



Reconciliation of Non-GAAP Financial Measures

Non-GAAP Financial Measures Reconciliation

This presentation contains reconciliations of GWI's adjusted operating income and adjusted operating ratios, adjusted diluted earnings per share and free cash flow as well as reconciliations of RailAmerica's adjusted operating income, adjusted operating ratios and adjusted diluted earnings per share, each of which are "non-GAAP financial measures" 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 measure.

GWI Results

GWI's Adjusted Operating Ratios by Segment Description and Discussion

Management views its Operating Ratios by Segment, calculated as Operating Expenses divided by Operating Revenues, as an important measure of GWI's operating performance. Because management believes this information is useful for investors in assessing GWI's financial results over a period of time, the Operating Ratios by Segment for the three months ended September 30, 2012, used to calculate Adjusted Operating Ratios by Segment, are presented excluding acquisition-related costs and net gain on sale of assets. The Adjusted Operating Ratios by Segment presented excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, the Operating Ratios by Segment calculated using amounts in accordance with GAAP. Adjusted Operating Ratios by Segment may be different from similarly-titled non-GAAP financial measures used by other companies.

GWI's Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of GWI's Operating Ratio by Segment calculated using amounts determined in accordance with GAAP to Adjusted Operating Ratios as described above for the three months ended September 30, 2012 (\$ in millions):

	North American & European Operations	Australian Operations	Total Operations
Operating revenues	\$ 150.3	\$ 72.4	\$ 222.7
Operating expenses	116.8	53.1	169.9
Operating income	\$ 33.6	\$ 19.3	\$ 52.9
Operating ratio	77.7%	73.3%	76.3%
Operating expenses	\$ 116.8	\$ 53.1	\$ 169.9
Acquisition-related costs	(5.5)	(0.2)	(5.8)
Net gain on sale of assets	1.1	1.9	3.0
Adjusted operating expenses	\$ 112.3	\$ 54.8	\$ 167.1
Adjusted operating income	\$ 38.0	\$ 17.6	\$ 55.6
Adjusted operating ratio	74.7%	75.7%	75.0%

GWI's Adjusted Diluted Earnings Per Share Description and Discussion

Management views Diluted Earnings Per Share as an important financial measure of GWI's operating performance. Because management believes this information is useful for investors in assessing GWI's financial results, the Diluted (Loss)/Earnings Per Share for the three months ended September 30, 2012, used to calculate Adjusted Diluted Earnings Per Share, is presented excluding the contingent forward sale contract mark-to-market expense, acquisition-related expenses, net gain on sale of assets and the impact of the increased diluted share count as a result of the September Class A common stock and Tangible Equity Unit (TEU) offerings. The Adjusted Diluted Earnings Per Share presented excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, Diluted (Loss)/Earnings Per Share calculated using amounts in accordance with GAAP. Adjusted Diluted Earnings Per Share amounts may be different from similarly-titled non-GAAP financial measures used by other companies.

GWI's Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of GWI's Diluted Loss Per Share calculated using amounts determined in accordance with GAAP to Adjusted Diluted Earnings Per Share as described above for the three months ended September 30, 2012:

	Diluted (Loss)/ Earnings Per Share Impact
As reported	\$ (0.47)
Add back certain items, net of tax:	
Contingent forward sale contract mark-to-market expense	1.16
Acquisition-related costs	0.08
Net gain on sale of assets	(0.05)
Impact of increased share count from Class A common stock and TEU offering	0.02
Adjusted	<u>\$ 0.74</u>

RailAmerica Results

RailAmerica's Adjusted Operating Income and Adjusted Operating Ratios Description and Discussion

RailAmerica's management views its Operating Income, calculated as Operating Revenue less Operating Expenses and Operating Ratio, calculated as Operating Expenses divided by Operating Revenue, as an important measure of RailAmerica's operating performance. Because RailAmerica's management believes this information is useful for investors in assessing RailAmerica's financial results, the Operating Income and Operating Ratio for the three months ended September 30, 2012, used to calculate Adjusted Operating Income and Adjusted Operating Ratio, is presented excluding strategic alternatives expense (generally RailAmerica sale expenses), net gain on sale of assets, impairment of assets and 45G benefit. The Adjusted Operating Income and Operating Ratios presented excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, the Operating Income and Operating Ratios calculated using amounts in accordance with GAAP. Adjusted Operating Income and Operating Ratios may be different from similarly-titled non-GAAP financial measures used by other companies.

