

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended July 31, 1995 Commission File Number 1-566

GREIF BROS.CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

31-4388903

(State or other jurisdiction of
incorporation or organization)

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

621 Pennsylvania Avenue, Delaware, Ohio

43015

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code

614-363-1271

Not Applicable

Former name, former address and former fiscal year, if changed since last report.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes . No .

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the close of the period covered by this report:

Class A Common Stock 10,873,172 shares
Class B Common Stock 13,201,793 shares

PART I. FINANCIAL INFORMATION

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

ASSETS

	July 31, 1995	October 31, 1994
CURRENT ASSETS		
Cash and short term investments	\$ 22,713	\$ 29,543
U.S. and Canadian government securities --at amortized cost which approximates market	19,770	23,970
Trade accounts receivable--less allowance of \$989 for doubtful items	67,333	69,501
Inventories, at the lower of cost (prin- cipally last-in, first-out) or market	69,591	50,944
Prepaid expenses and other	14,492	14,384
 Total current assets	 193,899	 188,342
LONG TERM ASSETS		
Cash surrender value of life insurance	2,678	2,618
Interest in partnership	1,091	1,091
Other long term assets	7,937	5,853
	11,706	9,562
PROPERTIES, PLANTS AND EQUIPMENT -- at cost		
Timber properties -- less depletion	4,257	3,639
Land	10,538	10,521
Buildings	105,754	99,936
Machinery, equipment, etc.	301,302	291,426
Construction in progress	31,847	18,136
Less accumulated depreciation	(218,680)	(202,488)
	235,018	221,170
	\$440,623	\$419,074

See accompanying Notes to Consolidated Financial Statements.

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

LIABILITIES AND SHAREHOLDERS' EQUITY

	July 31, 1995	October 31, 1994
CURRENT LIABILITIES		
Accounts payable	\$ 27,908	\$ 32,948
Current portion of long term obligations	2,242	249
Accrued payrolls and employee benefits	9,946	7,082
Accrued taxes--general	1,213	1,952
Taxes on income	312	713
 Total current liabilities	 41,621	 42,944

LONG TERM OBLIGATIONS (interest rates from

4.81% - 8.00%; payable to 2000)	8,180	27,966
OTHER LONG TERM LIABILITIES	18,016	14,265
DEFERRED INCOME TAXES	11,283	6,960
Total long term liabilities	37,479	49,191
SHAREHOLDERS' EQUITY (Note 1)		
Capital stock, without par value	9,034	9,034
Class A Common Stock:		
Authorized 32,000,000 shares;		
issued 21,140,960 shares;		
in treasury 10,267,788 shares;		
outstanding 10,873,172 shares		
Class B Common Stock:		
Authorized and issued 17,280,000 shares;		
in treasury 4,078,207 shares;		
(3,967,226 in 1994)		
outstanding 13,201,793 shares		
(13,312,774 in 1994)		
Earnings retained for use in the business	356,444	321,583
Cumulative translation adjustment	(3,955)	(3,678)
	361,523	326,939
	\$440,623	\$419,074

See accompanying Notes to Consolidated Financial Statements.

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF INCOME

(Dollars in thousands, except per share amounts)

	Three Months Ended July 31,		Nine Months Ended July 31,	
	1995	1994	1995	1994
Sales and other income				
Net sales	\$184,159	\$147,629	\$539,086	\$416,317
Other income:				
Gain on sales of timber and timber properties	1,402	992	6,119	2,860
Interest, oil royalties and other	1,553	1,577	4,184	4,151
	187,114	150,198	549,389	423,328
Costs and expenses				
Cost of products sold	138,011	121,604	417,569	347,967
Selling, general and administrative	19,911	14,187	54,153	42,891
Interest	104	456	820	1,103
	158,026	136,247	472,542	391,961
Income before income taxes	29,088	13,951	76,847	31,367
Taxes on income	11,500	5,250	29,000	11,750
Net income	\$ 17,588	\$ 8,701	\$ 47,847	\$ 19,617

Net income per share (based on the average number of shares outstanding during the period, adjusted for two-for-one stock split):

Based on the assumption that earnings were allocated to Class A and Class B Common Stock to the extent that dividends were actually paid for the year and

the remainder were allocated as they would be received by shareholders in the event of liquidation, that is, equally to Class A and Class B shares, share and share alike:

Class A Common Stock	\$0.71	\$0.35	\$1.89	\$0.74
Class B Common Stock	\$0.74	\$0.37	\$2.05	\$0.86

Due to the special characteristics of the Company's two classes of stock (see Note 1), earnings per share can be calculated upon the basis of varying assumptions, none of which, in the opinion of management, would be free from the claim that it fails fully and accurately to represent the true interest of the shareholders of each class of stock and in the earnings retained for use in the business.

