

# GREIF INC

## FORM 10-K (Annual Report)

Filed 1/18/1995 For Period Ending 10/31/1994

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

**SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**FORM 10-K**

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

For the fiscal year ended October 31, 1994 Commission File Number 1-566

**GREIF BROS. CORPORATION**

(Exact name of registrant as specified in its charter)

State of Delaware  
(State or other jurisdiction of  
incorporation or organization)

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

621 Pennsylvania Avenue, Delaware, Ohio 43015  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code 614-363-1271

**Securities registered pursuant to Section 12 (b) of the Act:**

Title of each class	Name of each exchange on which registered
Class "A" common stock	Chicago Stock Exchange

**Securities registered pursuant to Section 12 (g) of the Act:**

None  
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months , and (2) has been subject to such filing requirements for the past 90 days.  
Yes X . No .

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the close of the period covered by this report:

Class A Common Stock 5,436,586 shares Class B Common Stock 6,654,174 shares

**Documents Incorporated by Reference**

Document	Incorporated into
Portions of Annual Report to Shareholders for year ended October 31, 1994	Part I, Part II, Part IV

**PART I**

**Item 1. Business**

Information on the nature, type of business and industry segments, contained on pages 22 and 23 in the Company's 1994 Annual Report to Shareholders, is incorporated in the Form 10-K Annual Report.\*

Item 2. Properties

The following are the Company's principal locations and products manufactured.

Location	Products Manufactured
Alabama	
Cullman	Steel drums and machine shop
Good Hope	Research center
Mobile	Fibre drums
Arkansas	
Batesville (1)	Fibre drums
California	
Commerce (2)	Corrugated honeycomb
Fontana	Steel drums
LaPalma	Fibre drums
Morgan Hill	Fibre drums
Sacramento	General office
Stockton	Corrugated honeycomb and wood cut stock
Georgia	
Macon	Corrugated honeycomb
Tucker	Fibre drums
Illinois	
Blue Island	Fibre drums
Chicago	Steel drums
Joliet	Steel drums
Northlake	Fibre drums and plastic drums
Posen	Corrugated honeycomb
Indiana	
Albany (3)	Corrugated containers

\*Except as specifically indicated herein, no other data appearing in the Company's 1994 Annual Report to Shareholders is deemed to be filed as part of this Form 10-K Annual Report.

Item 2. Properties (continued)

Location	Products Manufactured
Kansas	
Winfield	Steel drums
Kansas City (4)	Steel drums
Kansas City (5)	Fibre drums
Kentucky	
Louisville	Wood cut stock
Louisiana	
St. Gabriel	Steel drums and plastic drums
Maryland	
Sparrows Point	Steel drums
Massachusetts	
Mansfield	Fibre drums
Westfield	Fibre drums
Worcester	Plywood reels
Michigan	
Eaton Rapids	Corrugated sheets
Grand Rapids	Corrugated sheets
Taylor	Fibre drums
Wayne	Corrugated containers
Minnesota	
Minneapolis	Fibre drums
Rosemount	Multiwall bags
St. Paul	Tight cooperage
St. Paul (6)	General office
Mississippi	
Durant	Plastic products
Jackson (7)	General office
Missouri	
Kirkwood	Fibre drums

Nebraska  
Omaha Multiwall bags

Item 2. Properties (continued)

Location	Products Manufactured
New Jersey	
Edison (8)	General office
Rahway	Fibre drums and plastic drums
Spotswood	Fibre drums
Springfield (9)	National accounts sales office
Teterboro	Fibre drums
Phillipsburg	Plywood reels
New York	
Buffalo	Fibre drums
Lindenhurst (10)	Research center
Niagara Falls	Steel drums
Syracuse	Fibre drums and steel drums
Amherst (11)	General office
North Carolina	
Bladenboro	Steel drums
Charlotte	Fibre drums
Concord	Corrugated sheets
Ohio	
Caldwell	Steel drums
Canton (12)	Corrugated containers
Cleveland (13)	Corrugated containers
Delaware	Principal office
Fostoria	Corrugated containers
London (14)	Corrugated containers
Massillon	Recycled containerboard
Hebron	Plastic products and containers
Tiffin	Corrugated containers
Youngstown	Steel drums
Zanesville	Corrugated containers and sheets
Oregon	
White City	Laminated panels
Pennsylvania	
Chester	Fibre drums
Darlington	Fibre drums and plastic drums
Hazleton	Corrugated honeycomb
Reno (15)	Corrugated containers
Stroudsburg	Rims and drum hardware
Washington	Corrugated containers and sheets

Item 2. Properties (continued)

Location	Products Manufactured
Tennessee	
Kingsport	Fibre drums
Memphis	Steel drums
Texas	
Angleton	Steel drums
Fort Worth	Fibre drums
LaPorte	Fibre drums, steel drums and plastic drums
Waco	Corrugated honeycomb
Virginia	
Amherst	Containerboard
Washington	
Woodland	Corrugated honeycomb and wood cut stock
West Virginia	
New Martinsville	Corrugated containers
Weston	Corrugated containers
Wisconsin	

Sheboygan	Fibre drums
Canada	
Belleville, Ontario	Fibre drums and plastic products
Bowmanville, Ontario	Spiral tubes
Fort Frances, Ontario	Spiral tubes
Fruitland, Ontario	Drum hardware and machine shop
LaSalle, Quebec	Fibre drums and steel drums
Lloydminster, Alberta	Steel drums, fibre drums and plastic drums
Maple Grove, Quebec	Pallets
Milton, Ontario	Fibre drums
Niagara Falls, Ontario	General office
Stoney Creek, Ontario	Steel drums

Note: All properties are held in fee except as noted below.

#### Exceptions:

- (1) Lease expires March 31, 1997
- (2) Lease expires March 30, 1995
- (3) Lease expires January 31, 1998
- (4) Lease expires June 30, 1995
- (5) Lease expires March 31, 1999
- (6) Lease expires December 31, 1994
- (7) Lease expires May 31, 1995
- (8) Lease expires May 31, 1998

#### Item 2. Properties (concluded)

- (9) Lease expires September 7, 1997
- (10) Lease expires December 31, 2000
- (11) Lease expires December 31, 1996
- (12) Lease expires March 31, 1998
- (13) Lease expires November 30, 1995
- (14) Lease expires April 30, 1997
- (15) Lease expires October 31, 1995

The Company also owns in fee a substantial number of scattered timber tracts comprising approximately 319,000 acres in the states of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi and Virginia and the provinces of Nova Scotia, Ontario and Quebec in Canada.

#### Item 3. Legal Proceedings

The Company has no pending material legal proceedings.

From time to time, in the business in which the Company operates, various legal proceedings arise from either the Federal, State or Local levels involving environmental sites to which the Company has shipped directly or indirectly small amounts of toxic waste such as paint solvents, etc. The Company, to date, has been classified as a "de minimis" participant and, as such, has not been subject, in any instance, to material sanctions or sanctions greater than \$100,000.

In addition, also from time to time, but infrequently, the Company has been cited for inadvertent violations of environmental regulations. Except for the following situation, none of these violations involve or are expected to involve sanctions of \$100,000 or more.

Currently, the Company's only exposure which may exceed \$100,000 relates to a pollution situation at its Strother Field plant in Winfield, Kansas. A feasibility study and a remedial plan proposed by the Kansas Department of Health and Environment has set forth estimated remedial costs which could expose the Company to approximately \$3,000,000 in expense under the most extreme assumptions. If the Company ultimately is required to incur this expense, a significant portion would be paid over 10 years. The Kansas site involves underwater pollution and certain soil pollution was found to exist on the Company's property. The estimated costs of the remedy currently preferred by the Kansas Authority for the soil pollution on the Company's land represents approximately \$2,000,000 of the estimated \$3,000,000 in expense.

The final remedies have not been selected and the proposed plan is presently open for public comment. In an effort to reduce its exposure for soil pollution, the Company, believing the soil pollution has been unduly magnified and is not based upon sufficient exploratory data, has undertaken further engineering borings and analysis to attempt to define a more confined soil area subject to the proposed remediation.

Due to the uncertainty surrounding this instance, the Company believes that the range of potential liability cannot be reasonably estimated, accordingly no reserve has been recorded as of October 31, 1994.

#### Item 4. Submission of Matters to a Vote of Security Holders

There have been no matters submitted to a vote of security holders.

## PART II

### Item 5. Market for the Registrant's Common Stock and Related Security Holder Matters

The following information contained in the 1994 Annual Report to Shareholders is incorporated by reference in this Form 10-K Annual Report:\*

Information concerning the principal market on which the Registrant's common stock is traded, high and low sales price of this stock for each quarterly period during the last two fiscal years and number of shareholders is contained on page 21 of the 1994 Annual Report to Shareholders.

The Company generally pays five dividends of varying amounts during its fiscal year computed on the basis described in Note 4, page 18 of the 1994 Annual Report to Shareholders. The annual dividends paid for the last three fiscal years are contained on page 15.

### Item 6. Selected Financial Data

The 5-year selected financial data, contained on page 22 of the 1994 Annual Report to Shareholders, is incorporated in this Form 10-K Annual Report.\*

### Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following information contained in the 1994 Annual Report to Shareholders is incorporated by reference in this Form 10-K Annual Report:\*

Management's Discussion and Analysis of Liquidity and Capital Resources and Results of Operations - pages 24 and 25.

### Item 8. Financial Statements and Supplementary Data

The following information contained in the 1994 Annual Report to Shareholders is incorporated by reference in this Form 10-K Annual Report:\*

The consolidated financial statements and the report thereon of Price Waterhouse LLP dated November 30, 1994 - pages 14 through 20.

The selected quarterly financial data - page 21.

\*Except as specifically indicated herein, no other data appearing in the Company's 1994 Annual Report to Shareholders is deemed to be filed as part of this Form 10-K Annual Report.

### Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There has not been a change in the Company's principal independent auditors and there were no matters of disagreement on accounting and financial disclosure.

## PART III

### Item 10. Directors and Executive Officers of the Registrant

The following information relates to Directors of the Company:

Name	Date present term expires	Other positions and offices held	Year first became Director
Michael J. Gasser	(Note: All Directors are elected annually for the ensuing year and serve until their successors are elected and qualify. The annual meeting is held on the fourth Monday of February.)	See response below.	1991
John C. Dempsey (A)		See response below.	1946
Allan Hull (B)		See response below.	1947
Robert C. Macauley (C)		See response below.	1979
Charles R. Chandler (D)		See response below.	1987
Paul H. DeCoster (E)		None.	1993
J Maurice Struchen (F)		None.	1993

(A) John C. Dempsey (age 80) has been a full time officer of the Company for more than the last five years. In the current year, he retired from the Company, but retains the position of Chairman Emeritus of the Board of Directors.

