

Quarterly Financial Review

Second Quarter 2006



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

Second Quarter 2006

Quarterly Financial Review

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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.

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 Reform Act of 1995 and Norfolk Southern undertakes no obligation to update such statements. Such forward-looking statements are subject to risks and uncertainties (noted in Norfolk Southern's SEC filings) which could cause actual results to differ.

Consolidated Statements of Income

Three Months Ended June 30,
(S millions except per share)

	2006	2005
Railway operating revenues:		
Coal	\$ 584	\$ 578
General merchandise	1,311	1,148
Intermodal	497	428
Total railway operating revenues	2,392	2,154
Railway operating expenses:		
Compensation and benefits	637	624
Materials, services and rents	471	446
Conrail rents and services	31	31
Depreciation	182	194
Diesel fuel	260	162
Casualties and other claims	65	40
Other	69	65
Total railway operating expenses	1,715	1,562
Income from railway operations	677	592
Other income — net	33	9
Interest expense on debt	121	126
Income before income taxes	589	475
Provision for income taxes:		
Current	240	122
Deferred (note 2)	(26)	(71)
Total income taxes	214	51
Net income (note 1)	\$ 375	\$ 424
Earnings per share:		
Basic	\$ 0.91	\$ 1.05
Diluted	\$ 0.89	\$ 1.04
Average shares outstanding (000's):		
Basic	413,507	403,167
Diluted	422,780	409,768

Notes to Consolidated Financial Statements

1. Settlements of Coal Rate Cases

In the second quarter of 2005, NS entered into settlement agreements with two utility customers that resolved their rail transportation rate cases before the Surface Transportation Board (STB). As a result of the settlements, NS recognized additional revenue related to the period in dispute, which net of associated expenses and income taxes increased second-quarter net income by \$24 million, or 6 cents per diluted share.

2. Reduction of Deferred Taxes

In the second quarter of 2005, Ohio enacted tax legislation that phases out its Corporate Franchise Tax, which was generally based on federal taxable income, and phases in a new gross receipts tax called the Commercial Activity Tax, which is based on current year sales and rentals. The elimination of the Corporate Franchise Tax resulted in a reduction of NS' deferred income tax liability in the second quarter, as required by Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," which increased net income by \$96 million, or 23 cents per diluted share.

See notes to consolidated financial statements on pages 2-5.

Consolidated Statements of Income

Six Months Ended June 30,

(\$ millions except per share)

	2006	2005
Railway operating revenues:		
Coal	\$ 1,143	\$ 1,045
General merchandise	2,589	2,234
Intermodal	963	836
Total railway operating revenues	4,695	4,115
Railway operating expenses:		
Compensation and benefits (note 3)	1,358	1,228
Materials, services and rents	942	882
Conrail rents and services	63	66
Depreciation	365	387
Diesel fuel	491	312
Casualties and other claims (note 4)	118	118
Other	130	127
Total railway operating expenses	3,467	3,120
Income from railway operations	1,228	995
Other income — net	68	11
Interest expense on debt	241	254
Income before income taxes	1,055	752
Provision for income taxes:		
Current	402	181
Deferred (note 2)	(27)	(47)
Total income taxes	375	134
Net income (note 1)	\$ 680	\$ 618
Earnings per share:		
Basic	\$ 1.65	\$ 1.54
Diluted	\$ 1.61	\$ 1.51
Average shares outstanding (000's):		
Basic	412,976	402,469
Diluted	422,278	409,938

Notes to Consolidated Financial Statements

3. Adoption of SFAS 123(R), "Share-Based Payment"

Effective January 1, 2006, NS adopted Statement of Financial Accounting Standards, No. 123(R), "Share-Based Payment," [SFAS 123(R)]. This statement applies to awards granted, modified, repurchased or cancelled after the effective date as well as awards that are unvested at the effective date and includes, among other things, the requirement to expense the fair value of stock options. As a result of the implementation of SFAS 123(R), compensation and benefits expense in the first six months of 2006 included \$26 million for the accelerated recognition of awards granted to retirement eligible employees and \$7 million for stock options granted to non-retirement eligible employees.

4. Graniteville Derailment

In the first quarter of 2005, NS recorded a liability related to the Jan. 6, 2005, derailment in Graniteville, SC. The liability, which includes a current and long-term portion, represents NS' best estimate based on current facts and circumstances. The estimate includes amounts related to business property damage and other economic losses, personal injury and individual property damage claims as well as third-party response costs. NS' commercial insurance policies are expected to cover expenses related to this derailment above NS' self-insured retention, including its own response costs and legal fees. Accordingly, the Consolidated Balance Sheet reflects a current and long-term receivable for estimated recoveries from its insurance carriers.

Results for the first six months of 2005 include approximately \$37 million of expenses related to this incident, which represents NS' retention under its insurance policies and other uninsured costs, and which reduced net income by approximately \$23 million, or 5 cents per diluted share.

While it is reasonable to expect that the liability for covered losses could differ from the amount recorded, such a change would be offset by a corresponding change in the insurance receivable. As a result, NS does not believe that it is reasonably likely that its net loss (the difference between the liability and future recoveries) will be materially different than the loss recorded in 2005. NS expects at this time that insurance coverage is adequate to cover potential claims and settlements above its self-insurance retention.

See notes to consolidated financial statements on pages 2-5.

Consolidated Balance Sheets

June 30, December 31,
(\$ millions)

	2006	2005
Assets		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 1,535	\$ 1,257
Accounts receivable — net (note 4)	990	931
Materials and supplies	146	132
Deferred income taxes	175	167
Other current assets	64	163
Total current assets	2,910	2,650
Investments	1,744	1,590
Properties less accumulated depreciation	20,886	20,705
Other assets (note 4)	1,019	916
Total assets	\$ 26,559	\$ 25,861
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable (note 4)	\$ 1,115	\$ 1,163
Income and other taxes	315	231
Other current liabilities	223	213
Current maturities of long-term debt	690	314
Total current liabilities	2,343	1,921
Long-term debt	6,175	6,616
Other liabilities (note 4)	1,497	1,415
Deferred income taxes	6,593	6,620
Total liabilities	16,608	16,572
Stockholders' equity:		
Common stock \$1.00 per share par value	435	431
Additional paid-in capital	1,275	992
Unearned restricted stock	—	(17)
Accumulated other comprehensive loss	(89)	(77)
Retained income	8,350	7,980
	9,971	9,309
Less treasury stock at cost, 20,813,125 and 20,833,125 shares, respectively	(20)	(20)
Total stockholders' equity	9,951	9,289
Total liabilities and stockholders' equity	\$ 26,559	\$ 25,861

See notes to consolidated financial statements on pages 2-5.

