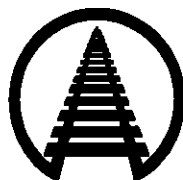
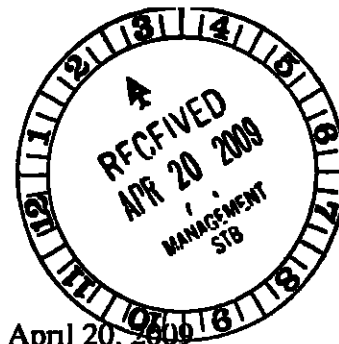


024912



ASSOCIATION
OF AMERICAN
RAILROADS

John T. Gray
Senior Vice President



April 20, 2009

Mr. Paul Aguiar
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Re: Ex Parte 558 (Sub-No. 12), Railroad Cost of Capital - 2008

Dear Mr. Aguiar:

Enclosed please find two copies of the work papers for John T. Gray and Bruce E. Stangle. A computer CD with work papers and the filing has also been included in conjunction with the above proceeding.

Sincerely,

John T. Gray

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Office of Proceedings

APR 20 2009

Part of
Public Record

BEFORE THE
SURFACE TRANSPORTATION BOARD



RAILROAD COST OF
CAPITAL - 2008

EX PARTE NO 558 (Sub- No 12)

WORK PAPERS OF
THE ASSOCIATION OF AMERICAN RAILROADS

ENTERED
Office of Proceedings
APR 20 2009
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Public Record

Bruce E Stangle
Chairman
Analysis Group, Inc

April 20, 2009

WORK PAPERS FOR EX PARTE NO. 558 (Sub-No. 12)

CONTENTS

3-Stage DCF.. .. .	Part 1
Thomson Financial Glossary	Part 2
Thomson IBES Growth Rates	Part 3
10-K Reports.	Part 4

Company	Market Capitalization	Weight	COE
HNI	\$ 20,415	0.32	16.32%
CSX	\$ 10,321	0.16	16.79%
NSC	\$ 12,368	0.19	19.75%
UNP	\$ 20,686	0.32	13.95%

Industry COE:

16.29%

[illegible]

Average Cash Flow Calculation for Burlington Northern Santa Fe Corporation (BNI) in 2008

(\$ in Millions)	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Calculations</u>
Net Income	[1]	[2]	[3]	[4]	[5]	[A]
<i>Extraordinary Items</i>						
Cumulative Effect of Accounting Change	\$ -	\$ -	\$ -	\$ -	\$ -	[B]
Discontinued Operations, Net of Tax	\$ -	\$ -	\$ -	\$ -	\$ -	[C]
Extraordinary Gains or Losses	\$ -	\$ -	\$ -	\$ -	\$ -	[D]
Income Before Extraordinary Items (IBI)	\$ 791	\$ 1,531	\$ 1,887	\$ 1,829	\$ 2,115	[A] - [B] - [C] - [D] - [E]
Capital expenditures	\$ 1,527	\$ 1,750	\$ 2,014	\$ 2,248	\$ 2,175	[F]
Depreciation	\$ 1,012	\$ 1,075	\$ 1,130	\$ 1,203	\$ 1,397	[G]
Deferred taxes	\$ 237	\$ 217	\$ 314	\$ 280	\$ 417	[H]
Cash Flow to Equity (CF)	\$ 513	\$ 1,073	\$ 1,317	\$ 1,154	\$ 1,751	[F] - [F] + [G] + [H] - [I]
Sales	\$ 10,046	\$ 12,987	\$ 11,985	\$ 15,802	\$ 18,018	[J]
Average C.F. % of Sales	7.99%					$\sum [I] / \sum [J] \quad [K]$
2008 Average CF	\$ 1,439					$[I]_{2008} * [K] - [I]$
2008 Average IBI	\$ 2,020					$\sum [I] / \sum [J] * [J]_{2008} - [M]$

Sources

- [1] Burlington Northern Santa Fe Corporation, Annual Report (Form 10-K), at 55-57 (Feb 15, 2005)
- [2] Burlington Northern Santa Fe Corporation, Annual Report (Form 10-K), at 58-60 (Feb 17, 2006)
- [3] Burlington Northern Santa Fe Corporation, Annual Report (Form 10-K), at 56-58 (Feb 16, 2007)
- [4] Burlington Northern Santa Fe Corporation, Annual Report (Form 10-K), at 40-42 (Feb 15, 2008)
- [5] Burlington Northern Santa Fe Corporation, Annual Report (Form 10-K), at 39-41 (Feb 13, 2009)

Average Cash Flow Calculation for CSX Corporation (CSX) in 2008

(\$ in Millions)	2004	2005	2006	2007	2008	Calculations
	[1]	[2]	[3]	[4]	[5]	
Net Income	\$ 339	\$ 1,145	\$ 1,310	\$ 1,336	\$ 1,365	[A]
<i>Extraordinary Items</i>						
Cumulative Effect of Accounting Change, Net of Tax	\$ -	\$ -	\$ -	\$ -	\$ -	[B]
Discontinued Operations, Net of Tax	\$ (79)	\$ 425	\$ -	\$ 110	\$ -	[C]
Extraordinary Gains or Losses	\$ -	\$ -	\$ -	\$ -	\$ -	[D]
Income Before Extraordinary Items (IBEI)	\$ 418	\$ 720	\$ 1,310	\$ 1,226	\$ 1,365	[A] - [B] - [C] - [D] = [E]
Capital Expenditures	\$ 1,030	\$ 1,136	\$ 1,639	\$ 1,773	\$ 1,740	[F]
Depreciation	\$ 730	\$ 833	\$ 867	\$ 890	\$ 918	[G]
Deferred Taxes	\$ 240	\$ (46)	\$ 42	\$ 272	\$ 435	[H]
Cash Flow to Equity (CF)	\$ 358	\$ 371	\$ 580	\$ 615	\$ 978	[E] - [F] + [G] + [H] = [I]
Sales	\$ 8,020	\$ 8,618	\$ 9,566	\$ 10,030	\$ 11,255	[J]
Average CF, % of Sales	6.11%					$\Sigma [I] / \Sigma [J] = [K]$
2008 Average CI	\$ 688					$[I]_{2008} * [K] = [L]$
2008 Average IBEI	\$ 1,194					$\Sigma [E] / \Sigma [J] * [J]_{2008} = [M]$

Sources

- [1] CSX Corporation, Annual Report (Form 10-K), at 46-48 (Mar. 8, 2005)
- [2] CSX Corporation, Annual Report (Form 10-K), at 51-53 (Feb. 24, 2006)
- [3] CSX Corporation, Annual Report (Form 10-K), at 51-53 (Feb. 15, 2007)
- [4] CSX Corporation, Annual Report (Form 10-K), at 64-66 (Feb. 22, 2008)
- [5] CSX Corporation, Annual Report (Form 10-K), at 66-68 (Feb. 19, 2009)

Average Cash Flow Calculation for Norfolk Southern Corporation (NSC) in 2008

(\$ in Millions)	2004	2005	2006	2007	2008	Calculations
	[1]	[2]	[3]	[4]	[5]	
Net Income	\$ 923	\$ 1,281	\$ 1,481	\$ 1,464	\$ 1,716	[A]
<i>Extraordinary Items</i>						
Cumulative Effect of Accounting Change, Net of Tax	\$ -	\$ -	\$ -	\$ -	\$ -	[B]
Discontinued Operations, Net of Tax	\$ -	\$ -	\$ -	\$ -	\$ -	[C]
Extraordinary Gains or Losses	\$ -	\$ -	\$ -	\$ -	\$ -	[D]
Income Before Extraordinary Items (IBEI)	\$ 923	\$ 1,281	\$ 1,481	\$ 1,464	\$ 1,716	[A] - [B] - [C] - [D] - [E]
Capital Expenditures	\$ 1,041	\$ 1,025	\$ 1,178	\$ 1,341	\$ 1,558	[F]
Depreciation	\$ 609	\$ 787	\$ 750	\$ 786	\$ 815	[G]
Deferred Taxes	\$ 200	\$ 80	\$ (8)	\$ 125	\$ 290	[H]
Cash Flow to Equity (CF)	\$ 691	\$ 1,123	\$ 1,045	\$ 1,034	\$ 1,263	[E] - [F] + [G] + [H] - [I]
Sales	\$ 7,312	\$ 8,527	\$ 9,407	\$ 9,432	\$ 10,661	[J]
Average CF, % of Sales	11.37%					$\sum [I] / \sum [J] = [K]$
2008 Average CF	\$ 1,212					$[J]_{2008} * [K] - [L]$
2008 Average IBEI	\$ 1,614					$\sum [F] / \sum [J] * [J]_{2008} = [M]$

Sources

- [1] Norfolk Southern Corporation, Annual Report (Form 10-K) (Mar. 2, 2005)
- [2] Norfolk Southern Corporation, Annual Report (Form 10-K) (Feb. 23, 2006)
- [3] Norfolk Southern Corporation, Annual Report (Form 10-K) (Feb. 22, 2007)
- [4] Norfolk Southern Corporation, Annual Report (Form 10-K) (Feb. 15, 2008)
- [5] Norfolk Southern Corporation, Annual Report (Form 10-K) (Feb. 18, 2009)

Average Cash Flow Calculation for Union Pacific Corporation (UNP) in 2008

(S in Millions)	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Calculations</u>
	[1]	[2]	[3]	[4]	[5]	
Net Income	\$ 604	\$ 1,026	\$ 1,606	\$ 1,855	\$ 2,338	[A]
<i>Extraordinary Items</i>						
Cumulative Effect of Accounting Change, Net of Tax	\$ -	\$ -	\$ -	\$ -	\$ -	[B]
Discontinued Operations, Net of Tax	\$ -	\$ -	\$ -	\$ -	\$ -	[C]
Extraordinary Gains or Losses	\$ -	\$ -	\$ -	\$ -	\$ -	[D]
Income Before Extraordinary Items (IBEI)	\$ 604	\$ 1,026	\$ 1,606	\$ 1,855	\$ 2,338	[A] - [B] - [C] - [D] = [E]
Capital Expenditures	\$ 1,876	\$ 2,169	\$ 2,242	\$ 2,496	\$ 2,780	[F]
Depreciation	\$ 1,111	\$ 1,175	\$ 1,237	\$ 1,321	\$ 1,387	[G]
Deferred Taxes	\$ 359	\$ 320	\$ 235	\$ 332	\$ 547	[H]
Cash Flow to Equity (CF)	\$ 198	\$ 352	\$ 836	\$ 1,012	\$ 1,492	[E] - [F] + [G] + [H] = [I]
Sales	\$ 12,215	\$ 13,578	\$ 15,578	\$ 16,283	\$ 17,970	[J]
Average CF, % of Sales	\$ 14%					$\sum [I] / \sum [J] = [K]$
2008 Average CF	\$ 924					$[J]_{2008} * [K] = [L]$
2008 Average IBEI	\$ 1,765					$\sum [E] / \sum [J] * [J]_{2008} = [M]$

Sources

- [1] Union Pacific Corporation, Annual Report (Form 10-K), at 38-40 (Feb 25, 2005)
- [2] Union Pacific Corporation, Annual Report (Form 10-K), at 45-47 (Feb 24, 2006)
- [3] Union Pacific Corporation, Annual Report (Form 10-K), at 44-46 (Feb 23, 2007)
- [4] Union Pacific Corporation, Annual Report (Form 10-K), at 48-50 (Feb 28, 2008)
- [5] Union Pacific Corporation, Annual Report (Form 10-K), at 55-57 (Feb 6, 2009)

I/B/F/S EPS Long-Term Growth Estimates (percent)
Market Capitalization (\$, millions)
March 31, 2009

Ticker	Contributing Broker				U/S	Median LTG Estimate (percent)	Market Capitalization (\$, millions)
	BAS-MIL	BR&T Capital Markets	Macquarie Research Equities	Morgan, Keegan & Company, Inc.			
BNI	14.0	7.2	2.0	12.0	10.0	10.0	\$ 20,415
C SX	15.0	5.2	-2.9	10.0	13.0	10.0	\$ 10,321
NSC	15.0	9.9	-3.9	12.0	10.0	10.0	\$ 12,368
UNP	10.0	10.2	-2.3	15.0	20.0	10.2	\$ 20,686

Sources and Notes

IBES Data are from Thomson One for Investment Management

Market Capitalization data are from Thomson One Banker

Market Capitalization data are calculated using [shares outstanding] * [share price] as of the above date

Shares outstanding data are from Forms 10-K for the fiscal year ended December 31, 2008

A Guide to Understanding Thomson Financial
Terms and Conventions for the
First Call and I/B/E/S Estimates Databases

Thomson Financial

Glossary

2004

THOMSON
★

Introduction

About Thomson Financial

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Unmatched Global Estimates Coverage

Thomson Financial Global Estimates, consisting of First Call and I/B/E/S content, provide quality and timely analyst estimates for more than 20 forecast measures including EPS, revenue, price targets, EBITDA and pre-tax profits—available on both consensus and detailed levels, covering companies in more than 60 countries. Our impressive list of contributors includes leading brokerage firms and independent sources worldwide. Use Thomson First Call real-time research notes and full-text documents in conjunction with the estimate databases to add context to analysts' forecasts.

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Thomson I/B/E/S History: Use the past as a window to the future. I/B/E/S History is the world's most comprehensive expectations database and is ideal for research and backtesting of investment theories and proprietary models. Access historical information on 40,000 companies worldwide, dating back to 1976 for U.S. coverage and 1987 for international coverage. The database is free from survivorship bias, including all companies ever covered in the I/B/E/S database.

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Thomson ONE™ Analytics: the real-time, integrated analytical workflow solution for institutional investors, offering world-class content – in context – combined with powerful analytical tools and intelligent navigation. Thomson ONE Analytics enables you to monitor markets, portfolios and securities, identify and analyze investment opportunities, and communicate your findings. Leverage your in-house proprietary content by integrating it with real-time, global content from Thomson Financial—such as First Call, I/B/E/S, Worldscope, Datastream and PORTIA –and select third-party sources. If you prefer to work in a Microsoft® Excel environment, use the powerful add-in to dynamically access the Thomson ONE Analytics content in your Excel files.

Thomson Datastream Advance: Conduct static and time-series analysis of companies, markets and securities using the comprehensive and internationally renowned Thomson Datastream databases and sophisticated functionality available on Advance and Advance for Office. Features include Flexible Charting Functionality, Tearsheet Analysis, Customized Lists, Functions and Expressions Library, and Integration with Microsoft Office.

Thomson Vestek: Thomson Vestek delivers advanced portfolio analytic capabilities and comprehensive global data for developing strategies, constructing portfolios, evaluating risk and return, and analyzing the impact of global investment decisions. And, for fund marketing activities, Vestek's automated analytic publishing provides accurate, high-quality materials to support education, reporting, advice and sales activities.

Thomson Baseline: Thomson Baseline is the interactive application that presents complex financial information in a visually revealing graphical framework, delivering instant insight into the strengths and weaknesses of North American stocks and portfolios. Thomson Baseline combines unique presentation capabilities and integrated world-class content with robust analytical tools, giving investment managers the tools they need to drive investment decisions and communications.

Interim Period Indicator

Indicates the periodicity of interim data. A "Q" indicates forecast and reported interim data is quarterly and an "S" indicates that the data is Semi-Annual. The majority of quarterly forecasts are provided in the US, Canada and Mexico while the majority of semiannual forecasts are available in Japan.

ISO Display Country Code

A two character ISO (International Standards Organization) country identifier which indicates where a company is domiciled.

Local Government Interest Rate

The current government long term bond yield in a company's home market. Thomson Financial uses a generic 10-year Bond yield. One current exception is Singapore where the generic yield calculation is based on a 7-year bond.

Local Government Interest Rate Date

The date the local government interest rate was updated on the database. Where available updates occur on a weekly basis with refreshed data available on Friday mornings.

Local Identifier

The identifier (official ticker or home market code) assigned by the primary exchange on which a stock trades in its home market. In the US the first four characters of the ticker are provided (many NASDAQ companies have five or six character tickers). For most non-US markets exchange codes are provided as the Local Identifier.

Local Interest Rate – Short Description

An abbreviated description of the instrument used to determine the long-term bond rate. For example, Japan 10-Year Government Bonds are represented as "JPN 10yr Gvt Bnd".

Local Interest Rate – Long Description

The complete name of the instrument used to determine the long-term bond rate. For example, Japan Government Bonds - 10 Year.

Long Term Growth Forecast (LTG)

Long Term Growth Forecasts are received directly from contributing analysts; they are not calculated by Thomson Financial. While different analysts apply different methodologies, the Long Term Growth Forecast generally represents an expected annual increase in operating earnings over the company's next full business cycle. In general, these forecasts refer to a period of between three to five years. Due to the variance in methodologies for Long Term Growth calculations, Thomson Financial recommends (and uses as its default display) the median value for Long Term Growth Forecast as opposed to the mean value. The median value (defined as the middle value in a defined set of values) is less affected by outlier forecasts.

Detail Estimates - Period Summary

Measure*

Period

EPS

Long Term Growth

Create filtered mean from the last 200 days

BURLINGTON NORTHERN SANTA FE CORPORATION (USD - All units in millions except for per share data)

[View Analyst Coverage](#)

EPS

Important Notices

NA

Estimate Summary

	Ests	Mean	Hi	Low
Real Time.	3	9.73	12.00	7.20
Filtered/Preliminary Mean**	3	9.73	12.00	7.20
30 Day Ago Mean	3	9.73	12.00	7.20

* Only selected brokers below are included in the filtered mean

Guidance

	Issuance Date	Guidance	Est At Annc
Current	NA	NA	NA
Previous	NA	NA	NA

Surprise Summary

	03/2008Q	06/2008Q	09/2008Q	12/2008Q	12/2008A
Reported	1.30	1.34	1.91	1.79	6.34
Surprise Mean	1.22	1.30	1.69	1.74	6.27
Surprise (%)	6.25	2.89	13.14	2.70	1.10

Estimate Detail

**Filter	Broker▲	Analyst	Current	Date	Prior	Date	Review
☐	BAS-ML	HOEXTER K	14.00 ↑	Nov 17, 04	10.00	Jan 23, 02	Mar 27, 09
☒	BB&T CAPITAL MARKETS	BARNES J	7.20 ↓	Jan 22, 09	18.50	Dec 17, 08	Jan 22, 09
☐	MACQUARIE RESEARCH EQUITIES	VERNON A	2.00 ↓	Feb 23, 09	6.20	Feb 05, 09	Apr 01, 09
☒	MORGAN, KEEGAN & COMPANY, INC.	HATFIELD A	12.00	May 18, 07	NA	NA	Mar 30, 09
☒	UBS (US)	PATERSON R	10.00 ↓	Oct 31, 07	15.00	Jul 26, 06	Mar 31, 09

Permission Denied Contributors in gray are excluded from the Mean calculation

Detail Estimates - Period Summary

Measure

Period

EPS  Long Term Growth ☐ Create filtered mean from the last 200 days 

CSX CORPORATION (USD - All units in millions except for per share data)

EPS

[View Analyst Coverage](#)

Important Notices					
NA					
Estimate Summary					
	Ests	Mean	Hi	Low	
Real Time	4	6.33	13.00	-2.90	
Filtered/Preliminary Mean**	4	6.33	13.00	-2.90	
30 Day Ago Mean	4	7.08	13.00	-2.90	

* Only selected brokers below are included in the filtered mean

Guidance					
	Issuance Date		Guidance		Est At Ann
Current	NA		NA		NA
Previous	NA		NA		NA
Surprise Summary					
	03/2008Q	06/2008Q	09/2008Q	12/2008Q	12/2008A
Reported	0.80	0.89	0.94	0.90	3.52
Surprise Mean	0.75	0.89	0.93	0.91	3.54
Surprise (%)	7.11	-0.31	0.99	-0.69	-0.49

