



First Quarter 2011 Results

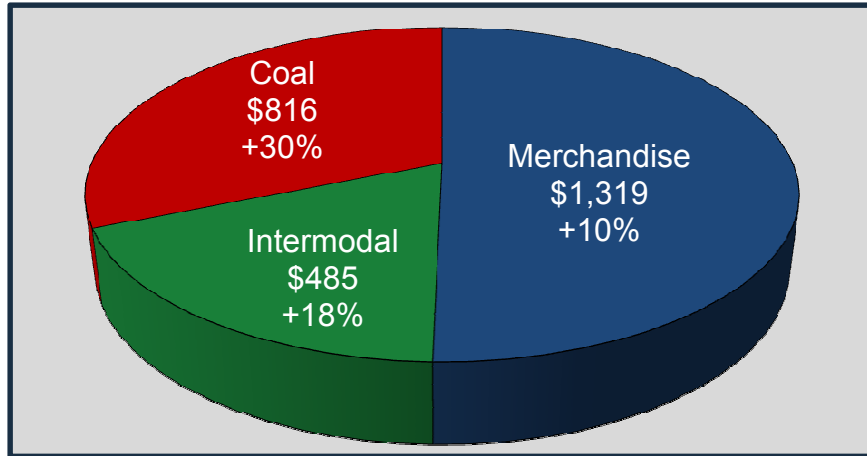
Donald W. Seale
Executive Vice President
and Chief Marketing Officer



Railway Operating Revenue

First Quarter 2011 vs. 2010

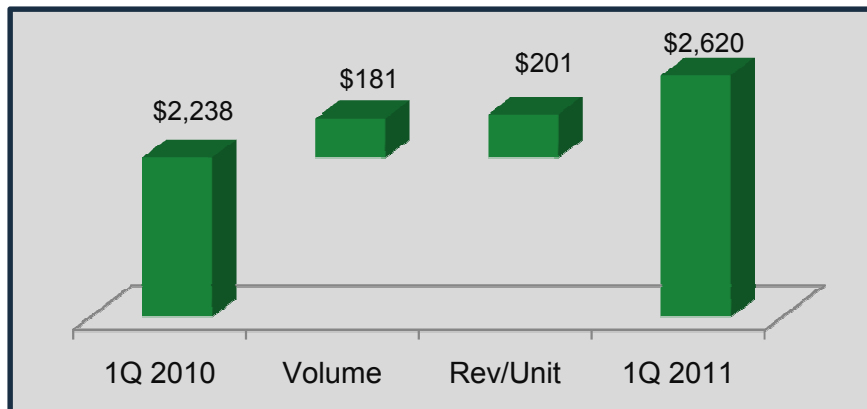
1Q 2011 Revenue in \$ Millions & y-o-y Percent Change



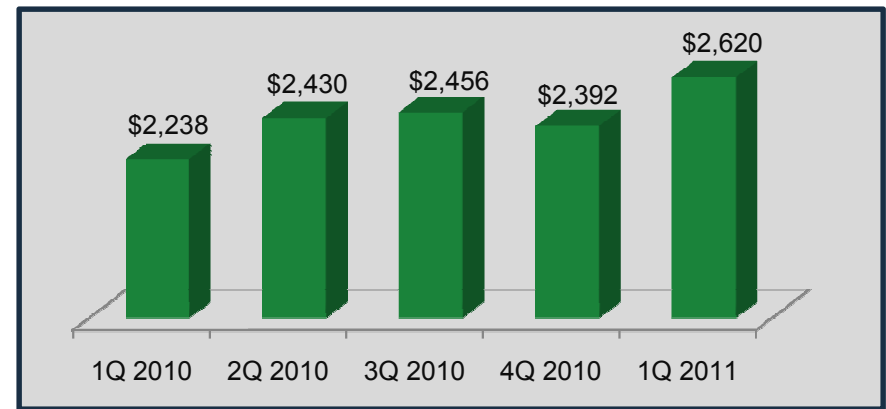
\$2.6 Billion in Railway Operating Revenue

