



# Railway Volume

## 2006 vs. 2005

	1Q	2Q	3Q	4Q	TOTAL
Agriculture	6,252	1,825	9,627	4,586	22,290
MetCon	22,829	20,164	12,328	(14,214)	41,107
Paper	1,836	(1,216)	(481)	(5,626)	(5,487)
Chemicals	(3,550)	(8,252)	(1,783)	(2,074)	(15,659)
Automotive	(5,000)	(4,223)	(19,823)	(24,945)	(53,991)
Merchandise	22,367	8,298	(132)	(42,273)	(11,740)
Intermodal	56,623	59,100	13,924	(28,013)	101,634
Coal	15,098	9,338	(15,144)	15,254	24,546
Total	94,088	76,736	(1,352)	(55,032)	114,440

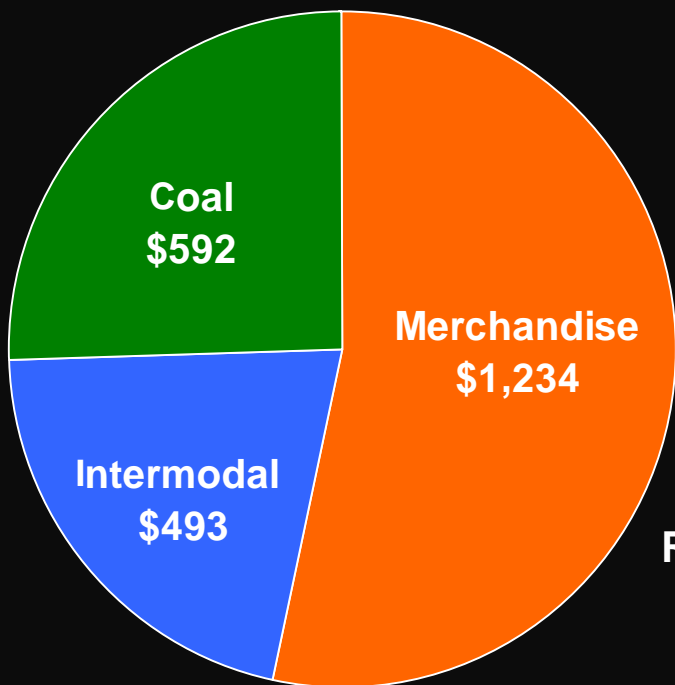


# Railway Operating Revenue

2006 vs. 2005

**Total - \$2.319 Billion**

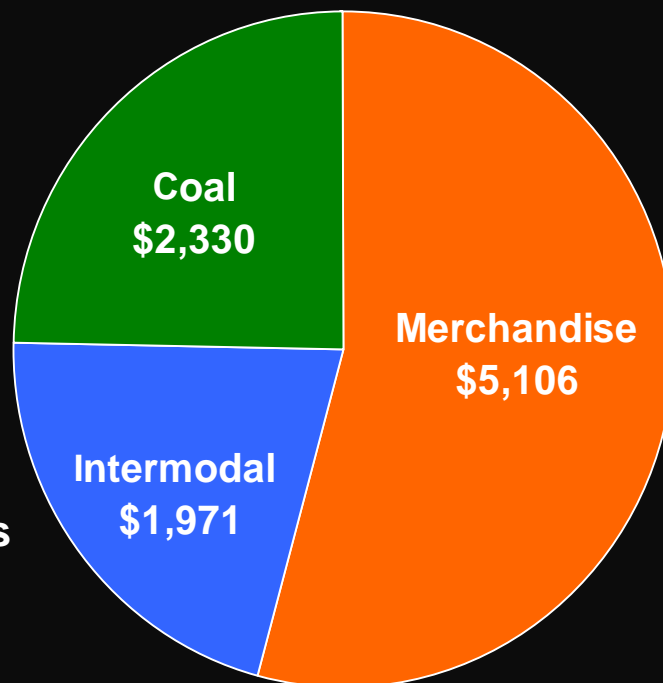
**Up \$62 Million, 3% vs. 4Q 2005**



**4Q 2006**

**Total - \$9.407 Billion**

**Up \$880 Million, 10% vs. 2005**



**2006**

Rev. \$Millions



# Revenue Per Unit

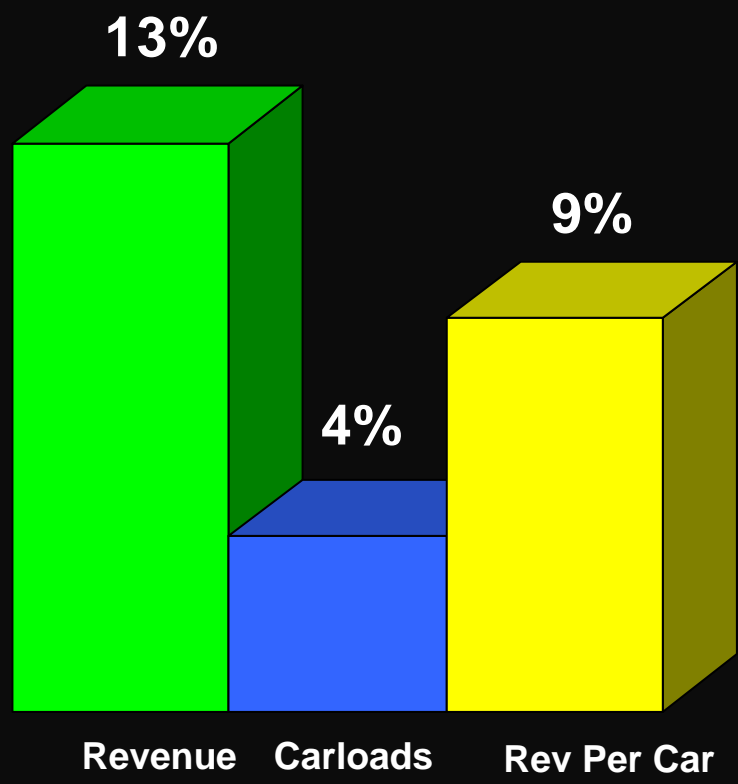
## 2006 vs. 2005

	4Q 2006	vs. 2005		2006	vs. 2005	
	RPU	Abs.	% Chg.	RPU	Abs.	% Chg.
Agriculture	\$1,677	(\$14)	(1%)	\$1,673	\$219	15%
MetCon	\$1,455	\$158	12%	\$1,398	\$167	14%
Paper	\$1,982	\$199	11%	\$1,909	\$212	12%
Chemicals	\$2,599	\$252	11%	\$2,530	\$318	14%
Automotive	\$1,752	\$96	6%	\$1,734	\$114	7%
Merchandise	\$1,820	\$135	8%	\$1,770	\$187	12%
Intermodal	\$607	(\$12)	(2%)	\$605	\$26	4%
Coal	\$1,349	\$113	9%	\$1,324	\$105	9%
<b>Total</b>	<b>\$1,203</b>	<b>\$65</b>	<b>6%</b>	<b>\$1,191</b>	<b>\$96</b>	<b>9%</b>

