Greenbrier Pressroom

PRNewswire
LAKE OSWEGO, Ore.

The Greenbrier Companies announced today that it expects earnings for the second fiscal quarter ended February 28, 2001 and fiscal year ending August 31, 2001 to be significantly below analysts' expectations. On a preliminary basis, the company anticipates the second quarter to be approximately break-even, and fiscal year earnings to be roughly $.40 - $.60 per share.

The company cited a reduction in its North American new railcar production, particularly at its TrentonWorks and Gunderson-Concarril facilities, due to the continued softness in the marketplace, as well as lower margins anticipated on production of certain car types in North America and Europe, as reasons for the lowered expectations. In particular, production difficulties on a specialty car order for a major customer, TTX, resulted in negative gross margins and losses at TrentonWorks. These difficulties will be a substantial contributing factor to softer financial performance in Greenbrier's second and third fiscal quarters.

Fiscal second quarter results were also adversely affected by timing differences in revenue recognition on certain railcars which were produced during the quarter. These cars will be sold and related revenues and earnings recognized later in the fiscal year.

The company's fourth fiscal quarter is expected to return to higher levels of earnings as the above-mentioned cars are sold and production efficiencies at TrentonWorks and Gunderson-Concarril are realized. Layoffs are expected at these two facilities, but not at the Gunderson facility, during the third quarter as production lines are consolidated. The company continues to actively seek new freight car orders for vacated lines, which, if realized during the current fiscal year, would positively impact financial results.

The Greenbrier Companies (http://www.gbrx.com/), headquartered in Lake Oswego, Oregon, is a leading supplier of transportation equipment and services to the railroad industry in North America and Europe. Greenbrier builds new railroad freight cars in the U.S., Canada and Mexico, and repairs and refurbishes freight cars and wheels at eleven locations across North America. The company also builds new railroad freight cars and refurbishes freight cars for the European market through its manufacturing operations in Poland and various sub-contractor facilities throughout Europe. At Greenbrier's Portland, Oregon manufacturing facility, it builds ocean-going barges for the maritime industry. Greenbrier owns or manages a fleet of approximately 39,000

railcars.

Except for historical information contained herein, this press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including without limitation, statements as to expectations, beliefs, and future financial performance. These forward-looking statements are dependent on a number of factors, business risks and issues, a change in which could cause actual results to differ materially from those expressed or implied in the forward-looking statements. Such factors, risks and issues are set forth from time to time under "Forward-Looking Statements," in Management's Discussion and Analysis of Financial Condition and Results of Operations in Greenbrier's SEC filings and reports. Any forward-looking statement speaks only as of the date on which such statement is made. Greenbrier undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

SOURCE: The Greenbrier Companies

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