

Railway Operating Revenues

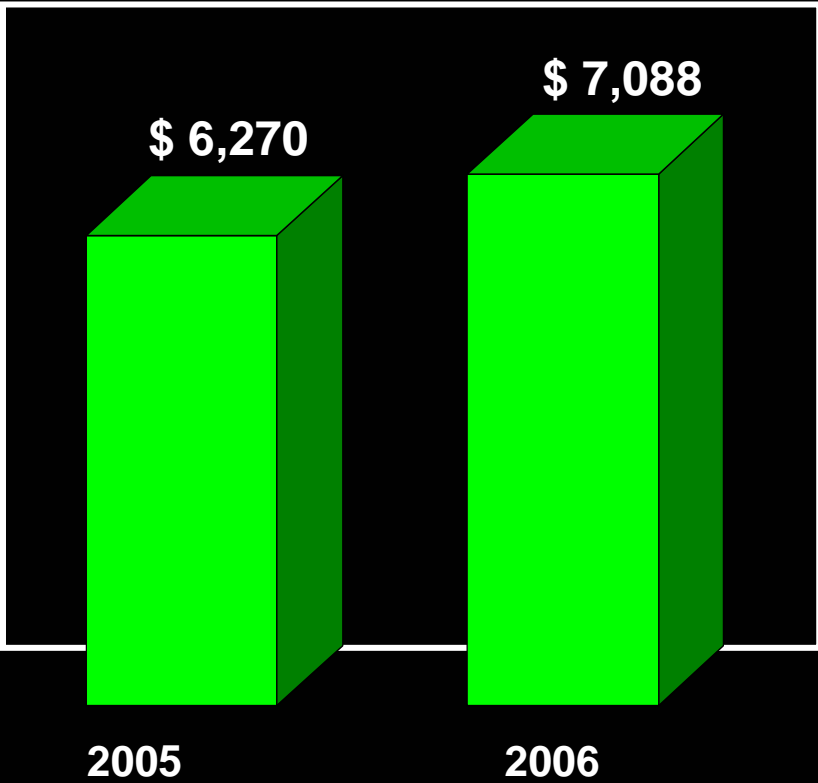
(\$ Millions)

Third Quarter



% Change vs. Prior Period + 11%

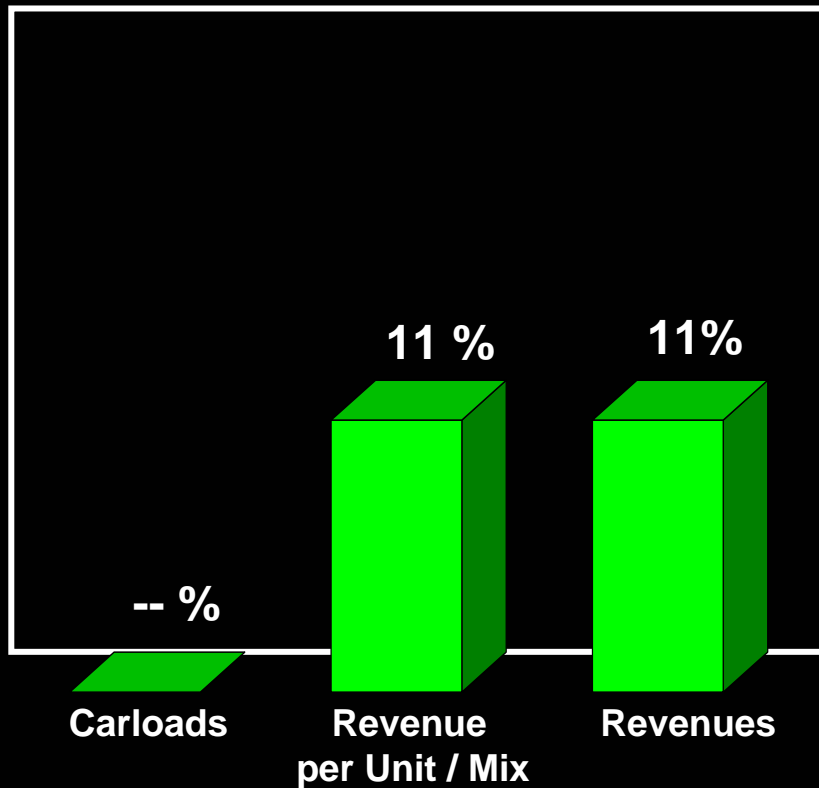
Nine Months



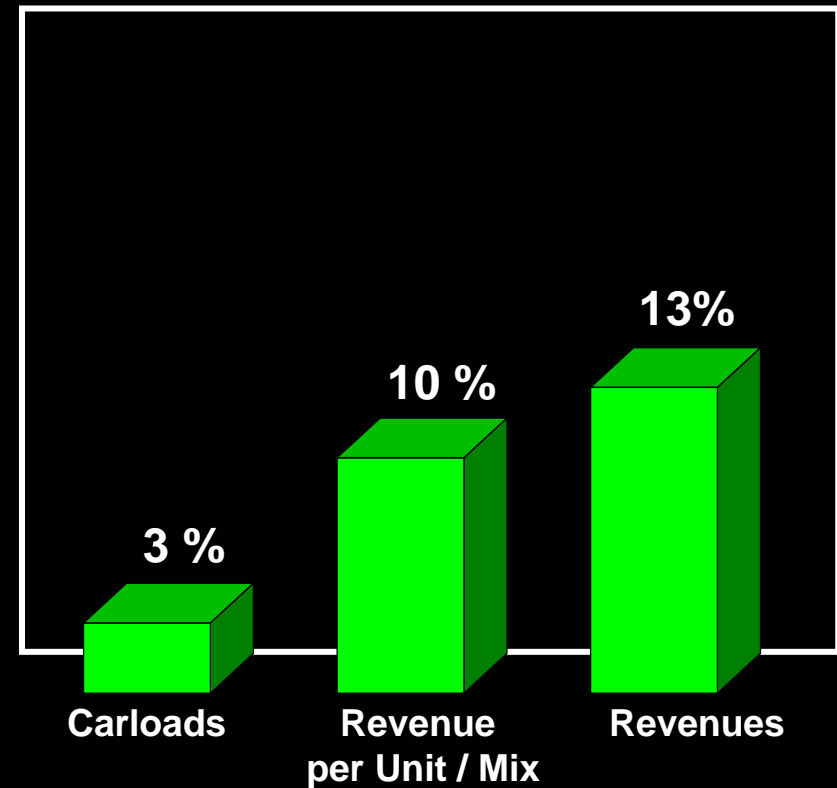
+ 13%

Railway Operating Revenue Variance Analysis 2006 vs. 2005

Third Quarter



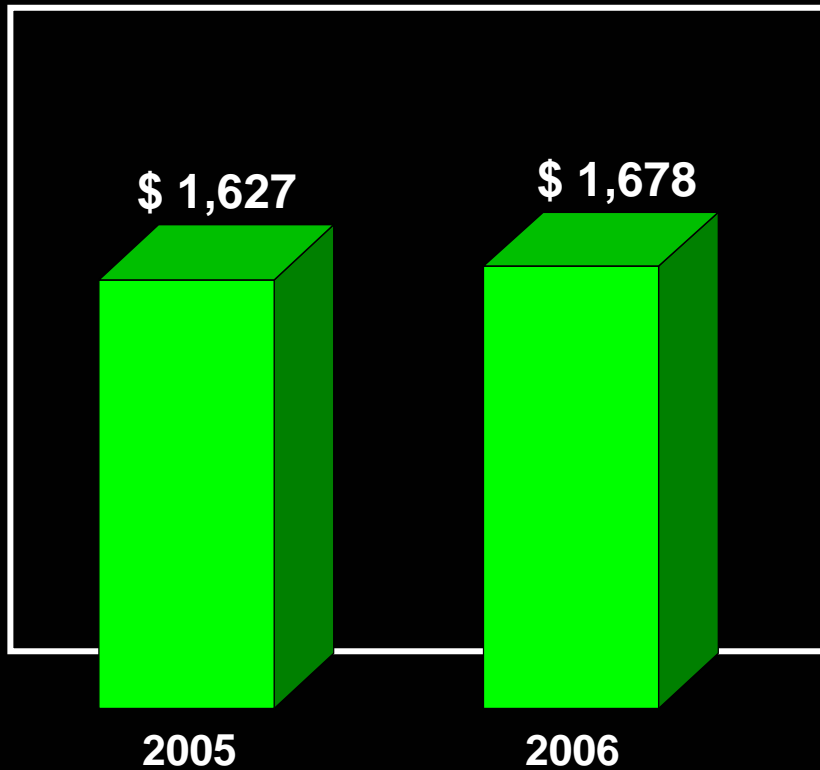
Nine Months



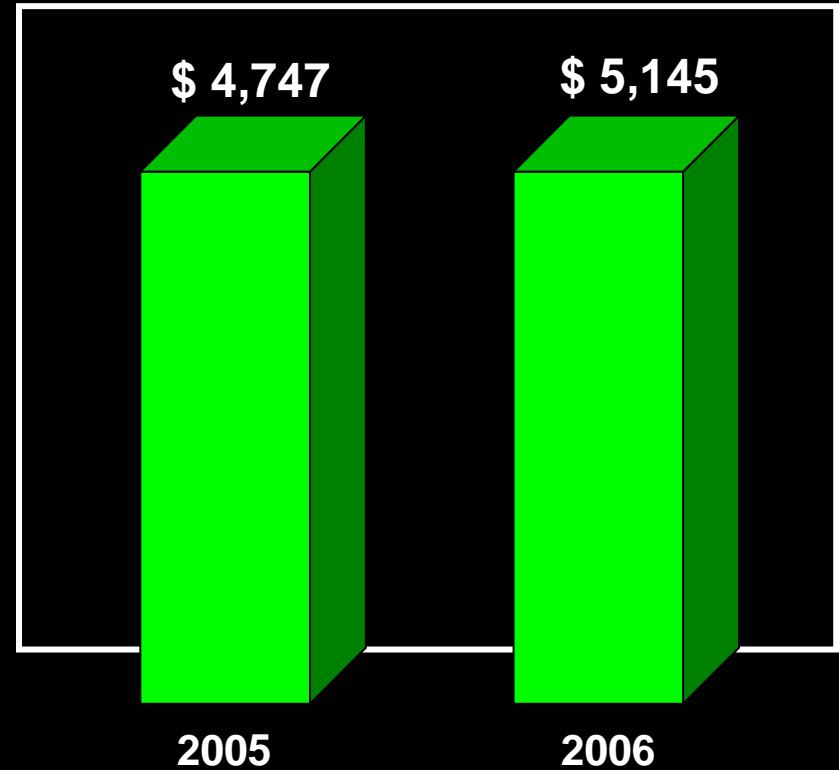
Railway Operating Expenses

(\$ Millions)

