



Second Quarter 2017 Earnings Call

August 1, 2017

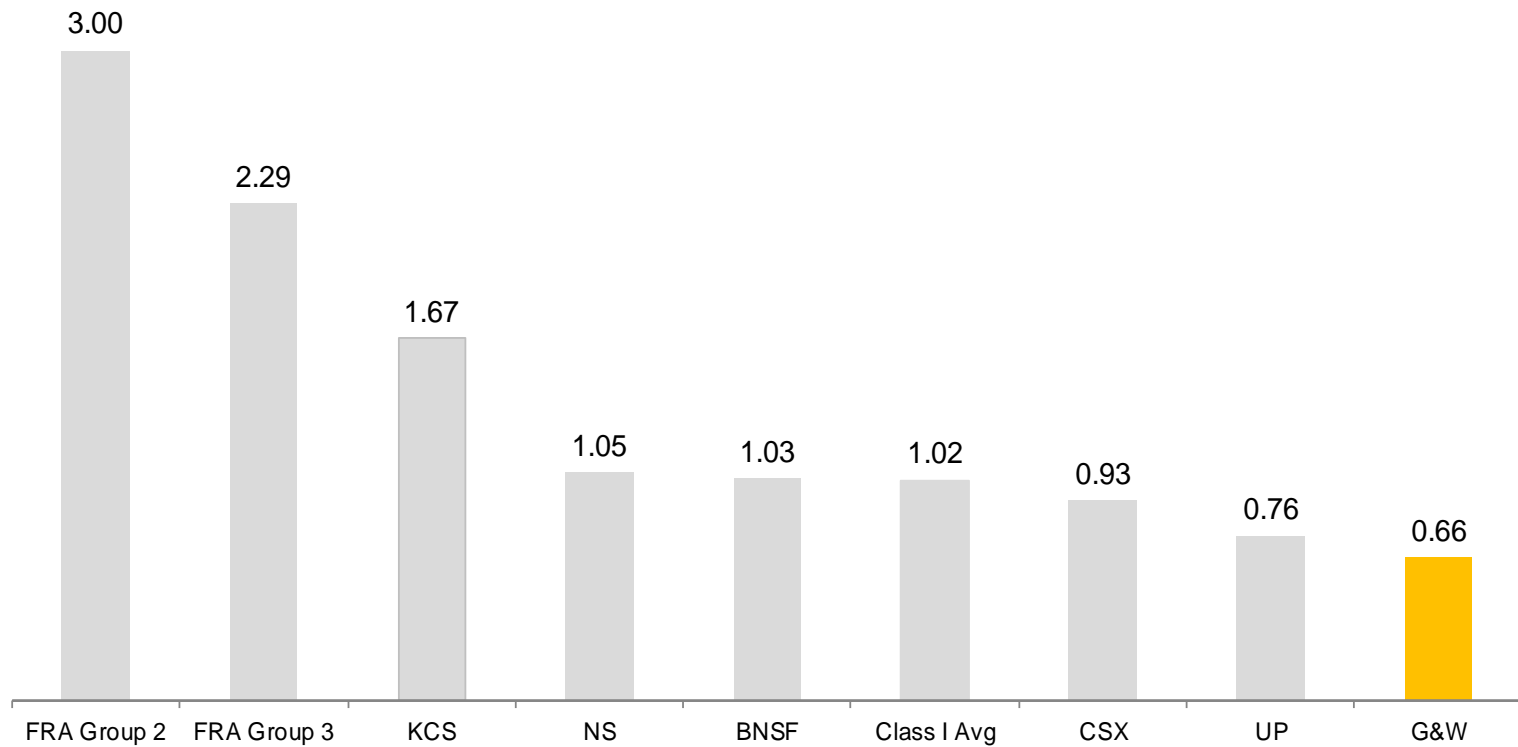


Forward-Looking Statements

This presentation contains “forward-looking statements” regarding future events and the future performance of Genesee & Wyoming Inc. that involve risks and uncertainties that could cause actual results to differ materially from those expressed or forecasted, including, but not limited to, risks related to the operation of our railroads, severe weather conditions and other natural occurrences, economic, political and market conditions (including employee strikes or work stoppages), the credit risk of customers and counterparties, customer demand, railroad network congestion, derailments, currency fluctuations, changes in commodity prices, increased competition in the relevant market, and others, many of which are beyond our control. The Company refers you to the documents that it files from time to time with the Securities and Exchange Commission, such as the Company’s Forms 10-Q and 10-K, which contain additional important factors that could cause its actual results to differ from its current expectations and from the forward-looking statements discussed during this presentation. Forward-looking statements speak only as of the date of this presentation or the date they were made. Genesee & Wyoming Inc. does not undertake, and expressly disclaims, any duty to update any forward-looking statement contained in this presentation whether as a result of new information, future events or otherwise, except as required by law.

G&W Safety Performance – 2017

Injury Frequency Rate per 200,000 man-hours
G&W through June; others through May



Q2 2017 Results Versus Guidance

(\$ in millions, except per share amounts)	Q2 2017 Actual	Q2 2017 Guidance Midpoint	Variance to Guidance	Comments
Net Income Attributable to G&W	\$ 46.0	\$ 45.3	\$ 0.7	
Corporate Development and Related Costs	2.7		2.7	U.K./Europe & North America
Restructuring Costs	2.2		2.2	U.K./Europe
Gain on Sale of Investment	(1.0)		(1.0)	North America
Adjusted Net Income Attributable to G&W ^(a)	\$ 49.9	\$ 45.3	\$ 4.6	
Diluted EPS Attributable to G&W	\$ 0.74	\$ 0.73	\$ 0.01	
Adjusted Diluted EPS Attributable to G&W ^(a)	\$ 0.80	\$ 0.73	\$ 0.07	
	Adjusted Diluted EPS ^(a)	Comments		
Variance (\$ per share)				
North America	\$ 0.02	Consistent with Plan		
Australia	-			
U.K./Europe	0.03	U.K. Intermodal Improvement		
Other	0.02	Lower Tax Rate and Interest Expense		
Variance to Guidance	\$ 0.07			

(a) Adjusted Net Income Attributable to G&W and Adjusted Diluted Earnings Per Share (EPS) Attributable to G&W are non-GAAP financial measures. Reconciliations of non-GAAP financial measures accompany this presentation.

