STIFEL

November 4, 2013

Genesee & Wyoming Inc.
GWR – NYSE
Hold
Rail

Analysis of Sales/Earnings

3Q13 Adj. EPS Misses Street; Lowers 4Q13 Guidance On Additional RA Costs

- **Missed Street:** reported 3Q13 adjusted EPS of $1.19, $0.03 below our estimate and the Street consensus. Results were below our expectations, as well as the company's, as it elected to incur some one-time expenses to upgrade facilities, equipment, and track at many legacy RailAmerica railroads as well as hire and train new crews at those railroads in order to support growth and to improve the safety/operating culture.
- **Combined company operating revenues were up 7.5% y/y driven by volume and pricing increases.** Freight revenue was up 10.1% driven by a 6.8% increase in carload traffic and a 3.1% increase in revenue per unit. Combined company traffic volumes increased due to higher metals, metallic ores, petroleum, and agricultural products carloads, somewhat offset by lower coal and coke traffic as one-time export moves in 3Q12 were not repeated. Core pricing was up ~3.5% y/y.
- **3Q13 adjusted operating ratio was 73.8%, a 120 basis point favorable decrease year-over-year** due to decreased labor and benefits, purchased services, lower diesel fuel expenses, and insurance as a percentage of revenue. This was somewhat offset by increased depreciation and amortization from the finalization of RailAmerica's purchase price allocation.
- **Balance sheet remains in fair shape, in our view:** debt-to-total capitalization ratio ended 3Q13 at 44.2%, down sequentially from 46.2% at the end of 2Q13 and down from the 55.4% debt-to-capital ratio at the end of 2012. In our view, the company's main focus is on de-levering, but new business development opportunities and acquisitions could be around the corner.
- **Adjusted 2013 EPS implied guidance was lowered to a range of $4.35 to $4.40 from an implied $4.41.** This incorporates the miss relative to 3Q13 expectations, additional D&A costs, additional one-time improvement expenses on legacy RailAmerica railroads, additional new hires, and the increased traffic growth.
- **Tweaking our 2013, 2014, and 2015 EPS estimates down slightly** from $4.46, $5.10, and $5.75, respectively, to $4.38, $5.05, and $5.75. Our updated forecast takes into account the 3Q13 miss, management's updated 4Q13 guidance, the additional $4 million in annual depreciation expense from purchase price allocation of RailAmerica, as well as a changed outlook for traffic mix.
- **Maintaining our Hold rating due to valuation.** Our 12-month fair value estimate becomes $94 (or 16.5x our updated 2015 EPS estimate of $5.70) and currently implies over 5% downside over the coming year, in our view. Absent

Changes	Previous	Current
Rating	—	Hold
Target Price	—	NA
FY13E EPS (Net)	$4.46	$4.38
FY14E EPS (Net)	$5.10	$5.05
FY13E Rev (Net)	$1.58B	$1.58B
FY14E Rev (Net)	$1.73B	$1.73B

Price (11/01/13):	$99.42
52-Week Range:	$102 – $67
Market Cap.(mm):	5,654.6
Shr.O/S-Diluted (mm):	56.9
Enterprise Val. (mm):	$7,314.9
Avg Daily Vol (3 Mo):	420,699
LT Debt/Total Cap.:	44.2%
Net Cash/Share:	$0.56
Book Value/Share:	$36.99
Dividend($ / %)	$0.00 / 0.0%
S&P Index	1,761.64

Includes share count from recent issuance.
LT Debt/Total Cap Estimated for end of 2012

EPS (Net)	2012A	2013E	2014E
Q1	$0.52	$0.87A	$1.04
Q2	0.67	1.14A	1.30
Q3	0.72	1.19A	1.34
Q4	0.79	1.18	1.36
FY Dec	$2.72A	$4.38	$5.05
P/E	36.6x	22.7x	19.7x

Rev (Net)	2012A	2013E	2014E
FY Dec	$874.9A	$1.58B	$1.73B
EV/Revenue	8.4x	4.6x	4.2x

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commercial development and/or acquisition announcements, we would suggest that the company's shares would trade down to levels more in line with its historical 10-year FY2 P/E multiple of 16.6x.

Genesee & Wyoming reported 3Q13 adjusted EPS of $1.19, $0.03 below our estimate and the Street consensus. Results were below our expectations, as well as the company's, as it elected to incur some one-time expenses to upgrade facilities, equipment, and track at many legacy RailAmerica railroads as well as hire and train new crews at those railroads in order to support growth and to improve the safety/operating culture. As a result, the company's operating ratio came in higher than guided during the 2Q13 call. Year-over-year, adjusted 3Q13 EPS increased 65% from $0.72, mainly due to the acquisition and integration of RailAmerica, but also from the extension of the short line tax credit for 2013 (i.e., 3Q13 adjusted EPS includes $0.12 from the tax credit, reflected by the lower y/y tax rate—excluding this, adjusted EPS would have grown by 48% y/y to $1.07 from $0.72). GAAP 3Q13 EPS were $1.16. 3Q13 adjusted EPS excludes $0.02 in expenses related to the RailAmerica integration, $0.02 in expenses from a true up for additional depreciation and amortization expense from the final allocation of fair values to RailAmerica's assets/liabilities related to 1H13, and $0.01 in an EPS benefit from gains on sale of assets. 3Q13 results also were adjusted for a net $0.00 EPS impact for Edith River derailment expenses and insurance recoveries. The 16 analysts publishing quarterly EPS estimates carried a range from a low of $1.19 to a high of $1.24—so the company's adjusted 3Q13 EPS results hit the low end of the Street's estimates

Combined company operating revenues were up 7.5% y/y driven by volume and pricing increases. Freight revenue was up 10.1% driven by a 6.8% increase in carload traffic and a 3.1% increase in revenue per unit. Combined company traffic volumes increased due to higher metals (Southern and Northeast regions), metallic ores (Australia), petroleum (crude by rail, which was 35% of petroleum carloads for the quarter and down sequentially due to the decline in spreads), and agricultural products (Australia) carloads, somewhat offset by lower coal and coke traffic (Mountain West region) as one-time export moves in 3Q12 were not repeated. Core pricing was up ~3.5% y/y, but was impacted by unfavorable mix shifts (both between and within commodity segments) and depreciation of the Australian and Canadian dollars to the U.S. dollar. Going forward, the company will continue to see a weighted average mix of Class I core pricing increases, which should remain inflation plus. As such, the company believes a good baseline for core price increases going forward is in the 3%-4% range. Combined company non-freight revenue increased by 4.5% y/y, when the impact of lower third-party fuel sales and foreign currency depreciation are excluded.

Heading into the 4Q13, the company expects to see 8% y/y carload growth over the combined company operations due to increases in coal traffic (from stronger steam coal shipments in its Midwest, Ohio Valley and Central regions), agricultural products traffic (due to higher volumes in Australia and the U.S.), petroleum products traffic (due to higher crude by rail shipments in its Pacific region—which will continue to grow, but will remain sensitive to the WTI-Brent spread—as well as higher NGL shipments in its Ohio Valley region—which fell short of expectations in 3Q13 as additional pipeline takeaway capacity was needed for byproducts), metallic ores traffic (due to iron ore traffic in Australia), and minerals and stones traffic (due to stronger North American salt and aggregates traffic). Furthermore, as a result of the one-time catch up in maintenance and improvements to the aforementioned undercapitalized RailAmerica railroads, the company has seen an increase in traffic from converting highway competitive freight back onto the rails—we believe that this is encouraging in the near-term and should continue as service levels improve, but do not believe this to be a secular growth opportunity for the company over the long-term.

The company's 3Q13 adjusted operating ratio was 73.8%, a 120 basis point favorable decrease year-over-year. The favorable decrease was primarily attributable to decreased labor and benefits, purchased services, lower diesel fuel expenses (both used in operations and from the sale of the lower margin third-party fuel sales business), and insurance as a percentage of revenue. The favorable decrease in the company's adjusted operating ratio was exhibited in both the company's North American & European segment (down 180 basis points to an unadjusted 75.9% in 3Q13) as well as its Australian business segment (down 340 basis points to 70.0% in 3Q13). For 4Q13, management believes its consolidated operating ratios will be in the 73% to 74% range—up from the 72% to 73% range due to the inclusion of an additional $1 million in D&A from the finalization of RailAmerica's purchase price allocation ($4 million annually) as well as some additional, one-time in nature, catch-up expenses to improve the aforementioned under-capitalized RailAmerica railroads.

