LIVEWIRE ERGOGENICS INC.
Form 10-Q
November 21, 2012

FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2012

OR

[ ] TRANSITION REPORT UNDER SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to _____________

LIVEWIRE ERGOGENICS INC.
(Exact name of registrant as specified in its charter)

Nevada	333-149158	26-1212244
(State or other jurisdiction of incorporation or organization)	(commission file no.)	(IRS Employee Identification No.)

1747 S. Douglass Road, Anaheim, CA 92806
(Current Address of Principal Executive Offices)

Phone number: 714-940-0155
(Issuer Telephone Number)

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, as amended (the "Exchange Act") during the past 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 whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2of the Exchange Act). Check one:

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

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 number of shares of Common Stock of the issuer outstanding as of November 19, 2012 was 55,555,101.

EXPLANATORY NOTE

Livewire Ergogenics, Inc. (the “Company”) is filing this Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 (the “Report”) on the date hereof in reliance on Order Under Section 17A and Section 36 of the Securities Exchange Act of 1934 Granting Exemptions from Specified Provisions of the Exchange Act and Certain Rules Thereunder (the “Order”) promulgated by the Securities and Exchange Commission (the “SEC”) on November 14, 2012 (Securities Exchange Act of 1934 – Release No. 68224).

The Company was not able to meet the SEC mandated filing deadline for the Report due to Hurricane Sandy. The Company’s certified public accounting firm hired to review the Report and the financial statements contained herein, Sherb & Co., LLP (“Sherb”), is located in New York, New York. Sherb’s offices were closed during Hurricane Sandy and for approximately one week thereafter due to lack of power, heat and telephone service. Because of Hurricane Sandy, Sherb was not able to provide its accounting review service in a timely fashion. Because of this delay, the Company was not able to file the Report until today.

Table of Contents

	Page
PART I – FINANCIAL INFORMATION	
Item 1. Financial Statements	4-17
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	18
Item 3. Quantitative and Qualitative Disclosures About Market Risk	20
Item 4. Controls and Procedures	20
PART II – OTHER INFORMATION	
Item 1. Legal Proceedings	21
Item 1A. Risk Factors	21
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	21
Item 3. Defaults Upon Senior Securities	22
Item 4. Reserved	22
Item 5. Exhibits	22
Signatures	23

LiveWire Ergogenics, Inc.
Consolidated Balance Sheets

	September 30, 2012 (Unaudited)	December 31, 2011
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$4,536	$31,454
Accounts receivable	8,952	10,188
Inventory, net	79,410	44,979
Prepaid and other current assets	930	12,180
Total current assets	93,828	98,801
Property and Equipment, net	16,433	7,595
Total assets	$110,261	$106,396
LIABILITIES AND STOCKHOLDERS DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$117,497	$37,138
Accounts payable - Related party	281,839	737,182
Notes payable	141,480	67,400
Advances from stockholders	47,521	47,521
Total liabilities	588,337	889,241
STOCKHOLDERS' DEFICIT		
Preferred stock, $.0001 par value, 10,000,000 shares authorized, 1,000,000 issued and outstanding at September 30, 2012 and December 31, 2011, respectively	100	100
Common stock, $.0001 par value, 100,000,000 shares authorized, 55,545,101 and 50,812,599 issued and outstanding at September 30, 2012 and December 31, 2011, respectively	5,554	5,081
Subscription Receivable	(54,500)	-
Additional paid-in-capital	1,469,157	194,166
Accumulated Deficit	(1,898,387)	(982,192)
Total stockholders' deficit	(478,076)	(782,845)
	$110,261	$106,396

LiveWire Ergogenics, Inc.

Consolidated Statements of Operations

(Unadited)

	For the nine months ended September 30,		For the three months ended September 30,	
	2012	2011 (Restated)	2012	2011 (Restated)
Income				
Sales	$135,674	$402,122	$26,528	$32,442
Cost of goods sold	100,625	231,577	22,602	32,315
Gross Profit (Loss)	35,049	170,545	3,926	127
Expenses				
Selling Costs	64,181	26,414	6,548	15,510
General and Administrative Costs	885,259	240,643	160,992	151,209
Total Expenses	949,440	267,057	167,540	166,719
Other Expenses				
Interest Expense	1,804	801	1,275	297
Net Loss	$(916,195)	$(97,313)	$(164,889)	$(166,889)
Basic and diluted loss per share				
	$(0.02)	$(0.00)	$(0.00)	$(0.00)
Weighted average shares outstanding - basic and diluted	53,766,379	39,966,764	54,240,101	49,933,529

The accompanying notes to the unaudited financial statements are an integral part of these statements.

LiveWire Ergogenics, Inc.
Consolidated Statements of Cash Flows
(Unaudited)

	For the nine months ended September 30,	
	2012	2011 (Restated)
Cash Flows From Operating Activities:		
Net loss	$(916,195)	$(97,313)
Adjustments to reconcile net loss to net cash		
used in operating activities:		
Depreciation	4,305	1,620
Common stock issued for services	258,650	-
Change in operating assets and liabilities:		
Cash overdraft	-	-
Accounts Receivable	1,236	(11,746)
Inventory	(34,432)	(49,287)
Prepaid and other assets	11,250	-
Accounts payable and accrued expenses	87,584	112,067
Accounts Payable - Related Party	149,446	(68,500)
Net cash used in operating activities	(438,156)	(113,159)
Cash Flows From Investing Activities		
Cash received upon recapitalization	-	10,088
Purchase of equipment	(16,700)	(2,990)
Sale of equipment	3,558	-
Net cash used in by investing activities	(13,142)	7,098
Cash Flows From Financing Activities		
Proceeds from notes payable	67,100	272,500
Proceeds from shareholder loan	42,380	4,671
Shares issued for cash	315,900	-
Proceeds from subscription receivable	9,000	-
Repayment of note payable	(10,000)	(150,000)
Capital contributions	-	15,000
Net cash provided by financing activities	424,380	142,171
Net (Decrease) Increase in Cash	(26,918)	36,110
Cash at Beginning of Period	31,454	1,813
Cash at End of Period	$4,536	$37,923
Supplemental disclosures of cashflow information:		
Interest paid in cash	$-	$2,726
Taxes paid in cash	$-	$-

Supplemental Schedules of Noncash Investing and Financing Activities:		
Shares issued for accounts payable	$(7,625)	$-
Shares issued for accounts payable - related parties	$(395,341)	$-
Shares issued for accrued salaries	$(209,448)	$-
Common stock issued for payment of notes payable	$(25,000)	$-

The accompanying notes to the unaudited financial statements are an integral part of these statements.

LiveWire Ergogenics Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

(UNAUDITED)

NOTE 1 – BASIS OF PRESENTATION AND NATURE OF OPERATIONS

The Company

LiveWire MC2, LLC (“LVWR”) was organized under the laws of the State of California on January 7, 2008 as a limited liability company. LVWR was formed for the purpose of developing and marketing consumable energy supplements. LVWR adopted December 31 as the fiscal year end.

On June 30, 2011, LVWR, together with its members, entered into a purchase agreement (the “Purchase Agreement”), for a share exchange with SF Blu Vu, Inc., (“SF Blu”), a public Nevada shell corporation. SF Blu Vu Inc. was formed in Nevada on October 9, 2007 under the name Semper Flowers, Inc. On May 15, 2009 the Company changed its name to SF Blu Vu, Inc. The Purchase Agreement was ultimately completed on August 31, 2011. Under the terms of the purchase agreement (the “Purchase Agreement”), SF Blu issued 30,000,000 of their common shares for 100% of the members’ interest in LVWR. Subsequent to the Purchase Agreement, the members of LVWR owned 60% of common shares of SF Blu, effectively obtaining operational and management control of SF Blu. For accounting purposes, the transaction has been accounted for as a reverse acquisition under the purchase method of business combinations, and accordingly the transaction has been treated as a recapitalization of LVWR, the accounting acquirer in this transaction, with SF Blu (the shell) as the legal acquirer.

Subsequent to the Purchase Agreement the financial statements presented are those of LVWR, as if the Purchase Agreement had been in effect retroactively for all periods presented. Immediately following completion of the Purchase Agreement, LVWR and their stockholders had effective control of SF Blu even though SF Blu had acquired LVWR. For accounting purposes, LVWR will be deemed to be the accounting acquirer in the transaction and, consequently, the transaction will be treated as a recapitalization of LVWR i.e., a capital transaction involving the issuance of shares by SF Blu for the members’ interest in LVWR. Accordingly, the assets, liabilities and results of operations of LVWR, became the historical financial statements of SF Blu at the closing of the Purchase Agreement, and SF Blu’s assets, liabilities and results of operations have been consolidated with those of LVWR commencing as of August 31, 2011, the date the Purchase Agreement closed. SF Blu is considered the accounting acquiree, or legal acquiror, in this transaction. No step-up in basis or intangible assets or goodwill will be recorded in this transaction. As this transaction is being accounted for as a reverse acquisition, all direct costs of the transaction have been charged to additional paid-in capital. All professional fees and other costs associated with transaction have been charged to additional paid-in-capital.

Subsequent to the Purchase Agreement being completed, SF Blu as the legal acquiror and surviving company, together with their controlling stockholders from LVWR changed the name of SF Blu to LiveWire Ergogenics, Inc. (“LiveWire”) on September 20, 2011. Hereafter, SF Blu, LVWR, or LiveWire are referred to as the “Company”, unless specific reference is made to an individual entity.

In contemplation, and in connection with the Purchase Agreement, the Company’s directors on July 19, 2011 adopted resolutions determining the Designations, Rights and Preferences of the Series A Preferred Stock (“Series A”) consisting of One Million (1,000,000) shares. The Series A is senior to the common stock and all other shares of Preferred Stock that may be later authorized. Each outstanding share of Series A has One Thousand (1,000) votes on all matters submitted to the stockholders and votes with the common stock on all matters. The Series A shares vote separately as a class has the right to elect three persons to serve on the board of directors. The shares of Series A (i) do not have a liquidation preference; (ii) do not accrue, earn, or participate in any dividends; (iii) are not subject to redemption by the Corporation; and (iv) each share of Series A has one thousand (1,000) votes per share and votes with the common stock on all matters. As such, the Series A has voting control of the Company and may use its majority control to affect the interests of the Company's common stockholders.

LiveWire Ergogenics Inc.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

(UNAUDITED)

NOTE 1 – BASIS OF PRESENTATION AND NATURE OF OPERATIONS (CONTINUED)

After December 31, 2012, each outstanding share of Series A may be converted, at the option of the owner, into fifty (50) shares of the Company's common stock; provided however, that no conversion shall be permitted unless (i) the Company's common stock is quoted for public trading in the United States or other international securities market and (ii) the Company's market capitalization (i.e., the number of issued and outstanding shares of common stock multiplied by the daily closing price) has exceeded Fifty Million Dollars ($50,000,000) for 90 consecutive trading days. These provisions, if executed by the holders of the Series A, may significantly dilute the Company’s common stockholders after December 31, 2012.

On July 19, 2011, the Company issued 1,000,000 shares of the newly created Series A to Weed & Co. LLP, (“Weed & Co”) or its designee, in exchange for a $100,000 reduction of the outstanding accounts payable, being the equivalent of One Cent ($0.1) per share of Series A. Weed & Co., had provided legal services to SF Blu as a shell prior to the Purchase Agreement, and to the Company subsequent to the Purchase Agreement. Subsequent to the issuance of the Series A, Weed & Co assigned the Series A to a third party. On July 21, 2011 in connection with this Series A issuance, a Contingent Option Agreement (“Contingent Option”) was entered into between the two primary members of LVWR and the holder of the issued Series A. Under the terms of this Contingent Option the holder of the Series A is not allowed to transfer, sell or borrow against the Series A shares. Under the Contingent Option the two members of LVWR could purchase the issued Series A under the following circumstances:

- Provided that LVWR becomes a subsidiary of a public entity any time prior to December 31, 2012, the two members of LVWR could purchase the Series A for $400,000.
- Provided that LVWR becomes a subsidiary of a public entity, and that entity has not secured an investment of $350,000 prior to December 31, 2011 or March 31, 2012, the two members of LVWR could purchase the Series A for $2.
- Provided that LVWR becomes a subsidiary of a public entity, and that entity has not secured an investment of $600,000 prior to June 30, 2012, the two members of LVWR could purchase the Series A for $2.
- Provided that LVWR becomes a subsidiary of a public entity, and that entity has not secured an investment of $850,000 prior to December 31, 2012, the two members of LVWR could purchase the Series A for $2.
- Provided that LVWR becomes a subsidiary of a public entity, and that entity reports cumulative gross revenue of $600,000 by June 30, 2012, the two members of LVWR could purchase the Series A for $2.
- Provided that LVWR becomes a subsidiary of a public entity, and that entity reports cumulative gross revenue of $1,500,000 by December 31, 2012, the two members of LVWR could purchase the Series A for $2.
- Provided that LVWR becomes a subsidiary of a public entity, and that entity secures funding in excess of $200,000 through the efforts of the two members, then the two members of LVWR could purchase the Series A for $2.

Based on the above noted terms of the Contingent Option the Company accounted for the issued Series A, similar to that of the 30,000,000 shares of common stock issued with the Purchase Agreement, as the terms of the Contingent Option are effectively made to ensure that the Series A, and any benefit there under, would ultimately reside with the LVWR members. Accordingly, the Series A are treated as having been issued by the accounting acquirer, or LVWR, since inception for all periods presented.

LiveWire Ergogenics Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

(UNAUDITED)

NOTE 1 – BASIS OF PRESENTATION AND NATURE OF OPERATIONS (CONTINUED)

In March 2012, Bill Hodson and Brad Nichols exercised their rights under the Contingent Option Agreement dated July 21, 2011 with Rick Darnell. Based upon the Agreement and fulfillment of contingencies in the Agreement, Bill Hodson and Brad Nichols each acquired 500,000 shares of the Series A from Rick Darnell for $2.00.

Interim Financial Statements

These unaudited financial statements as of and for the three and nine months ended September 30, 2012 and 2011 reflect all adjustments which, in the opinion of management, are necessary to present fairly the financial position, results of operations and cash flows for the periods presented in accordance with the accounting principles generally accepted in the United States of America. All adjustments are of a normal recurring nature.

These interim financial statements should be read in conjunction with LVWR's financial statements and notes thereto for the years ended December 31, 2011 and 2010 included in the Company's Form 10-K filed with the United States Securities and Exchange Commission on April 16, 2012. The Company assumes that the users of the interim financial information herein have read, or have access to, the audited financial statements for the preceding period, and that the adequacy of additional disclosure needed for a fair presentation may be determined in that context. The results of operations for the three and nine month periods ended September 30, 2012 are not necessarily indicative of results for the entire year ending December 31, 2012.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Advertising

Advertising is expensed as incurred and is included in selling costs on the accompanying statements of operations. Advertising and marketing expense for the nine months ended September 30, 2012 and 2011 was $64,181 and $26,414, respectively.

