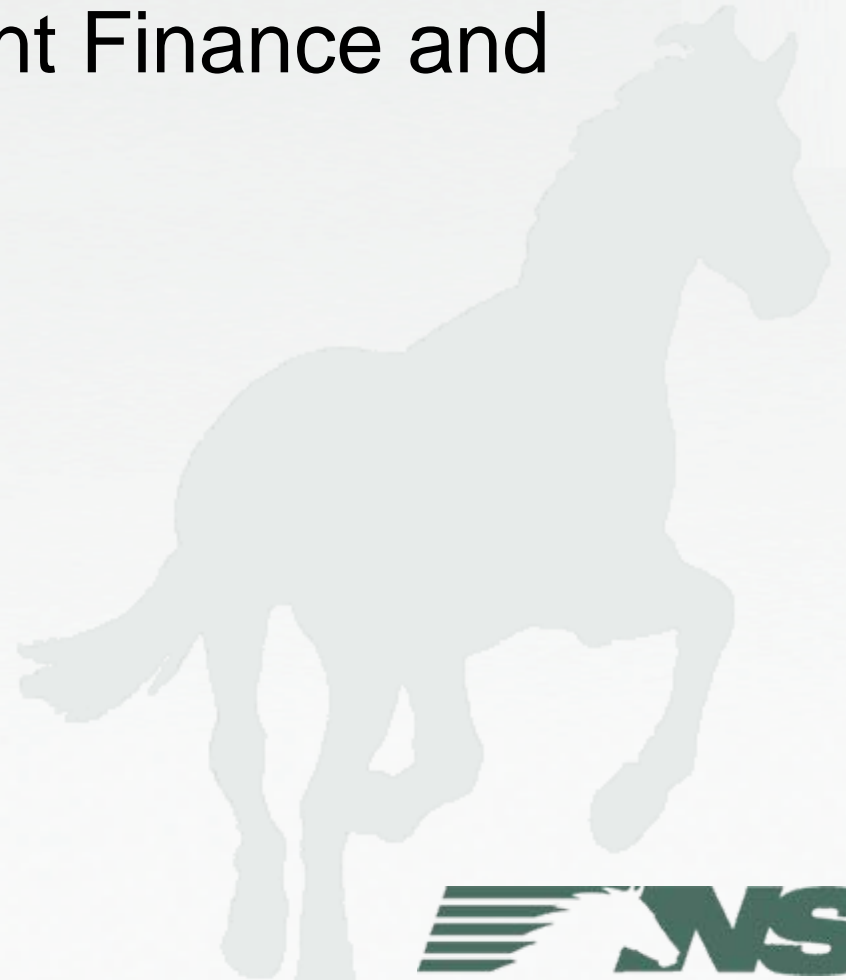


First Quarter Results 2008

James A. Squires

Executive Vice President Finance and
Chief Financial Officer



Income From Railway Operations

First Quarter 2008 vs. 2007

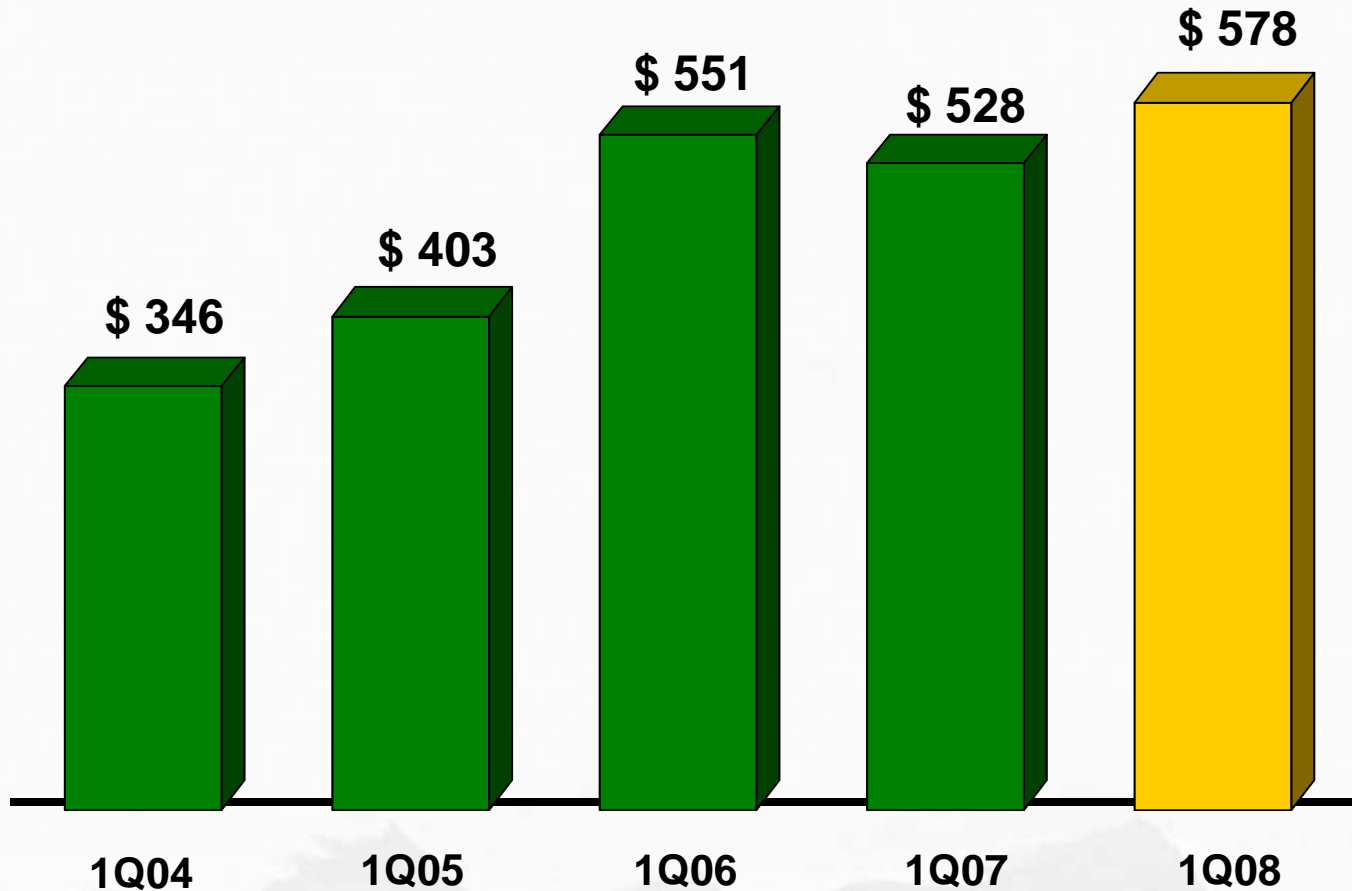
(\$ Millions)

