First Quarter 2016 Financial Results

April 25, 2016

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. 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. Key assumptions used in determining forward-looking information are set forth below.

2016 key assumptions

CN has made a number of economic and market assumptions in preparing its 2016 outlook. The Company is assuming that North American industrial production for the year will increase by less than one per cent (compared with its previous assumption announced on Jan. 26, 2016, of approximately one per cent) and assumes U.S. housing starts in the range of 1.2 million units and U.S. motor vehicle sales of approximately 17.5 million units. For the 2015/2016 crop year, the Canadian grain crop was in line with the five-year average and the U.S. grain crop was above the five-year average. The Company assumes that both the Canadian and U.S. 2016/2017 grain crops will be in line with their respective five-year averages. With these assumptions, CN now assumes total carloads for 2016 will decrease by four to five per cent versus 2015 (compared with its previous assumption of slightly negative carloads versus 2015). CN expects continued pricing improvement above inflation. CN now assumes that in 2016 the value of the Canadian dollar in U.S. currency will be in the range of $0.75 to $0.80 (compared with its previous assumption of a range of $0.70 to $0.75), and that the average price of crude oil (West Texas Intermediate) will be in the range of US$35 to US$45 per barrel (as opposed to CN’s previous assumption of a price range of US$30 to US$40 per barrel). CN now plans to invest approximately C$2.75 billion in its capital program (compared with its previous assumption of investing approximately C$2.9 billion in its capital program in 2016). CN still plans to target C$1.5 billion of this program toward track infrastructure.

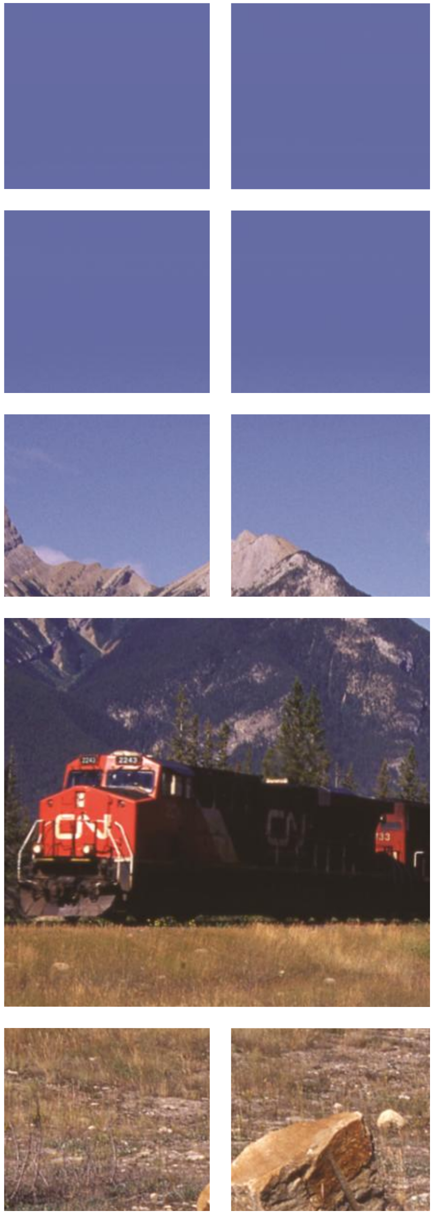
Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of the Company or the rail industry to be materially different from the outlook or any future results or performance implied by such statements. 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 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



Responding swiftly to the weaker volume environment

- Aligning resources with weaker volumes to drive efficiency
- Leveraging the diversity of our franchise

Balancing Operational and Service Excellence

- Maintaining focus on safety while delivering strong operating performance
- Record first quarter operating ratio of 58.9%

Delivering solid financial results

- Diluted EPS up 16%
- Free cash flow of C$584 million

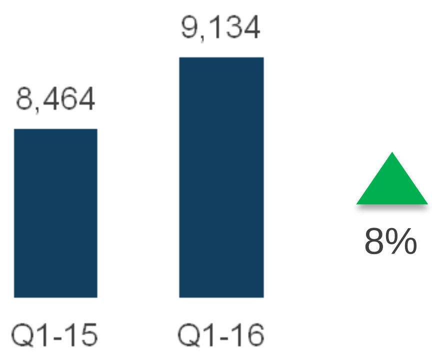
Very solid performance given weaker volume environment

