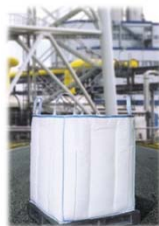




# 2014 Fourth Quarter Conference Call

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January 15, 2015



# Safe Harbor

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## **Forward-Looking Statements**

This presentation contains certain forward-looking information 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 information currently available to management. Such forward-looking statements are subject to certain risks and uncertainties that could cause events and the company’s actual results to differ materially from those expressed or implied. Please see the disclosure regarding forward-looking statements immediately preceding Part I of the company’s Annual Report on Form 10-K for the fiscal year ended Oct. 31, 2013. The company assumes no obligation to update any forward-looking statements.

## **Regulation G**

This presentation includes certain non-GAAP financial measures like EBITDA and Net Income Attributable to Greif, Inc. Adjusted and other measures that exclude special items such as restructuring and other unusual charges and gains that are volatile from period to period. 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. All non-GAAP data in the presentation are indicated by footnotes. Tables showing the reconciliation between GAAP and non-GAAP measures are available at the end of this presentation and on the Greif website at [www.greif.com](http://www.greif.com).

## Fourth Quarter 2014 and Fiscal 2014

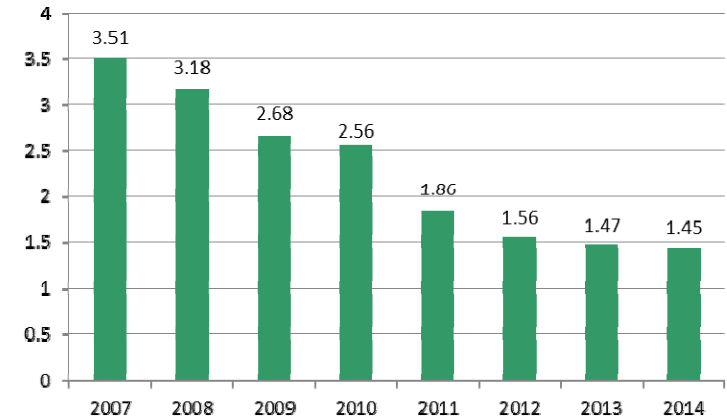
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- Strengthened financial flexibility and positioned Company for improved performance through:
  - Sales of certain non-strategic businesses
  - Restructuring underperforming operations
  - Identified SG&A saving actions
- Fourth quarter 2014 free cash flow of \$196 million compared to \$81 million for the fourth quarter 2013, excluding timberland transactions
- Fiscal 2014 return on net assets, adjusted for special items, continues to remain better than our cost of capital
- Results were below plan primarily due to non-cash asset impairment charges and negative impact of foreign currency translation

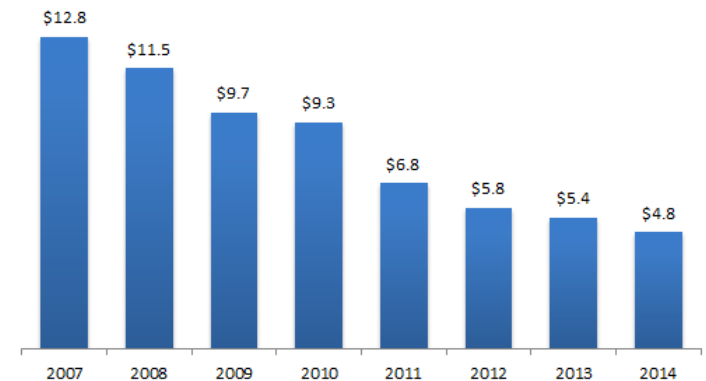
# Safety

- Medical Case Rate (MCR) decreased to 1.45 in fiscal 2014 from 1.47 in fiscal 2013
- 9<sup>th</sup> consecutive year of decrease in year-over-year MCR
- Behavior based safety observations to proactively address workplace and employee safety issues
- Remain committed to further progress in 2015

Medical Case Rate



Total Estimated Injury Cost @ \$21,400/injury\*



\* 2007 figure – no inflation

# Fiscal 2014 Priorities

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## 2014 Priorities

- Continuing to emphasize safety in all facilities and work-related activities;
- Making further progress on reducing operating working capital and increasing cash flow;
- Addressing capacity utilization issues in Flexible Products & Services;
- Increasing integration levels, capacity and product differentiation efforts in Paper Packaging;
- Implementing more Greif Business System initiatives to improve performance; and
- Restructuring selected geographies and assets that persist with unacceptable results



Medical Case Rate decreased to 1.45 from 1.47 in fiscal 2013



Free cash flow excluding timberland transactions increased to \$204 million from \$130 million in fiscal 2013



Closed KSA fabric hub and revised the FPS business strategy



Initiated project to increase mill capacity and announced sixth corrugator in response to market demand



Initial reductions in targeted SG&A expenses, portfolio optimization and increased operating efficiencies



Restructuring actions in all regions with particular emphasis on underperforming RIPS and FPS operations

# 2015 Goals

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- Safety – reduce medical case rate by 10%
- Execute enterprise-wide transformation process
- Actively pursue portfolio optimization
- Increase financial strength and flexibility
- Continue to abide by The Greif Way

# Sustainability

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- We play an important role in our customers' long-term success
- Cumulative benefit from energy conservation initiatives reached \$45 million in 2014
- 2014 industry Sustainability Award for DoubleGreen™ COEX 10L (liter) stackable jerry can



# Rigid Industrial Packaging & Services – Americas

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## *North America*

- Slight volume improvement in RIPS North America
- U.S. agriculture season favorable
- Certain exported products experienced somewhat softer demand

## *Latin America*

- Lower volumes
- Substantially higher selling prices
- Negative impact from foreign currency translation



# Rigid Industrial Packaging & Services – EMEA APAC

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## *Western and Eastern Europe*

- Economic conditions remain sluggish
- Lower selling prices
- Negative currency translation effect

## *Middle East and Africa*

- Strong results across region

## *Asia Pacific*

- Results above prior year in a majority of countries

# Paper Packaging

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- Record fiscal 2014 net sales and solid fourth quarter operating profit
- Slightly higher volumes offset by modest reduction in selling prices
- Lower OCC costs partially offset by higher transportation and increased utility costs
- Continue to focus on market differentiation and product innovation
- All previously reported net sales and cost of products sold figures adjusted for intercompany eliminations

