Fourth Quarter Earnings Conference Call

January 27, 2016

Forward-Looking Statements

Certain statements in this presentation are forward-looking statements within the meaning of the safe harbor provision of the Private Securities Litigation Reform Act of 1995, as amended. In some cases, forward-looking statements may be identified by the use of words like “believe,” “expect,” “anticipate,” “estimate,” “plan,” “consider,” “project,” and similar references to the future. Forward-looking statements are made as of the date they were first issued and reflect the good-faith evaluation of Norfolk Southern Corporation’s (NYSE: NSC) (“Norfolk Southern” or the “Company”) management of information currently available. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company’s control. These and other important factors, including those discussed under “Risk Factors” in the Company’s Form 10-K for the year ended December 31, 2014, as well as the Company’s other public filings with the SEC, may cause our actual results, performance or achievement to differ materially from those expressed or implied by these forward-looking statements. Forward-looking statements are not, and should not be relied upon as, a guarantee of future performance or results, nor will they necessarily prove to be accurate indications of the times at or by which any such performance or results will be achieved. As a result, actual outcomes and results may differ materially from those expressed in forward-looking statements. We undertake no obligation to update or revise forward-looking statements, whether as a result of new information, the occurrence of certain events or otherwise, unless otherwise required by applicable securities law.

Important Additional Information and Where to Find It

Norfolk Southern Corporation (the "Company"), its directors and certain of its executive officers and employees may be deemed to be participants in the solicitation of proxies from stockholders in connection with the Company's 2016 Annual Meeting of Stockholders (the "2016 Annual Meeting"). The Company plans to file a proxy statement with the Securities and Exchange Commission (the "SEC") in connection with the solicitation of proxies for the 2016 Annual Meeting (the "2016 Proxy Statement"). Additional information regarding the identity of these potential participants, none of whom owns in excess of 1 percent of the Company's shares of Common Stock, and their direct or indirect interests, by security holdings or otherwise, will be set forth in the 2016 Proxy Statement and other materials to be filed with the SEC in connection with the 2016 Annual Meeting. This information can also be found in the Company's definitive proxy statement for its 2015 Annual Meeting of Stockholders (the "2015 Proxy Statement"), filed with the SEC on March 25, 2015, or the Annual Report on Form 10-K for the year ended December 31, 2014, filed with the SEC on February 11, 2015 (the "Form 10-K"). To the extent holdings of the Company's securities by such potential participants have changed since the amounts printed in the 2015 Proxy Statement, such changes have been or will be reflected on Statements of Ownership and Change in Ownership on Forms 3 and 4 filed with the SEC.

STOCKHOLDERS ARE URGED TO READ THE 2016 PROXY STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO), 2015 PROXY STATEMENT, FORM 10-K AND ANY OTHER RELEVANT DOCUMENTS THAT THE COMPANY HAS FILED OR WILL FILE WITH THE SEC CAREFULLY IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

Stockholders will be able to obtain, free of charge, copies of the 2016 Proxy Statement (when filed), 2015 Proxy Statement, Form 10-K and any other documents (including the WHITE proxy card) filed or to be filed by the Company with the SEC in connection with the 2016 Annual Meeting at the SEC's website (http://www.sec.gov) or at the Company's website (http://www.nscorp.com) or by writing to Denise Hutson, Corporate Secretary, Norfolk Southern Corporation, Three Commercial Place, Norfolk, Virginia 23510.

Norfolk Southern Strategic Plan

January 27, 2016

Jim Squires
Chairman, President, and
Chief Executive Officer

Foundation for Success

- Superior service levels restored
- G&A reorganization consolidated headquarters
- Triple Crown restructuring
- Delaware & Hudson Railway Company line acquisition
- Reduced 2015 capital spending
- Division consolidation and line rationalizations

Norfolk Southern's Strategic Plan

- Revenue Plan
  - Optimize pricing
  - Contribution growth from service-sensitive markets
  - Conservative pricing and volume forecasts

- Cost Reduction Plan
  - Commitment to drive operating ratio below 65 by 2020
  - Specific initiatives underway to achieve more than $650MM of annual productivity savings by 2020

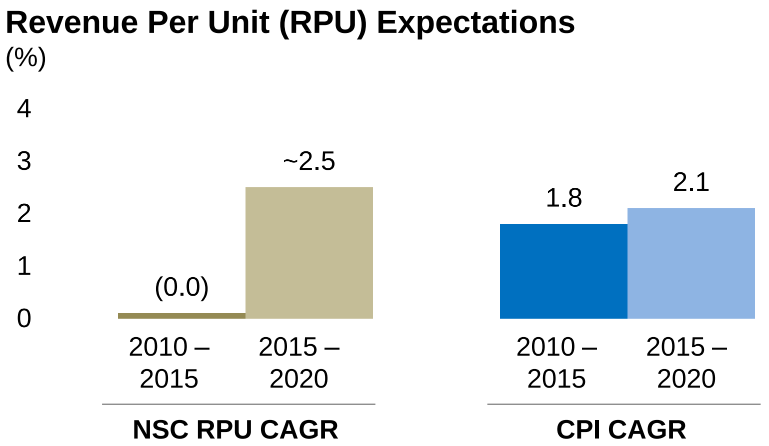
Norfolk Southern's Revenue Plan

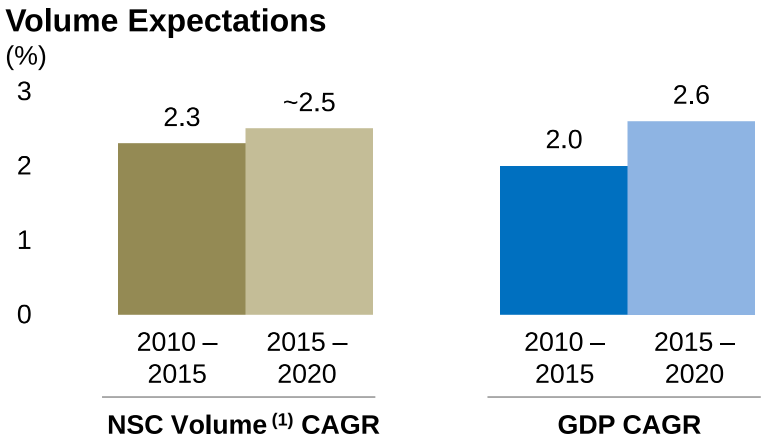
Overview of Norfolk Southern Revenue Plan

- Revenue growth from both pricing and volume increases
  - Disciplined pricing increases and strong revenue growth from service-sensitive markets to deliver increasing earnings and returns on capital
- Detailed, bottom-up plan for revenue growth over the next five years
  - Extensive review of customer expectations, plant-level forecasts and market expectations
  - Independent indices used to build long-term forecasts and validate near-term analysis
  - Five-year revenue plan is conservative compared to public data and past trends
  - Dynamic forecasting to adjust to market conditions and continually drive value

Volume and Pricing Guidance

- RPU growth from 2015 – 2020 of ~2.5%, around 0.5% above projected CPI
  - Decline in fuel surcharge headwinds, recent price initiatives and reduced negative mix drive RPU increases in excess of CPI
- Volume growth from 2015 – 2020 of ~2.5% [1] in line with GDP growth expectations
  - Volumes historically have tracked GDP
  - Intermodal to drive volume growth despite headwinds in coal





1. Excluding restructured Triple Crown (TCS).

GDP and CPI per IHS

Volume Growth Details

	2010 – 2015 Performance	2015 – 2020 Outlook
Coal	▪ (7.1%) CAGR ▪ Volume impacted by earlier MATS impact, with all retiring plants cleared by 2016 ▪ Steep drop in natural gas price since 2014	▪ Expected CAGR: ~(1%) ▪ Coal volume declines in 2016 giving way to stabilization in 2017 ▪ Coal forecast more conservative than estimates from DOE and other experts ▪ New gas capacity in Southeast does not impact NS-served power plants
Merchandise	▪ 2.2% CAGR ▪ Energy-related gains, strong automotive and chemicals growth, declining steel business	▪ Expected CAGR: ~2% ▪ Growth in line with market trends ▪ Changing markets with automotive and chemicals growth
Intermodal	▪ 6.5% CAGR [1] ▪ Strong historical growth from both domestic and international intermodal	▪ Expected CAGR: ~5%, ex TCS ▪ Tighter truck capacity and improved service levels in domestic ▪ International alignment with shipping partners adding capacity ▪ Business shifts from West Coast to East Coast ports

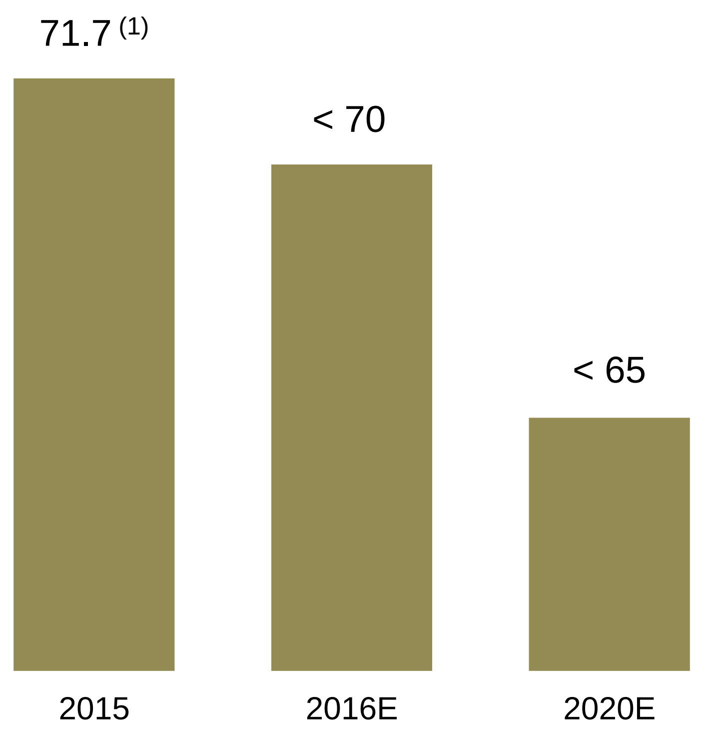
1. Excluding restructured Triple Crown (TCS). Please see non-GAAP reconciliation posted on our website.