Estimate Detail

** Filter	Broker	Analyst	Current	Date	Prior	Date	Review
☒	BAS-ML	HOEXTER, K	15.00 ↑	Jul 16, 08	12.00	Sep 13, 02	Mar 27, 09
☒	BB&T CAPITAL MARKETS	BARNES, J	5.20 ↓	Mar 24, 09	8.20	Jan 22, 09	Mar 24, 09
☒	MACQUARIE RESEARCH EQUITIES	VERNON, A	-2.90 ↓	Feb 26, 09	3.90	Feb 12, 09	Apr 06, 09
☒	MORGAN, KEEGAN & COMPANY, INC.	HATFIELD, A	10.00	May 18, 07	NA	NA	Mar 30, 09
☒	UBS (US)	PATERSON, R	13.00 ↓	Mar 02, 09	20.00	Mar 18, 08	Mar 30, 09

Permission Denied Contributors in gray are excluded from the Mean calculation

Detail Estimates - Period Summary

Measure Period ☐ Create filtered mean from the last days ☒

NORFOLK SOUTHERN CORPORATION (USD - All units in millions except for per share data) [View Analyst Coverage](#)

EPS

Important Notices				
NA				
Estimate Summary				
	Ests	Mean	HI	Low
Real Time	3	10.63	12.00	9.90
Filtered/Preliminary Mean**	3	10.63	12.00	9.90
30 Day Ago Mean*	3	10.63	12.00	9.90
* Only selected brokers below are included in the filtered mean				

Guidance				
	Issuance Date	Guidance	Est At Ann	
Current	NA	NA	NA	NA
Previous	NA	NA	NA	NA
Surprise Summary				
	03/2008Q	06/2008Q	09/2008Q	12/2008Q
Reported	0.78	1.18	1.37	1.21
Surprise Mean	0.78	1.05	1.21	1.18
Surprise (%)	0.65	12.56	13.40	2.64
				0.79

Estimate Detail

** Filter	Broker**	Analyst	Current	Date	Prior	Date	Review
☐	BAS-ML	HOEXTER K	15.00	Sep 13, 02	NA	NA	Mar 27, 09
☒	BB&T CAPITAL MARKETS	BARNES J	9.90 ↓	Jan 29, 09	10.00	Dec 17, 08	Jan 29, 09
☐	MACQUARIE RESEARCH EQUITIES	VERNON A	-3.90 ↓	Mar 02, 09	0.50	Feb 12, 09	Apr 06, 09
☒	MORGAN, KEEGAN & COMPANY, INC.	HATFIELD A	12.00	May 18, 07	NA	NA	Mar 30, 09
☒	UBS (US)	PATERSON R	10.00 ↓	Apr 21, 08	15.00	Oct 21, 04	Mar 31, 09

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UNION PACIFIC CORP - UNP (Share Basis: Diluted/Currency: USD) / UNITED STATES OF AMERICA

Detail Estimates - Period Summary

Measure
Period:

Long Term Growth

☐ Create filtered mean from the last days

UNION PACIFIC CORPORATION (USD - All units in millions except for per share data)

SP3

[View Analyst Coverage](#)

Important Notices				
NA				
Estimate Summary				
	Ests	Mean	Hi	Low
Real Time*	5	10.58	20.00	-2.30
Filtered/Preliminary Mean**	5	10.58	20.00	-2.30
30 Day Ago Mean	5	12.04	20.00	1.00
* Only selected brokers below are included in the filtered mean				

Guidance	Issuance Date	Guidance	Est At Ann
Current	NA	NA	NA
Previous	NA	NA	NA

Surprise Summary						
	03/2008Q	06/2008Q	09/2008Q	12/2008Q	12/2008A	
Reported	0.85	1.02	1.38	1.31	4.54	
Surprise Mean	0.81	0.92	1.30	1.23	4.50	
Surprise (%)	5.44	11.48	6.05	6.40	0.96	

Estimate Detail

Filter	Broker	Analyst	Current	Date	Preliminary	View	Normal	Date	Review
☒	BAE ML	HOEXTER K	10.00 ↓	Sep 13, 02	15.00			Oct 15, 01	Mar 27, 09
☒	BB&T CAPITAL MARKETS	BARNES J	10.20 ↓	Mar 24, 09	14.20			Jan 23, 09	Mar 24, 09
☒	MACQUARIE RESEARCH EQUITIES	VERNON A	-2 30 ↓	Mar 26, 09	1.00			Mar 02, 09	Apr 06, 09
☒	MORGAN, KEEGAN & COMPANY, INC.	HATFIELD A	15 00	May 18, 07	NA			NA	Mar 30, 09
☒	UBS (US)	PATERSON R	20 00 ↑	Oct 19, 07	15 00			Jan 18, 07	Mar 31, 09

Permission Denied Contributors in gray are excluded from the Mean calculation

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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

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: 1-11535

Burlington Northern Santa Fe Corporation

Exact name of registrant as specified in its charter

Delaware
State of Incorporation

41-1804964
IRS Employer Identification No.

2650 Lou Menk Drive
Fort Worth, Texas 76131-2830
Address of principal executive offices including zip code

(800) 795-2673
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, \$0.01 par value

Name of each exchange on which registered
**New York Stock Exchange
Chicago Stock Exchange
Pacific Exchange**

Securities registered pursuant to Section 12(g) of the Act:
None

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 requirement for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes ☒ No ☐

Table of Contents

Burlington Northern Santa Fe Corporation and Subsidiaries

Consolidated Statements of Income

Dollars in millions, except per share data

Year Ended December 31,

	2004	2003	2002
Revenues	\$10,946	\$9,413	\$8,979
Operating expenses			
Compensation and benefits	3,322	2,963	2,894
Purchased services	1,424	1,252	1,146
Depreciation and amortization	1,012	910	931
Equipment rents	790	705	698
Fuel	1,335	1,093	848
Materials and other	1,377	825	806
Total operating expenses	9,260	7,748	7,323
Operating income	1,686	1,665	1,656
Interest expense	409	420	428
Other expense, net	4	14	12
Income before income taxes and cumulative effect of accounting change	1,273	1,231	1,216
Income tax expense	482	454	456
Income before cumulative effect of accounting change	791	777	760
Cumulative effect of accounting change, net of tax	—	39	—
Net income	\$ 791	\$ 816	\$ 760
Earnings per share			
Basic earnings per share (before cumulative effect of accounting change)	\$ 2.14	\$ 2.10	\$ 2.01
Basic earnings per share (after cumulative effect of accounting change)	\$ 2.14	\$ 2.21	\$ 2.01
Diluted earnings per share (before cumulative effect of accounting change)	\$ 2.10	\$ 2.09	\$ 2.00
Diluted earnings per share (after cumulative effect of accounting change)	\$ 2.10	\$ 2.19	\$ 2.00
Average shares (in millions)			
Basic	370.0	369.1	378.0
Dilutive effect of stock awards	6.6	3.2	2.8
Diluted	376.6	372.3	380.8

See accompanying Notes to Consolidated Financial Statements

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BURLINGTON NORTHERN SANTA FE CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

Dollars in millions, shares in thousands

December 31,

	2004	2003
Assets		
Current assets		
Cash and cash equivalents	\$ 322	\$ 18
Accounts receivable, net	181	137
Materials and supplies	339	266
Current portion of deferred income taxes	308	292
Other current assets	465	157
Total current assets	1,615	870
Property and equipment, net	25,814	25,068
Other assets	1,496	1,009
Total assets	\$28,925	\$26,947
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable and other current liabilities	\$ 2,251	\$ 2,110
Long-term debt due within one year	465	244
Total current liabilities	2,716	2,354
Long-term debt and commercial paper	6,051	6,440
Deferred income taxes	7,820	7,481
Casualty and environmental liabilities	941	462
Minimum pension liability	353	359
Employee separation costs	124	144
Other liabilities	1,609	1,212
Total liabilities	19,614	18,452
Commitments and contingencies (see Notes 3, 9 and 10)		
Stockholders' equity		
Common stock, \$0.01 par value 600,000 shares authorized, 517,275 shares and 500,685 shares issued, respectively	5	5
Additional paid-in capital	6,299	5,766
Retained earnings	6,792	6,240
Treasury stock, at cost, 140,463 shares and 129,225 shares, respectively	(3,741)	(3,340)
Unearned compensation	(43)	(36)
Accumulated other comprehensive income (loss)	(1)	(140)
Total stockholders' equity	9,311	8,495
Total liabilities and stockholders' equity	\$28,925	\$26,947

See accompanying Notes to Consolidated Financial Statements

Table of Contents**BURLINGTON NORTHERN SANTA FE CORPORATION AND SUBSIDIARIES****Consolidated Statements of Cash Flows**

Dollars in millions

Year Ended December 31

	2004	2003	2002
Operating activities			
Net income	\$ 791	\$ 816	\$ 760
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	1,012	910	931
Deferred income taxes	123	460	432
Employee separation costs paid	(33)	(43)	(55)
Cumulative effect of accounting change, net of tax	—	(39)	—
Long-term Casualty and environmental liabilities, net	477	20	32
Other, net	(84)	28	(41)
Changes in current assets and liabilities			
Accounts receivable, net	(40)	4	31
Materials and supplies	(73)	(39)	(25)
Other current assets	(144)	5	(28)
Accounts payable and other current liabilities	234	163	69
Net cash provided by operating activities	2,377	2,285	2,106
Investing activities			
Capital expenditures	(1,527)	(1,726)	(1,358)
Other, net	(68)	(80)	(159)
Net cash used for investing activities	(1,595)	(1,806)	(1,517)
Financing activities			
Net decrease in commercial paper and bank borrowings	(242)	(77)	(96)
Proceeds from issuance of long-term debt	250	265	300
Payments on long-term debt	(300)	(339)	(294)
Dividends paid	(231)	(191)	(183)
Proceeds from stock options exercised	420	68	40
Purchase of BNSF common stock	(376)	(217)	(353)
Other, net	1	2	(1)
Net cash used for financing activities	(478)	(489)	(587)
Increase (decrease) in cash and cash equivalents	304	(10)	2
Cash and cash equivalents			
Beginning of year	18	28	26
End of year	\$ 322	\$ 18	\$ 28
Supplemental cash flow information			
Interest paid, net of amounts capitalized	\$ 476	\$ 458	\$ 463
Income taxes paid, net of refunds	\$ 159	\$ 26	\$ 55
Non-cash financing	\$ 104	\$ 24	\$ 166

See accompanying Notes to Consolidated Financial Statements

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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

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: 1-11535

Burlington Northern Santa Fe Corporation

Exact name of registrant as specified in its charter

Delaware
State of Incorporation

41-1804964
I.R.S. Employer Identification No.

2650 Lou Menk Drive
Fort Worth, Texas 76131-2830
Address of principal executive offices, including zip code

(800) 795-2673
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$0.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act: Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act: Yes ☐ No ☒

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 requirement for the past 90 days: Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filings pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K: ☒

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Act):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act): Yes ☐ No ☒

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Burlington Northern Santa Fe Corporation and Subsidiaries

Consolidated Statements of Income

Dollars in millions, except per share data

Year Ended December 31.

	2005	2004	2003
Revenues	\$12,987	\$10,946	\$9,413
Operating expenses			
Compensation and benefits	3,515	3,322	2,963
Fuel	1,959	1,335	1,093
Purchased services	1,714	1,424	1,252
Depreciation and amortization	1,075	1,012	910
Equipment rents	886	790	705
Materials and other	916	1,377	825
Total operating expenses	10,065	9,260	7,748
Operating income	2,922	1,686	1,665
Interest expense	437	409	420
Other expense, net	37	4	14
Income before income taxes and cumulative effect of accounting change	2,448	1,273	1,231
Income tax expense	917	482	454
Income before cumulative effect of accounting change	1,531	791	777
Cumulative effect of accounting change, net of tax	—	—	39
Net income	\$ 1,531	\$ 791	\$ 816
Earnings per share			
Basic earnings per share (before cumulative effect of accounting change)	\$ 4.12	\$ 2.14	\$ 2.10
Basic earnings per share (after cumulative effect of accounting change)	\$ 4.12	\$ 2.14	\$ 2.21
Diluted earnings per share (before cumulative effect of accounting change)	\$ 4.01	\$ 2.10	\$ 2.09
Diluted earnings per share (after cumulative effect of accounting change)	\$ 4.01	\$ 2.10	\$ 2.19
Average shares (in millions)			
Basic	371.8	370.0	369.1
Dilutive effect of stock awards	10.0	6.6	3.2
Diluted	381.8	376.6	372.3

See accompanying Notes to Consolidated Financial Statements

Table of Contents

BURLINGTON NORTHERN SANTA FE CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

Dollars in millions, shares in thousands

December 31,

Assets

Current assets

Cash and cash equivalents

Accounts receivable, net

Materials and supplies

Current portion of deferred income taxes

Current portion of fuel-hedging asset

Other current assets

Total current assets

Property and equipment, net

Other assets

Total assets

Liabilities and stockholders' equity

Current liabilities

Accounts payable and other current liabilities

Long-term debt due within one year

Total current liabilities

Long-term debt and commercial paper

Deferred income taxes

Casualty and environmental liabilities

Minimum pension liability

Employee separation costs

Other liabilities

Total liabilities

Commitments and contingencies (see Notes 3, 9 and 10)

Stockholders' equity

Common stock, \$0.01 par value 600,000 shares authorized, 527,289 shares and 517,275 shares issued, respectively

Additional paid-in-capital

Retained earnings

Treasury stock, at cost, 155,718 shares and 140,463 shares, respectively

Prepaid forward repurchase of treasury stock

Unearned compensation

Accumulated other comprehensive income (loss)

Total stockholders' equity

Total liabilities and stockholders' equity

2005

2004

\$ 75 \$ 322
678 181
396 339
218 308
303 264
210 201

1,880 1,615

26,551 25,814
1,873 1,496

\$30,304 \$28,925

\$ 2,773 \$ 2,251
456 465

3,229 2,716

6,698 6,051

7,916 7,820

878 941

417 353

107 124

1,551 1,609

20,796 19,614

5 5

6,702 6,299

8,045 6,792

(4,569) (3,741)

(600) —

(22) (43)

(53) (1)

9,508 9,311

\$30,304 \$28,925

See accompanying Notes to Consolidated Financial Statements

Table of Contents

BURLINGTON NORTHERN SANTA FE CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

Dollars in millions

Year Ended December 31,

	2005	2004	2003
Operating activities			
Net income	\$ 1,531	\$ 791	\$ 816
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	1,075	1,012	910
Deferred income taxes	217	237	460
Employee separation costs paid	(30)	(33)	(43)
Cumulative effect of accounting change, net of tax	—	—	(39)
Long-term casualty and environmental liabilities, net	(71)	477	20
Other, net	(54)	(84)	28
Changes in current assets and liabilities			
Accounts receivable, net	(138)	(65)	(27)
Change in accounts receivable sales program	(350)	25	31
Materials and supplies	(57)	(73)	(39)
Other current assets	(5)	(144)	5
Accounts payable and other current liabilities	491	234	163
Net cash provided by operating activities	2,609	2,377	2,285
Investing activities			
Capital expenditures	(1,750)	(1,527)	(1,726)
Other, net	(273)	(68)	(80)
Net cash used for investing activities	(2,023)	(1,595)	(1,806)
Financing activities			
Net increase (decrease) in commercial paper and bank borrowings	563	(242)	(77)
Proceeds from issuance of long-term debt	500	250	265
Payments on long-term debt	(464)	(300)	(339)
Dividends paid	(267)	(231)	(191)
Proceeds from stock options exercised	244	420	68
Purchase of BNSF common stock	(799)	(376)	(217)
Prepaid forward repurchase of treasury stock	(600)	—	—
Other, net	(10)	1	2
Net cash used for financing activities	(833)	(478)	(489)
Increase (decrease) in cash and cash equivalents	(247)	304	(10)
Cash and cash equivalents			
Beginning of year	322	18	28
End of year	\$ 75	\$ 322	\$ 18
Supplemental cash flow information			
Interest paid, net of amounts capitalized	\$ 427	\$ 476	\$ 458
Income taxes paid, net of refunds	\$ 545	\$ 159	\$ 26
Non-cash asset financing	\$ 68	\$ 104	\$ 24

See accompanying Notes to Consolidated Financial Statements

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

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006**

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: 1-11535

Burlington Northern Santa Fe Corporation

Exact name of registrant as specified in its charter

Delaware
State of Incorporation

41-1804964
IRS Employer Identification No.

2650 Lou Menk Drive
Fort Worth, Texas 76131-2830
Address of principal executive offices, including zip code

(800) 795-2673
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange on which registered

Common Stock, \$0.01 par value

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act: **Yes** ☒ **No** ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act: **Yes** ☐ **No** ☒

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 requirement for the past 90 days: **Yes** ☒ **No** ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K: ☐

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Act):

Large accelerated filer ☒ **Accelerated filer** ☐ **Non-accelerated filer** ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act): **Yes** ☐ **No** ☒

The aggregate market value of the voting stock held by non-affiliates of the registrant was approximately \$28.419 billion on June 30, 2006. For purposes of this calculation only, the registrant has excluded stock beneficially owned by directors and officers. By doing so, the registrant does not

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BURLINGTON NORTHERN SANTA FE CORPORATION AND SUBSIDIARIES

Consolidated Statements of Income

In millions, except per share data

Year ended December 31.

	2006	2005	2004
Revenues	\$14,985	\$12,987	\$10,946
Operating expenses			
Compensation and benefits	3,816	3,515	3,322
Fuel	2,734	1,959	1,335
Purchased services	1,906	1,713	1,424
Depreciation and amortization	1,130	1,075	1,012
Equipment rents	930	886	790
Materials and other	952	917	1,377
Total operating expenses	11,468	10,065	9,260
Operating income	3,517	2,922	1,686
Interest expense	485	437	409
Other expense, net	40	37	4
Income before income taxes	2,992	2,448	1,273
Income tax expense	1,105	917	482
Net income	\$ 1,887	\$ 1,531	\$ 791
Earnings per share			
Basic earnings per share	\$ 5.23	\$ 4.12	\$ 2.14
Diluted earnings per share	\$ 5.10	\$ 4.01	\$ 2.10
Average shares			
Basic	361.0	371.8	370.0
Dilutive effect of stock awards	8.8	10.0	6.6
Diluted	369.8	381.8	376.6

See accompanying Notes to Consolidated Financial Statements

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BURLINGTON NORTHERN SANTA FE CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

Dollars in millions shares in thousands

December 31	2006	2005
Assets		
Current assets		
Cash and cash equivalents	\$ 375	\$ 75
Accounts receivable, net	805	678
Materials and supplies	488	396
Current portion of deferred income taxes	345	218
Current portion of fuel-hedging asset	13	303
Other current assets	155	210
Total current assets	2,181	1,880
Property and equipment, net	27,676	26,551
Other assets	1,786	1,873
Total assets	\$31,643	\$30,304
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and other current liabilities	\$ 2,853	\$ 2,773
Long-term debt due within one year	473	456
Total current liabilities	3,326	3,229
Long-term debt and commercial paper	6,912	6,698
Deferred income taxes	8,216	7,916
Casualty and environmental liabilities	830	878
Minimum pension liability	—	417
Pension and retiree health and welfare liability	604	—
Employee separation costs	86	107
Other liabilities	1,273	1,551
Total liabilities	21,247	20,796
Commitments and contingencies (see Notes 3, 9 and 10)		
Stockholders' equity		
Common stock, \$0.01 par value, 600,000 shares authorized, 532,080 shares and 527,289 shares issued, respectively	5	5
Additional paid-in-capital	6,990	6,702
Retained earnings	9,607	8,045
Treasury stock, at cost, 174,205 shares and 155,718 shares, respectively	(5,929)	(4,569)
Prepaid forward repurchase of treasury stock	—	(600)
Unearned compensation	—	(22)
Accumulated other comprehensive loss	(277)	(53)
Total stockholders' equity	10,396	9,508
Total liabilities and stockholders' equity	\$31,643	\$30,304

See accompanying Notes to Consolidated Financial Statements

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BURLINGTON NORTHERN SANTA FE CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

In millions

Year ended December 31.

