



Genesee & Wyoming Inc.

**Stephens Inc. Fall Investment
Conference**

November 18, 2009

Forward-looking Statements

This presentation contains forward-looking statements regarding future events and the future performance of Genesee & Wyoming Inc. (“the Company”) that involve risks and uncertainties that could cause actual results to differ materially, including, but not limited to, economic conditions, customer demand, increased competition in the relevant market and others. 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. Genesee & Wyoming Inc. disclaims any obligation to update the forward-looking statements contained in this presentation.



Agenda

- 1. GWI Overview**
- 2. Analysis of Revenues**
- 3. Expense Controls**
- 4. Third Quarter 2009 Results**

G&W Overview



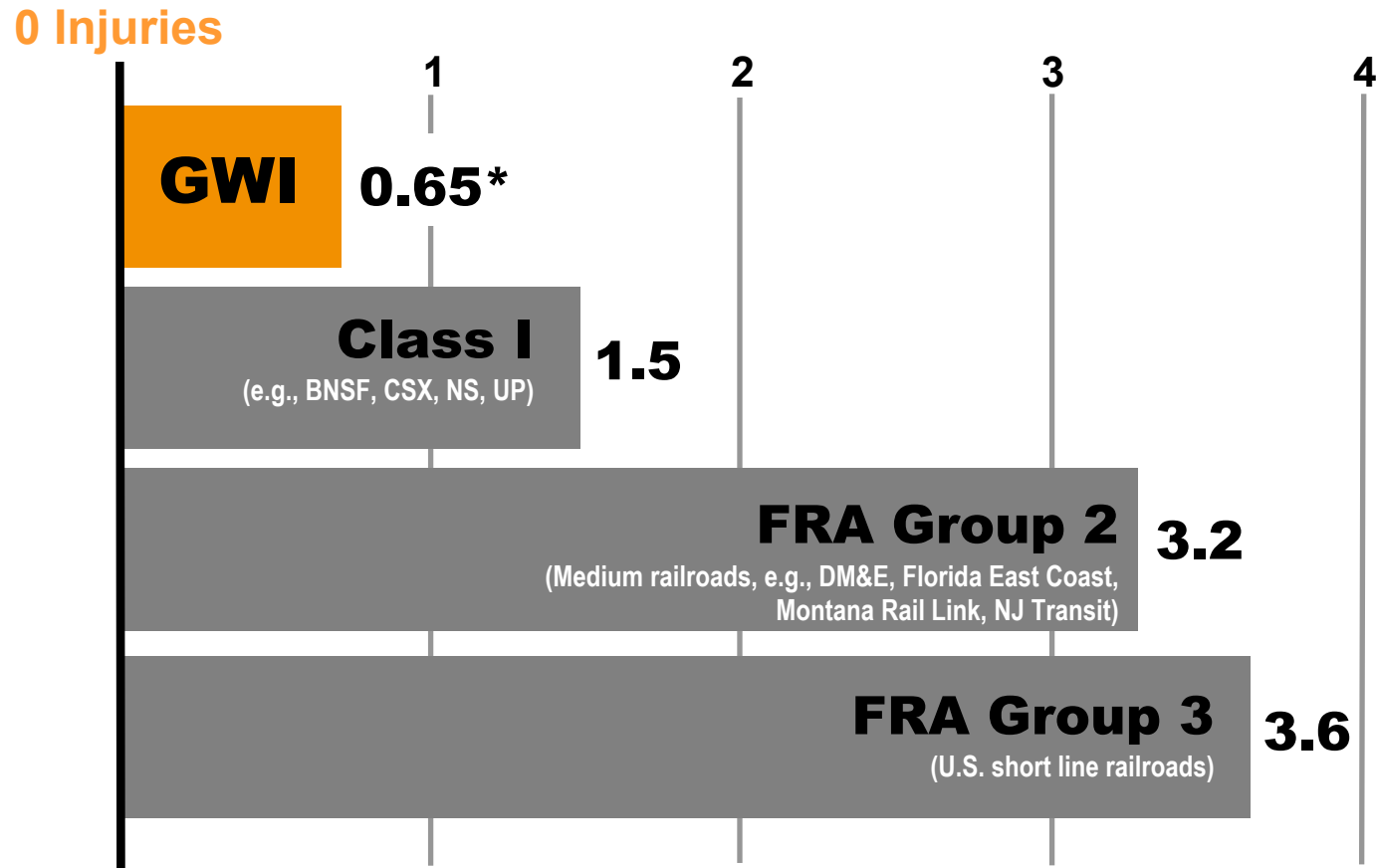
GWI Today

- **Ownership of 62 railroads**
- **NYSE: GWR with market capitalization of \approx \$1.3 billion**
- **EPS CAGR: 15.7% since 2004**
- **Employees \approx 2,500**
- **550 locomotives**
- **Operate over 9,100 track miles**



2009 Injury Frequency Rate

We are a safety leader in the rail industry...



Rate per 200,000 man hours worked

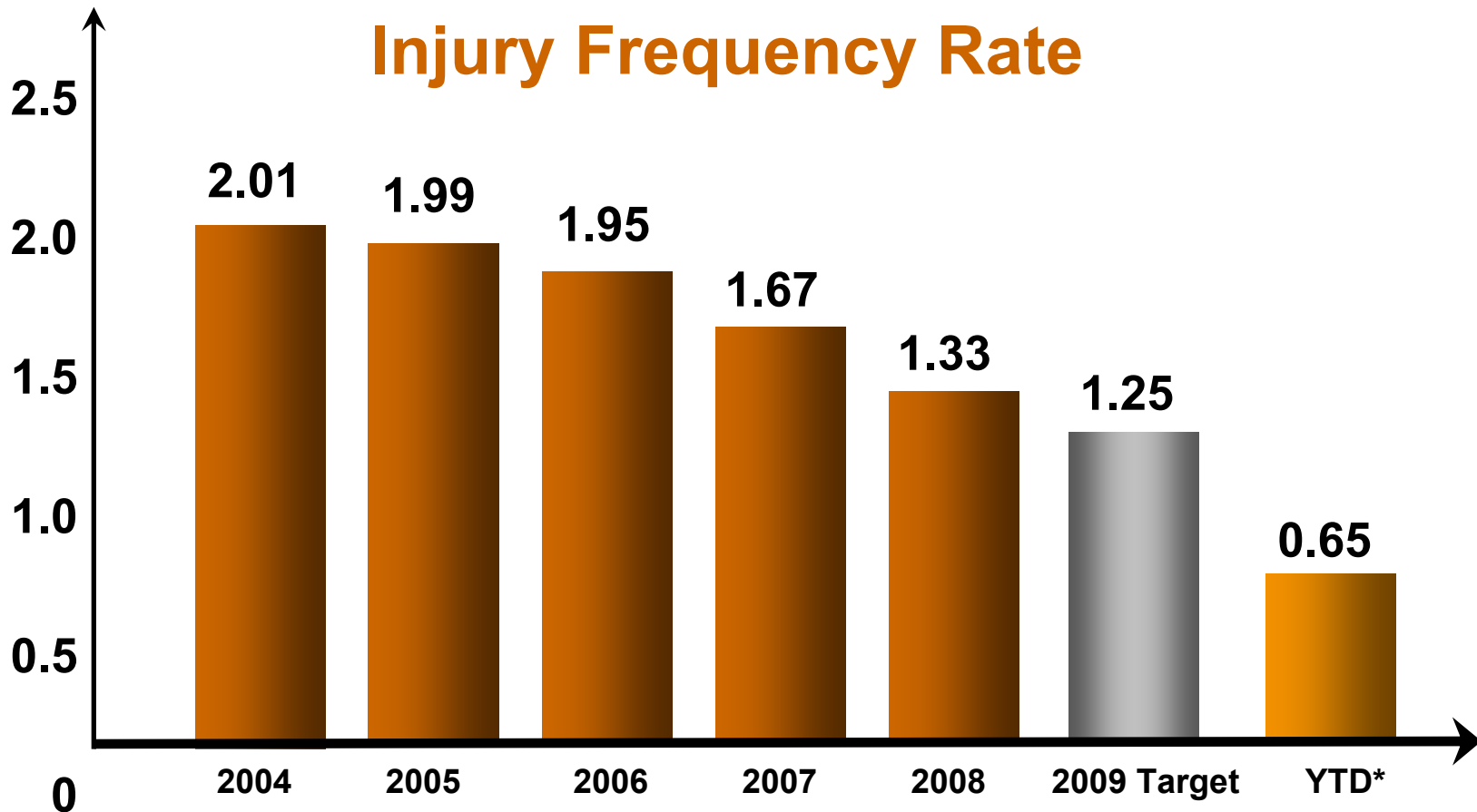
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*GWI results through October; all others through August



