

Second Quarter 2010

Quarterly Financial Review



*Norfolk Southern Corporation
Finance Department
Three Commercial Place
Norfolk, Virginia 23510.2191*

Norfolk Southern Railway System



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The accompanying unaudited interim financial statements should be read in conjunction with: (a) the consolidated financial statements and notes included in the Corporation's latest Annual Report on Form 10-K and in subsequent Quarterly Reports on Form 10-Q, and (b) any Current Reports on Form 8-K.

Any statements contained in this document which are not related to historical facts are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995, and Norfolk Southern undertakes no obligation to update such statements. Such forward-looking statements are subject to risks and uncertainties (the most significant of which are described in Norfolk Southern's SEC filings) which could cause actual results to differ materially.

Consolidated Statements of Income

Three Months Ended June 30,
(\$ in millions except per share amounts)

	2010	2009
Railway operating revenues:		
Coal	\$ 696	\$ 511
General merchandise	1,283	978
Intermodal	451	368
Total railway operating revenues	2,430	1,857
Railway operating expenses:		
Compensation and benefits	670	551
Purchased services and rents	374	334
Fuel	258	153
Depreciation	204	207
Materials and other (note 1)	191	144
Total railway operating expenses	1,697	1,389
Income from railway operations	733	468
Other income — net	17	36
Interest expense on debt	115	113
Income before income taxes	635	391
Provision for income taxes:		
Current	237	85
Deferred	6	59
Total income taxes	243	144
Net income	\$ 392	\$ 247
Earnings per share (note 2):		
Basic	\$ 1.06	\$ 0.67
Diluted	\$ 1.04	\$ 0.66
Weighted average shares outstanding (millions) (notes 2 & 3):		
Basic	369.7	366.8
Diluted	375.1	371.4

Notes to Consolidated Financial Statements

1. Materials and Other

Second quarter 2009 includes a \$21 million favorable adjustment related to settlement of a multi-year state tax dispute.

2. Earnings Per Share

As required under the provisions of the Financial Accounting Standards Board Accounting Standards Codification (ASC) 260-10, "Earnings Per Share," for basic earnings per share, income available to common stockholders for the second quarters of 2010 and 2009 reflects a \$2 million reduction and for the first six months of 2010 and 2009 a \$4 million reduction from net income for the effect of dividend equivalent payments made to holders of stock options. In addition, for the second quarters and first six months of 2010 and 2009, diluted earnings per share were calculated under the more dilutive two-class method (as compared to the treasury stock method) and income available to common stockholders reflects a \$2 million and \$4 million reduction, respectively, from net income for dividend equivalent payments.

3. Stock Repurchase Program

In March 2007, NS' Board of Directors amended the stock repurchase program that was authorized in November 2005 so as to increase the number of shares of NS common stock that may be repurchased from 50 million to 75 million. In addition, the term of the program was shortened from December 31, 2015 to December 31, 2010. During the first six months of 2010, NS purchased and retired 2.0 million shares of common stock at a cost of \$114 million. Since inception of the stock repurchase program in 2006, NS has repurchased and retired 66.7 million shares at a total cost of \$3.4 billion.

4. Deferred Taxes

During the first quarter of 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 were signed into law. Provisions of these Acts eliminate, after 2012, the tax deduction available for reimbursed prescription drug expenses under the Medicare Part D retiree drug subsidy program. As required by ASC 740, "Income Taxes," NS recorded a \$27 million charge to deferred tax expense.

Consolidated Statements of Income

Six Months Ended June 30,
(S in millions except per share amounts)

	2010	2009
Railway operating revenues:		
Coal	\$ 1,325	\$ 1,113
General merchandise	2,482	1,953
Intermodal	861	734
Total railway operating revenues	4,668	3,800
Railway operating expenses:		
Compensation and benefits	1,369	1,190
Purchased services and rents	709	689
Fuel	512	312
Depreciation	408	414
Materials and other (note 1)	382	344
Total railway operating expenses	3,380	2,949
Income from railway operations	1,288	851
Other income — net	37	53
Interest expense on debt	234	230
Income before income taxes	1,091	674
Provision for income taxes:		
Current	396	175
Deferred (note 4)	46	75
Total income taxes	442	250
Net income	\$ 649	\$ 424
Earnings per share (note 2):		
Basic	\$ 1.74	\$ 1.14
Diluted	\$ 1.72	\$ 1.13
Weighted average shares outstanding (millions) (notes 2 & 3):		
Basic	369.6	366.5
Diluted	375.0	371.3

Consolidated Balance Sheets

June 30, December 31,
(S in millions)

	2010	2009
Assets		
Current assets:		
Cash and cash equivalents	\$ 855	\$ 996
Short-term investments	205	90
Accounts receivable — net	892	766
Materials and supplies	179	164
Deferred income taxes	148	142
Other current assets	49	88
Total current assets	2,328	2,246
Investments	2,293	2,164
Properties less accumulated depreciation	22,786	22,643
Other assets	226	316
Total assets	\$ 27,633	\$ 27,369
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 1,064	\$ 974
Short-term debt	-	100
Income and other taxes	226	109
Other current liabilities	284	232
Current maturities of long-term debt	363	374
Total current liabilities	1,937	1,789
Long-term debt	6,326	6,679
Other liabilities	1,791	1,801
Deferred income taxes	6,818	6,747
Total liabilities	16,872	17,016
Stockholders' equity:		
Common stock \$1.00 per share par value, 1,350,000,000 shares authorized; outstanding 368,615,496 and 369,019,990 shares, respectively, net of treasury shares	370	370
Additional paid-in capital	1,894	1,809
Accumulated other comprehensive loss	(820)	(853)
Retained income	9,317	9,027
Total stockholders' equity	10,761	10,353
Total liabilities and stockholders' equity	\$ 27,633	\$ 27,369

Consolidated Statements of Cash Flows

Six Months Ended June 30,
(S in millions)

	2010	2009
Cash flows from operating activities:		
Net income	\$ 649	\$ 424
Reconciliation of net income to net cash provided by operating activities:		
Depreciation	411	418
Deferred income taxes	46	75
Gains and losses on properties	(3)	(4)
Changes in assets and liabilities affecting operations:		
Accounts receivable	(126)	29
Materials and supplies	(15)	6
Other current assets	36	75
Current liabilities other than debt	236	(319)
Other — net	148	(61)
Net cash provided by operating activities	<u>1,382</u>	<u>643</u>
Cash flows from investing activities:		
Property additions	(569)	(566)
Property sales and other transactions	21	27
Investments, including short-term	(260)	(119)
Investment sales and other transactions	77	9
Net cash used in investing activities	<u>(731)</u>	<u>(649)</u>
Cash flows from financing activities:		
Dividends	(252)	(250)
Common stock issued — net	42	24
Purchase and retirement of common stock (note 3)	(114)	-
Proceeds from borrowings — net	-	990
Debt repayments	(468)	(654)
Net cash provided by (used in) financing activities	<u>(792)</u>	<u>110</u>
Net increase (decrease) in cash and cash equivalents	(141)	104
Cash and cash equivalents:		
At beginning of year	<u>996</u>	<u>618</u>
At end of period	<u>\$ 855</u>	<u>\$ 722</u>
Supplemental disclosure of cash flow information		
Cash paid during the period for:		
Interest (net of amounts capitalized)	\$ 232	\$ 224
Income taxes (net of refunds)	\$ 253	\$ 222

