Fourth Quarter 2016 Earnings Call

February 8, 2017

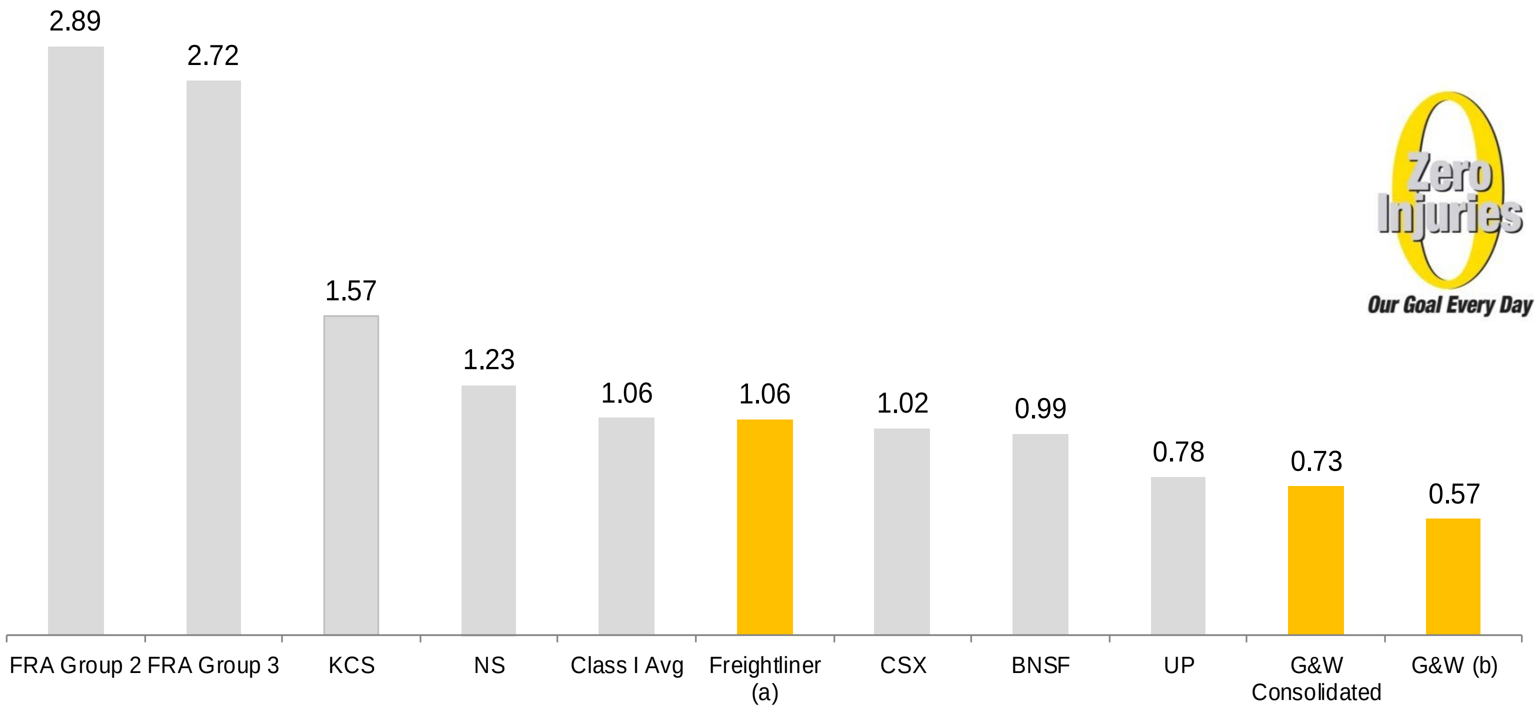
Forward-Looking Statements

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 – 2016

- Industry-leading safety performance for eighth consecutive year
- 50% improvement at Freightliner

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



Zero Injuries
Our Goal Every Day

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

Transactions and Key Developments Q4 2016 and Early 2017

1. Closed Providence & Worcester acquisition (US$126 million) in North America
   - Closed on November 1 and shares held in voting trust in Nov./Dec.
   - Consent for control received from Surface Transportation Board in Dec.
   - P&W out of trust on December 31 and start-up in January 2017 consistent with acquisition plan
2. Closed Glencore Rail acquisition (A$1.14 billion) in Australia; Concurrent formation of 51.1%-48.9% partnership with Macquarie for GWA
   - Closed on December 1 and business performing as expected
3. Announced acquisition of Pentalver Transport (£87 million) from APM Terminals in the United Kingdom
   - Expected to close in April 2017, with competition review pending

Transactions and Key Developments Q4 2016 and Early 2017 (continued)

4. Write Down of European Assets in Q4 2016 (US$32 million)
   - Includes charge for US$10 million of idle coal wagon leases in the U.K. and US$22 million impairment of intangible assets from Continental European Intermodal (ERS)
   - For ERS, proposed closure of two offices and discontinuation of open train intermodal services from the Netherlands in Q1 2017; subject to mandatory consultation with Works Councils in the Netherlands and Germany
   - Continental European intermodal business expected to be reduced to a small, sustainable core of Rotterdam Rail Feeding, service from north German deep sea ports, and dedicated customer trains
5. Announced agreement to acquire Heart of Georgia Railroad (HOG) in the Southeast United States (terms not disclosed)
   - Tuck-in acquisition that is contiguous with two G&W railroads in Georgia
   - Expect 10,000 carloads and enhanced connection for containers from the Port of Savannah, GA to an inland terminal on the HOG
6. Retirement of G&W Chairman Mort Fuller
   - After 40 years as Chairman of the Board of G&W, Mr. Fuller will retire at the annual meeting of shareholders in May 2017

Q4 2016 EPS Results Versus Guidance

- Adjusted Diluted Earnings Per Share (EPS) consistent with guidance, excluding take-or-pay benefit

($ in millions, except per share amounts)	Q4 2016 Actual	Q4 2016 Guidance	Variance to Mid-Point	Comments
Net Income Attributable to G&W	$ 8.9	$ 51.0	$ (42.1)	
ERS Impairment and Related Costs	21.5			Restructuring & writedown of Continental Europe
U.K. Coal Railcar Lease Writedown	8.6			Excess coal railcars under lease in U.K.
Corporate Development and Related Costs	16.2			Primarily Australia/GRail
Restructuring Costs	1.4			Primarily U.K.
Net Loss on Sale of Assets	0.8			
Write-off Debt Issuance Costs	0.8			GRail related
Adjusted Net Income Attributable to G&W[(a)]	$ 58.3	$ 51.0	$ 7.3	
Diluted EPS	$ 0.15	$0.85 - $0.90	$ (0.73)	
Adjusted Diluted EPS[(a)]	$ 0.99	$0.85 - $0.90	$ 0.12	• $0.10 from take-or-pay • ($0.01) from equity offering • $0.02 from acquisitions

