

CANADIAN NATIONAL RAILWAY CO
Form 6-K
January 22, 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 January 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. Press Release dated January 22, 2013 entitled, "CN reports Q4-2012 net income of C\$610 million, or C\$1.41 per diluted share"

"Adjusted diluted EPS for full-year 2012 increased 16 per cent to C\$5.61 (1)"

2. Unaudited Interim Consolidated Financial Statements (U.S. GAAP)
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Item 1

North America's Railroad

NEWS RELEASE

CN reports Q4-2012 net income of C\$610 million,
or C\$1.41 per diluted share

Adjusted diluted EPS for full-year 2012 increased 16 per cent to C\$5.61 (1)

Full-year 2012 volumes and earnings highest in Company history

MONTREAL, Jan. 22, 2013 — CN (TSX: CNR)(NYSE: CNI) today reported its financial and operating results for the fourth quarter and year ended Dec. 31, 2012.

Fourth-quarter and full-year 2012 financial highlights

- Record fourth-quarter and full-year 2012 carloads, revenues and revenue ton-miles.
- Fourth-quarter 2012 net income was C\$610 million, or C\$1.41 per diluted share, compared with net income of C\$592 million or, C\$1.32 per diluted share, for the year-earlier quarter.
- Q4-2012 diluted earnings per share (EPS) of C\$1.41 increased eight per cent over year-earlier adjusted diluted EPS of C\$1.30 (adjusted net income of C\$581 million), which excluded an income tax recovery. (1)
- Full-year 2012 net income was C\$2,680 million, or C\$6.12 per diluted share, compared with net income of C\$2,457 million, or C\$5.41 per diluted share, for 2011.
- Full-year 2012 adjusted diluted EPS increased 16 per cent to C\$5.61, with adjusted 2012 net income of C\$2,456 million versus adjusted net income of C\$2,194 million in 2011. (1)
- Q4-2012 operating income increased 10 per cent to C\$922 million, while full-year 2012 operating income rose 12 per cent to C\$3,685 million.
- Fourth-quarter 2012 operating ratio improved by 1.1 points to 63.6 per cent; full-year 2012 operating ratio was 62.9 per cent, a 0.6-point improvement.
- 2012 free cash flow totalled C\$1,006 million, after voluntary pension plan contributions of C\$700 million, compared with free cash flow of C\$1,175 million for 2011. (1)

Claude Mongeau, president and chief executive officer, said: "CN's team of railroaders delivered impressive fourth-quarter results on the strength of a seven per cent increase in revenues, capping a very strong 2012 performance.

“Thanks to our supply chain collaboration focus and solid execution, CN’s growth last year continued to outpace that of the overall economy, generating the highest volumes and earnings in Company history.

“In 2012, we experienced strong growth in commodities related to oil and gas, particularly crude oil, and saw continued market share gains in overseas and domestic intermodal. CN also benefited from strong coal and petroleum coke exports, increased wheat and soybean exports, as well as higher lumber and panels shipments to the United States.”

Foreign currency impact on results

Although CN reports its earnings in Canadian dollars, a large portion of its revenues and expenses is denominated in U.S. dollars. As such, the Company’s results are affected by exchange-rate fluctuations. On a constant currency basis that excludes the impact of fluctuations in foreign currency exchange rates, CN’s fourth-quarter 2012 net income would have been higher by C\$11 million, or C\$0.03 per diluted share, while its 2012 net income would have been lower by C\$14 million, or C\$0.03 per diluted share. (1)

Positive 2013 outlook, increased dividend (2)

Mongeau said: “For 2013, CN anticipates continued gradual improvement in the economy and further growth opportunities in intermodal, energy and other resource markets. Despite the challenge of an approximate C\$150-million headwind related to increased pension expense and the impact of depreciation studies, CN is aiming for high single-digit growth in 2013 diluted earnings per share over adjusted diluted earnings per share of C\$5.61 for 2012. CN also expects to generate 2013 free cash flow in the range of C\$800 million to C\$900 million, including a normalized, higher level of cash taxes. (1)

“Given CN’s strong balance sheet and its solid outlook for earnings and free cash flow generation, I am pleased to announce that the Company’s Board of Directors has approved a 15 per cent increase in CN’s 2013 quarterly common-share dividend.”

Fourth-quarter 2012 revenues, traffic volumes and expenses

Revenues for the fourth quarter of 2012 increased by seven per cent to C\$2,534 million. Revenues increased for coal (15 per cent), petroleum and chemicals (13 per cent), grain and fertilizers (11 per cent), intermodal (seven per cent), and automotive (five per cent). Revenues declined for forest products (two per cent), and metals and minerals (one per cent).

Carloadings for the quarter rose three per cent to 1,270 thousand.

Revenue ton-miles, measuring the relative weight and distance of rail freight transported by CN, increased by eight per cent over the year-earlier quarter.