Consolidated Statements of Cash Flows

Six Months Ended June 30,

(\$ millions)

	2006	2005	Notes to Consolidated Financial Statements (continued)
Cash flows from operating activities:			
Net income	\$ 680	\$ 618	
Reconciliation of net income to net cash provided by operating activities:			
Depreciation	372	393	
Deferred income taxes	(27)	(47)	
Equity in earnings of Conrail	(11)	(14)	
Gains on properties and investments	(32)	(20)	
Changes in assets and liabilities affecting operations:			
Accounts receivable	(59)	(48)	
Materials and supplies	(14)	(21)	
Other current assets	60	76	
Current liabilities other than debt	93	(79)	
Other — net	36	2	
Net cash provided by operating activities	<u>1,098</u>	<u>860</u>	
Cash flows from investing activities:			
Property additions	(579)	(357)	
Property sales and other transactions	78	35	
Investments, including short-term	(1,350)	(427)	
Investment sales and other transactions	877	364	
Net cash used for investing activities	<u>(974)</u>	<u>(385)</u>	
Cash flows from financing activities:			
Dividends	(133)	(88)	
Common stock issued — net	234	72	
Purchase and retirement of common stock (note 5)	(186)	—	
Proceeds from borrowings	—	332	
Debt repayments (note 6)	(71)	(827)	
Net cash used for financing activities	<u>(156)</u>	<u>(511)</u>	
Net decrease in cash and cash equivalents	<u>(32)</u>	<u>(36)</u>	
Cash and cash equivalents:			
At beginning of year	<u>289</u>	<u>467</u>	
At end of period	257	431	
Short-term investments at end of period	<u>1,278</u>	<u>184</u>	
Cash, cash equivalents and short-term investments at end of period	<u>\$ 1,535</u>	<u>\$ 615</u>	
Supplemental disclosure of cash flow information			
Cash paid during the period for:			
Interest (net of amounts capitalized)	\$ 234	\$ 248	
Income taxes (net of refunds)	\$ 221	\$ 138	

See notes to consolidated financial statements on pages 2-5.

Consolidated Financial Information

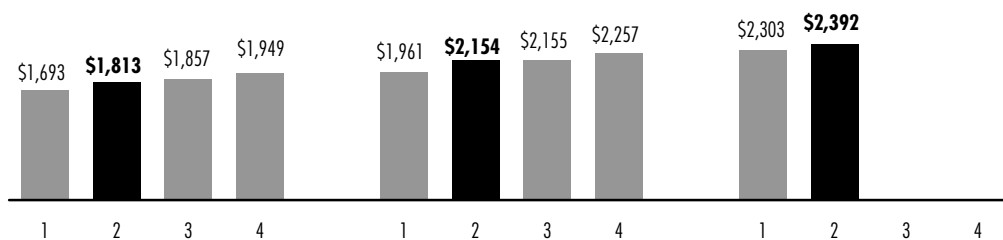
2004

2005

2006

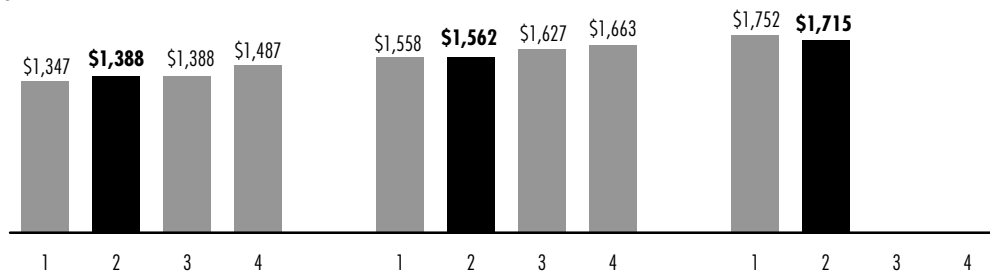
Railway Operating Revenues

(see page 16 for details)

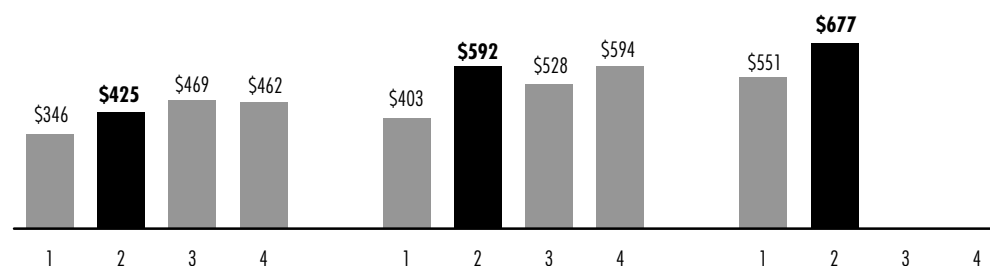


Railway Operating Expenses

(see page 16 for details)



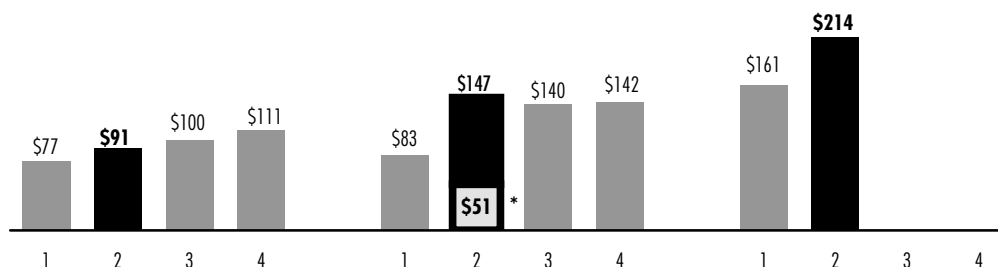
Income from Railway Operations



Income Taxes

(see page 16 for details)

*Includes \$96 million reduction of deferred income taxes (see note 2 on page 16).



Consolidated Financial Information

2004

2005

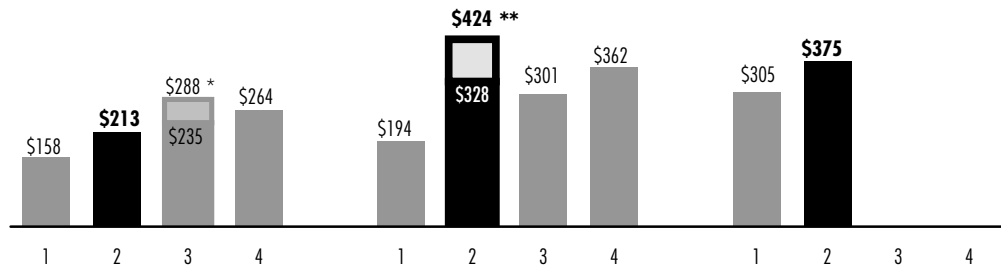
2006

Net Income

(\$ millions)

* Includes gain on Conrail corporate reorganization, which increased net income by \$53 million (see note 3 on page 16).

** Includes reduction of deferred income taxes, which increased net income by \$96 million (see note 2 on page 16).

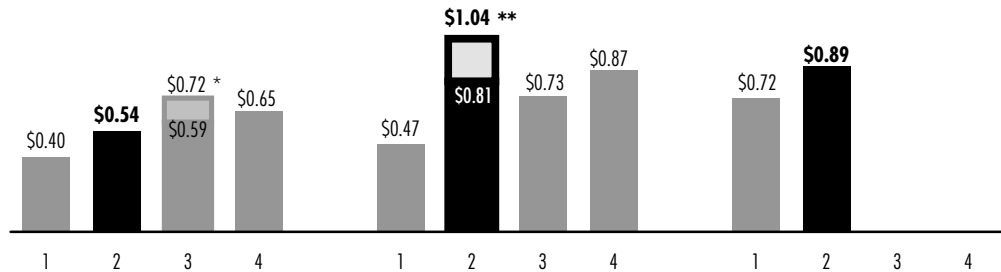


Earnings per Share — Diluted

(dollars)

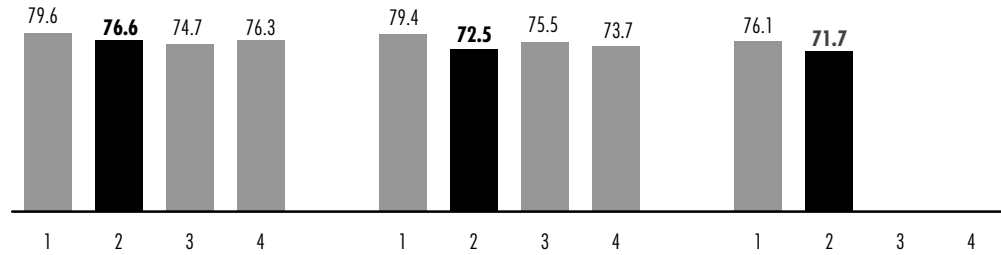
* Includes gain on Conrail corporate reorganization, which increased earnings per share by 13 cents (see note 3 on page 16).