(B) Allan Hull is and has been, for more than the past five years, a partner and practicing attorney with Hull and Hull, Legal Counsel, Cleveland, Ohio. See below for present positions with the Company.

(C) Robert C. Macauley (age 71) has been, for more than the past five years, the Chief Executive Officer of Virginia Fibre Corporation. He is a member of the Compensation Committee. He is also a director for W. R. Grace & Co.

(D) Charles R. Chandler (age 59) has been, for more than the past five years, the President and Chief Operating Officer of Virginia Fibre Corporation. He is a member of the Executive and Audit Committees.

(E) Paul H. DeCoster (age 61) has been, for more than the past five years, a partner in the law firm Jackson and Nash. He is a member of the Compensation and Audit Committees.

**Item 10. Directors and Executive Officers of the Registrant (continued)**

(F) J Maurice Struchen (age 74) has been, for more than the past five years, the retired former Chairman of the Board and Chief Executive Officer of Society Corporation. He is a member of the Compensation and Audit Committees. He is also a director for Society Corporation and Forest City Enterprises, Inc.

Mr. Gasser, for more than the past five years, has been a full-time officer of the Company (see below).

The following information relates to Executive Officers of the Company (elected annually):

Name	Age	Positions and Offices	Year first became Executive Officer
Michael J. Gasser	43	Chairman of the Board of Directors and Chief Executive Officer, member of the Executive and Finance Committees	1988
Allan Hull	81	Director, Vice President, General Counsel, member of the Executive Committee	1964
John P. Berg	74	President, member of the Finance Committee and General Manager of Norco and West Coast Divisions	1972
Lloyd D. Baker	61	Vice President and Chairman of the Finance Committee	1975
Leonard W. Berkheimer	60	Vice President	1990
Michael M. Bixby	51	Vice President	1980
Herbert L. Carpenter, Jr.	72	Vice President, General Manager of Raible Division and Director of Research and Development	1976
Richard R. Caron	62	Vice President	1990
John P. Conroy	65	Vice President and Secretary	1991

Item 10. Directors and Executive Officers of the Registrant (continued)

Year first became Executive

Name	Age	Positions and Offices	Officer
Edward L. Dean	59	Vice President	1985
Dwight L. Dexter	43	Vice President	1990
Richard E. Gerstner	46	Vice President	1990
Harrison C. Golway, Jr.	65	Vice President	1985
C. J. Guilbeau	47	Vice President	1986
Thomas A. Haire	46	Vice President	1991
James A. Hale	54	Vice President	1990
Ralph A. Kelley	73	Vice President and General Manager of Seymour & Peck Division	1976
Jerry D. Kidd	59	Vice President	1992
Dennis J. Kuhn	71	Vice President	1980
Anthony Lanza	78	Vice President	1991
Sally W. Messner	58	Vice President	1993
Gail T. Randich	60	Vice President	1991
Lawrence A. Ratcliffe	53	Vice President and Director of Industrial Relations	1991
John S. Ries	52	Vice President	1994
James T. Robinson	52	Vice President	1990
Harley G. Sasse	49	Vice President	1990
Alvis H. Snipes	89	Vice President	1947
Robert G. Straley	43	Vice President and General Manager of East Coast Division	1990

Item 10. Directors and Executive Officers of the Registrant (continued)

Name	Age	Positions and Offices	Year first became Executive Officer
Kenneth R. Swanson	54	Vice President	1990
Ronald L. Waterman, Sr.	55	Vice President	1989
Jeffrey C. Wood	42	Vice President	1992
Russell J. Rehark	83	Treasurer and member of the Finance Committee	1972

Except as indicated below, each Executive Officer has served in his present capacity for at least five years.

Mr. Leonard W. Berkheimer was elected Vice President in 1990. During the last five years he has been General Manager of Fibre Drum Operations - East Coast Division.

Mr. Richard R. Caron was elected Vice President in 1990. During the last five years he has been General Sales Manager - National Accounts.

Mr. Dwight L. Dexter was elected Vice President in 1990. During the last five years he has been Sales Manager for National Accounts.

Mr. Richard E. Gerstner was elected Vice President in 1990. During the last five years he has served as General Manager - Steel Drum



Operations - East Coast Division and continues to serve in this capacity.

Mr. James A. Hale was elected Vice President in 1990. During the last five years he has served as an industrial engineer for the East Coast Division.

Mr. James T. Robinson was elected Vice President in 1990. During the last five years he has been a Sales Manager for the East Coast Division and continues to serve in this capacity.

Mr. Harley G. Sasse was elected Vice President in 1990. During the last five years he has been General Sales Manager for the Norco and West Coast Divisions.

Mr. Robert G. Straley was elected Vice President in 1990. During the last five years he has served as General Manager for the East Coast Division.

Mr. Kenneth R. Swanson was elected Vice President in 1990. During the last five years he has been General Manager - Quality Excellence Program.

#### **Item 10. Directors and Executive Officers of the Registrant (concluded)**

Mr. John P. Conroy was elected Vice President in 1991. During 1994 Mr. Conroy was elected Secretary. Prior to 1994, he was Assistant Secretary. Mr. Conroy has been a member of the Administrative Committee since 1972.

Mr. Thomas A. Haire was elected Vice President in 1991. During the last five years he has been manager of the research facility located in Lindenhurst, New York and continues to serve in this capacity.

Mr. Anthony Lanza was elected Vice President in 1991. During the last five years he has been General Manager - Steel Drum Operations for the Seymour & Peck Division.

Mr. Gail T. Randich was elected Vice President in 1991. During the last five years he has served as Manager - Midwest Operations - Seymour & Peck Division. Mr. Randich continues to serve in this capacity.

Mr. Lawrence A. Ratcliffe was elected Vice President in 1991. During 1994, Mr. Ratcliffe became Director of Industrial Relations. Prior to 1994, he served as Assistant Director of Industrial Relations.

Mr. Jerry D. Kidd was elected Vice President in 1992. During the last five years he has served as division purchasing manager for the Norco Division. Mr. Kidd continues to serve in this capacity.

Mr. Jeffrey C. Wood was elected Vice President in 1992. Prior to that time he has served as a divisional fleet manager for the East Coast Division. Mr. Wood now performs this service in a corporate capacity. In 1994, Mr. Wood was elected to the Administrative Committee.

Mrs. Sally W. Messner was elected Vice President in 1993. During the last five years she has served as tax manager for the Corporation. She continues to serve in this capacity.

Mr. John S. Ries was elected Vice President in 1994. During the last five years he has been the Division Controller for the Norco and West Coast Divisions and continues to serve in this capacity.

#### Item 11. Executive Compensation

Name and Position	Year	Salary	Bonus	Deferred Compensation	All Other
Michael J. Gasser Chairman	1994	\$143,166	\$99,999		
Chief Executive Officer	1993	\$110,040	\$35,000		
	1992	\$102,304	\$30,000		
John C. Dempsey Chairman Emeritus	1994	\$155,964	\$56,996		
	1993	\$155,964	\$92,176		
	1992	\$155,964	\$90,369		
Robert C. Macauley Director Chief Executive	1994	\$356,750	\$90,172	\$40,593	\$445,410

Officer of Virginia Fibre Corporation	1993	\$353,550	\$104,782	\$33,990	\$146,520
	1992	\$341,151	\$73,612	\$34,932	\$499,500
Charles R. Chandler Director	1994	\$414,421	\$94,952	\$218,411	\$52,794
President of Virginia Fibre Corporation	1993	\$423,308	\$126,013	\$201,670	\$21,294
	1992	\$408,519	\$83,160	\$168,253	\$23,310
John P. Berg President	1994	\$140,004	\$93,844		
	1993	\$132,766	\$88,532		
	1992	\$125,892	\$86,796		
Ralph A. Kelley Vice President	1994	\$107,760	\$32,436		
	1993	\$103,116	\$30,600		
	1992	\$97,740	\$30,000		

Item 11. Executive Compensation (continued)

Name and Position	Year	Salary	Bonus	Deferred Compensation	All Other
Elmer A. Reitz Executive Vice President	1994	\$64,000*	\$76,570*		
	1993	\$96,000	\$86,683		
	1992	\$103,101	\$84,983		

\*Mr. Reitz passed away in August, 1994.

For many years, the Board of Directors has voted bonuses to employees, acting within its complete discretion, based upon the progress of the Company, and upon the contributions of the particular employees to that progress, and upon individual merit, which determines, in the action of the Board, the bonus a specific employee may receive, if any.

Mr. Robert C. Macauley, Chairman and Chief Executive Officer of Virginia Fibre Corporation, on August 1, 1986, entered into an employment agreement with Virginia Fibre Corporation, principally providing for (a) the employment of Mr. Macauley as Chairman and Chief Executive Officer for a term of 10 years, (b) the agreement of Mr. Macauley to devote his time, attention, skill and effort to the performance of his duties as an officer and employee of Virginia Fibre Corporation, and (c) the fixing of minimum basic salary during such period of

**Item 11. Executive Compensation (continued)**

employment at \$175,000 per year. During the 1992 fiscal year, the employment contract with Mr. Macauley was amended to increase the original term to 18 years and to increase the minimum basic salary during the remainder of the employment period to \$275,000 per year.

Mr. Charles R. Chandler, President and Chief Operating Officer of Virginia Fibre Corporation, on August 1, 1986, entered into an employment agreement with Virginia Fibre Corporation, principally providing for (a) the employment of Mr. Chandler as President and Chief Operating Officer for a term of 15 years, (b) the agreement of Mr. Chandler to devote all of his time, attention, skill and effort to the performance of his duties as an officer and employee of Virginia Fibre Corporation, and (c) the fixing of minimum basic salary during such period of employment at \$150,000 per year. During the 1988 fiscal year the employment contract of Mr. Chandler was amended to increase the minimum basic salary during the remainder of the employment period to \$275,000 per year. During the 1992 fiscal year, the employment contract with Mr. Chandler was amended to give Mr. Chandler the right to extend his employment beyond the original term for up to 5 additional years.

Effective during fiscal 1993, no Directors' fees are paid to Directors who are full-time employees of the Company or its subsidiary companies. Directors who are not employees of the Company receive \$19,200 per year plus \$500 for each audit and compensation meeting that they attend.

Supplemental to the pension benefits, Virginia Fibre Corporation has deferred compensation contracts with Robert C. Macauley and Charles R. Chandler. These contracts are designed to supplement the Company's defined benefit pension plan only if the executive retires under such pension plan at or after age 65, or if the executive becomes permanently disabled before attaining age 65. No benefit is paid to the executive under this contract if death precedes retirement. The deferred compensation is payable to the executive or his spouse for a total period of 15 years.