Rail freight revenue per revenue ton-mile, a measurement of yield defined as revenue earned on the movement of a ton of freight over one mile, declined by one per cent.

Total operating expenses increased by five per cent to C\$1,612 million.

Full-year 2012 revenues, traffic volumes and expenses

2012 revenues increased 10 per cent to C\$9,920 million, with all business units registering gains: petroleum and chemicals (15 per cent), coal (15 per cent), metals and minerals (13 per cent), intermodal (11 per cent), automotive (11 per cent), forest products (five per cent), and grain and fertilizers (four per cent).

The rise in total revenues was largely attributable to higher freight volumes, due in part to growth in North American and Asian economies, and the Company's performance above market conditions in a number of segments, as well as increased volumes in the second quarter as a result of a labor disruption at a key competitor; freight rate increases; the impact of a higher fuel surcharge as a result of year-over-year increases in applicable fuel prices and higher volumes; and the positive translation impact of the weaker Canadian dollar on U.S. dollar-denominated revenues.

Carloadings for the year increased four per cent to 5,059 thousand.

Revenue ton-miles increased by seven per cent over 2011, while rail freight revenue per revenue ton-mile increased by three per cent.

Total operating expenses for 2012 increased by nine per cent to C\$6,235 million, mainly due to higher labor and fringe benefits expense, increased purchased services and material expenses, as well as increased fuel costs.

Forward-Looking Statements

Certain information included in this news release constitutes "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and under Canadian securities laws. CN cautions that, by their nature, these forward-looking statements involve risks, uncertainties and assumptions. The Company cautions that its assumptions may not materialize and that current economic conditions render such assumptions, although reasonable at the time they were made, subject to greater uncertainty. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of the Company or the rail industry to be materially different from the outlook or any future results or performance implied by such statements. To the extent that CN has provided guidance that are non-GAAP financial measures, the Company may not be able to provide a reconciliation to the GAAP measures, due to unknown variables and uncertainty related to future results. Key assumptions used in determining forward-looking information are set forth below.

Key assumptions

CN has made a number of economic and market assumptions in preparing its 2013 outlook. The Company is forecasting that North American industrial production for the year will increase by about 2.0 per cent. CN also expects U.S. housing starts to be in the range of 950,000 units and U.S. motor vehicles sales to be approximately 15 million units. In addition, CN is assuming that 2013/2014 grain crop production in both Canada and the U.S. will be in line with their respective five-year averages. With respect to the 2012/2013 crop, production in Canada was slightly above the five-year average while production in the U.S. was below the five-year average. With these assumptions, CN assumes carload growth of three to four per cent, along with continued pricing improvement above inflation. CN also assumes the Canadian-U.S. exchange rate to be around parity for 2013 and that the price of crude oil (West Texas Intermediate) for the year to be in the range of US\$90-\$100 per barrel. In 2013, CN plans to invest approximately C\$1.9 billion in capital programs, of which more than C\$1 billion will be targeted on track infrastructure to maintain a safe and fluid railway network. In addition, the Company will invest in projects to support a number of productivity and growth initiatives.

Important risk factors that could affect the forward-looking statements include, but are not limited to, the effects of general economic and business conditions, industry competition, inflation, currency and interest rate fluctuations, changes in fuel prices, legislative and/or regulatory developments, compliance with environmental laws and regulations, actions by regulators, various events which could disrupt operations, including natural events such as

severe weather, droughts, floods and earthquakes, labor negotiations and disruptions, environmental claims, uncertainties of investigations, proceedings or other types of claims and litigation, risks and liabilities arising from derailments, and other risks detailed from time to time in reports filed by CN with securities regulators in Canada and the United States. Reference should be made to “Management’s Discussion and Analysis” in CN’s annual and interim reports, Annual Information Form and Form 40-F filed with Canadian and U.S. securities regulators, available on CN’s website, for a summary of major risk factors.

CN assumes no obligation to update or revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs, unless required by applicable Canadian securities laws. In the event CN does update any forward-looking statement, no inference should be made that CN will make additional updates with respect to that statement, related matters, or any other forward-looking statement.

- 1) See discussion and reconciliation of non-GAAP adjusted performance-measures in the attached supplementary schedule, Non-GAAP Measures.
- 2) See Forward-Looking statements for a summary of the key assumptions and risks regarding CN's 2013 outlook.

CN – Canadian National Railway Company and its operating railway subsidiaries – spans Canada and mid-America, from the Atlantic and Pacific oceans to the Gulf of Mexico, serving the ports of Vancouver, Prince Rupert, B.C., Montreal, Halifax, New Orleans, and Mobile, Ala., and the key metropolitan areas of Toronto, Buffalo, Chicago, Detroit, Duluth, Minn./Superior, Wis., Green Bay, Wis., Minneapolis/St. Paul, Memphis, and Jackson, Miss., with connections to all points in North America. For more information on CN, visit the Company's website at www.cn.ca.

