

Fourth Quarter Results 2007

Donald W. Seale

Executive Vice President and Chief Marketing Officer

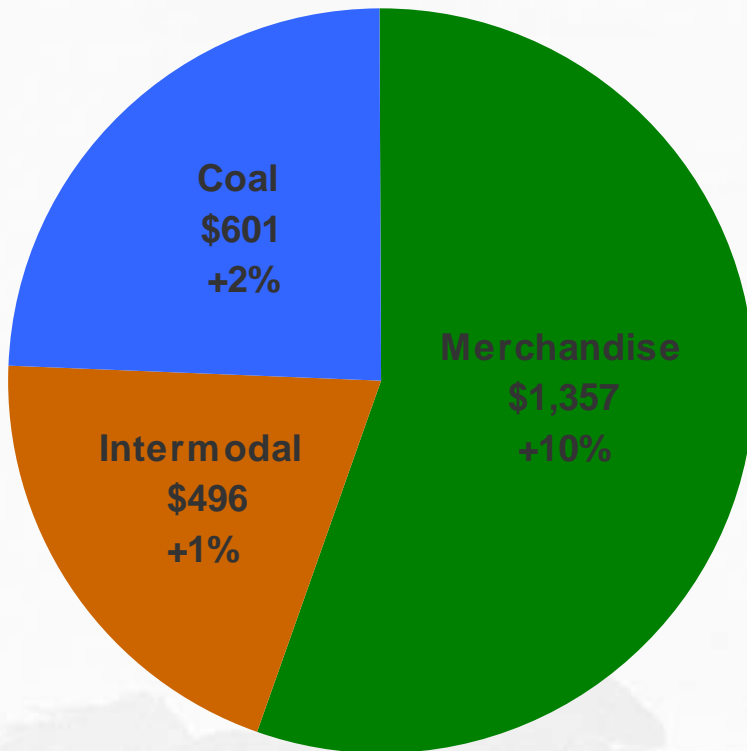


Railway Operating Revenue 2007 vs. 2006

4th Quarter

Total - **\$2.454 Billion**

Up \$135 Million, 6% vs. 4Q 2006

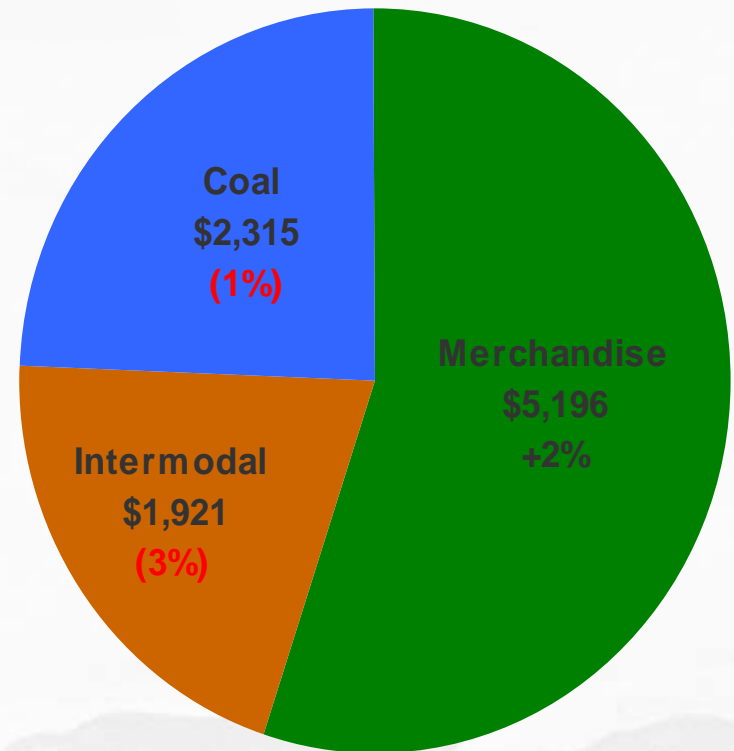


Rev. \$Millions

2007

Total - **\$9.432 Billion**

Up \$25 Million vs. 2006



Rev. \$Millions

Revenue Per Unit

2007 vs. 2006

	4Q 2007	vs. 4Q 2006		2007	vs. 2006	
	Rev/Unit	Abs.	% Chg.	Rev/Unit	Abs.	% Chg.
Agriculture	\$1,861	\$184	11%	\$1,740	\$67	4%
MetCon	\$1,540	\$85	6%	\$1,467	\$69	5%
Paper	\$2,084	\$102	5%	\$2,010	\$101	5%
Chemicals	\$2,886	\$287	11%	\$2,732	\$202	8%
Automotive	\$2,084	\$332	19%	\$1,827	\$93	5%
Merchandise	\$2,005	\$185	10%	\$1,874	\$104	6%
Intermodal	\$640	\$33	5%	\$615	\$10	2%
Coal	\$1,441	\$92	7%	\$1,363	\$39	3%
Total	\$1,313	\$110	9%	\$1,242	\$51	4%

