



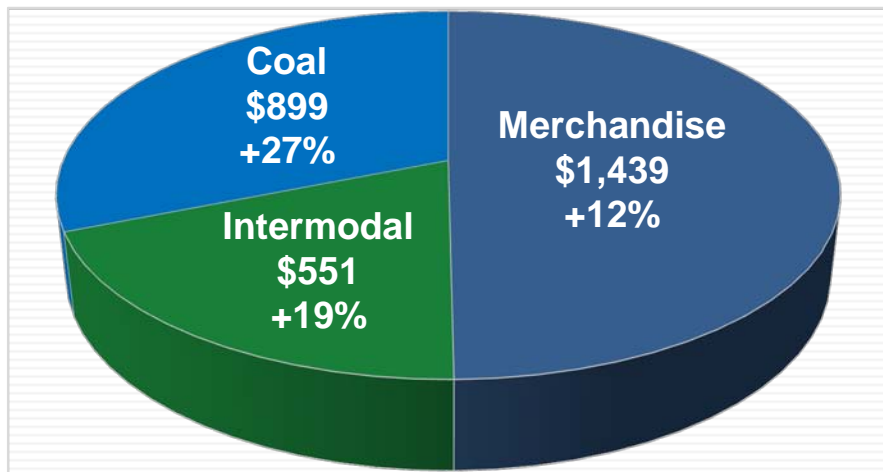
Third Quarter 2011 Results

*Donald W. Seale
Executive Vice President
and Chief Marketing Officer*

Railway Operating Revenue

Third Quarter 2011 vs. 2010

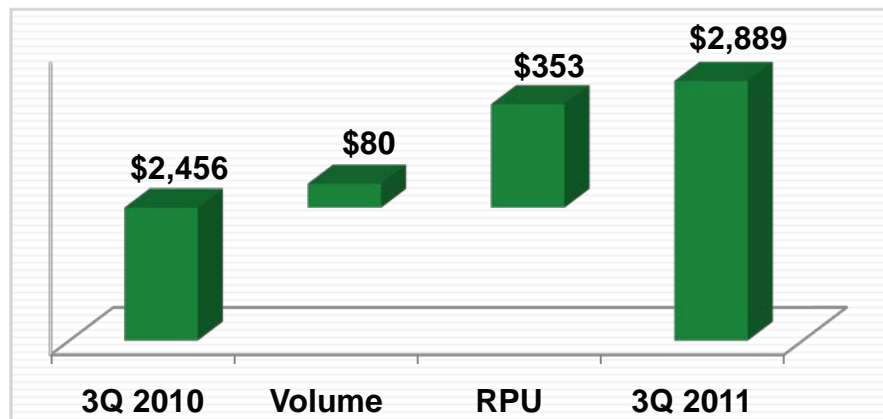
3Q 2011 Revenue \$ in Millions & y-o-y Percent Change



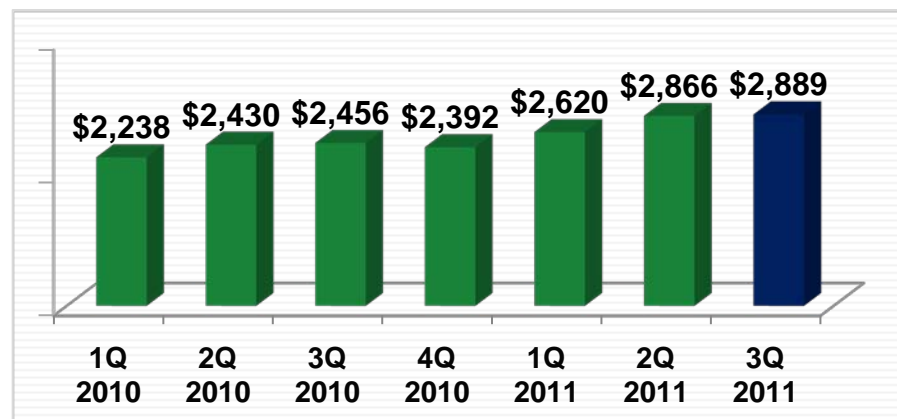
\$2.89 Billion in Railway Operating Revenue

