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Robert Pace

Chair of the Board

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Safety Briefing

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Pierre-Luc Lévesque
December 4, 2018

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Notice of Meeting

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Scrutineers



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Report on Quorum

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Consolidated Financial Statements

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Election of Directors

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Director Nominees

Shauneen Bruder

Donald Carty

Ambassador **Gordon Giffin**

Julie Godin

Edith Holiday

Maureen Kempston Darkes

The Honourable **Denis Losier**

The Honourable **Kevin Lynch**

James O'Connor

Robert Pace

Robert Phillips

Jean-Jacques Ruest

Laura Stein

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Appointment of Auditors

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The background image shows an industrial construction site under a clear blue sky. On the left, a dark-colored train is partially visible. In the center and right, there is a complex of white industrial structures, including a tall tower with a ladder and a large cylindrical tank labeled 'MERIDIAN'. Several workers in orange safety vests and hard hats are standing on the ground near the base of the structures. A yellow crane is also visible in the middle ground.



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Advisory Vote on Executive Compensation

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Jean-Jacques Ruest

President and
Chief Executive Officer

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Ghislain Houle

Executive Vice-President
and Chief Financial Officer

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Forward-Looking Statements

Certain statements included in this presentation constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and under Canadian securities laws. By their nature, 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. Forward-looking statements may be identified by the use of terminology such as “believes,” “expects,” “anticipates,” “assumes,” “outlook,” “plans,” “targets,” or other similar words. Key assumptions used in determining forward-looking statements are set forth below.

2019 key assumptions

CN has made a number of economic and market assumptions in preparing its 2019 outlook. The Company assumes that North American industrial production for the year will increase by approximately two per cent, and now assumes U.S. housing starts of approximately 1.25 million units (compared to its January 29, 2019 assumption of approximately 1.28 million units) and U.S. motor vehicle sales of approximately 17 million units. For the 2018/2019 crop year, the grain crops in both Canada and the United States were in line with their respective three-year averages. The Company assumes that the 2019/2020 grain crops in both Canada and the United States will be in line with their respective three-year averages. CN assumes total RTMs in 2019 will increase in the high single digits versus 2018. CN assumes continued pricing above rail inflation. CN assumes that in 2019, the value of the Canadian dollar in U.S. currency will be approximately \$0.75, and now assumes that in 2019 the average price of crude oil (West Texas Intermediate) will be in the range of US\$60 to US\$65 per barrel (compared to its January 29, 2019 assumption in the range of US\$50 to US\$55 per barrel). In 2019, CN plans to invest approximately C\$3.9 billion in its capital program, of which C\$1.6 billion is targeted toward track and railway infrastructure maintenance.

Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors which may cause the actual

results or performance of the Company to be materially different from the outlook or any future results or performance implied by such statements.

Accordingly, readers are advised not to place undue reliance on forward-looking statements. 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; increases in maintenance and operating costs; security threats; reliance on technology and related cybersecurity risk; trade restrictions or other changes to international trade arrangements; transportation of hazardous materials; various events which could disrupt operations, including natural events such as severe weather, droughts, fires, floods and earthquakes; climate change; labor negotiations and disruptions; environmental claims; uncertainties of investigations, proceedings or other types of claims and litigation; risks and liabilities arising from derailments; timing and completion of capital programs; 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 and available on CN’s website, for a description of major risk factors.

Forward-looking statements reflect information as of the date on which they are made. 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 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.

Caution Regarding Non-GAAP Measures

CN reports its financial results in accordance with United States generally accepted accounting principles (GAAP). CN also uses non-GAAP measures in this presentation that do not have any 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.