Railway Volume

2007 vs. 2006

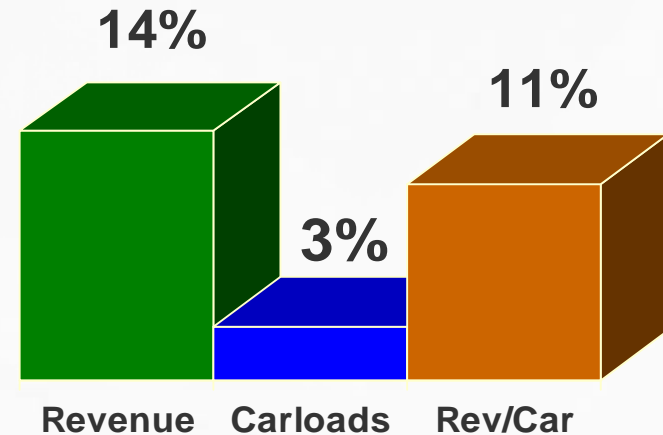
	4Q 2007	vs. 4Q 2006		2007	vs. 2006	
	Units	Abs.	% Chg	Units	Abs.	% Chg
Agriculture	154,497	4,254	3%	601,536	7,406	1%
Chemicals	103,242	842	1%	426,683	299	0%
MetCon	187,914	2,899	2%	783,580	(51,760)	(6%)
Automotive	130,088	1,429	1%	532,986	(28,947)	(5%)
Paper	101,334	(10,580)	(9%)	428,092	(38,589)	(8%)
Merchandise	677,075	(1,156)	(0%)	2,772,877	(111,591)	(4%)
Intermodal	775,744	(35,253)	(4%)	3,120,710	(135,789)	(4%)
Coal	417,252	(21,683)	(5%)	1,699,367	(60,600)	(3%)
Total	1,870,071	(58,092)	(3%)	7,592,954	(307,980)	(4%)

Merchandise

4th Quarter 2007 vs. 2006

Agriculture

- Pricing gains
- Strong fertilizer, corn and ethanol volume
- Expansion of AgriFuels network



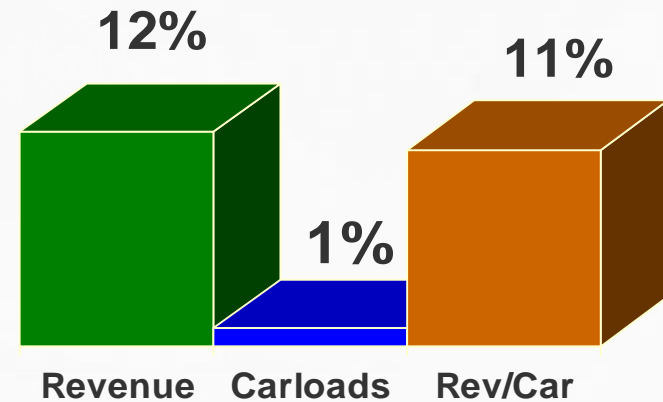
	2007	2006	Change
Revenue (\$Millions)	\$288	\$252	\$36
Volume	154,497	150,243	4,254
Rev/Car	\$1,861	\$1,677	\$184