- Increase of \$433 Million, or 18%
- Revenue per unit up 14%
- Volume up 3%

Components of Revenue Growth \$ in Millions



1Q 2010 – 3Q 2011 Revenue \$ in Millions



Revenue Per Unit

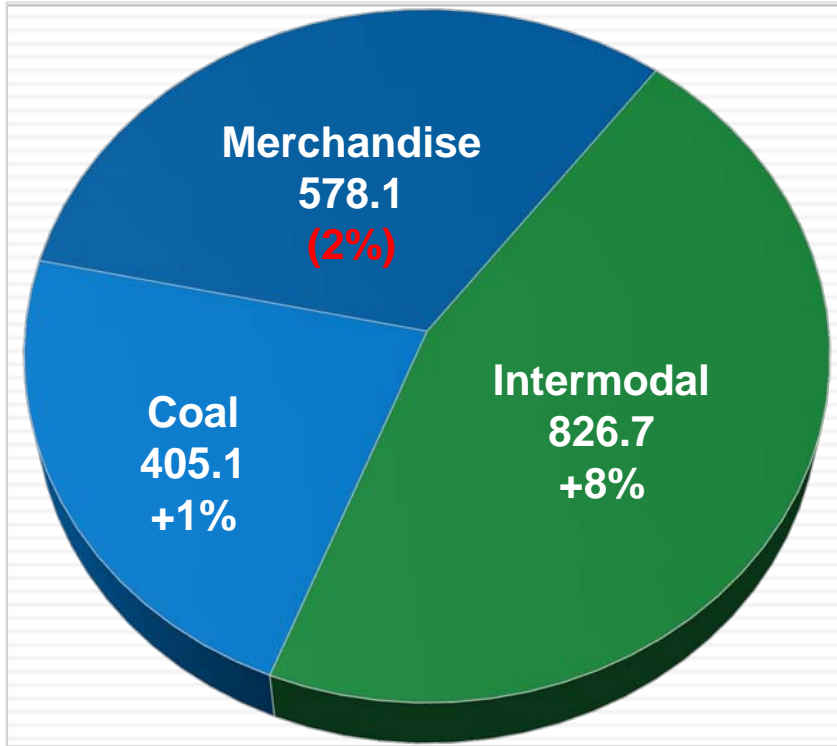
Third Quarter 2011 vs. 2010

Business Group	3Q 2011 RPU	vs. 3Q 2010	
		Abs.	% Chg.
Agriculture	\$2,487	\$341	16%
Chemicals	\$3,696	\$520	16%
Metals & Construction	\$1,905	\$329	21%
Paper	\$2,454	\$274	13%
Automotive	\$2,384	\$182	8%
Merchandise	\$2,488	\$305	14%
Intermodal	\$667	\$58	10%
Coal	\$2,219	\$457	26%
Total	\$1,596	\$195	14%

Railway Volume

Third Quarter 2011 vs. 2010

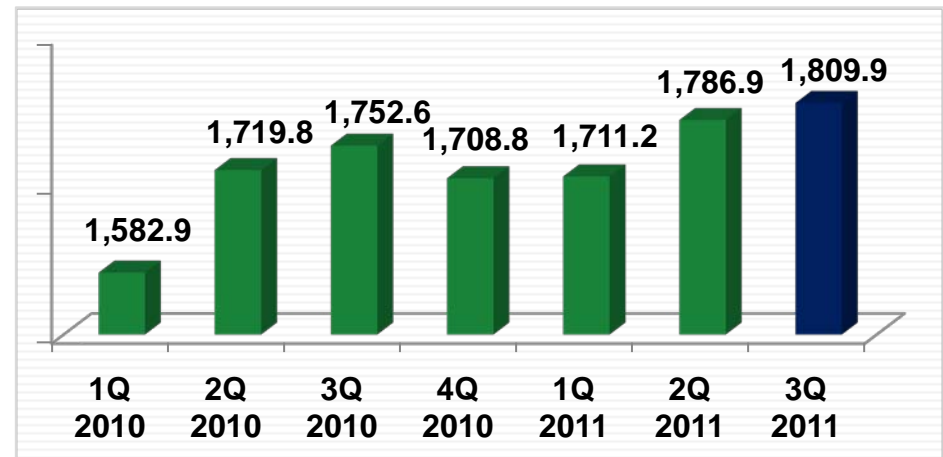
3Q 2011 Volume (000's) & y-o-y Percent Change