Operating Activities

Net income

Adjustments to reconcile net income to net cash provided by operating activities

Depreciation and amortization

Deferred income taxes

Employee separation costs paid

Long-term casualty and environmental liabilities, net

Other, net

Changes in current assets and liabilities

Accounts receivable, net

Change in accounts receivable sales program

Materials and supplies

Other current assets

Accounts payable and other current liabilities

Net cash provided by operating activities

Investing Activities

Capital expenditures

Other, net

Net cash used for investing activities

Financing Activities

Net increase (decrease) in commercial paper and bank borrowings

Proceeds from issuance of long-term debt

Payments on long-term debt

Dividends paid

Proceeds from stock options exercised

Purchase of BNSF common stock

Prepaid forward repurchase of treasury stock

Excess tax benefits from equity compensation plans

Other, net

Net cash used for financing activities

Increase (decrease) in cash and cash equivalents

Cash and cash equivalents

Beginning of year

End of year

Supplemental Cash Flow Information

Interest paid, net of amounts capitalized

Income taxes paid, net of refunds

Non-cash asset financing

	2006	2005	2004
Net income	\$ 1,887	\$ 1,531	\$ 791
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	1,130	1,075	1,012
Deferred income taxes	314	217	237
Employee separation costs paid	(27)	(30)	(33)
Long-term casualty and environmental liabilities, net	(55)	(71)	477
Other, net	(118)	(54)	(84)
Changes in current assets and liabilities			
Accounts receivable, net	(127)	(138)	(65)
Change in accounts receivable sales program	—	(350)	25
Materials and supplies	(92)	(57)	(73)
Other current assets	46	(5)	(144)
Accounts payable and other current liabilities	150	491	234
Net cash provided by operating activities	3,108	2,609	2,377
Investing Activities			
Capital expenditures	(2,014)	(1,750)	(1,527)
Other, net	(72)	(273)	(68)
Net cash used for investing activities	(2,086)	(2,023)	(1,595)
Financing Activities			
Net increase (decrease) in commercial paper and bank borrowings	283	563	(242)
Proceeds from issuance of long-term debt	300	500	250
Payments on long-term debt	(467)	(464)	(300)
Dividends paid	(310)	(267)	(231)
Proceeds from stock options exercised	116	244	420
Purchase of BNSF common stock	(730)	(799)	(376)
Prepaid forward repurchase of treasury stock	—	(600)	—
Excess tax benefits from equity compensation plans	95	—	—
Other, net	(9)	(10)	1
Net cash used for financing activities	(722)	(833)	(478)
Increase (decrease) in cash and cash equivalents	300	(247)	304
Cash and cash equivalents			
Beginning of year	75	322	18
End of year	\$ 375	\$ 75	\$ 322
Supplemental Cash Flow Information			
Interest paid, net of amounts capitalized	\$ 462	\$ 427	\$ 476
Income taxes paid, net of refunds	\$ 779	\$ 545	\$ 159
Non-cash asset financing	\$ 109	\$ 68	\$ 104

See accompanying Notes to Consolidated Financial Statements

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2007

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: 1-11535

Exact name of registrant as specified in its charter

Burlington Northern Santa Fe Corporation

State of Incorporation
Delaware

I.R.S. Employer Identification No
41-1804964

Address of principal executive offices, including zip code
**2650 Lou Menk Drive
Fort Worth, Texas 76131-2830**

Registrant's telephone number, including area code
(800) 795-2673

Securities registered pursuant to Section 12(b) of the Act:

Title of each class
Common Stock, \$0.01 par value

Name of each exchange on which registered
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities

Act **Yes [x] No []**

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the

Act **Yes [] No [x]**

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 requirement for the past 90 days **Yes [x] No []**

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K **[]**

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, non-accelerated filer, or smaller reporting company (as defined in Rule 12b-2 of the Act)

Large accelerated filer [x] Accelerated filer [] Non-accelerated filer [] Smaller reporting company []

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act) **Yes [] No [x]**

The aggregate market value of the voting stock held by non-affiliates of the registrant was approximately \$29.822 billion on June 30, 2007. For purposes of this calculation only, the registrant has excluded stock beneficially owned by directors and officers. By doing so, the registrant does not admit that such persons are affiliates within the meaning of Rule 405 under the Securities Act of 1933 or for any other purpose.

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

Burlington Northern Santa Fe Corporation and Subsidiaries**Consolidated Statements of Income**

In millions, except per share data

Year ended December 31,	2007	2006	2005
		(As Adjusted)^a	(As Adjusted)^a
Revenues	\$ 15,802	\$ 14,985	\$ 12,987
Operating expenses			
Compensation and benefits	3,773	3,816	3,515
Fuel	3,197	2,734	1,959
Purchased services	2,023	1,906	1,713
Depreciation and amortization	1,293	1,176	1,111
Equipment rents	942	930	886
Materials and other	1,088	902	876
Total operating expenses	12,316	11,464	10,060
Operating income	3,486	3,521	2,927
Interest expense	511	485	437
Other expense, net	18	40	37
Income before income taxes	2,957	2,996	2,453
Income tax expense	1,128	1,107	919
Net income	\$ 1,829	\$ 1,889	\$ 1,534
Earnings per share			
Basic earnings per share	\$ 5.19	\$ 5.23	\$ 4.13
Diluted earnings per share	\$ 5.10	\$ 5.11	\$ 4.02
Average shares			
Basic	352.5	361.0	371.8
Dilutive effect of stock awards	6.4	8.8	10.0
Diluted	358.9	369.8	381.8

^a Prior year numbers have been adjusted for the retrospective adoption of Financial Accounting Standards Board (FASB) Staff Position (FSP)

AICG AIR-1, Accounting for Planned Major Maintenance Activities. See Note 2 of the Consolidated Financial Statements for additional information.

See accompanying Notes to Consolidated Financial Statements

Burlington Northern Santa Fe Corporation and Subsidiaries**Consolidated Balance Sheets**

Dollars in millions, shares in thousands

December 31,	2007	2006
		(As Adjusted) ^a
Assets		
Current assets		
Cash and cash equivalents	\$ 330	\$ 375
Accounts receivable, net	790	805
Materials and supplies	579	488
Current portion of deferred income taxes	290	345
Other current assets	192	168
Total current assets	2,181	2,181
Property and equipment, net	29,567	27,921
Other assets	1,835	1,695
Total assets	\$ 33,583	\$ 31,797
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and other current liabilities	\$ 2,824	\$ 2,853
Long-term debt due within one year	411	473
Total current liabilities	3,235	3,326
Long-term debt and commercial paper	7,735	6,912
Deferred income taxes	8,484	8,298
Casualty and environmental liabilities	843	830
Pension and retiree health and welfare liability	444	604
Employee separation costs	77	86
Other liabilities	1,621	1,213
Total liabilities	22,439	21,269
Commitments and contingencies (see Notes 3, 9 and 10)		
Stockholders' equity		
Common stock, \$0.01 par value, 600,000 shares authorized, 537,330 shares and 532,080 shares issued, respectively	5	5
Additional paid-in-capital	7,348	6,990
Retained earnings	11,152	9,739
Treasury stock, at cost, 189,626 shares and 174,205 shares, respectively	(7,222)	(5,929)
Accumulated other comprehensive loss	(139)	(277)
Total stockholders' equity	11,144	10,528
Total liabilities and stockholders' equity	\$ 33,583	\$ 31,797

^a Prior year numbers have been adjusted for the retrospective adoption of FSP AIC-1, *Accounting for Planned Major Maintenance Activities*. See Note 2 of the Consolidated Financial Statements for additional information.

See accompanying Notes to Consolidated Financial Statements

Burlington Northern Santa Fe Corporation and Subsidiaries**Consolidated Statements of Cash Flows**

In millions

Year ended December 31,	2007	2006	2005
		(As Adjusted) ^a	(As Adjusted) ^a
Operating Activities			
Net income	\$ 1,829	\$ 1,889	\$ 1,534
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	1,293	1,176	1,111
Deferred income taxes	280	316	219
Employee separation costs paid	(21)	(27)	(30)
Long-term casualty and environmental liabilities net	26	(55)	(71)
Other, net	183	(43)	2
Changes in current assets and liabilities			
Accounts receivable, net	20	(127)	(138)
Change in accounts receivable sales program	-	-	(350)
Materials and supplies	(91)	(92)	(57)
Other current assets	12	90	(5)
Accounts payable and other current liabilities	(39)	53	491
Net cash provided by operating activities	3,492	3,189	2,706
Investing Activities			
Capital expenditures	(2,248)	(2,014)	(1,750)
Construction costs for facility financing obligation	(37)	(14)	(4)
Other, net	(130)	(139)	(366)
Net cash used for investing activities	(2,415)	(2,167)	(2,120)
Financing Activities			
Net (decrease) increase in commercial paper and bank borrowings	(584)	283	563
Proceeds from issuance of long-term debt	1,300	300	500
Payments on long-term debt	(482)	(467)	(464)
Dividends paid	(380)	(310)	(267)
Proceeds from stock options exercised	142	116	244
Purchase of BNSF common stock	(1,265)	(730)	(799)
Prepaid forward repurchase of treasury stock	-	-	(600)
Excess tax benefits from equity compensation plans	121	95	-
Proceeds from facility financing obligation	41	-	-
Other, net	(15)	(9)	(10)
Net cash used for financing activities	(1,122)	(722)	(833)
(Decrease) increase in cash and cash equivalents	(45)	300	(247)
Cash and cash equivalents			
Beginning of year	375	75	322
End of year	\$ 330	\$ 375	\$ 75
Supplemental Cash Flow Information			
Interest paid, net of amounts capitalized	\$ 494	\$ 462	\$ 427
Income taxes paid, net of refunds	\$ 680	\$ 779	\$ 545
Non-cash asset financing	\$ 461	\$ 109	\$ 68

^a Prior year numbers have been adjusted for the retrospective adoption of FSP AUC AIR-1 Accounting for Planned Major Maintenance Activities. See Note 2 of the Consolidated Financial Statements for additional information.

See accompanying Notes to Consolidated Financial Statements

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D C 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2008

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: 1-11535

Exact name of registrant as specified in its charter



Burlington Northern Santa Fe Corporation

State of Incorporation
Delaware

I R S Employer Identification No
41-1804964

Address of principal executive offices, including zip code
2650 Lou Menk Drive, Fort Worth, Texas 76131-2830
Registrant's telephone number, including area code
(800) 795-2673

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$0.01 par value	New York Stock Exchange
Securities registered pursuant to Section 12(g) of the Act:	
None	

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act

Yes ☒ No
[]

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act

Yes [] No
[x]

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 requirement for the past 90 days

Yes ☒ No
[]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K

[]

Indicate by check mark whether the registrant is a large accelerated filer, accelerated filer, non-accelerated filer, or smaller reporting company (as defined in Rule 12b-2 of the Act)

Large accelerated filer ☒ Accelerated filer [] Non-accelerated filer [] Smaller reporting company []

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

Yes [] No
[x]

Burlington Northern Santa Fe Corporation and Subsidiaries

Consolidated Statements of Income

In millions, except per share data

Year ended December 31,

	<u>2008</u>	<u>2007</u>	<u>2006</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Revenues	18,018	15,802	14,985
Operating expenses			
Fuel	4,640	3,327	2,856
Compensation and benefits	3,884	3,773	3,816
Purchased services	2,136	2,023	1,906
Depreciation and amortization	1,397	1,293	1,176
Equipment rents	901	942	930
Materials and other	1,148	958	780
Total operating expenses	14,106	12,316	11,464
Operating income	3,912	3,486	3,521
Interest expense	533	511	485
Other expense, net	11	18	40
Income before income taxes	3,368	2,957	2,996
Income tax expense	1,253	1,128	1,107
Net income	2,115	1,829	1,889
Earnings per share			
Basic earnings per share	6.15	5.19	5.23
Diluted earnings per share	6.08	5.10	5.11
Average shares			
Basic	343.8	352.5	361.0
Dilutive effect of stock awards	4.0	6.4	8.8
Diluted	347.8	358.9	369.8

See accompanying Notes to Consolidated Financial Statements

Burlington Northern Santa Fe Corporation and Subsidiaries

Consolidated Balance Sheets

Dollars in millions, shares in thousands

December 31,	2008	2007
Assets		
Current assets		
Cash and cash equivalents	\$ 633	\$ 330
Accounts receivable, net	847	790
Materials and supplies	525	579
Current portion of deferred income taxes	442	290
Other current assets	218	192
Total current assets	2,665	2,181
Property and equipment, net	30,847	29,567
Other assets	2,891	1,835
Total assets	\$ 36,403	\$ 33,583
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and other current liabilities	\$ 3,190	\$ 2,824
Long-term debt due within one year	456	411
Total current liabilities	3,646	3,235
Long-term debt and commercial paper	9,099	7,735
Deferred income taxes	8,590	8,484
Pension and retiree health and welfare liability	1,047	444
Casualty and environmental liabilities	959	843
Employee separation costs	57	77
Other liabilities	1,874	1,621
Total liabilities	25,272	22,439
Commitments and contingencies (see Notes 3, 9 and 10)		
Stockholders' equity		
Common stock, \$0.01 par value, 600,000 shares authorized		
541,346 shares and 537,330 shares issued, respectively	5	5
Additional paid-in-capital	7,631	7,348
Retained earnings	12,764	11,152
Treasury stock, at cost, 202,165 shares and 189,626 shares respectively	(8,395)	(7,222)
Accumulated other comprehensive loss	(874)	(139)
Total stockholders' equity	11,131	11,144
Total liabilities and stockholders' equity	\$ 36,403	\$ 33,583

See accompanying Notes to Consolidated Financial Statements

Burlington Northern Santa Fe Corporation and Subsidiaries

Consolidated Statements of Cash Flows

In millions

Year ended December 31,

	2008	2007	2006
Operating Activities			
Net income	\$ 2,115	\$ 1,829	\$ 1,889
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	1,397	1,293	1,176
Deferred income taxes	417	280	316
Employee separation costs paid	(15)	(21)	(27)
Long-term casualty and environmental liabilities, net	150	26	(55)
Other, net	81	183	(43)
Changes in current assets and liabilities			
Accounts receivable, net	191	20	(127)
Change in accounts receivable sales program	(250)	-	-
Materials and supplies	54	(91)	(92)
Other current assets	(31)	12	99
Accounts payable and other current liabilities	(132)	(39)	53
Net cash provided by operating activities	3,977	3,492	3,189
Investing Activities			
Capital expenditures	(2,175)	(2,248)	(2,014)
Construction costs for facility financing obligation	(64)	(37)	(14)
Acquisition of equipment pending financing	(941)	(745)	(1,223)
Proceeds from sale of assets financed	348	778	1,244
Other, net	(241)	(163)	(160)
Net cash used for investing activities	(3,073)	(2,415)	(2,167)
Financing Activities			
Net (decrease) increase in commercial paper and bank borrowings	(161)	(584)	283
Proceeds from issuance of long-term debt	1,150	1,300	300
Payments on long-term debt	(217)	(482)	(467)
Dividends paid	(471)	(380)	(310)
Proceeds from stock options exercised	91	142	116
Purchase of BNSF common stock	(1,147)	(1,265)	(730)
Excess tax benefits from equity compensation plans	96	121	95
Proceeds from facility financing obligation	68	41	-
Other, net	(10)	(15)	(9)
Net cash used for financing activities	(601)	(1,122)	(722)
Increase (decrease) in cash and cash equivalents	303	(45)	300
Cash and cash equivalents			
Beginning of year	330	375	75
End of year	\$ 633	\$ 330	\$ 375
Supplemental Cash Flow Information			
Interest paid, net of amounts capitalized	\$ 538	\$ 494	\$ 462
Income taxes paid, net of refunds	\$ 820	\$ 680	\$ 779
Non-cash asset financing	\$ 258	\$ 461	\$ 109

See accompanying Notes to Consolidated Financial Statements

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

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

For the fiscal year ended December 31, 2004

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 1-8022

CSX Corporation

(Exact name of registrant as specified in its charter)

Virginia

*(State or other jurisdiction of
incorporation or organization)*

**500 Water Street, 15th Floor,
Jacksonville, FL**

(Address of principal executive offices)

62-1051971

*(IRS Employer
Identification No.)*

32202

(Zip Code)

(904) 359-3200

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

Common Stock, \$1 Par Value

Name of Exchange on Which Registered

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K: ☒

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2): Yes ☒ No ☐

On June 25, 2004, the aggregate market value of the Registrant's voting stock held by non-affiliates was approximately \$7.0 billion (based on the New York Stock Exchange closing price on such date)

On February 28, 2005, there were 215,619,764 shares of Common Stock outstanding

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Definitive Proxy Statement ("the Proxy Statement") to be filed with respect to its annual meeting of shareholders scheduled to be held on May 4, 2005

CSX CORPORATION

FORM 10-K

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CSX CORPORATION
CONSOLIDATED INCOME STATEMENTS

	For Fiscal Years Ended		
	Dec. 31, 2004	Dec. 26, 2003	Dec. 27, 2002
	(Dollars in millions, except per share amounts)		
Operating Income			
Operating Revenue	\$ 8,020	\$ 7,566	\$ 7,916
Operating Expense	<u>7,020</u>	<u>7,046</u>	<u>6,897</u>
Operating Income	<u>1,000</u>	<u>520</u>	<u>1,019</u>
Other Income and Expense			
Other Income	72	93	78
Interest Expense	<u>435</u>	<u>418</u>	<u>445</u>
Earnings			
Earnings before Income Taxes	637	195	652
Income Tax Expense	<u>219</u>	<u>58</u>	<u>242</u>
Earnings from Continuing Operations	<u>418</u>	<u>137</u>	<u>410</u>
Discontinued Operations — Net of Tax	(79)	52	57
Cumulative Effect of Accounting Change — Net of Tax	<u>—</u>	<u>57</u>	<u>(43)</u>
Net Earnings	<u><u>\$ 339</u></u>	<u><u>\$ 246</u></u>	<u><u>\$ 424</u></u>
Per Common Share			
Earnings Per Share			
From Continuing Operations	\$ 1.95	\$ 0.64	\$ 1.93
Discontinued Operations	(0.37)	0.24	0.27
Cumulative Effect of Accounting Change	<u>—</u>	<u>0.26</u>	<u>(0.20)</u>
Net Earnings	<u><u>\$ 1.58</u></u>	<u><u>\$ 1.14</u></u>	<u><u>\$ 2.00</u></u>
Earnings Per Share, Assuming Dilution			
From Continuing Operations	\$ 1.87	\$ 0.63	\$ 1.85
Discontinued Operations	(0.35)	0.23	0.25
Cumulative Effect of Accounting Change	<u>—</u>	<u>0.25</u>	<u>(0.19)</u>
Net Earnings	<u><u>\$ 1.52</u></u>	<u><u>\$ 1.11</u></u>	<u><u>\$ 1.91</u></u>
Average Common Shares Outstanding (Thousands)	<u>214,796</u>	<u>213,964</u>	<u>212,729</u>
Average Common Shares Outstanding, Assuming Dilution (Thousands)	<u>225,030</u>	<u>224,328</u>	<u>223,511</u>
Cash Dividends Paid Per Common Share	<u><u>\$ 0.40</u></u>	<u><u>\$ 0.40</u></u>	<u><u>\$ 0.40</u></u>

See accompanying Notes to Consolidated Financial Statements.

