



Fourth Quarter 2015 Marketing Overview

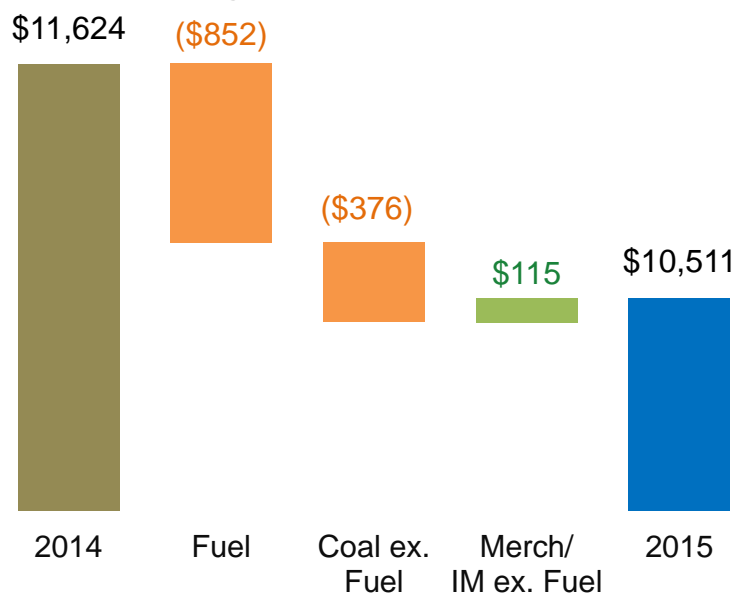
January 27, 2016

Alan H. Shaw
Executive Vice President
and Chief Marketing Officer

Full Year Performance

Revenue	RPU	RPU Less Fuel ⁽¹⁾	Volume
\$10.5 Billion; down (10%)	\$1,405; down (7%)	\$1,342; flat	7,478,900 units; down (3%)

Revenue Change in \$ Millions ⁽¹⁾



Fuel Surcharge and Coal Reductions Account for the Decline

- (64%) decline in fuel surcharge revenue
- (18%) decline in coal revenue excluding fuel surcharge

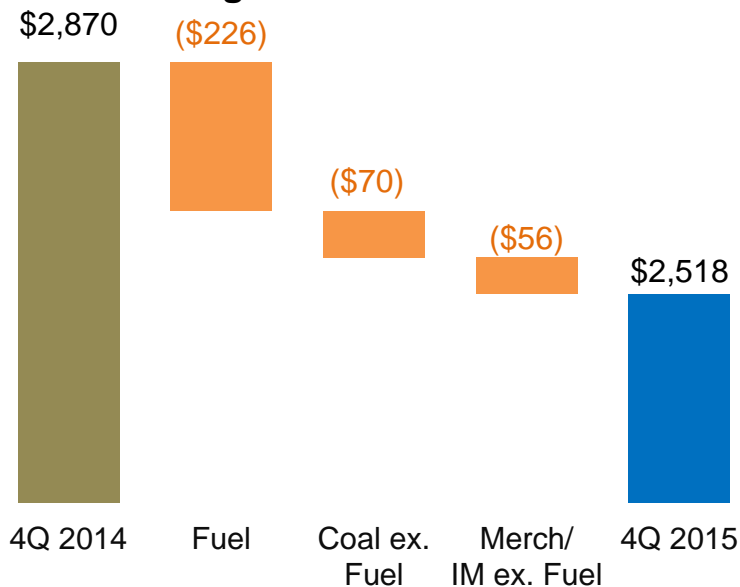
1. Please see reconciliation to GAAP posted on our website.

