

Third Quarter 2009 Presentations

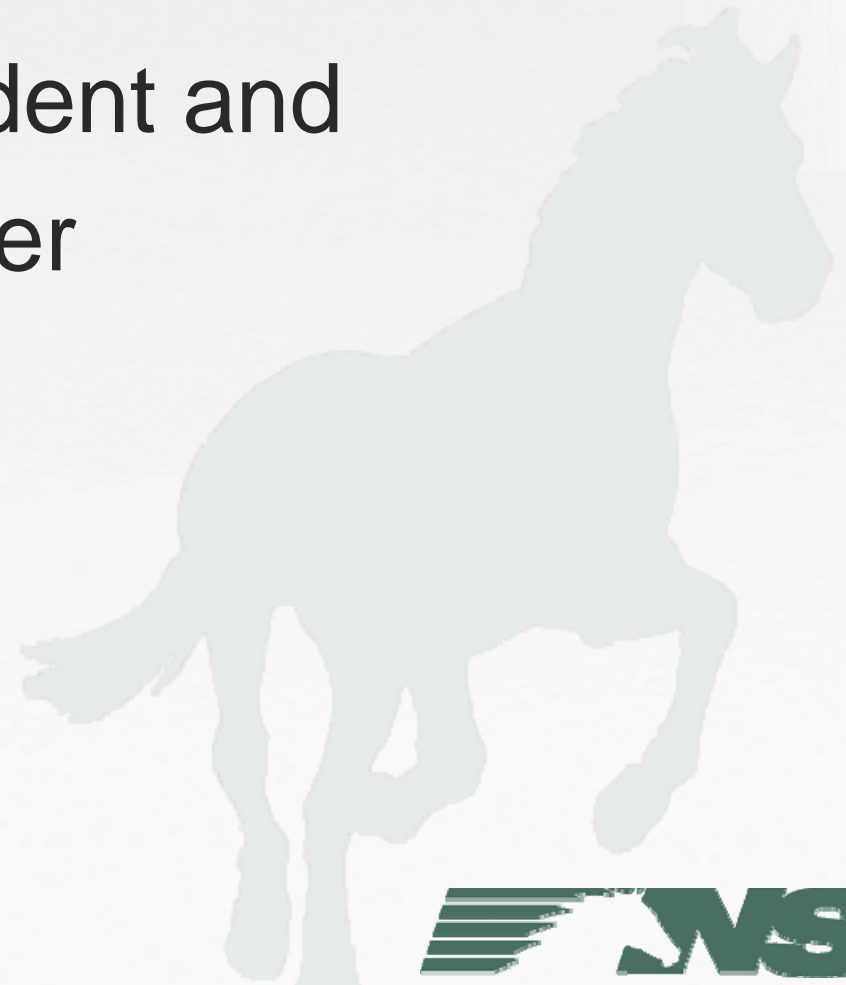
Norfolk Southern Corporation



Third Quarter 2009 Results

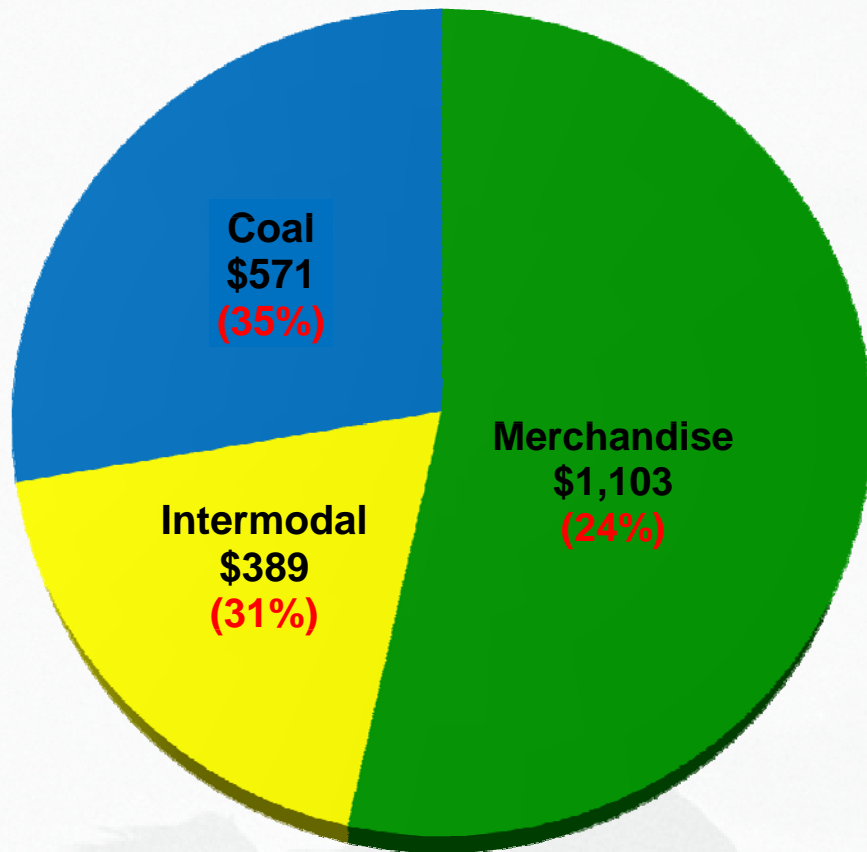
Donald W. Seale

Executive Vice President and
Chief Marketing Officer



Railway Operating Revenue

Third Quarter 2009 vs. 2008



Revenue
Total – **\$2.1 Billion**
Down \$831 Million, 29% vs. 3Q 2008

Volume	(\$570)
Fuel Revenue	(\$436)
Coal Related Adjustment	(\$22)
Mix	\$19
Price	\$178
Total Change	(\$831)

Rev. \$ Millions

Revenue Per Unit

Third Quarter 2009 vs. 2008

	3Q 2009	vs. 3Q 2008	
	Rev/Unit	Abs.	% Chg.
Agriculture	\$2,097	(\$39)	(2%)
MetCon	\$1,471	(\$281)	(16%)
Chemicals	\$3,090	(\$185)	(6%)
Paper	\$2,123	(\$253)	(11%)
Automotive	\$1,825	(\$300)	(14%)
Merchandise	\$2,078	(\$154)	(7%)
Intermodal	\$608	(\$100)	(14%)
Coal	\$1,627	(\$314)	(16%)
Total	\$1,355	(\$172)	(11%)

- Tough comparisons to record third quarter 2008 RPU
- Declining fuel related revenue
- 6.2% pricing gain
- 2009 Customer Satisfaction Survey results
 - 6% improvement in customer satisfaction with transit times
 - 10% improvement in service consistency

Railway Volume

Third Quarter 2009 vs. 2008

	July		August		September	
	Units	vs. 2008	Units	vs. 2008	Units	vs. 2008
Agriculture	47,608	(13%)	48,524	(8%)	45,456	(11%)
MetCon	44,860	(36%)	46,338	(33%)	48,279	(25%)
Chemicals	31,488	(14%)	32,692	(5%)	31,683	(1%)
Paper	27,274	(21%)	26,214	(23%)	25,805	(22%)
Automotive	19,191	(25%)	24,516	(14%)	30,890	(5%)
Merchandise	170,421	(23%)	178,284	(19%)	182,113	(14%)
Intermodal	211,742	(20%)	213,912	(20%)	214,446	(17%)
Coal	112,116	(21%)	121,177	(22%)	118,004	(22%)
Total	494,279	(22%)	513,373	(20%)	514,563	(17%)




- 20%, or 373,000 unit decline for the quarter
- Tough comparisons to 3Q 2008 volume
 - Record Ag carloads
 - Record Coal tonnage
- Sequential improvement through the quarter

Railway Revenue, Volume & Revenue/Unit

Third Quarter 2009 vs. Second Quarter 2009

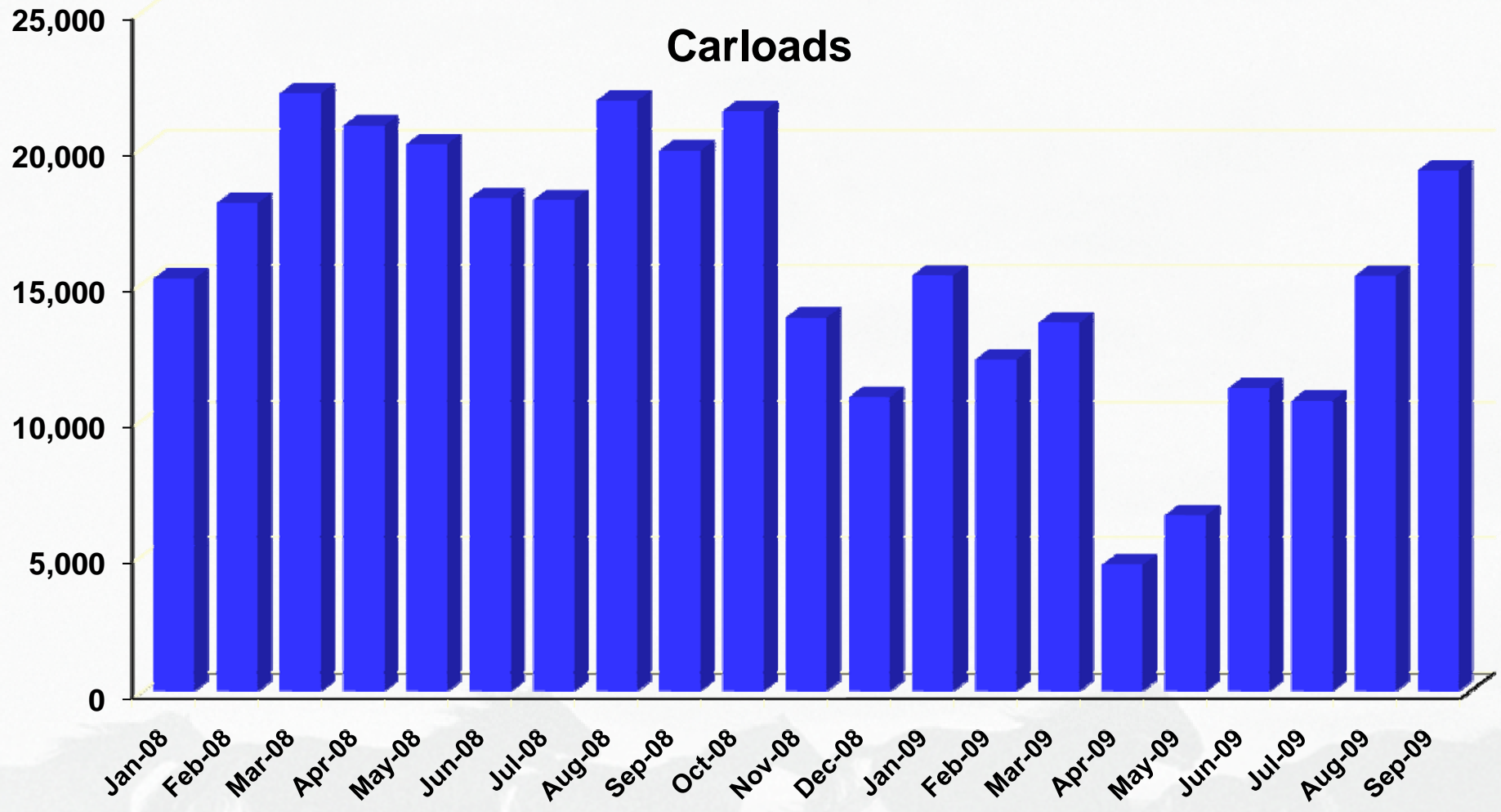
	3Q 2009	vs. 2Q 2009		3Q 2009	vs. 2Q 2009		3Q 2009	vs. 2Q 2009	
	\$ Mill.	Abs.	% Chg.	Units	Abs.	% Chg.	Rev/Unit	Abs.	% Chg.
Agriculture	\$296	\$9	3%	141,588	6,551	5%	\$2,097	(\$28)	(1%)
MetCon	\$205	\$34	20%	139,477	22,278	19%	\$1,471	\$11	1%
Chemicals	\$297	\$52	21%	95,863	15,362	19%	\$3,090	\$43	1%
Paper	\$169	\$4	2%	79,293	5,216	7%	\$2,123	(\$116)	(5%)
Automotive	\$136	\$26	24%	74,597	13,745	23%	\$1,825	\$27	2%
Merchandise	\$1,103	\$125	13%	530,818	63,152	14%	\$2,078	(\$15)	(1%)
Intermodal	\$389	\$21	6%	640,100	27,335	4%	\$608	\$8	1%
Coal	\$571	\$60	12%	351,297	19,386	6%	\$1,627	\$89	6%
Total	\$2,063	\$206	11%	1,522,215	109,873	8%	\$1,355	\$40	3%