RailAmerica's Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of RailAmerica's Operating Income and Operating Ratios calculated using amounts determined in accordance with GAAP to Adjusted Operating Income and Adjusted Operating Ratios as described above for the three months ended September 30, 2012 and 2011 (\$ in millions):

	Q3 2012	Q3 2011
Operating revenue	\$ 155.4	\$ 139.7
Operating expenses	133.7	108.2
Operating income	<u>\$ 21.7</u>	<u>\$ 31.5</u>
Operating ratio	86.0%	77.5%
Operating expenses	\$ 133.7	\$ 108.2
Strategic alternatives expense	(16.6)	-
Net gain/(loss) on sale of assets	1.3	-
Impairment of assets	-	(1.9)
45G benefit	-	3.9
Adjusted operating expenses	<u>\$ 118.4</u>	<u>\$ 110.1</u>
Adjusted operating income	<u>\$ 37.0</u>	<u>\$ 29.6</u>
Adjusted operating ratio	76.2%	78.9%

RailAmerica's Adjusted Diluted Earnings Per Share Description and Discussion

RailAmerica's management views Diluted (Loss)/Earnings Per Share as an important financial measure of RailAmerica's operating performance. Because RailAmerica's management believes this information is useful for investors in assessing RailAmerica's financial results, the Diluted Earnings Per Share for the three months ended September 30, 2012, used to calculate Adjusted Diluted Earnings Per Share, is presented excluding the amortization of swap termination costs and strategic alternatives expense (generally, RailAmerica sale expenses). The Adjusted Diluted Earnings Per Share presented excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, Diluted (Loss)/Earnings Per Share calculated using amounts in accordance with GAAP. Adjusted Diluted Earnings Per Share amounts may be different from similarly-titled non-GAAP financial measures used by other companies.

RailAmerica's Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of RailAmerica's Diluted Earnings Per Share calculated using amounts determined in accordance with GAAP to Adjusted Diluted Earnings Per Share as described above for the three months ended September 30, 2012:

	Diluted Earnings Per Share Impact
As reported	\$ 0.12
Add back certain items, net of tax:	
Amortization of swap termination costs	0.02
Strategic alternatives expenses	0.26
Adjusted	<u>\$ 0.40</u>

GWI Results

GWI's Adjusted Operating Income and Adjusted Operating Ratios Description and Discussion

Management views its Operating Income, calculated as Operating Revenues less Operating Expenses, and its Operating Ratio, calculated as Operating Expenses divided by Operating Revenues, as important measures of GWI's operating performance. Because management believes this information is useful for investors in assessing GWI's financial results over a period of time, the Operating Income and Operating Ratios for the three months ended September 30, 2012 and 2011, used to calculate Adjusted Operating Income and Adjusted Operating Ratios, are presented excluding acquisition-related costs, refinancing-related costs and net gain on sale of assets. The Adjusted Operating Income and Adjusted Operating Ratios presented excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, the Operating Income and Operating Ratios calculated using amounts in accordance with GAAP. Adjusted Operating Income and Adjusted Operating Ratios may be different from similarly-titled non-GAAP financial measures used by other companies.

GWI's Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of GWI's Operating Income and Operating Ratios calculated using amounts determined in accordance with GAAP to Adjusted Operating Income and Adjusted Operating Ratios as described above for the three months ended September 30, 2012 and 2011 (\$ in millions):

	Q3 2012	Q3 2011
Operating revenues	\$ 222.7	\$ 217.2
Operating expenses	169.9	161.2
Operating income	<u>\$ 52.9</u>	<u>\$ 56.0</u>
Operating ratio	76.3%	74.2%
Operating expenses	\$ 169.9	\$ 161.2
Acquisition-related costs	(5.8)	(1.1)
Refinancing-related costs	-	(0.1)
Net gain on sale of assets	3.0	0.6
Adjusted operating expenses	<u>\$ 167.1</u>	<u>\$ 160.6</u>
Adjusted operating income	<u>\$ 55.6</u>	<u>\$ 56.6</u>
Adjusted operating ratio	75.0%	73.9%

