

BUILDING FOR THE FUTURE





Robert Pace

CHAIRMAN OF THE BOARD



BUILDING FOR THE FUTURE





Safety Briefing





 *all aboard*
for *safety*





Jim Larmer

SEPTEMBER 10, 2014

Kevin Timmerman

APRIL 10, 2015



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Notice of Meeting





Scrutineers





Report on Quorum





Consolidated Financial Statements





Election of Directors



Director Nominees

Donald Carty

Claude Mongeau

Ambassador **Gordon Giffin**

James O'Connor

Edith Holiday

Robert Pace

Maureen Kempston Darkes

Robert Phillips

The Honourable **Denis Losier**

Laura Stein

The Honourable **Kevin Lynch**





Appointment of Auditors





Advisory Vote on Executive Compensation



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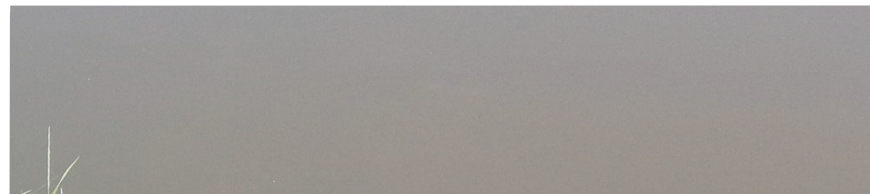
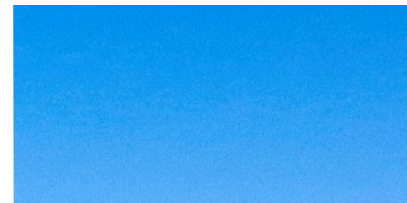
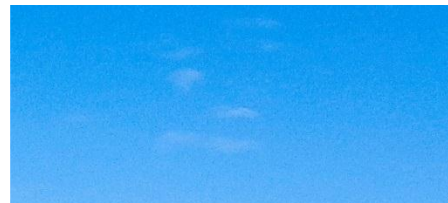




Claude Mongeau

PRESIDENT AND CEO



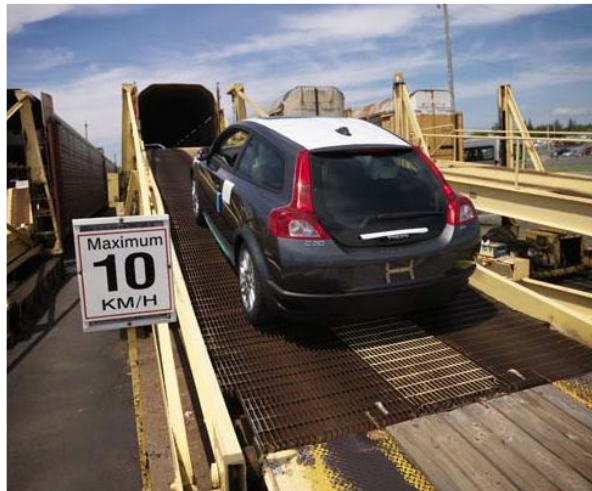


A Remarkable Journey Since the IPO

- C\$8 billion of acquisitions
- Diversified book of business
- Reaching major markets in Canada and the U.S.



A True Backbone of the Economy



What We Stand For

DELIVERING
OPERATIONAL
AND SERVICE
EXCELLENCE

CREATING
VALUE FOR
SHAREHOLDERS

CREATING
VALUE FOR
CUSTOMERS

BUILDING
FOR THE FUTURE

DELIVERING
SAFELY &
RESPONSIBLY

PLAYING
OUR ROLE AS
A BACKBONE



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Forward-Looking Statements

The financial results in this presentation were determined on the basis of U.S. GAAP. Please refer to the website www.cn.ca/nonGAAP for the reconciliation of certain non-GAAP measures to comparable GAAP measures. To the extent that CN has provided non-GAAP financial measures in its outlook, the Company may not be able to provide a reconciliation to the GAAP measures, due to unknown variables and uncertainty related to future results.

