



Credit Suisse 5th Annual Industrials Conference

November 29, 2017

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and Chief Financial Officer



Forward-Looking Statements



Certain statements in this presentation are forward-looking statements within the meaning of the safe harbor provision of the Private Securities Litigation Reform Act of 1995, as amended. In some cases, forward-looking statements may be identified by the use of words like “believe,” “expect,” “anticipate,” “estimate,” “plan,” “consider,” “project,” and similar references to the future. Forward-looking statements are made as of the date they were first issued and reflect the good-faith evaluation of Norfolk Southern Corporation’s (NYSE: NSC) (“Norfolk Southern” or the “Company”) management of information currently available. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company’s control. These and other important factors, including those discussed under “Risk Factors” in the Company’s Form 10-K for the year ended December 31, 2016, as well as the Company’s other public filings with the SEC, may cause our actual results, performance or achievement to differ materially from those expressed or implied by these forward-looking statements. Forward-looking statements are not, and should not be relied upon as, a guarantee of future performance or results, nor will they necessarily prove to be accurate indications of the times at or by which any such performance or results will be achieved. As a result, actual outcomes and results may differ materially from those expressed in forward-looking statements. We undertake no obligation to update or revise forward-looking statements, whether as a result of new information, the occurrence of certain events or otherwise, unless otherwise required by applicable securities law.

