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 January 31, 1998 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.) |
| 425 Winter Road, Delaware, Ohio | 43015 |
| (Address of principal executive offices) | (Zip Code) |

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

Not Applicable
Former name, former address and former fiscal year, if changed since last report.

Indicated 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 _X_. 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 | 10,902,272 shares |
| Class B Common Stock | 12,001,793 shares |

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF INCOME
(Dollars in thousands, except per share amounts)

| For the three months ended January 31, | 1998 | 1997 |
|---|---|---|
| Net sales | $169,697 | $152,370 |
| Other income: | | |
| Gain on timber sales | 2,787 | 1,539 |
| Interest and other | 2,510 | 2,467 |
| | 174,994 | 156,376 |
| Costs and expenses (including depreciation of $8,374 in 1998 and $7,594 in 1997): | | |
| Cost of products sold | 138,177 | 131,329 |
| Selling, general and administrative | 20,324 | 17,212 |
| Interest | 1,230 | 750 |
| | 159,731 | 149,291 |
| Income before income taxes | 15,263 | 7,085 |
| Taxes on income | 5,647 | 2,600 |
| Net income | $ 9,616 | $ 4,485 |

Net income per share (based on the average number of shares outstanding during the period):

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.

| Basic and Diluted: | | |
|---|---|---|
| Class A Common Stock | $0.39 | $0.14 |
| Class B Common Stock | $0.44 | $0.25 |

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 in the retained earnings.

See accompanying Notes to Consolidated Financial Statements

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

ASSETS

| | January 31, 1998 | October 31, 1997 |
|---|---|---|
| CURRENT ASSETS | | |
| Cash and cash equivalents | $ 16,834 | $ 17,719 |
| Canadian government securities | 7,305 | 7,533 |
| Trade accounts receivable - less allowance of $965 for doubtful items ($847 in 1997) | 80,559 | 81,582 |
| Inventories | 46,040 | 44,892 |
| Prepaid expenses and other | 20,054 | 21,192 |
| Total current assets | 170,792 | 172,918 |
| LONG TERM ASSETS | | |
| Cash surrender value of life insurance | 1,040 | 1,070 |
| Goodwill - less amortization | 17,017 | 17,352 |
| Other long term assets | 20,501 | 20,952 |
| | 38,558 | 39,374 |

| | | |
|---|---|---|
| PROPERTIES, PLANTS AND EQUIPMENT - at cost | | |
| Timber properties - less depletion | 6,898 | 6,884 |
| Land | 11,473 | 11,139 |
| Buildings | 139,626 | 139,713 |
| Machinery, equipment, etc. | 431,525 | 424,177 |
| Construction in progress | 20,269 | 17,546 |
| Less accumulated depreciation | (269,663) | (261,662) |
| | 340,128 | 337,797 |
| | $549,478 | $550,089 |

LIABILITIES AND SHAREHOLDERS' EQUITY

| | | |
|---|---|---|
| CURRENT LIABILITIES | | |
| Accounts payable | $ 31,701 | $ 37,487 |
| Current portion of long term obligations | 8,309 | 8,504 |
| Accrued payrolls and employee benefits | 10,705 | 13,821 |
| Taxes on income | 4,409 | 596 |
| Total current liabilities | 55,124 | 60,408 |
| LONG TERM OBLIGATIONS | 43,314 | 43,648 |
| OTHER LONG TERM OBLIGATIONS | 15,329 | 16,155 |
| DEFERRED INCOME TAXES | 30,619 | 29,740 |
| Total long term liabilities | 89,262 | 89,543 |
| SHAREHOLDERS' EQUITY (Note 1) | | |
| Capital stock, without par value | 9,774 | 9,739 |
| Class A Common Stock: Authorized 32,000,000 shares; Issued 21,140,960 shares; outstanding 10,902,272 shares (10,900,672 in 1997) | | |
| Class B Common Stock: Authorized and issued 17,280,000 shares; outstanding 12,001,793 shares | | |
| Treasury Stock, at cost | (41,866) | (41,868) |
| Class A Common Stock :10,238,688 shares (10,240,288 in 1997) | | |
| Class B Common Stock : 5,278,207 shares | | |
| Retained earnings | 443,825 | 437,550 |
| Cumulative translation adjustment | (6,641) | (5,283) |
| | 405,092 | 400,138 |
| | $549,478 | $550,089 |