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CSX CORPORATION
CONSOLIDATED BALANCE SHEETS

	Dec. 31, 2004	Dec. 26, 2003
	(Dollars in millions)	
ASSETS		
Current Assets		
Cash, Cash Equivalents and Short-term Investments	\$ 859	\$ 368
Accounts Receivable — Net	1,143	1,115
Materials and Supplies	165	168
Deferred Income Taxes	20	136
Other Current Assets	157	64
International Terminals Assets Held for Sale	643	446
Total Current Assets	2,987	2,297
Properties	25,852	19,087
Accumulated Depreciation	(5,907)	(5,453)
Properties — Net	19,945	13,634
Investment in Conrail	574	4,678
Affiliates and Other Companies	296	225
Other Long-term Assets	779	926
Total Assets	<u>\$ 24,581</u>	<u>\$ 21,760</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 879	\$ 821
Labor and Fringe Benefits Payable	371	388
Casualty, Environmental and Other Reserves	312	280
Current Maturities of Long-term Debt	983	426
Short-term Debt	101	2
Income and Other Taxes Payable	170	114
Other Current Liabilities	115	144
International Terminals Liabilities Held for Sale	386	199
Total Current Liabilities	3,317	2,374
Casualty, Environmental and Other Reserves	735	836
Long-term Debt	6,234	6,886
Deferred Income Taxes	5,979	3,707
Other Long-term Liabilities	1,505	1,509
Total Liabilities	17,770	15,312
Shareholders' Equity:		
Common Stock, \$1 Par Value	216	215
Other Capital	1,605	1,579
Retained Earnings	5,210	4,957
Accumulated Other Comprehensive Loss	(220)	(303)
Total Shareholders' Equity	6,811	6,448
Total Liabilities and Shareholders' Equity	<u>\$ 24,581</u>	<u>\$ 21,760</u>

See accompanying Notes to Consolidated Financial Statements

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CSX CORPORATION
CONSOLIDATED CASH FLOW STATEMENTS

	Fiscal Years Ended		
	Dec. 31, 2004	Dec. 26, 2003	Dec. 27, 2002
	(Dollars in millions)		
Operating Activities			
Net Earnings	\$ 339	\$ 246	\$ 424
Adjustments to Reconcile Net Earnings to Net Cash Provided			
Depreciation	730	643	649
Deferred Income Taxes	240	119	172
Cumulative Effect of Accounting Change — Net of Tax	-	(57)	43
Additional Loss on Sale	—	108	—
Provision for Casualty Reserves	—	232	—
Restructuring Charge	77	22	—
Net Gain on Conrail spin-off — after tax	(16)	—	—
Other Operating Activities	(97)	(108)	(108)
Changes in Operating Assets and Liabilities			
Termination of Sale of Accounts Receivable	—	(380)	—
Accounts Receivable	(3)	19	30
Other Current Assets	29	40	23
Accounts Payable	(2)	49	(83)
Other Current Liabilities	149	(129)	(23)
Net Cash Provided by Operating Activities	<u>1,446</u>	<u>804</u>	<u>1,127</u>
Investing Activities			
Property Additions	(1,030)	(1,059)	(1,080)
Net Proceeds from Divestitures	55	226	—
Short-term Investments — Net	(247)	69	350
Other Investing Activities	(18)	(43)	(45)
Net Cash Used in Investing Activities	<u>(1,240)</u>	<u>(807)</u>	<u>(775)</u>
Financing Activities			
Short-term Debt — Net	99	(141)	140
Long-term Debt Issued	401	919	748
Long-term Debt Repaid	(434)	(500)	(1,159)
Dividends Paid	(86)	(86)	(86)
Other Financing Activities	40	(20)	(5)
Net Cash Provided by (Used In) Financing Activities	<u>20</u>	<u>172</u>	<u>(362)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	226	169	(10)
Cash, Cash Equivalents and Short-term Investments			
Cash and Cash Equivalents at Beginning of Period	296	127	137
Cash and Cash Equivalents at End of Period	522	296	127
Short-term Investments at End of Period	337	72	137
Cash, Cash Equivalents and Short-term Investments at End of Period	<u>\$ 859</u>	<u>\$ 368</u>	<u>\$ 264</u>
Supplemental Cash Flow Information			
Interest Paid — Net of Amounts Capitalized	\$ 425	\$ 415	\$ 448
Income Taxes Paid	<u>\$ 35</u>	<u>\$ 134</u>	<u>\$ 44</u>

See accompanying Notes to Consolidated Financial Statements

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 30, 2005

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 1-8022

CSX CORPORATION

(Exact name of registrant as specified in its charter)

Virginia

*(State or other jurisdiction of
incorporation or organization)*

**500 Water Street, 15th Floor,
Jacksonville, FL**

(Address of principal executive offices)

62-1051971

*(I R S Employer
Identification No.)*

32202

(Zip Code)

(904) 359-3200

(Telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Name of exchange on which registered</u>
Common Stock, \$1 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer (as defined in Rule 405 of the Securities Act) Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act Yes ☐ No ☒

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer (as defined in Exchange Act Rule 12b-2)

Large Accelerated Filer ☒

Accelerated Filer ☐

Non-accelerated Filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2) Yes ☐ No ☒

On July 1, 2005 (which is the last day of the second quarter and the required date to use), the aggregate market value of the Registrant's voting stock held by non-affiliates was approximately \$7.5 billion (based on the New York Stock Exchange closing price on such date)

On January 27, 2006, there were 219,431,371 shares of Common Stock outstanding

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Definitive Proxy Statement (the "Proxy Statement") to be filed with respect to its annual meeting of shareholders scheduled to be held on May 3, 2006

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CSX CORPORATION
CONSOLIDATED INCOME STATEMENTS

	Fiscal Years Ended		
	December 30, 2005	December 31, 2004	December 26, 2003
	(Dollars in millions, except per share amounts)		
Operating Revenue	\$ 8,618	\$ 8,040	\$ 7,573
Operating Expense			
Labor and Fringe	2,864	2,744	2,656
Materials, Supplies and Other	1,828	1,753	1,622
Depreciation	826	711	620
Fuel	783	656	581
Building and Equipment Rent	510	569	565
Inland Transportation	230	280	305
Conrail Rents, Fees and Services	65	256	342
Restructuring Charge — Net	—	71	22
Provision for Casualty Claims	(38)	—	232
Additional Loss on Sale	—	—	108
Total Operating Expenses	7,068	7,040	7,053
Operating Income	1,550	1,000	520
Other Income and Expense			
Other Income (Note 7)	101	72	93
Debt Repurchase Expense (Note 12)	(192)	—	—
Interest Expense	(423)	(435)	(418)
Earnings			
Earnings before Income Taxes	1,036	637	195
Income Tax Expense (Note 8)	(316)	(219)	(58)
Earnings from Continuing Operations	720	418	137
Discontinued Operations — Net of Tax (Note 4)	425	(79)	52
Cumulative Effect of Accounting Change — Net of Tax	—	—	57
Net Earnings	<u>\$ 1,145</u>	<u>\$ 339</u>	<u>\$ 246</u>
Per Common Share (Note 15)			
Earnings Per Share			
From Continuing Operations	\$ 3.33	\$ 1.95	\$ 0.64
Discontinued Operations	1.96	(0.37)	0.24
Cumulative Effect of Accounting Change	—	—	0.26
Net Earnings	<u>\$ 5.29</u>	<u>\$ 1.58</u>	<u>\$ 1.14</u>
Earnings Per Share, Assuming Dilution			
From Continuing Operations	\$ 3.17	\$ 1.87	\$ 0.63
Discontinued Operations	1.87	(0.35)	0.23
Cumulative Effect of Accounting Change	—	—	0.25
Net Earnings	<u>\$ 5.04</u>	<u>\$ 1.52</u>	<u>\$ 1.11</u>
Average Common Shares Outstanding (Thousands)	<u>216,425</u>	<u>214,796</u>	<u>213,964</u>
Average Common Shares Outstanding, Assuming Dilution (Thousands)	<u>228,024</u>	<u>225,030</u>	<u>224,328</u>
Cash Dividends Paid Per Common Share	<u>\$ 0.43</u>	<u>\$ 0.40</u>	<u>\$ 0.40</u>

See accompanying Notes to Consolidated Financial Statements

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CSX CORPORATION
CONSOLIDATED BALANCE SHEETS

	December 30. 2005	December 31. 2004
	(Dollars in millions)	
ASSETS		
Current Assets:		
Cash and Cash Equivalents (Note 1)	\$ 309	\$ 522
Short-term Investments	293	337
Accounts Receivable — Net (Note 9)	1 202	1,159
Materials and Supplies	199	165
Deferred Income Taxes	225	20
Other Current Assets	144	157
International Terminals Assets Held for Sale (Note 4)	—	643
Total Current Assets	2,372	3,003
Properties	26,538	25,852
Accumulated Depreciation	(6,375)	(5,907)
Properties — Net (Note 10)	20,163	19,945
Investment in Conrail (Note 2)	603	574
Affiliates and Other Companies	304	281
Other Long-term Assets (Note 21)	790	802
Total Assets	<u>\$ 24,232</u>	<u>\$ 24,605</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	\$ 954	\$ 870
Labor and Fringe Benefits Payable	565	380
Casualty, Environmental and Other Reserves (Note 11)	311	312
Current Maturities of Long-term Debt (Note 12)	936	983
Short-term Debt (Note 12)	1	101
Income and Other Taxes Payable	102	170
Other Current Liabilities	110	115
International Terminals Liabilities Held for Sale (Note 4)	—	386
Total Current Liabilities	2,979	3 317
Casualty, Environmental and Other Reserves (Note 11)	653	735
Long-term Debt (Note 12)	5,093	6,248
Deferred Income Taxes	6,082	5,979
Other Long-term Liabilities (Note 21)	1 471	1,515
Total Liabilities	16,278	17,794
Shareholders' Equity:		
Common Stock, \$1 Par Value (Note 14)	218	216
Other Capital	1 751	1,605
Retained Earnings	6,262	5,210
Accumulated Other Comprehensive Loss	(277)	(220)
Total Shareholders' Equity	7,954	6 811
Total Liabilities and Shareholders' Equity	<u>\$ 24 232</u>	<u>\$ 24,605</u>

See accompanying Notes to Consolidated Financial Statements

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CSX CORPORATION
CONSOLIDATED CASH FLOW STATEMENTS

	Fiscal Years Ended		
	December 30, 2005	December 31, 2004 (Dollars in millions)	December 26, 2003
Operating Activities			
Net Earnings	\$ 1,145	\$ 339	\$ 246
Adjustments to Reconcile Net Earnings to Net Cash Provided			
Depreciation	833	730	643
Deferred Income Taxes	(46)	240	119
Gain on Sale of International Terminals — Net of Tax (Note 4)	(428)	—	—
Provision for Casualty Reserves (Note 11)	(38)	—	232
Additional Loss on Sale	—	—	108
Cumulative Effect of Accounting Change — Net of Tax	—	—	(57)
Insurance Proceeds (Note 6)	29	—	—
Restructuring Charge (Note 5)	—	71	22
Net Gain on Conrail spin-off — after tax (Note 2)	—	(16)	—
Other Operating Activities	(103)	(91)	(108)
Changes in Operating Assets and Liabilities			
Termination of Sale of Accounts Receivable (Note 9)	—	—	(380)
Accounts Receivable (Note 9)	(44)	(3)	19
Other Current Assets	(29)	29	40
Accounts Payable	54	(2)	49
Income and Other Taxes Payable	(402)	38	(23)
Other Current Liabilities	139	111	(106)
Net Cash Provided by Operating Activities	<u>1,110</u>	<u>1,446</u>	<u>804</u>
Investing Activities			
Property Additions	(1,136)	(1,030)	(1,059)
Insurance Proceeds (Note 6)	41	—	—
Net Proceeds from Sale of International Terminals (Note 4)	1,108	—	—
Purchase of Minority Interest in an International Terminals Subsidiary (Note 4)	(110)	—	—
Proceeds from Divestitures (Note 3)	—	55	226
Purchases of Short-term Investments	(2,601)	(1,583)	(2,128)
Proceeds from Sale of Short-term Investments	2,634	1,336	2,197
Other Investing Activities	28	(18)	(43)
Net Cash Used in Investing Activities	<u>(36)</u>	<u>(1,240)</u>	<u>(807)</u>
Financing Activities			
Short-term Debt — Net	(99)	99	(141)
Long-term Debt Issued	105	401	919
Long-term Debt Repaid	(1,283)	(434)	(500)
Dividends Paid	(93)	(86)	(86)
Other Financing Activities	83	40	(20)
Net Cash (Used In) Provided by Financing Activities	<u>(1,287)</u>	<u>20</u>	<u>172</u>
Net (Decrease) Increase in Cash and Cash Equivalents	<u>(213)</u>	<u>226</u>	<u>169</u>
Cash and Cash Equivalents			
Cash and Cash Equivalents at Beginning of Period	522	296	127
Cash and Cash Equivalents at End of Period	<u>\$ 309</u>	<u>\$ 522</u>	<u>\$ 296</u>
Supplemental Cash Flow Information			
Interest Paid — Net of Amounts Capitalized	\$ 440	\$ 414	\$ 406
Income Taxes Paid	<u>\$ 798</u>	<u>\$ 35</u>	<u>\$ 134</u>

See accompanying Notes to Consolidated Financial Statements

Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 29, 2006

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 1-8022
if not filing as required by Rule 405 or 407

Virginia

62-1051871

(State or other jurisdiction of incorporation or organization)

500 Water Street, 15th Floor,
Jacksonville, FL

(If S.E. Employer Identification No.)

(804) 399-3200

Telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act

Name of exchange on which registered
New York Stock Exchange

Title of each class
Common Stock, \$1 Par Value

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer (as defined in Rule 405 of the Securities Act)

Yes (X) No ()

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act

Yes () No (X)

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 (X) No ()

Indicate by check mark if disclosure of delinquent items pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained to the best of the registrant's knowledge in definitive proxy or information statements incorporated by reference in Part III of the Form 10-K or any amendment to this Form 10-K (X)

Indicate by check mark whether the registrant is a large accelerated filer (as defined in Exchange Act Rule 12b-2)

Accelerated Filer ()

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

Yes () No (X)

On June 30, 2006 (which is the last day of the second quarter and the required date to use) the aggregate market value of the registrant's voting stock, held by non-affiliates was approximately \$15.6 billion (based on the New York Stock Exchange closing price on such date). There were 438,792,841 shares of Common Stock outstanding on January 31, 2007 (the latest practicable date that is closest to the filing date).

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Definitive Proxy Statement (the "Proxy Statement") to be filed with respect to its annual meeting of shareholders scheduled to be held on May 2, 2007.

CSX CORPORATION
PART II
Item 8 Financial Statements and Supplementary Data
CONSOLIDATED INCOME STATEMENTS
(Dollars in Millions Except Per Share Amounts)

	Fiscal Years	
	2005	2004
Operating Revenue	\$ 9,966	\$ 8,818
Operating Expense		
Labor and Fringe	2,930	2,864
Materials Supplies and Other	1,873	1,790
Depreciation	857	826
Fuel	1,112	783
Building and Equipment Rent	507	510
Inland Transportation	242	230
Contract Retiree Fees and Services	75	65
Restructuring Charge-Net	—	—
Gain on Insurance Recoveries (Note 5)	(169)	—
Total Operating Expenses	7,428	7,040
Operating Income	2,538	1,778
Other Income and Expense		
Other Income (Note 10)	95	101
Debt Repurchase Expense (Note 9)	—	(192)
Interest Expense	(392)	(423)
Earnings		
Earnings before Income Taxes	1,841	1,038
Income Tax Expense (Note 13)	(531)	(316)
Earnings from Continuing Operations	1,310	720
Discontinued Operations-Net of Tax (Note 16)	—	425
Net Earnings	\$ 1,310	\$ 1,145
Per Common Share (Note 2)		
Earnings Per Share	\$ 2.98	\$ 1.67
From Continuing Operations	—	0.98
Discontinued Operations	—	—
Net Earnings	\$ 2.98	\$ 1.65
Earnings Per Share Assuming Dilution		
From Continuing Operations	\$ 2.82	\$ 1.59
Discontinued Operations	—	0.93
Net Earnings	\$ 2.82	\$ 2.52
Average Common Shares Outstanding (Thousands)	446,084	432,851
Average Common Shares Outstanding Assuming Dilution (Thousands)	465,934	446,047
Cash Dividends Paid Per Common Share	\$ 0.330	\$ 0.215
		\$ 0.200

All share and per share data were retroactively restated to reflect the stock split
See accompanying Notes to Consolidated Financial Statements

Utility of Utilities

CSX CORPORATION
PART II
Item 8 Financial Statements and Supplementary Data
CONSOLIDATED BALANCE SHEETS
(Dollars in Millions)

	December 31, 2008	December 31, 2007
ASSETS		
Current Assets		
Cash and Cash Equivalents (Note 1)	\$ 461	\$ 309
Short-term Investments	439	263
Accounts Receivable, net of allowance for doubtful accounts of \$52 and \$108, respectively	1 174	1 202
Materials and Supplies	204	199
Deferred Income Taxes	251	225
Other Current Assets	143	144
Total Current Assets	2,672	2,372
Properties		
Accumulated Depreciation	27,715	26,538
Properties—Net (Note 11)	(6,792)	(6,375)
Investment in Control (Note 17)	20,923	20,163
Affiliates and Other Companies	607	601
Other Long-term Assets (Note 12)	336	304
Total Assets	591	790
	\$ 25,129	\$ 24,232
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts Payable	\$ 974	\$ 954
Labor and Fringe Benefits Payable	495	565
Casualty, Environmental and Other Reserves (Note 6)	253	311
Current Maturities of Long-term Debt (Note 9)	592	936
Short-term Debt (Note 9)	8	1
Income and Other Taxes Payable	114	102
Other Current Liabilities	86	110
Total Current Liabilities	2,522	2,979
Casualty, Environmental and Other Reserves (Note 6)	658	653
Long-term Debt (Note 9)	5,382	5,093
Deferred Income Taxes	6,110	6,062
Other Long-term Liabilities (Note 12)	1,525	1,471
Total Liabilities	16,187	16,278
Shareholders' Equity		
Common Stock, \$1 Par Value (Note 3)	438	416
Other Capital	1,469	1,533
Retained Earnings	7,427	6,762
Accumulated Other Comprehensive Loss	(392)	(277)
Total Shareholders' Equity	8,942	7,854
Total Liabilities and Shareholders' Equity	\$ 25,129	\$ 24,232

Common Stock and Other Capital were retroactively restated to reflect the stock split

See accompanying Notes to Financial Statements

Financial Statements

CSX CORPORATION
PART II
Item 8 Financial Statements and Supplementary Data
CONSOLIDATED CASH FLOW STATEMENTS
(Dollars in Millions)

	Fiscal Years	
	2003	2004
Operating Activities		
Net Earnings	\$ 1,310	\$ 1,145
Adjustments to Reconcile Net Earnings to Net Cash Provided		
Depreciation	867	833
Deferred Income Taxes	42	(48)
Gain on Sale of International Terminals—Net of Tax (Note 18)	—	(428)
Gain on Insurance Recoveries	(108)	—
Insurance Proceeds (Note 5)	121	29
Rosario-Turing Charge (Note 15)	—	71
Net Gain on Capital Gain on after tax (Note 17)	(26)	—
Other Operating Activities	5	(141)
Changes in Operating Assets and Liabilities		
Accounts Receivable	(33)	(44)
Other Current Assets	98	(29)
Accounts Payable	51	54
Income and Other Taxes Payable	(103)	(472)
Other Current Liabilities	(104)	139
Net Cash Provided by Operating Activities	2,058	1,110
Investing Activities		
Property Additions	(1,639)	(1,136)
Insurance Proceeds (Note 5)	147	41
Net Proceeds from Sale of International Terminals (Note 18)	—	1,108
Purchase of Minority Interest in an International Terminals Subsidiary (Note 18)	—	(110)
Proceeds from Divestitures (Note 19)	—	—
Purchases of Short Term Investments	(1,412)	(2,601)
Proceeds from Sale of Short Term Investments	1,290	2,634
Other Investing Activities	4	28
Net Cash Used in Investing Activities	(1,610)	(36)
Financing Activities		
Short Term Debt, Net	7	(89)
Long Term Debt Issued	471	105
Long Term Debt Repaid	(546)	(1,283)
Dividends Paid	(145)	(93)
Stock Options Exercised (Note 4)	319	88
Shares Repurchased (Note 4)	(485)	—
Other Financing Activities	63	(15)
Net Cash (Used in) Provided by Financing Activities	(286)	(1,287)
Net (Decrease) Increase in Cash and Cash Equivalents	152	(213)
Cash and Cash Equivalents		
Cash and Cash Equivalents at Beginning of Period	309	522
Cash and Cash Equivalents at End of Period	\$ 461	\$ 309
Supplemental Cash Flow Information		
Interest Paid—Net of Amounts Capitalized	\$ 387	\$ 444
Income Taxes Paid	\$ 531	\$ 798

See accompanying Notes to Consolidated Financial Statements

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D C 20549

FORM 10-K

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

For the fiscal year ended December 28, 2007

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 1-8022)

CSX CORPORATION

(Exact name of registrant as specified in its charter)

Virginia

(State or other jurisdiction of incorporation or organization)

