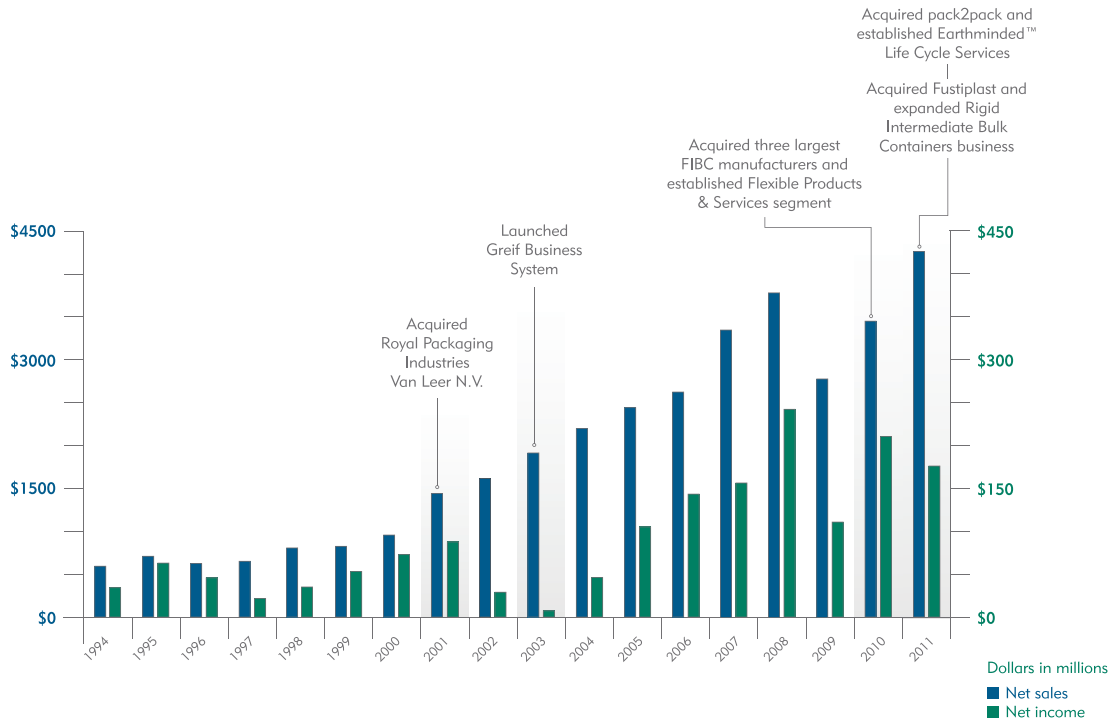


## “Continuing to prepare for the future”



Throughout Greif’s history, we have continuously emphasized quality, pursued growth opportunities, successfully adapted to economic challenges and remained focused on realizing the benefits of our long-term strategies. We were founded in 1877 in Cleveland as “Vanderwyst and Greif,” a cooperage shop co-founded by one of four Greif brothers. One year after our founding, the other three Greif brothers were invited to join the business, renamed Greif Bros. Company, making wooden barrels, casks and kegs to transport post-Civil War goods nationally and internationally. Since that time the company has grown to become the largest rigid industrial packaging company in the world. Greif now has the most comprehensive product line in the industry, the most extensive geographic footprint, a diversified business portfolio and longstanding customer relationships that span the globe. These attributes favorably position the company for additional growth and further improvement in long-term profitability. Management is *continuing to prepare for the future* – just as it has done over the past 134 years.

