Global Gateway to Indiana
Indiana Logistics Summit October 9 & 10, 2013
Doug MacDonald Vice President – Industrial Products CN Rail
Unparallel Import Reach – 3 Coasts to Reach The U.S. Mid-West and Central Canada

- 23,000 employees
- 22,000 route-miles of tracks in North America
- Most extensive North American reach, the only N.A. railway with single line service to 3 coasts
- Capital investment of $2.0 billion in 2013
- Market Capitalization above $40 billion

Our Intermodal Terminals:
Supporting growth in reaching new markets
A True Backbone of the Economy

### 2013 H1 Results

<table>
<thead>
<tr>
<th>Business Units and Commodities</th>
<th>Revenue ($ M)</th>
<th>Share of CN</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intermodal</strong></td>
<td>1,035</td>
<td>20%</td>
</tr>
<tr>
<td>Petroleum &amp; Chemicals</td>
<td>935</td>
<td>18%</td>
</tr>
<tr>
<td>Grains</td>
<td>591</td>
<td>12%</td>
</tr>
<tr>
<td>Fertilizers</td>
<td>193</td>
<td>4%</td>
</tr>
<tr>
<td>Metals &amp; Minerals</td>
<td>586</td>
<td>12%</td>
</tr>
<tr>
<td>Forest Products</td>
<td>694</td>
<td>13%</td>
</tr>
<tr>
<td>Coal</td>
<td>352</td>
<td>7%</td>
</tr>
<tr>
<td>Automotive</td>
<td>280</td>
<td>5%</td>
</tr>
<tr>
<td>Other revenue</td>
<td>466</td>
<td>9%</td>
</tr>
<tr>
<td><strong>Operating Ratio 64.5%</strong></td>
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</tbody>
</table>

- **Global Asia 26%**
- **Domestic Canada 20%**
- **Global Europe 3%**
- **Transborder 31%**
- **Domestic US 17%**
- **Global South 3%**

- 23,000 employees
- 22,000 route miles
- $10B in revenue
- $40B market cap
- $2B/yr capital investments
- NYSE
Supporting Operational & Service Excellence
C$2.0 billion in Capital Expenditures - 2013

- Over C$1 billion on track infrastructure to maintain safe railway operations and to enhance network productivity and fluidity:
  - C$200 million in locomotives, Intermodal equipment and vehicles
  - Ties/rail replacement and bridge work
  - Continue siding extension in Northern BC, Alberta and Northern Ontario
  - Double-track part of mainline in Saskatchewan
  - New signals to Alberta mainline to expedite train movements
  - Continue improvements at Gary, Indiana’s Kirk yard and at the former EJ&E

- C$700 million to grow with its customers across a range of markets as they expand their business

- C$100 million investment in 2013 in network recovery capacity (Winnipeg-Edmonton corridor)
Intermodal 2013 Capital Plan

- Terminal Infrastructure: $56.7M
- Containers & Chassis: $37.4M
- Specialty Loading Equipment (Clips, Trays): $6.4M
- Cranes & Shunt Tractors: $17.4M

$118M Capital Plan of which $94M is growth-oriented
The Canadian Gateway Advantage

- Closest Ports to Asia
- Available capacity
- Only rail connection to all 3 coasts
- Reaching 75% of the US population and all of Canada
- Dedicated customer service
- Scheduled daily rail service
Focusing on Reducing Ocean Terminal Dwell

- Service level agreements
- Daily interaction between ports and CN Port Managers
- Glowing box protocol
We Focus on the Entire Supply Chain

From Asset Utilization

- Focus on asset turn
- Network balance and network fluidity
- Precision Railroading
- Rigid IMX process

To Operational and Service Excellence

- Customer engagement
- Supply chain innovation
- Helping our customers win in their market place
- Greater collaboration & flexibility at inland terminals

Ocean
Port
Train
Truck
Topography and Train Design Means Less Fuel

Listed for the 2nd year in a row on the
World Sustainability Index 2012 - 2013

Listed in North America Sustainability Index
2009 2010 2011 & 2012

Recognized as Carbon Disclosure Leader
2009 2010 2011 & 2012
- 3.7M TEU handling capacity
- 4 ocean terminals
  - Deltaport, Vanterm, Centerm, Fraser Surrey Docks
- On-dock rail service
- 9 berths ranging from 41 ft to 53 ft
- 26 dock-side gantry cranes including Post-Panamax and Super-Post-Panamax
- Long-term labour agreements in place until 2018
- Closest port to Asia – 57 hours sailing time closer than LA/Long Beach; 24 hrs closer than Seattle
- 750,000 TEU capacity, rising to 1.2M TEU by Q4-2014
- 365M (1,300’) berth, 17 M (55’) draft at low tide; 2 more berths in Q4-2014
- 4 Ultra-Post-Panamax cranes speed vessel turns -- two more in Q4-2014
- Single-line CN service to U.S. Midwest and Canadian markets
The Perfect Trip

