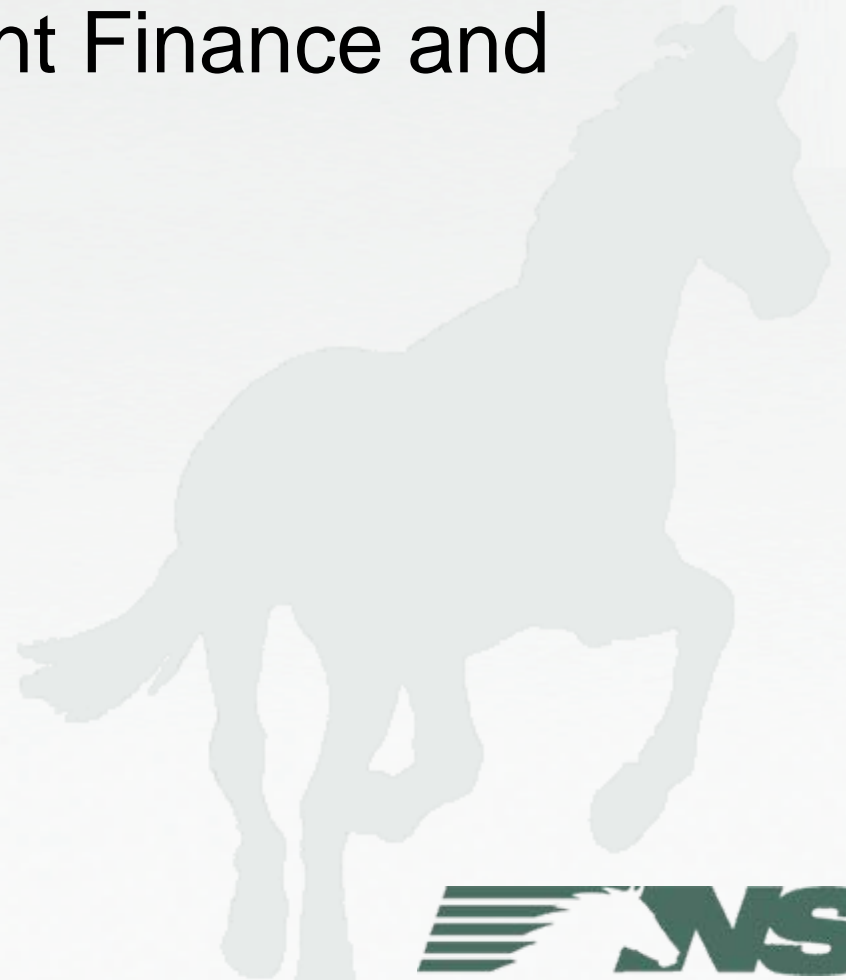


First Quarter 2009 Results

James A. Squires

Executive Vice President Finance and
Chief Financial Officer



Operating Results

First Quarter 2009 vs. 2008

(\$ Millions)

	First Qtr 2009	First Qtr 2008	Favorable (Unfavorable)	
			\$	%
Railway Operating Revenues	\$ 1,943	\$ 2,500	\$ (557)	(22%)

Operating Results

First Quarter 2009 vs. 2008

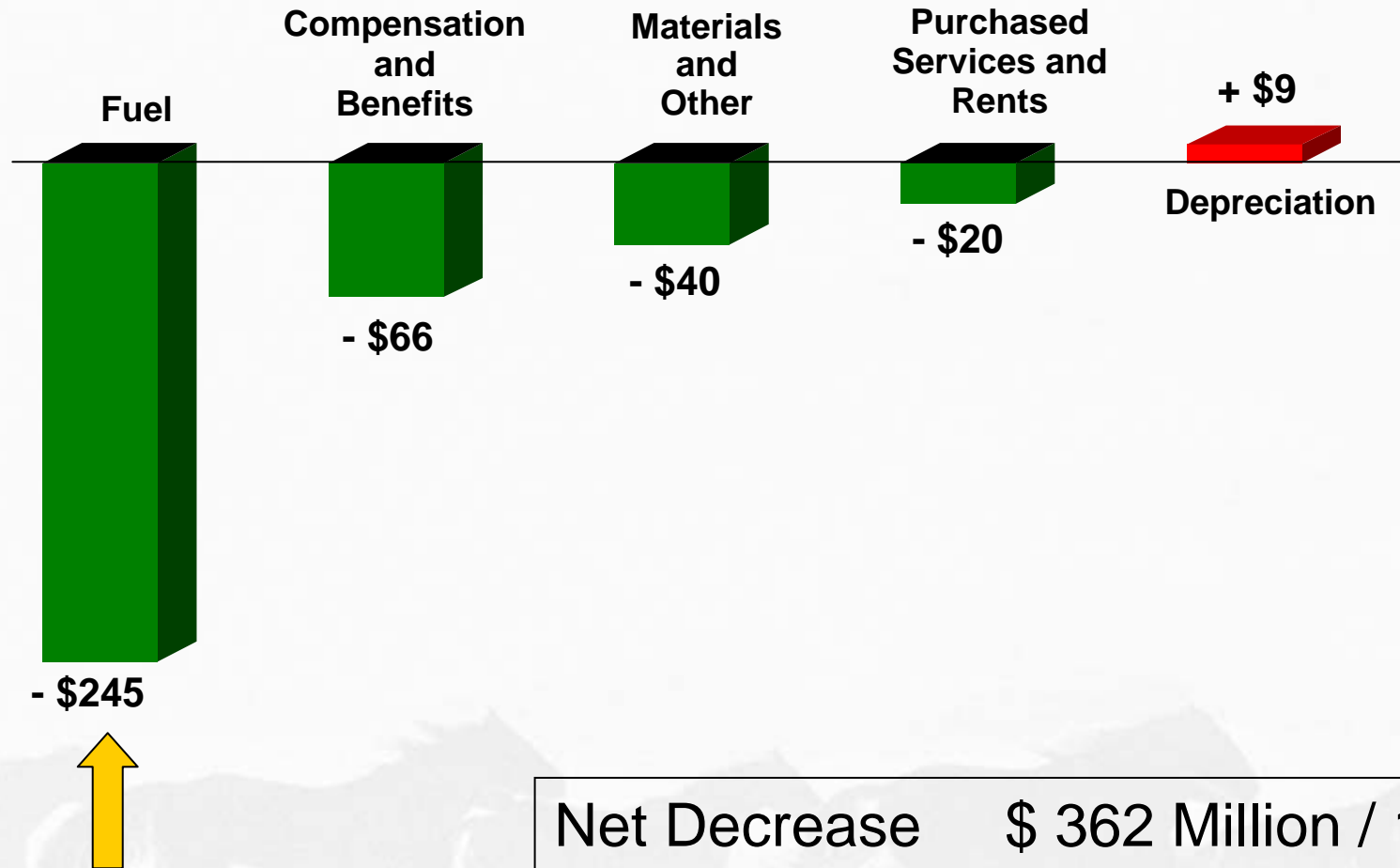
(\$ Millions)

