Second Quarter 2018 Earnings Call

July 27, 2018

Forward-Looking Statements

This presentation contains forward-looking statements regarding future events and the future performance of Genesee & Wyoming Inc. (G&W) that are based on current expectations, estimates and projections about our industry, management's beliefs and assumptions made by management. Words such as "anticipates," "intends," "plans," "believes," "could," "should," "seeks," "expects," "will," "estimates," "trends," "outlook," variations of these words and similar expressions are intended to identify these forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to forecast, including the following: risks related to the operation of our railroads; severe weather conditions and other natural occurrences, which could result in shutdowns, derailments, railroad network and port congestion or other substantial disruption of operations; customer demand and changes in our operations or loss of important customers; exposure to the credit risk of customers and counterparties; changes in commodity prices; consummation and integration of acquisitions; economic, political and industry conditions, including employee strikes or work stoppages; retention and contract continuation; legislative and regulatory developments, including changes in environmental and other laws and regulations to which we or our customers are subject; increased competition in relevant markets; funding needs and financing sources, including our ability to obtain government funding for capital projects; international complexities of operations, currency fluctuations, finance, tax and decentralized management; challenges of managing rapid growth, including retention and development of senior leadership; unpredictability of fuel costs; susceptibility to and outcome of various legal claims, lawsuits and arbitrations; increase in, or volatility associated with, expenses related to estimated claims, self-insured retention amounts and insurance coverage limits; consummation of new business opportunities; decrease in revenues and/or increase in costs and expenses; susceptibility to the risks of doing business in foreign countries; uncertainties arising from a referendum in which voters in the United Kingdom (U.K.) approved an exit from the European Union (E.U.), commonly referred to as Brexit; our ability to integrate acquired businesses successfully or to realize the expected synergies associated with acquisitions; risks associated with our substantial indebtedness; failure to maintain satisfactory working relationships with partners in Australia; failure to maintain an effective system of internal control over financial reporting as well as disclosure controls and procedures and other risks including, but not limited to, those noted in our 2017 Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q under "Risk Factors." Forward-looking statements speak only as of the date of this presentation or as of the date they were made. G&W does not undertake, and expressly disclaims, any duty to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law.

G&W Safety Performance – 2018

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

Our Goal Every Day

Q2 2018 Results Versus Guidance

($ in millions, except per share amounts)	Q2 2018 Actual	Q2 2018 Guidance	Variance to Guidance	Comments
Net Income Attributable to G&W	$ 44.2	$ 54.9	$ (10.7)	
Restructuring Costs	7.6		7.6	U.K./Europe
Corporate Development and Related Costs	0.3		0.3	North America
Loss on Sale of ERS	1.4		1.4	Completed in June
Gain on Settlement	(2.3)		(2.3)	Recovery from Arrium Bankruptcy
Credit Facility Refinancing-Related Costs	2.0		2.0	North America/U.K./Europe
Prior Period Tax Adjustment	4.1		4.1	U.K./Europe
Adjusted Net Income Attributable to G&W[(a)]	$ 57.2	$ 54.9	$ 2.3	
Diluted EPS Attributable to G&W	$ 0.73			
Adjusted Diluted EPS Attributable to G&W[(a)]	$ 0.94	$ 0.90	$ 0.04	

Variance ($ per share)	Adjusted Diluted EPS [(a)]	Comments
North America		
Higher Revenues	0.09	Carloads 5% above guidance
Legal Expense and Casualty & Insurance	(0.07)	Arbitration proceeding; Derailment expense
Net Fuel Price	(0.02)	Lag approximately 3-4 months
Australia	-	
U.K./Europe	0.03	Stronger U.K. Rail performance
Other, net	0.01	Lower interest and other; higher tax rate
Variance to Guidance	$ 0.04	

(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.

