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): September 7, 2016 (August 31, 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		**43,015**
(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 August 31, 2016, Greif, Inc. (the "Company") issued a press release (the "Earnings Release") announcing the financial results for its third quarter ended July 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 consolidated net sales for the third quarter of 2016 and to the third quarter of 2015 , after adjusting for the impact of divestitures for both quarters and currency translation for the third quarter of 2016 , which is equal to the Company's consolidated net sales for the applicable quarter, after adjusting each quarter for divestitures occurring during fiscal years 2016 and 2015 and after adjusting the third quarter of 2016 for currency translation applicable to such quarter;

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

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

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

(v) net sales excluding the impact of divestitures for the Company's Rigid Industrial Packaging business segment for the third quarter of 2016 and the third 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;

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

(vii) net sales excluding the impact of divestitures for the Company's Flexible Products & Services business segment for the third quarter of 2016 and the third 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;

(viii) operating loss before special items and excluding the impact of divestitures for the Company's Flexible Products & Services business segment for the third quarter of 2016 and the third quarter of 2015 , which is equal to that business segment's operating loss plus restructuring charges, plus non-cash asset impairment charges, less gains or plus losses, as applicable, on disposal of properties, plants, equipment, and businesses, net, and as further adjusted for divestitures occurring during fiscal years 2016 and 2015 as applicable to the business segment;

(ix) operating profit before special items for the Company's Land Management business segment for the third quarter of 2016 and the third quarter of 2015 , which is equal to that business segment's operating profit, less any timberland gains and less gains on disposal of properties, plants, equipment, and businesses, net, for the applicable quarter; and

(x) the Company's projected consolidated free cash flow for the fiscal year 2016, which is equal to the Company's projected consolidated net cash provided by operating activities for that fiscal year less the cash projected to be paid for capital expenditures for that fiscal year.

The Earnings Release also included a forward-looking non-GAAP financial measure, 2016 Class A earnings per share excluding gains and losses on the sales of businesses, timberland and property, plant and equipment, acquisition costs and restructuring and impairment charges. 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 enable investors to perform meaningful comparisons of current and historical performance of the Company. Management of the Company also believes that the non-GAAP Measures provide a more stable platform on which to compare the historical performance of the Company than the most nearly equivalent GAAP data.

After the Earnings Release was issued, the Company corrected two immaterial errors in each of the two tables in the Earnings Release under the caption "Segment Results." The corrections related to the "Volume" and "Selling Prices and Product Mix" components for calculating the percentage impact on net sales from the Company's Rigid Industrial Packaging & Services business segment for the third quarter of 2016. The corrected tables are set forth below. Although the corrections changed the component numbers in both tables, the overall totals for both Rigid Industrial Packaging & Services business segment columns remained (10.8%) and (7.8%), respectively.

Net Sales Impact - Excluding Divestitures:	Rigid Industrial Packaging & Services	Paper Packaging & Services	Flexible Products & Services
Currency Translation	(9.1)%	—	(2.2)%
Volume	(3.4)%	2.5 %	(8.4)%
Selling Prices and Product Mix	4.7 %	(4.9)%	(0.1)%
	(7.8)%	(2.4)%	(10.7)%

Net Sales Impact:	Rigid Industrial Packaging & Services	Paper Packaging & Services	Flexible Products & Services
Currency Translation	(8.8)%	—	(2.3)%
Volume	(6.7)%	2.5 %	(8.4)%
Selling Prices and Product Mix	4.7 %	(4.9)%	(1.1)%
	(10.8)%	(2.4)%	(11.8)%

Section 7 – Regulation FD

Item 7.01. Regulation FD Disclosure.

On August 31, 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 third quarter ended July 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 September 1, 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 third quarter ended July 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 August 31, 2016 announcing the financial results for its third quarter ended July 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 August 31, 2016, regarding the financial results for its third quarter ended July 31, 2016.
99.3	File transcript of conference call with interested investors and financial analysts held by management of Greif, Inc. on September 1, 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: September 7, 2016	By /s/ Lawrence A. Hilsheimer
	Lawrence A. Hilsheimer, Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

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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 August 31, 2016, regarding the financial results for its third quarter ended July 31, 2016.
99.3	File transcript of conference call with interested investors and financial analysts held by management of Greif, Inc. on September 1, 2016.

Exhibit 99.1

Contact: Matt Eichmann
740-549-6067
matt.eichmann@greif.com

Greif Reports Third Quarter 2016 Results

DELAWARE, Ohio (August 31, 2016) – Greif, Inc. (NYSE: GEF, GEF.B), a world leader in industrial packaging products and services, announced third quarter 2016 results. Pete Watson, President and Chief Executive Officer, stated "Greif's third quarter results reflect improvement across most of our portfolio despite a sluggish industrial economy. Margins expanded year over year, and we continue to benefit from a strong operational performance in our Rigid Industrial Packaging and Services segment. This offset market headwinds impacting our Paper Packaging and Services business. We remain firmly focused on all of those business levers within our control - customer service excellence, disciplined commercial and operational execution and greater financial discipline. This will provide a pathway toward creating greater value for our customers and shareholders."

Highlights include:

- Revised fiscal year 2016 Class A earnings per share guidance to $2.36 - $2.56 per share, excluding gains and losses on the sales of businesses, timberland and property, plant and equipment, acquisition costs and restructuring and impairment charges.
- Net income for the third quarter of 2016 of $ 46.1 million or $ 0.78 per diluted Class A share compared to net income of $ 8.6 million or $ 0.15 per diluted Class A share for the third quarter of 2015 . Earnings per share, excluding the impact of special items [1] , was $0.91 per diluted Class A share for the third quarter of 2016 compared to $0.60 per diluted Class A share for the third quarter of 2015 .
- Net sales decreased $ 85.0 million to $ 845.0 million for the third quarter of 2016 compared to $ 930.0 million for the third quarter of 2015. Net sales for the third quarter of 2016 , adjusting for the effect of divestitures for both quarters and currency translation for the third quarter of 2016 [2] , were flat compared to the third quarter 2015 . Sales were negatively impacted by weakness in agricultural markets in Europe and North America.
- Gross profit improved to $ 176.5 million for the third quarter of 2016 compared to $ 166.8 million for the third quarter of 2015 . Gross profit margin improved to 20.9 percent for the third quarter of 2016 from 17.9 percent for the same period in 2015 . The third quarter of 2015 gross profit included a net charge related to the contribution from our Venezuelan operations, which decreased gross profit for the third quarter 2015 by $6.0 million.
- Operating profit improved $ 27.4 million and operating profit before special items [1] improved $4.6 million from the third quarter of 2015 to the third quarter of 2016 . Operating profit margin before special items [1] improved to 9.9 percent for the third quarter of 2016 from 8.5 percent for the same period in 2015 .
- Cash provided by operating activities increased $ 0.4 million from the third quarter of 2016 compared to the same period in 2015 . Free cash flow [3] improved $ 12.2 million for the third quarter of 2016 compared to the third quarter of 2015 and long-term debt has decreased $88.0 million since year-end.

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1 A summary of all special items that are excluded from the 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 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.

3 Free cash flow is defined as net cash provided by operating activities less cash paid for capital expenditures.

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.

Company Outlook

Our 2016 fiscal year guidance is revised, as set forth below. The Company's ongoing emphasis on customer service excellence and fundamental operational improvements will more than offset the impacts of a continued sluggish global industrial economy, a challenged containerboard pricing environment for the remainder of the year and weaker than expected seasonal agricultural sales.

Class A Earnings Per Share before Special Items	$2.36 - $2.56
Capital Expenditures	$95 - $110 million
Free Cash Flow	$160 - $190 million
Restructuring Expense	$20 - $30 million
Tax Rate	35 - 38 percent

Note: No reconciliation of the fiscal year 2016 Class A earnings per share guidance, a non-GAAP financial measure which excludes gains and losses on the sales 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. A reconciliation of free cash flow guidance to the most directly comparable GAAP financial measure is set forth in the financial schedules that are part of this release.

Segment Results

Net sales are impacted primarily by the volume of products sold, selling prices, product mix and the impact of changes in foreign currencies against the U.S. Dollar. The tables below show the percentage impact of each of these items on net sales for the third quarter of 2016 as compared to the third quarter of 2015 for the business segments with manufacturing operations. The first table excludes the impact of divestitures while the second is not adjusted for divestitures.

Net Sales Impact - Excluding Divestitures:	Rigid Industrial Packaging & Services	Paper Packaging & Services	Flexible Products & Services
Currency Translation	(9.1)%	—	(2.2)%
Volume	1.8 %	2.5 %	(8.4)%
Selling Prices and Product Mix	(0.5)%	(4.9)%	(0.1)%
	(7.8)%	(2.4)%	(10.7)%

Net Sales Impact:	Rigid Industrial Packaging & Services	Paper Packaging & Services	Flexible Products & Services
Currency Translation	(8.8)%	—	(2.3)%
Volume	(1.7)%	2.5 %	(8.4)%
Selling Prices and Product Mix	(0.3)%	(4.9)%	(1.1)%
	(10.8)%	(2.4)%	(11.8)%

Rigid Industrial Packaging & Services

Net sales decreased $ 72.2 million to $ 596.8 million for the third quarter of 2016 compared to $ 669.0 million for the third quarter of 2015 . Excluding the impact of divestitures [4] , net sales decreased $ 50.7 million to $ 596.8 million for the third quarter 2016 compared to $ 647.5 million for the third quarter 2015 , due primarily to the negative impact of currency translation, which included the significant devaluation of the exchange rate used to translate our Venezuelan operations at the beginning of the fourth quarter of 2015 , partially offset by increased volumes year over year.

Gross profit was $ 131.8 million (22.1 percent) for the third quarter of 2016 compared to $ 120.9 million (18.1 percent) for the third quarter of 2015 . Margin improvements in North America, Europe and Asia Pacific were primarily the result of strategic volume and pricing decisions and cost containment efforts. The third quarter of 2015 gross profit included a net charge that decreased gross profit by $6.0 million related to the devaluation of the Venezuelan inventory through costs of products sold of $9.3 million offset by $3.3 million in operational gross profit margin contribution.

Operating profit was $ 56.7 million for the third quarter of 2016 compared to operating profit of $ 29.5 million for the third quarter of 2015 . The increase was primarily attributable to the same items impacting gross profit, reductions in restructuring costs of $4.7 million and non-cash asset impairment charges of $15.1 million , partially offset by a $ 5.7 million decrease in gain on disposal of properties, plants, equipment and businesses, net. Operating profit before special items and excluding the impact of divestitures increased to $ 63.5 million for the third quarter of 2016 from $ 60.2 million for the third quarter of 2015 , due primarily to improvements in gross profit margin and reductions in SG&A expenses.

