

**FOR IMMEDIATE RELEASE
OCTOBER 23, 2002**

NORFOLK SOUTHERN REPORTS THIRD-QUARTER 2002 RESULTS

For the third quarter of 2002 vs. the same period of 2001:

- Net income rose 59 percent.
- Railway operating revenues increased by \$90 million, or six percent.
- Intermodal revenues reached an all-time high of \$310 million.
- The railway operating ratio improved by 3.3 percentage points.
- Earnings per share increased to \$0.32 per diluted share.

NEW YORK, N.Y. - Norfolk Southern Corporation (NYSE: NSC) today reported third-quarter net income of \$126 million, or \$0.32 per diluted share, an increase of 59 percent, compared with net income of \$79 million, or \$0.20 per diluted share, in the third quarter of 2001.

“We are encouraged with our results and another quarter of year-over-year improvement in our financial performance,” said Henry C. Wolf, Norfolk Southern vice chairman and chief financial officer. “We will continue to take steps to improve our service consistency and reliability while at the same time grow our revenue base and achieve greater productivity.”

For the first nine months, net income increased 27 percent to \$331 million, or \$0.85 per diluted share, compared with net income of \$260 million, or \$0.67 per diluted share, in the same period a year earlier. Net income during the first nine months of 2001 included an after-tax gain of \$13 million, or \$0.03 per share from the 1998 sale of a former trucking subsidiary.

Third-quarter railway operating revenues rose six percent to \$1.60 billion compared with third quarter 2001. Year-to-date railway operating revenues of \$4.69 billion were up one percent compared to the same period a year earlier.

Third-quarter general merchandise revenues of \$917 million improved six percent compared to the same period of 2001. All market groups reported increases, led by automotive and metals. For the first nine months, general merchandise revenues increased three percent to \$2.73 billion compared with the year-earlier period.

Intermodal revenues of \$310 million were the highest of any quarter in Norfolk Southern's history and climbed 11 percent compared to the third quarter of 2001. For the first nine months, intermodal revenues rose five percent to \$875 million compared with the same

period of 2001. The revenue growth reflects increases in both international and domestic business, particularly converting traffic from the highway.

Coal revenues improved one percent to \$371 million in the quarter compared to a weak third quarter of 2001 but declined six percent to \$1.08 billion in year-over-year performance.

Railway operating expenses for the quarter increased two percent to \$1.29 billion compared to the third quarter 2001 but decreased two percent to \$3.82 billion for the first nine months compared to the same period a year earlier.

For the quarter, the railway operating ratio improved 3.3 percentage points to 80.5 percent compared with 83.8 percent for the same period of 2001. For the first nine months, the operating ratio improved 2.8 percentage points to 81.4 percent compared with 84.2 percent during the same period of 2001.

Norfolk Southern Corporation is one of America's leading transportation companies. Its Norfolk Southern Railway Company subsidiary operates approximately 21,500 miles of road in 22 states, the District of Columbia and the province of Ontario, serving every major container port in the eastern United States and providing superior connections to western rail carriers. NS operates the East's most extensive intermodal network and is the nation's largest rail carrier of automotive parts and finished vehicles.

###

Media Contact: Bob Fort, Norfolk, 757-629-2710
World Wide Web Site: www.nscorp.com

Norfolk Southern Corporation and Subsidiaries
Consolidated Statements of Income
(Unaudited)
(\$ millions except per share)

	Three Months Ended Sept. 30,	
	2002	2001
Railway operating revenues:		
Coal	\$ 371	\$ 366
General merchandise	917	862
Intermodal	310	280
	-----	-----
TOTAL RAILWAY OPERATING REVENUES	1,598	1,508
	-----	-----
Railway operating expenses:		
Compensation and benefits	489	478
Materials, services and rents	386	363
Conrail rents and services	100	113
Depreciation	129	129
Diesel fuel	81	93
Casualties and other claims	57	32
Other	45	55
	-----	-----
TOTAL RAILWAY OPERATING EXPENSES	1,287	1,263
	-----	-----
Income from railway operations	311	245
Other income - net	4	16
Interest expense on debt	(126)	(137)
	-----	-----
Income before income taxes	189	124
Provision for income taxes:		
Current	(6)	--
Deferred	69	45
	-----	-----
TOTAL INCOME TAXES	63	45
	-----	-----
NET INCOME	\$ 126	\$ 79
	=====	=====
Earnings per share:		
Basic and diluted	\$ 0.32	\$ 0.20
Average shares outstanding (000's)	388,550	385,406
See notes to financial statements.		

