



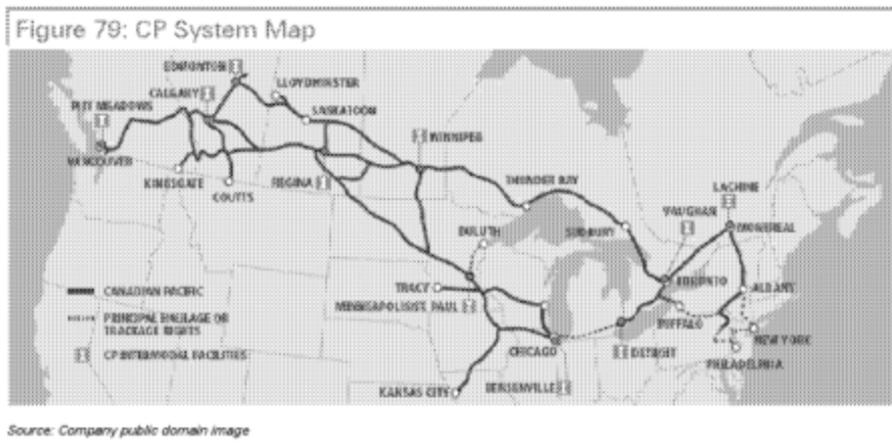
# CP Company Overview

Canadian Pacific – headquartered in Calgary, Canada, was formed as a passenger rail shortly after Canada’s confederation in 1867 to connect the eastern provinces of Nova Scotia and New Brunswick with Canada’s central provinces of Quebec and Ontario. A few years later, Manitoba joined the confederation with the promise that a transcontinental railroad would be built within 10 years. Construction of the railway was challenged in the coming years before a group of businessmen formed a viable syndicate and incorporated The Canadian Pacific Railway in 1881. Less than ten years later, CP provided coast to coast passenger service in Canada as well as a number of other services related to trade.

By 1986, Canadian Pacific had grown into Canada’s second largest company with \$15 billion of revenue through a number of different subsidiaries. With CEO William Stinson at the helm in 1990, CP purchased the remaining interest in the Soo Line which operated in the U.S. Midwest and then acquired Delaware and Hudson Railway (D&H) out of bankruptcy in 1991 which gave it access to ports in the Northeast U.S. In 2001, the company spun out its five subsidiaries into separate companies and shares of Canadian Pacific began trading on the NYSE and Toronto Stock Exchange.

In June, 2012 CP hired railroad legend Hunter Harrison as CEO in response to activism efforts from Pershing Square. After acquiring a 14.2% stake in the company, Pershing Square was able to reconstitute the board and appoint Harrison as CEO. Rail operations at CP underwent a massive overhaul under the direction of Harrison resulting in over 20 percentage points of margin improvement over a five year span (19% in 2011 to 41% in 2016). During this time, Harrison looked to merge with both CSX and NSC but could not find a friendly path forward with either company. Harrison abruptly left the company in 2017 and became the CEO of CSX a few months later.

Today Canadian Pacific operates over 12,000 miles of railroad spanning six Provinces in Canada and 13 states in the U.S. In 2017, we expect the company to generate \$6.5 billion of revenue and \$2.7 billion of operating profit (42% ebit margin).



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