UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended July 31, 2002

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _______ to ________

Commission File Number 1-566

GREIF BROS. CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	31-4388903
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
425 Winter Road, Delaware, Ohio	43015
(Address of principal executive offices)	(Zip Code)

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

Not Applicable
Former name, former address and former fiscal year, if changed since last report.

Indicated 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 (or for such shorter period that the registrant was required to file such reports), 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 issuer's classes of common stock, as of the close of the period covered by this report:

Class A Common Stock	10,582,366 shares
Class B Common Stock	11,772,859 shares

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)
(U.S. dollars in thousands, except per share amounts)

	Three months ended July 31,		Nine months ended July 31,	
	2002	2001	2002	2001
Net sales	$ 435,148	$ 435,766	$1,197,251	$1,011,247
Gain on sale of timberland	1,127	415	9,677	78,674
Other income, net	659	2,274	4,696	4,288
	436,934	438,455	1,211,624	1,094,209
Cost of products sold	344,767	344,525	957,465	802,663
Selling, general and administrative expenses	64,591	60,196	187,774	141,695
Restructuring charge	--	--	--	11,534
Debt extinguishment charge	4,390	--	4,390	--
Interest expense, net	13,854	17,047	40,949	29,265
	427,602	421,768	1,190,578	985,157
Income before income taxes, minority interest in income of consolidated subsidiaries and equity in earnings of affiliates	9,332	16,687	21,046	109,052
Income taxes	3,360	6,303	7,577	41,331
Income before minority interest in income of consolidated subsidiaries and equity in earnings of affiliates	5,972	10,384	13,469	67,721
Minority interest in income of consolidated subsidiaries	(155)	(224)	(622)	(358)
Equity in earnings of affiliates	2,134	2,753	5,826	7,083
Net income	$ 7,951	$ 12,913	$ 18,673	$ 74,446
Basic earnings per share:				
Class A Common Stock	$ 0.28	$ 0.46	$ 0.67	$ 2.64
Class B Common Stock	$ 0.42	$ 0.68	$ 0.99	$ 3.94
Diluted earnings per share:				
Class A Common Stock	$ 0.28	$ 0.46	$ 0.66	$ 2.63
Class B Common Stock	$ 0.42	$ 0.68	$ 0.99	$ 3.94

See accompanying Notes to Consolidated Financial Statements

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands)

ASSETS

	July 31, 2002 (Unaudited)	October 31, 2001
CURRENT ASSETS		
Cash and cash equivalents	$ 21,164	$ 29,720
Trade accounts receivable - less allowance of $11,681 ($10,596 in 2001)	268,805	282,982
Inventories	133,489	123,363
Net assets held for sale	14,369	12,530
Deferred tax asset	9,648	9,697
Prepaid expenses and other	37,726	45,904
	485,201	504,196
LONG-TERM ASSETS		
Goodwill - less amortization	235,653	236,623
Other intangible assets	30,012	33,179
Investment in affiliates	146,555	144,071
Other long-term assets	45,146	44,282
	457,366	458,155
PROPERTIES, PLANTS AND EQUIPMENT - at cost		
Timber properties - less depletion	78,698	74,851
Land	83,072	81,048
Buildings	233,753	235,980
Machinery and equipment	721,505	689,637
Capital projects in progress	41,375	43,200
	1,158,403	1,124,716
Accumulated depreciation	(374,763)	(315,879)
	783,640	808,837
	$1,726,207	$1,771,188

See accompanying Notes to Consolidated Financial Statements

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(U.S. dollars in thousands)

LIABILITIES AND SHAREHOLDERS' EQUITY

	July 31, 2002 (Unaudited)	October 31, 2001
CURRENT LIABILITIES		
Accounts payable	$ 137,078	$ 117,117
Accrued payrolls and employee benefits	35,308	27,604
Restructuring reserves	4,006	15,109
Short-term borrowings	24,636	16,533
Current portion of long-term debt	17,890	43,140
Other current liabilities	72,517	74,016
	291,435	293,519
LONG-TERM LIABILITIES		
Long-term debt	630,362	654,374
Deferred tax liability	119,597	124,346
Postretirement benefit liability	47,675	50,028
Other long-term liabilities	53,760	62,015
	851,394	890,763
MINORITY INTEREST	1,167	560
SHAREHOLDERS' EQUITY		
Common stock, without par value	11,974	10,446
Treasury stock, at cost	(60,298)	(58,812)
Retained earnings	678,853	671,917
Accumulated other comprehensive loss		
- foreign currency translation	(34,009)	(21,378)
- interest rate swaps	(11,469)	(13,071)
- minimum pension liability	(2,840)	(2,756)
	582,211	586,346
	$1,726,207	$1,771,188

See accompanying Notes to Consolidated Financial Statements

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(U.S. dollars in thousands)

For the nine months ended July 31,	2002	2001
Cash flows from operating activities:		
Net income	$ 18,673	$ 74,446
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	74,896	57,462
Equity in earnings of affiliates, in excess of amounts distributed	(3,529)	(4,214)
Minority interest in income of consolidated subsidiaries	622	358
Deferred income taxes	(3,090)	23,671
Gain on disposals of properties, plants and equipment	(13,097)	(80,906)
Other, net	(17,682)	(33,484)
Changes in current assets and liabilities	27,292	50,059
Net cash provided by operating activities	84,085	87,392
Cash flows from investing activities:		
Acquisition of businesses, net of cash	--	(314,763)
Purchases of properties, plants and equipment	(38,805)	(124,435)
Proceeds on disposals of properties, plants and equipment	18,498	85,684
Net cash used in investing activities	(20,307)	(353,514)
Cash flows from financing activities:		
Proceeds from long-term debt	242,750	760,000
Payments on long-term debt	(305,729)	(433,196)
Payments on short-term borrowings	--	(4,902)
Proceeds from short-term borrowings	7,476	--
Dividends paid	(11,740)	(11,197)
Acquisitions of treasury stock	(1,627)	(117)
Exercise of stock options	1,669	69
Net cash (used in) provided by financing activities	(67,201)	310,657
Effects of exchange rates on cash	(5,133)	(1,622)
Net (decrease) increase in cash and cash equivalents	(8,556)	42,913
Cash and cash equivalents at beginning of period	29,720	13,388
Cash and cash equivalents at end of period	$ 21,164	$ 56,301

See accompanying Notes to Consolidated Financial Statements

NOTE 1 -- BASIS OF PRESENTATION

The information furnished herein reflects all adjustments which are, in the opinion of management, necessary for a fair presentation of the consolidated balance sheets as of July 31, 2002 and October 31, 2001 and the consolidated statements of income and cash flows for the three-month and nine-month periods ended July 31, 2002 and 2001. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual amounts could differ from those estimates.

These financial statements should be read in conjunction with the financial statements and notes thereto included in the most recent Annual Report on Form 10-K of Greif Bros. Corporation and its subsidiaries (collectively, the "Company").

Certain prior year amounts have been reclassified to conform to the 2002 presentation.

NOTE 2 -- VAN LEER INDUSTRIAL PACKAGING ACQUISITION

On March 2, 2001, pursuant to the terms of a Share Purchase Agreement dated October 27, 2000, as amended on January 5 and February 28, 2001, between the Company and Huhtamaki Van Leer Oyj, a Finnish corporation ("Huhtamaki"), the Company acquired all of the issued share capital of Royal Packaging Industries Van Leer N.V., a Dutch limited liability company, Huhtamaki Holdings do Brasil Ltda., a Brazilian limited liability company, Van Leer France Holding S.A.S., a French limited liability company, Van Leer Containers, Inc., a U.S. corporation, and American Flange & Manufacturing Co. Inc, a U.S. corporation (collectively, "Van Leer Industrial Packaging"). Van Leer Industrial Packaging was a worldwide provider of industrial packaging and components, including steel, fibre and plastic drums, polycarbonate water bottles, intermediate bulk containers and closure systems, with operations in over 40, countries.

As consideration for the shares of Van Leer Industrial Packaging, the Company paid $555.0 million less the amount of Van Leer Industrial Packaging's debt and certain other obligations ($206.4 million) that were assumed by the Company as of the closing date. In addition, the Company paid $15.8 million in legal and professional fees related to the acquisition. The acquisition was funded by new long-term debt borrowed against a $900 million Senior Secured Credit Agreement.

The acquisition of Van Leer Industrial Packaging, included in operating results from the acquisition date, was accounted for using the purchase method of accounting and, accordingly, the purchase price was allocated to the assets purchased and liabilities assumed based upon their fair values at the date of acquisition. The fair values of the assets acquired and the liabilities assumed were $636.8 million and $423.3 million, respectively.

Pro Forma Information

The following pro forma (unaudited) information for the nine months ended July 31, 2001 assumes the Van Leer Industrial Packaging acquisition had occurred on November 1, 2000 (U.S. dollars in thousands, except per share amounts):

Net sales	$ 1,302,502
Net income	$ 58,476
Basic and diluted earnings per share:	
Class A Common Stock	$ 2.07
Class B Common Stock	$ 3.10

The above amounts reflect adjustments for interest expense related to the debt issued for the acquisition, amortization of goodwill and intangible assets, and depreciation expense on the revalued properties, plants and equipment. The pro forma amounts do not include anticipated synergies from the acquisition, nor do they include the anticipated savings associated with the restructuring plan of Van Leer Industrial Packaging and the Company's locations existing prior to the acquisition date.

The pro forma information, as presented above, is not indicative of the results which would have been obtained had the transaction occurred on November 1, 2000, nor is it indicative of the Company's future results.

