# Third Quarter 2016 Earnings Call

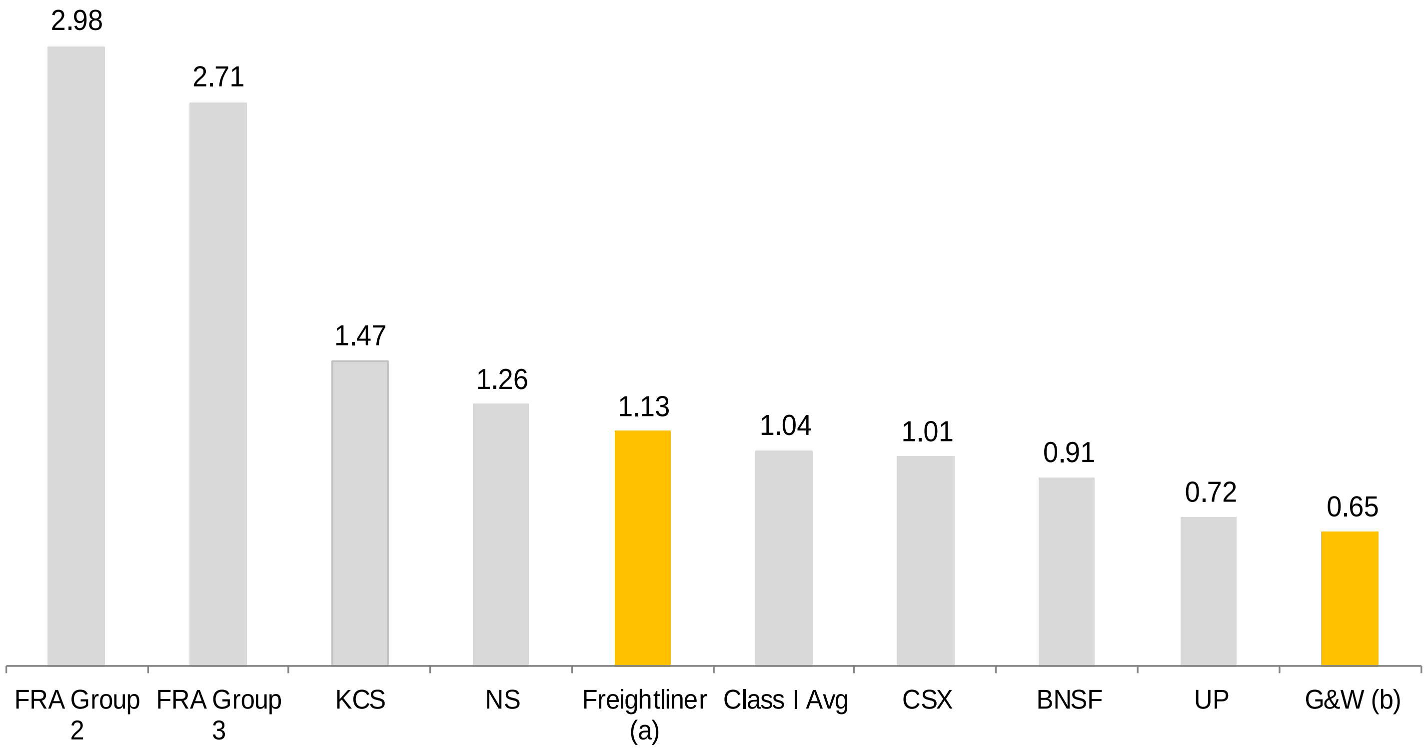
November 1, 2016

# 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 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 – 2016

Injury Frequency Rate per 200,000 man-hours
G&W and Freightliner through September; others through July




a) Includes Freightliner operations in U.K., Europe and Australia
b) Excludes Freightliner operations

Zero Injuries
*Our Goal Every Day*

# Q3 2016 EPS Results Versus Guidance

| ($ in millions, except per share amounts) | Q3 2016 Actual | Q3 2016 Guidance | Variance to Mid-Point | Variance % |
|---|---|---|---|---|
| Net Income | $ 56.8 | $ 54 | $ 2.8 | 5% |
| Corporate Development and Related Costs | 3.1 | | | |
| Restructuring Costs | 0.2 | | | |
| Net Gain on Sale of Assets | (0.4) | | | |
| Impact of Reduction in U.K. Income Tax Rate | (4.3) | | | |
| Adjusted Net Income[a] | $ 55.4 | $ 54 | $ 1.4 | 3% |
| | | | | |
| Diluted EPS | $ 0.98 | $0.90 - $0.95 | $ 0.05 | 6% |
| Adjusted Diluted EPS[a] | $ 0.95 | $0.90 - $0.95 | $ 0.02 | 3% |

[a] Adjusted Net Income and Adjusted Diluted Earnings Per Share (EPS) are non-GAAP financial measures. Reconciliations of non-GAAP financial measures accompany this presentation.

