Highlights - First quarter 2003 results from continuing North American operations were nearly break-even on revenues of \$97 million. This compares to a loss of \$.8 million on revenues of \$71 million from North American operations in the first quarter of 2002. - Enhanced performance in North America and Europe in the first quarter of fiscal 2003 led to improved bottom line results. A net loss of \$.7 million, or \$.05 per share, was realized for the quarter. This compares to a net loss of \$5 million, or \$.36 per share, in the first quarter of fiscal 2002. - The Company received new orders for 1,700 freight cars in its first quarter of fiscal 2003, with a value of approximately \$115 million. - New railcar manufacturing backlog in North America and Europe continued to rise to 5,700 units valued at \$310 million at November 30, 2002, compared to 5,200 units valued at \$280 million at August 31, 2002. - The Company continues to maintain strong liquidity. After debt paydowns of \$7 million, first quarter 2003 cash balances were virtually unchanged at nearly \$60 million; unused lines of credit approached \$110 million in North America. - Subsequent to November 30, 2002, Greenbrier received a U.S. tax refund of nearly \$15 million in cash related to tax benefits recorded in 2002.

PRNewswire-FirstCall LAKE OSWEGO, Ore.

The Greenbrier Companies today reported results for its first fiscal quarter ended November 30, 2002. Both North American and European operations showed significant financial improvement against the prior year's first quarter.

Results for continuing operations in North America were nearly break-even for the quarter, compared to a loss of \$.8 million in the first quarter of 2002. Loss from discontinued European operations was \$.6 million for the quarter, compared to a loss of \$4.2 million in the first quarter of 2002.

The Company also disclosed that during its first fiscal quarter ended November 30, 2002, it received orders in North America and Europe for 1,700 new freight cars with a total value of \$115 million. Production for sale during the quarter was 1,200 railcars, causing backlog to increase to 5,700 units valued at \$310 million. This backlog compared to 5,200 units valued at \$280 million at August 31, 2002.

Backlog grew in both North America and Europe. The November 30, 2002 backlog includes 4,500 units valued at \$230 million from North American operations and 1,200 units valued at \$80 million from European operations. The August 31, 2002 backlog included 4,200 units valued at \$210 million in North America and 1,000 units valued at \$70 million in Europe.

Significant new railcar orders during the quarter in North America included 600 Maxi-IV double-stack cars and 500 60' boxcars for TTX Company, as well as 200 riserless deck center partition cars for Canadian National Railway. In Europe, Greenbrier received orders for 150 coal wagons for DB Cargo and 104 box wagons and flat wagons for Freightliner.

Greenbrier's backlog includes 800 drop-deck center partition cars at its TrentonWorks, Nova Scotia facility. Production and delivery plans for these cars will be slowed as a result of a preliminary injunction expected to be issued this week, relative to patent litigation initiated by a competitor. The Company is pursuing an expedited trial in the case, as well as other remedies. Production of other cars in TrentonWorks' backlog will be accelerated while the litigation is being resolved. However, some temporary layoffs at TrentonWorks will occur while production plans are being revised.

Due to increased order backlog, production rates, and improved market outlook in North America, Greenbrier announced the re-opening of its Gunderson-Concarril facility in Sahagun, Mexico. Production of boxcars will commence in March 2003. Gunderson-Concarril is a 50%-owned joint venture between Greenbrier and Bombardier Transportation. All three of Greenbrier's new railcar plants in North America are expected to be operating at historically more normalized levels of employment and production during 2003. Production rates in the quarter ended November 30, 2002 were roughly double those of six months earlier, in the quarter ended May 31, 2002 and are expected to continue to increase during 2003.

William A. Furman, president and chief executive officer, said, "Greenbrier's business outlook in new freightcars continues to improve. Orders during the past two quarters were at dramatically higher levels than the previous six-month period, both for Greenbrier and the industry. We expect our outlook to continue to improve during 2003 due to strengths in the forest products and intermodal sectors, where Greenbrier has high market share. Prospects for railroad traffic increases in selected commodity sectors also look much better than in 2002. Railcar surpluses of good quality, high- capacity freightcars have declined. We expect to be back into a normalized replacement cycle for new freightcars as the economy improves. Also, we have very healthy business in our Rail Services, Marine Construction, Industrial Forge and Leasing & Services segments. Together, these units contribute approximately \$170 million in revenue annually. Demand in these segments is strong."

Furman continued, "Given our improved market outlook and the Company's strong balance

sheet, Greenbrier will aggressively review strategic opportunities in the North American rail supply marketplace. Greenbrier has retained Bear Stearns and Babcock & Brown to assist in these efforts. Earlier, Greenbrier retained KPMG to assist in recapitalizing our European operations. We intend to successfully recapitalize European operations by the end of fiscal 2003. In the meantime, European financial performance has improved, as a result of measures taken in fiscal 2002 and a rebound in the marketplace."

Mark Rittenbaum, senior vice president and treasurer noted, "Greenbrier continues to maintain strong liquidity, with cash balances of nearly \$60 million and pay downs of debt of \$7 million. Manufacturing EBITDA from continuing operations for the quarter was \$4.4 million. The first quarter results were impacted by higher legal fees related to patent litigation, and professional advisory fees. We expect such amounts to be reduced in future quarters. As well, we expect manufacturing margins to improve modestly in the second half of the year, as the result of higher production rates and improved pricing in our backlog."

