





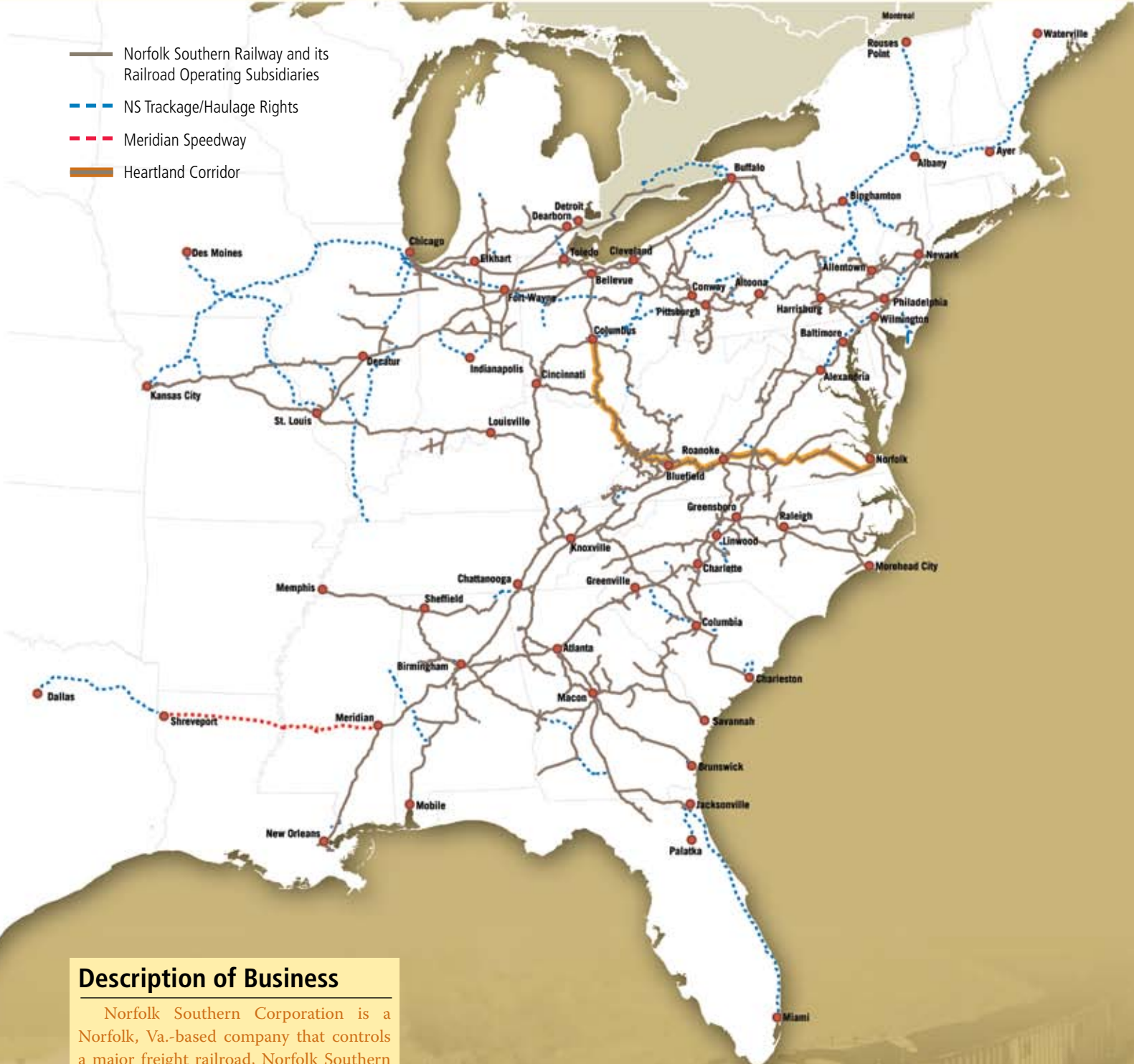
NS



**Strong Legacy,
Bright Future**



-  Norfolk Southern Railway and its Railroad Operating Subsidiaries
-  NS Trackage/Haulage Rights
-  Meridian Speedway
-  Heartland Corridor



Description of Business

Norfolk Southern Corporation is a Norfolk, Va.-based company that controls a major freight railroad, Norfolk Southern Railway Company. The railway operates approximately 21,200 route miles in 22 eastern states, the District of Columbia and Ontario, Canada, serves all major eastern ports and connects with rail partners in the West and Canada, linking customers to markets around the world. Norfolk Southern provides comprehensive logistics services and offers the most extensive intermodal network in the East.



Financial Highlights

(\$ in millions, except per share amounts)	2004	2005	% INCREASE (DECREASE)
FINANCIAL RESULTS			
Railway operating revenues	\$ 7,312	\$ 8,527	17
Income from railway operations	\$ 1,702	\$ 2,117	24
Railway operating ratio	76.7%	75.2%	(2)
Net Income	\$ 923 ¹	\$ 1,281 ²	39
Earnings per share			
Basic	\$ 2.34 ¹	\$ 3.17 ²	35
Diluted	\$ 2.31 ¹	\$ 3.11 ²	35
FINANCIAL POSITION			
Total assets	\$ 24,750	\$ 25,861	4
Total debt	\$ 7,525	\$ 6,930	(8)
Stockholders' equity	\$ 7,990	\$ 9,289	16
Debt to total capitalization ratio	48.5%	42.7%	(12)
Stockholders' equity per share	\$ 19.95	\$ 22.66	14
OTHER INFORMATION			
Year-end stock price	\$ 36.19	\$ 44.83	24
Dividends per share	\$ 0.36	\$ 0.48	33
Price/earnings ratio at year end	15.7	14.4	(8)
Number of shareholders at year end	51,032	48,180	(6)
Shares outstanding at year end	400,438,982	409,885,788	2
Number of employees at year end	28,986	30,433	5

¹ Results in 2004 include a \$53 million net gain from the Conrail corporate reorganization, which increased net income by \$53 million, or 13 cents per diluted share.

² Results in 2005 include a \$96 million reduction of NS' deferred income tax liabilities resulting from tax legislation enacted by Ohio, which increased net income by \$96 million, or 23 cents per diluted share.

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Equal Employment Opportunity Policy

Norfolk Southern Corporation's policy is to comply with all applicable laws, regulations and executive orders concerning equal employment opportunity and nondiscrimination and to offer employment on the basis of qualification and performance, regardless of race, religion, color, national origin, gender, age, sexual orientation, veteran status, the presence of a disability or any other legally protected status.

Dear fellow Shareholders

This was an exceptional year for Norfolk Southern.

We posted record net income and earnings per share. Revenues and carloads both were all-time highs.

We continued to make progress in our operating ratio, improving our margins by 1.5 points.

Norfolk Southern people once again – for the 16th consecutive year – had the safest work place in the transportation industry and one of the safest in all industries.

These are basic goals for us, and 2005 was a year our people did well. Service was challenged by a number of factors, principally hurricanes and other extraordinary weather events. Still, strong service levels were maintained for our customers. We implemented technology innovations to handle our

increasing business levels as both coal and intermodal volumes continued their strong upward trend, as did most commodity groups.

Overall, the year was a fine success. At the same time, it was marked by the tragic accident at Graniteville, S.C. We also had to cope with hurricanes Katrina and Rita and finished the year with ice storms. Throughout all difficulties, NS people responded well, and that commitment made the year possible.

GROWTH

A retiring CEO inevitably looks back. As I think of where we've been, the hallmark of the last several years clearly has been growth and the dramatic changes our company has made to position ourselves to benefit by it.

We're much better off to compete now than when I became CEO in 1992. We're not just bigger in revenue and profit. We have scope, and that required a lot of change since 1992. As the economy changed, we had to transform ourselves into a much more nimble, service-driven



David Goode

organization. At the same time, we had to make strategic moves to make sure we had geographic and market access to do business in the changing world.

The company looks nothing like it did when I joined Norfolk and Western Railway 40 years ago. We were then regional. We were driven by coal. We were a small, tight organization with little diversity. Our horizons were much smaller, but we were led – as we always have been – by people who dreamed of bigger and better things.

Over time, we built ourselves into a company of national – indeed global – strength and recognition. We have been admired consistently for safety and efficiency. We have earned a reputation for being an ethical, transparent organization known for fair dealing and for doing what we say we will. We've added technology, innovation and a commitment to diversity to the mix, along with a passion for safety and service – all of which have set us up for growth.

Our 175th anniversary finds us excelling in the values that have made a great organization not just endure, but grow and prosper.

That should not come as a surprise to those more familiar with the history and culture of our company. We are, after all, the children of our founders, who gave their early companies names like Atlantic, Mississippi and Ohio when they were still bound by Virginia alone and indeed by the eastern half. We have taken the values of our predecessors and really have created that strong bloodline that now puts us in position to be the recognized leader in our industry.

Our railroad ancestors understood that transportation is a powerful force for the economy. This is a company that's important to our nation. We always have driven growth, not only for ourselves, but for our communities and beyond – and thereby have produced better and better returns for our investors. The 175-year culture of Norfolk Southern has been always to move ahead, to find new

The Norfolk Southern story is one of great people in a great organization getting the job done for the nation as a key and growing part of the essential transportation system that makes the economy strong.

horizons and along the way spread some powerful forces for good.

