

Quarterly Financial Review

Fourth Quarter 2007



Norfolk Southern Corporation
Finance Department
Three Commercial Place
Norfolk, Virginia 23510.2191

Norfolk Southern Railway System



- NS Lines & Rights
- - - NS Trackage/Haulage Rights
- Conrail Shared Assets Areas

Contents

Consolidated Statements of Income.....	2
Consolidated Balance Sheets.....	4
Consolidated Statements of Cash Flows.....	5
Consolidated Financial Information.....	6
Railway Operating Revenue Yield Analysis.....	8
Monthly Railway Carloadings.....	9
Railway Operating Revenue Variance Analysis.....	10
Coal, Coke and Iron Ore Tonnage by Market.....	10
Railway Operating Expense Variance Analysis.....	11
Compensation and Benefits Expense Analysis.....	12
Fuel Expense Analysis.....	12
Other Income — Net Analysis.....	13
Productivity Measures.....	14
Financial, Traffic and Operating Statistics:	
Consolidated Financial Data.....	16
Traffic and Operating Statistics.....	18
Financial Inquiries: James A. Squires.....	(757) 629-2845
Investor Inquiries: William J. Romig.....	(757) 629-2780
Leanne D. Marilley.....	(757) 629-2861

The accompanying unaudited interim financial statements should be read in conjunction with: (a) the financial statements and notes included in the Corporation's latest Annual Report on Form 10-K and in subsequent Quarterly Reports on Form 10-Q, and (b) any Current Reports on Form 8-K.

Any statements contained in this document which are not related to historical facts are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995 and Norfolk Southern undertakes no obligation to update such statements. Such forward-looking statements are subject to risks and uncertainties (the most significant of which are described in Norfolk Southern's SEC filings) which could cause actual results to differ.

Consolidated Statements of Income

Three Months Ended December 31,
(S millions except per share)

	2007	2006
Railway operating revenues:		
Coal	\$ 601	\$ 592
General merchandise (note 1)	1,357	1,234
Intermodal	496	493
Total railway operating revenues	2,454	2,319
Railway operating expenses (note 2):		
Compensation and benefits	623	655
Purchased services and rents	396	401
Fuel	353	256
Depreciation	197	187
Materials and other	199	206
Total railway operating expenses	1,768	1,705
Income from railway operations	686	614
Other income — net	34	40
Interest expense on debt	108	115
Income before income taxes	612	539
Provision for income taxes:		
Current	107	120
Deferred	106	34
Total income taxes	213	154
Net income	\$ 399	\$ 385
Earnings per share:		
Basic	\$ 1.04	\$ 0.97
Diluted	\$ 1.02	\$ 0.95
Average shares outstanding (millions) (note 3):		
Basic	381.6	396.0
Diluted	389.9	404.3

Notes to Consolidated Financial Statements

1. Contract Settlement

Fourth quarter 2007 automotive revenue includes \$26 million related to a contract settlement.

2. Reclassifications

Prior year amounts have been reclassified to conform to current year presentation. Specifically, "Fuel" includes locomotive fuel and other fuel used in railway operations. Material, casualties and other claims, and other railway expenses have been combined into "Materials and other." See pages 16 and 17 for additional railway operating expense detail.

3. Stock Repurchase Program

In March 2007, NS' Board of Directors amended the stock repurchase program that was authorized in November 2005 to increase the number of shares of NS common stock that may be repurchased from 50 million to 75 million. In addition, the authorization term was shortened from December 31, 2015 to December 31, 2010. During 2007, NS purchased and retired 23.6 million shares of common stock at a cost of \$1.2 billion. Since inception of this program, NS has purchased and retired 45.3 million shares at a total cost of \$2.2 billion.

Consolidated Statements of Income

Years Ended December 31,
(S millions except per share)

	2007	2006
Railway operating revenues:		
Coal	\$ 2,315	\$ 2,330
General merchandise (note 1)	5,196	5,106
Intermodal	1,921	1,971
Total railway operating revenues	9,432	9,407
Railway operating expenses (note 2):		
Compensation and benefits	2,552	2,637
Purchased services and rents	1,551	1,578
Fuel	1,169	1,095
Depreciation	775	738
Materials and other	800	802
Total railway operating expenses	6,847	6,850
Income from railway operations	2,585	2,557
Other income — net	93	149
Interest expense on debt	441	476
Income before income taxes	2,237	2,230
Provision for income taxes:		
Current	648	757
Deferred	125	(8)
Total income taxes	773	749
Net income	\$ 1,464	\$ 1,481
Earnings per share:		
Basic	\$ 3.74	\$ 3.63
Diluted	\$ 3.68	\$ 3.57
Average shares outstanding (millions) (note 3):		
Basic	389.6	406.0
Diluted	397.8	414.7

Consolidated Balance Sheets

As of December 31,
(\$ millions)

	2007	2006
Assets		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 206	\$ 918
Accounts receivable — net	942	992
Materials and supplies	176	151
Deferred income taxes	190	186
Other current assets	161	153
Total current assets	1,675	2,400
Investments	1,974	1,755
Properties less accumulated depreciation	21,583	21,098
Other assets	912	775
Total assets	\$ 26,144	\$ 26,028
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 1,139	\$ 1,181
Income and other taxes	203	205
Other current liabilities	237	216
Current maturities of long-term debt	369	491
Total current liabilities	1,948	2,093
Long-term debt	5,999	6,109
Other liabilities	2,039	1,767
Deferred income taxes	6,431	6,444
Total liabilities	16,417	16,413
Stockholders' equity:		
Common stock \$1.00 per share par value	400	418
Additional paid-in capital	1,466	1,303
Accumulated other comprehensive loss	(399)	(369)
Retained income	8,280	8,283
	9,747	9,635
Less treasury stock at cost, 20,683,686 and 20,780,638 shares, respectively	(20)	(20)
Total stockholders' equity	9,727	9,615
Total liabilities and stockholders' equity	\$ 26,144	\$ 26,028

Consolidated Statements of Cash Flows

Years Ended December 31,

(S millions)

	2007	2006
Cash flows from operating activities:		
Net income	\$ 1,464	\$ 1,481
Reconciliation of net income to net cash provided by operating activities:		
Depreciation	786	750
Deferred income taxes	125	(8)
Gains on properties and investments	(51)	(54)
Changes in assets and liabilities affecting operations:		
Accounts receivable	30	(60)
Materials and supplies	(25)	(19)
Other current assets	(17)	(11)
Current liabilities other than debt	38	38
Other — net	(17)	89
Net cash provided by operating activities	<u>2,333</u>	<u>2,206</u>
Cash flows from investing activities:		
Property additions	(1,341)	(1,178)
Property sales and other transactions	124	119
Investments, including short-term	(635)	(1,804)
Investment sales and other transactions	827	2,179
Net cash used for investing activities	<u>(1,025)</u>	<u>(684)</u>
Cash flows from financing activities:		
Dividends	(377)	(278)
Common stock issued — net	183	297
Purchase and retirement of common stock (note 3)	(1,196)	(964)
Proceeds from borrowings	250	—
Debt repayments	(489)	(339)
Net cash used for financing activities	<u>(1,629)</u>	<u>(1,284)</u>
Net increase (decrease) in cash and cash equivalents	<u>(321)</u>	<u>238</u>
Cash and cash equivalents:		
At beginning of year	<u>527</u>	<u>289</u>
At end of year	206	527
Short-term investments at end of year	<u>—</u>	<u>391</u>
Cash, cash equivalents and short-term investments at end of year	<u>\$ 206</u>	<u>\$ 918</u>
Supplemental disclosures of cash flow information		
Cash paid during the year for:		
Interest (net of amounts capitalized)	\$ 441	\$ 473
Income taxes (net of refunds)	\$ 603	\$ 692

