- ~ Quarterly EPS of \$1.06
- ~~ Announces orders for 2,300 railcars valued at \$200 million
- ~~ Cash flow from operations in 2016 exceeded \$330 million
- ~~ Issues 2017 earnings guidance of \$3.25 \$3.75 per share

LAKE OSWEGO, Ore., Oct. 25, 2016 / PRNewswire -- The Greenbrier Companies, Inc. (NYSE: GBX) today reported financial results for its fourth fiscal quarter and full year ended August 31, 2016.

Fourth Quarter Highlights

- Net earnings attributable to Greenbrier for the quarter were \$33.6 million, or \$1.06 per diluted share, on revenue of \$595.2 million.
- Adjusted EBITDA for the quarter was \$104.4 million, or 17.5% of revenue.
- Diversified orders for 2,300 new railcars were received during this quarter, valued at over \$200 million, or an average price of approximately \$87,000 per railcar.
- New railcar backlog as of August 31, 2016 was 27,500 units with an estimated value of \$3.19 billion (average unit sale price of \$116,000). Backlog reflects a 1,200 unit reduction resulting from customer settlements that yield favorable economic and other considerations.
- New railcar deliveries totaled 4,600 units for the quarter, compared to 4,300 units for the quarter ended May 31, 2016.
- Marine backlog as of August 31, 2016 was approximately \$114 million.
- Board declared a quarterly dividend of \$0.21 per share, payable on December 1, 2016 to shareholders as of November 10, 2016.

Fiscal Year 2016 Highlights

- Net earnings were \$183.2 million, or \$5.73 per diluted share, on record revenue of \$2.68 billion.
- Record Adjusted EBITDA was \$474.0 million, or 17.7% of revenue, compared to 16.7% of revenue in fiscal 2015.
- New railcar deliveries totaled 20,300 units.
- Orders totaled 7,500 units valued over \$700 million across a broad range of railcar types.
- Cash provided by operating activities increased 72% to over \$330 million.
- Net Funded Debt: LTM EBITDA ratio improved to 0.2x from 0.5x in fiscal 2015.
- Nearly \$57 million returned to shareholders through dividend and share repurchases.

Progress on Longer Term Financial Goals

• Fourth quarter aggregate gross margin, was 20.1%, consistent with our goal of at least 20%

- gross margin by the second half of fiscal 2016.
- We achieved an ROIC of 24.8% in fiscal 2016, in line with our target of 25.0%, and an improvement from the 23.7% achieved in fiscal 2015.

William A. Furman, Chairman and CEO, said, "We delivered strong results for the fourth quarter and fiscal 2016. We ended the year with a strong balance sheet, ample liquidity and very little net debt. This positions Greenbrier to continue to invest internationally in high ROIC markets, as well as successfully navigate through less robust North American market conditions. We addressed industry challenges during fiscal 2016 as we encountered a weaker market in North America. Our employees successfully executed our plan for the year. We appreciate their hard work along with the confidence and trust of our customers as we have diversified and grown internationally."

Furman continued, "Entering fiscal 2017, our diversified backlog provides us with strong visibility, while we remain adaptable and prepared for market recovery and growth. Recently, we worked with customers to resolve commercial terms related to 1,200 sand cars. Under these arrangements, Greenbrier received meaningful monetary and other valuable economic consideration. Our deep customer relationships are advantageous in the current market conditions as we work to achieve mutually beneficial solutions."

"Internationally, we are creating a global network that enables Greenbrier to capture share in emerging railcar markets where freight car markets are stronger. These include the nations of the Gulf Cooperation Council (GCC), Africa, Eurasia and Latin America. We are making new investments that extend our core competency in freight railcar building, engineering and aftermarket services for all railroad gauges in these new markets." Furman added, "In August, we acquired a 19.5% ownership stake in the railcar casting operations of Amsted-Maxion Cruzeiro which raised our direct and indirect interest in railcar manufacturer Greenbrier-Maxion to 35%, and expands our manufacturing presence in Brazil. In September, we began fulfillment of the 1,200 tank car order placed by Saudi Railway Company (SAR) in early fiscal 2016. Most recently, we announced the formation of Greenbrier-Astra Rail that will create a world-class European railcar business, capitalizing on demand in Western Europe where the aging railcar fleet will enter a replacement cycle in the next few years. It provides a strong value-added platform for our customers in Western Europe, as well as a launch pad for other business in Eurasia and the GCC."