NOTE 3 -- RESTRUCTURING RESERVES

During the second quarter of 2001, the Company approved a plan to consolidate some of its locations in order to eliminate duplicate facilities caused by the Van Leer Industrial Packaging acquisition and improve operating efficiencies and capabilities. The plan was the result of an in-depth study to determine whether certain locations, either existing or newly acquired, should be closed and the sales and manufacturing volume associated with such plants relocated to a different facility. Six existing Company-owned plastic drum and steel drum plants were identified to be closed. The plants are located in North America. In addition, certain redundant administrative functions were identified to be eliminated. As a result of this plan, during the second quarter of 2001, the Company recognized a pretax restructuring charge of $11.5 million, consisting of $8.0 million in employee separation costs (approximately 250 employees) and a $3.5 million loss on disposal of equipment and facilities. The Company has sold or is in the process of selling these six owned facilities. The Company expects to substantially complete these restructuring activities during 2002. Subsequent to the recognition of the restructuring charge, the Company has and will continue to recognize expense related to additional costs to relocate machinery and equipment and employees upon the closure of these plants. The amounts charged against this restructuring reserve during the period ended July 31, 2002 are as follows (U.S. dollars in thousands):

	Balance at 10/31/01	Activity	Balance at 7/31/02
Cash charges:			
Employee separation costs	$ 3,991	$(3,768)	$223
Cash and non-cash charges:			
Other exit costs	312	--	312
	$ 4,303	$(3,768)	$ 535

As of July 31, 2002, there were a total of 227 employees that had been terminated and provided severance benefits under this restructuring plan.

In addition, in connection with the March 2001 acquisition of Van Leer Industrial Packaging from Huhtamaki and the consolidation plan, five facilities purchased as part of the acquisition have been or will be closed. These facilities are owned by subsidiaries of the Company. The facilities are located in North America, South America, United Kingdom and Asia Pacific. In addition, certain redundant administrative functions have been or will be eliminated. Accordingly, the Company recognized a $19.7 million restructuring liability in its purchase price allocation related to these locations. This liability was accounted for under Emerging Issues Task Force ("EITF") No. 95-3, "Recognition of Liabilities in Connection with a Purchase Business Combination." The liability consisted of $16.5 million in employee separation costs (approximately 300 employees) and $3.2 million in other exit costs. The Company has sold or is in the process of selling these Company-owned facilities. The amounts charged against this restructuring reserve during the period ended July 31, 2002 are as follows (U.S. dollars in thousands):

	Balance at 10/31/01	Activity	Balance at 7/31/02
Cash charges:			
Employee separation costs	$ 9,518	$(6,836)	$ 2,682
Cash and non-cash charges:			
Other exit costs	1,288	(499)	789
	$ 10,806	$(7,335)	$ 3,471

As of July 31, 2002, there were a total of 210 employees that had been terminated and provided severance benefits under this restructuring plan.

NOTE 4 -- TIMBERLAND TRANSACTIONS

Sale of Timber Properties

In December 2000, the Company sold certain hardwood timberland for $44.4 million. As such, the Company recognized a gain of $43.0 million during the first quarter of 2001 related to this transaction. In a related agreement, the Company sold other hardwood timberland for $30.0 million in March 2001, and recognized an additional gain of $27.7 million during the second quarter of 2001.

A total of approximately 65,000 acres of timber properties situated in Arkansas, Mississippi and Louisiana were sold as a result of these transactions.

Purchase of Timber Properties

In December 2000, the Company purchased certain softwood timberland for $42.8 million. In a related agreement, the Company purchased other softwood timberland for $43.1 million in March 2001.

A total of approximately 63,000 acres of timber properties situated in Louisiana were purchased as a result of these transactions.

NOTE 5 -- NET ASSETS HELD FOR SALE

Net assets held for sale represent land, buildings and land improvements less accumulated depreciation for locations that have been closed, primarily as a result of the restructuring plans in the Industrial Shipping Containers segment. As of July 31, 2002, there were 13 facilities held for sale. The net assets held for sale are being marketed for sale, and it is the Company's intention to complete the sales within the upcoming year.

NOTE 6 -- INVESTMENT IN AFFILIATES

The Company has investments in CorrChoice, Inc. (63.24%), Socer-Embalagens, Lda. (25%) and Balmer Lawrie-Van Leer (40.06%) which are accounted for on the equity method. The Company's investment in Abzac-Greif (49%) was sold for approximately $2.0 million with a gain of $0.1 million during the second quarter of 2002. The Company's share of earnings of these affiliates is included in income as earned. In the first nine months of 2002, the Company received dividends from affiliates of $2.3 million.

The difference between the cost basis of the Company's investment in the underlying equity of affiliates of $4.5 million at July 31, 2002 is being amortized over a 15-year period.

The summarized unaudited financial information below represents the combined results of the Company's unconsolidated affiliates (U.S. dollars in thousands):

	Three months ended July 31,		Nine months ended July 31,	
	2002	2001	2002	2001
Net sales	$50,937	$73,229	$167,958	$214,196
Gross profit	$11,390	$12,666	$ 30,944	$ 33,049
Net income	$ 3,839	$ 4,954	$ 10,769	$ 13,238

NOTE 7 -- LONG-TERM DEBT

Long-term debt is summarized as follows (U.S. dollars in thousands):

	July 31, 2002	October 31, 2001
$900 million Senior Secured Credit Agreement	$ 399,507	$ 696,306
8 7/8% Senior Subordinated Notes	247,965	--
Other debt	780	1,208
	648,252	697,514
Less current portion	(17,890)	(43,140)
	$ 630,362	$ 654,374

$900 million Senior Secured Credit Agreement

On March 2, 2001, the Company entered into a $900 million Senior Secured Credit Agreement with a syndicate of lenders. A portion of the proceeds from the $900 million Senior Secured Credit Agreement was used to fund the Van Leer Industrial Packaging acquisition and to refinance amounts outstanding under the Company's then existing revolving credit facility. The $900 million Senior Secured Credit Agreement provided for three term loans, a $150 million U.S. Dollar Term Loan A, a $200 million Euro Term Loan A and a $400 million U.S. Dollar Term Loan B, and a $150 million revolving multicurrency credit facility. At July 31, 2002, there was $106 million available under the $150 million revolving multicurrency credit facility. The revolving multicurrency credit facility is available for working capital and general corporate purposes.

As of August 23, 2002, the $900 million Senior Secured Credit Agreement was refinanced using proceeds from the Amended and Restated Senior Secured Credit Agreement (see Note 16 -- Subsequent Event).

8 7/8% Senior Subordinated Notes

On July 31, 2002, the Company issued Senior Subordinated Notes in the aggregate principal amount of $250 million, receiving gross proceeds of approximately $248 million before expenses. Interest on the notes is payable semi-annually at the annual rate of 8 7/8%. The notes do not have required principal payments prior to maturity on August 1, 2012. The proceeds from the issuance of the notes were utilized to repay indebtedness under the Company's $900 million Senior Secured Credit Agreement and fees paid in connection with the offering. The fair value of the notes was approximately $248 million at July 31, 2002, based on quoted market prices.

During the third quarter of 2002, the Company incurred a non-cash debt extinguishment charge of $4.4 million related to the partial extinguishment of the $900 million Senior Secured Credit Agreement. The Company has early adopted the Financial Accounting Standard Board ("FASB") Statement of Financial Accounting Standards ("SFAS") No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No.13, and Technical Corrections." SFAS No. 145 rescinds SFAS No. 4, which required all gains and losses from extinguishment of debt to be aggregated and, if material, classified as an extraordinary item, net of the related income tax effect. As such, the debt extinguishment charge has been presented as a seperate component of increase before income taxes, minority interest in consolidated subordiaries and equity in earnings of affiliates.

NOTE 8 -- FINANCIAL INSTRUMENTS

The Company had interest rate swap agreements with an aggregate notional amount of $280 million at July 31, 2002 with various maturities through 2008. Under these agreements, the Company receives interest quarterly from the counterparties equal to the LIBOR rate and pays interest at a weighted average rate of 5.41% over the life of the contracts. At July 31, 2002, a liability for the interest rate swap contracts, which represented their fair values at that time, in the amount of $17.9 million ($11.5 million net of tax) was recorded with an offsetting amount in accumulated other comprehensive income (loss).

At July 31, 2002, the Company had outstanding foreign currency forward contracts in the notional amount of $23.8 million. The fair value of these contracts at July 31, 2002 resulted in a gain of $0.2 million. The purpose of these contracts is to hedge short-term intercompany loan balances with its foreign businesses.

While the Company may be exposed to credit losses in the event of nonperformance by the counterparties to its derivative financial instrument contracts, its counterparties are established banks and financial institutions with high credit ratings. The Company has no reason to believe that such counterparties will not be able to fully satisfy their obligations under these contracts.

The fair values of all derivative financial instruments are estimated based on current settlement prices of comparable contracts obtained from dealer quotes. The values represent the estimated amounts the Company would pay or receive to terminate the agreements at the reporting date.

NOTE 9 -- CAPITAL STOCK

Class A Common Stock is entitled to cumulative dividends of 1 cent a share per year after which Class B Common Stock is entitled to non-cumulative dividends up to 1/2 cent per 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 has no voting power nor is it 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 following table summarizes the Company's Class A and Class B common and treasury shares at the specified dates:

	Authorized Shares	Issued Shares	Outstanding Shares	Treasury Shares
July 31, 2002:				
Class A Common Stock	32,000,000	21,140,960	10,582,366	10,558,594
Class B Common Stock	17,280,000	17,280,000	11,772,859	5,507,141
October 31, 2001:				
Class A Common Stock	32,000,000	21,140,960	10,516,196	10,624,764
Class B Common Stock	17,280,000	17,280,000	11,822,859	5,457,141

NOTE 10 -- DIVIDENDS PER SHARE

The following dividends per share were paid during the period indicated:

	Three months ended July 31,		Nine months ended July 31,	
	2002	2001	2002	2001
Class A Common Stock	$ 0.14	$ 0.14	$ 0.42	$ 0.40
Class B Common Stock	$ 0.21	$ 0.21	$ 0.62	$ 0.59

NOTE 11 -- CALCULATION OF EARNINGS PER SHARE

The Company has two classes of common stock and, as such, applies the "two-class method" of computing earnings per share as prescribed in SFAS No. 128, "Earnings Per Share." In accordance with the statement, earnings are allocated first to Class A and Class B Common Stock to the extent that dividends are actually paid and the remainder allocated assuming all of the earnings for the period have been distributed in the form of dividends.