Highlights of Q2 2018

Corporate

- Approximately 2.7 million shares repurchased for $192 million through end of Q2 (completed 64% of $300 million program)
- Amended credit facility creates additional share repurchase flexibility (additional $500 million permitted as well as unlimited capacity below 3.25x leverage)
- Active evaluation of acquisitions and investments in multiple geographies

North America

- Strongest quarterly carload growth since Q1 2011
- Q2 operating leverage adversely impacted by unusual expenses, with customary leverage expected for remainder of 2018

Australia

- Performance continues to be on plan, with new wagon set delivered in May and actively serving spot coal customers
- Additional coal wagon order for delivery in late 2018

Highlights of Q2 2018

U.K./Europe

- Q2 results ahead of plan; Strong U.K. bulk freight volumes and intermodal pricing offset impact of reduced intermodal volumes due to port congestion at Felixstowe
- Closed on sale of intermodal operations in Continental Europe (ERS) in June

U.K. Optimization/Restructuring Update

- Overall plan unchanged with ~$55 million of restructuring and related costs expected to unlock ~$18 million of annual savings
- Q2 2018 restructuring and related charges of $9.4 million ($6.1 million from equipment rationalization and $3.3 million from management restructuring and technology initiatives)
- Locomotive fleet rationalization partially deferred into 2H 2018 given strengthening commercial demand for bulk commodity shipments
  - EITHER $23 million of equipment charges in 2H 2018 (yielding $8 million of annual savings) OR new business to be contracted for higher profit using the excess equipment

Q2 2018 Results Versus Q2 2017

- Increase in Adjusted Diluted EPS Attributable to G&W[a] primarily related to U.S. tax reform

(in thousands, except per share amounts)	Q2 2018 Actual	Q2 2017 Actual	Variance
Diluted EPS Attributable to G&W	$ 0.73	$ 0.74	$ (0.01)
Adjusted Diluted EPS Attributable to G&W[a]	$ 0.94	$ 0.80	$ 0.14
Diluted Shares	60,879	62,415	1,536

Variance ($ per share)	Adjusted Diluted EPS[a]	Comments
North America	$ -	Stronger carloads and revenue offset by higher expenses
Australia	(0.01)	Higher costs to support growth projects
U.K./Europe	0.03	Stronger U.K. Rail
Other	0.12	U.S. tax reform
Total	$ 0.14	

(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
Same Railroad Carloads: Q2 2018 vs. Q2 2017

Commodity	Change	%	Comment
Agricultural Products	(1,256)	(2.4%)	Grain Market Conditions, Barge Competition and Impact of 2017 Drought; Higher Soybean Meal (Argentina drought)
Autos & Auto Parts	(78)	(0.8%)	
Chemicals & Plastics	205	0.5%	
Coal & Coke	12,845	27.6%	Central (maintenance outage in Q2 2017) and Midwest (new business) Utility Coal
Food & Kindred Products	101	0.7%	
Intermodal	1,449	61.2%	Providence and Worcester
Lumber & Forest Products	1,438	4.0%	West Coast Lumber
Metallic Ores	199	4.7%	
Metals	6,111	17.6%	Scrap and Finished Steel and Pipe
Minerals & Stone	5,383	9.5%	Aggregates and Frac Sand
Petroleum Products	426	1.8%	
Pulp & Paper	1,949	4.9%	Containerboard (including modal conversions)
Waste	450	3.1%	
Other	2,841	16.7%	Empty Car Traffic
Total Carloads	32,063	8.1%	

North American Operations
Freight Revenues
Same Railroad Average Revenues Per Carload

	Q2 2018		Q2 2017		Change
North American Core Pricing					~3.0%
Changes in Customer Mix[a]					~(3.0%)
Changes in Commodity Mix[b]					(1.5%)
Fuel Surcharge					1.7%
FX (Appreciation of C$)[c]					0.4%
Average Revenues Per Carload	$	604	$	600	0.7%

