



Vote Blue to Keep up the Momentum

To keep current with further developments, visit [www.CPRising.ca](http://www.CPRising.ca).

For questions or assistance, please contact Pershing Square's proxy solicitor in Canada, Kingsdale Shareholder Services Inc., at 1-866-851-3214 toll-free in North America, or 1-416-867-2272 outside of North America (collect calls accepted), or by e-mail at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com), or Pershing Square's proxy solicitor in the United States, D.F. King & Co., Inc., at 1-800-659-5550 toll-free in North America, or 1-212-269-5550 outside of North America (collect calls accepted), or by e-mail at [cpinfo@dfking.com](mailto:cpinfo@dfking.com). To keep current with further developments and information about voting your shares, visit [www.CPRising.ca](http://www.CPRising.ca).

**YOUR SUPPORT IS EXTREMELY IMPORTANT – VOTE ONLY YOUR BLUE PROXY TODAY**

The Nominees for Management Change

CP RISING

May 7, 2012

Dear Fellow Shareholder,

Since last Fall, Pershing Square has been seeking board and leadership change at Canadian Pacific in order to put an end to the poor decision making and ineffective leadership that have resulted in the Company's long-term trend of underperformance and reduced market share. By electing the seven Nominees for Management Change to the CP Board and replacing failed CEO Fred Green, together we can restore this iconic company to its rightful place as one of the best performing Class I railroads in North America.

We have received overwhelming support and encouragement from our fellow shareholders. In a recent poll of shareholders who own 45% of the Company, Brendan Wood, an independent research firm, found that 94% of shareholders surveyed support the Nominees for Management Change. In the same poll, the incumbent board received just 6% support. This result is unsurprising as the same survey revealed that, among 46 global transportation companies, the incumbent board is ranked 41<sup>st</sup>, and Fred Green is ranked 45<sup>th</sup>.

On May 3<sup>rd</sup>, after several months of review and analysis, ISS, the leading shareholder proxy advisory firm, recommended that CP shareholders vote on the BLUE proxy FOR all seven Nominees for Management Change. Explaining its recommendation, ISS stated:

“What shareholders appear to have witnessed over these [incumbent] directors' tenure, as a close examination of the evidence in this proxy contest makes plain, is an enduring failure of board leadership, and a bewildering lack of accountability for results.”

“Because the [Nominees for Management Change] have demonstrated a compelling case that poor board oversight has allowed the company's performance to drift further and further below both its peers and its potential over at least half a decade, it seems clear that change on the board is needed.”

---

For questions or assistance, please contact Pershing Square's proxy solicitor in Canada, Kingsdale Shareholder Services Inc., toll-free at 1-866-851-3214, or Pershing Square's proxy solicitor in the United States, D.F. King & Co., Inc., toll-free at 1-800-659-5550. To keep current with further developments and information about voting your shares, visit [www.CPRising.ca](http://www.CPRising.ca).

**YOUR SUPPORT IS EXTREMELY IMPORTANT – VOTE ONLY YOUR BLUE PROXY TODAY**

Throughout our campaign, we have been encouraged by employees who have shared with us their belief that a restructuring of CP's Board and the replacement of Fred Green are essential. Unfortunately, our ability to communicate directly with other employees has been hampered because CP has refused to grant Pershing Square access to the list of employees holding shares through the Employee Share Purchase Plan ("ESPP"). As a result, Pershing Square has been dependent upon CP and the administrators of the plan to send you copies of our proxy circular and BLUE voting instruction form. This has caused a substantial delay in getting our proxy materials to you.

We hope by now you have received our proxy circular and a BLUE voting instruction form from Computershare Investor Services. We have enclosed an additional BLUE voting instruction form with this letter. Please use either of the BLUE voting instruction forms you have received to vote the shares you hold in the ESPP in favour of all seven Nominees for Management Change.

