First Quarter 2012 Financial Results

April 23, 2012

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 we have provided guidance which are non-GAAP financial measures, we 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.

Key assumptions

CN is revising the 2012 financial outlook that was first issued on Jan. 24, 2012, in a news release announcing the Company's fourth-quarter and full-year 2011 financial results.

Current assumptions

CN's revised 2012 financial outlook is based on a number of economic and market assumptions. The Company is forecasting that North American industrial production for 2012 will increase by about 3.5 per cent (up from three per cent previously forecast). CN also expects U.S. housing starts to be approximately 750,000 units (compared with 700,000 units) and U.S. motor vehicles sales to be approximately 14.5 million units (up from 13.5 million units) for the year. In addition, CN is assuming the 2012/2013 grain crops in both Canada and the U.S. will be in line with five-year averages. With respect to the 2011/2012 crop, U.S. corn and soybean production is projected to be slightly below -- and exports are projected to be significantly below -- the prior year's crop. Canadian 2011/2012 grain production and export forecasts are projected to be moderately above the prior year's crop. With the assumptions above, CN also assumes carload growth in the mid-single digit range, along with continued pricing improvement above inflation. CN assumes the Canadian-U.S. exchange rate to be around parity for 2012, and that the price of crude oil (West Texas Intermediate) for the year to be in the range of US$100 per barrel. In 2012, CN plans to invest approximately C$1.8 billion in capital programs (up from C$1.75 billion), of which more than C$1 billion will be targeted on track infrastructure to maintain a safe and fluid railway network. In addition, the Company will invest in projects to support a number of productivity and growth initiatives.

Prior assumptions (as of Jan. 24, 2012)

The Company forecast that North American industrial production for 2012 would increase by about three per cent. CN also expected U.S. housing starts to be approximately 700,000 units and U.S. motor vehicles sales to be approximately 13.5 million units for the year. In addition, CN assumed the 2012/2013 grain crops in both Canada and the U.S. would be in line with five-year averages. With respect to the 2011/2012 crop, CN stated that U.S. corn and soybean production was slightly below -- and exports were projected to be significantly below -- the prior year's crop. Canadian 2011/2012 grain production and export forecasts were moderately above the prior year's crop. With the assumptions above, CN also assumed carload growth in the mid-single digit range, along with continued pricing improvement above inflation. CN assumed the Canadian-U.S. exchange rate would be around parity for 2012, and that the price of crude oil (West Texas Intermediate) for the year would be in the range of US$100 per barrel. In 2012, CN said it planned to invest approximately C$1.75 billion in capital programs, of which more than C$1 billion would be targeted on track infrastructure to maintain a safe and fluid railway network. In addition, the Company said it planned to invest in projects to support a number of productivity and growth initiatives.

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.

Claude Mongeau

President and Chief Executive Officer

Q1 Highlights

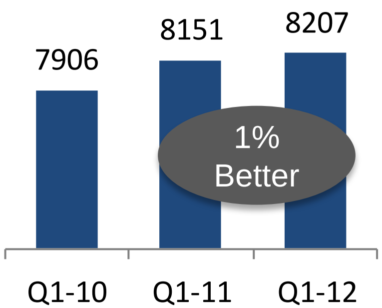
- Very solid results
  - Aided by milder winter
  - Strong execution by the CN team
- Revenues up 12% at constant currency [1]
- Operating ratio at 66.2%, 2.8 pts better
- Adjusted diluted EPS of $1.18, up 31% [1]

[1] *Please see website, www.cn.ca/nonGAAP, for an explanation and/or reconciliation of these non-GAAP measures.*

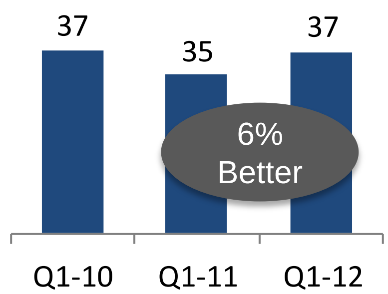
Keith Creel
Executive Vice-President
and Chief Operating Officer

