

Serving Customers and America: Today and the Future



- **Today's Solutions?**
- **Return to Past Failure?**

Rail Transportation



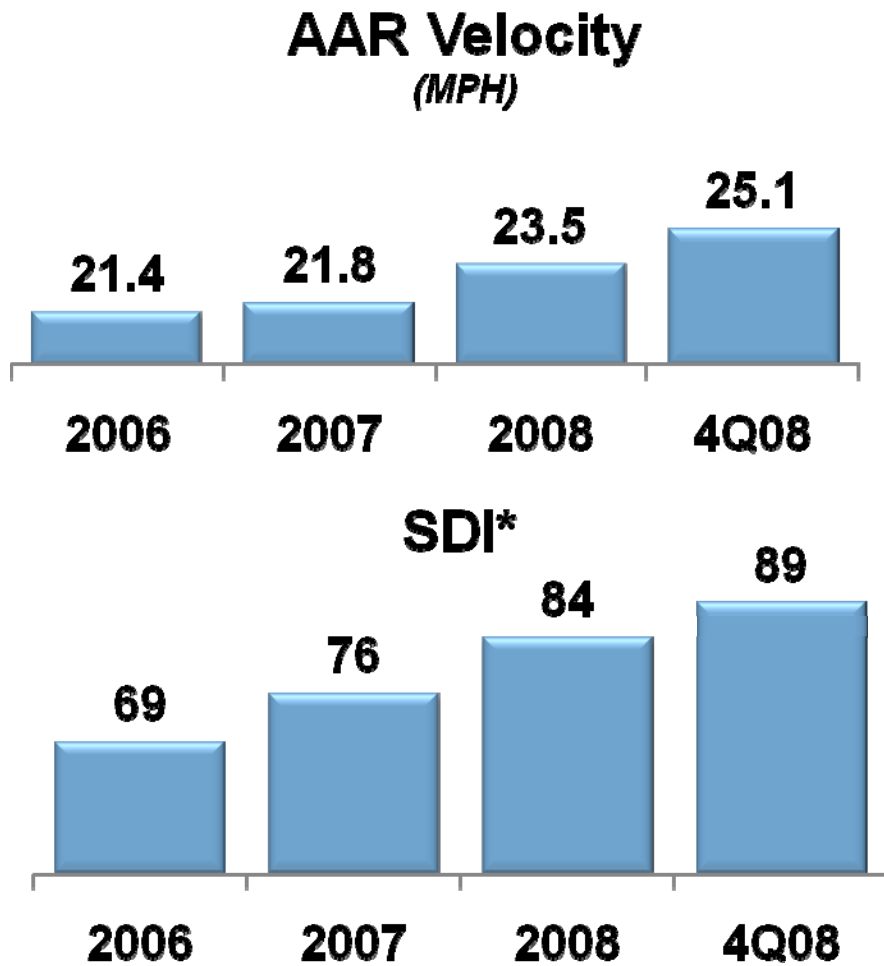
- **Safe**
- **Efficient**
- **Clean**
- **Reliable**
- **Competitive Advantage for our Customers**

Safe, Efficient and Clean



- 41% reduction in accidents, 01-08
- One ton of freight 436 miles on one gallon of fuel
- One train removes 280 trucks from highway
- Technology reduces emissions more than 40%

