



## Greif Reports Second Quarter 2017 Results

6/7/2017

DELAWARE, Ohio--(BUSINESS WIRE)-- Greif, Inc. (NYSE: GEF, GEF.B), a world leader in industrial packaging products and services, announced second quarter 2017 results.

Second Quarter Highlights (all results compared to the second quarter 2016 results unless otherwise noted):

- Net sales increased by \$47.8 million to \$887.4 million from \$839.6 million.
- Gross profit increased by \$8.2 million to \$181.9 million from \$173.7 million.
- Operating profit decreased by \$2.4 million to \$80.4 million and operating profit before special items<sup>1</sup> increased by \$5.6 million to \$84.9 million.
- Net income of \$36.0 million or \$0.61 per diluted Class A share compared to net income of \$31.4 million or \$0.53 per diluted Class A share.
- Net income, excluding the impact of special items, of \$39.3 million or \$0.67 per diluted Class A share compared to net income, excluding the impact of special items, of \$27.8 million or \$0.47 per diluted Class A share.
- Interest expense decreased by \$5.6 million to \$14.3 million from \$19.9 million due primarily to the repayment of Senior Notes with borrowings under the Company's Credit Agreement.
- Cash provided by operating activities decreased by \$24.3 million to \$59.6 million from \$83.9 million due partially to raw material price increases and to accelerated inventory purchases made in advance of those increases.
- Free cash flow<sup>2</sup> decreased by \$27.7 million, due to the same factors impacting cash provided by operating activities, and a \$3.4 million increase in cash paid for properties, plants, and equipment.
- Narrowed the range for fiscal year 2017 Class A earnings per share before special items guidance<sup>3</sup> to \$2.84 -

\$3.02. Narrowed fiscal year 2017 free cash flow guidance to \$180.0 million to \$200.0 million as a result of capital expansion projects recently approved due to confidence in cash flow.

“We generated strong financial results this quarter through improved customer service and disciplined commercial and operation execution,” said Greif’s President and Chief Executive Officer, Pete Watson. “Greif’s operating profit before special items and our Class A earnings per share before special items both significantly improved compared to the prior year quarter. Greif’s improved financial and operational stability underpins our strategy to generate greater value for our customers and shareholders.”

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1 A summary of all special items that are excluded from net income before special items, from earnings per diluted Class A share before special items and from operating profit before special items is set forth in the Selected Financial Highlights table following the Dividend Summary in this release.  
2 Free cash flow is defined as net cash provided by operating activities less cash paid for purchases of properties, plants and equipment.  
3 2017 GAAP Class A Earnings Per Share guidance is not provided in this release due to the potential for one or more of the following, the timing and magnitude of which we are unable to reliably forecast: gains or losses on the disposal of businesses, timberland or properties, plants and equipment, net, non-cash asset impairment charges due to unanticipated changes in the business, restructuring-related activities, non-cash pension settlements or acquisition costs, and the income tax effects of these items and other income tax-related events. No reconciliation of the fiscal year 2017 Class A earnings per share before special items guidance, a non-GAAP financial measure which excludes gains and losses on the disposal of businesses, timberland and property, plant and equipment, acquisition costs, non-cash pension settlement charges, restructuring and impairment charges is included in this release because, due to the high variability and difficulty in making accurate forecasts and projections of some of the excluded information, together with some of the excluded information not being ascertainable or accessible, we are unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measure without unreasonable efforts. A reconciliation of 2017 Free Cash Flow guidance to forecasted Net Cash Provided by Operating Activities, the most directly comparable GAAP financial measure, is included in this release.

Note: A reconciliation of the differences between all non-GAAP financial measures used in this release with the most directly comparable GAAP financial measures is included in the financial schedules that are a part of this release. These non-GAAP financial measures are intended to supplement and should be read together with our financial results. They should not be considered an alternative or substitute for, and should not be considered superior to, our reported financial results. Accordingly, users of this financial information should not place undue reliance on these non-GAAP financial measures.

## Notable Business Highlights

Our three strategic priorities are:

Invest in our people and teams to foster a strong culture of employee engagement and accountability.

Deliver industry leading customer service excellence to achieve superior customer satisfaction and loyalty.

Continually transform our portfolio to drive growth, margin expansion and free cash flow generation.

In general, we delivered a strong second quarter 2017. Starting with customer service, our consolidated customer satisfaction index (CSI) improved by 4 percent year-over-year, with all business segments demonstrating improved performance. We also completed our latest Net Promoter Score survey and recognized a 12 percent improvement

versus the previous survey conducted late last fall.

From an operational standpoint, the business performed well during the quarter. The Rigid Industrial Packaging & Services segment - our largest business segment by revenue and operating profit contribution - improved its margins and delivered strong plastic drum and intermediate bulk container (IBC) growth year-over-year, with particularly strong performance in the U.S. gulf region and Eastern Europe. The Paper Packaging & Services segment - which consists of two paper mills and one of the newest corrugator networks in the containerboard industry - delivered strong volumes, helping to offset increased costs for old corrugated containers, and is growing its specialty products portfolio. The Flexible Products & Services segment - the world's largest producer of industrial flexible intermediate bulk containers (FIBCs) - is on track with its improvement plan and delivered its sixth consecutive quarter of margin expansion.

Looking forward, we are narrowing our fiscal year 2017 Class A earnings per share before special items guidance range to \$2.84 - \$3.02 based largely on improved business performance. We are also narrowing our fiscal year 2017 free cash flow guidance to \$180.0 million to \$200.0 million due to recently approved organic growth expansions in our Rigid Industrial Packaging & Services and Paper Packaging & Services segments.

While pleased with the Company's overall performance during the quarter, we were not satisfied with working capital management. Although our working capital days improved year-over-year, working capital dollars are worse primarily due to the adverse effect of raw material price increases. Inventories were driven higher by safety stocks purchased in advance of planned maintenance events at our mills and anticipated raw material price increases throughout the quarter. Seasonality factors also impacted inventories as we prepared for the agriculture season that commences during the second half of the fiscal year.

As a reminder, employee incentives are impacted by working capital management. This alignment of incentives, combined with a planned reduction in safety stocks; a reduction in inventory purchases; and a sharper focus on cash collection are expected to improve working capital throughout the remainder of the year.