The company's balance sheet remains in fair shape, in our view. As a result of the RailAmerica transaction, Genesee & Wyoming took on $1.4 billion in additional debt, issued 6.0 million convertible preferred shares (sold to Carlyle), issued 3.8 million shares of common stock, and issued 2.3 million Tangible Equity Units. Even with the updated capital structure, the company's debt-to-total capitalization ratio ended 3Q13 at 44.2%, down sequentially from 46.2% at the end of 2Q13 and up from 30.7% a year ago. However, this is down from the 55.4% debt-to-capital ratio at the end of 2012, just after consummating the acquisitions. Net debt-to-2013E EBITDA ratio is currently 3.1x. Although both of these ratios are somewhat higher than the company's historical averages (net debt-to-total capitalization ratio of 33.7% and an average net debt-to-EBITDA ratio of 1.6x), we believe that with EBITDA growth and modest deleveraging, the company will return to more normalized net debt-to-total capitalization and net debt-to-EBTIDA ratios by the end of 2015. In our view, the company's main focus is on de-levering. However, in addition to working on new business development opportunities, the company continues to be active in the M&A market, and will selectively acquire based on valuations.

2013 EPS implied guidance, on an adjusted basis, was lowered to a range of $4.35 to $4.40 from an implied $4.41. This incorporates the miss relative to 3Q13 expectations, additional D&A costs, additional one-time improvement expenses on legacy RailAmerica railroads, additional new hires, and the increased traffic growth. As a result, 4Q13 EPS guidance falls in a range of $1.15 to $1.20 based off $400 million in revenue and a 73% to 74% operating ratio.

We are tweaking our 2013, 2014, and 2015 EPS estimates down slightly from $4.46, $5.10, and $5.75, respectively, to $4.38, $5.05, and $5.75. Our updated forecast takes into account the 3Q13 miss, management's updated 4Q13 guidance, the additional $4 million in annual depreciation expense from purchase price allocation of RailAmerica, as well as a changed outlook for traffic mix (more agriculture, tempered crude by rail growth). Overall, our updated 2013 forecast calls for ~1.9 billion annual carloads, generating $1.2 billion in revenue that will accompany $393 million in non-freight revenue. Our overall 2013 operating ratio assumption is now 74.2%, up from 73.6% prior to 3Q13's earnings release. For 2014, we anticipate 9.3% y/y top-line revenue growth to be generated from a 5.6% y/y increase in carloads in combination with a 4.7% y/y increase in average revenue per carload. Non-freight revenue is forecasted to increase by 5.3% y/y in 2014. Our overall operating ratio assumption for 2014 is 73.3%—note that management is targeting a 72% quarterly operating ratio in 2014. For 2015, we anticipate 6.4% y/y top-line revenue growth to be generated from a 3.2% y/y increase in carloads—more in line with Class I railroad growth, absent new commercial development projects—in combination with a 3.9% y/y increase in average revenue per carload. Non-freight revenue is forecasted to increase by 3.6% y/y in 2015. Our overall operating ratio assumption for 2015 is 72.3%.

We are maintaining our Hold rating on Genesee & Wyoming's common shares due to valuation. Our 12-month fair value estimate becomes $94 (or 16.5x our updated 2015 EPS estimate of $5.70) and currently implies over 5% downside over the coming year, in our view. Absent commercial development and/or acquisition announcements, we would suggest that the company's shares would trade down to levels more in line with its historical 10-year FY2 P/E multiple of 16.6x, versus its current 2014 P/E multiple of 19.7x, given that it should be incrementally harder to achieve/sustain bottom line growth at or above 15% each year as the company has effectively doubled in size over the past year. All else being equal, we would be inclined to review our rating should the company's shares fall below $78, all else being equal.

Company Description

Genesee & Wyoming operates 66 short line and regional railroads over 7,600 owned and leased track miles. The portfolio of railroads is organized into 10 regions and located in 24 U.S. states, five Australian states, three Canadian provinces, and at the Port of Rotterdam in the Netherlands. The short line and regional railroads are focused on shipper customer service, often including the first and final miles of a freight delivery. Genesee & Wyoming also provides rail service at 23 ports in North America, Australia, and Europe, while also performing contract coal loading (mostly in the Powder River Basin) and railcar switching for industrial customers. Other sources of non-freight revenue include car hire and rental income, fuel sales to third parties, and car repair services. The addition of RailAmerica added 45 short line and regional railroads with approximately 7,500 total track miles in 28 U.S. states and three Canadian provinces. Additionally, the acquisition supplemented the existing portfolio of non-freight services with engineering services and more freight car storage, demurrage, car repair, and other services.

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Equity Comps - Transportation

Comparative Valuation Matrix

(figures in $US millions, except per share amounts)

Company name (Ticker)	Rating	Closing Price 11/1/2013	Diluted S/O	Market cap.	Total Debt	Cash & equiv.	TEV [(a)]	Equity value as a multiple of Earnings per Share 2012A[(b)]	2013E[(b)]	2014E[(b)]	Book value	Enterprise value as a multiple of TTM Revenue	2013E EBITDA	TTM EBITDA	TTM EBITDAR [(c)]	TTM EBIT	TTM ROA	TTM ROE	TTM ROIC	PEG ratio[(d)]	Div. Yield	2013E FCF Yld
Railroads																						
Canadian National (CNI)	Hold	111.13	423.3	47,042.1	7,280.2	176.7	54,145.6	19.8x	18.4x	16.5x	4.2x	5.3x	11.3x	11.5x	11.3x	14.4x	9.5%	22.4%	15.3%	1.5	1.5%	1.7%
Canadian Pacific (CP)	Hold	145.47	177.2	25,777.9	4,629.5	319.4	30,087.9	33.8x	23.2x	18.5x	4.4x	5.1x	12.8x	13.6x	13.1x	18.2x	6.7%	18.1%	11.8%	1.0	0.9%	2.7%
CSX Corp. (CSX)	Buy	26.28	1,013.9	26,645.8	9,051.0	719.0	34,977.8	14.7x	14.4x	13.5x	2.7x	2.9x	7.6x	7.6x	7.7x	10.0x	6.2%	20.1%	12.2%	1.2	2.3%	1.4%
Genesee & Wyoming (GWR)	**Hold**	**99.42**	**56.9**	**5,654.6**	**1,667.3**	**32.0**	**7,314.9**	**34.6x**	**22.7x**	**19.7x**	**2.7x**	**5.2x**	**13.6x**	**15.0x**	**14.5x**	**20.0x**	**5.6%**	**12.8%**	**9.6%**	**1.0**	**0.0%**	**1.6%**
Kansas City Southern (KSU)	Sell	122.61	110.5	13,543.2	1,780.4	95.9	15,312.3	36.7x	30.3x	24.5x	4.1x	6.6x	15.8x	16.4x	15.0x	21.4x	4.8%	10.2%	7.5%	1.5	0.7%	1.0%
Norfolk Southern Corp. (NSC)	Buy	87.00	315.9	27,483.3	8,946.0	984.0	35,445.3	16.2x	15.4x	13.7x	2.7x	3.2x	8.6x	8.8x	8.6x	11.5x	5.7%	17.4%	11.1%	1.4	2.4%	1.8%
Union Pacific (UNP)	Hold	152.77	465.8	71,159.5	9,455.0	1,366.0	79,248.5	18.5x	16.3x	14.5x	3.4x	3.7x	8.6x	8.8x	8.6x	11.0x	8.9%	21.1%	15.5%	1.0	2.1%	3.0%
Min				5,654.6	1,667.3	32.0	7,314.9	14.7x	14.4x	13.5x	2.7x	2.9x	7.6x	7.6x	7.7x	10.0x	4.8%	10.2%	7.5%	1.0	0.0%	1.0%
Mean				31,043.8	6,115.6	527.6	36,647.5	24.9x	20.1x	17.3x	3.5x	4.6x	11.2x	11.7x	11.3x	15.2x	6.8%	17.4%	11.9%	1.2	1.4%	1.9%
Mean (Class I Rails only)				35,275.3	6,857.0	610.2	41,536.2	23.3x	19.7x	16.9x	3.6x	4.5x	10.8x	11.1x	10.7x	14.4x	7.0%	18.2%	12.2%	1.3	1.6%	1.9%
Median				26,645.8	7,280.2	319.4	34,977.8	19.8x	18.4x	16.5x	3.4x	5.1x	11.3x	11.5x	11.3x	14.4x	6.2%	18.1%	11.8%	1.2	1.5%	1.7%
Max				71,159.5	9,455.0	1,366.0	79,248.5	36.7x	30.3x	24.5x	4.4x	6.6x	15.8x	16.4x	15.0x	21.4x	9.5%	22.4%	15.5%	1.5	2.4%	3.0%
Stifel Transportation Average				**9,709.3**	**1,722.2**	**452.3**	**11,027.6**	**21.2x**	**20.1x**	**17.3x**	**3.3x**	**3.3x**	**13.7x**	**9.5x**	**12.4x**	**13.4x**	**5.3%**	**17.3%**	**9.8%**	**1.4**	**0.9%**	**2.6%**

