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 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, unaudited)

	November 30, 2002	August 31, 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	(3,535)	(1,530)
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
Revenues (A)	$41,900	$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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