**You can override an earlier vote on management's white proxy, by simply voting your BLUE voting instruction form.**

In light of the limited time remaining until the May 17<sup>th</sup> meeting, we recommend that you vote by Internet or telephone. Voting on the Internet is the quickest and easiest option. Simply visit [www.investorvote.com](http://www.investorvote.com) and enter the "Control Number" that appears at the bottom of the first page of your BLUE voting instruction form. Instructions for voting by phone are also provided on the first page of the voting instruction form.

Pershing Square is grateful for the support we have received from CP employees and other shareholders. With your talent, dedication, and commitment, and with a new CEO and restructured board, we are confident that together we can unlock CP's full potential and take this Company from its position as the worst performing railway in North America to its rightful place as one of the best.

Sincerely,



William A. Ackman

*This letter contains forward-looking statements and information. Please refer to our proxy circular, which is available at [www.CPRising.ca](http://www.CPRising.ca), for information regarding the risks of these statements.*

---

For questions or assistance, please contact Pershing Square's proxy solicitor in Canada, Kingsdale Shareholder Services Inc., toll-free at 1-866-851-3214, or Pershing Square's proxy solicitor in the United States, D.F. King & Co., Inc., toll-free at 1-800-659-5550. To keep current with further developments and information about voting your shares, visit [www.CPRising.ca](http://www.CPRising.ca).

**YOUR SUPPORT IS EXTREMELY IMPORTANT – VOTE ONLY YOUR BLUE PROXY TODAY**

**QUESTIONS OR REQUESTS FOR ASSISTANCE MAY BE DIRECTED  
TO OUR PROXY SOLICITORS:**

**IN CANADA**



**KINGSDALE**

Shareholder Services Inc.

The Exchange Tower  
130 King Street West, Suite 2950, P.O. Box 361  
Toronto, Ontario M5X 1E2  
[www.kingsdaleshareholder.com](http://www.kingsdaleshareholder.com)

North American Toll-Free Phone:

**1-866-851-3214**

Email: [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com)

Facsimile: 416-867-2271

Toll-Free Facsimile: 1-866-545-5580

**Outside North America, Banks and Brokers  
Call Collect: 416-867-2272**

**IN THE UNITED STATES**

**D.F. KING & CO., INC.**

48 Wall Street, 22nd Floor  
New York, New York  
U.S.A. 10005  
[www.dfking.com](http://www.dfking.com)

North American Toll-Free Phone:

**1-800-659-5550**

Email: [cpinfo@dfking.com](mailto:cpinfo@dfking.com)

Facsimile: 212-709-3305

Toll-Free Facsimile: 1-800-328-6193

**Outside of North America, Banks and Brokers  
Call Collect: 212-269-5550**

**IF YOU EXPERIENCE ANY PROBLEMS VOTING YOUR BLUE PROXY, PLEASE CONTACT KINGSDALE SHAREHOLDER SERVICES INC. OR D.F. KING & CO., INC. AT THE NUMBERS ABOVE, AND THEY WILL BE ABLE TO ASSIST YOU TO ENSURE YOUR VOTE IS COUNTED AT THE MEETING.**

**As Pershing Square is using a “universal” form of proxy or voting instruction form, which includes the names of all of the director nominees to be considered at the Meeting, including the Incumbent Management Nominees proposed by Canadian Pacific, and other matters to be considered at the Meeting, we recommend you not use any other proxy regardless of how you propose to vote. Pershing Square urges Shareholders to complete, sign and return only the BLUE form of proxy or BLUE voting instruction form and to IGNORE any white form of proxy or white voting instruction form received from Canadian Pacific.**

**We encourage you to vote your shares today by Internet or by telephone. To do so, go to the website specified on the enclosed BLUE proxy or voting instruction form, or call our proxy solicitors at one of the numbers above and they will assist you with voting. You will need your “Control Number” listed on the enclosed BLUE proxy or voting instruction form to vote by Internet or telephone.**

**VOTE ONLY YOUR “UNIVERSAL” BLUE PROXY TODAY**