



First Quarter 2010 Results

Jake Allison
Vice President and Controller



Operating Results

First Quarter 2010 vs. 2009 (\$ Millions)

	First Qtr 2010	First Qtr 2009	Favorable (Unfavorable)	
			\$	%
Railway Operating Revenues	\$ 2,238	\$ 1,943	\$ 295	15%

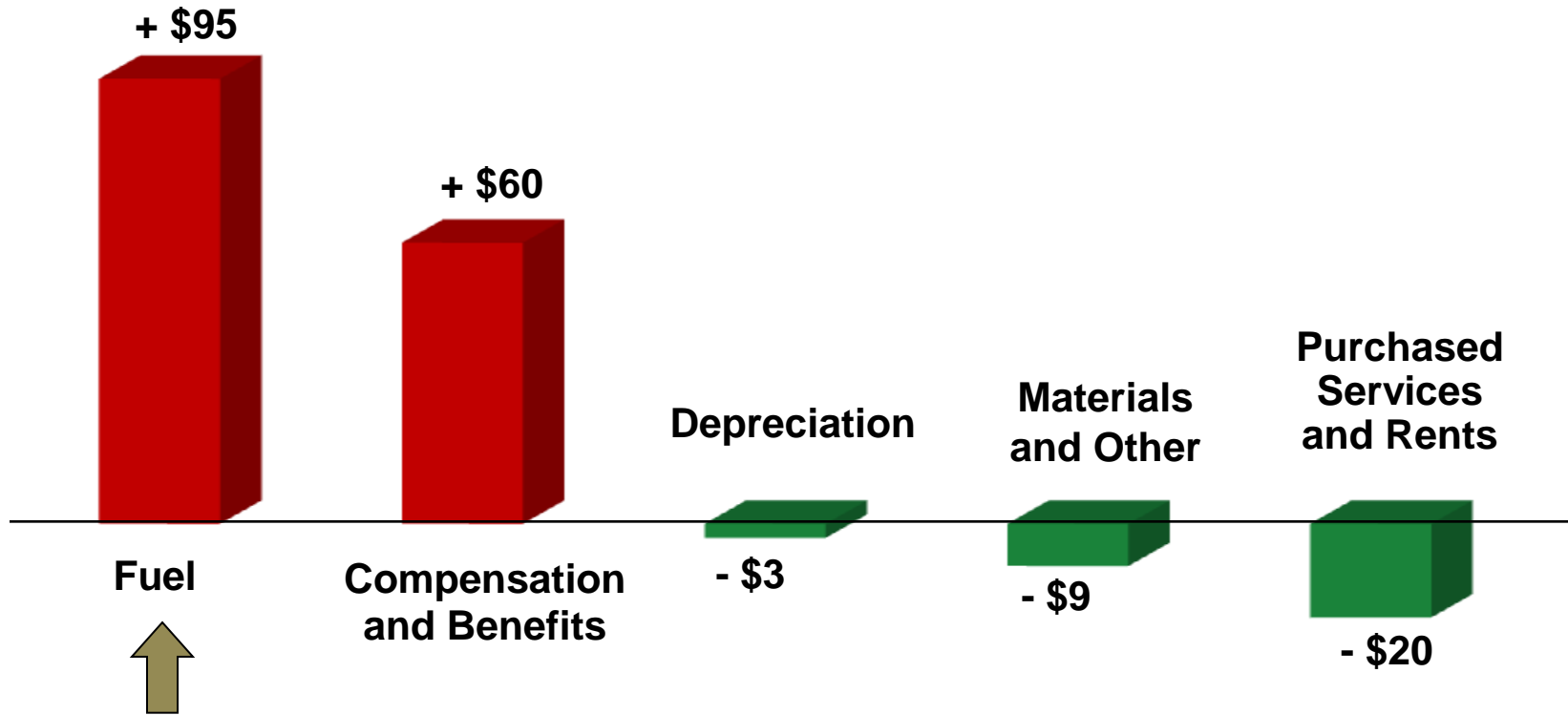
Operating Results

First Quarter 2010 vs. 2009 (\$ Millions)

