

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 AMENDED 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 AMENDED (B)	LAST YEAR (C)	THIS YEAR AMENDED (D)	LAST YEAR (E)
Freight (Account 101)	1	709,475	629,357	2,756,735	2,497,948
Passenger (Account 102)	2	-	-	-	-
Passenger-Related (Account 103)	3	-	-	-	-
All other operating revenues (Accounts 104, 105, 106, 110, 502, 503)	4	82,290	89,908	311,535	325,332
Joint Facility Account (Account 120)	5	-	-	-	-
<b>Railway Operating Revenues (All Above)</b>	6	791,765	719,265	3,068,270	2,823,280
Depreciation-Road (Accounts 62-11-00, 62-12-00, 62-13-00)	7	48,230	46,492	184,913	179,172
All other way & structure accounts	8	65,824	54,389	233,426	232,326
Total way & structures	9	114,054	100,881	418,339	411,498
Depreciation-Equipment (Accounts 62-21-00, 62-22-20, 62-23-00)	10	17,454	17,198	65,804	65,718
All other equipment accounts	11	117,272	46,658	279,996	178,628
Total equipment	12	134,726	63,856	345,800	244,346
Transportation-Train, Yard and Train & Yard Common	13	209,186	303,848	786,040	841,980
Transportation-Specialized Services, Administration Support	14	56,364	56,108	253,159	229,297
General & Administration	15	71,402	50,225	278,100	254,989
<b>Railway Operating Expenses (Account 531)</b>	16	585,732	574,918	2,081,438	1,982,110
<b>Net revenue from railway operations (Lines 6 minus 16)</b>	17	206,033	144,347	986,832	841,170
Other Income Accounts (506, 510-519)	18	1,815	1,547	9,102	75,453
Income from Affiliated Companies:					
Dividends	19	-	-	-	-
Equity in undistributed earnings (losses)	20	8,818	1,311	5,859	2,436
Total income from affiliated companies	21	8,818	1,311	5,859	2,436
Miscellaneous deductions from income (Accounts 534, 535, 543, 544, 545, 549-551 and 553)	22	1,541	(209)	2,793	2,326
<b>Income Available for Fixed Charges (Lines 17, 18, 21 minus 22)</b>	23	215,125	147,414	999,000	916,733
Interest on funded debt (Accounts 546a, 546b)	24	71,159	71,788	286,193	286,953
Interest on unfunded debt (Account 547)	25	-	-	-	-
Amortization of discount on funded debt (Account 548)	26	24	24	95	95
<b>Total fixed charges</b>	27	71,183	71,812	286,288	287,048
<b>Income after fixed charges</b>	28	143,942	75,602	712,712	629,685
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	143,942	75,602	712,712	629,685
Income taxes on ordinary income (Account 556)	32	33,940	(29,508)	208,923	30,419
Provision for deferred income taxes (Account 557)	33	21,461	49,898	81,978	242,720
<b>Income from continuing operations</b>	34	88,541	55,212	421,811	356,546

(Dollar amounts in 000's) DESCRIPTIONS (A)	Code No.	FIGURES FOR THE QUARTER		CUMULATIVE FIGURES	
		THIS YEAR AMENDED (B)	LAST YEAR (C)	THIS YEAR AMENDED (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	88,541	55,212	421,811	356,546
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	88,541	55,212	421,811	356,546
Dividends on common stock (Account 623)	43	-	-	-	-
Dividends on preferred stock (Account 623)	44	-	-	-	-
Expenses to revenues	45	73.98%	79.93%	67.84%	70.21%
Total maintenance to revenues	46	31.42%	22.90%	24.90%	23.23%
Transportation to revenues	47	33.54%	50.04%	33.87%	37.94%