	First Qtr 2009	First Qtr 2008	Favorable (Unfavorable)	
			\$	%
Railway Operating Revenues	\$ 1,943	\$ 2,500	\$ (557)	(22%)
Railway Operating Expenses	1,560	1,922	362	19%
Income From Railway Operations	<u>\$ 383</u>	<u>\$ 578</u>	<u>\$ (195)</u>	<u>(34%)</u>
Railway Operating Ratio	80.3	76.9	(3.4)	(4%)

Railway Operating Expense Analysis

First Quarter 2009 vs. 2008

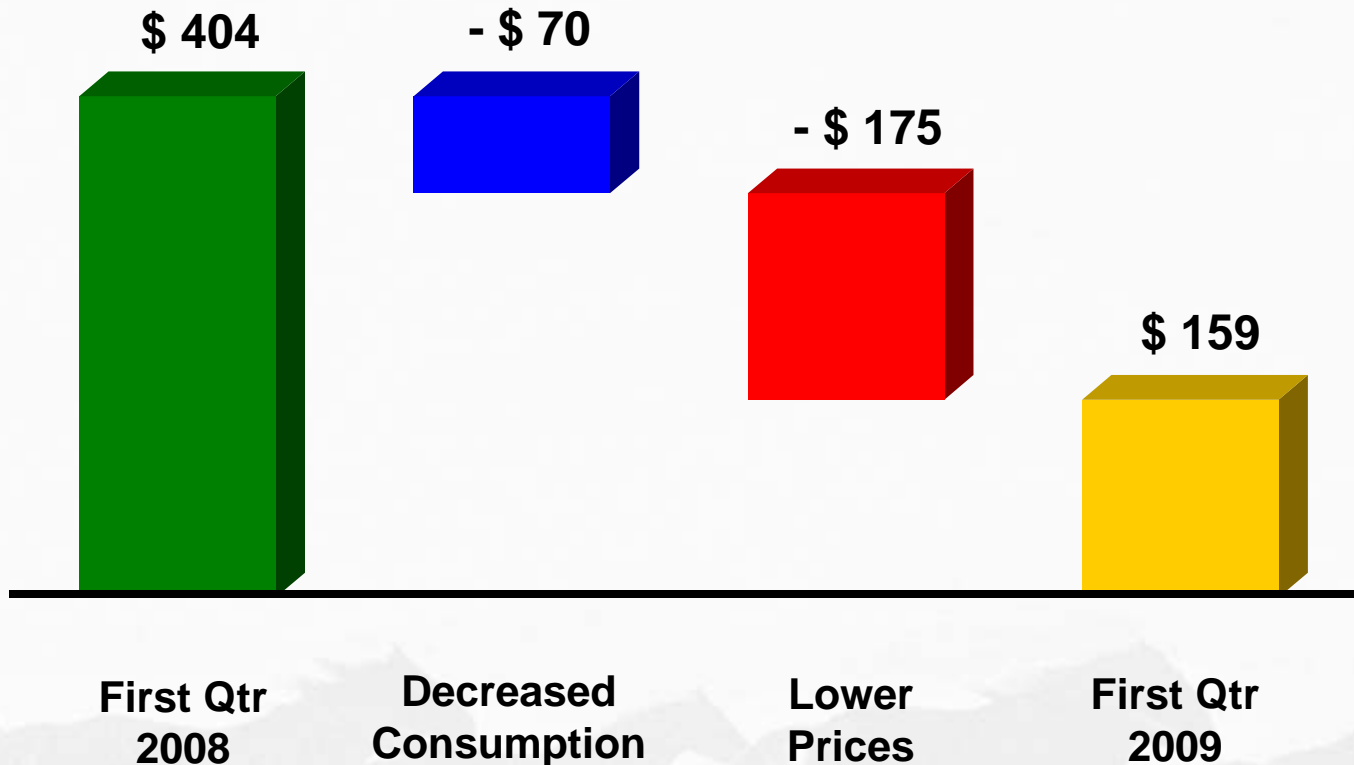
(\$ Millions)



