

# North East Association of Rail Shippers



**Steve  
Lawrance**  
General Manager

**CANADIAN  
PACIFIC**

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Lake Harmony, PA**

# Canadian Pacific

*Vision: To be the safest, most fluid railway in North America*

Creating shareholder value

Quality revenue  
growth

Productivity

People

# Priorities

*Focused on things within our control*

1. Creating and preserving options for growth with our customers
2. Providing customer value through consistent service
3. Driving productivity and cycle time improvements to reduce unit costs
4. Reducing structural costs
5. Strengthening the balance sheet (capex)

# Opportunities



## Long-term growth opportunities

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

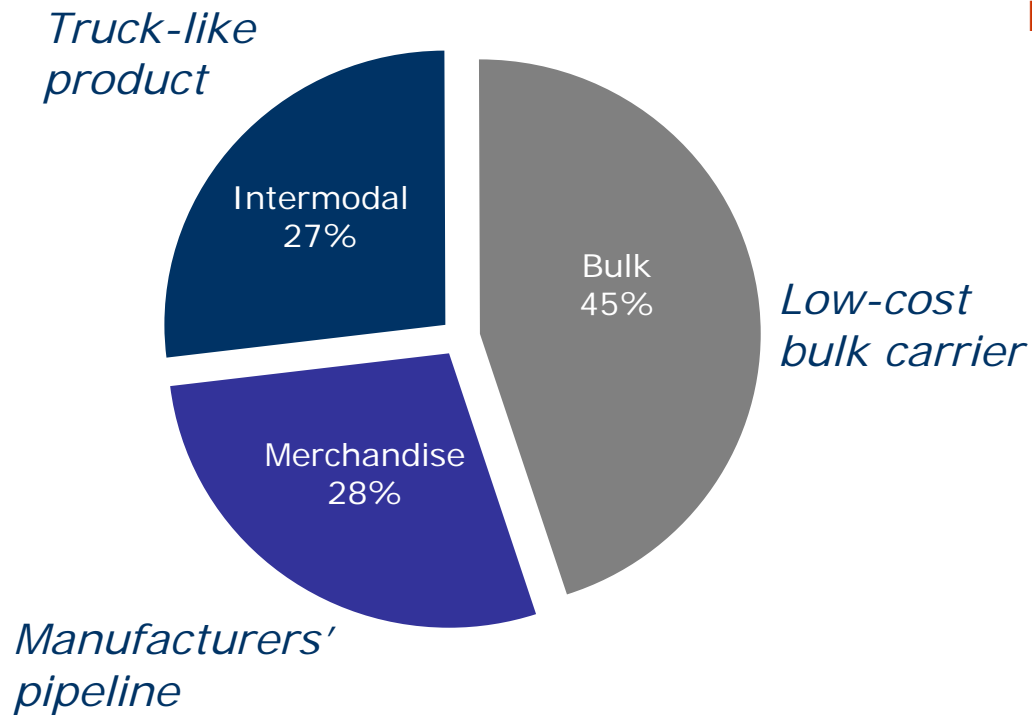
## Short-term growth opportunities

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

# Quality book of business

*Excellent diversification geographically and across businesses*

## 2009 Year to date revenues



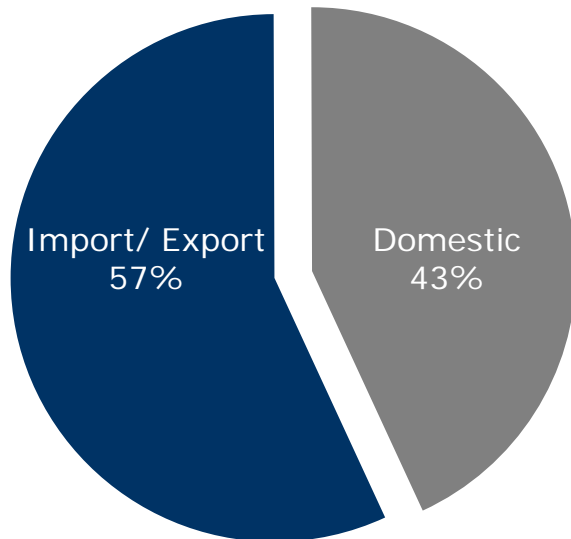
### Participation in global and North American markets