# Q3 2016 Operating Results Versus Guidance

| ($ in millions) | Q3 2016 Actual | Q3 2016 Guidance | Variance to Mid-Point | Variance % |
|---|---|---|---|---|
| Operating Revenues | $ 501.0 | $ 500 | $ 1.0 | 0% |
| Operating Income | $ 91.9 | | | |
| Operating Ratio | 81.7% | | | |
| Corporate Development and Related Costs | 4.3 | | | |
| Restructuring Costs | 0.2 | | | |
| Net Gain on Sale of Assets | (0.5) | | | |
| Adjusted Operating Income[a] | $ 95.8 | $90 - $95 | $ 3.3 | 4% |
| Adjusted Operating Ratio[a] | 80.9% | 81% - 82% | 60 bps | |

| Variance ($ in millions) | Operating Revenues | Adjusted Operating Income[a] | Notes |
|---|---|---|---|
| North America | $ 5.2 | $ 10.3 | Revenue Mix and Cost Control |
| Australia | (0.8) | (0.6) | |
| U.K./Europe | (3.3) | (6.4) | Continental Europe; U.K. Intermodal and Infrastructure Services |
| Variance to Guidance | $ 1.0 | $ 3.3 | |

[a] Adjusted Operating Income and Adjusted Operating Ratio are non-GAAP financial measures. Reconciliations of non-GAAP financial measures accompany this presentation.

# North American Operations: Q3 2016 vs. Q3 2015

- **Operating Revenues declined $4.4 million**
  - **$9.2 million, or 3.8%, decrease in freight revenues (lower utility coal, pulp and paper, metals and metallic ores), partially offset by $5.3 million, or 9.3%, increase in freight-related revenues**
- **Operating Income decreased $3.4 million, or 3.8% (Adjusted Operating Income decreased $2.9 million, or 3.2%)[(a)]**

| (US$ in millions) | Q3 2016 | Q3 2015 | Change | % Change |
|---|---|---|---|---|
| Operating Revenues | $ 310.2 | $ 314.6 | $ (4.4) | (1.4%) |
| Operating Income | $ 87.2 | $ 90.6 | $ (3.4) | (3.8%) |
| Operating Ratio | 71.9% | 71.2% | (70 bps) | |
| Adjusted Operating Income[(a)] | $ 87.8 | $ 90.7 | $ (2.9) | (3.2%) |
| Adjusted Operating Ratio[(a)] | 71.7% | 71.2% | (50 bps) | |

[(a)] Adjusted Operating Income and Adjusted Operating Ratio are non-GAAP financial measures. Reconciliations of non-GAAP financial measures accompany this presentation.

# Australian Operations: Q3 2016 vs. Q3 2015

- **Operating Revenues declined $6.9 million (or $9.6 million, excluding FX[a])**
  - **$7.9 million, or 44%, decrease in Australian mining revenues (primarily fixed payment from now closed Southern Iron mine and shut down of manganese mine, partially offset by new business)**
- **Operating Income decreased $10.6 million, or 70.8% (Adjusted Operating Income decreased $8.2 million, or 52.6%)[b]**
  - **Loss of high margin business, primarily Southern Iron fixed fee**

| (US$ in millions) | Q3 2016 | Q3 2015 | Change | % Change | % Change (ex. FX [a]) |
|---|---|---|---|---|---|
| Operating Revenues | $ 54.2 | $ 61.0 | $ (6.9) | (11.2%) | (15.0%) |
| Operating Income | $ 4.4 | $ 15.0 | $ (10.6) | (70.8%) | (72.0%) |
| Operating Ratio | 91.9% | 75.5% | | | |
| Adjusted Operating Income[b] | $ 7.4 | $ 15.6 | $ (8.2) | (52.6%) | (54.4%) |
| Adjusted Operating Ratio[b] | 86.3% | 74.4% | | | |

[a] 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.

[b] Adjusted Operating Income and Adjusted Operating Ratio are non-GAAP financial measures. Reconciliations of non-GAAP financial measures accompany this presentation.

