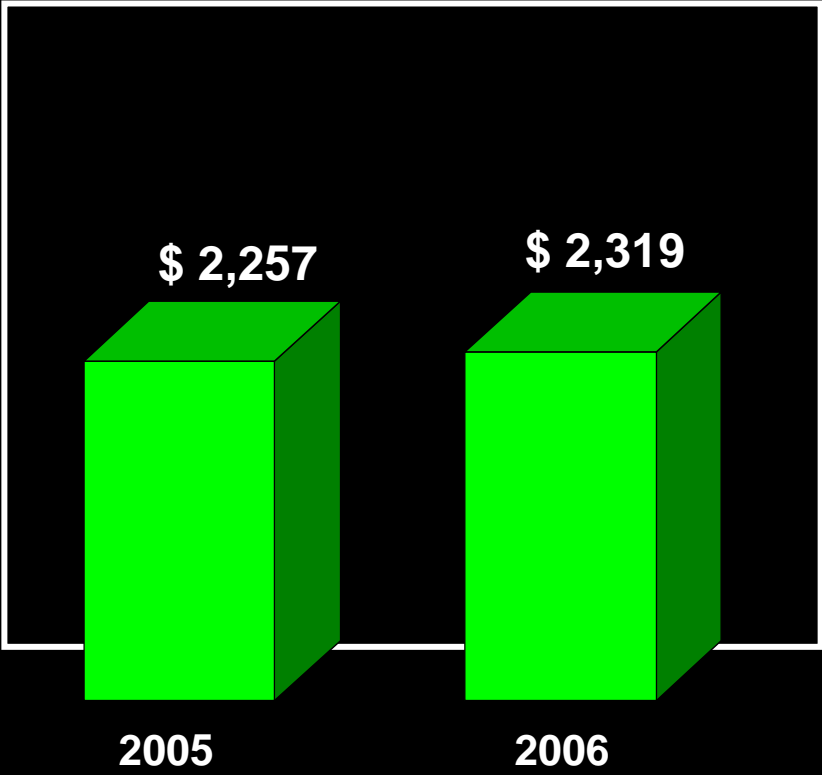


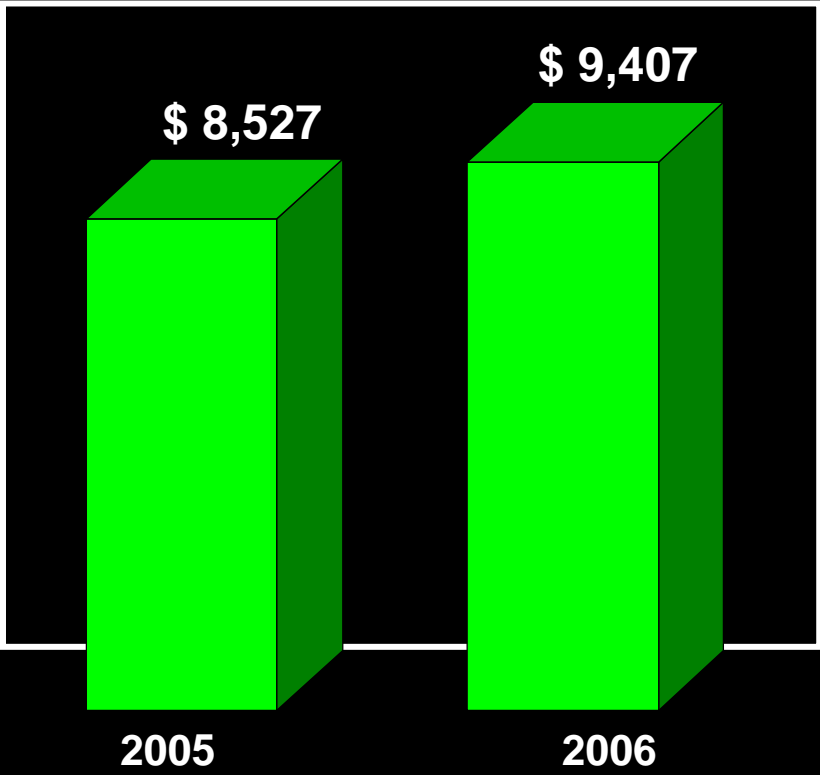
# Railway Operating Revenues

(\$ Millions)

### Fourth Quarter



### Year

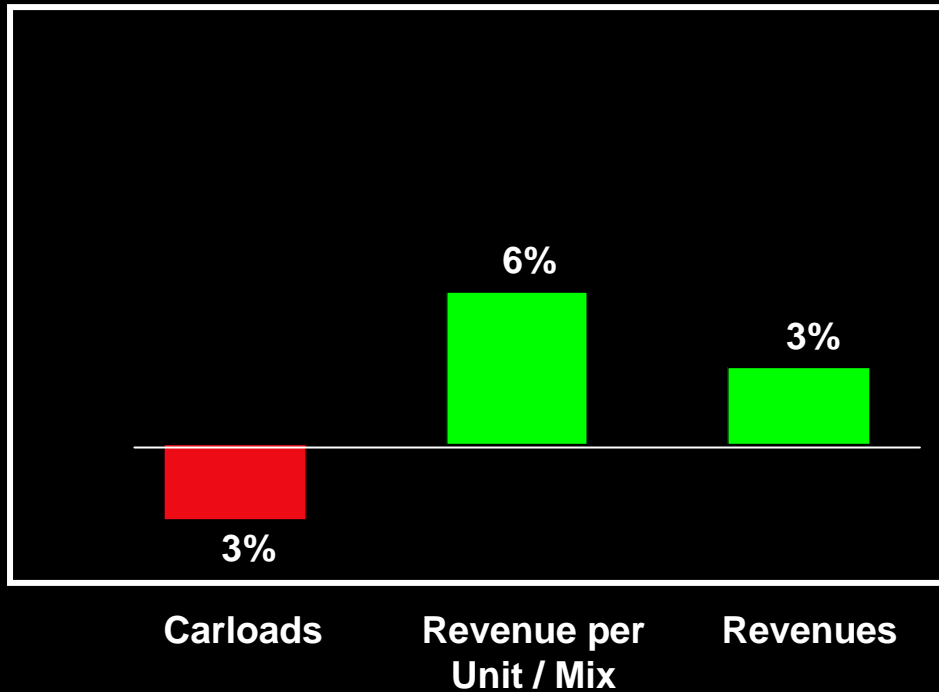


% Change vs. Prior Period + 3%

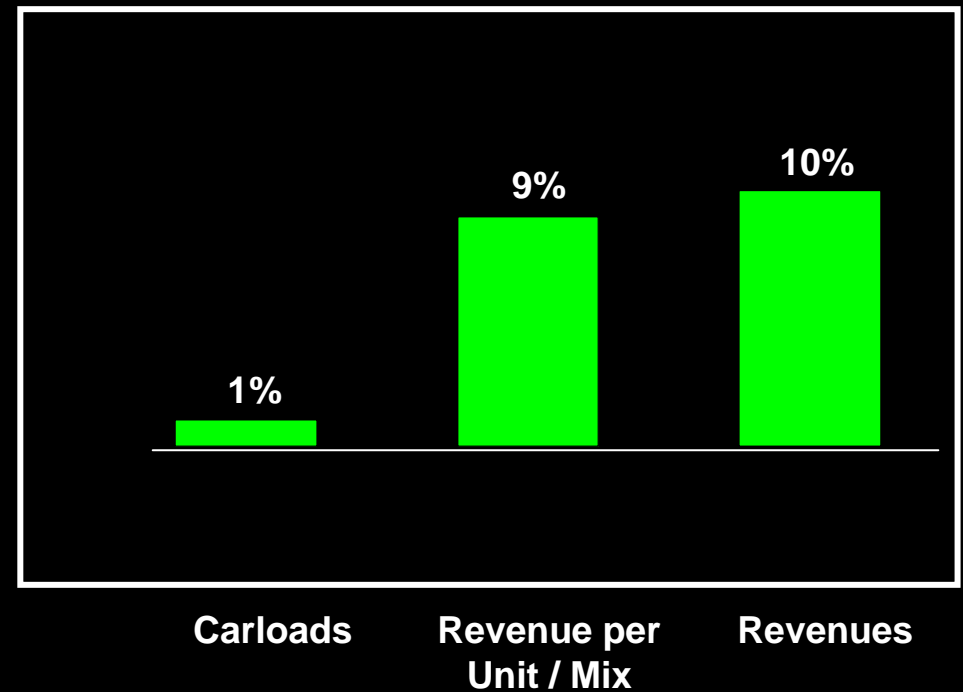
+ 10%

# Railway Operating Revenue Variance Analysis 2006 vs. 2005

## Fourth Quarter



## Year



# Railway Operating Expenses

(\$ Millions)

