

**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):  
June 5, 2003 (June 3, 2003)

**GREIF, INC.**

(Exact name of registrant as specified in its charter)

Delaware

1-566

31-4388903

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(State or other jurisdiction of  
incorporation or organization)

(Commission  
File Number)

(I.R.S. Employer  
Identification No.)

425 Winter Road, Delaware, Ohio

43015

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(Address of principal executive offices)

(Zip Code)

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

Greif Bros. Corporation

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Former name or former address, if changed since last report.

## **Item 5. Other Events and Regulation FD Disclosure.**

On June 3, 2003, Greif, Inc. (the "Company") issued a press release announcing changes to its Board of Directors (see Exhibit 99.2).

## **Item 7. Financial Statements and Exhibits.**

(a) None required.

(b) None required.

(c) Exhibits:

Exhibit No.	Description
99.1	Press release issued by Greif, Inc. on June 4, 2003 announcing its results for the three-month and six-month periods ended April 30, 2003.
99.2	Press release issued by Greif, Inc. on June 3, 2003 announcing changes to its Board of Directors.

## **Item 9. Regulation FD Disclosure.**

### Press Release

The information in this Current Report on Form 8-K, including the exhibit hereto, is being furnished, not filed, under "Item 12. Disclosure of Results of Operations and Financial Condition" and is being provided under this "Item 9. Regulation FD Disclosure" in accordance with interim procedures promulgated by the Securities and Exchange Commission in Release No. 33-8216.

On June 4, 2003, Greif, Inc. issued a press release (the "Release") announcing its results for the three-month and six-month periods ended April 30, 2003.

The Release included the non-GAAP financial measures of (i) net income before restructuring charges and timberland gains, (ii) earnings per Class A and Class B share before restructuring charges and timberland gains, and (iii) operating profit before restructuring charges. Net income before restructuring charges and timberland gains is equal to GAAP net income (loss) plus restructuring charges less timberland gains, net of tax. Earnings per Class A and Class B share before restructuring charges and timberland gains is equal to GAAP earnings (losses) per Class A and Class B share plus the effects of restructuring charges less the effects of timberland gains, net of tax. Operating profit before restructuring charges is equal to GAAP operating profit plus restructuring charges.

Management uses net income before restructuring charges and timberland gains, earnings per Class A and Class B share before restructuring charges and timberland gains and operating profit before restructuring charges because it believes that these measures are a better indication of the Company's operational performance than GAAP net income (loss), earnings (losses) per Class A and Class B share and operating profit because they exclude restructuring charges, which are not representative of ongoing operations, and timberland gains that sometimes are volatile from period to period. Net income before restructuring charges and timberland gains, earnings per Class A and Class B share before restructuring charges and timberland gains and operating profit before restructuring charges provide a more stable platform on which to compare the historical performance of the Company.

A copy of the Release is included as Exhibit 99.1.

### Conference Call

In a conference call on June 5, 2003, Donald S. Huml, Chief Financial Officer, responded to a question regarding the anticipated reduction in the Company's working capital. Mr. Huml stated that the targeted reduction in working capital is \$125 million by the end of fiscal 2006. The objective for fiscal 2003 is a reduction in working capital of \$50 million.

### **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: June 5, 2003  
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By: /s/ Donald S. Huml  
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Donald S. Huml  
Chief Financial Officer  
(Duly Authorized Signatory)

## INDEX TO EXHIBITS

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**GREIF, INC. REPORTS SECOND QUARTER RESULTS**

DELAWARE, Ohio (June 4, 2003) – Greif, Inc. (NYSE: GEF, GEF.B), a global leader in industrial packaging with niche businesses in paper, corrugated packaging and timber, today announced results for the second quarter ended April 30, 2003. Net income before restructuring charges and timberland gains was \$5.7 million compared with \$3.6 million for the second quarter 2002. Earnings per share before restructuring charges and timberland gains were \$0.20 per Class A share compared with \$0.13 for the same period last year and \$0.30 per Class B share versus \$0.19 for the second quarter 2002.

Including restructuring charges and timberland gains, the Company reported a net loss of \$5.1 million, or \$0.18 per Class A share and \$0.27 per Class B share, in the second quarter 2003 versus net income of \$6.9 million, or \$0.24 per Class A share and \$0.37 per Class B share, in the second quarter 2002. A reconciliation of the GAAP to non-GAAP results is included in the financial schedules that are part of this release.