Certain information included in this presentation constitutes “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and under Canadian securities laws. CN cautions that, by their nature, these forward-looking statements involve risks, uncertainties and assumptions. The Company cautions that its assumptions may not materialize and that current economic conditions render such assumptions, although reasonable at the time they were made, subject to greater uncertainty. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of the Company or the rail industry to be materially different from the outlook or any future results or performance implied by such statements. Key assumptions used in determining forward-looking information are set forth below.

2015 key assumptions

CN has made a number of economic and market assumptions in preparing its 2015 outlook. The Company is now assuming that North American industrial production for the year will increase by approximately three per cent, compared with its Jan. 27, 2015 assumption of three to four per cent, that U.S. housing starts will be in the range of 1.2 million units, and that U.S. motor vehicles sales will be approximately 16.7 million units. The 2014/2015 Canadian grain crop represented a significant reduction toward the historical trend line while the U.S. grain crop was above trend. CN assumes that the 2015/2016 grain crops in both Canada and the United States will be in line with trend yields. CN also assumes its 2015 customer shipments of energy-related commodities, namely crude oil and frac sand, will grow by approximately 40,000 carloads versus 2014, compared with its previous assumption announced on Jan. 27, 2015, of 75,000-carload growth for the two commodities in 2015 versus 2014. With these assumptions, CN assumes total carload growth for all freight categories in 2015 will be approximately three per cent, compared with its Jan. 27, 2015 forecast of three to four per cent growth, along with continued pricing improvement above inflation.

CN also now assumes that in 2015 the value of the Canadian dollar in U.S. currency will be approximately \$0.80, compared with the Jan. 27, 2015 assumption of \$0.80 to \$0.85, and that the average price of crude oil (West Texas Intermediate) will fluctuate around US\$50 per barrel. In 2015, CN plans to invest approximately C\$2.7 billion in its capital program, of which approximately C\$1.4 billion is targeted toward maintaining the safety and integrity of the network, particularly track infrastructure. The 2015 capital program, which CN previously set at C\$2.6 billion, with C\$1.3 billion earmarked for network safety and integrity, also includes funds for projects supporting growth and productivity.

Important risk factors that could affect the forward-looking statements include, but are not limited to, the effects of general economic and business conditions, industry competition, inflation, currency and interest rate fluctuations, changes in fuel prices, legislative and/or regulatory developments, compliance with environmental laws and regulations, actions by regulators, various events which could disrupt operations, including natural events such as severe weather, droughts, floods and earthquakes, labor negotiations and disruptions, environmental claims, uncertainties of investigations, proceedings or other types of claims and litigation, risks and liabilities arising from derailments, and other risks detailed from time to time in reports filed by CN with securities regulators in Canada and the United States. Reference should be made to “Management's Discussion and Analysis” in CN's annual and interim reports, Annual Information Form and Form 40-F filed with Canadian and U.S. securities regulators, available on CN's website, for a summary of major risk factors.

CN assumes no obligation to update or revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs, unless required by applicable Canadian securities laws. In the event CN does update any forward-looking statement, no inference should be made that CN will make additional updates with respect to that statement, related matters, or any other forward-looking statement.





Luc Jobin

**EXECUTIVE VICE-PRESIDENT
& CHIEF FINANCIAL OFFICER**



Caution Regarding Non-GAAP Measures

This presentation contains non-GAAP measures that do not have a standardized meaning prescribed by GAAP and are therefore not necessarily comparable to similar measures presented by other companies, and as such, should not be considered in isolation.

A reconciliation to the comparable GAAP measures is provided at:

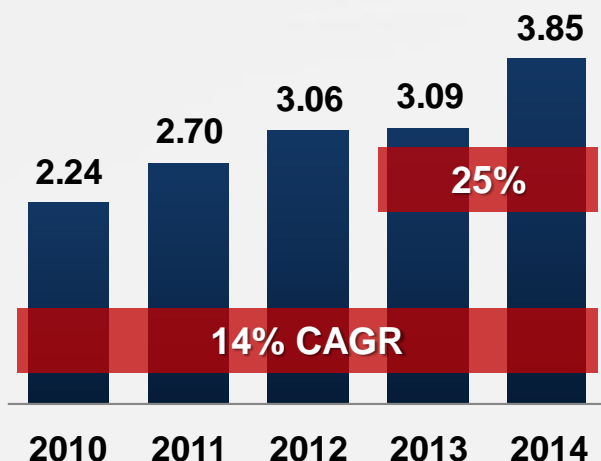
www.cn.ca/nonGAAP

Annual General Meeting Presentation
AGM Reconciliation of Non-GAAP Measures

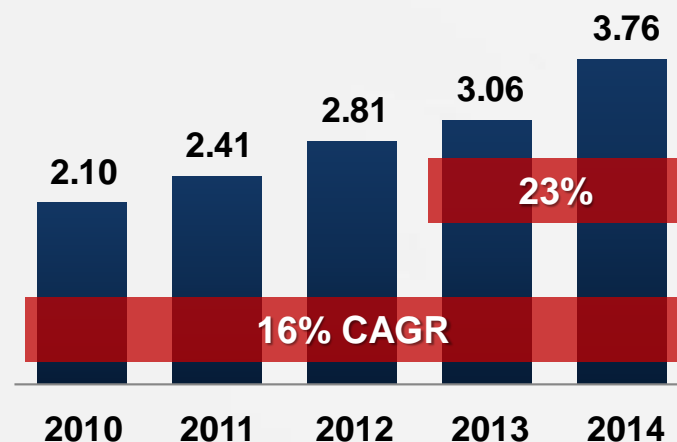


Earnings Per Share

Diluted Earnings per Share
(\$ Cdn)



Adjusted Diluted Earnings per Share
(\$ Cdn)



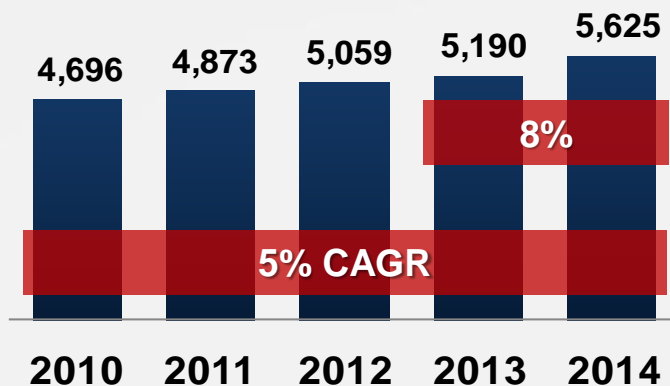
*Adjusted to exclude items affecting the comparability of results.
See website for an explanation of this non-GAAP measure.*

**Highest full year earnings
in the Company's history**

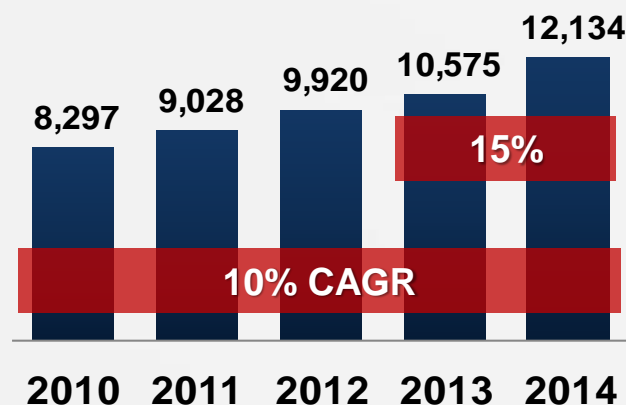


Driving Top Line Growth

Carloads
(thousands)



Revenues
(\$M Cdn)



Revenues up 10% on a constant currency basis⁽¹⁾

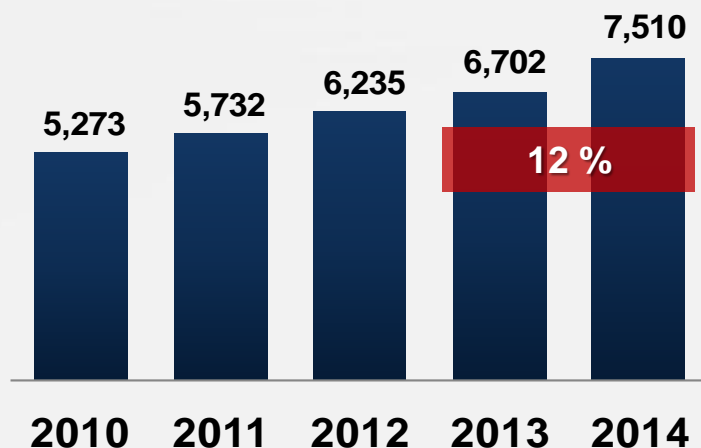
(1) See website for an explanation of this non-GAAP measure