## Fourth Quarter



% Change vs. Prior Period    + 3%

## Year

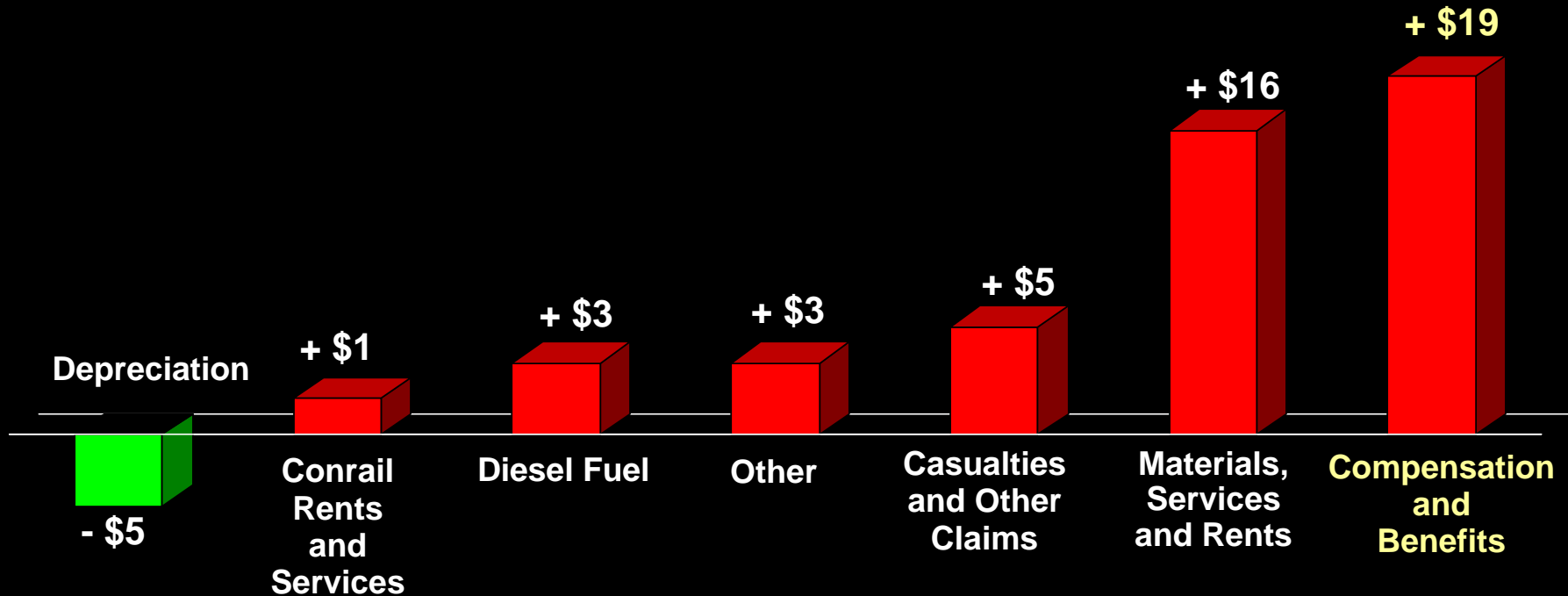


+ 7%

# Railway Operating Expense Analysis

Fourth Quarter 2006 vs. 2005

(\$ Millions)



Net Increase \$ 42 Million / 3%

# Compensation & Benefits Analysis

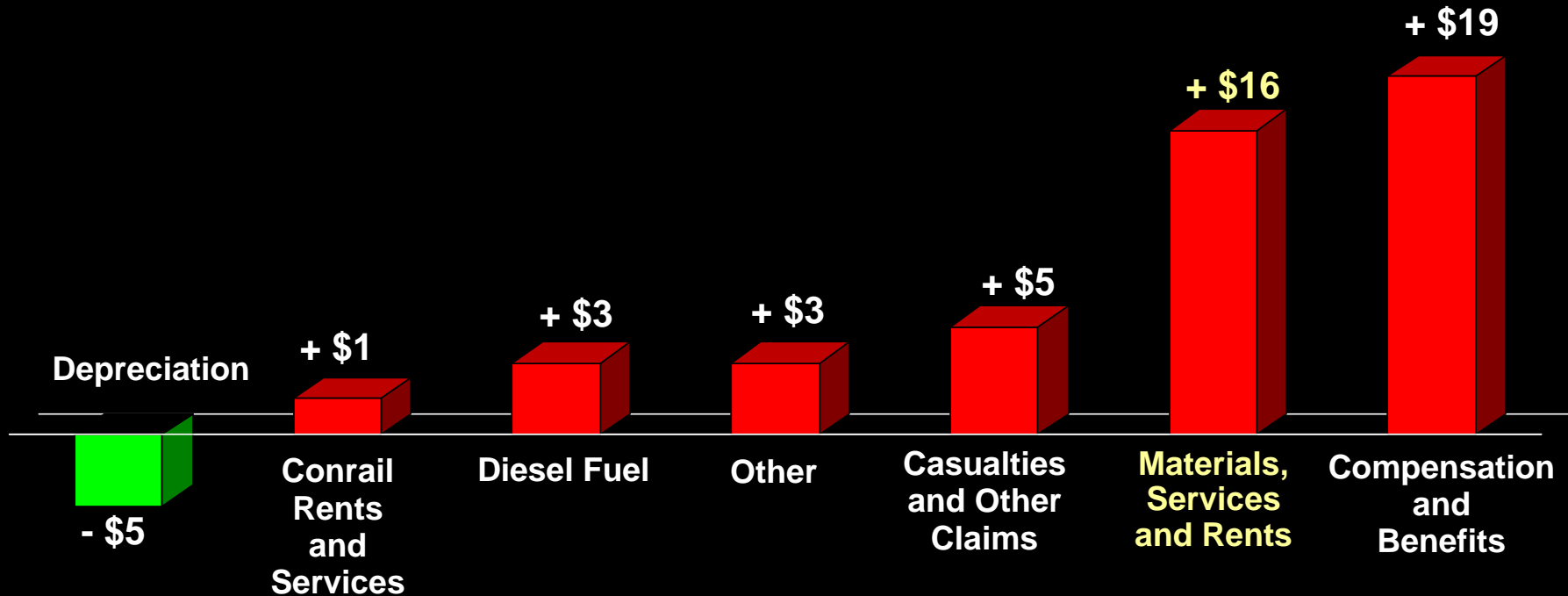
Fourth Quarter 2006 vs. 2005  
(\$ Millions)



# Railway Operating Expense Analysis

Fourth Quarter 2006 vs. 2005

(\$ Millions)

