

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

**GENESEE & WYOMING INC**

CIK: **1012620** | IRS No.: **060984624** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **8-K** | Act: **34** | File No.: **001-31456** | Film No.: **05788300**  
SIC: **4011** Railroads, line-haul operating

Mailing Address  
66 FIELD POINT ROAD  
GREENWICH CT 06830

Business Address  
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GREENWICH CT 06830  
2036293722

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) May 2, 2005

GENESEE & WYOMING INC.

-----  
(Exact name of registrant as specified in its charter)

DELAWARE	001-31456	06-0984624
-----	-----	-----
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

66 FIELD POINT ROAD, GREENWICH, CONNECTICUT	06830
-----	-----
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (203) 629-3722

-----  
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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ITEM 2.02. Results of Operations and Financial Condition

The following Press Release, filed as Exhibit 99.1, and the information set forth therein is furnished under Section 2- Financial Information, Item 2.02, Disclosure of Results of Operations and Financial Condition. The Press Release was issued by Genesee & Wyoming Inc. on May 2, 2005, announcing Genesee & Wyoming Inc.'s financial results for the first quarter of 2005, which is incorporated herein by reference.

ITEM 9.01 Financial Statements and Exhibits

(c) Exhibit.

99.1 Press release dated May 2, 2005.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

GENESEEE & WYOMING INC.

May 2, 2005

By: /s/ John C. Hellmann

-----  
John C. Hellmann  
Chief Financial Officer

GENESEE & Wyoming REPORTS 15.1% INCREASE IN NET INCOME FOR THE FIRST QUARTER  
OF 2005

GREENWICH, Conn., May 2, 2005 /PRNewswire-FirstCall/ -- Genesee & Wyoming Inc. (GWI) (NYSE: GWR) reported today that net income in the first quarter of 2005 increased 15.1% to \$10.9 million, compared to net income of \$9.5 million in the first quarter of 2004. GWI's diluted earnings per share in the first quarter of 2005 increased 18.2% to \$0.39 with 27.7 million shares outstanding, compared to diluted earnings per share of \$0.33 with 27.4 million shares outstanding in the first quarter of 2004. (Note that prior to GWI's adoption of Emerging Issues Task Force Bulletin Issue No. 03-06 under FASB Statement No. 128, GWI's diluted EPS for the first quarter of 2004 were \$0.35.) Due primarily to the impact of recent U.S. tax legislation which created a track maintenance tax credit for short line railroads, GWI's book tax rate was 30.4% in the first quarter of 2005, compared to 39.0% in the first quarter of 2004.

## North American Results

In the first quarter of 2005, North American revenue increased 16.1% to \$84.1 million, compared to \$72.4 million in the first quarter of 2004. Of this \$11.7 million increase in revenue, \$8.6 million was same-railroad growth, \$2.6 million was from the Tazewell & Peoria Railroad in Illinois, and \$0.5 million was from the Savannah Wharf rail line in Georgia. The 11.9% growth in same-railroad revenue was balanced across multiple commodity groups, with particular strength in paper, which increased by \$2.2 million, or 22.9%; coal, which increased by \$1.5 million, or 14.3%; and lumber and forest products, which increased by \$1.7 million, or 29.4%.

North American operating income in the first quarter of 2005 increased 23.4% to \$14.3 million, compared with \$11.6 million in the first quarter of 2004. The North American operating ratio improved to 83.0% in the first quarter of 2005, compared with 84.0% in the first quarter of 2004. The improvement in operating results was achieved despite a 37.9% increase in the price of diesel fuel, as the average price per gallon was \$1.60 in the first quarter of 2005 compared with \$1.16 in the first quarter of 2004.

North American traffic in the first quarter of 2005 increased 13,578 carloads, or 9.0%, to 164,786 carloads. Same-railroad traffic in the first quarter of 2005 increased 7,253 carloads, or 4.8%. Revenue per carload in the first quarter of 2005 increased 5.8% to \$383. Same-railroad revenue per carload in the first quarter of 2005 increased 7.5% due to a combination of rate increases, fuel escalation provisions, and shipments of certain higher yielding traffic.

GWI's North American Free Cash Flow for the first quarter of 2005 was \$15.9 million (defined as Cash from Operations of \$19.7 million less Cash used in Investing of \$3.8 million) compared with \$12.8 million of Free Cash Flow (defined as Cash from Operations of \$17.6 million less Cash used in Investing of \$4.8 million) in the first quarter of 2004. See the attached schedule for a description and discussion of Free Cash Flow.

