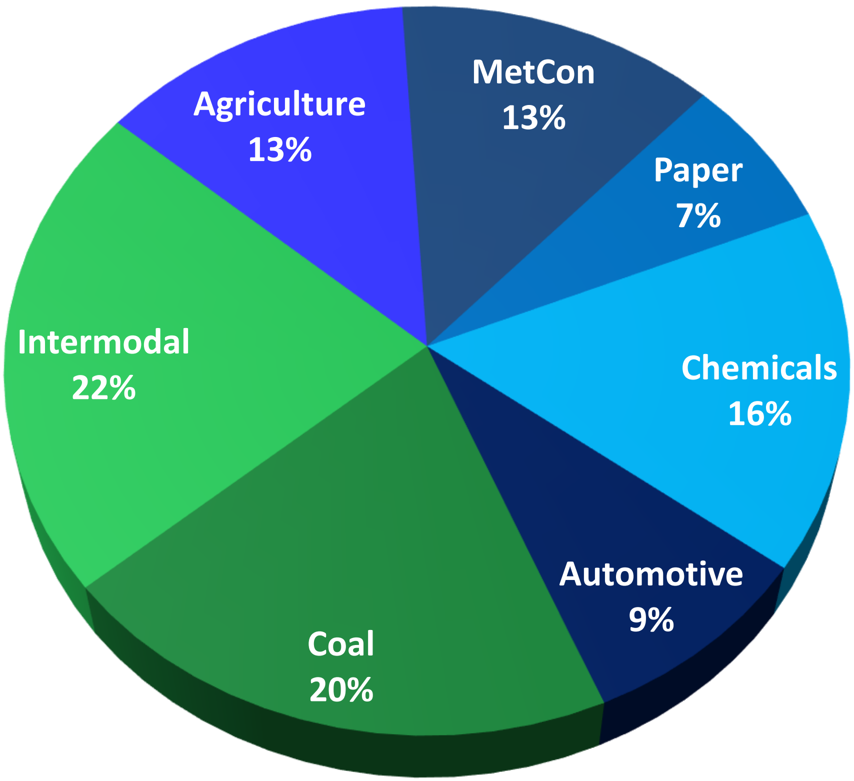
Dr. Rob Martínez
Vice President Business Development

January 2015

Norfolk Southern System
CANADA
Montreal
Rouses Point
Ayer
Boston
Albany
Buffalo
Geneva
Binghamton
Lansing
Detroit
Kalamazoo
Chicago
Elkhart
Toledo
Cleveland
Youngstown
Bethlehem
Newark
Reading
Philadelphia
Bellevue
Altoona
Des Moines
Peoria
Ft. Wayne
Pittsburgh
Harrisburg
Columbus
Baltimore
Decatur
Front Royal
Indianapolis
Washington, D.C.
Kansas City
Cincinnati
Charleston
St. Louis
Louisville
Richmond
Georgetown
Roanoke
Lynchburg
Norfolk
Evansville
Lexington
Petersburg
Bluefield
Greensboro
Durham
Winston-Salem
Raleigh
Knoxville
Asheville
Fayetteville
Chattanooga
Memphis
Morehead City
Huntsville
Columbia
Atlanta
Augusta
Birmingham
Tuscaloosa
Charleston
Dallas
Columbus
Macon
Meridian
Montgomery
Savannah
Brunswick
Valdosta
Jacksonville
Mobile
New Orleans
To Miami
Titusville

NS 2014 Business Portfolio



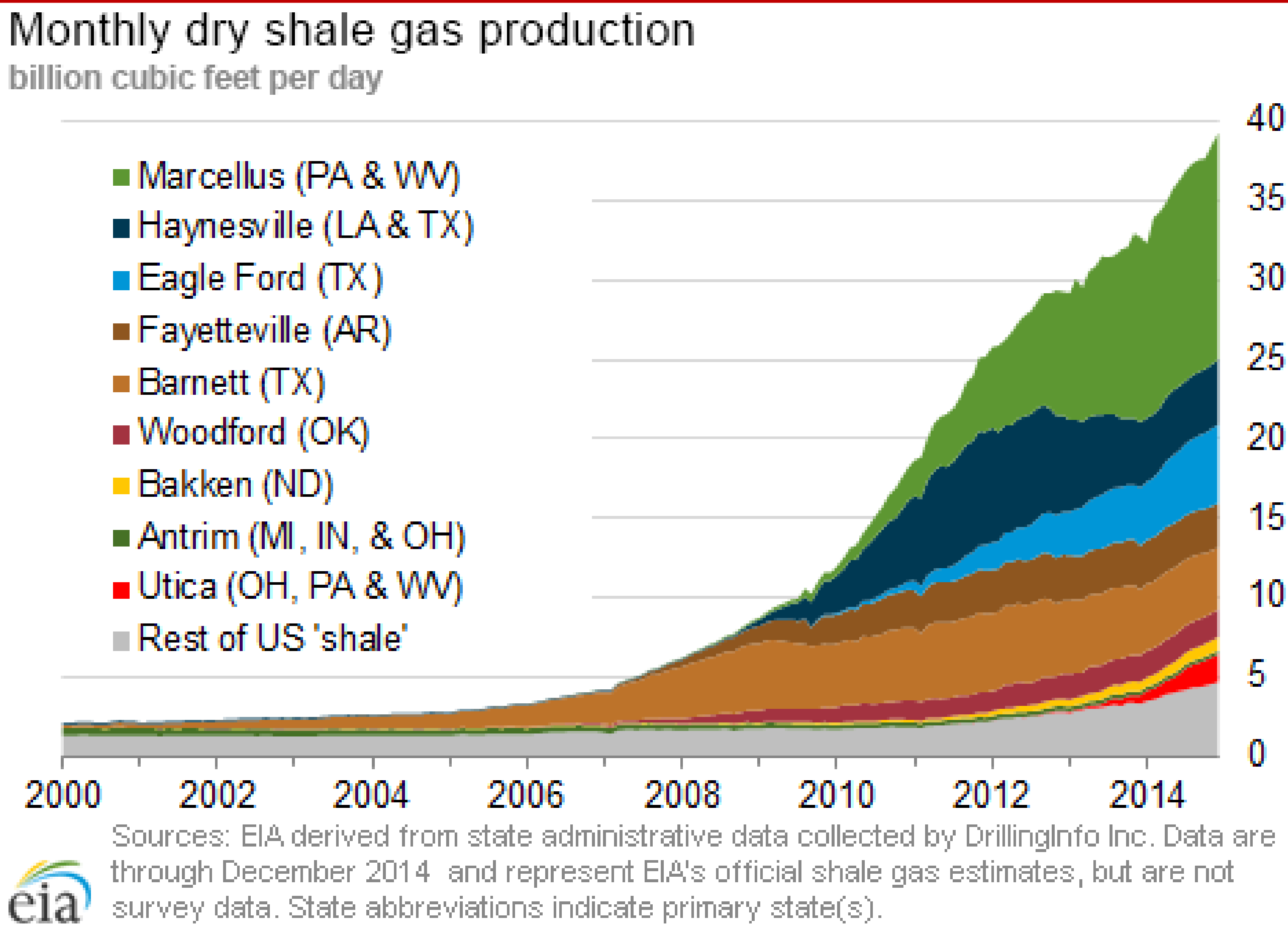
$11.6 Billion in Revenue

Major Drivers of Our Business

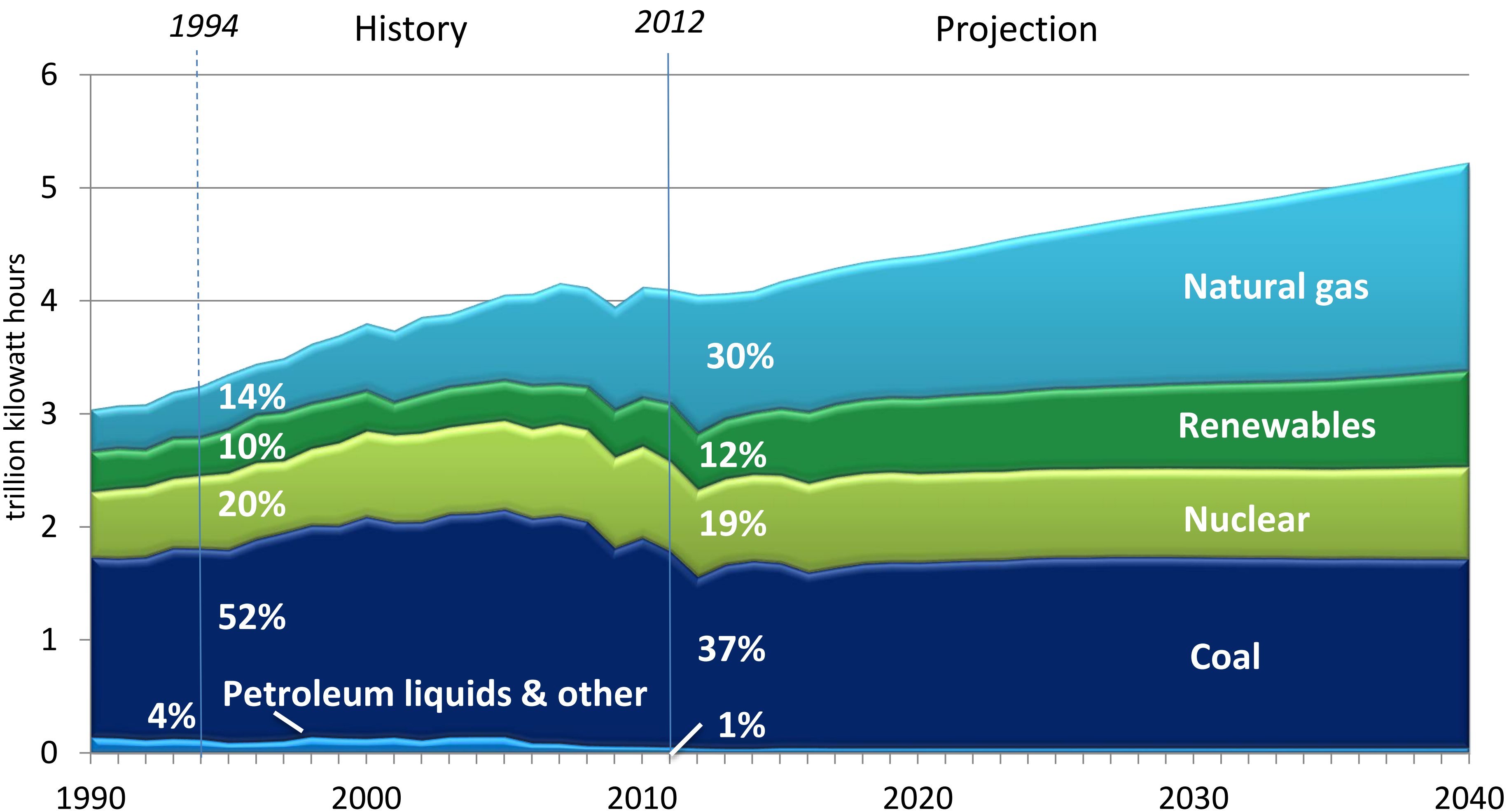
- Energy
- Manufacturing
- Intermodal
- Agriculture