Consolidated Financial Information

2005

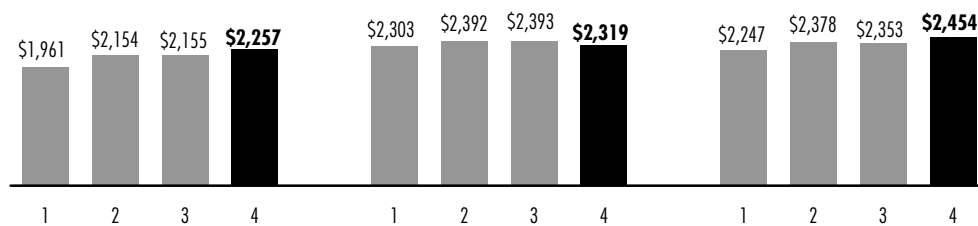
2006

2007

Railway Operating Revenues

(\$ millions)

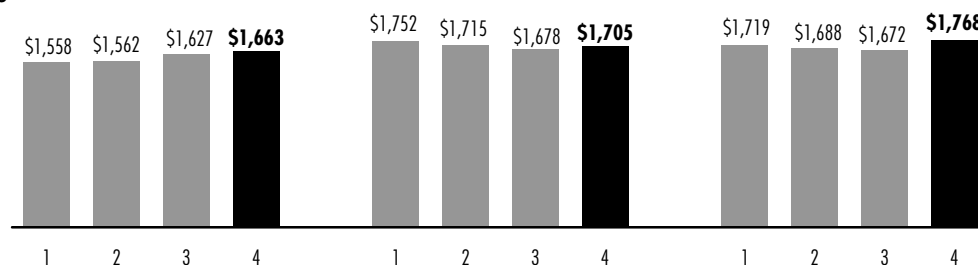
(see page 16 for details)



Railway Operating Expenses

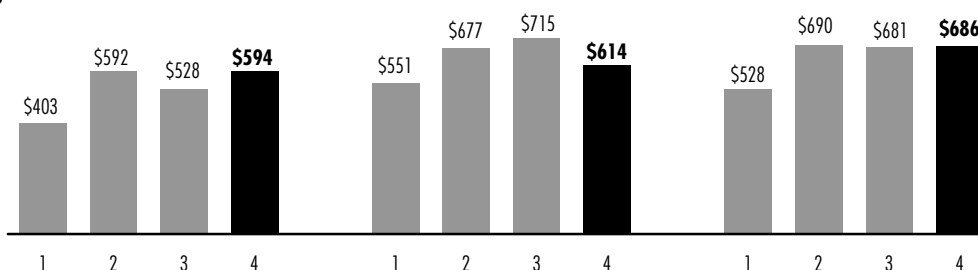
(\$ millions)

(see page 16 for details)



Income from Railway Operations

(\$ millions)

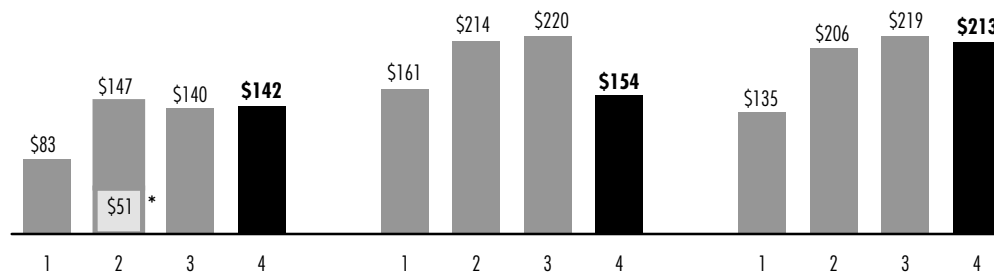


Income Taxes

(\$ millions)

(see page 16 for details)

*Includes \$96 million reduction of deferred income taxes (see note 3 on page 16).



Consolidated Financial Information

2005

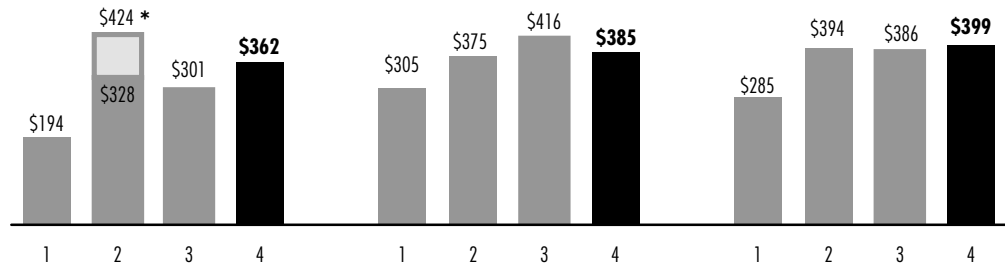
2006

2007

Net Income

(\$ millions)

* Includes reduction of deferred income taxes, which increased net income by \$96 million (see note 3 on page 16).



Earnings per Share

(dollars)

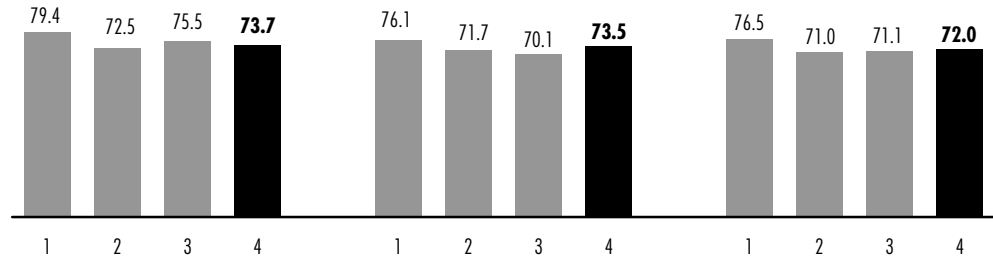
— Diluted

* Includes reduction of deferred income taxes, which increased earnings per share by 23 cents (see note 3 on page 16).



Railway Operating Ratio

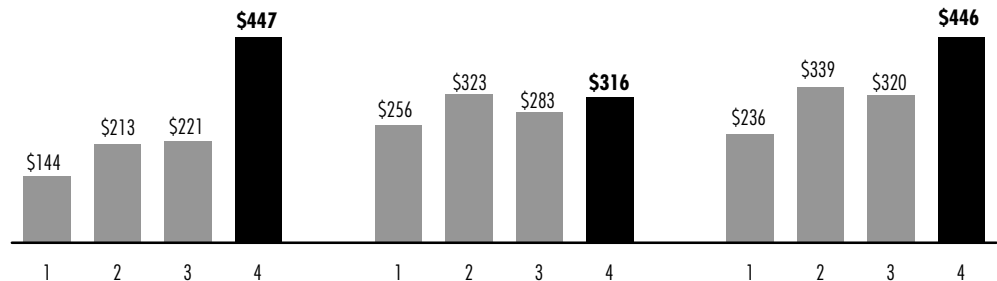
(percent)



Capital Expenditures

(\$ millions)

