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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): Dec ember 13, 2016 (December 7, 2016)

GREIF, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-00566**	**31-4388903**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**
425 Winter Road, Delaware, Ohio		**43015**
(Address of principal executive offices)		**(Zip Code)**

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

Not Applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 2 – Financial Information

Item 2.02. Results of Operations and Financial Condition.

On December 7, 2016, Greif, Inc. (the "Company") issued a press release (the "Earnings Release") announcing the financial results for its fourth quarter ended October 31, 2016. The full text of the Earnings Release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The Earnings Release included the following non-GAAP financial measures (the "non-GAAP Measures"):

(i) the Company's net income, excluding the impact of special items, for the fourth quarter of 2016, the fourth quarter of 2015, the fiscal year 2016 and the fiscal year 2015, which is equal to the Company's consolidated net income for the applicable period plus restructuring charges, plus acquisition related costs, plus non-cash asset impairment charges, less timberland gains, less gains or plus losses, as applicable, on disposal of properties, plants, equipment and businesses, net, plus the impact of Venezuela devaluation on cost of products sold, less the impact of Venezuela devaluation on other (income) expense, net of tax and noncontrolling interest, each on a consolidated basis for the applicable period;

(ii) earnings per diluted class A share of the Company, excluding the impact of special items, for the fourth quarter of 2016, the fourth quarter of 2015, the fiscal year 2016 and the fiscal year 2015, which is equal to earnings per diluted class A share of the Company for the applicable period plus restructuring charges, plus acquisition related costs, plus non-cash asset impairment charges, less timberland gains, less gains or plus losses, as applicable, on disposal of properties, plants, equipment and businesses, net, plus the impact of Venezuela devaluation on cost of products sold, less the impact of Venezuela devaluation on other (income) expense, net of tax and noncontrolling interest, each on a consolidated basis for the applicable period;

(iii) the Company's consolidated net sales for the fourth quarter of 2016, compared to the fourth quarter of 2015 and for the fiscal year 2016 compared to the fiscal year 2015, after adjusting for the effect of divestitures for both periods and currency translation for the fourth quarter of 2016 and fiscal year 2016, as the case may be, which is equal to the Company's consolidated net sales for the applicable period, after adjusting each period for divestitures occurring during fiscal years 2016 and 2015 and after adjusting the fourth quarter of 2016 and the fiscal year 2016, as the case may be, for currency translation for the applicable period;

(iv) the Company's consolidated operating profit, before special items, for the fourth quarter of 2016, the fourth quarter of 2015, the fiscal year 2016 and the fiscal year 2015, which is equal to the Company's consolidated operating profit for the applicable period plus restructuring charges, plus acquisition related costs, plus non-cash asset impairment charges, less timberland gains, less gains or plus losses, as applicable, on disposal of properties, plants, equipment and businesses, net, plus the impact of Venezuela devaluation on cost of products sold, net of tax, each on a consolidated basis for the applicable period, along with the Company's consolidated operating profit margin before special items for the fourth quarter of 2016, the fourth quarter of 2015, the fiscal year 2016 and the fiscal year 2015 which is equal to the amounts of the non-GAAP Measure described above for the applicable period divided by the Company's consolidated net sales for the applicable period;

(v) the Company's consolidated free cash flow for the fourth quarter of 2016, the fourth quarter of 2015, the fiscal year 2016 and the fiscal year 2015 which is equal to the Company's consolidated net cash provided by operating activities for the applicable period less cash paid for capital expenditures for the applicable period;

(vi) net sales after adjusting for the effect of divestitures and currency translation for the Company's Rigid Industrial Packaging business segment for the fourth quarter of 2016 and the fourth quarter of 2015, which is equal to that business segment's net sales for the applicable quarter, after adjusting for divestitures occurring during fiscal years 2016 and 2015 as applicable to that business segment and after adjusting the fourth quarter of 2016 for currency translation;

(vii) operating profit before special items and excluding the impact of divestitures for the Company's Rigid Industrial Packaging & Services business segment for the fourth quarter of 2016 and the fourth quarter of 2015, which is equal to that business segment's operating profit plus restructuring charges, plus acquisition-related costs, plus non-cash asset impairment charges, plus loss on disposal of properties, plants, equipment, and businesses, net, and further adjusted for divestitures occurring during fiscal years 2016 and 2015 as applicable to that business segment;

(viii) net sales excluding the impact of divestitures for the Company's Flexible Products & Services business segment for the fourth quarter of 2016 and the fourth quarter of 2015, which is equal to that business segment's net sales for the applicable quarter as adjusted for divestitures occurring during fiscal years 2016 and 2015 as applicable to that business segment; and

(ix) operating profit before special items for the Company’s Flexible Products & Services business segment for the fourth quarter of 2016 and the fourth quarter of 2015, which is equal to that business segment’s operating loss plus restructuring charges, plus non-cash asset impairment charges, plus loss on disposal of properties, plants, equipment, and businesses, net;

The Earnings Release also included a forward-looking non-GAAP financial measure, 2017 Class A earnings per share excluding gains and losses on the disposal of businesses, timberland or properties, plants and equipment, net, non-cash asset impairment charges due to unanticipated changes in business, restructuring-related activities or acquisition costs, and the income tax effects of these items and other income tax-related events. No reconciliation of this forward-looking non-GAAP financial measure was included in the Earnings Release because, due to the high variability and difficulty in making accurate forecasts and projections of some of the excluded information, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measure without unreasonable efforts.

Management of the Company uses the non-GAAP Measures to evaluate ongoing operations and believes that these non-GAAP Measures are useful to investors. The exclusion of the impact of the identified special items (restructuring charges, acquisition related costs, non-cash asset impairment charges, timberland gains, disposals of properties, plants , equipment and businesses, net, and Venezuela devaluation), divestitures and currency translation enable management and investors to perform meaningful comparisons of current and historical performance of the Company. Management of the Company also believes that the exclusion of the impact of the identified special items, divestitures and currency translation provide a stable platform on which to compare the historical performance of the Company than the most nearly equivalent GAAP data and that investors desire this information. Management believes that the use of consolidated free cash flow, which excludes cash paid for capital expenditures from the Company's consolidated net cash provided by operating activities, provides additional information on which to evaluate the cash flow generated by the Company and believes that this is information that investors find valuable. The non-GAAP Measures are intended to supplement and should be read together with our financial results. The non-GAAP Measures should not be considered an alternative or substitute for, and should not be considered superior to, our reported financial results. Accordingly, users of this financial information should not place undue reliance on the non-GAAP Measures.

Section 7 – Regulation FD

Item 7.01. Regulation FD Disclosure.

On December 7, 2016, the Company released recorded remarks of management, made available on the Company's website at www.greif.com/investors , regarding the Company's financial results for its fourth quarter ended October 31, 2016. The file transcript of management's recorded remarks is attached as Exhibit 99.2 to this Current Report on Form 8-K.

On December 8, 2016, management of the Company held a conference call with interested investors and financial analysts (the "Conference Call") to discuss the Company's financial results for its fourth quarter ended October 31, 2016. The file transcript of the Conference Call is attached as Exhibit 99.3 to this Current Report on Form 8-K.

Section 9 – Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press release issued by Greif, Inc. on December 7, 2016 announcing the financial results for its fourth quarter ended October 31, 2016.
99.2	File transcript of recorded remarks of management of Greif, Inc., made available on the Company's website at www.greif.com/investors on December 7, 2016, regarding the financial results for its fourth quarter ended October 31, 2016.
99.3	File transcript of conference call with interested investors and financial analysts held by management of Greif, Inc. on December 8, 2016.

SIGNATURES

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

	GREIF, INC.	
Date: December 13, 2016	By	/s/ Lawrence A. Hilsheimer
		Lawrence A. Hilsheimer, Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

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99.3	File transcript of conference call with interested investors and financial analysts held by management of Greif, Inc. on December 8, 2016.

Exhibit 99.1

Contact: Matt Eichmann
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GREIF

Greif Reports Fourth Quarter and Fiscal 2016 Results, Provides Fiscal 2017 Guidance

DELAWARE, Ohio (December 7, 2016) – Greif, Inc. (NYSE: GEF, GEF.B), a world leader in industrial packaging products and services, announced fourth quarter and fiscal 2016 results. Pete Watson, President and Chief Executive Officer, stated "I am pleased with Greif's solid fourth quarter results, which conclude an improved fiscal 2016 for our company. We increased Class A earnings before special items per share [1] by 11.9 percent, more than doubled free cash flow [2] to $200.9 million and returned $98.7 million in dividends to our shareholders, despite the effects of a tepid global industrial economy. Our performance benefited from improved customer service, stronger operating fundamentals and systematic fiscal discipline. Our plans for 2017 include furthering our commitment to customer service, continuing to improve our underlying business and achieving our 2017 run rate commitments. This will generate greater value for our customers and shareholders."

Fourth Quarter Highlights include:

- Net income of $8.5 million or $0.14 per diluted Class A share compared to net income of $12.4 million or $0.21 per diluted Class A share for the fourth quarter of 2015. Net income, excluding the impact of special items, of $38.5 million or $0.65 per diluted Class A share compared to net income, excluding the impact of special items, of $44.7 million or $0.76 per diluted Class A share for the fourth quarter of 2015. The net income for the fourth quarter of 2016 was significantly impacted by the changes in income tax expense as described below.

- Net sales decreased $0.9 million to $867.6 million compared to $868.5 million for the fourth quarter of 2015. Net sales, after adjusting for the effect of divestitures for both quarters and currency translation for the fourth quarter of 2016 [3] , increased 5.3 percent compared to the fourth quarter 2015.

- Gross profit improved to $183.4 million compared to $168.0 million for the fourth quarter of 2015. Gross profit margin improved to 21.1 percent from 19.3 percent for the fourth quarter of 2015.

- Operating profit improved $21.5 million and operating profit before special items improved $15.0 million from the fourth quarter of 2015. Operating profit margin before special items improved to 10.0 percent compared to 8.3 percent for the fourth quarter of 2015.
- Cash provided by operating activities increased $10.1 million compared to the fourth quarter of 2015. Free cash flow improved $9.0 million compared to the fourth quarter of 2015.
- Income tax expense for the fourth quarter of 2016 increased to $28.3 million , or 81.3 percent, from $2.6 million , or 23.0 percent, for the fourth quarter 2015, due primarily to the impact of discrete losses in jurisdictions for which there is minimal tax benefit, adjustments to uncertain tax position estimates, withholding tax expense on fourth quarter transactions and corrections identified through enhanced control procedures executed during the quarter. In addition, the fourth quarter of 2015 tax expense was positively impacted by discrete transactions which resulted in one-time tax benefits.

Fiscal Year Highlights Include:

- Net income of $ 74.9 million or $1.28 per diluted Class A share compared to net income of $71.9 million or $1.23 per diluted Class A share for fiscal year 2015. Net income, excluding the impact of special items, of $143.5 million or $2.44 per diluted Class A share compared to net income, excluding the impact of special items, of $127.7 million or $2.18 per diluted Class A share for fiscal year 2015.

- Net sales decreased $293.1 million to $3,323.6 million compared to $3,616.7 million for fiscal year 2015. Net sales, after adjusting for the effect of divestitures for both years and currency translation for fiscal year 2016, were flat compared to fiscal year 2015.

- Gross profit improved to $684.9 million compared to $669.8 million for fiscal year 2015. Gross profit margin improved to 20.6 percent compared to 18.5 percent for fiscal year 2015.

- Operating profit improved $32.8 million and operating profit before special items improved $42.1 million from fiscal year 2015. Operating profit margin before special items improved to 9.3 percent compared to 7.4 percent for fiscal year 2015.
- Cash provided by operating activities increased $94.7 million compared to fiscal year 2015. Free cash flow improved $130.4 million compared to fiscal year 2015. Long-term debt has decreased $172.3 million since the previous year-end.
- Income tax expense for the year was $66.5 million or 47.1 percent. The increase in the tax rate from the forecasted range of 35 - 38 percent was due primarily to the same factors impacting the quarterly rate.

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1 A summary of all special items that are excluded from net income before special items, earnings per diluted Class A share before special items and from operating profit before special items is set forth in the Selected Financial Highlights table following the Dividend Summary in this release.
2 Free cash flow is defined as net cash provided by operating activities less cash paid for capital expenditures.
3 A summary of the adjustments for the impact of divestitures and currency translation is set forth in the GAAP to Non-GAAP Reconciliation Net Sales to Net Sales Excluding the Impact of Divestitures and Currency Translation in the financial schedules that are part of this release.

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

Company Outlook

Our 2017 fiscal year guidance is set forth below.

Class A Earnings Per Share before Special Items	$2.78 - $3.08

Note: 2017 GAAP Class A Earnings Per Share guidance is not provided in this release due to the potential for one or more of the following, the timing and magnitude of which we are unable to reliably forecast: gains or losses on the disposal of businesses, timberland or properties, plants and equipment, net, non-cash asset impairment charges due to unanticipated changes in the business, restructuring-related activities or acquisition costs, and the income tax effects of these items and other income tax-related events. No reconciliation of the fiscal year 2017 Class A earnings per share guidance, a non-GAAP financial measure which excludes gains and losses on the disposal of businesses, timberland and property, plant and equipment, acquisition costs and restructuring and impairment charges is included in this release because, due to the high variability and difficulty in making accurate forecasts and projections of some of the excluded information, together with some of the excluded information not being ascertainable or accessible, we are unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measure without unreasonable efforts.

