

GENESEE & WYOMING INC
Form 10-Q
August 05, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2011

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

For the transition period from _____ to _____

Commission File No. 001-31456

GENESEE & WYOMING INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization) 06-0984624
(I.R.S. Employer
Identification No.)

66 Field Point Road,
Greenwich, Connecticut 06830
(Address of principal executive offices) (Zip Code)
(203) 629-3722
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically or posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer Accelerated Filer

Non-Accelerated Filer (Do not check if a smaller reporting company) Smaller Reporting Company

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): YES NO

Shares of common stock outstanding as of the close of business on July 29, 2011:

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Class	Number of Shares Outstanding
Class A Common Stock	40,068,216
Class B Common Stock	2,206,343

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Forward-Looking Statements

This report and other documents referred to in this report contain forward-looking statements regarding future events and the future performance of Genesee & Wyoming Inc. that are based on current expectations, estimates and projections about our industry, our business and our performance, management's beliefs, and assumptions made by management. Words such as "anticipates," "intends," "plans," "believes," "should," "seeks," "expects," "estimates," "trends," variations of these words and similar expressions are intended to identify these forward-looking statements. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions, including the following risks applicable to all of our operations: risks related to the acquisition and integration of railroads; economic and competitive uncertainties and contingencies and third-party approvals; economic, political and industry conditions; customer demand, retention and contract continuation; legislative and regulatory developments, including changes in environmental and other laws and regulations to which we are subject; increased competition in relevant markets; funding needs and financing sources; unpredictability of fuel costs; susceptibility to various legal claims and lawsuits; strikes or work stoppages; severe weather conditions and other natural occurrences; and others including, but not limited to, those set forth in this Item 2 and Part II, Item 1A, if any, and those noted in our 2010 Annual Report on Form 10-K under "Risk Factors." Therefore, actual results may differ materially from those expressed or forecasted in any such forward-looking statements. Forward-looking statements speak only as of the date of this report or as of the date they were made. We disclaim any intention to update the current expectations or forward-looking statements contained in this report.

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GENESEE & WYOMING INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2011 and DECEMBER 31, 2010
(dollars in thousands, except share amounts)
(unaudited)

	June 30, 2011	December 31, 2010
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$25,938	\$27,417
Accounts receivable, net	153,331	132,225
Materials and supplies	15,524	13,259
Prepaid expenses and other	12,559	14,529
Deferred income tax assets, net	21,889	21,518
Total current assets	229,241	208,948
PROPERTY AND EQUIPMENT, net	1,503,388	1,444,177
GOODWILL	162,737	160,629
INTANGIBLE ASSETS, net	235,029	237,355
DEFERRED INCOME TAX ASSETS, net	2,420	2,879
OTHER ASSETS, net	13,144	13,572
Total assets	\$2,145,959	\$2,067,560
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$102,771	\$103,690
Accounts payable	132,258	124,948
Accrued expenses	51,806	76,248
Total current liabilities	286,835	304,886
LONG-TERM DEBT, less current portion	462,150	475,174
DEFERRED INCOME TAX LIABILITIES, net	274,325	263,361
DEFERRED ITEMS - grants from outside parties	190,796	183,356
OTHER LONG-TERM LIABILITIES	28,135	23,543
COMMITMENTS AND CONTINGENCIES	—	—
STOCKHOLDERS' EQUITY:		
Class A Common Stock, \$0.01 par value, one vote per share; 180,000,000 and 90,000,000 shares authorized at June 30, 2011 and December 31, 2010, respectively; 52,526,102 and 51,861,249 shares issued and 40,066,867 and 39,426,351 shares outstanding (net of 12,459,235 and 12,434,898 shares in treasury) on June 30, 2011 and December 31, 2010, respectively	525	519
Class B Common Stock, \$0.01 par value, ten votes per share; 30,000,000 and 15,000,000 shares authorized at June 30, 2011 and December 31, 2010, respectively; 2,206,343 and 2,409,027 shares issued and outstanding on June 30, 2011 and December 31, 2010, respectively	22	24
Additional paid-in capital	375,975	358,024
Retained earnings	675,452	622,185
Accumulated other comprehensive income	56,656	40,114
Treasury stock, at cost	(204,912)	(203,626)
Total stockholders' equity	903,718	817,240

Total liabilities and stockholders' equity	\$2,145,959	\$2,067,560
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The accompanying notes are an integral part of these consolidated financial statements.

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GENESEE & WYOMING INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF OPERATIONS
 FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2011 and 2010
 (in thousands, except per share amounts)
 (unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2011	2010	2011	2010
OPERATING REVENUES	\$209,589	\$158,453	\$401,500	\$304,032
OPERATING EXPENSES:				
Labor and benefits	58,966	51,329	117,048	101,517
Equipment rents	11,011	8,266	21,578	15,915
Purchased services	19,942	12,895	37,384	23,292
Depreciation and amortization	16,297	12,452	32,158	24,900
Diesel fuel used in operations				