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

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended October 31, 2007

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ______ to ______

Commission file number: 001-00566

Greif, Inc.

(Exact name of Registrant as specified in its charter)

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

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

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

Title of Each Class	Name of Each Exchange on Which Registered
Class A Common Stock	New York Stock Exchange
Class B Common Stock	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Exchange Act of 1934. Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934. Yes ☐ No ☒

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in the definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Securities Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Securities Exchange Act of 1934). Yes ☐ No ☒

The aggregate market value of voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold as of the last business day of the Registrant's most recently completed second fiscal quarter was as follows:

Non-voting common equity (Class A Common Stock) - $1,302,397,418
Voting common equity (Class B Common Stock) - $491,057,184

The number of shares outstanding of each of the Registrant's classes of common stock, as of December 14, 2007, was as follows[(1)]:

Class A Common Stock - 23,775,747
Class B Common Stock - 22,943,666

Listed hereunder are the documents, portions of which are incorporated by reference, and the parts of this Form 10-K into which such portions are incorporated:

1. The Registrant's Definitive Proxy Statement for use in connection with the Annual Meeting of Stockholders to be held on February 25, 2008 (the "2008 Proxy Statement"), portions of which are incorporated by reference into Part III of this Form 10-K. The 2008 Proxy Statement will be filed within 120 days of October 31, 2007.

(1) All share information presented in this Form10-K has been adjusted to reflect a 2-for-1 stock split of the Registrant's shares of Class A and B Common Stock distributed on April 11, 2007.

IMPORTANT INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

All statements, other than statements of historical facts, included in this Form 10-K of Greif, Inc. and subsidiaries (the "Company") or incorporated herein, including, without limitation, statements regarding the Company's future financial position, business strategy, budgets, projected costs, goals and plans and objectives of management for future operations, are forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "project," "believe," "continue" or "target" or the negative thereof or variations thereon or similar terminology. Forward-looking statements speak only as the date the statements were made. Although the Company believes that the expectations reflected in forward-looking statements have a reasonable basis, it can give no assurance that these expectations will prove to be correct. Forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed in or implied by the statements. For a discussion of the most significant risks and uncertainties that could cause the Company's actual results to differ materially from those projected, see "Risk Factors" in Item 1A of this Form 10-K. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Index to Form 10-K Annual Report for the year ended October 31, 2007

PART I

ITEM 1. BUSINESS

(a) General Development of Business

General

The Company is a leading global producer of industrial packaging products with manufacturing facilities located in over 45 countries. The Company offers a comprehensive line of industrial packaging products, such as steel, fibre and plastic drums, intermediate bulk containers, closure systems for industrial packaging products, and polycarbonate water bottles, which are complemented with a variety of value-added services, including blending, packaging, logistics and warehousing. The Company also produces containerboard and corrugated products for niche markets in North America. The Company sells timber to third parties from its timberland in the southeastern United States that it manages to maximize long-term value. The Company also owns timberland in Canada that it does not actively manage. In addition, the Company sells, from time to time, timberland and special use land, which consists of surplus land, higher and better use ("HBU") land, and development land. The Company's customers range from Fortune 500 companies to medium and small-sized companies in a cross section of industries.

The Company was founded in 1877 in Cleveland Ohio, as "Vanderwyst and Greif," a cooperage shop co-founded by one of four Greif brothers. One year after its founding, the other three Greif brothers were invited to join the business, renamed Greif Bros. Company, making wooden barrels, casks and kegs to transport post-Civil War goods nationally and internationally. The Company later purchased nearly 300,000 acres of timberland to provide raw materials for the cooperage plants. The Company still owns forests located in the southeastern United States and in Canada. In the latter half of the 1900s, the Company transitioned from its keg and barrel heading mills, stave mills and cooperage facilities to the manufacturing of fibre, steel, and plastic drums; corrugated containers; intermediate bulk containers; corrugated products for transit protection; multiwall shipping bags; and containerboard. In 1926, the Company incorporated as a Delaware corporation and made its public offering as The Greif Bros. Cooperage Corporation. In 1951, the Company moved its headquarters from Cleveland, Ohio to Delaware, Ohio, which is in the Columbus metro-area, where its corporate headquarters are currently located. Following the Van Leer acquisition in 2001, the Company changed its name from Greif Bros. Corporation to Greif, Inc.

The Company's fiscal year begins on November 1 and ends on October 31 of the following year. Any references in this Form 10-K to the years 2007, 2006 or 2005, or to any quarter of those years, relate to the fiscal year ending in that year.

(b) Financial Information about Segments

The Company operates in three business segments: Industrial Packaging & Services; Paper, Packaging & Services; and Timber. Information related to each of these segments is included in Note 15 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K, which Note is incorporated herein by reference.

(c) Narrative Description of Business

Products and Services

In the Industrial Packaging & Services segment, the Company offers a comprehensive line of industrial packaging products, such as steel, fibre and plastic drums, intermediate bulk containers, closure systems for industrial packaging products, and polycarbonate water bottles, which are complemented with a variety of value-added services, including blending, packaging services, logistics and warehousing. The Company sells its industrial packaging products to customers in over 45 countries in industries such as chemicals, paints and pigments, food and beverage, petroleum, industrial coatings, agricultural, pharmaceutical and mineral, among others. In addition, the Company provides a variety of blending and packaging services, logistics and warehousing to customers in many of these same industries in North America.

In the Paper, Packaging & Services segment, the Company sells containerboard, corrugated sheets and other corrugated products and multiwall bags to customers in North America in industries such as packaging, automotive, food and building products. The Company's corrugated container products are used to ship such diverse products as home appliances, small machinery, grocery products, building products, automotive components, books and furniture, as well as numerous other applications. The Company's industrial and consumer multiwall bag products are used to ship a wide range of industrial and consumer products, such as seed, fertilizers, chemicals, concrete, flour, sugar, feed, pet foods, popcorn, charcoal and salt, primarily for the agricultural, chemical, building products and food industries.

In the Timber segment, the Company is focused on the active harvesting and regeneration of its United States timber properties to achieve sustainable long-term yields. While timber sales are subject to fluctuations, the Company seeks to maintain a consistent cutting schedule, within the limits of market and weather conditions. The Company also sells, from time to time, timberland and special use land, which consists of surplus land, HBU land, and development land.

As of October 31, 2007, the Company owned approximately 269,950 acres of timber properties in the southeastern United States and approximately 36,650 acres of timber properties in Canada.

Customers

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

Backlog

The business of the Company is not seasonal to any significant extent. Because the Company supplies a cross-section of industries, such as chemicals, food products, petroleum products, pharmaceuticals and metal products, and must make spot deliveries on a day-to-day basis as its products are 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.

Competition

The markets in which the Company sells its products are highly competitive and comprised of many participants. Although no single company dominates, the Company faces significant competitors in each of its businesses. The Company's competitors include large vertically integrated companies as well as numerous smaller companies. The industries in which the Company competes are particularly sensitive to price fluctuations caused by shifts in industry capacity and other cyclical industry conditions. Other competitive factors include design, quality and service, with varying emphasis depending on product line.

In the industrial packaging industry, the Company competes by offering a comprehensive line of products on a global basis. In the paper and paper packaging industry, the Company competes by concentrating on providing value-added, higher-margin corrugated products to niche markets. In addition, over the past several years the Company has closed higher cost facilities and otherwise restructured its operations, which it believes has significantly improved its cost competitiveness.

Environmental Matters; Governmental Regulations

The Company's operations are subject to extensive federal, state, local and international laws, regulations, rules and ordinances relating to pollution, the protection of the environment, the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials and numerous other environmental laws and regulations. In the ordinary course of business, the Company is subject to periodic environmental inspections and monitoring by governmental enforcement authorities. In addition, certain of the Company's production facilities require environmental permits that are subject to revocation, modification and renewal.

Based on current information, the Company believes that the probable costs of the remediation of company-owned property will not have a material adverse effect on its financial condition or results of operations. The Company believes that its liability for these matters was adequately reserved as of October 31, 2007.

The Company does not believe that compliance with federal, state, local and international provisions, which have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, has had or will have a material effect upon the capital expenditures, earnings or competitive position of the Company. The Company does not anticipate any material capital expenditures related to environmental control in 2008.

See also Item 7 of this Form 10-K and Note 14 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K for additional information concerning environmental expenses and cash expenditures for 2007, 2006 and 2005, and the Company's reserves for environmental liabilities at October 31, 2007.

Raw Materials

Steel, resin and containerboard are the principal raw materials for the Industrial Packaging & Services segment, and pulpwood, old corrugated containers for recycling and containerboard are the principal raw materials for the Paper, Packaging & Services segment. The Company satisfies most of its needs for these raw materials through purchases on the open market or under short-term and long-term supply agreements. All of these raw materials are purchased in highly competitive, price-sensitive markets, which have historically exhibited price and demand cyclicality. From time to time, some of these raw materials have been in short supply, but to date these shortages have not had a significant effect on the Company's operations.

Research and Development

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 business is not materially dependent upon patents, trademarks, licenses or franchises.

Employees

As of October 31, 2007, the Company had approximately 10,300 full time employees. A significant number of the Company's full time employees are covered under collective bargaining agreements. The Company believes that its employee relations are generally good.

(d) Financial Information about Geographic Areas

The Company's operations are located in the Americas, Europe, Middle East, Africa and Asia Pacific. Information related to each of these areas is included in Note 15 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K, which Note is incorporated herein by reference. Quantitative and Qualitative Disclosures about Market Risk, included in Item 7A of this Form 10-K, is incorporated herein by reference.

(e) Available Information

The Company maintains an Internet Web site at www.greif.com. The Company files reports with the Securities and Exchange Commission (the "SEC") and makes available, free of charge, on or through this Internet Web site, its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy and information statements and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably possible after the Company electronically files such material with, or furnishes it to, the SEC.

Any of the materials the Company files with the SEC may also be read and/or copied at the SEC's Public Reference Room at 100 F Street, NW, Washington, DC 20549. Information on the operation of the SEC's Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet Web site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

(f) Other Matters

The Company's common equity securities are listed on the New York Stock Exchange ("NYSE") under the symbols GEF and GEF.B. Michael J. Gasser, the Company's Chairman and Chief Executive Officer, has timely certified to the NYSE that, at the date of the certification, he was unaware of any violation by the Company of the NYSE's corporate governance listing standards. In addition, Mr. Gasser and Donald S. Huml, the Company's Executive Vice President and Chief Financial Officer, have provided certain certifications in this Form 10-K regarding the quality of the Company's public disclosures. See Exhibits 31.1 and 31.2 to this Form 10-K.

ITEM 1A. RISK FACTORS

Statements contained in this Form 10-K may be "forward-looking" within the meaning of Section 21E of the Exchange Act. 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. The terms "Greif," "our company," "we," "us" and "our" as used in this discussion refer to Greif, Inc. and subsidiaries.

Our business is sensitive to changes in general economic or business conditions.

Our customers generally consist of other manufacturers and suppliers who purchase industrial packaging products and containerboard and related corrugated products for their own containment and shipping purposes. Because we supply a cross section of industries, such as chemicals, food products, petroleum products, pharmaceuticals and metal products, and have operations in many countries, demand for our industrial packaging products and containerboard and related corrugated products has historically corresponded to changes in general economic and business conditions of the industries and countries in which we operate. Accordingly, our financial performance is substantially dependent upon the general economic conditions existing in these industries and countries, and any prolonged or substantial economic downturn could have a material adverse affect on our business, results of operations or financial condition.

Our operations are subject to currency exchange and political risks that could adversely affect our results of operations.

We have operations in over 45 countries. As a result of our international operations, we are subject to certain risks that could disrupt our operations or force us to incur unanticipated costs.

Our operating performance is affected by devaluations and fluctuations in currency exchange rates by:

- translations into United States dollars for financial reporting purposes of the assets and liabilities of our international operations conducted in local currencies; and
- gains or losses from transactions conducted in currencies other than the operation’s functional currency.

We are subject to various other risks associated with operating in international countries, such as the following:

- political, social and economic instability;
- war, civil disturbance or acts of terrorism;
- taking of property by nationalization or expropriation without fair compensation;
- changes in government policies and regulations;
- imposition of limitations on conversions of currencies into United States dollars or remittance of dividends and other payments by international subsidiaries;
- imposition or increase of withholding and other taxes on remittances and other payments by international subsidiaries;
- hyperinflation in certain countries; and
- impositions or increase of investment and other restrictions or requirements by non-United States governments.

We operate in highly competitive industries.

Each of our business segments operates in highly competitive industries. The most important competitive factors we face are price, quality and service. To the extent that one or more of our competitors become more successful with respect to any of these key competitive factors, we could lose customers and our sales could decline. In addition, due to the tendency of certain customers to diversify their suppliers, we could be unable to increase or maintain sales volumes with particular customers. Certain of our competitors are substantially larger and have significantly greater financial resources.

Our business is sensitive to changes in industry demands.

Industry demand for containerboard in the United States and certain of our industrial packaging products in our United States and international markets has varied in recent years causing competitive pricing pressures for those products. We compete in industries that are capital intensive, which generally leads to continued production as long as prices are sufficient to cover marginal costs. As a result, changes in industry demands, including any resulting industry over-capacity, may cause substantial price competition and, in turn, negatively impact our financial performance.

The continuing consolidation of our customer base for industrial packaging, containerboard and corrugated products may intensify pricing pressures and may negatively impact our financial performance.

Over the last few years, many of our large industrial packaging, containerboard and corrugated products customers have acquired, or been acquired by, companies with similar or complementary product lines. This consolidation has increased the concentration of our largest customers, and resulted in increased pricing pressures from our customers. The continuing consolidation of our customer base may negatively impact our financial performance.

Raw material and energy price fluctuations and shortages could adversely affect our ability to obtain the materials needed to manufacture our products and could adversely affect our manufacturing costs.

The principal raw materials used in the manufacture of our products are steel, resin, pulpwood, old corrugated containers for recycling, and containerboard, which we purchase in highly competitive, price sensitive markets. These raw materials have historically exhibited price and demand cyclicality. Some of these materials have been, and in the future may be, in short supply. The Company does not have any hedging contracts for raw materials and has long-term supply contracts for only a portion of its total purchases.

The cost of producing our products is also sensitive to the price of energy. We have, from time to time, entered into short-term contracts to hedge certain of our energy costs. Energy prices, in particular oil and natural gas, have fluctuated in recent years, with a corresponding effect on our production costs.

Environmental and health and safety matters and product liability claims could negatively impact our operations and financial performance.

We must comply with extensive rules and regulations regarding federal, state, local and international environmental matters, such as air and water quality and waste disposal. We 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 our operations and financial performance. Furthermore, litigation or claims against us with respect to such matters could adversely affect our financial performance. We may also become subject to product liability claims, which could adversely affect our operations and financial performance.

Our business may be adversely impacted by work stoppages and other labor relations matters.

We are subject to risk of work stoppages and other labor relations matters because a significant number of our employees are represented by unions. We have experienced work stoppages and strikes in the past, and there may be work stoppages and strikes in the future. Any prolonged work stoppage or strike at any one of our principal manufacturing facilities could have a negative impact on our business, results of operations or financial condition.

We may encounter difficulties arising from acquisitions.

During recent years, we have invested a substantial amount of capital in acquisitions. Acquisitions involve numerous risks, including the failure to retain key customers, employees and contracts, the inability to integrate businesses without material disruption, unanticipated costs incurred in connection with integrating businesses and the incurrence of liabilities greater than anticipated or operating results that are less than anticipated. In addition, acquisitions and integration activities require time and attention of management and other key personnel, and other companies in our industries have similar acquisition strategies. There can be no assurance that any future acquisitions will be successfully integrated into our operations, that competition for acquisitions will not intensify or that we will be able to complete such acquisitions on acceptable terms and conditions. The costs of unsuccessful acquisition efforts may adversely affect our financial performance.

We may be subject to losses that might not be covered in whole or in part by existing insurance reserves or insurance coverage. These uninsured losses could adversely affect our financial performance.

We are self-insured for certain of the claims made under our employee medical and dental insurance programs and for certain of our workers' compensation claims. We establish reserves for estimated costs related to pending claims, administrative fees and claims incurred but not reported. Because establishing reserves is an inherently uncertain process involving estimates, currently established reserves may not be adequate to cover the actual liability for claims made under our employee medical and dental insurance programs and for certain of our workers' compensation claims. If we conclude that our estimates are incorrect and our reserves are inadequate for these claims, we will need to increase our reserves, which could adversely affect our financial performance.

We carry comprehensive liability, fire and extended coverage insurance on most of our facilities, with policy specifications and insured limits customarily carried for similar properties. However, there are certain types of losses, such as losses resulting from wars, acts of terrorism, or hurricanes, tornados, or other natural disasters, that generally are not insured because they are either uninsurable or not economically insurable. Should an uninsured loss or a loss in excess of insured limits occur, we could lose capital invested in that property, as well as the anticipated future revenues derived from the manufacturing activities conducted at that property, while remaining obligated for any mortgage indebtedness or other financial obligations related to the property. Any such loss would adversely impact our business, financial condition and results of operations.

We purchase insurance policies covering general liability and product liability with substantial policy limits. However, there can be no assurance that any liability claim would be adequately covered by our applicable insurance policies or it would not be excluded from coverage based on the terms and conditions of the policy. This could also apply to any applicable contractual indemnity.

The frequency and volume of our timber and timberland sales will impact our financial performance.

We have a significant inventory of standing timber and timberland and approximately 76,000 acres of special use properties in the United States and Canada. The frequency and volume of sales of timber, timberland and special use properties will have an effect on our financial performance. In addition, volatility in the real estate market and a reduction in demand for special use properties could negatively affect our results of operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The following are the Company's principal operating locations and the products manufactured at such facilities or the use of such facilities as of October 31, 2007. 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 to support its business expansion.

Location	Products or Use	Owned	Leased
INDUSTRIAL PACKAGING & SERVICES:			
Algeria	Steel drums	1	—
Argentina	Steel and plastic drums, water bottles and distribution center	3	1
Australia	Steel and plastic drums, closures, distribution centers and general office	4	1
Austria	Steel drums and administrative office	—	1
Belgium	Steel and plastic drums and coordination center (shared services)	2	1
Brazil	Steel and plastic drums, water bottles, closures and general office	5	1
Canada	Fibre, steel and plastic drums, wooden pallets, blending and packaging services and administrative office	8	1
Chile	Steel drums, water bottles and distribution center	—	1
China	Steel drums	—	8
Colombia	Steel and plastic drums and water bottles	—	1
Costa Rica	Steel drums	—	1
Czech Republic	Steel drums	1	—
Denmark	Fibre drums	1	—
Egypt	Steel drums	1	—
France	Fibre, steel and plastic drums, intermediate bulk containers, closures and distribution center	5	3
Germany	Fibre, steel and plastic drums and distribution center	3	2
Greece	Steel drums and water bottles	2	2
Guatemala	Steel drums	1	—
Hungary	Steel drums	1	—

Location	Products or Use	Owned	Leased
India	Plastic drums and closures	4	—
Ireland	Warehouse	—	1
Italy	Steel and plastic drums, water bottles and distribution center	1	2
Jamaica	Distribution center	—	1
Kazakhstan	Distribution center	—	1
Kenya	Steel drums	—	1
Malaysia	Steel and plastic drums	—	2
Mexico	Fibre, steel and plastic drums, closures and distribution center	3	2
Morocco	Steel and plastic drums and plastic bottles	1	—
Mozambique	Plastic bottles	1	—
Netherlands	Fibre steel and plastic drums, closures, research center and general office	5	—
New Zealand	Intermediate bulk containers	—	2
Nigeria	Steel and plastic drums	—	3
Philippines	Steel drums and water bottles	—	1
Poland	Steel drums and water bottles	2	—
Portugal	Steel drums	1	—
Russia	Steel drums, water bottles and intermediate bulk containers	8	4
Saudi Arabia	Steel drums	—	—
Singapore	Steel drums and distribution center	—	3
South Africa	Steel and plastic drums and distribution center	—	6
Spain	Steel drums and distribution center	2	—
Sweden	Fibre and steel drums and distribution center	2	1
Turkey	Steel drums and water bottles	1	—
Ukraine	Distribution center and water bottles	—	1
United Kingdom	Steel and plastic drums, water bottles and distribution center	5	2
United States	Fibre, steel and plastic drums, intermediate bulk containers, closures, steel parts, water bottles and distribution centers and blending and packaging services	25	17
Uruguay	Steel and plastic drums	—	1
Venezuela	Steel and plastic drums and water bottles	2	—
Zimbabwe	Steel and plastic drums and moulded fibre egg packaging	1	—
PAPER, PACKAGING & SERVICES:			
United States	Corrugated sheets, containers and other products, containerboard, multiwall bags, investment property and distribution center	32	5
TIMBER:			
United States	General offices	4	1
CORPORATE:			
United States	Principal and general office	2	—

The Company also owns a substantial number of scattered timber tracts comprising approximately 269,950 acres in the states of Alabama, Arkansas, Louisiana and Mississippi and approximately 36,650 acres in the provinces of Ontario and Quebec in Canada as of October 31, 2007.

ITEM 3. LEGAL PROCEEDINGS

The Company has no pending material legal proceedings.

From time to time, various legal proceedings arise at the country, 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 sanctions of $100,000 or more.

In addition, from time to time, but less frequently, the Company has been cited for violations of environmental regulations. None of these violations involve or are expected to involve sanctions of $100,000 or more except for a notice of violations received by the Company from the United States Environmental Protection Agency for clean-air violations at its steel drum facility in Alsip, Illinois. The violations relate to two industrial process cooling towers at the facility that were monitored by a third party for many years and involve chemicals supplied and used by that third party in connection with treating the cooling system. Pursuant to a consent agreement, the amount paid as sanctions for such violations was $120,000.

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 year covered by this Form 10-K.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Shares of the Company's Class A and Class B Common Stock are listed on the New York Stock Exchange under the symbols GEF and GEF.B, respectively.

Financial information regarding the Company's two classes of common stock, as well as the number of holders of each class and the high, low and closing sales prices for each class for each quarterly period for the two most recent years, is included in Note 16 to the Notes to Consolidated Financial Statements in Item 8 of this Form 10-K, which Note is incorporated herein by reference.

The Company pays quarterly dividends of varying amounts computed on the basis described in Note 9 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K, which Note is incorporated herein by reference. The annual dividends paid for the last two years are as follows[(1)]:

2007 year dividends per share – Class A $0.92; Class B $1.38

2006 year dividends per share – Class A $0.60; Class B $0.90

The terms of the Company's Credit Agreement limit its ability to make "restricted payments," which include dividends and purchases, redemptions and acquisitions of equity interests of the Company. The payment of dividends and other restricted payments are subject to the condition that certain defaults not exist under the terms of the Credit Agreement and are limited in amount by a formula based, in part, on the consolidated net income of the Company. See "Borrowing Arrangements" in Item 7 of this Form 10-K.

(1) All share information presented above has been adjusted to reflect a 2-for-1 stock split of the Company's shares of Class A and Class B Common Stock distributed on April 11, 2007.

The following tables set forth the Company's purchases of its shares of Class A and Class B Common Stock during 2007:

Issuer Purchases of Class A Common Stock[(2)]

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(1)	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased under the Plans or Programs(1)
November 2006	—	—	—	1,848,872
December 2006	—	—	—	1,848,872
January 2007	—	—	—	1,848,872
February 2007	—	—	—	1,848,872
March 2007	54,600	$ 55.08	54,600	1,781,072
April 2007	—	—	—	1,748,872
May 2007	—	—	—	1,748,872
June 2007	39,300	$ 60.54	39,300	1,690,472
July 2007	22,300	$ 61.29	22,300	1,661,272
August 2007	—	—	—	1,661,272
September 2007	—	—	—	1,661,272
October 2007	—	—	—	1,645,272
Total	116,200		116,200	

Issuer Purchases of Class B Common Stock[(2)]

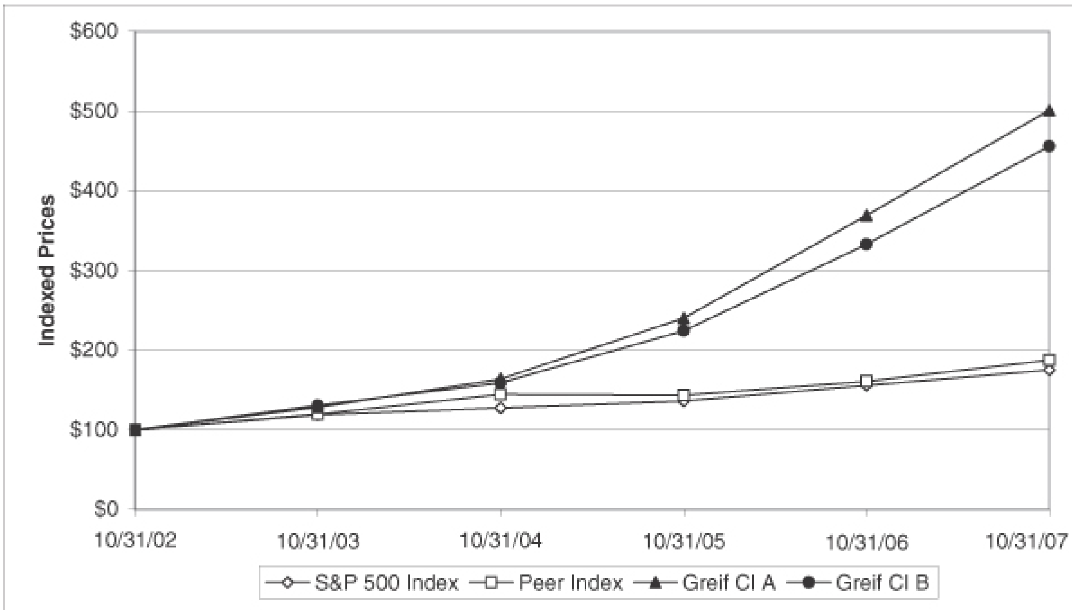
Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(1)	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased under the Plans or Programs(1)
November 2006	—	—	—	1,848,872
December 2006	—	—	—	1,848,872
January 2007	—	—	—	1,848,872
February 2007	—	—	—	1,848,872
March 2007	13,200	$ 50.97	13,200	1,781,072
April 2007	32,200	$ 51.47	32,200	1,748,872
May 2007	—	—	—	1,748,872
June 2007	19,100	$ 55.88	19,100	1,690,472
July 2007	6,900	$ 58.22	6,900	1,661,272
August 2007	—	—	—	1,661,272
September 2007	—	—	—	1,661,272
October 2007	16,000	$ 53.54	16,000	1,645,272
Total	87,400		87,400	

(1) The Company's Board of Directors has authorized a stock repurchase program which permits the Company to purchase up to 4.0 million shares of the Company's Class A or Class B Common Stock, or any combination thereof. As of October 31, 2007, the maximum number of shares that could be purchased was 1,645,272, which may be any combination of Class A or Class B Common Stock.

(2) All share information presented in this table has been adjusted to reflect a 2-for-1 stock split of the Company's shares of Class A and Class B Common Stock distributed on April 11, 2007.

Performance Graph

The following graph compares the performance of shares of the Company's Class A and B Common Stock to that of the Standard and Poor's 500 Index and the Company's industry group (Peer Index) assuming $100 invested on October 31, 2002. The graph does not purport to represent the value of the Company.



The Peer Index is comprised of the containers and packaging index as shown by Dow Jones.

ITEM 6. SELECTED FINANCIAL DATA

The five-year selected financial data is as follows (Dollars in thousands, except per share amounts)[1]:

As of and for the years ended October 31,	2007	2006	2005	2004	2003
Net sales	$ 3,322,294	$ 2,628,475	$ 2,424,297	$ 2,209,282	$ 1,916,441
Net income	$ 156,368	$ 142,119	$ 104,656	$ 47,769	$ 9,496
Total assets	$ 2,652,711	$ 2,188,001	$ 1,883,323	$ 1,813,238	$ 1,816,259
Long-term debt, including current portion of long-term debt	$ 622,685	$ 481,408	$ 430,400	$ 457,415	$ 646,067
Basic earnings per share:					
Class A Common Stock	$ 2.69	$ 2.46	$ 1.82	$ 0.85	$ 0.17
Class B Common Stock	$ 4.04	$ 3.69	$ 2.73	$ 1.26	$ 0.25
Diluted earnings per share:					
Class A Common Stock	$ 2.65	$ 2.42	$ 1.78	$ 0.83	$ 0.17
Class B Common Stock	$ 4.04	$ 3.69	$ 2.73	$ 1.26	$ 0.25
Dividends per share:					
Class A Common Stock	$ 0.92	$ 0.60	$ 0.40	$ 0.30	$ 0.28
Class B Common Stock	$ 1.37	$ 0.89	$ 0.59	$ 0.44	$ 0.41

(1) All share information presented in this table has been adjusted to reflect a 2-for-1 stock split of the Company's shares of Class A and Class B Common Stock distributed on April 11, 2007.

The results of operations include the effects of pretax restructuring charges of $21.2 million, $33.2 million, $35.7 million, $54.1 million and $60.7 million for 2007, 2006, 2005, 2004 and 2003, respectively, pretax debt extinguishment charges of $23.5 million and $2.8 million for 2007 and 2005, respectively, and large pretax timberland gains of $41.3 and $56.3 million for 2006 and 2005, respectively.

In 2003, the Company recorded income of $4.8 million related to a cumulative effect of change in accounting principle resulting from the adjustment of its unamortized negative goodwill in accordance with the transition provisions of Statement of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations," upon the adoption of SFAS No. 142, "Goodwill and Other Intangible Assets."

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The purpose of this section is to discuss and analyze our consolidated financial condition, liquidity and capital resources and results of operations. This analysis should be read in conjunction with the consolidated financial statements and notes, which appear elsewhere in this Form 10-K. The terms "Greif," "our company," "we," "us," and "our" as used in this discussion refer to Greif, Inc. and subsidiaries.

Business Segments

We operate in three business segments: Industrial Packaging & Services; Paper, Packaging & Services; and Timber.

We are a leading global provider of industrial packaging products such as steel, fibre and plastic drums, intermediate bulk containers, closure systems for industrial packaging products, and polycarbonate water bottles, which are complemented with a variety of value-added services, including blending, packaging, logistics and warehousing. We seek to provide complete packaging solutions to our customers by offering a comprehensive range of products and services on a global basis. We sell our products to customers in industries such as chemicals, paint and pigments, food and beverage, petroleum, industrial coatings, agricultural, pharmaceutical and mineral, among others. In addition, the Company provides a variety of blending and packaging services, logistics and warehousing to customers in many of these same industries in North America.

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

As of October 31, 2007, we owned approximately 269,950 acres of timber properties in the southeastern United States, which is actively managed, and approximately 36,650 acres of timber properties in Canada. Our timber management is focused on the active harvesting and regeneration of our timber properties to achieve sustainable long-term yields on our timberland. While timber sales are subject to fluctuations, we seek to maintain a consistent cutting schedule, within the limits of available merchantable acreage of timber, market and weather conditions. We also sell, from time to time, timberland and special use land, which consists of surplus land, HBU land, and development land.

Critical Accounting Policies

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

A summary of our significant accounting policies is included in Note 1 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K. We believe that the consistent application of these policies enables us to provide readers of the consolidated financial statements with useful and reliable information about our results of operations and financial condition. The following are the accounting policies that we believe are most important to the portrayal of our results of operations and financial condition and require our most difficult, subjective or complex judgments.