Creating Customer Value

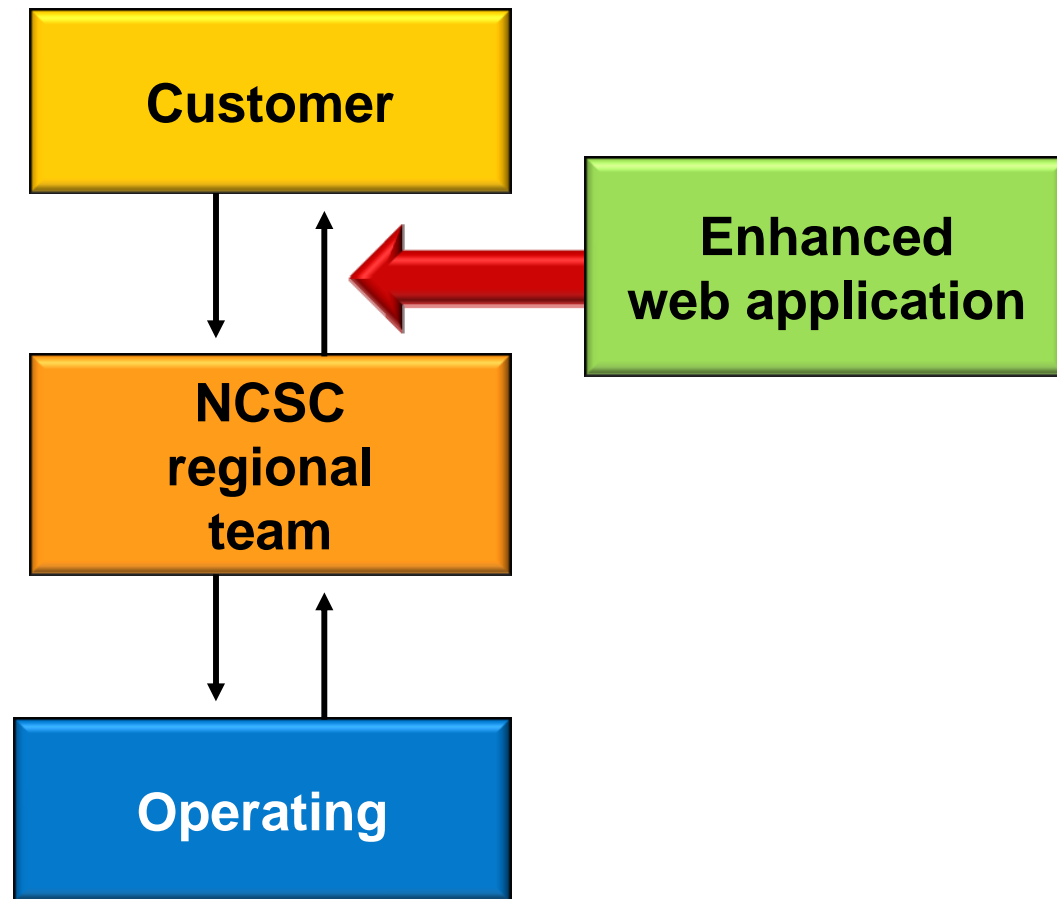


* includes early deliveries



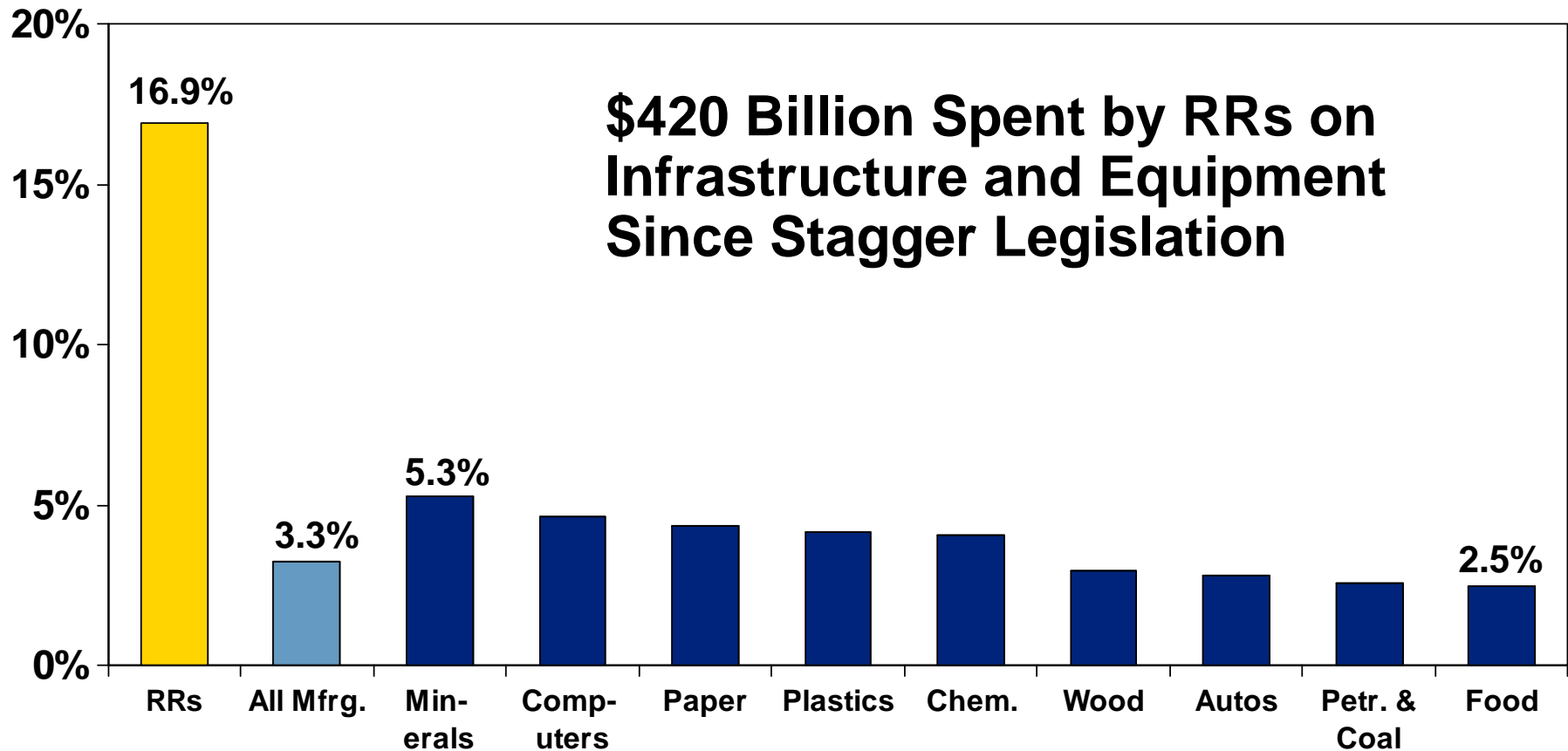
Creating Customer Value

Problem Resolution



Rail Investing In Customer Service

Capital Expenditures As % of Revenue Avg. 1997-2006



Each Year Requires Infrastructure Replacement



Each Year Requires Infrastructure Replacement



- **Normal Daily Track Replacement - \$1.2 Million**