Third Quarter



Nine Months



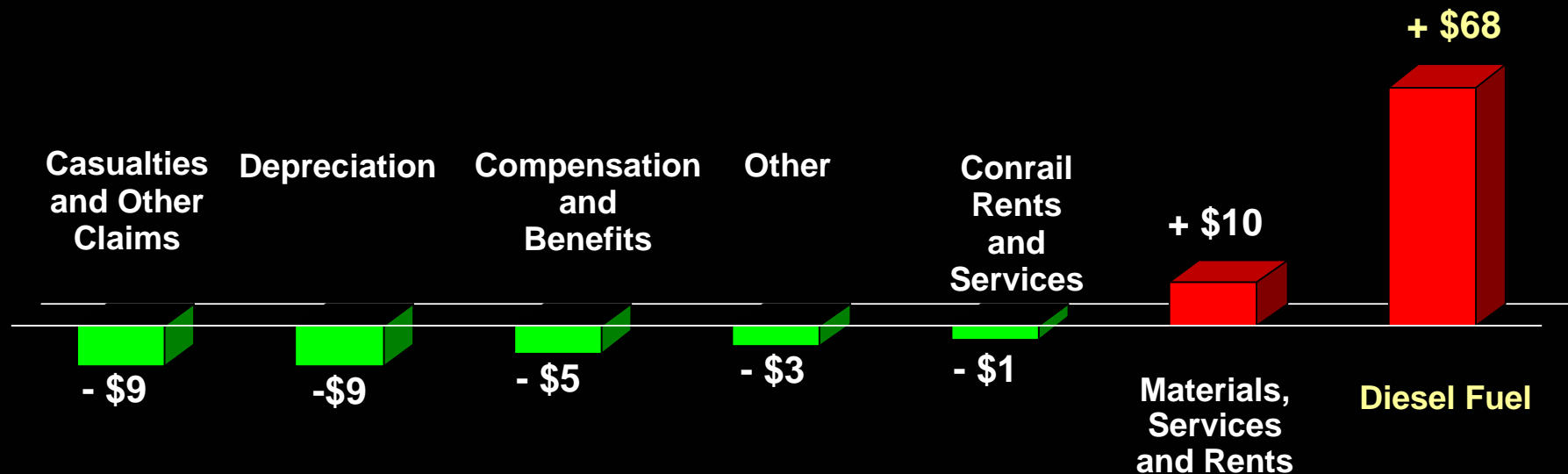
% Change vs. Prior Period + 3%

+8%

Railway Operating Expense Analysis

Third Quarter 2006 vs. 2005

(\$ Millions)

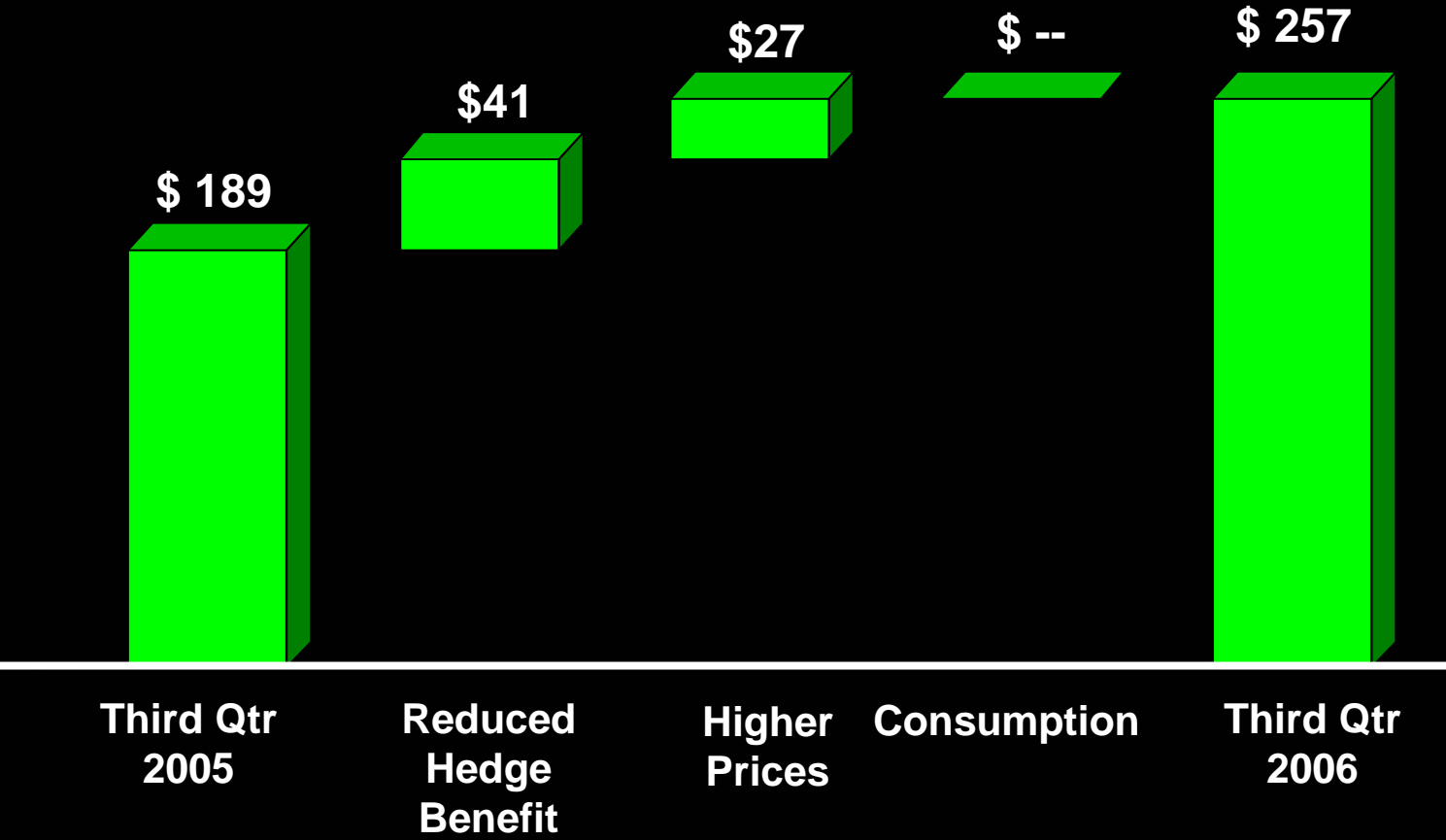


Net Increase \$ 51 Million / 3%

Diesel Fuel Cost Analysis

Third Quarter 2006 vs. 2005

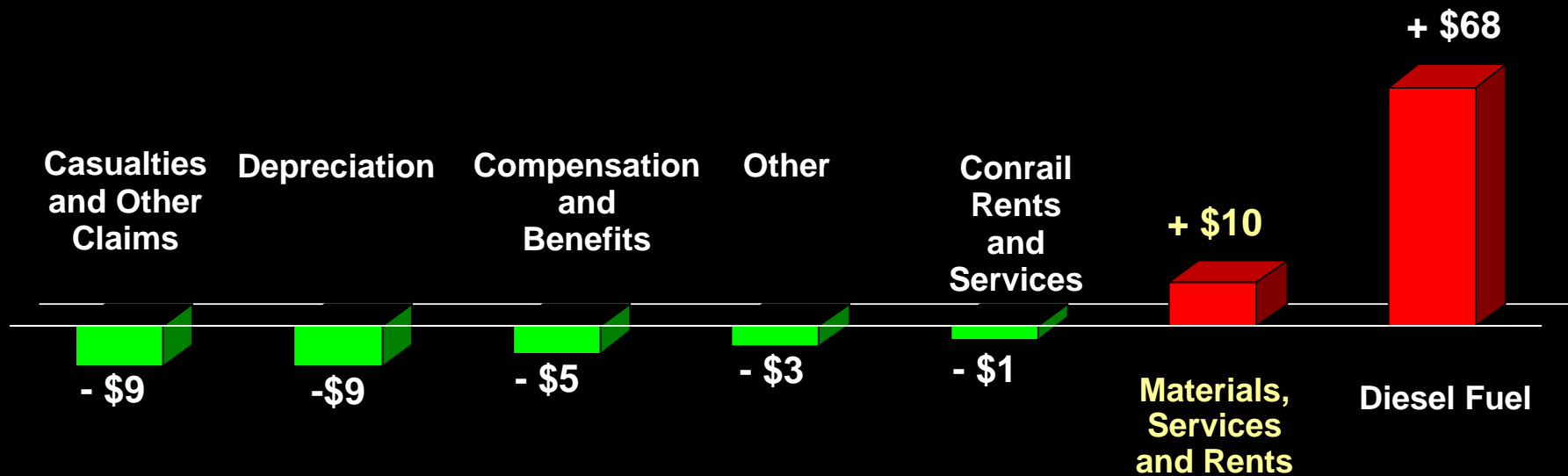
(\$ Millions)



Railway Operating Expense Analysis

Third Quarter 2006 vs. 2005

(\$ Millions)

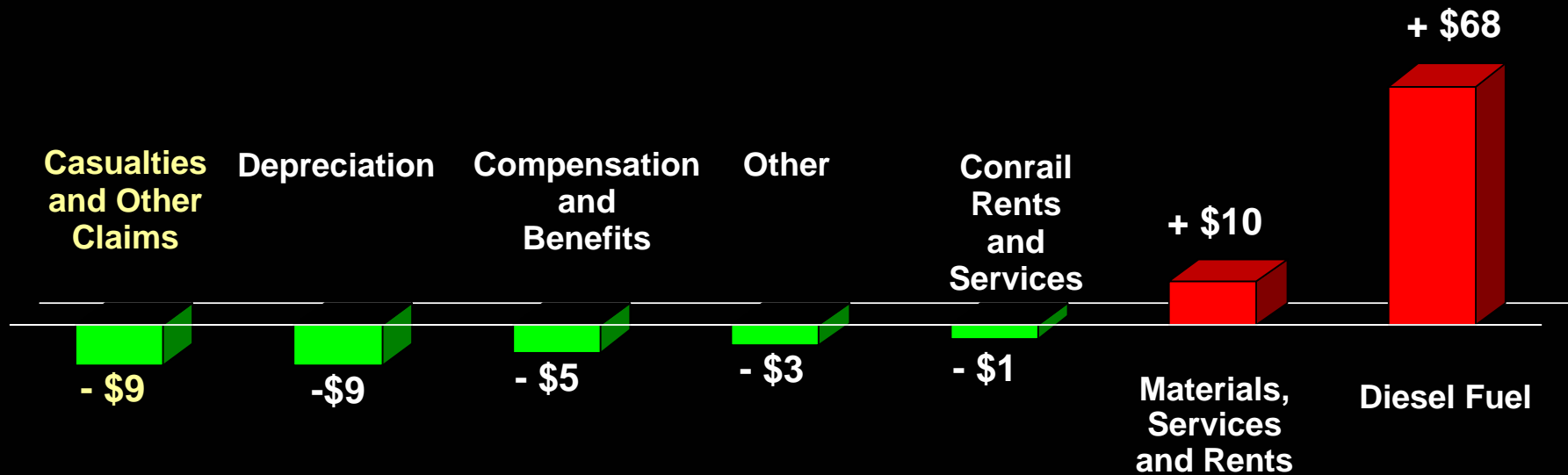


Net Increase \$ 51 Million / 3%

Railway Operating Expense Analysis

Third Quarter 2006 vs. 2005

(\$ Millions)

