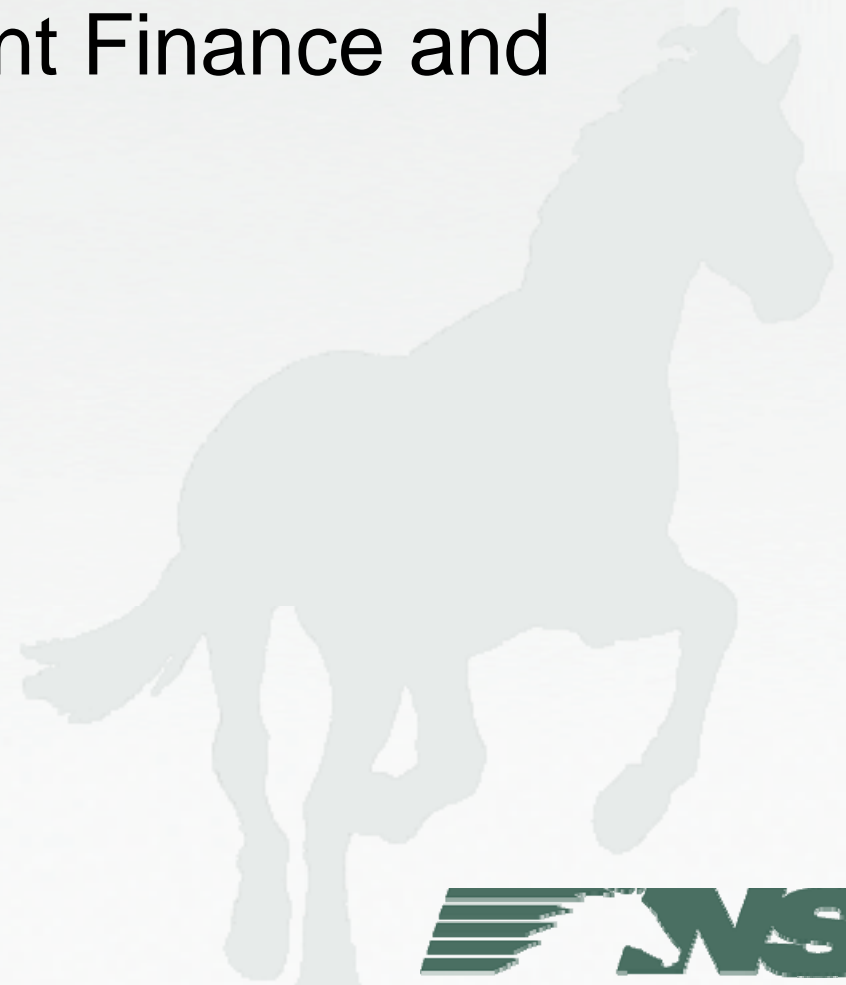


Third Quarter 2009 Results

James A. Squires

Executive Vice President Finance and
Chief Financial Officer



Operating Results

Third Quarter 2009 vs. 2008

(\$ Millions)

	Third Qtr 2009	Third Qtr 2008	Favorable (Unfavorable)	
			\$	%
Railway Operating Revenues	\$ 2,063	\$ 2,894	\$ (831)	(29%)

Operating Results

Third Quarter 2009 vs. 2008

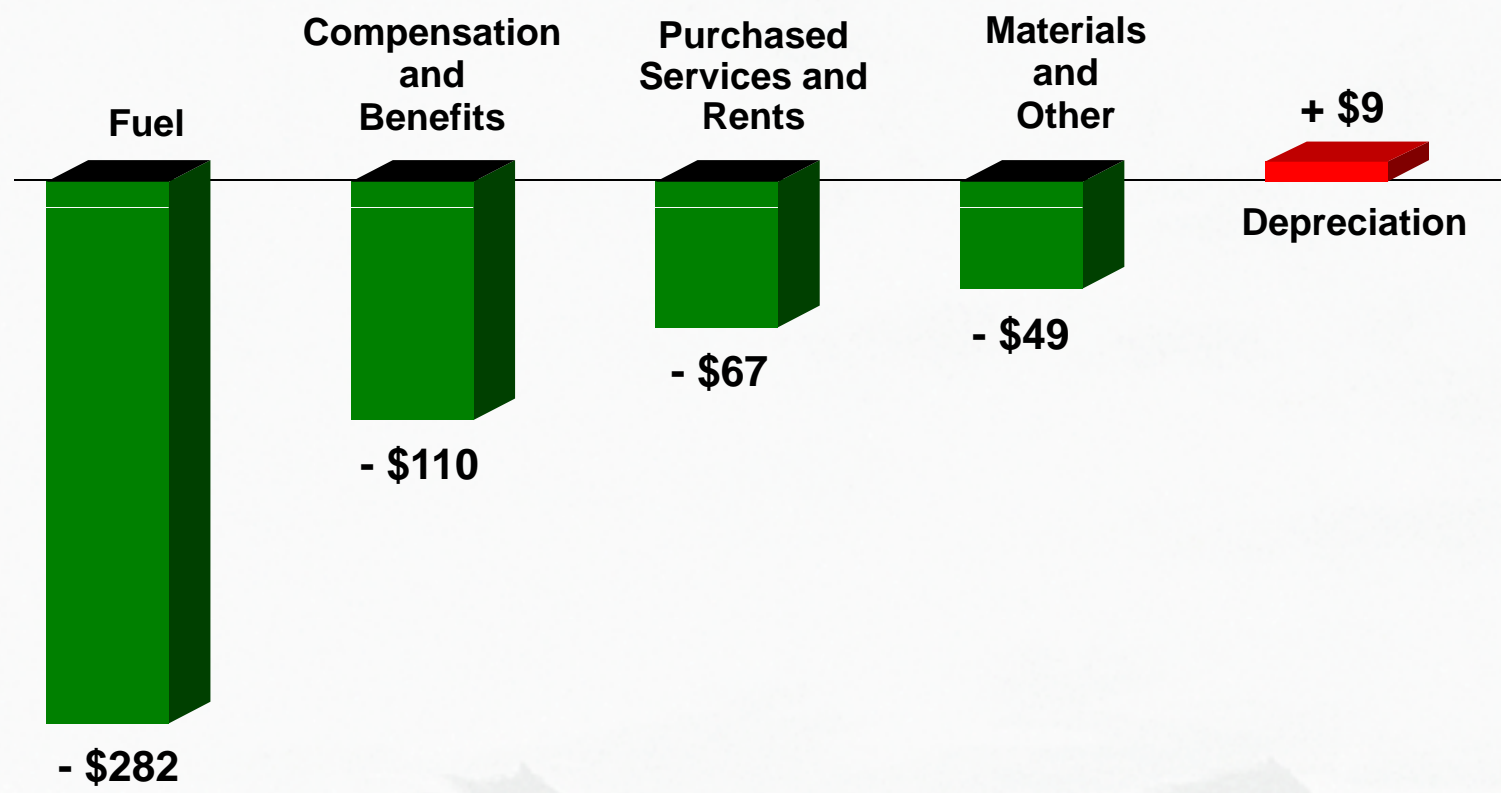
(\$ Millions)

