



CN's focus on supply chain collaboration driving positive results for western Canadian coal shipments

Year-to-date 2010 CN west coast coal volumes up significantly over 2009

CALGARY, Alta., Sept. 28, 2010 — CN (TSX: CNR) (NYSE:CNI) said today a comprehensive new supply chain approach to managing the flow of coal from mines to west coast terminals is helping the railway improve service to its coal customers and grow their volumes to Asian markets.

A series of clear metrics make the supply chain more transparent to CN managers – a weekly report shows how much coal is on hand at export terminals and mines, the arrival date of vessels at the ports, the amount of coal being shipped from mines, and the number of trains enroute to and from the mines.

Andy Gonta, CN vice-president of bulk commodities, said: "This end-to-end view of our coal supply chain, along with a focus on closer customer collaboration, improves coal logistics, which in turn allows coal producers to maximize sale opportunities. This approach also positions the railway and its customers to anticipate and solve any bottleneck issues well before they reach the boiling point."

Neil Winkelmann, chief operating officer of Western Coal Corp., said: "Western Coal will significantly expand its operations in northeastern British Columbia over the next three years, and can only do so with the support of key suppliers such as CN."

Bud Smith, chairman of the board of Ridley Terminals Inc. (RTI), said: "Safe efficient coal movement from mine to customer grows Canada's productivity in this critical export sector. RTI and CN are advancing measures for more effective collaboration within our part of the logistics chain."

CN's new supply chain approach, rebounding Asian steel markets, and business from new mines have combined to generate stronger coal shipments to western export terminals. Year-to-date 2010 through the end of August, CN's west coast coal carloads to two terminals in the Vancouver area and one at Prince Rupert rose 91 per cent.

Gonta added: "This is a win-win innovation for all the players involved in the coal supply chain. Transparent measurement and balanced accountability are key to our overall ability to tap growing markets."

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