Consolidated Financial Information

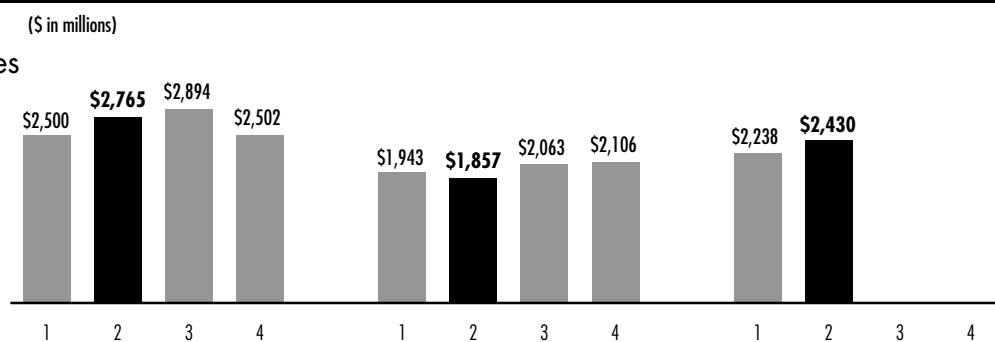
2008

2009

2010

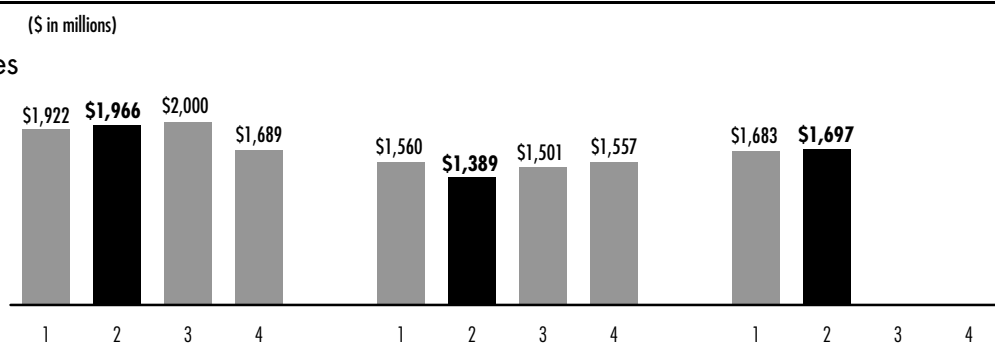
Railway Operating Revenues

(see page 16 for details)



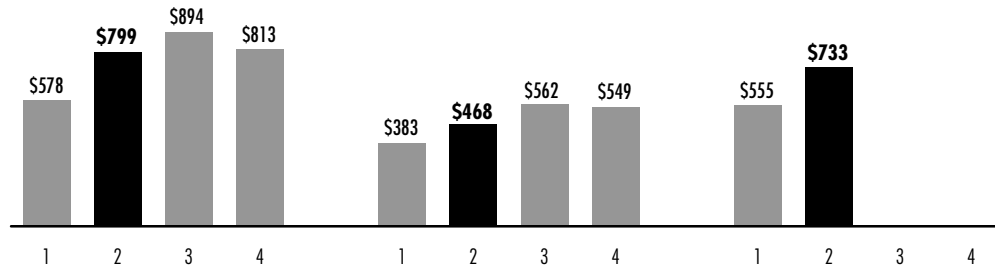
Railway Operating Expenses

(see page 16 for details)



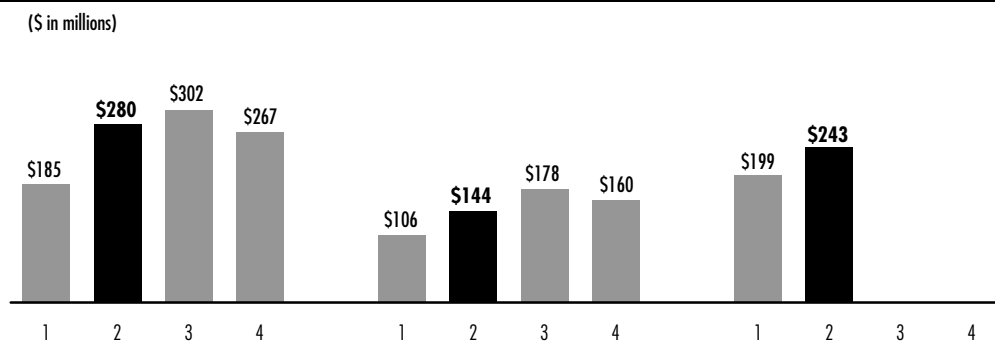
Income from Railway Operations

(\$ in millions)



Income Taxes

(see page 16 for details)



Consolidated Financial Information

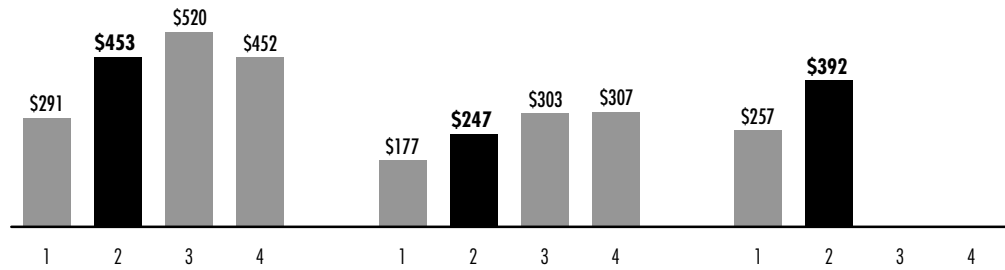
2008

2009

2010

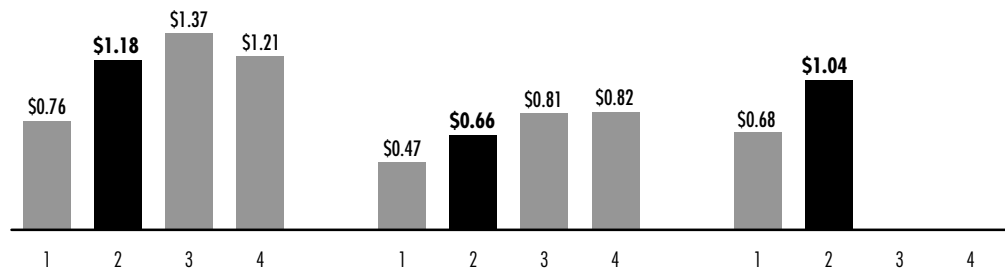
Net Income

(\$ in millions)



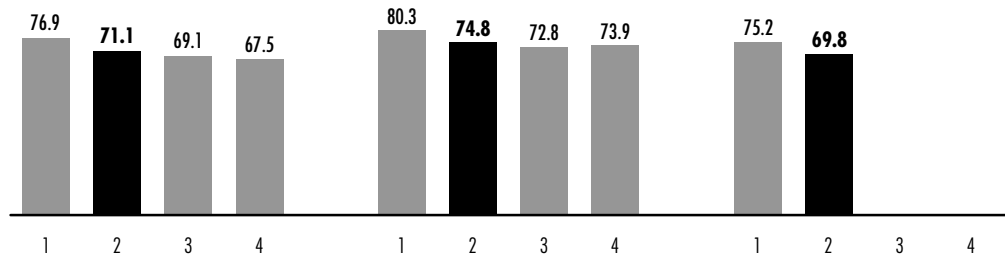
Earnings per Share — Diluted

(dollars)