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

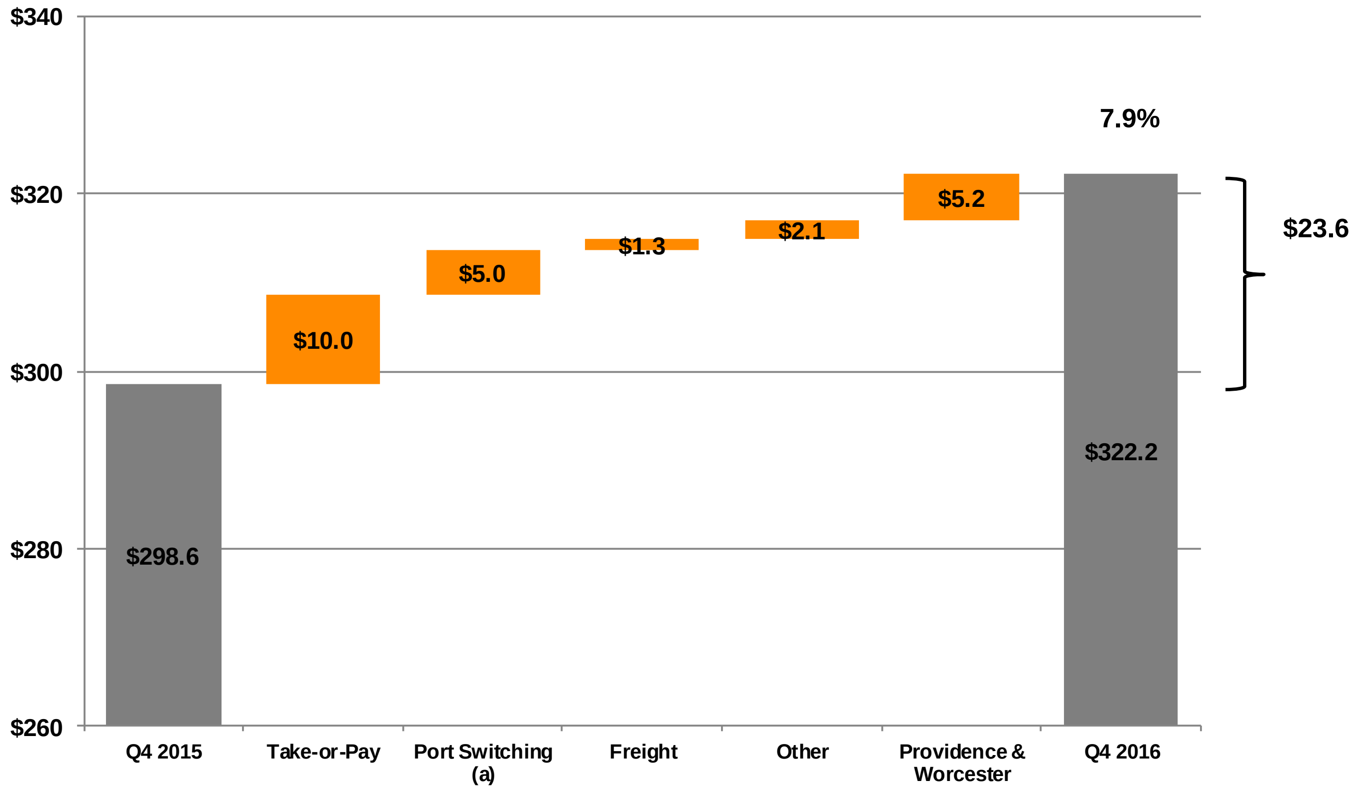
Q4 2016 Operating Results Versus Guidance Operating Income

($ millions)	Q4 2016 Actual	Q4 2016 Adjusted[a]	Q4 2016 Guidance	Q4 2016 Adjusted Versus Guidance	Comments
North America	$83.4	$88.1	~$76	~$12	• $10 million take-or-pay • P&W acquired November 1, 2016
Australia	$2.8	$13.9	~$6	~$8	• GRail impact with 51.1% ownership in December • Good cost control
U.K./Europe	($32.6)	$2.5	~$6	($3.5)	• Continental Europe Intermodal • U.K. Port Congestion

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

North American Operations
Operating Revenues: Q4 2016 vs. Q4 2015

($ millions)



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

North American Operations
Same Railroad Carloads: Q4 2016 vs. Q4 2015

Commodity	Change	%	Comment
Agricultural Products	4,000	7.5%	Grain
Autos & Auto Parts	1,501	24.7%	Midwest
Chemicals & Plastics	(539)	(1.2%)	
Coal & Coke	10,054	19.0%	Utility Coal
Food & Kindred Products	548	3.6%	
Lumber & Forest Products	(1,332)	(3.8%)	Truck Competition
Metallic Ores	(1,228)	(20.3%)	Alumina Plant Idling and Copper Concentrate
Metals	4,146	14.0%	Scrap Steel and Slabs
Minerals & Stone	(3,020)	(6.1%)	Rock Salt, Frac Sand and Aggregates
Petroleum Products	(624)	(2.3%)	Lower NGLs/LPGs
Pulp & Paper	(3,843)	(8.9%)	Truck Competition
Waste	1,570	15.8%	New Contract
Other	(2,911)	(17.2%)	Overhead Traffic
Total Carloads	8,322	2.1%	

North American Operations
Freight Revenues
Same Railroad Average Revenues Per Carload

	Q4 2016	Q4 2015	Change
Average Revenues Per Carload	$ 574	$ 583	(1.5%)
Changes in Commodity Mix [a]			(0.9%)
Fuel Surcharge			(0.8%)
Average Revenues Per Carload (excl. Mix, Fuel, FX) [b][c]			0.2%

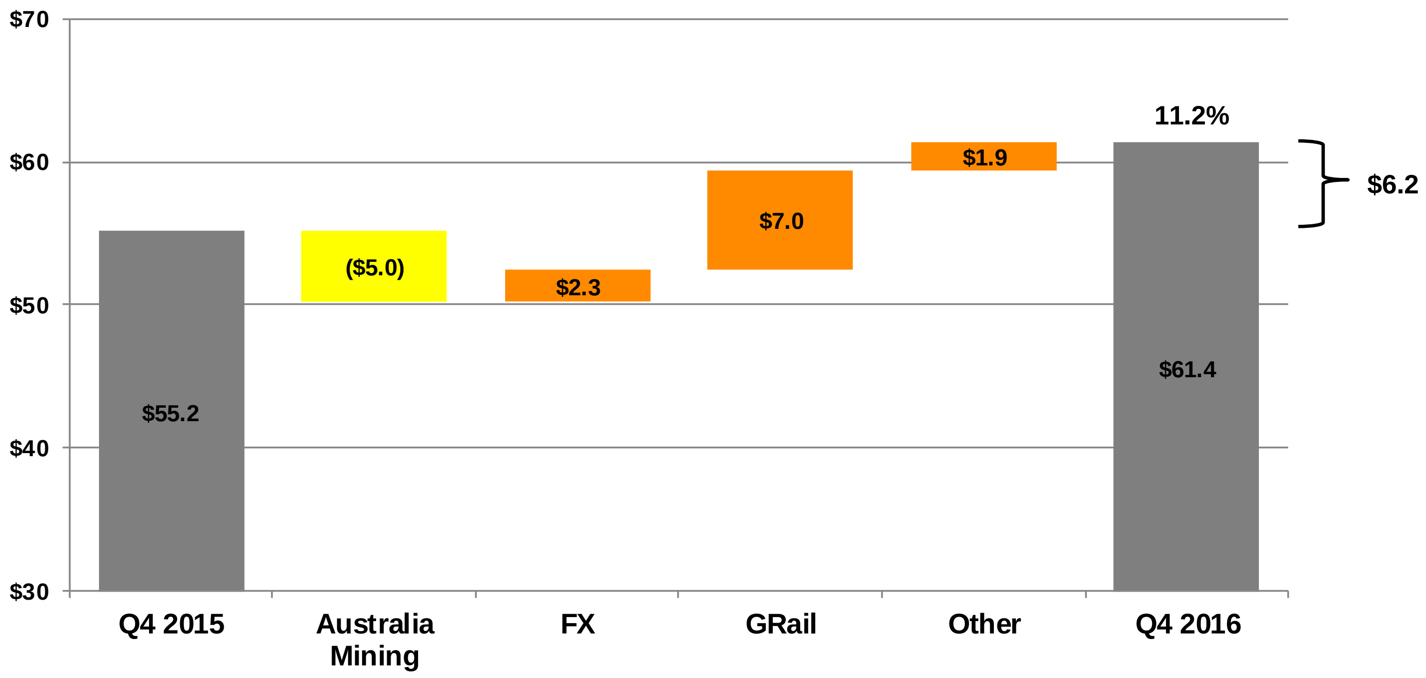
(a) Changes in Commodity Mix illustrates changes between commodity groups, not within a commodity group