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 thirteen 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:

Tuesday, January 7, 2003 7:30 am Pacific Standard Time Real-time Audio Access: ("Newsroom" at <a href="http://www.gbrx.com/">http://www.gbrx.com/</a>)

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, unaudited)

November 30, August 31,

2002 2002

**Assets** 

Cash and cash equivalents \$57,488 \$58,777

Accounts and notes receivable 44,362 45,135

Inventories 65,195 56,868

Investment in direct finance leases 63,661 69,536

Equipment on operating leases 151,288 151,580

Property, plant and equipment 57,652 58,292

Other 20,413 21,507

Discontinued operations 37,288 65,751

\$497,347 \$527,446

Liabilities and Stockholders' Equity

Revolving notes \$2,943 \$3,571

Accounts payable and accrued liabilities 118,385 108,244

Deferred participation 49,968 52,937

Deferred income taxes 11,935 13,823

Notes payable 130,238 136,577

Discontinued operations 49,769 77,188

Subordinated debt 26,414 27,069

Minority interest 4,898 4,898

Stockholders' equity 102,797 103,139

\$497,347 \$527,446

## THE GREENBRIER COMPANIES, INC.

Consolidated Statements of Operations (In thousands, except per share amounts, unaudited)

Three Months Ended November 30,

2002 2001

Revenue

Manufacturing \$79,211 \$53,217

Leasing & services 17,678 18,239

96,889 71,456

Cost of revenue

Manufacturing 74,335 49,692

Leasing & services 11,566 10,231

85,901 59,923

Margin 10,988 11,533

Other costs

Selling and administrative expense 7,070 7,491

Interest expense 3,282 4,249

10,352 11,740

Earnings (loss) before income

taxes, minority interest

and equity in unconsolidated subsidiary 636 (207)

Income tax benefit (expense) (228) 85

Earnings (loss) before minority

interest and equity in unconsolidated

subsidiary 408 (122)

Minority interest (18) (171)

Equity in loss of unconsolidated subsidiary (517) (508)

Loss from continuing operations (127) (801)

Loss from discontinued operations (net of tax) (616) (4,242)

Net loss \$(743) \$(5,043)

Basic loss per common share:

Continuing operations \$(.01) \$(.06)

Discontinued operations (.04) (.30)

Net loss \$(.05) \$(.36)

Diluted loss per common share:

Continuing operations \$(.01) \$(.06)

Discontinued operations (.04) (.30)

Net loss \$(.05) \$(.36)

Weighted average common shares:

Basic 14,121 14,121

Diluted 14,121 14,121

## THE GREENBRIER COMPANIES, INC.

Condensed Consolidated Statements of Cash Flows (In thousands, unaudited)

Three Months Ended

November 30,

2002 2001

Cash flows from operating activities:

Net loss \$ (743) \$ (5,043)

Adjustments to reconcile net loss to

net cash provided by operating activities:

Loss from discontinued operations 616 4,242

Deferred income taxes (1,888) (2,564)

Deferred participation (2,969) (988)

Depreciation and amortization 4,446 4,559

Gain on sales of equipment (29) (182)

Other (22) (382)

Decrease (increase) in assets:

Accounts and notes receivable 851 11,655

Inventories (10,817) (9,979) Other 995 403

Increase (decrease) in liabilities:

Accounts payable and accrued liabilities 11,250 (456)

Net cash provided by operating activities 1,690 1,265

Cash flows from investing activities:

Principal payments received under

direct finance leases 4,115 5,208

Proceeds from sales of equipment 4,018 3,241

Purchase of property and equipment (1,530)(3,535)Net cash provided by investing activities 4,598 6,919

Cash flows from financing activities:

Changes in revolving notes (628)(6,499)Repayments of notes payable (6,294)(8,834)Repayments of subordinated debt (655)(104)Dividends (847)

Net cash used in financing activities (7,577)(16,284)

Decrease in cash and cash equivalents (1,289)(8,100)

Cash and cash equivalents

Beginning of period 58,777 74,547

End of period \$57,488 \$66,447

## THE GREENBRIER COMPANIES, INC.

Summarized results of operations of the discontinued operations are:

Three Months Ended November 30,

(in thousands, unaudited) 2002 2001

\$41,900 Revenues (A) \$8,427 Cost of revenue (A) 39,498 8,592

Margin 2,402 (165)

Selling and administrative expense 2,385 2,881

Interest expense 652 1,239

Loss before income taxes and minority interest (635) (4,285)

Income tax benefit 19 --

Minority interest -- 43

Loss from discontinued operations \$(616) \$(4,242)

The following assets and liabilities of the European operation are classified as discontinued operations:

(in thousands, unaudited)

November 30, August 31,

2002 2002

Cash and cash equivalents \$5,622 \$8,953

Accounts receivable 11,850 9,645

Inventories (A) 12,150 39,304

Property, plant and equipment 1,152 1,072

Other 6,514 6,777

Total assets - Discontinued operations \$37,288 \$65,751

Revolving notes \$22,723 \$22,249

Accounts payable and accrued liabilities (A) 19,874 47,385

Notes payable 7,172 7,554

Total liabilities - Discontinued operations \$49,769 \$77,188

(A) August 31, 2002 balance sheet includes \$26.9 million in inventory and associated deferred revenue for railcars delivered to a customer

for which cash was received, but revenue recognition delayed pending certification of the railcars. Certification was obtained in October 2002 and the remaining railcars were delivered allowing recognition of revenue of \$27.7 million and the associated costs of revenue in the three months ended November 30, 2002.

SOURCE: The Greenbrier Companies, Inc.

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Web site: <a href="http://www.gbrx.com/">http://www.gbrx.com/</a>

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