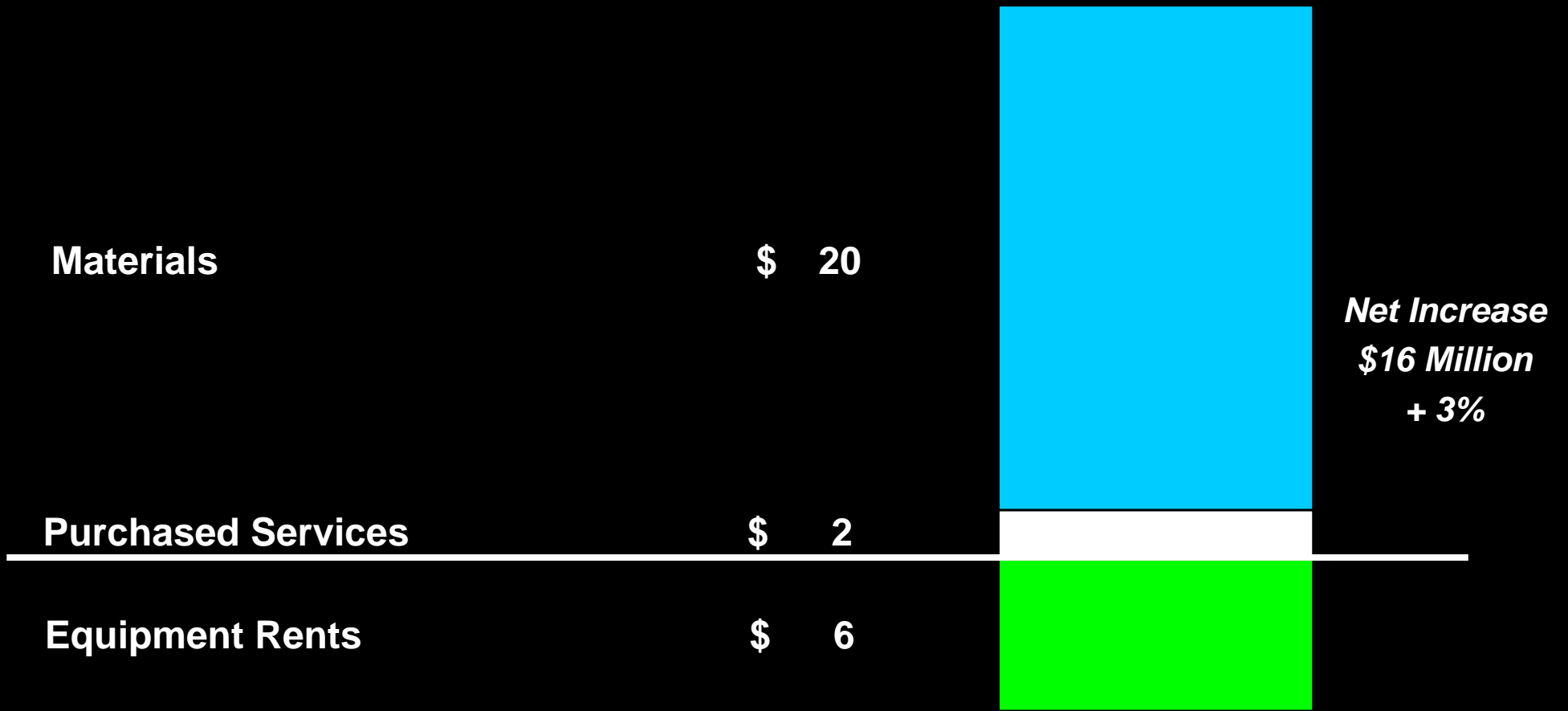


Net Increase \$ 42 Million / 3%

# Materials, Services & Rents

Fourth Quarter 2006 vs. 2005

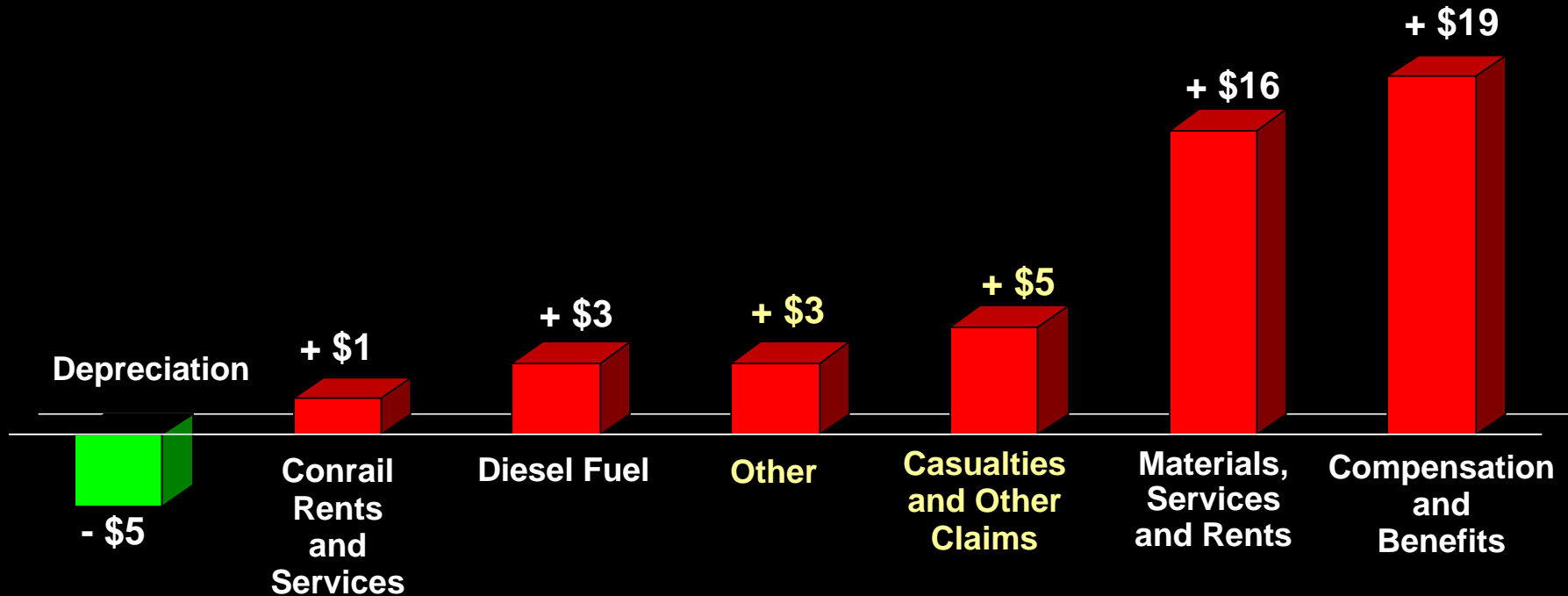
(\$ Millions)



# Railway Operating Expense Analysis

Fourth Quarter 2006 vs. 2005

(\$ Millions)

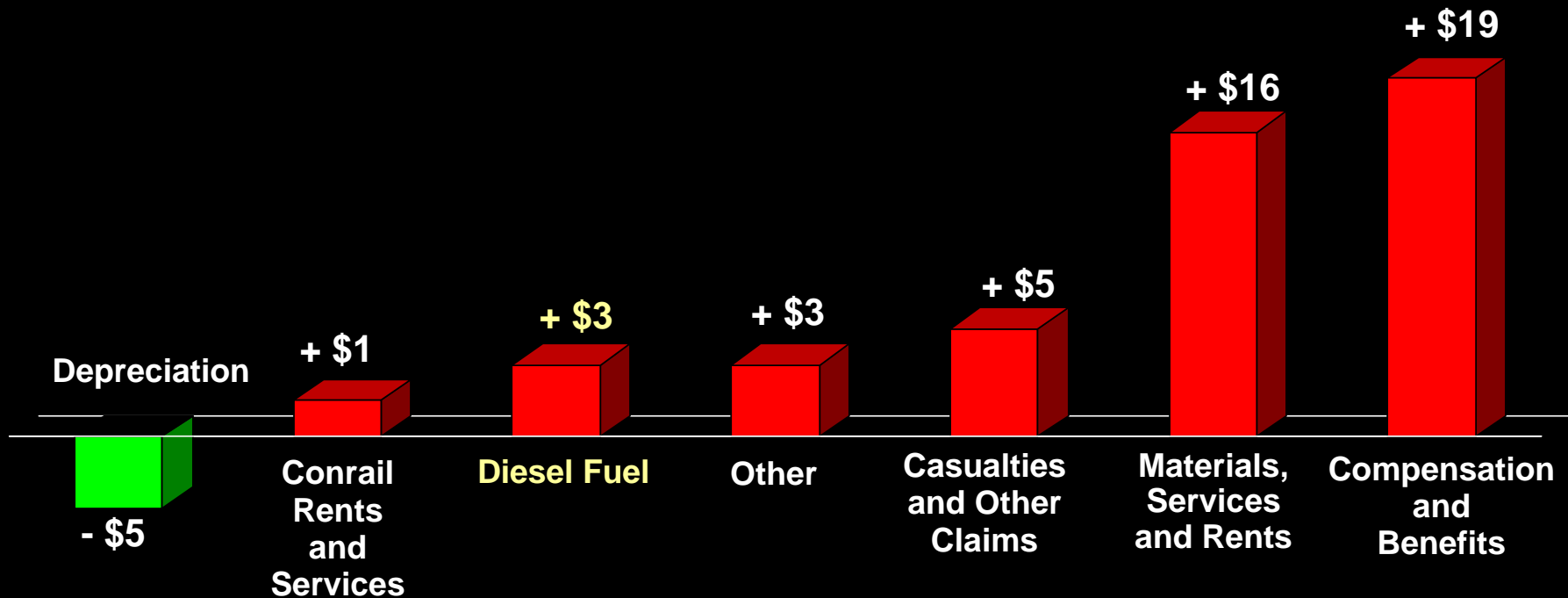


Net Increase \$ 42 Million / 3%

# Railway Operating Expense Analysis

Fourth Quarter 2006 vs. 2005

(\$ Millions)



Net Increase \$ 42 Million / 3%

# Diesel Fuel Cost Analysis

## Fourth Quarter 2006 vs. 2005

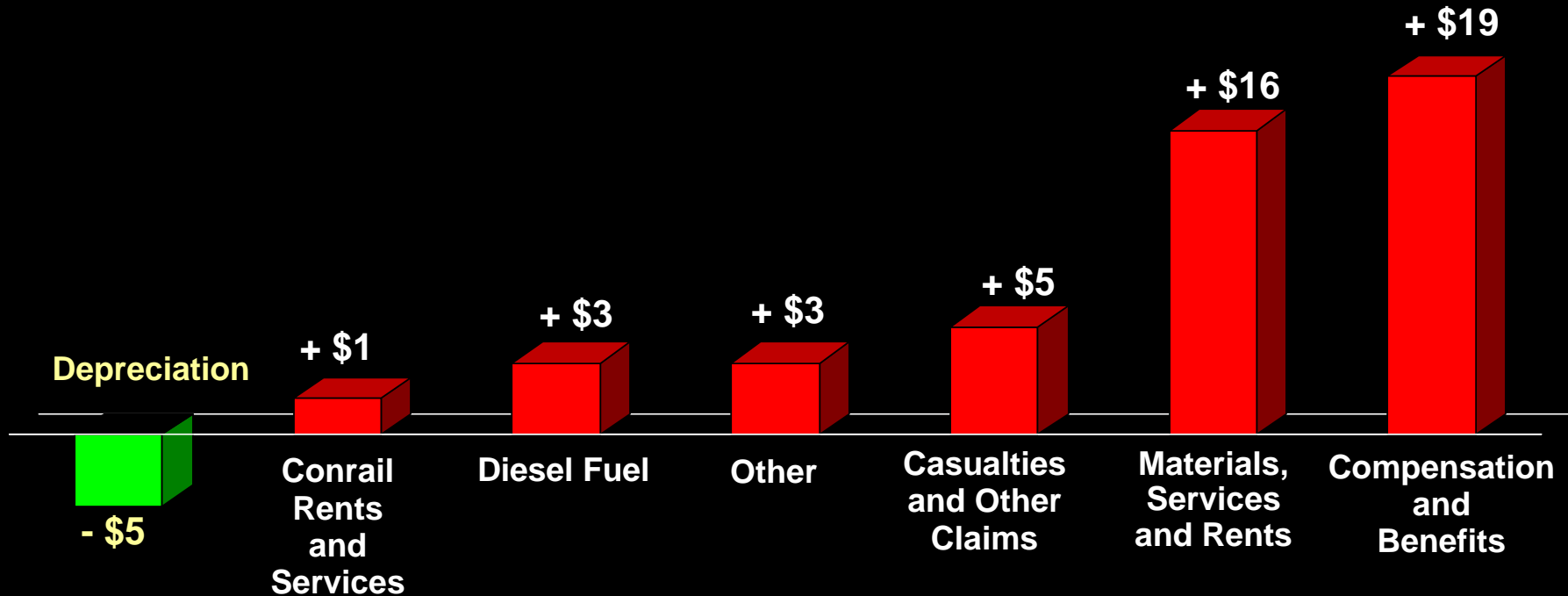
(\$ Millions)



# Railway Operating Expense Analysis

Fourth Quarter 2006 vs. 2005

(\$ Millions)