G&W U.S. Same Railroad Carloads vs. U.S. Class I Q2 2017 vs. Q2 2016 (excludes intermodal)^(a)

Commodity	Class I % Change	G&W % Change	Class I Mix	G&W Mix	Commodity Weighted Variance	Notes
Coal	18.6%	0.8%	33.0%	12.9%	(5.5%)	75% of Overall Variance; Class 1 Export Coal; G&W Plant Maintenance
Minerals & Stone	10.2%	2.7%	14.6%	14.5%	(1.1%)	Frac Sand
Metallic Ores	19.6%	(42.0%)	1.5%	0.7%	(0.8%)	Alumina Plant Closure July 2016; Lower Copper Concentrate
Chemicals & Plastics	1.2%	(4.6%)	12.1%	10.6%	(0.7%)	Reduced Acid Shipments to Copper Mine
Metals	2.4%	(3.5%)	5.1%	8.7%	(0.4%)	Scrap and Pig Iron Sourcing
Agricultural Products	9.8%	7.0%	12.9%	14.5%	(0.3%)	
Pulp & Paper	0.1%	(3.8%)	2.2%	9.7%	(0.4%)	Truck Competition; Plant Outages
Autos & Auto Parts	(7.3%)	4.0%	6.7%	2.1%	0.6%	
Consumer ^(b)	(0.5%)	4.2%	5.7%	16.8%	0.7%	
Petroleum Products	(15.0%)	(9.0%)	3.8%	5.1%	0.2%	LPGs
Other	(1.1%)	5.9%	2.4%	4.3%	0.3%	
Total	7.5%	0.2%	100.0%	100.0%	(7.3%)	

(a) UNP, BNSF, NS and CSX (Source: AAR, G&W)

(b) Consumer includes Food & Kindred Products, Lumber & Forest Products and Waste

Recent Developments at G&W by Segment

North America

1. Stable shipment levels & strong cash flow
2. Closed Heart of Georgia Railroad (HOG) acquisition in May
3. Majority support for permanent extension of short line tax credit in both House and Senate
4. Active evaluation of acquisitions and investments

Australia (51%-owned)

1. Improved macro environment with positive business trajectory
2. New CEO of GWA to start in October (external hire)
 - Former CEO of Unimin and CFO of OZ Minerals
3. Bidding on new contracts in multiple geographies
4. Sale of Arrium (iron ore and steel customer) to Liberty House expected to close in August

Recent Developments at G&W by Segment (cont.)

U.K./Europe

1. Completed restructuring of ERS in Continental Europe
2. Turnaround in U.K. financial performance increasingly visible
3. New CEO of U.K./Europe (internal hire)
 - Promoted Senior Vice President of Midwest Region with deep background in rail, ports and trucking
 - Former Freightliner CEO now Senior Advisor
4. Closed on Pentalver acquisition – integration well underway and ahead of plan

Q2 2017 Results Versus Q2 2016

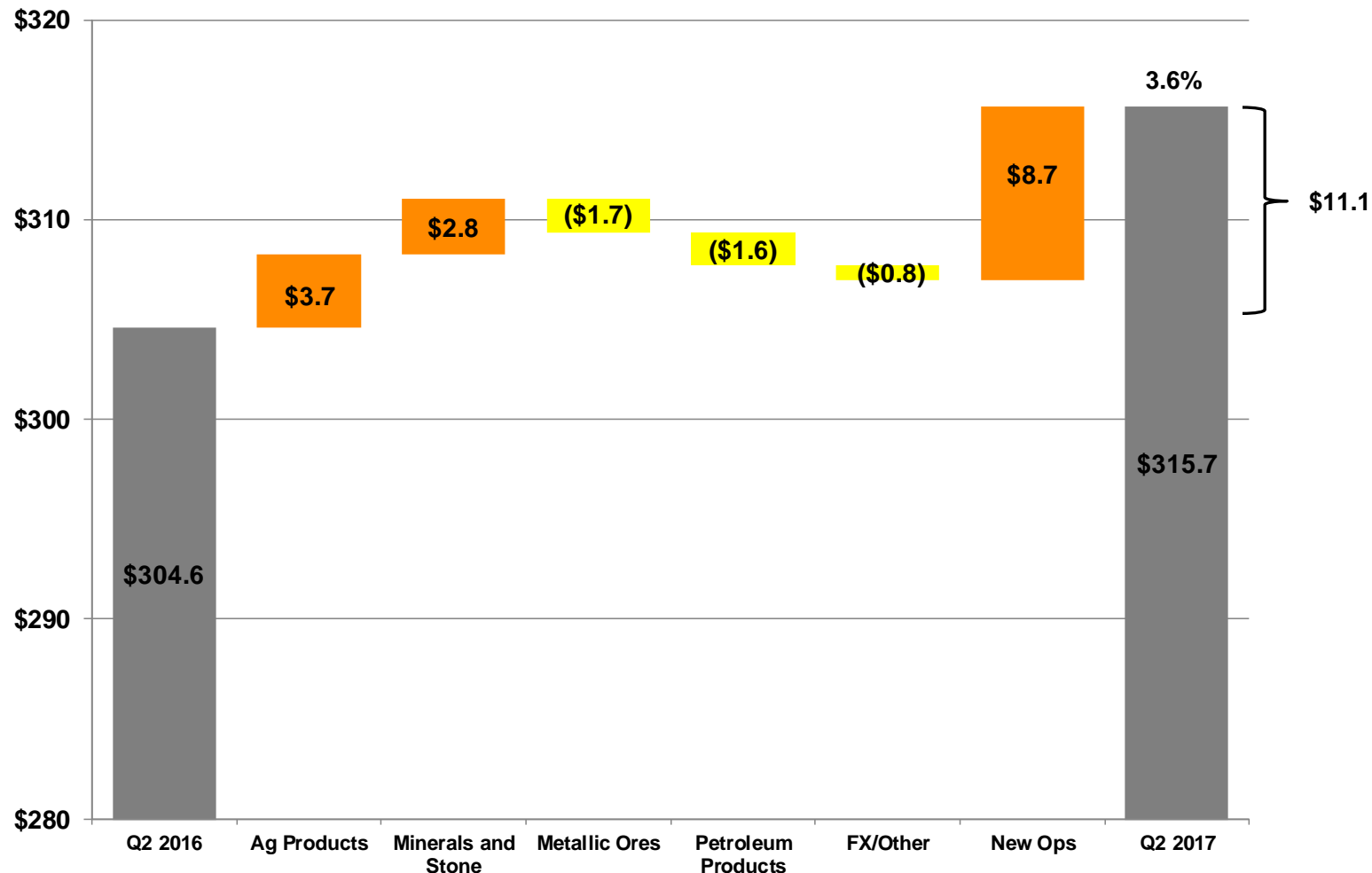
- Adjusted Diluted EPS attributable to G&W^(a) roughly flat year over year
 - Increase in share count from December 2016 secondary offering of 4 million shares