## Segment Results

Net sales are impacted primarily by the volume of primary products<sup>4</sup> sold, selling prices, product mix and the impact of changes in foreign currencies against the U.S. Dollar. The tables below show the percentage impact of each of these items on net sales for our primary products, both including and excluding the impact of divestitures, for the second quarter of 2017 as compared to the second quarter of 2016 for the business segments with manufacturing operations:

<u>Net Sales Impact - Primary Products</u>	Rigid Industrial	Paper Packaging &	Flexible Products
	Packaging & Services	Services	& Services
	%	%	%
Currency Translation	(1.8)%	—	(5.3)%
Volume	(2.3)%	6.6%	(11.1)%
Selling Prices and Product Mix	16.1 %	6.2%	7.7 %
Total Impact of Primary Products	12.0 %	12.8%	(8.7)%

<u>Net Sales Impact - Primary Products, Excluding Divestitures:</u>	Rigid Industrial	Paper Packaging &	Flexible Products
	Packaging & Services	Services	& Services
	%	%	%
Currency Translation	(1.8)%	—	(5.5)%
Volume	(2.3)%	6.6%	(6.5)%
Selling Prices and Product Mix	16.1 %	6.2%	7.0 %
Total Impact of Primary Products	12.0 %	12.8%	(5.0)%

(4) Primary products are manufactured steel, plastic and fibre drums; intermediate bulk containers; linerboard, medium, corrugated sheets and corrugated containers; and 1&2 loop and 4 loop flexible intermediate bulk containers.

**Rigid Industrial Packaging & Services** (all results compared to the second quarter of 2016 unless otherwise noted):

Net sales increased by \$34.7 million to \$624.3 million. Divestitures (all involving non-primary products) and foreign currency translation both negatively impacted net sales by \$27.1 million and \$9.9 million, respectively. Net sales excluding divestitures and foreign currency translation increased by \$71.7 million due primarily to a 16.1 percent increase in selling prices on our primary products stemming from strategic pricing decisions and increases in index prices.

Gross profit increased by \$10.0 million to \$133.9 million (21.4 percent) due to the same factors that impacted net sales, improvements in manufacturing expenses and divestiture of select non-core and underperforming assets during 2016.

Operating profit declined by \$3.7 million to \$55.5 million. Operating profit before special items increased by \$6.0 million to \$60.3 million, due primarily to the same factors that impacted gross profit, partially offset by an increase in corporate allocated costs.

## Paper Packaging & Services

Net sales increased by \$21.5 million to \$188.7 million. The increase was due primarily to an increase in volumes in our mills and corrugator facilities and increased sales of specialty products.

Gross profit declined by \$4.5 million to \$32.9 million (17.4 percent). The decrease in gross profit margin was due primarily to increased input costs, partially offset by volume increases.

Operating profit declined by \$4.4 million to \$19.8 million. Operating profit before special items decreased by \$3.5 million to \$20.6 million, due primarily to the same factors that impacted gross profit.

## Flexible Products & Services

Net sales decreased by \$9.6 million to \$66.6 million. A divestiture and foreign currency translation both negatively impacted net sales by \$2.7 million and \$4.0 million, respectively.

Gross profit increased by \$2.7 million to \$12.3 million (18.5 percent). Margin improvement was due to reduced labor and fixed production costs.

Operating profit increased by \$4.7 million to \$1.8 million. Operating profit before special items increased by \$3.2 million to \$2.1 million. The improvement in operating profit before special items was due primarily to the same factors that impacted gross profit.

## Land Management

Net sales increased by \$1.2 million to \$7.8 million due primarily to an increase in timber sales and consulting revenues.

Operating profit increased by \$1.0 million to \$3.3 million due to the same factors that impacted net sales.

## Dividend Summary

On June 6, 2017, the Board of Directors declared quarterly cash dividends of \$0.42 per share of Class A Common Stock and \$0.63 per share of Class B Common Stock. Dividends are payable on July 1, 2017, to stockholders of record at the close of business on June 19, 2017.

GREIF, INC. AND SUBSIDIARY COMPANIES  
SELECTED FINANCIAL HIGHLIGHTS  
UNAUDITED

(in millions, except for per share amounts)	Three months ended April 30, Six months ended April 30,			
	2017	2016	2017	2016
<u>Selected Financial Highlights</u>				
Net sales	\$ 887.4	\$ 839.6	\$ 1,708.3	\$ 1,611.0
Gross profit	181.9	173.7	345.2	325.0
Gross profit margin	20.5%	20.7%	20.2%	20.2%
Operating profit	80.4	82.8	122.5	100.4
Operating profit before special items	84.9	79.3	151.6	137.4
EBITDA	108.2	113.1	177.4	160.0
EBITDA before special items	112.7	109.6	206.5	197.0
Cash provided by operating activities	59.6	83.9	15.5	57.7
Free cash flow	41.2	68.9	(24.2)	12.9
Net income attributable to Greif, Inc.	36.0	31.4	41.4	20.3
Diluted Class A earnings per share attributable to Greif, Inc.	\$ 0.61	\$ 0.53	\$ 0.71	\$ 0.35
Diluted Class A earnings per share attributable to Greif, Inc. before special items	\$ 0.67	\$ 0.47	\$ 1.12	\$ 0.88
<u>Special items</u>				
Restructuring charges	\$ 5.1	\$ 5.4	\$ 4.8	\$ 7.7
Acquisition-related costs	—	0.1	—	0.1
Non-cash asset impairment charges	2.0	1.7	3.9	40.8
Non-cash pension settlement charge	1.1	—	24.6	—
Gain on disposal of properties, plants and equipment and businesses, net	(3.7)	(10.7)	(4.2)	(11.6)
Total special items	<u>\$ 4.5</u>	<u>\$ (3.5)</u>	<u>\$ 29.1</u>	<u>\$ 37.0</u>
Total special items, net of tax and noncontrolling interest	<u>3.3</u>	<u>(3.6)</u>	<u>24.3</u>	<u>31.3</u>
Impact of total special items, net of tax, on diluted Class A earnings per share attributable to Greif, Inc.	<u>\$ 0.06</u>	<u>\$ (0.06)</u>	<u>\$ 0.41</u>	<u>\$ 0.53</u>
	<u>April 30,</u> <u>2017</u>	<u>October 31,</u> <u>2016</u>	<u>April 30,</u> <u>2016</u>	<u>October 31,</u> <u>2015</u>
Operating working capital <sup>(5)</sup>	<u>\$ 390.1</u>	<u>\$ 304.6</u>	<u>\$ 369.1</u>	<u>\$ 345.4</u>

(5) Operating working capital is defined as trade accounts receivable plus inventories less accounts payable.

