

BB&T CAPITAL MARKETS 30TH ANNUAL TRANSPORTATION SERVICES CONFERENCE

Keith Creel
President & COO
February 11, 2015

FORWARD LOOKING STATEMENTS

The following investor presentation contains certain forward-looking information within the meaning of applicable securities laws relating, but not limited, to Canadian Pacific's operations, priorities and plans, anticipated financial performance, business prospects, planned capital expenditures, programs and strategies. 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.

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.

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; 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.

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.

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.

NOTE ON NON-GAAP MEASURES

Except where noted, all figures are in millions of Canadian dollars.

Financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), unless otherwise noted.

CP presents non-GAAP earnings information in this presentation to provide a basis for evaluating underlying earnings trends that can be compared with the prior period's results.

It should be noted that CP's non-GAAP earnings as described in this presentation, have no standardized meanings and are not defined by U.S. GAAP and, therefore, are unlikely to be comparable to similar measures presented by other companies.

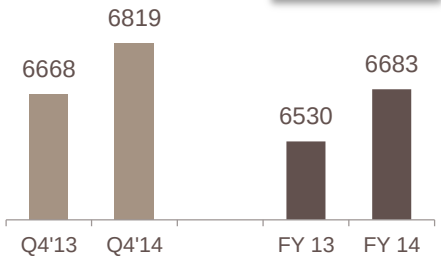
For further information regarding non-GAAP measures see the Non-GAAP Measures supplement to the press release on our website at www.cpr.ca.

T denotes Target, E denotes Estimate.

DRIVING ASSET VELOCITY

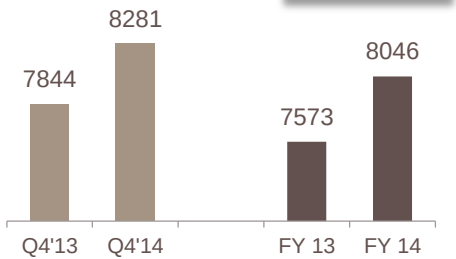
Train Length
(feet)

Q4: 2% better
FY: 2% better



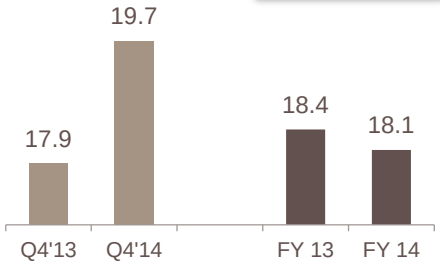
Train Weight
(tons)

Q4: 6% better
FY: 6% better



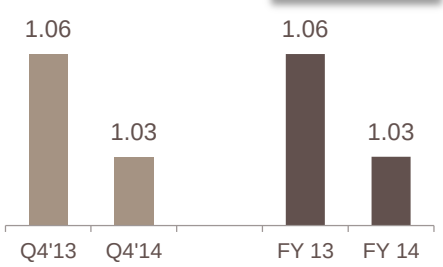
Train Speed
(miles per hour)

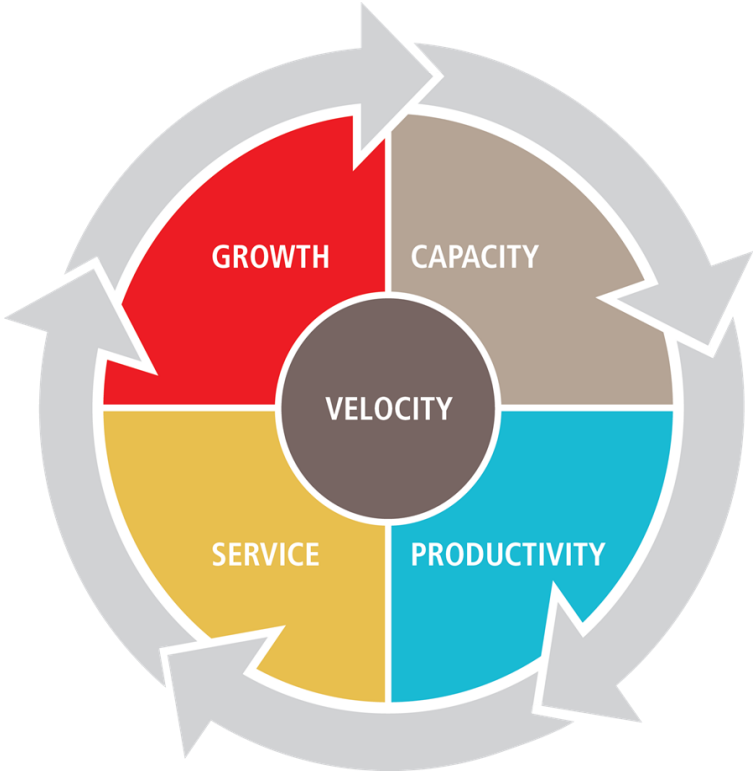
Q4: 10% better
FY: 2% decline



Fuel Efficiency
(US Gallons/000GTMs)

