Reconciliation of Non-GAAP Financial Measures

Non-GAAP Financial Measures Reconciliation

This presentation contains reconciliations of G&W's adjusted income from operations, adjusted operating ratios, adjusted diluted earnings per share, combined company revenues and combined company same railroad average revenues per carload 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, G&W has reconciled these non-GAAP financial measures to their most directly comparable U.S. GAAP measure.

Adjusted Income from Operations and Adjusted Operating Ratios Description and Discussion

Management views Income from Operations, calculated as Operating Revenues less Operating Expenses and Operating Ratios, calculated as Operating Expenses divided by Operating Revenues, as important measures of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results over a period of time, the Income from Operations and Operating Ratios for the three months ended March 31, 2013, used to calculate Adjusted Income from Operations and Adjusted Operating Ratios, are presented excluding RailAmerica integration costs and net gain on sale of assets. The Income from Operations and Operating Ratios for the three months ended March 31, 2012, used to calculate Adjusted Income from Operations and Adjusted Operating Ratios, are presented excluding net gain on sale of assets and the Edith River Bridge outage. The Income from Operations and Operating Ratios for the guidance for the three months ended March 31, 2013, used to calculate Adjusted Income from Operations and Adjusted Operating Ratios, are presented excluding RailAmerica integration costs. The Adjusted Income from Operations 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 Income from Operations and Operating Ratios calculated using amounts in accordance with GAAP. Adjusted Income from Operations and Adjusted Operating Ratios may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Income from Operations 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 March 31, 2013 and 2012 and the guidance for the three months ended March 31, 2013 ($ in millions):

	Q1 2013 Actual	Q1 2013 Guidance	Q1 2012 Actual
Operating revenues	$ 375.2	$ 385.0	$ 207.4
Operating expenses	299.0	304.0	166.1
Income from operations	$ 76.2	$ 81.0	$ 41.3
Operating ratio	79.7%	79.0%	80.1%
Operating revenues	$ 375.2	$ 385.0	$ 207.4
Edith River Bridge outage	-	-	7.0
Adjusted revenues	$ 375.2	$ 385.0	$ 214.4
Operating expenses	$ 299.0	$ 304.0	$ 166.1
RailAmerica integration costs	(12.8)	(6.0)	-
Net gain on sale of assets	1.7	-	1.2
Edith River Bridge outage	-	-	2.0
Adjusted operating expenses	$ 287.9	$ 298.0	$ 169.4
Adjusted operating income	$ 87.3	$ 87.0	$ 45.1
Adusted operating ratio	76.7%	77.4%	79.0%

Adjusted Diluted Earnings Per Common Share Description and Discussion

Management views Diluted Earnings Per Common Share as an important financial measure of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results, the Diluted Earnings Per Common Share for the three months ended March 31, 2013, used to calculate Adjusted Diluted Earnings Per Common Share, are presented excluding RailAmerica integration costs, refinancing and debt repayment related expenses, net gain on sale of assets, retroactive 2012 short line tax credits and the Q1 2013 short line tax credit. The Diluted Earnings Per Common Share for the three months ended March 31, 2012, used to calculate Adjusted Diluted Earnings Per Common Share, are presented excluding net gain on sale of assets and the impact of the Edith River Bridge outage. The Diluted Earnings Per Common Share for the guidance for the three months ended March 31, 2013, used to calculate Adjusted Diluted Earnings Per Common Share, are presented excluding RailAmerica integration costs and retroactive 2012 short line tax credits. The Adjusted Diluted Earnings Per Common Share presented excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, Diluted Earnings Per Common Share calculated using amounts in accordance with GAAP. Adjusted Diluted Earnings Per Common Share amounts may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Diluted Earnings Per Common Share calculated using amounts determined in accordance with GAAP to Adjusted Diluted Earnings Per Common Share as described above for the three months ended March 31, 2013 (in millions except per share amounts):

