



NORFOLK SOUTHERN

One line, infinite possibilities.

Fourth Quarter 2013 Results

*Donald W. Seale
Executive Vice President
and Chief Marketing Officer*

Railway Operating Revenue

Fourth Quarter 2013 vs. 2012

Revenue

\$2.9 Billion, up 7%

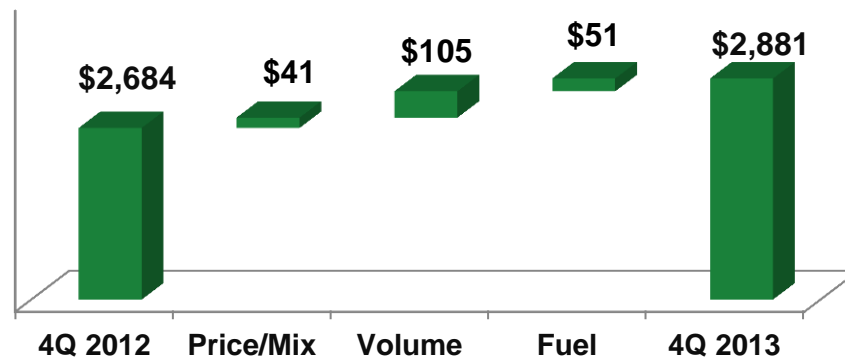
RPU

\$1,547, up 3%

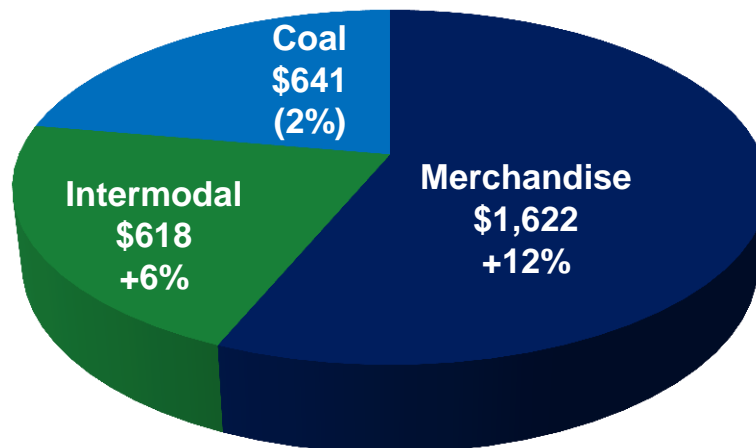