Q1 Operating Highlights

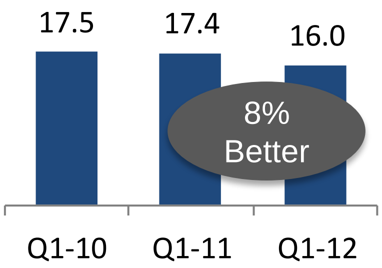
Train Productivity
(GTM's per train mile)



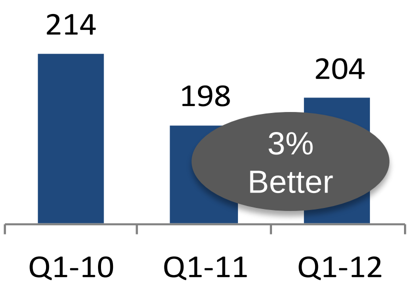
Yard Throughput
(Cars per yard switching hour)



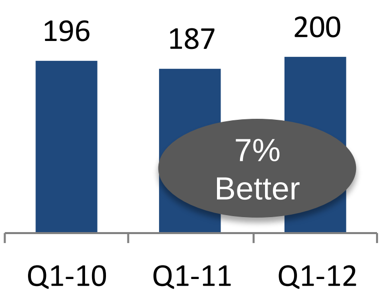
Terminal Dwell
(Entire railroad, hours)



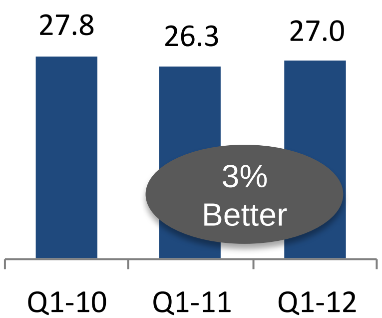
Locomotive Utilization
(Trailing GTM's per total horsepower)



Car Velocity
(Car miles per day)



Train Velocity
(mph)



Balancing Operational and Service Excellence

Operational and Service Excellence

- Strategic investment in capacity
  - BC North gateway
  - Chicago / EJ&E
- Strategic investment in locomotive fleet
  - 65 new and 96 second-hand
- Labor agreements in place
  - Two agreements ratified in Canada (USW, TCRC)
  - Leveraging new DMIR/DWP/WC agreement in the U.S.

Continue to deliver solid growth at low incremental cost

Jean-Jacques Ruest
Executive Vice-President
and Chief Marketing Officer

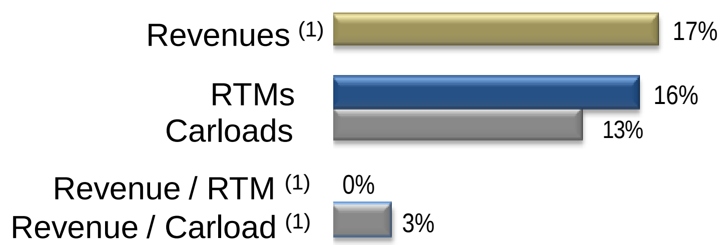
Q1 Revenues

In millions of Canadian dollars, unless otherwise indicated	As Reported **2012**	2011	% Change Favorable (Unfavorable)	% Change at constant currency[1] Favorable (Unfavorable)
Petroleum and chemicals	**$ 392**	$ 342	15%	13%
Metals and minerals	**273**	209	31%	29%
Forest products	**328**	299	10%	9%
Automotive	**130**	115	13%	11%
Coal	**167**	141	18%	18%
Grain and fertilizers	**397**	406	(2%)	(3%)
Intermodal	**460**	392	17%	17%
Total rail freight revenues	**$ 2,147**	$ 1,904	13%	12%
Other revenues	**199**	180	11%	10%
Total revenues	**$ 2,346**	$ 2,084	13%	12%

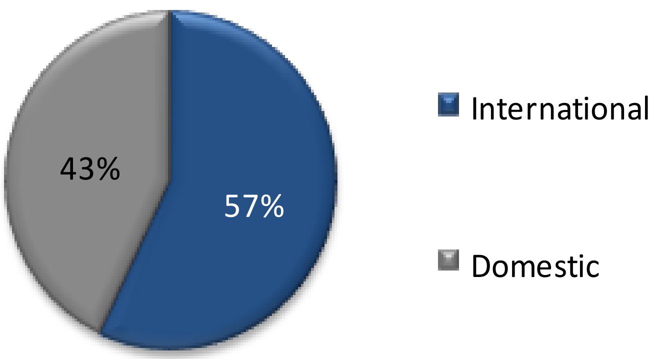
[1] *Please see website, www.cn.ca/nonGAAP, for an explanation of this non-GAAP measure.*

