We Connect Markets to the World

Major connections, serving 75% of US population and all major Eastern Seaports

20,000 Route Miles over 22 States

Gateways

Western

Major Population Centers

All Major Eastern Ports
A Diverse, Wide--reaching Franchise

Networks reach 65% of US manufacturing and 55% of US energy consumption

2014 Volume Composition

- **Coal**: 17%
- **Industrial and Other**: 33%
- **Intermodal**: 50%
Our Vision

Safest, most customer-focused and successful transportation company in world

Five Guiding Principles

- Deliver safe, reliable, efficient service
- Maximize incremental margin
- Reinvest in the core franchise
- Return funds to shareholders
- Advance shareholder interests
## Record Financial Results

2014 vs. 2013 % ($ in millions, except per share)

<table>
<thead>
<tr>
<th>Record Results</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$11,624</td>
<td>3%</td>
</tr>
<tr>
<td>Income From Ops</td>
<td>$3,575</td>
<td>10%</td>
</tr>
<tr>
<td>Operating Ratio</td>
<td>69.2</td>
<td>3%</td>
</tr>
<tr>
<td>Net Income*</td>
<td>$2,000</td>
<td>8%</td>
</tr>
<tr>
<td>Earnings per Share*</td>
<td>$6.39</td>
<td>9%</td>
</tr>
</tbody>
</table>

*NI and EPS exclude 2013 Michigan land sale gain - please see reconciliation to GAAP posted on our web site.
Record Revenue

Diversity propelled 5% volume growth

REVENUE
$11.6 Billion | UP 3%

RPU
$1,515 | DOWN (1%)

VOLUME
7,675K units | UP 5%

CHANGE IN UNITS

- Chemicals: 12%
- MetCon: 9%
- Intermodal: 8%
- Automotive: 2%
- Agriculture: 2%
- Paper: -2%
- Coal: -5%
Cash Flow Utilization

Reinvested in franchise and returned funds to shareholders

**Capital Expenditures**
$ in billions

**Dividends per Share**

**Repurchases**
cumulative $ in billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Expenditures</th>
<th>Dividends per Share</th>
<th>Repurchases</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>1.5</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>2007</td>
<td>2</td>
<td>1.5</td>
<td>4</td>
</tr>
<tr>
<td>2008</td>
<td>2.5</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>2009</td>
<td>2.5</td>
<td>2.5</td>
<td>9</td>
</tr>
<tr>
<td>2010</td>
<td>2</td>
<td></td>
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</tr>
<tr>
<td>2011</td>
<td>1.5</td>
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<tr>
<td>2012</td>
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<td>2013</td>
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<tr>
<td>2014</td>
<td></td>
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</tr>
</tbody>
</table>
Added Crews, Locomotives, Capacity
We invested throughout 2014 to meet high demand and improve service

People | Equipment | Rail Capacity
Commitment to Improve Service

November system reset improved network service metrics sequentially

IMPROVEMENTS IN SERVICE:

- Train Speed improved 7% in Dec
- Terminal Dwell improved 6% in Dec
- Maintained improvements in Jan 2015
- Weather impacting recent performance
- Committed to improve in 2015
Strong start moderated by weather

Volume up 2% through week 8

- Chemicals: 10%
- MetCon: 6%
- Intermodal: 4%
- Automotive: 4%
- Agriculture: 3%
- Paper: 1%
- Coal: -7%

2014: 1,084.2
2015: 1,109.5

UNITS (000) • CHANGE IN UNITS
Business Outlook

Growth in most markets

**MERCHANDISE**
- Crude oil shipments
- Natural gas liquids and drilling inputs
- Automotive
- Increased construction
- Corn and soybean crops

**INTERMODAL**
- Highway conversions
- Corridor projects
- New service lanes
- Consumer spending

**COAL**
- Competition with natural gas
- Competition in the global markets
- Domestic met and industrial demand
Fuel Surcharge Revenue

2014 $1.3 billion fuel surcharge revenue decreases to less than half in 2015

1/3 of 2014 FSC revenue from contracts with WTI-based triggers > $64 per barrel

Monthly WTI Price for FSC (2 month lag)
Summary

Moderated revenue growth with lower expenses

REVENUE
- Volume and core pricing growth for most of franchise
- Coal volume down with flat core price
- Fuel surcharge revenue down

EXPENSES
- Fuel costs down
- Service-related costs decline in second half
- Front-end loaded hiring
- Front-end loaded wage rate increases
Cash Deployment 2015
Reinvesting in franchise, returning funds to shareholders, strategic investment

Capital Budget
$2.4 Billion

- 71% Renewal
- 9% PTC
- 20% Growth

Quarterly Dividend/Share
$0.59  4%

Share Repurchases
$1 Billion

D&H Strategic Investment
$0.2 Billion
J.P. Morgan Aviation, Transportation and Industrials Conference

Jim Squires, President

Norfolk Southern Corp. | www.nscorp.com