Net sales rose 7% to \$423.6 million for the second quarter 2003 from \$396.9 million last year. Sales were 3% higher for the quarter excluding the impact of foreign currency translation.

Gross profit was \$74.0 million, or 17.5% of net sales, for the second quarter 2003 versus \$81.3 million, or 20.5% of net sales, for the same period last year. Principal factors impacting the quarter-over-quarter comparison were lower selling prices for linerboard and medium, higher costs for raw materials and energy, and lower timber sales.

Selling, general & administrative (“SG&A”) expenses declined to \$55.8 million, or 13.2% of net sales, for the second quarter 2003 from \$66.3 million, or 16.7% of net sales, a year ago. The decline in SG&A expenses was primarily attributable to the Company’s emphasis on permanently reducing costs for the corporate center and other areas within its businesses, including workforce reductions, as part of the previously announced performance improvement plan.

There were \$17.4 million of pre-tax restructuring charges for the second quarter 2003, which were part of the performance improvement plan.

Operating profit before restructuring charges increased 21% to \$18.2 million for the second quarter compared with \$15.0 million for the same period last year. This result was driven by a strong performance in Industrial Packaging & Services, which was partially offset by a decline in Paper, Packaging & Services and lower planned timber sales. Including restructuring charges, operating profit was \$0.7 million for the second quarter 2003 compared with \$15.0 million for the same period in the prior year.

Michael J. Gasser, chairman and chief executive officer, stated, "We are encouraged by the improvement in second quarter operating profit before restructuring charges. These results were achieved through solid gains in Industrial Packaging & Services, despite the sluggish global economy. Market conditions for Paper, Packaging & Services are beginning to stabilize; however, the second quarter results were impacted by soft market conditions and higher input costs."

Mr. Gasser continued, "We are on schedule to achieve our performance improvement plan objectives for fiscal 2003. These efforts will position Greif to earn at least its cost of capital in weak economic environments and produce superior returns over the complete business cycle."

## Business Group Results

During the second quarter 2003, the Company began reporting its segment data based on operating profit before restructuring charges. Previously, this information was based on earnings before interest, income taxes, depreciation, depletion, amortization, equity in earnings of affiliates and minority interests ("EBITDA") before restructuring charges and timberland gains.

### Industrial Packaging & Services

Net sales rose 12% to \$343.4 million for the second quarter 2003 from \$306.6 million the prior year, led by a 29% increase in Europe. On a consolidated basis, sales increased 7% excluding the impact of foreign currency translation. Cost reduction initiatives continue to be implemented, especially in North America, to rationalize costs and improve operating efficiencies. Operating profit rose to \$13.6 million, before restructuring charges of \$14.1 million, for the second quarter 2003 from \$3.4 million a year ago.

### Paper, Packaging & Services

Net sales declined to \$73.5 million for the second quarter 2003 from \$79.4 million for the second quarter 2002 due to continuation of soft market conditions, especially in the Company's converting operations, and lower average selling prices for linerboard and medium of approximately 3%. These reductions more than offset benefits from slightly higher tonnage produced at the mills. Market conditions began to stabilize near the end of the second quarter 2003; however, overall conditions have not improved materially to date.

The second quarter 2003 operating loss was \$0.3 million, before restructuring charges of \$3.3 million, compared with operating profit of \$3.2 million a year ago. In addition to lower net sales, the second quarter 2003 results were also impacted by higher average costs for recycled fiber, approximately 30% above second quarter 2002, and increased energy costs, which were partially offset by lower SG&A expenses compared with the same quarter last year.

## Timber

Timber sales were \$6.6 million for the second quarter 2003 compared with \$10.9 million last year. The second quarter 2003 timber sales are consistent with budgeted levels. As a result of the lower sales, operating profit was \$4.8 million, before restructuring charges of \$0.1 million, for the second quarter 2003 versus \$8.5 million a year ago. The gain on sale of timberland was \$1.6 million in the second quarter 2003 compared with \$5.2 million in the same period last year.

## Performance Improvement Plan

The performance improvement plan is expected to achieve long-term organic sales growth, productivity enhancements and permanent cost reductions. The Company anticipates realizing \$50 million in annual pre-tax cost savings, and incurring, as previously announced, \$45 million to \$50 million in pre-tax restructuring charges during fiscal 2003.

## Debt Outstanding

Total debt outstanding was \$657 million at April 30, 2003 compared with \$666 million on the same date last year. Total debt to total capitalization was 53.9% at April 30, 2003 versus 52.9% the prior year.