- Increase of \$382 Million, or 17%
- Revenue Per Unit up 8%
- Volume up 8%

Components of Revenue Growth In \$ Millions



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



Revenue Per Unit

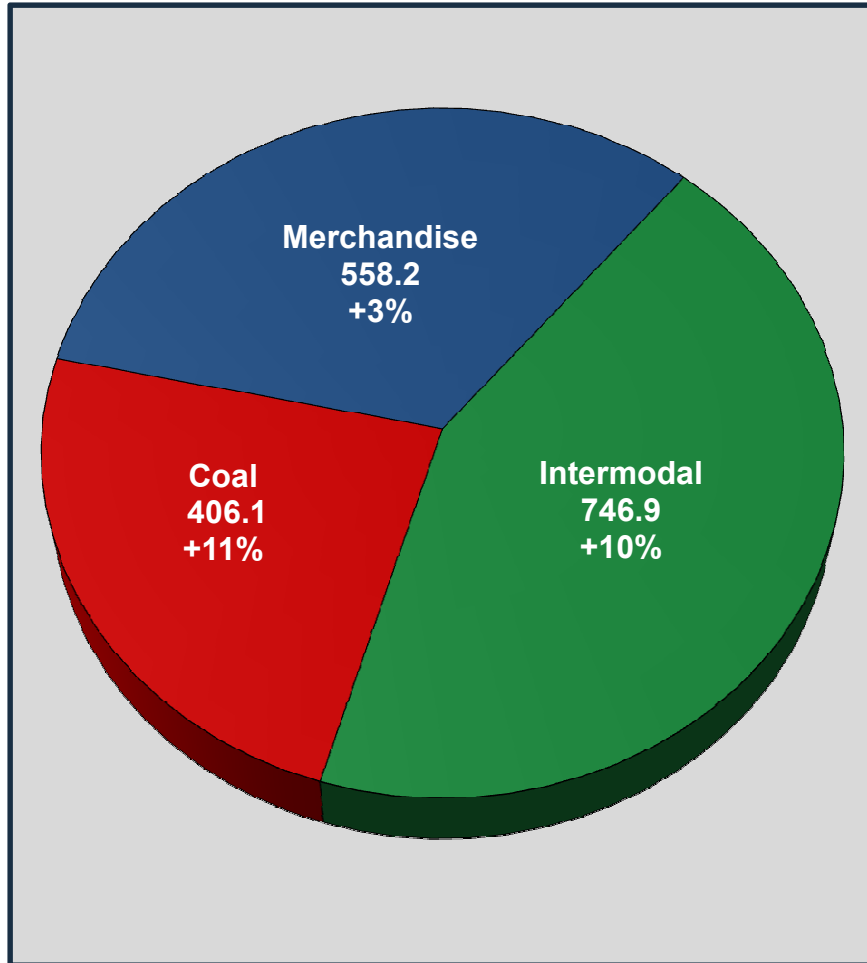
First Quarter 2011 vs. 2010

	1Q 2011 RPU	Vs. 1Q 2010	
		Abs.	% Chg.
Agriculture	\$2,257	\$203	10%
Chemicals	\$3,532	\$283	9%
Metals & Construction	\$1,810	\$130	8%
Paper	\$2,303	\$153	7%
Automotive	\$2,258	(\$8)	(0%)
Merchandise	\$2,364	\$151	7%
Intermodal	\$649	\$44	7%
Coal	\$2,009	\$283	16%
Total	\$1,531	\$117	8%

Railway Volume

First Quarter 2011 vs. 2010

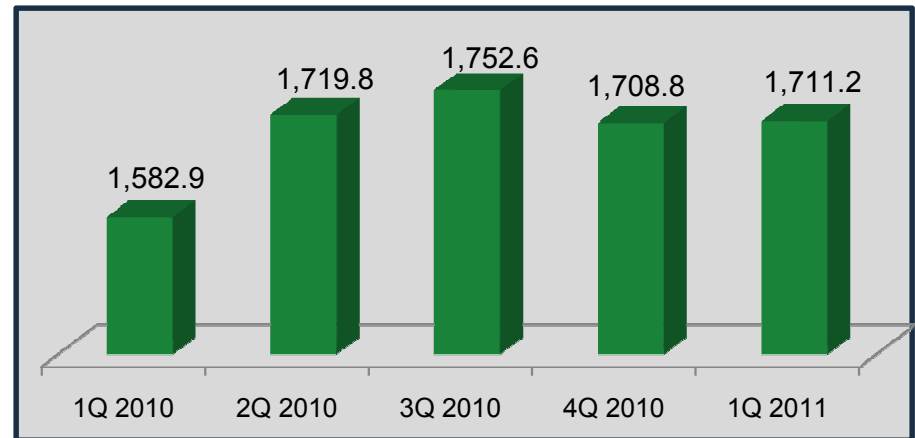
1Q 2011 Volume (000) & y-o-y Percent Change



Total Volume of 1,711,200 Units

- Increase of 128,300 units, or 8%
- 52-week high loadings for Paper, Automotive and total volume

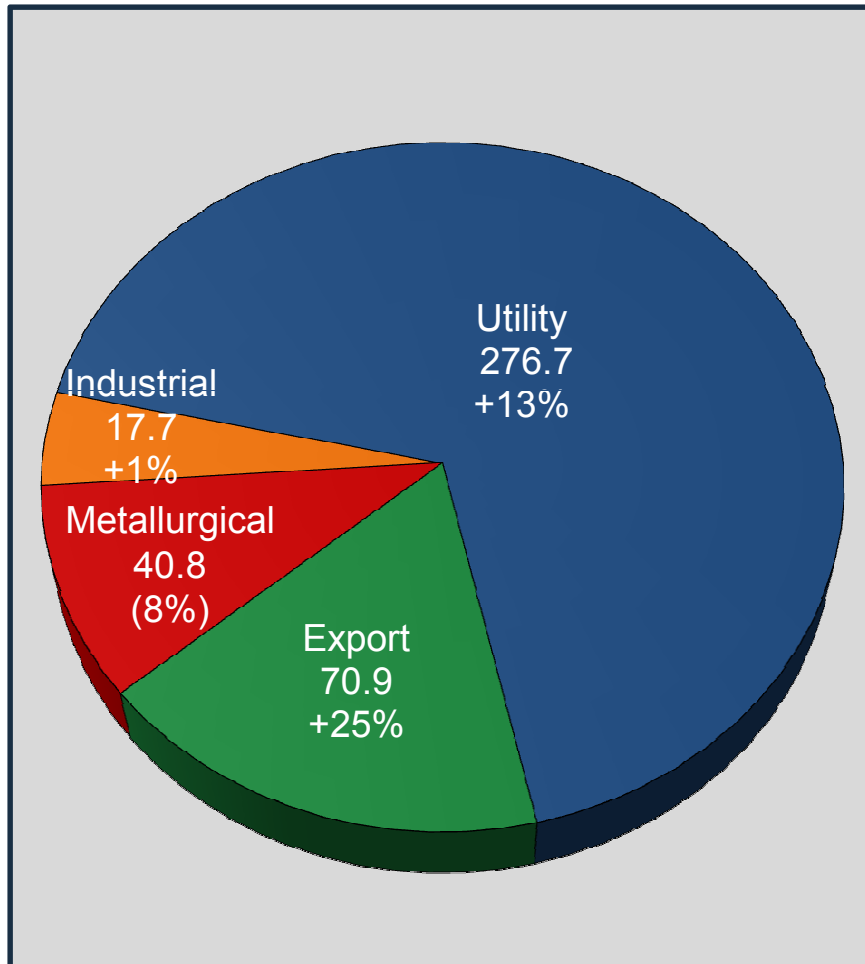
1Q 2010 – 1Q 2011 Volume in (000)