Intermodal

First Quarter (2012 vs 2011)



Market Breakdown



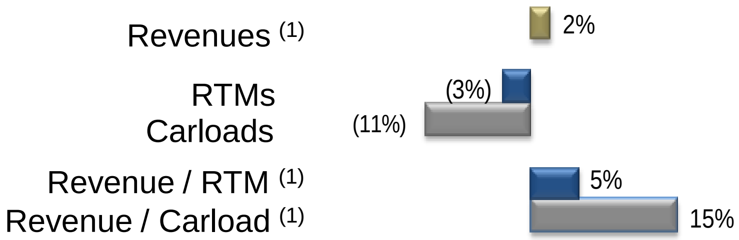
2012 Q1 Revenues: C$460M

- Solid growth from West Coast gateway services
- New Intermodal service offering
- Continued strength in domestic volumes

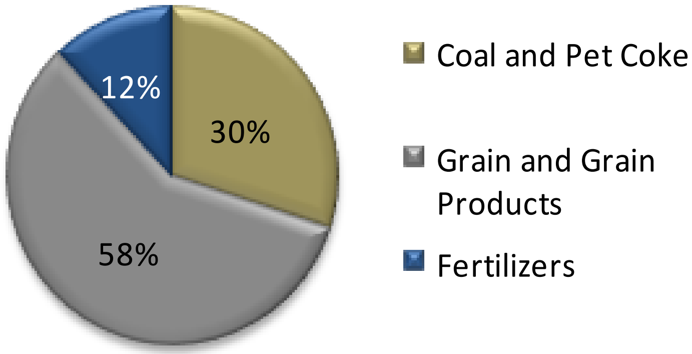
[1] *Revenues at constant currency - Please see website, www.cn.ca/nonGAAP, for an explanation of this non-GAAP measure.*

Bulk

First Quarter (2012 vs 2011)



Commodity Breakdown

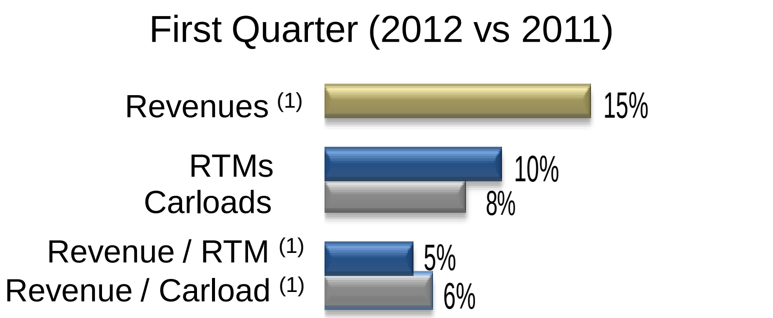


2012 Q1 Revenues: C$564M

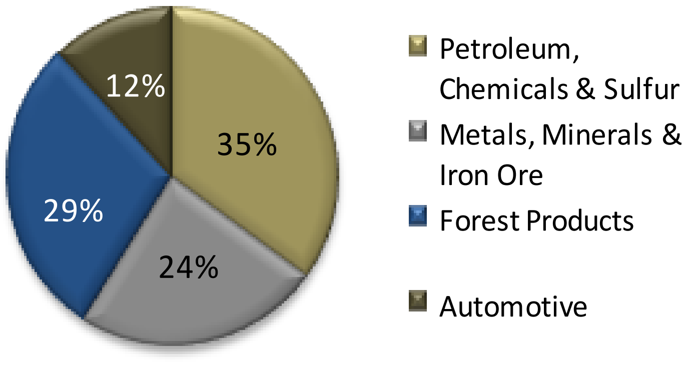
- Expansion of coal exports – Soft domestic thermal market
- Improving fertilizer demand
- High wheat and canola prices - Demand remains firm
- U.S. grain affected by weaker exports

