

## Reconciliation of Non-GAAP Performance Measures

Information presented by James A. Squires during NS' presentation at the Bernstein conference May 27, 2015 (posted elsewhere on our web site) included non-GAAP financial measures, as defined by SEC Regulation G. Non-GAAP financial measures should be considered in addition to, not as a substitute for, the financial measure reported in accordance with U.S. generally accepted accounting principles (GAAP).

### Consolidated Statements of Income

(\$ in millions)

| Twelve Months Ended December 31,        | 2013<br>Reported | Land Sale<br>Adjustment | 2013<br>Adjusted |
|---|------------------|-------------------------|------------------|
| Income from railway operations          | \$ 3,257         | \$ --                   | \$ 3,257         |
| Other income - net <sup>1</sup>         | 233              | (97)                    | 136              |
| Interest expense on debt                | 525              | --                      | 525              |
| Income before income taxes <sup>1</sup> | 2,965            | (97)                    | 2,868            |
| Total income taxes <sup>1</sup>         | 1,055            | (37)                    | 1,018            |
| Net income <sup>1</sup>                 | <u>\$ 1,910</u>  | <u>\$ (60)</u>          | <u>\$ 1,850</u>  |

### Diluted Earnings Per Share

(in millions, except per share amounts)

| Twelve Months Ended December 31,                     | 2013<br>Reported | Land Sale<br>Adjustment | 2013<br>Adjusted |
|--|------------------|-------------------------|------------------|
| Net income <sup>1</sup>                              | \$ 1,910         | \$ (60)                 | \$ 1,850         |
| Dividend equivalent payments                         | (4)              | --                      | (4)              |
| Income available to common stockholders <sup>1</sup> | \$ 1,906         | \$ (60)                 | \$ 1,846         |
| Adjusted weighted-average shares outstanding         | 315.5            | 315.5                   | 315.5            |
| Diluted earnings per share <sup>1</sup>              | <u>\$ 6.04</u>   | <u>\$ (0.19)</u>        | <u>\$ 5.85</u>   |

<sup>1</sup> Other income - net, Income before income taxes, Total income taxes, Net income, Income available to common stockholders and Diluted earnings per share as shown in the "2013 Adjusted" column exclude the Michigan land sale gain.