

Non-GAAP Definitions

Management believes certain non-GAAP measures provide an alternative presentation of the results that more accurately reflect ongoing Company operations. These measures should be considered in addition to, not a substitute for, the reported GAAP results.

Fuel Price Adjusted Operating Expenses

Reported operating expenses minus the differential between fuel price per gallon consumed multiplied by current period fuel consumed in gallons. Management believes this is an important measure in evaluating cost changes excluding the change in fuel price, to allow the illustration of cost performance as it relates to volume changes.

Fuel Price Adjusted Operating Expenses Reconciliation to GAAP

(Dollars in Millions Except for Fuel Price per Gallon)

	Fourth Quarter 2009	Third Quarter 2009	Second Quarter 2009	First Quarter 2009
Reported Operating Expenses	\$2,752	\$2,704	\$2,552	\$2,743
Average Fuel Price per Gallon Consumed	\$2.05	\$1.87	\$1.57	\$1.51
Average Fuel Price per Gallon Consumed - First Quarter 2009	\$1.51	\$1.51	\$1.51	
Difference	\$0.54	\$0.36	\$0.06	
Fuel Consumed in Gallons (Millions)	256	242	229	
Adjusted Locomotive Fuel Expense	\$138	\$87	\$14	
Fuel Price Adjusted Operating Expenses	\$2,614	\$2,617	\$2,538	\$2,743
Sequential Change	-0.1%	3.1%	-7.5%	