The following is a reconciliation of the average shares used to calculate basic and diluted earnings per share:

	Three months ended July 31, 2002	Three months ended July 31, 2001	Nine months ended July 31, 2002	Nine months ended July 31, 2001
Class A Common Stock:				
Basic shares	10,577,951	10,523,788	10,549,345	10,523,393
Assumed conversion of stock options	64,288	39,293	77,429	29,472
Diluted shares	10,642,239	10,563,081	10,626,774	10,552,865
Class B Common Stock:				
Basic and diluted shares	11,778,142	11,842,859	11,796,650	11,844,165

There were 199,700 and 18,000 stock options that were antidilutive for the three-month and nine-month periods, respectively, ended July 31, 2002 (370,090 and 797,634 for the three-month and nine-month periods, respectively, ended July 31, 2001).

NOTE 12 -- COMPREHENSIVE INCOME

Comprehensive income is comprised of net income and other charges and credits to equity that are not the result of transactions with the owners. The components of comprehensive income (loss), net of tax, are as follows (U.S. dollars in thousands):

	Three months ended July 31, 2002	Three months ended July 31, 2001	Nine months ended July 31, 2002	Nine months ended July 31, 2001
Net income	$ 7,951	$12,913	$18,673	$ 74,446
Other comprehensive (loss) income:				
Foreign currency translation adjustment	(9,841)	1,359	(12,631)	(509)
Change in market value of interest rate swaps, net of tax	(3,921)	(2,760)	1,602	(6,878)
Minimum pension liability adjustment, net of tax	--	--	(84)	--
Comprehensive (loss) income	$(5,811)	$11,512	$ 7,560	$ 67,059

NOTE 13 -- BUSINESS SEGMENT INFORMATION

The Company operates in three business segments: Industrial Shipping Containers; Containerboard & Corrugated Products; and Timber.

The Company's reportable segments are strategic business units that offer different products. The Company evaluates performance and allocates resources based on earnings before interest, income taxes, depreciation, depletion, amortization, minority interest in income of consolidated subsidiaries, equity in earnings of affiliates and debt extinguishment charge ("EBITDA"). The accounting policies of the reportable segments are the same as those described in the

"Description of Business and Summary of Significant Accounting Policies" note in the 2001 Annual Report on Form 10-K except that the Company accounts for inventories on a first-in, first-out basis at the segment level compared to a last-in, first-out basis at the consolidated level in the United States.

Corporate and other includes the unallocated costs associated with the Company's corporate headquarters, the Company's long-term debt and other non-segment items. During 2002, the Company changed its method for allocating corporate and other costs to its segments. All prior period information has been restated to conform to the current period presentation.

The following segment information is presented for the periods indicated (U.S. dollars in thousands):

	Three months ended July 31,		Nine months ended July 31,	
	2002	2001	2002	2001
Net sales:				
Industrial shipping containers	$342,254	$333,701	$ 927,538	$ 697,643
Containerboard & corrugated products	83,964	91,790	239,694	285,090
Timber	8,930	10,275	30,019	28,514
Total	$435,148	$435,766	$1,197,251	$1,011,247
EBITDA:				
Industrial shipping containers	$ 40,458	$ 31,165	$ 89,724	$ 54,898
Containerboard & corrugated products	10,577	20,716	32,314	61,443
Timber	8,734	9,313	35,663	102,985
Total segment	59,769	61,194	157,701	219,326
Restructuring charge	--	--	--	(11,534)
Corporate and other	(5,683)	(4,455)	(15,469)	(12,604)
Total EBITDA	54,086	56,739	142,232	195,188
Depreciation, depletion and amortization	(26,303)	(23,450)	(74,896)	(57,462)
Debt extinguishment charge	(4,390)	--	(4,390)	--
Interest expense, net	(13,854)	(17,047)	(40,949)	(29,265)
Foreign currency	(207)	445	(951)	591
Income before income taxes, minority interest in income of consolidated subsidiaries and equity in earnings of affiliates	$ 9,332	$ 16,687	$ 21,046	$ 109,052
Depreciation, depletion and amortization:				
Industrial shipping containers	$ 16,845	$ 16,180	$ 48,841	$ 32,581
Containerboard & corrugated products	5,650	5,476	16,859	16,701
Timber	1,172	446	2,741	4,382
Total segment	23,667	22,102	68,441	53,664
Corporate and other	2,636	1,348	6,455	3,798
Total	$ 26,303	$ 23,450	$ 74,896	$ 57,462

	July 31, 2002	October 31, 2001
Total assets:		
Industrial shipping containers	$1,081,652	$1,110,875
Containerboard & corrugated products	326,043	345,155
Timber	113,726	104,105
Total segment	1,521,421	1,560,135
Corporate and other	204,786	211,053
Total	$1,726,207	$1,771,188

The following table presents net sales to external customers by geographic area (U.S. dollars in thousands):

	Three months ended July 31,		Nine months ended July 31,	
	2002	2001	2002	2001
North America	$258,448	$271,895	$ 727,359	$ 730,888
Europe	120,287	115,306	308,978	183,763
Other	56,413	48,565	160,914	96,596
Total	$435,148	$435,766	$1,197,251	$1,011,247

The following table presents total assets by geographic area (U.S. dollars in thousands):

	July 31, 2002	October 31, 2001
North America	$1,250,108	$1,287,502
Europe	345,451	319,232
Other	130,648	164,454
Total	$1,726,207	$1,771,188

NOTE 14 -- SUMMARIZED CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

The Senior Subordinated Notes, more fully described in Note 7 -- Long-Term Debt, are fully guaranteed, jointly and severally, by the Company's United States subsidiaries ("Guarantor Subsidiaries"). The Company's non-United States subsidiaries are not guaranteeing the Senior Subordinated Notes ("Non-Guarantor Subsidiaries"). Presented below are summarized condensed consolidating financial statements of Greif Bros. Corporation (the "Parent"), which includes certain of the Company's operating units, the Company's United States subsidiaries ("Guarantor Subsidiaries"), the non-United States subsidiaries ("Non-Guarantor Subsidiaries") and the Company on a consolidated basis.

These summarized condensed consolidated financial statements are prepared on the equity method. Separate financial statements for the Guarantor Subsidiaries are not presented based on management's determination that they do not provide additional information that is material to investors.

Condensed Consolidating Balance Sheet

July 31, 2002

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	$ 1,522	$ 811	$ 18,831	$ --	$ 21,164
Trade accounts receivable	35,840	88,942	144,023	--	268,805
Inventories	27,145	19,935	86,409	--	133,489
Other current assets	24,847	7,079	29,817	--	61,743
	89,354	116,767	279,080	--	485,201
LONG-TERM ASSETS					
Goodwill and other intangible assets	113,459	21,931	130,275	--	265,665
Investment in affiliates	887,582	514,385	--	(1,255,412)	146,555
Other long-term assets	40,020	--	5,126	--	45,146
	1,041,061	536,316	135,401	(1,255,412)	457,366
PROPERTIES, PLANTS AND EQUIPMENT, NET	259,092	276,372	248,176	--	783,640
	$1,389,507	$ 929,455	$662,657	$(1,255,412)	$1,726,207
LIABILITIES & SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Accounts payable	$ 21,756	$ 35,910	$ 79,412	$ --	$ 137,078
Short-term borrowings	--	--	24,636	--	24,636
Current portion of long-term debt	17,890	--	--	--	17,890
Other current liabilities	11,842	30,732	69,258	--	111,831
	51,487	66,642	173,306	--	291,435
LONG-TERM LIABILITIES					
Long-term debt	629,582	--	780	--	630,362
Other long-term liabilities	126,227	40,940	53,865	--	221,032
	755,809	40,940	54,645	--	851,394
MINORITY INTEREST	--	--	1,167	--	1,167
SHAREHOLDERS' EQUITY	582,211	821,873	433,539	$(1,255,412)	582,211
	$1,389,507	$ 929,455	$662,657	$(1,255,412)	$1,726,207

Condensed Consolidating Balance Sheet

October 31, 2001

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	$ 1,632	$ (6,516)	$ 34,604	$ --	$ 29,720
Trade accounts receivable	22,591	119,660	140,731	--	282,982
Inventories	21,014	20,230	82,119	--	123,363
Other current assets	26,402	12,347	29,382	--	68,131
	71,639	145,721	286,836	--	504,196
LONG-TERM ASSETS					
Goodwill and other intangible assets	116,999	23,775	129,028	--	269,802
Investment in affiliates	958,552	511,893	1,545	(1,327,919)	144,071
Other long-term assets	41,692	--	20,488	(17,898)	44,282
	1,117,243	535,668	151,061	(1,345,817)	458,155
PROPERTIES, PLANTS AND EQUIPMENT, NET	270,759	268,865	269,213	--	808,837
	$1,459,641	$ 950,254	$707,110	$(1,345,817)	$1,771,188
LIABILITIES & SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Accounts payable	$ 21,824	$ 23,667	$ 67,565	$ --	$ 117,117
Short-term borrowings	--	--	16,533	--	16,533
Current portion of long-term debt	43,140	--	--	--	43,140
Other current liabilities	10,943	34,154	75,693	--	116,729

	75,907	57,821	159,791	--	293,519
LONG-TERM LIABILITIES					
Long-term debt	653,166	--	1,208	--	654,374
Other long-term liabilities	144,222	49,062	61,003	(17,898)	236,389
	797,388	49,062	62,211	(17,898)	890,763
MINORITY INTEREST	--	--	560	--	560
SHAREHOLDERS' EQUITY	586,346	843,371	484,548	(1,327,919)	586,346
	$1,459,641	$ 950,254	$707,110	$(1,345,817)	$1,771,188

Condensed Consolidating Statement of Operations

For the three months ended July 31, 2002

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ 180,625	$ 82,715	$215,226	$ (43,418)	$ 435,148
Gain on sale of timberland	--	1,094	33	--	1,127
Other income (expense), net (1)	(10,632)	11,506	(215)	--	659
	169,993	95,315	215,044	(43,418)	436,934
Cost of products sold	149,133	64,728	174,324	(43,418)	344,767
Selling, general and administrative expenses	27,288	10,767	26,536	--	64,591
Debt extinguishment charge	4,390	--	--	--	4,390
Interest expense (income), net	11,755	1,411	688	--	13,854
	192,566	76,906	201,548	(43,418)	427,602
Income (loss) before income taxes, minority interest in income of consolidated subsidiaries and equity in earnings of affiliates	(22,573)	18,409	13,496	--	9,332
Income taxes	(8,126)	6,627	4,859	--	3,360
Income (loss) before minority interest in income of consolidated subsidiaries and equity in earnings of affiliates	(14,447)	11,782	8,637	--	5,972
Minority interest in income of consolidated subsidiaries	--	--	(155)	--	(155)
Equity in earnings of affiliates	22,398	--	19	(20,283)	2,134
Net income (loss)	$ 7,951	$ 11,782	$ 8,501	$ (20,283)	$ 7,951

(1) Parent column other expense amount and a related amount of other income in the Guarantor Subsidiaries column, primarily relate to an intercompany royalty arrangement.