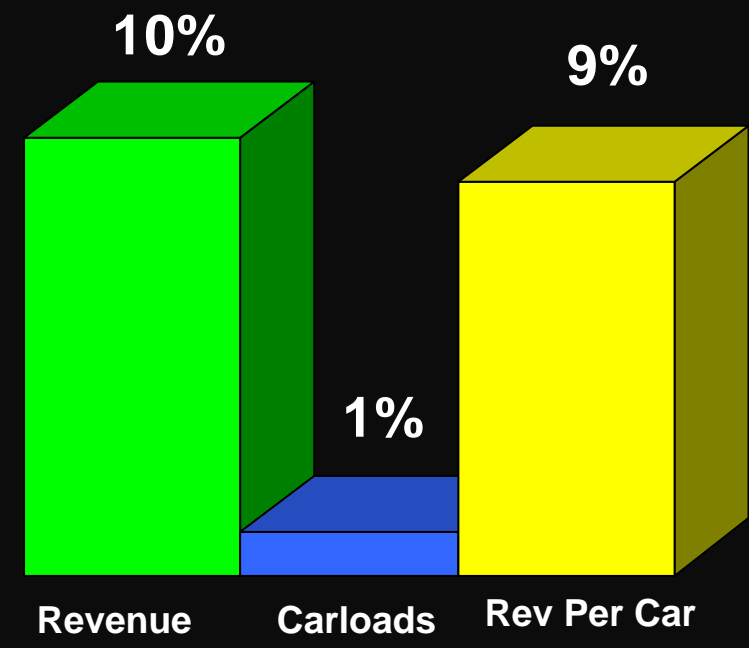


# Coal Variance Analysis

2006 vs. 2005



4Q 2006 vs. 4Q 2005

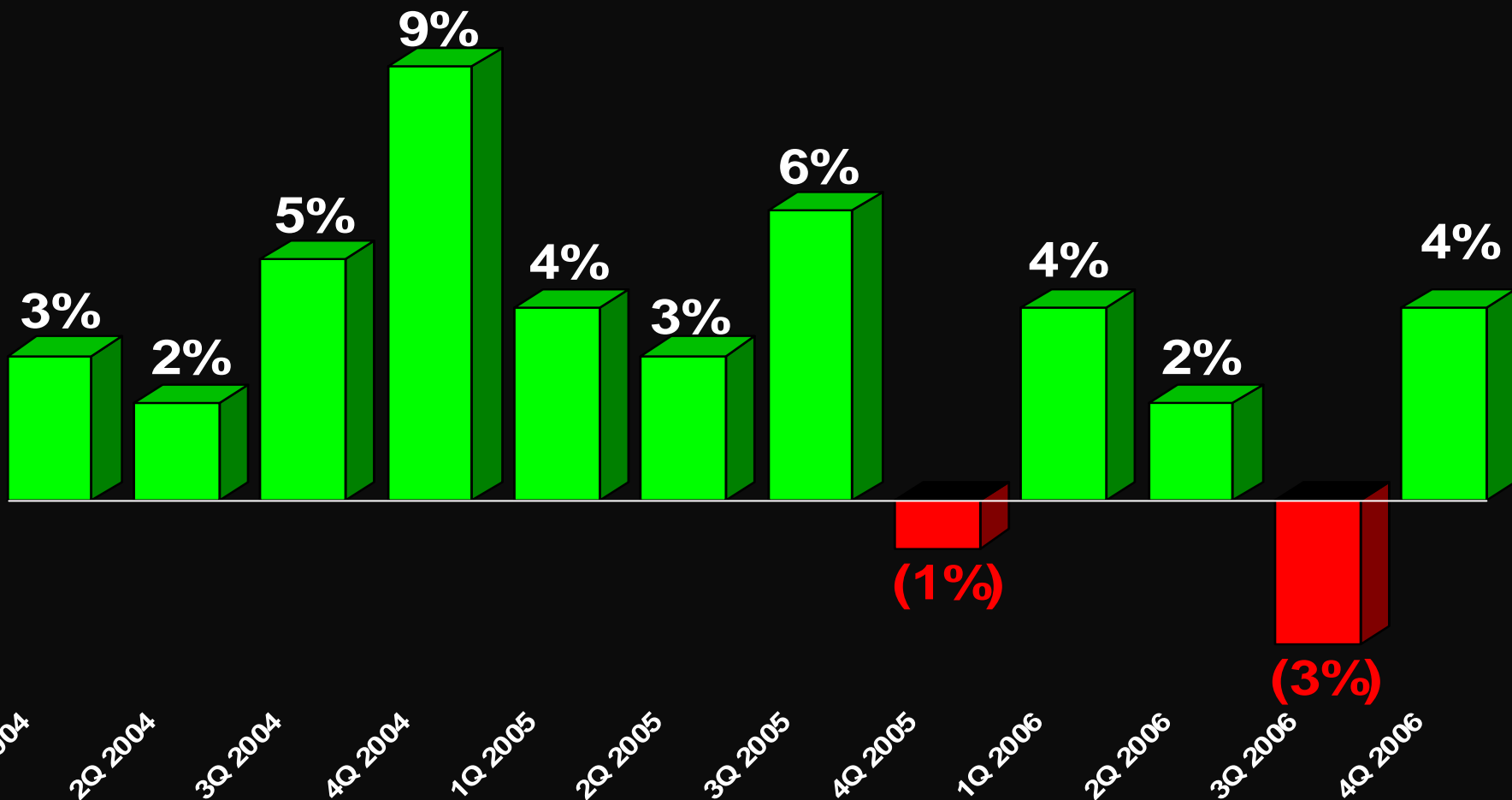


2006 vs. 2005



# Coal Volume Comparisons

1<sup>st</sup> Qtr. 2004 – 4<sup>th</sup> Qtr. 2006





# Coal Volume

2006 vs. 2005

## Utility

- Growth hampered by mild weather
- Re-building of inventory
- Impact of Western origin coals



4% 4<sup>th</sup> Qtr.



