

CANADIAN NATIONAL RAILWAY CO
Form 6-K
August 12, 2013

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the month of August, 2013

Commission File Number: 001-02413

Canadian National Railway Company
(Translation of registrant's name into English)

935 de la Gauchetiere Street West
Montreal, Quebec
Canada H3B 2M9

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under
cover of Form 20-F or Form 40-F:

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as
permitted by Regulation S-T Rule 101(b)(1):

Yes

No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as
permitted by Regulation S-T Rule 101(b)(7):

Yes

No

Indicate by check mark whether by furnishing the information contained in this Form,
the Registrant is also thereby furnishing the information to the Commission pursuant
to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes

No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

Canadian National Railway Company

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1 CN INVESTOR FACT BOOK — 2013 UPDATE

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Canadian National Railway Company

Date: August 12, 2013

By: /s/ Cristina Circelli
Name: Cristina Circelli
Title: Deputy Corporate Secretary and
General Counsel

Item 1

Ticker symbols

CNR
Toronto Stock Exchange

CNI
New York Stock Exchange

Except where otherwise indicated, all financial information reflected in this document is expressed in Canadian dollars and determined on the basis of United States generally accepted accounting principles (U.S. GAAP). Canadian National Railway Company's (the Company) objective is to provide meaningful and relevant information reflecting the Company's financial condition, results of operations and operational performance. In certain instances, the Company may make reference to certain non-GAAP measures that, from management's perspective, are useful measures of performance. In addition, certain statistical data are based on estimated data available at such time and are subject to change as more complete information becomes available. The reader is advised to read all information provided in this document in conjunction with the Company's annual and interim Consolidated Financial Statements, Notes thereto and Management's Discussion and Analysis.

The Company makes reference to non-GAAP measures in this document that do not have any standardized meaning prescribed by U.S. GAAP and are, therefore, not necessarily comparable to similar measures presented by other companies and, as such, should not be considered in isolation. Management believes that non-GAAP measures such as adjusted net income and the resulting adjusted performance measures for such items as operating income, operating ratio and per share data are useful measures of performance that can facilitate period-to-period comparisons, as they exclude items that do not necessarily arise as part of the normal day-to-day operations or that could potentially distort the analysis of trends in business performance. The exclusion of the specified items in the adjusted measures do not, however, imply that such items are necessarily non-recurring. The Company believes that free cash flow is a useful measure of performance as it demonstrates the Company's ability to generate cash after the payment of capital expenditures and dividends. Free cash flow does not have any standardized meaning prescribed by GAAP and may, therefore, not be comparable to similar measures presented by other companies. The Company defines free cash flow as the sum of net cash provided by operating activities, adjusted for changes in the accounts receivable securitization program, if any, and in cash and cash equivalents resulting from foreign exchange fluctuations; and net cash used in investing activities, adjusted for changes in restricted cash and cash equivalents, if any, the impact of major acquisitions, if any, and the payment of dividends. In addition, the Company believes that adjusted debt-to-total capitalization is a useful credit measure that aims to show the true leverage of the Company. Similarly, adjusted debt-to-adjusted earnings before interest, income taxes, depreciation and amortization (EBITDA) is another useful credit measure because it reflects the Company's ability to service its debt. The Company excludes Other income in the calculation of EBITDA. A reconciliation of the various non-GAAP measures presented in this document to their comparable U.S. GAAP measures is provided in the Appendix section of this document.

FINANCIAL & STATISTICAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS

\$ in millions, except per share data, or unless otherwise indicated

	2010	2011	2012	2012 H1	2013 H1
Financial results					
Revenues	\$ 8,297	\$ 9,028	\$ 9,920	\$ 4,889	\$5,132
Operating income	3,024	3,296	3,685	1,778	\$1,822
Adjusted net income (1)	1,973	2,194	2,456	1,182	\$1,223
Adjusted diluted earnings per share (1)	4.20	4.84	5.61	2.67	2.87
Weighted-average number of diluted shares (millions)	470.1	454.4	437.7	441.5	426.4
Financial ratios (%)					
Operating ratio	63.6	63.5	62.9	63.6	64.5
Debt to total capitalization	35.0	38.1	38.5	37.8	39.6
Other information					
Dividend per share	\$ 1.08	\$ 1.30	\$ 1.50	\$ 0.75	\$0.86
Net capital expenditures	1,586	1,625	1,731	613	646
Free cash flow (2)	1,122	1,175	1,006	703	437

(1) Adjusted to exclude items affecting the comparability of results. See Appendix for a reconciliation of Non-GAAP measures.

(2) See Appendix for a reconciliation of Non-GAAP measures.

