

*Second Quarter 2014*

# *Quarterly Financial Review*



*Norfolk Southern Corporation  
Finance Department  
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Norfolk, Virginia 23510.2191*

# Norfolk Southern Railway System



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*The accompanying unaudited financial information and summary of certain notes to the consolidated financial statements should be read in conjunction with: (a) the consolidated financial statements and notes included in Norfolk Southern Corporation's (NS, we, us and our) latest Annual Report on Form 10-K and in subsequent Quarterly Reports on Form 10-Q, and (b) any Current Reports on Form 8-K.*

*Any statements contained in this document which are not related to historical facts are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995, and NS undertakes no obligation to update such statements. Such forward-looking statements are subject to risks and uncertainties (the most significant of which are described in our SEC filings) which could cause actual results to differ materially.*

## Consolidated Statements of Income

Second Quarter

(in millions, except per share amounts)

	2014	2013
<b>Railway operating revenues</b>		
Coal	\$ 672	\$ 626
General merchandise	1,720	1,588
Intermodal	650	588
Total railway operating revenues	<u>3,042</u>	<u>2,802</u>
<b>Railway operating expenses</b>		
Compensation and benefits	715	726
Purchased services and rents	414	410
Fuel	408	391
Depreciation	238	226
Materials and other	248	213
Total railway operating expenses	<u>2,023</u>	<u>1,966</u>
<b>Income from railway operations</b>	1,019	836
Other income — net	18	29
Interest expense on debt	139	128
<b>Income before income taxes</b>	898	737
Provision for income taxes		
Current	311	203
Deferred	25	69
Total income taxes	<u>336</u>	<u>272</u>
<b>Net income</b>	<u>\$ 562</u>	<u>\$ 465</u>
<b>Earnings per share</b>		
Basic	\$ 1.81	\$ 1.47
Diluted	1.79	1.46
<b>Weighted average shares outstanding (note 1)</b>		
Basic	309.5	314.1
Diluted	312.8	317.8

### Notes

#### 1. Stock Repurchase Program

We repurchased 1.0 million shares of common stock in the first six months of 2014, totaling \$100 million, and 4.2 million shares at a cost of \$314 million for the same period of 2013. We have remaining authorization from our Board of Directors to repurchase up to 37.2 million shares through December 31, 2017. The timing and volume of purchases is guided by our assessment of market conditions and other pertinent factors. Any near-term share repurchases are expected to be made with internally generated cash, cash on hand, or proceeds from borrowings. Since the beginning of 2006, we have repurchased and retired 137.8 million shares at a total cost of \$8.2 billion.

# Consolidated Statements of Income

First Six Months  
(in millions, except per share amounts)

	2014	2013
<b>Railway operating revenues</b>		
Coal	\$ 1,213	\$ 1,261
General merchandise	3,272	3,118
Intermodal	1,246	1,161
Total railway operating revenues	5,731	5,540
<b>Railway operating expenses</b>		
Compensation and benefits	1,455	1,506
Purchased services and rents	806	803
Fuel	840	820
Depreciation	475	453
Materials and other	469	431
Total railway operating expenses	4,045	4,013
<b>Income from railway operations</b>	1,686	1,527
Other income — net (note 2)	44	164
Interest expense on debt	278	257
<b>Income before income taxes</b>	1,452	1,434
Provision for income taxes		
Current	505	376
Deferred	17	143
Total income taxes	522	519
<b>Net income</b>	\$ 930	\$ 915
<b>Earnings per share (note 2)</b>		
Basic	\$ 2.99	\$ 2.90
Diluted	2.97	2.87
<b>Weighted average shares outstanding (note 1)</b>		
Basic	309.5	314.3
Diluted	312.7	317.9

## Notes

### 2. Other Income — Net

In first quarter 2013, we recognized a \$97 million gain on a land sale, which increased net income by \$60 million or \$0.19 per share.

## Consolidated Balance Sheets

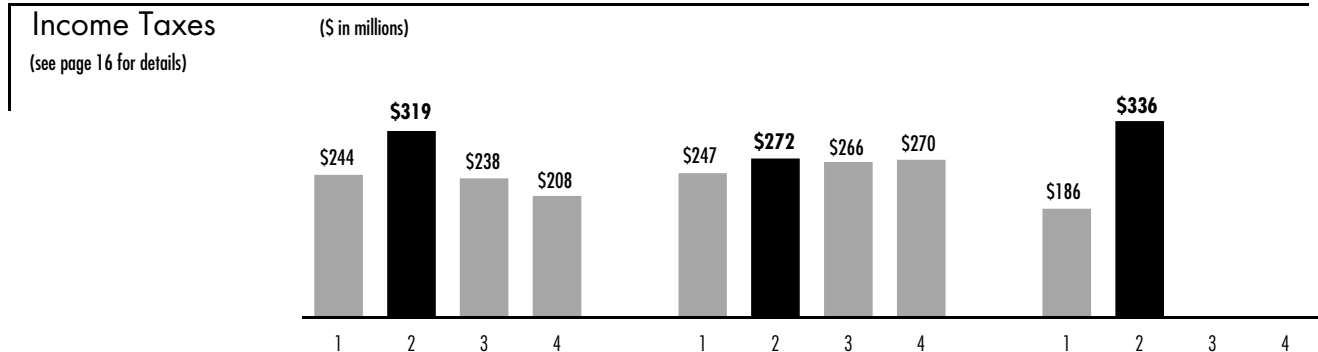
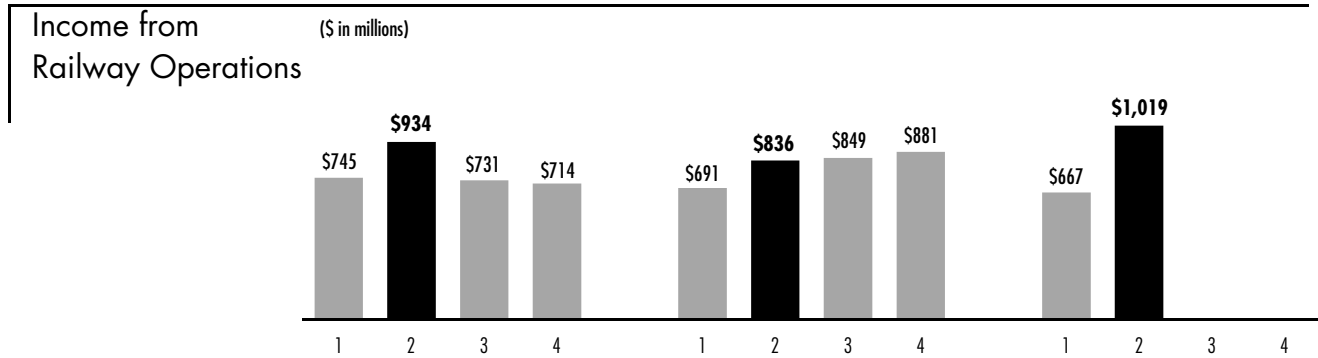
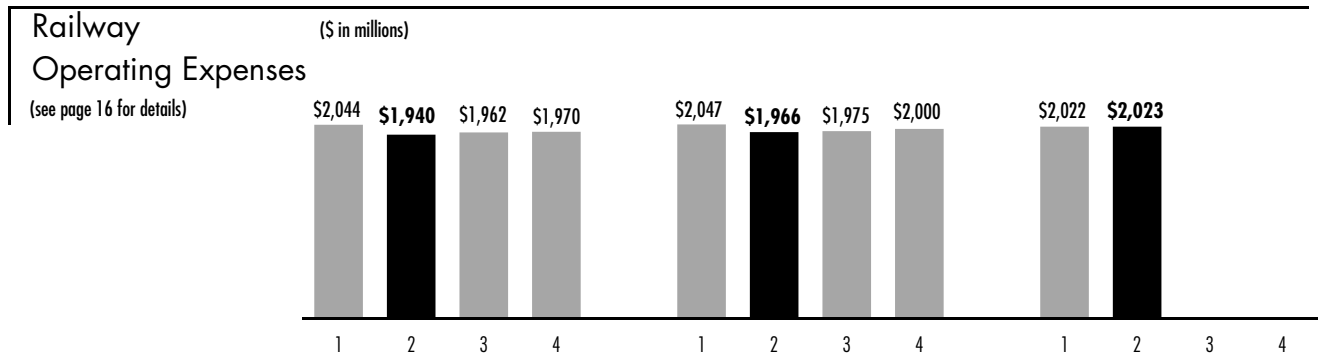
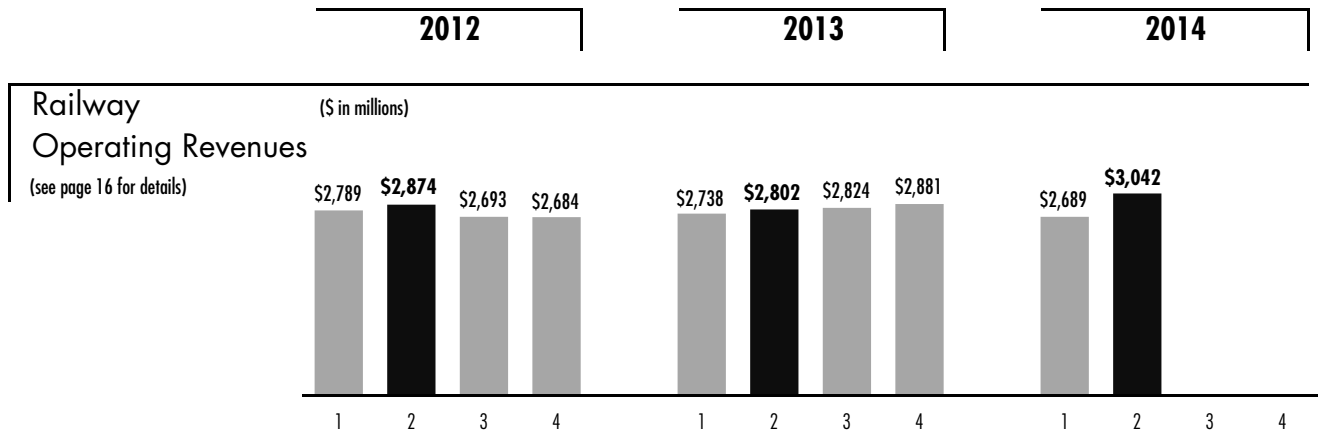
	June 30,	December 31,
	(\$ in millions)	
	2014	2013
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,667	\$ 1,443
Short-term investments	-	118
Accounts receivable — net	1,122	1,024
Materials and supplies	251	223
Deferred income taxes	161	180
Other current assets	65	87
Total current assets	3,266	3,075
Investments	2,505	2,439
Properties less accumulated depreciation of \$10,634 and \$10,387, respectively	26,927	26,645
Other assets	342	324
<b>Total assets</b>	\$ 33,040	\$ 32,483
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 1,245	\$ 1,265
Short-term debt	-	100
Income and other taxes	359	225
Other current liabilities	331	270
Current maturities of long-term debt	433	445
Total current liabilities	2,368	2,305
Long-term debt	8,814	8,903
Other liabilities	1,122	1,444
Deferred income taxes	8,659	8,542
<b>Total liabilities</b>	20,963	21,194
Stockholders' equity:		
Common stock \$1.00 per share par value, 1,350,000,000 shares authorized; outstanding 309,515,208 and 308,878,402 shares, respectively, net of treasury shares	311	310
Additional paid-in capital	2,113	2,021
Accumulated other comprehensive loss	(183)	(381)
Retained income	9,836	9,339
<b>Total stockholders' equity</b>	12,077	11,289
<b>Total liabilities and stockholders' equity</b>	\$ 33,040	\$ 32,483

