Greenbrier Pressroom

PRNewswire LAKE OSWEGO, Ore.

The Greenbrier Companies, Inc. today announced results for the third quarter ended May 31, 2001 in line with previously disclosed expectations. The company also announced a quarterly cash dividend of \$.09 per share, payable on August 15, 2001 to stockholders of record as of July 25, 2001.

Revenues for the third quarter of fiscal 2001 were \$148 million, down from the \$172 million in the third quarter of fiscal 2000. Net earnings before unusual charges were essentially breakeven for the third quarter ended May 31, 2001. The fiscal third quarter 2001 results include unusual charges of \$1.2 million (after-tax), or \$.08 per share, related to previously disclosed work force reductions and production slowdowns made in response to the continued softness in the North American railroad supply market. After unusual charges, net loss for the third quarter was \$1.3 million, or \$.09 per diluted share, compared to net earnings of \$4.2 million, or \$.30 per diluted share, in the comparable quarter of the prior fiscal year.

For the nine months ended May 31, 2001, revenues were \$459 million, compared to \$458 million in the same nine-month period of fiscal 2000. Net earnings for the fiscal 2001 nine month period were \$1.7 million, or \$.12 per diluted share, compared to \$9.0 million, or \$.63 per diluted share, in the comparable 2000 period.

The company continues to evaluate certain of its rail investments, which could result in other unusual charges being recorded this fiscal year. Greenbrier anticipates results to range from break-even to a small loss, for the fiscal year as a whole, prior to any charges that could result from the evaluation of certain of its rail investments.

The company's new railcar manufacturing backlog, as of May 31, 2001, was 4,600 units valued at \$230 million, compared to 4,300 units valued at \$260 million at February 28, 2001.

Bill Furman, president and chief executive officer, noted, "Market conditions in North America remain soft, and we are cautious as to the timing of a recovery given the present state of the economy. There are some signs that overall economic activity is responding to the fiscal and monetary policies being pursued in the U.S., and it is likely that the railroad industry will respond earlier than other sectors when a recovery does occur. Greenbrier remains well-positioned to compete in the current intensely competitive marketplace, as evidenced in part by the fact that during the quarter our backlogs increased slightly, while industry backlogs continue to decline. Greenbrier continues to aggressively manage its costs. The latest round of cost-reductions and production adjustments enhance our competitive position and keeps costs in line with our revenue base during the current downturn."

Furman added, "The company remains very liquid with a positive net cash flow. Further steps to enhance corporate liquidity were taken since the end of the second fiscal quarter, including the placement of \$50 million of long-term debt, renewal of maturing bank credit facilities and syndication commitments from leasing companies to purchase new railcars on lease to third parties. The company ended the quarter with nearly \$40 million in cash and \$125 million in unused credit facilities. The company's Board of Directors intends to evaluate the dividend policy at the end of the fiscal year, in light of market conditions and balance sheet considerations at such time."

The Greenbrier Companies, 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 42,000 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.

The Greenbrier Companies will host a teleconference to discuss third quarter results. Teleconference details are as follows:

Wednesday, July 11, 2001 7:30 a.m. Pacific Daylight Time

Real-time Audio Access: ("Newsroom" at http://www.gbrx.com)

Please access the site 10 minutes prior to the start time. Following the call, a replay will be available on the same site.

THE GREENBRIER COMPANIES, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except per share amounts, unaudited)

May 31, August 31, 2001 2000

Assets

Cash and cash equivalents \$39,257 \$12,908 Accounts and notes receivable 69,921 66,150

Inventories 129,258 127,484

Investment in direct finance leases 109,026 124,780 Equipment on operating leases 128,231 122,074 Property, plant and equipment 78,480 77,628

Intangible assets 25,428 23,001
Other 28,108 30,084

\$607,709 \$584,109

Liabilities and Stockholders' Equity

Revolving notes \$32,819 \$13,019

Accounts payable and accrued liabilities 127,893 147,792

Deferred participation 55,964 54,266
Deferred income taxes 23,707 25,238
Notes payable 186,757 159,363

Subordinated debt 37,491 37,748

Minority interest 5,072 5,068

Stockholders' equity 138,006 141,615

\$607,709 \$584,109

THE GREENBRIER COMPANIES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts, unaudited)

Three Months Ended May 31, Nine Months Ended May 31,

2001 2000 2001 2000

Revenue

Manufacturing \$129,032 \$147,054 \$398,985 \$388,236 Leasing and services 19,317 24,861 60,266 69,504 148,349 171,915 459,251 457,740

Cost of revenue

Manufacturing 116,841 131,041 366,693 343,124 Leasing and services 10,851 11,817 32,030 36,363 127,692 142,858 398,723 379,487

Margin 20,657 29,057 60,528 78,253

Other costs

Selling and

administrative expense 13,969 13,600 38,354 42,189 Interest expense 6,298 5,979 16,739 16,018 20,267 19,579 55,093 58,207

Earnings before income

tax expense, minority interest, equity in earnings (loss) of unconsolidated

subsidiary 390 9,478 5,435 20,046

Income tax expense (1,394) (4,928) (4,168) (10,891)

Earnings (loss) before

minority interest,

equity in earnings (loss)

of unconsolidated

subsidiary (1,004) 4,550 1,267 9,155

Minority interest 16 (368) (3) (1,512)

Equity in earnings (loss)

of unconsolidated

Subsidiary (339) 59 478 1,325

Net earnings (loss) \$(1,327) \$4,241 \$1,742 \$8,968

Basic earnings (loss)

per common share \$(0.09) \$0.30 \$0.12 \$0.63

Diluted earnings (loss)

per common share \$(0.09) \$0.30 \$0.12 \$0.63

Weighted average common

shares outstanding:

Basic 14,121 14,255 14,141 14,255 Diluted 14,121 14,255 14,165 14,275

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