

**NORFOLK SOUTHERN CONTRIBUTIONS**  
**2010 ANNUAL REPORT**



**NS**  
**NORFOLK SOUTHERN**  
*One line, infinite possibilities*

## OUR MISSION

Norfolk Southern Foundation was established in 1983 to direct and implement Norfolk Southern Corporation's charitable giving programs. Through strategic investments in educational, cultural, environmental, and human service organizations within the region served by Norfolk Southern, the Foundation seeks to raise the standards of such programming, thereby enhancing the quality of life for Norfolk Southern employees and enhancing the "livability" of the communities it serves.

The Foundation's intent is to help ensure that:

- Our region's children are provided with first-class educational opportunities that make them productive and valued citizens and employees in the future;
- Our communities can provide basic human services (food, shelter and medical care) to those in need;
- Our communities can offer their citizens access to cultural opportunities that make life more enjoyable; and
- Our communities can provide residential and work environments that are safe, attractive and desirable.

As a major employer in both large and small communities throughout the eastern United States, Norfolk Southern takes seriously its role as a corporate citizen and its responsibility to commit resources, both human and financial, to the improvement of those communities for the benefit of our employees and our neighbors. This commitment is acknowledged in Norfolk Southern's Corporate Creed.

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## THE YEAR IN REVIEW

Although cash contributions in 2010 by the Foundation and the Corporation exceeded those in the previous year, more modest non-cash contributions compared to 2009 resulted in giving remaining almost constant from the prior year. Total cash and non-cash contributions for 2010 were \$9,851,871, compared with \$9,996,776 in 2009.

Total cash contributions by the Foundation and the Corporation for grants, Matching Gifts and business-related programs totaled \$9,353,180 in 2010. This total includes matching contributions of \$757,925 to designated charities under the Corporation's Good Government Fund (GGF).

The Foundation awarded a total of \$5,584,647 in cash grants, down 2.4 percent from the prior year, including 379 grants and 1,417 Matching Gifts. There were 21 more grants awarded in 2010 than in 2009. Although matching Gifts were down over 10 percent from the previous year, the average Matching Gift increased slightly, from \$929 in 2009 to \$992 in 2010.

The dollar value of Foundation requests for 2010 increased by nearly 19 percent from the previous year, from \$7.9 million in 2009 to \$9.4 million in 2010. This is a two-year increase of 200 percent since the 2008 level of \$4.7 million.

Since its establishment in 1983, the Foundation has contributed nearly \$117 million to thousands of charitable organizations throughout Norfolk Southern's territory. In the last five years, it has provided more than \$26.5 million in contributions. Although its mission has changed over the years, the Foundation has maintained its record of significant support in the areas of education, arts and cultural programming, and of the United Way organizations in communities in which the Corporation's employees live and work.

In addition to funding provided by the Foundation, the Corporation provides direct funding that includes corporate sponsorships and memberships; contributions to nonprofit organizations, such as volunteer fire departments, and non-cash gifts to eligible organizations. The latter may include donations of land, rolling stock, track and signal materials, and office furnishings. In 2010, the Corporation made total contributions, including non-cash donations and GGF - related matching contributions, of \$4,267,224.

The table below compares the total charitable contributions by category as of December 31 for the last five years:

