

# TEGMA Presentation



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Stephen Whitney  
Vice President, Sales - Carload  
Canadian Pacific

**CANADIAN PACIFIC**

Kansas City, MO  
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Canadian Pacific

Overview

*Vision is to be the safest, most fluid railroad in North America*



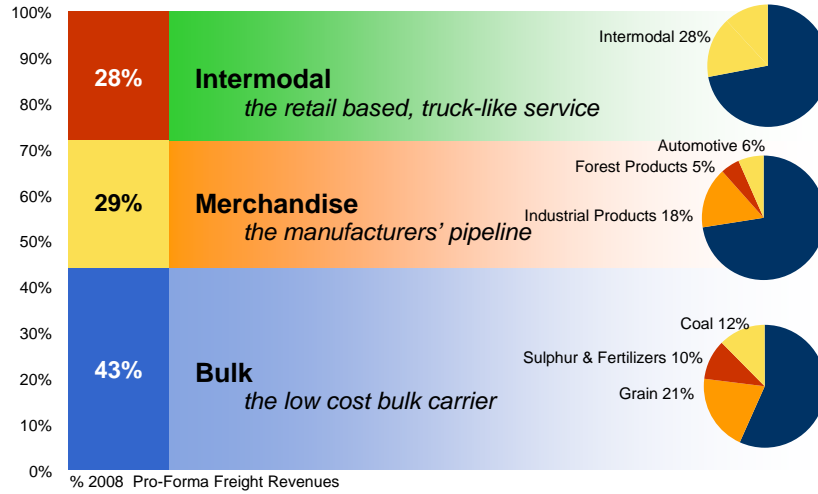
- 2008 pro-forma total revenues of \$5.2 billion
- Global reach through ports of Vancouver, Montreal and New York
- Prime connections to US railroads
- Enhanced network reach through DM&E to several key US Midwest markets
- In 2008: 16,793 employees in more than 1100 communities over 15,500 miles of track
- 128 year history throughout Canada and the US

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# Canadian Pacific

# Freight Revenues



# Canadian Pacific

# Opportunities

## Growth opportunities across the network



### Long-term growth opportunities

- A** Edmonton Intermodal
- B** Industrial Heartland
- C** Regina Intermodal
- D** DM&E
- E** Automotive (Toyota)
- F** Les Cédres Intermodal

### Short-term growth opportunities

- 1** Condensate
- 2** Elevator expansions
- 3** Canola crush facilities
- 4** Bakken oil
- 5** Ethanol plants
- 6** Kansas City gateway

**DM&E integration on track**



**Ethanol plants**  
 ◆ Plants in operation prior to 2009  
 ● Online beginning in 2009  
 ■ Expected to be online in 2010

**Operating performance**

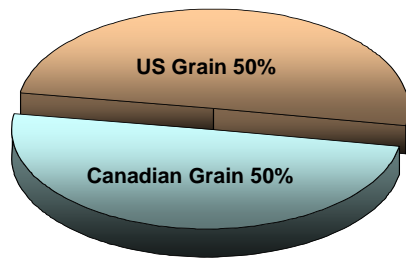
- Operational integration
- Capital expenditures
- Safety improvements

**Making markets**

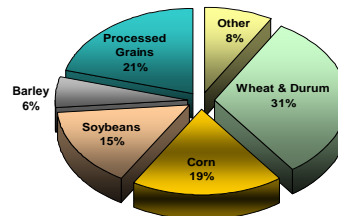
- Ethanol
- Kansas City gateway
- Single-line haul