Railway Operating Ratio

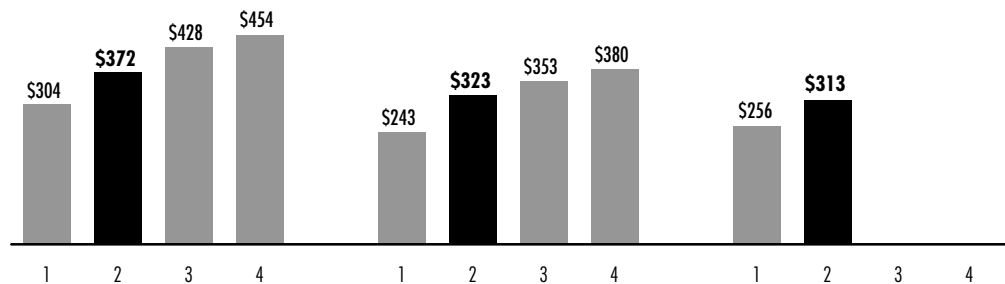
(percent)



Capital Expenditures

(see page 16 for details)

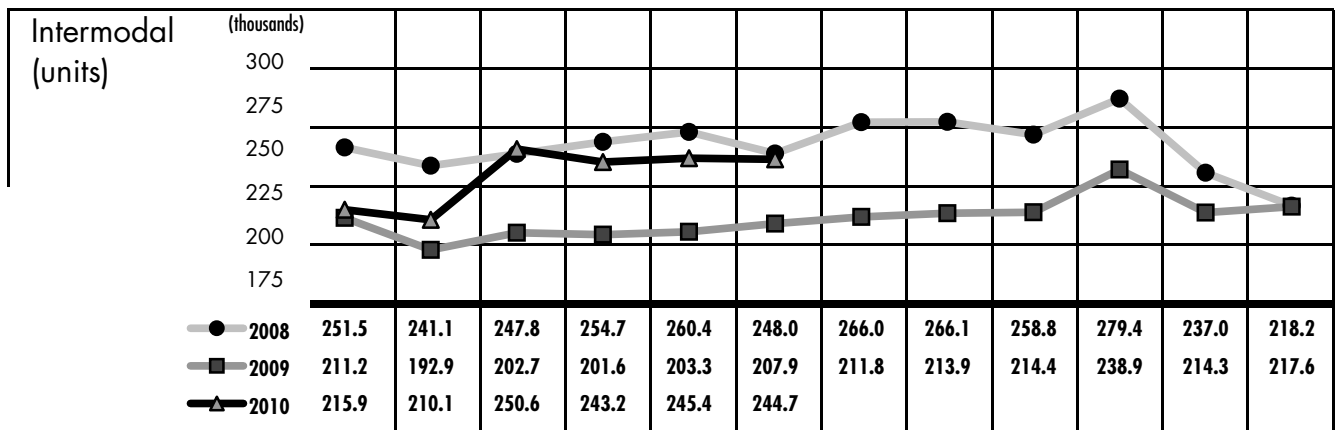
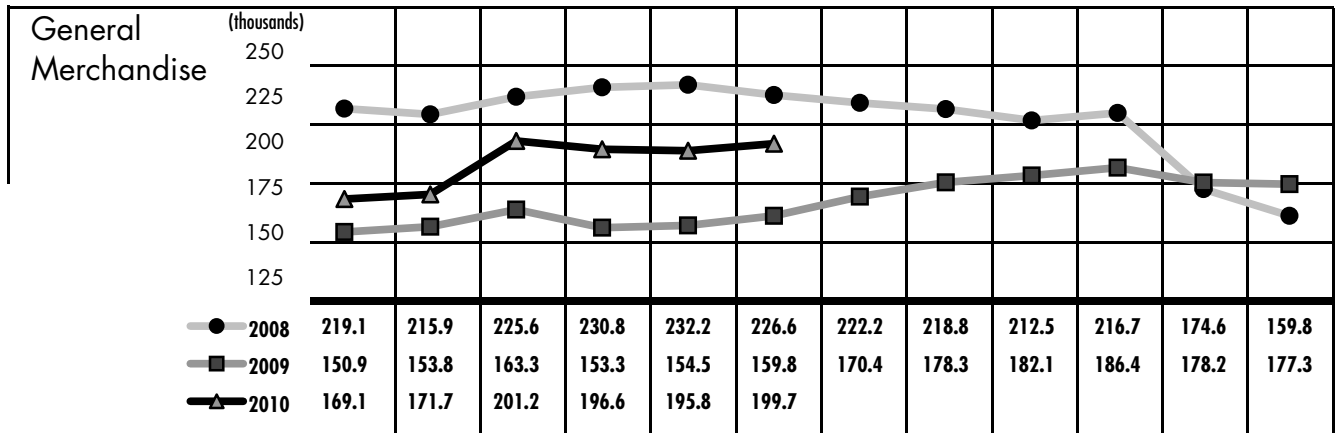
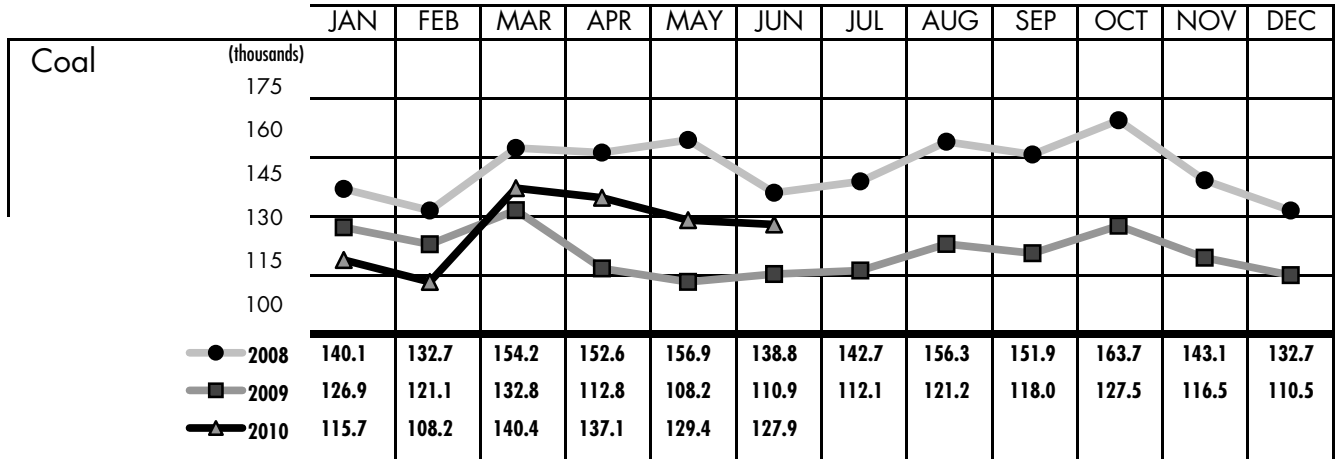
(\$ in millions)



