

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 January 31, 1997 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 (I.R.S. Employer
incorporation or organization) 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 12,001,793 shares

PART I. FINANCIAL INFORMATION

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENTS OF INCOME

(Dollars in thousands, except per share amounts)

| For the three months ended January 31, | 1997 | 1996 |
|--|-----------|-----------|
| Net sales | \$152,370 | \$159,743 |
| Other income: | | |
| Interest and other | 2,467 | 855 |
| Gain on timber sales | 1,539 | 1,891 |
| | 156,376 | 162,489 |
| Costs and expenses (including depreciation of \$7,594 in 1997 and \$6,523 in 1996): | | |
| Cost of products sold | 131,329 | 127,434 |
| Selling, general and administrative | 17,212 | 17,285 |
| Interest | 750 | 244 |
| | 149,291 | 144,963 |
| Income before income taxes | 7,085 | 17,526 |
| Taxes on income | 2,600 | 6,700 |
| Net income | \$ 4,485 | \$ 10,826 |

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:

| | | |
|----------------------|--------|--------|
| Class A Common Stock | \$0.14 | \$0.41 |
| Class B Common Stock | \$0.25 | \$0.52 |

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 retained earnings.

See accompanying Notes to Consolidated Financial Statements.

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEETS

(Dollars in thousands)

ASSETS

| | January 31, 1997 | October 31, 1996 |
|--|---------------------|---------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | \$ 22,048 | \$ 26,560 |
| Canadian government securities | 19,273 | 19,479 |
| Trade accounts receivable--less allowance of \$836 for doubtful items (\$826 in 1996) | 70,500 | 73,987 |
| Inventories | 50,148 | 49,290 |
| Prepaid expenses and other | 15,944 | 16,131 |
| Total current assets | 177,913 | 185,447 |

| LONG TERM ASSETS | | |
|---|-----------|-----------|
| Cash surrender value of life insurance | 3,020 | 2,982 |
| Goodwill--less amortization | 12,198 | 4,617 |
| Other long term assets | 7,333 | 7,116 |
| | 22,551 | 14,715 |
| PROPERTIES, PLANTS AND EQUIPMENT--at cost | | |
| Timber properties--less depletion | 6,159 | 6,112 |
| Land | 10,950 | 10,771 |
| Buildings | 127,631 | 125,132 |
| Machinery, equipment, etc. | 389,846 | 385,834 |
| Construction in progress | 44,471 | 33,450 |
| Less accumulated depreciation | (256,147) | (249,123) |
| | 322,910 | 312,176 |
| | \$523,374 | \$512,338 |

LIABILITIES AND SHAREHOLDERS' EQUITY

| CURRENT LIABILITIES | | |
|--|-----------|-----------|
| Accounts payable | \$ 25,085 | \$ 31,609 |
| Current portion of long term obligations | 16,357 | 2,455 |
| Accrued payrolls and employee benefits | 6,434 | 8,989 |
| Accrued taxes--general | 1,346 | 1,949 |
| Taxes on income | 5,244 | 5,678 |
| Total current liabilities | 54,466 | 50,680 |
| LONG TERM OBLIGATIONS | 32,153 | 22,748 |
| OTHER LONG TERM LIABILITIES | 14,505 | 15,406 |
| DEFERRED INCOME TAXES | 24,194 | 22,872 |
| Total long term liabilities | 70,852 | 61,026 |
| 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; | | |
| outstanding 10,873,172 shares | | |
| Class B Common Stock: | | |
| Authorized and issued 17,280,000 shares; | | |
| outstanding 12,001,793 shares | | |
| Treasury Stock, at cost | (41,867) | (41,867) |
| Class A Common Stock: 10,267,788 shares | | |
| Class B Common Stock: 5,278,207 shares | | |
| Retained earnings | 434,347 | 436,672 |
| Cumulative translation adjustment | (3,458) | (3,207) |
| | 398,056 | 400,632 |
| | \$523,374 | \$512,338 |

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, 1997 1996

Cash flows from operating activities:

| | | |
|---|----------|----------|
| Net income | \$ 4,485 | \$10,826 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation, depletion and amortization | 7,986 | 6,523 |

| | | |
|---|----------|----------|
| Deferred income taxes | 1,325 | 1,612 |
| Increase (decrease) in cash from changes in certain assets and liabilities, net of effects from acquisitions: | | |
| Trade accounts receivable | 5,233 | 8,075 |
| Inventories | (576) | 5,820 |
| Prepaid expenses and other | 253 | 413 |
| Other long term assets | (255) | 221 |
| Accounts payable | (6,621) | (13,926) |
| Accrued payrolls and employee benefits | (2,659) | (973) |
| Accrued taxes - general | (611) | (503) |
| Taxes on income | (451) | 3,673 |
| Other long term liabilities | (901) | 368 |
| Net cash provided by operating activities | 7,208 | 22,129 |
| Cash flows from investing activities: | | |
| Acquisitions of companies, net of cash acquired | 134 | -0- |
| Disposals (purchases) of investments in government securities | 206 | 724 |
| Purchases of properties, plants and equipment | (15,354) | (12,375) |
| Net cash used by investing activities | (15,014) | (11,651) |
| Cash flows from financing activities: | | |
| Proceeds (payments) on long term debt | 10,307 | (71) |
| Dividends paid | (6,810) | (6,810) |
| Net cash used by financing activities | 3,497 | (6,881) |
| Foreign currency translation adjustment | (203) | (788) |
| Net (decrease) increase in cash and cash equivalents | (4,512) | 2,809 |
| Cash and cash equivalents at beginning of period | 26,560 | 31,612 |
| Cash and cash equivalents at end of period | \$22,048 | \$34,421 |

See accompanying Notes to Consolidated Financial Statements.