## Consolidated Statements of Cash Flows

First Six Months  
(S in millions)

	2014	2013
<b>Cash flows from operating activities</b>		
Net income	\$ 930	\$ 915
Reconciliation of net income to net cash provided by operating activities:		
Depreciation	478	456
Deferred income taxes	17	143
Gains and losses on properties and investments (note 2)	(3)	(99)
Changes in assets and liabilities affecting operations:		
Accounts receivable	(98)	37
Materials and supplies	(28)	(12)
Other current assets	30	28
Current liabilities other than debt	144	6
Other — net	(33)	32
Net cash provided by operating activities	1,437	1,506
<b>Cash flows from investing activities</b>		
Property additions	(809)	(884)
Property sales and other transactions	44	68
Investments, including short-term	(3)	(7)
Investment sales and other transactions	121	16
Net cash used in investing activities	(647)	(807)
<b>Cash flows from financing activities</b>		
Dividends	(335)	(315)
Common stock issued — net	82	80
Purchase and retirement of common stock (note 1)	(100)	(314)
Debt repayments	(213)	(216)
Net cash used in financing activities	(566)	(765)
Net increase (decrease) in cash and cash equivalents	224	(66)
<b>Cash and cash equivalents</b>		
At beginning of period	1,443	653
At end of period	\$ 1,667	\$ 587
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the period for:		
Interest (net of amounts capitalized)	\$ 255	\$ 244
Income taxes (net of refunds)	313	238

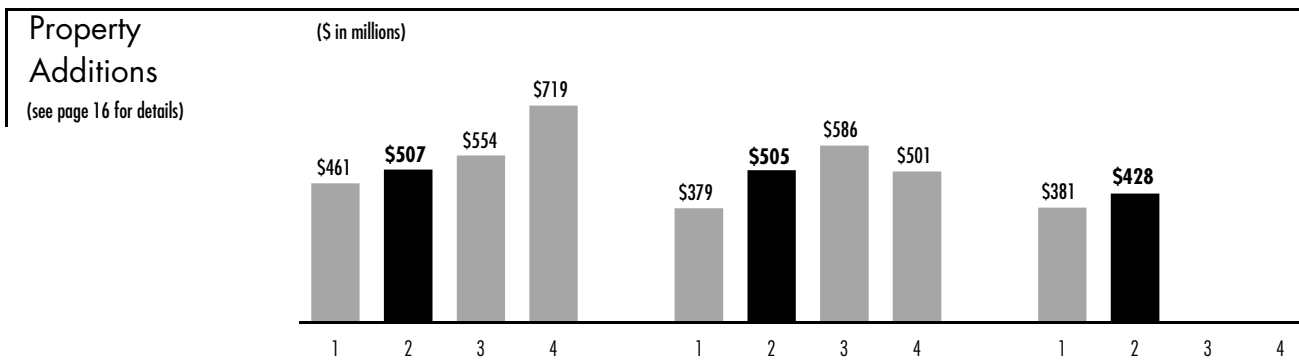
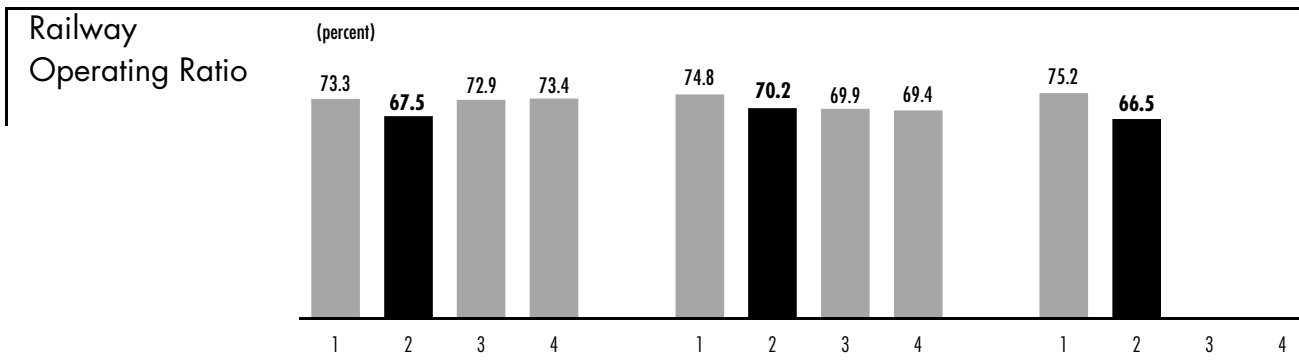
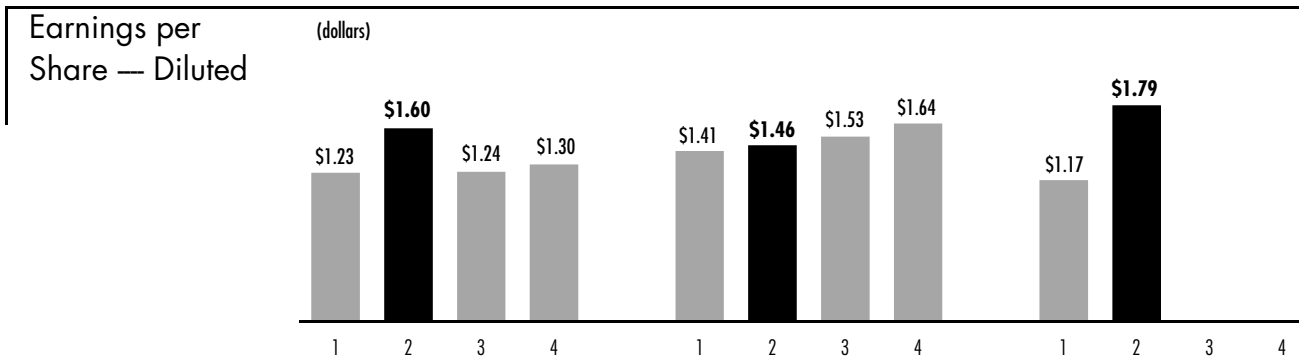
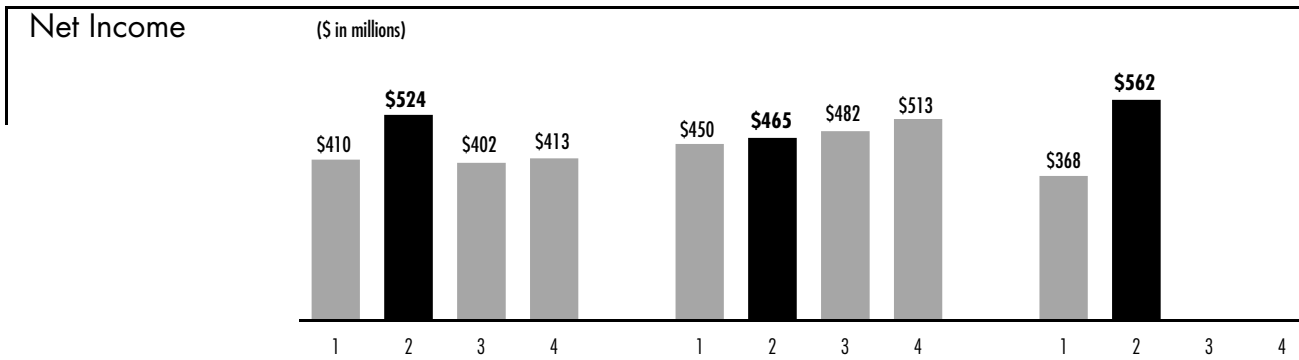
## Consolidated Financial Information