## Conference Call

The Company will host a conference call to discuss the second quarter of 2017 results on June 8, 2017, at 8:30 a.m. Eastern Time (ET). To participate, domestic callers should call 877-201-0168. The Greif ID is 21958082. The number for international callers is +1-647-788-4901. Phone lines will open at 8:00 a.m. ET. The conference call will also be available through a live webcast, including slides, which can be accessed at <http://investor.greif.com> by clicking on the Events and Presentations tab and searching under the events calendar. A replay of the conference call will be available on the Company's website approximately two hours following the call.

## About Greif

Greif is a global leader in industrial packaging products and services and is pursuing its vision to become the world's best performing customer service company in industrial packaging. The Company produces steel, plastic, fibre, flexible, corrugated, and reconditioned containers, intermediate bulk containers, containerboard and packaging accessories, and provides filling, packaging and industrial packaging reconditioning services for a wide range of industries. Greif also manages timber properties in the southeastern United States. The Company is strategically positioned with production facilities in over 40 countries to serve global as well as regional customers. Additional information is on the Company's website at [www.greif.com](http://www.greif.com).

## Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “aspiration,” “objective,” “project,” “believe,” “continue,” “on track” or “target” or the negative thereof and similar expressions, among others, identify forward-looking statements. All forward-looking statements are based on assumptions, expectations and other information currently available to management. Such forward-looking statements are subject to certain risks and uncertainties that could cause the Company’s actual results to differ materially from those forecasted, projected or anticipated, whether expressed or implied. The most significant of these risks and uncertainties are described in Part I of the Company’s Annual Report on Form 10-K for the fiscal year ended October 31, 2016. The Company undertakes no obligation to update or revise any forward-looking statements.

Although the Company believes that the expectations reflected in forward-looking statements have a reasonable basis, the Company can give no assurance that these expectations will prove to be correct. Forward-looking statements are subject to risks and uncertainties that could cause the Company’s actual results to differ materially from those forecasted, projected or anticipated, whether expressed in or implied by the statements. Such risks and uncertainties that might cause a difference include, but are not limited to, the following: (i) historically, our business has been sensitive to changes in general economic or business conditions, (ii) we may not successfully implement our business strategies, including achieving our transformation and growth objectives, (iii) our operations subject us to currency exchange and political risks that could adversely affect our results of operations, (iv) the current and future challenging global economy and disruption and volatility of the financial and credit markets may adversely affect our business, (v) the continuing consolidation of our customer base and suppliers may intensify pricing pressure, (vi) we operate in highly competitive industries, (vii) our business is sensitive to changes in industry demands, (viii) raw material and energy price fluctuations and shortages may adversely impact our manufacturing operations and costs, (ix) geopolitical conditions, including direct or indirect acts of war or terrorism, could have a material adverse effect on our operations and financial results, (x) we may encounter difficulties arising from acquisitions, (xi) in connection with acquisitions or divestitures, we may become subject to liabilities, (xii) we may incur additional restructuring costs and there is no guarantee that our efforts to reduce costs will be successful, (xiii) tax legislation initiatives or challenges to our tax positions may adversely impact our results or condition, (xiv) full realization of our deferred tax assets may be affected by a number of factors, (xv) several operations are conducted by joint ventures that we cannot operate solely for our benefit, (xvi) certain of the agreements that govern our joint ventures provide our partners with put or call options, (xvii) our ability to attract, develop and retain talented and qualified employees, managers and executives is critical to our success, (xviii) our business may be adversely impacted by work stoppages and other labor relations matters, (xix) we may not successfully identify illegal immigrants in our workforce, (xx) our pension and postretirement plans are underfunded and will require future cash contributions and our required future cash contributions could be higher than we expect, each of which

could have a material adverse effect on our financial condition and liquidity, (xxi) we may be subject to losses that might not be covered in whole or in part by existing insurance reserves or insurance coverage, (xxii) our business depends on the uninterrupted operations of our facilities, systems and business functions, including our information technology (IT) and other business systems, (xxiii) a security breach of customer, employee, supplier or Company information may have a material adverse effect on our business, financial condition and results of operations, (xxiv) legislation/regulation related to environmental and health and safety matters and corporate social responsibility could negatively impact our operations and financial performance, (xxv) product liability claims and other legal proceedings could adversely affect our operations and financial performance, (xxvi) we may incur fines or penalties, damage to our reputation or other adverse consequences if our employees, agents or business partners violate, or are alleged to have violated, anti-bribery, competition or other laws, (xxvii) changing climate, climate change regulations and greenhouse gas effects may adversely affect our operations and financial performance, (xxviii) the frequency and volume of our timber and timberland sales will impact our financial performance, (xxix) changes in U.S. generally accepted accounting principles (U.S. GAAP) and SEC rules and regulations could materially impact our reported results, (xxx) if the Company fails to maintain an effective system of internal control, the Company may not be able to accurately report financial results or prevent fraud, and (xxxi) the Company has a significant amount of goodwill and long-lived assets which, if impaired in the future, would adversely impact our results of operations. The risks described above are not all-inclusive, and given these and other possible risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. For a detailed discussion of the most significant risks and uncertainties that could cause our actual results to differ materially from those forecasted, projected or anticipated, see "Risk Factors" in Part I, Item 1A of our most recently filed Form 10-K and our other filings with the Securities and Exchange Commission. All forward-looking statements made in this news release are expressly qualified in their entirety by reference to such risk factors. Except to the limited extent required by applicable law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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GREIF, INC. AND SUBSIDIARY COMPANIES  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
UNAUDITED

(in millions, except per share amounts)	Three months ended April 30, Six months ended April 30,			
	2017	2016	2017	2016
Net sales	\$ 887.4	\$ 839.6	\$ 1,708.3	\$ 1,611.0
Cost of products sold	705.5	665.9	1,363.1	1,286.0
Gross profit	181.9	173.7	345.2	325.0
Selling, general and administrative expenses	97.0	94.5	193.6	187.7
Restructuring charges	5.1	5.4	4.8	7.7
Non-cash asset impairment charges	2.0	1.7	3.9	40.8
Non-cash pension settlement charge	1.1	—	24.6	—
Gain on disposal of properties, plants and equipment, net	(1.8)	(7.9)	(2.8)	(8.8)
Gain on disposal of businesses, net	(1.9)	(2.8)	(1.4)	(2.8)
Operating profit	80.4	82.8	122.5	100.4
Interest expense, net	14.3	19.9	33.0	38.4
Other expense, net	3.2	1.7	6.8	4.7
Income before income tax expense and equity earnings of unconsolidated affiliates, net	62.9	61.2	82.7	57.3
Income tax expense	23.0	28.7	34.8	34.7
Net income	39.9	32.5	47.9	22.6
Net income attributable to noncontrolling interests	(3.9)	(1.1)	(6.5)	(2.3)
Net income attributable to Greif, Inc.	\$ 36.0	\$ 31.4	\$ 41.4	\$ 20.3
Basic earnings per share attributable to Greif, Inc. common shareholders:				
Class A Common Stock	\$ 0.61	\$ 0.53	\$ 0.71	\$ 0.35
Class B Common Stock	\$ 0.92	\$ 0.80	\$ 1.05	\$ 0.51
Diluted earnings per share attributable to Greif, Inc. common shareholders:				
Class A Common Stock	\$ 0.61	\$ 0.53	\$ 0.71	\$ 0.35
Class B Common Stock	\$ 0.92	\$ 0.80	\$ 1.05	\$ 0.51
Shares used to calculate basic earnings per share attributable to Greif, Inc. common shareholders:				
Class A Common Stock	25.8	25.8	25.8	25.7
Class B Common Stock	22.0	22.1	22.0	22.1
Shares used to calculate diluted earnings per share attributable to Greif, Inc. common shareholders:				
Class A Common Stock	25.8	25.8	25.8	25.7
Class B Common Stock	22.0	22.1	22.0	22.1

