



NEWS RELEASE

CN announces new share repurchase program and declares fourth-quarter 2014 cash dividend

MONTREAL, Oct. 21, 2014 — CN (TSX: CNR) (NYSE: CNI) announced today that its Board of Directors has approved a new share repurchase program. CN believes that the repurchase of its shares represents an appropriate and beneficial use of the Company's funds.

Luc Jobin, CN executive vice-president and chief financial officer, said: "Our record speaks for itself. We continue to invest significantly in the business while maintaining a focus on consistently enhancing shareholder returns by increasing dividends and repurchasing shares. Since its privatization, CN has increased its dividends per share by 16 per cent on average every year for 18 consecutive years and has created significant value for shareholders through regular share repurchases since its first buyback program in 2000."

Today, CN's Board of Directors authorized a new normal-course-issuer bid to purchase, for cancellation, up to 28 million common shares, representing 3.9 per cent of the 709,302,712 common shares issued and outstanding of the Company not held by insiders on Oct. 15, 2014. On that date, 814,717,092 CN common shares were issued and outstanding.

The new repurchase program – starting on Oct. 24, 2014, and ending no later than Oct. 23, 2015 – will be conducted through a combination of discretionary transactions and automatic repurchase plan through the facilities of the Toronto and New York stock exchanges, or alternative trading systems, if eligible, and will conform to their regulations. Toronto Stock Exchange (TSX) rules will permit CN to purchase daily, through TSX facilities, a maximum of 256,297 common shares under the Company's new repurchase program. Purchases under the normal-course-issuer bid will be made by means of open market transactions or such other means as the TSX or a securities regulatory authority may permit, including private agreements under an issuer bid exemption order issued by securities regulatory authorities in Canada.

The price to be paid by CN for any common shares will be the market price at the time of acquisition, plus brokerage fees, and purchases made under an issuer bid exemption order will be at a discount to the prevailing market price as per the terms of the order.

CN repurchased 22.3 million common shares under its share repurchase program announced in October 2013, at a weighted-average price of C\$62.87 per share, excluding brokerage fees, returning C\$1.4 billion to shareholders.

CN also announced today that its Board of Directors has approved a fourth-quarter 2014 dividend on the Company's common shares outstanding. A quarterly dividend of twenty-five cents (C\$0.25) per common share will be paid on Dec. 31, 2014, to shareholders of record at the close of business on Dec. 10, 2014.

Forward-Looking Statements

Certain information included in this news release constitutes "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and under Canadian securities laws, including potential purchases of common shares for cancellation under a normal-course-issuer bid. CN cautions that, by their nature, these forward-looking statements involve risk, uncertainties and assumptions, and are subject to the discretion of CN's Board of Directors in respect of the declaration of dividends. The Company cautions that its assumptions may not materialize and that the current economic conditions render such assumptions, although reasonable at the time they were made, subject to greater uncertainty.

Important risk factors that could affect the above forward-looking statements include, but are not limited to, the effects of general economic and business conditions, industry competition, inflation, currency and interest rate fluctuations, changes in fuel prices, legislative and/or regulatory developments, compliance with environmental laws and regulations, actions by regulators, various events which could disrupt operations, including natural events such as severe weather, droughts, floods and earthquakes, labor negotiations and disruptions, environmental claims, uncertainties of investigations, proceedings or other types of claims and litigation, risks and liabilities arising from derailments, and other risks and assumptions detailed from time to time in reports filed by CN with securities regulators in Canada and the United States. Reference should be made to "Management's Discussion and Analysis" in CN's annual and interim reports, Annual Information Form and Form 40-F filed with Canadian and U.S. securities regulators, available on CN's website, for a summary of major risks and assumptions.

CN assumes no obligation to update or revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs, unless required by applicable Canadian securities laws. In the event CN does update any forward-looking statement, no inference should be made that CN will make additional updates with respect to that statement, related matters, or any other forward-looking statement.

CN is a true backbone of the economy, transporting approximately C\$250 billion worth of goods annually for a wide range of business sectors, ranging from resource products to manufactured products to consumer goods, across a rail network spanning Canada and mid-America. CN – Canadian National Railway Company, along with its operating railway subsidiaries -- serves the cities and ports of Vancouver, Prince Rupert, B.C., Montreal, Halifax, New Orleans, and Mobile, Ala., and the metropolitan areas of Toronto, Edmonton, Winnipeg, Calgary, Chicago, Memphis, Detroit, Duluth, Minn./Superior, Wis., and Jackson, Miss., with connections to all points in North America. For more information on CN, visit the company's website at www.cn.ca.

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