# Flexible Products & Services

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- Sales comparison lower primarily due to divestment of our multiwall packaging business
- Negative effects attributable to Hadimkoy are receding
- Positive sales results in U.S. and Mexico
- \$66 million non-cash asset impairment in the fourth quarter 2014

# Land Management

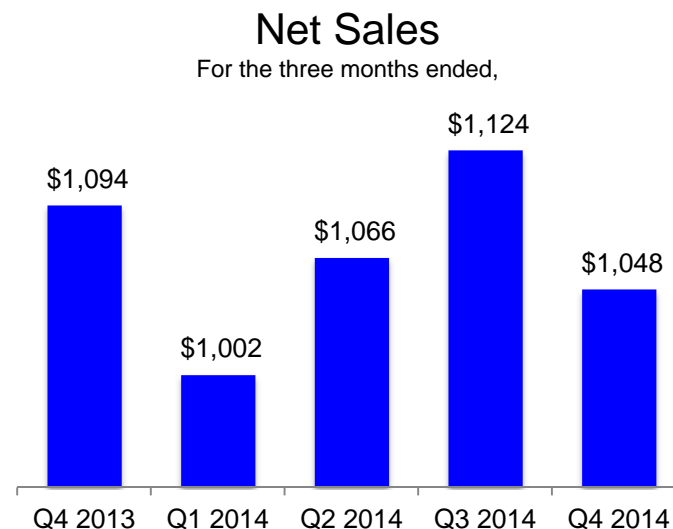
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- Stable market conditions in Southeast U.S.
- Completed multi-phase timberland transaction in first quarter 2015

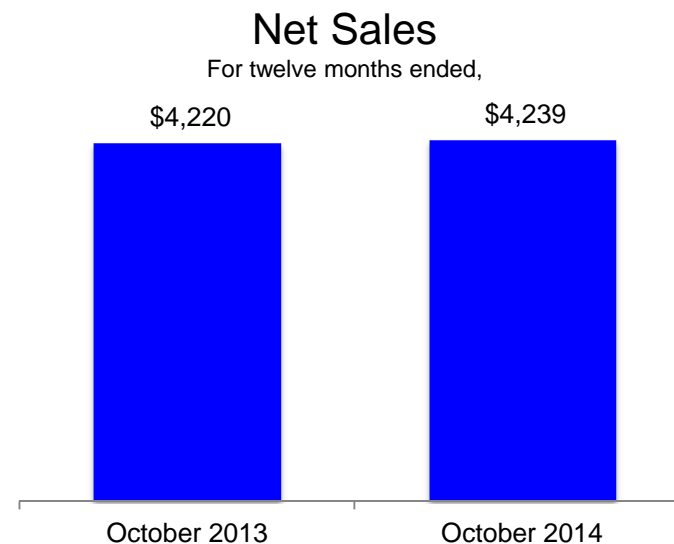
# Net Sales

(Dollars in millions)

- Fourth quarter 2014 net sales of \$1.1 billion is 4.2% below the fourth quarter 2013
- Decrease primarily attributable to negative foreign currency translation and fiscal 2014 divestitures
- On a same structure basis consolidated units sold was flat



- Year-to-date net sales increased 0.5% to \$4.2 billion
- Increase led by higher selling prices, partially offset by negative foreign currency translation and a decrease in volume principally associated with fiscal 2014 divestitures

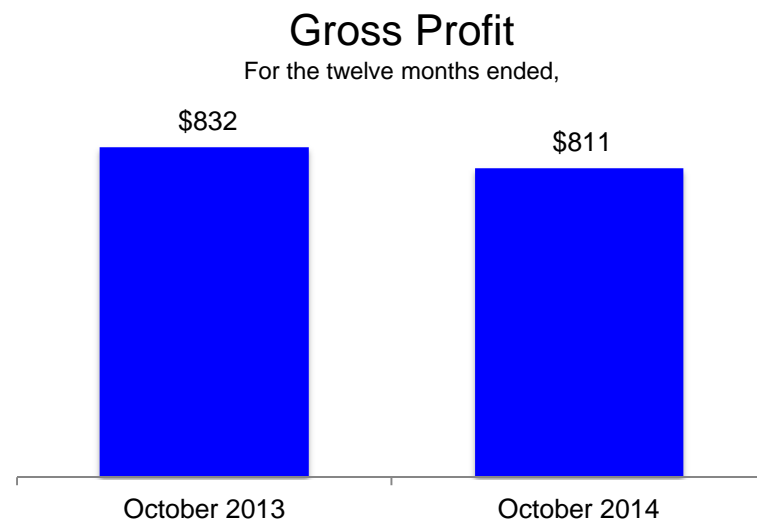
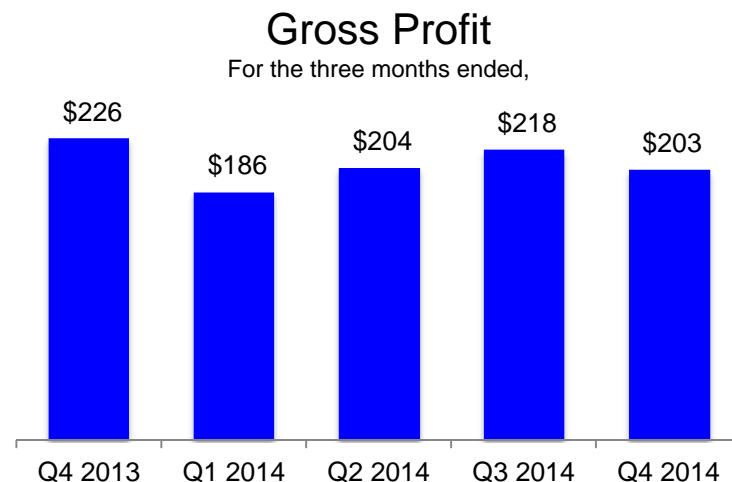


Note: Prior period results as revised. Refer to the Consolidated Financial Statements as filed with the fourth quarter 2014 earnings release for the period ended October 31, 2014.