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CANADIAN NATIONAL RAILWAY COMPANY
CONSOLIDATED STATEMENT OF INCOME (U.S. GAAP) - unaudited
(In millions, except per share data)

Item 2

| | Three months ended December 31 | | Year ended December 31 | |
|-----------------------------------|-----------------------------------|----------|---------------------------|----------|
| | 2012 | 2011 | 2012 | 2011 |
| Revenues | \$ 2,534 | \$ 2,377 | \$ 9,920 | \$ 9,028 |
| Operating expenses | | | | |
| Labor and fringe benefits | 463 | 511 | 1,952 | 1,812 |
| Purchased services and material | 340 | 295 | 1,248 | 1,120 |
| Fuel | 400 | 382 | 1,524 | 1,412 |
| Depreciation and amortization | 237 | 231 | 924 | 884 |
| Equipment rents | 64 | 63 | 249 | 228 |
| Casualty and other | 108 | 56 | 338 | 276 |
| Total operating expenses | 1,612 | 1,538 | 6,235 | 5,732 |
| Operating income | 922 | 839 | 3,685 | 3,296 |
| Interest expense | (86) | (85) | (342) | (341) |
| Other income (loss) | (5) | 21 | 315 | 401 |
| Income before income taxes | 831 | 775 | 3,658 | 3,356 |
| Income tax expense | (221) | (183) | (978) | (899) |
| Net income | \$ 610 | \$ 592 | \$ 2,680 | \$ 2,457 |
| Earnings per share | | | | |
| Basic | \$ 1.42 | \$ 1.33 | \$ 6.15 | \$ 5.45 |
| Diluted | \$ 1.41 | \$ 1.32 | \$ 6.12 | \$ 5.41 |
| Weighted-average number of shares | | | | |
| Basic | 430.3 | 444.3 | 435.6 | 451.1 |
| Diluted | 432.0 | 447.3 | 437.7 | 454.4 |

These unaudited interim consolidated financial statements, expressed in Canadian dollars, and prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), contain all adjustments (consisting of normal recurring accruals) necessary to present fairly Canadian National Railway Company's (the Company) financial position as at December 31, 2012 and December 31, 2011, and its results of operations, comprehensive income, changes in shareholders' equity and cash flows for the three months and years ended December 31, 2012 and 2011. These consolidated financial statements have been prepared using accounting policies consistent with those used in preparing the Company's 2012 Annual Consolidated Financial Statements and should be read in conjunction with such statements, notes thereto and Management's Discussion and Analysis (MD&A).

CANADIAN NATIONAL RAILWAY COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (U.S. GAAP) - unaudited
(In millions)

| | Three months ended December 31 | | Year ended December 31 | |
|--|--------------------------------------|----------|---------------------------|----------|
| | 2012 | 2011 | 2012 | 2011 |
| Net income | \$ 610 | \$ 592 | \$ 2,680 | \$ 2,457 |
| Other comprehensive income (loss) | | | | |
| Foreign exchange gain (loss) on: | | | | |
| Translation of the net investment in foreign operations | 71 | (185) | (128) | 130 |
| Translation of US dollar-denominated long-term debt designated as a hedge of the net investment in U.S. subsidiaries | (66) | 180 | 123 | (122) |
| Pension and other postretirement benefit plans | | | | |
| Net actuarial loss arising during the year | (660) | (1,541) | (660) | (1,541) |
| Prior service cost arising during the year | (6) | (28) | (6) | (28) |
| Amortization of net actuarial loss included in net periodic benefit cost (income) | 27 | 2 | 119 | 8 |
| Amortization of prior service cost included in net periodic benefit cost (income) | 2 | 2 | 7 | 4 |
| Derivative instruments | - | (1) | - | (2) |
| Other comprehensive loss before income taxes | (632) | (1,571) | (545) | (1,551) |
| Income tax recovery | 178 | 379 | 127 | 421 |
| Other comprehensive loss | (454) | (1,192) | (418) | (1,130) |
| Comprehensive income (loss) | \$ 156 | \$ (600) | \$ 2,262 | \$ 1,327 |

CANADIAN NATIONAL RAILWAY COMPANY
CONSOLIDATED BALANCE SHEET (U.S. GAAP) - unaudited
(In millions)