Fuel Expense Analysis

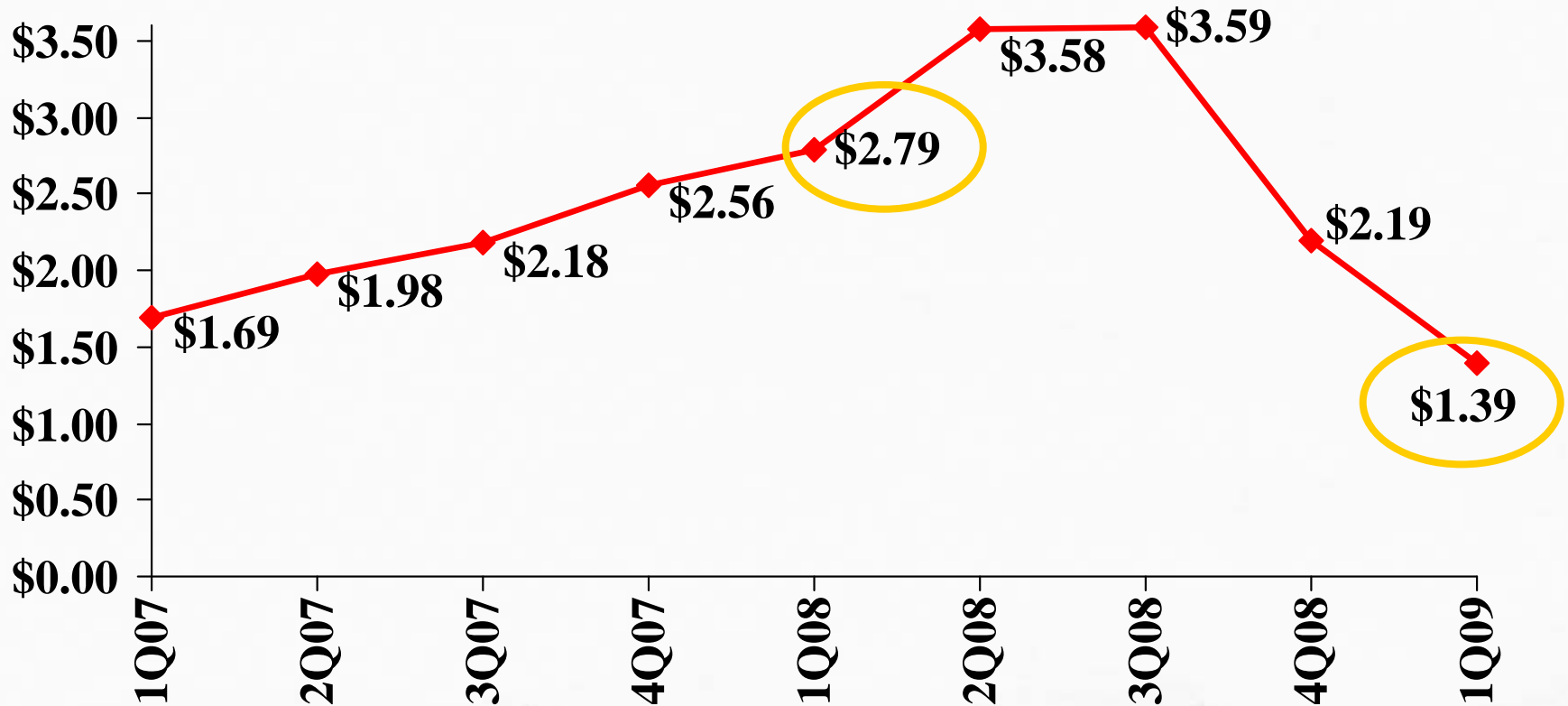
First Quarter 2009 vs. 2008

(\$ Millions)