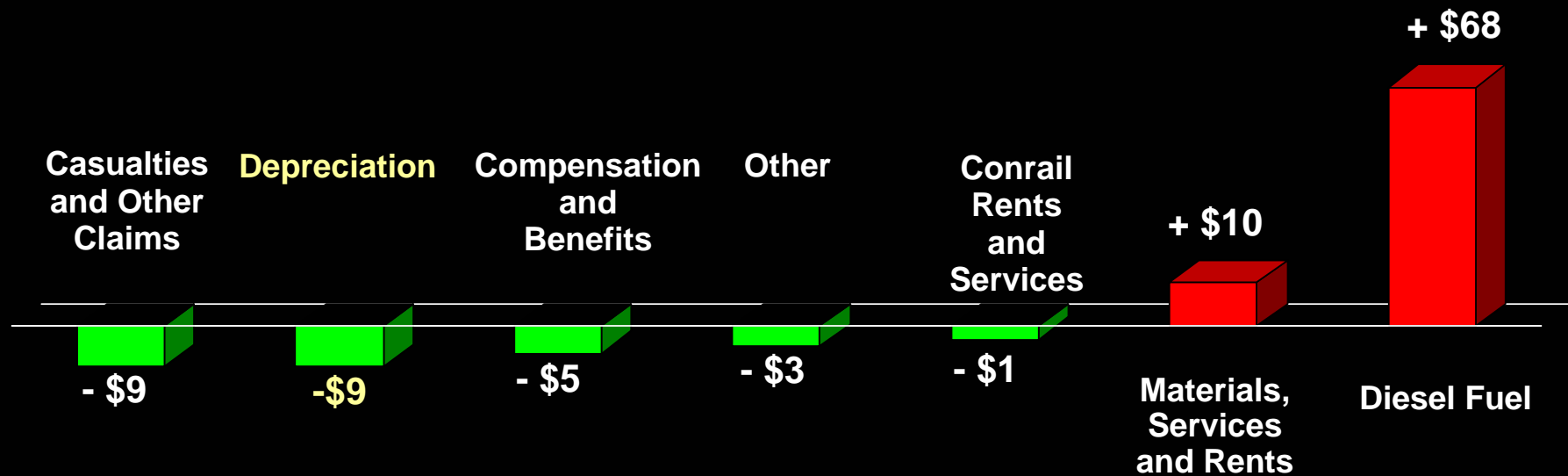


Net Increase \$ 51 Million / 3%

Railway Operating Expense Analysis

Third Quarter 2006 vs. 2005

(\$ Millions)

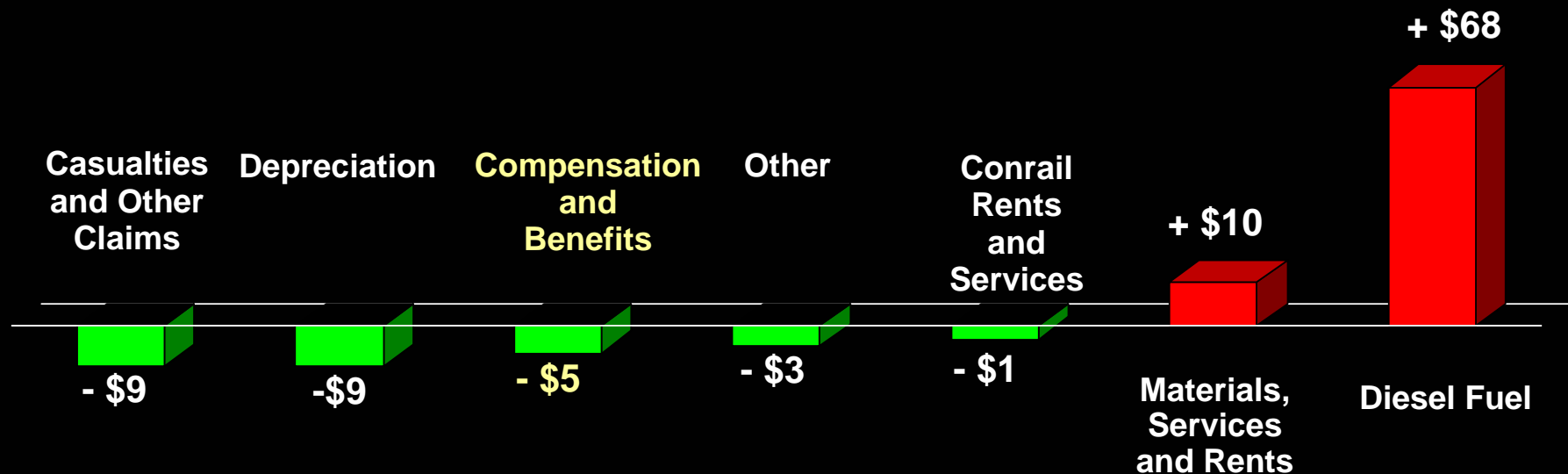


Net Increase \$ 51 Million / 3%

Railway Operating Expense Analysis

Third Quarter 2006 vs. 2005

(\$ Millions)



Net Increase \$ 51 Million / 3%

Compensation & Benefits Analysis

Third Quarter 2006 vs. 2005

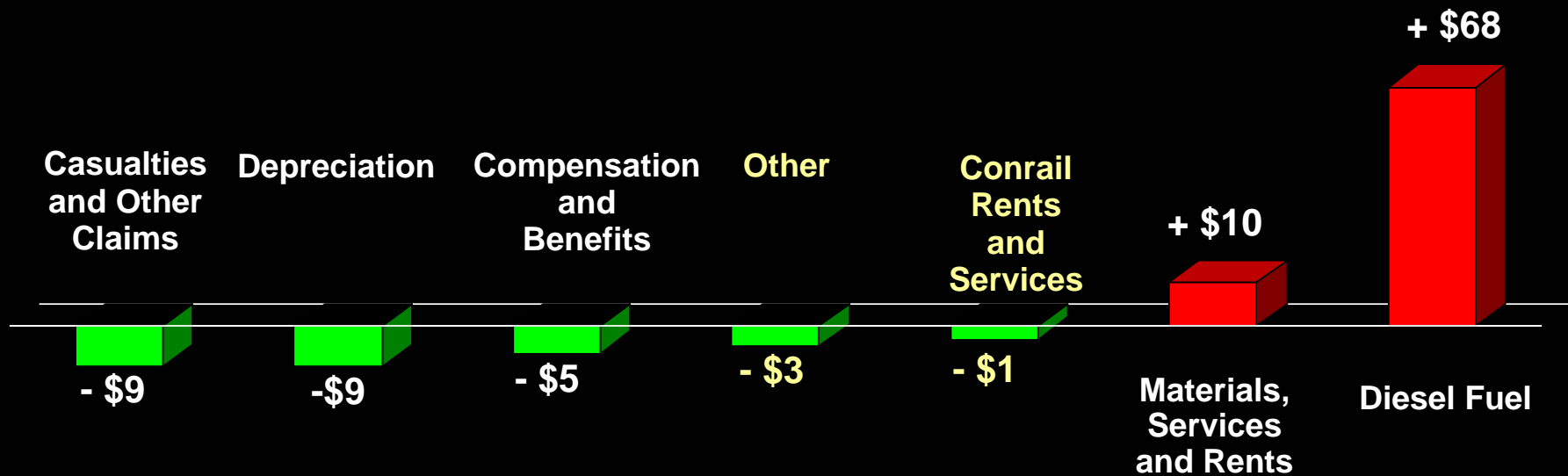
(\$ Millions)



Railway Operating Expense Analysis

Third Quarter 2006 vs. 2005

(\$ Millions)