# U.K./European Operations: Q3 2016 vs. Q3 2015

- **Operating Revenues declined $34.1 million (or $16.0 million, excluding FX[a])**
  - **$13.0 million, or 32%, decrease in Continental Europe intermodal revenues (freight + freight-related)**
  - **$2.3 million, or 3.9%, decrease in U.K. intermodal revenues**
  - **$2.1 million, or 7.9%, decline in U.K. coal traffic and infrastructure revenues partially offset by new business**
- **Operating Income decreased $11.7 million, or 97.3% (Adjusted Operating Income decreased $11.4 million, or 94.7%)[b]**
  - **Negative currency impact of ~$2 million**
  - **U.K. Coal business restructured, but residual surplus equipment cost overhang of ~$2 million**
  - **U.K. intermodal and infrastructure ~$4 million lower due to port congestion and timing of infrastructure projects**
  - **Continental Europe intermodal operating loss of ~$3 million due to business restructuring, exiting traffic lanes and surplus equipment**

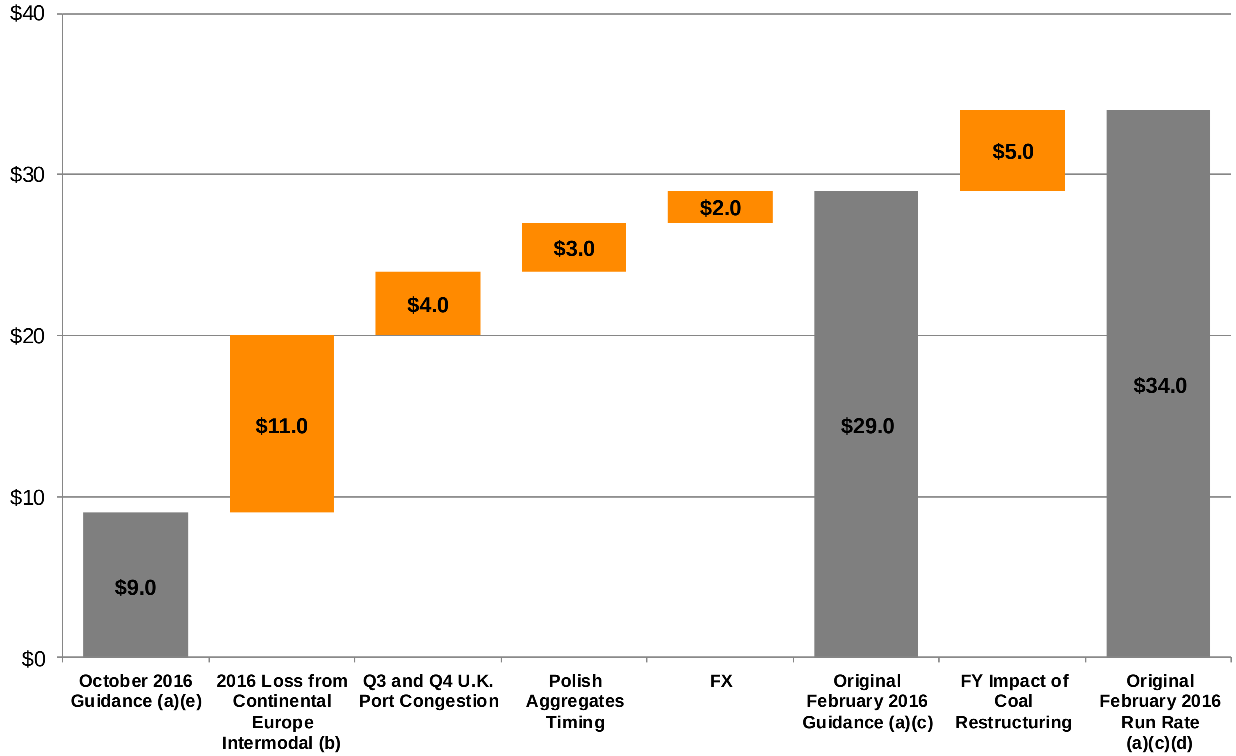
| (US$ in millions) | Q3 2016 | Q3 2015 | Change | % Change | % Change (ex. FX [a]) |
|---|---|---|---|---|---|
| Operating Revenues | $ 136.7 | $ 170.7 | $ (34.1) | (20.0%) | (10.5%) |
| Operating Income | $ 0.3 | $ 12.0 | $ (11.7) | (97.3%) | (96.8%) |
| Operating Ratio | 99.8% | 93.0% | (680 bps) | | |
| Adjusted Operating Income[b] | $ 0.6 | $ 12.0 | $ (11.4) | (94.7%) | (93.9%) |
| Adjusted Operating Ratio[b] | 99.5% | 93.0% | (650 bps) | | |

[a] 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.