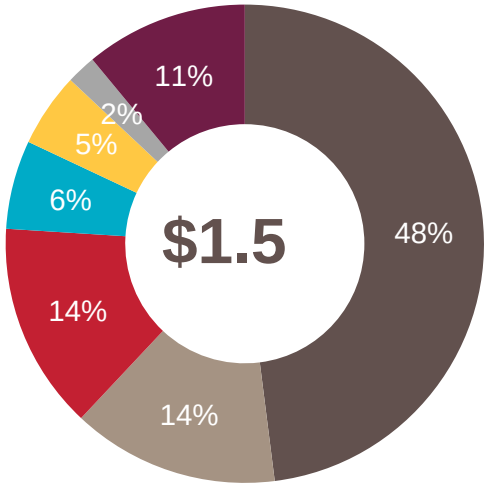
Q4: 3% better
FY: 3% better





REINVESTING IN THE NETWORK

Capital Breakdown 2015E
(percent of revenues)

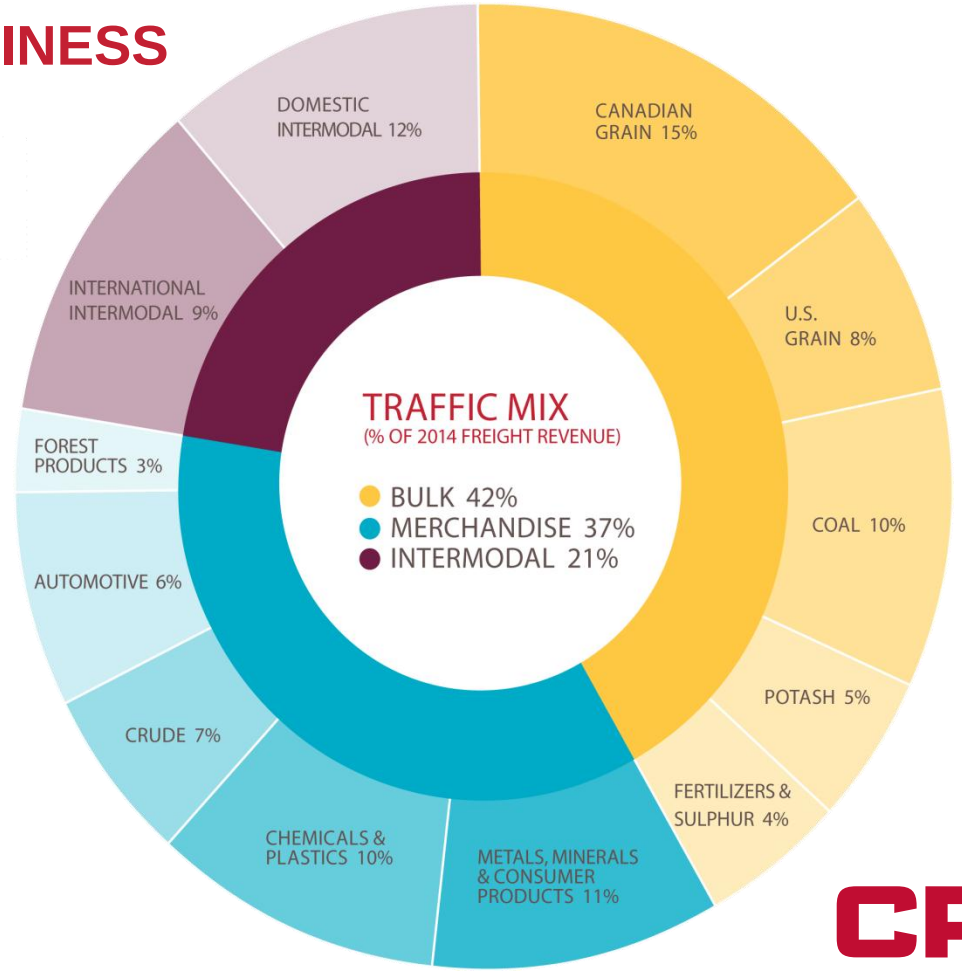


- Basic Replacement
- Siding & Yards
- Rolling Stock
- Information Technology
- Regulatory
- CTC
- Other