Reconciliation of Net Railway Operating Income (NROI)	STB USE ONLY
Net Revenues from Railway Operations \$ 206,033	
Income Taxes on Ordinary Income (33,940)	
Provisions for Deferred Income Taxes (21,461)	
Income from Lease of Road & Equipment -	
Rent for leased Roads and Equipment 4	
Net Railway Operating Income \$ 150,636	
	<b>REMARKS</b>
	As a result of review that was conducted, a correction was made to re-allocate inter switching and freight revenues from CN to Algoma Central Railway Inc. (AC) for 2012 and prior years. AC is a Canadian company indirectly wholly owned by GTC. This adjustment (and other reclassifications) was recorded after GTC filed its initial 2012 fourth quarter RE&I Statement. The AC adjustment is reflected on line 20; Net Income increased by \$7,225 as a result of this adjustment.. Line 11 - Includes additional locomotive useage and repair costs relating to useage and repair costs 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: March 27, 2013

Signature Costa Bucci

Telephone Number 514 - 399 - 4056

FOR STB USE ONLY	QUARTER				Year 2012	SURFACE TRANSPORTATION BOARD	
	1st	2nd	3rd	4th		QUARTERLY CONDENSED BALANCE SHEET	
			X			RAILROADS	
<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.	Balance at End of Quarter					
		This Year (b)	Last Year (c)				
<b>ASSETS</b>							
Cash (Account 701)	1	(5,474)	(17,647)				
Temporary cash investments and Special Deposits (Accounts 702 & 703)	2	-	-				
Accounts Receivable (Accounts 704-709.5)	3	57,055	145,942				
Prepayments and working funds (Accounts 710,711,714)	4	41,597	39,989				
Materials and supplies (Account 712)	5	78,695	53,880				
Other current assets (Account 713)	6	6,627	35,355				
Total Current Assets	7	178,500	257,519				
Special funds and other investments and advances (Accts.715-717 & 722-724)	8	695	703				
Investments and advances; affiliated companies (Accts. 721,721.5)	9	617,533	612,179				
Transportation property - net (Accounts 731-736)	10	10,197,108	9,903,971				
Property used in other than carrier operations (Accounts 737 and 738)	11	45,554	45,554				
Other assets and deferred debits (Accounts 739, 741, 743 and 744)	12	95,365	106,540				
Total Assets	13	11,134,755	10,926,466				
<b>LIABILITIES</b>							
Current liabilities (Accts. 751-761.5, 762,763,764)	14	640,928	733,437				
Long term debt due after one year (Accts. 765-770.2)	15	5,153,132	4,194,225				
Deferred revenues - Transfers from governmental authorities (Acct.783)	16	46,745	8,928				
Accumulated deferred income tax credits (Acct. 786)	17	3,289,708	3,217,372				
Other liabilities and deferred credits (Accts. 771,772,774,775,781,782,784)	18	353,169	392,128				
Total Liabilities	19	9,483,682	8,546,090				
<b>SHAREHOLDERS EQUITY</b>							
Capital stock (Accts. 791-793)	20	10	10				
Additional capital (Acct. 794,795)	21	160,391	144,709				
Retained earnings (Acct. 797,798 and 798.1)	22	1,490,672	2,235,657				
less: Treasury stock	23	-	-				
Equity in undistributed earnings (losses) of affiliated co's.	24	-	-				
Total Shareholders Equity	25	1,651,073	2,380,376				
Total Liabilities and Shareholders Equity	26	11,134,755	10,926,466				
<b>GROSS EXPENDITURES FOR ADDITIONS &amp; BETTERMENTS (Accts. 731 &amp; 732)</b>							
	FIGURES FOR THE QUARTER			CUMULATIVE FIGURES			
	This Year (a)	Last year (b)		This Year (c)	Last year (d)		
Road	182,581	127,666	27	518,341	433,796		
Equipment	27,229	59,309	28	40,744	104,721		
Total	209,810	186,975	29	559,085	538,517		
				Figures for Qtr.	Cumulative fig.		
No. of Revenue Tons Carried			30	47,449,756	188,506,615		
No. of Revenue Tons Carried One Mile (thousands)			31	14,645,594	55,538,226		

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.

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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

Costa Bucci

Telephone Number

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

Date March 27, 2013