Railway Operating Revenue

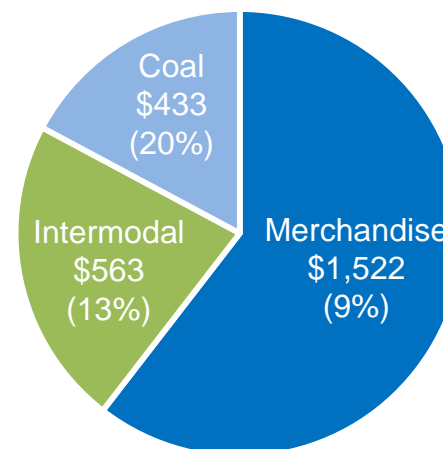
Fourth Quarter 2015 vs. 2014

Revenue	RPU	RPU Less Fuel ⁽¹⁾	Volume
\$2.5 Billion; down (12%)	\$1,396; down (6%)	\$1,351; up 2%	1,803,400 units; down (6%)

Revenue Change in \$ Millions ⁽¹⁾



Revenue \$ in Millions & Y-o-Y Percent Change



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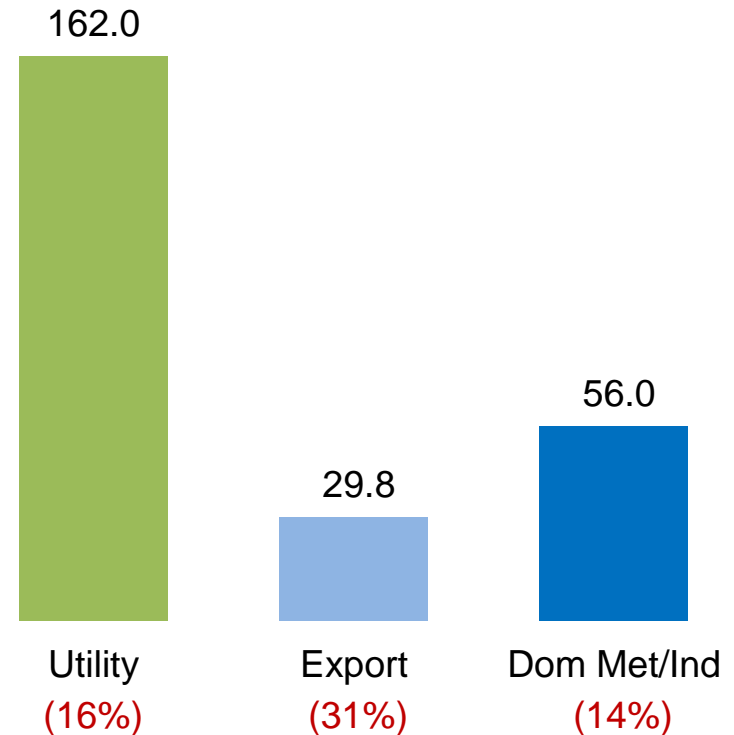
Coal Market

Fourth Quarter 2015 vs. 2014

Mild winter weather impacted utility burn; weak global conditions depressed export.

Revenue	\$433 Million	↓	(20%)
Volume	247,800	↓	(18%)
RPU	\$1,746	↓	(3%)
Less Fuel			
Revenue	\$421 Million ⁽¹⁾	↓	(14%)
RPU	\$1,701 ⁽¹⁾	↑	4%

Units (000's)