Segment Results

Net sales are impacted primarily by the volume of primary products sold, selling prices, product mix and the impact of changes in foreign currencies against the U.S. Dollar. The table below shows the percentage impact of each of these items on net sales for our primary products for the fourth quarter of 2016 as compared to the fourth quarter of 2015 for the business segments with manufacturing operations:

Net Sales Impact - Primary Products:	Rigid Industrial Packaging & Services *	Paper Packaging & Services*	Flexible Products & Services *
	%	%	%
Currency Translation	(1.9)%	— %	(3.0)%
Volume	(0.5)%	7.3 %	(1.5)%
Selling Prices and Product Mix	10.2 %	(2.2)%	0.9 %
Total Impact of Primary Products	7.8 %	5.1 %	(3.6)%

* Primary products are manufactured steel, plastic and fibre drums; IBCs; linerboard, medium, corrugated sheets and corrugated containers; and 1&2 loop and 4 loop FIBCs.

Rigid Industrial Packaging & Services

Net sales increased $1.8 million to $602.9 million for the fourth quarter of 2016 compared to $601.1 million for the fourth quarter of 2015. Net sales, after adjusting for the effect of divestitures for both quarters and currency translation for the fourth quarter of 2016 increased $42.0 million to $613.6 million for the fourth quarter 2016 from $571.6 million for the fourth quarter 2015 due primarily to the impact of strategic volume and pricing decisions.

Gross profit increased to $130.9 million (21.7 percent) for the fourth quarter of 2016 compared to $112.3 million (18.7 percent) for the fourth quarter of 2015 due to the same factors impacting net sales and the divestiture of select non-core and underperforming assets.

Operating profit was $30.5 million for the fourth quarter of 2016 compared to operating profit of $10.9 million for the fourth quarter of 2015. Operating profit before special items and excluding the impact of divestitures increased to $60.3 million for the fourth quarter of 2016 from $41.8 million for the fourth quarter of 2015, due primarily to the same factors impacting gross profit.

Paper Packaging & Services

Net sales increased $9.2 million to $189.0 million for the fourth quarter of 2016 compared with $179.8 million for the fourth quarter of 2015. The increase was primarily due to increases in volumes offset by reductions in the published containerboard index prices that occurred during 2016.

Gross profit was $39.0 million (20.6 percent) for the fourth quarter of 2016 compared to $46.5 million (25.9 percent) for the fourth quarter of 2015. The reduction in gross profit margin was due primarily to increased input costs, primarily old corrugated container costs, as well as reductions in published containerboard index prices.

Operating profit was $24.7 million for the fourth quarter of 2016 compared with $32.6 million for the fourth quarter of 2015. The reduction was due to the same factors impacting gross profit.

Flexible Products & Services

Net sales decreased $4.2 million to $69.1 million for the fourth quarter of 2016 compared with $73.3 million for the fourth quarter of 2015. Excluding the impact of divestitures, [4] sales decreased $1.8 million to $69.1 million for the fourth quarter of 2016 from $70.9 million for the fourth quarter of 2015, due primarily to the negative impact of currency translation.

Gross profit was $11.7 million (16.9 percent) for the fourth quarter 2016 compared to $6.9 million (9.4 percent) for the fourth quarter 2015. The margin improvement was due primarily to reduced fixed costs and the impact of strategic volume and pricing decisions throughout 2016.

Operating loss was $3.6 million for the fourth quarter of 2016 compared to an operating loss of $12.8 million for the fourth quarter of 2015. Operating profit before special items was $0.1 million for the fourth quarter of 2016 compared to an operating loss of $5.3 million for the fourth quarter of 2015. The improvement in the operating profit before special items was primarily due to the same factors impacting gross profit.

Land Management

Net sales decreased $7.7 million to $6.6 million for the fourth quarter of 2016 compared to $14.3 million for the fourth quarter of 2015. The decrease in net sales was due to the sale of 5,200 acres of development properties in Canada during the fourth quarter of 2015.

Operating profit was $2.0 million for the fourth quarter of 2016 compared to $1.4 million for the fourth quarter of 2015.

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4 A summary of all adjustments by business segment related to the impact of divestitures and special items that are excluded from net sales, gross profit and operating profit is set forth in the GAAP to Non-GAAP Reconciliation Selected Financial Information Excluding the Impact of Divestitures in the financial schedules that are part of this release.

Dividend Summary

On December 6, 2016, the Board of Directors declared quarterly cash dividends of $0.42 per share of Class A Common Stock and $0.62 per share of Class B Common Stock. Dividends are payable on January 1, 2017, to stockholders of record at the close of business on December 19, 2016.

GREIF, INC. AND SUBSIDIARY COMPANIES
SELECTED FINANCIAL HIGHLIGHTS
UNAUDITED
(Dollars in millions, except per share amounts)

	Three months ended October 31,		Twelve months ended October 31,	
	2016	2015	2016	2015
Selected Financial Highlights				
Net sales	$ 867.6	$ 868.5	$ 3,323.6	$ 3,616.7
Gross profit	183.4	168.0	684.9	669.8
Gross profit margin	21.1%	19.3%	20.6%	18.5%
Operating profit	53.6	32.1	225.6	192.8
Operating profit before special items	87.0	72.0	308.3	266.2
EBITDA	83.9	64.1	345.1	325.0
EBITDA before special items	117.3	104.0	427.8	393.5
Cash provided by operating activities	143.0	132.9	301.0	206.3
Net income attributable to Greif, Inc.	8.5	12.4	74.9	71.9
Diluted Class A earnings per share attributable to Greif, Inc.	$ 0.14	$ 0.21	$ 1.28	$ 1.23
Diluted Class A earnings per share attributable to Greif, Inc. before special items	$ 0.65	$ 0.76	$ 2.44	$ 2.18
Special items				
Restructuring charges	$ 9.0	$ 13.3	$ 26.9	$ 40.0
Acquisition-related costs	0.1	—	0.2	0.3
Timberland gains	—	—	—	(24.3)
Non-cash asset impairment charges	6.5	23.6	51.4	45.9
Loss on disposal of properties, plants and equipment and businesses, net	17.8	3.0	4.2	2.2
Impact of Venezuela devaluation of inventory in cost of products sold	—	—	—	9.3
Impact of Venezuela devaluation on other income	—	—	—	(4.9)
Total special items	33.4	39.9	82.7	68.5
Total special items, net of tax and noncontrolling interest	30.0	32.3	68.6	55.8
Impact of total special items, net of tax, on diluted Class A earnings per share attributable to Greif, Inc.	$ 0.51	$ 0.55	$ 1.16	$ 0.95

	October 31, 2016	October 31, 2015
Operating working capital [5]	$ 304.6	$ 345.4

Note: Other income is not included in operating profit, therefore, the impact of Venezuela devaluation on other income is not applicable to operating profit before special items, but is applicable to EBITDA before special items.

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

Conference Call

The Company will host a conference call to discuss the fourth quarter of 2016 results on December 8, 2016, at 10:00 a.m. Eastern Time (ET). To participate, domestic callers should call 877-201-0168. The Greif ID is 18972823. The number for international callers is 1-647-788-4901. Phone lines will open at 9:30 a.m. ET. The conference call will also be available through a live webcast, including slides, which can be accessed at http://investor.greif.com by clicking on the Events and Presentations tab and searching under the events calendar. A replay of the conference call will be available on the Company's website approximately two hours following the call.

About Greif

Greif is a global leader in industrial packaging products and services and is pursuing its vision to become the world's best performing customer service company in industrial packaging. The company produces steel, plastic, fibre, flexible, corrugated, and reconditioned containers, intermediate bulk containers, containerboard and packaging accessories, and provides filling, packaging and industrial packaging reconditioning services for a wide range of industries. Greif also manages timber properties in the southeastern United States. The company is strategically positioned in over 45 countries to serve global as well as regional customers. Additional information is on the company's website at www.greif.com.

Forward-Looking Statements

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

Although the Company believes that the expectations reflected in forward-looking statements have a reasonable basis, the company can give no assurance that these expectations will prove to be correct. Forward-looking statements are subject to risks and uncertainties that could cause the company's actual results to differ materially from those forecasted, projected or anticipated, whether expressed in or implied by the statements. Such risks and uncertainties that might cause a difference include, but are not limited to, the following: (i) historically, our business has been sensitive to changes in general economic or business conditions, (ii) our operations subject us to currency exchange and political risks that could adversely affect our results of operations, (iii) the current and future challenging global economy and disruption and volatility of the financial and credit markets may adversely affect our business, (iv) the continuing consolidation of our customer base and suppliers may intensify pricing pressure, (v) we operate in highly competitive industries, (vi) our business is sensitive to changes in industry demands, (vii) raw material and energy price fluctuations and shortages may adversely impact our manufacturing operations and costs, (viii) we may encounter difficulties arising from acquisitions, (ix) we may incur additional restructuring costs and there is no guarantee that our efforts to reduce costs will be successful, (x) tax legislation initiatives or challenges to our tax positions may adversely impact our results or condition, (xi) full realization of our deferred tax assets may be affected by a number of factors, (xii) several operations are conducted by joint ventures that we cannot operate solely for our benefit, (xiii) our ability to attract, develop and retain talented and qualified employees, managers and executives is critical to our success, (xiv) our business may be adversely impacted by work stoppages and other labor relations matters, (xv) our pension plans are underfunded and will require future cash contributions, and our required future cash contributions could be higher than we expect, each of which could have a material adverse effect on our financial condition and liquidity, (xvi) we may be subject to losses that might not be covered in whole or in part by existing insurance reserves or insurance coverage, (xvii) our business depends on the uninterrupted operations of our facilities, systems and business functions, including our information technology and other business systems, (xviii) a security breach of customer, employee, supplier or company information may have a material adverse effect on our business, financial condition and results of operations, (xix) legislation/regulation related to environmental and health and safety matters and corporate social responsibility could negatively impact our operations and financial performance, (xx) product liability claims and other legal proceedings could adversely affect our operations and financial performance, (xxi) we may incur fines or penalties, damage to our reputation or other adverse consequences if our employees, agents or business partners violate, or are alleged to have violated, anti-bribery, competition or other laws, (xxii) changing climate, climate change regulations and greenhouse gas effects may adversely affect our operations and financial performance, (xxiii) the frequency and volume of our timber and timberland sales will impact our financial performance, (xxiv) changes in U.S. generally accepted accounting principles and SEC rules and regulations could materially impact our reported results, (xxv) if the company fails to maintain an effective system of internal control, the company may not be able to accurately report financial results or prevent fraud, and (xxvi) the company has a significant amount of goodwill and long-lived assets which, if impaired in the future, would adversely impact our results of operations. Changes in business results may impact our book tax rates. The risks described above are not all-inclusive, and given these and other possible risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. For a detailed discussion of the most significant risks and uncertainties that could cause our actual results to differ materially from those forecasted, projected or anticipated, see “Risk Factors” in Part I, Item 1A of our most recently filed Form 10-K and our other filings with the Securities and Exchange Commission. All forward-looking statements made in this news release are expressly qualified in their entirety by reference to such risk factors. Except to the limited extent required by applicable law, we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

GREIF, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
UNAUDITED
(Dollars and shares in millions, except per share amounts)

	Three months ended October 31,		Twelve months ended October 31,	
	2016	2015	2016	2015
Net sales	$ 867.6	$ 868.5	$ 3,323.6	$ 3,616.7
Cost of products sold	684.2	700.5	2,638.7	2,946.9
Gross profit	183.4	168.0	684.9	669.8
Selling, general and administrative expenses	96.5	96.0	376.8	413.2
Restructuring charges	9.0	13.3	26.9	40.0
Timberland gains	—	—	—	(24.3)
Non-cash asset impairment charges	6.5	23.6	51.4	45.9
(Gain) loss on disposal of properties, plants and equipment, net	(0.8)	2.3	(10.3)	(7.0)
Loss on disposal of businesses	18.6	0.7	14.5	9.2
Operating profit	53.6	32.1	225.6	192.8
Interest expense, net	17.2	18.6	75.4	74.8
Other expense, net	1.6	2.2	9.0	3.2
Income before income tax expense and equity earnings of unconsolidated affiliates, net	34.8	11.3	141.2	114.8
Income tax expense	28.3	2.6	66.5	48.4
Equity earnings of unconsolidated affiliates, net of tax	—	(0.5)	(0.8)	(0.8)
Net income	6.5	9.2	75.5	67.2
Net (income) loss attributable to noncontrolling interests	2.0	3.2	(0.6)	4.7
Net income attributable to Greif, Inc.	$ 8.5	$ 12.4	$ 74.9	$ 71.9
Basic earnings per share attributable to Greif, Inc. common shareholders:				
Class A Common Stock	$ 0.14	$ 0.21	$ 1.28	$ 1.23
Class B Common Stock	$ 0.22	$ 0.32	$ 1.90	$ 1.83
Diluted earnings per share attributable to Greif, Inc. common shareholders:				
Class A Common Stock	$ 0.14	$ 0.21	$ 1.28	$ 1.23
Class B Common Stock	$ 0.22	$ 0.32	$ 1.90	$ 1.83
Shares used to calculate basic earnings per share attributable to Greif, Inc. common shareholders:				
Class A Common Stock	25.8	25.7	25.8	25.7
Class B Common Stock	22.0	22.1	22.1	22.1
Shares used to calculate diluted earnings per share attributable to Greif, Inc. common shareholders:				
Class A Common Stock	25.8	25.7	25.8	25.7
Class B Common Stock	22.0	22.1	22.1	22.1

GREIF, INC. AND SUBSIDIARY COMPANIES
CONDENSED CONSOLIDATED BALANCE SHEETS
UNAUDITED
(Dollars in millions)