Volume

1,862,000 units, up 4%

Components of Revenue Change \$ in Millions

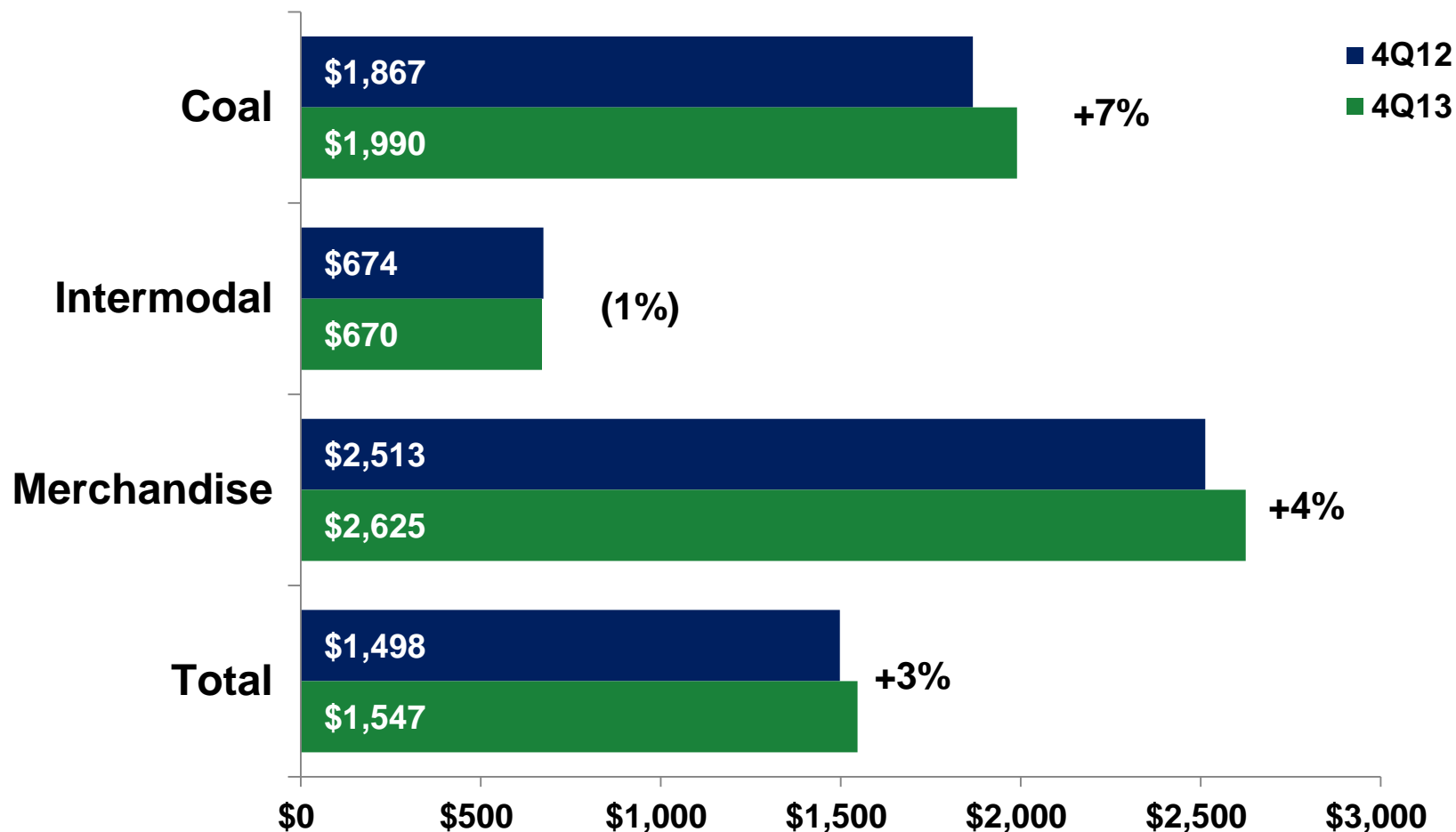


4Q 2013 Revenue \$ in Millions & y-o-y Percent Change



Revenue Per Unit

Fourth Quarter 2013 vs. 2012



Railway Volume

Fourth Quarter 2013 vs. 2012

Total volume up 4%

Coal down (8%)