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

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

Net Assets Held for Sale. Net assets held for sale represent land, buildings and land improvements less accumulated depreciation. We record net assets held for sale in accordance with Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," at the lower of carrying value or fair value less cost to sell. Fair value is based on the estimated proceeds from the sale of the facility utilizing recent purchase offers, market comparables and/or data obtained from our commercial real estate broker. Our estimate as to fair value is regularly reviewed and subject to changes in the commercial real estate markets and our continuing evaluation as to the facility's acceptable sale price.

Properties, Plants and Equipment. Depreciation on properties, plants and equipment is provided on the straight-line method over the estimated useful lives of our assets.

We own timber properties in the southeastern United States and in Canada. With respect to our United States timber properties, which consisted of approximately 269,950 acres at October 31, 2007, depletion expense is computed on the basis of cost and the estimated recoverable timber acquired. Our land costs are maintained by tract. Merchantable timber costs are maintained by five product classes, pine sawtimber, pine chip-n-saw, pine pulpwood, hardwood sawtimber and hardwood pulpwood, within a "depletion block," with each depletion block based upon a geographic district or subdistrict. Currently, we have 11 depletion blocks. These same depletion blocks are used for pre-merchantable timber costs. Each year, we estimate the volume of our merchantable timber for the five product classes by each depletion block. These estimates are based on the current state in the growth cycle and not on quantities to be available in future years. Our estimates do not include costs to be incurred in the future. We then project these volumes to the end of the year. Upon acquisition of a new timberland tract, we record separate amounts for land, merchantable timber and pre-merchantable timber allocated as a percentage of the values being purchased. These acquisition volumes and costs acquired during the year are added to the totals for each product class within the appropriate depletion block(s). The total of the beginning, one-year growth and acquisition volumes are divided by the total undepleted historical cost to arrive at a depletion rate, which is then used for the current year. As timber is sold, we multiply the volumes sold by the depletion rate for the current year to arrive at the depletion cost. Our Canadian timber properties, which consisted of approximately 36,650 acres at October 31, 2007, did not have any depletion expense since they are not actively managed at this time.

We believe that the lives and methods of determining depreciation and depletion are reasonable; however, using other lives and methods could provide materially different results.

Restructuring Reserves. Restructuring reserves are determined in accordance with appropriate accounting guidance, including SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities," and Staff Accounting Bulletin No. 100, "Restructuring and Impairment Charges," depending upon the facts and circumstances surrounding the situation. Restructuring reserves are further discussed in Note 5 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K.

Pension and Postretirement Benefits. Pension and postretirement benefit expenses are determined by our actuaries using assumptions about the discount rate, expected return on plan assets, rate of compensation increase and health care cost trend rates. Further discussion of our pension and postretirement benefit plans and related assumptions is contained in Notes 13 and 14 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K. The results would be different using other assumptions.

Income Taxes. Our effective tax rate is based on income, statutory tax rates and tax planning opportunities available to us in the various jurisdictions in which we operate.

Significant judgment is required in determining our effective tax rate and in evaluating our tax positions. We establish reserves when, despite our belief that our tax return positions are fully supportable, we believe that certain positions are likely to be challenged and that we may not succeed. We adjust these reserves in light of changing facts and circumstances, such as the progress of a tax audit. Our effective tax rate includes the impact of reserve provisions and changes to reserves that we consider appropriate as well as related interest.

A number of years may elapse before a particular matter, for which we have established a reserve, is audited and finally resolved. The number of years with open tax audits varies depending on the tax jurisdiction. While it is often difficult to predict the final outcome or the timing of resolution of any particular tax matter, we believe that our reserves reflect the probable outcome of known tax contingencies. Unfavorable settlement of any particular issue would require use of our cash. Favorable resolution would be recognized as a reduction to our effective tax rate in the period of resolution.

Valuation allowances are established where expected future taxable income does not support the realization of the deferred tax assets.

Environmental Cleanup Costs. We expense environmental expenditures related to existing conditions caused by past or current operations and from which no current or future benefit is discernable. Expenditures that extend the life of the related property, or mitigate or prevent future environmental contamination, are capitalized.

Environmental expenses were $0.2 million in 2007, $1.6 in 2006, and insignificant in 2005. Environmental cash expenditures were $1.6 million, $1.8 million, and $2.0 million in 2007, 2006 and 2005, respectively. Our reserves for environmental liabilities at October 31, 2007 amounted to $40.6 million, which included a reserve of $22.5 million related to our blending facility in Chicago, Illinois (acquired in September 2006), $10.4 million related to our Blagden facilities (acquired in November 2006) and $3.8 million related to our facility in Lier, Belgium. The remaining reserves were for asserted and unasserted environmental litigation, claims and/or assessments at manufacturing sites and other locations where we believe it is probable the outcome of such matters will be unfavorable to us, but the environmental exposure at any one of those sites was not individually material. Reserves for large environmental exposures are principally based on environmental studies and cost estimates provided by third parties, but also take into account management estimates. Reserves for less significant environmental exposures are principally based on management estimates.

We anticipate that expenditures for remediation costs at most of the sites will be made over an extended period of time. Given the inherent uncertainties in evaluating environmental exposures, actual costs may vary from those estimated at October 31, 2007. Our exposure to adverse developments with respect to any individual site is not expected to be material. Although environmental remediation could have a material effect on results of operations if a series of adverse developments occur in a particular quarter or fiscal year, we believe that the chance of a series of adverse developments occurring in the same quarter or fiscal year is remote. Future information and developments will require us to continually reassess the expected impact of these environmental matters.

Self-Insurance. We are self-insured for certain of the claims made under our employee medical and dental insurance programs. We had recorded liabilities totaling \$3.1 million and \$2.7 million for estimated costs related to outstanding claims at October 31, 2007 and 2006, respectively. These costs include an estimate for expected settlements on pending claims, administrative fees and an estimate for claims incurred but not reported. These estimates are based on our assessment of outstanding claims, historical analysis and current payment trends. We record an estimate for the claims incurred but not reported using an estimated lag period based upon historical information. This lag period assumption has been consistently applied for the periods presented. If the lag period was hypothetically adjusted by a period equal to a half month, the impact on earnings would be approximately \$1.6 million. However, we believe the liabilities recorded are adequate based upon current facts and circumstances.

We have certain deductibles applied to various insurance policies including general liability, product, auto and workers' compensation. Deductible liabilities are insured through our captive insurance subsidiary, which had recorded liabilities totaling \$21.9 million and \$19.7 million for anticipated costs related to general liability, product, auto and workers' compensation at October 31, 2007 and 2006, respectively. These costs include an estimate for expected settlements on pending claims, defense costs and an estimate for claims incurred but not reported. These estimates are based on our assessment of outstanding claims, historical analysis, actuarial information and current payment trends.

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

Goodwill, Other Intangible Assets and Other Long-Lived Assets. Goodwill and indefinite-lived intangible assets are no longer amortized, but instead are periodically reviewed for impairment as required by SFAS No. 142, "Goodwill and Other Intangible Assets." The costs of acquired intangible assets determined to have definite lives are amortized on a straight-line basis over their estimated economic lives of two to 20 years. Our policy is to periodically review other intangible assets subject to amortization and other long-lived assets based upon the evaluation of such factors as the occurrence of a significant adverse event or change in the environment in which the business operates, or if the expected future net cash flows (undiscounted and without interest) would become less than the carrying amount of the asset. An impairment loss would be recorded in the period such determination is made based on the fair value of the related assets.

Other Items. Other items that could have a significant impact on the financial statements include the risks and uncertainties listed in Item 1A under "Risk Factors." Actual results could differ materially using different estimates and assumptions, or if conditions are significantly different in the future.

RESULTS OF OPERATIONS

Historically, revenues and earnings may or may not be representative of future operating results due to various economic and other factors.

In 2003, we began a transformation to become a leaner, more market-focused/performance-driven company, to what we call the "Greif Business System." We believe the Greif Business System has and will continue to generate productivity improvements and achieve permanent cost reductions. The Greif Business System continues to focus on opportunities such as improved labor productivity, material yield and other manufacturing efficiencies, along with further plant consolidations. In addition, as part of the Greif Business System, we have launched a strategic sourcing initiative to more effectively leverage our global spending, including a transportation management system, and lay the foundation for a world-class sourcing and supply chain capability.

The following table sets forth the net sales and operating profit for each of our business segments for 2007, 2006 and 2005 (Dollars in thousands):

For the year ended October 31,	2007	2006	2005
Net Sales			
Industrial Packaging & Services	$ 2,610,779	$ 1,945,299	$ 1,804,169
Paper, Packaging & Services	696,601	668,047	607,818
Timber	14,914	15,129	12,310
Total net sales	$ 3,322,294	$ 2,628,475	$ 2,424,297
Operating Profit			
Operating profit, before the impact of restructuring charges and timberland disposals, net:			
Industrial Packaging & Services	$ 225,029	$ 163,072	$ 122,818
Paper, Packaging & Services	72,057	64,401	40,611
Timber	14,373	10,626	7,972
Total operating profit before the impact of restructuring charges and timberland disposals, net	311,459	238,099	171,401
Restructuring charges:			
Industrial Packaging & Services	15,935	24,034	31,375
Paper, Packaging & Services	5,294	9,189	4,271
Timber	—	15	90
Total restructuring charges	21,229	33,238	35,736
Timberland disposals, net:			
Timber	(648)	41,302	56,268
Operating profit			
Industrial Packaging & Services	209,094	139,038	91,443
Paper, Packaging & Services	66,763	55,212	36,340
Timber	13,725	51,913	64,150
Total operating profit	$ 289,582	$ 246,163	$ 191,933

Year 2007 Compared to Year 2006

Overview

Net sales increased 26 percent to $3.3 billion in 2007 compared to $2.6 billion in 2006. Of this increase, 14 percent was due to the acquisitions of Blagden Packaging Group's steel drum manufacturing and closures businesses ("Blagden") in the first quarter of 2007 and Delta Petroleum Company, Inc.'s blending and filling businesses ("Delta") in the fourth quarter of 2006, and 4 percent was from currency translation. The $693.8 million increase in net sales was primarily due to higher sales of products in our Industrial Packaging & Services ($665.5 million), which benefited principally from stronger sales volumes compared to 2006, and higher selling prices in Paper, Packaging & Services ($28.6 million).

Operating profit was $289.6 million in 2007 compared to $246.2 million in 2006. Operating profit before the impact of restructuring charges and timberland disposals, net was $311.5 million for 2007 compared to $238.1 million for 2006. The $73.4 million increase compared to the prior year was principally due to higher operating profit in all three of the Company's business segments, which include Industrial Packaging & Services ($62.0 million), Paper Packaging & Services ($7.7 million) and Timber ($3.7 million). Operating profit before restructuring charges and the impact of timberland disposals, net, expressed as a percentage of net sales, increased to 9.4 percent for 2007 from 9.1 percent in 2006.

Segment Review

Industrial Packaging & Services

The Industrial Packaging & Services segment offers a comprehensive line of industrial packaging products and services, such as steel, fibre and plastic drums, intermediate bulk containers, closure systems for industrial packaging products, polycarbonate water bottles and blending, filling and packaging services. The key factors influencing profitability in the Industrial Packaging & Services segment are:

- Selling prices and sales volumes;
- Raw material costs, primarily steel, resin and containerboard;
- Energy and transportation costs;
- Benefits from executing the Greif Business System;
- Restructuring charges;
- Contributions from recent acquisitions; and
- Impact of currency translation.

In this segment, net sales increased 34 percent to $2.6 billion in 2007 from $1.9 billion in 2006 – an increase of 10 percent excluding the impact of the Blagden and Delta acquisitions (19 percent) and currency translation (5 percent). This segment's organic growth was driven by higher sales volumes in most regions, with particular strength in Europe and the emerging markets.

Gross profit margin for the Industrial Packaging & Services segment was 18.3 percent in 2007 compared to 18.5 percent in 2006. This decrease was primarily due to portfolio mix and increases in raw material costs that were partially offset by improvements in labor, transportation and other manufacturing costs which benefited from the continued execution of the Greif Business System.

Operating profit was $209.1 million in 2007 compared to $139.0 million in 2006. Operating profit before the impact of restructuring charges increased 38 percent to $225.0 million in 2007 from $163.1 million in 2006 primarily due to the improvement in net sales and the execution of the Greif Business System. Restructuring charges were $15.9 million in 2007 compared to $24.0 million in 2006.

Paper, Packaging & Services

The Paper, Packaging & Services segment sells containerboard, corrugated sheets and other corrugated products and multiwall bags in North America. The key factors influencing profitability in the Paper, Packaging & Services segment are:

- Selling prices and sales volumes;
- Raw material costs, primarily old corrugated containers;
- Energy and transportation costs;
- Benefits from executing the Greif Business System; and
- Restructuring charges.

In this segment, net sales were $696.6 million in 2007 compared to $668.0 million in 2006. The increase in net sales was principally due to higher containerboard selling prices implemented in 2006 and slightly improved volumes.

Gross profit margin for the Paper, Packaging & Services segment was 17.8 percent in 2007 compared to 17.5 percent in 2006. Higher raw material costs, especially old corrugated containers, were partially offset by contributions from further execution of the Greif Business System. The previously announced $40 per ton containerboard price increase has been fully implemented and is expected to benefit this segment's results beginning in the first quarter of 2008.

Operating profit was $66.8 million in 2007 compared to $55.2 million in 2006. Operating profit before the impact of restructuring charges increased 12 percent to $72.1 million in 2007 compared to $64.4 million in 2006 primarily due to higher net sales. Restructuring charges were $5.3 million in 2007 compared to $9.2 million in 2006.

Timber

As of October 31, 2007, the Timber segment consisted of approximately 269,950 acres of timber properties in the southeastern United States, which are actively harvested and regenerated, and approximately 36,650 acres in Canada. The key factors influencing profitability in the Timber segment are:

- Planned level of timber sales;
- Sale of special use properties (surplus, HBU, and development properties); and
- Timberland disposals, net.

Net sales were $14.9 million in 2007, consistent with plan, compared to $15.1 million in 2006. While timber sales are subject to fluctuations, we seek to maintain a consistent cutting schedule, within the limits of market and weather conditions.

Operating profit was $13.7 million in 2007 compared to $51.9 million, including $41.3 million from timberland disposals, net, in 2006. Operating profit before the impact of restructuring charges and timberland disposals, net was $14.4 million in 2007 compared to $10.6 million in 2006. Profit from the sale of special use property more than doubled to $9.5 million in 2007 from $4.6 million the prior year. Timberland disposals, net decreased by $42.0 million in 2007 compared to 2006 as the final phases of the $90 million sale of 56,000 acres of timberland, timber and associated assets were completed in 2006. These gains were the result of sales of timberland and are volatile from period to period. Restructuring charges were insignificant in both years.

In order to maximize the value of our timber property, we continue to review our current portfolio and have been exploring the development of certain of these properties in Canada and the United States. This process has led us to characterize our property as follows:

- Surplus property, meaning land that cannot be efficiently or effectively managed by us, whether due to parcel size, lack of productivity, location, access limitations or for other reasons.
- HBU property, meaning land that in its current state has a higher market value for uses other than growing and selling timber.
- Development property, meaning HBU land that, with additional investment, may have a significantly higher market value than its HBU market value.
- Timberland, meaning land that is best suited for growing and selling timber.

We report the sale of surplus and HBU property in our consolidated statement of income under "gain on disposals of properties, plants and equipment, net" and report the sale of development property under "net sales" and "cost of products sold." All HBU and development property, together with surplus property will continue to be used by us to productively grow and sell timber until sold.

Whether timberland has a higher value for uses other than growing and selling timber is a determination based upon several variables, such as, proximity to population centers, anticipated population growth in the area, the topography of the land, aesthetic considerations, including access to lakes or rivers, the condition of the surrounding land, availability of utilities, markets for timber and economic considerations both nationally and locally. Given these considerations, the characterization of land is not a static process, but requires an ongoing review and re-characterization as circumstances change.

At October 31, 2007, we estimated that there were approximately 76,000 acres in Canada and the United States of special use property, which will be available for sale in the next five to seven years.

Other Income Statement Changes

Cost of Products Sold

Cost of products sold, as a percentage of net sales, is the same at 81.8 percent for 2007 and 2006. The flat cost of products sold is due to lower labor, transportation and other manufacturing cost resulting from the Greif Business System, which was offset by the change in portfolio mix and increase in raw material costs.

Selling, General and Administrative ("SG&A") Expenses

SG&A expenses were $313.4 million, or 9.4 percent of net sales, in 2007 compared to $259.1 million, or 9.9 percent of net sales, in 2006. The year over year dollar increase in SG&A was primarily due to the Blagden and Delta acquisitions and performance-based incentive accruals, which were partially offset by tight control over SG&A expenses and the positive impact from prior acquisition integration activities.

Restructuring Charges

The focus for restructuring activities in 2007 was on integration of acquisitions in the Industrial Packaging & Services segment and on alignment to market-focused strategy and implementation of the Greif Business System in the Paper, Packaging & Services segment. During 2007, we recorded restructuring charges of $21.2 million, consisting of $9.2 million in employee separation costs, $0.9 million in asset impairments, $1.0 million in professional fees, and $10.1 million in other restructuring costs, primarily consisting of facility consolidation and lease termination costs. Two company-owned plants in the Industrial Packaging & Services segment were closed. Additionally, severance costs were incurred due to the elimination of certain operating and administrative positions throughout the world. The total number of employees severed in 2007 was 303.

See Note 5 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K for additional disclosures regarding our restructuring activities.

Gains on Disposal of Properties, Plants and Equipment, Net

The gain on disposal of properties, plants and equipment, net increased by $1.4 million to $19.4 million in 2007 compared to $18.0 million in 2006. The majority of the 2007 gains related to the sale of a small Canadian Industrial Packaging & Services operation and the sale of surplus properties.

Interest Expense, Net

Interest expense, net was $45.5 million and $36.0 million in 2007 and 2006, respectively. The increase was attributable to higher average debt outstanding due to our Blagden and Delta acquisitions, which was partially offset by lower interest expense for our 6 3/4 percent Senior Notes issued in the second quarter of 2007. Those Senior Notes replaced our 8 7/8 percent Senior Subordinated Notes acquired in 2007.

Debt Extinguishment Charge

On February 9, 2007, we completed a tender offer for its 8 7/8 percent Senior Subordinated Notes. In the tender offer, we purchased $245.6 million aggregate principal amount of the outstanding $248.0 million Senior Subordinated Notes. As a result of this transaction, a debt extinguishment charge of $23.5 million ($14.5 million in cash and $9.0 million in non-cash items, such as write-off of unamortized capitalized debt issue costs) was recorded. The remaining Senior Subordinated Notes were redeemed by us during the fourth quarter of 2007. There was no debt extinguishment charge in 2006.

Other Income (Expense), Net

Other expense, net was $8.9 million in 2007 compared to $2.3 million in 2006. The increase was primarily due to the increase in Non-United States trade receivable program fees of $2.5 million, and recording of $2.2 million in expense, for currency transactions and remeasurement gains (losses) related to hyperinflationary accounting in 2007 compared to income of $1.6 million in 2006.

Income Tax Expense

During 2007, the effective tax rate was 25.3 percent compared to 30.7 percent in 2006. The effective tax rate decreased due to the mix of income in regions outside of the United States compared to inside the United States increasing where tax rates were lower. During 2008, we believe the effective tax rate will be comparable to the 2007 effective tax rate. In future years, the effective tax rate may fluctuate based on the mix of income inside and outside the United States and other factors.

Equity in Earnings of Affiliates and Minority Interests

Equity in earnings of affiliates and minority interests was $1.7 million for 2007 compared to $1.9 million for 2006. We have majority holdings in various companies, and the minority interests of other persons in the respective net income of these companies have been recorded as an expense. These expenses were partially offset by equity in the earnings of Balmer Lawrie-Van Leer Ltd, a minority interest joint venture in India.

Net Income

Based on the foregoing, net income increased $14.3 million to $156.4 million in 2007 from $142.1 million in 2006.

Year 2006 Compared to Year 2005

Overview

Net sales were $2.6 billion in 2006 compared to $2.4 billion in 2005—an increase of 8 percent excluding the impact of currency translation. The $204.2 million increase was almost entirely attributable to positive contributions from the Industrial Packaging & Services segment ($141.1 million) and the Paper, Packaging & Services segment ($60.2 million). The increase in net sales was primarily due to generally higher sales volumes and improved pricing across our product portfolio.

Operating profit was $246.2 million in 2006 compared to $191.9 million in 2005. Operating profit before the impact of restructuring charges and timberland disposals, net was $238.1 million in 2006 compared to $171.4 million in 2005. The $66.7 million increase compared to the prior year was due to positive contributions from the Industrial Packaging & Services segment ($40.3 million), the Paper, Packaging & Services segment ($23.8 million) and the Timber segment ($2.7 million).

Segment Review

Industrial Packaging & Services

The Industrial Packaging & Services segment offers a comprehensive line of industrial packaging products and services, such as steel, fibre and plastic drums, intermediate bulk containers, closure systems for industrial packaging products, polycarbonate water bottles and blending, filling and packaging services. The key factors influencing profitability in the Industrial Packaging & Services segment were:

- Selling prices and sales volumes;
- Raw material costs, primarily steel, resin and containerboard;
- Energy and transportation costs;
- Benefits from the Greif Business System;
- Restructuring charges; and
- Impact of currency translation.

In this segment, net sales were $1.9 billion in 2006 compared to $1.8 billion in 2005. Net sales rose 8 percent, excluding the impact of currency translation, for 2006 from 2005. The improvement in net sales was primarily due to strong organic growth, which included higher sales volumes in emerging markets such as China and Russia. This segment also benefited from two fourth quarter 2005 small acquisitions and the acquisition of Delta in the fourth quarter of 2006. Sales volumes declined in the United Kingdom and France as a result of restructuring activities.

The Industrial Packaging & Services segment's gross profit margin improved to 18.5 percent in 2006 from 16.3 percent in 2005 due to higher sales volumes and the Greif Business System, particularly the impact of strategic sourcing.

Operating profit was $139.0 million in 2006 compared to $91.4 million in 2005. Operating profit before the impact of restructuring charges rose to $163.1 million in 2006 from $122.8 million in 2005 primarily due to the improvement in net sales and gross profit margin. Restructuring charges were $24.0 million in 2006 compared with $31.4 million in 2005.

Paper, Packaging & Services

The Paper, Packaging & Services segment sells containerboard, corrugated sheets and other corrugated products and multiwall bags in North America. The key factors influencing profitability in the Paper, Packaging & Services segment were:

- Selling prices and sales volumes;
- Raw material costs, primarily old corrugated containers;
- Energy and transportation costs;
- Benefits from the Greif Business System; and
- Restructuring charges.

In this segment, net sales were $668.0 million in 2006 compared to $607.8 million in 2005 primarily due to higher containerboard prices and higher containerboard, corrugated sheet and multiwall bag sales volumes compared to 2005.

The Paper, Packaging & Services segment's gross profit margin improved to 17.5 percent in 2006 from 15.3 percent in 2005. The improvement over the prior year was primarily due to higher containerboard pricing levels and the Greif Business

System, partially offset by approximately $14.7 million in higher energy and transportation costs.

Operating profit was $55.2 million in 2006 compared to $36.3 million in 2005. Operating profit before the impact of restructuring charges was $64.4 million in 2006 compared to $40.6 million in 2005 primarily due to the improvement in net sales and gross profit margin. Restructuring charges were $9.2 million in 2006 compared to $4.3 million in 2005.

Timber

As of October 31, 2006, the Timber segment owned approximately 266,700 acres of timber properties in southeastern United States, which are actively harvested and regenerated, and approximately 37,400 acres in Canada. The key factors influencing profitability in the Timber segment were:

- Planned level of timber sales;
- Sale of special use properties (surplus, higher and better use, and development properties); and
- Timberland disposals, net.

Net sales were $15.1 million in 2006 compared to $12.3 million in 2005. While timber sales are subject to fluctuations, we seek to maintain a consistent cutting schedule, within the limits of market and weather conditions. Timber sales in 2006 were in line with our expectations.

Operating profit was $51.9 million in 2006 compared to $64.2 million in 2005. Operating profit before the impact of restructuring charges and timberland disposals, net was $10.6 million (including $4.6 million of profits on special use property sales) in 2006 compared to $8.0 million in 2005. The gain on of timberland disposals, net decreased $15.0 million to $41.3 million in 2006 compared to $56.3 million in 2005. These gains are volatile from period to period. Restructuring charges were insignificant in both years.

In May 2005, we completed the first phase of a $90 million sale of 56,000 acres of timberland, timber and associated assets. In this first phase, 35,000 acres of our timberland holdings in Florida, Georgia and Alabama were sold for $51.0 million, resulting in a gain of $42.1 million in the third quarter of 2005. In the second phase, 15,300 acres of our timberland holdings in Florida were sold for $29.3 million, resulting in a gain of $27.4 million in the first quarter of 2006. In the final phase, we sold 5,700 acres of timberland in the second quarter of 2006 for $9.7 million, resulting in a gain of $9.0 million.

Other Income Statement Changes

Cost of Products Sold

Cost of products sold, as a percentage of net sales, decreased to 81.8 percent in 2006 from 83.9 percent in 2005. Cost of products sold, as a percentage of net sales, primarily decreased as a result of the improvement in net sales and positive contributions from the Greif Business System. These positive factors were partially offset by higher transportation and energy costs compared to 2005.

Selling, General and Administrative (“SG&A”) Expenses

SG&A expenses were $259.1 million, or 9.9 percent of net sales, in 2006 compared to $224.7 million, or 9.3 percent of net sales, in 2005. SG&A expenses, as a percentage of net sales, increased primarily due to higher accruals for performance-based incentive plans resulting from improvements in our results.

Restructuring Charges

During 2006, we recorded restructuring charges of $33.2 million, consisting of $16.8 million in employee separation costs, $8.3 million in asset impairments, $2.0 million in professional fees and $6.1 million in other restructuring costs, primarily consisting of facility consolidation and lease terminations costs. Four company-owned plants have been closed. Three plants in the Paper, Packaging & Services segment and one in the Industrial Packaging & Services segment were closed. The Industrial Packaging & Services segment reduced the number plants in the United Kingdom from five to three; merged operations of businesses purchased in October 2005 into existing North American plants; and consolidated one plant in France. In addition, severance costs were incurred due to the elimination of certain operating and administrative positions throughout the world. The total number of employees severed in 2006 was 281.

See Note 5 to the Notes to Consolidated Financial Statements included in Item 8 of this Form 10-K for additional disclosures regarding our restructuring activities.

Gains on Disposal of Properties, Plants and Equipment, Net

The gain on disposal of properties, plants and equipment, net increased $12.6 million to $18.0 in 2006 compared to $5.3 million in 2005. These gains resulted from a number of plant sales and from the sale of land in Delaware, Ohio.

Interest Expense, Net

Interest expense, net, was $36.0 million and $39.3 million in 2006 and 2005, respectively. The decrease was primarily due to interest received on higher cash and cash equivalents balances, partially offset by interest paid on higher long-term and short-term borrowings, during 2006 compared to 2005.

Debt Extinguishment Charge

During the second quarter of 2005, we entered into a new revolving credit facility to improve pricing and financial flexibility. As a result, we recorded a $2.8 million debt extinguishment charge in 2005. There was no debt extinguishment charge in 2006.

Other Income (Expense), Net

Other expense, net was $2.3 million in 2006 compared to other income, net of $2.4 million in 2005. The decrease was primarily due to the recording of $0.4 million in net gains related to currency transactions and remeasurement gains related to hyperinflationary accounting in 2006 compared to $3.4 million in 2005 and other infrequent non-operating items recorded in 2005.

Income Tax Expense

During 2006, the effective tax rate was 30.7 percent compared to 30.9 percent in 2005.

Equity in Earnings of Affiliates and Minority Interests

Equity in earnings of affiliates and minority interests was $1.9 million in 2006 compared to $0.5 million for 2005. We have majority holdings in various companies, and the minority interests of other persons in the respective net income of these companies have been recorded as an expense. These expenses were partially offset by equity in the earnings of Balmer Lawrie-Van Leer Ltd, a minority interest joint venture in India.

Net Income

Based on the foregoing, net income increased $37.4 million to $142.1 million in 2006 from $104.7 million in 2005.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are operating cash flows, the proceeds from our trade accounts receivable credit facility, proceeds from the sale of our Non-United States accounts receivables and borrowings under our Credit Agreement and Senior Notes, further discussed below. We have used these sources to fund our working capital needs, capital expenditures, cash dividends, common stock repurchases and acquisitions. We anticipate continuing to fund these items in a like manner. We currently expect that operating cash flows, the proceeds from our trade accounts receivable credit facility, proceeds from the sale of our Non-United States accounts receivables and borrowings under our Credit Agreement and Senior Notes will be sufficient to fund our currently anticipated working capital, capital expenditures, debt repayment, potential acquisitions of businesses and other liquidity needs for the foreseeable future.

Capital Expenditures and Business Acquisitions

During 2007, 2006 and 2005, we invested $112.6 million (excluding $2.3 million for timberland properties), $75.6 million (excluding $62.1 million for timberland properties), and $67.8 million (excluding $17.5 million for timberland properties), in capital expenditures, respectively. We anticipate future capital expenditures, excluding the potential purchase of timberland property, of approximately $115 million through October 31, 2008. These expenditures will be primarily to replace and improve equipment and to fund new plants in growth markets.

During 2007, we completed seven acquisitions of industrial packaging companies for an aggregate purchase price of $346.4 million. These seven acquisitions were Blagden, two small North American companies in November 2006, one small North African company in January 2007, minority ownership interests in two of our plants in Russia in July 2007, one North American joint venture in October 2007, and one small South American company in October 2007. See Note 2 to the Consolidated Financial Statements included in Item 8 of this Form 10-K for additional disclosures regarding our acquisitions.

Balance Sheet Changes

The $63.4 million decrease in cash and cash equivalents was primarily due to the cost of Blagden and other 2007 industrial packaging acquisitions, capital expenditures, debt repayments and dividends paid, offset by strong cash flows from operations.

The $32.2 million increase in trade accounts receivable was due to the increase in sales during fourth quarter of 2007 versus fourth quarter of 2006, as well as the Blagden and other 2007 industrial packaging acquisitions.

The $38.0 million increase in inventories was primarily due to Blagden and other 2007 industrial packaging acquisitions.

Goodwill increased $206.7 million and indefinite-lived intangibles increased $32.7 million. These increases are the result of Blagden and other 2007 industrial packaging acquisitions (see Note 2 to the Notes to the Consolidated Financial Statements included in Item 8 of this Form 10-K).

Net property increased by $133.6 million, primarily due to the Blagden and other 2007 industrial packaging acquisitions.

The $109.3 million increase in accounts payable was primarily due to the Blagden and other 2007 industrial packaging acquisitions and the timing of payments made to our suppliers.

Prepaid expense and other current assets increased by $21.6 million due to the Blagden and other 2007 industrial packaging acquisitions.

The increase in current deferred tax assets of $12.1 million was primarily due to an increase in various current accruals resulting from Blagden and other 2007 industrial packaging acquisitions, as well as an increase in a current deferred tax item related to the exercise of stock options.

Other current liabilities and long-term liabilities increased by $34.9 million and $41.7 million, respectively, due to the Blagden and other 2007 industrial packaging acquisitions.

Long-term debt increased by $141.3 million to finance the Blagden and other 2007 industrial packaging acquisitions.