Under the above Deferred Compensation Contracts, the annual amounts payable to the executive or his surviving spouse are diminished by the amounts receivable under the Virginia Fibre Corporation's defined benefit pension plan. Mr. Macauley's estimated accrued benefit from the Deferred Compensation Contract is \$78,608 per year for 10 years and \$52,405 per year for an additional 5 years. Mr. Chandler's estimated

accrued benefit from the Deferred Compensation Contract is \$184,061 per year for 10 years and \$122,707 per year for an additional 5 years.

The dollar amount in the all other category is the compensation attributable to the 1991 Virginia Fibre Corporation stock option plan to certain key Virginia Fibre Corporation employees. This amount is the difference between the option price and the value attributable to the stock based upon the performance of Virginia Fibre Corporation.

In 1991, the shareholders of Virginia Fibre Corporation approved non-incentive (as defined in the Internal Revenue Code) stock options to Mr. Robert C. Macauley to purchase up to 135,000 shares of common stock of Virginia Fibre Corporation at a price of \$31.26 per share. The options are exercisable for a period of 15 years from the date of the option.

**Item 11. Executive Compensation (continued)**

In addition to the above, Mr. Macauley and Mr. Charles R. Chandler were issued incentive stock options to purchase shares of Virginia Fibre Corporation stock. Mr. Macauley has the option to purchase up to 15,000 shares of Virginia Fibre Corporation stock at an option price, \$35.00, which is not less than 110% of the fair market value of such stock at the time the option is granted.

Mr. Chandler has the option to purchase up to 22,050 shares of Virginia Fibre Corporation stock at a price of \$31.26 per share.

No options were exercised during 1994, 1993 or 1992 by Mr. Macauley or Mr. Chandler.

DEFINED BENEFIT PENSION TABLE

Remuneration	Annual Benefit for Years of Service			
	15	20	25	30
\$160,000	\$27,640	\$36,853	\$46,067	\$55,280
\$150,000	\$25,890	\$34,520	\$43,150	\$51,780
\$140,000	\$24,140	\$32,187	\$40,233	\$48,280
\$130,000	\$22,390	\$29,843	\$37,317	\$44,780

Name of individual or number of persons in group	Credited Years of service	Remuneration used for Calculation of Annual Benefit	Estimated annual benefits under retirement plan
Michael J. Gasser	15	\$77,944	\$11,142
John C. Dempsey	45	\$151,549	\$37,879
John P. Berg	37	\$116,285	\$36,358
Ralph A. Kelley	54	\$89,497	\$30,604
Elmer A. Reitz	50	\$107,614	\$36,945
Charles R. Chandler	22	\$219,224	\$48,229
Robert C. Macauley	22	\$219,224	\$48,229

The registrant's pension plan is a defined benefit pension plan with benefits based upon the average of the ten consecutive highest-paying years of salary compensation (excluding bonuses) and upon years of credited service up to 30 years.

The annual retirement benefits under the defined benefit pension plan of the registrant's subsidiary, Virginia Fibre Corporation, are calculated at 1% per year based upon the average of the five highest out of the last ten years of salary compensation.

**Item 11. Executive Compensation (continued)**

None of the pension benefits described in this item are subject to offset because of the receipt of Social Security benefits or otherwise.

The annual compensation for Mr. Macauley and Mr. Chandler is reviewed annually by the compensation committee of the Board of Directors of Virginia Fibre Corporation, made up of primarily outside members of that Board and is based primarily on the performance of Virginia Fibre Corporation.

The annual compensation for Michael J. Gasser, Chairman of the Board and Chief Executive Officer of the Registrant, is reviewed annually by the Compensation Committee of the Board of Directors. Mr. Gasser's salary is based primarily on the performance of Greif Bros. Corporation.

The Compensation Committee, made up primarily of outside directors, reviews the total compensation paid to Mr. Gasser and other executive officers.

**Members of the Compensation Committee are:**

Paul H. DeCoster  
Robert C. Macauley  
J Maurice Struchen

**Item 11. Executive Compensation (concluded)**

The following graph compares the Registrant's stock performance to that of the Standard and Poor's 500 Index and its industry group (Peer Index). This graph, in the opinion of management, would not be free from the claim that it fails to fully and accurately represent the true value of the Company.

Year	GBC Stock	S&P 500 Index	Peer Index
1989	100	100	100
1990	67	89	69
1991	83	115	118
1992	86	123	120
1993	94	137	102
1994	105	139	126

The Peer Index is comprised of the paper containers index and paper and forest products index as shown in the Standard & Poor's Statistical Services Guide.

**Item 12. Security Ownership of Certain Beneficial Owners and Management**

The following ownership is as of December 12, 1994:

Name and Address	Class of stock	Type of ownership	Number of shares	Percent of class
Naomi C. Dempsey 782 W. Orange Road Delaware, Ohio	Class B	Record and Beneficially	3,021,618	45.41%
Naomi C. Dempsey, Trustee	Class B	See (1) below	831,520	12.50%
John C. Dempsey 621 Pennsylvania Avenue Delaware, Ohio	Class B	Record and Beneficially	240,000	3.60%
Macauley & Company 161 Cherry Street New Canaan, Connecticut	Class B	Record and Beneficially	1,200,000	18.04%

(1) Held by Naomi C. Dempsey as successor trustee in the Naomi A. Coyle Trust. John C. Dempsey is the beneficial owner of these shares.

The following information regarding directors is as of December 12, 1994:

Name	Title and Percent of Class
Charles R. Chandler	Class A 200 -0-%
Paul H. DeCoster	200 -0-%
Michael J. Gasser	-0- -0-%
Allan Hull	-0- -0-%
Robert C. Macauley	-0- -0-%
J Maurice Struchen	-0- -0-%

**Item 12. Security Ownership of Certain Beneficial Owners and Management (concluded)**

Name	Title and Percent of Class
Charles R. Chandler	Class B 2,000 .03%
Paul H. DeCoster	-0- -0-%
Michael J. Gasser	5,899 .09%
Allan Hull	74,800 1.12%

Robert C. Macauley	1,200,000	18.04%
J Maurice Struchen	1,000	.02%

In addition to the above referenced shares, Messrs. Gasser, Hull and Baker serve as Trustees of the Greif Bros. Corporation Employees' Retirement Income Plan, which holds 61,876 shares of Class A Common Stock and 38,440 shares of Class B Common Stock. The Trustees, accordingly, share voting power in these shares.

The Class A Common Stock has no voting power, except when four quarterly cumulative dividends upon the Class A Common Stock are in arrears.

Each class of the following equity securities are owned or controlled by management (i.e. all Directors and Officers) as of December 12, 1994:

Title of class of stock	Amount beneficially owned	Percent of class
Class A	9,972	0.18%
Class B	1,350,785	20.30%

### Item 13. Certain Relationships and Related Transactions

The law firm of Hull & Hull received \$301,990 in fees for legal services to the Corporation plus reimbursement of out-of-pocket expenses of \$32,619. Mr. Allan Hull, attorney-at-law, is Vice President, General Counsel, member of the Executive Committee and a Director of Greif Bros. Corporation and a partner in the firm of Hull & Hull.

### Item 13. Certain Relationships and Related Transactions (concluded)

A subsidiary of the Company annually contributes money to a world-wide relief organization. The founder and chairman of this non-profit organization is also the founder and chairman of the subsidiary company and is a director of the Registrant. During 1994 the subsidiary company contributed approximately \$1,200,000 to this organization.

The information concerning the indebtedness of Officers and Directors is included in Schedule II, pages 26 through 30, in this Form 10-K Annual Report.

## PART IV

### Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) The following documents are filed as part of this report:

	Page in Annual Report *
(1) Financial Statements:	
Consolidated Balance Sheets at October 31, 1994 and 1993	14
Consolidated Statements of Income for the three years ended October 31, 1994	15
Consolidated Statements of Earnings Retained for Use in the Business for the three years ended October 31, 1994	15
Consolidated Statements of Cash Flows for the three years ended October 31, 1994	16
Notes to Consolidated Financial Statements	17-20
Report of Independent Accountants	20
Selected Quarterly Financial Data (unaudited)	21

\* Incorporated by reference from the indicated pages of the 1994 Annual Report to Shareholders.

### Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K (concluded)

(2) Financial Statement Schedules:

**Marketable Securities - Other Security Investments**  
(Schedule I)

Amounts Receivable from Related Parties and Underwriters, Promoters and Employees Other Than Related Parties

(Schedule II)

**Consolidated Properties, Plants and Equipment (Schedule V)**

Consolidated Accumulated Depreciation, Depletion and Amortization of Properties, Plants and Equipment (Schedule VI)

Consolidated Valuation and Qualifying Accounts and Reserves (Schedule VIII)

Consolidated Supplementary Income Statement Information (Schedule X)

(3) Exhibits:

No.

(13.) 1994 Annual Report to Shareholders

(21.) Subsidiaries of the Registrant

(b) Reports on Form 8-K

(1) No reports on Form 8-K have been filed during the last quarter of fiscal 1994.

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

The individual financial statements of the Registrant have been omitted since the Registrant is primarily an operating company and all subsidiaries included in the consolidated financial statements, in the aggregate, do not have minority equity interests and/or indebtedness to any person other than the Registrant or its consolidated subsidiaries in amounts which exceed 5% of total consolidated assets at October 31, 1994, excepting indebtedness incurred in the ordinary course of business which is not in default.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**GREIF BROS. CORPORATION**  
(Registrant)

Date	January 18, 1995	By
		John K. Dieker Assistant Controller

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Michael J. Gasser Chairman of the Board of Directors	Charles R. Chandler Member of the Board of Directors
---	---

Paul H. DeCoster Member of the Board of Directors	Allan Hull Member of the Board of Directors
--	--

Robert C. Macauley J Maurice Struchen Member of the Board of Directors Member of the Board of Directors

Each of the above signatures is affixed as of January 18, 1995.

**REPORT OF INDEPENDENT ACCOUNTANTS ON  
FINANCIAL STATEMENT SCHEDULES**

To the Board of Directors  
of Greif Bros. Corporation

Our audits of the consolidated financial statements referred to in our report dated November 30, 1994 appearing on page 20 of the 1994 Annual Report to Shareholders of Greif Bros. Corporation, (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the Financial Statement Schedules listed in Item 14 (a) (2) of this Form 10-K. In our opinion, these Financial Statement Schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

**PRICE WATERHOUSE LLP**

Columbus, Ohio  
November 30, 1994

SCHEDULE I  
GREIF BROS. CORPORATION  
AND SUBSIDIARY COMPANIES

MARKETABLE SECURITIES  
OTHER SECURITY INVESTMENTS

Name of issuer and title of each issue of	Number of shares or units - principal amount bonds and notes	Amount at which each portfolio of equity security issues and each other security issue carried in the balance sheet
Marketable securities:		
U. S. Treasury Notes	\$ 2,000,000	\$ 2,043,760
Government of Canada Securities	19,731,000	21,926,139
	\$21,731,000	\$23,969,899 (A)

(A) At cost plus accrued interest, which approximates market.