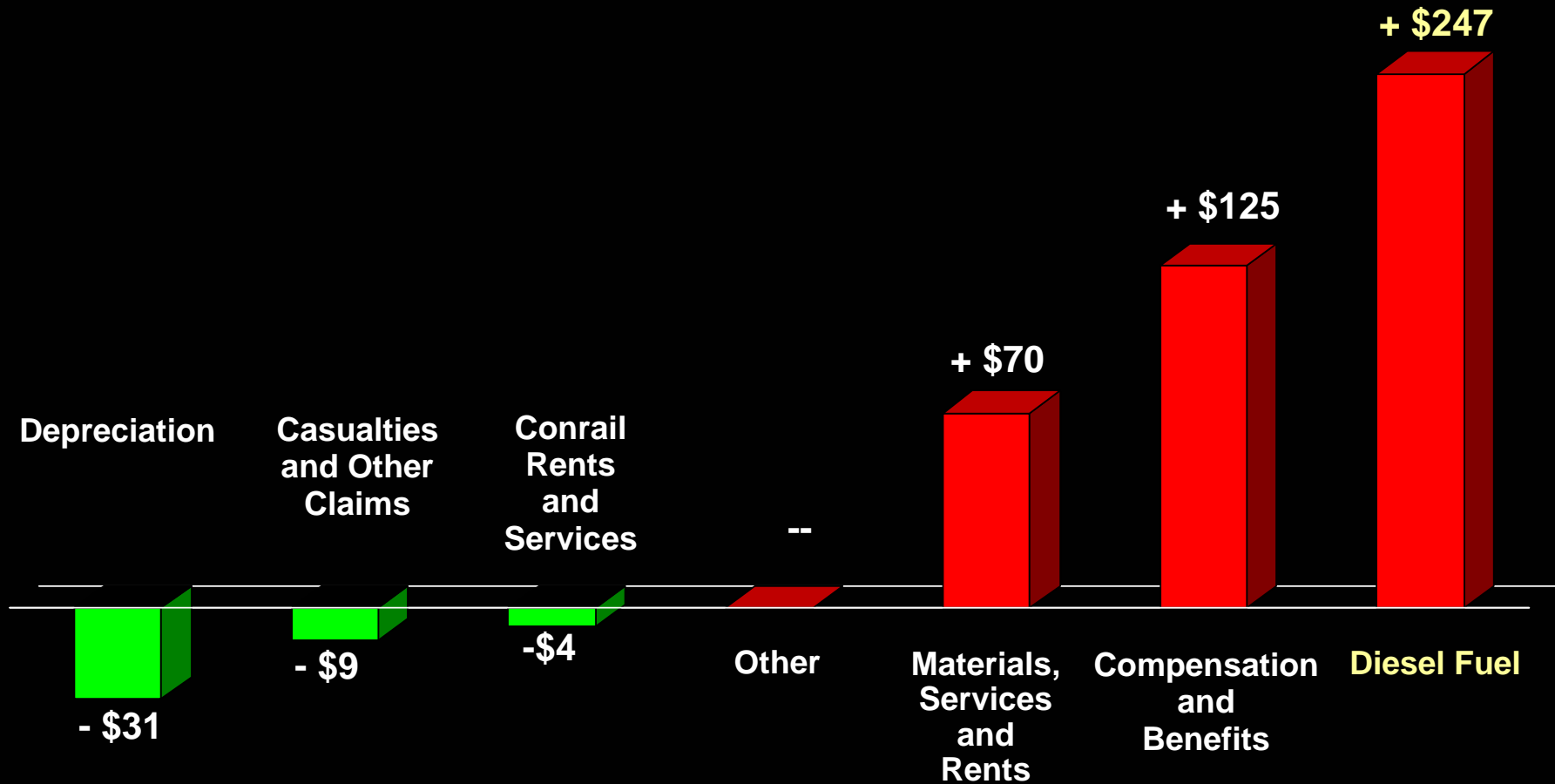


Net Increase \$ 51 Million / 3%

Railway Operating Expense Analysis

Nine Months Ended September 30, 2006 vs. 2005

(\$ Millions)

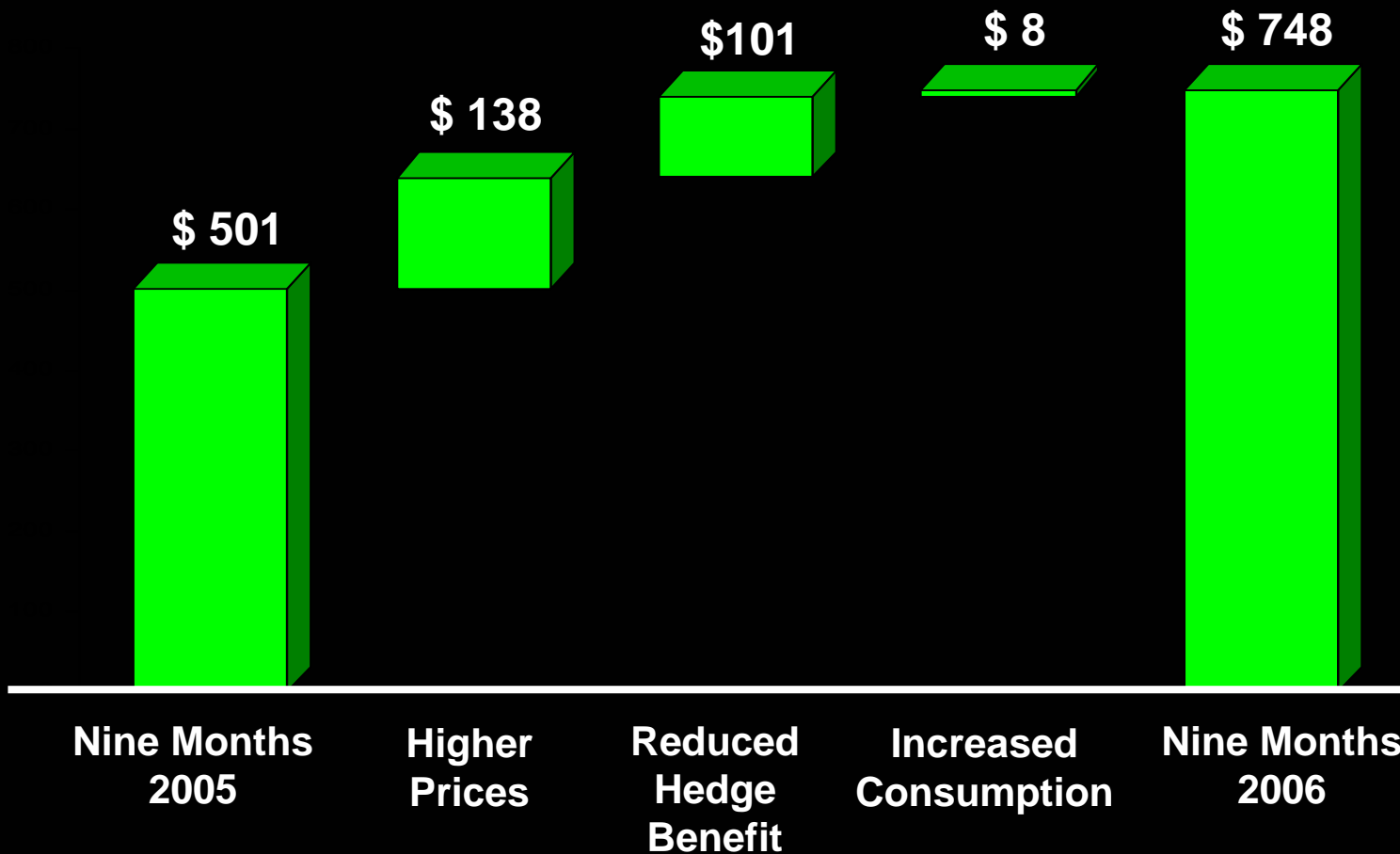


Net Increase \$398 Million / 8%

Diesel Fuel Cost Analysis

Nine Months Ended September 30, 2006 vs. 2005

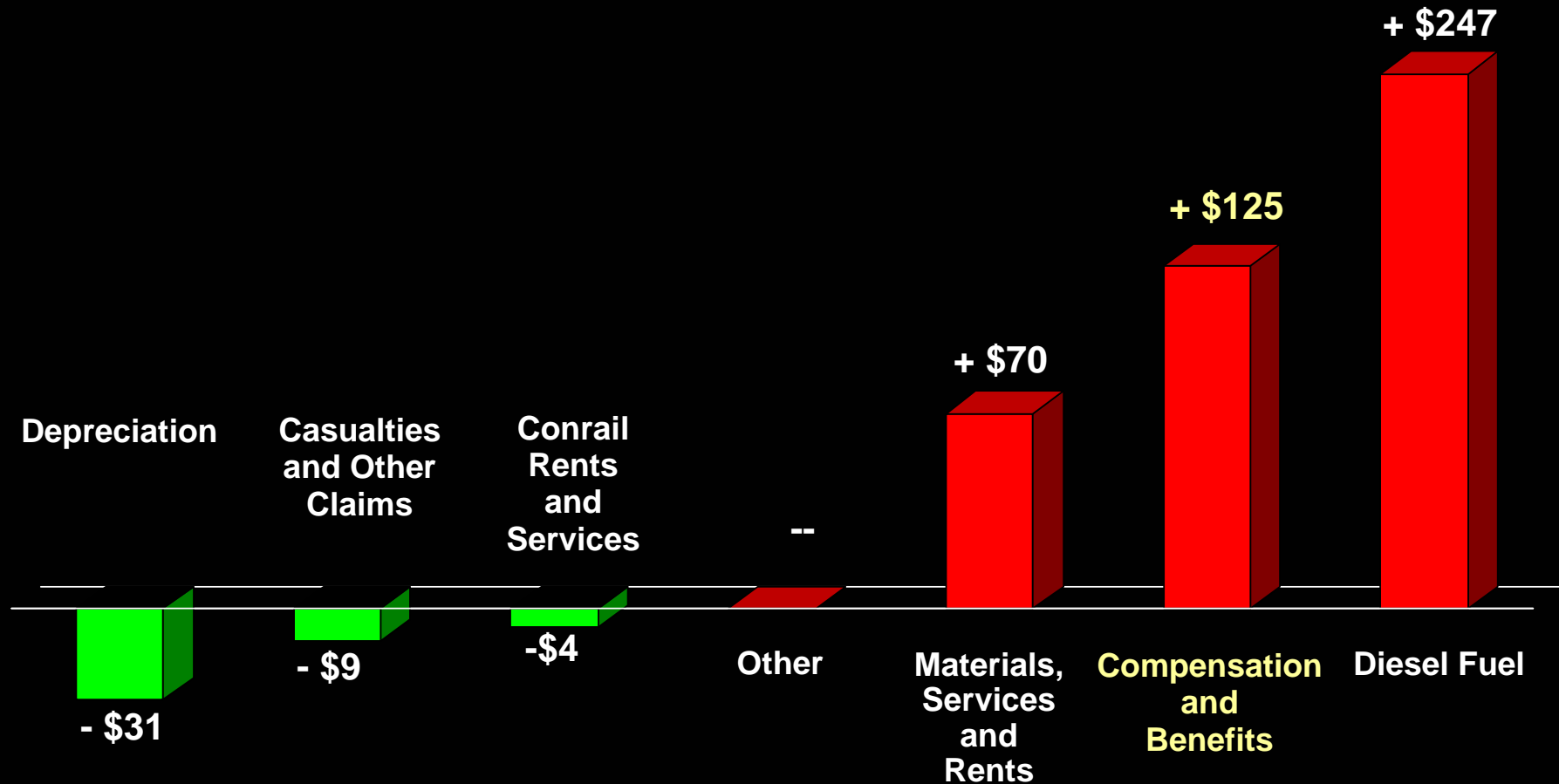
(\$ Millions)



Railway Operating Expense Analysis

Nine Months Ended September 30, 2006 vs. 2005

(\$ Millions)



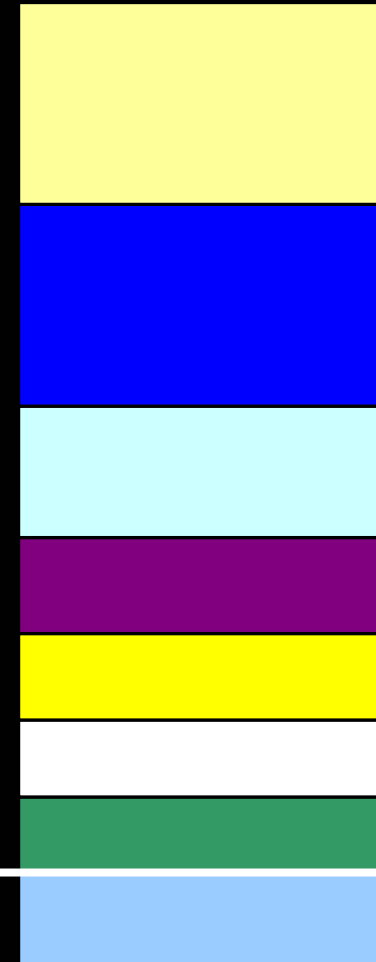
Net Increase \$398 Million / 8%

Compensation & Benefits Analysis

Nine Months Ended September 30, 2006 vs. 2005

(\$ Millions)