[b] Adjusted Operating Income and Adjusted Operating Ratio are non-GAAP financial measures. Reconciliations of non-GAAP financial measures accompany this presentation.

# U.K./European Operations
# 2016 Operating Income Bridge

($ millions)




(a) Excludes the $4.7 million impact of workforce restructuring expense primarily associated with U.K. Coal business
(b) Actions completed to mitigate the 2016 loss include ~$7 million of cost cuts, return of surplus equipment and return of surplus capacity
(c) Original February 2016 Guidance of $32 million did not reflect ~$3 million annual non-cash expense associated with the accretion of Freightliner deferred consideration until 2020
(d) Original February 2016 Run Rate represents full year estimate of the U.K./Europe operations post restructuring of the U.K. coal business
(e) Adjusted Operating Income is a non-GAAP financial measure. Reconciliations of non-GAAP financial measures accompany this presentation

# Priorities for Q4 2016

## G&W Overall

- Safety
- Acquisitions and Investments, including with potential financial partners for sizable transactions

## North American Operations

- Sustain solid results in an uneven economy
- Providence and Worcester acquisition closing into Trust on November 1 with STB approval pending
- U.S. Short Line Tax Credit extension

## Australian Operations

- Complete Glencore Rail acquisition and formation of new Joint Venture with Macquarie

## U.K./European Operations

- Finish business turnaround, with focus on Continental Europe intermodal

# Components of Freightliner Value

## Enterprise Value of £492 million acquisition (March 2015)

| Business Component | % of Value | Short Term Performance | Medium and Long Term Performance | Platform for Future Investment |
|---|---|---|---|---|
| 1. U.K. Intermodal | 80% | ↔ (Port Congestion) | ↑ | ↑ |
| 2. U.K. Bulk/Infra. Services | | ↓ (Coal Restructured) | ↑ (New Contracts/ Infra. Services) | ↓ (Surplus Equipment) |
| 3. Australia | 10% | ↑ | ↑ | ↑ (Glencore Rail) |
| 4. Poland | 9% | ↔ (Aggregates Timing) | ↑ | ↑ |
| 5. Continental Europe Intermodal | 1% | ↓ (Intermodal Restructuring) | ↔ | ↔ |

# Acquisition of Glencore Rail, Concurrent Sale of 49% of Australian Operations

- Genesee & Wyoming Australia (GWA) is acquiring Glencore's internal rail haulage operator (GRail) for A$1.14 billion (US$873 million at current exchange rates) and concurrently selling a 49% equity stake in GWA to Macquarie Infrastructure and Real Assets (MIRA)
- Strengthens GWA's nationwide footprint in Australia with a significant presence in the Hunter Valley coal supply chain in New South Wales complementing GWA's existing intermodal, agricultural and mining business in South Australia and the Northern Territory
- Hauling approximately 40 million tonnes per annum, GRail adds ~A$100 million of EBITDA[a] and has long-term average annual sustaining capex of A$5 million
- Creating a GWA joint venture (51% G&W and 49% MIRA) with an enterprise value of A$2 billion (EBITDA[a] of A$180 million from combined GRail and existing GWA run-rate)
- G&W is doubling the size of GWA and retaining 51% of a business with stronger long-term free cash flow and enhanced growth potential

[a] Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is a non-GAAP financial measure. Reconciliations of non-GAAP financial measures accompany this presentation.