Merchandise

4th Quarter 2007 vs. 2006

Chemicals

- Strong pricing
- New business growth



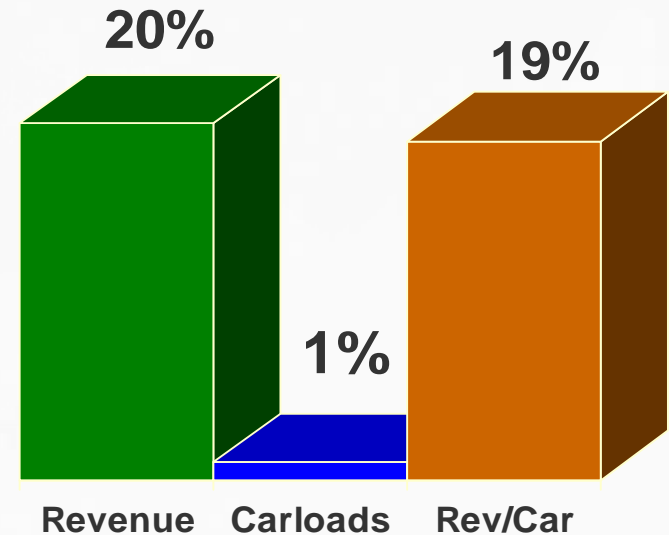
	2007	2006	Change
Revenue (\$Millions)	\$298	\$266	\$32
Volume	103,242	102,400	842
Rev/Car	\$2,886	\$2,599	\$287

Merchandise

4th Quarter 2007 vs. 2006

Automotive

- Improved pricing
- Increased business with New Domestics
- Volume shortfall contract payment of \$26 million
- \$20 million additional growth



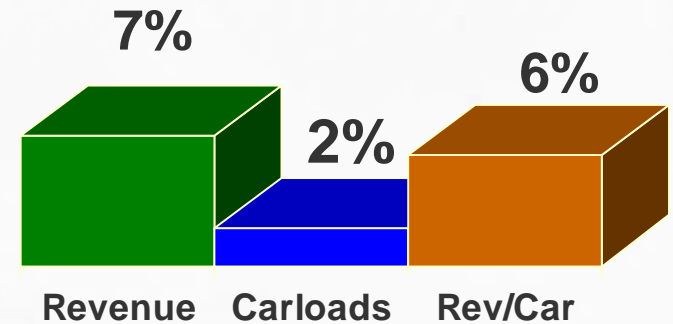
	2007	2006	Change
Revenue (\$Millions)	\$271	\$225	\$46
Volume	130,088	128,659	1,429
Rev/Car	\$2,084	\$1,752	\$332

Merchandise

4th Quarter 2007 vs. 2006

Metals & Construction

- New steel business/higher demand
- Construction impacted by housing starts



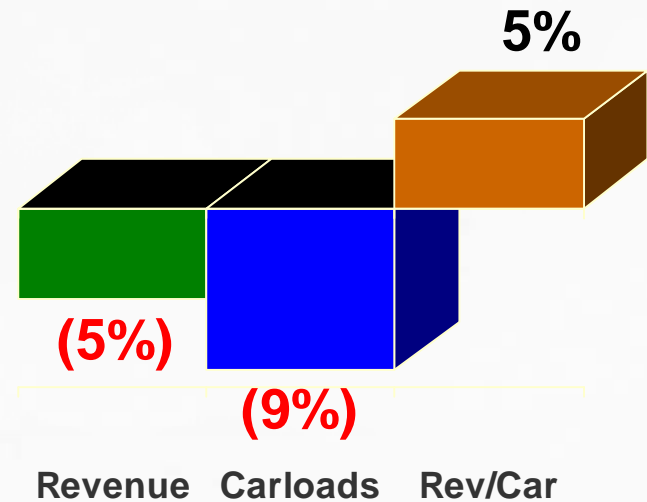
	2007	2006	Change
Revenue (\$Millions)	\$289	\$269	\$20
Volume	187,914	185,015	2,899
Rev/Car	\$1,540	\$1,455	\$85

