



**Scott Macdonald**

Senior VP Operations (System)

Midwest Association of Rail Shippers

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**CANADIAN PACIFIC**

# Forward looking statements

The following investor presentation and oral statements by CP's senior management contains certain forward-looking information within the meaning of the United States Private Securities Litigation Reform Act of 1995 and under Canadian Securities laws. This forward looking information relates, but not limited, to Canadian Pacific's operations, priorities and plans, anticipated financial performance, business prospects, planned capital expenditures, programs, strategies and financial guidance (including revenue CAGR, operating ratio, cash flow before dividends). This forward-looking information also includes, but is not limited to, statements concerning expectations, beliefs, plans, goals, objectives, assumptions and statements about possible future events, conditions, and results of operations or performance.

Forward-looking information may contain statements with words such as "anticipate", "believe", "expect", "plan" or similar words suggesting future outcomes.

By its nature, CP's forward-looking information involves numerous assumptions, inherent risks and uncertainties that could cause actual results to differ materially from the forward-looking information, including but not limited to the following factors: changes in business strategies; general North American and global economic, credit and business conditions; risks in agricultural production such as weather conditions and insect populations; the availability and price of energy commodities; the effects of competition and pricing pressures; industry capacity; shifts in market demand; changes in commodity prices; uncertainty surrounding timing and volumes of commodities being shipped by CP; inflation; changes in laws and regulations, including regulation of rates; changes in taxes and tax rates; potential increases in maintenance and operating costs; uncertainties of investigations, proceedings or other types of claims and litigation; labour disputes; risks and liabilities arising from derailments; transportation of dangerous goods; timing of completion of capital and maintenance projects; currency and interest rate fluctuations; effects of changes in market conditions and discount rates on the financial position of pension plans and investments, including long-term floating rate notes; and various events that could disrupt operations, including severe weather, droughts, floods, avalanches and earthquakes as well as security threats and governmental response to them, and technological changes.

Undue reliance should not be placed on forward-looking information as actual results may differ materially from the forward-looking information. Forward-looking information is not a guarantee of future performance.

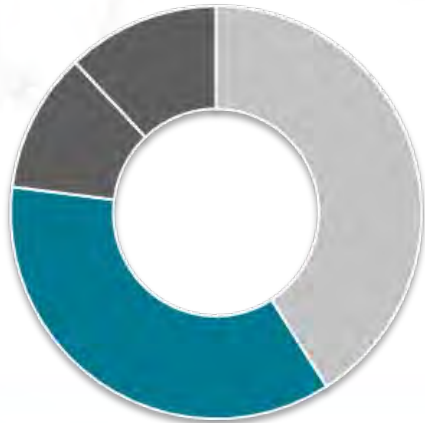
The foregoing list of factors is not exhaustive. These and other factors are detailed from time to time in reports filed by CP with securities regulators in Canada and the United States. Reference should be made to "Management's Discussion and Analysis" in CP's annual and interim reports, Annual Information Form and Form 40-F.

Readers are cautioned not to place undue reliance on forward-looking information. Forward-looking information is based on current expectations, estimates and projections and it is possible that predictions, forecasts, projections, and other forms of forward-looking information will not be achieved by CP. Except as required by law, CP undertakes no obligation to update publicly or otherwise revise any forward-looking information, whether as a result of new information, future events or otherwise.