Shale Gas Production



U.S. Electricity Generation by Source



Petroleum and Coal Products Exports and Imports

in Billions of Dollars

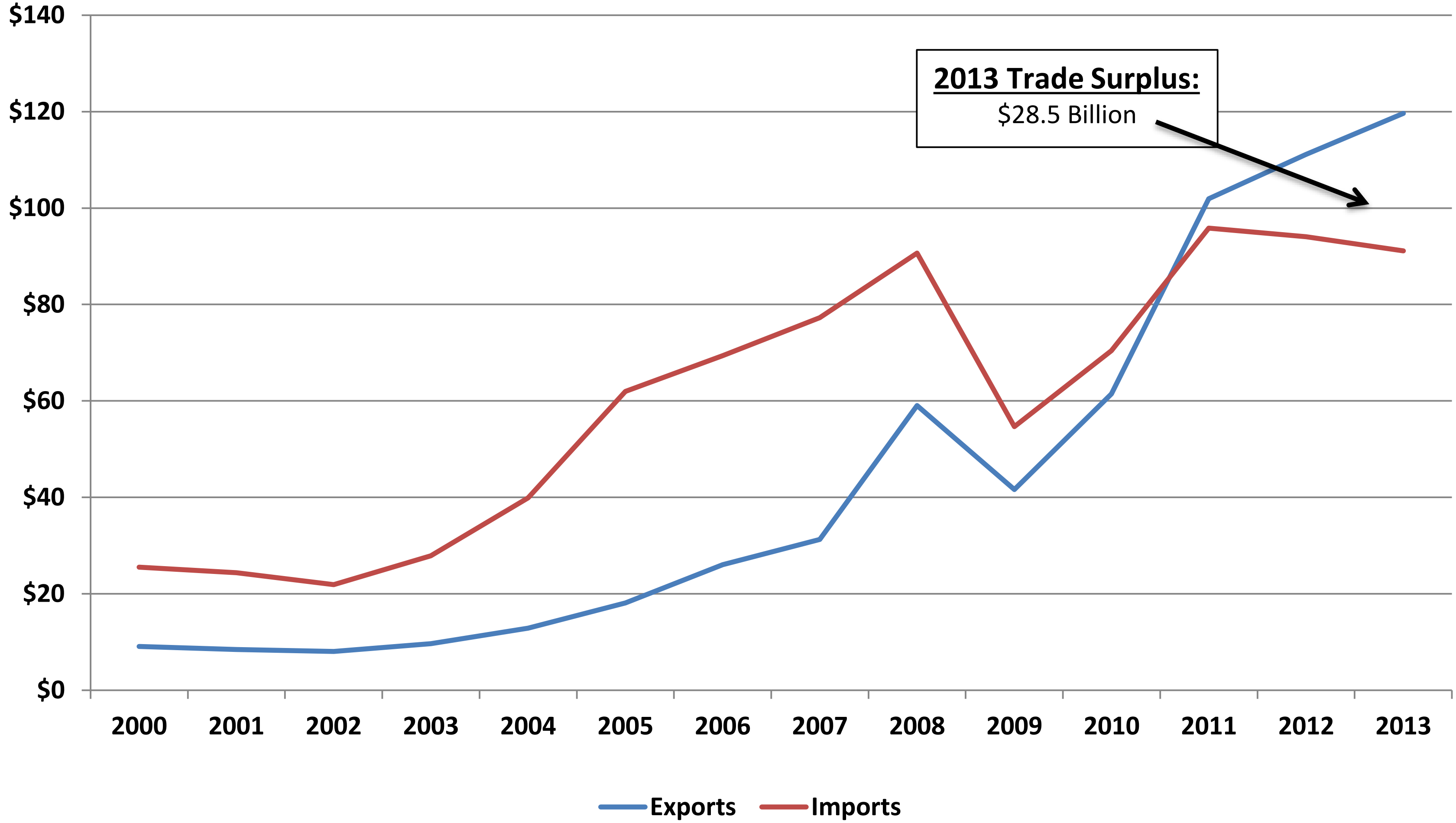


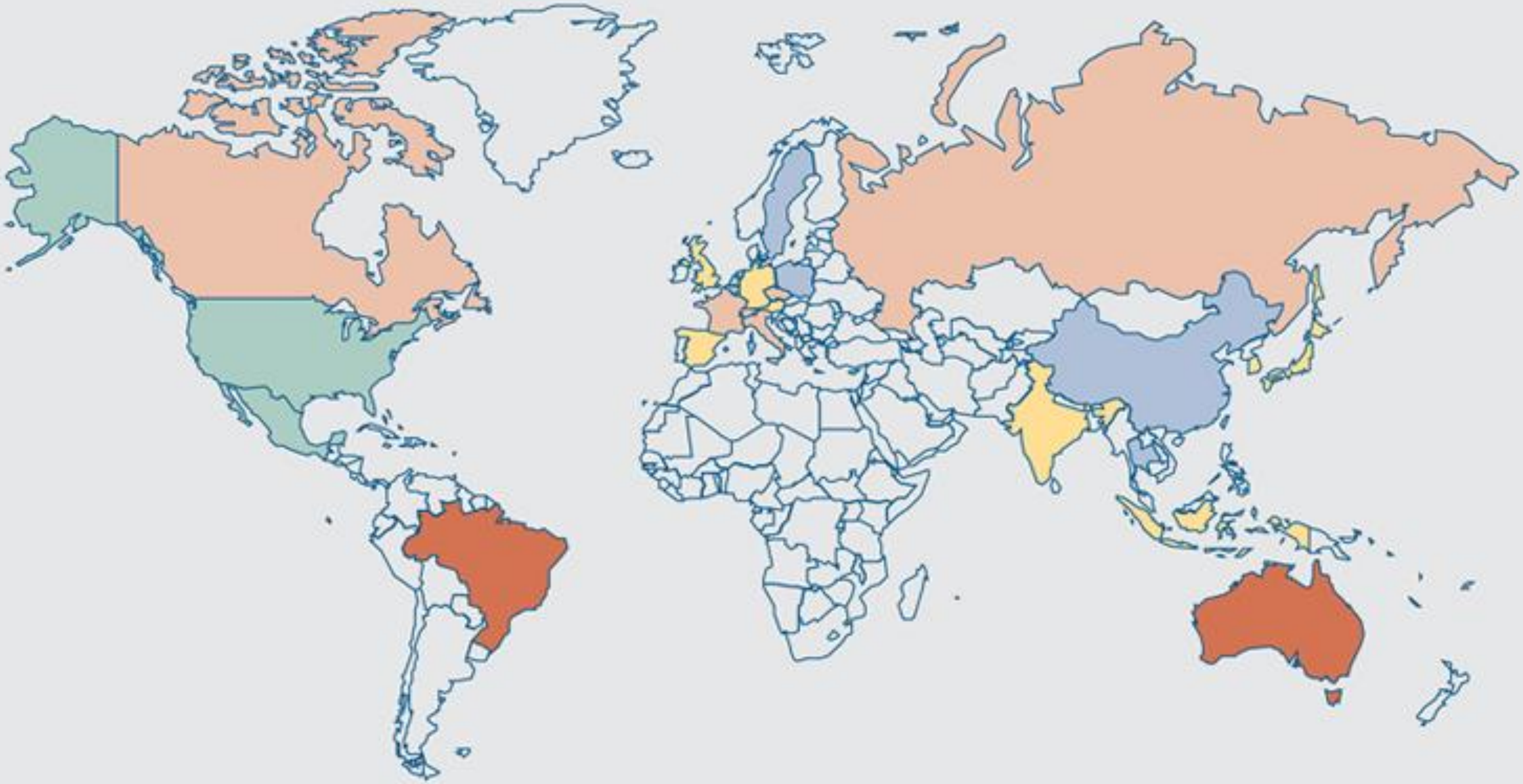
Exhibit 2 | Most Economies in the Index Fall into One of Four Distinct Patterns of Change

Under pressure	• Traditionally low-cost countries whose deteriorating competitiveness is driven by a wide range of factors	Brazil, China, Czech Republic, Poland, Russia
Losing ground	• Traditionally high-cost countries whose competitiveness continues to deteriorate, because of weak productivity gains and higher energy costs	Australia, Belgium, France, Italy, Sweden, Switzerland
Holding steady	• Countries roughly maintaining their relative competitiveness versus global leaders	India, Indonesia, Netherlands, United Kingdom
Rising global stars	• Improved competitiveness compared with the others, because of moderate wage growth, sustained productivity gains, stable exchange rates, and energy cost advantages	Mexico, United States

Source: BCG analysis.

Source: Boston Consulting Group

Exhibit 3 | The Relative Cost Competitiveness of the Top 25 Export Economies Has Shifted Dramatically