Coal Comparisons

First Quarter 2011 vs. 2010

1Q 2011 Volume (000) & y-o-y Percent Change



Total Coal revenue of \$816 million, up \$187 million, or 30%

- Second highest revenue quarter

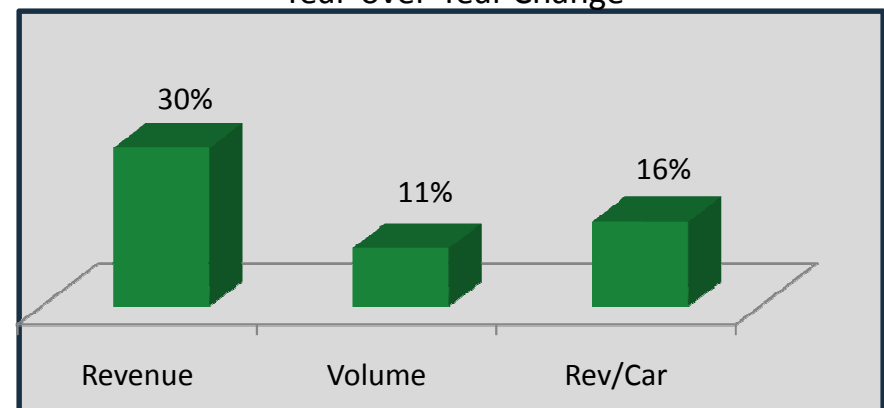
Total Coal volume of 406,100, up 41,800 or 11%

- Strong utility and export growth
- Metallurgical volume down due to product being drawn to export market

Network investment to improve service

- Addition of AC locomotives to fleet
- Production of 1,500 new coal cars

Year-over-Year Change



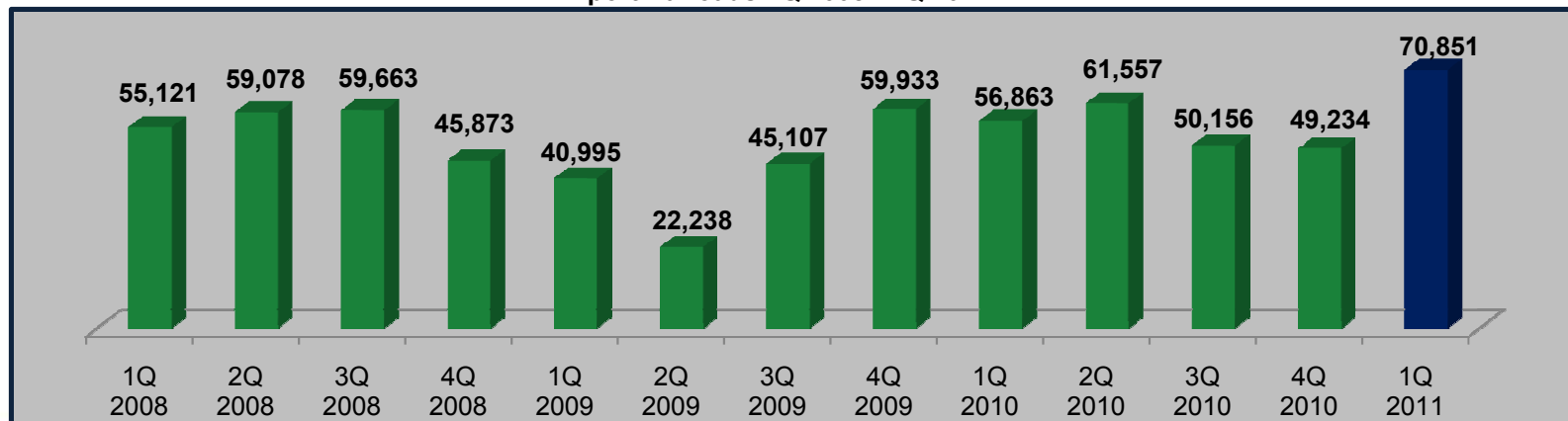
Export Coal Market



Total export volume of 70,900 carloads, up 14,000 or 25%

- Highest volume since Conrail acquisition
 - Lamberts Point – up 16%
 - Baltimore – up 49%
- Tightened global supply
- 10% increase in global steel production
- April 1 contract pricing increase