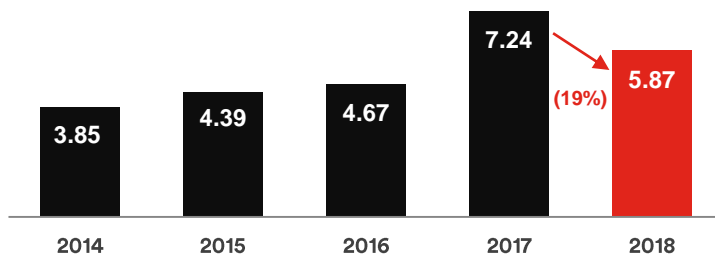
These measures are defined and reconciled to the comparable GAAP measures on our website:

www.cn.ca/2019AGM-nonGAAP/

Earnings Per Share

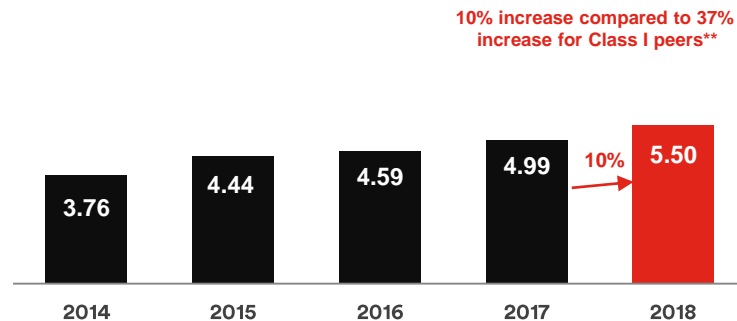
DILUTED EARNINGS PER SHARE (\$ Cdn)

11% CAGR



ADJUSTED DILUTED EARNINGS PER SHARE* (\$ Cdn)

10% CAGR



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

** Weighted average of CP, UP, CSX and NS based on publicly available information

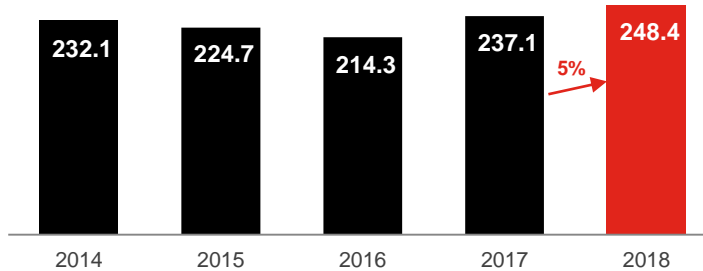
**SUCCESSFUL TURNAROUND STORY
IN BACK HALF OF THE YEAR**

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Top-Line Growth

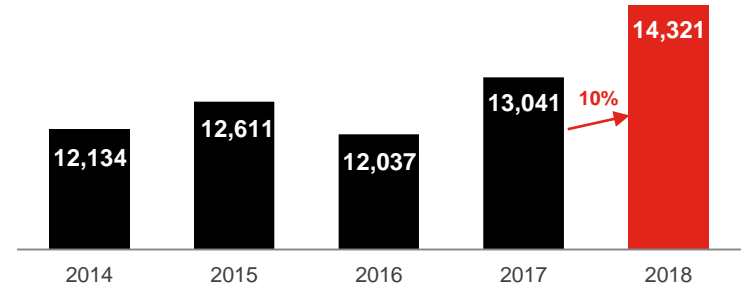
REVENUE TON MILES* (Billions) 2% CAGR

5% increase compared to 3%
increase for Class I peers**



REVENUES (\$M Cdn) 4% CAGR

10% increase compared to 8%
increase for Class I peers**



* The movement of a ton of freight over one mile for revenue.