# Consolidated Financial Information

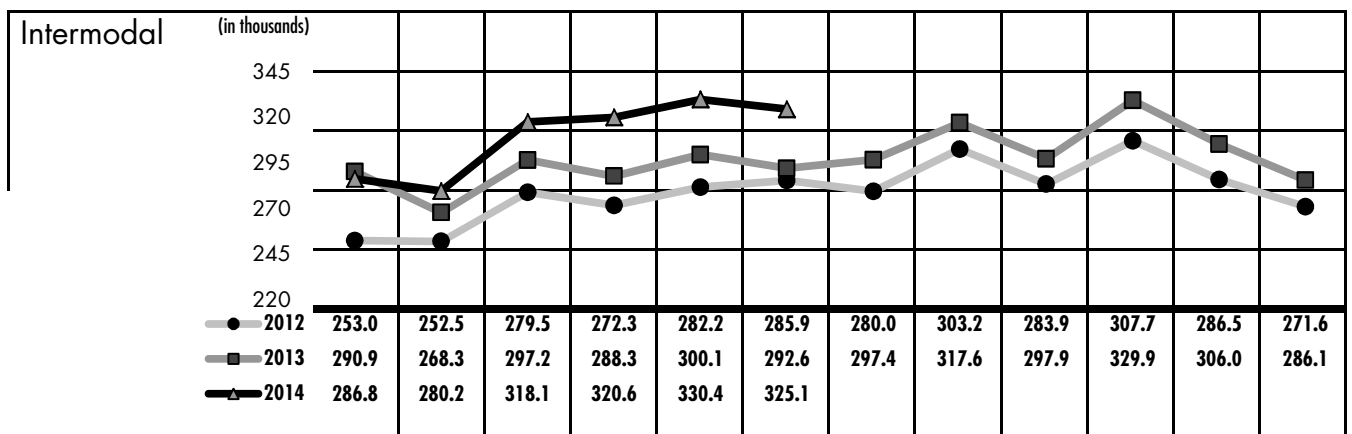
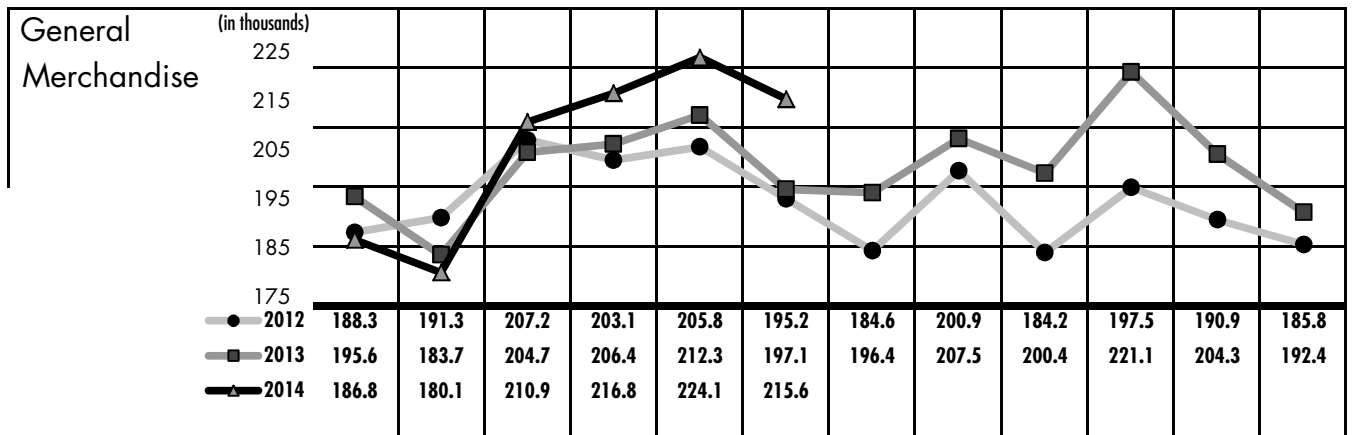
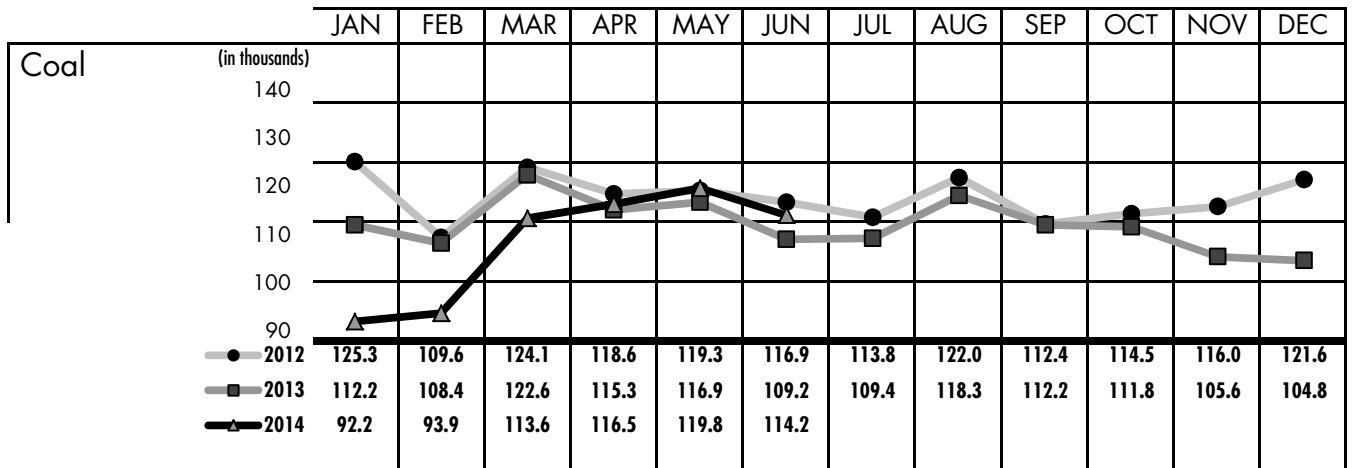
2012
2013
2014