Accounts Receivable

Accounts receivable are presented net of an allowance for doubtful accounts. The Company maintains allowances for doubtful accounts for estimated losses. The Company reviews the accounts receivable on a periodic basis and makes general and specific allowances when there is doubt as to the collectability of individual balances. In evaluating the collectability of individual receivable balances, the Company considers many factors, including the age of the balance, a customer's historical payment history, its current credit-worthiness and current economic trends. Accounts are written off after exhaustive efforts at collection. At September 30, 2012 and December 31, 2011, the Company has established, based on a review of its outstanding balances, an allowance for doubtful accounts in the amount of $22,422 and $6,732, respectively.

Basis of Accounting

These financial statements have been prepared using the basis of accounting generally accepted in the United States of America. Under this basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

Cash and Equivalents

The Company considers all highly liquid instruments purchased with an original maturity of three months or less and money market accounts to be cash equivalents. There were no cash equivalents at September 30, 2012 and at December 31, 2011.

LiveWire Ergogenics Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

(UNAUDITED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

Inventory

Inventory is stated at the lower of cost or market value. Inventory consists primarily of finished goods and packaging materials and production supplies, i.e., packaged consumable energy supplements, manufactured under contract, and the wrappers and containers they are sold in. A periodic inventory system is maintained by 100% count. Inventory is replaced periodically to maintain the optimum stock on hand available for immediate shipment.

Fair Value of Financial Instruments

The Financial Accounting Standards Board issued   ASC (Accounting Standards Codification) 820-10 (SFAS No. 157), “Fair Value Measurements and Disclosures" for financial assets and liabilities. ASC 820-10 provides a framework for measuring fair value and requires expanded disclosures regarding fair value measurements. FASB ASC 820-10 defines fair value as the price that would be received for an asset or the exit price that would be paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. FASB ASC 820-10 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs, where available. The following summarizes the three levels of inputs required by the standard that the Company uses to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The carrying amounts of the Company’s financial instruments as of September 30, 2012 and December 31, 2011 reflect:

Cash: Level One measurement based on bank reporting.

Income Taxes

Prior to the Purchase Agreement LVWR was taxed as a limited liability company, which is a ‘pass through entity’ for tax purposes. Taxable income flowed through to its members, and income taxes were not levied at the company level. Subsequent to the reverse merger LVWR became a subsidiary of the SF Blu and is taxed at the Company’s marginal corporate rate. The Company accounts for income taxes under the provisions of ASC Section 740-10-30, which is an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in their financial statements or tax returns.

LiveWire Ergogenics Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

(UNAUDITED)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recognition of Revenue

Sales are recorded at the time title of goods sold passes to customers, which based on shipping terms which generally occurs when the product is shipped to the customer and collectability is reasonably assured. Based on prior experience, the Company reasonably estimates its sales returns and warranty reserves. Sales are presented net of discounts and allowances. Discounts and allowances are determined when a sale is negotiated. The Company does not grant price adjustments after a sale is complete. The Company warrants its products sold on the internet with a right of exchange by means of an approved Return Merchandise Authorization (RMA). Returns of unused merchandise are similarly authorized. Warranty and return policy for product sold through retail distribution channels is negotiated with each customer.

The Company's revenue is primarily derived from sales of their consumable energy supplement products through distributors who distribute their products to retailers. The Company also sells their products directly to consumers; this is normally done through internet sales. This portion of their sales is minimal.

Shipping costs

Shipping costs are included in cost of goods sold and totaled $16,830 and $9,557 for the nine months ended September 30, 2012 and 2011, respectively.

Net Loss Per Share

Basic net loss per share is based on the weighted average number of common and common equivalent shares outstanding. Potential common shares include the Series A Preferred Stock which are convertible into common shares. The Series A Preferred Stock are not included in the computation of fully diluted per share results a as their effect would be anti-dilutive.

Recent Accounting Pronouncements

A variety of accounting standards have been issued or proposed by FASB that do not require adoption until a future date. We regularly review all new pronouncements that have been issued since the filing of our Form 10-K for the year ended December 31, 2011 to determine their impact, if any, on our financial statements. The Company does not expect the adoption of any of these standards to have a material impact once adopted.

NOTE 3 – GOING CONCERN

Going Concern

The Company’s financial statements are prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has a net loss of $916,195 for the nine months ended September 30, 2012, and has an accumulated deficit of $1,898,387 as of September 30, 2012. The Company has not yet established an adequate ongoing source of revenues sufficient to cover its operating costs and to allow it to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain adequate capital, it could be forced to cease development of operations.

LiveWire Ergogenics Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

(UNAUDITED)

NOTE 3 – GOING CONCERN (CONTINUED)

In order to continue as a going concern, develop a reliable source of revenues, and achieve a profitable level of operations the Company will need, among other things, additional capital resources. Management's plans to continue as a going concern include raising additional capital through increased sales of product and by sale of common shares. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans. The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4 – PROPERTY AND EQUIPMENT

	September 30, 2012 (Unaudited)	December 31, 2011
Equipment (Automobiles)	$ 26,338	$ 13,196
Accumulated depreciation	(9,904)	(5,601)
Total	$ 16,433	$ 7,595

Equipment is stated at cost less accumulated depreciation and depreciated using straight line methods over the estimated useful lives of the related assets ranging from three to five years. Maintenance and repairs are expensed currently. The cost of normal maintenance and repairs is charged to operations as incurred. Major overhaul that extends the useful life of existing assets is capitalized. When equipment is retired or disposed, the costs and related accumulated depreciation are eliminated and the resulting profit or loss is recognized in income.

Depreciation expense amounted to $4,305 and $1,620 for the nine months ended September 30, 2012 and 2011 respectively.

LiveWire Ergogenics Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

(UNAUDITED)

NOTE 5 – INVENTORY

	September 30, 2012 (Unaudited)	December 31, 2011
Finished Goods	$ 3,740	$ 5,551
Packaging materials and production supplies	75,670	44,428
	79,410	49,979
Reserve on inventory	-	(5,000)
	$ 79,410	$ 44,979

NOTE 6 – RELATED PARTY TRANSACTIONS AND LOANS FROM STOCKHOLDERS

During the nine months ended September 30, 2012, the Company incurred $90,000 in legal fees payable to a related party Weed & Co, LLP. This company is controlled by Richard Weed, an officer of the Company.

The Company incurred $13,500 during the nine months ended September 30, 2012, payable to Richard Weed for his services to SF Blu as an officer.

$160,500 in accounts payable - related parties due to Weed & Co. was settled during the quarter ended March 31, 2012 with the issuance of 535,000 shares of the Company's common stock and 535,000 Class A warrants. These warrants are exercisable at $1 per share and expire January 31, 2016.

$234,841 in accounts payable – related parties, due to an entity controlled by the Company's controlling shareholders, was converted into 782,803 shares of the Company's common stock and 782,803 Class A warrants. These warrants are exercisable at $1 per share and expire January 31, 2016.

Stockholders advance loans to the Company from time to time to provide financing for operations.

	September 30, 2012 (Unaudited)	December 31, 2011
Advances from stockholders	$ 47,521	$ 47,521

Advances from stockholders carry no interest, have no terms of repayment or maturity, and are payable on demand.

LiveWire Ergogenics Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

(UNAUDITED)

NOTE 7 – COMMITMENTS AND CONTINGENCIES

On July 1, 2011 the Company entered into an agreement with a stockholder whereby the stockholder would provide legal services at a monthly rate of $10,000. The term of the agreement is one year.

On July 20, 2011 the Company entered into two employment agreements. The agreements have a five year term and may be terminated upon mutual agreement. The salary associated with each of the agreements is $260,000 annually, A portion of which will be paid in cash and a portion of which will be deferred until the Company achieves certain levels of sales and or enters into a merger, purchase or sale agreement and or if the Company is sold. The Company has not accrued the deferred salary components as there can be no assurance that any of the triggering events for payment of the deferral will be achieved.

During the nine months ended September 30, 2012, a total of $209,343, due under these employment agreements, were converted into 1,047,240 shares of the Company’s common stock and Class A warrants to purchase 1,047,240 shares of the Company’s common stock at $1 per shares. These warrants expire on January 31, 2016.

NOTE 8 – NOTES PAYABLE

On September 9, 2011 the Company entered into an unsecured $10,000 note payable that is payable on demand and bears interest at 6% per year until repaid in full.

On October 15, 2011 the Company entered into an unsecured $15,000 note payable that is payable on demand and bears interest at 6% per year until repaid in full.

On November 17, 2011 the Company entered into an unsecured $2,000 note payable that is payable on demand and bears interest at 6% per year until repaid in full.

On December 22, 2011 the Company entered into an unsecured $15,000 note payable that is payable on demand and bears interest at 6% per year until repaid in full.

On December 30, 2011 the Company entered into an unsecured $25,000 note payable that is payable on demand and bears interest at 6% per year until repaid in full. In February 2012, this note was fully converted into 125,000 shares at $0.20 per share.

On January 20, 2012 the Company entered into an unsecured $10,000 note payable that is payable on demand and bears interest at 6% per year until repaid in full. On May 22, 2012, the Company repaid the $10,000 note in full including accrued interest of $196.

On April 10, 2012, the Company entered into an unsecured $25,000 note payable that is payable on demand and bears interest at 6% per year until repaid in full.

On May 9, 2012 the Company entered into a non-interest bearing unsecured $12,600 note payable that is payable on demand.

On June 19, 2012 the Company entered into a non-interest bearing unsecured $4,500 note payable that is payable on demand.

On August 1, 2012 the Company entered into an unsecured $10,000 note payable that is due on December 31, 2012 and bears interest at 10% per annum. In addition the note holder was to receive 50,000 shares valued at $0.30 per share upon execution of the note. The note holder has yet to receive the shares. As such the Company recorded the $15,000 value of the shares as accrued interest until the shares are delivered.

On September 1, 2011 the Company entered into an unsecured $5,000 note payable that is payable on demand and bears interest at 6% per year until repaid in full.

During the nine months ended September 30, 2012, the Company recorded accrued interest of $18,153 related to notes payable.

LiveWire Ergogenics Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

(UNAUDITED)

NOTE 9 – STOCKHOLDERS' DEFICIT

Common Stock

As a result of the reverse merger, the shares of the Company outstanding prior to the closing of the Purchase Agreement are treated as having been issued as of that date, whereas the shares issued in connection with the purchase Agreement are treated as having been issued since inception for all periods presented.

Prior to the Purchase Agreement the Company had 19,933,529 outstanding shares of common stock. Of which 15,000,000 common shares were sold on May 16, 2011 at the par value of $0.001 per share for total proceeds of $15,000.

In December 2011, 879,070 shares of common stock were issued to satisfy $174,500 of notes payable.

In February 2012, the Company issued 125,000 shares to satisfy $25,000 of notes payable.

In March 2012, the Company issued 1,317,803 shares of common stock and 1,317,803 class A warrants to satisfy $395,341 in accounts payable due to related parties. These warrants are exercisable at $1 per share and expire January 31, 2016.

Also in March 2012, the Company issued 1,047,240 shares of common stock and 1,047,240 class A warrants to satisfy $209,448 in accrued salaries owed to two officers of the Company. These warrants are exercisable at $1 per share and expire January 31, 2016.

During the six months ended June 30, 2012 the Company issued 1,053,001 shares of common stock and 1,053,001 Class A warrants related to a stock purchase agreement for $315,900. These warrants are exercisable at $1 per share and expire January 31, 2016.

The value relating to 211,667 shares, which total $63,500, have been recorded as subscription receivable. In April 2012, $9,000 was paid and the balance at September 30, 2012 is $54,500.

During the nine months ended September 30, 2012, the Company issued 33,125 shares of common stock to satisfy an accounts payable balance amounting to $7,625.

During the six months ended June 30, 2012, the Company issued 944,666 shares of common stock for services valued at $258,650 as payment for compensation to consultants and employees.

Preferred Stock

As noted earlier in contemplation, and in connection with the Purchase Agreement, the Company issued 1,000,000 shares of Series A Preferred Stock ("Series A").

LiveWire Ergogenics Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

(UNAUDITED)

NOTE 9 – STOCKHOLDERS' DEFICIT (CONTINUED)

In addition to any other rights and privileges of Series A as previously noted, the Company shall not, without first obtaining the affirmative vote or written consent of the holders of ninety percent (90%) of the outstanding shares of Series A, do any of the following:

take any action which would either alter, change or affect the rights, preferences, privileges or restrictions of the Series A or increase the number of shares of such series authorized hereby or designate any other series of Preferred Stock;
increase the size of any equity incentive plan(s) or arrangements;
make fundamental changes to the business of the Company;
make any changes to the terms of the Series A or to the Company's Articles of Incorporation or Bylaws, including by designation of any stock;
create any new class of shares having preferences over or being on a parity with the Series A as to dividends or assets, unless the purpose of creation of such class is, and the proceeds to be derived from the sale and issuance thereof are to be used for, the retirement of all Series A then outstanding;
make any change in the number of authorized directors, currently five (5);
repurchase any of the Company's Common Stock;
sell, convey or otherwise dispose of, or create or incur any mortgage, lien, charge or encumbrance on or security interest in or pledge of, or sell and leaseback, all or substantially all of the property or business of the Company or more than 50% of the stock of the Company;
make any payment of dividends or other distributions or any redemption or repurchase of stock or options or warrants to purchase stock of the Company; or
make any sales of additional Preferred Stock.

In March 2012, Bill Hodson and Brad Nichols exercised their rights under the Contingent Option Agreement dated July 21, 2011 with Rick Darnell. Based upon the Agreement and fulfillment of contingencies in the Agreement, Bill Hodson and Brad Nichols each acquired 500,000 shares of the Series A from Rick Darnell for $2.00.

LiveWire Ergogenics Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2012

(UNAUDITED)

NOTE 10 - RESTATEMENT OF SEPTEMBER 30, 2011 FINANCIAL RESULTS

The consolidated balance sheet, consolidated statement of operations, consolidated statement of stockholders' equity (deficit), and consolidated statement of cash flows for the as of and for the three and nine months ended September 30, 2011 has been restated to reflect the recording of marketing and product development costs, and general and administrative costs, from an entity controlled by the controlling shareholders of the Company, a related party. In additions expenses related to reserve for accounts receivable was not adequately provided for and items reflected as fixed assets should have been expensed and the depreciable lives of the remaining fixed assets required adjustment as well. The recording of these correction for the nine and three months ended September 30, 2011 has resulted in a decrease of net loss by $466,051for the nine months ended September 30, 2011, and an increase in net loss of $3,467 for the three months ended September 30, 2011. The recording of these corrections for the nine and three month ended September 30, 2011 are related to expenses from a related party that have been recorded in periods prior to January 1, 2011. In addition, a correction related to fixed assets from the year ended December 31, 2011 has been made to the financial statements as of September 30, 2011 and for the nine and three months then ended. The corrections of expenses for periods prior to the year ended December 31, 2011 resulted in a cumulative increase of the accumulated deficit as of December 31, 2010 and September 30, 2011. The original accumulated deficit as of December 31, 2010 was $114,949, with the correction for the addition of $468,143 in related party expenses, and the corrections to fixed assets and reserves with respect to accounts receivable, totaling $6,155, all prior to December 31, 2010, has resulted in an a accumulated deficit of $589,247 as of December 31, 2010. As of September 30, 2011 the corrections related to fixed assets and accounts receivable resulted in an increase of accumulated deficit of $8,247 from previously recorded financial statements.