	First Qtr 2010	First Qtr 2009	Favorable (Unfavorable)	
			\$	%
Railway Operating Revenues	\$ 2,238	\$ 1,943	\$ 295	15%
Railway Operating Expenses	1,683	1,560	(123)	(8%)
Income from Railway Operations	\$ 555	\$ 383	\$ 172	45%
Railway Operating Ratio	75.2	80.3	5.1	6%

Railway Operating Expense Analysis

First Quarter 2010 vs. 2009 (\$ Millions)



Net Increase \$123 Million / 8%

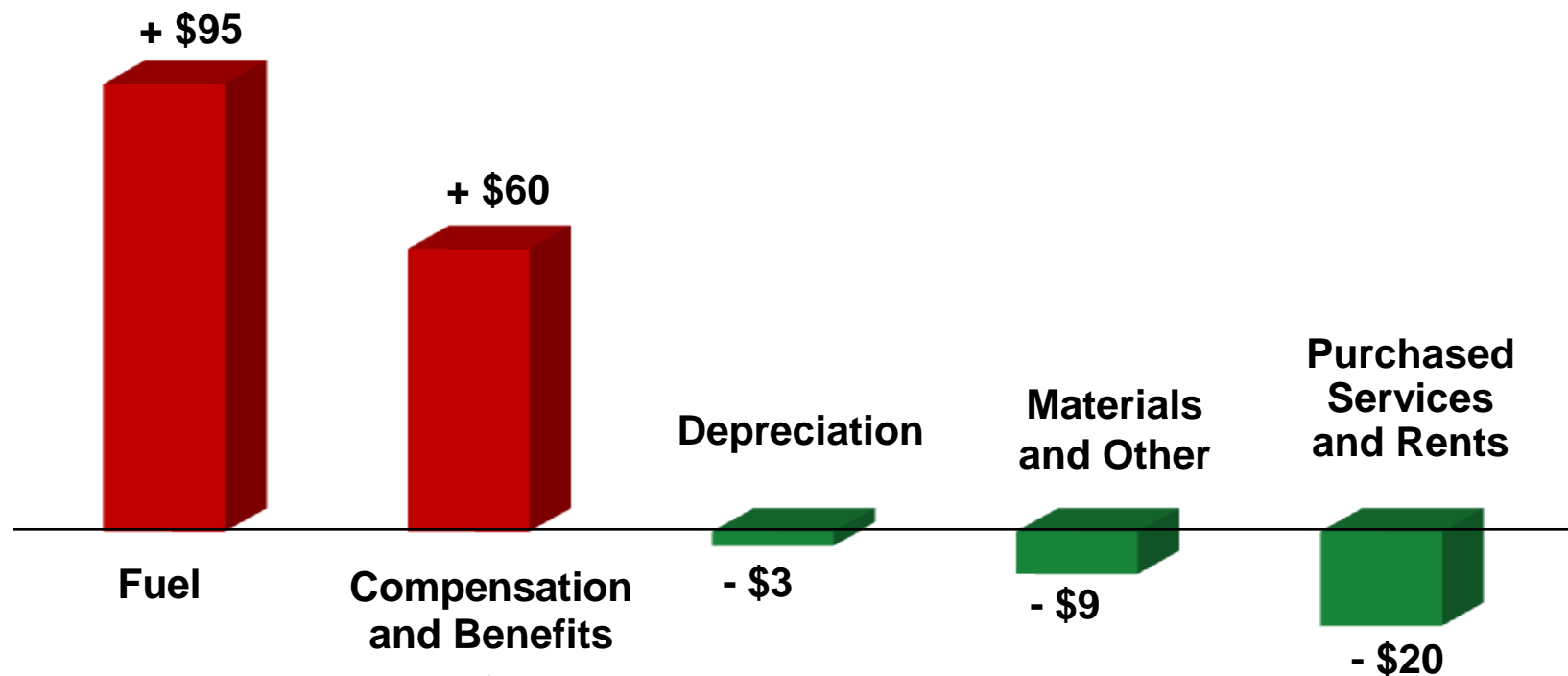
Fuel Expense Analysis

First Quarter 2010 vs. 2009 (\$ Millions)