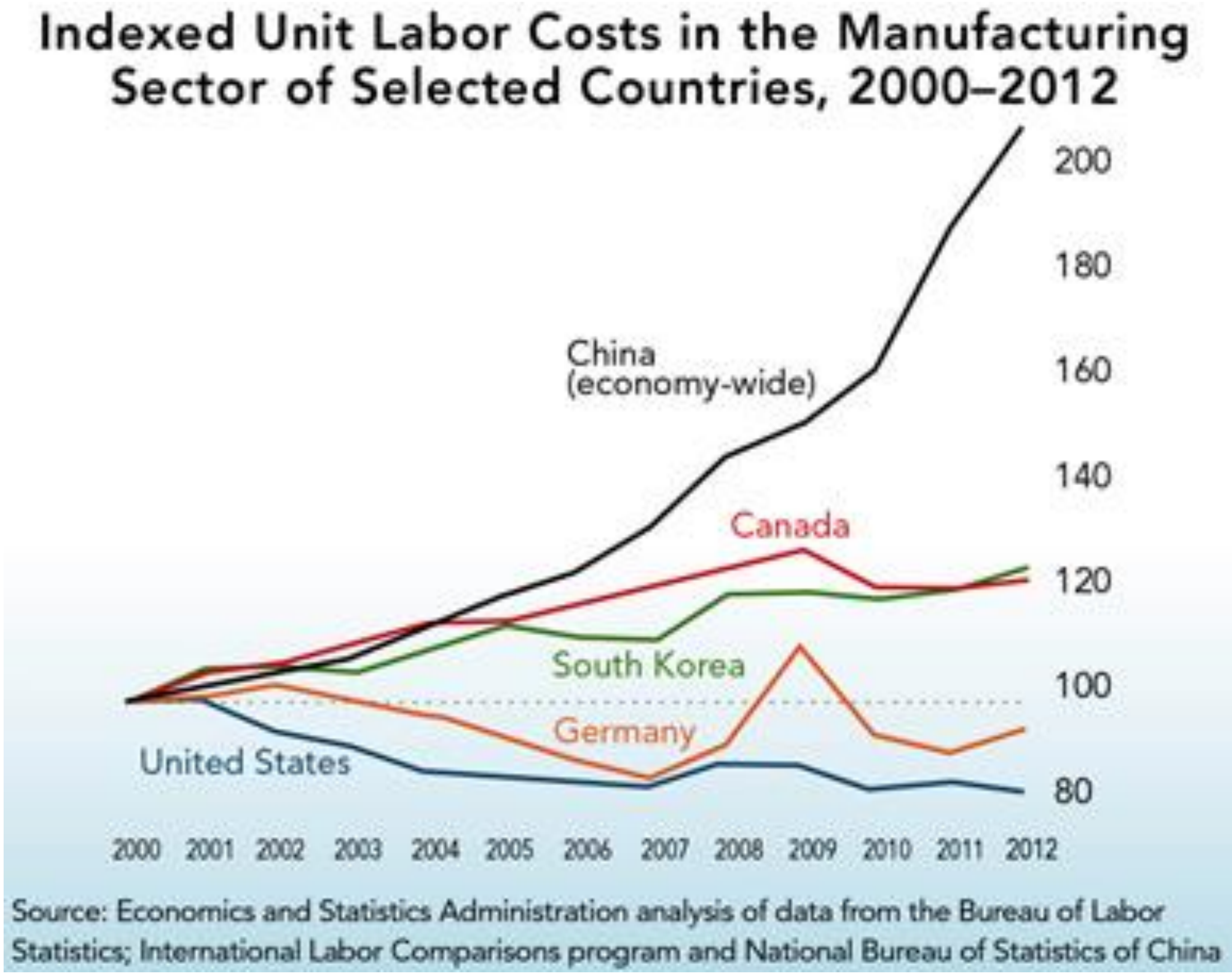


Cost competitiveness

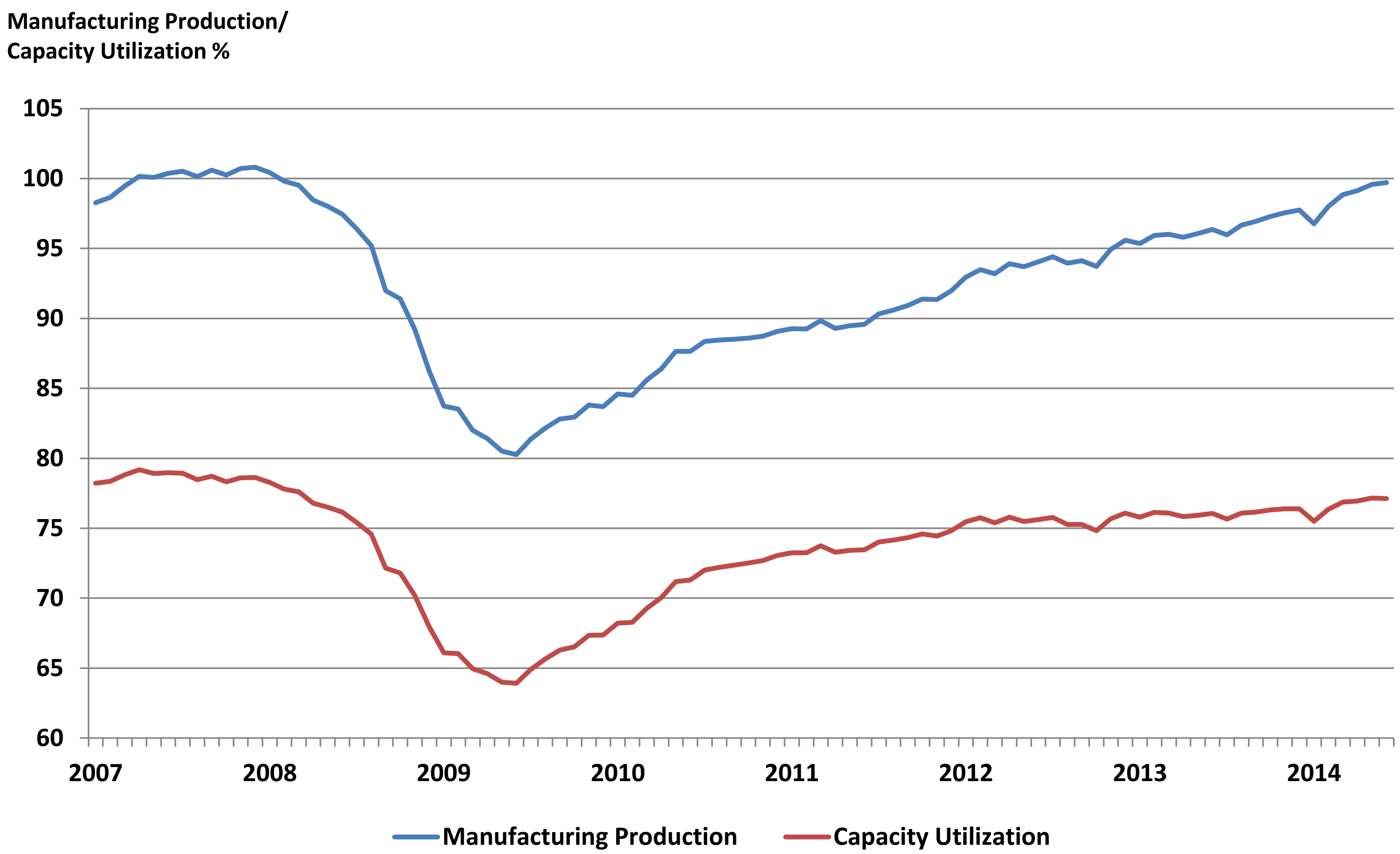
- Unchanged or improved
- Declined by 1 to 4 points
- Declined by 5 to 9 points
- Declined by 10 to 14 points
- Declined by 15 or more points
- Economies not among the top 25 exporters

Source: BCG analysis.