GREIF, INC. AND SUBSIDIARY COMPANIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
UNAUDITED

(in millions)	April 30, 2017	October 31, 2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 87.0	\$ 103.7
Trade accounts receivable	428.8	399.2
Inventories	330.6	277.4
Other current assets	219.2	140.0
	<u>1,065.6</u>	<u>920.3</u>
<b>LONG-TERM ASSETS</b>		
Goodwill	751.2	786.4
Intangible assets	86.8	110.6
Assets held by special purpose entities	50.9	50.9
Other long-term assets	129.9	120.9
	<u>1,018.8</u>	<u>1,068.8</u>
<b>PROPERTIES, PLANTS AND EQUIPMENT</b>	<u>1,141.4</u>	<u>1,163.9</u>
	<u>\$ 3,225.8</u>	<u>\$ 3,153.0</u>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 369.3	\$ 372.0
Short-term borrowings	35.5	51.6
Current portion of long-term debt	15.0	—
Other current liabilities	240.6	235.6
	<u>660.4</u>	<u>659.2</u>
<b>LONG-TERM LIABILITIES</b>		
Long-term debt	1,033.6	974.6
Liabilities held by special purpose entities	43.3	43.3
Other long-term liabilities	468.7	486.2
	<u>1,545.6</u>	<u>1,504.1</u>
<b>REDEEMABLE NONCONTROLLING INTERESTS</b>	<u>33.0</u>	<u>31.8</u>
<b>EQUITY</b>		
Total Greif, Inc. equity	980.0	947.4
Noncontrolling interests	6.8	10.5
	<u>986.8</u>	<u>957.9</u>
	<u>\$ 3,225.8</u>	<u>\$ 3,153.0</u>

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

(in millions)	Three months ended April 30,		Six months ended April 30,	
	2017	2016	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Net income	\$ 39.9	\$ 32.5	\$ 47.9	\$ 22.6
Depreciation, depletion and amortization	31.0	32.0	61.7	64.3
Asset impairments	2.0	1.7	3.9	40.8
Pension settlement loss	1.1	—	24.6	—
Other non-cash adjustments to net income	1.5	(11.4)	(8.8)	(11.3)
Operating working capital changes	(27.2)	9.1	(92.3)	(26.1)
Deferred purchase price on sold receivables	1.4	0.7	(21.7)	(15.2)
Increase (decrease) in cash from changes in other assets and liabilities	9.9	19.3	0.2	(17.4)
Net cash provided by operating activities	<u>59.6</u>	<u>83.9</u>	<u>15.5</u>	<u>57.7</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Acquisitions of businesses, net of cash acquired	—	(0.4)	—	(0.4)
Collection of subordinated note receivable	—	—	—	44.2
Purchases of properties, plants and equipment	(18.4)	(15.0)	(39.7)	(44.8)
Purchases of and investments in timber properties	(3.3)	(3.5)	(5.4)	(3.5)
Purchases of properties, plants and equipment with insurance proceeds	—	(3.6)	—	(3.6)
Proceeds from the sale of properties, plants and equipment, businesses, timberland and other assets	5.6	25.3	8.1	27.4
Proceeds on insurance recoveries	0.4	6.6	0.4	6.6
Net cash provided by (used in) investing activities	<u>(15.7)</u>	<u>9.4</u>	<u>(36.6)</u>	<u>25.9</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Proceeds from (payments on) debt, net	(32.2)	(42.2)	65.5	(44.6)
Dividends paid to Greif, Inc. shareholders	(24.7)	(24.8)	(49.2)	(49.3)
Other	(3.0)	(7.1)	(3.5)	(7.3)
Net cash provided by (used in) financing activities	<u>(59.9)</u>	<u>(74.1)</u>	<u>12.8</u>	<u>(101.2)</u>
Reclassification of cash to assets held for sale	(5.9)	—	(5.9)	—
Effects of exchange rates on cash	2.1	5.1	(2.5)	1.0
Net increase (decrease) in cash and cash equivalents	<u>(19.8)</u>	<u>24.3</u>	<u>(16.7)</u>	<u>(16.6)</u>
Cash and cash equivalents, beginning of period	106.8	65.3	103.7	106.2
Cash and cash equivalents, end of period	<u>\$ 87.0</u>	<u>\$ 89.6</u>	<u>\$ 87.0</u>	<u>\$ 89.6</u>