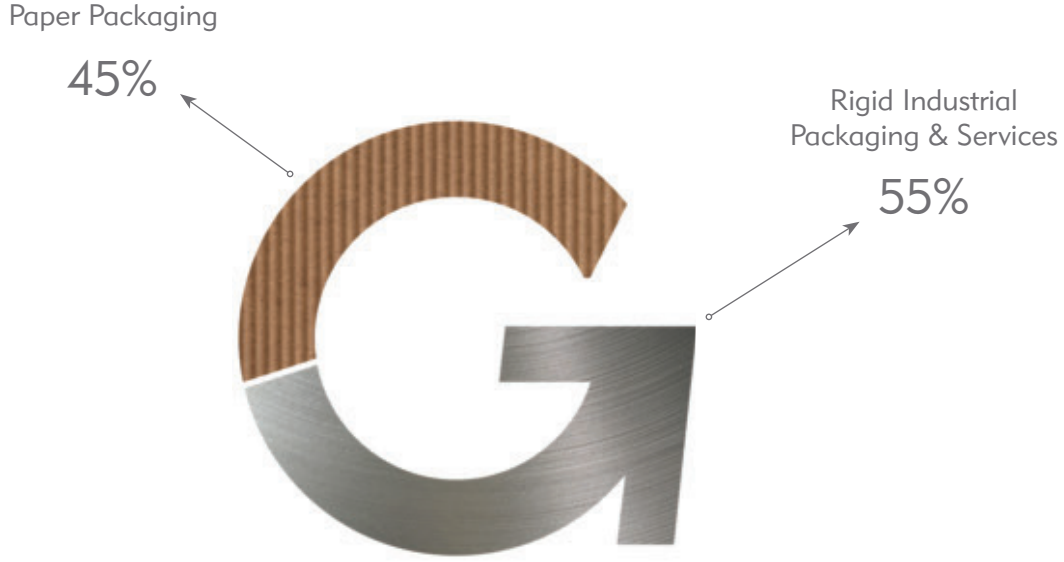
*Continuing to prepare for the future* is a phrase that Mr. John C. (Jack) Dempsey, chairman and chief executive officer of Greif from 1948-1994, regularly included in his annual letter to shareholders. It epitomizes the continuity of management’s vision and determination to always look forward regardless of current circumstances. During his 46-year tenure as Greif’s chairman and chief executive officer, the company experienced nine U.S. recessions, dramatic market changes as wooden barrels were largely replaced by steel, plastic and fibre drums, and a business environment that continued to become more competitive. Nonetheless, management stayed the course throughout this period and implemented strategies to position the company to achieve improved long-term performance.

Upon Jack Dempsey's retirement in 1994, Mike Gasser became chairman and chief executive officer. This change involved a smooth management transition that benefited from longstanding qualities that define Greif as a company and are deeply rooted in The Greif Way (see page 26). Over the next 17 years, the company experienced many changes, yet was guided by a long-term strategy and core values as well as dedicated management and employees. As a result, Greif achieved significant growth, realized fundamental improvement in profitability, entered new businesses and expanded its presence beyond North America to become a global company operating in more than 50 countries. In his first letter to shareholders, Mike Gasser said "the year (1995) commenced a new era for Greif – an era of great anticipation and virtually unlimited potential." This positive outlook was manifest in the achievements that followed. From 1994 to 2011, the company grew from \$608 million of net sales to \$4.2 billion and from \$37 million of net income to \$176 million. This growth involved expanding product lines, entering new geographic markets, establishing leadership positions in new businesses and unlocking value in legacy assets. Initiatives were successfully pursued that transformed our company's size and scope, yet we remained focused on *continuing to prepare for the future*.

On Nov. 1, 2011, David Fischer became chief executive officer in addition to his responsibilities as Greif's president and joined Greif's Board of Directors. This transition has been planned for some time and took place seamlessly. Since joining Greif in 2004, David has been instrumental in the successful execution of our growth strategy, the execution of our comprehensive contingency plans in 2008-2009 and the development and launch of three strategic growth platforms in 2010-2011. Mike Gasser became executive chairman on the same date and both of them remain actively involved in corporate strategy and ensuring that the culture of The Greif Way continues to be embedded throughout the company.