** Includes reduction of deferred income taxes, which increased earnings per share by 23 cents (see note 2 on page 16).



Railway Operating Ratio

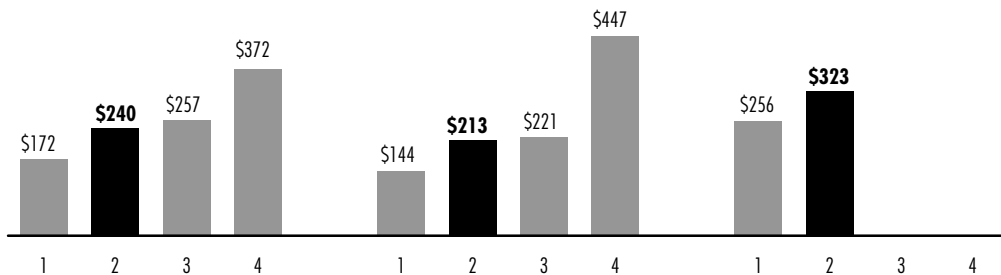
(percent)



Capital Expenditures

(\$ millions)

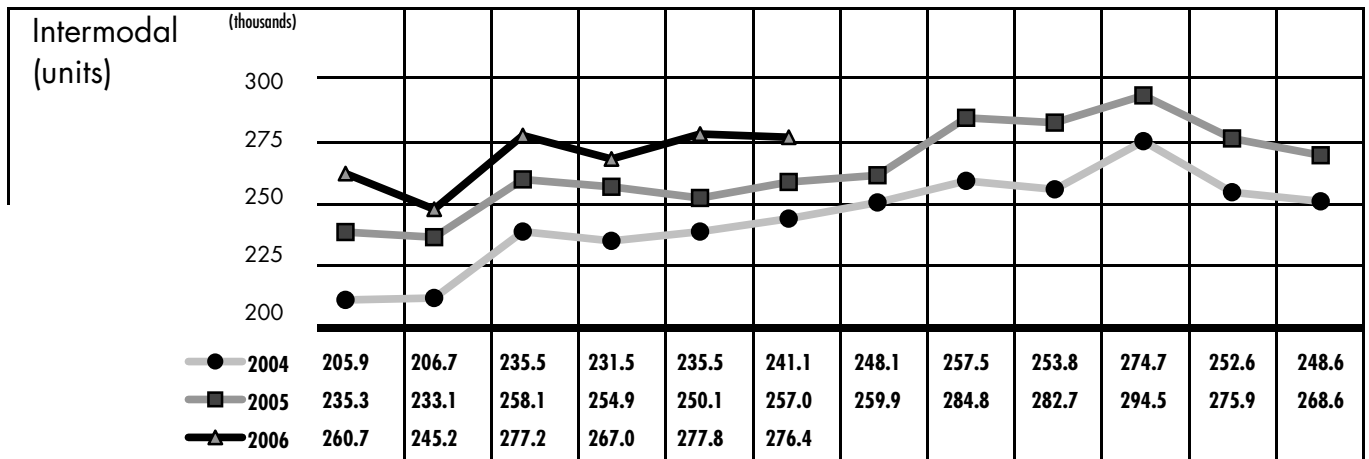
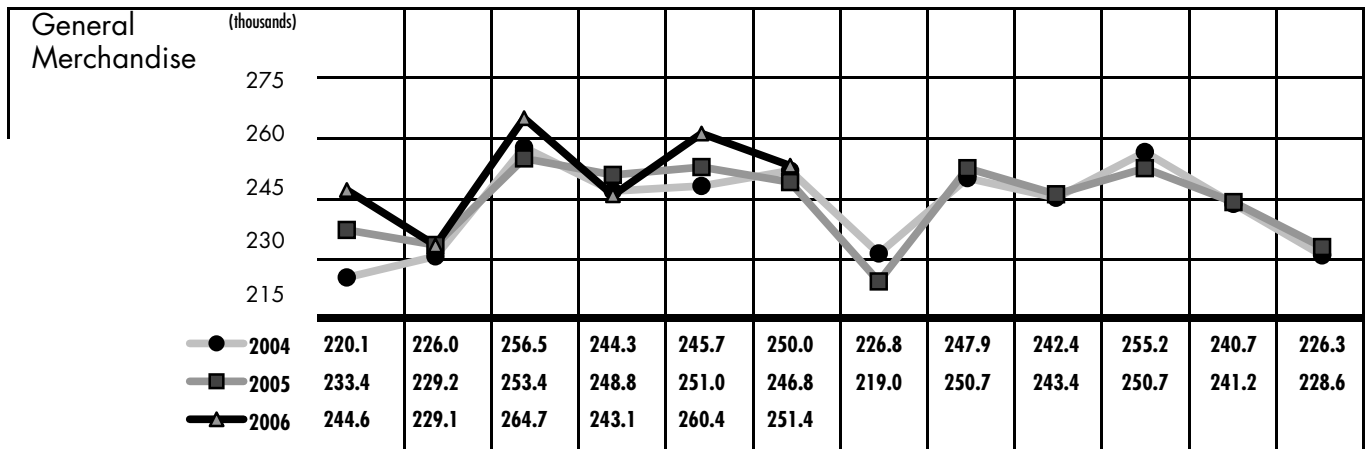
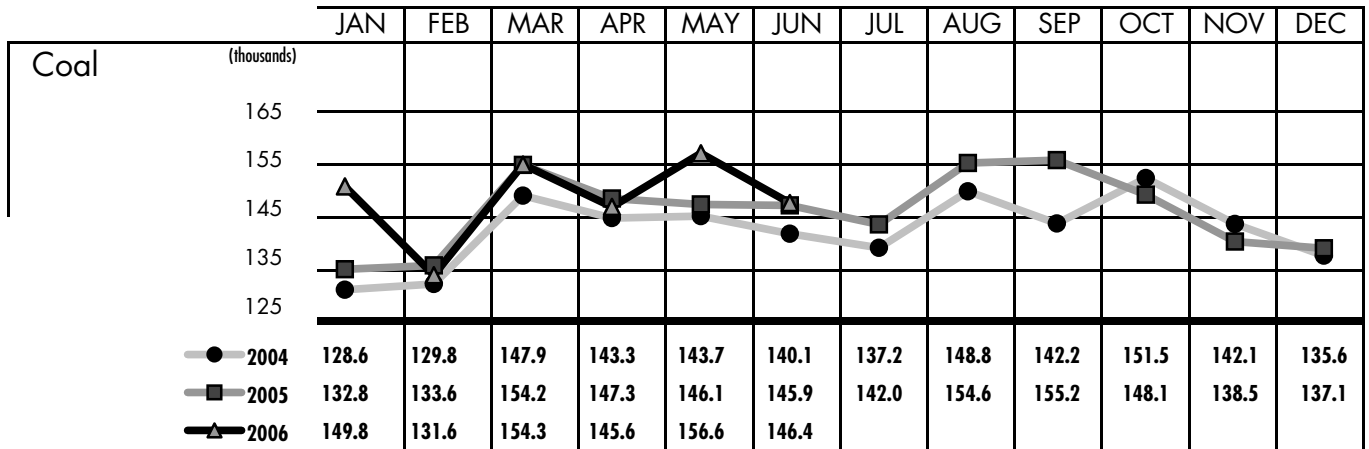
(see page 16 for details)