GREIF, INC. AND SUBSIDIARY COMPANIES  
FINANCIAL HIGHLIGHTS BY SEGMENT  
UNAUDITED

(in millions)	Three months ended April 30,		Six months ended April 30,	
	2017	2016	2017	2016
<b>Net sales:</b>				
Rigid Industrial Packaging & Services	\$ 624.3	\$ 589.6	\$ 1,185.8	\$ 1,124.5
Paper Packaging & Services	188.7	167.2	371.6	325.6
Flexible Products & Services	66.6	76.2	136.3	149.1
Land Management	7.8	6.6	14.6	11.8
Total net sales	<u>\$ 887.4</u>	<u>\$ 839.6</u>	<u>\$ 1,708.3</u>	<u>\$ 1,611.0</u>
<b>Operating profit (loss):</b>				
Rigid Industrial Packaging & Services	\$ 55.5	\$ 59.2	\$ 84.2	\$ 56.6
Paper Packaging & Services	19.8	24.2	30.6	45.4
Flexible Products & Services	1.8	(2.9)	2.3	(6.0)
Land Management	3.3	2.3	5.4	4.4
Total operating profit	<u>\$ 80.4</u>	<u>\$ 82.8</u>	<u>\$ 122.5</u>	<u>\$ 100.4</u>
<b>EBITDA(6):</b>				
Rigid Industrial Packaging & Services	\$ 72.5	\$ 78.7	\$ 118.2	\$ 96.2
Paper Packaging & Services	27.4	32.1	46.5	61.0
Flexible Products & Services	3.6	(1.0)	4.8	(3.3)
Land Management	4.7	3.3	7.9	6.1
Total EBITDA	<u>\$ 108.2</u>	<u>\$ 113.1</u>	<u>\$ 177.4</u>	<u>\$ 160.0</u>
<b>EBITDA before special items:</b>				
Rigid Industrial Packaging & Services	\$ 77.3	\$ 73.8	\$ 137.7	\$ 129.4
Paper Packaging & Services	28.2	32.0	56.4	62.4
Flexible Products & Services	3.9	0.8	6.2	—
Land Management	3.3	3.0	6.2	5.2
Total EBITDA before special items	<u>\$ 112.7</u>	<u>\$ 109.6</u>	<u>\$ 206.5</u>	<u>\$ 197.0</u>

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

GREIF, INC. AND SUBSIDIARY COMPANIES  
FINANCIAL HIGHLIGHTS BY GEOGRAPHIC REGION  
UNAUDITED

(in millions)	Three months ended April 30,		Six months ended April 30,	
	2017	2016	2017	2016
<b>Net sales:</b>				
United States	\$ 434.5	\$ 406.3	\$ 842.5	\$ 778.7
Europe, Middle East and Africa	325.5	310.8	611.4	587.0
Asia Pacific and other Americas	127.4	122.5	254.4	245.3
Total net sales	<u>\$ 887.4</u>	<u>\$ 839.6</u>	<u>\$ 1,708.3</u>	<u>\$ 1,611.0</u>
<b>Gross profit:</b>				
United States	\$ 94.5	\$ 92.1	\$ 179.7	\$ 171.0
Europe, Middle East and Africa	67.8	55.7	123.6	103.4
Asia Pacific and other Americas	19.6	25.9	41.9	50.6
Total gross profit	<u>\$ 181.9</u>	<u>\$ 173.7</u>	<u>\$ 345.2</u>	<u>\$ 325.0</u>

GREIF, INC. AND SUBSIDIARY COMPANIES  
GAAP TO NON-GAAP RECONCILIATION  
OPERATING WORKING CAPITAL  
UNAUDITED

(in millions)	April 30, 2017		October 31, 2016	
Trade accounts receivable	\$	428.8	\$	399.2
Plus: inventories		330.6		277.4
Less: accounts payable		<u>369.3</u>		<u>372.0</u>
Operating working capital	<u>\$</u>	<u>390.1</u>	<u>\$</u>	<u>304.6</u>

GREIF, INC. AND SUBSIDIARY COMPANIES  
GAAP TO NON-GAAP RECONCILIATION  
CONSOLIDATED EBITDA(7)  
UNAUDITED

(in millions)	Three months ended April 30,		Six months ended April 30,	
	2017	2016	2017	2016
Net income	\$ 39.9	\$ 32.5	\$ 47.9	\$ 22.6
Plus: Interest expense, net	14.3	19.9	33.0	38.4
Plus: Income tax expense	23.0	28.7	34.8	34.7
Plus: Depreciation, depletion and amortization expense	31.0	32.0	61.7	64.3
EBITDA	<u>\$ 108.2</u>	<u>\$ 113.1</u>	<u>\$ 177.4</u>	<u>\$ 160.0</u>
Net income	\$ 39.9	\$ 32.5	\$ 47.9	\$ 22.6
Plus: Interest expense, net	14.3	19.9	33.0	38.4
Plus: Income tax expense	23.0	28.7	34.8	34.7
Plus: Other expense, net	3.2	1.7	6.8	4.7
Operating profit	80.4	82.8	122.5	100.4
Less: Other expense, net	3.2	1.7	6.8	4.7
Plus: Depreciation, depletion and amortization expense	31.0	32.0	61.7	64.3
EBITDA	<u>\$ 108.2</u>	<u>\$ 113.1</u>	<u>\$ 177.4</u>	<u>\$ 160.0</u>

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

GREIF, INC. AND SUBSIDIARY COMPANIES  
GAAP TO NON-GAAP RECONCILIATION  
SEGMENT EBITDA(8)  
UNAUDITED

(in millions)	Three months ended April 30, Six months ended April 30,			
	2017	2016	2017	2016
<b>Rigid Industrial Packaging &amp; Services</b>				
Operating profit	\$ 55.5	\$ 59.2	\$ 84.2	\$ 56.6
Less: Other expense, net	3.5	1.6	5.9	3.3
Plus: Depreciation and amortization expense	20.5	21.1	39.9	42.9
<b>EBITDA</b>	<b>\$ 72.5</b>	<b>\$ 78.7</b>	<b>\$ 118.2</b>	<b>\$ 96.2</b>
Restructuring charges	4.4	2.9	3.9	4.3
Acquisition-related costs	—	0.1	—	0.1
Non-cash asset impairment charges	2.0	1.7	3.6	38.5
Non-cash pension settlement charge	0.6	—	14.7	—
Gain on disposal of properties, plants, equipment, and businesses, net	(2.2)	(9.6)	(2.7)	(9.7)
<b>EBITDA before special items</b>	<b>\$ 77.3</b>	<b>\$ 73.8</b>	<b>\$ 137.7</b>	<b>\$ 129.4</b>
<b>Paper Packaging &amp; Services</b>				
Operating profit	\$ 19.8	\$ 24.2	\$ 30.6	\$ 45.4
Plus: Depreciation and amortization expense	7.6	7.9	15.9	15.6
<b>EBITDA</b>	<b>\$ 27.4</b>	<b>\$ 32.1</b>	<b>\$ 46.5</b>	<b>\$ 61.0</b>
Restructuring charges	0.3	—	0.3	—
Non-cash asset impairment charges	—	—	—	1.5
Non-cash pension settlement charge	0.5	—	9.7	—
Gain on disposal of properties, plants, equipment, net	—	(0.1)	(0.1)	(0.1)
<b>EBITDA before special items</b>	<b>\$ 28.2</b>	<b>\$ 32.0</b>	<b>\$ 56.4</b>	<b>\$ 62.4</b>
<b>Flexible Products &amp; Services</b>				
Operating profit (loss)	\$ 1.8	\$ (2.9)	\$ 2.3	\$ (6.0)
Less: Other (income) expense, net	(0.3)	0.1	0.9	1.4
Plus: Depreciation and amortization expense	1.5	2.0	3.4	4.1
<b>EBITDA</b>	<b>\$ 3.0</b>	<b>\$ (1.0)</b>	<b>\$ 6.6</b>	<b>\$ (3.3)</b>
Restructuring charges	0.4	2.5	0.6	3.4
Non-cash asset impairment charges	—	—	0.3	0.8
Non-cash pension settlement charge	—	—	0.1	—
(Gain) loss on disposal of properties, plants, equipment and businesses, net	(0.1)	(0.7)	0.4	(0.9)
<b>EBITDA before special items</b>	<b>\$ 3.9</b>	<b>\$ 0.8</b>	<b>\$ 6.2</b>	<b>\$ —</b>
<b>Land Management</b>				
Operating profit	\$ 3.3	\$ 2.3	\$ 5.4	\$ 4.4
Plus: Depreciation, depletion and amortization expense	1.4	1.0	2.5	1.7
<b>EBITDA</b>	<b>\$ 4.7</b>	<b>\$ 3.3</b>	<b>\$ 7.9</b>	<b>\$ 6.1</b>
Non-cash pension settlement charge	—	—	0.1	—
Gain on disposal of properties, plants, equipment, net	(1.4)	(0.3)	(1.8)	(0.9)
<b>EBITDA before special items</b>	<b>\$ 3.3</b>	<b>\$ 3.0</b>	<b>\$ 6.2</b>	<b>\$ 5.2</b>
<b>Consolidated EBITDA</b>	<b>\$ 108.2</b>	<b>\$ 113.1</b>	<b>\$ 177.4</b>	<b>\$ 160.0</b>
<b>Consolidated EBITDA before special items</b>	<b>\$ 112.7</b>	<b>\$ 109.6</b>	<b>\$ 206.5</b>	<b>\$ 197.0</b>