Paper Packaging & Services

Net sales decreased $4.2 million to $ 172.5 million for the third quarter of 2016 compared with $ 176.7 million for the third quarter of 2015 . The decrease was primarily due to reductions in the published containerboard index prices that occurred during the first nine months of 2016 , partially offset by a shorter annual maintenance shutdown for the mill system and increased output as a result of the Riverville modernization project.

Gross profit was $32.3 million (18.7 percent) for the third quarter of 2016 compared to $35.1 million (19.9 percent) for the third quarter of 2015 . The reduction in gross profit margin was due primarily to the decrease in net sales and an increase in input costs, primarily old corrugated container costs.

Operating profit was $ 19.1 million for the third quarter of 2016 compared with $ 21.5 million for the third quarter of 2015 . The reduction was due to the same factors impacting gross profit.

Flexible Products & Services

Net sales decreased $ 9.3 million to $ 69.9 million for the third quarter of 2016 compared with $ 79.2 million for the third quarter of 2015 . Excluding the impact of divestitures, sales decreased $8.1 million for the third quarter of 2016 from the third quarter of 2015 to $76.5 million from $68.4 million , respectively, due primarily to reduced volumes as a result of weak demand in the U.S. market and the negative impact of currency translation.

Gross profit was $10.2 million (14.6 percent) for the third quarter 2016 compared to $8.9 million (11.2 percent) for the third quarter 2015 . The margin improvement was due primarily to reduced fixed costs and the impact of strategic volume and pricing decisions.

Operating loss was $ 5.9 million for the third quarter of 2016 compared to an operating loss of $ 9.7 million for the third quarter of 2015 . Operating loss before special items and excluding the impact of divestitures was $ 1.1 million for the third quarter of 2016 compared to an operating loss of $ 4.5 million for the third quarter of 2015 . The decrease in the operating loss before special items and excluding the impact of divestitures was primarily related to the same factors impacting gross profit and a reduction in SG&A expense.

Land Management

Net sales increased $0.7 million to $ 5.8 million for the third quarter of 2016 compared to $ 5.1 million for the third quarter of 2015 due to increased timber sales during the third quarter 2016 compared to the same period in 2015 .

Operating profit was $ 1.7 million for the third quarter of 2016 compared to $ 2.9 million for the third quarter of 2015 . Operating profit before special items was $ 1.5 million for the third quarters of 2016 and 2015 , respectively.

Income Taxes

Income tax expense for the quarter totaled $ 3.5 million on pre-tax income of $ 49.1 million or 7.1%. The application of our annual projected effective tax rate to the quarter's taxable income is impacted by the tax consequences of rebalancing the Company’s global debt, net discrete gains and losses for which there is not a proportionate tax recognized, adjustments to uncertain tax position estimates due to audit settlements and expiration of the statute of limitations on several positions, and the impact of losses in jurisdictions with a valuation allowance, for which the Company receives no tax benefit. The annual effective tax rate projection for the 2016 fiscal year is a range of 35% to 38%.

Dividend Summary

On August 30, 2016, the Board of Directors declared quarterly cash dividends of $ 0.42 per share of Class A Common Stock and $ 0.63 per share of Class B Common Stock. Dividends are payable on October 1, 2016, to stockholders of record at the close of business on September 19, 2016.

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.

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

	Three months ended July 31,		Nine months ended July 31,	
	2016	2015	2016	2015
Selected Financial Highlights				
Net sales	$ 845.0	$ 930.0	$ 2,456.0	$ 2,748.2
Gross profit	176.5	166.8	501.5	501.8
Gross profit margin	20.9%	17.9%	20.4%	18.3%
Operating profit	71.6	44.2	172.0	160.7
Operating profit before special items	83.9	79.3	221.3	194.2
EBITDA	101.2	78.0	261.2	260.9
EBITDA before special items	113.5	108.2	310.5	289.5
Cash provided by operating activities	100.3	99.9	158.0	73.4
Net income attributable to Greif, Inc.	46.1	8.6	66.4	59.5
Diluted Class A earnings per share attributable to Greif, Inc.	$ 0.78	$ 0.15	$ 1.13	$ 1.02
Diluted Class A earnings per share attributable to Greif, Inc. before special items	$ 0.91	$ 0.60	$ 1.79	$ 1.41
Special items				
Restructuring charges	$ 10.2	$ 16.2	$ 17.9	$ 26.7
Acquisition-related costs	—	0.1	0.1	0.3
Timberland gains	—	—	—	(24.3)
Non-cash asset impairment charges	4.1	17.6	44.9	22.3
Gain on disposal of properties, plants and equipment and businesses, net	(2.0)	(8.1)	(13.6)	(0.8)
Impact of Venezuela devaluation of inventory in cost of products sold	—	9.3	—	9.3
Impact of Venezuela devaluation on other income	—	(4.9)	—	(4.9)
Total special items	12.3	30.2	49.3	28.6
Total special items, net of tax and noncontrolling interest	7.5	26.5	38.7	23.2
Impact of total special items, net of tax, on diluted Class A earnings per share attributable to Greif, Inc.	$ 0.13	$ 0.45	$ 0.66	$ 0.39
	July 31, 2016	October 31, 2015	July 31, 2015	October 31, 2014
Operating working capital [5]	366.1	345.4	439.2	411.3

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 represents trade accounts receivable plus inventories less accounts payable.

Conference Call

The Company will host a conference call to discuss the third quarter of 2016 results on September 1, 2016, at 10:00 a.m. Eastern Time (ET). To participate, domestic callers should call 877-201-0168. The Greif ID is 55233371. 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 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 world leader in industrial packaging products and services. The Company produces steel, plastic, fibre, flexible and corrugated containers and containerboard, and provides reconditioning, filling and packaging services for a wide range of industries. Greif also manages timber properties in North America. The Company is strategically positioned in 50 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, 2015 . 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 July 31,		Nine months ended July 31,	
	2016	**2015**	**2016**	**2015**
Net sales	$ 845.0	$ 930.0	$ 2,456.0	$ 2,748.2
Cost of products sold	668.5	763.2	1,954.5	2,246.4
Gross profit	176.5	166.8	501.5	501.8
Selling, general and administrative expenses	92.6	96.9	280.3	317.2
Restructuring charges	10.2	16.2	17.9	26.7
Timberland gains	—	—	—	(24.3)
Non-cash asset impairment charges	4.1	17.6	44.9	22.3
Gain on disposal of properties, plants and equipment, net	(0.7)	(7.0)	(9.5)	(9.3)
(Gain) loss on disposal of businesses	(1.3)	(1.1)	(4.1)	8.5
Operating profit	71.6	44.2	172.0	160.7
Interest expense, net	19.8	18.4	58.2	56.2
Other (income) expense, net	2.7	(1.6)	7.4	1.0
Income before income tax expense and equity earnings of unconsolidated affiliates, net	49.1	27.4	106.4	103.5
Income tax expense	3.5	18.7	38.2	45.8
Equity earnings of unconsolidated affiliates, net of tax	(0.8)	(0.6)	(0.8)	(0.3)
Net income	46.4	9.3	69.0	58.0
Net (income) loss attributable to noncontrolling interests	(0.3)	(0.7)	(2.6)	1.5
Net income attributable to Greif, Inc.	$ 46.1	$ 8.6	$ 66.4	$ 59.5
Basic earnings per share attributable to Greif, Inc. common shareholders:				
Class A Common Stock	$ 0.78	$ 0.15	$ 1.13	$ 1.02
Class B Common Stock	$ 1.18	$ 0.22	$ 1.69	$ 1.51
Diluted earnings per share attributable to Greif, Inc. common shareholders:				
Class A Common Stock	$ 0.78	$ 0.15	$ 1.13	$ 1.02
Class B Common Stock	$ 1.18	$ 0.22	$ 1.69	$ 1.51
Shares used to calculate basic earnings per share attributable to Greif, Inc. common shareholders:				
Class A Common Stock	25.8	25.7	25.7	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	25.7	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)

	July 31, 2016	October 31, 2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 94.3	$ 106.2
Trade accounts receivable	418.1	403.7
Inventories	288.5	297.0
Other current assets	145.4	201.6
	946.3	1,008.5
LONG-TERM ASSETS		
Goodwill	791.0	807.1
Intangible assets	119.8	132.7
Assets held by special purpose entities	50.9	50.9
Other long-term assets	102.9	98.8
	1,064.6	1,089.5
PROPERTIES, PLANTS AND EQUIPMENT	1,173.0	1,217.7
	$ 3,183.9	$ 3,315.7
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 340.5	$ 355.3
Short-term borrowings	55.2	40.7
Current portion of long-term debt	300.3	30.7
Other current liabilities	218.3	220.3
	914.3	647.0
LONG-TERM LIABILITIES		
Long-term debt	758.6	1,116.2
Liabilities held by special purpose entities	43.3	43.3
Other long-term liabilities	441.2	449.3
	1,243.1	1,608.8
REDEEMABLE NONCONTROLLING INTEREST	32.3	—
EQUITY		
Total Greif, Inc. equity	981.8	1,015.6
Noncontrolling interests	12.4	44.3
	994.2	1,059.9
	$ 3,183.9	$ 3,315.7

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

	Three months ended July 31,		Nine months ended July 31,	
	2016	**2015**	**2016**	**2015**
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 46.4	$ 9.3	$ 69.0	$ 58.0
Depreciation, depletion and amortization	31.5	31.6	95.8	100.9
Asset impairments	4.1	17.6	44.9	22.3
Other non-cash adjustments to net income	(1.0)	(4.3)	(12.3)	(28.2)
Operating working capital changes	0.3	19.6	(25.8)	(59.8)
Deferred purchase price on sold receivables	(5.0)	(10.2)	(20.2)	(10.8)
Increase (decrease) in cash from changes in other assets and liabilities	24.0	36.3	6.6	(9.0)
Net cash provided by operating activities	100.3	99.9	158.0	73.4
CASH FLOWS FROM INVESTING ACTIVITIES:				
Acquisitions of businesses, net of cash acquired	—	(1.1)	(0.4)	(1.5)
Collection of subordinated note receivable	—	—	44.2	—
Purchases of properties, plants and equipment	(26.6)	(38.4)	(71.4)	(108.2)
Purchases of and investments in timber properties	(1.2)	(12.8)	(4.7)	(38.2)
Purchases of properties, plants and equipment with insurance proceeds	(0.8)	—	(4.4)	—
Proceeds from the sale of properties, plants and equipment, businesses, timberland and other assets	7.3	14.0	34.7	65.7
Proceeds on insurance recoveries	—	3.4	6.6	3.4
Net cash provided by (used in) investing activities	(21.3)	(34.9)	4.6	(78.8)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from (payments on) debt, net	(37.4)	12.8	(82.0)	121.2
Dividends paid to Greif, Inc. shareholders	(24.7)	(24.8)	(74.0)	(74.0)
Other	(7.9)	(2.4)	(15.2)	(3.8)
Net cash provided by (used in) financing activities	(70.0)	(14.4)	(171.2)	43.4
Effects of exchange rates on cash	(4.3)	(16.3)	(3.3)	(21.4)
Net increase (decrease) in cash and cash equivalents	4.7	34.3	(11.9)	16.6
Cash and cash equivalents, beginning of period	89.6	67.4	106.2	85.1
Cash and cash equivalents, end of period	$ 94.3	$ 101.7	$ 94.3	$ 101.7