Outlook – Business Portfolio




	Agriculture Chemicals Export Coal
	Domestic Met Coal Steel Domestic Intermodal
	Automotive Paper & Forest Products International Intermodal Utility Coal

Export Coal Volume

January 2008 – September 2009

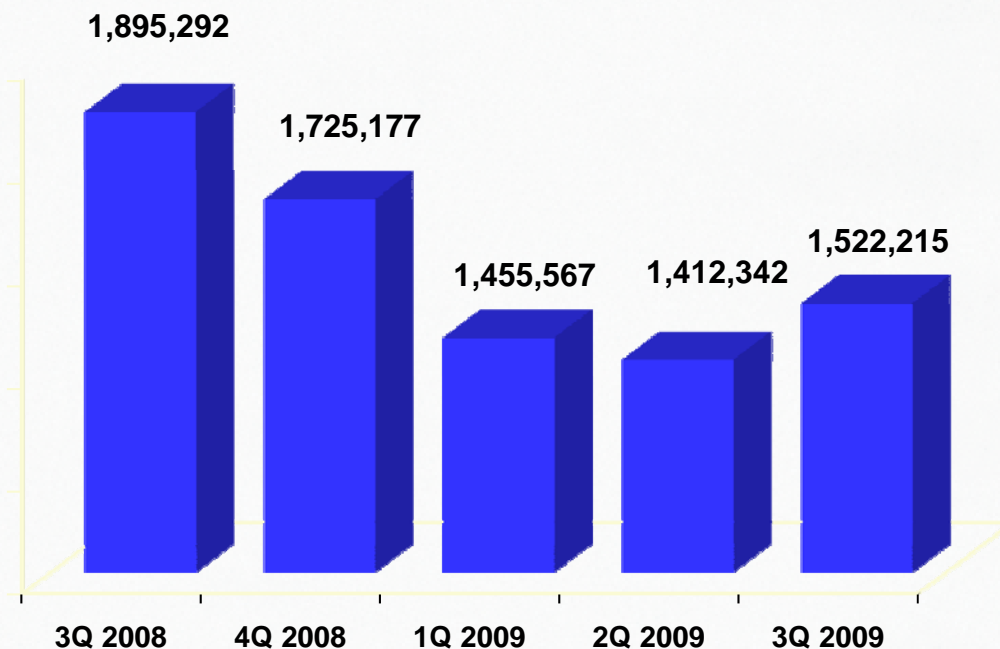


Outlook – Business Portfolio

	Agriculture Chemicals Export Coal
	Domestic Met Coal Steel Domestic Intermodal
	Automotive Paper & Forest Products International Intermodal Utility Coal

Outlook

3Q 2008 – 3Q 2009 Volume

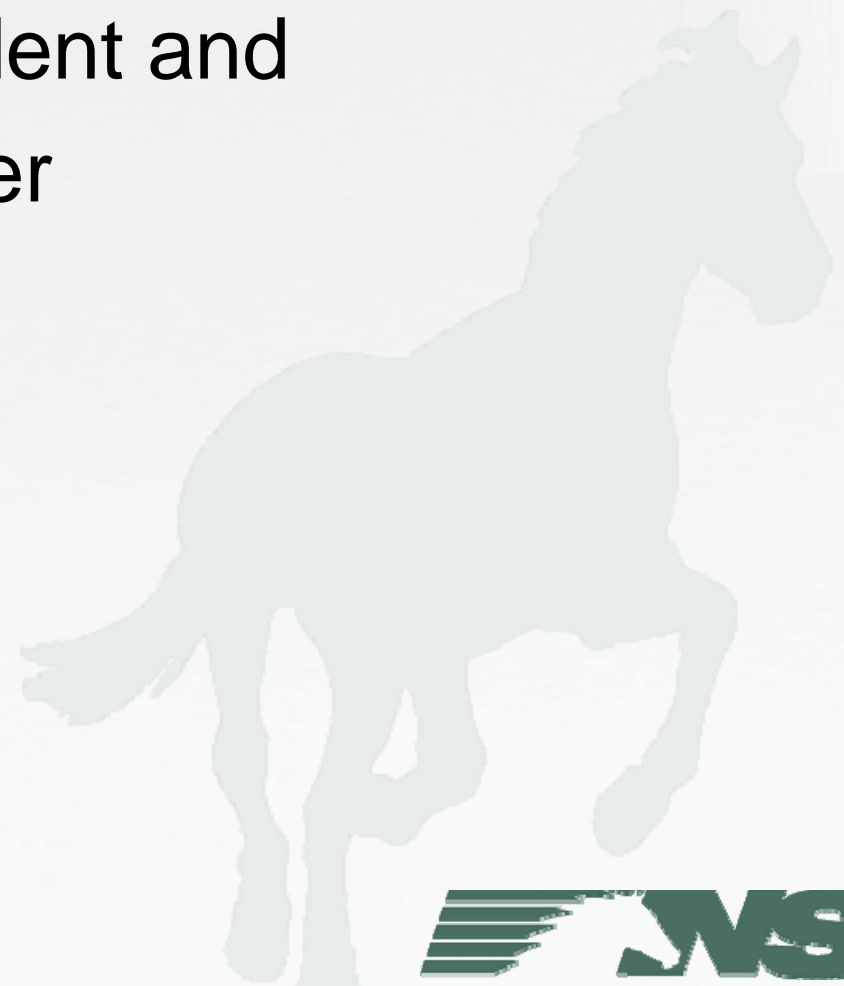


- Bottom of the economy in second quarter
- Strong 2008 comps in fourth quarter
- Continued customer satisfaction improvement and pricing gains

Third Quarter 2009 Results

Mark Manion

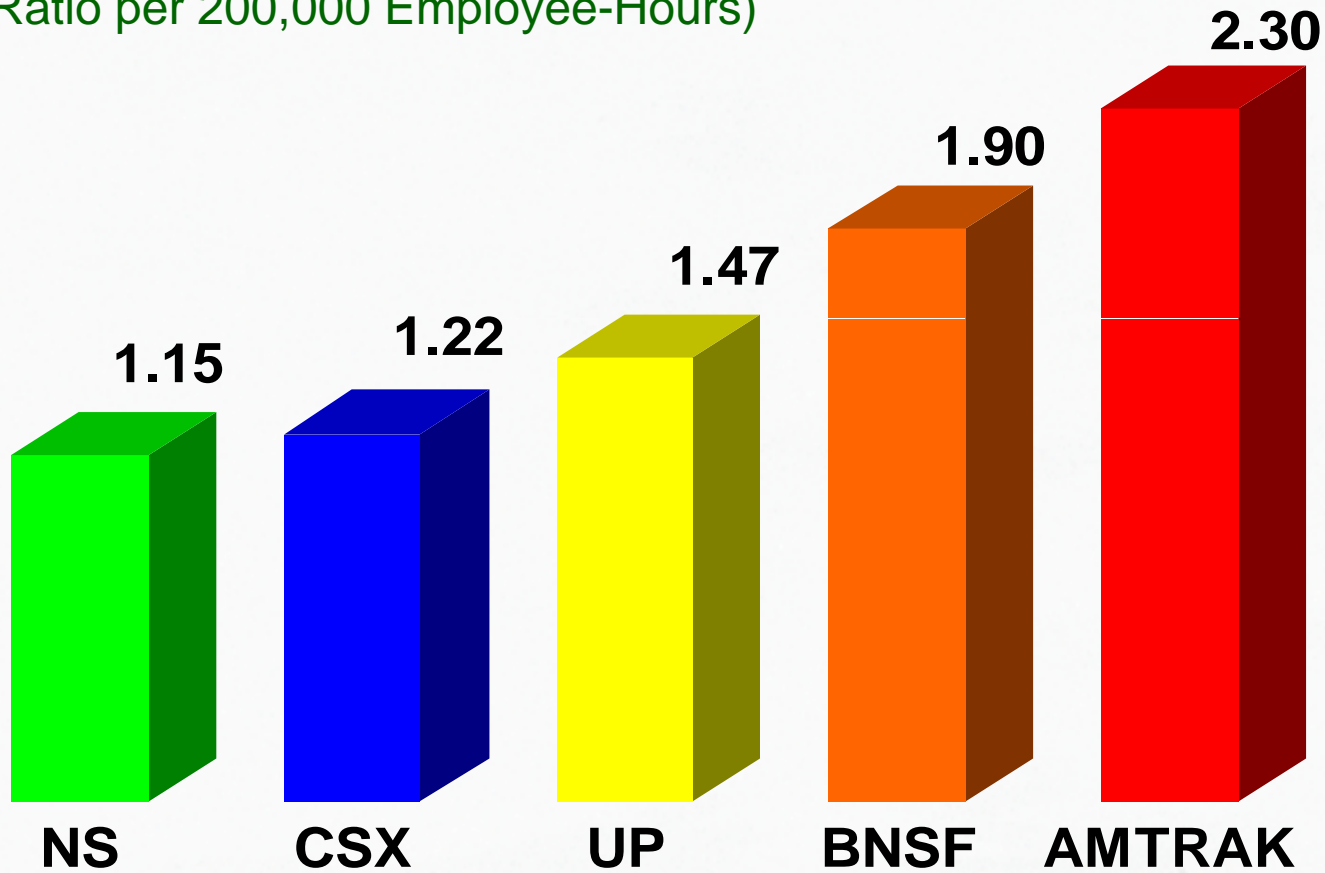
Executive Vice President and
Chief Operating Officer



Rail Industry Safety

9 Months 2009 Preliminary

(Injury Ratio per 200,000 Employee-Hours)



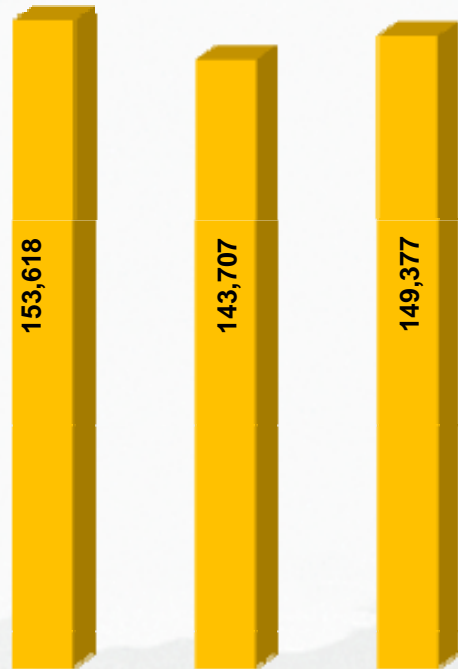
Road & Yard Crew Starts

By Quarters 2009

Road Trains

Change from Prior Quarter:

+4%



Yard Assignments

Change from Prior Quarter:

-0%



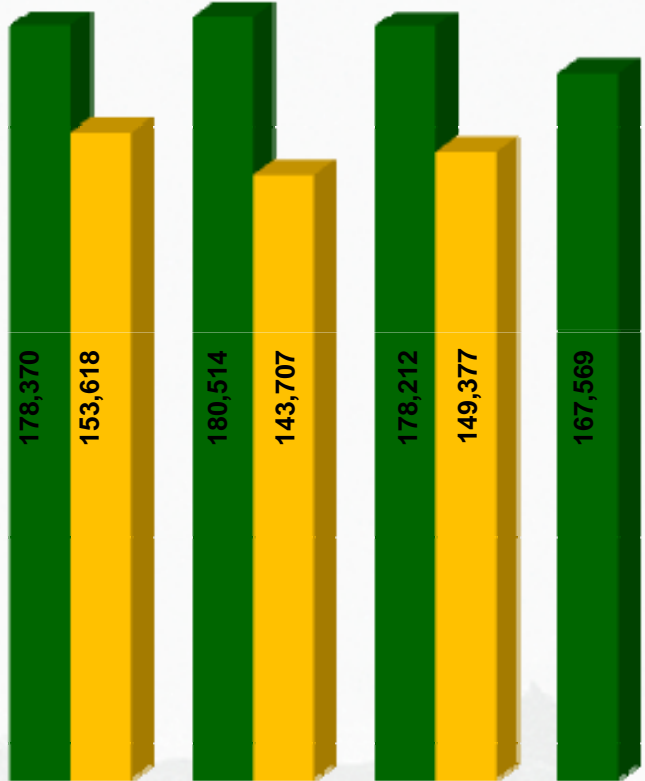
Road & Yard Crew Starts

By Quarters 2009 vs. 2008

Road Trains

Change from Prior Year:

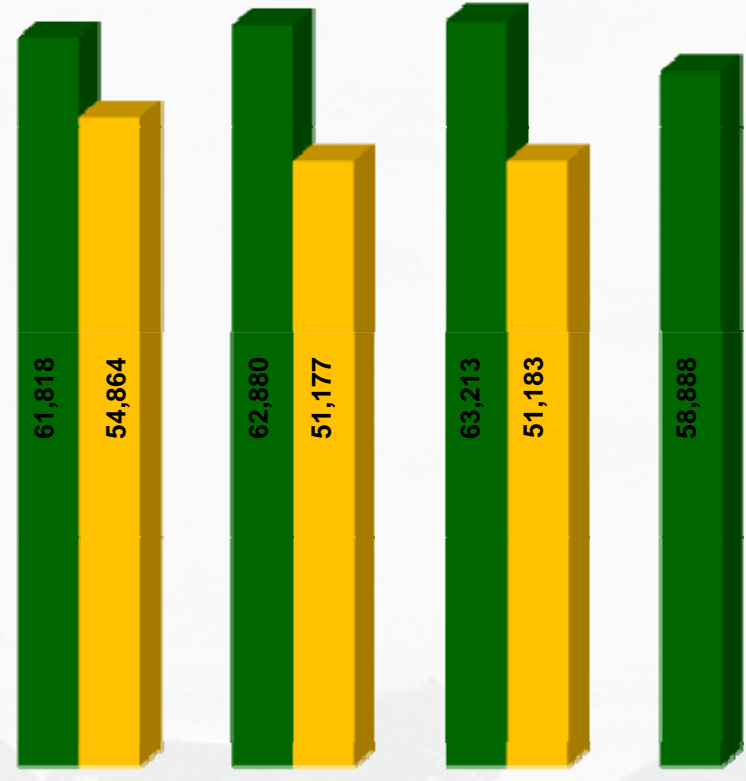
-14% **-20%** **-16%**



Yard Assignments

Change from Prior Year:

-11% **-19%** **-19%**



Train & Engine Employees

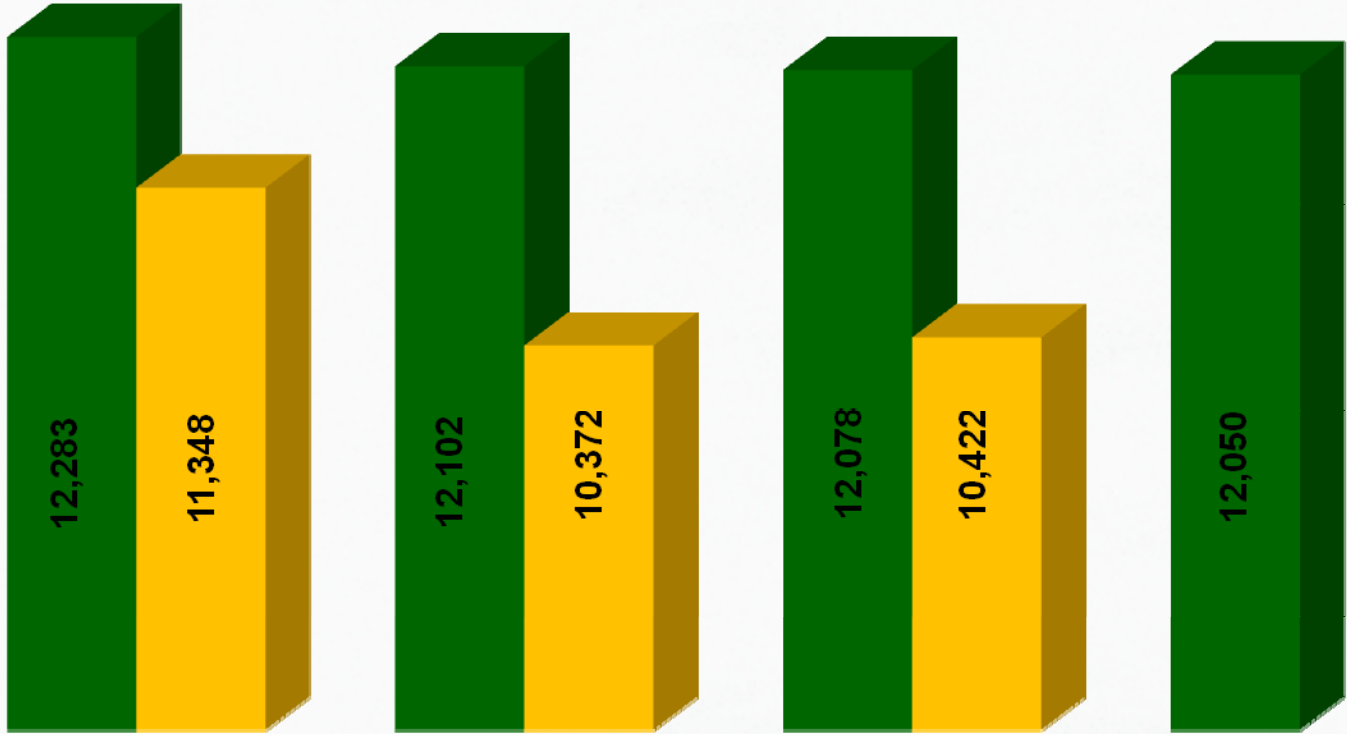
By Quarters 2009 vs. 2008

Change from Prior Year:

- 8%

- 14%

- 14%



1st Qtr

2nd Qtr

3rd Qtr

4th Qtr

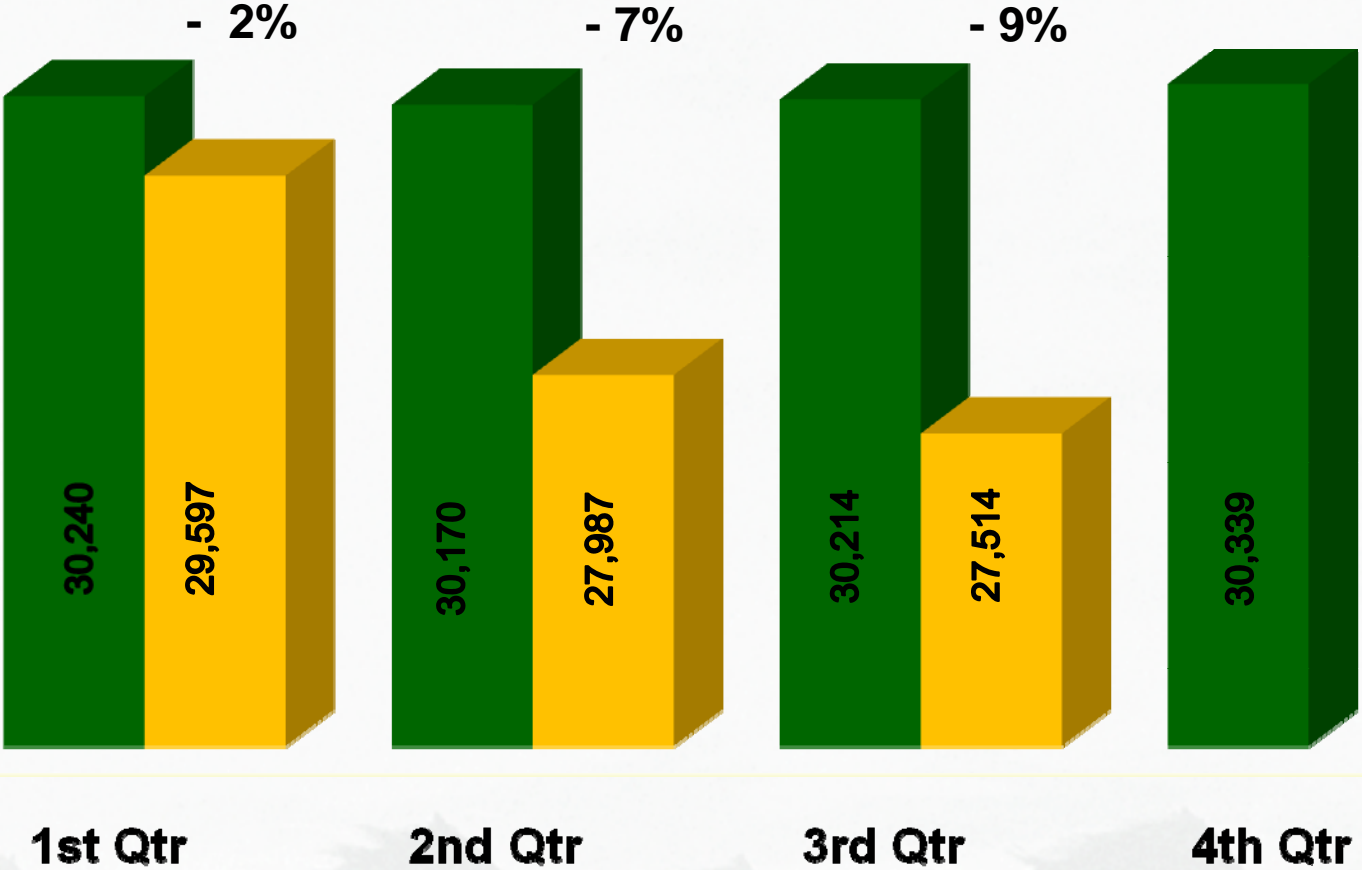
■ 2008

■ 2009

Total Railroad Employees

By Quarters 2009 vs. 2008

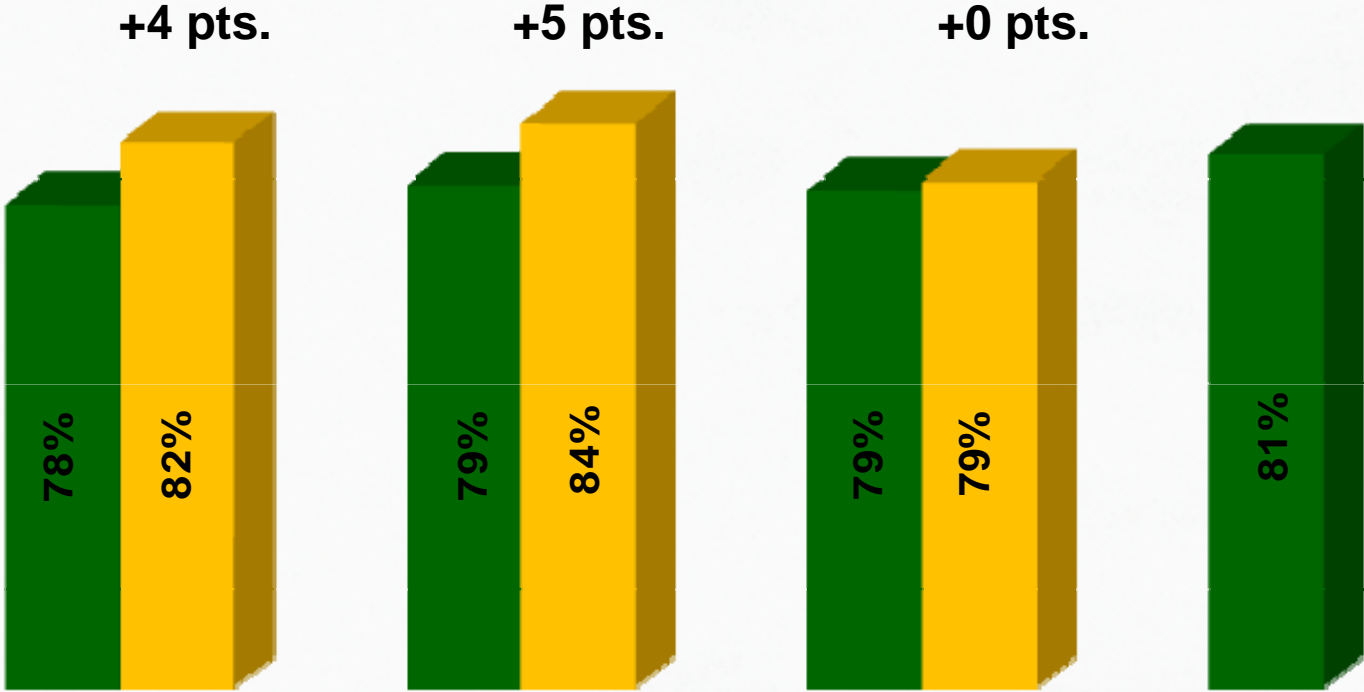
Change from Prior Year:



Composite Service Performance

By Quarters 2009 vs. 2008

Change from Prior Year:



1st Qtr

2nd Qtr

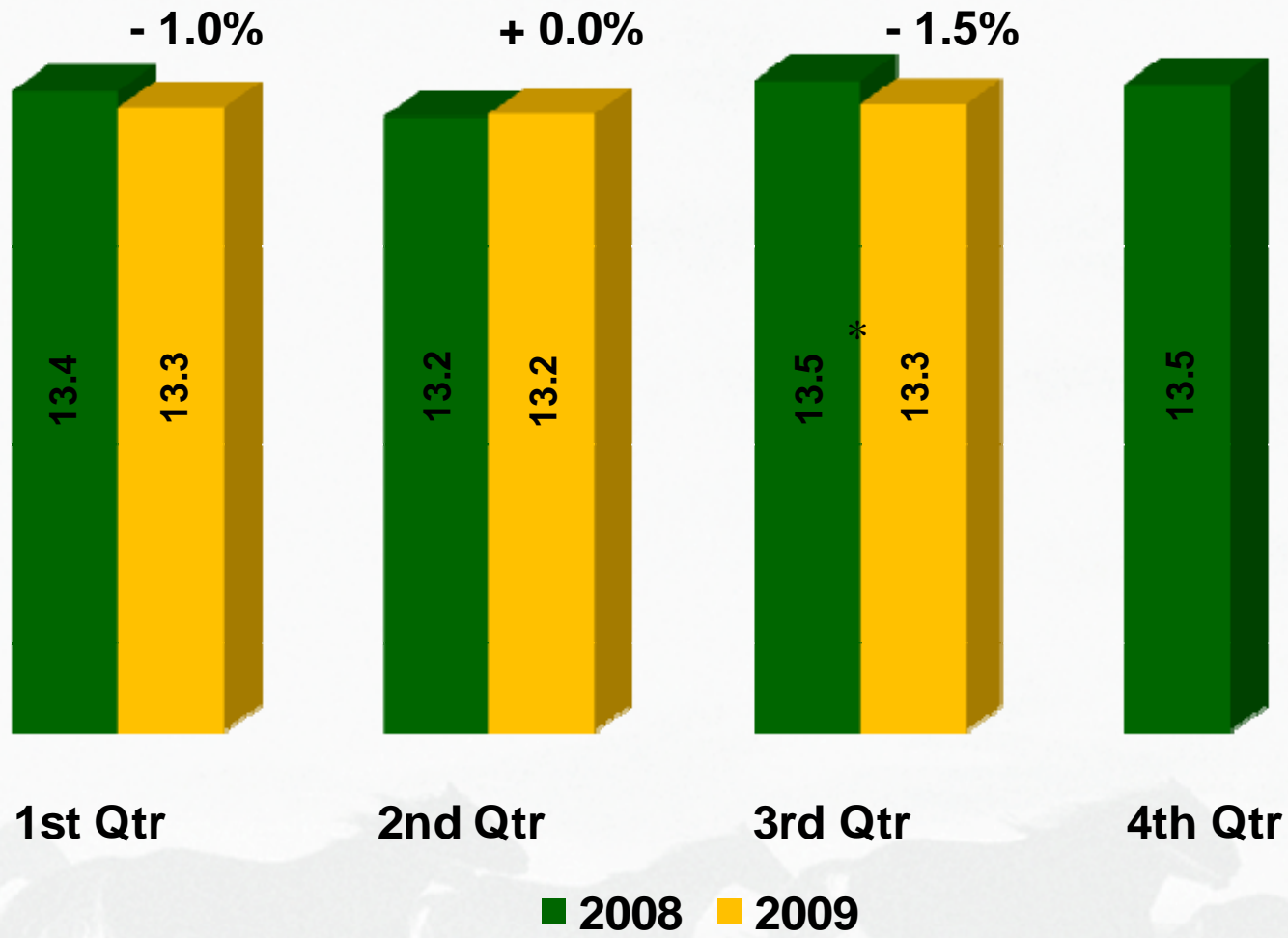
3rd Qtr

4th Qtr

Car Hire Days per Carload

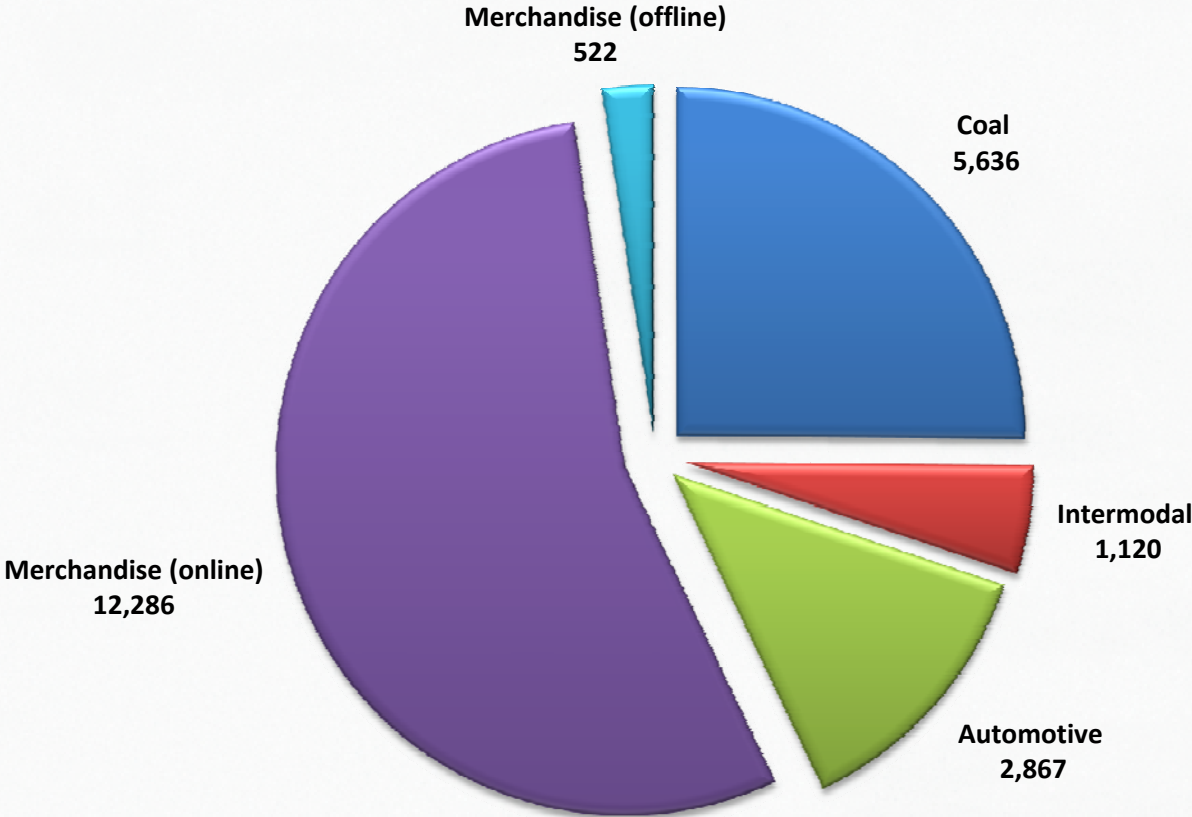
By Quarters 2009 vs. 2008

Change from Prior Year:



* Includes preliminary estimate for September

Cars Stored

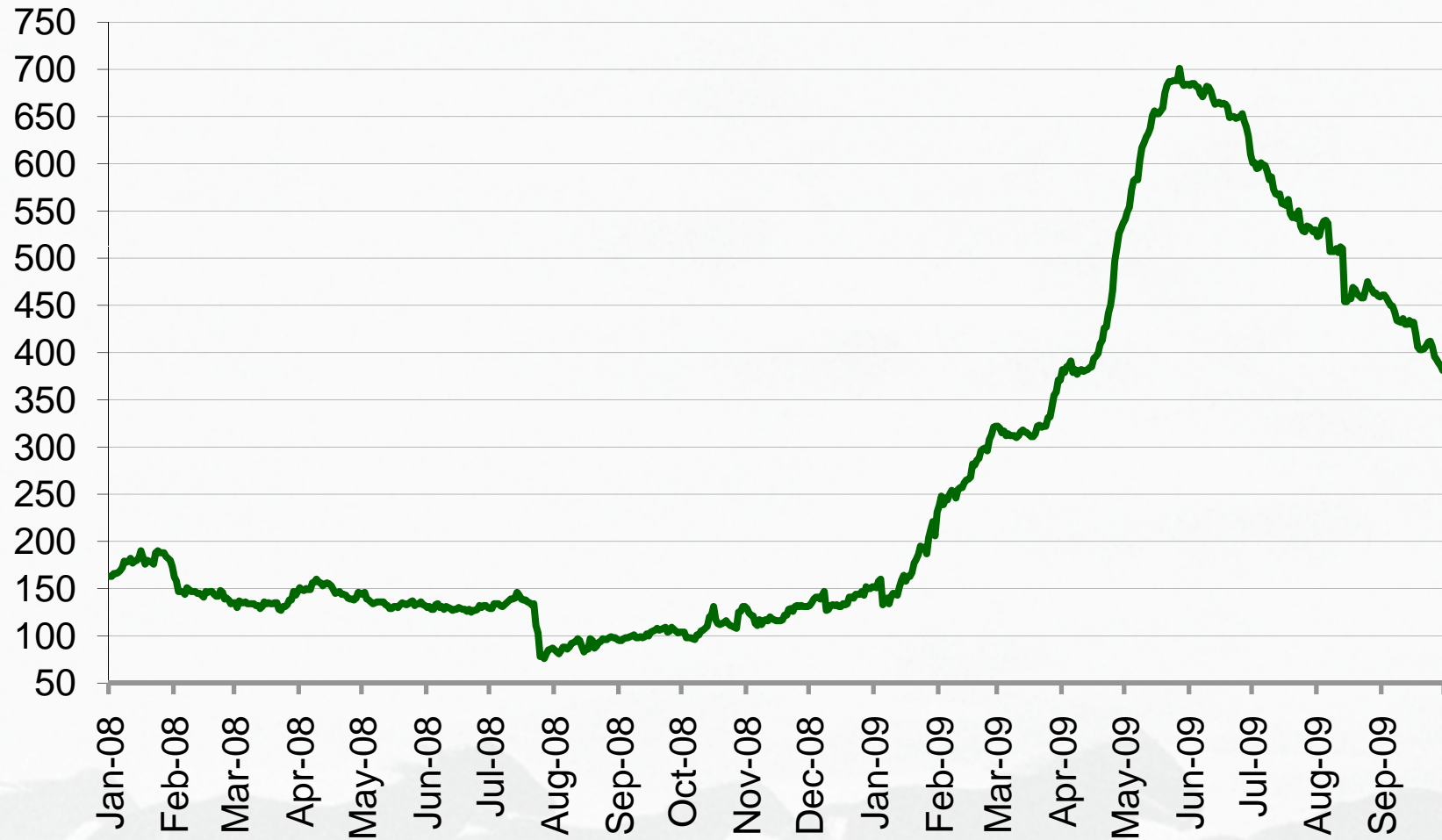


Total Cars Stored: 22,431



Locomotives Stored

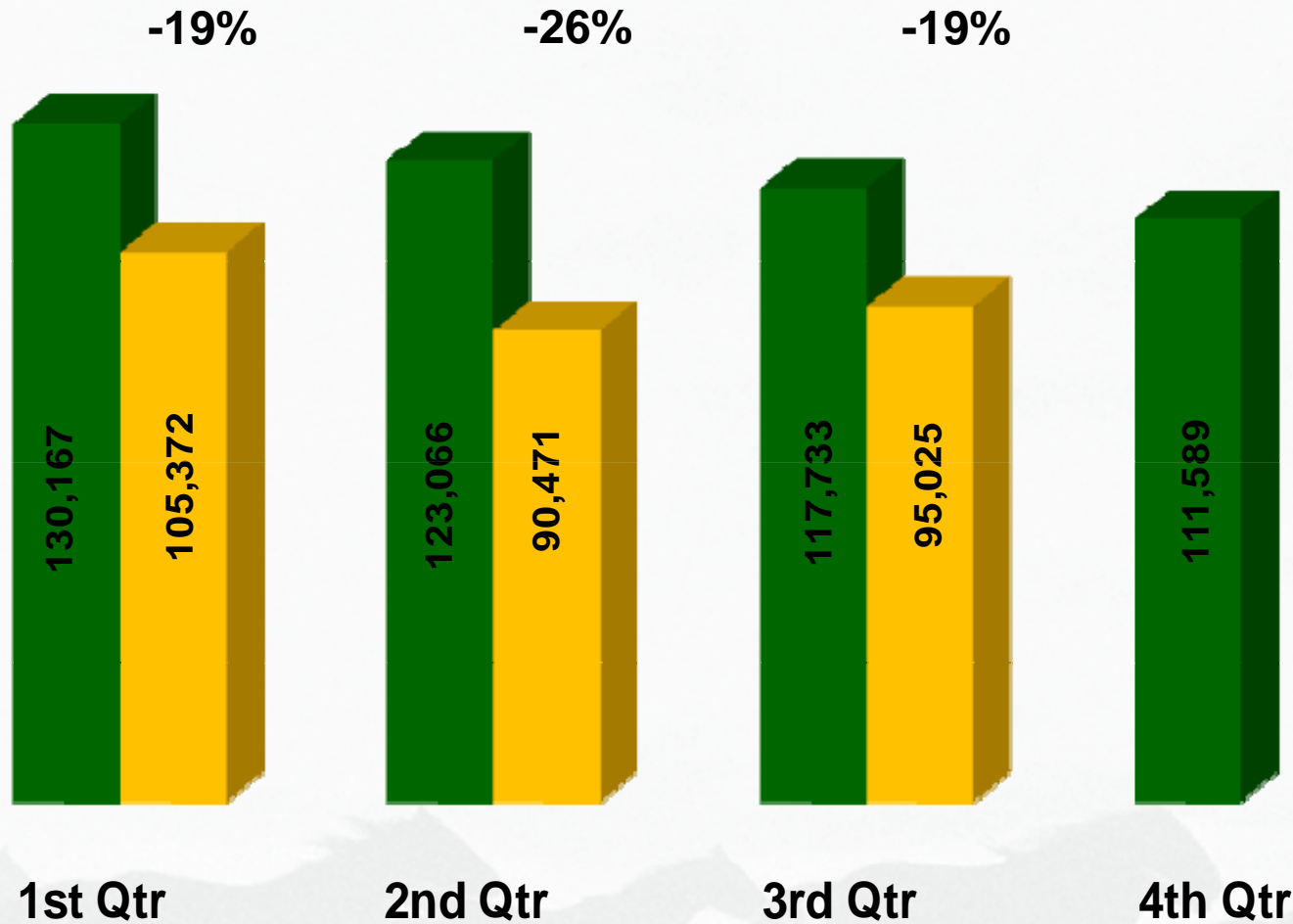
January 2008 – September 2009



Locomotive Fuel Consumption

By Quarters 2009 vs. 2008

Change from Prior Year:



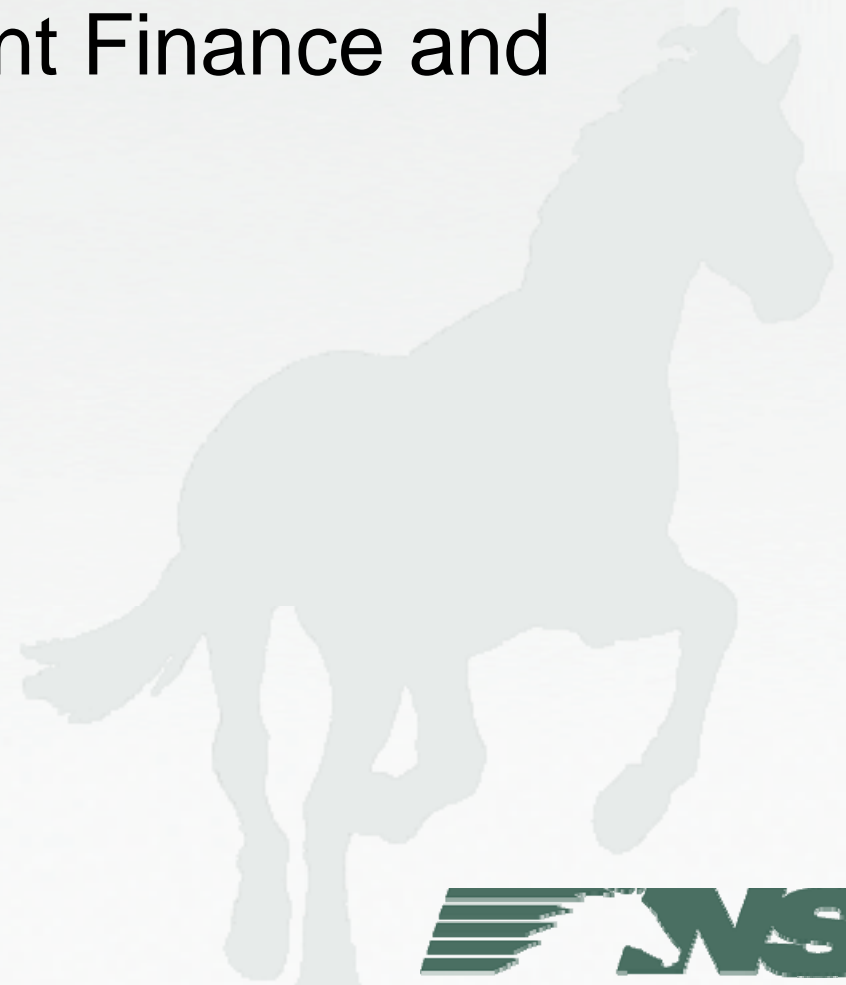
Going Forward ...

- Safety, Service, and Operating Efficiency
 - Keep all employees focused on safety
 - Monitor traffic volumes and business expectations to correctly size the operating plan
 - Maintain network velocity
 - Drive for service improvement
 - Align asset base with business demand

Third Quarter 2009 Results

James A. Squires

Executive Vice President Finance and
Chief Financial Officer



Operating Results

Third Quarter 2009 vs. 2008

(\$ Millions)

	Third Qtr 2009	Third Qtr 2008	Favorable (Unfavorable)	
			\$	%
Railway Operating Revenues	\$ 2,063	\$ 2,894	\$ (831)	(29%)

Operating Results

Third Quarter 2009 vs. 2008

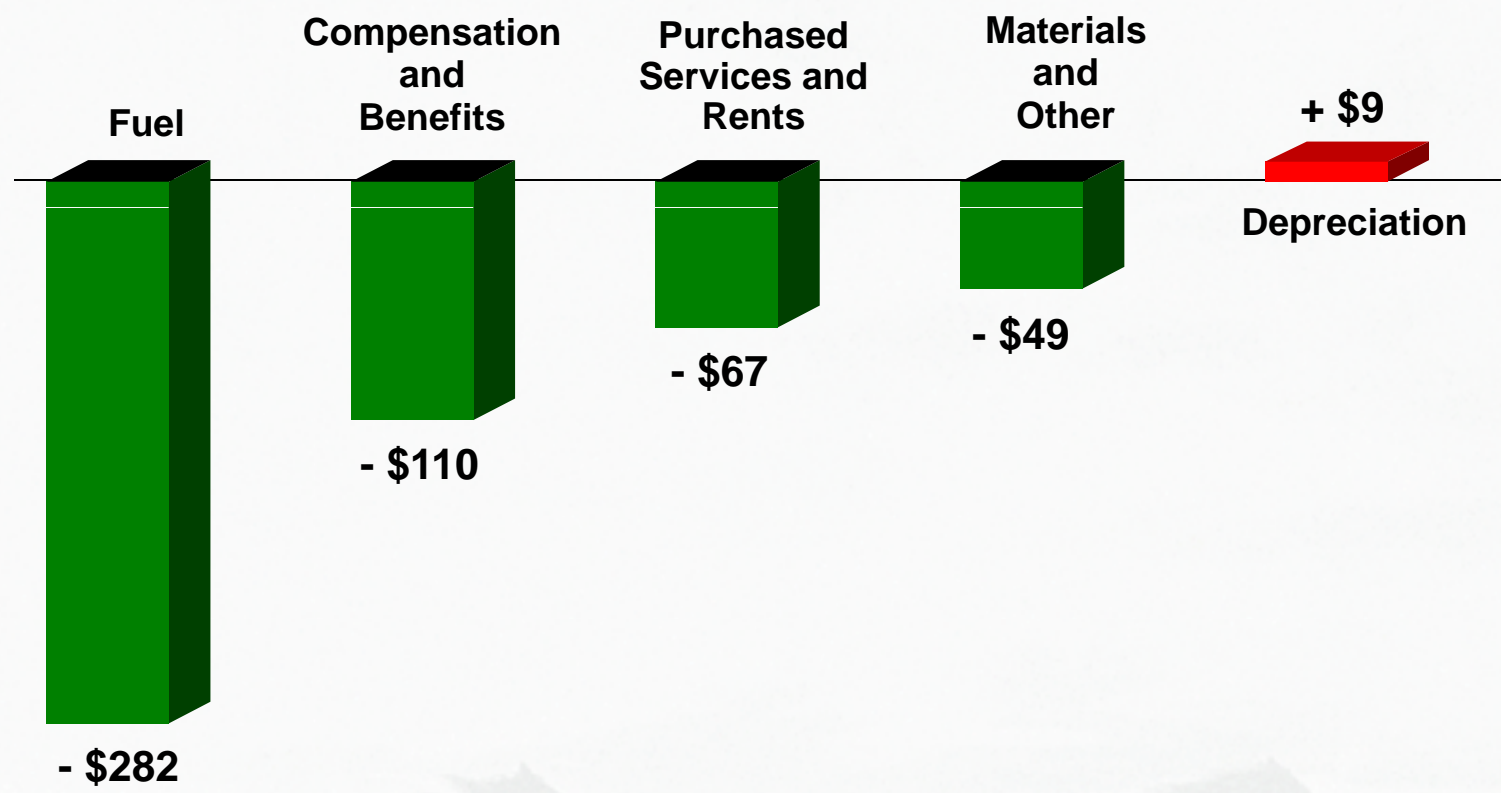
(\$ Millions)

	Third Qtr 2009	Third Qtr 2008	Favorable (Unfavorable)	
			\$	%
Railway Operating Revenues	\$ 2,063	\$ 2,894	\$ (831)	(29%)
Railway Operating Expenses	1,501	2,000	499	25%
Income From Railway Operations	\$ 562	\$ 894	\$ (332)	(37%)
Railway Operating Ratio	72.8	69.1	(3.7)	(5%)

Railway Operating Expense Analysis

Third Quarter 2009 vs. 2008

(\$ Millions)