3% Y-T-D



# Coal Volume

## 2006 vs. 2005

### Utility

- Growth hampered by mild weather
- Re-building of inventory
- Impact of Western origin coals



4% 4<sup>th</sup> Qtr.



3% Y-T-D

### Export

- Increased global competition
- Asians returned to traditional suppliers
- First half volumes impacted by coals from alternate supply regions



13% 4<sup>th</sup> Qtr.



14% Y-T-D



# Coal Volume

## 2006 vs. 2005

### Utility

- Growth hampered by mild weather
- Re-building of inventory
- Impact of Western origin coals

↑ 4% 4<sup>th</sup> Qtr.    ↑ 3% Y-T-D

### Export

- Increased global competition
- Asians returned to traditional suppliers
- First half volumes impacted by coals from alternate supply regions

↑ 13% 4<sup>th</sup> Qtr.    ↓ 14% Y-T-D

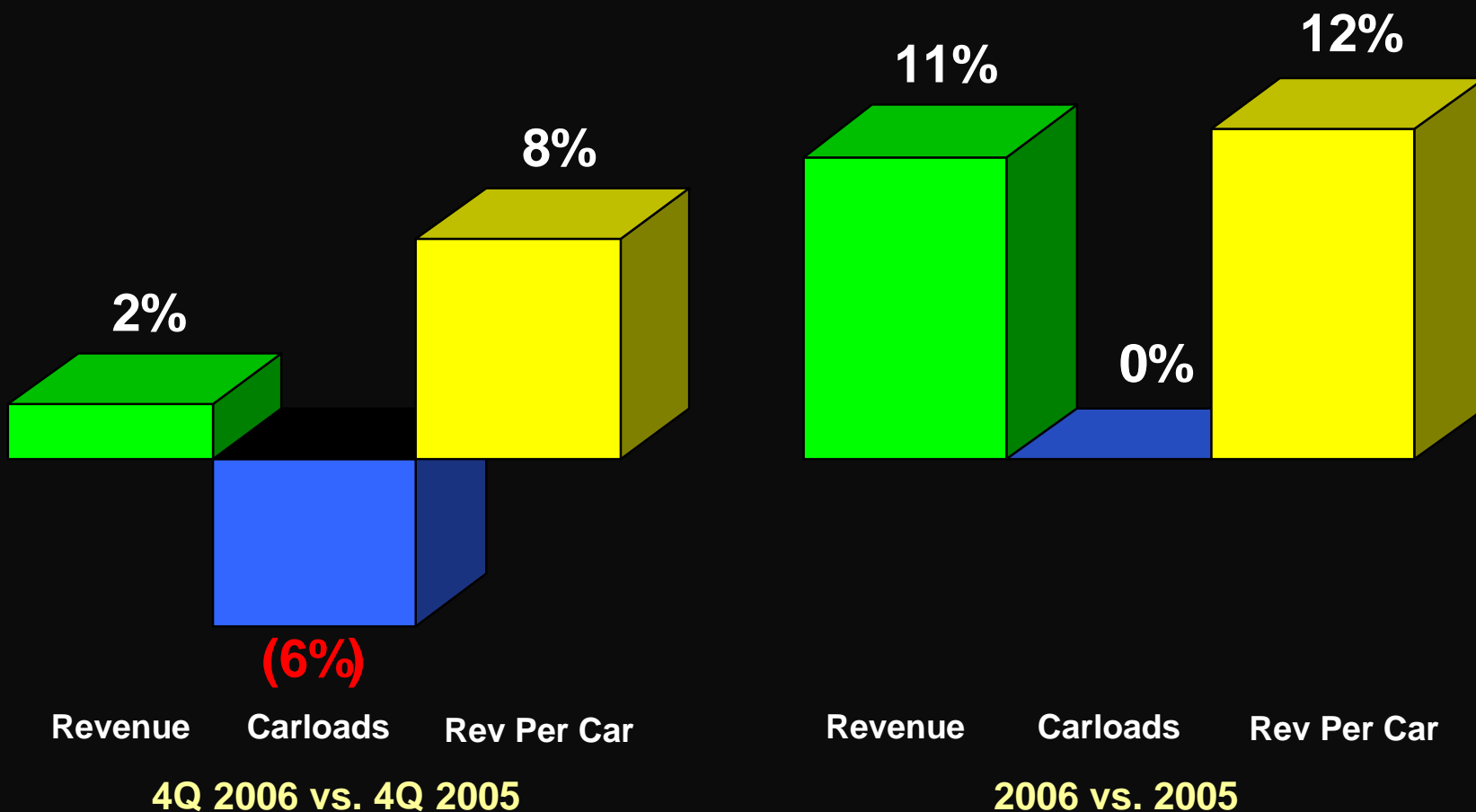