Condensed Consolidating Statement of Operations

For the nine months ended July 31, 2002

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$ 501,178	$236,907	$572,576	$(113,410)	$1,197,251
Gain on sale of timberland	--	9,493	184	--	9,677
Other income (expense), net (1)	(30,172)	33,040	1,828	--	4,696
	471,006	279,440	574,588	(113,410)	1,211,624
Cost of products sold	410,786	187,069	473,020	(113,410)	957,465
Selling, general and administrative expenses	82,940	32,677	72,157	--	187,774
Debt extinguishment charge	4,390	--	--	--	4,390
Interest expense (income), net	36,554	1,936	2,459	--	40,949
	534,670	221,682	547,636	(113,410)	1,190,578
Income (loss) before income taxes, minority interest in income of consolidated subsidiaries and equity in earnings of affiliates	(63,664)	57,758	26,952	--	21,046
Income taxes	(22,920)	20,794	9,703	--	7,577
Income (loss) before minority interest in income of consolidated subsidiaries and equity in earnings of affiliates	(40,744)	36,964	17,249	--	13,469
Minority interest in income of consolidated subsidiaries	--	--	(622)	--	(622)
Equity in earnings of affiliates	59,417	--	--	(53,591)	5,826
Net income (loss)	$ 18,673	$ 36,964	$ 16,627	$ (53,591)	$ 18,673

(1) Parent column other expense amount and a related amount of other income in the Guarantor Subsidiaries column, primarily relate to an intercompany royalty arrangement.

Condensed Consolidating Statement of Operations

For the three months ended July 31, 2001

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$184,502	$91,076	$205,864	$(45,677)	$435,765
Gain on sale of timberland	--	387	28	--	415
Other income (expense), net (1)	(11,037)	13,026	286	--	2,275
	173,465	104,489	206,178	(45,677)	438,455
Cost of products sold	148,220	69,483	172,498	(45,677)	344,524
Selling, general and administrative expenses	12,619	27,955	19,622	--	60,196
Interest expense (income), net	6,343	(375)	11,080	--	17,048
	167,182	97,063	203,200	(45,677)	421,768
Income before income taxes, minority interest in income of consolidated subsidiaries and equity in earnings of affiliates	6,283	7,426	2,978	--	16,687
Income taxes	2,373	2,805	1,125	--	6,303
Income before minority interest in income of consolidated subsidiaries and equity in earnings of affiliates	3,910	4,621	1,853	--	10,384
Minority interest in income of consolidated subsidiaries	--	--	(224)	--	(224)
Equity in earnings of affiliates	9,003	--	42	(6,292)	2,753
Net income (loss)	$ 12,913	$ 4,621	$ 1,671	$ (6,292)	$ 12,913

(1) Parent column other expense amount and a related amount of other income in the Guarantor Subsidiaries column, primarily relate to an intercompany royalty arrangement.

Condensed Consolidating Statement of Operations

For the nine months ended July 31, 2001

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	$566,287	$193,089	$354,395	$(102,524)	$1,011,247
Gain on sale of timberland	--	78,401	273	--	78,674
Other income (expense), net (1)	(34,040)	37,458	870	--	4,288
	532,247	308,948	355,538	(102,524)	1,094,209
Cost of products sold	456,061	151,447	297,679	(102,524)	802,663
Selling, general and administrative expenses	77,762	29,607	34,326	--	141,695
Restructuring costs	11,534	--	--	--	11,534
Interest expense (income), net	12,714	(595)	17,146	--	29,265
	558,071	180,459	349,151	(102,524)	985,157
Income (loss) before income taxes, minority interest in income of consolidated subsidiaries and equity in earnings of affiliates	(25,824)	128,489	6,387	--	109,052
Income taxes	(9,788)	48,698	2,421	--	41,331
Income (loss) before minority interest in income of consolidated subsidiaries and equity in earnings of affiliates	(16,036)	79,791	3,966	--	67,721
Minority interest in income of consolidated subsidiaries	--	--	(358)	--	(358)
Equity in earnings of affiliates	90 482	--	101	(83,500)	7,083
Net income (loss)	$ 74,446	$ 79,791	$ 3,709	$ (83,500)	$ 74,446

(1) Parent column other expense amount and a related amount of other income in the Guarantor Subsidiaries column, primarily relate to an intercompany royalty arrangement.

Condensed Consolidating Statement of Cash Flows

For the nine months ended July 31, 2002

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:					
Net cash provided by operating activities	$ 58,352	$ 20,590	$ 5,143	$ --	$ 84,085
Cash flows from investing activities:					
Purchase of properties, plants and equipment	(4,389)	(23,767)	(10,649)	--	(38,805)
Proceeds on disposals of properties, plants and equipment	6,459	10,504	1,535	--	18,498
Net cash (used in) provided or investing activities	2,070	(13,263)	(9,114)		(20,307)
Cash flows from financing activities:					
Proceeds from issuance of long-term debt	242,750	--	--	--	242,750
Payments on long-term debt	(291,584)	--	(14,145)	--	(305,729)
Proceeds from short-term borrowings	--	--	7,476	--	7,476
Dividends paid	(11,740)	--	--	--	(11,740)
Other, net	42	--	--	--	42
Net cash provided by (used in) financing activities	(60,532)	--	(6,669)	--	(67,201)
Effect of exchange rate changes on cash	--	--	(5,133)	--	(5,133)
Net increase (decrease) in cash and cash equivalents	(110)	7,327	(15,773)	--	(8,556)
Cash and cash equivalents at beginning of year	1,632	(6,516)	34,604	--	29,720
Cash and cash equivalents at end of year	$ 1,522	$ 811	$ 18,831	$ --	$ 21,164

Condensed Consolidating Statement of Cash Flows

For the nine months ended July 31, 2001

	Parent	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Cash flows from operating activities:					
Net cash provided by operating activities	$ 64,484	$ (2,440)	$ 25,348	$ --	$ 87,392
Cash flows from investing activities:					
Acquisitions of businesses, net of cash acquired	(595,225)	265,762	14,700	--	(314,763)
Purchase of properties, plants and equipment	(11,681)	(111,192)	(1,562)	--	(124,435)
Proceeds on disposals of properties, plants and equipment	3,439	82,245	--	--	85,684
Net cash (used in) provided or investing activities	(603,467)	236,815	13,138	--	(353,514)
Cash flows from financing activities:					
Proceeds from issuance of long-term debt	760,000	--	--	--	760,000
Payments on long-term debt	(208,620)	(235,000)	10,424	--	(433,196)
Payments on short-term borrowings	--	--	(4,902)	--	(4,902)
Dividends paid	(11,197)	--	--	--	(11,197)
Other, net	(48)	--	--	--	(48)
Net cash provided by (used in) financing activities	540,135	(235,000)	5,522	--	310,657
Effect of exchange rate changes on cash	--	--	(1,622)	--	(1,622)
Net increase (decrease) in cash and cash equivalents	1,152	(625)	42,386	--	42,913
Cash and cash equivalents at beginning of year	2,956	3,669	6,763	--	13,388
Cash and cash equivalents at end of year	$ 4,108	$ 3,044	$ 49,149	$ --	$ 56,301

NOTE 15 -- RECENT ACCOUNTING STANDARDS

Goodwill and Other Intangible Assets

In June 2001, FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets," which requires that goodwill no longer be amortized, but instead be periodically reviewed for impairment. The provisions of SFAS No. 142 are required for fiscal years beginning after December 15, 2001. As such, the Company will adopt SFAS No. 142 at the beginning of the 2003 fiscal year.

The application of the non-amortization provisions of SFAS No. 142 will increase the Company's net income upon adoption. Amortization expense related to the Company's goodwill and indefinite-lived assets was $2.7 million and $2.7 million for the three-month periods ended July 31, 2002 and 2001, respectively, and $8.4 million and $6.5 million for the nine-month periods ended July 31, 2002 and 2001, respectively.

At this time, the effect of the impairment provisions provided by SFAS No. 142 is not known.

Impairment or Disposal of Long-Lived Assets

In August 2001, FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 addresses the accounting and reporting for the impairment or disposal of long-lived assets and supersedes FASB Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed of" and Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations--Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." SFAS No. 144 establishes a single accounting model for long-lived assets to be disposed of by sale and resolves implementation issues related to Statement No. 121.

SFAS No. 144 is effective for financial statements issued for fiscal years beginning after December 15, 2001, or November 1, 2002 for us. The Company does not expect the adoption of this Statement to have a material impact on the results of operations or financial position.