** Weighted average of CP, UP, CSX and NS based on publicly available information.

Revenues up 10% on a constant currency basis***

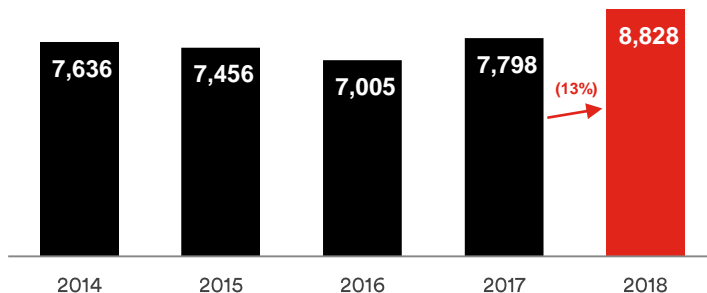
*** See website for an explanation of this non-GAAP measure.

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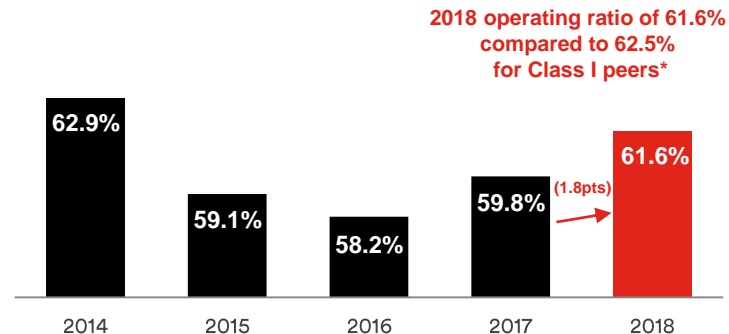
CONTINUE TO GROW ABOVE PEER AVERAGE

Operating Expenses

OPERATING EXPENSES (\$M Cdn)



OPERATING RATIO (%)

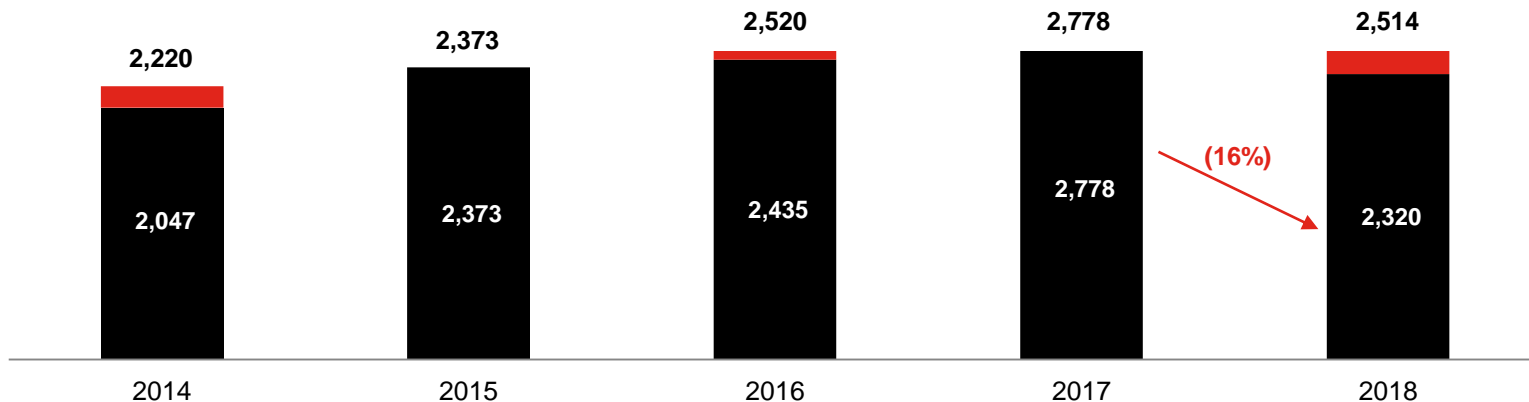


* Weighted average of CP, UP, CSX and NS based on publicly available information.

