

Third Quarter 2009

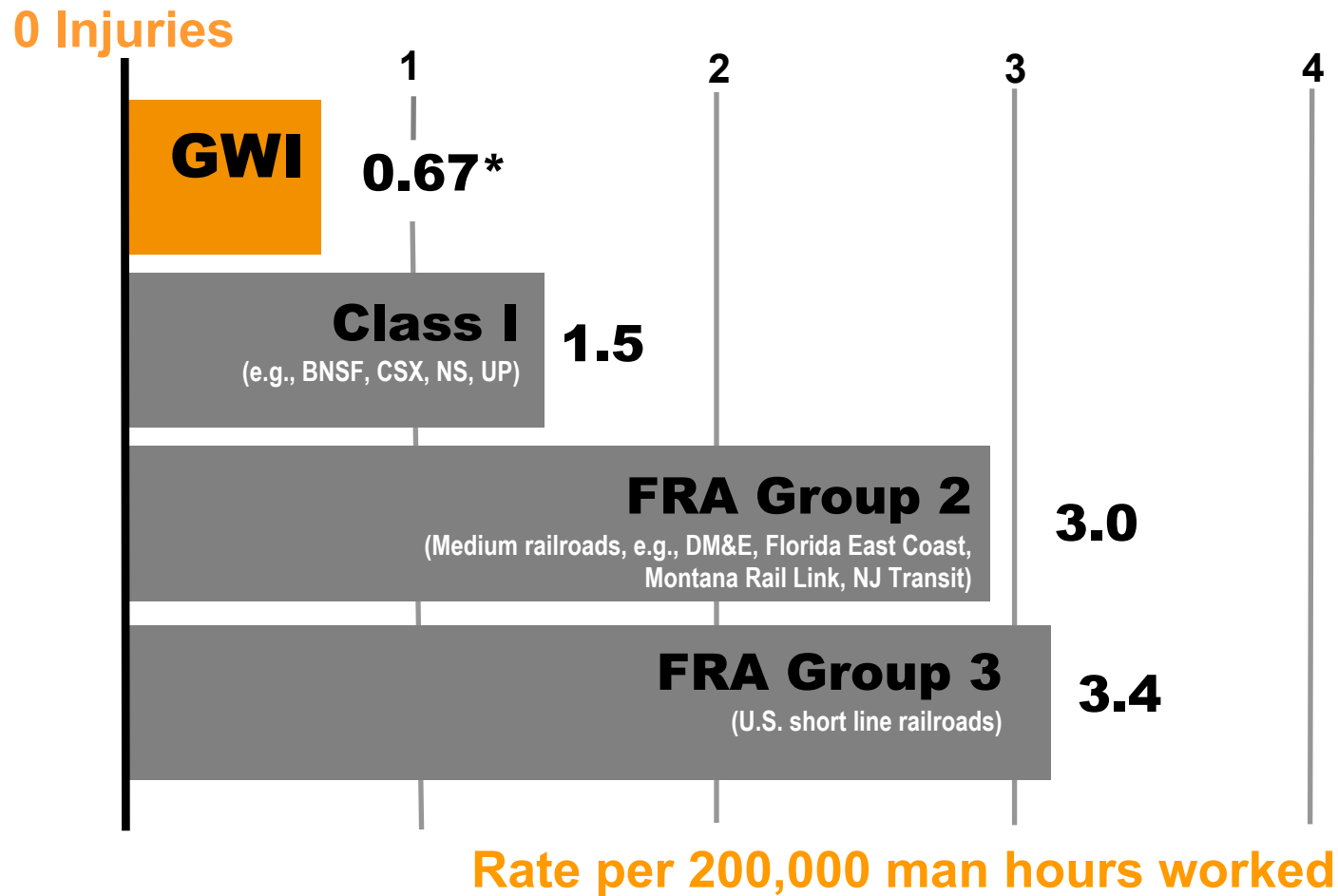
Earnings Call

November 3, 2009

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, 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.



Year-to-Date 2009 Injury Frequency Rate



2

*GWI results through September; all others through July



Third Quarter Income and EPS

<i>(\$ in millions, except per share amounts)</i>	3Q 2009	3Q 2008		After-Tax Impact	EPS Impact
Income from Cont Ops	\$19.6	\$20.1	Q3 09 Significant Items		
			• Gain on Insurance Recoveries	\$1.7	\$0.04
			• Sale of Bolivia	\$0.4	\$0.01
Diluted EPS from Cont Ops	\$0.48	\$0.55	Q3 08 Significant Items		
			• Gain on Sale of Assets	\$0.8	\$0.02
Diluted Shares	41.2	36.6			



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 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%)