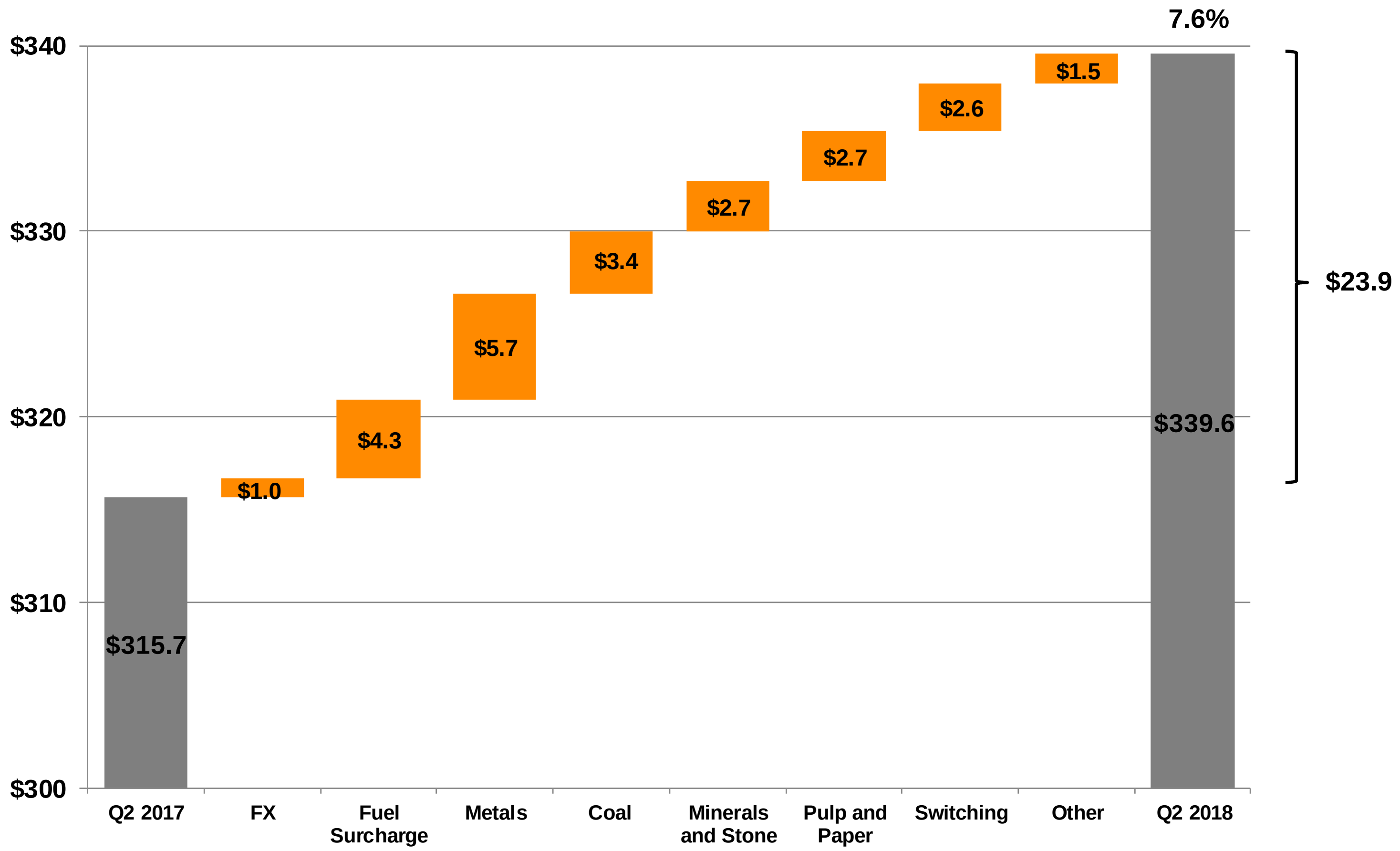
(a) Average Revenues per Carload impacted by changes in customer mix within Coal and Agricultural Products commodity groups

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

(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

North American Operations
Operating Revenues: Q2 2018 vs. Q2 2017

($ millions)