(a) Total Enterprise Value = Market Capitalization of Equity + Total Debt - Cash + Market Value of Minority Interest

(b) Stifel estimates for those rated and First Call mean estimates for unrated securities

(c) Enterprise value adjusted to include the capitalization of off balance sheet operating leases with lease expense (or rent expense) being added back to EBITDA for the valuation multiple calculation

(d) 2014E P/E divided by First Call mean or Stifel estimated long-term growth rate

Excludes non-recurring items

Calculations may vary due to rounding

Source: Company data , First Call, and Stifel estimates

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Genesee & Wyoming, Inc. Income Statement

(figures in $USD millions, except per share amounts)												2012					2013					2014					
Fiscal Year-End December 31	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1QA	2QA	3QA	4QA	2012A	1QA	2QA	3QA	4QE	2013E	1QE	2QE	3QE	4QE	2014E	2015E
Freight revenue	129.9	157.3	182.6	226.3	286.0	311.3	329.2	369.9	333.7	392.3	582.9	144.6	154.2	160.6	165.4	624.8	281.1	299.8	298.9	307.1	1,186.9	311.7	333.7	329.8	336.8	1,312.1	1,407.2
y/y % change		*21.1%*	*16.1%*	*23.9%*	*26.4%*	*8.9%*	*5.7%*	*12.4%*	*-9.8%*	*17.5%*	*48.6%*	*8.9%*	*5.0%*	*3.9%*	*11.2%*	*7.2%*	*94.4%*	*94.5%*	*86.1%*	*85.6%*	*90.0%*	*10.9%*	*11.3%*	*10.3%*	*9.7%*	*10.5%*	*7.2%*
Non-freight revenue	43.7	52.3	62.3	77.5	99.4	139.4	187.0	232.0	211.2	237.9	246.1	62.9	63.2	62.1	61.9	250.1	94.1	100.9	102.5	95.3	392.8	99.1	106.3	108.0	100.4	413.7	428.6
y/y % change		*19.5%*	*19.2%*	*24.5%*	*28.2%*	*40.2%*	*34.2%*	*24.1%*	*-9.0%*	*12.7%*	*3.5%*	*6.3%*	*0.7%*	*-0.9%*	*0.5%*	*1.6%*	*49.7%*	*59.5%*	*65.0%*	*54.0%*	*57.1%*	*5.3%*	*5.3%*	*5.3%*	*5.3%*	*5.3%*	*3.6%*
Total Revenue	**173.6**	**209.5**	**244.8**	**303.8**	**385.4**	**450.7**	**516.2**	**602.0**	**544.9**	**630.2**	**829.1**	**207.4**	**217.4**	**222.7**	**227.3**	**874.9**	**375.2**	**400.7**	**401.4**	**402.4**	**1,579.7**	**410.8**	**440.0**	**437.8**	**437.2**	**1,725.9**	**1,835.9**
y/y % change		*20.7%*	*16.8%*	*24.1%*	*26.9%*	*16.9%*	*14.5%*	*16.6%*	*-9.5%*	*15.7%*	*31.6%*	*8.1%*	*3.7%*	*2.5%*	*8.0%*	*5.5%*	*80.9%*	*84.3%*	*80.2%*	*77.0%*	*80.6%*	*9.5%*	*9.8%*	*9.1%*	*8.7%*	*9.3%*	*6.4%*
Operating Expenses																											
Labor and benefits	64.0	77.8	87.3	105.1	122.9	152.6	167.1	191.1	191.0	207.7	236.2	65.8	61.4	64.0	66.5	257.7	109.3	109.8	110.6	109.8	439.5	118.5	121.6	119.7	117.6	477.5	500.0
Equipment rents	20.0	17.8	18.4	27.7	34.4	37.6	37.3	35.2	29.3	32.5	44.0	9.8	9.0	9.3	9.3	37.3	18.7	19.0	20.5	19.1	77.2	20.5	21.0	20.7	20.2	82.3	86.1
Purchased services	12.3	15.5	17.8	18.4	26.3	33.7	39.0	46.2	42.4	52.2	79.0	18.0	19.3	21.0	22.2	80.5	29.0	30.2	32.6	32.7	124.5	32.3	33.5	33.0	34.8	133.6	141.9
Depreciation and amortization	12.8	13.6	15.5	19.2	24.6	27.9	31.8	40.5	48.1	51.2	66.5	17.6	18.3	19.0	18.5	73.4	34.2	34.2	35.3	36.2	139.9	37.5	38.5	38.0	37.6	151.6	159.1
Diesel fuel used in operations	12.1	13.4	18.3	25.4	38.4	40.1	45.7	61.0	33.5	45.8	88.4	22.0	21.1	21.5	23.8	88.4	39.2	34.7	35.7	35.6	145.2	38.6	39.7	39.1	39.1	156.6	164.5
Diesel fuel sold to third parties	-	-	-	-	-	13.2	27.0	34.6	14.4	17.3	17.0	5.0	4.1	1.4	0.9	11.3	0.3	0.1	0.0	0.3	0.7	0.3	0.3	0.3	0.4	1.3	1.5
Casualties and insurance	7.1	10.6	13.8	15.7	17.7	13.1	16.2	15.1	14.8	14.2	22.5	5.5	5.9	6.2	7.1	24.9	8.0	10.0	8.8	9.8	36.6	9.6	9.9	9.7	9.9	39.0	41.1
Materials	11.3	13.0	15.2	15.3	19.9	19.7	23.5	26.1	21.8	22.3	26.4	6.1	6.8	6.2	6.1	25.2	19.3	23.2	19.4	18.7	80.6	20.6	21.0	20.7	19.7	82.0	85.3
Net loss (gain) on sale and impairment of assets	(0.8)	(3.1)	(0.1)	(0.0)	(3.2)	(3.1)	(0.5)	(3.8)	(0.1)	(1.8)	(5.7)	(1.2)	-	-	(0.8)	(2.0)	-	-	-	(1.1)	(1.1)	(1.3)	(1.3)	(1.3)	(1.2)	(5.0)	(5.2)
Gain on insurance recoveries	-	-	-	-	-	(1.9)	-	(0.4)	0.0	-	(1.0)	-	-	-	(0.6)	(0.6)	-	-	-	-	-	-	-	-	-	-	-
Restructuring charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other expenses	12.0	19.1	22.3	26.9	33.5	36.2	38.6	42.3	45.6	47.0	61.5	17.5	18.5	18.5	16.5	70.9	29.4	32.0	33.3	33.6	128.3	35.9	36.9	36.4	36.1	145.4	152.6
Total operating expenses	**150.6**	**177.5**	**208.5**	**253.7**	**314.5**	**369.0**	**425.6**	**487.9**	**440.9**	**488.4**	**634.7**	**166.1**	**164.4**	**167.1**	**169.5**	**667.1**	**287.3**	**293.1**	**296.2**	**294.8**	**1,171.5**	**312.5**	**321.3**	**316.3**	**314.3**	**1,264.4**	**1,326.9**
Operating Ratio	*86.8%*	*84.7%*	*85.2%*	*83.5%*	*81.6%*	*81.9%*	*82.5%*	*81.1%*	*80.9%*	*77.5%*	*76.6%*	*80.1%*	*75.6%*	*75.0%*	*74.6%*	*76.3%*	*76.6%*	*73.2%*	*73.8%*	*73.3%*	*74.2%*	*76.1%*	*73.0%*	*72.3%*	*71.9%*	*73.3%*	*72.3%*
EBIT	**23.0**	**32.0**	**36.3**	**50.0**	**70.9**	**81.7**	**90.5**	**114.0**	**104.0**	**141.8**	**194.4**	**41.3**	**53.0**	**55.7**	**57.8**	**207.8**	**87.9**	**107.6**	**105.2**	**107.6**	**408.3**	**98.3**	**118.8**	**121.5**	**123.0**	**461.5**	**509.0**