[(1)] *Revenues at constant currency - Please see website, www.cn.ca/nonGAAP, for an explanation of this non-GAAP measure.*

Manufacturing



Commodity Breakdown



2012 Q1 Revenues: C$1,123M

- Lumber - Improving U.S. volumes - Stable Asian demand
- Strong North American shale oil drilling
- Continued strength in steel
- Momentum in North American vehicle sales

[1] *Revenues at constant currency - Please see website, www.cn.ca/nonGAAP, for an explanation of this non-GAAP measure.*

Luc Jobin

Executive Vice-President
and Chief Financial Officer

Q1 Results

In millions of Canadian dollars, except EPS data, unless otherwise indicated	**2012**	2011	Change Favorable (Unfavorable)
Revenues	**$ 2,346**	$ 2,084	13%
Operating expenses	**1,553**	1,439	
Operating income	**793**	645	23%
Interest expense	**(86)**	(86)	
Other income	**293**	300	
Income before income taxes	**1,000**	859	
Income tax expense	**(225)**	(191)	
Net income	**$ 775**	$ 668	16%
Diluted EPS	**$ 1.75**	$ 1.45	21%
Adjusted diluted EPS [(1)]	**$ 1.18**	$ 0.90	31%
Shares (diluted in millions)	**443.5**	461.8	
Operating ratio	**66.2%**	69.0%	2.8 pts

[(1)] 2012 and 2011 exclude items that affect the comparability of the results of operations. Please see website, www.cn.ca/nonGAAP, for a reconciliation of this non-GAAP measure.

Q1 Operating Expenses

In millions of Canadian dollars, unless otherwise indicated	As Reported 2012	As Reported 2011	% Change Favorable (Unfavorable)	% Change at constant currency[1] Favorable (Unfavorable)
Labor and fringe benefits	**$ 509**	$ 473	(8%)	(7%)
Purchased services and material	**299**	286	(5%)	(4%)
Fuel	**376**	327	(15%)	(13%)
Depreciation and amortization	**230**	218	(6%)	(5%)
Equipment rents	**62**	51	(22%)	(20%)
Casualty and other	**77**	84	8%	8%
Total operating expenses	**$ 1,553**	$ 1,439	(8%)	(7%)

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

YTD 2012 Free Cash Flow

In millions of Canadian dollars, unless otherwise indicated

Net income	$ 775
Non-cash adjustments	143
Payments for income taxes	(27)
Other working capital items	(766)
Capital expenditures (net)	(224)
Major asset sales	311
Other investing	2
Dividends	(165)
Effect of foreign exchange fluctuations on US dollar-denominated cash and cash equivalents	(1)
Free cash flow	$ 48
Financing activities (excluding dividends)	$ 33
Total net indebtedness at end of period (including restricted cash and cash equivalents)	$ 6,106
Adjusted debt-to-total capitalization (1)	39.9%
Adjusted debt-to-adjusted EBITDA (1)(2)	1.67x

(1) Debt adjusted to include the present value of operating lease commitments.

(2) EBITDA refers to earnings before interest, income taxes, depreciation and amortization, and is adjusted to exclude Other income and the deemed interest on operating leases.

Please see website, www.cn.ca/nonGAAP, for a reconciliation of the various non-GAAP measures presented on this slide.

2012 Financial Outlook Update

- Assuming a gradual improvement in the North American economy
  - Carload growth in mid single-digit range
  - Pricing above inflation
- Aiming for a full 10% growth over 2011 on adjusted diluted EPS [(1)]
  - Despite additional pension expense of about C$100M
- Free-cash flow of approximately C$950M [(1)]
  - With C$1.8B capital expenditure programs

(1) Please see website, www.cn.ca/nonGAAP, for an explanation and/or reconciliation of these non-GAAP measures.

Please see Forward-Looking Statements at the beginning of the presentation for a summary of key assumptions and important risk factors underlying CN's 2012 financial outlook.

Claude Mongeau

President and Chief Executive Officer

Our Agenda to Deliver Results

Becoming a True Supply Chain Enabler

Delivering Superior Growth

Balancing Operational & Service Excellence

Creating Solid Value for our Shareholders

A Great Franchise

Outside-in Perspective

DNA of Innovation

Execution Through People