# Gross Profit

(Dollars in millions)

- Fourth quarter 2014 gross profit of \$203 million is \$23 million below the fourth quarter 2013 due to:
  - Fiscal 2014 divestitures
  - Competitive pricing pressures in Western Europe
  - Higher costs in the Flexible Products & Services segment related to Hadimkoy occupation
  - Impact of foreign currency translation
- Gross profit margin was 19.4% for the fourth quarter 2014 compared to 20.7% the prior year
- Gross profit for twelve months of fiscal 2014 is \$811 million, \$21 million below prior year
- Fiscal 2014 gross profit margin was 19.1% versus 19.7% in 2013

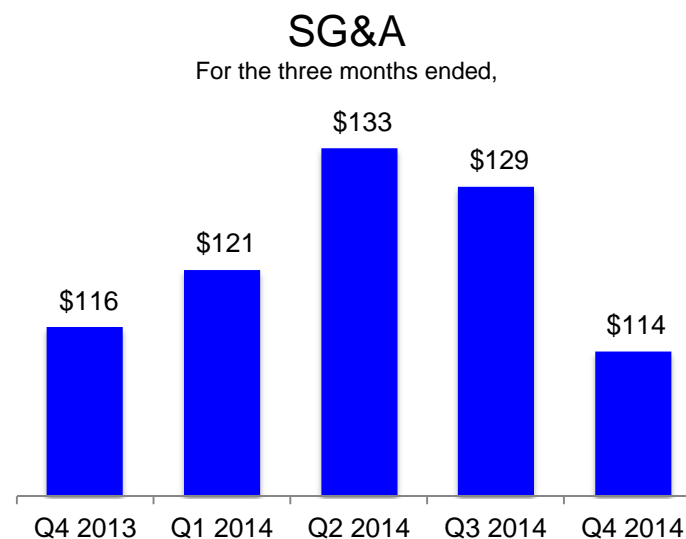


Note: Prior period results as revised. Refer to the Consolidated Financial Statements as filed with the fourth quarter 2014 earnings release for the period ended October 31, 2014.

# SG&A Expense

(Dollars in millions)

- Slightly lower fourth quarter 2014 SG&A expense compared to the fourth quarter 2013:
  - Bonus and benefit accrual reductions at year end of \$10.0 million
  - Incurred professional fees of \$5.3 million related to auditor change, tax consulting fees, and strategy initiatives
- Increased focused over controllable items:
  - Company is executing on initiatives specifically focused on reducing SG&A expense
  - Focused effort to drive out SG&A expenses further employing GBS principles
  - Expected full year impact to be realized in fiscal 2016 as initiatives are implemented in fiscal 2015 (estimated \$35 million run rate)



Note: Prior period results as revised. Refer to the Consolidated Financial Statements as filed with the fourth quarter 2014 earnings release for the period ended October 31, 2014.

# Operating Profit

(Dollars in millions)

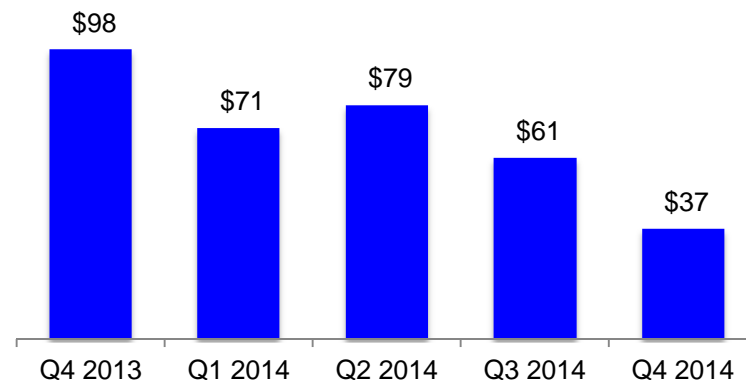
- Fourth quarter 2014 operating profit decreased 62% below the fourth quarter 2013 due to:

- Higher non-cash asset impairment charges \$(43 million)
- Timberland gains \$(17 million)  
(\$17 million of timberland gains in fourth quarter 2013)
- Lower gross profit \$(23 million)  
(\$6 million related to divestitures)
- Foreign currency impact \$(2 million)  
(Excluding non-cash asset impairment charges)
- Partially offset by gains on divestitures \$24 million

- Operating profit for fiscal 2014 decreased 27% to \$249 million due to higher non-cash asset impairment charges, higher SG&A expenses, lower gross profit and higher restructuring charges

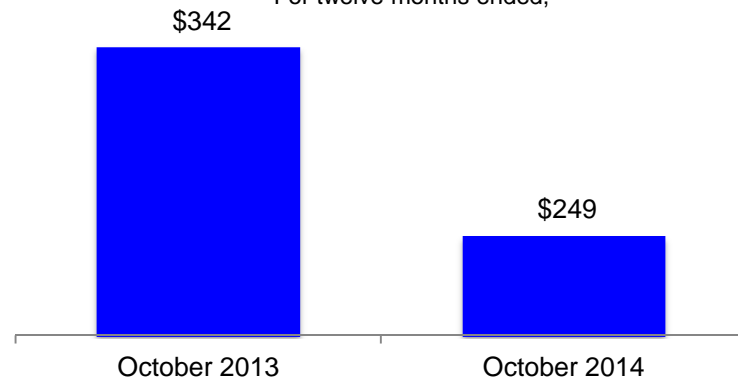
## Operating Profit

For three months ended,



## Operating Profit

For twelve months ended,



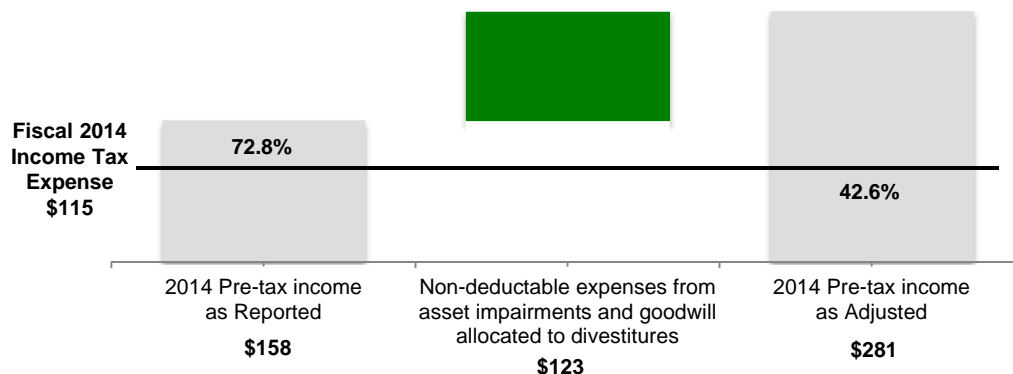
Note: Prior period results as revised. Refer to the Consolidated Financial Statements as filed with the fourth quarter 2014 earnings release for the period ended October 31, 2014.