The company's strategic focus continues to involve identifying growth opportunities that strengthen the core including industry consolidation, increased presence in emerging markets and compatible industry adjacencies. Another priority is to optimize the Greif Business System (GBS) in existing businesses and embed it in newly acquired businesses. These efforts are important to enable Greif to achieve its goals of top quartile profitability and lowest cost producer status while simultaneously improving safety and quality. Sustainability is pursued through well-defined goals that generate measurable outcomes beneficial to all stakeholders. This strategy leads to improved operating and financial performance and achievement of long-term goals.

We have successfully completed dozens of acquisitions and entered into a number of joint ventures throughout our history that have been integral to the company's achievements. Following smooth management transitions in 1994 and again in 2011, we continue to benefit from a strong management team with a sound business strategy and a clear vision for the future. A summary of important achievements that have laid the groundwork over the past 17 years is presented on pages 6 to 15 as we are *continuing to prepare for the future*.



% of 1995 Net sales

## 1995-1997

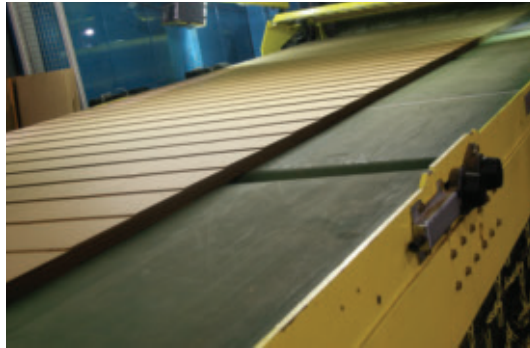
A new organizational structure was implemented in 1995 as seven operating divisions were consolidated into two – industrial shipping containers and materials (now known as Rigid Industrial Packaging & Services), and containerboard and related products (now known as Paper Packaging). In addition to streamlining management of the company, we also sharpened our focus on long-term growth opportunities.

During 1996, three small, tuck-in acquisitions were completed in the containerboard segment to increase the percentage of integration in that business. A fibre drum plant in Canada was also acquired as part of the industrial shipping containers business. An intermediate bulk container product, a potential addition to the industrial shipping containers business portfolio, was test marketed during the year. Each of these actions was pursued to enhance our company's performance. They also represent important milestones toward continuing to prepare for the future. This commitment was further reinforced the following year in 1997 with management's strategic focus on "One Company, One Vision" throughout Greif.



# 1998

In March of 1998, we entered into a purchase agreement to acquire the industrial products division of Sonoco Products Company, which included fibre drum and plastic drum assets and a rigid intermediate bulk container (RIBC) manufacturing facility. This acquisition marked an opportunity for us to increase our fibre drum and plastic drum businesses in North America and add manufacturing capacity for the production of rigid intermediate bulk containers. While this transaction substantially increased our net sales, more importantly it marked further progress concerning achievement of our long-term goals.