### Met/Coke/Iron Ore

- 4<sup>th</sup> quarter idling of blast furnaces
- Increased spot business
- Strong 1<sup>st</sup> half steel demand followed by 2<sup>nd</sup> half softening

↓ 3% 4<sup>th</sup> Qtr.    ↑ 4% Y-T-D

# Merchandise Variance Analysis

2006 vs. 2005



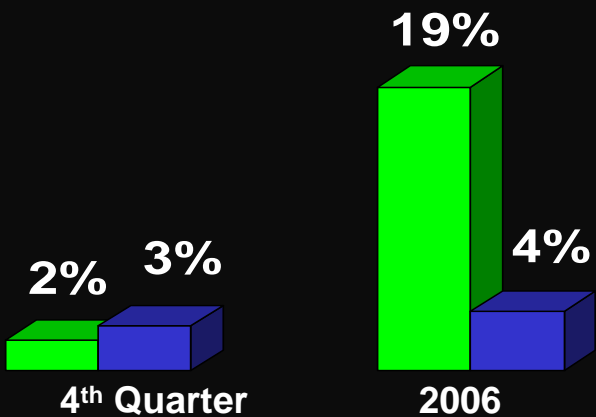


# Merchandise Revenue & Units

2006 vs. 2005

## Agriculture

- Continued ethanol opportunities
- Expansion of feed mill network



■ Revenue ■ Units

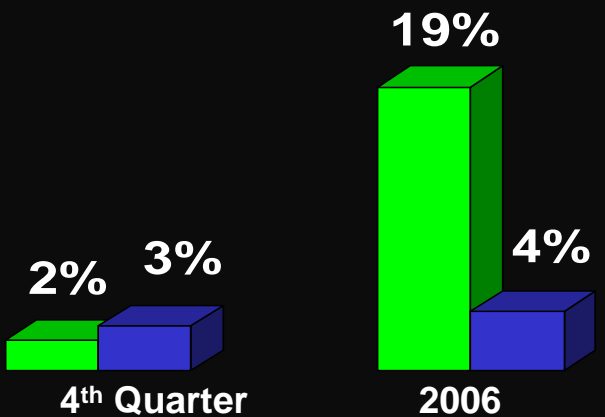


# Merchandise Revenue & Units

2006 vs. 2005

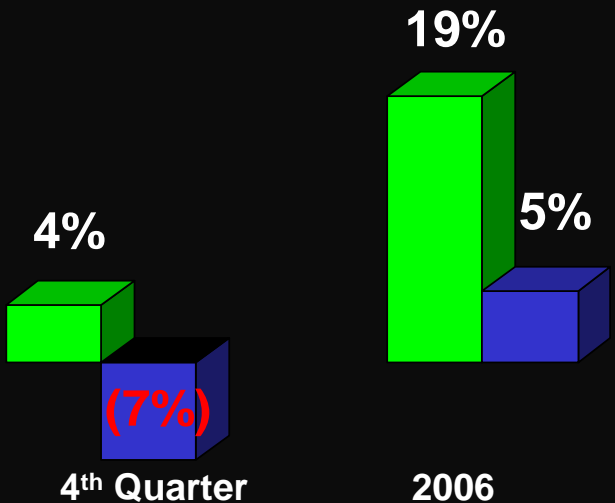
## Agriculture

- Continued ethanol opportunities
- Expansion of feed mill network



## Metals/Construction

- Strong 2006 steel production slowed in 4<sup>th</sup> quarter
- Construction markets impacted by housing starts