(\$ millions, except per share amounts)	Q2 2017 Actual	Q2 2016 Actual	Variance	Comment
Diluted EPS Attributable to G&W	\$ 0.74	\$ 0.83	\$ (0.09)	
Adjustments				
Corporate Development and Related Costs	\$ 0.04	\$ 0.03	\$ 0.01	2Q 2017: North America and U.K./Europe 2Q 2016: North America and Australia
Restructuring Costs	0.03	0.07	(0.04)	U.K./Europe
Gain on Sale of Investment	(0.02)	-	(0.02)	North America
Short Line Tax Credit	-	(0.12)	0.12	
Adjusted Diluted EPS Attributable to G&W ^(a)	\$ 0.80	\$ 0.81	\$ (0.01)	
Diluted Shares	62,415	58,117	(4,298)	

(a) Adjusted Diluted EPS Attributable to G&W is a non-GAAP financial measure. Reconciliations of non-GAAP financial measures accompany this presentation.

North American Operations Operating Revenues: Q2 2017 vs. Q2 2016

(\$ millions)



North American Operations

Same Railroad Carloads: Q2 2017 vs. Q2 2016

Commodity	Change	%	Comment
Agricultural Products	3,235	6.6%	Grain and Soybean Meal
Autos & Auto Parts	141	1.7%	
Chemicals & Plastics	(1,547)	(3.4%)	Industrial Chemicals, Ethanol and Fertilizers
Coal & Coke	264	0.6%	
Food & Kindred Products	63	0.4%	
Lumber & Forest Products	401	1.2%	
Metallic Ores	(1,873)	(30.6%)	Copper Concentrate; Alumina Plant closure in July 2016
Metals	(1,695)	(4.7%)	Scrap Steel, Pig Iron and Pipe
Minerals & Stone	1,380	2.7%	Frac Sand
Petroleum Products	(1,839)	(7.2%)	LPGs in Utica Shale Region and Western U.S.
Pulp & Paper	(1,514)	(3.7%)	Truck Competition; Plant Outages
Waste	2,422	21.0%	Growth in Northeast and Pacific Regions
Other and Intermodal	3	0.0%	
Total Carloads	(559)	(0.1%)	

North American Operations

Freight Revenues

Same Railroad Average Revenues Per Carload

	Q2 2017	Q2 2016	Change
Average Revenues Per Carload	\$ 597	\$ 588	1.5%
Changes in Commodity Mix ^(a)			(0.6%)
Fuel Surcharge			1.1%
FX (Depreciation of C\$) ^(b)			(0.4%)
Average Revenues Per Carload (excl. Mix, Fuel, FX) ^{(c)(d)}			1.4%

(a) Changes in Commodity Mix illustrates changes between commodity groups, not within a commodity group

(b) Foreign Exchange (FX) impact is calculated by comparing the prior period results translated from local currency to U.S. dollars using current period exchange rates to the prior period results in U.S. dollars as reported

(c) Average Revenues per Carload impacted by changes in customer mix within Agricultural Products, Coal, Metals and Minerals & Stone commodity groups

(d) North American core pricing increased approximately 3.0%

North American Adjusted Operating Income

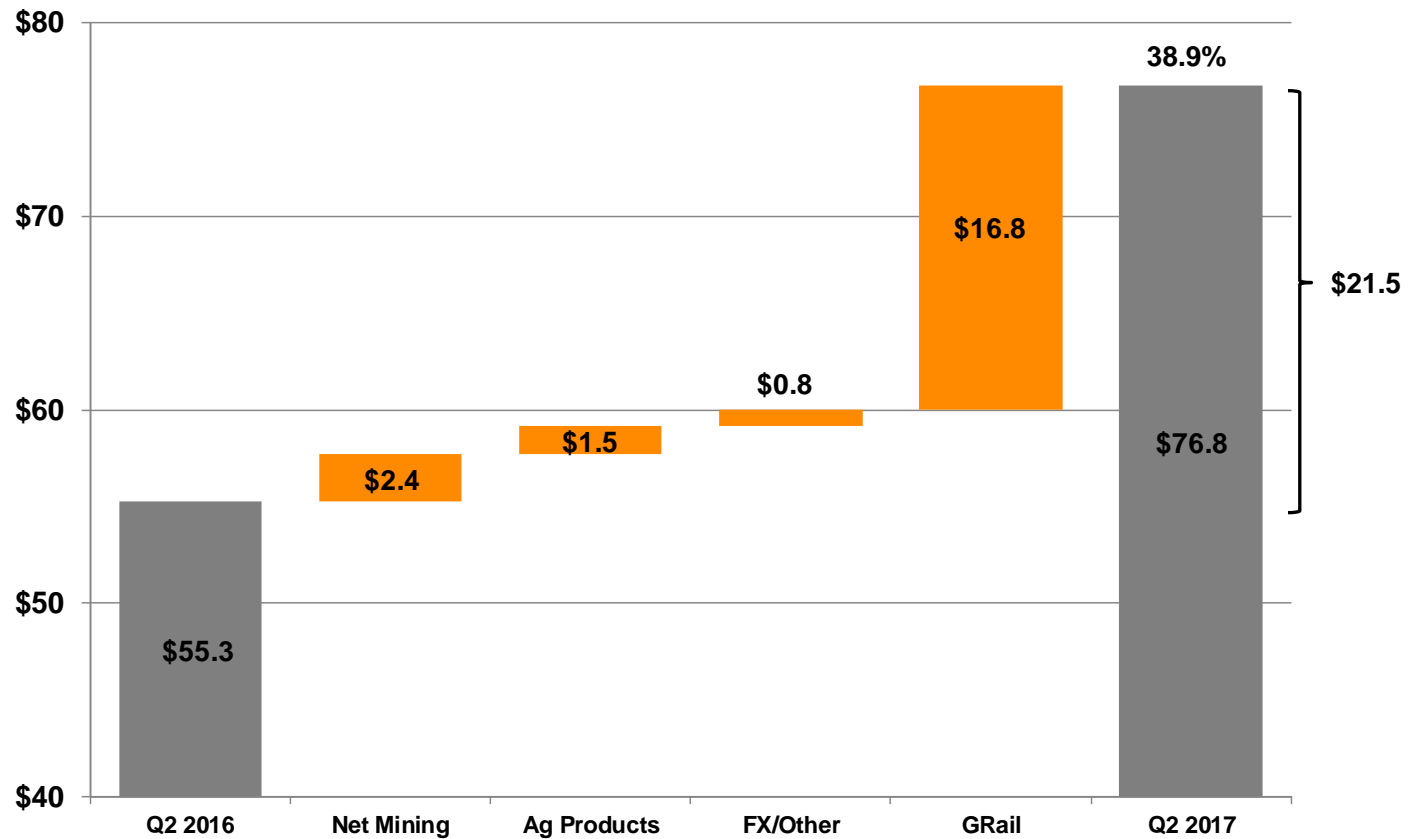
(\$ in millions)	Q2 2017	Q2 2016	Variance	Variance Excluding FX
Operating revenues	\$ 315.7	\$ 304.6	\$ 11.1	\$ 12.1
Operating expenses	(236.1)	(225.6)	(10.5)	(11.5)
Operating income	\$ 79.6	\$ 79.0	\$ 0.6	\$ 0.7
Operating expenses	\$ (236.1)	\$ (225.6)	\$ (10.5)	
Corporate development and related costs	1.5	1.7	(0.2)	
Restructuring costs	-	0.3	(0.3)	
Adjusted operating expenses	\$ (234.6)	\$ (223.5)	\$ (11.1)	\$ (12.0)
Adjusted operating income ^(a)	\$ 81.1	\$ 81.1	\$ 0.0	\$ 0.1