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

(c) North American core pricing increased approximately 2%

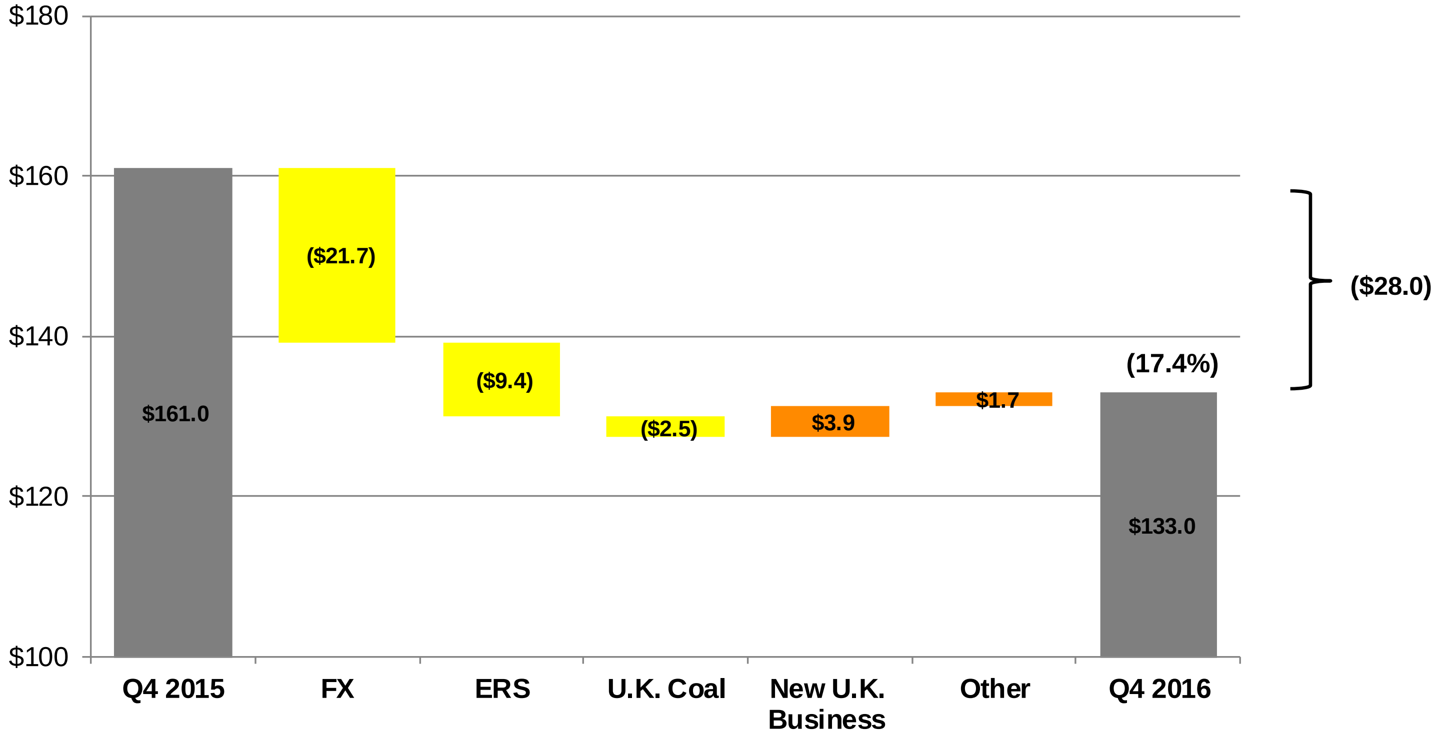
Australian Operations
Operating Revenues: Q4 2016 vs. Q4 2015

($ millions)



U.K./European Operations
Operating Revenues: Q4 2016 vs. Q4 2015

($ millions)



Operating Ratio by Geographic Segment

	Q4 2016 Actual	Q4 2015 Actual	Q4 2016 Adjusted[(a)]	Q4 2015 Adjusted[(a)]	Q4 2016 Adj. vs. Q4 2015 Adj. Variance	Comments
North America	74.1%	75.5%	72.7%	75.2%	250 bps	• $10 million take-or-pay • Expect 73% - 74% in 2017
Australia	95.4%	81.0%	77.4%	80.1%	270 bps	• GRail benefit with 51.1% ownership in December • Loss of SI Fixed Fee • Expect ~76% in 2017 with full year GRail
U.K./Europe	NM	93.2%	98.1%	94.3%	(380 bps)	• U.K. Port Congestion • Continental Europe Intermodal • Expect ~95% in 2017

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

Introduction to 2017 Guidance

1. Consolidated G&W Guidance

- Pre-tax income growth of 8% - 10% in 2017 (selected metric excludes Short Line Tax Credit which expired Dec. 31, 2016)
- Free cash flow expected to be US$278 million in 2017[a]
- US$500 million of capacity under revolving credit facility and projected Net Adjusted debt/Adjusted EBITDA[a] of 2.5x at G&W parent level at year-end 2017 (assuming no acquisitions)

2. North America

- Cautious customer outlook, but growing confidence in improving macro-economic environment in the United States
- Potential U.S. tax and infrastructure policies important to G&W in 2017: corporate tax reform as well as public-private partnerships for infrastructure investment (such as Short Line Tax Credit)

[a] Free Cash Flow, Net Adjusted Debt and Adjusted EBITDA are non-GAAP financial measures. Reconciliations of non-GAAP financial measures accompany this presentation.

Introduction to 2017 Guidance (continued)

3. Australia
   - Improving commodity prices, strong grain harvest in South Australia and expanded presence in New South Wales underpin improving outlook
   - Sale process for Australian customer, Arrium, still underway
4. U.K./Europe
   - United Kingdom: improving outlook due to: i) intermodal: working with ports and shipping lines to improve container flows, ii) heavy haul: new customers and positioning for infrastructure project growth, iii) further cost reductions beyond coal business and iv) Pentalver integration
   - Poland: Aggregate shipments returning to normal with road construction projects underway
   - ERS/Continental Europe: Subject to consultation with Works Councils, expected restructuring to sustainable core by mid-2017

Priorities for 2017

1. Safety
2. Commercial Development (all three geographic segments)
3. Acquisition Integration (P&W, GRail, Pentalver, HOG)
4. U.K./Europe Turnaround
5. U.S. Public Policy - Tax and Infrastructure
6. Active Evaluation of Acquisitions and Investments

Accounting Impact of GRail Transaction

- **G&W consolidates 100% of Australian Operations and reports a noncontrolling interest for MIRA's 48.9% equity ownership**
- **Free Cash Flow Attributable to G&W reflects a reduction for distributions to MIRA (i.e., in guidance these are estimates only)[a]**

Example (Illustrative Purposes)

Income Statement

Operating Revenues	$	290
Operating Expenses		220
Operating Income		70
Net Interest Expense*		(55)
Income Before Taxes		15
Provision for Taxes		(5)
Net Income	$	10
Less: Net Income Attributable to Noncontrolling Interest		(5)
Net Income Available to Common Stockholders	**$**	**5**
Diluted EPS	$	0.08
Diluted Shares (millions)		63.2

*Includes Shareholder Loans

Free Cash Flow

Net Income	$	10
D&A		62
Deferred Income taxes		5
Working Capital		
Cashflows from Operations	$	77
Less: Sustaining Capital		(22)
Free Cash Flow Before New Business Investments	**$**	**55**
New Business Investments		(9)
Free Cash Flow	**$**	**46**
Free Cash Flow Attributable to G&W	$	24
Free Cash Flow Attributable to MIRA	$	22

See Slide 26

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

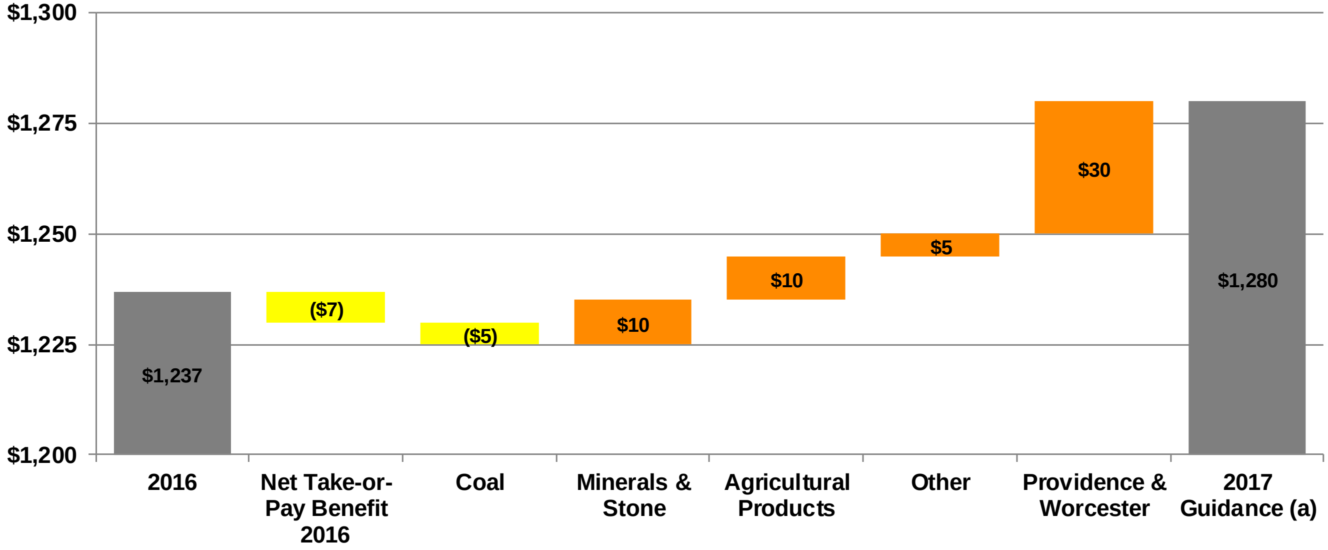
2017 Guidance[a]