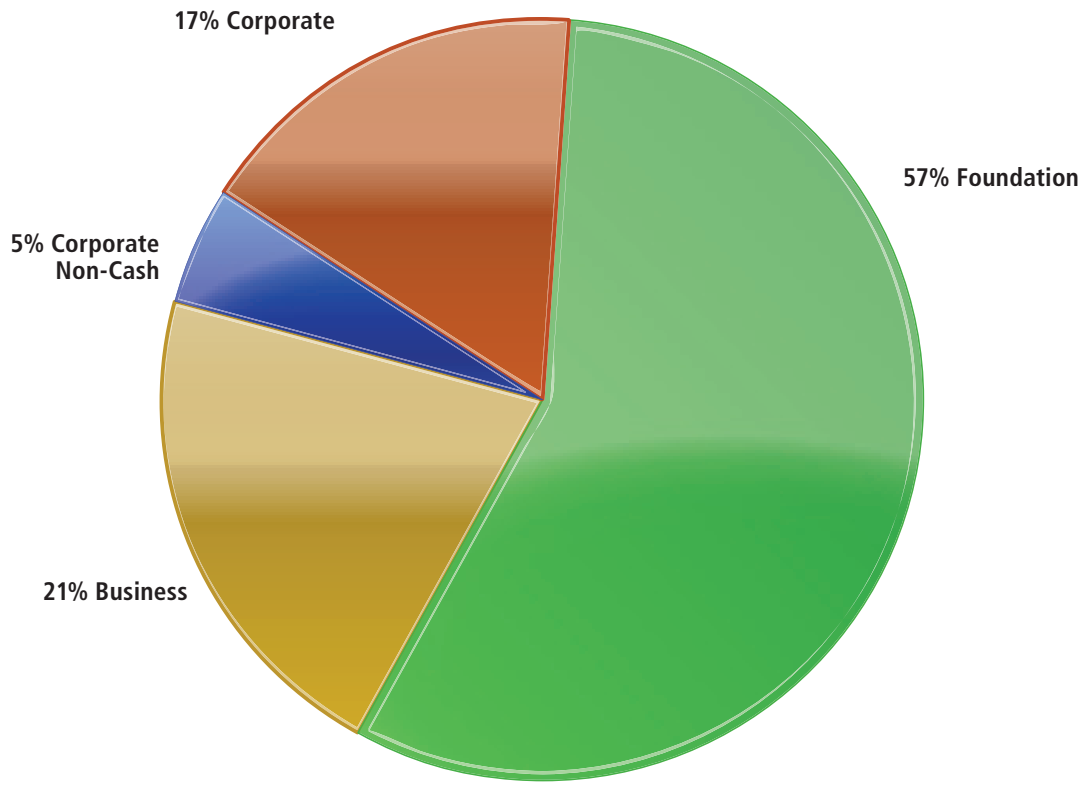
		2010	2009	2008	2007	2006
Foundation	\$	5,584,647	5,719,122	5,106,889	4,914,682	5,197,513
Business*	\$	2,048,608	1,750,141	1,545,396	1,895,794	1,716,808
Corporate**	\$	1,719,925	1,200,671	1,013,049	711,000	735,100
<b>Cash</b>	<b>\$</b>	<b>9,353,180</b>	<b>8,669,934</b>	<b>7,665,334</b>	<b>7,521,476</b>	<b>7,649,421</b>
<b>Non-cash</b>	<b>\$</b>	<b>498,691</b>	<b>1,326,842</b>	<b>36,605,807</b>	<b>6,341,767</b>	<b>182,685</b>
<b>Total</b>	<b>\$</b>	<b>9,851,871</b>	<b>9,996,776</b>	<b>44,271,141</b>	<b>13,863,243</b>	<b>7,832,106</b>

\* Business includes corporate memberships in organizations such as chambers of commerce.

\*\* Corporate includes GGF - related matching contributions, starting in 2008 (\$652,049); 2009 (\$699,171); 2010 (\$757,925).