Safety Performance

...and are improving every year



*Through October



GWI Worldwide



Decentralized Operating Strategy

Nine regions with strong local management combined with centralized administrative support

- **Focused Regional Marketing**
- **Lower Operating Costs**
- **Efficient Use of Capital**
- **Continuous Safety Improvement**

Increased Coordination Between Regions and Corporate in Recession



Acquisition Strategy

- 34 acquisitions since 1985
- 5 acquisitions in 2008 with a total enterprise value of \$370 million

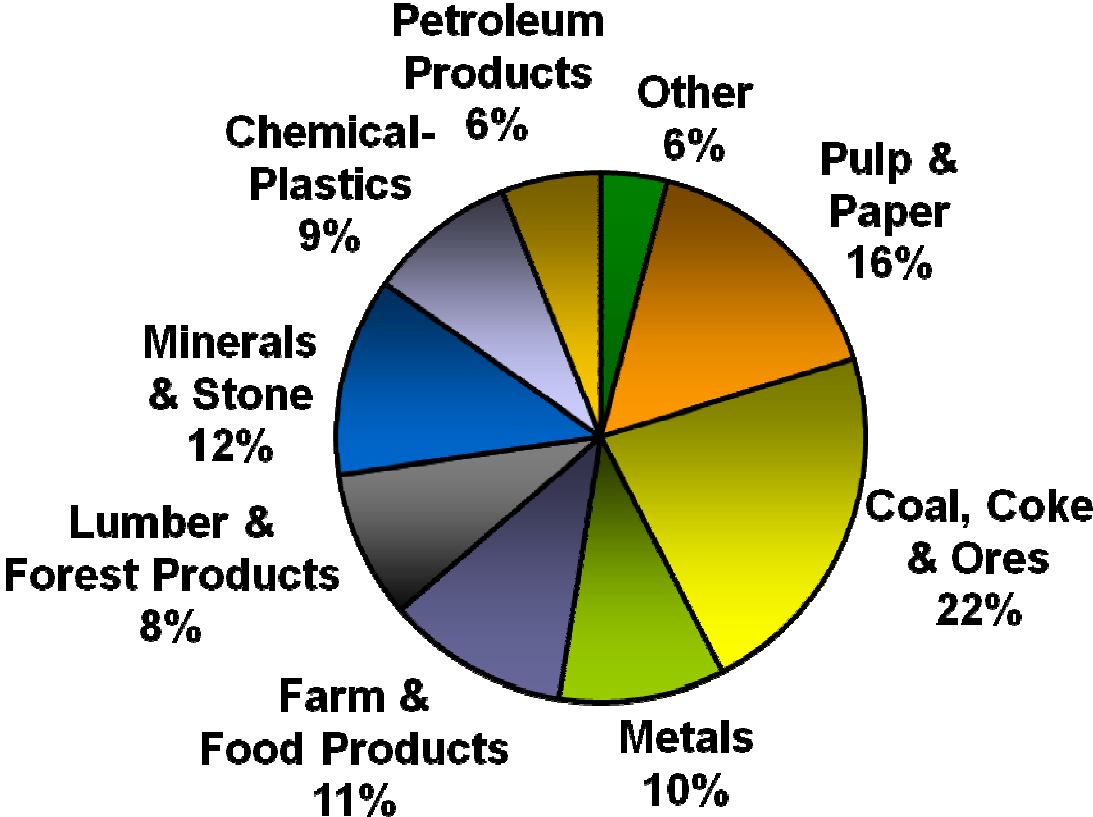


Analysis of Revenues



Freight Revenues (63% of Total)

LTM 9/30/09



Key Freight Commodities

■ Coal

- 85% Baseload Utilities 5%-10% Spot
- 10% Industrial

■ Pulp and Paper

- 50% Container Board 15% Pulp
- 25% Printing Paper 10% Newsprint

■ Metals

- 45% Finished Products 35% Scrap
- 10% Aluminum 10% Pipe and Other

■ Farm and Food

- Approximately 40% - 50% Australian Grain



Same Railroad Carloads*

9 Months 2009 vs. 9 Months 2008

Commodity	Change	%	Comment
Coal, Coke and Ores	(12,900)	(10%)	Spot Market Demand, Timing
Pulp & Paper	(26,700)	(29%)	Paper/Packaging
Minerals and Stone	(12,900)	(12%)	Economy
Farm and Food	7,400	15%	Australian Harvest
Chemicals and Plastics	(4,600)	(13%)	Auto/Paper/Mfg
Metals	(24,400)	(37%)	Steel/Scrap/Pipe
Lumber and Forest	(11,800)	(20%)	Housing
Petroleum Products	100	0%	
Auto and Auto Parts	(3,500)	(38%)	Auto Industry
Other	(1,800)	(18%)	
Total	(91,100)	(15%)	Of which (5,800) were HCRY

14 * Includes 6,900 and 12,700 HCRY carloads, in nine months 2009 and 2008, respectively