North American Adjusted Operating Income

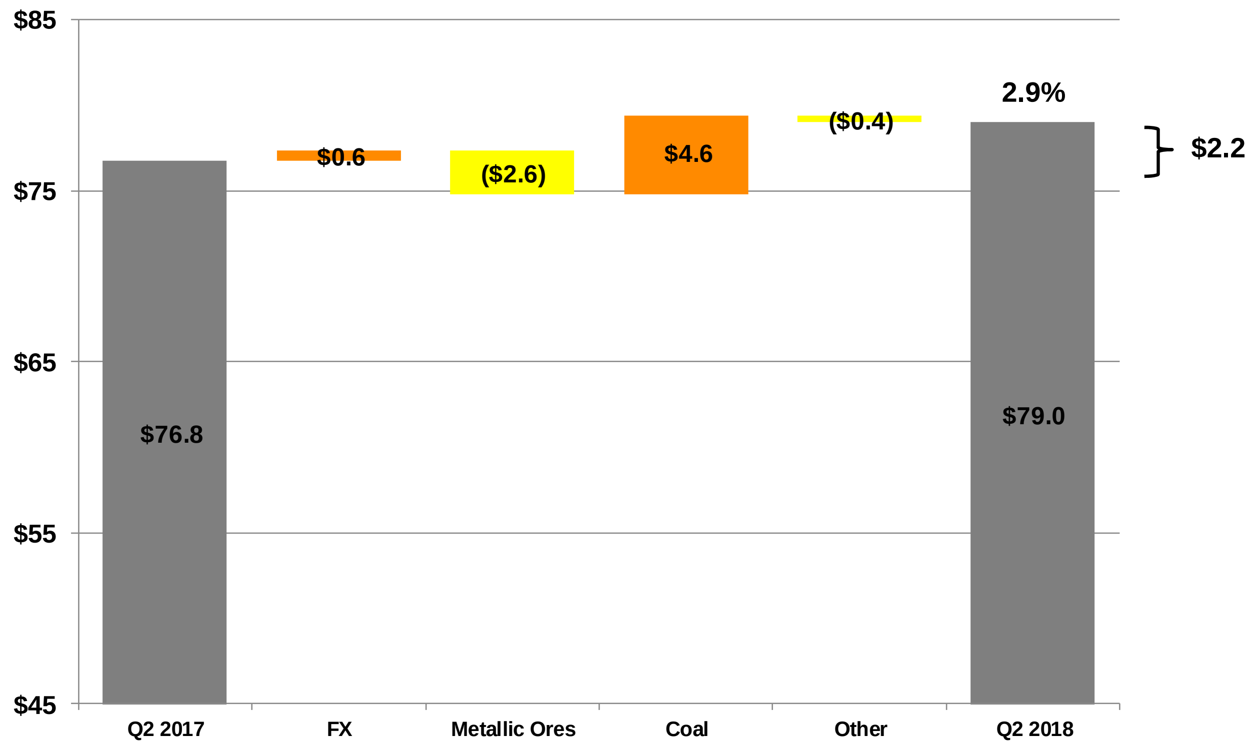
($ in millions)	Q2 2018	Q2 2017	Variance	Variance Excluding FX
Operating Revenues	$ 339.6	$ 315.7	$ 23.9	$ 22.9
Operating Expenses	(259.3)	(236.0)	(23.3)	(22.4)
Operating Income	$ 80.3	$ 79.7	$ 0.6	$ 0.5
Operating Ratio	76.4%	74.8%		
Operating Expenses	$ (259.3)	$ (236.0)	$ (23.3)	
Corporate Development and Related Costs	0.3	1.5	(1.2)	
Credit Facility Refinancing-Related Costs	0.4	-	0.4	
Adjusted Operating Expenses[(a)]	$ (258.5)	$ (234.5)	$ (24.0)	$ (23.1)
Adjusted Operating Income[(a)]	$ 81.0	$ 81.2	$ (0.2)	$ (0.2)
Adjusted Operating Ratio[(a)]	76.1%	74.3%		

($ in millions)	Adjusted Operating Income Variance (Ex. FX)	Comments
Incremental Margins on Higher Revenues	$ 10.0	Assume 50%; excludes fuel surcharge revenues
Net Fuel Price	(2.1)	
Casualty & Insurance	(3.3)	Derailments
Legal	(3.0)	Arbitration proceeding
Freight Mix, net	(3.3)	Adverse commodity and customer mix partially offset by strong pricing
Other	1.5	
Variance	$ (0.2)	

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

Australian Operations (51%-owned)
Operating Revenues: Q2 2018 vs. Q2 2017

(US$ millions)



Australian Adjusted Operating Income (51%-owned)