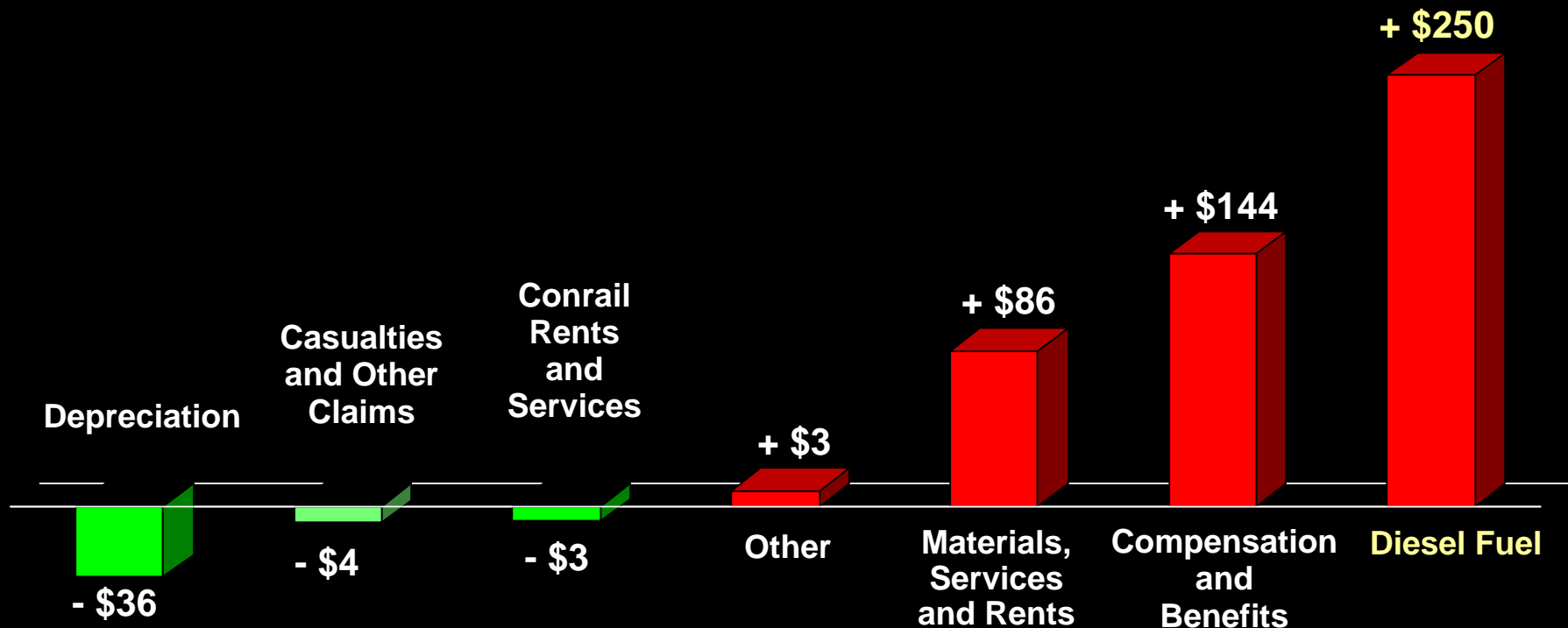


Net Increase \$ 42 Million / 3%

# Railway Operating Expense Analysis

Year Ended December 31, 2006 vs. 2005

(\$ Millions)

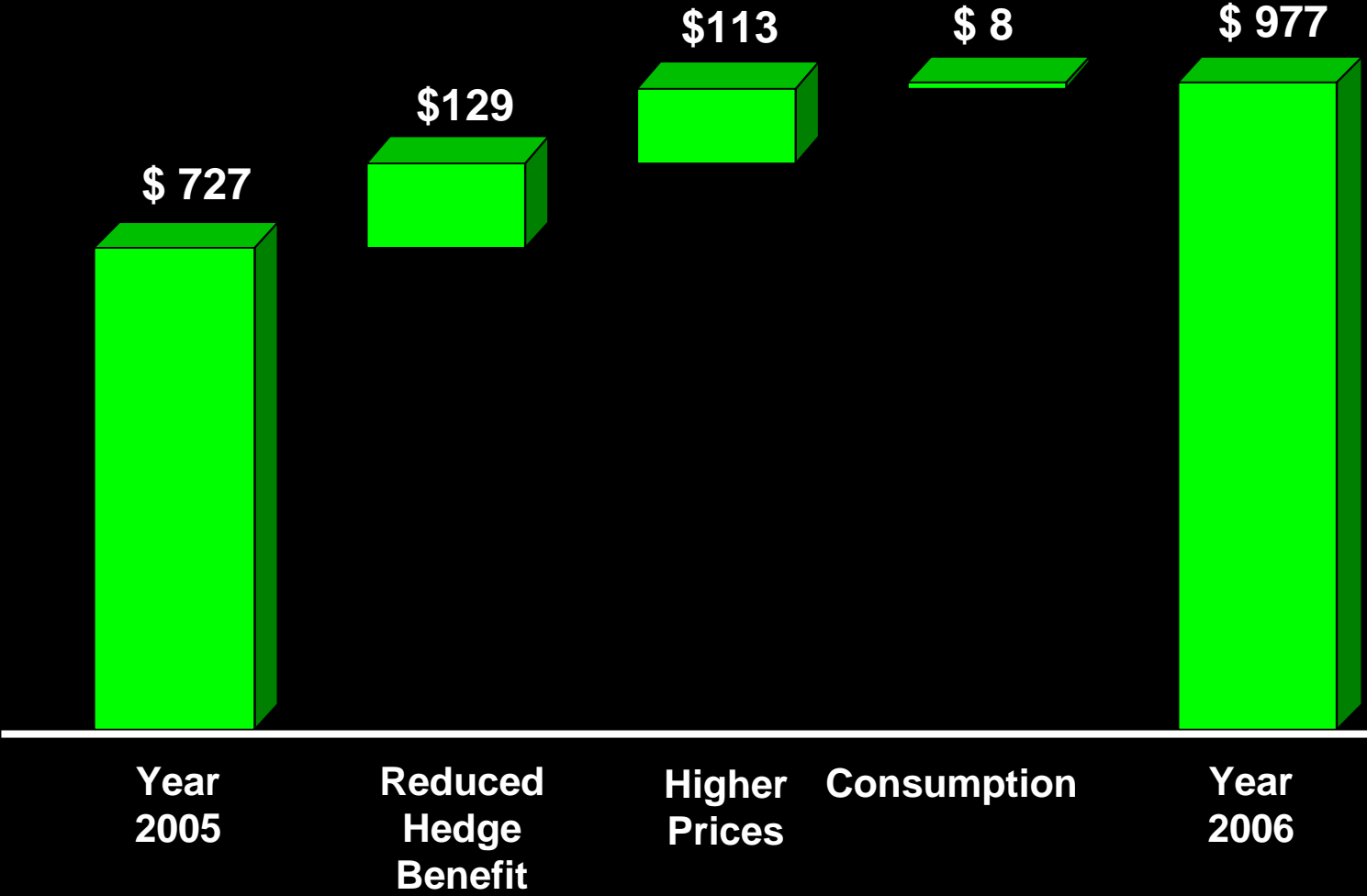


Net Increase \$ 440 Million / 7%

# Diesel Fuel Cost Analysis

Year Ended 2006 vs. 2005

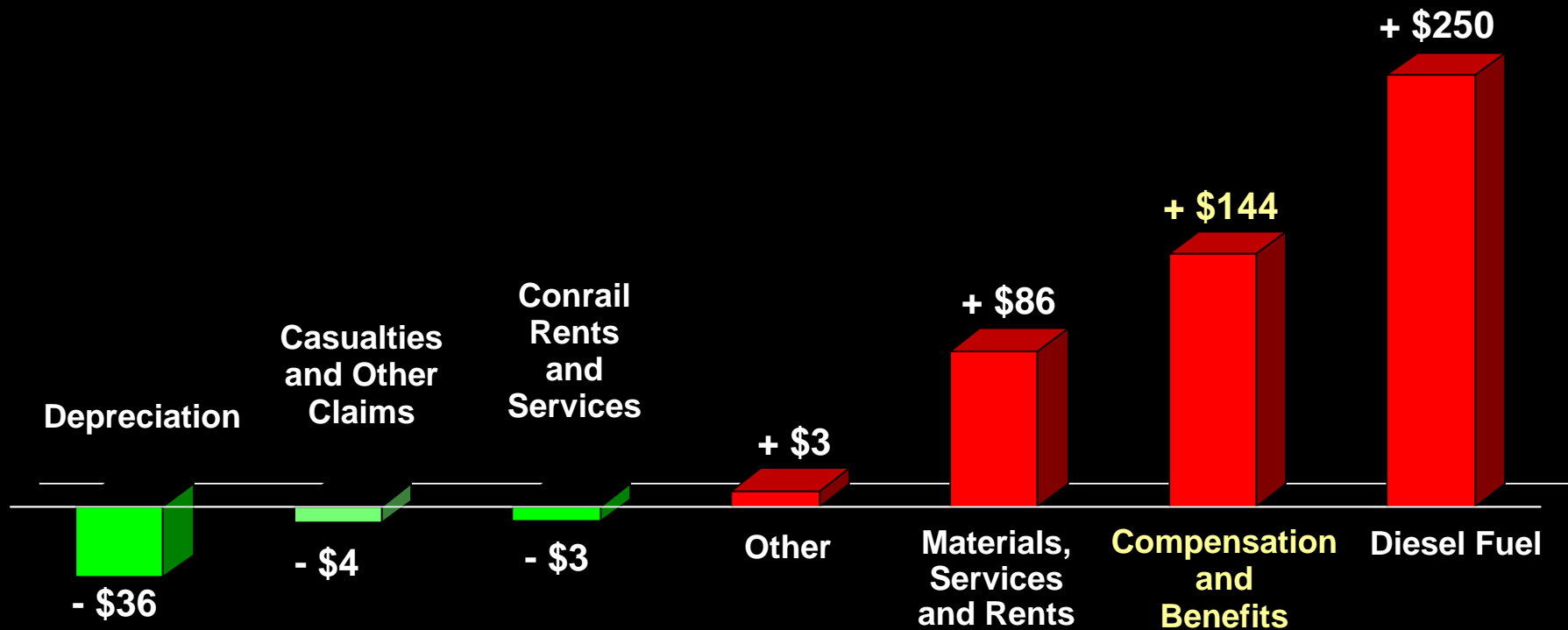
(\$ Millions)



# Railway Operating Expense Analysis

Year Ended December 31, 2006 vs. 2005

(\$ Millions)



