

The Greenbrier Companies, Inc. announced today that it has closed its offering of \$100 million aggregate principal amount of 2.375% convertible senior notes due 2026, which includes the exercise by the initial purchasers of an over-allotment option to acquire \$15 million aggregate principal amount of the notes.

The notes will be convertible upon the occurrence of specified events into cash and shares, if any, of Greenbrier's common stock at an initial conversion rate of 20.8125 shares per \$1,000 principal amount of the notes (which is equivalent to an initial conversion price of \$48.05 per share). The initial conversion rate is subject to adjustment upon the occurrence of certain events, including specified corporate transactions.

Greenbrier will pay interest on the notes semiannually beginning November 15, 2006, at the annual rate of 2.375%. Commencing with the six-month period beginning May 15, 2013, Greenbrier also will pay contingent interest on the notes in certain circumstances. The notes will mature on May 15, 2026.

On or after May 15, 2013, Greenbrier may redeem all or a portion of the notes at a redemption price equal to 100% of the principal amount of the notes plus accrued and unpaid interest. On May 15, 2013, May 15, 2016 and May 15, 2021 and in the event of certain fundamental changes, holders may require Greenbrier to repurchase all or a portion of their notes at a price equal to 100% of the principal amount of the notes plus accrued and unpaid interest.

Greenbrier intends to use the net proceeds from the offering for general corporate purposes, including working capital, capital expenditures and potential acquisitions. The notes are guaranteed by substantially all of Greenbrier's domestic subsidiaries.

The notes were offered and sold to the initial purchasers in reliance upon the private placement exemption under the Securities Act of 1933. The notes were resold by the initial purchasers to qualified institutional buyers in transactions exempt from the registration requirements of the Securities Act in accordance with Rule 144A under the Securities Act. The convertible senior notes, the subsidiary guarantees and the underlying shares of common stock have not been registered under the Securities Act or any state securities laws and may not be offered or sold in the United States or to U.S. persons absent registration or an applicable exemption from the registration requirements. This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state

or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

The Greenbrier Companies (www.gbrx.com), headquartered in Lake Oswego, OR, is a leading supplier of transportation equipment and services to the railroad industry. In addition to building new railroad freight cars in its manufacturing facilities in the U.S., Canada, and Mexico and to repairing and refurbishing freight cars and wheels at 17 locations across North America, Greenbrier builds new railroad freight cars and refurbishes freight cars for the European market through both its operations in Poland and various subcontractor facilities throughout Europe. Greenbrier owns approximately 10,000 railcars, and performs management services for approximately 134,000 railcars.

"SAFE HARBOR" STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: This release may contain forward-looking statements. Greenbrier uses words such as "anticipate," "believe," "plan," "expect," "future," "intend" and similar expressions to identify forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, actual future costs and the availability of materials and a trained workforce; steel price increases and scrap surcharges; changes in product mix and the mix between manufacturing and leasing & services segment; labor disputes, energy shortages or operating difficulties that might disrupt manufacturing operations or the flow of cargo; production difficulties and product delivery delays as a result of, among other matters, changing technologies or non-performance of subcontractors or suppliers; ability to obtain suitable contracts for the sale of leased equipment; all as may be discussed in more detail under the heading "Forward Looking Statements" on pages 3 through 4 of Part I of our Annual Report on Form 10-K for the fiscal year ended August 31, 2005. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's opinions only as of the date hereof. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements.

SOURCE: The Greenbrier Companies

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Web site: <http://www.gbrx.com/>

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