Railway Operating Expense Analysis

First Quarter 2010 vs. 2009 (\$ Millions)



Net Increase \$123 Million / 8%

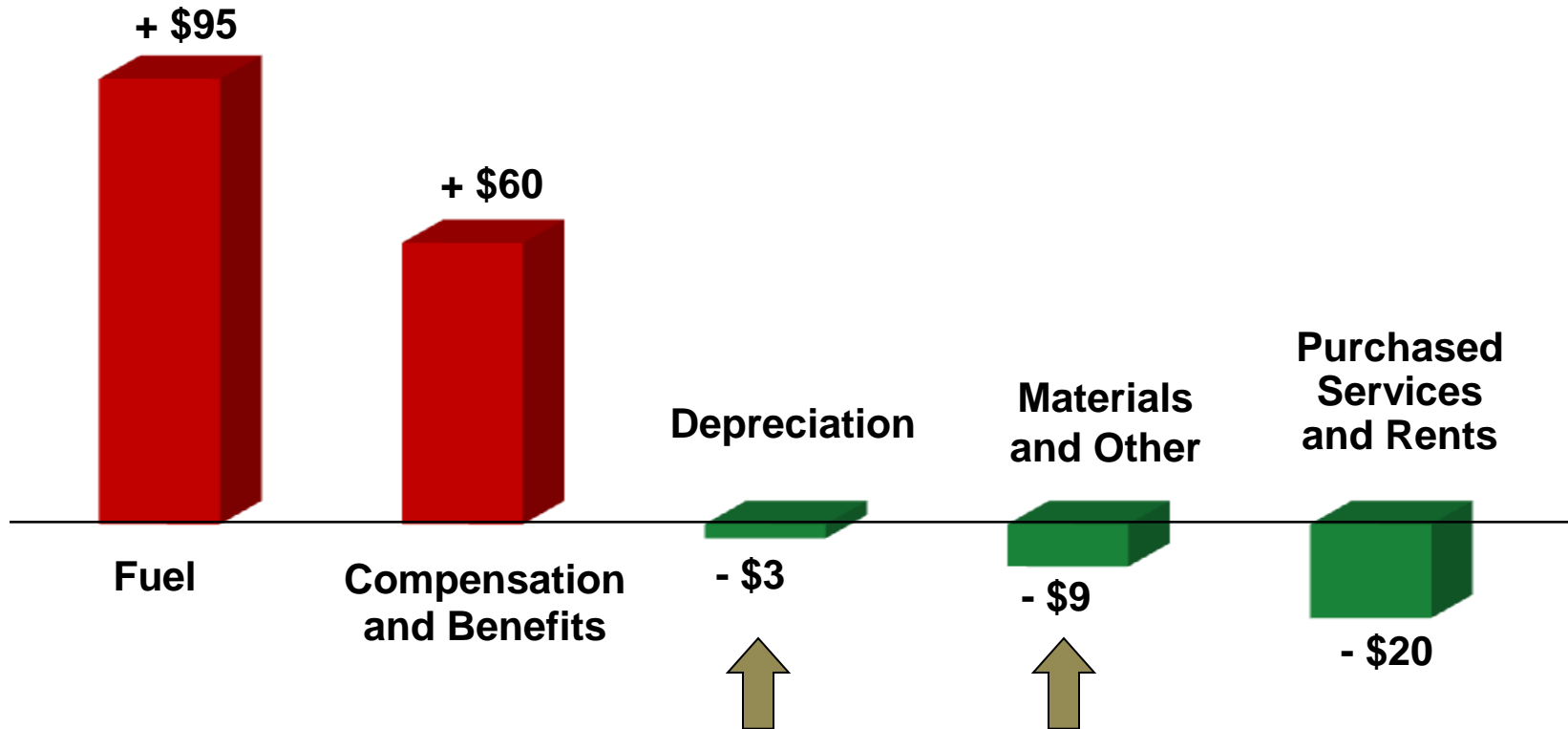
Compensation and Benefits Analysis

First Quarter 2010 vs. 2009 (\$ Millions)

