

NORFOLK SOUTHERN CORP  
Form 10-Q  
April 24, 2009

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13  
OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
For the quarterly period ended **MARCH 31, 2009****

**OR**

**TRANSITION REPORT PURSUANT TO SECTION 13  
OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-8339

**NORFOLK SOUTHERN CORPORATION**

(Exact name of registrant as specified in its charter)

**Virginia**

(State or other jurisdiction of incorporation)

**52-1188014**

(IRS Employer Identification No.)

**Three Commercial Place**

**Norfolk, Virginia**

(Address of principal executive offices)

**23510-2191**

(Zip Code)

**(757) 629-2680**

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(Registrant's telephone number, including area code)

**No Change**

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if smaller reporting company)

Smaller reporting company

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

<u>Class</u>	<u>Outstanding at March 31, 2009</u>
Common Stock (\$1.00 par value per share)	367,037,849 (excluding 20,548,963 shares held by the registrant's consolidated subsidiaries)

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**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****Norfolk Southern Corporation and Subsidiaries****Consolidated Statements of Income****(Unaudited)**

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b><u>2009</u></b>	<b><u>2008</u></b>
	<i>(\$ in millions,</i>	
	<i>except earnings per share)</i>	
<b>Railway operating revenues</b>	\$ 1,943	\$ 2,500
<b>Railway operating expenses:</b>		
Compensation and benefits	639	705
Purchased services and rents	355	375
Fuel	159	404
Depreciation	207	198
Materials and other	200	240
Total railway operating expenses	1,560	1,922
<b>Income from railway operations</b>	383	578
Other income – net	17	7
Interest expense on debt	117	109

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Income before income taxes		283		476
Provision for income taxes		106		185
<b>Net income</b>		\$ 177	\$	291
<b>Per share amounts</b>				
Net income				
Basic		\$ 0.48	\$	0.77
Diluted		\$ 0.47	\$	0.76
Dividends		\$ 0.34	\$	0.29

*See accompanying notes to consolidated financial statements.*

Norfolk Southern Corporation and Subsidiaries

**Consolidated Balance Sheets****(Unaudited)**

	<b>March 31,</b>		<b>December 31,</b>
	<b><u>2009</u></b>		<b><u>2008</u></b>
	<i>(\$ in millions)</i>		
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 884	\$	618
Accounts receivable – net	831		870
Materials and supplies	191		194
Deferred income taxes	161		149
Other current assets	127		168
<b>Total current assets</b>	<b>2,194</b>		<b>1,999</b>
Investments	1,806		1,779
Properties less accumulated depreciation	22,292		22,247
Other assets	254		272
<b>Total assets</b>	<b>\$ 26,546</b>	<b>\$</b>	<b>26,297</b>
<b>Liabilities and stockholders' equity</b>			
Current liabilities:			
Accounts payable	\$ 952	\$	1,140
Income and other taxes	311		261
Other current liabilities	287		220
Current maturities of long-term debt	468		484
<b>Total current liabilities</b>	<b>2,018</b>		<b>2,105</b>



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Long-term debt	6,467	6,183
Other liabilities	1,945	2,030
Deferred income taxes	6,406	6,372
<b>Total liabilities</b>	<b>16,836</b>	<b>16,690</b>
Stockholders' equity:		
Common stock \$1.00 per share par value, 1,350,000,000 shares authorized; outstanding 367,037,849 and 366,233,106 shares, respectively, net of treasury shares	369	368
Additional paid-in capital	1,723	1,680
Accumulated other comprehensive loss	(933)	(942)
Retained income	8,551	8,501
<b>Total stockholders' equity</b>	<b>9,710</b>	<b>9,607</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 26,546</b>	<b>\$ 26,297</b>

*See accompanying notes to consolidated financial statements.*

Norfolk Southern Corporation and Subsidiaries

**Consolidated Statements of Cash Flows**

**(Unaudited)**

**Three Months Ended**

**March 31,**