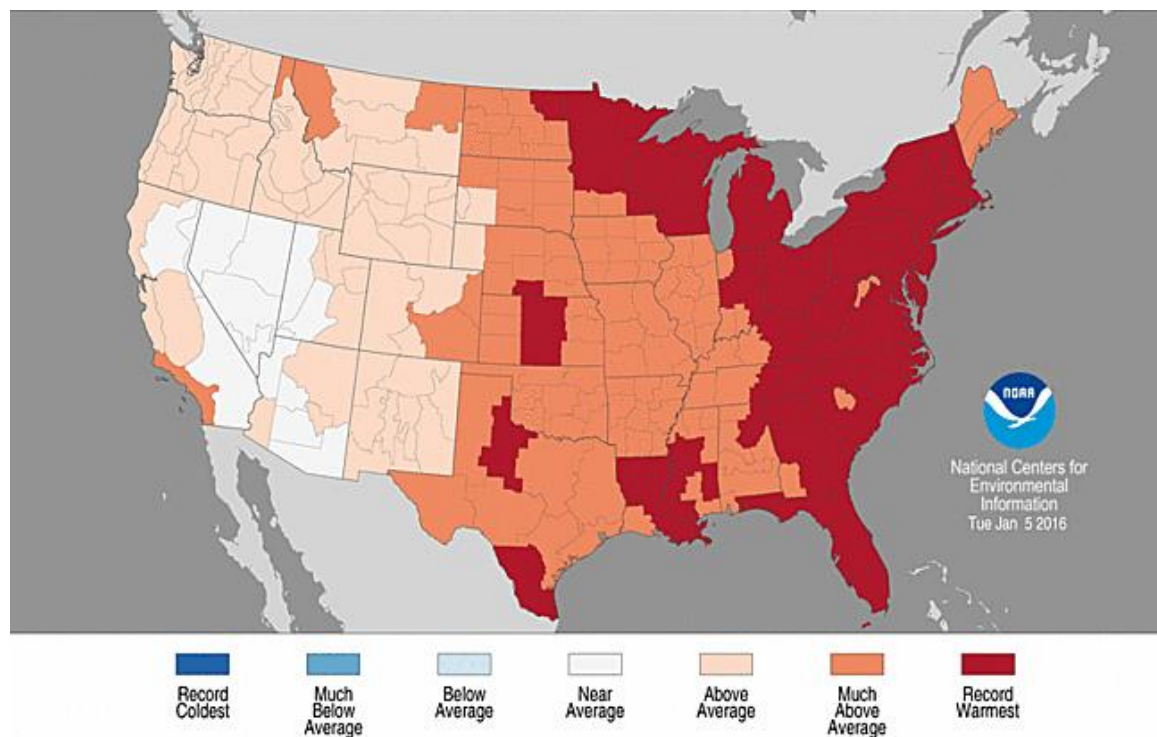


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Mild Weather Significantly Impacted 4Q Utility Coal Volumes

- We handled 18.9 million tons of utility coal in the fourth quarter, 6% below the guidance of 20 million tons.
- Record high temperatures throughout NS service region negatively impacted coal burn.
- Stockpile levels are 40 days above target as of November. Impacting first quarter and beyond.

Divisional Average Temperature Ranks October – December 2015 (Period: 1895–2015)



Intermodal Market

Fourth Quarter 2015 vs. 2014

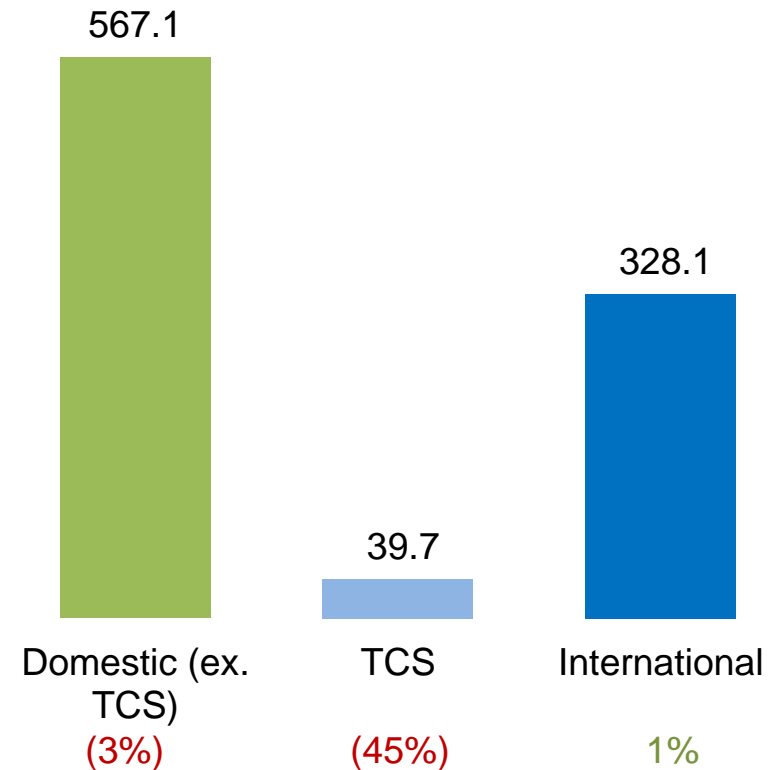
Triple Crown restructuring significantly impacted volumes and RPU.