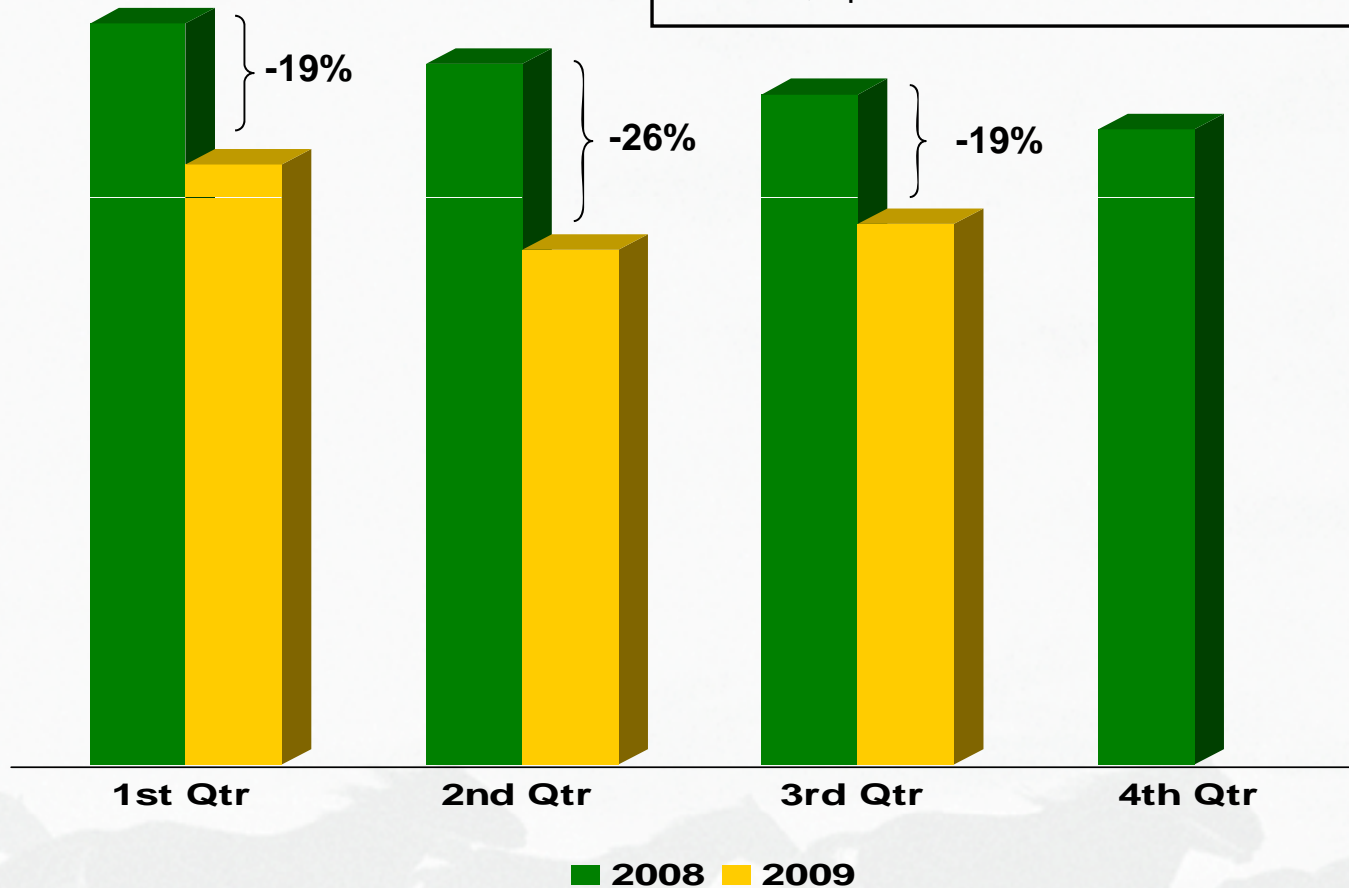
Net Decrease \$ 499 Million / 25%

Locomotive Fuel Consumption

2009 vs. 2008 Comparison

**Total Fuel Consumption Savings
(\$ Millions)**

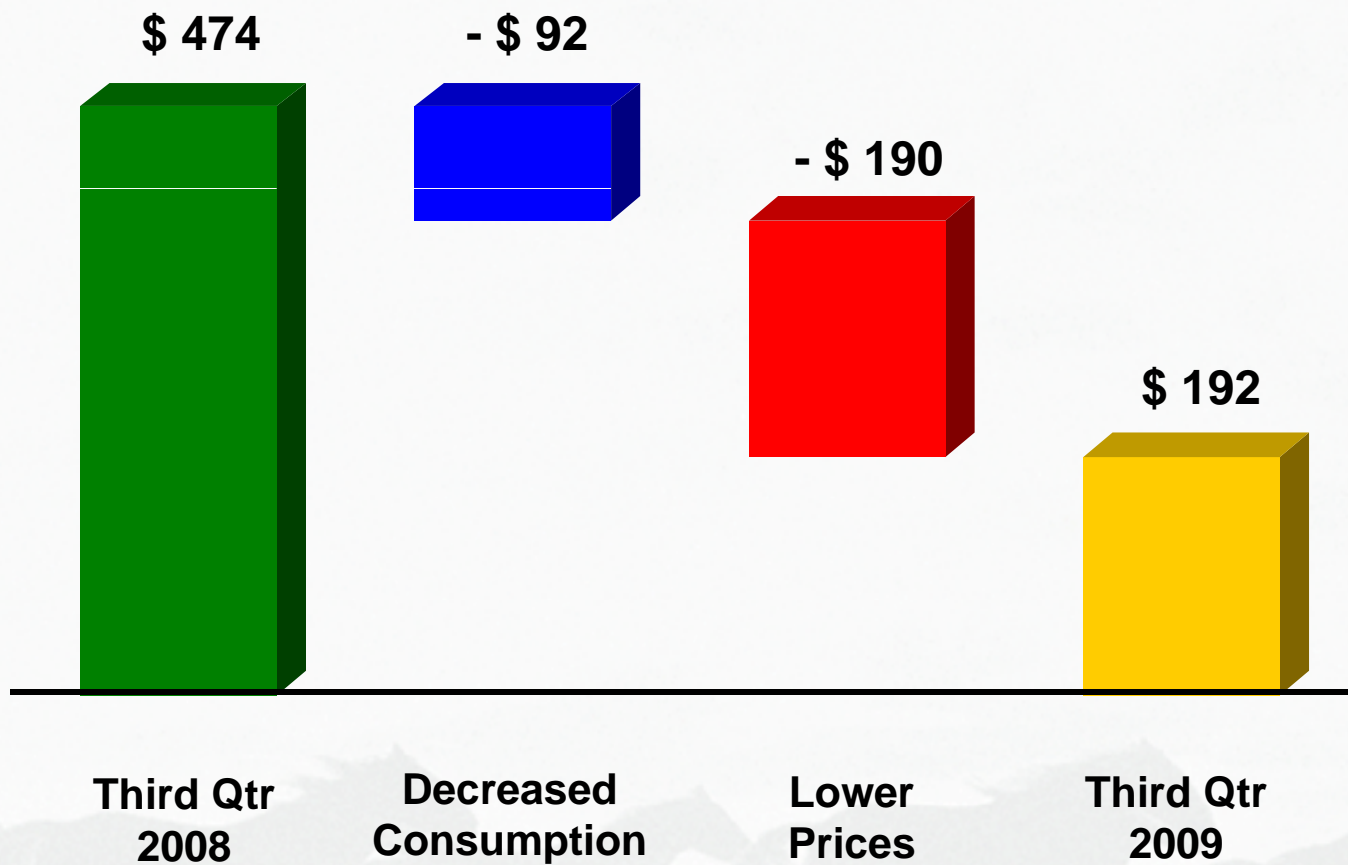
1Q \$70 3Q \$92
2Q \$126



Fuel Expense Analysis

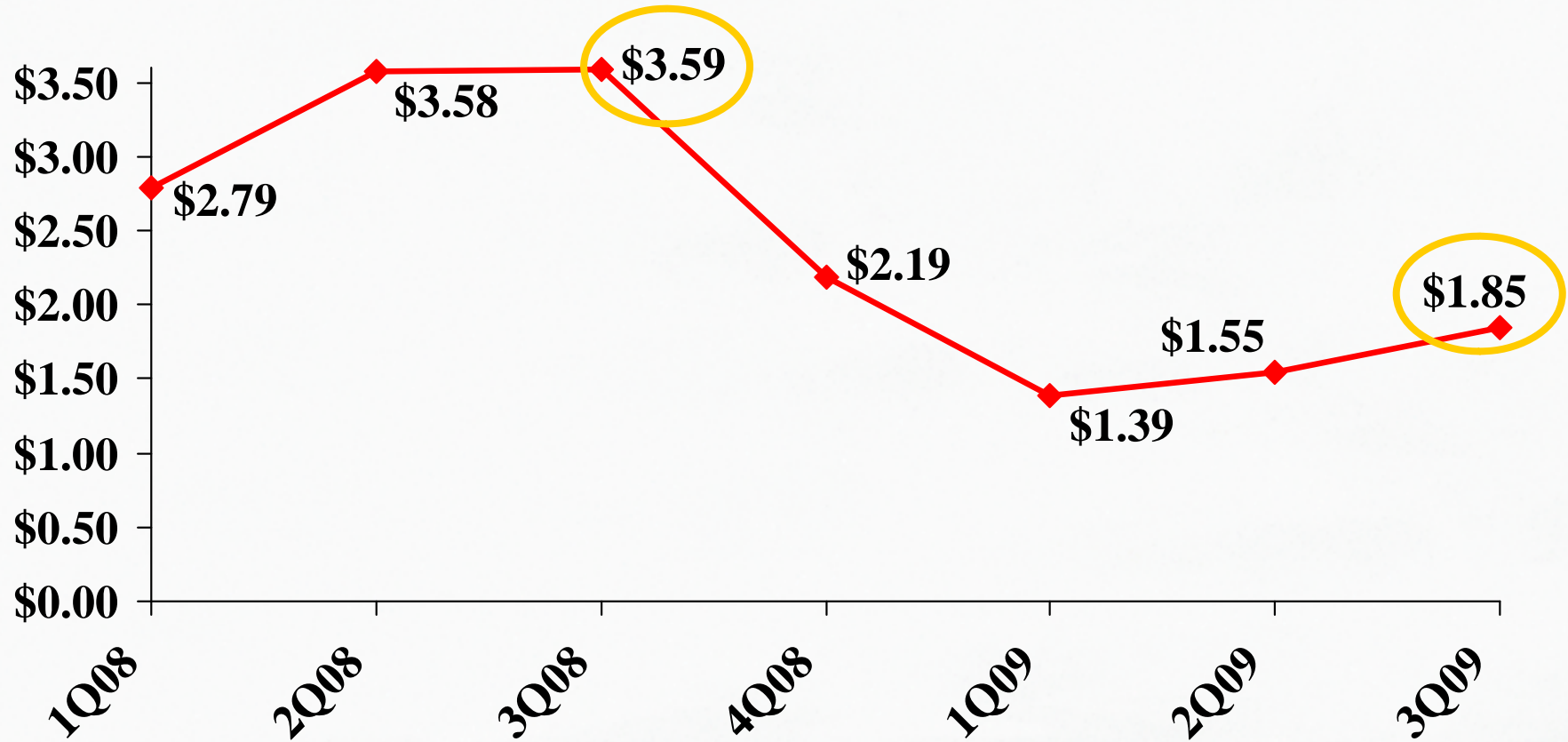
Third Quarter 2009 vs. 2008

(\$ Millions)



Locomotive Diesel Fuel Average Prices

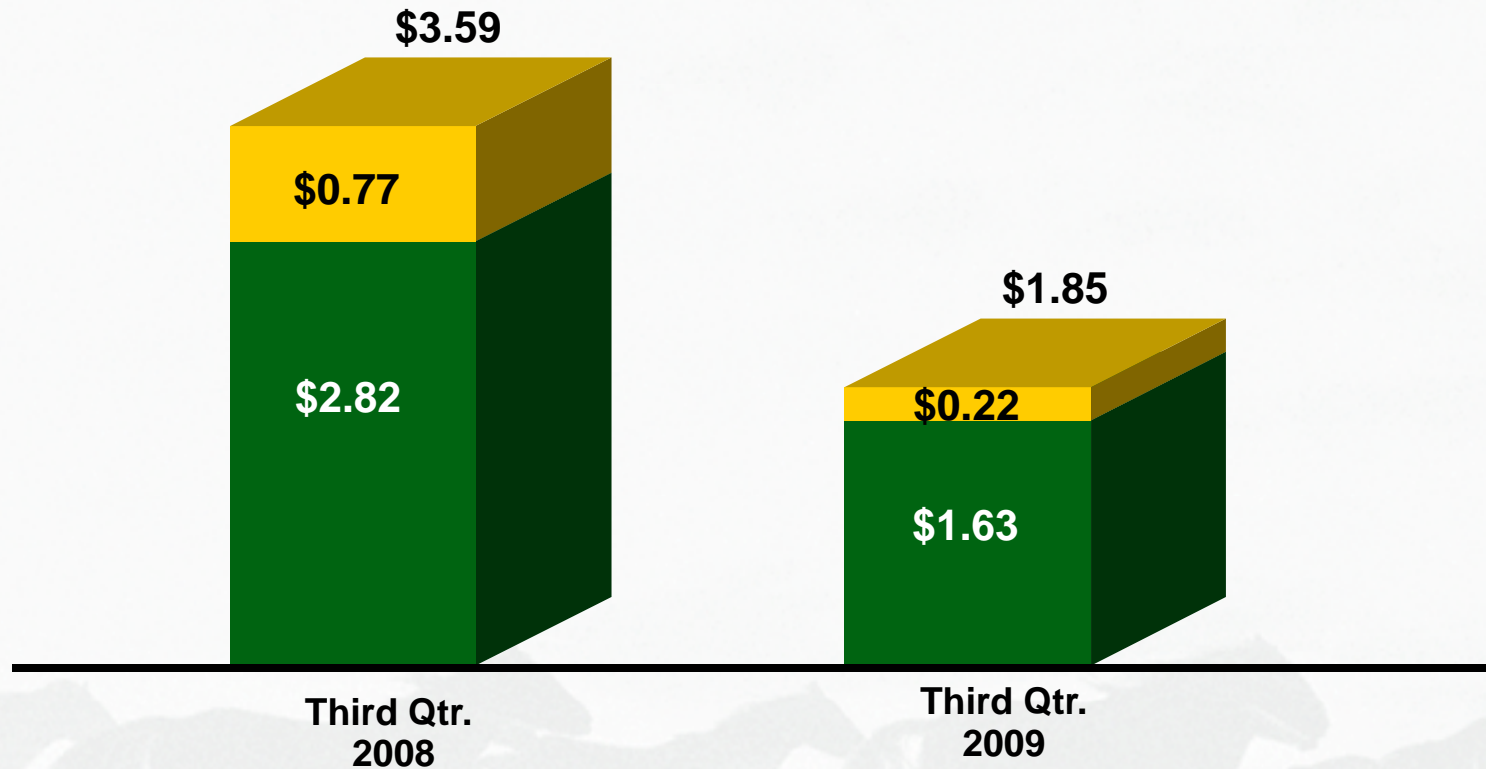
2008-2009



Diesel Fuel Price Analysis

Third Quarter 2009 vs. 2008
(\$ per gallon)