Railway Operating Revenue Yield Analysis

Commodity and Period	Revenues			Carloads			Revenue Yield		
	2004	2005	2006	2004	2005	2006	2004	2005	2006
	(\$ millions)			(thousands)			(\$ per carload)		
First Quarter									
Coal	\$ 398	\$ 467	\$ 559	406.3	420.6	435.7	\$ 979	\$ 1,111	\$ 1,282
Agriculture/consumer/gov't	176	193	267	141.0	145.5	151.8	1,251	1,323	1,759
Metals and construction	183	224	279	177.2	185.8	208.6	1,033	1,206	1,341
Paper/clay/forest	157	187	214	107.3	113.4	118.4	1,459	1,650	1,806
Chemicals	203	231	256	110.2	112.1	105.4	1,844	2,058	2,428
Automotive	248	251	262	166.9	159.2	154.2	1,486	1,579	1,697
General merchandise	967	1,086	1,278	702.6	716.0	738.4	1,377	1,517	1,731
Intermodal	328	408	466	648.1	726.5	783.1	506	561	595
Total	\$ 1,693	\$ 1,961	\$ 2,303	1,757.0	1,863.1	1,957.2	\$ 964	\$ 1,053	\$ 1,176
Second Quarter									
Coal	\$ 424	\$ 578	\$ 584	427.1	439.3	448.6	\$ 992	\$ 1,314	\$ 1,304
Agriculture/consumer/gov't	182	200	239	140.4	147.1	146.1	1,292	1,365	1,638
Metals and construction	209	243	304	203.8	202.4	222.6	1,024	1,197	1,362
Paper/clay/forest	168	197	224	113.3	116.4	118.8	1,490	1,686	1,889
Chemicals	214	245	268	112.3	116.7	107.6	1,908	2,104	2,495
Automotive	252	263	276	170.2	164.0	159.8	1,480	1,603	1,726
General merchandise	1,025	1,148	1,311	740.0	746.6	754.9	1,385	1,537	1,737
Intermodal	364	428	497	708.1	762.0	821.2	514	562	605
Total	\$ 1,813	\$ 2,154	\$ 2,392	1,875.2	1,947.9	2,024.7	\$ 967	\$ 1,106	\$ 1,182
Third Quarter									
Coal	\$ 447	\$ 546		428.2	451.8		\$ 1,045	\$ 1,209	
Agriculture/consumer/gov't	179	203		141.8	140.4		1,264	1,440	
Metals and construction	214	252		205.8	206.8		1,042	1,222	
Paper/clay/forest	177	202		114.6	114.6		1,546	1,766	
Chemicals	226	252		115.5	112.2		1,950	2,247	
Automotive	210	229		139.4	139.1		1,508	1,645	
General merchandise	1,006	1,138		717.1	713.1		1,403	1,596	
Intermodal	404	471		759.4	827.4		532	569	
Total	\$ 1,857	\$ 2,155		1,904.7	1,992.3		\$ 975	\$ 1,082	
Fourth Quarter									
Coal	\$ 459	\$ 524		429.2	423.7		\$ 1,068	\$ 1,236	
Agriculture/consumer/gov't	190	249		145.7	147.3		1,305	1,691	
Metals and construction	212	259		194.3	199.2		1,095	1,297	
Paper/clay/forest	182	207		113.6	114.4		1,595	1,815	
Chemicals	221	245		110.5	106.0		2,003	2,306	
Automotive	244	254		158.1	153.6		1,542	1,656	
General merchandise	1,049	1,214		722.2	720.5		1,453	1,685	
Intermodal	441	519		775.9	839.0		568	619	
Total	\$ 1,949	\$ 2,257		1,927.3	1,983.2		\$ 1,011	\$ 1,138	
Year-to-date									
Coal	\$ 1,728	\$ 2,115	\$ 1,143	1,690.8	1,735.4	884.3	\$ 1,022	\$ 1,219	\$ 1,293
Agriculture/consumer/gov't	727	845	506	568.9	580.3	297.9	1,278	1,455	1,700
Metals and construction	818	978	583	781.1	794.2	431.2	1,048	1,231	1,351
Paper/clay/forest	684	793	438	448.8	458.8	237.2	1,524	1,729	1,847
Chemicals	864	973	524	448.5	447.0	213.0	1,927	2,176	2,462
Automotive	954	997	538	634.6	615.9	314.0	1,503	1,620	1,712
General merchandise	4,047	4,586	2,589	2,881.9	2,896.2	1,493.3	1,404	1,583	1,734
Intermodal	1,537	1,826	963	2,891.5	3,154.9	1,604.3	531	579	600
Total	\$ 7,312	\$ 8,527	\$ 4,695	7,464.2	7,786.5	3,981.9	\$ 980	\$ 1,095	\$ 1,179

Monthly Railway Carloadings



Railway Operating Revenue Variance Analysis

Second Quarter
2006 vs. 2005
(\$ millions)

	Coal		General Merchandise		Intermodal		Total	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Revenue Variance due to:								
Volume	\$ 11	2%	\$ 13	1%	\$ 34	8%	\$ 85	4%
Revenue per unit/mix	(5)	(1)%	150	13%	35	8%	153	7%
	<u>\$ 6</u>	<u>1%</u>	<u>\$ 163</u>	<u>14%</u>	<u>\$ 69</u>	<u>16%</u>	<u>\$ 238</u>	<u>11%</u>

Six Months
2006 vs. 2005

Revenue Variance due to:								
Volume	\$ 29	3%	\$ 47	2%	\$ 65	8%	\$ 184	4%
Revenue per unit/mix	69	6%	308	14%	62	7%	396	10%
	<u>\$ 98</u>	<u>9%</u>	<u>\$ 355</u>	<u>16%</u>	<u>\$ 127</u>	<u>15%</u>	<u>\$ 580</u>	<u>14%</u>

Coal, Coke and Iron Ore Carloads by Market

Second Quarter
(cars in thousands)

	2004		2005		2006	
	Carloads	Change vs. 2003	Carloads	Change vs. 2004	Carloads	Change vs. 2005
Utility	307.3	(1%)	319.7	4%	339.3	6%
Export	41.7	49%	37.1	(11%)	27.3	(26%)
Steel	53.3	(9%)	56.0	5%	57.6	3%
Industrial	24.8	7%	26.5	7%	24.4	(8%)
	<u>427.1</u>	<u>2%</u>	<u>439.3</u>	<u>3%</u>	<u>448.6</u>	<u>2%</u>

Six Months

Utility	610.6	1%	631.9	3%	672.5	6%
Export	75.9	24%	77.9	3%	59.6	(23%)
Steel	99.0	(7%)	102.5	4%	107.7	5%
Industrial	47.9	11%	47.6	(1%)	44.5	(7%)
	<u>833.4</u>	<u>2%</u>	<u>859.9</u>	<u>3%</u>	<u>884.3</u>	<u>3%</u>

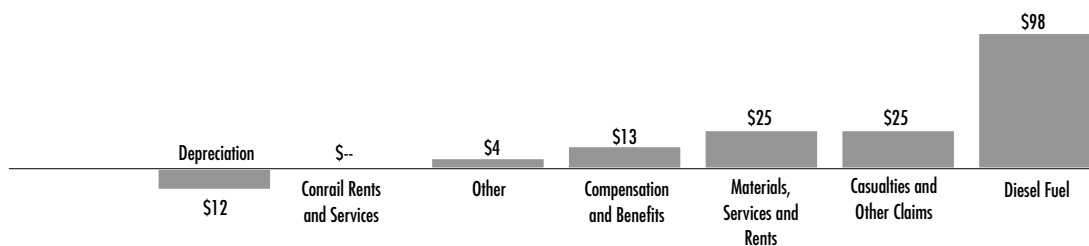
Railway Operating Expense Variance Analysis