Record carloads, record revenues



Growing at Low Incremental Cost

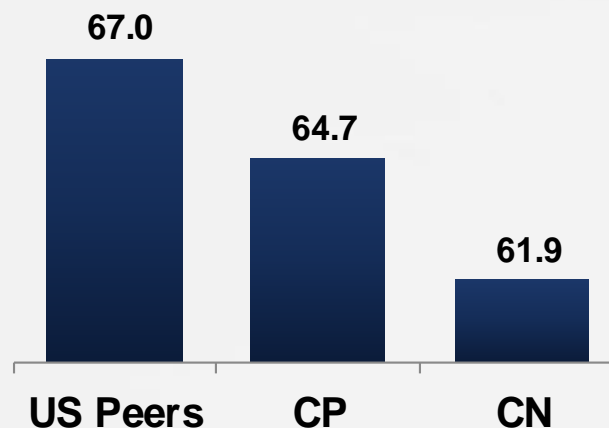
Expenses
(\$M Cdn)



**On a constant currency basis,
expenses up 8%⁽¹⁾**

(1) See website for an explanation of this non-GAAP measure.

2014 Operating Ratio
(percent)



CP and US Peers (weighted average of UP, CSX and NS) based on publicly available information.

Industry-leading efficiency

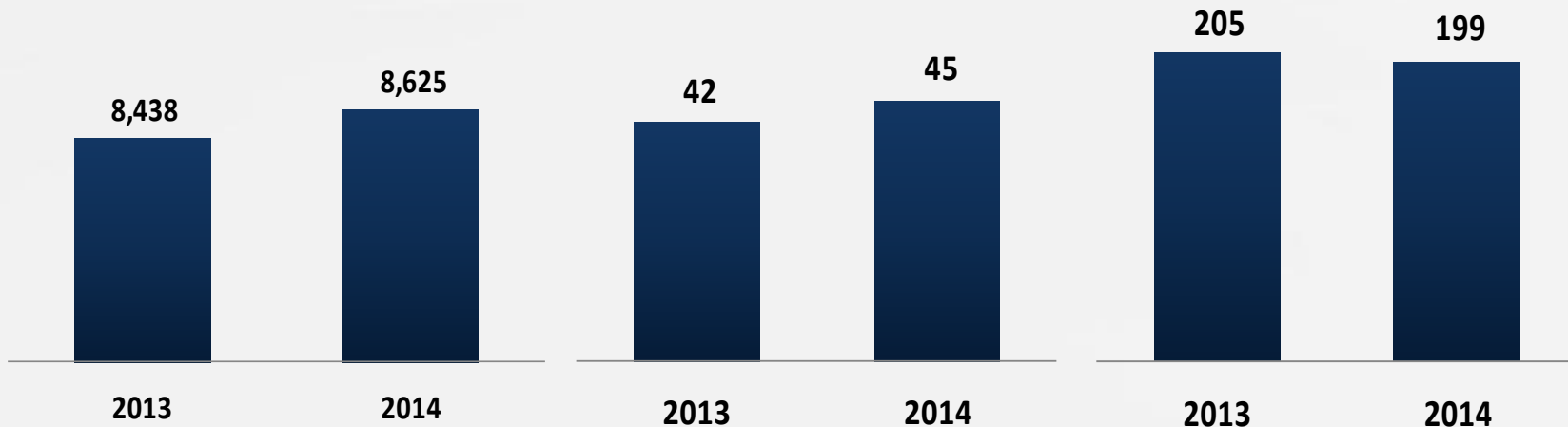


Operational Excellence

Train Productivity
(GTMs per train mile)