See accompanying Notes to Consolidated Financial Statements

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

| For the three months ended January 31, | 1998 | 1997 |
|---|---|---|
| Cash flows from operating activities: | | |
| Net income | $ 9,616 | $ 4,485 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation, depletion and amortization | 8,709 | 7,986 |
| Deferred income taxes | 892 | 1,325 |
| Increase (decrease) in cash from changes in certain assets and liabilities, net of effects from acquisitions: | | |
| Trade accounts receivable | 1,023 | 5,233 |
| Inventories | (1,148) | (576) |
| Prepaid expenses and other | 1,138 | 253 |
| Other long term assets | 481 | (255) |
| Accounts payable | (5,786) | (7,232) |
| Accrued payrolls and employee benefits | (3,116) | (2,659) |
| Taxes on income | 3,813 | (451) |
| Other long term liabilities | (826) | (901) |
| Net cash provided by operating activities | 14,796 | 7,208 |

| | | |
|---|---|---|
| Cash flows from investing activities: | | |
| Acquisitions of companies, net of cash acquired | -- | 134 |
| Disposals of investments in government securities | 228 | 206 |
| Purchases of properties, plants and equipment | (11,005) | (15,354) |
| Net cash used by investing activities | (10,777) | (15,014) |
| Cash flows from financing activities: | | |
| (Payments) proceeds on long term debt | (529) | 10,307 |
| Exercise of stock options | 37 | -- |
| Dividends paid | (3,341) | (6,810) |
| Net cash (used in) provided by financing activities | (3,833) | 3,497 |
| Foreign currency translation adjustment | (1,071) | (203) |
| Net decrease in cash and cash equivalents | (885) | (4,512) |
| Cash and cash equivalents at beginning of period | 17,719 | 26,560 |
| Cash and cash equivalents at end of period | $ 16,834 | $ 22,048 |

See accompanying Notes to Consolidated Financial Statements

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 1998

NOTE 1 - CAPITAL STOCK AND RETAINED EARNINGS

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 per 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 cumulative dividends upon the Class A Common Stock are in arrears. There is no cumulative voting.

NOTE 2 - DIVIDENDS PER SHARE

The following dividends per share were paid during the period indicated:

| Three Months Ended January 31, | 1998 | 1997 |
|---|---|---|
| Class A Common Stock | $0.12 | $0.24 |
| Class B Common Stock | $0.17 | $0.35 |

NOTE 3 - CALCULATION OF NET INCOME PER SHARE

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

Three months ended January 31, 1998:

| | Basic | Diluted |
|---|---|---|
| Class A Common Stock | 10,901,962 shares | 10,950,796 shares |
| Class B Common Stock | 12,001,793 shares | 12,001,793 shares |

Three months ended January 31, 1997:

| | Basic | Diluted |
|---|---|---|
| Class A Common Stock | 10,873,172 shares | 10,889,792 shares |
| Class B Common Stock | 12,001,793 shares | 12,001,793 shares |

The diluted shares assume conversion of stock options. There are 164,100 options that are antidilutive for the three months ended January 31, 1997.

NOTE 4 - INVENTORIES

Inventories are comprised principally of raw materials and are stated at the lower of cost (principally on last-in, first-out basis) or market.

NOTE 5 - RECLASSIFICATIONS

Certain prior period amounts have been reclassified to conform to the 1998 presentation.

ITEM 2. 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 three-month periods ended January 31, 1998 and January 31, 1997.

Net sales increased $17.3 million or 11.4% during the current quarter compared to the previous period. The net sales of the containerboard segment increased by $15.2 million in comparison to the prior year's quarter. This increase was primarily the result of $12.3 million higher net sales in the paper mills, which was significantly affected by the improved sales prices of its products. The higher sales prices were caused by the overall improvement of the containerboard market. In addition, the purchase of Independent Container, Inc. and Centralia Container, Inc. in May 1997 and June 1997, respectively, contributed $9.8 million in net sales as a result of the additional sales volume. These increases were partially offset by the disposal of the Company's wood components plants, with prior year first quarter net sales of $10.7 million, in Kentucky, California, Washington and Oregon in August 1997. The net sales of the industrial shipping containers segment increased by $ 2.1 million in comparison to the prior year's quarter. Net sales increased due to the purchase of two steel drum operations located in Merced, California and Oakville, Ontario, Canada during March 1997 which contributed $4.6 million of net sales. The increase that resulted from this acquisition was partially offset by the sale of an injection molding facility, with prior year first quarter net sales of $2.9 million, located in Ohio during February 1997.

Other income increased in 1998 due to $1.2 million of additional sales of timber properties.

The cost of products sold as a percentage of sales decreased from 86.2% last year to 81.4% this year. This decrease is primarily the result of higher net sales of the containerboard segment without a corresponding increase in the cost of products sold.

The increase of $3.1 million in selling, general and administrative expense is due primarily to additional expenses related to the acquisitions in March, May and June of last year. In addition, the amortization of goodwill for these acquisitions contributed to the higher costs.

The increase in interest expense is due to the higher average debt during the first quarter of fiscal 1998 as compared to the prior year.

Liquidity and Capital Resources

As indicated in the Consolidated Balance Sheet, elsewhere in this report and discussed in greater detail in the 1997 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 1997 Annual Report, the Company is subject to the economic conditions of the market in which it operates. During this period, the Company has been able to utilize its developed financial position to meet its continued business needs.