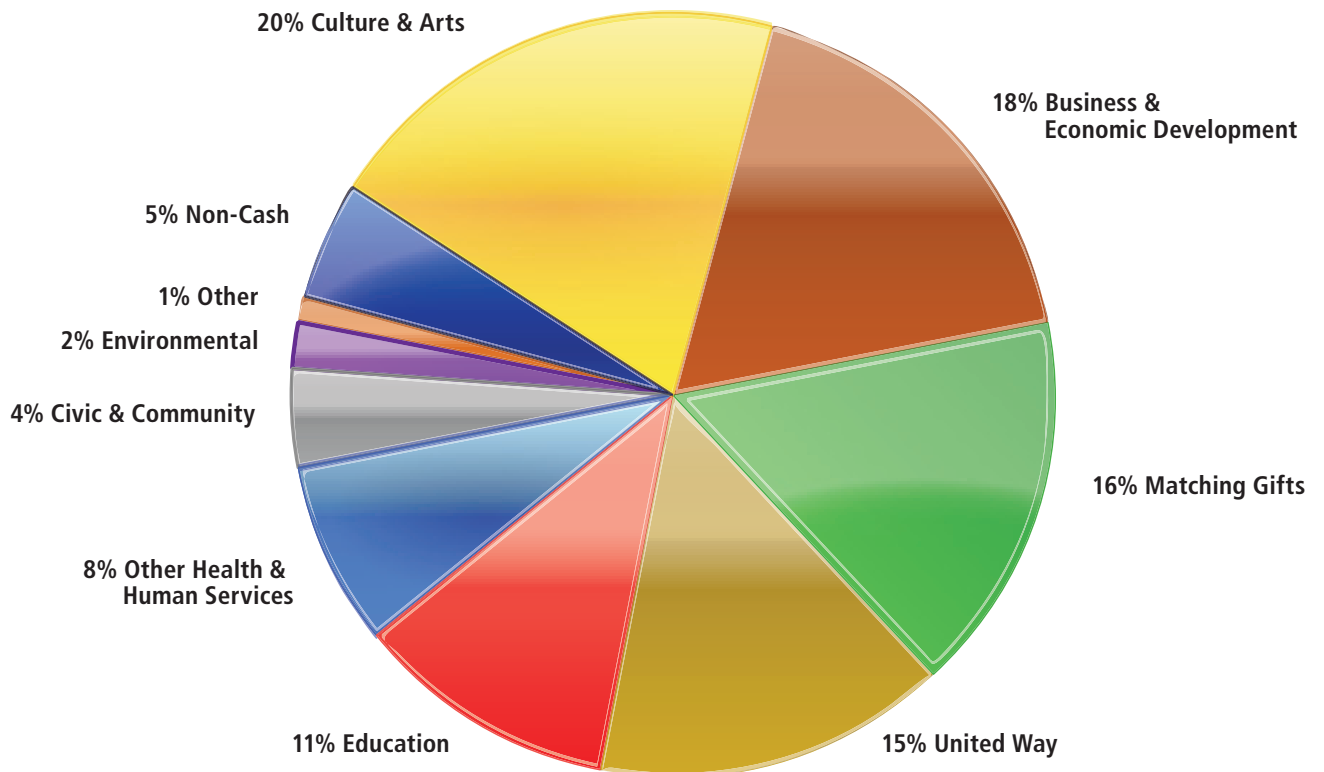
## CONTRIBUTIONS BY FUND

(INCLUDES GGF - RELATED MATCHING CONTRIBUTIONS)



## CONTRIBUTIONS BY CATEGORY

(EXCLUDES GGF - RELATED MATCHING CONTRIBUTIONS)



## FOUNDATION ASSETS

As of December 31, 2010, the Foundation held the following assets:

<b>Cash (checking account)</b>	<b>\$ 3,623,063.98</b>
<b>Total</b>	<b>\$ 3,623,063.98</b>

In 2010, Norfolk Southern Corporation subsidiary Rail Investment Company donated to the Norfolk Southern Foundation 106,494 shares of Norfolk Southern Corporation stock. The total value of these contributions was \$5,973,904.

During the course of the year, the Foundation sold 108,234 shares of Norfolk Southern Corporation stock, at an average per-share price of \$56.40 (total proceeds \$6,104,199). The Foundation's sales of Norfolk Southern Corporation common stock were made during the Corporation's open window period in which executives are permitted to trade in Norfolk Southern stock and pursuant to trading plans intended to comply with the provisions of Rule 10b5-1 under the Securities Exchange Act of 1934.

The estimated market value of Foundation assets on April 30, 2011, was \$3,985,293.70.

## CONTRIBUTIONS BY CATEGORY (MAJOR GRANTS ARE ITEMIZED)

BY NORFOLK SOUTHERN FOUNDATION AND NORFOLK SOUTHERN CORPORATION

(EXCLUDING GGF - RELATED MATCHING CONTRIBUTIONS)

### COMMUNITY RELATIONS

#### United Way

Hampton Roads	\$ 217,800
Roanoke	\$ 171,600
Atlanta	\$ 138,600
Other agencies	\$ 804,000
<b>Total United Way</b>	<b>\$ 1,332,000</b>

#### Health and Human Services (excluding United Way)

Grady Memorial Hospital	\$ 100,000
Spina Bifida Foundation	\$ 100,000
Foodbank of Southeastern Virginia	\$ 82,500
ForKids	\$ 57,500
Hope House Foundation	\$ 33,000
The Dwelling Place	\$ 28,762
Children's Hospital of the King's Daughters	\$ 27,500
Techbridge Inc.	\$ 25,000
Hands on Atlanta	\$ 25,000
Others	\$ 278,506
<b>Total Health and Human Services (excluding United Way)</b>	<b>\$ 757,768</b>

