Company earns \$.49 per share on revenues of \$382 million

Refurbishment & parts segment revenues grow 29% to \$152 million

PRNewswire-FirstCall LAKE OSWEGO, Ore.

The Greenbrier Companies, a leading supplier of transportation equipment and services to the railroad industry, today reported financial results for its fiscal third quarter ended May 31, 2008.

Highlights

- -- Revenues for the quarter were \$382 million, virtually flat with the prior year's third quarter.
- -- Net earnings for the quarter were \$8.1 million, or \$.49 per diluted share, compared to net earnings of \$13.0 million, or \$.81 per diluted share, for the third quarter of 2007.
- -- EBITDA for the quarter was \$34.5 million, or 9.0% of revenues.
- -- Refurbishment & parts revenues were \$152.4 million, an increase of 29% or \$34.2 million from \$118.2 million in the third quarter of 2007.
- -- New railcar manufacturing backlog was 17,500 units, valued at \$1.55 billion as of May 31, 2008, compared to 18,800 units valued at \$1.64 billion as of February 29, 2008.
- -- New marine barge backlog was \$158 million at May 31, 2008, compared to \$114 million at February 29, 2008, as a result of orders for four barges received during the quarter.

Third Quarter Results:

Revenues for the 2008 fiscal third quarter were \$382.1 million, compared to \$386.6 million in the prior year's third quarter. EBITDA was \$34.5 million, or 9.0% of revenues for the quarter, compared to \$46.4 million, or 12.0% of revenues in the prior year's third quarter. Net earnings were \$8.1 million, or \$.49 per diluted share for the quarter, compared to net earnings of \$13.0 million, or \$.81 per diluted share for the same period in 2007.

New railcar manufacturing backlog was 17,500 units valued at \$1.55 billion at May 31, 2008, compared to 18,800 units valued at \$1.64 billion at February 29, 2008. Based on current production plans, approximately 1,400 units in the May 31, 2008 backlog are scheduled for delivery during the balance of fiscal 2008. Marine backlog was \$158 million as of May 31, 2008, compared to \$114 million as of February 29, 2008.

William A. Furman, president and chief executive officer, said, "Financial performance improved

during the quarter, driven largely by our non-manufacturing segments, and solid performance in marine manufacturing at our Gunderson facility in Portland, Oregon. Our strategy to diversify and expand our less cyclical, more stable marine manufacturing, refurbishment & parts, and leasing & services businesses continue to benefit the Company. Refurbishment & parts produced record results for the quarter. In combination with leasing & services and marine, these businesses will generate over \$770 million of annual revenues, at current run rates. In addition to providing stability to revenue and earnings, these businesses provide a natural hedge to weaker demand for new railcars, as well as rising raw material costs, including higher steel prices, and scrap surcharges which are adversely affecting our new railcar operations."

Third quarter revenues for the manufacturing segment were \$201.8 million, a decrease of \$39.6 million from \$241.4 million in the third quarter of 2007. New railcar deliveries for the quarter were 2,200 units compared to 3,000 units in the prior comparable period. Revenues per unit were comparable to the third quarter of 2007.

Manufacturing gross margin for the quarter was .5% of segment revenues, compared to 8.4% of revenues in the third quarter of 2007. The decrease in margin was principally due to lower production rates, a less favorable product mix and pricing environment, rising raw material costs, and a loss contingency accrued on certain future railcar production.

Due to increases in raw material costs on certain fixed price railcar contracts in backlog, our current estimated cost to complete some contracts is expected to exceed the contractual sale price. During the third quarter, \$5.3 million was accrued for estimated loss contingencies. In addition, there are 1,000 cars in backlog for which a loss is not yet estimable, and a loss contingency has not yet been accrued. The Company is aggressively working to mitigate these exposures.

Conversely, the Company's refurbishment & parts and leasing & services businesses have benefited from rising commodity prices through increased revenues, higher residual values and enhanced margins.