	Increase (Decrease)
Stock-Based and Incentive Compensation	\$ 34
Wage Rates	18
Medical Benefits (Active and Retiree)	10
Pension Costs	8
Other	(10)
Net Increase	\$ 60

Railway Operating Expense Analysis

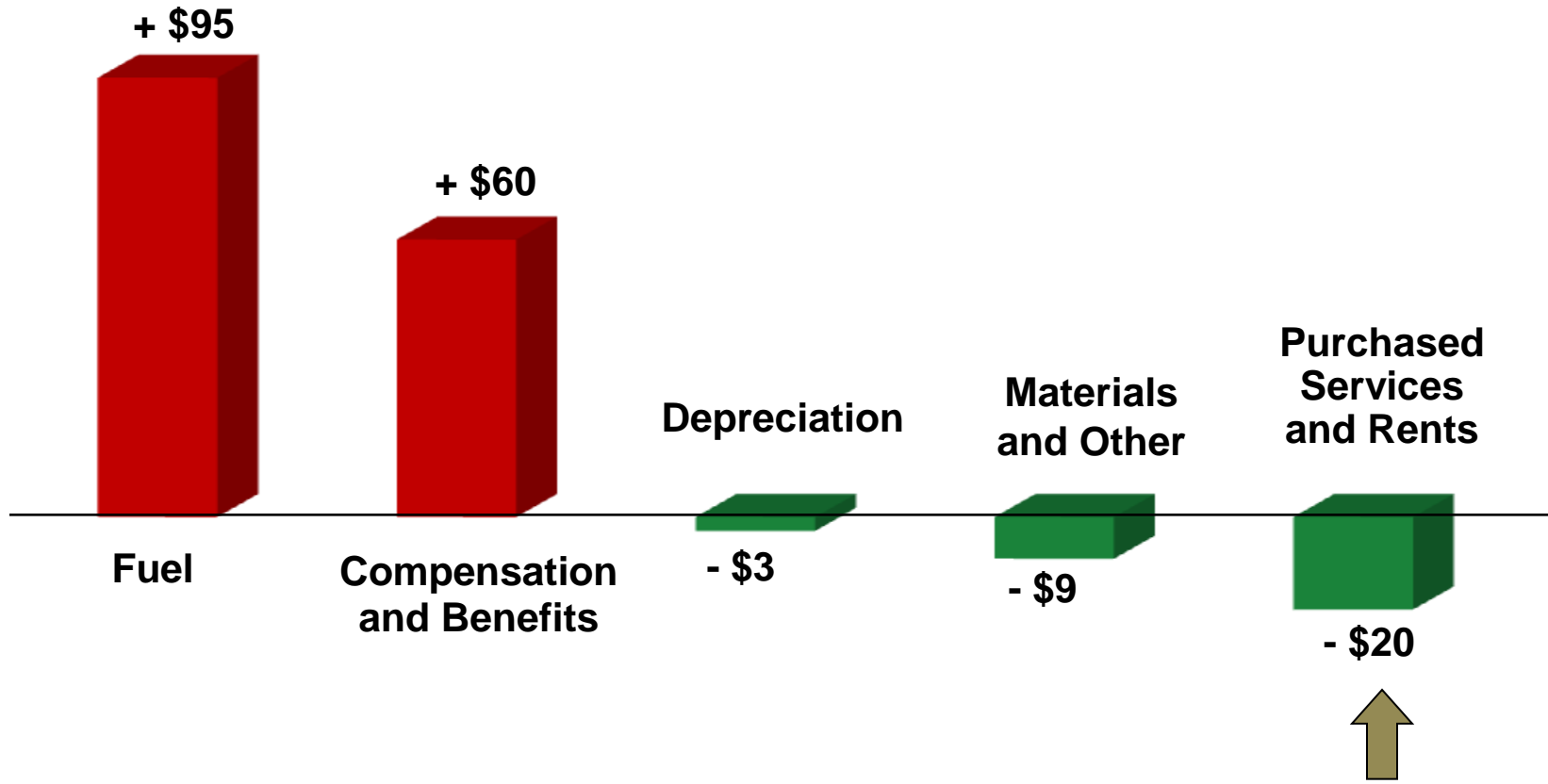
First Quarter 2010 vs. 2009 (\$ Millions)