- 45% global (ports)
- 30% domestic
- 25% cross-border

# Intermodal

*Soft economy continuing to impact volumes*

## 2009 Year to date revenues



### Domestic

- Soft retail environment due to low consumer confidence

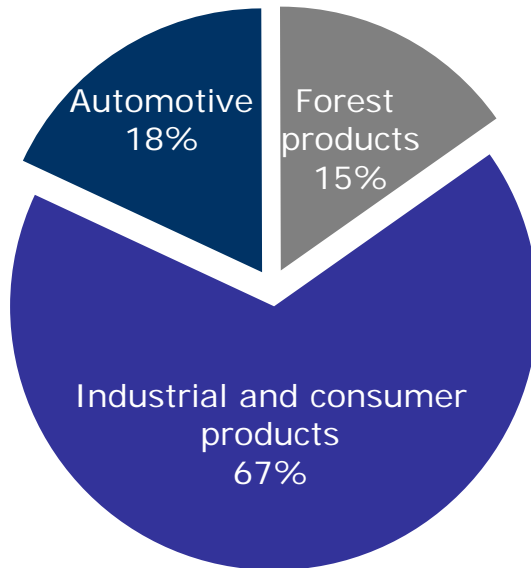
### Import / Export

- Soft economy impacting all North American ports
- Port Metro Vancouver and Port of Montreal well positioned for long-term growth

# Merchandise

*Economic downturn impacting all lines of business*

## 2009 Year to date revenues



### Forest products

- No sign of recovery

### Industrial and consumer products

- Industrial production estimates remain low

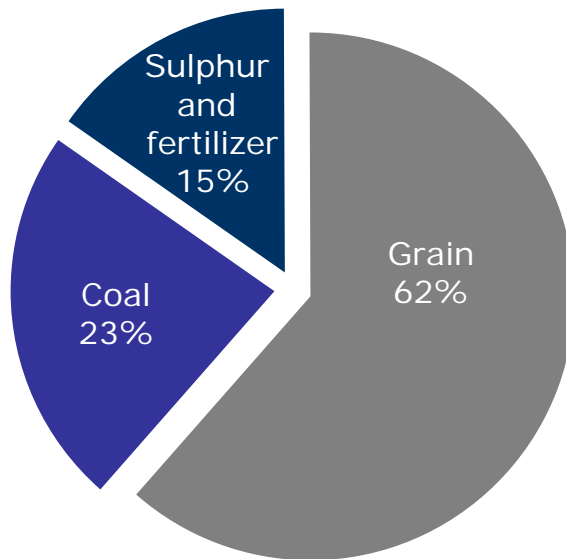
### Automotive

- Inventory levels drawn down with U.S. cash for clunker program

# Bulk

*Carloads down 3% quarter to date*

## 2009 Year to date revenues



### Grain

- Excellent operational performance
- Strong U.S. crop
- Canadian crop outlook improving

### Coal

- Strong U.S. carloads
- Canadian carloads remain down versus 2008

### Sulphur and fertilizer

- Approximately 50% fewer potash trains in Q3 versus last year

## *Integration on track*



### Ethanol plants

- ◆ Plants in operation prior to 2009
- Online in 2009
- Expected to be online in 2010