Total Volume of 1,809,900 Units

- Increase of 57,300 units, or 3%
- Highest quarterly volume since 3Q08
- New 52 week high in September

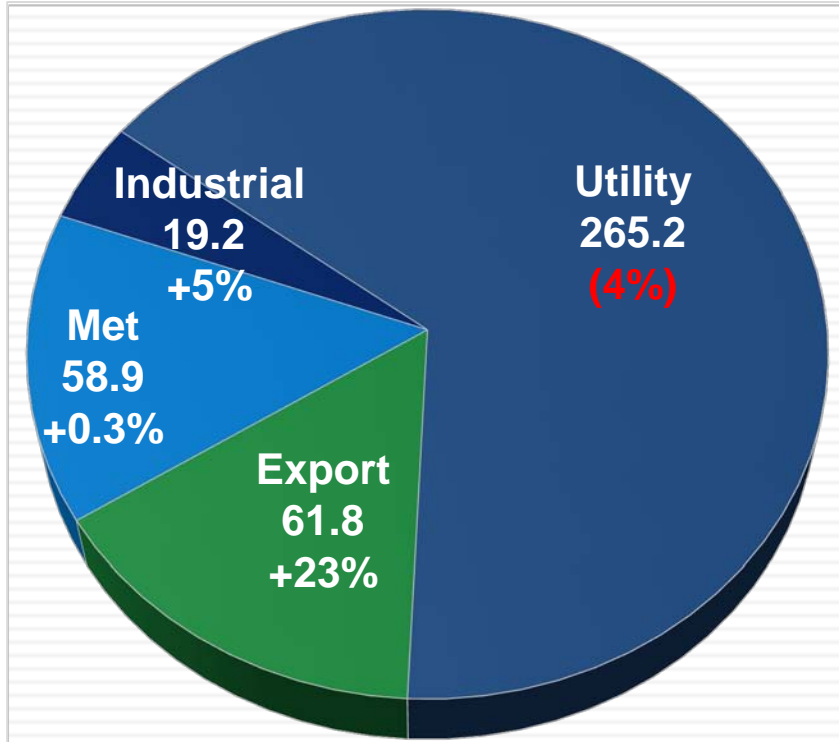
1Q 2010 – 3Q 2011 Volume (000's)



Coal Comparisons

Third Quarter 2011 vs. 2010

3Q 2011 Volume (000's) & y-o-y Percent Change



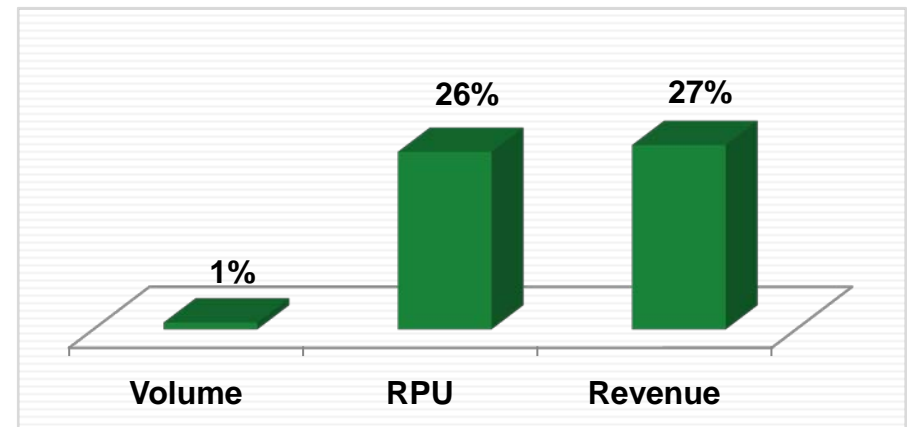
Coal revenue of \$899 million, up \$190 million or 27%

