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LAKE OSWEGO, Ore.

The Greenbrier Companies today announced a final settlement, with a favorable outcome, to patent infringement litigation initiated by a competitor, National Steel Car (NSC) against Greenbrier and Canadian Pacific Railway (CPR). The lawsuits alleged that a drop-deck center partition railcar engineered and sold by Greenbrier infringed an NSC patent. Under terms of the settlement, NSC agreed to drop all patent litigation against Greenbrier and CPR related to the railcars. CPR is a major customer of both NSC and Greenbrier.

In January 2004, an appellate court reversed a lower court decision aimed at halting Greenbrier's production of the drop-deck railcar. The ruling cited substantial concerns about the merits of NSC's claim and was highly favorable to both CPR and Greenbrier.

As part of the settlement, CPR has ordered 750 new railcars of various types from Greenbrier valued at approximately $45 million. As well, CPR has agreed to cancel its option to sell to Greenbrier and leaseback 600 previously built center partition railcars for which Greenbrier had been paid by CPR. The 600 railcars will be kept as substitutes for an earlier order for 500 railcars, which has been cancelled by CPR. The removal of the contractual contingency for the 600 railcars will allow Greenbrier to realize approximately $32 million of revenue and related manufacturing margin in the Company's third fiscal quarter. These railcars have been carried on Greenbrier's balance sheet as "Inventory" and "Deferred Revenue."

Greenbrier's manufacturing margins are expected to be higher on the new orders for 750 railcars than on the cancelled order for 500 railcars, since the sales price for the 750 railcars more accurately reflects recent increases in material costs and changes in foreign currency exchange rates. Most of the new railcars will be built at Greenbrier's TrentonWorks facility in Nova Scotia, Canada.

William A. Furman, Greenbrier's president and chief executive officer, said, "The drop-deck center partition railcar, which hauls lumber, is a significant improvement in freight railcar design. It efficiently increases load capacity by using more of the total height envelope available on North American railroads. We will continue to market this railcar and our newer, V-5 center partition railcar, both with enhanced design and load capacity features, to our railroad and forest products customers."

As a result of the settlement and recent orders, Greenbrier's new railcar manufacturing backlog in North America and Europe is currently 9,600 units valued at $575 million, compared to 10,000 units valued at $560 million at February 29, 2004.

The Greenbrier Companies (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 thirteen locations across North America. The Company produces rail castings through an unconsolidated joint venture and also manufactures new freight cars through the use of unaffiliated subcontractors. 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 approximately 12,000 railcars and performs management services for approximately 113,000 railcars.

SOURCE: Greenbrier Companies

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