- Fuel surcharge recovery lag
- Higher expenses supporting growth initiatives

(US$ in millions)	Q2 2018	Q2 2017	Variance	Variance Excluding FX
Operating Revenues	$ 79.0	$ 76.8	$ 2.2	$ 1.6
Operating Expenses	(53.1)	(56.6)	3.4	3.9
Operating Income	$ 25.9	$ 20.3	$ 5.6	$ 5.5
Operating Ratio	67.2%	73.6%		
Operating Expenses	$ (53.1)	$ (56.6)	$ 3.4	
Corporate Development and Related Costs	-	0.1	(0.1)	
Gain on Settlement	(6.3)	-	(6.3)	
Adjusted Operating Expenses[(a)]	$ (59.4)	$ (56.5)	$ (3.0)	$ (2.5)
Adjusted Operating Income[(a)]	$ 19.6	$ 20.3	$ (0.7)	$ (0.9)
Adjusted Operating Ratio[(a)]	75.2%	73.5%		

(a) Adjusted Operating Expenses, 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
Operating Revenues: Q2 2018 vs. Q2 2017

(US$ millions)

(a) Includes $12.1 million and $9.4 million of revenue from ERS in Q2 2017 and Q2 2018, respectively. ERS was sold in June 2018.

(b) Includes $1.1 million related to ERS.

U.K./European Adjusted Operating Income

- Successful initiation of U.K. restructuring/optimization plan
- Higher U.K. intermodal pricing
- Higher U.K. and Poland aggregates volumes

(US$ in millions)	Q2 2018	Q2 2017	Variance	Variance Excluding FX
Operating Revenues	$ 176.4	$ 148.0	$ 28.5	$ 19.3
Operating Expenses	(179.4)	(148.1)	(31.3)	(22.0)
Operating Loss	$ (3.0)	$ (0.2)	$ (2.9)	$ (2.8)
Operating Ratio	101.7%	100.1%		
Operating Expenses	$ (179.4)	$ (148.1)	$ (31.3)	
Corporate Development and Related Costs	0.0	2.1	(2.1)	
Restructuring Costs	9.4	2.3	7.0	
Adjusted Operating Expenses[(a)]	$ (170.1)	$ (143.7)	$ (26.4)	$ (17.3)
Adjusted Operating Income[(a)]	$ 6.3	$ 4.2	$ 2.1	$ 2.0
Adjusted Operating Ratio[(a)]	96.4%	97.1%		

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

2018 Annual Guidance (as of July 27, 2018)

- Guidance broadly unchanged
- Sale of ERS (~$60 million of annual U.K./Europe revenues)
- Weaker C$, A$ and £ impact (~$0.05 per diluted share)

($ in millions, except per share amounts)	North America	Australia	U.K./Europe	Consolidated G&W
Operating Revenues	$1,330 - $1,340	$310 - $320	$695 - $705	$2,335 - $2,365
Adjusted Operating Ratio(a)	~75%	~75%	~96%	81% - 82%
Adjusted Operating Income(a)	$325 - $330	~80	$25 - $30	$430 - $440
Adjusted Net Interest Expense/Other (Income), net				~$100
Depreciation and Amortization(b)	~$184	~$61	~$39	~$284
Tax Rate				~27%
Adjusted Net Income Attributable to Noncontrolling Interest (Australia)(a)				~$10
Adjusted Diluted EPS Attributable to G&W(a)				$3.80 - $3.90
Diluted Shares				60.8 million
2018 Same RR Carload Volume Growth vs 2017	~5%	~15%	~4%	~6%
Freight Pricing	~3%	fixed/variable	inflation-based	
FX	C$1.00 = US$0.76	A$1.00 = US$ 0.73	£1.00 = US$1.31 €1.00 = US$1.16	

(a) Adjusted Operating Ratio, Adjusted Operating Income, Adjusted Net Income Attributable to Noncontrolling Interest and Adjusted Diluted EPS Attributable to G&W are non-GAAP financial measures. Reconciliations of non-GAAP financial measures accompany this presentation.
(b) Includes amortization on non-cash equity compensation expense of $18 million, depreciation expense of $222 million and amortization expense of $44 million.