Norfolk Southern's Expense Reduction and Cost Control Plan

Overview of Expense Reduction and Cost Control Initiatives

- Focus on maintaining industry-leading service levels and driving substantial operating ratio improvements
- Clear path to achieve an operating ratio below 65 by 2020
  - Robust review of various expense initiatives to maximize efficiency
  - Initiatives include managing headcount, increasing locomotive productivity, improving fuel efficiency and focusing on our network footprint
- Service recovery currently allows Norfolk Southern to capitalize on cost initiatives

Key Operating Ratio Targets



Commitment to achieve operating ratio below 65 by 2020, and will not stop there

1. Adjusted for Triple Crown restructuring and Roanoke relocation. Please see non-GAAP reconciliation posted on our website.

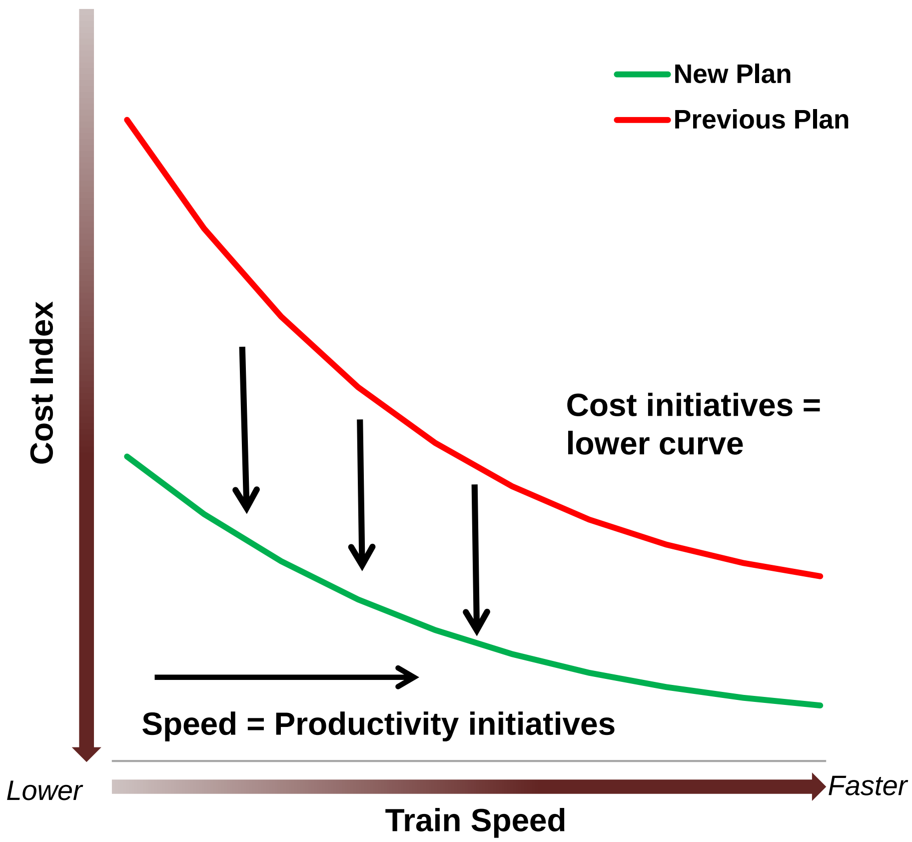
Norfolk Southern’s Model Provides Significant Flexibility to Address Future Market Conditions

- Over the past year, the railroad industry has experienced significant headwinds related to a number of external factors, particularly challenging commodity markets
- Focused on both reducing costs as well as providing additional flexibility to rapidly address both market headwinds and opportunities
- Dynamic plan that identifies opportunities for additional operating expense reduction:
  - **Labor:** reduced overtime and headcount reductions
  - **Locomotive:** reduced fleet size and better fuel efficiency
  - **Network Operating Plan:** additional yard closures and rationalization of less active secondary lines
- Even considering challenging future market conditions, we are confident that we will be able to achieve a < 65% operating ratio

Faster Railroad = Lower Cost and Better Service

- Service product of consistency, reliability and availability
- Less overtime
- Lower fuel costs
- Lower asset costs
- Lower car-hire costs
- Fewer recrews

= Lower cost and more profitable railroad



Path to Achieve Operating Ratio Below 65

Cost Reduction and Expense Control Detail

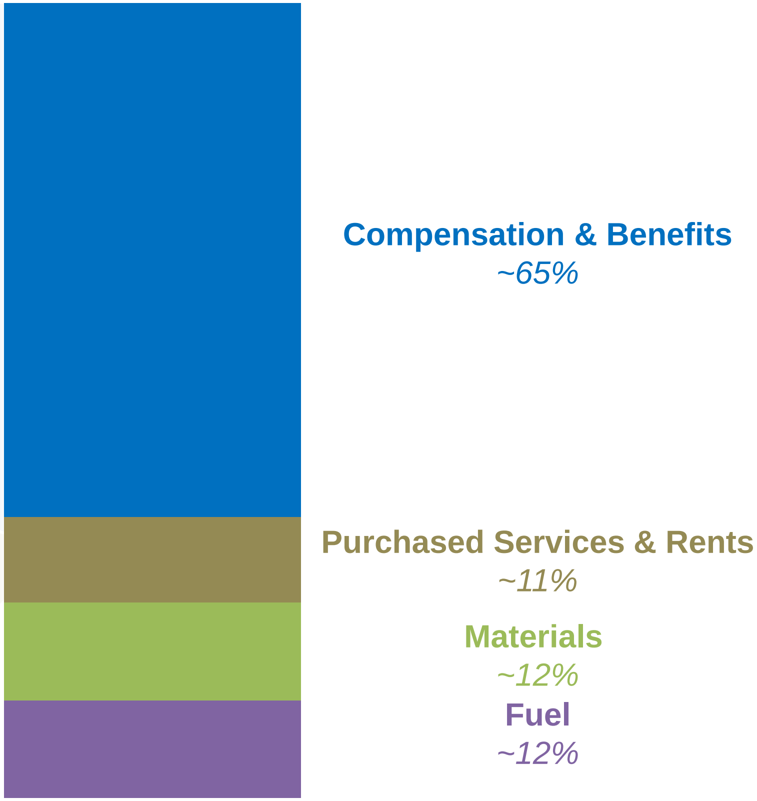
Compensation & Benefits – ~$420MM

- Overtime reductions with improving service levels
- Build on 2015 initiatives to right-size workforce
- Reduced employee levels in coal traffic areas
- Realignment from three to two operating regions
- Continued progress on yard closures
- Smaller secondary main line network

Purchased Services & Rents – ~$70MM

- Reduced equipment rental and lease costs
- Reduced payments for use of third-party switching terminals
- Reduced trackage and haulage rights payments

Annual Savings by 2020: $650MM



NORFOLK SOUTHERN
One line, infinite possibilities.

Path to Achieve Operating Ratio Below 65 (cont'd)

Cost Reduction and Expense Control Detail

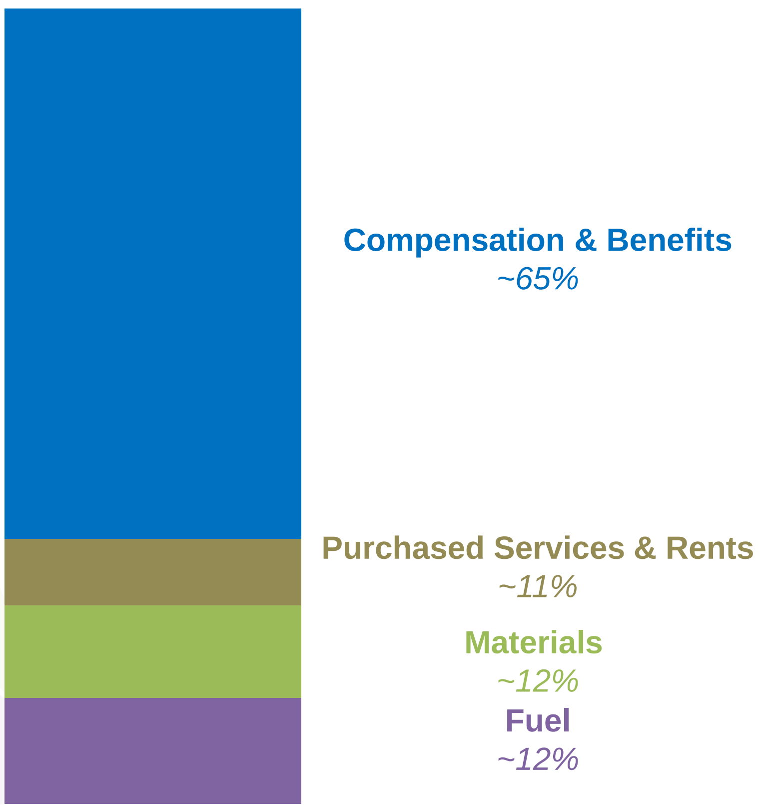
Materials – ~$80MM

- Increased efficiencies to allow reduced fleet size
- Continued rationalization of yard and local locomotive fleet
- New locomotives to replace older, higher cost and less reliable units
- 6-axle re-build strategy conserves capital and enhances efficiency

Fuel – ~$80MM

- Reduced fleet size, removal of older, less efficient units and higher system velocity
- Implementation of industry-leading energy management technology

Annual Savings by 2020: $650MM



Driving Increasing Shareholder Value

Key Focus Areas	**Key Financial Targets: 2016E**	**Key Financial Targets: 2020E**
Optimize revenue – both pricing and volume	*Disciplined pricing increases above rail inflation*	
Improve productivity to deliver efficient and superior service	*Operating Ratio < 70*	*Operating Ratio < 65*
Increase asset utilization	*Double-digit compound annual EPS growth*	
Focus capital investment to support long-term value creation	*~$2.1bn of CapEx*	*CapEx ~17% of revenue*
Reward shareholders with significant return of capital	*Dividend payout target of ~33% over the longer term and continuation of dividend growth and significant share repurchases*	

