

Quarterly Financial Review

First Quarter 2004



Norfolk Southern Corporation

Finance Department
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Norfolk, Virginia 23510.2191

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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.

Consolidated Statement of Income

Three Months Ended March 31,
(\$ millions except per share)

	2004	2003
Railway operating revenues:		
Coal	\$ 398	\$ 354
General merchandise	967	918
Intermodal	328	289
Total railway operating revenues	1,693	1,561
Railway operating expenses:		
Compensation and benefits	545	526
Materials, services and rents	365	360
Conrail rents and services	102	107
Depreciation	129	127
Diesel fuel	107	104
Casualties and other claims	40	51
Other	59	55
Total railway operating expenses	1,347	1,330
Income from railway operations	346	231
Other income — net	10	21
Interest expense on debt	(121)	(127)
Income from continuing operations before income taxes and accounting changes	235	125
Provision (benefit) for income taxes:		
Current	49	46
Deferred	28	(6)
Total income taxes	77	40
Income from continuing operations before accounting changes	158	85
Discontinued operations — taxes on sale of motor carrier (note 1)	—	10
Cumulative effect of changes in accounting principles, net of taxes (note 2)	—	114
Net income	\$ 158	\$ 209
Earnings per share (basic and diluted):		
Income from continuing operations before accounting changes	\$ 0.40	\$ 0.22
Discontinued operations (note 1)	—	0.03
Cumulative effect of changes in accounting (note 2)	—	0.29
Net income	\$ 0.40	\$ 0.54
Average shares outstanding (000's)	391,231	389,250

Notes to Consolidated Financial Statements

1. Discontinued Operations in 2003 —

First-quarter 2003 results included an additional after-tax gain of \$10 million, or 3 cents per share, related to the 1998 sale of NS' motor carrier subsidiary, North American Van Lines, Inc. This non-cash gain resulted from the resolution of tax issues related to the transaction.

2. Changes in Accounting Principles in 2003 —

NS adopted Financial Accounting Standards Board (FASB) Statement No. 143, "Accounting for Asset Retirement Obligations" (SFAS No. 143), effective Jan. 1, 2003, and recorded a \$110 million net adjustment (\$182 million before taxes) for the cumulative effect of this change in accounting on years prior to 2003. Pursuant to SFAS No. 143, the cost to remove cross-ties must be recorded as an expense when incurred; previously these removal costs were accrued as a component of depreciation. This change in accounting lowered 2003 depreciation expense (because the depreciation rate for cross-ties no longer reflects costs to remove) and increased compensation and benefits expenses (for the costs to remove retired assets). The net effect on total railway operating expenses and net income was not material.

NS also adopted FASB Interpretation No. 46, "Consolidation of Variable Interest Entities" (FIN No. 46), effective Jan. 1, 2003, and recorded a \$4 million net adjustment (\$6 million before taxes) for the cumulative effect of this change in accounting on years prior to 2003. Pursuant to FIN No. 46, NS has consolidated a special-purpose entity that leases certain locomotives to NS. This entity's assets and liabilities at Jan. 1, 2003, included \$169 million of locomotives and \$157 million of debt related to their purchase, as well as a \$6 million minority interest liability. This change in accounting increased depreciation and interest expense in 2003 (to reflect the locomotives as owned assets) and lowered lease expense. The net effect on total railway operating expenses and net income was not material.

See notes to consolidated financial statements on pages 2, 4 and 5.

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year-to-date statement will appear
here next quarter.**

Consolidated Balance Sheets

March 31, December 31,
(\$ millions)

	2004	2003
Assets		
Current assets:		
Cash and cash equivalents	\$ 107	\$ 284
Accounts receivable — net (note 3)	765	695
Materials and supplies	97	92
Deferred income taxes	197	189
Other current assets	156	165
Total current assets	1,322	1,425
Investment in Conrail	6,275	6,259
Properties less accumulated depreciation	11,819	11,779
Other assets	1,176	1,133
Total assets	\$ 20,592	\$ 20,596
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 884	\$ 948
Income and other taxes	233	199
Due to Conrail	89	81
Other current liabilities	270	213
Current maturities of long-term debt	210	360
Total current liabilities	1,686	1,801
Long-term debt	6,671	6,800
Other liabilities	1,065	1,080
Due to Conrail	785	716
Deferred income taxes	3,263	3,223
Total liabilities	13,470	13,620
Stockholders' equity:		
Common stock \$1.00 per share par value	413	412
Additional paid-in capital	539	521
Unearned restricted stock	(12)	(5)
Accumulated other comprehensive loss	(37)	(44)
Retained income	6,239	6,112
	7,142	6,996
Less treasury stock at cost, 21,016,125 shares	(20)	(20)
Total stockholders' equity	7,122	6,976
Total liabilities and stockholders' equity	\$ 20,592	\$ 20,596

Notes to Consolidated Financial Statements (continued)

3. Sales of Accounts Receivable — A bankruptcy-remote special purpose subsidiary of NS sells without recourse undivided ownership interests in a pool of accounts receivable. Accounts receivable sold under this arrangement, and therefore not included in "Accounts receivable - net" on the Consolidated Balance Sheets, were \$0 at Mar. 31, 2004, and \$0 at Dec. 31, 2003. As a result, the change in "Accounts receivable" included in "Net cash provided by operating activities" on the Consolidated Statements of Cash Flow was \$0 for the three months ended March 31, 2004, compared with \$(30) million for the same period of 2003.

See notes to consolidated financial statements on pages 2, 4 and 5.

Consolidated Statements of Cash Flow

Three Months Ended March 31,
(\$ millions)

	2004	2003
Cash flows from operating activities:		
Net income	\$ 158	\$ 209
Reconciliation of net income to net cash provided by operating activities:		
Net cumulative effect of changes in accounting principles (note 2)	—	(114)
Depreciation	132	131
Deferred income taxes	28	(6)
Equity in earnings of Conrail	(15)	(12)
Gains on properties and investments	(1)	(5)
Income from discontinued operations (note 1)	—	(10)
Changes in assets and liabilities affecting operations:		
Accounts receivable (note 3)	(71)	(106)
Materials and supplies	(5)	(4)
Other current assets	20	24
Current liabilities other than debt	40	73
Other — net	(28)	(47)
Net cash provided by operating activities	<u>258</u>	<u>133</u>
Cash flows from investing activities:		
Property additions	(172)	(197)
Property sales and other transactions	1	3
Investments, including short-term	(23)	(20)
Investment sales and other transactions	1	4
Net cash used for investing activities	<u>(193)</u>	<u>(210)</u>
Cash flows from financing activities:		
Dividends	(32)	(27)
Common stock issued — net	5	1
Proceeds from borrowings (note 4)	88	87
Debt repayments	(303)	(40)
Net cash provided by (used for) financing activities	<u>(242)</u>	<u>21</u>
Net decrease in cash and cash equivalents	<u>(177)</u>	<u>(56)</u>
Cash and cash equivalents:		
At beginning of year	284	184
At end of period	<u>\$ 107</u>	<u>\$ 128</u>
Supplemental disclosures of cash-flow information		
Cash paid during the period for:		
Interest (net of amounts capitalized)	\$ 71	\$ 72
Income taxes	\$ —	\$ 14

Notes to Consolidated Financial Statements (continued)

4. Payments to Conrail — Payments made to Conrail reduce NS' "Net cash provided by operating activities." A significant portion of these payments is borrowed back from a Conrail subsidiary. The net borrowings are included in NS' "Net cash used for financing activities" and totaled \$69 million in the first quarter of 2004 and \$80 million in the first quarter of 2003.

See notes to consolidated financial statements on pages 2, 4 and 5.

