

Description (A) **** Operating Revenues ****		Figures for the Quarter		Cumulative Figures	
		This Year (B)	Last Year (C)	This Year (D)	Last Year (E)
Freight (Account 101)	1	2,592,315	2,766,832	8,029,618	8,038,542
Passenger (Account 102)	2				
Passenger-Related (Account 103)	3				
All Other Operating Revenues (Accounts 104, 105, 106, 110)	4	101,129	121,913	326,462	336,147
Joint Facility Account (Acct 120)	5				
Railway Operating Revenues (Account 501)	6	2,693,444	2,888,745	8,356,080	8,374,689
**** Operating Expenses ****					
Depreciation-Road (Accounts 62-11-00, 62-12-00, 62-13-00)	7	164,314	163,593	490,074	481,677
All Other Way and Structures Accounts	8	318,934	223,416	816,542	679,381
Total Way and Structures	9	483,248	387,009	1,306,616	1,161,058
Depreciation-Equipment (Accounts 62-21-00, 62-22-00, 62-23-00)	10	79,645	69,143	233,674	201,468
All Other Equipment Accounts	11	263,948	275,687	800,795	815,892
Total Equipment	12	343,593	344,830	1,034,469	1,017,360
Transportation-Train, Yard and Train and Yard Common	13	798,653	836,508	2,453,317	2,578,026
Transportation-Specialized Services, Administrative Support	14	156,190	141,159	477,919	419,018
General and Administrative	15	233,350	306,926	836,990	957,868
Railway Operating Expenses (Account 531)	16	2,015,034	2,016,432	6,109,311	6,133,330
**** Income Items ****					
*Net Revenue from Railway Operations (Line 6 Minus 16)	17	678,410	872,313	2,246,769	2,241,359
Other Income (Account 506, 510-519)	18	61,207	79,039	168,176	185,406
Income from Affiliated Companies:					
Dividends	19				
Equity in Undistributed Earnings (Losses)	20	(1,549)	(1,094)	(4,389)	(1,956)
Total Income from Affiliated Companies	21	(1,549)	(1,094)	(4,389)	(1,956)
Miscellaneous Deductions from Income (Accounts 534, 535, 544, 545, 549, 551, 553 and 599)	22	9,729	10,795	27,537	30,505
Income Available for Fixed Charges (Lines 17, 18, 21 Minus 22)	23	728,339	939,463	2,383,019	2,394,304
**** Fixed Charges ****					
Interest on Funded Debt (Account 546)	24	23,729	15,473	64,091	31,212
Interest on Unfunded Debt (Account 547)	25	25,128	22,491	77,955	73,225
Amortization of Discount on Funded Debt (Account 548)	26	10	11	29	36
Total Fixed Charges	27	48,867	37,975	142,075	104,473
**** Income Items ****					
Income After Fixed Charges	28	679,472	901,488	2,240,944	2,289,831
Other Deductions (Account 546)	29				
Unusual or Infrequent Items (Debit) Credit (Account 555)	30				
Income (Loss) from Continuing Operations before Income Taxes	31	679,472	901,488	2,240,944	2,289,831
Income Taxes on Ordinary Income (Account 556)	32	165,297	225,999	605,697	431,105
Provision for Deferred Income Taxes (Account 557)	33	90,402	112,622	238,404	365,554
Income (loss) from Continuing Operations	34	423,773	562,867	1,396,843	1,493,172
Income or (loss) from Operations of Discontinued Segments (less applicable Income Taxes of (Account 560)	35				
Gain or (loss) on Disposal of Discontinued Segments (less applicable Income Taxes of (Account 562)	36				
Income (loss) before Extraordinary Items	37	423,773	562,867	1,396,843	1,493,172
Extraordinary Items (net) (Account 570)	38				
Income Taxes of Extraordinary Items (Account 590)	39				
Provisions for Deferred Taxes-Extraordinary Items (Account 591)	40				
Cumulative effect of changes in Accounting Principles (less applicable Income Taxes of (Account 592)	41				
Net Income	42	423,773	562,867	1,396,843	1,493,172

Description (A)		Figures for the Quarter		Cumulative Figures	
		This Year	Last Year	This Year	Last Year
Dividends on Common Stock (Account 623)	43				
Dividends on Preferred Stock (Account 623)	44				
**** Ratios ****					
Expenses to Revenues	45	74.81%	69.80%	73.11%	73.24%
Total Maintenance to Revenues	46	30.70%	25.33%	28.02%	26.01%
Transportation to Revenues	47	35.45%	33.84%	35.08%	35.79%
<b>Note: Reconciliation of Net Railway Operating Income (NROI)</b>					
Net Revenues from Railway Operations	N1	678,410	872,313	2,246,769	2,241,359
[556] Income Taxes on Ordinary Income	N2	(165,297)	(225,999)	(605,697)	(431,105)
[557] Provision for Deferred Income Taxes	N3	(90,402)	(112,622)	(238,404)	(365,554)
Income from Lease of Road and Equipment	N4	(2,408)	(2,559)	(7,063)	(6,521)
Rent for leased Roads and Equipment	N5	5,904	5,777	18,073	17,640
Net Railway Operating Income	N6	426,207	536,910	1,413,678	1,455,819

Remarks

In compliance with STB requirements, this report does not reflect adoption of FAS 143 (Accounting for Asset Retirement Obligations). Certain prior period amounts have been reclassified to conform to R-1 presentation.

Certification

I, the undersigned, Terri Grubb

Title Manager Corporate Accounting of Norfolk Southern Combined Railroad Subsidiaries  
 (Name and Title of Office in charge of Accounts) (Full Name of reporting company)

State that this report was prepared by me or under my supervision; that I have carefully examined it; and on the basis of my knowledge, belief, and verification (where necessary) I declare it to be a full, true and correct statement of the revenue, expense and income accounts named, and that the various items here reported were determined in accordance with effective rules promulgated by the Surface Transportation Board.

Date October 30, 2012

Signature Terri Grubb

Telephone Number 540-524-5452  
 (Area Code) (Number)

Note: Dollars are stated in thousands commencing in 1981.