Key Drivers	Adjusted Operating Income Variance (Ex. FX)	Comments
New Operations	\$ 1.9	Includes 3 Months of P&W and 1 Month of HOG Acquisitions; Consistent with Plan (\$8.7 million of revenues)
Same Railroad Operations	\$ (1.8)	Customer Plant Shutdowns, Timing of Gas Transmission Pipe Moves

(a) Adjusted Operating Income is a non-GAAP financial measure. Reconciliations of non-GAAP financial measures accompany this presentation.

Australian Operations (51%-owned) Operating Revenues: Q2 2017 vs. Q2 2016

(\$ millions)



Australian Adjusted Operating Income (51%-owned)

(\$ in millions)	Q2 2017	Q2 2016	Variance	Variance Excluding FX
Operating revenues	\$ 76.8	\$ 55.3	\$ 21.5	\$ 21.2
Operating expenses	(56.6)	(45.9)	(10.7)	(10.3)
Operating income	\$ 20.3	\$ 9.4	\$ 10.9	\$ 10.8
Operating expenses	\$ (56.6)	\$ (45.9)	\$ (10.7)	
Corporate development and related costs	0.1	0.8	(0.8)	
Adjusted operating expenses	\$ (56.5)	\$ (45.1)	\$ (11.4)	\$ (11.1)
Adjusted operating income ^(a)	\$ 20.3	\$ 10.2	\$ 10.1	\$ 10.0

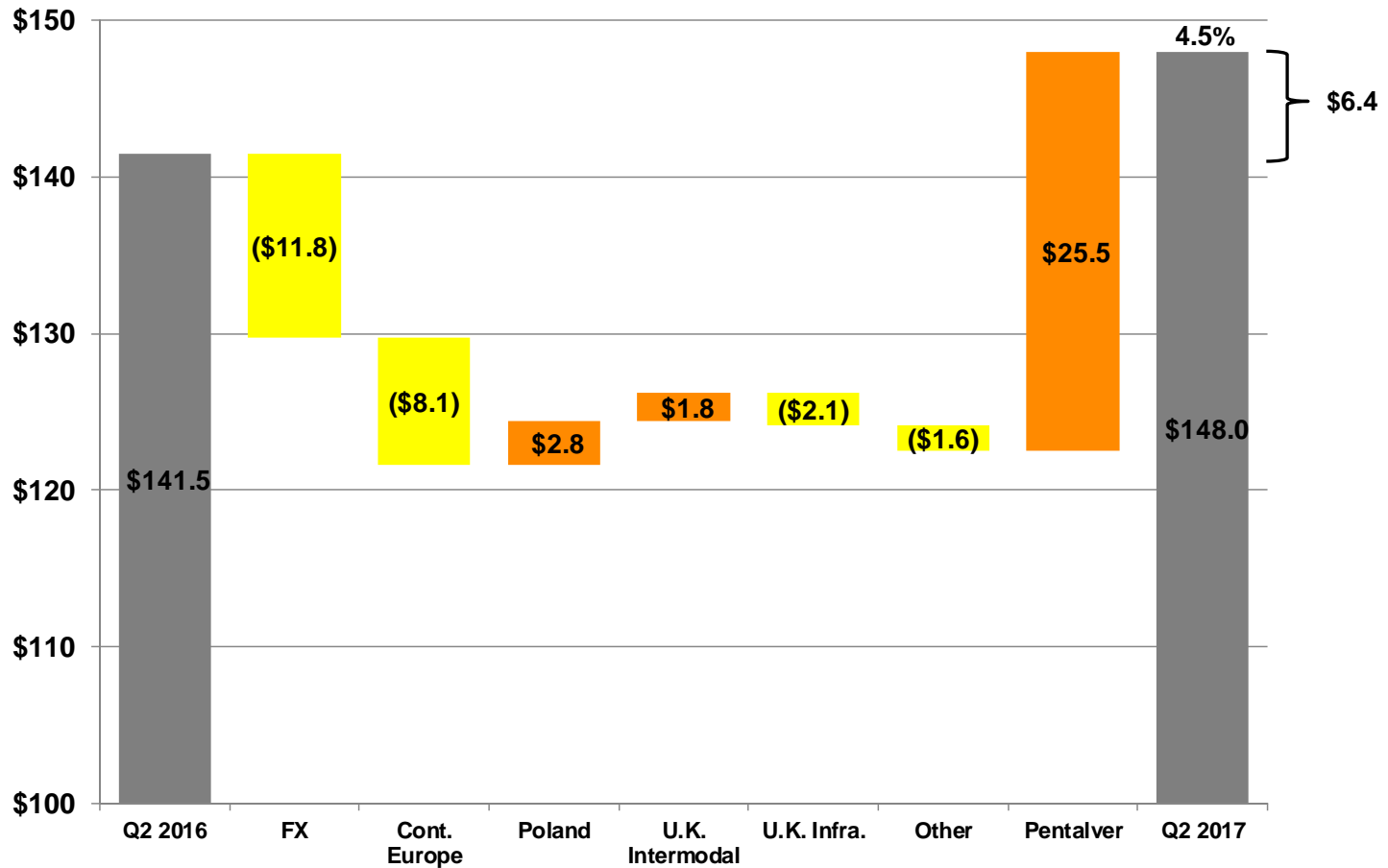
Key Drivers	Adjusted Operating Income Variance (Ex. FX)	Comments
New Operations	\$ 7.9	Includes 3 Months of GRail Acquisition; Consistent with Plan (\$16.2 million of revenues)
Same Railroad Operations	\$ 2.1	Metallic Ores and Stronger Agricultural Products

(a) Adjusted Operating Income is a non-GAAP financial measure. Reconciliations of non-GAAP financial measures accompany this presentation.