■ Revenue   ■ Units

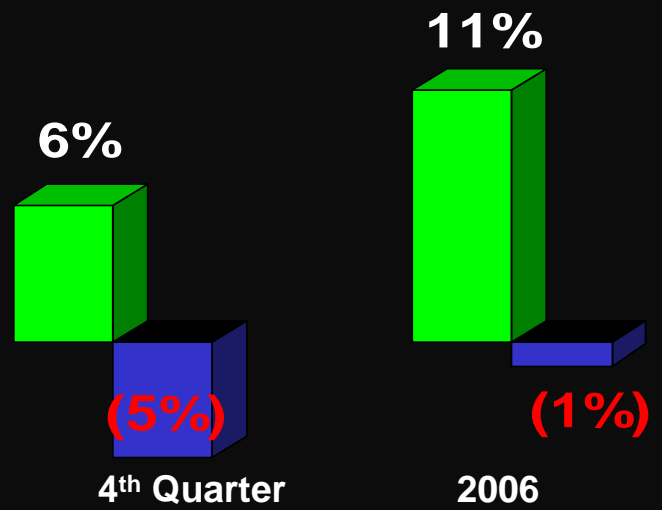


# Merchandise Revenue & Units

2006 vs. 2005

## Paper

- Solid waste growth
- Continued paper industry consolidation
- Lumber impacted by housing starts