Second Quarter
2006 vs. 2005

(\$ millions)

Amount of change

**Net Increase
\$153 Million
10%**

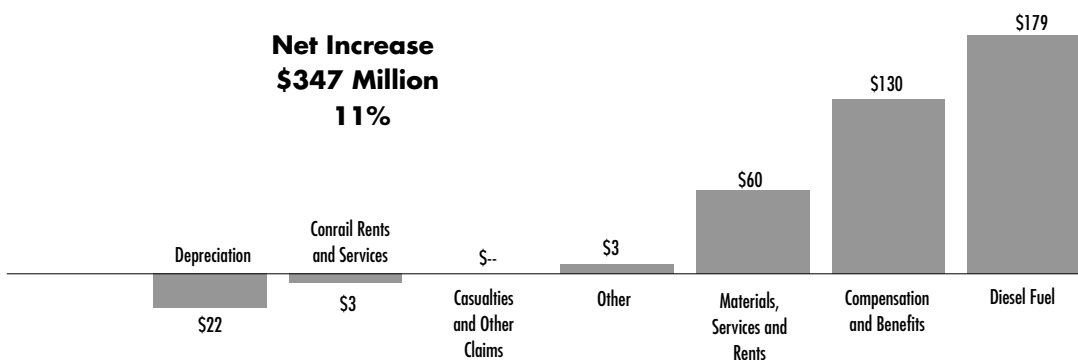


Six Months
2006 vs. 2005

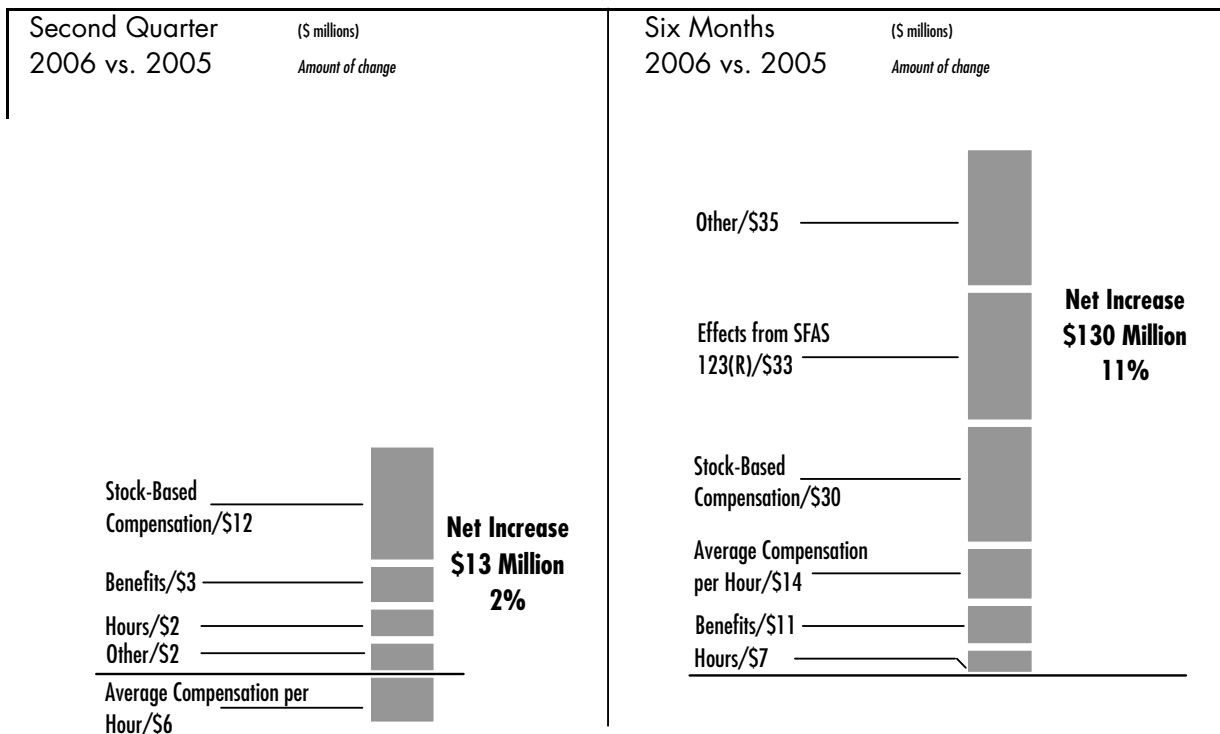
(\$ millions)