| | December 31 2012 | December 31 2011 |
|---|---------------------|---------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 155 | \$ 101 |
| Restricted cash and cash equivalents | 521 | 499 |
| Accounts receivable | 831 | 820 |
| Material and supplies | 230 | 201 |
| Deferred and receivable income taxes | 43 | 122 |
| Other | 89 | 105 |
| Total current assets | 1,869 | 1,848 |
| Properties | 24,541 | 23,917 |
| Intangible and other assets | 249 | 261 |
| Total assets | \$ 26,659 | \$ 26,026 |
| Liabilities and shareholders' equity | | |
| Current liabilities: | | |
| Accounts payable and other | \$ 1,626 | \$ 1,580 |
| Current portion of long-term debt | 577 | 135 |
| Total current liabilities | 2,203 | 1,715 |
| Deferred income taxes | 5,555 | 5,333 |
| Pension and other postretirement benefits, net of current portion | 784 | 1,095 |
| Other liabilities and deferred credits | 776 | 762 |
| Long-term debt | 6,323 | 6,441 |
| Shareholders' equity: | | |
| Common shares | 4,108 | 4,141 |
| Accumulated other comprehensive loss | (3,257) | (2,839) |
| Retained earnings | 10,167 | 9,378 |
| Total shareholders' equity | 11,018 | 10,680 |
| Total liabilities and shareholders' equity | \$ 26,659 | \$ 26,026 |

These unaudited interim consolidated financial statements, expressed in Canadian dollars, and prepared in accordance with U.S. GAAP, contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the Company's financial position as at December 31, 2012 and December 31, 2011, and its results of operations, comprehensive income, changes in shareholders' equity and cash flows for the three months and years ended December 31, 2012 and 2011. These consolidated financial statements have been prepared using accounting policies consistent with those used in preparing the Company's 2012 Annual Consolidated Financial Statements and should be read in conjunction with such statements, notes thereto and MD&A.

CANADIAN NATIONAL RAILWAY COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (U.S. GAAP)

- unaudited
(In millions)

| | Three months ended | | Year ended | |
|---|--------------------|------------|-------------|------------|
| | December 31 | | December 31 | |
| | 2012 | 2011 | 2012 | 2011 |
| Common shares (1) | | | | |
| Balance, beginning of period | \$ 4,120 | \$ 4,149 | \$ 4,141 | \$ 4,252 |
| Stock options exercised and other | 23 | 24 | 128 | 74 |
| Share repurchase programs | (35) | (32) | (161) | (185) |
| Balance, end of period | \$ 4,108 | \$ 4,141 | \$ 4,108 | \$ 4,141 |
| Accumulated other comprehensive loss | | | | |
| Balance, beginning of period | \$ (2,803) | \$ (1,647) | \$ (2,839) | \$ (1,709) |
| Other comprehensive loss | (454) | (1,192) | (418) | (1,130) |
| Balance, end of period | \$ (3,257) | \$ (2,839) | \$ (3,257) | \$ (2,839) |
| Retained earnings | | | | |
| Balance, beginning of period | \$ 9,988 | \$ 9,154 | \$ 9,378 | \$ 8,741 |
| Net income | 610 | 592 | 2,680 | 2,457 |
| Share repurchase programs | (270) | (224) | (1,239) | (1,235) |
| Dividends | (161) | (144) | (652) | (585) |
| Balance, end of period | \$ 10,167 | \$ 9,378 | \$ 10,167 | \$ 9,378 |

(1) During the three months and year ended December 31, 2012, the Company issued 0.5 million and 3.2 million common shares, respectively, as a result of stock options exercised and repurchased 3.6 million and 16.9 million common shares, respectively, under its share repurchase programs. At December 31, 2012, the Company had 428.4 million common shares outstanding.

CANADIAN NATIONAL RAILWAY COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS (U.S. GAAP) - unaudited
(In millions)

| | Three months ended December 31 | | Year ended December 31 | |
|---|-----------------------------------|--------|---------------------------|----------|
| | 2012 | 2011 | 2012 | 2011 |
| Operating activities | | | | |
| Net income | \$ 610 | \$ 592 | \$ 2,680 | \$ 2,457 |
| Adjustments to reconcile net income to net cash | | | | |
| provided by operating activities: | | | | |
| Depreciation and amortization | 237 | 231 | 924 | 884 |
| Deferred income taxes | 120 | 204 | 451 | 531 |
| Gain on disposal of property | - | - | (281) | (348) |
| Changes in operating assets and liabilities: | | | | |
| Accounts receivable | 17 | (34) | (20) | (51) |
| Material and supplies | 43 | 70 | (30) | 11 |
| Accounts payable and other | (11) | (68) | 129 | 34 |
| Other current assets | (7) | (11) | (13) | (2) |
| Pensions and other, net | (285) | (393) | (780) | (540) |
| Net cash provided by operating activities | 724 | 591 | 3,060 | 2,976 |
| Investing activities | | | | |
| Property additions | (610) | (613) | (1,731) | (1,625) |
| Disposal of property | - | - | 311 | 369 |
| Change in restricted cash and cash equivalents | (3) | (10) | (22) | (499) |
| Other, net | 16 | 4 | 21 | 26 |
| Net cash used in investing activities | (597) | (619) | (1,421) | (1,729) |
| Financing activities | | | | |
| Issuance of debt | 493 | 1,165 | 2,354 | 1,361 |
| Repayment of debt | (195) | (858) | (2,001) | (1,083) |
| Issuance of common shares due to exercise of stock options and related excess tax benefits realized | 20 | 21 | 117 | 77 |
| Repurchase of common shares | (305) | (256) | (1,400) | (1,420) |
| Dividends paid | (161) | (144) | (652) | (585) |
| Net cash used in financing activities | (148) | (72) | (1,582) | (1,650) |
| Effect of foreign exchange fluctuations on US dollar-denominated cash and cash equivalents | 1 | 9 | (3) | 14 |
| Net increase (decrease) in cash and cash equivalents | (20) | (91) | 54 | (389) |
| | 175 | 192 | 101 | 490 |