Railway Operating Revenues Yield Analysis

Commodity and Period	Revenues (\$ in millions)			Carloads (thousands)			Revenue Yield (\$ per carload)		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
First Quarter									
Coal	\$ 662	\$ 602	\$ 629	427.0	380.8	364.3	\$ 1,551	\$ 1,581	\$ 1,726
Agriculture/consumer/gov't	299	278	325	152.1	130.4	158.3	1,968	2,129	2,054
Chemicals	305	236	314	102.2	80.3	96.6	2,986	2,941	3,249
Metals and construction	305	183	232	186.5	120.9	138.3	1,636	1,514	1,680
Paper/clay/forest	215	166	169	100.2	74.6	78.4	2,139	2,222	2,150
Automotive	228	112	159	119.6	61.8	70.4	1,908	1,817	2,266
General merchandise	1,352	975	1,199	660.6	468.0	542.0	2,047	2,083	2,213
Intermodal	486	366	410	740.4	606.8	676.6	656	604	605
Total	\$ 2,500	\$ 1,943	\$ 2,238	1,828.0	1,455.6	1,582.9	\$ 1,367	\$ 1,335	\$ 1,414
Second Quarter									
Coal	\$ 775	\$ 511	\$ 696	448.3	331.9	394.4	\$ 1,729	\$ 1,538	\$ 1,765
Agriculture/consumer/gov't	326	287	322	156.6	135.0	152.9	2,077	2,125	2,103
Chemicals	322	245	334	103.9	80.5	106.0	3,095	3,047	3,158
Metals and construction	352	171	279	210.4	117.2	175.4	1,675	1,460	1,586
Paper/clay/forest	231	165	182	102.4	74.0	85.3	2,261	2,239	2,142
Automotive	227	110	166	116.3	60.9	72.5	1,954	1,798	2,277
General merchandise	1,458	978	1,283	689.6	467.6	592.1	2,115	2,093	2,166
Intermodal	532	368	451	763.1	612.8	733.3	698	600	616
Total	\$ 2,765	\$ 1,857	\$ 2,430	1,901.0	1,412.3	1,719.8	\$ 1,455	\$ 1,315	\$ 1,413
Third Quarter									
Coal	\$ 876	\$ 571		450.9	351.3		\$ 1,941	\$ 1,627	
Agriculture/consumer/gov't	338	296		158.6	141.6		2,136	2,097	
Chemicals	337	297		103.0	95.9		3,275	3,090	
Metals and construction	357	205		203.7	139.4		1,752	1,471	
Paper/clay/forest	241	169		101.5	79.3		2,376	2,123	
Automotive	185	136		86.7	74.6		2,125	1,825	
General merchandise	1,458	1,103		653.5	530.8		2,232	2,078	
Intermodal	560	389		790.9	640.1		708	608	
Total	\$ 2,894	\$ 2,063		1,895.3	1,522.2		\$ 1,527	\$ 1,355	
Fourth Quarter									
Coal	\$ 798	\$ 580		439.5	354.5		\$ 1,817	\$ 1,634	
Agriculture/consumer/gov't	319	320		145.1	156.3		2,193	2,047	
Chemicals	274	278		84.6	88.3		3,234	3,151	
Metals and construction	237	186		141.8	126.7		1,672	1,467	
Paper/clay/forest	211	166		90.0	78.5		2,349	2,110	
Automotive	183	169		89.6	92.1		2,049	1,836	
General merchandise	1,224	1,119		551.1	541.9		2,221	2,065	
Intermodal	480	407		734.6	670.8		653	607	
Total	\$ 2,502	\$ 2,106		1,725.2	1,567.2		\$ 1,450	\$ 1,343	
Year-to-date									
Coal	\$ 3,111	\$ 2,264	\$ 1,325	1,765.7	1,418.5	758.7	\$ 1,762	\$ 1,596	\$ 1,746
Agriculture/consumer/gov't	1,282	1,181	647	612.4	563.3	311.2	2,093	2,097	2,078
Chemicals	1,238	1,056	648	393.7	345.0	202.6	3,144	3,061	3,202
Metals and construction	1,251	745	511	742.4	504.2	313.7	1,686	1,478	1,628
Paper/clay/forest	898	666	351	394.1	306.4	163.7	2,280	2,172	2,146
Automotive	823	527	325	412.2	289.4	142.9	1,997	1,821	2,272
General merchandise	5,492	4,175	2,482	2,554.8	2,008.3	1,134.1	2,150	2,079	2,188
Intermodal	2,058	1,530	861	3,029.0	2,530.5	1,409.9	679	605	611
Total	\$ 10,661	\$ 7,969	\$ 4,668	7,349.5	5,957.3	3,302.7	\$ 1,451	\$ 1,338	\$ 1,413

Monthly Railway Carloadings



Railway Operating Revenues Variance Analysis

(\$ in millions)

Second Quarter
2010 vs. 2009

	Coal		General Merchandise		Intermodal		Total	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Revenue Variance due to:								
Volume	\$ 96	19%	\$ 261	27%	\$ 72	20%	\$ 404	22%
Revenue per unit/mix	\$ 89	15%	\$ 44	3%	\$ 11	3%	\$ 169	7%
	<u>\$ 185</u>	<u>36%</u>	<u>\$ 305</u>	<u>31%</u>	<u>\$ 83</u>	<u>23%</u>	<u>\$ 573</u>	<u>31%</u>

Six Months
2010 vs. 2009

	Coal		General Merchandise		Intermodal		Total	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Revenue Variance due to:								
Volume	\$ 72	6%	\$ 414	21%	\$ 115	16%	\$ 576	15%
Revenue per unit/mix	\$ 140	12%	\$ 115	5%	\$ 12	1%	\$ 292	7%
	<u>\$ 212</u>	<u>19%</u>	<u>\$ 529</u>	<u>27%</u>	<u>\$ 127</u>	<u>17%</u>	<u>\$ 868</u>	<u>23%</u>

Coal, Coke and Iron Ore Tonnage by Market

(tons in thousands)

Second Quarter

	2008		2009		2010	
	Tons	Change vs. 2007	Tons	Change vs. 2008	Tons	Change vs. 2009
Utility	36,072	-	30,595	(15%)	29,581	(3%)
Export	6,201	63%	2,362	(62%)	6,383	170%
Domestic metallurgical	4,745	(6%)	2,363	(50%)	5,229	121%
Industrial	2,250	(15%)	1,849	(18%)	2,030	10%
	<u>49,268</u>	<u>4%</u>	<u>37,169</u>	<u>(25%)</u>	<u>43,223</u>	<u>16%</u>

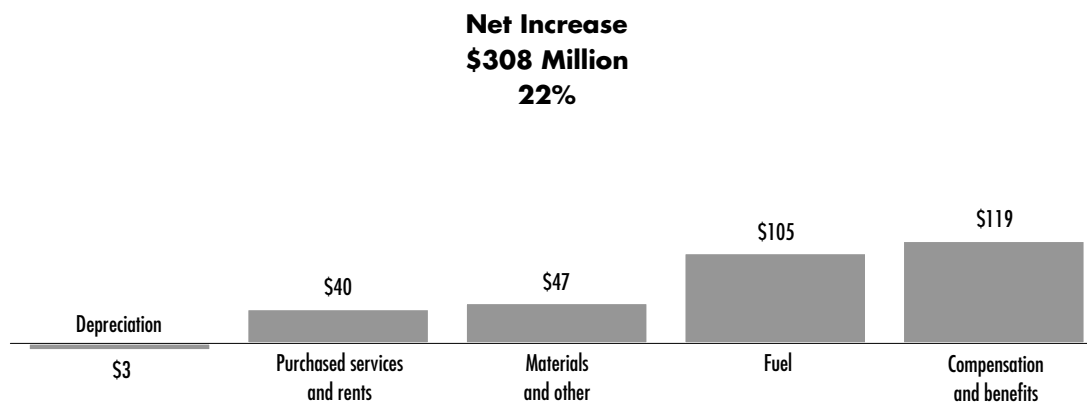
Six Months

	2008		2009		2010	
	Tons	Change vs. 2007	Tons	Change vs. 2008	Tons	Change vs. 2009
Utility	71,676	(1%)	63,966	(11%)	57,544	(10%)
Export	11,974	64%	6,743	(44%)	12,386	84%
Domestic metallurgical	8,262	(5%)	4,973	(40%)	9,338	88%
Industrial	4,159	(18%)	3,698	(11%)	3,847	4%
	<u>96,071</u>	<u>3%</u>	<u>79,380</u>	<u>(17%)</u>	<u>83,115</u>	<u>5%</u>