Labor Costs in the Manufacturing Sector

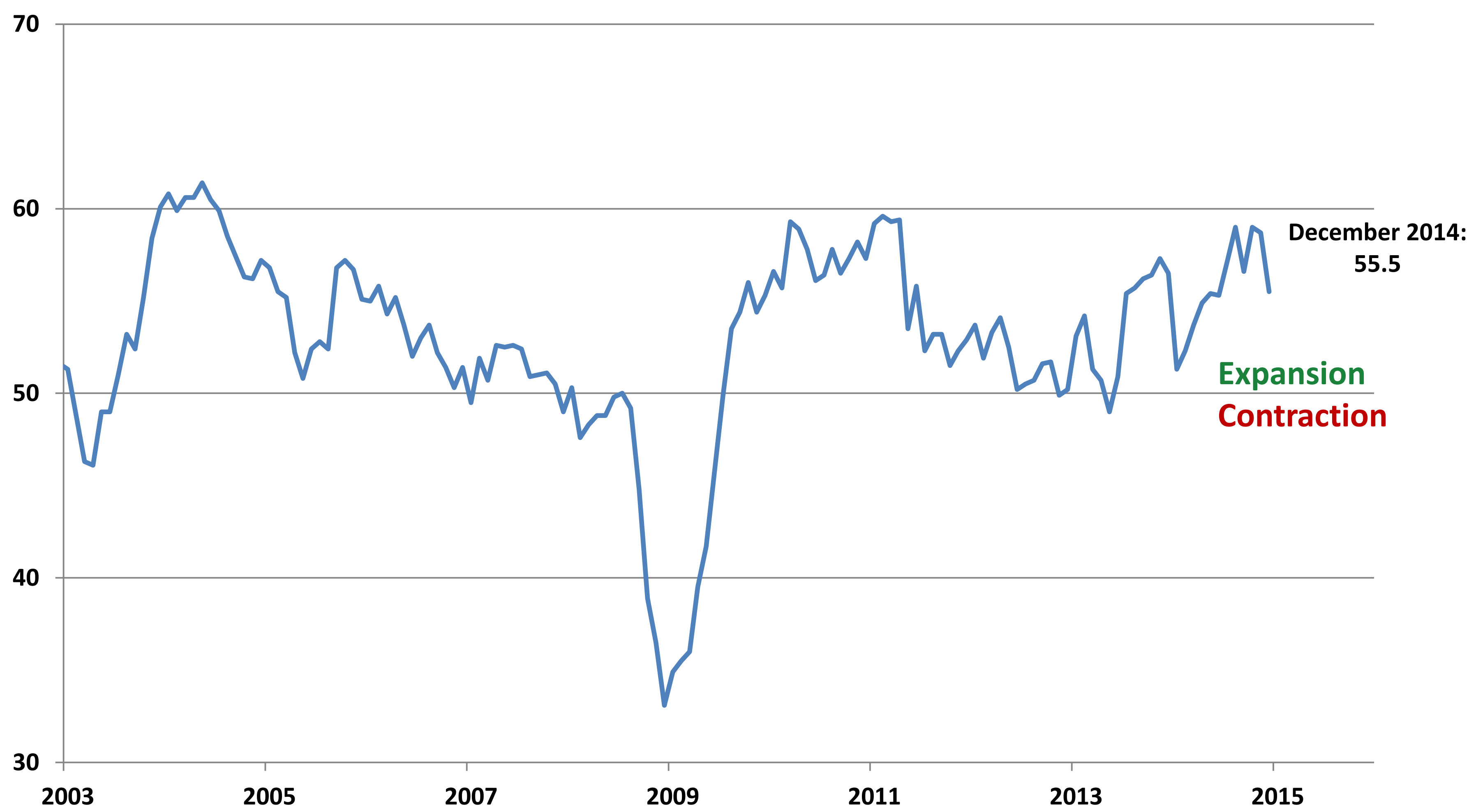


Manufacturing Production

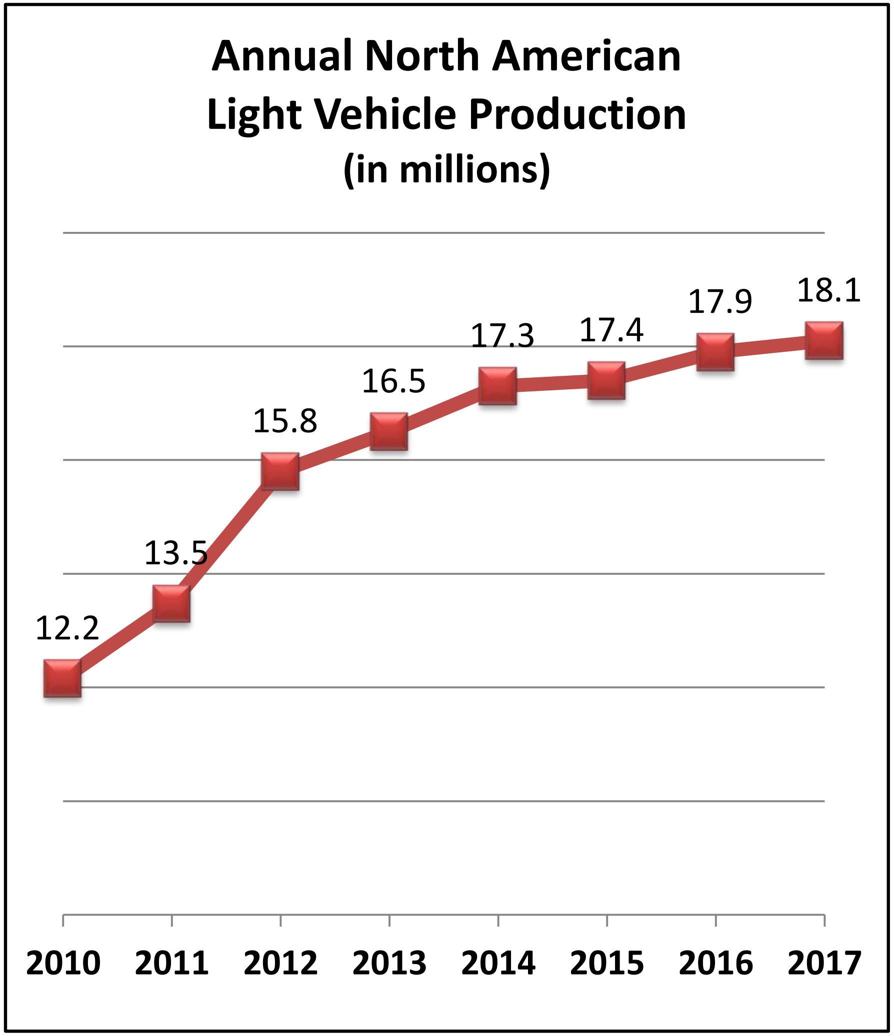


Source: National Association of Manufacturers; Federal Reserve Board

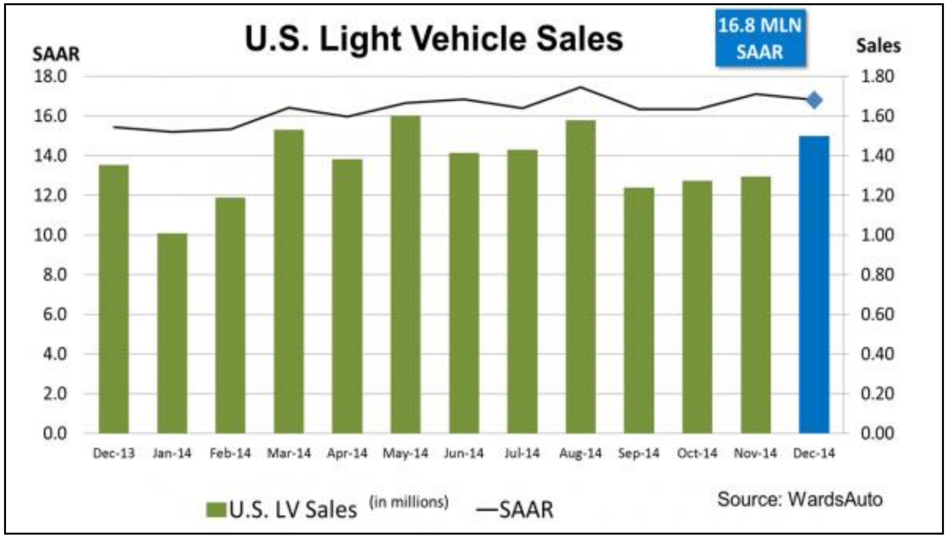
ISM Manufacturing Index



Vehicle Production and Sales

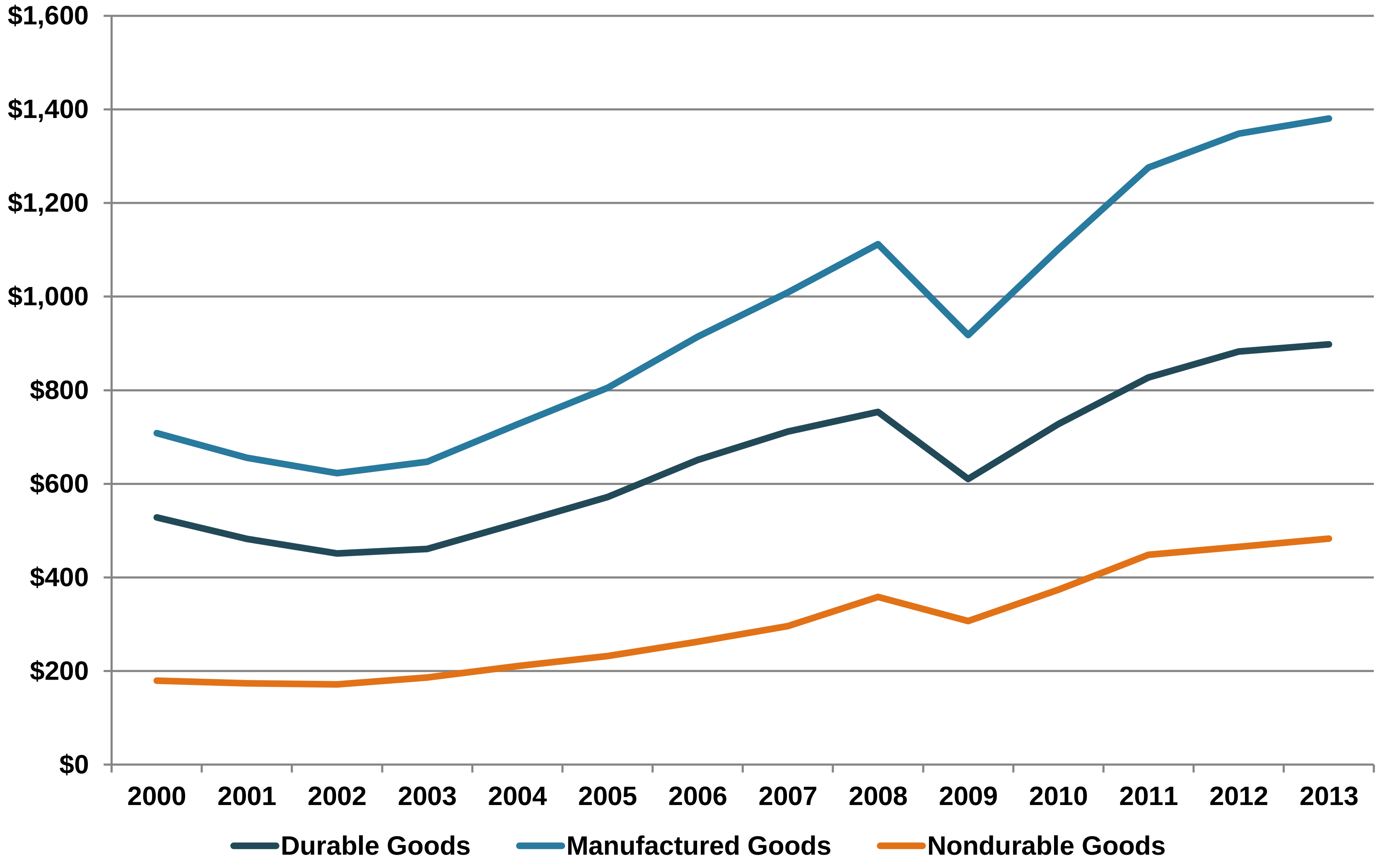


- North American Light Vehicle Production expected to continue growing steadily to 18.1 million vehicles in 2017
- U.S. Light Vehicle Sales projected to grow to over 17.0 million vehicles by 2016



U.S.-Manufactured Goods Exports, 2000-2013

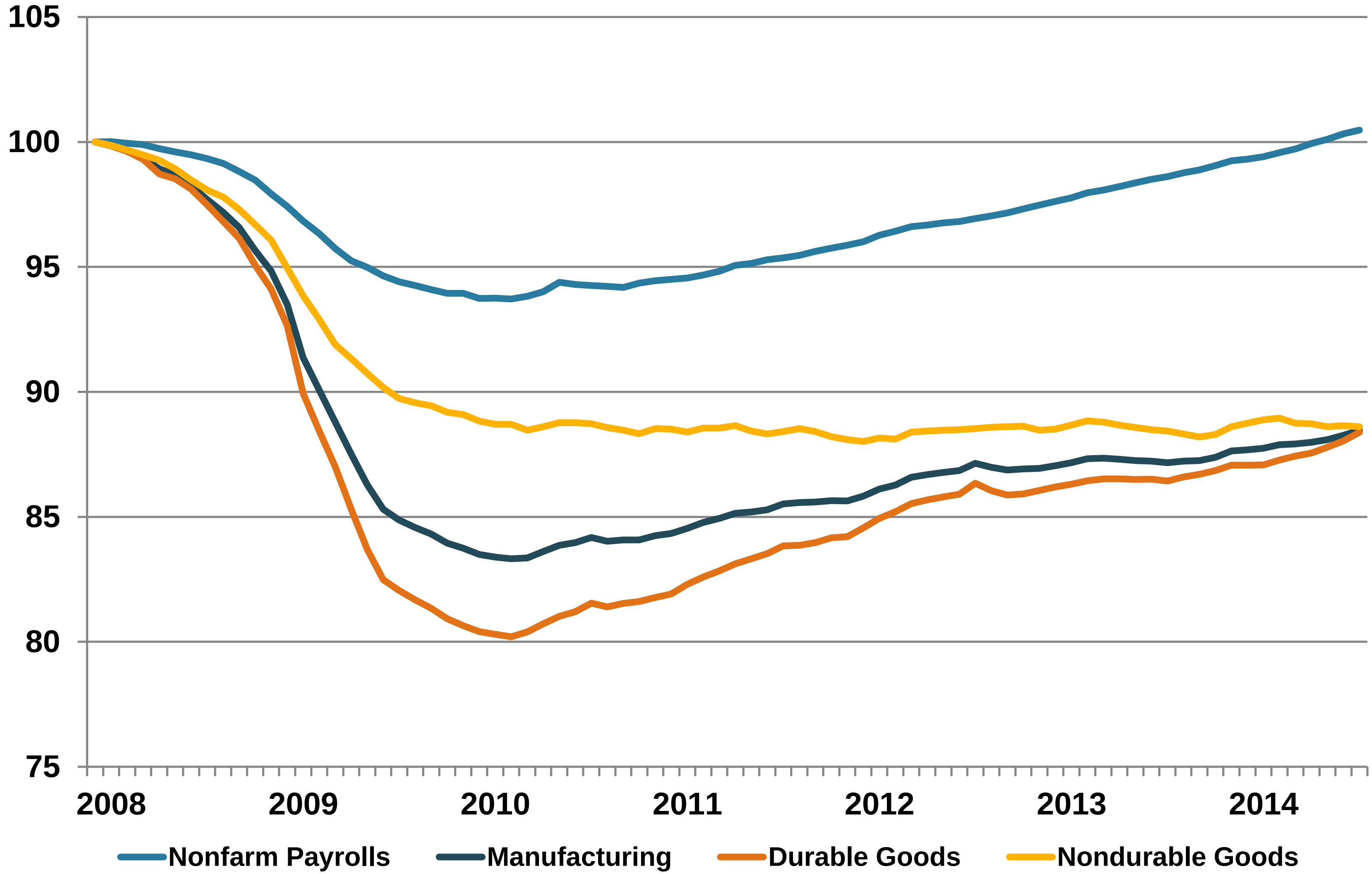
Billions of Dollars, Seasonally Adjusted