# Income Tax Expense

(Dollars in millions)

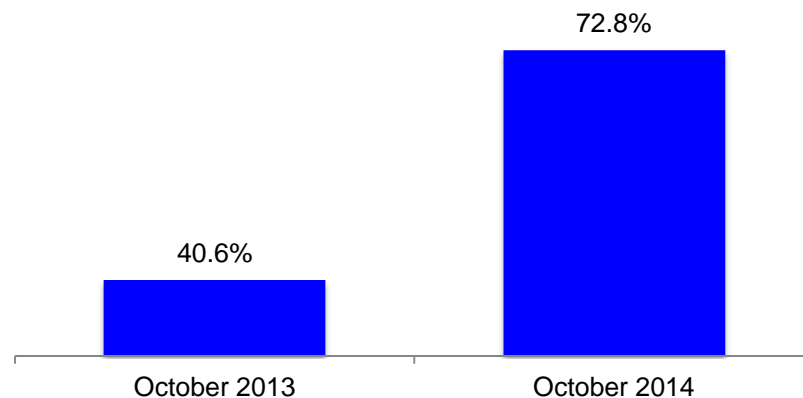
- Fourth quarter income tax expense was \$51 million, compared to \$39 million for the same period last year
- Impact of non-deductible items on fiscal 2014 income tax effective rate:



Note: This rate reconciliation is a simple calculation to remove large non-recurring items that are not tax deductible and adversely impact our effective tax rate. The 42.6% rate has been normalized for comparable purposes only.

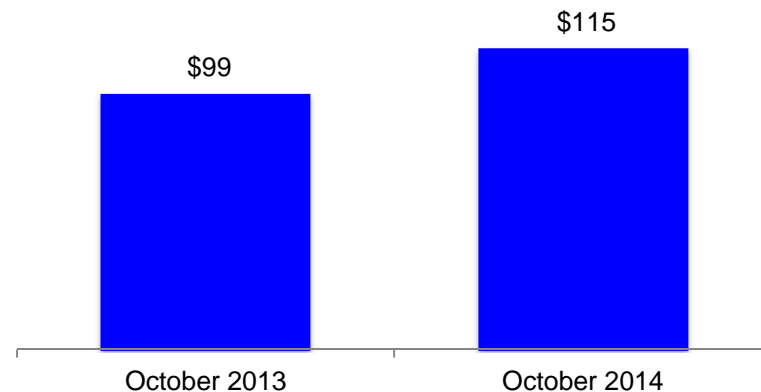
## Income Tax Effective Rate

For the twelve months ended,



## Income Tax Expense

For the twelve months ended,

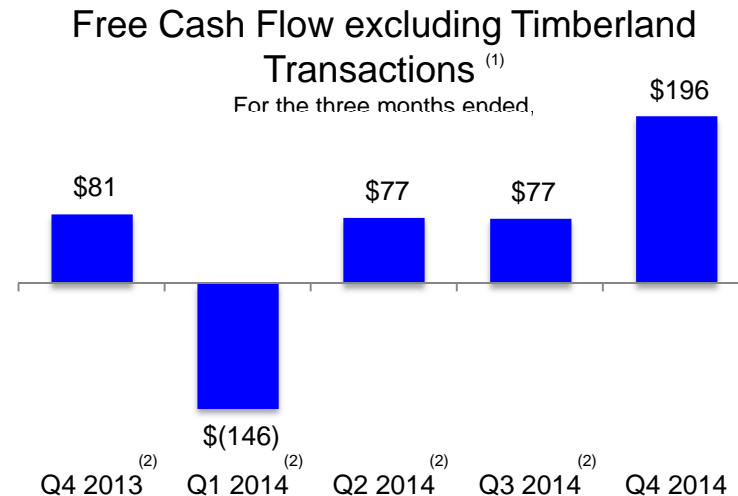


Note: Prior period results as revised. Refer to the Consolidated Financial Statements as filed with the fourth quarter 2014 earnings release for the period ended October 31, 2014.

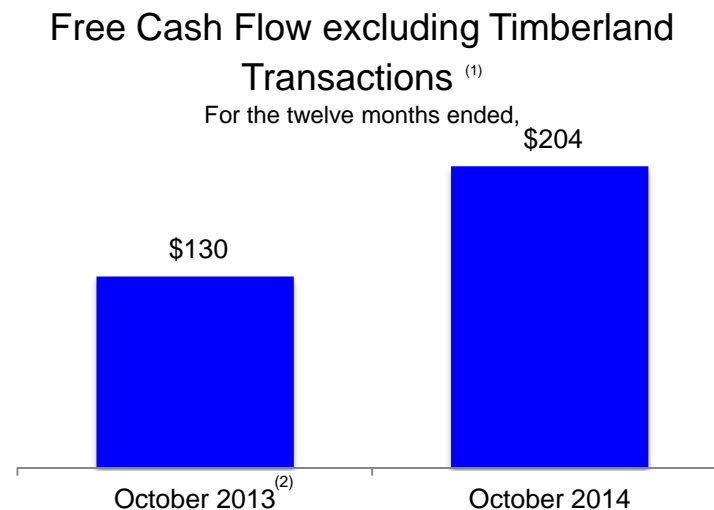
# Cash Flow Items

(Dollars in millions)

- Free cash flow excluding timberland transactions was \$196 million for the fourth quarter 2014 versus \$81 million for same period last year
- Proceeds from the sale of properties, plants, equipment, businesses and other assets were \$95 million versus \$4 million for the fourth quarter 2013