Borrowing Arrangements

Credit Agreement

We and certain of our international subsidiaries, as borrowers, and a syndicate of financial institutions are parties to a Credit Agreement (the “Credit Agreement”) that provides us with a $450.0 million revolving multicurrency credit facility due 2010. The revolving multicurrency credit facility is available for acquisitions, ongoing working capital and general corporate purposes. Interest is based on a euro currency rate or an alternative base rate that resets periodically plus a calculated margin amount. As of October 31, 2007, $173.1 million was outstanding under the Credit Agreement.

The Credit Agreement contains certain covenants, which include financial covenants that require us to maintain a certain leverage ratio and a minimum coverage of interest expense. The leverage ratio generally requires that at the end of any quarter we will not permit the ratio of (a) our total consolidated indebtedness less cash and cash equivalents to (b) our consolidated net income plus depreciation, depletion and amortization, interest expense (including capitalized interest), income taxes, and minus certain extraordinary gains and non-recurring gains (or plus certain extraordinary losses and non-recurring losses) for the preceding twelve months (“EBITDA”) to be greater than 3.5 to 1. The interest coverage ratio generally requires that at the end of any quarter we will not permit the ratio of (a) our EBITDA to (b) our interest expense (including capitalized interest) for the preceding twelve months to be less than 3 to 1. On October 31, 2007, we were in compliance with these covenants. The terms of the Credit Agreement limit our ability to make “restricted payments,” which include dividends and purchases, redemptions and acquisitions of our equity interests. The repayment of this facility is secured by a pledge of the capital stock of substantially all of our United States subsidiaries and, in part, by the capital stock of the international borrowers.

Senior Notes

On February 9, 2007, we issued $300.0 million of 6 3/4 percent Senior Notes due February 1, 2017. Proceeds from the issuance of the Senior Notes were principally used to fund the purchase of the Senior Subordinated Notes in the tender offer, discussed below, and for general corporate purposes. The Senior Notes are general unsecured obligations of Greif, provide for semi-annual payments of interest at a fixed rate of 6 3/4 percent, and do not require any principal payments prior to maturity on February 1, 2017. The fair value of the Senior Notes was $297.8 million at October 31, 2007, based upon quoted market prices. The Senior Notes are not guaranteed by any of our subsidiaries and thereby are effectively subordinated to all of our subsidiaries’ existing and future indebtedness. The Indenture pursuant to which the Senior Notes were issued contains covenants which, among other things, limit our ability to create liens on our assets to secure debt and to enter into sale and leaseback transactions.

These covenants are subject to a number of limitations and exceptions as set forth in the Indenture. At October 31, 2007, we were in compliance with these covenants.

Senior Subordinated Notes

On February 9, 2007, we completed a tender offer for our 8 7/8 Senior Subordinated Notes. In the tender offer, we purchased $245.6 million aggregate principal amount of the outstanding $248.0 million Senior Subordinated Notes. As a result of this transaction, a debt extinguishment charge of $23.5 million was recorded ($14.5 million in cash and $9.0 million in non-cash items, such as write-off of unamortized capitalized debt issue costs). We redeemed the remaining Senior Subordinated Notes in the fourth quarter of 2007.

United States Trade Accounts Receivable Credit Facility

On October 31, 2003, we entered into a five-year, up to $120.0 million credit facility with an affiliate of a bank in connection with the securitization of certain of our trade accounts receivable in the United States. On October 24, 2007, the credit facility was amended to extend the maturity date to October 20, 2010. The facility is secured by certain of our trade accounts receivable in the United States and bears interest at a variable rate based on the London InterBank Offered Rate ("LIBOR") plus a margin or other agreed upon rate. We can terminate this facility at any time upon 60 days prior written notice. In connection with this transaction, we established Greif Receivables Funding LLC ("GRF"), which is included in our consolidated financial statements. However, because GRF is a separate and distinct legal entity from us, the assets of GRF are not available to satisfy our liabilities and obligations and the liabilities of GRF are not our liabilities or obligations. This entity purchases and services our trade accounts receivable that are subject to this credit facility. There was a total of $116.0 million and $120.0 million outstanding under the trade accounts receivable credit facility as of October 31, 2007 and 2006, respectively.

The trade accounts receivable credit facility provides that in the event we breach any of our financial covenants under the Credit Agreement, and the majority of the lenders thereunder consent to a waiver thereof, but the provider of the trade accounts receivable credit facility does not consent to any such waiver, then we must within 90 days of providing notice of the breach, pay all amounts outstanding under the trade accounts receivable credit facility.

Other

In addition to the amounts borrowed against the Credit Agreement and proceeds from the Senior Notes and the United States trade accounts receivable credit facility, we had outstanding debt of $49.3 million, comprised of $33.5 million in long-term debt and $15.9 million in short-term borrowings, at October 31, 2007 and outstanding debt of $33.0 million, comprised of $3.7 million in long-term debt and $29.3 million in short-term borrowings, at October 31, 2006.

Sale of Non-United States Accounts Receivables

Pursuant to the terms of a Receivable Purchase Agreement (the "RPA") between Greif Coordination Center BVBA (as seller), an indirect wholly-owned subsidiary of Greif, and a major international bank (as buyer), the seller agreed to sell trade receivables to the buyer that meet certain eligibility requirements and that seller has purchased from other indirect wholly-owned subsidiaries of Greif under discounted receivables purchase agreements and factoring agreements. In addition, Greif Italia S.P.A., also an indirect wholly-owned subsidiary of Greif, has entered into the Italian Receivables Purchase Agreement with the Italian branch of the major international bank (the "Italian RPA") pursuant to which it sells trade receivables that meet certain eligibility criteria to the Italian branch of the major international bank. The Italian RPA is similar in structure and terms as the RPA. The maximum amount of aggregate receivables that may be sold under the RPA and the Italian RPA is €100.0 million ($144.3 million) at October 31, 2007.

In October 2007, Greif Singapore Pte. Ltd., our wholly-owned indirect subsidiary, entered into the Singapore Receivable Purchase Agreement (the "Singapore RPA") with a major international bank. The maximum amount of aggregate receivables that may be sold under the Singapore RPA is 10 million Singapore Dollars ($6.9 million) at October 31, 2007.

The structure of the transactions provide for a legal true sale, on a revolving basis, of the receivables transferred from the various Greif subsidiaries either (i) to Greif Coordination Center BVBA, which in turn sells the receivables to the respective bank, or (ii) directly to the respective bank. The bank funds an initial purchase price of a certain percentage of eligible receivables based on a formula with the initial purchase price approximating 75 percent to 90 percent of eligible receivables.

The remaining deferred purchase price is settled upon collection of the receivables. At the balance sheet reporting dates, we remove from accounts receivable the amount of proceeds received from the initial purchase price since they meet the applicable criteria of SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," and continue to recognize the deferred purchase price in our accounts receivable. The receivables are sold on a non-recourse basis with the total funds in the servicing collection accounts pledged to the respective banks between the settlement dates. At October 31, 2007, €96.0 million ($138.5 million) of accounts receivable had been sold under the RPA and Italian RPA. At October 31, 2007, 7.1 million Singapore Dollars ($4.9 million) of accounts receivable were sold under the Singapore RPA.

At the time the receivables are initially sold, the difference between the carrying amount and the fair value of the assets sold are included as a loss on sale and classified as "other expense" in the consolidated statements of income. Expenses associated with the RPA and Italian RPA totaled €3.7 million ($5.0 million) for the year ended October 31, 2007. Expenses associated with the Singapore RPA were not material to the consolidated financial statements. Additionally, we perform collections and administrative functions on the receivables sold similar to the procedures it uses for collecting all of its receivables, including receivables that are not sold under the RPA, Italian RPA and Singapore RPA. The servicing liability for these receivables is not material to the consolidated financial statements.

Significant Nonstrategic Timberland Transactions and Consolidation of Variable Interest Entities

In connection with one of our 2005 timberland transactions with Plum Creek Timberlands, L.P. ("Plum Creek"), Soterra LLC (one of our wholly owned subsidiaries) received cash and a $50.9 million purchase note payable by an indirect subsidiary of Plum Creek (the "Purchase Note"). Soterra LLC contributed the Purchase Note to STA Timber LLC ("STA Timber"), one of our indirect wholly owned subsidiaries. The Purchase Note is secured by a Deed of Guarantee issued by Bank of America, N.A., London Branch, in an amount not to exceed $52.3 million (the "Deed of Guarantee"). STA Timber has issued in a private placement 5.20 percent Senior Secured Notes due August 5, 2020 (the "Monetization Notes") in the principal amount of $43.3 million. The Monetization Notes are secured by a pledge of the Purchase Note and the Deed of Guarantee. Greif and its other subsidiaries have not extended any form of guaranty of the principal or interest on the Monetization Notes. Accordingly, Greif and its other subsidiaries will not become directly or contingently liable for the payment of the Monetization Notes at any time.

Contractual Obligations

As of October 31, 2007, we had the following contractual obligations (Dollars in millions):

		Payments Due By Period			
	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Long-term debt	$ 852.8	$ 37.7	$ 388.5	$ 40.5	$ 386.1
Short-term borrow ings	16.6	16.6	—	—	—
Non-cancelable operating leases	99.3	20.9	30.7	18.5	29.2
Liabilities held by special purpose entities	71.8	2.2	4.5	4.5	60.6
Total contractual cash obligations	$ 1,040.5	$ 77.4	$ 423.7	$ 63.5	$ 475.9

Stock Repurchase Program and Other Share Acquisitions

Our Board of Directors has authorized us to purchase up to four million shares of Class A Common Stock or Class B Common Stock or any combination of the foregoing. During 2007, we repurchased 116,200 shares of Class A Common Stock and 87,400 shares of Class B Common Stock (see Item 5 to this Form 10-K for these repurchases). As of October 31, 2007, we had repurchased 2,354,728 shares, including 1,419,608 shares of Class A Common Stock and 935,120 shares of Class B Common Stock, under this program. The total cost of the shares repurchased from 1999, when this program commenced, through October 31, 2007, was $52.3 million.

On February 26, 2007, the Company's shareholders approved an amendment to the Company's certificate of incorporation increasing the number of the Company's authorized shares to 128,000,000 shares of Class A Common Stock and 69,120,000 shares of Class B Common Stock. Subsequent to this approval, the Company's Board of Directors authorized a 2-for-1 stock split of the Company's shares of Class A Common Stock and Class B Common Stock. The split was payable on April 11, 2007 to shareholders of record on March 19, 2007. The stock split means that each holder of Class A Common Stock as of the close of business on March 19, 2007 received on April 11, 2007 one additional share of Class A Common Stock for every share they held of Class A Common Stock and each holder of Class B Common Stock as of the close of business on March 19, 2007 received on April 11, 2007 one additional share of Class B Common Stock for every share they held of Class B Common Stock. The day on which such shares began trading on the New York Stock Exchange reflecting the stock split was April 12, 2007.

Effects of Inflation

The effects of inflation did not have a material impact on our operations during 2007, 2006 or 2005.

Recent Accounting Standards

In June 2006, the FASB issued FIN No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes," an interpretation of FAS 109, Accounting for Income Taxes, to create a single model to address accounting for uncertainty in tax positions. FIN 48 prescribes a recognition threshold and measurement process for recording in the financial statements uncertain tax positions taken or expected to be taken in a tax return. Additionally, FIN 48 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition for uncertain tax positions. We are required to adopt FIN 48 as of November 1, 2007. The cumulative effect of applying the provisions of the interpretation will be reported as an adjustment to the opening balance of retained earnings for 2008. We do not believe its implementation will have a material impact on its consolidated results of operations or financial position.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. We will be required to adopt SFAS No.157 on November 1, 2008 (2009 for us). The provisions of SFAS 157 should be applied prospectively to the beginning of the year in which SFAS 157 is initially applied, except with respect to certain financial instruments as defined by SFAS 157. We have not yet determined the effect, if any, that the adoption of SFAS 157 will have on our consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities," which allows an entity the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on a contract-by-contract basis. Subsequent changes in fair value of these financial assets and liabilities would be recognized in earnings when they occur. SFAS No. 159 further establishes certain additional disclosure requirements. SFAS No. 159 is effective for our financial statements for the year beginning on November 1, 2008 (2009 for us), with earlier adoption permitted. We are currently evaluating the impact and timing of the adoption of SFAS No. 159 on our consolidated financial statements.

In December 4, 2007, the FASB issued SFAS No. 141(R), "Business Combinations," and SFAS No. 160, "Accounting and Reporting of Noncontrolling interest in Consolidated Financial Statements, an amendment of ARB No. 51" (SFAS No. 160). These new standards will significantly change the financial accounting and reporting of business combination transactions and noncontrolling (or minority) interests in consolidated financial statements. We will be required to adopt SFAS No.141(R) and 160 on or after December 15, 2008 (2010 for us). We have not yet determined the effect, if any, that the adoption of SFAS 141(R) and 160 will have on our consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We are subject to interest rate risk related to our financial instruments that include borrowings under our Credit Agreement, proceeds from our Senior Notes and trade accounts receivable credit facility, and interest rate swap agreements. We do not enter into financial instruments for trading or speculative purposes. The interest rate swap agreements have been entered into to manage our exposure to variability in interest rates and changes in the fair value of fixed rate debt.

We had interest rate swap agreements with an aggregate notional amount of $230.0 million and $130.0 million at October 31, 2007 and 2006, respectively, with various maturities through 2010. The interest rate swap agreements are used to fix a portion of the interest on our variable rate debt. Under certain of these agreements, we receive interest monthly or quarterly from the counterparties equal to London InterBank Offered Rate ("LIBOR") and pay interest at a fixed rate over the life of the contracts. A liability for the loss on interest rate swap contracts, which represented their fair values, in the amount of $1.5 million and $1.0 million was recorded at October 31, 2007 and 2006, respectively.

The tables below provide information about our derivative financial instruments and other financial instruments that are sensitive to changes in interest rates. For the Credit Agreement, Senior Notes and trade accounts receivable credit facility, the tables present scheduled amortizations of principal and the weighted average interest rate by contractual maturity dates at October 31, 2007 and 2006. For interest rate swaps, the tables present annual amortizations of notional amounts and weighted average interest rates by contractual maturity dates. Under the cash flow swap agreements, we receive interest either monthly or quarterly from the counterparties and pay interest either monthly or quarterly to the counterparties.

The fair values of the Credit Agreement, Senior Notes and trade accounts receivable credit facility are based on rates available to us for debt of the same remaining maturity at October 31, 2007 and 2006. The fair value of the interest rate swap agreements has been determined based upon the market settlement prices of comparable contracts at October 31, 2007 and 2006.

FINANCIAL INSTRUMENTS
As of October 31, 2007
(Dollars in millions)

	Expected Maturity Date							
	2008	2009	2010	2011	2012	After 2012	Total	Fair Value
Credit Agreement:								
Scheduled amortizations	$ —	$ —	$ 173	$ —	$ —	$ —	$ 173	$ 173
Average interest rate(1)	5.50%	5.50%	5.50%	—	—	—	5.50%	
Senior Notes:								
Scheduled amortizations	$ —	$ —	$ —	$ —	$ —	$ 300	$ 300	$ 298
Average interest rate	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	
Trade accounts receivable credit facility:								
Scheduled amortizations	$ —	$ —	$ 116	$ —	$ —	$ —	$ 116	$ 116
Average interest rate(1)	5.37%	5.37%	5.37%	—	—	—	5.37%	
Interest rate swaps:								
Scheduled amortizations	$ 130	$ 50	$ 50	$ —	$ —	$	$ 230	$ (2)
Average pay rate(2)	5.28%	5.28%	5.28%	—	—	—	5.28%	
Average receive rate(3)	5.04%	5.04%	5.04%	—	—	—	5.04%	

(1) Variable rate specified is based on LIBOR or an alternative base rate plus a calculated margin at October 31, 2007. The rates presented are not intended to project our expectations for the future.
(2) The average pay rate is based upon the fixed rates we were scheduled to pay at October 31, 2007. The rates presented are not intended to project our expectations for the future.
(3) The average receive rate is based upon the LIBOR we were scheduled to receive at October 31, 2007. The rates presented are not intended to project our expectations for the future.

FINANCIAL INSTRUMENTS
As of October 31, 2006
(Dollars in millions)

	Expected Maturity Date							
	2007	2008	2009	2010	2011	After 2011	Total	Fair Value
Credit Agreement:								
Scheduled amortizations	$ —	$ —	$ —	$ 115	$ —	$ —	$ 115	$ 115
Average interest rate(1)	5.85%	5.85%	5.85%	5.85%	—	—	5.85%	
Senior Subordinated Notes:								
Scheduled amortizations	$ —	$ —	$ —	$ —	$ —	$ 248	$ 248	$ 256
Average interest rate	8.88%	8.88%	8.88%	8.88%	8.88%	8.88%	8.88%	
Trade accounts receivable credit facility:								
Scheduled amortizations	$ —	$ 120	$ —	$ —	$ —	$ —	$ 120	$ 120
Average interest rate(1)	5.87%	5.87%	—	—	—	—	5.87%	
Interest rate swaps:								
Scheduled amortizations	$ —	$ 130	$ —	$ —	$ —	$	$ 130	$ (1)
Average pay rate(2)	5.56%	5.56%	—	—	—	—	5.56%	
Average receive rate(3)	5.39%	5.39%	—	—	—	—	5.39%	

(1) Variable rate specified is based on LIBOR or an alternative base rate plus a calculated margin at October 31, 2006. The rates presented are not intended to project our expectations for the future.
(2) The average pay rate is based upon the fixed rates we were scheduled to pay at October 31, 2006. The rates presented are not intended to project our expectations for the future.
(3) The average receive rate is based upon the LIBOR we were scheduled to receive at October 31, 2006. The rates presented are not intended to project our expectations for the future.

The fair market value of the interest rate swap at October 31, 2007 was a net liability of $1.5 million. Based on a sensitivity analysis performed by the counterparties at October 31, 2007, a 100 basis point increase in interest rates would increase the fair value of the swap agreements by $1.4 million to a net liability of $0.1 million. Conversely, a 100 basis point decrease in interest rates would decrease the fair value of the swap agreements by $1.4 million to a net liability of $2.9 million.

Currency Risk

As a result of our international operations, our operating results are subject to fluctuations in currency exchange rates. The geographic presence of our operations mitigates this exposure to some degree. Additionally, our transaction exposure is somewhat limited because we produce and sell a majority of our products within each country in which we operate.

Prior to August 1, 2007, we had cross-currency interest rate swaps to hedge our net investment in our European subsidiaries. Under these agreements, we received interest semi-annually from the counterparties equal to a fixed rate of 8.875 percent on $248.0 million and paid interest at a fixed rate of approximately 6.80 percent on €206.7 million. These swaps matured on August 1, 2007 and we paid €206.7 million ($281.9 million) to the counterparties and received $248.0 million from the counterparties.

On August 1, 2007, we entered into new cross-currency interest rate swaps to hedge our net investment in our European subsidiaries. Under these new agreements, we receive interest semi-annually from the counterparties equal to a fixed rate of 6.75 percent on $300.0 million and pay interest at a fixed rate of 6.25 percent on €219.9 million. Upon maturity of these swaps on August 1, 2009, August 1, 2010 and August 1, 2012, we will be required to pay €73.3 million to the counterparties and receive $100.0 million from the counterparties on each of these dates. A liability for the loss on these agreements of $17.4 million, representing their fair values, was recorded at October 31, 2007.

At October 31, 2007, we had outstanding currency forward contracts in the notional amount of $82.5 million ($45.2 million at October 31, 2006). The purpose of these contracts is to hedge our exposure to currency translation, currency transactions and short-term intercompany loan balances with our international businesses. The fair value of these contracts resulted in a gain of $1.1 million recorded in other comprehensive income and a loss of $0.4 million recorded in the consolidated statements of income at for 2007. The fair value of similar contracts resulted in a gain of $2.1 million recorded in other comprehensive income and a loss of $0.1 million recorded in the consolidated statements of income at for 2006.

A sensitivity analysis to changes in the currencies hedged indicates that if the currencies uniformly strengthened by 10 percent, the fair value of these instruments would decrease by $39.1 million to a net loss of $55.9 million, which would include $51.3 million in other comprehensive loss on the balance sheet. Conversely, if the foreign currencies uniformly weakened by 10 percent, the fair value of these instruments would increase by $38.3 million to a net gain of $21.6 million, which would include $16.5 million in other comprehensive income on the balance sheet.

Commodity Price Risk

We purchase commodities such as steel, resin, containerboard, pulpwood, old corrugated containers and energy. We do not currently engage in material hedging of commodities, other than small hedges in natural gas and old corrugated containers, because there is usually a high correlation between the commodity cost and the ultimate selling price of our products. The fair value of our natural gas contracts resulted in a $0.3 million gain recorded in other comprehensive income at October 31, 2007. A sensitivity analysis to changes in natural gas prices indicates that if natural gas prices decreased by 10 percent, the fair value of these instruments would decrease by $0.6 million to a net loss of $0.2 million. Conversely, if the natural gas prices increased by 10 percent, the fair value of these instruments would increase by $0.6 million to a net gain of $1.0 million.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

GREIF, INC. AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF INCOME

(Dollars in thousands, except per share amounts)

For the years ended October 31,	2007	2006	2005
Net sales	$ 3,322,294	$ 2,628,475	$ 2,424,297
Costs of products sold	2,716,892	2,149,271	2,033,510
Gross profit	605,402	479,204	390,787
Selling, general and administrative expenses	313,377	259,122	224,729
Restructuring charges	21,229	33,238	35,736
Timberland disposals, net	(648)	41,302	56,268
Gain on disposal of properties, plants and equipment, net	19,434	18,017	5,343
Operating profit	289,582	246,163	191,933
Interest expense, net	45,512	35,993	39,255
Debt extinguishment charge	23,479	—	2,828
Other income (expense), net	(8,956)	(2,299)	2,405
Income before income tax expense and equity in earnings of affiliates and minority interests	211,635	207,871	152,255
Income tax expense	53,544	63,816	47,055
Equity in earnings of affiliates and minority interests	(1,723)	(1,936)	(544)
Net income	$ 156,368	$ 142,119	$ 104,656
Basic earnings per share:			
Class A Common Stock	$ 2.69	$ 2.46	$ 1.82
Class B Common Stock	$ 4.04	$ 3.69	$ 2.73
Diluted earnings per share:			
Class A Common Stock	$ 2.65	$ 2.42	$ 1.78
Class B Common Stock	$ 4.04	$ 3.69	$ 2.73

See accompanying Notes to Consolidated Financial Statements.

GREIF, INC. AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

As of October 31,	2007	2006
ASSETS		
Current assets		
Cash and cash equivalents	$ 123,699	$ 187,101
Trade accounts receivable, less allowance of $12,539 in 2007 and $8,575 in 2006	347,907	315,661
Inventories	242,994	205,004
Deferred tax assets	27,917	15,814
Net assets held for sale	11,564	3,374
Prepaid expenses and other current assets	87,704	66,083
	841,785	793,037
Long-term assets		
Goodwill, net of amortization	493,252	286,552
Other intangible assets, net of amortization	96,256	63,587
Assets held by special purpose entities (Note 6)	50,891	50,891
Long-term notes receivable	36,434	626
Other long-term assets	59,547	52,359
	736,380	454,015
Properties, plants and equipment		
Timber properties, net of depletion	197,235	195,115
Land	126,018	81,768
Buildings	356,878	317,110
Machinery and equipment	1,032,677	930,924
Capital projects in progress	90,659	53,099
	1,803,467	1,578,016
Accumulated depreciation	(728,921)	(637,067)
	1,074,546	940,949
	$ 2,652,711	$ 2,188,001

See accompanying Notes to Consolidated Financial Statements.

GREIF, INC. AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

As of October 31,	2007	2006
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 411,095	$ 301,753
Accrued payroll and employee benefits	84,977	65,513
Restructuring reserves	15,776	8,391
Short-term borrowings	15,848	29,321
Other current liabilities	121,214	86,321
	648,910	491,299
Long-term liabilities		
Long-term debt	622,685	481,408
Deferred tax liabilities	159,494	179,329
Pension liability	19,892	18,639
Postretirement benefit liabilities	32,983	47,702
Liabilities held by special purpose entities (Note 6)	43,250	43,250
Other long-term liabilities	119,180	77,488
	997,484	847,816
Minority Interest	6,405	4,875
Shareholders' equity		
Common stock, without par value	75,156	56,765
Treasury stock, at cost	(92,028)	(81,643)
Retained earnings	1,004,300	901,267
Accumulated other comprehensive income (loss):		
—foreign currency translation	43,260	1,525
—interest rate derivatives	(997)	(1,861)
—energy and other derivatives	226	(945)
—minimum pension liabilities	(30,005)	(31,097)
	999,912	844,011
	$ 2,652,711	$ 2,188,001

See accompanying Notes to Consolidated Financial Statements.

GREIF, INC. AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

For the years ended October 31,	2007	2006	2005
Cash flows from operating activities:			
Net income	$ 156,368	$ 142,119	$ 104,656
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	102,295	90,488	95,098
Asset impairments	1,108	8,326	6,408
Deferred income taxes	(31,644)	12,302	23,146
Gain on disposals of properties, plants and equipment, net	(19,434)	(18,017)	(5,343)
Loss (gain) on timberland disposals, net (Note 6)	648	(41,302)	(56,268)
Equity in earnings of affiliates, net of dividends received, and minority interests	1,723	1,936	544
Gain on insurance settlement	—	(1,542)	—
Loss on extinguishment of debt	23,479	—	—
Trade accounts receivable	42,876	(28,782)	56,435
Inventories	24,120	(6,506)	20,715
Prepaid expenses and other current assets	(11,403)	(13,977)	(2,182)
Other long-term assets	(53,626)	(7,158)	(890)
Accounts payable	29,051	40,171	(42,835)
Accrued payroll and employee benefits	13,475	20,942	11,444
Restructuring reserves	5,772	(1,801)	(6,426)
Other current liabilities	55,194	(1,027)	(12,565)
Pension and postretirement benefit liability	(12,136)	(11,275)	545
Other, including long-term liabilities	60,370	44,211	(4,106)
Net cash provided by operating activities	388,236	229,108	188,376
Cash flows from investing activities:			
Acquisitions of companies, net of cash acquired	(346,629)	(107,775)	(51,782)
Purchases of properties, plants and equipment	(112,600)	(75,630)	(67,842)
Purchases of timber properties	(2,300)	(62,110)	(17,522)
Issuance of notes receivable	(32,248)	—	—
Proceeds from insurance settlement for properties, plants and equipment	—	2,562	—
Proceeds from the sale of property, plants, equipment and other assets	22,218	70,408	29,179
Net cash used in investing activities	(471,559)	(172,545)	(107,967)
Cash flows from financing activities:			
Proceeds from issuance of long-term debt	2,040,111	1,020,340	1,630,463
Payments on long-term debt	(1,918,807)	(978,786)	(1,666,331)
Proceeds from (payments of) short-term borrowings	(14,486)	10,839	5,198
Payments for premium for debt extinguishment	(14,303)	—	—
Debt issuance costs	(2,839)	—	—
Settlement of derivatives	(33,935)	—	—
Acquisitions of treasury stock and others	(11,409)	(6,252)	(12,024)
Exercise of stock options	19,415	4,541	23,086
Dividends paid	(53,335)	(34,521)	(22,906)
Proceeds from liabilities held by special purpose entities (Note 6)	—	—	43,250
Net cash provided by financing activities	10,412	16,161	736
Effects of exchange rates on cash	9,509	(8,034)	3,157
Net increase (decrease) in cash and cash equivalents	(63,402)	64,690	84,302
Cash and cash equivalents at beginning of year	187,101	122,411	38,109
Cash and cash equivalents at end of year	$ 123,699	$ 187,101	$ 122,411

See accompanying Notes to Consolidated Financial Statements.

GREIF, INC. AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Dollars and shares in thousands, except per share amounts)

	Capital Stock		Treasury Stock				
	Shares	**Amount**	**Shares**	**Amount**	**Retained Earnings**	**Accumulated Other Comprehensive Income (Loss)**	**Shareholders' Equity**
As of October 31, 2004	45,374	$ 27,382	31,468	$(65,360)	$ 711,919	$ (44,847)	$ 629,094
Net income					104,656		104,656
Other comprehensive income:							
—foreign currency translation						3,462	3,462
—interest rate derivative, net of income tax expense of $2,347						4,359	4,359
—minimum pension liability adjustment, net of income tax expense of $572						950	950
Comprehensive income							113,427
Dividends paid (Note 10):							
Class A – $0.40					(9,135)		(9,135)
Class B – $0.59					(13,771)		(13,771)
Treasury shares acquired	(426)		426	(12,024)			(12,024)
Stock options exercised	1,186	15,723	(1,186)	1,419			17,142
Tax benefit of stock options		5,944					5,944
Long-term incentive shares issued	8	202	(8)	9			211
As of October 31, 2005	46,142	$ 49,251	30,700	$(75,956)	$ 793,669	$ (36,076)	$ 730,888
Net income					142,119		142,119
Other comprehensive income (loss):							
—foreign currency translation						(7,592)	(7,592)
—interest rate derivative, net of income tax expense of $37						877	877
—minimum pension liability adjustment, net of income tax expense of $6,117						11,358	11,358
—energy derivatives, net of income tax benefit of $509						(945)	(945)
Comprehensive income							145,817
Dividends paid (Note 10):							
Class A – $0.60					(13,887)		(13,887)
Class B – $0.89					(20,634)		(20,634)
Treasury shares acquired	(196)		196	(6,252)			(6,252)
Stock options exercised	326	4,948	(326)	523			5,471
Tax benefit of stock options		1,765					1,765
Long-term incentive shares issued	16	471	(16)	23			494
Directors shares issued	12	330	(12)	19			349
As of October 31, 2006	46,300	$ 56,765	30,542	$(81,643)	$ 901,267	$ (32,378)	$ 844,011
Net income					156,368		156,368
Other comprehensive income (loss):							
—foreign currency translation						41,735	41,735
—interest rate derivative, net of income tax expense of $466						864	864
—minimum pension liability adjustment, net of income tax expense of $7,232						17,360	17,360
—energy derivatives, net of income tax expense of $361						1,171	1,171
Comprehensive income							217,498
—Adjustment to initially apply SFAS No. 158, net of income tax benefit of $7,769						(16,268)	(16,268)
Dividends paid (Note 10):							
Class A – $0.92					(21,716)		(21,716)
Class B – $1.37					(31,619)		(31,619)
Treasury shares acquired	(204)		204	(11,409)			(11,409)
Stock options exercised	559	7,732	(559)	949			8,681
Tax benefit of stock options		8,076					8,076
Long-term incentive shares issued	38	2,104	(38)	64			2,168
Directors shares issued	6	479	(6)	11			490
As of October 31, 2007	46,699	$ 75,156	30,143	$(92,028)	$1,004,300	$ 12,484	$ 999,912

See accompanying Notes to Consolidated Financial Statements.

NOTE 1 – DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Business

Greif, Inc. and its subsidiaries (the "Company") principally manufacture industrial packaging products, complemented with a variety of value-added services, including blending, packaging, logistics and warehousing, and containerboard and corrugated products that it sells to customers in many industries throughout the world. The Company has operations in over 45 countries. In addition, the Company owns timber properties in the southeastern United States, which are actively harvested and regenerated, and also owns timber properties in Canada.

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

Because the Company supplies a cross section of industries, such as chemicals, food products, petroleum products, pharmaceuticals and metal products, and must make spot deliveries on a day-to-day basis as its products are 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 raw materials are principally steel, resin, containerboard, old corrugated containers for recycling and pulpwood.

