

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



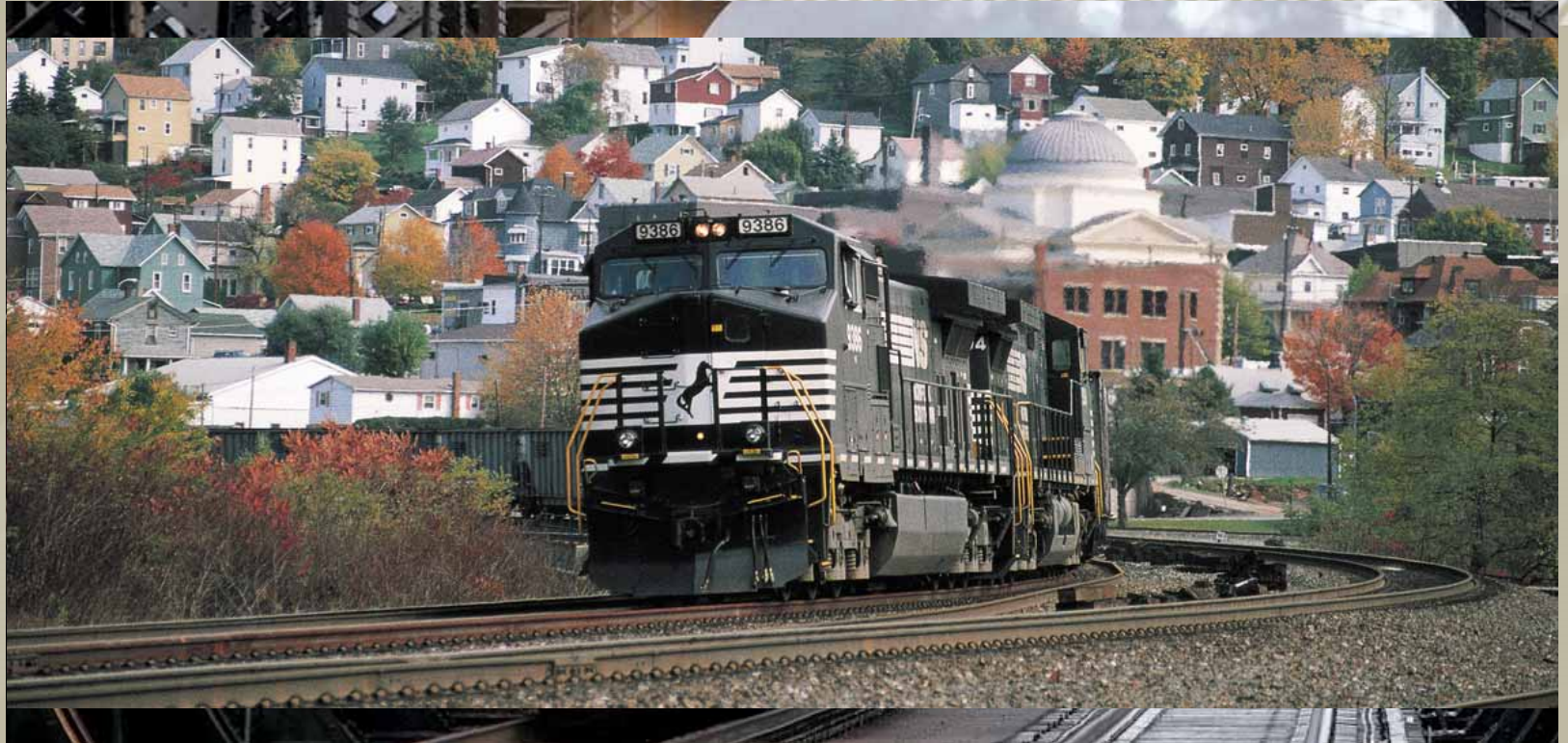
COAL AND NORFOLK SOUTHERN:

Partnership



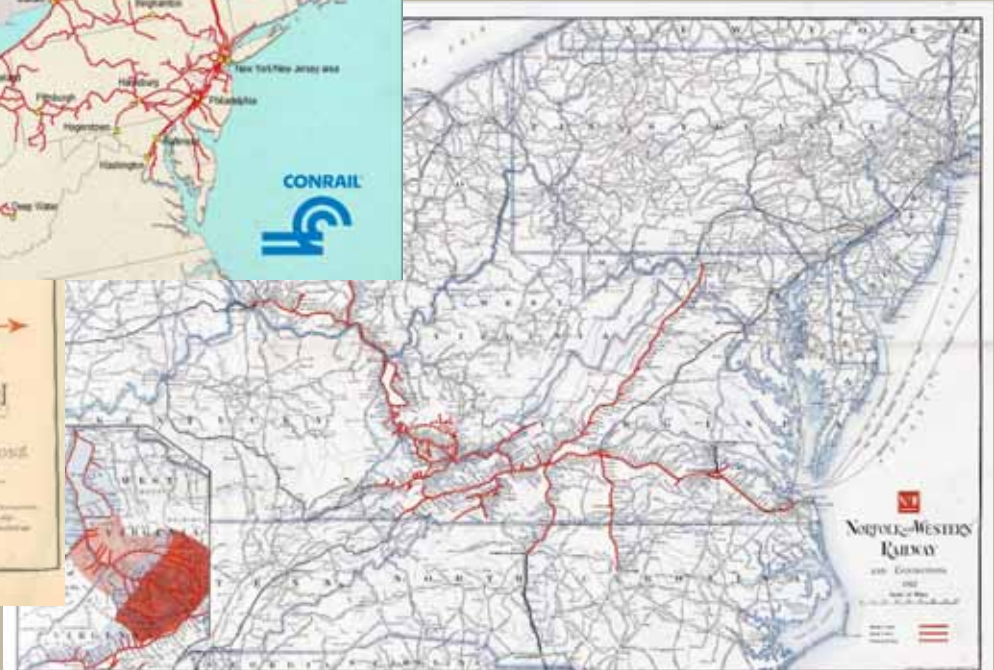


PAST, PRESENT, FUTURE



IN IT FOR THE LONG HAUL

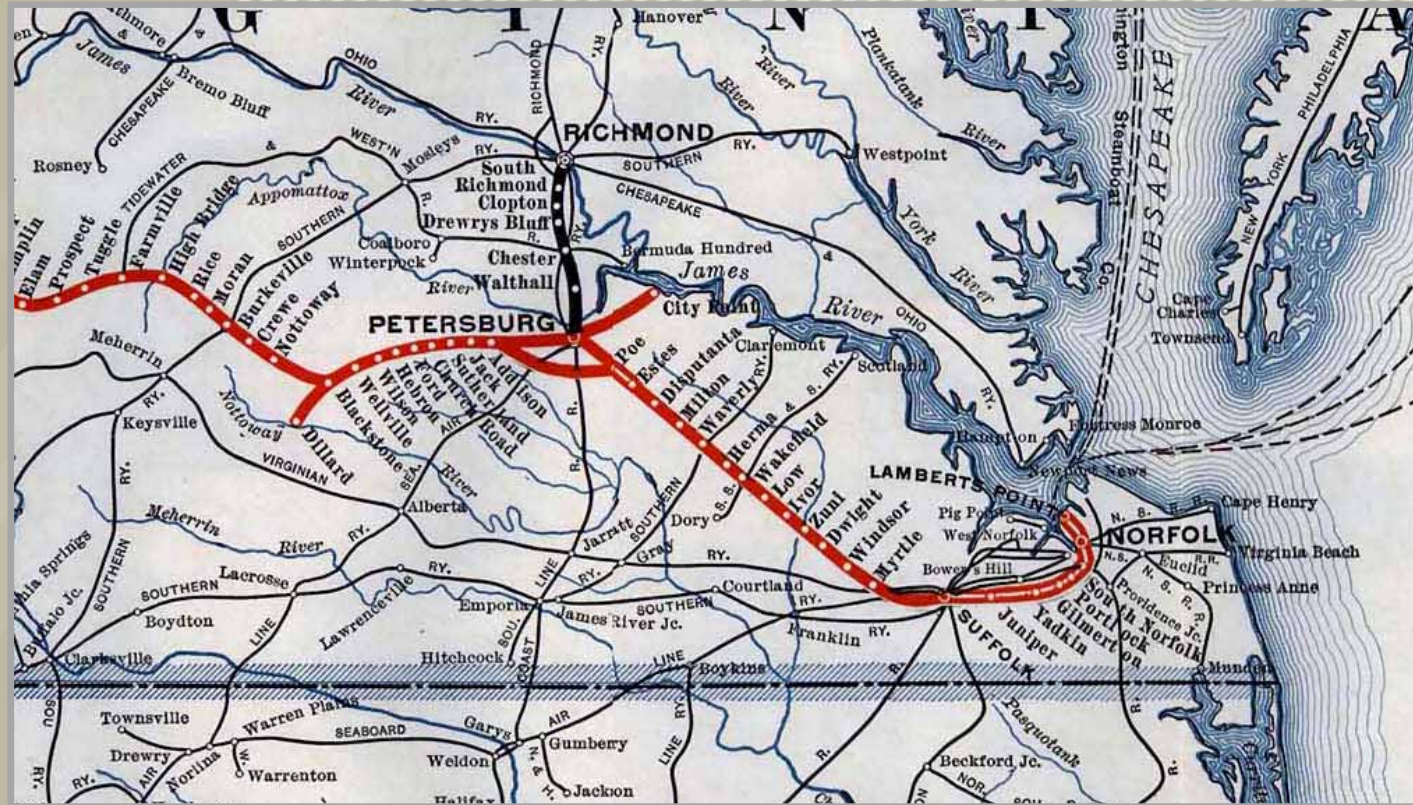






1830: SOUTH CAROLINA CANAL AND RAIL ROAD COMPANY

Best Friend of Charleston




HAMPTON ROADS: EARLY STRIDES IN ECONOMIC DEVELOPMENT



RAILROADING AND COAL:

A Shared History

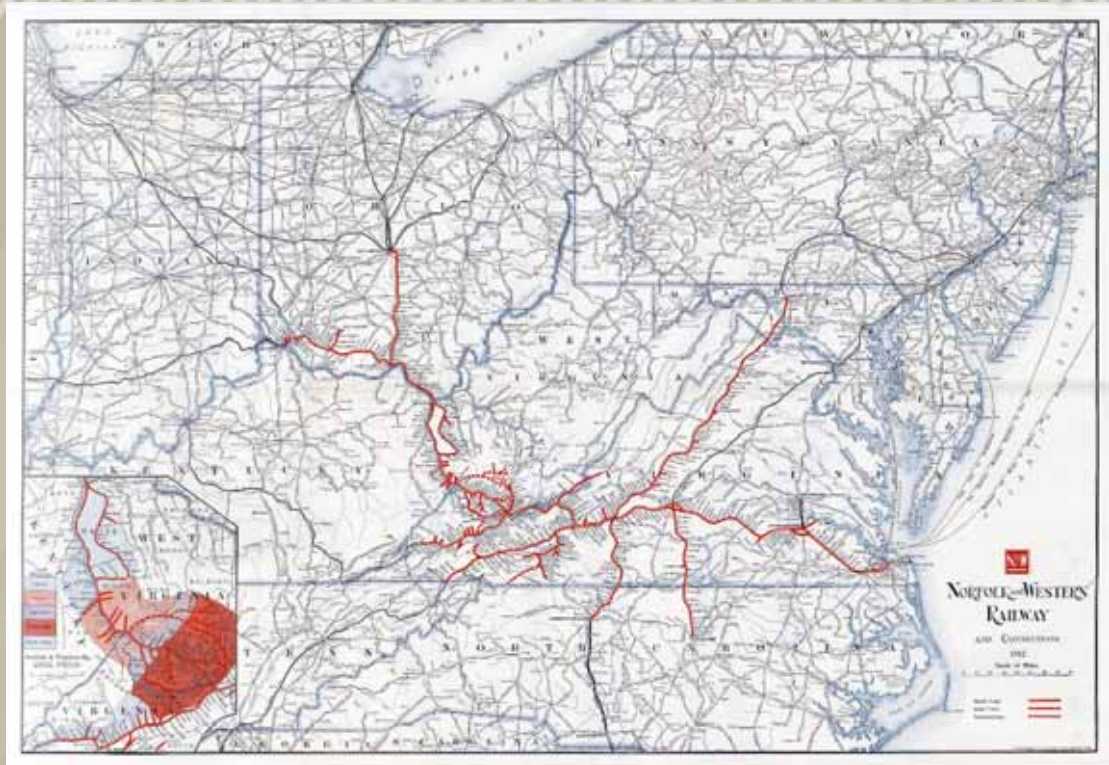


POCAHONTAS COAL
Is One of the Coals Comprising
FUEL SATISFACTION

And Pocahontas coal has been proven to be:
Low in volatile matter, therefore smokeless;
Low in moisture, ash and sulphur, therefore economical;
High in fixed carbon, therefore high in heating values;
A longer burning fuel, therefore convenient, and, A carefully prepared product, therefore clean.
In short, Pocahontas coal is an efficient, economical, and entirely satisfactory fuel for domestic, industrial and a wide variety of special uses.
The staff of the Norfolk and Western Railway's Boston Coal Bureau will gladly furnish complete information about Pocahontas Coal or Fuel Satisfaction. Call or write to:

R. B. WILLIAMSON, District Manager
Norfolk and Western Coal Bureau
Room 667, Ten Post Office Square
Telephone: 11Berry 2229
Boston, Mass.