Consolidated Financial Information

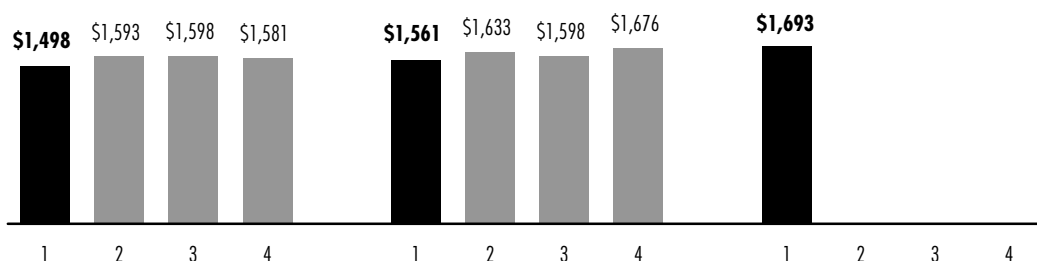
2002

2003

2004

Railway Operating Revenues

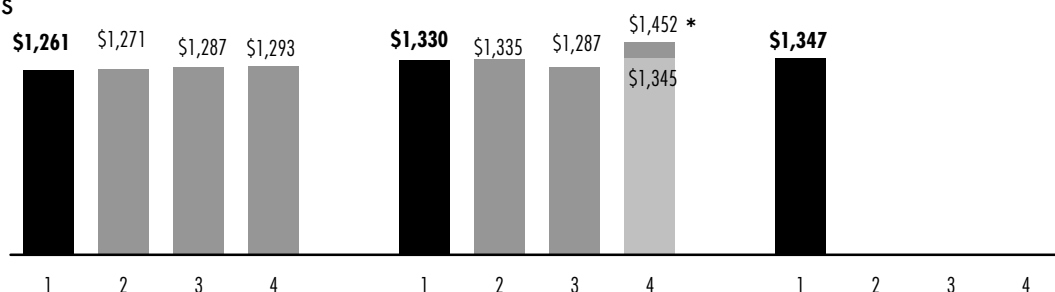
(S millions)



Railway Operating Expenses

(S millions)

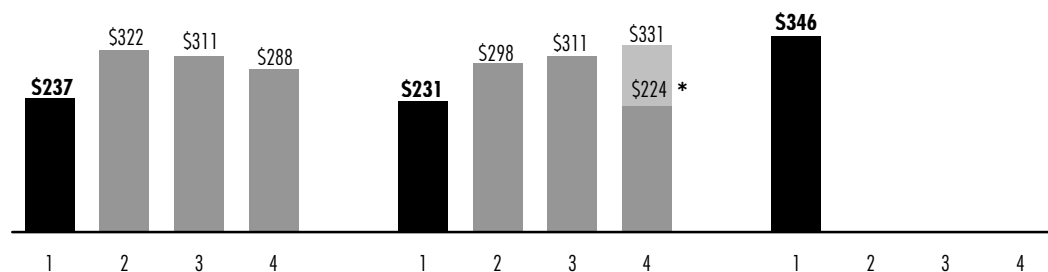
* Includes \$107 million of costs related to a voluntary separation program (see note 1 on page 16).



Income from Railway Operations

(S millions)

* Includes \$107 million of costs related to a voluntary separation program (see note 1 on page 16).

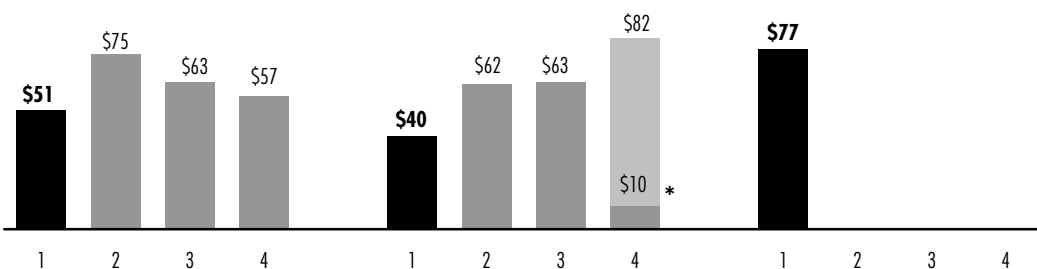


Income Taxes

(see page 16 for details)

(S millions)

*Includes effect of charges related to the voluntary separation program and the telecommunications assets impairment, which reduced tax expense by \$41 million and \$31 million, respectively (see notes 1 and 2 on page 16).



Consolidated Financial Information

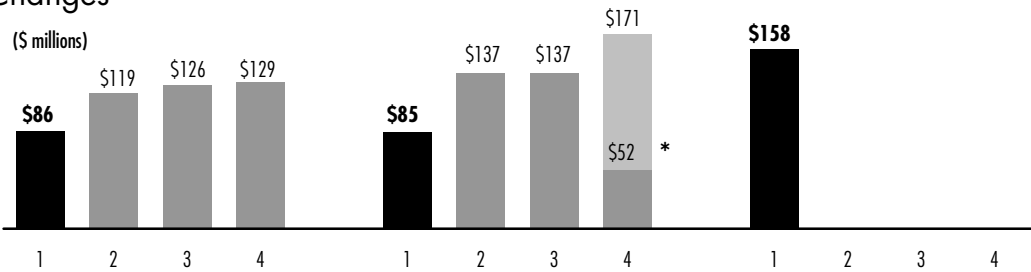
2002

2003

2004

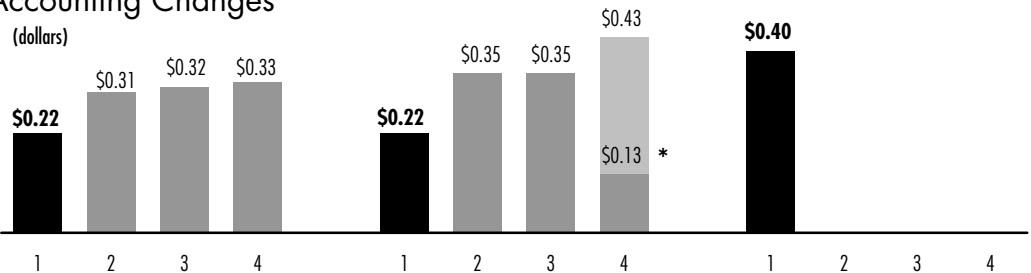
Income from Continuing Operations Before Accounting Changes

*Includes costs of a voluntary separation program, which reduced net income by \$66 million, or 17 cents per share, and the impairment of telecommunications assets, which reduced net income by \$53 million, or 13 cents per share (see notes 1 and 2 on page 16).



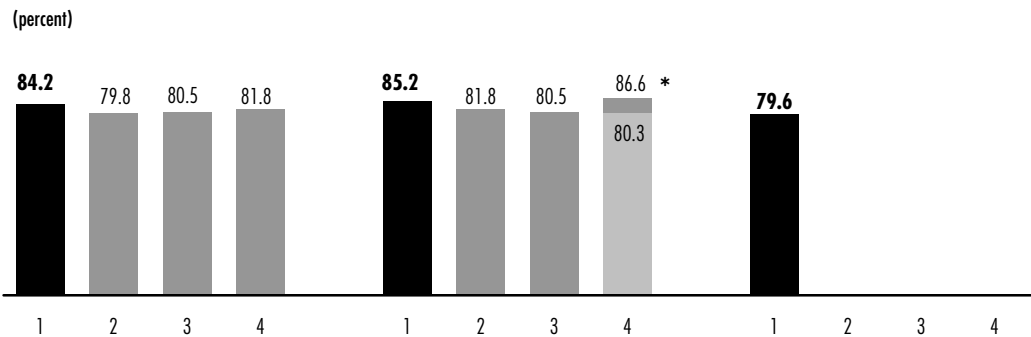
Diluted Earnings per Share from Continuing Operations Before Accounting Changes

*Includes costs of a voluntary separation program, which reduced net income by \$66 million, or 17 cents per share, and the impairment of telecommunications assets, which reduced net income by \$53 million, or 13 cents per share (see notes 1 and 2 on page 16).