- Free cash flow excluding timberland transactions was \$204 million for fiscal 2014 compared to \$130 million the prior year
- Fiscal 2014 purchases of properties, plants and equipment were \$138 million versus \$136 million for fiscal 2013
- Proceeds from the sale of properties, plants, equipment, businesses and other assets were \$133 million compared to \$16 million for the prior year



(1) Free cash flow excluding timberland transactions (gains, proceeds and purchases) is defined as net cash provided by (used in) operating activities less purchases of properties, plants, equipment, businesses and other assets plus proceeds from the sale of properties, plants, equipment, businesses and other assets

(2) Fourth quarter 2013 to the third quarter 2014 and fiscal 2013 data is not revised

# Fiscal 2015 Class A EPS Guidance

(Dollars in millions, except per share amounts)

	2014 Adjusted		2015 Guidance	
	Net Income	Class A EPS	Net Income	Class A EPS
Net Income Attributable to Greif, Inc.	\$ 91.5	\$ 1.56		
Less: Timberland Gains	(10.4)	(0.18)		
Less: (Gain) on Disposal of Properties, Plants, Equipment and Businesses, net	(7.3)	(0.13)		
Add: Restructuring Charges	11.8	0.20		
Add: Acquisition Related Costs	1.0	0.02		
Add: Non-Cash Asset Impairment Charges	44.7	0.76		
Net Income Attributable to Greif, Inc. Adjusted	<u>\$ 131.3</u>	<u>\$ 2.23</u>	<u>\$ 132.0 - 138.0</u>	<u>\$ 2.25 - 2.35</u>

- External factors impacting operating results include negative currency translation related to the Euro currency and further currency impacts in certain countries
- Moderate sales volume improvement partially offset by loss of net sales attributable to divestitures
- Positive factors include anticipated lower SG&A expense, slightly lower interest expense and lower income tax expense
- Based on these factors, fiscal 2015 Class A adjusted earnings per share guidance is \$2.25 to \$2.35

# Questions and Answers

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If you would like to ask a question, please press the \* followed by the 1 on your push-button phone

You will hear a three-tone prompt following your selection. If you are using speaker equipment, you will have to lift the handset before pressing the numbers

If you would like to decline from the polling process, please push the \* followed by the 2

# Concluding Remarks

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- Anticipating challenging year to be mitigated by management initiatives accelerating value creation
- Implementing specific actions to optimize business portfolio and increase profitability through recently updated strategy
- Addressing cost-structure issues and operational flexibility to respond to fast-changing external environment
- Greif is hosting an Investor Day on Wednesday, January 21, 2015 from 9:00AM – 12 noon ET. This event will provide investors the opportunity to learn more about Greif's strategy, including Q&A with members of the executive team.

# APPENDIX

# Analysis of Net Income

Unaudited  
(Dollars in millions)

	Three Months Ended October 31,		Twelve Months Ended October 31,	
	2014	2013	2014	2013
<b>Net Income Attributable to Greif, Inc.</b>	<b>\$ 8.7</b>	<b>\$ 38.0</b>	<b>\$ 91.5</b>	<b>\$ 144.7</b>
Restructuring Charges, net of tax	5.0	1.1	15.0	2.7
Acquisition Related Costs, net of tax	0.2	-	1.0	0.4
Debt Extinguishment Charges, net of tax	-	-	-	0.9
Non-Cash Asset Impairment Charges, net of tax	70.0	15.7	81.3	18.7
Timberland Gains, net of tax	-	(10.3)	(10.4)	(10.3)
<b>Total Special Items, net of tax</b>	<b>75.2</b>	<b>6.5</b>	<b>86.9</b>	<b>12.4</b>
Non-Controlling Interest Attributable to Special Items	(33.9)	-	(39.8)	-
Total Special Items, net of tax and Non-Controlling Interest	41.3	6.5	47.1	12.4
<b>Net Income Attributable to Greif, Inc. before Special Items</b>	<b>50.0</b>	<b>44.5</b>	<b>138.6</b>	<b>157.1</b>
Add: Weather, net of tax	-	-	7.3	-
Add: One Time Non-Recurring SG&A Items, net of tax	3.4	-	3.4	-
Add: Turkey Impact, net of tax and Non-Controlling Interest	0.8	-	4.7	-
<b>Adjusted Net Income Attributable to Greif, Inc.</b>	<b>\$ 54.2</b>	<b>\$ 44.5</b>	<b>\$ 154.0</b>	<b>\$ 157.1</b>

Note: Prior period results as revised. Refer to the Consolidated Financial Statements as filed with the fourth quarter 2014 earnings release for the period ended October 31, 2014.

# Analysis of EBITDA

Unaudited  
(Dollars in millions)

	Three Months Ended October 31,		Twelve Months Ended October 31,	
	2014	2013	2014	2013
<b>Net Income</b>	\$ (35.5)	\$ 35.2	\$ 44.9	\$ 147.5
Plus: Interest Expense, net	20.3	21.6	81.8	85.1
Plus: Income Tax Expense	50.8	39.2	115.0	98.8
Plus: Depreciation, Depletion and Amortization Expense	38.4	39.2	155.8	157.6
Less: Equity Earnings of Unconsolidated Affiliates, net of tax	1.0	1.4	1.9	2.9
<b>EBITDA <sup>(1)</sup></b>	<b>\$ 73.0</b>	<b>\$ 133.8</b>	<b>\$ 395.6</b>	<b>\$ 486.1</b>
Less: Timberland Gains	-	(17.3)	(17.1)	(17.3)
Add: Restructuring Charges	5.6	2.2	16.1	4.8
Add: Acquisition Related Costs	0.4	0.1	1.6	0.8
Add: Non-Cash Asset Impairment Charges <sup>(2)</sup>	70.2	26.9	85.8	31.4
<b>Total Special Items</b>	<b>76.2</b>	<b>11.9</b>	<b>86.4</b>	<b>19.7</b>
Add: Weather	-	-	13.6	-
Add: One Time non-recurring SG&A Items	6.5	-	6.5	-
Add: Turkey Impact	3.1	-	17.6	-
<b>Adjusted EBITDA</b>	<b>\$ 158.8</b>	<b>\$ 145.7</b>	<b>\$ 519.7</b>	<b>\$ 505.8</b>

Note: Prior period results as revised. Refer to the Consolidated Financial Statements as filed with the fourth quarter 2014 earnings release for the period ended October 31, 2014.