Maximize Long-Term Shareholder Value

Fourth Quarter 2015 Marketing Overview

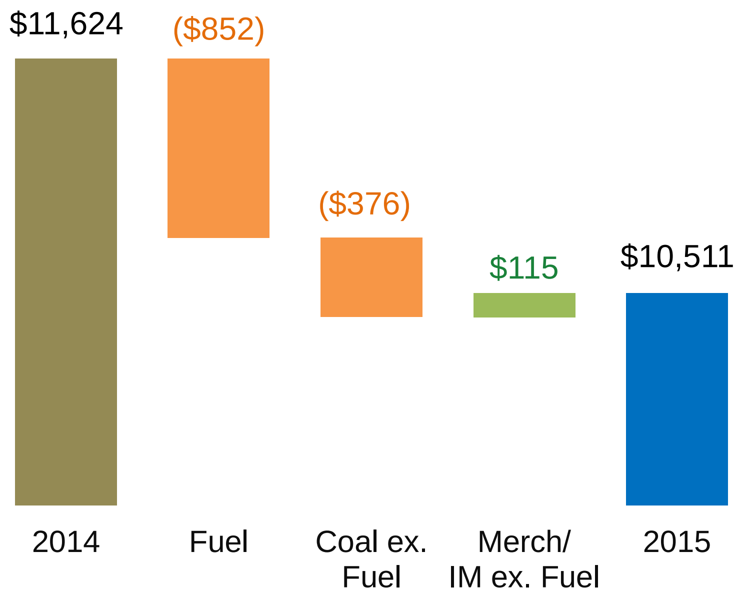
January 27, 2016

Alan H. Shaw
Executive Vice President
and Chief Marketing Officer

Full Year Performance

Revenue	RPU	RPU Less Fuel [(1)]	Volume
$10.5 Billion;	$1,405;	$1,342;	7,478,900 units;
down (10%)	down (7%)	flat	down (3%)

Revenue Change in $ Millions [(1)]



Fuel Surcharge and Coal Reductions Account for the Decline

- (64%) decline in fuel surcharge revenue
- (18%) decline in coal revenue excluding fuel surcharge

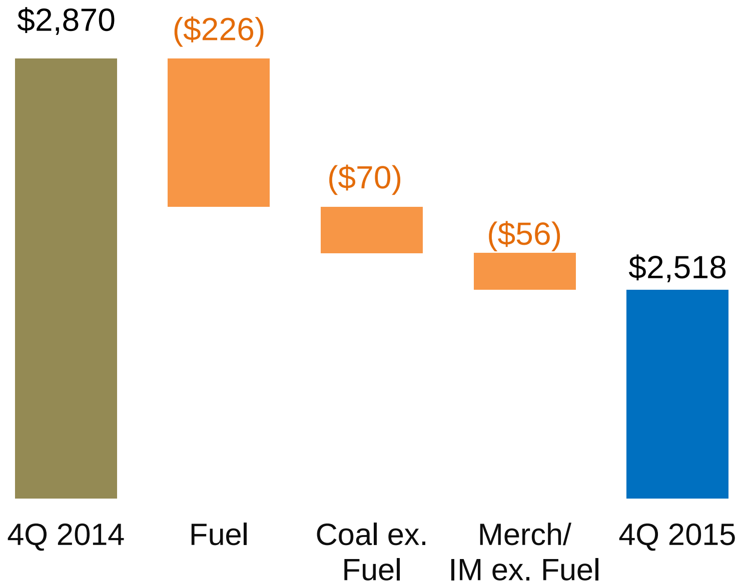
1. Please see reconciliation to GAAP posted on our website.

Railway Operating Revenue

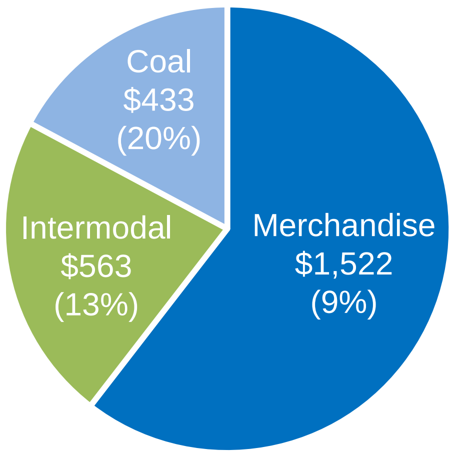
Fourth Quarter 2015 vs. 2014

Revenue	RPU	RPU Less Fuel [(1)]	Volume
$2.5 Billion; down (12%)	$1,396; down (6%)	$1,351; up 2%	1,803,400 units; down (6%)

Revenue Change in $ Millions [(1)]



Revenue $ in Millions & Y-o-Y Percent Change

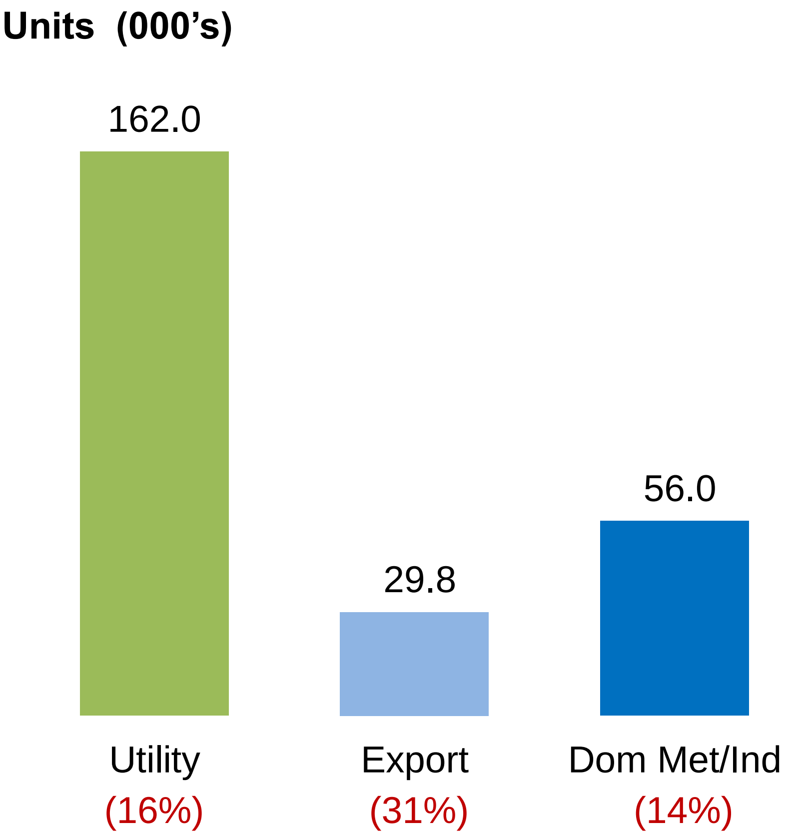


1. Please see reconciliation to GAAP posted on our website.

Coal Market
Fourth Quarter 2015 vs. 2014

Mild winter weather impacted utility burn; weak global conditions depressed export.

Revenue	$433 Million	↓	(20%)
Volume	247,800	↓	(18%)
RPU	$1,746	↓	(3%)
Less Fuel			
Revenue	$421 Million[(1)]	↓	(14%)
RPU	$1,701[(1)]	↑	4%

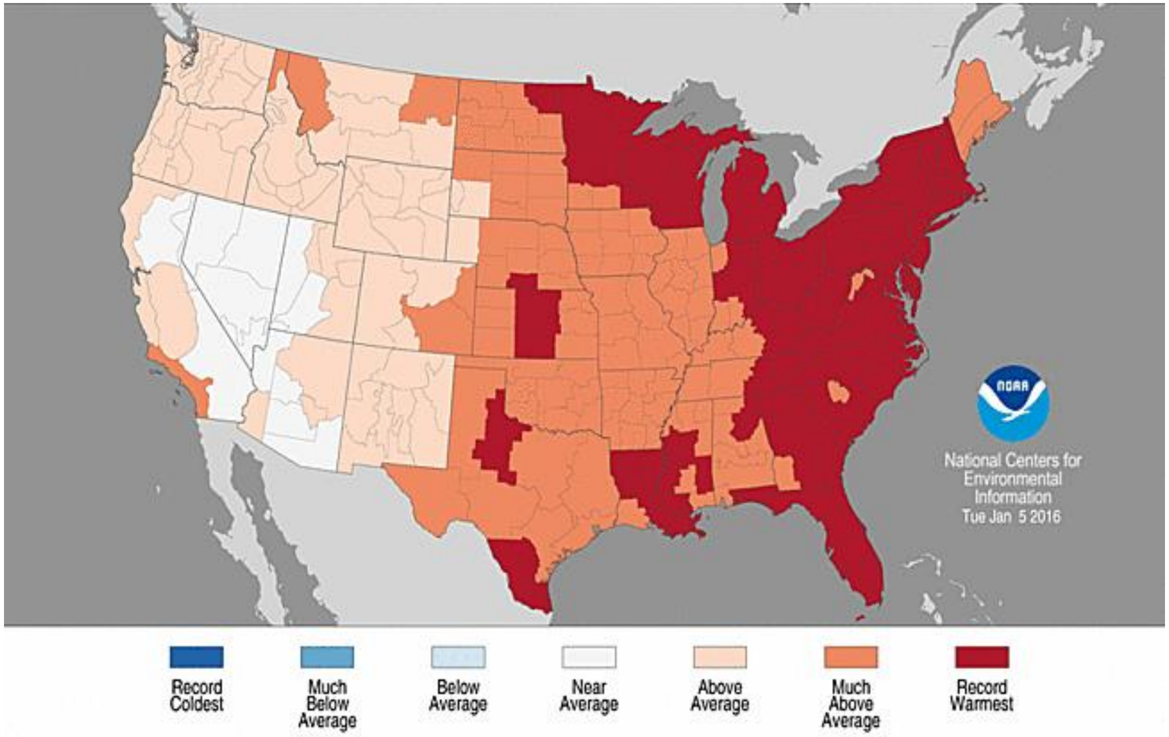


1. Please see reconciliation to GAAP posted on our website.

Mild Weather Significantly Impacted 4Q Utility Coal Volumes

- We handled 18.9 million tons of utility coal in the fourth quarter, 6% below the guidance of 20 million tons.
- Record high temperatures throughout NS service region negatively impacted coal burn.
- Stockpile levels are 40 days above target as of November. Impacting first quarter and beyond.