Components of this restatement are detailed in the following table:

	As originally Reported	Adjustment To Restate	Restated
Consolidated Balance Sheet Data as of December 31, 2010 (not presented):			
Accounts Receivable	$8,101	$(821)	$7,280
Property and Equipment, net	13,839	(5,334	8,505
	21,940	$(6,155)	$15,785
Accounts Payable – Related party	$-	$469,682	$469,682
Advances from stockholders'	8,949	(1,539)	7,410
	$8,949	$468,143	$477,092
Accumulated Deficit	$(114,949)	$(474,298)	$(589,247)
Consolidated Balance Sheet Data as of September 30, 2011 (not presented):			
Accounts Receivable	$19,848	$(821)	$19,027

Property and Equipment, net	17,301	(7,426)	9,875
	37,149	$(8,247)	$28,902
Accounts Payable	$611,903	$(469,682)	$142,221
Accounts Payable – Related party	-	469,682	469,682
Notes payable	10,000	112,500	122,500
Advances from stockholders’	159,921	(112,500)	47,421
	$781,824	$-	$781,824
Accumulated Deficit	$(678,313)	$(8,247)	$(686,560)
Consolidated Statement of Operations for the Nine Months Ended September 30, 2011:			
Selling Costs	$470,096	$(443,682)	$26,414
General and Administrative Costs	263,012	(22,369)	240,643
Effect on Increase in Net Income	$733,108	$(466,051)	$267,057
Net Loss	$563,364	$(466,051)	$97,313
Consolidated Statement of Operations for the Three Months Ended September 30, 2011:			
General and Administrative Costs	$147,742	$(3,467)	$151,209
Effect on Increase in Net Income	$147,742	$(3,467)	$151,209
Net Loss	$163,422	$(3,467)	$166,889
Consolidated Statement of Cash Flows for the Nine Months Ended September 30, 2011:			
Cash Flows from Operating Activities:			
Net Loss	$(563,364)	$466,051	$(97,313)
Depreciation	1,538	82	1,620
Accounts Payable and accrued expenses	513,249	(401,182)	112,067
Accounts Payable – Related Party	-	(68,500)	(68,500)
Effect on cash flows from operating activities	$(48,577)	(3,549)	(52,126)
Cash Flows from Investing Activities:			
Purchase of Equipment	$(5,000)	2,010	(2,990)
Cash Flows from Financing Activities:			
Proceeds from notes payable	$10,000	$262,500	$272,500
Proceeds from shareholder loan	115,632	(110,961)	4,671
Repayment of note payable	-	(150,000)	(150,000)
Effect on cash flows from operating activities	$125,632	$1,539	$127,171
Cumulative net effect on cash	$72,055	$-	$72,055

PART I-FINANCIAL INFORMATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

The following discussion and analysis should be read in conjunction with the accompanying financial statements and related notes included elsewhere in this report. It contains forward-looking statements that reflect our future plans, estimates, beliefs and expected performance. The forward-looking statements are dependent upon events, risks and uncertainties that may be outside our control. Our actual results could differ materially from those discussed in these forward-looking statements.

Factors that could cause or contribute to such differences include, but are not limited to, market prices for natural gas and oil, economic and competitive conditions, capital expenditures and other uncertainties, as well as those factors discussed below, all of which are difficult to predict and which expressly qualify all subsequent oral and written forward-looking statements attributable to us or persons acting on our behalf. In light of these risks, uncertainties and assumptions, the forward-looking events discussed may not occur. We do not have any intention or obligation to update forward-looking statements included in this report after the date of this report, except as required by law.

INTRODUCTION

The following discussion and analysis summarizes the significant factors affecting: (i) our plan of operations for the nine months ended September 30, 2012. This discussion and analysis should be read in conjunction with our consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2011.

EXECUTIVE SUMMARY

We are engaged in the sale and marketing of energy chew products. Our product delivers a blend of ingredients that provides an energy boost similar to an energy drink, such as Red Bull or 5-Hour Energy, but is about the size of a Starburst candy. The product is not a gum; it dissolves quickly and is an alternative to drinks or shots.

Results of Operations

The financial information with respect to the nine and three months ended September 30, 2012 and 2011 that is discussed below is unaudited. In the opinion of management, such information contains all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation of the results for such periods. The results of operations for interim periods are not necessarily indicative of the results of operations for the full fiscal years.

Company Overview for the nine months ended September 30, 2012 and 2011

During the nine months ended September 30, 2012, we incurred a net loss of $916,195. During the nine months ended September 30, 2011, we incurred a net loss of $97,313.

Comparison of the results of operations for the nine months ended September 30, 2012 and 2011

Sales. During the nine months ended September 30, 2012, sales of our products amounted to $135,674, as compared to $402,122 respectively, in the corresponding 2011 periods. Decreases in our sales in the 2012 periods, result from the loss of a customer responsible for approximately $277,000 of sales during the nine month period ended September 30, 2011.

Costs and Expenses

General and Administrative. During the nine months ended September 30, 2012, general and administrative expenses amounted to $885,259, as compared to $240,643 respectively, in the corresponding 2011 period. The increase in general and administrative expenses in 2012 results from increases in salaries, legal expenses, contract labor and office expenses.

Company Overview for the three months ended September 30, 2012 and 2011

During the three months ended September 30, 2012, we incurred a net loss of $164,889. During the three months ended September 30, 2011, we incurred a net loss of $166,889.

Comparison of the results of operations for the three months ended September 30, 2012 and 2011

Sales. During the three months ended September 30, 2012, sales of our products amounted to $26,528, as compared to $32,442 respectively, in the corresponding 2011 periods. Decreases in our sales in the 2012 periods, result from the loss of a customer responsible for approximately $13,000 of sales during the three month period ended September 30, 2011.

Costs and Expenses

General and Administrative. During the three months ended September 30, 2012, general and administrative expenses amounted to $160,992, as compared to $151,209 respectively, in the corresponding 2011 period. The increase in general and administrative expenses in 2012 results from increases in salaries, legal expenses, contract labor and office expenses.

Going Concern

We have an accumulated deficit of $1,898,387 and our current liabilities exceeded our current assets by $494,509 as of September 30, 2012. We may require additional funding to sustain our operations and satisfy our contractual obligations for our planned operations. Our ability to establish the Company as a going concern is may be dependent upon our ability to obtain additional funding in order to finance our planned operations.

Plan of Operation

For the remainder of fiscal 2012, we will focus on attempting to continue increase our revenue through the sale of our products which we hope to achieve through increased market penetration.

Liquidity and Capital Resources

During the nine months ended September 30, 2012, our cash flows from operations were not sufficient for us to meet our operating commitments. Our cash flows from operations continue to be, and are expected to continue to be, insufficient to meet our operating commitments throughout the remainder of the fiscal year ending December 31, 2012.

Working Capital. As of September 30, 2012, we had a working capital deficit of $494,509 and cash of $4,536, while at September 30, 2011 we had a working capital deficit of $671,588 and cash of $37,923. The decrease in our working capital deficit is primarily attributable to the issuance of shares to satisfy various accounts payable and accrued expenses and notes payable.

Cash Flow. Net cash used in or provided by operating, investing and financing activities for the nine months ended September 30, 2012and 2011 were as follows:

	Nine Months Ended	
	September 30,	
	2012	2011

Net cash used in operating activities	$ (438,156)		(113,159)		
Net cash used in investing activities	$ (13,142)		7,098		
Net cash provided by financing activities	$ 424,380	Total Stockholder Return (TSR) vs. S&P 500		46.9%	46.9%
Return on Average Invested Capital (ROAIC)	18.2%		82.0%		
Operating Ratio (OR)	71.6%		82.0%		
Total (sum of % of Award Earned divided by 3 for one-third weighting of each of the components)			**70.3%**		

For the 2011-2013 and 2012-2014 performance cycles, the performance criteria and resulting earn-out percentages are as follows:

		% of PSUs Earned
Performance Metric		**2011-2013, 2012-2014**
NS Three-Year Total Stockholder Return (TSR) vs. North American Class I RRs#	1st	100%
	2nd	75%
	3rd	50%
	4th	25%*
	5th	0%*
*Minimum 40% earnout if NS TSR > median S&P 500 TSR for 3-year period		
#Ranking will disregard any Class I RR that is not publicly traded		
Three-Year Average Return on Average Invested Capital (ROAIC)	³20%	100%
	19%	90%
	18%	80%
	17%	70%
	16%	60%
	15%	50%
	14%	40%
	13%	20%
	<13%	0%
Three-Year Average Operating Ratio (OR)	£67%	100%
	70%	75%
	74%	50%
	78%	25%
	>78%	0%

For the 2012-2014 performance shares, Norfolk Southern used a 50% earn-out assumption to value the award for market comparison purposes.

Restricted Stock Units. Norfolk Southern believes that the use of time-based restricted stock units serves as a key retention tool for keeping valued members of management. For 2012, Norfolk Southern granted restricted stock units which vest on the fifth anniversary of the date of grant, which settle in whole shares of Norfolk Southern common stock and which units are not forfeited upon retirement, disability or death.

Retirement Plans and Programs

Norfolk Southern believes that its Retirement Plan and Supplemental Benefit Plan provide it with the ability to retain key employees over a longer period. Norfolk Southern sponsors a qualified defined benefit pension plan that provides a benefit based on age, service and a percentage of final average compensation. Norfolk Southern also sponsors a non-qualified supplemental benefit plan that provides a retirement benefit for salary or bonus that is deferred, restores the retirement benefit for amounts in excess of the Internal Revenue Code limitations for tax-qualified retirement plans and may be used to provide enhanced retirement benefits for certain executives. In addition to supporting the goal to retain key employees, Norfolk Southern believes that the supplemental benefit plan also recognizes, rewards and encourages contributions by its key employees and maintains internal equity by ensuring that benefit levels are based on compensation levels that reflect the relative contribution of each participant. Further information on the Retirement Plan and Supplemental Benefit Plan may be found in the *Narrative to Pension Benefits* Table on page 52.

Norfolk Southern maintains the Executives Deferred Compensation Plan (the EDCP) for the benefit of the Named Executive Officers and certain other employees. The purpose of the EDCP is to provide executives with the opportunity to defer compensation and earnings until retirement or another specified date or event. The type of compensation eligible for deferral includes base salary and the annual bonus. Further information on the EDCP may be found in the *Narrative to Nonqualified Deferred Compensation Table* on page 54.

Other Benefits and Perquisites

Norfolk Southern provides the Named Executive Officers with certain health and welfare benefits, a tax-qualified 401(k) plan, and certain other perquisites which Norfolk Southern believes are necessary to retain Executive Officers and to enhance their productivity. The value of perquisites is considered as part of the total compensation package when other elements are evaluated.

Norfolk Southern s Board of Directors has directed and requires the Chairman, President and Chief Executive Officer, and his family and guests when appropriate, to use Norfolk Southern s aircraft whenever reasonably possible for air travel. Norfolk Southern believes that such use of the corporate aircraft promotes its best interests by ensuring the immediate availability of this officer and by providing a prompt, efficient means of travel and in view of the need for security in such travel. For the same reasons, Norfolk Southern s Board of Directors has determined that the Chairman, President and Chief Executive Officer may authorize employees and their guests to use the corporate aircraft for purposes which further the business interests of Norfolk Southern and when the aircraft is not otherwise needed for business use. Such non-business use by other employees and their guests is infrequent. Other perquisites include executive physicals, personal use of company facilities, certain approved spousal travel, and tax preparation services. Norfolk Southern discontinued tax gross-up payments on all perquisites for Executive Officers in 2009, and the provision of company cars and club dues for the Chairman, President and Chief Executive Officer and the Executive Vice Presidents was discontinued in 2008 (except for the chief marketing officer, who is reimbursed for club dues on memberships which further the business interests of Norfolk Southern).

Norfolk Southern believes that the benefits and perquisites described above are appropriate to remain competitive compared to other companies and to promote retention of these officers.

Impact of the Tax Treatment of Awards on Norfolk Southern s Compensation Policies

Norfolk Southern s executive compensation program has been carefully considered in light of the applicable tax rules. Section 162(m) of the Internal Revenue Code generally provides that a publicly held company may not deduct compensation paid to certain of its top executive officers to the extent such compensation exceeds $1 million per executive officer in any year. However, limited exceptions to Section 162(m) apply with respect to performance-based compensation. In order to allow deductibility of the annual bonus and certain long-term incentive awards, Norfolk Southern amended the Long-Term Incentive Plan and Executive Management Incentive Plan in 2010 with stockholder approval to permit the continued grant of performance-based compensation that meets the requirements of Section 162(m) under those plans. However, Norfolk Southern believes that tax-deductibility is but one factor to be considered in fashioning an appropriate compensation package for executives. Norfolk Southern reserves and will continue to exercise its discretion in this area so as to serve the best interests of Norfolk Southern and its stockholders.

Table of Contents

Change-in-Control Agreements

Norfolk Southern entered into change-in-control agreements during 1996 at a time of consolidation in the rail industry. The agreements were intended to provide certain economic protections to executives in the event of a termination of employment following a change-in-control of Norfolk Southern and to keep management intact and focused on the best interests of Norfolk Southern and its shareholders without the distraction of possible job and income loss. The Committee continues to believe that the agreements are reasonable and appropriate. Benefits will not be paid under the agreements unless both a change in control occurs and the executive s employment is terminated or constructively terminated following the change in control. We believe this double trigger maximizes stockholder value because this structure would prevent an unintended windfall to management in the event of a change in control that does not result in the termination (or constructive termination) of employment of management. In 2002, the Board of Directors agreed to abide by a stockholder approved proposal that future severance agreements with senior executives that exceed 2.99 times the sum of the executive s base salary plus bonus require stockholder approval. The change-in-control agreements were revised in 2008 to comply with Section 409A of the Internal Revenue Code but did not enhance or increase benefits provided under the agreements as they existed prior to the revisions. In January 2013, the Corporation entered into amendments to its change-in-control agreements with the Named Executive Officers to eliminate tax gross-up payments provided under the agreements. A detailed description of the benefits provided under the change-in-control agreements may be found under the section *Change-in-Control Agreements* on page 55.