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

	Three months ended July 31,		Nine months ended July 31,	
	2016	2015	2016	2015
Net sales:				
Rigid Industrial Packaging & Services	$ 596.8	$ 669.0	$ 1,721.3	$ 1,985.3
Paper Packaging & Services	172.5	176.7	498.1	496.3
Flexible Products & Services	69.9	79.2	219.0	249.3
Land Management	5.8	5.1	17.6	17.3
Total net sales	$ 845.0	$ 930.0	$ 2,456.0	$ 2,748.2
Operating profit (loss):				
Rigid Industrial Packaging & Services	$ 56.7	$ 29.5	$ 113.4	$ 75.5
Paper Packaging & Services	19.1	21.5	64.4	76.7
Flexible Products & Services	(5.9)	(9.7)	(11.9)	(23.8)
Land Management	1.7	2.9	6.1	32.3
Total operating profit	$ 71.6	$ 44.2	$ 172.0	$ 160.7
EBITDA [6]:				
Rigid Industrial Packaging & Services	$ 77.2	$ 52.5	$ 173.5	$ 145.2
Paper Packaging & Services	27.1	28.7	88.0	98.6
Flexible Products & Services	(5.7)	(6.9)	(9.0)	(17.8)
Land Management	2.6	3.7	8.7	34.9
Total EBITDA	$ 101.2	$ 78.0	$ 261.2	$ 260.9
EBITDA before special items:				
Rigid Industrial Packaging & Services	$ 84.0	$ 77.9	$ 213.4	$ 194.0
Paper Packaging & Services	27.9	29.6	90.2	100.4
Flexible Products & Services	(0.8)	(1.6)	(0.8)	(12.8)
Land Management	2.4	2.3	7.7	7.9
Total EBITDA before special items	$ 113.5	$ 108.2	$ 310.5	$ 289.5

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 July 31,		Nine months ended July 31,	
	2016	**2015**	**2016**	**2015**
Net sales:				
United States	$ 400.3	$ 431.5	$ 1,179.0	$ 1,269.7
Europe, Middle East and Africa	318.9	337.3	905.9	979.5
Asia Pacific and other Americas	125.8	161.2	371.1	499.0
Total net sales	845.0	930.0	2,456.0	2,748.2
Gross profit:				
United States	$ 89.1	$ 83.9	$ 260.1	$ 253.9
Europe, Middle East and Africa	66.0	65.1	169.4	175.8
Asia Pacific and other Americas	21.4	17.8	72.0	72.1
Total gross profit	$ 176.5	$ 166.8	$ 501.5	$ 501.8
Operating profit (loss):				
United States	$ 47.6	$ 43.4	$ 120.2	$ 114.5
Europe, Middle East and Africa	18.9	12.2	38.9	32.2
Asia Pacific and other Americas	5.1	(11.4)	12.9	14.0
Total operating profit	$ 71.6	$ 44.2	$ 172.0	$ 160.7

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

	July 31, 2016	**October 31, 2015**
Trade accounts receivable	$ 418.1	$ 403.7
Plus: inventories	288.5	297.0
Less: accounts payable	340.5	355.3
Operating working capital	$ 366.1	$ 345.4

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

	Three months ended July 31,		Nine months ended July 31,	
	2016	**2015**	**2016**	**2015**
Net income	$ 46.4	$ 9.3	$ 69.0	$ 58.0
Plus: interest expense, net	19.8	18.4	58.2	56.2
Plus: income tax expense	3.5	18.7	38.2	45.8
Plus: depreciation, depletion and amortization expense	31.5	31.6	95.8	100.9
EBITDA	$ 101.2	$ 78.0	$ 261.2	$ 260.9
Net income	$ 46.4	$ 9.3	$ 69.0	$ 58.0
Plus: interest expense, net	19.8	18.4	58.2	56.2
Plus: income tax expense	3.5	18.7	38.2	45.8
Plus: other (income) expense, net	2.7	(1.6)	7.4	1.0
Less: equity earnings of unconsolidated affiliates, net of tax	(0.8)	(0.6)	(0.8)	(0.3)
Operating profit	71.6	44.2	172.0	160.7
Less: other (income) expense, net	2.7	(1.6)	7.4	1.0
Less: equity earnings of unconsolidated affiliates, net of tax	(0.8)	(0.6)	(0.8)	(0.3)
Plus: depreciation, depletion and amortization expense	31.5	31.6	95.8	100.9
EBITDA	$ 101.2	$ 78.0	$ 261.2	$ 260.9

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 July 31,		Nine months ended July 31,	
	2016	**2015**	**2016**	**2015**
Rigid Industrial Packaging & Services				
Operating profit	$ 56.7	$ 29.5	$ 113.4	$ 75.5
Less: other (income) expense, net	1.1	(1.1)	4.4	0.5
Less: equity earnings of unconsolidated affiliates, net of tax	(0.8)	(0.1)	(0.8)	—
Plus: depreciation and amortization expense	20.8	21.8	63.7	70.2
EBITDA	$ 77.2	$ 52.5	$ 173.5	$ 145.2
Restructuring charges	6.9	11.6	11.2	20.4
Acquisition-related costs	—	0.1	0.1	0.3
Non-cash asset impairment charges	1.3	16.4	39.8	21.3
(Gain) loss on disposal of properties, plants, equipment and businesses, net	(1.4)	(7.1)	(11.2)	2.4
Impact of Venezuela devaluation of inventory on cost of products sold	—	9.3	—	9.3
Impact of Venezuela devaluation on other (income) expense	—	(4.9)	—	(4.9)
EBITDA before special items	$ 84.0	$ 77.9	$ 213.4	$ 194.0
Paper Packaging & Services				
Operating profit	$ 19.1	$ 21.5	$ 64.4	$ 76.7
Less: other income, net	—	(0.4)	—	(0.4)
Plus: depreciation and amortization expense	8.0	6.8	23.6	21.5
EBITDA	$ 27.1	$ 28.7	$ 88.0	$ 98.6
Restructuring charges	1.1	0.5	1.1	1.0
Non-cash asset impairment charges	—	0.3	1.5	0.8
Gain on disposal of properties, plants, equipment and businesses, net	(0.3)	0.1	(0.4)	—
EBITDA before special items	$ 27.9	$ 29.6	$ 90.2	$ 100.4
Flexible Products & Services				
Operating loss	$ (5.9)	$ (9.7)	$ (11.9)	$ (23.8)
Less: other (income) expense, net	1.6	(0.1)	3.0	0.9
Less: equity earnings of unconsolidated affiliates, net of tax	—	(0.5)	—	(0.3)
Plus: depreciation and amortization expense	1.8	2.2	5.9	6.6
EBITDA	$ (5.7)	$ (6.9)	$ (9.0)	$ (17.8)
Restructuring charges	2.2	4.1	5.6	5.3
Non-cash asset impairment charges	2.8	0.9	3.6	0.2
Gain on disposal of properties, plants, equipment and businesses, net	(0.1)	0.3	(1.0)	(0.5)
EBITDA before special items	$ (0.8)	$ (1.6)	$ (0.8)	$ (12.8)
Land Management				
Operating profit	$ 1.7	$ 2.9	$ 6.1	$ 32.3
Plus: depreciation, depletion and amortization expense	0.9	0.8	2.6	2.6
EBITDA	$ 2.6	$ 3.7	$ 8.7	$ 34.9
Timberland gains	—	—	—	(24.3)
Gain on disposal of properties, plants, equipment and businesses, net	(0.2)	$ (1.4)	(1.0)	$ (2.7)
EBITDA before special items	$ 2.4	$ 2.3	$ 7.7	$ 7.9
Consolidated EBITDA	$ 101.2	$ 78.0	$ 261.2	$ 260.9
Consolidated EBITDA before special items	$ 113.5	$ 108.2	$ 310.5	$ 289.5

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 July 31,		Nine months ended July 31,	
	2016	2015	2016	2015
Net cash provided by operating activities	$ 100.3	$ 99.9	$ 158.0	$ 73.4
Less: Cash paid for capital expenditures	(26.6)	(38.4)	(71.4)	(108.2)
Free Cash Flow	$ 73.7	$ 61.5	$ 86.6	$ (34.8)

FREE CASH FLOW FROM VENEZUELA OPERATIONS [10]

	Three months ended July 31,		Nine months ended July 31,	
	2016	2015	2016	2015
Net cash provided by (used in) operating activities for Venezuela	$ —	$ (4.3)	$ —	$ 1.3
Less: Cash paid for capital expenditures for Venezuela	—	—	—	(14.4)
Free Cash Flow for Venezuela	$ —	$ (4.3)	$ —	$ (13.1)

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

	Three months ended July 31,		Nine months ended July 31,	
	2016	2015	2016	2015
Net cash provided by operating activities excluding the impact of Venezuela operations	$ 100.3	$ 104.2	$ 158.0	$ 72.1
Less: Cash paid for capital expenditures excluding the impact of Venezuela operations	(26.6)	(38.4)	(71.4)	(93.8)
Free Cash Flow Excluding the Impact of Venezuela Operations	$ 73.7	$ 65.8	$ 86.6	$ (21.7)

PROJECTED FREE CASH FLOW [12]

	Forecast Range	
	Scenario 1	Scenario 2
Net cash provided by operating activities	$ 255.0	$ 300.0
Less: Cash paid for capital expenditures	(95.0)	(110.0)
Free Cash Flow	$ 160.0	$ 190.0

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 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. The translated value of both the cash provided by operating activities of Venezuela and the cash paid for capital expenditures does not reflect the true economic impact to the company because actual conversion of bolivars to U.S. dollars at the official exchange rate used for the first three quarters of 2015 would not have been possible.

12 The reconciliation includes two scenarios that illustrate our projected free cash flow range for 2016. The amounts used in the reconciliation are subject to many variables, some of which are not under our control and, therefore, are not necessarily indicative of actual results.