Export Carloads 1Q 2008 - 1Q 2011



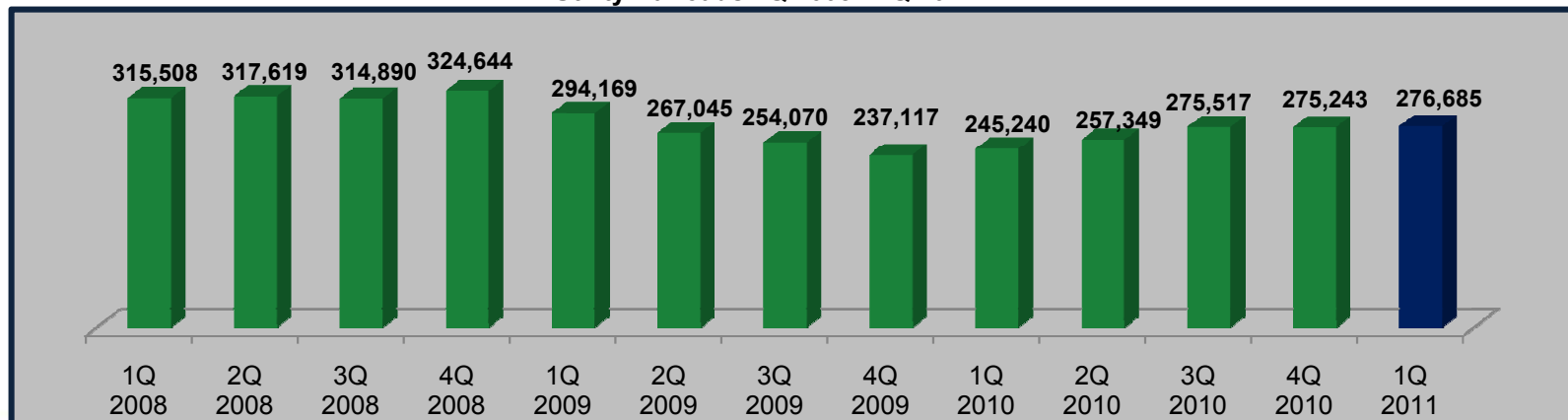
Utility Coal Market



Total utility volume of 276,700 carloads, up 31,500 or 13%

- Utility North - up 2%
- Utility South - up 26%
- Stockpile replenishment
 - Inventories remain under target
- New business

