

Q3 2013 Investor Conference Call

November 11, 2013



FORWARD-LOOKING STATEMENTS

Certain statements in this document about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. Forward-looking statements are based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct.

Certain assumptions in respect of the determination of tonnages shipped, freight rates, fuel costs, general inflation rates, USD/CAD exchange rates and capital expenditures are material factors made in preparing forward-looking information and management's expectations. Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, which are discussed in greater detail in the "Risk Factors" in our current Annual Information Form: the impact of arbitration or judicial proceedings to which we are a party, significant competition in the shipping industry and other transportation providers, impact of unionized environment on labour costs, reliance on commercial pooling relationships, on-time and on-budget delivery of new ships, and appropriate maintenance and repair of our existing fleet, government regulations affecting the cost of environmental, health, and safety compliance, a change in other applicable laws and regulations, the risk that foreign exchange rates have an adverse impact on our results and ability to pay our debt, economic conditions may prevent us from realizing sufficient investment returns to fund our defined benefit plans at the required levels, our ability to raise new equity and debt financing when required, extreme weather conditions or natural disasters, our dependence on our ability to attract and retain quality employees, the seasonal nature of our business.

These factors are not intended to represent a complete list of the factors that could affect us; however, these factors should be considered carefully. The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding the Company's financial performance and may not be appropriate for other purposes; readers should not place undue reliance on forward-looking statements made herein, recognizing that all such forward looking information is based on assumptions about the future that may not ultimately be born out and are subject to many risks and uncertainties, including those listed above. Furthermore, unless otherwise stated, the forward-looking statements contained in this document are made as of the date of hereof (unless stated to be as of an earlier date), and we have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement. Management approved the forward looking financial information as of November 8, 2013.

ALL AMOUNTS IN C\$ MILLIONS EXCEPT PER SHARE AMOUNTS, UNLESS NOTED



CONSOLIDATED RESULTS

Period Ended September 30

	Three Months		Nine Months	
	2013	2012	2013	2012
Revenue	\$ 146,948	\$ 165,020	\$ 342,634	\$ 379,204
Segment earnings after tax	\$ 30,171	\$ 34,529	\$ 24,573	\$ 31,896
Net Earnings	\$ 28,328	\$ 29,629	\$ 19,074	\$ 17,913
Basic Earnings per Share	\$ 0.73	\$ 0.76	\$ 0.49	\$ 0.46

Key Drivers -

Summer slow down in DDB was more pronounced than in 2012

Product tanker demand remains strong

Ocean Shipping down only slightly despite one fewer ship

G&A lower mostly due to arbitration costs in 2012

Net interest and currency favourable for the quarter



INTEREST AND F/X

Period Ended September 30

	Three Months		Nine Months	
	2013	2012	2013	2012
General and Admin expense	\$ 6,194	\$ 8,608	\$ 20,266	\$ 23,537
Interest Expense	\$ 1,889	\$ 3,045	\$ 6,804	\$ 9,673
Foreign exchange gain (loss)	(\$ 453)	(\$ 3,140)	\$ 2,344	(\$ 4,714)

Key Drivers -

Arbitration costs significant in 2012; overall G&A lower than prior year

Interest expense lower as capitalized interest increases

2012 third quarter had significant currency losses due to strength of C\$



DOMESTIC DRY-BULK

Period Ended September 30

	Three Months		Nine Months	
	2013	2012	2013	2012
Revenue	\$ 105,236	\$ 122,764	\$ 220,413	\$ 263,164
Segment operating earnings, after tax	\$ 19,082	\$ 24,998	\$ 346	\$ 10,905

Key Drivers -

Fewer operating days compared to 2012 as seasonal demand dropped in grains and iron ore
Dry-docking of one vessel deferred into the third quarter, impacting operating expenses



PRODUCT TANKERS

Period Ended September 30

	Three Months		Nine Months	
	2013	2012	2013	2012
Revenue	\$ 24,112	\$ 23,578	\$ 71,447	\$ 64,843
Segment operating earnings, after tax	\$ 5,658	\$ 3,831	\$ 10,575	\$ 7,246

Key Drivers -

Strong customer continued in third quarter although at a slightly lower pace than earlier in the year
2012 results impacted by legal costs of arbitration

Margins have improved excluding the impact of the arbitration on 2012 results



OCEAN DRY-BULK

Period Ended September 30

	Three Months		Nine Months	
	2013	2012	2013	2012
Share of International Pool Revenue	\$ 16,727	\$ 19,380	\$ 48,251	\$ 54,685
Consolidated revenues under IFRS	\$ 10,360	\$ 11,179	\$ 29,753	\$ 29,275
Segment operating earnings, after tax	\$ 4,698	\$ 4,974	\$ 11,914	\$ 11,447