(9%) decline in Utility

(8%) decline in Export

(14%) decline in Domestic Met

Intermodal up 6%

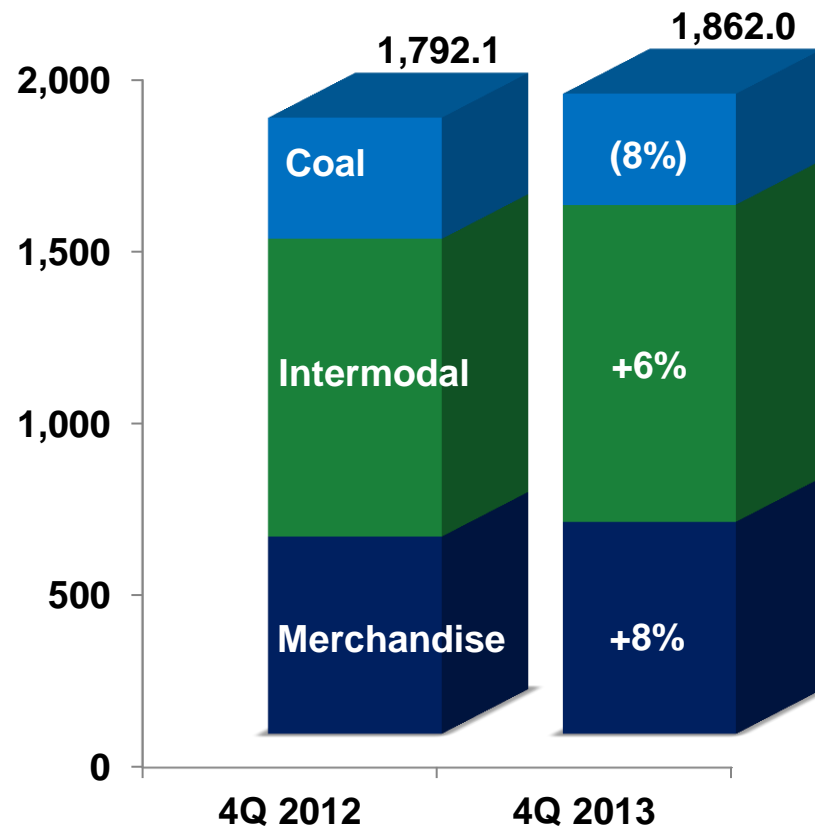
7% gain in Domestic

6% gain in International

Merchandise up 8%

Growth in Chemicals, Automotive, Agriculture, Metals and Construction, and Forest Products

**4Q 2013 Volume (000's)
& y-o-y Percent Change**



Coal Market

Fourth Quarter 2013 vs. 2012

Revenue: \$641 Million, down (2%)

RPU: \$1,990, up 7%

Drivers

Utility

Utility North up 1%; Utility South declined (18%)

Export

13% increase in volume at Lambert's Point with declines at Baltimore

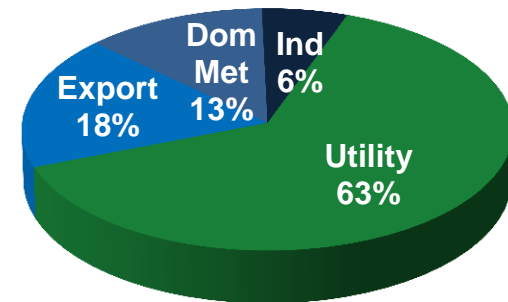
Domestic Met

Reduced demand from NS coal origins

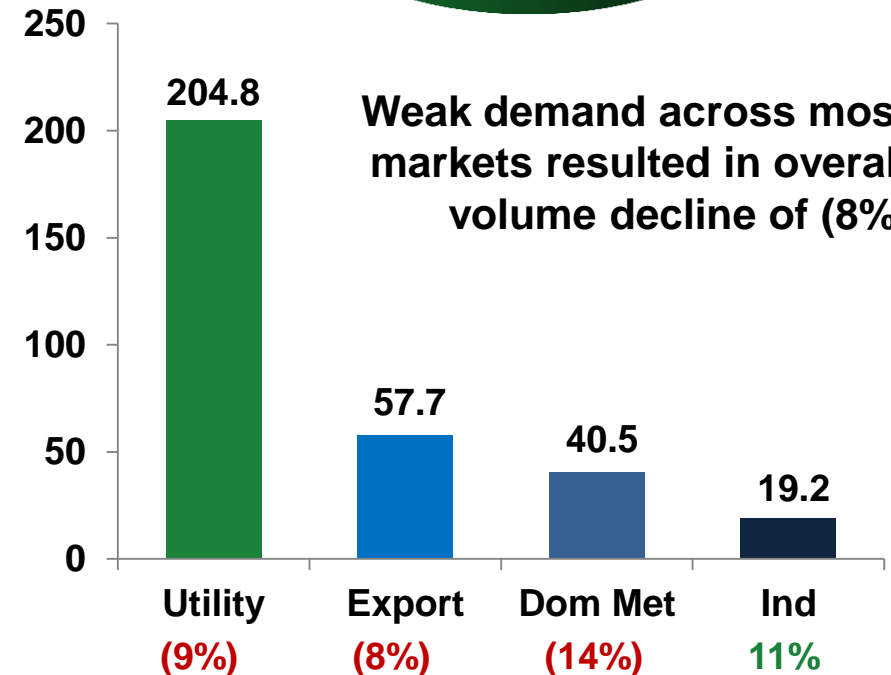
Industrial

New business gains

Percent of Total 4Q Volume



Units (000's)