Effects from SFAS 123(R)	\$ 34
Retirement Eligible - \$24	
Stock Options - \$10	
Salaries and Wages	\$ 34
H&W Benefits	\$ 21
Payroll Taxes	\$ 15
Retirement Agmts & Waiver Agmts	\$ 13
Other Stock-Based Compensation	\$ 11
T&E Hours	\$ 11
Other Items	\$ 14

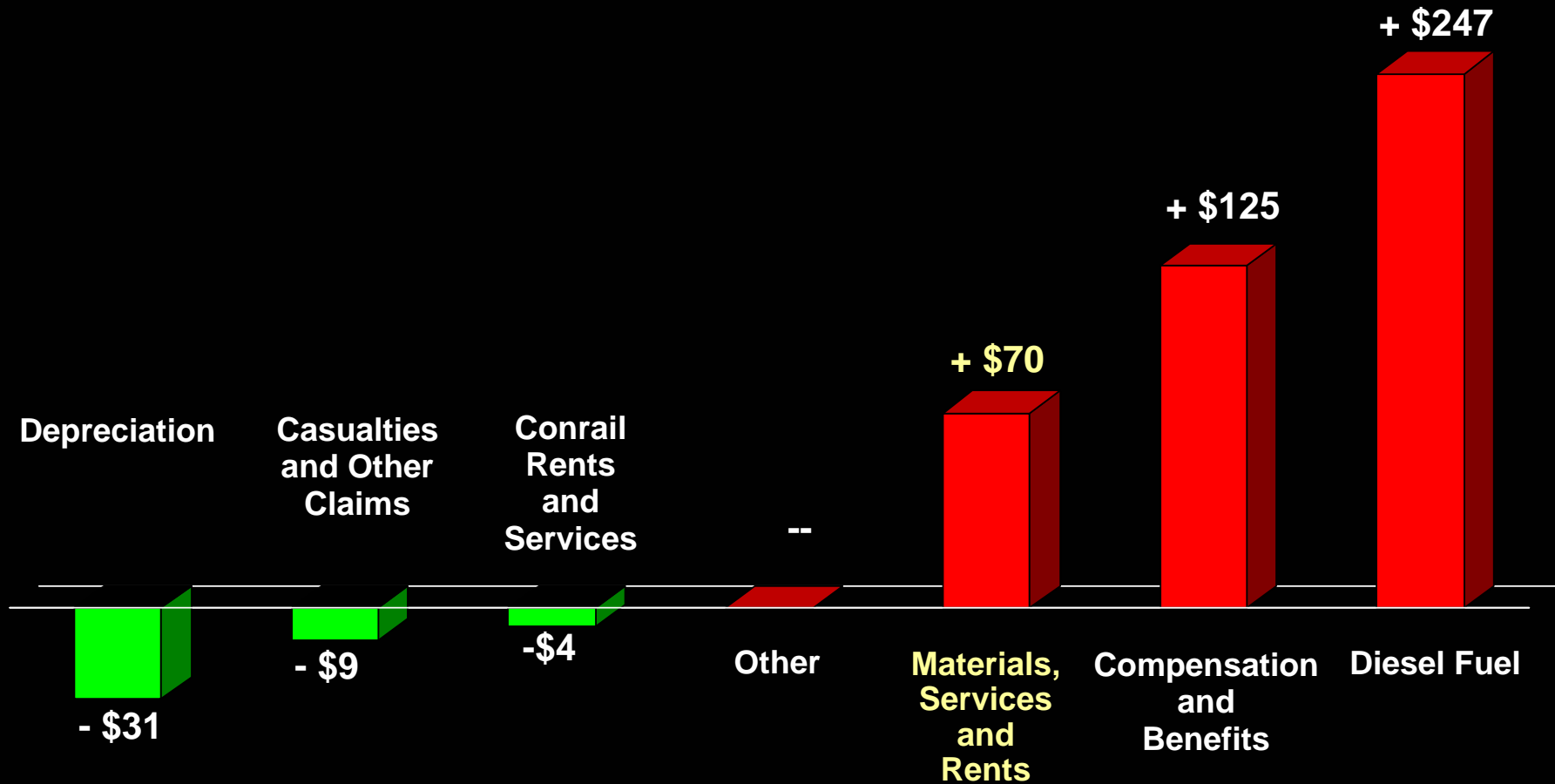


*Net Increase
\$125 Million
+ 7%*

Railway Operating Expense Analysis

Nine Months Ended September 30, 2006 vs. 2005

(\$ Millions)



Net Increase \$398 Million / 8%

Materials, Services & Rents

Nine Months Ended September 30, 2006 vs. 2005

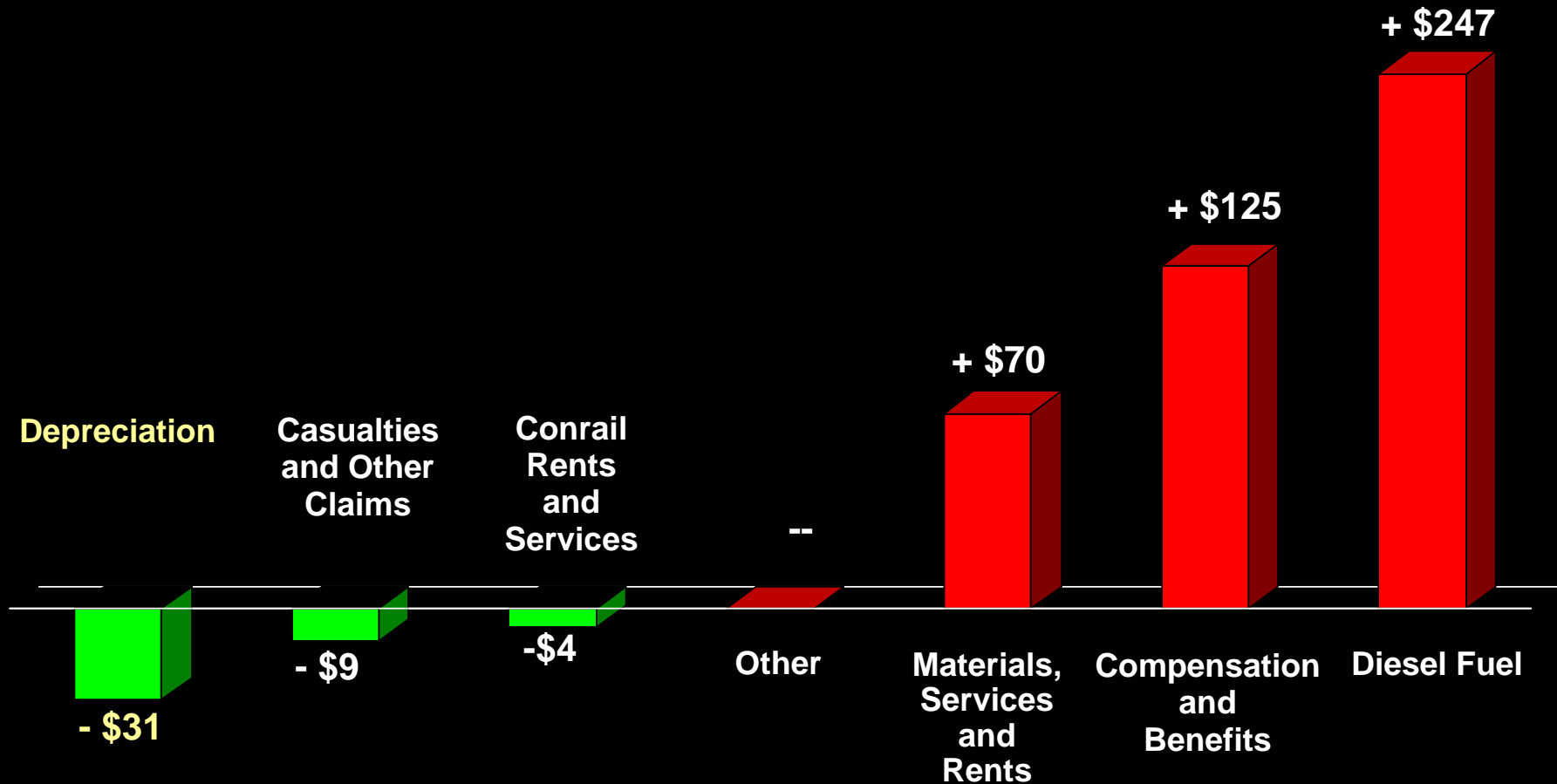
(\$ Millions)



Railway Operating Expense Analysis

Nine Months Ended September 30, 2006 vs. 2005

(\$ Millions)