Divisional Average Temperature Ranks
October – December 2015 *(Period: 1895–2015)*

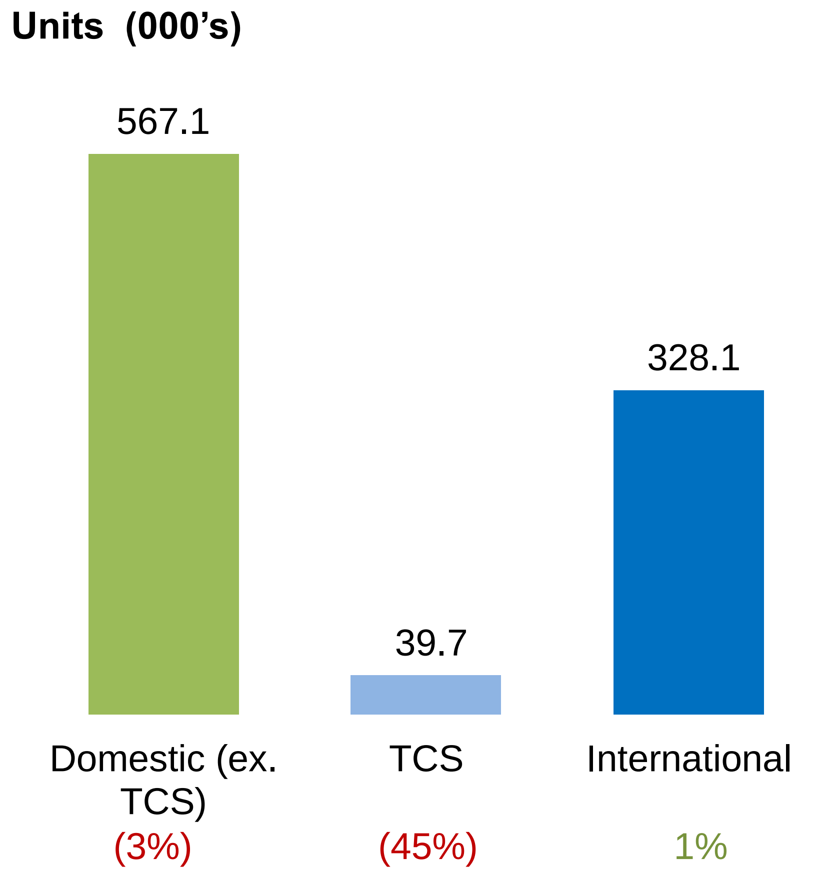


Intermodal Market
Fourth Quarter 2015 vs. 2014

Triple Crown restructuring significantly impacted volumes and RPU.

Revenue	$563 Million	↓	(13%)
Volume	934,900	↓	(5%)
RPU	$602	↓	(9%)
Less Fuel			
Revenue	$501 Million[1]	↓	(5%)
RPU	$536[1]		Flat

Excluding Triple Crown			
Revenue	$517 Million[1]	↓	(7%)
Volume	895,200[1]	↓	(1%)
RPU	$577[1]	↓	(6%)
Less Fuel			
Revenue	$463 Million[1]	↑	2%
RPU	$517[1]	↑	4%



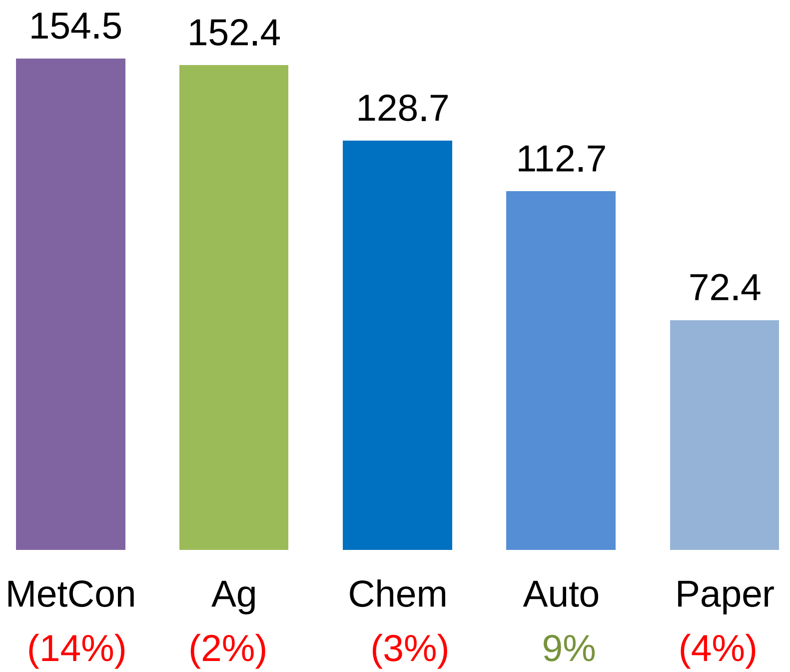
1. Please see reconciliation to GAAP posted on our website.

Merchandise Market
Fourth Quarter 2015 vs. 2014

Automotive growth offset by weaker commodity and export markets.

Revenue	$1,522 Million	↓	(9%)
Volume	620,700	↓	(4%)
RPU	$2,453	↓	(5%)
Less Fuel			
Revenue	$1,514 Million[(1)]	↓	(2%)
RPU	$2,438[(1)]	↑	2%

Units (000's)



1. Please see reconciliation to GAAP posted on our website.

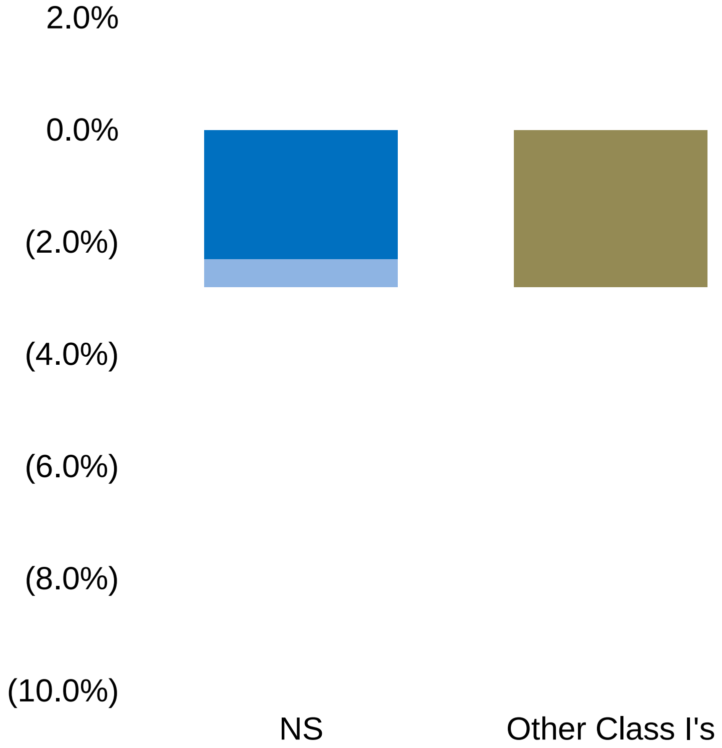
NORFOLK SOUTHERN
One line, infinite possibilities.

Favorable 4Q Performance Compared to Peers

Excluding the impact of TCS, NS 4Q volume declined less than other Class I railroads.

Fourth Quarter 2015 vs. 2014

2015 vs. 2014



1. Light blue represents Triple Crown decline.
2. AAR Weekly Traffic Data through Week 52, 2015 (ended January 2, 2016).

2016: Building on a Strong Foundation

Volume

- Continue to diversify franchise, mitigating risk from commodity price volatility
  - Low commodity prices will continue to hinder crude oil, frac sand, steel, and utility and export coal volumes
  - Coal volumes will decline
- Consumer-driven growth opportunities
  - Automotive, housing and construction-related commodities
  - Domestic and international Intermodal

Pricing

- Pricing increases accelerated throughout 2015, with fourth quarter strongest of the year
  - Full-year impact in 2016
  - Both realized and negotiated
  - Strongest pricing since 3Q 2012
- Long term pricing plan on multiyear contracts