Guidance – Third Quarter 2018 (July 27, 2018)

($ in millions, except per share amounts)	North America	Australia	U.K./Europe	Consolidated Q3 2018 Guidance
Operating Revenues	$330 - $340	$75 - $80	$175 - $180	$580 - $600
Operating Ratio[(a)]	~73%	71% - 72%	~93%	78% - 79%
Operating Income[(a)]	$90 - $95	$20 - $22	$10 - $12	$120 - $130
Net Interest Expense/Other (Income), net				~$25
Depreciation and Amortization[(b)]	~$45	~$15	~$10	~$70
Effective Tax Rate				~27%
Net Income Attributable to Noncontrolling Interest				~$3
Diluted EPS Attributable to G&W[(a)]				$1.10 - $1.20
Diluted Shares				60.3
Q3 2018 Carload Growth vs Q3 2017 (excluding ERS)	~5%	35% - 40%	~9%	

(a) Does not reflect impact of U.K. restructuring and related costs.
(b) Includes amortization of non-cash equity compensation expense of $5 million and D&A of $65 million.
FX: A$1.00 = US$0.73, C$1.00 = US$0.76, €1.00 = US$1.16, £1.00 = US$1.31, PLN1.00 = US$0.26

Balance Sheet

- Net Debt[a] of $2.3 billion at June 30, 2018
- 2.8x Net Adjusted Debt/Adjusted EBITDA[b][c] at June 30, 2018
- Over $600 million of available revolver capacity

($ in millions)		6/30/2018
Cash & Equivalents	$	70
Debt:		
G&W Senior Secured Credit Facility, *due May 2023*	$	1,664
Australian Senior Secured Credit Facility, *due December 2021*[d]		489
Australian Subordinated Shareholder Loan, *due December 2026*[e]		176
Other Debt		71
Less: Deferred Financing Fees		(23)
TOTAL DEBT	$	2,377
Total Equity	$	3,782
TOTAL CAPITALIZATION	$	6,159
Debt/Total Capitalization		39%
Net Debt/Total Capitalization		38%

[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. Leverage at 6/30/2018 of 3.4x.

[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

G&W U.S. Same Railroad Carloads vs. U.S. Class Is 1H 2018 vs. 1H 2017 (excludes intermodal)[a]

Commodity	Class I % Change	G&W % Change	Class I Mix	G&W Mix	Commodity Weighted Variance	Notes
Coal	(0.5%)	10.3%	33.3%	15.7%	1.7%	G&W Plant Outage in Q2 2017 and New Business
Minerals & Stone	3.6%	5.2%	13.9%	13.9%	0.2%	
Metallic Ores	9.7%	0.6%	1.5%	0.7%	(0.1%)	Class I Taconite/Iron Ore; G&W Copper Concentrate
Chemicals & Plastics	3.8%	(2.8%)	12.5%	10.2%	(0.8%)	G&W Ethanol (Midwest Barge Competition)
Metals	3.8%	8.0%	5.2%	9.0%	0.5%	G&W Finished Steel, Scrap Steel and Pipe
Agricultural Products	1.0%	(5.1%)	13.0%	13.2%	(0.9%)	G&W Grain (Drought, Global Market Conditions, Modal Competition)
Pulp & Paper	0.7%	6.0%	2.2%	9.6%	0.5%	G&W Plant Outage in Q1 2017 and Modal Conversions
Autos & Auto Parts	(2.5%)	(3.4%)	6.5%	2.1%	0.1%	
Consumer[b]	(1.8%)	5.0%	5.5%	16.2%	0.9%	G&W West Coast Lumber and Northeast Waste
Petroleum Products	6.8%	(5.9%)	4.1%	4.8%	(0.6%)	G&W LPGs
Other	0.2%	15.1%	2.3%	4.6%	0.6%	G&W Empty Car Traffic
Total	1.3%	3.5%	100.0%	100.0%	2.2%	

(a) UNP, BNSF, NS and CSX (Source: AAR, G&W)
(b) Consumer includes Food & Kindred Products, Lumber & Forest Products and Waste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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 (EPS), Adjusted Operating Income, Adjusted Operating Ratio 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. Management also views these non-GAAP financial measures as a way to assess comparability between periods.