First Nine Months 2017 Highlights



First Nine Months 2017 vs PY

Railway operating revenues ↑ 7%

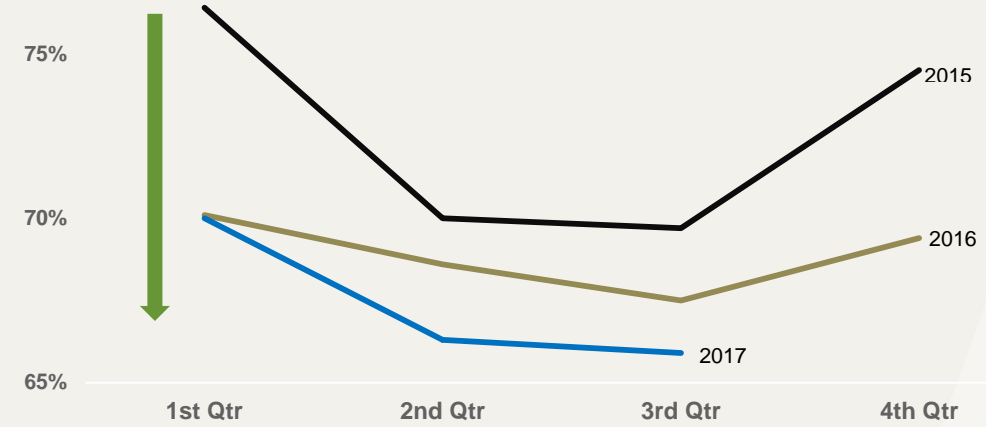
Railway operating expenses ↑ 4%

Railway operating ratio ↓ 130 bp
RECORD RESULTS

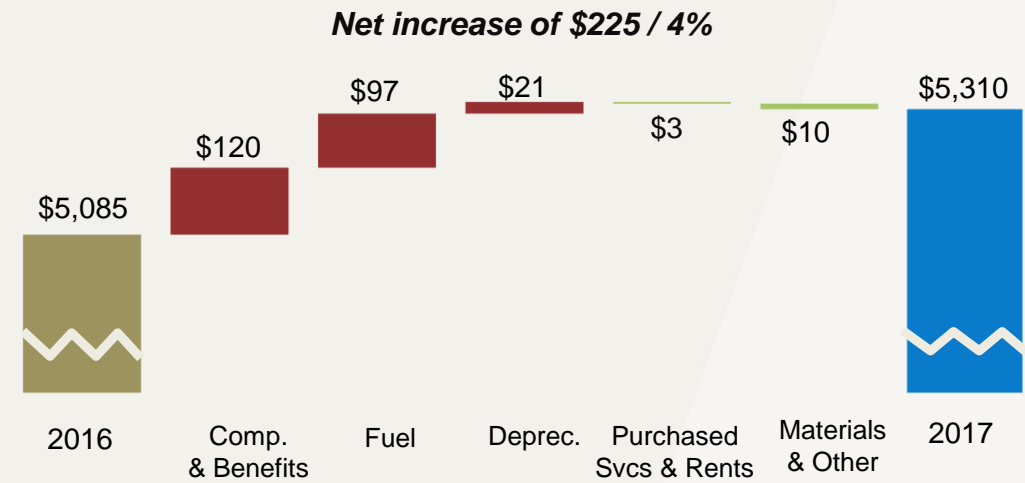
Income from railway operations ↑ 11%

EPS ↑ 17%
RECORD RESULTS

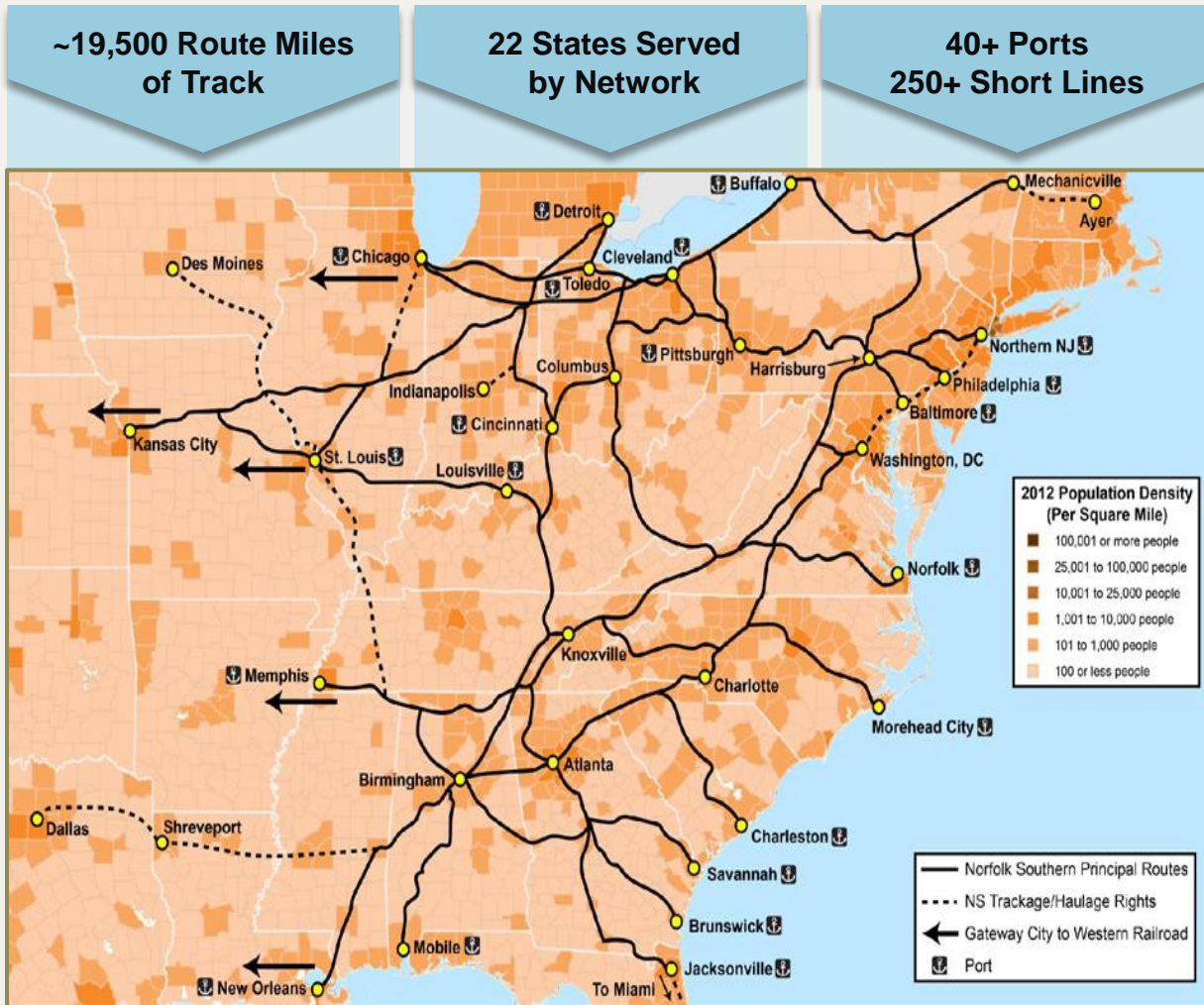
Operating Ratio Improvement



Expense Components (\$ in millions)



