

GREIF, INC.
ANNUAL ADJUSTMENTS TO FINANCIAL RESULTS TO REFLECT CHANGE IN ACCOUNTING METHOD FROM LIFO TO FIFO
(in thousands, except per share data)
UNAUDITED

	Year ended October 31, 2005			Year ended October 31, 2006			Year ended October 31, 2007			Year ended October 31, 2008			Year ended October 31, 2009		
	As Reported	Adjustments	As Adjusted ⁽¹⁾	As Reported	Adjustments	As Adjusted ⁽¹⁾	As Reported	Adjustments	As Adjusted ⁽¹⁾	As Reported	Adjustments	As Adjusted ⁽¹⁾	As Reported	Adjustments	As Adjusted ⁽¹⁾
Cost of products sold	2,033,510	7,076	2,040,586	2,151,140	(4,123)	2,147,017	2,726,195	(144)	2,726,051	3,097,760	(12,025)	3,085,735	2,257,141	35,432	2,292,573
Gross profit	390,787	(7,076)	383,711	479,204	4,123	483,327	605,402	144	605,546	692,771	12,025	704,796	535,076	(35,432)	499,644
Operating profit (Loss)	191,932	(7,076)	184,856	246,163	4,123	250,286	289,582	144	289,726	370,286	12,025	382,311	235,329	(35,432)	199,897
Debt extinguishment charge	2,828	-	2,828	-	-	-	23,479	-	23,479	-	-	-	782	-	782
Income before income tax expense and equity in earnings (losses) of affiliates and noncontrolling interests	152,254	(7,076)	145,178	207,871	4,123	211,994	211,635	144	211,779	311,907	12,025	323,932	173,761	(35,432)	138,329
Income tax (benefit) expense	47,055	(2,697)	44,358	63,816	1,588	65,404	53,544	55	53,599	73,610	4,631	78,241	37,706	(13,645)	24,061
Net income (Loss)	\$ 104,655	\$ (4,379)	\$ 100,276	\$ 142,119	\$ 2,535	\$ 144,654	\$ 156,368	\$ 89	\$ 156,457	\$ 234,354	\$ 7,394	\$ 241,749	\$ 132,433	\$ (21,787)	\$ 110,646
Operating Profit by segment															
Industrial Packaging	\$ 91,443	\$ (3,341)	\$ 88,102	\$ 143,429	\$ (36)	\$ 143,393	\$ 213,351	\$ (513)	\$ 212,838	\$ 281,186	\$ 10,799	\$ 291,985	\$ 155,208	\$ (20,815)	\$ 134,393
Paper Packaging	36,340	(3,735)	32,605	50,794	4,159	54,953	62,506	657	63,163	68,265	1,226	69,491	58,046	(14,617)	43,429
Land Management	64,150	-	64,150	51,917	-	51,917	13,725	-	13,725	20,835	-	20,835	22,074	-	22,074
Total	\$ 191,933	\$ (7,076)	\$ 184,857	\$ 246,140	\$ 4,123	\$ 250,263	\$ 289,582	\$ 144	\$ 289,726	\$ 370,286	\$ 12,025	\$ 382,311	\$ 235,328	\$ (35,432)	\$ 199,896