# Transaction Rationale

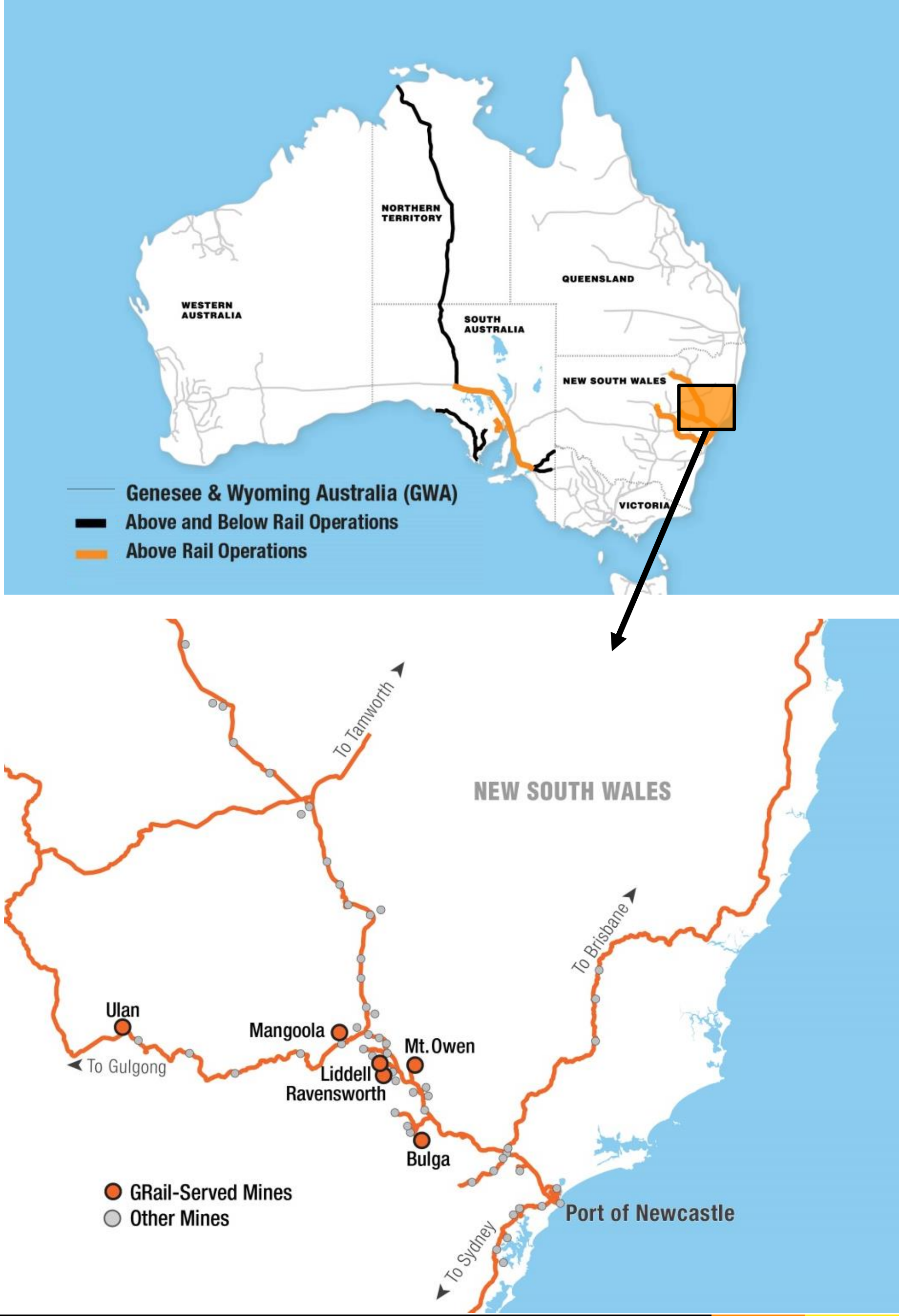
| | |
|---|---|
| **Premier Coal Franchise** | ■ High-quality, low-cost coal – the coal of choice for established, blue-chip Asian utilities (Japan, Korea, Taiwan concentration)<br>■ Post-closing, GWA will have a ~25% market share in the world's pre-eminent, steam-coal export supply chain<br>■ 20-year take-or-pay and exclusivity backed by Glencore Plc underpins base cash flows, with anticipated ~30% growth over the next 4 years for additional Glencore volumes |
| **Strong, Local Partner** | ■ Partnering with MIRA to acquire GRail; MIRA is the world's largest global infrastructure fund, with A$136 billion under management<br>■ MIRA's local Australia presence, infrastructure expertise and access to long-term capital will drive incremental value to GWA<br>■ Pro forma GWA has A$2.0 billion enterprise value, validated by experienced infrastructure investor |
| **Long-Term Value Creation for G&W** | ■ Contracted growth with Glencore in Hunter Valley in medium-term expected to add ~A$50 million EBITDA[a] and require incremental ~A$100 million investment<br>■ Ability to haul spot volumes and bid for new contracts in Hunter Valley; re-positioning surplus assets from South Australia to capture incremental volume<br>■ Near-term neutral impact on G&W's net income and EPS with immediate free cash flow accretion; long-term significant net income, EPS and free cash flow accretion as volumes increase under contract and with potential market share gains |

[a] EBITDA is a non-GAAP financial measure. Reconciliations of non-GAAP financial measures accompany this presentation.