- **Boone Bridge Replacement - \$50 Million**



- **Frazier Mud Slide - \$100 Million**

Investing to Meet Customer Demand

Since 2003:

- **29,000 Employees**
- **2,000 Locomotives**
- **13,000 Freight Cars**
- **Over \$16 Billion in Capital**

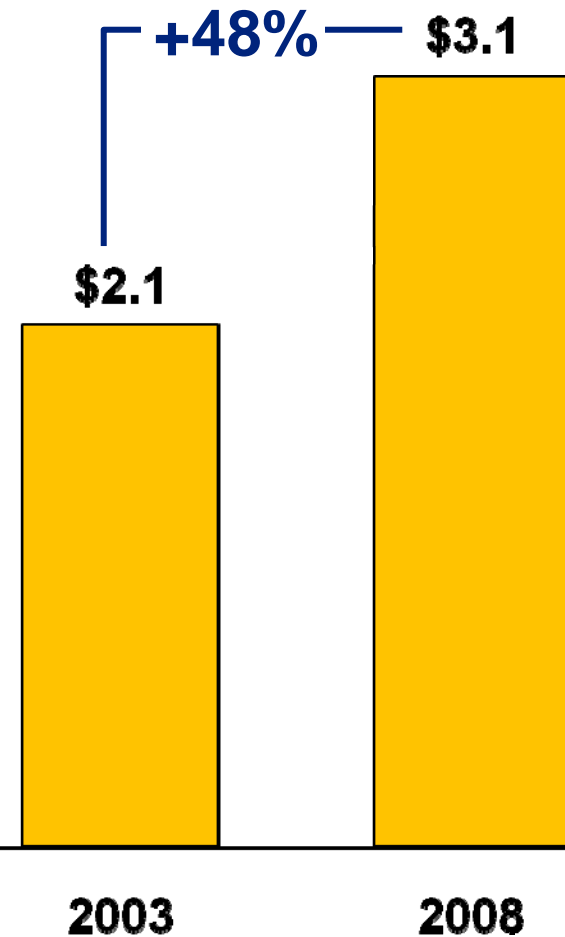


Financial Returns Drive Growth Investment

Net Income
(\$ in billions)



Capital Investment*
(\$ in billions)



*Includes cash capital, non-cash capital and lease financings





