

Reconciliation of Non-GAAP Performance Measures

Information presented at NS' fourth quarter analyst presentation in New York on January 24, 2007, (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.

Year Ended December 31,	2006	2005	Increase (Decrease)	
	(\$ in millions, except per share)			
Net income	\$ 1,481	\$ 1,281	\$ 200	16%
Effect of Ohio tax legislation		(96)		
Net income excluding this item	<u>\$ 1,481</u>	<u>\$ 1,185</u>	\$ 296	25%
Diluted earnings per share	\$ 3.57	\$ 3.11	\$ 0.46	15%
Effect of Ohio tax legislation		(0.23)		
Diluted earnings per share excluding this item	<u>\$ 3.57</u>	<u>\$ 2.88</u>	\$ 0.69	24%