	October 31, 2016		October 31, 2015	
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$	103.7	$	106.2
Trade accounts receivable		399.2		403.7
Inventories		277.4		297.0
Other current assets		140.0		201.6
		920.3		1,008.5
LONG-TERM ASSETS				
Goodwill		786.4		807.1
Intangible assets		110.6		132.7
Assets held by special purpose entities		50.9		50.9
Other long-term assets		141.3		98.8
		1,089.2		1,089.5
PROPERTIES, PLANTS AND EQUIPMENT		1,163.9		1,217.7
	$	3,173.4	$	3,315.7
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Accounts payable	$	372.0	$	355.3
Short-term borrowings		51.6		40.7
Current portion of long-term debt		—		30.7
Other current liabilities		235.6		220.3
		659.2		647.0
LONG-TERM LIABILITIES				
Long-term debt		974.6		1,116.2
Liabilities held by special purpose entities		43.3		43.3
Other long-term liabilities		506.6		449.3
		1,524.5		1,608.8
REDEEMABLE NONCONTROLLING INTEREST		31.8		—
EQUITY				
Total Greif, Inc. equity		947.4		1,015.6
Noncontrolling interests		10.5		44.3
		957.9		1,059.9
	$	3,173.4	$	3,315.7

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

	Three months ended October 31,		Twelve months ended October 31,	
	2016	2015	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 6.5	$ 9.2	$ 75.5	$ 67.2
Depreciation, depletion and amortization	31.9	33.7	127.7	134.6
Asset impairments	6.5	23.6	51.4	45.9
Other non-cash adjustments to net income	30.7	2.4	18.4	(25.8)
Operating working capital changes	50.0	81.6	24.2	21.8
Deferred purchase price on sold receivables	25.4	5.1	5.2	(5.7)
Increase (decrease) in cash from changes in other assets and liabilities	(8.0)	(22.7)	(1.4)	(31.7)
Net cash provided by operating activities	143.0	132.9	301.0	206.3
CASH FLOWS FROM INVESTING ACTIVITIES:				
Acquisitions of businesses, net of cash acquired	—	(0.1)	(0.4)	(1.6)
Collection (issuance) of subordinated note receivable	—	(44.2)	44.2	(44.2)
Purchases of properties, plants and equipment	(28.7)	(27.6)	(100.1)	(135.8)
Purchases of and investments in timber properties	(2.4)	(0.2)	(7.1)	(38.4)
Purchases of properties, plants and equipment with insurance proceeds	—	—	(4.4)	—
Proceeds from the sale of properties, plants and equipment, businesses, timberland and other assets	1.4	3.2	36.1	68.9
Proceeds on insurance recoveries	—	1.2	6.6	4.6
Net cash used in investing activities	(29.7)	(67.7)	(25.1)	(146.5)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from (payments on) debt, net	(77.8)	(38.8)	(159.8)	82.4
Dividends paid to Greif, Inc. shareholders	(24.7)	(24.7)	(98.7)	(98.7)
Other	0.9	—	(14.3)	(3.8)
Net cash used in financing activities	(101.6)	(63.5)	(272.8)	(20.1)
Effects of exchange rates on cash	(2.3)	2.8	(5.6)	(18.6)
Net increase (decrease) in cash and cash equivalents	9.4	4.5	(2.5)	21.1
Cash and cash equivalents, beginning of period	94.3	101.7	106.2	85.1
Cash and cash equivalents, end of period	$ 103.7	$ 106.2	$ 103.7	$ 106.2

GREIF, INC. AND SUBSIDIARY COMPANIES
FINANCIAL HIGHLIGHTS BY SEGMENT
UNAUDITED
(Dollars in millions)

	Three months ended October 31,		Twelve months ended October 31,	
	2016	**2015**	**2016**	**2015**
Net sales:				
Rigid Industrial Packaging & Services	$ 602.9	$ 601.1	$ 2,324.2	$ 2,586.4
Paper Packaging & Services	189.0	179.8	687.1	676.1
Flexible Products & Services	69.1	73.3	288.1	322.6
Land Management	6.6	14.3	24.2	31.6
Total net sales	$ 867.6	$ 868.5	$ 3,323.6	$ 3,616.7
Operating profit (loss):				
Rigid Industrial Packaging & Services	$ 30.5	$ 10.9	$ 143.9	$ 86.4
Paper Packaging & Services	24.7	32.6	89.1	109.3
Flexible Products & Services	(3.6)	(12.8)	(15.5)	(36.6)
Land Management	2.0	1.4	8.1	33.7
Total operating profit	$ 53.6	$ 32.1	$ 225.6	$ 192.8
EBITDA [6]:				
Rigid Industrial Packaging & Services	$ 50.3	$ 34.3	$ 223.8	$ 179.5
Paper Packaging & Services	32.7	39.8	120.7	138.4
Flexible Products & Services	(2.3)	(12.1)	(11.3)	(29.9)
Land Management	3.2	2.1	11.9	37.0
Total EBITDA	$ 83.9	$ 64.1	$ 345.1	$ 325.0
EBITDA before special items:				
Rigid Industrial Packaging & Services	$ 80.2	$ 65.9	$ 293.6	$ 259.9
Paper Packaging & Services	33.1	40.5	123.3	140.9
Flexible Products & Services	1.4	(4.6)	0.6	(17.4)
Land Management	2.6	2.2	10.3	10.1
Total EBITDA before special items	$ 117.3	$ 104.0	$ 427.8	$ 393.5

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

GREIF, INC. AND SUBSIDIARY COMPANIES
FINANCIAL HIGHLIGHTS BY GEOGRAPHIC REGION
UNAUDITED
(Dollars in millions)

	Three months ended October 31,		Twelve months ended October 31,	
	2016	2015	2016	2015
Net sales:				
United States	$ 431.8	$ 418.6	$ 1,610.8	$ 1,688.3
Europe, Middle East and Africa	302.5	307.7	1,208.4	1,287.2
Asia Pacific and other Americas	133.3	142.2	504.4	641.2
Total net sales	$ 867.6	$ 868.5	$ 3,323.6	$ 3,616.7
Gross profit:				
United States	$ 100.0	$ 95.3	$ 360.1	$ 349.2
Europe, Middle East and Africa	57.9	50.9	227.3	226.7
Asia Pacific and other Americas	25.5	21.8	97.5	93.9
Total gross profit	$ 183.4	$ 168.0	$ 684.9	$ 669.8
Operating profit (loss):				
United States	$ 56.4	$ 40.7	$ 176.6	$ 155.2
Europe, Middle East and Africa	(12.8)	(11.5)	26.1	20.7
Asia Pacific and other Americas	10.0	2.9	22.9	16.9
Total operating profit	$ 53.6	$ 32.1	$ 225.6	$ 192.8

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
OPERATING WORKING CAPITAL
UNAUDITED
(Dollars in millions)

	October 31, 2016	October 31, 2015
Trade accounts receivable	$ 399.2	$ 403.7
Plus: inventories	277.4	297.0
Less: accounts payable	372.0	355.3
Operating working capital	$ 304.6	$ 345.4

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
CONSOLIDATED EBITDA [7]
UNAUDITED
(Dollars in millions)

	Three months ended October 31,		Twelve months ended October 31,	
	2016	**2015**	**2016**	**2015**
Net income	$ 6.5	$ 9.2	$ 75.5	$ 67.2
Plus: interest expense, net	17.2	18.6	75.4	74.8
Plus: income tax expense	28.3	2.6	66.5	48.4
Plus: depreciation, depletion and amortization expense	31.9	33.7	127.7	134.6
EBITDA	$ 83.9	$ 64.1	$ 345.1	$ 325.0
Net income	$ 6.5	$ 9.2	$ 75.5	$ 67.2
Plus: interest expense, net	17.2	18.6	75.4	74.8
Plus: income tax expense	28.3	2.6	66.5	48.4
Plus: other expense, net	1.6	2.2	9.0	3.2
Less: equity earnings of unconsolidated affiliates, net of tax	—	(0.5)	(0.8)	(0.8)
Operating profit	$ 53.6	$ 32.1	$ 225.6	$ 192.8
Less: other expense, net	1.6	2.2	9.0	3.2
Less: equity earnings of unconsolidated affiliates, net of tax	—	(0.5)	(0.8)	(0.8)
Plus: depreciation, depletion and amortization expense	31.9	33.7	127.7	134.6
EBITDA	$ 83.9	$ 64.1	$ 345.1	$ 325.0

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

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
SEGMENT EBITDA [8]
UNAUDITED
(Dollars in millions)

	Three months ended October 31,		Twelve months ended October 31,	
	2016	**2015**	**2016**	**2015**
Rigid Industrial Packaging & Services				
Operating profit	$ 30.5	$ 10.9	$ 143.9	$ 86.4
Less: other expense, net	1.1	0.8	5.5	1.3
Less: equity earnings of unconsolidated affiliates, net of tax	—	(0.4)	(0.8)	(0.4)
Plus: depreciation and amortization expense	20.9	23.8	84.6	94.0
EBITDA	$ 50.3	$ 34.3	$ 223.8	$ 179.5
Restructuring charges	7.8	9.2	19.0	29.6
Acquisition-related costs	0.1	—	0.2	0.3
Non-cash asset impairment charges	3.5	22.1	43.3	43.4
Loss on disposal of properties, plants, equipment and businesses, net	18.5	0.3	7.3	2.7
Impact of Venezuela devaluation of inventory on cost of products sold	—	—	—	9.3
Impact of Venezuela devaluation on other (income) expense	—	—	—	(4.9)
EBITDA before special items	$ 80.2	$ 65.9	$ 293.6	$ 259.9
Paper Packaging & Services				
Operating profit	$ 24.7	$ 32.6	$ 89.1	$ 109.3
Less: other income, net	—	—	—	(0.4)
Plus: depreciation and amortization expense	8.0	7.2	31.6	28.7
EBITDA	$ 32.7	$ 39.8	$ 120.7	$ 138.4
Restructuring charges	0.4	1.2	1.5	2.2
Non-cash asset impairment charges	—	—	1.5	0.8
Gain on disposal of properties, plants, equipment and businesses, net	—	(0.5)	(0.4)	(0.5)
EBITDA before special items	$ 33.1	$ 40.5	$ 123.3	$ 140.9
Flexible Products & Services				
Operating loss	$ (3.6)	$ (12.8)	$ (15.5)	$ (36.6)
Less: other expense, net	0.5	1.4	3.5	2.3
Less: equity earnings of unconsolidated affiliates, net of tax	—	(0.1)	—	(0.4)
Plus: depreciation and amortization expense	1.8	2.0	7.7	8.6
EBITDA	$ (2.3)	$ (12.1)	$ (11.3)	$ (29.9)
Restructuring charges	0.7	2.8	6.3	8.1
Non-cash asset impairment charges	3.0	1.5	6.6	1.7
(Gain) loss on disposal of properties, plants, equipment and businesses, net	—	3.2	(1.0)	2.7
EBITDA before special items	$ 1.4	$ (4.6)	$ 0.6	$ (17.4)
Land Management				
Operating profit	$ 2.0	$ 1.4	$ 8.1	$ 33.7
Plus: depreciation, depletion and amortization expense	1.2	0.7	3.8	3.3
EBITDA	$ 3.2	$ 2.1	$ 11.9	$ 37.0
Restructuring charges	0.1	0.1	0.1	0.1
Timberland gains	—	—	—	(24.3)
Gain on disposal of properties, plants, equipment and businesses, net	(0.7)	—	(1.7)	(2.7)
EBITDA before special items	$ 2.6	$ 2.2	$ 10.3	$ 10.1
Consolidated EBITDA	$ 83.9	$ 64.1	$ 345.1	$ 325.0
Consolidated EBITDA before special items	$ 117.3	$ 104.0	$ 427.8	$ 393.5

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

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
FREE CASH FLOW [9]
UNAUDITED
(Dollars in millions)

	Three months ended October 31,		Twelve months ended October 31,	
	2016	**2015**	**2016**	**2015**
Net cash provided by operating activities	$ 143.0	$ 132.9	$ 301.0	$ 206.3
Less: Cash paid for capital expenditures	(28.7)	(27.6)	(100.1)	(135.8)
Free Cash Flow	$ 114.3	$ 105.3	$ 200.9	$ 70.5

FREE CASH FLOW FROM VENEZUELA OPERATIONS [10]

	Three months ended October 31,		Twelve months ended October 31,	
	2016	**2015**	**2016**	**2015**
Net cash provided by (used in) operating activities for Venezuela	$ —	$ (0.2)	$ —	$ 4.1
Less: Cash paid for capital expenditures for Venezuela	—	—	—	(14.0)
Free Cash Flow from Venezuela Operations	$ —	$ (0.2)	$ —	$ (9.9)

FREE CASH FLOW EXCLUDING THE IMPACT OF VENEZUELA OPERATIONS [11]

	Three months ended October 31,		Twelve months ended October 31,	
	2016	**2015**	**2016**	**2015**
Net cash provided by operating activities excluding the impact of Venezuela operations	$ 143.0	$ 133.1	$ 301.0	$ 202.2
Less: Cash paid for capital expenditures excluding the impact of Venezuela operations	(28.7)	(27.6)	(100.1)	(121.8)
Free Cash Flow Excluding the Impact of Venezuela Operations	$ 114.3	$ 105.5	$ 200.9	$ 80.4

9 Free Cash Flow is defined as net cash provided by operating activities less cash paid for capital expenditures.

10 Free Cash Flow from Venezuela Operations is defined as net cash provided by (used in) Venezuela operating activities less cash paid for Venezuela capital expenditures.

11 Free Cash Flow Excluding the Impact of Venezuela Operations is defined as net cash provided by operating activities, excluding Venezuela's net cash provided by operating activities, less capital expenditures, excluding Venezuela's capital expenditures. The information is relevant and presented due to the impact of the devaluation of the Venezuelan currency at the end of the third quarter 2015 from 6.3 bolivars per USD to 199.4 bolivars per USD.