GREIF, INC. AND SUBSIDIARY COMPANIES
GAAP TO NON-GAAP RECONCILIATION
SEGMENT OPERATING PROFIT (LOSS) BEFORE SPECIAL ITEMS [13]
UNAUDITED
(Dollars in millions)

	Three months ended July 31, 2016	Three months ended July 31, 2015	Nine months ended July 31, 2016	Nine months ended July 31, 2015
Operating profit (loss):				
Rigid Industrial Packaging & Services	$ 56.7	$ 29.5	$ 113.4	$ 75.5
Paper Packaging & Services	19.1	21.5	64.4	76.7
Flexible Products & Services	(5.9)	(9.7)	(11.9)	(23.8)
Land Management	1.7	2.9	6.1	32.3
Total operating profit	71.6	44.2	172.0	160.7
Restructuring charges:				
Rigid Industrial Packaging & Services	6.9	11.6	11.2	20.4
Paper Packaging & Services	1.1	0.5	1.1	1.0
Flexible Products & Services	2.2	4.1	5.6	5.3
Total restructuring charges	10.2	16.2	17.9	26.7
Acquisition-related costs:				
Rigid Industrial Packaging & Services	—	0.1	0.1	0.3
Total acquisition-related costs	—	0.1	0.1	0.3
Timberland gains:				
Land Management	—	—	—	(24.3)
Total timberland gains	—	—	—	(24.3)
Non-cash asset impairment charges:				
Rigid Industrial Packaging & Services	1.3	16.4	39.8	21.3
Paper Packaging & Services	—	0.3	1.5	0.8
Flexible Products & Services	2.8	0.9	3.6	0.2
Total non-cash asset impairment charges	4.1	17.6	44.9	22.3
(Gain) loss on disposal of properties, plants, equipment and businesses, net:				
Rigid Industrial Packaging & Services	(1.4)	(7.1)	(11.2)	2.4
Paper Packaging	(0.3)	0.1	(0.4)	—
Flexible Products & Services	(0.1)	0.3	(1.0)	(0.5)
Land Management	(0.2)	(1.4)	(1.0)	(2.7)
Total gain on disposal of properties, plants, equipment and businesses, net	(2.0)	(8.1)	(13.6)	(0.8)
Impact of Venezuela devaluation of inventory on cost of products sold				
Rigid Industrial Packaging & Services	—	9.3	—	9.3
Total Impact of Venezuela devaluation of inventory on cost of products sold	—	9.3	—	9.3
Operating profit (loss) before special items:				
Rigid Industrial Packaging & Services	63.5	59.8	153.3	129.2
Paper Packaging & Services	19.9	22.4	66.6	78.5
Flexible Products & Services	(1.0)	(4.4)	(3.7)	(18.8)
Land Management	1.5	1.5	5.1	5.3
Total operating profit before special items	$ 83.9	$ 79.3	$ 221.3	$ 194.2

13 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 on cost of products sold.

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

Three months ended July 31, 2016				**Class A**
Net Income Attributable to Greif, Inc.	$	46.1	$	0.78
Less: Gain on disposal of properties, plants, equipment and businesses, net		(1.8)		(0.03)
Plus: Restructuring charges		7.0		0.12
Plus: Non-cash asset impairment charges		2.3		0.04
Net Income Attributable to Greif, Inc. Excluding Special Items	$	53.6	$	0.91

Three months ended July 31, 2015				**Class A**
Net Income Attributable to Greif, Inc.	$	8.6	$	0.15
Less: Gain on disposal of properties, plants, equipment and businesses, net		(5.8)		(0.10)
Less: Venezuela devaluation on other income/expense		(4.9)		(0.08)
Plus: Restructuring charges		11.3		0.19
Plus: Non-cash asset impairment charges		16.6		0.28
Plus: Venezuela devaluation of inventory on cost of products sold	$	9.3		0.16
Net Income Attributable to Greif, Inc. Excluding Special Items	$	35.1	$	0.60

Nine months ended July 31, 2016				**Class A**
Net Income Attributable to Greif, Inc.	$	66.4	$	1.13
Less: Gain on disposal of properties, plants, equipment and businesses, net		(10.4)		(0.18)
Plus: Restructuring charges		11.9		0.20
Plus: Non-cash asset impairment charges		37.1		0.64
Plus: Acquisition related costs		0.1		—
Net Income Attributable to Greif, Inc. Excluding Special Items	$	105.1	$	1.79

Nine months ended July 31, 2015				**Class A**
Net Income Attributable to Greif, Inc.	$	59.5	$	1.02
Less: Gain on disposal of properties, plants, equipment and businesses, net		(4.5)		(0.08)
Less: Timberland Gains		(14.9)		(0.25)
Less: Venezuela devaluation on other income/expense		(4.9)		(0.08)
Plus: Restructuring charges		18.4		0.31
Plus: Non-cash asset impairment charges		19.6		0.33
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	$	82.7	$	1.41

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 July 31,			Nine months ended July 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	$ 596.8	$ —	$ 596.8	$ 1,721.3	$ 42.1	$ 1,679.2
Paper Packaging & Services	172.5	—	172.5	498.1	—	498.1
Flexible Products and Services	69.9	1.5	68.4	219.0	6.5	212.5
Land Management	5.8	—	5.8	17.6	—	17.6
Consolidated	$ 845.0	$ 1.5	$ 843.5	$ 2,456.0	$ 48.6	$ 2,407.4
Gross Profit:						
Rigid Industrial Packaging & Services	$ 131.8	$ —	$ 131.8	$ 358.5	$ 3.3	$ 355.2
Paper Packaging & Services	32.3	—	32.3	105.5	—	105.5
Flexible Products and Services	10.2	0.3	9.9	30.3	1.1	29.2
Land Management	2.2	—	2.2	7.2	—	7.2
Consolidated	$ 176.5	$ 0.3	$ 176.2	$ 501.5	$ 4.4	$ 497.1
Operating Profit (Loss):						
Rigid Industrial Packaging & Services	$ 56.7	$ (0.2)	$ 56.9	$ 113.4	$ (28.2)	$ 141.6
Paper Packaging & Services	19.1	—	19.1	64.4	—	64.4
Flexible Products and Services	(5.9)	0.1	(6.0)	(11.9)	0.2	(12.1)
Land Management	1.7	—	1.7	6.1	—	6.1
Consolidated	$ 71.6	$ (0.1)	$ 71.7	$ 172.0	$ (28.0)	$ 200.0
Operating profit (loss) before special items [14] :						
Rigid Industrial Packaging & Services	$ 63.5	$ —	$ 63.5	$ 153.3	$ 0.1	$ 153.2
Paper Packaging & Services	19.9	—	19.9	66.6	—	66.6
Flexible Products and Services	(1.0)	0.1	(1.1)	(3.7)	0.2	(3.9)
Land Management	1.5	—	1.5	5.1	—	5.1
Consolidated	$ 83.9	$ 0.1	$ 83.8	$ 221.3	$ 0.3	$ 221.0

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 July 31,			Nine months ended July 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	$ 669.0	$ 21.5	$ 647.5	$ 1,985.3	$ 108.4	$ 1,876.9
Paper Packaging & Services	176.7	—	176.7	496.3	—	496.3
Flexible Products and Services	79.2	2.7	76.5	249.3	11.1	238.2
Land Management	5.1	—	5.1	17.3	—	17.3
Consolidated	$ 930.0	$ 24.2	$ 905.8	$ 2,748.2	$ 119.5	$ 2,628.7
Gross Profit:						
Rigid Industrial Packaging & Services	$ 120.9	$ 1.1	$ 119.8	$ 351.2	$ 4.6	$ 346.6
Paper Packaging & Services	35.1	—	35.1	117.0	—	117.0
Flexible Products and Services	8.9	0.5	8.4	26.8	1.8	25.0
Land Management	1.9	—	1.9	6.8	—	6.8
Consolidated	$ 166.8	$ 1.6	$ 165.2	$ 501.8	$ 6.4	$ 495.4
Operating Profit (Loss):						
Rigid Industrial Packaging & Services	$ 29.5	$ 0.1	$ 29.4	$ 75.5	$ (23.5)	$ 99.0
Paper Packaging & Services	21.5	—	21.5	76.7	—	76.7
Flexible Products and Services	(9.7)	0.1	(9.8)	(23.8)	0.4	(24.2)
Land Management	2.9	—	2.9	32.3	—	32.3
Consolidated	$ 44.2	$ 0.2	$ 44.0	$ 160.7	$ (23.1)	$ 183.8
Operating profit (loss) before special items [14] :						
Rigid Industrial Packaging & Services	$ 59.8	$ (0.4)	$ 60.2	$ 129.2	$ (4.1)	$ 133.3
Paper Packaging & Services	22.4	—	22.4	78.5	—	78.5
Flexible Products and Services	(4.4)	0.1	(4.5)	(18.8)	0.4	(19.2)
Land Management	1.5	—	1.5	5.3	—	5.3
Consolidated	$ 79.3	$ (0.3)	$ 79.6	$ 194.2	$ (3.7)	$ 197.9

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 July 31, 2016	Three months ended July 31, 2015	(Decrease) in Net Sales ($)	(Decrease) in Net Sales (%)
Net Sales	$ 845.0	$ 930.0	$ (85.0)	(9.1)%
Impact of Divestitures	1.5	24.2		
Net Sales excluding the impact of divestitures	$ 843.5	$ 905.8		
Currency Translation	(60.7)	N/A		
Net Sales excluding the impact of divestitures and currency translation	$ 904.2	$ 905.8	$ (1.6)	(0.2)%

	Nine months ended July 31, 2016	Nine months ended July 31, 2015	(Decrease) in Net Sales ($)	(Decrease) in Net Sales (%)
Net Sales	$ 2,456.0	$ 2,748.2	$ (292.2)	(10.6)%
Impact of Divestitures	48.6	119.5		
Net Sales excluding the impact of divestitures	$ 2,407.4	$ 2,628.7		
Currency Translation	(194.3)	N/A		
Net Sales excluding the impact of divestitures and currency translation	$ 2,601.7	$ 2,628.7	$ (27.0)	(1.0)%

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 July 31,					
		2016		2015	Increase (Decrease) in Net Sales ($)	Increase (Decrease) in Net Sales (%)
Net Sales	$	596.8	$	669.0	$ (72.2)	(10.8)%
Impact of Divestitures		—		21.5		
Net Sales excluding the impact of divestitures	$	596.8	$	647.5		
Currency Translation		(59.0)		N/A		
Net Sales excluding the impact of divestitures and currency translation	$	655.8	$	647.5	$ 8.3	1.3 %

	Nine months ended July 31,					
		2016		2015	(Decrease) in Net Sales ($)	(Decrease) in Net Sales (%)
Net Sales	$	1,721.3	$	1,985.3	$ (264.0)	(13.3)%
Impact of Divestitures		42.1		108.4		
Net Sales excluding the impact of divestitures	$	1,679.2	$	1,876.9		
Currency Translation		(183.7)		N/A		
Net Sales excluding the impact of divestitures and currency translation	$	1,862.9	$	1,876.9	$ (14.0)	(0.7)%

Exhibit 99.2

Good day everyone and thank you for your time. My name is Matt Eichmann and I am the Vice President of Investor Relations at Greif. Similar to previous quarters, we are pleased to provide you with a copy of our earnings conference call slides, management remarks and 2016 third quarter earnings release for your review.