Fuel Surcharges

- Shifting from WTI-based to OHD-based fuel surcharge programs

Improved service will be a springboard to growth

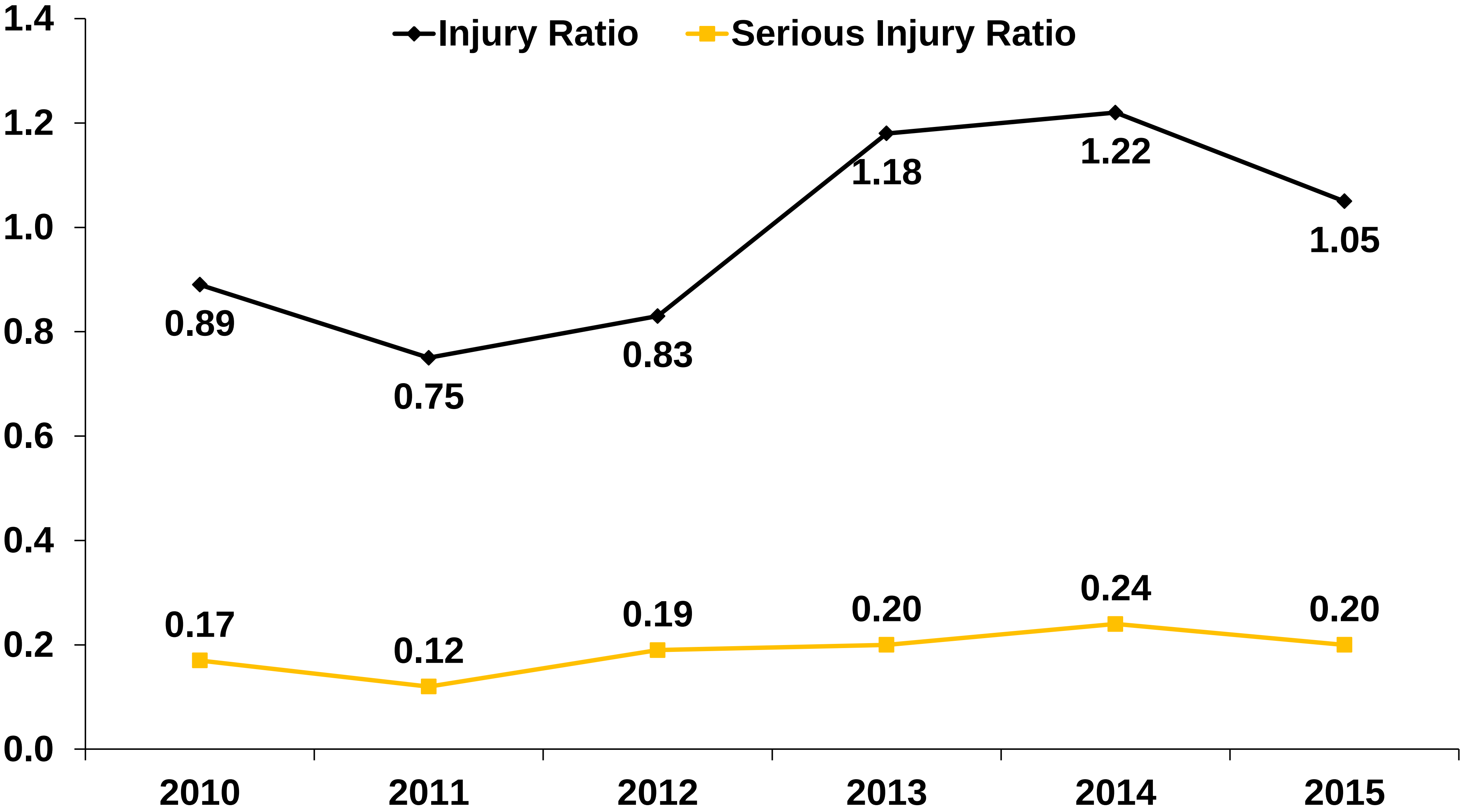
Operations Update

January 27, 2016

Mike Wheeler
Senior Vice President
Operations

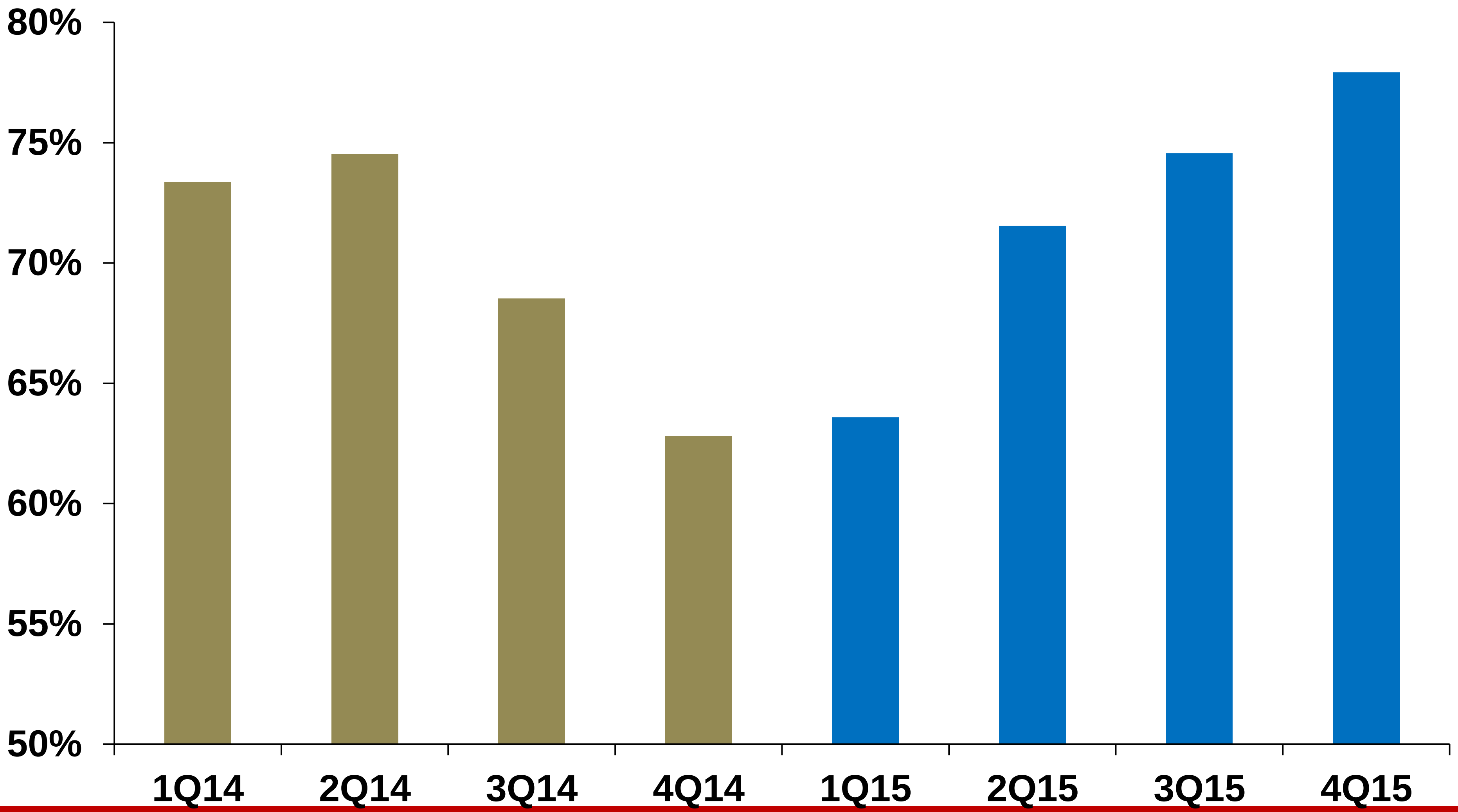
Injury Ratio and Serious Injury Ratio

Per 200,000 employee hours worked



NORFOLK SOUTHERN
One line, infinite possibilities.

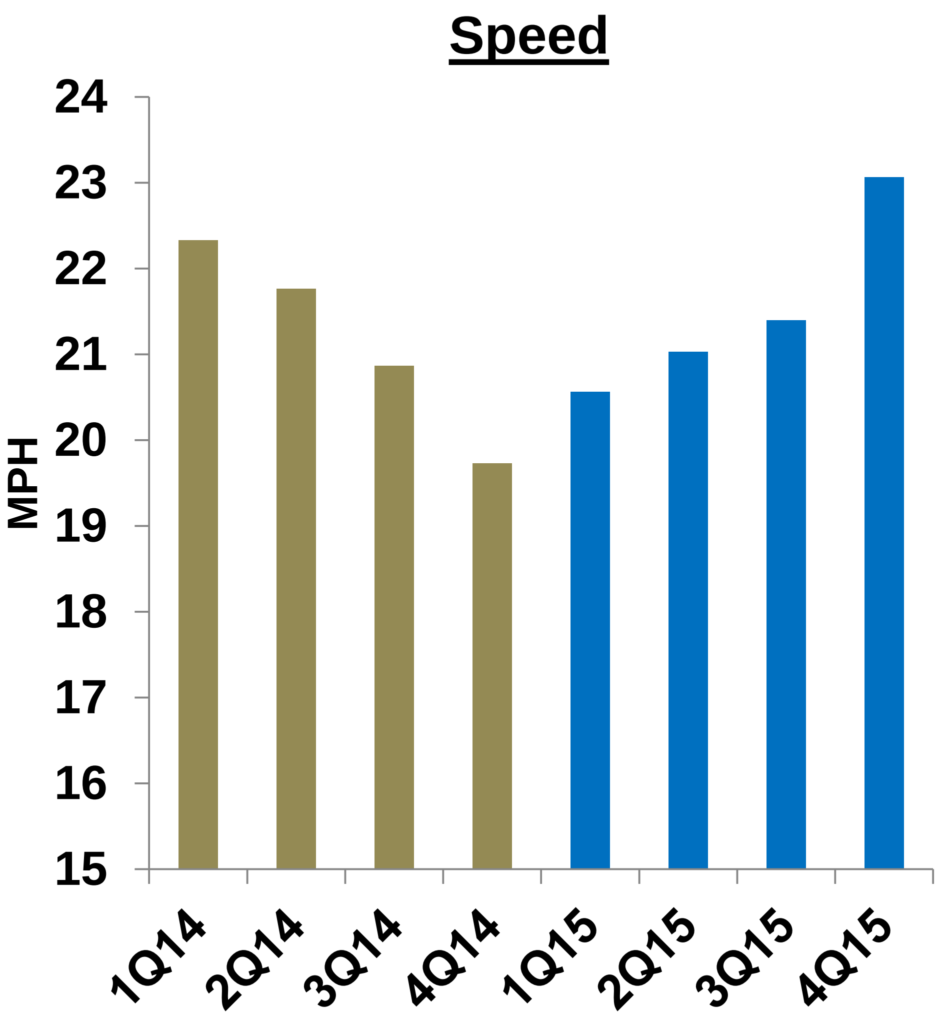
Composite Service Performance

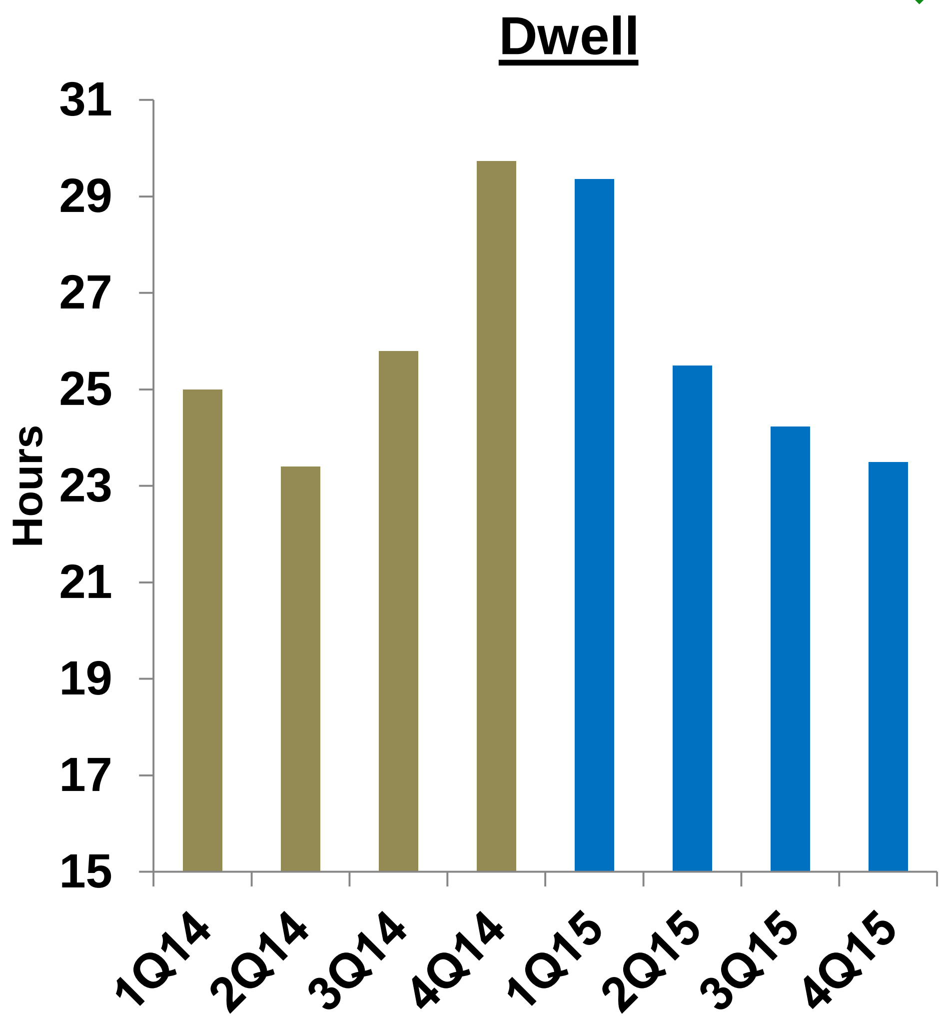


Train Speed & Terminal Dwell

Better (↑)