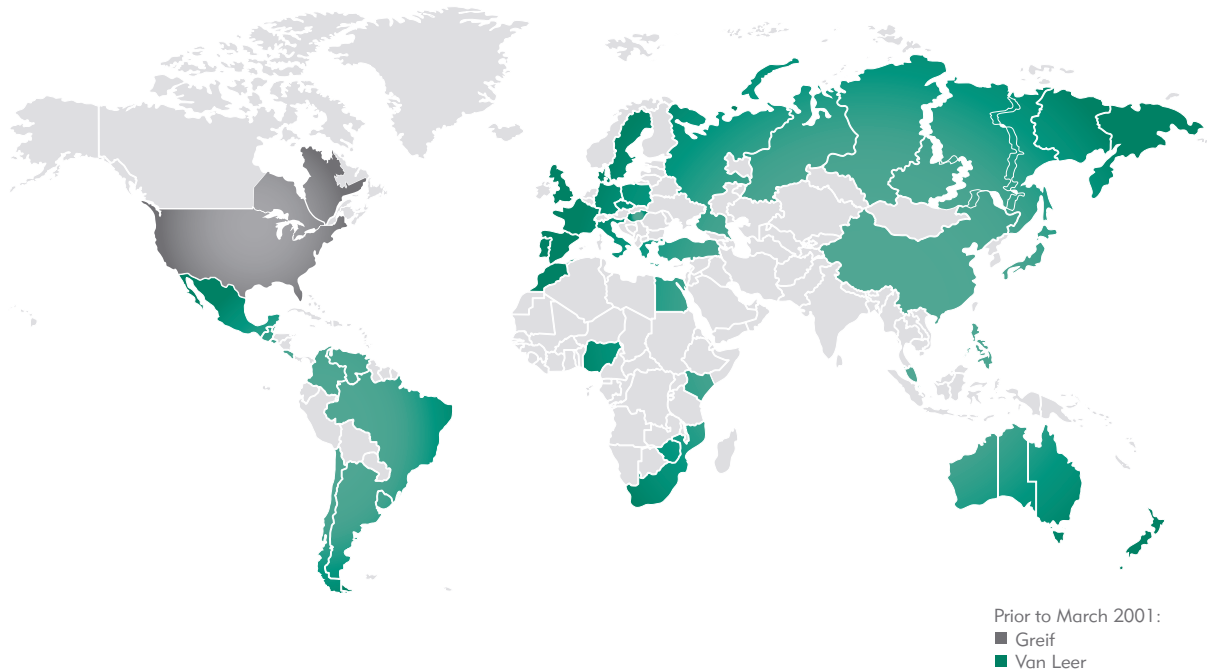


# 1999

We entered into two joint ventures in 1999, CorrChoice and Abzac S. A., that positioned us for further growth and increased profitability. CorrChoice was in the containerboard segment and involved Greif's three sheet-feeding facilities operated as Michigan Packaging and three privately owned sheet-feeding facilities operated as Ohio Packaging. This transaction contributed to further integration of the company's containerboard operations, which led to increased efficiencies and strengthened our market position with independent containerboard companies. We initially owned approximately 67 percent of this successful joint venture and the remaining interest was purchased from the owners in 2003. Our paper packaging segment strives to be the supplier of choice for independent container board companies. The other joint venture with Abzac S.A., a privately held company in France, was established in 1999 through a subsidiary of Greif, which exchanged its spiral core manufacturing asset for a 49 percent equity interest in Abzac's fibre drum business. This joint venture represented our first operation outside of North America. While it ended in 2003, this joint venture laid the groundwork for a much larger international presence in future years.

During 1999 management also introduced its Vision 2005 Statement that included five goals. First, expand our corrugated products business from its predominantly Midwestern regional market to focus on niche markets nationally. Second, strengthen our leadership role in rigid industrial packaging through improved quality, product innovation, customer service and pricing. Third, expand geographically with customers in international markets to supply their overseas operations. Fourth, provide employees with the tools and information to be successful. Fifth, achieve positive results for shareholders and their investment.

Our heritage timber and timberland assets were included in a new Timber business segment in 1999. We began to actively manage these assets and monetize parcels of land from time to time. In 2005, these properties were identified as either core timberlands or special use land, which includes higher and better use, surplus and development properties. This segment's management team has been adhering to a disciplined strategy that balances short-term opportunities with long-term goals to pursue and enhance the value of these assets. This segment was renamed Land Management in 2009 to reflect its broader mission that also includes consulting, wildlife stewardship, outfitting and recreation and mitigation bank development.



# 2001

The successful acquisition of Royal Packaging Industries Van Leer N.V. (Van Leer) in March of 2001 was transformational for Greif. Two companies with similar cultures and historical perspectives combined to form the largest rigid industrial packaging company in the world. This transaction doubled the size of our company in net sales, added new products and breadth to the rigid industrial packaging portfolio, and significantly increased our geographic presence from North America and a small joint venture in Europe to a company operating on six continents. It was a unique strategic fit for our long-term growth plans. It also introduced additional diversity into the company in terms of products, people, geography and thought.

It later was determined that March of 2001 also marked the beginning of another economic recession in the United States, the twenty-second one since Greif was founded in 1877. Our response to this recession was different because it coincided with the Van Leer acquisition and our operations were now extended over 40 countries on six continents.