	Year ended October 31, 2005			Year ended October 31, 2006			Year ended October 31, 2007			Year ended October 31, 2008			Year ended October 31, 2009		
	As Reported	Adjustments	As Adjusted ⁽¹⁾	As Reported	Adjustments	As Adjusted ⁽¹⁾	As Reported	Adjustments	As Adjusted ⁽¹⁾	As Reported	Adjustments	As Adjusted ⁽¹⁾	As Reported	Adjustments	As Adjusted ⁽¹⁾
GAAP to non-GAAP Reconciliation															
Industrial Packaging															
GAAP - operating profit (loss)	\$ 91,443	\$ (3,341)	\$ 88,102	\$ 143,429	\$ (36)	\$ 143,393	\$ 213,351	\$ (513)	\$ 212,838	\$ 281,186	\$ 10,799	\$ 291,985	\$ 155,208	\$ (20,815)	\$ 134,393
Restructuring charges	31,375	-	31,375	24,034	-	24,034	16,010	-	16,010	33,971	-	33,971	65,743	-	65,743
Restructuring-related inventory charges	-	-	-	-	-	-	-	-	-	-	-	-	10,772	-	10,772
Non-GAAP operating profit before restructuring charges and restructuring related inventory charges	\$ 122,818	\$ (3,341)	\$ 119,477	\$ 167,463	\$ (36)	\$ 167,427	\$ 229,361	\$ (513)	\$ 228,848	\$ 315,157	\$ 10,799	\$ 325,956	\$ 231,723	\$ (20,815)	\$ 210,908
Paper Packaging															
GAAP - operating profit (loss)	\$ 36,340	\$ (3,735)	\$ 32,605	\$ 50,794	\$ 4,159	\$ 54,953	\$ 62,506	\$ 657	\$ 63,163	\$ 68,265	\$ 1,226	\$ 69,491	\$ 58,046	\$ (14,617)	\$ 43,429
Restructuring charges	4,271	-	4,271	9,193	-	9,193	5,219	-	5,219	9,155	-	9,155	685	-	685
Restructuring-related inventory charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-GAAP operating profit before restructuring charges and restructuring related inventory charges	\$ 40,611	\$ (3,735)	\$ 36,876	\$ 59,987	\$ 4,159	\$ 64,146	\$ 67,225	\$ 657	\$ 68,382	\$ 77,420	\$ 1,226	\$ 78,646	\$ 58,731	\$ (14,617)	\$ 44,114
Land Management															
GAAP - operating profit (loss)	\$ 64,150	\$ -	\$ 64,150	\$ 51,917	\$ -	\$ 51,917	\$ 13,725	\$ -	\$ 13,725	\$ 20,835	\$ -	\$ 20,835	\$ 22,074	\$ -	\$ 22,074
Restructuring charges	90	-	90	11	-	11	76	-	76	76	-	76	163	-	163
Timberland Disposals	(56,268)	-	(56,268)	(41,302)	-	(41,302)	648	-	648	(340)	-	(340)	-	-	-
Non-GAAP operating profit before restructuring charges and timberland disposals	\$ 7,972	\$ -	\$ 7,972	\$ 10,626	\$ -	\$ 10,626	\$ 14,373	\$ -	\$ 14,373	\$ 20,571	\$ -	\$ 20,571	\$ 22,237	\$ -	\$ 22,237

	Diluted per share amounts		Diluted per share amounts		Diluted per share amounts		Diluted per share amounts		Diluted per share amounts	
	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B
GAAP - Net Income (Loss), as reported	\$ 1.78	\$ 2.73	\$ 2.42	\$ 3.69	\$ 2.65	\$ 4.04	\$ 3.99	\$ 6.04	\$ 2.28	\$ 3.42
LIFO adjustments, net of tax	(0.07)	(0.12)	0.04	0.07	-	-	0.12	0.19	(0.37)	(0.56)
GAAP - Net Income (Loss), as adjusted	1.71	2.61	2.46	3.76	2.65	4.04	4.11	6.23	1.91	2.86
Restructuring charges, net of tax	0.42	0.65	0.39	0.59	0.27	0.41	0.56	0.85	0.93	1.41
Restructuring-related inventory charges, net of tax	-	-	-	-	-	-	-	-	0.15	0.23
Debt extinguishment charges, net of tax	-	-	-	-	-	-	-	-	0.01	0.02
Timberland gains, net of tax	(0.66)	(1.02)	(0.48)	(0.74)	0.01	0.01	-	(0.01)	-	-
Non-GAAP - Net Income (Loss) before restructuring charges, restructuring-related inventory charges, debt extinguishment charges, and timberland gains	\$ 1.47	\$ 2.24	\$ 2.37	\$ 3.61	\$ 2.93	\$ 4.46	\$ 4.67	\$ 7.07	\$ 3.00	\$ 4.52

	Weighted-average number of shares of common stock outstanding (millions)		Weighted-average number of shares of common stock outstanding (millions)		Weighted-average number of shares of common stock outstanding (millions)		Weighted-average number of shares of common stock outstanding (millions)		Weighted-average number of shares of common stock outstanding (millions)	
	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B
Diluted earnings per share	23.5	23.5	23.7	23.7	24.2	24.2	24.4	24.4	24.6	24.7
Class A	23.5	23.2	23.1	23.1	23.0	23.0	22.8	22.8	22.5	22.5

⁽¹⁾ Adjusted financial information presents previously reported financial information adjusted on a retrospective basis to reflect the change in inventory accounting method from LIFO to FIFO.