So it is in the present. Leading up to 2004, I set a goal for NS people that we called "7 plus 7" – revenues beginning with a 7, and an operating ratio returning to a number that started with a 7. A glance back will remind what a stretch that looked like, but our people

surpassed it by a significant margin. So for 2005, we had a goal for our company to be a 10. That meant reaching \$8 billion in revenues and achieving a 2-point improvement in margins – again quite a stretch. Of course, a glance at the financial table shows how well the 8 part was achieved, and we had a strong run at the 2, with a 1.5 percent reduction in the operating ratio.

My point is simply this: Norfolk Southern and its people can produce impressive results and grow significantly. We've proven it consistently. Given today's economy and business environment, we are in the best position in our 175-year history to move ahead with even greater momentum. We're 175 years old and just beginning.

The opportunity is clearer than it ever has been. Indeed, the story we've believed in is now well known, and it's discussed in this report. Fuel costs are pervasively high. Rail offers environmental advantages. Demographics limit highway movements in spite of new investment. Technology and innovation in rail puts Norfolk Southern on the cutting edge. Consumer goods increasingly are moving to markets in a global economy. Demand is coming our way. A company like ours, which consistently has proven it has the talented people, the capacity and the vision to seize the opportunity, can achieve the dream we talk about in our vision statement to be the most successful transportation company.

The year 2005 to me exemplifies what our company is all about – moving ahead and making opportunity even in spite of



Wick Moorman, left, succeeds David Goode as head of Norfolk Southern. Goode retired in 2006 after an illustrious 40-year railroad career.

adversity. Certainly, the January tragedy in South Carolina tested our resources and our people. We stand boldly as the safest transportation company. We have led the industry for 16 years. Safety is and always will remain the hallmark of all we do. Yet, the tragedy occurred. After first and foremost doing all we could to remediate the damage and help the recovery, we have taken the tragic events and have done all we can to learn from them, to improve and to rededicate ourselves to an even stronger commitment to safety. Furthermore, we saw at Graniteville and later in the year when we had hurricane damage of historic scope, the ability of Norfolk Southern people to step up and lead in recovery.

The story of Katrina as it affected NS and our response is told in this report and the DVD enclosed. To say I was proud of our people in a difficult time and task is only the surface. What the

events of the year show in my mind is that the momentum of a strong culture backed by 175 years of moving forward can get the job done. We have kept the spirit and focus and family values that have built a strong company.

The Norfolk Southern story is one of great people in a great organization getting the job done for the nation as a key and growing part of the essential transportation system that makes the economy strong. Our progress has not been an unbroken upward curve, but we have always moved ahead to a better tomorrow.

As 2006 begins, our company and people have never been in better shape for a successful future. We have the capacity, geography and position to prosper. More important, we have people and culture tested by adversity, propelled by a commitment always to improve and focus on the customer and better and

more efficient service, with the will and backing of a tradition of excellence.

As I retire after 40 years in the business, I am very confident in our company. It has been the highest honor and the greatest personal satisfaction to lead Norfolk Southern. Even more, it has been a remarkable privilege to serve with the finest people in business today – Norfolk Southern Thoroughbred people. With the strong leadership of Wick Moorman and his team, they will take us to a great future. 🐾

Dear fellow

Shareholders

2005 marked another remarkable year for Norfolk Southern. The growth in rail traffic that began in late 2003 continued at only a slightly lower rate. Our ability to set prices reflecting the higher value of our service delivery also continued unabated. What we first attributed to a rebound in the industrial economy now clearly seems to be the result of a number of factors that are changing the underlying structure of the U.S. surface transportation industry. These factors, which include driver shortages, highway congestion and higher fuel prices, are limiting trucking capacity and increasing trucking costs. The result has been a great opportunity for us to grow volumes and increase margins. In 2005, the people of Norfolk Southern seized that opportunity. While our company always will be tied to the economy, it seems evident that the favorable economics of rail transportation will continue to gain traction in the marketplace. Our company will be ready to capitalize on our advantages.

As you look through this report, you will see three recurring themes that I believe are the drivers for our future success. The first is service. Providing superior transportation service to our customers is essential if we are to

continue growing and prospering. We are focused intently on improving our service product.


The second theme is technology. We have made great strides in recent years by implementing new systems that

While our company always will be tied to the economy, it seems evident that the favorable economics of rail transportation will continue to gain traction in the marketplace. Our company will be ready to capitalize on our advantages.

have improved decision-making and performance measurement. Now, with the development and implementation of the Unified Train Control System and Optimized Train Control, we can redefine the way the railroad is operated.

Finally, we will continue to focus on Norfolk Southern's single biggest asset, our people. I firmly believe that our company has the most talented team from top to bottom of any railroad. We plan to increase our efforts to ensure that we are recruiting, training and retaining a strong and diverse work force.

All of these efforts will require investment, and in 2006, we will continue to make that investment. In many ways, our current success is related directly to the investments made in past years. Our company always has had the good fortune to be managed by leaders who took the long view, and we will continue to manage with that perspective.

Finally, on a personal note, it is a great honor and privilege for me to have the opportunity to lead our company. Norfolk Southern has a 175-year history of great leaders, not the least of whom is David Goode. Looking ahead, the senior management team and I are excited about the opportunities and will work as hard as we can to justify your confidence in our company. 

Wick Moorman

Bell Heralds *Norfolk Southern's* Best Year *On Its 175th Anniversary*

Norfolk Southern rang the bell on Wall Street in 2005.

Chairman David Goode opened trading at the New York Stock Exchange Dec. 12, heralding Norfolk Southern's most successful year on its 175th anniversary.

A shiny red and green replica of the first locomotive of Norfolk Southern's earliest predecessor added pageantry to the celebration outside the stock exchange. Inside, the traditional opening bell clanged to the smiles and applause of Goode and other NS executives assembled on the podium above the trading floor.

The ceremony evoked past and future: the Best Friend symbolizing Norfolk Southern's storied heritage; the opening bell saluting the enduring value of the Thoroughbred of Transportation.

The Best Friend and the South Carolina Canal and Rail Road Company achieved many firsts in the 1830 dawn of American railroading. Norfolk Southern in 2005 reached multiple milestones in



A replica of the Best Friend of Charleston adorns the entrance to the New York Stock Exchange for the Norfolk Southern bell-ringing ceremony Dec. 12. NS employees Rhonda Broom, manager advertising and promotions, and Robin Chapman, manager public relations, both of Norfolk, join the festivities in period costumes.

safety and financial performance while hauling record volumes of freight. At 175, Norfolk Southern is running strong.

2005 was a bellwether:

- ♦ Wick Moorman assumed leadership of the company and succeeded Goode as president and chief executive officer.
- ♦ Norfolk Southern led the industry in employee safety for the 16th consecutive year, earning another coveted

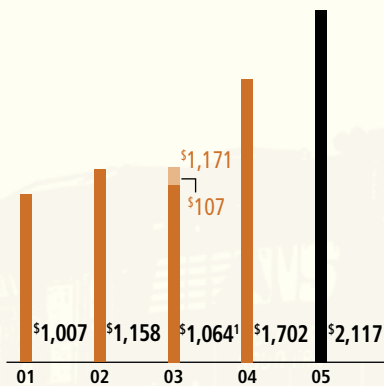
Harriman Gold Medal for posting the lowest injury ratio among the biggest railroads. A Norfolk Southern conductor, Tom Mulligan of Decatur, Ill., received singular recognition among all American railroad employees as recipient of the Harold F. Hammond Award for outstanding individual safety achievement.

(continued on page 8)

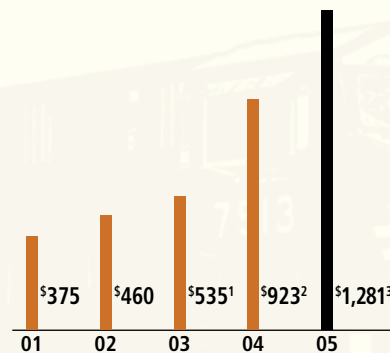
In Washington, D.C., to receive Norfolk Southern's record 16th consecutive E.H. Harriman Gold Medal Award for employee safety are (1) Donnie Nauman, locomotive engineer, Waynesboro, Va.; (2) Debbie Butler, vice president customer service, Atlanta; (3) Larry Rakestraw, word processing operator, casualty claims, Roanoke; (4) Thomas Mulligan, conductor, Decatur, Ill., and winner of the Harold F. Hammond Award for individual safety achievement; (5) Bessie Patrick, head clerk, miscellaneous accounting, Atlanta; (6) Christine Wardlow, clerk, intermodal, Chicago; (7) Gary Woods, vice president engineering, Atlanta; (8) Louise Myers, secretary/credit clerk, treasury, Roanoke; (9) Diran Johnson, chief crew dispatcher, Atlanta; (10) Eddie Barnett, secretary, material management, Roanoke; (11) Jeffrey Dolby, foreman, bridges and buildings, Harrington, Del.; (12) Mike Petrowsky, carman, Decatur, Ill.; (13) Steve Tobias, vice chairman and chief operating officer, Norfolk; (14) Steve Grabill, sheet metal worker, mechanical, Enola, Pa.; (15) Harry Harman, computer operator, information technology, Roanoke; (16) Tom Owens, telephone maintainer, communications and signals, Knoxville, Tenn.; (17) Ken Strong, clerk, Central Yard Office, Atlanta; (18) Gerhard Thelen, vice president mechanical, Atlanta; (19) John Samuels, senior vice president operations planning and support, Norfolk; (20) Barry Wells, director safety, Roanoke; (21) Andy Corcoran, senior general attorney, Norfolk; (22) James McGraw, yardmaster, Pitcairn, Pa.; (23) Jim Cornely, timekeeper, payroll, Roanoke; (24) Jeff Germany, carman, Macon, Ga.; (25) Chuck Wehrmeister, vice president safety and environmental, Roanoke; and (26) David Miller, truck operator, maintenance of way, Crewe, Va.



