

Reconciliation of Non-GAAP Performance Measures

Information presented by James A. Squires and Deborah H. Butler during NS' fourth quarter earnings conference call on January 25, 2011 (posted elsewhere on our web site) included non-GAAP financial measures, as defined by SEC Regulation G. Non-GAAP performance measures should be considered in addition to, not as a substitute for, the financial performance reported in accordance with U.S. generally accepted accounting principles.

Free Cash Flow

(\$ in millions)

Years Ended December 31,	2010	2009
Net cash provided by operating activities	\$ 2,714	\$ 1,860
Property additions	(1,470)	(1,299)
Free cash flow ¹	<u>\$ 1,244</u>	<u>\$ 561</u>

¹Free cash flow as used here is a measure of cash available for other investing activities and financing activities, including repurchases of common stock and dividends.

Baseline Capital Program

(\$ in millions)

Plan Year Ended December 31,	2011
Property additions	\$ 2,223
Purchase of freight cars historically leased	(334)
PTC, including upgrades to systems and track structure that will be accelerated for implementation	(146)
Baseline capital program ²	<u>\$ 1,743</u>

²Baseline capital program as used here is a projection of the 2011 capital budget excluding certain investments.