Yard Productivity
(Cars per yard switching hour)

Car Velocity
(Car miles per day)



**Driving for improvements
in operating efficiency**



Service Excellence

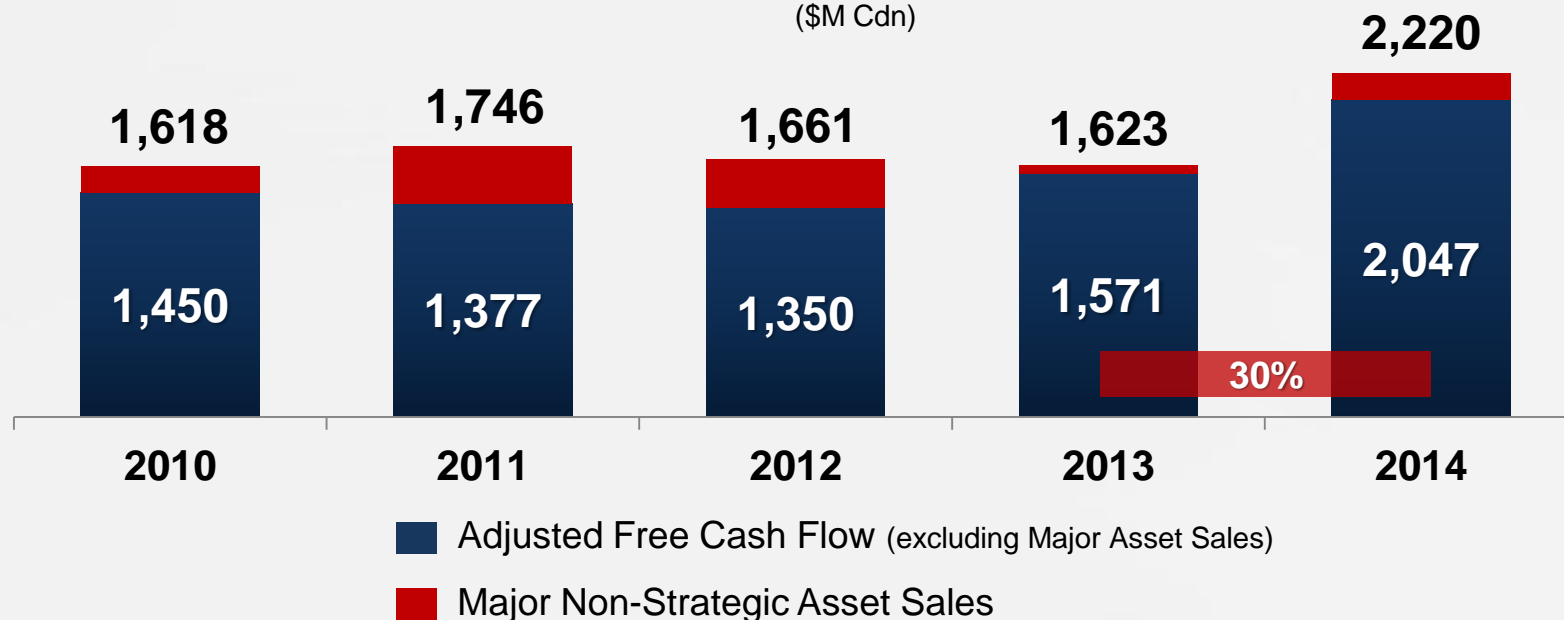
- Becoming a true supply chain enabler
 - Improving first mile/last mile service, engaging and collaborating with an outside-in perspective
- End-to-end visibility
 - Rolling out iAdvise, a key information tool linking the customer, CN customer service representative and CN operations
- Customer centric metrics
 - Leveraging key performance metrics that drive efficiencies across the entire supply chain

**Focused on consistent,
high value customer service**



Free Cash Flow

Free Cash Flow*
(\$M Cdn)



* Free cash flow after voluntary pension plan contributions of C\$100 million, C\$700 million, C\$350 million and C\$300 million for 2013, 2012, 2011 and 2010, respectively. The Company defines its free cash flow measure as the difference between net cash provided by operating activities and net cash used in investing activities; adjusted for changes in restricted cash and cash equivalents and the impact of major acquisitions, if any.

