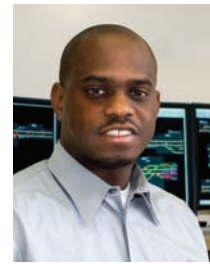
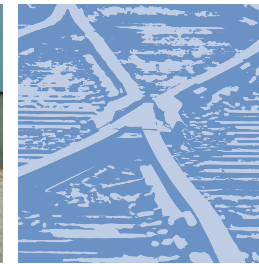


voices



Norfolk Southern Corporation | Annual Report 2008



system map



Norfolk Southern System

- Trackage/Haulage Rights
- ← Gateway Cities to Western Railroads

(Not all lines shown)

Description of Business

Norfolk Southern Corporation (NYSE: NSC) is one of the nation's premier transportation companies. Its Norfolk Southern Railway subsidiary operates approximately 21,000 route miles in 22 states and the District of Columbia, serving every major port in the eastern United States and providing superior connections to western rail carriers. Norfolk Southern operates the most extensive intermodal network in the East and is North America's largest rail carrier of metals and automotive products.

financial highlights

Norfolk Southern Corporation & Subsidiaries

(numbers in millions, except per-share amounts)

For the Year	2008	2007	2006
Railway operating revenues	\$ 10,661	\$ 9,432	\$ 9,407
Income from railway operations	\$ 3,084	\$ 2,585	\$ 2,557
Net income	\$ 1,716	\$ 1,464	\$ 1,481
Per share — basic	\$ 4.60	\$ 3.74	\$ 3.63
Per share — diluted	\$ 4.52	\$ 3.68	\$ 3.57
Dividends per share	\$ 1.22	\$.96	\$.68
Dividend pay-out ratio	27%	26%	19%
Cash provided by operating activities	\$ 2,715	\$ 2,333	\$ 2,206
Property additions	\$ 1,558	\$ 1,341	\$ 1,178
Free cash flow ¹	\$ 1,157	\$ 992	\$ 1,028

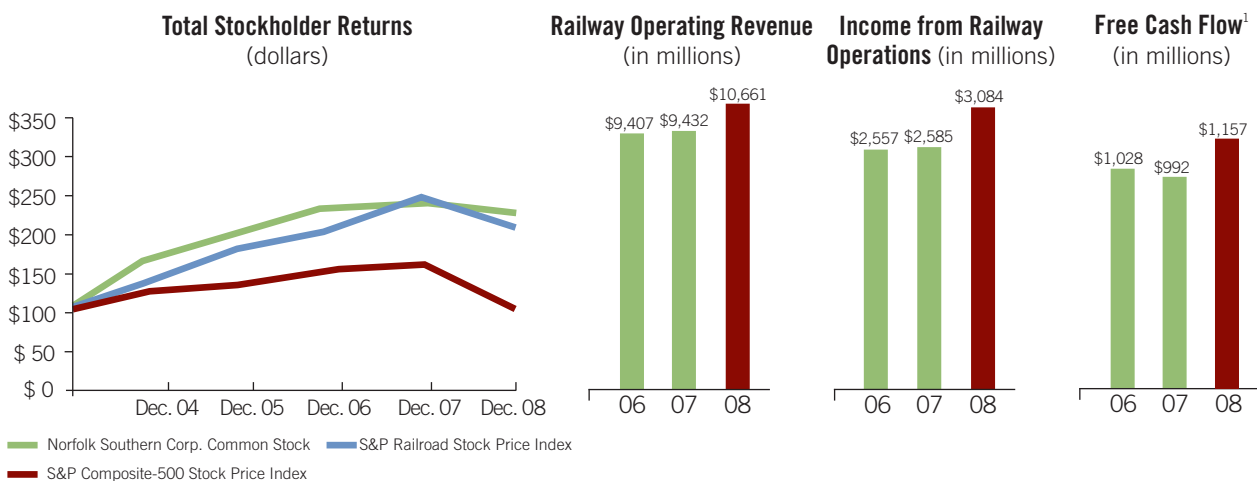
At Year End

Total assets	\$ 26,297	\$ 26,144	\$ 26,028
Total debt	\$ 6,667	\$ 6,368	\$ 6,600
Stockholders' equity	\$ 9,607	\$ 9,727	\$ 9,615
Shares outstanding	366.2	379.3	397.4
Stockholders' equity per share	\$ 26.23	\$ 25.64	\$ 24.19

Financial Ratios (%)

Operating ratio	71.1%	72.6%	72.8%
Debt to total capitalization	41.0%	39.6%	40.7%

(1) Free cash flow as used here is defined as cash provided by operating activities minus property additions and is a measure of cash available for other investing activities and financing activities, including repurchases of common stock and dividends.