Furman concluded, "In the year ahead, a moderating railcar replacement cycle in North America will favorably position well-capitalized companies like Greenbrier to seize opportunities in the market, which often emerge suddenly. We remain committed to our overall strategy of investing for future growth and generating long-term value for our shareholders with an emphasis on solid ROIC."

Business Outlook

Based on current business trends, industry forecasts and production schedules for fiscal 2017, Greenbrier believes:

- Deliveries will be approximately 14,000 16,000 units
- Revenue will be \$2.0 \$2.4 billion
- Diluted EPS will be in the range of \$3.25 \$3.75

As noted in the "Safe Harbor" statement, there are risks to achieving this guidance. Certain orders and backlog in this release are subject to customary documentation and completion of terms.

Financial Summary

	Q4 FY16	Q3 FY16	Sequential Comparison – Main Drivers
Revenue	\$595.2M	\$612.9M	Down 2.9% primarily due to lower volume of sales from acquired railcar portfolio
Gross margin	20.1%	20.7%	Down 60 bps primarily due to product mix changes and lower scrap pricing
Selling and administrative expense	\$40.6M	\$43.3M	Down 6.2% due to Q3 including higher long-term incentive compensation
Net gain on disposition of equipment	\$4.5M	\$0.3M	Increase primarily reflects insurance recovery proceeds from 2015 losses
Adjusted EBITDA	\$104.4M	\$99.5M	Stronger operating cash flow
Effective tax rate	24.1%	27.9%	Reflects a change in the geographic mix of earnings
Net earnings attributable to noncontrolling interest	\$26.8M	\$24.2M	Driven by timing of deliveries and higher margin from our GIMSA JV
Net earnings attributable to Greenbrier	\$33.6M	\$35.4M	
Diluted EPS	\$1.06	\$1.12	

Segment Summary

	Q4 FY16	Q3 FY16	Sequential Comparison – Main Drivers
Manufacturing			
Revenue	\$484.6M	\$458.5M	Up 5.7% due to higher deliveries
Gross margin	21.0%	23.1%	Down 210 bps primarily due to a change in product mix
Operating margin	18.5%	20.2%	
(1)			
Deliveries	4,600	4,300	
Wheels & Parts			
Revenue	\$74.8M	\$78.4M	Down 4.6% primarily attributable to lower wheel and component volumes
Gross margin	7.0%	11.0%	Down 400 bps primarily due to a less favorable product mix and continued
			challenging operating environment
Operating margin	5.7%	7.4%	
(1)			
Leasing & Services	3		
Revenue	\$35.8M	\$76.0M	Decline due to lower volume of sales from acquired railcar portfolio
Gross margin	35.5%	16.8%	Up due to lower volume of sales from acquired railcar portfolio, which is dilutive
Operating margin	25.3%	10.9%	
(1) (2)			
Lease fleet	91.0%	94.9%	Impacted by off-lease tank cars; placed on lease subsequent
utilization			to quarter end

⁽¹⁾ See supplemental segment information on page 12 for additional information. Includes Net gain on disposition of equipment, which is excluded from gross

(2) margin.

Conference Call

Greenbrier will host a teleconference to discuss its fourth quarter 2016 results. In conjunction with this news release, Greenbrier has posted a supplemental earnings presentation to our website. Teleconference details are as follows:

October 25, 2016

8:00 a.m. Pacific Daylight Time

Phone: 1-630-395-0143, Password: "Greenbrier"

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

Please access the site 10 minutes prior to the start time.

About Greenbrier

Greenbrier (www.gbrx.com), headquartered in Lake Oswego, Oregon, is a leading international supplier of equipment and services to the freight rail transportation markets. Greenbrier designs, builds and markets freight railcars in North America and Europe, we build freight railcars and rail castings in Brazil through a strategic partnership, and build and market marine barges in North America. Recently, through our European manufacturing operations, we also began delivery of US-designed tank cars in Saudi Arabia. In October 2016, we entered into an agreement with Astra Rail Management GmbH to form a new company, Greenbrier-Astra Rail, which will create an end-to-end, Europe-based freight railcar manufacturing, engineering and repair business. We expect this combination will be completed during 2017. We are a leading provider of wheel services, parts, leasing and other services to the railroad and related transportation industries in North America and a provider of freight railcar repair, refurbishment and retrofitting services in North America through a joint venture partnership with Watco Companies, LLC. Through other joint ventures we produce rail castings, tank heads and other railcar components. Greenbrier owns a lease fleet of over 9,000 railcars and performs management services for over 268,000 railcars.