Turning to slide 2. 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 third quarter 2016 earnings release was issued after the market closed on Wednesday, August 31, 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.

Thank you Matt, and good day everyone. We appreciate your interest in our Company. I want to begin by reviewing Greif's vision and strategic priorities.

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 us in the marketplace and provide added value to our customers worldwide.

Our vision is complemented 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 focused on delivering exceptional customer service in every single market we operate in. This higher level of service will translate to greater customer loyalty and 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,

- ◦ Expecting and achieving a higher level of fiscal discipline from the entire enterprise.

Please turn to slide 4. We continue to improve our customer satisfaction scores across the enterprise – both versus the prior year quarter as well as compared sequentially to Q2 2016. Our focus is to align our people and resources to deliver a differentiated experience for our customers. We are also finalizing preparations for our next Net Promoter Score survey which we will share with you at the year end.

Please turn to slide 5. Our third quarter performance reflects sustained improvement:

- Our consolidated gross profit ratio expanded to 20.9 percent – our best margin in more than five years. This represents a 200 basis point improvement versus the prior year quarter. We have now delivered gross margins in excess of 20 percent over the last two quarters – evidence that our emphasis on execution discipline and improving operating fundamentals is taking hold. Our Rigid Industrial Packaging and Services and Flexible Products and Services segments each recorded margins better than the year ago, and also sequentially improved versus the second quarter of 2016.

- Gross profit margin expansion – coupled with a reduction in SG&A expense – helped our operating profit before special items grow by 6 percent.

- Finally, our free cash flow grew by 20 percent year-over-year, and now stands $100 million dollars higher year to date than the same period a year ago. This is a result of better operating performance, more disciplined capital allocation and improved working capital efficiencies.

Please turn to slide 6. Our Transformation initiative is delivering improved performance. Over the last four quarters, we delivered gross and operating profit margins of 20.1 percent and 8.8 percent, respectively. Our trailing four quarter SG&A ratio is 11.3 percent. While work remains to be done, we are clearly headed in the right direction.

Please turn to slide 7. Our Rigid Industrial Packaging and Services segment delivered a strong quarter despite some external market challenges. We remain laser focused on controlling the levers that we can control within the business.

Although Rigid Industrial Packaging and Services' sales were down roughly $70 million dollars year-over-year, revenues were up 1 percent excluding divestitures on a constant currency basis. Steel drum volumes were down slightly year over year, but our Intermediate Bulk Container strategy continues to gain traction, with volumes up over 8 percent compared to the prior year quarter. This is mainly driven by stronger demand in North America and EMEA.

A weaker agricultural market factored into what could have been a stronger quarter for the business. In North America, California tomato sales were down after two years of strong crop yields which impacted fibre drum demand. EMEA also experienced a weaker tomato season in southern Europe. Toward the end of the quarter, EMEA also saw slowing industrial demand. Further south in Latin America, volumes were lower – plastic demand in Argentina was impacted by a deteriorating economic situation in that country, while the steel drum business in Brazil suffered from slower lube oil and agribusiness sales. Offsetting some of this weakness was APAC, which took greater strides towards penetrating the IBC market and expanded its plastic presence in Southeast Asia. Plastic drum demand was up 9 percent year-over-year.

Despite challenges in parts of the world, the segment's gross profit margin topped 22 percent in the third quarter, with our North America, EMEA and APAC businesses each registering year-over-year improvements through price and product mix management and better operational discipline. The segment also generated an operating profit before special items margin in excess of 10 percent – its best margin in more than five years.

Please turn to slide 8. Our Paper Packaging segment delivered respectable third quarter results, despite a weaker containerboard environment and planned maintenance downtime at both the Riverville and Massillon mills.

Operating profit before special items fell by 11 percent, or by almost $3 million dollars, due to a price/cost squeeze compared to a year ago.

Our CorrChoice sheet feeder network performed well during the quarter and volumes expanded 4 percent over the prior year. Specialty sales also continue to expand – especially in our triple wall and litho-laminate lines – which grew by 10 percent versus the prior year.

Please turn to slide 9. The turnaround plan at Flexible Products and Services is accelerating under the leadership of Hari Kumar. FPS delivered a 15 percent improvement in Gross Margin dollars versus the prior year quarter and the business has generated a $12 million dollar improvement in EBITDA before special items year to date.

Although we are not satisfied with the segment's overall results, we are encouraged by the pace of progress being made. As an example:

- FPS' gross profit improved on both an absolute and percentage basis versus the year ago quarter, thanks to reduced fixed costs, greater labor efficiencies and price product mix management activities;

- We also have our underperforming operations tracking on schedule per their performance plans.

Our expectation is that FPS will finish 2016 with an EBITDA before special items improvement of more than $15 million dollars over 2015's actual results.

I'd like now to turnover the presentation to Larry Hilsheimer – our Chief Financial Officer.

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

Sales for the quarter were flat compared to the prior year, after adjusting for divestitures and currency translation. As Pete mentioned in his remarks, sales for the quarter were negatively impacted by lower agriculture demand in our Rigid Industrial Packaging and Services segment and by lower containerboard pricing in our Paper Packaging and Services segment.

Operating profit before special items grew by 6 percent over Q3 2015. This improvement comes despite lower sales and higher OCC input costs and makes clear that our focus on enhancing the quality of our market share – as opposed to the quantity of market share – continues to pay off.

Income tax expense for the third quarter was $3.5 million dollars, which equates to an effective quarterly rate of roughly 7 percent. As we mentioned during our second quarter call, FIN 18 rules can cause distortions in quarterly tax rates. In addition, during the quarter we received a one-time tax benefit related to transactions executed to re-balance the Company's global debt. That transaction, combined with a FIN 48 release, netted with the tax impact resulting from shifts in where quarterly income was earned, contributed $0.17 to our third quarter Class A earnings per share before special items.

Turning to slide 11. The macroeconomic backdrop varies around the world, but in general, global industrial activity remains soft. Although the U.S. industrial economy is improving moderately, Eurozone activity remains unsteady as evidenced by last month's weaker manufacturing PMI data for the Eurozone, Germany and France. Latin America also continues to be hampered by weaker conditions, especially in Brazil's industrial sector. These factors indicate that Greif's improving results come without the benefit of favorable economic tailwinds. They also reinforce the notion that our strategy – which is built upon customer service excellence and execution discipline – is well founded and does not rely on the pace of improvement in markets worldwide.

Turning to slide 12. We are making several refinements to our full year outlook as we enter the tail end of our fiscal year. We are raising and narrowing our full year 2016 earnings per Class A share before special items range to $2.36 - $2.56 per share, up from $2.20 - $2.46 per share last quarter. This represents a $0.13 per share improvement in our earnings midpoint, and reflects better operational performance and a lower, updated full year tax rate range of between 35 and 38 percent.

Stronger operations – coupled with better working capital management, lower cash taxes and more stringent capital allocation reviews – have also allowed us to increase the top end of our free cash flow range by $30 million dollars from what was shared at Q2 2016.

We're pleased with the improvements we are seeing in free cash flow generation.

Please turn to slide 13. We are on pace to more than double 2015's free cash flow in 2016, which sets us up well to achieve our run rate commitment coming out of 2017. At the midpoint of our 2016 free cash flow guidance – and using today's combined market capitalization –Greif's free cash flow yield is roughly 8.0 percent – a very attractive yield especially in today's world of subdued interest rates. Our improving free cash flow position further secures our dividend and provides us with ample financial flexibility to pursue profitable growth and quality of market expansion.

Let me now turn the call back to Pete for wrap up comments before our Q&A.

Thank you, Larry. I'd like to conclude with a few final comments.

Please turn to slide 14. Global industrial demand remains unsteady. While we have no control over the external market, we remain laser focused on the business levers that we do control.

This includes delivering the very best in customer service, executing on solid operating fundamentals and ensuring we manage our business with tight fiscal discipline. Together with Greif's comprehensive packaging offering, and diverse geographical footprint, we are well positioned to benefit as the world's industrial economy improves, resulting in expanded earnings and cash flow generation.

We are holding ourselves accountable to that task. I look forward to taking your questions tomorrow. Thank you for your interest in Greif.

Exhibit 99.3

Greif, Inc.
Third Quarter 2016 Earnings Results Conference Call
September 1, 2016

CORPORATE PARTICIPANTS

Matt Eichmann *Greif, Inc. - VP of IR*

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

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

CONFERENCE CALL PARTICIPANTS

Adam Josephson *KeyBanc Capital Markets - Analyst*

Chris Manuel *Wells Fargo Securities, LLC -Analyst*

Justin Bergner *Gabelli & Company - Analyst*

Steve Chercover *D.A. Davidson & Co. - Analyst*

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

George Staphos *BofA Merrill Lynch - Analyst*

PRESENTATION

Operator

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

(Operator Instructions)

I would now like to turn the call over to Matt Eichmann. You may begin.

Matt Eichmann - *Greif, Inc. - VP of IR*

Thank you, Julie. Good morning everyone, and welcome to the question-and-answer portion of Greif's 2016 third-quarter earnings conference call. Yesterday after the market closed we posted a slide presentation and recorded remarks regarding our 2016 third-quarter 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 these projections or expectations.

During this question-and-answer session, certain non-GAAP financial measures may be discussed, including those that exclude the impact 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. And 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. I'm pleased with our most recent results, as they come despite external challenges we faced during the quarter.

I'd like to highlight a few key items in our quarter, which include sustained operational improvement, particularly in our Rigid Industrial Packaging segment. This is evidenced by our second consecutive quarter of achieving gross margins in excess of 20%; free cash flow expansion, which is a result of improved operations; more disciplined capital spending, and improved working capital efficiencies; continued improvement in our journey toward customer service excellence; and we've increased and narrowed our 2016 Class A earnings per share guidance range.

Our new guidance is $2.36 per share to $2.56 per share. We acknowledge that significant opportunities still exist in each of our strategic business segments and remain focused on unlocking additional value from our portfolio. Before we start, I'd like to ask our CFO, Larry Hilsheimer, to make a brief comment.

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

Thank you, Pete. We have reposted this morning our appendix exhibit of the impact of price, volume and foreign currency impact to net sales. We have done so to better reflect actual performance, which was previously distorted by a shift in the classification of specialty products in EMEA, through our LN implementation, and the mechanics of the computation for this chart.

This reflects the complexity of our product mix and difficult -- and different price levels. This has caused us to commit that we will modify how we report this on a go-forward basis, to provide more clarity into volume, price and FX components of our key products.