Railway Operating Expenses Variance Analysis

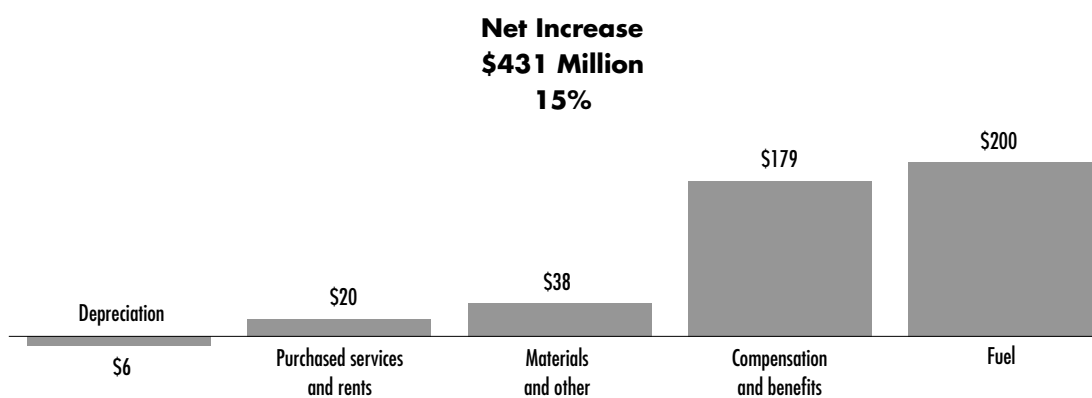
Second Quarter
2010 vs. 2009

(\$ in millions)
Amount of change

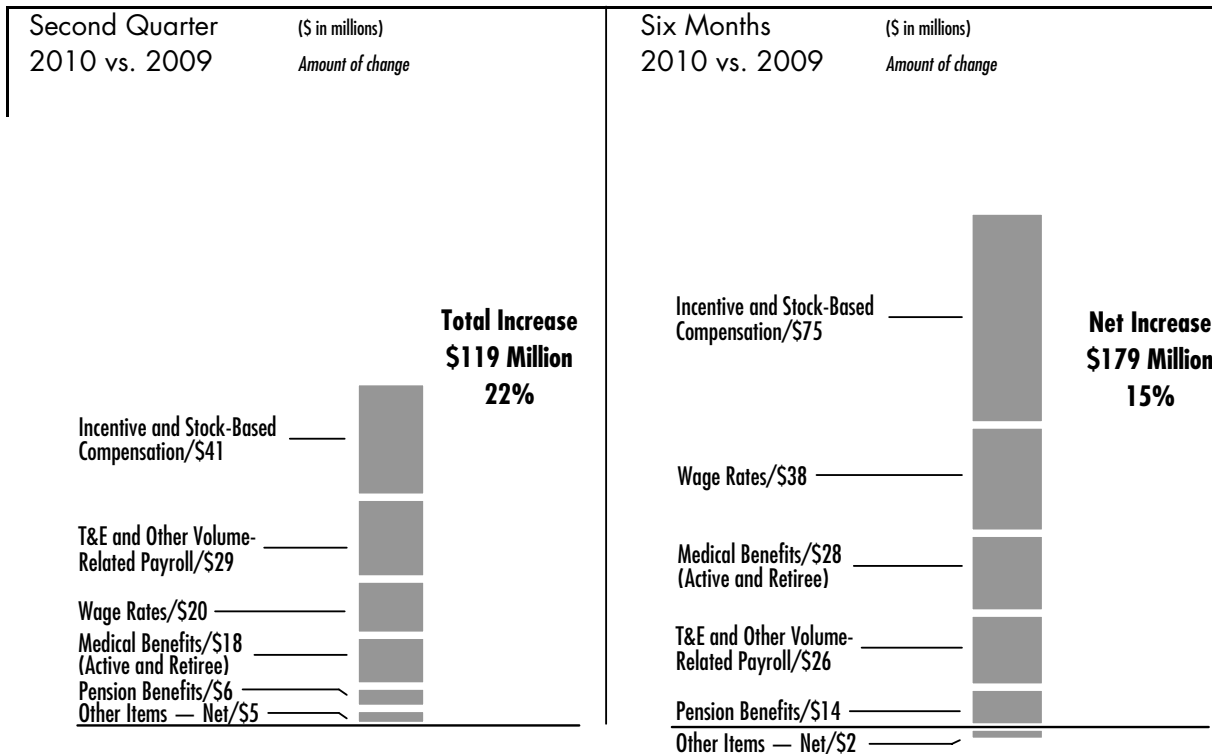


Six Months
2010 vs. 2009

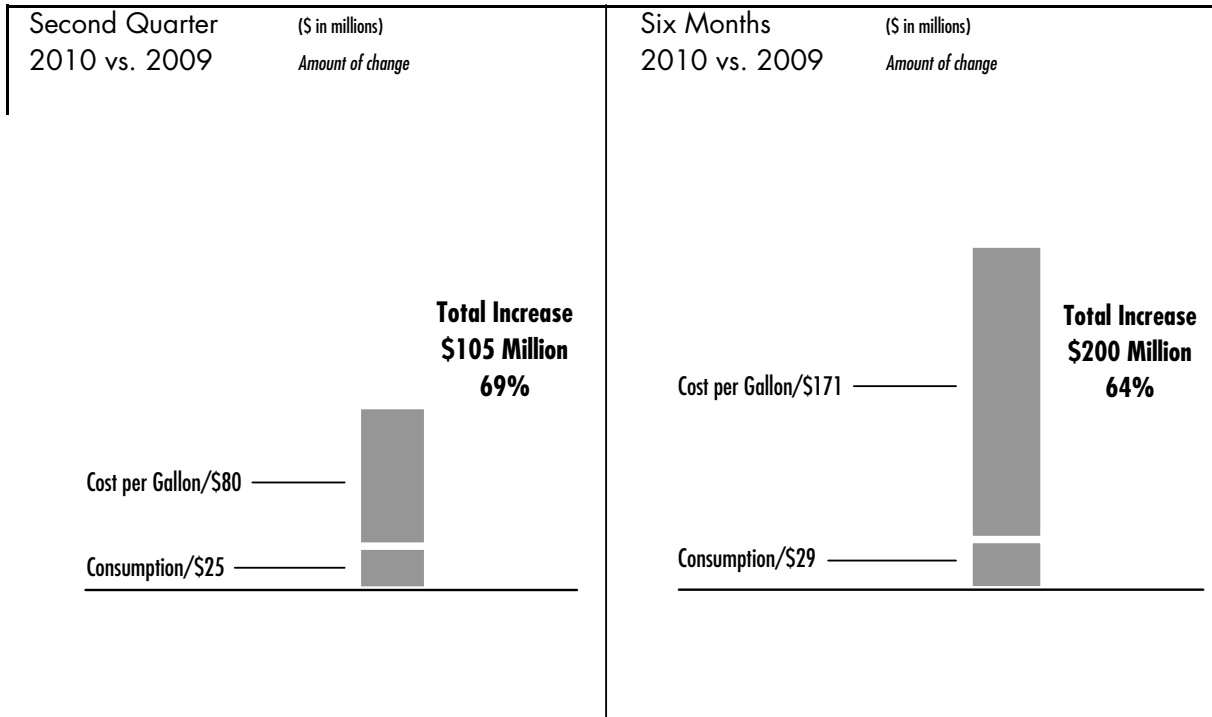
(\$ in millions)
Amount of change



Compensation and Benefits Expense Analysis



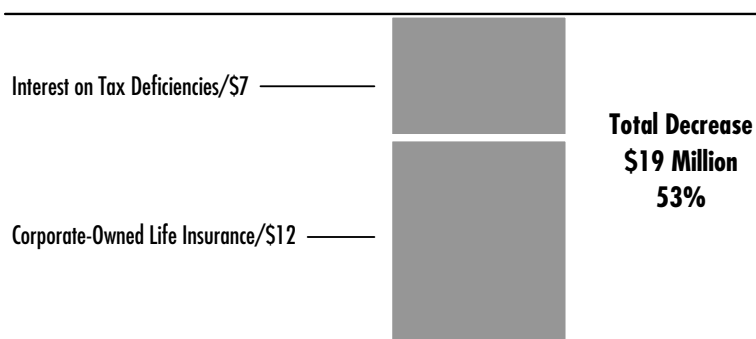
Fuel Expense Analysis



Other Income — Net Analysis

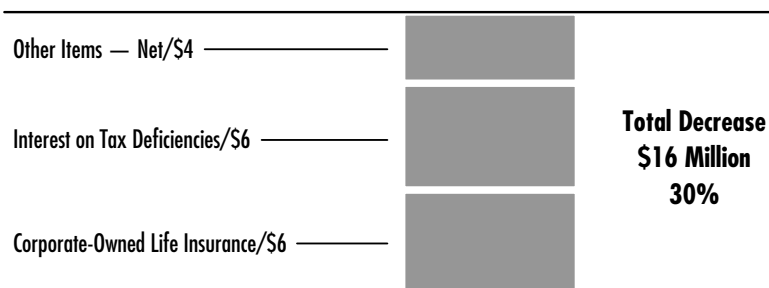
Second Quarter
2010 vs. 2009

(\$ in millions)
Amount of change



Six Months
2010 vs. 2009

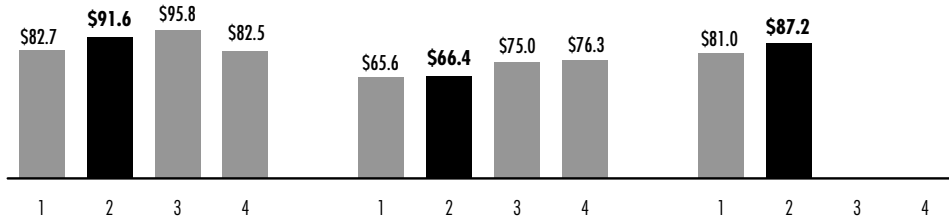
(\$ in millions)
Amount of change



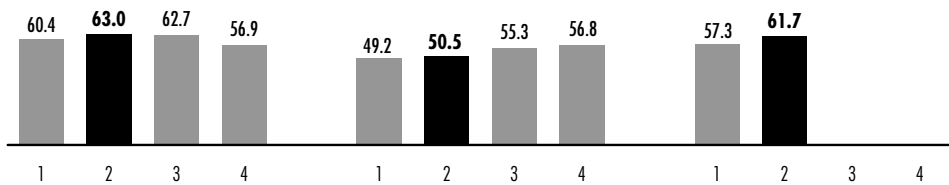
Productivity Measures

2008
2009
2010

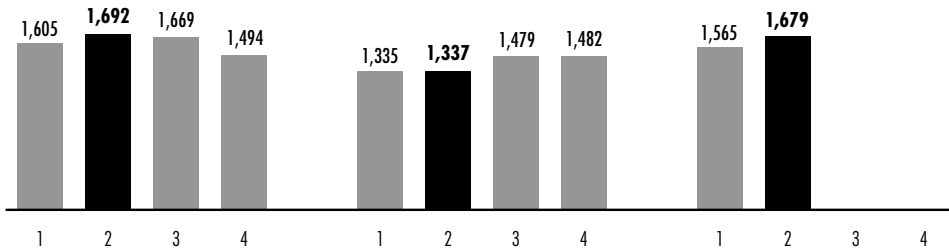