500 Water Street, 15th Floor, Jacksonville, FL

(Address of principal executive offices)

32202

(Zip Code)

62-1051971

(I R S Employer Identification No)

(904) 359-3200

(Telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

(Common Stock, \$1 Par Value

Name of exchange on which registered

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer (as defined in Rule 405 of the Securities Act)

Yes (X) No ()

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act

Yes () No (X)

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 (X) No ()

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ()

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer (as defined in Exchange Act Rule 12b-2)

Large Accelerated Filer (X) Accelerated Filer () Non-accelerated Filer ()

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

Yes () No (X)

On June 29, 2007 (which is the last day of the second quarter and the required date to use), the aggregate market value of the Registrant's voting stock held by non-affiliates was

approximately \$19.7 billion (based on the New York Stock Exchange closing price on such date)

There were 403,363,273 shares of Common Stock outstanding on February 15, 2008 (the latest practicable date that is closest to the filing date)

DOCUMENT IS INCORPORATED BY REFERENCE

Portions of the Registrant's Definitive Proxy Statement (the "Proxy Statement") to be filed not later than April 25, 2008 with respect to its 2008 annual meeting of shareholders

PART II

CONSOLIDATED INCOME STATEMENTS

(Dollars in Millions, Except Per Share amounts)

	Fiscal Years		
	2007	2006	2005
Operating Revenue	\$ 10,030	\$ 9,566	\$ 8,618
Operating Expense			
Labor and fringe	2,986	2,930	2,864
Materials, Supplies and Other	2,031	1,948	1,855
Fuel	1,210	1,112	783
Depreciation	883	857	826
Equipment and Other Rents	451	507	510
Inland Transportation	240	242	230
Gain on Insurance Recoveries (Note 5)	(27)	(168)	
Total Operating Expense	7,774	7,428	7,068
Operating Income	2,256	2,138	1,550
Other Income and Expense			
Other Income - Net (Note 10)	93	95	101
Debt Repurchase Expense (Note 9)	-	-	(192)
Interest Expense	(417)	(392)	(423)
Earnings From Continuing Operations before Income Taxes	1,932	1,841	1,036
Income Tax Expense (Note 13)	(706)	(531)	(316)
Earnings From Continuing Operations	1,226	1,310	720
Discontinued Operations (Note 17)	110	-	425
Net Earnings	\$ 1,336	\$ 1,310	\$ 1,145
Per Common Share (Note 2)			
Basic Earnings Per Share	\$ 2.85	\$ 2.98	\$ 1.67
Earnings From Continuing Operations	0.26	-	0.98
Discontinued Operations	3.11	2.98	2.65
Net Earnings			
Earnings Per Common Share, Assuming Dilution			
Earnings From Continuing Operations	\$ 2.74	\$ 2.82	\$ 1.59
Discontinued Operations	0.25	-	0.93
Net Earnings	\$ 2.99	\$ 2.82	\$ 2.52
Average Common Shares Outstanding (Thousands)	430,270	440,084	432,851
Average Common Shares Outstanding, Assuming Dilution (Thousands)	448,280	465,934	456,047

See accompanying Notes to Consolidated Financial Statements

PART II

CONSOLIDATED BALANCE SHEETS

(Doctors in Attire)

	December 28, 2007	December 29, 2006
ASSETS		
Current Assets:		
Cash and Cash Equivalents (Note 1)	\$ 368	\$ 461
Short-term Investments	346	439
Accounts Receivable, net of allowance for doubtful accounts of \$74 and \$82, respectively	1,174	1,174
Materials and Supplies	240	204
Deferred Income Taxes	254	251
Other Current Assets	109	143
Total Current Assets	2,491	2,672
Properties	28,999	27,715
Accumulated Depreciation	(7,219)	(6,792)
Properties - Net (Note 11)	21,780	20,923
Investment in Conrail (Note 16)	639	607
Affiliates and Other Companies	365	336
(Other Long-term Assets (Note 12))	259	591
Total Assets	\$ 25,534	\$ 25,129
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	\$ 976	\$ 974
Labor and fringe Benefits Payable	461	495
Casualty, Environmental and Other Reserves (Note 6)	247	253
Current Maturities of Long-term Debt (Note 9)	785	592
Short-term Debt (Note 9)	2	8
Income and Other Taxes Payable	113	114
Other Current Liabilities	87	86
Total Current Liabilities	2,671	2,522
Casualty, Environmental and Other Reserves (Note 6)	624	668
Long-term Debt (Note 9)	6,470	5,362
Deferred Income Taxes	6,096	6,110
(Other Long-term Liabilities (Note 12))	988	1,525
Total Liabilities	16,849	16,187
Shareholders' Equity:		
Common Stock, \$1 Par Value (Note 3)	408	438

CSX CORPORATION
 PART II
 Item 8. Financial Statements and Supplementary Data

CONSOLIDATED CASH FLOW STATEMENTS IS
(Dollars in Millions)

	2007	Fiscal Years 2006		2005
	\$	1,336	\$	1,310
OPERATING ACTIVITIES				
Net Earnings				1,145
Adjustments to Reconcile Net Earnings to Net Cash Provided by Operating Activities				
Depreciation		890	867	833
Deferred Income Taxes		(272)	42	(46)
Gain on Sale of International Terminals - Net of Tax (Note 17)		-	-	(428)
Non-cash Discontinued Operations (Note 17)		(110)	-	-
Gain on Insurance Recoveries (Note 5)		(27)	(168)	-
Insurance Proceeds (Note 5)		13	121	29
Net Gain on Conrail spin-off - after tax		-	(26)	-
Contributions to Qualified Pension Plans (Note 8)		(266)	(28)	(3)
Other Operating Activities		(77)	33	(138)
Changes in Operating Assets and Liabilities				
Accounts Receivable		(50)	(33)	(44)
Other Current Assets		(41)	96	(29)
Accounts Payable		48	51	54
Income and Other Taxes Payable		234	(103)	(402)
Other Current Liabilities		(38)	(104)	139
Net Cash Provided by Operating Activities		2,184	2,058	1,110

INVESTING ACTIVITIES				
Property Additions		(1,773)	(1,639)	(1,136)
Insurance Proceeds (Note 5)		16	147	41
Net Proceeds from Sale of International Terminals (Note 17)		-	-	1,108
Purchase of Minority Interest in an International Terminals' Subsidiary (Note 17)		-	-	(110)
Purchases of Short-term Investments		(2,338)	(1,412)	(2,601)
Proceeds from Sales of Short-term Investments		2,459	1,290	2,634
Other Investing Activities		(57)	4	28
Net Cash Used In Investing Activities		(1,693)	(1,610)	(36)

FINANCING ACTIVITIES				
Short-term Debt - Net		(6)	7	(99)
Long-term Debt Issued (Note 9)		2,381	471	105
Long-term Debt Repaid (Note 9)		(785)	(546)	(1,283)
Dividends Paid		(231)	(145)	(93)
Stock Options Exercised (Note 4)		153	319	98
Shares Repurchased (Note 1)		(2,174)	(465)	-
Other Financing Activities		78	63	(15)
Net Cash Used In Financing Activities		(584)	(296)	(1,287)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 26, 2008

() 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 1-8022

CSX CORPORATION
(Exact name of registrant as specified in its charter)

Virginia
State or other jurisdiction of incorporation or organization
62-1051971
U S Employer Identification No)

500 Water Street, 15th Floor, Jacksonville, FL.	32202	(904) 359-3200
Address of firm and executive offices		Telephone number including area code

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of exchange on which registered
Common Stock, \$1 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer (as defined in Rule 405 of the Securities Act)

Yes (X) No ()

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act
Yes () No (X)

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 (X) No ()

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ()

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer (as defined in Exchange Act Rule 12b-2):

Large Accelerated Filer (X)	Accelerated Filer ()	Non-accelerated Filer ()
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Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2)

Yes () No (X)

On June 27, 2008 (which is the last day of the second quarter and the required date to use), the aggregate market value of the Registrant's voting stock held by non-affiliates was approximately \$25.2 billion (based on the New York Stock Exchange closing price on such date)

There were 390,254,173 shares of Common Stock outstanding on January 30, 2009 (the latest practicable date that is closest to the filing date)

DOCUMENT IS INCORPORATED BY REFERENCE

Portions of the Registrant's Definitive Proxy Statement (the "Proxy Statement") to be filed no later than 120 days after the end of the fiscal year with respect to its annual meeting of shareholders scheduled to be held on May 6, 2009

CSX CORPORATION

PART II

Item 8. Financial Statements and Supplementary Data

CONSOLIDATED INCOME STATEMENTS

(Dollars in Millions, Except Per Share Amounts)

	Fiscal Years	
	2008	2007
(Operating Revenue)	\$11,255	\$10,030
Operating Expense		\$9,566
Labor and Fringe	2,955	2,986
Materials, Supplies and Other	2,133	1,925
Fuel	1,817	1,312
Depreciation	904	883
Equipment and Other Rents	425	451
Inland Transportation	253	240
Gain on Insurance recoveries	-	(27)
Total Operating Expense	8,487	7,770
Operating Income	2,768	2,260
Other Income and Expense		
Other Income (Expense) - Net (Note 9)	(103)	89
Interest Expense	(519)	(417)
Earnings From Continuing Operations before Income Taxes	2,146	1,932
Income Tax Expense (Note 12)	(781)	(706)
Earnings From Continuing Operations	1,365	1,226
Discontinued Operations (Note 15)	-	110
Net Earnings	\$1,365	\$1,336
Per Common Share (Note 2)		
Basic Earnings Per Share		
From Continuing Operations	\$3.41	\$2.85
Discontinued Operations	-	0.26
Net Earnings	\$3.41	\$3.11
Earnings Per Common Share, Assuming Dilution		
From Continuing Operations	\$3.34	\$2.74
Discontinued Operations	-	0.25
Net Earnings	\$3.34	\$2.99
Average Common Shares Outstanding (Thousands)	400,683	410,270
Average Common Shares Outstanding, Assuming Dilution (Thousands)	408,602	448,280

See accompanying Notes to Consolidated Financial Statements

CSX CORPORATION
PART II

Item 8. Financial Statements and Supplementary Data

(SARAH/1988-11-10)

	December 26, 2008	December 28, 2007
ASSETS		
Current Assets:		
Cash and Cash Equivalents (Note 1)	\$669	\$368
Short-term Investments	76	346
Accounts Receivable, net of allowance for doubtful accounts of \$70 and \$74, respectively	1,107	1,174
Materials and Supplies	217	240
Deferred Income Taxes	203	254
Other Current Assets	119	109
Total Current Assets	2,391	2,491
Properties		
Accumulated Depreciation	30,208	28,999
Properties - Net (Note 10)	(7,520)	(7,219)
	22,688	21,780
Investment in Conrail (Note 14)		
Affiliates and Other Companies	609	639
(Other Long-term Assets (Note 11))	406	365
	194	259
Total Assets	\$26,288	\$25,534
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts Payable	\$973	\$976
Labor and Fringe Benefits Payable	465	461
Casualty, Environmental and Other Reserves (Note 5)	236	247
Current Maturities of Long-term Debt (Note 8)	319	783
Short-term Debt	1	4
Income and Other Taxes Payable	125	113
Other Current Liabilities	285	87
Total Current Liabilities	2,404	2,671
Casualty, Environmental and Other Reserves (Note 5)		
Long-term Debt (Note 8)	643	624
Deferred Income Taxes	7,512	6,470
Other Long-term Liabilities (Note 11)	6,235	6,096
	1,446	988
Total Liabilities	18,240	16,849
Shareholders' Equity:		
Common Stock, \$1 Par Value (Note 3)	391	408
Other Capital	-	37
Retained Earnings (Note 1)	8,398	8,565
Accumulated Other Comprehensive Loss	(741)	(325)
Total Shareholders' Equity	8,048	8,685
Total Liabilities and Shareholders' Equity	\$26,288	\$25,534

See accompanying Notes to Consolidated Financial Statements

CSX CORPORATION

PART II

Item 8. Financial Statements and Supplementary Data

CONSOLIDATED CASH FLOW STATEMENTS

(Dollars in Millions)

	Fiscal Years	
	2008	2007
OPERATING ACTIVITIES		
Net Earnings	\$1,365	\$1,336
Adjustments to Reconcile Net Earnings to Net Cash Provided by Operating Activities		\$1,310
Depreciation	918	890
Deferred Income Taxes ¹	435	272
Non-cash Impairment Loss	166	-
Non-cash Discontinued Operations (Note 15)	-	(110)
Net Gain on Conrail spin-off - after tax	-	-
Contributions to Qualified Pension Plans (Note 7)	(102)	(266)
Other Operating Activities	65	(91)
Changes in Operating Assets and Liabilities		
Accounts Receivable	74	(50)
Other Current Assets	37	(41)
Accounts Payable	(3)	48
Income and Other Taxes Payable	(46)	234
Other Current Liabilities	5	(38)
Net Cash Provided by Operating Activities	2,914	2,184
INVESTING ACTIVITIES		
Property Additions ²	(1,740)	(1,773)
Purchases of Short-term Investments	(25)	(2,338)
Proceeds from Sales of Short-term Investments	280	2,459
Other Investing Activities	36	(41)
Net Cash Used in Investing Activities	(1,449)	(1,693)
FINANCING ACTIVITIES		
Short-term Debt - Net	(3)	(6)
Long-term Debt Issued (Note 8)	1,351	2,381
Long-term Debt Repaid (Note 8)	(642)	(785)
Dividends Paid	(308)	(231)
Stock Options Exercised (Note 4)	83	153
Shares Repurchased (Note 1)	(1,570)	(2,174)
Other Financing Activities	(75)	78
Net Cash Used in Financing Activities	(1,164)	(584)
Net Increase (Decrease) in Cash and Cash Equivalents	301	(93)
CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents at Beginning of Period	368	461
Cash and Cash Equivalents at End of Period	\$669	\$368

SUPPLEMENTAL CASH FLOW INFORMATION

Interest Paid - Net of Amounts Capitalized	\$509	\$411	\$387
Income Taxes Paid	\$276	\$235	\$531
Seller Financed Assets	\$310	\$ 52	\$ -

See accompanying Notes to Consolidated Financial Statements

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D C 20549

FORM 10-K

- (X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended DEC. 31, 2004
- () 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 52-1188014
(State or other jurisdiction of incorporation) (IRS Employer Identification No.)

Three Commercial Place
Norfolk, Virginia 23510-2191
(Address of principal executive offices) Zip Code

Registrant's telephone number, including area code (757) 629-2680

No Change
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act

<u>Title of each Class</u>	<u>Name of each exchange on which registered</u>
Norfolk Southern Corporation Common Stock (Par Value \$1.00)	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

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 (X) No ()

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ()

The number of shares outstanding of each of the registrant's classes of common stock, as of Jan 31, 2005 400,276,939 excluding 20,907,125
shares held by registrant's consolidated subsidiaries)

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act) Yes (X) No ()

The aggregate market value of the voting common equity held by nonaffiliates as of June 30, 2004 was \$10,440,582.263 (based on the closing price as quoted on the New York Stock Exchange on that date)

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Registrant's definitive proxy statement to be filed electronically pursuant to Regulation 14A not later than 120 days after the end of the fiscal year, are incorporated by reference in Part III

Norfolk Southern Corporation and Subsidiaries

Consolidated Statements of Income

	Years ended Dec. 31.		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
	(\$ in millions, except earnings per share)		
Railway operating revenues	\$ 7,312	\$ 6,468	\$ 6,270
Railway operating expenses			
Compensation and benefits (Note 11)	2,272	2,275	2,022
Materials, services and rents	1,601	1,427	1,457
Conrail rents and services (Note 2)	319	419	412
Depreciation (Note 2)	598	513	515
Diesel fuel	449	380	342
Casualties and other claims	151	181	171
Other	<u>220</u>	<u>209</u>	<u>193</u>
Total railway operating expenses	<u>5,610</u>	<u>5,404</u>	<u>5,112</u>
Income from railway operations	1,702	1,064	1,158
Other income – net (Note 3)	89	19	66
Interest expense on debt (Note 6)	<u>(489)</u>	<u>(497)</u>	<u>(518)</u>
Income from continuing operations before income taxes and accounting changes	1,302	586	706
Provision for income taxes (Note 4)	<u>379</u>	<u>175</u>	<u>246</u>
Income from continuing operations before accounting changes	923	411	460
Discontinued operations – gain on sale of motor carrier, net of taxes (Note 17)	--	10	--
Cumulative effect of changes in accounting principles, net of taxes (Note 1)	<u>--</u>	<u>114</u>	<u>--</u>
Net income	\$ <u>923</u>	\$ <u>535</u>	\$ <u>460</u>

Per share amounts (Note 14)

Income from continuing operations before

accounting changes

Basic	\$	2.34	\$	1.05	\$	1.18
Diluted	\$	2.31	\$	1.05	\$	1.18
Net income						
Basic	\$	2.34	\$	1.37	\$	1.18
Diluted	\$	2.31	\$	1.37	\$	1.18

See accompanying notes to consolidated financial statements

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Norfolk Southern Corporation and Subsidiaries

Consolidated Balance Sheets

	As of Dec. 31.	
	<u>2004</u>	<u>2003</u>
	(\$ in millions)	
Assets		
Current assets		
Cash and cash equivalents	\$ 579	\$ 284
Short-term investments	90	2
Accounts receivable-net (Note 5)	767	695
Materials and supplies	104	92
Deferred income taxes (Note 4)	187	189
Other current assets	<u>240</u>	<u>163</u>
Total current assets	1,967	1,425
Investment in Conrail (Note 2)	805	6,259
Properties less accumulated depreciation (Notes 2 and 6)	20,526	11,779
Other assets	<u>1,452</u>	<u>1,133</u>
Total assets	\$ <u>24,750</u>	\$ <u>20,596</u>
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable (Note 7)	\$ 1,012	\$ 948
Income and other taxes	210	199
Due to Conrail (Note 2)	78	81
Other current liabilities (Note 7)	239	213
Current maturities of long-term debt (Note 8)	<u>662</u>	<u>360</u>
Total current liabilities	2,201	1,801

Long-term debt (Notes 2 and 8)	6.863	6.800
Other liabilities (Note 10)	1,146	1,080
Due to Conrail (Note 2)	--	716
Deferred income taxes (Notes 2 and 4)	<u>6.550</u>	<u>3,223</u>
Total liabilities	16.760	13.620
Stockholders' equity:		
Common stock \$1.00 per share par value, 1,350,000,000 shares authorized, issued 421,346,107 and 412,168,988 shares, respectively	421	412
Additional paid-in capital	728	521
Unearned restricted stock (Note 12)	(8)	(5)
Accumulated other comprehensive loss (Note 13)	(24)	(44)
Retained income	6.893	6.112
Less treasury stock at cost, 20,907,125 and 21,016,125 shares, respectively	<u>(20)</u>	<u>(20)</u>
Total stockholders' equity	7.990	6.976
Total liabilities and stockholders' equity	\$ <u>24,750</u>	\$ <u>20.596</u>

See accompanying notes to consolidated financial statements

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Norfolk Southern Corporation and Subsidiaries

Consolidated Statements of Cash Flows

	Years Ended Dec. 31,		
	<u>2004</u>	<u>2003</u>	<u>2002</u>
	<i>(\$ in millions)</i>		
Cash flows from operating activities			
Net income	\$ 923	\$ 535	\$ 460
Reconciliation of net income to net cash provided by operating activities:			
Net cumulative effects of changes in accounting principles	--	(114)	--
Depreciation	609	528	529
Deferred income taxes	200	132	178
Equity in earnings of Conrail (Note 2)	(54)	(58)	(54)