# Strong franchise



**Revenue Mix**  
(percent of freight revenues H1 2013)



# Applying a Proven model

Driving significant change and improvement



**PROVIDE  
SERVICE**



**CONTROL  
COSTS**



**OPTIMIZE  
ASSETS**



**OPERATE  
SAFELY**



**DEVELOP  
PEOPLE**

# New operating Focus

## Whiteboard approach

**SIMPLICITY**

**EFFICIENCY**

**MORE  
WITH LESS**

### **Better Service**

- Consistency
- Fewer handlings
- Improved speed
- Reduced dwell

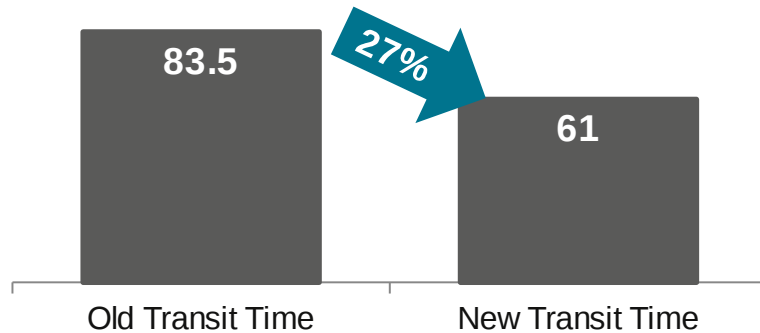
### **Lower Costs**

- Faster asset cycles
- Reduced maintenance
- Fewer terminals
- Reduced train miles
- Improved weights & lengths

## Customer benefits

Driving out waste and improving productivity

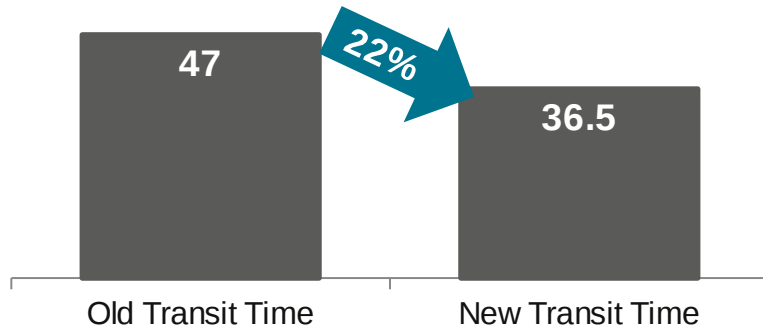
### Toronto to Calgary (hours)



Benefits of an improved supply chain to the customer

- Faster cycle times and fewer assets
- Ability to better schedule production and inventory

### Calgary to Vancouver(hours)

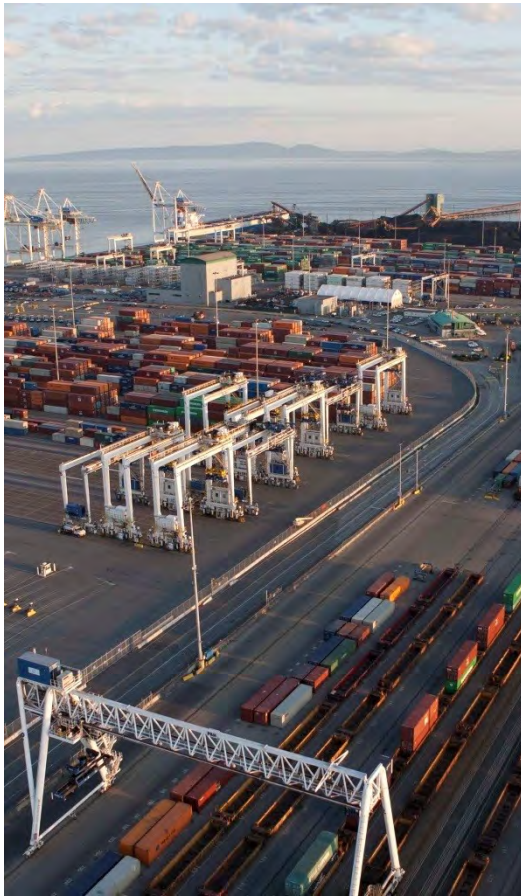


Proof Points

- Toronto to Calgary: 22.5 hours faster
- Calgary to Vancouver: 10.5 hours faster
- Moving record coal and grain volumes



**STILL More to come**



## **Ingraining Culture**

- **Head office relocation**
- **Leadership camps**

## **Marketing & Sales Re-organization**

- **Fewer layers, less bureaucracy**
- **Sales focused**



Question & Answer

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