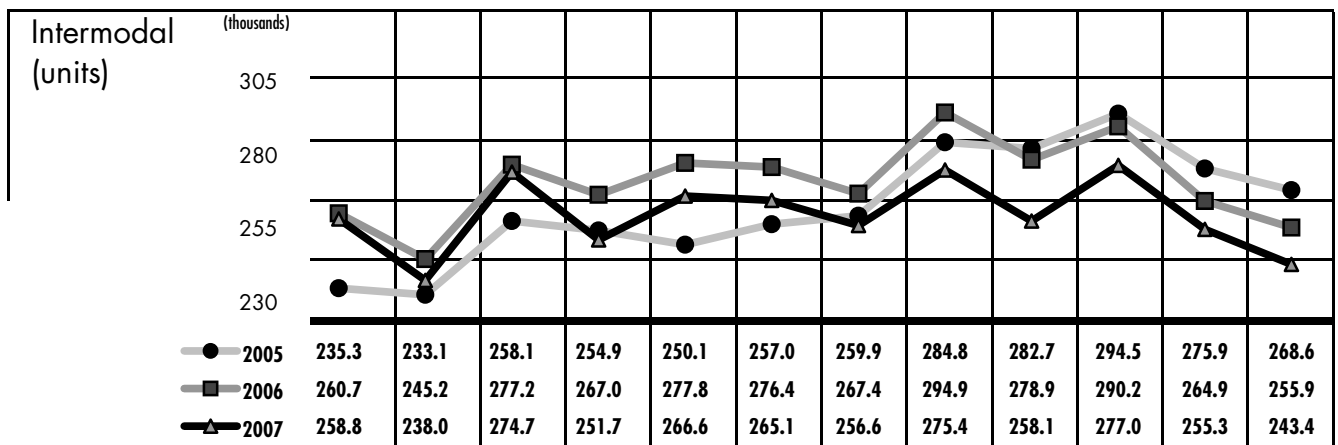
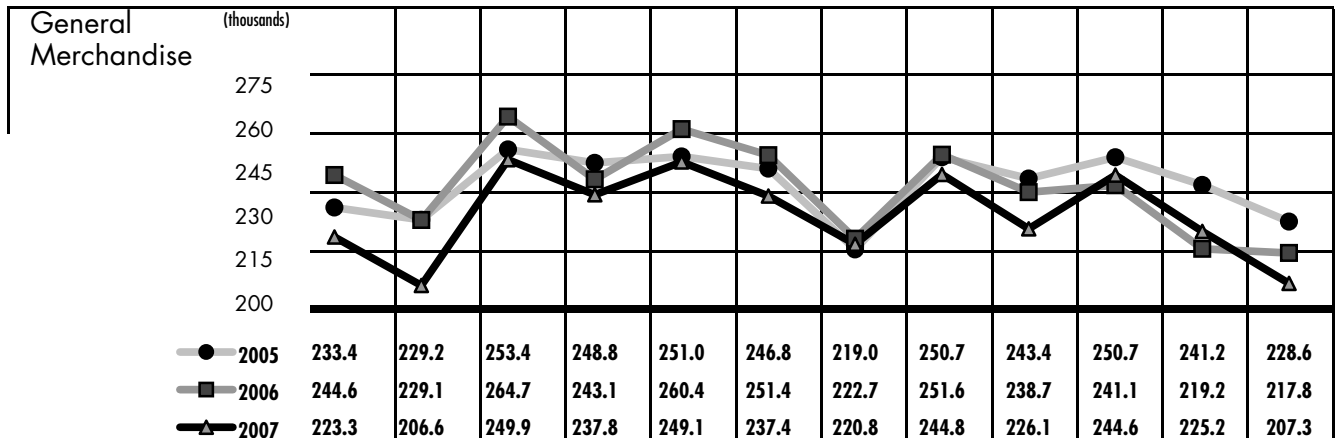
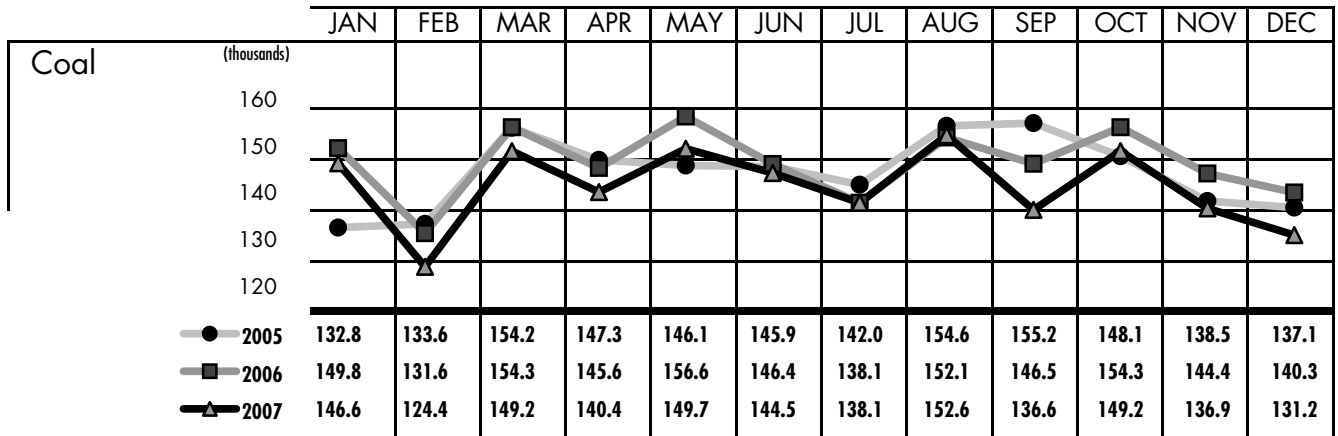
(see page 16 for details)



Railway Operating Revenue Yield Analysis

Commodity and Period	Revenues			Carloads			Revenue Yield		
	2005	2006	2007	2005	2006	2007	2005	2006	2007
First Quarter									
	(\$ millions)			(thousands)			(\$ per carload)		
Coal	\$ 467	\$ 559	\$ 557	420.6	435.7	420.2	\$ 1,111	\$ 1,282	\$ 1,326
Agriculture/consumer/gov't	190	264	241	143.6	149.9	146.7	1,323	1,760	1,644
Metals and construction	224	279	275	185.8	208.6	185.6	1,206	1,341	1,480
Paper/clay/forest	189	214	211	116.6	118.4	109.3	1,621	1,806	1,936
Chemicals	232	259	274	110.8	107.3	105.7	2,088	2,415	2,587
Automotive	251	262	227	159.2	154.2	132.5	1,579	1,697	1,717
General merchandise	1,086	1,278	1,228	716.0	738.4	679.8	1,517	1,731	1,807
Intermodal	408	466	462	726.5	783.1	771.5	561	595	598
Total	\$ 1,961	\$ 2,303	\$ 2,247	1,863.1	1,957.2	1,871.5	\$ 1,053	\$ 1,176	\$ 1,201
Second Quarter									
Coal	\$ 578	\$ 584	\$ 579	439.3	448.6	434.6	\$ 1,314	\$ 1,304	\$ 1,332
Agriculture/consumer/gov't	197	239	254	144.3	146.1	148.9	1,362	1,638	1,701
Metals and construction	243	304	298	202.4	222.6	209.8	1,197	1,362	1,423
Paper/clay/forest	198	224	216	120.0	118.8	109.0	1,652	1,889	1,981
Chemicals	247	268	297	115.9	107.6	109.7	2,138	2,495	2,712
Automotive	263	276	255	164.0	159.8	146.9	1,603	1,726	1,733
General merchandise	1,148	1,311	1,320	746.6	754.9	724.3	1,537	1,737	1,822
Intermodal	428	497	479	762.0	821.2	783.4	562	605	611
Total	\$ 2,154	\$ 2,392	\$ 2,378	1,947.9	2,024.7	1,942.3	\$ 1,106	\$ 1,182	\$ 1,224
Third Quarter									
Coal	\$ 546	\$ 595	\$ 578	451.8	436.7	427.3	\$ 1,209	\$ 1,362	\$ 1,353
Agriculture/consumer/gov't	198	239	264	138.3	147.9	151.4	1,436	1,617	1,747
Metals and construction	252	316	287	206.8	219.1	200.3	1,222	1,441	1,433
Paper/clay/forest	205	231	222	118.0	117.6	108.5	1,732	1,964	2,045
Chemicals	254	286	297	110.9	109.1	108.0	2,288	2,612	2,748
Automotive	229	211	221	139.1	119.3	123.5	1,645	1,774	1,784
General merchandise	1,138	1,283	1,291	713.1	713.0	691.7	1,596	1,799	1,866
Intermodal	471	515	484	827.4	841.2	790.1	569	614	612
Total	\$ 2,155	\$ 2,393	\$ 2,353	1,992.3	1,990.9	1,909.1	\$ 1,082	\$ 1,202	\$ 1,232
Fourth Quarter									
Coal	\$ 524	\$ 592	\$ 601	423.7	439.0	417.3	\$ 1,236	\$ 1,349	\$ 1,441
Agriculture/consumer/gov't	247	252	288	145.6	150.2	154.5	1,691	1,677	1,861
Metals and construction	259	269	289	199.2	185.0	187.9	1,297	1,455	1,540
Paper/clay/forest	209	222	211	117.6	111.9	101.3	1,783	1,982	2,084
Chemicals	245	266	298	104.5	102.4	103.3	2,347	2,599	2,886
Automotive	254	225	271	153.6	128.6	130.1	1,656	1,752	2,084
General merchandise	1,214	1,234	1,357	720.5	678.1	677.1	1,685	1,820	2,005
Intermodal	519	493	496	839.0	811.0	775.7	619	607	640
Total	\$ 2,257	\$ 2,319	\$ 2,454	1,983.2	1,928.1	1,870.1	\$ 1,138	\$ 1,203	\$ 1,313
Year									
Coal	\$ 2,115	\$ 2,330	\$ 2,315	1,735.4	1,760.0	1,699.4	\$ 1,219	\$ 1,324	\$ 1,363
Agriculture/consumer/gov't	832	994	1,047	571.8	594.1	601.5	1,454	1,673	1,740
Metals and construction	978	1,168	1,149	794.2	835.3	783.6	1,231	1,398	1,467
Paper/clay/forest	801	891	860	472.2	466.7	428.1	1,697	1,909	2,010
Chemicals	978	1,079	1,166	442.1	426.4	426.7	2,212	2,530	2,732
Automotive	997	974	974	615.9	561.9	533.0	1,620	1,734	1,827
General merchandise	4,586	5,106	5,196	2,896.2	2,884.4	2,772.9	1,583	1,770	1,874
Intermodal	1,826	1,971	1,921	3,154.9	3,256.5	3,120.7	579	605	615
Total	\$ 8,527	\$ 9,407	\$ 9,432	7,786.5	7,900.9	7,593.0	\$ 1,095	\$ 1,191	\$ 1,242

