Company earns \$.09 per share on revenues of \$260 million

PRNewswire-FirstCall LAKE OSWEGO, Ore., April 9

The Greenbrier Companies, a leading supplier of transportation equipment and services to the railroad industry, today reported financial results for its fiscal second quarter ended February 29, 2008.

Highlights

- -- Revenues increased to \$260 million, up 8% as compared to the prior year's second quarter. This increase is due principally to acquisition-related growth in the Company's refurbishment & parts segment.
- -- Net earnings for the quarter, were \$1.4 million, or \$.09 per diluted share, compared to a net loss of \$6.1 million, or \$.38 per diluted share, for the same period in 2007.
- -- Results for the quarter were negatively impacted by \$.19 per diluted share for: special charges (\$.13) and other costs (\$.06) related to the Company's shut-down Canadian facility, which is now being administered by a court-appointed trustee. In addition, the tax rate for the quarter was 112%, which compares to an anticipated rate for the remainder of the year of around 63%.
- -- EBITDA before special charges for the quarter was \$23.6 million, or 9.1% of revenues.
- -- During the quarter, a multi-year new railcar contract was successfully renegotiated. Covered hopper cars and Auto-Max® auto-carrying cars will be substituted for double-stack intermodal railcars. In addition, the mix of double-stack cars remaining in backlog changes to produce double-stack cars suited for hauling domestic (53'), rather than international (40') containers. These substitutions reduce backlog by 2,100 units, and increase the dollar value by \$5 million, as compared to the prior quarter. Anticipated margins are comparable.
- -- New railcar manufacturing backlog was 18,800 units, valued at \$1.64 billion as of February 29, 2008, compared to 22,200 units valued at \$1.73 billion as of November 30, 2007.
- -- New marine barge backlog was \$114 million at February 29, 2008, compared to \$112 million at November 30, 2007.
- Subsequent to quarter end, two refurbishment & parts acquisitions,
 with combined last 12 months revenues of about \$100 million and EBITDA

of about \$16 million, were completed: American Allied, a wheel services and railcar parts provider; and Roller Bearings Industries ("RBI"), a provider of reconditioned bearings used in the refurbishment of railcar wheelsets.

Second Quarter Results:

Revenues for the 2008 fiscal second quarter were \$259.6 million, compared to \$240.0 million in the prior year's second quarter. EBITDA before special charges was \$23.6 million, or 9.1% of revenues for the quarter, compared to \$21.3 million, or 8.9 % of revenues in the prior year's second quarter. Net earnings were \$1.4 million, or \$.09 per diluted share for the quarter, compared to a net loss of \$6.1 million, or \$.38 per diluted share for the same period in 2007.

Special charges and other costs related to our Canadian manufacturing facility, TrentonWorks, impacted EPS by \$.19. TrentonWorks filed for bankruptcy on March 13, 2008, after many months of seeking a buyer for the facility. The obligations of TrentonWorks are not guaranteed by Greenbrier or any of its other subsidiaries. As the assets of TrentonWorks will now be administered by a Canadian court-appointed trustee, starting in the third fiscal quarter the results of this operation will no longer be included in Greenbrier's consolidated results and no additional charges related to this operation are expected.

The tax rate for the quarter was 112%. This compares to an anticipated effective tax rate for the second half of the fiscal year and the year as a whole of around 63%. The actual tax rate for the quarter of 112% differs from the anticipated effective rate of 63% and first quarter 2008 tax rate of 58%, due to revisions to our projected geographical mix of earnings and losses. Operations of certain foreign jurisdictions in which we operate currently generate losses with no related accrual of tax benefit.

The 2008 tax rate is also substantially higher than the 40% tax rate in 2007, due to the reasons cited above.

New railcar manufacturing backlog was 18,800 units valued at \$1.64 billion at February 29, 2008, compared to 22,200 units valued at \$1.73 billion at November 30, 2007. Based on current production plans, approximately 3,600 units in the February 29, 2008 backlog are scheduled for delivery during the balance of fiscal 2008. Marine backlog was \$114 million as of February 29, 2008, compared to \$112 million as of November 30, 2007.

