



**Reconciliation of Non-GAAP Financial Measures
1st Quarter 2007 Earnings Conference Call**

Non-GAAP Financial Measure Reconciliation

Reconciliation of Non-GAAP Financial Measures

Genesee & Wyoming Inc.'s (GWI) Q1 2007 earnings release contains Free Cash Flow, which is a “non-GAAP financial measure” as this term is defined in Regulation G of the Securities Exchange Act of 1934. In accordance with Regulation G, GWI has reconciled these non-GAAP financial measures to their most directly comparable U.S. GAAP measures.

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Free Cash Flow Description and Discussion

Management views Free Cash Flow and Adjusted Free Cash Flow, as reconciled within this presentation, as an important financial measure of how well GWI is managing its assets. Subject to the limitations discussed below, Free Cash Flow is a useful indicator of cash flow that may be available for discretionary use by GWI. Free Cash Flow is defined as Net Cash Provided by Operating Activities less Net Cash Used in/Provided by Investing Activities, excluding the Cost of Acquisitions/Proceeds from Divestitures. Adjusted Free Cash Flow is defined as Free Cash Flow less Cash Received From Government Grants and Insurance Proceeds related to prior year capital expenditures. Key limitations of the Free Cash Flow and Adjusted Free Cash Flow measure include the assumptions that GWI will be able to refinance its existing debt when it matures and meet other cash flow obligations from financing activities, such as required dividend payments and principal payments on debt. Free Cash Flow and Adjusted Free Cash Flow are not intended to represent, and should not be considered more meaningful than, or as an alternative to, measures of cash flow determined in accordance with Generally Accepted Accounting Principles (GAAP).

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of GWI's Free Cash Flow for the three months ended March 31, 2007 and March 31, 2006.

	Three Months Ended March 31,	
	2007	2006
Net cash provided by operating activities	\$30.2	\$27.5
Net cash used in investing activities	(1.4)	(6.3)
Free Cash Flow	<u>\$28.8</u>	<u>\$21.2</u>
Cash receipts from government grants and insurance proceeds related to prior year capital expenditures	(4.5)	-
Adjusted Free Cash Flow	<u>\$24.3</u>	<u>\$21.2</u>