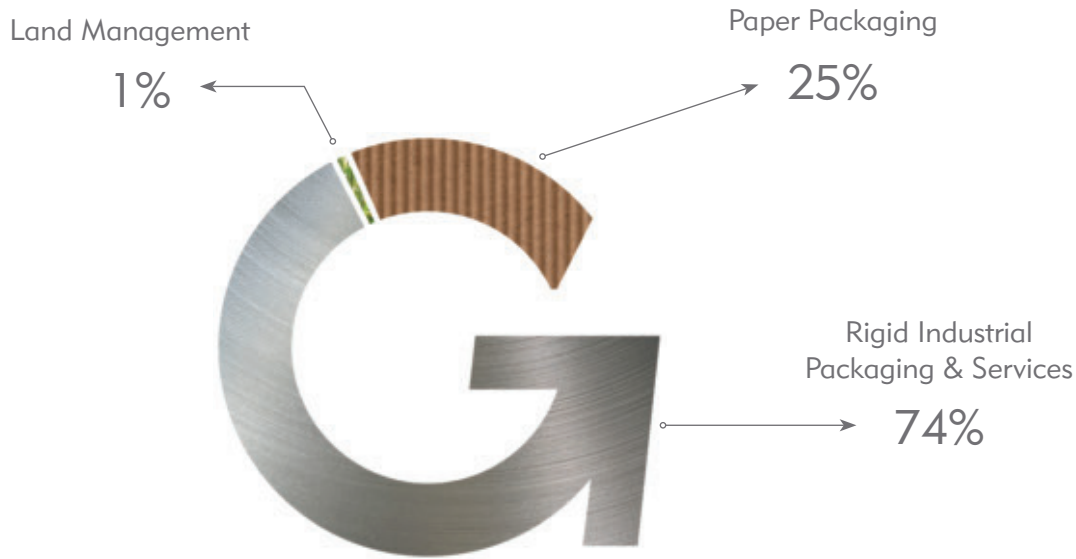
Net sales and profitability were impacted in the midst of those soft market conditions. Near-term challenges included a cost structure that was approximately two times higher than before the acquisition, which weighed on our performance. Management had to address simultaneously both acquisition integration and soft market conditions while *continuing to prepare for the future*. This operating environment formed the basis for development of our cost-savings plans later to be known as the Greif Business System.



2003 Greif Business System

# 2003

The Greif Business System (GBS), introduced in March 2003, represents select best practices of leading global companies and Greif’s long-term aspirations and goals. Following an in-depth company-wide review and assessment of our markets, the management team developed a comprehensive cost-saving and continuous improvement business strategy consistent with continuing to prepare for the future. It quickly became known as the GBS based on four key elements: operational excellence, commercial excellence, global sourcing and supply chain and working capital. These elements are pursued simultaneously, which initially required considerable management attention and challenged the organization, but the holistic benefits produced are significant. The GBS continues to be embedded and reinforced throughout the company through ongoing efforts and acquisition integration initiatives that have become part of Greif’s corporate DNA. It is our playbook for successful acquisitions, as well as an efficient tool for achieving post-acquisition synergies. The GBS is a source of continuous improvement based on recurring diagnostics and the addition of new businesses to our portfolio.