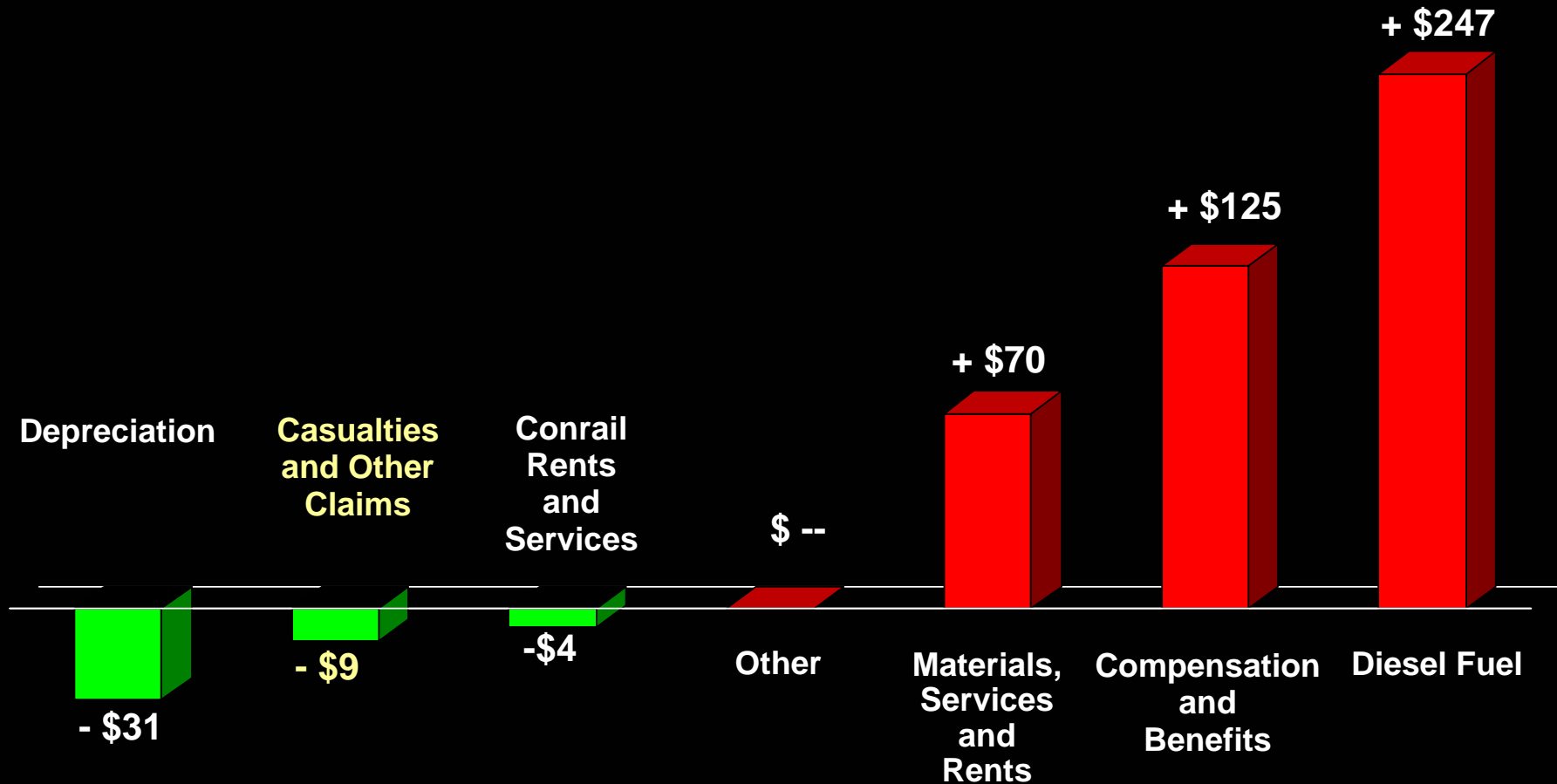


Net Increase \$398 Million / 8%

Railway Operating Expense Analysis

Nine Months Ended September 30, 2006 vs. 2005

(\$ Millions)

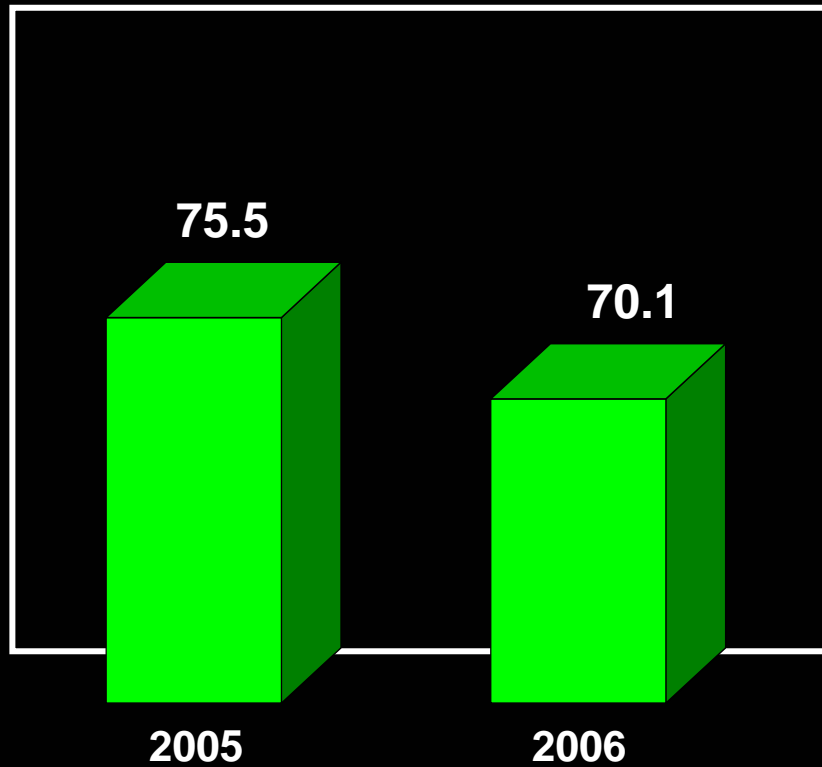


Net Increase \$398 Million / 8%

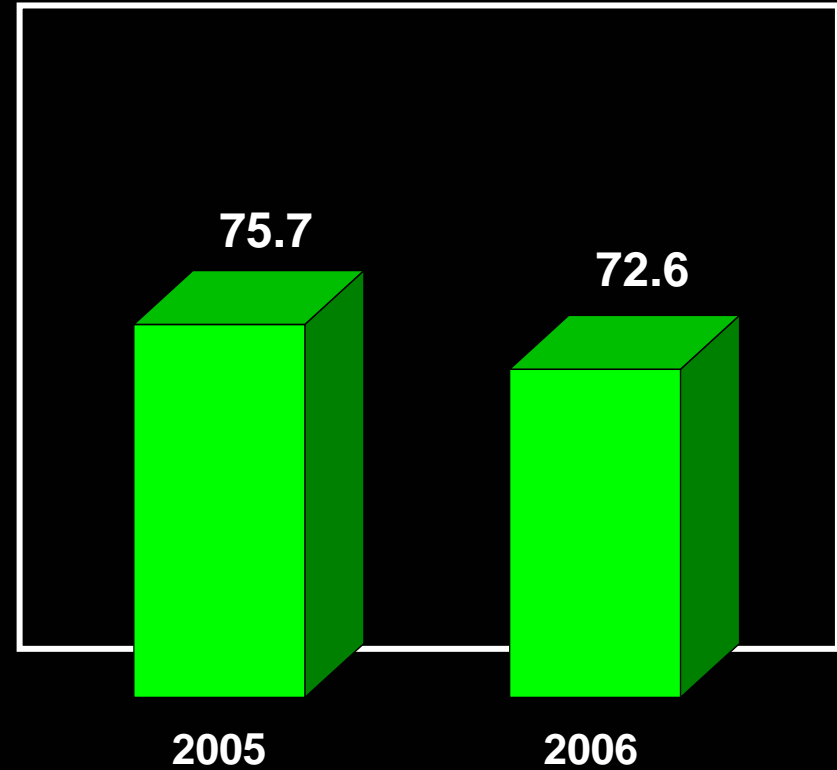
Railway Operating Ratio

(Percent)

Third Quarter



Nine Months



% Change vs. Prior Period

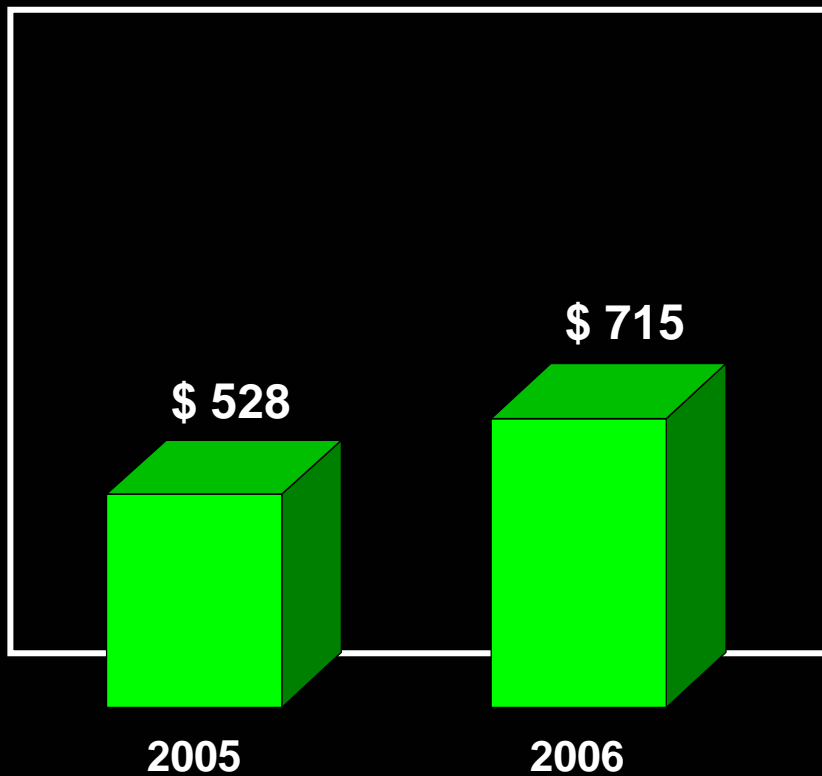
-7%

-4%

Income From Railway Operations

(\$ Millions)