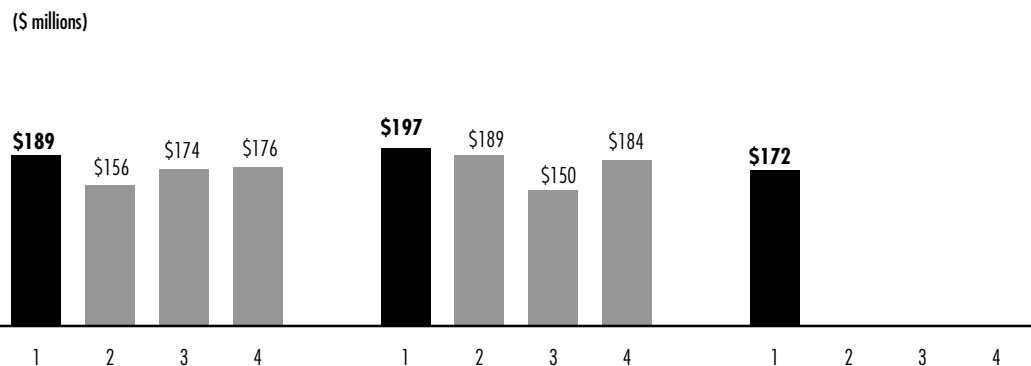
Railway Operating Ratio

*Includes costs of a voluntary separation program, which added 6.3 percentage points to the operating ratio (see note 1 on page 16).



Capital Expenditures

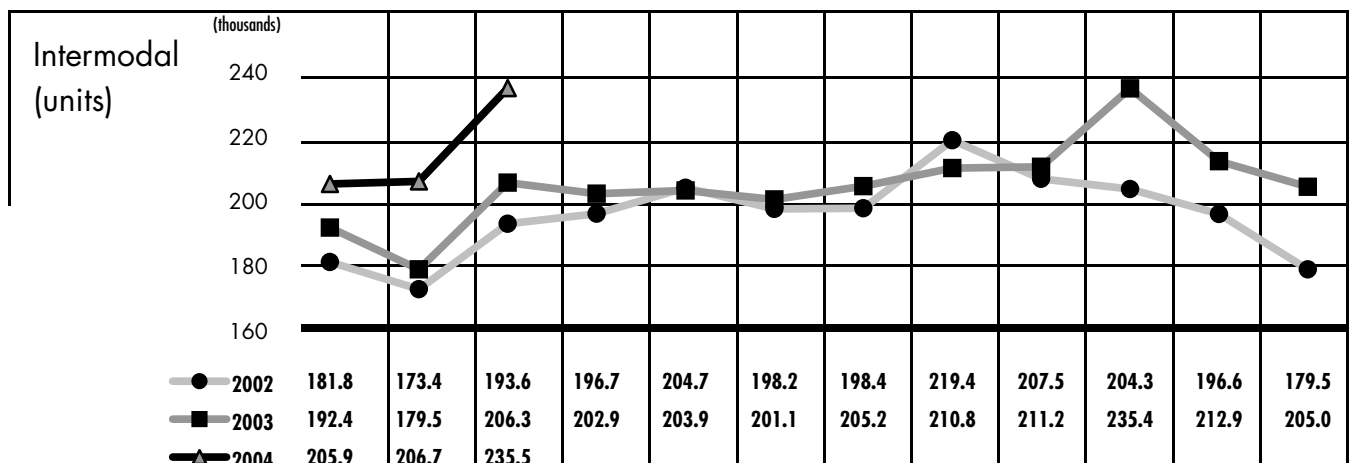
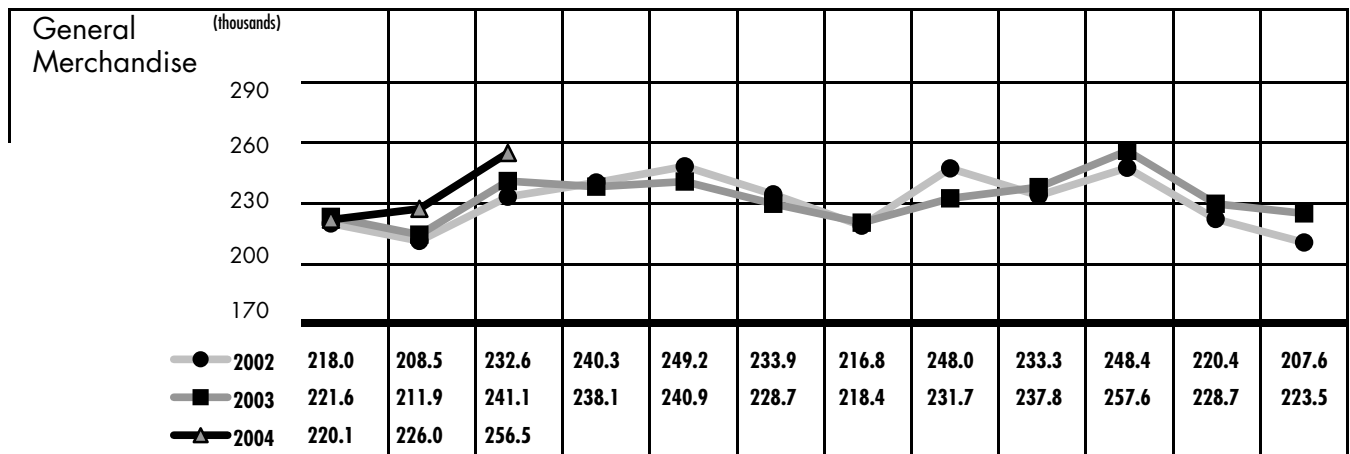
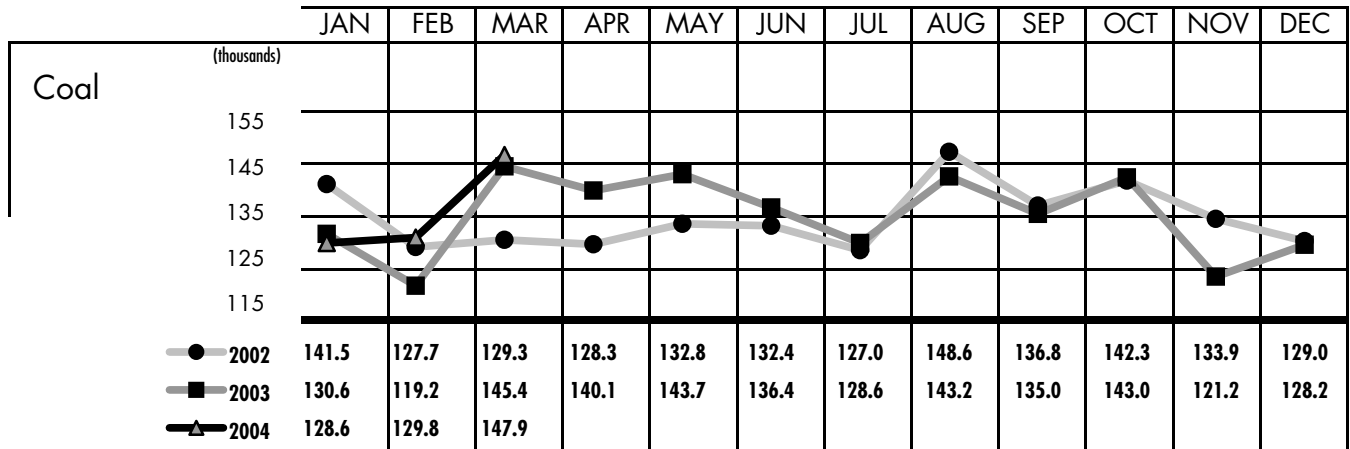
(see page 16 for details)