Operating Revenues per Employee (S in thousands)



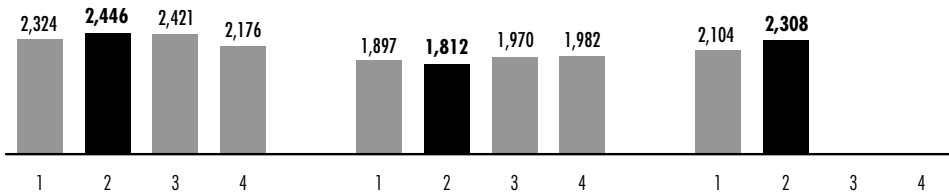
Carloads per Employee



Revenue Ton Miles per Employee (thousands)



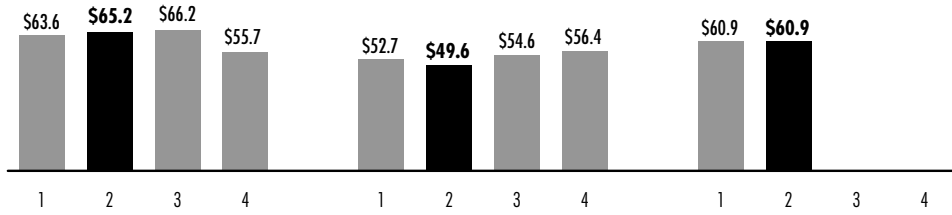
Revenue Ton Miles per Mile of Road Operated (thousands)



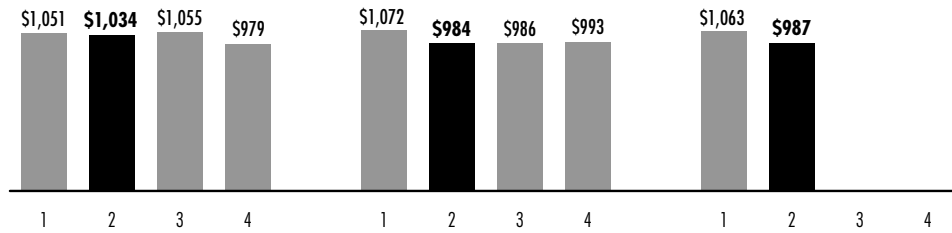
Productivity Measures

2008
2009
2010

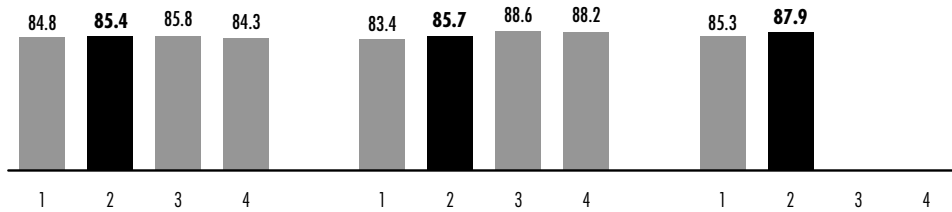
Operating Expenses per Employee (in thousands)



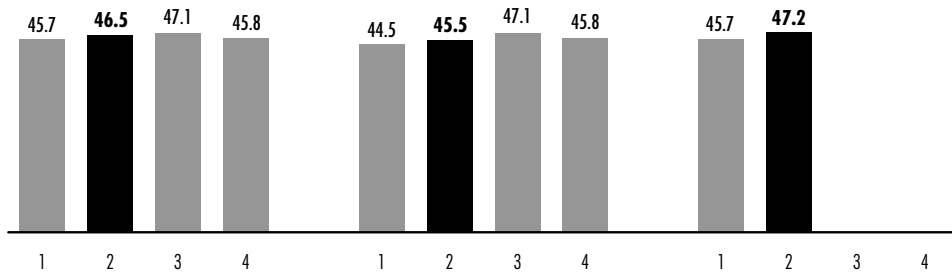
Operating Expenses per Carload (dollars)



Gross Ton Miles per Train Hour (thousands)



Revenue Ton Miles per Train Hour (thousands)



Financial, Traffic and Operating Statistics

Consolidated Financial Data

(\$ in millions — except as noted)

- No corresponding charts for this data.