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
SEGMENT OPERATING PROFIT (LOSS) BEFORE SPECIAL ITEMS [12]
UNAUDITED
(Dollars in millions)

	Three months ended October 31,		Twelve months ended October 31,	
	2016	2015	2016	2015
Operating profit (loss):				
Rigid Industrial Packaging & Services	$ 30.5	$ 10.9	$ 143.9	$ 86.4
Paper Packaging & Services	24.7	32.6	89.1	109.3
Flexible Products & Services	(3.6)	(12.8)	(15.5)	(36.6)
Land Management	2.0	1.4	8.1	33.7
Total operating profit	53.6	32.1	225.6	192.8
Restructuring charges:				
Rigid Industrial Packaging & Services	7.8	9.2	19.0	29.6
Paper Packaging & Services	0.4	1.2	1.5	2.2
Flexible Products & Services	0.7	2.8	6.3	8.1
Land Management	0.1	0.1	0.1	0.1
Total restructuring charges	9.0	13.3	26.9	40.0
Acquisition-related costs:				
Rigid Industrial Packaging & Services	0.1	—	0.2	0.3
Total acquisition-related costs	0.1	—	0.2	0.3
Timberland gains:				
Land Management	—	—	—	(24.3)
Total timberland gains	—	—	—	(24.3)
Non-cash asset impairment charges:				
Rigid Industrial Packaging & Services	3.5	22.1	43.3	43.4
Paper Packaging & Services	—	—	1.5	0.8
Flexible Products & Services	3.0	1.5	6.6	1.7
Total non-cash asset impairment charges	6.5	23.6	51.4	45.9
(Gain) loss on disposal of properties, plants, equipment and businesses, net:				
Rigid Industrial Packaging & Services	18.5	0.3	7.3	2.7
Paper Packaging & Services	—	(0.5)	(0.4)	(0.5)
Flexible Products & Services	—	3.2	(1.0)	2.7
Land Management	(0.7)	—	(1.7)	(2.7)
Total loss on disposal of properties, plants, equipment and businesses, net	17.8	3.0	4.2	2.2
Impact of Venezuela devaluation of inventory on cost of products sold				
Rigid Industrial Packaging & Services	—	—	—	9.3
Total Impact of Venezuela devaluation of inventory on cost of products sold	—	—	—	9.3
Operating profit (loss) before special items:				
Rigid Industrial Packaging & Services	60.4	42.5	213.7	171.7
Paper Packaging & Services	25.1	33.3	91.7	111.8
Flexible Products & Services	0.1	(5.3)	(3.6)	(24.1)
Land Management	1.4	1.5	6.5	6.8
Total operating profit before special items	$ 87.0	$ 72.0	$ 308.3	$ 266.2

12 Operating profit (loss) before special items is defined as operating profit (loss), plus restructuring charges plus acquisition-related costs, plus non-cash impairment charges, less timberland gains, less (gain) loss on disposal of properties, plants, equipment and businesses, net, plus the impact of Venezuela devaluation of inventory on cost of products sold.

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

Three months ended October 31, 2016		**Class A**
Net Income Attributable to Greif, Inc.	$ 8.5	$ 0.14
Plus: Loss on disposal of properties, plants, equipment and businesses, net	17.3	0.29
Plus: Restructuring charges	7.4	0.13
Plus: Non-cash asset impairment charges	5.3	0.09
Plus: Acquisition-related costs	—	—
Net Income Attributable to Greif, Inc. Excluding Special Items	$ 38.5	$ 0.65

Three months ended October 31, 2015		**Class A**
Net Income Attributable to Greif, Inc.	$ 12.4	$ 0.21
Plus: Loss on disposal of properties, plants, equipment and businesses, net	1.7	0.03
Plus: Restructuring charges	9.5	0.16
Plus: Non-cash asset impairment charges	21.1	0.36
Net Income Attributable to Greif, Inc. Excluding Special Items	$ 44.7	$ 0.76

Twelve months ended October 31, 2016		**Class A**
Net Income Attributable to Greif, Inc.	$ 74.9	$ 1.28
Plus: Loss on disposal of properties, plants, equipment and businesses, net	7.0	0.12
Plus: Restructuring charges	19.1	0.33
Plus: Non-cash asset impairment charges	42.4	0.71
Plus: Acquisition-related costs	0.1	—
Net Income Attributable to Greif, Inc. Excluding Special Items	$ 143.5	$ 2.44

Twelve months ended October 31, 2015		**Class A**
Net Income Attributable to Greif, Inc.	$ 71.9	$ 1.23
Less: Gain on disposal of properties, plants, equipment and businesses, net	(2.8)	(0.05)
Less: Timberland Gains	(14.9)	(0.25)
Less: Venezuela devaluation on other income/expense	(4.9)	(0.08)
Plus: Restructuring charges	28.2	0.48
Plus: Non-cash asset impairment charges	40.7	0.69
Plus: Acquisition-related costs	0.2	—
Plus: Venezuela devaluation of inventory on cost of products sold	9.3	0.16
Net Income Attributable to Greif, Inc. Excluding Special Items	$ 127.7	$ 2.18

All special items are net of tax and noncontrolling interests

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

	Three months ended October 31,			Twelve months ended October 31,		
	2016	**Impact of Divestitures**	**Excluding the Impact of Divestitures**	**2016**	**Impact of Divestitures**	**Excluding the Impact of Divestitures**
Net Sales:						
Rigid Industrial Packaging & Services	$ 602.9	$ 1.6	$ 601.3	$ 2,324.2	$ 59.6	$ 2,264.6
Paper Packaging & Services	189.0	—	189.0	687.1	—	687.1
Flexible Products & Services	69.1	—	69.1	288.1	6.5	281.6
Land Management	6.6	—	6.6	24.2	—	24.2
Consolidated	$ 867.6	$ 1.6	$ 866.0	$ 3,323.6	$ 66.1	$ 3,257.5
Gross Profit:						
Rigid Industrial Packaging & Services	$ 130.9	$ 0.3	$ 130.6	$ 489.4	$ 5.7	$ 483.7
Paper Packaging & Services	39.0	—	39.0	144.5	—	144.5
Flexible Products & Services	11.7	—	11.7	42.0	1.1	40.9
Land Management	1.8	—	1.8	9.0	—	9.0
Consolidated	$ 183.4	$ 0.3	$ 183.1	$ 684.9	$ 6.8	$ 678.1
Operating Profit (Loss):						
Rigid Industrial Packaging & Services	$ 30.5	$ (0.4)	$ 30.9	$ 143.9	$ (24.6)	$ 168.5
Paper Packaging & Services	24.7	—	24.7	89.1	—	89.1
Flexible Products & Services	(3.6)	—	(3.6)	(15.5)	0.3	(15.8)
Land Management	2.0	—	2.0	8.1	—	8.1
Consolidated	$ 53.6	$ (0.4)	$ 54.0	$ 225.6	$ (24.3)	$ 249.9
Operating Profit (Loss) Before Special Items [13] :						
Rigid Industrial Packaging & Services	$ 60.4	$ 0.1	$ 60.3	$ 213.7	$ (0.3)	$ 214.0
Paper Packaging & Services	25.1	—	25.1	91.7	—	91.7
Flexible Products & Services	0.1	—	0.1	(3.6)	0.3	(3.9)
Land Management	1.4	—	1.4	6.5	—	6.5
Consolidated	$ 87.0	$ 0.1	$ 86.9	$ 308.3	$ —	$ 308.3

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

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

	Three months ended October 31,			Twelve months ended October 31,		
	2015	**Impact of Divestitures**	**Excluding the Impact of Divestitures**	**2015**	**Impact of Divestitures**	**Excluding the Impact of Divestitures**
Net Sales:						
Rigid Industrial Packaging & Services	$ 601.1	$ 29.5	$ 571.6	$ 2,586.4	$ 154.5	$ 2,431.9
Paper Packaging & Services	179.8	—	179.8	676.1	—	676.1
Flexible Products & Services	73.3	2.4	70.9	322.6	13.6	309.0
Land Management	14.3	—	14.3	31.6	—	31.6
Consolidated	$ 868.5	$ 31.9	$ 836.6	$ 3,616.7	$ 168.1	$ 3,448.6
Gross Profit:						
Rigid Industrial Packaging & Services	$ 112.3	$ 2.8	$ 109.5	$ 463.4	$ 9.7	$ 453.7
Paper Packaging & Services	46.5	—	46.5	163.5	—	163.5
Flexible Products & Services	6.9	0.4	6.5	33.8	2.2	31.6
Land Management	2.3	—	2.3	9.1	—	9.1
Consolidated	$ 168.0	$ 3.2	$ 164.8	$ 669.8	$ 11.9	$ 657.9
Operating Profit (Loss):						
Rigid Industrial Packaging & Services	$ 10.9	$ (12.5)	$ 23.4	$ 86.4	$ (36.4)	$ 122.8
Paper Packaging & Services	32.6	—	32.6	109.3	—	109.3
Flexible Products & Services	(12.8)	—	(12.8)	(36.6)	0.4	(37.0)
Land Management	1.4	—	1.4	33.7	—	33.7
Consolidated	$ 32.1	$ (12.5)	$ 44.6	$ 192.8	$ (36.0)	$ 228.8
Operating Profit (Loss) Before Special Items [14] :						
Rigid Industrial Packaging & Services	$ 42.5	$ 0.7	$ 41.8	$ 171.7	$ (3.7)	$ 175.4
Paper Packaging & Services	33.3	—	33.3	111.8	—	111.8
Flexible Products & Services	(5.3)	—	(5.3)	(24.1)	0.4	(24.5)
Land Management	1.5	—	1.5	6.8	—	6.8
Consolidated	$ 72.0	$ 0.7	$ 71.3	$ 266.2	$ (3.3)	$ 269.5

Note: The 2015 Acquisitions were completed at the beginning of the fiscal year and are not adjusted because they are fully reflected in both periods.

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

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

	Three months ended October 31,			
	2016	**2015**	**Increase (Decrease) in Net Sales ($)**	**Increase (Decrease) in Net Sales (%)**
Net Sales	$ 867.6	$ 868.5	$ (0.9)	(0.1)%
Impact of Divestitures	1.6	31.9		
Net Sales Excluding the Impact of Divestitures	$ 866.0	$ 836.6		
Currency Translation	(14.7)	N/A		
Net Sales Excluding the Impact of Divestitures and Currency Translation	$ 880.7	$ 836.6	$ 44.1	5.3 %

	Twelve months ended October 31,			
	2016	**2015**	**Increase (Decrease) in Net Sales ($)**	**Increase (Decrease) in Net Sales (%)**
Net Sales	$ 3,323.6	$ 3,616.7	$ (293.1)	(8.1)%
Impact of Divestitures	66.1	168.1		
Net Sales Excluding the Impact of Divestitures	$ 3,257.5	$ 3,448.6		
Currency Translation	(208.5)	N/A		
Net Sales Excluding the Impact of Divestitures and Currency Translation	$ 3,466.0	$ 3,448.6	$ 17.4	0.5 %

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

	Three months ended October 31,			
	2016	**2015**	**Increase in Net Sales ($)**	**Increase in Net Sales (%)**
Net Sales	$ 602.9	$ 601.1	$ 1.8	0.3%
Impact of Divestitures	1.6	29.5		
Net Sales Excluding the Impact of Divestitures	$ 601.3	$ 571.6		
Currency Translation	(12.3)	N/A		
Net Sales Excluding the Impact of Divestitures and Currency Translation	$ 613.6	$ 571.6	$ 42.0	7.3%

	Twelve months ended October 31,			
	2016	**2015**	**Increase (Decrease) in Net Sales ($)**	**Increase (Decrease) in Net Sales (%)**
Net Sales	$ 2,324.2	$ 2,586.4	$ (262.2)	(10.1)%
Impact of Divestitures	59.6	154.5		
Net Sales Excluding the Impact of Divestitures	$ 2,264.6	$ 2,431.9		
Currency Translation	(195.5)	N/A		
Net Sales Excluding the Impact of Divestitures and Currency Translation	$ 2,460.1	$ 2,431.9	$ 28.2	1.2 %

Exhibit 99.2

Greif, Inc.
Fourth Quarter 2016 Pre-Recorded Management Remarks

Slide 1: Q4 2016 earnings conference call

Good day everyone and thank you for your time. My name is Matt Eichmann and I am the Vice President of Investor Relations and Corporate Communications at Greif. We are pleased to provide you with a copy of our earnings conference call slides, management remarks and our fourth quarter in fiscal year 2016 earnings release for your review.

Providing remarks today are Pete Watson, Greif's President and Chief Executive Officer, and Larry Hilsheimer, Greif's Executive Vice President and Chief Financial Officer. Pete and Larry will both be available tomorrow at 10AM Eastern Time to answer your questions on our performance, and conference call details can be found on our website.

Transition : Turning to slide 2….

Slide 2: Safe harbor

As a reminder, the information provided contains forward looking statements and uses certain non-GAAP financial measures. Please review the information on this slide. Our fourth quarter in fiscal year 2016 earnings release was issued after the market closed on Wednesday, December 7, 2016 and is posted to our website at www.greif.com .

And now, I'd like to turn the presentation over to Greif's President and Chief Executive Officer, Pete Watson on slide 3.

Slide 3: Greif's vision and three strategic priorities

Thanks Matt – good day everyone. Thank you for your interest in Greif. I want to begin by reviewing Greif's vision and strategic priorities with all of you.

At Greif, we aspire in industrial packaging to be the best performing customer service-company in the world. That commitment to outstanding service will differentiate Greif in the marketplace, provide added benefit to our customers worldwide and help drive shareholder value creation.

Our vision is supported by three strategic priorities that we are actively working to achieve:

- First, we are building engaged teams that are aligned to – and accountable for – value delivery.

- Second, we are committed to delivering exceptional customer service in every market we operate in. Higher service levels translate to higher customer satisfaction and loyalty, and generate additional pathways to profitable growth.
- Third, we are transforming our performance by:
  - Optimizing and strengthening our portfolio to unlock additional value;
  - Expanding our margins through disciplined operational execution; and,
  - Achieving a higher level of fiscal discipline from the entire enterprise, resulting in enhanced Free Cash Flows.

Underpinning our vision and strategic priorities is our bedrock – the Greif Way. The Greif Way guides our company's culture through common standards and personal behaviors and ensures that we remain focused on achieving our vision.