Monthly Railway Carloadings



Railway Operating Revenue Variance Analysis

Fourth Quarter
2007 vs. 2006

(\$ millions)

	Coal		General Merchandise		Intermodal		Total	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Revenue Variance due to:								
Volume	\$ (29)	(5%)	\$ (2)	-	\$ (22)	(4%)	\$ (70)	(3%)
Revenue per unit/mix	38	7%	125	10%	25	5%	205	9%
	<u>\$ 9</u>	<u>2%</u>	<u>\$ 123</u>	<u>10%</u>	<u>\$ 3</u>	<u>1%</u>	<u>\$ 135</u>	<u>6%</u>

Year
2007 vs. 2006

Revenue Variance due to:								
Volume	\$ (80)	(4%)	\$ (197)	(4%)	\$ (82)	(4%)	\$ (367)	(4%)
Revenue per unit/mix	65	3%	287	6%	32	1%	392	4%
	<u>\$ (15)</u>	<u>(1%)</u>	<u>\$ 90</u>	<u>2%</u>	<u>\$ (50)</u>	<u>(3%)</u>	<u>\$ 25</u>	<u>-</u>

Coal, Coke and Iron Ore Tonnage by Market

Fourth Quarter
(tons in thousands)

	2005		2006		2007	
	Tons	Change vs. 2004	Tons	Change vs. 2005	Tons	Change vs. 2006
Utility	35,105	4%	37,075	6%	34,976	(6%)
Export	2,999	(31%)	3,389	13%	4,192	24%
Steel	5,072	(9%)	4,915	(3%)	4,315	(12%)
Industrial	2,310	(4%)	2,395	4%	2,382	(1%)
	<u>45,486</u>	<u>(1%)</u>	<u>47,774</u>	<u>5%</u>	<u>45,865</u>	<u>(4%)</u>

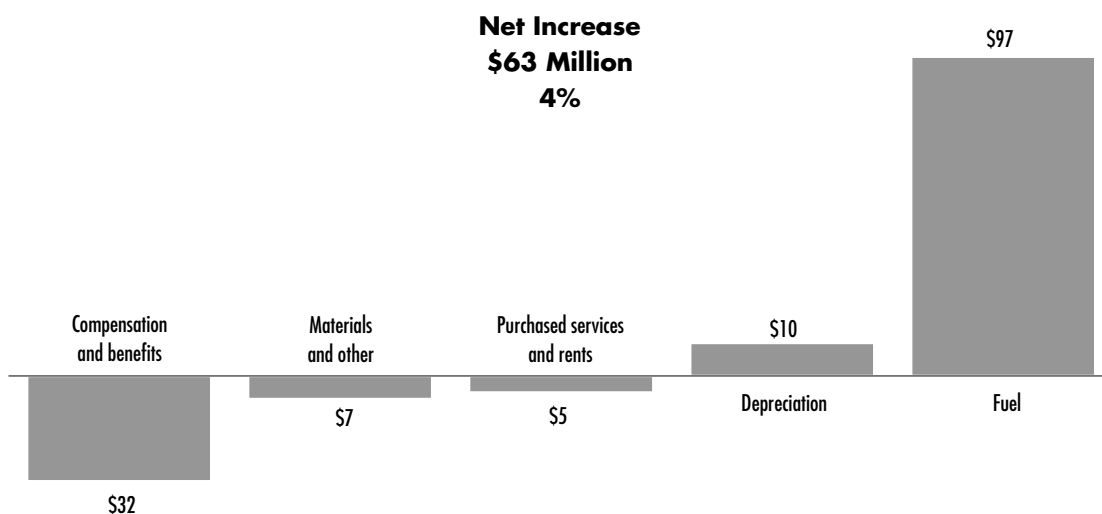
Year

Utility	142,522	6%	148,078	4%	142,734	(4%)
Export	14,531	(12%)	12,409	(15%)	15,564	25%
Steel	20,076	(3%)	20,878	4%	17,873	(14%)
Industrial	9,524	(3%)	9,202	(3%)	9,794	6%
	<u>186,653</u>	<u>3%</u>	<u>190,567</u>	<u>2%</u>	<u>185,965</u>	<u>(2%)</u>