<b>Total Community Relations</b>	<b>\$ 2,089,768</b>
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## EDUCATION (EXCLUDING ALL MATCHING GIFTS)

USC Educational Foundation	\$	100,000
Penn State Altoona	\$	50,000
Norfolk State University Foundation	\$	35,000
University of Illinois Foundation	\$	31,000
Georgia Tech Foundation	\$	31,000
Old Dominion University	\$	30,000
Other	\$	309,500
<b>Total Operating Grants</b>	<b>\$</b>	<b>586,500</b>
<b>Capital Grants &amp; Endowments</b>		
Eastern Virginia Medical School	\$	50,000
<b>Total Capital Grants &amp; Endowments</b>	<b>\$</b>	<b>50,000</b>
<b>State &amp; National Fund Raising</b>		
Virginia Foundation for Independent Colleges	\$	50,000
Independent college funds	\$	16,000
<b>Total State &amp; National Fund Raising</b>	<b>\$</b>	<b>66,000</b>
<b>Scholarships &amp; Fellowships</b>		
National Merit Scholarship Corporation	\$	77,620
ACCESS Scholarship Foundation	\$	62,500
Other	\$	46,250
<b>Total Scholarships &amp; Fellowships</b>	<b>\$</b>	<b>186,370</b>
<b>Other</b>		
GSSM Foundation	\$	30,000
Park Place School	\$	25,000
Starbase Victory Foundation	\$	20,000
Other	\$	49,375
<b>Total Other</b>	<b>\$</b>	<b>124,375</b>
<b>Total Education</b>	<b>\$</b>	<b>1,013,245</b>

## CULTURE AND THE ARTS (EXCLUDING MATCHING GIFTS)

Music	
Virginia Symphony	\$ 70,300
Virginia Opera	\$ 69,300
Roanoke Symphony	\$ 25,400
Other	\$ 41,400
<b>Total Music</b>	<b>\$ 206,400</b>
Museums	
Tennessee Valley Railroad Museum	\$ 503,500
Chrysler Museum of Art	\$ 200,000
Railroad Museum of Pennsylvania	\$ 59,980
Other	\$ 232,900
<b>Total Museums</b>	<b>\$ 996,380</b>
Public Radio & TV	
WHRO	\$ 36,000
Blue Ridge Public TV	\$ 6,450
<b>Total Public Radio &amp; TV</b>	<b>\$ 42,450</b>
Arts Funds or Councils	
Business Consortium for Arts Support	\$ 47,500
Other	\$ 11,500
<b>Total Arts Funds or Councils</b>	<b>\$ 59,000</b>
Theatres	
Virginia Stage Company	\$ 63,525
Other	\$ 500
<b>Total Theatres</b>	<b>\$ 64,025</b>
Cultural Centers	
Kennedy Center for the Performing Arts	\$ 60,000
Western Virginia Foundation for the Arts & Sciences	\$ 48,875
Woodruff Arts Center	\$ 26,250
Other	\$ 24,875
<b>Total Cultural Centers</b>	<b>\$ 160,000</b>
Other	
Virginia Arts Festival	\$ 113,525
Virginia Zoological Society	\$ 50,000
Norfolk Botanical Garden Society	\$ 25,000
Colonial Williamsburg Foundation	\$ 25,000
Other	\$ 91,950
<b>Total Other</b>	<b>\$ 305,475</b>
<b>Total Culture and the Arts</b>	<b>\$ 1,833,730</b>

## BUSINESS & ECONOMIC DEVELOPMENT

American Coalition for Clean Coal Energy	\$	835,380
State Chambers of Commerce and other state-level business groups (various)	\$	225,104
Business Roundtable	\$	110,760
U.S. Chamber of Commerce	\$	110,000
National Association of Manufacturers	\$	59,989
Other	\$	321,790
<b>Total Business &amp; Economic Development</b>	<b>\$</b>	<b>1,663,023</b>

## CIVIC & COMMUNITY

Local police, fire, and emergency services	\$	53,700
Community Foundation for Greater Atlanta	\$	50,000
Urban League of Hampton Roads	\$	17,000
Other	\$	232,245
<b>Total Civic &amp; Community</b>	<b>\$</b>	<b>352,945</b>