• Revenues:	$2,120 - $2,180 million
• Operating Ratio[b]:	~80%
• Net Interest Expense:	~$105 million
• Depreciation and Amortization: (incl. Equity Comp. Amortization)	~$267 million
• Tax Rate (no Short Line Tax Credit):	~38%
• MIRA Noncontrolling Interest:	$4 - $6 million
• Diluted EPS[b]:	$3.10 - $3.30
• Diluted Shares:	63.2 million
• Free Cash Flow Attributable to G&W[b][c]:	~$278 million

(a) Australia is 51.1% owned, but fully consolidated in G&W financial statements, with noncontrolling interest recorded for 48.9% of Australia not owned.
(b) Does not reflect impact of integration, restructuring and related expenses.
(c) Free Cash Flow Attributable to G&W is a non-GAAP financial measure. Reconciliations of non-GAAP financial measures accompany this presentation.

North American Operations
Operating Revenues: 2017 Guidance vs. 2016

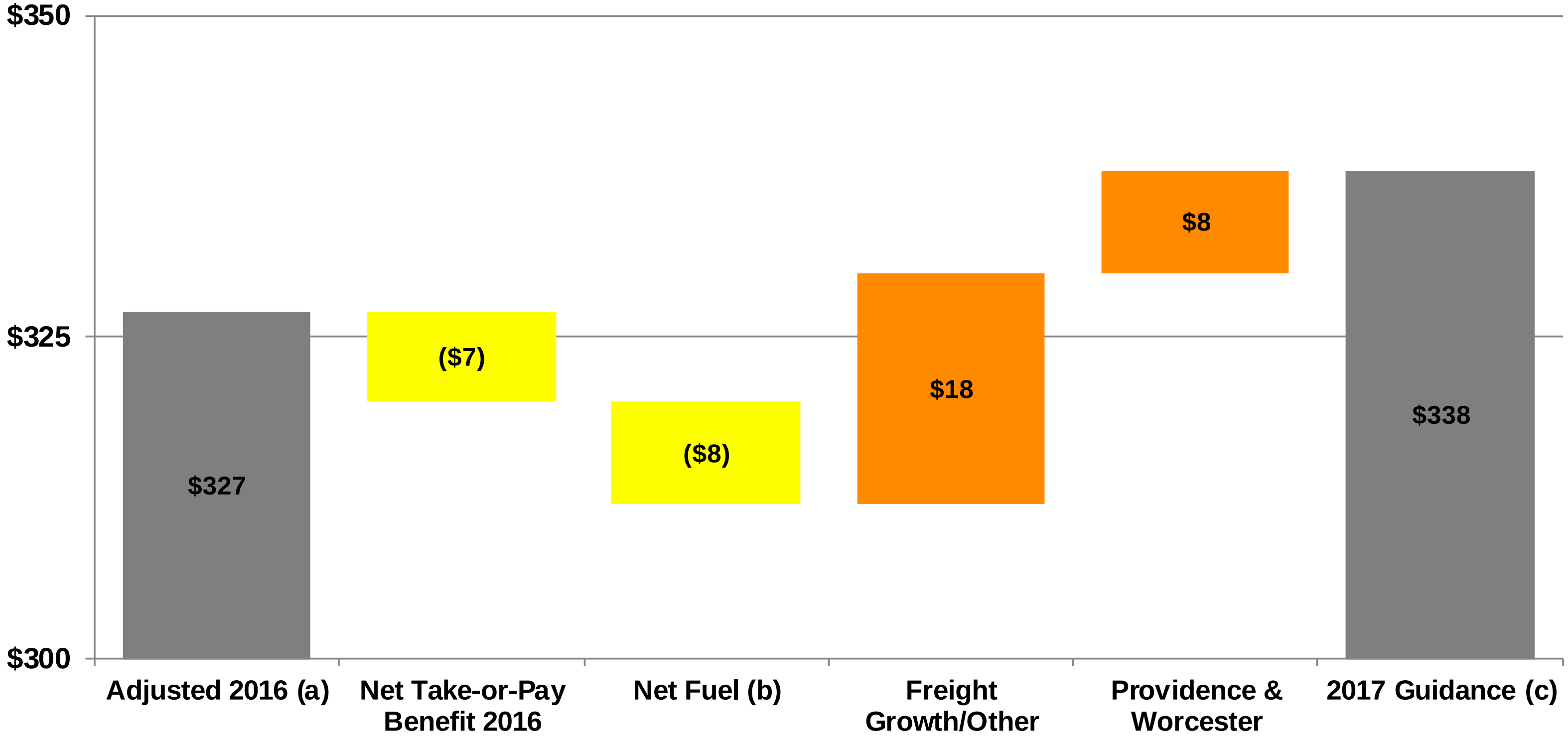
($ millions)



(a) Reflects mid-point of 2017 guidance.

North American Operations
Operating Income: 2017 Guidance vs. 2016

($ millions)



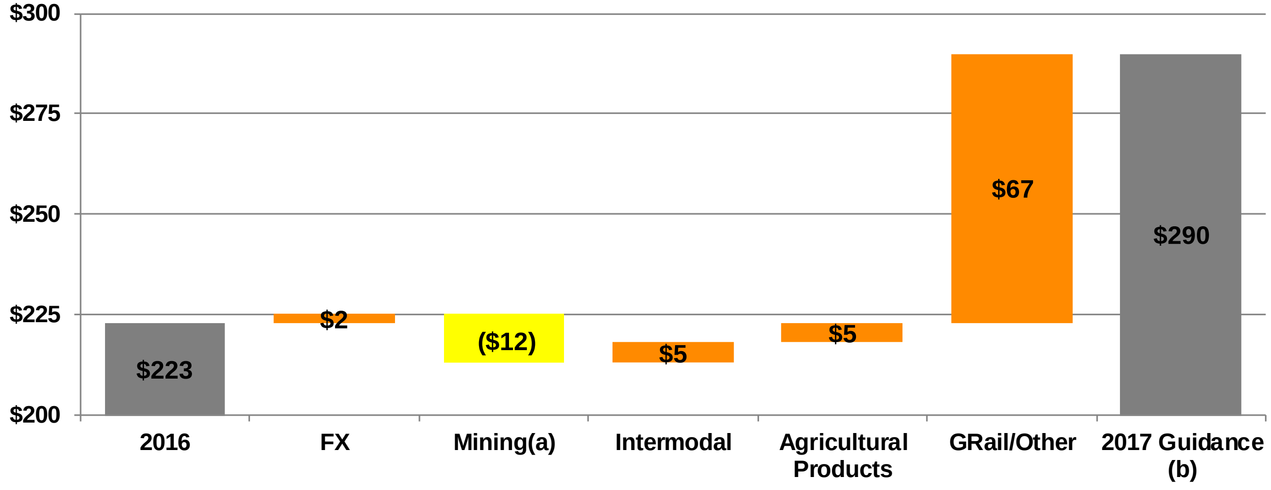
(a) Adjusted Operating Income is a non-GAAP financial measure. Reconciliations of non-GAAP financial measures accompany this presentation.

(b) Net impact of higher fuel prices net of higher fuel surcharges. 2017 Guidance assumes DOE diesel price of $2.59 per gallon. Threshold of core G&W fuel surcharge program is DOE diesel of $2.60 per gallon (i.e., recovery commences at $2.60).

(c) Reflects mid-point of 2017 guidance. Does not reflect approximately $2 - $3 million of expected integration and related expenses.

