

CORPORATE SUMMARY

OUR COMPANY

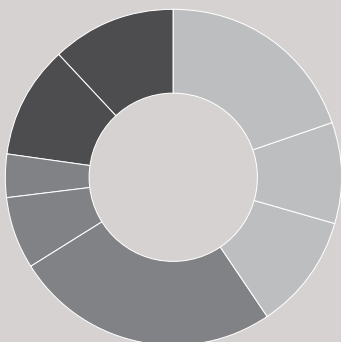
Canadian Pacific is driving change as it moves through its transformational journey to become the best railroad in North America, while creating long-term value for shareholders. We are focused on providing customers with industry leading rail service; driving sustainable, profitable growth; optimizing our assets; and reducing costs, while remaining a leader in rail safety.

Canadian Pacific Railway Limited, through its subsidiaries, operates a transcontinental railway in Canada and the United States and provides logistics and supply chain expertise. We provide rail and intermodal transportation services over a network of approximately 14,400 miles, serving the principal business centres of Canada from Montreal, Quebec, to Vancouver, British Columbia, and the U.S. Northeast and Midwest regions. Our railway feeds directly into the U.S. heartland from the East and West coasts. Agreements with other carriers extend our market reach east of Montreal in Canada, throughout the U.S. and into Mexico.



OUR TRAFFIC MIX

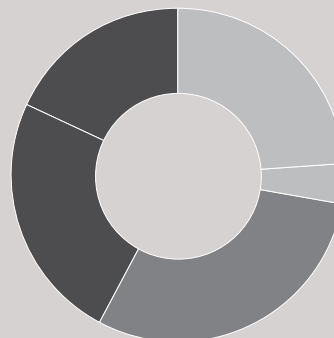
% of Freight Revenue in H1 2013



- **Bulk 41%**
Grain 20%
Coal 10%
Sulphur & Fertilizers 11%
- **Merchandise 36%**
Industrial & Consumer Products 26%
Automotive 7%
Forest Products 3%
- **Intermodal 23%**
Import/Export 11%
Domestic 12%

OUR GEOGRAPHIC DISTRIBUTION

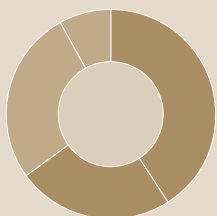
% of Freight Revenue in H1 2013



- **Global 28%**
Asia 24%
Europe 4%
- **Transborder 30%**
- **Domestic 42%**
Canada 24%
US 18%

LINE OF BUSINESS

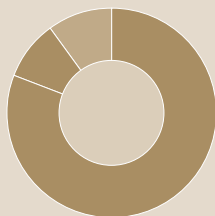
Based on first six months of 2013



GRAIN

% of Freight Revenue

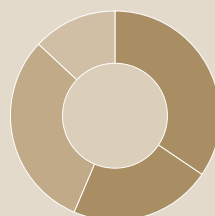
- Canadian Grain 65%
Regulated 41%
Non-Regulated 24%
- US Grain 35%
Domestic 27%
Export 8%



COAL

% of Freight Revenue

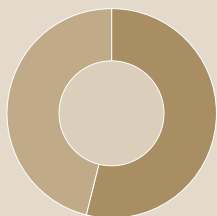
- Canadian Coal 90%
Export 81%
Non-export 9%
- US Coal 10%



FERTILIZER & SULPHUR

% of Freight Revenue

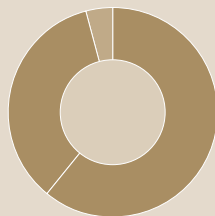
- Potash 57%
Export 35%
Domestic 22%
- Fertilizer 30%
- Sulphur 13%



INTERMODAL

% of Revenue

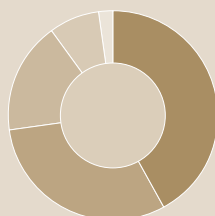
- Domestic 54%
- Import/Export 46%



AUTOMOTIVE

% of Freight Revenue

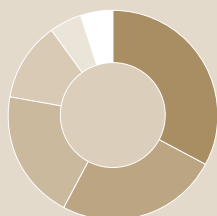
- Finished Vehicles & Parts 96%
Canada 61%
US 35%
- Machinery 4%



FOREST PRODUCTS

% of Freight Revenue

- Pulp 42%
- Lumber 31%
- Paper 17%
- Panel 8%
- Other 2%



INDUSTRIAL PRODUCTS

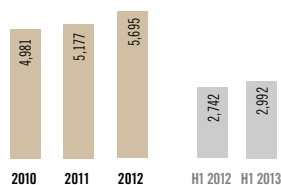
% of Freight Revenue

- Mines, Minerals, Aggregates 33%
- Crude 25%
- Energy, ex Crude 20%
- Chemicals 12%
- Plastics 5%
- Food & Consumers 5%