Locomotive Diesel Fuel Average Prices

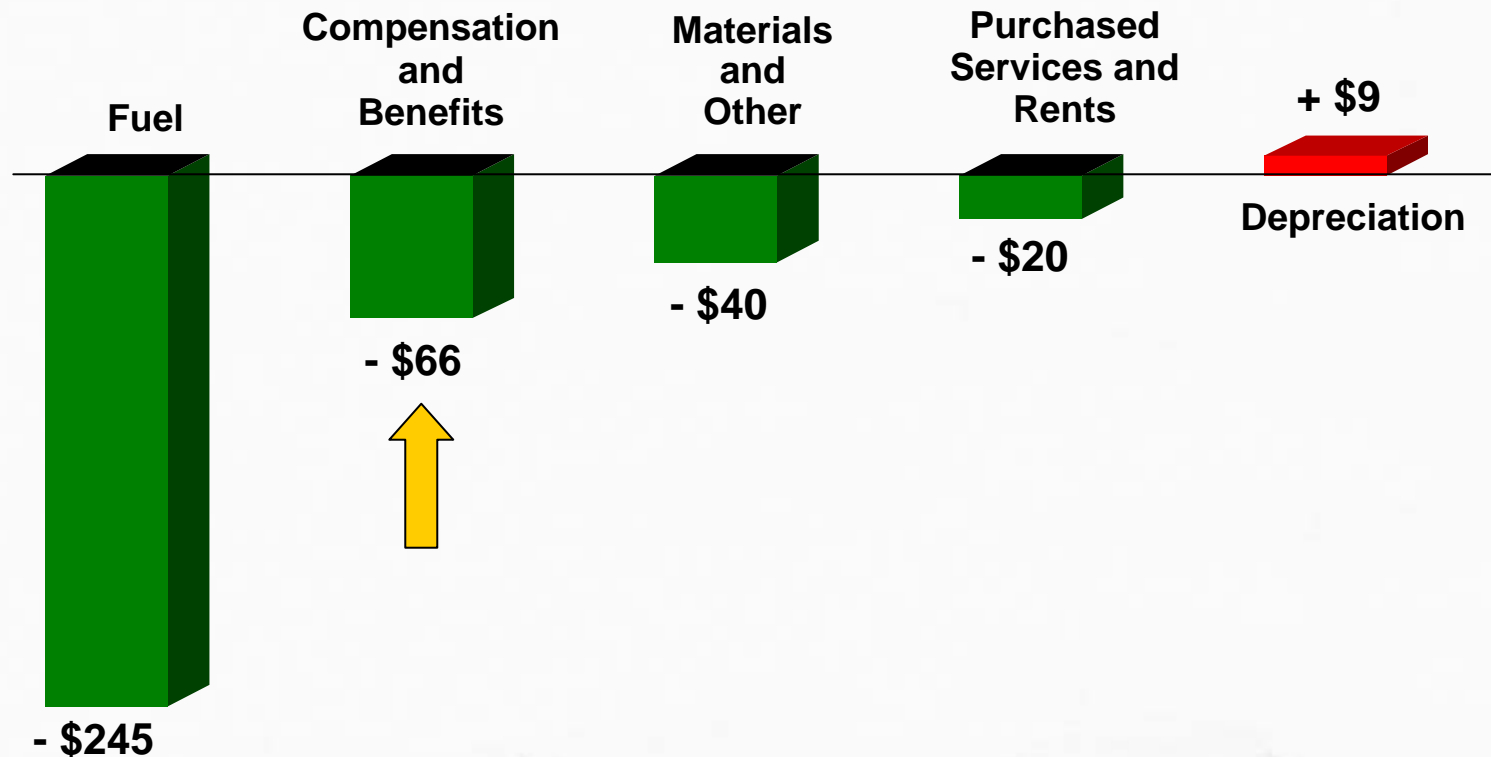
2007-2009



Railway Operating Expense Analysis

First Quarter 2009 vs. 2008

(\$ Millions)