Julie, please, if you would open the call for questions?

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Your first question comes from the line of Adam Josephson from KeyBanc. Your line is open.

Adam Josephson - *KeyBanc Capital Markets - Analyst*

Pete, just my two will be on containerboard. Are you announcing a $50 a ton price increase, along with many of the other producers?

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

Yes, we are.

Adam Josephson - *KeyBanc Capital Markets - Analyst*

And can you just talk about just why, just in light of the sluggish industry conditions that have persisted all year, and given that many producers' input costs are obviously quite a bit lower than they were a couple of years ago, even OCC, which has moved up by $30 a ton in recent months, isn't any higher than it's been over the past three years or so, and year-to-date is lower than it's been in years past? So I'm just trying to understand the basis for the increase. Thank you very much.

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

Thanks for the question. Due to the last couple weeks, if I could, why don't I start with the chain of events, and talk through what Greif is going to do, if you're okay with that, Adam.

Adam Josephson - *KeyBanc Capital Markets - Analyst*

Sure, Pete. Thanks.

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

As everyone knows, RISI pulp and paper index several weeks ago published a reduction in the price of medium by $15 a ton, and quite frankly, we were very surprised by that change. And the reason why is our pricing had not changed from Q2 to Q3. In our view, and I think I stated this in the second quarter comment, in a broader market, we saw that the volatility on pricing had really quieted down. So the recent containerboard price increase, I'm not surprised at all. Let me explain where we are in this.

Several weeks ago, we did announce a similar $50 a ton price increase in Latin America. We just sell Semi-chem medium there. We have a very small position. But the rationale for what we did and why we are announcing -- have announced a containerboard increase in the North America is the same.

Back to your question, we have communicated and announced a $50 a ton price increase on all containerboard grades, effective October 1. Our rationale for Greif, why we're increasing prices and made those two announcements, it's been well over 3.5 years since the last increase. Overall, we have had inflationary cost eroding our earnings, and as you all know, this type of business requires significant capital spending, which we have done.

And our shareholders expect and deserve a better return on their investment, and my responsibility as CEO is to make actions and decisions that do that. So that's our rationale.

Matt Eichmann - *Greif, Inc. - VP of IR*

Are you there?

Operator

Your next question comes from the line of Chris Manuel with Wells Fargo. Your line is open.

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

If I wanted to -- kind of two different topics I wanted to ask about, if I could. If I could follow up just for a second on the containerboard stuff. I know it's not as big of a piece of your business, or you're not as big of a player in the market, so maybe it makes it a little tougher to answer this, but how would you think about perhaps, Pete, the efficacy of getting price within the market? Do you feel that maybe it's a little easier in Recycled versus Kraft, as we sit today, or do you think that -- how's reception been thus far?

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

It's a little premature to talk about specifics, and we don't necessarily make any comments about our specific commentary with our customers. All that is always private between us.

But I don't see a distinction between our ability to get an increase, whether it's Semi-chem or whether it's Kraft, or whether it's Recycled. I think, again, I think we feel very bullish about our increase, and I think it's needed, based on the rationale I explained. So no, I'm very bullish on what I think the result will be.

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

Okay. And then if I could ask a couple other questions regarding the drum business, and then I have a question for Larry as well. As we look across -- I haven't -- admittedly haven't gone and looked at your new slides yet, but it looked as though volumes were really up a lot in the EMEA region, and they looked down a good chunk in North America. Could you maybe give us a little bit more color as to what might be happening, particularly in -- I think we understand what's happening in Latin America, but perhaps what's happening in North America and Europe, to what -- we're up double digits and down double digits in different regions with respect to volume.

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

Let me make a comment and then let Pete address the primary question, Chris. I think when you look at the reposted chart, that will address your question in EMEA. It was distorted by some specialty product classification, and just the computation mechanics. We tried to clean that up. It was an item that we identified yesterday, and we had the decision to make of whether to go ahead and post it yesterday.

I made that call, and we had been looking at it and determined it would be better to reclassify the things and show it, in a way that eliminated that distortion. So you'll see that in the reposting. But Pete can talk to the results worldwide.

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

Chris, if I could, I'll also make comments a little bit on what we're seeing as to the volumes, and I'll specifically talk through the volumes in each of those two regions. As you know, we indicated that the RIPS global revenues were up 1% when you factor out FX and divestitures, and really there's three main inputs, and then I'll go specifically. We did have a weaker Ag season in both North America, predominantly California and EMEA, Southern Europe.

We did have some isolated weak global markets, as you indicated, and we continue our focus on trying to generate value versus volume, and it's back to the quality of the market share we're trying to achieve as opposed to quantity. I think that's indicative of the gross margin dollars are higher than a year ago.

But if you look at EMEA, there is a slowing industrial demand, and in the last four months, we've seen successive slowness in the economic data. Although the PMI is still over 50, it is slowing. And I think this morning, the Eurozone manufacturing data was just released, and it's consistent with that theme overall, that we are seeing a slowing Eurozone.

In July and August, we saw an anomaly of our volumes. So the last two weeks in EMEA in July, we saw significant departure in volume, and that lasted until the first week of August, roughly 10 days into August. However, at this point, the volume trends are back to normal, so we should start feeling better about where we are in EMEA after that.

If you look at the discrete substrate, steel we were up a 0.5%. IBCs, we continue to grow, we're up 8% in EMEA. Plastics is the one area that we saw significant decline, we were down 11% on our plastics business.

That is an area where we're seeing significant raw material increases, and we have taken a stronger position on pricing. That is also a small subset, where we have less raw material contractual pass-through, so it's an open negotiated position.

The other point is we have certain regions within that plastics business, specifically Italy and the Nordic regions, where we didn't feel that our margins were acceptable. So we are making some price and product mix decisions, along with the raw material increases, and taking certain stands and focusing on value versus volume, with some of those eroding margins. So that gives you a view, I think, of Europe.

Specifically, inside of Europe, as we referenced, there's a weaker Ag market, mainly around tomatoes in Southern Europe. That business or that segment was going well until there was sudden and extreme rain that radically stopped that crop. Some other points around that globe, Russia continues to exhibit really strong growth, primarily because of the alignment with some strategic customers.

Western Europe overall is -- I classify as stable across the Western European geography. Central Europe is flat, and we're starting to see improvement in that region from August.

The Middle East, while it's not a very big region for us, the volume is actually quite good, with the exception of Saudi Arabia, and that's predominantly due to some weak lube oil segment. And I go back to the final point is, in all of RIPS we are making pricing product mix decisions based on the quality of our market share, and making the right margin in our decisions.

So that gives you EMEA -- let me just make some comments about North America. I tell you, as you know, it is a slow growth environment, but it's one of the better and more stable markets we participate in. You've had slow improvement and slow growth, although it's not exciting.

Overall, our steel drum consolidation, which was driven by our need a year ago, that our returns in that business were unacceptable. We completed that in August of 2015, so the comparisons in Q4 will be more balanced on a comparable manufacturing footprint. And also, we are taking some price product, mix management decisions, as I've referenced before. Again, our gross margins in North America were significantly higher than 2015, with less revenue, but we had a very, very strong performance in that business.

If you look at the details, IBC volumes were up over 12%. Our plastic business in North America was up a 0.5%, and where our volumes were lower significantly were steel and fiber. They're about 7% to 8% lower. Our reference to fiber impact was basically a slower Ag system, that is typically, we get a really big bounce.

The steel business I referenced before, and our consolidation of that business and our activity, so specifically in the West Coast Ag system or season, the California tomato crops were down 15% through industry data that we get versus prior year, and the other alarming issue in that segment was their inventory was up 37%. And because of that, we experienced some of our larger customers destocking during that time period.

So you had a slower season. You had destocking, which caused lower than typical Ag volume in our fiber business.

The one comment I'll make in North America about the chemical sector, that is a larger component of our steel drum business in North America. We feel confident we're not losing wallet share with our key customers. One big factor in the export markets in the North America chemical segments are down 8%, versus a year ago.

I'll also just make a short comment on APAC. So the strength there is our IBCs were up 7%. Our plastics business in Southeast Asia up 9%. Our steel volumes are flat versus prior year.

The only comment on that economy is the region is challenging and competitive. It's got a really diverse competitive market. But I think the growth patterns are fairly stable, than what we've seen in the past few quarters.

So I hope that answers your question, Chris.

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

It does. That's very helpful. Just one more follow-up along the lines of that, and then I'll jump back in the queue. But so, my apologies, I just re-looked at your new slide, with the volumes in. So that's why the question was a little off.

As we look forward, if you're doing some pricing actions or things in regions, perhaps that has a year or so before we anniversary some of that, but I guess really where I wanted to go then too is on an ongoing basis, will your volumes begin to track -- if you have pricing actions that are going to have a tail to them, perhaps not, but we are still growing modestly in North America and in Europe. Should volumes begin to -- what's your view on base level business?

Does it begin to tick back to track more in line with the markets over the next 3, 6, 12 months, probably up modestly. Or how do you envision that playing out?

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

You characterized it pretty well. I think as we move forward, I think we should align more with industrial markets. But also, our focus is volume. We were impressed with our volume improvements around here for a time being, and our margins eroded.

Volume is strictly a vehicle to profit. And so every decision we make will be toward driving value and profit. So I would agree that going forward, after Q4 and on, we should be more aligned industrial markets, but we're not going to let that drive our behavior and our performance. One other comment, that's whether that's worth for your consumption or not is, there was less days in Q3 than Q4 -- Q3 this year than Q4 last year, but just as a reference point.

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

Yes, Q3 to Q3 was one day less this year and that will turn around in Q4. The other thing I'd add to Pete's answer there is, as we've said before, Chris, our focus is on really excelling in customer service and value, and our objective once we stabilize is to grow slightly better than the production. So we won't be satisfied with just continually losing market share by any stretch.

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

Okay. That's helpful. I'll jump back in the queue. Thank you.

Operator

(Operator Instructions)

Your next question comes from the line of Justin Bergner with Gabelli & Company. Your line is open.

Justin Bergner - *Gabelli & Company - Analyst*

First off, could you just help us understand what's going on, on the tax line? What was the adjusted tax rate in the third quarter? Will the reduction in the tax rate continue on into FY17 and beyond, or were these all one-time reductions in tax? Thank you.

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

Thanks, Justin. Tax continues to be a topic that confounds, as we have talked in prior quarters. And just the mechanics of the GAAP rules and FIN 18 cause a lot of distortion quarter to quarter, as we've explained.