% margin	*13.2%*	*15.3%*	*14.8%*	*16.5%*	*18.4%*	*18.1%*	*17.5%*	*18.9%*	*19.1%*	*22.5%*	*23.4%*	*19.9%*	*24.4%*	*25.0%*	*25.4%*	*23.7%*	*23.4%*	*26.8%*	*26.2%*	*26.7%*	*25.8%*	*23.9%*	*27.0%*	*27.7%*	*28.1%*	*26.7%*	*27.7%*
EBITDA	**35.0**	**51.1**	**58.6**	**76.9**	**104.4**	**117.9**	**129.1**	**156.3**	**149.6**	**188.8**	**255.9**	**58.8**	**71.5**	**74.1**	**74.3**	**278.7**	**117.3**	**139.6**	**138.5**	**141.3**	**536.6**	**134.3**	**155.7**	**157.8**	**159.1**	**606.9**	**661.6**
% margin	*20.2%*	*24.4%*	*23.9%*	*25.3%*	*27.1%*	*26.2%*	*25.0%*	*26.0%*	*27.4%*	*30.0%*	*30.9%*	*28.3%*	*32.9%*	*33.3%*	*32.7%*	*31.9%*	*31.3%*	*34.8%*	*34.5%*	*35.1%*	*34.0%*	*32.7%*	*35.4%*	*36.1%*	*36.4%*	*35.2%*	*36.0%*
Gains and losses on equity investments and affiliates	0.0	0.0	0.0	0.0	0.0	5.3	0.0	0.0	(0.0)	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest income	0.0	0.0	0.0	0.2	0.3	7.8	7.8	2.1	1.1	2.4	3.2	0.9	1.0	0.9	1.0	3.7	1.0	1.0	1.0	0.2	3.2	0.3	0.3	0.3	0.3	1.2	1.1
Interest expense	(10.0)	(8.1)	(8.6)	(11.1)	(14.9)	(16.0)	(14.7)	(20.6)	(26.9)	(23.1)	(38.6)	(8.6)	(8.6)	(8.8)	(21.0)	(47.0)	(20.1)	(17.2)	(16.0)	(14.9)	(68.2)	(14.9)	(14.6)	(14.3)	(14.0)	(57.8)	(53.1)
Other income (expense), net	12.3	10.5	11.6	20.7	13.7	0.3	0.9	0.2	2.1	0.9	0.7	1.0	0.0	0.9	0.4	2.3	0.7	(0.9)	1.8	0.0	1.6	0.0	0.0	0.0	0.0	0.0	0.0
Profit Before Tax	25.3	34.4	39.3	59.8	70.0	79.1	84.5	95.7	80.2	121.9	160.6	34.5	45.3	48.6	38.2	166.7	69.5	90.5	91.9	93.0	344.8	83.7	104.5	107.4	109.2	404.8	457.0
% margin	*14.5%*	*16.4%*	*16.0%*	*19.7%*	*18.2%*	*17.5%*	*16.4%*	*15.9%*	*14.7%*	*19.3%*	*19.4%*	*16.7%*	*20.9%*	*21.8%*	*16.8%*	*19.1%*	*18.5%*	*22.6%*	*22.9%*	*23.1%*	*21.8%*	*20.4%*	*23.7%*	*24.5%*	*25.0%*	*23.5%*	*24.9%*
Income taxes	6.2	8.8	10.6	22.2	19.9	20.9	22.9	33.7	19.0	42.0	41.2	12.3	16.5	16.6	13.0	58.5	20.5	25.4	23.6	26.0	95.6	24.3	30.3	31.2	31.7	117.4	132.5
Tax rate	*24.4%*	*25.5%*	*26.9%*	*37.1%*	*28.4%*	*26.4%*	*27.1%*	*35.2%*	*23.6%*	*34.5%*	*25.7%*	*35.6%*	*36.5%*	*34.1%*	*34.0%*	*35.1%*	*29.5%*	*28.1%*	*25.7%*	*28.0%*	*27.7%*	*29.0%*	*29.0%*	*29.0%*	*29.0%*	*29.0%*	*29.0%*
Net income (prior to preferred & subsidiaries)	**19.1**	**25.6**	**28.7**	**37.6**	**50.1**	**58.1**	**61.6**	**62.0**	**61.2**	**79.9**	**119.4**	**22.2**	**28.8**	**32.0**	**25.2**	**108.3**	**48.9**	**65.1**	**68.3**	**66.9**	**249.3**	**59.4**	**74.2**	**76.3**	**77.5**	**287.4**	**324.5**
Income From Investment in Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19.1	19.1	-	-	-	-	-	-	-	-	-	-	-
Preferred dividend (Carlyle)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.4)	(4.4)	-	-	-	-	-	-	-	-	-	-	-
Net Income (loss) from continuing operations	**19.1**	**25.6**	**28.7**	**37.6**	**50.1**	**58.1**	**61.6**	**62.0**	**61.2**	**79.9**	**119.4**	**22.2**	**28.8**	**32.0**	**39.9**	**123.0**	**48.9**	**65.1**	**68.3**	**66.9**	**249.3**	**59.4**	**74.2**	**76.3**	**77.5**	**287.4**	**324.5**
Non-recurring and extraordinary items	-	-	-	-	-	-	7.6	10.7	(1.2)	(3.6)	0.1	0.0	7.6	(51.6)	(30.8)	(74.8)	33.8	0.0	(2.1)	0.0	31.7	0.0	0.0	0.0	0.0	0.0	0.0
Income / (loss) on discontinued operations	-	-	-	-	-	75.9	(14.1)	(0.5)	1.4	5.0	(0.0)	(0.0)	(0.0)	0.0	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	**19.1**	**25.6**	**28.7**	**37.6**	**50.1**	**134.0**	**55.2**	**72.2**	**61.5**	**81.3**	**119.5**	**22.2**	**36.4**	**(19.6)**	**9.0**	**48.1**	**82.7**	**65.1**	**66.2**	**66.9**	**280.9**	**59.4**	**74.2**	**76.3**	**77.5**	**287.4**	**324.5**
Less: NI attributable to minority int./pref. div.	1.0	1.2	1.3	0.5	-	0.0	0.0	(0.2)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.3	0.3	0.5	0.0	3.1	0.0	0.0	0.0	0.0	0.0	0.0
Average shares outstanding - diluted	29.1	39.6	40.2	41.1	41.7	42.4	39.1	36.3	39.0	41.8	42.8	43.1	43.2	44.2	50.6	45.3	56.5	56.7	56.7	56.9	56.7	56.9	56.9	56.9	56.9	56.9	56.9
EPS - Diluted	**$ 0.62**	**$ 0.62**	**$ 0.68**	**$ 0.90**	**$ 1.20**	**$ 3.16**	**$ 1.41**	**$ 1.99**	**$ 1.58**	**$ 1.94**	**$ 2.79**	**$ 0.52**	**$ 0.84**	**$ (0.47)**	**$ 0.18**	**$ 1.06**	**$ 1.46**	**$ 1.14**	**$ 1.16**	**$ 1.18**	**$ 4.94**	**$ 1.04**	**$ 1.30**	**$ 1.34**	**$ 1.36**	**$ 5.05**	**$ 5.70**
y/y % change		*0.0%*	*9.7%*	*32.4%*	*33.3%*	*163.3%*	*-55.4%*	*41.1%*	*-20.6%*	*22.8%*	*43.8%*	*0.0%*	*15.1%*	*NM*	*-76.6%*	*-62.0%*	*180.8%*	*35.7%*	*NM*	*555.6%*	*366.0%*	*-28.8%*	*14.0%*	*15.5%*	*15.3%*	*2.2%*	*12.9%*
EPS - Diluted (Cont ops)	**$ 0.66**	**$ 0.65**	**$ 0.72**	**$ 0.92**	**$ 1.20**	**$ 1.37**	**$ 1.57**	**$ 1.70**	**$ 1.57**	**$ 1.91**	**$ 2.79**	**$ 0.52**	**$ 0.67**	**$ 0.72**	**$ 0.79**	**$ 2.72**	**$ 0.87**	**$ 1.14**	**$ 1.19**	**$ 1.18**	**$ 4.38**	**$ 1.04**	**$ 1.30**	**$ 1.34**	**$ 1.36**	**$ 5.05**	**$ 5.70**
y/y % change		*-1.5%*	*10.8%*	*27.8%*	*30.4%*	*14.2%*	*14.6%*	*8.3%*	*-7.6%*	*21.7%*	*46.1%*	*0.0%*	*-8.2%*	*-6.5%*	*2.6%*	*-2.5%*	*67.3%*	*70.1%*	*65.3%*	*49.4%*	*61.0%*	*19.5%*	*14.0%*	*12.6%*	*15.3%*	*15.3%*	*12.9%*