Gain on Conrail Corporate Reorganization (Note 2)	(53)	--	--
Gains and losses on properties and investments	(46)	(45)	(47)
Income from discontinued operations	--	(10)	--
Changes in assets and liabilities affecting operations:			
Accounts receivable (Note 5)	(71)	(12)	(208)
Materials and supplies	(12)	5	(7)
Other current assets	(18)	(4)	1
Current liabilities other than debt	126	(25)	35
Other – net (Notes 6 and 11)	<u>57</u>	<u>122</u>	<u>(84)</u>
Net cash provided by operating activities	1,661	1,054	803
Cash flows from investing activities			
Property additions	(1,041)	(720)	(689)
Property sales and other transactions	75	78	31
Investments, including short-term	(228)	(106)	(78)
Investment sales and other transactions	<u>61</u>	<u>108</u>	<u>63</u>
Net cash used for investing activities	(1,133)	(640)	(673)
Cash flows from financing activities			
Dividends	(142)	(117)	(101)
Common stock issued – net	162	13	42
Redemption of minority interest	--	(43)	--
Proceeds from borrowings	202	261	672
Debt repayments	<u>(455)</u>	<u>(428)</u>	<u>(763)</u>
Net cash used for financing activities	<u>(233)</u>	<u>(314)</u>	<u>(150)</u>
 Net increase (decrease) in cash and cash equivalents	 295	 100	 (20)
Cash and cash equivalents			
At beginning of year	<u>284</u>	<u>184</u>	<u>204</u>
 At end of year	 \$ <u>579</u>	 \$ <u>284</u>	 \$ <u>184</u>
Supplemental disclosure of cash flow information			
Cash paid during the year for:			
Interest (net of amounts capitalized)	\$ 483	\$ 510	\$ 525
Income taxes	\$ 146	\$ 93	\$ 54

See accompanying notes to consolidated financial statements

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D C 20549
FORM 10-K

- (X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended **DEC. 31, 2005**
- () 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 **52-1188014**
(State or other jurisdiction of incorporation) (IRS Employer Identification No)

Three Commercial Place
Norfolk, Virginia **23510-2191**
(Address of principal executive offices) Zip Code

Registrant's telephone number, including area code **(757) 629-2680**

No Change
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act

<u>Title of each Class</u>	<u>Name of each exchange</u>
Norfolk Southern Corporation	<u>on which registered</u>
Common Stock (Par Value \$1.00)	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act **NONE**

Indicate by checkmark if the registrant is well-known seasoned issuer as defined in Rule 405 of the Securities Act Yes (X) No ()

Indicate by checkmark if the registrant is not required to file such reports pursuant to section 13 or 15 (d) of the Act Yes () No (X)

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 (X) No ()

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ()

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes () No (X)

The aggregate market value of the voting common equity held by nonaffiliates as of June 30, 2005 was \$12,524,405.303 (based on the closing price as quoted on the New York Stock Exchange on that date)

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

Large accelerated filer [X] Accelerated filer [] Non-accelerated filer []

The number of shares outstanding of each of the registrant's classes of common stock as of Jan 31, 2006 412,236,777 (excluding 20,833,125 shares held by registrant's consolidated subsidiaries)

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Registrant's definitive proxy statement to be filed electronically pursuant to Regulation 14A not later than 120 days after the end of the fiscal year, are incorporated by reference in Part III

Norfolk Southern Corporation and Subsidiaries

Consolidated Statements of Income

	Years ended Dec. 31,		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
	<i>(\$ in millions, except earnings per share)</i>		
Railway operating revenues	\$ 8,527	\$ 7,312	\$ 6,468
Railway operating expenses			
Compensation and benefits (Note 11)	2,493	2,272	2,275
Materials, services and rents	1,809	1,601	1,427
Conrail rents and services (Note 5)	129	319	419
Depreciation (Note 5)	774	598	513
Diesel fuel	727	449	380
Casualties and other claims (Note 18)	224	151	181
Other	254	220	209
Total railway operating expenses	6,410	5,610	5,404
Income from railway operations	2,117	1,702	1,064
Other income – net (Note 2)	74	89	19
Interest expense on debt (Note 6)	494	480	497
Income from continuing operations before income taxes and accounting changes	1,697	1,302	586
Provision for income taxes (Note 3)	416	379	175
Income from continuing operations before accounting changes	1,281	923	411
Discontinued operations – gain on sale of motor carrier, net of taxes (Note 17)	--	--	10
Cumulative effect of changes in accounting principles, net of taxes (Note 1)	--	--	114
Net income	\$ 1,281	\$ 923	\$ 535
Per share amounts (Note 14)			
Income from continuing operations before accounting changes			
Basic	\$ 3.17	\$ 2.34	\$ 1.05
Diluted	\$ 3.11	\$ 2.31	\$ 1.05
Net income			

Basic	\$	3 17	\$	2 34	\$	1 37
Diluted	\$	3 11	\$	2.31	\$	1 37

See accompanying notes to consolidated financial statements.

Norfolk Southern Corporation and Subsidiaries

Consolidated Balance Sheets

	As of Dec. 31,	
	<u>2005</u>	<u>2004</u>
	<i>(\$ in millions)</i>	
Assets		
Current assets		
Cash and cash equivalents	\$ 289	\$ 467
Short-term investments (Note 5)	968	202
Accounts receivable – net (Notes 4 and 18)	931	767
Materials and supplies	132	104
Deferred income taxes (Note 3)	167	187
Other current assets	163	240
Total current assets	2,650	1,967
Investments (Note 5)	1,590	1,499
Properties less accumulated depreciation (Note 6)	20,705	20,526
Other assets (Note 18)	916	758
Total assets	\$ 25,861	\$ 24,750
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable (Notes 7 and 18)	\$ 1,163	\$ 1,090
Income and other taxes	231	210
Other current liabilities (Note 7)	213	239
Current maturities of long-term debt (Note 8)	314	662
Total current liabilities	1,921	2,201
Long-term debt (Note 8)	6,616	6,863
Other liabilities (Notes 10 and 18)	1,415	1,146
Deferred income taxes (Note 3)	6,620	6,550
Total liabilities	16,572	16,760
Stockholders' equity		
Common stock \$1.00 per share par value, 1,350,000,000 shares		
authorized, issued 430,718,913 and 421,346,107 shares, respectively	431	421
Additional paid-in capital	992	728
Unearned restricted stock (Note 12)	(17)	(8)

Accumulated other comprehensive loss (Note 13)	(77)	(24)
Retained income	7,980	6,893
Less treasury stock at cost, 20,833,125 and 20,907,125 shares, respectively	(20)	(20)
Total stockholders' equity	9,289	7,990
Total liabilities and stockholders' equity	\$ 25,861	\$ 24,750

See accompanying notes to consolidated financial statements

Norfolk Southern Corporation and Subsidiaries

Consolidated Statements of Cash Flows

	Years Ended Dec. 31,		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
	<i>(\$ in millions)</i>		
Cash flows from operating activities			
Net income	\$ 1,281	\$ 923	\$ 535
Reconciliation of net income to net cash provided by operating activities:			
Net cumulative effects of changes in accounting principles	--	--	(114)
Depreciation	787	609	528
Deferred income taxes	80	200	132
Equity in earnings of Conrail (Note 5)	(37)	(54)	(58)
Gain on Conrail Corporate Reorganization (Note 5)	--	(53)	--
Gains and losses on properties and investments	(51)	(46)	(45)
Income from discontinued operations	--	--	(10)
Changes in assets and liabilities affecting operations:			
Accounts receivable (Note 4)	(94)	(71)	(12)
Materials and supplies	(28)	(12)	5
Other current assets	20	(18)	(4)
Current liabilities other than debt	55	126	(25)
Other - net (Notes 6 and 11)	92	57	122
Net cash provided by operating activities	2,105	1,661	1,054
Cash flows from investing activities			
Property additions	(1,025)	(1,041)	(720)
Property sales and other transactions	110	75	78
Investments, including short-term	(1,822)	(396)	(106)
Investment sales and other transactions	910	117	108
Net cash used for investing activities	(1,827)	(1,245)	(640)
Cash flows from financing activities			
Dividends	(194)	(142)	(117)
Common stock issued - net	194	162	13
Redemption of minority interest	--	--	(43)
Proceeds from borrowings	433	202	261
Debt repayments	(889)	(455)	(428)
Net cash used for financing activities	(456)	(233)	(314)
 Net increase (decrease) in cash and cash equivalents	 (178)	 183	 100
Cash and cash equivalents			
At beginning of year	467	284	184

At end of year	\$	<u>289</u>	\$	<u>467</u>	\$	<u>284</u>
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Supplemental disclosure of cash flow information

Cash paid during the year for

Interest (net of amounts capitalized)	\$	485	\$	483	\$	510
Income taxes (net of refunds)	\$	271	\$	146	\$	93

See accompanying notes to consolidated financial statements

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

- (X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended DEC. 31, 2006
- () 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

Registrant's telephone number, including area code

(757) 629-2680

No Change

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

Securities registered pursuant to Section 12(b) of the Act

Title of each Class
Norfolk Southern Corporation
Common Stock (Par Value \$1.00)

Name of each exchange
on which registered
New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act NONE

Indicate by checkmark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act Yes (X) No ()

Indicate by checkmark if the registrant is not required to file such reports pursuant to Section 13 or 15 (d) of the Act Yes () No (X)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or Section 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 (X) No ()

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained to the best of registrant's knowledge in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ()

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

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☒

The aggregate market value of the voting common equity held by nonaffiliates as of June 30, 2006 was \$22,023,555.376 (based on the closing price as quoted on the New York Stock Exchange on that date)

The number of shares outstanding of each of the registrant's classes of common stock as of Jan. 31, 2007: 396,986,263 (excluding 20,760,284 shares held by the registrant's consolidated subsidiaries)

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Registrant's definitive proxy statement to be filed electronically pursuant to Regulation 14A not later than 120 days after the end of the fiscal year, are incorporated by reference in Part III

Norfolk Southern Corporation and Subsidiaries

Consolidated Statements of Income

	Years ended Dec. 31,		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
	<i>(\$ in millions, except earnings per share)</i>		
Railway operating revenues	\$ 9,407	\$ 8,527	\$ 7,312
Railway operating expenses:			
Compensation and benefits	2,637	2,493	2,272
Materials, services and rents	1,895	1,809	1,601
Conrail rents and services	126	129	319
Depreciation	738	774	598
Diesel fuel	977	727	449
Casualties and other claims	220	224	151
Other	<u>257</u>	<u>254</u>	<u>220</u>
Total railway operating expenses	<u>6,850</u>	<u>6,410</u>	<u>5,610</u>
Income from railway operations	2,557	2,117	1,702
Other income – net	149	74	76
Interest expense on debt	<u>476</u>	<u>494</u>	<u>489</u>
Income before income taxes	2,230	1,697	1,289
Provision for income taxes	<u>749</u>	<u>416</u>	<u>379</u>
Net income	\$ <u>1,481</u>	\$ <u>1,281</u>	\$ <u>910</u>
Per share amounts:			
Net income			
Basic	\$ 3.63	\$ 3.17	\$ 2.31
Diluted	\$ 3.57	\$ 3.11	\$ 2.28

See accompanying notes to consolidated financial statements

Norfolk Southern Corporation and Subsidiaries

Consolidated Balance Sheets

	As of Dec 31,	
	2006	2005
	(\$ in millions)	
Assets		
Current assets		
Cash and cash equivalents	\$ 527	\$ 289
Short-term investments	391	968
Accounts receivable – net	992	931
Materials and supplies	151	132
Deferred income taxes	186	167
Other current assets	153	163
Total current assets	2 400	2 650
Investments	1 755	1 558
Properties less accumulated depreciation	21 098	20 735
Other assets	775	916
Total assets	\$ 26 028	\$ 25 859
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 1 181	\$ 1 163
Income and other taxes	205	231
Other current liabilities	216	213
Current maturities of long-term debt	491	314
Total current liabilities	2 093	1 921
Long-term debt	6 109	6 616
Other liabilities	1 767	1 415
Deferred income taxes	6 444	6 631
Total liabilities	16 413	16 583
Stockholders' equity		
Common stock \$1.00 per share par value, 1,350,000,000 shares		
authorized issued 418 200,239 and 430,718,913 shares		
Respectively	418	431
Additional paid-in capital	1 303	992
Unearned restricted stock	--	(17)
Accumulated other comprehensive loss	(369)	(77)
Retained income	8 283	7 967
Less treasury stock at cost, 20 780,638 and 20,833 125 shares.		
Respectively	(20)	(20)
Total stockholders' equity	9 615	9 276
Total liabilities and stockholders' equity	\$ 26 028	\$ 25 859

See accompanying notes to consolidated financial statements

Norfolk Southern Corporation and Subsidiaries

Consolidated Statements of Cash Flows

	Years Ended Dec. 31.		
	<u>2006</u>	<u>2005</u>	<u>2004</u>
	(\$ in millions)		
Cash flows from operating activities			
Net income	\$ 1,481	\$ 1,281	\$ 910
Reconciliation of net income to net cash provided by operating activities			
Depreciation	750	787	609
Deferred income taxes	(8)	80	200
Equity in earnings of Conrail	(25)	(37)	(54)
Gain on Conrail Corporate Reorganization	--	--	(40)
Gains and losses on properties and investments	(54)	(51)	(46)
Changes in assets and liabilities affecting operations			
Accounts receivable	(60)	(94)	(71)
Materials and supplies	(19)	(28)	(12)
Other current assets	(11)	20	(18)
Current liabilities other than debt	38	55	126
Other – net	114	92	57
Net cash provided by operating activities	2,206	2,105	1,661
Cash flows from investing activities			
Property additions	(1,178)	(1,025)	(1,041)
Property sales and other transactions	119	110	75
Investments, including short-term	(1,804)	(1,822)	(396)
Investment sales and other transactions	2,179	910	117
Net cash used for investing activities	(684)	(1,827)	(1,245)
Cash flows from financing activities			
Dividends	(278)	(194)	(142)
Common stock issued – net	297	194	162
Purchase and retirement of common stock	(964)	--	--
Proceeds from borrowings	--	433	202
Debt repayments	(339)	(889)	(455)
Net cash used for financing activities	(1,284)	(1,456)	(233)
Net increase (decrease) in cash and cash equivalents	238	(178)	183
Cash and cash equivalents			
At beginning of year	289	467	284
At end of year	\$ 527	\$ 289	\$ 467
Supplemental disclosure of cash flow information			
Cash paid during the year for			
Interest (net of amounts capitalized)	\$ 473	\$ 485	\$ 483
Income taxes (net of refunds)	\$ 692	\$ 271	\$ 146

See accompanying notes to consolidated financial statements

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D C 20549

FORM 10-K

- (X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended DEC. 31, 2007
- () 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

Registrant's telephone number, including area code

(757) 629-2680

No Change

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

Securities registered pursuant to Section 12(b) of the Act

Title of each Class

Norfolk Southern Corporation
Common Stock (Par Value \$1.00)

Name of each exchange
on which registered

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by checkmark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act Yes (X) No ()

Indicate by checkmark if the registrant is not required to file such reports pursuant to Section 13 or 15 (d) of the Act Yes () No (X)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or Section 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 (X) No ()

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ()

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

Large accelerated filer (X) Accelerated filer () Non-accelerated filer ()

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes () No (X)

The aggregate market value of the voting common equity held by nonaffiliates as of June 29, 2007 was \$20,633,804.749 (based on the closing price as quoted on the New York Stock Exchange on that date).

The number of shares outstanding of each of the registrant's classes of common stock, as of Jan 31, 2008 376,332,668 (excluding 20,672,924 shares held by the registrant's consolidated subsidiaries)

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Registrant's definitive proxy statement to be filed electronically pursuant to Regulation 14A not later than 120 days after the end of the fiscal year, are incorporated by reference in Part III

Norfolk Southern Corporation and Subsidiaries

Consolidated Statements of Income

	Years ended Dec. 31,		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
	<i>(\$ in millions, except earnings per share)</i>		
Railway operating revenues	\$ 9,432	\$ 9,407	\$ 8,527
Railway operating expenses:			
Compensation and benefits	2,552	2,637	2,493
Purchased services and rents	1,551	1,578	1,547
Fuel	1,169	1,095	821
Depreciation	775	738	774
Materials and other	<u>800</u>	<u>802</u>	<u>775</u>
 Total railway operating expenses	 <u>6,847</u>	 <u>6,850</u>	 <u>6,410</u>
 Income from railway operations	 2,585	 2,557	 2,117
 Other income – net	 93	 149	 74
Interest expense on debt	<u>441</u>	<u>476</u>	<u>494</u>
 Income before income taxes	 2,237	 2,230	 1,697
 Provision for income taxes	 <u>773</u>	 <u>749</u>	 <u>416</u>
 Net income	 \$ <u>1,464</u>	 \$ <u>1,481</u>	 \$ <u>1,281</u>
 Per share amounts:			
Net income			
Basic	\$ 3.74	\$ 3.63	\$ 3.17
Diluted	\$ 3.68	\$ 3.57	\$ 3.11

See accompanying notes to consolidated financial statements

Consolidated Balance Sheets

	As of Dec. 31,	
	<u>2007</u>	<u>2006</u>
	(\$ in millions)	
Assets		
Current assets		
Cash and cash equivalents	\$ 206	\$ 527
Short-term investments	--	391
Accounts receivable – net	942	992
Materials and supplies	176	151
Deferred income taxes	190	186
Other current assets	161	153
Total current assets	1,675	2,400
Investments	1,974	1,755
Properties less accumulated depreciation	21,583	21,098
Other assets	912	775
Total assets	\$ 26,144	\$ 26,028
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 1,139	\$ 1,181
Income and other taxes	203	205
Other current liabilities	237	216
Current maturities of long-term debt	369	491
Total current liabilities	1,948	2,093
Long-term debt	5,999	6,109
Other liabilities	2,039	1,767
Deferred income taxes	6,431	6,444
Total liabilities	16,417	16,413
Stockholders' equity		
Common stock \$1.00 per share par value, 1,350,000,000 shares		
authorized, outstanding 379,297,891 and 397,419,601 shares,		
respectively, net of treasury shares	380	398
Additional paid-in capital	1,466	1,303
Accumulated other comprehensive loss	(399)	(369)
Retained income	8,280	8,283
Total stockholders' equity	9,727	9,615
Total liabilities and stockholders' equity	\$	\$

26.144

26.028

See accompanying notes to consolidated financial statements

Consolidated Statements of Cash Flows

	Years Ended Dec. 31,		
	<u>2007</u>	<u>2006</u>	<u>2005</u>
	<i>(\$ in millions)</i>		
Cash flows from operating activities			
Net income	\$ 1,464	\$ 1,481	\$ 1,281
Reconciliation of net income to net cash provided by operating activities:			
Depreciation	786	750	787
Deferred income taxes	125	(8)	80
Gains and losses on properties and investments	(51)	(54)	(51)
Changes in assets and liabilities affecting operations:			
Accounts receivable	30	(60)	(94)
Materials and supplies	(25)	(19)	(28)
Other current assets	(17)	(11)	20
Current liabilities other than debt	38	38	55
Other – net	(17)	89	55
Net cash provided by operating activities	2,333	2,206	2,105
Cash flows from investing activities			
Property additions	(1,341)	(1,178)	(1,025)
Property sales and other transactions	124	119	110
Investments, including short-term	(635)	(1,804)	(1,822)
Investment sales and other transactions	827	2,179	910
Net cash used for investing activities	(1,025)	(684)	(1,827)
Cash flows from financing activities			
Dividends	(377)	(278)	(194)
Common stock issued – net	183	297	194
Purchase and retirement of common stock	(1,196)	(964)	--
Proceeds from borrowings	250	--	433
Debt repayments	(489)	(339)	(889)
Net cash used for financing activities	(1,629)	(1,284)	(456)
Net increase (decrease) in cash and cash equivalents	(321)	238	(178)
Cash and cash equivalents			
At beginning of year	527	289	467
At end of year	\$ 206	\$ 527	\$ 289
Supplemental disclosure of cash flow information			
Cash paid during the year for			
Interest (net of amounts capitalized)	\$ 441	\$ 473	\$ 485

Income taxes (net of refunds)

\$ 603 \$ 692 \$ 271

See accompanying notes to consolidated financial statements

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington D C 20540

FORM 10-K

- (X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended **DECEMBER 31, 2008**
- () 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

52-1188014

(State or other jurisdiction of incorporation)

(IRS Employer Identification No.)

