

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 2011
Grand Trunk Corporation 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	629,357	587,306	2,497,948	2,224,318
Passenger (Account 102)		2	-	-	-	-
Passenger-Related (Account 103)		3	-	-	-	-
All other operating revenues (Accounts 104, 105, 106, 110, 502, 503)		4	89,908	84,309	325,332	309,673
Joint Facility Account (Account 120)		5	-	-	-	-
Railway Operating Revenues (All Above)		6	719,265	671,615	2,823,280	2,533,991
Depreciation-Road (Accounts 62-11-00, 62-12-00, 62-13-00)		7	46,492	44,828	179,172	174,098
All other way & structure accounts		8	54,389	50,319	232,326	214,661
Total way & structures		9	100,881	95,147	411,498	388,759
Depreciation-Equipment (Accounts 62-21-00, 62-22-20, 62-23-00)		10	17,198	12,432	65,718	43,069
All other equipment accounts		11	46,658	45,899	178,628	178,391
Total equipment		12	63,856	58,331	244,346	221,460
Transportation-Train, Yard and Train & Yard Common		13	303,848	155,609	841,980	610,819
Transportation-Specialized Services, Administration Support		14	56,108	59,038	229,297	212,348
General & Administration		15	50,225	58,267	254,989	290,011
Railway Operating Expenses (Account 531)		16	574,918	426,392	1,982,110	1,723,397
Net revenue from railway operations (Lines 6 minus 16)		17	144,347	245,223	841,170	810,594
Other Income Accounts (506, 510-519)		18	1,547	1,134	75,453	5,929
Income from Affiliated Companies:						
Dividends		19	-	-	-	-
Equity in undistributed earnings (losses)		20	1,311	553	2,436	9,209
Total income from affiliated companies		21	1,311	553	2,436	9,209
Miscellaneous deductions from income (Accounts 534, 535, 543, 544, 545, 549-551 and 553)		22	(209)	1,605	2,326	4,226
Income Available for Fixed Charges (Lines 17, 18, 21 minus 22)		23	147,414	245,305	916,733	821,506
Interest on funded debt (Accounts 546a, 546b)		24	71,788	64,632	286,953	258,477
Interest on unfunded debt (Account 547)		25	-	-	-	-
Amortization of discount on funded debt (Account 548)		26	24	24	95	95
Total fixed charges		27	71,812	64,656	287,048	258,572
Income after fixed charges		28	75,602	180,649	629,685	562,934
Other deductions (Account 546c)		29	-	-	-	-
Unusual or infrequent items (Debit) Credit Account 555)		30	-	-	-	-
Income (Loss) from continuing operations before income taxes		31	75,602	180,649	629,685	562,934
Income taxes on ordinary income (Account 556)		32	(29,508)	29,487	30,419	42,266
Provision for deferred income taxes (Account 557)		33	49,898	29,903	242,720	165,667
Income from continuing operations		34	55,212	121,259	356,546	355,001

(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	-	-	-	-
Income (Loss) before extraordinary items	37	55,212	121,259	356,546	355,001
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	-	-	-	-
Net income	42	55,212	121,259	356,546	355,001
Dividends on common stock (Account 623)	43	-	-	-	-
Dividends on preferred stock (Account 623)	44	-	-	-	-
Expenses to revenues	45	79.93%	63.49%	70.21%	68.01%
Total maintenance to revenues	46	22.90%	22.85%	23.23%	24.08%
Transportation to revenues	47	50.04%	31.96%	37.94%	32.49%

Reconciliation of Net Railway Operating Income (NROI)

Net Revenues from Railway Operations	\$	144,347
Income Taxes on Ordinary Income		29,508
Provisions for Deferred Income Taxes		(49,898)
Income from Lease of Road & Equipment		-
Rent for leased Roads and Equipment		-
Net Railway Operating Income	\$	123,957

STB USE ONLY

REMARKS

Line 13 - Includes additional fuel costs relating to fuel consumption in prior periods.

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: January 30, 2012

Signature

Costa Bucci

Telephone Number

514 - 399 - 4056