

CANADIAN PACIFIC RAILWAY CO/NEW  
 Form FWP  
 May 14, 2008  
**Filed pursuant to Rule 433**  
**Registration No. 333-142347**  
**May 14, 2008**

**Canadian Pacific Railway Company**

**Final Term Sheet**

**Issuer:** Canadian Pacific Railway Company

**Trade Date:** May 14, 2008

**Settlement Date:** May 20, 2008

|                                    | Notes Due 2013  | Notes Due 2018                                      |
|------------------------------------|---|---|
| <b>Principal Amount:</b>           | \$400,000,000   | \$300,000,000                                       |
| <b>Coupon:</b>                     | 5.75%   | 6.50%   |
| <b>Maturity Date:</b>              | May 15, 2013  | May 15, 2018  |
| <b>Public Offering Price:</b>      | 99.625%   | 99.588%   |
| <b>Benchmark:</b>                  | UST 3.125% due April 30, 2013   | UST 3.875% due May 15, 2018                         |
| <b>Benchmark Yield:</b>            | 3.238%  | 3.957%  |
| <b>Spread:</b>                     | +260 bps  | +260 bps  |
| <b>Yield to Maturity:</b>          | 5.838%  | 6.557%  |
| <b>Optional Redemption:</b>        | Make whole call UST +40 bps   | Make whole call UST +40 bps                         |
| <b>Interest Payment Dates:</b>     | May 15 and November 15, beginning November 15, 2008                                       | May 15 and November 15, beginning November 15, 2008 |
| <b>CUSIP:</b>                      | 13645R AG9  | 13645R AH7  |
| <b>ISIN:</b>                       | US13645RAG92  | US13645RAH75  |
| <b>Joint Bookrunning Managers:</b> | Morgan Stanley & Co. Incorporated<br>RBC Capital Markets Corporation                      |   |
| <b>Co-Managers:</b>                | Banc of America Securities LLC<br>CIBC World Markets Corp.<br>J.P. Morgan Securities Inc. |   |

Scotia Capital (USA) Inc.  
TD Securities (USA) LLC

\*\*\*\*\*

**The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC web site at <http://www.sec.gov>. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling toll-free Morgan Stanley & Co. Incorporated at 1-866-718-1649 or RBC Capital Markets Corporation at 1-866-375-6829.**