PRNewswire
LAKE OSWEGO, Ore.

The Greenbrier Companies announced today it is further downsizing its work force and slowing new railcar production in North America, as well as introducing other cost-cutting measures in response to continued softness in the railroad supply market in North America. The company also announced significantly reduced earnings expectations for fiscal 2001. A reduction in Greenbrier's North American new railcar production rates as well as lower anticipated margins on production of certain car types in North America and Europe is expected to result in net losses for the third and fourth fiscal quarters. For the fiscal year as a whole, the company currently anticipates results to range from around breakeven to a small loss from operations. In addition, the company continues to evaluate the recoverability of certain of its rail investments, which could result in unusual charges being recorded this year.

Market conditions have adversely affected the entire rail supply industry and Greenbrier has generally fared well compared to its competition. While Greenbrier has been able to grow its market share, industry backlogs have continued to decline and new order expectations for the industry remain low. Greenbrier's actions to close certain manufacturing lines and reduce production rates, overhead costs and expenses are consistent with the soft market and those of its competitors.

The company has implemented cost reductions and downsizing related to commercial and corporate activities, as well as a freeze on non-essential capital expenditures. These measures, coupled with cutbacks announced last year, are expected to eliminate more than $10 million of general, selling and administrative costs annually. Earlier this month, Greenbrier reduced its corporate and North American commercial staff by about 25%, or about 35 positions. Current measures are expected to yield $5 million of annual savings, along with cutbacks last year, which successfully reduced general, selling and administrative costs by an additional $5 million annually.

Thus far this year, the company has laid-off more than 1,500 manufacturing personnel, or 40% of the workforce in its three North American factories. More layoffs will occur unless new railcar orders are received. While all three manufacturing factories for new freight cars in North America are operating, substantial layoffs have been made at both Gunderson-Concarril in Mexico and TrentonWorks in Nova Scotia. One factory may face closure or temporary shutdown, unless new orders are received for fall or winter production. At Greenbrier's Gunderson facility in Portland, 125 workers out of a workforce of 1,200 were sent home in May and another 160 face layoff in July unless new orders are received in June. Gunderson's backlog stretches into spring of 2002 in both its marine and railcar operations.

Greenbrier president and chief executive officer, Bill Furman, stated, "Greenbrier is realizing the effects from the severe recession in the North American railroad supply business and is taking firm action. Compared to the supply industry as a whole, we have been able to delay many of these actions due to the relative strength of our backlogs. However, our industry is presently experiencing new order rates at levels about one-third of levels two years ago, and at about one-half of normal railcar fleet replacement levels of 50,000 cars per year. In recent weeks there are some signs of recovery, but we remain cautious, as much depends on the economy and the financial outlook for our rail customers. Greenbrier remains a very liquid company with a strong balance sheet and competitive position."

In Europe revenues are expected to nearly triple for fiscal 2001 as compared to fiscal 2000. In the fourth quarter of fiscal 2000 and first quarter of fiscal 2001, the company was profitable in Europe. However, European operations incurred losses in the second fiscal quarter and will do so in the second half of the fiscal year as well. Manufacturing issues associated with operating at increased production levels, low margins in a highly competitive environment, and certification problems with one large order have reversed the company's earlier expectation of profitability for the year. The company remains committed to the European marketplace, where the market is currently much stronger than in North America.

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. 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 44,000 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.

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SOURCE: The Greenbrier Companies

Contact: Mark J. Rittenbaum of The Greenbrier Companies, 503-684-7000

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Company News On-Call: http://www.prnewswire.com/comp/327175.html or fax,
800-758-5804, ext. 327175