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, 2018	Income Before Income Taxes (Pre-Tax Income)	Benefit from/ (Provision for) Income Taxes	Net Income Attributable to G&W	Diluted EPS
As reported	$ 75.1	$ (26.4)	$ 44.2	$ 0.73
Adjusted for:				
Corporate development and related costs	0.4	(0.1)	0.3	-
Restructuring costs	9.4	(1.8)	7.6	0.12
Loss on sale of ERS	1.4	-	1.4	0.02
Gain on settlement	(6.3)	1.9	(2.3)	(0.04)
Credit facility refinancing-related costs	2.7	(0.7)	2.0	0.03
Prior period tax adjustment	-	4.1	4.1	0.07
As adjusted	$ 82.5	$ (23.0)	$ 57.2	$ 0.94
Weighted average shares - diluted				60.9

Adjusted Net Income and Adjusted Diluted EPS (cont.)

Three Months Ended June 30, 2017	Income Before Income Taxes (Pre-Tax Income)	Benefit from/ (Provision for) Income Taxes	Net Income Attributable to G&W	Diluted EPS
As reported	$ 77.7	$ (29.6)	$ 46.0	$ 0.74
Adjusted for:				
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	$ 82.1	$ (30.0)	$ 49.9	$ 0.80
Weighted average shares - diluted				62.4

Adjusted Operating Income and Adjusted Operating Ratio – by Segment

Three Months Ended June 30, 2018	North American Operations	Australian Operations	U.K./European Operations	Total
Operating revenues	$ 339.6	$ 79.0	$ 176.4	$ 595.0
Operating expenses	259.3	53.1	179.4	491.9
Operating income/(loss) [(a)]	$ 80.3	$ 25.9	$ (3.0)	$ 103.1
Operating ratio [(b)]	76.4%	67.2%	101.7%	82.7%
Operating expenses	$ 259.3	$ 53.1	$ 179.4	$ 491.9
Corporate development and related costs	(0.3)	-	-	(0.4)
Restructuring costs	-	-	(9.4)	(9.4)
Credit facility refinancing-related costs	(0.4)	-	-	(0.4)
Gain on settlement	-	6.3	-	6.3
Adjusted operating expenses	$ 258.5	$ 59.4	$ 170.1	$ 488.0
Adjusted operating income	$ 81.0	$ 19.6	$ 6.3	$ 107.0
Adjusted operating ratio	76.1%	75.2%	96.4%	82.0%

(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 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	236.0	56.6	148.1	440.7
Operating income/(loss) [a]	$ 79.7	$ 20.3	$ (0.2)	$ 99.7
Operating ratio [b]	74.8%	73.6%	100.1%	81.5%
Operating expenses	$ 236.0	$ 56.6	$ 148.1	$ 440.7
Corporate development and related costs	(1.5)	(0.1)	(2.1)	(3.7)
Restructuring costs	-	-	(2.3)	(2.3)
Adjusted operating expenses	$ 234.5	$ 56.5	$ 143.7	$ 434.7
Adjusted operating income	$ 81.2	$ 20.3	$ 4.2	$ 105.8
FX [c]	0.1	0.2	0.1	0.4
Adjusted operating income excluding FX	$ 81.3	$ 20.5	$ 4.4	$ 106.1
Adjusted operating ratio	74.3%	73.5%	97.1%	80.4%

(a) Operating income/(loss) 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.

EBITDA – Total G&W

	Three Months Ended September 30, 2017		Three Months Ended December 31, 2017		Three Months Ended March 31, 2018		Three Months Ended June 30, 2018		Twelve Months Ended June 30, 2018	
Net income	$	53.4	$	428.0	$	76.0	$	48.6	$	606.0
Add back:										
Provision for income taxes		30.5		(343.3)		(15.9)		26.4	$	(302.2)
Interest expense		28.3		26.9		25.2		28.9	$	109.3
Depreciation and amortization expense		64.2		63.9		66.0		65.7	$	259.9
EBITDA	$	176.4	$	175.5	$	151.4	$	169.7	$	673.0

EBITDA – Australian Operations

	Three Months Ended September 30, 2017	Three Months Ended December 31, 2017	Three Months Ended March 31, 2018	Three Months Ended June 30, 2018	Twelve Months Ended June 30, 2018
Net income/(loss)	$ 6.4	$ 2.9	$ 1.9	$ 9.1	$ 20.3
Add back:					
Provision for income taxes	2.0	1.3	0.8	3.9	$ 8.0
Interest expense	14.0	13.5	13.5	13.2	$ 54.2
Depreciation and amortization expense	15.8	15.2	16.0	15.3	$ 62.3
EBITDA	$ 38.2	$ 32.9	$ 32.3	$ 41.5	$ 144.8