Jim Vena

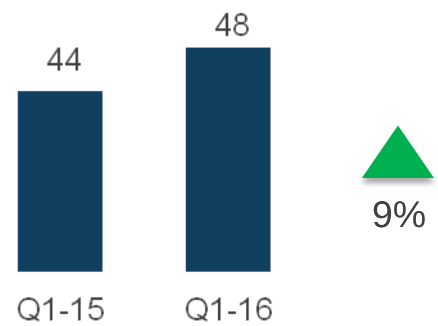
Executive VP and Chief Operating Officer

Q1 Operating Highlights

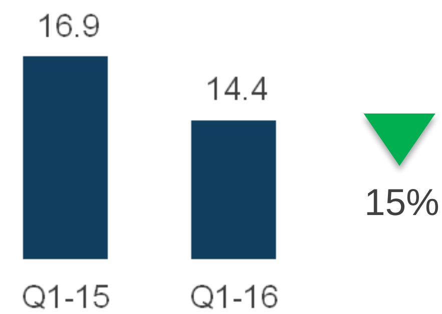
Train Productivity
(GTMs per train mile)



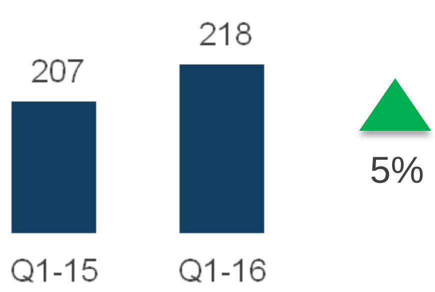
Yard Productivity
(Cars per yard switching hour)



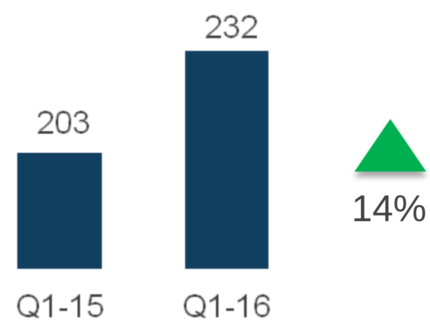
Terminal Dwell
(Entire railroad, hours)



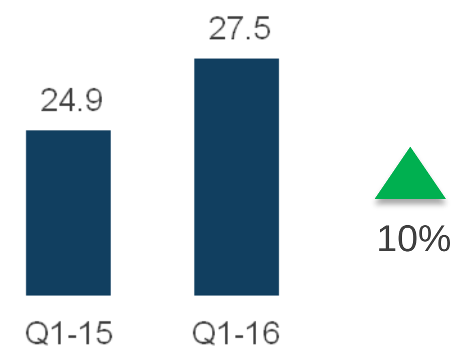
Locomotive Utilization
(Trailing GTMs per total horsepower)



Car Velocity
(Car miles per day)



Train Velocity
(mph)



A milder winter helped, but execution focus drove outstanding operating performance