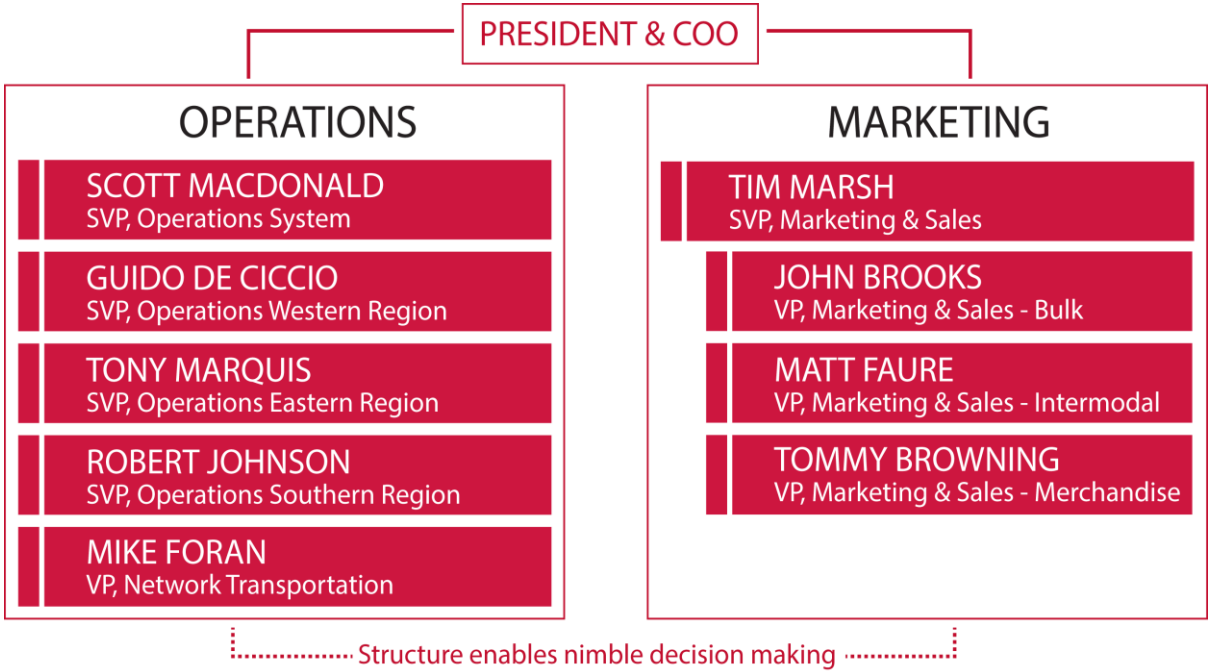
DIVERSIFIED BOOK OF BUSINESS

- Targeting 7 to 8% revenue growth in 2015(1)
  - 3 to 4% RTM growth
  - 3 to 4% price
- Benefiting from a weaker Canadian dollar



(1) Assumes a CAD/USD exchange rate of 1.20

A SERVICE DRIVEN ORGANIZATION

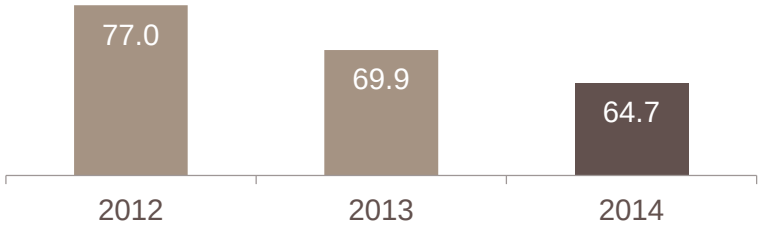


- Tim Marsh - new SVP Marketing & Sales
- Sales-focused team
- Timely decision making
- Increased face-to-face customer interaction
- Accountability

FINANCIAL IMPROVEMENTS

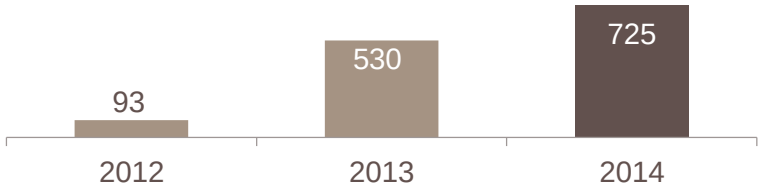
Adjusted Operating Ratio (percent)

2014 vs 2013:
520 bp improvement



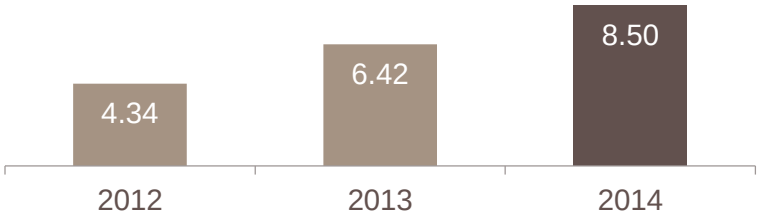
Free Cash Flow
($ millions)

