

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	
<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	620,440	546,736	1,207,147	1,069,447
Passenger (Account 102)	2	-	-	-	-
Passenger-Related (Account 103)	3	-	-	-	-
All other operating revenues (Accounts 104, 105, 106, 110, 502, 503)	4	99,422	88,626	153,917	132,821
Joint Facility Account (Account 120)	5	-	-	-	-
<b>Railway Operating Revenues (All Above)</b>	6	719,862	635,362	1,361,064	1,202,268
Depreciation-Road (Accounts 62-11-00, 62-12-00, 62-13-00)	7	44,125	42,677	88,248	85,350
All other way & structure accounts	8	55,470	53,400	121,206	113,227
Total way & structures	9	99,595	96,077	209,454	198,577
Depreciation-Equipment (Accounts 62-21-00, 62-22-20, 62-23-00)	10	16,778	11,082	32,575	22,182
All other equipment accounts	11	42,414	46,730	87,380	89,067
Total equipment	12	59,192	57,812	119,955	111,249
Transportation-Train, Yard and Train & Yard Common	13	190,498	143,940	370,643	298,824
Transportation-Specialized Services, Administration Support	14	62,641	51,941	108,847	97,344
General & Administration	15	66,489	84,367	134,192	157,386
<b>Railway Operating Expenses (Account 531)</b>	16	478,415	434,137	943,091	863,380
<b>Net revenue from railway operations (Lines 6 minus 16)</b>	17	241,447	201,225	417,973	338,888
Other Income Accounts (506, 510-519)	18	6,057	2,035	8,879	3,380
Income from Affiliated Companies:					
Dividends	19	-	-	-	-
Equity in undistributed earnings (losses)	20	217	5,919	780	6,380
Total income from affiliated companies	21	217	5,919	780	6,380
Miscellaneous deductions from income (Accounts 534, 535, 543, 544, 545, 549-551 and 553)	22	1,589	(919)	2,234	1,445
<b>Income Available for Fixed Charges (Lines 17, 18, 21 minus 22)</b>	23	246,132	210,098	425,398	347,203
Interest on funded debt (Accounts 546a, 546b)	24	71,750	64,754	143,429	129,212
Interest on unfunded debt (Account 547)	25	-	-	-	-
Amortization of discount on funded debt (Account 548)	26	24	23	47	47
<b>Total fixed charges</b>	27	71,774	64,777	143,476	129,259
<b>Income after fixed charges</b>	28	174,358	145,321	281,922	217,944
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	174,358	145,321	281,922	217,944
Income taxes on ordinary income (Account 556)	32	24,955	42,601	28,178	57,030
Provision for deferred income taxes (Account 557)	33	85,372	12,252	124,207	27,208
<b>Income from continuing operations</b>	34	64,031	90,468	129,537	133,706

(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	64,031	90,468	129,537	133,706
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	64,031	90,468	129,537	133,706
Dividends on common stock (Account 623)	43	-	-	-	-
Dividends on preferred stock (Account 623)	44	-	-	-	-
Expenses to revenues	45	66.46%	68.33%	69.29%	71.81%
Total maintenance to revenues	46	22.06%	24.22%	24.20%	25.77%
Transportation to revenues	47	35.16%	30.83%	35.23%	32.95%

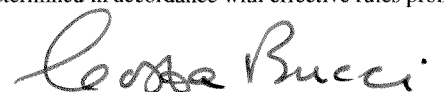
Reconciliation of Net Railway Operating Income (NROI)	STB USE ONLY
Net Revenues from Railway Operations \$ 241,447	
Income Taxes on Ordinary Income (24,955)	
Provisions for Deferred Income Taxes (85,372)	
Income from Lease of Road & Equipment -	<b>REMARKS</b> In June 2011, GTC's parent (Canadian National), entered into an agreement with Raven Energy, LLC, an affiliate of Foresight Energy, LLC and the Cline Group, to sell substantially all of the assets of IC Railmarine Terminal Company, an indirect subsidiary of GTC for cash proceeds of US\$73 million before transaction costs. The transaction, which is subject to customary closing conditions and regulatory approvals, is expected to be finalized in the third quarter of 2011. The net book value of the assets being sold has been reclassified to Other current assets.
Rent for leased Roads and Equipment 2	
Net Railway Operating Income \$ 131,122	

**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 29, 2011

Signature



Telephone Number

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