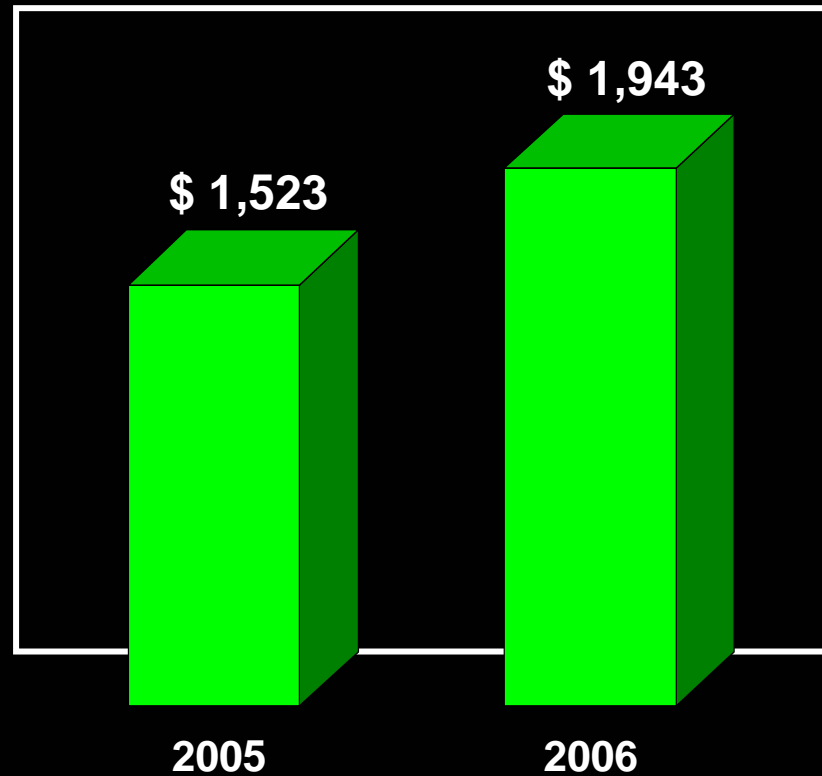
Third Quarter



% Change vs. Prior Period

+ 35%

Nine Months



+28%

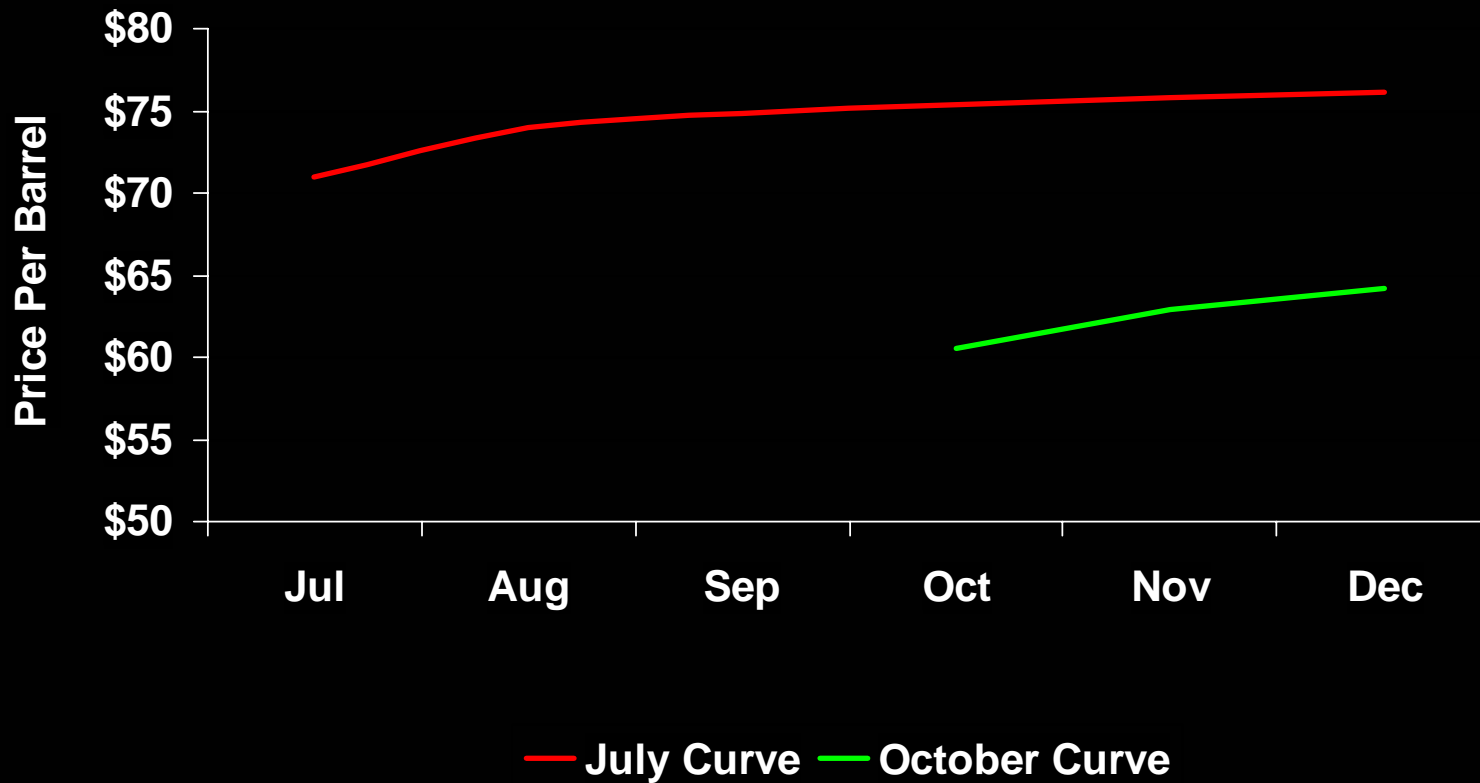
Total Other Income (Expense)

Third Quarter 2006 vs. 2005

(\$ Millions)

	Third Qtr 2006	Third Qtr 2005	Change 2006 vs. 2005 Favorable (Unfavorable)
Other Income - Net:			
Interest Income	\$ 22	\$ 10	\$ 12
Expenses Related to Tax Credit Investments	(20)	(28)	8
Equity in Conrail Earnings	9	14	(5)
All Other	30	36	(6)
Other Income - Net	<u>41</u>	<u>32</u>	<u>9</u>
Interest Expense on Debt	<u>(120)</u>	<u>(119)</u>	<u>(1)</u>
Total	<u><u>\$ (79)</u></u>	<u><u>\$ (87)</u></u>	<u><u>\$ 8</u></u>

Crude Oil Forward Curves

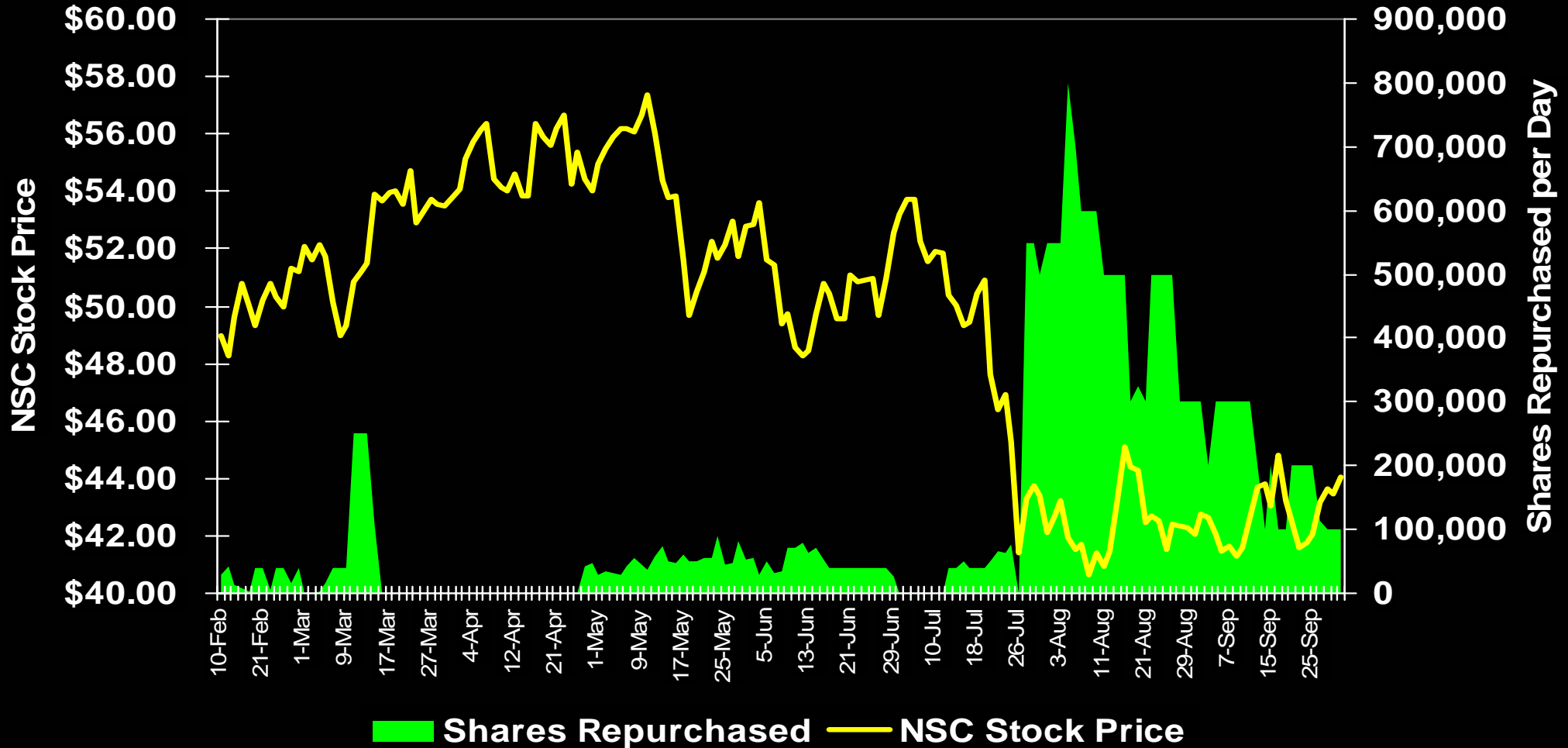


Synthetic Fuel Investments

(\$ Millions)

	1Q06	2Q06	3Q06	YTD
Effect in "Other Income – net:"				
Expenses on synthetic fuel related investments	\$ 14	\$ 9	\$ 19	\$ 42
Effect in "Provision for income taxes:"				
Tax benefit of expenses on synthetic fuel related investments	6	3	7	16
Tax credits	13	6	18	37
Total reduction of income tax expense	19	9	25	53
Effect in "Net income:"				
Net benefit from synthetic fuel related investments	\$ 5	\$ --	\$ 6	\$ 11

Shares Repurchased and Stock Price History



Total Other Income (Expense)

Nine Months Ended September 30, 2006 vs. 2005

(\$ Millions)

	Nine Months 2006	Nine Months 2005	Change 2006 vs. 2005 Favorable (Unfavorable)
Other Income - Net:			
Interest Income	\$ 61	\$ 26	\$ 35
Expenses Related to Tax Credit Investments	\$ (47)	\$ (80)	33
Gain on Sale of Property and Investments	40	27	13
Equity in Conrail Earnings	20	28	(8)
All Other	35	42	(7)
Other Income - Net	109	43	66
Interest Expense on Debt	(361)	(373)	12
Total	\$ (252)	\$ (330)	\$ 78