Transition: Please turn to slide 4…

Slide 4: Focused on customer service excellence

A differentiated customer experience made possible by disciplined execution, innovative solutions and a servant leader mindset will generate customer loyalty and profitable growth. This is central to Greif delivering greater value in the year ahead.

We are measuring customer service levels through our customer satisfaction index as well as through a Net Promoter Score – or "NPS" – methodology.

Our most recent customer satisfaction index score reflects sequential improvement versus the third quarter of 2016 as well as a 15 percent year over year positive change. This continued improvement clearly indicates our passion and expectation to achieve the standards that our customers expect from us.

We also recorded a 5 percent improvement in our most recent net promoter score survey. The NPS rates a customer's loyalty to Greif, and measures the difference between promoters and detractors of a particular brand. Our most recent score of "42" compares to a benchmark score of "55" and is trending in the right direction. Our focus is to get closer to our customers in order to better serve their needs.

Transition: Please turn to slide 5…

Slide 5: Q4 and fiscal year 2016 highlights

Our fourth quarter and fiscal year 2016 performance reflects sustained improvement across our portfolio and solid operational results:

- We drove significant Free Cash Flow expansion, which we consider to be a defining metric for any company. Our fourth quarter Free Cash Flow was $114 million, and our fiscal year 2016 Free Cash Flow increased by more than $130 million to almost $201 million dollars. These higher cash flows are a direct result of better margin/mix management, improved operational and working capital management efficiencies, and a more disciplined capital allocation. Cash flow also benefited from timing impacts, which Larry Hilsheimer will address in a moment.
- Our fourth quarter consolidated gross profit margin ratio expanded to 21.1 percent – a 180 basis point improvement year over year – and contributed to a full year ratio of 20.6 percent – our best annual performance since 2001. Our full year performance demonstrates progress toward our 2017 Transformation commitments.
- Our fourth quarter operating profit before special items margin was 10 percent – a 170 basis point improvement over the prior year quarter. Our fiscal year 2016 operating profit before special items margin was 9.3 percent – 190 basis points better than 2015. We are pleased with these results and it keeps us on the path to our run rate Transformation commitment coming out of 2017.
- Finally, we delivered $0.65 in fourth quarter class A earnings per share before special items versus $0.76 in the year ago quarter. We also delivered $2.44 for our fiscal year 2016 class A earnings per share before special items – an 11.9 percent improvement over the prior fiscal year. Our consolidated tax rate was higher than anticipated in the current quarter and for the fiscal year, and Larry Hilsheimer will also discuss this later in the presentation.

Transition: Please turn to slide 6…

Slide 6: Delivering sustained operational improvement

Delivering exceptional levels of customer service excellence through disciplined operational execution are central to our achieving our Transformational run rate targets. Over the last four quarters, we delivered gross and operating profit before special items margins of 20.6 percent and 9.3 percent, respectively. Our Fiscal 2016 SG&A ratio declined to 11.3 percent, despite the continuing pressure of a strong US dollar relative to our assumptions at the initiation of our Transformation commitments.

We are pleased with our improvement trend, but we are motivated and expect to achieve higher results. We expect to meet our stated 2017 run rate commitments, and as a team, we will continue to find ways to better serve our customers and deliver higher levels of performance, as these factors create shareholder value.

Transition : Please turn to slide 7…

Slide 7: Rigid Industrial Packaging & Services (RIPS) review

Our Rigid Industrial Packaging and Services segment delivered a second consecutive quarter of operating profit before special items margin that was 10 percent or better, despite the effects of an unsteady global industrial environment.

Fourth quarter sales, excluding divestitures and the negative impact of currency translation, were up more than 7 percent versus the prior year quarter, making clear that our margin/mix management focus is gaining traction. RIPS segment steel drum volumes were down slightly year over year, but large plastic drum volumes accelerated by 7 percent and our strategy to expand further into the Intermediate Bulk Container market gained momentum, with global volumes up almost 12 percent.

Global market demand remains uneven, and we see pockets of both strength and weaknesses around the world. In North America, steel drum demand in the fourth quarter was flat year over year and impacted by sluggish chemicals sectors seen throughout the year. Our plastic drum volumes were up 7 percent, helped in part by better pharmaceutical and food demand.

In EMEA we experienced a sluggish first half to the quarter for steel drums, based on soft industrial conditions in Western Europe and the effects of a shortened agricultural season also seen in part of Western Europe. We did experience continued strong steel demand in Russia and Eastern Europe as well as continued strength in our IBC and plastic business.

In Latin America, steel and plastic volumes improved versus prior year. Steel drum demand was higher in Brazil thanks to additional market share won for seasonal juices and better demand for agrochemicals, while plastic drum demand benefitted from higher agricultural usage in both Colombia and Argentina.

Finally, APAC concluded 2016 with another solid quarter, as stronger steel drum demand in China helped offset weaker commodity chemicals and lubricant demand seen elsewhere in Southeast Asia.

Despite a variety of challenges in parts of the world, the segment’s gross profit margin was just under 22 percent in the fourth quarter with North America, Latin America and EMEA businesses each registering year-over-year improvements. Our emphasis on controlling what we can control – improved customer service levels; margin/mix management; and a higher degree of operational discipline – is driving a step change improvement in our performance.

Transition: Please turn to slide 8…

Slide 8: Paper Packaging & Services (PPS) review

In a more challenging year for our Paper Packaging & Services segment, the team rallied to deliver respectable fourth quarter results.

Paper Packaging's fourth quarter revenue of $189 million was its highest quarter this year, aided by strong volume growth in both our mill system and CorrChoice sheet feeder network versus the prior year quarter. Notably, CorrChoice – our corrugated sheet feeder business – delivered volume growth of 9.7 percent, which outpaced industry growth of 3.7 percent for the quarter.

Operating profit before special items for the fourth quarter fell by roughly $8 million dollars, due primarily to a price/cost squeeze compared to a year ago. That said, we're optimistic about the future. Q4 ended with stronger mill backlogs, and we are implementing our previously announced containerboard price increase with an expectation for full realization in January 2017.

Lastly, we continue to see greater demand for our higher margin, specialty products business. Q4 specialty sales were 21 percent higher versus the prior year quarter, with strong growth seen in triple wall packaging, litho-laminated products and coating line sales.

Transition: Please turn to slide 9…

Slide 9: Flexible Products & Services (FPS) review

The Flexible Products and Services team continued to show improvement during the fourth quarter.

Flexibles generated a 70 percent improvement in gross margin dollars versus the year ago quarter and finished the fourth quarter with positive operating profit before special items margin. The segment benefitted from lower year over year fixed cost that stemmed from operational excellence and efficiency efforts. Also, our underperforming operations continue to make progress.

While the turnaround plan for FPS is gaining momentum, significant work remains to be done. Our expectation is that this business will deliver accelerated performance in 2017, building from the momentum and the optimization work put into effect over the second half to the past year.

Transition: I'd like now to turn over the presentation to our Chief Financial Officer, Larry Hilsheimer.

Slide 10: Greif consolidated results

Thanks Pete and hello everyone. I am now on slide 10.

Our fourth quarter and fiscal 2016 consolidated financial results reflect solid performance and operational execution – the key drivers to generating consistent Free Cash Flow.

Sales for the fourth quarter were up 5 percent, $44 million dollars, compared to the prior year, after adjusting for divestitures and currency translation, with year over year revenue improvement seen in both our Rigid Industrial Packaging & Services and Paper [and] Packaging & Services segments. Sales for fiscal 2016 were higher by roughly $17 million after adjusting for divestitures and currency translation.

Higher sales and stronger margins drove significant pre-tax profit expansion. Fourth quarter operating profit before special items of $87 million grew by 21 percent versus the prior year quarter. Fiscal 2016 operating profit before special items grew by 16 percent – or $42 million dollars – over Fiscal 2015, through more disciplined operational execution, stronger gross profit margin performance and a 9 percent reduction in full year SG&A expense. The improvement also came despite uneven global industrial demand and a price/cost squeeze that negatively impacted our Paper Packaging & Services segment for most of the year.

Income tax expense was $28.3 million for the fourth quarter and $66.5 million for the fiscal year. Our fiscal year 2016 rate of 47.1 percent was higher than our forecasted 35 – 38 percent fiscal year range, due primarily to the fourth quarter impact of discrete losses in foreign jurisdictions without corresponding tax benefits; unanticipated changes in uncertain tax position estimates; tax expense related to fourth quarter transactions; and corrections detected during the fourth quarter as part of our enhanced tax control procedures executed during the quarter. The corrections and other one-time, non-recurring items created a roughly $0.10 per share drag to our fourth quarter and fiscal 2016 results.

Class A earnings per share before special items were $0.65 per share and $2.44 per share for the fourth quarter and Fiscal 2016, respectively. The fourth quarter's Class A earnings were down 14 percent versus prior year, but keep in mind that the prior year quarter included a one- time, $0.20 per share benefit from actions that captured identified tax mitigation opportunities.

One of our top objectives at Greif is to maintain or expand Free Cash Flow, and the results for our quarter and year highlight that focus:

- Fourth quarter Free Cash Flow totaled $114 million – a 9 percent improvement versus the prior year quarter. In fact, Free Cash Flow for each quarter of 2016 was better than its 2015 comparable; and,

- Fiscal year 2016 free cash flow topped $200 million dollars – an increase of more than $130 million over fiscal 2015. I applaud our leadership team for the operating results and operating working capital discipline that drove the improvement. This result exceeded our stated guidance range of $160 - $190 million, but did benefit from lower cash taxes paid, as well as from timing on the payment of various incentive plans.

Looking forward, our goal is to generate and maintain superior levels of Free Cash Flow, which provides us the means to invest in profitable growth, retire debt and provide for shareholder returns.

Transition: Turning to slide 11…

<u>Slide 11: Strengthened balance sheet</u>

Our improved Free Cash Flow profile is benefitting our balance sheet and strengthening our financial flexibility. Year over year we repaid $161 million in total debt – far more than the Fiscal 2014 to Fiscal 2015 reduction of $35 million – and our leverage ratio currently stands at 2.2 – well within our target range. We also recently announced a new $1.1 billion credit facility which includes a delayed draw term loan with no prepayment penalties. That term loan will be drawn and used to replace the $300 million of 6.75 percent senior notes that are due on February 1st of 2017.

Our near term capital allocation priorities are:

- Funding maintenance and organic capital projects that demonstrate an appropriate return;
- Returning capital to shareholders; and
- Maintaining our targeted leverage ratio.

As we complete our Transformation at the end of 2017, we will also be looking to advance select growth opportunities that offer compelling returns. We will do this by leveraging past lessons learned and our improved enterprise risk management approach to achieve profitable growth.

Transition: Turning to slide 12…

<u>Slide 12: Fiscal year 2017 earnings per share guidance</u>

We expect to generate between $2.78 and $3.08 in Class A earnings per share before special items in 2017, which represents a midpoint improvement of roughly 20 percent over fiscal 2016's actual result of $2.44 per share. Key drivers that help to explain the difference between fiscal 2016's actual result and our forecasted outlook for 2017 include:

- Margin/product mix management, cost containment and our continued focus on execution discipline;
- Further improvement in underperforming operations;
- Benefits from our announced containerboard price increase;
- And reduced annual interest expense that stems from our new credit facility.

Transition: Turning to slide 13…

Slide 13: Free Cash Flow tracking towards Transformation

We expect Fiscal 2017 Free Cash Flow to range between $180 - $210 million dollars, roughly flat to Fiscal 2016's reported result. However – as I previously mentioned – Fiscal 2016's result also benefitted from a one-time tax pickup in the third quarter related to rebalancing our global debt footprint and from the timing of incentive payouts, which are depicted by the green box on the slide. Excluding these benefits, Free Cash Flow is forecasted to grow by roughly 13 percent between Fiscal 2016 and Fiscal 2017, and we remain in line with our run rate Transformational commitment exiting 2017.

Finally, please refer to the appendix of our conference call slides. In an effort to improve disclosure, we are providing additional detail on our foreign exchange sensitivities. As you know, due to our global operations and footprint, we are exposed to a variety of currencies. Generally, our currency profile results in a benefit when the US dollar broadly weakens, and we face challenges when the US dollar broadly strengthens.

The big takeaway is that the natural offsets created by our global supply chain and cost structure mitigate our foreign exchange exposure. Our largest currency exposure is the Euro; however, a 10 percent strengthening of the dollar against the Euro results in an operating profit before special items headwind of only $5 million to $7 million dollars, and a 10 percent change in the dollar versus our entire global basket of currencies creates an operating profit before special items drag of $15 to $20 million.

Given market volatility, we appreciate the questions received on how foreign exchange movements can impact our financial results. As a company passionate about customer service excellence, we recognize the need to assist our financial community customers in better understanding our exposures, and we hope that you find this additional information helpful.

Transition: And with that, I'll turn the call back to Pete for his closing comments before our Q&A.

Slide 14: Greif's investment thesis

Thank you, Larry. Please turn to slide 14…

2016 was a solid year for Greif with notable improvements seen throughout the business. That said, we have not fully yet achieved our 2017 Transformation commitments and work remains to be done. Our team is clearly focused on controlling all that is within our controls.

- Providing exceptional levels of customer service excellence;
- Displaying solid operating fundamentals; and
- Demonstrating tight fiscal discipline.

Those attributes – together with Greif's comprehensive packaging offering and diverse geographic footprint – positions us to thrive as the world's industrial economy improves, and will result in greater earnings and enhanced Cash Flow.

Thank you for your interest in Greif. I look forward to taking your questions tomorrow.