Better (↓)





Productivity Savings and Service Enhancements

Faster Railroad = Less Costly Railroad and Provides Great Customer Service

	4Q15	2015
T&E Overtime Hours	(24%)	(4%)
Recrews	(55%)	(26%)

Resources
Crews and Locotives

Operations Manpower

- **Agreement Headcount Reductions in 4th Quarter**
  - T&E: -440
  - Non T&E: -175
- **Additional 1st Quarter* Reductions / Furloughs**
  - T&E: -600
  - Non T&E: -350

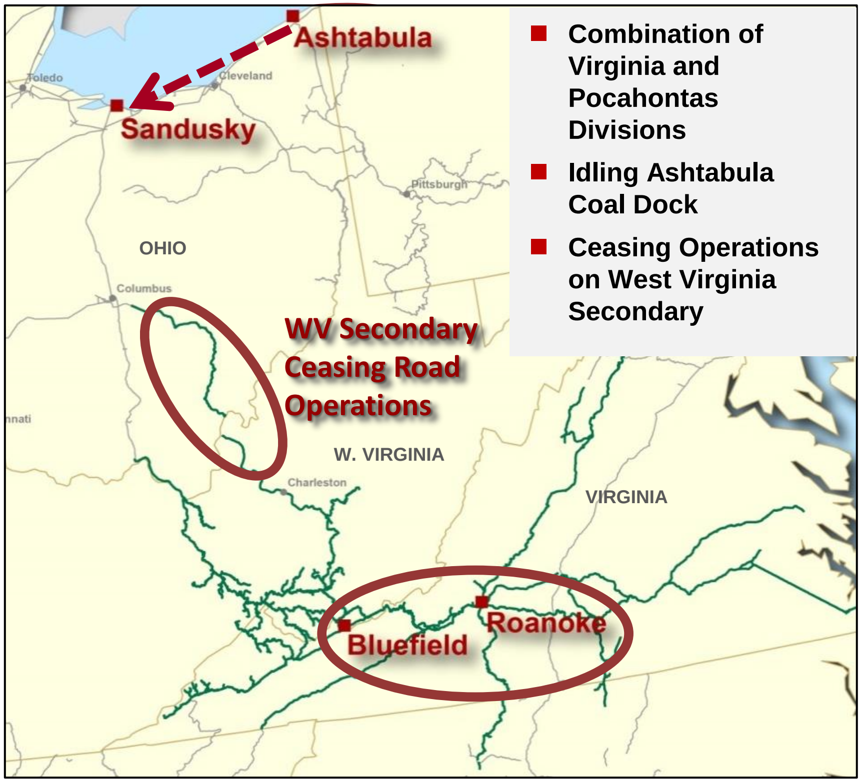
Locomotives

- **300 Locomotives Removed From Service**
- **DC to AC Rebuild program**

* Through January 18, 2016

Cost Savings Initiatives

Realignment and Further Coal Reductions



- Combination of Virginia and Pocahontas Divisions
- Idling Ashtabula Coal Dock
- Ceasing Operations on West Virginia Secondary

Line and Yard Rationalizations

- Line Rationalization
- Optimizing operating plan including yard rationalization opportunities

NORFOLK SOUTHERN
One line, infinite possibilities.

Fourth Quarter 2015 Financial Overview

January 27, 2016

Marta R. Stewart
Executive Vice President Finance
and Chief Financial Officer

Operating Results
Fourth Quarter 2015 vs. 2014 ($ millions)

Results reflect lower fuel revenue and volume as well as restructuring costs

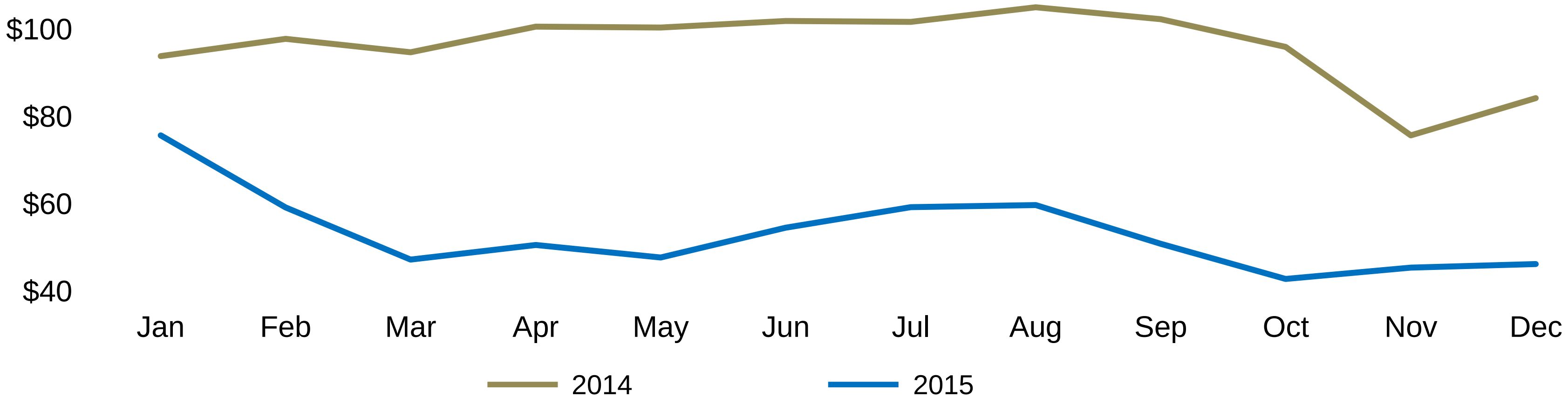
		2015		2014		$	%
Railway operating revenues	$	2,518	$	2,870	$	(352)	(12%)
Railway operating expenses		1,876		1,979		103	5%
Income from railway operations	$	642	$	891	$	(249)	(28%)
Railway operating ratio		74.5		69.0		(5.5)	(8%)
Adjusted railway operating ratio [1]		72.5		69.0		(3.5)	(5%)

(Unfavorable)
Favorable

1. Excluding effects of Triple Crown restructuring and Roanoke relocation, please see reconciliation to GAAP posted on our website.

NORFOLK SOUTHERN
One line, infinite possibilities.

WTI per Barrel and Net Fuel Price Impact
2015 vs. 2014



($ in millions)		**Q1**		**Q2**		**Q3**		**Q4**		**2015**
Change in fuel revenue	$	(132)	$	(239)	$	(255)	$	(226)	$	(852)
Change in fuel price		161		143		159		137		600
Net change in operating income	$	29	$	(96)	$	(96)	$	(89)	$	(252)

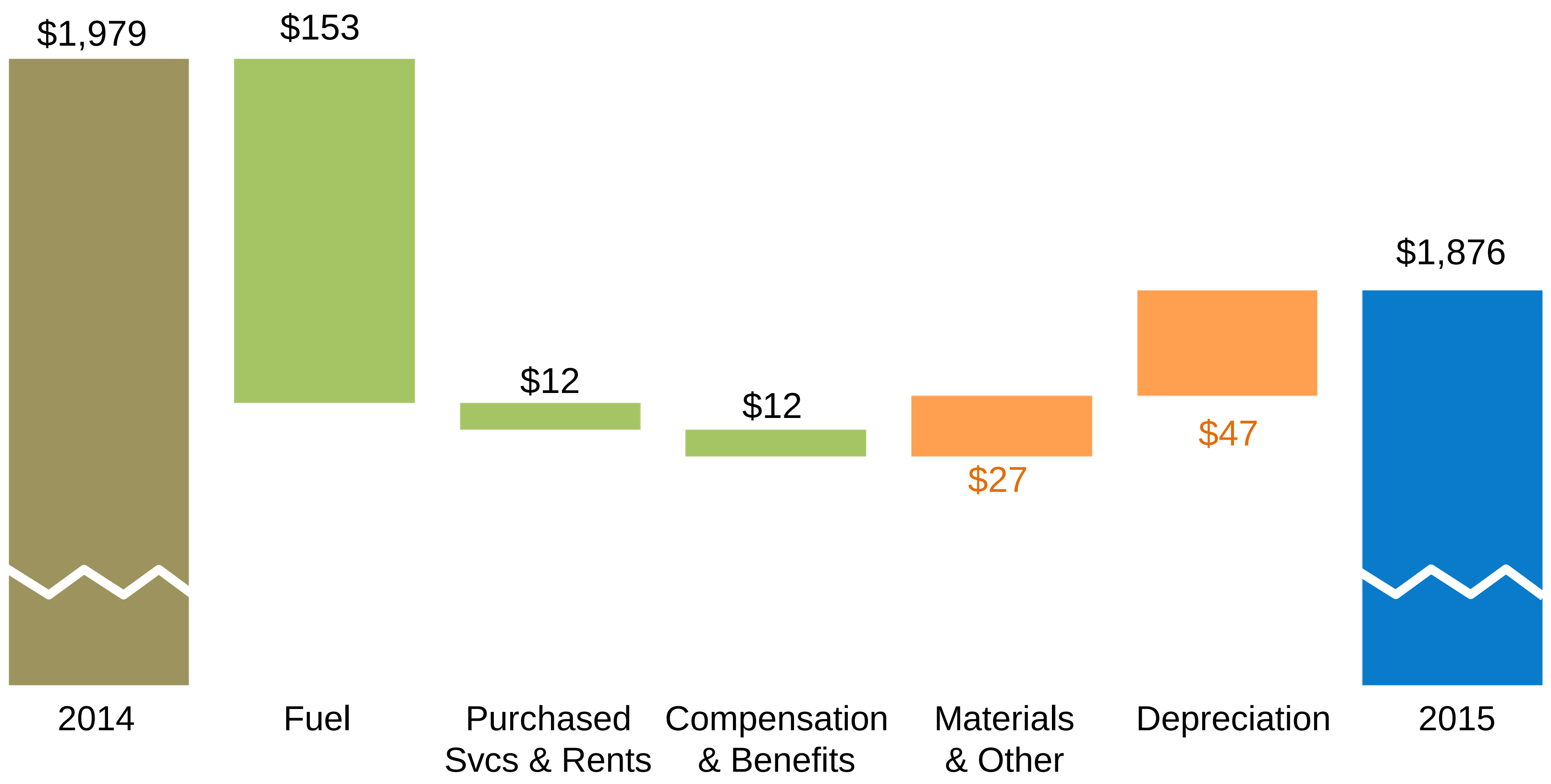
Favorable (Unfavorable)

NORFOLK SOUTHERN
One line, infinite possibilities.

