



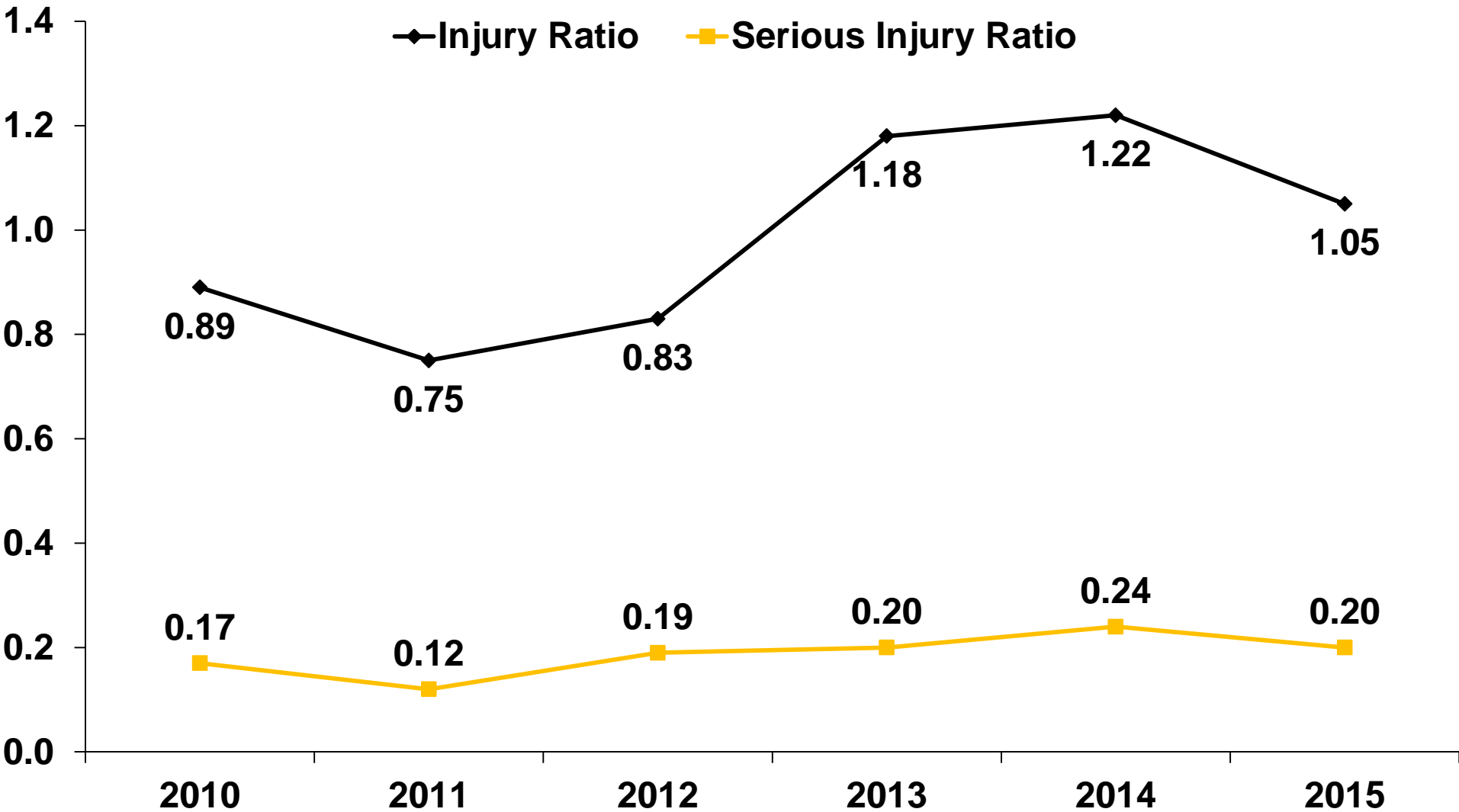
Operations Update

January 27, 2016