Greif, Inc.
Fourth Quarter 2016 Earnings Results Conference Call
December 8, 2016

CORPORATE PARTICIPANTS

Matt Eichmann *Greif, Inc. - VP of IR and Corporate Communications*

Pete Watson *Greif, Inc. - President and CEO*

Larry Hilsheimer *Greif, Inc. - EVP and CFO*

CONFERENCE CALL PARTICIPANTS

Adam Josephson *KeyBanc Capital Markets - Analyst* **Ghansham Panjabi** *Robert W. Baird & Company, Inc. - Analyst* **Chris Manuel** *Wells Fargo Securities, LLC - Analyst*

George Staphos *BofA Merrill Lynch - Analyst*

Justin Bergner *Gabelli & Company - Analyst*

PRESENTATION

Operator

Good morning. My name is Melissa and I will be your conference operator today. At this time I would like to welcome everyone to the Greif 2016 fourth-quarter and fiscal 2016 earnings conference call.

(Operator Instructions)

Mr. Matt Eichmann, Vice President, Investor Relations and Corporate Communications, you may begin your conference.

Matt Eichmann - *Greif, Inc. - VP of IR and Corporate Communications*

Thank you, Melissa. Good morning, everyone. Welcome to the question-and-answer portion of Greif's fourth-quarter and fiscal 2016 earnings conference call. Please take a moment to refer to the Q&A slide presentation we posted to our website this morning. Yesterday after the market closed, we posted our earnings slide presentation and recorded remarks on our most recent results to our website.

I'm now on slide 2. Responding to your questions this morning are Pete Watson, President and Chief Executive Officer, and Larry Hilsheimer, Executive Vice President and Chief Financial Officer.

Please turn to slide 3. This morning's question-and-answer session will contain forward-looking statements. Actual results or outcomes may differ materially from those that may be expressed or implied. Please review our filings with the Securities and Exchange Commission for more information regarding the factors that could cause actual results to differ materially from those projections or expectations.

During this question-and-answer session, certain non-GAAP financial measures may be discussed, including those that exclude the impacts of acquisitions and divestitures, special items such as restructuring charges and impairment charges, and acquisition-related costs. Reconciliation tables are included in our earnings release and the presentation posted on www.investor.Greif.com yesterday. Now I'd like to turn the call over to Pete Watson, Greif's President and Chief Executive Officer, for a few brief remarks.

Pete Watson - *Greif, Inc. - President and CEO*

Thank you, Matt. Good morning, everyone. We appreciate your interest in Greif. Our Company is committed to building teams aligned to value delivery, delighting our customers through superior customer service excellence and achieving transformational performance, all with the explicit intent to deliver exceptional value to our customers and shareholders.

In Q4 our operating profit before special items was $15 million higher than the prior-year quarter. Fiscal 2016 showed improvement of $42 million versus prior year. In addition, we announced guidance for 2017 which includes Class A earnings per share before special items range of $2.78 to $3.08 per share. I'm very pleased with our continued progress but significant opportunities remain in each of our strategic business segments. We remain focused on unlocking additional value for our shareholders. Melissa, we're ready for the first question.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Your first question comes from Adam Josephson from KeyBanc.

Adam Josephson - *KeyBanc Capital Markets - Analyst*

Thanks. Pete, Larry, good morning.

Pete Watson - *Greif, Inc. - President and CEO*

Good morning, Adam.

Adam Josephson - *KeyBanc Capital Markets - Analyst*

Just a couple questions about your guidance and then I'll get back in the queue. On the containerboard price increase, can you just help us understand what net benefit you're expecting in terms of EBIT or EBITDA from the price increase, appreciating that there was a previous medium price reduction. I'm just trying to understand what EBIT or EBITDA growth you're expecting and can you help us understand that?

Pete Watson - *Greif, Inc. - President and CEO*

Yes, sure will, Adam. Thanks for the questions. As you know, we do not give specific guidance to a business, so let me walk through the elements of the inputs that we put into guidance. We expect to have full realization of the containerboard increase through our entire system by the end of January 2017. For our full-year guidance, there's several inputs. Let me walk you through those.

Adam Josephson - *KeyBanc Capital Markets - Analyst*

Okay.

Pete Watson - *Greif, Inc. - President and CEO*

Volume wise, we have 550,000 tons of medium in our system out of 750,000, so if you walk through the price, you have to remember we had the $15-a-ton reduction in medium several months ago. On top of that, in our guidance we have RISI’s published $40-a-ton increase for both linerboard and medium. We've also included the most recent OCC increase on input costs and it's a blended $10 in the Southeast and $5 in the Midwest and Northeast, which is the fiber basket we procure OCC. That's roughly a $385,000 impact on OCC. As reference for everybody, what we say is for every $10 change up or down in OCC, that's about $550,000. Those were all the specific walk-through inputs we've used for our guidance for 2017 in the Paper Packaging price increase.

Adam Josephson - *KeyBanc Capital Markets - Analyst*

Thanks, Pete. Also related to the guidance, you're guiding to about 20% earnings growth. It seems like with little if any benefit from improvement in the global economy, can you just help understand the above-the-line components and the below-the-line components and roughly how much of that 20% growth is coming above the line versus below? Then I'll get back in the queue. Thank you.

Larry Hilsheimer - *Greif, Inc. - EVP and CFO*

Adam, so basically, it breaks down at the mid point of that guidance range of ops improvements after tax of about $0.27 a share, interest after-tax benefit of about $0.12 a share, this would be below the line, and then just rate change on tax improvement of about $0.10 a share.

Adam Josephson - *KeyBanc Capital Markets - Analyst*

Thank you, Larry.

Operator

Your next question comes from Ghansham Panjabi from Robert W. Baird.

Ghansham Panjabi - *Robert W. Baird & Company, Inc. - Analyst*

Hey, guys, good morning.

Pete Watson - *Greif, Inc. - President and CEO*

Good morning.

Ghansham Panjabi - *Robert W. Baird & Company, Inc. - Analyst*

First off, can you give us is some more color on end-market demand for Rigid Packaging during your Q4 on a regional basis? Any regions that maybe surprised you, either positive or negative, during the quarter? Obviously the macro data has been very choppy by region, so just curious on what you actually saw.

Pete Watson - *Greif, Inc. - President and CEO*

That's great. Glad to do that, Ghansham. Overall, and I'll really focus on RIPS, overall, as you saw, we had net sales were impacted, flat volumes but higher pricing and margins and globally our IBC business and our large plastic drug business had good growth, 11.6% in IBCs and 7% in large plastic drums. Steel was negative 1.8% on volumes, predominantly impacted by EMEA and let me walk you through each region.

In North America, our steel drum business was basically flat and that's really due to the continued sluggish nature of the chemical and specialty chemical demand. Just recently we've seen data that showed production in North America chemical up 0.4% versus last year and October it was down further than that. We did see plastic volume increases of 7.3% and IBC growth at 10.4%. That's really relative to two things. One, it's a broader and diverse end-use markets that's in stronger pharmaceutical and food demand in those product lines. Fiber drum is now 3%. Really, the ag markets finished faster than they did prior year.

If you look in EMEA, we got off to a very, very slow start in the fourth quarter. Our steel volume in Europe and EMEA was down 6% and again, predominantly that was impacted by a six-week lull coming out of the holiday season. We also a saw shorter ag season in Portugal and Southern Spain, particularly compared to Q4 which had a longer ag season. On a positive note in Europe, we had a very strong steel demand in Russia and parts of Eastern Europe. The real positive note is both our large plastic drum was up 9.2% and IBCs were up 11.5%, which are continue improvement and that new platform continues to please us.

If you look at Latin America, we actually saw some improvement in Latin America. Our steel drum demand was up 4.6% and plastics up 1.9%. The predominant drivers of that in Brazil; we had seasonal juices and better demand in agrochemicals. We also are starting to see a little bit better demand across the balance of Latin America, particularly on ag and food and seasonal juices. I will comment, though, with Brazil predominantly, industrial demand in chemicals is still very, very challenging.

In APAC in the fourth quarter we had good growth in steel drum, 6.7%, and the demand predominantly was surrounding China. We had some weaker chemical and lubricant demand in Southeast Asia, predominantly around Singapore. While it's noted that our demand was good in China, it was actually GDP growth which was the weakest pace it's been in 25 years, but from perspective standpoint, it still grew 6.7% in the last quarter. That gives you a little bit of the view of the fourth quarter, Ghansham. Hope that's helpful.

Ghansham Panjabi - *Robert W. Baird & Company, Inc. - Analyst*

Yes, it's very helpful. I guess as a follow-up on, sticking with RIPS for 2017, sort of what are you expecting in terms of the range for volumes for RIPS? It's been awhile since we had to deal with inflation but steel prices have started to move up quite a bit. How should we think about the sensitivity on your operating income in terms of movements of steel and plastic resin, et cetera? Thanks so much.

Pete Watson - *Greif, Inc. - President and CEO*

Let me -- two points. Let me talk through what we view 2017 to look like and I'll do the same thing. I'll walk around the world and give you perspective in each of the regions and then I'll make comment on some of the inputs on raw materials.

In 2017 we expect steel demand to be very sluggish, similar to what we saw this year, on steel which is our largest is substrate, probably anywhere from zero to 1% on a global macro basis. Again, we do expect to have higher growth in our plastic business and our IBCs and that will range between 2% and 4%. Again, if you look at a smaller base of business, smaller market shares with more opportunities for the right type of growth.

If you look through regionally in North America, data from the American Chemistry Council expects to see slightly better results in the chemical business in 2017 based on housing starts and continued momentum in the automotive production. Still, because of our market share and because of our fact that we are focusing on quality of share as opposed to quantity of share, we still expect 0% to 1% growth in North America on those steel drivers with higher growth rates in IBC and our plastic business. In EMEA, we did see more encouraging manufacturing PMI data that came out last week. Our feeling is that in the chemical sector, especially in Western Europe, we expect to see sluggish demand, although when you move over to Eastern Europe, predominantly in Russia, we expect to see similar strong demand that we experienced this year.

We do have throughout 2017 some ongoing growth projects we're executing on and that should impact what we are doing in Saudi Arabia in steel drums and in our IBC markets. APAC, again, I think we expect better demand in China in both our steel business and IBC segments, relative to the comments I made about Q4. We have seen slight pick up in the lubricant business in Southeast Asia, so we're hopeful we'll see that continue throughout the year.

In Latin America, I think the general consensus is broader markets could improve really from a very, very poor base. As you know, there's been significant economic turmoil in that region. We do believe our agribusiness and food business will grow at 1% to 3% range and while Brazil is improving there is still significant challenges in that country and we do not expect growth in the industrial chemical markets in that region. I hope that answers your question.

Ghansham Panjabi - *Robert W. Baird & Company, Inc. - Analyst*

Yes, thank you very much.

Pete Watson - *Greif, Inc. - President and CEO*

If you want to make comments on the input cost and particularly in steel, so we've seen since probably our second quarter in 2016, going through what we know today and what we expect throughout 2017, to see systematic trends of price increases globally on cold-rolled steel. As you guys know, it's predominantly, there's been tariffs and duties by governments in US in Europe to restrict some imported steel from targeted countries. There has been also some improved demand, mainly in the automotive sectors, Germany, China and the US. There's also been reduction in supply and trying to equal out demand and supply ratios across the world. We expect that to continue to improve.

Again, as you know, predominantly we have pass-through mechanisms, so we will be very diligently in executing on those pass-through mechanisms as we go through the year. This was not unexpected. Our sourcing and supply chain has positioned us very well in each of our regions with good quality strategic suppliers to serve our needs, so we're in good shape in regard to how we respond to rising input cost in that business.

Ghansham Panjabi - *Robert W. Baird & Company, Inc. - Analyst*

Okay, terrific. Thanks so much.

Pete Watson - *Greif, Inc. - President and CEO*

Yes, sir.

Operator

Your next question comes from Chris Manuel from Wells Fargo Securities.

Chris Manuel - *Wells Fargo Securities, LLC - Analyst*

Good morning and first just one general comment. Thank you for the added disclosure here. That helped with the currency stuff in the back and a lot of the commentary thus far on what's happened to some of your materials and regions is very helpful. The improved disclosure is very helpful.

Pete Watson - *Greif, Inc. - President and CEO*

Thank you. Good to hear it from you.

Chris Manuel - *Wells Fargo Securities, LLC - Analyst*

I did want to ask about a couple things. One, one of the things you mentioned, just we'll start with a big picture question, was looking at opportunities to regrow within the portfolio. There's a couple natural questions come out of there. One would be, what sort of leverage rate are you targeting to get to and would you be comfortable operating in? Two, what types of assets would you consider as core? Would you look out within the portfolio and as targeted areas to grow? Is it effectively doing what you're doing now or are they, want to borrow an old term, core adjacencies or what have you that you would look at? Are there any other things as you look through your portfolio that might be add/deletes?

Larry Hilsheimer - *Greif, Inc. - EVP and CFO*

Chris, it's Larry. Nice to hear from you and thanks for the compliments on the disclosures. We are trying to be good at serving you guys, our customers, and listening to what you need. Hopefully we're being responsive, so thank you for that.

Second, on our leverage ratio, we remain consistent to our view of appropriate capital structure for us outside of a time when we may do an acquisition and drive it up for a short period of time to go back down but in that 2 to 2.5 range is what we've consistently stated and what we continue to target. Relative to things that we might look at, as we said at our last earnings day, and I think we've been fairly consistent, we want our teams focused 100% on completing this transformation. We continue on our path of Pete and I and a very small group focused on okay, assuming that we do accomplish that, which we believe we will, then we would look forward.

We continue to explore what areas of interest we would have, what adjacencies, what other opportunities and we're still in the midst of working through that, Chris. We plan to talk more about that at our Investor Day in June and we'll tell you by then what we've determined. I would say, and we've consistently said, that it's not like we don't answer the phone. If people are calling us about opportunities we will listen. I would say, though, that it would have to be a very, very attractive situation that we would feel very comfortable with, which would mean very aligned to what we already do. With the current pricing in the market for opportunities, they are pretty rich. Now, of course, incremental cost of capital is pretty cheap. But right now we are not actively in the market looking for anything.