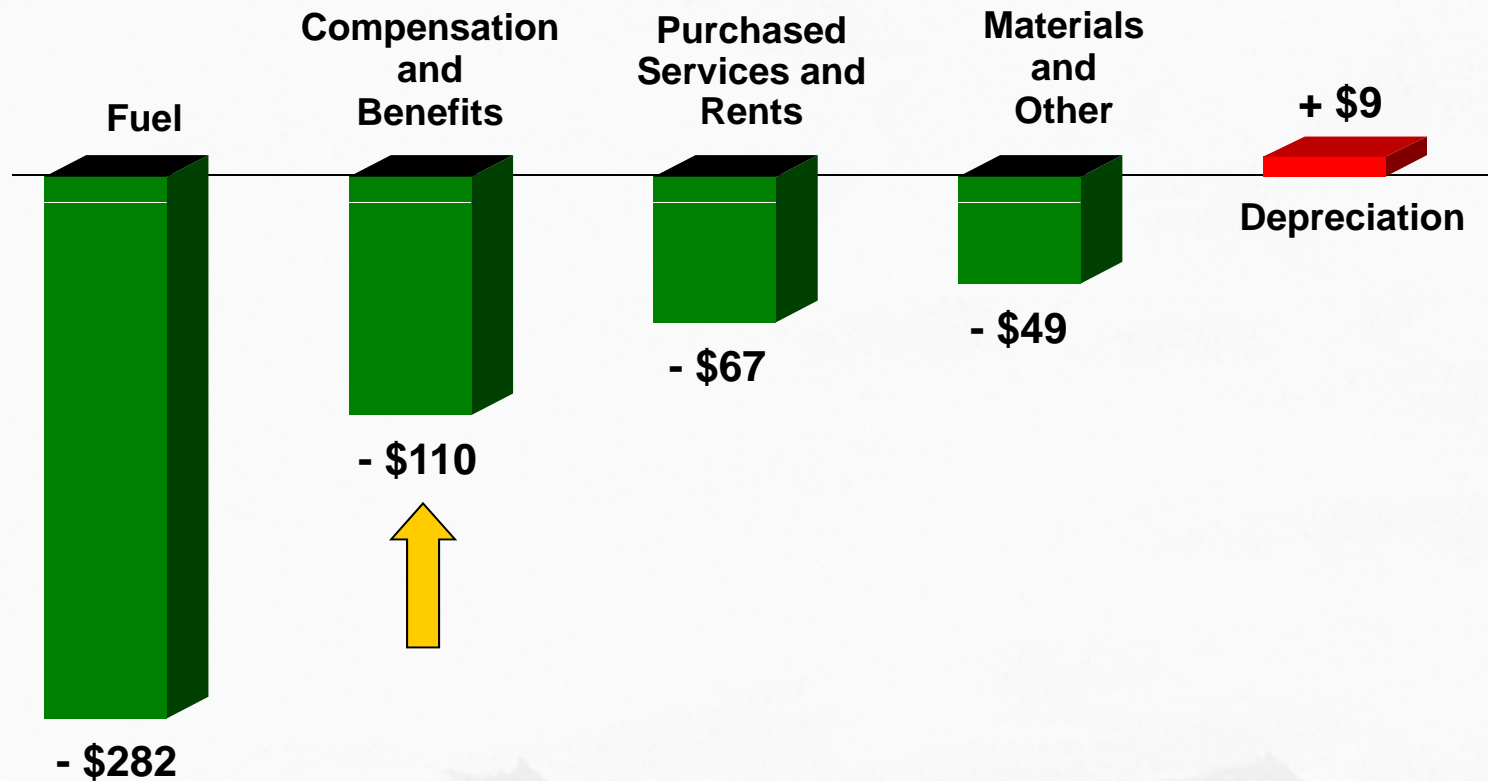
WTI + Other = diesel fuel price per gallon



Railway Operating Expense Analysis

Third Quarter 2009 vs. 2008

(\$ Millions)



Net Decrease \$ 499 Million / 25%

Compensation and Benefits Analysis

Third Quarter 2009 vs. 2008

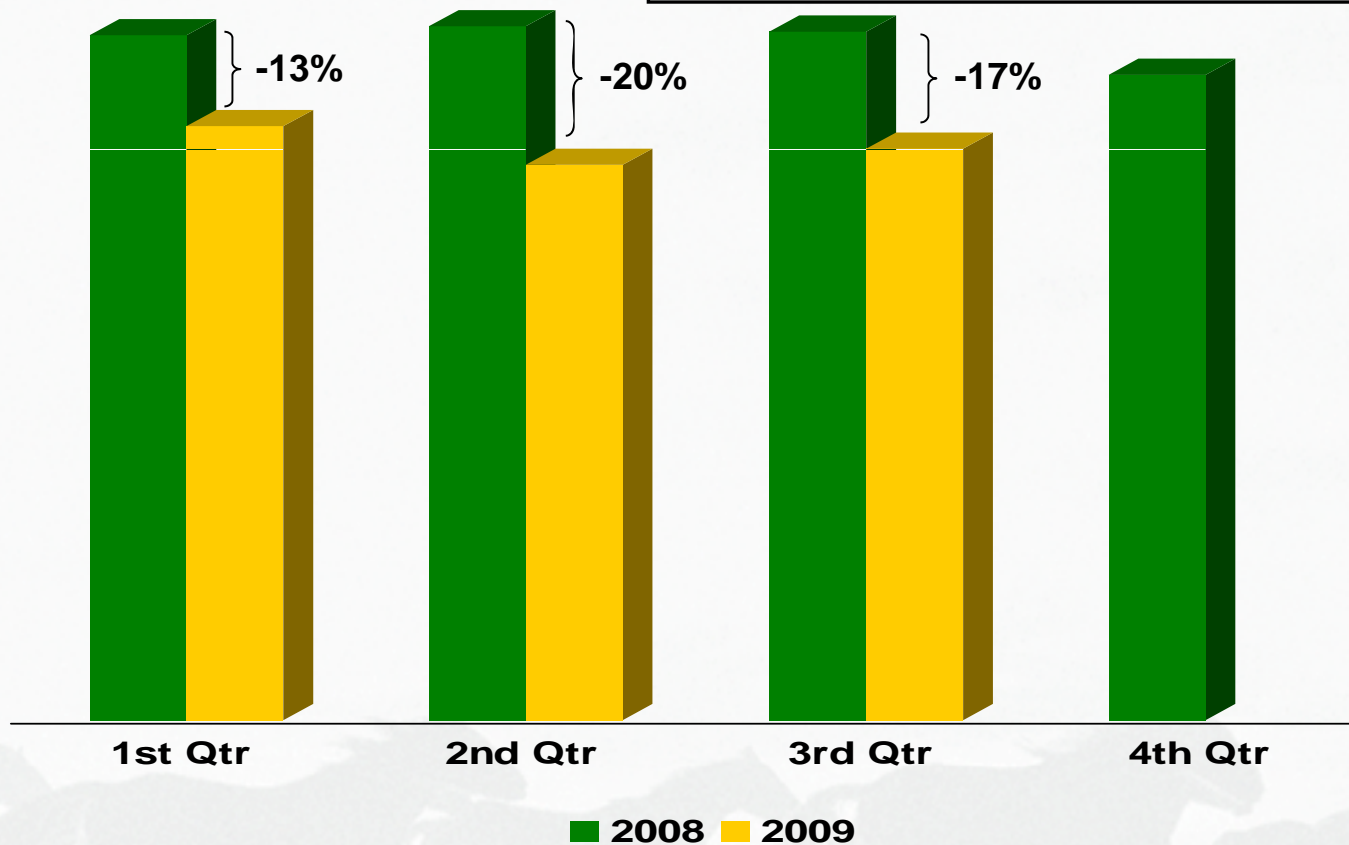
(\$ Millions)

	Increase (Decrease)
T&E and Other Volume-Related Payroll	\$ (64)
Incentive and Stock-Based Compensation	(33)
BLET Agreement	(28)
Payroll Taxes	(8)
Wage Rates	14
Pension Costs	11
Medical Costs	6
Other	(8)
Net Decrease	\$ (110)

Crew Starts and T&E Volume-Related Savings

2009 vs. 2008 Comparison

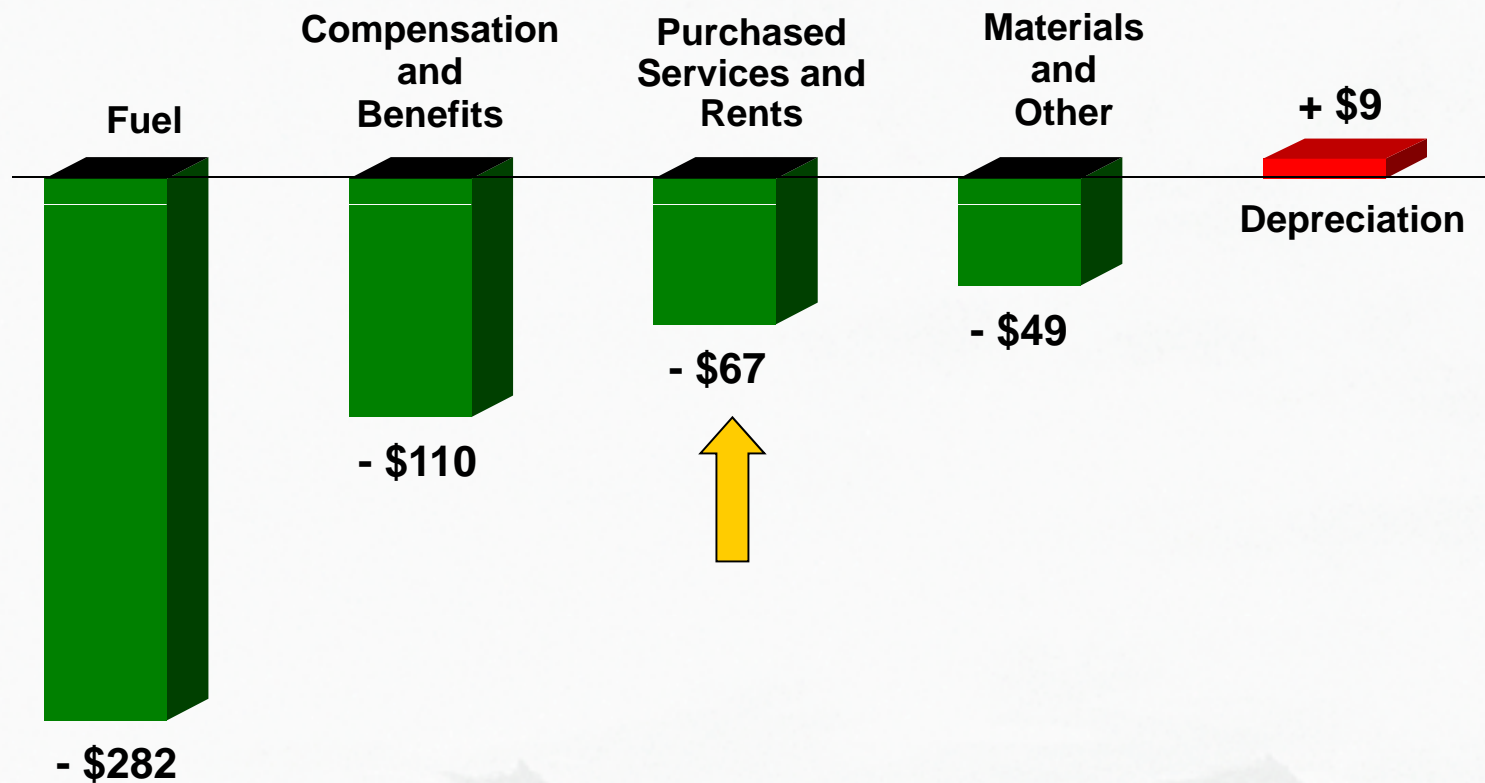
T&E Volume-Related Savings (\$ Millions)					
1Q	\$29	16%	3Q	\$33	18%
2Q	\$41	22%			



Railway Operating Expense Analysis

Third Quarter 2009 vs. 2008

(\$ Millions)



