

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

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

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

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

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

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

The business of the Company is not seasonal to any significant extent and has not recently been significantly affected by inflation.

The approximate number of persons employed during the year was 5,150.

Item 1. Business (concluded)

Acquisitions and Dispositions

A description of significant acquisitions and dispositions is included in Note 2 to the Consolidated Financial Statements on pages 43-45 of this Form 10-K, which Note is part of the financial statements contained in Item 8 of this Form 10-K, and which Note is incorporated herein by reference.

In January 1999, the Company purchased the assets of the intermediate bulk containers business of Sonoco Products Company. Prior to the acquisition, the Company has been marketing and selling this product under a distributorship agreement that was entered into on March 30, 1998.

Industry Segments

Financial information concerning the Company's industry segments as required by Item 101(b) is included in Note 11 to the Consolidated Financial Statements on pages 55-57 on this Form 10-K, which Note is incorporated herein by reference.

Item 2. Properties

The following are the Company's principal locations and products manufactured at such facilities or the use of such facilities. The Company considers its operating properties to be in satisfactory condition and adequate to meet its present needs. However, the Company expects to make further additions, improvements and consolidations of its properties as the Company's business continues to expand.

Location	Products Manufactured/Use	Industry Segment
Alabama:		
Creola (1)	Fibre drums	Industrial shipping containers
Cullman	Steel drums	Industrial shipping containers
Arkansas:		
Batesville (2)	Fibre drums	Industrial shipping containers
California:		
Fontana	Steel drums	Industrial shipping containers
LaPalma	Fibre drums	Industrial shipping containers
Merced	Steel drums	Industrial shipping containers
Morgan Hill	Fibre drums	Industrial shipping containers
Sante Fe Springs (3)	Warehouse	Industrial shipping containers
Stockton	Corrugated honeycomb	Containerboard
Connecticut:		
Windsor Locks (4)	Fibre drums	Industrial shipping containers
Colorado:		
Denver (5)	Warehouse	Industrial shipping containers
Georgia:		
Dalton (6)	Packaging services	Industrial shipping containers
Lithonia	Fibre drums and laminator	Industrial shipping containers
Macon	Corrugated honeycomb	Containerboard
Marietta (7)	General office	Industrial shipping containers

Item 2. Properties (continued)

Location	Products Manufactured /Use	Industry Segment
Illinois:		
Blue Island	Fibre drums	Industrial shipping containers
Centralia	Corrugated containers and sheets	Containerboard
Chicago	Steel drums	Industrial shipping containers
Lockport	Plastic drums	Industrial shipping containers
Lombard (8)	General office	Industrial shipping containers
Lombard (9)	Research center	Industrial shipping containers
Naperville (10)	Fibre drums	Industrial shipping containers
Northlake	Fibre drums and plastic drums	Industrial shipping containers
Oreana	Corrugated containers	Containerboard
Posen	Corrugated honeycomb	Containerboard
Posen (11)	Warehouse	Containerboard
Quincy (37)	Warehouse	Containerboard
Indiana:		
Ferdinand (12)	Corrugated containers	Containerboard
Kansas:		
Kansas City (13)	Fibre drums	Industrial shipping containers
Winfield	Steel drums	Industrial shipping containers
Kentucky:		
Erlanger (14)	Corrugated containers	Containerboard
Louisville	Corrugated sheets	Containerboard
Louisville (15)	Corrugated containers	Containerboard
Louisville (37)	Warehouse	Containerboard
Mt. Sterling	Plastic drums	Industrial shipping containers
Mt. Sterling (37)	Warehouse	Industrial shipping containers
Winchester	Corrugated containers	Containerboard
Winchester (16)	Warehouse	Containerboard
Louisiana:		
St. Gabriel	Steel drums and plastic drums	Industrial shipping containers

Item 2. Properties (continued)

Location	Products Manufactured /Use	Industry Segment
Massachusetts: Mansfield	Fibre drums	Industrial shipping containers
West Springfield (17)	Sales office	Industrial shipping containers
Worcester	Plywood reels	Industrial shipping containers
Michigan: Canton	Warehouse	Containerboard
Grand Rapids	Corrugated sheets	Containerboard
Mason	Corrugated sheets	Containerboard
Roseville	Corrugated containers	Containerboard
Taylor	Fibre drums	Industrial shipping containers
Minnesota: Minneapolis	Fibre drums	Industrial shipping containers
Rosemount	Multiwall bags	Industrial shipping containers
St. Paul	Tight cooperage	Industrial shipping containers
St. Paul (18)	General office	Industrial shipping containers
Mississippi: Durant	Plastic products	Industrial shipping containers
Jackson (19)	General office	
Missouri: Wright City (20)	Fibre drums	Industrial shipping containers
Nebraska: Omaha (21)	Multiwall bags	Industrial shipping containers
Omaha	Warehouse	Industrial shipping containers

Item 2. Properties (continued)

Location	Products Manufactured /Use	Industry Segment
New Jersey:		
Englishtown (22)	Fibre drums	Industrial shipping containers
Rahway	Fibre drums and plastic drums	Industrial shipping containers
Spotswood	Fibre drums	Industrial shipping containers
Teterboro	Fibre drums	Industrial shipping containers
New York:		
Syracuse	Fibre drums	Industrial shipping containers
Tonawanda	Fibre drums	Industrial shipping containers
North Carolina:		
Bladenboro	Steel drums	Industrial shipping containers
Charlotte (23)	Fibre drums	Industrial shipping containers
Concord	Corrugated sheets	Containerboard
Ohio:		
Caldwell	Steel drums	Industrial shipping containers
Canton (37)	Corrugated containers	Containerboard
Cincinnati	Corrugated sheets	Containerboard
Cleveland	Corrugated containers	Containerboard
Columbus (24)	General office	Industrial shipping containers
Columbus (25)	General office	
Delaware	Principal office	
Delaware (26)	Research center	Industrial shipping containers
Fostoria	Corrugated containers	Containerboard
Hebron	Plastic drums	Industrial shipping containers
Massillon	Recycled containerboard	Containerboard
Massillon	Corrugated sheets	Containerboard
Tiffin	Corrugated containers	Containerboard
Van Wert	Fibre drum	Industrial shipping containers
Zanesville	Corrugated containers and sheets	Containerboard

Item 2. Properties (continued)

Location	Products Manufactured /Use	Industry Segment
Pennsylvania:		
Hazelton Hazelton (27)	Corrugated honeycomb Plastic drums	Containerboard Industrial shipping containers
Reno (37) Stroudsburg	Corrugated containers Drum hardware	Containerboard Industrial shipping containers
Twin Oaks	Fibre drums	Industrial shipping containers
Washington Wayne (28)	Corrugated containers and sheets Sales office	Containerboard Industrial shipping containers
Tennessee:		
Kingsport	Fibre drums	Industrial shipping containers
Texas:		
Angleton	Steel drums	Industrial shipping containers
Fort Worth	Fibre drums	Industrial shipping containers
Houston (29)	Fibre drums	Industrial shipping containers
Houston (30)	Plastic drums	Industrial shipping containers
Houston (31)	Sales office	Industrial shipping containers
LaPorte	Steel drums and plastic drums	Industrial shipping containers
Waco	Corrugated honeycomb	Containerboard
Virginia:		
Riverville	Containerboard	Containerboard
Washington:		
Vancouver (32)	Corrugated honeycomb	Containerboard
Vancouver (33)	Warehouse	Containerboard
West Virginia:		
Culloden (34)	Fibre drums	Industrial shipping containers
Huntington (35)	Corrugated containers and sheets	Containerboard
Huntington (36)	Warehouse	Containerboard
Wisconsin:		
Sheboygan	Fibre drums	Industrial shipping containers

Item 2. Properties (continued)

Location	Products Manufactured /Use	Industry Segment
Canada		
Alberta:		
Lloydminster	Steel drums, fibre drums and plastic drums	Industrial shipping containers
Ontario:		
Belleville	Fibre drums and plastic products	Industrial shipping containers
Bowmanville	Spiral tubes	Industrial shipping containers
Fort Frances	Spiral tubes	Industrial shipping containers
Fruitland	Drum hardware	Industrial shipping containers
Milton	Fibre drums	Industrial shipping containers
Niagara Falls	General office	Industrial shipping containers
Oakville	Steel drums	Industrial shipping containers
Stoney Creek	Steel drums	Industrial shipping containers
Winona	Research center and drum hardware	Industrial shipping containers
Quebec:		
La Salle	Fibre drums	Industrial shipping containers
Maple Grove	Pallets	Industrial shipping containers
Pointe Aux Trembles	Fibre drums and spiral tubes	Industrial shipping containers
Mexico		
Estado de Mexico:		
Naucalpan de Juarez	Fibre drums	Industrial shipping containers

Item 2. Properties (concluded)

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

Exceptions:

- (1) Lease expires June 30, 2000
- (2) Lease expires August 31, 1999
- (3) Lease expires February 28, 1999
- (4) Lease expires December 31, 1998
- (5) Lease expires December 15, 1998
- (6) Lease expires September 30, 2002
- (7) Lease expires April 14, 2001
- (8) Lease expires April 30, 1999
- (9) Lease expires July 31, 2007
- (10) Lease expires June 30, 2000
- (11) Lease expires April 30, 1999
- (12) Lease expires October 26, 1999
- (13) Lease expires March 31, 1999
- (14) Lease expires October 6, 2003
- (15) Lease expires December 31, 1998
- (16) Lease expires December 31, 1998
- (17) Lease expires August 31, 1999
- (18) Lease expires December 31, 1999
- (19) Lease expires August 31, 2001
- (20) Lease expires August 31, 2005
- (21) Lease expires June 30, 1999
- (22) Lease expires February 28, 2003
- (23) Lease expires September 30, 2003
- (24) Lease expires November 30, 1999
- (25) Lease expires August 31, 2001
- (26) Lease expires June 30, 2001
- (27) Lease expires April 30, 2006
- (28) Lease expires December 31, 2000
- (29) Lease expires December 31, 2001
- (30) Lease expires September 30, 2002
- (31) Lease expires June 30, 2001
- (32) Lease expires January 31, 2002
- (33) Lease expires February 28, 2002
- (34) Lease expires January 31, 2002
- (35) Lease expires October 7, 2001
- (36) Lease expires March 31, 2000
- (37) Lease operates month to month

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

Item 3. Legal Proceedings

The Company has no pending material legal proceedings.

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

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

Currently, the only exposure known to the Company which may exceed \$100,000 relates to a pollution situation at its Strother Field plant in Winfield, Kansas. A record of decision issued by the U.S. Environmental Protection Agency (EPA) has set forth estimated remedial costs which could expose the Company to approximately \$3,000,000 in expense under certain assumptions. If the Company ultimately is required to incur this expense, a significant portion would be paid over 10 years. The Kansas site involves groundwater pollution and certain soil pollution that was found to exist on the Company's property. The estimated costs of the remedy currently preferred by the EPA for the soil pollution on the Company's land represents approximately \$2,000,000 of the estimated \$3,000,000 in expense.

The final remedies have not been selected. In an effort to minimize its exposure for soil pollution, the Company has undertaken further engineering borings and analysis to attempt to identify a more definitive soil area which would require remediation. However, there can be no assurance that the Company will be successful in minimizing such exposure, and there can be no assurance that the total expense incurred by the Company in remediating this site will not exceed \$3,000,000.

A reserve for \$2,000,000 was recorded by the Company during fiscal 1995 since it was considered the most likely amount of loss. To date, \$385,000 has been charged against the reserve. The remaining reserve is considered adequate.

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

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

Executive Officers of the Company

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

Name	Age	Positions and Offices	Year first became Executive Officer
Michael J. Gasser	47	Chairman of the Board of Directors and Chief Executive Officer, Chairman of the Executive and Nominating Committees	1988
William B. Sparks, Jr.	57	Director, President and Chief Operating Officer, member of the Executive Committee	1995
Charles R. Chandler	63	Director, Vice Chairman, member of the Executive Committee	1996
Joseph W. Reed	61	Chief Financial Officer and Secretary	1997
Michael L. Roane	43	Vice President, Human Resources	1998
Lloyd D. Baker	65	President of Soterra, Incorporated (subsidiary company)	1975
John P. Berg	78	President Emeritus	1972
Michael M. Bixby	55	Vice President, Strategic Accounts	1980
Ronald L. Brown	51	Vice President, Sales and Marketing	1996

Executive Officers of the Company (continued)

Name	Age	Positions and Offices	Year first became Executive Officer
Wayne R. Carlberg	55	Vice President, Marketing	1998
John K. Dieker	35	Corporate Controller	1996
Elco Drost	53	President of Greif Containers Inc. (subsidiary company)	1996
Russell A Fazio	55	Vice President, Field Sales	1998
Michael A. Giles	48	Vice President, Manufacturing, Containerboard Mill Operations	1996
C.J. Guilbeau	51	Vice President and Associate Director of Manufacturing	1986
Sharon R. Maxwell	49	Assistant Secretary	1997
Philip R. Metzger	51	Treasurer	1995
Bruce J. Miller	43	Vice President, Sales and Marketing, Corrugated Products and Services	1998
Mark J. Mooney	41	Vice President, Packaging Services	1997
William R. Mordecai	46	Vice President, Sales and Marketing, Containerboard and Paper	1997
Jerome B. Nolder, Jr.	40	Vice President, Container Operations	1996
William R. Shew	68	Special Assistant to the Vice Chairman	1996

Executive Officers of the Company (continued)

Name	Age	Positions and Offices	Year first became Executive Officer
Kent P. Snead	53	Corporate Director of Strategic Projects	1997
Karl Svendsen	57	Vice President, Manufacturing	1998

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

Mr. Michael J. Gasser was elected Chairman of the Board of Directors and Chief Executive Officer during 1994. Prior to that time, and for more than five years, he served as a Vice President of the Company.

Mr. William B. Sparks, Jr. was elected President and Chief Operating Officer during 1995. Prior to that time, and for more than five years, he served as Chief Executive Officer of Down River International, Inc., a former subsidiary of the Company.

Mr. Charles R. Chandler was elected Vice Chairman during 1996. Prior to that time, and for more than five years, he served as President and Chief Operating Officer of Virginia Fibre Corporation (now Greif Bros. Corporation of Virginia), a subsidiary of the Company.

Mr. Joseph W. Reed was elected Chief Financial Officer and Secretary in 1997. Prior to that time, and for more than five years, he served as Senior Vice President, Finance and Administration - CFO of Pharmacia, Inc.

Mr. Michael L. Roane was elected Vice President, Human Resources, in 1998. Prior to that time, and for more than the past five years, Mr. Roane served as Vice President, Human Resources, for Owens and Minor, Inc.

Mr. Lloyd D. Baker was elected President of Soterra, Incorporated (subsidiary company) during 1997. Prior to that time, and for more than five years, he served as a Vice President of the Company.

Mr. John P. Berg was elected President Emeritus in 1996. Prior to that time, he served as President of the Company and General Manager of one of its divisions for more than five years.

Mr. Michael M. Bixby became Vice President, Strategic Accounts, during 1998. During the past five years, he has been a Vice President of the Company.

Executive Officers of the Company (continued)

Mr. Ronald L. Brown became Vice President, Sales and Marketing, during 1997. Prior to that time, and for more than five years, he served as President and Chief Operating Officer for Down River International (former subsidiary company).

Mr. Wayne R. Carlberg was elected Vice President, Marketing, during 1998. Prior to that time, and for more than five years, he held the position of Sales Manager for the Industrial Container Division of Sonoco Products Company, which was acquired on March 31, 1998.

Mr. John K. Dieker was elected Corporate Controller in 1995. Prior to that time, and for more than five years, he served as Assistant Corporate Controller.

During 1996, Mr. Elco Drost was elected President of Greif Containers Inc. (subsidiary company) and continues to serve in this capacity. Prior to that time, and for more than five years, he served as Vice President for the subsidiary company.

Mr. Russell A. Fazio was elected Vice President, Field Sales, during 1998. Prior to that time, and for more than five years, he held the position of Manager, Strategic Account Programs, for the Industrial Container Division of Sonoco Products Company, which was acquired on March 31, 1998.

Mr. Michael A. Giles became Vice President, Manufacturing, Containerboard Mill Operations, in 1997. He was Executive Vice President of Virginia Fibre Corporation (now Greif Bros. Corporation of Virginia, subsidiary company) in 1996. From 1995 to 1996, he served as Vice President of Manufacturing and, prior to that time, Vice President of Finance and Treasurer at the subsidiary company for more than five years.

Mr. C.J. Guilbeau became Vice President and Associate Director of Manufacturing during 1997. During the past five years, he has served as Vice President of the Company.

Ms. Sharon R. Maxwell was elected Assistant Secretary during 1997. Prior to that time, and for more than five years, she served as administrative assistant to the Chairman.

Mr. Philip R. Metzger was elected Treasurer in 1995. Prior to that time, and for more than the past five years, he served as Assistant Treasurer and Assistant Controller.

Executive Officers of the Company (concluded)

Mr. Bruce J. Miller was elected Vice President, Sales and Marketing, Corrugated Products and Services, during 1998. In 1997 and early 1998, Mr. Miller served as Director, Vendor Management Programs, for the Industrial Shipping Containers segment. Prior to that time, and for more than five years, he served as a Vice President of Down River International, Inc. (former subsidiary company).

Mr. Mark J. Mooney became Vice President, Packaging Services, during 1998. Prior to that time, Mr. Mooney served as Vice President, National Sales, and prior to 1996, and for more than the past five years, he served as the Operations Director, Multiwall Bags, at one of its divisions.

Mr. William R. Mordecai became Vice President, Sales and Marketing, Containerboard and Paper, during 1997. During 1996 to 1997, Mr. Mordecai served as Director, Containerboard Marketing, for Virginia Fibre Corporation (now Greif Bros. Corporation of Virginia, subsidiary company). Prior to that time, and for more than five years, he served as President of Pimlico Paper Corporation.

Mr. Jerome B. Nolder, Jr. became Vice President, Container Operations, during 1997. Prior to that time, he served as General Manager of one of its divisions since 1994, and prior to that time, he served as Operations Manager for the division for more than five years.

Mr. William R. Shew became Special Assistant to the Vice Chairman during 1997. Prior to that time, and for more than the past five years, he served as President of Greif Board Corporation (subsidiary company).

Mr. Kent P. Snead became Corporate Director of Strategic Projects during 1997. Prior to that time, and for more than the past five years, he served as the Engineering Manager for Virginia Fibre Corporation (subsidiary company).

Mr. Karl Svendsen was elected Vice President, Manufacturing, during 1998. Prior to that time, he served as Vice President, Operating Resources, for the Industrial Container Division of Sonoco Products Company, acquired on March 30, 1998, for more than five years.

PART II

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

The Class A and Class B Common Stock are traded on the NASDAQ Stock Market.

The high and low sales prices for each quarterly period during the last two fiscal years are as follows:

	Quarter Ended,			
	Jan. 31, 1998	Apr. 30, 1998	July 31, 1998	Oct. 31, 1998
Market price (Class A Common Stock):				
High	\$35 3/4	\$41 1/4	\$40 3/4	\$40 5/8
Low	\$32	\$35	\$35	\$27 1/2
Market price (Class B Common Stock):				
High	\$40	\$44	\$43 3/4	\$43
Low	\$33 1/2	\$37 1/2	\$40 3/4	\$34

	Quarter Ended,			
	Jan. 31, 1997	Apr. 30, 1997	July 31, 1997	Oct. 31, 1997
Market price (Class A Common Stock):				
High	\$31	\$31 1/4	\$31 1/4	\$36 1/2
Low	\$27	\$25	\$23 3/4	\$30
Market price (Class B Common Stock):				
High	\$35	\$35	\$33	\$37 1/4
Low	\$30	\$28 1/4	\$26 3/4	\$31 1/4

As of December 18, 1998, there were 747 shareholders of record of the Class A Common Stock and 181 shareholders of record of the Class B Common Stock.

The Company paid five dividends of varying amounts during its fiscal year computed on the basis described in Note 5 to the Consolidated Financial Statements on page 48 of this Form 10-K, which is hereby incorporated by reference. The annual dividends paid for the last three fiscal years are as follows:

1998 fiscal year dividends per share - Class A \$.48; Class B \$.71
 1997 fiscal year dividends per share - Class A \$.60; Class B \$.89
 1996 fiscal year dividends per share - Class A \$.48; Class B \$.71

Item 6. Selected Financial Data

The 5-year selected financial data is as follows (Dollars in thousands, except per share amounts):

	Years Ended October 31,				
	1998	1997	1996	1995	1994
Net sales	\$801,131	\$648,984	\$637,368	\$719,345	\$583,526
Net income	\$ 33,104	\$ 18,086	\$ 42,747	\$ 60,133	\$ 33,754
Total assets	\$829,363	\$550,089	\$512,338	\$467,662	\$419,074
Long-term obligations	\$235,000	\$ 52,152	\$ 25,203	\$ 14,365	\$ 28,215
Dividends per share:					
Class A Common Stock	\$.48	\$.60	\$.48	\$.40	\$.30
Class B Common Stock	\$.71	\$.89	\$.71	\$.59	\$.44
Basic and diluted earnings per share:					
Class A Common Stock	\$ 1.15	\$.63	\$ 1.48	\$ 1.96	\$ 1.10
Class B Common Stock	\$ 1.71	\$.94	\$ 2.22	\$ 2.93	\$ 1.64

Current year amounts include the results of operations and assets of the industrial containers business of Sonoco Products Company acquired on March 30, 1998. The increase in long-term obligations is a result of this acquisition.

The results of operations include the effects of pretax restructuring charges of \$27.5 million and \$6.2 million for 1998 and 1997, respectively.

Prior year earnings per share have been restated to reflect the adoption of SFAS No. 128 (see Note 1 to the Consolidated Financial Statements).

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

FINANCIAL DATA

Presented below are certain comparative data illustrative of the following discussion of the Company's results of operations, financial condition and changes in financial condition (Dollars in thousands):

	1998	1997	1996
Net sales:			
Industrial Shipping Containers	\$444,130	\$333,005	\$322,330
Containerboard	357,001	315,979	315,038
Total	\$801,131	\$648,984	\$637,368
Operating profit:			
Industrial Shipping Containers	\$ 26,928	\$ 10,687	\$ 13,533
Containerboard	40,972	2,480	40,129
Total	\$ 67,900	\$ 13,167	\$ 53,662
Net income	\$ 33,104	\$ 18,086	\$ 42,747
Current ratio	2.6:1	2.9:1	3.7:1
Cash flows from operations	\$ 76,862	\$ 40,115	\$ 81,906
Increase (decrease) in working capital	\$ 46,001	\$(22,257)	\$(13,973)
Capital expenditures	\$ 38,093	\$ 36,193	\$ 74,395
Acquisitions	\$185,395	\$ 41,724	\$ 9,275

RESULTS OF OPERATIONS

The Company had net income, excluding the effect of a \$27.5 million restructuring charge, of \$49.4 million, or \$1.71 and \$2.56 per share for the Class A and Class B Common Stock, respectively, compared to net income, excluding the effect of a \$6.2 million restructuring charge, of \$21.9 million, or \$.76 and \$1.13 per share for the Class A and Class B Common Stock, respectively, last year. Including the effect of the restructuring charge, the Company reported net income of \$33.1 million, or \$1.15 and \$1.71 per share for the Class A and Class B Common Stock, respectively, for 1998. Prior year net income, inclusive of the effect of that year's restructuring charge, was \$18.1 million, or \$.63 and \$.94 per share for the Class A and Class B Common Stock, respectively.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The increase in net income, excluding the effect of the restructuring charges, was due primarily to improved operating profits for the Containerboard segment resulting from higher average paper prices over the prior year. In addition, the acquisition of the industrial containers business of Sonoco and several timberland sales contributed to the improvement in net income.

Historically, revenues or earnings may or may not be indicative of future operations because of various economic factors. As explained below, the Company is subject to the general economic conditions of its customers and the industry in which it operates.