Revenue	\$563 Million	↓	(13%)
Volume	934,900	↓	(5%)
RPU	\$602	↓	(9%)
Less Fuel			
Revenue	\$501 Million ⁽¹⁾	↓	(5%)
RPU	\$536 ⁽¹⁾		Flat

Excluding Triple Crown

Revenue	\$517 Million ⁽¹⁾	↓	(7%)
Volume	895,200 ⁽¹⁾	↓	(1%)
RPU	\$577 ⁽¹⁾	↓	(6%)
Less Fuel			
Revenue	\$463 Million ⁽¹⁾	↑	2%
RPU	\$517 ⁽¹⁾	↑	4%

Units (000's)



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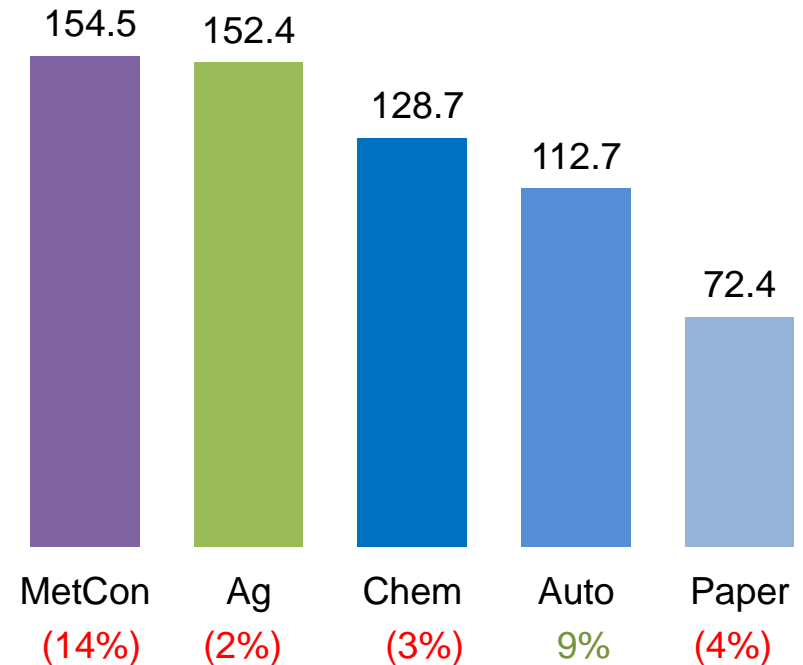
Merchandise Market

Fourth Quarter 2015 vs. 2014

Automotive growth offset by weaker commodity and export markets.

Revenue	\$1,522 Million	↓	(9%)
Volume	620,700	↓	(4%)
RPU	\$2,453	↓	(5%)
Less Fuel			
Revenue	\$1,514 Million ⁽¹⁾	↓	(2%)
RPU	\$2,438 ⁽¹⁾	↑	2%

Units (000's)