See accompanying Notes to Consolidated Financial Statements.

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF EARNINGS RETAINED FOR USE IN THE BUSINESS

(Dollars in thousands, except per share amounts)

For the nine months ended July 31,	1995	1994
Balance at beginning of period	\$321,583	\$298,757
Net income	47,847	19,617
	369,430	318,374
Dividends paid:		
On Class A Common Stock -- \$.34 (\$.26 in 1994)	3,697	2,827
On Class B Common Stock -- \$.50 (\$.38 in 1994)	6,643	5,078
	10,340	7,905
Stock acquired for treasury	2,646	1,693
Balance at end of period	\$356,444	\$308,776

See accompanying Notes to Consolidated Financial Statements.

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in thousands)

For the nine months ended July 31,	1995	1994
Cash flows from operating activities:		
Net income	\$47,847	\$19,617
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and depletion	17,097	15,768
Deferred income taxes	4,329	4,499
(Increase) decrease:		
Trade accounts receivable	2,168	(5,272)
Inventories	(18,647)	(3,320)
Prepaid expenses and other	(108)	3

Other long term assets	(2,144)	452
Increase (decrease):		
Accounts payable	(5,040)	5,323
Accrued payrolls and employee benefits	2,864	(109)
Accrued taxes -- general	(739)	57
Taxes on income	(401)	(692)
Other long term liabilities	3,751	(310)
Net cash provided by operating activities	50,977	36,016
Cash flows from investing activities:		
Sales (purchases) of investments in government and short term securities	4,200	1,872
Purchase of properties, plants and equipment	(31,008)	(30,785)
Net cash used by investing activities	(26,808)	(28,913)
Cash flows from financing activities:		
Proceeds (payments) on long term debt	(17,793)	3,006
Acquisition of treasury stock	(2,646)	(1,693)
Dividends paid	(10,340)	(7,905)
Net cash provided (used) by financing activities	(30,779)	(6,592)
Foreign currency translation adjustment	(220)	(1,543)
Net increase (decrease) in cash and short term investments	(6,830)	(1,032)
Cash and short term investments at beginning of period	29,543	30,827
Cash and short term investments at end of period	\$22,713	\$29,795

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JULY 31, 1995

NOTE 1 - CAPITAL STOCK AND RETAINED EARNINGS

In March, 1995, authorized Class A Common Stock was increased from 16,000,000 shares to 32,000,000 shares and Class B Common Stock from 8,640,000 shares to 17,280,000 shares. At the same time, all issued shares were split two-for-one.

Class A Common Stock is entitled to cumulative dividends of 1 cent a share per year after which Class B Common Stock is entitled to non-cumulative dividends up to 1/2 cent a share per year. Further distribution in any year must be made in proportion of 1 cent a share for Class A Common Stock to 1-1/2 cents a share for Class B Common Stock. The Class A Common Stock shall have no voting power nor shall it be entitled to notice of meetings of the stockholders, all rights to vote and all voting power being vested exclusively in the Class B Common Stock unless four quarterly cumulative dividends upon the Class A Common stock are in default. There is no cumulative voting. The Company has acquired 14,345,995 shares of Class A and Class B Common Stock for treasury at a cost of \$40,775,296 which was appropriately charged against earnings retained for use in the business. Included in the above are 106,555 shares of Class B Common Stock acquired in fiscal 1995 for \$2,646,000.

NOTE 2 - DIVIDENDS PER SHARE

The following dividends per share were paid during the period indicated, adjusted for two-for-one stock split:

	Three Months Ended July 31,		Nine Months Ended July 31,	
	1995	1994	1995	1994
Class A Common Stock	\$.06	\$.04	\$.34	\$.26
Class B Common Stock	\$.09	\$.06	\$.50	\$.38

NOTE 3 - CALCULATION OF NET INCOME PER SHARE

Net income per share was calculated using the following number of shares for the periods presented:

	Three Months Ended July 31,	Nine Months Ended July 31,
Class A Common Stock	10,873,172 shares	10,873,172 shares
Class B Common Stock	13,215,106 shares	13,268,883 shares

NOTE 4 - INVENTORIES

Inventories are comprised principally of raw materials.