Refurbishment & parts revenues were \$152.4 million, an increase of \$34.2 million from \$118.2 million in the prior comparable period. This increase was due principally to acquisition-related growth, increases in parts and wheelset sales and favorable scrap prices. Margins during the quarter for this segment were 21.0% of revenues, compared to 18.5% in the prior comparable period, as margins were favorably impacted by increases in scrap prices, a more favorable product mix and increased volumes. During the quarter, two refurbishment & parts acquisitions, with combined trailing 12 months revenues of about \$100 million and EBITDA of about \$16 million, were completed: American Allied Railway Equipment, a wheel services and railcar parts provider; and Roller Bearings Industries, a provider of reconditioned bearings used in the refurbishment of railcar wheelsets.

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 \$27.9 million, up \$0.9 million from \$27.0 million in the same quarter last year. Leasing & services margin was 56.2% of segment revenues, compared to 58.0% of revenues in the same quarter last year. Leasing & services margin declined primarily due to lower interim rent on railcars held for sale, which has 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 and helped offset a decline in manufacturing segment margins. The manufacturing segment continues to suffer from an increasingly competitive new railcar environment, and rising raw material costs. Our tax rate for the quarter of 50.0% is down significantly from the 71.0% rate during the first half of the year, due in part to recent tax strategies. Near term financial focus remains on cost reductions consistent with the current macroeconomic trends, paying down post acquisition debt, and strategies to continue to reduce our effective tax rate."

Business Outlook

Furman concluded, "The long-term outlook for the rail industry remains bright, as market forces continue to favor rail. In the nearer term, we expect that our marine, refurbishment & parts, and leasing & services businesses will continue with their strong performance, while new railcar manufacturing will likely remain soft, due to macroeconomic forces. Greenbrier remains committed to delivering value to shareholders through its integrated business model, which builds on the Company's core strengths of railcar and marine manufacturing and engineering, while providing diversification and reduced risk through various business cycles and economic conditions. Our near term operating focus is to integrate recent acquisitions, ensure the smooth start up of our tank car production line at GIMSA, and to continue to realize revenue and cost synergies from our integrated model."

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 third quarter fiscal 2008 results. Teleconference details are as follows:

Tuesday, July 8, 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 July 26, 2008 at 203-369-0494.

THE GREENBRIER COMPANIES, INC.

Condensed Consolidated Balance Sheets (In thousands, unaudited)

May 31, August 31, 2008 2007

Assets

Cash and cash equivalents \$- \$20,808

Restricted cash 1,722 2,693

Accounts receivable 182,188 157,038

Inventories 239,760 194,883 Assets held for sale 57,895 42,903

Equipment on operating leases 318,741 294,326

Investment in direct finance leases 8,577 9,040
Property, plant and equipment 132,640 112,813

Goodwill 219,261 168,987

Intangibles and other assets 82,423 69,258

\$1,243,207 \$1,072,749

Liabilities and Stockholders' Equity

Revolving notes \$101,423 \$39,568

Accounts payable and accrued liabilities 275,101 244,068

Losses in excess of investment in

deconsolidated subsidiary 15,313

Deferred income taxes 70,592 61,410

Deferred revenue 20,015 18,052

Notes payable 497,166 460,915

Minority interest 9,189 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; 16,606 and 16,169 shares

outstanding at May 31, 2008 and August 31, 2007 17 16

Additional paid-in capital 81,261 78,332

Retained earnings 173,530 165,408

Accumulated other comprehensive loss (400) (166)

254,408 243,590

\$1,243,207 \$1,072,749

THE GREENBRIER COMPANIES, INC.