"SAFE HARBOR" STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: This press release may contain forward-looking statements, including statements regarding expected new railcar production volumes and schedules, expected customer demand for the Company's products and services, available manufacturing capacity, restructuring plans, new railcar delivery volumes and schedules, demand for the Company's railcar services and parts business, and the Company's future financial performance. Greenbrier uses words such as "anticipates," "believes," "forecast," "potential," "goal," "contemplates," "expects," "intends," "plans," "projects," "hopes," "seeks," "estimates," "strategy," "could," "would," "should," "likely," "will," "may," "can," "designed to," "future," "foreseeable future" and similar expressions to identify forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to certain risks and uncertainties that could cause actual results to differ materially from in the results contemplated by the forward-looking statements. Factors that might cause such a

difference include, but are not limited to, reported backlog and awards are not indicative of our financial results; uncertainty or changes in the credit markets and financial services industry; high levels of indebtedness and compliance with the terms of our indebtedness; write-downs of goodwill, intangibles and other assets in future periods; sufficient availability of borrowing capacity; fluctuations in demand for newly manufactured railcars or failure to obtain orders as anticipated in developing forecasts; loss of one or more significant customers; customer payment defaults or related issues; sovereign risk to contracts, exchange rates or property rights; 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 or specialty component price fluctuations and availability 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, costs or inefficiencies associated with expansion, start-up, or changing of production lines or changes in production rates, changing technologies, transfer of production between facilities or non-performance of alliance partners. subcontractors or suppliers; ability to obtain suitable contracts for the sale of leased equipment and risks related to car hire and residual values; integration of current or future acquisitions and establishment of joint ventures; succession planning; discovery of defects in railcars or services resulting in increased warranty costs or litigation; physical damage or product or service liability claims that exceed our insurance coverage; train derailments or other accidents or claims that could subject us to legal claims; actions or inactions by various regulatory agencies including potential environmental remediation obligations or changing tank car or other rail car or railroad regulation; all as may be discussed in more detail under the headings "Risk Factors" and "Forward Looking" Statements" in our Annual Report on Form 10-K for the fiscal year ended August 31, 2016, and our other reports on file with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's opinions only as of the date hereof. Except as otherwise required by law, we do not assume any obligation to update any forward-looking statements.

Adjusted EBITDA is not a financial measure under generally accepted accounting principles (GAAP). We define Adjusted EBITDA as Net earnings before Interest and foreign exchange, Income tax expense, Depreciation and amortization. Adjusted EBITDA is a performance measurement tool commonly used by rail supply companies and Greenbrier. You should not consider Adjusted EBITDA in isolation or as a substitute for other financial statement data determined in accordance with GAAP. In addition, because Adjusted EBITDA is not a measure of financial performance under GAAP and is susceptible to varying calculations, this measure presented may differ from and may not be comparable to similarly titled measures used by other companies.

Annualized ROIC is calculated by taking year to date Earnings from operations, less cash paid for income taxes, net, which is then annualized and divided by the average balance of the sum of the

Revolving notes, plus Notes payable, plus Total equity, less cash in excess of \$40 million. The average is calculated based on the quarterly ending balances.

THE GREENBRIER COMPANIES, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, unaudited)