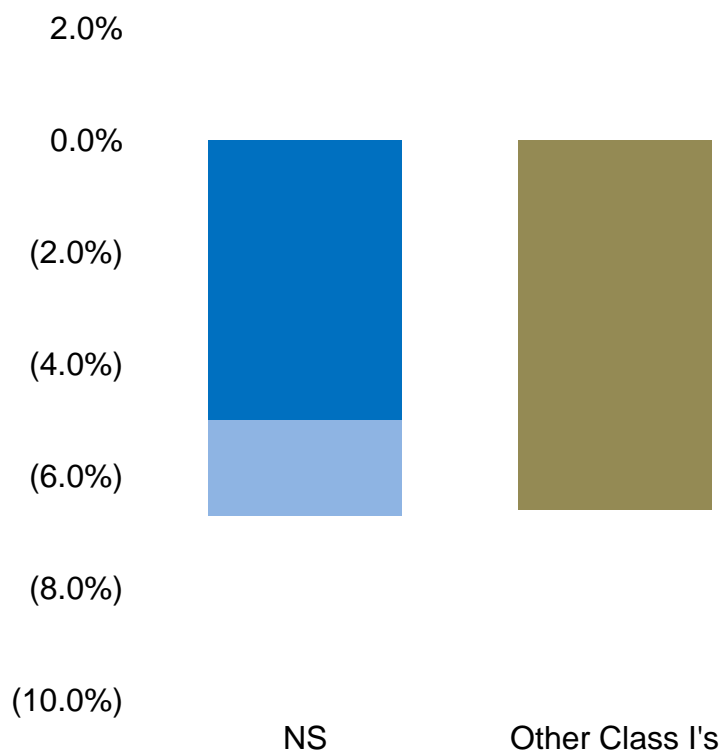


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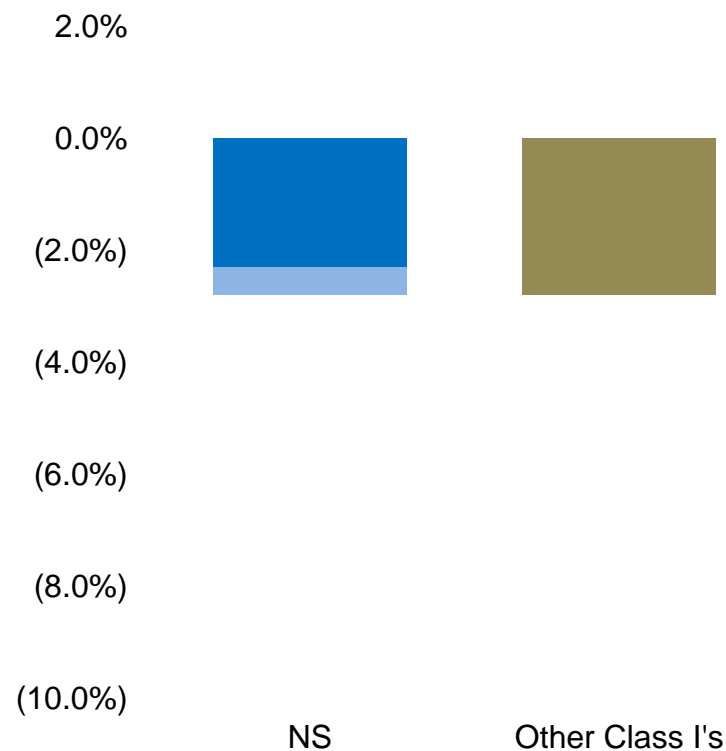
Favorable 4Q Performance Compared to Peers

Excluding the impact of TCS, NS 4Q volume declined less than other Class I railroads.

Fourth Quarter 2015 vs. 2014



2015 vs. 2014



1. Light blue represents Triple Crown decline.
2. AAR Weekly Traffic Data through Week 52, 2015 (ended January 2, 2016).

2016: Building on a Strong Foundation

Volume

- Continue to diversify franchise, mitigating risk from commodity price volatility
 - Low commodity prices will continue to hinder crude oil, frac sand, steel, and utility and export coal volumes
 - Coal volumes will decline
- Consumer-driven growth opportunities
 - Automotive, housing and construction-related commodities
 - Domestic and international Intermodal

Pricing

- Pricing increases accelerated throughout 2015, with fourth quarter strongest of the year
 - Full-year impact in 2016
 - Both realized and negotiated
 - Strongest pricing since 3Q 2012
- Long term pricing plan on multiyear contracts

Fuel Surcharges

- Shifting from WTI-based to OHD-based fuel surcharge programs

Improved service will be a springboard to growth