

SURFACE TRANSPORTATION BOARD Washington D.C. 20423		SURFACE TRANSPORTATION BOARD QUARTERLY REPORT OF REVENUES, EXPENSES AND INCOME-RAILROADS				
	FORM RE&I	QUARTER 1st 2nd 3rd 4th X		YEAR 2012		
<b>Grand Trunk Corporation</b> 935 de La Gauchetiere Street West, Financial Reporting (Floor 4) Montreal, Quebec, Canada H3B 2M9						
(Dollar amounts in 000's)		Code No.	FIGURES FOR THE QUARTER		CUMULATIVE FIGURES	
DESCRIPTIONS (A)			THIS YEAR (B)	LAST YEAR (C)	THIS YEAR (D)	LAST YEAR (E)
Freight (Account 101)		1	696,153	620,440	1,355,011	1,207,147
Passenger (Account 102)		2	-	-	-	-
Passenger-Related (Account 103)		3	-	-	-	-
All other operating revenues (Accounts 104, 105, 106, 110, 502, 503)		4	89,778	99,422	137,146	153,917
Joint Facility Account (Account 120)		5	-	-	-	-
<b>Railway Operating Revenues (All Above)</b>		6	785,931	719,862	1,492,157	1,361,064
Depreciation-Road (Accounts 62-11-00, 62-12-00, 62-13-00)		7	45,197	44,125	90,395	88,248
All other way & structure accounts		8	66,488	55,470	121,422	121,206
Total way & structures		9	111,685	99,595	211,817	209,454
Depreciation-Equipment (Accounts 62-21-00, 62-22-20, 62-23-00)		10	16,751	16,778	33,486	32,575
All other equipment accounts		11	47,809	42,414	110,957	87,380
Total equipment		12	64,560	59,192	144,443	119,955
Transportation-Train, Yard and Train & Yard Common		13	184,023	190,498	379,752	370,643
Transportation-Specialized Services, Administration Support		14	79,436	62,641	126,209	108,847
General & Administration		15	65,331	66,489	131,731	134,192
<b>Railway Operating Expenses (Account 531)</b>		16	505,035	478,415	993,952	943,091
<b>Net revenue from railway operations (Lines 6 minus 16)</b>		17	280,896	241,447	498,205	417,973
Other Income Accounts (506, 510-519)		18	2,527	6,057	4,594	8,879
Income from Affiliated Companies:						
Dividends		19	-	-	-	-
Equity in undistributed earnings (losses)		20	(3,075)	217	(3,032)	780
Total income from affiliated companies		21	(3,075)	217	(3,032)	780
Miscellaneous deductions from income (Accounts 534, 535, 543, 544, 545, 549-551 and 553)		22	430	1,589	851	2,234
<b>Income Available for Fixed Charges (Lines 17, 18, 21 minus 22)</b>		23	279,918	246,132	498,916	425,398
Interest on funded debt (Accounts 546a, 546b)		24	71,645	71,750	143,244	143,429
Interest on unfunded debt (Account 547)		25	-	-	-	-
Amortization of discount on funded debt (Account 548)		26	23	24	47	47
<b>Total fixed charges</b>		27	71,668	71,774	143,291	143,476
<b>Income after fixed charges</b>		28	208,250	174,358	355,625	281,922
Other deductions (Account 546c)		29	-	-	-	-
Unusual or infrequent items (Debit) Credit Account 555)		30	-	-	-	-
<b>Income (Loss) from continuing operations before income taxes</b>		31	208,250	174,358	355,625	281,922
Income taxes on ordinary income (Account 556)		32	70,924	24,955	118,917	28,178
Provision for deferred income taxes (Account 557)		33	12,008	85,372	33,856	124,207
<b>Income from continuing operations</b>		34	125,318	64,031	202,852	129,537

(Dollar amounts in 000's) DESCRIPTIONS (A)	Code No.	FIGURES FOR THE QUARTER		CUMULATIVE FIGURES	
		THIS YEAR (B)	LAST YEAR (C)	THIS YEAR (D)	LAST YEAR (E)
Income or loss from operations of discontinued segments (less applicable income taxes of \$ ) (Account 560)	35	-	-	-	-
Gain or loss on disposal of discontinued segments (less applicable income taxes of \$ ) (Account 562)	36	-	-	-	-
<b>Income (Loss) before extraordinary items</b>	37	125,318	64,031	202,852	129,537
Extraordinary items (net) (Account 570)	38	-	-	-	-
Income taxes on extraordinary items (Account 590)	39	-	-	-	-
Provisions for deferred taxes-Extraordinary items (Account 591)	40	-	-	-	-
Cumulative effect of changes in accounting principles (Account 592)	41	-	-	-	-
<b>Net income</b>	42	125,318	64,031	202,852	129,537
Dividends on common stock (Account 623)	43	-	-	-	-
Dividends on preferred stock (Account 623)	44	-	-	-	-
Expenses to revenues	45	64.26%	66.46%	66.61%	69.29%
Total maintenance to revenues	46	22.42%	22.06%	23.88%	24.20%
Transportation to revenues	47	33.52%	35.16%	33.91%	35.23%

Reconciliation of Net Railway Operating Income (NROI)	STB USE ONLY
Net Revenues from Railway Operations \$ 280,896	<b>REMARKS</b>
Income Taxes on Ordinary Income (70,924)	
Provisions for Deferred Income Taxes (12,008)	
Income from Lease of Road & Equipment -	
Rent for leased Roads and Equipment 48	
<b>Net Railway Operating Income \$ 198,012</b>	

**CERTIFICATION**

I, THE UNDERSIGNED, Costa Bucci, Assistant Comptroller - Financial Reporting, of the Grand Trunk Corporation state that this report was prepared by me or under my supervision; that I have carefully examined it; and on the basis of my knowledge, belief, and verification (when necessary) I declare it to be a full, true and correct statement of the revenue, expense and income accounts named, and that the various items reported were determined in accordance with effective rules promulgated by the Surface Transportation Board.

Date: July 30, 2012

Signature Costa Bucci

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