Railway Operating Expense Variance Analysis

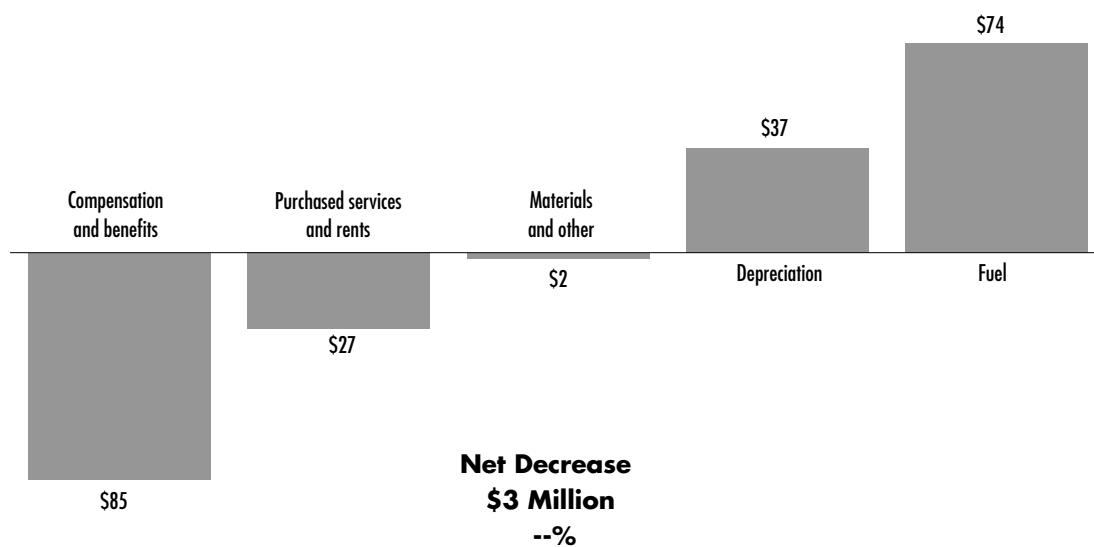
Fourth Quarter
2007 vs. 2006

(S millions)
Amount of change

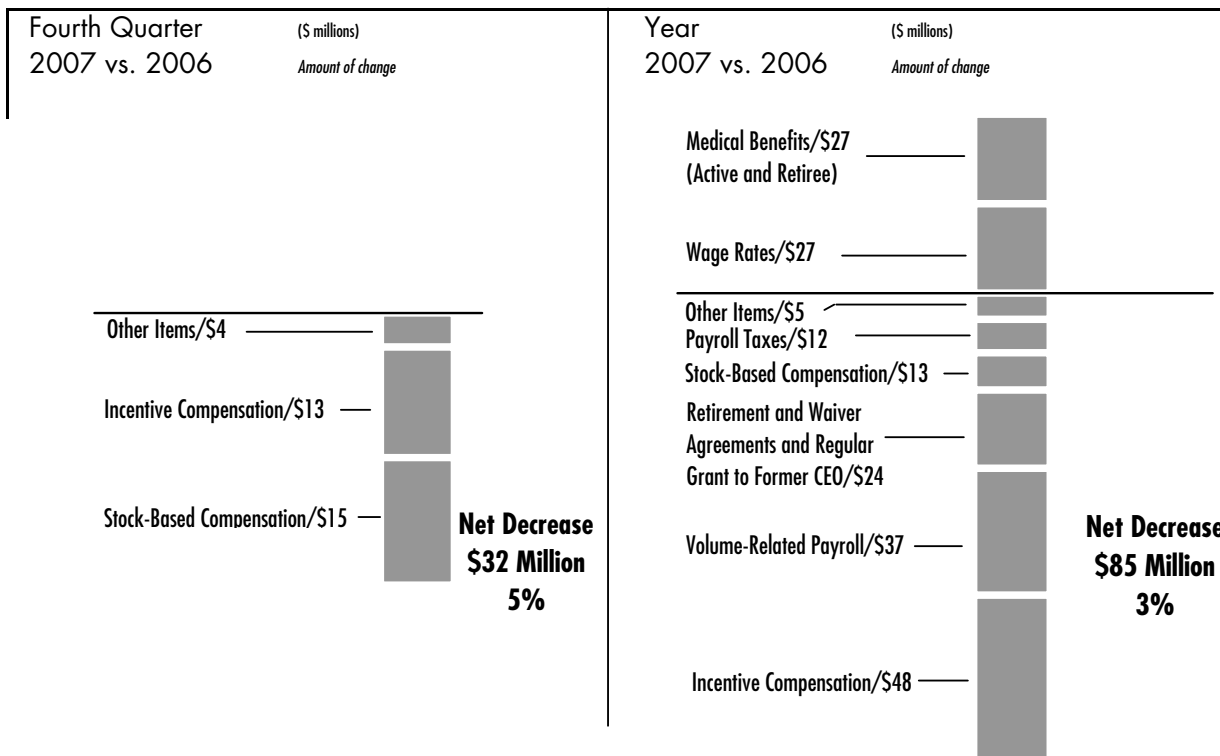


Year
2007 vs. 2006

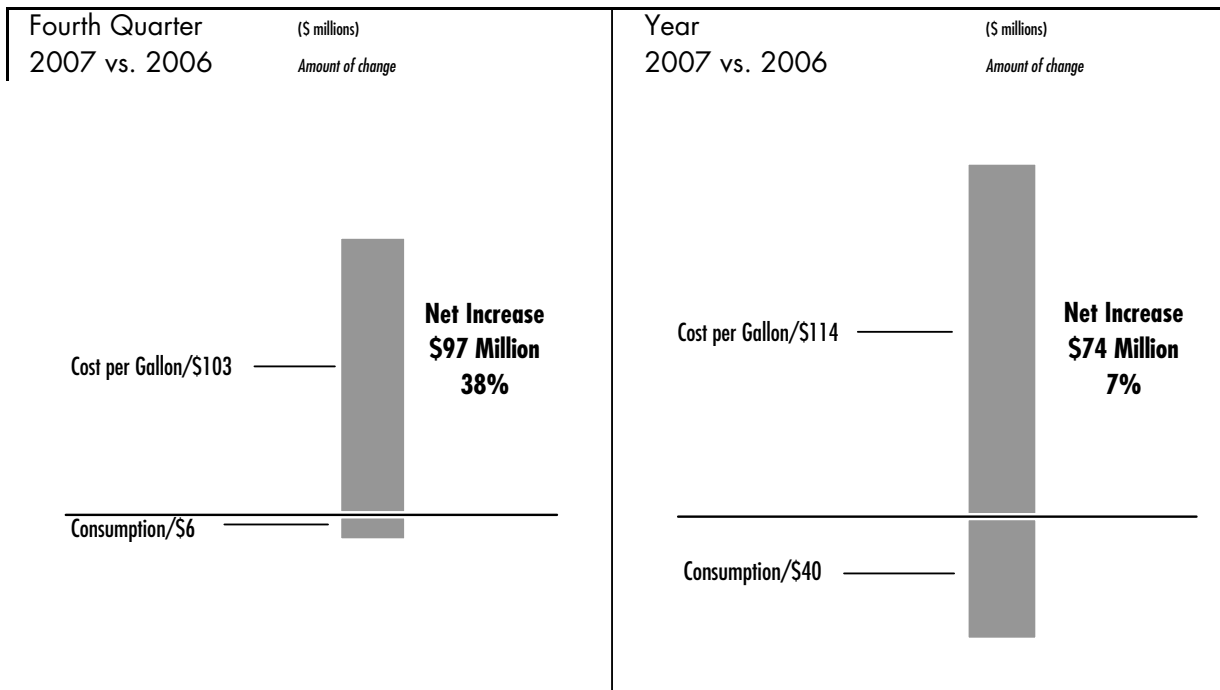
(S millions)
Amount of change



Compensation and Benefits Expense Analysis



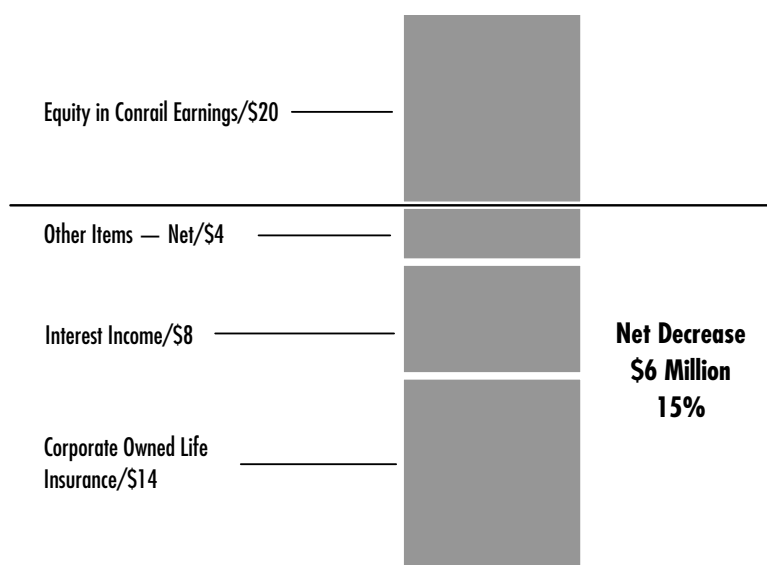
Fuel Expense Analysis



Other Income — Net Analysis

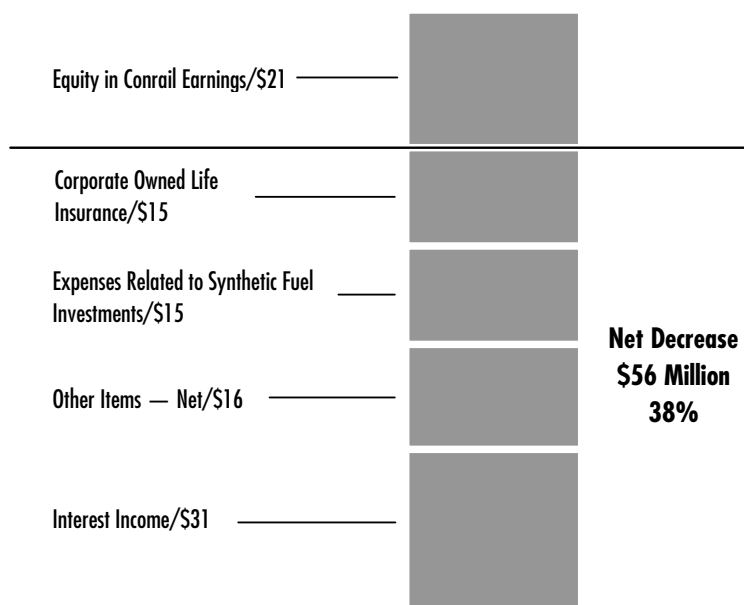
Fourth Quarter
2007 vs. 2006

(\$ millions)
Amount of change



Year
2007 vs. 2006

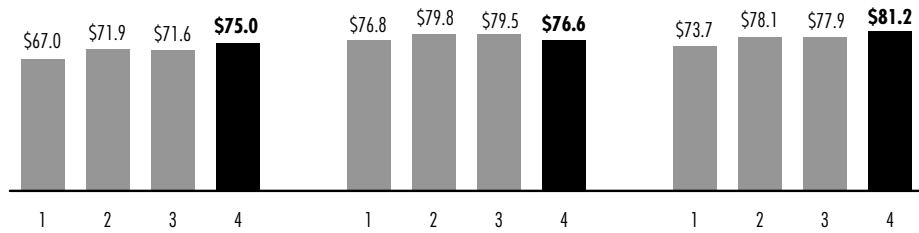
(\$ millions)
Amount of change



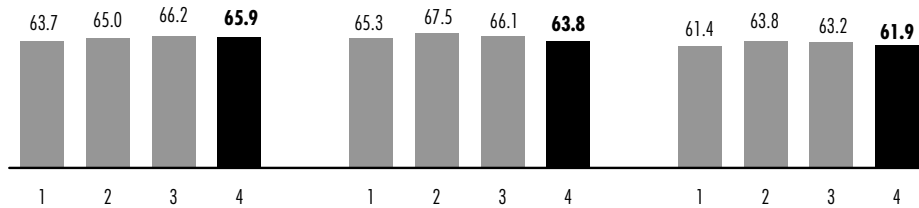