The current ratio of 3.0:1 as of January 31, 1998 is an indication of the Company's continued dedication to strong liquidity.

Capital expenditures were $11 million during the three months ended January 31, 1998. These capital expenditures were principally needed to replace and improve equipment.

On December 10, 1997, the Company signed a non-binding letter of intent to acquire all of the outstanding shares of KMI Continental Fibre Drum, Inc., Fibro Tambor, S.A. de C.V., and Sonoco Plastic Drum, Inc. from Sonoco Products Co. and their interest in Total Packaging Systems of Georgia, LLC for approximately $225 million in cash. The acquisition is subject to satisfactory completion of due diligence by the Company and receipt of all governmental approvals. In addition, the Company has approved future purchases, primarily for equipment, of approximately $10 million.

The Company has embarked on a program to implement a new management information system. The estimated cost of the project is approximately $20 million and is expected to be completed during 1999. The purpose of the program focuses on using information technology to link together our operations to become a low cost producer and more effectively service our customers. As a result of this undertaking, the Company believes that its year 2000 compliance matters will be addressed since most of its current software will be discarded.

Self-financing and borrowing have been the primary sources for past capital expenditures and acquisitions. The Company anticipates financing future capital expenditures and acquisitions in a like manner.

## SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Except for the historical information contained herein, the matters discussed in this Form 10-Q contain certain forward-looking statements which involve risks and uncertainties, including, but not limited to economic, competitive, governmental and technological factors affecting the Company's operations, markets, services and related products, prices and other factors discussed in the Company's filings with the Securities and Exchange Commission. The Company's actual results could differ materially from those projected in such forward-looking statements.

## ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable at this time.

## PART II. OTHER INFORMATION

### ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

(a.) The Company held its Annual Meeting of Stockholders on February 23, 1998.

(b.) At the Annual Meeting of Stockholders, the following nominees were elected to the Board of Directors. The inspectors of election certified the following vote tabulations:

| | For | Withheld |
|---|---|---|
| Charles R. Chandler | 10,551,162 | 1,450,631 |
| Michael H. Dempsey | 10,551,162 | 1,450,631 |
| Naomi C. Dempsey | 10,551,162 | 1,450,631 |
| Michael J. Gasser | 10,551,162 | 1,450,631 |
| Daniel J. Gunsett | 10,551,162 | 1,450,631 |
| Allan Hull | 10,542,682 | 1,459,111 |
| Robert C. Macauley | 10,542,682 | 1,459,111 |
| David J. Olderman | 10,551,162 | 1,450,631 |
| William B. Sparks, Jr. | 10,551,162 | 1,450,631 |
| J Maurice Struchen | 10,542,682 | 1,459,111 |

(c.) At the Annual Meeting of Stockholders, a proposed Amendment and Restatement of the Company's Certificate of Incorporation to eliminate outdated provisions and simplify and update certain other provisions was approved by the stockholders. The inspectors of election certified the following vote tabulations:

| For | Against | Abstain |
|---|---|---|
| 10,554,813 | 2,000 | 1,444,980 |

### ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a.) Exhibits.

27. Financial Data Schedule

(b.) Reports on Form 8-K.

On December 10, 1997, the Company filed a Current Report on Form 8-K that described its non-binding letter of intent to acquire all of the outstanding shares of KMI Continental Fibre Drum, Inc., a Delaware corporation, Fibro Tambor, S.A. de C.V., a Mexican corporation, and Sonoco Plastic Drum, Inc., an Illinois corporation, all of which are wholly-owned subsidiaries of Sonoco Products Co. ("Sonoco"). In addition, the Company would purchase Sonoco's interest in Total Packaging Systems of Georgia, LLC, a Delaware limited liability company.

### 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 January 31, 1998, the consolidated statement of income for the three month periods ended January 31, 1998 and 1997, and the consolidated statement of cash flows for the three month periods then ended. These financial statements are unaudited; however, at year-end an audit will be performed for the fiscal year by independent 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 thereto duly authorized.

Greif Bros. Corporation
______________________________
(Registrant)

Date February 27, 1998 /s/ Joseph W. Reed

______________________________
Joseph W. Reed
Chief Financial Officer and Secretary
(Duly Authorized Signatory)

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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.

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3-MOS
OCT-31-1998
JAN-31-1998
16,834
7,305
81,524
(965)
46,040
170,792
609,791
(269,663)
549,478
55,124
43,314
0
0
9,774
395,318
549,478
169,697
174,994
138,177
138,177
20,324
0
1,230
15,263
5,647
9,616
0
0
0
9,616
.39
.39

Amount represents the earnings per share for the Class A Common Stock. The earnings per share for the Class B Common Stock are $0.44.