	Third Qtr 2009	Third Qtr 2008	Favorable (Unfavorable)	
			\$	%
Railway Operating Revenues	\$ 2,063	\$ 2,894	\$ (831)	(29%)
Railway Operating Expenses	1,501	2,000	499	25%
Income From Railway Operations	\$ 562	\$ 894	\$ (332)	(37%)
Railway Operating Ratio	72.8	69.1	(3.7)	(5%)

Railway Operating Expense Analysis

Third Quarter 2009 vs. 2008

(\$ Millions)



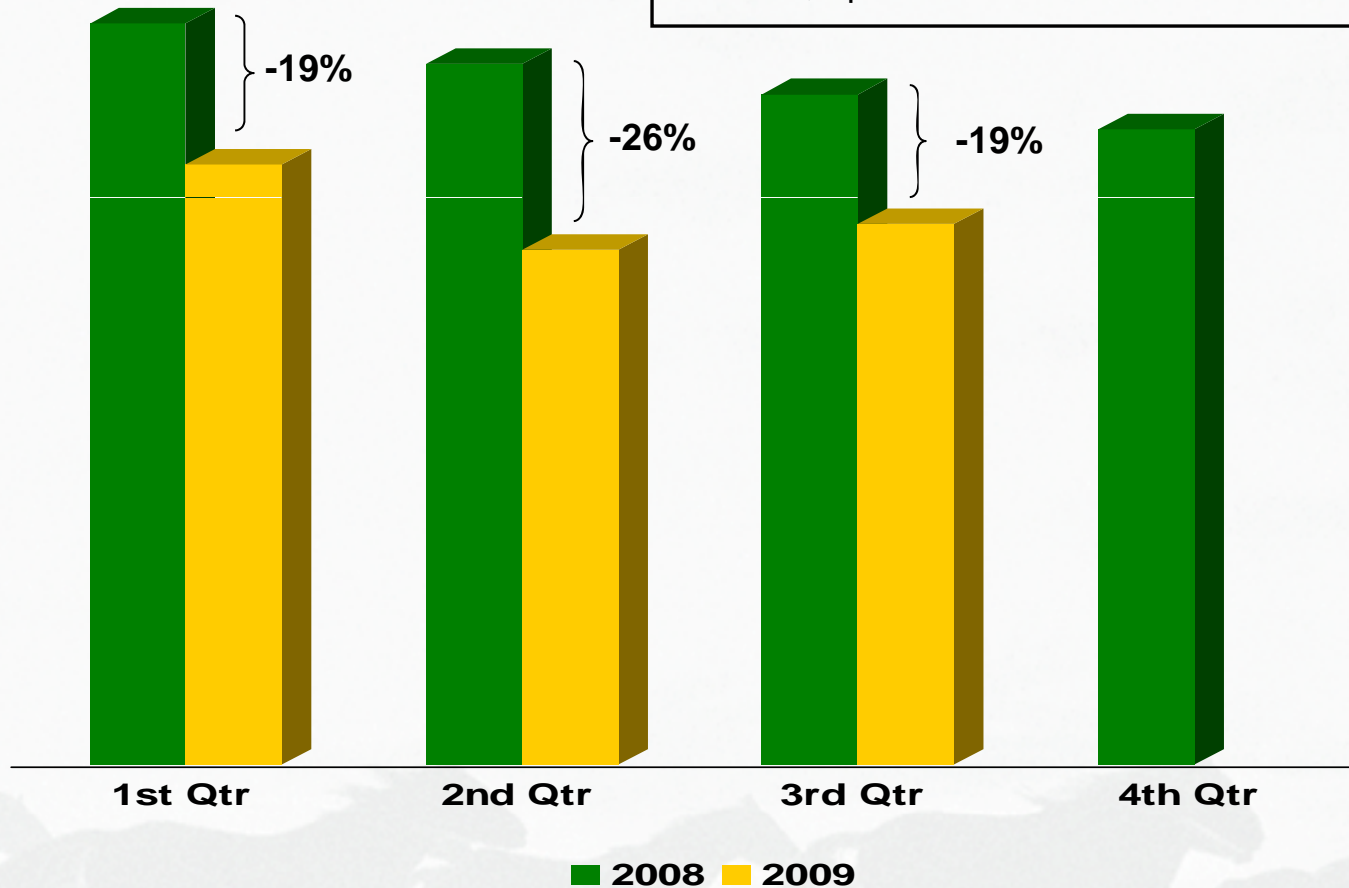
Net Decrease \$ 499 Million / 25%

Locomotive Fuel Consumption

2009 vs. 2008 Comparison

**Total Fuel Consumption Savings
(\$ Millions)**

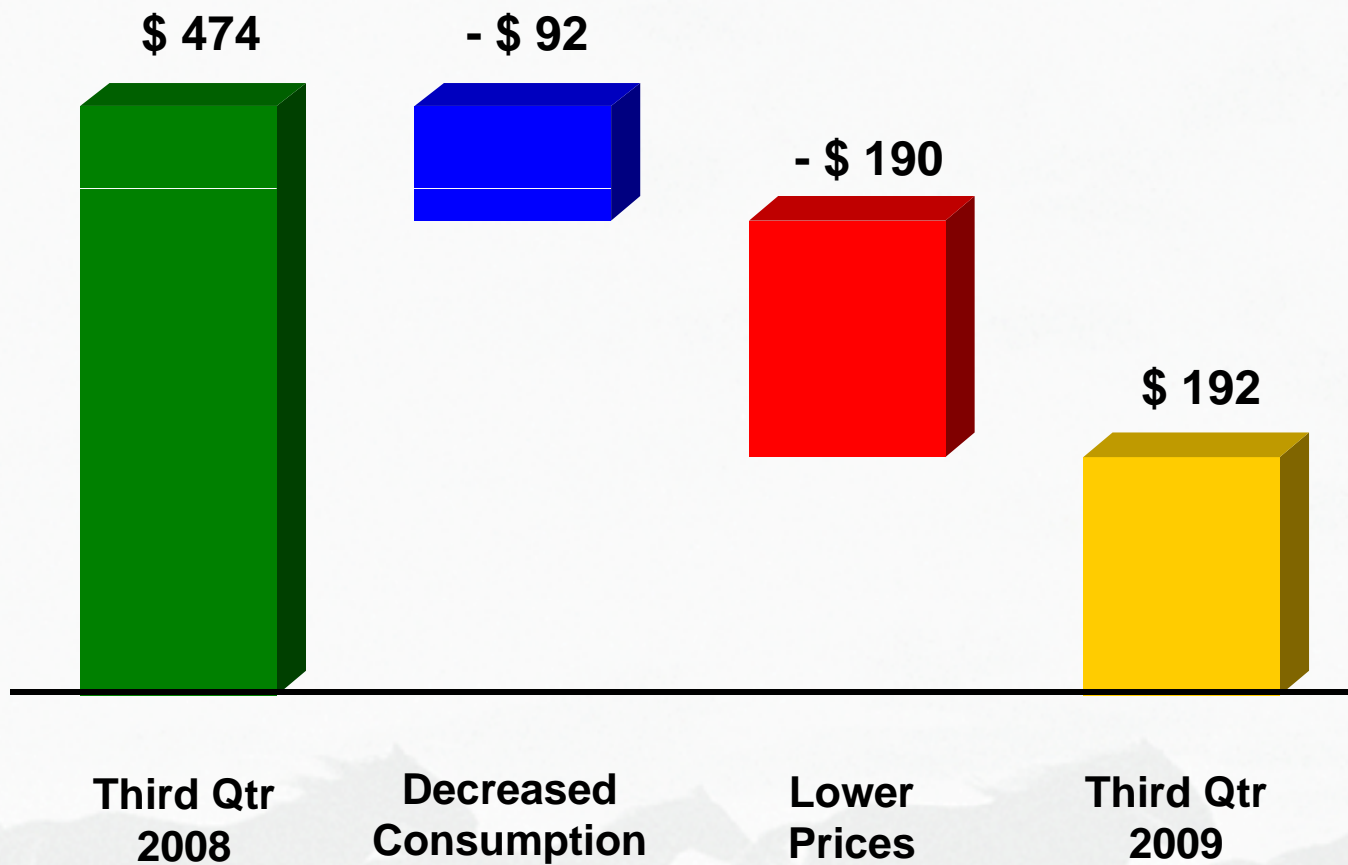
1Q \$70 3Q \$92
2Q \$126



Fuel Expense Analysis

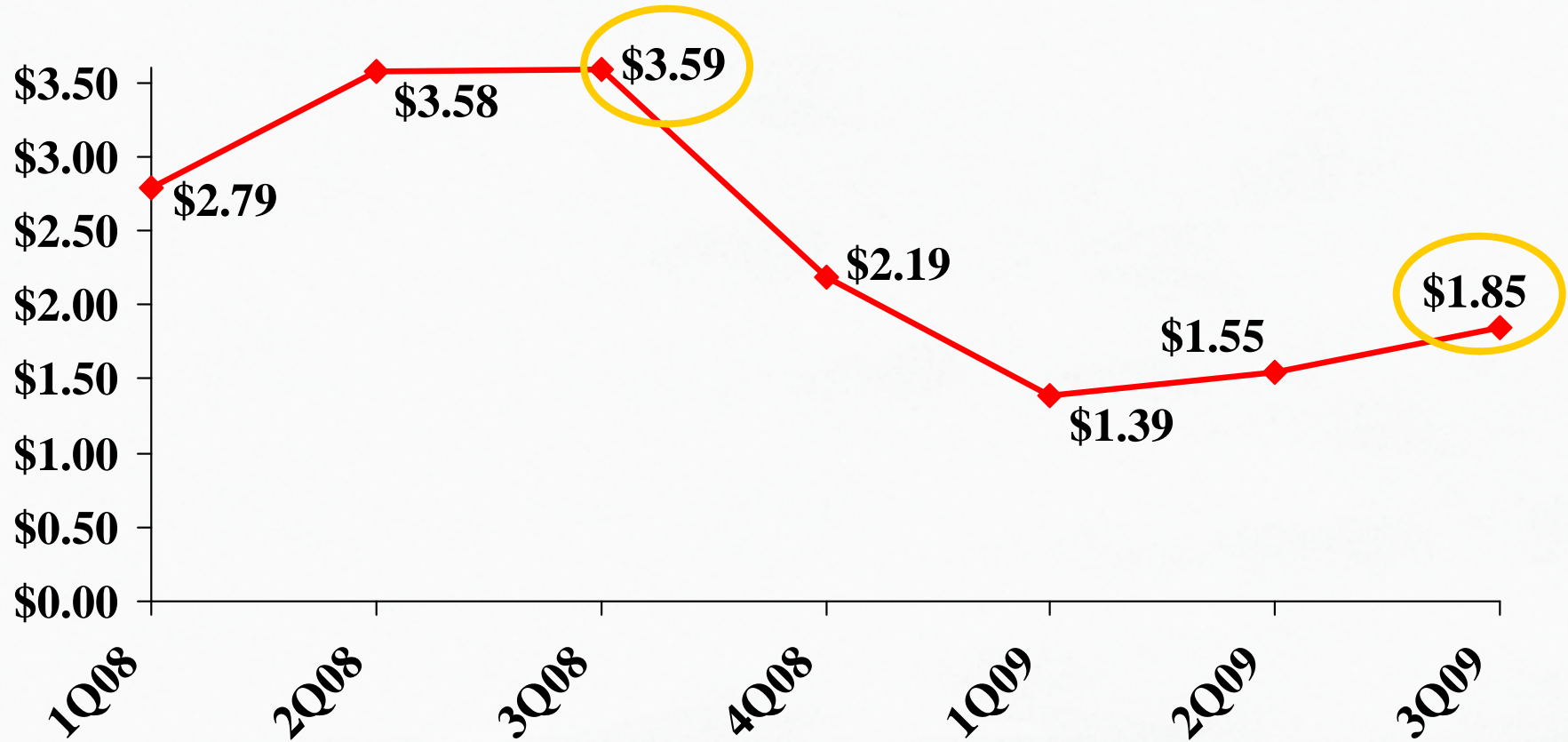
Third Quarter 2009 vs. 2008

(\$ Millions)