Net Increase \$123 Million / 8%

Railway Operating Expense Analysis

First Quarter 2010 vs. 2009 (\$ Millions)



Other Income - Net

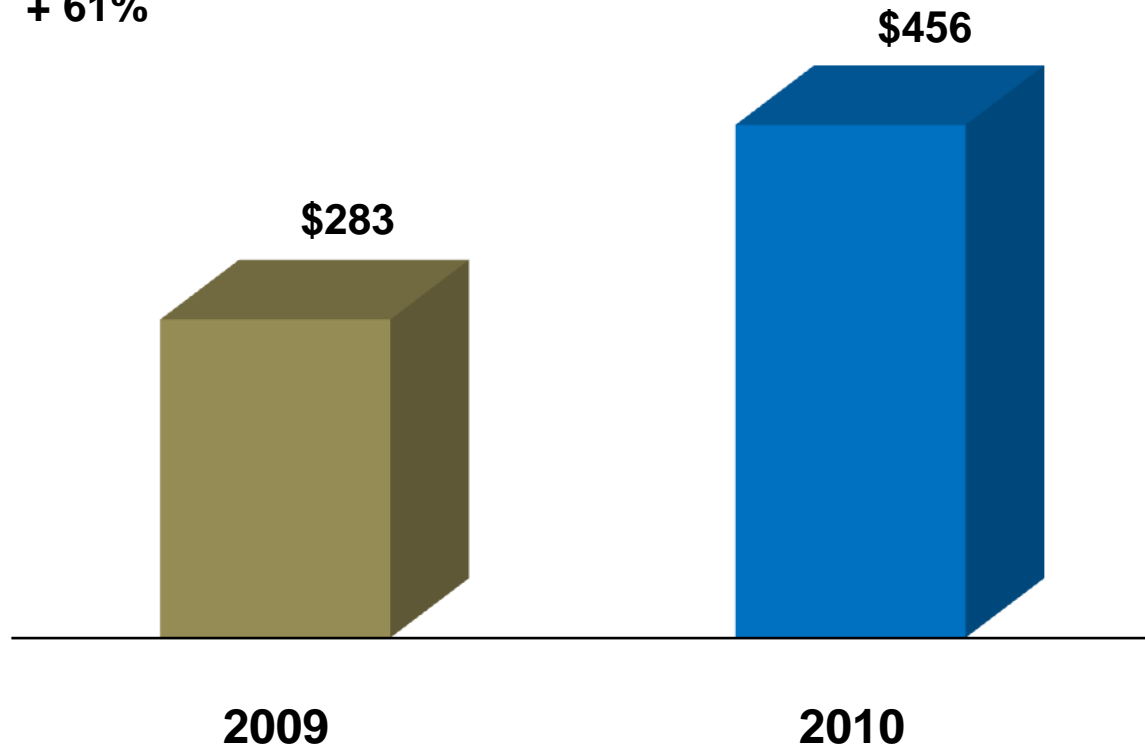
First Quarter 2010 vs. 2009 (\$ Millions)

	First Qtr 2010	First Qtr 2009	Favorable (Unfavorable)	
			\$	%
Corporate-Owned Life Insurance	\$ (1)	\$ (7)	\$ 6	86%
All Other	21	24	(3)	(13%)
Other Income - Net	\$ 20	\$ 17	\$ 3	18%
Interest Expense on Debt	\$ 119	\$ 117	\$ (2)	(2%)

Income Before Income Taxes

First Quarter (\$ Millions)