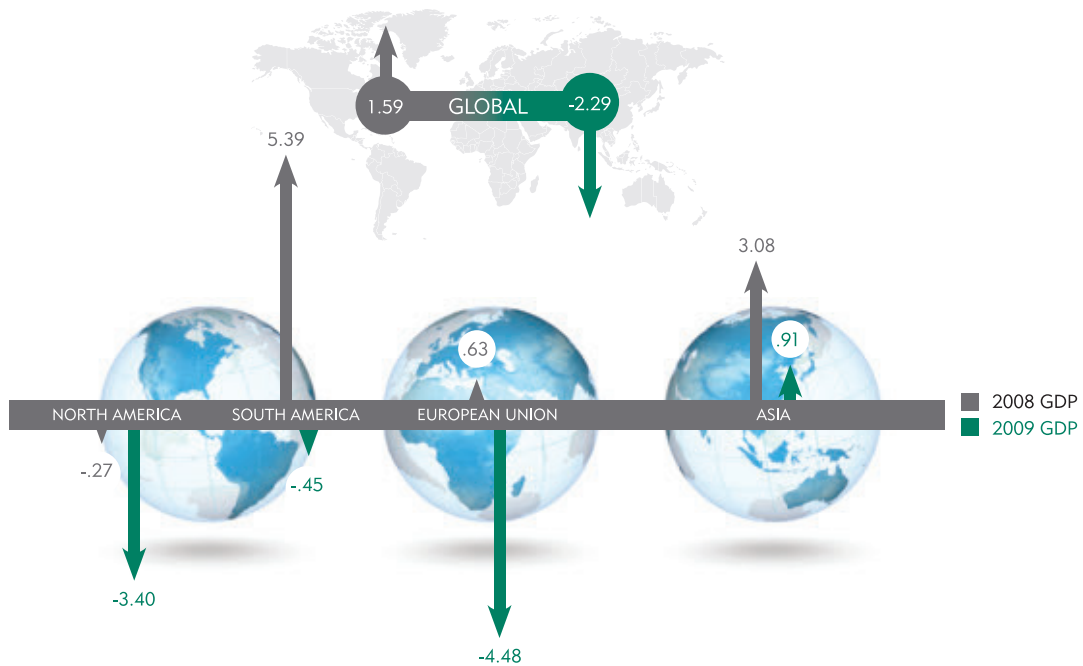


% of 2005 Net sales

## 2005-2007

Following a two-year period that was internally focused on implementation of the GBS, management began to evaluate growth opportunities. We completed several tuck-in acquisitions, rationalized production and continued to pursue industry consolidation to lower costs. Another element of our growth strategy involves industry adjacencies. In the fourth quarter of 2006, we announced a purchase agreement to acquire Delta Petroleum Company, the leading privately owned blender and packager of lubricants, chemicals and glycol-based products in North America. Since completion of the acquisition this business has responded to volatile market changes and realigned its footprint to position the business for growth. In December 2011, Delta opened a filling operation as part of an integrated drum manufacturing and logistics facility in Shanghai, which is in close proximity to the Shanghai Chemical Industrial Park complex.

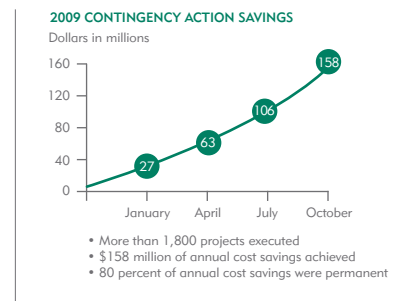
During the first quarter of 2007 we announced a purchase agreement to acquire Blagden Packaging Group's steel drum manufacturing and packaging accessories business. Its business profile in rigid industrial packaging and geographic footprint in Europe and Asia were a solid fit for us. This transaction addressed our strategic objective of achieving lower production costs through economies of scale by industry consolidation based on the overlap with our existing network in Europe and Asia. Substantial cost-savings were achieved as Blagden's rigid industrial packaging operations were integrated into Greif's footprint in Europe and Asia.



## 2008-2009

The first three quarters of 2008 set the pace for the year's record results. This trend was interrupted in October of 2008, the final month of our fiscal year, when the global economic recession impacted the company with full force. It immediately resulted in double-digit volume declines in our markets globally. The situation was aggravated further by liquidity and solvency issues of financial institutions that affected customers' access to credit and capital. As a result, weak markets persisted around the world during the first half of fiscal 2009 before gradually improving. In response to the initial signs of difficulty in October 2008, management promptly developed comprehensive contingency plans to mitigate the disruptive impact of these events and to control the controllable.