Australian Operations (2017 = 51.1% owned; 2016 = 100% owned)
Operating Revenues: 2017 Guidance vs. 2016

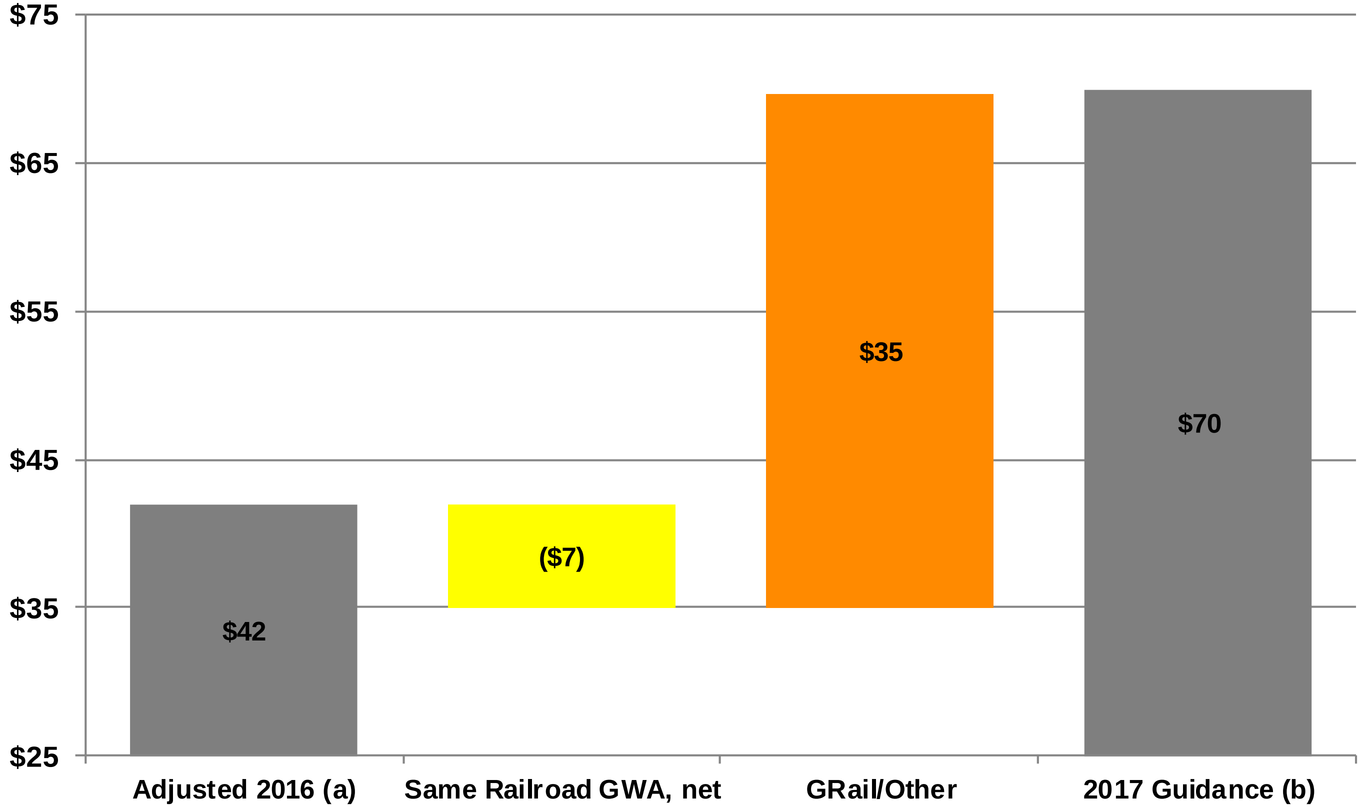
($ millions)



(a) Includes Southern Iron (SI) Fixed Fee payment in Q1 2016 and customer one-time stockpile move in Q2 2016.
(b) Reflects mid-point of 2017 guidance.

Australian Operations (2017 = 51.1% owned; 2016 = 100% owned)
Operating Income: 2017 Guidance vs. 2016

($ millions)



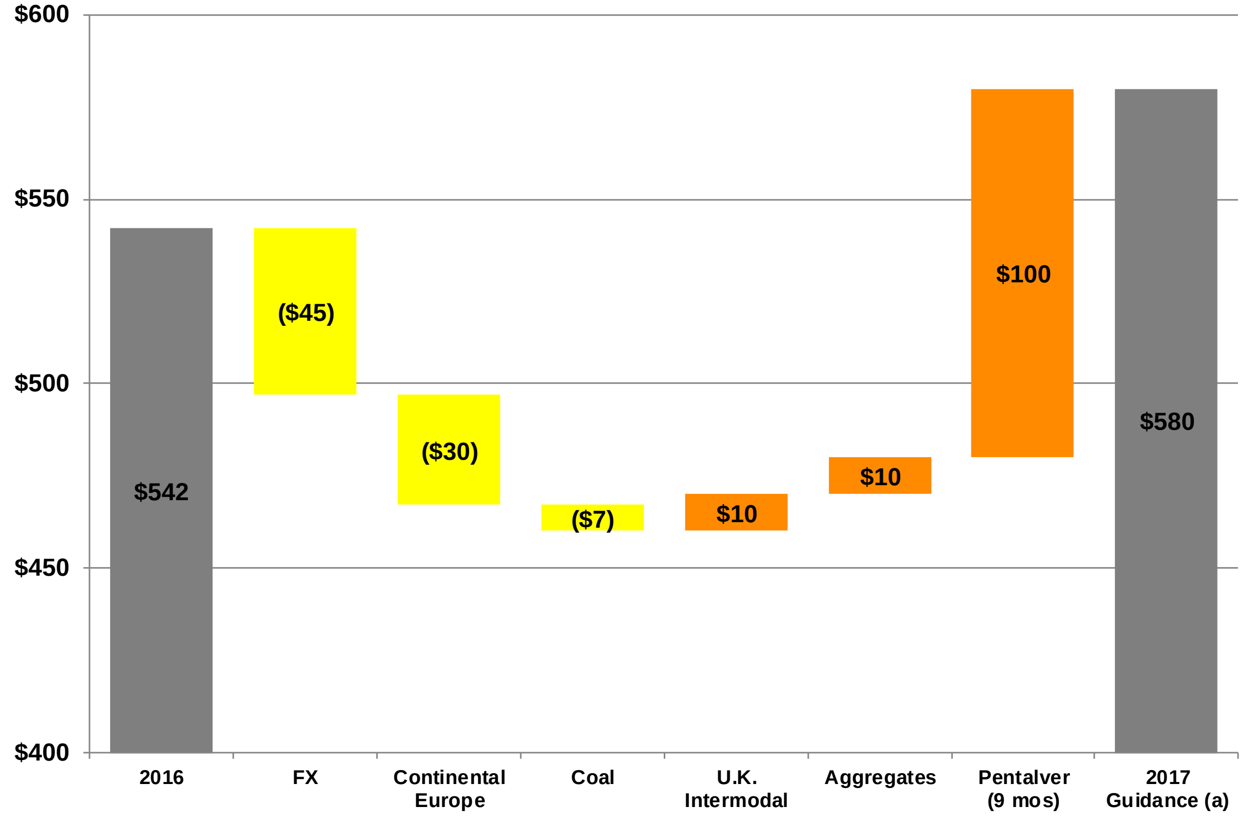
(a) Adjusted Operating Income is a non-GAAP financial measure. Reconciliations of non-GAAP financial measures accompany this presentation.

(b) Reflects mid-point of 2017 guidance. Does not reflect approximately $2 - $3 million of expected integration and related expense.

Note: Arrium remains under control of Administrators and sale process continues.