2014 vs 2013:
37% improvement



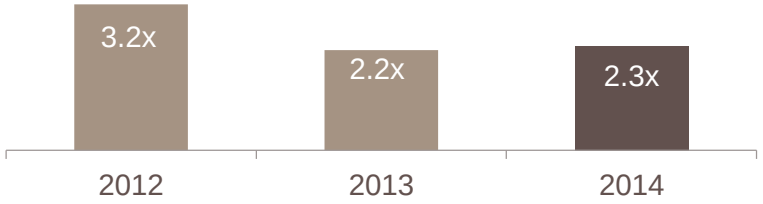
Adjusted Earnings Per Share ($)

2014 vs 2013:
32% improvement

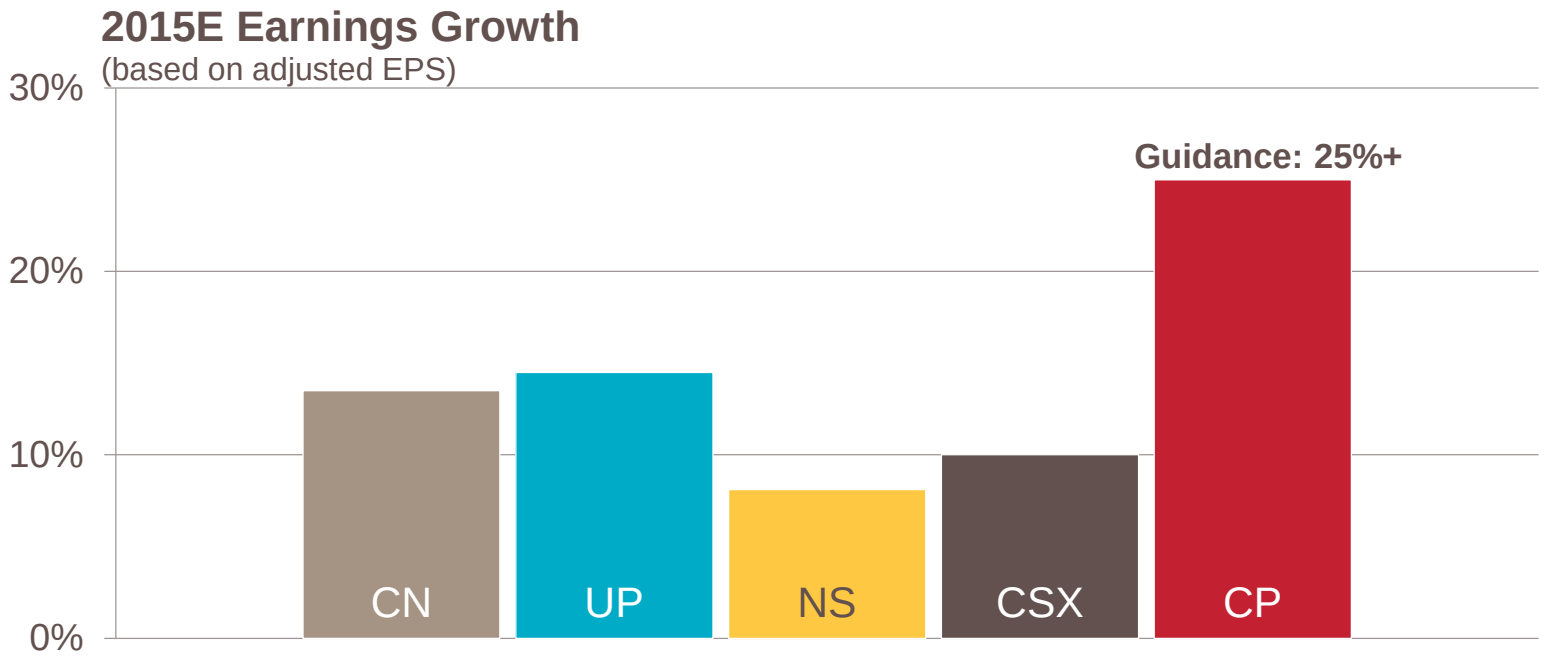


Adjusted Debt to EBITDA
(times)

Targeted range:
2x to 2.5x



CONTINUED EARNINGS MOMENTUM



Source: Bloomberg consensus
CP guidance of 25%+ does not assume additional share buybacks beyond current NCIB program expiring in March 2015

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