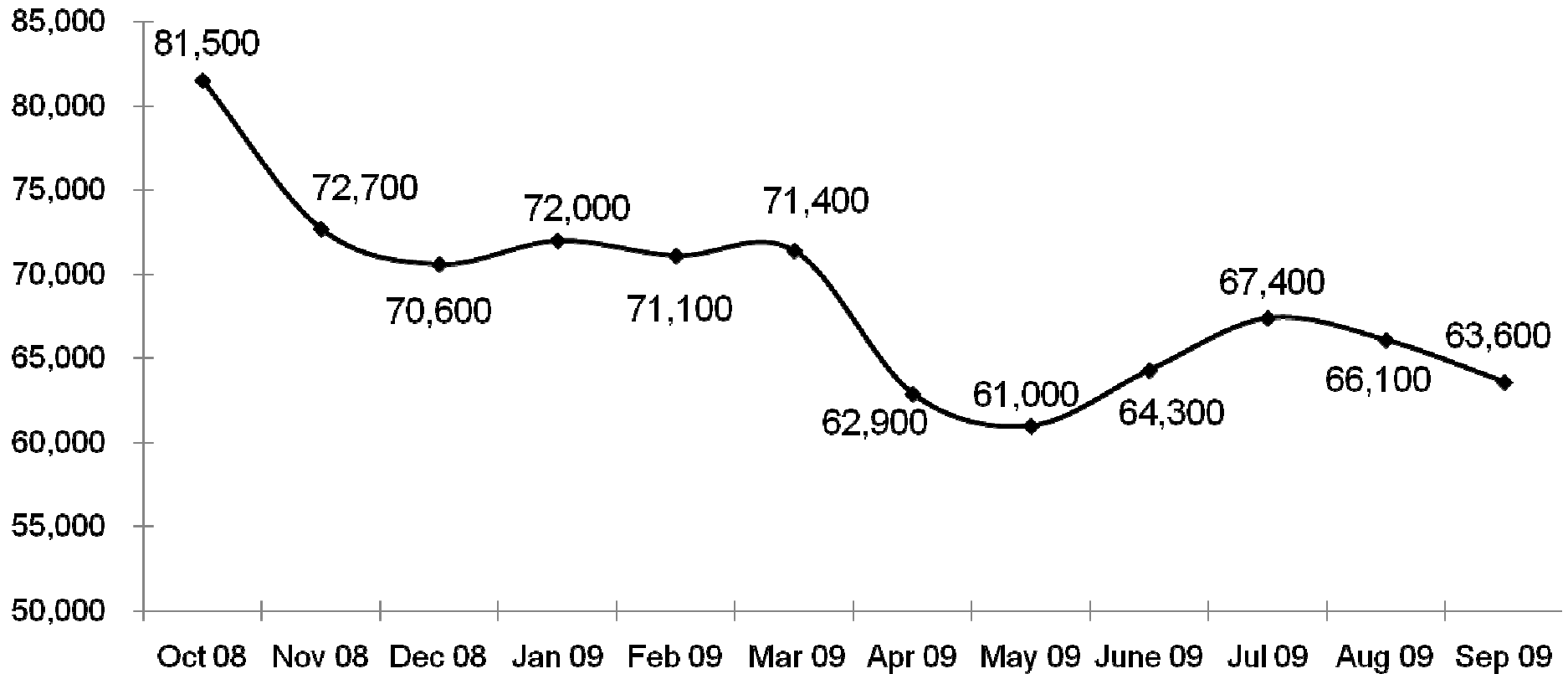


Third Quarter Freight Revenues

<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%)



GWI Total Carloads*



* HCRY carloads are excluded after August, 2009



Same Railroad Carloads

3Q 2009 vs. 3Q 2008*

Commodity	Change	%	Comment
Coal, Coke and Ores	(5,500)	(12%)	Spot Market Demand, Timing
Pulp & Paper	(9,300)	(30%)	Paper/Packaging
Minerals and Stone	(5,000)	(13%)	Economy
Farm and Food	(400)	(3%)	Timing of Australian Harvest
Chemicals and Plastics	(2,300)	(18%)	Auto/Paper/Mfg
Metals	(9,200)	(37%)	Steel/Scrap/Pipe
Lumber and Forest	(3,800)	(18%)	Housing
Petroleum Products	(300)	(4%)	Asphalt
Auto and Auto Parts	(500)	(22%)	Auto Industry
Other	200	5%	
Total	(36,100)	(17.7%)	Of which 3,000 carloads due to HCRY

8 * Includes 824 and 3,817 HCRY carloads, respectively, in 3Q09 and 3Q08



GWI Total Carloads

3Q 2009 vs. 2Q 2009*

Commodity	Change	%	Comment
Coal, Coke and Ores	7,100	17%	Maintenance/Demand/Weather
Pulp & Paper	500	2%	
Minerals and Stone	1,100	3%	Australia
Farm and Food	(5,300)	(24%)	Timing of Australian Harvest
Chemicals and Plastics	(300)	(3%)	Ethanol
Metals	2,600	17%	Steel Slightly Better
Lumber and Forest	1,600	11%	Customer Specific (Forest Products)
Petroleum Products	(400)	(6%)	Economy
Auto and Auto Parts	(100)	(7%)	
Other	2,100	15%	Overhead Export Coal
Total	8,900	5%	Note 1,600 carloads lost from HCRY