* Assumes that the value of the investment in Norfolk Southern Corporation common stock and each index was \$100 on Dec. 31, 2003, and that all dividends were reinvested. Data furnished by Bloomberg Financial Markets.

shareholders

I write this letter to you at a time of extraordinary turbulence in our nation's and the world's economies. The old curse – “May you live in interesting times” – has fallen upon us with a vengeance, and the current economic uncertainty seems likely to continue for some time into the future.

Your company and the customers we serve are not immune to this period of turbulence, and our performance in 2009 will be challenged as a result. However, we remain very optimistic about our longer-term prospects, and a look at our 2008 results shows many of the reasons why.

Quite simply put, 2008 was a terrific year for Norfolk Southern. Even though our traffic volumes declined, through proper planning and cost controls we set records for railway operating revenues, income from railway operations, net income, and diluted earnings per share. Our operating ratio improved by 1.5 percentage points to 71.1, our best operating ratio ever. We continued to provide superior results for our shareholders as well, by raising our annual dividend 27 percent and buying back 19.4 million shares of stock.

We made important strides with our other key constituencies as well. First and foremost, in terms of our people who are Norfolk Southern's true competitive advantage, we were awarded our 19th consecutive E. H. Harriman Gold Medal Award for employee safety as the safest major U.S. railroad. No single fact better illustrates the commitment that every NS employee brings to doing his or her job safely and well. I ran out of superlatives to describe their performance a long time ago. 2008 was another strong year for our safety process, and we remain intent on our ultimate goal of zero incidents and zero injuries.

We also strengthened our other human resource initiatives. Among the most important are our programs to bring new people into our management team. We continue to enhance and expand our management

trainee programs for new college hires, and our operations supervisor trainee program for people with prior working experience. Like many other companies, we face challenges with the demographics of our work force, and these programs, which have been nationally recognized, are ensuring that we will have a strong and diverse management team in place for many years to come.

Our initiatives to drive service improvements for our customers also saw success in 2008, and we continue to be recognized as a service leader in the rail industry. Superior rail service is the product of a number of things: solid infrastructure, properly maintained and reliable locomotives and rolling stock, a well-designed operating plan, and a committed, focused work force with the tools and technology to support their efforts. We have them all. Norfolk Southern is a service company, and we are acutely aware that we must continue to improve our transportation products if we want to capture all of the opportunities that are available to us and realize the full value of those products.

2008 saw us continue as well our initiatives to support the communities we serve. We have increased our emphasis on sustainability by naming the industry's first corporate sustainability officer, creating

innovative programs to reduce the amount of energy we consume in our operations, and increasing our use of alternative energy sources. Railroads truly are the environmentally friendly mode of transportation, and we believe that actively working to improve our environmental footprint is not only the responsible thing to do, but it makes good business sense as well.

In 2009, we'll continue all of the initiatives that helped strengthen NS in 2008. We are in extraordinarily challenging times, but we have built the foundations to be able to meet those challenges successfully, and we'll stay focused on a few key drivers of the business as we manage through the downturn.

First, we'll continue to manage our costs aggressively while still providing a superior level of customer service. Norfolk Southern has a long history of effective cost controls, and we have the tools and technology to resize our operations quickly in response to changing business conditions. At the same time, we'll try to mitigate the impact on our work force to the fullest extent possible.

Guided by our Track 2012 strategic initiatives, we'll continue to invest in the company in order to keep the property strong and continue our improvement programs. Put simply, we won't sacrifice longer-term opportunities for short-term profits. This downturn will be over some day, and we will be ready to take full advantage of the business prospects that will be there when it ends.