There are approximately 10,300 employees of the Company at October 31, 2007.

Fiscal Year

The Company's fiscal year begins on November 1 and ends on October 31 of the following year. Any references to the year 2007, 2006 or 2005, or to any quarter of those years, relates to the fiscal year ending in that year.

Basis of Consolidation

The consolidated financial statements include the accounts of Greif, Inc. and its subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The most significant estimates are related to the allowance for doubtful accounts, inventory reserves, expected useful lives assigned to properties, plants and equipment, goodwill and other intangible assets, incentive accruals, restructuring reserves, environmental liabilities, pension and postretirement benefits, income taxes, self-insurance reserves and contingencies. Actual amounts could differ from those estimates.

Revenue Recognition

The Company recognizes revenue when title passes to customers or services have been rendered, with appropriate provision for returns and allowances. Revenue is recognized in accordance with Staff Accounting Bulletin No. 104, "Revenue Recognition."

Timber and special use property revenues are recognized when closings have occurred, required down payments have been received, title and possession have been transferred to the buyer, and all other criteria for sale and profit recognition have been satisfied.

Shipping and Handling Fees and Costs

The Company includes shipping and handling fees and costs in cost of products sold.

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 when the deferred tax assets and liabilities are expected to be settled or realized. Valuation allowances are established where expected future taxable income does not support the realization of the deferred tax assets.

The Company's effective tax rate is based on income, statutory tax rates and tax planning opportunities available to the Company in the various jurisdictions in which the Company operates. Significant judgment is required in determining the Company's effective tax rate and in evaluating its tax positions. The Company establishes reserves when, despite its belief that its tax return positions are fully supportable, it believes that certain positions are likely to be challenged and that it may not succeed. The Company adjusts these reserves in light of changing facts and circumstances, such as the progress of a tax audit. The Company's effective tax rate includes the impact of reserve provisions and changes to reserves that it considers appropriate as well as related interest.

A number of years may elapse before a particular matter, for which the Company has established a reserve, is audited and finally resolved. The number of years with open tax audits varies depending on the tax jurisdiction. While it is often difficult to predict the final outcome or the timing of resolution of any particular tax matter, the Company believes that its reserves reflect the probable outcome of known tax contingencies. Unfavorable settlement of any particular issue would require use of the Company's cash. Favorable resolution would be recognized as a reduction to the Company's effective tax rate in the period of resolution.

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.

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 which are considered principal in the total operations of the Company and doing business in a variety of industries throughout the world.

Allowance for Accounts Receivable

The Company evaluates the collectibility of its accounts receivable based on a combination of factors. In circumstances where the Company is aware of a specific customer's inability to meet its financial obligations to the Company, the Company records a specific allowance for bad debts against amounts due to reduce the net recognized receivable to the amount the Company reasonably believes will be collected. In addition, the Company recognizes allowances for bad debts based on the length of time receivables are past due with allowance percentages, based on its historical experiences, applied on a graduated scale relative to the age of the receivable amounts. If circumstances change (e.g., higher than expected bad debt experience or an unexpected material adverse change in a major customer's ability to meet its financial obligations to the Company), the Company's estimates of the recoverability of amounts due to the Company could change by a material amount.

Inventories

Inventories are stated at the lower of cost or market, utilizing the first-in, first-out basis for approximately 65 percent of consolidated inventories and the last-in, first-out ("LIFO") basis for approximately 35 percent of consolidated inventories.

During 2007, increases in certain inventory quantities caused an increase in the LIFO inventory values, which resulted in expense of $0.2 million, net of tax. Certain inventory quantity reductions caused a liquidation of LIFO inventory values and the liquidations increased income, net of tax, by $2.8 million and $4.0 million in 2006 and 2005, respectively.

The inventories are comprised as follows at October 31 for the year indicated (Dollars in thousands):

	2007	2006
Finished goods	$ 75,428	$ 53,621
Raw materials and work-in-process	202,392	186,065
	277,820	239,686
Reduction to state inventories on last-in, first-out basis	(34,826)	(34,682)
	$242,994	$205,004

Properties, Plants and Equipment

Properties, plants and equipment are stated at cost. Depreciation on properties, plants and equipment is provided on the straight-line method over the estimated useful lives of the assets as follows:

	Years
Buildings	30-45
Machinery and equipment	3-19

Depreciation expense was $89.6 million in 2007, $82.8 million in 2006 and $90.1 million in 2005. Expenditures for repairs and maintenance are charged to expense as incurred. 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.

The Company owns timber properties in the southeastern United States and in Canada. With respect to the Company's United States timber properties, which consisted of approximately 269,950 acres at October 31, 2007, depletion expense on timber properties is computed on the basis of cost and the estimated recoverable timber. Depletion expense was $4.3 million, $3.6 million and $1.3 million in 2007, 2006 and 2005, respectively. The Company's land costs are maintained by tract. The Company begins recording pre-merchantable timber costs at the time the site is prepared for planting. Costs capitalized during the establishment period include site preparation by aerial spray, costs of seedlings, planting costs, herbaceous weed control, woody release, labor and machinery use, refrigeration rental and trucking for the seedlings. The Company does not capitalize interest costs in the process. Property taxes are expensed as incurred. New road construction costs are capitalized as land improvements and depreciated over 20 years. Road repairs and maintenance costs are expensed as incurred. Costs after establishment of the seedlings, including management costs, pre-commercial thinning costs and fertilization costs, are expensed as incurred. Once the timber becomes merchantable, the cost is transferred from the pre-merchantable timber category to the merchantable timber category in the depletion block.

Merchantable timber costs are maintained by five product classes, pine sawtimber, pine chip-n-saw, pine pulpwood, hardwood sawtimber and hardwood pulpwood, within a "depletion block," with each depletion block based upon a geographic district or subdistrict. Currently, the Company has eleven depletion blocks. These same depletion blocks are used for pre-merchantable timber costs. Each year, the Company estimates the volume of the Company's merchantable timber for the five product classes by each depletion block. These estimates are based on the current state in the growth cycle and not on quantities to be available in future years. The Company's estimates do not include costs to be incurred in the future. The Company then projects these volumes to the end of the year. Upon acquisition of a new timberland tract, the Company records separate amounts for land, merchantable timber and pre-merchantable timber allocated as a percentage of the values being purchased. These acquisition volumes and costs acquired during the year are added to the totals for each product class within the appropriate depletion block(s). The total of the beginning, one-year growth and acquisition volumes are divided by the total undepleted historical cost to arrive at a depletion rate, which is then used for the current year. As timber is sold, the Company multiplies the volumes sold by the depletion rate for the current year to arrive at the depletion cost.

The Company's Canadian timber properties, which consisted of approximately 36,650 acres at October 31, 2007, are not actively managed at this time, and therefore, no depletion expense is recorded.

Net Assets Held for Sale

Net assets held for sale represent land, buildings and land improvements for locations that have met the held for sale criteria of SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." As of October 31, 2007, there were seven locations held for sale (six in the Industrial Packaging & Services segment and one in the Paper, Packaging & Services segment). In 2006, the Company recorded net sales of $45.0 million and net income before taxes of $8.4 million primarily related to the Industrial Packaging & Services segment for the above net assets held for sale. As of October 31, 2006, there were five locations held for sale (three in the Industrial Packaging & Services segment and two in the Paper, Packaging & Services segment). In 2005, the Company recorded net sales of $16.2 million and net loss before taxes of $5.2 million for these locations. The effect of suspending depreciation on the facilities held for sale is immaterial to the results of operations. The net assets held for sale have been listed for sale and it is the Company's intention to complete these sales within the upcoming year.

Internal Use Software

Internal use software is accounted for under Statement of Position 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 and for upgrades and enhancements that provide additional functionality are capitalized.

Derivative Financial Instruments

In accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities – Deferral of the Effective Date of FASB Statement No. 133," and SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities," the Company records all derivatives in the balance sheet as either assets or liabilities measured at fair value. Dependent on the designation of the derivative instrument, changes in fair value are recorded to earnings or shareholders' equity through other comprehensive income (loss).

The Company uses interest rate swap agreements for both cash flow hedging and fair value-hedging purposes. For derivative instruments that hedge the exposure of variability in interest rates, designated as cash flow hedges, the effective portion of the net gain or loss on the derivative instrument is reported as a component of other comprehensive income (loss) and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings.

Interest rate swap agreements that hedge against variability in interest rates effectively convert a portion of floating rate debt to a fixed rate basis, thus reducing the impact of interest rate changes on future interest expense. The Company uses the "variable cash flow method" for assessing the effectiveness of these swaps. The effectiveness of these swaps is reviewed at least every quarter. Hedge ineffectiveness is not material.

The Company enters into currency forward contracts to hedge certain currency transactions and short-term intercompany loan balances with its international businesses. In addition, the Company uses cross-currency swaps to hedge its net investment in its European subsidiaries. Such contracts limit the Company's exposure to both favorable and unfavorable currency fluctuations. These contracts are adjusted to reflect market value as of each balance sheet date, with the resulting changes in fair value being recognized in other income (expense), net.

The Company uses derivative instruments to hedge a portion of its natural gas purchases. These derivatives are designated as cash flow hedges. The effective portion of the net gain or loss is reported as a component of other comprehensive income (loss) and reclassified into earnings in the same period during which the hedged transaction affects earnings.

Any derivative contract that is either not designated as a hedge, or is so designated but is ineffective, is adjusted to market value and recognized in earnings immediately. If a fair value or cash flow hedge ceases to qualify for hedge accounting or is terminated, the contract would continue to be carried on the balance sheet at fair value until settled and future adjustments to the contract's fair value would be recognized in earnings immediately. If a forecasted transaction were no longer probable to occur, amounts previously deferred in accumulated other comprehensive income (loss) would be recognized immediately in earnings.

Currency Translation

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

The cumulative translation adjustments, which represent the effects of translating assets and liabilities of the Company's international operations, are presented in the consolidated statements of changes in shareholders' equity in accumulated other comprehensive income (loss). The transaction gains and losses are credited or charged to income. The functional currency for international operations in highly inflationary economies is the United States dollar, and any gains or losses are credited or charged to income. The amounts included in other income (expense), net were $(2.8) million, $2.0 million and $1.1 million in 2007, 2006 and 2005, respectively.

Earnings Per Share

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

The following is a reconciliation of the shares used to calculate basic and diluted earnings per share[(1)]:

For the years ended October 31,	2007	2006	2005
Class A Common Stock:			
Basic earnings per share	23,594,814	23,127,522	22,795,130
Assumed conversion of stock options	577,872	598,586	678,346
Diluted earnings per shares	24,172,686	23,726,108	23,473,476
Class B Common Stock:			
Basic and diluted earnings per share	22,994,494	23,055,258	23,153,806

(1)All share information presented in this table has been adjusted to reflect a 2-for-1 stock split of the Company's shares of Class A and Class B Common Stock distributed on April 11, 2007.

There were no Class A options that were antidilutive for 2007 and 2006 (14,000 for 2005).

Stock-Based Compensation Expense

On November 1, 2005, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 123(R), "Share-Based Payment," which requires the measurement and recognition of compensation expense, based on estimated fair values, for all share-based awards made to employees and directors, including stock options, restricted stock, restricted stock units and participation in the Company's employee stock purchase plan.

In adopting SFAS No. 123(R), the Company used the modified prospective application transition method, as of November 1, 2005, the first day of the Company's fiscal year 2006. The Company's consolidated financial statements for the fiscal year 2006 reflect the impact of SFAS No. 123(R). In accordance with the modified prospective application transition method, the Company's consolidated financial statements for prior periods have not been restated to reflect, and do not include, the impact of SFAS No. 123(R). Share-based compensation expense recognized under SFAS No. 123(R) was $0.1 million and $0.9 million, respectively, for 2007 and 2006.

Prior to the adoption of SFAS No. 123(R), the Company accounted for share-based awards to employees and directors using the intrinsic value method in accordance with Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," as interpreted by Financial Accounting Standards Board ("FASB") Interpretation ("FIN") No. 44, "Accounting for Certain Transactions Involving Stock Compensation, an Interpretation of APB Opinion No. 25," as allowed under SFAS No. 123, "Accounting for Stock-Based Compensation." Because the exercise price of the Company's stock options granted to employees and directors equaled the fair market value of the underlying stock at the grant date, under the intrinsic value method, no share-based compensation expense was otherwise recognized in the Company's consolidated statement of income for 2005. If compensation cost had been determined based on 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)[(1)]:

	2005
Net income as reported	$ 104,656
Deduct total stock option expense determined under fair value method, net of tax	1,282
Pro forma net income	$ 103,374
Earnings per share:	
Class A Common Stock:	
Basic—as reported	$ 1.82
Basic—pro forma	$ 1.80
Diluted—as reported	$ 1.78
Diluted—pro forma	$ 1.76
Class B Common Stock:	
Diluted—as reported	$ 2.73
Diluted—pro forma	$ 2.70

(1)All share information presented in this table has been adjusted to reflect a 2-for-1 stock split of the Company's shares of Class A and Class B Common Stock distributed on April 11, 2007.

SFAS No. 123(R) requires companies to estimate the fair value of share-based awards on the date of grant using an option-pricing model. The value of the portion of the award that is ultimately expected to vest is recognized as expense in the Company's consolidated statements of income over the requisite service periods. Share-based compensation expense recognized in the Company's consolidated statements of income for the first quarter of 2007 and for 2006 includes compensation expense for share-based awards granted prior to, but not yet vested as of October 31, 2005, based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123. No options have been granted in 2007 and 2006. For any options granted subsequent to October 31, 2005, compensation expense was based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123(R).

The Company uses the straight-line single option method of expensing stock options to recognize compensation expense in its consolidated statements of income for all share-based awards. Because share-based compensation expense is based on awards that are ultimately expected to vest, share-based compensation expense will be reduced to account for estimated forfeitures. SFAS No. 123(R) requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. In the Company's pro forma information required under SFAS No. 123 for periods prior to 2006, the Company accounted for forfeitures as they occurred.

To calculate option-based compensation under SFAS No. 123(R), the Company used the Black-Scholes option-pricing model, which it had previously used for valuation of option-based awards for its pro forma information required under SFAS No. 123 for periods prior to 2006. The Company's determination of the fair value of option-based awards on the date of grant using the Black-Scholes model is affected by the Company's stock price as well as assumptions regarding a number of subjective variables. These variables include, but are not limited to, the Company's expected stock price volatility over the term of the awards and actual and projected employee stock option exercise behaviors.

Restricted Stock

Under the Company's Long-Term Incentive Plan and the 2005 Outside Directors Equity Award Plan, the Company granted 37,624 and 6,432 shares of restricted stock with a weighted average grant date fair value of $57.61 and $62.14, respectively, in 2007. The Company granted 16,012 and 11,942 shares of restricted stock with a weighted average grant date fair value of $30.85 and $ 29.29, under the Company's Long-Term Incentive Plan and the 2005 Outside Directors Equity Award Plan, respectively, in 2006. These shares of Class A Common Stock are fully vested on the award date, are not subject to any further risk of forfeiture, are eligible to participate in the receipt of all dividends declared on the Company's shares of Class A Common Stock and are subject to restrictions on transfer for one year from the grant date.

Asset Retirement Obligations

The Company accounts for asset retirement obligations in accordance with SFAS No. 143, "Accounting for Asset Retirement Obligations," ("SFAS 143") and FASB Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations" ("FIN 47"). A liability and an asset are recorded equal to the present value of the estimated costs associated with the retirement of long-lived assets where a legal or contractual obligation exists and the liability can be reasonably estimated. The liability is accreted over time and the asset is depreciated over the remaining life of the related asset. Upon settlement of the liability, the Company will recognize a gain or loss for any difference between the settlement amount and the liability recorded. Asset retirement obligations with indeterminate settlement dates are not recorded until such dates can be reasonably estimated.

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 that 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.

Self-Insurance

The Company is self-insured with respect to certain of its medical and dental claims and certain of its workers' compensation claims. The Company has recorded an estimated liability for self-insured medical and dental claims incurred but not reported and workers' compensation claims and claims incurred but not reported of $3.1 million and $21.9 million, respectively, at October 31, 2007 and $2.7 million and $19.7 million, respectively, at October 31, 2006.

Other Income (Expense), Net

Other income (expense), net primarily represents Non-United States trade receivables program fees, currency translation and remeasurement gains (losses) related to hyperinflationary accounting, and other infrequent non-operating items.

Reclassifications

Certain prior year amounts have been reclassified to conform to the 2007 presentation.

Recent Accounting Standards

In June 2006, the FASB issued FIN No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes," an interpretation of FAS109, "Accounting for Income Taxes," to create a single model to address accounting for uncertainty in tax positions. FIN 48 prescribes a recognition threshold and measurement process for recording in the financial statements uncertain tax positions taken or expected to be taken in a tax return. Additionally, FIN 48 provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition for uncertain tax positions. The Company is required to adopt FIN 48 as of November 1, 2007 (2008 for the Company). The cumulative effect of applying the provisions of the interpretation will be reported as an adjustment to the opening balance of retained earnings for fiscal 2008. The Company does not believe the adoption will have a material impact on its consolidated results of operations or financial position.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. The Company will be required to adopt SFAS No. 157 on November 1, 2008 (2009 for the Company). The provisions of SFAS 157 should be applied prospectively to the beginning of the fiscal year in which SFAS 157 is initially applied, except with respect to certain financial instruments as defined by SFAS 157. The Company has not yet determined the effect, if any, that the adoption of SFAS 157 will have on its consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities," which allows an entity the irrevocable option to elect fair value for the initial and subsequent measurement for certain financial assets and liabilities on a contract-by-contract basis. Subsequent changes in fair value of these financial assets and liabilities would be recognized in earnings when they occur. SFAS No. 159 further establishes certain additional disclosure requirements. SFAS No. 159 is effective for the Company's financial statements for the fiscal year beginning on November 1, 2008 (2009 for the Company) with earlier adoption permitted. Management is currently evaluating the impact, if any, and timing of the adoption of SFAS No. 159 on the Company's consolidated financial statements.

In December 4, 2007, the FASB issued SFAS No. 141(R), "Business Combinations", and SFAS No. 160, "Accounting and Reporting of Noncontrolling interest in Consolidated Financial Statements, an amendment of ARB No. 51" (SFAS No. 160). These new standards will significantly change the financial accounting and reporting of business combination transactions and noncontrolling (or minority) interests in consolidated financial statements. The Company will be required to adopt SFAS No.141(R) and 160 on or after December 15, 2008 (2010 for the Company). The Company has not yet determined the effect, if any, that the adoption of SFAS 141(R) and 160 will have on its consolidated financial statements.

NOTE 2 – ACQUISITIONS AND OTHER SIGNIFICANT TRANSACTIONS

During 2007, the Company completed seven acquisitions of industrial packaging companies for an aggregate purchase price of $346.4 million. These seven acquisitions were Blagden Packaging Group, two small North American companies in November 2006, one small North African company in January 2007, the acquisition of the remaining ownership of two of our minority owned plants in Russia in July, a North American joint venture in October, and one small South American company in October. These industrial packaging acquisitions are expected to complement the Company's existing product lines that together will provide growth opportunities and scale. These acquisitions, included in operating results from the acquisition dates, were accounted for using the purchase method of accounting and, accordingly, the purchase prices were allocated to the assets purchased and liabilities assumed based upon their estimated fair values at the dates of acquisition. The estimated fair values of the assets acquired were $158.0 million (including $43.5 million of inventory and $61.2 million of accounts receivable) and liabilities assumed were $52.5 million. Identifiable intangible assets, with a combined fair value of $55.8 million, including trade-names, customer relationships and certain non-compete agreements, have been recorded for these acquisitions. The excess of the purchase prices over the estimated fair values of the net tangible and intangible assets acquired of $185.1 million was recorded as goodwill. The final allocation of the purchase prices may differ due to additional refinements in the fair values of the net assets acquired as well as the execution of consolidation plans to eliminate duplicate operations, in accordance with SFAS No. 141, "Business Combinations." This is due to the valuation of certain other assets and liabilities that are subject to refinement and therefore the actual fair value may vary from the preliminary estimates. Adjustments to the acquired net assets resulting from final valuations are not expected to be significant. The Company is finalizing certain closing date adjustments with the sellers, as well as the allocation of income tax adjustments.

In the fourth quarter of 2006, the Company completed two acquisitions for an aggregate purchase price of $102.1 million. These two acquisitions were Delta Petroleum Company, Inc. and its subsidiaries ("Delta"), a blender and packager of lubricants, chemicals and glycol-based products in North America, and an industrial packaging company located in Russia. These acquisitions, included in operating results from the acquisition dates, were accounted for using the purchase method of accounting and, accordingly, the purchase prices were allocated to the assets purchased and liabilities assumed based upon their estimated fair values at the dates of acquisition. The estimated fair values of the assets acquired were $89.8 million (including $25.7 million of inventory and $28.0 million of accounts receivable) and liabilities assumed were $55.7 million. Identifiable intangible assets, with a combined fair value of $15.4 million, including trade-names, customer relationships and certain non-compete agreements, have been recorded for these acquisitions. The excess of the purchase prices over the estimated fair values of the net tangible and intangible assets acquired of $52.6 million was recorded as goodwill.

During 2007, the Company implemented various restructuring plans at certain of the acquired businesses discussed above that were previously in the planning and evaluation stages. As of the consummation date of the acquisitions, management began to assess and formulate plans to close certain acquired locations. The Company's restructuring activities, which were accounted for in accordance with Emerging Issues Task Force Issue No. 95-3, "Recognition of Liabilities in Connection with a Purchase Business Combination ("EITF 95-3"), primarily have included reductions in staffing levels, other exit costs associated with the consolidation of certain management or sales and marketing personnel, and the reduction of excess capacity. In connection with these restructuring activities, as part of the cost of the above acquisitions, the Company established reserves, primarily for severance and excess facilities, in the amount of $10.8 million, of which $6.4 million remains in the restructuring reserve at October 31, 2007. These accruals have been recorded as liabilities to the opening balance sheets (increases to goodwill) pursuant to the provisions of EITF 95-3. These charges primarily reflect severance, other exit costs associated with the consolidation of certain sales and marketing personnel, and the reduction of excess capacity.

Had the transactions occurred on November 1, 2004, results of operations would not have differed materially from reported results.

NOTE 3 – SALE OF NON-UNITED STATES ACCOUNTS RECEIVABLE

Pursuant to the terms of a Receivable Purchase Agreement (the "RPA") dated October 28, 2004 between Greif Coordination Center BVBA, an indirect wholly-owned subsidiary of Greif, Inc., and a major international bank, the Seller agreed to sell trade receivables meeting certain eligibility requirements that Seller had purchased from other indirect wholly-owned subsidiaries of Greif, Inc., including Greif Belgium BVBA, Greif Germany GmbH, Greif Nederland BV, Greif Spain SA and Greif UK Ltd, under discounted receivables purchase agreements and from Greif France SAS under a factoring agreement. The RPA was amended on October 28, 2005 to include receivables originated by Greif Portugal Lda, also an indirect wholly-owned subsidiary of Greif, Inc. In addition, on October 28, 2005, Greif Italia S.P.A., also an indirect wholly-owned subsidiary of Greif, Inc., entered into the Italian Receivables Purchase Agreement with the Italian branch of the major international bank (the "Italian RPA") with Greif Italia S.P.A., agreeing to sell trade receivables that meet certain eligibility criteria to the Italian branch of the major international bank. The Italian RPA is similar in structure and terms as the RPA. The RPA was amended April 30, 2007 to include receivables oriented by Greif Packaging Belgium NV, Greif Packaging France SAS and Greif Packaging Spain SA, all wholly-owned subsidiaries of Greif, Inc. The maximum amount of receivables that may be sold under the RPA and the Italian RPA is €100 million ($144.3 million) at October 31, 2007.

In October 2007, Greif Singapore Pte. Ltd., an indirect wholly-owned subsidiary of Greif Inc., entered into the Singapore Receivable Purchase Agreement (the "Singapore RPA") with a major international bank. The maximum amount of aggregate receivables that may be sold under the Singapore RPA is 10.0 million Singapore Dollars ($6.9 million) at October 31, 2007.

The structure of the transactions provide for a legal true sale, on a revolving basis, of the receivables transferred from the various Greif, Inc. subsidiaries to the respective major international bank. The bank funds an initial purchase price of a certain percentage of eligible receivables based on a formula with the initial purchase price approximating 75 percent to 90 percent of eligible receivables. The remaining deferred purchase price is settled upon collection of the receivables. At the balance sheet reporting dates, the Company removes from accounts receivable the amount of proceeds received from the initial purchase price since they meet the applicable criteria of SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," and continues to recognize the deferred purchase price in its accounts receivable. The receivables are sold on a non-recourse basis with the total funds in the servicing collection accounts pledged to the banks between settlement dates. At October 31, 2007 and 2006, €96.0 million ($138.5 million) and €70.3 million ($89.5 million), respectively, of accounts receivable were sold under the RPA and Italian RPA. At October 31, 2007, 7.1 million Singapore Dollars ($4.9 million) of accounts receivable were sold under the Singapore RPA.

At the time the receivables are initially sold, the difference between the carrying amount and the fair value of the assets sold are included as a loss on sale in the consolidated statements of income. Expenses, primarily related to the loss on sale of receivables, associated with the RPA and Italian RPA totaled €3.7 million ($5.0 million) and €1.9 million ($2.3 million) for the years ended October 31, 2007 and 2006, respectively. Expenses associated with the Singapore RPA were not material to the consolidated financial statements. Additionally, the Company performs collections and administrative functions on the receivables sold similar to the procedures it uses for collecting all of its receivables, including receivables that are not sold under the RPA, Italian RPA and Singapore RPA. The servicing liability for these receivables is not material to the consolidated financial statements.

NOTE 4 – GOODWILL AND OTHER INTANGIBLE ASSETS

The Company periodically reviews goodwill and indefinite-lived intangible assets for impairment as required by SFAS No. 142, "Goodwill and Other Intangible Assets." The Company's business segments have been identified as reporting units, of which two contain goodwill that is assessed for impairment. The Company has concluded that no impairment exists at this time.

Changes to the carrying amount of goodwill for the years ended October 31, 2007 and 2006 are as follows (Dollars in thousands):

	Industrial Packaging & Services	Paper, Packaging & Services	Total
Balance at October 31, 2005	$ 228,920	$ 34,783	$263,703
Goodwill acquired	38,396	—	38,396
Goodwill adjustments	(13,592)	—	(13,592)
Currency translation	(1,955)	—	(1,955)
Balance at October 31, 2006	251,769	34,783	286,552
Goodwill acquired	215,316	—	215,316
Goodwill adjustments	(691)	(9,627)	(10,318)
Currency translation	1,702	—	1,702
Balance at October 31, 2007	$ 468,096	$ 25,156	$493,252

The 2007 goodwill acquired of $215.3 million is preliminary and primarily relates to the 2006 and 2007 acquisitions of the industrial packaging companies in Europe, Asia, South America and North America. The 2007 goodwill adjustments represent the net reduction in goodwill of $10.3 million for the recognition of deferred tax asset, the reversal of tax contingency reserves, and a reversal of a deferred tax liability pertaining to the Corrchoice acquisition. The adjustments to goodwill described above were made in accordance with SFAS 141, "Business Combinations," and applicable accounting pronouncements pertaining to tax matters existing at the business combination date.

The 2006 goodwill acquired of $38.4 million was preliminary and primarily relates to acquisition of industrial packaging companies in North America and Russia as well as purchase price adjustments from 2005 industrial packaging company acquisitions. The 2006 goodwill adjustment primarily represents the net reduction in goodwill of $9.5 million for the recognition of a deferred tax asset and the reversal of a tax contingency reserve related to the Van Leer Industrial Packaging acquisition closed in March 2001. The preceding adjustment to goodwill described above was made in accordance with SFAS 141, "Business Combinations," and applicable accounting pronouncements pertaining to tax matters existing at the business combination date. Besides the goodwill adjustment above, we made a purchase price adjustment of $13.4 million from goodwill to intangible assets and recorded additional goodwill of $9.2 million primarily from purchase price adjustments related to the 2005 acquisitions.

All intangible assets for the periods presented, excluding the goodwill items discussed above and except for $8.6 million, related to the Tri-Sure Trademark, Blagden Express Tradename and Closed-loop Tradename, are subject to amortization and are being amortized using the straight-line method over periods that range from 5 to 20 years. The details of other intangible assets by class as of October 31, 2007 and October 31, 2006 are as follows (Dollars in thousands):

	Gross Intangible Assets	Accumulated Amortization	Net Intangible Assets
October 31, 2007:			
Trademarks and patents	$ 31,983	$ 10,922	$ 21,061
Non-compete agreements	19,708	5,328	14,380
Customer relationships	61,145	6,470	54,675
Other	10,032	3,892	6,140
Total	$ 122,868	$ 26,612	$ 96,256
October 31, 2006:			
Trademarks and patents	$ 17,290	$ 7,992	$ 9,298
Non-compete agreements	5,033	3,709	1,324
Customer relationships	43,115	2,343	40,772
Other	15,575	3,382	12,193
Total	$ 81,013	$ 17,426	$ 63,587

During 2007, other intangible assets increased by $41.9 million. The increase in other intangible assets is based on preliminary purchase price allocations related to the acquisition of industrial packaging companies in Europe, Asia, North Africa and North America which accounted for an increase of $46.5 million, reclassification of $13.4 million to goodwill related to the 2006 acquisitions, and offset by currency translation of $8.8 million. The weighted average amortization period of the intangibles acquired in 2007 is 11.3 years. Amortization expense was $8.3 million, $4.1 million and $3.7 million for 2007, 2006 and 2005, respectively. Amortization expense for the next five years is expected to be $9.9 million in 2008, $9.8 million in 2009, $9.4 million in 2010, $8.3 million in 2011 and $6.9 million in 2012.

NOTE 5 – RESTRUCTURING CHARGES

The focus for restructuring activities in 2007 was on integration of acquisitions in the Industrial Packaging & Services segment and on alignment to market-focused strategy and implementation of the Greif Business System in the Paper, Packaging & Services segment. During 2007, the Company recorded restructuring charges of $21.2 million, consisting of $9.2 million in employee separation costs, $0.9 million in asset impairments, $1.0 million in professional fees, and $10.1 million in other restructuring costs, primarily consisting of facility consolidation and lease termination costs. Two company-owned plants in the Industrial Packaging & Services segment were closed. Additionally, severance costs were incurred due to the elimination of certain operating and administrative positions throughout the world. The total employees severed in 2007 were 303.