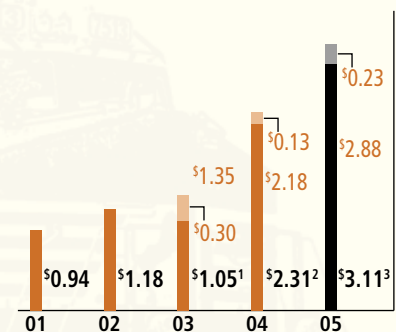
INCOME FROM RAILWAY OPERATIONS (\$ MILLIONS)



NET INCOME (\$ MILLIONS)



DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS BEFORE ACCOUNTING CHANGES (DOLLARS)

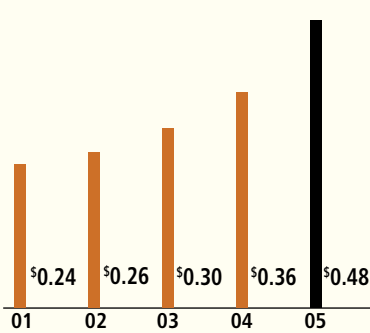


¹ 2003 results include \$107 million of costs related to a voluntary separation program and an \$84 million charge to recognize the impaired value of certain telecommunications assets. Together, these items reduced income from continuing operations before accounting changes and net income by \$119 million, or 30 cents per diluted share. 2003 net income includes a benefit of \$114 million, or 29 cents per diluted share, from the cumulative effect of two accounting changes and income from discontinued operations of \$10 million, or 3 cents per diluted share.

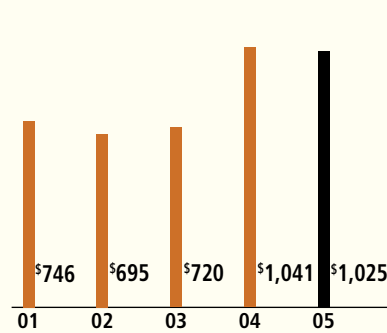
² 2004 results include a \$53 million gain from the Conrail corporate reorganization, which increased income from continuing operations before accounting changes and net income by \$53 million, or 13 cents per diluted share.

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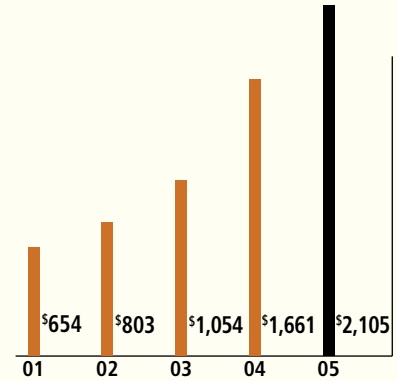
DIVIDENDS PER SHARE (DOLLARS)



CAPITAL EXPENDITURES (\$ MILLIONS)



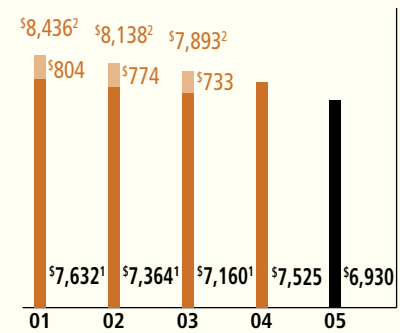
CASH PROVIDED BY OPERATING ACTIVITIES (\$ MILLIONS)



- ◆ Norfolk Southern handled record volumes of business in 2005.
- ◆ Railway operating revenues increased by 17 percent over 2004 to a record \$8.5 billion, surpassing \$8 billion for the first time. Through fourth quarter 2005, Norfolk Southern reported record revenues for nine consecutive quarters.
- ◆ Net income was a record \$1.3 billion. Earnings per share were a record \$3.11.
- ◆ Shareholders benefited from two dividend increases that together raised the dividend 30 percent.
- ◆ The operating ratio, a key measurement of efficiency, improved by 1.5 points, to 75.2 percent.
- ◆ FORTUNE magazine named Norfolk Southern America's most admired railroad.

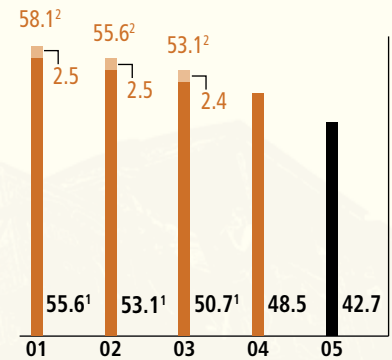
- ◆ Norfolk Southern's credit ratings continued to be among the best in the industry. Standard & Poor's raised the company's rating to BBB+ in 2005.
- ◆ Norfolk Southern announced a stock buy-back program for up to 50 million shares of common stock through the end of 2015.
- ◆ A \$300 million issue of 100-year notes offered by the company in March was well received by the market, reflecting the endurance, permanence and longevity of Norfolk Southern. Two previous 100-year security issues matured in 1994 and 1996. Norfolk Southern continued its program of aggressive debt reduction, reducing long-term debt by \$595 million in 2005. 🔄

LONG TERM DEBT (\$ MILLIONS)



¹Excludes notes payable to Conrail.
²Includes 58 percent of Conrail debt.

DEBT TO TOTAL CAPITALIZATION RATIO (PERCENT)



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²Includes 58 percent of Conrail debt.



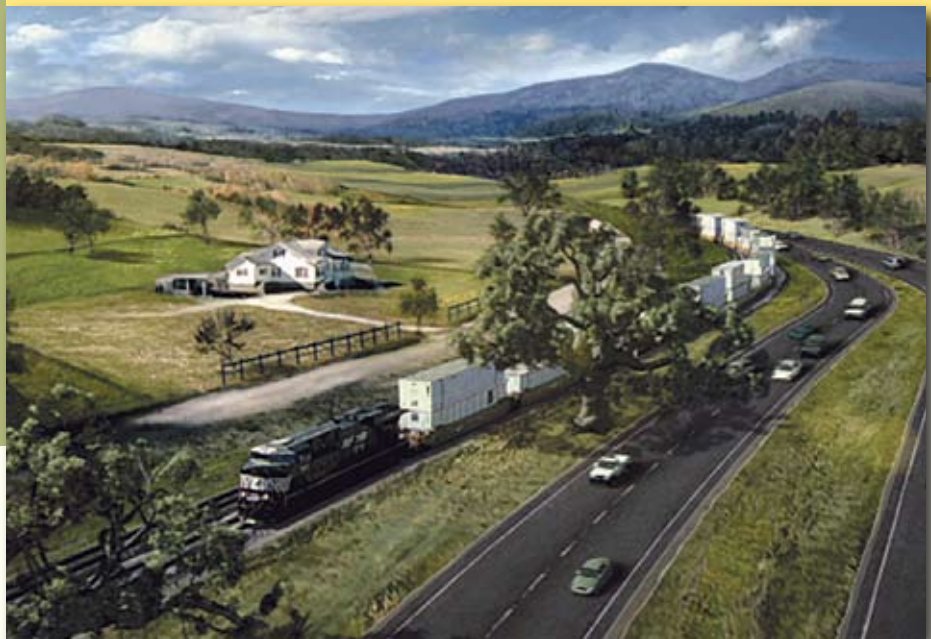
Dawn Webb, dispatcher, and John Guttman, chief dispatcher, monitor train operations at the Norfolk Southern dispatching center in Atlanta.



An intermodal train hauling mostly double-stacked containers moves northbound through the Virginia countryside near Interstate Highway 81.

Robust Freight Demand *Spurs Record* Volume, Revenue

Demand for rail service in all three major business sectors – intermodal, coal and general merchandise – intensified in 2005. Revenue grew to \$8.5 billion, a 17 percent increase over 2004.



An image from a Norfolk Southern television advertisement depicts a train hauling freight containers alongside a highway. In the ad, the big tree in the center becomes animated, picking a trailer off the highway and loading it onto the train, illustrating the environmental and efficiency advantages of rail over truck.

Transportation trends continue to favor rail.

Increased costs for the trucking industry, the expanding economy and improved service products allow Norfolk Southern to sustain its value-based pricing strategy.