## Railway Operating Revenues Analysis

Commodity and Period	Revenues (\$ in millions)			Units (in thousands)			Revenue per Unit (\$ per unit)		
	2012	2013	2014	2012	2013	2014	2012	2013	2014
<b>First Quarter</b>									
Coal	\$ 766	\$ 635	\$ 541	359.0	343.2	299.7	\$ 2,134	\$ 1,850	\$ 1,805
Chemicals	362	394	443	96.0	106.0	116.1	3,772	3,719	3,820
Agriculture/consumer/gov't	370	361	361	152.3	147.9	147.1	2,429	2,441	2,457
Metals and construction	342	336	331	165.5	154.8	149.9	2,068	2,172	2,207
Automotive	226	244	227	96.3	98.7	92.3	2,345	2,467	2,455
Paper/clay/forest	196	195	190	76.7	76.6	72.4	2,552	2,539	2,620
General merchandise	1,496	1,530	1,552	586.8	584.0	577.8	2,549	2,619	2,686
Intermodal	527	573	596	785.0	856.4	885.1	671	669	673
Total	\$ 2,789	\$ 2,738	\$ 2,689	1,730.8	1,783.6	1,762.6	1,611	1,535	1,525
<b>Second Quarter</b>									
Coal	\$ 755	\$ 626	\$ 672	354.8	341.4	350.5	\$ 2,126	\$ 1,833	\$ 1,916
Chemicals	379	415	455	98.5	114.0	121.8	3,844	3,642	3,730
Agriculture/consumer/gov't	370	366	386	150.1	147.9	155.6	2,464	2,475	2,479
Metals and construction	369	350	410	180.2	171.1	193.6	2,047	2,045	2,118
Automotive	239	261	270	98.4	106.4	109.5	2,431	2,456	2,469
Paper/clay/forest	199	196	199	76.9	76.4	76.0	2,593	2,570	2,628
General merchandise	1,556	1,588	1,720	604.1	615.8	656.5	2,576	2,580	2,620
Intermodal	563	588	650	840.4	881.0	976.1	671	667	666
Total	\$ 2,874	\$ 2,802	\$ 3,042	1,799.3	1,838.2	1,983.1	1,597	1,524	1,534
<b>Year-to-date</b>									
Coal	\$ 1,521	\$ 1,261	\$ 1,213	713.8	684.6	650.2	\$ 2,130	\$ 1,841	\$ 1,865
Chemicals	741	809	898	194.5	220.0	237.9	3,808	3,679	3,774
Agriculture/consumer/gov't	740	727	747	302.4	295.8	302.7	2,446	2,458	2,468
Metals and construction	711	686	741	345.7	325.9	343.5	2,057	2,106	2,157
Automotive	465	505	497	194.7	205.1	201.8	2,388	2,461	2,462
Paper/clay/forest	395	391	389	153.6	153.0	148.4	2,573	2,554	2,624
General merchandise	3,052	3,118	3,272	1,190.9	1,199.8	1,234.3	2,563	2,599	2,651
Intermodal	1,090	1,161	1,246	1,625.4	1,737.4	1,861.2	671	668	670
Total	\$ 5,663	\$ 5,540	\$ 5,731	3,530.1	3,621.8	3,745.7	1,604	1,530	1,530

## Monthly Railway Units



## Railway Operating Revenues Variance Analysis

(\$ in millions)

Second Quarter  
2014 vs. 2013

	Coal		General Merchandise		Intermodal		Total	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
<b>Revenue Variance due to:</b>								
Volume	\$ 17	3%	\$ 105	7%	\$ 63	11%	\$ 221	8%
Revenue per unit	29	5%	27	2%	(1)	-	19	1%
Total	<u>\$ 46</u>	7%	<u>\$ 132</u>	8%	<u>\$ 62</u>	11%	<u>\$ 240</u>	9%

Year-to-date  
2014 vs. 2013

	Coal		General Merchandise		Intermodal		Total	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
<b>Revenue Variance due to:</b>								
Volume	\$ (63)	(5%)	\$ 90	3%	\$ 83	7%	\$ 190	3%
Revenue per unit	15	1%	64	2%	2	-	1	-
Total	<u>\$ (48)</u>	(4%)	<u>\$ 154</u>	5%	<u>\$ 85</u>	7%	<u>\$ 191</u>	3%

## Coal Tonnage by Market

(tons in thousands)

Second Quarter

	2012		2013		2014	
	Tons	Change vs. 2011	Tons	Change vs. 2012	Tons	Change vs. 2013
Utility	23,527	(20%)	24,319	3%	25,968	7%
Export	8,530	7%	7,380	(13%)	6,443	(13%)
Domestic metallurgical	5,019	3%	4,608	(8%)	4,121	(11%)
Industrial	1,880	(1%)	1,810	(4%)	2,260	25%
Total	<u>38,956</u>	(12%)	<u>38,117</u>	(2%)	<u>38,792</u>	2%

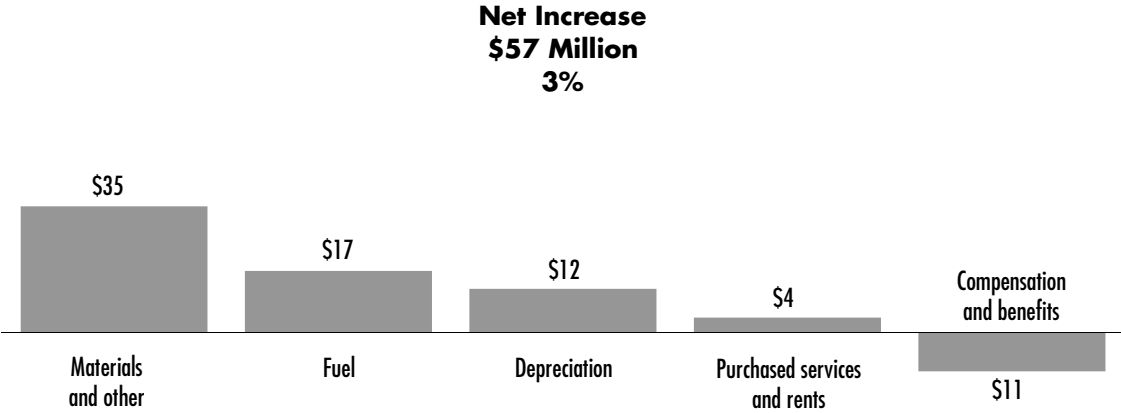
Year-to-date

	2012		2013		2014	
	Tons	Change vs. 2011	Tons	Change vs. 2012	Tons	Change vs. 2013
Utility	49,788	(18%)	48,277	(3%)	47,164	(2%)
Export	15,254	(1%)	15,799	4%	12,946	(18%)
Domestic metallurgical	9,591	11%	8,650	(10%)	7,307	(16%)
Industrial	3,801	2%	3,610	(5%)	4,231	17%
Total	<u>78,434</u>	(12%)	<u>76,336</u>	(3%)	<u>71,648</u>	(6%)