■ Revenue ■ Units

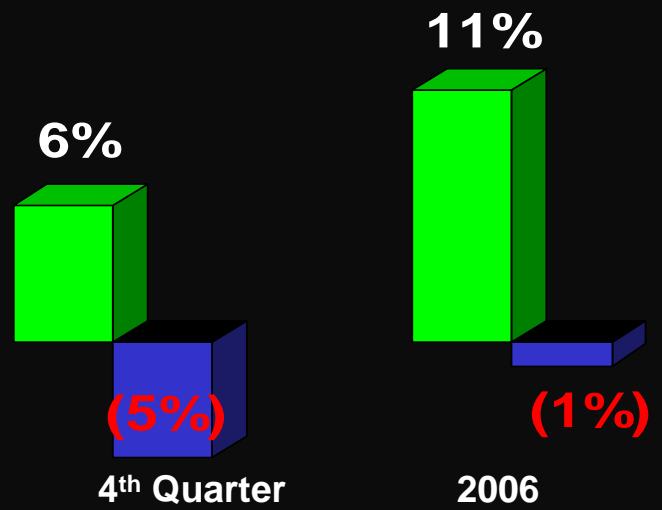


# Merchandise Revenue & Units

2006 vs. 2005

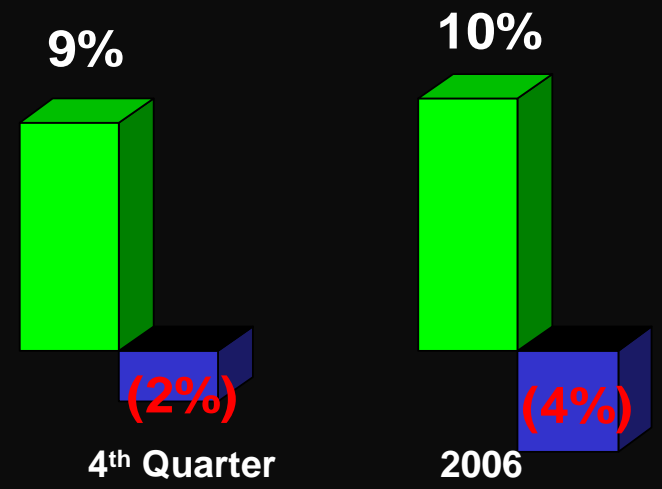
## Paper

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## Chemicals

- Plant Closures
- Slowing automotive and housing markets



■ Revenue ■ Units

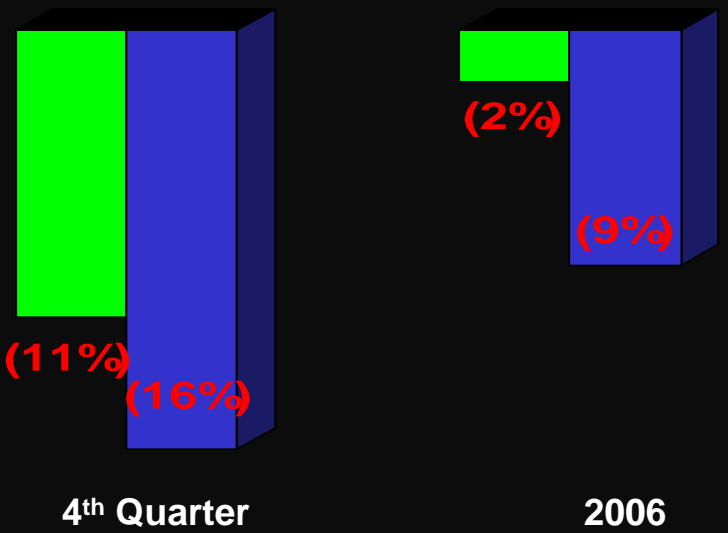


# Merchandise Revenue & Units

2006 vs. 2005

## Automotive

- Big 3 restructuring
- Growth in “New Domestic” in 2007

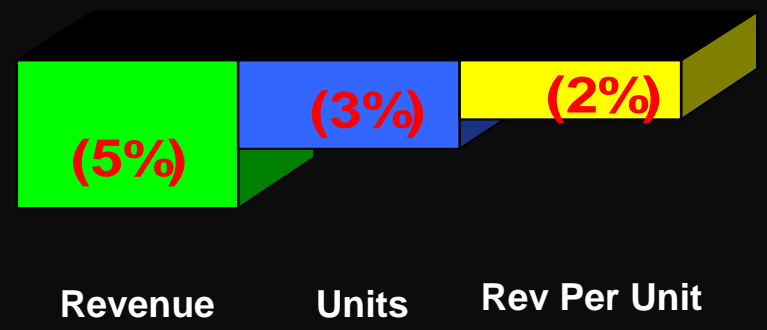


■ Revenue ■ Units

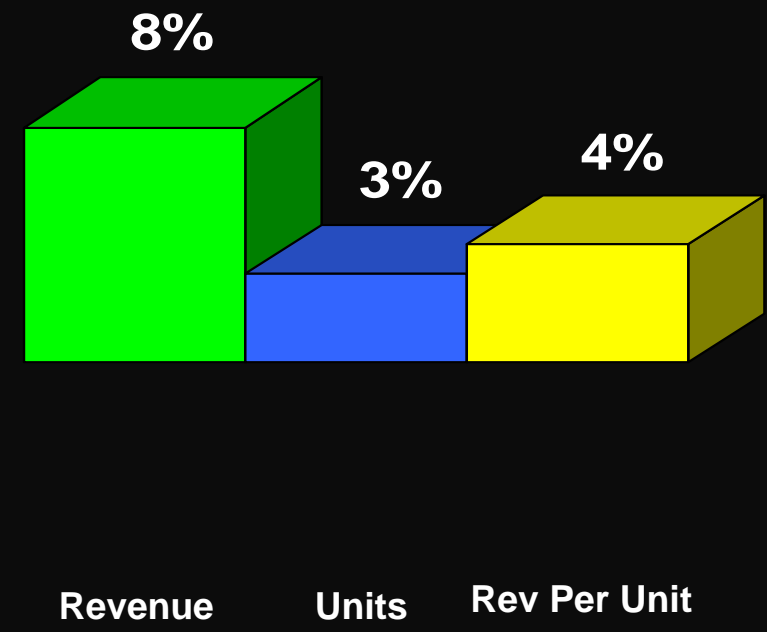


# Intermodal Variance Analysis

## 2006 vs. 2005



4Q 2006 vs 4Q 2005

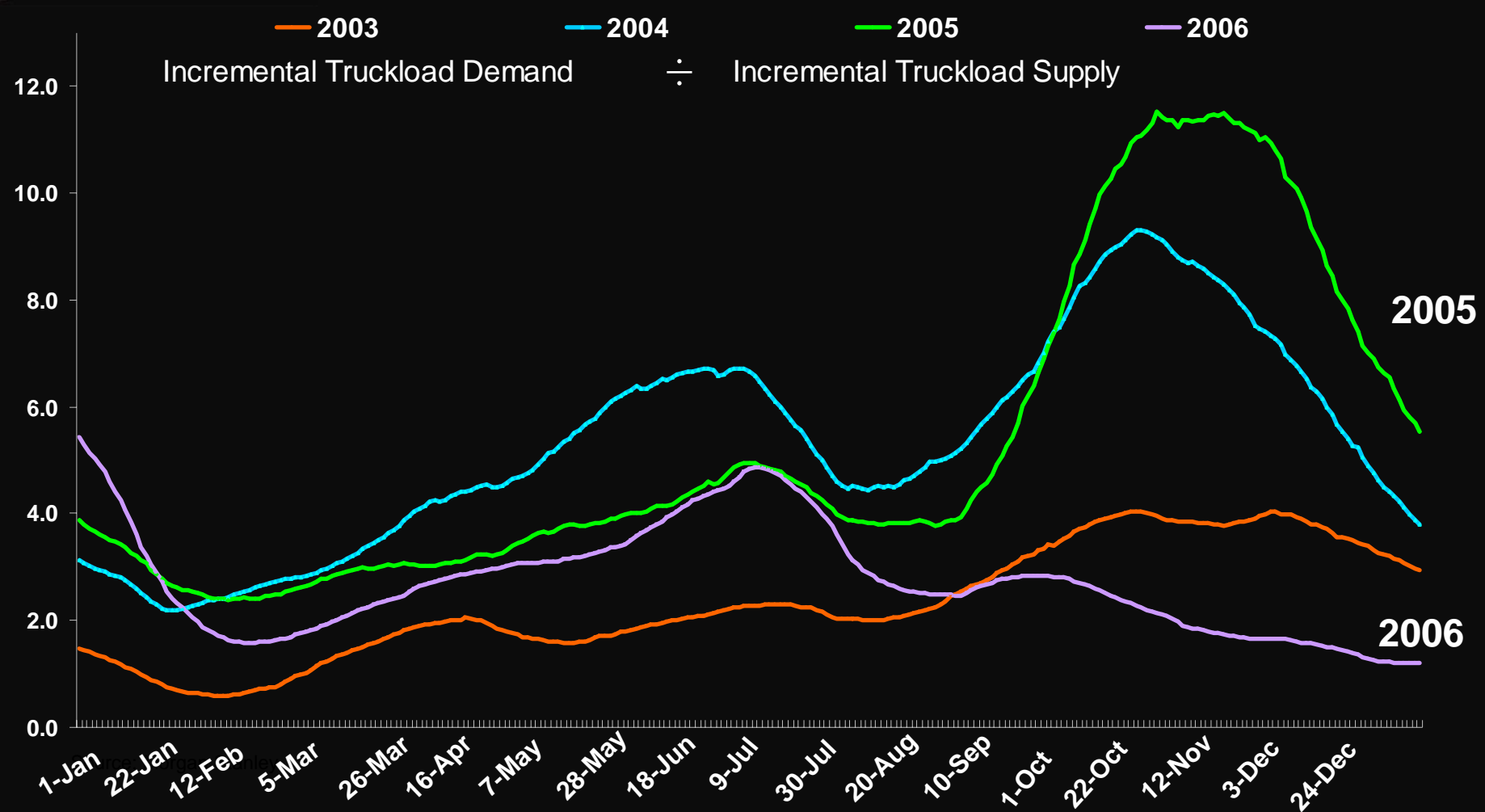