Net Decrease \$ 362 Million / 19%

Compensation and Benefits Analysis

First Quarter 2009 vs. 2008

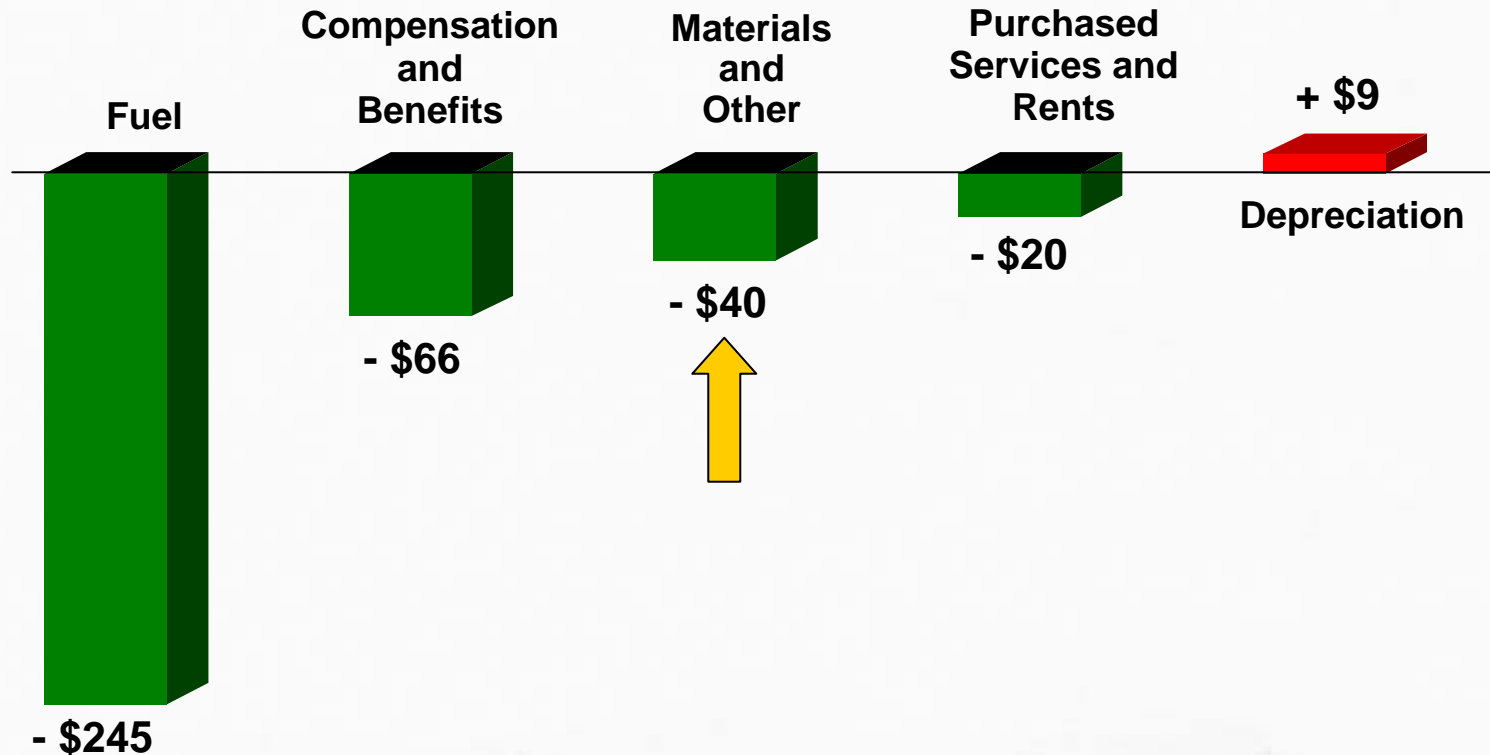
(\$ Millions)

	Increase (Decrease)
	<hr/>
Stock-Based and Incentive Compensation	\$ (56)
T&E and Other Volume-Related Payroll	(47)
Wage Rates	13
Pension	10
Medical Benefits	10
Other	4
	<hr/>
Net Decrease	\$ (66)
	<hr/> <hr/>

Railway Operating Expense Analysis

First Quarter 2009 vs. 2008

(\$ Millions)



Net Decrease \$ 362 Million / 19%

Materials and Other Expense Analysis

First Quarter 2009 vs. 2008

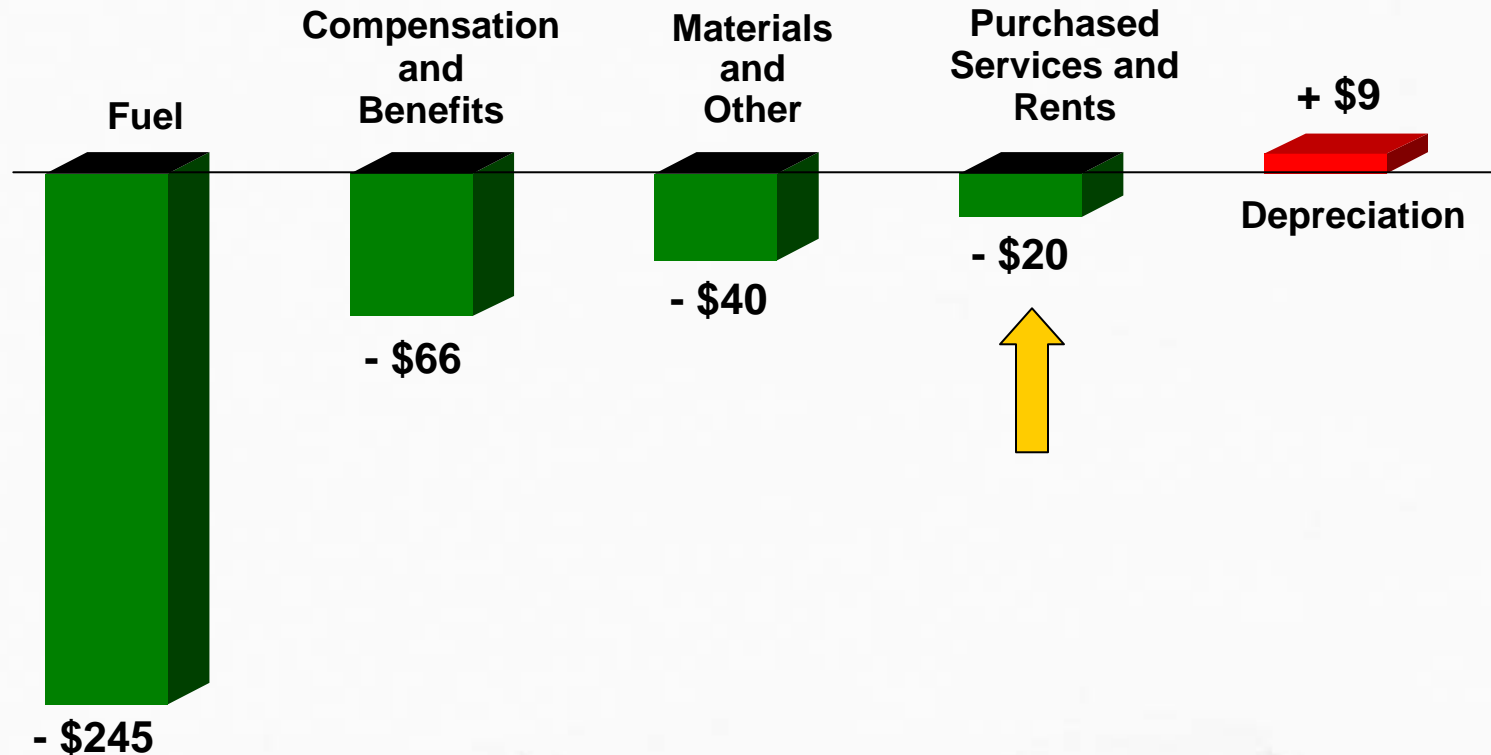
(\$ Millions)