Amount of change

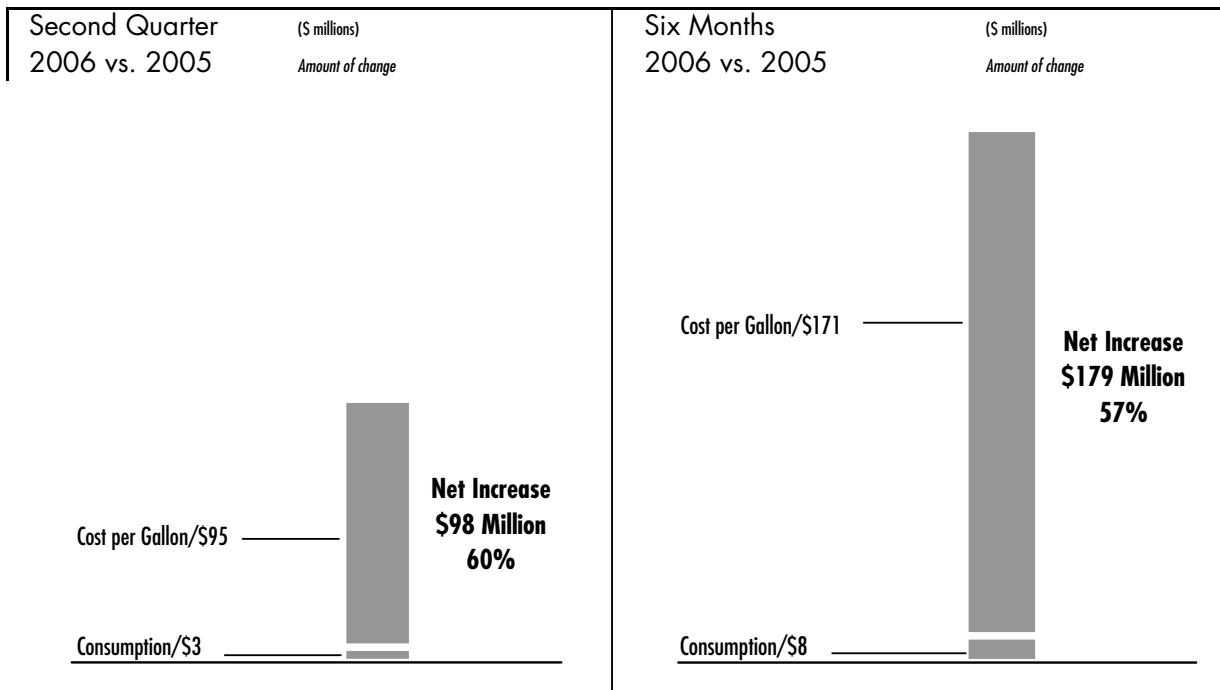
**Net Increase
\$347 Million
11%**



Compensation and Benefits Expense Analysis



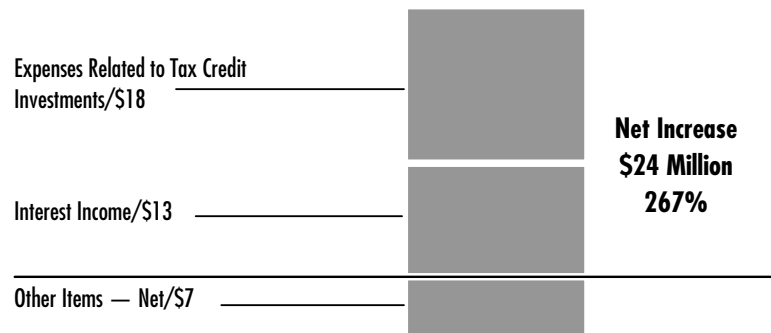
Diesel Fuel Expense Analysis



Other Income — Net Analysis

Second Quarter
2006 vs. 2005

(\$ millions)
Amount of change



Six Months
2006 vs. 2005

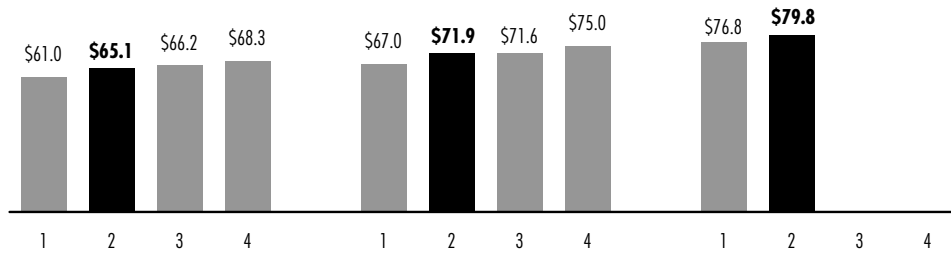
(\$ millions)
Amount of change



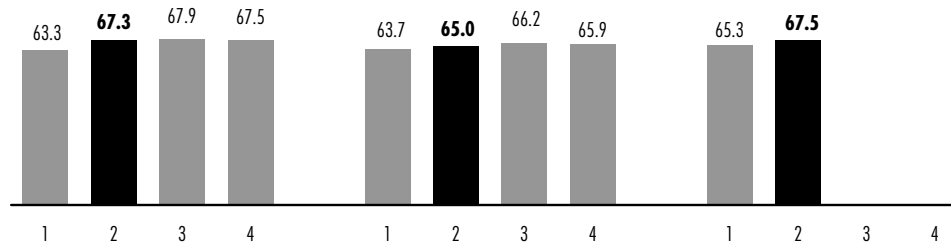
Productivity Measures

2004
2005
2006

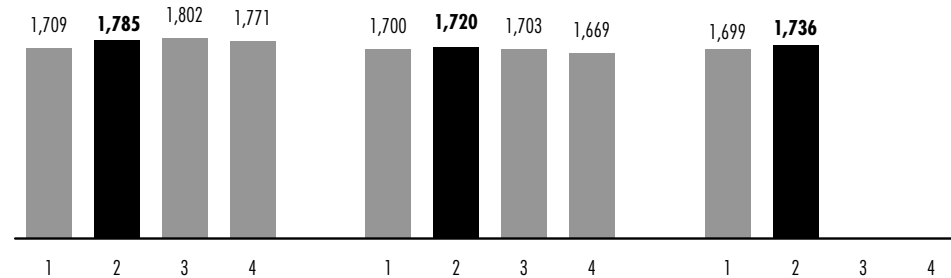
Operating Revenue per Employee (\$ thousands)



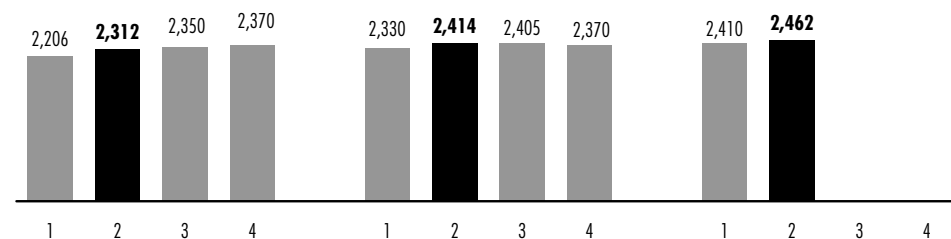
Carloads per Employee



Revenue Ton Miles per Employee (thousands)



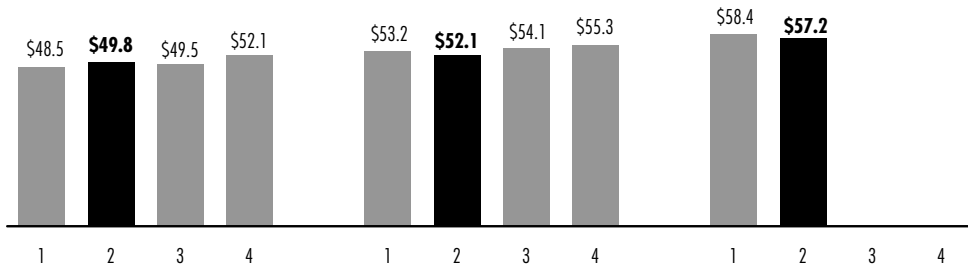
Revenue Ton Miles per Mile of Road Operated (thousands)



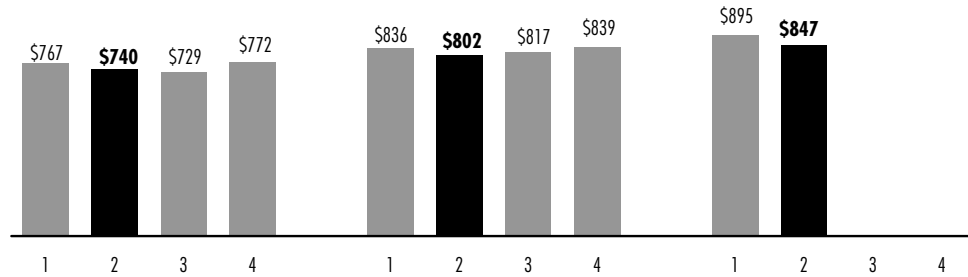
Productivity Measures

2004
2005
2006

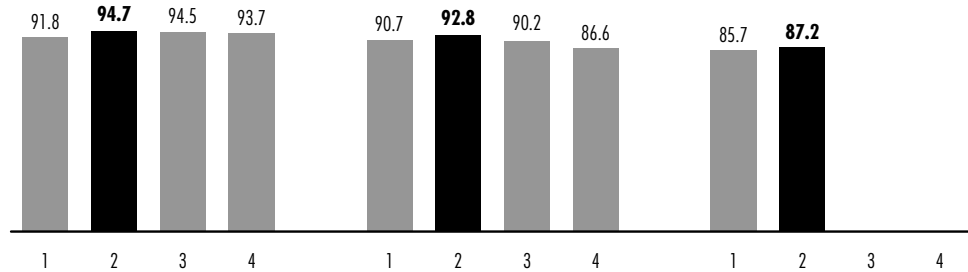
Operating Expense per Employee (\$ thousands)



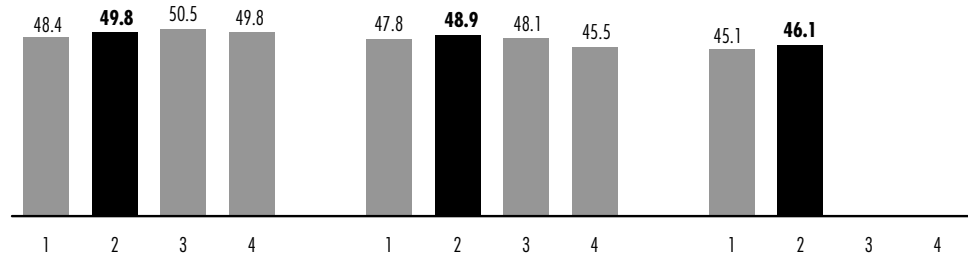
Operating Expense per Carload (dollars)



Gross Ton Miles per Train Hour (thousands)



Revenue Ton Miles per Train Hour (thousands)



Financial, Traffic and Operating Statistics

Consolidated Financial Data

(\$ millions — except as noted)

- No corresponding charts for this data.