Net Increase \$ 440 Million / 7%

# Compensation & Benefits Analysis

Year Ended December 31, 2006 vs. 2005

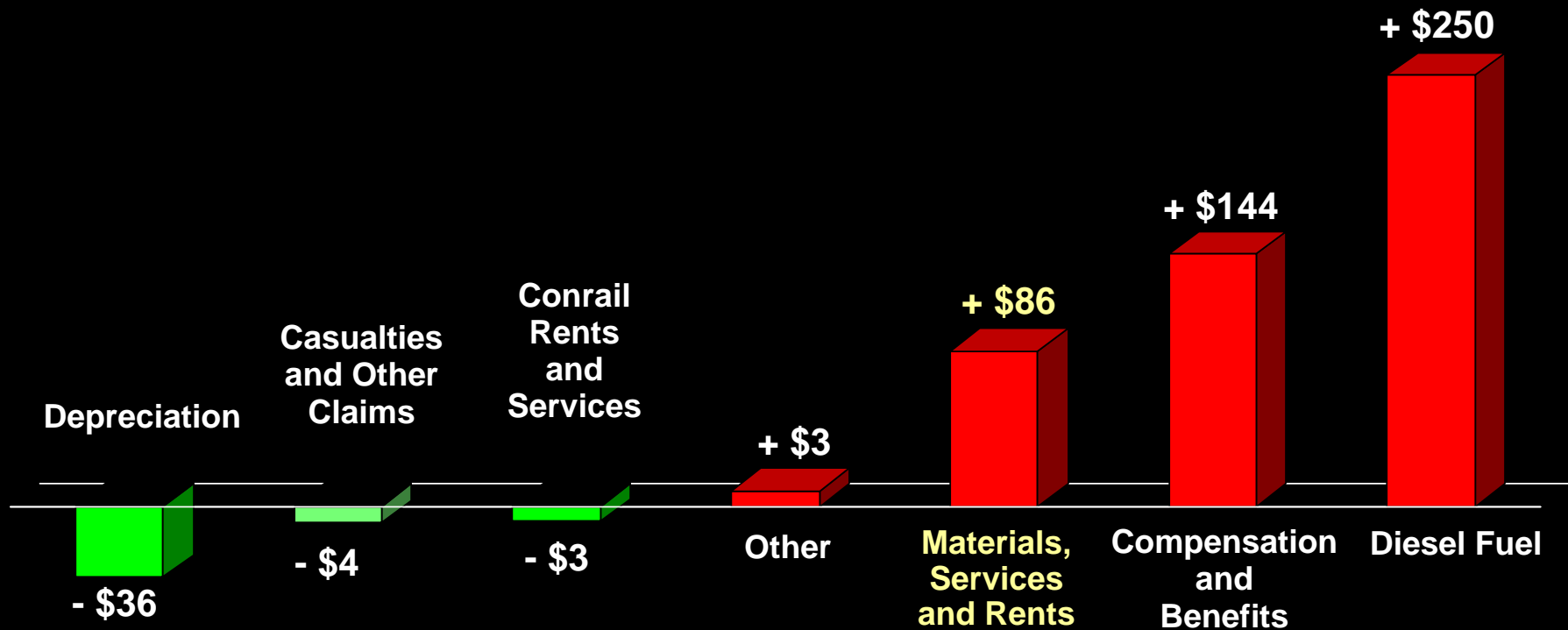
(\$ Millions)



# Railway Operating Expense Analysis

Year Ended December 31, 2006 vs. 2005

(\$ Millions)

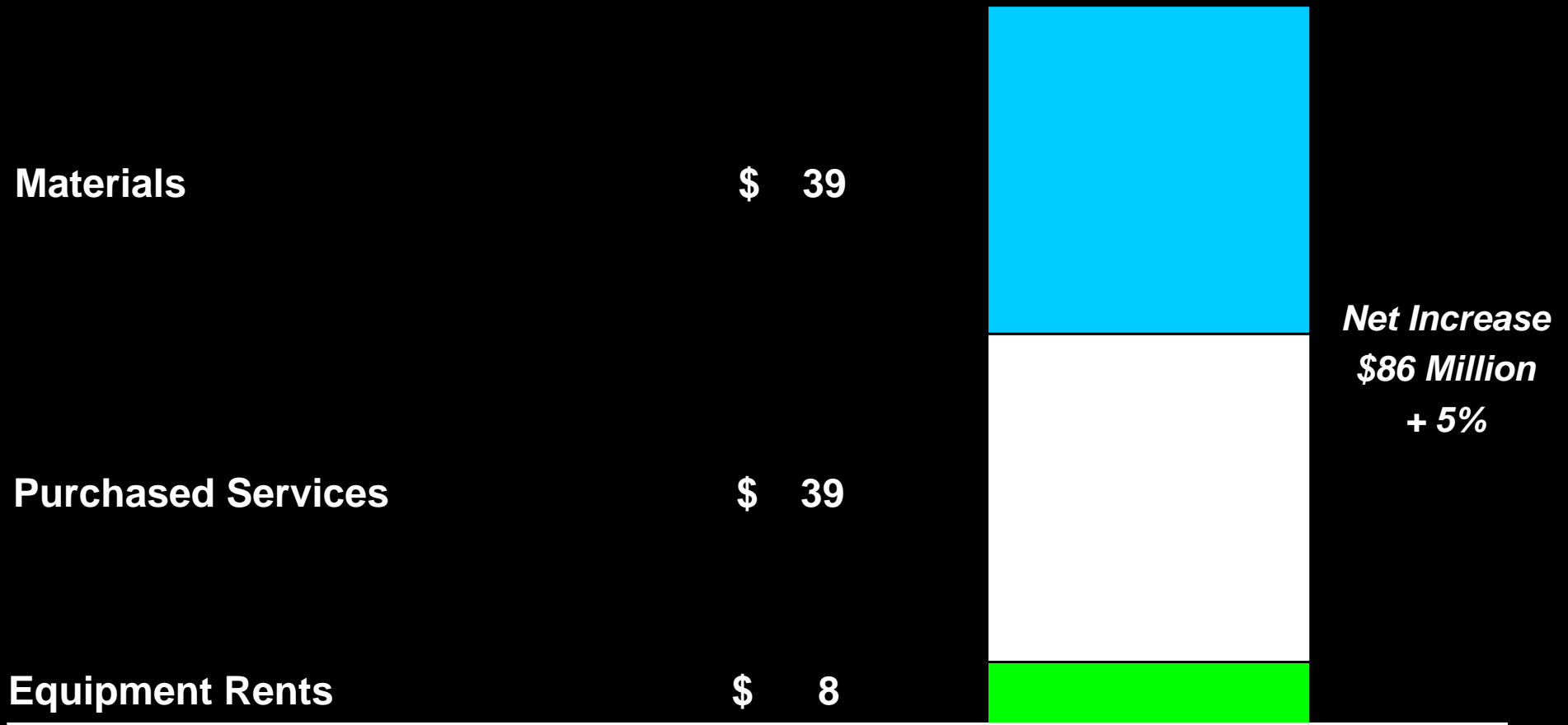


Net Increase \$ 440 Million / 7%

# Materials, Services & Rents

Year Ended December 31, 2006 vs. 2005

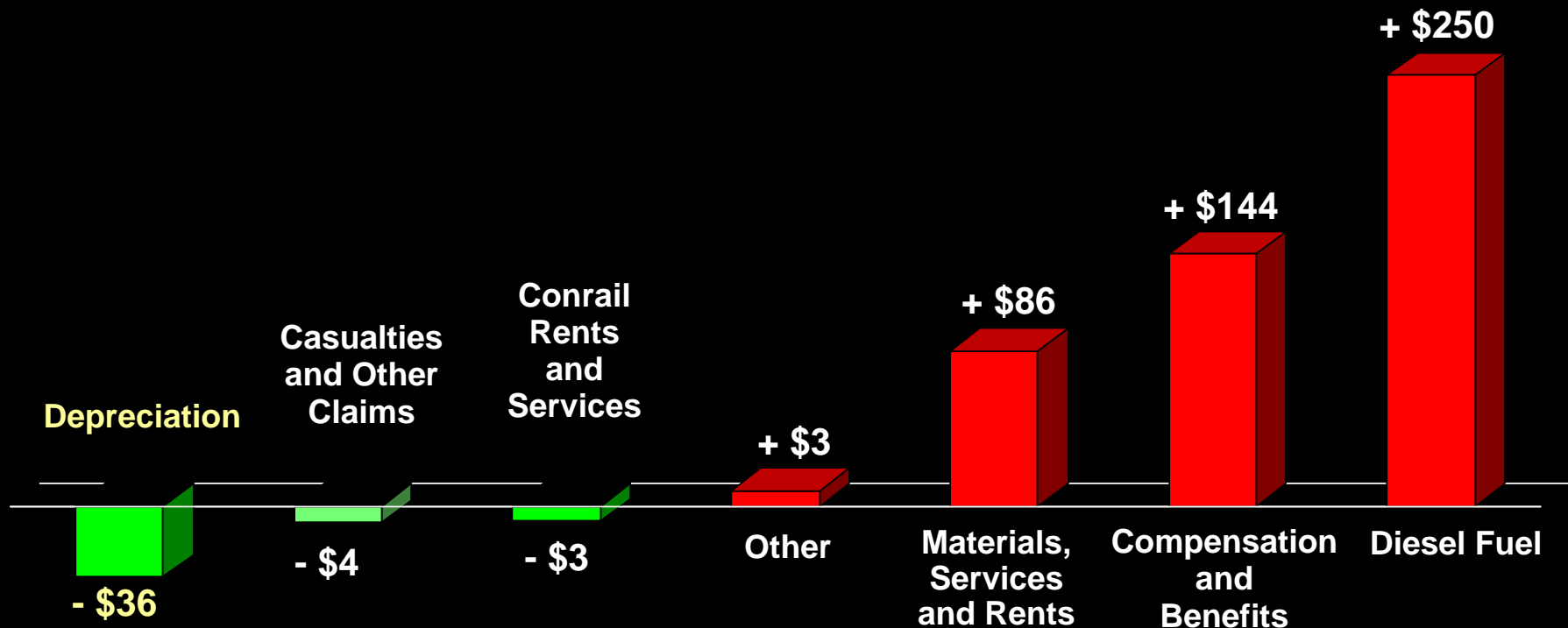
(\$ Millions)



