



NEWS

GREIF FORESEES CONTINUED INCREASE IN NORTH AMERICA RESIN PRICES

DELAWARE, Ohio (May 30, 2006) – With low supply and high demand for resin in North America, market prices for the material are rising and threaten to continue their upward movement, according to Dan Evans, director of Global Sourcing with Greif, Inc. (NYSE: GEF, GEF.B). Evans handles sourcing of resin, paper and other materials used directly in the manufacture of drums.

Evans cites the reality of tightening inventories and rising cost of oil as the impetus behind resin price increases. Oil is a feedstock in the production of high-density polyethylene resin, which is used in Greif's plastic drums. "We're seeing a fear factor of the uncertain geopolitical situations in the oil supplier countries including Iran, Nigeria and Venezuela," Evans says. "Compounding that is fear of the 2006 hurricane season."

In 2005, hurricanes knocked out production facilities and infrastructure needed to transport materials into and throughout the USA.

Resin producers announced a price increase in effect May 1, 2006, and an additional increase effective June 1. Combined, they represent a 17% increase in resin prices. The spot market price of ethylene has also risen.

The company continues to watch the market to determine the impact on drum prices, and will notify customers if or when the company will need to recover the higher resin costs.

Greif is the world leader in industrial packaging products and services. The company provides extensive experience in steel, plastic, fibre, corrugated and multiwall containers and protective packaging for a wide range of industries. Greif also produces containerboard and manages timber properties in North America. Greif is strategically positioned in more than 40 countries to serve global as well as regional customers. Additional information is on the Company's Web site at www.greif.com.

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