(1) EBITDA is defined as net income plus interest expense, net plus income tax expense less equity earnings (losses) of unconsolidated subsidiaries, net of tax plus depreciation, depletion and amortization expense

(2) Primarily attributable to non-cash asset impairment charges in Flexible Products and Services Segment



# Quarterly Analysis of Free Cash Flow

Unaudited  
(Dollars in millions)

## Free Cash Flow Including Timberland Transactions

	<u>Q4 2013</u>	<u>Q1 2014</u>	<u>Q2 2014</u>	<u>Q3 2014</u>	<u>Q4 2014</u>
Net cash provided by (used in) operating activities	\$ 131.6	\$ (62.8)	\$ 102.7	\$ 76.9	\$ 145.0
Less: Purchases of properties, plants, equipment, businesses and other assets	(53.8)	(86.8)	(27.5)	(33.2)	(43.9)
Less: Purchases of timberland	(8.5)	(8.0)	(25.7)	(22.0)	(1.1)
Plus: Proceeds from the sale of properties, plants, equipment, businesses and other assets	3.6	3.4	2.2	32.9	94.7
Plus: Proceeds from the sale of timberland	25.9	11.4	19.6	0.7	-
Free cash flow including timberland transactions	<u>\$ 98.8</u>	<u>\$ (142.8)</u>	<u>\$ 71.3</u>	<u>\$ 55.3</u>	<u>\$ 194.7</u>

## Free Cash Flow Excluding Timberland Transactions

	<u>Q4 2013</u>	<u>Q1 2014</u>	<u>Q2 2014</u>	<u>Q3 2014</u>	<u>Q4 2014</u>
Net cash provided by (used in) operating activities	\$ 131.6	\$ (62.8)	\$ 102.7	\$ 76.9	\$ 145.0
Less: Purchases of properties, plants, equipment, businesses and other assets	(53.8)	(86.8)	(27.5)	(33.2)	(43.9)
Plus: Proceeds from the sale of properties, plants, equipment, businesses and other assets	3.6	3.4	2.2	32.9	94.7
Free cash flow excluding timberland transactions	<u>\$ 81.4</u>	<u>\$ (146.2)</u>	<u>\$ 77.4</u>	<u>\$ 76.6</u>	<u>\$ 195.8</u>

Note: Fourth quarter 2013 to the third quarter 2014 data is not revised

# Annual Analysis of Free Cash Flow

Unaudited  
(Dollars in millions)

## Free Cash Flow Including Timberland Transactions

	<b>Twelve months ended October 31</b>	
	<b>2014</b>	<b>2013</b>
Net cash provided by operating activities	\$ 261.8	\$ 250.3
Less: Purchases of properties, plants, equipment, businesses and other assets	(191.4)	(136.4)
Less: Purchases of timberland	(56.8)	(9.0)
Plus: Proceeds from the sale of properties, plants, equipment, businesses and other assets	133.2	15.6
Plus: Proceeds from the sale of timberland	31.7	25.9
Free cash flow including timberland transactions	<u>\$ 178.5</u>	<u>\$ 146.4</u>

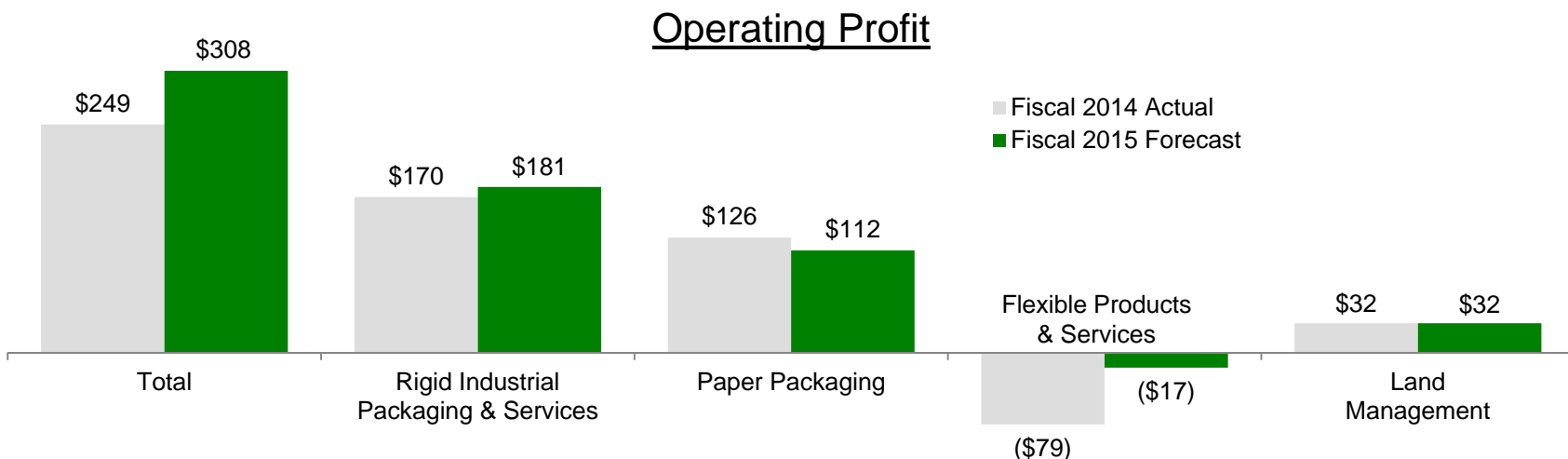
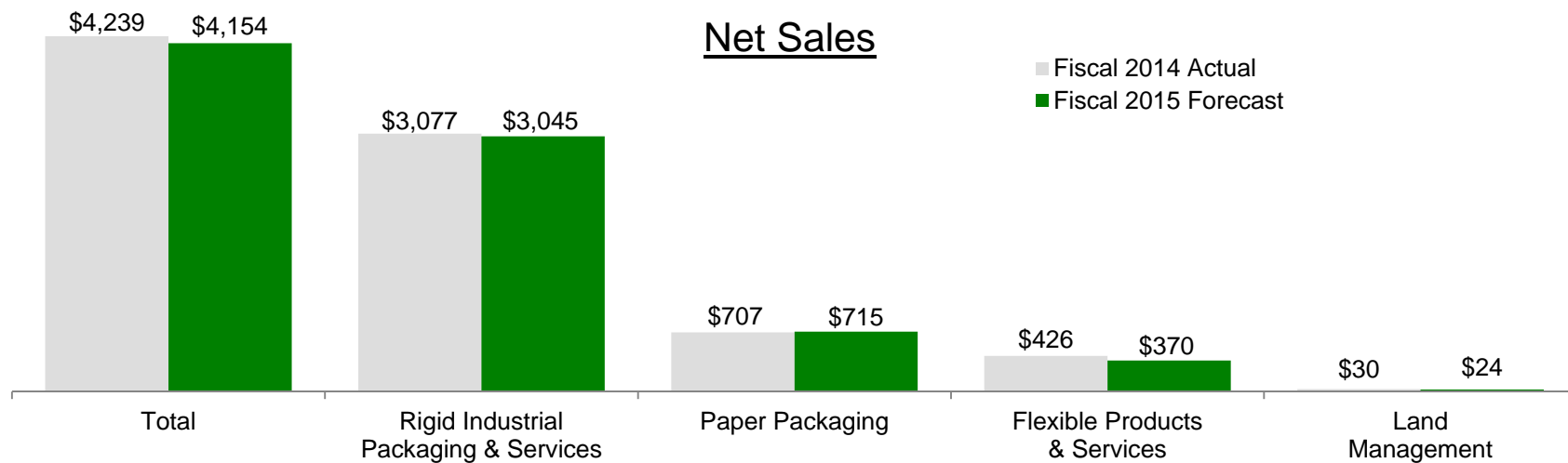
## Free Cash Flow Excluding Timberland Transactions