Three Commercial Place

Norfolk, Virginia

23510-2191

(Address of principal executive offices)

Zip Code

Registrant's telephone number including area code

(757) 629-2680

Securities registered pursuant to Section 12(b) of the Act

<u>Title of each Class</u>	<u>Name of each exchange</u>
Norfolk Southern Corporation	on which registered
Common Stock (Par Value \$1.00)	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act **NONF**

Indicate by check mark if the registrant is a well-known seasoned issuer as defined in Rule 405 of the Securities Act Yes (X) No ()

Indicate by check mark if the registrant is not required to file such reports pursuant to Section 13 or 15(d) of the Act Yes () No (X)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or Section 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 (X) No ()

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained to the best of registrant's knowledge in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ()

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

Large accelerated filer (X) Accelerated filer () Non-accelerated filer
() Smaller reporting company ()

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes () No (X)

The aggregate market value of the voting common equity held by non-affiliates as of June 30, 2008 was \$23,454,318,004 (based on the closing price as quoted on the New York Stock Exchange on that date)

The number of shares outstanding of each of the registrant's classes of common stock as of January

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement to be filed electronically pursuant to Regulation 14A not later than 120 days after the end of the fiscal year are incorporated by reference in Part III.

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NORFOLK SOUTHERN CORPORATION AND SUBSIDIARIES (NS)

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Norfolk Southern Corporation

We have audited the accompanying consolidated balance sheets of Norfolk Southern Corporation and subsidiaries as of December 31, 2008 and 2007 and the related consolidated statements of income, changes in stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2008. In connection with our audits of the consolidated financial statements, we also have audited financial statement schedule as listed in Item 15(A)2. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Norfolk Southern Corporation and subsidiaries as of December 31, 2008 and 2007 and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2008, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in note 1 to the consolidated financial statements, Norfolk Southern Corporation adopted Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, effective January 1, 2007 and Statement of Financial Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, effective December 31, 2006.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Norfolk Southern Corporation's internal control over financial reporting as of December 31, 2008, based on criteria established in *Internal Control - Integrated Framework*, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 18, 2009, expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Norfolk, Virginia
February 18, 2009

Norfolk Southern Corporation and Subsidiaries

Consolidated Statements of Income

	Years ended December 31,		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
	(\$ in millions, except earnings per share)		
Railway operating revenues	\$ 10,661	\$ 9,432	\$ 9,407
Railway operating expenses:			
Compensation and benefits	2,684	2,552	2,637
Purchased services and rents	1,599	1,551	1,578
Fuel	1,638	1,169	1,095
Depreciation	804	775	738
Materials and other	957	900	907

	2008	2007	2006
Total railway operating expenses	7,577	6,847	6,850
Income from railway operations	3,084	2,585	2,557
Other income – net	110	93	149
Interest expense on debt	444	441	476
Income before income taxes	2,750	2,237	2,230
Provision for income taxes	1,034	773	749
Net income	\$ 1,716	\$ 1,464	\$ 1,481
Per share amounts:			
Net income			
Basic	\$ 4.60	\$ 3.74	\$ 3.63
Diluted	\$ 4.52	\$ 3.68	\$ 3.57

See accompanying notes to consolidated financial statements

Norfolk Southern Corporation and Subsidiaries

Consolidated Balance Sheets

	As of December 31,	
	2008	2007
	(\$ in millions)	
Assets		
Current assets		
Cash and cash equivalents	\$ 618	\$ 206
Accounts receivable – net	870	942
Materials and supplies	194	176
Deferred income taxes	149	190
Other current assets	168	161
Total current assets	1,999	1,675
Investments	1,779	1,974
Properties less accumulated depreciation	22,247	21,583
Other assets	272	912

Total assets	\$	<u>26,297</u>	\$	<u>26,144</u>
Liabilities and stockholders' equity				
Current liabilities				
Accounts payable	\$	1,140	\$	1,139
Income and other taxes		261		203
Other current liabilities		220		237
Current maturities of long-term debt		<u>484</u>		<u>369</u>
Total current liabilities		2,105		1,948
Long-term debt		6,183		5,999
Other liabilities		2,030		2,039
Deferred income taxes		<u>6,372</u>		<u>6,431</u>
Total liabilities		<u>16,690</u>		<u>16,417</u>
Stockholders' equity				
Common stock \$1.00 per share par value, 1,350,000,000 shares				
authorized, outstanding 366,233,106 and 379,297,891 shares				
respectively, net of treasury shares		368		380
Additional paid-in capital		1,680		1,466
Accumulated other comprehensive loss		(942)		(399)
Retained income		<u>8,501</u>		<u>8,280</u>
Total stockholders' equity		<u>9,607</u>		<u>9,727</u>
Total liabilities and stockholders' equity	\$	<u>26,297</u>	\$	<u>26,144</u>

See accompanying notes to consolidated financial statements

Norfolk Southern Corporation and Subsidiaries

Consolidated Statements of Cash Flows

	Years Ended December 31,		
	2008	2007	2006
	(\$ in millions)		
Cash flows from operating activities			
Net income	\$ 1,716	\$ 1,464	\$ 1,481
Reconciliation of net income to net cash provided by operating activities			
Depreciation	815	786	750
Deferred income taxes	290	125	(8)
Gains and losses on properties and investments	(29)	(51)	(54)
Changes in assets and liabilities affecting operations			
Accounts receivable	269	30	(60)
Materials and supplies	(18)	(25)	(19)
Other current assets	(8)	(17)	(11)
Current liabilities other than debt	(262)	38	38
Other - net	(58)	(17)	89

Net cash provided by operating activities	2,715	2,333	2,206
Cash flows from investing activities			
Property additions	(1,558)	(1,341)	(1,178)
Property sales and other transactions	109	124	119
Investments including short-term	(86)	(635)	(1,804)
Investment sales and other transactions	307	827	2,179
Net cash used in investing activities	(1,228)	(1,025)	(684)
Cash flows from financing activities			
Dividends	(456)	(377)	(278)
Common stock issued – net	229	183	297
Purchase and retirement of common stock	(1,128)	(1,196)	(964)
Proceeds from borrowings	1,425	250	--
Debt repayments	(1,145)	(489)	(339)
Net cash used in financing activities	(1,075)	(1,629)	(1,284)
Net increase (decrease) in cash and cash equivalents	412	(321)	238
Cash and cash equivalents			
At beginning of year	206	527	289
At end of year	\$ 618	\$ 206	\$ 527
Supplemental disclosure of cash flow information			
Cash paid during the year for			
Interest (net of amounts capitalized)	\$ 421	\$ 441	\$ 473
Income taxes (net of refunds)	\$ 615	\$ 603	\$ 692

See accompanying notes to consolidated financial statements

Norfolk Southern Corporation and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity

	Common Stock	Additional Paid-in Capital	Unearned Restricted Stock	Accum. Other Compre- hensive Loss	Retained Income	Total
<i>(\$ in millions, except per share amounts)</i>						
Balance December 31, 2005	\$ 411	\$ 992	\$ (17)	\$ (77)	\$ 7,967	\$ 9,276
Comprehensive income						
Net income					1,481	1,481
Other comprehensive income				2		2
Total comprehensive income						1,483

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K**

(Mark One)

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

For the fiscal year ended December 31, 2004

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 1-6075

UNION PACIFIC CORPORATION

(Exact name of registrant as specified in its charter)

UTAH

(State or other jurisdiction of
incorporation or organization)

13-2626465

(I R S Employer
Identification No.)

1400 DOUGLAS STREET, OMAHA, NEBRASKA

(Address of principal executive offices)

68179

(Zip Code)

(402) 544-5000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act

Title of each Class

Name of each exchange on which registered

Common Stock (Par Value \$2.50 per share)

New York Stock Exchange, Inc.

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ☒

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act)

Yes ☐ No ☒

As of June 30, 2004, the aggregate market value of the registrant's Common Stock held by non-affiliates (using the New York Stock Exchange closing price) was \$15,116,771.158

The number of shares outstanding of the registrant's Common Stock as of January 31, 2005, was 260,998,036

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CONSOLIDATED STATEMENTS OF INCOME

Union Pacific Corporation and Subsidiary Companies

<i>Millions, Except Per Share Amounts, for the Years Ended December 31</i>	<i>2004</i>	<i>2003</i>	<i>2002</i>
Operating revenues	(\$12,215)	\$11,551	\$11,159
Operating expenses			
Salaries, wages, and employee benefits	4,167	3,892	3,694
Equipment and other rents	1,374	1,221	1,240
Depreciation	1,111	1,067	1,147
Fuel and utilities	1,816	1,341	1,065
Materials and supplies	488	414	476
Casualty costs	694	416	359
Purchased services and other costs	1,270	1,067	925
Total operating expenses	10,920	9,418	8,906
Operating income	1,295	2,133	2,253
Other income	88	78	324
Interest expense	(527)	(574)	(632)
Income before income taxes	856	1,637	1,945
Income taxes	(252)	(581)	(680)
Income from continuing operations	604	1,056	1,265
Income from discontinued operations, (including gain on sale of S211 in 2003) net of tax benefit of \$96 in 2003 and \$5 in 2002	-	255	76
Cumulative effect of accounting change net of income tax expense of \$167	-	274	-
Net income	\$ 1,604	\$ 1,585	\$ 1,341
Share and Per Share			
Basic,			
Income from continuing operations	\$ 2.33	\$ 4.15	\$ 5.02
Income from discontinued operations	-	1.00	0.30
Cumulative effect of accounting change	-	1.08	-
Net income	\$ 2.33	\$ 6.23	\$ 5.32
Diluted,			
Income from continuing operations	\$ 2.30	\$ 4.07	\$ 4.78
Income from discontinued operations	-	0.95	0.27
Cumulative effect of accounting change	-	1.02	-
Net income	\$ 2.30	\$ 6.04	\$ 5.05
Weighted average number of shares (Basic)	259.1	254.4	252.1
Weighted average number of shares (Diluted)	262.2	268.0	276.8
Dividends	\$ 1.20	\$ 0.99	\$ 0.83

The accompanying notes are an integral part of these Consolidated Financial Statements

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Union Pacific Corporation and Subsidiary Companies

<i>Millions of Dollars as of December 31,</i>	<i>2004</i>	<i>2003</i>
Assets		
Current assets		
Cash and temporary investments	\$ 977	\$ 527
Accounts receivable, net	538	498
Materials and supplies	309	267
Current deferred income taxes	288	518
Other current assets	178	279
Total current assets	2,290	2,089
Investments		
Investments in and advances to affiliated companies	742	688
Other investments	25	38
Total investments	767	726
Properties:		
Road	31,948	30,435
Equipment	7,733	7,648
Other	226	237
Total cost	39,907	38,320
Accumulated depreciation	(8,893)	(8,037)
Net properties	31,014	30,283
Other assets	518	396
Total assets	\$34,589	\$33,494
Liabilities and Common Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 590	\$ 511
Accrued wages and vacation	384	363
Accrued casualty costs	419	394
Income and other taxes	208	219
Dividends and interest	256	252
Debt due within one year	150	167
Equipment rents payable	130	128
Other current liabilities	379	422
Total current liabilities	2,516	2,456
Debt due after one year	7,981	7,822
Deferred income taxes	9,180	9,102
Accrued casualty costs	884	595
Retiree benefits obligation	893	712
Other long-term liabilities	480	453
Commitments and contingencies (Note 9)		
Total liabilities	21,934	21,140
Common shareholders' equity		
Common shares, 500,000,000 shares authorized: 275,694,761 and 275,692,546 shares issued, respectively	689	689
Paid-in-surplus	3,917	3,936
Retained earnings	9,222	8,930
Treasury stock	(936)	(1,077)
Accumulated other comprehensive loss	(237)	(124)
Total common shareholders' equity	12,655	12,354
Total liabilities and common shareholders' equity	\$34,589	\$33,494

The accompanying notes are an integral part of these Consolidated Financial Statements

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CONSOLIDATED STATEMENTS OF CASH FLOWS

Union Pacific Corporation and Subsidiary Companies

Millions of Dollars for the Years Ended December 31,

	2004	2003	2002
Operating Activities			
Net income	\$ 604	\$ 1,585	\$ 1,341
Adjustments to reconcile net income to net cash provided by operating activities			
Income from discontinued operations	-	(255)	(76)
Cumulative effect of accounting change	-	(274)	-
Depreciation	1,111	1,067	1,147
Deferred income taxes	359	494	596
Cash paid to fund pension plan	(100)	(100)	(100)
Other, net	167	(125)	(398)
Changes in current assets and liabilities, net	96	30	(311)
Cash provided by operating activities	2,237	2,422	2,199
Investing Activities			
Capital investments	(1,876)	(1,752)	(1,694)
Proceeds from asset sales	145	150	409
Proceeds from sale of discontinued operations	-	620	-
Other investing activities, net	19	126	(51)
Cash used in investing activities	(1,712)	(856)	(1,336)
Financing Activities			
Dividends paid	(310)	(234)	(201)
Debt repaid	(588)	(2,117)	(1,196)
Cash received from exercise of stock options	102	216	150
Financings, net	721	729	648
Cash used in financing activities	(75)	(1,406)	(599)
Net change in cash and temporary investments	450	160	264
Cash and temporary investments at beginning of year	527	367	103
Cash and temporary investments at end of year	\$ 977	\$ 527	\$ 367
Changes in Current Assets and Liabilities, Net			
Accounts receivable, net	\$ (40)	\$ 59	\$ (85)
Materials and supplies	(42)	10	(22)
Other current assets	101	(80)	(53)
Accounts, wages, and vacation payable	100	79	(81)
Other current liabilities	(23)	(38)	(70)
Total	\$ 96	\$ 30	\$ (311)
Supplemental cash flow information:			
Non-cash transactions			
Non-cash capital lease financings	\$	\$ 188	\$ 126
Cash (paid) received during the year for			
Interest	\$ (517)	\$ (587)	\$ (639)
Income taxes, net	187	(51)	(134)

The accompanying notes are an integral part of these Consolidated Financial Statements

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K**

(Mark One)

☒ [X]

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

For the fiscal year ended December 31, 2005

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 1-6075

UNION PACIFIC CORPORATION

(Exact name of registrant as specified in its charter)

UTAH

(State or other jurisdiction of
incorporation or organization)

13-2626465

(I R S Employer
Identification No)

1400 DOUGLAS STREET, OMAHA, NEBRASKA

(Address of principal executive offices)

68179

(Zip Code)

(402) 544-5000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act

Title of each Class

Name of each exchange on which registered

Common Stock (Par Value \$2.50 per share)

New York Stock Exchange, Inc.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act

Yes X No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act

Yes No X

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 X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Act)

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

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

Yes No X

As of June 30, 2005 the aggregate market value of the registrant's Common Stock held by non-affiliates (using the New York Stock Exchange closing price) was \$16,786,219.745

The number of shares outstanding of the registrant's Common Stock as of January 31, 2005, was 267,584,487

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CONSOLIDATED STATEMENTS OF INCOME

Union Pacific Corporation and Subsidiary Companies

<i>Millions, Except Per Share Amounts, for the Years Ended December 31</i>			
	2005	2004	2003
(Operating revenues)	\$13,578	\$12,215	\$11,551
Operating expenses			
Salaries, wages, and employee benefits	4,375	4,167	3,892
Fuel and utilities	2,562	1,816	1,341
Equipment and other rents	1,402	1,374	1,221
Depreciation	1,175	1,111	1,067
Materials and supplies	546	488	414
Casualty costs	411	694	416
Purchased services and other costs	1,312	1,270	1,067
Total operating expenses	11,783	10,920	9,418
Operating income	1,795	1,295	2,133
Other income	145	88	78
Interest expense	(504)	(527)	(574)
Income before income taxes	1,436	856	1,637
Income taxes	(410)	(252)	(581)
Income from continuing operations	1,026	604	1,056
Income from discontinued operations, (including gain on sale of \$211 in 2003) net of tax benefit of \$96 in 2003	-	-	255
Cumulative effect of accounting change, net of income tax expense of \$167	-	-	274
Net income	\$ 1,026	\$ 604	\$ 1,585
Share and Per Share			
Basic			
Income from continuing operations	\$ 3.89	\$ 2.33	\$ 4.15
Income from discontinued operations	-	-	1.00
Cumulative effect of accounting change	-	-	1.08
Net income	\$ 3.89	\$ 2.33	\$ 6.23
Diluted			
Income from continuing operations	\$ 3.85	\$ 2.30	\$ 4.07
Income from discontinued operations	-	-	0.95
Cumulative effect of accounting change	-	-	1.02
Net income	\$ 3.85	\$ 2.30	\$ 6.04
Weighted average number of shares (Basic)	263.4	259.1	254.4
Weighted average number of shares (Diluted)	266.5	262.2	268.0
Dividends declared	-	\$ 1.20	\$ 0.99

The accompanying notes are an integral part of these Consolidated Financial Statements

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Union Pacific Corporation and Subsidiary Companies

<i>Millions of Dollars as of December 31</i>	<i>2005</i>	<i>2004</i>
Assets		
Current assets		
Cash and cash equivalents	\$ 773	\$ 977
Accounts receivable, net	747	545
Materials and supplies	331	309
Current deferred income taxes	304	288
Other current assets	170	178
Total current assets	2,325	2,297
Investments		
Investments in and advances to affiliated companies	789	742
Other investments	17	25
Total investments	806	767
Properties		
Road	33,812	31,948
Equipment	7,675	7,733
Other	210	226
Total cost	41,697	39,907
Accumulated depreciation	(9,722)	(8,893)
Net properties	31,975	31,014
Other assets	514	518
Total assets	\$35,620	\$34,596
Liabilities and Common Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 783	\$ 590
Accrued wages and vacation	415	384
Accrued casualty costs	478	419
Income and other taxes	212	208
Dividends and interest	252	256
Debt due within one year	656	150
Equipment rents payable	130	130
Other current liabilities	458	394
Total current liabilities	3,384	2,531
Debt due after one year	6,760	7,981
Deferred income taxes	9,482	9,180
Accrued casualty costs	876	884
Retiree benefits obligation	855	885
Other long-term liabilities	556	480
Commitments and contingencies (note 9)		
Total liabilities	21,913	21,941
Common shareholders' equity		
Common shares, par value \$2.50 per share 500,000,000 shares authorized, 275,798,611 and 275,694,761 shares issued, respectively	689	689
Paid-in-surplus	3,915	3,917
Retained earnings	9,932	9,222
Treasury stock	(599)	(936)
Accumulated other comprehensive loss	(230)	(237)
Total common shareholders' equity	13,707	12,655
Total liabilities and common shareholders' equity	\$35,620	\$34,596

The accompanying notes are an integral part of these Consolidated Financial Statements

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CONSOLIDATED STATEMENTS OF CASH FLOWS*Union Pacific Corporation and Subsidiary Companies*

<i>Millions of Dollars, for the Years Ended December 31</i>	<i>2005</i>	<i>2004</i>	<i>2003</i>
Operating Activities			
Net income	\$ 1,026	\$ 604	\$ 1,585
Adjustments to reconcile net income to net cash provided by operating activities			
Income from discontinued operations	-	-	(255)
Cumulative effect of accounting change	-	-	(274)
Depreciation	1,175	1,111	1,067
Deferred income taxes	320	359	494
Net gain from asset sales	(135)	(69)	(84)
Other, net	58	156	(120)
Changes in current assets and liabilities, net	151	96	30
Cash provided by operating activities	2,595	2,257	2,443
Investing Activities			
Capital investments	(2,169)	(1,876)	(1,752)
Proceeds from asset sales	185	145	150
Proceeds from sale of discontinued operations	-	-	620
Other investing activities, net	(63)	(1)	105
Cash used in investing activities	(2,047)	(1,732)	(877)
Financing Activities			
Dividends paid	(314)	(310)	(234)
Debt repaid	(699)	(588)	(2,117)
Debt issued	-	745	746
Net proceeds from equity compensation plans	262	80	216
Other financing activities, net	(1)	(2)	(17)
Cash used in financing activities	(752)	(75)	(1,406)
Net change in cash and cash equivalents	(204)	450	160
Cash and cash equivalents at beginning of year	977	527	367
Cash and cash equivalents at end of year	\$ 773	\$ 977	\$ 527
Changes in Current Assets and Liabilities, Net of Acquisitions			
Accounts receivable, net	\$ (201)	\$ (40)	\$ 59
Materials and supplies	(22)	(42)	10
Other current assets	12	101	(80)
Accounts, wages, and vacation payable	224	100	79
Other current liabilities	138	(23)	(38)
Total	\$ 151	\$ 96	\$ 30
Supplemental cash flow information:			
Non-cash investing activity, capital lease financings	\$ -	\$ -	\$ 188
Non-cash financing activity, cash dividends declared but not yet paid	78	76	75
Cash (paid) received during the year for			
Interest	\$ (510)	\$ (517)	\$ (587)
Income taxes, net	(29)	187	(51)

