

Reconciliation of Non-GAAP Financial Measures

Information presented by Alan H. Shaw at the Cowen and Company 9th Annual Global Transportation Conference on September 7, 2016 (posted elsewhere on our website) 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).

Operating Results - excluding Restructuring Costs

(\$ in millions)

Twelve Months Ended December 31	2015	Restructuring Costs	Adjusted 2015
Railway Operating Revenues	\$ 10,511	\$	\$ 10,511
Railway Operating Expenses	7,627	(93)	7,534
Income from Railway Operations	<u>\$ 2,884</u>	<u>\$ 93</u>	<u>\$ 2,977</u>
Railway Operating Ratio ¹	72.6		71.7

¹ Adjusted operating ratio as used here is to reflect the operating ratio absent the effects of the Triple Crown and Roanoke, Va. office restructuring costs. Management believes this non-GAAP financial measure provides useful supplemental information to investors regarding the Company's expense trends, by excluding these particular expenses, and is useful for period-over-period comparisons of these trends.

The Company uses these financial measures internally. While the Company believes that these financial measures are useful in evaluating the Company's business, this information should be considered as supplemental in nature and is not meant to be considered in isolation or as a substitute for the related financial information prepared in accordance with GAAP. In addition, these non-GAAP financial measures may not be the same as similar measures presented by other companies.