The Company's Industrial Shipping Containers segment, where packages manufactured by the Company are purchased by other manufacturers and suppliers, is substantially subject to the general economic conditions and business success of the Company's customers.

Similarly, the Company's Containerboard segment is subject to the general economic conditions and the effect of the operating rates of the containerboard industry, including pricing pressures from its competitors.

The Company remains confident that, with the financial strength that it has built over its 121-year existence, it will be able to effectively compete in its highly competitive markets.

Net Sales

Net sales increased \$152.1 million or 23.4% during the current year as compared to the previous year.

The net sales of the Industrial Shipping Containers segment increased by \$111.1 million or 33.4% in comparison to the prior year. This increase was primarily the result of the acquisition of the industrial containers business of Sonoco which contributed \$123.5 million of net sales during 1998.

The net sales of the Containerboard segment increased by \$41.0 million or 13.0% in comparison to the prior year. This increase was primarily the result of a \$35.9 million increase in net sales from the Company's paper mills which was attributed primarily to the improved sales prices of its products. The higher sales prices were caused by the overall improvement of the containerboard market. In addition, the purchase of Independent Container, Inc. and Centralia Container, Inc. in May 1997 and June 1997, respectively, contributed \$24.0 million in additional net sales as a result of higher sales volume. In August 1997, the Company disposed of its wood components plants in Kentucky, California, Washington and Oregon with prior year net sales of \$37.0 million.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The Industrial Shipping Containers segment had an increase in net sales of \$10.7 million or 3.3% in 1997 as compared to 1996. The increase was due primarily to the purchase of two steel drum operations located in Merced, California and Oakville, Ontario, Canada in 1997 which contributed \$19.1 million in sales during 1997. The increase that resulted from this acquisition was partially offset by the disposal of one of the Company's injection molding facilities located in Ohio during February 1997. Net sales for the location sold amounted to \$3.6 million in 1997 and \$12.3 million in 1996. The location was sold since it was determined that it no longer met the strategic objectives of the Company.

The Containerboard segment had a slight increase in net sales in 1997 as compared to 1996. Excess capacity in the containerboard market caused sales prices for containerboard and related products to be lower. In fact, paper prices reached a 19-year low in May 1997. This reduction in sales prices from the Company's paper mills was partially offset by an increase in sales volume in 1997 as compared to 1996. In addition, the sale of the wood components plants caused a decrease in sales since the prior year. Net sales for these locations amounted to \$37.0 million in 1997 and \$42.5 million in 1996. Furthermore, the Company completed three acquisitions of corrugated container companies: Aero Box Company located in Roseville, Michigan; Independent Container, Inc. with locations in Louisville and Erlanger, Kentucky and Ferdinand, Indiana; and Centralia Container, Inc. located in Centralia, Illinois. These acquisitions, as well as the two acquisitions from the prior year, contributed \$48.7 million of net sales during 1997. In the prior year, there were \$7.3 million of net sales relating to the 1996 acquisitions.

Operating Profit

During 1998, the increase in operating profit of \$54.7 million was due primarily to an improvement in gross profit margin of 19.5% this year compared to 13.4% last year. This increase was caused by higher sales prices per unit in the Containerboard segment without a corresponding increase in the cost of products sold. In addition, the inclusion of the industrial containers business of Sonoco contributed to this increase. The increase in gross profit was partially offset by higher selling, general and administrative expenses included in both segments over the prior year. The higher selling, general and administrative expenses were due primarily to additional expenses related to the industrial containers business of Sonoco, prior year acquisitions and amortization of goodwill.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The operating profit of the Industrial Shipping Containers segment was \$10.7 million or 3.2% of net sales in 1997 as compared to \$13.5 million or 4.2% of net sales in 1996. Price pressures on its products affected the operating profits of this segment. During 1997, the Company experienced lower profitability due to higher cost of raw materials without a corresponding increase in sales prices.

The operating profit of the Containerboard segment was \$2.5 million or 0.8% of net sales in 1997 as compared to \$40.1 million or 12.7% of net sales in 1996. The decrease in 1997 is due to the reduction in sales prices resulting in less favorable gross profit margins.

Restructuring Costs

During the third quarter of 1998, the Company approved a plan to consolidate some of its locations in order to improve operating efficiencies and capabilities. The plan was a result of a study to determine whether certain locations, either existing or newly acquired, should be closed or relocated to a different facility. As a result of this plan, the Company recognized a restructuring charge of \$27.5 million in connection with eighteen of the Company's existing plants that will be closed during 1998 and 1999. These plants were not part of the industrial containers business of the Sonoco acquisition. The charge relates to \$20.9 million in employee separation costs (approximately 500 employees) and \$6.6 million in other anticipated costs of closing and disposing of the facilities. As of October 31, 1998, the Company has paid approximately \$2.7 million consisting primarily of severance payments. The Company expects the remaining liability of \$24.8 million to be expended during 1999.

In connection with the consolidation plan, an additional five locations purchased as part of the industrial containers business of Sonoco will be closed. Accordingly, the Company recorded a \$9.5 million restructuring liability related to these locations. The liability consisted of \$6.1 million in employee separation costs (approximately 100 employees) and \$3.4 million in other anticipated closing and disposition costs. As of October 31, 1998, the Company has paid approximately \$1.9 million consisting primarily of severance payments. The Company believes the remaining liability of \$7.6 million will be expended during 1999.

The Company's management believes that, upon completion of the consolidation, positive contributions to earnings on an annualized basis from these actions could approximate an amount equal to the third quarter restructuring charge as a result of reductions in labor costs and an improvement in operating efficiencies. These contributions are expected to begin in the latter part of 1998; however, the most significant impact will not be realized until the end of 1999 after the plan has been fully implemented.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

During 1997, the Company adopted a plan to consolidate its operations which included the relocation of certain key operating employees, the realignment of some of its administrative functions and the reduction of certain support functions. As a result, there was a charge to income of \$6.2 million during the fourth quarter of 1997. As of October 31, 1998, all expenditures related to the charge have been made and the liability accordingly eliminated.

Other Income

Other income increased \$3.4 million in 1998 from the prior year due primarily to \$8.9 million of additional sales of timber and timber properties. The Company analyzes market factors as well as the condition of its timberlands in order to maximize the gain on its timber sales. In the prior year, there were \$3.7 million of gains on the sale of an injection molding facility and wood components plants.

In 1997, other income increased \$10.8 million from the prior year due to \$3.0 million of additional sales of timber properties. Also, the Company sold its wood components plants and one of its injection molding facilities during the year which resulted in \$3.7 million of gains on the sale of capital assets.

Interest Expense

In 1998, interest expense increased \$9.3 million from the prior year due to increased debt relating to the acquisition of the industrial containers business of Sonoco.

In 1997, interest expense increased \$2.2 million from the prior year as a result of additional debt issued in 1997 and 1996 relating to acquisitions by the Company and certain capital improvements.

Income Before Income Taxes

Income before income taxes increased \$26.1 million in 1998 as compared to the prior year primarily due to more favorable gross profit margins experienced by the Containerboard segment than in 1997. In addition, the industrial containers business of Sonoco contributed \$12.9 million and there were \$8.9 million of gains on the sale of timber and timberlands. These increases were significantly offset by a \$27.5 million restructuring charge in 1998 as compared to a \$6.2 million restructuring charge in 1997 and \$9.3 million of additional interest expense.

Item 7. Management's Discussion and Analysis of Financial Condition
and Results of Operations (continued)

Income before income taxes decreased \$38.2 million in 1997 as compared to the prior year due primarily to less favorable gross profit margins in the Containerboard segment than in 1996. In addition, there was a \$6.2 million restructuring charge and a \$2.2 million increase in interest expense. The \$3.0 million of higher timber sales and \$3.7 million of gains on the sale of certain facilities offset these reductions.

Income Taxes

The Company anticipates that it will be able to fully realize its recognized deferred tax assets based upon its projected taxable income.

LIQUIDITY AND CAPITAL RESOURCES

As indicated in the Consolidated Balance Sheets, elsewhere in this report and in the financial data set forth above, the Company is dedicated to maintaining a strong financial position. It is management's belief that this dedication is extremely important during all economic times.

The Company's financial strength is important to continue to achieve the following goals:

- a. To protect the assets of the Company and the intrinsic value of shareholders' equity in periods of adverse economic conditions.
- b. To respond to any large and presently unanticipated cash demands that might result from future adverse events.
- c. To be able to benefit from new developments, new products and new opportunities in order to achieve the best results for our shareholders.
- d. To continue to pay competitive remuneration, including the ever-increasing costs of employee benefits, to Company employees who produce the results for the Company's shareholders.
- e. To replace and improve plants and equipment. When plants and production machinery must be replaced, either because of wear or to obtain the cost-reducing potential of technological improvement required to remain a low-cost producer in the highly competitive environment in which the Company operates, the cost of new plants and machinery are often significantly higher than the historical cost of the items being replaced.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

During 1998, the Company invested approximately \$38 million in capital additions and \$185 million for its acquisitions. During the last three years, the Company has invested \$385 million in capital additions and acquisitions.

These investments are an indication of the Company's commitment to be the quality, low-cost producer and the desirable long-term supplier to all of our customers.

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

On March 30, 1998, the Company acquired all of the outstanding shares of the industrial containers business of Sonoco for approximately \$185 million in cash. The industrial containers business includes twelve fibre drum plants and five plastic drum plants along with facilities for research and development, packaging services and distribution. In addition, the Company entered into an agreement with Sonoco to acquire its intermediate bulk containers business, which the parties intend to finalize as soon as necessary approvals are obtained. Pending receipt of such approvals, the Company markets and sells intermediate bulk containers for Sonoco under a distributorship agreement.

During 1997, the Company purchased three corrugated container companies: Aero Box Company, Independent Container, Inc. and Centralia Container, Inc. In addition, the Company purchased two steel drum operations. Furthermore, the paper mill in Ohio added a power plant to its operations and a corrugated carton plant increased its capacity with new machinery and equipment.

As discussed in prior annual reports, the Company's paper mill in Virginia made significant improvements to its facilities by adding a new woodyard and a manufacturing control system. The Company's paper mill in Ohio made significant improvements to its machinery and equipment. In addition, a new sheet feeder plant in Michigan was completed during November 1995. The Company purchased two corrugated container companies, Decatur Container Corporation and Kyowva Corrugated Container Company, Inc. during 1996.

The purchase of the industrial containers business of Sonoco has been the primary reason for the increase in accounts receivable, inventories, goodwill, property, plant and equipment and accounts payable since October 31, 1997.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The increase in the restructuring reserve is primarily due to the recording of a restructuring charge of \$27.5 million, as discussed above, during the third quarter of 1998. The remaining increase is due to a restructuring reserve that was set up for certain Sonoco locations, purchased on March 30, 1998, that will be closed. These amounts primarily relate to severance arrangements and other costs of closing the plants.

During 1998, the Company entered into a credit agreement which provides for a revolving credit facility of up to \$325 million. The Company has borrowed money under the credit facility to purchase the industrial containers business of Sonoco and repay the other long-term obligations of the Company. The credit agreement contains certain covenants including maintaining a certain leverage ratio, sufficient coverage of interest expense and a minimum net worth. In addition, the Company is limited with respect to additional debt. Finally, there are certain non-financial covenants including sales of assets, financial reporting, mergers and acquisitions, investments, change in control and Employee Retirement Income Security Act compliance.

The increase in other long-term liabilities is primarily the result of the postretirement health care benefits related to certain employees of the acquired businesses of Sonoco.

Various lawsuits, claims and proceedings have been or may be instituted or asserted against the Company, including those pertaining to environmental, product liability, safety and health matters. While the amounts claimed may be substantial, the ultimate liability cannot now be determined because of the considerable uncertainties that exist. Therefore, it is possible that results of operations or liquidity in a particular period could be materially affected by certain contingencies. However, based upon the facts currently available, management believes that the disposition of matters that are pending or asserted will not have a materially adverse affect on the financial position of the Company.

During 1997, the Company embarked on a program to implement a new management information system. The purpose of the new management information system is to focus on using information technology to link operations in order to become a low-cost producer and more effectively service the Company's customers. The ultimate cost of this project is dependent upon management's final determination of the locations, timing and extent of integration of the new management information system. As of October 31, 1998, the Company has spent approximately \$12.5 million towards this project.

Item 7. Management's Discussion and Analysis of Financial Condition
and Results of Operations (continued)

In addition to the intermediate bulk containers business of Sonoco and the new management information system, as described above, the Company has approved future purchases of approximately \$46.5 million. These purchases are primarily to replace and improve equipment.

Borrowing and self-financing have been the primary sources for past capital expenditures and acquisitions. The Company anticipates financing future capital expenditures in a like manner and believes that it will have adequate funds available for planned expenditures.

On November 1, 1998, a joint venture named CorrChoice was formed to operate the sheet feeder plants of Michigan Packaging, a subsidiary of the Company, and Ohio Packaging. The joint venture was formed by the stockholders of Michigan Packaging and Ohio Packaging contributing their stock in these companies to CorrChoice in exchange for stock of CorrChoice. The Company was not required to commit any additional capital resources to fund the joint venture. The joint venture is expected to be self-supporting.

During December 1998, the Company and Abzac, a privately held company in France, entered into a letter of intent for the exchange of the Company's spiral core manufacturing assets for a 49% equity interest in Abzac's fibre drum business. The Company manufactures spiral cores at three of its Canadian locations. Abzac manufactures fibre drums at three of its locations in France. The transaction is subject to due diligence and is anticipated to be completed during the third quarter of 1999.

YEAR 2000 MATTERS

Historically, certain information technology ("IT") systems of the Company have used two digits rather than four digits to define that applicable year, which could result in recognizing a date using "00" as the year 1900 rather than the year 2000. IT systems include computer software and hardware in the mainframe, midrange and desktop environments as well as telecommunications. Additionally, the impact of the problem extends to non-IT systems, such as automated plant systems and instrumentation. The Year 2000 issues could result in major failures or misclassifications.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The Company is actively assessing the Year 2000 readiness of its IT and non-IT systems, and has begun to remediate certain IT systems. In addition, the Company is in the process of determining the extent to which the systems of third parties with whom the Company has significant relationships may be vulnerable to Year 2000 issues and what impact, if any, these Year 2000 issues will have on the Company. As part of these assessments, a compliance plan, which includes the formation of a steering committee and a timetable for identifying, evaluating, resolving and testing its Year 2000 issues, has been developed. The steering committee includes members of the Company's senior management and internal audit department to ensure that the issues are adequately addressed and completed in a timely manner.

The timetable provides for the Company's completion of its remediation of any Year 2000 issues by the end of 1999. According to the compliance plan, the inventory and assessment phase related to the Company's IT and non-IT systems are expected to be complete by the end of the second quarter of 1999. Further, corrections and testing of critical Year 2000 issues are expected to be complete by the end of the third quarter of 1999. For non-critical Year 2000 issues, corrections and testing are expected to be complete by the end of the fourth quarter of 1999.

While it is difficult, at present, to fully quantify the overall cost of this work, the Company currently estimates its total spending for Year 2000 remediation efforts to be approximately \$6 million to \$10 million. The range is a function of ongoing evaluation as to whether certain systems and equipment will be corrected or replaced, which is largely dependent on information to be obtained from suppliers or other external sources. This amount will primarily be expended during 1999. Costs for system maintenance and modification are expensed as incurred while spending for new hardware, software or equipment will be capitalized and depreciated over the assets' useful lives. The Company anticipates funding its Year 2000 expenditures out of its cash flows from operations. As of October 31, 1998, approximately \$400,000 has been spent related to this effort.

The Company anticipates timely completion of its Year 2000 remediation. However, if the Company does not become Year 2000 compliant on a timely basis, there could be adverse financial and operational effects on the Company. The amount of these effects can not be ascertained at this time.

The Year 2000 steering committee is continuously reviewing the status of the Company's remediation efforts and, as a necessary part of the compliance plan discussed above, a contingency plan will be created during 1999. The plan will address alternative solutions to the Company's Year 2000 issues.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

NEW ACCOUNTING PRONOUNCEMENTS

During 1997, the FASB issued SFAS No. 130, "Reporting Comprehensive Income", which is effective in 1999 for the Company. Currently, the only item in addition to net income that would be included in comprehensive income is the cumulative translation adjustment.

During 1997, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", which is effective in 1999 for the Company. The impact on the presentation of the Company's segments has not yet been determined.

In February 1998, the FASB issued SFAS No. 132, "Employer's Disclosures about Pensions and Other Postretirement Benefits - an amendment to FASB Statements No. 87, No. 88 and No. 106", which is effective in 1999 for the Company. SFAS No. 132 will not affect the Company's results of operations, however, the impact on the presentation of the Company's Notes to Consolidated Financial Statements has not been determined.

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", which is effective in 2000 for the Company. The Company has not determined what impact SFAS No. 133 will have on the Consolidated Financial Statements.

FORWARD-LOOKING STATEMENTS; CERTAIN FACTORS AFFECTING FUTURE RESULTS

Statements contained in this Form 10-K or any other reports or documents prepared by the Company or made by management of the Company may be "forward-looking" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to certain risks and uncertainties that could cause the Company's operating results to differ materially from those projected. The following factors, among others, in some cases have affected and in the future could affect the Company's actual financial performance.

Changes in General Economic Conditions. The Company's customers generally consist of other manufacturers and suppliers who purchase the Company's industrial shipping containers and containerboard for their own containment and shipping purposes. Because the Company supplies a cross section of many industries, such as chemicals, food products, petroleum products, pharmaceuticals, and metal products, demand for the Company's industrial shipping containers and containerboard and related corrugated products has historically corresponded to changes in general economic conditions of the United States, Canada and Mexico. Accordingly, the Company's financial performance is substantially dependent upon the general economic conditions existing in the United States, Canada and Mexico.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Competition. The Company's business of manufacturing and selling industrial shipping containers and containerboard is highly competitive. The most important competitive factors are price, quality and service. Many of the Company's competitors are substantially larger and have significantly greater financial resources.

Excess Capacity in Containerboard Segment. Industry demand for containerboard products has declined in recent years causing excess capacity in this segment of the Company's business. This excess capacity has in turn caused lower sales prices in the containerboard market, evidenced by paper prices reaching a 19-year low in May 1997. These excess capacity levels and competitive pricing pressures in the containerboard market have negatively impacted the Company's financial performance in recent years. Management does not anticipate that paper prices will be as favorable in 1999 as in 1998, which could negatively impact the Company's net sales and operating profits.

Raw Material Shortages. The Company's raw materials are principally pulpwood, waste paper for recycling, paper, steel and resins. Certain of these materials have been, and in the future may be, in short supply. Shortages in raw materials could adversely affect the Company's operations.

Failure of Year 2000 Compliance. The Company is actively assessing its Year 2000 readiness, including the extent to which third parties with whom the Company has significant relationships may be vulnerable to Year 2000 issues and what impact, if any, these Year 2000 issues will have on the Company. As part of these assessments, a compliance plan, which includes the formation of a steering committee and a timetable for identifying, evaluating, resolving and testing its Year 2000 issues, has been developed. The Company anticipates timely completion of its Year 2000 remediation by the end of 1999. However, the failure to become Year 2000 compliant on a timely basis could have a material adverse affect on the Company's operations and financial performance. The Year 2000 steering committee is continuously reviewing the status of the Company's remediation efforts and, as a necessary part of the compliance plan discussed above, a contingency plan will be created during 1999 to address alternative solutions to the Company's Year 2000 issues.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (concluded)

Environmental and Health and Safety Matters; Product Liability Claims. The Company must comply with extensive rules and regulations regarding federal, state and local environmental matters, such as air and water quality and waste disposal. The Company must also comply with extensive rules and regulations regarding safety and health matters. The failure to materially comply with such rules and regulations could adversely affect the Company's operations. Furthermore, litigation or claims against the Company with respect to such matters could adversely affect the Company's financial performance. The Company may also become subject to product liability claims which could adversely affect the Company.

Risks Associated with Acquisitions. During the past several years the Company has invested, and for the foreseeable future the Company anticipates investing, a substantial amount of capital in acquisitions. Acquisitions involve numerous risks, including the failure to retain key employees and contracts and the inability to integrate businesses without material disruption. In addition, other companies in the Company's industries have similar acquisition strategies. There can be no assurance that any future acquisitions will be successfully integrated into the Company's operations, that competition for acquisitions will not intensify or that the Company will be able to complete such acquisitions on acceptable terms and conditions. In addition, the costs of unsuccessful acquisition efforts may adversely affect the Company's financial performance.

Timberland Sales. The Company has a significant inventory of standing timber and timberlands. The frequency and volume of sales of timber and timberland will have an effect on the Company's financial performance.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk:

The Company is subject to interest rate risk related to its financial instruments which include borrowings under its \$325 million revolving credit facility and interest rate swap agreements with an aggregate notional amount of \$160 million. The Company does not enter into financial instruments for trading or speculative purposes. The interest rate swap agreements have been entered into to manage the Company's exposure to its variable rate borrowing.

The table below provides information about the Company's derivative financial instruments and other financial instruments that are sensitive to changes in interest rates. For the revolving credit facility, the table presents principal cash flows and related weighted average interest rates by contractual maturity dates. For interest rate swaps, the table presents annual amortization of notional amounts and weighted average interest rates by contractual maturity dates. Under the swap agreements, the Company receives interest quarterly from the counterparty and pays interest quarterly to the counterparty. The fair value of the revolving credit facility is based on current rates available to the Company for debt of the same remaining maturity. The fair values of the interest rate swap agreements have been determined by the counterparty.

	Financial Instruments (Dollars in millions)					There- after	Total	Fair Value
	Expected Maturity Date							
	1999	2000	2001	2002	2003			
Liabilities								
Revolving credit facility:								
Variable rate	\$ --	\$ --	\$ --	\$ --	\$235 (a)	\$ --	\$ 235	\$ 235
Average interest rate					5.50%(b)			
Interest rate derivatives								
Interest rate swaps:								
Variable to fixed rates	\$ 10	\$ 20	\$ 30	\$ 10	\$ 20	\$ 70	\$160	\$ (7)
Average pay rate	6.15%	6.15%	5.53%	6.15%	6.15%	6.15%	6.03%	
Average receive rate (c)	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%	5.22%	

(a) Includes \$235 million of borrowings under the \$325 million unsecured revolving credit facility which expires in 2003. The Company has the option under the credit facility to repay borrowings prior to 2003 or to request an extension.

(b) Variable rate specified is based on the prime rate or LIBOR rate plus a calculated margin at October 31, 1998. Interest is paid and reset quarterly.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk
(concluded)

[FN]

(c) The average receive rate is based upon the LIBOR rate at October 31, 1998. The rates presented are not intended to project the Company's expectations for the future.

Foreign Currency Risk:

The Company's exposure to foreign currency fluctuations on its financial instruments is not material because most of these instruments are denominated in U.S. dollars. The net sales and total assets of the Company which are denominated in foreign currencies (i.e., Canadian dollars and Mexican pesos) represent less than 10% of the consolidated net sales and total assets.

Commodity Price Risk:

The Company has no financial instruments subject to commodity price risks.

Item 8. Financial Statements and Supplementary Data

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

For the years ended October 31,	1998	1997	1996
Net sales	\$801,131	\$648,984	\$637,368
Other income:			
Interest and other	7,466	12,918	5,214
Gain on timber sales	21,553	12,681	9,626
	830,150	674,583	652,208
Costs and expenses (including depreciation of \$35,585 in 1998, \$30,660 in 1997 and \$26,348 in 1996):			
Cost of products sold	644,892	562,165	515,775
Selling, general and administrative	90,282	74,058	68,220
Restructuring costs	27,461	6,185	--
Interest	11,928	2,670	517
	774,563	645,078	584,512
Income before income taxes	55,587	29,505	67,696
Income taxes	22,483	11,419	24,949
Net income	\$ 33,104	\$ 18,086	\$ 42,747
Basic and diluted earnings per share:			
	1998	1997	1996
Class A Common Stock	\$ 1.15	\$.63	\$ 1.48
Class B Common Stock	\$ 1.71	\$.94	\$ 2.22

[FN]
 See accompanying Notes to Consolidated Financial Statements.