Three Months Ended March 31, 2013	Net Income	Diluted Shares	Diluted Earnings/ (Loss) Per Common Share Impact
As reported	$ 82.7	56.5	$ 1.46
Add back certain items, net of tax:			
RailAmerica integration costs	8.0		0.14
Refinancing and debt prepayment related expenses	0.4		0.01
Net gain on sale of assets	(1.3)		(0.02)
Retroactive 2012 short line tax credit	(41.0)		(0.72)
Adjusted net income	$ 48.9		$ 0.87
Q1 impact of 2013 short line tax credit	4.0		0.07
Adjusted net income (excluding Q1 short line tax credit)	$ 44.9	56.5	$ 0.80

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Diluted Earnings Per Common Share calculated using amounts determined in accordance with GAAP to Adjusted Diluted Earnings Per Common Share as described above for the three months ended March 31, 2012 (in millions except per share amounts):

Three Months Ended March 31, 2012	Net Income	Diluted shares	Diluted Earnings/ (Loss) Per Share Impact
As reported	$ 22.2	43.1	$ 0.52
Add back certain items, net of tax:			
Net gain on sale of assets	(0.8)		(0.02)
Edith River Bridge outage	3.5		0.08
Adjusted net income	$ 25.0	43.1	$ 0.58

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Diluted Earnings Per Common Share calculated using amounts determined in accordance with GAAP to Adjusted Diluted Earnings Per Common Share as described above for the guidance for the three months ended March 31, 2013 (in millions except per share amounts):

Guidance for the Three Months Ended March 31, 2013	Net Income	Diluted Shares	Diluted Earnings/ (Loss) Per Common Share Impact
As reported	$ 81.0	56.5	1.43
Add back certain items, net of tax:			
RailAmerica integration costs	4.7		0.09
Retroactive 2012 Short line tax credit	(35.0)		(0.62)
Adjusted net income	$ 50.7	56.5	$ 0.90

Adjusted Combined Company Revenues Description and Discussion

Management views Revenues as an important financial measure of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results, compared with the same period in the prior year, the Revenues for the three months ended March 31, 2012, used to calculate Combined Company Revenues, are presented including the elimination of non-freight revenues earned during the three months ended March 31, 2012 by a subsidiary of RailAmerica for work performed for subsidiaries of G&W and reclassifications of certain revenues of RailAmerica to align with G&W's accounting policies. The Combined Company Revenues presented including these adjustments are not intended to represent, and should not be considered more meaningful than, or as an alternative to, Revenues calculated using amounts in accordance with GAAP. Combined Company Revenues may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's and RailAmerica's Revenues calculated using amounts determined in accordance with GAAP to Combined Company Revenues as described above for the three months ended March 31, 2012 ($ in millions):

Three Months Ended March 31, 2012	G&W As Reported	RailAmerica As Reported	Eliminations/ Adjustments (a)	Combined Company
Freight revenues	$ 144.6	$ 107.8	$ (2.1)	$ 250.3
Non-freight revenues	62.9	35.6	(1.8)	96.7
Operating revenues	$ 207.4	$ 143.4	$ (3.9)	$ 347.0

(a) Includes the elimination of non-freight revenues earned during the three months ended March 31, 2012 by a subsidiary of RailAmerica for work performed for subsidiaries of G&W and reclassifications of certain revenues of RailAmerica to align with G&W's accounting policies.

Combined Company Same Railroad Average Revenues per Carload Description and Discussion

Management views Average Revenues per Carload as an important financial measure of G&W's operating performance. Because management believes this information is useful for investors in assessing G&W's financial results, compared with the same period in the prior year, the Average Revenues per Carload for the three months ended March 31, 2013, used to calculate Combined Company Same Railroad Average Revenues per Carload, are presented excluding operating freight revenues from the Wellsboro & Corning Railroad, LLC and TransRail North America, which RailAmerica acquired on April 9, 2012, Marquette Rail LLC, which RailAmerica acquired on May 1, 2012, and the Columbus & Chattahoochee Railroad, Inc., which G&W commenced operations on July 1, 2012. The Average Revenues per Carload for the three months ended March 31, 2012, used to calculate Combined Same Railroad Average Revenues per Carload are presented including adjustment of carloads and reclassifications of certain revenues of RailAmerica to align with G&W's accounting policies. The Combined Company Same Railroad Average Revenues per Carload presented excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, Average Revenues per Carload calculated using amounts in accordance with GAAP. Combined Company Same Railroad Average Revenues per Carload amounts may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Average Revenues per Carload calculated using amounts determined in accordance with GAAP to Combined Company Same Railroad Average Revenues per Carload as described above for the three months ended March 31, 2013 and 2012($ in millions except average freight revenues per carload):