NOTE 16 -- SUBSEQUENT EVENT

On August 23, 2002, the Company, as U.S. borrower, and Greif Spain Holdings, S.L., Greif Bros. Canada Inc., Van Leer (UK) Ltd., Koninklijke Emballage Industrie Van Leer B.V. (dba Royal Packaging Industries Van Leer B.V.), and Van Leer Australia Pty. Limited, as non-United States borrowers, entered into a $550 million Amended and Restated Senior Secured Credit Agreement with a syndicate of lenders. A portion of the proceeds from the Amended and Restated Senior Secured Credit Agreement was used to refinance amounts outstanding under the Company's then existing $900 million Senior Secured Credit Agreement. The Amended and Restated Senior Secured Credit Agreement provides for a $300 million term loan and a $250 million revolving multicurrency credit facility. The revolving multicurrency credit facility is available for working capital and general corporate purposes. The term loan periodically reduces through its maturity date of August 23, 2009, and the revolving multicurrency credit facility matures on February 28, 2006. In connection with the Amended and Restated Senior Secured Credit Agreement, the Company anticipates recognizing a debt extinguishment loss in the fourth quarter of 2002.

The Amended and Restated Senior Secured Credit Agreement contains certain covenants, which include financial covenants that require the Company to maintain a certain leverage ratio, a minimum coverage of interest expense and fixed charges and a minimum net worth. In addition, the Company is limited with respect to the incurrence of additional debt. The repayment of this facility is secured by a first lien on substantially all of the personal property and certain of the real property of the Company and its U.S. subsidiaries and, in part, by the capital stock of the non-United States borrowers and any intercompany notes payable to them. Standard & Poor's and Moody's Investors Service have assigned a "BB" rating and a "Ba3" rating, respectively, to the loan obligations of the Company under the Amended and Restated Senior Secured Credit Agreement.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

The terms "Greif," "our company," "we," "us" and "our" as used in this discussion refer to Greif Bros. Corporation and its consolidated subsidiaries. Our fiscal year begins on November 1 and ends on October 31 of the following year. Any references to 2002 or 2001, or to any period of those years, relates to the fiscal year ending in that year.

Business Segments

We operate in three business segments: Industrial Shipping Containers; Containerboard & Corrugated Products; and Timber.

We are a leading global provider of industrial shipping container products such as steel, fibre and plastic drums, intermediate bulk containers ("IBCs"), closure systems for industrial shipping containers, and polycarbonate water bottles. We seek to provide complete packaging solutions to our customers by offering a comprehensive range of products and services on a global basis. We sell our products to customers in industries such as chemicals, paints and pigments, food and beverage, petroleum, industrial coatings, agricultural, pharmaceutical and mineral, among others.

We sell our containerboard, corrugated sheets and other corrugated products, and multiwall bags to customers in North America in industries such as packaging, automotive, food and building products. Our corrugated container products are used to ship such diverse products as home appliances, small machinery, grocery products, building products, automotive components, books and furniture, as well as numerous other applications. Our full line of industrial and consumer multiwall bag products are used to ship a wide range of industrial and consumer products, such as fertilizers, chemicals, concrete, flour, sugar, feed, seed, pet foods, popcorn, charcoal and salt, primarily for the agricultural, chemical, building products and food industries.

We also provide our customers with a variety of value-added packaging services to complement our industrial shipping and corrugated container products, such as total supply chain management services (including on-site packaging, warehousing, outgoing logistics, inventory management, vendor management, on-site labor management and contract filling), as well as research and development, engineering and design, and testing services.

As of July 31, 2002, we owned approximately 272,500 acres of timberland in the southeastern United States. Our timber management is focused on the active harvesting and regeneration of our timber properties to achieve sustainable long-term yields on our timberland. While timber sales are subject to fluctuations, we seek to maintain a consistent cutting schedule, within the limits of market and weather conditions.

Recent Acquisitions

On March 2, 2001, we acquired Royal Packaging Industries Van Leer N.V., a Dutch company, Huhtamaki Holdings do Brasil Ltda., a Brazilian company, Van Leer France Holding S.A.S., a French company, Van Leer Containers, Inc., a U.S. company, and American Flange and Manufacturing Co., Inc., a U.S. company, which are collectively referred to as "Van Leer Industrial Packaging." We acquired Van Leer Industrial Packaging for $555.0 million less the amount of certain of its debt and other obligations ($206.4 million) that were assumed by us as of the closing date. Van Leer Industrial Packaging was a worldwide provider of industrial packaging and components, including steel, fibre and plastic drums, polycarbonate water bottles, IBCs and closure systems for industrial shipping containers.

In connection with the Van Leer Industrial Packaging acquisition, we acquired a 25% interest in Socer-Embalagens, Lda. and a 40.06% interest in Balmer Lawrie-Van Leer. Socer-Embalagens reconditions used drums at its facility in Brazil and resells them to customers. Balmer Lawrie-Van Leer manufactures closure systems for industrial shipping containers and plastic drums at its two facilities in India.

The results of the operations of Van Leer Industrial Packaging are included in the consolidated financial statements since its acquisition date.

CRITICAL ACCOUNTING POLICIES

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements, in accordance with these principles, require us to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities at the date of our financial statements.

A summary of our significant accounting policies is included in the Notes to Consolidated Financial Statements included in Item 8 of our most recent Annual Report on Form 10-K. We believe that the consistent application of these policies enable us to provide readers of the financial statements with useful and reliable information about our operating results and financial condition. The following are the accounting policies that we believe are most important to the portrayal of our financial condition and results and require our most difficult, subjective or complex judgments.

- Allowance for Accounts Receivable - We evaluate the collectibility of our accounts receivable based on a combination of factors. In circumstances where we are aware of a specific customer's inability to meet its financial obligations to us, we record a specific allowance for bad debts against amounts due to reduce the net recognized receivable to the amount we reasonably believe will be collected. For all other customers, we recognize allowances for bad debts based on the length of time receivables are past due with allowance percentages, based on our historical experiences, applied on a graduated scale relative to the age of the receivable amounts. If circumstances change (i.e., higher than expected bad debt experience or an unexpected material adverse change in a major customer's ability to meet its financial obligations to us), our estimates of the recoverability of amounts due to us could be reduced by a material amount.

- Inventory Reserves - Reserves for slow moving and obsolete inventories are provided based on historical experience and product demand. We continuously evaluate the adequacy of these reserves, and make adjustments to these reserves as required.

- Net Assets Held for Sale - Net assets held for sale represent land, buildings and land improvements less accumulated depreciation for locations that have been closed, primarily as a result of the consolidation plans in the Industrial Shipping Containers segment. We record net assets held for sale in accordance with Statement of Financial Accounting Standards ("SFAS") No. 121 at the lower of carrying value or fair value less cost to sale. Fair value is based on the estimated proceeds from the sale of the facility utilizing recent buy offers, market comparables and/or data obtained from our commercial real estate broker. Our estimate as to fair value is regularly reviewed and subject to changes in the commercial real estate markets and our continuing evaluation as to the facility's acceptable sale price.

- Properties, Plants and Equipment - Depreciation on properties, plants and equipment is provided on the straight-line method over the estimated useful lives of our assets. Depletion on timber properties is computed on the basis of cost and the estimated recoverable timber acquired. We believe that the lives and methods of determining depreciation and depletion are reasonable; however, using other lives and methods could provide materially different results.

- Derivative Financial Instruments - We enter into interest rate swap agreements for the purpose of hedging our exposure to fluctuations in interest rates. Our interest rate swap contracts are considered cash flow hedges. We entered into interest rate swap contracts to assist us in managing our interest rate exposure. The differentials payable or receivable under these agreements are recorded as adjustments to interest expense and are included in interest receivable or payable. An asset or liability is recorded on our balance sheet for the fair value of the interest rate swap agreements. A corresponding charge or credit is reflected, net of tax, in other comprehensive income (loss).

  We enter into foreign currency forward contracts to hedge certain short-term intercompany loan transactions with our foreign businesses. Such contracts limit our exposure to both favorable and unfavorable currency fluctuations. These contracts are adjusted to reflect market value as of each balance sheet date, with the resulting changes in fair value being recognized in other income, net.

- Restructuring Liabilities - Restructuring liabilities are determined in accordance with appropriate accounting guidance, including Emerging Issues Task Force ("EITF") No. 94-3, EITF No. 95-3 and Staff Accounting Bulletin No. 100 depending upon the facts and circumstances surrounding the situation. Restructuring liabilities recorded in connection with existing and acquired businesses are further discussed in the Notes to Consolidated Financial Statements included in Item I of this Quarterly Report on Form 10-Q.

- Pension and Postretirement Benefits - Pension and postretirement benefit expenses are determined by our actuaries using assumptions about the discount rate, expected return on plan assets, rate of compensation increase and health care cost trend rates. Further discussion of our pension and postretirement benefit plans and related assumptions is included in the Notes to Consolidated Financial Statements included in Item 8 of our Annual Report on Form 10-K. The actual results would be different using other assumptions.

- Income Taxes - Our effective tax rate, taxes payable and the tax bases of our assets and liabilities reflect current tax rates in our domestic and foreign tax jurisdictions and our best estimate of the ultimate outcome of on-going and potential future tax audits. Valuation allowances are established where expected future taxable income does not support the realization of the deferred tax assets.

- Environmental Cleanup Costs - We expense environmental expenditures related to existing conditions caused by past or current operations and from which no current or future benefit is discernable. Our estimates of environmental remediation costs are based upon an evaluation of currently available facts with respect to each individual site, including the results of environmental studies and testing, and considering existing technology, presently enacted laws and regulations, and prior experience in remediation of contaminated sites. Expenditures that extend the life of the related property, or mitigate or prevent future environmental contamination are capitalized. We determine our liability on a site-by-site basis and record a liability at the time when it is probable and can be reasonably estimated. Our estimated liability is reduced to reflect insurance coverage that is in place for environmental contingencies assumed in our acquisition of Van Leer Industrial Packaging and the anticipated participation of other potentially responsible parties in those instances where it is probable that such parties are legally responsible and financially capable of paying their respective shares of the relevant costs. Actual costs to be incurred in future periods at the identified sites may vary from the estimates, given the inherent uncertainties in evaluating environmental exposures. Future information and developments will require us to continually reassess the expected impact of these environmental matters.