# Railway Operating Expenses Variance Analysis

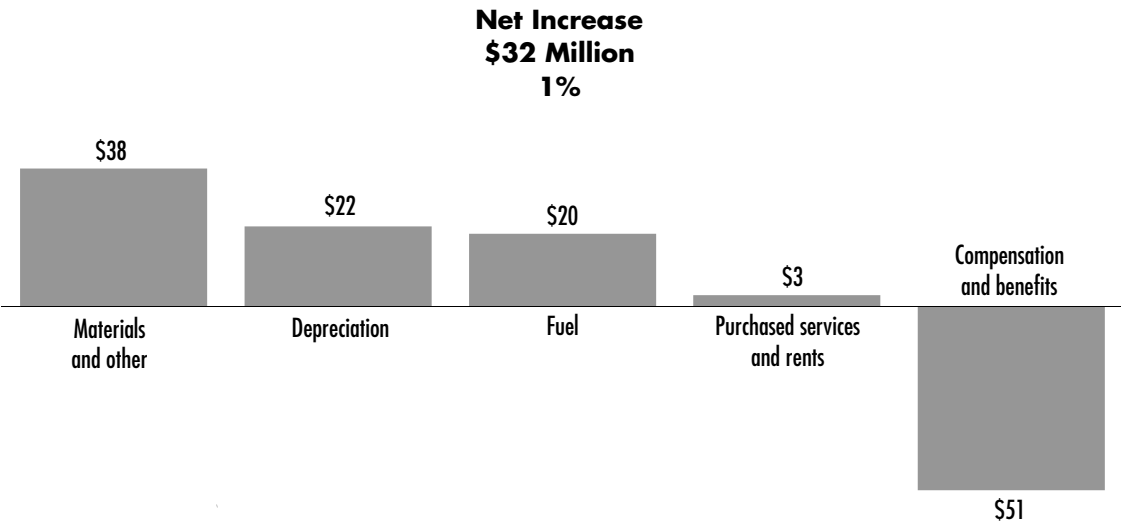
Second Quarter  
2014 vs. 2013

(\$ in millions)  
Amount of change

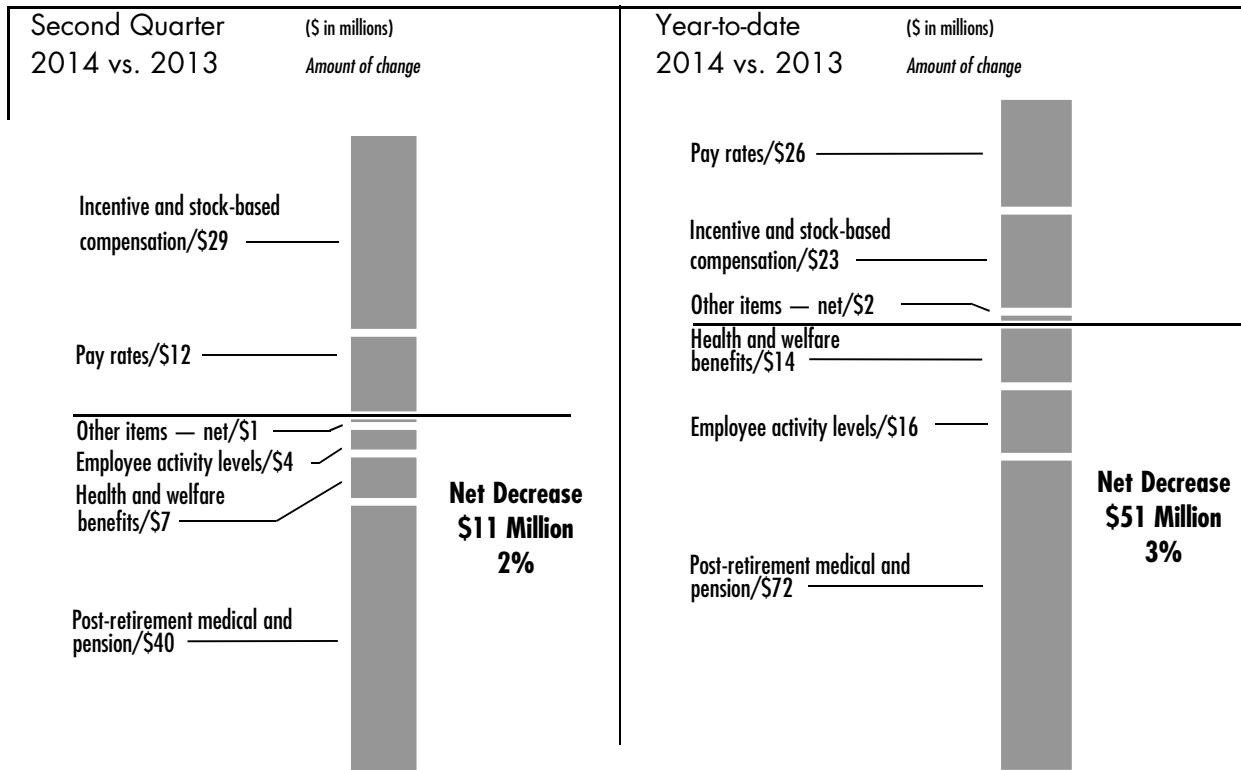


Year-to-date  
2014 vs. 2013

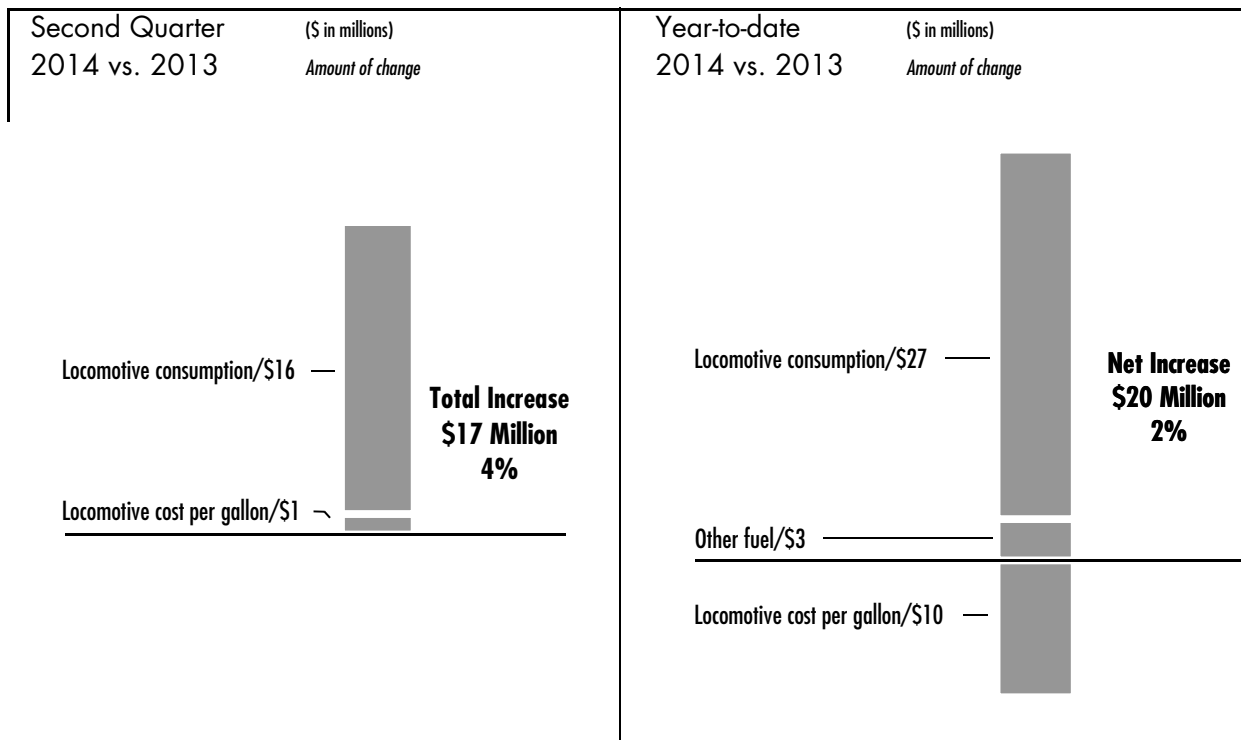
(\$ in millions)  
Amount of change



## Compensation and Benefits Expense Analysis



## Fuel Expense Analysis



## Other Income — Net Analysis

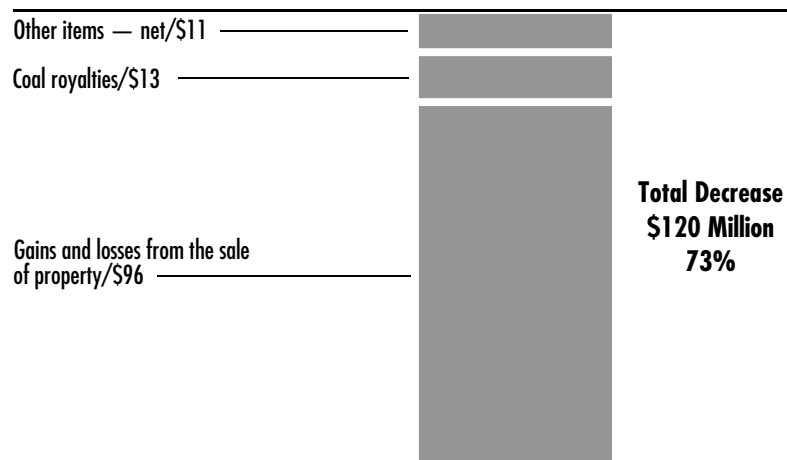