**COSTS IMPACTED BY HIGH VOLUME GROWTH
AND CHALLENGING OPERATING CONDITIONS**

Free Cash Flow

FREE CASH FLOW* (\$M Cdn)



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

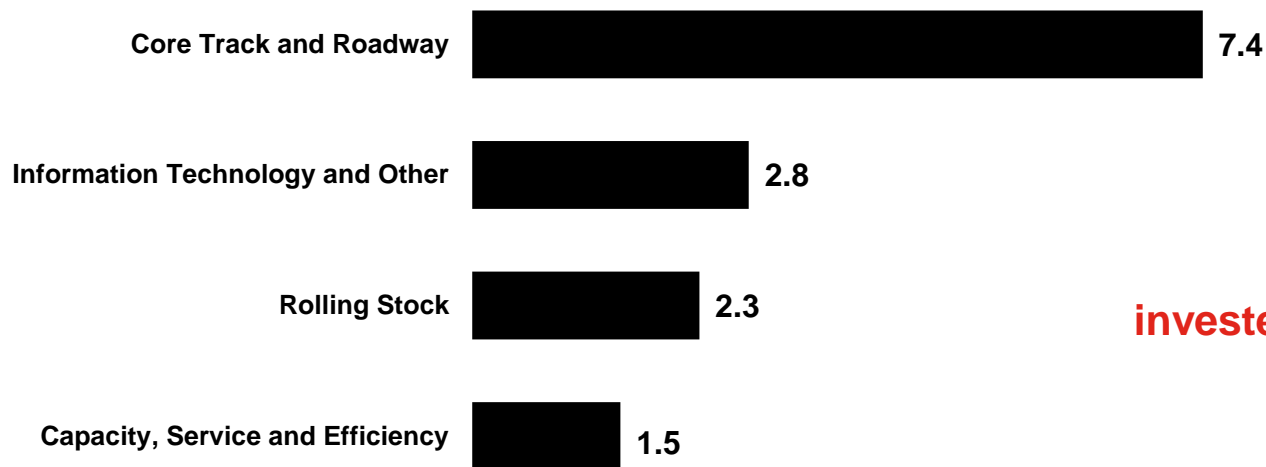
- Free Cash Flow (excluding Major Asset Sales)
- Major Asset Sales

**CASH FLOW GENERATION
REFLECTING GROWTH IN INVESTMENTS**

Capital Investment Overview

CAPITAL INVESTMENTS 2014-2018

(\$B Cdn)

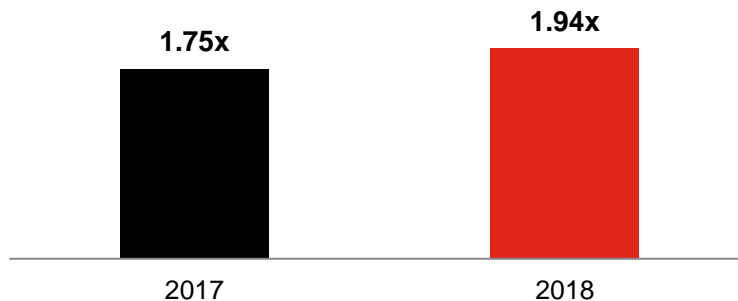


\$3.5B
invested in 2018

Prudent Financial Management

ADJUSTED DEBT-TO-ADJUSTED EBITDA MULTIPLE*

(As at and for the twelve months ended December 31)

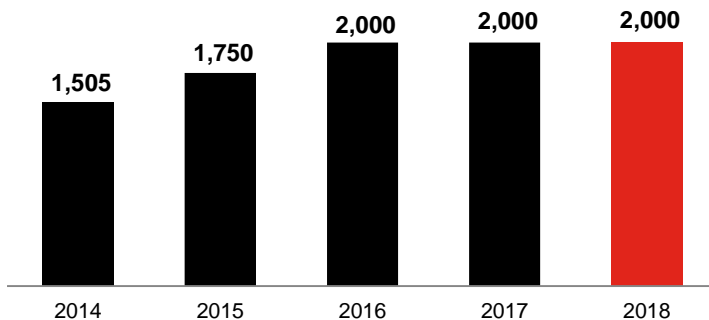


* See website for an explanation of this non-GAAP measure.

