



Fourth Quarter 2014  
Investor Conference Call  
February 23 2015

# 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 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. The future outcomes that relate to forward-looking statements may be influenced by many factors, including but not limited to: on-time and on-budget delivery of new ships from shipbuilders; general economic and market conditions in the countries in which we operate; interest rate and currency value fluctuations; our ability to execute our strategic plans and to complete and integrate acquisitions; critical accounting estimates; operational and infrastructure risks; general political conditions; labour relations with our unionized workforce; the possible effects on our business of war or terrorist activities; disruptions to public infrastructure, such as transportation, communications, power or water supply, including water levels; technological changes; significant competition in the shipping industry and other transportation providers; reliance on partnering relationships; appropriate maintenance and repair of our existing fleet by third-party contractors; health and safety regulations that affect our operations can change and be onerous and the risk of safety incidents can affect results; a change in applicable laws and regulations, including environmental regulations, could materially affect our results; 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 if required; extreme weather conditions or natural disasters; our ability to attract and retain quality employees; the seasonal nature of our business; and, risks associated with the lease and ownership of real estate.

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 20, 2015.

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



# CONSOLIDATED RESULTS

Period Ended December 31

	Fourth Quarter		Fiscal Year	
	2014	2013	2014	2013
Revenue	\$ 149,662	\$ 148,865	\$ 503,683	\$ 491,499
Segment earnings after tax	\$ 35,895	\$ 21,573	\$ 58,104	\$ 46,146
Net Earnings	\$ 35,317	\$ 22,849	\$ 52,765	\$ 41,923
Basic Earnings per Share	\$ 0.91	\$ 0.59	\$ 1.36	\$ 1.08

## Key Drivers -

Strong finish to year as domestic dry-bulk demand strong

Transfer of Algoma Hansa to domestic fleet triggers impairment reversal in IFRS

Most of the fleet operated longer than in 2013 to meet demand

EPS excluding net impairments of 64¢ and \$1.17 for 2014



# DOMESTIC DRY-BULK

Period Ended December 31

	Fourth Quarter		Fiscal Year	
	2014	2013	2014	2013
Revenue	\$ 106,568	\$ 102,610	\$ 337,244	\$ 323,023
Segment operating earnings, after tax	\$ 16,462	\$ 14,563	\$ 17,399	\$ 14,909

## Key Drivers -

Strong demand continued right through to the end of the season

Grain traffic especially strong and we worked hard to meet customer needs

Margin improvement from Equinox Class beginning to be seen

Damage to *Algoway* boom occurred at a bad time

CWB Marquis voyaged home from China during quarter, arriving in Port Cartier January 1st



# PRODUCT TANKERS

Period Ended December 31

	Fourth Quarter		Fiscal Year	
	2014	2013	2014	2013
Revenue	\$ 25,221	\$ 29,188	\$ 95,152	\$ 100,635
Segment operating earnings, after tax	\$ 15,218	\$ 3,119	\$ 24,456	\$ 13,694
Segment earnings, excluding impairment	\$ 4,916		\$ 14,154	

## Key Drivers -

Very strong demand at end of 2013 not repeated this year

However, 2013 saw heavy chartered use so our fleet days are actually 14% ahead of last year

Improved earnings reflect higher utilization of our fleet



# OCEAN DRY-BULK

Period Ended December 31

	Fourth Quarter		Fiscal Year	
	2014	2013	2014	2013
Share of International Pool Revenue	\$ 14,136	\$ 15,861	\$ 61,119	\$ 64,112
Segment operating earnings, after tax	\$ 3,321	\$ 3,421	\$ 13,648	\$ 15,335

## Key Drivers -

IFRS revenues of \$9,858 and \$41,050 for 2014 quarter and YTD vs \$9,760 and \$39,513

International Pool performed well although pressure on rates is becoming more of a factor

Retirement of a 50% owned ship reduces our overall share of Pool for Q4 and the year





# REAL ESTATE

Period Ended December 31

	Fourth Quarter		Fiscal Year	
	2014	2013	2014	2013
Revenue	\$ 8,015	\$ 7,307	\$ 30,237	\$ 28,328
Segment operating earnings, after tax	\$ 894	\$ 470	\$ 2,601	\$ 2,208

## Key Drivers -

Significant improvement in occupancy rate driving revenue and earnings

Average occupancy rate improved 1.7% over the year; at year-end occupancy rate was 93%



# OTHER ITEMS

Period Ended December 31

	Fourth Quarter		Fiscal Year	
	2014	2013	2014	2013
General and Admin expense	\$ 6,860	\$ 6,332	\$ 26,001	\$ 26,598
Depreciation	\$ 11,609	\$ 11,688	\$ 44,617	\$ 44,715
Interest Income	\$ 273	\$ 6,142	\$ 320	\$ 6,495
Interest Expense	\$ 2,568	\$ 4,667	\$ 10,139	\$ 11,824
Foreign exchange gain (loss)	(\$ 28)	\$ 3,243	\$ 885	\$ 5,587

## Key Drivers -

G&A costs in line with prior year - reduced legal offset by a bad debt incurred

Higher depreciation on Equinox offset by reduction due to retired vessels

Interest income in 2013 included interest on recovered vessel deposits and tax instalments

Interest expense lower as bilateral loans were prepaid

Cash designated as hedge of Equinox commitments so F/x gains reduced





# DIVIDENDS