Finally, we'll continue to aggressively pursue new business development initiatives and to ensure that we realize the appropriate value for our superior transportation services. Our strategy to create new business corridors has helped drive our growth in recent years, and we're now working hard to develop our biggest project to date, the Crescent Corridor. It's an exciting concept to work with government and our trucking partners in a public-private partnership to take a million or more trucks off the highways. We're seeing a very positive response by public



officials, and I'm optimistic that we'll see considerable progress on the project in 2009.

In closing, as you'll see, this is a new way of presenting our annual report. The enclosed DVD gives you the chance to see and hear from some NS employees about what they do every day to help our company succeed. They're representatives of the whole NS team – talented, creative, and driven to make our company a success. They're great people, too, and I'm happy and proud to be part of the team.

Sincerely,

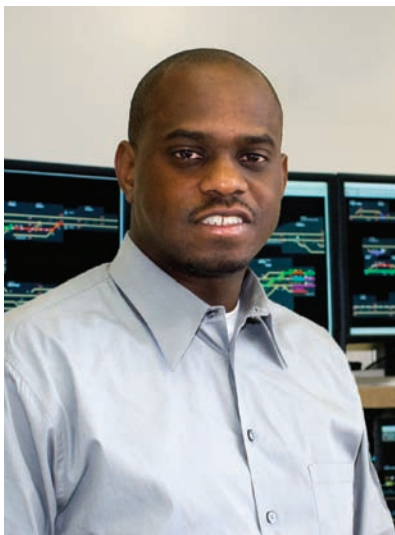
Wick Moorman
Chairman, President
and Chief Executive Officer

Norfolk Southern's
management team
(left to right):

Jim Hixon, executive vice president law and corporate relations;
Don Seale, executive vice president and chief marketing officer;
John Rathbone, executive vice president administration;
Wick Moorman, chairman, president and chief executive officer;
Mark Manion, executive vice president operations;
Steve Tobias, vice chairman and chief operating officer;
Jim Squires, executive vice president finance and chief financial officer; and
Deb Butler, executive vice president planning and chief information officer.

voices

Play video stories online at www.nsvoices.com or on enclosed DVD



Neville Wilson in Atlanta helps ensure that the more than 200 trains operating each day on the Georgia Division are moving safely and efficiently. Wilson, the division's assistant superintendent, oversees operations on 1,800 miles of the railroad's 21,000-mile rail network. "Our job is to provide the level and quality of service our customers have come to expect from Norfolk Southern," says Wilson, who joined the company 11 years ago. "Safety and service are the heart of everything we do. We measure our performance every day, 365 days a year, to make sure we meet and exceed the needs of our customers."

John Kraemer, a Roanoke-based marketing group vice president, manages a diverse portfolio of business that includes agriculture, fertilizer, and consumer products. Kraemer works in the Industrial Products group that also serves shippers of chemicals, paper, clay, and forest products as well as metals and construction material. Norfolk Southern, the largest rail carrier of metals in North America, serves 38 major steel processors. The agriculture sector, which accounted for 28 percent of all industrial product carloads in 2008, moves tons of wheat, soybeans, corn, ethanol, and



other commodities. "We serve industries that are vital to the economy, both here in the United States and around the world," says Kraemer, who joined the railroad as a management trainee 32 years ago.

From Roanoke, **Alan Shaw's** team coordinates Norfolk Southern's coal, coke, and iron ore network, which accounts for more than 25 percent of the railroad's total freight tonnage. Surging worldwide demand for U.S. coal made 2008 a record year for the company's coal franchise.



The railroad in 2008 moved about 194 million tons of coal, coke, and iron ore to steel furnaces, industrial sites, more than 100 power plants in the eastern United States, and to 29 countries overseas. Says Shaw, a Norfolk Southern group vice president, "Through investments in technology and better scheduling of our coal train network, we've been able to reduce transit times and improve customer service while handling record demand."



Shari Hulin's job is finding the people who will become the next generation of Norfolk Southern employees for a company that *BusinessWeek* ranks as one of the top 50 places to launch a career. Norfolk-based Hulin, manager of professional recruiting, says the company puts a premium on work-force diversity because it gives the railroad a competitive advantage by “fostering innovation and giving us a better understanding of our customers and the communities we serve.” Military veterans, she says, also make good employees because of their commitment to safety and strong work ethic. “We’re dedicated to hiring and retaining the best people, and our training and recruiting programs help us do just that,” Hulin says.