Second Quarter  
2014 vs. 2013

(\$ in millions)  
*Amount of change*

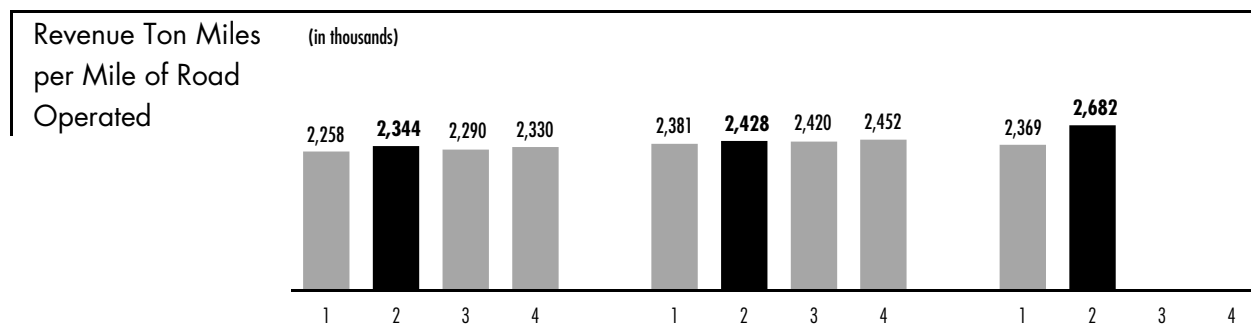
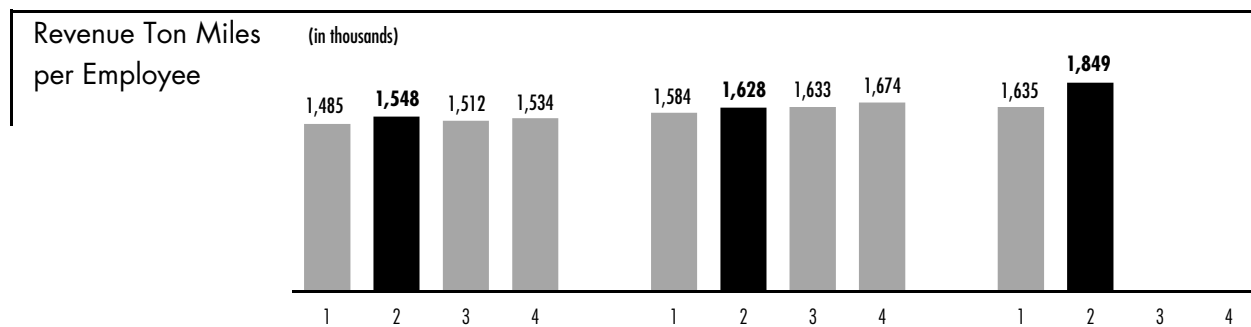
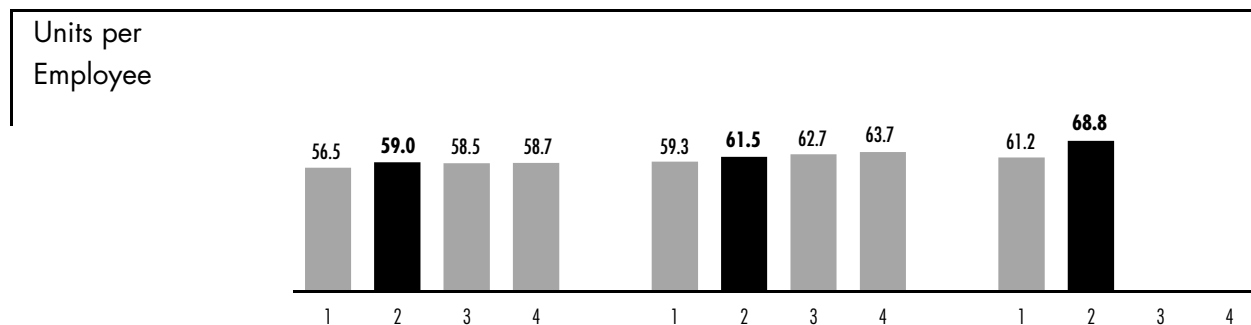
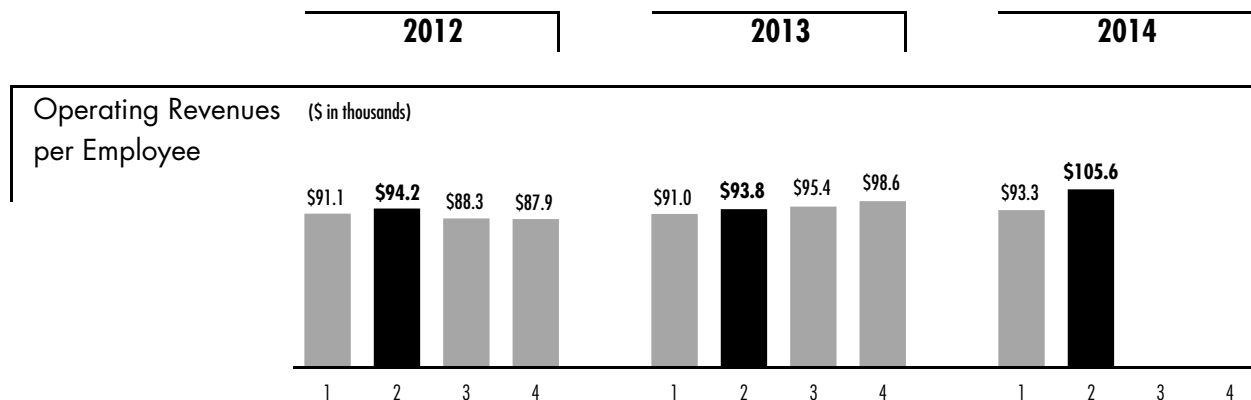


Year-to-date  
2014 vs. 2013

(\$ in millions)  
*Amount of change*

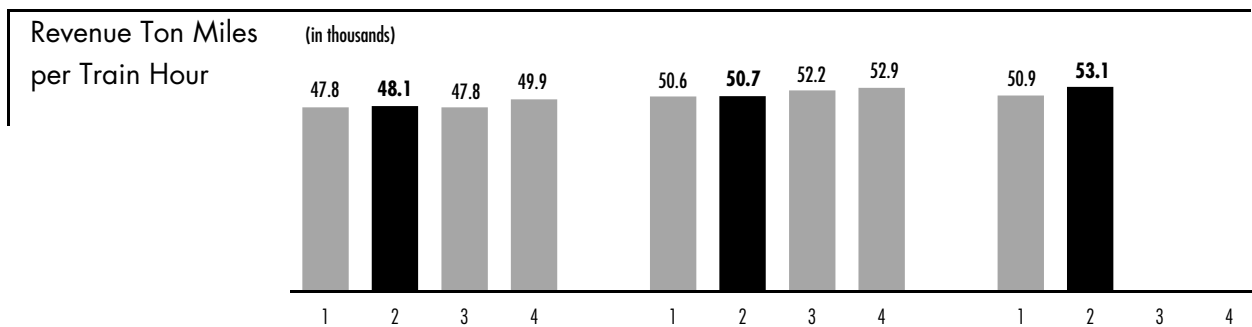
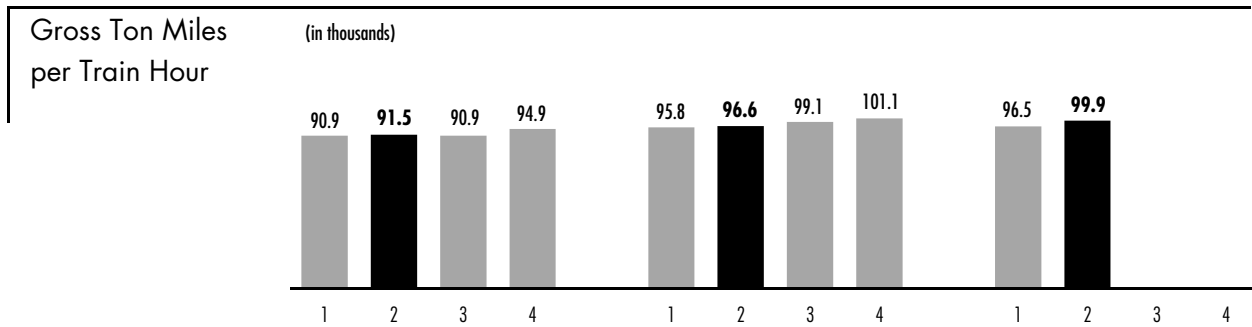
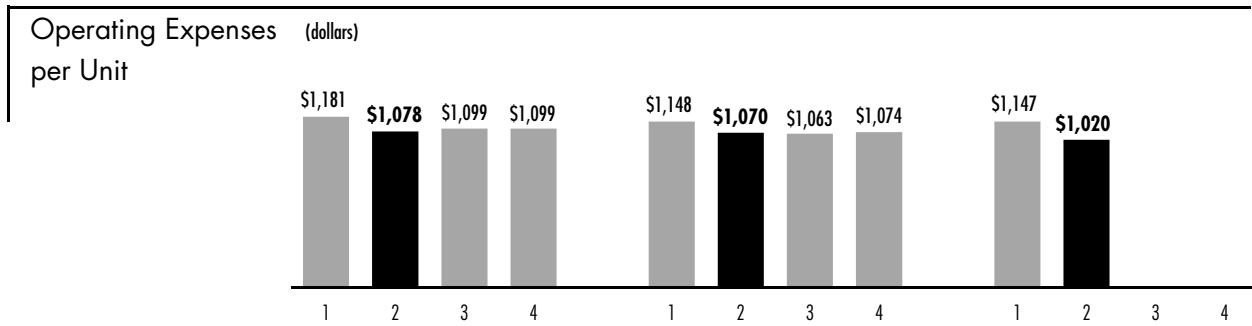