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

Three Months Ended Nine Months Ended

May 31, May 31,

2008 2007 2008 2007

Revenue

Manufacturing \$201,825 \$241,399 \$484,413 \$529,293

Refurbishment & parts 152,367 118,213 368,833 264,760

Leasing & services 27,914 26,994 74,812 79,154

382,106 386,606 928,058 873,207

Cost of revenue

Manufacturing 200,813 221,203 469,602 498,713

Refurbishment & parts 120,442 96,288 302,790 221,408

Leasing & services 12,218 11,339 36,422 34,370

333,473 328,830 808,814 754,491

Margin 48,633 57,776 119,244 118,716

Other costs Selling and				
administrative	23,407	20,092	64,591	56,017
Interest and foreig	ın			
exchange	9,990	10,930	30,263	30,986
Special charges	-	3,091	2,302	19,576
33,397 34,113 97,156 106,579				
Earnings before income taxes, mine interest and equity unconsolidated	in			
subsidiaries				
Income tax expens Earnings before minority interest and equity in unconsolidated	e (7,5	73) (11,0	47) (12, ₄	432) (3,398)
subsidiaries	7,663	12,616	9,656	8,739
Minority interest Equity in earnings (loss) of unconsolidated	272	178	2,014	217
subsidiaries	191	223	522	(140)
Net earnings	\$8,126	\$13,017	\$12,19	2 \$8,816
Basic earnings per common share	\$0.4	9 \$0.81	\$0.75	\$0.55
Diluted earnings per				
common share	\$0.4	9 \$0.81	\$0.75	\$0.55
Weighted average common shares:				
Basic	16,507	16,105	16,323	16,017
Diluted	16,529	16,139	16,347	16,058

THE GREENBRIER COMPANIES, INC.

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

Nine Months Ended

May 31,

2008 2007

Cash flows from operating activities

Net earnings \$12,192 \$8,816

Adjustments to reconcile net earnings to

net cash provided by

operating activities:

Deferred income taxes 9,182 2,688

Depreciation and amortization 25,333 24,496

Gain on sales of equipment (6,998) (10,781)

Special charges 2,302 19,576 Minority interest (1,957) (318)

Other (103) 170

Decrease (increase) in assets (net of

acquisitions):

Accounts receivable (7,338) 4,553

Inventories (15,136) 10,916

Assets held for sale (16,313) 1,556

Other (1,476) (1,667)

Increase (decrease) in liabilities (net

of acquisitions):

Accounts payable and accrued liabilities 21,211 (36,309)

Deferred revenue (939) 6,114

Net cash provided by operating

activities 19,960 29,810

Cash flows from investing activities

Principal payments received under

direct finance leases 274 426

Proceeds from sales of equipment 13,375 114,719

Investment in and net advances to

unconsolidated subsidiary 519 (869)

Acquisitions, net of cash acquired (91,285) (267,903)

De-consolidation of subsidiary (1,217) -

Decrease (increase) in restricted cash 1,690 (445)

Capital expenditures (64,477) (126,442)

Net cash used in investing activities (141,121) (280,514)

Cash flows from financing activities

Changes in revolving notes 48,878 34,106

Proceeds from issuance of notes payable 49,613 99,441

Repayments of notes payable (5,569) (4,082)
Repayment of subordinated debt - (2,091)

Dividends (3,933) (3,851)

Stock options exercised and restricted

stock awards 2,921 2,616

Excess tax benefit of stock options

exercised 9 2,774

Investment by joint venture partner 6,000 5,400

Net cash provided by financing

activities 97,919 134,313

Effect of exchange rate changes 2,434 1,816

Decrease in cash and cash equivalents (20,808) (114,575)

Cash and cash equivalents

Beginning of period 20,808 142,894

End of period \$- \$28,319

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 Nine Months Ended

May 31, May 31,

2008 2007 2008 2007

Net cash provided by

operating activities \$90,891 \$106,515 \$19,960 \$29,810

Changes in working

capital (74,016) (78,983) 22,293 34,413 Special charges - (3,091) (2,302) (19,576) Deferred income taxes (5,186) (5,275) (9,182) (2,688) Gain on sales of

equipment 4,992 5,006 6,998 10,781

Other (17) (24) 103 (170)

Minority interest 276 278 1,957 318

Income tax expense 7,573 11,047 12,432 3,398

Interest and foreign

exchange 9,990 10,930 30,263 30,986

Adjusted EBITDA from

operations before

special charge \$34,503 \$46,403 \$82,522 \$87,272

(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.

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

https://pressroom.gbrx.com/2008-07-08-Greenbrier-Companies-Reports-Third-Quarter-Results