Intermodal Market

Fourth Quarter 2013 vs. 2012

Revenue: \$618 Million, up 6%

RPU: \$670, down (1%)

Drivers

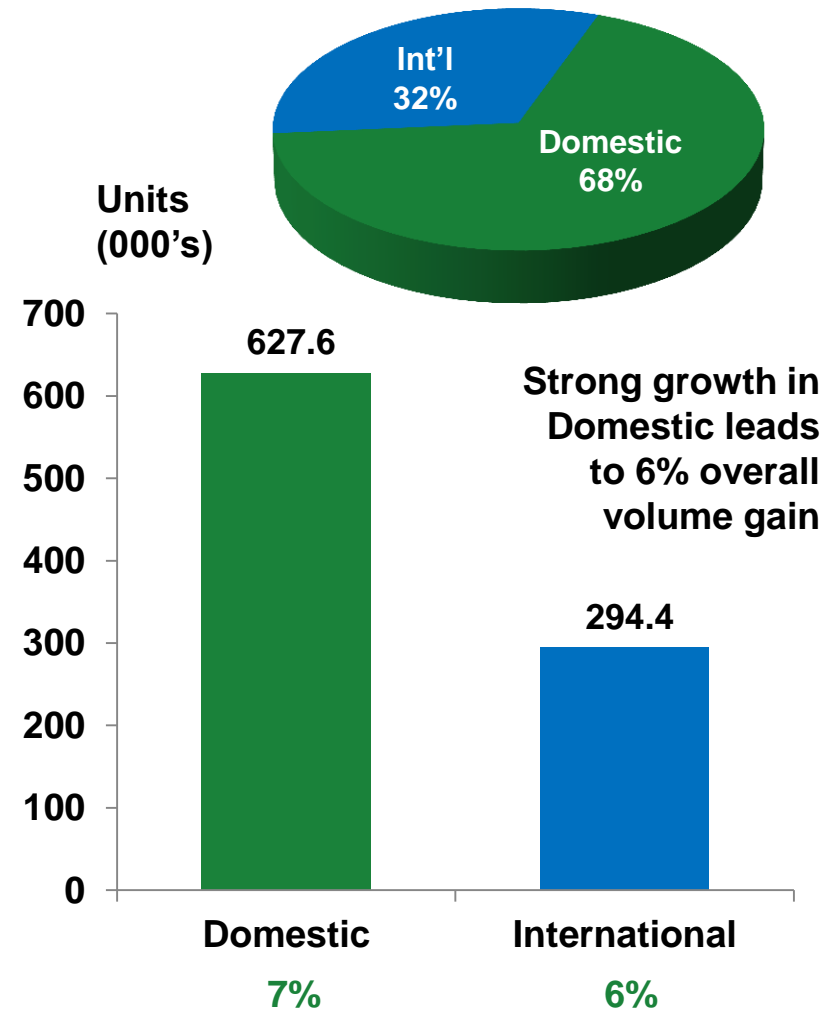
Domestic

- Continued highway conversions
- Growth in Crescent Corridor lanes
- Growth in key accounts