Out of this, the tax benefits that are related to discrete items, free-ups of some of our FIN 48s, as a result of resolutions of exams, and also the tax benefits of a rebalancing of our debt footprint worldwide, with a related tax benefit is about $0.17 for the entire year, but it also fell entirely in the quarter time frame. So that drove a significant drop in the quarterly tax rate, along with what we've explained before, about how the FIN 18 rules work relative to entities, legal entities within geographies, that have valuation allowances required under GAAP rules because of losses without a clear path of demonstrated profitability. Some of those could turn around and be beneficial in the future, as we execute on our transformation plans, and drive profitability in some of those entities.

Justin, to your question relative to the non-GAAP rate for the quarter, the difference on these things ends up being related primarily to impairment items, but it would be 10% in the quarter. So obviously -- well, not obviously. One of the items that creates difference between tax expense for book and tax is related to impairments.

So as we get out of the realm of having impairments over time, that difference will mitigate, as well. And then, as the valuation allowance entities become profitable, we'll get back to a more normal picture from a tax perspective.

Justin Bergner - *Gabelli & Company - Analyst*

Great. Thank you. So I mean, what should I think about as normal after this year's variability?

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

In the short term, say the next year or two, I would think that our sort of normal recurring tax rate would be in the -- somewhere in the 35% to 40% range. It's all going to depend on tax exams, and those things impacting matters.

Over time, I will certainly be tasking our tax group to try to drive our overall tax rates down in the 30% to 35% range, hopefully the lower end of that. And then the big focus for most tax items is to really figure out how your cash tax rate is lower, by entering into situations where you're employing tax strategies, that allow you to defer the time you pay the tax.

Justin Bergner - *Gabelli & Company - Analyst*

Okay. That's helpful.

Switching gears to some more fundamental drivers in the business, your adjusted operating profit margin climbed above 10% in Rigid Packaging this quarter, and I was just trying to figure out, is that a sustainable level? Are there seasonal benefits in the third quarter? Are there raw material benefits? How should I think about the portion of that margin enhancement, that's sustainable going forward?

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

Justin, this is Pete. Thanks. We believe that type of margin and operating rates are very sustainable, and that's our expectation.

Justin Bergner - *Gabelli & Company - Analyst*

Okay. Great. But it does look like the third quarter generally is a higher-margin quarter from a seasonal point of view. Is that --

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

That's fair.

Justin Bergner - *Gabelli & Company - Analyst*

Okay. Thanks. And then if I could just ask one question on containerboard pricing, clearly there's some good questions asked earlier. What will you be looking for, to see whether or not the price increase initially looks like it's going to be accepted in the market, by you and IP?

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

I can't comment on anybody other than us but the key is, come October 1, as we deliver and bill at a higher price, that's typically how you determine how it's been accepted. Again, we have a large percentage of our intake is internally integrated, so I have full expectations that it will be successful.

Justin Bergner - *Gabelli & Company - Analyst*

Okay. Thanks.

Operator

Your next question comes from the line of Steve Chercover with D.A. Davidson. Your line is open.

Steve Chercover - *D.A. Davidson & Co. - Analyst*

First question, you said that your divestitures should be complete by the end of this year. So should we expect restructuring costs to decline materially in 2017?

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

We have stated that we expect our primary divestitures to occur -- obviously we continuously look at our portfolio, Steve, but the elements that related to our transformation, as first laid out, your statement's correct. Our restructuring charges, we indicated in our filings, that we expect those to mitigate in the first quarter of 2018. As we continue to focus on how do we streamline our organization, we expect further charges at a lower level than we've been running, but through 2017.

Steve Chercover - *D.A. Davidson & Co. - Analyst*

Okay. Thanks. And then again, I think there's, along the same theme, there's no material acquisitions for the rest of this year. If you hit your financial targets for 2017, will you, to go back in time, re-earn your right to grow and if so, in which vertical?

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

At the Investor Day conference that we had in June in the closing remarks that Pete made, he shared with the team that himself and me and a very, very small group had already began focusing on, as we should, assuming we achieve our objectives, and we've re-earned the right to grow, where are we going, what are we doing, and how do we go about that. And we said at that time we'd have much more to talk about at our Investor Day next June, so we're focused on that. And obviously we're confident we're going to hit our transformation objectives.

Steve Chercover - *D.A. Davidson & Co. - Analyst*

Okay. Final question. Is there a way that you can get away from pass-through pricing mechanisms?

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

Do you have any reference to which business? Because it might be a slightly different answer in each business. Or are you talking about just general, Steve?

Steve Chercover - *D.A. Davidson & Co. - Analyst*

I'm talking in general, because it occurs to me that it's a slippery slope. Once you start having pass-through mechanisms, you have to give rebates when input costs go down, and ultimately you just become almost like a utility.

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

Yes, I think it depends on your position in the market. Most customers prefer a pass-through mechanism, because it's controllable, manageable, and eliminates volatility, and actually negotiating trouble. So I think it would be hard to go entirely away from that, although there are some instances where it makes sense for both us and the customer not to have it. But broadly, I doubt whether we can holistically move away from that type of arrangement.

Steve Chercover - *D.A. Davidson & Co. - Analyst*

I mean, would it be a nice-to-have objective?

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

Depends on the business you are and your position in the market. I'm not trying to be cute, but it really just depends on the region, and your position in the market would dictate whether it's a benefit to you or not, and then whether or not you can negotiate that with your customers in the market. And the other issue you have to -- we all have to remember is, we have competitors who could cause a stir with that, as well.

Steve Chercover - *D.A. Davidson & Co. - Analyst*

Got it. Okay. Thank you very much.

Operator

Your next question comes from the line of Ghansham Panjabi with Baird. Your line is open.

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

Pete, I think you said demand in Europe normalized in August, after some weakness late in your Q3. I would imagine that's July. August, I would imagine is also quite a weak month with Europe in general. As you look out to September and beyond, could you perhaps share what your customers seem to be indicating about European demand for the rest of the year, maybe some recent conversations, or something like that?

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

Thank you, Ghansham. So the slowing in July and August could be tied to the holiday season in Europe. But going forward, I would expect that we will see similar trends that we've seen in the last four months.

We've got to remember, there's still expansion. It's just slowing. And at this point, since we've seen volumes improve in August, through the end of August, talking to our team there, we do not have any significant concerns that that trend will change.

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

Okay. And then in IBC, on the strong demand for that particular product, is that a shift away from other alternatives in your portfolio, or is it specific to a particular product or end market? Just seems high, at up 8% in North America and Europe.

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

Two points. Our customers are transitioning from some packaging mediums to IBCs. A lot of times, it's more efficient in their supply chain. And secondly, quite frankly, is our position is smaller, and so we are -- as we are growing and adding capability around the world, those increases are higher. And as we grow our footprint, those would stabilize slightly more. But in general, the growth rates for IBCs are at a higher rate globally than steel drums or fiber drums or plastic drums.

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

And then one final one, maybe for Larry. Larry, I'm sorry if I missed this, if you covered this already, but what's driving the higher free cash flow above and beyond the CapEx reduction? Can you just update us on working capital as well for 2016?

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

Certainly. Thanks for the question. Effectively, there is the element of the taxes, which is about $14 million or so. And then we also have about $7 million on pick-up of just the midpoint of our CapEx range, and the balance is just a continued improvement in our working capital elements. Those three items essentially total up to the move of our range.

On a go-forward basis, we remain committed to delivering on our transformation commitments. The operational improvements that we'll continue to deliver through next year, and also continued focus on further improvements in working capital management, will help us deliver on those commitments.

And we do have one bit of tailwind going into next year. We'll be refinancing our bond, and we'll have some pick-up even on interest expense cash out next year, as well.

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

Okay. Thanks so much.

Operator

Your next question comes from the line of George Staphos with Bank of America. Your line is open.

George Staphos - *BofA Merrill Lynch - Analyst*

Thanks for the details. A lot of my questions have already been asked. I just want to take another track or tie on Ghansham's question. Can you comment at all in terms of what kind of volume year on year you're seeing midway through the fiscal fourth quarter?

Can you talk at all about the percentage rates, what they dipped down to, what they're looking like now across some of the key geographies? Obviously Europe is where you saw a bit of a slowdown, or product lines.

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

Yes. So what we have is visibility, that I have visibility in probably the first three weeks of August, which is dangerous to make assumptions from three weeks. But again, in Europe, we were quite pleased that we started seeing volumes trend back to more normalized volume trends across all of Europe. I think I commented, there are a few weak spots. Saudi Arabia is one that's been weak all of Q2, although it's not necessarily material to our RIPS business overall.

I would say in North America, we don't see any dramatically different trends from the first three weeks in August, from what we saw in the third quarter. And that's one of the typical exceptions, is that fiber tends to slow down in Q4, because the large input of the Ag season on the West Coast, since that didn't happen, we tend to see flatter -- we'll see a flatter trend in that segment. Does that answer what you were poking at, George?

George Staphos - *BofA Merrill Lynch - Analyst*

Pete, a little bit, and I don't want to belabor it. In Europe would trending back to normal rate be low single digit growth that you're seeing on an ongoing basis? I'm trying to put some sort of numbers to the verbiage.

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

In steel we've been running between 1% and 2.5% to 3% throughout the year. I think that will be probably toward the lower end of that, only because what we see the trending of the manufacturing data. I think IBCs will continue to grow at a similar rate this year, and hopefully we expect next year, because of some of the additions we're making in that business.

In North America, I think you will start seeing year -- but mainly in steel because we'll have a fair comparison based on our consolidation efforts changed in Q4 last year. So it's just a more even comparison.

And I think our IBC business will continue to grow in North America as well, at a rate similar to what we're seeing this year, or potentially higher. Again, as we've added capability.

George Staphos - *BofA Merrill Lynch - Analyst*

Thank you for that, Pete. The next question I had, I'm guessing it's largely pass-through, and certainly your margin improvement ultimately is the most important arbiter here. But when you talk about emphasizing price if you will, or value over volume, and I then look at some of the percentage increases in price mix, either in the table in the slide deck or the table in your press release, the percentage changes are not that significant. So is there a way to divine for us how much is pass-through, and why we're not seeing a bigger pick-up in pricing, given the obvious emphasis on value?

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

So a lot of components go into the gross margin line. And from a pricing -- because we have a high pass-through mechanism, when you look at our raw materials, whether it's predominantly steel, because that's about 65% of our substrate volume in RIPS. You have pass-through mechanism, when it goes up, we pass that through, when it goes down, we do the same. There's lags, and depending on the timing, so it's not always clear.

I think there's three big parts of what we're doing from a gross margin standpoint. It's we are making decisions on where we participate, and where we don't. And that's based on the margins we get.

Secondly, it's supply chain and sourcing initiatives. As an example, we've got 50 to 60 different initiatives, whether it's in transportation, whether it's in sourcing that we do, whether it's indirect materials that we do constantly, to try to create value.

And then another big part is our operating costs and our operating execution levers. One of the biggest areas there has to do with unplanned down time in our operations, and that really speaks to improved reliability and consistency in our manufacturing operations, and there's a variety of levers that drive that.