## Australian Results (Equity Accounting)

In Australia, revenue at GWI's 50%-owned subsidiary, Australian Railroad Group (ARG), increased 2.5% to US\$84.4 million in the first quarter of 2005, compared with US\$82.4 million in the first quarter of 2004. This US\$2.0 million increase in revenue was principally due to a US\$2.6 million increase in third party fuel sales, a US\$1.2 million increase in iron ore shipments and a US\$1.0 million increase in alumina and bauxite shipments, partially offset by a US\$4.1 million decline in grain revenue. In Australian dollars, ARG's revenue increased 0.7% in the first quarter of 2005 compared with the first quarter of 2004.

ARG's operating income in the first quarter of 2005 was US\$13.8 million, compared with operating income of US\$17.6 million in the first quarter of 2004. The operating ratio was 83.6% in the first quarter of 2005, compared with 78.6% in the first quarter of 2004. As previously disclosed, ARG's operating results in the first quarter of 2005 were adversely impacted by two derailments by a third party operator on ARG's track in Western Australia, which cost approximately US\$1.8 million and reduced the operating ratio by 2.1%. ARG's

operating results were also adversely impacted by a 28.3% increase in the price of diesel fuel used in operations.

Equity income from ARG in the first quarter of 2005 was US\$2.3 million, including the US\$0.6 million after-tax negative impact of the third party derailments, compared with US\$3.7 million of equity income in the first quarter of 2004. In comparing the first quarter of 2005 with the first quarter of 2004, the Australian dollar strengthened 1.1%.

Mortimer B. Fuller III, Chairman and Chief Executive Officer of GWI, commented, "In North America, the strength of our regional businesses continued to exceed our expectations and to more than offset the high price of diesel fuel. In Australia, a lower grain harvest, higher fuel prices, and derailments by third parties were partially mitigated by increasing iron ore and alumina related shipments. In this context, we are pleased with our first quarter results."

As previously announced, GWI's conference call to discuss financial results for the first quarter will be held today at 11:00AM (Eastern Daylight Time). The dial-in number for the teleconference is 877-209-0397 or the call may be accessed live over the Internet (listen only) directly at <http://phx.corporate-ir.net/phoenix.zhtml?c=64426&p=irol-irhome> or via the Investors tab of Genesee & Wyoming's website (<http://www.gwrr.com>). An audio replay of the conference call will be accessible via the Investors tab of Genesee & Wyoming's website starting this afternoon.

GWI is a leading operator of short line and regional freight railroads in the United States, Canada, Mexico, Australia and Bolivia. The Company operates over 8,200 miles of owned and leased track and more than 3,000 additional miles under track access arrangements.

This press release 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 from its current expectations including, but not limited to, economic conditions, customer demand, increased competition in relevant markets, and others. GWI refers you to the documents that it files from time to time with the Securities and Exchange Commission, such as GWI'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 contained in this press release.

GENESE & WYOMING INC. AND SUBSIDIARIES  
 CONSOLIDATED STATEMENTS OF INCOME  
 (In thousands, except per share amounts)  
 (Unaudited)

	Three Months Ended March 31,	
	2005	2004
REVENUES	\$ 84,081	\$ 72,403
OPERATING EXPENSES	69,821	60,843
INCOME FROM OPERATIONS	14,260	11,560
INTEREST EXPENSE	(2,119)	(2,435)
OTHER INCOME, NET	97	192
INCOME BEFORE INCOME TAXES AND EQUITY EARNINGS	12,238	9,317
PROVISION FOR INCOME TAXES	3,716	3,633
INCOME BEFORE EQUITY EARNINGS	8,522	5,684
EQUITY IN NET INCOME OF INTERNATIONAL AFFILIATES:		
AUSTRALIAN RAILROAD GROUP	2,291	3,742
SOUTH AMERICA	87	40
NET INCOME	10,900	9,466
IMPACT OF PREFERRED STOCK OUTSTANDING	-	301

NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	\$	10,900	\$	9,165
BASIC EARNINGS PER SHARE:				
NET INCOME AVAILABLE TO COMMON SHAREHOLDERS	\$	0.45	\$	0.38
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		24,418		23,888
DILUTED EARNINGS PER SHARE:				
NET INCOME	\$	0.39	\$	0.33
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING		27,659		27,378

GENESEE & WYOMING INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(In thousands)  
(Unaudited)