Locomotive Diesel Fuel Average Prices

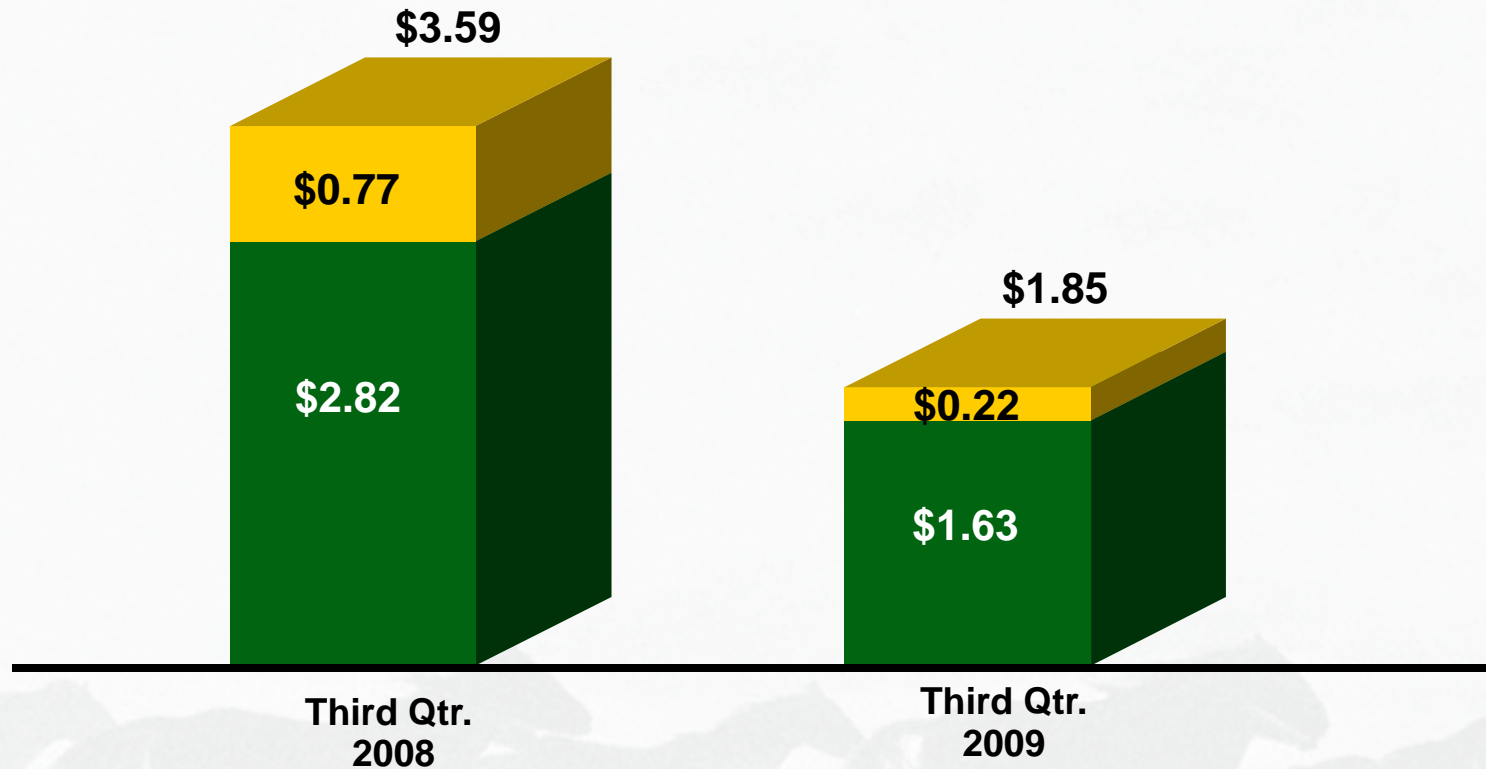
2008-2009



Diesel Fuel Price Analysis

Third Quarter 2009 vs. 2008
(\$ per gallon)