Average Revenues Per Carload

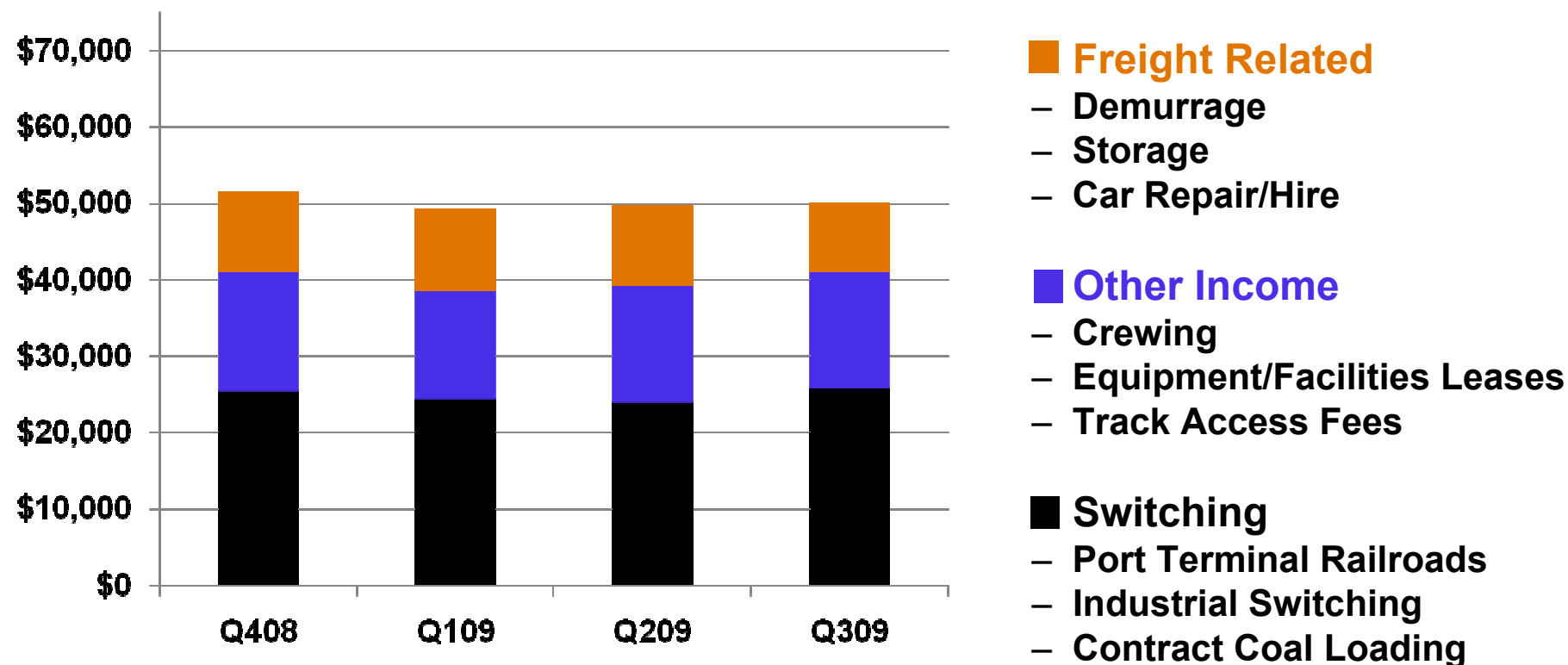
<i>(\$ in millions)</i>	YTD 2009	YTD 2008	Change
Average Revenues Per Carload	\$420	\$466	(9.9%)
Same Railroad (Reported)			(8.9%)
FX (depreciation of C\$ & A\$)			(3.1%)
Fuel Surcharge			(6.0%)
Mix			(1.6%)
Same Railroad (ex. Fuel, FX, Mix)			1.8%
U.S. & Canada Same Railroad (ex. Fuel, FX, Mix, RCAF)			4.5%(a)

(a) Impact of RCAF was approximately 1%



Adjusted Non-Freight Revenues*

(000's)



* Excluding Fuel Sales, Normalized for FX. Adjusted non-freight revenues is a Non-GAAP financial measure. A Non-GAAP financial measure reconciliation is included at the end of this presentation.



Cost Controls



Responding to the Recession

- **Reduce Train Starts**
- **Park Locomotives (~13%)**
- **Furlough Employees (~10%)**
- **Redesign Operating Plans**
- **In-source Track Activities**

Comparison to Rail Industry

Y/Y Change in Operating Expense Ex-Fuel

	1Q:09	2Q:09	3Q:09
BNI	-9.9%	-13.7%	-11.1%
UNP	-6.7%	-11.9%	-10.3%
CSX	-6.9%	-14.2%	-14.7%
NSC	-6.9%	-16.2%	-14.2%
Class I Average	-7.6%	-14.0%	-12.6%
GWR *	-6.6%	-9.1%	-16.6%

* GWR: U.S. and Canada Same Railroad Only, excluding one-time items and certain non-freight transportation expense, normalized for FX. This percentage change is a Non-GAAP financial measure. A Non-GAAP financial measure reconciliation is included at the end of this presentation.

Source: JPMorgan, GWI



Expense Variability

Ratio of Change in Operating Expenses (Ex. Fuel) To Decline in Volumes

	1Q:09	2Q:09	3Q:09
BNI	69.0%	73.0%	64.0%
UNP	32.0%	55.0%	68.0%
CSX	40.0%	69.0%	95.0%
NSC	34.0%	63.0%	72.0%
Class I Average	43.8%	65.0%	74.8%
GWR *	49.9%	37.6%	83.0%

* GWR: U.S. and Canada Same Railroad Only, excluding one-time items and certain non-freight transportation expense, normalized for FX. This ratio is a Non-GAAP financial measure. A Non-GAAP financial measure reconciliation is included at the end of this presentation.

