Jean-Jacques Ruest  
Chief Marketing Officer  

AAPA 2010  
American Association of Port Authorities  
Halifax, September, 2010

A DNA of Innovation
A Unique Transportation Company

Geo-Economic Exposure

- Global Asia: 22%
- Global Europe: 4%
- Global South America: 3%
- Domestic US: 29%
- Global Trade: 24%
- Transborder: 19%
- Domestic Canada: 28%

Based on 2009 Revenues

- $8 billion of revenue in 2010
- $30 billion NYSE market cap
- 22,000 employees

A Unique Transportation Company
The only rail connection to 3 coasts

The only rail calling both US and Canada home market.

Gateway Champion
“We have people with a deep DNA of innovation at CN. It’s our people that make the difference.”

Claude Mongeau, President and CEO
A Track Record of Innovation

1998
Scheduled Railroading

2002
CN and CP Co-Production

2004
IMX Service

2008
Freight forwarding and inner city trucking solutions

2007
Rupert Gateway Opening

2009
Sustainability Action Plan

2010
Co-Location Logistics Park

2010
Supply Chain Agreements with Stakeholders

2010
Customer Focus
“Hot Shot” service from Prince Rupert and Vancouver to Chicago in 100 hours

Focus on terminal average dwell time and older box

Service level agreement with specific performance KPIs targets
Connected and now coordinated

13 days
Vessel arrives in Vancouver 13 days after departure from the Port of Yantian

4 - 20 hrs
A crane lifts the container off the ship in 16 hours

8 - 92 hrs
After sitting on the dock the container is put on a railcar. Aging boxes are given special attention.

127 hrs
Train arrives in Toronto in 127 hours

4 hrs
Container is unloaded and available in 4 hours

Same day
Gate is open 24/7 for pickup by truck

CN & Terminal as Partners: Serving shared customers
# Prototype - Discharge from TSI Terminal

<table>
<thead>
<tr>
<th>Destination</th>
<th>Average time containers dwell before vessel discharge (hrs)</th>
<th>Average time containers dwell at port terminal (hrs)</th>
<th>Average Rail Transit Time to Destination (hrs)</th>
<th>Complete transit time (hrs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Edmonton</td>
<td>9</td>
<td>65</td>
<td>45</td>
<td>119</td>
</tr>
<tr>
<td>Calgary</td>
<td>9</td>
<td>46</td>
<td>63</td>
<td>118</td>
</tr>
<tr>
<td>Toronto</td>
<td>9</td>
<td>64</td>
<td>123</td>
<td>196</td>
</tr>
<tr>
<td>Montreal</td>
<td>9</td>
<td>49</td>
<td>132</td>
<td>190</td>
</tr>
<tr>
<td>Chicago</td>
<td>9</td>
<td>48</td>
<td>124</td>
<td>180</td>
</tr>
<tr>
<td>Memphis</td>
<td>9</td>
<td>43</td>
<td>147</td>
<td>200</td>
</tr>
</tbody>
</table>

Formal “Level of Service” Agreement & Performance Dashboard
- Electronic data links with TSI, Maher, Cast and Racine
- Report lists the containers on ground at each terminal that have been unloaded from vessel for more than 72 hours

<table>
<thead>
<tr>
<th>Port</th>
<th>Containers in Terminal</th>
<th>Containers in terminal &gt;72 hours</th>
<th>%&gt;72 hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Halifax</td>
<td>1</td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td>Montreal</td>
<td>186</td>
<td>4</td>
<td>2.2%</td>
</tr>
<tr>
<td>Prince Rupert</td>
<td>626</td>
<td>45</td>
<td>7.2%</td>
</tr>
<tr>
<td>Vancouver</td>
<td>2064</td>
<td>418</td>
<td>20.3%</td>
</tr>
</tbody>
</table>

Import Glowing Boxes Report
Discharge Date – September 10, 2010
Includes Customs Hold
Where you climb the Rockies becomes relevant.

- Canadian Rockies passage offer the lowest grade.
- Rupert has the smallest above sea level elevation: 3,000 ft.
- Canadian Pacific Gateways to Chicago generate the smallest carbon footprint:
  
<table>
<thead>
<tr>
<th>Destination</th>
<th>Fuel Consumption (gallons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prince Rupert</td>
<td>5.2</td>
</tr>
<tr>
<td>Vancouver</td>
<td>4.9</td>
</tr>
<tr>
<td>Seattle</td>
<td>6.6</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>6.0</td>
</tr>
</tbody>
</table>

Source: Independent Study from ICF International
Inland Initiatives

- Focus on inland terminal service
- Injected additional rail platforms into the fleet
- Additional cranes and resources
- Increased car repairs
- Generate export freight paying return
- CNTL - the largest CDN inner city trucking fleet
- Most competitive land value in Western Canada
- Co-location with CN Intermodal terminal reduces dray cost
- Perfect - free-trade zone - location to distribute consumer products across Western Canada

Co-Location in Calgary Logistics Park
Coming up: October 14 in Toronto

Deeper Customer Engagement