	Increase (Decrease)
	<hr/>
Casualties and Other Claims	\$ (29)
Materials	(12)
Other	1
	<hr/>
Net Decrease	\$ (40)
	<hr/> <hr/>

Railway Operating Expense Analysis

First Quarter 2009 vs. 2008

(\$ Millions)

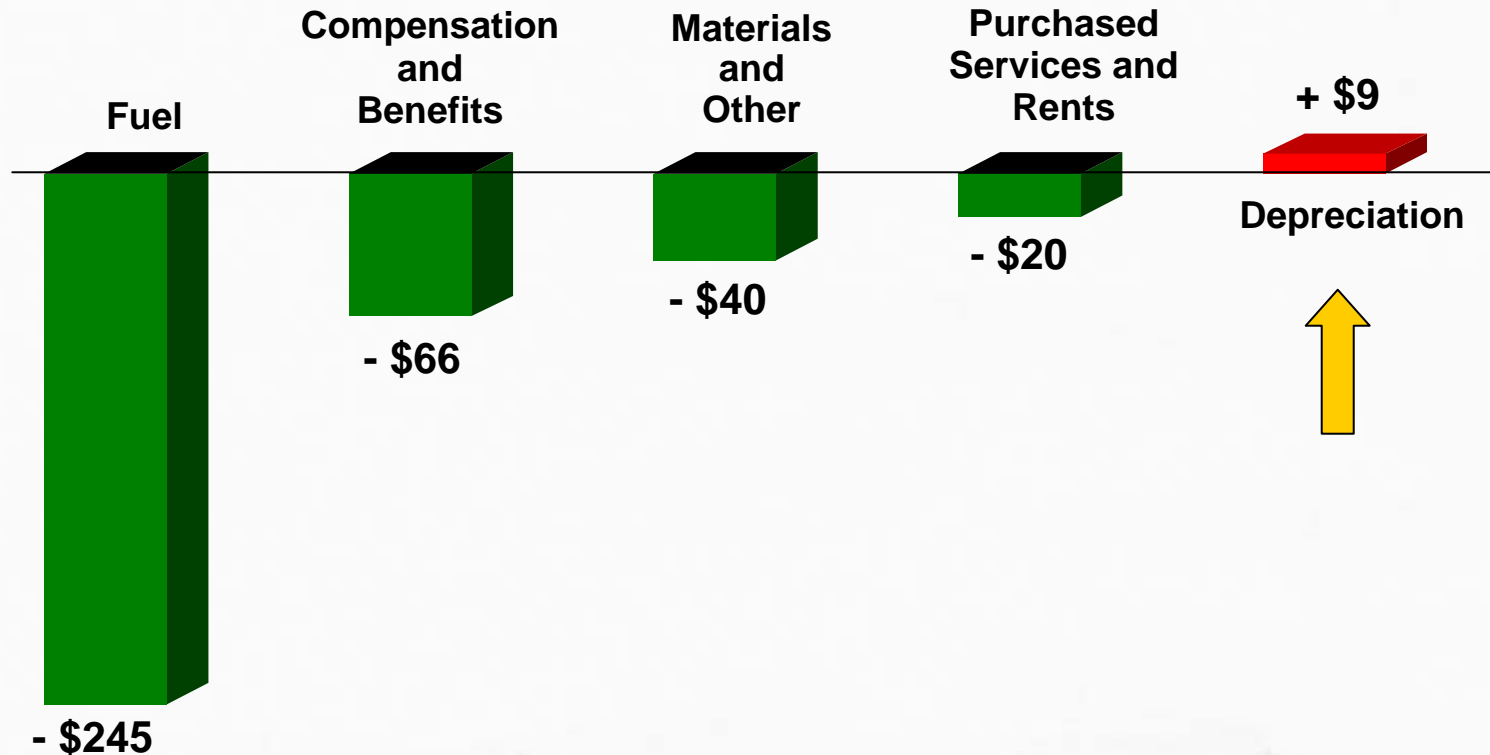


Net Decrease \$ 362 Million / 19%

Railway Operating Expense Analysis

First Quarter 2009 vs. 2008

(\$ Millions)