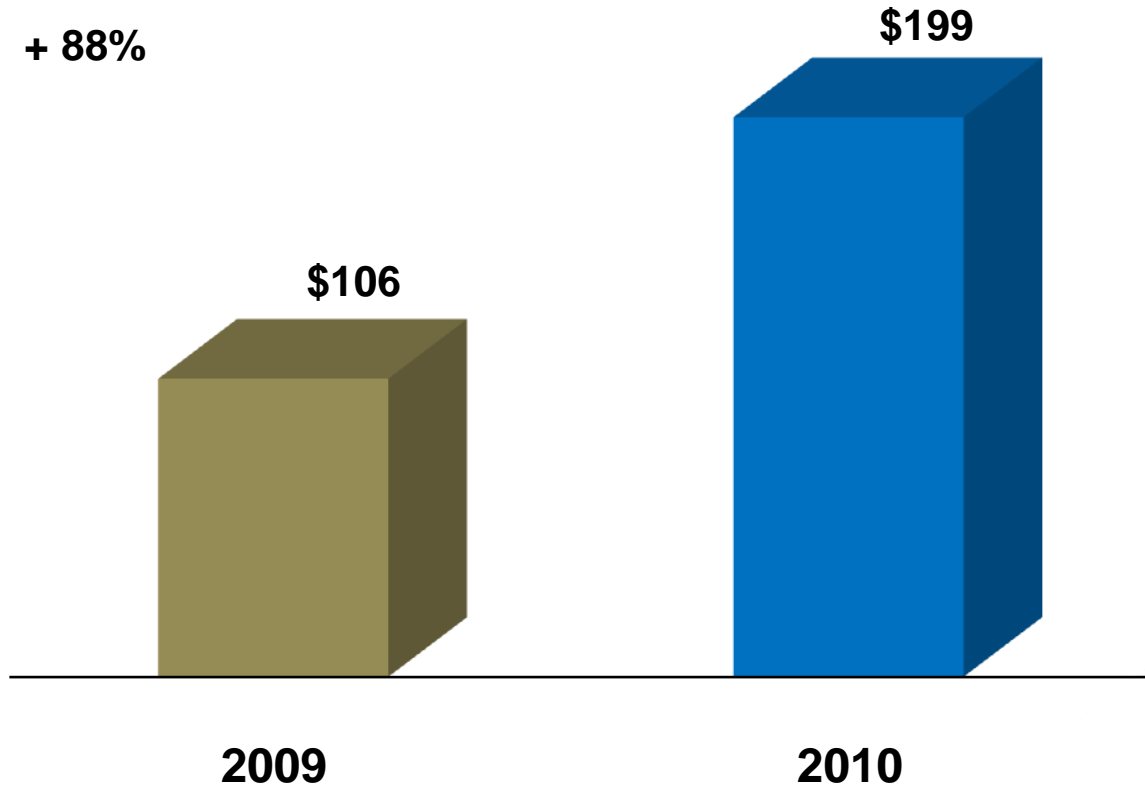
Change vs.
Prior Period: + 61%



Income Taxes

First Quarter (\$ Millions)