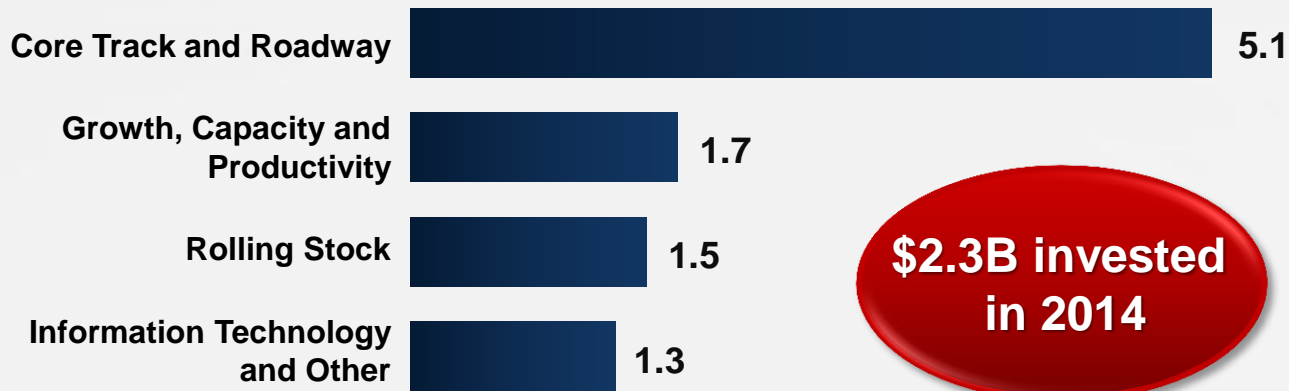
See website for an explanation of this non-GAAP measure.

Consistent cash flow generation



Reinvesting in Our Business

Capital Investments
2010-2014
(\$B Cdn)



Unwavering focus on safety and plant integrity

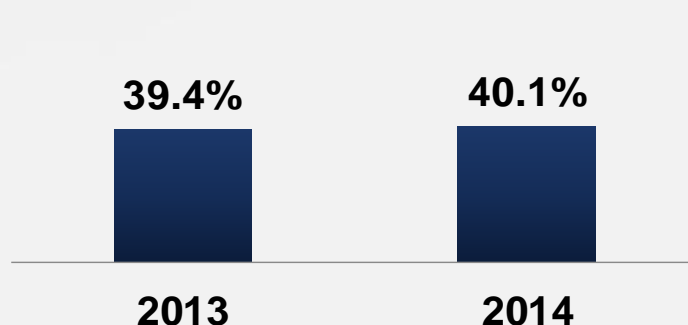
Supporting growth, service and productivity

~\$10 billion of capital investments in five years

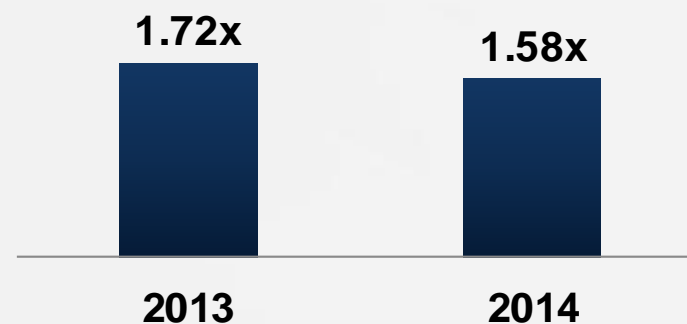


Prudent Financial Management

Adjusted Debt-to-Total
Capitalization Ratio
(at December 31)



Adjusted Debt to
Adjusted EBITDA
(for the twelve months ended December 31)



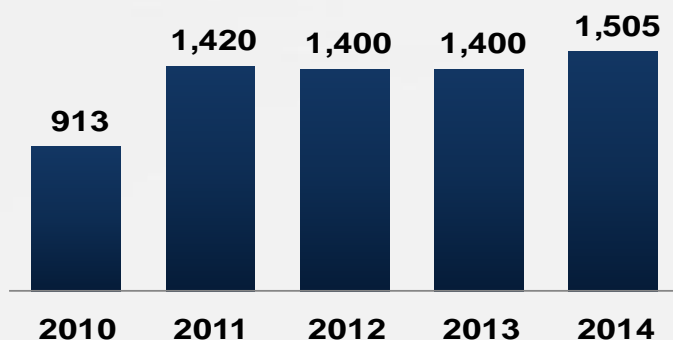
See website for an explanation of these non-GAAP measures.

