





Growth

You have to do more than focus and build on the fundamentals. You have to leverage them to grow. We are in the midst of executing a number of growth strategies in which we work closely with customers to provide innovative transportation solutions and drive mutual success.

A pipeline of CN growth initiatives



CN is strongly positioned to benefit from long-term global demand for North American natural resources – we have the assets and the agility to deliver transportation value in a market environment of continuous, often rapid change.

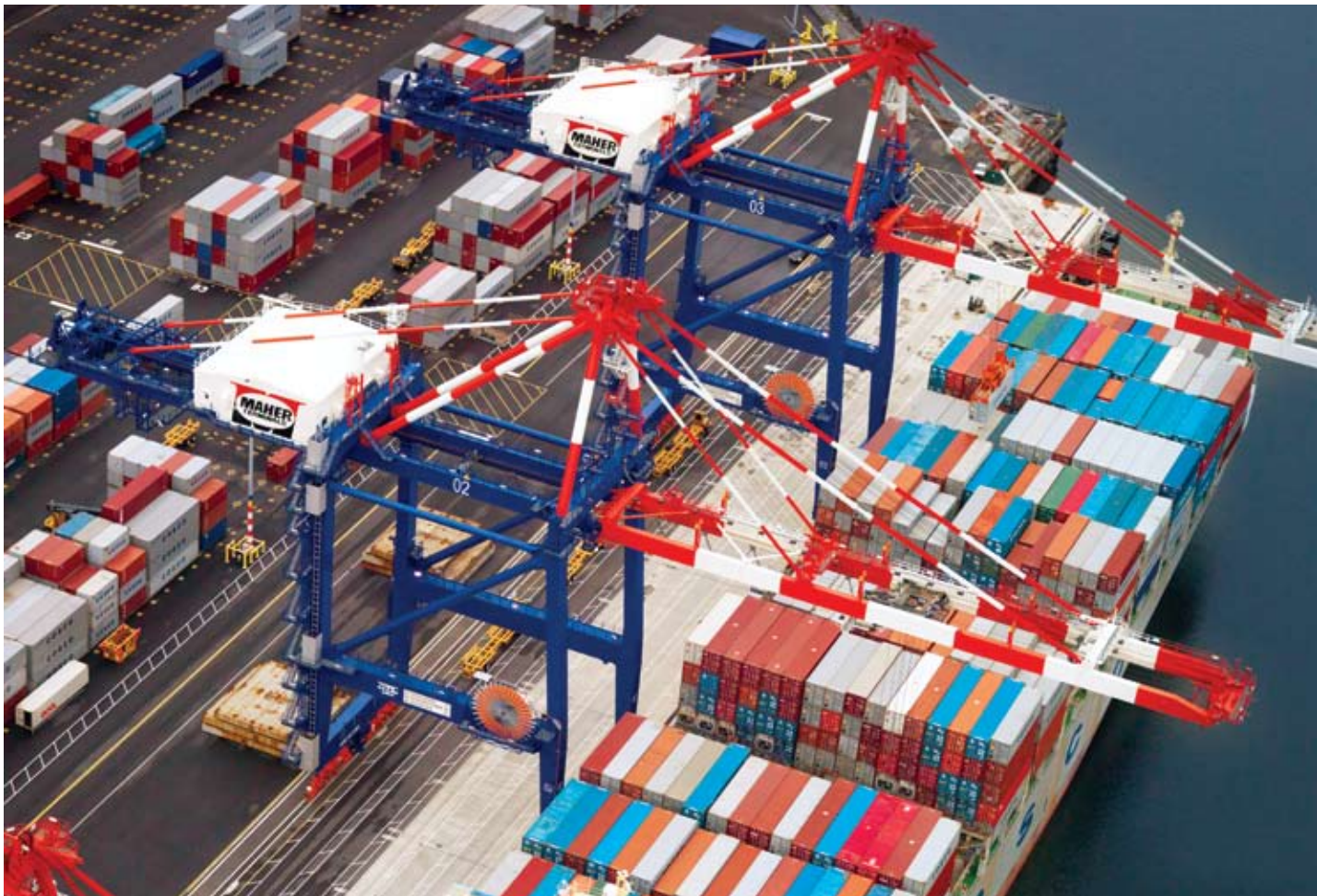
It always starts with customers. What do they need? What are the opportunities in the marketplace, and how can we apply CN strengths to help them benefit? We are always exploring new ways to partner with customers, leveraging CN's unique franchise, precision business model and culture of performance to drive mutual, profitable growth.

Developing bulk opportunities

In 2008, we continued to execute structural growth strategies to benefit from demand for bulk commodities such as potash, petroleum coke and sulphur from Canada, and coal from the United States. Here are a few examples:

Canadian potash is a strong emerging opportunity. Canada has 60 per cent of the world's potash reserves, and global demand for fertilizer will continue for years to come. A strong franchise and long-term

The state-of-the-art intermodal facility at British Columbia's Prince Rupert – served exclusively by CN – offers a highly competitive option for international shippers.



investments in bulk transfer facilities in Western Canada position CN very well as a transportation partner to move potash efficiently for export through new and existing terminals on Canada's West Coast.

In northern Alberta's oil sands, CN continues to bring value to customers. We're moving condensate to aid transportation via pipeline of unrefined petroleum (called bitumen) and byproducts such as petroleum coke and sulphur to Prince Rupert for export – CN is nimble enough to adapt to changing short-term needs and well positioned for what remains an important long-term opportunity.

Working with customers in the Illinois coal basin, CN invested in infrastructure to support increased production – in 2008 that strategy continued to gain momentum, with CN trains moving steadily growing volumes of coal to destinations within North America and to the Gulf Coast for export.

Continued success in non-rail transportation services

CN WorldWide North America and CN WorldWide International continue to develop and offer non-rail services that fit their capabilities, represent a profitable opportunity and create potential to drive traffic to the CN rail network. Truck pick-up and delivery, warehouses, transload/reload facilities, terminal operations, international freight forwarding – these are all viable ways to control a greater proportion of the shipment in order to offer streamlined, lower-cost service.

One such growth opportunity is retail intermodal in the United States. CN has for many years offered truck pick-up and delivery services direct to the customer in Canada using a fleet of independent truck owner/operators. CN WorldWide North America now is rolling out this concept in the United States, and customer response has been positive.