Source: National Association of Manufacturers; U.S. Department of Commerce

Manufacturing Employment Growth

December 2007 = 100



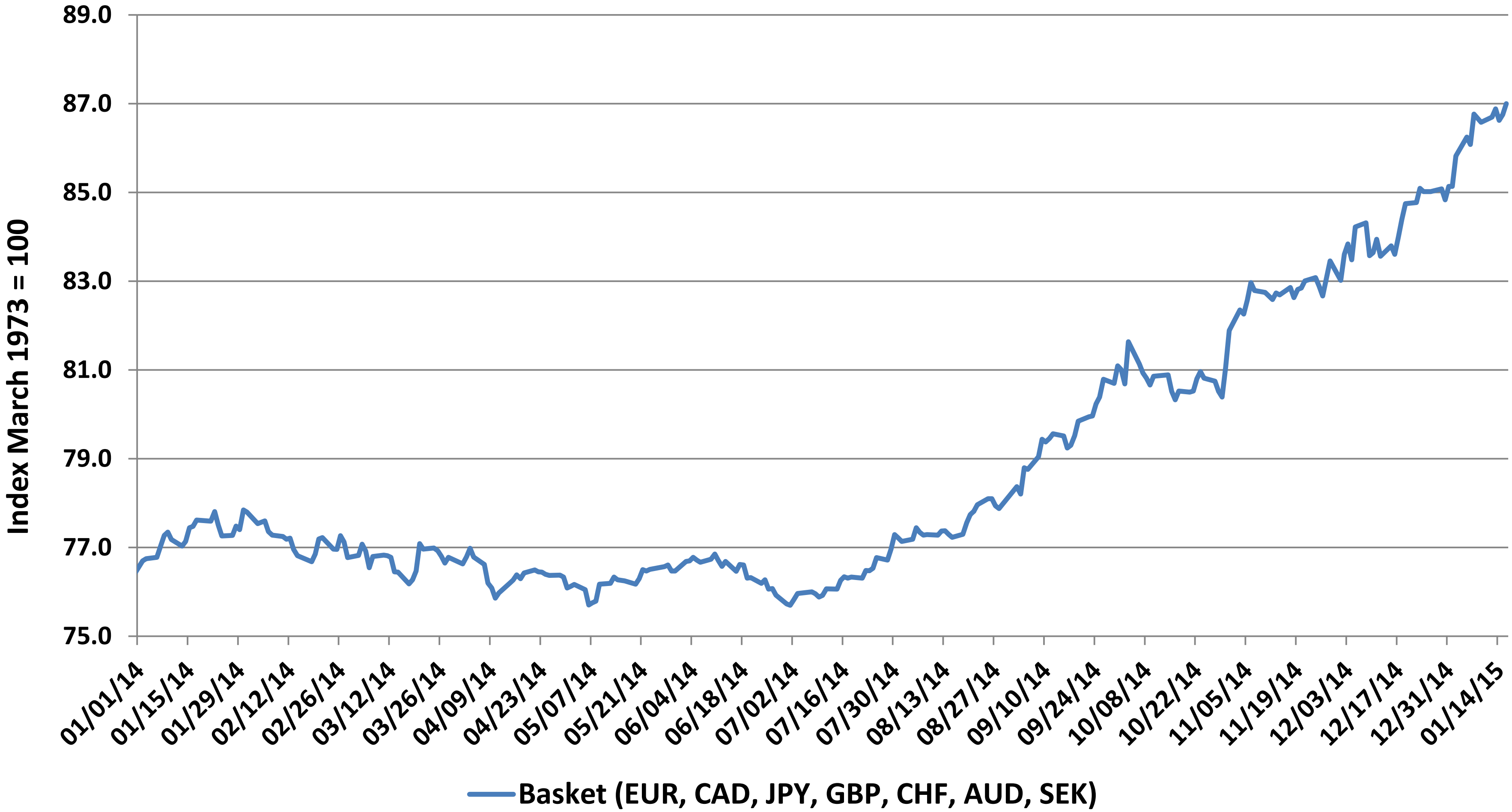
Source: National Association of Manufacturers; Bureau of Labor Statistics

Growth in Foreign Domestic Investment (FDI) in Manufacturing Since 2005

- **FDI in manufacturing grew by $399.1 billion from 2005 to 2012, increasing by nearly 80 percent.**

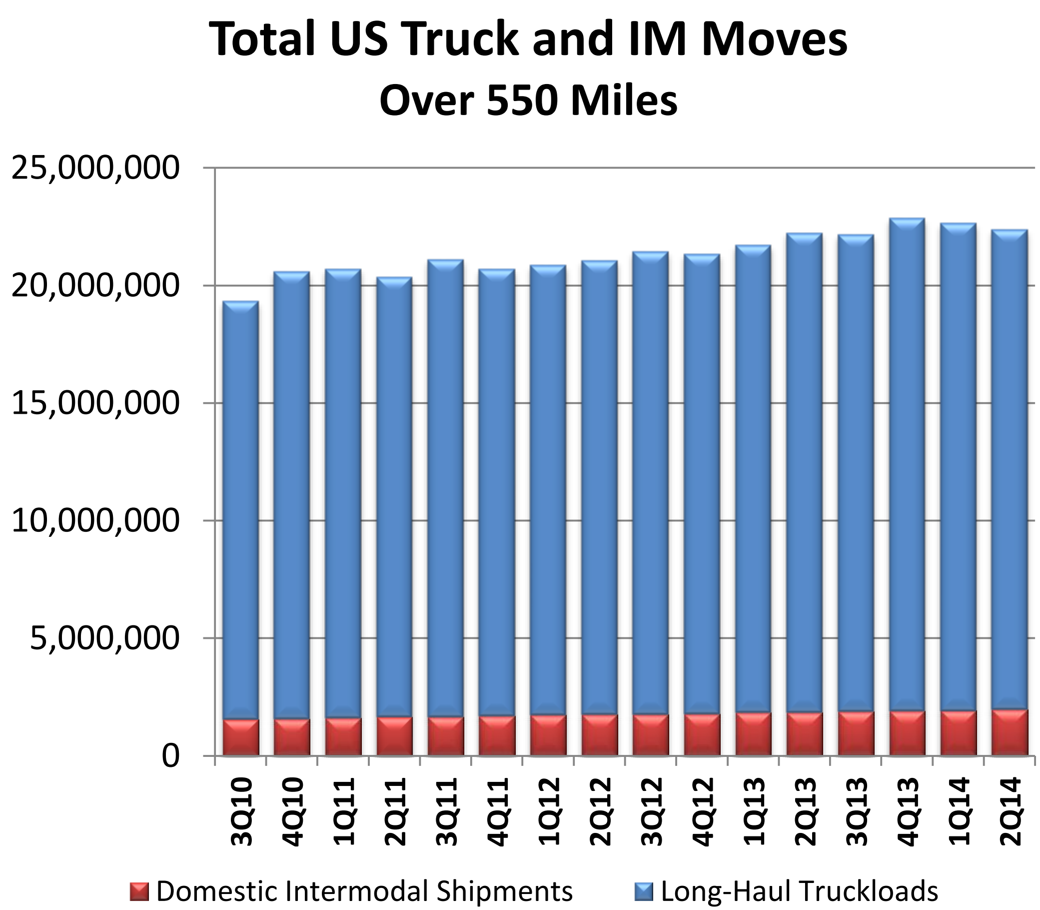
U.S. Dollar Versus Major Currencies

Trade Weighted



Scratching the Surface

Significant opportunity for growth remains

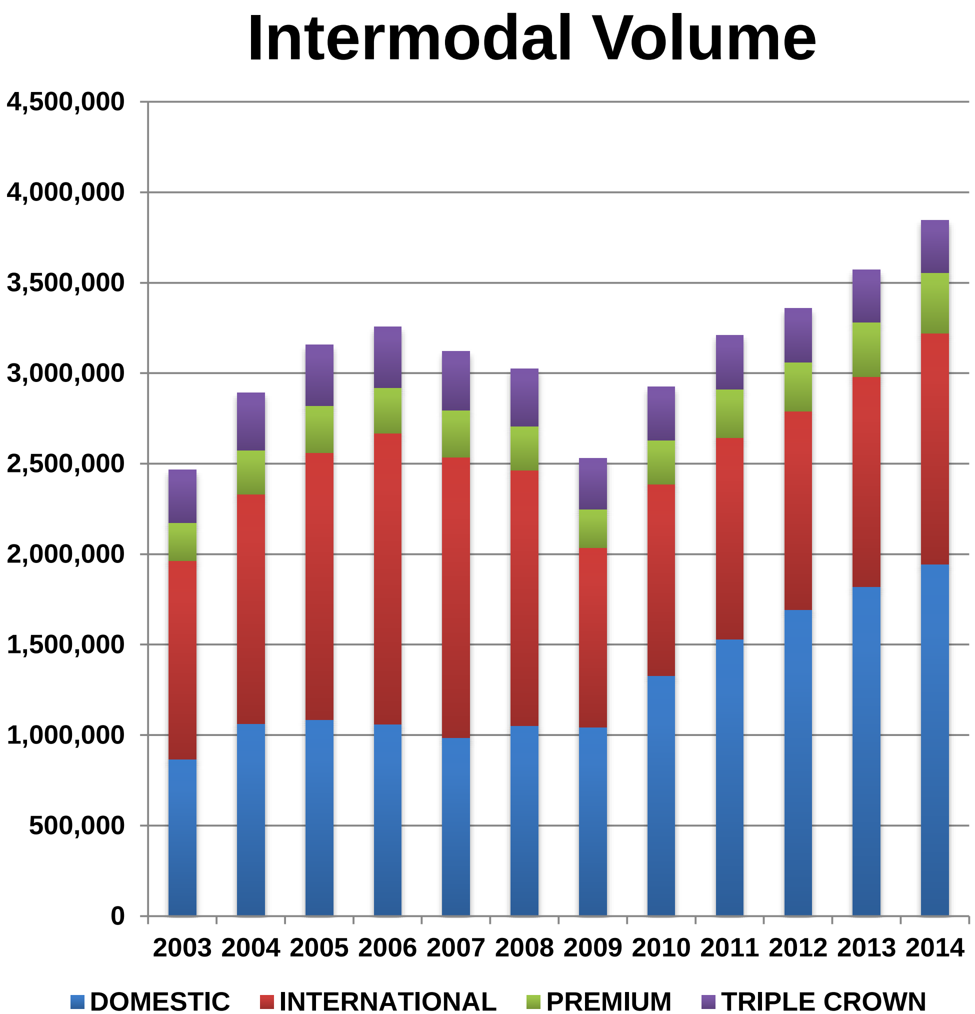


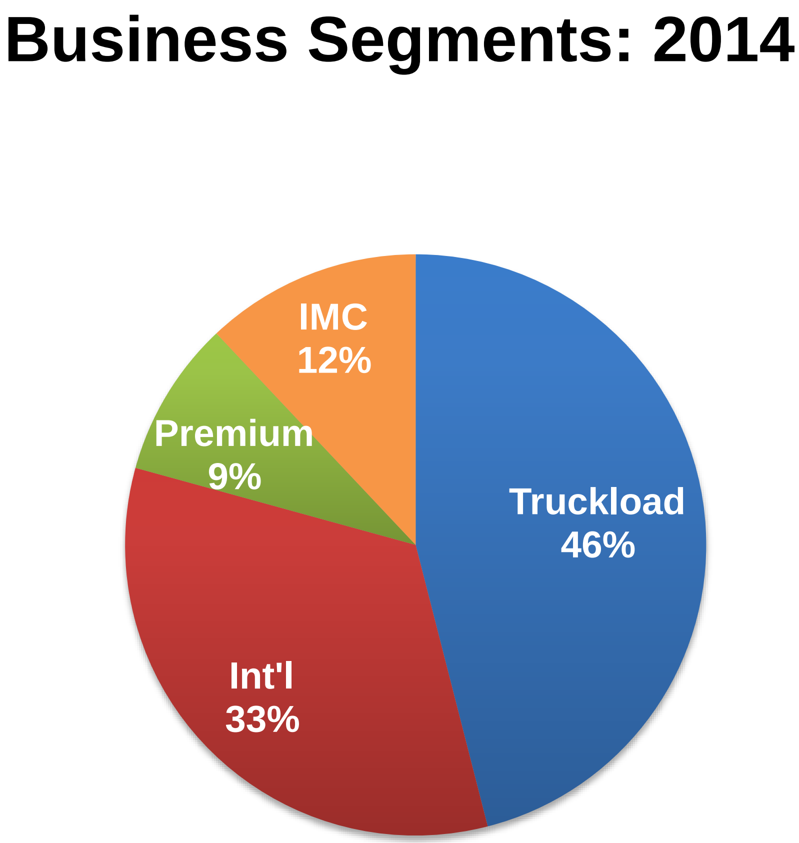
Drivers of highway conversion

- **Highway congestion**
- **Driver wages**
- **Regulatory action**
- **Environmental**
- **Fuel cost**