	August 31, 2016	May 31, 2016	February 29, 2016	November 30, 2015	August 31, 2015
Assets					
Cash and cash equivalents	\$ 222,679	\$ 214,440	\$ 283,541	\$ 197,633	\$ 172,930
Restricted cash	24,279	8,669	8,877	9,818	8,869
Accounts receivable, net	232,517	213,510	228,072	237,213	196,029
Inventories	365,805	458,068	421,243	444,023	445,535
Leased railcars for syndication	144,932	136,812	179,975	238,911	212,534
Equipment on operating leases, net	306,266	232,791	235,171	252,641	255,391
Property, plant and equipment, net	329,990	318,010	310,019	307,196	303,135
Investment in unconsolidated affiliates	98,682	89,297	86,850	86,658	87,270
Intangibles and other assets, net	69,475	71,022	73,296	76,157	65,554
Goodwill	43,265	43,265	43,265	43,265	43,265
_	\$ 1,837,890	\$ 1,785,884	\$ 1,870,309	\$ 1,893,515	\$ 1,790,512
Liabilities and Equity Revolving notes Accounts payable and accrued	\$ -	- \$ -	\$ 75,000	\$ 163,888	\$ 50,888
liabilities	369,754	370,652	401,010	384,670	455,213
Deferred income taxes	51,619	50,390	55,204	63,483	60,657
Deferred revenue	95,721	68,158	84,362	42,351	33,836
Notes payable	303,969	306,808	322,539	324,668	326,429
Total equity - Greenbrier	874,311	840,086	800,940	771,945	732,838
Noncontrolling interest	142,516	149,790	131,254	142,510	130,651
Total equity	1,016,827	989,876	932,194	914,455	863,489
· ·	\$ 1,837,890	\$ 1,785,884	\$ 1,870,309	\$ 1,893,515	\$ 1,790,512

THE GREENBRIER COMPANIES, INC.

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)

	Years ending August 31,							
		2016		2015		2014		
Revenue								
Manufacturing	\$	2,096,331	\$	2,136,051	\$	1,624,916		
Wheels & Parts		322,395		371,237		495,627		
Leasing & Services		260,798		97,990		83,419		
		2,679,524		2,605,278		2,203,962		
Cost of revenue								
Manufacturing		1,630,554		1,691,414		1,374,008		
Wheels & Parts		293,751		334,680		463,938		
Leasing & Services		203,782		41,831		43,796		
		2,128,087		2,067,925		1,881,742		
Margin		551,437		537,353		322,220		
Selling and administrative		158,681		151,791		125,270		

Net gain on disposition of equipment Gain on contribution to joint venture Restructuring charges Earnings from operations	 (15,796) - - 408,552	(1,330) - - - 386,892	(15,039) (29,006) 1,475 239,520
Other costs Interest and foreign exchange	 13,502	11,179	18,695
Earnings before income tax and earnings fromunconsolidated affiliates Income tax expense	 395,050 (112,322)	375,713 (112,160)	220,825 (72,401)
Earnings before earnings from unconsolidated affiliates Earnings from unconsolidated affiliates	 282,728 2,096	263,553 1,756	148,424 1,355
Net earnings Net earnings attributable to noncontrolling interest	 284,824 (101,611)	265,309 (72,477)	149,779 (37,860)
Net earnings attributable to Greenbrier	\$ 183,213	\$ 192,832	\$ 111,919
Basic earnings per common share:	\$ 6.28	\$ 6.85	\$ 3.97
Diluted earnings per common share:	\$ 5.73	\$ 5.93	\$ 3.44
Weighted average common shares: Basic Diluted	29,156 32,468	28,151 33,328	28,164 34,209
Dividends declared per common share	\$ 0.81	\$ 0.60	\$ 0.15

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Years Ended August 31,									
		2016		2015		2014				
Cash flows from operating activities:										
Net earnings	\$	284,824	\$	265,309	\$	149,779				
Adjustments to reconcile net earnings to net cashprovided by										
operating activities:										
Deferred income taxes		(8,935)		(20,151)		(4,687)				
Depreciation and amortization		63,345		45,156		40,422				
Net gain on disposition of equipment		(15,796)		(1,330)		(15,039)				
Stock based compensation expense		24,037		19,459		11,285				
Gain on contribution to joint venture		-		-		(29,006)				
Noncontrolling interest adjustments		526		17,215		2,774				
Other		560		1,184		576				
Decrease (increase) in assets:										
Accounts receivable, net		(32,051)		13,652		(23,749)				
Inventories		53,711		(143,849)		(9,675)				
Leased railcars for syndication		19,154		(90,614)		(57,779)				
Other		(16,989)		575		(4,069)				
Increase (decrease) in liabilities:										
Accounts payable and accrued liabilities		(91,428)		72,419		63,362				
Deferred revenue		50,712		13,308		11,713				
Net cash provided by operating activities		331,670		192,333		135,907				
Cash flows from investing activities:										
Proceeds from sales of assets		103,715		5,295		54,235				
Capital expenditures		(139,013)		(105,989)		(70,227)				
Decrease (increase) in restricted cash		(15,410)		271		(333)				
Investment in and advances to unconsolidated affiliates		(12,855)		(34,453)		(13,753)				
Cash distribution from joint ventures		7,855		3,345		-				