Share Ownership Guidelines

Norfolk Southern s Board of Directors has established as part of its Corporate Governance Guidelines the following ownership guidelines for shares of Norfolk Southern stock for its directors and Executive Officers:

Position	Minimum Value
Directors	5 times annual retainer
Chairman, President and Chief Executive Officer	5 times annual salary
Executive Vice Presidents	3 times annual salary
Senior Vice Presidents and Vice Presidents	1 times annual salary

For directors, Norfolk Southern common stock, restricted stock, stock equivalents held in Norfolk Southern s dividend reinvestment plan, and deferred and restricted stock units held in Norfolk Southern s Long-Term Incentive Plan or under the Directors Deferred Fee Plan count toward this requirement. For Executive Officers, Norfolk Southern common stock and stock equivalents held in Norfolk Southern s 401(k) plan, dividend reinvestment plan and through share retention agreements are counted toward these requirements, but unexercised stock options or unvested equity awards do not count. Directors and officers may acquire such holdings over a five-year period. All directors and officers currently meet this guideline or are expected to meet the guideline within the five-year grace period.

Policies and Decisions Regarding the Adjustment or Recovery of Awards

While Norfolk Southern does not anticipate there would ever be circumstances where a restatement of earnings upon which incentive plan award decisions were based would occur, should such an unlikely event take place, Norfolk Southern, in evaluating such circumstances, would have discretion to take all actions necessary to protect the interests of stockholders up to and including actions to recover such incentive awards. The performance share awards include a clawback

provision to permit the recovery of performance share awards following a material restatement of Norfolk Southern s financial results. Similarly, the Executive Management Incentive Plan includes a clawback provision to permit recovery of bonuses as a result of any material noncompliance with any financial reporting requirement under the securities laws. Both the Long-Term Incentive Plan and the Executive Management Incentive Plan further allow for the reduction, forfeiture or recoupment of any award as may be required by law.

Compensation Tables

Summary Compensation Table

The following table shows the total compensation awarded to, earned by or paid to each Named Executive Officer during 2012 for service in all capacities to Norfolk Southern and our subsidiaries for the fiscal year ended December 31, 2012. The table also sets forth information regarding the fiscal 2011 and 2010 compensation. As described in the Compensation Discussion and Analysis section of this proxy statement, we are reporting compensation during 2012 for all our officers with positions at or above the level of executive vice president.

Name and Principal Position (a)	Year (b)	Salary[2] ($) (c)	Bonus ($) (d)	Stock Awards[3] ($) (e)	Option Awards[3] ($) (f)	Non-Equity Incentive Plan Compen-sation[2] ($) (g)	Change in Pension Value and Nonquali-fied Deferred Compensation Earnings[4] ($) (h)	All Other Compen-sation[5] ($) (i)	Total ($) (j)
Charles W. Moorman, IV	2012	1,000,000	0	5,368,302	1,811,840	1,343,250	2,924,375	217,310	12,665,077
Chairman, President and	2011	950,000	0	5,334,831	1,847,580	1,320,500	3,340,021	123,834	12,916,766
Chief Executive Officer	2010	950,000	0	3,914,529	2,085,750	1,181,800	2,705,649	124,818	10,962,546
John P. Rathbone[1]	2012	600,000	0	1,269,565	429,120	483,570	1,063,450	72,585	3,918,290
Executive Vice President-	2011	500,000	0	1,253,896	422,940	434,400	945,062	88,167	3,644,465
Finance and Chief	2010	500,000	0	916,252	491,310	388,750	755,209	60,325	3,111,846
Financial Officer									
Deborah H. Butler	2012	600,000	0	1,269,565	429,120	483,570	1,767,170	64,500	4,613,925
Executive Vice President-	2011	500,000	0	1,253,896	422,940	434,400	1,268,173	83,309	3,962,718
Planning and Chief	2010	500,000	0	916,252	491,310	388,750	809,441	57,384	3,163,137
Information Officer									
James A. Hixon	2012	600,000	0	1,269,565	429,120	483,570	1,282,374	66,041	4,130,670
Executive Vice	2011	500,000	0	1,253,896	422,940	434,400	935,128	72,072	3,618,436
President-Law and	2010	500,000	0	916,252	491,310	388,750	637,630	63,054	2,996,996
Corporate Relations									
Mark D. Manion	2012	600,000	0	1,269,565	429,120	483,570	1,669,726	26,140	4,478,121
Executive Vice President	2011	500,000	0	1,253,896	422,940	434,400	1,259,920	41,329	3,912,485
and Chief Operating Officer	2010	500,000	0	916,252	491,310	388,750	877,134	35,306	3,208,752
Donald W. Seale	2012	600,000	0	1,269,565	429,120	483,570	1,681,260	61,077	4,524,592
Executive Vice President	2011	500,000	0	1,253,896	422,940	434,400	1,256,085	46,867	3,914,188
and Chief Marketing Officer	2010	500,000	0	916,252	491,310	388,750	859,680	42,317	3,198,309
James A. Squires[1]	2012	600,000	0	1,269,565	429,120	483,570	952,248	44,755	3,779,258
Executive Vice President-	2011	500,000	0	1,253,896	422,940	434,400	627,771	63,676	3,302,683
Administration	2010	500,000	0	916,252	491,310	388,750	399,285	52,854	2,748,451

[1] Effective August 1, 2012, John P. Rathbone became Executive Vice President-Finance and Chief Financial Officer, and James A. Squires became Executive Vice President-Administration. Previously their roles were reversed.

[2] Represents salary and non-equity incentive plan compensation earned during 2010, 2011 and 2012 received on a current or deferred basis.

[3] Represents the full grant date fair value computed in accordance with FASB ASC Topic 718 *Compensation Stock Compensation*. For Performance Share Units, the full grant date fair value is determined consistent with the estimated full cost to be recognized over the three-year performance

period, determined as of January 31 following the grant date under FASB ASC Topic 718. For discussions of the relevant assumptions made in calculating these amounts, see note 12 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012. For the grant date fair value of only those awards granted to the Named Executive Officers in 2012, see the Grants of Plan-Based Awards Table on page 46. The value of the Stock Awards reported in column (e), assuming the highest level of performance would be achieved, is as follows:

Year	C. W. Moorman	J. P. Rathbone	D. H. Butler	J. A. Hixon	M. D. Manion	D. W. Seale	J. A. Squires
2012	$ 6,687,460	$ 1,577,940	$ 1,577,940	$ 1,577,940	$ 1,577,940	$ 1,577,940	$ 1,577,940
2011	$ 6,650,970	$ 1,568,625	$ 1,568,625	$ 1,568,625	$ 1,568,625	$ 1,568,625	$ 1,568,625
2010	$ 6,208,800	$ 1,456,680	$ 1,456,680	$ 1,456,680	$ 1,456,680	$ 1,456,680	$ 1,456,680

[4] Of these amounts for 2012, the following represent the aggregate change in the actuarial present value of the Named Executive Officer s accumulated benefits under our Retirement Plan and Supplemental Benefit Plan during 2012: Mr. Moorman, $2,912,805, Mr. Rathbone, $1,019,551, Ms. Butler, $1,759,378, Mr. Hixon, $1,272,566, Mr. Manion, $1,626,493, Mr. Seale, $1,622,859, and Mr. Squires, $952,248. The remainder of the amounts shown in this column for 2012 represent the amounts by which 2012 interest accrued on salary and bonuses deferred by them under the Officers Deferred Compensation Plan exceeded 120% of the applicable Federal long-term rate provided in Section 1274(d) of the Internal Revenue Code.

[5] For each Named Executive Officer, the amount for 2012 includes (i) perquisites as set forth in the table below, (ii) matching contributions to our Thrift and Investment Plan of $8,575 for all Named Executive Officers, and (iii) premiums paid on individually owned executive life insurance policies as follows: for Mr. Moorman, $17,899, Mr. Rathbone, $11,009, Ms. Butler, $12,567, Mr. Hixon, $11,056, Mr. Manion, $11,444, Mr. Seale, $10,075, and Mr. Squires, $9,576. For the following Named Executive Officers, the figure also includes amounts we contributed to charitable organizations on their behalf pursuant to our matching gifts programs: for Mr. Moorman, $39,492, Mr. Rathbone, $50,000, Ms. Butler, $36,750, Mr. Hixon, $40,000, Mr. Seale, $18,684, and Mr. Squires, $25,500. For Mr. Moorman, the amount also includes his proportional cost of NS-owned life insurance policies used to fund the Directors Charitable Award Program.

Perquisites for our Named Executive Officers during 2012 consisted of the following:

		Tax					
		Preparation					
	Use of	and	Use of		Spousal/		
	Corporate	Financial	Corporate	Annual	Guest Meals &		
	Aircraft	Planning	Facilities	Physicals	Travel	Gifts	Total
	($)	($)	($)	($)	($)	($)	($)
C. W. Moorman	116,919	0	0	3,800	389	899	122,007
J. P. Rathbone	0	1,600	1,098	0	0	128	2,826
D. H. Butler	0	2,000	0	4,000	283	150	6,433
J. A. Hixon	0	0	2,340	3,800	0	95	6,235
M. D. Manion	0	2,000	390	3,300	0	256	5,946

D. W. Seale	13,463	2,000	106	3,800	3,618	581	23,568
J. A. Squires	0	0	390	0	389	150	929

Perquisites also included participation in the Executive Accident Plan, for which there was no aggregate incremental cost. All perquisites are valued on the basis of aggregate incremental cost to us. With regard to personal use of company aircraft, aggregate incremental cost is calculated as the weighted-average cost of fuel, crew hotels and meals, aircraft maintenance and other variable costs. Use of corporate aircraft includes use by the Named Executive Officers as permitted by resolution of the Board of Directors.

2012 Grants of Plan-Based Awards

			Estimated Possible Payouts Under Non-Equity Incentive Plan Awards[2]			Estimated Future Payouts Under Equity Incentive Plan Awards[3]			All Other Stock Awards: Number of Shares of Stock or Units[4]	All Other Option Awards: Number of Securities Underlying Options[5]	Exercise or Base Price of Option Awards[6]	Grant Date Fair Value of Stock and Option Awards[7]
Name	Grant Date	Committee Action Date[1]	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	(#)	(#)	($/Sh)	($)
(a)	(b)		(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Charles W. Moorman, IV	01/23/12	01/23/12	500	1,507,500	2,500,000							
	01/26/12	01/23/12				5,133	38,500	77,000				4,466,622
	01/26/12	01/23/12							12,000			901,680
	01/26/12	01/23/12								76,000	75.14	1,811,840
John P. Rathbone	01/23/12	01/23/12	180	542,700	870,000							
	01/26/12	01/23/12				1,200	9,000	18,000				1,044,145
	01/26/12	01/23/12							3,000			225,420
	01/26/12	01/23/12								18,000	75.14	429,120
Deborah H. Butler	01/23/12	01/23/12	180	542,700	870,000							
	01/26/12	01/23/12				1,200	9,000	18,000				1,044,145
	01/26/12	01/23/12							3,000			225,420
	01/26/12	01/23/12								18,000	75.14	429,120
James A. Hixon	01/23/12	01/23/12	180	542,700	870,000							
	01/26/12	01/23/12				1,200	9,000	18,000				1,044,145
	01/26/12	01/23/12							3,000			225,420
	01/26/12	01/23/12								18,000	75.14	429,120
Mark D. Manion	01/23/12	01/23/12	180	542,700	870,000							
	01/26/12	01/23/12				1,200	9,000	18,000				1,044,145
	01/26/12	01/23/12							3,000			225,420
	01/26/12	01/23/12								18,000	75.14	429,120
Donald W. Seale	01/23/12	01/23/12	180	542,700	870,000							
	01/26/12	01/23/12				1,200	9,000	18,000				1,044,145
	01/26/12	01/23/12							3,000			225,420
	01/26/12	01/23/12								18,000	75.14	429,120
James A. Squires	01/23/12	01/23/12	180	542,700	870,000							
	01/26/12	01/23/12				1,200	9,000	18,000				1,044,145
	01/26/12	01/23/12							3,000			225,420
	01/26/12	01/23/12								18,000	75.14	429,120

[1] Consistent with past practice, the Committee made all equity awards to directors and executive officers effective on the day after a full trading day has elapsed following the release of our fiscal year financial results. Because the meeting at which these awards were made occurred prior to the effective date of the awards, we have provided both dates in accordance with SEC rules. See page 30 of our Compensation Discussion and

Analysis section for further discussion of our equity award grant practices.

[2] These awards were made pursuant to our Executive Management Incentive Plan (EMIP) and were earned upon the achievement of certain performance goals established by the Committee for the fiscal year ended December 31, 2012. For a discussion of these performance goals, see page 30 of our Compensation Discussion and Analysis section included in this proxy statement. The Committee targeted a payout of 67% in 2012 in setting the annual performance goals for EMIP incentive awards, and using a bonus opportunity equal to 225% of salary for Mr. Moorman and 135% of salary for the remaining Named Executive Officers. Consequently, the target amounts in this column assume that the Named Executive Officers earned 67% of the maximum potential EMIP awards that they could have earned using these bonus opportunities. The threshold amounts assume that the Named Executive Officers earned the minimum EMIP awards based on performance required to trigger any level of payment; if company performance fell below performance goals required to earn the threshold amount, they would not have been entitled to any EMIP awards. For 2012, the bonus payout was calculated based on a bonus opportunity equal to 225% of salary for Mr. Moorman and 135% of salary for the remaining Named Executive Officers. The Named Executive

Officers earned 59.7% of these EMIP awards based on our performance during 2012. These bonus amounts are included under Non-Equity Incentive Compensation in the Summary Compensation Table.

[3]These amounts represent grants of performance share units made pursuant to our Long-Term Incentive Plan (LTIP). These performance share units will be earned over the performance cycle ending December 31, 2014. For a discussion of the other material terms of these awards, see the narrative discussion which follows this table. LTIP does not provide a performance target for earning performance share units under this feature of the plan; however, the Committee targets a payout of 50% in setting the performance goals for performance share unit awards. Consequently, the target amounts assume that the Named Executive Officers will earn 50% of the maximum potential number of performance share units that can be earned under the awards. The threshold amounts assume that the Named Executive Officers will earn the minimum number of performance share units based on performance required to trigger any level of payment; if company performance fell below performance goals required to earn the threshold amount, they would not receive any performance share units. Our Named Executive Officers actually earned 70.3% of their maximum potential performance share unit awards for the performance cycle ended December 31, 2012, based on our performance during the three-year period ended December 31, 2012.

[4]These amounts represent grants of restricted stock units made under LTIP. For a discussion of the material terms of these awards, see the narrative discussion which follows this table.

[5] These stock options (of which the first 1,330 granted to each Named Executive Officer are incentive stock options and the remainder are non-qualified stock options) were granted as of January 26, 2012, and are exercisable as of January 26, 2016. Dividend equivalent payments are paid in cash to active employees on unvested options for four years in an amount equal to, and commensurate with, regular quarterly dividends paid on our common stock.