FINANCIAL & OPERATING HIGHLIGHTS

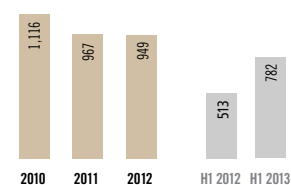
TOTAL REVENUES

(\$ millions)



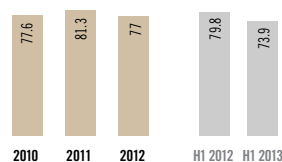
OPERATING INCOME

(\$ millions)



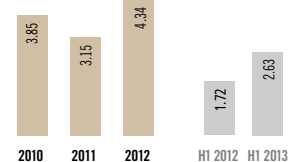
OPERATING RATIO, EXCLUDING SIGNIFICANT ITEMS

(percent)



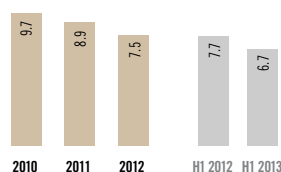
EARNINGS PER SHARE, EXCLUDING SIGNIFICANT ITEMS

(\$)



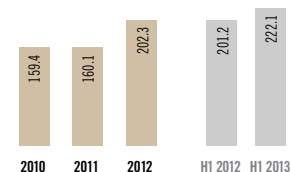
TERMINAL DWELL

(hours)



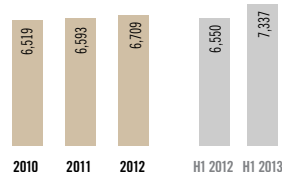
CAR VELOCITY

(car miles per car day)



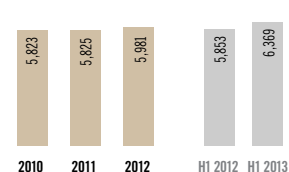
TRAIN WEIGHT

(tons)



TRAIN LENGTH

(feet)



PERFORMANCE INDICATORS

	2011					2012					2013		
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3
Gross ton-miles (GTM) (millions)	56,235	62,763	63,485	65,472	247,955	62,688	60,926	64,536	66,204	254,354	67,679	67,232	64,188
Revenue ton-miles (RTM) (millions)	29,684	32,223	33,068	34,084	129,059	32,811	32,559	34,133	35,529	135,032	36,163	35,991	34,684
Carloads (thousands)	606	647	668	676	2,597	656	646	687	680	2,669	659	668	675
Train speed (miles per hour)	13.8	14.3	15.9	17.0	15.2	18.7	17.5	18.3	17.6	18.0	18.0	18.4	18.7
Terminal dwell (hours)	10.6	9.2	8.2	7.8	8.9	7.6	7.8	7.4	7.4	7.5	6.6	6.8	7.2
Train weight – excluding local traffic (tons)	6,494	6,654	6,627	6,587	6,593	6,420	6,690	6,723	7,014	6,709	7,209	7,471	7,817
Train length – excluding local traffic (feet)	5,737	5,901	5,828	5,801	5,825	5,757	5,955	6,021	6,198	5,981	6,298	6,444	6,746
Car miles per car day	137.9	154.3	168.7	183.5	160.1	208.4	194.2	205.4	201.7	202.3	222.0	222.2	211.1
Fuel efficiency (U.S. gallons per 1,000 GTMs)	1.31	1.14	1.13	1.17	1.18	1.23	1.14	1.09	1.14	1.15	1.13	1.05	1.02
Average fuel price (U.S. dollars per U.S. gallon)	3.12	3.50	3.44	3.45	3.38	3.50	3.49	3.35	3.47	3.45	3.55	3.45	3.34
U.S. gallons of locomotive fuel consumed—total (millions)	73.1	70.2	71.5	76.0	290.8	76.6	68.8	69.4	74.4	289.2	75.7	69.8	64.7
FRA personal injuries per 200,000 employee-hours	1.78	1.75	2.18	1.70	1.85	1.15	1.29	1.58	1.89	1.46	1.60	1.35	1.89
FRA train accidents per million train-miles	2.53	1.84	1.81	1.40	1.88	1.58	1.43	1.98	1.68	1.67	1.98	1.78	1.78
Total employees (average)						16,671	17,327	17,572	16,369	16,985	14,920	15,471	14,974
Total employees (end of period)						16,862	17,998	17,175	15,713	15,713	15,112	15,355	14,766
Workforce (end of period) ⁽¹⁾						18,945	19,505	18,587	16,907	16,907	16,108	16,053	15,318

⁽¹⁾ Workforce is defined as total employees plus part time employees, contractors, and consultants.