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

GREIF, INC. AND SUBSIDIARY COMPANIES  
GAAP TO NON-GAAP RECONCILIATION  
FREE CASH FLOW(9)  
UNAUDITED

(in millions)	Three months ended April 30,		Six months ended April 30,	
	2017	2016	2017	2016
Net cash provided by operating activities	\$ 59.6	\$ 83.9	\$ 15.5	\$ 57.7
Cash paid for purchases of properties, plants and equipment	(18.4)	(15.0)	(39.7)	(44.8)
<b>Free Cash Flow</b>	<b>\$ 41.2</b>	<b>\$ 68.9</b>	<b>\$ (24.2)</b>	<b>\$ 12.9</b>

GREIF, INC. AND SUBSIDIARY COMPANIES  
PROJECTED 2017 GUIDANCE RECONCILIATION  
FREE CASH FLOW  
UNAUDITED

(in millions)	Fiscal 2017 Forecast Range	
	Scenario 1	Scenario 2
Net cash provided by operating activities	\$ 280.0	\$ 315.0
Less: Cash Paid for capital expenditures	(100.0)	(115.0)
<b>Free Cash Flow</b>	<b>\$ 180.0</b>	<b>\$ 200.0</b>

(9)Free Cash Flow is defined as net cash provided by operating activities less cash paid for purchases of properties, plants and equipment.

GREIF, INC. AND SUBSIDIARY COMPANIES  
GAAP TO NON-GAAP RECONCILIATION  
SEGMENT OPERATING PROFIT (LOSS) BEFORE SPECIAL ITEMS(10)  
UNAUDITED

(in millions)	Three months ended April 30, Six months ended April 30,			
	2017	2016	2017	2016
<b>Operating profit (loss):</b>				
Rigid Industrial Packaging & Services	\$ 55.5	\$ 59.2	\$ 84.2	\$ 56.6
Paper Packaging & Services	19.8	24.2	30.6	45.4
Flexible Products & Services	1.8	(2.9)	2.3	(6.0)
Land Management	3.3	2.3	5.4	4.4
Total operating profit	\$ 80.4	\$ 82.8	\$ 122.5	\$ 100.4
<b>Restructuring charges:</b>				
Rigid Industrial Packaging & Services	\$ 4.4	\$ 2.9	\$ 3.9	\$ 4.3
Paper Packaging & Services	0.3	—	0.3	—
Flexible Products & Services	0.4	2.5	0.6	3.4
Total restructuring charges	\$ 5.1	\$ 5.4	\$ 4.8	\$ 7.7
<b>Acquisition-related costs:</b>				
Rigid Industrial Packaging & Services	\$ —	\$ 0.1	\$ —	\$ 0.1
Total acquisition-related costs	\$ —	\$ 0.1	\$ —	\$ 0.1
<b>Non-cash asset impairment charges:</b>				
Rigid Industrial Packaging & Services	\$ 2.0	\$ 1.7	\$ 3.6	\$ 38.5
Paper Packaging & Services	—	—	—	1.5
Flexible Products & Services	—	—	0.3	0.8
Total non-cash asset impairment charges	\$ 2.0	\$ 1.7	\$ 3.9	\$ 40.8
<b>Non-cash pension settlement charge:</b>				
Rigid Industrial Packaging & Services	\$ 0.6	\$ —	\$ 14.7	\$ —
Paper Packaging & Services	0.5	—	9.7	—
Flexible Products & Services	—	—	0.1	—
Land Management	—	—	0.1	—
Total non-cash pension settlement charge	\$ 1.1	\$ —	\$ 24.6	\$ —
<b>(Gain) loss on disposal of properties, plants, equipment and businesses, net:</b>				
Rigid Industrial Packaging & Services	\$ (2.2)	\$ (9.6)	\$ (2.7)	\$ (9.7)
Paper Packaging & Services	—	(0.1)	(0.1)	(0.1)
Flexible Products & Services	(0.1)	(0.7)	0.4	(0.9)
Land Management	(1.4)	(0.3)	(1.8)	(0.9)
Total gain on disposal of properties, plants, equipment and businesses, net	\$ (3.7)	\$ (10.7)	\$ (4.2)	\$ (11.6)
<b>Operating profit (loss) before special items:</b>				
Rigid Industrial Packaging & Services	\$ 60.3	\$ 54.3	\$ 103.7	\$ 89.8
Paper Packaging & Services	20.6	24.1	40.5	46.8
Flexible Products & Services	2.1	(1.1)	3.7	(2.7)
Land Management	1.9	2.0	3.7	3.5
Total operating profit before special items	\$ 84.9	\$ 79.3	\$ 151.6	\$ 137.4

(10) Operating profit (loss) before special items is defined as operating profit (loss), plus restructuring charges, plus acquisition-related costs, plus non-cash pension settlement charge, plus non-cash impairment charges, less (gain) on disposal of properties, plants, equipment, net.