## ENVIRONMENTAL

Nature Conservancy of Virginia	\$	25,000
Chesapeake Bay Foundation	\$	20,000
Elizabeth River Project	\$	20,000
American Chestnut Foundation	\$	15,000
Other	\$	58,600
<b>Total Environmental</b>	<b>\$</b>	<b>138,600</b>

## OTHER

Lead Virginia	\$	25,000
Operation Lifesaver	\$	15,000
Catalyst	\$	10,000
Other	\$	50,790
<b>Total Other</b>	<b>\$</b>	<b>100,790</b>

## NON-CASH GIFTS

### Rolling Stock

Various freight cars to transportation museums and community organizations	\$	179,547
<b>Total Rolling Stock</b>	<b>\$</b>	<b>179,547</b>

### Real Property

1.073 acres of land to Town of Pulaski in Pulaski County, VA	\$	130,000
31.76 acres of land to Stark County Parks District at Navarre, OH	\$	100,000
3.5 acres of land to City of Sharonville in Hamilton County, OH	\$	42,000
<b>Total Real Property</b>	<b>\$</b>	<b>272,000</b>

### Donated Transportation

Various transportation charges donated	\$	47,144
<b>Total Donated Transportation</b>	<b>\$</b>	<b>47,144</b>

<b>Total Non-Cash Gifts</b>	<b>\$</b>	<b>498,691</b>
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## MATCHING GIFTS

In 2010, the Foundation matched 1,417 gifts to 510 organizations.

A total of \$1,403,154 was paid under the program, down 4.5 percent over the previous year.

- Education \$ 866,870 (664 gifts matched to 280 institutions)
- Arts/Culture \$ 515,749 (697 gifts matched to 206 organizations)
- Environmental \$ 20,535 (56 gifts matched to 24 organizations)

The top 10 organizations receiving Matching Gifts were:

- Virginia Tech Foundation \$ 98,505
- Roanoke College \$ 91,934
- College of William and Mary \$ 76,215
- Virginia Symphony \$ 69,939
- Chrysler Museum of Art \$ 52,083
- Roanoke Catholic School \$ 40,699
- Civil War Preservation Trust \$ 39,970
- University of Virginia Fund \$ 35,050
- Virginia Wesleyan College \$ 31,425
- Virginia Arts Festival \$ 25,794

Organizations qualifying for Matching Gifts include certain educational institutions, arts/cultural organizations and environmental organizations that are located in the United States, recognized as tax-exempt, non-profit organizations under Section 501(c)(3) of the Internal Revenue Code, and independent of Norfolk Southern.

## GOOD GOVERNMENT FUND - RELATED MATCHING CONTRIBUTIONS

Starting with 2008, contribution totals include matching contributions provided to charitable organizations as part of the Corporation's GGF matching contributions program. Under this program, employees who contribute to the GGF are eligible to designate any tax-exempt charitable organization as the recipient of an equivalent contribution from the Corporation. In 2010, the Corporation contributed \$757,925 through this program, up 8.4 percent over the previous year.

## LOCAL DISCRETION GRANT PROGRAM

The local discretion grant program sponsored by the Corporation allows each operating division of Norfolk Southern Railway Company to recommend contributions, and allows those divisions to demonstrate good corporate citizenship. Each division may make recommendations for up to \$12,000 of contributions annually.

A total of \$129,000 was paid out under the program in 2010, which was largely unchanged from 2009. Ten of the 12 divisions recommended allowance of contributions and all of the recommended contributions were made. Community volunteer fire departments, rescue squads, and police departments received \$42,200; arts, cultural, and historic organizations received \$21,500; civic and community relations organizations received \$58,800, and educational institutions received \$6,500.

## DIVERSITY

The Foundation tracks grants made to organizations that support the Corporation's mission to enhance diversity in the workplace. For 2010, a total of \$313,870 in grants was awarded to organizations that support higher education for minorities and women, more productive community relations, and services to underserved populations in Norfolk Southern's operating territory.

A total of \$163,000 in grants was paid to colleges, universities, and scholarship organizations to help women and minorities obtain college educations. Among the recipients were ACCESS Scholarship Foundation, Norfolk State University, Clark Atlanta University, North Carolina A&T State University, Hampton University, the Society of Women Engineers, and the National Society of Black Engineers. The Colonial Williamsburg Foundation received \$25,000 which completed a multi-year pledge in support of African-American history programming.