Railway Operating Expenses

Fourth Quarter 2015 vs. 2014 ($ millions)

Net decrease of $103 / 5%



Restructuring Costs
Fourth Quarter 2015 ($ millions except per share)

	Triple Crown Restructuring	Roanoke Closure	Total
Accelerated depreciation	$ 37	$ –	$ 37
Moving and other costs	8	4	12
Effect on Operating Expenses	$ 45	$ 4	$ 49
Effect on Net Income			$ 31
Effect on Earnings per Share			$ 0.10

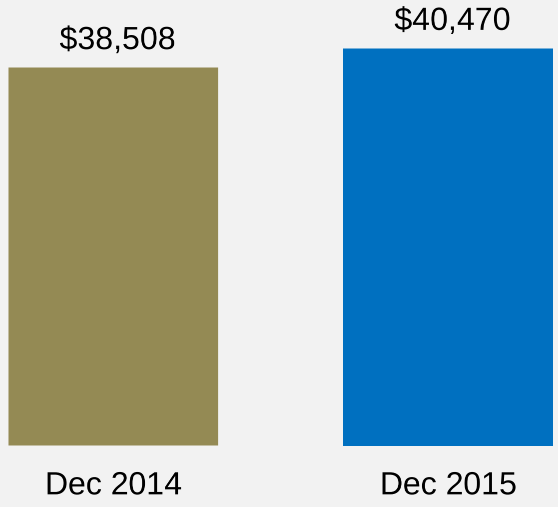
NORFOLK SOUTHERN
One line, infinite possibilities.

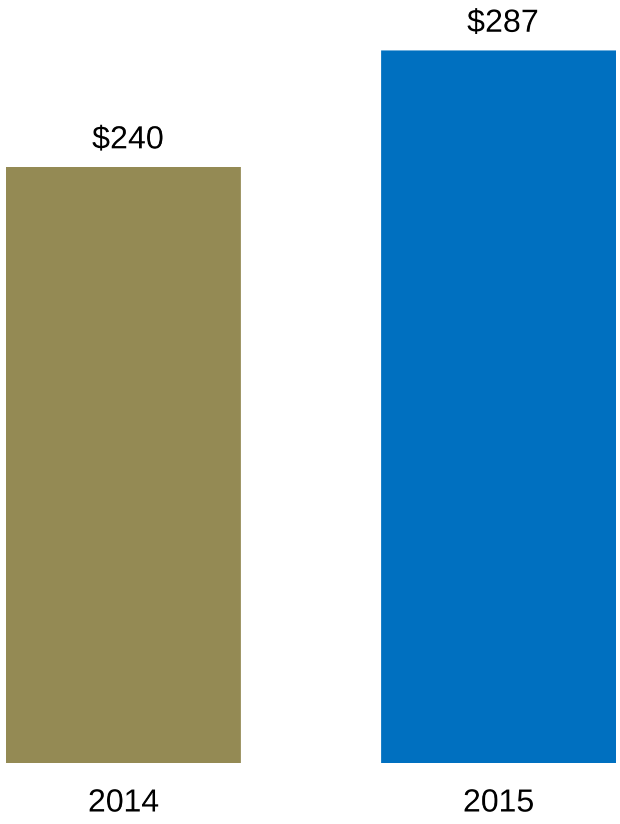
Depreciation
Fourth Quarter 2015 vs. 2014 ($ millions)

Increase of $47 / 20%

- **TCS restructuring**
- **Increased capital base**

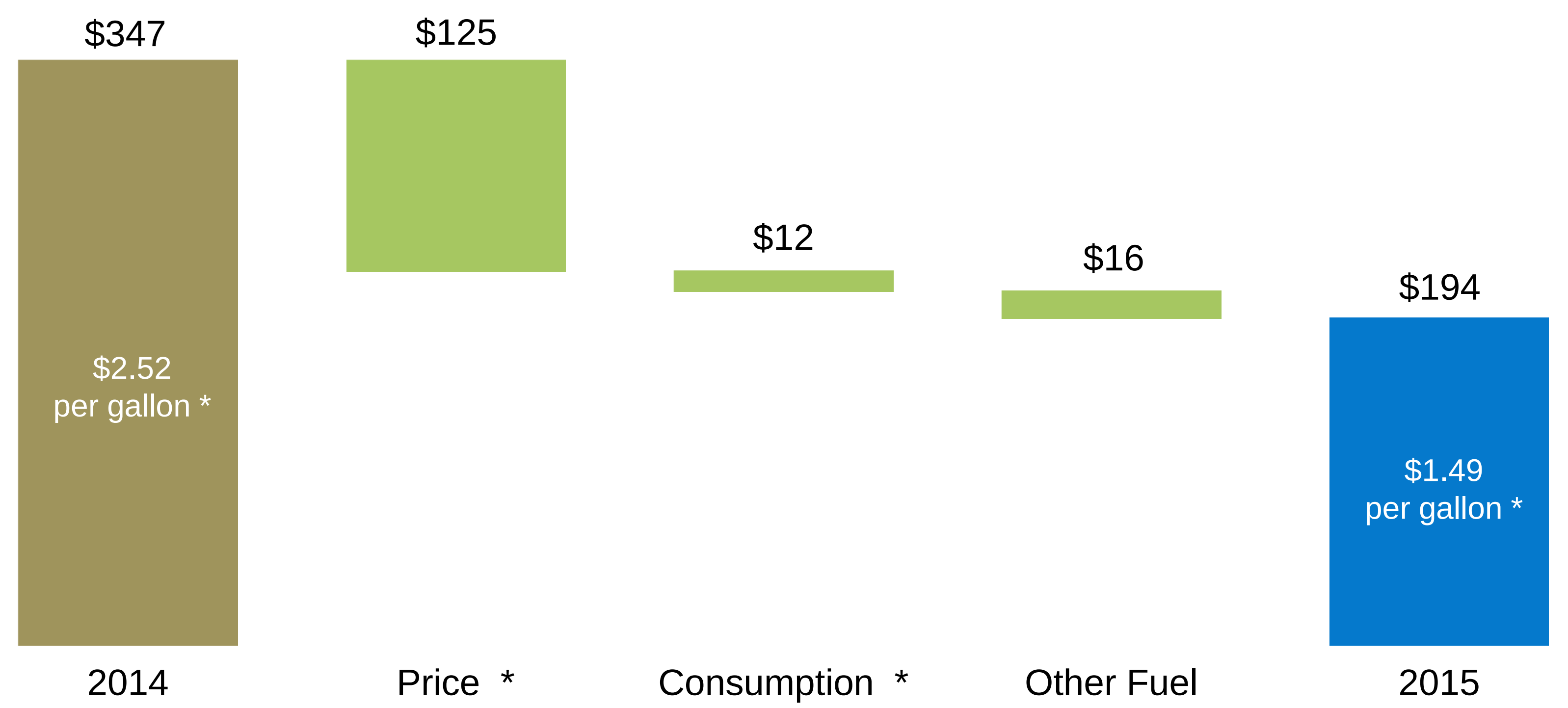
Properties Balance





Fuel
Fourth Quarter 2015 vs. 2014 ($ millions)

Total decrease of $153 / 44%



* Reflects locomotive fuel only

Purchased Services and Rents
Fourth Quarter 2015 vs. 2014 ($ millions)

Net decrease of $12 / 3%

- **Net TCS restructuring-related savings**
- **Roanoke relocation costs**
- **Higher equipment rents**

NORFOLK SOUTHERN
One line, infinite possibilities.

Compensation and Benefits

Fourth Quarter 2015 vs. 2014 ($ millions)

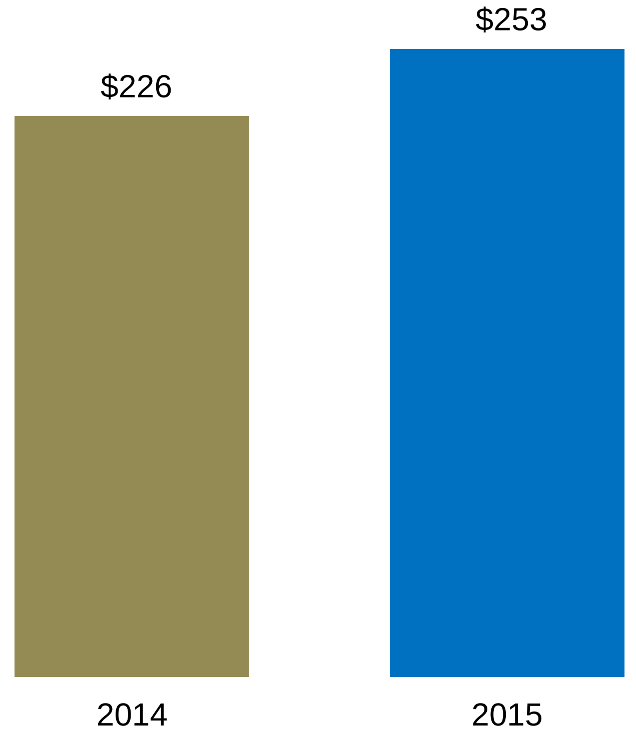
Net decrease of $12 / 2%

- **Lower incentive compensation**
- **Reduced overtime**
- **Increased pay rates**
- **Labor agreement lump sum payment**
- **TCS restructuring costs**

Materials and Other
Fourth Quarter 2015 vs. 2014 ($ millions)