As an Indianapolis-based manager in the Industrial Development Department, **Dayne Tate** scours the state of Indiana for sites where companies can build on Norfolk Southern rail lines. In 2008, 115 companies built or expanded facilities on the system – companies such as Louis-Dreyfus, which began operating a biodiesel and soybean processing plant in Claypool, Ind., that is one of the largest in the world. The work of the Industrial Development Department grows business for the railroad and brings new jobs and economic growth to the communities Norfolk Southern serves. Notes Tate: “Over the past 20 years, we’ve helped nearly 2,000 industries locate or expand on our system. That translates into more than 100,000 new jobs and over 2 million additional carloads of freight.”



Under division manager **Jeff Monday's** watch, more than 1,200 freight containers move in and out of the Rickenbacker Intermodal Terminal every day. The state-of-the-art terminal in Columbus, Ohio, which opened in 2008, provides customers with access to key markets in the Midwest. Norfolk Southern serves 48 intermodal terminals spread across its rail system. “We have the



most extensive intermodal network in the East,” says Monday, who joined the railroad 13 years ago in his native Chicago. “We’re investing in facilities such as Rickenbacker to meet the future demand for intermodal service.”

voices

Play video stories online at www.nsvoices.com or on enclosed DVD

Bob Billingsley

joined Norfolk Southern as a junior engineer more than 30 years ago.

Today, his Roanoke-based job as director of structural projects



has put him in charge of the Heartland Corridor, a rail freight route that, when completed in 2010, will cut 24 hours off the transit times between Virginia ports and the Midwest. NS and federal and state governments are funding the project through a public-private partnership. Once completed, the Heartland Corridor will help relieve highway congestion and reduce carbon emissions. "We're raising the clearance through 28 tunnels so we'll be able to run double-stacked trains through them," Billingsley explains. "It's a win for the railroads, it's a win for our customers, and it's a win for the communities we serve."



*When it comes to green, says **Jerri Parks**, Norfolk Southern is continually looking for ways to reduce its environmental footprint. Railroads are the most environmentally friendly mode of ground transportation, able to move a ton of freight 436 miles on a gallon of fuel. Parks notes Norfolk Southern was the first railroad to appoint a sustainability officer and in 2008 issued its first corporate*

sustainability report. The railroad also has invested heavily in improving the environmental performance of its locomotives, putting it ahead of all other freight railroads in meeting federal emissions standards. "We're committed," says Parks, Norfolk-based director of intermodal systems, "to protecting the quality of our environment and to helping our customers reduce their carbon footprints."

board of directors



Members of the board of directors of Norfolk Southern are (front row left to right) Michael D. Lockhart, Karen N. Horn, J. Paul Reason, Gene R. Carter, (back row left to right) Burton M. Joyce, Steven F. Leer, Landon Hilliard, Charles W. Moorman, Alston D. Correll, Gerald L. Baliles, and Daniel A. Carp.

Gerald L. Baliles, 68, of Charlottesville, Va., has been director of the Miller Center of Public Affairs at the University of Virginia since April 2006. He is a former governor and attorney general of Virginia. His board service began in 1990; his current term expires in 2011.
Committees: Executive, Finance (chairman), Governance and Nominating

Daniel A. Carp, 60, of Naples, Fla., is nonexecutive chairman of Delta Air Lines, Inc., and formerly served as chairman and chief executive officer of Eastman Kodak Company. His board service began in January 2006; his current term expires in 2009.
Committees: Audit, Compensation

Gene R. Carter, 69, of Spotsylvania, Va., is executive director and chief executive officer of the Association for Supervision and Curriculum Development, one of the world's largest international education associations. His board service began in 1992; his current term expires in 2011.
Committees: Audit (chairman), Compensation, Executive

Alston D. Correll, 67, of Atlanta, Ga., became chairman of Atlanta Equity Investors, LLC, a private equity firm, in September 2007, and is chairman emeritus of Georgia-Pacific Corporation. His board service began in 2000; his current term expires in 2010.
Committees: Compensation (chairman), Executive, Governance and Nominating