Change vs.
Prior Period: + 88%

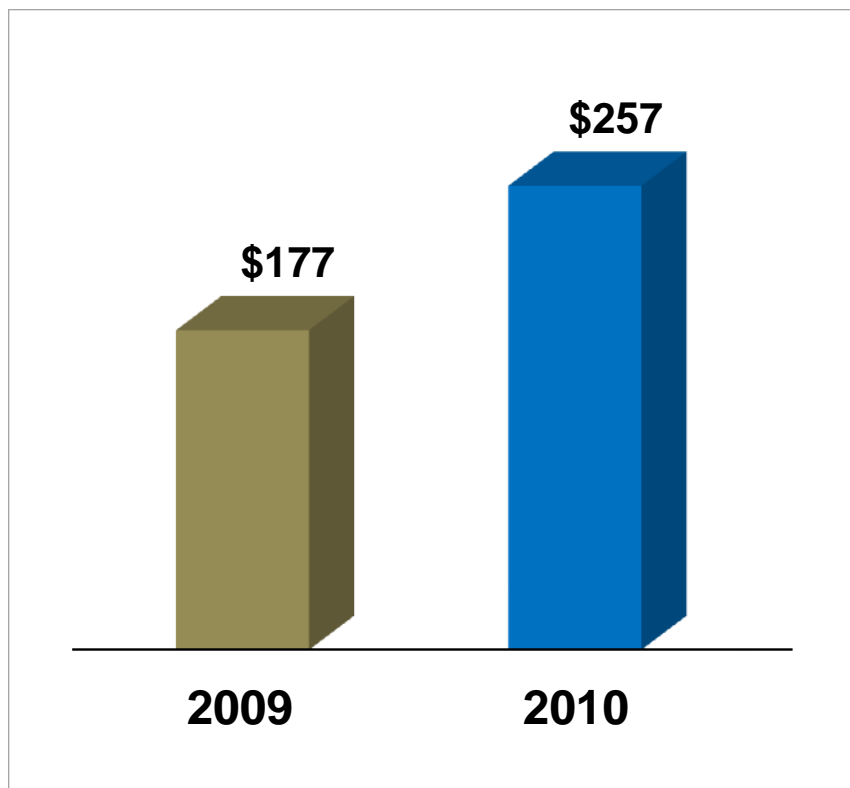


Net Income and Diluted Earnings per Share

First Quarter (\$ Millions except per share)

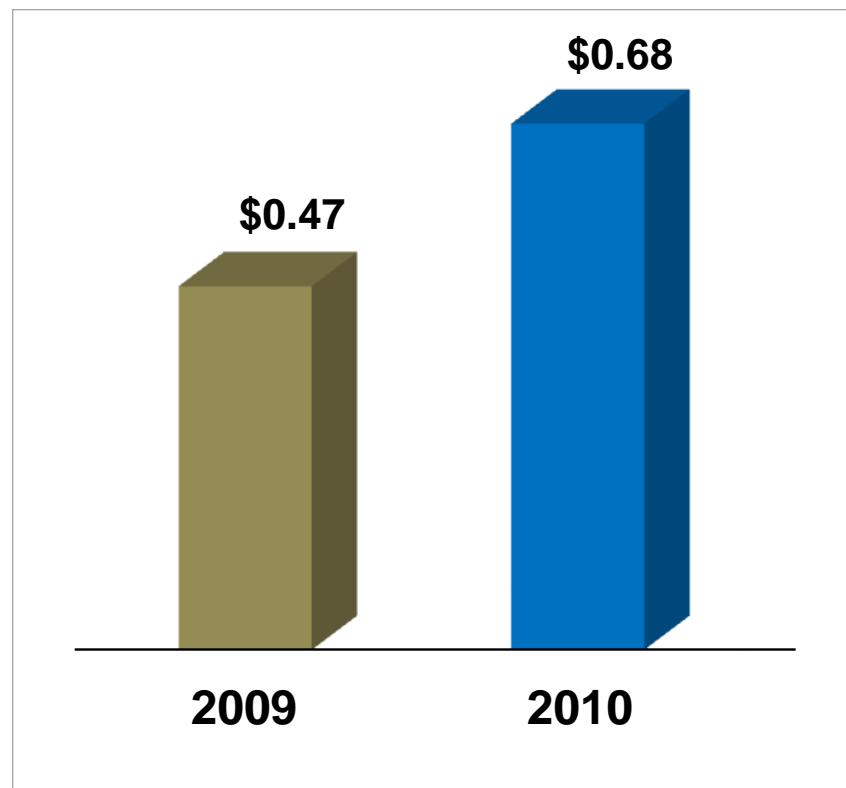
Net Income

Change vs. Prior Period: + 45%



Diluted Earnings per Share

Change vs. Prior Period: + 45%



Cash Flows

First Quarter 2010 vs. 2009 (\$ Millions)

	<u>2010</u>	<u>2009</u>
Cash Provided by Operating Activities	\$ 758	\$ 354
Capital Expenditures	(256)	(243)
*Free Cash Flow	\$ 502	\$ 111
Dividends	\$ 126	\$ 125
Cash and Cash Equivalents	\$ 1,161	\$ 884