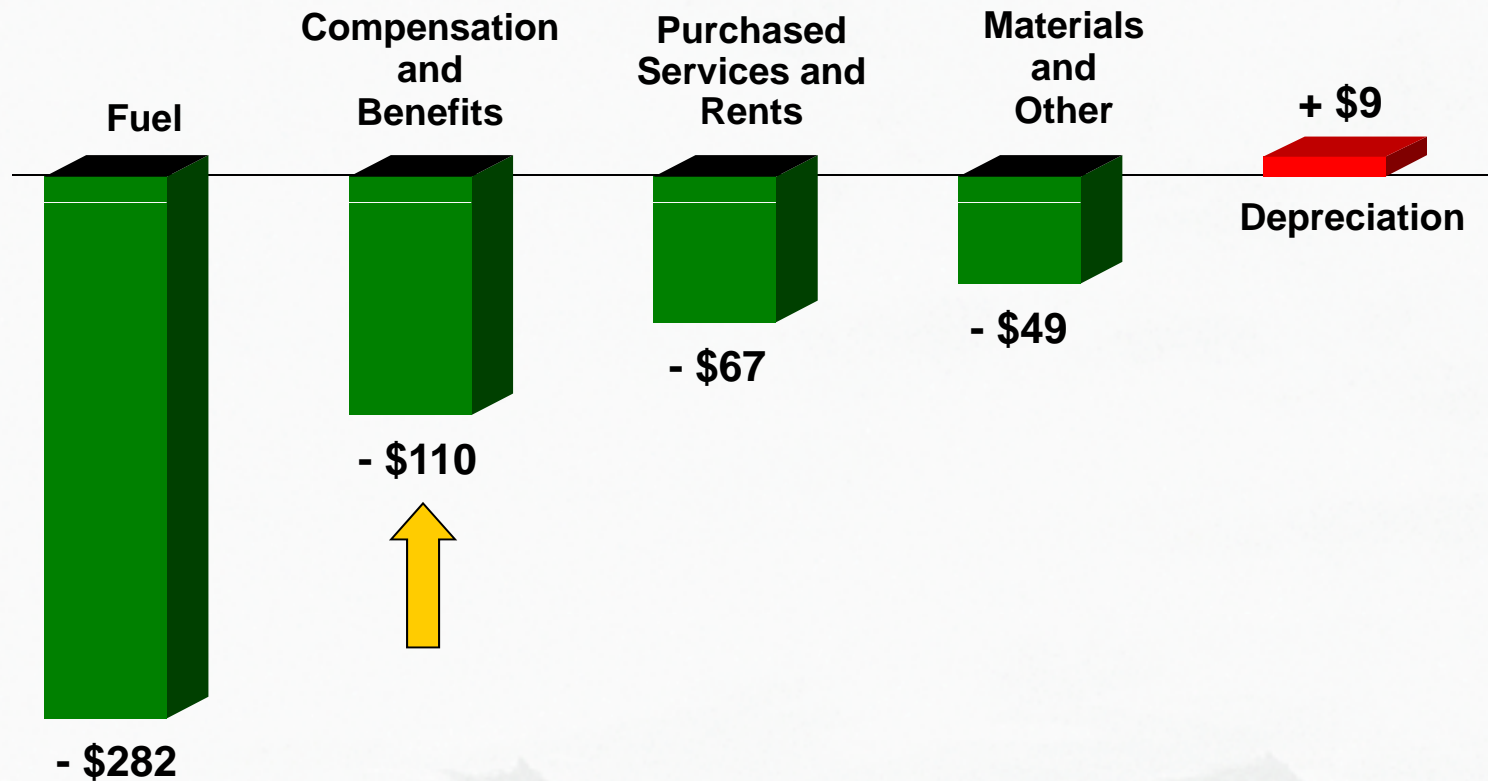
WTI + Other = diesel fuel price per gallon



Railway Operating Expense Analysis

Third Quarter 2009 vs. 2008

(\$ Millions)



Net Decrease \$ 499 Million / 25%

Compensation and Benefits Analysis

Third Quarter 2009 vs. 2008

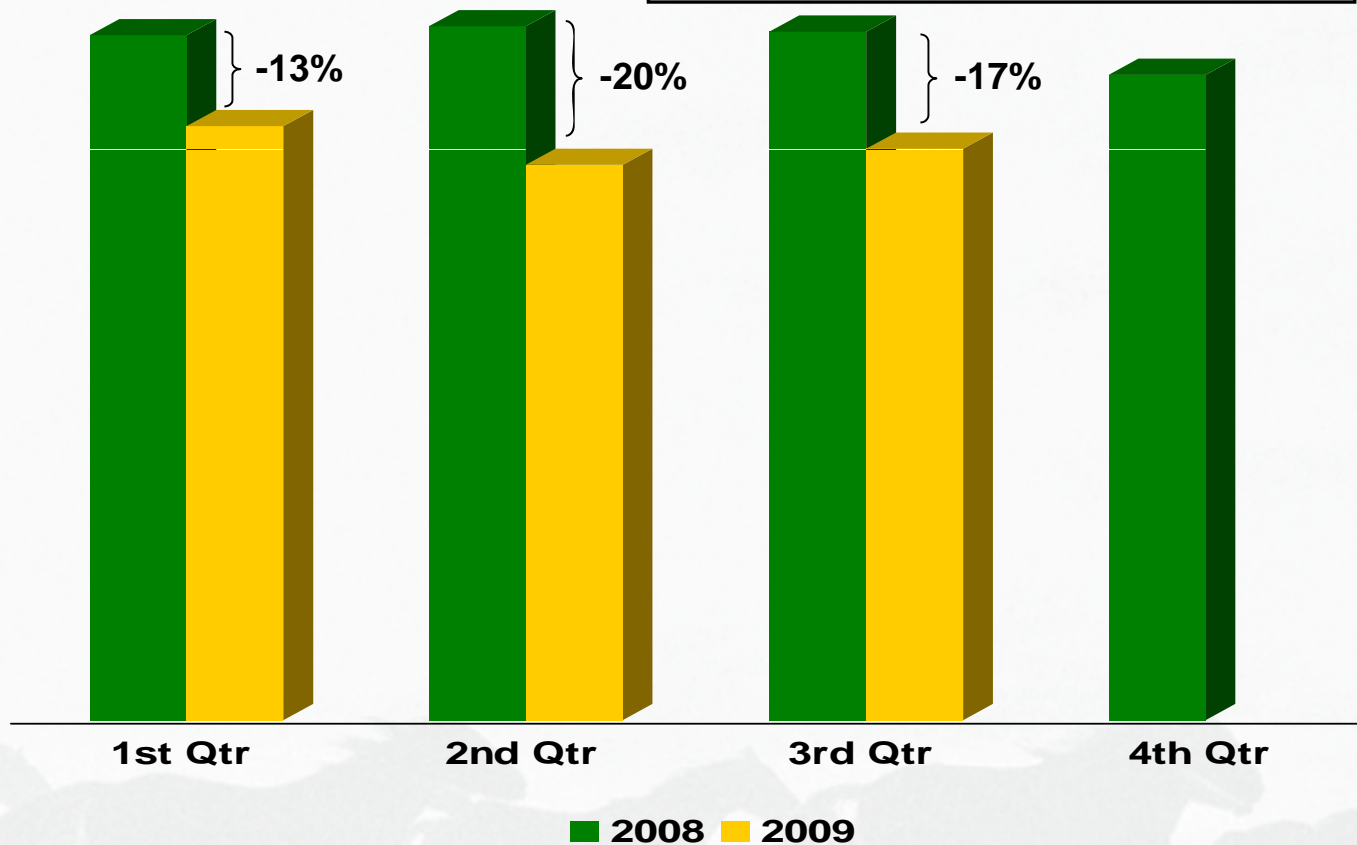
(\$ Millions)