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| | | | | | | | | |
|---|----|---------|----|---------|----|---------|----|---------|
| Cash and cash equivalents, beginning of period | | | | | | | | |
| Cash and cash equivalents, end of period | \$ | 155 | \$ | 101 | \$ | 155 | \$ | 101 |
| Supplemental cash flow information | | | | | | | | |
| Net cash receipts from customers and other | | | | | | | | |
| | \$ | 2,481 | \$ | 2,336 | \$ | 9,877 | \$ | 8,995 |
| Net cash payments for: | | | | | | | | |
| Employee services, suppliers and other expenses | | | | | | | | |
| | | (1,239) | | (1,092) | | (5,241) | | (4,643) |
| | | (89) | | (80) | | (364) | | (329) |
| | | (22) | | (49) | | (79) | | (97) |
| | | (257) | | (365) | | (844) | | (468) |
| | | (150) | | (159) | | (289) | | (482) |
| Net cash provided by operating activities | \$ | 724 | \$ | 591 | \$ | 3,060 | \$ | 2,976 |

CANADIAN NATIONAL RAILWAY COMPANY
 SELECTED RAILROAD STATISTICS (U.S. GAAP) - unaudited

| | Three months ended December 31 | | Year ended December 31 | |
|--|-----------------------------------|--------|---------------------------|---------|
| | 2012 | 2011 | 2012 | 2011 |
| Statistical operating data | | | | |
| Rail freight revenues (\$ millions) | 2,280 | 2,132 | 8,938 | 8,111 |
| Gross ton miles (GTM) (millions) | 97,873 | 92,128 | 383,754 | 357,927 |
| Revenue ton miles (RTM) (millions) | 52,124 | 48,156 | 201,496 | 187,753 |
| Carloads (thousands) | 1,270 | 1,232 | 5,059 | 4,873 |
| Route miles (includes Canada and the U.S.) (1) | 20,100 | 20,000 | 20,100 | 20,000 |
| Employees (end of period) | 23,430 | 23,339 | 23,430 | 23,339 |
| Employees (average for the period) | 23,532 | 23,433 | 23,466 | 23,079 |
| Productivity | | | | |
| Operating ratio (%) | 63.6 | 64.7 | 62.9 | 63.5 |
| Rail freight revenue per RTM (cents) | 4.37 | 4.43 | 4.44 | 4.32 |
| Rail freight revenue per carload (\$) | 1,795 | 1,731 | 1,767 | 1,664 |
| Operating expenses per GTM (cents) | 1.65 | 1.67 | 1.62 | 1.60 |
| Labor and fringe benefits expense per GTM (cents) | 0.47 | 0.55 | 0.51 | 0.51 |
| GTMs per average number of employees (thousands) | 4,159 | 3,932 | 16,354 | 15,509 |
| Diesel fuel consumed (US gallons in millions) | 99.9 | 94.3 | 388.7 | 367.7 |
| Average fuel price (\$/US gallon) | 3.53 | 3.55 | 3.47 | 3.39 |
| GTMs per US gallon of fuel consumed | 980 | 977 | 987 | 973 |
| Safety indicators | | | | |
| Injury frequency rate per 200,000 person hours (2) | 1.34 | 1.32 | 1.31 | 1.55 |
| Accident rate per million train miles (2) | 1.77 | 1.96 | 2.10 | 2.25 |
| Financial ratio | | | | |
| Debt-to-total capitalization ratio (% at end of period) (3) | 38.5 | 38.1 | 38.5 | 38.1 |

(1) Rounded to the nearest hundred miles.
 (2) Based on Federal Railroad Administration (FRA) reporting criteria.
 (3) Debt-to-total capitalization is calculated as total long-term debt plus current portion of long-term debt, divided by the sum of total debt plus total shareholders' equity.

Certain of the 2011 comparative figures have been restated to conform with the 2012 presentation. Such 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.