The Foundation contributed the final payment of \$10,000 under a 5-year, \$50,000 pledge to the National Center for Civil & Human Rights for the acquisition of Dr. Martin Luther King's personal papers. Catalyst, which addresses women's workplace issues, received \$10,000.

## CONTRIBUTIONS BY MAJOR GEOGRAPHIC LOCATION (EXCLUDING MATCHING GIFTS AND GGF - RELATED MATCHING CONTRIBUTIONS)

A breakdown by category of 2010 contributions follows:

### Atlanta (\$589,140)

Civic & Community	25 %
Culture/Arts	9 %
Education	10 %
Environment	3 %
Other Health/Human Services	29 %
United Way	24 %

### Roanoke (\$450,092)

Civic & Community	7 %
Culture/Arts	41 %
Education	4 %
Environment	2 %
Other Health/Human Services	8 %
United Way	38 %

### Hampton Roads (\$1,643,469)

Civic & Community	6 %
Culture/Arts	47 %
Education	14 %
Environment	2 %
Other Health/Human Services	18 %
United Way	13 %

## LONG-TERM PLEDGES

In 2010, payments were completed by the Norfolk Southern Foundation and the Corporation on 15 long-term pledges, and 9 new long-term pledges were authorized.

### NEW PLEDGES

Organization	Annual Payment	Years Pledged
Eastern Virginia Medical School ( <i>capital project</i> )	\$ 50,000	5
Global Transpark Foundation	\$ 25,000	2
Grady Memorial Hospital ( <i>Greater Grady campaign</i> )	\$ 100,000	5
Greater Bluefield Community Center ( <i>capital project</i> )	\$ 10,000	5
John Foster Dulles Elementary School ( <i>educational project</i> )	\$ 5,000	4
John Hope College Preparatory School ( <i>educational project</i> )	\$ 5,000	4
Nature Conservancy of Virginia ( <i>operating support</i> )	\$ 25,000	2
Virginia Business Higher Educational Council ( <i>Grow by Degrees program</i> )	\$ 25,000	2
Western Virginia Foundation for Arts & Sciences ( <i>capital project</i> )	\$ 20,000	5

### EXISTING PLEDGES

Type*	Organization	Annual Payment	Years Remaining
C	Clemson University Foundation	\$ 23,000	0
F	Colonial Williamsburg Foundation	\$ 25,000	0
F	The Community Foundation for Greater Atlanta	\$ 50,000	0
B	Franklin County Area Development Corp.	\$ 500	0
C	GSSM Foundation	\$ 30,000	0
F	Hampton Roads Community Foundation	\$ 25,000	0
C	Kennedy Center for the Performing Arts	\$ 50,000	0
C	MUSC Foundation	\$ 23,000	0
F	Norfolk Botanical Garden Society	\$ 25,000	0
C	Pendleton Place Children's Shelter	\$ 4,000	0
F	Penn State Altoona	\$ 50,000	0
F	Southern WV Community & Technical College	\$ 5,000	0
F	University of Missouri/Barriger Library	\$ 5,000	0
C	University of South Carolina Educational Fdn.	\$ 20,000	0
F	Virginia Living Museum	\$ 15,000	0
F	Chesapeake Bay Foundation	\$ 20,000	1
F	Children's Hospital of the King's Daughters	\$ 25,000	1
B	Global Transpark Foundation	\$ 25,000	1
F	Hope House Foundation	\$ 33,000	1
F	National Center for Civil & Human Rights (formerly ATCLF Collections/Community Foundation of Atlanta)	\$ 10,000	1
B	Hampton Roads Economic Development Alliance	\$ 30,000	1
F	Mariners' Museum of Newport News	\$ 10,000	1
C	Nature Conservancy for Virginia	\$ 25,000	1
F	Norfolk State University	\$ 25,000	1
F	Operation Our Town	\$ 10,000	1