William A. Furman, president and chief executive officer, said, "The slowing economy, declining railcar loadings, and turbulent financial markets are contributing to a cyclical downturn in the new railcar market in North America. This market environment is placing pressure on deliveries and

margins for all builders. Earlier in the year our railcar production rates were adjusted to stabilize production and preserve backlog. Our less cyclical marine manufacturing, refurbishment & parts and leasing & services businesses, now generate in excess of \$700 million in annual revenues. These units continue to demonstrate strong performance, providing stability to revenues, cash flow and earnings."

Second quarter revenues for the manufacturing segment were \$123.4 million, up \$4.2 million from \$119.2 million in the second quarter of 2007. New railcar deliveries for the quarter were 1,300 units compared to 1,200 units in the prior comparable period. Revenues per unit were comparable to the prior period.

Manufacturing gross margin for the quarter was 4.2% of segment revenues, compared to 2.8% of revenues in the second quarter of 2007. The increase in margin was principally due to the prior period including negative margin and overhead costs from Greenbrier's Canadian facility that was permanently closed during the third quarter of 2007, and higher marine margins this quarter. This was partially offset by start up costs and production inefficiencies at our Mexican joint venture facility.

Refurbishment & parts revenues were \$112.6 million, an increase of \$17.3 million from \$95.3 million in the prior comparable period. This revenue growth was principally due to increases in wheelset sales, refurbishment work, and scrap prices. Margins during the quarter for this segment were 16.2% of revenues, compared to 15.9% in the prior comparable period, as margins were favorably impacted by scrap prices.

The leasing & services segment includes results from the Company's owned lease fleet of approximately 9,000 railcars and from fleet management services provided for approximately 138,000 railcars. Revenues for this segment were \$23.6 million, compared to \$25.5 million in the same quarter last year. Leasing & services margin was 48.0% of segment revenues, compared to 52.0% of revenues in the same quarter last year. Leasing & services revenue and margin declined principally due to lower gains on equipment sales and interim rent on railcars held for sale, both of which have no associated cost of revenue.

Mark Rittenbaum, executive vice president & chief financial officer, said, "The increased contribution from our marine, refurbishment & parts and leasing & services businesses improved overall gross margins by 90 basis points ("bps") sequentially from the first quarter of 2008. The business performance of these units helped offset a sequential decline in manufacturing margins by 120 bps, which resulted from the increasingly competitive environment in railcar manufacturing and start up of our Mexican joint venture."

Business Outlook

Furman added, "Subsequent to quarter end, we expanded our refurbishment & parts business by

about \$100 million per annum through the acquisition of American Allied and RBI. These two high-quality companies expand our shop network to 39 strategic locations across the U.S. and Mexico, providing an end-to-end network for wheel replacement, replacement parts, and railcar repair & refurbishment. An important part of our strategic plan is to provide diversification, while building on our core strengths of railcar manufacturing and engineering, and to add value through multiple product and services offerings."

Rittenbaum concluded, "We are confident our integrated business model will continue to produce a stable base of revenues and allow us to improve gross margins and profitability in the future. We continue to expect the second half of 2008 will be stronger than the first half principally due to continued growth and strong performance from our refurbishment & parts business, elimination of the drag on earnings from TrentonWorks, and a more favorable tax rate. Near term financial focus is on cost reductions consistent with the current macroeconomic trends, paying down post acquisition debt, and strategies to reduce our effective tax rate."

About Greenbrier

Greenbrier (http://www.gbrx.com/), headquartered in Lake Oswego, Oregon, is a leading supplier of transportation equipment and services to the railroad industry. The Company builds new railroad freight cars in its three manufacturing facilities in the U.S. and Mexico and marine barges at its U.S. facility. It also repairs and refurbishes freight cars and provides wheels and railcar parts at 39 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 9,000 railcars, and performs management services for approximately 138,000 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, fluctuations in demand for newly manufactured railcars or failure to obtain orders as anticipated in developing forecasts; loss of one or more significant customers; actual future costs and the availability of materials and a trained workforce; failure to design or manufacture new products or technologies or to achieve certification or market acceptance of new products or technologies; steel price increases and scrap surcharges; changes in product mix and the mix between segments; 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 and risks related to car hire and residual values; difficulties associated with governmental regulation, including environmental liabilities; integration of current or future acquisitions; succession planning; all as may be discussed in more detail under the headings "Risk Factors" on page 10 of Part I, Item 1a and "Forward Looking Statements" on page 28 of Part II of our Annual Report on Form 10-K for the fiscal year ended August 31, 2007. 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.