Railway Operating Revenue Yield Analysis

Commodity and Period	Revenues			Carloads			Revenue Yield		
	2002	2003	2004	2002	2003	2004	2002	2003	2004
First Quarter									
	(\$ millions)			(thousands)			(\$ per carload)		
Coal	\$ 359	\$ 354	\$ 398	398.5	395.2	406.3	\$ 901	\$ 895	\$ 979
Agriculture/consumer/gov't	157	168	176	127.7	134.6	141.0	1,234	1,247	1,251
Metals and construction	160	166	183	161.4	161.3	177.2	990	1,027	1,033
Paper/day/forest	141	150	157	105.3	106.6	107.3	1,340	1,404	1,459
Chemicals	183	192	203	101.5	105.7	110.2	1,798	1,823	1,844
Automotive	228	242	248	163.2	166.4	166.9	1,400	1,453	1,486
General merchandise	869	918	967	659.1	674.6	702.6	1,319	1,360	1,377
Intermodal	270	289	328	548.8	578.2	648.1	491	500	506
Total	\$ 1,498	\$ 1,561	\$ 1,693	1,606.4	1,648.0	1,757.0	\$ 932	\$ 947	\$ 964
Second Quarter									
Coal	\$ 350	\$ 389		393.5	420.2		\$ 889	\$ 927	
Agriculture/consumer/gov't	156	175		127.2	136.9		1,227	1,278	
Metals and construction	189	175		196.1	183.8		966	954	
Paper/day/forest	154	162		111.7	113.2		1,376	1,433	
Chemicals	190	190		107.3	104.9		1,771	1,809	
Automotive	259	242		181.1	168.9		1,428	1,433	
General merchandise	948	944		723.4	707.7		1,310	1,334	
Intermodal	295	300		599.6	607.9		493	493	
Total	\$ 1,593	\$ 1,633		1,716.5	1,735.8		\$ 928	\$ 941	
Third Quarter									
Coal	\$ 371	\$ 372		412.4	406.8		\$ 900	\$ 915	
Agriculture/consumer/gov't	156	167		127.6	137.7		1,219	1,212	
Metals and construction	181	180		193.3	187.1		935	965	
Paper/day/forest	155	163		112.8	112.9		1,379	1,445	
Chemicals	194	196		109.6	108.4		1,768	1,805	
Automotive	231	205		154.8	141.8		1,494	1,447	
General merchandise	917	911		698.1	687.9		1,313	1,325	
Intermodal	310	315		625.3	627.2		496	502	
Total	\$ 1,598	\$ 1,598		1,735.8	1,721.9		\$ 921	\$ 928	
Fourth Quarter									
Coal	\$ 361	\$ 385		405.2	392.4		\$ 892	\$ 981	
Agriculture/consumer/gov't	168	178		135.1	146.6		1,245	1,217	
Metals and construction	162	178		165.3	178.0		980	995	
Paper/day/forest	153	159		107.8	110.5		1,418	1,442	
Chemicals	188	194		104.8	106.7		1,795	1,823	
Automotive	243	247		163.4	168.0		1,485	1,468	
General merchandise	914	956		676.4	709.8		1,351	1,347	
Intermodal	306	335		580.4	653.3		526	513	
Total	\$ 1,581	\$ 1,676		1,662.0	1,755.5		\$ 951	\$ 955	
Year-to-date									
Coal	\$ 1,441	\$ 1,500	\$ 398	1,609.6	1,614.6	406.3	\$ 895	\$ 929	\$ 979
Agriculture/consumer/gov't	637	688	176	517.6	555.8	141.0	1,231	1,238	1,251
Metals and construction	692	699	183	716.1	710.2	177.2	966	984	1,033
Paper/day/forest	603	634	157	437.6	443.2	107.3	1,378	1,431	1,459
Chemicals	755	772	203	423.2	425.7	110.2	1,783	1,815	1,844
Automotive	961	936	248	662.5	645.1	166.9	1,450	1,450	1,486
General merchandise	3,648	3,729	967	2,757.0	2,780.0	702.6	1,323	1,341	1,377
Intermodal	1,181	1,239	328	2,354.1	2,466.6	648.1	502	502	506
Total	\$ 6,270	\$ 6,468	\$ 1,693	6,720.7	6,861.2	1,757.0	\$ 933	\$ 943	\$ 964

Monthly Railway Carloadings



Railway Operating Revenue Variance Analysis

First Quarter
2004 vs. 2003
(S millions)

	Coal		General Merchandise		Intermodal		Total	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Revenue Variance due to:								
Volume	\$ 10	3%	\$ 38	4%	\$ 35	12%	\$ 103	6%
Revenue per unit/mix	34	9%	11	1%	4	1%	29	2%
	<u>\$ 44</u>	<u>12%</u>	<u>\$ 49</u>	<u>5%</u>	<u>\$ 39</u>	<u>13%</u>	<u>\$ 132</u>	<u>8%</u>

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year-to-date analysis will appear
here next quarter.

Coal, Coke and Iron Ore Carloads by Market

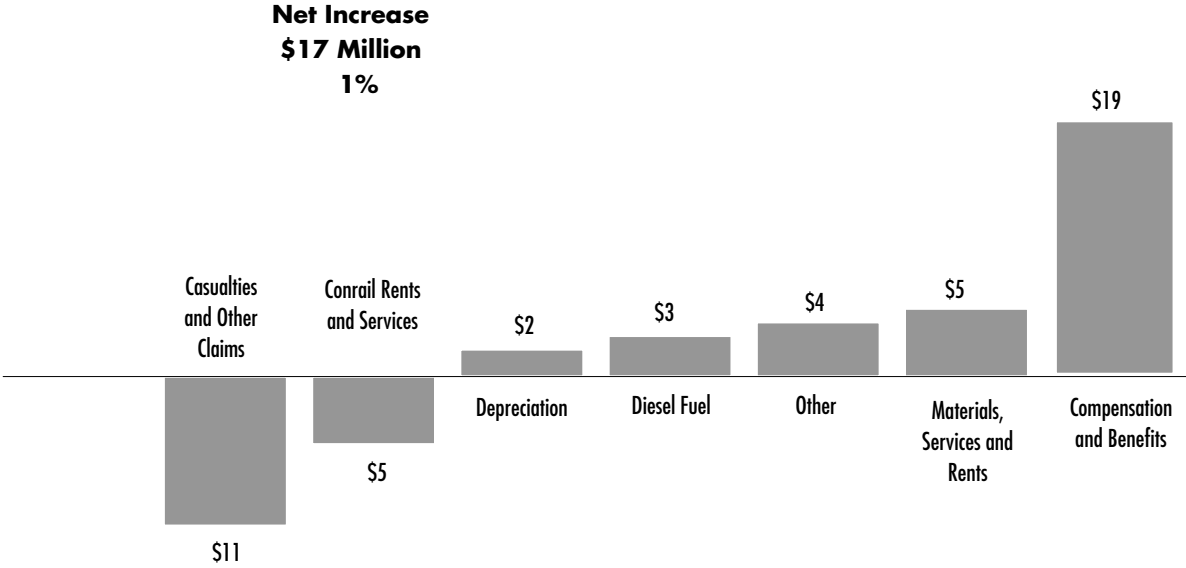
First Quarter
(cars in thousands)

	2002		2003		2004	
	Carloads	Change vs. 2001	Carloads	Change vs. 2002	Carloads	Change vs. 2003
Utility	290.0	(9%)	293.8	1%	303.3	3%
Export	35.4	(22%)	33.4	(6%)	34.2	2%
Steel	50.0	7%	48.0	(4%)	45.7	(5%)
Industrial	23.1	(16%)	20.0	(13%)	23.1	16%
	<u>398.5</u>	<u>(9%)</u>	<u>395.2</u>	<u>(1%)</u>	<u>406.3</u>	<u>3%</u>

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year-to-date analysis will appear
here next quarter.