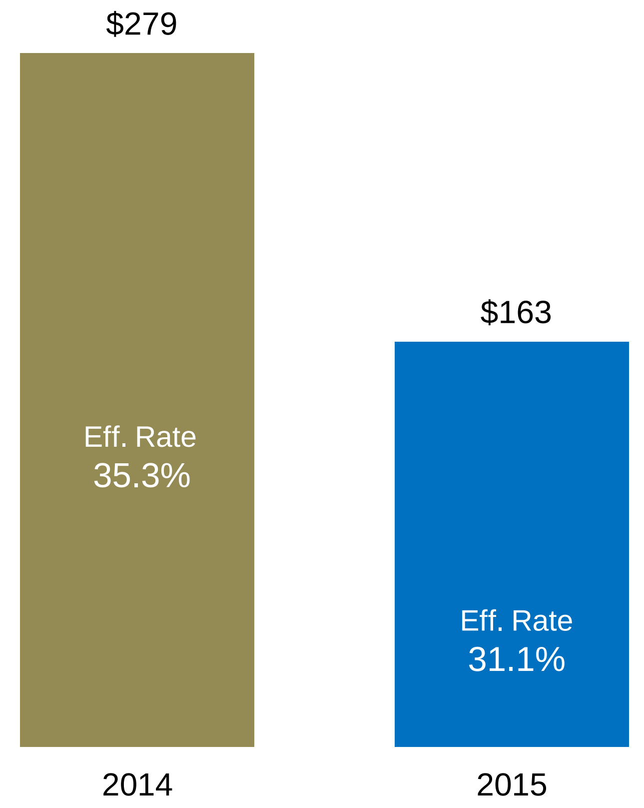
Net increase of $27 / 12%

- **Less favorable personal injury development**
- **Case specific accruals in 2015**



Income Taxes
Fourth Quarter 2015 vs. 2014 ($ millions)

Effective tax rate for the quarter was 31.1%

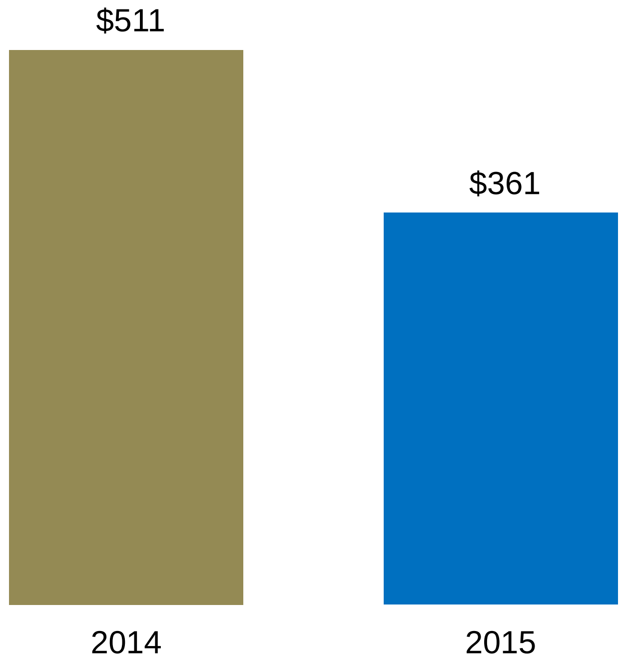


Net Income and Diluted Earnings per Share

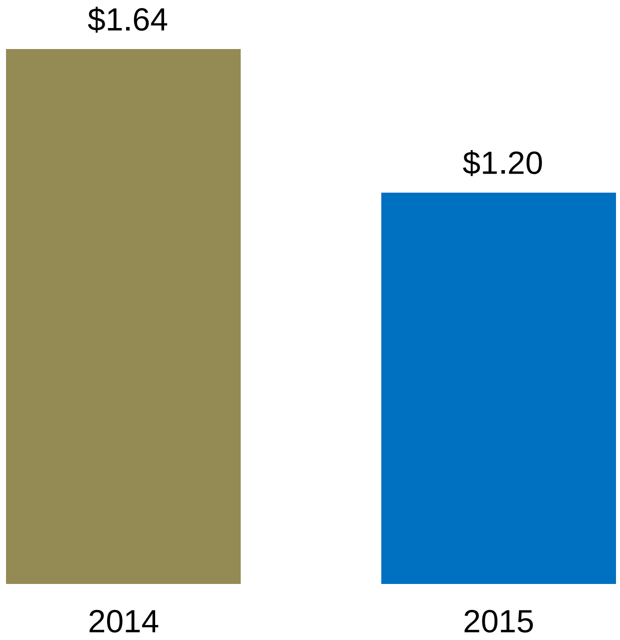
Fourth Quarter 2015 vs. 2014 ($ millions except per share)

Decline of $150 million or 44 cents per share

Net Income
Change vs. Prior Period: (29%)



Diluted Earnings per Share
Change vs. Prior Period: (27%)



2015 results included expenses associated with restructuring the company's Triple Crown Services subsidiary and closing its Roanoke, Va., office, which together reduced net income by $31 million, or $0.10 per diluted share.

Condensed Income Statement

Year ($ millions except per share)

		2015		2014		$	%
Railway operating revenues	$	10,511	$	11,624	$	(1,113)	(10%)
Railway operating expenses		7,627		8,049		422	5%
Income from railway operations		2,884		3,575		(691)	(19%)
Non-operating expense – net		442		441		(1)	- %
Income before income taxes		2,442		3,134		(692)	(22%)
Income taxes		886		1,134		248	22%
Net income	$	1,556	$	2,000	$	(444)	(22%)
Diluted earnings per share	$	5.10	$	6.39	$	(1.29)	(20%)
Railway operating ratio		72.6		69.2		(3.4)	(5%)
Adjusted railway operating ratio [(1)]		71.7		69.2		(2.5)	(4%)

Favorable (Unfavorable)

1. Excluding effects of Triple Crown restructuring and Roanoke relocation, please see reconciliation to GAAP posted on our website.

NORFOLK SOUTHERN
One line, infinite possibilities.

Cash Flows and Balances
2015 vs. 2014 ($ millions)

Free cash flow of $0.5 billion and $1.8 billion returned to shareholders

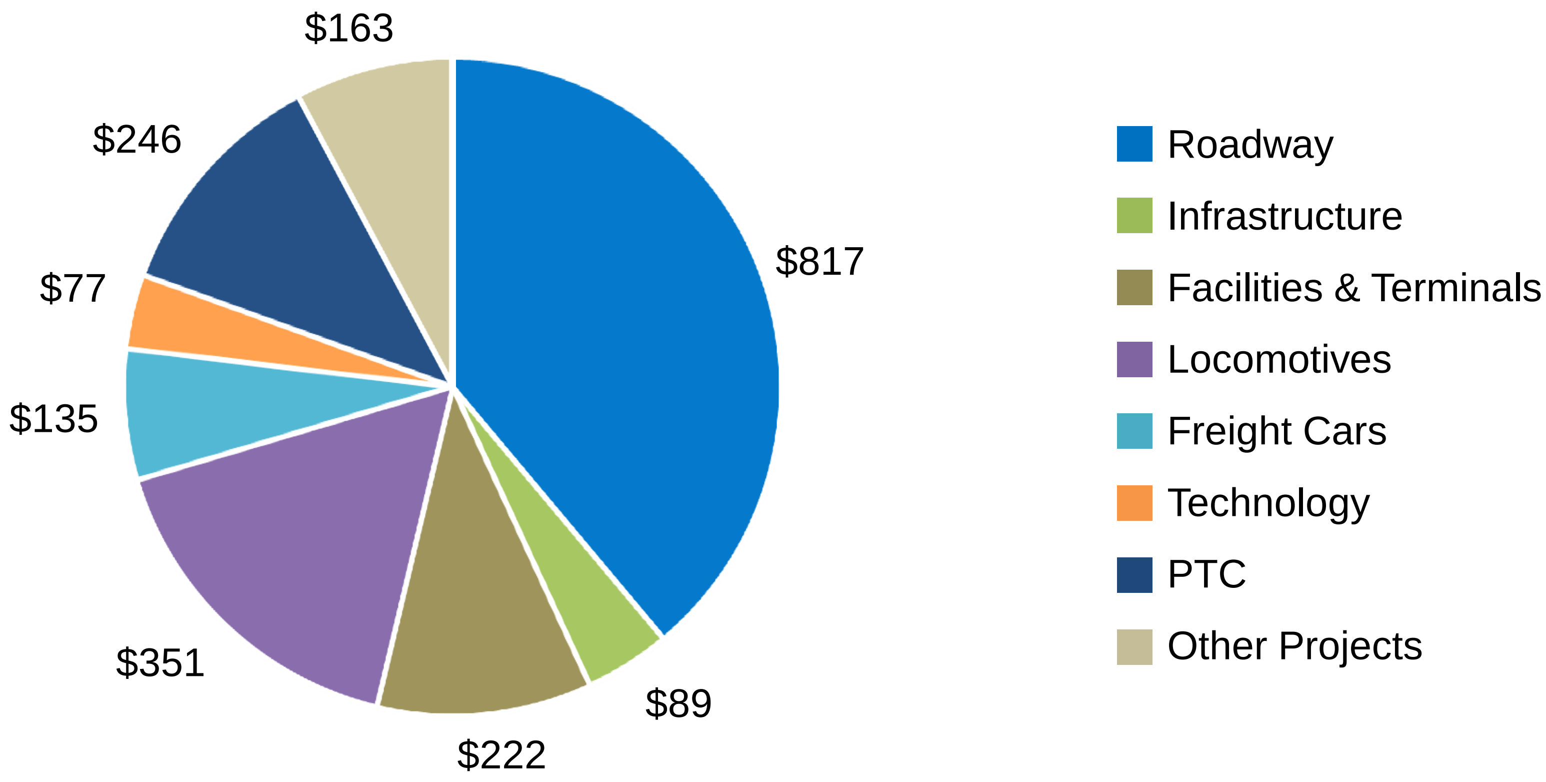
	2015	2014
Cash from operating activities	$ 2,877	$ 2,852
Capital expenditures	(2,385)	(2,118)
Free cash flow [(1)]	$ 492	$ 734
Returns to shareholders:		
Share repurchases	$ (1,075)	$ (318)
Dividends	$ (713)	$ (687)

1. Please see reconciliation to GAAP posted on our website.

NORFOLK SOUTHERN
One line, infinite possibilities.

2016 Capital Improvement Budget
($ millions)

Total Spending = $2.1 billion



Thank You