	First Qtr 2008	First Qtr 2007	Favorable (Unfavorable)	
			\$	%
Railway Operating Revenues	\$ 2,500	\$ 2,247	\$ 253	11%
Railway Operating Expenses	1,922	1,719	(203)	(12%)
Income From Railway Operations	<u>\$ 578</u>	<u>\$ 528</u>	<u>\$ 50</u>	<u>9%</u>
Railway Operating Ratio	76.9	76.5	(0.4)	(1%)

Income From Railway Operations

2004 - 2008

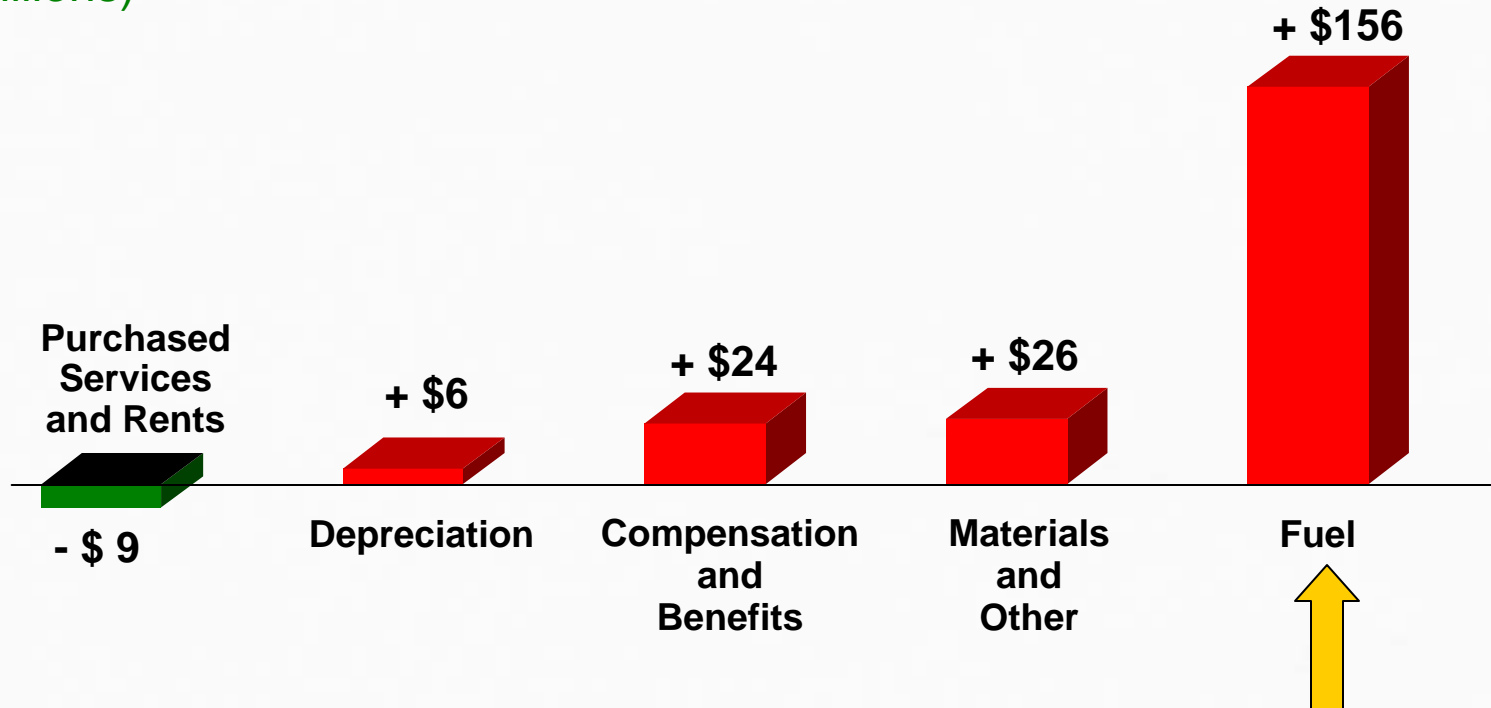
(\$ Millions)