Key Drivers -

Decrease in share of Pool revenues reflects sale of one vessel and charter of another vessel

Consolidated IFRS revenues down only marginally in quarter but up for the YTD

Strong margins on current year revenue in quarter mostly offset change in number of vessels



REAL ESTATE

Period Ended September 30

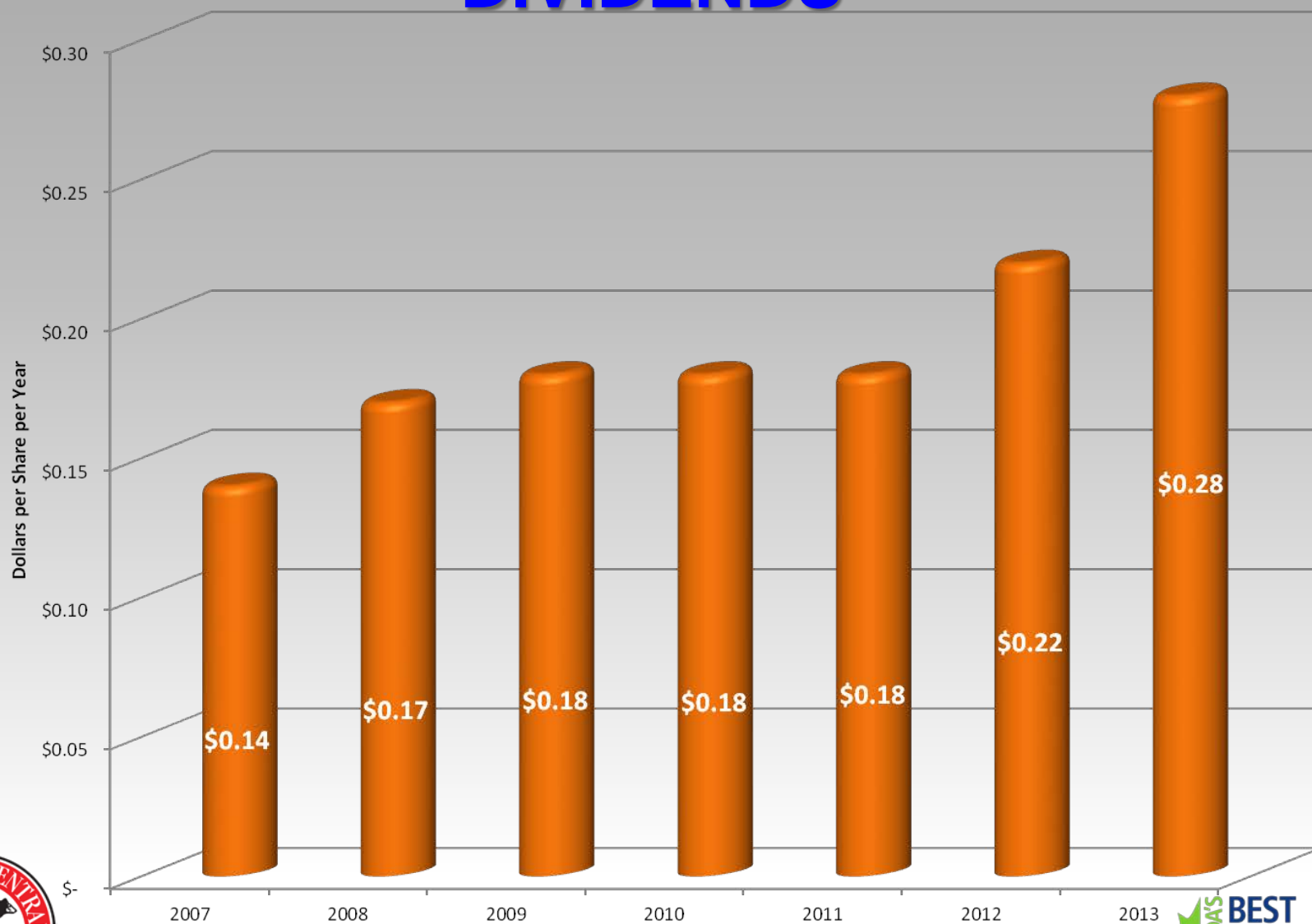
	Three Months		Nine Months	
	2013	2012	2013	2012
Revenue	\$ 7,740	\$ 7,499	\$ 21,521	\$ 21,923
Segment operating earnings, after tax	\$ 733	\$ 726	\$ 1,738	\$ 2,298

Key Drivers -

Good results from Station Mall offset by weak hotel occupancy



DIVIDENDS



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2013 SUSTAINABILITY REPORT

CHARTING A COURSE TO THE FUTURE