GREIF BROS. CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JANUARY 31, 1997

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 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 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, | |
| | 1997 | 1996 |
| Class A Common Stock | \$.24 | \$.24 |
| Class B Common Stock | \$.35 | \$.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:

| | |
|----------------------|---------------------|
| Class A Common Stock | - 10,873,172 shares |
| Class B Common Stock | - 12,001,793 shares |

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 - ACQUISITIONS

On November 8, 1996, the Company purchased the assets of Aero Box Company, a corrugated container company, located in Roseville, Michigan. This acquisition has been accounted for using the purchase method of accounting and, accordingly, the purchase price has been allocated to the assets purchased and liabilities assumed based upon the fair values at the date of acquisition. The excess of the purchase price over the fair values of the net assets acquired has been recorded as goodwill. The Consolidated Financial Statements include the operating results of the business from the date of acquisition. Pro forma results of operations have not been presented because the effect of this acquisition was not significant.

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 3-month periods ended January 31, 1997 and January 31, 1996.

Net sales decreased 5% during the current quarter compared to the previous period. This decrease was primarily the result of lower sales in the containerboard segment, which was significantly affected by lower sales prices of its products. The lower prices were caused by the continued weakness in the containerboard market resulting from excess capacity of containerboard. The net sales of the shipping containers segment

remained about the same in comparison to the prior year's quarter.

The increase in other income was primarily due to a gain on the sale of an office building.

The cost of products sold as a percentage of sales increased slightly as compared to the prior year. This increase is primarily the result of lower net sales of the containerboard segment without a corresponding reduction, except for raw materials, in the cost of products sold.

Liquidity and Capital Resources

As indicated in the Consolidated Balance Sheet, elsewhere in this report and discussed in greater detail in the 1996 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 1996 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 3.3:1 as of January 31, 1997 is an indication of the continuation of the Company's strong liquidity.

The increase in long term obligations since year-end is due to the debt incurred in connection with the purchase of Aero Box Company, financing to fund improvements related to machinery and equipment for Greif Board Corporation, a subsidiary of the Company, and other capital expenditures.

Capital expenditures were \$15,354,000 during the three months ended January 31, 1997. These capital expenditures were principally needed to replace and improve equipment.

Effective November 8, 1996, the Company acquired the assets of Aero Box Company, a manufacturer of corrugated boxes, located in Roseville, Michigan.

The Company has approved future purchases, primarily for equipment, of approximately \$20 million. It is anticipated that self-financing and bank borrowing will be the primary source for financing such capital expenditures.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

There are no material pending legal proceedings.

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

(a.)The Company held its Annual Meeting of Stockholders on February 24, 1997.

(b.)At the Annual Meeting of Stockholders, the following nominees were elected to the Board of Directors:

Charles R. Chandler
Michael H. Dempsey
Naomi C. Dempsey
Michael J. Gasser
Daniel J. Gunsett
Allan Hull
Robert C. Macauley
David J. Olderman
William B. Sparks, Jr.
J Maurice Struchen

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 January 31, 1997, the consolidated statement of income for the 3-month periods ended January 31, 1997 and 1996, and the consolidated statement of cash flows for the 3-month periods then ended. These financial statements are unaudited; however, at year-end an audit will be made 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 thereunto duly authorized.

Greif Bros. Corporation

(Registrant)

Date March 6, 1997

John K. Dieker
Controller (Principal Accounting Officer)

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

| | | |
|---------|-------------|---------|
| 3-MOS | | |
| | OCT-31-1997 | |
| | JAN-31-1997 | |
| | | 22,048 |
| | | 19,273 |
| | | 71,336 |
| | | (836) |
| | | 50,148 |
| | 177,913 | |
| | | 579,057 |
| | (256,147) | |
| | 523,374 | |
| | 54,466 | |
| | | 0 |
| | 0 | |
| | | 0 |
| | | 9,034 |
| | | 389,022 |
| 523,374 | | |
| | | 152,370 |
| | 156,376 | |
| | | 131,329 |
| | | 131,329 |
| | 17,212 | |
| | 0 | |
| | 750 | |
| | 7,085 | |
| | | 2,600 |
| 4,485 | | |
| | 0 | |
| | 0 | |
| | | 0 |
| | 4,485 | |
| | 0.14 | |
| | 0.14 | |

Amount represents the earnings per share for the Class A Common Stock. The earnings per share for the Class B Common Stock are \$0.25.