Source: Company data and Stifel estimates

2006 EPS excludes: 1) ARG gain on sale, 2) impairment of Australian assets, and other expenses totaling $1.79
FY07 EPS excludes: 1) $0.36 loss from disc. ops, 2) $0.11 loss on sale of assets, and 3) $0.10 tax benefit
FY08 EPS excludes: 1) $0.08 loss from disc. ops, 2) $0.20 in total tax benefits, and 3) $0.07 in gains on sale of assets
1Q09 excludes $0.33 million loss from discontinued operations.
2Q09 excludes: (1) $0.02 loss from discontinued operations, (2) $0.02 in M&B legal expenses, (3) $0.04 gains on the sale of assets and insurance recovery, and (3) $0.15 HCRY write-down & restructuring and related charges
3Q09 EPS excludes (1) $0.05 in discontinued operations, (2) $0.04 in insurance recoveries, and (3) $0.01 gain on sale of Bolivia investment
4Q09 EPS excludes (1) $0.01 gain on the sale of assets, and (2) $0.03 net tax benefit
3Q10 EPS excludes: (1) $0.07 net insurance proceeds, (2) $0.04 reversal of restructuring charges, (3) and $0.05 impact for acquisition costs.
4Q10 EPS excludes: 1) $0.39 negative impact of acquisition-related expenses, 2) $0.03 negative impact for acquisition-related foreign currency expense, 3) $0.18 benefit for retroactive portion of Short Line Tax Credit, 4) $0.12 Gain on legal settlement, 5) $0.03 Gain on sale of assets
4Q12 EPS excludes: $0.61 in RailAmerica acquisition/integration/financing costs.
1Q13 EPS excludes: $0.73 benefit related to the retroactive short line tax credit for 2012, $0.14 in expenses related to the RailAmerica acquisition, and $0.01 in expenses related to refinancing.
2012 EPS estimates do not include any benefit from receiving 45G tax credits; 2013 and 2014 EPS estimates include 45G tax credit benefits. 1Q13 includes 2012's full year 45G tax credit benefit as a non-recurring item

STIFEL

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Genesee & Wyoming, Inc. Balance Sheet

(figures in $USD millions except per share dat												2012				2013				2014				
Fiscal Year-End December 31	**2001A**	**2002A**	**2003A**	**2004A**	**2005A**	**2006A**	**2007A**	**2008A**	**2009A**	**2010A**	**2011A**	**1QA**	**2QA**	**3QA**	**4QA**	**1QA**	**2QA**	**3QA**	**4QE**	**1QE**	**2QE**	**3QE**	**4QE**	**2015E**
Assets																								
Current Assets																								
Cash and cash equivalents	28.7	11.0	11.1	14.5	18.7	240.2	46.7	31.7	105.7	27.4	27.3	28.7	50.2	516.0	64.8	29.3	18.5	32.0	61.2	57.2	57.1	57.1	57.1	56.9
Accounts receivable, net	41.0	54.5	54.7	64.5	91.1	117.1	125.9	120.9	109.9	132.2	165.8	163.2	159.8	173.4	263.7	263.5	309.3	313.3	394.9	387.7	397.1	405.9	414.2	440.6
Materials and supplies	4.9	5.5	5.2	5.3	6.8	11.3	7.6	7.7	8.9	13.3	14.4	16.0	16.3	15.7	32.4	35.8	31.6	31.3	47.4	48.5	49.6	50.7	51.8	55.1
Prepaid expenses and other	6.5	7.4	6.2	7.8	8.3	14.7	18.1	12.3	13.2	14.5	13.3	15.8	15.6	16.7	30.8	35.7	52.2	63.7	71.1	72.7	74.5	76.1	77.7	73.4
Current assets of discontinued ops	0.0	0.0	0.0	0.0	0.0	0.0	2.2	1.7	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax assets, net	2.2	2.5	3.0	3.2	4.2	7.6	7.5	18.1	15.2	21.5	19.4	19.2	19.7	19.2	74.2	64.0	64.7	72.0	79.0	80.8	82.7	84.6	86.3	91.8
Total Current Assets	**83.4**	**81.0**	**80.2**	**95.2**	**129.1**	**390.9**	**208.0**	**192.3**	**253.2**	**208.9**	**240.2**	**243.0**	**261.6**	**741.0**	**465.9**	**428.4**	**476.3**	**512.2**	**653.6**	**646.8**	**661.1**	**674.3**	**687.0**	**717.8**
Property and equipment, net	199.1	264.7	315.3	337.0	536.0	573.3	697.0	999.0	1,024.3	1,444.2	1,643.6	1,680.0	1,712.9	1,769.5	3,396.3	3,399.6	3,359.5	3,424.7	3,453.5	3,490.9	3,527.4	3,569.4	3,611.8	3,792.7
Investment in unconsolidated affiliates	69.4	81.3	117.7	132.5	136.4	4.6	4.7	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill	24.1	24.2	24.5	24.7	31.2	37.8	39.4	151.0	161.2	160.6	160.3	161.0	160.0	160.5	524.1	637.0	637.2	635.5	635.5	635.5	635.5	635.5	635.5	635.5
Intangible assets, net	21.5	59.3	79.4	77.8	135.4	120.7	117.1	223.4	244.5	237.4	230.6	229.0	227.1	225.5	670.2	662.7	654.9	620.8	620.8	620.8	620.8	620.8	620.8	620.8
Deferred income tax assets, net	0.0	0.0	0.0	0.0	0.0	2.7	1.4	0.0	3.1	2.9	2.3	2.4	2.4	2.5	2.4	2.7	3.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Other assets and deferred charges	5.0	4.4	10.1	10.0	12.4	11.1	10.3	16.6	10.7	13.6	17.1	18.0	17.7	21.7	56.9	62.7	78.9	77.1	77.1	77.1	77.1	77.1	77.1	77.1
Total Assets	**402.5**	**514.9**	**627.2**	**677.3**	**980.6**	**1,141.1**	**1,077.8**	**1,587.3**	**1,697.0**	**2,067.6**	**2,294.2**	**2,333.4**	**2,381.8**	**2,920.7**	**5,115.7**	**5,193.1**	**5,210.4**	**5,272.7**	**5,442.9**	**5,473.6**	**5,524.3**	**5,579.6**	**5,634.7**	**5,846.4**
Liabilities																								
Current liabilities																								
Current portion long-term debt	4.4	6.1	6.6	6.4	4.7	4.4	2.2	26.0	27.8	103.7	57.2	59.3	64.4	48.6	87.6	86.4	96.8	81.1	81.1	81.1	81.1	81.1	81.1	81.1
Accounts payable	45.2	49.5	57.5	63.8	87.5	98.2	128.0	124.2	104.8	124.9	134.1	121.5	112.1	140.4	226.4	215.8	212.4	220.5	268.6	274.6	281.3	287.5	293.4	312.1
Accrued expenses	12.1	12.3	13.9	21.6	28.3	38.4	37.8	37.9	38.2	76.2	69.1	58.4	70.5	73.3	97.4	92.6	96.7	115.3	126.4	129.2	132.4	135.3	138.1	146.9
Income tax payable - Australia	0.0	0.0	0.0	0.0	0.0	91.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities of discontinued ops	0.0	0.0	0.0	0.0	0.0	0.0	3.9	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income tax liabilities, net	0.0	0.0	0.0	0.0	0.0	0.3	0.1	0.2	1.0	0.0	0.9	0.1	0.0	0.1	3.1	1.8	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Total Current Liabilities	**61.7**	**67.9**	**78.0**	**91.7**	**120.5**	**233.1**	**172.1**	**189.4**	**171.8**	**304.9**	**261.3**	**239.4**	**246.9**	**262.5**	**414.5**	**396.6**	**407.0**	**418.0**	**477.1**	**486.0**	**495.9**	**505.0**	**513.7**	**541.2**
Long-term debt, less current portion	56.2	119.3	151.4	125.9	333.6	241.3	270.5	535.2	421.6	475.2	569.0	577.7	563.6	594.5	1,770.6	1,705.9	1,640.8	1,586.2	1,630.3	1,592.7	1,559.4	1,529.4	1,498.1	1,357.9
Deferred income tax liabilities, net	24.6	31.7	41.8	50.5	59.9	72.9	93.3	235.0	244.9	263.4	285.8	295.9	307.7	315.8	744.7	823.8	843.9	850.6	850.6	850.6	850.6	850.6	850.6	850.6
Deferred items - grants from outside parties	35.4	42.5	42.7	46.2	48.2	56.6	94.7	113.3	146.3	183.4	198.8	203.0	208.8	221.5	228.6	230.0	241.8	257.0	257.0	257.0	257.0	257.0	257.0	257.0
Other long-term liabilities	15.2	19.9	22.2	21.2	20.5	17.0	15.1	34.9	23.5	23.5	18.6	19.7	17.9	22.4	57.5	46.4	49.6	56.9	56.9	56.9	56.9	56.9	56.9	56.9
Commitments and contingencies	23.8	24.0	24.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Liabilities	**216.9**	**305.2**	**360.1**	**335.6**	**582.8**	**620.9**	**645.7**	**1,107.9**	**1,008.2**	**1,250.3**	**1,333.5**	**1,335.7**	**1,344.9**	**1,466.8**	**3,215.7**	**3,202.7**	**3,183.0**	**3,168.7**	**3,272.0**	**3,243.2**	**3,219.8**	**3,198.8**	**3,176.3**	**3,063.6**
Shareholders' Equity																								
Class A common stock	0.2	0.2	0.2	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6							
Class B common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0							
Additional paid-in capital	123.6	127.7	131.9	160.6	168.0	187.5	197.5	214.4	330.7	358.0	385.5	395.7	403.8	832.9	866.6	1,283.9	1,291.8							
Retained earnings	79.0	103.5	130.9	168.1	218.2	352.2	407.4	479.6	540.9	622.2	741.7	763.9	800.3	780.7	789.7	870.2	934.9							
Accumulated other comprehensive income/(	(4.9)	(9.5)	16.6	25.2	24.2	4.4	25.7	(14.0)	19.5	40.1	37.9	44.2	39.0	46.4	47.3	46.5	11.0							
Less treasury stock, at cost	(12.2)	(12.3)	(12.6)	(12.6)	(13.0)	(24.4)	(200.0)	(202.3)	(202.8)	(203.6)	(205.0)	(206.7)	(206.7)	(206.7)	(209.3)	(216.5)	(217.0)							
Total GWR Shareholders' Equity	**185.7**	**209.6**	**267.1**	**341.7**	**397.8**	**520.2**	**431.0**	478.1	688.9	817.2	960.6	997.6	1,036.9	1,453.9	1,494.9	1,984.7	2,021.4	2,104.0	2,170.9	2,230.4	2,304.5	2,380.8	2,458.4	2,782.8
Preferred Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	399.5	0.0	0.0	0.0						
Noncontrolling interest	0.0	0.0	0.0	0.0	0.0	0.0	1.1	1.4	0.0	0.0	0.0	0.0	0.0	0.0	5.5	5.7	6.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Shareholders' Equity	**185.7**	**209.6**	**267.1**	**341.7**	**397.8**	**520.2**	**432.1**	**479.4**	**688.9**	**817.2**	**960.6**	**997.6**	**1,036.9**	**1,453.9**	**1,900.0**	**1,990.4**	**2,027.4**	**2,104.0**	**2,170.9**	**2,230.4**	**2,304.5**	**2,380.8**	**2,458.4**	**2,782.8**
Total Liabilities and Shareholders' Equity	**402.5**	**514.9**	**627.2**	**677.3**	**980.6**	**1,141.1**	**1,077.8**	**1,587.3**	**1,697.0**	**2,067.6**	**2,294.2**	**2,333.4**	**2,381.8**	**2,920.7**	**5,115.7**	**5,193.1**	**5,210.4**	**5,272.7**	**5,442.9**	**5,473.6**	**5,524.3**	**5,579.6**	**5,634.7**	**5,846.4**