U.K./European Operations
Operating Revenues: 2017 Guidance vs. 2016

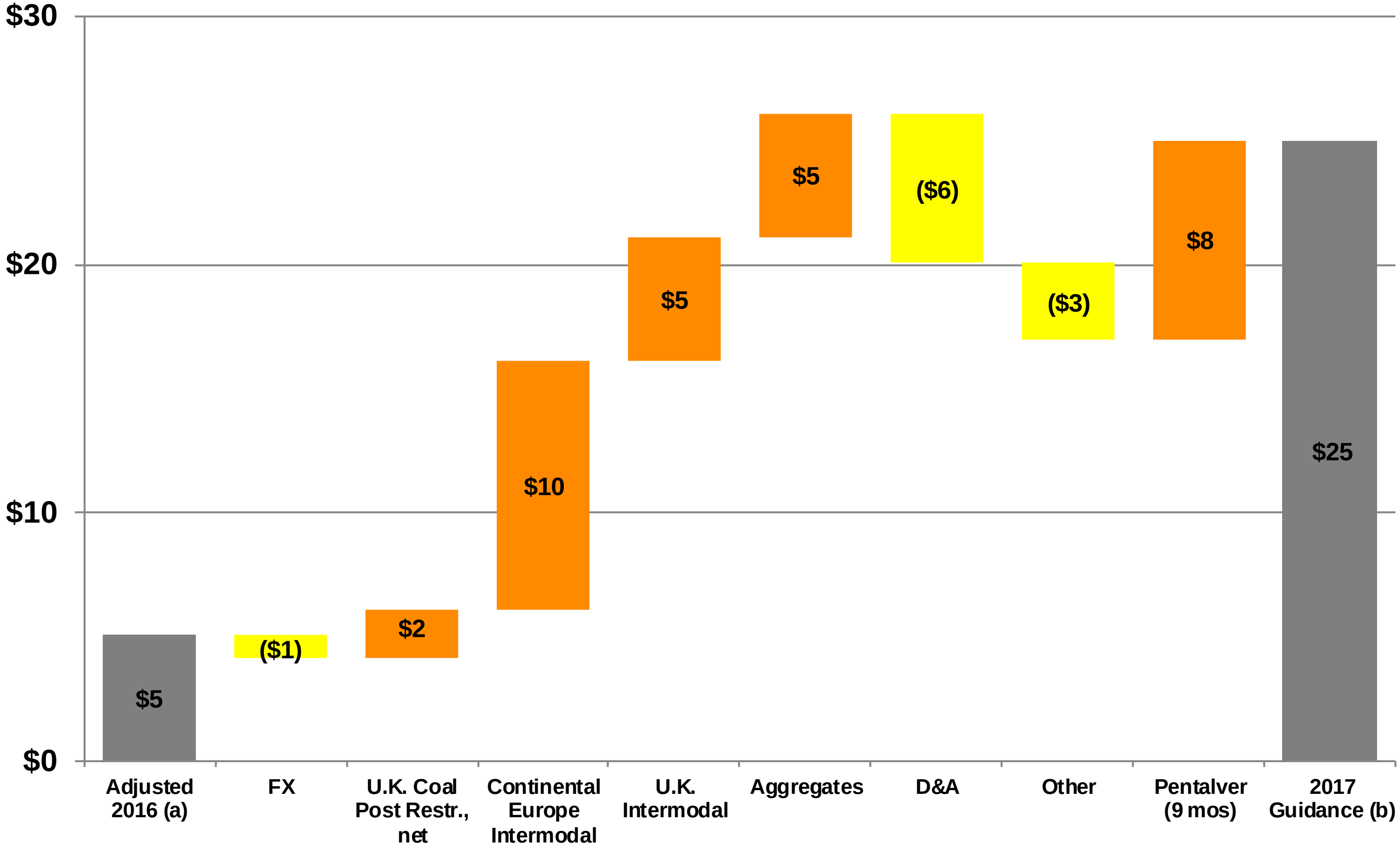
($ millions)



(a) Reflects mid-point of 2017 guidance.

U.K./European Operations
Operating Income: 2017 Guidance vs. 2016

($ millions)



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

(b) **Reflects mid-point of 2017 guidance. Does not reflect approximately $3 - $4 million of expected restructuring expense, primarily related to ERS Continental Europe. Currently exploring opportunities to redistribute leased locomotives and railcars.**

2017 Capital Expenditures

(in millions)	2017	2017 Same Railroad	2016	Same Railroad Change	Comments
Major Renewals & Improvements Capital					
Track and Structure	$124	$119	$109	($10)	Track and Bridge Upgrade (Central and Northeast), Erosion Control Program (Australia)
Equipment	57	53	39	(14)	Equipment Overhauls (U.K. and Australia), PTC (North America)
Other	14	12	10	(2)	
Subtotal - Core	$195	$184	$158	($26)	
Grant Matching	18	15	9	(6)	
Subtotal - Core + Grant Matching	$213	$199	$167	($32)	
New Business and Investments	39	34	25	(9)	$9 million Track Upgrade for new business (late 2017) and $11 million Lease Buyouts in North America (late 2017), $8 million for U.K. Maintenance Facilities in 2016
Total Capital Expenditures[(a)]	$252	$233	$192	($41)	

(a) 2017 Capital is net of $61 million of funding from government grants (requiring match of $18 million). 2016 Capital was net of $21 million of funding from government grants (requiring match of $9 million).

2017 Free Cash Flow[(a)]

(in millions)		Guidance 2017
Net Income	**$**	**207**
Plus:		
Depreciation and Amortization		249
Option and Restricted Stock Amortization		18
Deferred Taxes		78
Changes in Working Capital/Other		TBD
Operating Cash Flow	**$**	**552**
Less: Capital Expenditures		(213)
Plus: Asset Sales		TBD
Plus: Prior Year Grant Payments		TBD
Less: Current Year Grant Delays		TBD
Investing Cash Flows Before New Bus. Investments	**$**	**(213)**
Free Cash Flow Before New Bus. Investments	**$**	**339**
Less: New Business Investments[(b)]		(39)
Free Cash Flow	**$**	**300**
Estimated Distributions to noncontrolling interest (MIRA 48.9% of GWA)		(22)
Free Cash Flow Attributable to G&W	**$**	**278**

(a) Free Cash Flow is a non-GAAP financial measure. Reconciliations of non-GAAP financial measures accompany this presentation.
(b) New Business Investments includes approximately $9 million of Australian operations investments.

Guidance – First Quarter 2017

(February 8, 2017)

(in millions, except per share amounts)	North America	Australia	U.K./Europe	Consolidated Q1 2017 Guidance
Operating Revenues	~$320	~$72	~$123	~$515
Operating Ratio[(a)]	~76%	~78%	~99%	~82%
Operating Income[(a)]	~$78	~$16	~$1	~$95
Net Interest Expense				~$27
Depreciation and Amortization[(b)]	$42	$16	$7	$65
Effective Tax Rate				~40%
Diluted EPS Attributable to G&W[(c)]				~$0.65
Diluted Shares				63.0

(a) Does not reflect impact of integration, restructuring and related expenses.
(b) Includes amortization of non-cash equity compensation expense of $4 million and D&A of $61 million.
(c) Reflects approximately $1.0 million from 48.9% MIRA noncontrolling interest in GWA.

FX: A$1.00 = US$0.75, C$1.00 = US$0.75, €1.00 = US$1.06, £1.00 = US$1.23, PLN1.00 = US$0.24

Balance Sheet

- Net Debt[a] of $2.3 billion and Net Adjusted Debt[b] of $2.4 billion at December 31, 2016
- 3.1x Net Adjusted Debt/Adjusted EBITDA[b][c] at December 31, 2016
- Leverage metrics reflect G&W Debt and EBITDA from North America and U.K./Europe Only

($ in millions)		12/31/2016
Cash & Equivalents	$	32
Debt:		
G&W Senior Secured Credit Facility, *due March 2020*	$	1,635
Australian Senior Secured Credit Facility, *due December 2021* [d]		499
Australian Subordinated Shareholder Loan, *due December 2026* [d][e]		172
Other Debt		53
TOTAL DEBT	$	2,359
Total Equity	$	3,187
TOTAL CAPITALIZATION	$	5,546
Debt/Total Capitalization		43%
Net Debt/Total Capitalization		42%

[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. Expected leverage as of 12/31/2017 of 3.8x Debt/EBITDA.

[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.