Net cash used in investing activities	(55,708)	(131,531)	(30,078)
Cash flows from financing activities:			<u> </u>
Net changes in revolving notes with maturities of 90 days or			
less	(49,000)	49,000	-
Proceeds from revolving notes with maturities longer than 90			
days	-	44,451	37,819
Repayments of revolving notes with maturities longer than 90			
days	(1,888)	(55,644)	(72,947)
Proceeds from issuance of notes payable	-	-	200,000
Repayments of notes payable	(22,299)	(7,475)	(128,797)
Debt issuance costs	(4,161)	-	(382)
Decrease (increase) in restricted cash	-	11,000	(11,000)
Repurchase of stock	(33,498)	(69,950)	(33,583)
Dividends	(23,303)	(16,491)	(4,123)
Cash distribution to joint venture partner	(95,092)	(20,375)	(5,076)
Investment by joint venture partner	5,400	-	419
Excess tax benefit from restricted stock awards	2,813	2,908	109
Other	(887)	(248)	-
Net cash used in financing activities	(221,915)	(62,824)	(17,561)
Effect of exchange rate changes	(4,298)	(9,964)	(787)
Increase (decrease) in cash and cash equivalents	49,749	(11,986)	87,481
Cash and cash equivalents		, ,	
Beginning of period	172,930	184,916	97,435
End of period	\$ 222,679	\$ 172,930	\$ 184,916

SUPPLEMENTAL INFORMATION

(In thousands, except per share amounts, unaudited)

Operating Results by Quarter for 2016 are as follows:

	First	,	Second	Third	Fourth	Total
Revenue						
Manufacturing	\$ 698,661	\$	454,531	\$ 458,494	\$ 484,645	\$ 2,096,331
Wheels & Parts	78,729		90,458	78,417	74,791	322,395
Leasing & Services	24,999		124,090	75,955	35,754	260,798
	 802,389		669,079	612,866	595,190	2,679,524
Cost of revenue						
Manufacturing	533,033		361,827	352,775	382,919	1,630,554
Wheels & Parts	73,002		81,388	69,818	69,543	293,751
Leasing & Services	 11,589		105,973	63,175	23,045	203,782
	617,624		549,188	485,768	475,507	2,128,087
Margin	184,765		119,891	127,098	119,683	551,437
Selling and administrative expense	36,549		38,244	43,280	40,608	158,681
Net gain on disposition of equipment	(269)		(10,746)	(311)	(4,470)	(15,796)
Earnings from operations	148,485		92,393	84,129	83,545	408,552
Other costs						
Interest and foreign exchange	5,436		1,417	3,712	2,937	13,502
Earnings before income tax and earnings (loss) from unconsolidated						
affiliates	143,049		90,976	80,417	80,608	395,050
Income tax expense	(44,719)		(25,734)	(22,449)	(19,420)	(112,322)
Earnings before earnings (loss) from unconsolidated affiliates	98,330		65,242	57,968	61,188	282,728
	, -		, -	- , -	- ,	- ,

Earnings (loss) from unconsolidated										
affiliates		383		974		1,564		(825)		2,096
Net earnings		98,713		66,216		59,532		60,363		284,824
Net earnings attributable										
to noncontrolling interest		(29,280)		(21,348)		(24,180)		(26,803)		(101,611)
Net earnings attributable to							_			
Greenbrier	\$	69,433	\$	44,868	\$	35,352	\$	33,560	\$	183,213
Basic earnings per common share	\$	2.36	\$	1.54	\$	1.22	\$	1.15	\$	6.28
Diluted earnings per common	Ψ	2.00	Ψ	1.01	Ψ	1.22	Ψ	1.10	Ψ	0.20
share ⁽¹⁾	\$	2.15	\$	1.41	\$	1.12	\$	1.06	\$	5.73

⁽¹⁾ Quarterly amounts may not total to the year to date amount as each period is calculated discretely. Diluted earnings per common share includes the dilutive effect of the 2026 Convertible Notes and restricted stock units that are subject to performance criteria, for which actual levels of performance above target have been achieved, using the treasury stock method when dilutive and the dilutive effect of shares underlying the 2018 Convertible Notes using the "if converted" method in which debt issuance and interest costs, net of tax, were added back to net earnings.