		2004				
Page	Item	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year
6	Railway operating revenues					
8	Coal	\$ 398	\$ 424	\$ 447	\$ 459	\$ 1,728
8	General merchandise	967	1,025	1,006	1,049	4,047
8	Intermodal	328	364	404	441	1,537
6	Total railway operating revenues (note 2)	\$ 1,693	\$ 1,813	\$ 1,857	\$ 1,949	\$ 7,312
6	Railway operating expenses:					
•	Compensation and benefits (note 1)	\$ 545	\$ 565	\$ 570	\$ 592	\$ 2,272
•	Material (other than diesel fuel)	68	72	73	74	287
•	Purchased services (other than equipment rents)	209	226	240	262	937
•	Equipment rents	88	91	98	100	377
•	Conrail rents and services	102	101	79	37	319
•	Depreciation	129	130	150	189	598
•	Diesel fuel	107	106	98	138	449
•	Casualties and other claims	40	38	31	42	151
•	Other	59	59	49	53	220
	Total railway operating expenses (note 2)	\$ 1,347	\$ 1,388	\$ 1,388	\$ 1,487	\$ 5,610
6	Income from railway operations	\$ 346	\$ 425	\$ 469	\$ 462	\$ 1,702
•	Other income (expense) (note 3)	\$ (111)	\$ (121)	\$ (81)	\$ (87)	\$ (400)
•	Income before income taxes	\$ 235	\$ 304	\$ 388	\$ 375	\$ 1,302
•	Income taxes — current	\$ 49	\$ 31	\$ 76	\$ 23	\$ 179
•	Income taxes — deferred (note 2)	28	60	24	88	200
6	Total income taxes	\$ 77	\$ 91	\$ 100	\$ 111	\$ 379
7	Net income	\$ 158	\$ 213	\$ 288	\$ 264	\$ 923
7	Earnings per share - diluted (dollars) (notes 2 and 3)	\$ 0.40	\$ 0.54	\$ 0.72	\$ 0.65	\$ 2.31
7	Railway operating ratio	79.6	76.6	74.7	76.3	76.7
7	Capital expenditures:					
	Equipment	\$ 65	\$ 95	\$ 79	\$ 190	\$ 429
	Road	107	145	178	182	612
	Total	\$ 172	\$ 240	\$ 257	\$ 372	\$ 1,041
•	Cash, cash equivalents and short-term investments	\$ 107	\$ 207	\$ 530	\$ 669	\$ 669
•	Total debt, excluding notes payable to Conrail	\$ 6,881	\$ 6,847	\$ 7,548	\$ 7,525	\$ 7,525
•	Debt-to-total capitalization (percent)	49.1	48.2	49.5	48.5	48.5
•	Shares outstanding end of period - basic (thousands)	391,330	392,961	395,280	399,712	399,712

Note 1 First quarter 2006 includes expense related to effects from the implementation of Statement of Financial Accounting Standards, No. 123(R), "Share-Based Payment." (See note 3 on page 3 for additional details.)

Note 2 Second quarter 2005 includes a \$24 million, or 6 cents per diluted share, net gain from the settlements of coal rate cases. (See note 1 on page 2 for additional details.) Second quarter 2005 also includes a reduction of deferred income taxes which increased net income by \$96 million, or 23 cents per diluted share. (See note 2 on page 2 for additional details.) 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. (See note 4 on page 3 for additional details.)

Note 3 Third quarter 2004 includes a \$53 million, or 13 cents per diluted share, net gain from the Conrail corporate reorganization.

2005					2006				
First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year-to-date
\$ 467	\$ 578	\$ 546	\$ 524	\$ 2,115	\$ 559	\$ 584			\$ 1,143
1,086	1,148	1,138	1,214	4,586	1,278	1,311			2,589
408	428	471	519	1,826	466	497			963
\$ 1,961	\$ 2,154	\$ 2,155	\$ 2,257	\$ 8,527	\$ 2,303	\$ 2,392			\$ 4,695
\$ 604	\$ 624	\$ 629	\$ 636	\$ 2,493	\$ 721	\$ 637			\$ 1,358
87	87	95	80	349	100	95			195
250	254	266	285	1,055	264	270			534
99	105	101	100	405	107	106			213
35	31	31	32	129	32	31			63
193	194	195	192	774	183	182			365
150	162	189	226	727	231	260			491
78	40	59	47	224	53	65			118
62	65	62	65	254	61	69			130
\$ 1,558	\$ 1,562	\$ 1,627	\$ 1,663	\$ 6,410	\$ 1,752	\$ 1,715			\$ 3,467
\$ 403	\$ 592	\$ 528	\$ 594	\$ 2,117	\$ 551	\$ 677			\$ 1,228
\$ (126)	\$ (117)	\$ (87)	\$ (90)	\$ (420)	\$ (85)	\$ (88)			\$ (173)
\$ 277	\$ 475	\$ 441	\$ 504	\$ 1,697	\$ 466	\$ 589			\$ 1,055
\$ 59	\$ 122	\$ 86	\$ 69	\$ 336	\$ 162	\$ 240			\$ 402
24	(71)	54	73	80	(1)	(26)			(27)
\$ 83	\$ 51	\$ 140	\$ 142	\$ 416	\$ 161	\$ 214			\$ 375
\$ 194	\$ 424	\$ 301	\$ 362	\$ 1,281	\$ 305	\$ 375			\$ 680
\$ 0.47	\$ 1.04	\$ 0.73	\$ 0.87	\$ 3.11	\$ 0.72	\$ 0.89			\$ 1.61
79.4	72.5	75.5	73.7	75.2	76.1	71.7			73.8
\$ 25	\$ 36	\$ 36	\$ 187	\$ 284	\$ 109	\$ 124			\$ 233
119	177	185	260	741	147	199			346
\$ 144	\$ 213	\$ 221	\$ 447	\$ 1,025	\$ 256	\$ 323			\$ 579
\$ 1,119	\$ 615	\$ 1,050	\$ 1,257	\$ 1,257	\$ 1,542	\$ 1,535			\$ 1,535
\$ 7,682	\$ 6,992	\$ 6,958	\$ 6,930	\$ 6,930	\$ 6,898	\$ 6,865			\$ 6,865
48.2	44.8	43.8	42.7	42.7	41.5	40.8			40.8
402,972	403,257	405,143	408,623	408,623	413,531	412,701			412,701