Extensive Market Reach Supports Growth



Norfolk Southern's network, alignment with shipping partners and market approach generates long-term growth:

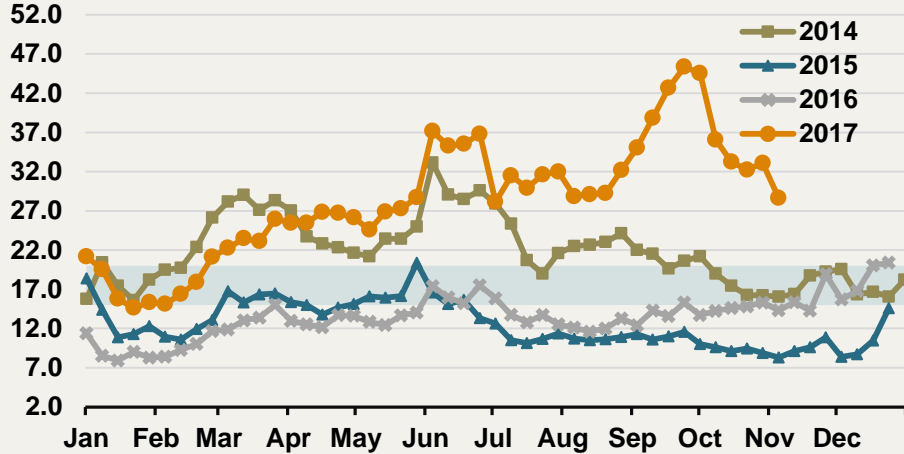
- Serves more than 50% of the US population, manufacturing activity, and energy consumption
- 65% of all freight shipped greater than 500 miles begins or ends in our region
- Superior Eastern intermodal network
- Alignment with steamship lines adding capacity in the East
- Largest metals franchise
- Most expansive network of automotive plants
- Industry-leading short line access
- First-in-class industrial development