## Capital Expenditures

Capital expenditures, excluding timberland purchases, were \$10.6 million for the second quarter 2003 compared with \$13.4 million a year ago. The Company anticipates that capital expenditures will be approximately \$65 million for fiscal 2003, which is below depreciation expense.

## Company Outlook

For the remainder of fiscal 2003, the Company expects continued strength in Industrial Packaging & Services, combined with a further decline in SG&A expenses due to the performance improvement plan. Market conditions for Paper, Packaging & Services are expected to stabilize, with modest improvement anticipated during the second half of the year.

As a result of the change in reporting to operating profit before restructuring charges from EBITDA before restructuring charges and timberland gains, the Company's guidance is operating profit before restructuring charges of \$110 million to \$115 million for fiscal 2003, which is consistent with the previous guidance. The difference in these measures is the inclusion of depreciation, depletion and amortization and exclusion of "other income, net" in operating profit.

## Conference Call

The Company will host a conference call to discuss the second quarter results on Thursday, June 5, 2003 at 9:00 a.m. ET at (800) 895-7761. A replay of the call will be on the Company's website.

## About Greif

Greif is a world leader in industrial packaging products and services. The Company provides extensive experience in steel, plastic, fibre, corrugated and multiwall containers and protective packaging for a wide range of industries. Greif also produces containerboard and manages timber properties in North America. Greif is strategically positioned in more than 40 countries to serve multinational as well as regional customers. Additional information is on the Company's web site at [www.greif.com](http://www.greif.com).

All statements other than statements of historical facts included in this news release, including, without limitation, statements regarding the Company's future financial position, business strategy, budgets, projected costs, goals and plans and objectives of management for future operations, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "project," "believe" or "continue" or the negative thereof or variations thereon or similar terminology. All forward-looking statements made in this news release are based on information presently available to management. 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 actual events or results to differ materially from those expressed in or implied by the statements. Such risks and uncertainties that might cause a difference include, but are not limited to: general economic and business conditions, including a prolonged or substantial economic downturn; changing trends and demands in the industries in which the Company competes, including industry over-capacity; industry competition; the continuing consolidation of the Company's customer base for its paper and packaging products; political instability in those foreign countries where the Company manufactures and sells its products; foreign currency fluctuations and devaluations; availability and costs of raw materials for the manufacture of the Company's products, particularly steel and resin, and price fluctuations in energy costs; costs associated with litigation or claims against the Company pertaining to environmental, safety and health, product liability and other matters; work stoppages and other labor relations matters; the frequency and volume of sales of the Company's timber and timberland; and the deviation of actual results from the estimates and/or assumptions used by the Company in the application of its significant accounting policies. These and other risks and uncertainties that could materially affect the Company's consolidated financial results are further discussed in our filings with the Securities and Exchange Commission, including its Form 10-K for the year ended October 31, 2002. The Company assumes no obligation to update any forward-looking statements.

**GREIF, INC. AND SUBSIDIARY COMPANIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

(UNAUDITED)

(Dollars in thousands, except per share amounts)

	<b>Three months</b>		<b>Six months</b>	
	<b>ended April 30,</b>		<b>ended April 30,</b>	
	<b><u>2003</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
Net sales	\$ 423,563	\$ 396,913	\$ 809,986	\$ 762,103
Cost of products sold	<u>349,552</u>	<u>315,594</u>	<u>668,619</u>	<u>612,698</u>
Gross profit	74,011	81,319	141,367	149,405
Selling, general and administrative expenses	55,838	66,275	112,002	123,183
Restructuring charges	<u>17,449</u>	<u>-</u>	<u>18,988</u>	<u>-</u>
Operating profit	724	15,044	10,377	26,222
Interest expense, net	14,413	13,227	28,170	27,095
Gain on sale of timberland	1,568	5,222	1,964	8,550
Other income, net	<u>2,039</u>	<u>698</u>	<u>1,817</u>	<u>4,037</u>
Income (loss) before income tax expense (benefit) and equity in earnings of affiliates and minority interests	(10,082)	7,737	(14,012)	11,714
Income tax expense (benefit)	(3,069)	2,785	(4,484)	4,217
Equity in earnings of affiliates and minority interests	<u>1,874</u>	<u>1,964</u>	<u>3,831</u>	<u>3,225</u>
Income (loss) before cumulative effect of change in accounting principle	(5,139)	6,916	(5,697)	10,722
Cumulative effect of change in accounting principle	<u>-</u>	<u>-</u>	<u>4,822</u>	<u>-</u>
Net income (loss)	<u>\$ (5,139)</u>	<u>\$ 6,916</u>	<u>\$ (875)</u>	<u>\$ 10,722</u>
<b>Basic and diluted earnings (loss) per share:</b>				
Class A Common Stock (before cumulative effect)	\$ (0.18)	\$ 0.24	\$ (0.20)	\$ 0.38
Class A Common Stock (after cumulative effect)	\$ (0.18)	\$ 0.24	\$ (0.03)	\$ 0.38
Class B Common Stock (before cumulative effect)	\$ (0.27)	\$ 0.37	\$ (0.31)	\$ 0.57
Class B Common Stock (after cumulative effect)	\$ (0.27)	\$ 0.37	\$ (0.05)	\$ 0.57