U.K./European Operations

Operating Revenues: Q2 2017 vs. Q2 2016

(\$ millions)



U.K./European Adjusted Operating Income

(\$ in millions)	Q2 2017	Q2 2016	Variance	Variance Excluding FX
Operating revenues	\$ 148.0	\$ 141.5	\$ 6.4	\$ 18.2
Operating expenses	(146.4)	(142.7)	(3.7)	(15.5)
Operating income	<u>\$ 1.5</u>	<u>\$ (1.2)</u>	<u>\$ 2.7</u>	<u>\$ 2.8</u>
Operating expenses	\$ (146.4)	\$ (142.7)	\$ (3.7)	
Corporate development and related costs	2.1	-	2.1	
Restructuring costs	2.3	4.6	(2.3)	
Adjusted operating expenses	<u>\$ (142.0)</u>	<u>\$ (138.1)</u>	<u>\$ (3.9)</u>	<u>\$ (15.2)</u>
Adjusted operating income ^(a)	<u>\$ 5.9</u>	<u>\$ 3.4</u>	<u>\$ 2.5</u>	<u>\$ 3.0</u>

Key Drivers	Adjusted Operating Income Variance (Ex. FX)	Comments
New Operations	\$ 2.0	Includes 2 Months of Pentalver; Consistent with Plan (\$25.5 million of revenues)
Same Railroad Operations	\$ 1.0	ERS Restructuring, Partially Offset by Higher U.K. Intermodal Operating Costs

(a) Adjusted Operating Income is a non-GAAP financial measure. Reconciliations of non-GAAP financial measures accompany this presentation.

Guidance – Third Quarter 2017

(As of August 1, 2017)

(\$ in millions, except per share amounts)	North America	Australia	U.K./Europe	Consolidated Q3 2017 Guidance
Operating Revenues	\$320 - \$325	\$80 - \$85	\$175 - \$180	\$575 - \$590
Operating Ratio ^(a)	~73%	~71%	~94%	~79%
Operating Income ^(a)	\$87 - \$89	\$23 - \$25	\$10 - \$12	\$120 - \$124
Net Interest Expense				~\$28
Depreciation and Amortization ^(b)	~\$44	~\$16	~\$9	~\$69
Effective Tax Rate ^(c)				~41%
Net Income Attributable to Noncontrolling Interest				~\$3
Diluted EPS Attributable to G&W ^{(a)(c)}				~\$0.85
Diluted Shares				62.7
Q3 2017 Carload Volumes	410,000 - 420,000	142,000 - 147,000	285,000 - 295,000	
Same RR% Change	(1%) - 1%	NM	(3%) - 0%	

(a) Does not include any potential integration, severance and restructuring related expenses in U.K./Europe.

(b) Includes amortization of non-cash equity compensation expense of \$5 million and D&A of \$64 million.

(c) Includes approximately (\$0.03) impact of change in Illinois state corporate tax on July 1, 2017.

Updated 2017 Guidance

- Full Year Guidance unchanged at ~\$3.00 Adjusted Diluted EPS^(a)
- May Guidance 2H 2017 ~\$1.75; Updated August 2H 2017 Guidance ~\$1.65

Segment	Impact	Comment
North America	(\$0.05)	Drought in South Dakota; slightly weaker overall volumes
Australia	-	Unchanged
U.K./Europe	-	Unchanged
Higher Effective Tax Rate	(\$0.05)	Higher Effective Tax Rate (of which \$0.03 is discrete impact of Illinois rate change and \$0.02 is mix)
Total	(\$0.10)	

(a) Adjusted Diluted Earnings Per Share (EPS) Attributable to G&W is a non-GAAP financial measure. Reconciliations of non-GAAP financial measures accompany this presentation.

Balance Sheet

- Net Debt^(a) of \$2.3 billion at June 30, 2017
- 3.1x Net Adjusted Debt/Adjusted EBITDA^{(b)(c)} at June 30, 2017
- Leverage metrics reflect G&W Debt and EBITDA from North America and U.K./Europe Only

(\$ in millions)	6/30/2017
Cash & Equivalents	\$ 84
Debt:	
G&W Senior Secured Credit Facility, <i>due March 2020</i>	\$ 1,673
Australian Senior Secured Credit Facility, <i>due December 2021</i> ^(d)	523
Australian Subordinated Shareholder Loan, <i>due December 2026</i> ^{(d)(e)}	183
Other Debt	84
Less: Deferred Financing Fees	(30)
TOTAL DEBT	\$ 2,433
Total Equity	\$ 3,339
TOTAL CAPITALIZATION	\$ 5,771
Debt/Total Capitalization	42%
Net Debt/Total Capitalization	41%

(a) Net Debt is calculated as Total Debt less Cash and Equivalents.

(b) Net Adjusted Debt and Adjusted EBITDA are non-GAAP financial measures. Reconciliations of non-GAAP financial measures accompany this presentation.

(c) Based on G&W credit facility covenant requirements, which includes debt and EBITDA attributable to North American and U.K./European operations only, as well as any cash distributions received from Genesee and Wyoming Australia (GWA).

(d) The Australian Operations have a standalone credit agreement non-recourse to G&W and MIRA.

(e) Shareholder loan from MIRA used to fund a portion of its initial contribution to GWA. G&W has matching shareholder loan that is eliminated in consolidation.