	<b>Twelve months ended October 31</b>	
	<b>2014</b>	<b>2013</b>
Net cash provided by operating activities	\$ 261.8	\$ 250.3
Less: Purchases of properties, plants, equipment, businesses and other assets	(191.4)	(136.4)
Plus: Proceeds from the sale of properties, plants, equipment, businesses and other assets	133.2	15.6
Free cash flow excluding timberland transactions	<u>\$ 203.6</u>	<u>\$ 129.5</u>

Note: Fourth quarter 2013 to the third quarter 2014 data is not revised

# Fiscal 2014 Actual and 2015 Forecast Net Sales and Operating Profit

(Dollars in millions)



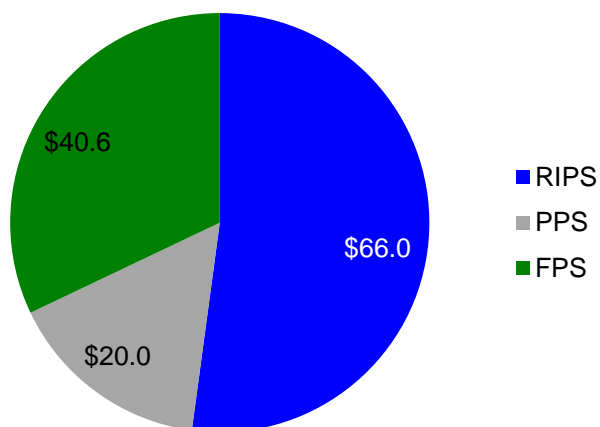
Note: Prior period results as revised. Refer to the Consolidated Financial Statements as filed with the fourth quarter 2014 earnings release for the period ended October 31, 2014.

# Analysis of Fiscal 2014 Divestitures

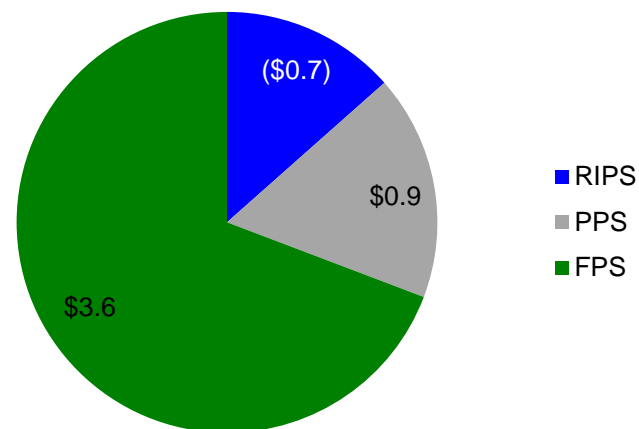
(Dollars in millions)

	<u>Greif, Inc. As Reported</u>	<u>Divestitures</u>	<u>Greif, Inc. Excluding Divestitures</u>
Net Sales	\$ 4,239.0	\$ (126.6)	\$ 4,112.4
Gross Profit	\$ 811.0	\$ (22.2)	\$ 788.8
Operating Profit	\$ 249.0	\$ (3.8)	\$ 245.2