**GREIF, INC. AND SUBSIDIARY COMPANIES**  
**SEGMENT DATA**  
(UNAUDITED)  
(Dollars in thousands)

	<b>Three months</b>		<b>Six months</b>	
	<b>ended April 30,</b>		<b>ended April 30,</b>	
	<b><u>2003</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
<b>Net Sales</b>				
Industrial Packaging & Services	\$ 343,388	\$ 306,584	\$ 646,535	\$ 585,284
Paper, Packaging & Services	73,530	79,412	149,956	155,730
Timber	<u>6,645</u>	<u>10,917</u>	<u>13,495</u>	<u>21,089</u>
Total	<u>\$ 423,563</u>	<u>\$ 396,913</u>	<u>\$ 809,986</u>	<u>\$ 762,103</u>
<b>Operating Profit</b>				
Industrial Packaging & Services	\$ 13,610	\$ 3,375	\$ 17,152	\$ 2,752
Paper, Packaging & Services	(278)	3,191	2,534	7,457
Timber	<u>4,841</u>	<u>8,478</u>	<u>9,679</u>	<u>16,013</u>
Operating profit before restructuring charges	<u>18,173</u>	<u>15,044</u>	<u>29,365</u>	<u>26,222</u>
Restructuring charges:				
Industrial Packaging & Services	14,104	-	15,200	-
Paper, Packaging & Services	3,261	-	3,697	-
Timber	<u>84</u>	<u>-</u>	<u>91</u>	<u>-</u>
Total restructuring charges	<u>17,449</u>	<u>-</u>	<u>18,988</u>	<u>-</u>
Total	<u>\$ 724</u>	<u>\$ 15,044</u>	<u>\$ 10,377</u>	<u>\$ 26,222</u>
<b>Depreciation, Depletion and Amortization Expense</b>				
Industrial Packaging & Services	\$ 16,576	\$ 18,253	\$ 31,956	\$ 35,601
Paper, Packaging & Services	5,330	5,648	10,778	11,293
Timber	<u>381</u>	<u>707</u>	<u>793</u>	<u>1,699</u>
Total	<u>\$ 22,287</u>	<u>\$ 24,608</u>	<u>\$ 43,527</u>	<u>\$ 48,593</u>

**GREIF, INC. AND SUBSIDIARY COMPANIES**  
**GEOGRAPHIC DATA**

(UNAUDITED)  
(Dollars in thousands)

	<b>Three months</b>		<b>Six months</b>	
	<b>ended April 30,</b>		<b>ended April 30,</b>	
	<b><u>2003</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2002</u></b>
<b>Net Sales</b>				
North America	\$ 236,736	\$ 243,237	\$ 463,538	\$ 468,911
Europe	129,407	100,082	236,728	188,691
Other	<u>57,420</u>	<u>53,594</u>	<u>109,720</u>	<u>104,501</u>
Total	<u>\$ 423,563</u>	<u>\$ 396,913</u>	<u>\$ 809,986</u>	<u>\$ 762,103</u>
<b>Operating Profit</b>				
North America	\$ 7,080	\$ 6,047	\$ 12,304	\$ 13,513
Europe	8,054	5,599	11,477	7,583
Other	<u>3,039</u>	<u>3,398</u>	<u>5,584</u>	<u>5,126</u>
Operating profit before restructuring charges	18,173	15,044	29,365	26,222
Restructuring charges	<u>17,449</u>	<u>-</u>	<u>18,988</u>	<u>-</u>
Total	<u>\$ 724</u>	<u>\$ 15,044</u>	<u>\$ 10,377</u>	<u>\$ 26,222</u>

