



## Reconciliation of Non-GAAP Financial Measures

# Non-GAAP Financial Measures Reconciliation

This presentation contains adjusted operating income, adjusted operating ratios and free cash flow, 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 each of 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 information is useful for investors in assessing GWI's financial results over a period of time, the Operating Income and Operating Ratios for the years ended December 31, 2008 through 2011 and 2012 Guidance, used to calculate Adjusted Operating Income and Adjusted Operating Ratios, are presented excluding net gain/(loss) on sale and impairment of assets, gain on legal settlement, FreightLink acquisition-related expenses, Edith River derailment costs and business/corporate development expenses. 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 Ratios may be different from similarly-titled non-GAAP financial measures used by other companies.

# Non-GAAP Financial Measures Reconciliation

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 years ended December 31, 2008 through 2011 and 2012 Guidance (\$ in millions):

|   | 2008     | 2009     | 2010     | 2011     | 2012<br>Guidance |
|---|----------|----------|----------|----------|------------------|
| Operating revenues  | \$ 602.0 | \$ 544.9 | \$ 630.2 | \$ 829.1 | ~ \$885          |
| Operating expenses  | 486.1    | 445.5    | 499.8    | 637.3    | ~ 665            |
| Operating income  | \$ 115.9 | \$ 99.3  | \$ 130.4 | \$ 191.8 | ~ \$220          |
| Operating ratio   | 80.7%    | 81.8%    | 79.3%    | 76.9%    | ~ 75%            |
| Operating expenses  | \$ 486.1 | \$ 445.5 | \$ 499.8 | \$ 637.3 | ~ 665            |
| Gain/(loss) on sale and impairment of assets                          | 7.7      | (4.0)    | 6.4      | 5.7      | -                |
| Gain on legal settlement  | -        | -        | 8.7      | -        | -                |
| FreightLink acquisition-related expenses                              | -        | -        | (28.2)   | -        | -                |
| Legal expense associated with resolution of an arbitration proceeding | -        | (1.1)    | -        | -        | -                |
| Restructuring charges   | -        | (2.3)    | 2.3      | -        | -                |
| Edith River derailment costs  | -        | -        | -        | (1.8)    | -                |
| Business/corporate development expenses                               | -        | -        | -        | (2.6)    | -                |
| Adjusted operating expenses   | \$ 493.8 | \$ 438.2 | \$ 489.0 | \$ 638.5 | ~ \$665          |
| Adjusted operating income   | \$ 108.2 | \$ 106.7 | \$ 141.1 | \$ 190.6 | ~ \$220          |
| Adjusted operating ratio  | 82.0%    | 80.4%    | 77.6%    | 77.0%    | ~ 75%            |

# 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 information 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 December 31, 2011, used to calculate Adjusted Operating Income and Adjusted Operating Ratio, are presented excluding net gain/(loss) on sale and impairment of assets, Edith River derailment costs and business/development expenses. The Operating Income and Operating Ratio for the three months ended December 31, 2010, used to calculate Adjusted Operating Income and Adjusted Operating Ratio, are presented excluding net gain on sale of assets, gain on legal settlement and FreightLink acquisition-related expenses. 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 Measure Reconciliation

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 Operating Ratios as described above for the three months ended December 31, 2011 and 2010 (\$ in millions):

| (\$ in millions)                                 | Q4 2011  | Q4 2010  |
|--|----------|----------|
| Operating revenues                               | \$ 210.4 | \$ 169.7 |
| Operating expenses                               | 165.0    | 145.8    |
| Operating income                                 | \$ 45.4  | \$ 23.9  |
| Operating ratio                                  | 78.4%    | 85.9%    |
| Operating expenses                               | \$ 165.0 | \$ 145.8 |
| Net gain/(loss) on sale and impairment of assets | 3.0      | 2.2      |
| Gain on legal settlement                         | -        | 8.7      |
| Edith River derailment costs                     | (1.8)    | -        |
| Business/corporate development expenses          | (0.8)    | -        |
| FreightLink acquisition-related expenses         | -        | (24.0)   |
| Adjusted operating expenses                      | \$ 165.3 | \$ 132.6 |
| Adjusted operating income                        | \$ 45.1  | \$ 37.1  |
| Adjusted operating ratio                         | 78.6%    | 78.2%    |

# Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of GWI's Operating Income and Operating Ratios by segment calculated using amounts determined in accordance with GAAP to Adjusted Operating Income and Operating Ratios by segment as described above for the three months ended December 31, 2011 and 2010 (\$ in millions):

|  | North American & European Operations |       |    | Australian Operations | Total Operations |
|--|--------------------------------------|-------|----|-----------------------|------------------|
| Three months ended December 31, 2011             |                                      |       |    |                       |                  |
| Operating revenues                               | \$                                   | 140.2 | \$ | 70.2                  | \$ 210.4         |
| Operating expenses                               |                                      | 109.2 |    | 55.8                  | 165.0            |
| Operating income                                 | \$                                   | 31.0  | \$ | 14.4                  | \$ 45.4          |
| Operating ratio                                  |                                      | 77.9% |    | 79.5%                 | 78.4%            |
| Operating expenses                               | \$                                   | 109.2 | \$ | 55.8                  | \$ 165.0         |
| Net gain/(loss) on sale and impairment of assets |                                      | 2.5   |    | 0.5                   | 3.0              |
| Edith River derailment costs                     |                                      | -     |    | (1.8)                 | (1.8)            |
| Business/corporate development expenses          |                                      | (0.4) |    | (0.4)                 | (0.8)            |
| Adjusted operating expenses                      | \$                                   | 111.2 | \$ | 54.1                  | \$ 165.3         |
| Adjusted operating income                        | \$                                   | 29.0  | \$ | 16.1                  | \$ 45.1          |
| Adjusted operating ratio                         |                                      | 79.3% |    | 77.0%                 | 78.6%            |

# Non-GAAP Financial Measure Reconciliation

| Three months ended December 31, 2010             | North<br>American &<br>European<br>Operations | Australian<br>Operations | Total<br>Operations |
|--|---|--------------------------|---------------------|
| Operating revenues                               | \$ 125.9                                      | \$ 43.8                  | \$ 169.7            |
| Operating expenses                               | 94.8  | 51.0                     | 145.8               |
| Operating income                                 | \$ 31.1                                       | \$ (7.2)                 | \$ 23.9             |
| Operating ratio                                  | 75.3%   | >100%                    | 85.9%               |
| Operating expenses                               | \$ 94.8                                       | \$ 51.0                  | \$ 145.8            |
| Net gain/(loss) on sale and impairment of assets | 2.1   | 0.1                      | 2.2                 |
| Gain on legal settlement                         | 8.7   | -                        | 8.7                 |
| FreightLink acquisition-related expenses         | (7.6)   | (16.4)                   | (24.0)              |
| Adjusted operating expenses                      | \$ 97.9                                       | \$ 34.7                  | \$ 132.6            |
| Adjusted operating income                        | \$ 28.0                                       | \$ 9.0                   | \$ 37.1             |
| Adjusted operating ratio                         | 77.8%   | 79.3%                    | 78.2%               |



# 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 net cash paid/(received) for acquisitions/divestitures and cash paid for acquisition-related expenses. 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):

| (\$ in millions)   | Guidance<br>2011 | Actual<br>2011 | Guidance<br>2012 |
|--|------------------|----------------|------------------|
| Net cash provided by operating activities from continuing operations | \$ 206           | \$ 173.5       | \$ 243           |
| Net cash used in investing activities from continuing operations (a) | (165)            | (235.1)        | (133)            |
| Net cash paid/(received) for acquisitions/divestitures (b)           | -                | 88.6           | -                |
| Cash paid for acquisition-related expenses (c)                       | -                | 13.0           | -                |
| Free cash flow   | \$ 41            | \$ 39.9        | \$ 110           |

(a) The 2011 Guidance included \$87 million in Australian equipment investments. The 2011 Actual included \$78.2 million in Australian equipment investments. The 2012 Guidance includes \$36 million in Australian equipment investments.

(b) The 2011 period primarily included \$89.9 million in net cash paid for the acquisition of AZER.

(c) The 2011 period included Australian stamp duty expenses accrued as of December 31, 2010, but paid in 2011.