For each relevant business segment, costs incurred in 2007 are as follows (Dollars in thousands):

	Amounts Incurred in 2007	Total Amounts Expected to be Incurred
Industrial Packaging & Services:		
Employee separation costs	$ 8,729	$ 14,537
Asset impairments	1,192	3,583
Professional fees	1	301
Other restructuring costs	6,013	7,343
	15,935	25,764
Paper, Packaging & Services:		
Employee separation costs	441	496
Asset impairments	(279)	(313)
Professional fees	1,035	1,164
Other restructuring costs	4,097	4,609
	5,294	5,956
	$ 21,229	$ 31,720

Following is a reconciliation of the beginning and ending restructuring reserve balances for the years ended October 31, 2007 and 2006 (Dollars in thousands):

	Cash Charges		Non-cash Charges	
	Employee Separation Costs	Other Costs	Asset Impairments	Total
Balance at October 31, 2005	$ 10,217	$ 185	$ —	$ 10,402
Costs incurred and charged to expense	16,831	8,082	8,325	33,238
Costs paid or otherwise settled	(18,657)	(8,267)	(8,325)	(35,249)
Balance at October 31, 2006	8,391	—	—	8,391
Costs incurred and charged to expense	9,170	11,144	915	21,229
Reserves established in the purchase price of business combinations	8,566	2,195	—	10,761
Costs paid or otherwise settled	(13,831)	(9,859)	(915)	(24,605)
Balance at October 31, 2007	$ 12,296	$ 3,480	$ —	$ 15,776

During 2006, the Company recorded restructuring charges of $33.2 million, consisting of $16.8 million in employee separation costs, $8.3 million in asset impairments, $2.0 million in professional fees, and $6.1 million in other restructuring costs, primarily consisting of facility consolidation and lease termination costs. Four company-owned plants have been closed during 2006. Three plants in the Paper, Packaging & Services segment, and one in the Industrial Packaging & Services segment were closed. The Industrial Packaging & Services segment reduced the number of plants in the United Kingdom from five to three; merged operations of businesses purchased in October 2005 into existing North American plants; and consolidated one plant in France. In addition, severance costs were incurred due to the elimination of certain operating and administrative positions throughout the world. The total employees severed in 2006 was 281.

During 2005, as part of the transformation to the Greif Business System, the Company closed four company owned plants and a distribution center in the Industrial Packaging & Services segment. Two of the plants and a distribution center were located in North America and two were located in the United Kingdom. In addition, corporate and administrative staff reductions were made throughout the world. As a result of the transformation to the Greif Business System, the Company recorded restructuring charges of $31.8 million, consisting of $15.7 million in employee separation costs, $2.5 million in asset impairments, $3.7 million in professional fees directly related to the transformation to the Greif Business System and $9.9 million in other costs which primarily represented facility consolidation and lease termination costs. During 2005, the Company also recorded $3.9 million of restructuring charges related to the impairment of two facilities that were closed during previous restructuring programs. The asset impairment charges that relate to the write-down to fair value of building and equipment were based on recent purchase offers, market comparables and/or data obtained from the Company's commercial real estate broker. A total of 1,574 employees were terminated in connection with the transformation to the Greif Business System from 2003 to 2005.

NOTE 6 – SIGNIFICANT NONSTRATEGIC TIMBERLAND TRANSACTIONS AND CONSOLIDATION OF VARIABLE INTEREST ENTITIES

On March 28, 2005, Soterra LLC (a wholly owned subsidiary) entered into two real estate purchase and sale agreements with Plum Creek Timberlands, L.P. ("Plum Creek") to sell approximately 56,000 acres of timberland and related assets located primarily in Florida for an aggregate sales price of approximately $90 million, subject to closing adjustments. In connection with the closing of one of these agreements, Soterra LLC sold approximately 35,000 acres of timberland and associated assets in Florida, Georgia and Alabama for $51.0 million, resulting in a pretax gain of $42.1 million, on May 23, 2005. The purchase price was paid in the form of cash and a $50.9 million purchase note payable by an indirect subsidiary of Plum Creek (the "Purchase Note"). Soterra LLC contributed the Purchase Note to STA Timber LLC ("STA Timber"), one of the Company's indirect wholly owned subsidiaries. The Purchase Note is secured by a Deed of Guarantee issued by Bank of America, N.A., London Branch, in an amount not to exceed $52.3 million (the "Deed of Guarantee"), as a guarantee of the due and punctual payment of principal and interest on the Purchase Note.

The Company completed the second phase of these transactions in the first quarter of 2006. In this phase, the Company sold 15,300 acres of timberland holdings in Florida for $29.3 million in cash, resulting in a pre-tax gain of $27.4 million. The final phase of this transaction, approximately 5,700 acres sold for $9.7 million, occurred in the second quarter of 2006 and the Company recognized an additional timberland gains in its consolidated statements of income in the periods that these transactions occurred resulting in a pre-tax gain of $9.0 million.

On May 31, 2005, STA Timber issued in a private placement its 5.20 percent Senior Secured Notes due August 5, 2020 (the "Monetization Notes") in the principal amount of $43.3 million. In connection with the sale of the Monetization Notes, STA Timber entered into note purchase agreements with the purchasers of the Monetization Notes (the "Note Purchase Agreements") and related documentation. The Monetization Notes are secured by a pledge of the Purchase Note and the Deed of Guarantee. The Monetization Notes may be accelerated in the event of a default in payment or a breach of the other obligations set forth therein or in the Note Purchase Agreements or related documents, subject in certain cases to any applicable cure periods, or upon the occurrence of certain insolvency or bankruptcy related events. The Monetization Notes are subject to a mechanism that may cause them, subject to certain conditions, to be extended to November 5, 2020. The proceeds from the sale of the Monetization Notes were primarily used for the repayment of indebtedness.

The Company has consolidated the assets and liabilities of STA Timber in accordance with FASB Interpretation No. 46R, "Consolidation of Variable Interest Entities." Because STA Timber is a separate and distinct legal entity from Greif, Inc. and its other subsidiaries, the assets of STA Timber are not available to satisfy the liabilities and obligations of these entities and the liabilities of STA Timber are not liabilities or obligations of these entities. In addition, Greif, Inc. and its other subsidiaries have not extended any form of guaranty of the principal or interest on the Monetization Notes. Accordingly, Greif, Inc. and its other subsidiaries will not become directly or contingently liable for the payment of the Monetization Notes at any time.

The Company has also consolidated the assets and liabilities of the buyer-sponsored special purpose entity (the "Buyer SPE") involved in these transactions as the result of Interpretation 46R. However, because the Buyer SPE is a separate and distinct legal entity from the Company, the assets of the Buyer SPE are not available to satisfy the liabilities and obligations of the Company and the liabilities of the Buyer SPE are not liabilities or obligations of the Company.

Assets of the Buyer SPE at October 31, 2007 and October 31, 2006 consist of restricted bank financial instruments of $50.9 million. STA Timber had long-term debt of $43.3 million as of October 31, 2007 and October 31, 2006. STA Timber is exposed to credit-related losses in the event of nonperformance by the issuer of the Deed of Guarantee, but the Company does not expect that issuer to fail to meet its obligations. The accompanying consolidated income statements for the years ended October 31, 2007, 2006 and 2005 includes interest expense on STA Timber debt of $2.3 million, $2.3 million and $1.0 million and interest income on Buyer SPE investments of $2.4 million, $2.4 million and $1.1 million, respectively.

NOTE 7 – LONG-TERM DEBT

Long-term debt is summarized as follows (Dollars in thousands):

	October 31, 2007	October 31, 2006
Credit Agreement	$ 173,131	$ 115,198
Senior Notes	300,000	—
Trade accounts receivable credit facility	116,024	120,000
Senior Subordinated Notes	—	242,560
Other long-term debt	33,530	3,650
	622,685	481,408
Less current portion	—	—
	$ 622,685	$ 481,408

Credit Agreement

In 2005, the Company and certain of its international subsidiaries, as borrowers, entered into a Credit Agreement (the “Credit Agreement”) with a syndicate of financial institutions that provides for a $350.0 million revolving multicurrency credit facility due 2010. On October 31, 2006, the Credit Agreement was amended to increase the revolving multicurrency credit facility from $350.0 million to $450.0 million. The revolving multicurrency credit facility is available for acquisitions, ongoing working capital and general corporate purposes. Interest is based on a euro currency rate or an alternative base rate that resets periodically plus a calculated margin amount. As of October 31, 2007, $173.1 million was outstanding under the Credit Agreement. The weighted average interest rate on the Credit Agreement was 5.26 percent and 5.18 percent for the years ended October 31, 2007 and 2006, respectively. The interest rate was 5.50 percent and 5.85 percent at October 31, 2007 and 2006, respectively.

The Credit Agreement contains certain covenants, which include financial covenants that require the Company to maintain a certain leverage ratio and a minimum coverage of interest expense. At October 31, 2007, the Company was in compliance with these covenants.

Senior Notes

On February 9, 2007, the Company issued $300.0 million of 6 $^{3}/_{4}$ percent Senior Notes due February 1, 2017. Interest on the Senior Notes is payable semi-annually. Proceeds from the issuance of the Senior Notes were principally use to fund the purchase of the Senior Subordinated Notes in the tender offer, discussed below, and for general corporate purposes. The fair value of the Senior Notes was $297.8 million at October 31, 2007, based upon quoted market prices. The Indenture pursuant to which the Senior Notes were issued contains certain covenants. At October 31, 2007, the Company was in compliance with these covenants.

United States Trade Accounts Receivable Credit Facility

On October 31, 2003, the Company entered into a five-year, up to $120.0 million, credit facility with an affiliate of a bank in connection with the securitization of certain of the Company’s trade accounts receivable in the United States. On October 24, 2007, the credit facility was amended to extend the maturity date to October 20, 2010. The facility is secured by certain of the Company’s trade accounts receivable in the United States and bears interest at a variable rate based on LIBOR plus a margin or other agreed upon rate (5.38 percent and 5.87 percent interest rate as of October 31, 2007 and 2006, respectively). The Company can terminate this facility at any time upon 60 days prior written notice. In connection with this transaction, the Company established Greif Receivables Funding LLC (“GRF”), which is included in the Company’s consolidated financial statements. However, because GRF is a separate and distinct legal entity from the Company, the assets of GRF are not available to satisfy the liabilities and obligations of the Company and the liabilities of GRF are not liabilities or obligations of the Company. This entity purchases and services the Company’s trade accounts receivable that are subject to this credit facility.

There was a total of $116.0 million and $120.0 million outstanding under the trade accounts receivable credit facility as of October 31, 2007 and 2006, respectively.

The trade accounts receivable credit facility provides that in the event the Company breaches any of its financial covenants under the Credit Agreement, and the majority of the lenders there under consent to a waiver thereof, but the provider of the trade accounts receivable credit facility does not consent to any such waiver, then the Company must within 90 days of providing notice of the breach, pay all amounts outstanding under the trade accounts receivable credit facility.

Senior Subordinated Notes

On February 9, 2007, the Company completed a tender offer for its 8 $^{7}/_{8}$ percent Senior Subordinated Notes. In the tender offer, the Company purchased $245.6 million aggregate principal amount of the outstanding $248.0 million Senior Subordinated Notes. As a result of this transaction, a debt extinguishment charge of $23.5 million ($14.5 million in cash and $9.0 million in non-cash items, such as write-off of unamortized capitalized debt issue costs) was recorded. The remaining Senior Subordinated Notes were redeemed by the Company during the fourth quarter of 2007.

Other

In addition to the amounts borrowed against the Credit Agreement and proceeds from the Senior Notes and the United States trade accounts receivable credit facility, the Company had outstanding debt of $49.3 million, comprised of $33.5 million in long-term debt and $15.8 million in short-term borrowings, at October 31, 2007 and outstanding debt of $33.0 million, comprised of $3.7 million in long-term debt and $29.3 million in short-term borrowings, at October 31, 2006.

Annual maturities of the Company’s long-term debt are $33.5 million in 2009, $289.2 million in 2010 and $300.0 million after 2012.

At October 31, 2007 and 2006, the Company had deferred financing fees and debt issuance costs of $6.2 million and $8.0 million, respectively, which are included in other long-term assets.

During 2007, the Company paid $52.9 million of interest ($44.9 million in 2006 and $42.3 million in 2005) related to its long-term obligations. Interest of $1.7 million in 2007, $0.1 million in 2006 and $0.1 million in 2005 was capitalized.

Non-Cancelable Operating Leases

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 $20.9 million in 2008, $17.9 million in 2009, $12.7 million in 2010, $10.4 million in 2011, $8.1 million in 2012 and $29.2 million thereafter. Rent expense was $22.8 million in 2007, $23.2 million in 2006 and $20.7 million in 2005.

NOTE 8 – FINANCIAL INSTRUMENTS

The carrying amounts of cash and cash equivalents, trade accounts receivable, accounts payable, current liabilities and short-term borrowings at October 31, 2007 and 2006 approximate their fair values because of the short-term nature of these items.

At October 31, 2007, the Company had a note receivable from Lunival Holding BV for the amount of €23.0 million ($33.2 million at October 31, 2007), which matures in November 2008. Under the notes receivable agreement, the Company receives interest at a fixed rate of 6.0 percent. The fair market value of the notes receivable approximates its carrying amount.

The estimated fair values of the Company’s long-term debt was $620.4 million and $499.2 million compared to the carrying amounts of $622.7 million and $481.4 million at October 31, 2007 and 2006, respectively. The fair values of the Company’s long-term obligations are estimated based on either the quoted market prices for the same or similar issues or the current interest rates offered for debt of the same remaining maturities.

The Company uses derivatives from time to time to partially mitigate the effect of exposure to interest rate movements, exposure to currency fluctuations, and energy cost fluctuations. The Company records derivatives based on SFAS No. 133, “Accounting for Derivative Instruments and Hedging Activities,” and related amendments. This Statement requires that all derivatives be recognized as assets or liabilities in the balance sheet and measured at fair value. Changes in the fair value of derivatives are recognized in either net income or in other comprehensive income, depending on the designated purpose of the derivative.

The Company had interest rate swap agreements with an aggregate notional amount of $230.0 million and $130.0 million at October 31, 2007 and 2006, respectively, with various maturities through 2010. Under certain of these agreements, the Company receives interest either monthly or quarterly from the counterparties equal to LIBOR and pays interest at a fixed rate (5.28 percent at October 31, 2007) over the life of the contracts.

Prior to August 1, 2007, the Company had cross-currency interest rate swaps to hedge its net investment in its European subsidiaries. Under these agreements, the Company received interest semi-annually from the counterparties equal to a fixed rate of 8 7/8 percent on $248.0 million and paid interest at a fixed rate of approximately 6.80 percent on €206.7 million. These swaps matured on August 1, 2007 and the Company paid €206.7 million ($281.9 million) to the counterparties and received $248.0 million from the counterparties.

On August 1, 2007, the Company entered into new cross-currency interest rate swaps. Under these new agreements, the Company receives interest semi-annually from the counterparties equal to a fixed rate of 6.75 percent on $300.0 million and pays interest at a fixed rate of 6.25 percent on €219.9 million. Upon maturity of these swaps on August 1, 2009, August 1, 2010, and August 1, 2012, the Company will be required to pay €73.3 million to the counterparties and receive $100.0 million from the counterparties on each of these dates. A liability for the loss on these agreements of $17.4 million, representing their fair values, was recorded at October 31, 2007.

At October 31, 2007, the Company had outstanding currency forward contracts in the notional amount of $82.5 million ($45.2 million at October 31, 2006). The purpose of these contracts is to hedge the Company's exposure to currency transactions and short-term intercompany loan balances with its international businesses. The fair value of these contracts resulted in a gain of $1.1 million recorded in other comprehensive income and a loss of $0.4 million recorded in the consolidated statements of income for 2007. The fair value of similar contracts resulted in a gain of $2.1 million recorded in other comprehensive income and a loss of $0.1 million recorded in the consolidated statements of income for 2006.

During 2007 and 2006, the Company has entered into certain cash flow hedges to mitigate its exposure to cost fluctuations in natural gas prices through October 31, 2008. The fair value of the energy hedges was in an unfavorable position of $0.3 million ($0.2 million net of tax) at October 31, 2007, compared to an unfavorable position of $1.5 million ($0.9 million net of tax) at October 31, 2006. As a result of the high correlation between the hedged instruments and the underlying transactions, ineffectiveness has not had a material impact on the Company's consolidated statements of income for 2007 or 2006.

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

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

During the next twelve months, the Company expects to reclassify into earnings a net gain from accumulated other comprehensive income (loss) of approximately $1.3 million after tax at the time the underlying hedge transactions are realized.

NOTE 9 – CAPITAL STOCK

Class A Common Stock is entitled to cumulative dividends of one cent a share per year after which Class B Common Stock is entitled to non-cumulative dividends up to a half-cent a share per year. Further distribution in any year must be made in proportion of one cent a share for Class A Common Stock to one and a half cents a share for Class B Common Stock. The Class A Common Stock has no voting rights unless four quarterly cumulative dividends upon the Class A Common Stock are in arrears. The Class B Common Stock has full voting rights. There is no cumulative voting for the election of directors.

The following table summarizes the Company's capital stock, without par value (shares of Class A and Class B Common Stock), and treasury shares at the specified dates:

Common Stock	Authorized Shares	Issued Shares	Outstanding Shares	Treasury Shares
October 31, 2007:				
Class A	128,000,000	42,281,920	23,754,753	18,527,167
Class B	69,120,000	34,560,000	22,943,666	11,616,334
October 31, 2006:				
Class A	64,000,000	42,281,920	23,268,306	19,013,614
Class B	34,560,000	34,560,000	23,031,066	11,528,934

All share information in the above table has been adjusted to reflect the following: On February 26, 2007, the Company's shareholders approved an amendment to the Company's certificate of incorporation increasing number of the Company's authorized shares to 128,000,000 shares of Class A Common Stock and 69,120,000 shares of Class B Common Stock. Subsequent to the aforementioned approval, the Company's Board of Directors authorized a 2-for-1 stock split of the Company's shares of Class A Common Stock and Class B Common Stock. The split was payable on April 11, 2007 to shareholders of record on March 19, 2007. The stock split means that each holder of Class A Common Stock as of the close of business on March 19, 2007 received on April 11, 2007 one additional share of Class A Common Stock for every share they held of Class A Common Stock and each holder of Class B Common Stock as of the close of business on March 19, 2007 received on April 11, 2007 one additional share of Class B Common Stock for every share they held of Class B Common Stock. The day on which such shares began trading on the New York Stock Exchange reflecting the stock split was April 12, 2007.

All share information, including the number of shares and per share amounts, included in the Consolidated Financial Statements has been adjusted to reflect the foregoing 2-for-1 stock split.

NOTE 10 – STOCK-BASED COMPENSATION

In 2001, the Company adopted the 2001 Management Equity Incentive and Compensation Plan (the "2001 Plan"). The provisions of the 2001 Plan allow the awarding of incentive and nonqualified stock options and restricted and performance shares of Class A Common Stock to key employees. The maximum number of shares that may be issued each year is determined by a formula that takes into consideration the total number of shares outstanding and is also subject to certain limits. In addition, the maximum number of incentive stock options that will be issued under the 2001 Plan during its term is 5,000,000 shares.

Prior to 2001, the Company had adopted a Nonstatutory Stock Option Plan (the "2000 Plan") that provides the discretionary granting of nonstatutory options to key employees, and an Incentive Stock Option Plan (the "Option Plan") that provides the discretionary granting of incentive stock options to key employees and nonstatutory options for non-employees. The aggregate number of the Company's Class A Common Stock options that may be granted under the 2000 Plan and Option Plan may not exceed 400,000 shares and 2,000,000 shares, respectively.

Under the terms of the 2001 Plan, the 2000 Plan and the Option Plan, stock options are granted at exercise prices equal to the market value of the common stock on the date options are granted and become fully vested two years after date of grant. Options expire 10 years after date of grant.

In 2005, the Company adopted the 2005 Outside Directors Equity Award Plan (the "2005 Directors Plan"), which provides the granting of stock options, restricted stock or stock appreciation rights to directors who are not employees of the Company. Prior to 2005, the Directors Stock Option Plan (the "Directors Plan") provided 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 options that may be granted may not exceed 200,000 shares under each of these plans. Under the terms of both plans, options are granted at exercise prices equal to the market value of the common stock on the date options are granted and become exercisable immediately. Options expire 10 years after date of grant.

No stock options were granted during 2007 or 2006.

In 2005, 219,150 stock options were granted under the 2001 Plan with option prices of $24.07 per share. Under the 2005 Directors Plan, in 2005 28,000 options were granted to outside directors with option prices of $32.18 per share.

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:

	2005
Dividend yield	1.14%
Volatility rate	34.00%
Risk-free interest rate	3.88%
Expected option life	6 years

The fair values of shares granted in 2005 were $8.82 per share as of the grant date.

Stock option activity for the years ended October 31 was as follows (Shares in thousands):

	2007		2006		2005	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Beginning balance	1,633	$ 15.62	1,958	$ 15.34	2,966	$ 14.12
Granted	—	—	—	—	248	24.99
Forfeited	2	12.71	—	—	70	13.38
Exercised	559	15.38	325	13.94	1,186	14.42
Ending balance	1,072	$ 15.75	1,633	$ 15.62	1,958	$ 15.34

Our results of operations for 2007 include $0.1 million of share based compensation expense for stock options (net of an insignificant tax effect). Our results of operations for 2006 include $0.6 million of share based compensation expense for stock options (net of approximately $0.3 million of income taxes).

As of October 31, 2007, outstanding stock options had exercise prices and contractual lives as follows (Shares in thousands):

Range of Exercise Prices	Number Outstanding	Weighted-Average Remaining Contractual Life
$9-$14	479	5
$14-$18	425	4
$24-$32	168	8

All outstanding options were exercisable at October 31, 2007 (1,415,644 options at October 31, 2006 and 1,740,740 options at October 31, 2005).

All references to the number of shares and per share amounts in the Consolidated Financial Statements are presented on a post-split basis.

NOTE 11—INCOME TAXES

The provision for income taxes consists of the following (Dollars in thousands):

For the years ended October 31,	2007	2006	2005
Current:			
Federal	$24,422	$22,112	$ 8,072
State and local	3,877	754	884
International	33,739	30,142	19,506
	62,038	53,008	28,462
Deferred	(8,494)	10,808	18,593
	$53,544	$63,816	$47,055

International income before income tax expense amounted to $156.4 million in 2007, $105.1 million in 2006 and $76.4 million in 2005.

The following is a reconciliation of the provision for income taxes based on the federal statutory rate to the Company's effective income tax rate:

For the years ended October 31,	2007	2006	2005
United States federal tax rate	35.0%	35.0%	35.0%
State and local taxes, net of federal tax (cost) benefit	2.8%	3.5%	3.2%
Other non-deductible expenses and international tax rates	-12.5%	-7.8%	-7.3%
	25.3%	30.7%	30.9%

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

	2007	2006
Vacation accrual	$ 2,444	$ 2,313
Allowance for doubtful accounts	2,467	1,710
Incentives	8,974	3,548
Inventory reserves	1,639	460
Restructuring reserves	3,881	3,336
Other current assets	8,512	4,447
Current deferred tax assets	$ 27,917	$ 15,814
Net operating loss carryforwards	$ 93,634	$ 75,581
Derivative instruments	412	857
Minimum pension liability	19,394	16,744
Deferred compensation	2,029	1,912
Environmental reserves	11,180	2,948
Foreign tax credits	1,758	1,758
Workers compensation accruals	1,651	1,657
Postretirement	8,091	12,112
Captive insurance operations	9,957	8,265
State income tax	8,575	2,253
Other	7,208	529
	163,889	124,087
Valuation allowance for long-term deferred tax assets	(57,118)	(57,773)
Long-term deferred tax assets	$106,771	$ 66,314
Current deferred tax liabilities	$ —	$ —
Properties, plants and equipment	$115,094	$117,599
Goodwill and other intangible assets	49,632	34,637
Timberland transactions	89,867	86,909
Pension	11,672	6,025
Other		473
Long-term deferred tax liabilities	$266,265	$245,643

At October 31, 2007, the Company had tax benefits from international net operating loss carryforwards of approximately $86.3 million for international income tax purposes of which a significant portion will begin to expire in 2011. At October 31, 2007, valuation allowances of approximately $55.4 million have been provided against the tax benefits from international net operating loss carryforwards. Most of these valuation allowances are provided for international net operating loss carryforwards acquired in the Van Leer Industrial Packaging acquisition for which subsequently recognized tax benefits will be allocated to reduce goodwill.

At October 31, 2007 the Company had undistributed earnings from non-United States subsidiaries that are intended to be permanently reinvested in non-U.S. operations. Because these earnings are considered permanently reinvested, no United States tax provision has been accrued related to the repatriation of these earnings. It is not practical to determine the additional tax, if any, which would result from the remittance of these amounts.

During 2007, the Company paid $43.2 million in income taxes ($33.7 million in 2006 and $20.6 million in 2005).

NOTE 12 – RETIREMENT PLANS

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans" ("SFAS No. 158"). SFAS No. 158 requires that employers recognize the funded status of their defined benefit pension and other postretirement plans on the consolidated balance sheet and record as a component of other comprehensive income, net of tax, the gains or losses and prior service costs or credits that have not been recognized as components of the net periodic benefit cost. The Company adopted the recognition and related disclosure provisions of SFAS No. 158, prospectively, on October 31, 2007.

SFAS No. 158 also requires an entity to measure plan assets and benefit obligations as of the date of its fiscal year-end statement of financial position for fiscal years ending after December 15, 2008. The Company expects to adopt the measurement date provision of SFAS No. 158 and measure these plans as of October 31 of each year beginning October 31, 2009. The Company is presently evaluating the impact of the measurement date change, which is not expected to be significant.

The incremental effect of applying SFAS No. 158 on individual line items in the consolidated balance sheet at August 31, 2007 was as follows (Dollars in thousands):

	Before Application of SFAS No. 158	Adjustments	After Application of SFAS No. 158
Prepaid costs	$ 79,457	$ (35,872)	$ 43,585
Intangible asset	$ 5,586	$ (5,586)	$ —
Pension liabilities	$ 57,138	$ (4,122)	$ 53,016
Accumulated other comprehensive income, before tax	$ 21,001	$ 37,336	$ 58,337

The Company has certain non-contributory defined benefit pension plans in the United States, Canada, Australia, Germany, Netherlands, South Africa and United Kingdom. The Company uses a measurement date of August 31 for its pension plans. The salaried plans' benefits are based primarily on years of service and earnings. The hourly plans' benefits are based primarily upon years of service. The Company contributes an amount that is not less than the minimum funding or more than the maximum tax-deductible amount to these plans. The plans' assets consist of large cap, small cap and international equity securities, fixed income investments and the allowable number of shares of the Company's common stock, which were 247,504 Class A shares and 160,710 Class B shares at both August 31, 2007 and 2006.

The components of net periodic pension cost include the following (Dollars in thousands):

For the years ended October 31,	2007	2006	2005
Service cost	$ 14,497	$ 14,743	$ 12,362
Interest cost	29,149	25,379	26,418
Expected return on plan assets	(32,941)	(30,229)	(30,121)
Amortization of prior service cost	1,211	1,047	1,065
Amortization of initial net asset	(618)	(791)	(791)
Recognized net actuarial loss	5,688	6,639	4,807
Curtailment and other	652	(484)	—
	$ 17,638	$ 16,304	$ 13,740

The significant weighted average assumptions used in determining benefit obligations and net periodic pension costs were as follows:

	2007	2006	2005
Discount rate	5.88%	5.25%	5.50%
Expected return on plan assets (1)	7.32%	7.53%	7.50%
Rate of compensation increase	3.71%	3.64%	3.50%

(1) To develop the expected long-term rate of return on assets assumption, the Company considered the historical returns and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio. This rate is gross of any investment or administrative expenses.

The following table sets forth the plans' change in benefit obligation, change in plan assets and amounts recognized in the consolidated financial statements (Dollars in thousands):

	2007	2006
Change in benefit obligation:		
Benefit obligation at beginning of year	$515,179	$500,994
Benefit obligation adjustments	8,952	(1,195)
Service cost	14,497	14,743
Interest cost	29,149	25,379
Plan participant contributions	823	734
Amendments	713	746
Actuarial loss gain	(23,812)	(17,010)
Foreign currency effect	31,721	16,993
Benefits paid	(30,969)	(25,802)
Curtailment gain	(193)	(403)
Benefit obligation at end of year	$546,060	$515,179
Change in plan assets:		
Fair value of plan assets at beginning of year	$455,962	$404,841
Other adjustments	(6,063)	—
Actual return on plan assets	53,898	41,301
Expenses paid	(649)	(1,195)
Plan participant contributions	823	734
Foreign currency effects	31,340	16,150
Employer contributions	22,695	18,930
Benefits paid	(29,477)	(24,799)
Fair value of plan assets at end of year	$528,529	$455,962

	2007	2006
Funded status	$(17,531)	$(59,217)
Unrecognized net actuarial loss	51,813	87,153
Unrecognized prior service cost	5,760	6,287
Unrecognized initial net obligation (asset)	764	(945)
Additional contributions (September 1 to October 31)	8,100	3,344
Net amount recognized	$ 48,906	$ 36,622
Amounts recognized in the Consolidated Balance Sheets consist of:		
Prepaid benefit cost	$ 43,585	$ 46,659
Accrued benefit liability	(53,016)	(62,403)
Intangible asset	—	4,525
Accumulated other comprehensive loss	58,337	47,841
Net amount recognized	$ 48,906	$ 36,622

Aggregated accumulated benefit obligations for all plans were $505.3 million and $479.0 million at August 31, 2007 and 2006, respectively. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the pension plans with accumulated benefit obligations in excess of plan assets were $277.6 million, $255.0 million and $216.5 million, respectively, as of August 31, 2007. The projected benefit obligation, accumulated benefit obligation and fair value of plan assets for the international pension plans with accumulated benefits obligation in excess of plan assets were $36.4 million, $33.1 million and $9.3 million, respectively, as of August 31, 2007.

Pension plan contributions totaled $22.7 million and $18.9 million during 2007 and 2006, respectively. Contributions during 2008 are expected to be approximately $23.7 million.

The Company's weighted average asset allocations at the measurement date and the target asset allocations by category are as follows:

Asset Category	2007 Actual	Target
Equity securities	67%	65%
Debt securities	26%	27%
Other	7%	8%
Total	100%	100%

The investment policy reflects the long-term nature of the plans' funding obligations. The assets are invested to provide the opportunity for both income and growth of principal. This objective is pursued as a long-term goal designed to provide required benefits for participants without undue risk. It is expected that this objective can be achieved through a well-diversified asset portfolio. All equity investments are made within the guidelines of quality, marketability and diversification mandated by the Employee Retirement Income Security Act and other relevant statutes. Investment managers are directed to maintain equity portfolios at a risk level approximately equivalent to that of the specific benchmark established for that portfolio.

Future benefit payments, which reflect expected future service, as appropriate, during the next five years, and in the aggregate for the five fiscal years thereafter, are as follows (Dollars in thousands):

Year	Expected benefit payments
2008	$ 28,902
2009	$ 30,209
2010	$ 30,624
2011	$ 31,398
2012	$ 33,588
2013-2017	$ 188,924

The Company has several voluntary 401(k) savings plans that cover eligible employees. For certain plans, the Company matches a percentage of each employee's contribution up to a maximum percentage of base salary. Company contributions to the 401(k) plans were $2.2 million in 2007, $1.9 million in 2006 and $1.7 million in 2005.

NOTE 13 – POSTRETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The incremental effect of applying SFAS No. 158 (see Note 12 for explanation) on individual line items in the consolidated balance sheet at August 31, 2007 was as follows:

	Before Application of SFAS No. 158	Adjustments	After Application of SFAS No. 158
Postretirement benefit liabilities	$ 45,266	$ (13,299)	$ 31,967
Accumulated other comprehensive income, before tax	$ —	$ (13,299)	$ (13,299)

The Company has certain postretirement health and life insurance benefit plans in the United States and South Africa. The Company uses a measurement date of August 31 for its postretirement benefit plans.

In conjunction with a prior acquisition of the industrial containers business from Sonoco Products Company (“Sonoco”) in 1998, the Company assumed an obligation to reimburse Sonoco for its actual costs incurred in providing postretirement health care benefits to certain employees. Contributions by the Company are limited to an aggregate annual payment of $1.4 million 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 its operations.