**GREIF, INC. AND SUBSIDIARY COMPANIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

(Dollars in thousands)

	<u>April 30, 2003</u>	<u>October 31, 2002</u>
	(UNAUDITED)	
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 20,192	\$ 25,396
Trade accounts receivable	263,631	265,110
Inventories	152,451	144,320
Other current assets	<u>55,942</u>	<u>74,995</u>
	<u>492,216</u>	<u>509,821</u>
LONG-TERM ASSETS		
Goodwill	231,078	232,577
Intangible assets	26,356	28,999
Other long-term assets	<u>197,001</u>	<u>194,880</u>
	<u>454,435</u>	<u>456,456</u>
PROPERTIES, PLANTS AND EQUIPMENT	<u>799,629</u>	<u>792,018</u>
	<u>\$ 1,746,280</u>	<u>\$ 1,758,295</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
CURRENT LIABILITIES		
Accounts payable	\$ 131,079	\$ 133,585
Short-term borrowings	23,826	20,005
Current portion of long-term debt	3,000	3,000
Other current liabilities	<u>117,143</u>	<u>124,982</u>
	<u>275,048</u>	<u>281,572</u>
LONG-TERM LIABILITIES		
Long-term debt	630,248	629,982
Other long-term liabilities	<u>276,825</u>	<u>276,267</u>
	<u>907,073</u>	<u>906,249</u>
MINORITY INTEREST	<u>1,544</u>	<u>1,345</u>
SHAREHOLDERS' EQUITY	<u>562,615</u>	<u>569,129</u>
	<u>\$ 1,746,280</u>	<u>\$ 1,758,295</u>

## GREIF, INC. AND SUBSIDIARY COMPANIES

### GAAP TO NON-GAAP RECONCILIATION

(Dollars in thousands, except per share amounts)

#### Three months ended April 30,

		<u>Per Share Amounts*</u>	
		<u>Class A</u>	<u>Class B</u>
GAAP - net loss	\$ (5,139)	\$ (0.18)	\$ (0.27)
Restructuring charges, net of tax	11,865	0.42	0.63
Timberland gains, net of tax	<u>(1,066)</u>	<u>(0.04)</u>	<u>(0.06)</u>
Non-GAAP - net income before restructuring charges and timberland gains	<u>\$ 5,660</u>	<u>\$ 0.20</u>	<u>\$ 0.30</u>

#### Three months ended April 30,

		<u>Per Share Amounts*</u>	
		<u>Class A</u>	<u>Class B</u>
GAAP - net income	\$ 6,916	\$ 0.24	\$ 0.37
Timberland gains, net of tax	<u>(3,342)</u>	<u>(0.11)</u>	<u>(0.18)</u>
Non-GAAP - net income before timberland gains	<u>\$ 3,574</u>	<u>\$ 0.13</u>	<u>\$ 0.19</u>

\* Basic and diluted

## **Exhibit 99.2**

### **GREIF ANNOUNCES BOARD MEMBER CHANGES**

**DELAWARE, Ohio (June 3, 2003)** - The Board of Directors of Greif, Inc. (NYSE: GEF, GEF.B) today accepted the resignation of Naomi C. Dempsey as board member, a position she has held since 1995.

Mrs. Dempsey, 87, continues to be a major investor. Mrs. Dempsey remarked, "I am devoted to the well-being of Greif, and wish only the best for Greif as it continues to be a strong leader in industrial packaging."

The Board appointed Judith Hook, 50, to replace Mrs. Dempsey for the remainder of her one-year term, which expires February 23, 2004. Mrs. Hook is the daughter of Mrs. Dempsey and an investor.

"The Board thanks Naomi for her dedication to ensuring that Greif's future is based on the Company's solid values. Naomi has been a valuable member of the board, and we will miss her guidance and contributions," stated Michael J. Gasser, chairman and chief executive officer. "We are pleased to have Judith join the board and continue the Dempsey family's long-term commitment to the Company."

#### **About Greif**

Greif, Inc. is a world leader in industrial packaging products and services. The Company provides extensive experience in steel, plastic, fibre, corrugated and multiwall containers and protective packaging for a wide range of industries. Greif also produces containerboard and manages timber properties in North America. Greif is strategically positioned in more than 40 countries to serve multinational as well as regional customers. Additional information is on the Company's web site at [www.greif.com](http://www.greif.com).

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