Net Adjusted Debt/Adjusted EBITDA – G&W

Twelve Months Ended June 30, 2018	Total G&W	Less: Australian Operations [a]	Adjustments [b]	G&W
Net income	$ 606.0	$ 20.3	$ 4.5	$ 590.2
Adjusted for:				
Provision for income taxes	(302.2)	8.0	-	(310.3)
Interest expense	109.3	54.2	12.8	67.9
Depreciation and amortization expense	259.9	62.3	-	197.6
EBITDA	$ 673.0	$ 144.8	$ 17.3	$ 545.5
Adjusted for certain items:				
Non-cash compensation cost			10.5	10.5
Corporate development and related costs			1.4	1.4
Restructuring costs			13.7	13.7
Australia dividends, distributions of cash payments			34.2	34.2
Net gain on sale of assets			(2.5)	(2.5)
Hedging agreement expense			(2.1)	(2.1)
Loss on sale of business			1.4	1.4
U.K. coal railcar leases			0.8	0.8
Adjusted EBITDA				$ 602.9
Total debt	$ 2,376	$ 658	$ 4	$ 1,722
Add: Deferred financing fees	23	10	-	13
Adjusted debt	$ 2,399	$ 667	$ 4	$ 1,736
Less: Cash	70	38	-	32
Net adjusted debt	$ 2,330	$ 630	$ 4	$ 1,703
Net adjusted debt/Adjusted EBITDA ratio				2.8 : 1.0

(a) Australian 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 – Australian Operations (in A$)

	Three Months Ended September 30, 2017	Three Months Ended December 31, 2017	Three Months Ended March 31, 2018	Three Months Ended June 30, 2018	Twelve Months Ended June 30, 2018	Adjustments	Adjusted Twelve Months Ended June 30, 2018
Net income	$ 8.2	$ 3.8	$ 2.4	$ 12.1	$ 26.4		
Add back:							
Provision for income taxes	2.6	1.7	1.0	5.2	10.5		
Interest expense	17.7	17.6	17.2	17.4	69.9		
Depreciation and amortization expense	20.0	19.8	20.4	20.2	80.3		
EBITDA	$ 48.4	$ 42.9	$ 41.1	$ 54.9	$ 187.2	$ (4.7)	$ 182.5
Total debt					$ 889	$ (238)	$ 651
Add: Deferred financing fees					13		13
Adjusted debt					$ 902	$ (238)	$ 664
Less: Cash					51		51
Net debt					$ 852	$ (238)	$ 613
Net debt/adjusted EBITDA ratio							3.4 : 1.0

Adjusted Operating Income and Adjusted Operating Ratio

Updated 2018 Guidance - July 2018	Total
Operating revenues	$2,335 - $2,365
Operating expenses	$1,944 - $1,964
Operating income [(a)]	$391 - $401
Operating ratio [(b)]	~82%
Operating expenses	$1,944 - $1,964
Corporate development and related costs	(1)
Restructuring costs	(44)
Gain on settlement	6
Adjusted operating expenses	$1,905 - $1,925
Adjusted operating income	$430 - $440
Adjusted operating ratio	81% - 82%

(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

Updated 2018 Guidance - July 2018	Income Before Income Taxes (Pre-Tax Income)	Benefit from/ (Provision for) Income Taxes	Net Income Attributable to G&W	Diluted EPS
As reported	$ 291	$ (57)	$ 226	$3.65 - $3.75
Adjusted for:				
Corporate development and related costs	1	-	-	0.01
Restructuring costs	44	(9)	35	0.58
Gain on settlement	(6)	2	(2)	(0.04)
Credit refinancing-related costs	3	(1)	2	0.03
Loss on sale of business	1	-	1	0.02
Prior-period tax adjustment	-	4	4	0.06
2017 Short Line Tax Credit	-	(32)	(32)	(0.51)
As adjusted	$ 334	$ (93)	$ 234	$3.80 - $3.90
Weighted average shares - diluted				60.8


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G&W