

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended January 31, 1996 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 (I.R.S. Employer
incorporation or organization) Identification No.)

621 Pennsylvania Avenue, Delaware, Ohio 43015

(Address of principal executive offices) (Zip Code)

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

Not Applicable

Former name, former address and former fiscal year, if changed since last report.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (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 . 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 10,873,172 shares
Class B Common Stock 12,001,793 shares

PART I. FINANCIAL INFORMATION

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF INCOME

(Dollars in thousands, except per share amounts)

For the three months ended January 31,	1996	1995
Net sales	\$159,743	\$170,058
Other income:		
Interest and other	855	1,337
Gain on timber sales	1,891	3,026
	162,489	174,421
Costs and expenses (including depreciation of \$6,523 in 1996 and \$5,516 in 1995):		
Cost of products sold	127,434	132,658
Selling, general and administrative	17,285	16,659
Interest	244	426
	144,963	149,743
Income before income taxes	17,526	24,678
Taxes on income	6,700	9,300
Net income	\$ 10,826	\$ 15,378

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

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

Class A Common Stock	\$0.41	\$0.58
Class B Common Stock	\$0.52	\$0.68

Due to the special characteristics of the Company's two classes of stock (see Note 1), earnings per share can be calculated upon the basis of varying assumptions, none of which, in the opinion of management, would be free from the claim that it fails fully and accurately to represent the true interest of the shareholders of each class of stock and in the retained earnings.

See accompanying Notes to Consolidated Financial Statements.

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

ASSETS

	January 31, 1996	October 31, 1995
CURRENT ASSETS		
Cash and cash equivalents	\$ 34,421	\$ 31,612
Canadian government securities	18,257	18,981
Trade accounts receivable--less allowance of \$789 for doubtful items	68,875	76,950
Inventories, at the lower of cost (prin- cipally last-in, first-out) or market	48,056	53,876
Prepaid expenses and other	16,069	16,482
Total current assets	185,678	197,901

LONG TERM ASSETS		
Cash surrender value of life insurance	2,886	2,838
Interest in partnership	-0-	1,091
Other long term assets	6,708	6,977
	9,594	10,906
PROPERTIES, PLANTS AND EQUIPMENT--at cost		
Timber properties--less depletion	4,571	4,518
Land	10,978	11,014
Buildings	118,046	104,892
Machinery, equipment, etc.	327,860	319,785
Construction in progress	32,267	42,102
Less accumulated depreciation	(229,165)	(223,456)
	264,557	258,855
	\$459,829	\$467,662

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable	\$ 22,009	\$ 35,935
Current portion of long term obligations	257	264
Accrued payrolls and employee benefits	9,909	10,882
Accrued taxes--general	1,451	1,954
Taxes on income	3,799	126
Total current liabilities	37,425	49,161

LONG TERM OBLIGATIONS (interest rates from 4.81% - 8.00%; payable to 2002)	14,037	14,101
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OTHER LONG TERM LIABILITIES	18,673	18,305
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DEFERRED INCOME TAXES	15,165	13,562
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Total long term liabilities	47,875	45,968
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SHAREHOLDERS' EQUITY (Note 1)

Capital stock, without par value	9,034	9,034
Class A Common Stock:		
Authorized 32,000,000 shares;		
issued 21,140,960 shares;		
outstanding 10,873,172 shares		
Class B Common Stock:		
Authorized and issued 17,280,000 shares;		
outstanding 12,001,793 shares		
(13,201,793 in 1995)		
Treasury Stock, at cost	(41,867)	(40,776)
Class A Common Stock: 10,267,788 shares		
Class B Common Stock: 5,278,207 shares		
(4,078,207 in 1995)		
Retained earnings	411,681	407,665
Cumulative translation adjustment	(4,319)	(3,390)
	374,529	372,533
	\$459,829	\$467,662

See accompanying Notes to Consolidated Financial Statements.

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

For the three months ended January 31, 1996 1995

Cash flows from operating activities:

Net income	\$10,826	\$15,378
Adjustments to reconcile net income to net cash provided by operating activities:		

Depreciation and depletion	6,523	5,694
Deferred income taxes	1,612	1,342
(Increase) decrease:		
Trade accounts receivable	8,075	(1,703)
Inventories	5,820	(4,480)
Prepaid expenses and other	413	227
Other long term assets	221	(178)
Increase (decrease):		
Accounts payable	(13,926)	(7,126)
Accrued payrolls and employee benefits	(973)	(650)
Accrued taxes - general	(503)	(724)
Taxes on income	3,673	6,437
Other long term liabilities	368	593
Net cash provided by operating activities	22,129	14,810
Cash flows from investing activities:		
Sales (purchases) of investments in government and short term securities	724	3,291
Purchase of properties, plants and equipment	(12,375)	(9,771)
Net cash used by investing activities	(11,651)	(6,480)
Cash flows from financing activities:		
(Payments) proceeds on long term debt	(71)	(3,067)
Acquisition of treasury stock	-0-	(89)
Dividends paid	(6,810)	(6,650)
Net cash used by financing activities	(6,881)	(9,806)
Foreign currency translation adjustment	(788)	(1,281)
Net increase (decrease) in cash and cash equivalents	2,809	(2,757)
Cash and cash equivalents at beginning of period	31,612	29,543
Cash and cash equivalents at end of period	\$34,421	\$26,786

See accompanying Notes to Consolidated Financial Statements.