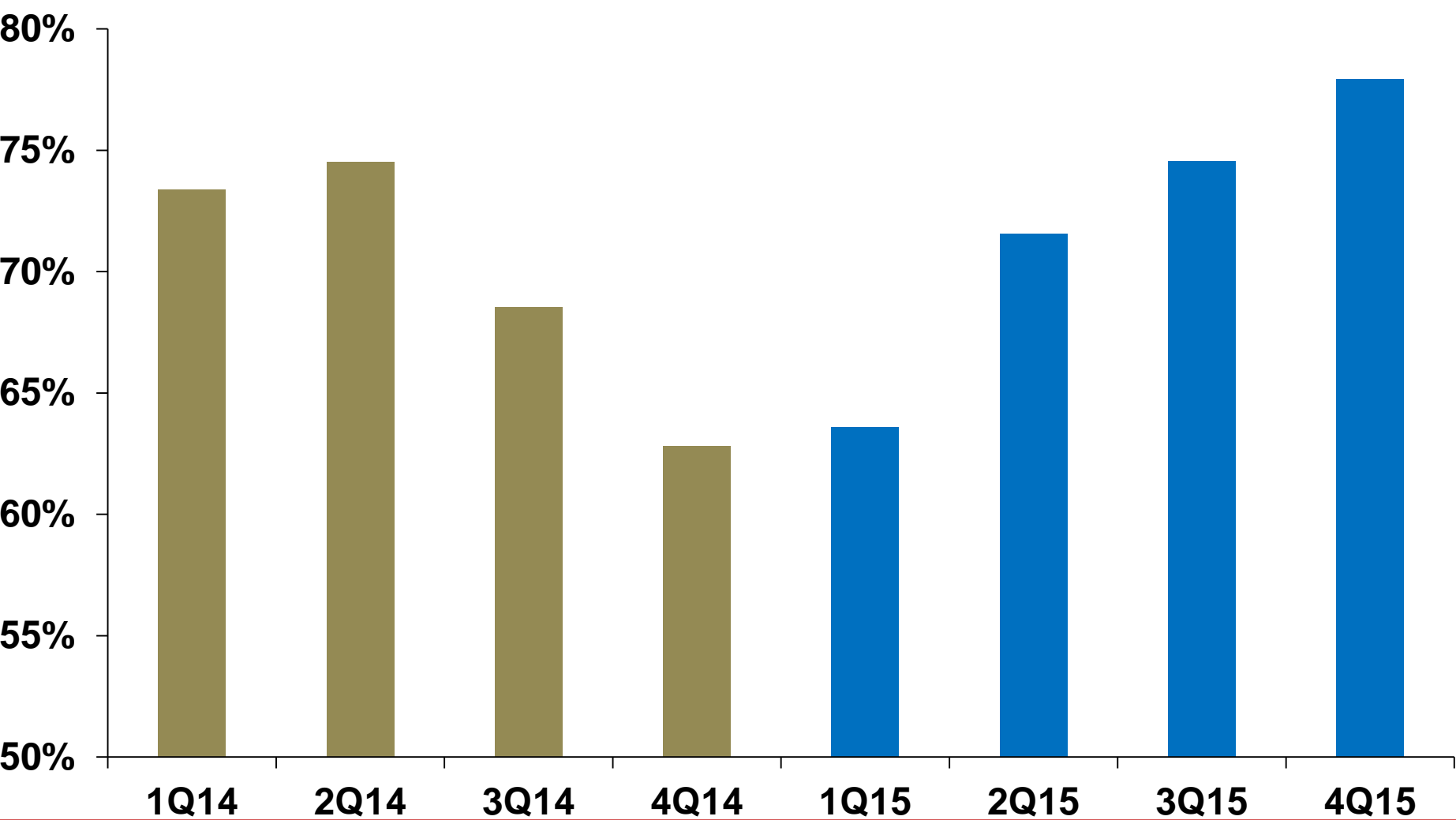
Mike Wheeler
Senior Vice President
Operations