### Operating performance

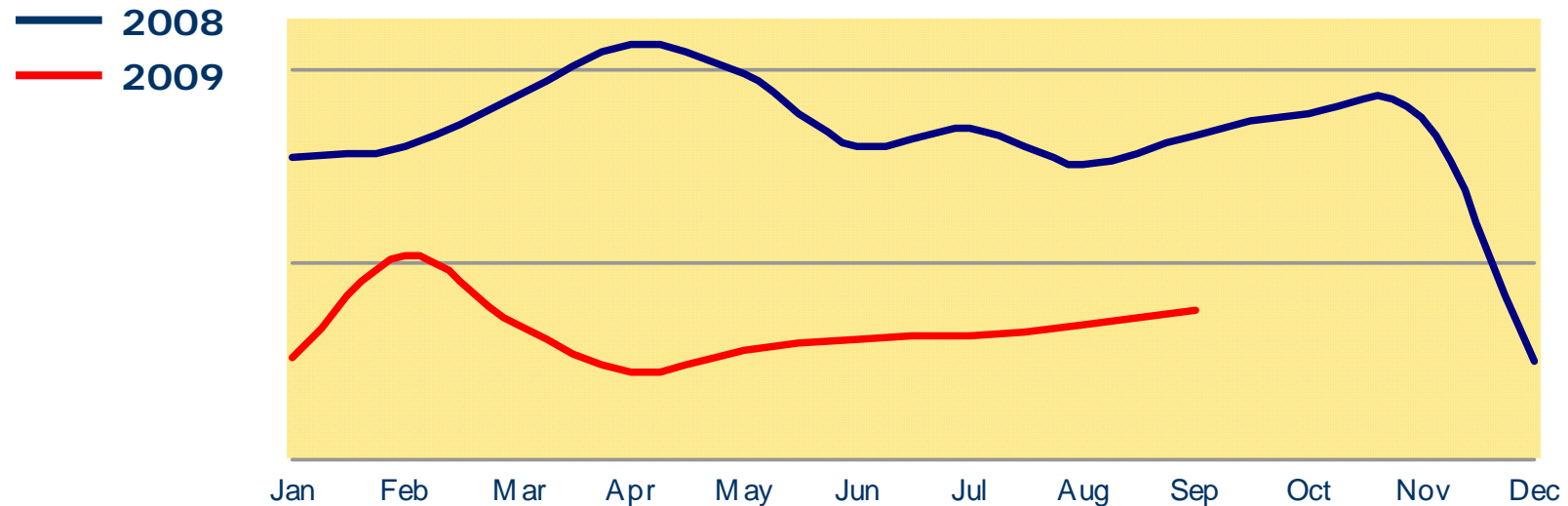
- Operational integration
- Capital expenditures
- Safety improvements

