



Reconciliation of Non-GAAP Financial Measures

Non-GAAP Financial Measures

This presentation contains references to Adjusted Income from Operations, Adjusted Operating Ratio and Adjusted Diluted Earnings Per Common, 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.

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 Income from Operations and Adjusted Operating Ratio

| | Q2 2014 Actual | Q2 2013 Actual |
|--|-------------------|-------------------|
| Operating revenues | \$ 414.6 | \$ 400.6 |
| Operating expenses | 304.5 | 293.2 |
| Income from operations | <u>\$ 110.1</u> | <u>\$ 107.4</u> |
| Operating ratio | 73.4% | 73.2% |
| Operating expenses | \$ 304.5 | \$ 293.2 |
| Business development and related costs | (1.7) | (1.2) |
| Net gain on sale of assets | 1.4 | 1.0 |
| Adjusted operating expenses | <u>\$ 304.2</u> | <u>\$ 293.1</u> |
| Adjusted income from operations | <u>\$ 110.4</u> | <u>\$ 107.6</u> |
| Adjusted operating ratio | 73.4% | 73.1% |

Adjusted Income from Operations and Adjusted Operating Ratio – by Segment

| Three Months Ended June 30, 2014 | North America & European Operations | Australian Operations |
|--|--|--------------------------|
| Operating revenues | \$ 331.4 | \$ 83.1 |
| Operating expenses | 246.9 | 57.5 |
| Income from operations | <u>\$ 84.5</u> | <u>\$ 25.6</u> |
| Operating ratio | 74.5% | 69.2% |
| Operating expenses | \$ 246.9 | \$ 57.5 |
| Business development and related costs | (1.6) | (0.1) |
| Net gain on sale of assets | 1.3 | 0.0 |
| Adjusted operating expenses | <u>\$ 246.7</u> | <u>\$ 57.5</u> |
| Adjusted income from operations | <u>\$ 84.8</u> | <u>\$ 25.6</u> |
| Adjusted operating ratio | 74.4% | 69.2% |

Adjusted Diluted Earnings Per Common Share

| Three Months Ended June 30, 2014 | Net Income | Diluted Earnings/ (Loss) Per Common Share Impact |
|--|----------------|--|
| As reported | \$ 60.9 | \$ 1.07 |
| Add back certain items, net of tax: | | |
| Financing-related costs | 2.9 | 0.05 |
| Business development and related costs | 1.0 | 0.02 |
| Net gain on sale of assets | (1.0) | (0.02) |
| As adjusted | <u>\$ 63.8</u> | <u>\$ 1.12</u> |

| Three Months Ended June 30, 2013 | Net Income | Diluted Earnings/ (Loss) Per Common Share Impact |
|--|----------------|--|
| As reported | \$ 65.1 | \$ 1.14 |
| Add back certain items, net of tax: | | |
| Business development and related costs | 0.7 | 0.01 |
| Net gain on sale of assets | (0.7) | (0.01) |
| Short line tax credit | (7.5) | (0.13) |
| As adjusted | <u>\$ 57.6</u> | <u>\$ 1.01</u> |