Book Value/Share	**$6.39**	**$5.30**	**$6.65**	**$8.31**	**$9.54**	**$12.30**	**$12.00**	**$13.14**	**$16.64**	**$19.31**	**$22.37**	**$23.16**	**$24.03**	**$32.89**	**$29.55**	**$35.13**	**$35.67**	**$37.08**	**$38.15**	**$39.20**	**$40.50**	**$41.84**	**$43.20**	**$48.91**
Net working capital	22	13	2	3	9	158	36	3	81	(96)	(21)	4	15	478	51	32	69	94	176	161	165	169	173	177
Current ratio	1.4x	1.2x	1.0x	1.0x	1.1x	1.7x	1.2x	1.0x	1.5x	0.7x	0.9x	1.0x	1.1x	2.8x	1.1x	1.1x	1.2x	1.2x	1.4x	1.3x	1.3x	1.3x	1.3x	1.3x
Total assets	403	515	627	677	981	1,141	1,078	1,587	1,697	2,068	2,294	2,333	2,382	2,921	5,116	5,193	5,210	5,273	5,443	5,474	5,524	5,580	5,635	5,846
Long term debt	56.2	119.3	151.4	125.9	333.6	241.3	270.5	535.2	421.6	475.2	569.0	577.7	563.6	594.5	1,770.6	1,705.9	1,640.8	1,586.2	1,630.3	1,592.7	1,559.4	1,529.4	1,498.1	1,357.9
Total debt	60.6	125.4	158.0	132.2	338.4	245.7	272.8	561.3	449.4	578.9	626.2	637.0	628.0	643.1	1,858.1	1,792.3	1,737.6	1,667.3	1,711.5	1,673.8	1,640.6	1,610.5	1,579.3	1,439.0
Net debt (cash)	31.9	114.4	146.9	117.8	319.7	5.5	226.1	529.6	343.7	551.4	598.9	608.3	577.7	127.1	1,793.4	1,762.9	1,719.0	1,635.4	1,650.3	1,616.6	1,583.4	1,553.4	1,522.2	1,382.1
Debt/ total book capitalization	24.6%	37.4%	37.2%	27.9%	46.0%	32.1%	38.7%	53.9%	39.5%	41.5%	39.5%	39.0%	37.7%	30.7%	55.4%	47.5%	46.2%	44.2%	44.1%	42.9%	41.6%	40.3%	39.1%	34.1%
Net Debt / Cap	14.6%	35.3%	35.5%	25.6%	44.6%	1.0%	34.4%	52.5%	33.3%	40.3%	38.4%	37.9%	35.8%	8.0%	54.5%	47.0%	46.0%	43.7%	43.2%	42.0%	40.7%	39.5%	38.2%	33.2%
Net Debt / EBITDA	0.5x	1.1x	1.3x	0.8x	1.5x	0.0x	1.0x	2.6x	2.4x	2.1x	2.3x	2.3x	2.2x	1.3x	3.4x	5.3x	4.3x	3.6x	3.1x	3.0x	2.8x	2.7x	2.5x	2.1x
Net Debt / EBIT	0.7x	1.8x	2.0x	1.2x	2.3x	0.1x	1.4x	3.5x	3.4x	2.8x	3.0x	3.1x	3.0x	1.8x	4.6x	7.0x	5.6x	4.7x	4.0x	3.9x	3.7x	3.5x	3.3x	2.8x
Stockholders' equity	186	210	267	342	398	520	432	479	689	817	961	998	1,037	1,454	1,495	1,985	2,021	2,104	2,171	2,230	2,305	2,381	2,458	2,783

Source: Company data and Stifel estimates

STIFEL

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Genesee & Wyoming, Inc. Statement of Cash Flows