# Hunter Valley Operations

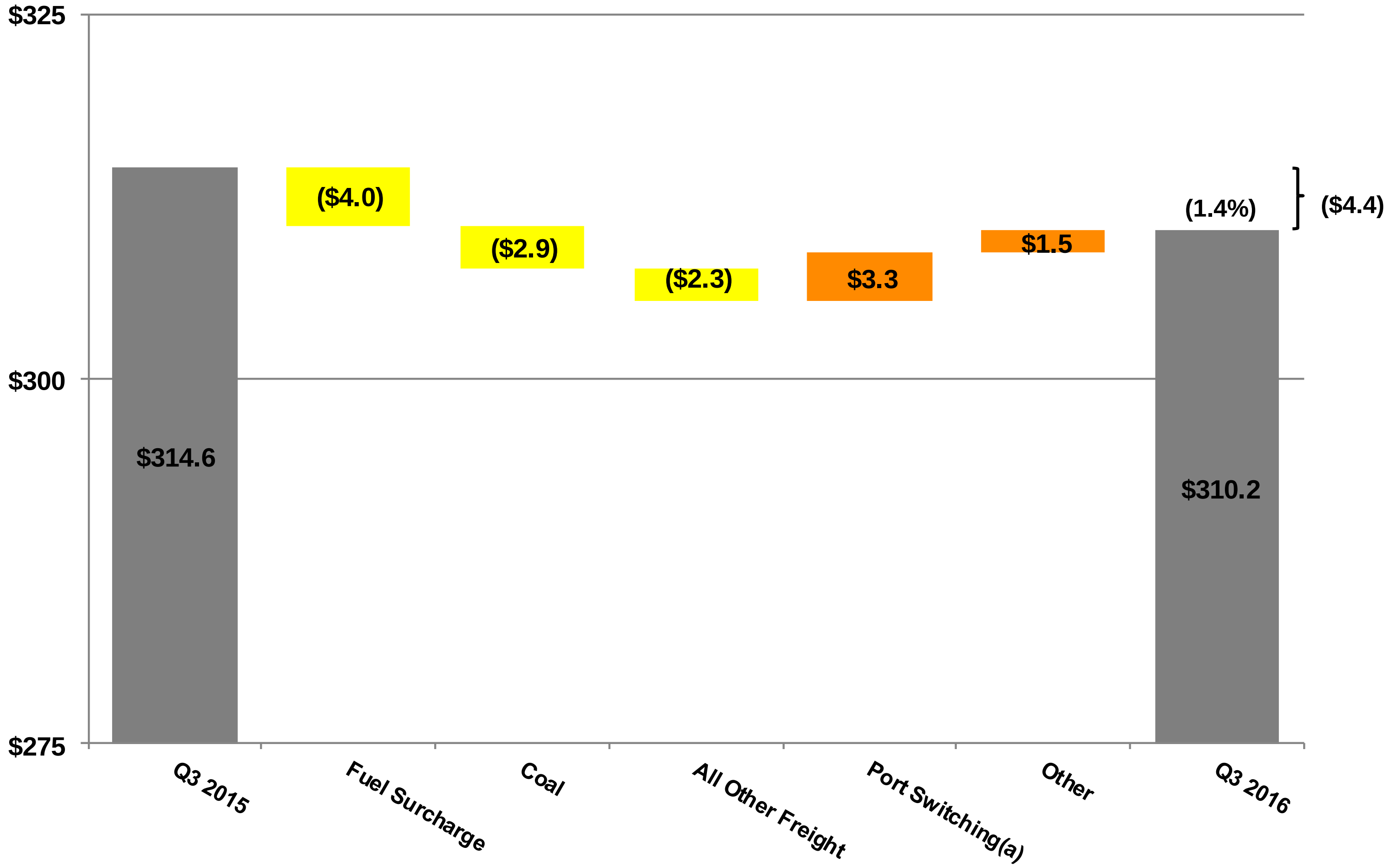
## Efficient supply chain connecting steam coal mines to port

- GRail owns 9 train sets, comprising 30 locomotives and 894 wagons, and operates on open access track owned by the Australian Rail Track Corporation (government-owned)
  - Mines pay for track access, GWA is not responsible for track capital
- GWA, via Freightliner Australia, already operates the GRail business under a contract that commenced in 2010; minimal integration risk
- GRail's locomotives and wagons are relatively new at 4-5 years old compared to 20+ year useful life
- GWA hauls approximately 40 million tonnes annually, achieving best in class service standards consistently exceeding performance levels of 99% for ordered trains



# North American Operations
# Operating Revenues:  Q3 2016 vs. Q3 2015

($ millions)




(a) Change in presentation of revenues from certain port terminal railroad operations that were previously presented net of the related costs incurred.