9 * Includes 824 and 2,408 HCRY carloads, respectively, in 3Q09 and 2Q09



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%)



Third Quarter Operating Income

<i>(\$ in millions)</i>	<u>3Q 2009</u>	<u>3Q 2008</u>	<u>Change</u>
Operating Income	\$ 31.1	\$ 34.6	(10.0%)
Recoveries	\$ (2.6)	\$ -	
Net Loss/(Gain) on Sale and Impairment of Assets	\$ 0.1	\$ (1.2)	
Adj. Operating Income*	\$ 28.5	\$ 33.4	(14.7%)
Operating Ratio	77.2%	78.3%	1.1%
Adj. Operating Ratio*	79.1%	79.1%	0.0%

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



Adjusted Operating Expenses*

(\$ in thousands)	Q3 2009		Q3 2008		Variance
	Amount	% of Revenues	Amount	% of Revenues	
Labor and benefits	\$ 45,722	33.5%	\$ 48,409	30.4%	\$ (2,687)
Equipment rents	7,447	5.5%	9,121	5.7%	(1,674)
Purchased services	10,999	8.1%	11,975	7.5%	(976)
Depreciation and amortization	12,050	8.8%	10,219	6.4%	1,831
Diesel fuel used in operations	7,921	5.8%	15,948	10.0%	(8,027)
Diesel fuel sold to third parties	3,603	2.6%	9,947	6.2%	(6,344)
Casualties and insurance	4,243	3.1%	3,803	2.4%	440
Materials	5,201	3.8%	6,211	3.9%	(1,010)
Other expenses	10,693	7.8%	10,418	6.5%	275
Adjusted operating expenses*	\$ 107,879	79.1%	\$ 126,051	79.1%	\$ (18,172)

*Note: OCR and Georgia Southwestern acquisitions are included in Q3 2009 but not in Q3 2008. Excludes net loss/(gain) on sales and impairment of assets and insurance recoveries in 2009 and 2008 (totaling \$2.5 million and \$1.2 million, respectively). Adjusting Operating Expenses 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*	\$ 55.1	\$ 60.9

*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	\$ 655.2
TOTAL CAPITALIZATION	\$1,121.0
Total Debt/Total Capitalization	40.7%
Net Debt/Total Capitalization	32.1%



Updated 2009 Guidance

<i>(\$ in millions, except per share amounts)</i>	4Q 2009	Full Year 2009
Revenues	\$130 - \$135	\$535 - \$540
Operating Ratio	~81%	80%
Tax Rate	25%	25%
EPS	\$0.36 - \$0.40	\$1.63-\$1.67
Diluted shares (millions)	41.2	38.9



2009 Free Cash Flow Guidance

(\$ in millions)

2009 Net Income*	\$63 - \$65
Plus:	
Depreciation and amortization	48
Deferred taxes	8
Option and restricted stock expense	6
Operating cash flow	\$125 - \$127
Total Free Cash Flow	
Operating cash flow	\$125 - \$127
Less: 2009 capital expenditures	(58)
Plus: Delayed 2008 grants	8
Less: Delayed 2009 grants (estimate)	(8)
Working Capital	TBD
2009 Total Free Cash Flow**	\$65 - \$70

* Excludes the impact of HCRY impairment expense (\$9.0 million pre-tax, or \$5.4 after-tax)

** Free cash flow is a non-GAAP financial measure.







**Reconciliation of Non-GAAP Financial Measures
3rd Quarter 2009 Earnings Conference Call**

Non-GAAP Financial Measures Reconciliation

This earnings release contains 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 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 that 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):

2009	Total Revenues	Total Operating Expenses	Operating Income	Operating Ratio
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	Total Revenues	Total Operating Expenses	Operating Income	Operating Ratio
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%



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 that this is useful for investors in assessing GWI's financial results compared with the prior quarter, 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. The Adjusted Operating Ratio for the three months ended June 30, 2009, is presented excluding the Huron Central Railway Inc. (HCRY) impairment and restructuring and related charges, legal expenses associated with the resolution of the arbitration associated with the Meridian & Bigbee LLC (M&B) Haulage Agreement, net gain on sale of assets and gain on insurance recoveries. 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 for the three months ended June 30, 2009 (\$ in millions):

3Q 2009	Total Revenues	Total Operating Expenses	Operating Income	Operating Ratio
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%

2Q 2009	Total Revenues	Total Operating Expenses	Operating Income	Operating Ratio
As Reported	\$ 130.1	\$ 115.4	\$ 14.6	88.7%
HCRY impairment and restructuring and related charges	-	(9.0)	9.0	
M&B legal expenses	-	(1.4)	1.4	
Net gain on sale of assets	-	1.8	(1.8)	
Gain on insurance recoveries	-	0.5	(0.5)	
Adjusted	<u>\$ 130.1</u>	<u>\$ 107.3</u>	<u>\$ 22.7</u>	82.5%



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>