SCHEDULE II  
GREIF BROS. CORPORATION  
AND SUBSIDIARY COMPANIES

AMOUNTS RECEIVABLE FROM RELATED PARTIES AND UNDERWRITERS,  
PROMOTERS AND EMPLOYEES OTHER THAN RELATED PARTIES

Year ended October 31, 1992:

Name of Debtor	Balance at Beginning Period	Proceeds	Amount Collected	Balance at End of Period
Lloyd D. Baker	\$ 98,490	\$ -0-	\$ 7,442	\$ 91,048
Michael M. Bixby	254,000	-0-	21,000	233,000
Edward M. Bobula	82,000	240,000	50,000	272,000
Glenn D. Bramlett	290,000	-0-	-0-	290,000
Dwight L. Dexter	171,337	-0-	6,529	164,808
Michael J. Gasser	82,400	200,864	6,867	276,397
C. J. Guilbeau	-0-	200,000	1,349	198,651
James A. Hale	-0-	182,500	84,684	97,816
Philip R. Metzger	111,607	-0-	5,377	106,230
Howard S. Miller	70,000	-0-	-0-	70,000
Thomas V. Parker	-0-	135,300	19,420	115,880
Gerald L. Payne	-0-	100,000	6,068	93,932
Lawrence A. Ratcliffe	82,842	-0-	4,252	78,590
John Saldate	191,822	962	32,344	160,440
William B. Sparks	111,929	-0-	-0-	111,929
Ralph V. Stoner, Jr.	-0-	250,000	-0-	250,000
Ralph V. Stoner, Sr.	163,000	-0-	20,000	143,000
J. William Weller	93,988	-0-	4,441	89,547
Jeffrey C. Wood	-0-	174,000	-0-	174,000

\$1,803,415 \$1,483,626 \$269,773 \$3,017,268

SCHEDULE II  
(continued)  
GREIF BROS. CORPORATION  
AND SUBSIDIARY COMPANIES

AMOUNTS RECEIVABLE FROM RELATED PARTIES AND UNDERWRITERS,  
PROMOTERS AND EMPLOYEES OTHER THAN RELATED PARTIES

Year ended October 31, 1993:

Name of Debtor	Balance at Beginning Period	Proceeds	Amount Collected	Balance at End of Period
Lloyd D. Baker	\$ 91,048	\$ -0-	\$ 7,603	\$ 83,445
Michael M. Bixby	233,000	-0-	6,000	227,000
Edward M. Bobula	272,000	-0-	-0-	272,000
Glenn D. Bramlett	290,000	-0-	-0-	290,000
Dwight L. Dexter	164,808	-0-	6,728	158,080
Michael J. Gasser	276,39	-0-	19,828	256,569
C. J. Guilbeau	198,651	-0-	5,496	193,155
James A. Hale	97,816	-0-	3,835	93,981
Philip R. Metzger	106,230	-0-	5,540	100,690
Howard S. Miller	70,000	-0-	-0-	70,000
Thomas V. Parker	115,880	-0-	4,492	111,388
Gerald L. Payne	93,932	-0-	7,990	85,942
Todd W. Prasher	-0-	149,217	3,878	145,339
Lawrence A. Ratcliffe	78,590	-0-	4,381	74,209
John Saldate	160,440	-0-	3,682	156,758
William R. Shew	-0-	275,000	110,000	165,000
William B. Sparks	111,929	-0-	-0-	111,929
Ralph V. Stoner, Jr.	250,000	-0-	25,000	225,000
Ralph V. Stoner, Sr.	143,000	-0-	143,000	-0-
J. William Weller	89,547	-0-	4,576	84,971
Jeffrey C. Wood	174,000	-0-	52,504	121,496
	\$3,017,268	\$424,217	\$414,533	\$3,026,952

SCHEDULE II  
(continued)

GREIF BROS. CORPORATION  
AND SUBSIDIARY COMPANIES

AMOUNTS RECEIVABLE FROM RELATED PARTIES AND UNDERWRITERS,  
PROMOTERS AND EMPLOYEES OTHER THAN RELATED PARTIES

Year ended October 31, 1994:

Name of Debtor	Balance at Beginning Period	Proceeds	Amount Collected	Balance at End of Period
Lloyd D. Baker	\$ 83,445	\$ -0-	\$ 7,768	\$ 75,677
Michael M. Bixby	227,000	-0-	6,000	221,000
Edward M. Bobula	272,000	-0-	272,000	-0-
Glenn D. Bramlett	290,000	-0-	-0-	290,000
Dwight L. Dexter	158,080	-0-	6,932	151,147
Kevin L. Drummond	-0-	115,000	-0-	115,000
Sandra L. Fisher	-0-	103,000	2,179	100,821
Michael J. Gasser	256,569	-0-	18,940	237,630
C. J. Guilbeau	193,155	-0-	5,664	187,491
James A. Hale	93,981	-0-	3,951	90,029
Philip R. Metzger	100,690	-0-	5,709	94,981
Howard S. Miller	70,000	-0-	20,000	50,000
Thomas V. Parker	111,388	-0-	111,388	-0-
Gerald L. Payne	85,942	-0-	8,841	77,101
Todd W. Prasher	145,339	-0-	8,182	137,157
Lawrence A. Ratcliffe	74,209	-0-	4,514	69,695
John Saldate	156,758	-0-	3,794	152,965
William R. Shew	165,000	-0-	-0-	165,000
William B. Sparks	111,929	-0-	-0-	111,929
Ralph V. Stoner, Jr.	225,000	-0-	-0-	225,000
J. William Weller	84,971	-0-	84,971	-0-
Jeffrey C. Wood	121,496	-0-	4,604	116,892
	\$3,026,952	\$218,000	\$575,437	\$2,669,515

SCHEDULE II



(continued)

Lloyd D. Baker is a Vice President of Greif Bros. Corporation. The loan is secured by a first mortgage on a house and lot in Delaware, Ohio and 2,000 shares of the Company's Class B Common Stock. Interest is payable at 3% per annum.

Michael M. Bixby is a Vice President of Greif Bros. Corporation. The loan is secured by a house and lot in Minnesota and interest is payable at 3% per annum.

Edward M. Bobula was a Vice President of Greif Bros. Corporation. The loan was secured by 10,000 shares of the Company's Class B Common Stock and interest was payable at 3% per annum.

Glenn D. Bramlett is a Director of Down River International, Inc. The loan is secured by 17,650 shares of the Company's Class B Common Stock and interest is payable at 10% per annum on \$250,000 and 3% on the remaining \$40,000.

Dwight L. Dexter is a Vice President of Greif Bros. Corporation. The loan is secured by a house and lot in Ohio and interest is payable at 3% per annum.

Kevin L. Drummond is Controller of Michigan Packaging Company. The loan is secured by a house and lot in Michigan and interest is payable at 3% per annum.

Sandra L. Fisher is an insurance administrator of Greif Bros. Corporation. The loan is secured by a house and lot in Ohio and interest is payable at 7% per annum.

Michael J. Gasser is Chairman and Chief Executive Officer of Greif Bros. Corporation. The loan is secured by 5,599 shares of the Company's Class B Common Stock and a first mortgage on a house and lot in Ohio. Interest is payable at 3% per annum.

C. J. Guilbeau is a Vice President of Greif Bros. Corporation. The loan is secured by a house and lot in Illinois and interest is payable at 3% per annum.

James A. Hale is a Vice President of Greif Bros. Corporation. The loan is secured by a house and lot in Alabama and interest is payable at 3% per annum.

Philip R. Metzger is Assistant Controller and Assistant Treasurer of Greif Bros. Corporation. The loan is secured by a house and lot in Ohio and interest is payable at 3% per annum.

Howard S. Miller is a Director of Michigan Packaging Company. The loan is secured by 4,000 shares of the Company's Class B Common Stock and interest is payable at 7.79% per annum.

Thomas V. Parker is a plant manager of Greif Bros. Corporation. The loan was secured by a house and lot in Ohio and interest was payable at 3% per annum.

## **SCHEDULE II** (concluded)

Gerald L. Payne is a plant manager of Greif Bros. Corporation. The loan is secured by a house and lot in Illinois and interest is payable at 3% per annum.

Todd W. Prasher is a division controller of Greif Bros. Corporation. The loan is secured by a house and lot in Ohio and interest is payable at 3% per annum.

Lawrence A. Ratcliffe is a Vice President of Greif Bros. Corporation. The loan is secured by a house and lot in Ohio and interest is payable at 3% per annum.

John Saldate is a plant manager of Greif Bros. Corporation. The loan is secured by a house and lot in California and interest is payable at 3% per annum.

William R. Shew is President of Greif Board Corporation. The loan is secured by 22,500 shares of Greif Bros. Corporation Class B common stock. Interest is payable at the prime rate, as determined, and payable semi-annually on April 30th and October 31st of each year.

William B. Sparks is Chairman of the Board of Down River International, Inc. The loan is secured by 3,124 shares of the Company's Class B Common Stock and 500 shares of the Company's Class A Common Stock. Interest is payable at 3% per annum.

Ralph V. Stoner, Jr. is President of Michigan Packaging Company. The loan is secured by a house and lot in North Carolina and interest is payable at 3% per annum.

J. William Weller was Assistant Tax Manager of Greif Bros. Corporation. The loan was secured by a house and lot in Ohio and interest was payable at 3% per annum.

Jeffrey C. Wood is a Vice President of Greif Bros. Corporation. The loan is secured by a house and lot in Ohio and interest is payable at 3% per annum.

