

| FOR STB USE ONLY | QUARTER | | | Year | SURFACE TRANSPORTATION BOARD | | | | | |
|--|----------------|------------|------------|-------------|-------------------------------------|--|---------------------------|-------------------------|-------------------------|------------------------|
| | 1st | 2nd | 3rd | 4th | | QUARTERLY CONDENSED BALANCE SHEET | | | | |
| | X | | | | 2011 | RAILROADS | | | | |
| Grand Trunk Corporation | | | | | | | | | | |
| 935 de La Gauchetiere Street West, Financial Reporting (Floor 4) | | | | | | | | | | |
| Montreal, Quebec, Canada H3B 2M9 | | | | | | | | | | |
| (Dollar amounts in 000's) | | | | | | | | | | |
| DESCRIPTIONS (a) | | | | | CODE NO. | Balance at End of Quarter | | | | |
| | | | | | | This Year (b) | | Last Year (c) | | |
| ASSETS | | | | | | | | | | |
| Cash (Account 701) | | | | | 1 | (9,145) | | (5,799) | | |
| Temporary cash investments and Special Deposits (Accounts 702 & 703) | | | | | 2 | - | | - | | |
| Accounts Receivable (Accounts 704-709.5) | | | | | 3 | 48,376 | | 71,963 | | |
| Prepayments and working funds (Accounts 710,711,714) | | | | | 4 | 46,250 | | 83,604 | | |
| Materials and supplies (Account 712) | | | | | 5 | 67,095 | | 60,559 | | |
| Other current assets (Account 713) | | | | | 6 | 7,187 | | 6,029 | | |
| Total Current Assets | | | | | 7 | 159,763 | | 216,356 | | |
| Special funds and other investments and advances (Accts.715-717 & 722-724) | | | | | 8 | 702 | | 140 | | |
| Investments and advances; affiliated companies (Accts. 721,721.5) | | | | | 9 | 298,738 | | 387,495 | | |
| Transportation property - net (Accounts 731-736) | | | | | 10 | 9,660,430 | | 9,336,640 | | |
| Property used in other than carrier operations (Accounts 737 and 738) | | | | | 11 | 45,554 | | 45,558 | | |
| Other assets and deferred debits (Accounts 739, 741, 743 and 744) | | | | | 12 | 122,137 | | 73,404 | | |
| Total Assets | | | | | 13 | 10,287,324 | | 10,059,593 | | |
| LIABILITIES | | | | | | | | | | |
| Current liabilities (Accts. 751-761.5, 762,763,764) | | | | | 14 | 514,024 | | 398,350 | | |
| Long term debt due after one year (Accts. 765-770.2) | | | | | 15 | 4,179,382 | | 3,924,548 | | |
| Deferred revenues - Transfers from governmental authorities (Acct.783) | | | | | 16 | 7,255 | | 8,414 | | |
| Accumulated deferred income tax credits (Acct. 786) | | | | | 17 | 3,025,766 | | 2,872,552 | | |
| Other liabilities and deferred credits (Accts. 771,772,774,775,781,782,784) | | | | | 18 | 445,468 | | 386,567 | | |
| Total Liabilities | | | | | 19 | 8,171,895 | | 7,590,431 | | |
| SHAREHOLDERS EQUITY | | | | | | | | | | |
| Capital stock (Accts. 791-793) | | | | | 20 | 10 | | 10 | | |
| Additional capital (Acct. 794,795) | | | | | 21 | 150,465 | | 133,734 | | |
| Retained earnings (Acct. 797,798 and 798.1) | | | | | 22 | 1,964,954 | | 2,335,418 | | |
| less: Treasury stock | | | | | 23 | - | | - | | |
| Equity in undistributed earnings (losses) of affiliated co's. | | | | | 24 | - | | - | | |
| Total Shareholders Equity | | | | | 25 | 2,115,429 | | 2,469,162 | | |
| Total Liabilities and Shareholders Equity | | | | | 26 | 10,287,324 | | 10,059,593 | | |
| GROSS EXPENDITURES FOR ADDITIONS & BETTERMENTS (Accts. 731 & 732) | | | | | | | | | | |
| | | | | | FIGURES FOR THE QUARTER | | CUMULATIVE FIGURES | | | |
| | | | | | This Year (a) | Last year (b) | | This Year (c) | Last year (d) | |
| Road | | | | | | 81,278 | 43,299 | 27 | 81,278 | 43,299 |
| Equipment | | | | | | 10,072 | 1,984 | 28 | 10,072 | 1,984 |
| Total | | | | | | 91,350 | 45,283 | 29 | 91,350 | 45,283 |
| | | | | | | | | | Figures for Qtr. | Cumulative fig. |
| No. of Revenue Tons Carried | | | | | 30 | 45,335,665 | | | 45,335,665 | |
| No. of Revenue Tons Carried One Mile (thousands) | | | | | 31 | 13,090,716 | | | 13,090,716 | |

1. Under order of the Board, Class I railroads, excluding switching and terminal companies, are required to file quarterly reports of balance sheet items, Form CBS, in duplicate, in the Office of Economics, Surface Transportation Board, Washington, D.C. 20423, within 30 days after the close of each quarter. Reports should be prepared on a calendar quarter basis beginning with the first day of January, April, July and October.

2. The items reported on Form CBS should be taken from and agree with the accounts kept in conformity with current Uniform System of Accounts for Railroad Companies prescribed by the Surface Transportation Board. Report undistributed earnings from certain investments in account 721, in accordance with Docket No. 35949, The Equity Method of Accounting for Certain Long-Term Investments in Common Stocks. The account numbers refer to the accounts in the Uniform System of Accounts. Reverse items should be shown in parentheses. Dollar amounts should be shown in thousands.

3. Unusual transactions or items which reflect an important change in the financial condition of the carrier should be identified and explained in a footnote under "Remarks."

4. The certification must be accompanied by an officer of the carrier.

It is estimated that an average of 6 burden hours per response are required to complete this collection of information. This estimate includes time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Comments concerning the accuracy of this burden estimate or suggestions for reducing this burden should be directed to the Section of Administrative Services, Surface transportation Board and the Office of Information and Regulatory Affairs, Office of Management and Budget.

REMARKS

I, THE UNDERSIGNED, Costa Bucci, Assistant Comptroller - Financial Reporting of Grand Trunk Corporation state
(Name and Title of officer in charge of accounts) *(Full name of reporting company)*

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 (where necessary) declare it to be a full, true and correct statement of the balance sheet accounts named, and that the various items here reported were determined in accordance with effective rules promulgated by the Surface Transportation Board.

Signature _____

Telephone Number (514) 399 - 4056
(Area Code) (Number)

Date April 29, 2011