International

- Contract awards
- Organic growth in customer volume

Percent of Total 4Q 2013 Volume



Merchandise Market

Fourth Quarter 2013 vs. 2012

Revenue: \$1.6 Billion, up 12%

RPU: \$2,625, up 4%

Drivers

MetCon

Increased slag, frac sand and steel with declines in aggregates

Agriculture

Strong soybean and corn volumes due to robust crop

Chemicals

Continued growth in crude oil and natural gas products

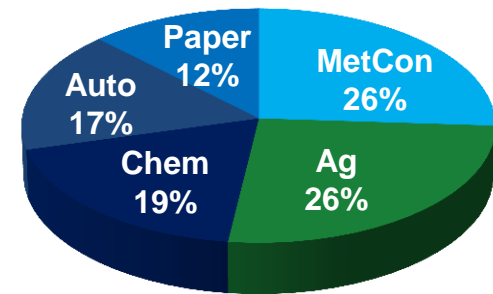
Automotive

Increased light vehicle production and new business

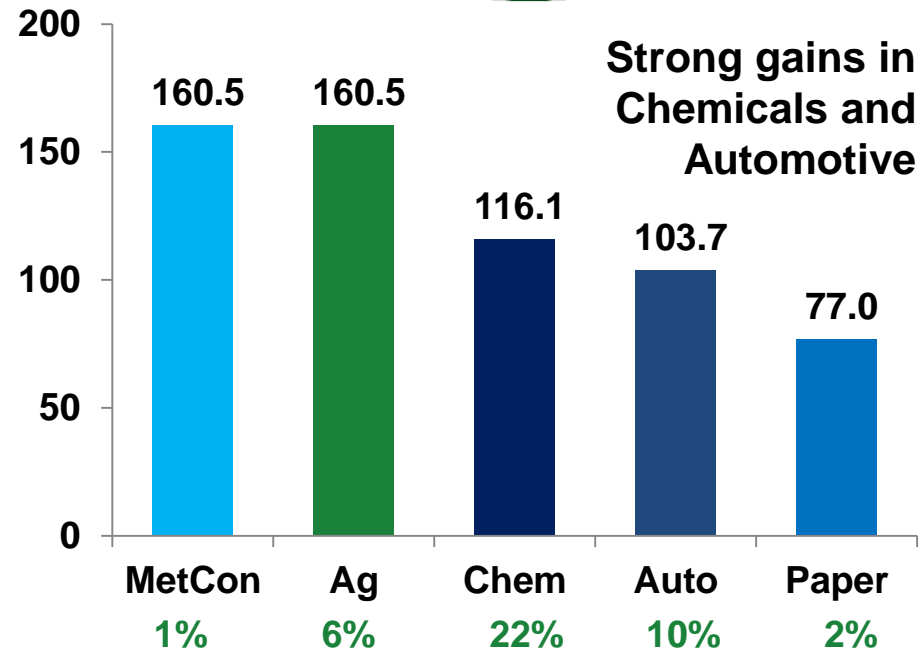
Paper

Improvement in lumber and pulp offset decline in waste and scrap paper

Percent of Total 4Q Volume



Units (000's)

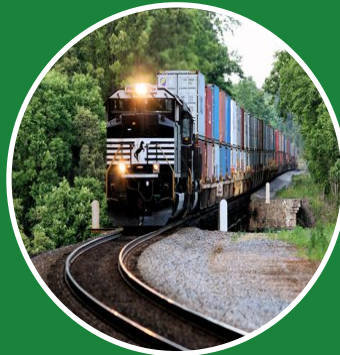


Business Outlook for 2014



COAL

- Utility coal impacted by reduced demand for electricity and natural gas competition
- Strong competition in the Atlantic metallurgical market
- Soft demand and oversupply of thermal coal
- Flat domestic met coal



INTERMODAL

- Continued opportunities for highway conversion
- Continued growth in Crescent Corridor services
- Growth with International shipping partners
- Continued growth – opened Charlotte Terminal December 9



MERCHANDISE

- Project growth in crude oil, increased volume for shale related liquid petroleum gases and asphalt
- Gains in steel, frac sand
- Continued automotive growth
- Favorable corn and soybean crop for 2013 – puts and takes
- Improved housing & related construction materials market

Thank You