Railway Operating Expenses Analysis

First Quarter 2008 vs. 2007

(\$ Millions)

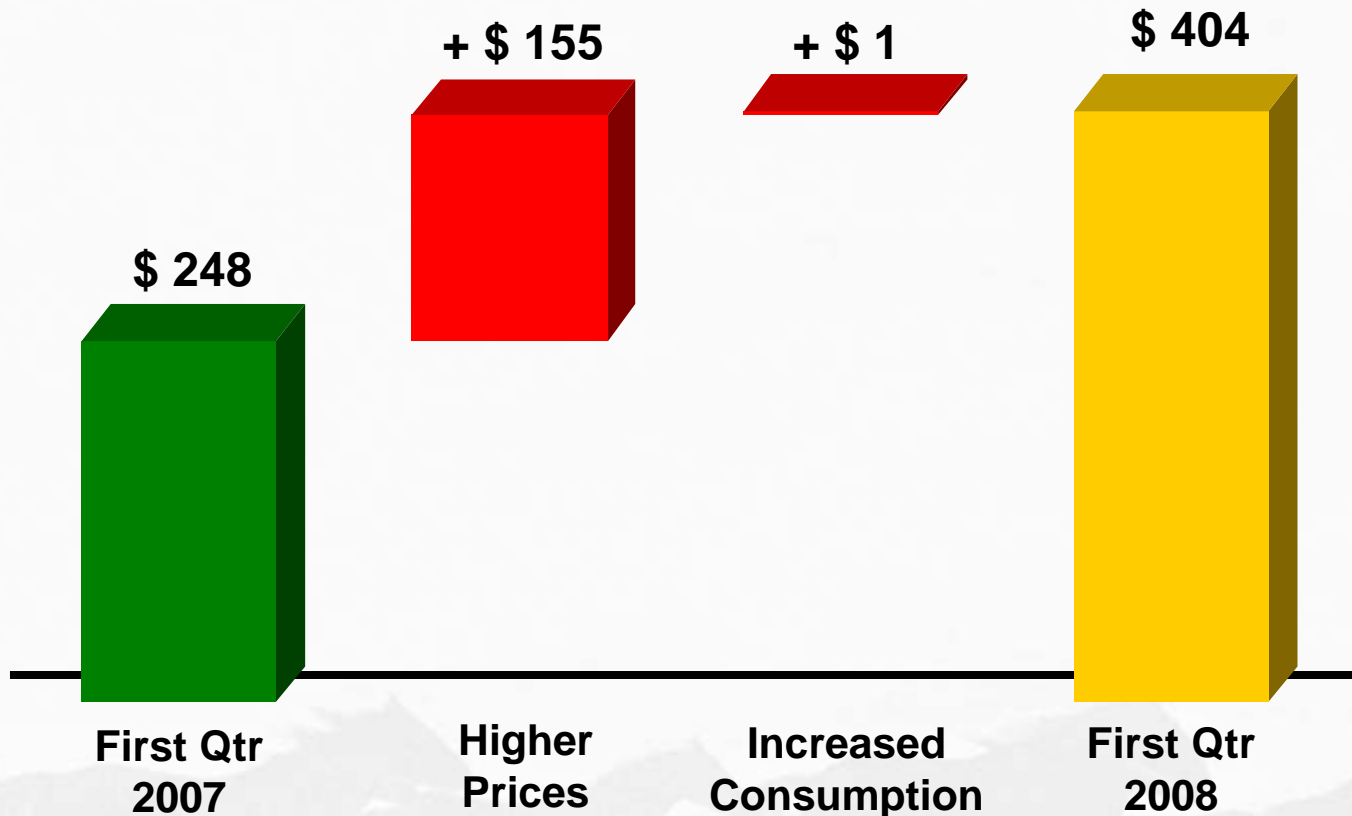


Net Increase \$ 203 Million / 12%

Fuel Expense Analysis

First Quarter 2008 vs. 2007

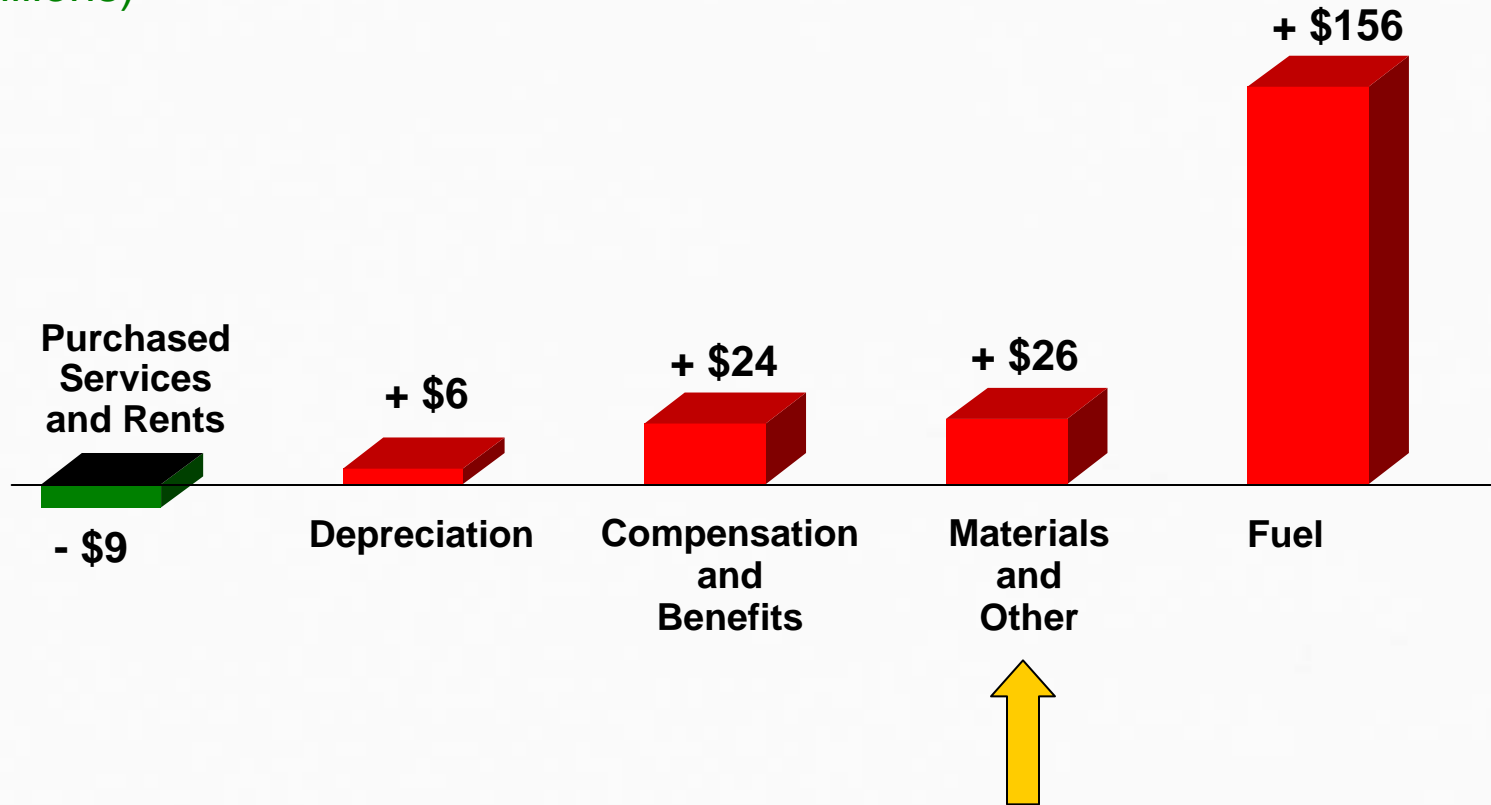