NORFOLK AND WESTERN RAILWAY
CARRIER OF FUEL SATISFACTION



BUILDING A COAL-BASED ENTERPRISE



OLD LAMBERTS POINT COAL TERMINAL

Turn of the Century



COAL...

The POWER behind the Nation

Millions and is America's power to use this coal. Coal is power, electricity, iron, steel, production, chemicals, engineering. Coal makes production lines rolling. Coal runs the mills. The industry from the road that makes the rails, that makes the steel, that makes the cars and trucks, the planes and tanks, the ships and more -- just to name our American necessities.

One of the great sites' on the site of the Norfolk and Western Railroad is shown, from about 1850 to 1860, one-fourth of the continent was included in the United States. This coal, the finest, when used at home it was burned. - \$1,000,000

One of the great sites' on the site of the Norfolk and Western Railroad is shown, from about 1850 to 1860, one-fourth of the continent was included in the United States. This coal, the finest, when used at home it was burned. - \$1,000,000

One of the great sites' on the site of the Norfolk and Western Railroad is shown, from about 1850 to 1860, one-fourth of the continent was included in the United States. This coal, the finest, when used at home it was burned. - \$1,000,000

NORFOLK and WESTERN Railway

BARBER OF FUEL SATISFACTION

HAMPTON ROADS & RAILROADS:

A History of Economic Success





LAMBERTS POINT SERVING YARDS



COAL TRANSLOADING





SANDUSKY COAL TERMINAL





RETUB INVESTMENT

ONGOING INVESTMENT





KANAWHA RIVER LINE



SUPPORT FOR THE COAL INDUSTRY

Outside Transportation



U.S. CHAMBER OF COMMERCE



THE COAL INSTITUTE



ACC

American Coal Council



CIAB



AMERICA'S POWER

American Coalition for Clean Coal Electricity



OTHER COAL SUPPORT GROUPS





SUPPORTING **THE FULL** LIFECYCLE OF COAL





CAFÉ TO GROW

Foodie Truck



Business Magnet

ATTRACTING ECONOMIC GROWTH IN 2016

71 INDUSTRIES
NS HELPED
LOCATE & EXPAND

\$4 BILLION
IN CUSTOMER
INVESTMENTS

4,600 JOBS
CREATED



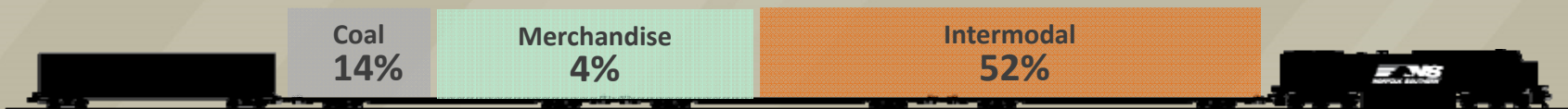
Charitable Giving
NS FOUNDATION | 2011-2015