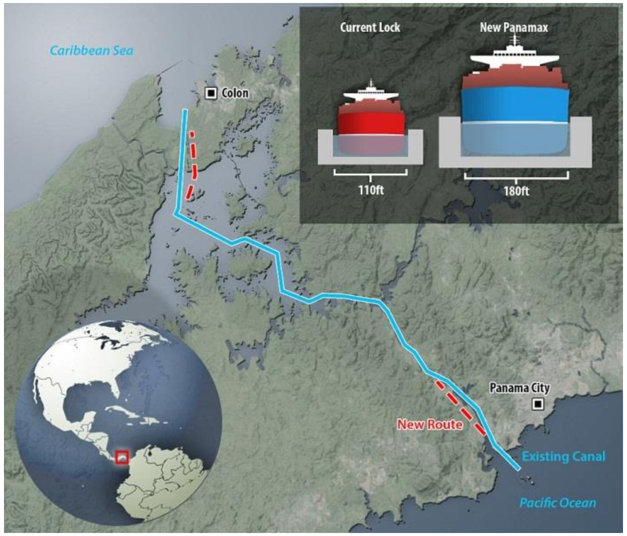
Source: TTX; IANA

Intermodal Volume: 2003 - 2014





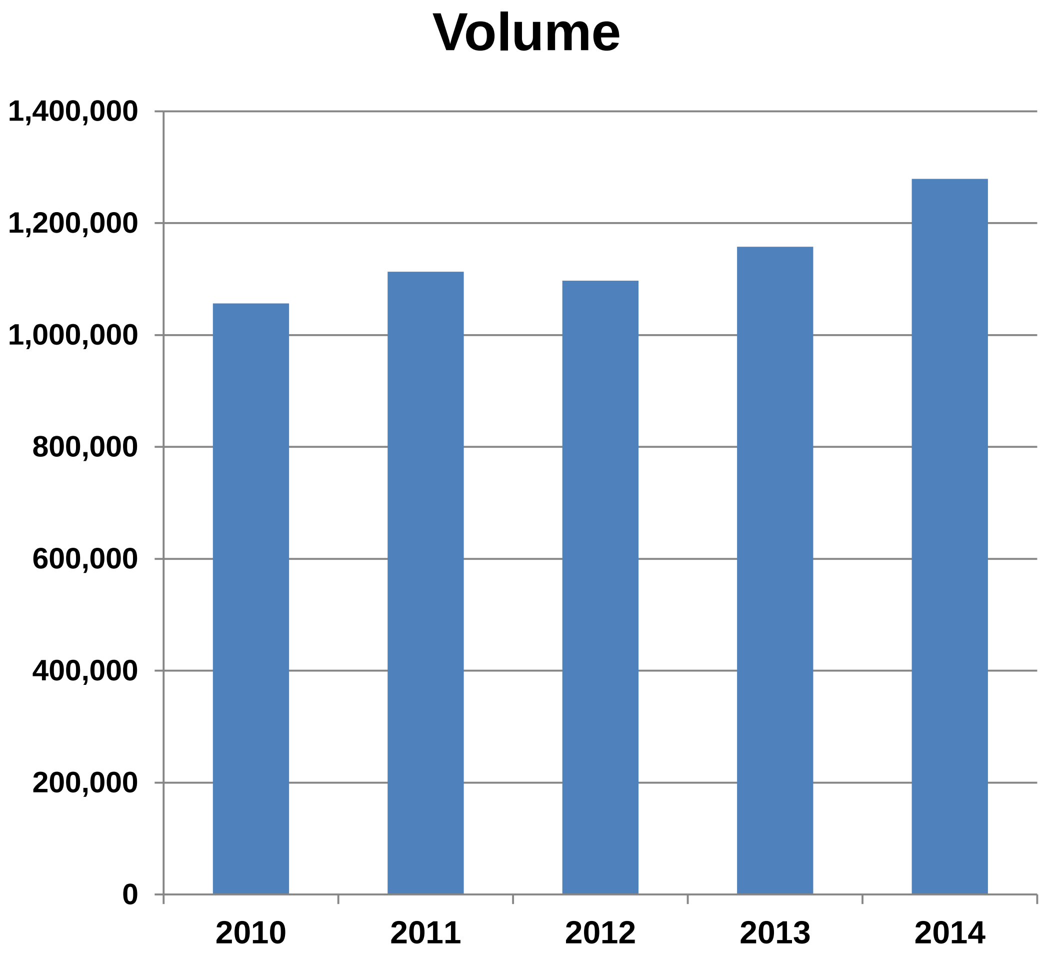
Intermodal Market Drivers

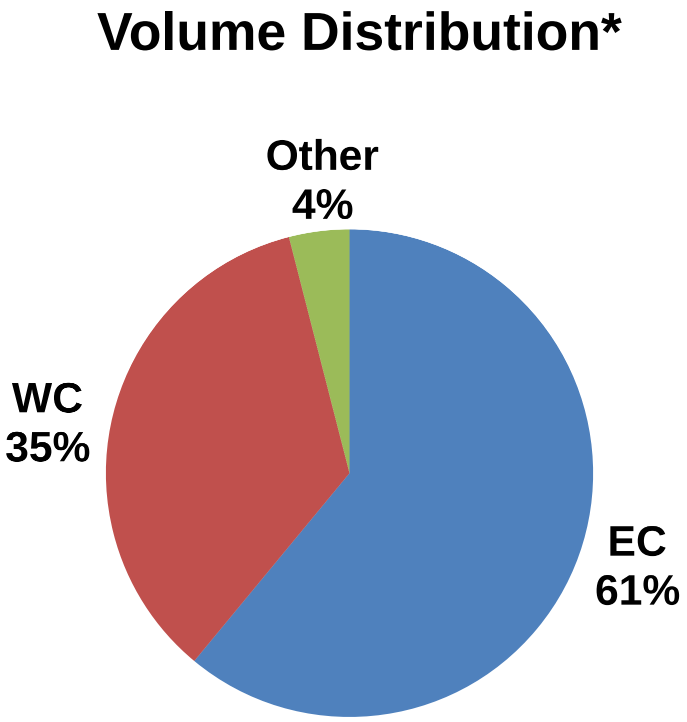


- **For Ship Lines:**
  - Increased deployment of Suez services utilizing post-Panamax ships at East Coast ports.
  - Streamlined, efficient rail interchanges from West Coast gateways to heartland markets.
- **For Ports:**
  - Increasing use of rail inland distribution points to maximize capacity and efficiency of marine terminals.
- **For BCO shippers:**
  - Sustainable capacity and cost-savings vs. OTR in key short haul markets.
- **Risks:**
  - Global economic conditions

Norfolk Southern Port Services

International Volume
2010 - 2014

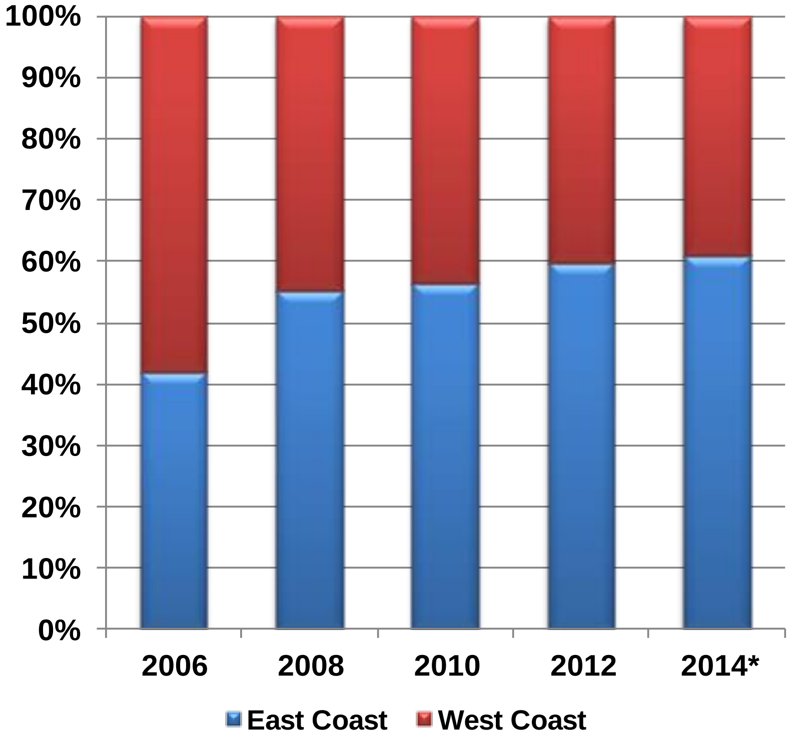




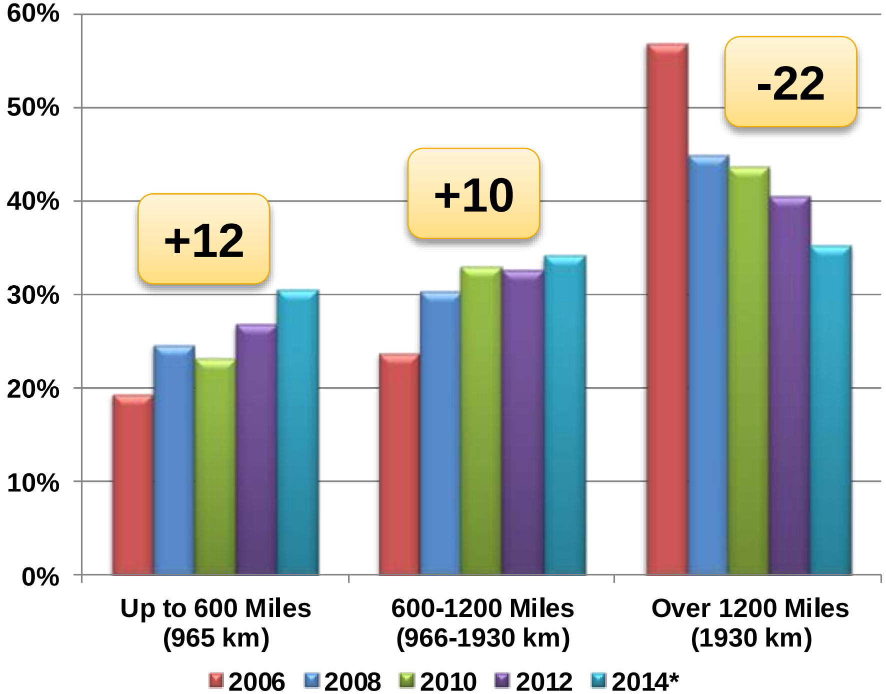
******Volume distribution for 1Q-3Q 2014 only*