Productivity Measures

2005
2006
2007

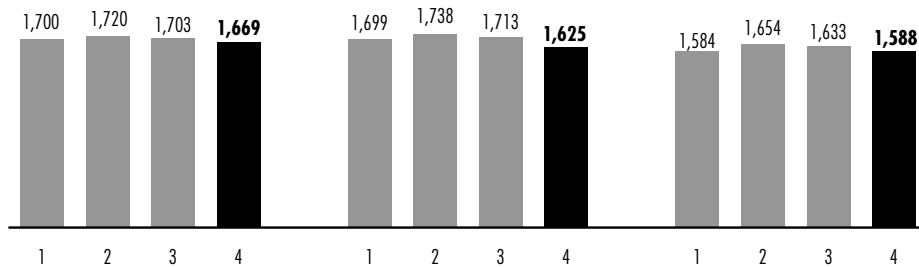
Operating Revenue per Employee (S thousands)



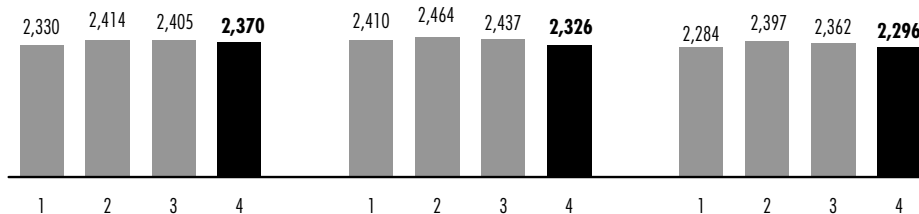
Carloads per Employee



Revenue Ton Miles per Employee (thousands)



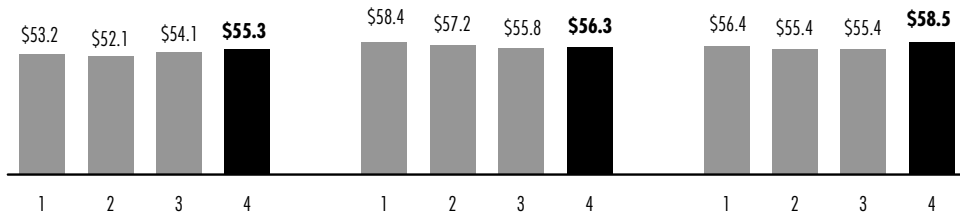
Revenue Ton Miles per Mile of Road Operated (thousands)



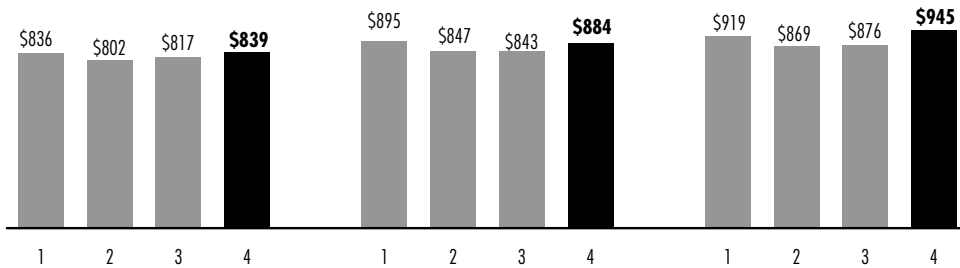
Productivity Measures

2005
2006
2007

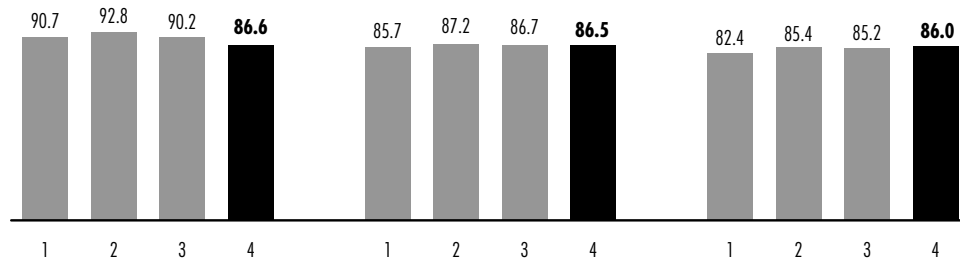
Operating Expense per Employee (\$ thousands)



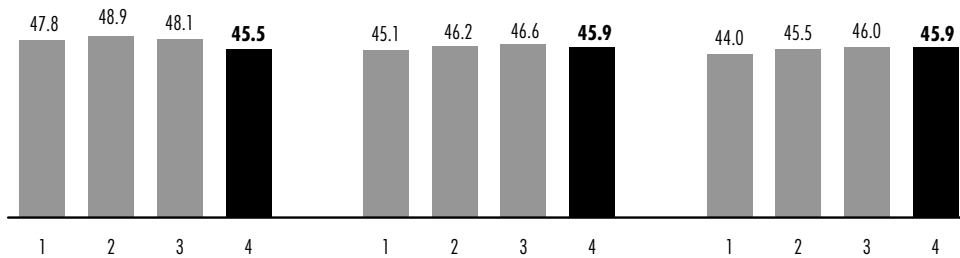
Operating Expense per Carload (dollars)



Gross Ton Miles per Train Hour (thousands)



Revenue Ton Miles per Train Hour (thousands)