[6] The Committee granted these options at an exercise price equal to the higher of the closing market price or the average of the high and low prices of our common stock on the effective date of the grant. The closing price was lower than the average price on the date of grant, so the exercise price shown is the average price on the date of grant. The exercise price may be paid in cash or in shares of our common stock (previously owned by the optionee for at least six months preceding the date of exercise) valued on the date of exercise.

[7] Amounts represent the full grant date fair value of each equity award computed in accordance with FASB ASC Topic 718. For awards that entitle the Named Executive Officers to dividends or dividend equivalents, those amounts are computed in accordance with FASB ASC Topic 718.

Narrative to Summary Compensation Table and Grants of Plan-Based Awards Table

Awards

Our Long-Term Incentive Plan (LTIP), as last approved by stockholders in 2010, provides for the award of incentive stock options, non-qualified stock options, stock appreciation rights, restricted shares, restricted stock units and performance share units to directors, officers and other key employees of Norfolk Southern and its subsidiaries. The Compensation Committee or any other Committee of the Corporation s Board of Directors that is authorized to grant awards under LTIP has sole discretion (except as the Committee may have delegated to the Chief

Executive Officer) to:

- interpret LTIP;
- select LTIP participants;
- determine the type, size, terms and conditions of awards under LTIP;
- authorize the grant of such awards; and
- adopt, amend and rescind rules relating to LTIP.

Except for capital adjustments such as stock splits, the exercise price of a stock option granted under LTIP may not be decreased after the option is granted, nor may any outstanding option be modified or replaced through cancellation if the effect would be to reduce the price of the option, unless the repricing, modification or replacement is approved by our stockholders. Receipt of an award under LTIP in 2012 was made contingent upon the participant s execution of a non-competition agreement, and all awards are subject to forfeiture in the event the participant engages in competing employment within a period of time following retirement.

The Committee met to approve the 2012 option grants on January 23, 2012. In order to permit thorough dissemination of our financial results for the fiscal year ended December 31, 2011, the Committee made these grants effective January 26, 2012. See page 30 of our Compensation Discussion and Analysis section for further discussion of our equity award grant practices. These options become exercisable as of January 26, 2016, or if the Named Executive Officer retires or dies before that date, the later of one year after the grant date or the participant s retirement or death. Dividend equivalent payments are paid in cash to active employees on unvested options for four years in an amount equal to, and commensurate with, regular quarterly dividends paid on our common stock. The exercise price may be paid in cash or in shares of our common stock valued at fair market value on the date of exercise.

The restricted stock units awarded in 2012 are subject to a five-year restriction period and will be settled in shares of our common stock. Dividend equivalent payments are paid in cash on restricted stock units in an amount equal to, and commensurate with, regular quarterly dividends paid on our common stock. During the restriction period, the holder of restricted stock units has no voting or investment power over the underlying common stock.

Performance share units entitle a recipient to receive performance-based compensation at the end of a three-year performance cycle based on our performance during that three-year period. For awards made in 2012, the award cycle began on January 1, 2012 and ends December 31, 2014. Under the 2012 performance share unit awards, corporate performance will be measured using three predetermined and equally weighted standards; that is, *each* of the following performance areas will serve as the basis for earning up to *one-third* of the total number of performance share units granted (with each one-third portion vesting independent of the other portions): (1) three-year average return on average invested capital, (2) three-year average operating ratio, and (3) total return to stockholders measured at the end of the three-year period. A more detailed discussion of these performance criteria can be found beginning on page 30 of our Compensation Discussion and Analysis section included in this proxy statement. Performance share units that are earned will be distributed in whole shares of our common stock.

For 2012, awards to our Named Executive Officers under the Executive Management Incentive Plan (EMIP) were paid based on our performance relative to the following pre-determined criteria: operating income, operating ratio, and a composite of three service measures, consisting of adherence to operating plan, connection performance and train performance. The performance standards relative to these criteria were established by the Committee in January 2012. A more detailed discussion of these performance criteria can be found on page 30 of our Compensation Discussion and Analysis included in this proxy statement.

The Committee set Mr. Moorman s 2012 incentive opportunity at 250% of his 2012 base salary, and the remaining Named Executive Officers at 145% of their 2012 base salaries. However, in applying the 59.7% bonus earnout, the Committee approved payouts that corresponded to a 225% opportunity for Mr. Moorman and a 135% opportunity for the remaining Named Executive Officers, as further described under *Annual Bonus* in the Compensation Discussion and Analysis section. These amounts are reported as Non-Equity Incentive Plan Compensation in the Summary Compensation Table.

For further discussion of our plans and how these LTIP and EMIP awards fit into our executive compensation program, see the Compensation Discussion and Analysis section beginning on page 30 of this proxy statement.

Outstanding Equity Awards at Fiscal Year-End 2012

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)[5]	Market Value of Shares or Units of Stock That Have Not Vested ($)[6]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)[7]	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)[6]
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
C. W. Moorman	45,000			34.100	01/27/2015	109,000	6,740,560	112,577	6,961,762
	75,000			49.425	01/26/2016				
	125,000			49.555	01/24/2017				
	125,000			50.740	01/23/2018				
		137,500[1]		38.705	01/28/2019				
		112,500[2]		47.760	01/28/2020				
		83,000[3]		62.745	01/26/2021				
		76,000[4]		75.140	01/25/2022				
J. P. Rathbone	4,541			22.020	01/29/2014	27,000	1,669,680	26,636	1,647,170
	2,932			34.100	01/27/2015				
	20,000			49.425	01/26/2016				
	34,000			49.555	01/24/2017				
	34,000			50.740	01/23/2018				
		37,000[1]		38.705	01/28/2019				
		26,500[2]		47.760	01/28/2020				
		19,000[3]		62.745	01/26/2021				
		18,000[4]		75.140	01/25/2022				
D. H. Butler	34,000			50.740	01/23/2018	27,000	1,669,680	26,636	1,647,170
		37,000[1]		38.705	01/28/2019				
		26,500[2]		47.760	01/28/2020				
		19,000[3]		62.745	01/26/2021				
		18,000[4]		75.140	01/25/2022				
J. A. Hixon	16,000			34.100	01/27/2015	27,000	1,669,680	26,636	1,647,170
	20,000			49.425	01/26/2016				
	34,000			49.555	01/24/2017				
	34,000			50.740	01/23/2018				
		37,000[1]		38.705	01/28/2019				
		26,500[2]		47.760	01/28/2020				
		19,000[3]		62.745	01/26/2021				
		18,000[4]		75.140	01/25/2022				

M. D. Manion	16,000		34.100	01/27/2015	27,000	1,669,680	26,636	1,647,170
	20,000		49.425	01/26/2016				
	34,000		49.555	01/24/2017				
	34,000		50.740	01/23/2018				
		37,000[1]	38.705	01/28/2019				
		26,500[2]	47.760	01/28/2020				
		19,000[3]	62.745	01/26/2021				
		18,000[4]	75.140	01/25/2022				
D. W. Seale	16,000		34.100	01/27/2015	27,000	1,669,680	26,636	1,647,170
	20,000		49.425	01/26/2016				
	34,000		49.555	01/24/2017				
	34,000		50.740	01/23/2018				
		37,000[1]	38.705	01/28/2019				
		26,500[2]	47.760	01/28/2020				
		19,000[3]	62.745	01/26/2021				
		18,000[4]	75.140	01/25/2022				

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)[5]	Market Value of Shares or Units of Stock That Have Not Vested ($)[6]	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)[7]	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)[6]
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
J. A. Squires	4,541			22.020	01/29/2014	27,000	1,669,680	26,636	1,647,170
	9,000			34.100	01/27/2015				
	6,800			49.425	01/26/2016				
	11,000			49.555	01/24/2017				
	34,000			50.740	01/23/2018				
		37,000[1]		38.705	01/28/2019				
		26,500[2]		47.760	01/28/2020				
		19,000[3]		62.745	01/26/2021				
		18,000[4]		75.140	01/25/2022				

[1] These options vest on January 29, 2013.

[2] These options vest on January 29, 2014 or, if the Named Executive Officer retires or dies before that date, the later of one year after the grant date or the date of retirement or death.

[3] These options vest on January 27, 2015 or, if the Named Executive Officer retires or dies before that date, the later of one year after the grant date or the date of retirement or death.

[4] These options vest on January 26, 2016 or, if the Named Executive Officer retires or dies before that date, the later of one year after the grant date or the date of retirement or death.

[5] The following table provides information with respect to the vesting of each Named Executive Officer s restricted stock units:

Name	1/24/13	1/29/14	1/29/15	1/27/16	01/26/17
C. W. Moorman	30,000	35,500	17,500	14,000	12,000
J. P. Rathbone	7,000	10,000	4,000	3,000	3,000
D. H. Butler	7,000	10,000	4,000	3,000	3,000
J. A. Hixon	7,000	10,000	4,000	3,000	3,000
M. D. Manion	7,000	10,000	4,000	3,000	3,000
D. W. Seale	7,000	10,000	4,000	3,000	3,000
J. A. Squires	7,000	10,000	4,000	3,000	3,000

[6] These values are based on the $61.84 closing market price of our common stock on December 31, 2012.

[7] These amounts represent (i) grants of performance share units made in 2011 pursuant to the Long-Term Incentive Plan (LTIP) that will be earned out over the three-year period ending December 31, 2013, and (ii) grants of performance share units made in 2012 pursuant to LTIP that will be earned out over the three-year period ending December 31, 2014. Because the number of performance share units earned is determined based on a three-year performance period for each cycle, in accordance with the SEC requirements for this table, the number of performance share units disclosed is determined by reporting performance based on achieving threshold performance goals, except that if performance during the last completed fiscal years over which performance is measured has exceeded the threshold, then the disclosure is based on the next highest performance measure (target or maximum) that exceeds the last completed fiscal years over which performance is measured. In accordance with

this rule, the number of performance share units shown by each Named Executive Officer for these grants is 64.7% for the grants of performance share units made in 2011, and 68.9% for the grants of performance share units made in 2012, which represents the actual percentage achieved for each completed year in the performance period for the Return on Average Invested Capital and Operating Ratio metrics, the maximum percentage that can be earned for each of these metrics for each uncompleted year in the performance period, and the threshold percentage that can be earned for the Total Shareholder Return metric over the three-year performance period. Grants of performance share units will be distributed in whole shares of common stock.

Option Exercises and Stock Vested in 2012

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ($)[1]	Number of Shares Acquired on Vesting (#)[2]	Value Realized on Vesting ($)[2]
(a)	(b)	(c)	(d)	(e)
C. W. Moorman	25,459	1,342,719	104,088	6,694,835
J. P. Rathbone	10,000 25,459 13,068	532,040 1,293,546 506,111	25,630	1,659,120
D. H. Butler	0	0	20,380	1,271,131
J. A. Hixon	5,459 5,000 5,000 10,000 4,541	281,029 258,001 262,400 519,800 184,819	25,630	1,659,120
M. D. Manion	0	0	25,630	1,659,120
D. W. Seale	4,541 25,459	252,116 1,308,661	25,630	1,659,120
J. A. Squires	3,095	120,086	21,380	1,345,034

[1] Represents the difference between the average of the high and low of the market price(s) of the underlying common stock on the day of exercise and the exercise price of the option(s).

[2] Represents the aggregate number of (1) restricted stock units that vested and were distributed during fiscal 2012, multiplied by the average of the high and low of the market price of the underlying shares on the vesting date, and (2) performance share units that vested during fiscal 2012, multiplied by the average of the high and low of the market price of the underlying shares on the vesting date of December 31, 2012, and which

shares were distributed on January 24, 2013.

Retirement Benefits

2012 Pension Benefits Table

The following table shows, as of December 31, 2012, each Named Executive Officer s years of credited service, present value of accumulated benefit and benefits received, if any, under each of (i) the tax-qualified Retirement Plan of Norfolk Southern Corporation and Participating Subsidiary Companies (the Retirement Plan) and (ii) the non-qualified Supplemental Benefit Plan of Norfolk Southern Corporation and Participating Subsidiary Companies (the SERP).

Name (a)	Plan Name (b)	Number of Years Credited Service (#) (c)	Present Value of Accumulated Benefit ($) (d)	Payments During Last Fiscal Year ($) (e)
Charles W. Moorman, IV	Retirement Plan	40	2,379,169	0
	SERP	40	18,047,620	0
John P. Rathbone	Retirement Plan	32	1,543,025	0
	SERP	32	5,068,016	0
Deborah H. Butler	Retirement Plan	35	1,415,549	0
	SERP	35	4,762,835	0
James A. Hixon	Retirement Plan	28	1,384,222	0
	SERP	28	4,523,612	0
Mark D. Manion	Retirement Plan	38	1,772,782	0
	SERP	38	6,345,245	0
Donald W. Seale	Retirement Plan	37	1,877,364	0
	SERP	37	6,143,651	0
James A. Squires	Retirement Plan	21	720,510	0
	SERP	21	2,301,446	0

Narrative to Pension Benefits Table

The above table shows the number of years of credited service and the actuarial present value of each Named Executive Officer s accumulated benefits under our defined benefit plans as of December 31, 2012, which is the pension plan measurement date we use for financial reporting purposes. We assume a retirement age of 60 for purposes of the table for Ms. Butler, Mr. Hixon and Mr. Squires, since that is the earliest age at which a participant may retire under the plans without an age-based benefit reduction and they had not reached that age as of December 31, 2012. For a discussion of the other material assumptions applied in quantifying the present values of the above accrued benefits, see note 11 to our financial statements included with our Annual Report on Form 10-K for the fiscal year ended December 31, 2012. The benefits shown are in addition to amounts payable under the U.S. Railroad Retirement Act.

Under the Retirement Plan and the SERP, except as noted above or in the event of a change in control (see below), each Named Executive Officer can expect to receive an annual retirement benefit equal to average annual compensation for the five most highly compensated years out of the last ten years of creditable service multiplied by a percentage equal to 1.5% times total years of creditable service, but not in excess of 40 years of creditable service (which would be equivalent to a maximum of 60% of such average compensation), less an offset for the annual Railroad Retirement Act annuity. Average compensation includes salary (including any pre-tax contributions the Named Executive Officer makes to our: (i) 401(k) plan; (ii) ChoicePlus Benefits Plan (for medical, dental and similar coverages); and (iii) pre-tax transportation plan), awards under the Executive Management Incentive Plan and unused vacation amounts paid upon severance from employment. Under the Retirement Plan and the SERP, annual retirement benefits will be payable to each Named Executive Officer upon retirement (although there may be a six-month delay in payment of benefits that accrued under the

SERP after January 1, 2005 if required by Section 409A of the Internal Revenue Code) and, upon the Named Executive Officer s death, to his or her spouse on a joint-and-survivor-annuity basis.