	Increase (Decrease)
T&E and Other Volume-Related Payroll	\$ (64)
Incentive and Stock-Based Compensation	(33)
BLET Agreement	(28)
Payroll Taxes	(8)
Wage Rates	14
Pension Costs	11
Medical Costs	6
Other	(8)
Net Decrease	\$ (110)

Crew Starts and T&E Volume-Related Savings

2009 vs. 2008 Comparison

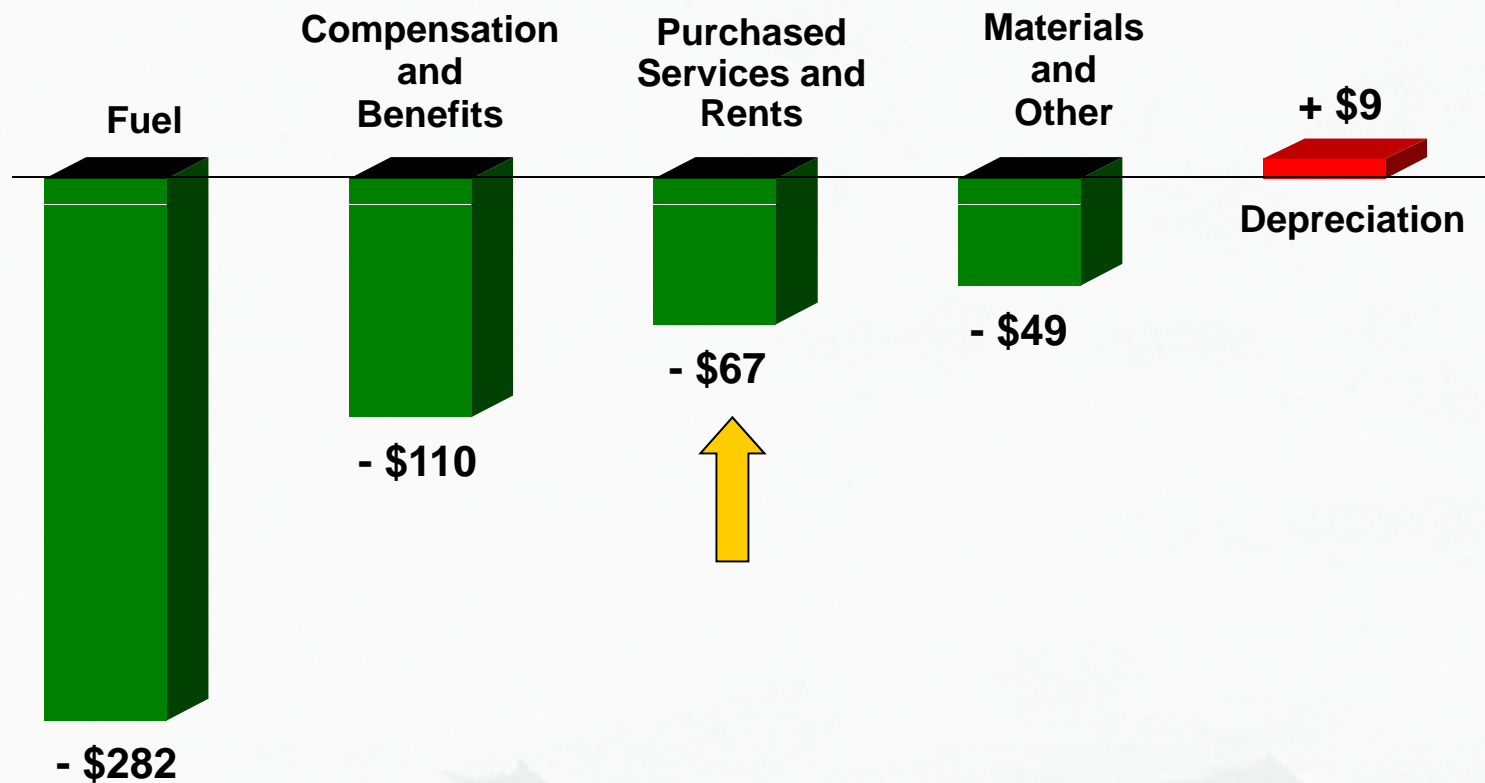
T&E Volume-Related Savings (\$ Millions)					
1Q	\$29	16%	3Q	\$33	18%
2Q	\$41	22%			



Railway Operating Expense Analysis

Third Quarter 2009 vs. 2008

(\$ Millions)