Financial, Traffic and Operating Statistics

Consolidated Financial Data		2005				
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
(\$ millions — except as noted)						
• No corresponding charts for this data.						
Page	Item					
6	Railway operating revenues					
8	Coal	\$ 467	\$ 578	\$ 546	\$ 524	\$ 2,115
8	General merchandise	1,086	1,148	1,138	1,214	4,586
8	Intermodal	408	428	471	519	1,826
6	Total railway operating revenues (notes 1 and 3)	\$ 1,961	\$ 2,154	\$ 2,155	\$ 2,257	\$ 8,527
6	Railway operating expenses:					
•	Compensation and benefits (note 2)	\$ 604	\$ 624	\$ 629	\$ 636	\$ 2,493
•	Purchased services	277	277	285	303	1,142
•	Equipment rents	99	105	101	100	405
•	Fuel	171	183	212	255	821
•	Depreciation	193	194	195	192	774
•	Materials	78	79	88	70	315
•	Casualties and other claims	78	40	59	47	224
•	Other	58	60	58	60	236
6	Total railway operating expenses (note 3)	\$ 1,558	\$ 1,562	\$ 1,627	\$ 1,663	\$ 6,410
6	Income from railway operations	\$ 403	\$ 592	\$ 528	\$ 594	\$ 2,117
•	Other income (expense)	\$ (126)	\$ (117)	\$ (87)	\$ (90)	\$ (420)
•	Income before income taxes	\$ 277	\$ 475	\$ 441	\$ 504	\$ 1,697
•	Income taxes — current	\$ 59	\$ 122	\$ 86	\$ 69	\$ 336
•	Income taxes — deferred (note 3)	24	(71)	54	73	80
6	Total income taxes	\$ 83	\$ 51	\$ 140	\$ 142	\$ 416
7	Net income	\$ 194	\$ 424	\$ 301	\$ 362	\$ 1,281
7	Earnings per share - diluted (dollars) (note 3)	\$ 0.47	\$ 1.04	\$ 0.73	\$ 0.87	\$ 3.11
7	Railway operating ratio	79.4	72.5	75.5	73.7	75.2
7	Capital expenditures:					
•	Equipment	\$ 25	\$ 36	\$ 36	\$ 187	\$ 284
•	Road	119	177	185	260	741
7	Total capital expenditures	\$ 144	\$ 213	\$ 221	\$ 447	\$ 1,025
•	Cash, cash equivalents and short-term investments	\$ 1,119	\$ 615	\$ 1,050	\$ 1,257	\$ 1,257
•	Total debt, excluding notes payable to Conrail	\$ 7,682	\$ 6,992	\$ 6,958	\$ 6,930	\$ 6,930
•	Debt-to-total capitalization (percent)	48.2	44.8	43.8	42.7	42.7
•	Shares outstanding end of period - basic (thousands)	403.0	403.3	405.1	408.6	408.6

Note 1 Fourth quarter 2007 includes \$26 million related to a contract settlement.

Note 2 First quarter 2006 includes expense related to effects from the implementation of Statement of Financial Accounting Standards, No. 123(R), "Share-Based Payment."

Note 3 Second quarter 2005 includes a \$24 million, or 6 cents per diluted share, net gain from the settlements of coal rate cases. Second quarter 2005 also includes a reduction of deferred income taxes which increased net income by \$96 million, or 23 cents per diluted share. First quarter 2005 includes approximately \$35 million and second, third and fourth quarters include approximately \$2 million each in costs related to the derailment in Graniteville, SC, which reduced net income for the year by approximately \$24 million, or 6 cents per diluted share.

2006					2007				
First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
\$ 559	\$ 584	\$ 595	\$ 592	\$ 2,330	\$ 557	\$ 579	\$ 578	\$ 601	\$ 2,315
1,278	1,311	1,283	1,234	5,106	1,228	1,320	1,291	1,357	5,196
466	497	515	493	1,971	462	479	484	496	1,921
\$ 2,303	\$ 2,392	\$ 2,393	\$ 2,319	\$ 9,407	\$ 2,247	\$ 2,378	\$ 2,353	\$ 2,454	\$ 9,432
\$ 721	\$ 637	\$ 624	\$ 655	\$ 2,637	\$ 681	\$ 629	\$ 619	\$ 623	\$ 2,552
284	286	288	307	1,165	289	283	294	306	1,172
107	106	106	94	413	95	97	97	90	379
260	291	288	256	1,095	248	279	289	353	1,169
183	182	186	187	738	192	192	194	197	775
88	85	83	90	346	89	91	88	91	359
53	65	50	52	220	52	46	33	40	171
56	63	53	64	236	73	71	58	68	270
\$ 1,752	\$ 1,715	\$ 1,678	\$ 1,705	\$ 6,850	\$ 1,719	\$ 1,688	\$ 1,672	\$ 1,768	\$ 6,847
\$ 551	\$ 677	\$ 715	\$ 614	\$ 2,557	\$ 528	\$ 690	\$ 681	\$ 686	\$ 2,585
\$ (85)	\$ (88)	\$ (79)	\$ (75)	\$ (327)	\$ (108)	\$ (90)	\$ (76)	\$ (74)	\$ (348)
\$ 466	\$ 589	\$ 636	\$ 539	\$ 2,230	\$ 420	\$ 600	\$ 605	\$ 612	\$ 2,237
\$ 162	\$ 240	\$ 235	\$ 120	\$ 757	\$ 138	\$ 225	\$ 178	\$ 107	\$ 648
(1)	(26)	(15)	34	(8)	(3)	(19)	41	106	125
\$ 161	\$ 214	\$ 220	\$ 154	\$ 749	\$ 135	\$ 206	\$ 219	\$ 213	\$ 773
\$ 305	\$ 375	\$ 416	\$ 385	\$ 1,481	\$ 285	\$ 394	\$ 386	\$ 399	\$ 1,464
\$ 0.72	\$ 0.89	\$ 1.02	\$ 0.95	\$ 3.57	\$ 0.71	\$ 0.98	\$ 0.97	\$ 1.02	\$ 3.68
76.1	71.7	70.1	73.5	72.8	76.5	71.0	71.1	72.0	72.6
\$ 109	\$ 124	\$ 77	\$ 112	\$ 422	\$ 72	\$ 131	\$ 79	\$ 165	\$ 447
147	199	206	204	756	164	208	241	281	894
\$ 256	\$ 323	\$ 283	\$ 316	\$ 1,178	\$ 236	\$ 339	\$ 320	\$ 446	\$ 1,341
\$ 1,542	\$ 1,535	\$ 803	\$ 918	\$ 918	\$ 844	\$ 492	\$ 418	\$ 206	\$ 206
\$ 6,898	\$ 6,865	\$ 6,625	\$ 6,600	\$ 6,600	\$ 6,533	\$ 6,164	\$ 6,147	\$ 6,368	\$ 6,368
41.5	40.8	40.9	40.7	40.7	40.4	38.3	38.4	39.6	39.6
413.5	412.7	395.8	396.3	396.3	392.4	392.8	386.4	378.5	378.5