Page	Item	2008					2009					2010				
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year to-date
6	Railway operating revenues:															
8	Coal (note 1)	\$ 662	\$ 775	\$ 876	\$ 798	\$ 3,111	\$ 602	\$ 511	\$ 571	\$ 580	\$ 2,264	\$ 629	\$ 696			\$ 1,325
8	General merchandise	1,352	1,458	1,458	1,224	5,492	975	978	1,103	1,119	4,175	1,199	1,283			2,482
8	Intermodal	486	532	560	480	2,058	366	368	389	407	1,530	410	451			861
6	Total railway operating revenues	\$ 2,500	\$ 2,765	\$ 2,894	\$ 2,502	\$ 10,661	\$ 1,943	\$ 1,857	\$ 2,063	\$ 2,106	\$ 7,969	\$ 2,238	\$ 2,430			\$ 4,668
6	Railway operating expenses:															
	• Compensation and benefits (note 2)	\$ 705	\$ 662	\$ 708	\$ 609	\$ 2,684	\$ 639	\$ 551	\$ 598	\$ 613	\$ 2,401	\$ 699	\$ 670			\$ 1,369
	• Purchased services	283	310	332	317	1,242	269	258	277	283	1,087	255	292			547
	• Equipment rents	92	90	87	88	357	86	76	75	79	316	80	82			162
	• Fuel	404	491	474	269	1,638	159	153	192	221	725	254	258			512
	• Depreciation	198	199	201	206	804	207	207	210	213	837	204	204			408
	• Materials	101	96	96	87	380	89	76	72	72	309	87	82			169
	• Casualties and other claims	65	42	34	39	180	36	21	23	22	102	34	39			73
	• Other (note 3)	74	76	68	74	292	75	47	54	54	230	70	70			140
6	Total railway operating expenses	\$ 1,922	\$ 1,966	\$ 2,000	\$ 1,689	\$ 7,577	\$ 1,560	\$ 1,389	\$ 1,501	\$ 1,557	\$ 6,007	\$ 1,683	\$ 1,697			\$ 3,380
6	Income from railway operations	\$ 578	\$ 799	\$ 894	\$ 813	\$ 3,084	\$ 383	\$ 468	\$ 562	\$ 549	\$ 1,962	\$ 555	\$ 733			\$ 1,288
	• Other income (expense)	\$ (102)	\$ (66)	\$ (72)	\$ (94)	\$ (334)	\$ (100)	\$ (77)	\$ (81)	\$ (82)	\$ (340)	\$ (99)	\$ (98)			\$ (197)
	• Income before income taxes	\$ 476	\$ 733	\$ 822	\$ 719	\$ 2,750	\$ 283	\$ 391	\$ 481	\$ 467	\$ 1,622	\$ 456	\$ 635			\$ 1,091
	• Income taxes — current	\$ 160	\$ 242	\$ 184	\$ 158	\$ 744	\$ 90	\$ 85	\$ 80	\$ (5)	\$ 250	\$ 159	\$ 237			\$ 396
	• Income taxes — deferred (note 4)	25	38	118	109	290	16	59	98	165	338	40	6			46
6	Total income taxes	\$ 185	\$ 280	\$ 302	\$ 267	\$ 1,034	\$ 106	\$ 144	\$ 178	\$ 160	\$ 588	\$ 199	\$ 243			\$ 442
7	Net income	\$ 291	\$ 453	\$ 520	\$ 452	\$ 1,716	\$ 177	\$ 247	\$ 303	\$ 307	\$ 1,034	\$ 257	\$ 392			\$ 649
7	Earnings per share - diluted (dollars)	\$ 0.76	\$ 1.18	\$ 1.37	\$ 1.21	\$ 4.52	\$ 0.47	\$ 0.66	\$ 0.81	\$ 0.82	\$ 2.76	\$ 0.68	\$ 1.04			\$ 1.72
7	Railway operating ratio	76.9	71.1	69.1	67.5	71.1	80.3	74.8	72.8	73.9	75.4	75.2	69.8			72.4
7	Capital expenditures:															
	• Equipment	\$ 98	\$ 115	\$ 160	\$ 115	\$ 488	\$ 35	\$ 50	\$ 47	\$ 39	\$ 171	\$ 37	\$ 39			\$ 76
	• Road	206	257	268	339	1,070	208	273	306	341	1,128	219	274			493
7	Total capital expenditures	\$ 304	\$ 372	\$ 428	\$ 454	\$ 1,558	\$ 243	\$ 323	\$ 353	\$ 380	\$ 1,299	\$ 256	\$ 313			\$ 569
	• Cash, cash equivalents and short-term investments	\$ 364	\$ 454	\$ 557	\$ 618	\$ 618	\$ 884	\$ 722	\$ 999	\$ 1,086	\$ 1,086	\$ 1,386	\$ 1,060			\$ 1,060
	• Total debt, excluding notes payable to Conrail	\$ 6,493	\$ 6,489	\$ 6,471	\$ 6,667	\$ 6,667	\$ 6,935	\$ 7,082	\$ 7,065	\$ 7,153	\$ 7,153	\$ 7,027	\$ 6,689			\$ 6,689
	• Total debt-to-total capitalization (percent)	40.0	39.4	39.2	41.0	41.0	41.7	41.8	41.2	40.9	40.9	39.9	38.3			38.3
	• Weighted average shares outstanding - diluted (millions)	383.9	383.5	380.5	372.4	380.0	371.1	371.4	372.5	373.3	372.1	374.9	375.1			375.0

Note 1 Third quarter 2008 includes \$22 million related to a coal customer's 2008 contracted volume shortfall and a nonrecurring effect related to the implementation of NS' new export coal billing system.

Note 2 2008 includes \$31 million for lump-sum payments (including payroll taxes) due under a new labor agreement with the Brotherhood of Locomotive Engineers and Trainmen (BLET).

Note 3 Second quarter 2009 includes a \$21 million favorable adjustment related to settlement of a multi-year state tax dispute.

Note 4 During the first quarter of 2010, the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 were signed into law. Provisions of these Acts eliminate, after 2012, the tax deduction available for reimbursed prescription drug expenses under the Medicare Part D retiree drug subsidy program. As required by ASC 740, "Income Taxes," NS recorded a \$27 million charge to deferred tax expense.