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

	Income before Income Tax Expense and Equity Earnings of Unconsolidated Affiliates, net	Income Tax Expense (Benefit)	Non- Controlling Interest	Net Income Attributable to Greif, Inc.	Diluted Class A Earnings Per Share
<b>Three months ended April 30, 2017</b>	\$ 62.9	\$ 23.0	\$ 3.9	\$ 36.0	\$ 0.61
Gain on disposal of properties, plants, equipment and businesses, net	(3.7)	(0.7)	—	(3.0)	(0.05)
Restructuring charges	5.1	1.4	0.2	3.5	0.06
Non-cash asset impairment charges	2.0	—	(0.2)	2.2	0.04
Non-cash pension settlement charge	1.1	0.5	—	0.6	0.01
Excluding Special Items	<u>\$ 67.4</u>	<u>\$ 24.2</u>	<u>\$ 3.9</u>	<u>\$ 39.3</u>	<u>\$ 0.67</u>
<b>Three months ended April 30, 2016</b>	\$ 61.2	\$ 28.7	\$ 1.1	\$ 31.4	\$ 0.53
Gain on disposal of properties, plants, equipment and businesses, net	(10.7)	(2.2)	(0.4)	(8.1)	(0.14)
Restructuring charges	5.4	0.8	1.2	3.4	0.06
Non-cash asset impairment charges	1.7	0.6	—	1.1	0.02
Acquisition-related costs	0.1	\$ 0.1	\$ —	\$ —	\$ —
Excluding Special Items	<u>\$ 57.7</u>	<u>\$ 28.0</u>	<u>\$ 1.9</u>	<u>\$ 27.8</u>	<u>\$ 0.47</u>
<b>Six months ended April 30, 2017</b>	\$ 82.7	\$ 34.8	\$ 6.5	\$ 41.4	\$ 0.71
Gain on disposal of properties, plants, equipment and businesses, net	(4.2)	(0.9)	0.2	(3.5)	(0.06)
Restructuring charges	4.8	(2.9)	0.4	7.3	0.13
Non-cash asset impairment charges	3.9	—	0.1	3.8	0.06
Non-cash pension settlement charge	24.6	7.9	—	16.7	0.28
Excluding Special Items	<u>\$ 111.8</u>	<u>\$ 38.9</u>	<u>\$ 7.2</u>	<u>\$ 65.7</u>	<u>\$ 1.12</u>
<b>Six months ended April 30, 2016</b>	\$ 57.3	\$ 34.7	\$ 2.3	\$ 20.3	\$ 0.35
Gain on disposal of properties, plants, equipment and businesses, net	(11.6)	(2.4)	(0.6)	(8.6)	(0.15)
Restructuring charges	7.7	1.0	1.7	5.0	0.09
Non-cash asset impairment charges	40.8	5.7	0.3	34.8	0.59
Acquisition-related costs	0.1	—	—	0.1	—
Excluding Special Items	<u>\$ 94.3</u>	<u>\$ 39.0</u>	<u>\$ 3.7</u>	<u>\$ 51.6</u>	<u>\$ 0.88</u>

The impact of income tax expense and non-controlling interest on each special item is calculated based on tax rates and ownership percentages specific to each applicable entity. Included in the six months ended April 30, 2017 restructuring charges special item is a \$4.4 million income tax charge due to a change in assertions related to unremitted foreign earnings as a result of the restructuring of our intercompany debt portfolio. The tax rate excluding the impact of special items for the second quarter of 2017 was 35.9 percent.

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

(in millions)	Three months ended April 30,			Six months ended April 30,		
	2017	Impact of Divestitures	Excluding the Impact of Divestitures	2017	Impact of Divestitures	Excluding the Impact of Divestitures
<b>Net Sales:</b>						
Rigid Industrial Packaging & Services	\$ 624.3	\$ —	\$ 624.3	\$ 1,185.8	\$ —	\$ 1,185.8
Paper Packaging & Services	188.7	—	188.7	371.6	—	371.6
Flexible Products & Services	66.6	—	66.6	136.3	—	136.3
Land Management	7.8	—	7.8	14.6	—	14.6
Consolidated	<u>\$ 887.4</u>	<u>\$ —</u>	<u>\$ 887.4</u>	<u>\$ 1,708.3</u>	<u>\$ —</u>	<u>\$ 1,708.3</u>
<b>Gross Profit:</b>						
Rigid Industrial Packaging & Services	\$ 133.9	\$ —	\$ 133.9	\$ 246.3	\$ —	\$ 246.3
Paper Packaging & Services	32.9	—	32.9	68.2	—	68.2
Flexible Products & Services	12.3	—	12.3	25.4	—	25.4
Land Management	2.8	—	2.8	5.3	—	5.3
Consolidated	<u>\$ 181.9</u>	<u>\$ —</u>	<u>\$ 181.9</u>	<u>\$ 345.2</u>	<u>\$ —</u>	<u>\$ 345.2</u>
<b>Operating Profit:</b>						
Rigid Industrial Packaging & Services	\$ 55.5	\$ —	\$ 55.5	\$ 84.2	\$ 0.1	\$ 84.1
Paper Packaging & Services	19.8	—	19.8	30.6	—	30.6
Flexible Products & Services	1.8	—	1.8	2.3	—	2.3
Land Management	3.3	—	3.3	5.4	—	5.4
Consolidated	<u>\$ 80.4</u>	<u>\$ —</u>	<u>\$ 80.4</u>	<u>\$ 122.5</u>	<u>\$ 0.1</u>	<u>\$ 122.4</u>
<b>Operating profit before special items(11):</b>						
Rigid Industrial Packaging & Services	\$ 60.3	\$ —	\$ 60.3	\$ 103.7	\$ —	\$ 103.7
Paper Packaging & Services	20.6	—	20.6	40.5	—	40.5
Flexible Products & Services	2.1	—	2.1	3.7	—	3.7
Land Management	1.9	—	1.9	3.7	—	3.7
Consolidated	<u>\$ 84.9</u>	<u>\$ —</u>	<u>\$ 84.9</u>	<u>\$ 151.6</u>	<u>\$ —</u>	<u>\$ 151.6</u>