EBITDA is not a financial measure under GAAP. We define EBITDA as earnings from operations before special charges, interest and foreign exchange, taxes, depreciation and amortization. We consider net cash provided by operating activities to be the most directly comparable GAAP financial measure. EBITDA is a liquidity measurement tool commonly used by rail supply companies and we use EBITDA in that fashion. You should not consider EBITDA in isolation or as a substitute for cash flow from operations or other cash flow statement data determined in accordance with GAAP. In addition, because EBITDA is not a measure of financial performance under GAAP and is susceptible to varying calculations, the EBITDA measure presented may differ from and may not be comparable to similarly titled measures used by other companies.

The Greenbrier Companies will host a teleconference to discuss second quarter fiscal 2008 results. Teleconference details are as follows:

Wednesday, April 9, 2008 8:00 am Pacific Daylight Time

Phone #: 630-395-0143, Password: "Greenbrier"

Webcast Real-time Audio Access: ("Newsroom" at http://www.gbrx.com/)

Please access the website 10 minutes prior to the start time. Following the call, a replay will be available on the same website. Telephone replay will be available through April 26, 2008 at 402-220-0218.

THE GREENBRIER COMPANIES, INC.

Condensed Consolidated Balance Sheets (In thousands, unaudited)

2008	2007
2000	2007

Cash and cash equivalents \$6,434 \$20,808

Restricted cash 2,680 2,693

Accounts receivable 176,069 157,038

Inventories 207,844 194,883

Assets held for sale 103,405 42,903

Equipment on operating leases 292,420 294,326 Investment in direct finance leases 8,649 9,040

Property, plant and equipment 119,632 112,813

Goodwill 169,001 168,987

Intangibles and other assets 72,263 69,258

\$1,158,397 \$1,072,749

Liabilities and Stockholders' Equity

Revolving notes \$113,418 \$39,568

Accounts payable and accrued

liabilities 253,263 239,713

Participation 738 4,355

 Deferred income taxes
 65,406
 61,410

 Deferred revenue
 16,152
 18,052

 Notes payable
 457,347
 460,915

Minority interest 8,115 5,146

Commitments and contingencies -- --

Stockholders' equity:

Preferred stock - without par value;

25,000 shares authorized; none

outstanding -- --

Common stock - without par value; 50,000

shares authorized; 16,366 and 16,169

shares outstanding at February 29,

2008 and August 31, 2007 16 16

Additional paid-in capital 80,072 78,332

Retained earnings 166,731 165,408

Accumulated other comprehensive loss (2,861) (166)

243,958 243,590

\$1,158,397 \$1,072,749

THE GREENBRIER COMPANIES, INC.

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

Three Months Ended Six Months Ended February February February February 29, 28, 29, 28, 2008 2007 2008 2007

Revenue

Manufacturing \$123,394 \$119,201 \$282,588 \$287,893 Refurbishment & parts 112,576 95,311 216,466 146,546 23,603 52,161 Leasing & services 25,466 46,898 259,573 239,978 545,952 486,600

Cost of revenue

Manufacturing 118,225 115,822 268,790 277,509 Refurbishment & parts 94,396 80,114 182,347 125,121 Leasing & services 12,279 12,220 24,204 23,031 224,900 208,156 475,341 425,661

Margin 34,673 31,822 70,611 60,939

Other costs

Selling and administrative 21,000 18,800 41,184 35,925 Interest and foreign exchange 9,854 10,416 20,273 20,056 Special charges 16,485 2,302 16,485 2,112 32,966 45,701 63,759 72,466

Earnings (loss) before income taxes, minority interest and equity in unconsolidated subsidiaries 1,707 (13,879) 6,852 (11,527) Income tax benefit (expense) (1,904) 8,229 (4,859) 7,649 Earnings (loss) before minority

interest and equity in

unconsolidated subsidiaries (197) (5,650) 1,993 (3,878)

Minority interest 1,367 42 1,741 40

Equity in earnings (loss) of

unconsolidated subsidiaries 253 (463) 331 (363)

Net earnings (loss) \$1,423 \$(6,071) \$4,065 \$4,201)

Basic earnings (loss) per

common share \$0.09 \$(0.38) \$0.25 \$(0.26)

Diluted earnings (loss) per

common share \$0.09 \$(0.38) \$0.25 \$(0.26)

Weighted average common

shares:

Basic 16,290 15,982 16,230 15,972 Diluted 16,311 16,022 16,254 16,016

THE GREENBRIER COMPANIES, INC.