Net Decrease \$ 499 Million / 25%

Purchased Services and Rents Analysis

Third Quarter 2009 vs. 2008

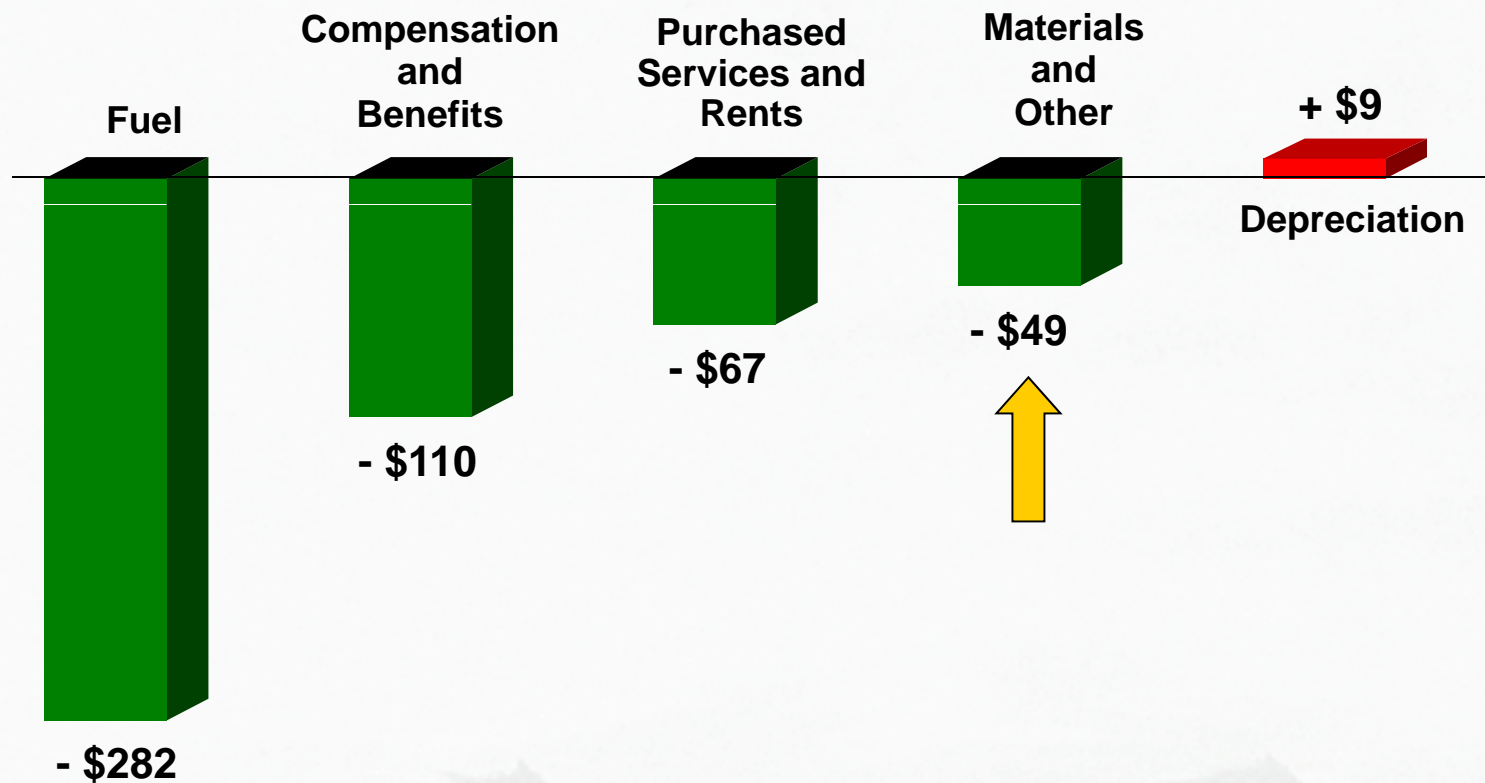
(\$ Millions)

	<u>Decrease</u>
Transportation Services and Operations	\$ (22)
Intermodal	(17)
Equipment Rents	(12)
Engineering	(9)
Mechanical	(5)
Other	(2)
Total Decrease	\$ (67)

Railway Operating Expense Analysis

Third Quarter 2009 vs. 2008

(\$ Millions)



Net Decrease \$ 499 Million / 25%

Materials and Other Expense Analysis

Third Quarter 2009 vs. 2008

(\$ Millions)

	<u>Decrease</u>
Materials	\$ (24)
Casualties and Other Claims	(11)
Other	(14)
Total Decrease	\$ (49)

Other Income – Net

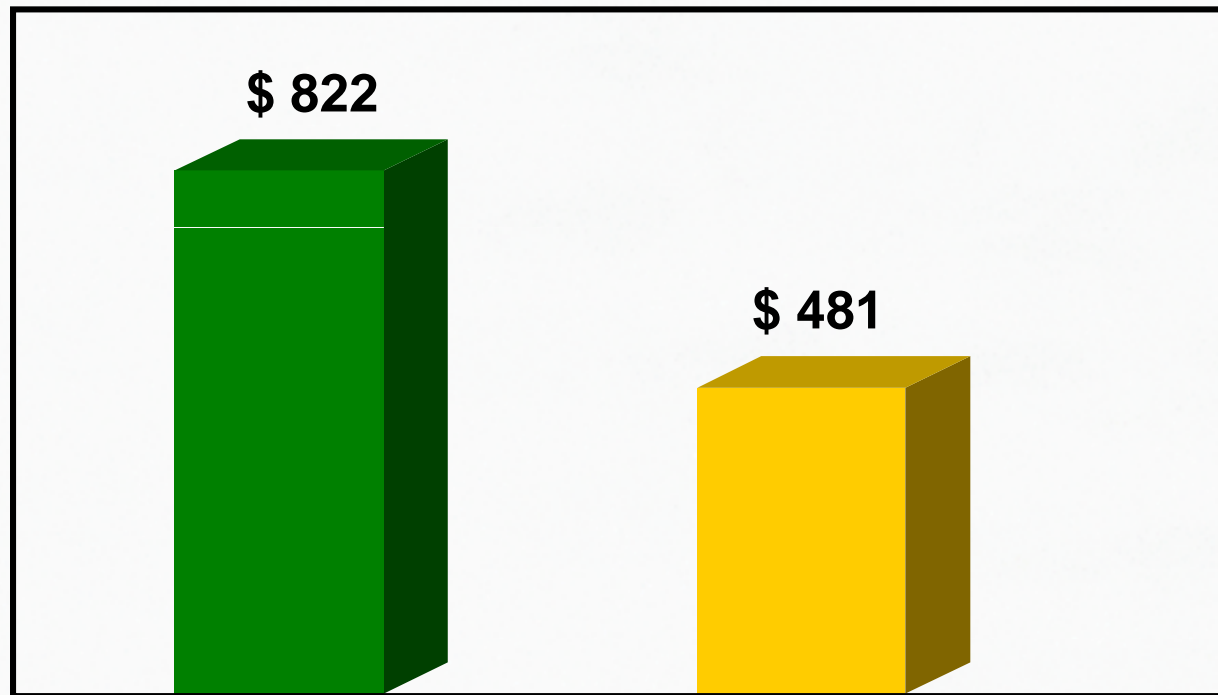
Third Quarter 2009 vs. 2008

(\$ Millions)

	Third Qtr 2009	Third Qtr 2008	2009 vs. 2008 Favorable (Unfavorable)
Interest on Tax Deficiencies	\$ 0	\$ 7	\$ (7)
Gain on Property Sales	9	2	7
Corporate-Owned Life Insurance	4	(3)	7
All Other	24	33	(9)
	<hr/>	<hr/>	<hr/>
Other Income – net	\$ 37	\$ 39	\$ (2)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Interest Expense on Debt	\$ 118	\$ 111	\$ (7)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Income Before Income Taxes

Third Quarter
(\$ Millions)