SCHEDULE V  
GREIF BROS. CORPORATION  
AND SUBSIDIARY COMPANIES  
CONSOLIDATED PROPERTIES, PLANTS AND EQUIPMENT (IN \$000)

Description	Balance at Beginning of Period	Additions at Cost	Retire-ments	Other Changes Add (Deduct)	Balance at End of Period
Year ended October 31, 1992:					
Timber Properties, less depletion	\$ 2,701	\$ 109	\$ 45	\$ (3) (A)	\$ 2,762
Land	\$ 9,159	\$ 50	\$ -0-	\$ (61) (A)	\$ 9,148
Land Improvements	2,773	2,478	-0-	-0-	5,251
Buildings	70,616	5,163	222	125 (A)(B)	75,682
Machinery & Equipment	180,817	19,932	1,685	(2,229) (A)(B)	196,835
Furniture & Fixtures	5,135	507	181	(47) (A)	5,414
Construction in Process	7,758	15,202	-0-	-0-	22,960
	267,099	43,282	2,088	(2,151)	306,142
	\$276,258	\$43,332	\$2,088	\$(2,212)	\$315,290
Year ended October 31, 1993:					
Timber Properties, less depletion	\$ 2,762	\$ 530	\$ -0-	\$ (2) (A)	\$ 3,290
Land	\$ 9,148	\$ 497	\$ -0-	\$ (36) (A)(B)	\$ 9,609
Land Improvements	5,251	139	23	-0-	5,367
Buildings	75,682	5,533	101	(333) (A)(B)	80,781
Machinery & Equipment	196,835	21,707	4,777	(982) (A)(B)	212,783
Furniture & Fixtures	5,414	419	152	11 (A)(B)	5,692
Construction in Process	22,960	45,692	-0-	-0-	68,652
	306,142	73,490	5,053	(1,304)	373,275
	\$315,290	\$73,987	\$5,053	\$(1,340)	\$382,884
Year ended October 31, 1994:					
Timber Properties, less depletion	\$ 3,290	\$ 350	\$ -0-	\$ (1) (A)	\$ 3,639
Land	\$ 9,609	\$ 928	\$ 3	\$ (13) (A)	\$ 10,521
Land Improvements	5,367	2,491	22	-0-	7,836
Buildings	80,781	11,793	349	(125) (A)	92,100
Machinery & Equipment	212,783	75,109	2,097	(334) (A)	285,461
Furniture & Fixtures	5,692	477	181	(23) (A)	5,965
Construction in Process	68,652	-0-	50,516	-0-	18,136
	373,275	89,870	53,165	(482)	409,498
	\$382,884	\$90,798	\$53,168	\$(495)	\$420,019

(A) Effect of Translation gain (loss) in accordance with FASB #52.

(B) Certain assets were reclassified during the year to reflect the current year's presentation.

SCHEDULE VI  
GREIF BROS. CORPORATION  
AND SUBSIDIARY COMPANIES  
CONSOLIDATED ACCUMULATED DEPRECIATION, DEPLETION  
AND AMORTIZATION OF PROPERTIES, PLANTS AND EQUIPMENT (IN \$000)

Balance at Beginning	Additions Charged to Costs and	Other Changes Add	Retire-ments	Balance at End of
----------------------	--------------------------------	-------------------	--------------	-------------------

	of Period	Expenses	ments	(Deduct)		Period
Year ended October 31, 1992:						
Land Improvements	\$ 1,927	\$ 238	\$ -0-	\$ -0-		\$ 2,165
Buildings	25,497	2,337	55	210	(A)(B)	27,989
Machinery & Equipment	123,874	15,261	1,639	(1,434)	(A)(B)	136,062
Furniture & Fixtures	3,788	456	165	(31)	(A)	4,048
	\$155,086	\$18,292	\$1,859	\$(1,255)		\$170,264
Year ended October 31, 1993:						
Land Improvements	\$ 2,165	\$ 269	\$ 21	\$ -0-		\$ 2,413
Buildings	27,989	2,541	90	(175)	(A)(B)	30,265
Machinery & Equipment	136,062	15,587	4,517	(589)	(A)(B)	146,543
Furniture & Fixtures	4,048	447	147	(11)	(A)(B)	4,337
	\$170,264	\$18,844	\$4,775	\$(775)		\$183,558
Year ended October 31, 1994:						
Land Improvements	\$ 2,413	\$ 351	\$ 21	\$ -0-		\$ 2,743
Buildings	30,265	2,866	304	(65)	(A)	32,762
Machinery & Equipment	146,543	18,069	1,951	(264)	(A)	162,397
Furniture & Fixtures	4,337	431	173	(9)	(A)	4,586
	\$183,558	\$21,717	\$2,449	\$(338)		\$202,488

(A) Effect of Translation gain (loss) in accordance with FASB #52.

(B) Certain assets were reclassified during the year to reflect the current year's presentation.

SCHEDULE VIII  
GREIF BROS. CORPORATION  
AND SUBSIDIARY COMPANIES  
CONSOLIDATED VALUATION AND QUALIFYING ACCOUNTS AND RESERVES  
(IN \$000)

Description	Balance at Beginning of Period	Additions			Balance at End of Period
		Charged to Costs and Expenses	Charged to Other Accounts	Deductions	
Year ended October 31, 1992:					
Reserves deducted from applicable assets:					
For doubtful items-- trade accounts receivable	\$ 965	\$701	\$16 (A)	\$717 (B)	\$ 965
For doubtful items-- other notes and accounts receivable	697	-0-	-0-	-0-	697
Total reserves deducted from applicable assets	\$1,662	\$701	\$16	\$717	\$1,662
Year ended October 31, 1993:					
Reserves deducted from applicable assets:					
For doubtful items-- trade accounts receivable	\$ 965	\$364	\$24 (A)	\$414 (B)	\$ 939
For doubtful items-- other notes and accounts receivable	697	-0-	-0-	-0-	697
Total reserves deducted from applicable assets	\$1,662	\$364	\$24	\$414	\$1,636
Year ended October 31, 1994:					

Reserves deducted from applicable assets:					
For doubtful items-- trade accounts receivable	\$ 939	\$398	\$23 (A)	\$371 (B)	\$ 989
For doubtful items-- other notes and accounts receivable	697	-0-	-0-	-0-	697
Total reserves deducted from applicable assets	\$1,636	\$398	\$23	\$371	\$1,686

(A) Collections of accounts previously written off.  
(B) Accounts written off.

SCHEDULE X  
GREIF BROS. CORPORATION  
AND SUBSIDIARY COMPANIES  
CONSOLIDATED SUPPLEMENTARY INCOME STATEMENT INFORMATION  
(IN \$000)

	Charged to costs and expenses,		
	For the years ended October 31,		
Item	1992	1993	1994
Maintenance and repairs	\$22,530	\$22,110	\$24,581
Depreciation, depletion and amortization of properties, plants and equipment	\$18,315	\$18,881	\$21,758
Depreciation and amortization of intangible assets, preoperating costs and similar deferrals	(A)	(A)	(A)
Taxes, other than income taxes:			
Payroll	\$ 9,088	\$ 9,505	\$ 9,630
Real estate, personal property and other	5,122	4,905	4,806
	\$14,210	\$14,410	\$14,436
Rents	(A)	(A)	(A)
Royalties	(A)	(A)	(A)
Advertising costs	(A)	(A)	(A)

(A) Amount not stated because such amount does not exceed 1% of total sales and revenues.

## GREIF BROS. CORPORATION

## CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

## ASSETS

OCTOBER 31,	1994	1993
		(Note 5)
CURRENT ASSETS		
Cash and short term investments	\$ 29,543	\$ 30,827
U.S. and Canadian government securities		
--at amortized cost which approximates market	23,970	26,933
Trade accounts receivable -- less allowance		
of \$989 for doubtful items (\$965 in 1993)	69,501	56,601
Inventories, at the lower of cost (prin-		
cipally last-in, first-out) or market	50,944	42,700
Prepaid expenses and other	14,384	12,793
Total current assets	188,342	169,854
LONG TERM ASSETS		
Cash surrender value of life insurance	2,618	2,452
Interest in partnership	1,091	1,091
Other long term assets	5,853	5,171
	9,562	8,714
PROPERTIES, PLANTS AND EQUIPMENT - at cost		
Timber properties -- less depletion	3,639	3,290
Land	10,521	9,608
Buildings	99,936	86,148
Machinery, equipment, etc.	291,426	218,475
Construction in progress	18,136	68,652
Less accumulated depreciation	(202,488)	(183,558)
	221,170	202,615
	\$419,074	\$381,183
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 32,948	\$ 22,422
Current portion of long term obligations	249	375
Accrued payrolls and employee benefits	7,082	5,793
Accrued taxes -- general	1,952	1,620
Taxes on income	713	1,448
Total current liabilities	42,944	31,658
LONG TERM OBLIGATIONS (interest rates from		
3.85% - 6.00%; payable to 2000)	27,966	28,015
OTHER LONG TERM LIABILITIES	14,265	13,572
DEFERRED INCOME TAXES	6,960	2,971
Total long term liabilities	49,191	44,558
SHAREHOLDERS' EQUITY		
Capital stock, without par value	9,034	9,034
Class A Common Stock:		
Authorized 16,000,000 shares;		
issued 10,570,480 shares;		
in treasury 5,133,894 shares;		
outstanding 5,436,586 shares		
Class B Common Stock:		
Authorized and issued 8,640,000 shares;		
in treasury 1,985,826 shares;		
(1,940,267 in 1993)		
outstanding 6,654,174 shares		
(6,699,733 in 1993)		
Earnings retained for use in the business	321,583	298,757
Cumulative translation adjustment	(3,678)	(2,824)

	326,939	304,967
	\$419,074	\$381,183

See accompanying Notes to Consolidated Financial Statements

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES  
CONSOLIDATED STATEMENTS OF INCOME

(Dollars in thousands, except per share amounts)

For the years ended October 31,	1994	1993 (Note 5)	1992 (Note 5)
Sales and other income			
Net sales	\$583,526	\$526,765	\$510,995
Other income:			
Interest and other	6,113	6,077	7,609
Gain on timber sales	4,604	5,618	4,114
	594,243	538,460	522,718
Costs and expenses (including depreciation of \$21,717 in 1994, \$18,845 in 1993 and \$18,292 in 1992)			
Cost of products sold	480,666	440,578	415,074
Selling, general and administrative	60,518	58,078	58,331
Interest	1,447	203	197
	542,631	498,859	473,602
Income before income taxes	51,612	39,601	49,116
Taxes on income	17,858	14,992	18,902
Income before minority interest	33,754	24,609	30,214
Minority interest	-0-	-0-	495
Net income	\$ 33,754	\$ 24,609	\$ 29,719

Net income per share (based on the average number of shares outstanding during the year):

Based on the assumption that earnings were allocated to Class A and Class B Common Stock to the extent that dividends were actually paid for the year and the remainder were allocated as they would be received by shareholders in the event of liquidation, that is, equally to Class A and Class B shares, share and share alike:

	1994	1993	1992
Class A	\$2.63	\$1.87	\$2.30
Class B	\$2.91	\$2.15	\$2.56

Due to the special characteristics of the Company's two classes of stock (see Note 4), earnings per share can be calculated upon the basis of varying assumptions, none of which, in the opinion of management, would be free from the claim that it fails fully and accurately to represent the true interest of the shareholders of each class of stock and in the earnings retained for use in the business.