Chris Manuel - *Wells Fargo Securities, LLC - Analyst*

Okay. That's helpful. One other question for you, Pete. You've got, it looks like, or from industry publications, 40 of the 50 in there for a corrugated increase. What's your feeling of is the other 10 likely going to go through? I think you talked about that hitting you next year. How comfortable are you are where things are on a price/cost metric? I know that energy costs continue to move higher and OCC moves higher. Any thoughts you have along those lines?

Pete Watson - *Greif, Inc. - President and CEO*

No, that's good. Thanks for the question, Chris. When I reference our guidance, in our guidance calculations, we are just putting in what the RISI published index went up. When we talk about what we're doing in the market, we really do not disclose any specific pricing action because that's confidential as it relates to our individual customers. As you know, OCC just did go up. We've had an escalation of natural gas so the input costs are increasing.

Our demand is very, very healthy right now. We're really focused on how do we execute and get the price increase through our system completed by the end of January, which I'm very, very confident that will happen. Then that leads to what might happen later in the year if those input costs continue to grow and demand stays healthy. Again, I try not to talk about hypothetical situations. I'm just dealing with what we got to do to execute in the current environment and I'm real pleased with the progress our team is making on that front.

Chris Manuel - *Wells Fargo Securities, LLC - Analyst*

Okay, that's helpful. One last question. Post-election, there's been a lot of discussion of having more protectionist world, whether it's NAFTA, whether it's what have you and can trade different places. Any -- big-picture question is, any thoughts of how that may relate to Greif and things that could help or hurt you? In particular one of the areas I'm thinking about is it's been difficult at times to quantify what happens when raw materials like steel move up and move down, because you guys move quite a bit of material across boarder, different directions to try to take advantage of opportunities here or there. Does this -- maybe encourage you to rethink the business model or how you do that to make things more local or more direct pass-throughs or any impact along those lines?

Pete Watson - *Greif, Inc. - President and CEO*

Yes, it's a really good question. In regard to the political election, I think it's really too early to determine what may or may not happen. In regard to trade, we're certainly seeing currently and I explained what's happened in the steel markets and putting protection tariffs on export/import steel. We're in good shape with that. We're positioned very well for it. Most of our sales around the world are inter-region or inter-country, so I don't see that being a huge impact.

In regard to pricing, I think any time in any of our businesses you have raw material increases and decreases and we continue to look at how we get better contracts and price adjustment mechanisms to ensure we are fairly rewarded for what we do. We feel really comfortable with how our team executes on those and making sure we have the right types of mechanisms in the right businesses in the right geographies so we can be successful. I'll let Larry make any other comments he might have on that.

Larry Hilsheimer - *Greif, Inc. - EVP and CFO*

Yes, I would have just two. I mean as Pete said, I think it's too early for us to predict any direct impacts in our business of any of the policies being discussed. Clearly tax policy is important to us and we would be quite pleased with improvement on the corporate tax structure here in the US. That would benefit us quite a bit if the maximum rate is dropped anywhere in the magnitude that they are speaking of, as well as being able to have more free flow of earnings around the world. Both concepts would be something we would be much in favor of. Outside of that, to the extent that it drives up raws, obviously it drives down the percentage of margin as the PAMs adjusts up, but it protects our dollars in those contracts. Hopefully that's helpful, Chris.

Chris Manuel - *Wells Fargo Securities, LLC - Analyst*

Yes, thank you. Good luck, guys.

Pete Watson - *Greif, Inc. - President and CEO*

Thank you.

Operator

Your next question comes from George Staphos from Bank of America Merrill Lynch.

George Staphos - *BofA Merrill Lynch - Analyst*

Hi, everyone. Good morning.

Pete Watson - *Greif, Inc. - President and CEO*

Hi, George.

George Staphos - *BofA Merrill Lynch - Analyst*

Thanks for all of the details and would agree with Chris, again, really appreciate the additional details. You guys have done a 180 in the last couple of years on this, so thank you. I want to, for my two questions, and then I'll turn it over and come back, I want to hit on pricing. What opportunity
-- to start, what opportunity do you think you have to further drive and sustain the price mix performance in RIPS? Any sort of qualifying discussion around that would be helpful. That's number one.

Then switching gears and I'll turn it over, as regards to taxes, the effective rate we calculated on an adjusted basis was somewhere in the mid-40%s. You mentioned there was some corrections identified through control measures, I believe, that led to that. My guess is also there was some, from your verbiage, there was some earnings in regions where you didn't have deductions. Can you comment on what drove that? Really more interested the control measures and hopefully there won't be anymore corrections down the road. Thanks.

Pete Watson - *Greif, Inc. - President and CEO*

George, I'll take the first part of the question and hand the second over to Larry. In regard to what we can do, really I believe you're getting at how do we continue to drive our gross margin improvement and it's really a couple levers. Its already been mentioned, there is more upward volatility in pricing in most of our key raw materials in all of our businesses, so to be really critical we execute on our price increase and price change strategies throughout the region. We have a real good strategy and its been ongoing actually from the last six months, so I'm very comfortable with our ability to execute on that.

When you look at other levers to improve that margin, it really comes back to all of the elements in gross margin management. It's margin and product mix management. What we want to do is ensure that we are selling into the right markets with the right products and we do extensive evaluation on what our profitability is on certain products throughout our portfolio. That's been a big push for the last year. I think it's part of our gross margin expansion. We also have significant opportunities in operational efficiencies and our focus is really on process stability and process reliability. One large lever we have across all our business is how do we reduce and eliminate unplanned down time. There is a lot of upside margin opportunity inside our four walls.

Another large lever is just our sourcing supply chain efficiency. I would tell you we are very, very good in sourcing. We have opportunities across our business portfolios and how we can be better on the supply chain efficiency. We are moving to centralized management of our supply chain on inventory management and controls. There's a significant focus on how we improve our margins in that regard. There's as much opportunity in margin inside our four walls as there are in the market. Really at this point very pleased with how our team's reacting to that and executing on that but again as, I mentioned, I think there's still more opportunity for us to control those levers that we can control. I think that's where you'll see some of the improvement.

I'll turn the balance of the question over to Larry.

Larry Hilsheimer - *Greif, Inc. - EVP and CFO*

Thanks, Pete. Thanks, George, for your question.

On the tax area, I think it would be an understatement to say that the tax arena has become more and more complicated for any and every country
-- or company that is international in nature, as foreign jurisdictions continue to just enhance their sophistication, not only in their laws and regulations but also in their enforcement. You combine that with us being relatively complicated in structure because of the global nature of our business and us

not having what we believe was appropriate controls on a worldwide basis in the tax area, so we have significantly enhanced our control infrastructure for our tax function. That's the good news.

The bad news is you work through that and you take into account items that perhaps were not considered appropriately on a consistent basis and also the changing nature of court developments in foreign jurisdictions and that kind of thing. All of those things came together in this quarter and identified things that lead to about 6.5% increase in our adjusted tax rate for changes in our uncertain tax position estimates, some transaction-related tax expense items related to some of our shifting of cash between entities and then just some items in looking at our deferred tax analysis.

We also disposed of a majority interest in one of our businesses that we were not the rightful owner for, in a jurisdiction that does not permit any tax benefit on a loss on a sale of a business. It was one of our targeted activities that we did not think would get completed in the fourth quarter but did and so that's why it was not in our initial forecast.

Your calculations are roughly correct, George. For the fiscal year, our book rate was effectively about 47%. Our adjusted tax rate is more like 33%, and our fourth-quarter rate book was an astounding 81.3% and our adjusted was about 43.4%. I'd also note that some of the tax items we identified were actually related to joint ventures and factoring that in as you adjust through our NCI, that annual tax rate on a book basis, GAAP basis, was actually dropped about 45.2% because there was a higher proportion of tax items related to those interests. I do then address your comment at the end that you hope things are less volatile in the tax area going forward. We share that wish and I do believe the control structure that we've now put in place will drive that only to be mitigated by, as I indicated, substantial changes in jurisdictional issues and tax enforcement and tax laws around the world.

George Staphos - *BofA Merrill Lynch - Analyst*

Larry, that's great. Very complete. I will come back with the next couple. Thank you.

Operator

(Operator Instructions)

Your next question comes from Justin Bergner from Gabelli & Company.

Justin Bergner - *Gabelli & Company - Analyst*

Good morning, everyone.

Pete Watson - *Greif, Inc. - President and CEO*

Hey, Justin.

Justin Bergner - *Gabelli & Company - Analyst*

First question relates to the improvement in price in your Rigid -- price mix in your Rigid segment. I guess it was on the order of 10% this quarter for primary products, and if I recall sort of slide from primary products that was then corrected to all products last quarter. It was about 5% on price mix. Can you sort of talk about what's driving that price mix increase? Is it just sort of passing through higher raw materials or is it more walking away from certain business? Why didn't we see more margin leverage from that increased price mix?

Pete Watson - *Greif, Inc. - President and CEO*

Yes, that's great, thanks. It's really two points. You mentioned the first. We have seen and have experienced really for the last four to six months increased input cost on steel and mainly steel and some resin. We have been passing through our material cost increases on our price adjustment mechanisms all around the world and that's been fairly constant in all regions, so that's one.

Second, there's been a very large focus as we've talked about on the quality of our market share pursuit as opposed to quantity of our market share. We have increased margins on pricing and on what products we sell in what markets to get the right value that we believe we serve and provide to the customers that we're in. Those are two big drivers. We are very pleased with the progress we're making, particularly on a focus on the quality of market share and what we are doing in regard to customer service excellence and how we are driving improved attentiveness to meeting our customers' needs, which is hand in hand with that value over volume or the quality of the market share focus and how that improves margins.

Larry Hilsheimer - *Greif, Inc. - EVP and CFO*

The only thing I would add is, and I said this earlier and I think you're aware of it but just to reiterate it is, as we pass through the raw material price increases, obviously if we maintain the margin dollars through those elements, our margin percentage drops slightly.

Justin Bergner - *Gabelli & Company - Analyst*

Okay. In terms of the acceleration from 5% to 10% versus the prior quarter, was that mainly raw material cost? Because I know you'd been sort of trying to price for value last quarter as well.

Pete Watson - *Greif, Inc. - President and CEO*

It's predominantly been raw material increases, correct.

Justin Bergner - *Gabelli & Company - Analyst*

Okay. Thank you and just one more question if I may. How much restructuring cost outside of the adjusted EPS are you factoring in for the just-started fiscal year? What's the adjusted tax rate that you're using?

Larry Hilsheimer - *Greif, Inc. - EVP and CFO*

Sure, Justin. We're right now expecting that we would have restructuring expense for book purposes of about $15 million to $20 million, while we would end up with restructuring cash outlays of $20 million to $30 million because some of the expense we took this year, you have delay in the payments. I'll just go on to indicate that as we've said previously, we anticipate that we will be through these kind of restructuring activities and those type of things in the beginning of 2018, so hopefully we're down to just nominal levels is the game plan, although you always have some as you work through and try to continuously improve operations. That also assumes no rapid path of acquisitions where you might do some things like that.

On the tax rate, we would expect that our GAAP book effective tax rate in 2017 will be in the 34% to 38% range and non-GAAP being four points, sort of three to four points below that.

Justin Bergner - *Gabelli & Company - Analyst*

Okay, thank you.

Operator

Your next question comes from Adam Josephson from KeyBanc.

Adam Josephson - *KeyBanc Capital Markets - Analyst*

Thanks, Pete and Larry. One on just the seeming disconnect between your global industrial demand you've talked about as being tepid, including in your steel drum business in the US, with this very healthy containerboard and sheet demand you're talking about. Can you help us understand why the two trends are so different at the moment? What exactly is picking up in your containerboard and sheet business in the US that's not picking up seemingly elsewhere, including in your Rigid business?

Pete Watson - *Greif, Inc. - President and CEO*

No it's a good question and so let me answer it this way. If you look at our Rigid Industrial Packaging business in the US, our end-use market segments are very, very narrow. It's predominantly chemicals and by-products of chemicals. How that chemical sector plays and how that impacts small packaging, which is drums, is more concentrated. When you go over to our Paper Packaging business, as you know, we are a raw material supplier to box plants, both independent and integrated box plants, and so the end use markets we end up serving are very, very broad and very diverse. That diversity helps us in regard to growth.

I'll tell you, from a -- if you look at our growth in Paper Packaging and kind of what the facts are behind that increase in volume, and I think the CorrChoice volume of 9.7% is really the indicator, because that pulls the mill volume. But if you look at maybe three parts of that, that explain it. We've had really strong demand from our strategic customers and growth with those people is very, very healthy. Our specialty products grew 21% versus prior year and that's predominantly in triplewall packaging which again is a broader segment of industries we're serving. The litho laminated graphics packaging is more consumer end and retail shelf ready and our coated linerboard sales, so the growth is really based -- also the growth is based on the recent investments we've made in the past two years.

If you kind of strip out the specialty products growth and you strip out that sixth corrugater we put in Charlotte, North Carolina, the business still grew 7.5% versus prior year. Again, I'd just point to the fact that we are aligned to customers that are very entrepreneurial. They are very focused on their customers who demand specialty, value-added, high service-oriented packaging requirements. Those strategic customers, predominantly independents, are winning their fair share of the market and because we serve them and because we do a great job serving their needs, we are in turn growing with them. That's how I see the difference in the US in those two businesses.

Adam Josephson - *KeyBanc Capital Markets - Analyst*

Thanks. I have one cash flow question but just before then, just are there specific end markets that your customers are seeing a pick up in? Again, I'm back to this, if chemicals is not really picking up and industrial at large is not really picking up, what are these paper end markets that you see really picking up, just based on what your customers are seeing?

Pete Watson - *Greif, Inc. - President and CEO*

Where we are located, obviously in the Midwest and the Southeast, there's a lot of automotive, tier 2 and tier 3 automotive suppliers that as you know, I think the automotive production was 17.3 million cars, which I think was equal to a record. That's been one example of end use that is a little different than what our Rigid customers would be in.