2017 G&W Investor Day

Date: November 9, 2017

Time: 9:00 am – 1:00 pm

Location: New York City, NY



**Zero
Injuries**

Our Goal Every Day

Supporting Information for Updated 2017 Guidance

(As of August 1, 2017)

(\$ in millions, except pricing and FX)	North America	Australia	U.K./Europe
Revenues	\$1,270 - \$1,280	\$310 - \$320	\$620 - \$630
Adjusted Operating Ratio ^(a)	~75%	~73%	~96%
Adjusted Operating Income ^(a)	\$315 - \$320	\$80 - \$85	\$20 - \$25
Depreciation and Amortization ^(b)	~\$175	~\$62	~\$34
2017 Carload Volumes	~2%	NM	Flat
2017 Same Railroad Volumes	Flat	~7%	n/a
Freight Pricing	~2.5%	fixed/variable	contract/tariff
FX - 2H 2017	C\$1.00 = US\$0.80	A\$1.00 = US\$ 0.79	£1.00 = US\$1.30 €1.00 = US\$1.16

a) Adjusted Operating Ratio and Adjusted Operating Income solely reflect the adjustments for the first half of 2017 as otherwise reconciled in the non-GAAP financial measures reconciliations accompanying this presentation.

b) Includes amortization of non-cash equity compensation expense of \$18 million and D&A of \$253 million.

G&W U.S. Same Railroad Carloads vs. U.S. Class I Q2 YTD 2017 vs. Q2 YTD 2016 (excludes intermodal)^(a)

Commodity	Class I % Change	G&W % Change	Class I Mix	G&W Mix	Commodity Weighted Variance	Notes
Coal	17.8%	16.3%	33.9%	15.1%	(3.3%)	70% of Overall Variance; Class 1 Export Coal
Minerals & Stone	8.5%	3.8%	13.5%	13.3%	(0.6%)	Frac Sand
Metallic Ores	1.6%	(37.2%)	1.4%	0.8%	(0.5%)	Alumina Plant Closure July 2016; Lower Copper Concentrate
Chemicals & Plastics	0.0%	(2.1%)	12.2%	10.7%	(0.2%)	Reduced Acid Shipments to Copper Mine
Metals	5.2%	(2.1%)	5.1%	8.7%	(0.5%)	Scrap and Pig Iron Sourcing
Agricultural Products	6.9%	4.4%	13.1%	14.6%	(0.3%)	
Pulp & Paper	(1.0%)	(5.0%)	2.2%	9.5%	(0.5%)	Truck Competition; Plant Outages
Autos & Auto Parts	(5.5%)	8.7%	6.8%	2.0%	0.6%	
Consumer ^(b)	(0.4%)	2.4%	5.6%	16.0%	0.4%	
Petroleum Products	(14.1%)	(7.1%)	3.8%	5.3%	0.3%	LPGs
Other	0.1%	0.8%	2.4%	4.1%	0.0%	
Total	6.6%	2.0%	100.0%	100.0%	(4.6%)	

(a) UNP, BNSF, NS and CSX (Source: AAR, G&W)

(b) Consumer includes Food & Kindred Products, Lumber & Forest Products and Waste



Reconciliation of Non-GAAP Financial Measures

Non-GAAP Financial Measures

This presentation contains references to Adjusted Net Income Attributable to G&W, Adjusted Diluted Earnings Per Common Share (EPS), Adjusted Operating Income, Adjusted Operating Ratio, Incremental Margins, Free Cash Flow, Free Cash Flow Before New Business Investments and Net Adjusted Debt to Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), which are “non-GAAP financial measures” as this term is defined in Item 10(e) of Regulation S-K under the Securities Act of 1933 and the Securities Exchange Act of 1934 and Regulation G under the Securities Exchange Act of 1934. In accordance with these rules, G&W has reconciled these non-GAAP financial measures to their most directly comparable U.S. GAAP measures.

Management views these non-GAAP financial measures as important measures of G&W’s operating performance or, in the case of Free Cash Flow, an important financial measure of how well G&W is managing its assets and a useful indicator of cash flow that may be available for discretionary use by G&W. Management also views these non-GAAP financial measures as a way to assess comparability between periods. Key limitations of the Free Cash Flow measure include the assumptions that G&W 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.

These non-GAAP financial measures are not intended to represent, and should not be considered more meaningful than, or as an alternative to, their most directly comparable GAAP measures. These non-GAAP financial measures may be different from similarly-titled non-GAAP financial measures used by other companies.

The following tables set forth reconciliations of each of these non-GAAP financial measures to their most directly comparable GAAP measure (in millions, except percentages and per share amounts).

Adjusted Net Income and Adjusted Diluted EPS

Three Months Ended June 30, 2017	Income Before Income Taxes	Provision for Income Taxes	Net Income Attributable to G&W	Diluted EPS
As reported	\$ 77.7	\$ 29.6	\$ 46.0	\$ 0.74
Add back certain items:				
Corporate development and related costs	3.7	0.9	2.7	0.04
Restructuring costs	2.4	0.2	2.2	0.03
Gain on sale of investment	(1.6)	(0.7)	(1.0)	(0.02)
As adjusted	<u>\$ 82.1</u>	<u>\$ 30.0</u>	<u>\$ 49.9</u>	<u>\$ 0.80</u>
Weighted average shares - diluted				<u>62.4</u>

Three Months Ended June 30, 2016	Income Before Income Taxes	Provision for Income Taxes	Net Income Attributable to G&W	Diluted EPS
As reported	\$ 70.5	\$ 22.1	\$ 48.4	\$ 0.83
Add back certain items:				
Corporate development and related costs	2.6	0.7	1.8	0.03
Restructuring costs	5.0	0.9	4.0	0.07
Q2 2016 Short Line Tax Credit	-	7.2	(7.2)	(0.12)
As adjusted	<u>\$ 78.1</u>	<u>\$ 31.0</u>	<u>\$ 47.0</u>	<u>\$ 0.81</u>
Weighted average shares - diluted				<u>58.1</u>

Adjusted Operating Income – by Segment

Three Months Ended June 30, 2017	North American Operations	Australian Operations	U.K./European Operations	Total
Operating revenues	\$ 315.7	\$ 76.8	\$ 148.0	\$ 540.4
Operating expenses	236.1	56.6	146.4	439.1
Operating income ^(a)	<u>\$ 79.6</u>	<u>\$ 20.3</u>	<u>\$ 1.5</u>	<u>\$ 101.3</u>
Operating expenses	\$ 236.1	\$ 56.6	\$ 146.4	\$ 439.1
Corporate development and related costs	(1.5)	(0.1)	(2.1)	(3.7)
Restructuring costs	-	-	(2.3)	(2.3)
Adjusted operating expenses	<u>\$ 234.6</u>	<u>\$ 56.5</u>	<u>\$ 142.0</u>	<u>\$ 433.1</u>
Adjusted operating income	<u>\$ 81.1</u>	<u>\$ 20.3</u>	<u>\$ 5.9</u>	<u>\$ 107.4</u>

(a) Operating income is calculated as operating revenues less operating expenses.