Item 8. Financial Statements and Supplementary Data (continued)

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES
 CONSOLIDATED BALANCE SHEETS
 (Dollars in thousands)

ASSETS	October 31,	1998	1997
CURRENT ASSETS			
Cash and cash equivalents		\$ 41,329	\$ 17,719
Canadian government securities		6,654	7,533
Trade accounts receivable - less allowance of \$2,918 for doubtful items (\$847 in 1997)		113,931	81,582
Inventories		64,851	44,892
Deferred tax asset		13,355	5,719
Prepaid expenses and other		16,626	15,473
Total current assets		256,746	172,918
LONG-TERM ASSETS			
Goodwill - less amortization		123,677	17,352
Other long-term assets		27,395	22,022
		151,072	39,374
PROPERTIES, PLANTS AND EQUIPMENT - at cost			
Timber properties - less depletion		9,067	6,884
Land		17,294	11,139
Buildings		60,839	139,713
Machinery and equipment		505,236	424,177
Capital projects in progress		17,045	17,546
Accumulated depreciation		(287,936)	(261,662)
		421,545	337,797
		\$829,363	\$550,089

[FN]
 See accompanying Notes to Consolidated Financial Statements.

Item 8. Financial Statements and Supplementary Data (continued)

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES
 CONSOLIDATED BALANCE SHEETS
 (Dollars in thousands)

LIABILITIES AND SHAREHOLDERS' EQUITY		
October 31,	1998	1997
CURRENT LIABILITIES		
Outstanding checks in excess of funds on deposit	\$ 6,951	\$ 5,122
Accounts payable	38,410	30,589
Current portion of long-term obligations	--	8,504
Accrued payrolls and employee benefits	9,859	9,502
Restructuring reserves	32,411	4,319
Other current liabilities	10,604	2,372
Total current liabilities	98,235	60,408
LONG-TERM LIABILITIES		
Long-term obligations	235,000	43,648
Deferred tax liability	36,412	29,740
Postretirement benefit liability	25,554	--
Other long-term liabilities	17,230	16,155
Total long-term liabilities	314,196	89,543
SHAREHOLDERS' EQUITY		
Capital stock, without par value	9,936	9,739
Class A Common Stock:		
Authorized 32,000,000 shares;		
issued 21,140,960 shares;		
outstanding 10,909,672 shares		
(10,900,672 in 1997)		
Class B Common Stock:		
Authorized and issued 17,280,000 shares;		
outstanding 12,001,793 shares		
Treasury stock, at cost	(41,858)	(41,868)
Class A Common Stock: 10,231,288 shares		
(10,240,288 in 1997)		
Class B Common Stock: 5,278,207 shares		
Retained earnings	456,898	437,550
Cumulative translation adjustment	(8,044)	(5,283)
	416,932	400,138
	\$829,363	\$550,089

[FN]
 See accompanying Notes to Consolidated Financial Statements.

Item 8. Financial Statements and Supplementary Data (continued)

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

For the years ended October 31,	1998	1997	1996
Cash flows from operating activities:			
Net income	\$ 33,104	\$ 18,086	\$ 42,747
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	39,686	31,926	26,420
Deferred income taxes	(964)	4,703	9,308
Gain on disposals of properties, plants and equipment, net	(1,747)	(7,023)	(412)
Increase (decrease) in cash from changes in certain assets and liabilities, net of effects from acquisitions:			
Trade accounts receivable	(4,271)	(769)	4,831
Inventories	(2,794)	9,660	6,356
Prepaid expenses and other	(1,367)	(2,563)	420
Other long-term assets	(5,447)	(11,719)	(75)
Outstanding checks in excess of funds on deposit	1,829	3,979	(1,840)
Accounts payable	(467)	(2,170)	(3,641)
Accrued payrolls and employee benefits	(2,729)	130	(1,904)
Restructuring reserves	17,858	4,319	--
Other current liabilities	6,288	(6,989)	5,412
Postretirement benefit liability	(1,765)	--	--
Other long-term liabilities	(352)	(1,455)	(5,716)
Net cash provided by operating activities	76,862	40,115	81,906
Cash flows from investing activities:			
Acquisitions of companies, net of cash acquired	(186,472)	(41,121)	(284)
Disposals of investments in government securities	--	12,585	1,481
Purchases of investments in government securities	--	(639)	(1,979)
Purchases of properties, plants and equipment	(38,093)	(36,193)	(74,395)
Proceeds on disposals of properties, plants and equipment	3,041	7,634	851
Net cash used in investing activities	(221,524)	(57,734)	(74,326)
Cash flows from financing activities:			
Proceeds from issuance of long-term obligations	271,000	52,753	11,329
Payments on long-term obligations	(88,152)	(25,804)	(3,692)
Payments on short-term obligations	--	--	(6,668)
Debt issuance costs	(410)	--	--
Acquisitions of treasury stock	--	(31)	--
Exercise of stock options	207	735	--
Dividends paid	(13,756)	(17,208)	(13,740)
Net cash provided by (used in) financing activities	168,889	10,445	(12,771)
Effects of exchange rates on cash	(617)	(1,667)	139
Net increase (decrease) in cash and cash equivalents	23,610	(8,841)	(5,052)
Cash and cash equivalents at beginning of year	17,719	26,560	31,612
Cash and cash equivalents at end of year	\$ 41,329	\$ 17,719	\$ 26,560

[FN]
See accompanying notes to Consolidated Financial Statements.

Item 8. Financial Statements and Supplementary Data (continued)

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES
 CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 (Dollars and shares in thousands, except per share amounts)

	Capital Shares	Stock Amount	Treasury Shares	Stock Amount	Retained Earnings	Cumulative Translation Adjustment	Shareholders' Equity
Balance at November 1, 1995	24,075	\$9,034	14,346	\$(40,776)	\$407,665	\$(3,390)	\$372,533
Net income					42,747		42,747
Dividends paid (Note 5):							
Class A - \$.48					(5,219)		(5,219)
Class B - \$.71					(8,521)		(8,521)
Treasury shares acquired (1,200)			1,200	(1,091)			(1,091)
Foreign currency Translation						183	183
Balance at October 31, 1996	22,875	\$9,034	15,546	\$(41,867)	\$436,672	\$(3,207)	\$400,632
Net income					18,086		18,086
Dividends paid (Note 5):							
Class A - \$.60					(6,526)		(6,526)
Class B - \$.89					(10,682)		(10,682)
Treasury shares acquired (1)			1	(31)			(31)
Stock options exercised 28	705		(28)	30	735		
Foreign currency translation						(2,076)	(2,076)
Balance at October 31, 1997	22,902	\$9,739	15,519	\$(41,868)	\$437,550	\$(5,283)	\$400,138
Net income					33,104		33,104
Dividends paid (Note 5):							
Class A - \$.48					(5,235)		(5,235)
Class B - \$.71					(8,521)		(8,521)
Stock options exercised 9	197		(9)	10	207		
Foreign currency translation						(2,761)	(2,761)
Balance at October 31, 1998	22,911	\$9,936	15,510	\$(41,858)	\$456,898	\$(8,044)	\$416,932

[FN]
 See accompanying Notes to Consolidated Financial Statements.

Item 8. Financial Statements and Supplementary Data (continued)

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTSNOTE 1 - DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES

The Business

Greif Bros. Corporation and its subsidiaries (the "Company") principally manufactures industrial shipping containers and containerboard and related products which it sells to customers in many industries primarily in the United States, Canada and Mexico. The Company operates over 100 locations in 28 states of the United States, three provinces of Canada and one state of Mexico.

Basis of Consolidation

The Consolidated Financial Statements include the accounts of Greif Bros. Corporation and its subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The most significant estimates are related to the allowance for doubtful accounts, expected useful lives assigned to property, plant and equipment and goodwill, restructuring reserves, postretirement benefits, income taxes and contingencies. Actual amounts could differ from those estimated.

Revenue Recognition

Revenue is recognized when goods are shipped.

Income Taxes

Income taxes are accounted for under Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes". In accordance with this statement, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as measured by enacted tax rates that are expected to be in effect in the periods which the deferred tax liabilities and assets are expected to be settled or realized.

Item 8. Financial Statements and Supplementary Data (continued)

Cash and Cash Equivalents

The Company considers highly liquid investments with an original maturity of three months or less to be cash and cash equivalents. Included in these amounts are repurchase agreements of \$23,300,000 in 1998 (\$9,300,000 in 1997).

Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of trade accounts receivable. Such credit risk is considered by management to be limited due to the Company's many customers, none of whom are considered principal in the total operations of the Company, doing business in a variety of industries throughout the United States, Canada and Mexico.

Canadian Government Securities

The Canadian government securities are classified as available-for-sale and, as such, are reported at their fair value which approximates amortized cost.

The Company received \$10,600,000 in proceeds from the sale of available-for-sale securities in 1997. The realized gains and losses included in income are immaterial.

Inventories

Inventories are stated at the lower of cost (approximately 90% on last-in, first-out basis) or market. The inventories are comprised as follows (Dollars in thousands):

	1998	1997
Finished goods	\$ 20,557	\$ 9,833
Raw materials and work-in-process	87,694	82,059
	108,251	91,892
Reduction to state certain inventories on last-in, first-out basis	(43,400)	(47,000)
	\$ 64,851	\$ 44,892

During 1997 and 1996, the Company experienced last-in, first-out liquidations which were deemed to be immaterial to the Consolidated Financial Statements.

Item 8. Financial Statements and Supplementary Data (continued)

Properties, Plants and Equipment

Depreciation on properties, plants and equipment is provided by the straight-line method over the estimated useful lives of the assets as follows:

	Years
Buildings	30-45
Machinery and equipment	3-19

[FN]

Expenditures for repairs and maintenance are charged to expense as incurred.

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

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

Internal Use Software

In 1998, the Company adopted Statement of Position ("SOP") 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use". Internal use software is software that is acquired, internally developed or modified solely to meet the entity's needs and for which, during the software's development or modification, a plan does not exist to market the software externally. Costs incurred to develop the software during the application development stage, upgrades and enhancements that provide additional functionality should be capitalized. Adoption of SOP 98-1 did not have a significant impact on the Company's financial position or results of operations.

Goodwill

Goodwill is amortized on a straight-line basis over fifteen to twenty-five year periods. Amortization expense was \$3,547,000 in 1998, \$1,032,000 in 1997 and \$20,000 in 1996. Accumulated amortization was \$4,599,000 at October 31, 1998 (\$1,052,000 at October 31, 1997).

The Company's policy is to periodically review its goodwill 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 businesses.

Item 8. Financial Statements and Supplementary Data (continued)

Financial Instruments

The carrying amounts of cash and cash equivalents, Canadian government securities and long-term obligations approximate their fair values. The carrying amounts of the interest rate swap agreements are zero at October 31, 1998 and \$(13,000) at October 31, 1997. The fair values of the interest rate swap agreements are \$(7,020,000) at October 31, 1998 and \$(514,000) at October 31, 1997.

The fair values of the long-term obligations are estimated based on current rates available to the Company for debt of the same remaining maturities. The fair values of the interest rate swap agreements have been determined by the counterparties.

The Company uses interest rate swaps for the purpose of hedging its exposure to fluctuations in interest rates. The swaps meet the requirements of designation and correlation for use of the accrual method of accounting. Differentials in the swapped amounts are recorded as adjustments of the underlying periodic cash flows that are being hedged.

Foreign Currency Translation

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

The cumulative translation adjustments, which represent the effects of translating assets and liabilities of the Company's foreign operations, are presented in the Consolidated Statements of Changes in Shareholders' Equity. The transaction gains and losses included in income are immaterial.

Earnings Per Share

During 1998, the Company adopted SFAS No. 128, "Earnings Per Share". The provisions of SFAS No. 128 have been retroactively applied to 1997 and 1996.

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. 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.

Item 8. Financial Statements and Supplementary Data (continued)

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

	For the year ended October 31,		
	1998	1997	1996
Class A Common Stock:			
Basic earnings per share	10,905,692	10,878,233	10,873,172
Assumed conversion of stock options	69,014	16,670	13,904
Diluted earnings per share	10,974,706	10,894,903	10,887,076
Class B Common Stock:			
Basic and diluted earnings per share	12,001,793	12,001,793	12,021,793

[FN]

There are 12,000 options that are antidilutive for 1998 (298,600 for 1997 and 164,100 for 1996).

Environmental Cleanup Costs

The Company expenses environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernable. Expenditures which extend the life of the related property or mitigate or prevent future environmental contamination are capitalized. The Company determines its liability on a site by site basis and records a liability at the time when it is probable and can be reasonably estimated. The Company's estimated liability is reduced to reflect 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.

Reclassifications

Certain prior year amounts have been reclassified to conform to the 1998 presentation.

Recent Accounting Standards

During 1997, the Financial Accounting Standards Board ("FASB") issued SFAS No. 130, "Reporting Comprehensive Income", and SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information".

SFAS No. 130, which will not be effective until 1999 for the Company, requires companies to present comprehensive income, which is comprised of net income and other charges and credits to equity that are not the result of transactions with the owners, in its financial statements. Currently, the only item in addition to net income that would be included in comprehensive income is the cumulative translation adjustment.

Item 8. Financial Statements and Supplementary Data (continued)

SFAS No. 131, which will not be effective until 1999 for the Company, requires that reporting segments be redefined in terms of a company's operating segments. The impact on the presentation of the Company's segments has not yet been determined.

In February 1998, the FASB issued SFAS No. 132, "Employer's Disclosures about Pensions and Other Postretirement Benefits - an amendment to FASB Statements No. 87, No. 88 and No. 106", which is effective in 1999 for the Company. The statement requires the Company to revise disclosures about pension and other postretirement benefit plans. SFAS No. 132 will not affect the Company's results of operations, however, the impact on the presentation of the Company's Notes to Consolidated Financial Statements has not been determined.

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", which is effective in 2000 for the Company. The statement requires that all derivatives be recorded in the balance sheet as either assets or liabilities and be measured at fair value. The accounting for changes in fair value of a derivative depends on the intended use of the derivative and the resulting designation. The Company has not determined what impact SFAS No. 133 will have on the Consolidated Financial Statements.

NOTE 2 - ACQUISITIONS AND DISPOSITIONS

On March 30, 1998, pursuant to the terms of a Stock Purchase Agreement between the Company and Sonoco Products Company ("Sonoco"), the Company acquired the industrial containers business of Sonoco by purchasing all of the outstanding shares of KMI Continental Fibre Drum, Inc., a Delaware corporation ("KMI"), Sonoco Plastic Drum, Inc., an Illinois corporation ("SPD"), GBC Holding Co., a Delaware corporation ("GBC Holding"), and Fibro Tambor, S.A. de C.V., a Mexican corporation ("Fibro Tambor") and the membership interest of Sonoco in Total Packaging Systems of Georgia, LLC, a Delaware limited liability company ("TPS"). KMI, SPD, GBC Holding, Fibro Tambor, TPS and their respective subsidiaries are in the business of manufacturing and selling plastic and fibre drums principally in the United States and Mexico and refurbishing and reconditioning plastic drums principally in the United States and Mexico.

On March 30, 1998, the Company entered into an agreement with Sonoco to acquire its intermediate bulk containers business, which the parties intend to finalize as soon as receipt of necessary approvals are obtained. Pending receipt of such approvals, the Company markets and sells intermediate bulk containers for Sonoco under a distributorship agreement.

Item 8. Financial Statements and Supplementary Data (continued)

As consideration for the shares of KMI, SPD, GBC Holding and Fibro Tambor and the membership interest of Sonoco in TPS, the Company paid \$185,395,000 in cash. In addition, the Company paid \$1,218,000 in legal and professional fees related to the acquisition. The acquisition was funded through new long-term obligations (see Note 4).

The acquisition of the industrial containers business of Sonoco has been accounted for using the purchase method of accounting and, accordingly, the purchase price has been allocated to the assets purchased and liabilities assumed based upon their fair values at the date of acquisition. The fair values of the tangible assets acquired and the liabilities assumed were \$129,504,000 and \$52,298,000 respectively. The excess of the purchase price over the fair values of the net assets acquired of \$109,407,000 has been recorded as goodwill. The Company's purchase price allocation has not been finalized with respect to certain employee benefit and tax matters which could possibly reduce goodwill up to \$10 million. The goodwill is being amortized on a straight-line basis over twenty-five years based on consideration regarding the age of the acquired companies, their customers and the risk of obsolescence of their products.

The Consolidated Financial Statements include the operating results of the acquired businesses from the date of acquisition. In addition, the income resulting from the distributorship agreement relating to the intermediate bulk containers business has been included in the Consolidated Financial Statements since March 30, 1998. However, the income related to the intermediate bulk containers business has not been reflected in the pro forma figures prior to that time. The following summarized pro forma (unaudited) information assumes the acquisition had occurred on November 1, 1996 (Dollars in thousands, except per share amounts):

	For the year ended October 31,	
	1998	1997
Net sales	\$871,969	\$830,912
Net income	\$ 30,876	\$ 15,425
Basic and diluted earnings per share:		
Class A Common Stock	\$ 1.07	\$.54
Class B Common Stock	\$ 1.60	\$.80

[FN]

The above amounts reflect adjustments for interest expense related to the debt issued for the purchase, amortization of goodwill and depreciation expense on the revalued property, plant and equipment.

Item 8. Financial Statements and Supplementary Data (continued)

The pro forma information, as presented above, is not necessarily indicative of the results which would have been obtained had the transactions occurred at November 1, 1996, nor are they necessarily indicative of future results.

In November 1996, the Company purchased the assets of Aero Box Company, a corrugated container company, located in Michigan. In March 1997, the Company acquired the assets of two steel drum manufacturing plants located in California and Ontario, Canada. In May 1997, the Company purchased all of the outstanding common stock of Independent Container, Inc., a corrugated container company with two locations in Kentucky and a location in Indiana. In June 1997, the Company purchased all of the outstanding common stock of Centralia Container, Inc., located in Illinois.

The prior year acquisitions have been accounted for using the purchase method of accounting and, accordingly, the purchase price has been allocated to the assets purchased and liabilities assumed based upon the fair values at the date of acquisition. The excess of the purchase price over the fair values of the net assets acquired has been recorded as goodwill. The Consolidated Financial Statements include the operating results of each business from the date of acquisition. Pro forma results of operations have not been presented because the results of these acquisitions were not significant to the Company.

In February 1997, the Company sold its injection molding plant in Ohio. In addition, the Company sold its wood component facilities, which manufactured door panels, wood moldings and window and door parts, with locations in Kentucky, California, Washington and Oregon in August 1997. The transactions resulted in a gain of \$3.7 million which is included in other income.

NOTE 3 - RESTRUCTURING COSTS

During the third quarter of 1998, the Company approved a plan to consolidate some of its locations in order to improve operating efficiencies and capabilities. The plan was the result of a study to determine whether certain locations, either existing or newly acquired, should be closed or relocated to a different facility. Eighteen existing fibre drum, steel drum and corrugated container plants will be closed. As a result, the Company recognized a pretax restructuring charge of approximately \$27.5 million, consisting of \$20.9 million in employee separation costs (approximately 500 employees) and \$6.6 million in other anticipated facility closing and disposition costs. The Company expects to sell its owned facilities. As of October 31, 1998, the Company has paid approximately \$2.7 million consisting primarily of severance payments. The Company expects the remaining liability of \$24.8 million to be expended in connection with the ongoing consolidation effort during 1999.

Item 8. Financial Statements and Supplementary Data (continued)

In addition, in connection with the consolidation plan, five locations purchased as part of the industrial containers business of Sonoco (see Note 2) will also be closed. Accordingly, the Company recognized a \$9.5 million restructuring liability related to these locations. The liability consisted of \$6.1 million in employee separation costs (approximately 100 employees) and \$3.4 million in other anticipated facility closing and disposition costs. The Company expects to sell its owned facilities. As of October 31, 1998, the Company has paid approximately \$1.9 million consisting primarily of severance payments. The Company believes the remaining liability of \$7.6 million will be expended in connection with the ongoing consolidation during 1999.

During the fourth quarter of 1997, the Company adopted a plan to consolidate its operations. This plan included the relocation of certain key operating people to the corporate office. In addition, there was a realignment of some of the administrative functions that were being performed at the subsidiary and division offices which resulted in some staff reductions. Finally, costs associated with the reduction of certain support functions were incurred. As a result, a restructuring charge of \$6.2 million, consisting primarily of severance benefits, was recorded in the results of operations. As of October 31, 1998, all expenditures related to the charge have been made and the liability accordingly eliminated.

NOTE 4 - LONG-TERM OBLIGATIONS

The Company's long-term obligations, which are primarily with banks, include the following as of October 31 (Dollars in thousands):

	1998	1997
Notes payable:		
Fixed rate notes - 5.91% to 9.69%, due 1998 - 2015, secured by certain equipment, real estate, inventory and receivables	\$ --	\$ 1,558
Variable rate notes - LIBOR plus .25% to .49% or Prime Rate plus 1%, due 1999 - 2004, certain notes secured by equipment	--	35,544
Revolving credit agreement and lines of credit:		
Variable rate - tied to LIBOR or Prime Rate, expiring in 2003 (in 2000 for 1997)	235,000	15,050
Total	235,000	52,152
Less: current portion	--	8,504
Long-term obligations	\$235,000	\$43,648

Item 8. Financial Statements and Supplementary Data (continued)

On March 30, 1998, the Company entered into a credit agreement with various financial institutions, as banks, and KeyBank National Association, as agent, which provides a revolving credit facility of up to \$325 million. The Company is required to pay a facility fee each quarter equal to .025% to .050% of the total commitment amount based upon the Company's leverage ratio. As of October 31, 1998, the Company has borrowed \$235 million primarily to purchase the industrial containers business of Sonoco and to consolidate all of the Company's other long-term borrowings. The costs associated with consolidation of the Company's debt are not material to the results of operations. The interest rate is either based on the prime rate or LIBOR rate plus a calculated margin amount (.28% at October 31, 1998). Interest resets on a quarterly basis. At October 31, 1998, the interest rate is 5.50%. The revolving credit loans are due on March 31, 2003, however, management intends to extend a portion of the debt beyond that date.

At October 31, 1998, the Company has outstanding \$6.8 million in letters of credit under the credit agreement. The quarterly fee related to these letters of credit is .03% of the outstanding amount plus a calculated margin (.28% at October 31, 1998).

The revolving credit facility contains certain covenants. Under the most restrictive of these covenants, the Company is required to maintain a certain leverage ratio, sufficient coverage of interest expense and a minimum net worth. In addition, the Company is limited with respect to additional debt. Finally, there are certain non-financial covenants including sales of assets, financial reporting, mergers and acquisitions, investments, change in control and Employee Retirement Income Security Act compliance.

During 1998, the Company entered into an interest rate swap agreement with a notional amount of \$140 million, expiring on March 30, 2008, which periodically reduces through 2008. The Company entered into another swap agreement during 1998 with a notional amount of \$20 million, expiring on October 31, 2001. The interest rate swaps were entered into to manage the Company's exposure to its variable rate debt. Under the agreements, the Company receives interest quarterly from the counterparty equal to the LIBOR rate and pays interest quarterly to the counterparty at a fixed rate of 6.15% and 5.22% for the \$140 million and \$20 million swap agreements, respectively. The differentials to be currently paid or received under these agreements are recorded as an adjustment to interest expense and are included in interest receivable or payable. The adjustment to interest expense resulting from the differentials was an increase of \$348,000 during 1998.