	March 31, 2005	December 31, 2004
	-----	-----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 24,208	\$ 14,451
Accounts receivable, net	67,914	64,537
Materials and supplies	4,796	5,263
Prepaid expenses and other	7,977	7,784
Deferred income tax assets, net	3,191	3,190
Total current assets	108,086	95,225
PROPERTY AND EQUIPMENT, net	336,106	337,024
INVESTMENT IN UNCONSOLIDATED AFFILIATES	135,073	132,528
GOODWILL	24,664	24,682
INTANGIBLE ASSETS, net	77,381	77,778
OTHER ASSETS, net	9,716	10,014
Total assets	\$ 691,026	\$ 677,251
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 4,486	\$ 6,356
Accounts payable	67,799	63,794
Accrued expenses	23,910	21,598
Total current liabilities	96,195	91,748
LONG-TERM DEBT, less current portion	121,155	125,881
DEFERRED INCOME TAX LIABILITIES, net	52,212	50,517
DEFERRED ITEMS - grants from governmental agencies	46,677	46,229
DEFERRED GAIN - sale/leaseback	3,424	3,495
OTHER LONG-TERM LIABILITIES	14,743	14,122
MINORITY INTEREST	3,440	3,559
TOTAL STOCKHOLDERS' EQUITY	353,180	341,700
Total liabilities and stockholders' equity	\$ 691,026	\$ 677,251

GENESEE & WYOMING INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(In thousands)  
(Unaudited)

Three Months Ended

	March 31, 2005	March 31, 2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 10,900	\$ 9,466
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization	4,990	4,730
Amortization of restricted stock	94	-
Deferred income taxes	1,616	1,760
Net gain on sale and impairment of assets	(67)	(93)
Equity earnings of unconsolidated international affiliates	(2,378)	(3,782)
Minority interest expense	8	26
Tax benefit realized upon exercise of stock options	111	372
Changes in assets and liabilities, net of effect of acquisitions -		
Accounts receivable	(3,452)	2,953
Materials and supplies	458	(237)
Prepaid expenses and other	(184)	(575)
Accounts payable and accrued expenses	6,396	3,806
Other assets and liabilities, net	1,232	(818)
Net cash provided by operating activities	19,724	17,608
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment, net of proceeds from government grants	(4,047)	(5,301)
Proceeds from disposition of property and equipment, including sale/leasebacks	85	137
Valuation adjustment of split dollar life insurance	114	394
Net cash used in financing activities	(3,848)	(4,770)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on long-term borrowings, including capital leases	(54,235)	(44,160)
Proceeds from issuance of long-term debt	48,000	32,500
Proceeds from employee stock purchases	437	864
Purchase of treasury stock	(270)	-
Dividend on Redeemable Convertible Preferred Stock	-	(250)
Net cash used in investing activities	(6,068)	(11,046)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	(51)	(93)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	9,757	1,699
<b>CASH AND CASH EQUIVALENTS, beginning of period</b>	14,451	11,118
<b>CASH AND CASH EQUIVALENTS, end of period</b>	\$ 24,208	\$ 12,817

GENESEE & WYOMING INC. AND SUBSIDIARIES  
Selected Consolidated Financial Information  
(dollars in thousands)  
(Unaudited)

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Three Months Ended

March 31,

	2005		2004	
	Amount	% of Revenue	Amount	% of Revenue
<S>	<C>	<C>	<C>	<C>
Revenues:				
Freight	\$ 63,133	75.1%	\$ 54,810	75.7%
Non-freight	20,948	24.9%	17,593	24.3%
Total revenues	\$ 84,081	100.0%	\$ 72,403	100.0%
Operating Expense Comparison:				
Natural Classification				
Labor and benefits	\$ 28,884	34.4%	\$ 26,396	36.5%
Equipment rents	7,890	9.4%	6,882	9.5%
Purchased services	5,130	6.1%	4,281	5.9%
Depreciation and amortization	4,990	5.9%	4,730	6.5%
Diesel fuel	7,937	9.4%	5,645	7.8%
Casualties and insurance	3,632	4.3%	3,707	5.1%
Materials	4,208	5.0%	3,708	5.1%
Net gain on sale and impairment of assets	(67)	-0.1%	(93)	-0.1%
Other expenses	7,217	8.6%	5,587	7.7%
Total operating expenses	\$ 69,821	83.0%	\$ 60,843	84.0%
Functional Classification				
Transportation	\$ 28,886	34.4%	\$ 24,666	34.1%
Maintenance of ways and structures	7,892	9.4%	6,887	9.5%
Maintenance of equipment	13,105	15.6%	11,682	16.1%
General and administrative	15,015	17.8%	12,971	17.9%
Net gain on sale and impairment of assets	(67)	-0.1%	(93)	-0.1%
Depreciation and amortization	4,990	5.9%	4,730	6.5%
Total operating expenses	\$ 69,821	83.0%	\$ 60,843	84.0%