Norfolk Southern Corporation and Subsidiaries
Consolidated Statements of Income
(Unaudited)

(\$ millions except per share)

	Nine Months Ended Sept. 30,	
	2002	2001
	-----	-----
Railway operating revenues:		
Coal	\$ 1,080	\$ 1,154
General merchandise	2,734	2,655
Intermodal	875	831
	-----	-----
TOTAL RAILWAY OPERATING REVENUES	4,689	4,640
	-----	-----
Railway operating expenses:		
Compensation and benefits	1,509	1,499
Materials, services and rents	1,089	1,112
Conrail rents and services	316	324
Depreciation	385	384
Diesel fuel	246	316
Casualties and other claims	129	109
Other	145	164
	-----	-----
TOTAL RAILWAY OPERATING EXPENSES	3,819	3,908
	-----	-----
Income from railway operations	870	732
Other income - net	40	67
Interest expense on debt	(390)	(417)
	-----	-----
Income from continuing operations before income taxes	520	382
Provision for income taxes:		
Current	50	86
Deferred	139	49
	-----	-----
TOTAL INCOME TAXES	189	135
	-----	-----
Income from continuing operations	331	247
Discontinued operations -- gain on sale of motor carrier, net of taxes (note 1)	--	13
	-----	-----
NET INCOME	\$ 331	\$ 260
	=====	=====
Earnings per share:		
Income from continuing operations, basic and diluted	\$ 0.85	\$ 0.64
Net income, basic and diluted	\$ 0.85	\$ 0.67
Average shares outstanding (000's)	387,992	384,972

See notes to financial statements.

Norfolk Southern Corporation and Subsidiaries
Consolidated Balance Sheets
(Unaudited)
(\$ millions)

	Sept. 30, 2002 ----	Dec. 31, 2001 ----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 132	\$ 204
Accounts receivable - net (note 2)	685	475
Due from Conrail	4	8
Materials and supplies	91	90
Deferred income taxes	167	162
Other current assets	65	108
	-----	-----
Total current assets	1,144	1,047
Investment in Conrail	6,190	6,161
Properties less accumulated depreciation	11,332	11,208
Other assets	1,128	1,002
	-----	-----
TOTAL ASSETS	\$ 19,794 =====	\$ 19,418 =====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 886	\$ 848
Income and other taxes	250	312
Due to Conrail	84	373
Other current liabilities	259	248
Current maturities of long-term debt	356	605
	-----	-----
Total current liabilities	1,835	2,386
Long-term debt	7,027	7,027
Other liabilities	1,057	1,089
Due to Conrail	463	--
Minority interests	45	45
Deferred income taxes	2,942	2,781
	-----	-----
TOTAL LIABILITIES	13,369 -----	13,328 -----
Stockholders' equity:		
Common stock \$1.00 per share par value	410	407
Additional paid-in capital	475	423
Accumulated other comprehensive loss	(33)	(55)
Retained income	5,593	5,335
	-----	-----
	6,445	6,110

Less treasury stock at cost, 21,169,125 shares	(20)	(20)
	-----	-----
TOTAL STOCKHOLDERS' EQUITY	6,425	6,090
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 19,794	\$ 19,418
	=====	=====

See notes to financial statements.

Norfolk Southern Corporation and Subsidiaries
Consolidated Statements of Cash Flows
(Unaudited)
(\$ millions)

	Nine Months Ended Sept. 30,	
	2002	2001
	----	----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 331	\$ 260
Reconciliation of net income to net cash provided by operating activities:		
Depreciation	395	395
Deferred income taxes	139	49
Equity in earnings of Conrail	(32)	(31)
Gains on properties and investments	(35)	(27)
Income from discontinued operations (note 1)	--	(13)
Changes in assets and liabilities affecting operations:		
Accounts receivable (note 2)	(209)	(55)
Materials and supplies	(1)	2
Other current assets and due from Conrail	75	117
Current liabilities other than debt	21	--
Other - net	(62)	(120)
	-----	-----
Net cash provided by operating activities	622	577
CASH FLOWS FROM INVESTING ACTIVITIES:		
Property additions	(517)	(594)
Property sales and other transactions	15	38
Investments, including short-term	(58)	(81)
Investment sales and other transactions	15	35
	-----	-----
Net cash used for investing activities	(545)	(602)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends	(74)	(69)
Common stock issued - net	39	14
Proceeds from borrowings	609	1,940
Debt repayments	(723)	(1,726)
	-----	-----
Net cash provided by (used for) financing activities	(149)	159

Net increase (decrease) in cash and cash equivalents	(72)	134
CASH AND CASH EQUIVALENTS:		
At beginning of year	204	--
At end of period	\$ 132	\$ 134

SUPPLEMENTAL DISCLOSURES OF CASH-FLOW INFORMATION

Cash paid during the period for:

Interest (net of amounts capitalized)	\$ 348	\$ 360
Income taxes	\$ 49	\$ 71

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS:

1. DISCONTINUED OPERATIONS -
First quarter 2001 included an additional after-tax gain of \$13 million, or 3 cents per share, related to the 1998 sale of NS' motor carrier subsidiary, North American Van Lines, Inc. This non-cash gain resulted from the expiration of certain indemnities contained in the sales agreement.
2. SALES OF ACCOUNTS RECEIVABLE -
A bankruptcy-remote special purpose subsidiary of NS sells without recourse undivided ownership interests in a pool of accounts receivable. Accounts receivable sold under this arrangement, and therefore not included in "Accounts receivable - net" on the Consolidated Balance Sheets, were \$100 million at Sept. 30, 2002, and \$300 million at Dec. 31, 2001.