(\$ Millions)



Railway Operating Expenses Analysis

First Quarter 2008 vs. 2007

(\$ Millions)



Net Increase \$ 203 Million / 12%

Materials and Other Expense Analysis

First Quarter 2008 vs. 2007

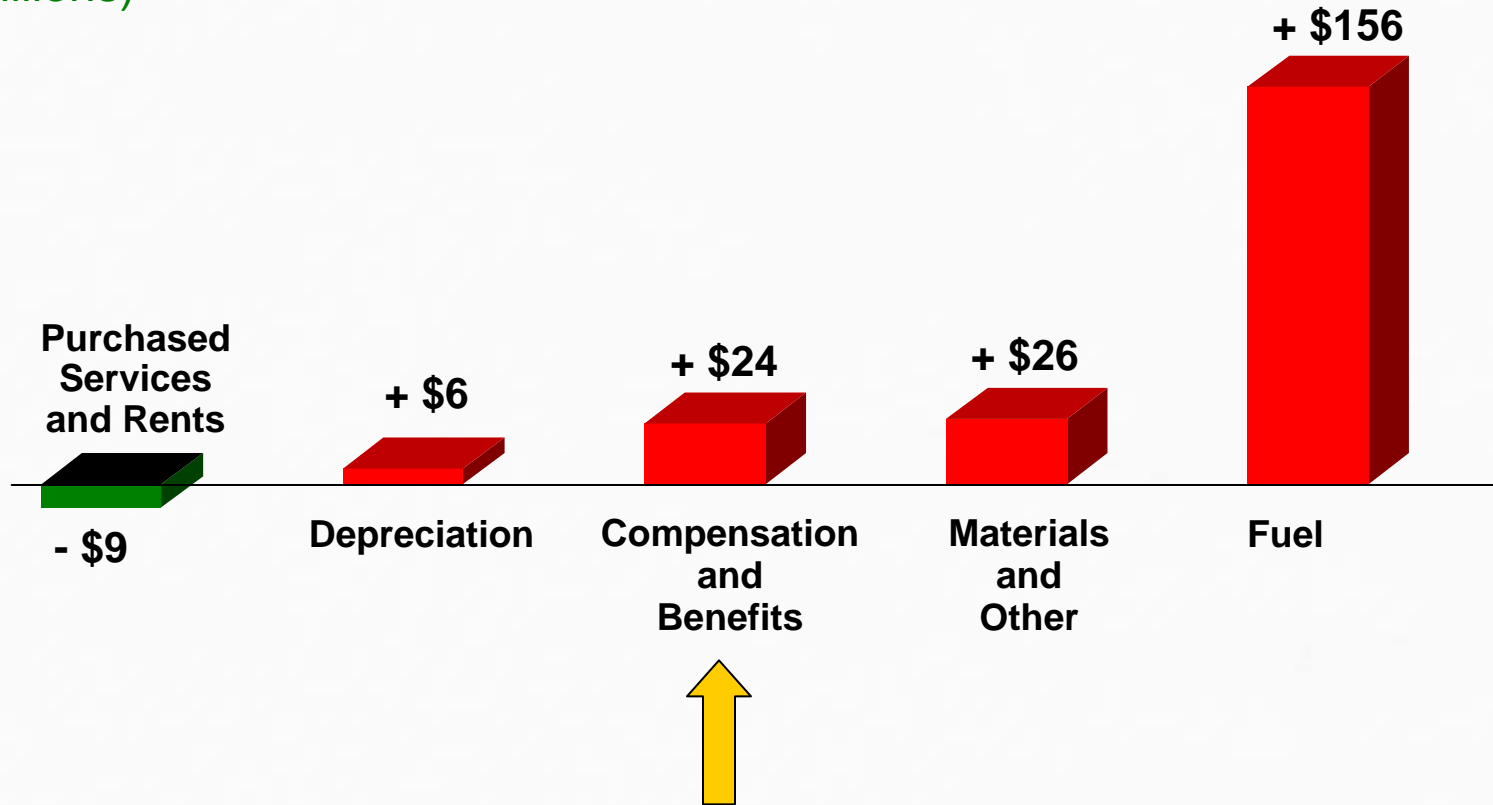
(\$ Millions)