# Railway Operating Expense Analysis

Year Ended December 31, 2006 vs. 2005

(\$ Millions)

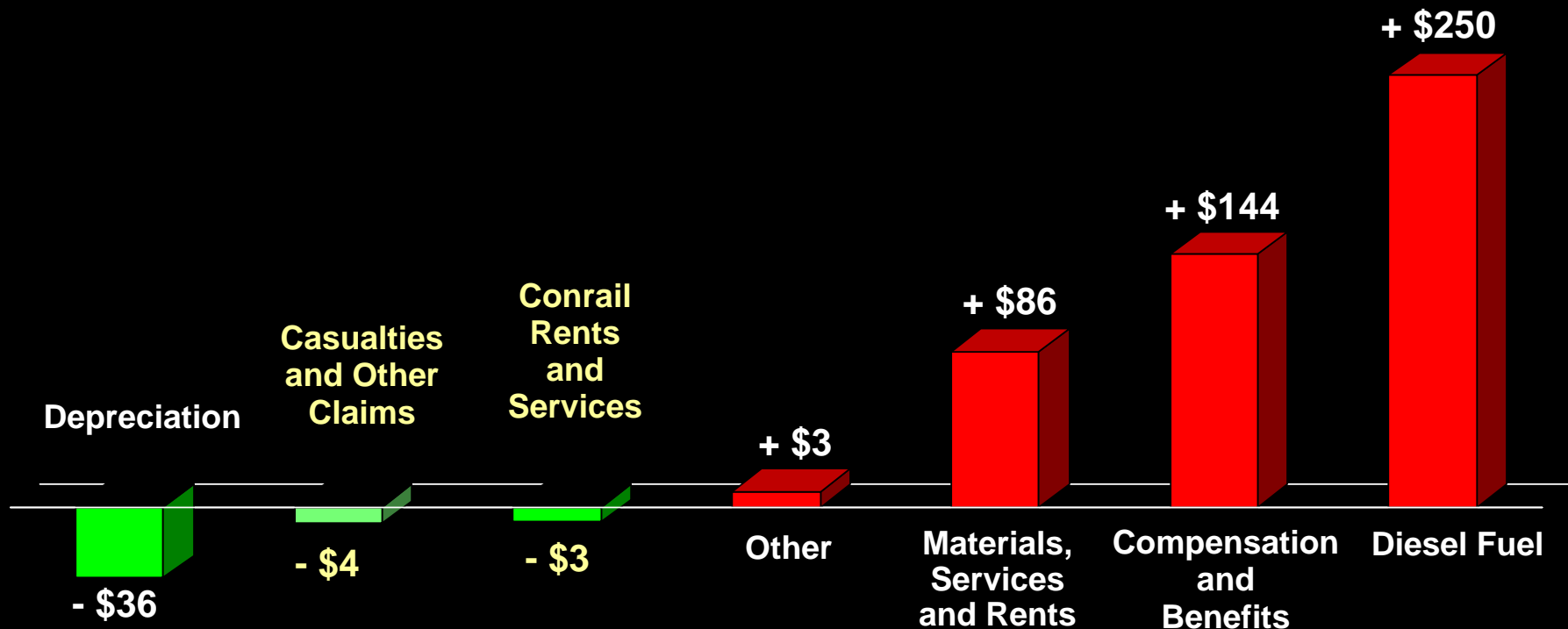


Net Increase \$ 440 Million / 7%

# Railway Operating Expense Analysis

Year Ended December 31, 2006 vs. 2005

(\$ Millions)

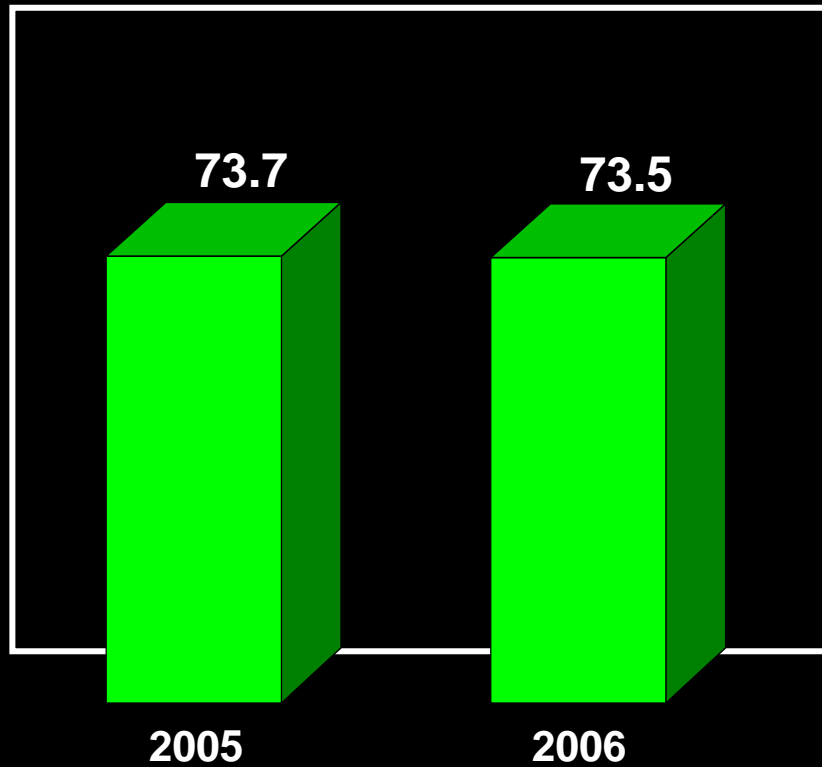


Net Increase \$ 440 Million / 7%

# Railway Operating Ratio

(Percent)

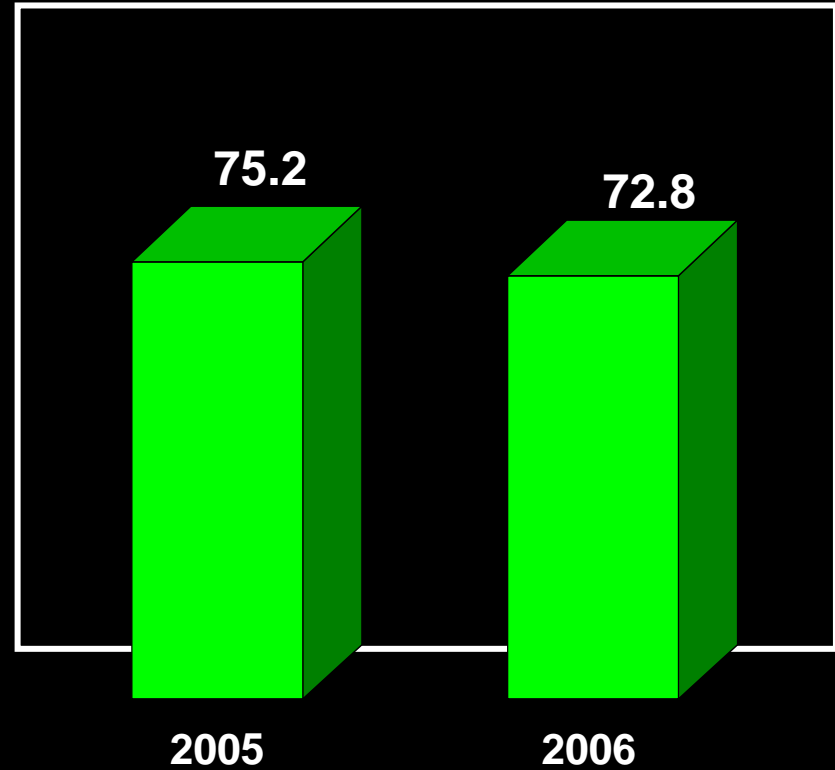
Fourth Quarter



% Change vs. Prior Period

--%

Year

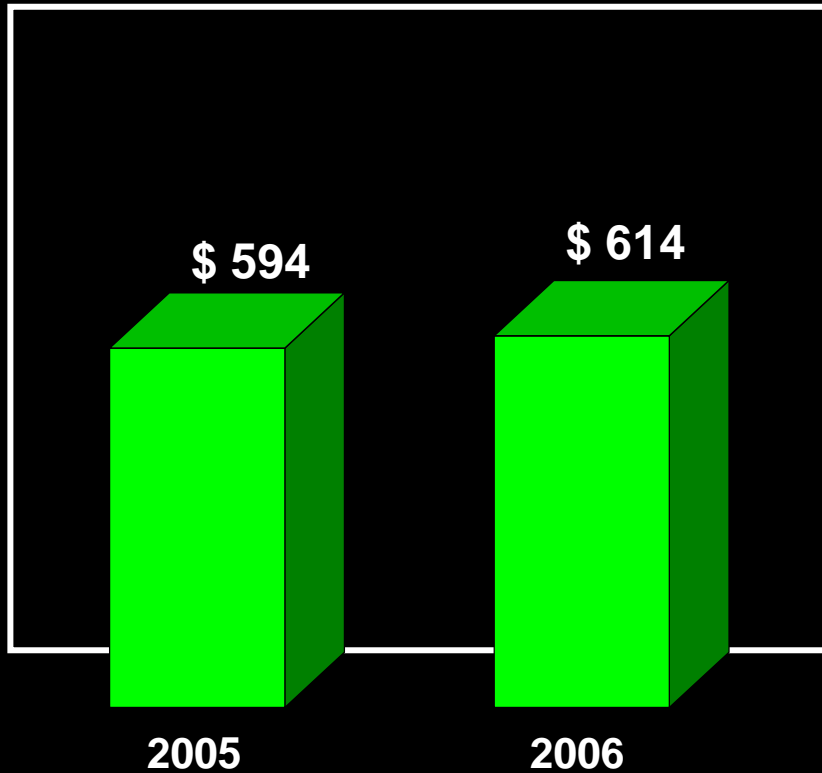


- 3%

# Income From Railway Operations

(\$ Millions)