Item 8. Financial Statements and Supplementary Data (continued)

During 1997, the Company entered into interest rate swap agreements with aggregate notional amounts of \$32.7 million without the exchange of underlying principal. Under such agreements, the Company received interest from the counterparties equal to amounts incurred under its existing variable rate debt and paid interest to the counterparties at fixed rates ranging from 6.43% to 7.39%. During 1998, all of these swap agreements were terminated. The amounts paid by the Company to terminate these agreements were immaterial to the Consolidated Financial Statements.

Annual maturities of long-term obligations are \$235 million in 2003.

During 1998, the Company paid \$11,500,000 of interest (\$3,726,000 in 1997 and \$862,000 in 1996) related to the long-term obligations. Interest of \$344,000 in 1998, \$1,163,000 in 1997 and \$569,000 in 1996 was capitalized.

The Company has entered into non-cancelable operating leases for buildings, trucks and computer equipment. The future minimum lease payments for the non-cancelable operating leases are \$5,164,000 in 1999, \$4,312,000 in 2000, \$3,890,000 in 2001, \$2,589,000 in 2002, \$1,864,000 in 2003 and \$2,762,000 thereafter. Rent expense was \$8,615,000 in 1998, \$5,684,000 in 1997 and \$3,592,000 in 1996.

NOTE 5 - 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 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 shareholders, 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 6 - STOCK OPTIONS

The Company has an Incentive Stock Option Plan ("Option Plan") which provides the discretionary granting of incentive stock options to key employees and non-statutory options for non-employees. The aggregate number of the Company's Class A Common Stock which options may be granted shall not exceed 1,000,000 shares. Under the terms of the Option Plan, options are granted at exercise prices equal to the market value on the date the options are granted and become exercisable two years after date of grant. Options expire ten years after date of grant.

Item 8. Financial Statements and Supplementary Data (continued)

A Directors' Stock Option Plan ("Directors' Plan") which was adopted in 1996, provides the granting of stock options to Directors who are not employees of the Company. The aggregate number of the Company's Class A Common Stock which options may be granted may not exceed 100,000 shares. Under the terms of the Directors' Plan, options are granted at exercise prices equal to the market value on the date options are granted and become exercisable immediately. Options expire ten years after date of grant.

In 1998, 206,275 incentive stock options were granted with option prices of \$31.75 per share. Under the Directors' Plan, 12,000 options were granted to outside directors with option prices of \$36.53 per share.

In 1997, 136,500 incentive stock options were granted with option prices of \$30.00 per share. Under the Directors' Plan, 12,000 options were granted to outside directors with option prices of \$30.50 per share.

In 1996, 152,100 incentive stock options were granted with option prices of \$29.62 per share. Under the Directors' Plan, 12,000 options were granted to outside directors with option prices of \$30.00 per share.

The Company applies Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations in accounting for its stock option plans. If compensation cost would have been determined based on the fair values at the date of grant under SFAS No. 123, "Accounting for Stock-Based Compensation", pro forma net income and earnings per share would have been as follows (Dollars in thousands, except per share amounts):

	1998	1997	1996
Net income	\$31,718	\$17,232	\$42,534
Basic earnings per share:			
Class A Common Stock	\$ 1.10	\$.60	\$ 1.48
Class B Common Stock	\$ 1.64	\$.89	\$ 2.20
Diluted earnings per share:			
Class A Common Stock	\$ 1.10	\$.60	\$ 1.47
Class B Common Stock	\$ 1.64	\$.89	\$ 2.20

Item 8. Financial Statements and Supplementary Data (continued)

The fair value for each option is estimated on the date of grant using the Black-Scholes option pricing model, as allowed under SFAS No. 123, with the following assumptions:

	1998	1997	1996
Dividend yield	1.36%	1.31%	1.16%
Volatility rate	22.00%	20.60%	29.20%
Risk-free interest rate	5.36%	6.29%	6.52%
Expected option life	6 years	6 years	6 years

The fair value of shares granted were \$9.08, \$9.03 and \$10.95 at October 31, 1998, 1997 and 1996, respectively. Stock option activity was as follows (Shares in thousands):

	1998		1997		1996	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Beginning balance	456	\$28.26	374	\$27.25	210	\$25.38
Granted	218	32.01	148	30.04	164	29.62
Forfeited	6	29.63	38	27.11	--	--
Exercised	9	22.94	28	25.79	--	--
Expired	--	--	--	--	--	--
Ending balance	659	\$29.56	456	\$28.26	374	\$27.25

As of October 31, 1998, the outstanding stock options had exercise prices ranging from \$22.94 to \$36.53 and a remaining weighted average contractual life of 8.42 years.

There are 317,000 options which were exercisable at October 31, 1998 (181,000 options at October 31, 1997).

Item 8. Financial Statements and Supplementary Data (continued)

NOTE 7 - INCOME TAXES

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

	U.S. Federal	Foreign	State and Local	Total
1998:				
Current	\$15,755	\$ 2,768	\$ 3,039	\$21,562
Deferred	1,763	--	(842)	921
	\$17,518	\$ 2,768	\$ 2,197	\$22,483
1997:				
Current	\$ 3,617	\$ 2,097	\$ 1,607	\$ 7,321
Deferred	4,087	(96)	107	4,098
	\$ 7,704	\$ 2,001	\$ 1,714	\$11,419
1996:				
Current	\$11,330	\$ 3,075	\$ 1,630	\$16,035
Deferred	7,903	(59)	1,070	8,914
	\$19,233	\$ 3,016	\$ 2,700	\$24,949

[FN]

Foreign income before income taxes amounted to \$6,212,000 in 1998 (\$5,241,000 in 1997 and \$7,729,000 in 1996).

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

	1998	1997	1996
U.S. Federal statutory tax rate	35.0%	35.0%	35.0%
State and local taxes, net of Federal tax benefit	2.6%	3.8%	3.6%
Other	2.9%	(0.1%)	(1.7%)
Effective income tax rate	40.5 %	38.7%	36.9%

Item 8. Financial Statements and Supplementary Data (continued)

Significant components of the Company's deferred tax assets and liabilities are as follows at October 31 (Dollars in thousands):

	1998	1997
Restructuring reserve	\$ 8,964	\$ --
Other	4,391	5,729
Current deferred tax asset	\$13,355	\$ 5,729
Current deferred tax liability	\$ --	\$ 10
Book basis on acquired assets	\$10,108	\$10,159
Postretirement benefit liability	8,237	--
Other	2,496	2,249
Long-term deferred tax asset	\$20,841	\$12,408
Property, plant and equipment	\$41,896	\$35,448
Intangibles	8,410	78
Timber condemnation	3,868	3,557
Other	3,079	3,065
Long-term deferred tax liability	\$57,253	\$42,148

[FN]

At October 31, 1998 and 1997, the Company has provided deferred income taxes on all of its undistributed Canadian earnings.

[FN]

During 1998, the Company paid \$22,697,000 in income taxes (\$13,334,000 in 1997 and \$10,318,000 in 1996).

NOTE 8 - RETIREMENT PLANS

The Company has non-contributory defined benefit pension plans that cover most of its employees. These plans include plans self-administered by the Company along with Union administered multi-employer plans. The self-administered hourly and Union plans' benefits are based primarily upon years of service. The self-administered salaried plans' benefits are based primarily on years of service and earnings. The Company contributes an amount that is not less than the minimum funding nor more than the maximum tax-deductible amount to these plans. The plans' assets consist of unallocated insurance contracts, equity securities, government obligations and the allowable amount of the Company's stock (127,752 shares of Class A Common Stock and 80,355 shares of Class B Common Stock at October 31, 1998 and 1997).

Item 8. Financial Statements and Supplementary Data (continued)

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

	1998	1997	1996
Service cost, benefits earned during the year	\$ 2,956	\$ 2,714	\$ 2,648
Interest cost on projected benefit obligation	4,584	4,548	4,277
Actual return on assets	(3,280)	(8,986)	(6,404)
Net amortization	(2,721)	3,974	1,759
	1,539	2,250	2,280
Multi-employer and non-U.S. pension expense	386	370	593
Total pension expense	\$ 1,925	\$ 2,620	\$ 2,873

[FN]

The range of weighted average discount rates and expected long-term rates of return on plan assets used in the actuarial valuation was 7.0% - 9.0% for 1998, 1997 and 1996. The rates of compensation increases for salaried employees used in the actuarial valuation range from 4.0% - 6.5% for 1998, 1997 and 1996.

The following table sets forth the plans' funded status and amounts recognized in the Consolidated Financial Statements (Dollars in thousands):

	Assets Exceed Accumulated Benefits		Accumulated Benefits Exceed Assets	
	1998	1997	1998	1997
Actuarial present value of benefit obligations:				
Vested benefit obligation	\$13,697	\$34,190	\$44,478	\$10,636
Accumulated benefit obligation	\$13,824	\$34,569	\$44,872	\$12,279
Projected benefit obligation	\$18,785	\$46,246	\$57,438	\$12,279
Plan assets at fair value	\$23,376	\$59,836	\$51,610	\$10,718
Plan assets greater than (less than) projected benefit obligation	\$ 4,591	\$13,590	\$(5,828)	\$(1,561)
Unrecognized net (gain) loss	(1,361)	(8,942)	4,620	641
Prior service cost not yet recognized in net periodic pension cost	312	6,096	9,617	2,788
Adjustment required to recognize minimum liability	--	--	(3,422)	(1,048)
Unrecognized net (asset) obligation from transition	(352)	(7,345)	(6,099)	(2,381)
Prepaid pension cost (liability)	\$ 3,190	\$ 3,399	\$(1,112)	\$(1,561)

Item 8. Financial Statements and Supplementary Data (continued)

During 1998 and 1997, the Company, in accordance with the provisions of SFAS No. 87, "Employers' Accounting for Pensions", recorded the "adjustment required to recognize minimum liability" in other long-term liabilities. The amount was offset in other long-term assets by an equal amount.

In addition to the defined benefit pension plans, the Company has several voluntary 401(k) savings plans which cover eligible employees at least 21 years of age with one year of service. For certain plans, the Company matches 25% of each employee's contribution, up to a maximum of 5% or 6% of base salary. Company contributions to the 401(k) plans were \$566,000 in 1998, \$350,000 in 1997 and \$234,000 in 1996.

NOTE 9 - POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

On March 30, 1998, the Company acquired the industrial containers business of Sonoco. As part of this acquisition, the Company assumed an obligation to reimburse Sonoco for their actual costs incurred in providing the postretirement health care benefits to certain employees. Contributions by the Company are limited to an aggregate annual payment of \$1,350,000 (\$1,012,500 in 1998) for eligible employees at the date of purchase. Further, the Company is responsible for the cost of certain union hourly employees who were not eligible at the date of closing. The Company intends to fund these benefits from operations.

Cost for the postretirement benefits include the following components (Dollars in thousands):

	1998
Service cost	\$ 380
Interest cost	1,133
	\$1,513

The following table summarizes the postretirement liability (Dollars in thousands):

	1998
Accumulated postretirement benefit obligations:	
Retired participants	\$(19,378)
Other participants	(7,879)
	(27,257)
Unrecognized net loss	1,703
Postretirement benefit liability	\$(25,554)

Item 8. Financial Statements and Supplementary Data (continued)

The measurement assumes a discount rate of 6.75%. The health care cost trend rates on gross eligible charges are as follows:

	Medical	Dental
Current trend rate	8.75%	6.75%
Ultimate trend rate	4.75%	4.75%

A one percentage-point increase in the assumed health care cost trend rates would increase the accumulated postretirement benefit liability as of October 31, 1998 by approximately \$57,000 and the total of the service and interest cost components of net postretirement health care cost for the year then ended by approximately \$122,000.

NOTE 10 - CONTINGENT LIABILITIES

Various lawsuits, claims and proceedings have been or may be instituted or asserted against the Company, including those pertaining to environmental, product liability, safety and health matters. While the amounts claimed may be substantial, the ultimate liability cannot now be determined because of the considerable uncertainties that exist. Therefore, it is possible that results of operations or liquidity in a particular period could be materially affected by certain contingencies. However, based upon the facts currently available, management believes that the disposition of matters that are pending or asserted will not have a materially adverse affect on the financial position of the Company.

NOTE 11 - INDUSTRY SEGEMENTS

The Company operates in two industry segments, industrial shipping containers and materials ("Industrial Shipping Containers") and containerboard and related products ("Containerboard").

Operations in the Industrial Shipping Containers segment involve the production and sale of fibre, steel and plastic drums, multiwall bags and miscellaneous items. These products are manufactured and principally sold throughout the United States, Canada and Mexico.

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

In computing operating profit for the two industry segments, gain on timber sales, interest expense, other income and expense, gains on disposals of certain facilities and income taxes have not been allocated to such segments. Furthermore, the restructuring costs (see Note 3) have not been allocated to the separate segments. These amounts, excluding income taxes, comprise "general corporate other income and expense, net".

Item 8. Financial Statements and Supplementary Data (continued)

Each segments' operating assets are those assets used in the manufacture and sale of Industrial Shipping Containers or Containerboard. Corporate assets are principally cash and cash equivalents, timber properties, corporate facilities and other.

The following segment information is presented for the three years ended October 31, 1998, except as to asset information which is as of October 31, 1998, 1997 and 1996 (Dollars in thousands):

	1998	1997	1996
Net sales:			
Industrial Shipping Containers	\$444,130	\$333,005	\$322,330
Containerboard	357,001	315,979	315,038
Total	\$801,131	\$648,984	\$637,368
Operating profit:			
Industrial Shipping Containers	\$ 26,928	\$ 10,687	\$ 13,533
Containerboard	40,972	2,480	40,129
Total segment	67,900	13,167	53,662
General corporate other income and expense, net			
	15,148	22,523	14,034
Restructuring costs	27,461	6,185	--
Income before income taxes	55,587	29,505	67,696
Income taxes	22,483	11,419	24,949
Net income	\$ 33,104	\$ 18,086	\$ 42,747
Identifiable assets:			
Industrial Shipping Containers	\$439,614	\$175,980	\$166,235
Containerboard	324,052	309,373	290,009
Total segment	763,666	485,353	456,244
Corporate	65,697	64,736	56,094
Total	\$829,363	\$550,089	\$512,338

Item 8. Financial Statements and Supplementary Data (continued)

	1998	1997	1996
Depreciation expense:			
Industrial Shipping Containers	\$ 16,092	\$ 11,971	\$ 11,750
Containerboard	19,305	18,371	14,509
Total segment	35,397	30,342	26,259
Corporate	188	318	89
Total	\$ 35,585	\$ 30,660	\$ 26,348
Property additions:			
Industrial Shipping Containers	\$ 22,046	\$ 3,843	\$ 16,588
Containerboard	8,708	22,923	56,160
Total segment	30,754	26,766	72,748
Corporate assets	7,339	9,427	1,647
Total	\$ 38,093	\$ 36,193	\$ 74,395

NOTE 12 - SUBSEQUENT EVENTS

CorrChoice Joint Venture:

On November 1, 1998, the Company entered into a Joint Venture Agreement to form CorrChoice, Inc. ("CorrChoice"). The Joint Venture Agreement provides for the consolidation into CorrChoice of three sheet feeder plants of Michigan Packaging Company ("Michigan Packaging"), a wholly-owned subsidiary of the Company, and three sheet feeder plants of Ohio Packaging Corporation and its subsidiaries ("Ohio Packaging").

Pursuant to the terms of the Joint Venture Agreement, the Company contributed all of its stock of Michigan Packaging and Ohio Packaging in exchange for a 63.24% ownership interest in CorrChoice and the minority interest contributed all of its stock of Ohio Packaging in exchange for a 36.76% ownership interest in CorrChoice. The ownership percentages of the Company and minority interest in CorrChoice were determined by an appraisal of Michigan Packaging and Ohio Packaging performed by an independent third party.

The three Michigan Packaging plants are located in Mason, Michigan, Grand Rapids, Michigan and Concord, North Carolina. The three Ohio Packaging plants are located in Massillon, Ohio, Louisville, Kentucky and Cincinnati, Ohio. In addition to these locations, CorrChoice plans to establish a sheet feeder plant in the Atlanta, Georgia area.

Item 8. Financial Statements and Supplementary Data (continued)

Prior to the formation of the joint venture, the Company accounted for its investment in Ohio Packaging's non-voting stock under the cost method of accounting since it had no significant influence over the operations of Ohio Packaging. However, as a result of the Company's controlling interest in the joint venture effective November 1, 1998, the results of which will be consolidated, generally accepted accounting principles require the Company to retroactively adjust the financial statements of prior years using the equity method of accounting. The prior year adjustments will be a \$4.1 million, \$3.5 million and \$3.5 million increase to net income during 1998, 1997 and 1996, respectively, and will be reflected in all future reports. As a result of the cumulative adjustments, the Company's investment will be recorded as \$49.1 million as of October 31, 1998. Based on independent appraisals, as discussed above, the fair value of this investment is \$99.2 million.

As discussed above, the Company will include the results of CorrChoice in its Consolidated Financial Statements subsequent to November 1, 1998. The following summarized pro forma (unaudited) information assumes the joint venture had occurred on November 1, 1997 (Dollars in thousands, except per share amounts):

	1998
Net sales	\$895,723
Net income	\$ 36,169
Basic earnings per share:	
Class A Common Stock	\$ 1.26
Class B Common Stock	\$ 1.87
Diluted earnings per share:	
Class A Common Stock	\$ 1.25
Class B Common Stock	\$ 1.87

[FN]

The pro forma information, as presented above, is not necessarily indicative of the results which would have been obtained had the transactions occurred at November 1, 1997, nor are they necessarily indicative of future results.

Abzac Joint Venture:

During December 1998, the Company and Abzac s.a., a privately held company in France ("Abzac"), entered into a letter of intent for the exchange of the Company's spiral core manufacturing assets for a 49% equity interest in Abzac's fibre drum business. The Company manufactures spiral cores at three of its Canadian locations. Abzac, at three of its locations, manufactures fibre drums in France. The transaction is subject to due diligence and is anticipated to be completed during the third quarter of 1999.

Item 8. Financial Statements and Supplementary Data (continued)

REPORT OF MANAGEMENT'S RESPONSIBILITIES

To the Shareholders of
Greif Bros. Corporation

The Company's management is responsible for the financial and operating information included in this Annual Report to Shareholders, including the Consolidated Financial Statements of Greif Bros. Corporation and its subsidiaries. These statements were prepared in accordance with generally accepted accounting principles and, as such, include certain estimates and judgments made by management.

The system of internal accounting control, which is designed to provide reasonable assurance as to the integrity and reliability of financial reporting, is established and maintained by the Company's management. This system is continually reviewed by the internal auditors of the Company. In addition, PricewaterhouseCoopers LLP, an independent accounting firm, audits the financial statements of Greif Bros. Corporation and its subsidiaries and considers the internal control structure of the Company in planning and performing its audit. The Audit Committee of the Board of Directors meets periodically with the internal auditors and independent accountants to discuss the internal control structure and the results of their audits.

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

/s/ Joseph W. Reed
Joseph W. Reed
Chief Financial Officer
and Secretary

Item 8. Financial Statements and Supplementary Data (continued)

REPORT OF INDEPENDENT ACCOUNTANTS

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

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, of changes in shareholders' equity and of cash flows present fairly, in all material respects, the financial position of Greif Bros. Corporation and its subsidiaries at October 31, 1998 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended October 31, 1998, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ PricewaterhouseCoopers LLP

Columbus, Ohio
December 4, 1998

Item 8. Financial Statements and Supplementary Data (continued)

QUARTERLY FINANCIAL DATA (Unaudited)

The quarterly results of operations for fiscal 1998 and 1997 are shown below (Dollars in thousands, except per share amounts):

	Quarter Ended,			
	Jan. 31, 1998	Apr. 30, 1998	July 31, 1998	Oct. 31, 1998
Net sales	\$169,697	\$191,269	\$218,631	\$221,534
Gross profit	\$ 31,520	\$ 37,637	\$ 38,382	\$ 48,700
Net income (loss)	\$ 9,616	\$ 12,592	\$ (4,467)	\$ 15,363
Earnings per share:				
Basic:				
Class A Common Stock	\$.34	\$.44	\$ (.15)	\$.53
Class B Common Stock	\$.50	\$.65	\$ (.23)	\$.80
Diluted:				
Class A Common Stock	\$.34	\$.43	\$ (.15)	\$.53
Class B Common Stock	\$.50	\$.65	\$ (.23)	\$.80

Earnings per share were calculated using the following number of shares:

Basic:				
Class A Common Stock	10,901,962	10,904,755	10,906,582	10,909,468
Class B Common Stock	12,001,793	12,001,793	12,001,793	12,001,793
Diluted:				
Class A Common Stock	10,950,796	10,977,776	10,906,582	10,957,745
Class B Common Stock	12,001,793	12,001,793	12,001,793	12,001,793

Item 8. Financial Statements and Supplementary Data (concluded)

	Quarter Ended,			
	Jan. 31, 1997	Apr. 30, 1997	July 31, 1997	Oct. 31, 1997
Net sales	\$152,370	\$152,529	\$167,062	\$177,023
Gross profit	\$ 21,041	\$ 17,608	\$ 22,193	\$ 25,977
Net income	\$ 4,485	\$ 3,580	\$ 4,682	\$ 5,339
Earnings per share:				
Basic:				
Class A Common Stock	\$.16	\$.12	\$.16	\$.18
Class B Common Stock	\$.23	\$.19	\$.24	\$.28
Diluted:				
Class A Common Stock	\$.16	\$.12	\$.16	\$.18
Class B Common Stock	\$.23	\$.19	\$.24	\$.28

Earnings per share were calculated using the following number of shares:

Basic:				
Class A Common Stock	10,873,172	10,873,172	10,874,038	10,892,550
Class B Common Stock	12,001,793	12,001,793	12,001,793	12,001,793
Diluted:				
Class A Common Stock	10,889,792	10,886,060	10,883,518	10,925,198
Class B Common Stock	12,001,793	12,001,793	12,001,793	12,001,793

Prior quarter earnings per share amounts have been restated to reflect the adoption of SFAS No. 128 (see Note 1 to the Consolidated Financial Statements). The earnings per share were reported as \$.39 and \$.44 for the Class A and Class B Common Stock, respectively, for the quarter ended January 31, 1998, \$.52 and \$.58 for the Class A and Class B Common Stock, respectively, for the quarter ended April 30, 1998 and \$(.23) and \$(.17) for the Class A and Class B Common Stock, respectively, for the quarter ended July 31, 1998. The amounts have been adjusted to the amounts reported above to reflect the use of the "two-class method", as defined by SFAS No. 128, "Earnings Per Share".

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

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

PART III

Item 10. Directors and Executive Officers of the Registrant

Information with respect to Directors of the Company and disclosures pursuant to Item 405 of Regulation S-K is incorporated by reference to the Registrant's Proxy Statement, which Proxy Statement will be filed within 120 days of October 31, 1998. Information regarding the executive officers of the Registrant may be found under the caption "Executive Officers of the Company" in Part I, and is also incorporated by reference into this Item 10.

Item 11. Executive Compensation

Information with respect to Executive Compensation is incorporated herein by reference to the Registrant's Proxy Statement, which Proxy Statement will be filed within 120 days of October 31, 1998.

Item 12. Security Ownership of Certain Beneficial Owners and Management

Information with respect to Security Ownership of Certain Beneficial Owners and Management is incorporated herein by reference to the Registrant's Proxy Statement, which Proxy Statement will be filed within 120 days of October 31, 1998.

Item 13. Certain Relationships and Related Transactions

Information with respect to Certain Relationships and Related Transactions is incorporated herein by reference to the Registrant's Proxy Statement, which Proxy Statement will be filed within 120 days of October 31, 1998.