Net Decrease \$ 362 Million / 19%

Other Income – Net

First Quarter 2009 vs. 2008

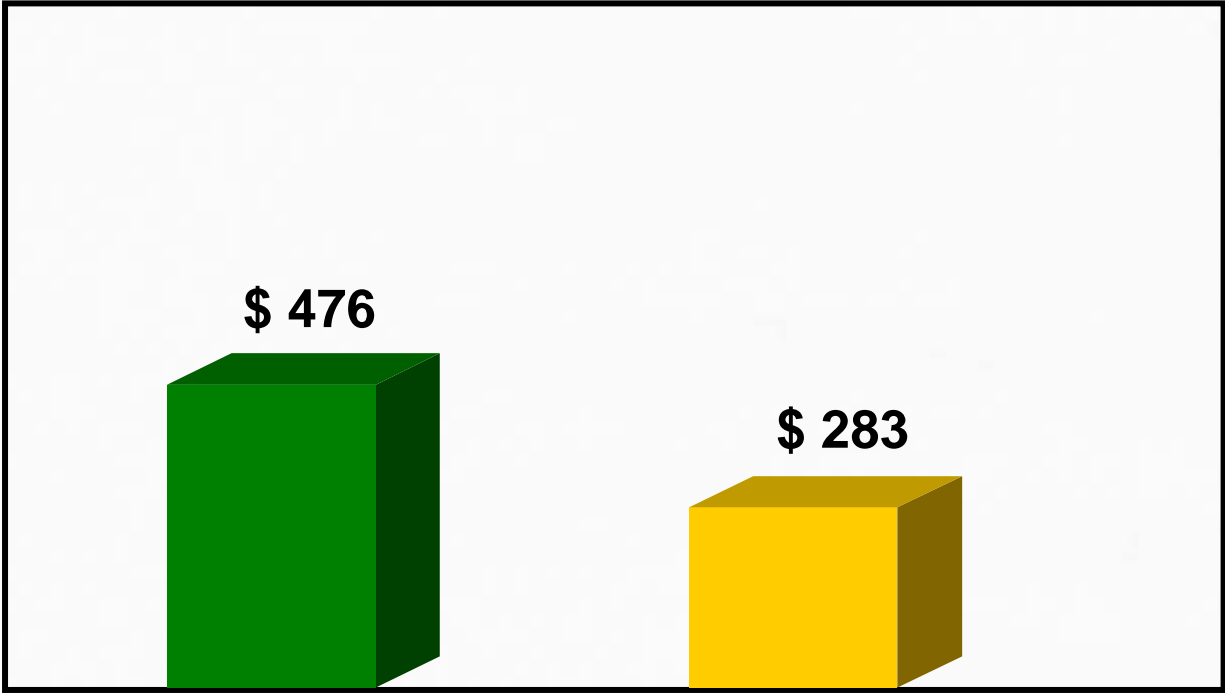
(\$ Millions)

	First Qtr 2009	First Qtr 2008	2009 vs. 2008 Favorable (Unfavorable)
Corporate-Owned Life Insurance	\$ (7)	\$ (15)	\$ 8
Coal Royalties	18	12	6
All Other	6	10	(4)
	<hr/>	<hr/>	<hr/>
Other Income – net	\$ 17	\$ 7	\$ 10
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Interest Expense on Debt	\$ 117	\$ 109	\$ (8)

Income Before Income Taxes

First Quarter

(\$ Millions)