Continuous, low cost access to financing



Rewarding Our Shareholders

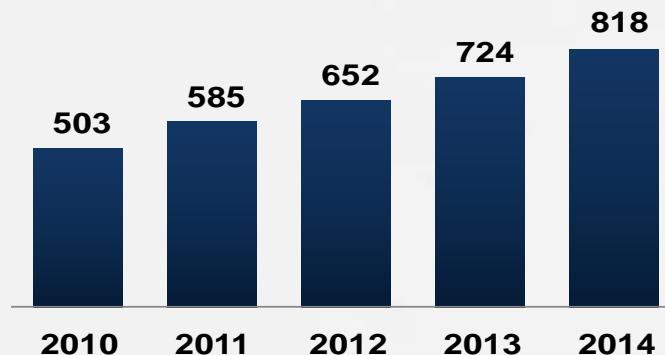
Share Buyback
(\$M Cdn)



22.4M shares repurchased in 2014

Current program of up to 28M shares

Dividends
(\$M Cdn)



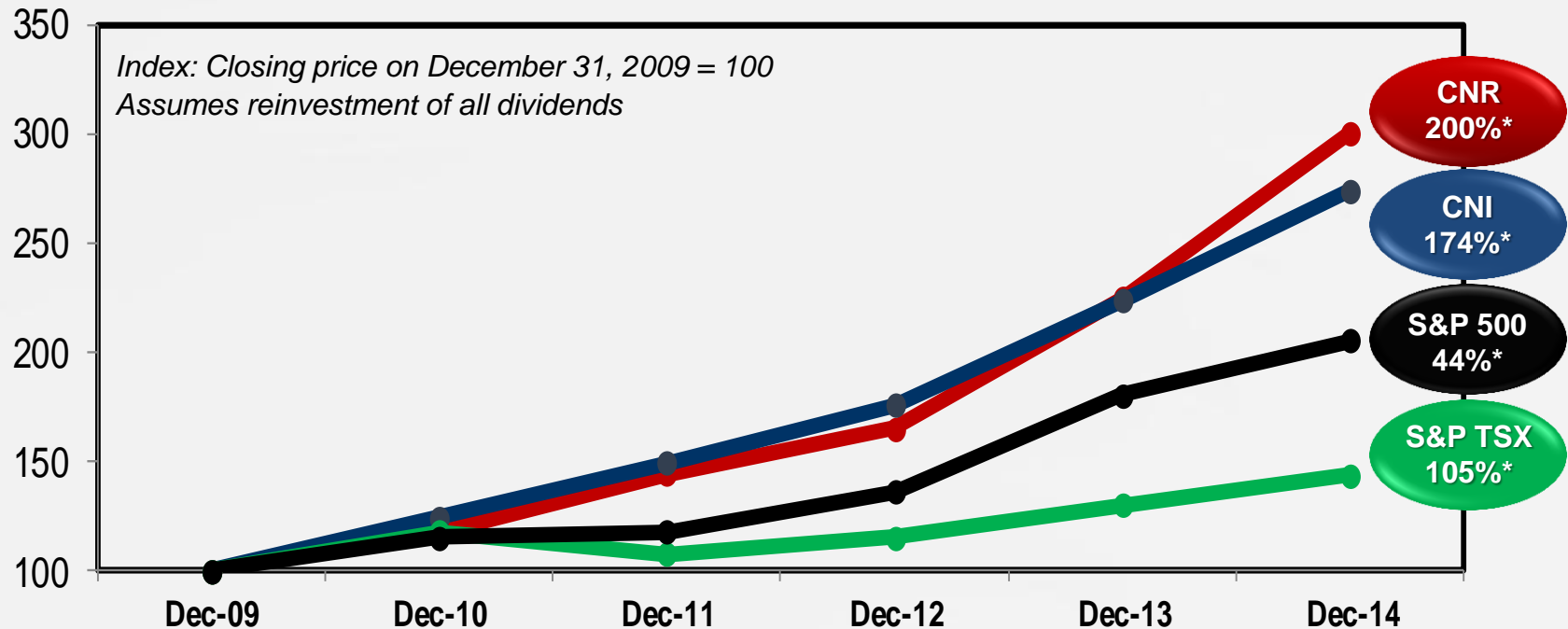
19 consecutive years of
dividend growth (17% CAGR)