The components of net periodic cost for the postretirement benefits include the following (Dollars in thousands):

For the years ended October 31,	2007	2006	2005
Service cost	$ 46	$ 30	$ 22
Interest cost	2,141	2,302	3,123
Amortization of prior service cost	(1,336)	(1,298)	(457)
Recognized net actuarial loss	228	695	241
	$ 1,079	$ 1,729	$ 2,929

The following table sets forth the plans’ change in benefit obligation, change in plan assets and amounts recognized in the consolidated financial statements (Dollars in thousands):

	2007	2006
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 35,382	$ 42,263
Service cost	46	30
Interest cost	2,141	2,302
Actuarial loss	(3,240)	(5,749)
Amendments	1	—
Foreign currency effects	513	(373)
Benefits paid	(2,876)	(3,091)
Benefit obligation at end of year	$ 31,967	$ 35,382
Funded status	$(31,967)	$(35,382)
Unrecognized net actuarial loss	2,161	5,754
Unrecognized prior service credit	(15,460)	(16,396)
Net amount recognized	$(45,266)	$(46,024)

The accumulated postretirement health and life insurance benefit obligation and fair value of plan assets for the international plan were $4.0 million and $0, respectively, as of August 31, 2007 compared to $2.6 million and $0, respectively, as of August 31, 2006.

The measurements assume a discount rate of 6.25 percent in the United States and 10.0 percent in South Africa. The health care cost trend rates on gross eligible charges are as follows:

	Medical
Current trend rate	8.0%
Ultimate trend rate	4.9%

A one-percentage point change in assumed health care cost trend rates would have the following effects (Dollars in thousands):

	1-Percentage-Point Increase	1-Percentage-Point Decrease
Effect on total of service and interest cost components	$ 87	$ (75)
Effect on postretirement benefit obligation	$ 1,746	$ (1,531)

Future benefit payments, which reflect expected future service, as appropriate, during the next five years, and in the aggregate for the five fiscal years thereafter, are as follows (Dollars in thousands):

Year	Expected benefit payments
2008	$ 4,299
2009	$ 3,037
2010	$ 3,031
2011	$ 3,049
2012	$ 2,961
2013-2017	$ 13,625

NOTE 14 – 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 and safety and health matters. While the amounts claimed may be substantial, the ultimate liability cannot now be determined because of 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.

The most significant contingencies of the Company relate to environmental liabilities. Following is additional information with respect to these matters.

At October 31, 2007 and 2006, the Company had recorded liabilities of $40.6 million and $14.9 million, respectively, for estimated environmental remediation costs. The liabilities were recorded on an undiscounted basis and included in other long-term liabilities. At October 31, 2007, the Company recorded an environmental liability reserve of $22.5 million for its blending facility in Chicago, Illinois acquired in September 2006, $10.4 million for various Blagden facilities acquired in November 2006 and $3.8 million and $4.6 million in 2007 and 2006, respectively, related to our facility in Lier, Belgium. These reserves are principally based on environmental studies and cost estimates provided by third parties, but also take into account management estimates.

The Company also has recorded liabilities of $3.8 million and $4.3 million at October 31, 2007 and 2006, respectively, for asserted and unasserted litigation, claims and/or assessments at some of its manufacturing sites and other locations where it believes the outcome of such matters will be unfavorable to the Company. These environmental liabilities were not individually material. The Company only reserves for those unasserted claims that it believes are probable of being asserted at some time in the future. The liabilities recorded are based upon an evaluation of currently available facts with respect to each individual site, including the results of environmental studies and testing, and considering existing technology, presently enacted laws and regulations, and prior experience in remediation of contaminated sites. The Company initially provides for the estimated cost of environmental-related activities when costs can be reasonably estimated. If the best estimate of costs can only be identified as a range and no specific amount within that range can be determined more likely than any other amount within the range, the minimum of the range is accrued.

The estimated liabilities are 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 relevant costs. For sites that involve formal actions subject to joint and several liability, these actions have formal agreements in place to apportion the liability. The Company's potential future obligations for environmental contingencies related to facilities acquired in the 2001 Van Leer Industrial Packaging acquisition may, under certain circumstances, be reduced by insurance coverage and seller cost sharing provisions. In connection with that acquisition, the Company was issued a 10-year term insurance policy, which insures the Company against environmental contingencies unidentified at the acquisition date, subject to a $50.0 million aggregate self-insured retention. Liability for this first $50.0 million of unidentified environmental contingencies is shared 70 percent by the seller and 30 percent by the Company if such contingency is identified within 10 years following the acquisition date. The Company is liable for identified environmental contingencies at the acquisition date up to an aggregate $10.0 million, and thereafter the liability is shared 70 percent by the Company and 30 percent by the seller.

The Company anticipates that cash expenditures in future periods for remediation costs at identified sites will be made over an extended period of time. Given the inherent uncertainties in evaluating environmental exposures, actual costs may vary from those estimated at October 31, 2007. The Company's exposure to adverse developments with respect to any individual site is not expected to be material. Although environmental remediation could have a material effect on results of operations if a series of adverse developments occur in a particular quarter or fiscal year, the Company believes that the chance of a series of adverse developments occurring in the same quarter or fiscal year is remote. Future information and developments will require the Company to continually reassess the expected impact of these environmental matters.

NOTE 15 – BUSINESS SEGMENT INFORMATION

The Company operates in three business segments: Industrial Packaging & Services; Paper, Packaging & Services; and Timber.

Operations in the Industrial Packaging & Services segment involve the production and sale of industrial packaging and related services. These products are manufactured and sold in over 45 countries throughout the world.

Operations in the Paper, Packaging & Services segment involve the production and sale of containerboard, both semi-chemical and recycled, corrugated sheets, corrugated containers and multiwall bags and related services. These products are manufactured and sold in North America.

Operations in the Timber segment involve the management and sale of timber and special use properties from approximately 269,950 acres of timber properties in the southeastern United States. The Company also owns approximately 36,650 acres of timber properties in Canada, which are not actively managed at this time. In addition, the Company sells, from time to time, timberland and special use land, which consists of surplus land, higher and better use ("HBU") land, and development land.

The Company's reportable segments are strategic business units that offer different products. The accounting policies of the reportable segments are substantially the same as those described in the "Description of Business and Summary of Significant Accounting Policies."

The following segment information is presented for each of the three years in the period ended October 31, 2007, except as to information relating to assets which is at October 31, 2007 and 2006 (Dollars in thousands):

	2007	2006	2005
Net sales:			
Industrial Packaging & Services	$2,610,779	$1,945,299	$1,804,169
Paper, Packaging & Services	696,601	668,047	607,818
Timber	14,914	15,129	12,310
Total net sales	$3,322,294	$2,628,475	$2,424,297
Operating profit:			
Operating profit before restructuring charges and timberland disposals, net:			
Industrial Packaging & Services	$ 225,029	$ 163,072	$ 122,818
Paper, Packaging & Services	72,057	64,401	40,611
Timber	14,373	10,626	7,972
Total operating profit before restructuring charges and timberland disposals, net	311,459	238,099	171,401
Restructuring charges:			
Industrial Packaging & Services	15,935	24,034	31,375
Paper, Packaging & Services	5,294	9,193	4,271
Timber	—	11	90
Total restructuring charges	21,229	33,238	35,736
Timberland disposals, net			
Timber	(648)	41,302	56,268
Total operating profit	$ 289,582	$ 246,163	$ 191,933

	2007	2006	2005
Assets:			
Industrial Packaging & Services	$1,923,219	$1,396,069	
Paper, Packaging & Services	220,946	248,364	
Timber	252,540	250,310	
Total segment	2,396,705	1,894,743	
Corporate and other	256,006	293,258	
Total assets	$2,652,711	$2,188,001	
Depreciation, depletion and amortization expense:			
Industrial Packaging & Services	$ 68,584	$ 57,177	$ 61,687
Paper, Packaging & Services	29,202	29,569	31,997
Timber	4,509	3,742	1,414
Total depreciation, depletion and amortization expense	$ 102,295	$ 90,488	$ 95,098
Additions to long-lived assets:			
Industrial Packaging & Services	$ 82,700	$ 61,795	$ 50,569
Paper, Packaging & Services	18,000	9,245	12,746
Timber	2,300	62,110	17,668
Total segment	103,000	133,150	80,983
Corporate and other	11,900	4,590	4,381
Total additions to long-lived assets	$ 114,900	$ 137,740	$ 85,364

The following geographic information is presented for each of the three years in the period ended October 31, 2007, except as to asset information that is at October 31, 2006 and 2005 (Dollars in thousands):

	2007	2006	2005
Net sales:			
North America	$1,820,721	$ 1,546,381	$ 1,323,204
Europe	1,043,623	711,641	740,806
Other	457,950	370,453	360,287
Total net sales	$3,322,294	$ 2,628,475	$ 2,424,297

The following table presents total assets by geographic region (Dollars in thousands):

	2007	2006
Assets:		
North America	$1,587,022	$ 1,474,095
Europe	734,649	482,505
Other	331,040	231,401
Total assets	$2,652,711	$ 2,188,001

NOTE 16 – QUARTERLY FINANCIAL DATA (UNAUDITED)

The quarterly results of operations for 2007 and 2006 are shown below (Dollars in thousands, except per share amounts)[1]:

2007	January 31	April 30	July 31	October 31
Net sales	$ 750,759	$ 815,043	$ 874,237	$ 882,255
Gross profit	$ 130,086	$ 142,531	$ 162,289	$ 170,496
Net income	$ 33,979	$ 18,624	$ 48,781	$ 54,984
Earnings per share				
Basic:				
Class A Common Stock	$ 0.59	$ 0.32	$ 0.84	$ 0.95
Class B Common Stock	$ 0.87	$ 0.48	$ 1.26	$ 1.42
Diluted:				
Class A Common Stock	$ 0.58	$ 0.32	$ 0.82	$ 0.93
Class B Common Stock	$ 0.87	$ 0.48	$ 1.26	$ 1.42
Earnings per share were calculated using the following number of shares:				
Basic:				
Class A Common Stock	23,426,112	23,638,578	23,632,990	23,683,030
Class B Common Stock	23,031,066	23,016,580	22,976,707	22,953,622
Diluted:				
Class A Common Stock	24,109,156	24,304,748	24,266,057	24,280,526
Class B Common Stock	23,031,066	23,016,580	22,976,707	22,953,622
Market price (Class A Common Stock):				
High	$ 61.39	$ 63.97	$ 64.20	$ 64.26
Low	$ 45.00	$ 47.81	$ 49.76	$ 49.13
Close	$ 57.16	$ 55.60	$ 55.00	$ 63.60
Market price (Class B Common Stock):				
High	$ 54.54	$ 58.66	$ 59.00	$ 59.99
Low	$ 40.60	$ 48.43	$ 45.15	$ 46.70
Close	$ 52.49	$ 50.80	$ 51.39	$ 58.51

2006	January 31	April 30	July 31	October 31
Net sales	$ 582,316	$ 620,107	$ 690,475	$ 735,577
Gross profit	$ 89,672	$ 109,443	$ 136,743	$ 143,346
Net income	$ 33,352	$ 28,693	$ 38,336	$ 41,738
Earnings per share				
Basic:				
Class A Common Stock	$ 0.58	$ 0.50	$ 0.66	$ 0.72
Class B Common Stock	$ 0.86	$ 0.75	$ 1.00	$ 1.08
Diluted:				
Class A Common Stock	$ 0.57	$ 0.49	$ 0.65	$ 0.71
Class B Common Stock	$ 0.86	$ 0.75	$ 1.00	$ 1.08
Earnings per share were calculated using the following number of shares:				
Basic:				
Class A Common Stock	23,090,044	23,090,606	23,179,766	23,222,152
Class B Common Stock	23,077,290	23,042,490	23,042,490	23,040,278
Diluted:				
Class A Common Stock	23,736,662	23,716,040	23,742,262	23,897,036
Class B Common Stock	23,077,290	23,060,974	23,042,490	23,040,278
Market price (Class A Common Stock):				
High	$ 34.26	$ 34.98	$ 37.50	$ 48.84
Low	$ 28.50	$ 28.38	$ 29.53	$ 31.55
Close	$ 32.11	$ 33.87	$ 34.45	$ 46.86
Market price (Class B Common Stock):				
High	$ 32.35	$ 32.00	$ 34.95	$ 44.25
Low	$ 27.25	$ 27.50	$ 27.75	$ 30.00
Close	$ 30.32	$ 29.57	$ 32.02	$ 42.71

(1) All share information presented in these tables has been adjusted to reflect a 2-for-1 stock split of the Company's shares of Class A and Class B Common Stock distributed on April 11, 2007.

Shares of the Company's Class A Common Stock and Class B Common Stock are listed on the New York Stock Exchange where the symbols are GEF and GEF.B, respectively.

As of December 14, 2007, there were 442 stockholders of record of the Class A Common Stock and 111 stockholders of record of the Class B Common Stock.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and
Board of Directors of
Greif, Inc.:

We have audited the accompanying consolidated balance sheets of Greif, Inc. and subsidiaries as of October 31, 2007 and 2006, and the related consolidated statements of income, changes in shareholders' equity and cash flows for each of the three years in the period ended October 31, 2007. Our audits also included the financial statement schedule listed in the Index at Item 15(a)(2). These consolidated financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Greif, Inc. and subsidiaries at October 31, 2007 and 2006, and the consolidated results of their operations and their cash flows for each of the three years in the period ended October 31, 2007, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in Notes 12 and 13 to the consolidated financial statements, the Company adopted the provisions of Statement of Financial Accounting Standards No. 158, "Employers' Accounting for Defined Benefit and Other Postretirement Plans," as of October 31, 2007.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Greif, Inc.'s internal control over financial reporting as of October 31, 2007, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated December 20, 2007, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Columbus, Ohio

December 20, 2007

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

With the participation of our principal executive officer and principal financial officer, the Company's management has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of the end of the period covered by this report. Based upon that evaluation, our principal executive officer and principal financial officer have concluded that, as of the end of the period covered by this report:

- Information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission;
- Information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure; and
- Our disclosure controls and procedures are effective.

Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting that occurred during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Management's Annual Report on Internal Control over Financial Reporting

Management's annual report on internal control over financial reporting required by Item 308(a) of Regulation S-K follows. The attestation report of the independent registered public accounting firm required by Item 308(b) of Regulation S-K is found under the caption "Report of Independent Registered Public Accounting Firm" below.

The following report is provided by the Company's management on the Company's internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act):

1. The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Exchange Act Rule 13a-15(f) for the Company.
2. The Company's management has used the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework to evaluate the effectiveness of the Company's internal control over financial reporting. Management believes that the COSO framework is a suitable framework for its evaluation of the Company's internal control over financial reporting because it is free from bias, permits reasonably qualitative and quantitative measurements of the Company's internal controls, is sufficiently complete so that those relevant factors that would alter a conclusion about the effectiveness of the Company's internal controls are not omitted and is relevant to an evaluation of internal control over financial reporting.
3. Management has assessed the effectiveness of the Company's internal control over financial reporting as of October 31, 2007, and has concluded that such internal control over financial reporting is effective. There are no material weaknesses in the Company's internal control over financial reporting that have been identified by management.
4. This assessment excluded the internal control over financial reporting of Blagden Packaging Group and six other companies acquired in 2007, and whose financial statements reflect total assets and net sales constituting 15.3 percent and 8.1 percent of total assets and revenues, respectively, of the consolidated financial statements as of and for the year ended October 31, 2007.

Management's assessment of the effectiveness of the Company's internal control over financial reporting as of October 31, 2007, has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report, which follows below.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and
Board of Directors of
Greif, Inc.

We have audited Greif, Inc.'s internal control over financial reporting as of October 31, 2007, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Greif, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Greif, Inc. maintained, in all material respects, effective internal control over financial reporting as of October 31, 2007, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Blagden Packaging Group and six other companies acquired in 2007, which are included in the October 31, 2007 consolidated financial statements of Greif, Inc. and constituted 15.3 percent and 8.1 percent of total assets and revenues, respectively, for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of Blagden Packaging Group and the six other companies acquired in 2007.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the 2007 consolidated financial statements and schedule of Greif, Inc. and our report dated December 20, 2007, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Columbus, Ohio

December 20, 2007

ITEM 9B.   OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

Information regarding directors of the Company required by Items 401(a) and (d)-(f) of Regulation S-K will be found under the caption "Proposal Number 1—Election of Directors" in the 2008 Proxy Statement, which information is incorporated herein by reference. Information regarding executive officers of the Company required by Items 401(b) and (d)-(f) of Regulation S-K will be contained under the caption "Executive Officers of the Company" in the 2008 Proxy Statement, which information is incorporated herein by reference.

The Company has a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. As of the date of this filing, the members of the Audit Committee were Patrick J. Norton, Vicki L. Avril, Charles R. Chandler and Bruce A. Edwards. Mr. Norton is Chairman of the Audit Committee. The Company's Board of Directors has determined that Mr. Norton and Ms. Avril are "audit committee financial experts," as that term is defined in Item 401(h)(2) of Regulation S-K, and "independent," as that term is defined in Rule 10A-3 of the Exchange Act.

Information regarding the filing of reports of ownership under Section 16(a) of the Exchange Act by the Company's officers and directors and persons owning more than 10 percent of a registered class of the Company's equity securities required by Item 405 of Regulation S-K will be found under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in the 2008 Proxy Statement, which information is incorporated herein by reference.

Information concerning the procedures by which stockholders may recommend nominees to the Company's Board of Directors will be found under the caption "Corporate Governance—Nomination of Directors" in the 2008 Proxy Statement. There has been no material change to the nomination procedures previously disclosed by the Company in its proxy statement for its 2007 annual meeting of stockholders.

The Company's Board of Directors has adopted a code of ethics that applies to the Company's principal executive officer, principal financial officer, principal accounting officer, controller, and persons performing similar functions. This code of ethics is posted on the Company's Internet Web site at www.greif.com under "Investor Center—Corporate Governance." Copies of this code of ethics are also available to any person, without charge, by making a written request to the Company. Requests should be directed to Greif, Inc., Attention: Corporate Secretary, 425 Winter Road, Delaware, Ohio 43015. Any amendment (other than any technical, administrative or other non-substantive amendment) to, or waiver from, a provision of this code will be posted on the Company's Internet Web site described above within four business days following its occurrence.

ITEM 11. EXECUTIVE COMPENSATION

The 2008 Proxy Statement will contain information regarding the following matters: information regarding executive compensation required by Item 402 of Regulation S-K will be found under the caption "Compensation Discussion and Analysis"; information required by Item 407(e)(4) of Regulation S-K will be found under the caption "Compensation Committee Interlocks and Insider Participation"; information required by Item 407(e)(5) of Regulation S-K will be found under the caption "Compensation Committee Report." This information is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information regarding security ownership of certain beneficial owners and management required by Item 403 of Regulation S-K will be found under the caption "Security Ownership of Certain Beneficial Owners and Management" in the 2008 Proxy Statement, which information is incorporated herein by reference.

Information regarding equity compensation plan information required by Item 201(d) of Regulation S-K will be found under the caption "Equity Compensation Plan Information" in the 2008 Proxy Statement, which information is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information regarding certain relationships and related transactions required by Item 404 of Regulation S-K will be found under the caption "Certain Relationships and Related Transactions" in the 2008 Proxy Statement, which information is incorporated herein by reference.

Information regarding the independence of the Company's directors required by Item 407(a) of Regulation S-K will be found under the caption "Corporate Governance—Director Independence" in the 2008 Proxy Statement, which information is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Information regarding principal accounting fees and services required by Item 9(e) of Schedule 14A will be found under the caption “Independent Auditor Fee Information” in the 2008 Proxy Statement, which information is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Form 10-K:

The individual financial statements of the Company have been omitted since the Company 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 Company or its consolidated subsidiaries in amounts which exceed 5 percent of total consolidated assets at October 31, 2007.

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

(3) Exhibits—See the Exhibit Index, which is incorporated herein by reference.

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, Inc.
(Registrant)

Date: December 20, 2007

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 Company and in the capacities and on the dates indicated.

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

/s/ DONALD S. HUML
Donald S. Huml
Executive Vice President
and Chief Financial Officer
(principal financial officer)

/s/ KENNETH B. ANDRE III
Kenneth B. Andre III
Vice President, Corporate Controller
and Chief Information Officer
(principal accounting officer)

VICKI L. AVRIL *
Vicki L. Avril
Member of the Board of Directors

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

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

BRUCE A. EDWARDS *
Bruce A. Edwards
Member of the Board of Directors

JOHN F. FINN
John F. Finn
Member of the Board of Directors

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

JUDITH D. HOOK *
Judith D. Hook
Member of the Board of Directors

PATRICK J. NORTON *
Patrick J. Norton
Member of the Board of Directors

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

* The undersigned, Michael J. Gasser, by signing his name hereto, does hereby execute this 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 Form 10-K.

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

Each of the above signatures is affixed as of December 20, 2007.

SCHEDULE II

GREIF, INC. AND SUBSIDIARY COMPANIES

(Dollars in millions)

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, 2005:					
Allowance for doubtful accounts	$ 11.5	$ 1.0	$ 0.5	$ (4.5)	$ 8.5
Environmental reserves	$ 9.5	$ —	$ (0.5)	$ (0.9)	$ 8.1
Year ended October 31, 2006:					
Allowance for doubtful accounts	$ 8.5	$ 3.4	$ (0.2)	$ (3.1)	$ 8.6
Environmental reserves	$ 8.1	$ 2.2	$ 6.4	$ (1.8)	$ 14.9
Year ended October 31, 2007:					
Allowance for doubtful accounts	$ 8.6	$ 1.6	$ 3.2	$ (0.9)	$ 12.5
Environmental reserves	$ 14.9	$ 0.1	$ 28.0	$ (2.4)	$ 40.6

EXHIBIT INDEX

Exhibit No.	Description of Exhibit	If Incorporated by Reference, Document with which Exhibit was Previously Filed with SEC
3(a)	Amended and Restated Certificate of Incorporation of Greif, Inc.	Annual Report on Form 10-K for the fiscal year ended October 31, 1997, File No. 001-00566 (see Exhibit 3(a) therein).
3(b)	Amendment to Amended and Restated Certificate of Incorporation of Greif, Inc.	Definitive Proxy Statement on Form 14A dated January 27, 2003, File No. 001-00566 (see Exhibit A therein).
3(c)	Amendment to Amended and Restated Certificate of Incorporation of Greif, Inc.	Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2007, File No. 001-00566 (see Exhibit 3.1 therein).
3(d)	Amended and Restated By-Laws of Greif, Inc.	Annual Report on Form 10-K for the fiscal year ended October 31, 1997, File No. 001-00566 (see Exhibit 3(b) therein).
3(e)	Amendment to Amended and Restated By-Laws of Greif, Inc.	Annual Report on Form 10-K for the fiscal year ended October 31, 1998, File No. 001-00566 (see Exhibit 3(c) therein).
3(f)	Amendments to Amended and Restated By-Laws of Greif, Inc.	Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2004, File No. 001-00566 (see Exhibit 3.E therein).
3(g)	Amendment to Amended and Restated By-Laws of Greif, Inc.	Current Report on Form 8-K dated September 7, 2004, File No. 001-00566 (see Exhibit 99.3 therein).
3(h)	Amendments to Amended and Restated By-Laws of Greif, Inc.	Current Report on Form 8-K dated December 4, 2007, File No. 001-00566 (see Exhibit 99.2 therein).
4(a)	Indenture dated as of February 9, 2007, among Greif, Inc., as Issuer, and U.S. Bank National Association, as Trustee, regarding 6 3/4% Senior Notes due 2017.	Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 2007, File No. 001-00566 (see Exhibit 4.2 therein).
10(a)*	Greif, Inc. Directors' Stock Option Plan.	Registration Statement on Form S-8, File No. 333-26977 (see Exhibit 4(b) therein).
10(b)*	Greif, Inc. Incentive Stock Option Plan, as Amended and Restated.	Annual Report on Form 10-K for the fiscal year ended October 31, 1997, File No. 001-00566 (see Exhibit 10(b) therein).
10(c)*	Greif, Inc. Amended and Restated Directors' Deferred Compensation Plan.	Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2006, File No. 001-00566 (see Exhibit 10.2 therein).
10(d)*	Employment Agreement between Michael J. Gasser and Greif, Inc.	Annual Report on Form 10-K for the fiscal year ended October 31, 1998, File No. 001-00566 (see Exhibit 10(d) therein).
10(e)*	Supplemental Retirement Benefit Agreement.	Annual Report on Form 10-K for the fiscal year ended October 31, 1999, File No. 001-00566 (see Exhibit 10(i) therein).

Exhibit No.	Description of Exhibit	If Incorporated by Reference, Document with which Exhibit was Previously Filed with SEC
10(f)*	Second Amended and Restated Supplemental Executive Retirement Plan.	Contained herein.
10(g)	Share Purchase Agreement, dated October 27, 2000, as amended on January 5, 2001 and February 28, 2001, between Hühtamaki Van Leer Oyj, as the seller and Greif, Inc. as the buyer.	Current report on Form 8-K dated March 15, 2001, File No. 001-00566 (see Exhibit 2 therein).
10(h)*	Greif, Inc. Amended and Restated Long-Term Incentive Plan.	Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2006, File No. 001-00566 (see Exhibit 10.1 therein).
10(i)*	Greif, Inc. Performance-Based Incentive Compensation Plan.	Definitive Proxy Statement on Form 14A dated January 25, 2002, File No. 001-00566 (see Exhibit B therein).
10(j)*	Greif, Inc. 2001 Management Equity Incentive and Compensation Plan.	Definitive Proxy Statement on Form DEF 14A dated January 26, 2001, File No. 001-00566 (see Exhibit A therein).
10(k)*	Greif, Inc. 2000 Nonstatutory Stock Option Plan.	Registration Statement on Form S-8, File No. 333-61058 (see Exhibit 4(c) therein).
10(l)*	2005 Outside Directors Equity Award Plan.	Definitive Proxy Statement on Form DEF 14A, File No. 001-00566, filed with the Securities and Exchange Commission on January 21, 2005 (see Exhibit A therein).
10(m)*	Form of Stock Option Award Agreement for the 2005 Outside Directors Equity Award Plan of Greif, Inc.	Registration Statement on Form S-8, File No. 333-123133 (see Exhibit 4(c) therein).
10(n)*	Form of Restricted Share Award Agreement for the 2005 Outside Directors Equity Award Plan of Greif, Inc.	Registration Statement on Form S-8, File No. 333-123133 (see Exhibit 4(d) therein).
10(o)	Credit Agreement dated as of March 2, 2005, among Greif, Inc., Greif Spain Holdings, S.L., Greif Bros. Canada Inc., Greif (UK) Ltd., Greif International Holdings B.V., and Greif Australia Pty. Ltd., as borrowers, various lending institutions, as lenders, Deutsche Bank AG, New York Branch, as administrative agent, Deutsche Bank Securities Inc., as joint lead arranger and sole book runner, KeyBank National Association, as joint lead arranger and syndication agent, and National City Bank, Fleet National Bank, and ING Capital LLC, as co-documentation agents.	Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 2005, File No. 001-00566 (see exhibit 10.1 therein).
10(p)	First Amendment to Credit Agreement dated as of October 16, 2006, among Greif, Inc., Greif Spain Holdings, S.L., as borrowers, various lending institutions, as lenders, and Deutsche Bank AG, New York Branch, as administrative agent for the lenders.	Annual Report on Form 10-K for fiscal year ended October 31, 2006, File No. 001-00566 (see exhibit 10(u) therein).

Exhibit No.	Description of Exhibit	If Incorporated by Reference, Document with which Exhibit was Previously Filed with SEC
10(q)	Second Amendment to Credit Agreement dated as of October 31, 2006, among Greif, Inc., Greif Spain Holdings, S.L., as borrowers, various lending institutions, as lenders, Deutsche Bank AG, New York Branch, as administrative agent for the lenders, and Deutsche Bank Securities Inc., as lead arranger for the revolver increase referenced therein.	Annual Report on Form 10-K for fiscal year ended October 31, 2006, File No. 001-00566 (see exhibit 10(v) therein).
10(r)	Third Amendment to Credit Agreement dated as of January 19, 2007, among Greif, Inc. and Greif Spain Holdings, S.L., as borrowers, the various lending institutions named therein, as lenders, and Deutsche Bank AG, New York Branch, administrative agent for the lenders.	Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 2007, File No. 001-00566 (see Exhibit 10.1 therein).
10(s)	Receivables Purchase Agreement, dated October 31, 2003, by and among Greif Receivables Funding LLC (as seller), Greif, Inc. (as originator and servicer), Greif Containers Inc., (as originator), Scaldis Capital LLC (as purchaser) and Fortis Bank S.A./N.V. (as administrative agent).	Annual Report on Form 10-K for the fiscal year ended October 31, 2003, File No. 001-00566 (see Exhibit 10(m) therein).
10(t)	Amended and Restated Receivables Purchase Agreement dated as of April 30, 2007, among Greif Coordination Center BVBA (an indirect wholly owned subsidiary of Greif, Inc.), as Seller, Greif Belgium BVBA (an indirect wholly owned subsidiary of Greif, Inc.), as Servicer, and ING Belgium S.A., as Purchaser and Transaction Administrator.	Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2007, File No. 001-00566 (see Exhibit 10.1 therein).
10(u)	Receivables Purchase Agreement dated as of October 28, 2005, among Greif Italia S.p.A. (an indirect wholly owned subsidiary of Greif, Inc.), as Seller and Servicer, Greif Belgium BVBA (an indirect wholly owned subsidiary of Greif, Inc.), as Master Servicer, and ING Belgium S.A., as Purchaser and Transaction Administrator.	Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2007, File No. 001-00566 (see Exhibit 10.2 therein).
10(v)	Amendment to Receivables Purchase Agreement dated as of June 29, 2006, among Greif Italia S.p.A. (an indirect wholly owned subsidiary of Greif, Inc.), as Seller and Servicer, Greif Belgium BVBA (an indirect wholly owned subsidiary of Greif, Inc.), as Master Servicer, and ING Belgium S.A., as Purchaser and Transaction Administrator.	Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2007, File No. 001-00566 (see Exhibit 10.3 therein).