# North American Operations Carloads: Q3 2016 vs. Q3 2015

| Commodity | Change | % | Comment |
|---|---|---|---|
| Agricultural Products | 3,014 | 6% | Grain; DDGs |
| Autos & Auto Parts | 38 | 1% | |
| Chemicals & Plastics | (1,427) | (3%) | |
| Coal & Coke | (8,169) | (12%) | Utility Coal |
| Food & Kindred Products | 296 | 2% | |
| Intermodal | 46 | 70% | |
| Lumber & Forest Products | 483 | 1% | |
| Metallic Ores | (1,755) | (28%) | Alumina and Copper Concentrate |
| Metals | (2,529) | (7%) | Coils; Slabs and Scrap Steel |
| Minerals & Stone | (3,447) | (6%) | Lower Rock Salt and Frac Sand; Higher Aggregates |
| Petroleum Products | (283) | (1%) | |
| Pulp & Paper | (3,549) | (8%) | Truck Competition; Plant Consolidation After Merger |
| Waste | 1,967 | 17% | New Contracts |
| Other | (2,257) | (14%) | |
| Total Carloads | (17,572) | (4%) | |

# North American Operations
# Freight Revenues
## Average Revenues Per Carload

| | Q3 2016 | Q3 2015 | Change |
|---|---|---|---|
| Average Revenues Per Carload | $ 578 | $ 575 | 0.5% |
| Changes in Commodity Mix [a] | | | 0.4% |
| Fuel Surcharge | | | (1.7%) |
| Average Revenues Per Carload (excl. Mix, Fuel, FX) [b][c] | | | 1.8% |

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

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

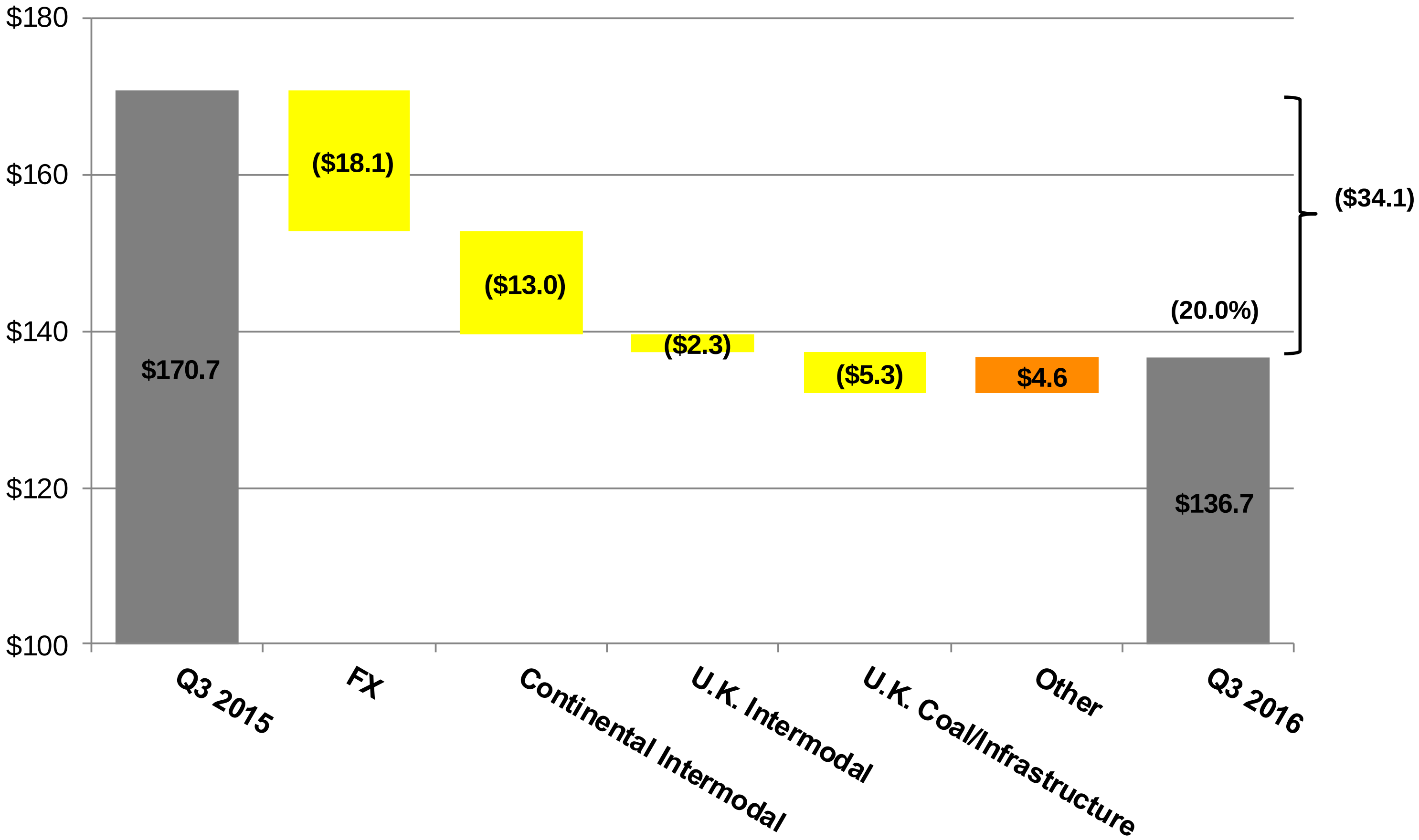
(c) North American core pricing increased approximately 2.5% - 3.0%