Net Decrease \$ 499 Million / 25%

Purchased Services and Rents Analysis

Third Quarter 2009 vs. 2008

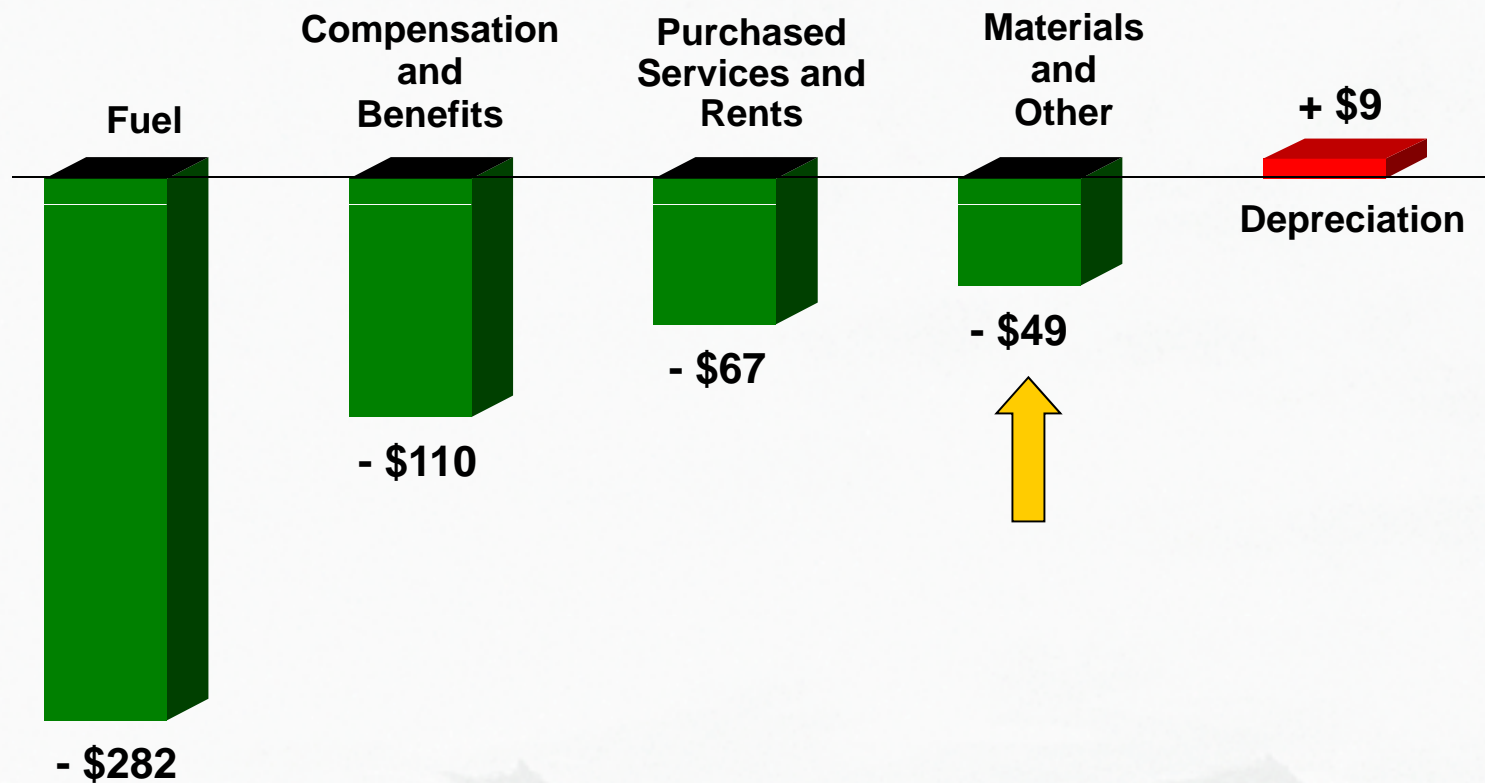
(\$ Millions)

	<u>Decrease</u>
Transportation Services and Operations	\$ (22)
Intermodal	(17)
Equipment Rents	(12)
Engineering	(9)
Mechanical	(5)
Other	(2)
Total Decrease	\$ (67)

Railway Operating Expense Analysis

Third Quarter 2009 vs. 2008

(\$ Millions)



Net Decrease \$ 499 Million / 25%

Materials and Other Expense Analysis

Third Quarter 2009 vs. 2008

(\$ Millions)

	<u>Decrease</u>
Materials	\$ (24)
Casualties and Other Claims	(11)
Other	(14)
Total Decrease	\$ (49)

Other Income – Net

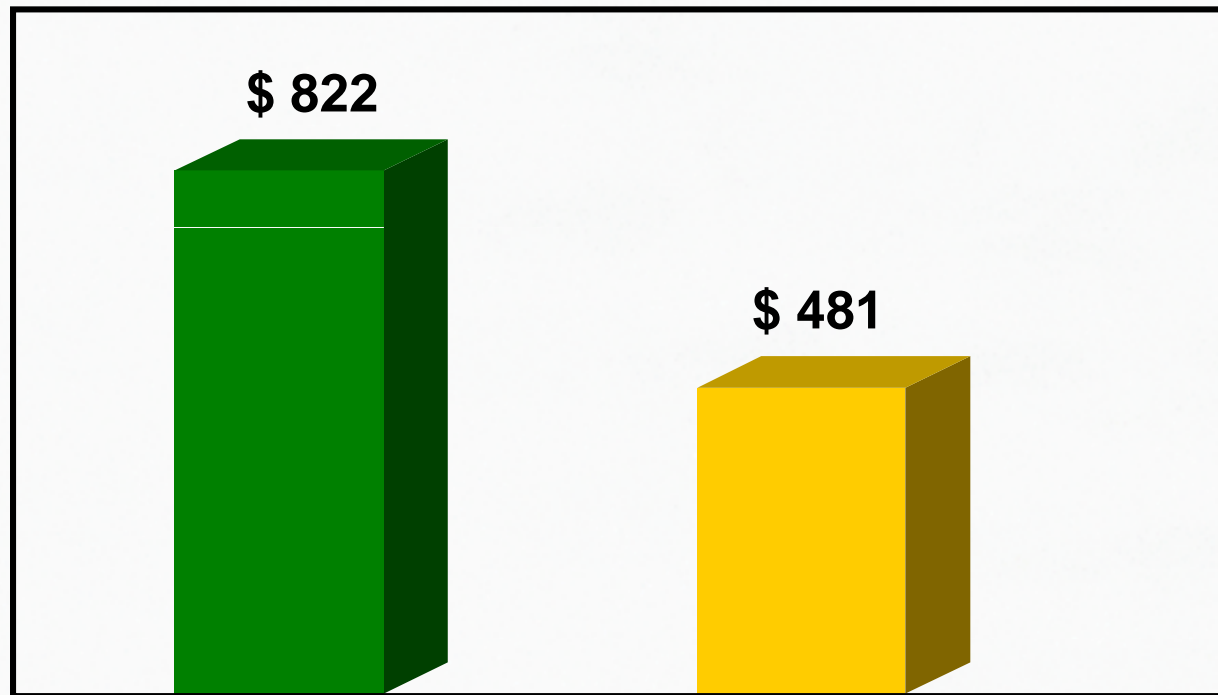
Third Quarter 2009 vs. 2008

(\$ Millions)

	Third Qtr 2009	Third Qtr 2008	2009 vs. 2008 Favorable (Unfavorable)
	<u> </u>	<u> </u>	<u> </u>
Interest on Tax Deficiencies	\$ 0	\$ 7	\$ (7)
Gain on Property Sales	9	2	7
Corporate-Owned Life Insurance	4	(3)	7
All Other	24	33	(9)
	<u> </u>	<u> </u>	<u> </u>
Other Income – net	<u>\$ 37</u>	<u>\$ 39</u>	<u>\$ (2)</u>
	<u> </u>	<u> </u>	<u> </u>
Interest Expense on Debt	<u>\$ 118</u>	<u>\$ 111</u>	<u>\$ (7)</u>
	<u> </u>	<u> </u>	<u> </u>

Income Before Income Taxes

Third Quarter
(\$ Millions)



2008

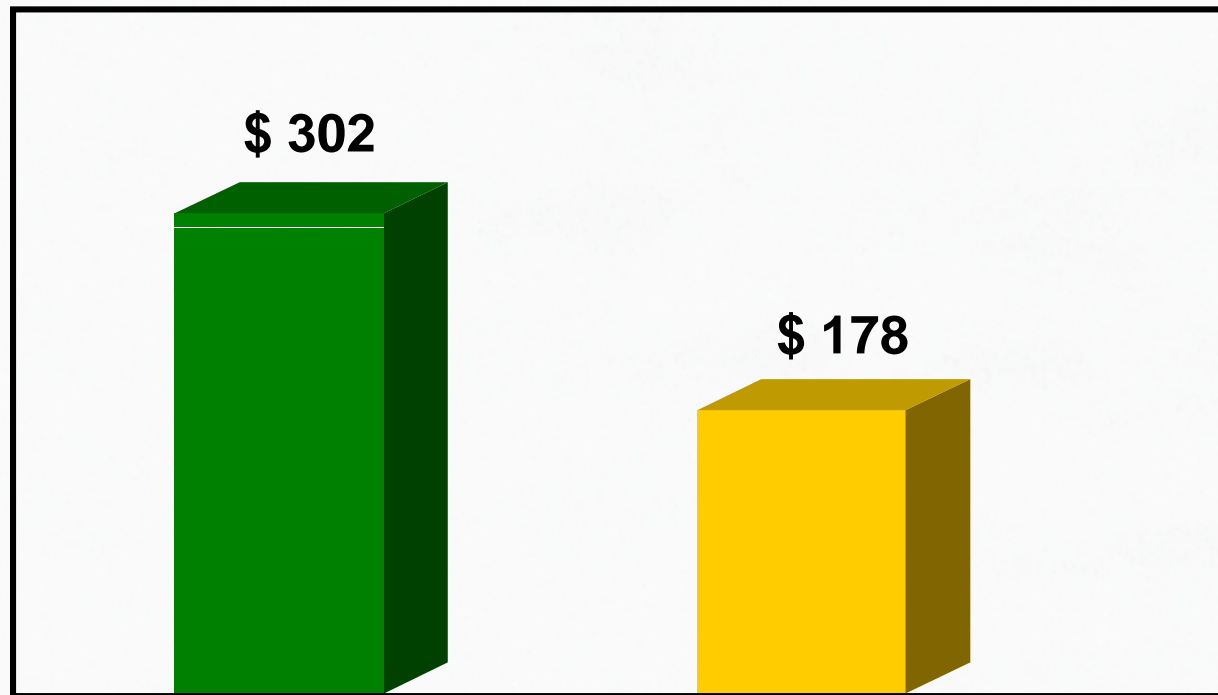
2009

Change vs. Prior Period

- 41%

Income Taxes

Third Quarter
(\$ Millions)



2008

2009

Change vs. Prior Period

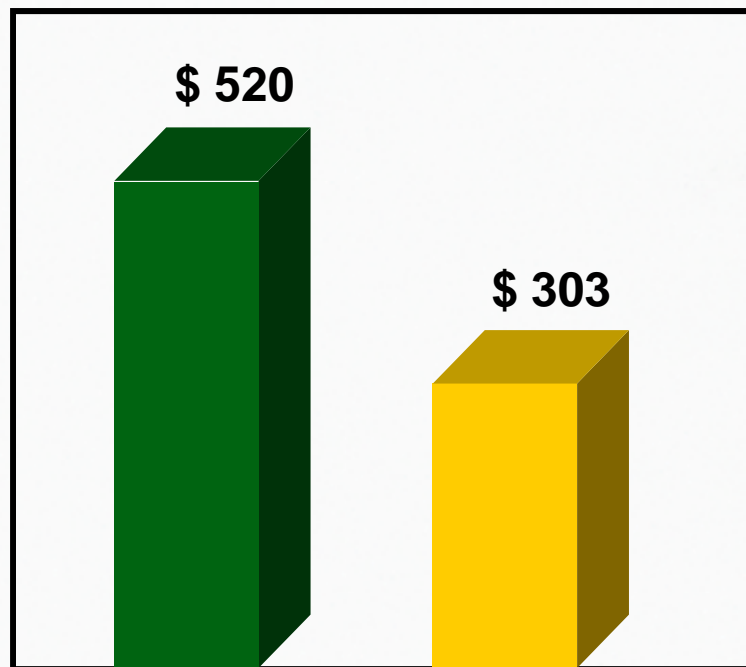
- 41%

Net Income and Diluted Earnings per Share

Third Quarter

(\$ Millions except per share)

Net Income

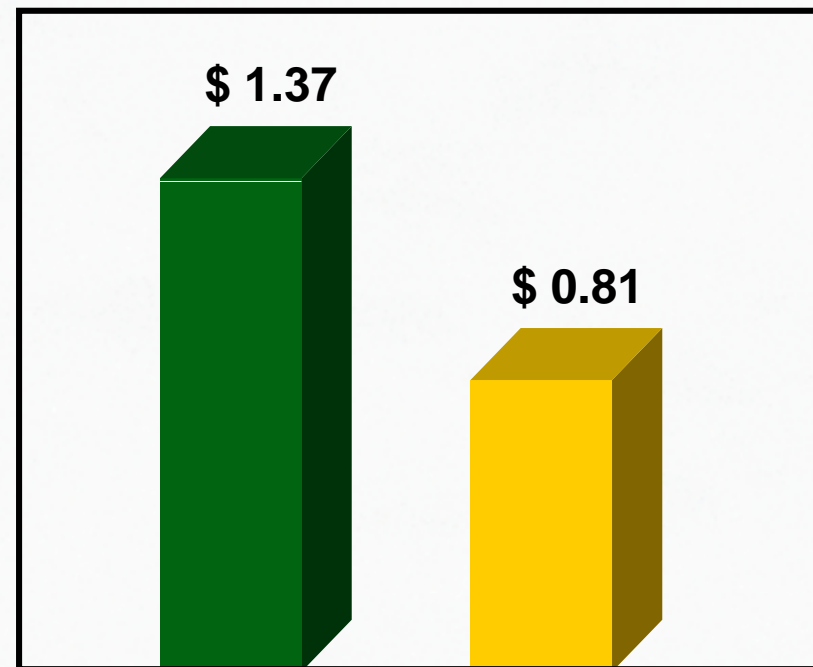


2008

2009

Change vs. Prior Period - 42%

Diluted Earnings per Share



2008

2009

- 41%