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 1996

NOTE 1 - CAPITAL STOCK AND RETAINED EARNINGS

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

NOTE 2 - DIVIDENDS PER SHARE

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

	Three Months Ended January 31,	
	1996	1995
Class A Common Stock	\$.24	\$.22
Class B Common Stock	\$.35	\$.32

NOTE 3 - CALCULATION OF NET INCOME PER SHARE

Net income per share was calculated using the following number of shares for the period presented:

Class A Common Stock	- 10,873,172 shares
Class B Common Stock	- 12,081,793 shares

NOTE 4 - INVENTORIES

Inventories are comprised principally of raw materials.

NOTE 5 - TREASURY SHARES ACQUIRED

Effective November 6, 1995, Macauley & Company (the Partnership) in which the Company was a limited partner, was liquidated. Prior to the liquidation, the Partnership held Class B Common Stock (2,400,000 shares) of the Company. Upon liquidation, the Company received 1,200,000 shares of the Class B Common Stock. The Company recorded the liquidation by crediting interest in partnership and charging an equal amount to treasury stock.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Results of Operations

Historically, revenues or earnings may or may not be representative of future operations because of various economic factors. The following comparative information is presented for the 3-month periods ended January 31, 1996 and January 31, 1995.

Net sales decreased 6% during the current quarter compared to the previous period. This decrease was primarily the result of decreases in the containerboard segment, which was significantly affected by lower prices of the products in this segment.

The gain on sales of timber and timber properties decreased due to the sale of timber properties to the U.S. Forest Service and more salvage timber sales in the prior year.

The cost of products sold as a percentage of sales increased slightly as compared to the prior year. This increase is primarily the result of lower net sales of the containerboard segment as compared to the previous period.

Liquidity and Capital Resources

As indicated in the Consolidated Balance Sheet, elsewhere in this report and discussed in greater detail in the 1995 Annual Report to Shareholders, the Company is dedicated to maintaining a strong financial position. It is our belief that this dedication is extremely important during all economic times.

As discussed in the 1995 Annual Report, the Company is subject to the economic conditions of its customers. During this period, the Company has been able to utilize its developed financial position to meet its continued business needs.

The current ratio as of January 31, 1996 is an indication of the continuation of the Company's strong liquidity.

The reduction in trade accounts receivable since year-end is due to lower sales during the first quarter of fiscal 1996 compared to the fourth quarter of fiscal 1995. Likewise, the inventory and accounts payable balances are lower due to the lower sales.

The increase in buildings is the result of completing a manufacturing plant in Mason, Michigan. This increase was partially offset by a reduction in construction in progress.

Capital expenditures were \$12,375,000 during the three months ended January 31, 1996. These capital expenditures were principally needed to replace and improve equipment.

The Company has approved future purchases, primarily for equipment, of approximately \$43 million. Self-financing and low interest rate borrowing has been the primary source for financing such capital expenditures.

Effective February 1, 1996, the Company acquired Decatur Container Corporation, a manufacturer of corrugated boxes and other related items, located in Decatur, Illinois. This acquisition will add approximately \$8 million to annual sales.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There are no material pending legal proceedings.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

(a.) The Company held its Annual Meeting of Stockholders on February 26, 1996.

(b.) At the Annual Meeting of Stockholders, the following nominees were elected:

Charles R. Chandler
Michael H. Dempsey
Naomi C. Dempsey
Michael J. Gasser
Daniel J. Gunsett
Allan Hull
Robert C. Macauley
William B. Sparks, Jr.
J Maurice Struchen

(c.) At the Annual Meeting of Stockholders, the adoption of a proposed amendment to the Greif Bros. Corporation By-laws was approved by the stockholders, increasing the number of directors from seven to nine. The inspectors of election certified the following vote tabulations:

For	11,130,648
Against	100,182

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a.) Exhibits.

None.

(b.) Reports on Form 8-K.

No events occurred requiring Form 8-K to be filed.

OTHER COMMENTS

The information furnished herein reflects all adjustments which are, in the opinion of management, necessary for a fair presentation of the consolidated balance sheet as of January 31, 1996, the consolidated statement of income for the 3-month periods ended January 31, 1996 and 1995, and the consolidated statement of cash flows for the 3-month periods then ended. These financial statements are unaudited; however, at year-end an audit will be made for the fiscal year by independent certified public accountants.

SIGNATURES

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

Greif Bros. Corporation

(Registrant)

Date March 8, 1996

John K. Dieker
Controller

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

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3-MOS		
	OCT-31-1996	
	JAN-31-1996	
		34,421
		18,257
		69,664
		(789)
		48,056
	185,678	
		493,722
	(229,165)	
	459,829	
	37,425	
		0
	0	
		0
		9,034
		365,495
459,829		
		159,743
	162,489	
		127,434
		127,434
		17,285
		0
		244
		17,526
		6,700
	10,826	
		0
		0
		0
		10,826
		.41
		.41

Amount represents the earnings per share for the Class A Common Stock. The earnings per share for the Class B Common Stock are \$.52.