

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)						
DESCRIPTIONS (A)	Code No.	FIGURES FOR THE QUARTER		CUMULATIVE FIGURES		
		THIS YEAR (B)	LAST YEAR (C)	THIS YEAR (D)	LAST YEAR (E)	
Freight (Account 101)	1	692,249	661,444	2,047,260	1,868,591	
Passenger (Account 102)	2	-	-	-	-	
Passenger-Related (Account 103)	3	-	-	-	-	
All other operating revenues (Accounts 104, 105, 106, 110, 502, 503)	4	92,099	81,507	229,245	235,424	
Joint Facility Account (Account 120)	5	-	-	-	-	
<b>Railway Operating Revenues (All Above)</b>	6	784,348	742,951	2,276,505	2,104,015	
Depreciation-Road (Accounts 62-11-00, 62-12-00, 62-13-00)	7	46,288	44,432	136,683	132,680	
All other way & structure accounts	8	46,180	56,731	167,602	177,937	
Total way & structures	9	92,468	101,163	304,285	310,617	
Depreciation-Equipment (Accounts 62-21-00, 62-22-20, 62-23-00)	10	14,864	15,945	48,350	48,520	
All other equipment accounts	11	51,767	44,590	162,724	131,970	
Total equipment	12	66,631	60,535	211,074	180,490	
Transportation-Train, Yard and Train & Yard Common	13	197,102	167,489	576,854	538,132	
Transportation-Specialized Services, Administration Support	14	70,586	64,342	196,795	173,189	
General & Administration	15	74,967	70,572	206,698	204,764	
<b>Railway Operating Expenses (Account 531)</b>	16	501,754	464,101	1,495,706	1,407,192	
<b>Net revenue from railway operations (Lines 6 minus 16)</b>	17	282,594	278,850	780,799	696,823	
Other Income Accounts (506, 510-519)	18	2,693	65,027	7,287	73,906	
Income from Affiliated Companies:						
Dividends	19	-	-	-	-	
Equity in undistributed earnings (losses)	20	73	345	(2,959)	1,125	
Total income from affiliated companies	21	73	345	(2,959)	1,125	
Miscellaneous deductions from income (Accounts 534, 535, 543, 544, 545, 549-551 and 553)	22	401	301	1,252	2,535	
<b>Income Available for Fixed Charges (Lines 17, 18, 21 minus 22)</b>	23	284,959	343,921	783,875	769,319	
Interest on funded debt (Accounts 546a, 546b)	24	71,790	71,736	215,034	215,165	
Interest on unfunded debt (Account 547)	25	-	-	-	-	
Amortization of discount on funded debt (Account 548)	26	24	24	71	71	
<b>Total fixed charges</b>	27	71,814	71,760	215,105	215,236	
<b>Income after fixed charges</b>	28	213,145	272,161	568,770	554,083	
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	213,145	272,161	568,770	554,083	
Income taxes on ordinary income (Account 556)	32	56,066	31,749	174,983	59,927	
Provision for deferred income taxes (Account 557)	33	26,661	68,615	60,517	192,822	
<b>Income from continuing operations</b>	34	130,418	171,797	333,270	301,334	

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		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	130,418	171,797	333,270	301,334
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	130,418	171,797	333,270	301,334
Dividends on common stock (Account 623)	43	-	-	-	-
Dividends on preferred stock (Account 623)	44	-	-	-	-
Expenses to revenues	45	63.97%	62.47%	65.70%	66.88%
Total maintenance to revenues	46	20.28%	21.76%	22.64%	23.34%
Transportation to revenues	47	34.13%	31.20%	33.98%	33.81%

Reconciliation of Net Railway Operating Income (NROI)	STB USE ONLY
Net Revenues from Railway Operations \$ 282,594	<b>REMARKS</b>
Income Taxes on Ordinary Income (56,066)	
Provisions for Deferred Income Taxes (26,661)	
Income from Lease of Road & Equipment -	
Rent for leased Roads and Equipment (1)	
<b>Net Railway Operating Income \$ 199,866</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: October 30, 2012

Signature Costa Bucci

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