PART IV

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

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

	Page
(1) Financial Statements:	
Consolidated Statements of Income for the three years ended October 31, 1998	33
Consolidated Balance Sheets at October 31, 1998 and 1997	34-35
Consolidated Statements of Cash Flows for the three years ended October 31, 1998	36
Consolidated Statements of Changes in Shareholders' Equity for the three years ended October 31, 1998	37
Notes to Consolidated Financial Statements	38-58
Report of Management's Responsibilities	59
Report of Independent Accountants	60
Quarterly Financial Data (Unaudited)	61-62
(2) Financial Statement Schedules:	
Report of Independent Accountants on Financial Statement Schedules	70
Consolidated Valuation and Qualifying Accounts and Reserves (Schedule II)	71

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

(3) Exhibits:

Exhibit No.	Description of Exhibit	If Incorporated by Reference, Document with which Exhibit was Previously Filed with SEC
2(a)	Stock Purchase Agreement dated March 30, 1998, between Greif Bros. Corporation and Sonoco Products Company.	Current Report on Form 8-K dated April 14, 1998, File No. 1-566 (see Exhibit 2 therein).
2(b)	Joint Venture Agreement dated as of November 1, 1998, among CorrChoice, Inc., Greif Bros. Corporation, Geoffrey A. Jollay and R. Dean Jollay, and John J. McLaughlin.	Current Report on Form 8-K dated November 13, 1998, File No. 1-566 (see Exhibit 2 therein).
3(a)	Amended and Restated Certificate of Incorporation of Greif Bros. Corporation.	Annual Report on Form 10-K for the fiscal year ended October 31, 1997, File No. 1-566 (see Exhibit 3(a) therein).
3(b)	Amended and Restated By-Laws of Greif Bros. Corporation.	Annual Report on Form 10-K for the fiscal year ended October 31, 1997, File No. 1-566 (see Exhibit 3(b) therein).
3(c)	Amendment to Amended and Restated By-Laws of Greif Bros. Corporation.	Included herein.
10(a)	Greif Bros. Corporation 1996 Directors Stock Option Plan.	Registration Statement on Form S-8, File No. 333-26977 (see Exhibit 4(b) therein).
10(b)	Greif Bros. Corporation Incentive Stock Option Plan, as Amended and Restated.	Annual Report on Form 10-K for fiscal year ended October 31, 1997, File No. 1-566 (see Exhibit 10(b) therein).
10(c)	Greif Bros. Corporation Directors Deferred Compensation Plan.	Included herein.
10(d)	Employment Agreement between Michael J. Gasser and Greif Bros. Corporation.	Included herein.

Item 14.	Exhibits, Financial Statement Schedules and Reports on Form 8-K (continued)	
Exhibit No.	Description of Exhibit	If Incorporated by Reference, Document with which Exhibit was Previously Filed with SEC
10(e)	Employment Agreement between William B. Sparks and Greif Bros. Corporation.	Included herein.
10(f)	Employment Agreement, as amended, between Charles R. Chandler and Greif Bros. Corporation.	Included herein.
10(g)	Employment Agreement, as amended, between Joseph W. Reed and Greif Bros. Corporation.	Included herein.
10(h)	Credit Agreement dated as of March 30, 1998, among Greif Bros. Corporation, as Borrower, Various Financial Institutions, as Banks, and KeyBank National Association, As Agent.	Current Report on Form 8-K for April 14, 1998, File No. 1-566 (see Exhibit 99(b) therein).
21	Subsidiaries of the Registrant.	Contained herein.
23	Consent of PriceWaterhouseCoopers LLP.	Contained herein.
24(a)	Powers of Attorney for Michael J. Gasser, Charles R. Chandler, Michael H. Dempsey, Naomi C. Dempsey, Daniel J. Gunsett, Robert C. Macauley, David J. Olderman, William B. Sparks, Jr., and J Maurice Struchen.	Annual Report on Form 10-K for the fiscal year ended October 31, 1997, File No. 1-566 (see Exhibit 24(a) therein).
27	Financial Data Schedule	Contained herein.

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

(b) Reports on Form 8-K

- (1) No reports on Form 8-K have been filed during the last quarter of fiscal 1998.

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

The individual financial statements of the Registrant have been omitted since the Registrant is primarily an operating company and all subsidiaries included in the consolidated financial statements, in the aggregate, do not have minority equity interests and/or indebtedness to any person other than the Registrant or its consolidated subsidiaries in amounts which exceed 5% of total consolidated assets at October 31, 1998.

SIGNATURES

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

Greif Bros. Corporation
(Registrant)

Date January 25, 1999

By /s/ Michael J. Gasser
Michael J. Gasser
Chairman of the Board of Directors
and Chief Executive Officer

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

/s/ Michael J. Gasser
Michael J. Gasser
Chairman of the Board of Directors
Chief Executive Officer
(principal executive officer)

/s/ Joseph W. Reed
Joseph W. Reed
Chief Financial Officer and
Secretary
(principal financial officer)

/s/ John K. Dieker
John K. Dieker
Corporate Controller
(principal accounting officer)

Charles R. Chandler *
Charles R. Chandler
Member of the Board of Directors

Michael H. Dempsey *
Michael H. Dempsey
Member of the Board of Directors

Naomi C. Dempsey *
Naomi C. Dempsey
Member of the Board of Directors

Daniel J. Gunsett *
Daniel J. Gunsett
Member of the Board of Directors

Robert C. Macauley *
Robert C. Macauley
Member of the Board of Directors

David J. Olderman *
David J. Olderman
Member of the Board of Directors

William B. Sparks, Jr. *
William B. Sparks, Jr.
Member of the Board of Directors

J Maurice Struchen *
J Maurice Struchen
Member of the Board of Directors

[Signatures continued on the next page]

SIGNATURES (concluded)

* The undersigned, Michael J. Gasser, by signing his name hereto, does hereby execute this Annual Report on Form 10-K on behalf of each of the above-named persons pursuant to powers of attorney duly executed by such persons and filed as an exhibit to this Annual Report on Form 10-K.

By /s/ Michael J. Gasser
Michael J. Gasser
Chairman of the Board of Directors
Chief Executive Officer

Each of the above signatures is affixed as of January 25, 1999.

REPORT OF INDEPENDENT ACCOUNTANTS ON
FINANCIAL STATEMENT SCHEDULES

To the Board of Directors
of Greif Bros. Corporation

Our audits of the consolidated financial statements referred to in our report dated December 4, 1998, appearing on page 60 of this Form 10-K also included an audit of the Financial Statement Schedules listed in Item 14(a)(2) of this Form 10-K. In our opinion, these Financial Statement Schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers LLP

Columbus, Ohio
December 4, 1998

SCHEDULE II

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

Description	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Deductions	Balance at End of Period
Year ended					
October 31, 1996:					
Reserves deducted from applicable assets:					
For doubtful items-					
trade accounts receivables	\$ 789	\$201	\$22 B	\$186 C	\$ 826
For doubtful items-					
other notes and accounts receivable	697	-0-	-0-	-0-	697
Total reserves deducted from applicable assets	\$1,486	\$201	\$22	\$186	\$1,523
Year ended					
October 31, 1997:					
Reserves deducted from applicable assets:					
For doubtful items-					
trade accounts receivables	\$ 826	\$431	\$11 B	\$421 C	\$847
For doubtful items-					
other notes and accounts receivable	697	-0-	-0-	-0-	697
Total reserves deducted from applicable assets	\$1,523	\$431	\$11	\$421	\$1,544
Year ended					
October 31, 1998:					
Reserves deducted from applicable assets:					
For doubtful items-					
trade accounts receivables	\$1,652 A	\$1,489	\$142 B	\$365 C	\$2,918
For doubtful items-					
other notes and accounts receivable	697	-0-	-0-	-0-	697
Total reserves deducted from applicable assets	\$2,349	\$1,489	\$142	\$365	\$3,615

[FN]

(A) Includes an \$805,000 adjustment related to the industrial containers business of Sonoco Products Company which was acquired on March 30, 1998.

[FN]

(B) Collections of accounts previously written-off.

[FN]

(C) Accounts written-off.

EXHIBIT INDEX

Exhibit No.	Description of Exhibit	If Incorporated by Reference, Document with which Exhibit was Previously Filed with SEC
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2(b)	Joint Venture Agreement dated as of November 1, 1998, among CorrChoice, Inc., Greif Bros. Corporation, Geoffrey A. Jollay and R. Dean Jollay, and John J. McLaughlin.	Current Report on Form 8-K dated November 13, 1998, File No. 1-566 (see Exhibit 2 therein).
3(a)	Amended and Restated Certificate of Incorporation of Greif Bros. Corporation.	Annual Report on Form 10-K for the fiscal year ended October 31, 1997, File No. 1-566 (see Exhibit 3(b) therein).
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10(b)	Greif Bros. Corporation Incentive Stock Option Plan, as Amended and Restated.	Annual Report on Form 10-K for the fiscal year ended October 31, 1997, File No. 1-566 (see Exhibit 10(b) therein).
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10(f)	Employment Agreement, as amended, between Charles R. Chandler and Greif Bros. Corporation	Included herein.
10(g)	Employment Agreement, as amended, between Joseph W. Reed and Greif Bros. Corporation.	Included herein.
10(h)	Credit Agreement dated as of March 30, 1998, among Greif Bros. Corporation, as Borrower, Various Financial Institutions, as Banks, and KeyBank National Association, As Agent.	Current Report on Form 8-K dated April 14, 1998, File No. 1-566 (see Exhibit 99(b) therein).
21	Subsidiaries of the Registrant.	Contained herein.
23	Consent of PriceWaterhouseCoopers LLP.	Contained herein.
24(a)	Powers of Attorney for Michael J. Gasser, Charles R. Chandler, Michael H. Dempsey, Naomi C. Dempsey, Daniel J. Gunsett, Robert C. Macauley, David J. Olderman, William B. Sparks, Jr., and J Maurice Struchen.	Annual Report on Form 10-K for the fiscal year ended october 31, 1997, File No. 1-566 (see Ehxibit 24(a) therein).
27	Financial Data Schedule	Contained herein.

AMENDMENT TO
AMENDED AND RESTATED BY-LAWS
OF GREIF BROS. CORPORATION

RESOLVED, that Article II, Section 1, of the Company's Amended and Restated By-Laws is hereby amended in its entirety to read as follows:

Section 1. Number of Directors. Until changed in accordance with the provisions of Article IX, below, the number of directors of the Corporation shall be nine (9).

GREIF BROS. CORPORATION
DIRECTORS DEFERRED COMPENSATION PLAN

Effective
September 5, 1996

GREIF BROS. CORPORATION
DIRECTORS DEFERRED COMPENSATION PLAN
(the "Plan")

I
PURPOSE

Greif Bros. Corporation (the "Company") is willing to provide supplemental retirement benefits out of its general assets to members of its Board of Directors (the "Board") as an incentive for those individuals to continue their relationship with the Company and to provide them the opportunity to defer the payment of their Board fees for retirement savings purposes. The Company's goal is to retain and reward its Board members by helping them to accumulate benefits for a comfortable retirement.

II
ELIGIBILITY

All members of the Board are eligible to participate in the Plan. If you are eligible to participate in the Plan, you will sign a Deferred Compensation Agreement which details the requirements you must satisfy to be eligible to receive this supplemental retirement benefit from the Company.

III
DEFERRED COMPENSATION ACCUMULATIONS

The benefits provided to Directors under their Deferred Compensation Agreements are paid from the Company's general assets. The program is, therefore, considered to be an "unfunded" arrangement as amounts are not set aside or held by the Company in a trust, escrow, or similar account or fiduciary relationship on your behalf. Each participant's rights to benefits under the Plan are equivalent to the rights of any unsecured general creditor of the Company. If the Company makes any investment of funds in conjunction with this Plan, all such investments shall at all times continue to be a part of the Company's general assets for all purposes.

To measure the amount of the Company's obligations to a participant in this program, the Company will maintain a bookkeeping record or account of each participant's "Accumulations". You may elect (within 30 days of when you first become eligible to participate in the Plan for your initial year of participation or, for subsequent years, not later than the December 31 prior to each such year) to defer payment of a portion (minimum of 25%) or all of your director's fees to be earned during the balance of the current or next calendar year, as applicable, as a credit to your Accumulations.

EXHIBIT 10(c) (continued)

If you desire, your election can continue in effect from year to year until you change it, but any change will be effective only as of the January 1 of the year following the year you change your election. Your election will apply to your periodic (quarterly) fee for service on the Board, or to fees you earn for attendance at meetings of the Board or of any committee of the Board, or to both, as you elect. These credits to your Accumulations, adjusted for changes in capitalization and dividends, as described below, are known as the "Deferral Value."

Value of Your Accumulations: The amount payable to you when you retire from the Board will be based on the value credited to your Accumulations account. Your Deferral Value will be credited as "Phantom Shares." "Phantom Shares" shall have a value equal to the market value from time to time of the Company's Class A Common Stock, without par value. The number of Phantom Shares credited to your account will be based on the dollar amount of the fees being deferred, divided by the then current per share value of the Company's Class A Common Stock, without par value. For example, if you are deferring \$1,000 of fees at a time when the per share value of the Company's Class A Common Stock is \$40, your account will be credited with 25 Phantom Shares ($\$1,000 \div 40 = 25$). The value of your Accumulations will be based on the value of the Company's Class A Common Stock, without par value, as determined from time to time. If there is a change in the capitalization structure of the Company (e.g., due to a stock dividend, stock split, recapitalization, merger, consolidation, etc.), then a corresponding equitable adjustment will be made in the number of Phantom Shares credited to your account. The Phantom Shares will also have dividend rights comparable to the Company's Class A Common Stock, in the Company's discretion. If any dividends are declared on the Phantom Shares, they will automatically be treated as though they were reinvested in additional Phantom Shares. The Company also reserves the right to adjust the earnings or other amounts credited to your Accumulations and to determine the value of your Accumulations as of any date by adjusting such earnings or fair market value for the Company's tax and other costs of providing this Plan.

Hypothetical dividends and earnings credited to your account will compensate for the postponement of the receipt of the Accumulations and give you the benefit of tax-deferred growth of the accumulating amounts. Under current federal income tax rules, the amounts credited to your Accumulations, including earnings, will not be taxable income to you in the year they are credited to your account. You, or your beneficiaries in the event of your death, will generally be taxable on these amounts and the credited earnings only if and when benefits are actually paid to you. Thus, this program provides the opportunity to defer income and the payment of income taxes.

IV
BENEFITS

A. Vesting. All contributions to the Plan will always be 100% "vested". This means you will always be entitled to receive benefits from your Accumulations.

B. Payment of Benefits.

1. Retirement Benefits. You will be eligible to receive retirement benefits under the plan upon your retirement from the Board after attaining age 65. Retirement benefits will generally be paid in cash either in a single lump sum or as a monthly benefit payable for 120 months. The amount of monthly benefit payments will equal the amount necessary to amortize your total Accumulations over the 120 month period. The amount payable each month will be based alternatively on an approximately equal amortization based on an assumed interest rate declared by the Company from time to time during the period of distribution, or based on the actual investment results of a like sum invested by the Company. If the Company elects to invest funds equal to your Accumulations, the funds shall remain an asset solely of the Company for all purposes. In this event, monthly installments payable during a calendar year shall be based on the fair market value of the Company's investments as of the preceding December 31, divided by the number of monthly installments remaining to be paid. You must give the Company at least 30 days advance written notice of your intention to retire and receive retirement benefits. Actual benefit payments will begin no later than the first day of the second month following your satisfaction of all requirements for payment.

2. Disability Benefits. If you become totally disabled before satisfying the requirements for retirement benefits, you will be eligible to receive payment of the amounts credited to your Accumulations in a single lump sum or as a monthly benefit payable for 120 months. The amount of any monthly benefits will be determined in the same manner as retirement benefits. For this purpose, "total disability" means a physical or mental condition which totally and presumably permanently prevents you from engaging in your usual occupation or any occupation for which you are qualified by reason of training, education, or experience. It is up to the Company to determine whether you qualify as being totally disabled and the Company may require you to submit to periodic medical examinations to confirm that you are, and continue to be, totally disabled. If your disability ends, your disability benefit payments will stop. However, you could continue to qualify for benefits under another provision of the Plan.

3. **Death Benefits.** In the event of your death while receiving benefit payments under the Plan, the Company will pay the beneficiary or beneficiaries designated by you any remaining payments due under the terms of your Deferred Compensation Agreement, using the same method of distribution in effect to you at the date of your death. In the event of death prior to beginning to receive benefits under the Deferred Compensation Agreement, the Company will pay benefits to your beneficiary or beneficiaries, beginning as soon as practicable after your death. In this case, benefits will be paid in a single lump sum or as a monthly benefit payable for 120 months computed in the same manner as retirement benefits. The Company will provide you with the form for designating your beneficiary or beneficiaries. If you fail to make a beneficiary designation, or if your designated beneficiary predeceases you or cannot be located, any death benefits will be paid to your estate.

4. **Other Termination of Board Membership.** If your membership on the Board terminates for any reason other than retirement, death, or total disability, then your Accumulations will be paid to you in a single lump sum or as a monthly benefit payable for 120 months computed in the same manner as retirement benefits, beginning as soon as administratively practicable after your term of office ends.

5. **Payment Alternatives.** Whether your benefits are payable as single lump sum or in installments for 120 months will be determined by an election you make when you first are eligible for this plan. Once made, your election of a payment method may not be changed. However, at the Company's election, or upon your request and the Company's consent, benefits may be paid over a shorter or longer period of time than you elected. However, no request by you or your beneficiaries for a different payment method will be binding on the Company, and any accelerated or deferred payment of benefits shall be made only in the sole discretion of the Company. In addition, the Company may alter the payment method in effect from time to time in its discretion. If the payment method is altered, the amount you or your beneficiaries will receive will be computed under one of the alternative methods for determining payment amounts provided for under the normal installment payment form of distribution for your Accumulations, determined by the Company in its discretion.

6. Insider Trading Rules. The federal securities laws now treat "derivative" securities, such as the Phantom Shares, as subject to the restrictions on "insider trading." To qualify for an exemption from the insider trading rules, Phantom Shares must be held for at least 6 months. Therefore, distribution to you of amounts deferred within 6 months of your retirement or other termination from the Board will be delayed until 6 months after the date of deferral. This special rule will not delay the payment of amounts deferred more than 6 months before your retirement or other termination.

V

MISCELLANEOUS PROVISIONS

A. No Right to Company Assets. As explained previously, this Directors Deferred Compensation Plan is an unfunded arrangement and the agreement you will enter into with the Company does not create a trust of any kind or a fiduciary relationship between the Company and you, your designated beneficiaries or any other person. To the extent you, your designated beneficiaries, or any other person acquires a right to receive payments from the Company under the Directors Deferred Compensation Agreement that right is no greater than the right of any unsecured general creditor of the Company.

B. Modification or Revocation. Your Directors Deferred Compensation Agreement will continue in effect until revoked, terminated, or all benefits are paid. However, the Deferred Compensation Agreement and this Plan may be amended or revoked at any time, in whole or in part, by the Company in its sole discretion. Unless you agree otherwise, you will still be entitled to the benefit, if any, that you have earned through the date of any amendment or revocation. Such benefits will be payable at the times and in the amounts provided for in the Deferred Compensation Agreement, or the Company may elect to accelerate distribution and pay all amounts due immediately.

C. Rights Preserved. Nothing in the Deferred Compensation Agreement or this Plan gives any director the right to continue to hold such office. The relationship between you and the Company shall continue to be determined by the applicable provisions of the Articles of Incorporation and Code of Regulations of the Company and by applicable law.

D. Controlling Documents. This is merely a summary of the key provisions of the Deferred Compensation Agreement currently in use by the Company. In the event of any conflict between the provisions of this Plan and the Deferred Compensation Agreement, the agreement shall in all cases control.

EMPLOYMENT CONTRACT

This Agreement by and between GREIF BROS. CORPORATION (the "Employer") and MICHAEL J. GASSER (the "Employee"), in consideration of the mutual covenants and agreements, the parties agree as follows:

ARTICLE 1. TERM OF EMPLOYMENT

1.01 Term. The Employer continues the employment of the Employee and the Employee accepts such continued employment from the Employer for a period of fifteen (15) years from November 1, 1995 unless earlier terminated in accordance with the provisions of this Agreement provided below.

1.02 Continuation of Employment. It is further agreed that at or prior to the end of the term of agreement specified in Paragraph 1.01 above, the Employee may elect to continue employment under the provisions and terms of this Agreement, on a year-to-year basis, beginning at the beginning of the corporate fiscal year first occurring after the expiration of the original term of the Agreement, that is, beginning November 1, 2010. Such yearly continuation shall be at the option of the Employee up until and including the year that the Employee shall reach the age of 65 years. Such option shall be exercisable only for one year at a time and shall be exercisable only within the last 60 days of the original term or of the current extended year. Such additional yearly continuation shall be subject to the consent of the Employer but the Employer agrees that such consent will not be unreasonably withheld in any circumstance and will be absolutely granted if the corporation's economic performance (as measured by net profit, exclusive of sales or profit arising other than in the ordinary course of business) for the period immediately prior to the renewal period is at least seventy percent (70%) of the average economic performance in the preceding three fiscal years. This 70% requirement shall be suspended in times of general and substantial economic decline in the

EXHIBIT 10(d) (continued)

principal industry or industries in which the corporation has earned its major manufacturing income. In the event that any operations of the company have been sold or spun off, the above 70% figure shall be adjusted accordingly.

1.03 Modification in the Event of Change of Control. Notwithstanding the provisions of Paragraph 1.02 above, the option of the Employee to elect year-to-year continuation until the age of 65 shall be absolute and unconditional in the event that control of the corporation has changed during the term of this agreement or any extension thereof.

ARTICLE 2. EMPLOYMENT POSITION OF THE EMPLOYEE

2.01 Duties. The Employee shall be employed as chief executive of the Corporation and shall perform such duties consistent with such office and also such additional duties as may be assigned to such office from time to time by the Board of Directors.

2.02 Change of Duties. In the event that the Board of Directors, with the consent of the Employee, decides that the Employee shall have a different responsibility and position, the other provisions of this Agreement shall continue to apply.

2.03 Change of Duties if Employee is Disabled. If the Employee, at any time during the term of this Agreement or any continuation thereof, should be unable because of illness, personal injury or other disability to perform the duties specified under this Agreement, the Employer may assign the Employee to other duties which the Employee may be able to perform, as determined by the Employer in the Employer's sole discretion. If the Employee is unwilling, as distinguished from unable, to accept the modification of duties, this Agreement shall terminate ninety (90) days after the Employee rejects the modification. Such disability shall be determined by the opinion of a doctor competent in the field.

EXHIBIT 10(d) (continued)

2.04 Place of Employment. Except with the express consent of the Employee, the Employee shall perform Employee's duties within the vicinity of Delaware County, Ohio.

2.05 Scope of Employment. The Employee agrees that Employee shall work full time for the Employer and shall devote the Employee's entire productive time, ability and attention to the business of the Employer during the term of this Agreement. The Employee shall not directly or indirectly render any services of a business, commercial or professional nature to any other person or organization, whether for compensation or otherwise without the prior written consent of the Employer. However, this restriction shall not apply to reasonable activities on behalf of charity or to the usual requirements of a director for any other corporation, whether or not related to the Employer.

Employee shall not perform any act that would injure or tend to injure the Employer, or the Employer's reputation or any entity affiliated with the Employer, or that entity's reputation, and the Employee recognizes that at all times the Employee shall perform under a duty of loyalty.

ARTICLE 3. COMPENSATION

3.01 Basic Compensation. Except as otherwise provided in this Agreement, the current salary of the Employee (including any raises authorized by the Board of Directors within two fiscal years following October 31, 1995) shall not be diminished in any way during the period of Employee's employment pursuant to the terms of this Agreement. The Board of Directors of the Employer shall retain the right to increase the salary beyond that specified in the preceding sentence but such further increases shall not increase the minimum guaranteed salary of the Employee.

EXHIBIT 10(d) (continued)

3.02 Other Compensation. In addition to the salary provisions of Paragraph 3.01 above, the Employee shall be eligible to participate in any incentive or bonus plan adopted by the Board of Directors from time to time, or any stock option, stock purchase, deferred compensation or any other supplemental benefit plan, under the provisions of such plan or plans, if the Board of Directors so desires, exclusive of any such plan adopted by or for any subsidiary of the Employer.