Zero Injuries

Our Goal Every Day

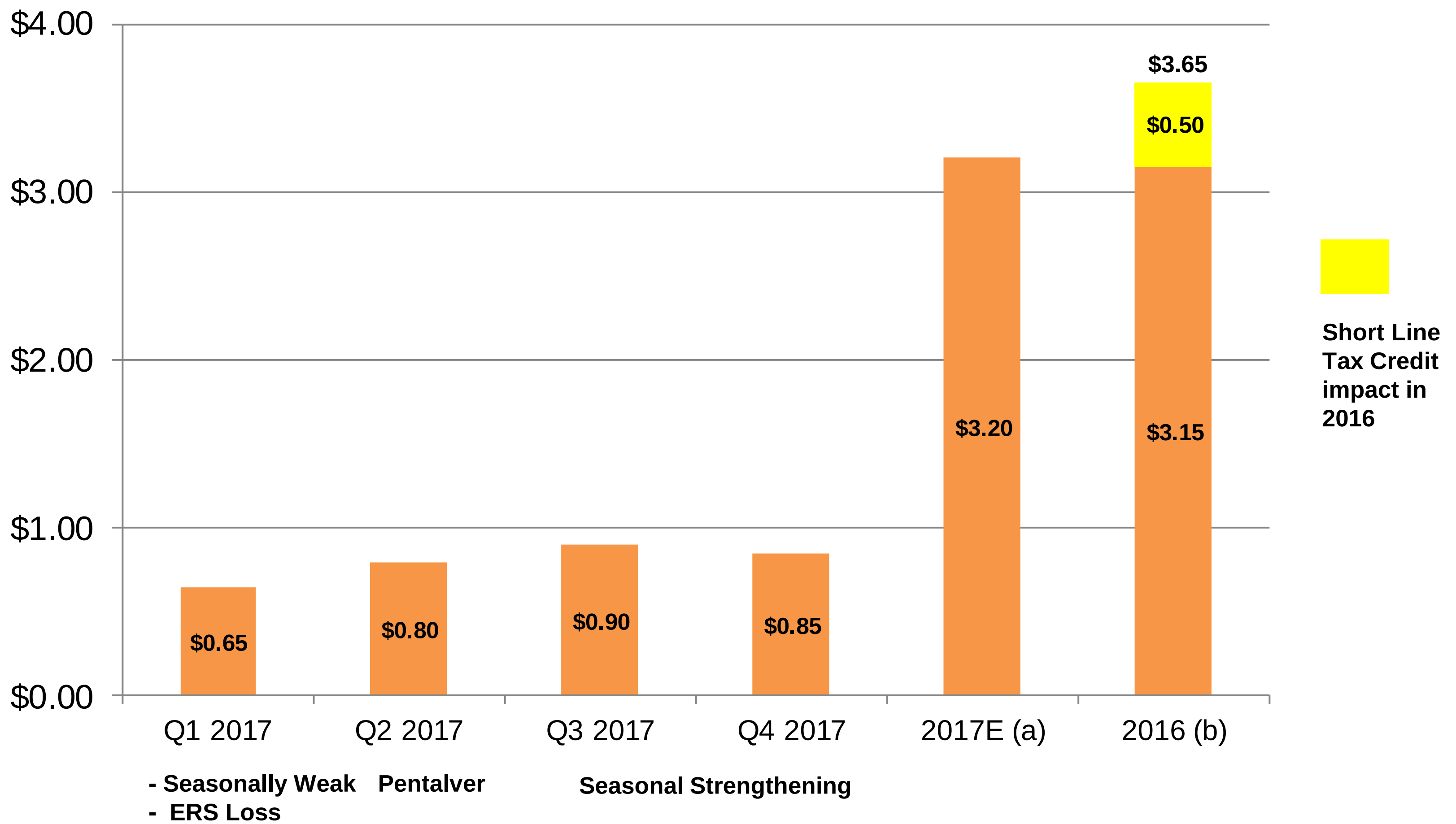
Supporting Information for 2017 Guidance
(February 8, 2017)

($ millions)	North America	Australia	U.K./Europe	Consolidated G&W
Revenues	$1,270 - $1,290	$280 - $300	$570 - $590	$2,120 - $2,180
Operating Ratio[(a)]	73% - 74%	~76%	~95%	~80%
Operating Income[(a)]	$325 - $350	$65 - $75	$20 - $30	$410 - $455
Depreciation and Amoritzation[(b)]	$172	$62	$33	$267
2017 Carload Volume	3%	NM	4%	17%
2017 Same Railroad Volumes	1%	8%	4%	2% - 3%
Freight Pricing	2.0% - 2.5%	fixed/variable	Flat	
FX	C$1.00 = US$0.75	A$1.00 = US$ 0.75	£1.00 = US$1.23 €1.00 = US$1.06	
Q1 2017 Carload Volumes	405,000 - 420,000	150,000 - 155,000	270,000 - 280,000	
Same RR % Change versus prior year	3% - 7%	8% - 19%	7% - 11%	

(a) Does not reflect impact of integration, restructuring and related expenses.
(b) Includes $18 million of non-cash equity compensation expense.

2017 G&W Diluted Earnings per Share Profile

($ per share)

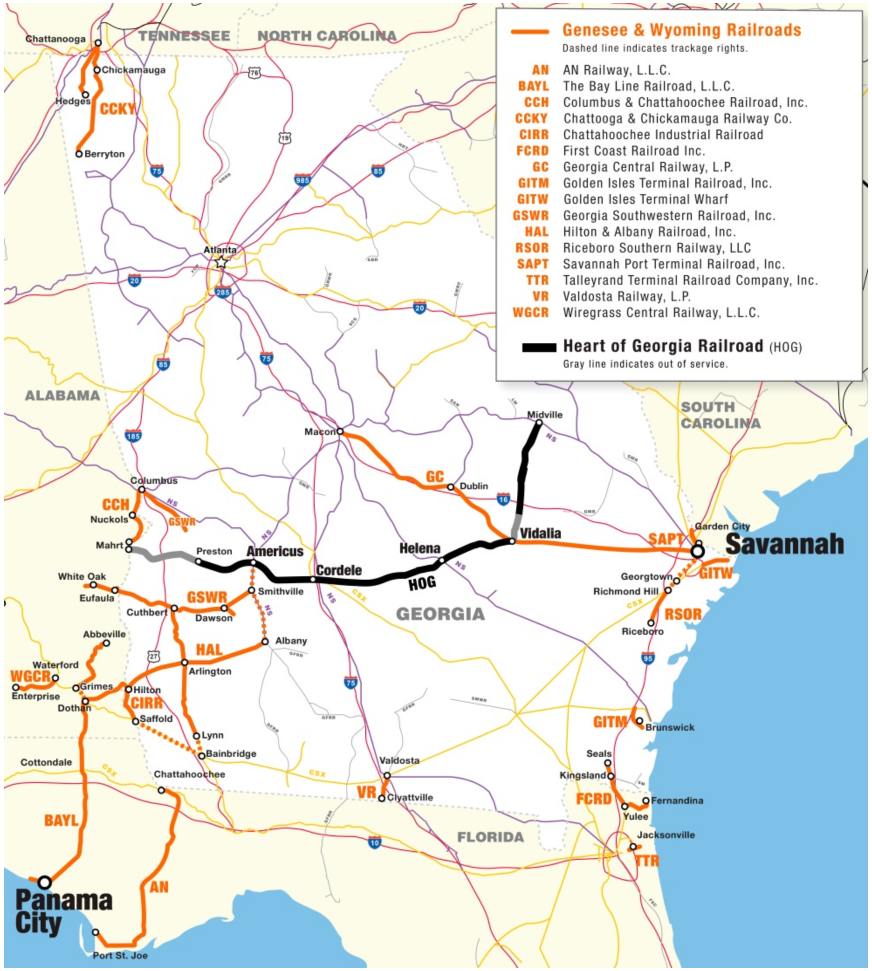


(a) Reflects mid-point of 2017 guidance.

(b) Adjusted Diluted EPS is a non-GAAP financial measure. Reconciliations of non-GAAP financial measures accompany this presentation.

Heart of Georgia Acquisition (HOG)

- Contiguous to two G&W railroads in South Georgia: Georgia Central (GC) and Georgia Southwestern
- 219 total miles, leased from Georgia Department of Transportation
- Approximately 10,000 total carloads including daily service between the Port of Savannah and an inland intermodal terminal in Cordele, GA for auto parts imports and agricultural products exports with GC, as well as lumber, agricultural products and fertilizer customers
- Expected to close in 2nd quarter of 2017 following STB approval



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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 Attributable to G&W (EPS), Adjusted Operating Income, Adjusted Operating Ratio, Free Cash Flow, 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 December 31, 2016	Income Before Income Taxes	Provision for Income Taxes	Net Income Attributable to G&W	Diluted EPS Attributable to G&W
As reported	$ 28.7	$ 19.8	$ 8.9	$ 0.15
Add back certain items:				
ERS impairment and related costs	21.5	-	21.5	0.37
U.K. coal railcar leases	10.5	1.9	8.6	0.15
Corporate development and related costs	19.2	3.0	16.2	0.28
Restructuring costs	1.9	0.4	1.4	0.02
Net loss on sale of assets	1.1	0.3	0.8	0.01
Write-off debt issuance costs	2.2	0.7	0.8	0.01
As adjusted	$ 85.1	$ 26.1	$ 58.3	$ 0.99