2008

2009

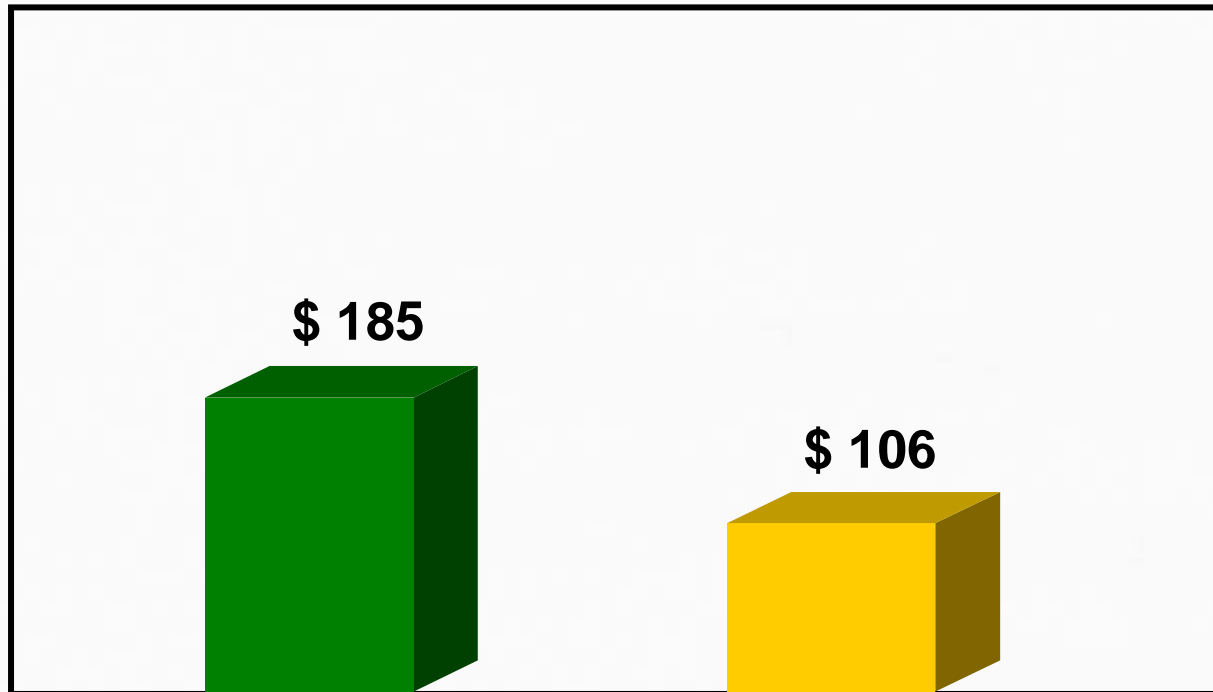
Change vs. Prior Period

- 41%

Income Taxes

First Quarter

(\$ Millions)



2008

2009

Change vs. Prior Period

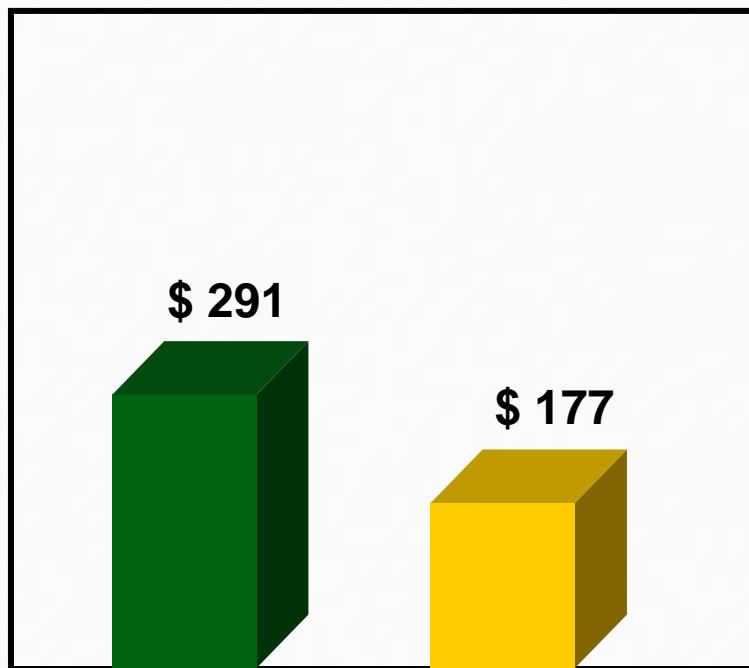
- 43%

Net Income and Diluted Earnings per Share

First Quarter

(\$ Millions except per share)

Net Income

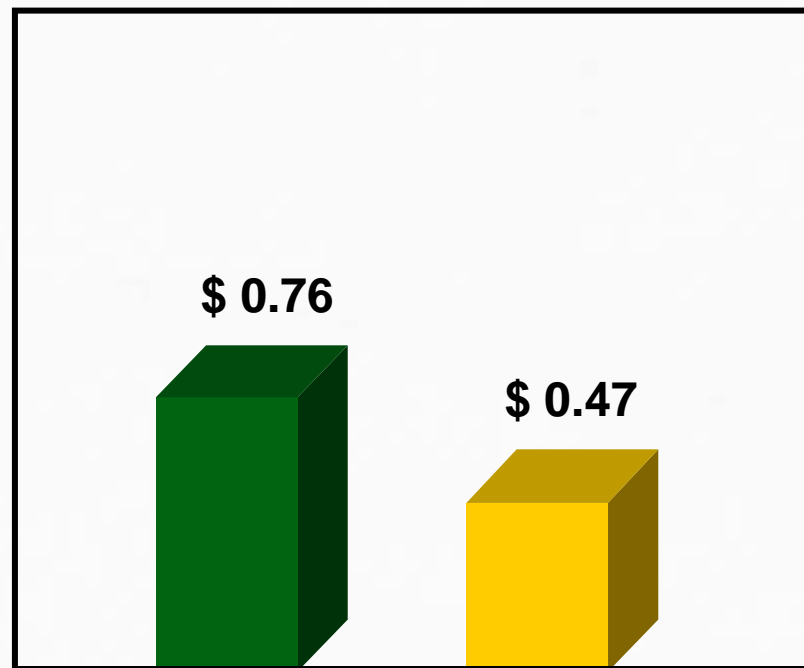


2008

2009

Change vs. Prior Period - 39%

Diluted Earnings per Share



2008

2009

- 38%

Cash Flows

First Quarter 2009 vs. 2008

(\$ Millions)

	<u>2009</u>	<u>2008</u>
Cash Provided by Operating Activities	\$ 354	\$ 604
Capital Expenditures	(243)	(304)
Free Cash Flow*	<u>\$ 111</u>	<u>\$ 300</u>
Share Repurchases	-----	\$ 276
Dividends	\$ 125	\$ 109
Cash and Cash Equivalents	\$ 884	\$ 364

**Please see reconciliation to GAAP posted on our web site.*