International Trade Characteristics

NS East Coast vs. West Coast Market Share



NS International Length of Haul

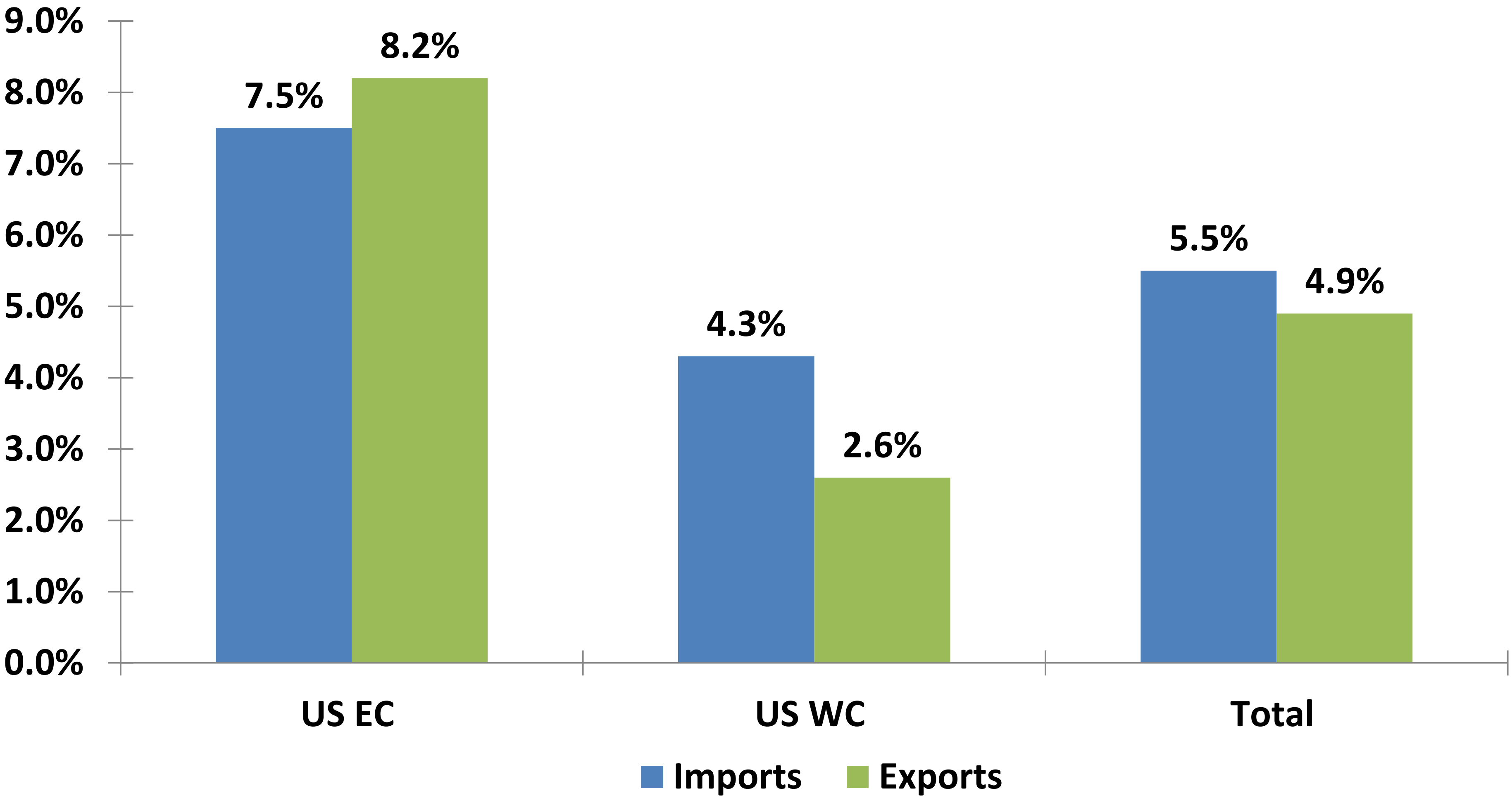


Share growth in points from 2006 to 2014

Note: * 2014 through November

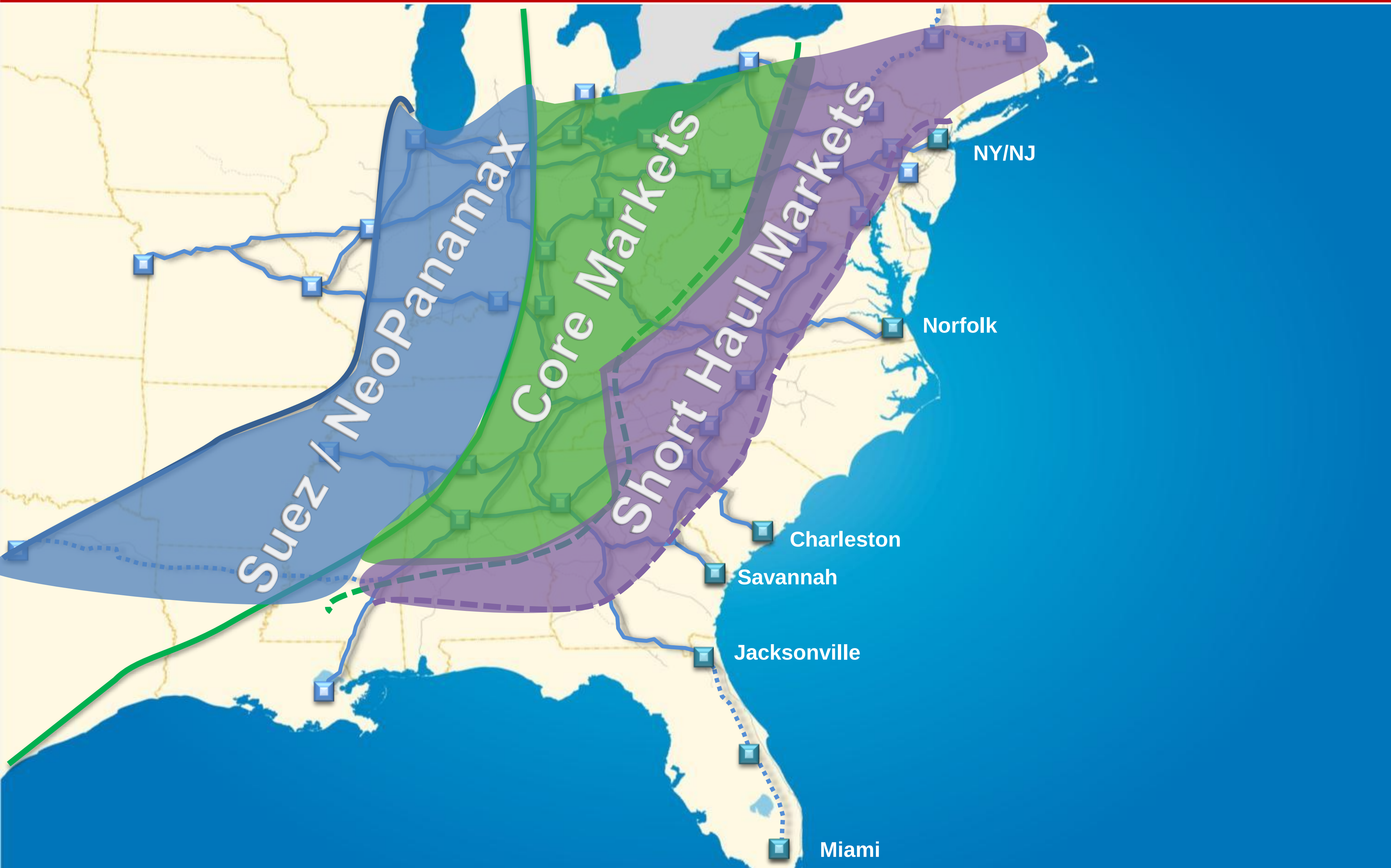
US Import/Export Container Volume Growth

January – October 2014 vs. 2013



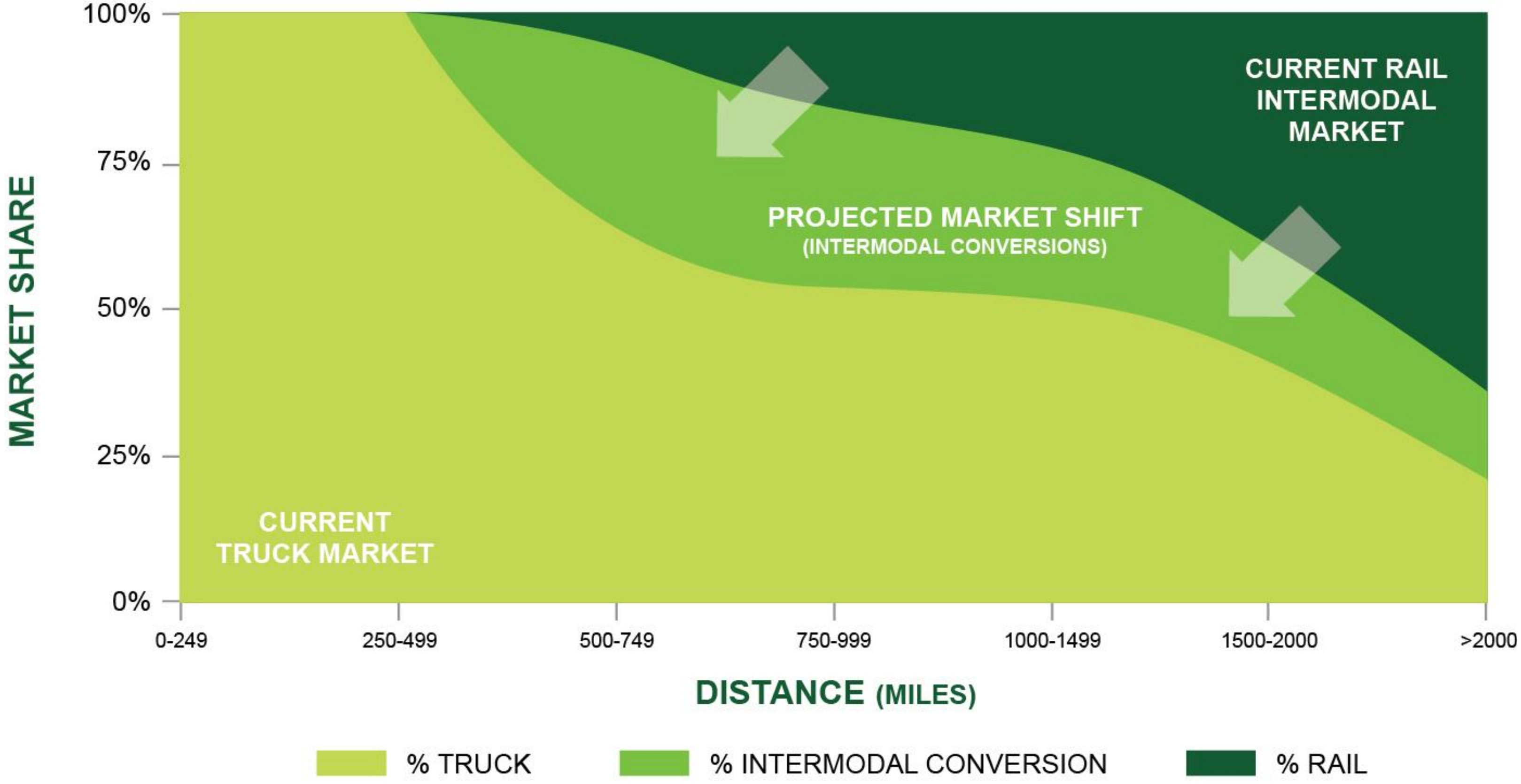
Source: Port Websites; WC: LAX, LGB, OAK, PDX, SEA, TAC; EC: NYC, BAL, ORF, CHS, SAV