	<u>Increase</u>
Casualties and Other Claims	\$ 13
Materials	12
Other	1
	<hr/>
Total Variance	\$ 26
	<hr/> <hr/>

Railway Operating Expenses Analysis

First Quarter 2008 vs. 2007

(\$ Millions)



Net Increase \$ 203 Million / 12%

Compensation and Benefits Analysis

First Quarter 2008 vs. 2007

(\$ Millions)

Increase

Stock Based Compensation

\$ 14

Wage Rates

10

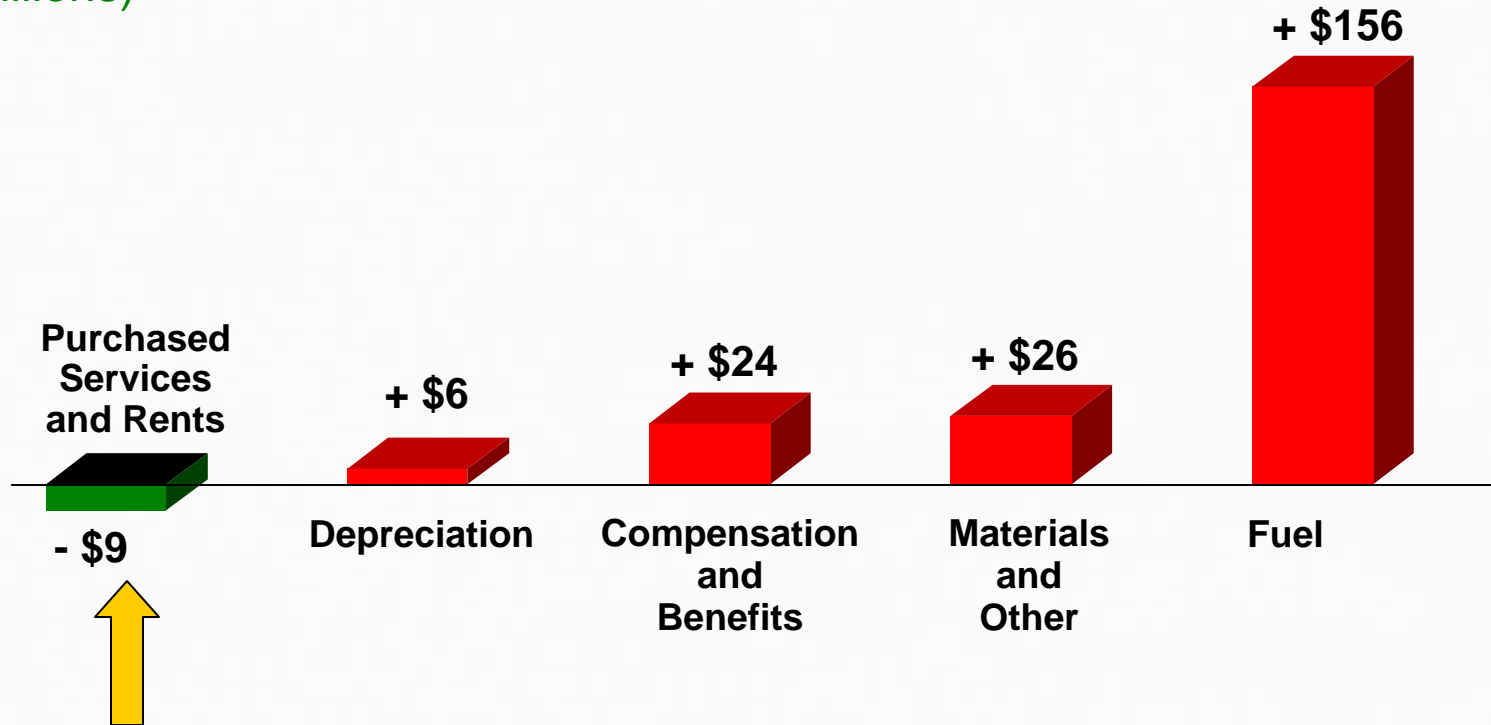
Total Variance

\$ 24

Railway Operating Expenses Analysis

First Quarter 2008 vs. 2007

(\$ Millions)