Diversified customer and market base

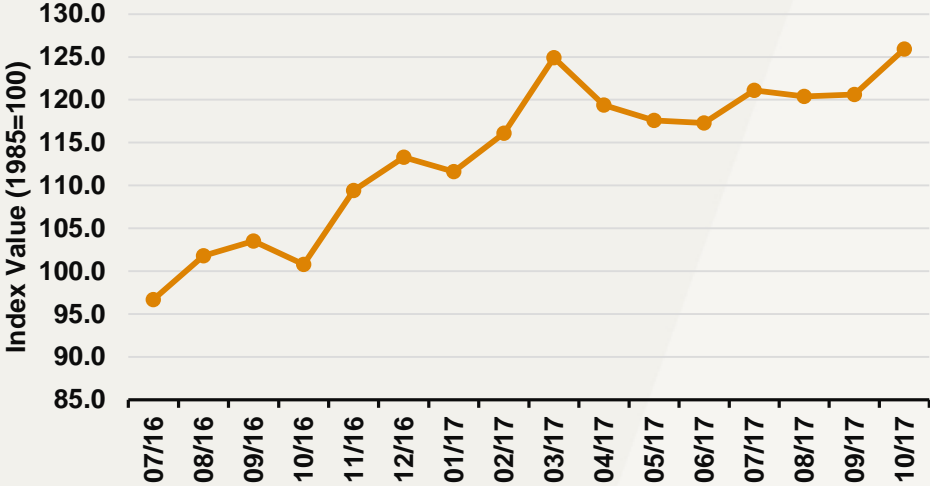
Current Economic Environment



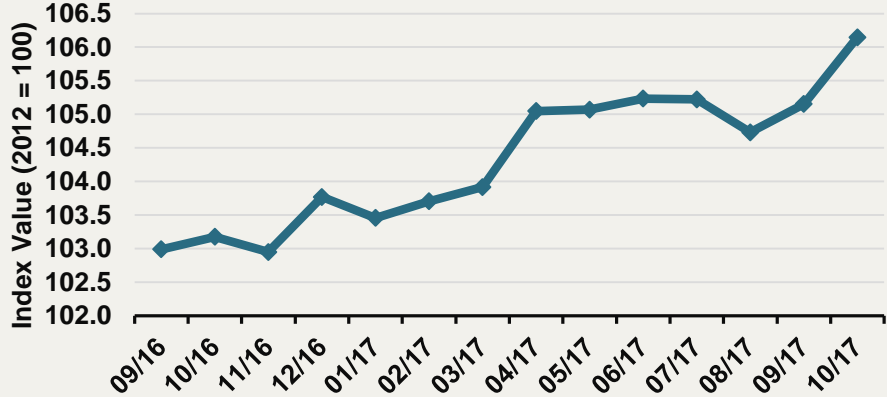
Truckstop.com Market Demand Index (MDI)
(available loads vs. available trucks)



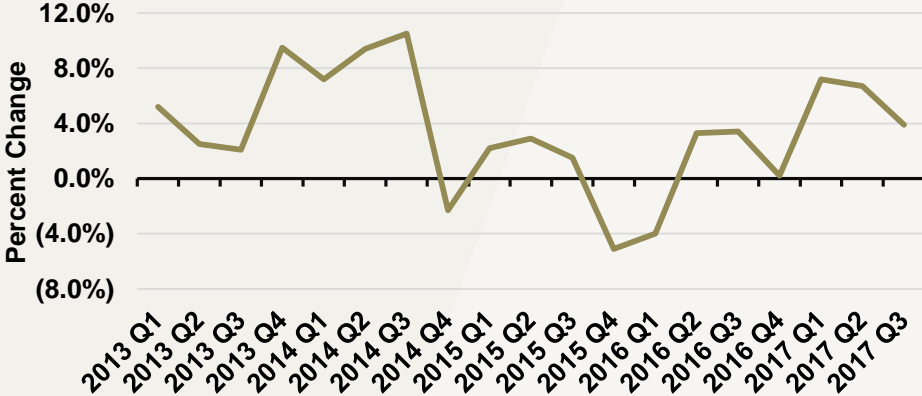
Consumer Confidence



Industrial Production Index



Gross Private Domestic Investment [Nonresidential]
(percent change from preceding period in Real GDP)

