



Reconciliation of Non-GAAP Financial Measures  
Q2 2010 Earnings Conference Call

# Non-GAAP Financial Measures Reconciliation

This presentation contains adjusted operating income, adjusted operating ratios, free cash flow, total adjusted carloads and adjusted operating expenses, 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 measures.

# 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 is useful for investors in assessing GWI's financial results compared with the same period in the prior year, the Operating Income and Operating Ratio for the three months ended June 30, 2010, used to calculate Adjusted Operating Income and Adjusted Operating Ratio, are presented excluding net gain on sale of assets and FreightLink acquisition-related expenses. The Operating Income and Operating Ratio for the three months ended June 30, 2009, used to calculate Adjusted Operating Income and Adjusted Operating Ratio, are presented excluding net gain on sale of assets and insurance recovery, legal expenses associated with the resolution of an arbitration proceeding and the Huron Central Railway, Inc. (HCRY) impairment and related charges. 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 Ratio may be different from similarly-titled non-GAAP financial measures used by other companies.

## Non-GAAP Financial Measures Reconciliations

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 described above for the three months ended June 30, 2010 and 2009 (\$ in millions):

Three months ended June 30, 2010	Operating Revenues	Operating Expenses	Operating Income	Operating Ratio
As reported	\$ 158.5	\$ 120.6	\$ 37.9	76.1%
Net gain on sale of assets	-	1.4	(1.4)	
FreightLink acquisition-related expenses	-	(1.2)	1.2	
<b>Adjusted</b>	<b>\$ 158.5</b>	<b>\$ 120.7</b>	<b>\$ 37.7</b>	<b>76.2%</b>
Three months ended June 30, 2009	Operating Revenues	Operating Expenses	Operating Income	Operating Ratio
As reported	\$ 130.1	\$ 115.4	\$ 14.6	88.7%
Net gain on sale of assets and insurance recovery	-	2.3	(2.3)	
Legal expenses associated with resolution of an arbitration proceeding	-	(1.4)	1.4	
HCRY impairment and related charges		(9.0)	9.0	
<b>Adjusted</b>	<b>\$ 130.1</b>	<b>\$ 107.3</b>	<b>\$ 22.7</b>	<b>82.5%</b>

# Free Cash Flow Description and Discussion

Management views Free Cash Flow 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 from Continuing Operations less Net Cash Used in Investing Activities from Continuing Operations, excluding proceeds received from divestitures and the cost of acquisitions. Key limitations of the 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 principal payments on debt. Free Cash Flow is 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 GAAP. Free Cash Flow 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 GWI's Net Cash Provided by Operating Activities from Continuing Operations to GWI's Free Cash Flow (\$ in millions):

	Six Months Ended June 30,	
	2010	2009
Net cash provided by operating activities from continuing operations	\$ 73.8	\$ 44.1
Net cash used in investing activities from continuing operations	(7.1)	(26.1)
Net cash (received)/paid for divestitures/acquisitions	(0.2)	5.8
Free cash flow	\$ 66.5	\$ 23.8

# Adjusted Q2 2009 Carloads Description and Discussion

Management views its Carloads as an important measure of GWI's operating performance. Because management believes this is useful for investors in assessing GWI's financial results compared with the same period in the prior year, the Carloads for the three months ended June 30, 2009, used to calculate Adjusted Q2 2009 Carloads, are presented excluding the carloads from the Huron Central Railway (HCRY) as a result of GWI's announcement on June 15, 2009, to discontinue service on the HCRY. GWI now operates HCRY under a temporary service contract through August 14, 2010. The Adjusted Q2 2009 Carloads presented excluding these carloads are not intended to represent, and should not be considered more meaningful than, or as an alternative to, the Carloads in accordance with GAAP. Adjusted Carloads 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 GWI's Carloads calculated using amounts determined in accordance with GAAP to Adjusted Q2 2009 Carloads:

	Q2 2010 As Reported	Q2 2009 As Reported	HCRY	Q2 2009 As Adjusted	Change As Reported	% Change As Reported	Change As Adjusted	% Change As Adjusted
Coal, Coke and Ores	44,044	42,606	-	42,606	1,438	3.4%	1,438	3.4%
Pulp & Paper	21,570	21,877	(649)	21,228	(307)	(1.4%)	342	1.6%
Minerals & Stone	34,253	35,321	(154)	35,167	(1,068)	(3.0%)	(914)	(2.6%)
Farm & Food Products	29,630	22,316	-	22,316	7,314	32.8%	7,314	32.8%
Chemicals - Plastics	14,262	12,230	(93)	12,137	2,032	16.6%	2,125	17.5%
Metals	24,836	15,500	(884)	14,616	9,336	60.2%	10,220	69.9%
Lumber & Forest Products	16,766	15,199	(314)	14,885	1,567	10.3%	1,881	12.6%
Petroleum Products	6,851	6,911	(287)	6,624	(60)	(0.9%)	227	3.4%
Auto & Auto Parts	3,013	2,055	-	2,055	958	46.6%	958	46.6%
Other	21,804	14,174	(27)	14,147	7,630	53.8%	7,657	54.1%
Total	217,029	188,189	(2,408)	185,781	28,840	15.3%	31,248	16.8%



# Adjusted Operating Ratio of Incremental Revenue Description and Discussion

Management views its Operating Ratio of Incremental Revenue as an important measure of GWI's operating performance. Because management believes this is useful for investors in assessing GWI's financial results compared with the same period in the prior year, the Operating Ratio of Incremental Revenue between the three month periods ended June 30, 2010 and 2009, are presented excluding: 1) changes in foreign exchange rates; 2) gain on sale of assets and insurance recovery; 3) HCRY impairment and related charges and 4) FreightLink acquisition-related expenses. The Adjusted Operating Ratio of Incremental Revenue presented excluding these effects is not intended to represent, and should not be considered more meaningful than, or as an alternative to, the Operating Ratio of Incremental Revenue calculated in accordance with GAAP. Adjusted Operating Ratio of Incremental Revenue 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 GWI's Operating Ratio of Incremental Revenue calculated using amounts determined in accordance with GAAP to Adjusted Operating Ratio of Incremental Revenue as described above for the three months ended June 30, 2010 and 2009 (\$ in millions):

	Q2 2010	Q2 2009	Variance (\$)	FX (\$)	\$ Variance (ex. FX)
Revenues	\$ 158.5	\$ 130.1	\$ 28.4	\$ 4.2	\$ 24.2
Expenses	\$ 120.6	\$ 115.4	\$ 5.2	\$ 4.0	\$ 1.2
Operating ratio of incremental revenue			18.3%		5.0%
Adjustments:					
Net gain on sale of assets and insurance recovery	1.4	2.3			
FreightLink acquisition-related expenses	(1.2)	-			
Legal expenses associated with resolution of an arbitration proceeding	-	(1.4)			
HCRY impairment and related charges	-	(9.0)			
Adjusted operating expenses	\$ 120.7	\$ 107.3	\$ 13.4	\$ 3.4	\$ 10.0
Adjusted operating ratio of incremental revenue			47.2%		41.4%

# Estimated Free Cash Flow Description and Discussion

Management views Free Cash Flow 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 from Continuing Operations less Net Cash Used in Investing Activities from Continuing Operations, excluding proceeds received from divestitures and the cost of acquisitions. Key limitations of the 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 principal payments on debt. Free Cash Flow is not intended to represent, and should not be considered more meaningful than, or as an alternative to, measures of estimated cash flow determined in accordance with GAAP. Free Cash flow 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 GWI's Estimated Net Cash Provided by Operating Activities from Continuing Operations to GWI's Estimated Free Cash Flow (\$ in millions):

	Estimated Year Ended December 31, 2010		
	Original 2010 2/08/10	Revised 2010 4/29/10	Current Update 2010 8/3/10
Net cash provided by operating activities from continuing operations	\$138 - \$143	\$150 - \$155	\$155 - \$160
Net cash used in investing activities from continuing operations	(57)	(66)	(66)
Free cash flow	\$80 - \$85	\$85 - \$90	\$90 - \$95