(figures in $USD millions except per share data)												2012					2013					2014					
Fiscal Year-End December 31	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	1QA	2QA	3QA	4QA	2012A	1QA	2QA	3QA	4QE	2013E	1QE	2QE	3QE	4QE	2014E	2015E
Operating Activities																											
Net Income (loss)	19.1	25.6	28.7	37.6	50.1	134.0	55.2	72.2	61.5	81.3	119.5	22.2	36.4	(19.6)	9.0	48.1	82.7	65.1	66.2	66.9	280.9	59.4	74.2	76.3	77.5	287.4	324.5
Adjustments:																											
(Income)/ Loss from discontinued operations	0.0	0.0	0.0	0.0	0.0	38.6	14.1	0.5	(1.4)	(2.6)	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation and amortization	12.8	13.6	15.5	19.4	25.2	27.9	31.8	40.5	48.1	51.2	66.5	17.6	18.3	19.0	18.5	73.4	34.2	34.2	37.3	36.2	141.9	37.5	38.5	38.0	37.6	151.6	159.1
Compensation cost related to equity rewards	0.0	0.0	0.0	0.0	1.8	8.5	5.4	5.7	6.0	7.2	7.8	2.3	1.7	1.8	6.4	12.2	7.5	3.2	2.9	0.0	13.6	0.0	0.0	0.0	0.0	0.0	0.0
Excess tax benefit from share-based compensation	1.2	1.1	1.1	1.5	(0.4)	(4.5)	(1.2)	(1.8)	(1.2)	(2.0)	(2.8)	(1.7)	(0.9)	(0.2)	(2.5)	(5.3)	(4.3)	(1.4)	(1.8)	0.0	(7.5)	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income taxes	4.2	6.4	9.7	7.9	8.4	13.9	8.0	12.2	7.6	12.0	26.3	10.0	11.6	8.1	0.2	29.9	(33.9)	15.1	19.4	0.0	0.6	0.0	0.0	0.0	0.0	0.0	0.0
Net loss/(gain) on sale and impairment of assets	(12.7)	(12.9)	(10.7)	(14.9)	(13.3)	(208.5)	(6.7)	(8.1)	4.0	(6.4)	(6.6)	(1.2)	(6.2)	(3.0)	(0.8)	(11.2)	(1.7)	(1.0)	(0.7)	0.0	(3.4)	0.0	0.0	0.0	0.0	0.0	0.0
Gain on insurance recovery	0.0	0.0	0.0	0.0	0.0	(1.9)	0.0	0.0	(3.1)	0.0	(1.1)	0.0	(5.2)	0.0	(0.6)	(5.8)	0.0	0.0	(1.5)	0.0	(1.5)	0.0	0.0	0.0	0.0	0.0	0.0
Insurance proceeds received	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.2	0.0	0.6	12.5	8.9	0.1	0.0	21.5	9.3	1.0	0.0	0.0	10.4	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.6	1.4	0.2	1.6	0.0	0.0	0.0	0.2	(0.4)	12.6	0.0	0.0	0.0	50.1	(15.6)	34.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Changes in assets and liabilities which provided (used) cash, net of effect of acquisitions:																											
Accounts receivable trade, net	3.4	(8.3)	3.3	(9.2)	(13.0)	(7.9)	(5.4)	11.5	16.1	(18.4)	(12.3)	(2.5)	6.1	(5.7)	1.8	(0.3)	(10.3)	(35.0)	2.6	(81.7)	(124.3)	7.2	(9.4)	(8.7)	(8.4)	(19.3)	(26.4)
Materials and supplies	0.4	0.2	0.3	0.0	(0.2)	(1.8)	2.4	(0.8)	(0.2)	(0.2)	(1.2)	(1.4)	(0.5)	0.8	0.5	(0.6)	(3.4)	1.6	0.7	(16.1)	(17.2)	(1.1)	(1.2)	(1.1)	(1.0)	(4.4)	(3.3)
Prepaid expenses and other	2.3	(0.6)	1.0	(1.6)	0.1	(5.1)	(6.2)	6.6	(0.6)	(0.8)	3.5	(2.5)	0.2	(0.8)	0.5	(2.6)	(2.2)	0.1	(7.8)	(7.4)	(17.3)	(1.6)	(1.8)	(1.6)	(1.6)	(6.6)	4.2
Accounts payable and accrued expenses	(0.1)	(1.2)	(3.9)	12.8	9.2	6.6	29.2	(14.4)	(10.9)	36.2	(25.6)	(27.5)	(7.9)	25.1	(22.6)	(32.8)	(15.4)	2.0	5.2	48.0	39.9	6.1	6.7	6.2	5.9	24.8	18.7
Other assets and liabilities, net	(2.6)	2.2	2.1	0.2	0.1	85.6	(92.0)	4.3	(0.6)	1.7	(1.2)	(0.0)	0.6	2.8	1.9	5.3	0.7	4.5	3.3	4.1	12.7	1.1	1.2	1.1	1.0	4.4	3.3
Net change in working capital	3.4	(7.6)	2.8	2.3	(3.8)	77.3	(72.0)	7.3	3.8	18.5	(36.8)	(33.9)	(1.4)	22.3	(17.8)	(30.9)	(30.5)	(26.8)	4.1	(53.0)	(106.3)	11.7	(4.5)	(4.2)	(4.0)	(1.0)	(3.5)
Net cash provided by continuing ops.	28.6	27.6	47.3	55.4	68.1	85.2	34.5	128.7	126.9	171.8	173.5	27.7	63.1	78.7	(3.1)	166.4	63.4	89.3	126.0	50.1	328.8	108.6	108.2	110.1	111.2	438.1	480.1
Net cash provided by discontinued ops.	0.0	0.0	0.0	0.0	0.0	(1.8)	(14.0)	(3.5)	(0.7)	0.9	(0.0)	(0.0)	(0.0)	0.0	(0.1)	(0.1)	(0.0)	(0.0)	(0.0)	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by operations	**28.6**	**27.6**	**47.3**	**55.4**	**68.1**	**83.4**	**20.5**	**125.3**	**126.2**	**172.7**	**173.5**	**27.7**	**63.1**	**78.7**	**(3.2)**	**166.3**	**63.4**	**89.3**	**126.0**	**50.1**	**328.8**	**108.6**	**108.2**	**110.1**	**111.2**	**438.1**	**480.1**
Investing Activities																											
Purchase of property and equipment	(16.6)	(22.3)	(23.0)	(28.1)	(32.1)	(64.5)	(96.1)	(97.9)	(88.9)	(119.8)	(178.7)	(50.3)	(56.2)	(64.0)	(61.2)	(231.7)	(37.9)	(74.4)	(58.1)	(70.0)	(240.4)	(80.0)	(80.0)	(85.0)	(85.0)	(330.0)	(360.0)
Grant proceeds from outside parties	0.0	0.0	0.0	0.0	0.0	4.9	34.3	28.6	24.6	40.8	22.6	8.4	9.8	6.6	14.7	39.6	4.4	1.7	17.9	5.0	28.9	5.0	5.0	5.0	5.0	20.0	20.0
Cash paid for acquisitions, net of cash acquired	(33.1)	(85.1)	(55.0)	(2.9)	(244.7)	(20.4)	(19.4)	(353.0)	(10.1)	(320.0)	(89.9)	(0.8)	0.0	0.0	(1,924.5)	(1,925.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Insurance proceeds for the replacement of assets	0.0	0.0	(0.4)	(0.5)	0.0	0.0	1.7	0.4	4.0	0.0	0.0	0.0	0.0	0.4	0.0	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from sale of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.8	0.2	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from disposition of prop. and equip.	12.2	4.4	2.1	6.2	5.0	310.6	9.4	8.1	8.3	10.0	9.5	1.6	6.5	5.5	1.6	15.3	2.0	1.2	0.8	0.0	4.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash used in investing activities from cont. ops	(37.4)	(103.0)	(76.3)	(25.2)	(271.8)	230.7	(70.0)	(413.8)	(58.3)	(388.9)	(235.1)	(41.1)	(39.9)	(51.4)	(1,969.3)	(2,101.7)	(31.5)	(71.6)	(39.5)	(65.0)	(207.6)	(75.0)	(75.0)	(80.0)	(80.0)	(310.0)	(340.0)
Net cash provided by inv. activities from disc. ops	0.0	0.0	0.0	0.0	0.0	(3.2)	(0.5)	0.5	1.8	1.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash used in investing activities	**(37.4)**	**(103.0)**	**(76.3)**	**(25.2)**	**(271.8)**	**227.4**	**(70.6)**	**(413.3)**	**(56.6)**	**(387.0)**	**(235.1)**	**(41.1)**	**(39.9)**	**(51.4)**	**(1,969.3)**	**(2,101.7)**	**(31.5)**	**(71.6)**	**(39.5)**	**(65.0)**	**(207.6)**	**(75.0)**	**(75.0)**	**(80.0)**	**(80.0)**	**(310.0)**	**(340.0)**
Cash available for (required by) financing activities	**(8.9)**	**(75.5)**	**(29.0)**	**30.2**	**(203.7)**	**310.8**	**(50.0)**	**(288.1)**	**69.6**	**(214.3)**	**(61.7)**	**(13.3)**	**23.2**	**27.3**	**(1,972.5)**	**(1,935.4)**	**31.9**	**17.7**	**86.5**	**(14.9)**	**121.2**	**33.6**	**33.2**	**30.1**	**31.2**	**128.1**	**140.1**
Financing Activities																											
Principal payments on long-term borrowings	(200.0)	(214.4)	(159.6)	(283.6)	(214.0)	(182.7)	(21.4)	(193.1)	(214.2)	(82.3)	(533.5)	(56.5)	(74.9)	(84.0)	(797.7)	(1,013.2)	(139.5)	(128.5)	(120.1)	(2.8)	(390.8)	(37.7)	(33.2)	(30.1)	(31.2)	(132.2)	(140.2)
Proceeds from issuance of long-term debt	156.7	271.5	186.5	253.4	416.2	92.5	55.0	463.7	98.0	202.9	576.7	64.7	68.4	63.4	1,957.6	2,154.1	71.8	95.3	46.4	46.9	260.5	0.0	0.0	0.0	0.0	0.0	0.0
Net proceeds from employee stock purchases	6.3	3.1	2.5	3.1	3.8	6.9	3.4	9.3	5.8	18.2	17.4	6.2	4.5	1.3	7.2	19.3	5.7	3.5	1.8	0.0	11.0	0.0	0.0	0.0	0.0	0.0	0.0
Treasury stock purchases	(1.2)	0.0	0.0	(0.1)	(0.4)	(11.3)	(175.6)	(2.4)	(0.4)	(0.9)	(1.3)	(1.8)	(0.0)	(0.0)	(2.5)	(4.3)	(7.0)	(0.7)	(3.2)	0.0	(10.9)	0.0	0.0	0.0	0.0	0.0	0.0
Stock issuance proceeds, net of costs	71.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	106.6	0.0	0.0	0.0	0.0	457.2	349.4	806.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Excess tax benefit from share-based compensation	0.0	0.0	0.0	0.0	0.8	4.5	1.2	1.8	1.2	2.0	2.8	1.7	0.9	0.2	2.5	5.3	4.3	1.4	1.8	0.0	7.5	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	(0.9)	(1.0)	(1.0)	(0.4)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash (used in) financing activities from cont. ops	32.3	59.1	28.4	(27.5)	206.4	(90.1)	(137.5)	279.5	(3.0)	140.0	62.0	14.5	(1.1)	438.0	1,516.4	1,967.9	(64.7)	(29.1)	(73.1)	44.2	(122.7)	(37.7)	(33.2)	(30.1)	(31.2)	(132.2)	(140.2)
Cash used in financing activities from disc. ops	0.0	0.0	0.0	0.0	0.0	(2.5)	(13.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(2.1)	0.0	0.0	0.0	(2.1)	0.0	0.0	0.0	0.0	0.0	0.0
Cash (used in) provided by financing activities	**32.3**	**59.1**	**28.4**	**(27.5)**	**206.4**	**(92.6)**	**(150.8)**	**279.5**	**(3.0)**	**140.0**	**62.0**	**14.5**	**(1.1)**	**438.0**	**1,516.4**	**1,967.9**	**(66.8)**	**(29.1)**	**(73.1)**	**44.2**	**(124.9)**	**(37.7)**	**(33.2)**	**(30.1)**	**(31.2)**	**(132.2)**	**(140.2)**
Effect of forex fluctuations on cash/equiv.	2.0	(1.4)	0.6	0.7	1.5	3.3	7.6	(6.0)	6.8	(4.0)	(0.5)	0.4	(0.7)	0.5	4.8	5.0	(0.5)	0.6	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Change in cash included in current assets of disc. ops.						0.0	(0.2)	(0.4)	0.5	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Beginning cash balance	3.4	28.7	11.0	11.1	14.5	18.7	240.2	46.7	31.7	105.7	27.4	27.3	28.7	50.2	516.0	27.3	64.8	29.3	18.5	31.9	64.8	61.2	57.2	57.1	57.1	61.2	57.1
Net increase (decrease) in cash and equivalents	25.4	(17.7)	0.1	3.3	4.2	221.5	(193.5)	(15.0)	74.0	(78.3)	(0.1)	1.5	21.5	465.8	(451.3)	37.5	(35.4)	(10.8)	13.4	29.3	(3.6)	(4.0)	(0.0)	(0.0)	(0.0)	(4.1)	(0.1)
Ending Cash Balance	**28.7**	**11.0**	**11.1**	**14.5**	**18.7**	**240.2**	**46.7**	**31.7**	**105.7**	**27.4**	**27.3**	**28.7**	**50.2**	**516.0**	**64.8**	**64.8**	**29.3**	**18.5**	**31.9**	**61.2**	**61.2**	**57.2**	**57.1**	**57.1**	**57.1**	**57.1**	**56.9**
Free Cash Flow	**23.4**	**8.7**	**25.3**	**33.2**	**41.0**	**329.5**	**(66.2)**	**35.5**	**45.6**	**62.8**	**4.3**	**(20.9)**	**13.4**	**20.2**	**(62.7)**	**(50.1)**	**27.5**	**16.0**	**68.6**	**(19.9)**	**92.3**	**28.6**	**28.2**	**25.1**	**26.2**	**108.1**	**120.1**
FCF margin (as % of total revenues)																											

