

Reconciliation of Non-GAAP Performance Measures

Information presented at NS' third quarter analyst presentation in New York on October 25, 2006, (posted elsewhere on our web site) included non-GAAP financial measures, as defined by SEC Regulation G. Specifically, in 2005 the effect of Ohio tax legislation has been excluded from net income. 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.

Nine Months Ended September 30,	2006	2005	Increase (Decrease)	
	(\$ in millions, except per share)			
Net income	\$ 1,096	\$ 919	\$ 177	19%
Effect of Ohio tax legislation		(96)		
Net income excluding these items	<u>\$ 1,096</u>	<u>\$ 823</u>	\$ 273	33%
Diluted earnings per share	\$ 2.62	\$ 2.24	\$ 0.38	17%
Effect of Ohio tax legislation		(0.23)		
Diluted earnings per share excluding these items	<u>\$ 2.62</u>	<u>\$ 2.01</u>	\$ 0.61	30%