STATISTICAL HIGHLIGHTS

	2010	2011	2012	2012 H1	2013 H1
Statistical operating data					
Route miles (includes Canada and the U.S.)	20,600	20,000	20,100	20,000	20,000
Carloads (thousands)	4,696	4,873	5,059	2,491	2,547
Gross ton miles (millions)	341,219	357,927	383,754	189,479	197,848
Revenue ton miles (millions)	179,232	187,753	201,496	99,373	103,278
Employees (average for the period)	22,055	23,079	23,466	23,380	23,681
Employees (end of period)	22,444	23,339	23,430	23,667	23,925
Diesel fuel consumed (U.S. gallons in millions)	355.7	367.7	388.7	194.3	205.2
Average price per U.S. gallon	\$ 2.64	\$ 3.39	\$ 3.47	\$3.47	\$3.52

Statistical data and related productivity measures are based on estimated data available at such time and are subject to change as more complete information becomes available, as such certain of the 2012, 2011 and 2010 comparative data and related productivity measures have been restated.

CANADIAN NATIONAL RAILWAY COMPANY
 QUARTERLY CONSOLIDATED STATEMENT OF INCOME 2011 – 2013

unaudited

\$ in millions, unless otherwise indicated

	2011				
	Q1	Q2	Q3	Q4	Year
Total revenues	2,084	2,260	2,307	2,377	9,028
Operating expenses					
Labor and fringe benefits	473	432	396	511	1,812
Purchased services and material	286	268	271	295	1,120
Fuel	327	353	350	382	1,412
Depreciation and amortization	218	217	218	231	884
Equipment rents	51	54	60	63	228
Casualty and other	84	62	74	56	276
Total operating expenses	1,439	1,386	1,369	1,538	5,732
Operating income	645	874	938	839	3,296
Interest expense	(86)	(85)	(85)	(85)	(341)
Other income (loss)	300	10	70	21	401
Income before income taxes	859	799	923	775	3,356
Income tax expense	(191)	(261)	(264)	(183)	(899)
Net income	\$668	\$538	\$659	\$592	\$2,457
Operating ratio	69.0 %	61.3 %	59.3 %	64.7 %	63.5 %

2012 Q1	Q2	Q3	Q4	Year	2013 Q1	Q2
2,346	2,543	2,497	2,534	9,920	2,466	2,666
509	504	476	463	1,952	569	498
299	305	304	340	1,248	328	341
376	379	369	400	1,524	405	402
230	230	227	237	924	235	250
62	59	64	64	249	68	68
77	81	72	108	338	81	65
1,553	1,558	1,512	1,612	6,235	1,686	1,624
793	985	985	922	3,685	780	1,042
(86)	(86)	(84)	(86)	(342)	(89)	(88)
293	9	18	(5)	315	42	28
1,000	908	919	831	3,658	733	982
(225)	(277)	(255)	(221)	(978)	(178)	(265)
\$775	\$631	\$664	\$610	\$ 2,680	\$555	\$ 717
66.2 %	61.3 %	60.6 %	63.6 %	62.9 %	68.4 %	60.9 %

CANADIAN NATIONAL RAILWAY COMPANY
 QUARTERLY CONSOLIDATED BALANCE SHEET 2011 – 2013

unaudited
 In millions

	Q1	Q2	2011 Q3	Q4
Assets				
Current assets				
Cash and cash equivalents	\$593	\$175	\$192	\$101
Restricted cash and cash equivalents	–	467	489	499
Accounts receivable	770	825	801	820
Material and supplies	228	240	272	201
Deferred and receivable income taxes	50	50	52	122
Other	73	84	62	105
Total current assets	1,714	1,841	1,868	1,848
Properties	22,677	22,789	23,800	23,917
Intangible and other assets	821	840	899	261
Total assets	\$25,212	\$25,470	\$26,567	\$26,026
Liabilities and shareholders' equity				
Current liabilities				
Accounts payable and other	\$1,341	\$1,452	\$1,565	\$1,580
Current portion of long-term debt	474	530	525	135
Total current liabilities	1,815	1,982	2,090	1,715
Deferred income taxes	5,201	5,301	5,613	5,333
Pension and other postretirement benefits, net of current portion	508	510	530	1,095
Other liabilities and deferred credits	779	774	800	762
Long-term debt	5,451	5,432	5,878	6,441
Shareholders' equity:				
Common shares	4,228	4,211	4,149	4,141
Accumulated other comprehensive loss	(1,736)	(1,741)	(1,647)	(2,839)
Retained earnings	8,966	9,001	9,154	9,378
Total shareholders' equity	11,458	11,471	11,656	10,680
Total liabilities and shareholders' equity	\$25,212	\$25,470	\$26,567	\$26,026

Certain of the 2011 figures have been reclassified in order to be consistent with the 2013 presentation.

2012				2013	
Q1	Q2	Q3	Q4	Q1	Q2
\$182	\$345	\$175	\$155	128	87
499	472	518	521	512	497
769	833	845	831	900	876
261	277	272	230	289	330
80	47	37	43	75	34
102	85	78	89	95	81
1,893	2,059	1,925	1,869	1,999	1,905
23,681	24,078	24,004	24,541	24,733	25,305
299	329	349	249	260	335
\$25,873	\$26,466	\$26,278	\$26,659	26,992	27,545
\$1,342	\$1,609	\$1,631	\$1,626	1,332	