In December of 2008 we announced contingency plans to achieve \$100 million of cost-savings to offset the estimated decline in volume for rigid industrial packaging, our largest business segment, throughout fiscal 2009. The contingency plans were expanded mid-year to achieve another \$50 million of cost savings due to persistently weak market conditions. Actions were aggressively implemented throughout the year that involved a substantial reduction in temporary, part-time and full-time employees, 20 plant closings and other restructuring activities. By fiscal year-end 2009, more than \$150 million in cost savings had been realized on an annual basis. These efforts were carefully implemented and did not involve withdrawal from key markets. The goal was to focus on actions required to address the global recession without compromising long-term future opportunities.



In February of 2009, at the depth of the 2008-2009 global recession, we entered into a \$700 million Senior Secured Credit Agreement that replaced a \$450 million credit agreement. Aligned with our long-term strategic goals, the increased borrowing capacity enabled us to resume another period of acquisitions at a time when business valuations were impacted and challenging market conditions led to attractive acquisition opportunities. During the remainder of 2009, we completed six acquisitions involving companies in Asia, Latin America and North America. Management's commitment to Greif's future performance enabled us to strategically consider *continuing to prepare for the future* with confidence despite uncertain and disrupted market conditions that existed in 2009.

Source of data for the chart shown above is Mathew Shane, 2011 International Macro Economic Data Set, Economic Research Service, U.S. Department of Agriculture, Washington, DC



# 2010

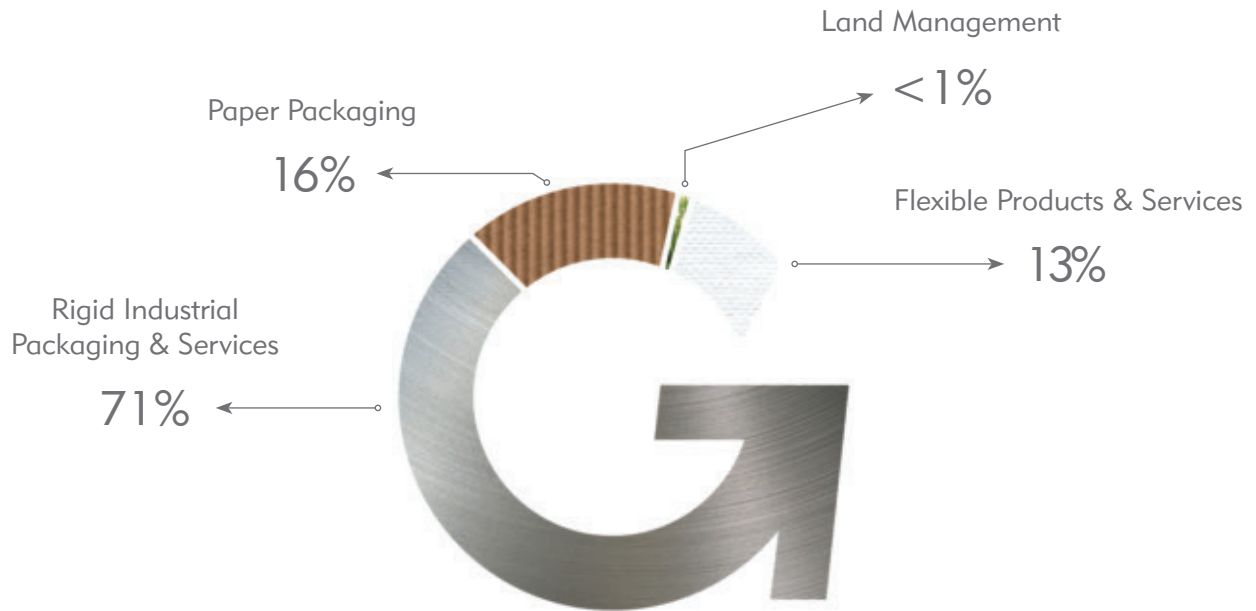
The 2008 strategy team recommended three growth platforms to consider in *continuing to prepare for the future*. Two of them were launched through acquisitions during 2010 and the third was launched in 2011. We completed 12 acquisitions during 2010, which further strengthened core businesses and included four that established our entry into the flexible industrial packaging industry through flexible intermediate bulk container (FIBC) products. While there are distinct differences between rigid industrial packaging and flexible industrial packaging, it was determined that this product strengthens Greif's product portfolio, with more than 30 percent of our customers using both products for their different packaging needs.