Financial, Traffic and Operating Statistics

Traffic and Operating Statistics		2008					2009					2010				
Page	Item	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year to-date
8	Railway carloads (thousands):															
8	Coal	427.0	448.3	450.9	439.5	1,765.7	380.8	331.9	351.3	354.5	1,418.5	364.3	394.4			758.7
8	General merchandise	660.6	689.6	653.5	551.1	2,554.8	468.0	467.6	530.8	541.9	2,008.3	542.0	592.1			1,134.1
8	Intermodal	740.4	763.1	790.9	734.6	3,029.0	606.8	612.8	640.1	670.8	2,530.5	676.6	733.3			1,409.9
8	Total railway carloads	1,828.0	1,901.0	1,895.3	1,725.2	7,349.5	1,455.6	1,412.3	1,522.2	1,567.2	5,957.3	1,582.9	1,719.8			3,302.7
	• Revenue ton miles (RTMs) (billions):															
	• Coal	15.0	16.0	15.8	15.3	62.1	13.4	11.4	12.0	12.1	48.9	12.4	13.5			25.9
	• General merchandise	26.7	27.9	27.3	23.0	104.9	20.2	19.7	22.0	21.8	83.7	23.4	25.1			48.5
	• Intermodal	6.8	7.1	7.4	7.0	28.3	5.9	6.4	6.6	7.0	25.9	7.5	8.2			15.7
	• Total	48.5	51.0	50.5	45.3	195.3	39.5	37.5	40.6	40.9	158.5	43.3	46.8			90.1
	• Revenue (dollars) per thousand RTMs:															
	• Coal	\$ 44.13	\$ 48.41	\$ 55.42	\$ 52.18	\$ 50.09	\$ 44.79	\$ 44.97	\$ 47.75	\$ 47.88	\$ 46.32	\$ 50.83	\$ 51.49			\$ 51.17
	• General merchandise	\$ 50.57	\$ 52.22	\$ 53.52	\$ 53.10	\$ 52.33	\$ 48.35	\$ 49.63	\$ 49.95	\$ 51.50	\$ 49.89	\$ 51.24	\$ 51.17			\$ 51.21
	• Intermodal	\$ 71.36	\$ 74.81	\$ 75.86	\$ 68.76	\$ 72.76	\$ 61.83	\$ 57.90	\$ 58.55	\$ 57.80	\$ 58.93	\$ 54.73	\$ 54.87			\$ 54.80
	• Total	\$ 51.50	\$ 54.17	\$ 57.39	\$ 55.20	\$ 54.58	\$ 49.16	\$ 49.62	\$ 50.71	\$ 51.51	\$ 50.27	\$ 51.73	\$ 51.91			\$ 51.82
	• Gross ton miles (GTMs) (billions)	90.1	93.7	91.8	83.5	359.1	74.1	70.5	76.5	78.8	299.9	80.7	87.2			167.9
	• Revenue ton miles (RTMs) (billions)	48.5	51.0	50.5	45.3	195.3	39.5	37.5	40.6	40.9	158.5	43.3	46.8			90.1
	• Railroad employees (average)	30,240	30,170	30,214	30,339	30,241	29,597	27,987	27,514	27,595	28,173	27,646	27,875			27,761
	• Total operating expenses (dollars) per thousand GTMs	\$ 21.34	\$ 20.98	\$ 21.79	\$ 20.23	\$ 21.10	\$ 21.06	\$ 19.71	\$ 19.60	\$ 19.78	\$ 20.03	\$ 20.85	\$ 19.47			\$ 20.13
	• Compensation and benefits (dollars) per thousand GTMs	\$ 7.83	\$ 7.06	\$ 7.71	\$ 7.30	\$ 7.47	\$ 8.62	\$ 7.82	\$ 7.81	\$ 7.79	\$ 8.01	\$ 8.66	\$ 7.69			\$ 8.15
	• Total operating expenses (dollars) per thousand RTMs	\$ 39.59	\$ 38.52	\$ 39.66	\$ 37.26	\$ 38.79	\$ 39.47	\$ 37.11	\$ 36.89	\$ 38.08	\$ 37.89	\$ 38.90	\$ 36.25			\$ 37.52
	• Compensation and benefits (dollars) per thousand RTMs	\$ 14.52	\$ 12.97	\$ 14.04	\$ 13.44	\$ 13.74	\$ 16.17	\$ 14.72	\$ 14.70	\$ 14.99	\$ 15.15	\$ 16.16	\$ 14.31			\$ 15.20
14	Total operating revenues (\$ in thousands) per employee	\$ 82.7	\$ 91.6	\$ 95.8	\$ 82.5	\$ 352.5	\$ 65.6	\$ 66.4	\$ 75.0	\$ 76.3	\$ 282.9	\$ 81.0	\$ 87.2			\$ 168.1
15	Total operating expenses (\$ in thousands) per employee	\$ 63.6	\$ 65.2	\$ 66.2	\$ 55.7	\$ 250.6	\$ 52.7	\$ 49.6	\$ 54.6	\$ 56.4	\$ 213.2	\$ 60.9	\$ 60.9			\$ 121.8
	• GTMs (thousands) per employee	2,979	3,107	3,038	2,752	11,874	2,503	2,518	2,783	2,853	10,643	2,920	3,127			6,048
14	RTMs (thousands) per employee	1,605	1,692	1,669	1,494	6,460	1,335	1,337	1,479	1,482	5,627	1,565	1,679			3,245
14	Carloads per employee	60.4	63.0	62.7	56.9	243.0	49.2	50.5	55.3	56.8	211.5	57.3	61.7			119.0
14	RTMs (thousands) per mile of road operated	2,324	2,446	2,421	2,176	9,366	1,897	1,812	1,970	1,982	7,661	2,104	2,308			4,411
15	Total operating expenses (dollars) per carload	\$ 1,051	\$ 1,034	\$ 1,055	\$ 979	\$ 1,031	\$ 1,072	\$ 984	\$ 986	\$ 993	\$ 1,008	\$ 1,063	\$ 987			\$ 1,023
	• Compensation and benefits (dollars) per carload	\$ 386	\$ 348	\$ 374	\$ 353	\$ 365	\$ 439	\$ 390	\$ 393	\$ 391	\$ 403	\$ 442	\$ 390			\$ 415
	• RTMs (thousands) per carload	26.6	26.9	26.6	26.3	26.6	27.2	26.5	26.7	26.1	26.6	27.3	27.2			27.3
	• Locomotive diesel fuel consumed (thousands of gallons)	130,167	123,066	117,733	111,589	482,555	105,372	90,471	95,025	101,673	392,541	110,430	106,527			216,957
	• Average price (dollars) per gallon of locomotive diesel fuel	\$ 2.788	\$ 3.584	\$ 3.588	\$ 2.190	\$ 3.048	\$ 1.387	\$ 1.545	\$ 1.848	\$ 1.984	\$ 1.690	\$ 2.130	\$ 2.242			\$ 2.185
	• RTMs per gallon of fuel consumed	373	415	428	406	405	375	414	428	402	404	392	439			415
15	GTMs (thousands) per train hour	84.8	85.4	85.8	84.3	85.1	83.4	85.7	88.6	88.2	86.5	85.3	87.9			86.6
15	RTMs (thousands) per train hour	45.7	46.5	47.1	45.8	46.3	44.5	45.5	47.1	45.8	45.7	45.7	47.2			46.5
	• Percent of loaded-to-total car miles	57.9	58.1	57.5	57.0	57.7	56.5	57.3	57.9	58.6	57.6	58.2	58.3			58.3
	• Total new crossties installed (thousands)	523	818	761	599	2,701	695	813	731	471	2,710	557	703			1,260
	• Total track miles of rail laid (miles)	120	144	100	95	459	83	116	131	104	434	101	104			205

Second Quarter 2010

Quarterly Financial Review