- Contingencies - Various lawsuits, claims and proceedings have been or may be instituted or asserted against us, including those pertaining to environmental, product liability, safety and health matters. We are continually consulting legal counsel and evaluating requirements to reserve for contingencies in accordance with SFAS No. 5. While the amounts claimed may be substantial, the ultimate liability cannot currently be determined because of the considerable uncertainties that exist. Based on the facts currently available, we believe that the disposition of matters that are pending will not have a material effect on the consolidated financial statements.

- Goodwill, Other Intangible Assets and Other Long-Lived Assets - Goodwill is amortized on a straight-line basis over 15 or 25 year periods based on consideration regarding the age of the acquired businesses, their customers and the risk of obsolescence of their products. The costs of acquired intangible assets are amortized on a straight-line basis over their estimated economic lives of 2 to 25 years. Our policy is to periodically review goodwill, other intangible assets and other long-lived assets based upon the evaluation of such factors as the occurrence of a significant adverse event or change in the environment in which the business operates, or if the expected future net cash flows (undiscounted and without interest) would become less than the carrying amount of the asset. An impairment loss would be recorded in the period such determination is made based on the fair value of the related assets.

In June 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 142, "Goodwill and Other Intangible Assets," which requires that goodwill no longer be amortized, but instead be periodically reviewed for impairment. The provisions of SFAS No. 142 will be effective for fiscal years beginning after December 15, 2001. As such, we will adopt SFAS No. 142 at the beginning of our 2003 fiscal year.

We anticipate that the application of the non-amortization provisions of SFAS No. 142 will increase our net income upon adoption. Amortization expense related to our goodwill and indefinite-lived assets was $2.7 million and $2.7 million for our three-month periods ended July 31, 2002 and 2001, respectively, and $8.4 million and $6.5 million for our nine-month periods ended July 31, 2002 and 2001, respectively.

At this time, the effect of the impairment provisions provided by SFAS No. 142 is not known.

Other items that could have a significant impact on the financial statements include the risks and uncertainties listed in the "Safe Harbor Statement Under the Private Securities Litigation Reform Act of 1995." Actual results could differ materially using different estimates and assumptions, or if conditions are significantly different in the future.

RESULTS OF OPERATIONS

Historically, revenues and earnings may or may not be representative of future operating results due to various economic and other factors. Our period-to-period comparisons have been significantly affected by our acquisition of Van Leer Industrial Packaging on March 2, 2001.

We define EBITDA as earnings from continuing operations before interest, income taxes, depreciation, depletion, amortization, minority interest in income of consolidated subsidiaries, equity in earnings of affiliates and debt extinguishment charge. EBITDA is included in this section because it is the basis on which we assess our financial performance and allocate resources. However, EBITDA should not be considered in isolation or viewed as a substitute for cash flow from operations, net income or other measures of performance as defined by accounting principles generally accepted in the United States, or as a measure of our company's profitability or liquidity.

THIRD QUARTER RESULTS

Overview

Net sales were $435.1 million in the third quarter of 2002, a decrease of $0.6 million as compared to the third quarter of 2001. This decrease resulted from a $13.4 million decrease in net sales from the North American operations partially offset by $12.8 million increase in net sales from outside North America. The decrease in the North American operations was due to the Industrial Shipping Containers segment ($4.3 million decrease), the Containerboard & Corrugated Products segment ($7.8 million decrease) and the Timber segment ($1.3 million decrease). The increase in net sales from outside North America was due to favorable currency exchange rates in Europe and improved sales in Asia Pacific, which was partially offset by unstable economic conditions and currency devaluations in South America and Africa.

EBITDA was $54.1 million for the third quarter of 2002 as compared to $56.7 million for the third quarter of 2001. The $2.6 million decrease in EBITDA was attributable to the Containerboard & Corrugated Products segment ($10.1 million decrease) the Timber segment ($0.6 million decrease), and Corporate and Other ($1.2 million decrease), which were partially offset by the Industrial Shipping Containers segment ($9.3 million increase).

Segment Review

Industrial Shipping Containers

The Industrial Shipping Containers segment had an increase in net sales of $8.5 million, or 2.6%, for the third quarter of 2002, as compared to the third quarter of 2001. This increase was primarily due to an increase of $12.8 million in net sales outside North America, partially offset by a decrease of $4.3 million in net sales in North America. The increase in net sales outside of North America were primarily due to favorable currency exchange rates in Europe, higher sales prices in Singapore and Malaysia resulting from higher raw material costs ($1.6 million increase), and improved volume in China and New Zealand resulting from strong demand and improved export orders ($1.1 million increase). These increases were partially offset by lower net sales in South America, in particular Argentina and Venezuela, and Africa caused by unstable economic conditions and currency devaluations. Net sales in North America were lower due to a reduction in sales volumes caused by weaker economic conditions, partially offset by improved pricing on the segment's products.

EBITDA for Industrial Shipping Containers increased to $40.5 million for the third quarter of 2002 as compared to $31.2 million for the third quarter of 2001. The primary reasons for this increase relate to improved sales, positive contributions from the prior year consolidation plan, and other cost savings initiatives.

Containerboard & Corrugated Products

The Containerboard & Corrugated Products segment had a decrease in net sales of $7.8 million, or 8.5%, for the third quarter of 2002 as compared to the third quarter of 2001. This decrease in net sales was primarily due to a lower average sales price for linerboard and medium of approximately 16%, partially offset by an improvement in sales volumes. In addition, our multiwall bag operations had reduced volumes due to weaknesses in the agricultural industry.

EBITDA for the Containerboard & Corrugated Products segment decreased to $10.6 million for the third quarter of 2002 as compared to $20.7 million for the third quarter of 2001. The decline was caused by lower net sales and higher raw material costs, especially for old corrugated containers ("OCC"), on a quarter-to-quarter comparison for this segment.

Timber

The Timber segment had a decrease in net sales of $1.3 million, or 13.1%, for the third quarter of 2002 as compared to the third quarter of 2001. While timber sales are subject to fluctuations, we seek to maintain a consistent cutting schedule, within the limits of market and weather conditions.

The sales of timber are recorded as net sales, while timberland sales are included in gain on sale of timberland. The gain on sale of timberland was $1.1 million for the third quarter of 2002 as compared to $0.4 million for the third quarter of 2001.

EBITDA for the Timber segment decreased to $8.7 million for the third quarter of 2002 as compared to $9.3 million for the third quarter of 2001. The decrease in EBITDA was primarily the result of lower timber sales.

Other Income Statement Changes
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Gain on Sale of Timberland

Gain on sale of timberland increased $0.7 million in the third quarter of 2002 as compared to the third quarter of 2001.

Other Income, Net

Other income, net decreased $1.6 million in the third quarter of 2002 as compared to the third quarter of 2001. The change in other income was primarily due to lower gains on the sale of facilities.

Cost of Products Sold

The cost of products sold, as a percentage of net sales, increased to 79.2% in the third quarter of 2002 from 79.1% in the third quarter of 2001. The increase was primarily due to weakening in the Containerboard & Corrugated Products segment, which was affected by increased raw material costs, especially OCC, without a corresponding increase in sales prices, and lower Timber segment sales, which had a very low cost associated with them. The increase was partially offset by an overall improvement in the Industrial Shipping Containers segment, which resulted from improved operating efficiencies and lower raw material costs.

Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses increased to $64.6 million (14.8% of net sales) in the third quarter of 2002 as compared to $60.2 million (13.8% of net sales) in the third quarter of 2001. The $4.4 million increase was primarily due to higher employee benefit costs and certain non-recurring costs related to our organizational improvement initiatives and on-going reorganization activities.

Debt Extinguishment Charge

As further described in the "Borrowing Arrangements" section below, we recorded a debt extinguishment charge of $4.4 million during the third quarter of 2002.

Interest Expense, Net

Interest expense, net decreased to $13.9 million during the third quarter of 2002 as compared to $17.0 million in the third quarter of 2001. The increase was primarily due to lower average debt outstanding of $671.2 million during the third quarter of 2002 as compared to $773.3 million during the third quarter of 2001. In addition, average interest rates were lower during the third quarter of this year compared to the same period last year.

Income Taxes

The effective tax rate decreased to 36.0% for the third quarter of 2002 as compared to 37.8% in the third quarter of 2001, primarily as a result of a change in the mix of income outside North America.

Minority Interest in Income of Consolidated Subsidiaries

As part of the Van Leer Industrial Packaging acquisition, we acquired majority holdings in various companies. The operating results of these companies have been included in the consolidated results following the acquisition on March 2, 2001, and the minority interest of other persons in the respective net income of these companies has been reflected as an expense.

Equity in Earnings of Affiliates

Equity in earnings of affiliates decreased to $2.1 million for the third quarter of 2002 as compared to $2.8 million in the third quarter of 2001. This income represents our equity interest in the net income of CorrChoice, Inc. and, to a lesser extent, Socer-Embalagens, Lda. and Balmer Lawrie-Van Leer.

Net Income and Earnings Per Share

Based on the foregoing, net income decreased $4.9 million, or 38.4%, to $8.0 million for the third quarter of 2002 from $12.9 million in the third quarter of 2001. Diluted earnings per share were $0.28 and $0.42 for the Class A and Class B Common Stock, respectively, in the third quarter of 2002 compared with $0.46 and $0.68 for the Class A and Class B Common Stock, respectively, in the third quarter of 2001.

YEAR-TO-DATE RESULTS

Overview

Net sales increased to $1,197.3 million, an increase of 18.4%, in the first nine months of 2002 from $1,011.2 million in the first nine months of 2001. This increase resulted from a $189.5 million increase in net sales from outside North America, partially offset by a $3.5 million decrease in net sales from the North American operations. The decrease in the North American operations was due to lower net sales in the Containerboard & Corrugated Products segment ($45.4 million decrease), which were partially offset by the Industrial Shipping Containers segment ($40.4 million increase) and the Timber segment ($1.5 million increase). The higher net sales in the North American operations of the Industrial Shipping Containers segment, as well as the higher net sales outside North America, were primarily due to the inclusion of Van Leer Industrial Packaging sales volume for nine months in 2002 compared to five months in 2001.