Net Increase \$ 203 Million / 12%

Other Income – Net

First Quarter 2008 vs. 2007

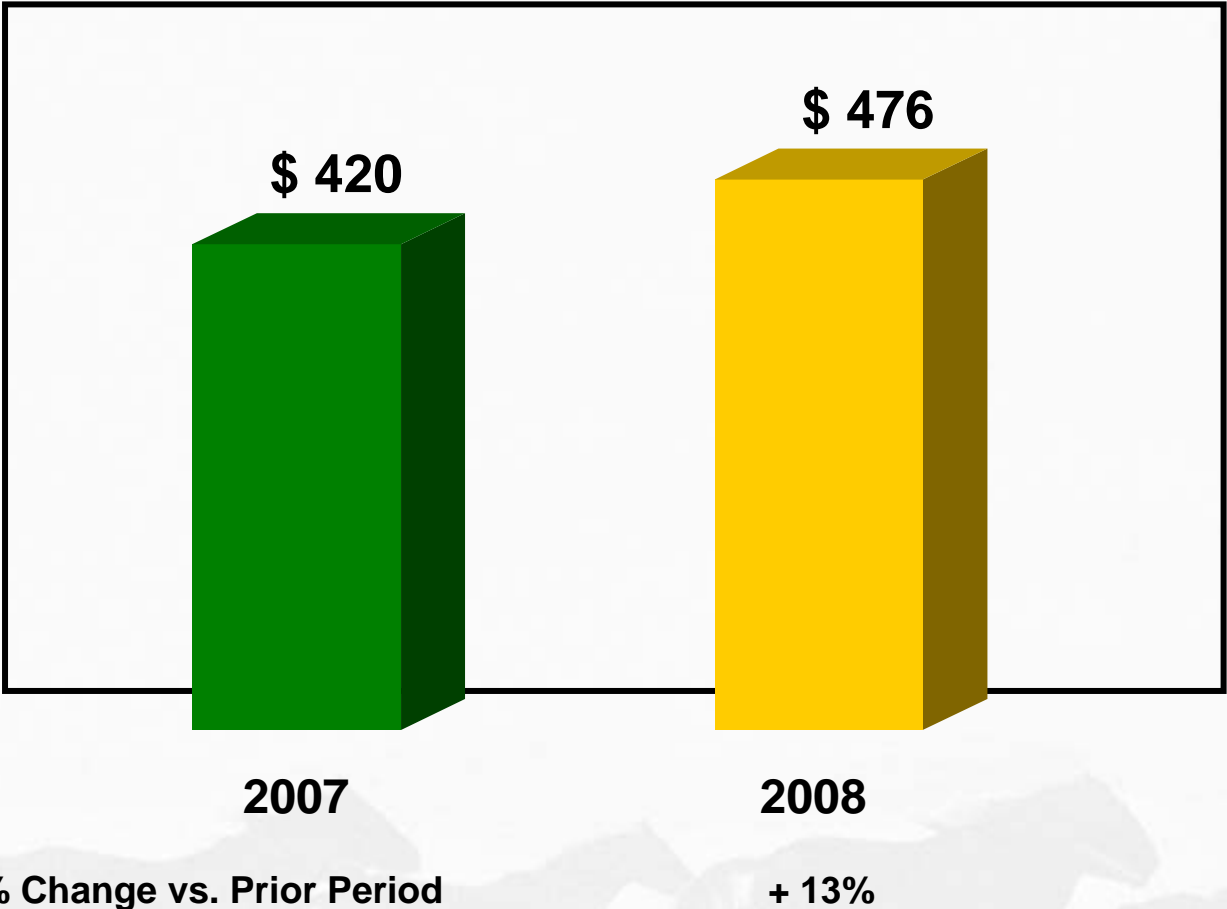
(\$ Millions)

	First Qtr 2008	First Qtr 2007	Change 2008 vs. 2007 Favorable (Unfavorable)
	<u> </u>	<u> </u>	<u> </u>
Other Income – net:			
Expenses Related to Synthetic Fuel Investments	\$ --	\$ (20)	20
Corporate-Owned Life Insurance	(18)	3	(21)
Interest Income	5	15	(10)
All Other	20	9	11
	<u> </u>	<u> </u>	<u> </u>
Other Income – net	\$ 7	\$ 7	\$ --
	<u> </u>	<u> </u>	<u> </u>