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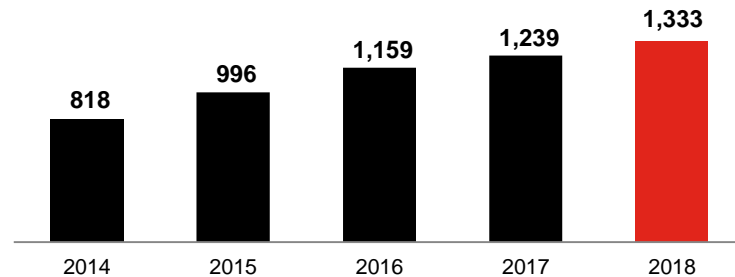
Rewarding Our Shareholders

SHARE BUYBACK (\$M Cdn)



- 19M shares repurchased in 2018
- Current normal course issuer bid of up to 22M shares

DIVIDENDS (\$M Cdn)



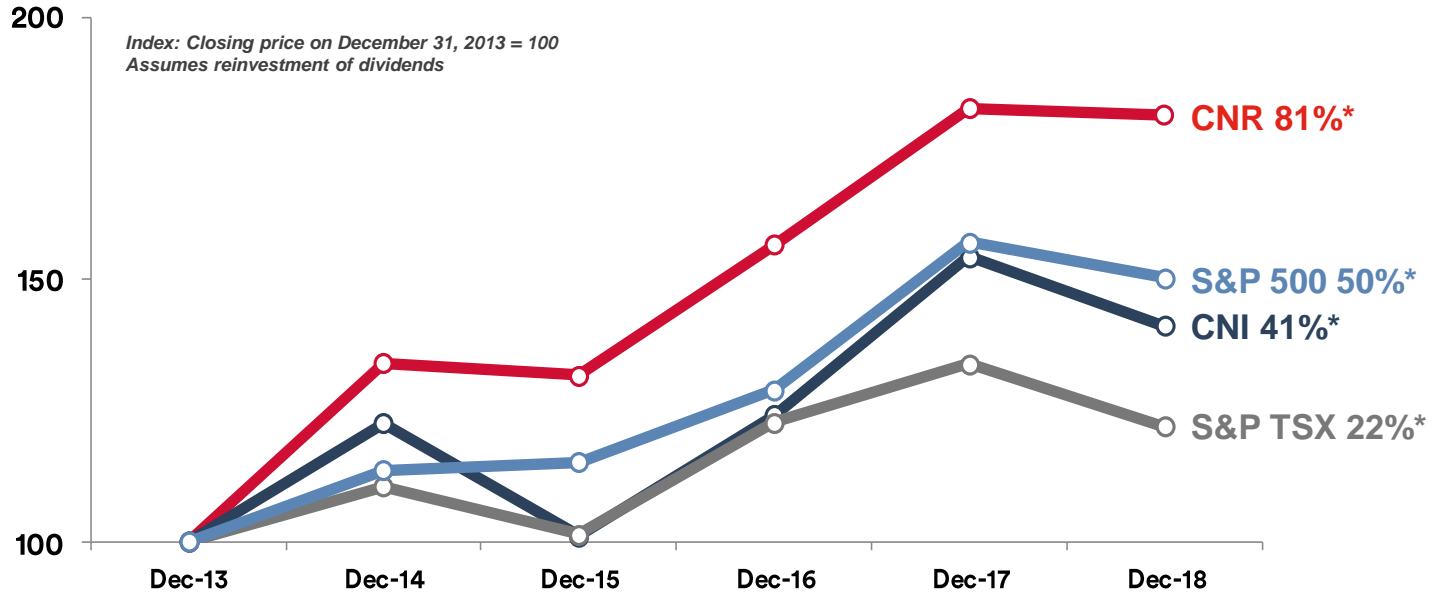
- 23 consecutive years of dividend growth (16% CAGR)
- 18% increase approved for 2019