Messrs. Moorman, Rathbone, Manion and Seale are eligible for full retirement benefits without any benefit reduction due to age. Ms. Butler and Mr. Hixon are eligible for early retirement since they have reached age 55 and have 10 years of creditable service. If Ms. Butler and Mr. Hixon choose to retire prior to age 60, their benefits will be reduced by 1/360th for each month they are under age 60 at the time of retirement.

We have no policy with regard to granting extra years of credited service. However, our Board has in certain circumstances credited executives with additional years of service. In addition, as described below, our change-in-control agreements provide for additional years of credited service in limited circumstances.

Deferred Compensation

Our Named Executive Officers may have deferred the receipt of portions of their compensation under two separate deferred compensation plans: the Officers Deferred Compensation Plan (ODCP) and the Executives Deferred Compensation Plan (EDCP). The table and narrative below describe the material elements of these plans.

2012 Nonqualified Deferred Compensation Table

		Executive	**Registrant**	**Aggregate**	**Aggregate**	
		Contributions in	**Contributions in**	**Earnings**	**Withdrawals/**	**Aggregate Balance**
		Last FY	**Last FY**	**in Last FY**	**Distributions**	**at Last FYE**
Name		**($)[1]**	**($)**	**($)[2]**	**($)**	**($)[3]**
(a)	**Plan**	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**
Charles W. Moorman, IV	ODCP	0	0	54,746	0	633,507
	EDCP	0	0	34,924	0	263,691
John P. Rathbone	ODCP	0	0	203,473	0	2,033,213
	EDCP	0	0	0	0	0
Deborah H. Butler	ODCP	0	0	41,389	0	495,718
	EDCP	0	0	130,460	0	1,479,798
James A. Hixon	ODCP	0	0	58,234	0	697,930
	EDCP	0	0	111,553	0	860,737
Mark D. Manion	ODCP	0	0	191,776	0	1,925,275
	EDCP	0	0	203,417	0	1,372,817
Donald W. Seale	ODCP	0	0	298,272	0	3,356,804
	EDCP	228,600	0	341,446	0	2,353,467

James A. Squires	ODCP	0	0	0	0	0
	EDCP	168,600	0	152,151	0	1,255,252

[1] Amounts in this column are included in the Salary and/or Non-Equity Incentive Plan Compensation column(s) of the Summary Compensation Table.

[2] Of these amounts, the following amounts are included in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column of the Summary Compensation Table and represent the extent to which 2012 interest accrued on salary and bonuses deferred under the Officers Deferred Compensation Plan exceeded 120% of the applicable Federal long-term rate provided in Section 1274(d) of the Internal Revenue Code: Mr. Moorman, $11,570; Mr. Rathbone, $43,899; Ms. Butler, $7,792; Mr. Hixon, $9,808; Mr. Manion, $43,233; Mr. Seale, $58,401; and Mr. Squires, $0.

[3]Of these amounts, the following amounts have been previously reported as compensation to the Named Executive Officer in our Summary Compensation Tables beginning with the fiscal year ended December 31, 2000 and ending with the fiscal year ended December 31, 2011: Mr. Moorman, $338,147; Mr. Rathbone, $133,601; Ms. Butler, $24,700; Mr. Hixon, $214,294; Mr. Manion, $1,089,904; Mr. Seale, $1,434,513; and Mr. Squires, $639,364.

Narrative to Nonqualified Deferred Compensation Table

The 2012 Nonqualified Deferred Compensation table presents amounts deferred under (i) the Officers Deferred Compensation Plan and (ii) the Executives Deferred Compensation Plan. Amounts deferred are credited to a separate memorandum account maintained in the name of each participant. We do not make contributions to participants accounts.

Amounts deferred before January 1, 2001, were deferred under the Officers Deferred Compensation Plan and earn a fixed rate of interest, which is credited to the account at the beginning of each quarter. In general, the fixed interest rate is determined on the basis of the participant s age at the time of the deferral. The total amount so credited for amounts deferred before January 1, 2001 (including interest earned thereon) is distributed in five or ten annual installments, determined on the basis of the participant s age at the time of deferral, beginning in the year following the year in which the participant retires.

Amounts deferred on or after January 1, 2001, have been deferred under the Executives Deferred Compensation Plan. Participants may defer up to 50% of base salary and 100% of EMIP bonus payments and are credited with variable earnings and/or losses based on the performance of hypothetical investment options selected by the participant. The hypothetical investment options include various mutual funds as crediting indices. With respect to each deferral, participants may choose to receive a distribution at the earliest of separation from service, disability, or a date that is at least five years but not more than 15 years after the deferral year has ended. The total amount credited to a participant will be distributed, in accordance with the participant s elected distribution option, in one lump sum or a stream of annual cash payments.

Our commitment to accrue and pay interest and/or earnings on amounts deferred is facilitated by the purchase of corporate-owned life insurance with executive officers as insureds under the policies. If the Board of Directors determines at any time that changes in the law affect our ability to recover the cost of providing the benefits payable under the Executives Deferred Compensation Plan and the Officers Deferred Compensation Plan, the Board, in its discretion, may reduce the interest and/or earnings on deferrals. With respect to the Officers Deferred Compensation Plan, the adjusted rate of interest may not be less than one-half the rate otherwise provided for in the plan. For the Executives Deferred Compensation Plan, the adjusted rate may not be less than the lesser of (a) one-half the rate of earnings otherwise provided for in the Executives Deferred Compensation Plan or (b) 7%.

Potential Payments Upon a Change in Control or Other Termination of Employment

We have entered into certain agreements and maintain certain plans that will require us to provide compensation to our Named Executive Officers in the event of a termination of their employment with our company. Each of the circumstances that would require us to pay post-employment benefits is discussed below.

Change-in-Control Agreements

Generally

We have entered into change-in-control agreements with a number of key executives, including our Named Executive Officers. A Named Executive Officer will only receive the benefits provided under these agreements if:

- a change in control of Norfolk Southern occurs, *and*
- within two years of the change in control, we terminate the Named Executive Officer s employment for any reason other than for cause, death, total disability or mandatory retirement, or the Named Executive Officer terminates his or her employment with us for good reason.

Definition of Change in Control

Generally, under these agreements, a change in control is defined as:

- a merger, sale of all or substantially all of our assets or similar fundamental transaction which results in our stockholders holding less than 80% of the voting power of the combined company;
- a stockholder-approved consolidation or dissolution pursuant to a recommendation of our Board of Directors;
- a change in the composition of the Board of Directors that results in less than a majority of Board members having either (i) served on the Board for at least two years or (ii) been nominated or elected to be a director by at least two-thirds of directors who had at least two years of service at the time of the director s nomination or election;
- any person or organization acquires more than 20% of our voting stock; or
- a determination by the Board that an event similar to those listed above has occurred or is imminent.

As noted below, the Named Executive Officers are entitled to accelerated payouts of amounts deferred under the Officers Deferred Compensation Plan and the Executives Deferred Compensation Plan (EDCP) upon a change in control. For amounts deferred after 2004 under the EDCP, only events described above that also constitute a change in control as defined in the regulations to Section 409A of the Internal Revenue Code will result in accelerated distribution of those amounts.

Benefits Payable Upon Termination Following a Change in Control

Under our change-in-control agreements, the Named Executive Officers who become entitled to the benefits under those agreements are generally entitled to receive:

- three times their annual base salary plus incentive pay;
- accrued but unpaid compensation;
- a cash payment for unearned performance share units awarded and as to which the performance cycle has not been completed;
- all dividend equivalents to which they would have been entitled had their employment not been terminated;
- early payout of compensation that was deferred under our non-qualified deferred compensation plans and a cash payment equal to the present value of the deferred compensation that would have been payable if the participant retired at age 65, as provided by the change in control agreements;

- accrued pension benefits, as modified by years of service and average final compensation enhancements provided by the change-in-control agreements;
- unused vacation for the year of termination, plus vacation for the following year;
- continued payment of premiums on the Named Executive Officer s life insurance policy under our Executive Life Insurance Plan; and
- continued medical and dental benefits, and $50,000 in group-term life insurance coverage, for a specified number of years but subject to termination if the Named Executive Officer receives substantially similar benefits from another employer after the termination of employment.

During 2012, the Named Executive Officers were generally entitled to receive a payment in an amount sufficient to make them whole for any Federal excise tax on excess parachute payments. In January 2013, the Corporation entered into amendments to its change-in-control agreements with the Named Executive Officers to eliminate this excise tax gross-up.

The benefits to be provided to our Named Executive Officers under the change-in-control agreements are quantified in the table below. If we had terminated the Named Executive Officer s employment for reasons described below under Events Triggering Change in Control Payments, these benefits would generally have been payable in a lump sum within ten business days of termination. However, any Severance Pay, Performance Share Unit equivalent, Accelerated Dividend equivalent, Vacation Pay and Prorata Incentive Pay would have been payable no earlier than six months after the Named Executive Officer s termination date if the Named Executive Officer was a Specified Employee on his or her termination date and if the change in control was not a change in control as defined in the regulations to Section 409A of the Internal Revenue Code. A Specified Employee is, generally speaking, one of the 50 most highly compensated employees, and the term is defined within the change in control agreement. If payment of any amounts were delayed because the Named Executive Officer was a Specified Employee, the delayed payment would have been credited with interest during the period from the termination date until the benefit was distributed at 120% of the short term Applicable Federal Rate determined under section 1274(d) of the Internal Revenue Code that was in effect on the Named Executive Officer s termination date.

Executive Benefits and Payments Upon Change in Control	Charles W.	John P.	Deborah H.	James A.	Mark D.	Donald W.	James A.
	Moorman, IV[1]	Rathbone[1]	Butler[1]	Hixon[1]	Manion[1]	Seale[1]	Squires[1]
Compensation							
Severance Pay[2]	$ 10,500,000	$ 4,410,000	$ 4,410,000	$ 4,410,000	$ 4,410,000	$ 4,410,000	$ 4,410,000
Long Term Compensation							
Performance Share Units							
2011-2013 (performance period)[3]	$ 3,845,953	$ 919,684	$ 919,684	$ 919,684	$ 919,684	$ 919,684	$ 919,684
2012-2014 (performance period)[3]	$ 3,218,896	$ 752,469	$ 752,469	$ 752,469	$ 752,469	$ 752,469	$ 752,469
Stock Options[4]	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Accelerated Dividends	$ 1,334,000	$ 315,000	$ 315,000	$ 315,000	$ 315,000	$ 315,000	$ 315,000
Restricted Stock[5]	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Deferred Compensation[6]*	$ 294,137	$ 923,902	$ 1,013,719	$ 653,390	$ 1,586,842	$ 2,230,836	$ 1,285,904
Benefits and Perquisites							
Incremental Non-Qualified Pension[7]*	$ 19,732,000	$ 7,373,000	$ 8,379,000	$ 6,493,000	$ 8,998,000	$ 9,656,000	$ 6,006,000
Post-retirement health and welfare benefits*	$ 25,209	$ 25,209	$ 25,209	$ 25,209	$ 16,806	$ 25,209	$ 25,209
Life Insurance Proceeds	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Disability Benefits	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Vacation Pay	$ 96,154	$ 57,692	$ 57,692	$ 57,692	$ 57,692	$ 57,692	$ 57,692
Post-retirement life insurance[8]	$ 0	$ 8,501	$ 16,135	$ 15,729	$ 9,555	$ 8,201	$ 7,399
Prorata Incentive Pay	$ 0	$	$ 0	$ 0	$ 0	$ 0	$ 0
Excise Tax Gross-up on Severance Benefits[9]	$ 18,602,267	$ 6,747,148	$ 8,904,907	$ 5,723,855	$ 8,305,448	$ 9,095,640	$ 7,424,044

Total	$ 57,648,616	$ 21,532,605	$ 24,793,815	$ 19,366,028	$ 25,371,496	$ 27,470,731	$ 21,203,401

*Payable in accordance with the applicable plan.

[1] This analysis assumes that on December 31, 2012, (i) a change in control of our company occurred and (ii) each of the above Named Executive Officer s employment with us was terminated without cause.

[2] These amounts represent three times the sum of each Named Executive Officer s base salary plus Executive Management Incentive Plan (EMIP) incentive pay. If the Named Executive Officer had elected to defer either a portion of salary or bonus under the Executives Deferred Compensation Plan, then a corresponding portion of this amount would have been deferred and subsequently paid in accordance with the Named Executive Officer s original deferral election rather than distributed in a lump sum.

[3] These amounts represent benefits to which the Named Executive Officer would otherwise be entitled absent a change in control. Values based on (i) the $61.84 closing market price of our common stock on December 30, 2012, and (ii) the average earnout for performance share units for the two most recently completed cycles (67.6%), which is the assumed earnout required under the change-in-control agreements. See the Outstanding Equity Awards at Fiscal Year-End Table for each Named Executive Officer s outstanding performance share unit awards. Performance share units are earned over a three-year cycle ending each December 31. SEC rules require that we assume a change in control occurred on the last day of our fiscal year. Therefore, our Named Executive Officers were fully vested in their performance share unit awards for the performance cycle ended December 31, 2012, and these awards are excluded from the above amounts.

[4] Excludes the value of vested options held by each Named Executive Officer as of December 31, 2012. Under each Named Executive Officer s change-in-control agreement, in the event his or her employment with us is terminated in connection with a change in control, we are required to pay him or her the then current spread value of his or her vested options rather than require him or her to exercise them and sell the underlying shares. Based on the $61.84 closing market price of our common stock on December 30, 2012, the values of those options were as follows: Mr. Moorman, $5,102,550; Mr. Rathbone, $1,305,546; Ms. Butler, $377,400; Mr. Hixon, $1,487,230; Mr. Manion, $1,487,230; Mr. Seale, $1,487,230; and Mr. Squires, $650,040. See the Outstanding Equity Awards at Fiscal Year-End Table for more information regarding these options. Unvested options do not provide for accelerated vesting at the time of a change in control and would be forfeited upon termination of their employment. Accordingly, options which were unvested as of December 31, 2012, are excluded from these amounts.

[5] The change-in-control agreements do not provide for the acceleration of any unvested restricted shares or restricted stock units held by Named Executive Officers at the time their employment with us is terminated or upon a change in control. Under the terms of the Long-Term Incentive Plan (LTIP), they will forfeit any unvested restricted shares and restricted stock units if their employment is terminated for any reason other than Retirement, Disability or death. The Committee has the authority under LTIP to waive any restrictions on restricted shares and restricted stock units.

[6] Amount does not include the aggregate balance of the Named Executive Officer s deferred compensation account as of December 31, 2012, in which the Named Executive Officer is currently vested. See column (f) of the Nonqualified Deferred Compensation Table for this amount. If the change in control was not a change in control as defined in the regulations to Section 409A of the Internal Revenue Code, then any portion of the deferred compensation that was subject to Section 409A would have been payable at the time and in the form provided under the terms of the plan under which the Named Executive Officer earned the benefit, without any acceleration or other alteration in the time and form of payment as a result of the change in control.