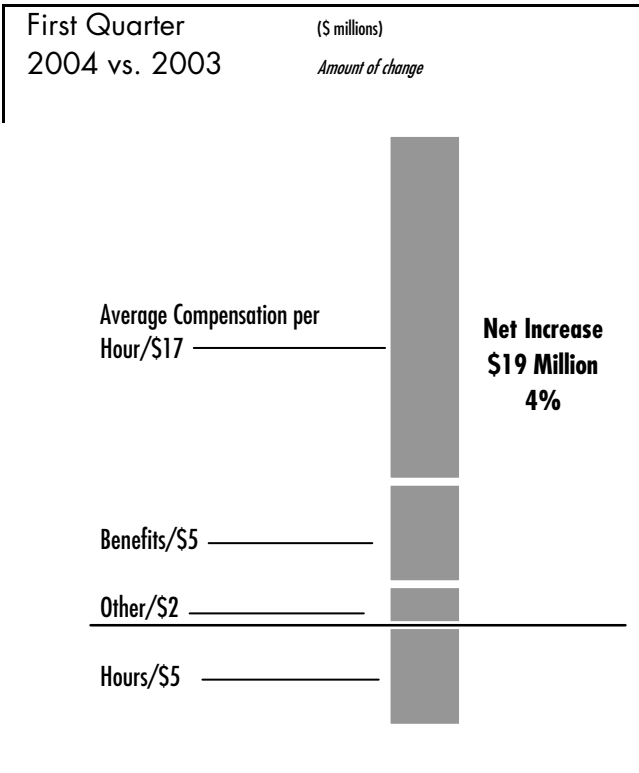
Railway Operating Expense Variance Analysis

First Quarter 2004 vs. 2003 (\$ millions)
Amount of change



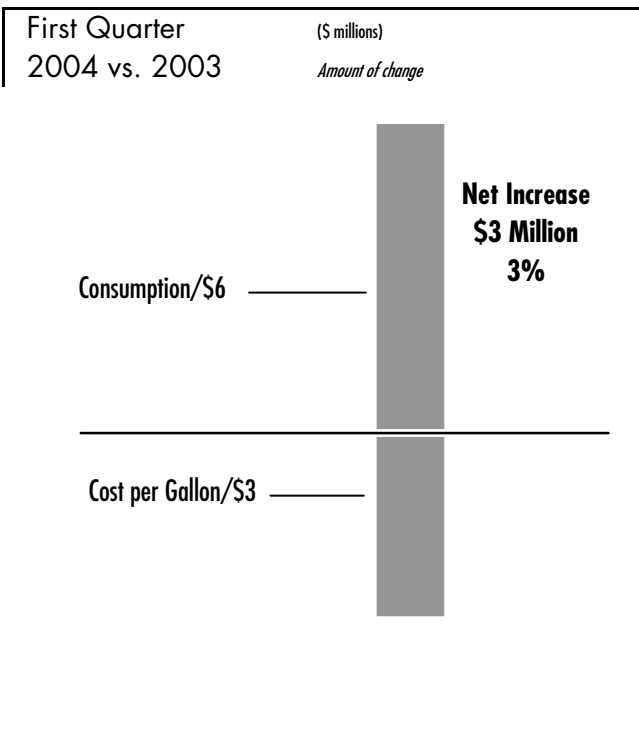
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Compensation and Benefits Expense Analysis



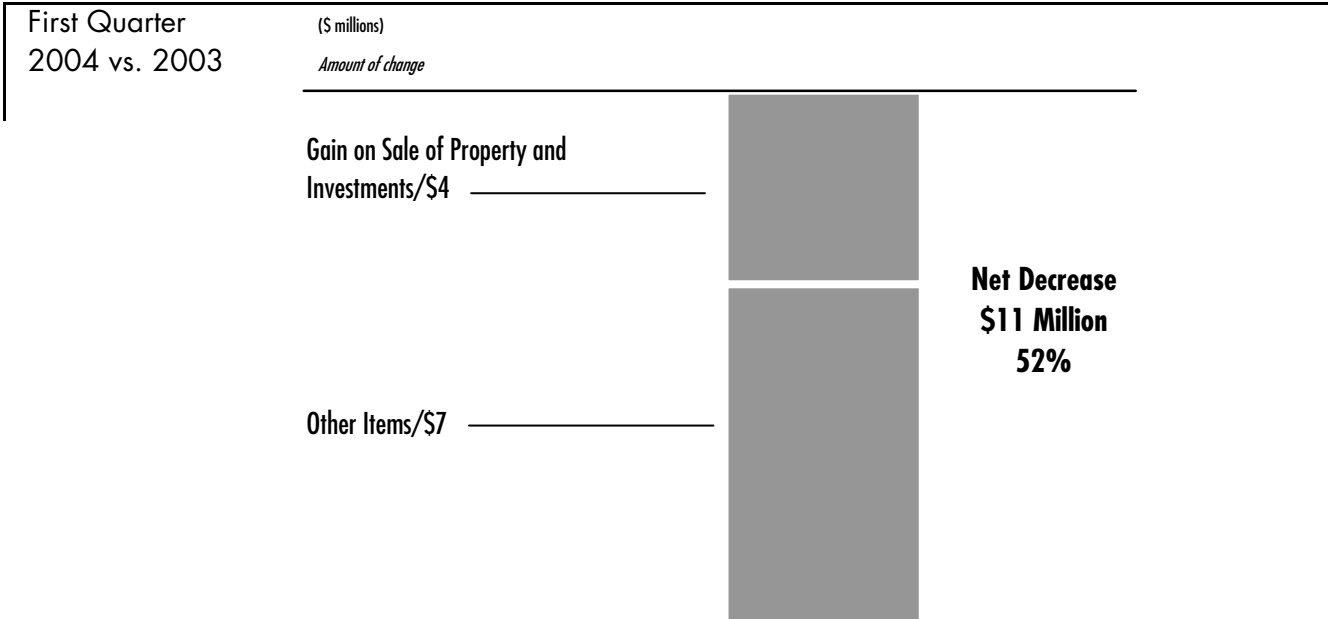
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Diesel Fuel Expense Analysis