Merchandise

4th Quarter 2007 vs. 2006

Paper

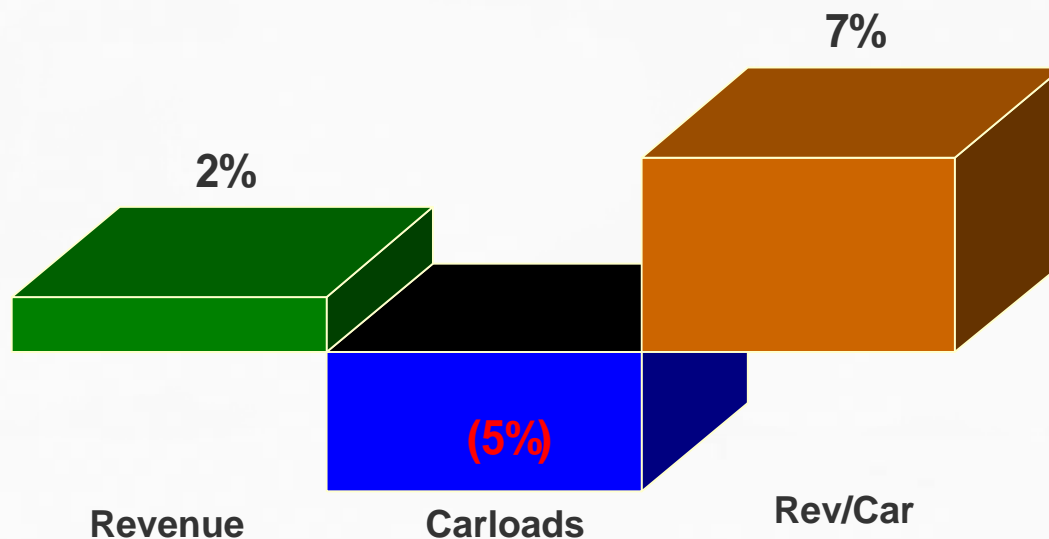
- Lumber impacted by housing starts
- Continued declines in conventional paper markets



	2007	2006	Change
Revenue (\$Millions)	\$211	\$222	(\$11)
Volume	101,334	111,914	(10,580)
Rev/Car	\$2,084	\$1,982	\$102

Coal Variance Analysis

4th Quarter 2007 vs. 2006



	2007	2006	Change
Revenue (\$Millions)	\$601	\$592	\$9
Volume	417,252	438,935	(21,683)
Rev/Car	\$1,441	\$1,349	\$92

Coal Volume

4th Quarter 2007 vs. 2006

Utility

- High stockpile levels
- Loss of Chesapeake Energy Center

 7%

Export

- Stronger European demand
- Problems at foreign coal ports
- Weak U.S. dollar

 23%

Domestic Met & Coke

- Mine outages
- Coking furnace outages

 19%

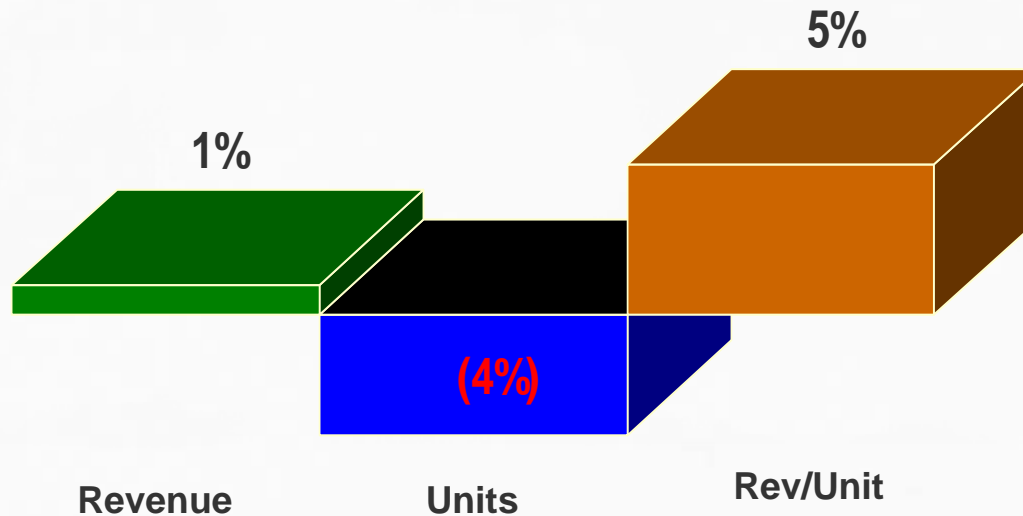
Industrial

- Lower demand in 4th quarter

 0%

Intermodal Variance Analysis

4th Quarter 2007 vs. 2006



	2007	2006	Change
Revenue (\$Millions)	\$496	\$493	\$3
Volume	775,744	810,997	(35,253)
Rev/Units	\$640	\$607	\$33

Intermodal Volume

4th Quarter 2007 vs. 2006

International

↓ 3%

- Soft import international trade

Domestic & Truckload

↓ 8%

- Excess truck capacity

Premium

↑ 3%

- Increased UPS volume

Triple Crown

↓ 2%

- Excess truck capacity

Outlook - 2008

- **Soft economic environment**
 - **Housing, automotive, consumer goods & higher fuel prices**
- **Expect both volume and revenues to improve over 2007**
- **Continued pricing gains averaging 4%**