FINANCIAL SUMMARY 2011 - 2013

SUMMARIZED CONSOLIDATED STATEMENT OF INCOME

(in millions of dollars)

	2011					2012					2013		
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3
Total revenues	1,163	1,265	1,341	1,408	5,177	1,376	1,366	1,451	1,502	5,695	1,495	1,497	1,534
Operating expenses													
Compensation and benefits	364	337	336	389	1,426	391	366	371	378	1,506	402	342	331
Fuel	226	237	238	267	968	269	242	232	256	999	270	246	226
Materials	72	57	56	58	243	64	57	57	60	238	72	58	54
Equipment rents	51	54	53	51	209	50	56	52	48	206	46	44	44
Depreciation and amortization	122	122	123	123	490	127	135	137	140	539	141	141	139
Purchased services and other	219	227	211	217	874	201	271	226	242	940	202	246	216
Asset impairment	—	—	—	—	—	—	—	—	265	265	—	—	—
Labour restructuring	—	—	—	—	—	—	—	—	53	53	—	—	—
Total operating expenses	1,054	1,034	1,017	1,105	4,210	1,102	1,127	1,075	1,442	4,746	1,133	1,077	1,010
Operating income	109	231	324	303	967	274	239	376	60	949	362	420	524
Less:													
Other income and charges	(1)	(5)	14	10	18	13	19	2	3	37	3	8	—
Net interest expense	64	63	64	61	252	69	69	69	69	276	70	68	70
Income before income tax expense	46	173	246	232	697	192	151	305	(12)	636	289	344	454
Income tax expense (recovery)	12	45	59	11	127	50	48	81	(27)	152	72	92	130
Net income	34	128	187	221	570	142	103	224	15	484	217	252	324
Diluted earnings per share	0.20	0.75	1.10	1.30	3.34	0.82	0.60	1.30	0.08	2.79	1.24	1.43	1.84
Diluted earnings per share, excluding significant items	0.20	0.75	1.10	1.11	3.15	0.88	0.90	1.30	1.28	4.34	1.21	1.43	1.88
Operating ratio (percentage)	90.6	81.7	75.8	78.5	81.3	80.1	82.5	74.1	96.0	83.3	75.8	71.9	65.9
Operating ratio, excluding significant items (percentage)	90.6	81.7	75.8	78.5	81.3	80.1	78.5	74.1	74.8	77.0	76.4	71.9	65.9

FINANCIAL SUMMARY 2011-2013

CONSOLIDATED BALANCE SHEET

(in millions of dollars)

	2011				2012				2013		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
ASSETS											
Current assets											
Cash and cash equivalents	311	268	97	47	77	82	207	333	347	442	329
Restricted cash and cash equivalents	–	–	–	–	–	–	–	–	–	99	261
Accounts receivable, net	520	509	530	518	526	497	533	546	585	547	594
Materials and supplies	122	138	150	138	171	151	142	136	190	174	158
Deferred income taxes	141	124	114	101	187	175	175	254	292	305	294
Other current assets	60	69	60	52	67	69	61	60	67	84	73
	1,154	1,108	951	856	1,028	974	1,118	1,329	1,481	1,651	1,709
Investments	145	149	166	167	135	138	87	83	85	89	177
Properties	11,903	11,981	12,535	12,752	12,743	12,964	12,967	13,013	13,122	13,422	13,493
Goodwill and intangible assets	185	183	199	192	188	192	185	161	164	170	166
Other assets	136	135	157	143	142	138	134	141	175	187	189
Total assets	13,523	13,556	14,008	14,110	14,236	14,406	14,491	14,727	15,027	15,519	15,734
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current liabilities											
Short-term borrowing	–	–	–	27	–	–	–	–	–	–	–
Accounts payable and accrued liabilities	1,029	991	1,031	1,133	1,059	1,101	1,047	1,176	1,089	1,086	1,074
Long-term debt maturing within one year	280	279	304	50	51	52	54	54	154	172	177
	1,309	1,270	1,335	1,210	1,110	1,153	1,101	1,230	1,243	1,258	1,251
Pension and other benefit liabilities	1,069	1,020	973	1,372	1,312	1,240	1,174	1,366	1,172	1,104	1,036
Other long-term liabilities	421	418	412	365	353	313	306	306	315	337	329
Long-term debt	3,941	3,919	4,042	4,695	4,681	4,745	4,602	4,636	4,590	4,692	4,591
Deferred income taxes	1,882	1,924	2,046	1,819	1,954	2,017	2,077	2,092	2,258	2,403	2,499
	8,622	8,551	8,808	9,461	9,410	9,468	9,260	9,630	9,578	9,794	9,706
Shareholders' equity											
Share capital	1,824	1,826	1,829	1,854	1,909	1,934	2,042	2,127	2,183	2,213	2,221
Additional paid-in capital	80	85	89	86	72	81	57	41	35	33	35
Accumulated other comprehensive loss	(2,064)	(2,044)	(1,992)	(2,736)	(2,691)	(2,656)	(2,610)	(2,768)	(2,621)	(2,563)	(2,533)
Retained earnings	5,061	5,138	5,274	5,445	5,536	5,579	5,742	5,697	5,852	6,042	6,305
	4,901	5,005	5,200	4,649	4,826	4,938	5,231	5,097	5,449	5,725	6,028
Total liabilities and shareholders' equity	13,523	13,556	14,008	14,110	14,236	14,406	14,491	14,727	15,027	15,519	15,734