Financial, Traffic and Operating Statistics

Traffic and Operating Statistics		2005				
Page	Item	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
	<ul style="list-style-type: none"> No corresponding charts for this data. 					
8	Railway carloads (thousands)					
8	Coal	420.6	439.3	451.8	423.7	1,735.4
8	General merchandise	716.0	746.6	713.1	720.5	2,896.2
8	Intermodal	726.5	762.0	827.4	839.0	3,154.9
8	Total railway carloads	1,863.1	1,947.9	1,992.3	1,983.2	7,786.5
	<ul style="list-style-type: none"> Revenue ton miles (RTMs) (billions): 					
	• Coal	14.3	15.0	15.6	14.4	59.3
	• General merchandise	27.7	28.7	27.4	27.4	111.2
	• Intermodal	7.8	7.8	8.2	8.5	32.3
	• Total	49.8	51.5	51.2	50.3	202.8
	<ul style="list-style-type: none"> Revenue (dollars) per thousand RTMs: 					
	• Coal	\$ 32.56	\$ 38.56	\$ 34.98	\$ 36.61	\$ 35.69
	• General merchandise	\$ 39.27	\$ 40.01	\$ 41.48	\$ 44.34	\$ 41.25
	• Intermodal	\$ 52.58	\$ 54.36	\$ 57.52	\$ 60.98	\$ 56.48
	• Total	\$ 39.41	\$ 41.78	\$ 42.06	\$ 44.95	\$ 42.06
	<ul style="list-style-type: none"> Gross ton miles (GTMs) (billions) 	94.5	97.7	96.1	95.6	383.9
	• Revenue ton miles (RTMs) (billions)	49.8	51.5	51.2	50.3	202.8
	• Railroad employees (average)	29,271	29,968	30,084	30,082	29,851
	<ul style="list-style-type: none"> Total operating expense (dollars) per thousand GTMs 	\$ 16.49	\$ 15.98	\$ 16.93	\$ 17.40	\$ 16.70
	• Compensation and benefits (dollars) per thousand GTMs	\$ 6.39	\$ 6.38	\$ 6.55	\$ 6.65	\$ 6.49
	• Total operating expense (dollars) per thousand RTMs	\$ 31.31	\$ 30.30	\$ 31.76	\$ 33.12	\$ 31.62
	• Compensation and benefits (dollars) per thousand RTMs	\$ 12.14	\$ 12.10	\$ 12.28	\$ 12.67	\$ 12.30
14	Total operating revenue (\$ thousands) per employee	\$ 67.0	\$ 71.9	\$ 71.6	\$ 75.0	\$ 285.5
15	Total operating expense (\$ thousands) per employee	\$ 53.2	\$ 52.1	\$ 54.1	\$ 55.3	\$ 214.7
	<ul style="list-style-type: none"> GTMs (thousands) per employee 	3,227	3,262	3,194	3,177	12,860
14	RTMs (thousands) per employee	1,700	1,720	1,703	1,669	6,792
14	Carloads per employee	63.7	65.0	66.2	65.9	260.8
14	RTMs (thousands) per mile of road operated	2,330	2,414	2,405	2,370	9,519
15	Total operating expense (dollars) per carload	\$ 836	\$ 802	\$ 817	\$ 839	\$ 823
	• Compensation and benefits (dollars) per carload	\$ 324	\$ 320	\$ 316	\$ 321	\$ 320
	• RTMs (thousands) per carload	26.7	26.5	25.7	25.3	26.0
	• Locomotive diesel fuel consumed (thousands of gallons)	133,286	127,102	124,375	128,637	513,400
	• Average price (dollars) per gallon of locomotive diesel fuel	\$ 1.122	\$ 1.277	\$ 1.518	\$ 1.761	\$ 1.416
	• RTMs per gallon of fuel consumed	373	406	412	390	395
15	GTMs (thousands) per train hour	90.7	92.8	90.2	86.6	90.0
15	RTMs (thousands) per train hour	47.8	48.9	48.1	45.5	47.5
	<ul style="list-style-type: none"> Percent of loaded-to-total car miles 	58.9	58.7	58.8	59.5	59.0
	• Total new cross-ties installed (thousands)	557	727	768	497	2,549
	• Total track miles of rail laid (miles)	71	96	60	75	302

2006					2007				
First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
435.7	448.6	436.7	439.0	1,760.0	420.2	434.6	427.3	417.3	1,699.4
738.4	754.9	713.0	678.1	2,884.4	679.8	724.3	691.7	677.1	2,772.9
783.1	821.2	841.2	811.0	3,256.5	771.5	783.4	790.1	775.7	3,120.7
1,957.2	2,024.7	1,990.9	1,928.1	7,900.9	1,871.5	1,942.3	1,909.1	1,870.1	7,593.0
14.7	15.2	15.2	14.8	59.9	14.3	15.2	14.6	14.1	58.2
28.6	29.0	28.4	26.8	112.8	26.9	28.1	27.7	26.9	109.6
7.7	7.9	7.9	7.6	31.1	7.1	7.0	7.1	7.0	28.2
51.0	52.1	51.5	49.2	203.8	48.3	50.3	49.4	48.0	196.0
\$ 38.10	\$ 38.34	\$ 39.24	\$ 39.85	\$ 38.88	\$ 38.88	\$ 38.15	\$ 39.63	\$ 42.68	\$ 39.80
\$ 44.77	\$ 45.23	\$ 45.05	\$ 46.15	\$ 45.28	\$ 45.73	\$ 46.86	\$ 46.56	\$ 50.49	\$ 47.40
\$ 60.19	\$ 63.09	\$ 65.17	\$ 64.99	\$ 63.36	\$ 64.97	\$ 68.34	\$ 68.84	\$ 70.78	\$ 68.22
\$ 45.19	\$ 45.91	\$ 46.42	\$ 47.15	\$ 46.16	\$ 46.53	\$ 47.22	\$ 47.69	\$ 51.16	\$ 48.13
96.7	98.5	96.0	92.8	384.0	90.5	94.5	91.5	89.9	366.4
51.0	52.1	51.5	49.2	203.8	48.3	50.3	49.4	48.0	196.0
29,986	29,984	30,097	30,251	30,079	30,484	30,438	30,219	30,204	30,336
\$ 18.11	\$ 17.42	\$ 17.48	\$ 18.38	\$ 17.84	\$ 19.00	\$ 17.87	\$ 18.27	\$ 19.67	\$ 18.69
\$ 7.45	\$ 6.47	\$ 6.50	\$ 7.06	\$ 6.87	\$ 7.53	\$ 6.66	\$ 6.76	\$ 6.93	\$ 6.97
\$ 34.38	\$ 32.92	\$ 32.55	\$ 34.67	\$ 33.61	\$ 35.60	\$ 33.52	\$ 33.88	\$ 36.86	\$ 34.94
\$ 14.15	\$ 12.23	\$ 12.11	\$ 13.32	\$ 12.94	\$ 14.10	\$ 12.49	\$ 12.54	\$ 12.99	\$ 13.02
\$ 76.8	\$ 79.8	\$ 79.5	\$ 76.6	\$ 312.7	\$ 73.7	\$ 78.1	\$ 77.9	\$ 81.2	\$ 310.9
\$ 58.4	\$ 57.2	\$ 55.8	\$ 56.3	\$ 227.7	\$ 56.4	\$ 55.4	\$ 55.4	\$ 58.5	\$ 225.7
3,226	3,284	3,190	3,065	12,765	2,968	3,104	3,029	2,976	12,077
1,699	1,738	1,713	1,625	6,775	1,584	1,654	1,633	1,588	6,459
65.3	67.5	66.1	63.8	262.7	61.4	63.8	63.2	61.9	250.3
2,410	2,464	2,437	2,326	9,637	2,284	2,397	2,362	2,296	9,339
\$ 895	\$ 847	\$ 843	\$ 884	\$ 867	\$ 919	\$ 869	\$ 876	\$ 945	\$ 902
\$ 368	\$ 315	\$ 313	\$ 340	\$ 334	\$ 364	\$ 324	\$ 324	\$ 333	\$ 336
26.0	25.7	25.9	25.5	25.8	25.8	25.9	25.8	25.6	25.8
137,439	129,264	124,153	127,927	518,783	129,472	125,461	118,037	124,654	497,624
\$ 1.680	\$ 2.014	\$ 2.071	\$ 1.783	\$ 1.882	\$ 1.694	\$ 1.979	\$ 2.184	\$ 2.558	\$ 2.099
371	403	415	384	393	373	401	418	385	394
85.7	87.2	86.7	86.5	86.5	82.4	85.4	85.2	86.0	84.7
45.1	46.2	46.6	45.9	45.9	44.0	45.5	46.0	45.9	45.3
58.6	58.5	58.4	58.1	58.4	58.1	57.7	57.4	58.0	57.8
621	804	663	576	2,664	632	705	762	552	2,651
81	114	65	67	327	116	92	98	95	401