Income Before Income Taxes

First Quarter

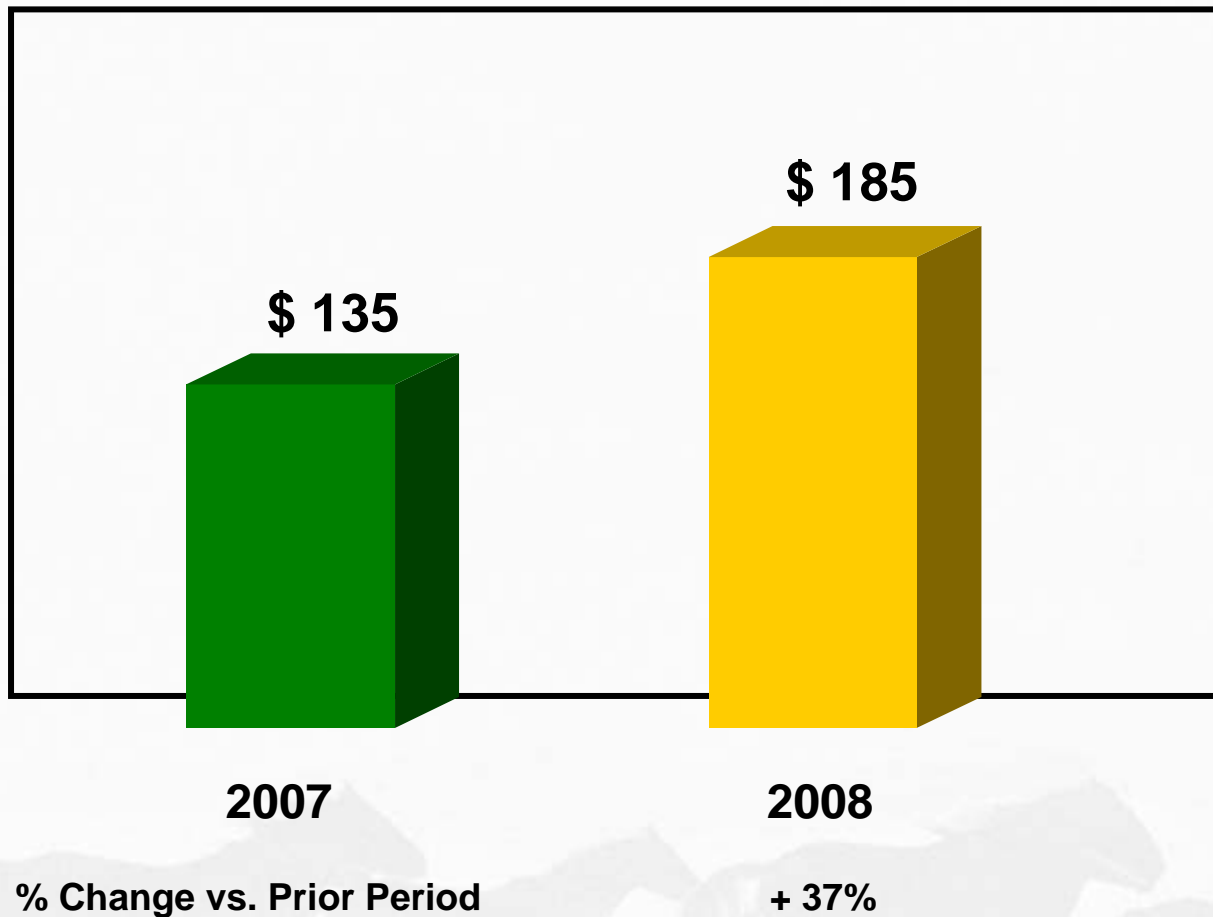
(\$ Millions)



Income Taxes

First Quarter

(\$ Millions)