I think my point on value over volume is we have to, and we are changing our culture, that volume is strictly a vehicle for profit. And we're not going to be slaves to chasing volume in competitive arenas, where the margins are eroding.

We have to be smart about where we participate and where we choose to participate, and with the right strategic customers. So that doesn't necessarily mean that you're always going to get high margins, because it is a competitive environment, but it's based on the decisions you make in certain circumstances that drive our behavior, which is profit first, and volume second.

George Staphos - *BofA Merrill Lynch - Analyst*

No, that makes sense, Pete. I appreciate the thoughts on that. I don't know if there's a way to quantify, maybe an aggregate for the Company, what the effect of pass-through was year on year, in the quarter? If you had it somewhere in the deck or release, I apologize for missing it.

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

We don't have it in there, George. We've never really tried to quantify it ourselves. It's a thing that we can look at and see whether it's something we could do, but we have not yet done it.

George Staphos - *BofA Merrill Lynch - Analyst*

Okay.

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

The other thing, Larry's talked about, we have multiple, number of pass-through mechanisms, and the question how reliable and how much time it would take to do that. We know what increases we're getting or decreases in material, and how that would behave and we track that. But to roll it up would be very challenging, and I'm not so sure would tell us a different story, and make us change what we're doing, running the business, if that makes sense to you.

George Staphos - *BofA Merrill Lynch - Analyst*

It does. Look, margin again will be the final arbiter and again congratulations to you on your performance there. From where we sit, having that would be helpful in terms of our valuation of you, but again, we don't necessarily want to create a lot of work for you all, and the disclosures have become much better. So again, we thank you for all that.

My last question, I'll turn it over and come back in queue, can you talk a little about your progress in reconditioning, and how that's going, and how that's helping if at all your IBC growth? Thank you.

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

That's a great question. So our belief is the biggest opportunity in RIPS and reconditioning is tied with IBCs, because that's more of a supply chain strategy.

We are in Mendig, Germany, we've reconfigured our manufacturing footprint for IBCs in that region, consolidated, improved it and part of that is putting an integrated new IBC reconditioned facility in one, in central Germany and that is almost completed, and we are building a similar capability in the Netherlands, and we have other partners around the world that we also do that. So that is our focus in reconditioning.

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

Why don't you ask your additional question now. I think we're going to just take Adam and Chris and end after that. So if you have an additional question we'd be happy to address it now.

George Staphos - *BofA Merrill Lynch - Analyst*

Sure. I mean, I guess the last question I had was just what are the next steps, recognizing you're pleased with your performance to date, or the improvement, and furthering the turnaround in Flexibles, what are the next operating metrics or key mile markers? Is there any next capital investment that you need to make? Obviously you're working on Mexico there. Any thoughts there would be helpful. And with that, good luck in the quarter.

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

George, you're referencing just FPS.

George Staphos - *BofA Merrill Lynch - Analyst*

Correct, correct.

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

The next big milestone, as we've talked about is Q4. So we've -- and you can see on what we've released, is we expect to have EBITDA $3 million in Q4. [Correction: The information that the speaker meant to disclose was that an EBITDA $3 million improvement over Q4 2015 is expected for Q4 2016.]

We're really pleased with the pace and activity that's happening there, both in managing our underperforming operations, and what we're doing in the market, and operationally. But that is a big milestone for us. Our leader, Hari Kumar, is confident in the activities that are going, and everything we're doing is poised to that, as that is the next milestone.

George Staphos - *BofA Merrill Lynch - Analyst*

Okay. I'll turn it over. Thank you.

Operator

Your next question comes from the line of Adam Josephson with KeyBanc. Your line is open.

Adam Josephson - *KeyBanc Capital Markets - Analyst*

Larry, Pete, thanks so much for taking my follow-ups. I'll try to make them quick. One is just back to the containerboard price increase, can you talk about what impact you expect that to have on your FY17 financials?

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

Yes, sure. So because it's a little bit convoluted right now, as you know, let me talk, if I could, real quick about this fourth quarter.

So our fourth quarter, as you know, is August through October. So we're going to have a balance between agreements that we have the $15 a ton medium reduction and then plus beginning a blending of the $50 a ton increase on containerboard.

So we're talking about an estimated $1 million to $1.5 million impact in Q4 on the negative side, depending on the timing. And in 2017 and really starting in our Q1, Adam, which is November to January, we expect to have the $50 a ton increase on containerboard.

There might be a month delay for our corrugated product sheets, so we'll be getting that during early Q1, our Q1, which is November. And then probably -- if you just take our volume and if you can use for reference about 550,000 tons is medium and 200,000 tons is linerboard, and do the math on the $50 and the $15, that will give you a fairly clear view of what we think that impact will be in 2017.

Adam Josephson - *KeyBanc Capital Markets - Analyst*

So by 2Q 2017, Pete, you think you'll be at that full run rate of benefit, if you will, so call $10 million.

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

And the key would be, as our Q2 is February through April, so we will -- we should start having good run rates in our Q1.

Adam Josephson - *KeyBanc Capital Markets - Analyst*

Okay. Just to be clear, your annual capacity is, what, 730,000 tons or so?

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

We're going to expect to produce about 750,000 tons today. I'd just say 550,000 for medium and 200,000 for linerboard as a good reference point.

Adam Josephson - *KeyBanc Capital Markets - Analyst*

Okay. Thanks, Pete. Just two other quickies. SG&A was $93 million in the quarter. Larry, can you just remind me what you expect the eventually quarterly run rate to be?

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

What we've said, Adam, is we want our SG&A to be below 10% of revenue, so obviously it tends to be a little bit of a moving target. But when we laid out our commitments in June, you'd be at the $3.3 billion level. So obviously below $330 million for the year. So it fluctuates a little quarter to quarter, because of some things, and you get incentive accruals that vary throughout the year. But that ballpark is where we should be.

Adam Josephson - *KeyBanc Capital Markets - Analyst*

Great. Thanks, Larry. Just one more on the macro, Pete. You talked earlier about North America, the ISM PMI just for August just came out this morning. It was 49.4, a bit below expectations, and pointing to modest contraction. Does that surprise you at all? I know you earlier talked about continued slow growth in North America. So is that a surprising number to you?

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

Adam, I saw the European numbers that came out, I've not seen that, the North American one. So yes, for it actually to go down to 49, that is surprising. I haven't got a chance to look at it, so I'll leave that comment.

Adam Josephson - *KeyBanc Capital Markets - Analyst*

Totally understand. Thank you.

Operator

Today's last question comes from the line of Chris Manuel with Wells Fargo. Your line is open.

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

I just had one follow-up for Larry. I don't want him to feel neglected and feel like I didn't have a couple questions for you too.

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

Thanks, Chris.

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

I wanted to ask -- I know you're not going to like this question necessarily, because I'm going to ask you about 2017 a little bit. But where we end up this year for free cash flow, let's say you end up toward the middle of your range.

Help me perhaps walk through what some of the puts and takes are for 2018, and -- I'm sorry, for 2017 versus 2016, and that I'm presuming it's going to be a bigger number in 2017 than 2016, but some of the puts and takes there. Obviously, higher earnings. CapEx, probably in a similar range.

But the one I guess where I get stuck is on working capital. If you do have a paper price increase that would be a negative to working capital, even though it would help nicely on earnings. If you have steel prices are up 50% in the last month or two, how would you think about some of the puts or takes between -- I think you said earlier, restructuring expense may be down a shade of the different pieces, 2016 versus 2017 for free cash flow?

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

I'll make some comments on it, Chris, but I'll just be very direct. I have not re-looked at what I think 2017's projection would be, except to just do a gut check on, do I think we are able to get there, based on what we've looked at before? And I have absolute confidence that we will get there.

But if I just go to your pieces and parts, CapEx this year in the fourth-quarter numbers that we laid out, obviously we said down a little bit. That has to do with discipline in our process. So when we take tentative approval in our budgetary process on a project, we tell the teams when you come for real spend, you have to redo your business case with actual bids. That sometimes puts pressure in the process, where the bids delay, and some things get pushed back.

CapEx is probably slightly lower right now, than where I would expect it to be. I think I'd stay consistent with what we said before, $99 million to $119 million, call it $100 million to $120 million, somewhere in that range, so maybe slightly more on CapEx. But we're just beginning that process for our budget for next year, so we haven't landed on a number yet.

The second element would be, as I mentioned, we anticipate some element of tailwind from interest cost savings. Third element is, I do expect further cost reductions in our SG&A spend, and just operating results, as you mentioned, that will drive a lot. And then working capital, we do expect to get another $10 million to $30 million of savings out of next year, and hopefully even more, depending on what we're able to accomplish this final quarter, as well.

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

Okay. One last question. When you laid out your original -- I don't have it in front of me it was $205 million to maybe $225 million or something like that, run rate for free cash flow coming out of 2017, did that contemplate a debt re-fi in it or not?

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

We had contemplated that there would be some savings. We're probably looking at slightly more now than we did then.

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

Okay. That's helpful. Good luck. Thank you.

Operator

Your next -- today's last question comes from the line of George Staphos with Bank of America. Your line is open.

George Staphos - *BofA Merrill Lynch - Analyst*

I know you're running tight. Thanks for letting me back in the queue. I had one last question I'd forgotten to ask. When we look at your decisions on pricing in containerboard, and the decision to go out with a $50 per ton price increase effective October, it would suggest to us that from what you've seen in the business, August trends have been relatively good. Otherwise, we would have expected that maybe one would have wanted to see what the data looked like middle of September.

So can you talk a little bit about whether that data and that industry information was relevant, or really not that relevant, in terms of how you were setting your pricing strategy? Thanks, Pete. Thanks, Larry. Thanks, Matt. We'll talk to you soon.

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

Thank you, George. So I'll comment on what we see, and how that impacts our decisions. So actually our backlog in our mills is actually better now than it was at the beginning of Q3, which would suggest we're seeing some improved activities and our CorrChoice sheet feeder system continues to have good growth. I think we're up 4.1% quarter over quarter, and we still see a good growth opportunity there.

So again, our biggest decision on the announcement has to do with what we believe we have to do, to provide the right return for the capital invested in the business, and offset the increased cost that we've seen over the past 3.5 years erode our margins. I hope that answers your question, George.

George Staphos - *BofA Merrill Lynch - Analyst*

Yes, that's great. Thanks very much.

Operator

I would now like to turn the call back over to Matt Eichmann for closing remarks.

Matt Eichmann - *Greif, Inc. - VP of IR*

Great. Hey, thanks a lot, Julie. That concludes our presentation today. The replay of this question-and-answer session will be available later on our website, at www.Investor.Greif.com.

We really appreciate your participation and your interest. We hope you have a great remainder of your week. Thank you.

Operator

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