

A message from the Chairman



Dear fellow shareholders:

While 2008 was very difficult from every perspective, CN again showed our depth of talent in our ability to manage in a tough economy.

The Board, management and all employees demonstrated toughness, focus and the ability to rapidly adapt to change in delivering great results this past year.

We are acutely aware of the challenges that lie ahead, and we are realistically approaching the future with a solid business plan and renewed commitment to performance.

The Board has provided thorough oversight and very good governance.

Good governance is not a performance measure. It is a commitment. It does not change. It is the rock-solid foundation upon which we have built this company, and the most important mission we have as Directors. Good governance is expressed in our absolute dedication to maintaining and improving upon Board practices and policies that ensure the highest standards of transparency and independence.

Under management's leadership, CN again delivered commendable financial and operational performance in the face of extremely taxing economic conditions. We are proud of our extraordinarily talented management team, without whose leadership CN could not have performed so well for so long.

This "bench strength" is the most important CN asset that positions the company to sustain its performance over the long term.

The Board is very actively focused on the future. Our succession planning is carefully designed to ensure we maximize the talent CN has developed and ensure they are given the opportunity to lead the company as we go forward.

In 2009, three of our Directors will be retiring from the Board: Raymond Cyr, James Gray and Robert Lee. Each has brought a unique mix of experience, talent and leadership to his position, and each has made an important and lasting contribution to the success of CN. They will be missed, and I thank them for their exemplary service.

Change is inevitable. Change is continuous, a constant force in the world, and from the time of our IPO 13 years ago to today, CN's ability to embrace and thrive on change has been a significant ingredient in its success. The Board of Directors is very confident that this company will continue to deliver the results our investors have come to expect.

Sincerely,

A handwritten signature in black ink that reads "David McLean". The signature is written in a cursive, flowing style.

David McLean, O.B.C., LL.D.
Chairman of the Board