## Productivity Measures





## Productivity Measures



## Financial, Traffic and Operating Statistics

Consolidated Financial Data (\$ in millions — except as noted)		2012					2013					2014				
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year-to-date
6	Railway operating revenues:															
8	Coal	\$ 766	\$ 755	\$ 701	\$ 657	\$ 2,879	\$ 635	\$ 626	\$ 641	\$ 641	\$ 2,543	\$ 541	\$ 672			\$ 1,213
8	General merchandise	1,496	1,556	1,425	1,443	5,920	1,530	1,588	1,578	1,622	6,318	1,552	1,720			3,272
8	Intermodal	527	563	567	584	2,241	573	588	605	618	2,384	596	650			1,246
6	Total railway operating revenues	2,789	2,874	2,693	2,684	11,040	2,738	2,802	2,824	2,881	11,245	2,689	3,042			5,731
6	Railway operating expenses:															
•	Compensation and benefits	786	724	724	726	2,960	780	726	735	761	3,002	740	715			1,455
•	Purchased services	318	320	333	350	1,321	321	343	349	340	1,353	324	342			666
•	Equipment rents	73	72	70	68	283	72	67	71	66	276	68	72			140
•	Fuel	413	390	379	395	1,577	429	391	390	403	1,613	432	408			840
•	Depreciation	224	229	230	233	916	227	226	230	233	916	237	238			475
•	Materials	112	95	109	92	408	101	116	100	105	422	108	124			232
•	Casualties and other claims	38	30	33	29	130	35	20	23	12	90	30	42			72
•	Other	80	80	84	77	321	82	77	77	80	316	83	82			165
6	Total railway operating expenses	2,044	1,940	1,962	1,970	7,916	2,047	1,966	1,975	2,000	7,988	2,022	2,023			4,045
6	Income from railway operations	745	934	731	714	3,124	691	836	849	881	3,257	667	1,019			1,686
•	Other income (expense) (note 1)	(91)	(91)	(91)	(93)	(366)	6	(99)	(101)	(98)	(292)	(113)	(121)			(234)
•	Income before income taxes	654	843	640	621	2,758	697	737	748	783	2,965	554	898			1,452
•	Income taxes — current	156	269	97	121	643	173	203	194	223	793	194	311			505
•	Income taxes — deferred	88	50	141	87	366	74	69	72	47	262	(8)	25			17
6	Total income taxes	244	319	238	208	1,009	247	272	266	270	1,055	186	336			522
7	Net income	\$ 410	\$ 524	\$ 402	\$ 413	\$ 1,749	\$ 450	\$ 465	\$ 482	\$ 513	\$ 1,910	\$ 368	\$ 562			\$ 930
7	Earnings per share — diluted (dollars) (note 1)	\$ 1.23	\$ 1.60	\$ 1.24	\$ 1.30	\$ 5.37	\$ 1.41	\$ 1.46	\$ 1.53	\$ 1.64	\$ 6.04	\$ 1.17	\$ 1.79			\$ 2.97
7	Railway operating ratio	73.3	67.5	72.9	73.4	71.7	74.8	70.2	69.9	69.4	71.0	75.2	66.5			70.6
7	Property additions:															
•	Equipment	\$ 187	\$ 176	\$ 148	\$ 265	\$ 776	\$ 88	\$ 140	\$ 200	\$ 122	\$ 550	\$ 110	\$ 96			\$ 206
•	Road	274	331	406	454	1,465	291	365	386	379	1,421	271	332			603
7	Total property additions	\$ 461	\$ 507	\$ 554	\$ 719	\$ 2,241	\$ 379	\$ 505	\$ 586	\$ 501	\$ 1,971	\$ 381	\$ 428			\$ 809
•	Cash, cash equivalents and short-term investments	\$ 831	\$ 371	\$ 708	\$ 668	\$ 668	\$ 687	\$ 587	\$ 1,004	\$ 1,561	\$ 1,561	\$ 1,532	\$ 1,667			\$ 1,667
•	Total debt, excluding notes payable to Conrail	\$ 8,017	\$ 7,999	\$ 8,480	\$ 8,682	\$ 8,682	\$ 8,485	\$ 8,477	\$ 8,946	\$ 9,448	\$ 9,448	\$ 9,354	\$ 9,247			\$ 9,247
•	Total debt-to-total capitalization (percent)	45.0	45.0	46.5	47.1	47.1	45.6	45.4	46.5	45.6	45.6	44.4	43.4			43.4
•	Weighted average shares outstanding — diluted (in millions) (note 2)	332.9	327.5	321.8	318.6	325.2	318.1	317.8	313.9	312.3	315.5	312.6	312.8			312.7

**Note 1** In first quarter 2013, we recognized a \$97 million gain on a land sale, which increased net income by \$60 million, or \$0.19 per share.

**Note 2** We repurchased 1.0 million shares of common stock in the first six months of 2014, totaling \$100 million, 4.2 million shares at a cost of \$314 million for the same period of 2013, and 12.3 million shares at a cost of \$850 million for the same period of 2012. We have remaining authorization from our Board of Directors to repurchase up to 37.2 million shares through December 31, 2017. The timing and volume of purchases is guided by our assessment of market conditions and other pertinent factors. Any near-term share repurchases are expected to be made with internally generated cash, cash on hand, or proceeds from borrowings. Since the beginning of 2006, we have repurchased and retired 137.8 million shares at a total cost of \$8.2 billion.