EBITDA was $142.2 million for the first nine months of 2002 as compared to $206.7 million, before the $11.5 million second quarter restructuring charge, for the first nine months of 2001. The $64.5 million decrease in EBITDA was attributable to lower gains on the sale of timberland ($69.0 million decrease) and the Containerboard & Corrugated Products segment ($29.1 million decrease), which were partially offset by the inclusion of the Van Leer Industrial Packaging operations and higher timber sales.

Segment Review

Industrial Shipping Containers

The Industrial Shipping Containers segment had an increase in net sales of $229.9 million, or 33.0%, for the first nine months of 2002 as compared to the first nine months of 2001. This increase was primarily due to an increase of $189.5 million in net sales outside North America and an increase of $40.4 million in net sales in North America due to additional sales volume from the inclusion of nine months of the Van Leer Industrial Packaging operating results in 2002 compared to five months in 2001. A decrease in customer demand, particularly in the chemical industry, partially offset this increase in net sales.

EBITDA for Industrial Shipping Containers increased to $89.7 million for the first nine months of 2002 as compared to $54.9 million, before the $11.5 million second quarter restructuring charge, for the first nine months of 2001. The primary reasons for this increase relate to improved sales volumes as a result of the Van Leer Industrial Packaging acquisition, lower raw materials as a percentage of net sales, and positive contributions from the prior year consolidation plan.

Containerboard & Corrugated Products

The Containerboard & Corrugated Products segment had a decrease in net sales of $45.4 million, or 15.9%, for the first nine months of 2002 as compared to the first nine months of 2001. This decrease in net sales was primarily due to lower customer demand, consistent with the industry, for corrugated containers and containerboard due to continued weakness in the U.S. economy. Lower average sales price for linerboard and medium also affected net sales during the first nine months of 2002 as compared to the first nine months of 2001.

EBITDA for the Containerboard & Corrugated Products segment decreased to $32.3 million for the first nine months of 2002 as compared to $61.4 million for the first nine months of 2001. Improved operating efficiencies partially offset the decline caused by lower net sales for this segment.

Timber

The Timber segment had an increase in net sales of $1.5 million, or 5.3%, for the first nine months of 2002 as compared to the first nine months of 2001. While timber sales are subject to fluctuations, we seek to maintain a consistent cutting schedule, within the limits of market and weather conditions.

The sales of timber are recorded as net sales, while timberland sales are included in gain on sale of timberland. The gain on sale of timberland was $9.5 million for the first nine months of 2002 as compared to $78.4 million for the first nine months of 2001. See "Timberland Transactions" below.

EBITDA for the Timber segment decreased to $35.7 million for the first nine months of 2002 as compared to $103.0 million for the first nine months of 2001. The decrease in EBITDA was primarily the result of the significant gain on sale of timberland in the prior period slightly offset by higher timber sales.

Other Income Statement Changes
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Gain on Sale of Timberland

Gain on sale of timberland decreased $69.0 million in the first nine months of 2002 as compared to the first nine months of 2001 primarily due to the timberland sales described in the "Timberland Transactions" section below.

Other Income, Net

Other income, net increased $0.4 million in the first nine months of 2002 as compared to the first nine months of 2001. The change in other income was primarily due to additional gains on the sale of facilities.

Cost of Products Sold

The cost of products sold, as a percentage of net sales, increased to 80.0% in the first nine months of 2002 from 79.4% in the first nine months of 2001. The increase was primarily due to weakening in the Containerboard & Corrugated Products segment, which was affected by increased raw material costs, especially OCC, without a corresponding increase in sales prices. The increase was partially offset by an overall improvement in the Industrial Shipping Containers segment, which resulted from improved operating efficiencies and lower raw material costs, and higher Timber segment sales, which had very low cost associated with them.

Selling, General and Administrative Expenses

SG&A expenses increased to $187.8 million (15.7% of net sales) in the first nine months of 2002 as compared to $141.7 million (14.0% of net sales) in the first nine months of 2001. The $46.1 million increase was primarily due to additional SG&A expenses related to Van Leer Industrial Packaging, including $2.8 million of additional amortization expense related to the goodwill and other intangible assets. SG&A expenses, as a percentage of net sales, primarily increased as a result of lower sales volumes, on a comparable structure basis, for Industrial Shipping Containers and lower net sales in the Containerboard & Corrugated Products segment. In addition, the year-to-date results were impacted by higher employee benefit costs and certain non-recurring costs related to our organizational improvement initiatives and on-going reorganization activities.

Debt Extinguishment Charge

As further described in the "Borrowing Arrangements" section below, we recorded a debt extinguishment charge of $4.4 million during the third quarter of 2002.

Restructuring Charge

As further described in the "Restructuring Charge" section below, we recognized a restructuring charge of $11.5 million during the second quarter of 2001.

Interest Expense, Net

Interest expense, net increased to $40.9 million during the first nine months of 2002 as compared to $29.3 million in the first nine months of 2001. The increase was primarily due to higher average debt outstanding of $689.7 million during the first nine months of 2002 as compared to $500.0 million during the first nine months of 2001. The increase in average debt outstanding was primarily the result of borrowings made in connection with the Van Leer Industrial Packaging acquisition. Because the acquisition occurred on March 2, 2001, the acquisition related debt was outstanding for only five months in 2001 as compared to nine months in 2002.

Income Taxes

The effective tax rate decreased to 36.0% for the first nine months of 2002 as compared to 37.9% in the first nine months of 2001, primarily as a result of a change in the mix of income outside North America.

Minority Interest in Income of Consolidated Subsidiaries

As part of the Van Leer Industrial Packaging acquisition, we acquired majority holdings in various companies. The operating results of these companies have been included in the consolidated results following the acquisition on March 2, 2001, and the minority interest of other persons in the respective net income of these companies has been reflected as an expense.

Equity in Earnings of Affiliates

Equity in earnings of affiliates decreased to $5.8 million for the first nine months of 2002 as compared to $7.1 million in the first nine months of 2001. This income represents our equity interest in the net income of CorrChoice, Inc. and, to a lesser extent, Abzac-Greif, Socer-Embalagens, Lda. and Balmer Lawrie-Van Leer.

Net Income and Earnings Per Share

Based on the foregoing, net income decreased $55.8 million, or 74.9%, to $18.7 million for the first nine months of 2002 from $74.4 million in the first nine months of 2001. Diluted earnings per share were $0.66 and $0.99 for the Class A and Class B Common Stock, respectively, in the first nine months of 2002 compared with $2.63 and $3.94 for the Class A and Class B Common Stock, respectively, in the first nine months of 2001.

Restructuring Charge

During the second quarter of 2001, we approved a plan to consolidate some of our locations in order to eliminate duplicate facilities caused by the Van Leer Industrial Packaging acquisition and to improve operating efficiencies and capabilities. The plan was the result of an in-depth study to determine whether certain locations, either existing or newly acquired, should be closed and the sales and manufacturing volume associated with such plants relocated to a different facility. Six existing company-owned plastic drum and steel drum plants were identified to be closed. These plants are located in North America. In addition, certain redundant administrative functions were identified to be eliminated. As a result of this plan, during the second quarter of 2001, we recognized a pretax restructuring charge of $11.5 million, consisting of $8.0 million in employee separation costs (approximately 250 employees) and a $3.5 million loss on disposal of equipment and facilities. We have sold or are in the process of selling these six company-owned facilities.

In addition, in connection with the March 2001 acquisition of Van Leer Industrial Packaging and the consolidation plan described in the preceding paragraph, five facilities purchased as part of that acquisition have been or will be closed. These facilities are owned by subsidiaries of the Company. The facilities are located in North America, South America, United Kingdom and Asia Pacific. In addition, certain redundant administrative functions have been or will be eliminated. Accordingly, we recognized a $19.7 million restructuring liability in our purchase price allocation related to these locations. This liability was accounted for under EITF No. 95-3, "Recognition of Liabilities in Connection with a Purchase Business Combination." The liability consisted of $16.5 million in employee separation costs (approximately 300 employees) and $3.2 million in other exit costs. We have sold or are in the process of selling these company-owned facilities.

We expect to complete these restructuring activities during 2002. We have incurred additional costs of $0.8 million and $1.7 million in the third quarter of 2002 and 2001, respectively, and $4.3 million and $2.0 million for the nine months ended July 31, 2002 and 2001, respectively, and will continue to incur additional costs during the remainder of 2002 related to the relocation of machinery, employees and other reorganization activities, all of which have been or will be charged to the results of operations. We believe that upon the completion of the consolidation plan, positive contributions to earnings on an annualized basis from these actions will be approximately $27.5 million.

Timberland Transactions

In December 2000, we sold certain hardwood timberland for $44.4 million. As such, we recognized a gain of $43.0 million during the first quarter of 2001 related to this transaction. In a related agreement, we sold other hardwood timberland for $30.0 million in March 2001, and we recognized a gain of $27.7 million during the second quarter of 2001. A total of approximately 65,000 acres of timber properties situated in Arkansas, Mississippi and Louisiana were sold as a result of these transactions.

In a separate transaction in December 2000, we purchased certain pine timberland for $42.8 million. In a related agreement, we purchased other pine timberland for $43.1 million in March 2001. A total of approximately 63,000 acres of timber properties situated in Louisiana were purchased as a result of these transactions.

For tax purposes, these sale and purchase transactions were treated as like-kind exchanges pursuant to Section 1031 of the Internal Revenue Code, which resulted in a deferral of the tax gain on the sale transactions.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are operating cash flows, borrowings under our $900 million Senior Secured Credit Agreement and proceeds from our Senior Subordinated Notes, discussed below. We have used these sources to fund our working capital needs, capital expenditures, cash dividends, common stock repurchases and acquisitions. We anticipate continuing to fund these items in a like manner. We currently expect that operating cash flows and borrowings under our Amended and Restated Senior Credit Agreement will be sufficient to fund our working capital, capital expenditure, debt repayment and other liquidity needs for the foreseeable future.

Investments in Business Expansion

Capital expenditures were $29.9 million, excluding $8.9 million of timber property purchases, during the nine-month period ended July 31, 2002, and $35.8 million, excluding $88.6 million of timber property purchases, during the nine-month period ended July 31, 2001.

