ALAN SHAW
EXECUTIVE VICE PRESIDENT
AND CHIEF MARKETING OFFICER

The Coal Institute
SUMMER TRADE SEMINAR
MYRTLE BEACH, S.C.

A PARTNERSHIP STRENGTHENED BY TIME
COAL AND NORFOLK SOUTHERN
COAL AND NORFOLK SOUTHERN: Partnership
PAST, PRESENT, FUTURE
1830: SOUTH CAROLINA CANAL
AND RAIL ROAD COMPANY
Best Friend of Charleston
HAMPTON ROADS: EARLY STRIDES IN ECONOMIC DEVELOPMENT
RAILROADING AND COAL:
A Shared History
BUILDING A COAL-BASED ENTERPRISE
OLD LAMBERTS POINT COAL TERMINAL
Turn of the Century
HAMPTON ROADS & RAILROADS:
A History of Economic Success
LAMBERTS POINT SERVING YARDS
COAL TRANSLOADING
RETUB INVESTMENT
ONGOING INVESTMENT
SUPPORT FOR THE COAL INDUSTRY
Outside Transportation
OTHER COAL SUPPORT GROUPS
SUPPORTING THE FULL LIFECYCLE OF COAL
CAFÉ TO GROW
Foodie Truck
NORFOLK SOUTHERN: OUR FULL SYSTEM IMPACT

19,500 ROUTE MILES
over 22 States
and D.C.

Business Magnet
ATTRACTIONG ECONOMIC GROWTH IN 2016

71 INDUSTRIES
NS HELPED LOCATE & EXPAND

$4 BILLION
IN CUSTOMER INVESTMENTS

4,600 JOBS
CREATED

27,000+
NS EMPLOYEES

Charitable Giving
NS FOUNDATION | 2011-2015

$34.5 MILLION
IN IMPACTS SERVICES | FOUNDATION | CHARITY
THE SYSTEM
MAJOR LINES OF BUSINESS

1Q 2017 VOLUME COMPOSITION

Coal 14%
Merchandise 4%
Intermodal 52%
COAL
INTERMODAL
## Drivers of the Rail Economy

**Budget:** January 2017  
**Source:** IHS Markit; Wells Fargo; WardsAuto Forecast; EIA; FTR; 1Q17 GDP final estimate

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2016 (A)</th>
<th>2017 (B)</th>
<th>2017 (F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (IHS)</td>
<td>1.6%</td>
<td>2.3%</td>
<td>2.3%</td>
</tr>
<tr>
<td>GDP (Wells Fargo)</td>
<td>1.6%</td>
<td>2.3%</td>
<td>2.2%</td>
</tr>
<tr>
<td>TL Dry Van Rates (rev/mi) without FSC</td>
<td>(3.4%)</td>
<td>2.7%</td>
<td>(1.3%)</td>
</tr>
<tr>
<td>EIA WTI Crude Oil Price ($/barrel)</td>
<td>$43.33</td>
<td>$52.50</td>
<td>$48.95</td>
</tr>
<tr>
<td>EIA Henry Hub Nat Gas Price ($/mmBtu)</td>
<td>$2.51</td>
<td>$3.55</td>
<td>$3.10</td>
</tr>
<tr>
<td>Real Consumer Spending (annual rate)</td>
<td>2.7%</td>
<td>2.8%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Industrial Production (annual rate)</td>
<td>(1.2%)</td>
<td>1.5%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Housing Starts (millions, annual rate)</td>
<td>1.18</td>
<td>1.22</td>
<td>1.21</td>
</tr>
<tr>
<td>U.S. Vehicle Production (millions, units)</td>
<td>12.2</td>
<td>11.9</td>
<td>11.5</td>
</tr>
<tr>
<td>“Core” CPI</td>
<td>2.2%</td>
<td>2.2%</td>
<td>1.8%</td>
</tr>
<tr>
<td>USD Exchange Rate With Major Trading Partners</td>
<td>0.8%</td>
<td>6.6%</td>
<td>1.1%</td>
</tr>
</tbody>
</table>
CURRENT RAILWAY VOLUMES

5% Increase in Units YTD 2017 vs. 2016

- Coal: 23%
- MetCon: 6%
- Intermodal: 5%
- Agriculture: 2%
- Automotive: -2%
- Paper: -3%
- Chemicals: -5%

Total Units (000's)

- 2016: 3,702.5
- 2017: 3,895.5
HERE’S THE PLAN

► Pillars of our strategic plan
  ► safety and service
  ► growth through customer service
  ► stewardship of resources
► Returning value to shareholders
► Maintaining flexibility and adaptability
Thank You

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