# Australian Operations
# Operating Revenues: Q3 2016 vs. Q3 2015

($ millions)

# U.K./European Operations
# Operating Revenues:  Q3 2016 vs. Q3 2015

($ millions)



# Trends Impacting Updated Guidance for Q4 2016

## North American Operations

| | |
|---|---|
| – Rates: | ~2% core freight pricing |
| – Weaker Carloads: | 1% - 2% weaker overall versus prior guidance from lower Agricultural Products, Pulp & Paper and Steel |
| – Stronger Carloads: | Coal |

## Australian Operations

- No significant changes

## U.K./European Operations

- U. K. Operations – Congestion at Port of Felixstowe
- Weaker Continental Europe intermodal business
- 5% depreciation of British Pound
- Q4 2016 operating income guidance approximately $3 million lower than previous guidance

# Guidance – Fourth Quarter 2016 (excluding acquisitions[(a)])

| ($ in millions, except per share amounts) | North America | Australia | U.K./Europe | Consolidated Q4 2016 Guidance[(a)] |
|---|---|---|---|---|
| Operating Revenues | ~$295 | ~$55 | ~$130 | ~$480 |
| Operating Ratio | ~74% | ~87% | ~95% | 81% - 82% |
| Operating Income | ~$76 | ~$6 | ~$6 | $85 - $90 |
| Net Interest Expense | | | | ~$18 |
| Depreciation and Amortization[(b)] | ~$42 | ~$8 | ~$7 | ~$57 |
| Effective Tax Rate | | | | ~30% |
| Diluted EPS | | | | $0.85 - $0.90 |
| Diluted Shares | | | | 58.3 |
| Q4 2016 Carload Volumes | 380,000 - 390,000 | 43,000 - 47,000 | 285,000 - 295,000 | |
| % Change versus prior year | (2%) - Flat | (7%) - 2% | 3% - 7% | |
| FX | C$1.00 = US$0.76 | A$1.00 = US$ 0.76 | £1.00 = US$1.22<br>€1.00 = US$1.10 | |

(a) Excludes the impact of the acquisition of the Providence and Worcester, which is expected to close on November 1, 2016, and the acquisition of Glencore Rail, which is expected to close on December 1, 2016.

(b) Includes amortization of non-cash equity compensation expense of $5 million and D&A of $52 million.

# Balance Sheet

- Net Debt[a] of $2.0 billion and Net Adjusted Debt[b] of $2.1 billion at September 30, 2016
- 3.6x Net Adjusted Debt/Adjusted EBITDA[b] at September 30, 2016

| ($ in millions) | 9/30/2016 |
|---|---|
| Cash & Equivalents | $ 26 |
| Debt: | |
| Senior Secured Credit Facility, *due March 2020* | $ 1,990 |
| Other Debt | 73 |
| TOTAL DEBT | $ 2,063 |
| Total Equity | $ 2,660 |
| TOTAL CAPITALIZATION | $ 4,723 |
| | |
| Debt/Total Capitalization | 44% |
| Net Debt/Total Capitalization | 43% |

[a] Net Debt is calculated as Total Debt less Cash and Equivalents.

[b] Net Adjusted Debt and Adjusted EBITDA are a non-GAAP financial measure. Reconciliations of non-GAAP financial measures accompany this presentation.

# Zero Injuries

*Our Goal Every Day*