Source: JPMorgan, GWI



Third Quarter 2009 Results



Third Quarter Summary

■ Revenues

- Same Railroad Revenues down 16.9% versus 3Q08 (ex. Fuel and FX)
- Total Revenues Up 4.9% versus 2Q09

■ Operating Expenses

- Maintained Adjusted Operating Ratio* of 79.1% Despite Revenue Loss
- Adjusted Operating Ratio 340 bps better than 2Q09

■ Divestitures

- Bolivia: \$3.8 million cash
- Mexico: \$2.2 million cash

■ Acquisitions

- Remain Active in North America and Australia
- Strong Cash Position of \$96 million + Undrawn \$300 million Revolver

* Adjusted Operating Ratio is a Non-GAAP financial measure. A Non-GAAP financial measure reconciliation is included at the end of this presentation.



Third Quarter Free Cash Flow

(\$ in millions)	Nine Months Ended September 30,	
	2009	2008
Net cash provided by operation activities from continuing operations	\$ 88.4	\$ 93.7
Net cash used in investing activities from continuing operations	(35.3)	(148.5)
Net cash paid/(received) for acquisitions/divestitures	2.0	115.7
Free cash flow*	<u>\$ 55.1</u>	<u>\$ 60.9</u>

* Free cash flow is a Non-GAAP financial measure. A Non-GAAP financial measure reconciliation is included at the end of this presentation.



Strong Balance Sheet

<i>\$ in millions</i>	September 30, 2009
Cash & Equivalents	\$ 96.0
Debt:	
4.85% Senior Notes, <i>due November 2011</i>	\$ 75.0
5.36% Senior Notes, <i>due August 2015</i>	100.0
Floating Rate Senior Notes, <i>due August 2012</i>	25.0
Other Long-Term Debt, <i>due October 2013</i>	255.8
TOTAL LONG-TERM DEBT	\$ 455.8
Total Equity	\$ 665.2
TOTAL CAPITALIZATION	\$1,121.0
Total Debt/Total Capitalization	40.7%
Net Debt/Total Capitalization	32.1%



Priorities for Remainder of 2009

- 1. Maintain Focus on Safety**
- 2. Maintain Cost Discipline**
- 3. New Investments and Acquisitions**





Appendix

Third Quarter Revenues

<i>(\$ in millions)</i>	3Q 2009	3Q 2008	Change	%
Revenues	\$136.4	\$159.4	(\$23.0)	(14.4%)
New Operations			\$12.9	
FX (Depreciation of A\$, C\$ and Euro)			(\$2.2)	
Third-Party Fuel Sales			(\$6.7)	
Same Railroad (Ex. Fuel Sales and FX)			(\$27.0)	(16.9%)



Third Quarter Freight Revenues

<i>(\$ in millions)</i>	3Q 2009	3Q 2008	Change	%
Freight Revenues	\$83.2	\$95.6	(\$12.4)	(13.0%)
New Operations			\$11.3	
FX (Depreciation of A\$ and C\$)			(\$1.0)	
Same Railroad (ex. FX)			(\$22.8)	(23.8%)



Average Revenues Per Carload

<i>(\$ in millions)</i>	3Q 2009	3Q 2008	Change
Average Revenues Per Carload	\$422	\$469	(10.0%)
Same Railroad (Reported)			(8.7%)
FX (depreciation of C\$ & A\$)			(1.0%)
Fuel Surcharge			(8.7%)
Mix			(1.4%)
Same Railroad (ex. Fuel, FX, Mix)			2.4%
U.S. & Canada Same Railroad (ex. Fuel, FX, Mix, RCAF)			3.8%(a)