Our acquisition of the three largest FIBC manufacturers and the largest distributor of FIBCs in Europe between February and September of 2010 provided a solid foundation and established a leading product position and global platform for future growth in this new business segment. A scalable global platform is being implemented to realize maximum long-term benefits. In addition to the four acquisitions, construction of a fabric hub began during 2010 in the Kingdom of Saudi Arabia. Upon completion, it offers important cost and logistical advantages that are anticipated to significantly benefit this segment's long-term results. The FIBC business and the fabric hub are part of a 50/50 joint venture with a business partner we have worked with for several years.

Another recommendation of the strategy team was to focus on reconditioning rigid industrial packaging. This business reflects the convergence of financial, economic and sustainability goals in an increasingly resource-constrained and regulated global business environment. Beyond its natural fit with our existing rigid industrial packaging business, reconditioning represents a strategic opportunity for us to increase our global leadership position in rigid industrial packaging and align us more closely with our customers as they continue to implement strategies to reduce their carbon and energy footprints as part of their overall sustainability goals.

In August 2010, our Container Life Cycle Management joint venture was established as the focus of our reconditioning of rigid industrial packaging in North America. We entered this market through acquisitions of leading reconditioners of steel drums, plastic drums and IBCs in the United States. Further expansion of this business in North America is anticipated as we implement plans to achieve our strategic growth objectives.

These acquisitions, which specifically address our long-term strategic goals, are expected to contribute to our earnings following completion of planned integration activities and realization of desired scale.



% of 2011 Net sales  
Total exceeds 100% due to rounding

## 2011

After firmly establishing our industry leadership position in 2010, the Flexible Products & Services management team began to integrate the prior acquisitions to build a strong, scalable global platform. This involved aggressive implementation of GBS initiatives during 2011, which led to increased operating efficiencies and significant improvement in this segment's results. These efforts will benefit further from completion of the fabric hub in the Kingdom of Saudi Arabia that is anticipated during the second half of 2012. This fabric hub will help to create the first world-class, integrated enterprise in the flexible products industry. It is also expected to provide substantial long-term benefits, including lower costs for polypropylene and energy, which are two key components of the segment's cost of goods sold. These cost benefits combined with the strong global network of facilities are expected to enhance Flexible Products' growth strategy and financial performance.

Another significant step forward in our reconditioning business occurred in August of 2011 when we acquired pack2pack, the European leader in this business. With operations in seven countries, we expect their achievements and market knowledge will better enable us to scale this business globally. The pack2pack business, along with Container Life Cycle Management and its network participants, have formed EarthMinded™ Life Cycle Services, which is now the largest global reconditioning business.

Our third global growth platform, rigid intermediate bulk containers (RIBCs), was launched in July of 2011 when we acquired Fustiplast with operations in Italy, Germany and Brazil. This acquisition complements our rigid industrial packaging business and further strengthens our RIBC product offering. We now have a world-class, high performance product based on innovative technology. Over time, it will be manufactured in select Greif facilities, often in space made available through previous GBS operational excellence lean manufacturing initiatives. As a result, execution risk will be lower due to advantages from locating production in existing facilities in markets where customers that desire the product already exist. Market demand for RIBCs is generally greater than the overall market and this acquisition enables us to accelerate our growth plans for this product.



## Looking forward

During the past 134 years, much has been accomplished to make us a better company and those achievements continue to build upon the cumulative actions of management teams and employees since Greif began operating in 1877. Growth, acquisitions, joint ventures, contingency plans, sustainability, implementation of focused long-term strategies and Greif's corporate culture continue to shape our company. They are reflected in our performance and our commitment to continuous improvement as we remain focused on *continuing to prepare for the future*.