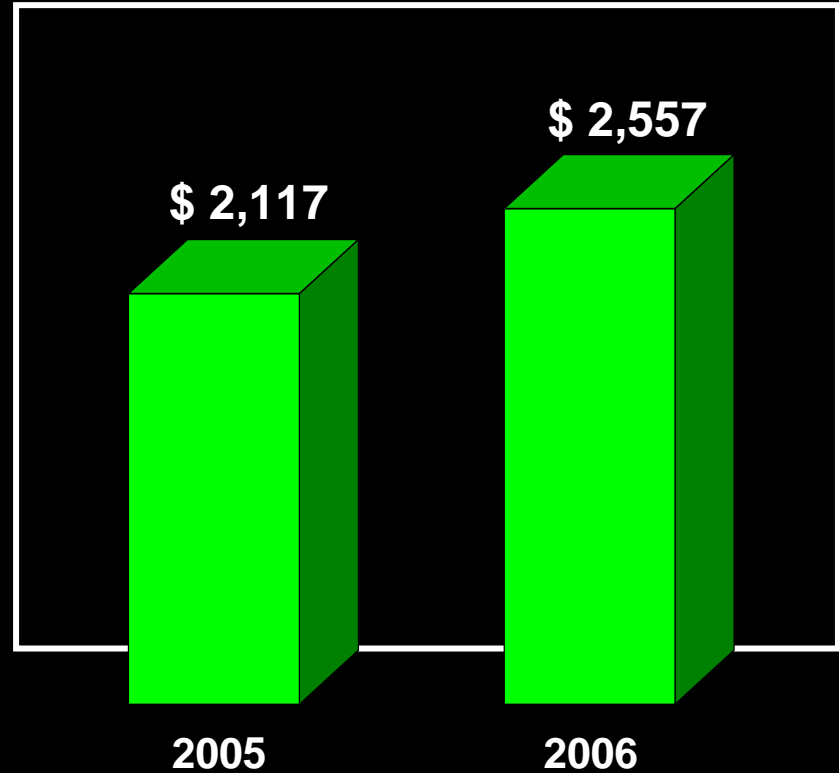
Fourth Quarter



% Change vs. Prior Period

+ 3%

Year



+ 21%

# Total Other Income (Expense)

Fourth Quarter 2006 vs. 2005

(\$ Millions)

	Fourth Qtr 2006	Fourth Qtr 2005	Change 2006 vs. 2005 Favorable (Unfavorable)
<b>Other Income - Net:</b>			
Gain on Sale of Property and Investments	\$ 14	\$ 24	\$ (10)
Corporate Owned Life Insurance	12	4	8
Expenses Related to Tax Credit Investments	(21)	(27)	6
All Other	35	30	5
<b>Other Income - Net</b>	40	31	9
<b>Interest Expense on Debt</b>	(115)	(121)	6
<b>Total</b>	\$ (75)	\$ (90)	\$ 15

# Synthetic Fuel Investments

(\$ Millions)

	1Q06	2Q06	3Q06	4Q06	Year
Effect in "Other Income – net:"					
Expenses on synthetic fuel related investments	<u>\$ 14</u>	<u>\$ 9</u>	<u>\$ 19</u>	<u>\$ 20</u>	<u>\$ 62</u>
Effect in "Provision for income taxes:"					
Tax benefit of expenses on synthetic fuel related investments	6	3	7	8	24
Tax credits	<u>13</u>	<u>6</u>	<u>18</u>	<u>19</u>	<u>56</u>
Total reduction of income tax expense	<u>19</u>	<u>9</u>	<u>25</u>	<u>27</u>	<u>80</u>
Effect in "Net income:"					
Net benefit from synthetic fuel related investments	<u>\$ 5</u>	<u>\$ --</u>	<u>\$ 6</u>	<u>\$ 7</u>	<u>\$ 18</u>

# Total Other Income (Expense)

Year Ended December 31, 2006 vs. 2005

(\$ Millions)

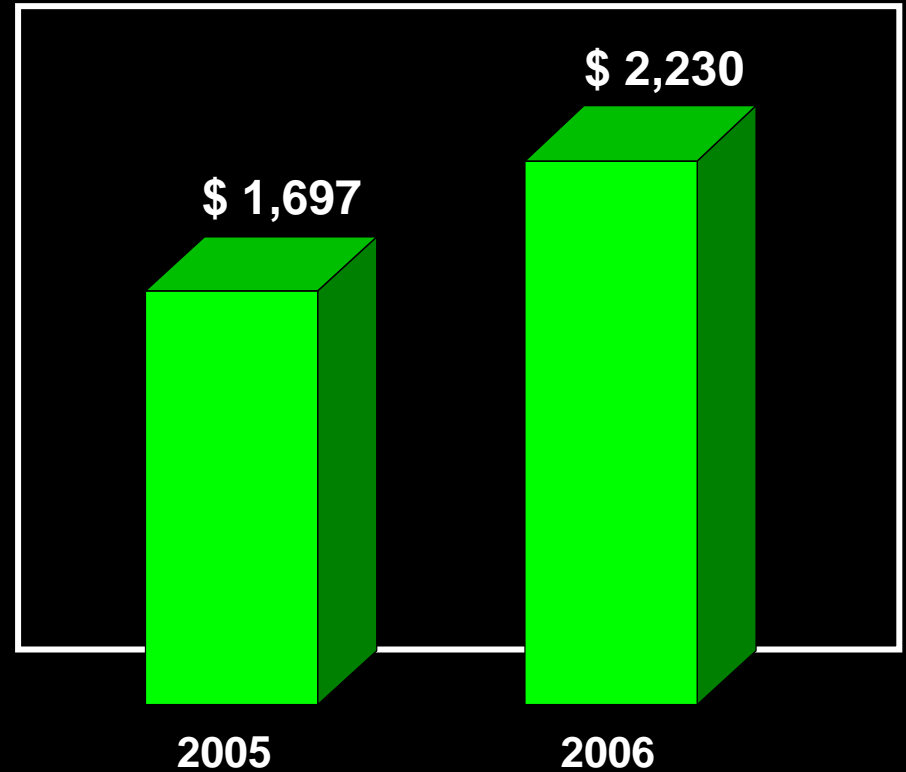
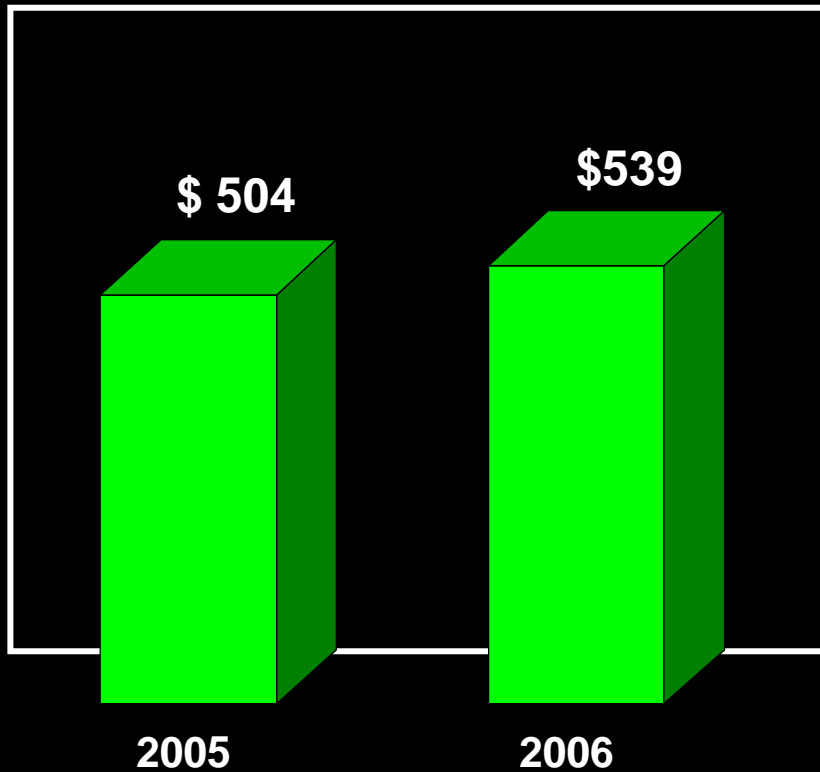
	2006	2005	Change 2006 vs. 2005 Favorable (Unfavorable)
	<u>2006</u>	<u>2005</u>	<u>Change</u> 2006 vs. 2005 Favorable (Unfavorable)
<b>Other Income - Net:</b>			
Expenses Related to Tax Credit Investments	\$ (68)	\$ (107)	\$ 39
Interest Income	76	41	35
Corporate Owned Life Insurance	24	4	20
Equity in Conrail Earnings	25	37	(12)
All Other	92	99	(7)
<b>Other Income - Net</b>	<u>149</u>	<u>74</u>	<u>75</u>
<b>Interest Expense on Debt</b>	<u>(476)</u>	<u>(494)</u>	<u>18</u>
<b>Total</b>	<u><u>\$ (327)</u></u>	<u><u>\$ (420)</u></u>	<u><u>\$ 93</u></u>

# Income Before Income Taxes

(\$ Millions)