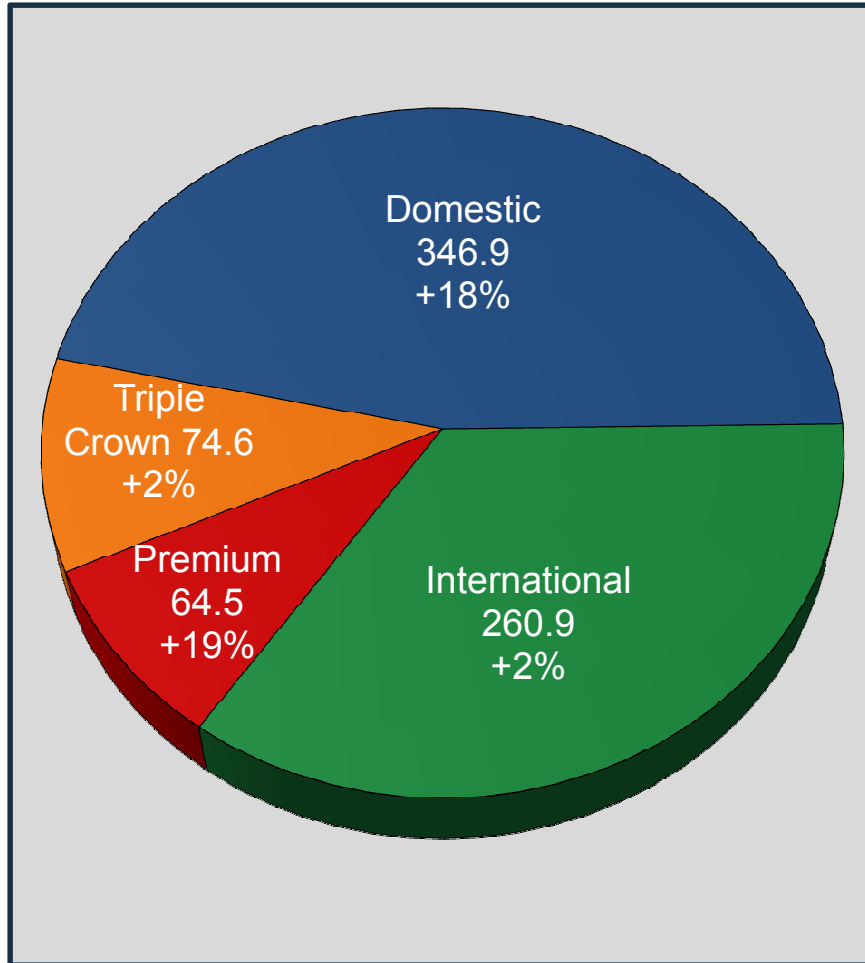
Utility Carloads 1Q 2008 - 1Q 2011



Intermodal Comparisons

First Quarter 2011 vs. 2010

1Q 2011 Volume (000) & y-o-y Percent Change

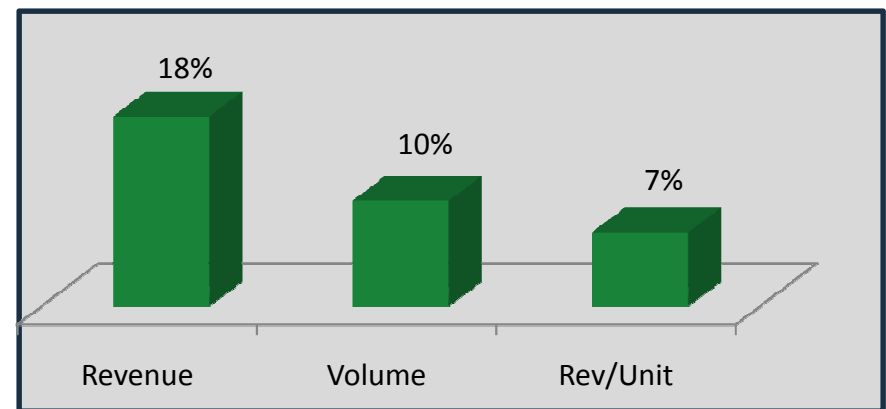


Total Intermodal revenue of \$485 million, up \$75 million or 18%

Total Intermodal volume of 746,900, up 70,300, or 10%

- Domestic volume up 18%, led by tightening truck capacity & recovering economy
- Premium volume up 19%, driven by gains in parcel and LTL markets and new business
- International volume up 2%, driven by improving global demand

Year-over-Year Change



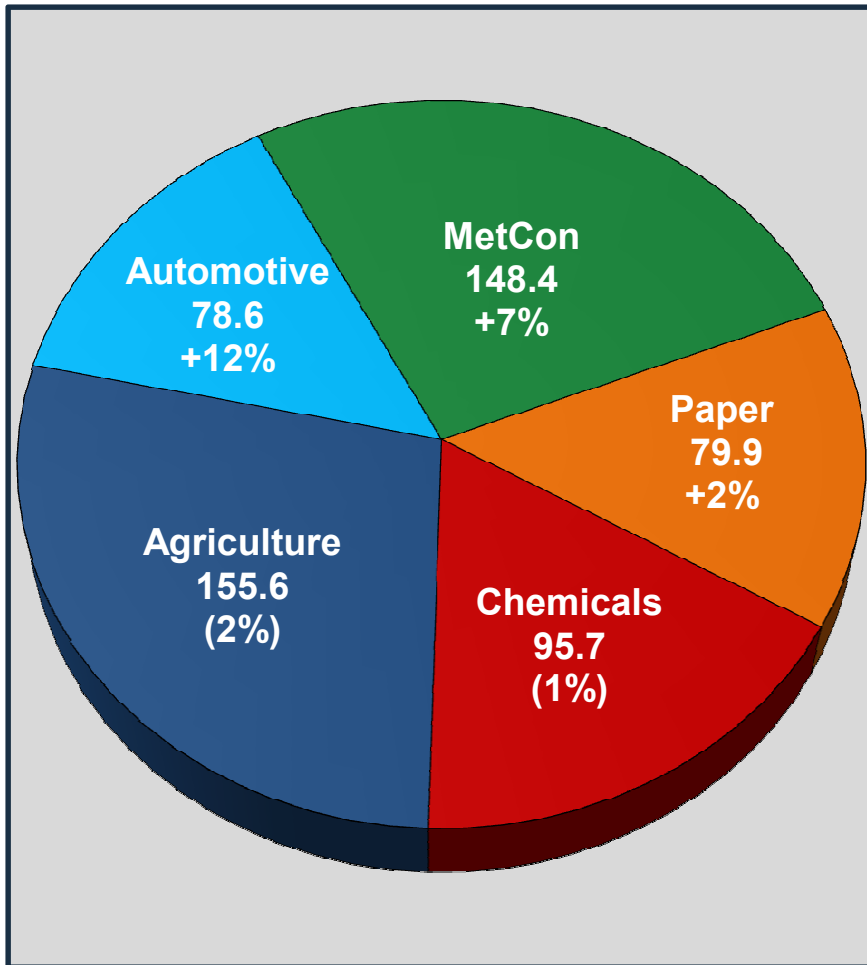
Intermodal Terminal Expansion Update

	Ground Breaking Date	Completion Date	Annual Volume Capability (Lifts)
Mechanicville, NY	July 2010	Spring 2012	70,000
Memphis, TN	January 2011	Fall 2012	200,000
Greencastle, PA	June 2011	Fall 2012	85,000
Birmingham, AL	June 2011	Fall 2012	100,000
Charlotte, NC	Summer 2011	Summer 2013	200,000