CANADIAN NATIONAL RAILWAY COMPANY
SUPPLEMENTARY INFORMATION (U.S. GAAP) - unaudited

| | Three months ended December 31 | | | | Year ended December 31 | | | |
|------------------------------------|--------------------------------|--------|----------------------|---|------------------------|---------|----------------------|---|
| | 2012 | 2011 | % Change Fav (Unfav) | % Change at constant currency Fav (Unfav) (1) | 2012 | 2011 | % Change Fav (Unfav) | % Change at constant currency Fav (Unfav) (1) |
| Revenues (millions of dollars) | | | | | | | | |
| Petroleum and chemicals | 427 | 377 | 13% | 16% | 1,640 | 1,420 | 15% | 15% |
| Metals and minerals | 274 | 278 | (1%) | 1% | 1,133 | 1,006 | 13% | 12% |
| Forest products | 323 | 329 | (2%) | - | 1,331 | 1,270 | 5% | 4% |
| Coal | 171 | 149 | 15% | 17% | 712 | 618 | 15% | 15% |
| Grain and fertilizers | 459 | 413 | 11% | 13% | 1,590 | 1,523 | 4% | 4% |
| Intermodal | 498 | 464 | 7% | 8% | 1,994 | 1,790 | 11% | 11% |
| Automotive | 128 | 122 | 5% | 7% | 538 | 484 | 11% | 10% |
| Total rail freight revenues | 2,280 | 2,132 | 7% | 9% | 8,938 | 8,111 | 10% | 10% |
| Other revenues | 254 | 245 | 4% | 5% | 982 | 917 | 7% | 6% |
| Total revenues | 2,534 | 2,377 | 7% | 8% | 9,920 | 9,028 | 10% | 9% |
| Revenue ton miles (millions) | | | | | | | | |
| Petroleum and chemicals | 10,154 | 8,532 | 19% | 19% | 37,449 | 32,962 | 14% | 14% |
| Metals and minerals | 5,000 | 5,119 | (2%) | (2%) | 20,236 | 18,899 | 7% | 7% |
| Forest products | 7,141 | 7,345 | (3%) | (3%) | 29,674 | 29,336 | 1% | 1% |
| Coal | 5,754 | 4,685 | 23% | 23% | 23,570 | 19,980 | 18% | 18% |
| Grain and fertilizers | 12,826 | 11,900 | 8% | 8% | 45,417 | 45,468 | - | - |
| Intermodal | 10,614 | 9,950 | 7% | 7% | 42,396 | 38,563 | 10% | 10% |
| Automotive | 635 | 625 | 2% | 2% | 2,754 | 2,545 | 8% | 8% |
| | 52,124 | 48,156 | 8% | 8% | 201,496 | 187,753 | 7% | 7% |
| Rail freight revenue / RTM (cents) | | | | | | | | |
| Total rail freight revenue per RTM | 4.37 | 4.43 | (1%) | - | 4.44 | 4.32 | 3% | 2% |
| Commodity groups: | | | | | | | | |
| Petroleum and chemicals | 4.21 | 4.42 | (5%) | (3%) | 4.38 | 4.31 | 2% | 1% |
| Metals and minerals | 5.48 | 5.43 | 1% | 3% | 5.60 | 5.32 | 5% | 4% |
| Forest products | 4.52 | 4.48 | 1% | 3% | 4.49 | 4.33 | 4% | 3% |
| Coal | 2.97 | 3.18 | (7%) | (5%) | 3.02 | 3.09 | (2%) | (3%) |

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|---|-------|-------|------|------|-------|-------|------|------|
| Grain and fertilizers | 3.58 | 3.47 | 3% | 5% | 3.50 | 3.35 | 4% | 4% |
| Intermodal | 4.69 | 4.66 | 1% | 2% | 4.70 | 4.64 | 1% | 1% |
| Automotive | 20.16 | 19.52 | 3% | 6% | 19.54 | 19.02 | 3% | 2% |
| Carloads (thousands) | | | | | | | | |
| Petroleum and chemicals | 150 | 139 | 8% | 8% | 594 | 560 | 6% | 6% |
| Metals and minerals | 246 | 261 | (6%) | (6%) | 1,024 | 1,013 | 1% | 1% |
| Forest products | 109 | 109 | - | - | 445 | 443 | - | - |
| Coal | 103 | 110 | (6%) | (6%) | 435 | 464 | (6%) | (6%) |
| Grain and fertilizers | 171 | 152 | 13% | 13% | 597 | 592 | 1% | 1% |
| Intermodal | 437 | 408 | 7% | 7% | 1,742 | 1,584 | 10% | 10% |
| Automotive | 54 | 53 | 2% | 2% | 222 | 217 | 2% | 2% |
| | 1,270 | 1,232 | 3% | 3% | 5,059 | 4,873 | 4% | 4% |
| Rail freight revenue / carload (dollars) | | | | | | | | |
| Total rail freight revenue per carload | 1,795 | 1,731 | 4% | 6% | 1,767 | 1,664 | 6% | 6% |
| Commodity groups: | | | | | | | | |
| Petroleum and chemicals | 2,847 | 2,712 | 5% | 7% | 2,761 | 2,536 | 9% | 8% |
| Metals and minerals | 1,114 | 1,065 | 5% | 7% | 1,106 | 993 | 11% | 10% |
| Forest products | 2,963 | 3,018 | (2%) | - | 2,991 | 2,867 | 4% | 4% |
| Coal | 1,660 | 1,355 | 23% | 25% | 1,637 | 1,332 | 23% | 22% |
| Grain and fertilizers | 2,684 | 2,717 | (1%) | 1% | 2,663 | 2,573 | 3% | 3% |
| Intermodal | 1,140 | 1,137 | - | 1% | 1,145 | 1,130 | 1% | 1% |
| Automotive | 2,370 | 2,302 | 3% | 5% | 2,423 | 2,230 | 9% | 8% |

(1) See supplementary schedule entitled Non-GAAP Measures for an explanation of this Non-GAAP measure.