- Record revenue quarter

Coal volume of 405,100 carloads, up 2,400 or 1%

- Strong export growth
- Utility – competition from gas/lower electricity demand

Year-over-Year Change



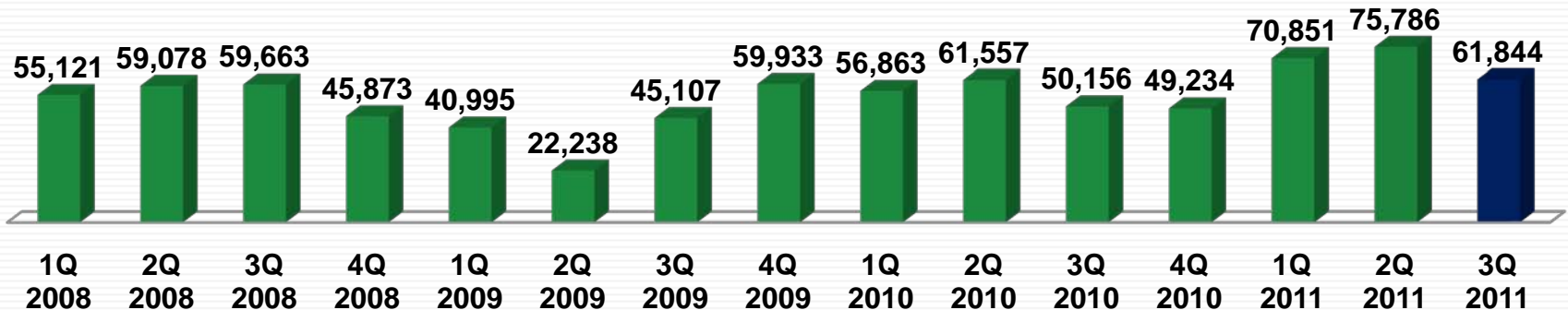
Export Coal Market



Export volume of 61,844 carloads, up 11,688 or 23%

- Lamberts Point up 39%
- Baltimore down (2%)
- Tightened global supply
- Global steel production up 11%

Export Carloads 1Q 2008 - 3Q 2011



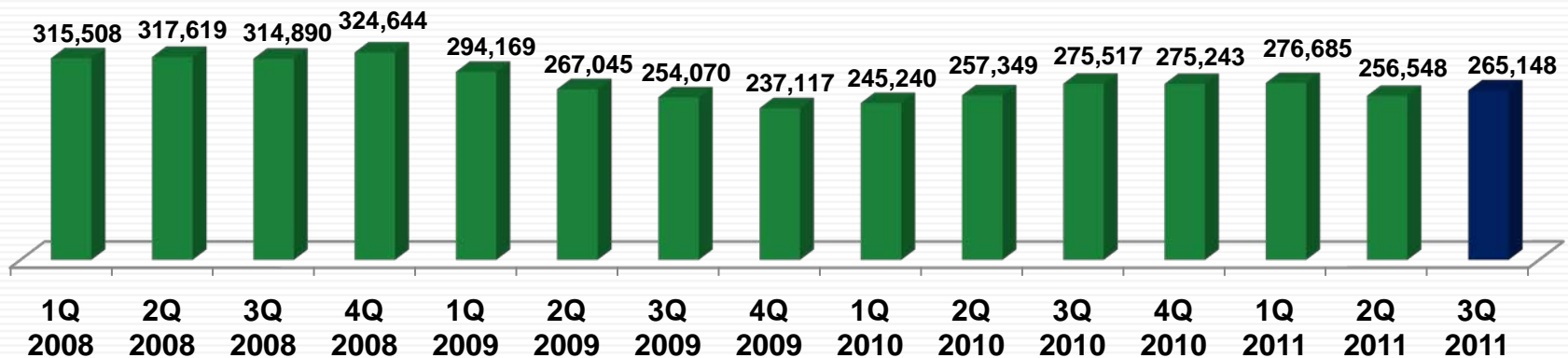
Utility Coal Market



Utility volume of 265,148 carloads, down (10,369) or (4%)