Adjusted Operating Income – by Segment (cont.)

Three Months Ended June 30, 2016	North American Operations	Australian Operations	U.K./European Operations	Total
Operating revenues	\$ 304.6	\$ 55.3	\$ 141.5	\$ 501.4
Operating expenses	225.6	45.9	142.7	414.2
Operating income/(loss) ^(a)	<u>\$ 79.0</u>	<u>\$ 9.4</u>	<u>\$ (1.2)</u>	<u>\$ 87.2</u>
Operating expenses	\$ 225.6	\$ 45.9	\$ 142.7	\$ 414.2
Corporate development and related costs	(1.7)	(0.8)	-	(2.5)
Restructuring costs	(0.3)	-	(4.6)	(4.9)
Adjusted operating expenses	<u>\$ 223.5</u>	<u>\$ 45.1</u>	<u>\$ 138.1</u>	<u>\$ 406.6</u>
Adjusted operating income	<u>\$ 81.1</u>	<u>\$ 10.2</u>	<u>\$ 3.4</u>	<u>\$ 94.7</u>
FX ^(b)	(0.1)	0.1	(0.5)	(0.5)
Adjusted operating income excluding FX	<u>\$ 81.0</u>	<u>\$ 10.3</u>	<u>\$ 2.9</u>	<u>\$ 94.2</u>

(a) Operating income/(loss) is calculated as operating revenues less operating expenses.

(b) Foreign exchange impact is calculated by comparing the prior period results translated from local currency to U.S. dollars using current period exchange rates to the prior period results in U.S. dollars as reported.

Same Railroad Adjusted Operating Income – North American Operations

Three Months Ended June 30, 2017	Total	New Operations	Same Railroad
Operating revenues	\$ 315.7	\$ 8.7	\$ 307.0
Operating expenses	236.1	7.1	229.0
Operating income ^(a)	<u>\$ 79.6</u>	<u>\$ 1.6</u>	<u>\$ 78.0</u>
Operating expenses	\$ 236.1	\$ 7.1	\$ 229.0
Corporate development and related costs	(1.5)	(0.4)	(1.1)
Adjusted operating expenses	<u>\$ 234.6</u>	<u>\$ 6.8</u>	<u>\$ 227.8</u>
Adjusted operating income	<u>\$ 81.1</u>	<u>\$ 1.9</u>	<u>\$ 79.2</u>

(a) Operating income is calculated as operating revenues less operating expenses.

Same Railroad Adjusted Operating – Australian Operations

Three Months Ended June 30, 2017	Total	New Operations	Same Railroad
Operating revenues	\$ 76.8	\$ 16.2	\$ 60.6
Operating expenses	56.6	8.3	48.3
Operating income ^(a)	<u>\$ 20.3</u>	<u>\$ 7.9</u>	<u>\$ 12.3</u>
Operating expenses	\$ 56.6	\$ 8.3	\$ 48.3
Corporate development and related costs	(0.1)	-	(0.1)
Adjusted operating expenses	<u>\$ 56.5</u>	<u>\$ 8.3</u>	<u>\$ 48.2</u>
Adjusted operating income	<u>\$ 20.3</u>	<u>\$ 7.9</u>	<u>\$ 12.4</u>

(a) Operating income is calculated as operating revenues less operating expenses.

Same Railroad Adjusted Operating – U.K./European Operations

Three Months Ended June 30, 2017	Total	New Operations	Same Railroad
Operating revenues	\$ 148.0	\$ 25.5	\$ 122.4
Operating expenses	146.4	23.6	122.8
Operating income ^(a)	<u>\$ 1.5</u>	<u>\$ 1.9</u>	<u>\$ (0.4)</u>
Operating expenses	\$ 146.4	\$ 23.6	\$ 122.8
Corporate development and related costs	(2.1)	(0.1)	(2.0)
Restructuring costs	(2.3)	-	(2.3)
Adjusted operating expenses	<u>\$ 142.0</u>	<u>\$ 23.5</u>	<u>\$ 118.5</u>
Adjusted operating income	<u>\$ 5.9</u>	<u>\$ 2.0</u>	<u>\$ 3.9</u>

(a) Operating income is calculated as operating revenues less operating expenses.

(b) Operating ratio is calculated as operating expenses divided by operating revenues.

Incremental Margins – Australian Operations

(\$ in millions)	Q2 2017	Q2 2016	Variance	FX	Variance (Ex. FX)
Operating revenues	\$ 76.8	\$ 55.3	\$ 21.5	\$ 0.4	\$ 21.2
Operating expenses	56.6	45.9	10.7		
Operating income	\$ 20.3	\$ 9.4	\$ 10.9		
Incremental operating margin			50%		
Operating expenses	\$ 56.6	\$ 45.9	\$ 10.7		
Adjustments:					
Corporate development and related costs	0.1	0.8			
Adjusted operating expenses	\$ 56.5	\$ 45.1	\$ 11.4	\$ -	\$ 11.4
Adjusted operating income	\$ 20.3	\$ 10.2	\$ 10.1		\$ 10.1
Adjusted incremental operating margin			47%		48%

Free Cash Flow

Six Months Ended June 30,	2017	2016
Net cash provided by operating activities	\$ 224.3	\$ 162.0
Net cash used in investing activities	(175.7)	(78.1)
Net cash used for acquisitions/divestitures	105.7	1.1
Free cash flow and Free cash flow attributable to G&W	154.3	85.0
New business investments, net of grants from outside parties	7.4	3.4
Free cash flow before new business investments	<u>\$ 161.6</u>	<u>\$ 88.3</u>

Free Cash Flow – Australian Operations

Six Months Ended June 30,	2017
Net cash provided by operating activities	\$ 43.4
Net cash used in investing activities	(2.2)
Net cash received from working capital acquisition adjustment	(2.9)
Free cash flow and Free cash flow attributable to G&W	<u>\$ 38.2</u>

EBITDA – Total G&W

	Three Months Ended September 30, 2016	Three Months Ended December 31, 2016	Three Months Ended March 31, 2017	Three Months Ended June 30, 2017	Twelve Months Ended June 30, 2017
Net income	\$ 56.8	\$ 8.9	\$ 27.3	\$ 48.1	\$ 141.1
Add back:					
Provision for income taxes	19.6	19.8	21.9	29.6	91.0
Interest expense	17.3	22.6	26.4	25.8	92.1
Depreciation and amortization expense	50.8	54.1	60.8	61.5	227.2
EBITDA	<u>\$ 144.6</u>	<u>\$ 105.4</u>	<u>\$ 136.4</u>	<u>\$ 165.0</u>	<u>\$ 551.4</u>