The accompanying notes are an integral part of these Consolidated Financial Statements

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K**

(Mark One)

☒ [X]

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

For the fiscal year ended December 31, 2006

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 1-6075

UNION PACIFIC CORPORATION

(Exact name of registrant as specified in its charter)

UTAH

(State or other jurisdiction of
incorporation or organization)

13-2626465

(I R S Employer
Identification No)

1400 DOUGLAS STREET, OMAHA, NEBRASKA

(Address of principal executive offices)

68179

(Zip Code)

(402) 544-5000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act

Title of each Class

Name of each exchange on which registered

Common Stock (Par Value \$2.50 per share)

New York Stock Exchange, Inc.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act

Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act

Yes ☐ No ☒

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained to the best of the registrant's knowledge in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Act)

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

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

Yes ☐ No ☒

As of June 30, 2006, the aggregate market value of the registrant's Common Stock held by non-affiliates (using the New York Stock Exchange closing price) was \$24.9 billion

The number of shares outstanding of the registrant's Common Stock as of January 31, 2007 was 270,752,306

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CONSOLIDATED STATEMENTS OF INCOME

Union Pacific Corporation and Subsidiary Companies

*Millions, Except Per Share Amounts,
for the Years Ended December 31.*

	2006	2005	2004
Operating revenue	\$15,578	\$13,578	\$12,215
Operating expenses			
Salaries, wages, and employee benefits	4,599	4,375	4,167
Fuel and utilities	3,012	2,562	1,816
Equipment and other rents	1,455	1,402	1,374
Depreciation	1,237	1,175	1,111
Materials and supplies	691	546	488
Casualty costs	410	411	694
Purchased services and other costs	1,290	1,312	1,270
Total operating expenses	12,694	11,783	10,920
Operating income	2,884	1,795	1,295
Other income	118	145	88
Interest expense	(477)	(504)	(527)
Income before income taxes	2,525	1,436	856
Income taxes	(919)	(410)	(252)
Net income	\$ 1,606	\$ 1,026	\$ 604
Share and Per Share:			
Earnings per share – basic	\$ 5.96	\$ 3.89	\$ 2.33
Earnings per share – diluted	\$ 5.91	\$ 3.85	\$ 2.30
Weighted average number of shares – basic	269.4	263.4	259.1
Weighted average number of shares – diluted	272.0	266.5	262.2
Dividends declared per share	\$ 1.20	\$ 1.20	\$ 1.20

The accompanying notes are an integral part of these Consolidated Financial Statements

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Union Pacific Corporation and Subsidiary Companies

Millions of Dollars as of December 31

	2006	2005
Assets		
Current assets		
Cash and cash equivalents	\$ 827	\$ 773
Accounts receivable, net	679	747
Materials and supplies	395	331
Current deferred income taxes	319	304
Other current assets	191	170
Total current assets	2,411	2,325
Investments		
Investments in and advances to affiliated companies	865	789
Other investments	12	17
Total investments	877	806
Properties		
Road	35,634	33,812
Equipment	7,637	7,675
Other	177	210
Total cost	43,448	41,697
Accumulated depreciation	(10,575)	(9,722)
Net properties	32,873	31,975
Other assets	354	514
Total assets	\$ 36,515	\$35,620
Liabilities and Common Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 684	\$ 783
Accrued wages and vacation	412	415
Accrued casualty costs	409	478
Income and other taxes	279	212
Dividends and interest	238	252
Debt due within one year	780	656
Equipment rents payable	108	130
Other current liabilities	629	458
Total current liabilities	3,539	3,384
Debt due after one year	6,000	6,760
Deferred income taxes	9,696	9,482
Accrued casualty costs	868	876
Retiree benefits obligation	504	855
Other long-term liabilities	596	556
Commitments and contingencies (note 10)		
Total liabilities	21,203	21,913
Common shareholders' equity		
Common shares, par value \$2.50 per share 500,000,000 shares authorized, 275,962,411 and 275,798,611 shares issued, respectively	690	689
Paid-in-surplus	3,943	3,915
Retained earnings	11,215	9,932
Treasury stock	(394)	(599)
Accumulated other comprehensive loss	(142)	(230)
Total common shareholders' equity	15,312	13,707
Total liabilities and common shareholders' equity	\$ 36,515	\$35,620

The accompanying notes are an integral part of these Consolidated Financial Statements

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CONSOLIDATED STATEMENTS OF CASH FLOWS

Union Pacific Corporation and Subsidiary Companies

Millions of Dollars for the Years Ended December 31

	2006	2005	2004
Operating Activities			
Net income	\$ 1,606	\$ 1,026	\$ 604
Adjustments to reconcile net income to cash provided by operating activities			
Depreciation	1,237	1,175	1,111
Deferred income taxes	235	320	359
Stock-based compensation expense	35	21	21
Net gain from asset sales	(72)	(135)	(69)
Other operating activities, net	(175)	37	135
Changes in current assets and liabilities, net	14	151	96
Cash provided by operating activities	2,880	2,595	2,257
Investing Activities			
Capital investments	(2,242)	(2,169)	(1,876)
Proceeds from asset sales	133	185	145
Acquisition of equipment pending financing	(536)	(872)	(674)
Proceeds from completed equipment financings	536	872	674
Other investing activities, net	67	(63)	(1)
Cash used in investing activities	(2,042)	(2,047)	(1,732)
Financing Activities			
Dividends paid	(322)	(314)	(310)
Debt repaid	(657)	(699)	(588)
Debt issued	-	-	745
Net proceeds from equity compensation plans	160	262	80
Excess tax benefits from equity compensation plans	29	-	-
Other financing activities, net	6	(1)	(2)
Cash used in financing activities	(784)	(752)	(75)
Net change in cash and cash equivalents	54	(204)	450
Cash and cash equivalents at beginning of year	773	977	527
Cash and cash equivalents at end of year	\$ 827	\$ 773	\$ 977
Changes in Current Assets and Liabilities, Net of Acquisitions			
Accounts receivable, net	\$ 68	\$ (201)	\$ (40)
Materials and supplies	(64)	(22)	(42)
Other current assets	(21)	12	101
Accounts, wages and vacation payable	(102)	224	100
Other current liabilities	133	138	(23)
Total	\$ 14	\$ 151	\$ 96
Supplemental Cash Flow Information			
Non-cash investing activities			
Capital investments accrued but not yet paid	\$ 106	\$ 103	\$ 82
Non-cash financing activity, cash dividends declared but not yet paid	80	78	76
Cash (paid) received during the year for			
Interest	(492)	(510)	(517)
Income taxes, net	(549)	(29)	187

The accompanying notes are an integral part of these Consolidated Financial Statements

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D C 20549
FORM 10-K**

(Mark One)

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

For the fiscal year ended December 31, 2007

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 1-6075

UNION PACIFIC CORPORATION

(Exact name of registrant as specified in its charter)

UTAH

(State or other jurisdiction of
incorporation or organization)

13-2626465

(I R S Employer
Identification No)

1400 DOUGLAS STREET, OMAHA, NEBRASKA

(Address of principal executive offices)

68179

(Zip Code)

(402) 544-5000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act

Title of each Class

Common Stock (Par Value \$2.50 per share)

Name of each exchange on which registered

New York Stock Exchange, Inc

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act ☐ Yes ☒ No

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Act)

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act) ☐ Yes ☒ No

As of June 29, 2007, the aggregate market value of the registrant's Common Stock held by non-affiliates (using the New York Stock Exchange closing price) was \$31.7 billion.

The number of shares outstanding of the registrant's Common Stock as of January 31, 2008 was 260,700,527.

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Consolidated Statements of Income

Union Pacific Corporation and Subsidiary Companies

*Millions Except Per Share Amounts
for the Years Ended December 31*

	2007	2006	2005
Operating revenue	\$ 16,283	\$ 15,578	\$ 13,578
Operating expenses			
Salaries, wages, and employee benefits	4,591	4,599	4,375
Fuel and utilities	3,164	3,012	2,562
Equipment and other rents	1,423	1,455	1,402
Depreciation	1,321	1,237	1,175
Materials and supplies	714	691	546
Casualty costs	321	410	411
Purchased services and other costs	1,374	1,290	1,312
Total operating expenses	12,908	12,694	11,783
Operating income	3,375	2,884	1,795
Other income	116	118	145
Interest expense	(482)	(477)	(504)
Income before income taxes	3,009	2,525	1,436
Income taxes	(1,154)	(919)	(410)
Net income	\$ 1,855	\$ 1,606	\$ 1,026
Share and Per Share (note 9):			
Earnings per share – basic	\$ 6.97	\$ 5.96	\$ 3.89
Earnings per share – diluted	\$ 6.91	\$ 5.91	\$ 3.85
Weighted average number of shares – basic	265.9	269.4	263.4
Weighted average number of shares – diluted	268.4	272.0	266.5
Dividends declared per share	\$ 1.49	\$ 1.20	\$ 1.20

The accompanying notes are an integral part of these Consolidated Financial Statements.

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Consolidated Statements of Financial Position Union Pacific Corporation and Subsidiary Companies

Millions of Dollars, as of December 31,	2007	2006
Assets		
Current assets		
Cash and cash equivalents	\$ 878	\$ 827
Accounts receivable, net	632	679
Materials and supplies	453	395
Current deferred income taxes	336	319
Other current assets	295	191
Total current assets	2,594	2,411
Investments		
Investments in and advances to affiliated companies	912	865
Other investments	11	12
Total investments	923	877
Properties		
Road	37,661	35,634
Equipment	7,818	7,637
Other	175	177
Total cost	45,654	43,448
Accumulated depreciation	(11,496)	(10,575)
Net properties	34,158	32,873
Other assets	358	354
Total assets	\$ 38,033	\$ 36,515
Liabilities and Common Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 732	\$ 684
Accrued wages and vacation	394	412
Accrued casualty costs	371	409
Income and other taxes	343	279
Dividends and interest	284	238
Debt due within one year	139	780
Equipment rents payable	103	108
Other current liabilities	675	629
Total current liabilities	3,041	3,539
Debt due after one year	7,543	6,000
Deferred income taxes	10,050	9,696
Accrued casualty costs	799	868
Retiree benefits obligation	462	504
Other long-term liabilities	553	596
Commitments and contingencies (note 10)		
Total liabilities	22,448	21,203
Common shareholders' equity		
Common shares, \$2.50 par value, 500,000,000 authorized, 276,162,141 and 275,962,411 issued, 260,869,647 and 270,172,290 outstanding, respectively	690	690
Paid-in-surplus	3,926	3,943
Retained earnings	12,667	11,215
Treasury stock	(1,624)	(394)
Accumulated other comprehensive loss	(74)	(142)
Total common shareholders' equity	15,585	15,312
Total liabilities and common shareholders' equity	\$ 38,033	\$ 36,515

The accompanying notes are an integral part of these Consolidated Financial Statements

Table of Contents**Consolidated Statements of Cash Flows***Union Pacific Corporation and Subsidiary Companies**Millions of Dollars**for the Years Ended December 31,***Operating Activities**

	2007	2006	2005
Net income	\$ 1,855	\$ 1,606	\$ 1,026
Adjustments to reconcile net income to cash provided by operating activities			
Depreciation	1,321	1,237	1,175
Deferred income taxes and unrecognized tax benefits	332	235	320
Stock-based compensation expense	44	35	21
Net gain from asset sales	(52)	(72)	(135)
Other operating activities, net	(251)	(175)	37
Changes in current assets and liabilities, net	28	14	151

Cash provided by operating activities

3,277 2,880 2,595

Investing Activities

Capital investments	(2,496)	(2,242)	(2,169)
Proceeds from asset sales	122	133	185
Acquisition of equipment pending financing	(621)	(536)	(872)
Proceeds from completed equipment financings	621	536	872
Other investing activities	(52)	67	(63)

Cash used in investing activities

(2,426) (2,042) (2,047)

Financing Activities

Common share repurchases (note 12)	(1,375)	-	-
Dividends paid	(364)	(322)	(314)
Debt repaid	(792)	(657)	(699)
Debt issued	1,581	-	-
Net proceeds from equity compensation plans	71	160	262
Excess tax benefits from equity compensation plans	76	29	-
Other financing activities	3	6	(1)

Cash used in financing activities

(800) (784) (752)

Net change in cash and cash equivalents

51 54 (204)

Cash and cash equivalents at beginning of year

827 773 977

Cash and cash equivalents at end of year

\$ 878 \$ 827 \$ 773

Changes in Current Assets and Liabilities, Net of Acquisitions

Accounts receivable, net	\$47	\$68	\$ (201)
Materials and supplies	(58)	(64)	(22)
Other current assets	(104)	(21)	12
Accounts, wages and vacation payable	30	(102)	224
Other current liabilities	113	133	138
Total	\$ 28	\$ 14	\$ 151

Supplemental Cash Flow Information**Non-cash activity**

Capital investments accrued but not yet paid	\$ 126	\$ 106	\$ 103
Capital lease financings	82	16	-
Common shares repurchased but not yet paid	82	-	-
Cash dividends declared but not yet paid	112	80	78
Cash paid during the year for:			
Interest, net of amounts capitalized	\$ (467)	\$ (492)	\$ (510)
Income taxes, net of refunds	(839)	(549)	(29)

The accompanying notes are an integral part of these Consolidated Financial Statements

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K**

(Mark One)

☒

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2008

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 1-6075

UNION PACIFIC CORPORATION

(Exact name of registrant as specified in its charter)

UTAH

(State or other jurisdiction of
incorporation or organization)

13-2626465

(IRS Employer
Identification No.)

1400 DOUGLAS STREET, OMAHA, NEBRASKA

(Address of principal executive offices)

68179

(Zip Code)

(402) 544-5000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act

Title of each Class

Name of each exchange on which registered

Common Stock (Par Value \$2.50 per share)

New York Stock Exchange, Inc.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act

☒ Yes

☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act

☐ Yes

☒ No

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K

☐

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 ☐ Smaller reporting company ☐

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

☐ Yes

☒ No

As of June 30, 2008, the aggregate market value of the registrant's Common Stock held by non-affiliates (using the New York Stock Exchange closing price) was \$41.6 billion.

The number of shares outstanding of the registrant's Common Stock as of January 30, 2009 was 503,193,533.

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CONSOLIDATED STATEMENTS OF INCOME

Union Pacific Corporation and Subsidiary Companies

*Millions, Except Per Share Amounts,
for the Years Ended December 31*

	2008	2007	2006
Operating revenues			
Freight revenues	\$ 17,118	\$ 15,486	\$ 14,791
Other revenues	852	797	787
Total operating revenues	17,970	16,283	15,578
Operating expenses			
Compensation and benefits	4,457	4,526	4,535
Fuel	3,983	3,104	2,968
Purchased services and materials	1,902	1,856	1,756
Depreciation	1,387	1,321	1,237
Equipment and other rents	1,326	1,368	1,396
Other	840	733	802
Total operating expenses	13,895	12,908	12,694
Operating income	4,075	3,375	2,884
Other income (note 5)	92	116	118
Interest expense	(511)	(482)	(477)
Income before income taxes	3,656	3,009	2,525
Income taxes (note 6)	(1,318)	(1,154)	(919)
Net income	\$ 2,338	\$ 1,855	\$ 1,606
Share and Per Share (notes 2 and 7)			
Earnings per share - basic	\$ 4.58	\$ 3.49	\$ 2.98
Earnings per share - diluted	\$ 4.54	\$ 3.46	\$ 2.95
Weighted average number of shares - basic	510.6	531.9	538.9
Weighted average number of shares - diluted	515.0	536.8	543.9
Dividends declared per share	\$ 0.98	\$ 0.745	\$ 0.60

The accompanying notes are an integral part of these Consolidated Financial Statements

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Union Pacific Corporation and Subsidiary Companies

Millions of Dollars, as of December 31,

	2008	2007
Assets		
Current assets		
Cash and cash equivalents	\$ 1,249	\$ 878
Accounts receivable, net	594	632
Materials and supplies	450	453
Current deferred income taxes (note 6)	276	336
Other current assets	244	295
Total current assets	2,813	2,594
Investments	974	923
Net properties (note 9)	35,701	34,158
Other assets	234	358
Total assets	\$ 39,722	\$ 38,033
Liabilities and Common Shareholders' Equity		
Current liabilities		
Accounts payable and other current liabilities (note 10)	\$ 2,560	\$ 2,902
Debt due within one year (note 13)	320	139
Total current liabilities	2,880	3,041
Debt due after one year (note 13)	8,607	7,543
Deferred income taxes (note 6)	10,282	10,050
Other long-term liabilities	2,506	1,814
Commitments and contingencies (note 15)		
Total liabilities	24,275	22,448
Common shareholders' equity (note 2)		
Common shares, \$2.50 par value, 800,000,000 and 500,000,000 authorized, 552,775,812 and 276,162,141 issued, 503,225,705 and 260,869,647 outstanding, respectively	1,382	690
Paid-in-surplus	3,949	3,926
Retained earnings	13,813	12,667
Treasury stock	(2,993)	(1,624)
Accumulated other comprehensive loss (note 8)	(704)	(74)
Total common shareholders' equity	15,447	15,585
Total liabilities and common shareholders' equity	\$ 39,722	\$ 38,033

The accompanying notes are an integral part of these Consolidated Financial Statements

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CONSOLIDATED STATEMENTS OF CASH FLOWS

Union Pacific Corporation and Subsidiary Companies

Millions of Dollars for the Years Ended December 31.

	2008	2007	2006
Operating Activities			
Net income	\$ 2,338	\$ 1,855	\$ 1,606
Adjustments to reconcile net income to cash provided by operating activities			
Depreciation	1,387	1,321	1,237
Deferred income taxes and unrecognized tax benefits	(547)	332	235
Stock-based compensation expense	65	44	35
Net gain from asset sales	(41)	(52)	(72)
Other operating activities, net	24	(251)	(175)
Changes in current assets and liabilities, net	(250)	28	14
Cash provided by operating activities	4,070	3,277	2,880
Investing Activities			
Capital investments	(2,780)	(2,496)	(2,242)
Proceeds from asset sales	93	122	133
Acquisition of equipment pending financing	(388)	(621)	(536)
Proceeds from sale of assets financed	388	621	536
Other investing activities, net	(77)	(52)	67
Cash used in investing activities	(2,764)	(2,426)	(2,042)
Financing Activities			
Debt issued	2,257	1,581	-
Common share repurchases (note 16)	(1,609)	(1,375)	-
Debt repaid	(1,208)	(792)	(657)
Dividends paid	(481)	(364)	(322)
Cash received for option exercises	83	132	177
Treasury shares repurchased for employee payroll taxes	(28)	(61)	(17)
Excess tax benefits from equity compensation plans	54	76	29
Other financing activities, net	(3)	3	6
Cash used in financing activities	(935)	(800)	(784)
Net change in cash and cash equivalents	371	51	54
Cash and cash equivalents at beginning of year	878	827	773
Cash and cash equivalents at end of year	\$ 1,249	\$ 878	\$ 827
Changes in Current Assets and Liabilities			
Accounts receivable, net	\$ 38	\$ 47	\$ 68
Materials and supplies	3	(58)	(64)
Other current assets	51	(104)	(21)
Accounts payable and other current liabilities	(342)	143	31
Total	\$ (250)	\$ 28	\$ 14
Supplemental Cash Flow Information			
Non-cash investing and financing activities			
Capital lease financings	\$ 175	\$ 82	\$ 16
Cash dividends declared but not yet paid	132	112	80
Capital investments accrued but not yet paid	93	126	106
Common shares repurchased but not yet paid	-	82	-
Cash paid during the year for			
Interest, net of amounts capitalized	\$ (500)	\$ (467)	\$ (492)
Income taxes, net of refunds	(699)	(839)	(549)

The accompanying notes are an integral part of these Consolidated Financial Statements