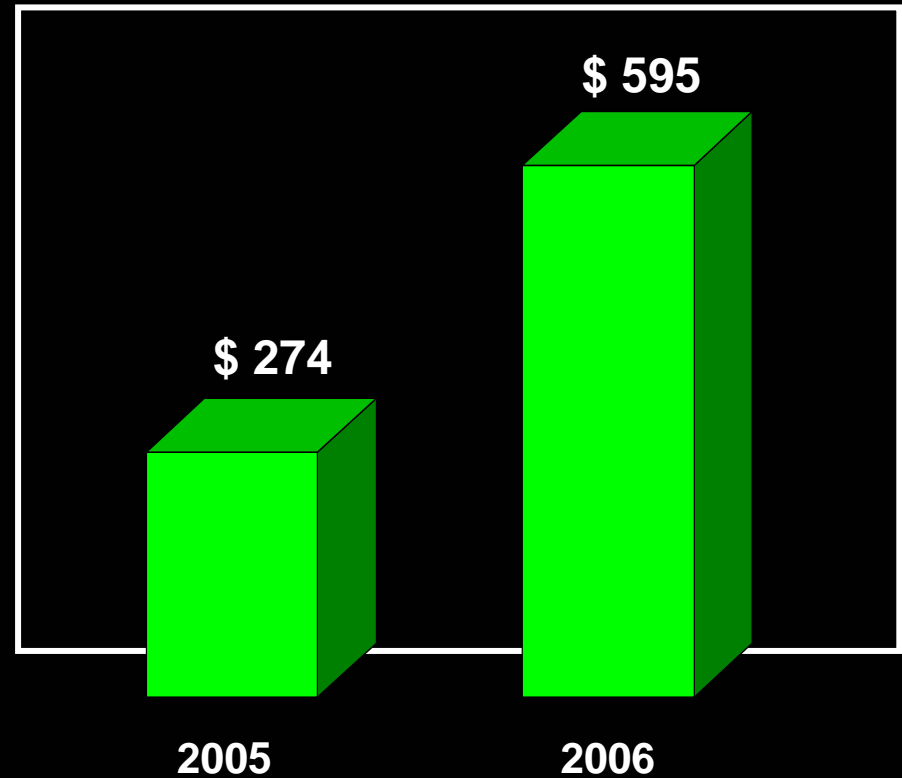
Provision For Income Taxes

(\$ Millions)

Third Quarter



Nine Months



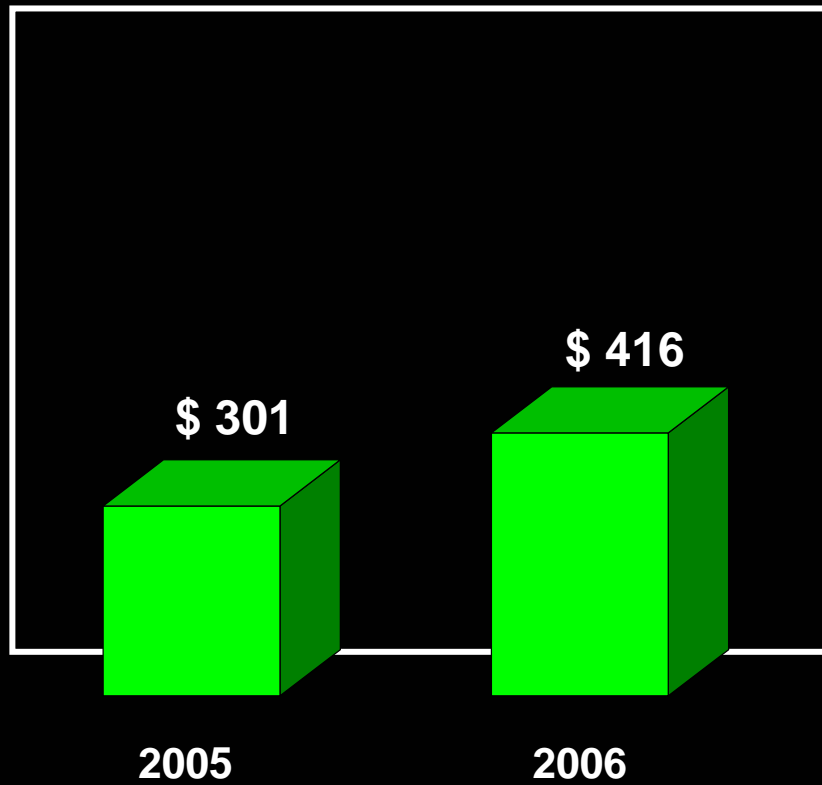
% Change vs. Prior Period +57%

+ 117%

Net Income

(\$ Millions)

Third Quarter



Nine Months



% Change vs. Prior Period

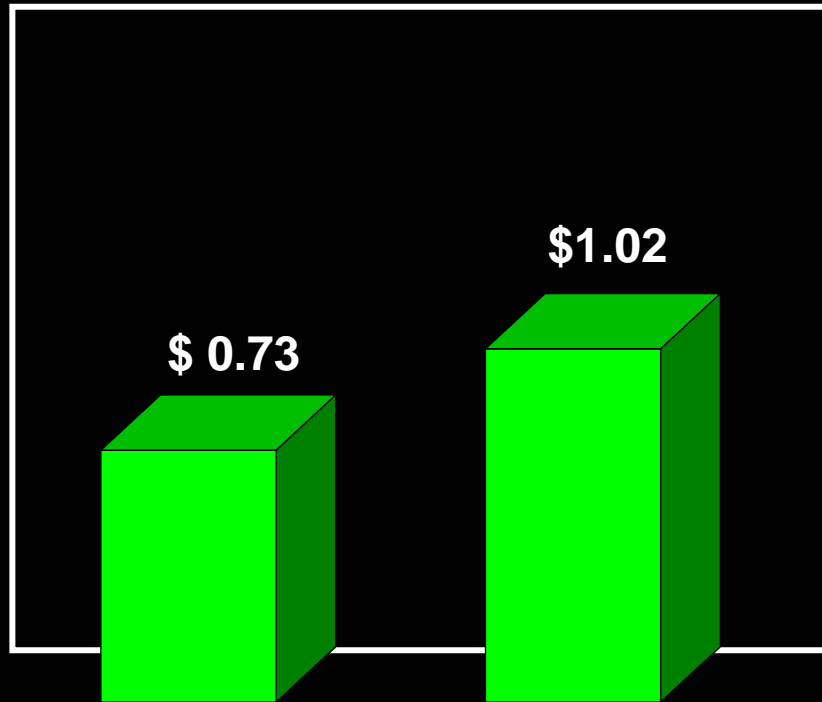
+38%

+19%

Diluted Earnings Per Share

(\$ Dollars)

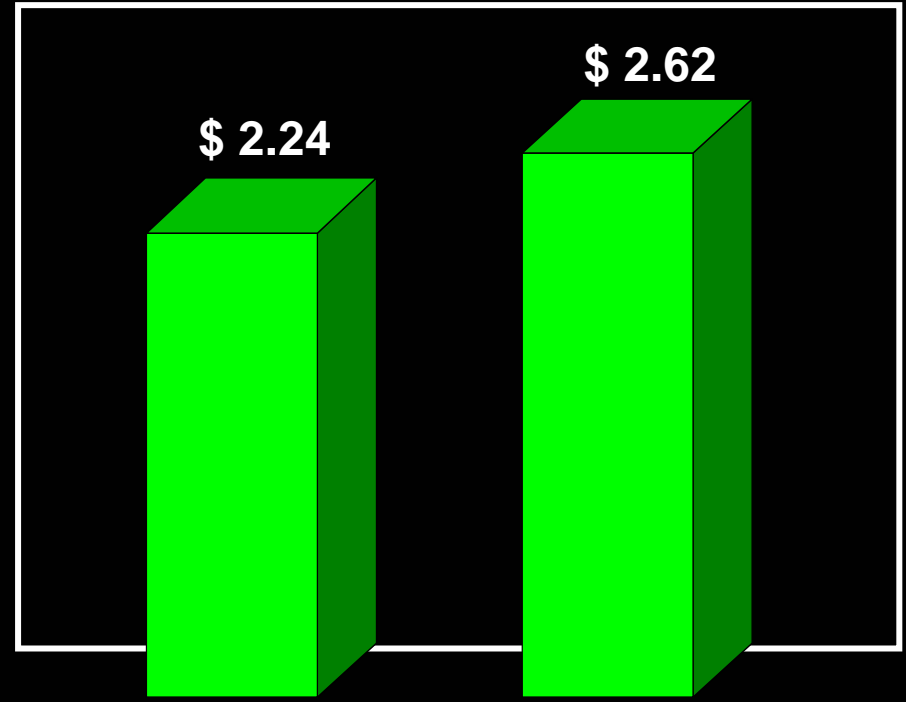
Third Quarter



2005

2006

Nine Months



2005

2006

% Change vs. Prior Period

+38%

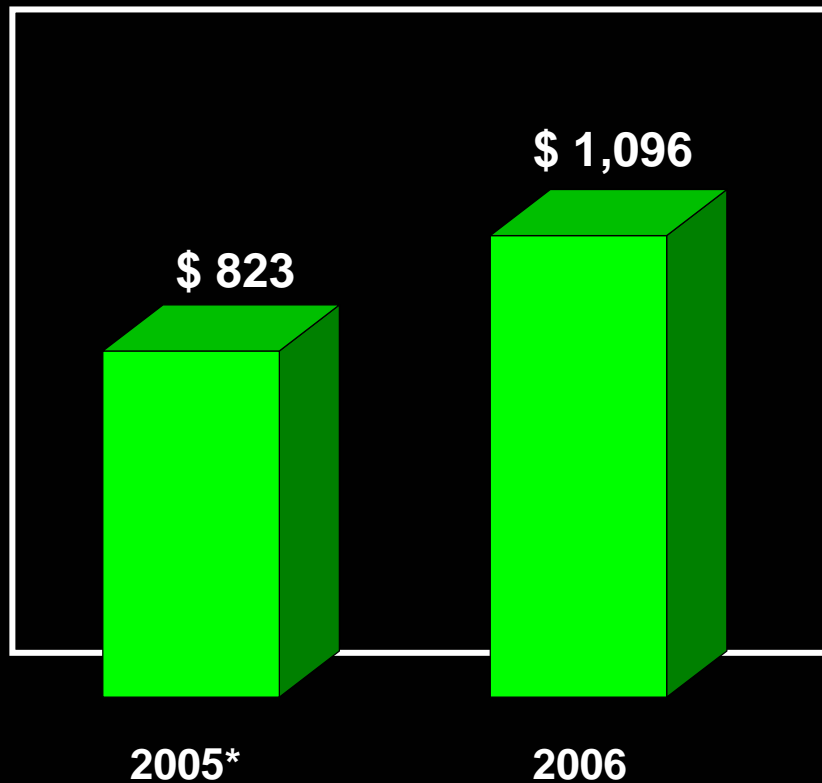
+17%

Net Income and Earnings Per Share

Nine Months Ended September 30, 2006 vs. 2005

(\$ Millions Except Per Share)

Net Income



Diluted Earnings per Share



% Change vs. Prior Period + 33%

+ 30%

* Excluding effects of change in Ohio tax legislation.

Reconciliation of Net Income

September 30, 2005

(\$ Millions Except Per Share)

	Nine Months	
	<u>Amount</u>	<u>EPS</u>
Net Income Excluding Significant Items	\$ 823	\$ 2.01
Change in Ohio Tax Legislation	96	0.23
Net Income – GAAP	<u>\$ 919</u>	<u>\$ 2.24</u>

The reconciliation is posted on our web site, www.nscorp.com