Merchandise Comparisons

First Quarter 2011 vs. 2010

1Q 2011 Volume (000) & y-o-y Percent Change



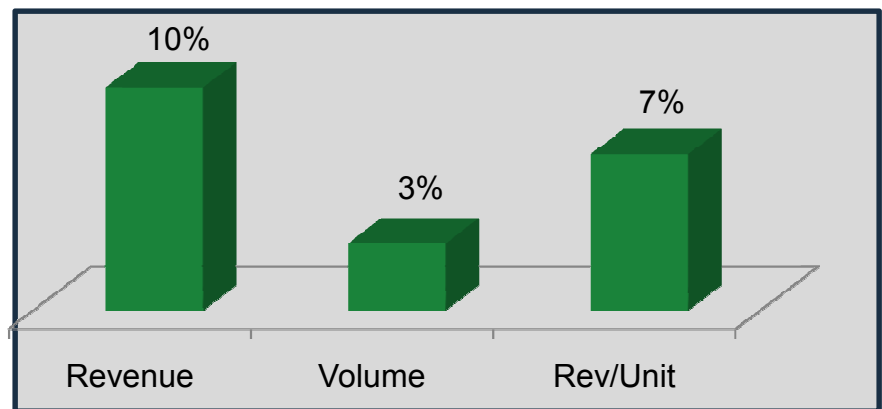
Total Merchandise revenue of \$1.3 billion, up \$120 million, or 10%

- Record Agriculture revenue

Total Merchandise volume of 558,200 carloads up 16,200, or 3%

- 3 of 5 business segments up year-over-year
- Strong comparisons in Agriculture and Chemicals from 1Q 2010

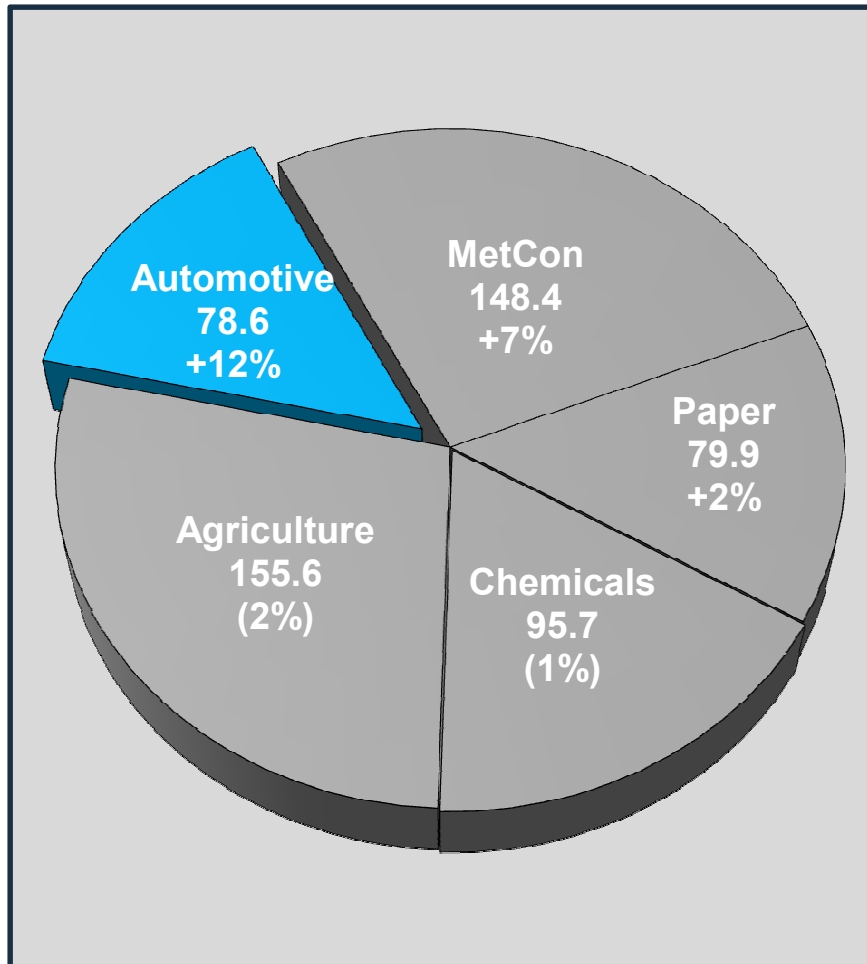
Merchandise Year-over-Year Change



Merchandise Comparisons

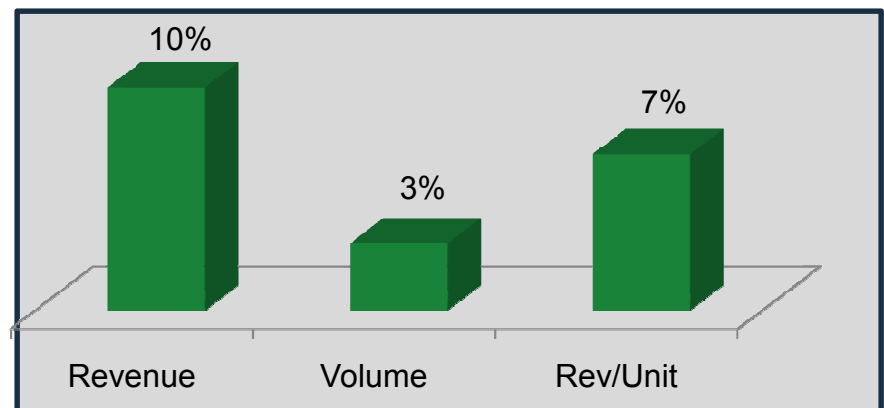
First Quarter 2011 vs. 2010

1Q 2011 Volume (000) & y-o-y Percent Change



- Automotive increase driven by new business, increased vehicle production & quality hold releases