Higher freight volume is increasing roadway congestion. The trucking industry is facing manpower and capacity shortages, as well as climbing fuel costs. This environment, in which demand approaches capacity limits, inherently favors the efficiency of rail over transport by truck.

In 2005, intermodal and coal led Norfolk Southern's volume growth.

Changes in international shipping patterns continued to strengthen rail transportation's critical link in the lengthening global supply chain. Intermodal volume grew by 9 percent as steadily increasing Asian shipments to East Coast ports caused a surge in traffic on Norfolk Southern's intermodal network.

The Thoroughbred Operating Plan and the Coal Transportation Management System gave NS tools to improve service on the general merchandise and coal networks. Coal volume grew by 3 percent. Increased utility shipments reflected higher electricity demand from coal-fired units, low inventories and the high cost of competing natural gas.



Norfolk Southern conductor David Adsit directs placement of an intermodal train at Portlock Yard in Chesapeake, Va.

CUSTOMERS RECOGNIZE PERFORMANCE EXCELLENCE

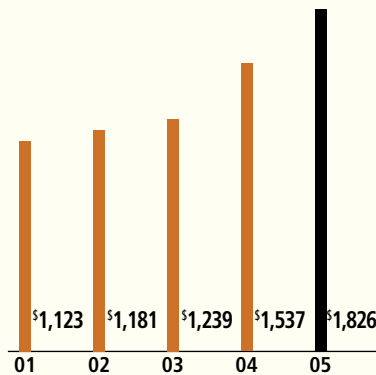
- Toyota Logistics Services awarded Norfolk Southern its President's Award for overall logistics excellence among rail carriers, its highest award given to a logistics provider. The award is based on performance in three categories – customer service, on-time performance and quality.

- Maersk Sealand named NS its "Rail Carrier of the Year," recognizing excellence in train service, customer service, timeliness, accuracy and responsiveness.

INTERMODAL

- ◆ Intermodal posted a 19 percent gain in revenue on a volume increase of 9 percent.
- ◆ Traffic volume grew in all intermodal segments: 16 percent international, 6 percent premium, 6 percent Triple Crown Services, and 2 percent domestic.

INTERMODAL REVENUE (\$ MILLIONS)

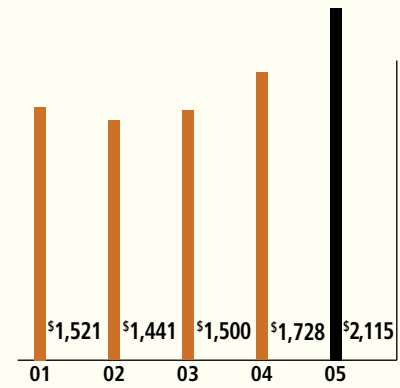


Freight containers are loaded double-stack at Norfolk Southern's John W. Whitaker Intermodal Terminal at Austell, Ga., near Atlanta. NS operates the most extensive intermodal network in the East.



The Keystone Generating Station at Shelocta, Pa., is among 139 power generation plants Norfolk Southern serves. Growth in NS utility coal carloads exceeded growth in U.S. electricity production in 2005.

COAL REVENUE (\$ MILLIONS)



GENERAL MERCHANDISE

General merchandise revenue grew to \$4.6 billion in 2005, a 13 percent increase over 2004, because of increased revenue per unit resulting from improved pricing and fuel surcharges. The five commodity groups comprising the general merchandise sector are highlighted as follows.

COAL

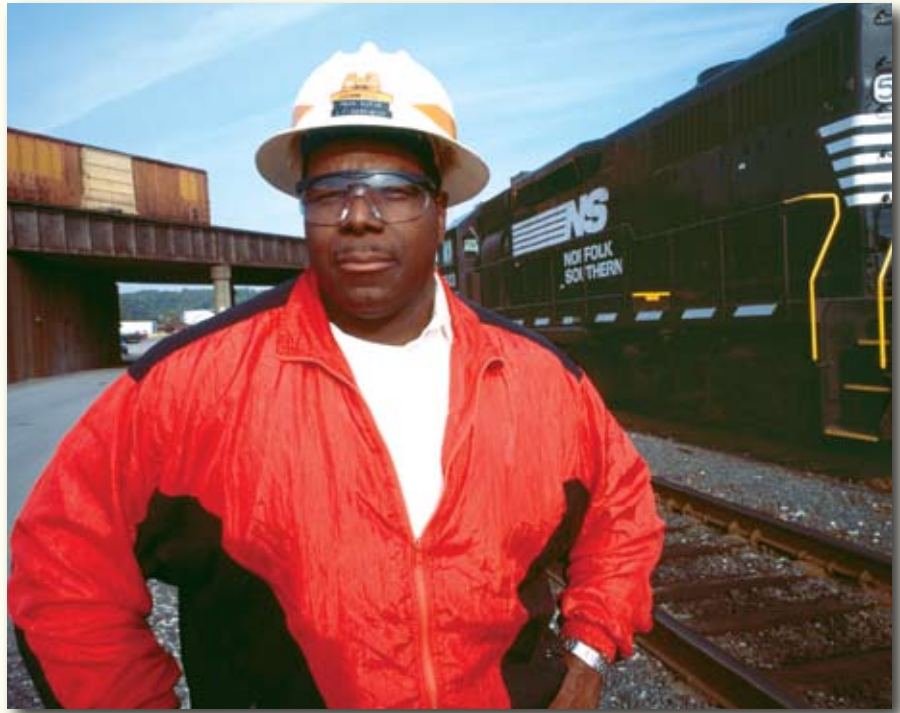
- ◆ Coal revenue grew by 22 percent to a record \$2.1 billion on a 3 percent increase in volume. Utility coal growth offset weaknesses in export and domestic metallurgical coal, coke and iron ore. Revenues included rate case settlements in the second quarter.
- ◆ Utility revenue per car increased because of improved pricing on utility contracts and fuel surcharges. Utility volume increased by 6 percent as U.S. electricity production was up by almost 4 percent.
- ◆ Domestic metallurgical coal, coke and iron ore volume decreased by 2 percent, reflecting a 6 percent drop in U.S. steel production.
- ◆ Export coal volume decreased by 11 percent, reflecting supply constraints and reduced European demand.



This railway bridge being constructed at Clarksburg, Pa., provides a more direct connection to the Keystone Generating Station, shown above left.

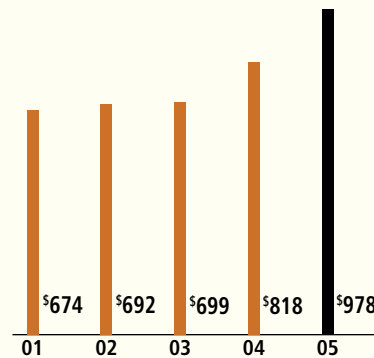
METALS AND CONSTRUCTION

- ◆ Metals and construction saw a 20 percent revenue increase for a second consecutive year of record revenue, on a 2 percent rise in traffic volume.
- ◆ Metals revenue was up by 21 percent, a result of higher average revenue per unit. NS serves 19 integrated mills, 17 minimills, more than 38 major steel processors, and 73 steel distribution facilities.
- ◆ Construction revenue grew by 16 percent on a 4 percent increase in volume that reflected strong residential, commercial and highway construction activity.
- ◆ Machinery revenue, which represents about 2 percent of the metals and construction market group, gained 26 percent as agricultural and construction machinery exports remained at record levels. Power generation machinery revenue increased by 73 percent because of continued capacity expansion at utilities and more spending on environmental compliance.



John Darrington is a senior rail supervisor in the maintenance of way section at Charlotte, N.C.

METALS & CONSTRUCTION REVENUE (\$ MILLIONS)



AGRICULTURE, CONSUMER PRODUCTS AND GOVERNMENT

- ◆ Agriculture, consumer products and government revenue was up by 16 percent on a 2 percent growth in carloads.
- ◆ Ethanol shipments increased by 38 percent. The 16 ethanol distribution facilities on NS lines had throughput of 600 million gallons in 2005.
- ◆ Government, military and miscellaneous traffic volume growth was led by military shipments and increased



Norfolk Southern transports Case New Holland tractors originating in Wisconsin for export at Baltimore. NS machinery revenue increased 26 percent in 2005 on record levels of exports.



Snow swirls around the head end of an eastbound train passing a westbound movement of agricultural tankers hauling food products at Holmesville, Ind.



This ethanol terminal at Sewaren, N.J., is among 16 ethanol distribution facilities on Norfolk Southern's rail network. Ethanol shipment volume increased by 38 percent on NS in 2005.

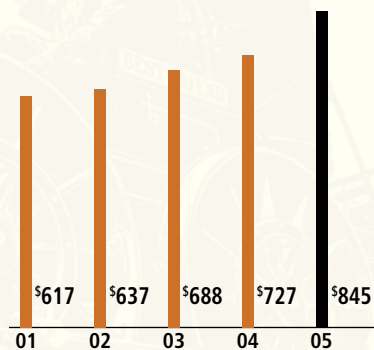
traffic related to recovery efforts in the Gulf region after Hurricane Katrina.

- ◆ Several other markets, including food products, fertilizers, feed, and food oils, experienced volume growth over 2004. 2005 was the fifth consecutive year of revenue growth in the fertilizers market.