FINANCIAL SUMMARY 2011-2013

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of dollars)

	2011					2012					2013		
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3
OPERATING ACTIVITIES													
Net income	34	128	187	221	570	142	103	224	15	484	217	252	324
Reconciliation of net income to cash provided by (used in) operating activities:													
Depreciation and amortization	122	122	123	123	490	127	135	137	140	539	141	141	139
Deferred income taxes	8	52	59	68	187	46	48	68	(22)	140	63	87	110
Pension funding in (excess) of / less than expense	(11)	(13)	(16)	(607)	(647)	(7)	(23)	(14)	(17)	(61)	(9)	(14)	(17)
Asset impairment	–	–	–	–	–	–	–	–	265	265	–	–	–
Labour restructuring, net	–	–	–	–	–	–	–	–	50	50	–	–	–
Other operating activities, net	2	(15)	(34)	(65)	(112)	(29)	6	(58)	(3)	(84)	2	(21)	(21)
Change in non-cash working capital balances related to operations	(20)	(61)	6	99	24	(78)	57	(25)	41	(5)	(147)	75	(31)
Cash provided by (used in) operating activities	135	213	325	(161)	512	201	326	332	469	1,328	267	520	504
INVESTING ACTIVITIES													
Additions to properties	(133)	(219)	(352)	(400)	(1,104)	(233)	(292)	(287)	(336)	(1,148)	(203)	(301)	(298)
Proceeds from sale of properties and other assets	6	15	20	30	71	45	17	76	7	145	16	11	11
Change in restricted cash and cash equivalents	–	–	–	–	–	–	–	–	–	–	–	(99)	(247)
Other	–	(1)	(6)	(4)	(11)	(1)	–	–	(7)	(8)	(25)	(1)	(1)
Cash used in investing activities	(127)	(205)	(338)	(374)	(1,044)	(189)	(275)	(211)	(336)	(1,011)	(212)	(390)	(535)
FINANCING ACTIVITIES													
Dividends paid	(46)	(46)	(50)	(51)	(193)	(51)	(51)	(60)	(61)	(223)	(61)	(60)	(62)
Issuance of common shares	9	2	2	16	29	38	17	81	62	198	40	23	6
Collection of receivable from financial institution	–	–	–	–	–	–	–	–	–	–	–	–	–
Issuance of long-term debt	–	–	–	757	757	71	–	–	–	71	–	71	–
Repayment of long-term debt	(12)	(6)	(126)	(257)	(401)	(12)	(13)	(16)	(9)	(50)	(19)	(7)	(19)
Net increase (decrease) in short-term borrowing	–	–	–	28	28	(27)	–	–	–	(27)	–	–	–
Other	–	–	–	(3)	(3)	–	–	–	1	1	–	–	–
Cash (used in) provided by financing activities	(49)	(50)	(174)	490	217	19	(47)	5	(7)	(30)	(40)	(44)	(75)
Effect of foreign currency fluctuations on U.S. dollar-denominated cash and cash equivalents	(9)	(1)	16	(5)	1	(1)	1	(1)	–	(1)	(1)	9	(7)
CASH POSITION													
Increase (decrease) in cash and cash equivalents	(50)	(43)	(171)	(50)	(314)	30	5	125	126	286	14	95	(113)
Cash and cash equivalents at beginning of period	361	311	268	97	361	47	77	82	207	47	333	347	442
Cash and cash equivalents at end of period	311	268	97	47	47	77	82	207	333	333	347	442	329

DISCLAIMER

The data contained in this report should be read in conjunction with the audited U.S. GAAP consolidated financial statements for the years ended December 31, 2012, 2011, and the unaudited interim U.S. GAAP consolidated financial statements for each interim period within the years 2013, 2012 and 2011 filed on SEDAR and EDGAR and posted on our website.