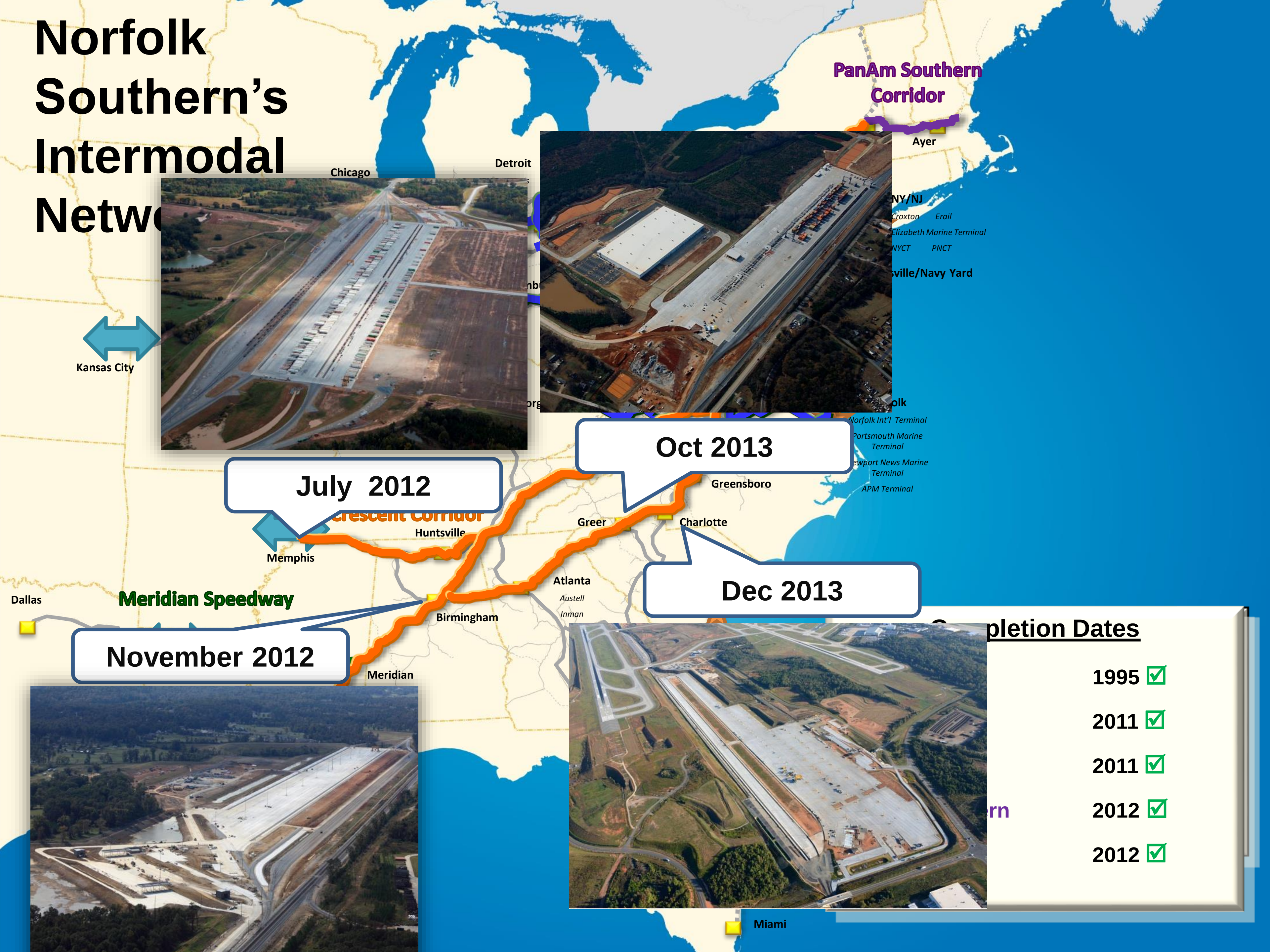
Global Changes Increase Opportunity



Where is the Opportunity?

With improvements in service and facilities, intermodal is becoming more competitive in shorter distances, absorbing more of the projected growth in freight.





Norfolk
Southern's
Intermodal
Netw
PanAm Southern
Corridor
Ayer
Chicago
Detroit
NY/NJ
Croxton
Erail
Elizabeth Marine Terminal
NYCT
PNCT
ville/Navy Yard
Kansas City
olk
Norfolk Int'l Terminal
Portsmouth Marine Terminal
ewport News Marine Terminal
APM Terminal
Oct 2013
July 2012
Greensboro
Crescent Corridor
Huntsville
Greer
Charlotte
Memphis
Atlanta
Austell
Inman
Dec 2013
Dallas
Meridian Speedway
Birmingham
November 2012
Meridian
pletion Dates
1995 ☑
2011 ☑
2011 ☑
rn
2012 ☑
2012 ☑
Miami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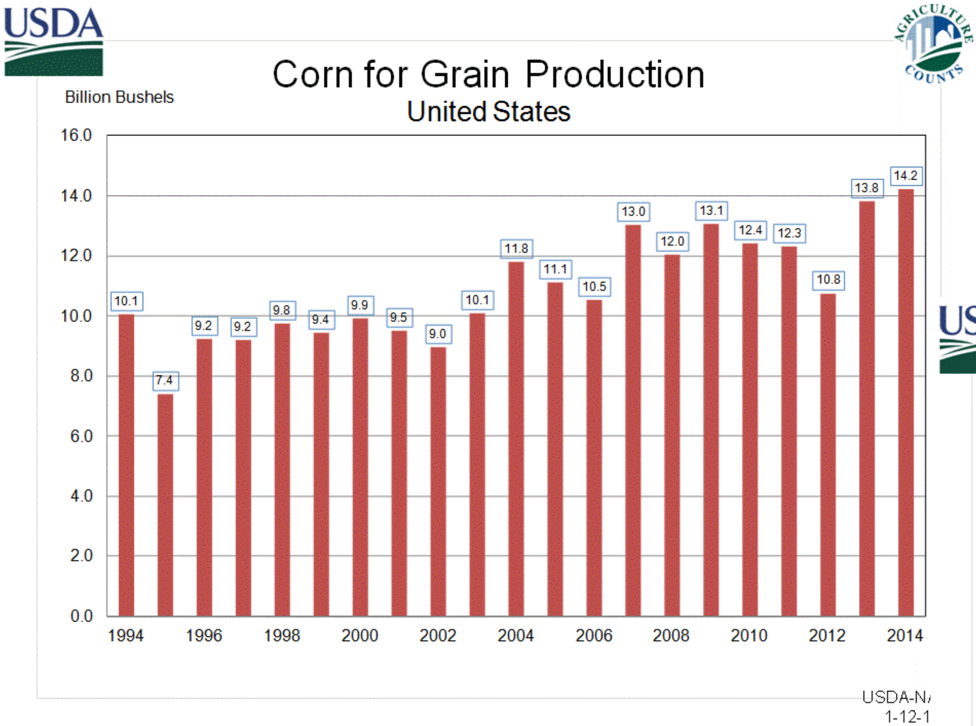
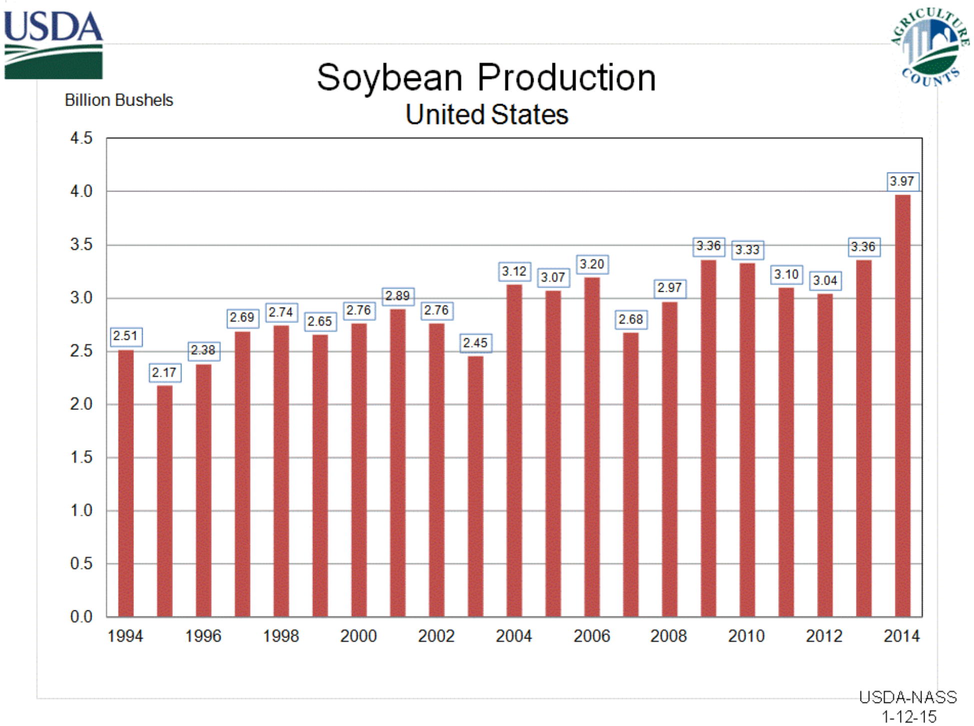
EMP
NS
NORFOLK
SOUTHERN
6734
6742
TOP LIFT ONLY
EMP

Record Corn and Soybean Crops





Agriculture is also a driver

Thank You