See accompanying Notes to Consolidated Financial Statements

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF EARNINGS RETAINED FOR USE IN THE BUSINESS

(Dollars in thousands, except per share amounts)

For the years ended October 31,	1994	1993	1992
Balance at beginning of year, as previously reported	\$298,356	\$283,251	\$261,615
Effect of restatement as required by SFAS No. 109 (see Note 5)	401	1,025	1,679

Balance at beginning of year, as restated	298,757	284,276	263,294
Net Income	33,754	24,609	29,719
	332,511	308,885	293,013
Dividends paid in the fiscal years (Note):			
On Class A Common Stock			
-- \$.60 per share	3,262	3,262	3,045
(\$.60 per share in 1993 and \$.56 per share in 1992)			
On Class B Common Stock			
-- \$.88 per share	5,877	5,914	5,516
(\$.88 per share in 1993 and \$.82 per share in 1992)			
	9,139	9,176	8,561
Cost of shares of treasury stock	1,789	952	176
Balance at end of year	\$321,583	\$298,757	\$284,276

Note: Dividends paid during the calendar years 1994, 1993 and 1992, relating to the results of operations for the fiscal years ended October 31, 1994, 1993 and 1992, were as follows:

1994 calendar year dividends per share -- Class A \$.68; Class B \$1.00  
1993 calendar year dividends per share -- Class A \$.60; Class B \$ .88  
1992 calendar year dividends per share -- Class A \$.60; Class B \$ .88

See accompanying Notes to Consolidated Financial Statements

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Dollars in thousands)

For the years ended October 31,	1994	1993 (Note 5)	1992 (Note 5)
Cash flows from operating activities:			
Net income	\$ 33,754	\$ 24,609	\$ 29,719
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and depletion	21,758	18,881	18,315
Minority interest in income	-0-	-0-	495
Deferred income taxes	4,011	1,133	2,511
Loss (gain) on disposals of properties, plants and equipment	4	175	(429)
(Increase) decrease:			
Trade accounts receivable	(12,900)	(543)	(1,774)
Inventories	(8,244)	5,190	(1,426)
Prepaid expenses and other	(1,591)	(1,009)	(1,248)
Other long term assets	(848)	554	(189)
Increase (decrease):			
Accounts payable and accrued liabilities	10,526	2,325	(873)
Accrued payrolls and employee benefits	1,289	708	(214)
Accrued taxes - general	332	(55)	(80)
Taxes on income	(735)	(1,318)	(1,469)
Other long term liabilities	693	(1,175)	(771)
Net cash provided by operating activities	48,049	49,475	42,567
Cash flows from investing activities:			

Sales (purchases) of investments in government securities, net	2,963	4,959	4,914
Reduction in loan to partnership	-0-	-0-	6,000
Purchase of minority interest	-0-	-0-	(4,124)
Purchase of properties, plants and equipment	(40,682)	(74,521)	(43,406)
Proceeds on disposals of properties, plants and equipment	166	103	659
Net cash used by investing activities	(37,553)	(69,459)	(35,957)
Cash flows from financing activities:			
Proceeds from issuance of long term debt	7,700	28,108	-0-
Payments on long term debt	(7,876)	(677)	(146)
Acquisition of treasury stock	(1,789)	(952)	(176)
Dividends paid	(9,139)	(9,176)	(8,561)
Net cash provided (used) by financing activities	(11,104)	17,303	(8,883)
Foreign currency translation adjustment	(676)	(1,931)	(3,046)
Net decrease in cash and short term investments	(1,284)	(4,612)	(5,319)
Cash and short term investments at beginning of year	30,827	35,439	40,758
Cash and short term investments at end of year	\$ 29,543	\$ 30,827	\$ 35,439

See accompanying Notes to Consolidated Financial Statements

## GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of Consolidation

The Consolidated Financial Statements include the accounts of the Company and its subsidiaries.

##### Revenue Recognition

Revenue is recognized when goods are shipped.

##### Income Taxes

The Financial Accounting Standards Board has issued Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes", which changed the method for calculating deferred income taxes. The Company adopted SFAS No. 109, retroactive to November 1, 1990. Certain prior year amounts in the Company's financial statements have been restated.

##### Inventories

Inventories are comprised principally of raw materials and are stated at the lower of cost (principally on last-in, first-out basis) or market. If inventories were stated on the first-in, first-out basis, they would be \$49,000,000 greater in 1994 and \$42,800,000 greater in 1993. During 1993 the Company experienced slight LIFO liquidations which were deemed to be immaterial to the Consolidated Financial Statements.

##### Interest in Partnership

The 50% interest in Macauley & Company (the partnership), in which the Company is a limited partner, is accounted for on the cost basis since, as a limited partner, the Company cannot participate in the management of the limited partnership.

##### Properties, Plants and Equipment

Depreciation on properties, plants and equipment is provided by the straight line method over the estimated useful lives of the assets. Accelerated depreciation methods are used for federal income tax purposes. Expenditures for repairs and maintenance are charged to income as incurred.



Depletion on timber properties is computed on the basis of cost and the estimated recoverable timber acquired.

When properties are retired or otherwise disposed of, the cost and accumulated depreciation are eliminated from the asset and related reserve accounts. Gains or losses are credited or charged to income as applicable.

## Earnings Retained for Use in the Business of Canadian Subsidiary Company

Deferred income taxes have been provided on accumulated earnings that could be considered as not permanently reinvested in the Canadian subsidiary.

As of October 31, 1994, permanently reinvested earnings are \$28,591,000.

## Foreign Currency Translation

In accordance with Statement of Financial Accounting Standards No. 52, "Foreign Currency Translation", the assets and liabilities denominated in foreign currency are translated into U.S. dollars at the current rate of exchange existing at year-end and revenues and expenses are translated at the average monthly exchange rates.

The following were the cumulative translation adjustments which represent the effect of translating assets and liabilities of the Company's foreign operation (Dollars in thousands):

	1994	1993
Balance at beginning of year	\$(2,824)	\$ (425)
Effect of balance sheet translation	(854)	(2,399)
Balance at end of year	\$(3,678)	\$(2,824)

The transaction gains and losses included in income are immaterial.

## Statement of Cash Flows

The Company considers highly liquid investments with an original maturity of three months or less to be cash and short term investments.

## Operations by Industry Segment

Information concerning the Company's industry segments is an integral part of these financial statements.

## Reclassifications

Certain prior year amounts have been reclassified to conform to the 1994 presentation.

## NOTE 2--INTEREST IN PARTNERSHIP

The investment in partnership consists of an investment in Macauley & Company (the partnership). As of October 31, 1994 and 1993, the partnership holds Class B Common Stock (1,200,000 shares) of the Company. During 1992, the Company purchased 100% of Virginia Fibre Corporation through an option agreement with the partnership. This purchase was accounted for under the purchase method.

Virginia Fibre Corporation has existing stock option plans under which additional shares may be issued but with restrictions which ensure that ultimately these shares will be purchased by the Company. If all of these options were fully exercised, and no shares were purchased by the Company, Greif Bros. Corporation would then be the record holder of approximately 90% of the outstanding stock of Virginia Fibre Corporation.

### NOTE 3--LONG TERM OBLIGATIONS

The Company's long term obligations include the following as of October 31 (Dollars in thousands):

	1994	1993
Current portion of long term obligations	\$ 249	\$ 375
Long term obligations	\$25,702	\$25,526
Capital lease	2,264	2,489
Total long term obligations	\$27,966	\$28,015

During 1992, a subsidiary of the Company entered into a seven year unsecured revolving loan agreement with a bank for \$40 million. The revolving loan agreement was used to finance the purchase of a 325 ton per day recycled paper machine. The interest is an adjustable rate tied, at the Company's discretion, to the lower of the bank's prime rate or the London Interbank Offered Rates (4.81% as of October 31, 1994). There is no penalty for prepayment. As part of this revolving loan agreement, the subsidiary agreed to certain provisions and restrictions including a restriction on its additional indebtedness.

On November 16, 1994, a different subsidiary of the Company signed a loan commitment letter for an eight year unsecured revolving line of credit with a bank for \$17 million. This revolving credit arrangement will be used to finance the construction of a manufacturing plant in Michigan. At the Company's discretion, the interest rate may be tied to either the London Interbank Offered Rates plus 50 basis points or the bank's prime rate less 25 basis points. There is no penalty for prepayment. In exchange, the subsidiary agreed to certain restrictions including a restriction on its additional indebtedness.

During 1993, the Company entered into a capital lease agreement covering the land, building, and machinery and equipment at one of its plant locations. The amount that is capitalized under this agreement is \$2,708,000 and has accumulated depreciation of \$227,000 as of October 31, 1994 (\$33,000 as of October 31, 1993). In addition to the capital lease, the Company has entered into non-cancelable operating leases for buildings and office space. The future minimum lease payments for the non-cancelable operating leases are \$709,000 in 1995, \$557,000 in 1996, \$429,000 in 1997, \$252,000 in 1998, \$72,000 in 1999 and \$31,000 thereafter. Rent expense was \$2,553,000 in 1994, \$2,555,000 in 1993 and \$2,369,000 in 1992.

Annual maturities of the long term obligation and capital lease are \$392,000 in 1995, \$1,992,000 in 1996, \$8,391,000 in 1997, \$8,388,000 in 1998, \$8,382,000 in 1999 and \$1,300,000 thereafter. The amount that represents future executory costs and interest payments for the capital lease is \$630,000 as of October 31, 1994 (\$785,000 as of October 31, 1993).

During 1994, the Company paid \$1,599,000 of interest (\$363,000 in 1993 and \$171,000 in 1992) for the long term obligations and capital lease.

### NOTE 4--CAPITAL STOCK AND RETAINED EARNINGS

Class A Common Stock is entitled to cumulative dividends of 2 cents a share per year after which Class B Common Stock is entitled to non-cumulative dividends up to 1 cent a share per year. Further distribution in any year must be made in proportion of 1 cent a share for Class A Common Stock to 1-1/2 cents a share for Class B Common Stock. The Class A Common Stock shall have no voting power nor shall it be entitled to notice of meetings of the stockholders, all rights to vote and all voting power being vested exclusively

in the Class B Common Stock unless four quarterly cumulative dividends upon the Class A Common Stock are in arrears. There is no cumulative voting. The Company has acquired 7,119,720 shares of Class A and Class B Common Stock for treasury at a cost of \$38,129,296 which was appropriately charged against earnings retained for use in the business. The Company acquired 45,559 of these shares in 1994 for \$1,789,009 (24,550 shares in 1993 for \$951,812, and 4,500 shares in 1992 for \$176,437).