Such 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.

CANADIAN NATIONAL RAILWAY COMPANY
NON-GAAP MEASURES - unaudited

Adjusted performance measures

For the three months and year ended December 31, 2012, the Company reported adjusted net income of \$610 million, or \$1.41 per diluted share and \$2,456 million, or \$5.61 per diluted share, respectively. The adjusted figures for the year ended December 31, 2012 exclude a gain on disposal of a segment of the Bala and a segment of the Oakville subdivisions, together with the rail fixtures and certain passenger agreements, of \$281 million, or \$252 million after-tax (\$0.57 per diluted share); and a net income tax expense of \$28 million (\$0.06 per diluted share) consisting of a \$35 million income tax expense resulting from the enactment of higher provincial corporate income tax rates that was partly offset by a \$7 million income tax recovery resulting from the recapitalization of a foreign investment. For the three months and year ended December 31, 2011, the Company reported adjusted net income of \$581 million, or \$1.30 per diluted share and \$2,194 million, or \$4.84 per diluted share, respectively. The adjusted figures for the three months and year ended December 31, 2011 exclude an income tax recovery of \$11 million (\$0.02 per diluted share) relating to certain fuel costs attributed to various wholly owned subsidiaries in prior periods. The adjusted figures for the year ended December 31, 2011 also exclude a net income tax expense of \$40 million (\$0.08 per diluted share) resulting from the enactment of state corporate income tax rate changes and other legislated state tax revisions; a gain on disposal of a segment of the Company's Kingston subdivision, together with the rail fixtures and certain passenger agreements, of \$288 million, or \$254 million after-tax (\$0.55 per diluted share); and a gain on disposal of substantially all of the assets of IC RailMarine Terminal Company of \$60 million, or \$38 million after-tax (\$0.08 per diluted share).

Management believes that adjusted net income and adjusted earnings per share 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 of the Company and could distort the analysis of trends in business performance. The exclusion of such items in adjusted net income and adjusted earnings per share does not, however, imply that such items are necessarily non-recurring. These adjusted measures do not have any standardized meaning prescribed by GAAP and may, therefore, not be comparable to similar measures presented by other companies. The reader is advised to read all information provided in the Company's 2012 Annual Consolidated Financial Statements, Notes thereto and Management's Discussion and Analysis (MD&A). The following tables provide a reconciliation of net income and earnings per share, as reported for the three months and year ended December 31, 2012 and 2011, to the adjusted performance measures presented herein.

| In millions, except per share data | Three months ended December 31, 2012 | | | Year ended December 31, 2012 | | |
|------------------------------------|---|-------------|----------|---------------------------------|-------------|----------|
| | Reported | Adjustments | Adjusted | Reported | Adjustments | Adjusted |
| Revenues | \$ 2,534 | \$ - | \$ 2,534 | \$ 9,920 | \$ - | \$ 9,920 |
| Operating expenses | 1,612 | - | 1,612 | 6,235 | - | 6,235 |
| Operating income | 922 | - | 922 | 3,685 | - | 3,685 |
| Interest expense | (86) | - | (86) | (342) | - | (342) |
| Other income (loss) | (5) | - | (5) | 315 | (281) | 34 |
| Income before income taxes | 831 | - | 831 | 3,658 | (281) | 3,377 |
| | (221) | - | (221) | (978) | 57 | (921) |

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| | | | | | | | | |
|----------------------------|---------|------|---------|----------|-----------|----------|--|--|
| Income tax expense | | | | | | | | |
| Net income | \$ 610 | \$ - | \$ 610 | \$ 2,680 | \$ (224) | \$ 2,456 | | |
| Operating ratio | 63.6% | | 63.6% | 62.9% | | 62.9% | | |
| Effective tax rate | 26.6% | | 26.6% | 26.7% | | 27.3% | | |
| Basic earnings per share | \$ 1.42 | \$ - | \$ 1.42 | \$ 6.15 | \$ (0.51) | \$ 5.64 | | |
| Diluted earnings per share | \$ 1.41 | \$ - | \$ 1.41 | \$ 6.12 | \$ (0.51) | \$ 5.61 | | |