SUPPLEMENTAL INFORMATION

(In thousands, except per share amounts, unaudited)

Operating Results by Quarter for 2015 are as follows:

	Firs	t	S	Second	Third	Fourth	Total
Revenue							
Manufacturing	\$ 3	79,949	\$	505,241	\$ 593,376	\$ 657,485	\$ 2,136,051
Wheels & Parts	8	36,624		102,640	97,407	84,566	371,237
Leasing & Services	2	28,485		22,268	23,823	23,414	97,990
	49	5,058		630,149	714,606	765,465	2,605,278
Cost of revenue							
Manufacturing		6,037		403,227	465,658	506,492	1,691,414
Wheels & Parts		76,872		92,768	89,645	75,395	334,680
Leasing & Services		4,081		8,844	10,017	8,889	41,831
	40	6,990		504,839	565,320	590,776	2,067,925
Margin	8	88,068		125,310	149,286	174,689	537,353
Selling and administrative							
expense	3	33,729		32,899	45,595	39,568	151,791
Net gain on disposition of equipment		(83)		(121)	(720)	(406)	(1,330)
Earnings from operations	- 5	54,422		92,532	104,411	135,527	386,892
Other costs							
Interest and foreign exchange		3,141		1,929	4,285	1,824	11,179
Earnings before income tax and earnings (loss) from							_
unconsolidated affiliates	ŗ.	51,281		90.603	100,126	133,703	375,713
Income tax expense		6,054)		(29,372)	(30,783)	(35,951)	(112,160)
Earnings before earnings (loss)		. ,		. , ,	. , ,	, , ,	
from unconsolidated affiliates	3	35,227		61,231	69,343	97,752	263,553
Earnings (loss) from		755		/4.OE\	000	00.4	4 750
unconsolidated affiliates		755		(185)	982	204	1,756
Net earnings	- 3	35,982		61,046	70,325	97,956	265,309

Net earnings attributable to noncontrolling interest	 (3,196)	(10,695)			(27,514)		(31,072)	(72,477)
Net earnings attributable to Greenbrier	\$ 32,786	\$	50,351	\$	42,811	\$	66,884	\$ 192,832
Basic earnings per common								
share ⁽¹⁾ Diluted earnings per common	\$ 1.19	\$	1.86	\$	1.54	\$	2.23	\$ 6.85
share ⁽¹⁾	\$ 1.01	\$	1.57	\$	1.33	\$	2.02	\$ 5.93

⁽¹⁾ Quarterly amounts may not total to the year to date amount as each period is calculated discretely. Diluted earnings per common share includes the dilutive effect of the 2026 Convertible Notes using the treasury stock method and the dilutive effect of shares underlying the 2018 Convertible Notes using the "if converted" method in which debt issuance and interest costs, net of tax, were added back to net earnings.

SUPPLEMENTAL INFORMATION

(In thousands, unaudited)

Segment Information

Three months ended August 31, 2016:

	Revenue							Earnings (loss) from operations					
-	E	xternal	Inter	Intersegment		Total		External		Intersegment		Total	
Manufacturing Wheels &	\$	484,645	\$	83,563	\$	568,208	\$	89,879	\$	23,358	\$	113,237	
Parts Leasing &		74,791		8,362		83,153		4,228		447		4,675	
Services Eliminations		35,754 -		2,657 (94,582)		38,411 (94,582)		9,055 -		2,657 (26,462)		11,712 (26,462)	
Corporate	\$	595,190		-	\$	<u>-</u> 595,190	\$	(19,617) 83,545	\$	-	\$	(19,617) 83,545	

Three months ended May 31, 2016:

	Revenue						Earnings (loss) from operations						
	External		Intersegment		Total		E	External		Intersegment		Total	
Manufacturing Wheels & Parts Leasing &	\$	458,494	\$	5,595	\$	464,089		\$ 92,713	\$	923	\$	93,636	
		78,417		10,058		88,475		5,811		711		6,522	
Services Eliminations		75,955 -		601 (16,254)		76,556 (16,254)		8,298		601 (2,235)		8,899 (2,235)	
Corporate		-		-		-		(22,693)				(22,693) \$	
	\$	612,866	\$	-	\$	612,866	\$	84,129	\$	-		84,129	

	Total assets					
	Α	ugust 31,		May 31,		
		2016	2016			
Manufacturing	\$	701,296	\$	641,090		
Wheels &						
Parts		275,599		301,474		
Leasing &						
Services		518,263		523,989		
Unallocated		342,732		319,331		
	\$	1,837,890	\$	1,785,884		

The results of operations for GBW, which are shown below, are not reflected in the above tables as the investment is accounted for under the equity method of accounting.