- **Utility North down (5%), South down (3%)**
- **Competition from gas/lower electricity demand**
- **50% of Northern utilities, and 36% of Southern utilities are below targeted inventory levels**

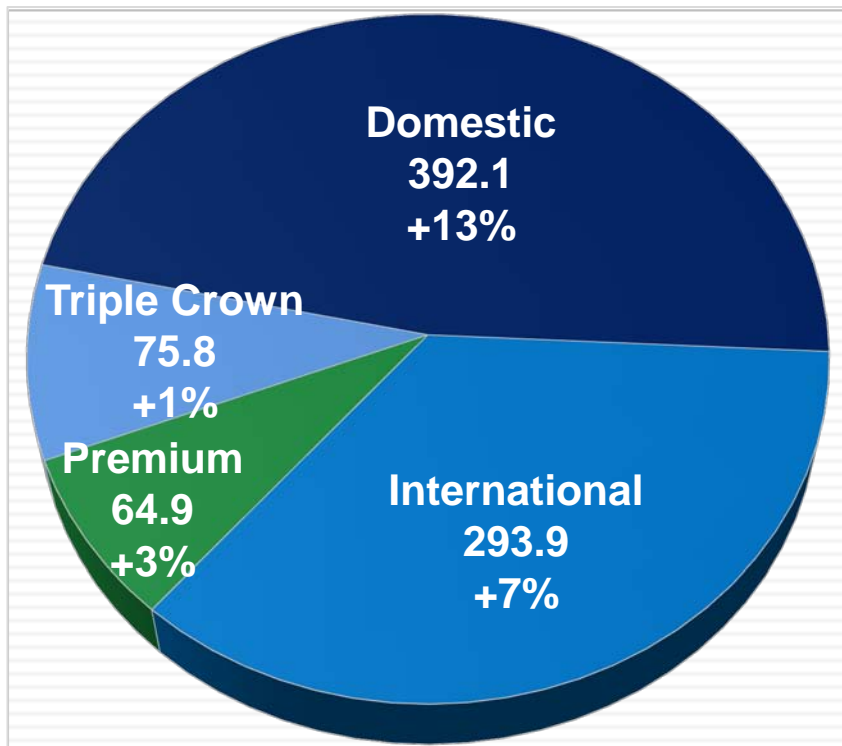
Utility Carloads 1Q 2008 - 3Q 2011



Intermodal Comparisons

Third Quarter 2011 vs. 2010

3Q 2011 Volume (000's) & y-o-y Percent Change

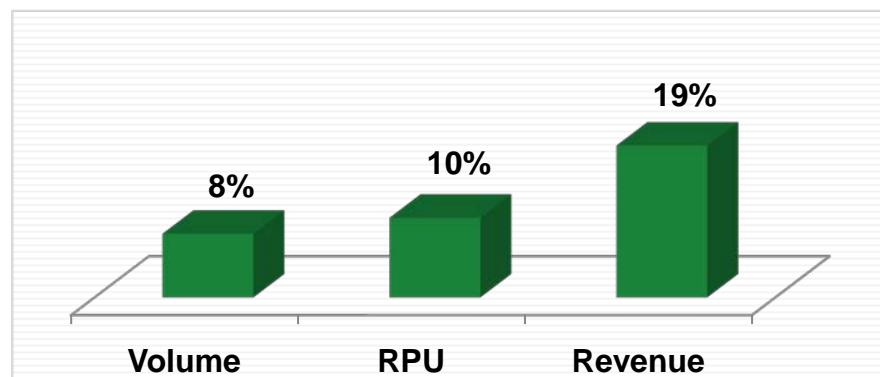


Intermodal revenue of \$551 million, up \$87 million or 19%

Intermodal volume of 826,700 units, up 64,500 or 8%

- Domestic up 13% driven by tightening truck capacity
- International up 7% with improving retail activity