Exhibit No.	Description of Exhibit	If Incorporated by Reference, Document with which Exhibit was Previously Filed with SEC
10(w)	Amendment to Receivables Purchase Agreement dated as of October 27, 2006, among Greif Italia S.p.A. (an indirect wholly owned subsidiary of Greif, Inc.), as Seller and Servicer, Greif Belgium BVBA (an indirect wholly owned subsidiary of Greif, Inc.), as Master Servicer, and ING Belgium S.A., as Purchaser and Transaction Administrator.	Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2007, File No. 001-00566 (see Exhibit 10.4 therein).
10(x)	Amendment to Receivables Purchase Agreement dated as of April 30, 2007, among Greif Italia S.p.A. (an indirect wholly owned subsidiary of Greif, Inc.), as Seller and Servicer, Greif Belgium BVBA (an indirect wholly owned subsidiary of Greif, Inc.), as Master Servicer, and ING Belgium S.A., as Purchaser and Transaction Administrator.	Quarterly Report on Form 10-Q for the fiscal quarter ended April 30, 2007, File No. 001-00566 (see Exhibit 10.5 therein).
10(y)	Amendment to Receivables Purchase Agreement dated as of November 15, 2007, among Greif Italia S.p.A. (an indirect wholly owned subsidiary of Greif, Inc.), as Seller and Servicer, Greif Belgium BVBA (an indirect wholly owned subsidiary of Greif, Inc.), as Master Servicer, and ING Belgium S.A., as Purchaser and Transaction Administrator.	Contained herein.
10(z)	Sale and Contribution Agreement, dates as of October 31, 2003, by and among Greif, Inc., Greif Containers Inc., Great Lakes Corrugated Corp. (collectively as sellers) and Greif Receivables Funding LLC (as purchaser).	Annual Report on Form 10-K for the fiscal year ended October 31, 2003, File No. 001-00566 (see Exhibit 10(n) therein).
10(aa)	Amendment No.2 dated October 24, 2007 for the Sale and Contribution Agreement, dates as of October 31, 2003, by and among Greif, Inc., Greif Containers Inc., Great Lakes Corrugated Corp. (collectively as sellers) and Greif Receivables Funding LLC (as purchaser).	Contained herein.
10(bb)	Share and Assets Sale Agreement dated October 25, 2006, between Blagden Packaging Nederland B.V., Blagden Packaging Rumbeke NV, Blagden Packaging Michelin NV, Blagden Packaging Swollen B.V. and Vanloon Consulting Services B.V., as Vendors, and Greif Belgium BVBA, Greif Bros. Canada Inc., Greif France Holdings S.A.S, Greif International Holding B.V., Greif Nederland B.V. and Paauw Holdings, B.V., as Purchasers, relating to the acquisition of shares and assets constituting the new steel drum and other packaging business of the Blagden Group.	Current Report on Form 8-K dated December 1, 2006, File No. 001-00566 (see Exhibit 10.1 therein).

Exhibit No.	Description of Exhibit	If Incorporated by Reference, Document with which Exhibit was Previously Filed with SEC
21	Subsidiaries of the Registrant.	Contained herein.
23	Consent of Ernst & Young LLP.	Contained herein.
24(a)	Powers of Attorney for Michael J. Gasser, Charles R. Chandler, Michael H. Dempsey, Daniel J. Gunsett, and William B. Sparks, Jr.	Annual Report on Form 10-K for the fiscal year ended October 31, 1997, File No. 001-00566 (see Exhibit 24(a) therein).
24(b)	Powers of Attorney for Judith D. Hook and Patrick J. Norton.	Annual Report on Form 10-K for the fiscal year ended October 31, 2003, File No. 001-00566 (see Exhibit 24(c) therein).
24(c)	Power of Attorney for Vicki L. Avril	Annual Report on Form 10-K for the fiscal year ended October 31, 2004, File No. 001-00566 (see Exhibit 24(c) therein).
24(d)	Power of Attorney for Bruce J. Edwards	Annual Report on Form 10-K for the fiscal year ended October 31, 2006, File No. 001-00566 (see exhibit 24(d) therein)
31.1	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.	Contained herein.
31.2	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.	Contained herein.
32.1	Certification of Chief Executive Officer required by Rule 13a-14(b) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code.	Contained herein.
32.2	Certification of Chief Financial Officer required by Rule 13a-14(b) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code.	Contained herein.

* Executive compensation plans and arrangements required to be filed pursuant to Item 601(b)(10) of Regulation S-K.

Exhibit 10(f)

GREIF, INC.
SECOND AMENDED AND RESTATED
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Effective January 1, 2008

GREIF, INC.
SECOND AMENDED AND RESTATED
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

1.00 Purpose

Prior to the Effective Date (as defined below), Greif Bros. Corporation (the predecessor of Greif, Inc.) entered into a series of Individual Agreements with various of its select management and highly compensated employees. Effective January 1, 2004 (the “Effective Date”), Greif, Inc. (the “Corporation”) adopted the Greif Supplemental Executive Retirement Plan (the “Plan”) **[1]** as a means of providing the benefits described in the Plan to each Eligible Employee who was a party to an Individual Agreement as of the Effective Date and to each other Eligible Employee who became a Participant after the Effective Date and **[2]** to supersede and replace the provisions of any and all of the Individual Agreements. Effective January 1, 2005, the Corporation amended and restated the Plan to **[a]** incorporate changes required by the American Jobs Creation Act of 2004 and **[b]** make other appropriate changes. Effective January 1, 2008, the Corporation amended the Plan to comply with Code Section 409A and the temporary regulations promulgated thereunder. Effective January 1, 2008 (the “Restatement Effective Date”), the Corporation adopts this second amended and restated version of the Plan to incorporate changes required by Code Section 409A and the final regulations promulgated thereunder. This Plan is intended to be an unfunded, nonqualified program of deferred compensation within the meaning of Title I of ERISA.

2.00 Definitions

Whenever used in this Plan, the following words, terms and phrases will have the meanings given to them in this Section, unless another meaning is expressly provided elsewhere in this Plan. Also, the form of any word, term or phrase will include all of its other forms. Other words, terms and phrases also may be defined in the Plan text. Other capitalized terms are defined in the Qualified Plan and are incorporated into this document by reference. Any amendment to any term defined in the Qualified Plan will automatically be deemed to be an amendment to that same term as used in this document regardless of the restrictions and procedures described in Section 8.00.

2.01 Administrator: The person or entity employed by the Committee to assist in the administration of the Plan in accordance with Section 7.00.

2.02 Annual SERP Compensation: The base compensation and any short-term incentive compensation earned by a Participant from his or her Employer during the relevant year.

2.03 Average Annual SERP Compensation: **[1]** the Annual SERP Compensation earned during the three (3) consecutive year period during the Participant’s last five (5) years of employment in which his or her Annual SERP Compensation is the highest, divided by **[2]** three.

2.04 Beneficiary: The person or persons designated by a Member to receive any Plan Benefit that is unpaid on the date of the Member’s death. A Beneficiary may be designated only by following the procedures described in Section 10.01.

2.05 Board: The Corporation's board of directors or other governing body.

2.06 Cause:

[1] Any act which the Corporation, in its sole discretion, concludes is detrimental to the Corporation's, the Group's or any Group Member's best interests;

[2] Serious, willful misconduct relating to the discharge of the duties owed to the Member's Employer;

[3] Conviction of a felony or perpetuation of a common law fraud;

[4] Willful failure to comply with laws applicable to the execution of the Corporation's, any Group Member's or the Group's business;

[5] Theft, fraud, embezzlement, dishonesty or other willful misconduct that has resulted in economic damage to the Corporation, the Group or any Group Member; or

[6] Failure to comply with the Corporation's drug and alcohol abuse policy.

2.07 Change in Control: The occurrence of the first of any of the following events:

[1] Any direct or indirect acquisition by a "person," including a "group" [as such terms are used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended ("Act")] after which the "person" or "group" is the "beneficial owner" (as defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Corporation representing more than thirty (30) percent of the combined voting power of the Corporation's then outstanding securities entitled to vote in the election of the Board; provided, however, that "person" or "group" will not include **[a]** the Corporation, **[b]** any entity under common control with the Corporation (within the meaning of Code Section 414), or **[c]** any employee benefit plan of any entity described in subclauses [a] and/or [b] of this Section 2.07[1]; or

[2] The adoption or authorization by the shareholders of the Corporation of a definitive agreement or a series of related agreements **[a]** for the merger or other business combination of the Corporation with or into another entity in which the shareholders of the Corporation immediately before the effective date of that merger or other business combination own less than fifty (50) percent of the voting power entitled to be exercised in the election of the board of directors of the entity immediately after the effective date of that merger or other business combination; or **[b]** for the sale or other disposition of all or substantially all of the assets of the Corporation; or

[3] The adoption by the shareholders of the Corporation of a plan relating to the liquidation or dissolution of the Corporation.

2.08 Code: The Internal Revenue Code of 1986, as amended, and any applicable rulings and regulations issued thereunder.

2.09 Committee: The Compensation Committee of the Board.

2.10 Corporation: Greif, Inc., a Delaware corporation.

2.11 Disability: "Disability" as defined in the Corporation's long-term disability plan. An amendment to the definition of "Disability" specified in the Corporation's long-term disability plan will automatically amend the definition of "Disability" used in this Plan regardless of the restrictions and procedures described in Section 8.00.

2.12 Effective Date: January 1, 2004.

2.13 Eligible Employee: Each person employed by an Employer who also **[1]** is a member of its select group of management employees or is a highly compensated employee within the meaning of Title I of ERISA and **[2]** is accruing a benefit under the Qualified Plan.

2.14 Employer: The Corporation and any Group Member that adopts the Plan by following the procedures described in Section 12.11.

2.15 Enrollment Form: The form described in Section 3.00[4] that each Eligible Employee must complete before beginning to accrue a Plan Benefit. If there is a conflict between the terms of the Plan and the terms of the Enrollment Form, the terms of the Plan will govern.

2.16 ERISA: The Employee Retirement Income Security Act of 1974, as amended, and any applicable rulings and regulations issued thereunder.

2.17 Good Reason: Without the affected Member's written consent, one or more of the following events that occurs while he or she is a Member and that occurs other than as a direct result of the Member's Termination:

[1] A material reduction in the Member's compensation;

[2] The permanent assignment to the Member of duties inconsistent in any material respect with his or her position (including, without limitation, his or her status, office and title), authority, duties or responsibilities normally allotted to the Member or any other action that results in a material diminution in the Member's position, authority, duties or responsibilities;

[3] Before the Member Terminates, any material breach by the Corporation or the Employer of (or the Corporation's or the Employer's inability to perform) the terms of any employment agreement with the Member; or

[4] Failure or refusal of any successor or assign of any Employer **[a]** to assume the duties and liabilities owed by that Employer to the Member under this Plan that arose before the Member's Termination or **[b]** to assume the duties and liabilities owed by the Employer before the Member's Termination under any employment agreement between the Employer (including those assumed from predecessor employers, if any) and the Member.

2.18 Group: The Corporation and all of its subsidiaries and affiliates that, along with the Corporation, would be considered a single employer under Code Sections 414(b) and (c).

2.19 Group Member: Each member of the Group.

2.20 Individual Agreement: The separate nonqualified deferred compensation agreements **[1]** between Greif Bros. Corporation and each employee who was an Eligible Employee on the Effective Date and **[2]** identified in each affected Member's Enrollment Form.

2.21 Key Employee: A Participant who is a "specified employee" as defined in Code Section 409A and Treasury Regulation Section 1.409A-1(i) and as determined under the Corporation's policy for determining specified employees.

2.22 Member: Collectively, **[1]** a Participant and **[2]** a former Participant who no longer is accruing a Plan Benefit but who has not received a full distribution of his or her Plan Benefit.

2.23 Normal Retirement Age: The date on which **[1]** a Member, other than the Chief Executive Officer of the Corporation as of the Restatement Effective Date, attains the age of sixty-five (65) or **[2]** the Chief Executive Officer of the Corporation as of the Restatement Effective Date attains the age of sixty-two (62).

2.24 Participant: An Eligible Employee who has met and continues to meet the conditions described in Section 3.00. A Participant's participation will end automatically (but he or she will continue to be a Member) for any period **[1]** before the Participant's Termination but during which he or she is not an Eligible Employee or **[2]** after Termination.

2.25 Plan: The Greif, Inc. Second Amended and Restated Supplemental Executive Retirement Plan, as described in this document and any amendments to it.

2.26 Plan Benefit: The benefit calculated under Section 4.00.

2.27 Qualified Plan: The Greif Pension Plan as in effect on the Effective Date and as it may be amended at any time after the Effective Date and any successor to it. Any amendment to the Qualified Plan that affects Plan Benefits will automatically be taken into account when calculating a Member's Plan Benefit regardless of the restrictions and procedures described in Section 8.00.

2.28 Qualified Plan Benefit: The benefit each Member has accrued under the Qualified Plan on any relevant date and determined as described in Section 4.00.

2.29 Restatement Effective Date: [January 1, 2008]

2.30 Termination: A separation from service from the Group within the meaning of Code Section 409A and Treasury Regulation Section 1.409A-1(h).

2.31 Year of Vesting Service: On any given date, a Member will have the same number of "Years of Vesting Service" under this Plan that the Member has under the Qualified Plan on the same date, calculated as if the Member had participated in the Qualified Plan beginning on the first date of the Member's employment with any Group Member.

3.00 Eligibility and Participation

[1] Each Eligible Employee who was a party to an Individual Agreement and all Eligible Employees who were participating in the Plan immediately prior to the Restatement Effective Date shall remain Participants in this Plan.

[2] In its sole discretion, each Employer (with the Committee's concurrence) will decide which of its other Eligible Employees may participate in the Plan and the earliest date on which they may participate.

[3] A Participant will continue to be a Member until the earlier of the date he or she **[a]** is no longer an Eligible Employee, **[b]** Terminates, **[c]** is excluded (for any reason or for no reason) from the Plan by his or her Employer or **[d]** has received a complete distribution of his or her Plan Benefit.

[4] The Committee (and the Participant's Employer) will prepare an Enrollment Form for each Eligible Employee who is to become a Participant. This Enrollment Form will specify the date the Eligible Employee may begin to earn a Plan Benefit and any other term or provision specifically affecting the Participant's benefit or participation in the Plan.

[5] Before an Eligible Employee may participate in the Plan, he or she must complete the Enrollment Form providing any information the Committee may reasonably request.

4.00 Plan Benefits

4.01 Plan Benefit. A Member who Terminates after completing at least ten (10) Years of Vesting Service or otherwise after becoming fully vested as provided in Section 4.03 will receive a Plan Benefit equal to the difference between subclauses [1] and [2] below:

[1] **[a]** The percentage of the Member's Average Annual SERP Compensation specified in the Member's Enrollment Form; times

[b] Years of Vesting Service (up to a maximum of twenty (20) years); divided by

[c] twenty (20); minus

[2] The annual Qualified Plan Benefit to which he or she is entitled on the same date, calculated as if the Member had participated in the Qualified Plan beginning on the first date of the Member's employment with any Group Member. Notwithstanding the foregoing, for purposes of this Section 4.01, the annual Qualified Plan Benefit for a Member who previously was employed by Down River International, Inc. and Terminates after October 1, 2006, shall be the annual Qualified Plan Benefit to which he or she is entitled on the same date.

4.02 Rules Affecting Calculation of Benefit. The following rules will be applied when calculating the amounts described in Section 4.01:

[1] Any factor relevant to calculating the benefit amount described in Section 4.01[2] will be applied for purposes of calculating the amount described in Section 4.01[1], except that, for purposes of calculating the amount described in Section 4.01[1]:

[a] Annual SERP Compensation will not be subject to the limitations imposed by Code Section 401(a)(17); and

[b] The benefit will not be subject to the limitations imposed by Code Section 415.

[2] The benefit amounts described in Sections 4.01[1] and [2] will be calculated:

[a] With respect to the benefit amount under Section 4.01[2], in the normal form of payment provided for the Member under the Qualified Plan;

[b] Without regard to the effect of any Qualified Domestic Relations Order; and

[c] As of the date distribution of the Plan Benefit under this Plan is to begin and will include the value of any amount previously paid under the Qualified Plan as if the Qualified Plan Benefit had begun on the date distribution of the Plan Benefit under this Plan begins.

[3] Any Plan Benefit commencing prior to the Member's Normal Retirement Age will be reduced by one-half of one percent (0.5%) for each month that the benefit commencement date precedes the Member's Normal Retirement Age; and

[4] Once calculated, the Plan Benefit will not be adjusted.

4.03 Vesting.

[1] Except as provided in Sections 4.03[2] and 4.04, a Member will be fully vested in the Member's Plan Benefit upon the earliest of the date he or she:

[a] Completes at least ten (10) Years of Vesting Service;

[b] Reaches his or her Normal Retirement Age;

[c] Dies;

[d] Suffers a Disability; or

[e] Terminates for Good Reason or is Terminated without Cause within twenty-four (24) consecutive calendar months beginning immediately after a Change in Control.

However, a Termination for Good Reason will not arise unless the Member notifies the Employer in writing of the event claimed to constitute Good Reason and the Employer fails to correct that event within thirty (30) days of receiving that written notice. Notwithstanding the foregoing, "Good Reason" will cease to exist for an event on the sixtieth (60th) day following the later of its occurrence or the Member's knowledge thereof, unless the Member has given his or her Employer written notice thereof prior to such date.

[2] A Member will not be entitled to a Plan Benefit if he or she:

[a] Terminates before meeting one of the conditions listed in Section 4.03[1];

[b] Is Terminated for Cause at any time; or

[c] Violates his or her confidentiality or noncompetition agreement.

4.04 Occurrence of Certain Events. Regardless of any other provision of this Plan, if, at any time after distribution of the Plan Benefit begins under Section 5.00, the Corporation learns that the Member engaged in conduct that **[1]** would have constituted "Cause" had it been known before the Member Terminated or **[2]** violates the Member's confidentiality or noncompetition agreement, any unpaid installments of the Plan Benefit will be forfeited and the Corporation will have no further liability to the Member.

5.00 Distribution of Plan Benefits

5.01 Time and Form of Payment. Subject to Sections 5.02 through 5.05, the Committee will calculate a Member's vested Plan Benefit (determined under Section 4.00) and distribute that Plan Benefit for fifteen (15) years in substantially equal quarterly installments beginning on the later of **[a]** the first day of the calendar quarter that begins after the Member's Normal Retirement Age or **[b]** the first day of the calendar quarter that begins after the Member's Termination.

[Note: Old Section 5.02, regarding the optional election to receive Plan Benefits beginning at age 60, was removed because Members were not making the election and it posed potential Code Section 409A issues.]

5.02 Effect of Death. If a Member dies before distribution of his or her Plan Benefit has begun, the Member's Plan Benefit will be paid to his or her Beneficiary in accordance with the provisions of Section 5.01, beginning the first day of the calendar quarter following the Member's death. If a Member dies after distribution of his or her Plan Benefit has begun to be made to him or her, payments will continue, in the same form and amount, to the Member's Beneficiary.

5.03 Limited Cash-Out. Notwithstanding any provision in the Plan to the contrary, the Corporation, in its sole discretion, may require a lump sum distribution of a Member's Plan Benefit if: **[1]** the distribution results in the termination and liquidation of the entirety of the Member's interest under the Plan and all agreements, methods, programs or other arrangements with respect to which deferrals of compensation are treated as having been deferred under a single nonqualified deferred compensation plan under Treasury Regulation Section 1.409A-1(c)(2); and **[2]** the aggregate distribution under the arrangements is not greater than the applicable dollar amount under Code Section 402(g)(1)(B), as in effect in the year of distribution.

5.04 Distributions to Key Employees. Notwithstanding any provision in the Plan to the contrary, any Plan Benefit payable to a Key Employee upon a Termination will not be (or begin to be) distributed until the earlier of **[a]** six (6) months after the date on which the Key Employee Terminates or **[b]** the date on which the Key Employee dies. The first payment to be made shall include the cumulative amount (if any) of any amounts that could not be paid during such postponement period.

5.05 Payments Upon Income Inclusion Under Code Section 409A. The Corporation may accelerate the time or schedule of a payment to a Member to pay an amount the Member includes in income as a result of the Plan failing to meet the requirements of Code Section 409A. Such payment shall not exceed the amount required to be included in income as a result of the failure to comply with Code Section 409A.

6.00 Taxes

6.01 Withholding for Taxes Due on Plan Payments. Regardless of any other provision of this Plan, any payment due under Section 5.00 will be reduced by the amount of any federal, state and local income and wage taxes the Employer is required to withhold under any applicable law or regulation from such payment.

6.02 Withholding for Taxes Due Before Payments Begin. Subject to any limit prescribed under Code Section 409A and Treasury Regulation Section 1.409A-3(j)(4)(vi), the Committee and each Member will agree on the method to be applied to pay the Member’s portion of any employment, wage and other taxes imposed under any applicable law or regulation on any Plan Benefit before that benefit is paid to the Member. Subject to any limit prescribed under Code Section 409A, if the Committee and the Member fail to agree on the method to be applied, the Employer will **[1]** withhold the amount of the Member’s liability from his or her other compensation, or **[2]** if no other compensation is then payable to the Member, such Member shall remit to the Corporation an amount sufficient to satisfy the Member’s liability.

7.00 Administration

7.01 Committee. The Corporation will be the “plan administrator” with respect to the Plan as such term is defined under ERISA. The Committee will be responsible for administering the Plan.

7.02 Committee Procedure. The Committee will keep minutes of its proceedings and, with the assistance of the Administrator, all data, records and documents pertaining to the Committee’s administration of the Plan. The Committee will act by a majority of its members at the time in office and such action may be taken either by a vote at a meeting or in writing without a meeting. The Committee may by such majority action authorize any one or more of its members to execute any document or documents on behalf of the Committee. A member of the Committee who is also a Member hereunder will not vote or act upon any matter relating solely to himself.

7.03 Authority. The Committee, on behalf of the Members, will enforce the Plan in accordance with its terms, will be charged with the general administration of the Plan and will have full discretionary authority to manage and control the operation and administration of the Plan, including but not by way of limitation, the following authority:

[1] To determine all questions relating to the eligibility of employees to participate;

[2] To determine the identity of all Members;

[3] To certify the amount and kind of benefits, as calculated by the Administrator, payable to Members;

[4] To authorize all disbursements from the Plan;

[5] To maintain, with the assistance of the Administrator, all the necessary records for the administration of the Plan;

[6] To interpret the provisions of the Plan and to make and publish such rules for the regulation of the Plan as are not inconsistent with the terms thereof;

[7] To determine all questions arising with respect to the Plan's operation; and its interpretations and determinations, made in good faith, will be final and conclusive on all parties; and

[8] To allocate or delegate, at its discretion and to the extent it considers appropriate, the powers and duties described in Sections 7.03[3], [4] and [5] to one or more persons of its selection and to engage persons to advise or render assistance to the Committee or any fiduciary with respect to the Plan.

7.04 Information to the Committee. To enable the Committee to perform its functions, the Employers will fully and timely provide information to the Committee on all matters relating to the compensation of all Participants, their continuous service and regular employment, their retirement, death or the cause for Termination and such other pertinent facts as the Committee may require.

7.05 Resignation. Any member of the Committee may resign at any time by submission of a written notice of resignation to the Secretary of the Corporation. No bond or other security will be required of any member of the Committee. No compensation will be paid to any member of the Committee for his services as a member.

7.06 Expenses. All expenses pertaining to the maintenance of this Plan incurred by the Committee or its delegees will be borne by the Employers.

7.07 Records. The Committee will keep such records as it deems necessary or appropriate in connection with administration of the Plan.

7.08 Agents. The Committee, at any time, may employ any person or entity to perform any act, keep any records or accounts or make any computations which are required of the Employers or the Committee under the Plan and may compensate said person or entity therefor; and such employment will not be deemed to be contrary to, or inconsistent with, the provisions of this Plan. In the event of such employment, neither the Committee nor the Employers will be liable for any errors, omissions or malfeasance of such person or entity.

7.09 Claims Procedure.

[1] Any Member or Beneficiary or estate of a Member (the "claimant") who believes that he, she or it is entitled to an unpaid Plan benefit or that wishes to resolve a dispute or disagreement which arises under, or in any way relates to, the interpretation or construction of the Plan may file a claim with the Administrator.

[2] If the claim is wholly or partially denied, the Administrator will, within a reasonable period of time, and within ninety (90) days of the receipt of such claim, or if the claim is a claim on account of Disability, within forty-five (45) days of the receipt of such claim, provide the claimant with written notice of the denial setting forth in a manner calculated to be understood by the claimant:

[a] The specific reason or reasons for which the claim was denied;

[b] Specific reference to pertinent Plan provisions, rules, procedures or protocols upon which the Administrator relied to deny the claim;

[c] A description of any additional material or information that the claimant may file to perfect the claim and an explanation of why this material or information is necessary;

[d] An explanation of the Plan's claims review procedure and the time limits applicable to such procedure and a statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse determination upon review; and

[e] In the case of an adverse determination of a claim on account of Disability, the information to the claimant shall include, to the extent necessary, the information set forth in Department of Labor Regulation Section 2560.503-1(g)(1)(v).

If special circumstances require the extension of the forty-five (45) day or ninety (90) day period described above, the claimant will be notified before the end of the initial period of the circumstances requiring the extension and the date by which the Administrator expects to reach a decision. Any extension for deciding a claim will not be for more than an additional ninety (90) day period, or if the claim is on account of Disability, for not more than two additional thirty (30) day periods.

[3] If a claim has been wholly or partially denied, the affected claimant, or such claimant's authorized representative, may:

[a] Request that the Administrator reconsider its initial denial by filing a written appeal within sixty (60) days after receiving written notice that all or part of the initial claim was denied (one hundred eighty (180) days in the case of a denial of a claim on account of Disability);

[b] Review pertinent documents and other material upon which the Administrator relied when denying the initial claim; and

[c] Submit a written description of the reasons for which the claimant disagrees with the Administrator's initial adverse decision.

An appeal of an initial denial of benefits and all supporting material must be made in writing within the time periods described above and directed to the Administrator. The Administrator is solely responsible for reviewing all benefit claims and appeals and taking all appropriate steps to implement its decision.

The Administrator's decision on review will be sent to the claimant in writing and will include specific reasons for the decision, written in a manner calculated to be understood by the claimant, as well as specific references to the pertinent Plan provisions, rules, procedures or protocols upon which the Administrator relied to deny the appeal. The Administrator will consider all information submitted by the claimant, regardless of whether the information was part of the original claim. The decision will also include a statement of the claimant's right to bring an action under ERISA Section 502(a).

The Administrator's decision on review will be made not later than sixty (60) days (forty-five (45) days in the case of a claim on account of Disability) after his or her receipt of the request for review, unless special circumstances require an extension of time for processing, in which case a decision will be rendered as soon as possible, but not later than one hundred and twenty (120) days (ninety (90) days in the case of a claim on account of Disability) after receipt of the request for review. This notice to the claimant will indicate the special circumstances requiring the extension and the date by which the review official expects to render a decision and will be provided to the claimant prior to the expiration of the initial forty-five (45) day or sixty (60) day period.

In the case of a claim on account of Disability: **[i]** the review of the denied claim shall be conducted by a named fiduciary who is neither the individual who made the benefit determination nor a subordinate of such person; and **[ii]** no deference shall be given to the initial benefit determination. For issues involving medical judgment, the named fiduciary must consult with an independent health care professional who may not be the health care professional who decided the initial claim.

To the extent permitted by law, the decision of the claims official (if no review is properly requested) or the decision of the review official on review, as the case may be, will be final and binding on all parties. No legal action for benefits under the Plan will be brought unless and until the claimant has exhausted such claimant's remedies under this Section.

8.00 Plan Amendment

The Corporation has the right, at any time, by an instrument in writing, to modify, alter or amend the Plan, in whole or in part. Except as permitted by Code Section 411(d)(6) (applied as if the Plan was a tax-qualified plan), no amendment to the Plan will reduce the Member's accrued Plan Benefit. The Board, an executive committee of the Board or other committee of the Board or any executive officer to which or whom the Board delegates discretionary authority with respect to the Plan may exercise the Corporation's right to amend the Plan. Notwithstanding anything to the contrary in this Plan, as a condition of earning a Plan Benefit, each Member agrees (without further consideration) to any amendments necessary to avoid penalties under Code Section 409A.

9.00 Termination of Plan

9.01 No Contractual Obligation. The Plan may be wholly discontinued or terminated at any time by action of the Corporation or may be terminated at any time as to its own employees by any Employer.

9.02 Vesting Upon Termination of the Plan. Upon termination or partial termination of the Plan (within the meaning of Code Section 411(d)(3), applied as if the Plan is a tax-qualified plan), the rights of all affected Members (with respect to whom the Plan is deemed terminated) to Plan Benefits accrued to the date of such termination or partial termination will be deemed fully vested.

9.03 Distribution of Plan Benefits After Termination of the Plan. Except to the extent permitted under Code Section 409A and Treasury Regulation Section 1.409A-3(j)(4)(ix), termination of the Plan will not accelerate the distribution of any Plan Benefits. Instead, Plan Benefits will be distributed on the date(s) the Plan Benefits would have been paid had the Plan not been terminated.

9.04 Successor Employer. If an Employer dissolves, reorganizes, merges into or consolidates with another entity, provision may be made by which the successor will continue the Plan, in which case the successor will be substituted for the Employer under the terms and provisions of this Plan. The substitution of the successor for the Employer will constitute an assumption by the successor of all Plan liabilities and the successor will have all of the powers, duties and responsibilities of the Employer under the Plan.

10.00 Beneficiaries

10.01 Beneficiaries. Each Member may from time to time designate one or more persons (who may be any one or more members of such person's family or other persons, administrators, trusts, foundations or other entities) as his or her Beneficiary under the Plan. Such designation shall be made in a form prescribed by the Committee. Each Member may at any time and from time to time, change any previous Beneficiary designation, without notice to or consent of any previously designated Beneficiary, by amending his or her previous designation in a form prescribed by the Committee. If the Beneficiary does not survive the Member (or is otherwise unavailable to receive payment) or if no Beneficiary is validly designated, then the amounts payable under this Plan shall be paid to the Member's surviving spouse or, if there is no surviving spouse, the Member's estate. If more than one person is the Beneficiary of a deceased Member, each such person shall receive a pro rata share of any death benefit payable unless otherwise designated in the applicable form. If a Beneficiary who is receiving benefits dies, all benefits that were payable to such Beneficiary shall then be payable to the estate of that Beneficiary.

10.02 Lost Member and/or Beneficiary. All Members and Beneficiaries shall have the obligation to keep the Administrator informed of their current address until such time as all benefits due have been paid. Under no circumstances shall any amount under this Plan escheat to any governmental authority.

11.00 Funding

This Plan constitutes an unfunded, unsecured promise by the Employer to pay only those benefits that are accrued by Members under the terms of the Plan. Neither the Corporation nor any other Group Member is required to segregate any assets into a fund established exclusively to pay Plan Benefits. Also, Members have only the rights of a general unsecured creditor and do not have any interest in or right to any specific asset of any Group Member. Nothing in this Plan constitutes a guaranty by any Group Member or any other entity or person that the assets of the Employers or any other entity will be sufficient to pay Plan Benefits.

12.00 Miscellaneous

12.01 No Contract. The adoption and maintenance of this Plan will not be deemed to constitute a contract of employment or otherwise between any Group Member and any Member or other person, and will not be a consideration for or an inducement or condition of any employment. Nothing contained herein will be deemed to give to any Member or other person the right to be retained in the service of any Group Member or to interfere with the right of any Group Member (which right is expressly reserved) to discharge, with or without Cause, a Member or other person at any time without any liability for any claim either against the Plan (except to the extent provided herein) or against the Group Member.

12.02 No Alienation. None of the benefits, payments, proceeds, claims or rights of any Member hereunder will be subject to any claims of any creditor or to attachment or garnishment or other legal process by any creditor, nor will any such Member have any right to alienate, anticipate, commute, pledge, encumber or assign any claim or right hereunder or any of the benefits or payments or proceeds which he may expect to receive, contingent or otherwise, under the provisions hereof. In the event any person attempts to take any action contrary to the provisions of this Section 12.02, **[1]** such action will be null and void and of no effect whatsoever; **[2]** the Employers, the Corporation and the Committee may disregard such action and will not be in any manner bound thereby; and **[3]** the Employers, the Corporation and the Committee will suffer no liability by reason thereof. If any Member or other person attempts to take any action contrary to this Section 12.02, each Employer, the Corporation and the Committee will be reimbursed and indemnified on demand out of the interest of such Member in the Plan for any loss, cost or expense incurred as a result of disregarding or of acting in disregard of such action.

12.03 Applicable Law. This Plan will be construed, administered and governed in all respects under and by the laws of the State of Ohio, except to the extent that such laws are preempted by applicable federal law.