GENESEE & WYOMING INC. AND SUBSIDIARIES

North America Railroad Freight Revenues, Carloads and Average Revenue Per Carload

Comparison by Commodity Group

(dollars in thousands, except average revenue per carload)

	Three Months Ended March 31, 2005			Three Months Ended March 31, 2004		
	Freight Revenues	Carloads	Average Revenue Per Carload	Freight Revenues	Carloads	Average Revenue Per Carload
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Commodity Group						
Coal, Coke & Ores	\$ 12,269	45,858	\$ 268	\$ 10,737	44,042	\$ 244
Paper	11,700	25,409	460	9,520	22,984	414
Lumber & Forest Products	7,552	20,951	360	5,838	18,034	324
Petroleum Products	6,871	8,783	782	6,314	8,310	760
Metals	6,354	18,165	350	5,655	17,838	317
Minerals & Stone	5,601	14,065	398	5,136	12,665	406
Farm & Food Products	4,759	13,372	356	4,792	11,452	418
Chemicals-Plastics	4,673	9,305	502	3,872	7,468	518
Autos & Auto Parts	1,830	3,954	463	1,742	4,197	415
Intermodal	501	1,143	438	552	1,364	405
Other	1,023	3,781	271	652	2,854	228



AUSTRALIAN RAILROAD GROUP PTY. LTD.  
 CONSOLIDATED STATEMENTS OF INCOME  
 (U.S. dollars in thousands)  
 (Unaudited - U.S. GAAP)

	Three Months Ended March 31,	
	2005	2004
REVENUES	\$ 84,379	\$ 82,353
OPERATING EXPENSES	70,577	64,713
INCOME FROM OPERATIONS	13,802	17,640
INTEREST EXPENSE	(7,412)	(7,348)
OTHER INCOME, NET	179	403
INCOME BEFORE TAX	6,569	10,695
PROVISION FOR INCOME TAX	1,983	3,212
NET INCOME	\$ 4,586	\$ 7,483

Australian Railroad Group Pty. Ltd. is 50%-owned by Genesee & Wyoming Inc.

AUSTRALIAN RAILROAD GROUP PTY. LTD.  
 CONSOLIDATED BALANCE SHEETS  
 (U.S. dollars in thousands)  
 (Unaudited - U.S. GAAP)

	March 31, 2005	December 31, 2004
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 12,553	\$ 21,217
Accounts receivable, net	48,732	49,085
Materials and supplies	11,280	11,580
Prepaid expenses and other	903	3,055
Total current assets	73,468	84,937
PROPERTY AND EQUIPMENT, net	541,941	541,470
DEFERRED INCOME TAX ASSETS, net	73,284	77,325
OTHER ASSETS, net	8,350	8,522
Total assets	\$ 697,043	\$ 712,254
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	13,908	19,832
Accrued expenses	26,930	31,989
Current income tax liabilities	336	364
Total current liabilities	41,174	52,185
LONG-TERM DEBT	378,966	383,425
DEFERRED INCOME TAX LIABILITIES, net	21,213	21,207
OTHER LONG-TERM LIABILITIES	2,179	2,177
FAIR VALUE OF INTEREST RATE SWAPS	5,052	9,788
Total non-current liabilities	407,410	416,597
REDEEMABLE PREFERRED STOCK OF STOCKHOLDERS	16,700	16,897
TOTAL STOCKHOLDERS' EQUITY	231,759	226,575
Total liabilities and stockholders' equity	\$ 697,043	\$ 712,254

Australian Railroad Group Pty. Ltd. is 50%-owned by Genesee & Wyoming Inc.

AUSTRALIAN RAILROAD GROUP PTY. LTD.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(U.S. dollars in thousands)  
(Unaudited - U.S. GAAP)

	Three Months Ended	
	March 31, 2005	March 31, 2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 4,586	\$ 7,483
Adjustments to reconcile net income to net cash provided by operating activities-		
Depreciation and amortization	7,602	6,714
Deferred income taxes	3,392	2,361
Net (gain) loss on sale and impairment of assets	(327)	484
Changes in assets and liabilities	(9,629)	1,479
Net cash provided by operating activities	5,624	18,521
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(14,664)	(11,665)
Proceeds from disposition of property and equipment	661	484
Net cash used in investing activities	(14,003)	(11,181)
<b>EFFECT OF EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>	(285)	546
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(8,664)	7,886
CASH AND CASH EQUIVALENTS, beginning of period	21,217	26,618
CASH AND CASH EQUIVALENTS, end of period	\$ 12,553	\$ 34,504

Australian Railroad Group Pty. Ltd. is 50%-owned by Genesee & Wyoming Inc.