Year-over-Year Change



NS Corridors

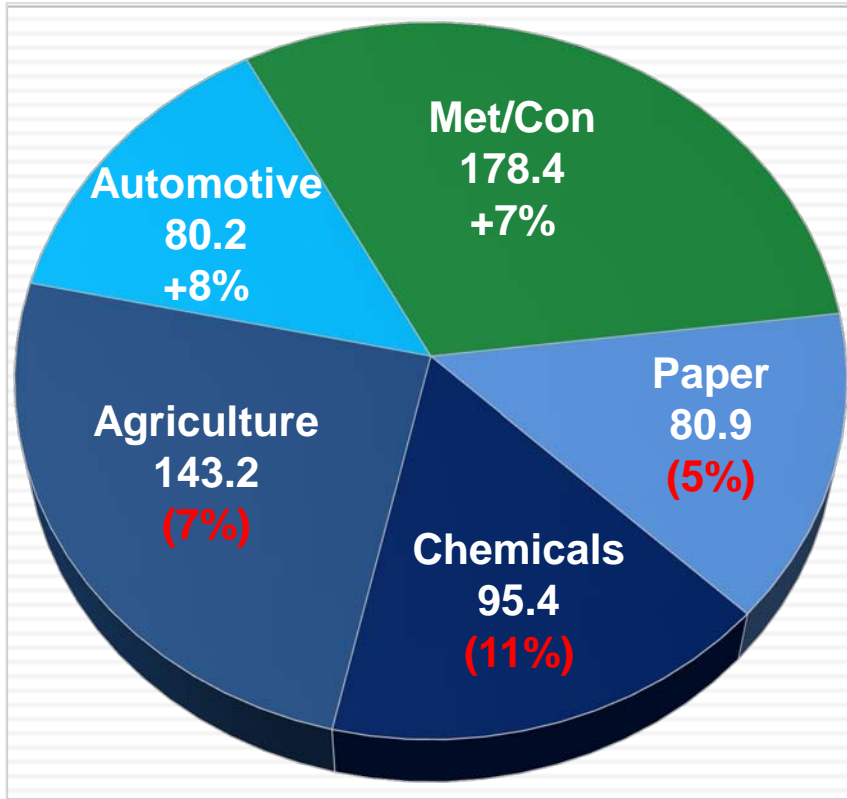


% Volume Change vs 2010		
Corridor	3Q	First Nine Months
Premier Route	9%	10%
Heartland Corridor	97%	139%
Crescent Corridor	30%	32%
Meridian Speedway	11%	12%
PanAm Southern	2%	4%
Mid America	9%	43%

Merchandise Comparisons

Third Quarter 2011 vs. 2010

3Q 2011 Volume (000's) & y-o-y Percent Change



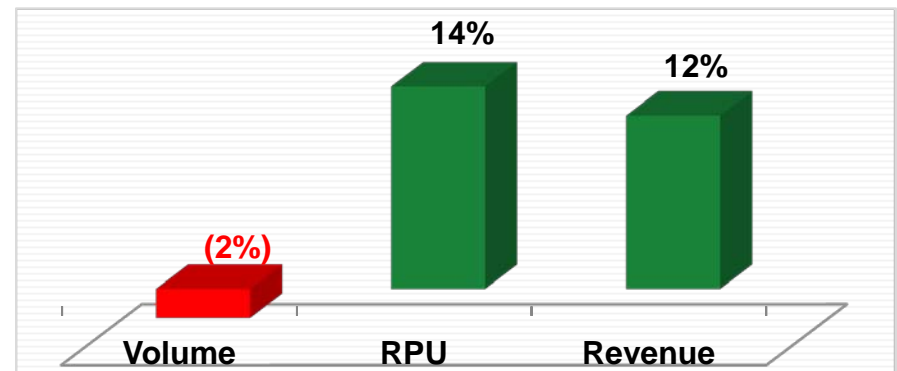
Merchandise revenue of \$1.4 billion, up \$156 million or 12%

- Led by Met/Con, up 29% and Automotive, up 17%

Merchandise volume of 578,100 carloads, down (9,600) or (2%)