CHEMICALS

- ◆ Chemicals revenue increased by 13 percent on flat volume levels. Increased demand for plastics and petroleum products was offset by

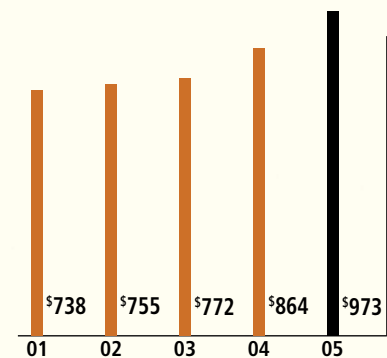
AGRICULTURE, CONSUMER PRODUCTS & GOVERNMENT REVENUE (\$ MILLIONS)



declines in industrial and miscellaneous chemicals. Several NS-served plastic plants expanded capacity during the year.

- ◆ Asphalt traffic was up by 8 percent with increased demand from highway projects.
- ◆ NS continued its investment in the Thoroughbred Bulk Transfer network, upgrading facilities at Grand Rapids, Mich., Patterson, N.J., and Pittsburgh.

CHEMICALS REVENUE (\$ MILLIONS)



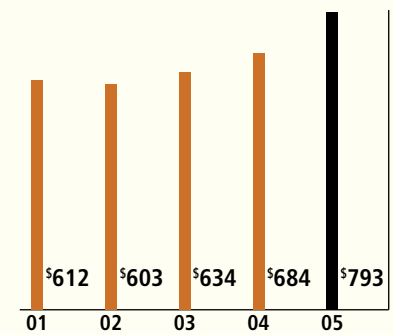
PAPER, CLAY AND FOREST PRODUCTS

- ◆ Paper, clay and forest products revenue reached a record high, with a 16 percent increase on volume growth of 2 percent.
- ◆ Printing paper, pulpboard, newsprint and woodchip shipments were up by more than 5 percent each.
- ◆ While lumber shipments declined, revenue growth exceeded 11 percent as market demand continued to support higher price levels.



A Norfolk Southern train pulls a load of multilevels, used for hauling vehicles, near DePauw, Ind. NS is North America's largest rail carrier of automotive parts and finished vehicles.

PAPER, CLAY & FOREST PRODUCTS REVENUE (\$ MILLIONS)

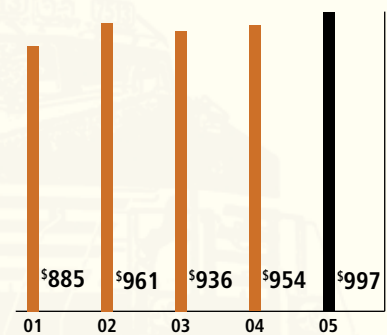


AUTOMOTIVE

◆ Automotive reached a record-high \$997 million in revenue despite a 3 percent decrease in volume. NS continues to be North America's largest carrier of auto parts and finished vehicles.

◆ Honda completed its first full year of production at its second Lincoln, Ala., plant, and Mercedes-Benz opened a second plant at its NS-served Vance, Ala., production complex. 🐾

AUTOMOTIVE REVENUE (\$ MILLIONS)



Barbara Grey is shown handling train dispatch operations at Dearborn, Mich. She now is Norfolk Southern's logistics manager assigned to customer DaimlerChrysler in Detroit.

Innovation

Builds Operating Capacity

Building on its heritage of innovation, Norfolk Southern focused on customer satisfaction in 2005 by integrating new systems that helped operations remain consistent even with record volumes and major weather-related disruptions.

Norfolk Southern has prepared itself to take on additional business and to handle it effectively:

- ◆ A joint venture with Kansas City Southern pending before the Surface Transportation Board will increase

capacity and improve service on the **Meridian Speedway** between Meridian, Miss., and Shreveport, La., a critical connection between the Southeast and Southwest.

- ◆ Routing agreements with several



Superintendents of transportation Howard Gillespie, standing, Phil Turner, far left, and Wayne Baker keep their eyes on train movements and horsepower utilization at the operations control center in Atlanta.

By developing inventive business solutions benefiting the company as well as customers and communities, and using performance-enhancing technology, NS looks to the future even as it hails its success as a 175-year company.

The continued efficiency of rail in the multimodal global marketplace depends on alliances and other cooperative efforts to increase profitability and improve service on the transportation infrastructure.

OTC **Optimized Train Control**



The Optimized Train Control system enhances train and operating efficiency by linking together a variety of data points with the Norfolk Southern communications network.

major carriers streamline the exchange of traffic at major gateways.

Norfolk Southern focused on public-private partnerships to serve the public's interests and improve service and capacity on the network:

- ◆ Proposed clearance improvements along the **Heartland Corridor** from Norfolk to Ohio will create a seamless, high-capacity and higher-speed double-stack intermodal route across Virginia and West Virginia to Midwest markets. The western anchor of the project, the Rickenbacker Intermodal Facility at Columbus, Ohio, is the result of an agreement between the Columbus Rickenbacker Airport Authority and NS.

Expected to be operational in 2007, it will be one of the largest intermodal facilities on the NS network, with capacity to support a full-scale logistics park.

- ◆ Proposed work on corridor improvements such as **CREATE** (Chicago Regional Environmental and Transportation Efficiency) will unscramble rail lines in Chicago, leading to increased efficiency for shippers and better traffic flow for motorists.

Developments in technology continue to enhance NS' rail operations:

- ◆ The company is preparing to test a system called **Optimized Train Control** between Charleston and Columbia, S.C., to enhance safety. The

system combines data communications, positioning systems and onboard computers tied to a train's control systems. It automatically verifies operating limits to help prevent collisions and other train accidents. OTC provides improved visibility of network conditions and promotes more efficient operations.

- ◆ NS is implementing its **Unified Train Control System**. Jointly developed by NS and General Electric, UTCS provides a seamless and disaster-hardened transportation management system. It replaces existing equipment with networked, computer-aided dispatching work stations that function with tactical NS information systems.



Brig Burgess, Norfolk Southern Dearborn Division superintendent, addresses NS employees in Atlanta about management career opportunities available within the company.

UTCS includes a promising new feature called the movement planner. Using a virtual model of the NS rail network, the movement planner formulates an optimal, system-focused train management plan with the objective of maximizing on-time performance.

- ◆ The company has refined its **Thoroughbred Operating Plan**, increasing capacity for freight and making railroad operations more flexible. For the first time, the plan incorporates intermodal and unit trains dedicated to single commodities.

- ◆ NS evaluates the benefits of **infrastructure investment** alternatives through a refined capacity planning process using industry-standard simulation software. The process has led to capacity projects on rail corridors between Memphis and Chattanooga, Tenn.; between Chattanooga, Atlanta and Jacksonville, Fla.; and between Charleston and Columbia, S.C.

Norfolk Southern is working in additional ways to improve safety and customer service:

- ◆ The purchase of 222 new **high-efficiency locomotives** from late 2005 through the first half of 2006 will increase productivity and help handle growth in traffic volumes. Also, in the company's largest-ever locomotive rehabilitation program, NS overhauled 491 locomotives and rebuilt 29 in 2005. In 2006, NS expects to overhaul 420 locomotives and rebuild 52.

- ◆ Responding to increased demand for rail freight transportation, **NS hired** more than 2,400 train and engine service and mechanical employees in 2005.

- ◆ The company enhanced **training** for train and engine service employees and reached more field employees through coaching and mentoring. All operations supervisors completed training on leadership skills, including communications and coaching.

- ◆ Planning for future work-force changes, NS conducted **career fairs** to inform agreement employees about the benefits of joining management ranks.

- ◆ The company developed **operations supervisor training** for agreement employees who may choose to move into nonagreement supervisory positions. Similar to NS' management trainee program, it teaches leadership skills, builds confidence and teamwork, increases knowledge of company operations, and makes management processes more consistent. The first group of employees began training in early 2006. 🐾



Transportation management trainee Sarah Ponder operates a locomotive simulator at Norfolk Southern's Training Center at McDonough, Ga., near Atlanta.

Rail: The environmentally friendly transportation choice

Rail is the safest, cleanest and most energy-efficient manner in which to move freight.

Railroads move a ton of freight four times as far as trucks do per gallon of fuel. Each rail carload is equivalent to three and one-half truckloads. By putting more freight on railroads, the environment will be cleaner, and natural resources will be used in their most efficient way.

For example, a transportation study concludes that shifting 25 percent of freight from truck to rail by 2025 would reduce fuel consumption by 15.6 billion gallons annually and reduce air pollutants by nearly 792,100 tons each year.

Using the nation's resources efficiently and with the lowest possible impact on land, air and water quality is fundamental to Norfolk Southern's operations.

NS has longstanding conservation practices, including collecting and recycling crossties, tires, paper, metal,

aluminum and railcar parts; rewelding used rail; and rejuvenating and reusing lubricating oil and cleaning solvents.