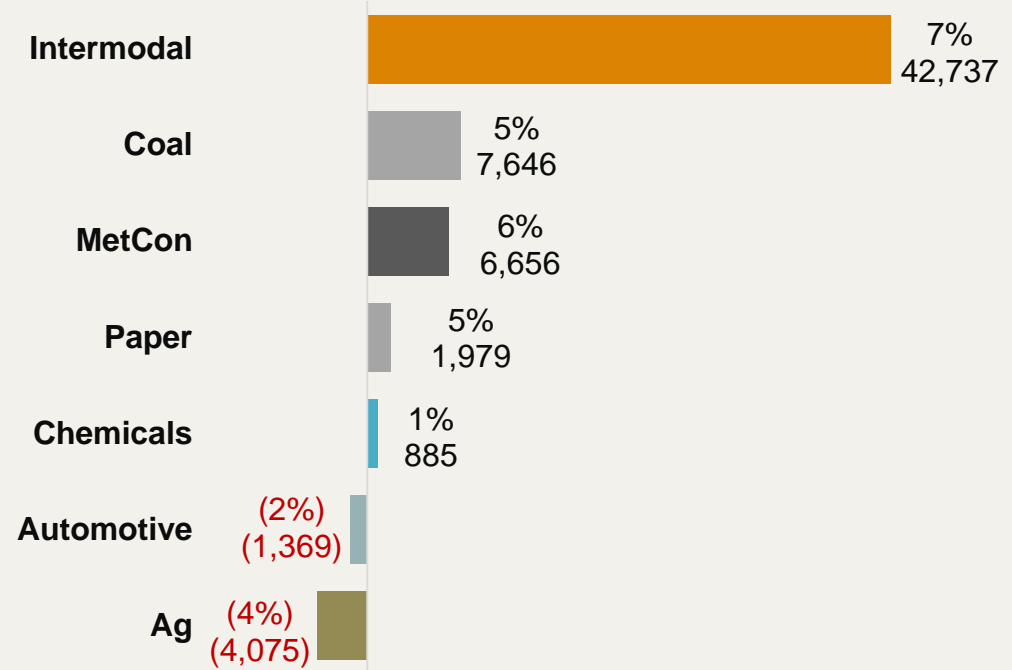


Norfolk Southern Volume Trend

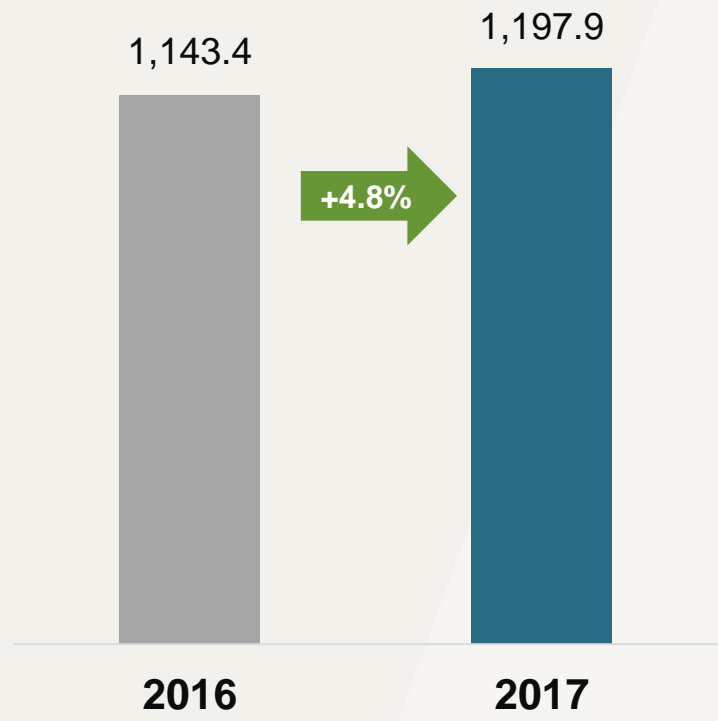
Fourth quarter AAR carloads through week 47 (November 25, 2017)



**4.8% increase in AAR units
4QTD 2017 vs. 2016**



Total units (000's)



Fourth Quarter Outlook



Revenue Outlook




MERCHANDISE

- Growth in Industrial Production
- Increased construction activity
- Declines due to pipeline activity



INTERMODAL

- Tightening truck capacity
- Alignment with shipping partners



COAL

- High seaborne pricing
- Mild weather and low natural gas prices

Operating Expense Outlook

	3Q17 Actual vs. 3Q16	4Q17 Outlook vs. 4Q16
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Compensation and benefits:

Headcount	↓ ~ 1,100	↓ ~ 800
Wage and H&W rates	↑ \$29M	↑ ~ \$29M
Incentive compensation	↑ \$47M	↑ ~ \$47M
Fuel	↑ \$17M	Price and consumption driven

Strategic Plan Enhancing Shareholder Value



- NS progressing on financial and operational targets
 - Operating ratio declined y-o-y for seven consecutive quarters
 - Productivity savings of ~ \$150 million for 2017
 - On track for \$1 billion in share repurchases

- Dedicated team focus on delivering long-term shareholder value
 - \$650M of annual productivity savings by 2020
 - Market approach facilitating top line growth
 - Operating ratio below 65% by 2020 or sooner
 - EPS double digit compound annual growth rate by 2020
 - Returning capital to shareholders

Thank You



www.norfolksouthern.com

