



The Future of Intermodal Transportation in Memphis & the Mid-South Region

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November 9, 2007





Key messages today

- CN is committed to Memphis and the Mid-South
- CN gives shippers the power of choice
- CN is bringing new shipping solutions to the market:
 - New terminal at Prince Rupert
 - Better connections at Chicago
 - New companies that make it easier to manage supply chains across North America and overseas

CN is committed to Memphis and the Mid-South



- \$35M for a new Intermodal yard
- \$6M ramp expansion in 2007
- \$105M to rebuild Johnson Yard (2006-2008)

- Proposed EJE transaction will improve service through Chicago
 - \$300M purchase/\$100M in upgrades

In the heart of the Frank C. Pidgeon Park – 2,500 acres ready for development



Shippers have the power of choice...



...from the West Coast



Prince Rupert - North America's newest gateway

- First vessel: Oct. 31, 2007
- Capacity: 500,000 TEU's
 - 2 M TEU by 2011
 - 4 M TEU by 2015



Port of Vancouver

- Three terminals with on-dock rail service
- 4 M TEU by 2012

...from the East Coast



The Port of Halifax

- One day closer to Europe than NY/NJ
- Ideal for new Suez Canal services ex. India
- Abundant terminal and rail capacity (1.4 – 2.5 M TEU)
 - No draft issues (ever)
 - 1000 plugs for “reefer” freight
 - Ample exports

...from the Gulf Coast



Port of New Orleans

- Deepwater port
- Direct rail connections
- 500,000 TEU capacity



Port of Mobile

- deepwater port in Alabama
- Direct terminal access to CN network
- New Container Terminal opening in 2008 with 350,000 TEU to start

...and to markets abroad



Cotton

- 40% of U.S. production in Delta area
- China – largest market for U.S. cotton



Hardwood Lumber

- Tennessee – second largest producing state
- Exports to China growing 20% per year



Waste Paper

- Top U.S. container export to Asia
- Chinese consumption – 33 million tons



Grain

- Opportunities for increase in containerization (IP grain)

Prince Rupert: changes the game in the Mid-South

- Port is 58 hours closer to Asia
- Trains arrive Memphis in 117 hours
- Great export opportunities
- New domestic shipping opportunity to oil-rich Western Canada market



The new port..... creates new shipping options

2007: CN Worldwide North America launched:

One Single-Source for All Transportation Services



Sell everything, or one thing.

CN Customs
Brokerage
Services



A CN Worldwide North America Company



CNTL

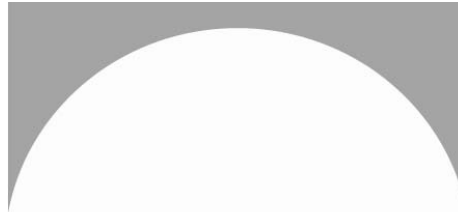
We deliver.

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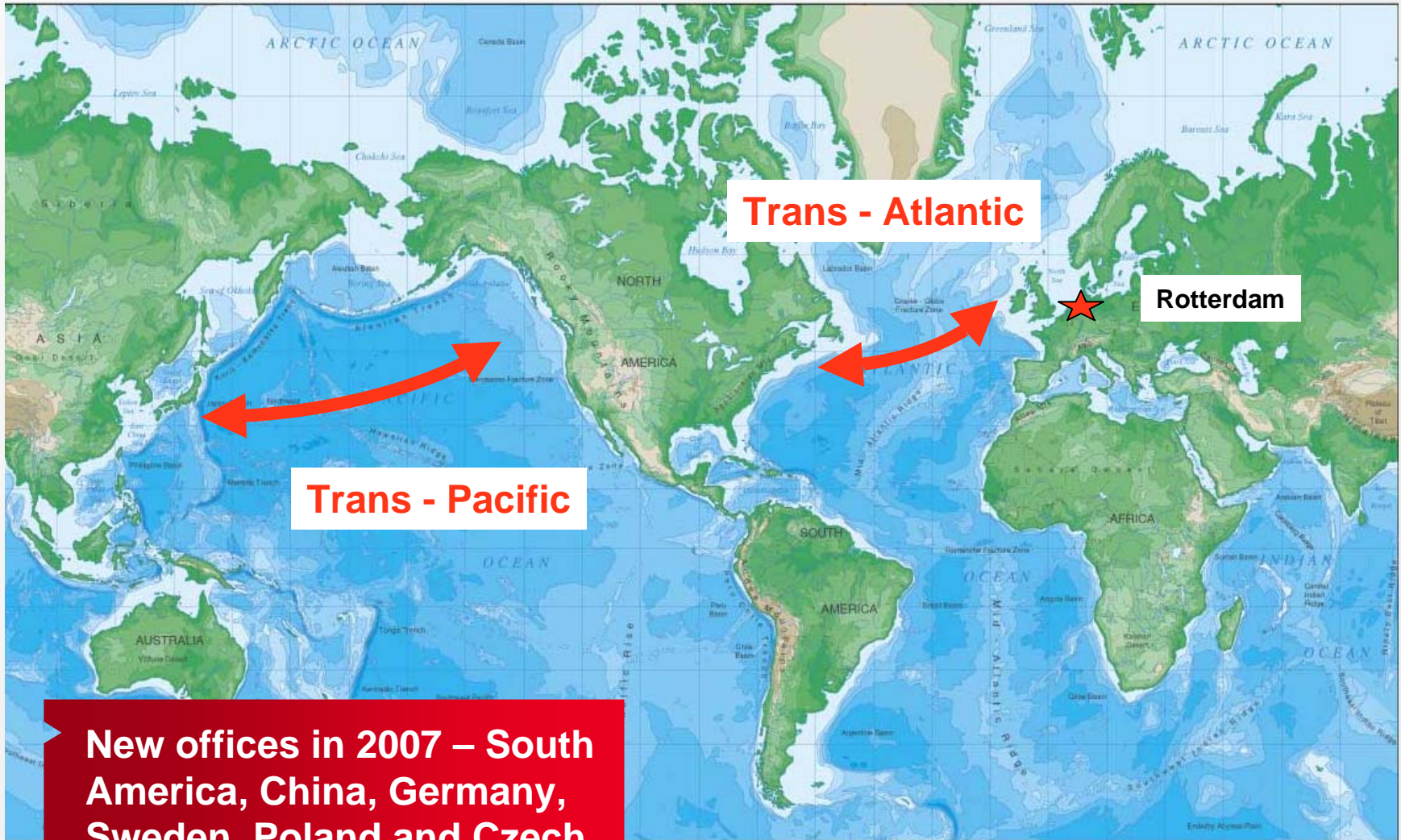
- Offices in 9 countries in the Americas, Asia and Europe
- Focused on trans-atlantic and trans-pacific shipping and expanding into South America
- “Simplify” the complex “supply chain”

Door-to-Door Services in NA



- Focused on U.S. and Canadian customers
- Offer expert, single-source transportation services

CN Worldwide connects the World to a strong North American franchise



New offices in 2007 – South America, China, Germany, Sweden, Poland and Czech Republic

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