- Industrial Products comp effects
- Gains in Met/Con and Auto

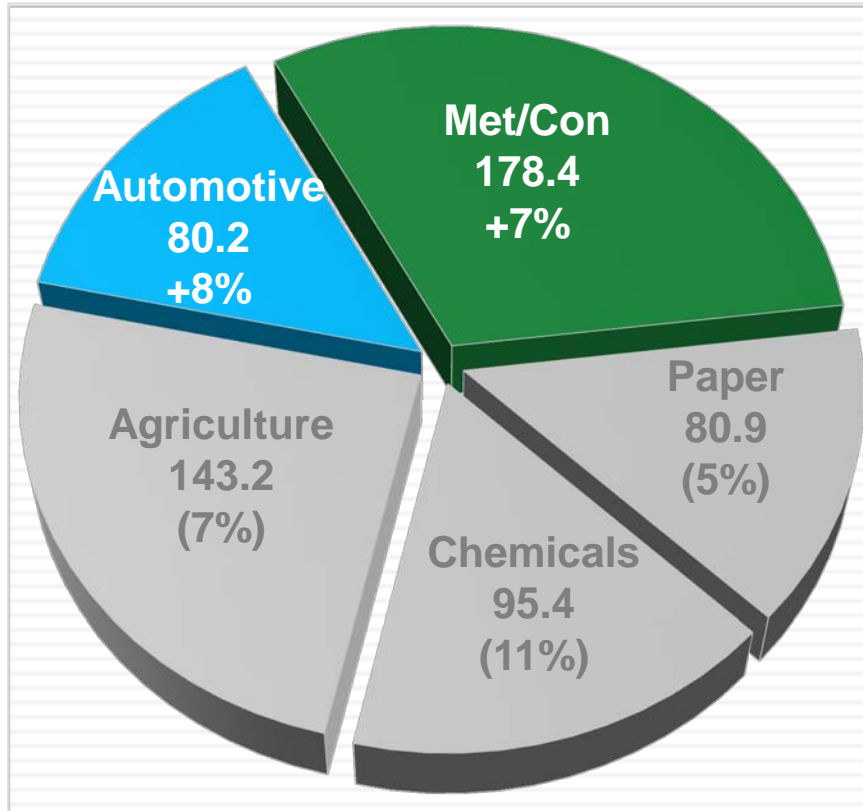
Merchandise Year-over-Year Change



Merchandise Comparisons

Third Quarter 2011 vs. 2010

3Q 2011 Volume (000's) & y-o-y Percent Change



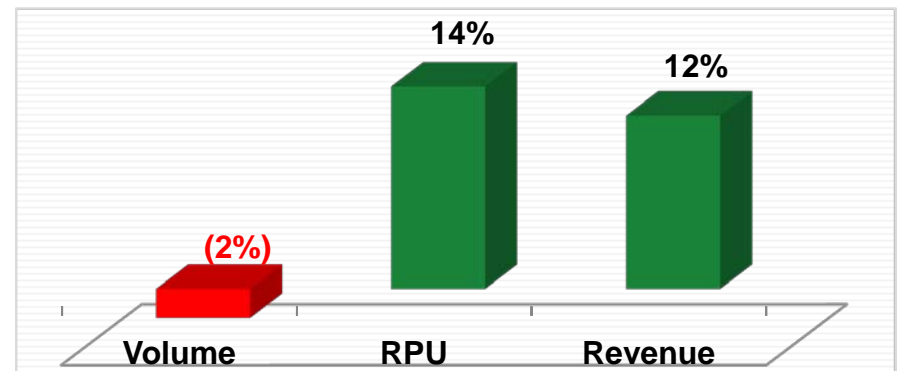
Met/Con volume of 178,400 carloads, up 11,000 carloads or 7%

