasser, Chairman
and Chief Executive Officer*

INDEX TO EXHIBITS

Exhibit Number	Description	Pages
99	Press Release issued December 11, 1997	5 and 6

PRESS RELEASE ISSUED DECEMBER 11, 1997

FOR IMMEDIATE RELEASE For additional information contact:

Michael J. Gasser
Chairman and Chief Executive Officer
(740) 549-6000

**GREIF BROS. CORPORATION ANNOUNCES
SIGNIFICANT INDUSTRIAL SHIPPING CONTAINER ACQUISITION**

DELAWARE, Ohio -- (December 11, 1997) Greif Bros. Corporation (Nasdaq: GBCOA; GBCOB) today announced it has signed an agreement in principle to acquire all the outstanding stock of KMI Continental Fibre Drum, Inc.; Fibro Tambor, and Sonoco Plastic Drum, Inc.; all wholly-owned subsidiaries of Sonoco Products Co. (NYSE:SON). In addition, Greif will purchase Sonoco's interest in Total Packaging Systems, LLC. These companies comprise the entire industrial container group of Sonoco and last year had combined annual net sales of approximately \$210 million.

The purchase price will be \$225 million in cash. This acquisition includes 12 fibre drum plants and 5 plastic drum plants along with facilities for research and development, packaging services and distribution. It is anticipated that this transaction will be completed following due diligence and upon approval from the regulatory authorities.

Michael J. Gasser, Chairman and Chief Executive Officer, commented, This strategic business combination positions Greif to achieve its goal of delivering to customers the most innovative and cost effective packaging services. The acquisition will afford Greif the opportunity to lower costs while at the same time improve quality and service by combining and upgrading manufacturing operations and by increasing the effectiveness with which it is able to acquire paper and plastic raw material. The acquisition will also increase Greif's research and development capabilities and its ability to meet customer demand for new and innovative means of delivering their products to market. Greif's vendor management and packaging service, and other even more innovative customer-partnering programs, can be expected to benefit directly through the acquisition. Our customers' goals are to deliver their products to market using the most effective and lowest cost means. Our acquisition of Sonoco's industrial container group will help us help our customers meet their goals.

William B. Sparks, Jr., President and Chief Operating Officer, stated, This acquisition will allow Greif to better serve its customers by leveraging the established strengths of both companies in the industrial shipping container field. In addition to the manufacturing facilities, this acquisition brings to Greif a market accepted Intermediate Bulk Container (IBC) along with a plastic drum expertise and an established vendor management program. This will further enhance capabilities to serve current and future packaging needs of our customers.

Statements made in this release which state the Company's or management's intentions, hopes, beliefs, expectations, or predictions of the future are forward-looking statements. It is important to note that the Company's actual results could differ materially from those projected in such forward-looking statements. Additional information concerning factors that could cause actual results to differ materially from those in the forward- looking statements are contained in the Company's SEC filings, including but not limited to the Company's report on Form 10-K and Annual Report for the year ended October 31, 1996.

Greif Bros. Corporation manufactures and markets a broad variety of superior quality industrial packaging and components including steel drums, fibre drums, plastic drums and multiwall bags. The Company is integrated, from its timberlands to corrugated sheet and box operations, including both virgin and recycled paper mills. With operations in the United States and Canada, Greif Bros. provides innovative products, services and solutions to meet the ever changing needs of its customers.

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