NORFOLK SOUTHERN: *OUR FULL SYSTEM IMPACT*



THE SYSTEM



1Q 2017 VOLUME COMPOSITION

MAJOR LINES OF BUSINESS



COAL



AUTOMOTIVE



PAPER/CLAY/FOREST



AGRICULTURE

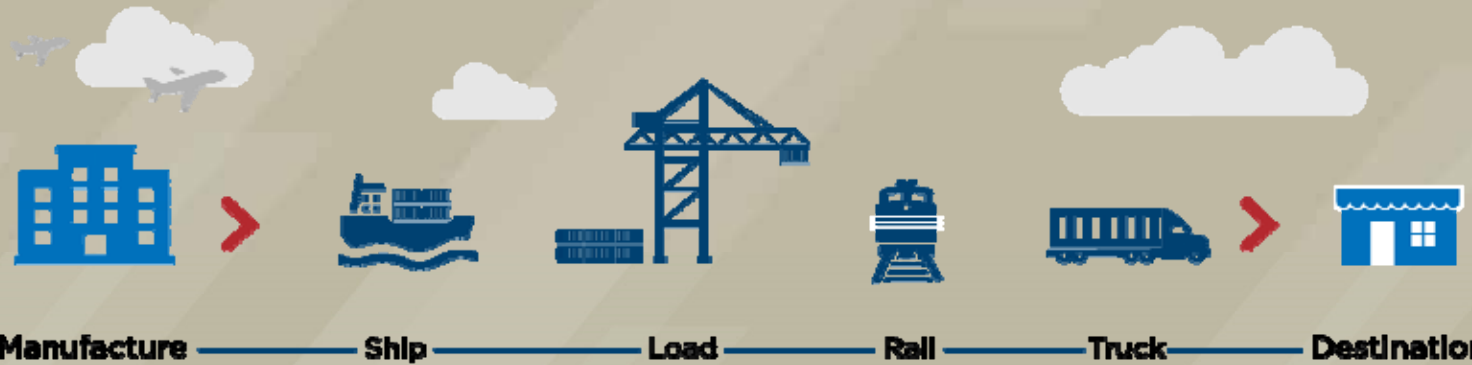


METALS/CONSTRUCTION



CHEMICALS

MERCHANDISE



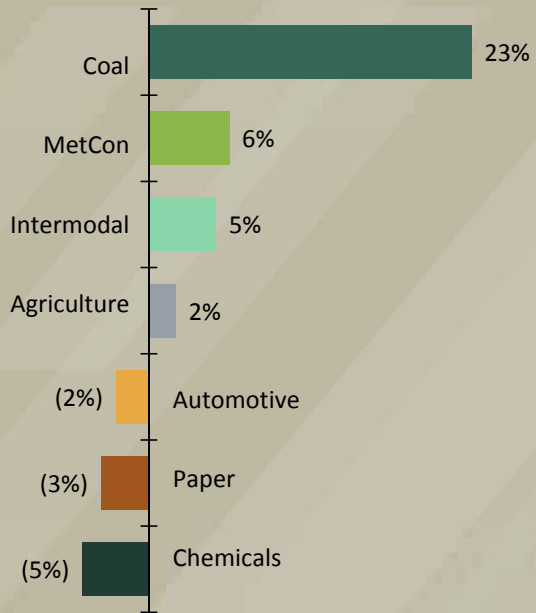
INTERMODAL

DRIVERS OF THE RAIL ECONOMY

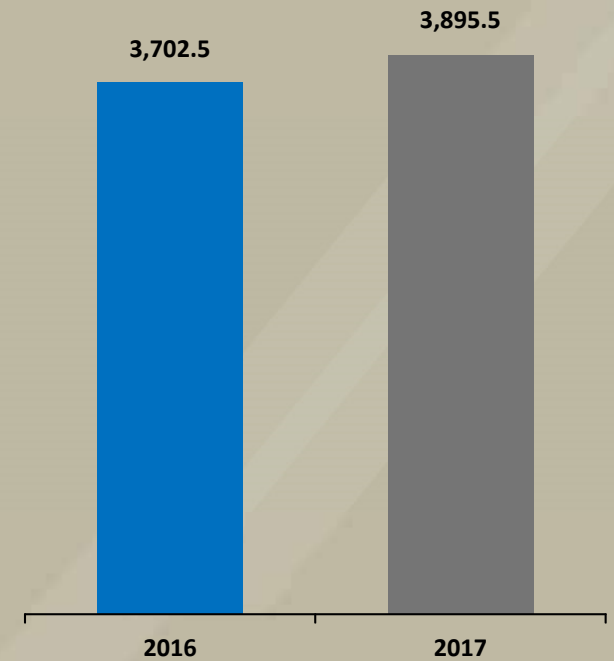
Indicator	2016 (A)	2017 (B)	2017 (F)
GDP (IHS)	1.6%	2.3%	2.3%
GDP (Wells Fargo)	1.6%	2.3%	2.2% ↓
TL Dry Van Rates (rev/mi) without FSC	(3.4%)	2.7%	(1.3%) ↓
EIA WTI Crude Oil Price (\$/barrel)	\$43.33	\$52.50	\$48.95 ↓
EIA Henry Hub Nat Gas Price (\$/mmBtu)	\$2.51	\$3.55	\$3.10 ↓
Real Consumer Spending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

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

5% Increase in Units YTD 2017 vs. 2016



Total Units (000's)



CURRENT RAILWAY VOLUMES

COAL'S FUTURE

The Crystal Ball





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

HERE'S THE PLAN

OUR PARTNERSHIP



Thank You

ALAN SHAW

EXECUTIVE VICE PRESIDENT
AND CHIEF MARKETING OFFICER