(a) Impact of RCAF was approximately 1%



Third Quarter Non-Freight Revenues

<i>(\$ in millions)</i>	3Q 2009	3Q 2008	Change	%
Non-Freight Revenues	\$53.3	\$63.8	(\$10.5)	(16.5%)
New Operations			\$1.6	
FX (Depreciation of A\$, C\$ and Euro)			(\$1.2)	
Third-Party Fuel Sales			(\$6.7)	
All Other Same Railroad			(\$4.2)	(6.6%)





Reconciliation of Non-GAAP Financial Measures

Non-GAAP Financial Measures Reconciliations

This earnings release contains adjusted non-freight revenues, year over year change in adjusted operating expenses, the ratio of change in adjusted operating expenses to decline in volumes, 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 these Non-GAAP financial measures to their most directly comparable U.S. GAAP measures.



Adjusted Non-Freight Revenues

Description and Discussion

Management views its Non-Freight Revenues as an important measure of GWI's operating performance. Because management believes this is useful for investors in assessing GWI's financial results over a period of time, Adjusted Non-Freight Revenues are presented on a quarterly basis from Q4 2008 through Q3 2009, excluding fuel sales and the impact of foreign exchange. The Adjusted Non-Freight Revenues presented excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, Non-Freight Revenues calculated using amounts in accordance with GAAP.



Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of GWI's Non-Freight Revenues calculated using amounts determined in accordance with GAAP to Adjusted Non-Freight Revenues described above (\$ in millions):

	Q4 2008	Q1 2009	Q2 2009	Q3 2009
As Reported	\$ 54.0	\$ 49.3	\$ 50.8	\$ 53.3
Fuel Sales	(5.9)	(3.6)	(3.1)	(3.8)
Foreign Exchange *	3.5	3.5	1.9	0.5
Adjusted	<u>\$ 51.6</u>	<u>\$ 49.2</u>	<u>\$ 49.6</u>	<u>\$ 50.0</u>

* Assumes average exchange rate from September 2009.

Year over Year Change in Adjusted Operating Expenses and the Ratio of the Change in Adjusted Operating Expenses to Decline in Volumes Description and Discussion

Management views its Year over Year (Y/Y) Change in Operating Expenses and the Ratio of the Change in Operating Expenses to Decline in Volumes as an important measure of GWI's U.S. and Canada Same Railroad operating performance. Because management believes this is useful for investors in assessing GWI's financial results compared with the same period in the prior year, the Y/Y Change in Adjusted Operating Expenses for the three months ended March 31, June 30, and September 30, 2009 and 2008, are presented excluding: 1) the cost of diesel fuel; 2) net gain/(loss) on sale and impairment of assets and gain on insurance recoveries; 3) Huron Central Railway Inc. (HCRY) restructuring and related charges and legal expenses associated with the resolution of the arbitration associated with the Meridian & Bigbee LLC (M&B) Haulage Agreement; 4) non-freight transportation expense associated with industrial and port switching, contract coal loading, Class I switching and commuter rail services and 5) the impact of foreign exchange. The Ratio of the Change in Adjusted Operating Expenses to Decline in Volumes is calculated as Y/Y change in Adjusted Operating Expenses divided by the Y/Y Change in U.S. and Canada Same Railroad Carloads. The Y/Y Change in Adjusted Operating Expenses and the Ratio of the Change in Adjusted Operating Expenses to Decline in Volumes presented excluding these effects are not intended to represent, and should not be considered more meaningful than, or as an alternative to, the Operating Expenses calculated using amounts in accordance with GAAP.



Non-GAAP Financial Measures

Reconciliations

The following table sets forth a reconciliation of GWI's Change in Operating Expenses calculated using amounts determined in accordance with GAAP to the U.S. and Canada Same Railroad Y/Y Change in Operating Expenses and the Ratio of Change in Adjusted Operating Expenses to Adjusted Decline in Volumes (\$ in millions):

Y/Y Change in Adjusted Operating Expenses:

	Q1 - 2009	Q1 - 2008	Y/Y Ratio	Q2 - 2009	Q2 - 2008	Y/Y Ratio	Q3 - 2009	Q3 - 2008	Y/Y Ratio
As Reported	\$ 112.4	\$ 119.4		\$ 115.4	\$ 123.0		\$ 105.3	\$ 124.9	
New Operations	(15.0)	-		(10.5)	-		(10.3)	-	
Australia and Netherlands	(16.9)	(24.4)		(20.7)	(31.6)		(22.6)	(29.9)	
Diesel fuel	(7.0)	(14.5)		(5.7)	(15.8)		(6.4)	(14.4)	
U.S. and Canada Same Railroad Operating Expenses Excluding Fuel	\$ 73.5	\$ 80.5		\$ 78.5	\$ 75.6		\$ 66.0	\$ 80.6	
Net Gain/(Loss) on Sale and Impairment of Assets and Gain on Insurance Recoveries	0.2	0.5		(4.6)	2.5		2.5	1.2	
Restructuring Charges of \$2.3M and M&B Legal Expenses of \$1.4M	-	-		(3.7)	-		0.3	-	
Certain Non-freight Transportation Expenses	(6.5)	(6.7)		(6.8)	(6.8)		(7.0)	(7.1)	
Foreign Currency Exchange	2.2	-		1.4	-		0.5	-	
Adjusted U.S. and Canada Same Railroad Operating Expenses	<u>\$ 69.4</u>	<u>\$ 74.3</u>	-6.6%	<u>\$ 64.8</u>	<u>\$ 71.3</u>	-9.1%	<u>\$ 62.3</u>	<u>\$ 74.7</u>	-16.6%
U.S. and Canada Same Railroad Carloads	<u>145,765</u>	<u>168,006</u>	-13.2%	<u>132,030</u>	<u>174,234</u>	-24.2%	<u>147,950</u>	<u>184,950</u>	-20.0%
Ratio of Change in Adjusted Operating Expenses To Decline in Volumes			49.9%			37.6%			83.0%



Adjusted Operating Ratios Description and Discussion

Management views its Operating Ratio, calculated as total Operating Expenses divided by total Revenues, as an important measure of GWI's operating performance. Because management believes this is useful for investors in assessing GWI's financial results compared with the same period in the prior year, the Adjusted Operating Ratio for the three months ended September 30, 2009, is presented excluding net (loss) gain on sale and impairment of assets and gain on insurance recoveries and for the three months ended September 30, 2008, is presented excluding net gain on sale of assets. The 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 Ratios calculated using amounts in accordance with GAAP.



Non-GAAP Financial Measure Reconciliation

The following table sets forth a reconciliation of GWI's Operating Ratios calculated using amounts determined in accordance with GAAP to the Adjusted Operating Ratios described above for the three months ended September 30, 2009 and 2008 (\$ in millions):

	Total Revenues	Total Operating Expenses	Operating Income	Operating Ratio
2009				
As Reported	\$ 136.4	\$ 105.3	\$ 31.1	77.2%
Gain on insurance recoveries	-	2.6	(2.6)	
Net (loss) gain on sale and impairment of assets	-	(0.1)	0.1	
Adjusted	<u>\$ 136.4</u>	<u>\$ 107.9</u>	<u>\$ 28.5</u>	79.1%
2008				
As Reported	\$ 159.4	\$ 124.9	\$ 34.6	78.4%
Net gain on sale of assets	-	1.2	(1.2)	
Adjusted	<u>\$ 159.4</u>	<u>\$ 126.1</u>	<u>\$ 33.4</u>	79.1%



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 Provided by Investing Activities from Continuing Operations, excluding the cost of acquisitions and proceeds from divestitures. 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.



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)	Nine Months Ended September 30,	
	2009	2008
Net cash provided by operating activities from continuing operations	\$ 88.4	\$ 93.7
Net cash used in investing activities from continuing operations	(35.3)	(148.5)
Net cash paid/(received) for acquisitions/divestitures	2.0	115.7
Free cash flow	<u>\$ 55.1</u>	<u>\$ 60.9</u>