Fourth Quarter

Year



% Change vs. Prior Period + 7%

+ 31%

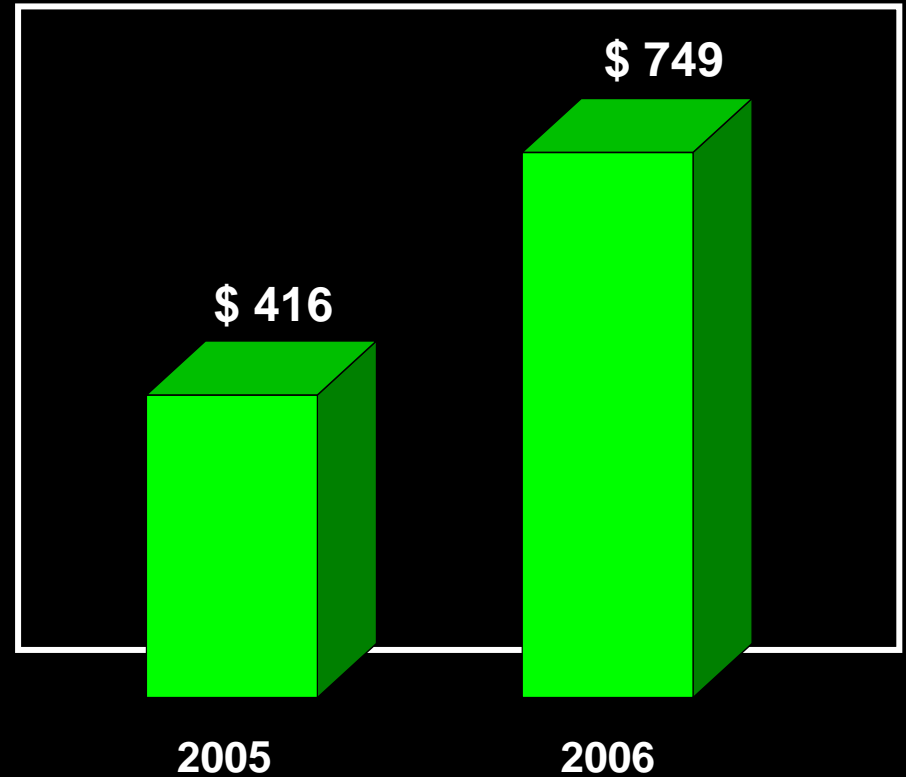
# Provision For Income Taxes

(\$ Millions)

## Fourth Quarter



## Year



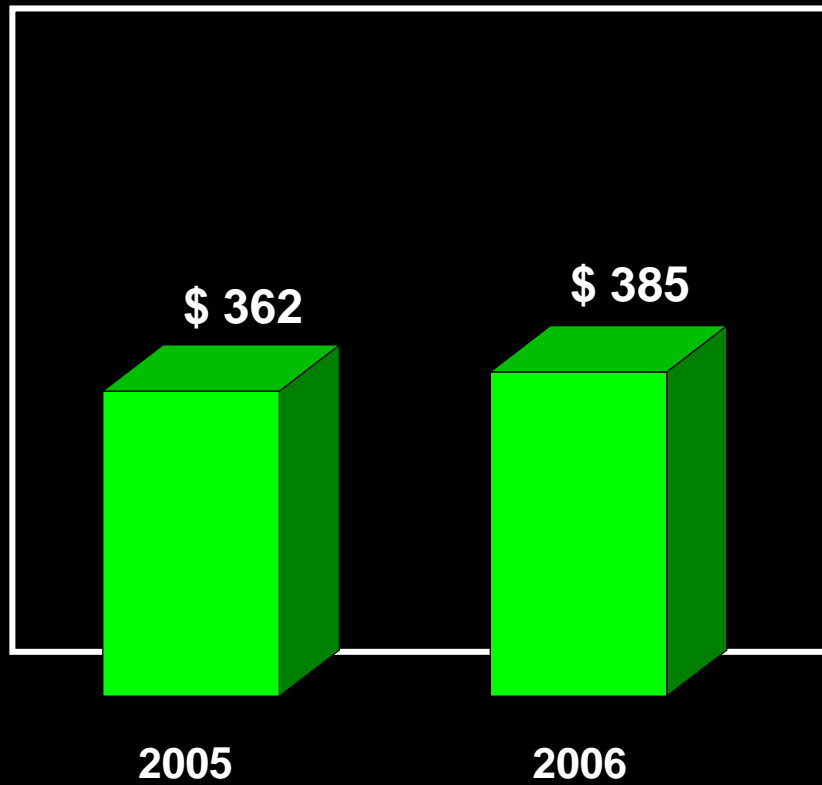
% Change vs. Prior Period + 8%

+ 80%

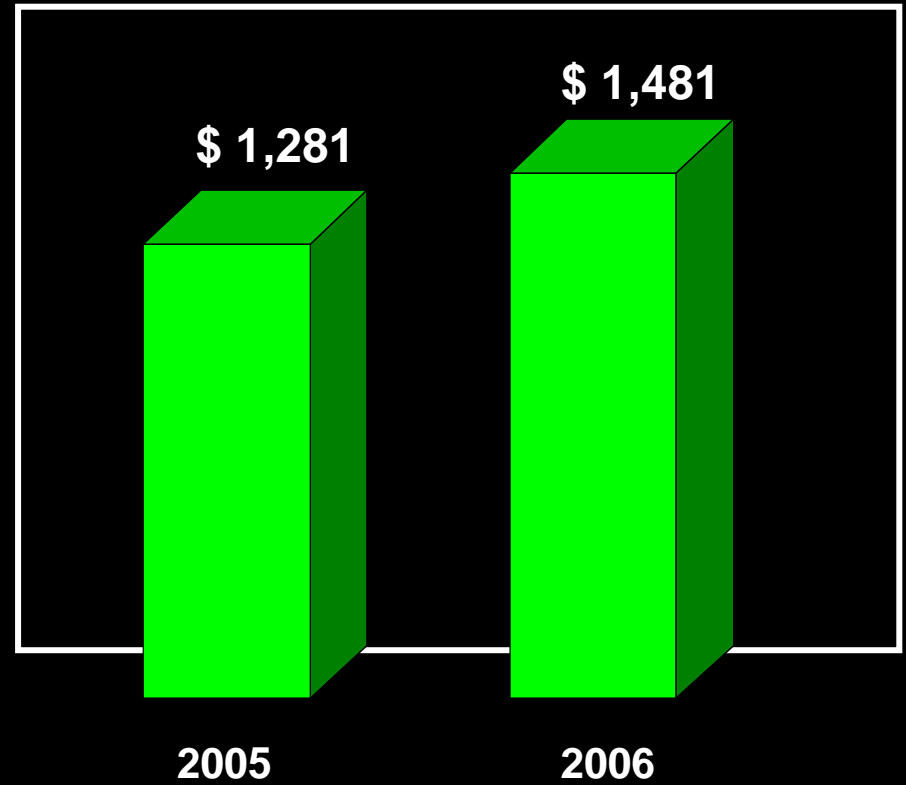
# Net Income

(\$ Millions)

### Fourth Quarter



### Year



% Change vs. Prior Period + 6%

+ 16%

# Diluted Earnings Per Share

(\$ Dollars)

Fourth Quarter



Year



% Change vs. Prior Period + 9%

+ 15%

# Net Income and Earnings Per Share

Year Ended December 31, 2006 vs. 2005

(\$ Millions Except Per Share )

Net Income

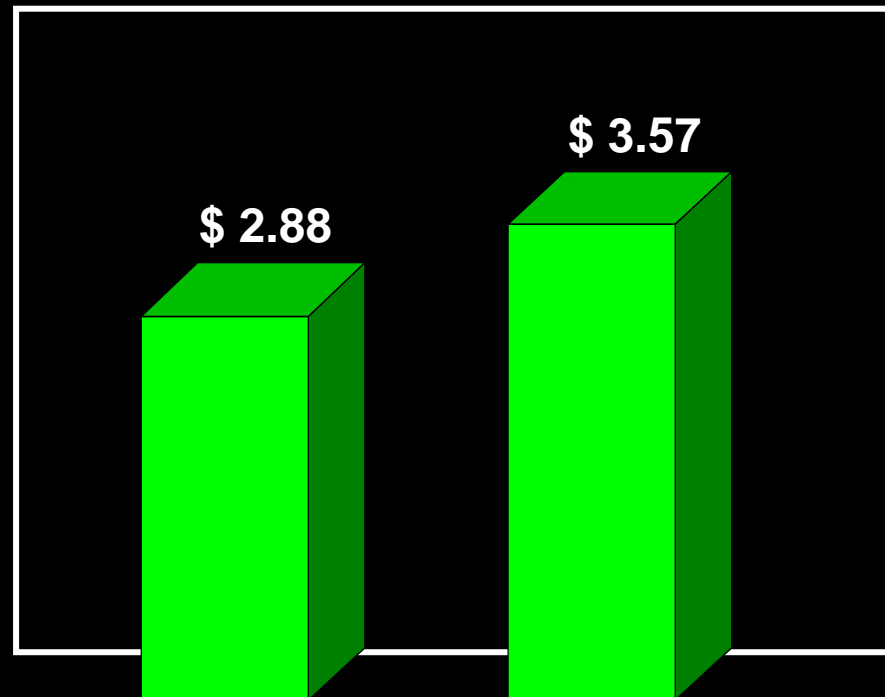


2005\*

2006

% Change vs. Prior Period + 25%

Diluted Earnings per Share



2005\*

2006

+ 24%

\* Excluding effects of change in Ohio tax legislation.

# Reconciliation of Net Income

Year ended December 31

(\$ Millions Except Per Share)

	2005	
	<u>Amount</u>	<u>EPS</u>
Net Income Excluding Significant Items	\$ 1,185	\$ 2.88
Change in Ohio Tax Legislation	96	0.23
Net Income – GAAP	<u>\$ 1,281</u>	<u>\$ 3.11</u>

*The reconciliation is posted on our web site, [www.nscorp.com](http://www.nscorp.com)*

