



NEWS RELEASE

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- ❑ *Net income climbed 12 percent in the fourth quarter and 23 percent for the year.*
- ❑ *Earnings per share increased 10 percent to \$0.33 per diluted share in the fourth quarter and 22 percent to \$1.18 per diluted share for the year.*
- ❑ *Railway operating revenues set records for the fourth quarter and the full year.*

NORFOLK SOUTHERN REPORTS FOURTH-QUARTER AND 2002 RESULTS

NEW YORK, N.Y. - Norfolk Southern Corporation (NYSE: NSC) today reported fourth-quarter net income of \$129 million, or \$0.33 per diluted share, up 12 percent compared with net income of \$115 million, or \$0.30 per diluted share, in the fourth quarter of 2001.

For the year, net income was \$460 million, or \$1.18 per diluted share, up 23 percent, compared to \$375 million, or \$0.97 per diluted share, in the same period a year earlier. Net income during 2001 included an after-tax gain of \$13 million, or \$0.03 per diluted share, from the 1998 sale of a former motor carrier subsidiary.

"I am pleased with the substantial improvements in income and operations during the quarter and 2002 in a year filled with challenges for everyone in business," said David R. Goode, chairman, president and chief executive officer. "The value of service improvements is making itself apparent."

Railway operating revenues set record highs for both the fourth quarter and the year. In the quarter, revenues reached \$1.58 billion, up three percent compared with the fourth quarter of 2001, and for the year, revenues of \$6.27 billion rose two percent compared with the same period in 2001.

Fourth-quarter general merchandise revenues of \$914 million reflected a five percent improvement compared to the fourth quarter of 2001. All market groups showed revenue gains compared to the same period of 2001, led by a seven percent improvement in automotive. For the year, general merchandise revenues of \$3.65 billion increased three percent compared with 2001 and set a record.

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Intermodal revenues in the fourth quarter were \$306 million, an increase of five percent compared to the fourth quarter of 2001. For the year, intermodal revenues of \$1.18 billion were the highest of any year in Norfolk Southern's history and improved five percent compared with 2001. The revenue growth reflects the introduction of new services that enabled conversion of highway movements to rail as well as improvements in on-time reliability and service speed.

Coal revenues declined two percent in the fourth quarter to \$361 million in the face of less demand for utility coal and decreased five percent for the year to \$1.44 billion compared to strong 2001 results.

Railway operating expenses in the quarter were \$1.3 billion, up three percent from the fourth quarter of 2001. For the year, railway operating expenses were \$5.1 billion, down \$51 million, or one percent, from 2001.

For the quarter, the railway operating ratio improved to 81.8 percent compared with 82.0 percent in the same period of 2001. For the year, the operating ratio improved to 81.5 percent, compared with 83.7 percent a year earlier.

"Our results show that Norfolk Southern is on course and headed in the right direction," Goode said.

Norfolk Southern Corporation (NYSE: NSC) is one of the nation's premier transportation companies. Its Norfolk Southern Railway subsidiary operates 21,500 route miles in 22 states, the District of Columbia and Ontario, serving every major container port in the eastern United States and providing superior connections to western rail carriers. NS operates the East's most extensive intermodal network and is the nation's largest rail carrier of automotive parts and finished vehicles.

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