As of and for the	
Three Months Ended	l

	THIEE MOHILIS LINGED				
	August 31,	May 31,			
	2016	2016			
	\$	\$			
Revenue	84,100	95,700			
Earnings (loss) from	\$	\$			
operations	(500)	3,000			
	\$	\$			
Total assets	247,600	255,400			

THE GREENBRIER COMPANIES, INC.

SUPPLEMENTAL INFORMATION

(In thousands, excluding backlog and delivery units, unaudited)

Reconciliation of Net earnings to Adjusted EBITDA

	Three Months Ended					Year Ended		
	August 31,		May 31,		Α	ugust 31,		
		2016		2016	2016			
Net earnings	\$	60,363	\$	59,532	\$	284,824		
Interest and foreign exchange		2,937		3,712		13,502		
Income tax expense		19,420		22,449		112,322		
Depreciation and amortization		21,664		13,839		63,345		
Adjusted EBITDA	\$	104,384	\$	99,532	\$	473,993		
					_			

	Three Months Ended	Year Ended
	August 31,	August 31,
	2016	2016
Backlog Activity (units)		
Beginning backlog	31,200	41,300
Orders received	2,300	7,500
Orders removed	(1,200)	(1,200)
Production held as Leased railcars for		
syndication	(800)	(3,600)
Production sold directly to third parties	(4,000)	(16,500)
Ending backlog	27,500	27,500
Delivery Information (units)		
Production sold directly to third parties	4,000	16,500
Sales of Leased railcars for syndication	4,000	3,800
Total deliveries	4,600	20,300
i otal deliveries	4,000	20,300

SUPPLEMENTAL INFORMATION

(In thousands, except per share amounts, unaudited)

Reconciliation of common shares outstanding and diluted earnings per share

The shares used in the computation of the Company's basic and diluted earnings per common share are reconciled as follows:

	Three Months	Three Months Ended		
	August 31, 2016	May 31, 2016		
Weighted average basic common shares outstanding ⁽¹⁾ Dilutive effect of convertible notes ⁽²⁾	29,079	29,059		
Blidity Collect of Colly Chibic Hotes	3,250	3,224		
Dilutive effect of performance awards (3)	118	59		
Weighted average diluted common shares outstanding	32,447	32,342		

- (1) Restricted stock grants and restricted stock units, including some grants subject to certain performance criteria, are included in weighted average basic common shares outstanding when the Company is in a net earnings position.
- (2) The dilutive effect of the 2018 Convertible notes are included in the Weighted average diluted common shares outstanding as they were considered dilutive under the "if converted" method as further discussed below.
- (3) Restricted stock units subject to performance criteria, for which actual levels of performance above target have been achieved, and are included in Weighted average diluted shares outstanding when the company is in a net earnings position.

Diluted earnings per share was calculated using the more dilutive of two approaches. The first approach includes the dilutive effect, using the treasury stock method, associated with shares underlying the 2026 Convertible notes and performance based restricted stock units that are subject to performance criteria, for which actual levels of performance above target have been achieved. The second approach supplements the first by including the "if converted" effect of the 2018 Convertible notes issued in March 2011. Under the "if converted method" debt issuance and interest costs, both net of tax, associated with the convertible notes are added back to net earnings and the share count is increased by the shares underlying the convertible notes.

	Three Months Ended			
	August 31, 2016		M	1ay 31, 2016
Net earnings attributable to Greenbrier Add back: Interest and debt issuance costs on the 2018 Convertiblenotes, net of	\$	33,560	\$	35,352
tax		733		733
Earnings before interest and debt issuance costs onconvertible notes	\$	34,293	\$	36,085
Weighted average diluted common shares outstanding		32,447		32,342
Diluted earnings per share	\$	1.06	\$	1.12

SOURCE The Greenbrier Companies, Inc. (GBX)

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