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

Six Months Ended

February 29, February 28,

2008 2007

Cash flows from operating activities

Net earnings (loss) \$4,065 \$(4,201)

Adjustments to reconcile net earnings (loss) to

net cash used in operating activities:

Deferred income taxes 3,996 (2,587)

Depreciation and amortization 16,519 16,178

Gain on sales of equipment (2,006) (5,775)

Special charges 2,302 16,485

Minority interest (1,681) (40)

Other (120) 146

```
Decrease (increase) in assets (net of
   acquisitions):
   Accounts receivable
                                        (12,269) (28,988)
                                     (2,639) (23,533)
   Inventories
   Assets held for sale
                                       (66,960) (32,224)
   Other
                                   (3,168)
                                            (2,057)
  Increase (decrease) in liabilities (net of
   acquisitions):
                                               (1,271)
   Accounts payable and accrued liabilities
                                                         3,884
   Participation
                                     (3,617)
                                              (8,717)
   Deferred revenue
                                        (4,082) (5,276)
 Net cash used in operating activities
                                             (70,931) (76,705)
Cash flows from investing activities
 Principal payments received under direct
                                        179
                                                 340
 finance leases
 Proceeds from sales of equipment
                                               6,414
                                                        64,662
 Investment in and net advances to
                                             347
 unconsolidated subsidiary
                                                     115
                                                  (264,470)
 Acquisitions, net of cash acquired
                                                547
 Decrease (increase) in restricted cash
                                                        (481)
 Capital expenditures
                                        (15,998) (78,352)
 Net cash used in investing activities
                                             (8,511) (278,186)
Cash flows from financing activities
 Changes in revolving notes
                                           64,259
                                                    219,777
 Proceeds from issuance of notes payable
                                                    12
                                                           (71)
 Repayments of notes payable
                                             (4,183) (3,246)
 Repayment of subordinated debt
                                                     (1,267)
 Dividends
                                     (2,605)
                                              (2,557)
 Stock options and restricted stock awards
 exercised
                                     1.743
                                              1,648
 Excess tax benefit (expense) of stock options
                                       (3)
 exercised
                                             1,772
 Investment by joint venture partner
                                              4,650
                                                       1,650
 Net cash provided by financing activities
                                               63,873
                                                        217,706
Effect of exchange rate changes
                                                        460
                                              1.195
                                                (14,374) (136,725)
Decrease in cash and cash equivalents
Cash and cash equivalents
                                                 142,894
 Beginning of period
                                        20,808
                                      $6,434
                                                $6,169
 End of period
```

THE GREENBRIER COMPANIES, INC.

Supplemental Disclosure

Reconciliation of Net Cash Provided by Operating Activities to EBITDA before special charge (1)

(In thousands, unaudited)

Three Months Ended Six Months Ended February February February February 29, 28, 29, 28, 2008 2007 2008 2007

Net cash used in operating

activities \$(62,161) \$(34,766) \$(70,931) \$(76,705) Changes in working capital 72,479 48,455 94,006 96,911 Deferred income taxes (1,304) 2,890 (3,996) 2,587 Gain on sales of equipment 1,226 2,553 2,006 5,775 Other (19)(108)120 (146)Minority interest 1,578 42 1,681 40 1,903 (8,229) 4,859 Income tax expense (benefit) (7,649)Interest and foreign exchange 9.854 10.416 20,273 20,056

Adjusted EBITDA from operations

before special charge \$23,556 \$21,253 \$48,018 \$40,869

(1) "EBITDA" (earnings from continuing operations before interest and foreign exchange, taxes, depreciation and amortization before special charge) is a useful liquidity measurement tool commonly used by rail supply companies and Greenbrier. It should not be considered in isolation or as a substitute for cash flows from operating activities or cash flow statement data prepared in accordance with generally accepted accounting principles.

First Call Analyst:

FCMN Contact: margaret.vallejos@gbrx.com

SOURCE: The Greenbrier Companies

CONTACT: Mark Rittenbaum of The Greenbrier Companies, +1-503-684-7000

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

https://pressroom.gbrx.com/2008-04-09-Greenbrier-Companies-Reports-Second-Quarter-Results