### NOTE 5--INCOME TAXES

Income tax expense is comprised as follows (Dollars in thousands):

	U.S.		State and	
	Federal	Foreign	Local	Total
1994:				
Current	\$10,592	\$ 1,882	\$ 2,166	\$14,640

Deferred	4,767	(196)	(1,353)	3,218
	\$15,359	\$ 1,686	\$ 813	\$17,858
1993:				
Current	\$10,290	\$ 1,483	\$ 2,117	\$13,890
Deferred	1,221	(119)	--	1,102
	\$11,511	\$ 1,364	\$ 2,117	\$14,992
1992:				
Current	\$12,460	\$ 1,984	\$ 1,999	\$16,443
Deferred	2,512	(53)	--	2,459
	\$14,972	\$ 1,931	\$ 1,999	\$18,902

Foreign income before income taxes amounted to \$4,111,000 in 1994 (\$3,208,000 in 1993 and \$4,625,000 in 1992).

During 1994, the Company applied for and expects to receive a Virginia state tax credit. The state of Virginia allows a tax credit equal to 10% of the qualified purchase for the recycled paper machine in the year the equipment is placed in service and for five additional years, subject to certain income and percentage limitations.

The following is a reconciliation of the U.S. statutory federal income tax rate to the Company's effective tax rate:

	1994	1993	1992
U.S. federal statutory tax rate	35.0%	34.8%	34.0%
State taxes, net of federal tax benefit	1.0	3.5	2.7
Limited partnership distribution	-0-	-0-	2.0
Other	(1.4)	(.4)	(.2)
Effective income tax rate	34.6%	37.9%	38.5%

The Company adopted SFAS No. 109, retroactive to November 1, 1990, as discussed in Note 1 to the Consolidated Financial Statements. In connection with the adoption of SFAS No. 109, the Company recorded a one time adjustment that resulted in a reduction of the deferred income tax liability and the recording of a deferred tax asset. Certain prior year amounts in the Company's financial statements have been restated. The effect on net income was a reduction of net income of \$624,000 or \$.05 per share for 1993, a reduction of net income of \$654,000 or \$.05 per share for 1992 and an addition to net income of \$1,679,000 or \$.14 per share for 1991.

Significant components of the Company's deferred tax liabilities and assets are as follows (Dollars in thousands):

	1994	1993
Current deferred tax assets	\$ 2,804	\$ 2,232
Current deferred tax liabilities	\$ 32	\$ 35
Book basis on acquired assets	\$13,257	\$14,920
Other	1,656	1,691
Long term deferred tax assets	\$14,913	\$16,611
Plant and equipment	\$17,625	\$14,864
Undistributed Canadian net income	1,402	1,402
Pension costs	1,737	1,174
Other	1,109	2,142
Long term deferred tax liabilities	\$21,873	\$19,582

During 1994, the Company paid \$10,898,000 in U. S. Federal income taxes (\$10,639,000 in 1993 and \$13,994,000 in 1992).

#### NOTE 6--RETIREMENT PLANS

The Company has non-contributory defined benefit pension plans that cover most of its employees. These plans include plans self-administered by the Company along with Union administered multi-employer plans. The Union plans' benefits are based primarily upon years of service. The self-administered salaried plan benefits are based primarily on years of service and earnings. The Company contributes an amount that is not less than the minimum funding nor more than the maximum tax-deductible amount to these plans. The plans' assets consist of unallocated

insurance contracts, equity securities, government obligations, and the allowable amount of the Company's stock (61,876 shares of Class A Common Stock and 38,440 shares of Class B Common Stock at October 31, 1994 and 1993).

The pension expense for the plans included the following (Dollars in thousands):

	1994	1993	1992
Service cost, benefits earned during the year	\$ 1,415	\$ 1,427	\$ 1,445
Interest cost on projected benefit obligation	2,444	2,167	2,075
Actual return on assets	(1,844)	(4,244)	(3,019)
Net amortization	(1,699)	813	(293)
Pension expense	316	163	208
Multi-employer and non-U.S. pension expense	341	384	318
Total pension expense	\$ 657	\$ 547	\$ 526

The range of weighted average discount rate and expected long term rate of return on plan assets used in the actuarial valuation were 7.0% - 9.0% for 1994, 1993 and 1992. The rate of compensation increases for salaried employees used in the actuarial valuation range from 4.5% to 6.5% for 1994, 1993 and 1992.

The following table sets forth the plans' funded status and amounts recognized in the Company's statements (Dollars in thousands):

	ASSETS EXCEED ACCUMULATED BENEFITS		ACCUMULATED BENEFITS EXCEED ASSETS
	1994	1993	1994
Actuarial present value of benefit obligations:			
Vested benefit obligation	\$22,568	\$28,264	\$ 8,209
Accumulated benefit obligation	\$22,828	\$30,289	\$ 9,440
Projected benefit obligation	\$32,290	\$40,740	\$ 9,440
Plan assets at fair value	\$45,591	\$54,163	\$ 8,552
Plan assets greater than (less than) projected benefit obligation	\$13,301	\$13,423	\$ (888)
Unrecognized net (gain) loss	1,889	(309)	(1,952)
Prior service cost not yet recognized in net periodic pension cost	513	1,891	1,940
Adjustment required to recognize minimum liability	--	--	(1,013)
Unrecognized net (asset) obligation from transition	(11,851)	(11,668)	1,025
Prepaid pension cost (liability)	\$ 3,852	\$ 3,337	\$ (888)

During 1994, the Company, in accordance with the provisions of Statement of Financial Accounting Standards No. 87, "Employers' Accounting for Pensions", recorded the "adjustment required to recognize minimum liability". The amount was offset by a long term asset, of equal amount, recognized in the Consolidated Financial Statements.

#### REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and the  
Board of Directors of  
Greif Bros. Corporation

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, of earnings retained for use in the business and of cash flows present fairly, in all material respects, the financial position of Greif Bros. Corporation and its subsidiaries at October 31, 1994 and 1993, and the results of their operations and their cash flows for each of the three years in the period ended October 31, 1994, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable

assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Note 5 to the Consolidated Financial Statements, the Company changed its method of accounting for income taxes.

Price Waterhouse LLP Columbus, Ohio November 30, 1994

QUARTERLY FINANCIAL DATA (Unaudited)

The quarterly results of operations for fiscal 1994 and 1993 are shown below (Dollars in thousands, except per share amounts).

	Jan. 31, 1994	Apr. 30, 1994	Quarter ended, July 31, 1994	Oct. 31, 1994
Net sales	\$128,772	\$139,916	\$147,629	\$167,209
Gross profit	19,593	22,732	26,025	34,510
Net income	4,564	6,352	8,701	14,137

Net income per share:

Assuming distributions as actually  
paid out in dividends and the  
balance as in liquidation:

Class A	\$ .29	\$ .50	\$ .70	\$ 1.14
Class B	\$ .45	\$ .54	\$ .74	\$ 1.18

Market price (Class A Common Stock):

High	\$43-1/2	\$43	\$39-7/8	\$46-1/2
Low	\$37-3/4	\$38	\$37-1/4	\$39

	Jan. 31, 1993	Apr. 30, 1993	Quarter ended, July 31, 1993	Oct. 31, 1993
Net sales	\$125,062	\$133,881	\$130,762	\$137,060
Gross profit	20,516	21,837	18,988	24,846
Net income	5,158	5,800	3,979	9,672

Net income per share:

Assuming distributions as actually  
paid out in dividends and the  
balance as in liquidation:

Class A	\$ .34	\$ .46	\$ .30	\$ .77
Class B	\$ .50	\$ .50	\$ .34	\$ .81

Market price (Class A Common Stock):

High	\$39	\$39-3/4	\$41	\$40-7/8
Low	\$34-1/2	\$37-7/8	\$38-1/8	\$38

The 1993 amounts have been restated to reflect the adoption of SFAS No. 109 (see Note 5 to the Consolidated Financial Statements). The effect on net income was a reduction of \$157 for the quarter ended January 31, 1993, \$154 for the quarter ended April 30, 1993, \$157 for the quarter ended July 31, 1993 and \$156 for the quarter ended October 31, 1993.

The Class A Common Stock is traded on the Chicago Stock Exchange. There is no active market for the Class B Common Stock.

As of November 30, 1994, there were 837 shareholders of record of Class A Common Stock and 179 shareholders of Class B Common Stock.

SELECTED FINANCIAL DATA

(Dollars in thousands, except per share amounts)

	YEAR ENDED OCTOBER 31				
	1994	1993	1992	1991	1990
Net sales	\$583,526	\$526,765	\$510,995	\$437,379	\$438,143
Net income	\$ 33,754	\$ 24,609	\$ 29,719	\$ 23,923	\$ 22,127
Total assets	\$419,074	\$381,183	\$340,173	\$327,693	\$296,603

Long term obligations	\$ 27,966	\$ 28,015	\$ 768	\$ 916	\$ 904
Dividends per share of common stock:					
Class A	\$ .60	\$ .60	\$ .56	\$ .56	\$ .56
Class B	\$ .88	\$ .88	\$ .82	\$ .82	\$ .82

Net income per share:

Based on the assumption that earnings were allocated to Class A and Class B Common Stock to the extent that dividends were actually paid for the year and the remainder were allocated as they would be received by shareholders in the event of liquidation, that is, equally to Class A and Class B shares, share and share alike:

	1994	1993	1992	1991	1990
Class A	\$2.63	\$1.87	\$2.30	\$1.82	\$1.66
Class B	\$2.91	\$2.15	\$2.56	\$2.08	\$1.92

Due to the special characteristics of the Company's two classes of stock (see Note 4 to the Consolidated Financial Statements), earnings per share can be calculated upon the basis of varying assumptions, none of which, in the opinion of management, would be free from the claim that it fails fully and accurately to represent the true interest of the shareholders of each class of stock and in the earnings retained for use in the business.

Certain prior year amounts have been restated to reflect the adoption of SFAS No. 109 (see Note 5 to the Consolidated Financial Statements).

## THE BUSINESS

The Company principally manufactures shipping containers and containerboard and related products which it sells to customers in many industries primarily in the United States and Canada, through direct sales contact with its customers. There were no significant changes in the business since the beginning of the fiscal year.

The Company operates 97 locations in 29 states of the United States and in 3 provinces of Canada and as such is subject to federal, state, local and foreign regulations in effect at the various localities.

Due to the variety of products, the Company has many customers buying different types of the Company's products and due to the scope of the Company's sales, no one customer is considered principal in the total operation of the Company.

Because the Company supplies a cross section of industries, such as chemicals, food products, petroleum products, pharmaceuticals, metal products and others and because the Company must make spot deliveries on a day-to-day basis as its product is required by its customers, the Company does not operate on a backlog and maintains only limited levels of finished goods. Many customers place their orders weekly for delivery during the week.

The Company's business is highly competitive in all respects (price, quality and service), and the Company experiences substantial competition in selling its products. Many of the Company's competitors are larger than the Company.