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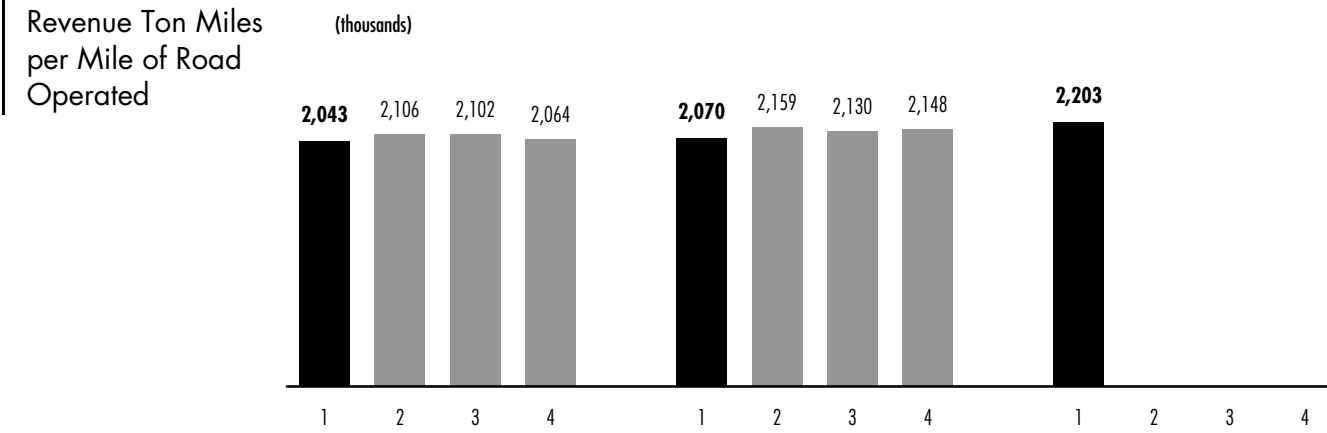
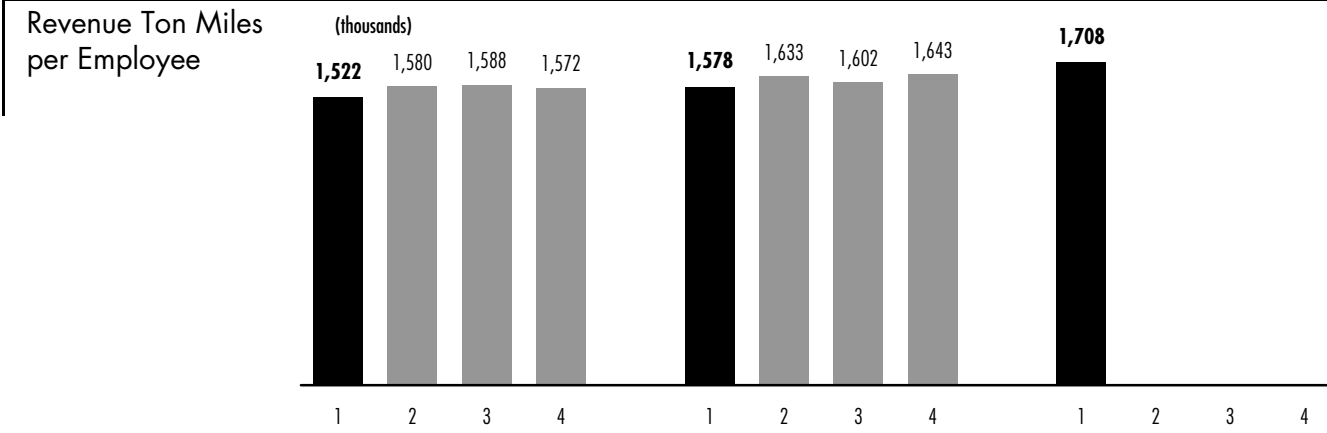
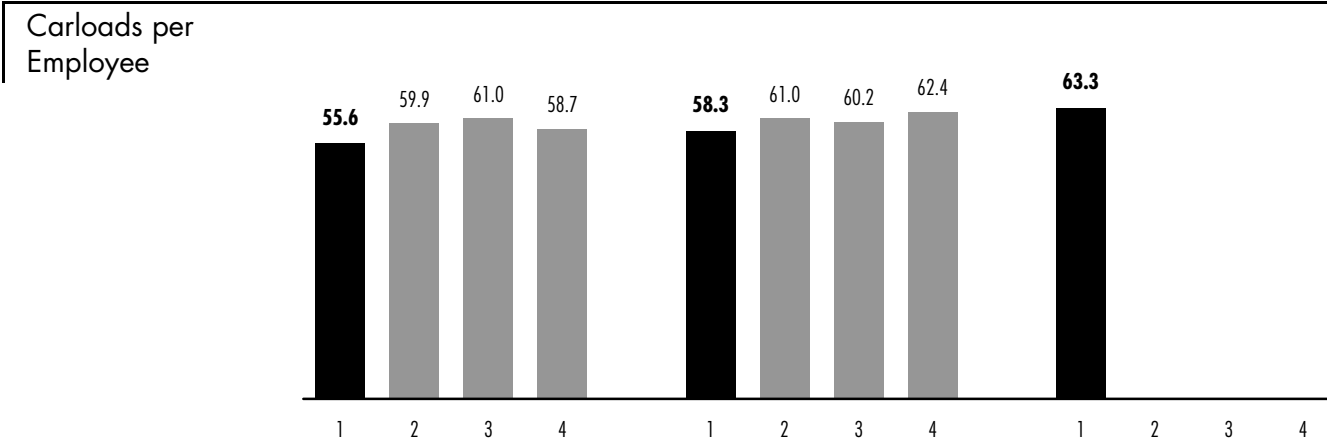
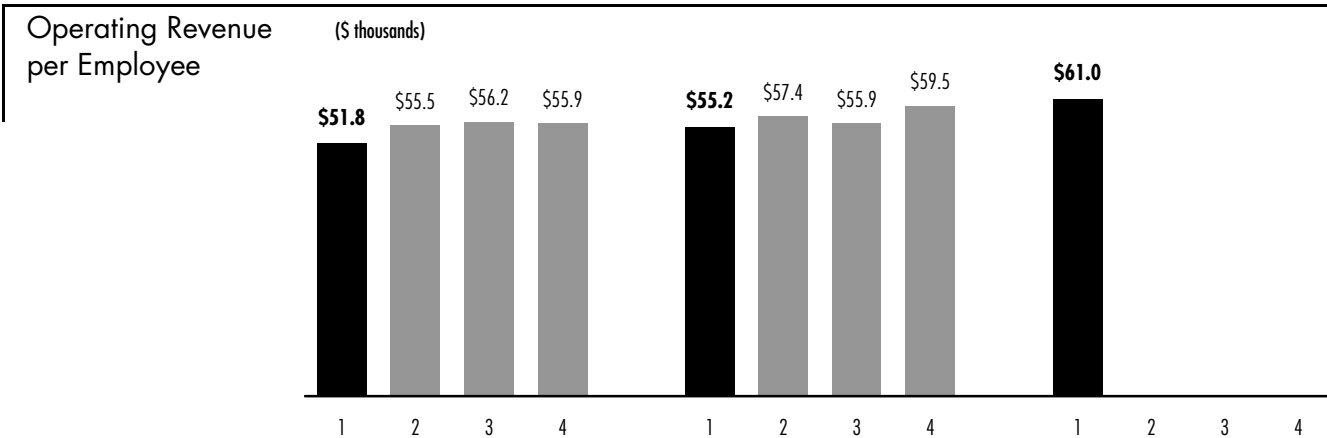
Other Income – Net Analysis



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Productivity Measures

2002
2003
2004



Productivity Measures

2002

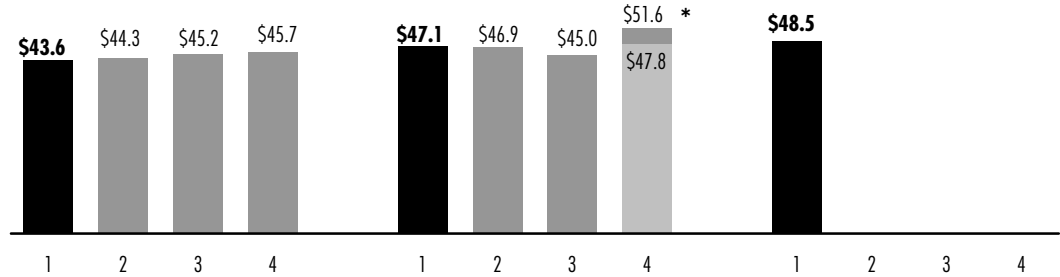
2003

2004

Operating Expense per Employee

(\$ thousands)

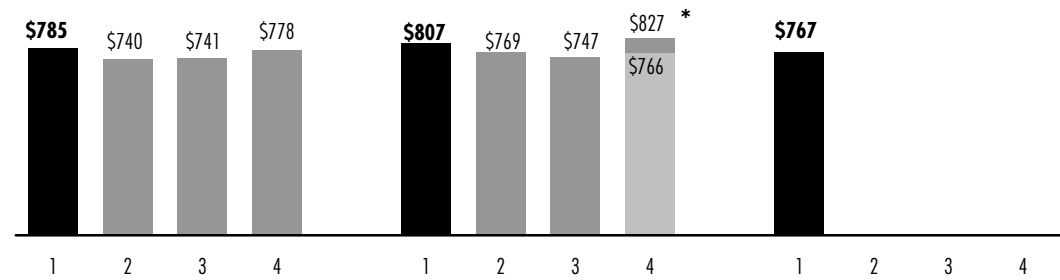
* Includes the effect of \$107 million of costs related to a voluntary separation program (see note 1 on page 16).



Operating Expense per Carload

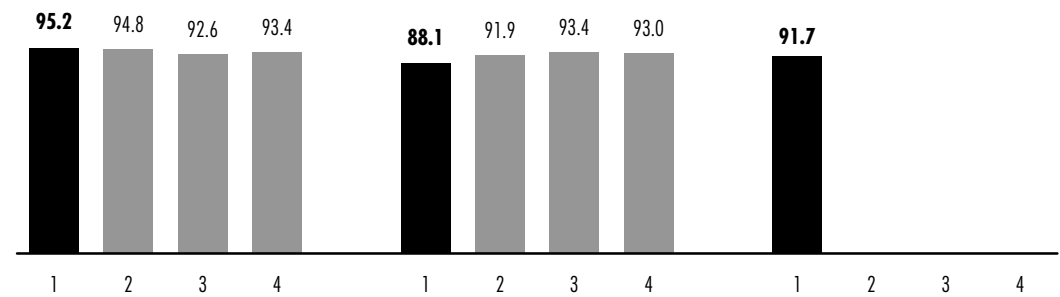
(dollars)

* Includes the effect of \$107 million of costs related to a voluntary separation program (see note 1 on page 16).