2006 vs. 2005



# Truckload Freight Index

## Supply and Demand



Source: Morgan Stanley



# Intermodal Volume

2006 vs. 2005

## Domestic

- Increased motor carrier capacity

↓ 13% 4<sup>th</sup> Qtr.

↓ 10% Y-T-D

## Truckload

- Retailers drive growth

↑ 6% 4<sup>th</sup> Qtr.

↑ 8% Y-T-D



# Intermodal Volume

2006 vs. 2005

## **Domestic**

- Increased motor carrier capacity

↓ 13% 4<sup>th</sup> Qtr.

↓ 10% Y-T-D

## **Truckload**

- Retailers drive growth

↑ 6% 4<sup>th</sup> Qtr.

↑ 8% Y-T-D

## **International**

- High inland transportation costs
- Steamship line consolidation

↓ 1% 4<sup>th</sup> Qtr.

↑ 9% Y-T-D



# Intermodal Volume

2006 vs. 2005

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- Increased motor carrier capacity

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↑ 9% Y-T-D

## **Premium**

- Declines in LTL business

↓ 14% 4<sup>th</sup> Qtr.

↓ 3% Y-T-D



# Intermodal Volume

2006 vs. 2005

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- Increased motor carrier capacity

↓ 13% 4<sup>th</sup> Qtr.

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↑ 9% Y-T-D

## **Premium**

- Declines in LTL business

↓ 14% 4<sup>th</sup> Qtr.

↓ 3% Y-T-D

## **Triple Crown**

- Impacted by automotive industry

↔ 0% 4<sup>th</sup> Qtr.

↔ 0% Y-T-D



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Hub Group, Inc.