ARTICLE 4. EMPLOYEE BENEFITS

4.01 Medical and Dental Benefits. The Employer agrees to include the Employee in any life or disability plans and any hospital, surgical, medical or dental benefit plan adopted by the Employer as of the date of this Agreement or thereafter and in which the Employee is or would be within the covered employee group. Such benefit shall include the Employee's spouse and any children who qualify as the Employee's dependents under the Internal Revenue Code.

4.02 Reimbursement of Business and Other Expenses. The Employee is authorized to incur and will be reimbursed by the Employer for reasonable business expenses, including expenditures for entertainment, gifts and travel under such reasonable rules and regulations as the Employer shall specify.

4.03 Vacation, Holidays and Sick Leave. The Employee shall be entitled to vacation time, holidays and sick leave in accordance with any program of the Employer or as specified by the Board of Directors.

4.04 Other Payments by the Employer. The Employer, in its discretion, may make additional payments to, or for the benefit of, the Employee not restricted by the foregoing provisions, in the event that such additional payments are deemed justified by the circumstances and are in the best interests of the Employer and its continuing business.

ARTICLE 5. PROPERTY RIGHTS

5.01 Inventions and Patents. The Employee agrees that Employee will promptly and fully inform and disclose to the Employer all inventions, designs, improvements, and discoveries that the Employee may create, conceive, find, or participate in during the term of this Agreement that pertain to the Employer's business or to any experimental work carried on by the Employer, whether conceived by the Employee alone or with others and whether or not conceived during regular working hours. All inventions, designs, improvements, and discoveries described in the preceding sentence shall be the exclusive property of the Employer. The Employee shall assist the Employer in obtaining patents on all of the inventions, designs, improvements, and discoveries deemed by the Employer to be worth of patent and shall execute all documents and do all things necessary to obtain letters patent, vest the Employer with full and exclusive title to them, and protect them against infringement by others.

5.02 Trade Secrets. During the term of this Agreement, the Employee will have access to and become familiar with various trade secrets, consisting of formulas, patterns, devices, secret inventions, processes, and compilations of information, records, and specifications that are owned by the Employer and that are regularly used in the operation of the business of the Employer. The Employee shall not disclose any of these trade secrets, directly or indirectly, or use them in any way, either during the term of this Agreement or at any later time, except as required in the course of his employment. All files, records, documents, drawings, specifications, equipment, and similar items relating to the business of the Employer, whether prepared by the Employee or otherwise coming into his possession, shall remain the exclusive property of the Employer and shall not be removed from the premises of the Employer, except in the ordinary course of the Employee's work for the Employer, nor shall copies be made by

EXHIBIT 10(d) (continued)

the Employee of said documents (other than in the ordinary course of business) for storage at the premises of the Employer without the prior written consent of the Employer. Neither company documents, nor copies, physical or of other nature, may be kept by the Employee at the Employee's home or other site not the premises of the Employer.

5.03 Non-Competition by Employee. During the term of this Agreement, the Employee shall not, directly or indirectly, either as an Employee, employer, consultant, agent, principal, partner, stockholder, corporate officer, director, or in any other individual or representative capacity, engage or participate in any business that is in competition in any manner with the business of the Employer. During the term of this Agreement and for a period of three years after termination of this Agreement, the Employee shall not, directly or indirectly, solicit for employment or employ any employee of the Employer for any reason, whether that Employee is employed on the date of this Agreement or at any time during the term of this Agreement, except in the case of a former employee who has had no affiliation with the Employer for the past two years.

Except in the case of termination of employment by reason of the breach of this Agreement by the Employer, for a period of two years after leaving the employment of the Employer, the Employee agrees that, without the written consent of the Employer, the Employee will not be involved, directly or indirectly in any enterprise competitive with any business engaged in by the Employer or its subsidiaries. The Employee further agrees that the damages for non-performance of this covenant would be very difficult to determine, and that injunctive relief in such cases would be appropriate.

EXHIBIT 10(d) (continued)

ARTICLE 6. MILITARY SERVICE

6.01 Military Training Leave. If the Employee is or becomes a member of a military reserve or National Guard unit, Employee shall be entitled to apply for and be granted a leave of absence for a period of fourteen (14) days plus travel time each year to attend training camp. During this leave, the Employee shall receive full compensation less the amount of military base pay received, and the leave shall be in addition to any vacation the Employee may be entitled to under this Agreement.

6.02 Compensation During Military Service. If the Employee is involuntarily inducted into the armed forces of the United States during the term of this Agreement, Employee shall continue to receive sixty-five percent (65%) of Employee's salary under this Agreement, less any service pay received. This compensation shall continue for the duration of Employee's term in the armed forces up to a maximum of four years.

ARTICLE 7. TERMINATION

7.01 Termination by Employer for Cause. If the Employee willfully breaches or habitually neglects the duties that the Employee is required to perform under this Agreement, the Employer may at the Employer's option terminate this Agreement by giving written notice of termination to the Employee without prejudice to any other remedy to which the Employer may be entitled either at law, in equity, or under this Agreement. No discharge for cause under this paragraph shall be made unless the Employee is first given written warning of such neglect or breach and given reasonable time to correct such breach or neglect except if such breach involves the commission of a criminal offense, in which case termination may occur without said written warning.

EXHIBIT 10(d) (continued)

7.02 Termination by Employer if Employee is Permanently Disabled. If the Employee becomes permanently disabled because of sickness, physical or mental disability, or any other reason, so that it reasonably appears that Employee will be unable, for a continuous period of one year or more, to complete the duties under this Agreement, the Employer shall have the option to terminate this Agreement by giving written notice of termination to the Employee. Such disability shall be determined by a doctor competent in the field. Termination shall be without prejudice to any right or remedy that the Employer or the Employee has either at law, in equity, or under this Agreement. Termination shall not release the Employee of Employee's obligations under Article 5 of this Agreement.

7.03 Termination by Employee in Certain Circumstances. This Agreement may be terminated upon ninety (90) days written notice by the Employee at Employee's option and without prejudice to any other remedy that Employee has either at law, in equity, or under this Agreement by giving written notice of termination to the Employer:

(1) If the Employer does not or is not able to fulfill any of the obligations of Employer under this Agreement, and refuses to correct said breach within a reasonable time upon having been given notice; or

(2) If Employee's status of chief executive officer of the Employer shall change because the merger or acquisition of the Employer renders the Employer a subsidiary of another business enterprise of which enterprise the Employee is not the chief executive officer; or

(3) The change of voting control of the Employer causes a curtailment or restriction of the Employee's privileges, autonomy or authority to manage the Employer as presently enjoyed by the Employee.

ARTICLE 8. EFFECT OF TERMINATION ON COMPENSATION

8.01 Termination by Employer. In the event the Agreement is terminated by the Employer pursuant to Section 7.01, above, or by the Employee under Section 7.03 above, all rights of the Employee shall be terminated immediately except for previously earned or accrued compensation or benefits under any incentive compensation plan and except for rights under health, welfare, pension and life insurance plans, and except for provisions of Articles VIII or IX and rights arising out of a breach of this agreement.

8.02 Termination if Employee Is Disabled. In the event the Agreement is terminated pursuant to Section 7.02, above, the Employee shall continue to be entitled to benefits under any health or welfare plan of the Employer and shall be assured, by the Employer that the Employee shall receive at least sixty-five percent (65%) of the Employee's guaranteed compensation under Paragraph 3.01 from such plans and from payments under Workmen's Compensation, if applicable, and from any disability plan of the Employer or insurance therefor and that if said payments shall fall short of the guaranteed 65%, the Employer shall contribute the necessary funds to eliminate said shortfall. Such guarantee shall continue as long as the Employee's disability continues.

8.03 Termination by Employee. In the event that the termination occurs because of the option of the Employee under Paragraph 7.03, above, the Employee's guaranteed compensation shall continue to the end of the employment term and any current extension thereof.

EXHIBIT 10(d) (continued)

ARTICLE 9. ARBITRATION

9.01 Agreement to Submit Disputes to Arbitration on Written Request.

Any unresolved controversy between the parties involving the construction or application of any of the terms, covenants, or conditions of this Agreement shall be submitted to arbitration in compliance with and pursuant to the provisions of Sections 2711.01 through 2711.24 of the Ohio Revised Code on the written request of one party served on the other.

ARTICLE 10. BINDING EFFECT, ASSIGNMENT

10.01 Binding Effect. This Agreement shall be binding upon the parties, their successors, personal representatives and assigns. The Employer specifically agrees that in any merger, acquisition or sale of substantially all of the assets of the company, or in the event of any change of control of the Employer, the Employer is and remains obligated to see that any successor to the Employer or any purchaser of substantially all the assets of the company (except in proceedings under the United States Bankruptcy Act) shall be specifically obligated by the Employer for the benefit of the Employee to fulfill the obligations of this Agreement.

10.02 Assignment. No party may assign its rights under this Agreement without the prior written consent of the other party, except as may be permitted under any employee benefit plan maintained by the Employer.

ARTICLE 11. GENERAL PROVISIONS

11.01 Notices. Any notices to be given under this Agreement by either party to the other shall be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed, if to the Employer, at the Employer's principal office and, if to the Employee, at the most recent address listed in the Employer's payroll records, but each party may

EXHIBIT 10(d) (continued)

adopt a new address by giving written notice in accordance with this paragraph. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of ten (10) days after mailing or upon the date of delivery specified upon the return receipt, whichever is earlier.

11.02 Entire Agreement. This Agreement supersedes all other oral and written agreements between the parties with respect to the Employer's employment of the Employee, and this Agreement contains all of the covenants and agreements between the parties with respect to the employment.

11.03 Law Governing Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio.

11.04 Attorneys' Fees and Costs. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief that may be proper.

11.05 Payment of Moneys Due Deceased Employee. If the Employee dies prior to the expiration of the term of employment, any moneys that may be due him from the Employer under this Agreement as of the date of death shall be paid to the executor, administrator, or other personal representative of the Employee's estate.

11.06 Unenforcibility of Provisions. If any provision or provisions of this Agreement are judicially determined to be illegal or unenforceable, such decision shall not affect any other provisions of this Agreement, which shall remain in full force and effect.

EXHIBIT 10(d) (concluded)

11.07 Approval by the Directors. In the instance of an employee who is an elected officer of the Employer the execution of this Agreement on behalf of the corporation represents to the Employee that this Agreement has received the approval of the Compensation Committee of the Board of Directors and the approval of the Board of Directors.

EMPLOYER:
GREIF BROS. CORPORATION
By: /s/ William B. Sparks, Jr.
Title: President

EMPLOYEE:
/s/ Michael J. Gasser
Michael J. Gasser

The foregoing Agreement has received the approval of the Compensation Committee of the Board of Directors of Greif Bros. Corporation.

/s/ Robert C. Macauley
Robert C. Macauley

/s/ Naomi C. Dempsey
Naomi C. Dempsey

/s/ J Maurice Struchen
J Maurice Struchen

EMPLOYMENT CONTRACT

This Agreement by and between GREIF BROS. CORPORATION (the "Employer") and WILLIAM B. SPARKS, JR. (the "Employee"), in consideration of the mutual covenants and agreements, the parties agree as follows:

ARTICLE 1. TERM OF EMPLOYMENT

1.01 Term. The Employer continues the employment of the Employee and the Employee accepts such continued employment from the Employer for a period of eleven (11) years from November 1, 1995 unless earlier terminated in accordance with the provisions of this Agreement provided below.

ARTICLE 2. EMPLOYMENT POSITION OF THE EMPLOYEE

2.01 Duties. The Employee shall be employed as president of the corporation and shall perform such duties consistent with such office and also such additional duties as may be assigned to such office from time to time by the Board of Directors.

2.02 Change of Duties. In the event that the Board of Directors, with the consent of the Employee, decides that the Employee shall have a different responsibility and position, the other provisions of this Agreement shall continue to apply.

2.03 Change of Duties if Employee is Disabled. If the Employee, at any time during the term of this Agreement or any continuation thereof, should be unable because of illness, personal injury or other disability to perform the duties specified under this Agreement, the Employer may assign the Employee to other duties which the Employee may be able to perform, as determined by the Employer in the Employer's sole discretion. If the Employee is unwilling, as distinguished from unable, to accept the modification of duties, this Agreement shall terminate ninety (90) days after the Employee rejects the modification. Such disability shall be determined by the opinion of a doctor competent in the field.

EXHIBIT 10(e) (continued)

2.04 Place of Employment. Except with the express consent of the Employee, the Employee shall perform Employee's duties within the vicinity of Delaware County, Ohio.

2.05 Scope of Employment. The Employee agrees that Employee shall work full time for the Employer and shall devote the Employee's entire productive time, ability and attention to the business of the Employer during the term of this Agreement. The Employee shall not directly or indirectly render any services of a business, commercial or professional nature to any other person or organization, whether for compensation or otherwise without the prior written consent of the Employer. However, this restriction shall not apply to reasonable activities on behalf of charity or to the usual requirements of a director for any other corporation, whether or not related to the Employer.

Employee shall not perform any act that would injure or tend to injure the Employer, or the Employer's reputation or any entity affiliated with the Employer, or that entity's reputation, and the Employee recognizes that at all times the Employee shall perform under a duty of loyalty.

ARTICLE 3. COMPENSATION

3.01 Basic Compensation. Except as otherwise provided in this Agreement, the current salary of the Employee (including any raises authorized by the Board of Directors within two fiscal years following October 31, 1995) shall not be diminished in any way during the period of Employee's employment pursuant to the terms of this Agreement. The Board of Directors of the Employer shall retain the right to increase the salary beyond that specified in the preceding sentence but such further increases shall not increase the minimum guaranteed salary of the Employee.

EXHIBIT 10(e) (continued)

3.02 Other Compensation. In addition to the salary provisions of Paragraph 3.01 above, the Employee shall be eligible to participate in any incentive or bonus plan adopted by the Board of Directors from time to time, or any stock option, stock purchase, deferred compensation or any other supplemental benefit plan, under the provisions of such plan or plans, if the Board of Directors so desires, exclusive of any such plan adopted by or for any subsidiary of the Employer.

ARTICLE 4. EMPLOYEE BENEFITS

4.01 Medical and Dental Benefits. The Employer agrees to include the Employee in any life or disability plans and any hospital, surgical, medical or dental benefit plan adopted by the Employer as of the date of this Agreement or thereafter and in which the Employee is or would be within the covered employee group. Such benefit shall include the Employee's spouse and any children who qualify as the Employee's dependents under the Internal Revenue Code.

4.02 Reimbursement of Business and Other Expenses. The Employee is authorized to incur and will be reimbursed by the Employer for reasonable business expenses, including expenditures for entertainment, gifts and travel under such reasonable rules and regulations as the Employer shall specify.

4.03 Vacation, Holidays and Sick Leave. The Employee shall be entitled to vacation time, holidays and sick leave in accordance with any program of the Employer or as specified by the Board of Directors.

4.04 Other Payments by the Employer. The Employer, in its discretion, may make additional payments to, or for the benefit of, the Employee not restricted by the foregoing provisions, in the event that such additional payments are deemed justified by the circumstances and are in the best interests of the Employer and its continuing business.

EXHIBIT 10(e) (continued)

ARTICLE 5. PROPERTY RIGHTS

5.01 Inventions and Patents. The Employee agrees that Employee will promptly and fully inform and disclose to the Employer all inventions, designs, improvements, and discoveries that the Employee may create, conceive, find, or participate in during the term of this Agreement that pertain to the Employer's business or to any experimental work carried on by the Employer, whether conceived by the Employee alone or with others and whether or not conceived during regular working hours. All inventions, designs, improvements, and discoveries described in the preceding sentence shall be the exclusive property of the Employer. The Employee shall assist the Employer in obtaining patents on all of the inventions, designs, improvements, and discoveries deemed by the Employer to be worth of patent and shall execute all documents and do all things necessary to obtain letters patent, vest the Employer with full and exclusive title to them, and protect them against infringement by others.

5.02 Trade Secrets. During the term of this Agreement, the Employee will have access to and become familiar with various trade secrets, consisting of formulas, patterns, devices, secret inventions, processes, and compilations of information, records, and specifications that are owned by the Employer and that are regularly used in the operation of the business of the Employer. The Employee shall not disclose any of these trade secrets, directly or indirectly, or use them in any way, either during the term of this Agreement or at any later time, except as required in the course of his employment. All files, records, documents, drawings, specifications, equipment, and similar items relating to the business of the Employer, whether prepared by the Employee or otherwise coming into his possession, shall remain the exclusive property of the Employer and shall not be removed from the premises of the Employer, except in the ordinary course of the Employee's work for the Employer, nor shall copies be made by the Employee of said documents (other than in the ordinary course of

EXHIBIT 10(e) (continued)

business) for storage at the premises of the Employer without the prior written consent of the Employer. Neither company documents, nor copies, physical or of other nature, may be kept by the Employee at the Employee's home or other site not the premises of the Employer.

5.03 Non-Competition by Employee. During the term of this Agreement, the Employee shall not, directly or indirectly, either as an Employee, employer, consultant, agent, principal, partner, stockholder, corporate officer, director, or in any other individual or representative capacity, engage or participate in any business that is in competition in any manner with the business of the Employer. During the term of this Agreement and for a period of three years after termination of this Agreement, the Employee shall not, directly or indirectly, solicit for employment or employ any employee of the Employer for any reason, whether that Employee is employed on the date of this Agreement or at any time during the term of this Agreement, except in the case of a former employee who has had no affiliation with the Employer for the past two years.

Except in the case of termination of employment by reason of the breach of this Agreement by the Employer, for a period of two years after leaving the employment of the Employer, the Employee agrees that, without the written consent of the Employer, the Employee will not be involved, directly or indirectly in any enterprise competitive with any business engaged in by the Employer or its subsidiaries. The Employee further agrees that the damages for non-performance of this covenant would be very difficult to determine, and that injunctive relief in such cases would be appropriate.

EXHIBIT 10(e) (continued)

ARTICLE 6. MILITARY SERVICE

6.01 Military Training Leave. If the Employee is or becomes a member of a military reserve or National Guard unit, Employee shall be entitled to apply for and be granted a leave of absence for a period of fourteen (14) days plus travel time each year to attend training camp. During this leave, the Employee shall receive full compensation less the amount of military base pay received, and the leave shall be in addition to any vacation the Employee may be entitled to under this Agreement.

6.02 Compensation During Military Service. If the Employee is involuntarily inducted into the armed forces of the United States during the term of this Agreement, Employee shall continue to receive sixty-five percent (65%) of Employee's salary under this Agreement, less any service pay received. This compensation shall continue for the duration of Employee's term in the armed forces up to a maximum of four years.

ARTICLE 7. TERMINATION

7.01 Termination by Employer for Cause. If the Employee willfully breaches or habitually neglects the duties that the Employee is required to perform under this Agreement, the Employer may at the Employer's option terminate this Agreement by giving written notice of termination to the Employee without prejudice to any other remedy to which the Employer may be entitled either at law, in equity, or under this Agreement. No discharge for cause under this paragraph shall be made unless the Employee is first given written warning of such neglect or breach and given reasonable time to correct such breach or neglect except if such breach involves the commission of a criminal offense, in which case termination may occur without said written warning.

EXHIBIT 10(e) (continued)

7.02 Termination by Employer if Employee is Permanently Disabled. If the Employee becomes permanently disabled because of sickness, physical or mental disability, or any other reason, so that it reasonably appears that Employee will be unable, for a continuous period of one year or more, to complete the duties under this Agreement, the Employer shall have the option to terminate this Agreement by giving written notice of termination to the Employee. Such disability shall be determined by a doctor competent in the field. Termination shall be without prejudice to any right or remedy that the Employer or the Employee has either at law, in equity, or under this Agreement. Termination shall not release the Employee of Employee's obligations under Article 5 of this Agreement.

7.03 Termination by Employee in Certain Circumstances. This Agreement may be terminated upon ninety (90) days written notice by the Employee at Employee's option and without prejudice to any other remedy that Employee has either at law, in equity, or under this Agreement by giving written notice of termination to the Employer:

(1) If the Employer does not or is not able to fulfill any of the obligations of Employer under this Agreement, and refuses to correct said breach within a reasonable time upon having been given notice; or

(2) If Employee's status of president of the Employer shall change because the merger or acquisition of the Employer renders the Employer a subsidiary of another business enterprise of which enterprise the Employee is not the president; or

(3) The change of voting control of the Employer causes a curtailment or restriction of the Employee's privileges, autonomy or authority to manage the Employer as presently enjoyed by the Employee.

EXHIBIT 10(e) (continued)

ARTICLE 8. EFFECT OF TERMINATION ON COMPENSATION

8.01 Termination by Employer. In the event the Agreement is terminated by the Employer pursuant to Section 7.01, above, or by the Employee under Section 7.03 above, all rights of the Employee shall be terminated immediately except for previously earned or accrued compensation or benefits under any incentive compensation plan and except for rights under health, welfare, pension and life insurance plans, and except for provisions of Articles VIII or IX and rights arising out of a breach of this agreement.

8.02 Termination if Employee Is Disabled. In the event the Agreement is terminated pursuant to Section 7.02, above, the Employee shall continue to be entitled to benefits under any health or welfare plan of the Employer and shall be assured, by the Employer that the Employee shall receive at least sixty-five percent (65%) of the Employee's guaranteed compensation under Paragraph 3.01 from such plans and from payments under Workmen's Compensation, if applicable, and from any disability plan of the Employer or insurance therefor and that if said payments shall fall short of the guaranteed 65%, the Employer shall contribute the necessary funds to eliminate said shortfall. Such guarantee shall continue as long as the Employee's disability continues.

8.03 Termination by Employee. In the event that the termination occurs because of the option of the Employee under Paragraph 7.03, above, the Employee's guaranteed compensation shall continue to the end of the employment term and any current extension thereof.

EXHIBIT 10(e) (continued)

ARTICLE 9. ARBITRATION

9.01 Agreement to Submit Disputes to Arbitration on Written Request.

Any unresolved controversy between the parties involving the construction or application of any of the terms, covenants, or conditions of this Agreement shall be submitted to arbitration in compliance with and pursuant to the provisions of Sections 2711.01 through 2711.24 of the Ohio Revised Code on the written request of one party served on the other.

ARTICLE 10. BINDING EFFECT, ASSIGNMENT

10.01 Binding Effect. This Agreement shall be binding upon the parties, their successors, personal representatives and assigns. The Employer specifically agrees that in any merger, acquisition or sale of substantially all of the assets of the company, or in the event of any change of control of the Employer, the Employer is and remains obligated to see that any successor to the Employer or any purchaser of substantially all the assets of the company (except in proceedings under the United States Bankruptcy Act) shall be specifically obligated by the Employer for the benefit of the Employee to fulfill the obligations of this Agreement.

10.02 Assignment. No party may assign its rights under this Agreement without the prior written consent of the other party, except as may be permitted under any employee benefit plan maintained by the Employer.

EXHIBIT 10(e) (continued)

ARTICLE 11. GENERAL PROVISIONS

11.01 Notices. Any notices to be given under this Agreement by either party to the other shall be effected either by personal delivery in writing or by mail, registered or certified, postage prepaid with return receipt requested. Mailed notices shall be addressed, if to the Employer, at the Employer's principal office and, if to the Employee, at the most recent address listed in the Employer's payroll records, but each party may adopt a new address by giving written notice in accordance with this paragraph. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of ten (10) days after mailing or upon the date of delivery specified upon the return receipt, whichever is earlier.

11.02 Entire Agreement. This Agreement supersedes all other oral and written agreements between the parties with respect to the Employer's employment of the Employee, and this Agreement contains all of the covenants and agreements between the parties with respect to the employment.