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

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

(in millions)	Three months ended April 30,			Six months ended April 30,		
	2016	Impact of Divestitures	Excluding the Impact of Divestitures	2016	Impact of Divestitures	Excluding the Impact of Divestitures
<b>Net Sales:</b>						
Rigid Industrial Packaging & Services	\$589.6	\$ 27.1	\$ 562.5	\$1,124.5	\$ 52.3	\$ 1,072.2
Paper Packaging & Services	167.2	—	167.2	325.6	—	325.6
Flexible Products & Services	76.2	2.7	73.5	149.1	5.0	144.1
Land Management	6.6	—	6.6	11.8	—	11.8
Consolidated	<u>\$839.6</u>	<u>\$ 29.8</u>	<u>\$ 809.8</u>	<u>\$1,611.0</u>	<u>\$ 57.3</u>	<u>\$ 1,553.7</u>
<b>Gross Profit:</b>						
Rigid Industrial Packaging & Services	\$123.9	\$ (2.4)	\$ 126.3	\$ 226.7	\$ 0.1	\$ 226.6
Paper Packaging & Services	37.4	—	37.4	73.2	—	73.2
Flexible Products & Services	9.6	0.4	9.2	20.1	0.8	19.3
Land Management	2.8	—	2.8	5.0	—	5.0
Consolidated	<u>\$173.7</u>	<u>\$ (2.0)</u>	<u>\$ 175.7</u>	<u>\$ 325.0</u>	<u>\$ 0.9</u>	<u>\$ 324.1</u>
<b>Operating Profit (loss):</b>						
Rigid Industrial Packaging & Services	\$ 59.2	\$ 2.8	\$ 56.4	\$ 56.6	\$ (21.9)	\$ 78.5
Paper Packaging & Services	24.2	—	24.2	45.4	—	45.4
Flexible Products & Services	(2.9)	0.1	(3.0)	(6.0)	0.2	(6.2)
Land Management	2.3	—	2.3	4.4	—	4.4
Consolidated	<u>\$ 82.8</u>	<u>\$ 2.9</u>	<u>\$ 79.9</u>	<u>\$ 100.4</u>	<u>\$ (21.7)</u>	<u>\$ 122.1</u>
<b>Operating profit (loss) before special items(11):</b>						
Rigid Industrial Packaging & Services	\$ 54.3	\$ (4.9)	\$ 59.2	\$ 89.8	\$ (4.8)	\$ 94.6
Paper Packaging & Services	24.1	—	24.1	46.8	—	46.8
Flexible Products & Services	(1.1)	0.1	(1.2)	(2.7)	0.2	(2.9)
Land Management	2.0	—	2.0	3.5	—	3.5
Consolidated	<u>\$ 79.3</u>	<u>\$ (4.8)</u>	<u>\$ 84.1</u>	<u>\$ 137.4</u>	<u>\$ (4.6)</u>	<u>\$ 142.0</u>

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

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

(in millions)	Three months ended April 30,		Increase in Net Sales (\$)	Increase in Net Sales (%)
	2017	2016		
Net Sales	\$ 887.4	\$ 839.6	\$ 47.8	5.7%
Impact of Divestitures	—	29.8		
Net Sales Excluding the Impact of Divestitures	\$ 887.4	\$ 809.8		
Currency Translation	(14.0)	N/A		
Net Sales Excluding the Impact of Divestitures and Currency Translation	<u>\$ 901.4</u>	<u>\$ 809.8</u>	\$ 91.6	11.3%

Six months ended April

(in millions)	30,		Increase in Net Sales (\$)	Increase in Net Sales (%)
	2017	2016		
Net Sales	\$ 1,708.3	\$ 1,611.0	\$ 97.3	6.0%
Impact of Divestitures	—	57.3		
Net Sales Excluding the Impact of Divestitures	\$ 1,708.3	\$ 1,553.7		
Currency Translation	(31.7)	N/A		
Net Sales Excluding the Impact of Divestitures and Currency Translation	\$ 1,740.0	\$ 1,553.7	\$ 186.3	12.0%

GREIF, INC. AND SUBSIDIARY COMPANIES  
GAAP TO NON-GAAP RECONCILIATION  
RIGID INDUSTRIAL PACKAGING & SERVICES  
NET SALES TO NET SALES EXCLUDING THE IMPACT OF  
DIVESTITURES AND CURRENCY TRANSLATION  
UNAUDITED

(in millions)	Three months ended April 30,		Increase in Net Sales (\$)	Increase in Net Sales (%)
	2017	2016		
Net Sales	\$ 624.3	\$ 589.6	\$ 34.7	5.9%
Impact of Divestitures	—	27.1		
Net Sales Excluding the Impact of Divestitures	\$ 624.3	\$ 562.5		
Currency Translation	(9.9)	N/A		
Net Sales Excluding the Impact of Divestitures and Currency Translation	\$ 634.2	\$ 562.5	\$ 71.7	12.7%

(in millions)	Six months ended April 30,		Increase in Net Sales (\$)	Increase in Net Sales (%)
	2017	2016		
Net Sales	\$ 1,185.8	\$ 1,124.5	\$ 61.3	5.5%
Impact of Divestitures	—	52.3		
Net Sales Excluding the Impact of Divestitures	\$ 1,185.8	\$ 1,072.2		
Currency Translation	(24.3)	N/A		
Net Sales Excluding the Impact of Divestitures and Currency Translation	\$ 1,210.1	\$ 1,072.2	\$ 137.9	12.9%

GREIF, INC. AND SUBSIDIARY COMPANIES  
GAAP TO NON-GAAP RECONCILIATION  
PRIMARY PRODUCTS  
NET SALES TO NET SALES EXCLUDING THE IMPACT OF DIVESTITURES  
UNAUDITED

Three months ended April 30,

(in millions)	2017	2016	Increase (Decrease) in Primary Products Net Sales (\$)	Increase (Decrease) in Primary Products Net Sales (%)
<b>Rigid Industrial Packaging &amp; Services</b>				
Primary Products Net Sales	\$ 552.8	\$ 493.4		
Impact of Divestitures	—	—		
Primary Products Net Sales Excluding the Impact of Divestitures	<u>\$ 552.8</u>	<u>\$ 493.4</u>	\$ 59.4	12.0%
<b>Paper Packaging &amp; Services</b>				
Primary Products Net Sales	\$ 188.0	\$ 166.7		
Impact of Divestitures	—	—		
Primary Products Net Sales Excluding the Impact of Divestitures	<u>\$ 188.0</u>	<u>\$ 166.7</u>	\$ 21.3	12.8%
<b>Flexible Products &amp; Services</b>				
Primary Products Net Sales	\$ 60.8	\$ 66.6		
Impact of Divestitures	—	(2.6)		
Primary Products Net Sales Excluding the Impact of Divestitures	<u>\$ 60.8</u>	<u>\$ 64.0</u>	\$ (3.2)	(5.0)%

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Source: Greif, Inc.

Greif, Inc.

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