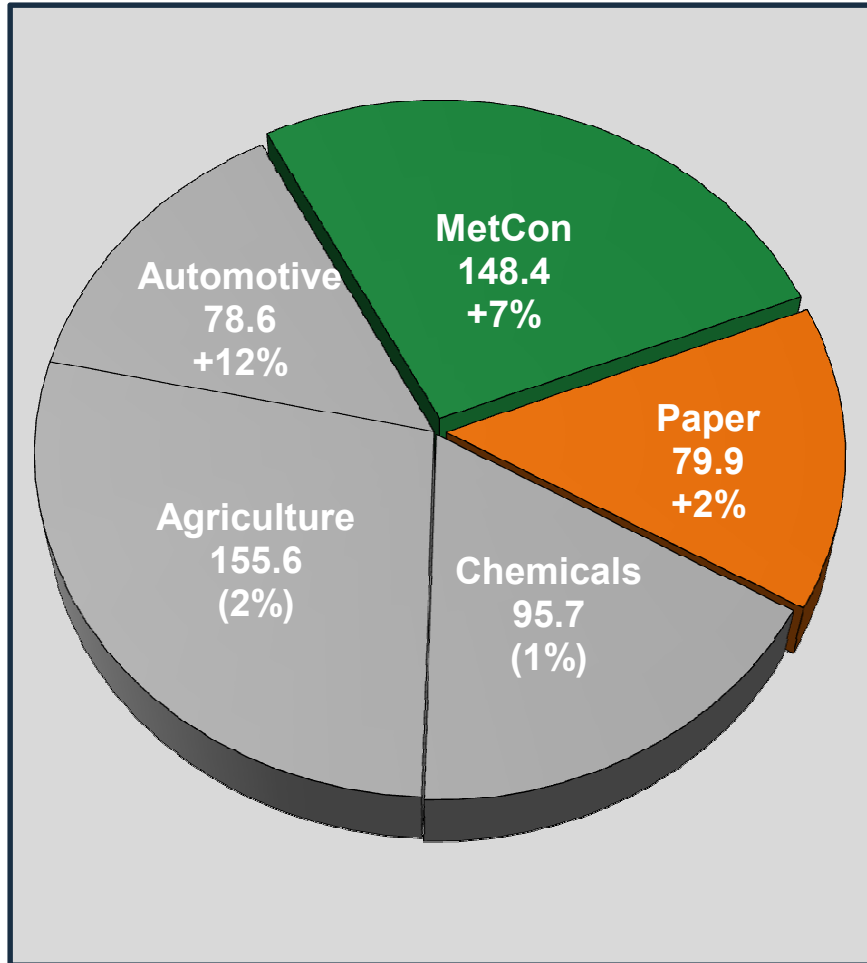
Merchandise Year-over-Year Change



Merchandise Comparisons

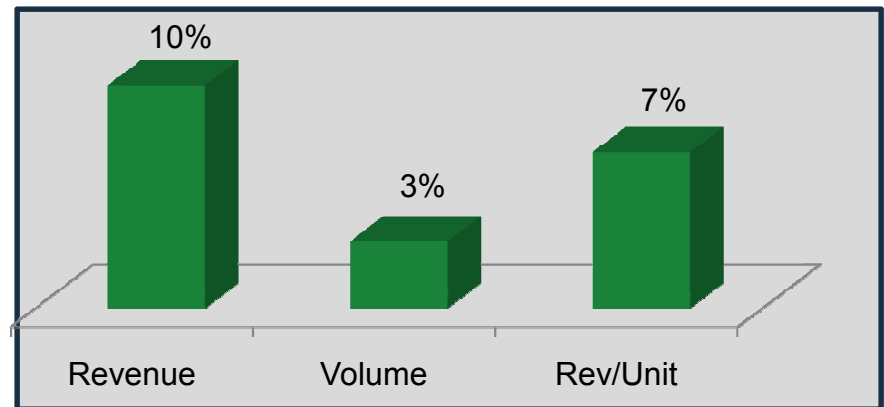
First Quarter 2011 vs. 2010

1Q 2011 Volume (000) & y-o-y Percent Change



- Automotive increase driven by new business, increased vehicle production & quality hold releases
- MetCon volume growth driven by new frac sand & metals business & 8% increase in domestic steel production
- Paper volume growth led by higher pulpboard demand