The company has enhanced its efforts to improve the environment in a number of significant ways:

- ◆ Purchasing high-efficiency locomotives that use less fuel and meet new Environmental Protection Agency standards for emissions.
- ◆ Deploying a locomotive computer system to improve fuel efficiency and safe handling of trains in long-haul operations. The system, developed by New York Air Brake and known as LEADER[®], or Locomotive Engineer Assist Display and Event Recorder, provides locomotive engineers with real-time information about a train's operating conditions. An on-board computer calculates and displays the optimum train operating speed, depending on topography and track

curvature, the train's length and weight and other operating conditions. LEADER ultimately will be an integral part of the Optimized Train Control system.

- ◆ Using state-of-the-art rail-based lubrication systems made from biodegradable soy-based lubricants developed by NS and the University of Northern Iowa.
- ◆ Developing locomotive shutdown and automatic locomotive stop systems.
- ◆ Working with federal, state and local officials to develop public-private partnerships that will reduce highway congestion, reduce emissions and conserve fuel. It is estimated that along the I-81 corridor alone, 1,000 trucks per day removed between Harrisburg, Pa., and Chattanooga, Tenn., would save 18 million gallons of fuel and eliminate 4,900 tons of nitrous oxide, 634 tons of carbon monoxide and 231 tons of volatile organic compounds. 🐾



New high-efficiency Norfolk Southern locomotives consume less fuel and comply with strict federal environmental standards.

In Katrina's Wake,

Norfolk Southern Shows its Spirit

Norfolk Southern's response to catastrophic weather events in 2005 demonstrated the culture and vitality of a company that after 175 years in business has plenty of resolve to face future challenges and opportunities.

On Aug. 29, Hurricane Katrina inflicted widespread destruction across Louisiana, Alabama and Mississippi. NS facilities, track, signals, highway-rail grade crossing devices and microwave communication sites sustained heavy damage. The storm surge washed nearly five miles of track, ties and ballast from the NS trestle spanning Lake Pontchartrain north of New Orleans.

Before the storm's arrival, NS set up a command center in Atlanta to direct storm preparations and subsequent operations. The company rerouted traffic headed for New Orleans through other gateways and moved equipment to higher ground. Emergency repair



Floating cranes all in a row tower over the barren deck of the Lake Pontchartrain trestle following Hurricane Katrina. As seen at lower right, the cranes recovered 4.8 miles of track from the lake and lifted it back onto the bridge.

equipment was placed for easy transport to potentially affected areas. Employees were encouraged to evacuate.

Even as New Orleans still resembled a ghost town in Katrina's wake, a small army of determined Norfolk Southern

people came with a mission: quickly restore rail service in a region vital to national commerce.

Engineering personnel moved in as soon as it was safe to start repairs. "We really had to be on our toes

all the time to deal with numerous difficult circumstances that we just don't normally encounter," said Jeff McCracken, NS chief engineer for line maintenance, Western Region. "If it could happen, it did in this environment."

NS people cleared some 5,000 trees off the tracks as they made their way south from Birmingham.

To repair damage to the Lake Pontchartrain bridge – a major east-west rail link – McCracken's team devised an ingenious plan to recover track that had been washed into the lake. They used nine cranes on barges to lift the track back onto the bridge deck.

"It's very gratifying that it all worked out the way we had planned," McCracken said. "It would have taken weeks to reconstruct a new track in lieu of using the track that was there."

Bridge repairs were completed just 16 days after Katrina hit, and traffic to New Orleans was restored fully Oct. 3,



People and machinery join forces to repair a section of track damaged by Hurricane Katrina.

when NS' intermodal and automotive facilities reopened. Other divisions handled additional traffic until rail lines were restored.

"It was a team effort, as one big family," McCracken said. "People came up to me at the end of this project and

thanked me for allowing them to be part of it. They said this is something they would tell their grandchildren, and they were proud to be a part of it, and they wished they could have done more."

"It just goes to show what Norfolk Southern people can do when faced with a challenge," McCracken said, adding that the entire effort was accomplished without a single injury. "They put safety first."

The company offered financial assistance, temporary job relocations and short-term housing to employees affected by Katrina. Norfolk Southern also gave donations to communities and matched employee contributions to the American Red Cross and Salvation Army. Employees participated in volunteer relief efforts in storm-ravaged areas. 🐾



The first train moves across the Lake Pontchartrain trestle, restoring rail service to New Orleans just 16 days after Hurricane Katrina washed nearly five miles of track off the bridge into the lake. Norfolk Southern people repaired the bridge in record time, safely and under extremely challenging conditions.

Financial Overview

The combination of record revenues and an improved operating ratio produced the highest net income in Norfolk Southern's history. Net income for 2005 was \$1.3 billion, or \$3.11 per diluted share, a \$358 million, or 39 percent improvement compared with 2004.

Results in 2005 included a noncash benefit of \$96 million, or 23 cents per diluted share, from the effects of Ohio tax legislation, while 2004 results included a \$53 million, or 13 cents per share, noncash gain from the Conrail corporate reorganization.

Excluding these items, net income in 2005 would have been \$1.2 billion, or \$2.88 per diluted share, up \$315 million, or 36 percent. The improvement was

the result of higher income from railway operations.

Railway operating revenues were a record \$8.5 billion, up \$1.2 billion, or 17 percent, compared with 2004, a result of increased average revenue per carload, including fuel surcharges, and higher traffic volume.

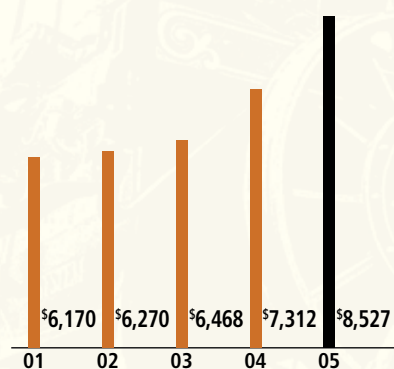
Railway operating expenses were \$6.4 billion, up \$800 million, or 14 percent, reflecting higher diesel fuel prices, volume-related expense increases, more maintenance activities and higher costs for casualty claims.

The railway operating ratio was 75.2 percent, compared with 76.7 percent in 2004, a 1.5 percentage point improvement.

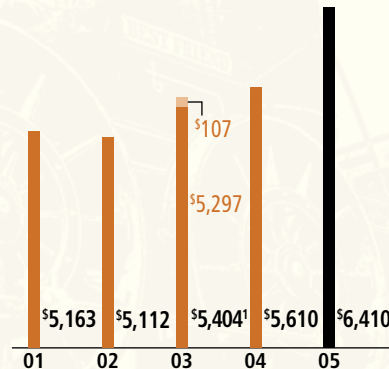
Cash provided by operating activities was \$2.1 billion, an increase of \$444 million, or 27 percent, compared with 2004. Outstanding debt was reduced by \$595 million, or 8 percent, and NS' debt-to-total capitalization ratio was 42.7 percent at year-end 2005, compared with 48.5 percent the year before.

The quarterly dividend was increased twice during 2005 – from 10 cents per share to 11 cents in January and to 13 cents in July. In addition, the board of directors in January 2006 declared a dividend of 16 cents per share, which is double the dividend paid in the first quarter of 2004. 🌐

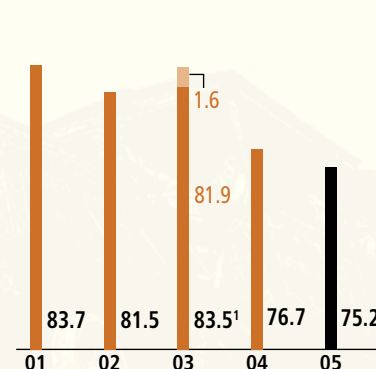
RAILWAY OPERATING REVENUES (\$ MILLIONS)



RAILWAY OPERATING EXPENSES (\$ MILLIONS)



RAILWAY OPERATING RATIO (PERCENT)



¹ 2003 results include \$107 million of costs related to a voluntary separation program that increased the railway operating ratio by 1.6 percentage points.

Five-Year Financial Review — Norfolk Southern Corporation and Subsidiaries

(\$ in millions, except per-share amounts)	2005 ¹	2004 ²	2003 ³	2002	2001
RESULTS OF OPERATIONS					
Railway operating revenues	\$ 8,527	\$ 7,312	\$ 6,468	\$ 6,270	\$ 6,170
Railway operating expenses	6,410	5,610	5,404	5,112	5,163
Income from railway operations	2,117	1,702	1,064	1,158	1,007
Other income — net	74	89	19	66	99
Interest expense on debt	494	489	497	518	553
Income from continuing operations before income taxes and accounting changes	1,697	1,302	586	706	553
Provision for income taxes	416	379	175	246	191
Income from continuing operations before accounting changes	1,281	923	411	460	362
Discontinued operations ⁴	—	—	10	—	13
Cumulative effect of changes in accounting principles, net of taxes ⁵	—	—	114	—	—
Net income	\$ 1,281	\$ 923	\$ 535	\$ 460	\$ 375
PER SHARE DATA					
Income from continuing operations before accounting changes					
Basic	\$ 3.17	\$ 2.34	\$ 1.05	\$ 1.18	\$ 0.94
Diluted	\$ 3.11	\$ 2.31	\$ 1.05	\$ 1.18	\$ 0.94
Net income					
Basic	\$ 3.17	\$ 2.34	\$ 1.37	\$ 1.18	\$ 0.97
Diluted	\$ 3.11	\$ 2.31	\$ 1.37	\$ 1.18	\$ 0.97
Dividends	\$ 0.48	\$ 0.36	\$ 0.30	\$ 0.26	\$ 0.24
Stockholders' equity at year end	\$ 22.66	\$ 19.95	\$ 17.83	\$ 16.71	\$ 15.78
FINANCIAL POSITION					
Total assets	\$ 25,861	\$ 24,750	\$ 20,596	\$ 19,956	\$ 19,418
Total long-term debt, including current maturities ⁶	\$ 6,930	\$ 7,525	\$ 7,160	\$ 7,364	\$ 7,632
Stockholders' equity	\$ 9,289	\$ 7,990	\$ 6,976	\$ 6,500	\$ 6,090
OTHER					
Capital expenditures	\$ 1,025	\$ 1,041	\$ 720	\$ 695	\$ 746
Average number of shares outstanding (thousands)	404,170	394,201	389,788	388,213	385,158
Number of stockholders at year end	48,180	51,032	52,091	51,418	53,042
Average number of employees	30,294	28,475	28,753	28,970	30,894

¹ 2005 provision for income taxes includes a \$96 million benefit related to the reduction of NS' deferred income tax liabilities resulting from tax legislation enacted by Ohio. This benefit increased net income by \$96 million, or 23 cents per diluted share.