11.03 Law Governing Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio.

11.04 Attorneys' Fees and Costs. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief that may be proper.

11.05 Payment of Moneys Due Deceased Employee. If the Employee dies prior to the expiration of the term of employment, any moneys that may be due him from the Employer under this Agreement as of the date of death shall be paid to the executor, administrator, or other personal representative of the Employee's estate.

EXHIBIT 10(e) (concluded)

11.06 Unenforcibility of Provisions. If any provision or provisions of this Agreement are judicially determined to be illegal or unenforceable, such decision shall not affect any other provisions of this Agreement, which shall remain in full force and effect.

11.07 Approval by the Directors. In the instance of an employee who is an elected officer of the Employer the execution of this Agreement on behalf of the corporation represents to the Employee that this Agreement has received the approval of the Compensation Committee of the Board of Directors and the approval of the Board of Directors.

EMPLOYER:
GREIF BROS. CORPORATION
By: /s/ Michael J. Gasser
Title: Chairman and CEO

EMPLOYEE:
/s/ William B. Sparks, Jr.
William B. Sparks, Jr.

The foregoing Agreement has received the approval of the Compensation Committee of the Board of Directors of Greif Bros. Corporation.

/s/ Robert C. Macauley
Robert C. Macauley

/s/ Naomi C. Dempsey
Naomi C. Dempsey

/s/ J Maurice Struchen
J Maurice Struchen

EXHIBIT 10(f)

September 5, 1996

Mr. Charles R. Chandler
President and Chief Operating Officer
Virginia Fibre Corporation
P.O. Box 339
Amherst, Virginia 24521

Dear Mr. Chandler:

This letter will confirm our agreement with you regarding your future employment by Greif Bros. Corporation.

1. As of September 5, 1996, you will become an employee of Greif Bros. Corporation ("Greif Bros."), remaining on Virginia Fibre Corporation's payroll for the sake of simplicity through December 31, 1996. Effective January 1, 1997, you will be placed on Greif Bros.' payroll.

2. Effective September 5, 1996, Greif Bros. shall assume and honor all obligations under your Employment Contract with Virginia Fibre Corporation dated as of June 1, 1992 ("Employment Contract") with the following modifications, effective September 5, 1996:

a. Paragraph 1 of your Employment Contract shall be modified by deleting the provisions of Paragraph 1 and inserting a new paragraph to the effect that Greif Bros. shall employ you as Vice-Chairman of Greif Bros. or in such other comparable capacity as its Board of Directors shall from time to time deem appropriate, and you agree to continue to serve Greif Bros. as such until August 1, 2000, unless such date shall be extended by mutual consent, subject to the further terms and conditions of your Employment Contract.

EXHIBIT 10(f) (continued)

- b. Paragraph 2 of your Employment Contract shall be modified to provide that during your term of employment with Greif Bros., you agree to devote all of your time , attention, skill and effort to the performance of your duty as an officer and employee of Greif Bros. and that you agree, if elected from time to time that you will serve as a Director of Greif Bros. or a member of the Audit Committee of Greif Bros., or both, and any other corporation owned or controlled by Greif Bros., and you will perform faithfully the duties of such Directorship or Membership without compensation in addition to that provided in Paragraph 3 of your Employment Contract. The third and fourth sentences of Paragraph 2 of your Employment Contract shall be continued in full force and effect.
- c. Paragraph 3 of your Employment Contract shall be modified to provide that as long as you are employed by Greif Bros., it shall compensate you for your service by paying you a salary monthly at a rate of not less than \$424,356.00 per year, which shall hereinafter be called your "full base salary" for purposes of your Employment Contract, in addition to any allowance for (or reimbursement of) your expenses in connection with your employment. Nothing in this modification shall prohibit Greif Bros., in its sole discretion, from paying you more compensation than that provided in the preceding sentence.
- d. Paragraph 4 of your Employment Contract shall provide that Greif Bros. may terminate your employment for disability as defined in the second sentence of said Paragraph.
- e. Paragraph 6 of your Employment Contract shall be modified so that the term "Company" shall be read to mean Greif Bros. Corporation and not Virginia Fibre Corporation.
- f. Paragraph 7 of your Employment Contract shall be revised to: (i) modify subparagraph (a) to refer to the assignment to you of duties inconsistent with your new status as Vice-Chairman of Greif Bros. Corporation or substantial alteration in the nature or status of your responsibilities as of September 5, 1996; and (ii) modify subparagraph (d) of this paragraph to refer to the relocation of the principal office of Greif Bros. Corporation outside the area of Delaware, Ohio.

EXHIBIT 10(f) (continued)

g. Paragraph 10 of your Employment Contract shall be modified to provide in subparagraph (a) thereof that Greif Bros. shall continue to pay your full base salary, including fringe benefits, until August 1, 2000, or you sooner die, at the rate in effect at the date you receive notice of termination. In addition to the benefits provided under Paragraph 10 of your Employment Contract, you shall also be entitled to receive all benefits payable to you under the Greif Bros. pension plan or any other qualified or non-qualified or plan of Greif Bros. in which you may be entitled to participate and any other plan or agreement of Greif Bros. relating to retirement benefits to which you are entitled to participate.

h. Greif Bros. will provide you with equivalent fringe and all other benefits to which you are presently entitled under your Employment Contract or make up any differential in cash payments to you.

i. Paragraph 18 of your Employment Contract shall be revised to make this Employment Contract also binding on Greif Bros., its affiliates, successors, and assigns.

j. Except as modified above, all of the provisions of your Employment Contract dated as of June 1, 1992 with Virginia Fibre Corporation shall remain in full force and effect, except that in event of any conflict, inconsistency, or incongruity between the provisions of this your Employment Contract shall in all respects govern and control.

3. Greif Bros., shall also assume and honor all obligations under your Deferred Compensation Contract with Virginia Fibre Corporation dated as of June 1, 1992 ("Deferred Compensation Contract"), with the following modifications, effective as of September 5, 1996: (i) subsection (i) of your Deferred Compensation Contract is revised to refer to your retirement from Greif Bros.; (ii) your employment in subsection (iii) of Paragraph 4 thereof shall, after September 4, 1996, refer to your employment with Greif Bros.; (iii) the "number of years of your service" referred to in subparagraph (a) of Paragraph 5 of your Deferred Compensation Contract shall include years of service as an employee of Greif Bros. Corporation or any affiliate thereof; and (iv) the term "Company" in Paragraph 8 shall refer to Greif Bros. Where the context clearly requires the term "Company" in your Deferred Compensation Contract shall, after September 4, 1996, refer to Greif Bros. Corporation and not to Virginia Fibre Corporation. In addition, Paragraph 12 shall be revised to make this Deferred Compensation Contract also binding on Greif Bros., its affiliates, successors, and assigns.

EXHIBIT 10(f) (continued)

All other provisions of your Deferred Compensation Contract with Virginia Fibre Corporation as of June 1, 1992 shall remain in full force and effect except as otherwise modified herein, except in the event of any conflict, inconsistency or incongruity between these modifications and the provisions of the original Deferred Compensation Contract, these modifications shall in all respects govern and control.

4. This will confirm that you shall retain all rights granted to you under the Virginia Fibre Corporation Incentive Stock Option granted on June 28, 1991 by Virginia Fibre Corporation.

If the foregoing terms meet with your approval, please signify your acceptance thereof by signing and returning to me the enclosed photocopy of this letter, which shall thereupon constitute a binding agreement between us.

Very truly yours,

GREIF BROS. CORPORATION

By: /s/ Michael J. Gasser

ACCEPTED:

ACCEPTED:

VIRGINIA FIBRE CORPORATION

/s/ Charles R. Chandler
Charles R. Chandler
September 24, 1996

By: /s/ Michael A. Giles
September 24, 1996

EXHIBIT 10(f) (continued)

As of June 1, 1992

Mr. Charles R. Chandler
President
Virginia Fibre Corporation
P.O. Box 7
Gladstone, Virginia 24553

Re: Employment Contract

Dear Mr. Chandler:

As we are all aware, you played an important part in the founding of Virginia Fibre Corporation, in constructing its mill and in the monumental work of making it the largest independent manufacturer of corrugating medium in the country. You have been an employee continuously since the Company was founded in 1972, and the successful future of the Company depends in large part upon your remaining as its President and Chief Operating Officer.

Accordingly, the Company would like to confirm its agreement with you regarding your future employment by the Company, as follows:

1. The Company agrees to continue to employ you as its President and Chief Operating Officer or in such other comparable capacity as its Board of Directors shall from time to time deem appropriate, and you agree to continue to serve the Company as such for a term of 15 years from the date hereof, with the right exercisable solely by you upon written notice to the Company prior to May 1, 2001 and each successive May 1 after May 1, 2001 of your intention to extend the period of your employment hereunder for a period of twelve additional months (but in no event beyond August 1, 2006), subject to the terms and conditions hereof.
2. During the term of your employment hereunder, you agree to devote all of your time, attention, skill and effort to the performance of your duties as an officer and employee of the company pursuant to Paragraph 1 hereof. You agree that, if elected from time to time, you will continue to serve as a director or member of the Executive Committee, or both, of the

EXHIBIT 10(f) (continued)

Company and any other corporation owned or controlled by the Company, and you will perform faithfully the duties of such directorship or membership without compensation in addition to that provided for in Paragraph 3 hereof (except that you shall be entitled to the same fees, if any, for attending meetings of the Board of Directors and committees thereof as are paid to other directors). You may serve as a director or member of the executive committee, or both, of any other business corporations, but you may not be required to assume or perform duties as an officer or employee of any other business corporation which is not owned or controlled by the Company (even though such other corporation may own or control the Company). You may serve without compensation as a director, officer or a member of the executive committee of one or more not-for-profit corporations and devote such time to your duties as such as does not conflict with your duties as an officer and employee of the Company.

3. As long as you are employed hereunder, the Company shall compensate you for your services by paying you a salary monthly at a rate of not less than \$275,000 per year (hereinafter called your "full base salary"), in addition to any allowance for (or reimbursement of) your expenses in connection with your employment. Nothing in this agreement shall prohibit the Company, in its sole discretion, from paying you more compensation than that provided for in the preceding sentence.

4. Notwithstanding Paragraph 1 hereof, the Company may terminate your employment for disability. Disability shall mean that you are unable to perform all of your duties with the Company under this agreement for a period of more than eight (8) consecutive months due to a physical or emotional illness or injury.

5. Your employment shall not be terminated by the fact that, under the Company's pension plan, (i) the Company could otherwise require you to retire, (ii) you in fact "retire" under such pension plan, or (iii) you commence or continue to receive any pension or other benefits under such pension plan or any deferred compensation contract with the Company by reason of your having attained the age of 70-1/2, or otherwise.

EXHIBIT 10(f) (continued)

6. Notwithstanding Paragraph 1 hereof, the Company may terminate your employment for cause. Cause shall mean either of the following:

(a) The willful and continued failure by you to substantially perform your duties with the Company (other than any such failure resulting from your incapacity due to physical or mental illness or any such actual or anticipated failure resulting from termination by you for good reason pursuant to Paragraph 7 hereof) after a written demand for substantial performance is delivered to you by the Board, which demand specifically identifies the manner in which the Board believes that you have not substantially performed your duties; or

(b) The willful engaging by you in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise.

For purposes of this Paragraph, no act, or failure to act, on your part shall be deemed "willful" unless your act or omission was not in good faith and without reasonable belief that such act or omission was in the best interest of the Company. Notwithstanding the foregoing, your employment shall not be deemed to have been terminated for cause unless and until there shall have been delivered to you a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters (3/4) of the entire membership of the Board of Directors of the Company at a meeting of the Board called and held for such purpose after reasonable notice to you and an opportunity for you, together with your counsel, to be heard before the Board, finding that in the good faith opinion of the Board, you were guilty of conduct described in sub-paragraph (a) or (b) of this Paragraph.

7. Notwithstanding Paragraph 1 hereof, you shall be entitled to terminate your employment for good reason. Good reason shall mean any of the following without your express written consent:

(a) The assignment to you of any duties inconsistent with your status as Chief Operating Officer of the Company or a substantial alteration in the nature or status of your responsibilities on the date hereof;

EXHIBIT 10(f) (continued)

(b) A reduction by the Company in your full base salary below the amount set forth in Paragraph 3 hereof, as adjusted in accordance with Paragraph 4 hereof.

(c) The receipt by you of instructions, either to act or not to act, in a manner which you believe in good faith would be contrary to the laws of the United States or any other applicable jurisdiction, or to constitute an unethical business, banking or commercial transaction or improper legal, accounting or tax position.

(d) The relocation of the principal office of the Company outside the area of Amherst, Virginia;

(e) The failure by the Company to continue in effect any compensation plan in which you are participating on the date hereof, except the Company's Senior Management Bonus Plan, unless an equitable arrangement (embodied in an ongoing substitute or alternative plan) has been made; or the failure by the Company to continue your participation therein on substantially the same basis as on the date hereof, both in terms of the amount of benefits provided and the level of your participation relative to other participants;

(f) The failure by the Company to continue to provide you with benefits substantially similar to those enjoyed by you under any of the Company's pension, life insurance, medical, health and accident, or disability plans in which you are participating on the date hereof, or the taking of any action by the Company which would, directly or indirectly, materially reduce any of such benefits or deprive you of any material fringe benefit enjoyed by you as of the date hereof;

(g) The failure of the Company to obtain a satisfactory agreement from any successor to assume and agree to perform this agreement, as contemplated by Paragraph 13 hereof; or

EXHIBIT 10(f) (continued)

(h) Any purported termination of your employment that is not effected pursuant to a notice of termination satisfying the requirements of Paragraph 11 hereof (and, if applicable, the requirements of Paragraph 6 hereof). For purposes of this agreement, no such purported termination shall be effective.

Your right to terminate your employment pursuant to this Paragraph 7 shall not be affected by your incapacity due to physical or mental illness.

8. If your employment is terminated by reason of your death or disability, your benefits shall be determined in accordance with the insurance program, pension and deferred compensation contracts, stock option and other agreements and programs then in effect.

9. If your employment is terminated by the Company for cause or by you other than for good reason or disability, the Company shall pay you your full base salary through the date of termination at the rate in effect at the time you are given notice of termination or at the time you provide written notice to the Company, whichever is earlier, and the Company shall have no further obligations to you under this agreement.

10. If your employment by the Company shall be terminated (i) by the Company other than for cause or disability or (ii) by you for good reason, then you shall be entitled to the benefits provided below:

(a) The Company shall continue to pay your full base salary, including fringe benefits, until August 1, 2006, or you sooner die, at the rate in effect on the date you receive notice of termination;

(b) Notwithstanding any provision of the Company's Senior Management Bonus Plan, as amended from time to time, or any other compensation arrangements then in effect, the Company shall pay to you, not later than the fifth day following the date of termination, a lump sum amount equal to the sum of any incentive compensation which has been allocated or awarded to you for a year, or other measuring period preceding the date of termination but has not yet been paid;

EXHIBIT 10(f) (continued)

(c) The Company shall also pay to you all legal fees and expenses incurred by you as a result of such termination (including all such fees and expenses, if any, incurred in contesting or disputing any such termination or in seeking to obtain or enforce any right or benefit provided by this agreement);

(d) In addition to all other amounts payable to you under this Paragraph, you shall be entitled to receive all benefits payable to you under the Company's Pension Plan, Employee Thrift Plan and any other plan or agreement relating to retirement benefits; and

(e) You shall not be required to mitigate the amount of any payment provided for in this Paragraph by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for in this Paragraph be reduced by any compensation earned by you as a result of employment by another employer or by retirement benefits received by you after the date of termination, or otherwise.

11. Any purported termination of your employment by the Company or by you shall be communicated by written notice of termination to the other party hereto. Notice of termination shall mean a notice which shall indicate the specific termination provision of this agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of your employment under the provision so indicated. Notices and all other communications provided for in this agreement shall be in writing and shall be deemed to have been duly given when delivered, or when mailed by United States registered mail return receipt requested and postage prepaid, addressed to the respective addresses set forth on the first page of this agreement or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt. All notices to the Company shall be directed to the attention of the Chairman of the Board, with a copy to the Compensation Committee.

EXHIBIT 10(f) (continued)

12. Date of termination shall mean (a) if your employment is terminated for disability, thirty (30) days after notice of termination is given or (b) if your employment is terminated for any other reason, the date specified in the notice of termination (which, in the case of a termination by the Company for cause pursuant to Paragraph 6 hereof shall not be less than thirty (30) days, and in the case of a termination by you for good reason pursuant to Paragraph 7 hereof shall not be less than sixty (60) days, respectively, from the date such notice of termination is given); provided that, if within thirty (30) days after any notice of termination is given, the party receiving such notice of termination notifies the other party that a dispute exists concerning the termination, the date of termination shall be the date on which the dispute is finally determined, either by mutual written agreement of the parties, by a binding arbitration award, or by a final judgment, order or decree of a court of competent jurisdiction (which is not appealable, or from which the time for appeal has expired or from which no appeal has been perfected); provided further that the date of termination shall be extended by such a notice of dispute only if such notice is given in good faith and the party giving such notice pursues the resolution of such dispute with reasonable diligence. Notwithstanding the pendency of any such dispute, the Company will continue to pay you your full compensation in effect when the notice giving rise to the dispute was given (including, but not limited to, base salary) and continue you as a participant in all compensation, benefit and insurance plans in which you were participating when the notice giving rise to the dispute was given, until the dispute is finally resolved in accordance with this Paragraph. Amounts paid under this Paragraph are in addition to all other amounts due under this Agreement and shall not be offset against or reduce any other amounts due under this agreement.

13. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this agreement in the same manner and to the same extent this Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this agreement and shall entitle you to compensation from the Company in the same amount and on the same terms as

EXHIBIT 10(f) (continued)

you would be entitled hereunder if you terminate your employment for good reason following a change in control of the Company, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the date of termination. As used in this agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid which assumes or agrees to perform this agreement expressly, by operation of law or otherwise, except that nothing herein shall be deemed to require you to perform the duties of your office or position for any such successor with respect to operations which extend materially beyond the scope of the operations of the Company immediately prior to such succession.

14. This agreement shall be binding upon and inure to the benefit of (i) the Company, its successor and assigns and (ii) you and your legal representatives, but shall not be assignable by you. The agreement shall survive the termination of your employment.

15. This agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia.

If the foregoing terms meet with your approval, please signify your acceptance thereof by signing and returning to me the enclosed carbon copy of this letter, which shall thereupon constitute a binding agreement between us.

Very truly yours,

VIRGINIA FIBRE CORPORATION

By /s/ Robert C. Macauley
Robert C. Macauley
Chairman of the Board

ACCEPTED:

/s/ Charles R. Chandler
Charles R. Chandler

June 1, 1992

EXHIBIT 10(f) (continued)

As of June 1, 1992

Mr. Charles R. Chandler
President
Virginia Fibre Corporation
P.O. Box 7
Gradstone, Virginia 24553

Re: Deferred Compensation Contract

Dear Mr. Chandler:

In a letter agreement dated August 1, 1986 as amended on February 11, 1988, September 14, 1988 and June 1, 1992, the Company agreed to employ you, and you agreed to serve the Company for a term of 15 years [until August 1, 2001]. You were born on August 1, 1935, and accordingly you will be 66 years old at the termination of your employment contract on August 1, 2001.

In an agreement dated March 21, 1983, the Company agreed to engage you as a consultant, and you agreed to serve the Company as a consultant, commencing on the first day of the month following your retirement under its pension plan (at or after age 65) and continuing until the last day of the month in which you attain the age of 80. Because the financial position of the Company now proposes to substitute a deferred compensation arrangement, which would provide you with a more stable retirement income, for this consulting agreement.

Accordingly, the Company would like to confirm, amend and restate its agreements with you as follows:

1. The employment contract dated August 1, 1986, including all subsequent amendments thereto, is confirmed.
2. The post-retirement consulting contract dated March 21, 1983 is rescinded.

EXHIBIT 10(f) (continued)

3. The Company agrees to compensate you for your services as an employee, not only by paying you the salary set forth in Paragraph 3 of your employment contract, but also by paying you deferred compensation, in the circumstances described in Paragraph 4 hereof, commencing on (a) the first day of the month following the month in which you attain the age of 65 or (b) on the date you retire, or the Company requires you to retire, under the Company's pension plan (whether or not (i) you elect to defer your pension starting date, or (ii) you commence or continue to receive any pension under the Company's pension plan by reason of having attained the age of 70-1/2 or otherwise), whichever is later, and continuing during the joint lives of you and your spouse (or during your lifetime if you have no spouse), but in no event for longer than 15 years.

4. The deferred compensation described in Paragraph 3 hereof shall be paid in the event and only in the event that (i) you retire, or the Company requires you to retire, under such pension plan at or after age 65, (ii) you are separated from service under the terms of such pension plan by reason of becoming permanently disabled before you attain the age of 65, or (iii) your employment is terminated before you attain the age of 65 under circumstances which entitle you to the benefits described in Paragraph 10 of your employment contract. However, no deferred compensation shall be payable under Paragraph 3 hereof by reason of your death prior to your actual retirement. This is because you are insured under the Company's life insurance plan as long as you remain an active employee.

5. The amount of the deferred compensation payable to you or your spouse during each of the first 10 years shall be equal to the amount by which

(a) the product of (i) 2.67% of the base salary which is paid to you by the Company pursuant to Paragraph 3 or 10 of your employment contract during the 12 full calendar months before you attain the age of 65 (on August 1, 2000) times (ii) the number of years of your service as an employee of the Company (including any years for which you are paid pursuant to Paragraph 10 of your employment contract) prior to attaining the age of 65, exceeds

(b) your annual benefit under the Company's pension plan, determined in accordance with Paragraph 7 hereof,

increased by an amount of interest, computed annually at a rate equal to the average base prime rate of Citibank, N.A. during the period, if any, between the first day of the month following the date on which you attain age 65 and the date of your retirement. In determining the number of years of your service, credit shall be given for a fraction of a year in the proportion that the number of full months of employment in such year bears to 12.

EXHIBIT 10(f) (continued)

6. The deferred compensation payable to you or your spouse during each of the five years following the 10-year period described in Paragraph 5 hereof shall be at an annual rate equal to two-thirds of the annual rate described in said Paragraph 5.
7. The annual benefit payable to you under the Company's pension plan shall be deemed to be the annual benefit payable at age 65 under Paragraph A of Article XI of the plan (rather than Paragraph C of said Article, even though you do not plan to retire under the plan at age 65). No adjustment shall be made in such annual benefit if a pension is not payable to you for any reason.
8. If you are separated from the service of the Company by reason of becoming permanently disabled prior to your retirement under the Company's pension plan, you shall be given credit, under Paragraph 4 hereof, for your years of service up until the date of your disability or the date on which you attained age 65, whichever is earlier, and the annual benefit to which you are entitled under Paragraph 7 hereof, shall be determined as of the date you became disabled.
9. The Company shall not be under any obligation to insure or otherwise fund the payment of any amounts payable under this agreement, nor shall it be deemed a trustee in respect of any such amount, and your only right to payment shall be that of a general creditor of the Company.
10. You may not assign, transfer, pledge, hypothecate, give or otherwise dispose of or encumber your right or the right of your legal representatives to any payment hereunder, and any attempt to do so by you, whether voluntarily or by operation of law, shall be null and void.
11. The rights which you and your spouse have hereunder shall be in addition to any rights that you or your spouse may have under any employee benefit plan that the Company has instituted or may hereafter institute.
12. This agreement shall be binding upon and inure to the benefit of (i) the Company, its successors and assigns and (ii) you and your legal representatives, but shall not be assignable by you. The agreement shall survive the termination of your employment.
13. This agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia.

EXHIBIT 10(f) (concluded)

If the foregoing terms meet with your approval, please signify your acceptance thereof by signing and returning to me the enclosed photocopy of this letter, which shall thereupon constitute a binding agreement between us.