While research and development projects are important to the Company's continued growth, the amount expended in any year is not material in relation to the results of operations of the Company.

The Company's raw materials are principally pulpwood, waste paper for recycling, paper, steel and resins. In the current year, as in prior years, certain of these materials have been in short supply, but to date these shortages have not had a significant effect on the Company's operations.

The Company's business is not materially dependent upon patents, trademarks, licenses or franchises.

The business of the Company is not seasonal to any significant extent.

The approximate number of persons employed during the year was 4,500.

## Industry Segments

The Company operates in two industry segments, shipping containers and materials ("shipping containers") and containerboard and related products ("containerboard").

Operations in the shipping containers and materials industry segment involve the production and sale of fibre, steel and plastic drums, multiwall bags, cooperage, dunnage, pallets, laminated particle board, wood cut stock and miscellaneous items. These products are manufactured and principally sold throughout the United States and Canada.

Operations in the containerboard and related products segment involve the production and sale of containerboard, both virgin and recycled, and related corrugated products including corrugated paper and corrugated containers. These products are manufactured and sold in the United States and Canada.

In computing operating profit for the two industry segments, interest expense, other income and expense, timber property management costs and income taxes have not been added or deducted. These latter amounts, excluding income taxes, comprise general corporate other income and expense, net.

Each segment's operating assets are those assets used in the manufacture and sale of shipping containers and materials or containerboard and related products. Corporate assets are principally cash, marketable securities, timber properties and other investments.

The following segment information is presented for the three years ended October 31, 1994, except as to asset information which is as of October

31 (Dollars in thousands):

	1994	1993	1992
Net sales:			
Shipping containers	\$353,992	\$340,326	\$335,012
Containerboard	229,534	186,439	175,983
Total	\$583,526	\$526,765	\$510,995
Operating profit:			
Shipping containers	\$ 9,573	\$ 6,709	\$ 16,292
Containerboard	30,306	18,354	18,194
Total segment	39,879	25,063	34,486
General corporate other income and expenses, net	11,733	14,538	14,135
Income before income taxes	51,612	39,601	48,621
Income taxes	17,858	14,992	18,902
Net income	\$ 33,754	\$ 24,609	\$ 29,719
Identifiable assets:			
Shipping containers	\$179,794	\$170,783	\$174,007
Containerboard	178,053	146,550	93,225
Total segment	357,847	317,333	267,232
Corporate assets	61,227	63,850	72,941
Total	\$419,074	\$381,183	\$340,173
Depreciation expense:			
Shipping containers	\$ 13,271	\$ 13,697	\$ 13,862
Containerboard	8,388	5,097	4,385
Total segment	21,659	18,794	18,247
Corporate assets	58	51	45
Total	\$ 21,717	\$ 18,845	\$ 18,292
Property additions:			
Shipping containers	\$ 16,226	\$ 15,503	\$ 15,481
Containerboard	19,313	53,251	22,722
Total segment	35,539	68,754	38,203
Corporate assets	5,143	5,767	5,203
Total	\$ 40,682	\$ 74,521	\$ 43,406

Certain prior year amounts have been restated to reflect the adoption of SFAS No. 109 (see Note 5 to the Consolidated Financial Statements).

#### MANAGEMENT'S DISCUSSION AND ANALYSIS

#### Ratio Analysis



Presented below are certain comparative data illustrative of the following discussion of the Company's financial condition, etc. (Dollars in thousands):

	1994	1993	1992	1991
Capital expenditures	\$40,682	\$74,521	\$43,406	\$25,025
Net sales	\$583,526	\$526,765	\$510,995	\$437,379
Net income	\$33,754	\$24,609	\$29,719	\$23,923
Cash flow from operations	\$48,049	\$49,475	\$42,567	\$32,588
Increase (decrease) in working capital	\$7,202	\$(15,105)	\$(2,991)	\$23,077
Current ratio	4.4:1	5.4:1	6.1:1	5.8:1
Other income	\$10,717	\$11,695	\$11,723	\$14,801

Certain prior year amounts have been restated to reflect the adoption of SFAS No. 109 (see Note 5 to the Consolidated Financial Statements).

## Liquidity & Capital Resources

As indicated in the Consolidated Balance Sheet, elsewhere in this Report and in the ratios set forth immediately above, the Company is dedicated to maintaining a strong financial position. The Company's financial strength is important to continue to achieve the following goals:

(a) To protect the assets of the Company and the intrinsic value of share-holders' equity in periods of adverse economic conditions; and to respond to any large and presently unanticipated cash demands that might result from future drastic events.

(b) To replace and improve plant and equipment. When plant and production machinery must be replaced either because of wear or to obtain the cost-reducing potential of technological improvement required to remain a low cost producer in the highly competitive environment in which the Company operates, the costs of new plant and machinery are often much higher, sometimes significantly higher, than the historical costs of the items being replaced.

Self-financing and low interest rate borrowing have been the primary source for such capital expenditures. The Company will attempt to finance future capital expenditures in a like manner. While there is no commitment to continue such a practice, at least one new manufacturing plant or major additions to existing plants have been undertaken in each of the last three years.

(c) To continue to pay competitive and sound remuneration, including the ever-increasing costs of employee benefits, to Company employees who produce the results for the Company's shareholders.

(d) To be able to benefit from new developments, new products and new opportunities in order to achieve the best results for our shareholders.

Management believes that the present financial strength of the Company will be sufficient to achieve the foregoing goals.

In spite of such necessary financial strength, the Company's shipping containers business, where packages manufactured by Greif Bros. Corporation are purchased by other manufacturers and suppliers, is wholly subject to the general economic conditions and the business success of the Company's customers.

Similarly, the Company's containerboard and related products business is also subject to the general economic conditions and the effect of the operating rates of the containerboard industry, including pricing pressures from its competition.

The historical financial strength generated by these segments has enabled them to remain independently liquid during adverse economic conditions.

## Results of Operations

As explained above, the Company is subject to the general economic conditions of its customers.

In our 1993 Report to Shareholders, it was noted that the Company's results were adversely affected by the following:

- (a) The Company has experienced severe price pressures on its products.
- (b) The cost of the Company's raw materials continue to increase.

While these items still exist, the Company's continued efforts to reduce operating costs by cost control measures, manufacturing innovations and capital expenditures resulted in an improvement in the profit margin for 1994.

The Company, during 1994, invested approximately \$40,682,000 in capital additions. During the last three years, the Company has invested \$158,609,000. As noted in our 1993 Report to Shareholders, the Company during 1993 undertook a major addition at one of its subsidiaries. This project was completed in December, 1993 and resulted in additional capacity for 1994. In addition, another subsidiary of the Company is planning to build a new manufacturing plant during 1995. These investments are an indication of the Company's commitment to be the quality, low cost producer and the desirable long term supplier to all of our customers.

The Company remains confident that with the financial strength that it has built over its 117 year existence, it will be able to adequately compete in highly competitive markets.

**Net Sales**

Net sales to customers, compared with the previous year, increased 10.8% in 1994. The 1994 sales established a record for net sales. The increase in sales in 1994 was primarily the result of the addition of a 325 ton per day recycled paper machine at a subsidiary of the Company coupled with shortages in containerboard and related products which resulted in increased selling prices. Other capital expenditures from previous years also attributed to this increase.

The increase in sales in 1993 of 3.1% was the result of capital additions expended in previous years offset by reduced selling prices on some of the Company's products.

The increase in sales in 1992 of 16.8% was primarily the result of an increase in sales in the containerboard and related products segment. This was the result of a full year of consolidation of Virginia Fibre Corporation along with an increase in sales in the entities that make up that segment.

**Other Income**

The 1994 other income, compared with the previous year, decreased due to less timber sales.

The 1993 other income was adversely affected by the reduced rates available on the Company's investable funds. The Company's investable funds were also reduced due to the significant capital additions during the year. This reduction in other income was offset to a degree by the large amount of timber sales in 1993. These sales were the result of the harvest of mature timber in certain areas.

Also, the Company received a \$5,104,640 dividend from an investment in 1991. No such dividend was received in 1994, 1993 or 1992.

**Income Before Income Taxes**

The 1994 increase in income before taxes was the result of the sales increase and increase in gross margin. This increase was slightly offset by a reduction in timber sales and an increase in interest expense that resulted from the Company's long term obligations.

The 1993 decrease in income before taxes was the result of competitive price pressures of the Company's products, coupled with increases in certain of its raw materials.

The 1992 increase in income before income taxes was the result of the sales increase and increase in gross margin.

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Greif Bros. Corporation will furnish to any shareholder of record, upon written request, without charge, a copy of its most recently filed Form 10-Q and/or Form 10-K, as filed with the Securities and Exchange Commission. Written requests should be directed to Secretary, Greif Bros. Corporation, 621

Pennsylvania Avenue, Delaware, Ohio 43015.

## SUBSIDIARIES OF REGISTRANT

The following companies are wholly-owned subsidiaries of the Company and are included in the consolidated financial statements:

Name of Subsidiary	Incorporated Under Laws of
Barzon Corporation	Delaware
Down River International, Inc.	Michigan
Greif Board Corporation	Delaware
Greif Containers Inc.	Canada
Michigan Packaging Company	Delaware
Soterra, Incorporated	Delaware
Virginia Fibre Corporation	Virginia

## ARTICLE 5

This schedule contains summary financial information extracted from the Form 10-K and is qualified in its entirety by reference to such Form 10-K.

MULTIPLIER: 1,000

PERIOD TYPE	YEAR
FISCAL YEAR END	OCT 31 1994
PERIOD END	OCT 31 1994
CASH	29,543
SECURITIES	23,970
RECEIVABLES	70,490
ALLOWANCES	(989)
INVENTORY	50,944
CURRENT ASSETS	188,342
PP&E	423,658
DEPRECIATION	(202,488)
TOTAL ASSETS	419,074
CURRENT LIABILITIES	42,944
BONDS	0
COMMON	9,034
PREFERRED MANDATORY	0
PREFERRED	0
OTHER SE	317,905
TOTAL LIABILITY AND EQUITY	419,074
SALES	583,526
TOTAL REVENUES	594,243
CGS	480,666
TOTAL COSTS	480,666
OTHER EXPENSES	60,518
LOSS PROVISION	0
INTEREST EXPENSE	1,447
INCOME PRETAX	51,612
INCOME TAX	17,858
INCOME CONTINUING	33,754
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	33,754
EPS PRIMARY	2.63 <sup>1</sup>
EPS DILUTED	2.63 <sup>1</sup>

<sup>1</sup> Amount represents the earnings per share for the Class A Common Stock. The earnings per share for the Class B Common Stock are \$2.91.

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**End of Filing**

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