## Financial, Traffic and Operating Statistics

Traffic and Operating Statistics		2012					2013					2014				
Page	Item	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year-to-date
	• No corresponding charts for this data.															
8	Railway units (in thousands):															
8	Coal	359.0	<b>354.8</b>	348.2	352.1	1,414.1	343.2	<b>341.4</b>	339.9	322.2	1,346.7	299.7	<b>350.5</b>			650.2
8	General merchandise	586.8	<b>604.1</b>	569.7	574.2	2,334.8	584.0	<b>615.8</b>	604.3	617.8	2,421.9	577.8	<b>656.5</b>			1,234.3
8	Intermodal	785.0	<b>840.4</b>	867.1	865.8	3,358.3	856.4	<b>881.0</b>	912.9	922.0	3,572.3	885.1	<b>976.1</b>			1,861.2
8	Total railway units	1,730.8	<b>1,799.3</b>	1,785.0	1,792.1	7,107.2	1,783.6	<b>1,838.2</b>	1,857.1	1,862.0	7,340.9	1,762.6	<b>1,983.1</b>			3,745.7
	• Revenue ton miles (RTMs) (in billions):															
	• Coal	11.8	<b>12.2</b>	12.0	12.2	48.2	12.0	<b>11.8</b>	12.0	11.7	47.5	10.7	<b>13.3</b>			24.0
	• General merchandise	25.2	<b>25.8</b>	24.7	25.1	100.8	26.4	<b>27.3</b>	26.6	27.4	107.7	27.0	<b>29.8</b>			56.8
	• Intermodal	8.5	<b>9.2</b>	9.4	9.5	36.6	9.3	<b>9.5</b>	9.7	9.9	38.4	9.4	<b>10.2</b>			19.6
	• Total	45.5	<b>47.2</b>	46.1	46.8	185.6	47.7	<b>48.6</b>	48.3	49.0	193.6	47.1	<b>53.3</b>			100.4
	• Revenue (dollars) per thousand RTMs:															
	• Coal	\$ 64.77	<b>\$ 62.08</b>	\$ 58.45	\$ 53.61	\$ 59.69	\$ 53.15	<b>\$ 52.67</b>	\$ 53.32	\$ 55.12	\$ 53.55	\$ 50.71	<b>\$ 50.41</b>			\$ 50.54
	• General merchandise	\$ 59.42	<b>\$ 60.23</b>	\$ 57.67	\$ 57.57	\$ 58.74	\$ 57.86	<b>\$ 58.27</b>	\$ 59.41	\$ 59.07	\$ 58.65	\$ 57.36	<b>\$ 57.91</b>			\$ 57.65
	• Intermodal	\$ 62.23	<b>\$ 61.09</b>	\$ 60.21	\$ 61.36	\$ 61.20	\$ 61.77	<b>\$ 62.02</b>	\$ 62.07	\$ 62.76	\$ 62.16	\$ 63.53	<b>\$ 63.56</b>			\$ 63.54
	• Total	\$ 61.34	<b>\$ 60.88</b>	\$ 58.39	\$ 57.30	\$ 59.47	\$ 57.44	<b>\$ 57.63</b>	\$ 58.43	\$ 58.87	\$ 58.10	\$ 57.09	<b>\$ 57.11</b>			\$ 57.10
	• Gross ton miles (GTMs) (in billions)	86.5	<b>89.8</b>	87.8	89.0	353.1	90.3	<b>92.6</b>	91.7	93.5	368.1	89.2	<b>100.3</b>			189.5
	• Revenue ton miles (RTMs) (in billions)	45.5	<b>47.2</b>	46.1	46.8	185.6	47.7	<b>48.6</b>	48.3	49.0	193.6	47.1	<b>53.3</b>			100.4
	• Railroad employees (average)	30,630	<b>30,503</b>	30,493	30,543	30,543	30,095	<b>29,870</b>	29,597	29,227	29,698	28,811	<b>28,811</b>			28,811
	• Total operating expenses (dollars) per thousand GTMs	\$ 23.62	<b>\$ 21.60</b>	\$ 22.37	\$ 22.13	\$ 22.42	\$ 22.68	<b>\$ 21.23</b>	\$ 21.53	\$ 21.41	\$ 21.70	\$ 22.66	<b>\$ 20.16</b>			\$ 21.34
	• Compensation and benefits (dollars) per thousand GTMs	\$ 9.08	<b>\$ 8.06</b>	\$ 8.25	\$ 8.16	\$ 8.38	\$ 8.64	<b>\$ 7.84</b>	\$ 8.01	\$ 8.14	\$ 8.16	\$ 8.29	<b>\$ 7.13</b>			\$ 7.68
	• Total operating expenses (dollars) per thousand RTMs	\$ 44.95	<b>\$ 41.09</b>	\$ 42.54	\$ 42.06	\$ 42.64	\$ 42.94	<b>\$ 40.43</b>	\$ 40.87	\$ 40.87	\$ 41.27	\$ 42.93	<b>\$ 37.98</b>			\$ 40.30
	• Compensation and benefits (dollars) per thousand RTMs	\$ 17.29	<b>\$ 15.34</b>	\$ 15.70	\$ 15.50	\$ 15.94	\$ 16.36	<b>\$ 14.93</b>	\$ 15.21	\$ 15.55	\$ 15.51	\$ 15.71	<b>\$ 13.42</b>			\$ 14.50
14	Total operating revenues (\$ in thousands) per employee	\$ 91.1	<b>\$ 94.2</b>	\$ 88.3	\$ 87.9	\$ 361.5	\$ 91.0	<b>\$ 93.8</b>	\$ 95.4	\$ 98.6	\$ 378.6	\$ 93.3	<b>\$ 105.6</b>			\$ 198.9
15	Total operating expenses (\$ in thousands) per employee	\$ 66.7	<b>\$ 63.6</b>	\$ 64.3	\$ 64.5	\$ 259.2	\$ 68.0	<b>\$ 65.8</b>	\$ 66.7	\$ 68.4	\$ 269.0	\$ 70.2	<b>\$ 70.2</b>			\$ 140.4
	• GTMs (thousands) per employee	2,826	<b>2,944</b>	2,877	2,914	11,560	2,999	<b>3,101</b>	3,100	3,197	12,393	3,097	<b>3,482</b>			6,579
14	RTMs (thousands) per employee	1,485	<b>1,548</b>	1,512	1,534	6,078	1,584	<b>1,628</b>	1,633	1,674	6,517	1,635	<b>1,849</b>			3,484
14	Units per employee	56.5	<b>59.0</b>	58.5	58.7	232.7	59.3	<b>61.5</b>	62.7	63.7	247.2	61.2	<b>68.8</b>			130.0
14	RTMs (thousands) per mile of road operated	2,258	<b>2,344</b>	2,290	2,330	9,221	2,381	<b>2,428</b>	2,420	2,452	9,680	2,369	<b>2,682</b>			5,050
15	Total operating expenses (dollars) per unit	\$ 1,181	<b>\$ 1,078</b>	\$ 1,099	\$ 1,099	\$ 1,114	\$ 1,148	<b>\$ 1,070</b>	\$ 1,063	\$ 1,074	\$ 1,088	\$ 1,147	<b>\$ 1,020</b>			\$ 1,080
	• Compensation and benefits (dollars) per unit	\$ 454	<b>\$ 402</b>	\$ 406	\$ 405	\$ 416	\$ 437	<b>\$ 395</b>	\$ 396	\$ 409	\$ 409	\$ 420	<b>\$ 361</b>			\$ 388
	• RTMs (in thousands) per unit	26.3	<b>26.2</b>	25.8	26.1	26.1	26.7	<b>26.5</b>	26.0	26.3	26.4	26.7	<b>26.9</b>			26.8
	• Locomotive diesel fuel consumed (in thousands of gallons)	119,779	<b>114,428</b>	111,804	113,297	459,308	122,673	<b>117,383</b>	114,107	122,141	476,304	126,082	<b>122,619</b>			248,701
	• Average price (dollars) per gallon of locomotive diesel fuel	\$ 3.160	<b>\$ 3.149</b>	\$ 3.131	\$ 3.237	\$ 3.169	\$ 3.191	<b>\$ 3.027</b>	\$ 3.133	\$ 3.020	\$ 3.093	\$ 3.105	<b>\$ 3.034</b>			\$ 3.070
	• RTMs per gallon of fuel consumed	380	<b>413</b>	412	413	404	389	<b>414</b>	424	401	406	374	<b>434</b>			404
15	GTMs (in thousands) per train hour	90.9	<b>91.5</b>	90.9	94.9	92.0	95.8	<b>96.6</b>	99.1	101.1	98.1	96.5	<b>99.9</b>			98.3
15	RTMs (in thousands) per train hour	47.8	<b>48.1</b>	47.8	49.9	48.4	50.6	<b>50.7</b>	52.2	52.9	51.6	50.9	<b>53.1</b>			52.0
	• Percent of loaded-to-total car miles	59.0	<b>58.8</b>	58.6	59.0	58.8	58.7	<b>58.4</b>	58.7	58.8	58.7	59.1	<b>58.8</b>			58.9
	• Total new crossties installed (in thousands)	724	<b>700</b>	693	517	2,634	610	<b>763</b>	741	355	2,469	676	<b>697</b>			1,373
	• Total track miles of rail laid (miles)	104	<b>119</b>	165	121	509	112	<b>181</b>	166	90	549	135	<b>156</b>			291

*Second Quarter 2014*

***Quarterly Financial Review***