Indianapolis

Shanghai

Cosco Antwerp
11 days transit

Prince Rupert
36 hours
Port Dwell

Chicago

7 days
Rail Transit

Indianapolis

Total Transit 20 days

Competition Total Transit
To Indianapolis

26+ Days

Ocean

Port

Train

Truck
2012
Chippewa Falls
Chicago Steel Wheel Interchange NS/CSX

2013
Calgary Logistics Park
Joliet
Indianapolis
Decatur
Kaien siding
Reefer service to Chicago

Reefer service to/from Chicago
Transborder Operation
- Partners fully with both US and Canada Customs agencies
  - C-TPAT, P.I.P., CSA
- Risk Management and CN Police closely tied with US CBP, CBSA, and law enforcement agencies on border security

Transborder Dynamics
- Manages close to 44 transborder trains per day
- On average US CBP clears CN train in 30 minutes or less
- Over 30% of CN’s revenues are attributable to cross border traffic with over 6,000 containers/week
Step 1 > Release From Origin
We provide advanced notification to our partners at customs when the shipment leaves your facilities.

Step 2 > Shipment En Route to Border
Once your shipment is en route to the border, we receive a status notification from the customs broker and customs.

Step 3 > Shipment Arrival to Border
We then connect with customs to notify you of the shipment's arrival at the border and send you a release decision notification.
Our Ocean Carrier Partners

4 major partners at Prince Rupert

13 major partners at Vancouver

Current Indianapolis Participants
<table>
<thead>
<tr>
<th>Service</th>
<th>Vessel Rotations</th>
</tr>
</thead>
</table>
| TP9 | MAERSK / CMA
TANJUNG
HONG KONG
YANTIAN
SHANGHAI
PUSAN
SEATTLE
VANCOUVER
YOKOHAMA
SHANGHAI
NINGBO
HONG KONG
YANTIAN
TANJUNG |
| NWX | GRAND ALLIANCE
NINGBO
SHANGHAI
QINGDAO
PUSAN
VANCOUVER
TACOMA |
| PNX | GRAND ALLIANCE
SINGAPORE
LAEM CHABANG
DACHAN BAY
HONG KONG
KAOHSIUNG
TACOMA
PUSAN |
| PSX | NEW WORLD ALLIANCE
KAOHSIUNG
HONG KONG
YANTIAN
SHANGHAI
BUSAN
SEATTLE |
| PNX | NEW WORLD ALLIANCE
KAOHSIUNG
HONG KONG
YANTIAN
SHANGHAI
BUSAN
SEATTLE |
| PSX | NEW WORLD ALLIANCE
KAOHSIUNG
HONG KONG
YANTIAN
SHANGHAI
BUSAN
SEATTLE |
| ANW1 | CSCL/UASC
LAEM CHABANG
CAI MEP
HONG KONG
YANTIAN
SHANGHAI
NINGBO
PUSAN
SEATTLE
VANCOUVER |

Grand Alliance members are Hapag Lloyd, NYK, OOCL and Zim.
New World Alliance members are APL, Hyundai and MOL.
CKYH Alliance members are COSCO, KLine, Yang Ming and Hanjin.

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<th>CKYH ALLIANCE</th>
<th>CEN service</th>
<th>CKYH ALLIANCE</th>
<th>CPNW service</th>
<th>CKYH ALLIANCE</th>
<th>HPNW service</th>
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<td>HONG KONG</td>
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<td>YANTIAN</td>
<td>NINGBO</td>
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<td>PRINCE RUPERT</td>
<td>LONG BEACH</td>
<td>PRINCE RUPERT</td>
<td>VANCOUVER</td>
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<td>OAKLAND</td>
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<td>PORTLAND</td>
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<td>QINGDAO</td>
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In Summary

- We are creating a new kind of partnership for the customer
- Listening to customer + entrepreneurial spirit = results
- Fast ocean transit
- Fluid port connection
- Consistent, reliable train service
- All-rail intermodal service designed specifically for Indianapolis
- Thank you for your Support !
Indianapolis

NOW OPEN!

Intermodal Terminal in Indianapolis IN - Offering direct and efficient service to the Crossroads of America via our continental network as well as the ports we serve on the Pacific, Atlantic and Gulf coasts

Intermodal Facility
- Opened July 2013
- Located at 1585 South Senate Avenue, less than a mile south of downtown Indianapolis
- Minutes from all Interstate highways
- Tri-Weekly service to/from the Ports of Prince Rupert and Vancouver
- Solid opportunity to load grain back to west coast export markets.
- US Customs-bonded Container Yard
- Transload centre for soybeans, DDGs, SRW and other commodities as markets warrant; USDA staff on-site for weights, grades and documentation
- Expansion potential with nearby privately-owned parcels ripe for light, industrial development
- Bonded facility
- Hours:
  - Mon - Fri: 06:00 - 18:00
  - Sat: 08:00 - 12:00
  - Sun: Closed