### Making markets

- Ethanol
- Kansas City gateway
- Single-line haul

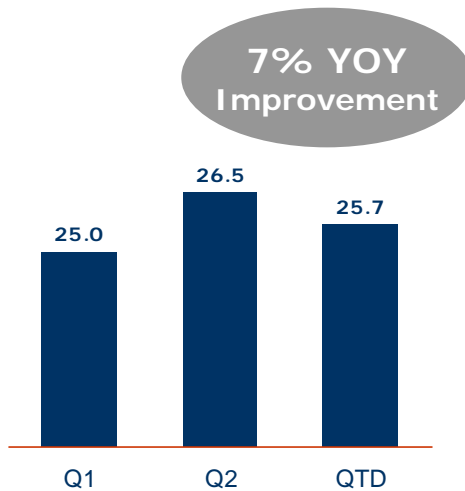
*Where are we in the cycle?*

## Gross Ton Miles (daily average) (Millions)

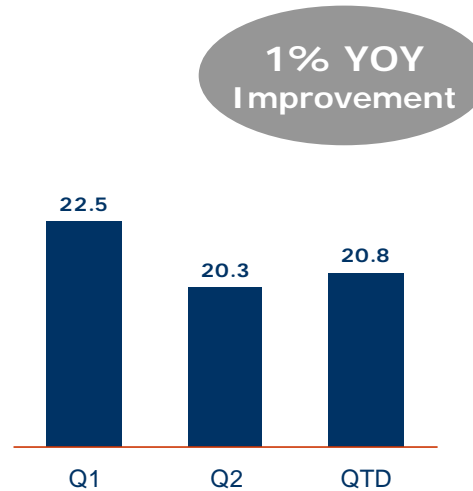


*Fluidity driving cost reductions*

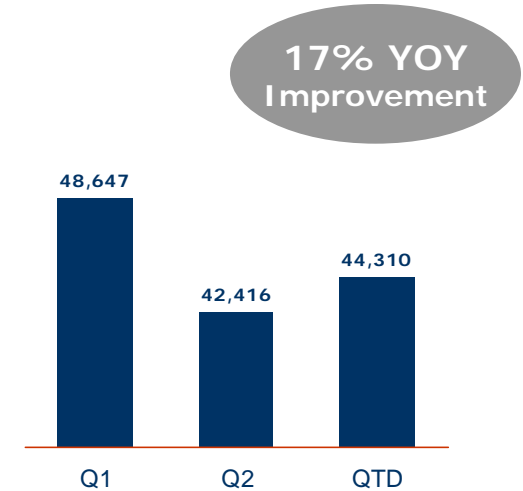
## Train speed <sup>(1)</sup>



## Yard dwell <sup>(1)</sup>



## Active cars on-line <sup>(1)</sup>

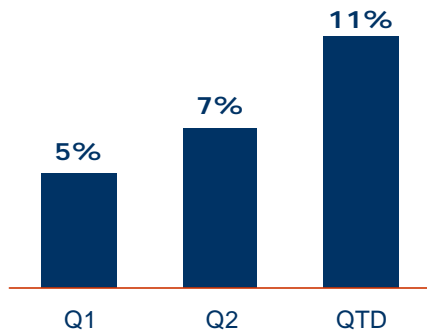


(1) Quarter to date (QTD) through September 25, 2009 (AAR week 38).

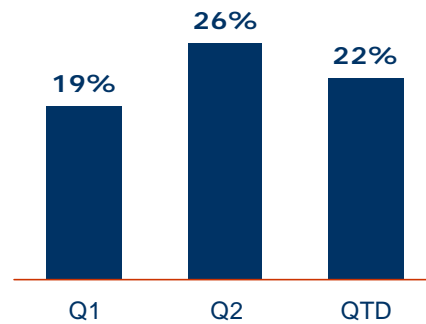
*Train start reductions matching decline in workload*

## Improvement versus 2008

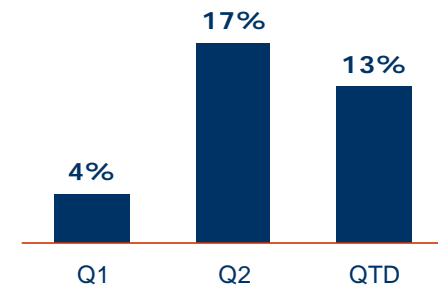
### IOP Train weights <sup>(1)</sup>



### Train starts <sup>(1)</sup>



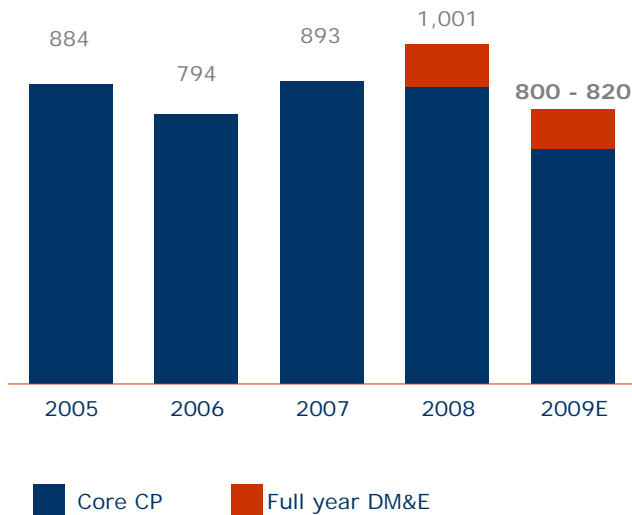
### Crew utilization <sup>(1)</sup>



(1) Quarter to date (QTD) through September 25, 2009.

*Focus on cash and liquidity*

## Capital program <sup>(1)(2)</sup> (\$ Millions)



- Issued equity raising \$489 million
- Issued US\$350 million of debt
- Purchased US\$475 million debt outstanding 2011, 2013 and 2018
- Adjusted capital program to match market conditions
- Monetized assets
  - DRTP<sup>(3)</sup> (\$110 million)
  - Windsor Station (\$86 million)
  - Lands for public transit (\$43 million)

# Canadian Pacific's Integrated Operating Plan

**Our Integrated Operating Plan is transforming Canadian Pacific's service product to be more consistent and faster and we will be ready to handle the upturn when it occurs**