NOTE 5 - STOCK OPTIONS

During fiscal 1995, the Company adopted an Incentive Stock Option Plan (the Plan) which provides the granting of incentive stock options to key employees and non-statutory options for non-employees. The aggregate number of the Company's Class A Common Stock which options may be granted shall not exceed 1,000,000 shares. Under the terms of the Plan, options are granted at exercise prices equal to the market value on the date the options are granted and become exercisable after two years from the date of grant.

In the current year, 155,000 incentive stock options and 10,000 non-statutory options have been granted with option prices of \$26.19 and \$23.75, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Results of Operations

Historically, revenues or earnings may or may not be representative of future operations because of various economic factors. The following comparative information is presented for the 9-month periods ended July 31,

1995 and July 31, 1994.

Net sales increased 29% during the current period compared to the previous period. This increase was principally the result of increases in the containerboard segment, which was significantly affected by increased sales prices resulting from shortages in containerboard and related products. In addition, the shipping containers segment contributed to the increase due to an increase in unit sales and higher sales prices resulting from the increase in cost of the Company's raw materials.

The gain on sales of timber and timber properties increased due to the sale of timber properties to the U.S. Forest Service and more salvage timber sales. Also, the sales prices for timber were higher as compared to the previous period.

The cost of products sold as a percentage of sales decreased from 84% in 1994 to 77% in 1995. This decrease was largely the result of a higher percent of the net sales being comprised of the containerboard and related products segment, which has a higher gross profit margin than the Company's other segment. This decrease was partially offset by an increase in the cost of the Company's raw materials.

Inventories are higher at July 31, 1995 compared to October 31, 1994. This increase is to support the higher volume of sales that the Company is experiencing this year. In addition, the higher cost of raw materials contributed to this increase in inventories.

Liquidity and Capital Resources

As indicated in the Consolidated Balance Sheets, elsewhere in this report and discussed in greater detail in the 1994 Annual Report to Shareholders, the Company is dedicated to maintaining a strong financial position. It is our belief that this dedication is extremely important during all economic times.

As discussed in the 1994 Annual Report, the Company is subject to the economic conditions of its customers. During this period, the Company has been able to utilize its developed financial position to meet its continued business needs.

The current ratio as of July 31, 1995 is an indication of the continuation of the Company's strong liquidity.

Long term obligations are lower at July 31, 1995 compared to October 31, 1994 due to pre-payment of long term debt. The decrease caused by this pre-payment was partially offset by additional long term debt which was incurred to build a manufacturing plant in Michigan.

In May 1995, a subsidiary company approved a \$35 million mill modernization program at Riverville, Virginia. In addition, the Company has outstanding purchase commitments, primarily for equipment, of approximately \$21 million. Self-financing and low interest rate borrowing have been the primary source for financing such capital expenditures.

Capital expenditures were approximately \$31 million during the nine months ended July 31, 1995. These capital expenditures were principally needed to replace and improve equipment and build a manufacturing plant in Michigan which will be completed in 1995. Construction in progress increased since year-end primarily due to capital expenditures for the plant in Michigan and the mill modernization in Virginia.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There are no material pending legal proceedings.

As disclosed in the 1994 Form 10-K and further described in the Form 10-Q for the quarter ended April 30, 1995, there is a pollution situation at the Company's plant in Winfield, Kansas. No additional activity has been included in the results of operations for the quarter ended July 31, 1995.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a.) Exhibits

None.

(b.) Reports on Form 8-K

No events occurred requiring Form 8-K to be filed.

OTHER COMMENTS

The information furnished herein reflects all adjustments which are, in the opinion of management, necessary for a fair presentation of the consolidated balance sheet as of July 31, 1995, the consolidated statement of income for the 9-month periods ended July 31, 1995 and 1994, and the consolidated statement of cash flows for the 9-month periods then ended. These financial statements are unaudited; however, at year-end an audit will be made for the fiscal year by independent certified public accountants.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Greif Bros. Corporation

(Registrant)

Date September 11, 1995

John K. Dieker
Controller

This schedule contains summary financial information extracted from the Form 10-Q and is qualified in its entirety by reference to such Form 10-Q.

1,000

9-MOS	OCT-31-1995	JUL-31-1995
		22,713
		19,770
		68,322
		(989)
		69,591
	193,899	453,698
	(218,680)	
	440,623	
41,621		0
		9,034
0		0
		352,489
440,623		539,086
	549,389	417,569
		417,569
		54,153
		0
		820
		76,847
		29,000
47,847		0
		0
		0
		47,847
		1.89
		1.89

Amount represents the earnings per share for the Class A Common Stock. The earnings per share for the Class B Common Stock are \$2.05.