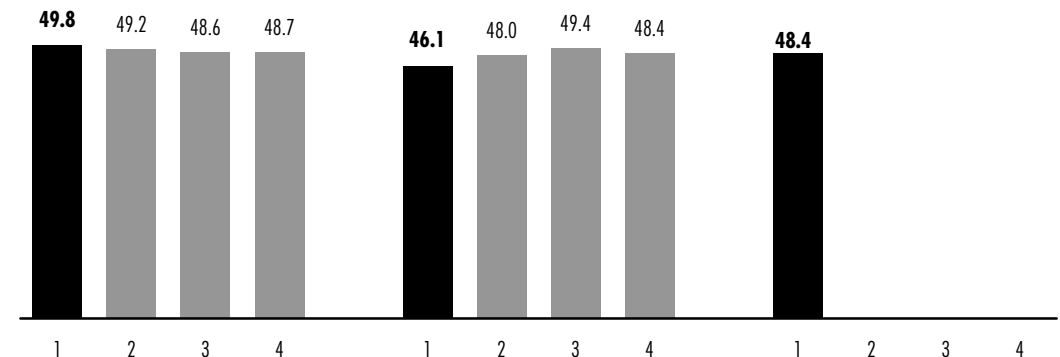
Gross Ton Miles per Train Hour

(thousands)



Revenue Ton Miles per Train Hour

(thousands)



Financial, Traffic and Operating Statistics

Consolidated Financial Data

(\$ millions — except as noted)

- No corresponding charts for this data.

		2002				
Page	Item	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
6	Railway operating revenues (See page 8 for details):					
8	Coal	\$ 359	\$ 350	\$ 371	\$ 361	\$ 1,441
8	General merchandise	869	948	917	914	3,648
8	Intermodal	270	295	310	306	1,181
6	Total railway operating revenues	\$ 1,498	\$ 1,593	\$ 1,598	\$ 1,581	\$ 6,270
6	Railway operating expenses:					
•	Compensation and benefits (note 1)	\$ 523	\$ 497	\$ 489	\$ 513	\$ 2,022
•	Material (other than diesel fuel)	54	57	65	54	230
•	Purchased services (other than equipment rents)	195	210	225	226	856
•	Equipment rents	90	97	96	88	371
•	Conrail rents and services	113	103	100	96	412
•	Depreciation	127	129	129	130	515
•	Diesel fuel	81	84	81	96	342
•	Casualties and other claims	35	37	57	42	171
•	Other	43	57	45	48	193
	Total railway operating expenses	\$ 1,261	\$ 1,271	\$ 1,287	\$ 1,293	\$ 5,112
6	Income from railway operations	\$ 237	\$ 322	\$ 311	\$ 288	\$ 1,158
•	Other income (expense) (note 2)	\$ (100)	\$ (128)	\$ (122)	\$ (102)	\$ (452)
	Income from continuing operations before income taxes and accounting changes	\$ 137	\$ 194	\$ 189	\$ 186	\$ 706
6	Income taxes — current	\$ 23	\$ 33	\$ (6)	\$ 18	\$ 68
6	Income taxes — deferred	28	42	69	39	178
6	Total income taxes (notes 1 and 2)	\$ 51	\$ 75	\$ 63	\$ 57	\$ 246
7	Income from continuing operations before accounting changes	\$ 86	\$ 119	\$ 126	\$ 129	\$ 460
•	Discontinued operations (note 3)	-	-	-	-	-
•	Cumulative effect of changes in accounting principles, net of taxes (note 4)	-	-	-	-	-
•	Net income (notes 1, 2, 3 and 4)	\$ 86	\$ 119	\$ 126	\$ 129	\$ 460
	Earnings per share - diluted (dollars):					
7	Income from continuing operations before accounting changes (notes 1 and 2)	\$ 0.22	\$ 0.31	\$ 0.32	\$ 0.33	\$ 1.18
	Net income (notes 1, 2, 3 and 4)	\$ 0.22	\$ 0.31	\$ 0.32	\$ 0.33	\$ 1.18
7	Railway operating ratio (note 1)	84.2	79.8	80.5	81.8	81.5
7	Capital expenditures:					
	Equipment	\$ 76	\$ 23	\$ 43	\$ 32	\$ 174
	Road	113	133	131	144	521
	Total	\$ 189	\$ 156	\$ 174	\$ 176	\$ 695
•	Cash, cash equivalents and short-term investments	\$ 164	\$ 94	\$ 132	\$ 184	\$ 184
•	Total debt, excluding notes payable to Conrail	\$ 7,656	\$ 7,444	\$ 7,383	\$ 7,364	\$ 7,364
•	Debt-to-total capitalization (percent)	55.2	54.1	53.5	53.1	53.1
•	Shares outstanding end of period (thousands)	388,088	388,355	388,647	388,985	388,985

Note 1 Fourth quarter 2003 includes voluntary separation costs of \$107 million, which increased the railway operating ratio by 6.3 percentage points for the quarter and 1.6 percentage points for the year and reduced net income by \$66 million, or 17 cents per share.

Note 2 Fourth quarter 2003 includes an \$84 million impairment of telecommunications assets, which reduced net income by \$53 million, or 13 cents per share.

Note 3 First quarter 2003 includes the effect of a \$10 million, or 3 cents per share, gain on the 1998 sale of NS' motor carrier subsidiary, North American Van Lines, Inc. (See note 1 on page 2 for additional details.)

2003					2004				
First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year-to-date
\$ 354	\$ 389	\$ 372	\$ 385	\$ 1,500	\$ 398				\$ 398
918	944	911	956	3,729	967				967
289	300	315	335	1,239	328				328
\$ 1,561	\$ 1,633	\$ 1,598	\$ 1,676	\$ 6,468	\$ 1,693				\$ 1,693
\$ 526	\$ 535	\$ 531	\$ 683	\$ 2,275	\$ 545				\$ 545
63	61	63	59	246	68				68
205	220	209	202	836	209				209
92	96	74	83	345	88				88
107	102	105	105	419	102				102
127	129	128	129	513	129				129
104	93	86	97	380	107				107
51	47	44	39	181	40				40
55	52	47	55	209	59				59
\$ 1,330	\$ 1,335	\$ 1,287	\$ 1,452	\$ 5,404	\$ 1,347				\$ 1,347
\$ 231	\$ 298	\$ 311	\$ 224	\$ 1,064	\$ 346				\$ 346
\$ (106)	\$ (99)	\$ (111)	\$ (162)	\$ (478)	\$ (111)				\$ (111)
\$ 125	\$ 199	\$ 200	\$ 62	\$ 586	\$ 235				\$ 235
\$ 46	\$ 9	\$ (6)	\$ (6)	\$ 43	\$ 49				\$ 49
(6)	53	69	16	132	28				28
\$ 40	\$ 62	\$ 63	\$ 10	\$ 175	\$ 77				\$ 77
\$ 85	\$ 137	\$ 137	\$ 52	\$ 411	\$ 158				\$ 158
10	-	-	-	10	-				-
114	-	-	-	114	-				-
\$ 209	\$ 137	\$ 137	\$ 52	\$ 535	\$ 158				\$ 158
\$ 0.22	\$ 0.35	\$ 0.35	\$ 0.13	\$ 1.05	\$ 0.40				\$ 0.40
\$ 0.54	\$ 0.35	\$ 0.35	\$ 0.13	\$ 1.37	\$ 0.40				\$ 0.40
85.2	81.8	80.5	86.6	83.5	79.6				79.6
\$ 100	\$ 69	\$ 21	\$ 28	\$ 218	\$ 65				\$ 65
97	120	129	156	502	107				107
\$ 197	\$ 189	\$ 150	\$ 184	\$ 720	\$ 172				\$ 172
\$ 128	\$ 110	\$ 161	\$ 286	\$ 286	\$ 107				\$ 107
\$ 7,489	\$ 7,461	\$ 7,186	\$ 7,160	\$ 7,160	\$ 6,881				\$ 6,881
52.8	52.3	51.0	50.7	50.7	49.1				49.1
389,377	389,786	389,999	390,761	390,761	391,330				391,330

Note 4 First quarter 2003 includes \$114 million (\$188 million before taxes) related to required changes in accounting principles stemming from NS' adoption of Financial Accounting Standards Board (FASB) Statement No. 143, "Accounting for Asset Retirement Obligations" and FASB Interpretation No. 46, "Consolidation of Variable Interest Entities." (See note 2 on page 2 for additional details.)