Landon Hilliard, 69, of Oyster Bay Cove, N.Y., is a partner of Brown Brothers Harriman & Co., a private bank in New York City. His board service began in 1992; his current term expires in 2010.
Committees: Executive, Finance, Governance and Nominating (chairman)

Karen N. Horn, 65, of Lyme, Conn., is partner with Brock Capital Group. Her board service began in 2008; her current term expires in 2011.
Committees: Finance, Governance and Nominating

Burton M. Joyce, 67, of South Pasadena, Fla., is former chairman of IPSCO Inc., a leading steel producer. His board service began in November 2003; his current term expires in 2010.
Committees: Audit, Compensation

Steven F. Leer, 56, of St. Louis, Mo., is chairman and chief executive officer of Arch Coal, Inc., one of the nation's largest coal producers. His board service began in 1999; his current term expires in 2009.
Committees: Finance, Governance and Nominating

Michael D. Lockhart, 59, of Lancaster, Pa., is chairman, president, and chief executive officer of Armstrong World Industries, Inc. His board service began in 2008; his current term expires in 2009.
Committees: Audit, Finance

Charles W. Moorman, 57, of Virginia Beach, Va., is chairman, president and chief executive officer of Norfolk Southern Corporation. His board service began in 2005; his current term expires in 2009.
Committee: Executive (chairman)

J. Paul Reason, 67, Admiral, USN, retired, of Washington, D.C., is a member of the Naval Studies Board at the National Academy of Sciences. His board service began in 2002; his current term expires in 2011.
Committees: Audit, Compensation

officers

Charles W. Moorman

Chairman, President
and Chief Executive Officer

Stephen C. Tobias

Vice Chairman and
Chief Operating Officer

Deborah H. Butler

Executive Vice President Planning
and Chief Information Officer

James A. Hixon

Executive Vice President Law
and Corporate Relations

Mark D. Manion

Executive Vice President Operations

John P. Rathbone

Executive Vice President Administration

Donald W. Seale

Executive Vice President
and Chief Marketing Officer

James A. Squires

Executive Vice President Finance
and Chief Financial Officer

Daniel D. Smith

Senior Vice President Energy
and Properties

Joseph C. Dimino

Vice President Audit and Compliance

Timothy J. Drake

Vice President Engineering

Cindy C. Earhart

Vice President Human Resources

Fredric M. Ehlers

Vice President Customer Service

Terry N. Evans

Vice President Operations
Planning and Budget

John H. Friedmann

Vice President Strategic Planning

William A. Galanko

Vice President Law

Tim A. Heilig

Vice President Mechanical

Robert E. Huffman

Vice President Intermodal Operations

Robert M. Kesler, Jr.

Vice President Taxation

David T. Lawson

Vice President Industrial Products

H. Craig Lewis

Vice President Corporate Affairs

Bruno Maestri

Vice President Government Relations

Robert E. Martínez

Vice President Business Development

Michael R. McClellan

Vice President Intermodal
and Automotive Marketing

Harold R. Mobley

Vice President Labor Relations

William J. Romig

Vice President and Treasurer

Marta R. Stewart

Vice President and Controller

Gerhard A. Thelen

Vice President Operations
Planning and Support

Charles J. Wehrmeister

Vice President Safety and Environmental

Thomas G. Werner

Vice President Information Technology

F. Blair Wimbush

Vice President Real Estate
and Corporate Sustainability Officer

Howard D. McFadden

Corporate Secretary

**Equal
Employment
Opportunity
Policy**

Norfolk Southern Corporation's policy is to comply with all applicable laws, regulations, and executive orders concerning equal employment opportunity and nondiscrimination and to offer employment on the basis of qualification and performance, regardless of race, religion, color, national origin, gender, age, sexual orientation, veteran status, the presence of a disability, or any other legally protected status.

stockholder

Information

Common Stock

Ticker symbol: NSC
Common stock of Norfolk Southern Corporation is listed and traded on the New York Stock Exchange.

Publications

Upon written request, the corporation's annual and quarterly reports on Forms 10-K and 10-Q will be furnished free to stockholders. Write to: Corporate Communications Department, Norfolk Southern Corporation, Three Commercial Place, Norfolk, Va. 23510-9227.