[7] Represents the amount by which the Named Executive Officer s pension benefit, as enhanced by the change-in-control agreement, exceeds the actuarial present value of his or her accumulated pension benefits as of December 31, 2012. Amount does not include the actuarial present value of the Named Executive Officer s accumulated pension benefits as of December 31, 2012. See the Pension Benefits Table for a description of the pension benefits to which the Named Executive Officers are entitled upon their retirement.

[8]The change-in-control agreements obligate us to pay the premiums on the Named Executive Officers life insurance policies as if the Named Executive Officer terminated due to retirement under the Executive Life Insurance Plan. These amounts represent the remaining premiums required to be paid to fully fund each policy in the minimum number of level annual premiums allowable without causing the policy to violate Section 7702 of the Internal Revenue Code.

[9] These amounts are payable as and when the tax is imposed and paid. These amounts do not take into account potential mitigation of our excise tax gross-up obligations for those portions of the above compensation that may be determined to be reasonable compensation or are being paid in consideration of the non-competition covenants contained in the change-in-control agreements. During 2012, the Named Executive Officers were generally entitled to receive a payment in an amount sufficient to make them whole taxes attributable to any Federal excise tax on excess parachute payments. In January 2013, the Corporation entered into amendments to its change-in-control agreements with the Named Executive Officers to eliminate this tax gross-up.

Events Triggering Change in Control Payments

If we terminate a Named Executive Officer s employment with us for cause, we will not be required to pay the benefits provided under his or her change-in-control agreement. Cause is defined as any of the following if the result of the same is materially harmful to us:

- an intentional act of fraud, embezzlement or theft in connection with the executive s duties or in the course of his or her employment with us;
- intentional wrongful damage to our property;
- intentional wrongful disclosure of secret processes or of our confidential information; or
- intentional violation of our Code of Ethics.

In addition, if a Named Executive Officer terminates employment with us within two years of a change in control for any of the following good reasons, we are required to pay the Named Executive Officer the benefits provided under his or her change-in-control agreement:

- the Named Executive Officer is not elected or reelected to the office held immediately prior to the change in control, or if serving as a director he or she is removed as a director;
- the Named Executive Officer s salary or bonus opportunity is materially reduced below the amounts in effect prior to the change in control;
- we terminate or materially reduce the value or scope of the Named Executive Officer s perquisites, benefits and service credit for benefits provided under any employee retirement income or welfare benefit policies, plans, programs or arrangements in which he or she is participating immediately prior to the change in control and which have substantial value;

- the Named Executive Officer determines in good faith that following the change in control, he or she has been rendered substantially unable to carry out or has suffered a substantial reduction in any of the substantial authorities, powers, functions, responsibilities or duties attached to the position he or she held immediately prior to the change in control;

- the successor to the change in control does not assume all of our duties and obligations under the change-in-control agreement;

- we require that the Named Executive Officer relocate his or her principal location of work in excess of 50 miles from his or her employment location immediately prior to the change in control, or that the Named Executive Officer travel away from his or her office significantly more than was required immediately prior to the change in control; or

- there is any material breach of the change-in-control agreement by us or our successor.

Requirement Not to Compete

In exchange for the benefits provided under the change-in-control agreements and to help encourage management continuity, the Named Executive Officers agreed not to engage in competing employment for a period of three years from the date they originally executed the agreements and, if they accept benefits payable or provided under the agreements, they may not engage in competing employment for a period of one year from the date they are terminated following the change in control.   Competing employment   for this purpose is the provision of services of any type, kind or nature and in any capacity to any organization or person that is, that controls, that is controlled by, or one of whose significant customers or clients is (i) a Class I railroad operating in the United States, Canada or Mexico, (ii) an interstate trucking company operating in the United States, Canada or Mexico or (iii) a provider or arranger of intermodal services of any kind or nature, any portion of which services is provided or arranged in the United States.

Retirement

As of December 31, 2012, all Named Executive Officers other than Mr. Squires were of retirement age under our retirement plans. See   Termination for Any Other Reason   below for a discussion of the benefits to which Mr. Squires would have been entitled had he retired as of December 31, 2012. Messrs. Moorman, Rathbone, Manion and Seale were eligible to retire as of December 31, 2012, with unreduced pension benefits under our retirement plans. Ms. Butler and Mr. Hixon were eligible to retire and choose to receive either (i) a temporary retirement benefit not to exceed $500 per month until reaching age 60, and thereafter the full amount of the accrued pension benefits disclosed in the Pension Benefits Table, or (ii) a reduced amount of the pension benefits disclosed in the Pension Benefits Table. Assuming each of the Named Executive Officers other than Mr. Squires retired as of December 31, 2012, in addition to these pension benefits and the deferred compensation amounts disclosed in the Nonqualified Deferred Compensation Table, each of them would have been eligible for the following benefits:

				Medical	Life	
Name	**Accelerated Vesting of Stock Options[1]**	**Restricted Stock Units[2]**	**Performance Share Units[3]**	**Benefits[4]**	**Insurance[5]**	**Total**
Charles W. Moorman, IV	$ 4,765,063	$ 6,740,560	$ 5,858,412	$ 182,506	$ 0	$ 17,546,541
John P. Rathbone	$ 1,229,115	$ 1,669,680	$ 1,387,566	$ 101,893	$ 8,501	$ 4,396,755
Deborah H. Butler	$ 1,229,115	$ 1,669,680	$ 1,387,566	$ 154,656	$ 16,135	$ 4,457,152
James A. Hixon	$ 1,229,115	$ 1,669,680	$ 1,387,566	$ 118,410	$ 15,729	$ 4,420,500
Mark D. Manion	$ 1,229,115	$ 1,669,680	$ 1,387,566	$ 222,001	$ 9,555	$ 4,517,917
Donald W. Seale	$ 1,229,115	$ 1,669,680	$ 1,387,566	$ 248,781	$ 8,201	$ 4,543,343

[1] Represents the value of the outstanding 2009 and 2010 unvested stock options for the Named Executive Officer for which vesting is accelerated to the date of his or her retirement. The value shown equals the difference between the exercise price of each option and the $61.84 closing market price of our common stock on December 31, 2012. No value was attributed to accelerated vesting of the stock options granted in 2011 since their exercise price was greater than $61.84. Amounts in this column do not include the value of unexercised stock options held by the Named Executive Officers for which vesting would not be accelerated as a result of his or her retirement. See the Outstanding Equity Awards at Fiscal Year-End Table for a complete list of each Named Executive Officer s vested unexercised options. Under the retirement provisions contained in the LTIP, each option held by the Named Executive Officers will expire at the end of the term for which the option was granted. But for these retirement provisions, all of their options would expire at the close of business on their last day of employment with us.

[2] Represents the dollar value of restricted stock units based on the $61.84 closing market price of our common stock on December 30, 2012. These amounts are also included in the Outstanding Equity Awards at Fiscal Year-End Table. However, because the Named Executive Officers would forfeit these awards but for retirement provisions of LTIP and their LTIP award agreements, we have

included these amounts here as well. If a participant retires before the end of the restriction period, the awards are delivered at the end of the restriction period as if the participant had not retired; however, these awards are subject to forfeiture in the event the participant engages in competing employment following retirement and before the end of the restriction period.

[3] Represents the estimated dollar value of performance share units to be earned during the performance cycles ending December 31, 2013, and December 31, 2014, assuming an earnout of 59.2% for the grants of performance share units made in 2011 and 52.3% for the grants of performance share units made in 2012, and in each case based on the $61.84 closing market price of our common stock on December 31, 2012. Because the number of performance share units earned is determined based on a three-year performance period for each cycle, these percentages represent (i) the actual percentage achieved for each completed year in the performance cycle for the Return on Average Invested Capital and Operating Ratio metrics, and the 50% target percentage achievement for each of these metrics for each uncompleted year in the performance period, and (ii) a 40% achievement for the Total Shareholder Return metric over the entire three-year performance period, reflecting the earnout if Norfolk Southern s total stockholder return exceeds the median total stockholder return of the S&P 500 over the three-year performance cycle. Estimated amounts for the performance cycles ending December 31, 2012, and December 31, 2013, are also included in the Outstanding Equity Awards at Fiscal Year-End Table. However, because the Named Executive Officers would forfeit these awards but for retirement provisions under LTIP, we have included these awards here as well. If a participant retires before the end of the performance period, the awards are calculated and earned at the end of the performance period as if the participant had not retired; however, these awards are subject to forfeiture in the event the participant engages in competing employment following retirement and before the end of the performance period.

[4] Represents estimated retiree medical benefits for the Named Executive Officers and their eligible dependents.

[5] Represents the remaining cost of individually owned executive life insurance policies as of December 31, 2012, which policy amounts are as follows: Mr. Moorman, $565,000; Ms. Butler, $300,000; Mr. Hixon, $570,000; Mr. Manion, $410,000; Mr. Rathbone, $500,000; and Mr. Seale, $550,000. In addition, each Named Executive Officer would be eligible for retiree life insurance coverage under the Corporation s group life insurance program in the following amounts: Mr. Moorman, $5,000, Ms. Butler and Messrs. Hixon, Manion, Rathbone and Seale, $50,000.

Death or Disability

Death

If any of the Named Executive Officers had died on December 31, 2012, that Named Executive Officer s spouse would have been eligible for the pension benefits disclosed in the Pension Benefit Table (reduced on account of the Named Executive Officer s death) and the Named Executive Officer s designated beneficiaries would have been eligible for the deferred compensation benefits disclosed in the Non-Qualified Deferred Compensation Table. In addition, each Named Executive Officer s spouse and/or designated beneficiaries would have been eligible for the following benefits:

Name	Accelerated Vesting of Stock Options[1]	Restricted Stock Units[2]	Performance Share Units[3]	Medical Benefits	Life Insurance Proceeds	Total[4]
Charles W. Moorman, IV	$ 4,765,063	$ 6,740,560	$ 5,858,412	$ 80,614	$ 3,000,000	$ 20,444,649
John P. Rathbone	$ 1,229,115	$ 1,669,680	$ 1,387,566	$ 0	$ 1,800,000	$ 6,086,361

Deborah H. Butler	$ 1,229,115	$ 1,669,680	$ 1,387,566	$ 23,000	$ 1,800,000	$ 6,109,361
James A. Hixon	$ 1,229,115	$ 1,669,680	$ 1,387,566	$ 4,000	$ 1,800,000	$ 6,090,361
Mark D. Manion	$ 1,229,115	$ 1,669,680	$ 1,387,566	$ 113,814	$ 1,800,000	$ 6,200,175
Donald W. Seale	$ 1,229,115	$ 1,669,680	$ 1,387,566	$ 140,592	$ 1,800,000	$ 6,226,953
James A. Squires	$ 1,229,115	$ 1,669,680	$ 1,387,566	$ 153,525	$ 1,800,000	$ 6,239,886

[1] Represents the value of the outstanding 2009 and 2010 unvested stock options for the Named Executive Officer for which vesting is accelerated to the date of his or her death. The value shown equals the difference between the exercise price of each option and the $61.84 closing market price of our common stock on December 31, 2012. No value was attributed to accelerated vesting of the stock options granted in 2011 since their exercise price was greater than $61.84. Amounts in this column do not include the value of unexercised stock options held by the Named Executive Officers for which vesting would not be accelerated as a result of his or her death. See the Outstanding Equity Awards at Fiscal Year-End Table for a complete list of each Named Executive Officer s vested unexercised options. Under the death benefit provisions contained in the LTIP agreements, each option held by the Named Executive Officers will expire at the end of the term for which the option was granted. But for these death benefit provisions, all of their options would expire at the close of business on their last day of employment with us.

[2] Represents the dollar value of restricted stock units based on the $61.84 closing market price of our common stock on December 30, 2012. These amounts are also included in the Outstanding Equity Awards at Fiscal Year-End Table. However, because the Named Executive Officers would forfeit these awards but for death benefit provisions of LTIP and their LTIP award agreements, we have included these amounts here as well. If a participant dies before the end of the restriction period, the awards are delivered at the end of the restriction period as if the participant had not died.

[3] Represents the estimated dollar value of performance share units to be earned during the performance cycles ending December 31, 2013, and December 31, 2014, assuming an earnout of 59.2% for the grants of performance share units made in 2011 and 52.3% for the grants of performance share units made in 2012, and in each case based on the $61.84 closing market price of our common stock on December 31, 2012. Because the number of performance share units earned is determined based on a three-year performance period for each cycle, these percentages represent (i) the actual percentage achieved for each completed year in the performance cycle for the Return on Average Invested Capital and Operating Ratio metrics, and the 50% target percentage achievement for each of these metrics for each uncompleted year in the performance period, and (ii) a 40% achievement for the Total Shareholder Return metric over the entire three-year performance period, reflecting the earnout if Norfolk Southern s total stockholder return exceeds the median total stockholder return of the S&P 500 over the three-year performance cycle. Estimated amounts for the performance cycles ending December 31, 2012, and December 31, 2013, are also included in the Outstanding Equity Awards at Fiscal Year-End Table. However, because the Named Executive Officers would forfeit these awards but for death benefit provisions under LTIP and their LTIP award agreements, we have included these awards here as well. If a participant dies before the end of the performance period, the awards are calculated and earned at the end of the performance period as if the participant had not died.

[4] In addition to the amounts listed in the table, if a Named Executive Officer died or was totally and permanently disabled for at least 12 months, in either case as a result of an accident that was covered under the insurance policy that provides benefits under the Executive Accident Plan, then the Named Executive Officer (in the case of disability) or his or her beneficiary (in the case of death) would receive a $400,000 lump sum payment from the insurance company.

Disability

If the Named Executive Officers had become disabled on December 31, 2012, each of them other than Mr. Squires could elect to retire and receive the benefits set forth above under Retirement Current Executive Officers. For Mr. Squires and any other Named Executive Officer electing not to retire, each would be entitled to disability benefits in an amount equal to one-half of the Named Executive Officer s base salary.

Under disability benefit provisions contained in LTIP and the LTIP agreements, each option held by the Named Executive Officers would expire at the end of the term for which the option was granted and the restrictions on each restricted share and restricted stock unit held by the Named Executive Officers would lapse upon the expiration of the applicable restriction period; but for these disability benefit provisions, the Named Executive Officers would forfeit all unexercised options and unvested restricted shares and restricted stock units. See the Outstanding Equity Awards at Fiscal Year-End Table for a complete list of options, restricted shares and restricted stock units held by the Named Executive Officers.

Termination for Any Other Reason

As noted above, each of the Named Executive Officers other than Mr. Squires was eligible to retire as of December 31, 2012; accordingly, had their employment been terminated by us or by them as of that date, each would have been entitled to the benefits set forth above under Retirement Current Executive Officers. Because Mr. Squires had at least 20 years of service as of December 31, 2012, had he terminated employment as of that date, he would have been eligible for either (i) the full amount of his accrued pension benefit disclosed in the Pension Benefits Table beginning at age 60, or (ii) the pension benefit disclosed in the Pension Benefits Table reduced by 1/360th for each month he was under age 60 at the time of retirement, with benefits beginning at the earliest upon Mr. Squires reaching age 55.