2008

2009

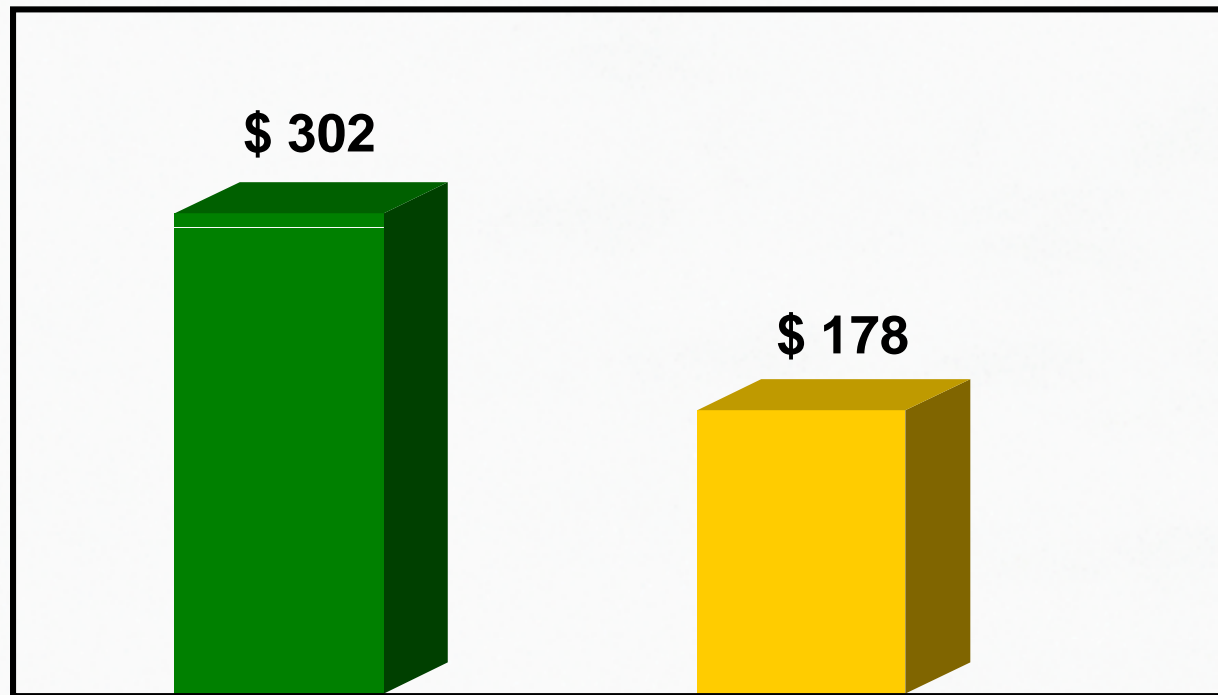
Change vs. Prior Period

- 41%

Income Taxes

Third Quarter

(\$ Millions)



2008

2009

Change vs. Prior Period

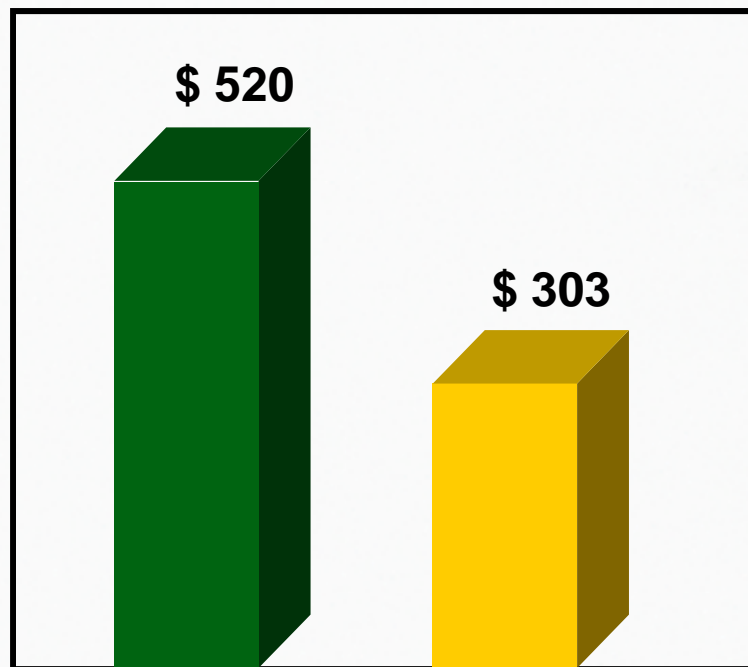
- 41%

Net Income and Diluted Earnings per Share

Third Quarter

(\$ Millions except per share)

Net Income

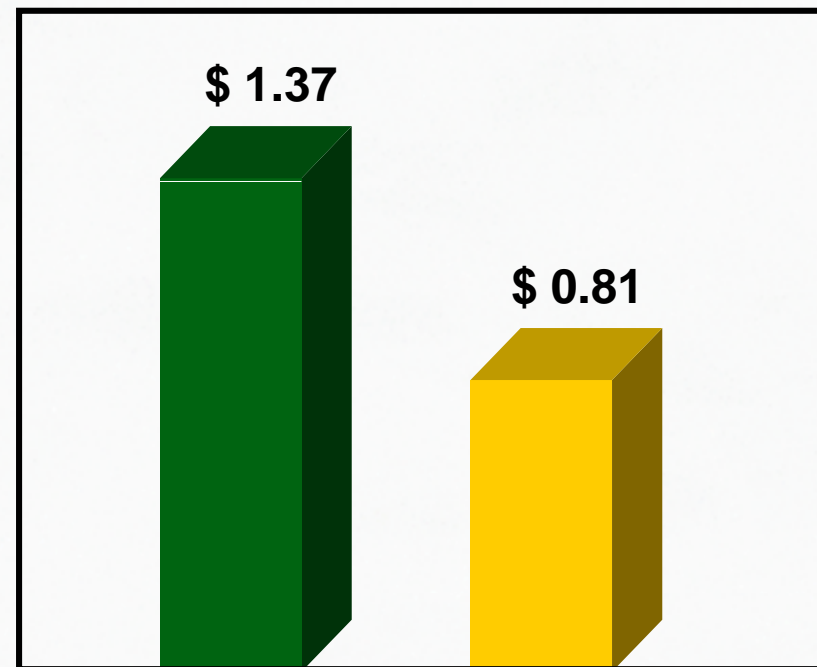


2008

2009

Change vs. Prior Period - 42%

Diluted Earnings per Share



2008

2009

- 41%