25 % increase approved for 2015

**Nearly \$10 billion returned
to shareholders in five years**



Outpacing the Market

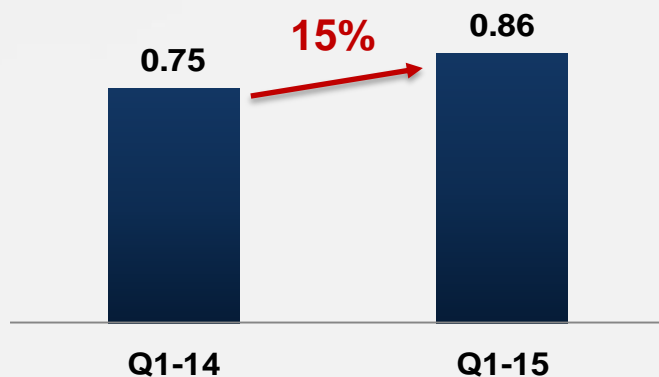


Solid shareholder value creation

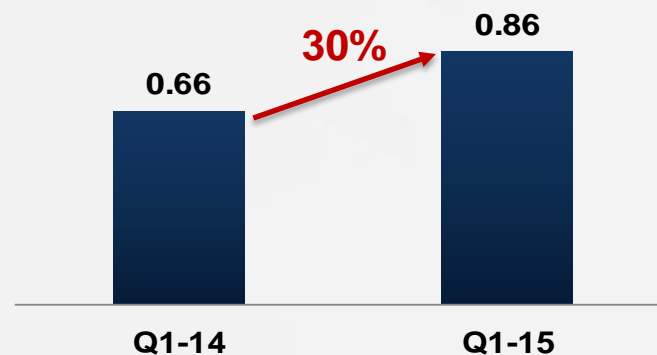


2015 First Quarter

Diluted Earnings
Per Share
(\$ Cdn)



Adjusted Diluted
Earnings Per Share
(\$ Cdn)



*Adjusted to exclude items affecting the comparability of results.
See website for an explanation of this non-GAAP measure.*

Solid start to the year

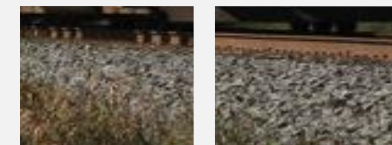
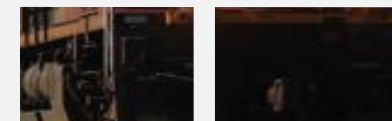


Affirming 2015 Financial Outlook

- Double-digit earnings growth over 2014 adjusted diluted EPS of C\$3.76 ⁽¹⁾
- Reinvesting C\$2.7B in the business for safety, growth and productivity
- Rewarding shareholders through continued dividend growth and share buybacks

(1) Please see website, www.cn.ca/nonGAAP, for an explanation of this non-GAAP measure.

Please see Forward-Looking Statements at the beginning of the presentation for a summary of key assumptions and important risk factors underlying CN's 2015 financial outlook.



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Introduction of Directors



Director

Donald Carty



Director

**Ambassador
Gordon Giffin**



Director

Edith Holiday



Director

**Maureen
Kempston Darkes**



Director

The Honourable
Denis Losier



Director

The Honourable
Kevin Lynch



Director

James O'Connor



Director

Robert Phillips



Director

Laura Stein



Director

Claude Mongeau



Director

Robert Pace



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Question Period



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