² 2004 other income — net includes a \$53 million net gain from the Conrail corporate reorganization. This gain increased net income by \$53 million, or 13 cents per diluted share.

³ 2003 operating expenses include a \$107 million charge for a voluntary separation program. Other income — net includes an \$84 million charge to recognize the impaired value of certain telecommunications assets. These charges reduced net income by \$119 million, or 30 cents per diluted share.

⁴ NS sold all the common stock of its motor carrier subsidiary, North American Van Lines, Inc. (NAVL), in 1998. Results in 2001 include an additional after-tax gain of \$13 million, or 3 cents per diluted share, that resulted from the expiration of certain indemnity obligations contained in the sales agreement. Results in 2003 include an additional after-tax gain of \$10 million, or 3 cents per diluted share, resulting from the resolution of tax issues related to the transaction.

⁵ 2003 reflects two accounting changes, the cumulative effect of which increased net income by \$114 million, or 29 cents per diluted share: a change in accounting for the cost to remove railroad crossties, which increased net income by \$110 million; and a change in accounting related to a special-purpose entity that leased certain locomotives to NS, which increased net income by \$4 million.

⁶ Excludes notes payable to Conrail of \$716 million in 2003, \$513 million in 2002 and \$301 million in 2001.

Consolidated Statements of Income

	Years ended December 31,		
	2005	2004	2003
	<i>(\$ in millions, except earnings per share)</i>		
RAILWAY OPERATING REVENUES	\$ 8,527	\$ 7,312	\$ 6,468
RAILWAY OPERATING EXPENSES			
Compensation and benefits	2,493	2,272	2,275
Materials, services and rents	1,809	1,601	1,427
Conrail rents and services	129	319	419
Depreciation	774	598	513
Diesel fuel	727	449	380
Casualties and other claims	224	151	181
Other	254	220	209
Total railway operating expenses	6,410	5,610	5,404
Income from railway operations	2,117	1,702	1,064
Other income — net	74	89	19
Interest expense on debt	494	489	497
Income from continuing operations before income taxes and accounting changes	1,697	1,302	586
Provision for income taxes	416	379	175
Income from continuing operations before accounting changes	1,281	923	411
Discontinued operations — gain on sale of motor carrier, net of taxes	—	—	10
Cumulative effect of changes in accounting principles, net of taxes	—	—	114
NET INCOME	\$ 1,281	\$ 923	\$ 535
EARNINGS PER SHARE			
Income from continuing operations before accounting changes			
Basic	\$ 3.17	\$ 2.34	\$ 1.05
Diluted	\$ 3.11	\$ 2.31	\$ 1.05
Net income			
Basic	\$ 3.17	\$ 2.34	\$ 1.37
Diluted	\$ 3.11	\$ 2.31	\$ 1.37

See Form 10-K report beginning on Page K1 for full financial statements and footnotes.

Consolidated Balance Sheets

	As of December 31,	
	2005	2004
	(\$ in millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 289	\$ 467
Short-term investments	968	202
Accounts receivable, net	931	767
Materials and supplies	132	104
Deferred income taxes	167	187
Other current assets	163	240
Total current assets	2,650	1,967
Investments	1,590	1,499
Properties less accumulated depreciation	20,705	20,526
Other assets	916	758
TOTAL ASSETS	\$ 25,861	\$ 24,750
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,163	\$ 1,090
Income and other taxes	231	210
Other current liabilities	213	239
Current maturities of long-term debt	314	662
Total current liabilities	1,921	2,201
Long-term debt	6,616	6,863
Other liabilities	1,415	1,146
Deferred income taxes	6,620	6,550
TOTAL LIABILITIES	16,572	16,760
Stockholders' equity:		
Common stock \$1.00 per share par value, 1,350,000,000 shares authorized; issued 430,718,913 and 421,346,107 shares, respectively	431	421
Additional paid-in capital	992	728
Unearned restricted stock	(17)	(8)
Accumulated other comprehensive loss	(77)	(24)
Retained income	7,980	6,893
Less treasury stock at cost, 20,833,125 and 20,907,125 shares, respectively	(20)	(20)
TOTAL STOCKHOLDERS' EQUITY	9,289	7,990
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 25,861	\$ 24,750

See Form 10-K report beginning on Page K1 for full financial statements and footnotes.

Quarterly Financial Data

	MARCH 31	Three Months Ended		
		JUNE 30	SEPT. 30	DEC. 31
<i>(\$ in millions, except earnings per share)</i>				
2005				
Railway operating revenues	\$ 1,961	\$ 2,154	\$ 2,155	\$ 2,257
Income from railway operations	403	592	528	594
Net income	194	424 ¹	301	362
Earnings per share:				
Basic	\$ 0.48	\$ 1.05 ¹	\$ 0.74	\$ 0.89
Diluted	\$ 0.47	\$ 1.04 ¹	\$ 0.73	\$ 0.87
2004				
Railway operating revenues	\$ 1,693	\$ 1,813	\$ 1,857	\$ 1,949
Income from railway operations	346	425	469	462
Net income	158	213	288 ²	264
Earnings per share:				
Basic	\$ 0.40	\$ 0.55	\$ 0.73 ²	\$ 0.66
Diluted	\$ 0.40	\$ 0.54	\$ 0.72 ²	\$ 0.65

¹Includes a \$96 million, or 23 cents per diluted share, benefit related to a reduction of deferred income tax liabilities resulting from tax legislation enacted by Ohio.

²Includes a \$53 million, or 13 cents per diluted share, gain from the Conrail corporate reorganization.

Stock Price and Dividend Information

The Common Stock of Norfolk Southern Corporation, owned by 48,180 stockholders of record as of Dec. 31, 2005, is traded on the New York Stock Exchange with the symbol NSC. The following table shows the high and low sales prices and dividends per share, by quarter, for 2005 and 2004.

	2005	Quarter			
		1ST	2ND	3RD	4TH
Market price					
High	\$ 38.99	\$ 37.78	\$ 40.93	\$ 45.81	
Low	33.21	29.60	30.70	38.01	
Dividends per share	\$ 0.11	\$ 0.11	\$ 0.13	\$ 0.13	
2004					
Market price					
High	\$ 24.06	\$ 26.60	\$ 29.79	\$ 36.69	
Low	20.38	21.54	24.77	29.88	
Dividends per share	\$ 0.08	\$ 0.08	\$ 0.10	\$ 0.10	

Board of DIRECTORS



1. GERALD L. BALILES, 65, of Richmond, Va., will retire effective March 31, 2006, from Hunton & Williams, a business law firm with offices in several major U.S. cities and international offices in Bangkok, Brussels, London, Hong Kong and Singapore, and on April 1 will become director of the Miller Center of Public Affairs for the University of Virginia. His board service began in 1990; his current term expires in 2008.

Committees: Executive, Governance and Nominating, FINANCE

2. GENE R. CARTER, 66, of Alexandria, Va., is executive director and chief executive officer of the Association for Supervision and Curriculum Development, among the world's largest international education associations. His board service began in 1992; his current term expires in 2008.

Committees: Executive, Audit, COMPENSATION

3. ALSTON D. CORRELL, 64, of Atlanta, is chairman of Georgia-Pacific Corporation. His board service began in 2000; his current term expires in 2007.

Committees: Governance and Nominating, Finance

4. DAVID R. GOODE, 65, of Norfolk, Va., is retired chairman of Norfolk Southern Corporation. He joined Norfolk and Western Railway in 1965 and served as chief executive officer of Norfolk Southern from 1992 to Nov. 1, 2005, continuing as chairman until Feb. 1, 2006. His board service began in 1992; his current term expires in 2006.

Committees: Executive

5. LANDON HILLIARD, 66, of Oyster Bay Cove, N.Y., is a partner in Brown Brothers Harriman & Co., a private bank in New York City. His board service began in 1992; his current term expires in 2007.