AUSTRALIAN RAILROAD GROUP PTY. LTD.  
Selected Consolidated Financial Information  
(U.S. dollars in thousands)  
(Unaudited - U.S. GAAP)

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	Three Months Ended March 31,			
	2005		2004	
	Amount	% of Revenue	Amount	% of Revenue
<S>	<C>	<C>	<C>	<C>
<b>Revenues:</b>				
Freight	\$ 69,339	82.2%	\$ 70,940	86.1%
Non-freight	15,040	17.8%	11,413	13.9%
Total railroad revenues	\$ 84,379	100.0%	\$ 82,353	100.0%
<b>Operating Expenses:</b>				
Natural Classification				
Labor and benefits	\$ 17,104	20.3%	\$ 14,256	17.3%
Equipment rents	883	1.0%	710	0.9%
Purchased services	17,370	20.6%	19,062	23.2%
Depreciation and amortization	7,602	9.0%	6,714	8.1%
Diesel fuel used in operations	7,219	8.6%	6,155	7.5%
Diesel fuel for sales to third				

parties	5,710	6.8%	3,498	4.2%
Casualties and insurance	4,629	5.5%	3,459	4.2%
Materials	3,651	4.3%	3,303	4.0%
Net (gain) loss on sale and impairment of assets	(327)	-0.4%	484	0.6%
Other expenses	6,736	7.9%	7,072	8.6%
Total operating expenses	\$ 70,577	83.6%	\$ 64,713	78.6%
Functional Classification				
Transportation	\$ 32,569	38.6%	\$ 29,638	36.0%
Maintenance of ways and structures	9,427	11.2%	9,707	11.8%
Maintenance of equipment	8,006	9.5%	7,957	9.7%
General and administrative	13,300	15.7%	10,213	12.4%
Net (gain) loss on sale and impairment of assets	(327)	-0.4%	484	0.6%
Depreciation and amortization	7,602	9.0%	6,714	8.1%
Total operating expenses	\$ 70,577	83.6%	\$ 64,713	78.6%

Australian Railroad Group Pty. Ltd. is 50%-owned by Genesee & Wyoming Inc.

AUSTRALIAN RAILROAD GROUP PTY. LTD.  
Australian Railroad Freight Revenues, Carloads and Average Revenue Per  
Carload  
Comparison by Commodity Group  
(U.S. dollars in thousands, except average revenue per carload)  
(Unaudited)

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	Three Months Ended March 31, 2005			Three Months Ended March 31, 2004		
	Freight Revenues	Carloads	Average Revenue Per Carload	Freight Revenues	Carloads	Average Revenue Per Carload
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Commodity Group						
Grain	\$ 22,115	54,620	\$ 405	\$ 26,261	66,563	\$ 395
Other Ores and Minerals	15,576	26,680	584	15,078	28,158	535
Iron Ore	12,633	52,989	238	11,462	50,479	227
Alumina	5,560	40,061	139	5,019	39,416	127
Bauxite	3,662	33,970	108	3,212	30,217	106
Hook and Pull (Haulage)	338	685	493	464	2,776	167
Gypsum	988	11,156	89	1,008	12,793	79
Other	8,467	17,808	475	8,436	17,193	491
Total	\$ 69,339	237,969	291	\$ 70,940	247,595	287

Australian Railroad Group Pty. Ltd. is 50%-owned by Genesee & Wyoming Inc.

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 less Net Cash Used in Investing Activities, excluding the Cost of Acquisitions. 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 required dividend payments and 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 Generally Accepted Accounting Principles.

The following table sets forth a reconciliation of GWI's Net Cash Provided

by Operating Activities to GWI's Free Cash Flow:

	Quarters Ended March 31,	
	2005	2004
Net cash provided by operating activities	\$ 19,724	\$ 17,608
Net cash used in investing activities	(3,848)	(4,770)
Free cash flow	\$ 15,876	\$ 12,838

SOURCE Genesee & Wyoming Inc.

-0- 05/02/2005

/CONTACT: John C. Hellmann, Chief Financial Officer, Genesee & Wyoming  
Inc., +1-203-629-3722/

/Web site: <http://www.gwrr.com>

<http://phx.corporate-ir.net/phoenix.zhtml?c=64426&p=irol-irhome> /