	G&W As Reported	RailAmerica As Reported	New Operations (a)	Eliminations/ Adjustments (b)	Combined Company Same Railroad
Three Months Ended March 31, 2013					
Freight revenues	$ 281.1		$ (4.2)		$ 276.9
Carloads	450,304		(8,836)		441,468
Average revenues per carload	$ 624		$ 478		$ 627
Three Months Ended March 31, 2012					
Freight revenues	$ 144.6	$ 107.8		$ (2.1)	$ 250.3
Carloads	222,178	215,741		(7,002)	430,917
Average revenues per carload	$ 651	$ 500		$ 298	$ 581

(a) G&W New Ops: CCH; RA New Ops: Marquette, WCOR, TransRail North America

(b) Includes adjustments of carloads and reclassifications of certain revenues of RA to align with G&W's accounting policies

Adjusted Operating Ratios by Reportable Segment Description and Discussion

Management views the Operating Ratios of its Reportable Segments, calculated as Operating Expenses divided by Operating Revenues, as an important measure of G&W’s operating performance. Because management believes this information is useful for investors in assessing G&W’s financial results over a period of time, the Operating Ratios by Reportable Segment for the three months ended March 31, 2013 and 2012, used to calculate Adjusted Operating Ratios by Reportable Segment, are presented excluding RailAmerica integration costs, net gain on sale of assets and the impact from the Edith River Bridge outage. The 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 Ratios by Reportable Segment calculated using amounts in accordance with GAAP. Adjusted Operating Ratios by Reportable Segments may be different from similarly-titled non-GAAP financial measures used by other companies.

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Operating Ratio by Reportable Segment calculated using amounts determined in accordance with GAAP to Adjusted Operating Ratios by Reportable Segment as described above for the three months ended March 31, 2013 ($ in millions):

Three Months Ended March 31, 2013	North American & European Operations	Australian Operations	Total Operations
Operating revenues	$ 299.1	$ 76.1	$ 375.2
Operating expenses	244.3	54.7	299.0
Operating income	$ 54.8	$ 21.4	$ 76.2
Operating ratio	81.7%	71.9%	79.7%
Operating expenses	$ 244.3	$ 54.7	$ 299.0
RailAmerica integration costs	(12.8)	-	(12.8)
Refinancing and debt prepayment related expense	(0.1)	-	(0.0)
Net gain on sale of assets	1.7	-	1.7
Adjusted operating expenses	$ 233.1	$ 54.7	$ 287.9
Adjusted operating income	$ 65.9	$ 21.4	$ 87.3
Adusted operating ratio	78.0%	71.9%	76.7%

Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of G&W's Operating Ratio by Reportable Segment calculated using amounts determined in accordance with GAAP to Adjusted Operating Ratios by Reportable Segment as described above for the three months ended March 31, 2012 ($ in millions):

Three Months Ended March 31, 2012	North American & European Operations	Australian Operations	Total Operations
Operating revenues	$ 144.1	$ 63.4	$ 207.4
Operating expenses	113	53	166
Operating income	$ 31.3	$ 10.0	$ 41.3
Operating ratio	78.3%	84.2%	80.1%
Operating revenues	$ 144.1	$ 63.4	$ 207.4
Edith River Bridge outage	-	7.0	7.0
Adjusted revenues	$ 144.1	$ 70.4	$ 214.4
Operating expenses	$ 112.8	$ 53.4	$ 166.1
Edith River Bridge outage	-	2.0	2.0
Net gain on sale of assets	1.1	0.1	1.2
Adjusted operating expenses	$ 113.9	$ 55.5	$ 169.4
Adjusted operating income	$ 30.2	$ 14.9	$ 45.1
Adjusted operating ratio	79.0%	78.8%	79.0%