Committees: Executive, GOVERNANCE AND NOMINATING, Finance

6. BURTON M. JOYCE, 64, of South Pasadena, Fla., is chairman of IPSCO, a leading steel producer. His board service began in November 2003; his current term expires in 2007.

Committees: Audit, Compensation

7. STEVEN F. LEER, 53, of St. Louis, is president and chief executive officer of Arch Coal, Inc., the nation's second-largest coal producer. His board service began in 1999; his current term expires in 2006.

Committees: Governance and Nominating, Finance

8. CHARLES W. MOORMAN, 54, of Virginia Beach, Va., is chairman, president and chief executive officer of Norfolk Southern Corporation. He joined Norfolk Southern in 1970 and was named chairman effective Feb. 1, 2006. His board service began in 2005; his current term expires in 2008.

Committees: Executive

9. JANE MARGARET O'BRIEN, 52, of St. Mary's City, Md., is president of St. Mary's College of Maryland. Her board service began in 1994; her current term expires in 2007.

Committees: Executive, AUDIT, Compensation

10. HAROLD W. POTE, 59, of New York City, is vice chairman, Retail Financial Services of JPMorgan Chase & Co. His board service began in 1988; his current term expires in 2006.

Committees: EXECUTIVE, Governance and Nominating, Compensation

11. J. PAUL REASON, 64, Admiral, USN, retired, of Norfolk, Va., is vice chairman of Metro Machine Corporation, a ship repair company. His board service began in 2002; his current term expires in 2008.

Committees: Audit, Finance

DANIEL A. CARP, 57, of Naples, Fla., formerly served as chairman and chief executive officer of Eastman Kodak Company. His board service began in January 2006; his current term expires in 2006. *(not pictured)*

Committees: Audit, Compensation

IN MEMORIAM Carroll Campbell

Former South Carolina Gov. Carroll Campbell, who served on the board of directors of Norfolk Southern from 1996 to 2002, died Dec. 7, 2005.

Campbell served on the executive and governance, finance and audit committees of the board. He helped guide the company during a time of significant growth and expansion. Prior to joining the board, he served two terms as South Carolina's governor.



Committee of the Board of Directors - CHAIRS are indicated by capital letters

Officers

As of January 1, 2006



All smiles for the Dec. 12 opening bell of the New York Stock Exchange are (front row l-r) Ike Prillaman, chief marketing officer; Hank Wolf, chief financial officer; Landon Hilliard, Norfolk Southern board member; Catherine Kinney, co-president of the stock exchange; David Goode, NS chairman; Wick Moorman, chief executive officer; Steve Tobias, chief operating officer; Jim Hixon, executive vice president law and corporate relations; and (back row l-r) Harold Pote, NS board member; Don Seale, executive vice president sales and marketing; Arnold McKinnon, former chairman and board member; Kathryn McQuade, executive vice president planning and chief information officer; Mark Manion, executive vice president operations; and John Rathbone, executive vice president administration.

David R. Goode
chairman

Charles W. Moorman
president and chief executive officer

L. I. Prillaman
vice chairman and chief marketing officer

Stephen C. Tobias
vice chairman and chief operating officer

Henry C. Wolf
vice chairman and chief financial officer

James A. Hixon
executive vice president law and corporate relations

Mark D. Manion
executive vice president operations

Kathryn B. McQuade
executive vice president planning and chief information officer

John P. Rathbone
executive vice president administration

Donald W. Seale
executive vice president sales and marketing

John M. Samuels
senior vice president operations planning and support

Daniel D. Smith
senior vice president energy and properties

James A. Squires
senior vice president law

David A. Brown
vice president strategic planning

Deborah H. Butler
vice president customer service

James E. Carter, Jr.
vice president internal audit

Joseph C. Dimino
vice president and corporate counsel

Cynthia C. Earhart
vice president information technology

Terry N. Evans
vice president operations planning and budget

Robert C. Fort
vice president corporate communications

William A. Galanko
vice president financial planning

Robert E. Huffman
vice president intermodal operations

Robert M. Kesler, Jr.
vice president taxation

David T. Lawson
vice president industrial products

H. Craig Lewis
vice president corporate affairs

Mark R. MacMahon
vice president labor relations

Bruno Maestri
vice president government relations

Robert E. Martinez
vice president business development

Michael R. McClellan
vice president intermodal and automotive marketing

Thomas H. Mullenix, Jr.
vice president human resources

William J. Romig
vice president and treasurer

Marta R. Stewart
vice president and controller

Gerhard A. Thelen
vice president mechanical

Charles J. Wehrmeister
vice president safety and environmental

F. Blair Wimbush
vice president real estate

Gary W. Woods
vice president engineering

Dezora M. Martin
corporate secretary

Stockholder Information

ANNUAL MEETING

May 11, 2006, at 10 a.m. EDT
The Roper Performing Arts Center
340 Granby St., Norfolk, Va.

COMMON STOCK

Ticker symbol: NSC
Common stock of Norfolk Southern Corporation is listed and traded on the New York Stock Exchange.

PUBLICATIONS

Upon written request, the corporation's annual and quarterly reports on Forms 10-K and 10-Q will be furnished free to stockholders. Write to: Corporate Communications Department, Norfolk Southern Corporation, Three Commercial Place, Norfolk, Va. 23510-9227.

A notice and proxy statement/annual meeting of stockholders are furnished to stockholders in advance of the annual meeting.

Upon request, a stockholder may receive a printed copy of the Corporate Governance Guidelines, board committee charters, Code of Ethics, and Code of Ethical Conduct for Senior Financial Officers. Contact the Corporate Secretary, Norfolk Southern Corporation, Three Commercial Place, Norfolk, Va. 23510-9219. This information also is available on the NS Web site.

INTERNAL AUDIT HOTLINE

High ethical standards always have been key to Norfolk Southern's success. Anyone who may be aware of a violation of the corporation's ethical standards or a conflict of interest, or has a concern or complaint regarding the corporation's financial reporting, accounting, internal controls or auditing matters is encouraged to report such information to the Internal Audit Hotline, (800) 732-9279. Reports may be made anonymously and without fear of retaliation.

DIVIDENDS

At its January 2006 meeting, the corporation's board of directors declared a quarterly dividend of 16 cents per share on its common stock, payable on March 10, 2006, to stockholders of record on Feb. 3, 2006.

Norfolk Southern Corporation pays quarterly dividends on its common stock, usually on or about March 10, June 10, Sept. 10 and Dec. 10. The corporation has paid 94 consecutive quarterly dividends since its inception in 1982.

ACCOUNT ASSISTANCE

For assistance with lost stock certificates, transfer requirements and the Dividend Reinvestment Plan, contact:

Registrar and Transfer Agent
The Bank of New York
101 Barclay St.—11E
New York, N.Y. 10286
(866) 272-9472

FINANCIAL INQUIRIES

Henry C. Wolf
Vice Chairman and
Chief Financial Officer
Norfolk Southern Corp.
Three Commercial Place
Norfolk, Va. 23510-9215
(757) 629-2650

INVESTOR INQUIRIES

Leanne D. Marilley
Director Investor Relations
Norfolk Southern Corp.
Three Commercial Place
Norfolk, Va. 23510-9215
(757) 629-2861

For assistance with address changes, dividend checks and direct deposit of dividends, contact:

Assistant Corporate Secretary
Stockholder Records
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Va. 23510-9219
(800) 531-6757

DIVIDEND REINVESTMENT PLAN

Stockholders whose names appear on their stock certificates (not a street or broker name) are eligible to participate in the Dividend Reinvestment Plan.

The plan provides a convenient, economical and systematic method of acquiring additional shares of the corporation's common stock by permitting eligible stockholders of record to reinvest dividends.

The plan's administrator is The Bank of New York.

For additional information, dial (866) 272-9472.

CORPORATE OFFICES

Executive Offices
Norfolk Southern Corp.
Three Commercial Place
Norfolk, Va. 23510-9227
(757) 629-2600

Regional Offices
1200 Peachtree St. N.E.
Atlanta, Ga. 30309

110 Franklin Road S.E.
Roanoke, Va. 24042

ANNUAL REPORT REQUESTS AND INFORMATION

(800) 531-6757

OUR VISION

Be the **Safest,**
most **Customer-Focused**
and **Successful** *Transportation Company*
in the **World**

We are responsible to our stockholders, customers, employees and the communities we serve.

For all **OUR CONSTITUENCIES**, we will make safety our highest priority.

For **OUR CUSTOMERS**, we will provide quality service, always trying to reduce our costs in order to offer competitive prices.

For **OUR STOCKHOLDERS**, we will strive to earn a return on their equity investment that will increase the value of their ownership. By generating a reasonable return on invested capital, we will provide the security of a financially strong company to our customers, employees, stockholders and communities.

For **OUR EMPLOYEES**, our greatest asset, we will provide fair and dignified treatment with equal opportunity at every level. We will seek a talented, diverse work force and management with the highest standards of honesty and fairness.

For the **COMMUNITIES WE SERVE**, we will be good corporate citizens, seeking to enhance their quality of life through service, jobs, investment and the energies and good will of our employees.



The Thoroughbred of Transportation