Current Share Price $99.42	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012A	2013E	2014E	2015E
FCF Yield	**0.8%**	**0.2%**	**0.6%**	**0.8%**	**1.0%**	**7.8%**	**-1.7%**	**1.0%**	**1.2%**	**1.5%**	**0.1%**	**-1.1%**	**1.6%**	**1.9%**	**2.1%**
Dividend/FCF	-26.8%	-35.3%	-10.0%	-9.4%	-9.3%	-2.1%	5.1%	NM	NM	NM	NM	NM	NM	NM	NM

Source: Company data and Stifel estimates

Important Disclosures and Certifications

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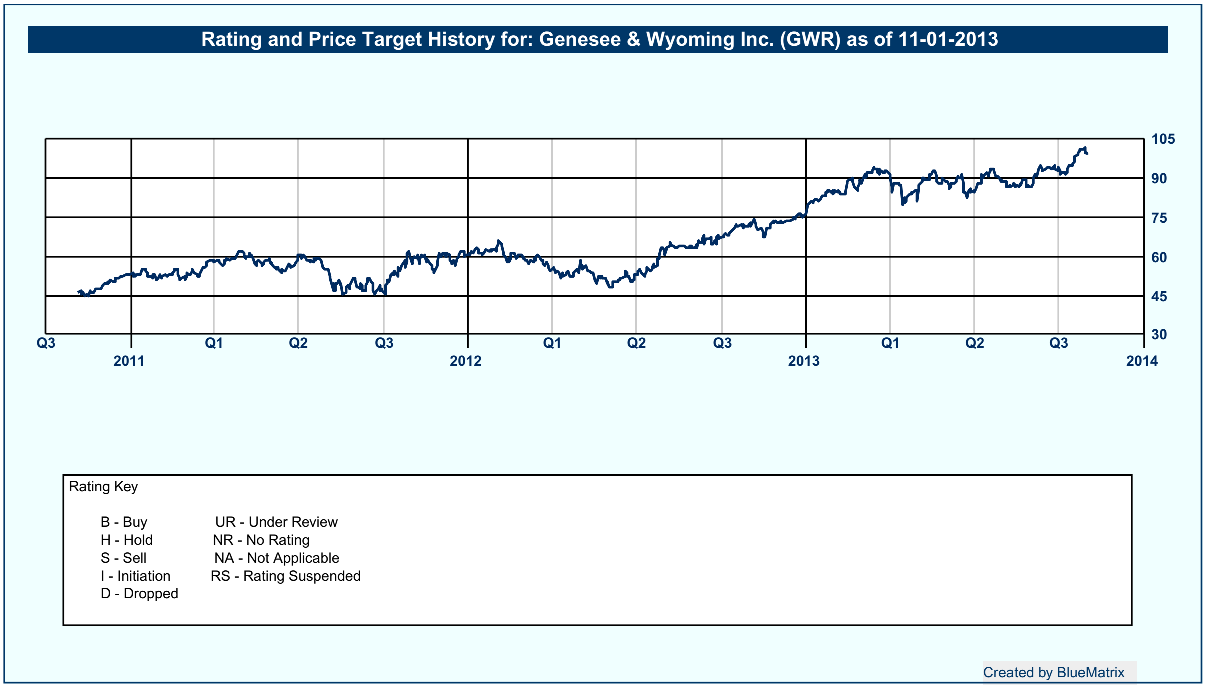

For a price chart with our ratings and target price changes for GWR go to http://sf.bluematrix.com/bluematrix/Disclosure?ticker=GWR

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