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CANADIAN NATIONAL RAILWAY COMPANY
NON-GAAP MEASURES - unaudited

| In millions, except per share data | Three months ended December 31, 2011 | | | Year ended December 31, 2011 | | |
|------------------------------------|---|-------------|----------|---------------------------------|-------------|----------|
| | Reported | Adjustments | Adjusted | Reported | Adjustments | Adjusted |
| Revenues | \$ 2,377 | \$ - | \$ 2,377 | \$ 9,028 | \$ - | \$ 9,028 |
| Operating expenses | 1,538 | - | 1,538 | 5,732 | - | 5,732 |
| Operating income | 839 | - | 839 | 3,296 | - | 3,296 |
| Interest expense | (85) | - | (85) | (341) | - | (341) |
| Other income | 21 | - | 21 | 401 | (348) | 53 |
| Income before income taxes | 775 | - | 775 | 3,356 | (348) | 3,008 |
| Income tax expense | (183) | (11) | (194) | (899) | 85 | (814) |
| Net income | \$ 592 | \$ (11) | \$ 581 | \$ 2,457 | \$ (263) | \$ 2,194 |
| Operating ratio | 64.7% | | 64.7% | 63.5% | | 63.5% |
| Effective tax rate | 23.6% | | 25.0% | 26.8% | | 27.1% |
| Basic earnings per share | \$ 1.33 | \$ (0.02) | \$ 1.31 | \$ 5.45 | \$ (0.57) | \$ 4.88 |
| Diluted earnings per share | \$ 1.32 | \$ (0.02) | \$ 1.30 | \$ 5.41 | \$ (0.57) | \$ 4.84 |

Constant currency

Although CN conducts its business and reports its earnings in Canadian dollars, a large portion of revenues and expenses is denominated in US dollars. As such, the Company's results are affected by exchange-rate fluctuations. Financial results at "constant currency" allow results to be viewed without the impact of fluctuations in foreign currency exchange rates, thereby facilitating period-to-period comparisons in the analysis of trends in business performance. Measures at constant currency are considered non-GAAP measures and do not have any standardized meaning prescribed by GAAP and may, therefore, not be comparable to similar measures presented by other companies. Financial results at constant currency are obtained by translating the current period results denominated in US dollars at the foreign exchange rates of the comparable period of the prior year. The average foreign exchange rates were \$0.99 and \$1.00 per US\$1.00, respectively, for the three months and year ended December 31, 2012, and \$1.02 and \$0.99 per US\$1.00, respectively, for the three months and year ended December 31, 2011.

On a constant currency basis, the Company's 2012 fourth quarter net income would have been higher by \$11 million, or \$0.03 per diluted share, and the 2012 twelve-month net income would have been lower by \$14 million, or \$0.03 per diluted share, respectively. The following table presents a reconciliation of 2012 net income as reported to net income on a constant currency basis:

| In millions | Three months ended | Year ended |
|-------------|--------------------|-------------------|
| | December 31, 2012 | December 31, 2012 |
| | | |

| | | | | | |
|--|---|----|-----|----|-------|
| Net income, as reported | | \$ | 610 | \$ | 2,680 |
| Add back: | | | | | |
| | Negative (positive) impact due to the strengthening (weakening) Canadian dollar included in net income | | 9 | | (11) |
| Add: | | | | | |
| | Increase (decrease) due to the strengthening (weakening) Canadian dollar on additional year-over-year US\$ net income | | 2 | | (3) |
| Impact of foreign exchange using constant currency rates | | | 11 | | (14) |
| Net income, on a constant currency basis | | \$ | 621 | \$ | 2,666 |

CANADIAN NATIONAL RAILWAY COMPANY
NON-GAAP MEASURES - unaudited

Free cash flow

The Company utilized \$30 million and generated \$1,006 million of free cash flow for the three months and year ended December 31, 2012, respectively, compared to utilized \$153 million and generated \$1,175 million for the same periods in 2011, respectively. 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 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. The Company defines free cash flow as the sum of net cash provided by operating activities, adjusted for changes 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, calculated as follows:

| In millions | Three months ended | | Year ended | |
|--|--------------------|----------|-------------|----------|
| | December 31 | | December 31 | |
| | 2012 | 2011 | 2012 | 2011 |
| Net cash provided by operating activities | \$ 724 | \$ 591 | \$ 3,060 | \$ 2,976 |
| Net cash used in investing activities | (597) | (619) | (1,421) | (1,729) |
| Net cash provided (utilized) before financing activities | 127 | (28) | 1,639 | 1,247 |
| Adjustments: | | | | |
| Dividends paid | (161) | (144) | (652) | (585) |
| Change in restricted cash and cash equivalents | 3 | 10 | 22 | 499 |
| Effect of foreign exchange fluctuations on US dollar-denominated cash and cash equivalents | 1 | 9 | (3) | 14 |
| Free cash flow | \$ (30) | \$ (153) | \$ 1,006 | \$ 1,175 |

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: January 22, 2013

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