12.04 Headings. Headings and subheadings in this agreement are inserted for convenience of reference only. They constitute no part of the Plan.

12.05 Gender. The masculine gender will include the feminine; and wherever appropriate, the singular will include the plural or the plural may be read as the singular.

12.06 Mistakes and Misstatements. In the event of a mistake or a misstatement by a Member as to any item of information that is furnished pursuant to the terms of the Plan that has an effect on the amount paid or to be paid to such Member, or a mistake by the Plan as to the amount paid or to be paid to a Member, the Committee will take such action as in its judgment will accord to such person the payment to which he is properly entitled under the Plan. The action to be taken by the Committee will include, without limitation, the reduction of future payments to the Member, the restatement of such person's accrued Plan Benefit on the books and records of the Committee and the Corporation or a request of the Member that the amounts paid in error to such person be repaid.

12.07 Limitations on Payment. If, in the judgment of the Committee, a Member is legally, physically or mentally incapable of personally receiving and executing a receipt for any distribution or payment due him under the Plan, the distribution or payment may be made to the person's guardian or other legal representative (or, if none is known, to any other person or institution who has custody of the person), and that distribution or payment will constitute a full discharge of any obligation with respect to the amount paid or distributed.

12.08 Invalid Provision. If any provision of this Plan is held to be illegal or invalid for any reason, the Plan will be construed and enforced as if the offending provision had not been included in the Plan. However, that determination will not affect the legality or validity of the remaining parts of this Plan.

12.09 One Plan. This Plan may be executed in any number of counterparts, each of which will be deemed to be an original.

12.10 Coordination with Other Plans. Members' rights to any benefits accrued or payable under this Plan will be determined solely by reference to the terms of this Plan document and to the terms of the Qualified Plan document and will be unaffected by any other document or agreement between Members and the Employers.

12.11 Extension of Plan to Group Members. By action of its Board, the Corporation may extend participation of this Plan to other Group Members but only if the board of directors or governing body of the other Group Members accept participation in the Plan, agree to the terms of the Plan and delegate to the Corporation and the Committee the authority to amend, terminate and administer the Plan according to its terms.

12.12 Code Section 409A Compliance. It is intended that this Plan comply with Code Section 409A and the Treasury Regulations promulgated thereunder (and any subsequent IRS notices or guidance), and, to the maximum extent permitted by law, this Plan shall be interpreted, administered and operated in good faith accordingly. Nothing herein shall be construed as an entitlement to or guarantee of any particular tax treatment to a Member.

GREIF, INC.

Signature:	/s/ Michael J. Gasser
Name:	Michael J. Gasser
Title:	Chairman of the Board of Directors and Chief Executive Officer

GREIF, INC.
SECOND AMENDED AND RESTATED
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

ENROLLMENT FORM

1.00 Notice of Participation and Percentage of Average Annual SERP Compensation

You have been selected to participate in the Greif, Inc. Second Amended and Restated Supplemental Executive Retirement Plan (the "Plan"). However, there are several things you should know.

First, if you were a party to an individual deferred compensation agreement entered into before the Restatement Effective Date, this Plan supersedes and replaces the provisions of that agreement.

Second, your participation is subject to the terms and conditions specified in the Plan (a complete copy of which is attached) and in this Enrollment Form.

Third, your designated percentage of your Average Annual SERP Compensation under the Plan has been separately communicated.

Fourth, several terms used in this Enrollment Form are defined in the Plan. These terms are capitalized. To be sure that you understand the effect of your participation in the Plan, you should review the Plan document carefully.

2.00 Instructions for Completing This Enrollment Form

You must complete, sign and return this Enrollment Form to the Committee at the address shown at the end of this form before you may participate in the Plan.

3.00 Identification of Participant

Note: This part of the Enrollment Form must be completed whenever you file this form. Any revisions or elections made without completing this part of this form will be ignored. ***Please print.***

Participant Name: ______________________________

Soc. Sec. No.: ______________________________

Date of Birth: ______________________________

Address: ______________________________

____

4.00 Distributions

Distribution of your Plan Benefit will begin shortly after your Normal Retirement Age (or, if later, the date you Terminate). If you die before benefit payments under the Plan have begun or before receiving the promised number of payments, a death benefit (as specified in the Plan) will be paid to your Beneficiary.

5.00 Beneficiary Designation

I hereby designate the following beneficiary(ies) to receive any and all benefits to which they may be entitled under the terms of the Plan:

Primary

Beneficiary Name: ____________________
Address: ____________________
____
Relationship: ____________________
Percentage:______%

Beneficiary Name: ____________________
Address: ____________________
____
Relationship: ____________________
Percentage:______%

Beneficiary Name: ____________________
Address: ____________________
____
Relationship: ____________________
Percentage:______%

Contingent

Beneficiary Name: ____________________
Address: ____________________
____
Relationship: ____________________
Percentage:______%

Beneficiary Name: ____________________
Address: ____________________
____
Relationship: ____________________
Percentage:______%

Beneficiary Name: ____________________
Address: ____________________
____
Relationship: ____________________
Percentage:______%

6.00 Acknowledgement

I acknowledge and agree, on my own behalf and on behalf of my spouse, Beneficiary and my heirs and assigns, that **[1]** the Plan is unfunded and is maintained primarily for the purpose of providing deferred compensation to a select group of management or highly compensated employees (as defined in the Employee Retirement Income Security Act of 1974, as amended), **[2]** I may lose all or part of my Plan Benefit (including any unpaid installments) if my Employer becomes bankrupt, **[3]** I may not earn a benefit for any period I am not an Eligible Employee, **[4]** I have read and understand the terms of the Plan, **[5]** any disputes relating to the Plan must be resolved through procedures described in Section 7.09 of the Plan, **[6]** if I was a party to an individual deferred compensation agreement prior to the Restatement Effective Date, the provisions of such individual agreement are void and of no effect as of the date of my participation in this Plan, **[7]** I am solely responsible for ensuring that the Committee's files contain my current mailing address and that of my spouse and Beneficiary and **[8]** as a condition of earning a Plan Benefit, I agree (without any further consideration) to any amendments necessary to avoid penalties under Code Section 409A.

Date

Signature

Name (please print)

****

Return this signed Enrollment Form to the Committee at the following address:

Greif, Inc.

Attn: Michael L. Roane, Sr. Vice President of Global Human Resources

425 Winter Road

Delaware, Ohio 43015

Exhibit 10(y)

Dated 15 November 2007

Amendment Agreement

relating to the Receivables Purchase Agreement dated 28 October 2004 as amended and restated on 30 April 2007

between

ING BELGIUM SA

as Purchaser and Transaction Administrator

and

GREIF COORDINATION CENTER BVBA

as Originator and Servicer

and

GREIF BELGIUM BVBA

as Servicer

THIS AMENDMENT AGREEMENT (the "Agreement") is made on 15 November 2007.

Between:

1. **ING BELGIUM SA/NV**, a corporation organised under the laws of Belgium, having its registered office at Avenue Marnix 24, 1000 Brussels registered with the Crossroad Banks for Enterprise under the enterprise number 0403200393 (RPR Brussels), (the "**Purchaser**" and "**Transaction Administrator**");

2. **GREIF COORDINATION CENTER BVBA**, a corporation organised under the laws of Belgium, having its registered office at Beukenlei 24, 2960 Brecht, registered with the register of legal entities (RPM/RPR) under the number 0438202052 (the "**Seller**");

3. **GREIF BELGIUM BVBA**, a corporation organised under the laws of Belgium, having its registered office at Bollaarstraat 6, 2500 Lier, registered with the register of legal entities (RPM/RPR) under the number 0407237771, (the "**Servicer**").

The Purchaser, the Originator, the Transaction Administrator, the Servicer are hereinafter together referred to as the "**Parties**" or separately as a "**Party**".

WHEREAS

(A) The Parties have entered into a Receivables Purchase Agreement dated 28 October 2004, as amended and restated on 30 April 2007, whereby the Purchaser purchases certain trade receivables originated by the Seller (the "**Receivables Purchase Agreement**").

(B) The parties to this Agreement have agreed to enter into this Agreement in order to amend the terms of the Receivables Purchase Agreement in the manner set out below, and to extend the Receivables Purchase Agreement for a period of 364 days.

(C) The Seller hereby sells to the Purchaser all Eligible Receivables for Purchase other than French Receivables that the Seller owns between 27 October 2007 and 14 November 2007, in accordance with the provisions of this Agreement and with Article 1690 of the Belgian Civil Code.

THE PARTIES AGREE AS FOLLOWS:

1. INTERPRETATION

Unless a contrary intention appears or the context requires otherwise, any word or expression defined in the Receivables Purchase Agreement will have the same meaning when it is used in this Agreement.

2. RENEWAL OF THE RECEIVABLES PURCHASE AGREEMENT

In accordance with article 2.4 of the Receivables Purchase Agreement, the parties hereby agree that the Receivables Purchase Agreement is extended for an additional period of 364 days, until 25 October 2008.

3. AMENDMENT OF THE RECEIVABLES PURCHASE AGREEMENT

The following clauses and enclosures of the Receivables Purchase Agreement will, with effect from (and including) the date hereof, be amended, so that the rights and obligations of the parties to the Receivables Purchase Agreement relating to these clauses and enclosures shall form the date of this Agreement be governed by, and construed in accordance with, the following clauses and enclosures:

Clause 1 : Definitions

The definition of Maximum Programme Amount is modified as follows:

Maximum Programme Amount means EUR 115,000,000 with respect to the Combined Portfolio.

Enclosure II : Eligibility Criteria for Calculation of GIPP

Clause 2.2.3 is modified as follows:

For calculating the limit for being an Important Obligor it will be taken into account the sum of the Purchased receivables of all the Obligors of the Combined Portfolio belonging to the same group.

Clause 2.2.4 is modified as follows:

The list of the Important Obligors (listed per group) as well as their concentration limit are the following (these limits are expressed as a percentage of the sum of the Outstanding Nominal Values of all Receivables from time to time forming part of the Combined Portfolio on a pro rata basis):

Important Obligor	Limit
BASF	Default Reserve Floor*Combined Portfolio
BAYER	50%*Default Reserve Floor*Combined Portfolio
DOW CHEMICALS	50%*Default Reserve Floor*Combined Portfolio
ICI	50%*Default Reserve Floor*Combined Portfolio
BP	Default Reserve Floor * Combined Portfolio
DSM	50%*Default Reserve Floor*Combined Portfolio
EXXON MOBIL	Default Reserve Floor* Combined Portfolio
TOTALFINAELF	Default Reserve Floor* Combined Portfolio
SHELL	Default Reserve Floor* Combined Portfolio
AKZO NOBEL	50%*Default Reserve Floor*Combined Portfolio
INEOS	$^1/_5$ of Default Reserve Floor *Combined Portfolio + a Special Limit of EUR 2.000.000,00

The excess of Purchased Receivables on these Obligors is calculated on the basis of the Combined Portfolio. The portion of this excess that will be attributed to the Global Portfolio is calculated according to the pro rata share of the Global Portfolio in the Combined Portfolio.

Enclosure II : Template

Following data to be provided is added to the template with respect to the Important Obligor "INEOS":

(i) Turnover

(ii) Ageing Balance receivables

Enclosure IV bis : Calculation Specificities and applied parameters for the calculation of the Purchase Price

The parameter "Default Reserve Floor" is modified as follows:

Default Reserve Floor means : 10%

4. STATUS OF DOCUMENTS

4.1 Novation

It is not in the intention of the Parties to this Agreement to operate a novation of the Receivables Purchase Agreement. This Agreement will not constitute in any manner a novation as referred to in article 1271 of the Belgian Civil Code and shall not be interpreted as such.

4.2 Receivables Purchase Agreement

Except as amended by the terms of this Agreement, the Receivables Purchase Agreement will remain in full force and effect.

4.3 Transaction Document

This Agreement will constitute a Transaction Document for the purposes of the Receivables Purchase Agreement.

5. REPRESENTATIONS AND WARRANTIES

The Seller and the Servicer represent and warrant that they:

5.1 Have the power to enter into this Agreement and to comply with their obligations therein; and

5.2 Have taken all necessary actions:

  (i) to authorise the entry into this Agreement;

  (ii) to ensure that their obligations under this Agreement are valid, legally binding and enforceable in accordance with their terms.

6. MISCELLANEOUS

6.1 Severability

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, the legality, validity and enforceability of such provision under the law of any other jurisdiction, or of the remaining provisions hereof, shall not be affected or impaired thereby, and the Parties shall negotiate in good faith such amendments to any such provision in order to secure the preservation for all parties of the economic effect equivalent to the intended economic effect of any such provision.

6.2 Applicable law and choice of forum

This Agreement shall be governed by and construed in accordance with Belgian law.

The Parties agree mat any dispute in connection with this Agreement shall be subject to the exclusive jurisdiction of the courts of Brussels.

Done in Brussels, on 15 November 2007 in three originals. Each party acknowledges receipt of its own original.

ING BELGIUM SA/NV
the Purchaser and the Transaction Administrator

	/s/ Alexandre Quiquempois		/s/ NC Favreau
name:	Alexandre Quiquempois	name:	NC Favreau
title:	Head of the TMC	title:	Head of Structured Commercial Finance

GREIF COORDINATION CENTER BVBA
the Seller

/s/ Michel Verholen
name: Michel Verholen
title: Director

GREIF BELGIUM BVBA
the Servicer

/s/ Michel Verholen
name: Michel Verholen
title: Director

Exhibit 10(aa)

EXECUTION COPY

AMENDMENT No. 2
TO
RECEIVABLES PURCHASE AGREEMENT

This AMENDMENT No. 2 to RECEIVABLES PURCHASE AGREEMENT, dated as of October 24, 2007, (this "Amendment"), is entered into among Greif Receivables Funding LLC, a Delaware limited liability company, as seller (the "Seller"). Greif, Inc., a Delaware corporation as an originator (the "GI Originator") and servicer (the "Servicer"), Greif Industrial Packaging & Services LLC, formerly known as Greif Containers, Inc., a Delaware corporation, as an originator (the "GCI Originator"), Greif Paper, Packaging & Services LLC, a Delaware limited liability company and successor by merger with Great Lakes Corrugated Corp., an Ohio corporation, Greif Riverville LLC, a Delaware limited liability company, Scaldis Capital LLC, as Delaware limited liability company, as purchaser (the "Purchaser"), and Fortis Bank S.A./N.V., as administrative agent (the "Administrative Agent"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Agreement (as defined below).

PRELIMINARY STATEMENT

(A) The Seller, the GI Originator, the Servicer, the GCI Originator, Great Lakes Corrugated Corp., the Purchaser and the Administrative Agent entered into the Receivables Purchase Agreement, dated as of October 31, 2003 (the "Agreement") as amended by Amendment No. 1 to the Receivables Purchase Agreement, dated as of November 1, 2004 ("Amendment No. 1").

(B) The parties desire to further amend the Agreement.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto hereby agree as follows:

Section 1. Amendments to the Receivables Purchase Agreement

The Agreement is, effective as of October 24, 2007, but subject to satisfaction of the conditions set forth in Section 8, hereby amended as follows:

(a) ***Amendments to Article I—Definitions***

The following definitions are hereby amended by deleting the same and inserting the following in lieu thereof (in the appropriate place to preserve the alphabetical order of the definitions in such section):

"Dilution Horizon Ratio" as at the last day of any Monthly Period, is equal to the ratio, expressed as a percentage, of (a) the aggregate Outstanding Balance of all Originator Receivables which are created during the Monthly Period and the immediately preceding Monthly Period to (b) the aggregate Outstanding Balance of all Originator Receivables (less the aggregate amount of any Defaulted Receivables) as at the end of that Monthly Period.

“Dilution Ratio” means, in respect of each such Monthly Period, the following ratio, expressed as a percentage: the Dilutions which have occurred during each such Monthly Period, divided by the Outstanding Balance of all Originator Receivables which have been created during the immediately preceding Monthly Period.

“Discount Protection Amount” means the higher of (x) 14% and (y) the amount derived from the following formula:

[Greater of [(A*B*C) and 10%]]+ (D*E*J) + (F*G) + H+I

Where

A	=	the highest three month moving average of the Default Ratio of the preceding twelve months;
B	=	the Loss Horizon Ratio as of the last day of the preceding Monthly Period for which a Monthly Report was delivered;
C	=	stress factor for defaults: 2.25
D	=	the highest three month moving average of the Dilution Ratio of the preceding twelve months;
E	=	the Dilution Horizon Ratio as of the last day of the preceding Monthly Period for which a Monthly Report was delivered;
F	=	the Eurodollar Rate + Program Fee + 0.55%;
G	=	0.11 (factor representing the average annual maturity of receivables);
H	=	0.30% (servicing fee reserve);
I	=	1.00% (back-up servicing fee reserve);
J	=	stress factor for dilutions: 2.00.

“Facility Termination Date” means, the earliest of (a) the Liquidity Termination Date, or (b) the date determined pursuant to Section 7.01 of this Agreement, or (c) the occurrence of an Event of Termination pursuant to Section 6.01(e) of the Sale and Contribution Agreement, or (d) the occurrence of any other Event of Termination pursuant to Section 6.01 of the Sale and Contribution Agreement and declaration thereof by the Administrative Agent to any Originator, or (e) the date the Purchase Limit reduces to zero pursuant to Section 2.01(b) or (f) October 20, 2010.

(b) ***Amendment to Section 7.01 Events of Termination***

Section 7.01 (k) is hereby deleted and replaced with the following:

(k) [reserved].

Section 2. Reference to the Effect on the Agreement

(a) As of the date hereof, each reference in the Agreement to *"this Agreement," "hereunder," "hereof," "herein,"* or words of like import, and each reference in the other Transaction Documents (including, without limitation, by means of words like *"thereunder", "thereof"* and words of like import), shall mean and be a reference to the Agreement as amended hereby, and this Amendment and the Agreement shall be read together and construed as a single instrument.

(b) Except as expressly amended hereby or specifically waived above, all of the terms and provisions of the Agreement and all other Transaction Documents are and shall remain in full force and effect and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of the Purchaser or the Administrative Agent under any of the Transaction Documents, nor constitute a waiver or amendment of any other provision of any of the Transaction Documents or for any purpose except as expressly set forth herein.

Section 3. Execution in Counterparts

This Amendment may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are attached to the same document. Delivery of an executed counterpart by telecopy shall be effective as delivery of a manually executed counterpart of this Amendment.

Section 4. Governing Law

This Amendment shall be governed by and construed in accordance with the law of the State of New York.

Section* 5. *Severability

The fact that any term or provision of this Agreement is held invalid, illegal or unenforceable as to any person in any situation in any jurisdiction shall not affect the validity, enforceability or legality of the remaining terms or provisions hereof or the validity, enforceability or legality of such offending term or provision in any other situation or jurisdiction or as applied to any person.

Section 6. Successors

The terms of this Amendment shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

Section 7. Waiver of Jury Trial

EACH PARTY HERETO HEREBY WAIVES, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT OR ANY DOCUMENT EXECUTED OR DELIVERED PURSUANT HERETO.

Section 8. Conditions Precedent This Amendment shall become effective as of October 24, 2007, on the date when, and only when the Administrative Agent shall have received each of the following:

(a) this Amendment, duly executed by the Seller, the Servicer and all Originators;

(b) written confirmation from each Rating Agency then providing a Relevant Rating that this Amendment will not cause the current Relevant Rating to be reduced or withdrawn.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers and general partners thereunto duly authorized, as of the date first written above.

GREIF, INC.

By: /s/ John K. Dieker
Name: John K. Dieker
Title: Vice President & Treasurer

GREIF RECEIVABLES FUNDING LLC

By: /s/ John K. Dieker
Name: John K. Dieker
Title: Vice President

GREIF INDUSTRIAL PACKAGING & SERVICES LLC

By: /s/ John K. Dieker
Name: John K. Dieker
Title: Vice President & Treasurer

GREIF PAPER, PACKAGING & SERVICES LLC

By: /s/ John K. Dieker
Name: John K. Dieker
Title: Vice President & Treasurer

GREIF RIVERVILLE LLC

By: /s/ John K. Dieker
Name: John K. Dieker
Title: Vice President & Treasurer

FORTIS BANK S.A./N.V., *as Administrative Agent*

By: /s/ Didler Lannoy
Name: Didler Lannoy
Title: Executive Director
Co-Head Securitisation

By: /s/ Frank Van Gansbeke
Name: Frank Van Gansbeke
Title: Global Head of Funding and Liquidity

SCALDIS CAPITAL LLC

By: /s/ Christopher Byrne
Name: Christopher Byrne
Title: Director, Scaldis Capital Limited as Sole Member

Consent, Agreement and Affirmation of Guaranty

Greif, Inc. hereby consents to the terms of the foregoing Amendment in its capacity as a guarantor under the Guaranty, executed as of October 31, 2003 (the "Guaranty"), in favor of Scaldis Capital LLC, Fortis Bank S.A./N.V. and the Investors (as defined therein) and agrees that the terms of this Amendment shall not affect in any way its obligations and liabilities under the Guaranty, all of which obligations and liabilities shall remain in full force and effect and each of which is hereby reaffirmed.

GREIF, INC.

By: /s/ John K. Dieker
Name: John K. Dieker
Title: Vice President & Treasurer

Exhibit 21

SUBSIDIARIES OF REGISTRANT

Name of Subsidiary	Incorporated or Organized Under Laws of
United States:	
American Flange & Manufacturing Co. Inc.	Delaware
CorrChoice LLC	Delaware
Delta Petroleum Company Inc.	Louisiana
Olympic Oil Ltd.	Illinois
Greif Bros. Service Corp.	Delaware
Greif IP&S LLC	Delaware
Greif Nevada Holdings, Inc.	Nevada
Greif PP&S LLC	Delaware
Greif Receivables Funding LLC	Delaware
Greif Riverville LLC	Delaware
Greif Services LLC	Delaware
Greif U.S. Holdings, Inc.	Nevada
Heritage Packaging Corporation	Delaware
Recorr Realty Corp.	Ohio
Soterra LLC	Delaware
Tainer Transport, Inc.	Delaware
Greif USA LLC	Delaware
STA Timber LLC	Delaware
Greif Delaware Holdings, LLC	Delaware
International:	
Greif Algeria Spa (66%)	Algeria
Lametal del Norte S.A.	Argentina
Greif Argentina S.A.	Argentina
Tri-Sure Closures Australia Pty. Ltd.	Australia
Greif Asia Pacific Investments Pty. Ltd.	Australia
Greif Australia Pty. Limited	Australia
Van Leer South East Asia Limited Partnership	Australia
Van Leer (SEA) Services Pty Ltd.	Australia
Austro Fass Vertriebs GmbH (51%)	Austria
Greif Coordination Center BVBA	Belgium
Bruges Finance Consulting BVBA	Belgium

Greif Packaging Belgium NV (99%)	Belgium
Greif Belgium BVBA	Belgium
Greif Insurance Company Limited	Bermuda
Greif Embalagens Industriais do Amazonas Ltda	Brazil
Greif Embalagens Industriais do Brasil Ltda	Brazil
Greif Bros. Canada Inc.	Canada
Vulsay Industries LTD	Canada
Greif Chile S.A.	Chile
Greif (Shanghai) Packaging Co. LTD	China
Greif (Shanghai) Commercial Co. LTD	China
Greif Ningbo Packaging Co., Ltd.	China
Greif (Tianjin) Packaging Co., LTD	China
Greif Ningbo Packaging Co., Ltd.	China
Qingdao Drum Seal Co. Ltd.	China
Greif (Taicang) Packaging Co Ltd	China
Greif Packaging (Huizhou) Co. Ltd.	China
Greif Colombia S.A.	Columbia
Greif Costa Rica S.A.	Costa Rica
Blagden Packaging Adria d.o.o	Croatia
Greif Czech Republic a.s. (97.2%)	Czech Republic
Greif Denmark A/S	Denmark
Greif Egypt LLC (75%)	Egypt
Greif France Holdings SAS	France

Name of Subsidiary	Incorporated or Organized Under Laws of
Greif Packaging France Holding SAS	France
Greif Packaging France SAS	France
Greif Packaging France Investments SAS	France
Greif France SAS	France
Greif Germany GmbH	Germany
Greif Hellas AE	Greece
Greif Guatemala S.A.	Guatemala
Greif China Holding Co.	Hong Kong
Greif Hungary Kft	Hungary
Balmer Lawrie – Van Leer Ltd (40.06%)	India
Proseal Closures Ltd. (20.43%)	India
Greif Ireland Packaging Ltd.	Ireland

Greif Italia SpA	Italy
Greif Jamaica Ltd.	Jamaica
Greif Kenya Ltd	Kenya
Van Leer Packaging Sdn Bhd	Malaysia
Greif Malaysia Sdn Bhd	Malaysia
Greif Packaging (East Coast) Sdn Bhd	Malaysia
Servicios Corporativos Van Leer, S.A. de C.V.	Mexico
Van Leer Mexicana S.A. de C.V.	Mexico
Greif Mozambique Lda (80%)	Mozambique
Greif Packaging Morocco S.A. (60%)	Morocco
Emballagefabrieken Verma BV	Netherlands
Gronystaal B.V.	Netherlands
Paauw Holdings BV	Netherlands
Van Leer Beheer I BV	Netherlands
Greif Investments B.V.	Netherlands
Greif Nederland BV	Netherlands
Greif Vastgoed BV	Netherlands
Greif Brazil Holding B.V.	Netherlands
Greif Finance BV	Netherlands
Greif International Holding BV	Netherlands
Greif New Zealand Ltd.	New Zealand
Greif Nigeria Plc. (51%)	Nigeria
Greif Philippines, Inc.	Philippines
Greif Poland Sp. Z.o.o.	Poland
Greif AquaPack Sp. Z.o.o.	Poland
Greif Portugal, Lda.	Portugal
Greif Angarsk, LLC	Russia
Greif Trade House LLC	Russia
Greif Kazan LLC	Russia
Greif Omsk LLC	Russia
Greif Kazakhstan LLP	Russia
Bipol Co. Lt.d.	Russia
Bipol Sib Co. Ltd.	Russia
Greif Perm LLC	Russia
Greif VolgaDon LLC	Russia
Greif Vologda LLC	Russia

Greif Upackovka CJSC	Russia
Van Leer Ural (90%)	Russia
Greif Saudi Arabia Lt. (51%)	Saudi Arabia
Greif Singapore Pte Ltd	Singapore
Greif Spain Holdings, SL	Spain
Greif Packaging Spain SA	Spain
Greif Investments S.A.	Spain
Greif Packaging Spain Holdings SL	Spain

Name of Subsidiary	**Incorporated or Organized Under Laws of**
Greif Spain S.A.	Spain
Neptune Plastics (Pty) Ltd	South Africa
Van Leer AP Plastics S.A. (Pty) Ltd.	South Africa
Metal Containers South Africa (Pty) Ltd	South Africa
Greif South Africa Pty Ltd	South Africa
Greif Sweden AB	Sweden
Greif Sweden Holding AB	Sweden
Van Leer Thailand Co. Ltd	Thailand
Van Leer Containers Ltd	Trinidad
Greif Mimaysan Ambalaj Sanayi SA (75%)	Turkey
Van Leer Supak Ambalaj Sanayi Ticaret Ltd. Sirketti	Turkey
Greif Ukraine, LLC	Ukraine
Ecocontainer (UK) Ltd.	United Kingdom
Greif UK Ltd.	United Kingdom
Greif Uruguay SA	Uruguay
Greif Punto Fijo, C.A.	Venezuela
Greif Venezuela Holding, C.A.	Venezuela
Greif Venezuela, C.A.	Venezuela
Greif Zimbabwe Private Ltd	Zimbabwe

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-26767) pertaining to the Greif, Inc. 1996 Directors Stock Option Plan

(2) Registration Statement (Form S-8 No. 333-26977) pertaining to the Greif, Inc. Incentive Stock Option Plan

(3) Registration Statement (Form S-8 No. 333-35048) pertaining to the Greif Bros. 401(k) Retirement Plan and Trust

(4) Registration Statement (Form S-8 No. 333-46134) pertaining to the Greif, Inc. Production Associates 401(k) Retirement Plan and Trust

(5) Registration Statement (Form S-8 No. 333-46136) pertaining to the Greif Bros. Riverville Mill Employee Retirement Savings Plan and Trust

(6) Registration Statement (Form S-8 No. 333-61058) pertaining to the Greif, Inc. 2000 Nonstatutory Stock Option Plan

(7) Registration Statement (Form S-8 No. 333-61068) pertaining to the Greif, Inc. 2001 Management Equity Incentive and Compensation Plan

(8) Registration Statement (Form S-8 No. 333-106343) pertaining to the Greif Board Hourly Employees 401(k) Plan

(9) Registration Statement (Form S-8 No. 333-106342) pertaining to the Van Leer Containers, Inc. Retirement Savings Plan for Eligible Employees

(10) Registration Statement (Form S-8 No. 333-106341) pertaining to the Great Lakes Corrugated Corp. Hourly Employees Profit Sharing and Savings Plan

(11) Registration Statement (Form S-8 No. 333-106337) pertaining to the American Flange & Manufacturing Co., Inc. Employees Retirement Savings Plan

(12) Registration Statement (Form S-8 No. 333-106336) pertaining to the Great Lakes Corrugated Corp. Salaried Employees Profit Sharing and Savings Plan

(13) Registration Statement (Form S-8 No. 333-106333) pertaining to the Greif Board Salaried Employees 401(k) Plan

(14) Registration Statement (Form S-8 No. 333-106287) pertaining to the Van Leer Containers, Inc. Thrift Plan

(15) Registration Statement (Form S-8 No. 333-123133) pertaining to the Greif, Inc. 2005 Outside Directors Equity Award Plan

(16) Registration Statement (Form S-4 No. 333-142203) 6-3/4 percent Senior Notes due 2017

of our reports dated December 20, 2007, with respect to the consolidated financial statements and schedule of Greif, Inc. and subsidiaries and the effectiveness of internal control over financial reporting of Greif, Inc. included in this Annual Report (Form 10-K) for the fiscal year ended October 31, 2007.

/s/ Ernst & Young LLP
Columbus, Ohio

December 20, 2007

EXHIBIT 31.1

CERTIFICATION

I, Michael J. Gasser, certify that:

1. I have reviewed this annual report on Form 10-K of Greif, Inc.;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 20, 2007

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

EXHIBIT 31.2

CERTIFICATION

I, Donald S. Huml, certify that:

1. I have reviewed this annual report on Form 10-K of Greif, Inc.;

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 20, 2007

/s/ Donald S. Huml
Donald S. Huml, Executive Vice
President and Chief Financial Officer
(Principal financial officer)

EXHIBIT 32.1

Certification Required by Rule 13a-14(b) of the Securities Exchange Act of
1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code

In connection with the Annual Report of Greif, Inc. (the “Company”) on Form 10-K for the annual period ended October 31, 2007, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael J. Gasser, the chief executive officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

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

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

Date: December 20, 2007

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

A signed original of this written statement required by Section 906 has been provided to Greif, Inc. and will be retained by Greif, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Certification Required by Rule 13a-14(b) of the Securities Exchange Act of
1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code

In connection with the Annual Report of Greif, Inc. (the "Company") on Form 10-K for the annual period ended October 31, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Donald S. Huml, the chief financial officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

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

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

Date: December 20, 2007

/s/ Donald S. Huml
Donald S. Huml, Executive Vice President
and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Greif, Inc. and will be retained by Greif, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.