Certain data for prior periods have been restated to a comparable basis with the information presented for the current period, in some cases on an estimated basis.

All amounts are stated in Canadian dollars unless otherwise indicated.

We present non-GAAP measures and cash flow information in this document to provide a basis for evaluating underlying earnings and liquidity trends in

our business that can be compared with the results of our operations in prior periods. These non-GAAP measures have no standardized meaning and are not defined by GAAP and, therefore, are unlikely to be comparable to similar measures presented by other companies.

For further discussion on non-GAAP earnings, refer to Section 15 Non-GAAP Measures in our Management Discussion and Analysis in our Annual Report for the year ended December 31, 2012 and Section 14 Non-GAAP Measures in our Management Discussion and Analysis for the third quarter of 2013 filed on SEDAR and EDGAR and posted on our website.

RECONCILIATION OF NON-GAAP MEASURES TO GAAP MEASURES

Operating Ratio	2011				FY	2012				FY	2013			H1	H1
	Q1	Q2	Q3	Q4	2011	Q1	Q2	Q3	Q4	2012	Q1	Q2	Q3	2012	2013
Excluding significant items	90.6%	81.7%	75.8%	78.5%	81.3%	80.1%	79.4%	74.1%	74.8%	77.0%	76.4%	71.9%	65.9%	79.8%	73.9%
Significant items:															
Labour restructuring	–	–	–	–	–	–	–	–	3.5%	0.9%	–	–	–	–	–
Asset impairment	–	–	–	–	–	–	–	–	17.7%	4.7%	–	–	–	–	–
Management transition costs	–	–	–	–	–	–	3.1%	–	–	0.7%	(0.6%)	–	–	(0.2%)	(0.3%)
As reported	90.6%	81.7%	75.8%	78.5%	81.3%	80.1%	82.5%	74.1%	96.0%	83.3%	75.8%	71.9%	65.9%	79.6%	73.6%

Diluted earnings per share	2011				FY	2012				FY	2013			H1	H1
	Q1	Q2	Q3	Q4	2011	Q1	Q2	Q3	Q4	2012	Q1	Q2	Q3	2012	2013
Excluding significant items	\$0.20	\$0.75	\$1.10	\$1.11	\$3.15	\$0.88	\$0.90	\$1.30	\$1.28	\$4.34	\$1.21	\$1.43	\$1.88	\$1.72	\$2.63
Less Significant items:															
Labour restructuring	–	–	–	–	–	–	–	–	0.22	0.22	–	–	–	–	–
Asset impairment	–	–	–	–	–	–	–	–	0.98	0.98	–	–	–	–	–
Management transition costs	–	–	–	–	–	–	0.17	–	–	0.17	(0.03)	–	–	0.17	(0.03)
Advisory fees related to shareholder matters	–	–	–	0.03	0.03	0.06	0.07	–	–	0.12	–	–	–	0.12	–
Income tax rate change	–	–	–	(0.22)	(0.22)	–	0.06	–	–	0.06	–	–	0.04	0.06	–
As reported	\$0.20	\$0.75	\$1.10	\$1.30	\$3.34	\$0.82	\$0.60	\$1.30	\$0.08	\$2.79	\$1.24	\$1.43	\$1.84	\$1.42	\$2.66

SENIOR EXECUTIVES

E. Hunter Harrison
Chief Executive Officer

Keith Creel
President and Chief Operating Officer

Jane O'Hagan
Executive Vice-President
and Chief Marketing Officer

Brian Grassby
Senior Vice-President
and Chief Financial Officer

INVESTOR RELATIONS CONTACT

Nadeem Velani
Assistant Vice-President,
Investor Relations

Maeghan Albiston
Director, Investor Relations

phone: 1 (403) 319-3591
email: investor@cpr.ca

SHAREHOLDER CONTACT

phone: 1 (866) 861-4289
email: shareholder@cpr.ca

MEDIA CONTACT

Ed Greenberg
phone: 1 (612) 849-4717
24/7 media pager:
1 (855) 242-3674
ed_greenberg@cpr.ca