Adam Josephson - *KeyBanc Capital Markets - Analyst*

Okay, thanks. Just one on cash flow. In fiscal 2016 your adjusted net income was about $140 million. Your free cash flow was about $200 million. Obviously there's a big gap between the two. It seems like you're expecting that gap to close pretty significantly in fiscal 2017 just based on your earnings and cash flow guidance. What would you say is the normal conversion rate over time from adjusted net income to free cash flow? Thanks very much.

Larry Hilsheimer - *Greif, Inc. - EVP and CFO*

Yes, fair question. I would first point out that a big driver of this cash flow improvement over the last two years has been our concentrated focus on managing working capital. You can have some pick up, obviously, in cash flow just from improved results, which is what you're mentioning but then to the extent we manage that the inventory levels and receivables and payables, which we have done a great job of improving in the last two years, that's driving that gap or has driven that gap. Then as that lever becomes less of a driver, because at some point, you're just trying to manage it so that you don't increase working capital as you increase sales to help it be a cash generator, then you're going to migrate back towards what's happening in your EBITDA.

The more difficult element becomes taxes. I'd say that because GAAP taxes are based on providing for taxes no matter when they will end up being paid. The secret of tax planning over time is more about deferring when you pay taxes than it is about eliminating taxes, because the latter is not a very easy thing to do. Looking at net income can sometimes be difficult. I'd say focusing on EBITDA and trying to understand where cash taxes are would be a better way to look at it. I do think we will, as you stated, be migrating more to our income and EBITDA being an indicator of our current state cash flow, which we laid out in our transformation commitments that we believe that will be in that $205 million to $225 million level. Now, that has not yet been impacted by further currency factors at this point but that's where we see this business on a recurring basis in its current state.

Adam Josephson - *KeyBanc Capital Markets - Analyst*

Thanks a lot, Larry. Best of luck.

Operator

Your next question comes from George Staphos from Bank of America Merrill Lynch.

George Staphos - *BofA Merrill Lynch - Analyst*

Thanks very much. Maybe sticking on cash flow, my next two. First off, what drove the timing factors that you cited that created the excess cash flow in 2016? Obviously, you guided us for 2017 so we know where you're targeting, but wanted to understand the mechanisms there. Then I had a market question for you.

Larry Hilsheimer - *Greif, Inc. - EVP and CFO*

Yes, sure George. Let me first talk about how it improved just in the fourth quarter from the $160 million to $190 million range we had given in the last call. Operations were better. That drove about $4 million up above the higher end of that range. Our working capital management was - - actually we had talked about something in zero to $20 million and we ended up with a $24 million pick up for the year. CapEx was slightly lower and that was not any intentional delay. It was just timing on when did orders for equipment and that kind of thing, no conscience managed that down, no heroic activities or anything else. We're trying to be very prudent managers of working capital.

We did have the benefit and we spoke earlier in the year of the fact that we were going to have lower tax -- cash taxes this year of $20 million just from the timing of payments related to some of the discrete tax planning opportunities we had. The working capital management, the operations improvement and that tax idea are really what drove the significant improvement in our free cash flow for the year, George.

George Staphos - *BofA Merrill Lynch - Analyst*

Okay. Appreciate that. Just as an aside, can you remind me what is the guidance for CapEx for this coming year? If the markets are suggesting the economy is getting better whether or not you're seeing it in industrial, do you see a need to maybe ramp CapEx ahead of what might be an improving demand picture?

Larry Hilsheimer - *Greif, Inc. - EVP and CFO*

Yes, thanks for the question, George. Right now, we would say that we are going to be very similar in capital expenditure next year, probably pretty narrow, in the range of $95 million to $105 million and we believe that with our consolidated, shrunk-down footprint, less plants and the fact that we expanded a significant amount of capital in our Paper business over the last few years, that this level of CapEx spending is very sufficient for what we would like to accomplish. That said, what we have also indicated to our business unit leaders is that look, if there's a very compelling project that you can bring to us and demonstrate and be held accountable that produces excess return for us, we're going to listen to it, because as long as we are confident that we are going to drive the operational improvements that we see this year and the working capital management that we see, we feel very comfortable about our cash flow situation and really comfortable about our balance sheet leverage.

We aren't going to be what we would call foolish and turn down a nice opportunity if someone brings it, but we're also going to be extremely tough on scrutinizing any additional projects that get brought to us. May be an indirect way to answer your question, George, that yes, we are open to looking for things that would allow us to produce top-line growth but we're going to be very stringent on handing out that capital.

George Staphos - *BofA Merrill Lynch - Analyst*

Okay, you know what, let me turn it over and I'll be back. Thanks, Larry.

Operator

Your next question comes from Justin Bergner from Gabelli & Company.

Justin Bergner - *Gabelli & Company - Analyst*

Thanks good morning. Thanks for taking my follow-up. In regards to the sustainable free cash flow number coming out of 2017 or the run rate, what is the difference between the 2017 guidance on free cash flow and the 2017 run rate commitment? Maybe if you could just sort of talk about the difference between book and cash taxes that are baked into your cash flow assumptions, that would help clarify things as well.

Larry Hilsheimer - *Greif, Inc. - EVP and CFO*

Let me take the latter first because on things like impairments, restructuring charges, those kind of things, and depending on where they are, Justin, oftentimes we get no tax benefit for things that we're taking write downs on, so that drives that GAAP rate higher just because the denominator is lower. We've spent a lot of time in the past talking about various operations where we had valuation allowances because we had tax losses in legal entities that don't have prospects for turnarounds. Some of those things are impactful, although if we are able to turn around operations in some of those, we could have a book tax benefit because we would not incur tax expense on those. There's a lot of detail behind that.

Let me come back to the difference between our cash flow guidance for 2017 and our transformational guidance. All of the transformational guidance we laid out in June of 2015 and then updated in June of 2016 is on a run rate basis coming out of 2017. Things that we do this year, for example, to improve the efficiency of our back office operations, for example, if we identify things, let's say we would reduce headcount by five or something in June, and I don't have a specific thing I'm referring to there, but if we did, then we would only be receiving a partial year benefit in 2016 -- or in 2017 but then it would be for a run rate rolling out, you'd get the full-year impact. That's the differential. It's those type of items that get implemented this year but will have permanent impact for us, Justin, so those are the two differences.

Justin Bergner - *Gabelli & Company - Analyst*

The 2017 run rate commitment for free cash flow is not tied to the 2017 EPS guidance. It's tied to something better than the 2017 EPS guidance.

Larry Hilsheimer - *Greif, Inc. - EVP and CFO*

Correct.

Justin Bergner - *Gabelli & Company - Analyst*

Okay. Then just to clarify, on the 2017 guidance for free cash flow, is there -- beyond sort of the net income and the difference between CapEx and depreciation, is there any additional boost from working capital or cash taxes versus book taxes on an adjusted basis?

Larry Hilsheimer - *Greif, Inc. - EVP and CFO*

Let me walk through just at a high level. There are so many puts and takes on elements of cash flow that this is very high level, but I think it might help you and the others. We end up this year with $200 million of free cash flow. We've had this tax benefit of $20 million over what would be a normal level of taxes, so say that takes you to $180 million. From operational improvements that we're building into our guidance for next year, it's net of tax, that's a range of $14 million to $28 million in our guidance range. Then working capital will go anywhere from a negative because of increased sales on the higher end of that operational performance to a benefit of $2 million. If you put all those things together, you'll get the range of $180 million to $210 million. Obviously, as always, we will be working hard to do better than that on both the operational side and the working capital side. I'm always challenging our tax guys to come up with better planning there to reduce it but right now, that's our best guidance at what we expect for cash flow for this year.

Justin Bergner - *Gabelli & Company - Analyst*

Okay, thank you.

Operator

Your next question comes from Chris Manuel from Wells Fargo Securities.

Chris Manuel - *Wells Fargo Securities, LLC - Analyst*

Thanks for taking a follow-up. I wanted to, if I could, Pete, dig in for a second on the Flexibles business. If I look at the year-over-year improvement as you've given us on slide 9 and I look at what's come through probably in SG&A and what's come through up in the gross profit side, it appears though it's kind of split evenly. Call it $10 million in each for round numbers. If I remember from your last Analyst Day, I think you talked about having maybe $20 million, $25 million of SG&A savings to come out of the business. I kind of pause at this from the position as we look forward to

2017 and beyond, is that about what we're thinking about as the opportunity, is an incremental $10 million to $15 million of improvement in EBIT out of that business? If so how are you thinking about the growth angle? Are you starting to see growth? Could that be incremental on top of that?

Pete Watson - *Greif, Inc. - President and CEO*

Chris, on the growth, we think there's nice growth opportunity mainly around organic growth. We have open capacities inside our current footprint and so we expect to have a much higher organic growth rate on just outselling and winning customers and wallet share in customers because we have a more stable operation now, we've restructured our commercial teams, so that becomes a bigger part of it. We would not talk about any strategic growth until we feel very, very comfortable that we've met our transformation commitments and feel very, very strong about the strength of that business.

Larry Hilsheimer - *Greif, Inc. - EVP and CFO*

Yes, and Chris, I would just say, and I'd point back to the transformation guidance we gave on FPS back in June, where we talked about coming out of next year with SG&A at $38 million to $43 million and trying to drive up to our gross profit levels. We remain committed to those targets right now and with the improvement that the new management leadership team in FPS has, we're more comfortable with that. There's still -- they still have a lot of work to do, but we're very pleased with the progress.

Chris Manuel - *Wells Fargo Securities, LLC - Analyst*

But Larry, does that sound about right, that there's, call it, $10 million to $15 million more left in SG&A costs to come out in that business?

Larry Hilsheimer - *Greif, Inc. - EVP and CFO*

Yes, I think that's in the right range, Chris. Obviously, we've always said the transformation plan for that business goes through 2020, so looking further out we think there's more. But yes, for the commitments that we made, you're correct.

Chris Manuel - *Wells Fargo Securities, LLC - Analyst*

That's all I had. Good luck, guys.

Larry Hilsheimer - *Greif, Inc. - EVP and CFO*

Thank you.

Operator

Your last question comes from the line of George Staphos from Bank of America Merrill Lynch.

George Staphos - *BofA Merrill Lynch - Analyst*

Thanks. A couple questions, guys. On the customer satisfaction index, obviously you're at or above your target in Paper. Are there any learnings, any things that you're doing in Paper that are replicable? Clearly you're making progress, but are replicable either in Flexibles or Rigids? My other question would be, you're seeing good momentum in plastics and IBCs. What sort of market position do you want to get to in those businesses over the next couple of years? How important is reconditioning to growing those businesses over time? Thanks and good luck in the quarter.

Pete Watson - *Greif, Inc. - President and CEO*

The first question around customer service index, so we're very, very pleased with the progress we are making both in our customer service index and net promoter scores. Just make sure to better understand, this is a long journey and it's really important that we fundamentally improve our capabilities to serve our customers. Paper Packaging is best in class in both net promoter score and CSI and we do use best practices from that business throughout the organization.

We also have best-in-class performance by individual plants or regions in our Rigid Industrial Packaging business and Flexible business, so that's a big focus, how do we have learned sharings to improve our overall system. I'd also comment that we believe very strongly that excellence in customer service, there's an alignment to really good performance and when you look at our Paper Packaging business, they are best in class in customer satisfaction and they are very good at executing in their business performance.

In regard to your second question, about IBCs and plastics and market share and growth, I want to reiterate what we are trying to do is less emphasis on what market share position we have. What we are trying to do is how do we improve the value we drive out of those two businesses, particularly IBCs. We want to grow the business but we want to grow the profit and the value in the business and if that means we will grow market share, that's great, but that's not the whole intent. The comment on reconditioning, reconditioning is very, very important and specifically in IBCs. That's as much a supply chain business where you have new cages, new bottles and how you collect those cages and bottles and repurpose them is a big part of the value chain that we deliver to customers and to our business. You'll see a continued emphasis on how we improve the reconditioning component, particularly in IBCs, around the world.

George Staphos - *BofA Merrill Lynch - Analyst*

Would you say, Pete, just to follow on, would you say that in recognizing that at the end of the day profit and cash flow is more important than market share, would you say that growing that business collectively is perhaps a bit more crucial, given your existing position in metal, which maybe it has less of a strong growth curve from an industry standpoint down the road and you're obviously a very large player in that market, or would you not disagree -- would you not agree with that and why? Thank you.

Pete Watson - *Greif, Inc. - President and CEO*

I think that's a good statement and another big part of having a diversified portfolio in our Rigid business, so it's steel, plastic, IBCs and fiber, is we are able to grow with our strategic customers when they have migration of products from one to another. We really have no bias to what products they use. We just want to be in a position to serve their needs.

I will tell you IBCs are growing at a much faster pace around the world than any of our substrates in Rigid Industrial Packaging, so it's important that we're in that. It's important we have the capability to serve our global customers. I guess my point is we have to become better at returning our cost of capital and beyond in that business so when we grow, we grow our top line as well as our bottom line. We'll grow intelligently for value, similar to our quality of market share versus quantity of the market share. In summary, that's an important part of our business. We have to grow and we have to grow from a value position first.

George Staphos - *BofA Merrill Lynch - Analyst*

Okay. Thank you very much, Pete.

Pete Watson - *Greif, Inc. - President and CEO*

Thank you, George.

Operator

There are no further questions at this time. Mr. Eichmann, I turn the call back over to you.

Matt Eichmann - *Greif, Inc. - VP of IR and Corporate Communications*

Thanks a lot, Melissa. That concludes our discussion for today. The replay of this question-and-answer session will be available later today on our website at www.investor.Greif.com. We really appreciate your interest and your participation today. Thank you and have a great remainder to your week.

Operator

This concludes today's conference call. You may now disconnect.