EBITDA – Australian Operations

	Three Months Ended September 30, 2016	Three Months Ended December 31, 2016	Three Months Ended March 31, 2017	Three Months Ended June 30, 2017	Twelve Months Ended June 30, 2017
Net income/(loss)	\$ 0.8	\$ (4.8)	\$ 2.1	\$ 4.3	\$ 2.5
Add back:					
Provision for income taxes	0.8	0.5	0.9	1.9	4.1
Interest expense	2.3	7.0	14.1	14.0	37.4
Depreciation and amortization expense	7.1	9.8	15.2	15.0	47.1
EBITDA	<u>\$ 11.0</u>	<u>\$ 12.5</u>	<u>\$ 32.3</u>	<u>\$ 35.2</u>	<u>\$ 91.1</u>

Net Adjusted Debt/Adjusted EBITDA – G&W

Twelve Months Ended June 30, 2017	Less: Australian		Adjustments ^(b)	Acquisitions ^(c)	G&W
	Total G&W	Operations ^(a)			
Net income	\$ 141.1	\$ 2.5	\$ -		\$ 138.6
Add back:					
Provision for income taxes	91.0	4.1	-		86.9
Interest expense	92.1	37.4	7.6		62.3
Depreciation and amortization expense	227.2	47.1	-		180.1
EBITDA	\$ 551.4	\$ 91.1	\$ 7.6	\$ 28.9	\$ 496.8
Add back certain items					
Non-cash compensation cost related to equity awards			17.0		17.0
Impairment and related costs			19.4		19.4
Corporate development and related costs			7.4		7.4
Restructuring costs			7.8		7.8
Net gain on sale of assets			(0.6)		(0.6)
Hedging agreement expense			3.7		3.7
U.K. coal railcar leases			8.7		8.7
Adjusted EBITDA					\$ 560.2
Total debt	\$ 2,433	\$ 695	\$ 3		\$ 1,741
Add back: Deferred financing fees	30	13	-		16
Adjusted debt	\$ 2,462	\$ 708	\$ 3		\$ 1,758
Less: Cash	84	48	(5)		31.6
Net adjusted debt	\$ 2,379	\$ 660	\$ 8		\$ 1,726
Net adjusted debt/Adjusted EBITDA ratio					3.1 : 1.0

(a) Australia Operations are excluded from G&W's Senior Secured Syndicated Credit Facility Agreement.

(b) Adjustments based on Credit Facility Agreement.

(c) Includes P&W for 7/1/16 - 10/31/16, GRail for 7/1/16 - 11/30/16, Pentalver for 7/1/16 - 4/30/17 and HOG for 7/1/16-5/30/17.

Net Adjusted Debt/Adjusted EBITDA – G&W

	Three Months Ended December 31, 2015	Three Months Ended March 31, 2016	Three Months Ended June 30, 2016	Three Months Ended September 30, 2016	Twelve Months Ended September 30, 2016
Net income	\$ 84.9	\$ 27.0	\$ 48.4	\$ 56.8	\$ 217.1
Add back:					
Provision for/(benefit from) income taxes	(7.1)	12.8	17.7	19.6	43.1
Interest expense	18.3	18.0	22.1	17.3	75.7
Depreciation and amortization expense	50.0	49.3	50.9	50.8	201.1
EBITDA	\$ 146.1	\$ 107.1	\$ 139.2	\$ 144.6	\$ 537.0
Add back certain items					
Non-cash compensation cost related to equity awards	\$ 4.3	\$ 5.0	\$ 4.4	\$ 4.4	\$ 18.0
Australia impairment and related costs	-	13.0	-	-	13.0
Corporate development and related costs	2.4	0.3	0.4	-	3.1
Restructuring costs	-	1.1	5.0	-	6.1
Net gain on sale of assets	(0.3)	(0.2)	(0.3)	(0.5)	(1.3)
Adjusted EBITDA	<u>\$ 152.5</u>	<u>\$ 126.3</u>	<u>\$ 148.6</u>	<u>\$ 148.5</u>	<u>\$ 575.9</u>
Total debt					\$ 2,063
Less: Cash					26
Net debt					\$ 2,037
Add back: Deferred financing fees					19
Net adjusted debt					<u>\$ 2,056</u>
Net adjusted debt/Adjusted EBITDA ratio					3.6 : 1.0

Adjusted Operating Income and Adjusted Operating Ratio – Full Year Guidance

Twelve Months Ended December 31, 2017 - Guidance	North American Operations	Australian Operations	U.K./European Operations
Operating revenues	\$1,270 - \$1,280	\$310 - \$320	\$620 - \$630
Operating expenses	\$962 - \$967	\$231 - \$236	\$608 - \$613
Operating income ^(a)	\$308 - \$313	\$79 - \$84	\$12 - \$17
Operating ratio ^(b)	~76%	~74%	~97%
Operating expenses	\$962 - \$967	\$231 - \$236	\$608 - \$613
Corporate development and related costs	(6.8)	(0.2)	(2.1)
Restructuring costs	(0.1)	(0.3)	(5.7)
Adjusted operating expenses	\$955 - \$960	\$230 - \$235	\$600 - \$605
Adjusted operating income	\$315 - \$320	\$80 - \$85	\$20 - \$25
Adjusted operating ratio	~75%	~73%	~96%

(a) Operating income is calculated as operating revenues less operating expenses.

(b) Operating ratio is calculated as operating expenses divided by operating revenues.

Adjusted Net Income and Adjusted Diluted EPS – Full Year Guidance

Twelve Months Ended December 31, 2017 - Guidance	Income Before Income Taxes	Provision for Income Taxes	Net Income Attributable to G&W	Diluted EPS
As reported	~\$310	~\$125	~\$177	~\$2.83
Add back certain items:				
Corporate development and related costs	9.1	3.1	5.9	0.10
Restructuring costs	6.1	0.4	5.6	0.09
Gain on sale of investment	(1.6)	(0.7)	(1.0)	(0.02)
As adjusted	<u>~\$324</u>	<u>~\$128</u>	<u>~\$188</u>	<u>~\$3.00</u>
Weighted average shares - diluted				<u>62.5</u>

