PRNewswire-FirstCall
LAKE OSWEGO, Ore.

The Greenbrier Companies, Inc. today announced a net loss of $5.0 million for its first quarter ending November 30, 2001, on declining manufacturing revenues and margins and increased losses from its international operations, particularly in Europe. The Company cited a weak market in North America as contributing to reduced manufacturing revenue and lower margins and said that it would reduce the scale of its European operation to adjust to present market conditions. The Company also announced it would not pay its regular quarterly dividend in light of the present market downturn.

Revenues for the first quarter of fiscal 2002 were $80 million, down from $154 million in the first quarter of fiscal 2001. The Company's new railcar deliveries for the quarter of 1,100 units were half that in the prior year's first quarter and backlogs continue to decline. Net loss for the quarter ended November 30, 2001 was $5.0 million, or $.36 per diluted share, compared to net earnings of $3.0 million, or $.21 per diluted share, in the comparable quarter of the prior fiscal year.

The Company's new railcar manufacturing backlog as of November 30, 2001 was 2,400 units valued at $130 million, compared to 3,700 units valued at $200 million at August 31, 2001.

William A. Furman, president and chief executive officer, noted, "Market conditions in the North American rail supply industry remain depressed and this condition has also spread to Europe. This has hit our railcar manufacturing segment very hard. While Greenbrier has been able to grow its new railcar market share to over 20% in North America, industry order rates are down more than 75% from three years ago and price competition is fierce. On the other hand, our leasing, railcar repair, marine and industrial forge businesses continue to do reasonably well. These segments account for about $160 million in annual revenue. Greenbrier has consolidated its North American new railcar production at its Gunderson facility in Portland, Oregon. Commencing in January, its other two new railcar facilities, Gunderson-Concarril and TrentonWorks, will be temporarily shut down. The Company's European operations were a major factor in first quarter losses for the entire company. We are reducing our scale of operation in Europe to match present market circumstances. Management is aggressively pursuing means to improve the financial performance in Europe."

Mark Rittenbaum, senior vice president and treasurer, said: "Greenbrier continues to maintain a strong liquidity position with cash balances of $69 million and unused bank lines of almost $110 million at the end of the quarter. Paydowns of indebtedness aggregating $18 million were also made during the quarter. European operations accounted for over $4 million of the reported $5 million first quarter loss. Nearly 30% of the losses in Europe were due to amortization and depreciation expense, both non-cash items. Because this unit has not been profitable historically, pre-tax losses drop to the bottom line without a tax benefit and generate net operating loss carryforwards."

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 50,000 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 first quarter results. Teleconference details are as follows:

Wednesday, January 9, 2002
7:30 a.m. Pacific Standard 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)

	November 30, 2001	August 31, 2001
Assets		
Cash and cash equivalents	$68,518	$77,299
Accounts and notes receivable	37,114	50,555
Inventories	109,226	94,581
Investment in direct finance leases	91,813	103,576
Equipment on operating leases	151,361	150,126
Property, plant and equipment	75,388	76,898
Intangible assets	25,081	26,450
Other	26,401	26,695
	$584,902	$606,180
Liabilities and Stockholders' Equity		
Revolving notes	$28,289	$32,986
Accounts payable and accrued liabilities	141,829	135,898
Deferred participation	55,188	56,176
Deferred income taxes	24,356	26,920
Notes payable	168,019	177,575
Subordinated debt	33,818	37,491
Minority interest	4,982	5,025
Stockholders' equity	128,421	134,109
	$584,902	$606,180

THE GREENBRIER COMPANIES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts, unaudited)

	Three Months Ended November 30, 2001	Three Months Ended November 30, 2000
Revenue		
Manufacturing	$61,643	$134,779
Leasing & services	18,239	19,205
	79,882	153,984
Cost of revenue		
Manufacturing	58,284	120,364
Leasing & services	10,231	10,195
	68,515	130,559
Margin	11,367	23,425
Other costs		
Selling and administrative expense	10,372	13,930
Interest expense	5,487	4,994
	15,859	18,924
Earnings (loss) before income tax, minority interest, equity in loss of unconsolidated subsidiary	(4,492)	4,501
Income tax benefit (expense)	85	(1,371)
Earnings (loss) before minority interest and equity in loss of unconsolidated subsidiary	(4,407)	3,130
Minority interest	(128)	(123)
Equity in loss of unconsolidated Subsidiary	(508)	(8)
Net earnings (loss)	$(5,043)	$2,999

Basic earnings (loss) per common share	$(0.36)	$0.21
Diluted earnings (loss) per common share	$(0.36)	$0.21
Weighted average common shares outstanding:		
Basic	14,121	14,179
Diluted	14,121	14,194

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands, except per share amounts, unaudited)

	Three Months Ended November 30,	
	2001	2000
Cash flows from operating activities:		
Net earnings (loss)	$(5,043)	$2,999
Adjustments to reconcile net earnings (loss) to net cash used in operating activities:		
Deferred income taxes	(957)	(2,424)
Deferred participation	(988)	745
Depreciation and amortization	5,819	5,243
Gain on sales of equipment	(182)	(460)
Other	729	(20)
Decrease (increase) in assets:		
Accounts and notes receivable	13,441	5,308
Inventories	(18,010)	(18,849)
Other	345	(2,077)
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	4,565	(13,499)
Net cash used in operating activities	(281)	(23,034)
Cash flows from investing activities:		
Principal payments received under direct finance leases	5,208	4,893
Proceeds from sales of equipment	3,241	2,160
Purchase of property and equipment	(2,012)	(31,172)
Net cash provided by (used in) investing activities	6,437	(24,119)
Cash flows from financing activities:		

Change in revolving notes	(4,697)	48,332
Proceeds from notes payable	--	1,447
Repayments of notes payable	(9,393)	(7,816)
Dividends	(847)	(1,274)
Purchase of treasury stock	--	(834)
Net cash provided by (used in) financing activities	(14,937)	39,855
Decrease in cash and cash equivalents	(8,781)	(7,298)
Cash and cash equivalents		
Beginning of period	77,299	12,908
End of period	$68,518	$5,610

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