**US Grain- "SOO & DME"- represents 50% of CP's total grain volume**

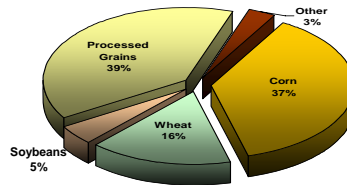
2008 Total Grain Volume ~460,000 units



**SOO Commodity Breakdown**



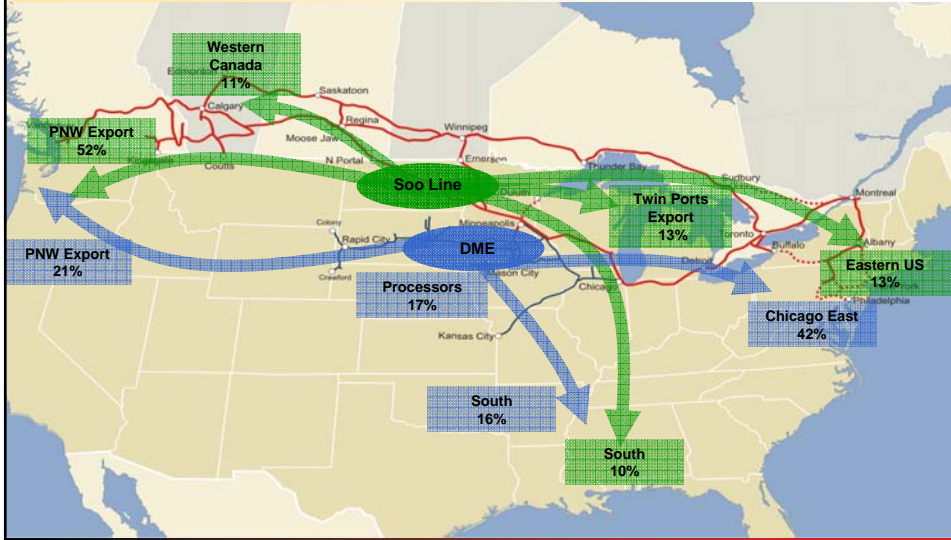
**DME Commodity Breakdown**



# US Grain

# Corridor Flows

Network provides market reach to key export & domestic markets



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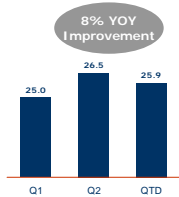
# Fluidity & Productivity

Sustainable operating performance improvements drive fluidity

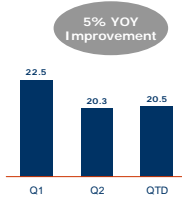
## Corporate Operating Metrics

## US Grain Operations

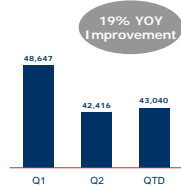
### Train speed



### Yard dwell



### Active cars on-line



Note: QTD to week ending August 21, 2009 (AAR week 33)

- 11% velocity improvement in PNW export corridor- fall peak 2008
- Moving more volume with fewer cars
- Robust pipeline management

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**Working to improve fleet quality**

- CP's total hopper fleet is ~ 24,000 cars & DME's ~ 4000 cars.
- Fleet profile is consistent with Class 1 industry averages.
- Velocity improvements enabling improvements in fleet quality
  - Targeting oldest, least productive cars for return to improve fleet quality.
- Currently in third year of five year program to replace obsolete gates on ~2500 hoppers and refurbish gates on ~3500 hoppers.
  - Replacement - 60% complete
  - Refurbishment – 50% complete



**Aligning our products to the market**

- Market driven products offer customer flexibility to meet their shipping needs
- Long term & short term freight options to manage demand requirements
- Shuttle trainload service and IOP manifest service offers choice to trainload and carload shippers

Category	Product
Base / Long-Term Guaranteed Freight	Dedicated Power Train
	Efficiency Train
Variable / Short-Term Guaranteed Freight Options	Car Auction (CAP) cars
	Tariff Cars

***Grain Transportation Requires Collaborative Supply Chain Approach***

- A collaborative approach with shippers is the key to improving the overall supply chain. Collectively we need to:
  - Work together to improve origin/destination capabilities
  - Focus on demand pull to enable pipeline fluidity
  - Align demand forecasts and resource planning
  - Develop new and expanding markets
  - Assess product offerings and ensure it meets market needs and is aligned with operational capabilities

Thank you for the opportunity to  
speak to you today!