

Q4 2013 Investor Conference Call

February 19, 2014



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 February 19, 2014.

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



CONSOLIDATED RESULTS

Period Ended December 31

	Fiscal Year		Fourth Quarter	
	2013	2012	2013	2012
Revenue	\$ 491,499	\$ 527,871	\$ 148,864	\$ 148,667
Segment earnings after tax	\$ 46,146	\$ 59,807	\$ 21,573	\$ 27,911
Net Earnings	\$ 41,923	\$ 42,156	\$ 22,849	\$ 24,252
Basic Earnings per Share	\$ 1.08	\$ 1.08	\$ 0.59	\$ 0.62

Key Drivers -

Agriculture sector had biggest impact - volumes and trade patterns

Product tanker demand remained strong for entire year

Ocean Shipping up slightly with no dry-docking days in 2013

G&A lower mostly due to arbitration costs in 2012

Net interest and currency favourable for the quarter

Collection of vessel deposits included \$3.8M of interest income

Settlement of CRA land value tax dispute resulted in tax expense of \$4.6M



INTEREST AND F/x

Period Ended December 31

	Fiscal Year		Fourth Quarter	
	2013	2012	2013	2012
General and Admin expense	\$ 26,598	\$ 29,745	\$ 6,332	\$ 6,208
Interest Income	\$ 7,105	\$ 407	\$ 6,752	\$ 91
Interest Expense	\$ 12,434	\$ 12,947	\$ 5,277	\$ 2,958
Foreign exchange gain (loss)	\$ 5,587	(\$ 3,901)	\$ 3,243	\$ 813

Key Drivers -

Arbitration costs significant in 2012 but mostly prior to Q4; overall G&A lower than prior year

Interest income in Q4 - \$3.8M on recovered vessel deposits and \$2.0M on tax instalments returned

Interest expense lower as capitalized interest increases

Trend towards weaker Canadian dollar resulted in F/x gains



DOMESTIC DRY-BULK

Period Ended December 31

	Fiscal Year		Fourth Quarter	
	2013	2012	2013	2012
Revenue	\$ 323,023	\$ 375,554	\$ 102,610	\$ 112,390
Segment operating earnings, after tax	\$ 14,909	\$ 32,424	\$ 14,563	\$ 21,519

Key Drivers -

Impact of changing shipment patterns for agriculture carried into fourth quarter
Despite record crop, deliveries of grain to Thunder Bay slowed by rail congestion



PRODUCT TANKERS

Period Ended December 31

	Fiscal Year		Fourth Quarter	
	2013	2012	2013	2012
Revenue	\$ 100,635	\$ 87,164	\$ 29,188	\$ 22,322
Segment operating earnings, after tax	\$ 13,694	\$ 9,270	\$ 3,119	\$ 2,024

Key Drivers -

Closure of Dartmouth refinery created change in trading patterns and strong demand this year
2012 results impacted by legal costs of arbitration
Q4 operating results reflect vessel dry-dockings



OCEAN DRY-BULK

Period Ended December 31

Fiscal Year

Fourth Quarter

2013

2012

2013

2012

Share of International Pool Revenue	\$ 64,112	\$ 67,668	\$ 15,861	\$ 12,983
Consolidated revenues under IFRS	\$ 39,513	\$ 35,966	\$ 9,760	\$ 6,690
Segment operating earnings, after tax	\$ 15,335	\$ 14,999	\$ 3,421	\$ 3,552

Key Drivers -

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

Consolidated IFRS revenues for year and quarter due to dry-dockings in 2012

Fourth quarter of 2012 includes gain on sale of a vessel

Current year quarter ahead of last year excluding the impact of that gain



REAL ESTATE

Period Ended December 31

	Fiscal Year		Fourth Quarter	
	2013	2012	2013	2012
Revenue	\$ 28,328	\$ 29,187	\$ 7,307	\$ 7,264
Segment operating earnings, after tax	\$ 2,208	\$ 3,114	\$ 470	\$ 816

Key Drivers -

Weak Hotel occupancy has been a challenge throughout the year

Strong leasing activity but results will not be fully impactful until part way through 2014



DIVIDENDS