In addition to these pension benefits, each Named Executive Officer would have been entitled to receive the deferred compensation benefits fully disclosed in the Nonqualified Deferred Compensation Table.

We also have a Severance Pay Plan. Under the Severance Pay Plan, if a Named Executive Officer s employment had been terminated as of December 31, 2012, due to the executive s position being abolished in connection with downsizing or internal restructuring, the Named Executive Officer would have been entitled to the following benefits:

- two weeks of the executive s annual base salary for each year of service up to a maximum of 80 weeks (but not in excess of twice the annual amount of the executive s salary payable in the 12-month period preceding the executive s severance date);

- continued health care benefits for the executive and the executive s eligible dependents until the earlier of (a) 12 months from the severance date, or (b) until those health care benefits would otherwise terminate under the continuation of coverage provisions of the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended (COBRA); and

- outplacement assistance for up to 90 days.

If the Named Executive Officer s employment had been terminated by us for a reason other than as described above, then the Named Executive Officer would have been entitled to one week of the executive s annual base salary for each year of service up to a maximum of 26 weeks, with the amount capped at two times the executive s salary paid in the 12-month period preceding the executive s severance date. The Named Executive Officer would not have been entitled to Severance Pay Plan benefits if terminated for reasons including, without limitation, the following: indictment, conviction of, or entering a plea of *nolo contendere* to any felony; commission of theft, fraud, or embezzlement, resulting in gain or personal enrichment; failure or refusal to substantially perform his or her duties for the Corporation; conduct deemed so detrimental to the interests of the Corporation that, in the judgment of the Plan Administrator, it should result in the termination not being deemed a severance; being unable to substantially perform his or her duties because of a physical or mental condition, including a condition that entitles him or her to benefits under any sick pay or disability income policy or program; refusing to transfer to another nonagreement position in the same department; or refusing to transfer to another nonagreement position in a different department assigned to a pay band with the same or higher bonus opportunity.

Directors Charitable Award Program Benefit

In addition to the benefits described above, Mr. Moorman continues to be entitled to nominate one or more tax-exempt institutions to receive up to $500,000 from Norfolk Southern following his death. We continue to pay the life insurance premiums we use to partly fund this program. See Narrative to Non-Employee Director Compensation Table Directors Charitable Award Program above for more information regarding this program.

Non-Competition

In addition to restrictions imposed under our change-in-control agreements, awards under LTIP were beginning in 2006 made subject to forfeiture in the event the Named Executive Officer engages in competing employment for a period of time following termination. For these purposes, engages in competing employment means working for or providing services to any of our competitors in North American markets in which we compete.

Future Severance Benefits Policy

In 2002, our Board of Directors agreed to abide by a stockholder approved proposal that future severance agreements with senior executives that exceed 2.99 times the sum of the executive s base salary plus bonus require stockholder approval.

COMPENSATION POLICY RISK ASSESSMENT

The Committee assessed the risks arising from Norfolk Southern s compensation policies and practices for all employees to determine whether such policies or practices are reasonably likely to have a material adverse effect on the company. As part of this assessment, in 2013, the Committee engaged Pay Governance to conduct a compensation risk analysis and report its findings to the Committee. Pay Governance observed that because Norfolk Southern s compensation policies and practices use performance metrics that correlate to long-term creation of shareholder value and that are applied consistently to all nonagreement employees, the actions of any individual or business unit are not likely to significantly affect the performance metrics or result in risks or rewards that vary significantly from the overall risk and reward structure of Norfolk Southern. For this reason, the Committee determined that Norfolk Southern s compensation policies and practices are not reasonably likely to have a material adverse effect on the company.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of our Board of Directors oversees our compensation program on behalf of the Board. In fulfilling its oversight responsibilities, the Compensation Committee reviewed and discussed with management the Compensation Discussion and Analysis set forth in this proxy statement.

In reliance on the review and discussions referred to above, the Compensation Committee recommended to the Board that the Compensation Discussion and Analysis be included in our annual report on Form 10-K for the fiscal year ended December 31, 2012, and our proxy statement to be filed in connection with our 2013 Annual Meeting of Stockholders, each of which will be filed with the SEC.

2012 Members of the Compensation Committee

Daniel A. Carp, *Chair*

Gerald L. Baliles, *Member*

Erskine B. Bowles, *Member*

Wesley G. Bush, *Member**

Alston D. Correll, *Member*

Steven F. Leer, *Member*

** Joined the Committee effective February 27, 2012*

STOCKHOLDER PROPOSALS

Stockholders are entitled to submit proposals on matters appropriate for stockholder action consistent with SEC regulations and with our Bylaws. Any such proposal for the 2014 Annual Meeting of Stockholders must comply with applicable regulations and be **received** by the Corporate Secretary, Norfolk Southern Corporation, Three Commercial Place, 13th Floor, Norfolk, Virginia 23510-9219, as follows:

To be eligible for inclusion in our proxy statement and form of proxy, it must be received no later than November 20, 2013; or to be eligible to be presented from the floor for vote at the meeting (but not intended for inclusion in our proxy materials), it must be received during the period that begins November 30, 2013 and ends February 8, 2014.

By order of the Board of Directors,

HOWARD D. McFADDEN
Corporate Secretary

APPENDIX A

Article I, Section 2 of the Norfolk Southern Corporation Bylaws is replaced in its entirety by the following:

ARTICLE I

Stockholders Meetings

SECTION 2. Special Meetings. Special meetings of the stockholders shall be held (a) whenever called by the chief executive officer or by a majority of the directors or (b) subject to the provisions of this Section 2, and all other applicable sections of these Bylaws, whenever called by the Secretary upon written request (a Special Meeting Request) of one or more record holders of shares of stock of the corporation representing not less than 20% of the voting power of all outstanding shares of all classes of stock of the corporation entitled to vote on the matter(s) proposed to be voted on at such meeting (the Requisite Percentage). For purposes of this Section 2(b) and for determining the Requisite Percentage, a beneficial owner shall be deemed to own the shares of stock of the corporation that such beneficial owner would be deemed to own pursuant to Rule 200(b) under the Securities Exchange Act of 1934, as amended. For purposes of determining the Requisite Percentage, the deemed ownership of any record holder or beneficial owner shall exclude any shares as to which such record holder or beneficial owner, as the case may be, does not have the right to vote or direct the vote at the special meeting. The Board of Directors shall determine in good faith whether all requirements set forth in this Section 2(b) have been satisfied and such determination shall be binding on the corporation and its stockholders.

(i) A Special Meeting Request must be delivered by hand or by registered U.S. mail, postage prepaid, return receipt requested, or courier service, postage prepaid, to the attention of the Secretary at the principal executive offices of the corporation (the date on which the Secretary receives the request is the Delivery Date). A Special Meeting Request shall be valid only if it is signed and dated by each record holder submitting the Special Meeting Request (Requesting Stockholder), and includes (A) a statement of the specific purpose(s) of the special meeting (including the text of any resolution proposed for consideration) and the reasons for conducting such business at the special meeting; (B) in the case of any director nominations proposed to be presented at the special meeting, the information required by Section 7 of Article II; (C) in the case of any matter (other than a director nomination) proposed to be conducted at the special meeting, the information required by Section 9(c) of this Article I; (D) a representation that each Requesting Stockholder, or one or more representatives of each such stockholder, intends to appear in person at the special meeting to present the proposal(s) or business to be brought before the special meeting; (E) an agreement by the Requesting Stockholders to notify the corporation promptly in the event of any disposition prior to the record date for the special meeting of shares of the corpration owned of record or beneficially; and (F) documentary evidence that the Requesting Stockholders own the Requisite Percentage as of the Delivery Date; provided, however, that if the Requesting Stockholders are not the beneficial owners of the shares representing the Requisite Percentage, then to be valid, the Special Meeting Request must also include documentary evidence that the beneficial owners of such shares (i) join in the special meeting request and (ii) beneficially own the Requisite Percentage as of the Delivery Date. In addition, the Requesting Stockholders shall: (1) notify the corporation of any inaccuracy or change (within two business days of becoming aware of such inaccuracy or change) in any information previously provided in the Special Meeting Request; and (2) promptly update and supplement the information provided in the Special Meeting Request, if necessary, so that the information provided or required to be provided shall be true and complete as of the record date for the special meeting, and such update and supplement shall be delivered to the Secretary at the principal executive offices of the corporation not later than five business days after the record date.

(ii) A Special Meeting Request shall not be valid, and a special meeting requested by stockholders shall not be held, if: (A) the Special Meeting Request does not comply with these Bylaws; (B) the Special Meeting Request relates to an item of business that is not a proper subject for stockholder action or is otherwise unlawful; (C) the Special Meeting Request is delivered during the period commencing 90 days prior to the first anniversary of the date of the immediately preceding annual meeting of stockholders and ending on the earlier of (x) the date of the next annual meeting and (y) 30 days after the first anniversary of the date of the previous annual meeting; (D) an identical or substantially similar item (as determined in good faith by the Board, a Similar Item), other than the election of directors, was included on the agenda at any annual or special meeting of stockholders held not more than 12 months before the Special Meeting Request is delivered; (E) a Similar Item is included in the corporation s notice of meeting as an item of business to be brought before an annual or special meeting of stockholders called by the Board of Directors for a date or was included on the agenda of such a meeting on a date within 90 days of the Delivery Date (and, for purposes of this clause (E), the election or removal of directors shall be deemed to be a Similar Item with respect to all items of business involving the election or removal of directors, changing the size of the Board of Directors and the filling of vacancies and/or newly created directorships resulting from any increase in the authorized number of directors); or (F) the Special Meeting Request was made in a manner that involved a violation of Regulation 14A under the Securities Exchange Act of 1934, as amended, or other applicable law.

(iii) Special meetings of stockholders called pursuant to this Section 2(b) must be held within 120 days after the Delivery Date.

(iv) If none of the Requesting Stockholders appear or send a representative to present the business to be presented for consideration specified in the Special Meeting Request, the corporation need not present such business for a vote at the special meeting, notwithstanding that proxies in respect of such matter may have been received by the corporation.

ANNUAL MEETING OF SHAREHOLDERS OF

NORFOLK SOUTHERN CORPORATION

May 9, 2013

PROXY VOTING INSTRUCTIONS

INTERNET - ** Access **www.voteproxy.com and follow the on-screen instructions. Have your proxy card available when you access the web page.

TELEPHONE - ** Call toll-free **1-800-PROXIES (1-800-776-9437) in the United States or **1-718-921-8500** from foreign countries from any touch-tone telephone and follow the instructions. Have your proxy card available when you call.

Vote online/phone until 11:59 PM EDT May 8, 2013 the day before the meeting.

**MAIL - ** Sign, date and mail your proxy card in the envelope provided as soon as possible.

**IN PERSON - ** You may vote your shares in person by attending the Annual Meeting.

COMPANY NUMBER

ACCOUNT NUMBER

NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIAL: The Notice of Meeting, proxy statement, proxy card and Annual Report to Shareholders are available at http://www.amstock.com/ProxyServices/ViewMaterial.asp?CoNumber=17278

i Please detach along perforated line and mail in the envelope provided IF you are not voting via telephone or the Internet. i

n 00033333333333333300 1 050913

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE FOLLOWING ITEMS,

AND THIS PROXY CARD WILL BE VOTED ACCORDINGLY IF NO CHOICE IS SPECIFIED.

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE x

In addition, in their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting.

To change the address on your account, please check the box at right and indicate your new address in the address space above. .. Please note that changes to the registered name(s) on the account may not be submitted via this method.

1.	ELECTIONOF TWELVE DIRECTORS.	FOR	AGAINST	ABSTAIN
1.1	ThomasD. Bell, Jr	..	..	..
1.2	ErskineB. Bowles	..	..	..
1.3	RobertA. Bradway	..	..	..
1.4	WesleyG. Bush	..	..	..
1.5	DanielA. Carp	..	..	..
1.6	KarenN. Horn	..	..	..
1.7	BurtonM. Joyce	..	..	..
1.8	StevenF. Leer	..	..	..
1.9	MichaelD. Lockhart	..	..	..
1.10	CharlesW. Moorman	..	..	..
1.11	MartinH. Nesbitt	..	..	..
1.12	JohnR. Thompson	..	..	..
2.	The ratification of the appointment of KPMG LLP, independent registered public accounting firm, as Norfolk Southern s independent auditors for the year ending December 31, 2013.	..	..	..
3.	Approval of executive compensation as disclosed in the proxy statement for the 2013 Annual Meeting of Stockholders.	..	..	..
4.	Approval of an amendment to the Norfolk Southern Bylaws giving stockholders the right to call a special meeting.	..	..	..

Signature of Stockholder Date: Signature of Stockholder Date:

n **Note:** Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person. n

.. n

PROXY

NORFOLK SOUTHERN CORPORATION

THREE COMMERCIAL PLACE, NORFOLK, VIRGINIA 23510

PROXY FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD MAY 9, 2013

SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints and authorizes James A. Hixon, Howard D. McFadden and Virginia K. Fogg, and each or any of them, proxy for the undersigned, with full power of substitution, to represent and vote all shares of Norfolk Southern Corporation common stock held by the undersigned with the same force and effect as the undersigned at the Annual Meeting of Stockholders of Norfolk Southern Corporation to be held at the Conference Center, Williamsburg Lodge, South England Street, Williamsburg, Virginia, on Thursday, May 9, 2013, at 10:00 A.M., Eastern Daylight Time, and at any adjournments, postponements or rescheduling thereof, upon the matters more fully set forth in the Proxy Statement, dated March 20, 2013, and to transact such other business as properly may come before such meeting(s).

The undersigned acknowledges receipt of the Notice and Proxy Statement dated in each case March 20, 2013. All other proxies heretofore given by the undersigned to vote shares of Norfolk Southern Corporation common stock are expressly revoked hereby.

THIS PROXY WHEN PROPERLY EXECUTED WILL BE VOTED IN THE MANNER DIRECTED ON THE OTHER SIDE BY THE UNDERSIGNED STOCKHOLDER. IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF DIRECTORS, RATIFICATION OF KPMG AS INDEPENDENT AUDITORS, APPROVAL OF EXECUTIVE COMPENSATION, AND APPROVAL OF THE AMENDMENT TO NS BYLAWS GIVING STOCKHOLDERS THE RIGHT TO CALL A SPECIAL MEETING. THIS PROXY ALSO DELEGATES DISCRETIONARY AUTHORITY TO VOTE WITH RESPECT TO ANY OTHER BUSINESS WHICH MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF.

(Continued and to be signed on the reverse side.)

n 14475 n