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**OVER \$14 BILLION RETURNED TO
SHAREHOLDERS IN THE LAST FIVE YEARS**

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Solid Shareholder Value Creation



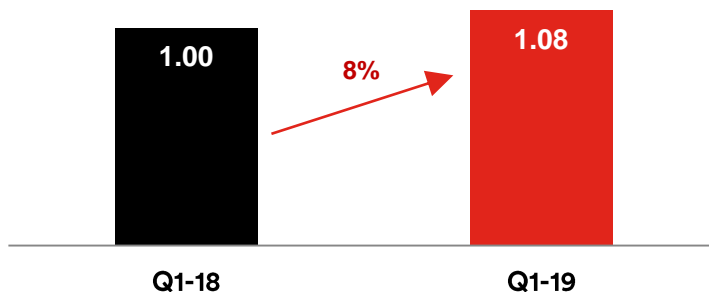
* Cumulative total return over the last five years.

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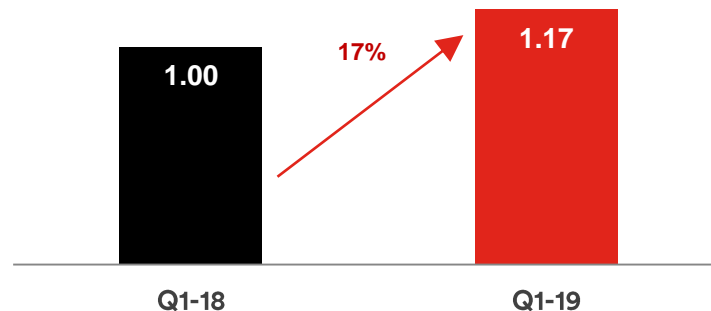
OUTPACING THE MARKET

2019 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 a reconciliation of this non-GAAP measure.

**SOLID Q1 EARNINGS
DESPITE A CHALLENGING WINTER**

Reaffirming 2019 Financial Outlook

- **Expect to deliver adjusted diluted EPS growth in the low double-digit range versus 2018 adjusted diluted EPS of C\$5.50 based on ⁽¹⁾ ⁽²⁾:**
 - Volume growth expected to be in the high single-digit range in terms of RTMs
 - Overall pricing above rail inflation
 - Canadian to U.S. dollar exchange rate of approximately 75 cents
- **Capital envelope at approximately C\$3.9B for 2019 to support a solid pipeline of growth opportunities ⁽²⁾**
- **Balanced shareholder distribution**
 - Dividend increase of 18% compared to 2018 – Targeting an adjusted dividend payout ratio of 35% ⁽³⁾
 - 12-month normal course issuer bid from February 1, 2019 to January 31, 2020
 - Program to repurchase up to 22 million common shares

(1) Please see website, First Quarter Results, www.cn.ca/financial-results, for an explanation of this non-GAAP measure.

(2) Please see Forward-Looking Statements at the beginning of the presentation for a summary of key assumptions and important risk factors and underlying CN's 2019 financial outlook.

(3) Adjusted dividend payout ratio is defined as dividends as a percentage of adjusted net income ⁽¹⁾. Please see Forward-Looking Statements at the beginning of the presentation.



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Introduction
of directors

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Director

Shauneen
Bruder

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Director

Ambassador

**Gordon
Giffin**

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Director

Julie
Godin

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Director

Edith
Holiday

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Director

Maureen
Kempston
Darkes



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Director

The Honourable

**Denis
Losier**

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Director

The Honourable

**Kevin
Lynch**

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Director

James
O'Connor

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Director

Robert
Phillips

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Director

Jean-Jacques
Ruest

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Director

Laura
Stein

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Director

Donald
Carty

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Director

Robert
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Question Period



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