- Coil steel and frac sand gains

Automotive volume of 80,200 carloads, up 6,200 or 8%

- Driven by increased vehicle production and new business

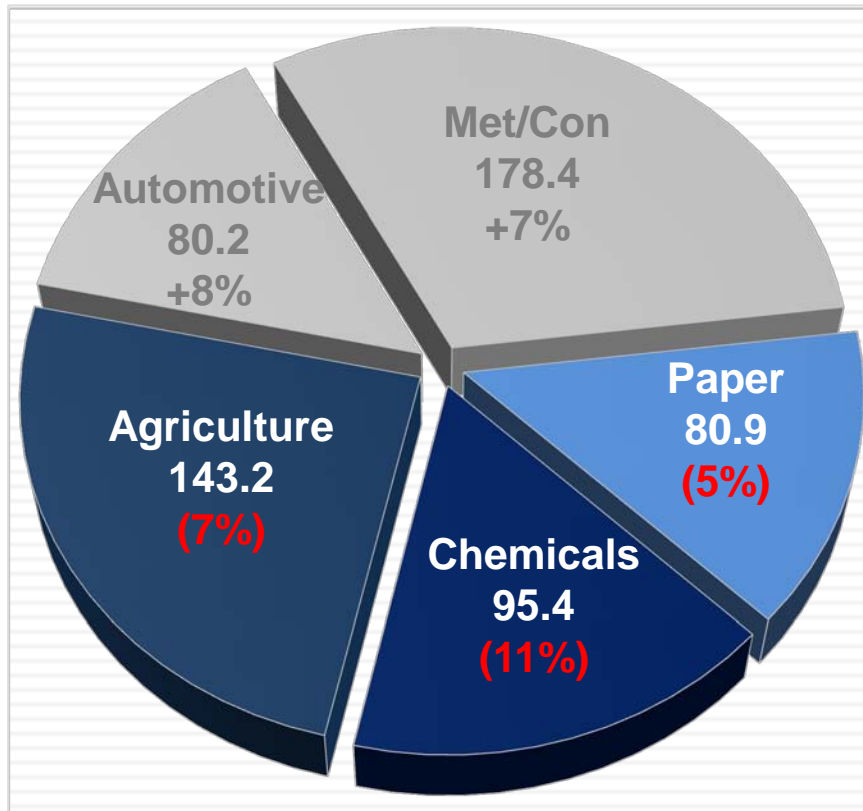
Merchandise Year-over-Year Change



Merchandise Comparisons

Third Quarter 2011 vs. 2010

3Q 2011 Volume (000's) & y-o-y Percent Change



Chemicals volume of 95,400 carloads, down (11,500) or (11%)

- Comp effect, partially offset by new business

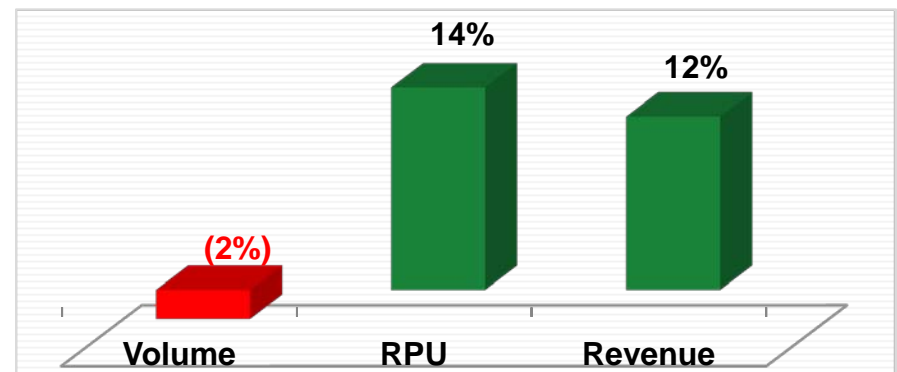
Agriculture volume of 143,200 carloads, down (11,300) or (7%)

- Lower corn volumes & comp effect

Paper volume of 80,900 carloads, down (4,000) or (5%)

- Declines in pulpboard, kaolin and woodchips

Merchandise Year-over-Year Change



Outlook – Business Portfolio

Chemicals	Improving volumes through project growth in crude oil and waste products, and long-term improved feedstock prices
Metals & Construction	Increased domestic steel production and growth in shipments for natural gas drilling
Agriculture	Growth in ethanol, offset by later harvest impact
Export Coal	Continued European, Asian and South American demand for met coal
Domestic Metallurgical Coal	Increased domestic steel production – low domestic met stockpiles
Utility Coal	Sequential growth to replenish below target stockpiles – tempered by lower electrical demand & competition from gas
Automotive	New business, increased North American auto production
Domestic & Premium Intermodal	Increasing demand and highway conversions
International Intermodal	Favorable global trade
Paper	Challenged housing market, modest growth in paper