

Reconciliation of Non-GAAP Performance Measures

Information presented by Mr. James A. Squires, Executive Vice President Finance and Chief Financial Officer, at the BB&T Transportation Conference on February 14, 2008, (posted elsewhere on our web site) included a non-GAAP financial measure, as defined by SEC Regulation G. Specifically, free cash flow, which is defined by NS as cash provided by operating activities less property additions, is a measure of cash flow available for distribution to shareholders or for other investing or financing activities. 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.

	2005	2006	2007
	(\$ in millions)		
Free Cash Flow			
Cash provided by operating activities	\$ 2,105	\$ 2,206	\$ 2,333
Property additions	(1,025)	(1,178)	(1,341)
Free Cash Flow	<u>\$ 1,080</u>	<u>\$ 1,028</u>	<u>\$ 992</u>