Adjusted Net Income and Adjusted Diluted EPS

Twelve Months Ended December 31, 2016	Income Before Income Taxes	Provision for Income Taxes	Net Income Attributable to G&W	Diluted EPS Attributable to G&W
As reported	$ 215.5	$ 74.4	$ 141.1	$ 2.42
Add back certain items:				
Corporate development and related costs	26.6	5.2	21.4	0.37
Net loss on sale of assets	0.1	-	-	-
Australia impairment and related costs	21.1	4.4	16.8	0.29
ERS impairment and related costs	21.5	-	21.5	0.37
U.K. coal railcar leases	10.5	1.9	8.6	0.15
Restructuring costs	8.2	1.7	6.5	0.11
Write-off debt issuance costs	2.2	0.7	0.8	0.01
Net loss on sale of assets	0.1	-	-	-
Impact of reduction in U.K. effective tax rate	-	4.3	(4.3)	(0.07)
As adjusted	$ 305.7	$ 92.5	$ 212.4	$ 3.65
2016 Short line tax credit	-	28.8	(28.8)	(0.50)
As adjusted excluding the 2016 short line tax credit	$ 305.7	$ 121.4	$ 183.6	$ 3.15

Adjusted Operating Income and Adjusted Operating Ratio – by Segment

Three Months Ended December 31, 2016	North American Operations	Australian Operations	U.K./European Operations	Total
Operating revenues	$ 322.2	$ 61.4	$ 133.0	$ 516.5
Operating expenses	238.8	58.5	165.6	463.0
Operating income/(loss) [(a)]	$ 83.4	$ 2.8	$ (32.6)	$ 53.6
Operating ratio [(b)]	74.1%	95.4%	124.5%	89.6%
Operating expenses	$ 238.8	$ 58.5	$ 165.6	$ 463.0
ERS impairment and related costs	-	-	(21.5)	(21.5)
U.K. coal railcar leases	-	-	(10.5)	(10.5)
Corporate development and related costs	(4.0)	(10.7)	(1.3)	(16.0)
Restructuring costs	(0.1)	-	(1.8)	(1.9)
Net loss on sale of assets	(0.6)	(0.3)	(0.1)	(1.1)
Adjusted operating expenses	234.1	47.5	130.5	412.1
Adjusted operating income	$ 88.1	$ 13.9	$ 2.5	$ 104.5
Adjusted operating ratio	72.7%	77.4%	98.1%	79.8%

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

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

Adjusted Operating Income and Adjusted Operating Ratio – by Segment

Twelve Months Ended December 31, 2016	North American Operations	Australian Operations	U.K./European Operations	Total
Operating revenues	$ 1,236.8	$ 222.6	$ 542.2	$ 2,001.5
Operating expenses	917.2	217.8	576.9	1,711.9
Operating income/(loss) [(a)]	$ 319.6	$ 4.8	$ (34.7)	$ 289.6
Operating ratio [(b)]	74.2%	97.8%	106.4%	85.5%
Operating expenses	$ 917.2	$ 217.8	$ 576.9	$ 1,711.9
ERS impairment and related costs	-	-	(21.5)	(21.5)
U.K. coal railcar leases	-	-	(10.5)	(10.5)
Australia impairment and related costs	-	(21.1)	-	(21.1)
Corporate development and related costs	(7.2)	(14.7)	(1.5)	(23.3)
Restructuring costs	(0.9)	(0.8)	(6.5)	(8.2)
Net loss on sale of assets	0.2	(0.3)	0.1	(0.1)
Adjusted operating expenses	909.3	180.8	537.0	1,627.2
Adjusted operating income	$ 327.4	$ 41.8	$ 5.1	$ 374.3
Adjusted operating ratio	73.5%	81.2%	99.1%	81.3%

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

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

Adjusted Operating Income and Adjusted Operating Ratio – by Segment (cont.)

Three Months Ended December 31, 2015	North American Operations	Australian Operations	U.K./European Operations	Total
Operating revenues	$ 298.6	$ 55.2	$ 161.0	$ 514.9
Operating expenses	225.4	44.7	150.1	420.2
Operating income (a)	$ 73.2	$ 10.5	$ 10.9	$ 94.6
Operating ratio (b)	75.5%	81.0%	93.2%	81.6%
Operating expenses	$ 225.4	$ 44.7	$ 150.1	$ 420.2
Corporate development and related costs	(1.2)	(0.5)	(0.9)	(2.5)
Net gain on sale of assets	0.3	-	-	0.3
Out of period benefit of final allocation of fair values to Freightliner's assets & liabilities	-	-	2.6	2.6
Adjusted operating expenses	$ 224.6	$ 44.2	$ 151.9	$ 420.6
Adjusted operating income	$ 74.1	$ 11.0	$ 9.1	$ 94.2
FX (c)	0.1	0.4	(2.0)	(1.5)
Adjusted operating income excluding FX	$ 74.2	$ 11.4	$ 7.2	$ 92.7
Adjusted operating ratio	75.2%	80.1%	94.3%	81.7%

(a) Operating income is calculated as operating revenues less operating expenses.
(b) Operating ratio is calculated as operating expenses divided by operating revenues.
(c) 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.

Free Cash Flow

Twelve Months Ended December 31,	2017 (Guidance)
Net cash provided by operating activities	$ 552
Net cash used in investing activities	(252)
Free cash flow	300
Distributions to noncontrolling interest	(22)
Free cash flow attributable to G&W	$ 278

Free Cash Flow – Australian Operations

Twelve Months Ended December 31,	2017 (Guidance)
Net cash provided by operating activities	$ 77
Net cash used in investing activities	(31)
Free cash flow	46
Distributions to noncontrolling interest	(22)
Free cash flow attributable to G&W	$ 24

Net Adjusted Debt/Adjusted EBITDA

Twelve Months Ended December 31, 2016	Total G&W	Less: Australian Operations (a)	Adjustments (b)	Acquisitions (c)	Adjusted
Net income attributable to G&W	$ 141.1	$ (10.8)	$ -		$ 151.9
Add back:					
Provision for income taxes	74.4	1.0	-		73.4
Interest expense	75.6	14.2	1.0		62.5
Depreciation and amortization expense	205.2	30.9	-		174.3
EBITDA	$ 496.4	$ 35.3	$ 1.0	$ 26.2	$ 488.3
Add back certain items					
Non-cash compensation cost related to equity awards	17.9	0.6	-		17.2
Impairment and related costs	53.1	21.1	(2.6)		29.3
Corporate development and related costs	23.3	14.7	(6.3)		2.3
Restructuring costs	8.2	0.8	-		7.4
Net loss/(gain) on sale of assets	0.1	0.3	-		(0.3)
Adjusted EBITDA					$ 544.3
Total debt	$ 2,359	$ 659	$ 5		$ 1,705
Less: Cash	32	9	-		23
Net debt	$ 2,327	$ 650	$ 5		$ 1,682
Add back: Deferred financing fees	33	14	-		19
Net adjusted debt	$ 2,360	$ 664	$ 5		$ 1,701
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 1/1/16 - 10/31/16 and GRail for 1/1/16 - 11/30/16.

Net Adjusted Debt/Adjusted EBITDA

Twelve Months Ended December 31, 2017 (Guidance)	Total G&W	Less: Australian Operations [(a)]	Acquisitions/ Adjustments [(b)]	Adjusted
Net income attributable to G&W	$ 202	$ 6	$ -	$ 196
Add back:				
Provision for income taxes	127	5	-	122
Interest expense	105	55	-	50
Depreciation and amortization expense	249	61	-	188
EBITDA	$ 683	$ 127	$ 38	$ 594
Add back certain items				
Non-cash compensation cost related to equity awards	18	1	-	17
Adjusted EBITDA				$ 611
Total debt	$ 2,184	$ 674	$ 5	$ 1,515
Less: Cash	25	5	-	20
Net debt	$ 2,159	$ 669	$ 5	$ 1,495
Add back: Deferred financing fees	24	11	-	13
Net adjusted debt	$ 2,183	$ 680	$ 5	$ 1,508
Net adjusted debt/Adjusted EBITDA ratio				2.5 : 1.0

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

Net Adjusted Debt/Adjusted EBITDA

Twelve Months Ended December 31, 2017 (Guidance)		Australian Operations
Net income	$	10
Add back:		
Provision for income taxes		5
Interest expense		55
Depreciation and amortization expense		61
EBITDA	$	131
Add back certain items		
Non-cash compensation cost related to equity awards		1
Adjusted EBITDA	$	132
Total debt	$	674
Less: Cash		5
Net debt	$	669
Less: Shareholder loan		179
Add back: Deferred financing fees		11
Net adjusted debt	$	501
Net adjusted debt/Adjusted EBITDA ratio		3.8 : 1.0


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G&W