A notice and proxy statement for the annual meeting of stockholders are furnished to stockholders in advance of the meeting.

Upon request, a stockholder may receive a printed copy of the Corporate Governance Guidelines, board committee charters, Code of Ethics, and Code of Ethical Conduct for Senior Financial Officers. Contact the Corporate Secretary, Norfolk Southern Corporation, Three Commercial Place, Norfolk, Va. 23510-9219. This information also is available on the NS Web site.

Ethics & Compliance Hotline

High ethical standards always have been key to Norfolk Southern's success. Anyone who may be aware of a violation of the corporation's ethical standards or a conflict of interest, or has a concern or complaint regarding the corporation's financial reporting, accounting, internal controls or auditing matters is encouraged to report such information to the Ethics & Compliance Hotline, 800.732.9279. Reports can be made anonymously and without fear of retaliation.

Dividends

At its January 2009 meeting, the corporation's board of directors declared a quarterly dividend of 34 cents per share on its common stock, payable on March 10, 2009, to stockholders of record on Feb. 6, 2009.

Norfolk Southern Corporation usually pays quarterly dividends on its common stock on or about March 10, June 10, Sept. 10 and Dec. 10, when and if declared by the board of directors to stockholders of record. The corporation has paid 106 consecutive quarterly dividends since its inception in 1982.

Account Assistance

For assistance with lost stock certificates, transfer requirements and the Dividend Reinvestment Plan, contact:

Registrar and Transfer Agent
BNY Mellon Shareowner Services
480 Washington, Blvd., 29th Floor
Jersey City, N.J. 07310
866.272.9472

For assistance with address changes, dividend checks and direct deposit of dividends, contact:

Assistant Corporate Secretary
Stockholder Records
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Va. 23510-9219
800.531.6757

Dividend Reinvestment Plan

Stockholders whose names appear on their stock certificates (not a street or broker name) are eligible to participate in the Dividend Reinvestment Plan.

The plan provides a convenient, economical and systematic method of acquiring additional shares of the corporation's common stock by permitting eligible stockholders of record to reinvest dividends. The plan's administrator is BNY Mellon Shareowner Services.

For additional information, dial 866.272.9472.

Financial Inquiries

*James A. Squires
Executive Vice President
Finance and
Chief Financial Officer
Norfolk Southern Corp.
Three Commercial Place
Norfolk, Va. 23510-9215
757.629.2845*

Investor Inquiries

*Leanne D. Marilley
Director Investor Relations
Norfolk Southern Corp.
Three Commercial Place
Norfolk, Va. 23510-9215
757.629.2861*

Corporate Offices

*Executive Offices
Norfolk Southern Corp.
Three Commercial Place
Norfolk, Va. 23510-9227
757.629.2600*

Regional Offices

*1200 Peachtree St. N.E.
Atlanta, Ga. 30309*

*110 Franklin Road S.E.
Roanoke, Va. 24042*

Annual Meeting

May 14, 2009
10 a.m. EDT
The Kimball Theatre
428 W. Duke of Gloucester St.
Williamsburg, Va.



Mixed Sources

Product group from well-managed
forests and other controlled sources
www.fsc.org Cert no. SW-COC-002351
© 1996 Forest Stewardship Council

**Annual Report
Requests & Information**
800.531.6757

values

Safety: We put safety first by taking care of the people around us and following the rules.

Performance: We are performance driven and committed to providing quality customer service. We act on facts and are accountable for results.

Integrity: We do the right thing. We are open, fair, honest, and straightforward.

Respect: We believe in the importance of all of our stakeholders. We value the ideas and beliefs of our co-workers.

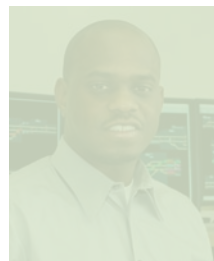
Innovation: We constantly seek new ideas and creative solutions to business challenges.

Teamwork: We believe that working together always produces the best results.



our vision

Be the safest, most customer-focused, and successful transportation company in the world.



Norfolk Southern Corporation
Three Commercial Place
Norfolk, VA 23510-9217
www.nscorp.com