Net Sales



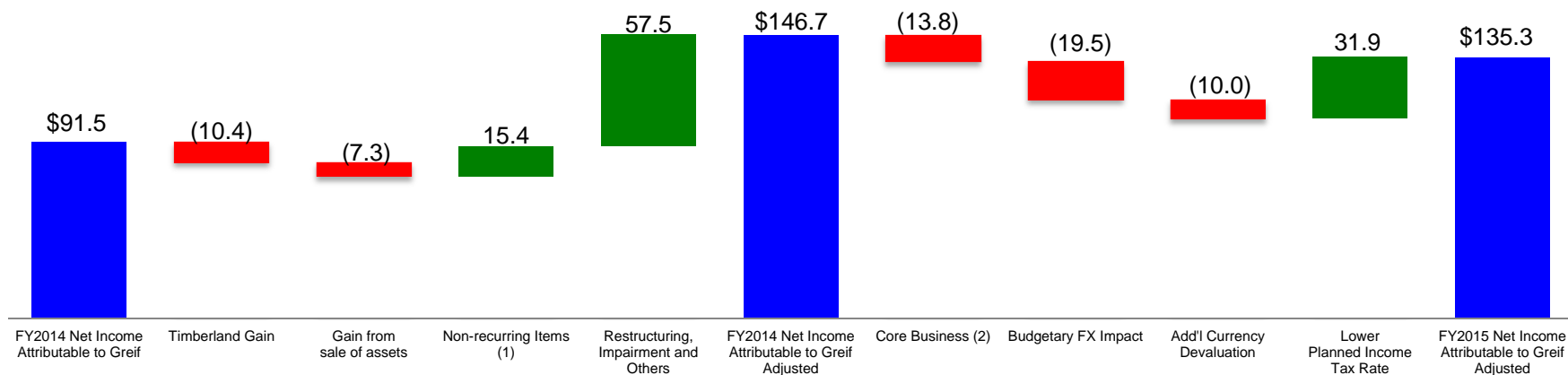
Operating Profit



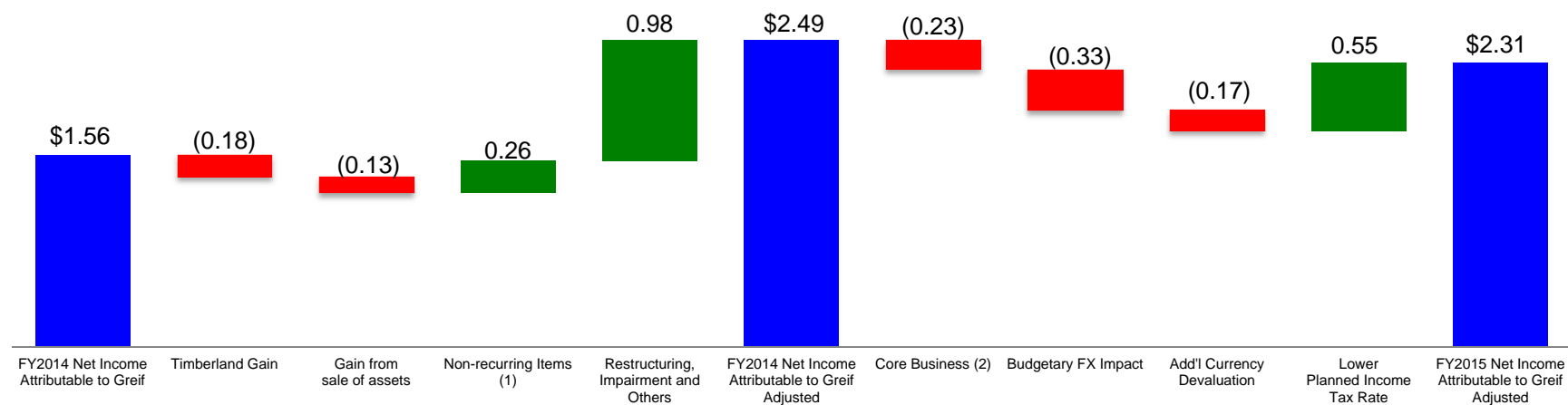
Note: Prior period results as revised. Refer to the Consolidated Financial Statements as filed with the fourth quarter 2014 earnings release for the period ended October 31, 2014.

# Net Income Attributable to Greif, Inc. Adjusted Bridge

## Net Income Attributable to Greif, Inc. Adjusted



## Class A EPS Adjusted



Note: Items net of tax where applicable

(1) Non-recurring items include weather impact, Hadimkoy and non-recurring SG&A

(2) Core business includes change in operations from FY2014 to FY2015 excluding foreign currency translation, net income from FY2014 divestitures and change in interest expense

# Currency Exchange Rate Trend

	Fiscal 2014			Fiscal 2015		
	Nov 2013	Oct 2014	FY14 Change	FY15 Budget <sup>(1)</sup>	Jan 9 2015 Actual	FY15 Change
USD to						
Argentina	0.171	0.118	(31.2%)	0.086	0.117	35.5%
Russia	0.031	0.025	(20.8%)	0.026	0.016	(38.0%)
Turkey	0.503	0.442	(12.0%)	0.450	0.433	(3.7%)
South Africa	0.101	0.090	(10.6%)	0.092	0.086	(6.5%)
Brazil	0.456	0.408	(10.4%)	0.411	0.373	(9.3%)
Euro	1.362	1.269	(6.8%)	1.249	1.181	(5.4%)
Singapore	0.803	0.785	(2.3%)	0.789	0.747	(5.3%)
Venezuela	0.159	0.159	0.0%	0.071	0.159	125.0%

- Volatility continues through many of our emerging markets
  - Latin America
    - Hyperinflationary impact
    - Trapped cash
    - Political uncertainty
  - EMEA
    - Further Euro deterioration
    - Middle East unrest
    - Ukraine
    - Russia geo-political
- Fiscal 2014 net sales on a constant currency basis would have been higher by \$54 mln
- Fiscal 2015 currency rates in certain geographies have continued to decline since our budgeting process

(1) Fiscal 2015 Budget rates set on 9/24/14

# Fiscal 2015 EBITDA and Free Cash Flow Forecast

(Dollars in millions)

	Twelve Months Ended	
	October 31,	
	2014	2015 Forecast
EBITDA <sup>(1)</sup>	\$ 395.6	
Less: Timberland Gains	(17.1)	
Less: (Gain) on Disposal of Properties, Plants, Equipment and Businesses, net	(19.8)	
Add: Restructuring Charges	16.1	
Add: Acquisition Related Costs	1.6	
Add: Non-Cash Asset Impairment Charges	85.8	
Subtotal	66.6	
Adjusted EBITDA	<u>\$ 462.2</u>	<u>\$ 415.0 - 445.0</u>

	Twelve Months Ended	
	October 31,	
	2014	2015 Forecast
Net Income	\$ 44.9	\$ 135.0 - 141.0
Plus: Depreciation, depletion and amortization	155.8	150.0
Plus: Non-cash adjustments and changes in certain assets and liabilities	66.2	(30.0)
Less: Working capital changes	(5.1)	(30.0) - 0.0
Less: Purchases of properties, plants, equipment and business and other assets	(191.4)	(150.0)
Plus: Proceeds from the sale of properties, plants, equipment, businesses and other assets	133.2	5.0 - 9.0
Free cash flow excluding timberland transactions	<u>\$ 203.6</u>	<u>\$ 80.0 - 120.0</u>

(1) EBITDA is defined as net income plus interest expense, net plus income tax expense less equity earnings (losses) of unconsolidated subsidiaries, net of tax plus depreciation, depletion and amortization expense