Very truly yours,

VIRGINIA FIBRE CORPORATION

By /s/ Robert C. Macauley
Robert C. Macauley
Chairman of the Board

ACCEPTED:

/s/ Charles R. Chandler
Charles R. Chandler

June 1, 1992

EXHIBIT 10(g)

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement"), including the attached Exhibit A, is entered into between Greif Bros. Corporation ("Employer"), and Joseph W. Reed ("Employee"), to be effective as of August 18, 1997 (the "Effective Date").

WITNESSETH:

WHEREAS, Employer desires to employ Employee, effective as of the Effective Date, pursuant to the terms and conditions and for the consideration set forth in this Agreement, and Employee desires to enter into such employment relationship pursuant to such terms and conditions and for such consideration.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and obligations contained herein, Employer and Employee agree as follows:

ARTICLE 1.

EMPLOYMENT AND DUTIES

1.1 Employer agrees to employ Employee, and Employee agrees to be employed by Employer, beginning as of the Effective Date and continuing until the date set forth on Exhibit A (the "Term"), subject to the terms and conditions of this Agreement.

1.2 Employee initially shall be employed in the position set forth on Exhibit A. Employee agrees to serve in the assigned position and to perform diligently and to the best of Employee's abilities the duties and services appertaining to such position as determined by Employer, as well as such additional or different duties and services appropriate to such position which Employee from time to time may be reasonably directed to perform by Employer. Employee shall at all times comply with and be subject to such policies and procedures as Employer may establish from time to time.

1.3 Employee shall, during the period of Employee's employment by Employer, devote Employee's full business time, energy, and best efforts to the business and affairs of Employer. Employee may not engage, directly or indirectly, in any other business, investment, or activity that interferes with Employee's performance of Employee's duties hereunder, is contrary to the interests of Employer, or requires any significant portion of Employee's business time.

1.4 Employee acknowledges and agrees that Employee owes a fiduciary duty of loyalty, fidelity and allegiance to act at all times in the best interests of the Employer. Employee shall not, during the Term of this Agreement or any extension or renewal thereof, engage, directly or indirectly, in any activity which constitutes a Conflict of Interest (as defined below). For purposes of this Agreement: (a) "Conflict of Interest"

EXHIBIT 10(g) (continued)

means, without limitation, any act or activity, or any interest in connection with, or benefit from any act or activity, which is adverse to the interests of or would in any way injure Employer or any of its affiliates, provided that a passive investment of not more than 5% of the outstanding equity securities of an entity whose securities are then being regularly traded in open-market brokerage transactions (either on a stock exchange or over-the-counter) shall not constitute a Conflict of Interest; and (b) "directly or indirectly" means, without limitation, participation for Employee's own account or as an owner, shareholder, partner, director, officer, member, manager, employee, associate, creditor or agent of any other person or organization or through Employee's spouse or other family relation. In keeping with Employee's duties to Employer, Employee agrees that Employee shall not knowingly become involved in a Conflict of Interest with Employer or its affiliates, or upon discovery thereof, allow such a conflict to continue. Moreover, Employee agrees that Employee shall disclose to the reporting relationship person identified on Exhibit A any facts that might involve such a Conflict of Interest that has not been approved by Employer's Board of Directors.

ARTICLE 2.

COMPENSATION AND BENEFITS

2.1 Employee's base salary during the Term shall be not less than the amount set forth under the heading "Monthly Base Salary" on Exhibit A, which shall be paid in equal or nearly equal installments in accordance with Employer's standard payroll practice and not less frequently than monthly. Employee's base salary shall be reviewed not less often than annually and shall be subject to such upward adjustments as Employer may deem appropriate in its discretion.

2.2 In addition to Employee's base salary, Employee shall be eligible to participate in the Employer's Incentive Compensation Plan for Division and Subsidiary Executives (the "Incentive Plan"). The summary of such Incentive Plan is attached hereto as Exhibit B. In addition, Employee may be awarded discretionary incentive stock options under the Employer's 1995 Incentive Stock Option Plan. The 1995 Plan and the form of Option Agreement is attached hereto as Exhibit C.

2.3 While employed by Employer (both during the Term and thereafter), Employee shall be allowed to participate, on the same basis generally as other employees of Employer, in all general employee benefit plans and programs, including improvements or modifications of the same, which on the Effective Date or thereafter are made available by Employer to all or substantially all of Employer's employees. Such benefits, plans, and programs may include, without limitation, medical, health, and dental care, life insurance, disability protection, vacation, 401(k) and pension plans. To the extent, but only to the extent, that any such plan or program generally permits the participation or coverage of dependents of employees of the Employer, the Employee's dependents may participate in or be covered under any such plan or program. Nothing in this Agreement is to be construed or interpreted to provide greater rights, participation, coverage, or benefits under such benefit plans or programs than provided to similarly situated employees pursuant to the terms and conditions of such benefit plans and programs.

EXHIBIT 10(g) (continued)

2.4 Employer shall not by reason of this Article 2 be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any employee benefit program or plan, so long as such actions are similarly applicable to covered employees generally. Moreover, unless specifically provided for in a written plan document adopted by the Board of Directors of Employer, none of the benefits or arrangements described in this Article 2 shall be secured or funded in any way, and each shall instead constitute an unfunded and unsecured promise to pay money in the future exclusively from the general assets of Employer.

2.5 Employer may withhold from any compensation, benefits, or amounts payable under this Agreement all federal, state, city, or other taxes as may be required pursuant to any law or governmental regulation or ruling.

ARTICLE 3.

TERMINATION PRIOR TO EXPIRATION OF TERM AND
EFFECTS OF SUCH TERMINATION

3.1 Notwithstanding any other provisions of this Agreement, Employer shall have the right to terminate Employee's employment under this Agreement at any time prior to the expiration of the Term for any of the following reasons:

(i) For "cause" upon the good faith determination by the Employer that "cause" exists for the termination of the employment relationship. As used in this Section 3.1(i), the term cause shall mean (a) Employee's gross negligence or willful misconduct in the performance of the duties and services required of Employee pursuant to this Agreement; (b) Employee's final conviction of a felony or of a misdemeanor involving moral turpitude; (c) a reasonable determination by Employer that Employee has violated the Conflict of Interest provisions of Section 1.4 of this Agreement and failure by Employee to eliminate such Conflict of Interest within ten days after receipt of written notice from Employer to do so, or, if it is impossible to eliminate such Conflict of Interest within such ten days, failure to commence within such ten days any action necessary to eliminate such Conflict of Interest and thereafter to continue diligently to pursue such action until elimination of such Conflict of Interest, within no more than 30 days after such notice; or (d) Employee's material breach of any material provision of this Agreement (other than Section 1.4) that remains uncorrected for thirty (30) days following written notice to Employee by Employer of such breach;

(ii) for any other reason whatsoever in the sole discretion of Employer;

(iii) upon Employee's death; or

EXHIBIT 10(g) (continued)

(iv) upon Employee's long-term disability. For purposes of this Agreement, "long-term disability" shall have the same meaning as the term "long-term disability" or "permanent disability" or similar term in Employee's long-term or permanent disability policy provided by Employer and covering Employee; provided that if there is no such policy in effect covering Employee, "long-term disability" shall mean that Employee has become incapacitated by accident, sickness, or other circumstance which renders him mentally or physically incapable of performing the duties and services required of Employee for a period of more than 90 days out of any 180 day period.

The termination of Employee's employment by Employer prior to the expiration of the Term shall constitute a "Termination for Cause" if made pursuant to Section 3.1(i); the effect of such termination is specified in Section 3.4. The termination of Employee's employment by Employer prior to the expiration of the Term shall constitute an "Involuntary Termination" if made pursuant to Section 3.1(ii); the effect of such termination is specified in Section 3.5. The effect of the employment relationship being terminated pursuant to Section 3.1 (iii) as a result of Employee's death is specified in Section 3.6. The effect of the employment relationship being terminated pursuant to Section 3.1(iv) as a result of the Employee's long-term disability is specified in Section 3.7.

3.2 Notwithstanding any other provisions of this Agreement except Section 6.5, Employee shall have the right to terminate the employment relationship under this Agreement at any time prior to the expiration of the Term of employment for any of the following reasons:

(i) a material breach by Employer of any material provision of this Agreement that remains uncorrected for 30 days following written notice of such breach by Employee to Employer; or

(ii) for any other reason whatsoever, in the sole discretion of Employee.

The termination of Employee's employment by Employer prior to the expiration of the Term shall constitute an "Involuntary Termination" if made pursuant to Section 3.2(i); the effect of such termination is specified in Section 3.5. The termination of Employee's employment by Employer prior to the expiration of the Term shall constitute a "Voluntary Termination" if made pursuant to Section 3.2(ii); the effect of such termination is specified in Section 3.3.

3.3 Upon a "Voluntary Termination" of the employment relationship by Employee prior to expiration of the Term, all future compensation to which Employee is entitled and all future benefits for which Employee is eligible shall cease and terminate as of the date of termination; provided that this Section 3.3 shall not constitute a waiver by Employee of any statutory right or rights Employee may have to continue to receive benefits after termination of employment. Employee shall be entitled to pro rata salary through the date of such termination plus any other payments generally available to other departing employees of Employer (such as unused personal vacation, bonus and other similar items).

EXHIBIT 10(g) (continued)

3.4 If Employee's employment hereunder shall be terminated by Employer for Cause prior to expiration of the Term, all future compensation to which Employee is entitled and all future benefits for which Employee is eligible shall cease and terminate as of the date of termination; provided that this Section 3.4 shall not constitute a waiver by Employee of any statutory right or rights Employee may have to continue to receive benefits after termination of employment. Employee shall be entitled to pro rata salary through the date of such termination plus any other payments generally available to other departing employees of Employer (such as unused personal vacation, bonus and other similar items).

3.5 Upon an Involuntary Termination of the employment relationship by either Employer or Employee prior to expiration of the Term, Employee shall be entitled, in consideration of Employee's continuing obligations hereunder after such termination, to receive the compensation specified in Section 2.1 as if Employee's employment (which shall cease as of the date of such Involuntary Termination) had continued for the full Term of this Agreement. Furthermore, Employee shall be entitled to other payments generally available to other departing employees of Greif (such as unused personal vacation, bonus and other similar items). Employee may, but shall have no duty or obligation to, seek or accept other employment following Involuntary Termination, and if Employee accepts employment, the amounts due Employee hereunder shall be offset and reduced by the amount of compensation received by Employee for services rendered during the remainder of the Term from Employee's subsequent employer(s). Employee's rights under this Section 3.5 are Employee's sole and exclusive rights against Employer or its affiliates, and Employer's sole and exclusive liability to Employee under this Agreement for any Involuntary Termination of the employment relationship. Employee covenants not to sue or lodge any claim, demand or cause of action against Employer for any sums for Involuntary Termination other than those sums specified in this Section 3.5. If Employee breaches this covenant, Employer shall be entitled to recover from Employee all sums expended by Employer (including costs and attorneys fees) in connection with such suit, claim, demand or cause of action.

3.6 Upon termination of the employment relationship as a result of Employee's death, Employee's heirs, administrators, or legatees shall be entitled to Employee's pro rata salary through the date of such termination plus any other payments generally available to other departing employees of Employer (such as unused personal vacation, bonus and other similar items).

3.7 Upon termination of the employment relationship as a result of Employee's long-term disability, Employee shall be entitled to his or her pro rata salary through the date of such termination plus any other payments generally available to other departing employees of Employer (e.g., unused personal vacation, bonus and other similar items).

3.8 In all cases, the compensation and benefits payable to Employee under this Agreement upon termination of the employment relationship shall be offset against any amounts to which Employee may otherwise be entitled under any and all severance plans and policies of Employer or its affiliates; provided that compensation for any accrued but unused vacation shall not constitute a severance plan or policy of Employer under this Agreement.

EXHIBIT 10(g) (continued)

3.9 Termination of the employment relationship does not terminate those obligations imposed by this Agreement that are continuing obligations, including, without limitation, Employee's obligations under Article 5.

ARTICLE 4.

CONTINUATION OF EMPLOYMENT BEYOND TERM;
TERMINATION AND EFFECTS OF TERMINATION

4.1 Should Employee remain employed by Employer beyond the expiration of the Term specified on Exhibit A, such employment shall convert to a month-to-month relationship terminable at any time by either Employer or Employee for any reason whatsoever, with or without cause. Upon such termination of the employment relationship by either Employer or Employee for any reason whatsoever, all future compensation to which Employee is entitled and all future benefits for which Employee is eligible shall cease and terminate. Employee shall be entitled to pro rata salary through the date of such termination plus any other payments generally available to other departing employees of Employer (e.g., unused personal vacation, bonus and other similar items).

ARTICLE 5.

OWNERSHIP AND PROTECTION OF INFORMATION; COPYRIGHTS

5.1 All information, ideas, concepts, improvements, discoveries, and inventions, subject to or capable of patent or other forms of intellectual property protection, which are conceived, made, developed or acquired by Employee, individually or in conjunction with others, during the period of and within the scope of Employee's employment by Employer (whether during business hours or otherwise and whether on Employer's premises or otherwise) and that relate to Employer's business, products or services (including, without limitation, all such information relating to corporate opportunities, research, financial and sales data, pricing and trading terms, evaluations, opinions, interpretations, acquisition prospects, the identity of customers or their requirements, the identity of key contacts within the customer's organizations or within the organization of acquisition prospects, or marketing and merchandising techniques, prospective names, and marks) shall be disclosed to Employer and are and shall be the sole and exclusive property of Employer. Moreover, all drawings, memoranda, notes, records, files, correspondence, drawings, manuals, models, specifications, computer programs, maps and all other writings or materials of any type embodying any of such information, ideas, concepts, improvements, discoveries, and inventions are and shall be the sole and exclusive property of Employer.

EXHIBIT 10(g) (continued)

5.2 Employee acknowledges that the business of Employer and its affiliates is highly competitive and that their strategies, methods, books, records, and documents, their technical information concerning their products, equipment, services, and processes, procurement procedures and pricing techniques, the names of and other information (such as credit and financial data) concerning their customers and business affiliates, all comprise confidential business information and trade secrets which are valuable, special, and unique assets which Employer or its affiliates use in their business to obtain a competitive advantage over their competitors. Employee further acknowledges that protection of such confidential business information and trade secrets against unauthorized disclosure and use is of critical importance to Employer or its affiliates in maintaining their competitive position. Employee hereby agrees that Employee will not, at any time during or after his or her employment by Employer, make any unauthorized disclosure of any confidential business information or trade secrets of Employer or its affiliates, or make any use thereof, except in the carrying out of his or her employment responsibilities hereunder. As a result of Employee's employment by Employer, Employee may also from time to time have access to, or knowledge of, confidential business information or trade secrets of third parties, such as customers, suppliers, partners, joint venturers, and the like, of Employer and its affiliates. Employee also agrees to preserve and protect the confidentiality of such third party confidential information and trade secrets to the same extent, and on the same basis, as Employer's confidential business information and trade secrets. Employee acknowledges that money damages would not be sufficient remedy for any breach of this Article 5 by Employee, and Employer shall be entitled to enforce the provisions of this Article 5 by terminating any payments then owing to Employee under this Agreement and/or to specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Article 5, but shall be in addition to all remedies available at law or in equity to Employer, including the recovery of damages from Employee and his or her agents involved in such breach.

5.3 All written materials, records, and other documents made by, or coming into the possession of, Employee during the period of Employee's employment by Employer which contain or disclose confidential business information or trade secrets of Employer or its affiliates shall be and remain the property of Employer or its affiliates, as the case may be. Upon termination of Employee's employment by Employer, for any reason, Employee promptly shall deliver the same, and all copies thereof, to Employer.

5.4 If, during Employee's employment by Employer, Employee creates any original work of authorship fixed in any tangible medium of expression which is the subject matter of copyright (such as videotapes, written presentations on acquisitions, computer programs, drawings, maps, architectural renditions, models, manuals, brochures, or the like) relating to Employer's business, products, or services, whether such work is created solely by Employee or jointly with others (whether during business hours or otherwise and whether on Employer's premises or otherwise), Employee shall disclose such work to Employer. Employer shall be deemed the author of such work if the work is prepared by Employee in the scope of his or her employment; or, if the work is not prepared by Employee within the scope of his or her employment but is specially ordered by Employer as a

EXHIBIT 10(g) (continued)

contribution to a collective work, as a part of a motion picture or other audiovisual work, as a translation, as a supplementary work, as a compilation, or as an instructional text, then the work shall be considered to be work made for hire and Employer shall be the author of the work. If such work is neither prepared by the Employee within the scope of his or her employment nor a work specially ordered and then not deemed to be a work made for hire, then Employee hereby agrees to assign, and by these presents does assign, to Employer all of Employee's worldwide right, title, and interest in and to such work and all rights of copyright therein.

5.5 Both during the period of Employee's employment by Employer and thereafter, Employee shall assist Employer and its nominee, at any time, in the protection of Employer's worldwide right, title, and interest in and to information, ideas, concepts, improvements, discoveries, and inventions, and its copyrighted works, including without limitation, the execution of all formal assignment documents requested by Employer or its nominee and the execution of all lawful oaths and applications for applications for patents and registration of copyright in the United States and foreign countries.

ARTICLE 6.

MISCELLANEOUS

6.1 For purposes of this Agreement the terms "affiliates" or "affiliated" means an entity who directly, or indirectly through one or more intermediaries, is controlled by, or is under common control with Employer.

6.2 For purposes of this Agreement, notices and all other communications provided for herein shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Employer, to:

Greif Bros. Corporation
425 Winter Road
Delaware, Ohio 43015
Attention: Michael J. Gasser, Chairman and
Chief Executive Officer

EXHIBIT 10(g) (continued)

If to Employee, to:

Joseph W. Reed
4 Sessions Drive
Bexley, Ohio 43209

Either Employer or Employee may furnish a change of address to the other in writing in accordance herewith, except that notices of changes of address shall be effective only upon receipt.

6.3 This Agreement shall be governed in all respects by the laws of the State of Ohio, excluding any conflict-of-law rule or principle that might refer the construction of this Agreement to the laws of another State or country.

6.4 No failure by either party hereto at any time to give notice of any breach by the other party of, or to require compliance with, any condition or provision of this Agreement shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time.

6.5 If a dispute arises out of or related to this Agreement, other than a dispute regarding Employee's obligations under Article 5, and if the dispute cannot be settled through direct discussions, then Employer and Employee agree first to endeavor to settle the dispute in an amicable manner by mediation, before having recourse to any other proceeding or forum. Thereafter, if either party to this Agreement brings legal action to enforce the terms of this Agreement, the party who prevails in such legal action, whether plaintiff or defendant, in addition to the remedy or relief obtained in such legal action shall be entitled to recover its, his, or her expenses incurred in connection with such legal action, including, without limitation, costs of Court and attorneys fees.

6.6 It is a desire and intent of the parties that the terms, provisions, covenants, and remedies contained in this Agreement shall be enforceable to the fullest extent permitted by law. If any such term, provision, covenant, or remedy of this Agreement or the application thereof to any person, association, or entity or circumstances shall, to any extent, be construed to be invalid or unenforceable in whole or in part, then such term, provision, covenant, or remedy shall be construed in a manner so as to permit its enforceability under the applicable law to the fullest extent permitted by law. In any case, the remaining provisions of this Agreement or the application thereof to any person, association, or entity or circumstances other than those to which they have been held invalid or unenforceable, shall remain in full force and effect.

6.7 This Agreement shall be binding upon and inure to the benefit of Employer and any other person, association, or entity which may hereafter acquire or succeed to all or substantially all of the business or assets of Employer by any means whether direct or indirect, by purchase, merger, consolidation, or otherwise. Employee's rights and obligations under Agreement hereof are personal and such rights, benefits, and obligations of Employee shall not be voluntarily or involuntarily assigned, alienated, or transferred, whether by operation of law or otherwise, without the prior written consent of Employer.

EXHIBIT 10(g) (continued)

6.8 This Agreement replaces and merges previous agreements and discussions pertaining to the following subject matters covered herein: the nature of Employee's employment relationship with Employer and the term and termination of such relationship. This Agreement constitutes the entire agreement of the parties with regard to such subject matters, and contains all of the covenants, promises, representations, warranties, and agreements between the parties with respect such subject matters. Each party to this Agreement acknowledges that no representation, inducement, promise, or agreement, oral or written, has been made by either party with respect to such subject matters, which is not embodied herein, and that no agreement, statement, or promise relating to the employment of Employee by Employer that is not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing and signed by each party whose rights hereunder are affected thereby.

IN WITNESS WHEREOF, Employer and Employee have duly executed this Agreement in multiple originals to be effective on the date first stated above.

GREIF BROS. CORPORATION

By: /s/ Michael J. Gasser
Michael J. Gasser
Chairman and Chief Executive Officer

This 18th day of August, 1997

EMPLOYEE

/s/ Joseph W. Reed
Joseph W. Reed

This 18th day of August, 1997

EXHIBIT 10(g) (concluded)

EXHIBIT "A"
TO
EMPLOYMENT AGREEMENT

Employee Name: Joseph W. Reed

Term: Three (3) years after the Effective Date.

Position: Chief Financial Officer and Secretary

Reporting Relationship: Michael J. Gasser

Monthly Base Salary: \$18,333.34

GREIF BROS. CORPORATION

By: /s/ Michael J. Gasser
Michael J. Gasser
Chairman and Chief Executive Officer

This 18th day of August, 1997

EMPLOYEE

/s/ Joseph W. Reed
Joseph W. Reed

This 18th day of August, 1997

SUBSIDIARIES OF REGISTRANT

Name of Subsidiary	Incorporated Under Laws of
Barzon Corporation	Delaware
CorrChoice, Inc.	Ohio
Fibro Tambor, S.A. de C.V.	Mexico
GPS of Georgia, LLC	Georgia
Greif Bros. Corporation of Virginia	Virginia
Greif Containers Inc.	Canada
Greif Fibre Drum, Inc.	Delaware
Greif Plastic Drum, Inc.	Illinois
Greif Plastic Drum S.E. Division, Inc.	Kentucky
Greif Plastic Drum S.W. Division, Inc.	Texas
Soterra, Incorporated	Delaware
Tainer Transport, Inc.	Delaware

EXHIBIT 23

Consent of Independent Accountants

We hereby consent to the incorporation by reference in Registration Statements on Form S-8 (File No. 333-26767) and on Form S-8 (File No. 333-26977) of Greif Bros. Corporation of our report dated December 4, 1998 appearing on page 60 of this Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedules, which appears on page 70 of this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Columbus, Ohio
January 25, 1999

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

	YEAR	YEAR	YEAR	
	OCT-31-1998	OCT-31-1997	OCT-31-1996	
	OCT-31-1998	OCT-31-1997	OCT-31-1996	
	41,329	17,719	26,560	
	6,654	7,533	19,479	
	116,849	82,429	74,813	
	(2,918)	(847)	(826)	
	64,851	44,892	49,290	
	256,746	172,918	185,447	
	709,481	599,459	561,299	
	(287,936)	(261,662)	(249,123)	
	829,363	550,089	512,338	
98,235	60,408	50,680		
	235,000	43,648	22,748	
0	0	0	0	
	0	0	0	
	9,936	9,739	9,034	
	406,996	390,399	391,104	
829,363	550,089	512,338		
	801,131	648,984	637,368	
830,150	674,583	652,208		
	644,892	562,165	515,775	
	644,892	562,165	515,775	
117,743	80,243	68,220		
0	0	0		
11,928	2,670	517		
55,587	29,505	67,696		
22,483	11,419	24,949		
33,104	18,086	42,747		
0	0	0		
0	0	0		
	0	0	0	
	33,104	18,086	42,747	
	1.15	.63	1.48	
	1.15	.63	1.48	

Amount represents the basic and diluted earnings per share for the Class A Common Stock. The basic and diluted earnings per share for the Class B Common Stock are \$1.71, \$.94 and \$2.22 for 1998, 1997 and 1996, respectively.