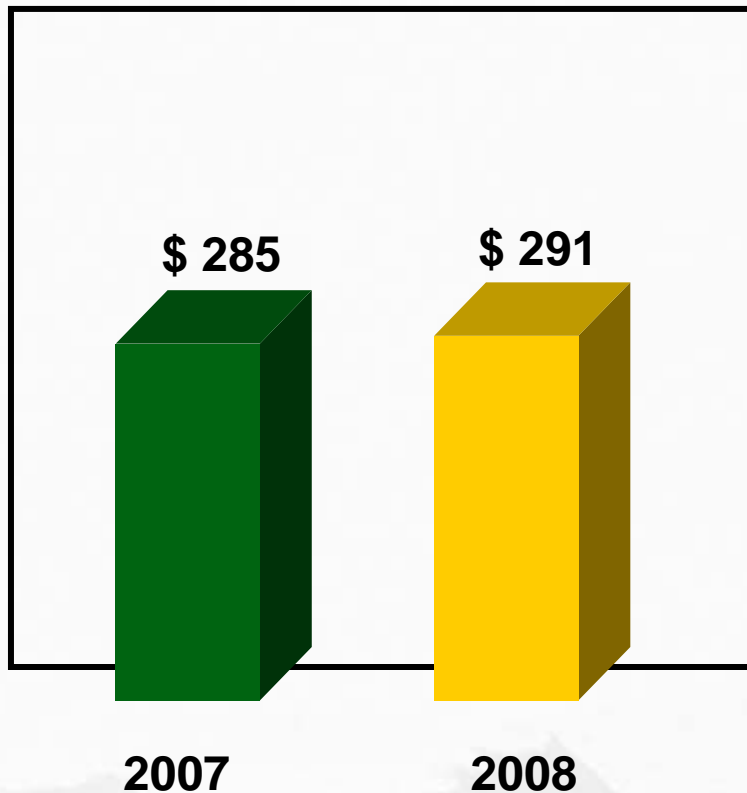


Net Income and Diluted Earnings per Share

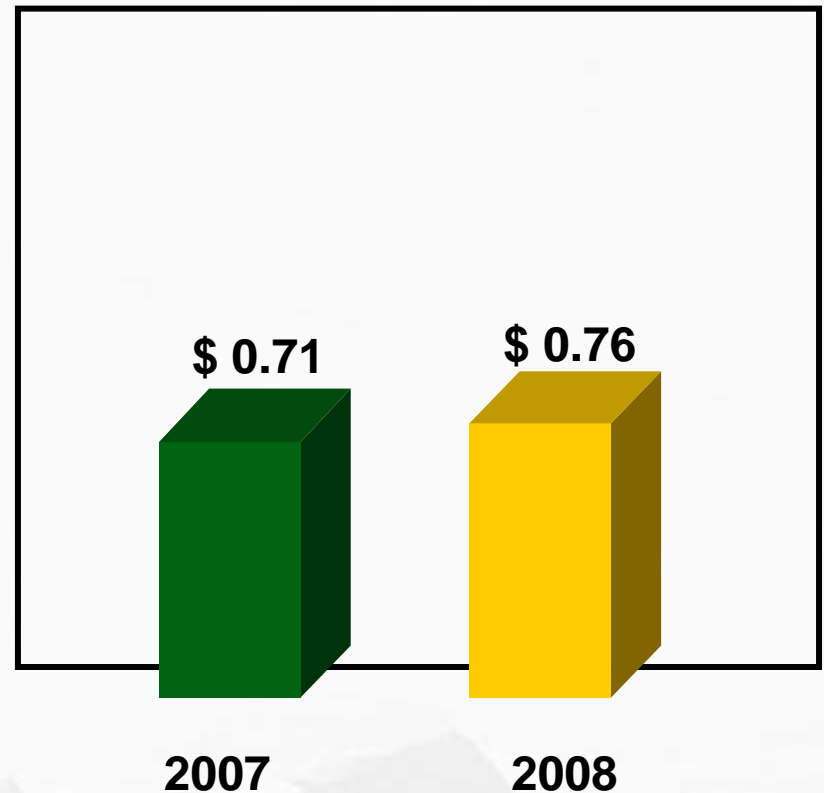
First Quarter

(\$ Millions except per share)

Net Income



Diluted Earnings per Share



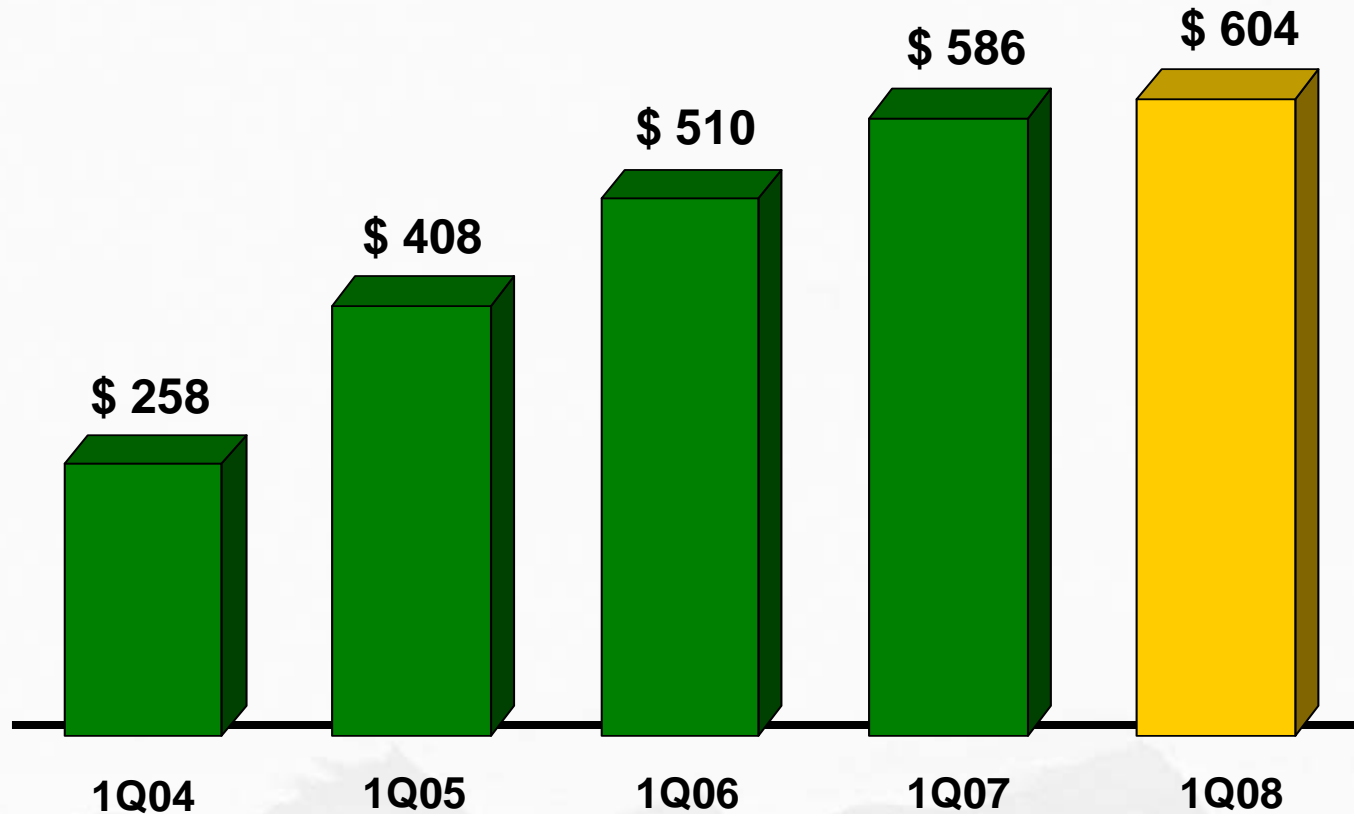
% Change vs. Prior Period + 2%

+ 7%

Cash Provided by Operations

2004 -2008

(\$ Millions)



Cumulative Share Repurchases