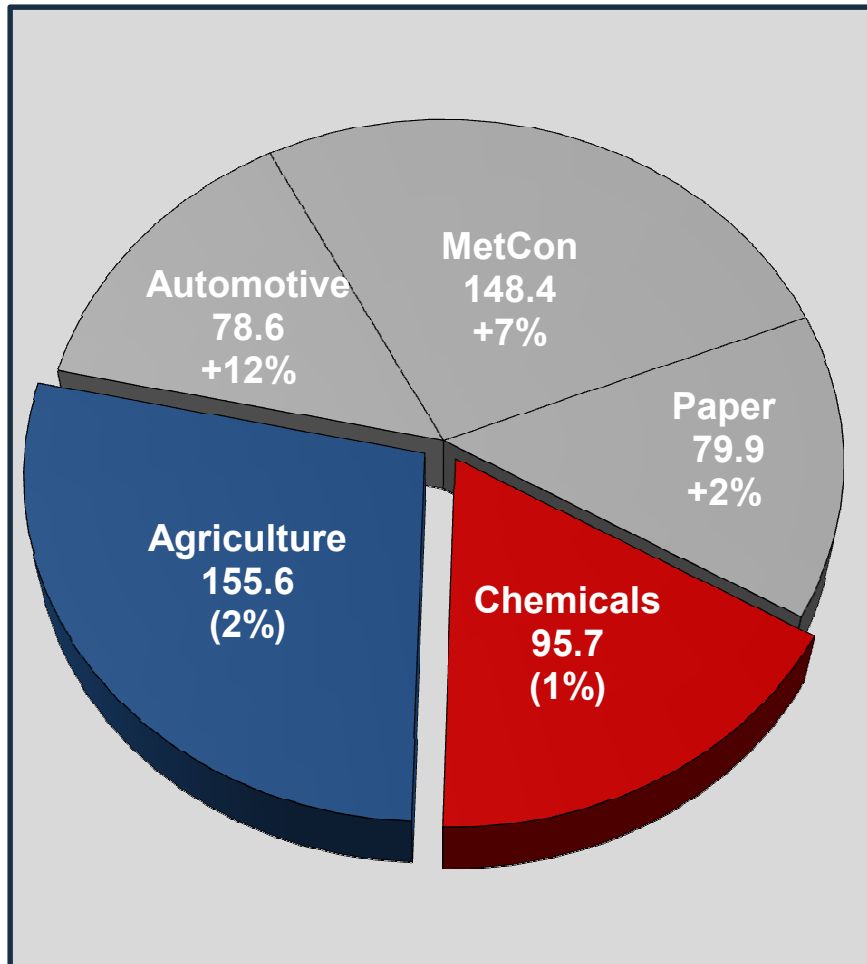
Merchandise Year-over-Year Change



Merchandise Comparisons

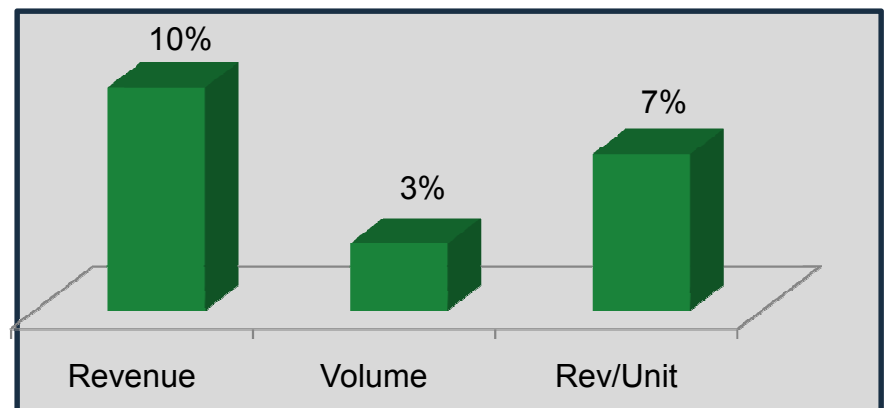
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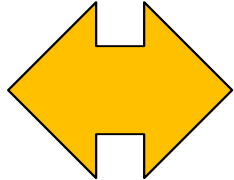
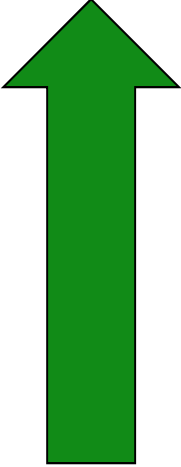


- Automotive increase driven by new business, increased vehicle production & quality hold releases
- MetCon volume growth driven by new frac sand & metals business & 8% increase in domestic steel production
- Paper volume growth led by higher pulpboard demand
- Chemicals volume driven by new business & projects
- Record Agriculture revenue despite 2% volume decline

Merchandise Year-over-Year Change



Outlook – Business Portfolio



Automotive	<ul style="list-style-type: none">• New business, improved auto production and sales
Metals & Construction	<ul style="list-style-type: none">• Increased domestic steel production , increased highway spending & new business
Agriculture	<ul style="list-style-type: none">• Continued build-out of Agribusiness network
Chemicals	<ul style="list-style-type: none">• Improving manufacturing economy
Utility Coal	<ul style="list-style-type: none">• Falling stockpiles & increased electricity generation
Export Coal	<ul style="list-style-type: none">• Rising European and Asian demand
Domestic Metallurgical Coal	<ul style="list-style-type: none">• Increased domestic steel production
International Intermodal	<ul style="list-style-type: none">• Increasing imports/exports
Domestic & Premium Intermodal	<ul style="list-style-type: none">• Highway conversions
Paper & Forest Products	<ul style="list-style-type: none">• Continued uncertainty in housing & paper markets