We have approved future capital expenditures of approximately $21 million through July 31, 2003. These expenditures are primarily to replace and improve equipment and to continue implementation of a new management information system.

Balance Sheet Changes

The reduction in trade accounts receivable was due to lower net sales in the third quarter of 2002 compared to the fourth quarter of 2001.

Inventories were higher primarily due to the increases in our raw material costs and the build up of inventory related to our agricultural markets.

The increase in accounts payable was due to higher raw material costs and the timing of payments made to our suppliers.

Accrued payrolls and employee benefits were higher at July 31, 2002 as compared to October 31, 2001 as a result of the increase in these costs as well as timing of our payments.

The restructuring reserves decreased as a result of plant closings and other reorganization costs. See "Restructuring Charge" section above.

The reduction in total debt was due to the repayment of amounts borrowed under our existing $900 million Senior Secured Credit Agreement, partially offset by the issuance of $250 million Senior Subordinated Notes. See "Borrowing Arrangements" section below.

The decrease in other long-term liabilities was primarily due to a lower liability related to the swap contracts on our existing $900 million Senior Secured Credit Agreement, the timing of payments on workers' compensation, and other changes not individually significant.

Borrowing Arrangements

Long-term debt is summarized as follows (U.S. dollars in thousands):

	July 31, 2002	October 31, 2001
$900 million Senior Secured Credit Agreement	$ 399,507	$ 696,306
8 7/8% Senior Subordinated Notes	247,965	--
Other debt	780	1,208
	648,252	697,514
Less current portion	(17,890)	(43,140)
	$ 630,362	$ 654,374

$900 million Senior Secured Credit Agreement

On March 2, 2001, we entered into a $900 million Senior Secured Credit Agreement with a syndicate of lenders. A portion of the proceeds from the $900 million Senior Secured Credit Agreement was used to fund the Van Leer Industrial Packaging acquisition and to refinance amounts outstanding under our then existing revolving credit facility. The $900 million Senior Secured Credit Agreement provides for three term loans, a $150 million U.S. Dollar Term Loan A, a $200 million Euro Term Loan A and a $400 million U.S. Dollar Term Loan B, and a $150 million revolving multicurrency credit facility. At July 31, 2002, there was $106 million available under the $150 million revolving multicurrency credit facility. The revolving multicurrency credit facility is available for working capital and general corporate purposes.

Amended and Restated Senior Secured Credit Agreement

On August 23, 2002, we entered into a $550 million Amended and Restated Senior Secured Credit Agreement with a syndicate of lenders. A portion of the proceeds from the Amended and Restated Senior Secured Credit Agreement was used to refinance amounts outstanding under our then existing $900 million Senior Secured Credit Agreement. The Amended and Restated Senior Secured Credit Agreement provides for a $300 million term loan and a $250 million revolving multicurrency credit facility. The revolving multicurrency credit facility is available for working capital and general corporate purposes. The term loan periodically reduces through its maturity date of August 23, 2009, and the revolving multicurrency credit facility matures on February 28, 2006. In connection with the Amended and Restated Senior Secured Credit Agreement, we anticipate recognizing a debt extinguishment loss in the fourth quarter of 2002.

The Amended and Restated Senior Secured Credit Agreement contains certain covenants, which include financial covenants that require us to maintain a certain leverage ratio, a minimum coverage of interest expense and fixed charges and a minimum net worth. In addition, we are limited with respect to the incurrence of additional debt. The repayment of this facility is secured by a first lien on substantially all of our personal property and certain of the real property and our U.S. subsidiaries and, in part, by the capital stock of the foreign borrowers and any intercompany notes payable to them. Standard & Poor's and Moody's Investors Service have assigned a "BB" rating and a "Ba3" rating, respectively, to our loan obligations under the Amended and Restated Senior Secured Credit Agreement.

8 7/8% Senior Subordinated Notes

On July 31, 2002, we issued Senior Subordinated Notes in the aggregate principal amount of $250.0 million, receiving gross proceeds of approximately $248.0 million before expenses. Interest on the notes is payable semi-annually at the annual rate of 8 7/8%. The notes do not have required principal payments prior to maturity on August 1, 2012. The proceeds from the issuance of the notes were utilized to repay indebtedness under our $900 million Senior Secured Credit Agreement and fees paid in connection with the offering. The fair value of the notes was approximately $248 million at July 31, 2002, based on quoted market prices.

During the third quarter of 2002, we incurred a non-cash debt extinguishment charge of $4.4 million related to the partial extinguishment of the $900 million Senior Secured Credit Agreement. We have early adopted SFAS No. 145, "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections." SFAS No. 145 rescinds SFAS No. 4, which required all gains and losses from extinguishment of debt to be aggregated and, if material, classified as an extraordinary item, net of the related income tax effect. As such, the debt extinguishment charge has been presented as a component of income before income taxes, minority interest in income of consolidated subsidiaries and equity in earnings of affiliates.

Contractual Obligations

As of July 31, 2002, we had the following contractual obligations (U.S. dollars in millions):

		Payments Due By Period			
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Long-term debt	$ 652	$ 18	$ 50	$ 123	$ 461
Short-term borrowings	25	25	--	--	--
Non-cancelable operating leases	32	4	12	5	11
Total contractual cash obligations	$ 709	$ 47	$ 62	$ 128	$ 472

Share Repurchase Program

In February 1999, our Board of Directors authorized a one million-share stock repurchase program. During the first nine months of 2002, we repurchased 50,000 shares of Class B Common Stock. As of July 31, 2002, we had repurchased 644,410 shares, including 415,476 shares of Class A Common Stock and 228,934 shares of Class B Common Stock. The total cost of the shares repurchased during 1999 through July 31, 2002 was $18.7 million.

RECENT ACCOUNTING STANDARDS

Goodwill and Other Intangible Assets

In June 2001, FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets," which requires that goodwill no longer be amortized, but instead be periodically reviewed for impairment. The provisions of SFAS No. 142 are required for fiscal years beginning after December 15, 2001. As such, we will adopt SFAS No. 142 at the beginning of our 2003 fiscal year.

The application of the non-amortization provisions of SFAS No. 142 will increase our net income upon adoption. Amortization expense related to our goodwill and indefinite-lived assets was $2.7 million and $2.7 million for our three-month periods ended July 31, 2002 and 2001, respectively, and $8.4 million and $6.5 million for our nine-month periods ended July 31, 2002 and 2001, respectively.

At this time, the effect of the impairment provisions provided by SFAS No. 142 is not known.

Impairment or Disposal of Long-Lived Assets

In August 2001, FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 addresses the accounting and reporting for the impairment or disposal of long-lived assets and supersedes FASB Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed of" and Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations--Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." SFAS No. 144 establishes a single accounting model for long-lived assets to be disposed of by sale and resolves implementation issues related to Statement No. 121.

SFAS No. 144 is effective for financial statements issued for fiscal years beginning after December 15, 2001, or November 1, 2002 for us. We do not expect the adoption of this Statement to have a material impact on our results of operations or financial position.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

All statements other than statements of historical facts included in this Form 10-Q, including, without limitation, statements regarding our future financial position, business strategy, budgets, projected costs, goals and plans and objectives of management for future operations, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "project," "believe" or "continue" or the negative thereof or variations thereon or similar terminology. Forward-looking statements speak only as the date the statements were made. Although we believe that the expectations reflected in forward-looking statements have a reasonable basis, we can give no assurance that these expectations will prove to be correct. Forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed in or implied by the statements. Such risks and uncertainties that might cause a difference include, but are not limited to: general economic and business conditions, including a prolonged or substantial economic downturn; changing trends and demands in the industries in which we compete, including industry over-capacity; industry competition; the continuing consolidation of our customer base for our containerboard and corrugated products; political instability in those foreign countries where we manufacture and sell our products; foreign currency fluctuations and devaluations; availability and costs of raw materials for the manufacture of our products, particularly steel and resin, and price fluctuations in energy costs; costs associated with litigation or claims against us pertaining to environmental, safety and health, product liability and other matters; work stoppages and other labor relations matters; the frequency and volume of sales of our timber and timberland; and the deviation of actual results from the estimates and/or assumptions used by us in the application of our significant accounting policies. These and other risks and uncertainties that could materially affect our consolidated financial results are further discussed in our filings with the Securities and Exchange Commission, including our Form 10-K for the year ended October 31, 2001.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There has not been a significant change in the quantitative and qualitative disclosures about our market risk from the disclosures contained in our Annual Report on Form 10-K for the year ended October 31, 2001.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a.) Exhibits

Exhibit No.	Description of Exhibit
99.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(b.) Reports on Form 8-K.

No events occurred during the third quarter of 2002 requiring a Current report of form 8-K to be filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, we have duly caused this report to be signed on our behalf by the undersigned thereto duly authorized.

Greif Bros. Corporation
(Registrant)

Date: September 12, 2002

/s/ Donald S. Huml

Donald S. Huml
Chief Financial Officer
(Duly Authorized Signatory)

CERTIFICATIONS

I, Michael J. Gasser, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Greif Bros. Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.

Date: September 12, 2002

/s/ Michael J. Gasser
Michael J. Gasser, Chairman
and Chief Executive Officer
(Principal executive officer)

I, Donald S. Huml, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Greif Bros. Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.

Date: September 12, 2002

/s/ Donald S. Huml
Donald S. Huml, Chief Financial
Officer (Principal financial officer)

GREIF BROS. CORPORATION

Form 10-Q
For Quarterly Period Ended July 31, 2002

EXHIBIT INDEX

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EXHIBIT 99.1

Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Greif Bros. Corporation (the "Company") on Form 10-Q for the quarterly period ended July 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael J. Gasser, the chief executive officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 12, 2002

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

EXHIBIT 99.2

Certification Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Greif Bros. Corporation (the "Company") on Form 10-Q for the quarterly period ended July 31, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Donald S. Huml, the chief financial officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 12, 2002

/s/ Donald S. Huml
Donald S. Huml,
Chief Financial Officer