Operational and Service Excellence

SAFETY FIRST

EFFICIENCY ACROSS THE BOARD

SUPERIOR SERVICE

EXECUTION AND FOCUS

TEAMWORK AND ACCOUNTABILITY

JJ Ruest
Executive VP and Chief Marketing Officer

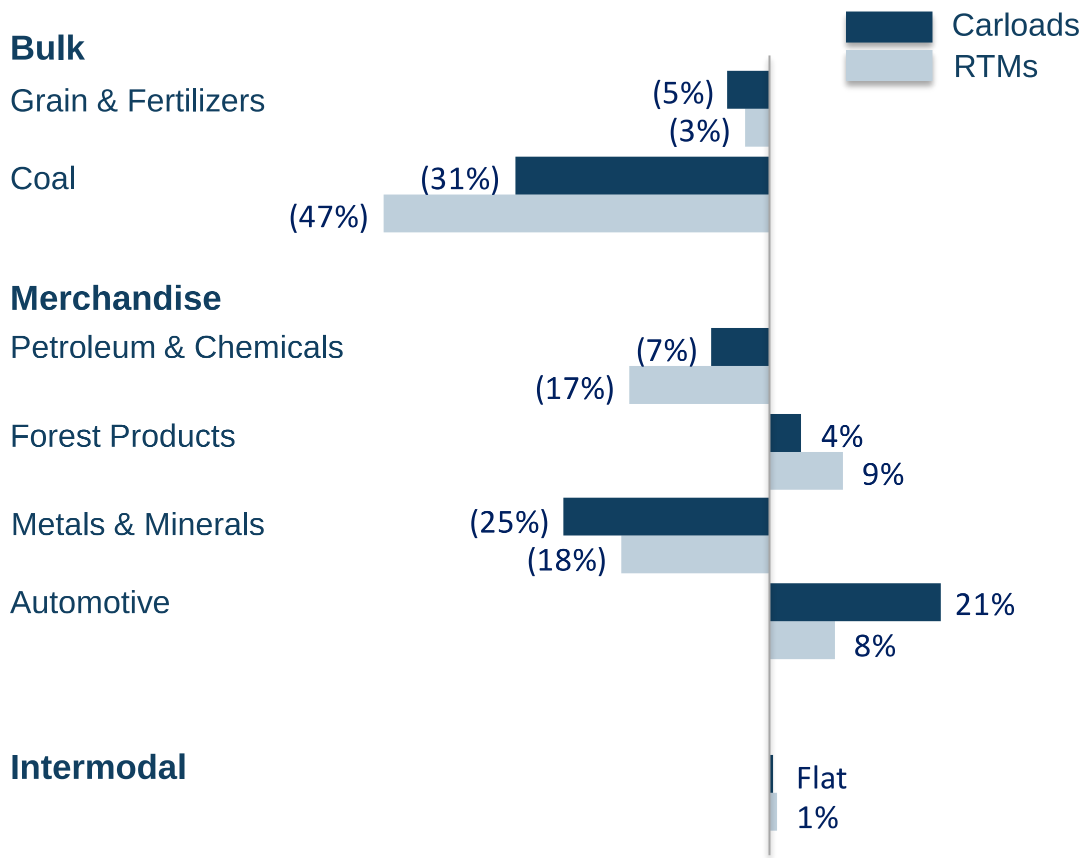
Q1 Top Line Performance

Revenues	(4%)
Carloads	(7%)
$ / Carload	3%
RTMs	(9%)
¢ / RTM	4%
Same Store Price*	2.5%

*Includes the negative impact of regulated grain and index-based pricing with fuel (~75% of CN's revenues are same store)

Volumes

% change – favorable (unfavorable)



Volume weakness largely offset by weaker Canadian dollar and inflation-plus pricing

Outlook

Intermodal

- International
  - Strong volume growth at Halifax
  - Overall flat volumes on the West Coast
  - New Panama Canal service from Asia to Mobile starting end of June (Maersk / MSC)
- Domestic
  - Strength in retail segment (CN door-to-door service in Canada)
  - Expanding our cold supply chain
- Building for 2017
  - Pre-selling port expansions at Prince Rupert, Vancouver, Mobile and New Orleans
  - Canadian ports benefit from weaker dollar to compete

23%

Merchandise

- U.S. housing starts driving carload growth in lumber, panels and other housing-related goods
- Strong automotive franchise
  - Bringing all OEM products to consumers at destination with CN's Autoport network reach
- Low prices of crude and natural gas feedstock benefit key manufacturing sectors (refining, petrochemical, LPG and plastics)
  - Supported by CN's unique private fleet management service
- Energy-related commodities (crude and frac sand) to experience further volume deterioration
  - Crude and frac sand now less than 5% of CN's total revenue

52%

Bulk

- Canadian grain
  - Negative volume outlook with tougher comps for Q2 and Q3
  - Negative impact of revenue cap pricing (i.e. fuel)
- Some opportunities in potash, but a global competitive environment
- Coal markets remain very depressed
  - Coal now only about 3% of CN's total revenue
- U.S. grain exports flat, impacted by global dynamics

21%

Q1 2016 revenue breakdown – Other revenues represent the remaining 4%

Economic weakness across several markets

Please see Forward-Looking Statements at the beginning of the presentation for a summary of key assumptions and important risk factors underlying CN's 2016 financial outlook.