Financial, Traffic and Operating Statistics

Traffic and Operating Statistics		2002				
		First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
	<ul style="list-style-type: none"> No corresponding charts for this data. 					
Page	Item					
8	Railway carloads (thousands) (See page 8 for details):					
8	Coal	398.5	393.5	412.4	405.2	1,609.6
8	General merchandise	659.1	723.4	698.1	676.4	2,757.0
8	Intermodal	548.8	599.6	625.3	580.4	2,354.1
8	Total railway carloads	1,606.4	1,716.5	1,735.8	1,662.0	6,720.7
	<ul style="list-style-type: none"> Revenue ton miles (RTMs) (billions): 					
	Coal	13.2	12.7	13.2	13.2	52.3
	General merchandise	24.1	25.6	24.9	24.5	99.1
	Intermodal	6.7	7.0	7.1	6.8	27.6
	Total	44.0	45.3	45.2	44.5	179.0
	<ul style="list-style-type: none"> Revenue (dollars) per thousand RTMs: 					
	Coal	\$ 27.20	\$ 27.51	\$ 28.12	\$ 27.39	\$ 27.56
	General merchandise	\$ 36.06	\$ 37.06	\$ 36.78	\$ 37.30	\$ 36.81
	Intermodal	\$ 40.20	\$ 42.11	\$ 43.88	\$ 44.87	\$ 42.78
	Total	\$ 34.04	\$ 35.16	\$ 35.36	\$ 35.53	\$ 35.03
	<ul style="list-style-type: none"> Gross ton miles (GTMs) (billions) 	84.1	87.3	86.1	85.3	342.8
	Revenue ton miles (RTMs) (billions)	44.0	45.3	45.2	44.5	179.0
	Railroad employees (average)	28,909	28,677	28,456	28,306	28,587
	Total operating expense (dollars) per thousand GTMs (see note 1 on page 16)	\$ 14.99	\$ 14.56	\$ 14.95	\$ 15.16	\$ 14.91
	Compensation and benefits (dollars) per thousand GTMs (see note 1 on page 16)	\$ 6.22	\$ 5.69	\$ 5.68	\$ 6.02	\$ 5.90
	Total operating expense (dollars) per thousand RTMs (see note 1 on page 16)	\$ 28.65	\$ 28.05	\$ 28.48	\$ 29.05	\$ 28.56
	Compensation and benefits (dollars) per thousand RTMs (see note 1 on page 16)	\$ 11.88	\$ 10.97	\$ 10.82	\$ 11.53	\$ 11.30
14	Total operating revenue (\$ thousands) per employee	\$ 51.8	\$ 55.5	\$ 56.2	\$ 55.9	\$ 219.4
15	Total operating expense (\$ thousands) per employee (see note 1 on page 16)	\$ 43.6	\$ 44.3	\$ 45.2	\$ 45.7	\$ 178.8
	GTMs (thousands) per employee	2,910	3,045	3,025	3,012	11,992
14	RTMs (thousands) per employee	1,522	1,580	1,588	1,572	6,262
14	Carloads per employee	55.6	59.9	61.0	58.7	235.2
14	RTMs (thousands) per mile of road operated	2,043	2,106	2,102	2,064	8,315
15	Total operating expense (dollars) per carload (see note 1 on page 16)	\$ 785	\$ 740	\$ 741	\$ 778	\$ 761
	Compensation and benefits (dollars) per carload (see note 1 on page 16)	\$ 326	\$ 290	\$ 282	\$ 309	\$ 301
	RTMs (thousands) per carload	27.4	26.4	26.0	26.8	26.6
	Diesel fuel consumed (thousands of gallons)	120,072	119,764	113,484	119,170	472,490
	Average price (cents) per gallon of diesel fuel	67.1	70.3	72.7	80.1	72.5
	RTMs per gallon of fuel consumed	367	378	398	373	379
15	GTMs (thousands) per train hour	95.2	94.8	92.6	93.4	94.0
15	RTMs (thousands) per train hour	49.8	49.2	48.6	48.7	49.1
	Percent of loaded-to-total car miles	57.6	58.1	58.0	58.3	58.0
	Total new cross-ties installed (thousands)	568	832	730	646	2,776
	Total track miles of rail laid (miles)	72	51	56	56	235

2003					2004				
First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year-to-date
395.2	420.2	406.8	392.4	1,614.6	406.3				406.3
674.6	707.7	687.9	709.8	2,780.0	702.6				702.6
578.2	607.9	627.2	653.3	2,466.6	648.1				648.1
1,648.0	1,735.8	1,721.9	1,755.5	6,861.2	1,757.0				1,757.0
12.8	13.7	13.1	13.0	52.6	13.9				13.9
25.3	26.0	25.5	25.6	102.4	26.2				26.2
6.5	6.8	7.2	7.6	28.1	7.3				7.3
44.6	46.5	45.8	46.2	183.1	47.4				47.4
\$ 27.69	\$ 28.43	\$ 28.35	\$ 29.69	\$ 28.54	\$ 28.58				\$ 28.58
\$ 36.29	\$ 36.34	\$ 35.73	\$ 37.23	\$ 36.40	\$ 36.90				\$ 36.90
\$ 44.37	\$ 44.10	\$ 43.84	\$ 44.12	\$ 44.10	\$ 45.03				\$ 45.03
\$ 35.00	\$ 35.15	\$ 34.89	\$ 36.25	\$ 35.33	\$ 35.70				\$ 35.70
85.1	88.9	86.6	88.9	349.5	89.9				89.9
44.6	46.5	45.8	46.2	183.1	47.4				47.4
28,260	28,446	28,597	28,147	28,363	27,770				27,770
\$ 15.62	\$ 15.03	\$ 14.86	\$ 16.34	\$ 15.46	\$ 14.98				\$ 14.98
\$ 6.18	\$ 6.02	\$ 6.13	\$ 7.68	\$ 6.51	\$ 6.06				\$ 6.06
\$ 29.82	\$ 28.73	\$ 28.10	\$ 31.41	\$ 29.51	\$ 28.41				\$ 28.41
\$ 11.80	\$ 11.51	\$ 11.59	\$ 14.77	\$ 12.43	\$ 11.49				\$ 11.49
\$ 55.2	\$ 57.4	\$ 55.9	\$ 59.5	\$ 228.0	\$ 61.0				\$ 61.0
\$ 47.1	\$ 46.9	\$ 45.0	\$ 51.6	\$ 190.6	\$ 48.5				\$ 48.5
3,013	3,123	3,028	3,158	12,322	3,237				3,237
1,578	1,633	1,602	1,643	6,456	1,708				1,708
58.3	61.0	60.2	62.4	241.9	63.3				63.3
2,070	2,159	2,130	2,148	8,507	2,203				2,203
\$ 807	\$ 769	\$ 747	\$ 827	\$ 788	\$ 767				\$ 767
\$ 319	\$ 308	\$ 308	\$ 389	\$ 332	\$ 310				\$ 310
27.1	26.8	26.6	26.3	26.7	27.0				27.0
121,116	116,507	111,989	122,623	472,235	128,560				128,560
85.9	80.1	77.4	78.9	80.7	83.1				83.1
368	399	409	377	388	369				369
88.1	91.9	93.4	93.0	91.6	91.7				91.7
46.1	48.0	49.4	48.4	48.0	48.4				48.4
58.3	57.6	58.1	58.8	58.2	58.8				58.8
522	653	682	894	2,751	420				420
76	70	55	32	233	77				77