Injury Ratio and Serious Injury Ratio

Per 200,000 employee hours worked



Composite Service Performance



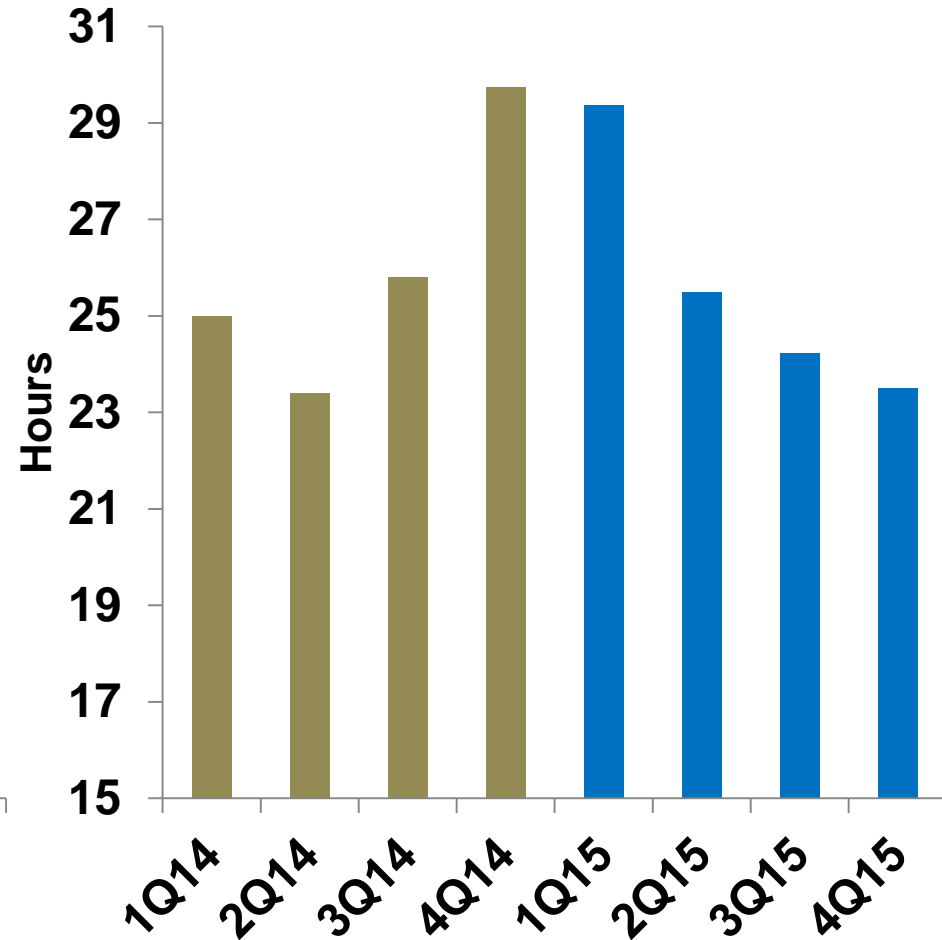
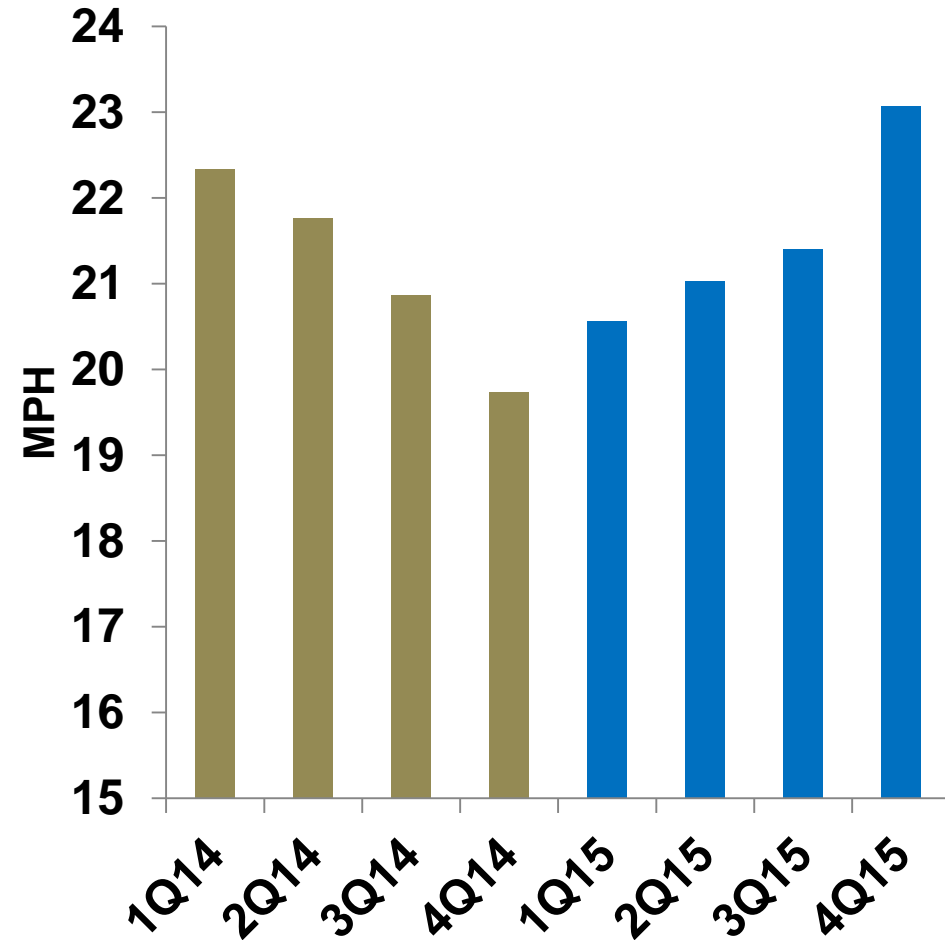
Train Speed & Terminal Dwell

Better (↑)

Better (↓)

Speed

Dwell



Productivity Savings and Service Enhancements

Faster Railroad = Less Costly Railroad and Provides Great Customer Service

| | 4Q15 | 2015 |
|-----------------------|-------|-------|
| T&E Overtime Hours | (24%) | (4%) |
| Recrews | (55%) | (26%) |

Resources

Crews and Locomotives

Operations Manpower

- **Agreement Headcount Reductions in 4th Quarter**
 - T&E: -440
 - Non T&E: -175
- **Additional 1st Quarter* Reductions / Furloughs**
 - T&E: -600
 - Non T&E: -350

Locomotives

- **300 Locomotives Removed From Service**
- **DC to AC Rebuild program**

Cost Savings Initiatives

Realignment and Further Coal Reductions



Line and Yard Rationalizations