Luc Jobin

Executive VP and Chief Financial Officer

Q1 Results

In millions of Canadian dollars, except EPS data, unless otherwise indicated	**2016**	2015	Change Favorable (Unfavorable)
Revenues	**$ 2,964**	$ 3,098	(4%)
Operating expenses	**1,747**	2,035	
Operating income	**1,217**	1,063	14%
Interest expense	**(123)**	(104)	
Other income	**5**	4	
Income before income taxes	**1,099**	963	
Income tax expense	**(307)**	(259)	
Net income	**$ 792**	$ 704	13%
Diluted EPS	**$ 1.00**	$ 0.86	16%
Weighted-average diluted number of shares (in millions)	**789.0**	814.3	
Operating ratio	**58.9%**	65.7%	6.8 pts

Very solid performance in a challenging environment

Q1 Operating Expenses

In millions of Canadian dollars, unless otherwise indicated	**2016**	2015	% Change Favorable (Unfavorable)	% Change at constant currency (1) Favorable (Unfavorable)
Labor and fringe benefits	**$ 590**	$ 668	12%	16%
Purchased services and material	**408**	457	11%	14%
Fuel	**235**	361	35%	40%
Depreciation and amortization	**307**	296	(4%)	1%
Equipment rents	**95**	94	(1%)	7%
Casualty and other	**112**	159	30%	35%
Total operating expenses	**$ 1,747**	$ 2,035	14%	19%

Intense focus on rightsizing resources given lower volumes

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

YTD Free Cash Flow

In millions of Canadian dollars, unless otherwise indicated	**2016**
Net income	$ 792
Non-cash adjustments	462
Payments for income taxes	(236)
Other working capital items	47
Net cash provided by operating activities	**1,065**
Capital expenditures (net)	(469)
Other investing activities	(11)
Net cash used in investing activities	**(480)**
Net cash provided before financing activities	**585**
Change in restricted cash and cash equivalents	(1)
Free cash flow	**$ 584**
Total net indebtedness at end of period [1]	**$ 9,418**
Adjusted debt-to-adjusted EBITDA multiple [2] [3]	**1.62 x**

(1) *Includes restricted cash and cash equivalents.*
(2) *Debt is adjusted to include the present value of operating lease commitments.*
(3) *EBITDA is defined as earnings before interest, income taxes, depreciation and amortization, and is adjusted to exclude Other income and the deemed interest on operating leases. The Adjusted debt-to-adjusted EBITDA multiple is based on the EBITDA for the twelve months ended March 31, 2016.*

Please see website, www.cn.ca/nonGAAP, for an explanation of the various non-GAAP measures.

Revised 2016 Financial Outlook

CN now aims to deliver earnings in line with 2015 adjusted diluted EPS of C$4.44 (1)

- Carloads expected to be lower than last year by 4-5%, with pricing staying above inflation
- Higher foreign exchange and fuel price assumptions

Continuing to reinvest in the business for safety and efficiency

- Capital envelope of C$2.75B
- Includes PTC investments and impact of foreign exchange

Delivering sustainable value for our shareholders

- Protecting our profitability despite a tougher environment
- Rewarding our investors with consistent dividend and share buyback returns

(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 2016 financial outlook.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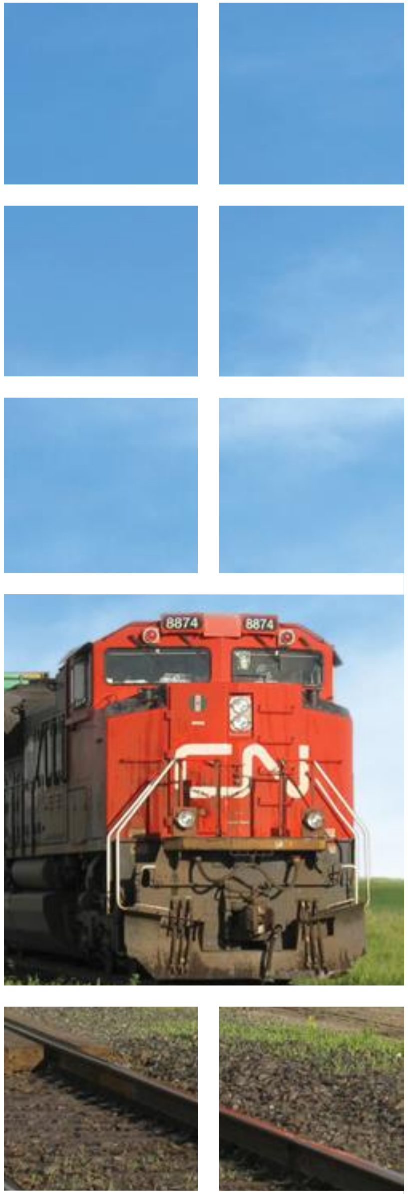
Claude Mongeau
President and Chief Executive Officer

Wrap-up



- Very solid first quarter results

- Revised outlook in line with more challenging environment

- Continued investments to drive service and safety improvements

Building for the future