Financial, Traffic and Operating Statistics

Traffic and Operating Statistics		2004				
		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)					
8	Coal	406.3	427.1	428.2	429.2	1,690.8
8	General merchandise	702.6	740.0	717.1	722.2	2,881.9
8	Intermodal	648.1	708.1	759.4	775.9	2,891.5
8	Total railway carloads	1,757.0	1,875.2	1,904.7	1,927.3	7,464.2
	<ul style="list-style-type: none"> Revenue ton miles (RTMs) (billions): 					
	• Coal	13.9	14.7	15.0	14.6	58.2
	• General merchandise	26.3	27.4	27.3	27.2	108.2
	• Intermodal	7.3	7.6	8.2	8.8	31.9
	• Total	47.5	49.7	50.5	50.6	198.3
	<ul style="list-style-type: none"> Revenue (dollars) per thousand RTMs: 					
	• Coal	\$ 28.62	\$ 28.84	\$ 29.87	\$ 31.54	\$ 29.73
	• General merchandise	\$ 36.83	\$ 37.39	\$ 36.83	\$ 38.59	\$ 37.42
	• Intermodal	\$ 44.89	\$ 47.79	\$ 48.89	\$ 49.94	\$ 48.00
	• Total	\$ 35.67	\$ 36.46	\$ 36.74	\$ 38.54	\$ 36.87
	<ul style="list-style-type: none"> Gross ton miles (GTMs) (billions) 	90.0	94.7	94.6	95.1	374.4
	• Revenue ton miles (RTMs) (billions)	47.5	49.7	50.5	50.6	198.3
	• Railroad employees (average)	27,770	27,861	28,051	28,546	28,057
	<ul style="list-style-type: none"> Total operating expense (dollars) per thousand GTMs 	\$ 14.96	\$ 14.66	\$ 14.67	\$ 15.64	\$ 14.98
	• Compensation and benefits (dollars) per thousand GTMs	\$ 6.05	\$ 5.97	\$ 6.02	\$ 6.22	\$ 6.07
	• Total operating expense (dollars) per thousand RTMs	\$ 28.38	\$ 27.91	\$ 27.46	\$ 29.41	\$ 28.29
	• Compensation and benefits (dollars) per thousand RTMs	\$ 11.48	\$ 11.36	\$ 11.28	\$ 11.71	\$ 11.46
14	Total operating revenue (\$ thousands) per employee	\$ 61.0	\$ 65.1	\$ 66.2	\$ 68.3	\$ 260.6
15	Total operating expense (\$ thousands) per employee	\$ 48.5	\$ 49.8	\$ 49.5	\$ 52.1	\$ 199.9
	<ul style="list-style-type: none"> GTMs (thousands) per employee 	3,242	3,398	3,373	3,332	13,345
14	RTMs (thousands) per employee	1,709	1,785	1,802	1,771	7,067
14	Carloads per employee	63.3	67.3	67.9	67.5	266.0
14	RTMs (thousands) per mile of road operated	2,206	2,312	2,350	2,370	9,238
15	Total operating expense (dollars) per carload	\$ 767	\$ 740	\$ 729	\$ 772	\$ 752
	• Compensation and benefits (dollars) per carload	\$ 310	\$ 301	\$ 299	\$ 307	\$ 304
	• RTMs (thousands) per carload	27.0	26.5	26.5	26.2	26.6
	• Diesel fuel consumed (thousands of gallons)	128,560	123,596	120,984	129,369	502,509
	• Average price (dollars) per gallon of diesel fuel	\$ 0.831	\$ 0.859	\$ 0.879	\$ 1.068	\$ 0.910
	• RTMs per gallon of fuel consumed	369	402	418	391	395
15	GTMs (thousands) per train hour	91.8	94.7	94.5	93.7	93.7
15	RTMs (thousands) per train hour	48.4	49.8	50.5	49.8	49.6
	<ul style="list-style-type: none"> Percent of loaded-to-total car miles 	58.8	58.5	58.9	59.3	58.9
	• Total new cross-ties installed (thousands)	421	726	727	596	2,470
	• Total track miles of rail laid (miles)	77	72	46	51	246

2005					2006				
First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year-to-date
420.6	439.3	451.8	423.7	1,735.4	435.7	448.6			884.3
716.0	746.6	713.1	720.5	2,896.2	738.4	754.9			1,493.3
726.5	762.0	827.4	839.0	3,154.9	783.1	821.2			1,604.3
1,863.1	1,947.9	1,992.3	1,983.2	7,786.5	1,957.2	2,024.7			3,981.9
14.3	15.0	15.6	14.4	59.3	14.7	15.2			29.9
27.7	28.7	27.4	27.4	111.2	28.6	28.9			57.5
7.8	7.8	8.2	8.5	32.3	7.7	7.9			15.6
49.8	51.5	51.2	50.3	202.8	51.0	52.0			103.0
\$ 32.56	\$ 38.56	\$ 34.98	\$ 36.61	\$ 35.69	\$ 38.10	\$ 38.45			\$ 38.28
\$ 39.27	\$ 40.01	\$ 41.48	\$ 44.34	\$ 41.25	\$ 44.77	\$ 45.23			\$ 45.00
\$ 52.58	\$ 54.36	\$ 57.52	\$ 60.98	\$ 56.48	\$ 60.19	\$ 63.14			\$ 61.67
\$ 39.41	\$ 41.78	\$ 42.06	\$ 44.95	\$ 42.06	\$ 45.19	\$ 45.96			\$ 45.58
94.5	97.7	96.1	95.6	383.9	96.7	98.4			195.1
49.8	51.5	51.2	50.3	202.8	51.0	52.0			103.0
29,271	29,968	30,084	30,082	29,851	29,986	29,984			29,985
\$ 16.49	\$ 15.98	\$ 16.93	\$ 17.40	\$ 16.70	\$ 18.11	\$ 17.43			\$ 17.77
\$ 6.39	\$ 6.38	\$ 6.55	\$ 6.65	\$ 6.49	\$ 7.45	\$ 6.47			\$ 6.96
\$ 31.31	\$ 30.30	\$ 31.76	\$ 33.12	\$ 31.62	\$ 34.38	\$ 32.95			\$ 33.66
\$ 12.14	\$ 12.10	\$ 12.28	\$ 12.67	\$ 12.30	\$ 14.15	\$ 12.24			\$ 13.18
\$ 67.0	\$ 71.9	\$ 71.6	\$ 75.0	\$ 285.5	\$ 76.8	\$ 79.8			\$ 156.6
\$ 53.2	\$ 52.1	\$ 54.1	\$ 55.3	\$ 214.7	\$ 58.4	\$ 57.2			\$ 115.6
3,227	3,262	3,194	3,177	12,860	3,226	3,281			6,507
1,700	1,720	1,703	1,669	6,792	1,699	1,736			3,435
63.7	65.0	66.2	65.9	260.8	65.3	67.5			132.8
2,330	2,414	2,405	2,370	9,519	2,410	2,462			4,872
\$ 836	\$ 802	\$ 817	\$ 839	\$ 823	\$ 895	\$ 847			\$ 871
\$ 324	\$ 320	\$ 316	\$ 321	\$ 320	\$ 368	\$ 315			\$ 341
26.7	26.5	25.7	25.3	26.0	26.0	25.7			25.9
133,286	127,102	124,375	128,637	513,400	137,439	129,264			266,703
\$ 1.122	\$ 1.277	\$ 1.518	\$ 1.761	\$ 1.416	\$ 1.680	\$ 2.014			\$ 1.842
373	406	412	390	395	371	403			386
90.7	92.8	90.2	86.6	90.0	85.7	87.2			86.4
47.8	48.9	48.1	45.5	47.5	45.1	46.1			45.6
58.9	58.7	58.8	59.5	59.0	58.6	58.5			58.5
557	727	768	497	2,549	621	804			1,425
71	96	60	75	302	81	114			195