

**FOR IMMEDIATE RELEASE**  
**July 25, 2001**

**NORFOLK SOUTHERN REPORTS SECOND-QUARTER,  
FIRST-HALF EARNINGS**

NEW YORK -- Norfolk Southern Corporation (NYSE: NSC) today reported second-quarter net income of \$107 million, or \$0.28 per diluted share, compared with net income of \$116 million, or \$0.30 per diluted share, in the second quarter of 2000, which included a \$17 million, or \$0.04 per diluted share, gain from the sale of interests in certain oil and gas properties. Excluding this gain, last year's second-quarter net income was \$99 million, or \$0.26 per diluted share.

"We are encouraged with our progress in the second quarter in light of the economic downturn that is proving to be longer and deeper than we anticipated," said David R. Goode, chairman, president and chief executive officer. "While we can't directly control the economic forces that affect us, we are focused on managing Norfolk Southern's costs and on continuing to improve service to keep our business as strong as possible."

For the first six months, income from continuing operations was \$168 million, or \$0.44 per diluted share. Net income for the period was \$181 million, or \$0.47 per diluted share, and included an after-tax gain of \$13 million, or \$0.03 per diluted share, related to the 1998 sale of Norfolk Southern's former trucking subsidiary. For the comparable period of 2000, income from continuing operations was \$68 million, or \$0.18 per diluted share, and included the cost of a work-force reduction program. Excluding the charge, last year's net income for the first six months would have been \$130 million, or \$0.34 per diluted share.

Second-quarter railway operating revenues were \$1.59 billion, unchanged compared with 2000, despite a four percent or 68,800 decrease in carloads. For the first six months of 2001, operating revenues were \$3.13 billion, up slightly compared with the same period of 2000, despite a three percent or 92,800 decrease in carloads.

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Coal revenues climbed five percent in the second quarter and nine percent in the first half, reflecting increased utility shipments. Intermodal revenues rose one percent in the quarter and six percent for the first six months. The sluggish economy affected general merchandise revenues, which dropped two percent in the quarter and three percent during the first half.

Railway operating expenses were \$1.31 billion for the quarter, down slightly compared to 2000, and \$2.65 billion for the first six months, down two percent compared to the first six months of 2000, excluding last year's work-force reduction charge.

For the quarter, the railway operating ratio improved to 82.3 percent compared with 82.5 percent in the same period of 2000. For the first six months of 2001, the operating ratio improved to 84.5 percent, compared with 86.9 percent, excluding the cost of the work-force reduction charge, during the same period of 2000. Including the charge, last year's six-month operating ratio was 90.1 percent.

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Media Contact: Bob Fort, Norfolk, 757-629-2710  
World Wide Web Site: [nscorp.com](http://nscorp.com)