Type*	Organization	Annual Payment	Years Remaining
B	Roanoke Regional Partnership <i>(formerly Roanoke Valley Economic Development Partnership)</i>	\$ 5,000	1
F	University of Kentucky	\$ 10,000	1
B	Virginia Business Higher Education Council	\$ 25,000	1
B	Virginia's Gateway Region Economic Development Organization	\$ 10,000	1
F	Virginia Zoological Society	\$ 50,000	1
F	The BeltLine Partnership	\$ 20,000	2
F	Chrysler Museum of Art	\$ 95,000	2
B	City of Charleston, SC	\$ 50,000	2
C	Furman University	\$ 10,000	2
F	Georgia Research Alliance	\$ 6,250	2
F	Hampton Arts Foundation	\$ 5,000	2
C	Kennedy Center for the Performing Arts	\$ 50,000	2
F	Kennesaw Museum Foundation	\$ 25,000	2
B	Metro Atlanta Chamber of Commerce	\$ 10,000	2
F	Old Dominion University	\$ 30,000	2
C	Presbyterian College	\$ 10,000	2
F	Sandler Performing Arts Foundation	\$ 10,000	2
C	Spina Bifida Foundation	\$ 100,000	2
F	STARBASE Victory Foundation	\$ 5,000	2
C	USC Educational Foundation	\$ 80,000	2
F	Virginia Arts Festival	\$ 50,000	2
F	Volunteer Hampton Roads	\$ 5,000	2
F	Boys & Girls Club of Southeastern Georgia	\$ 5,000	3
C	Chrysler Museum of Art (separate from other grant to Chrysler)	\$ 100,000	3
B	Georgia Chamber of Commerce	\$ 20,000	3
B	John Foster Dulles Elementary School	\$ 5,000	3
B	John Hope College Preparatory High School	\$ 5,000	3
F	University of Virginia Fund	\$ 10,000	3
F	YMCA of South Hampton Roads	\$ 10,000	3
F	Eastern Virginia Medical School	\$ 50,000	4
F	Grady Memorial Hospital	\$ 100,000	4
F	Greater Bluefield Community Center	\$ 10,000	4
F	Western Virginia Foundation for Arts & Sciences	\$ 20,000	4

\*F – Foundation, B – Business, C – Corporate

## 2011 FUNDING STATUS

For the 2011 funding year, the Foundation received 305 proposal requests, seeking approximately \$9.4 million, by the September 30, 2010 deadline.

Of these requests, 10 "core" organizations in Norfolk, Roanoke and Atlanta were funded; and 46 organizations, including 18 first-time recipients, received pledges for discretionary funding in 2011. In addition, \$320,000 was set aside for grants to colleges and universities in support of Norfolk Southern's scholarship programs.

For 2011, the Trustees authorized a budget of \$6.0 million, consistent with the 2010 authorization level. The Foundation anticipates funding all \$6.0 million in 2011.

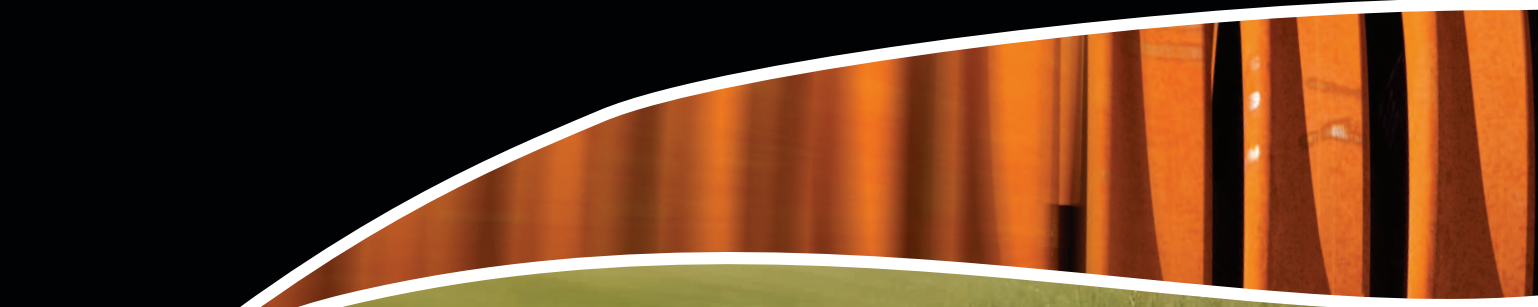
Through April 30, 2011, the Foundation awarded a total of \$2,139,555 in grants and Matching Gifts. Business payments were \$1,259,682 and Corporate contributions were \$332,000. The estimated market value of Foundation assets on April 30, 2010, was \$3,985,293.70.





## OUR VISION

Be the safest,  
most customer-focused, and  
successful transportation  
company in the world



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