

## Reconciliation of Non-GAAP Financial Measures

Information presented by Alan H. Shaw and Marta R. Stewart during NS' first quarter earnings conference call on April 21st, 2016 (posted elsewhere on our website) included non-GAAP financial measures, as defined by SEC Regulation G. Non-GAAP financial measures should be considered in addition to, not as a substitute for, the financial measure reported in accordance with U.S. generally accepted accounting principles (GAAP).

### Revenue

(\$ in millions)

First Quarter	2016	2015	Change	% Change
Total revenue	\$ 2,420	\$ 2,567	\$ (147)	-6%
Less: Fuel surcharge revenue	49	163	(114)	-70%
Revenue less fuel surcharge revenue <sup>1</sup>	<u>\$ 2,371</u>	<u>\$ 2,404</u>	<u>\$ (33)</u>	-1%
Coal revenue	\$ 349	\$ 455	\$ (106)	-23%
Less: Fuel surcharge revenue	4	23	(19)	-83%
Coal revenue less fuel surcharge revenue <sup>1</sup>	<u>\$ 345</u>	<u>\$ 432</u>	<u>\$ (87)</u>	-20%
Intermodal revenue	\$ 522	\$ 592	\$ (70)	-12%
Less: Fuel surcharge revenue	40	90	(50)	-56%
Intermodal revenue less fuel surcharge revenue <sup>1</sup>	<u>\$ 482</u>	<u>\$ 502</u>	<u>\$ (20)</u>	-4%
Merchandise revenue	\$ 1,549	\$ 1,520	\$ 29	2%
Less: Fuel surcharge revenue	5	50	(45)	-90%
Merchandise revenue less fuel surcharge revenue <sup>1</sup>	<u>\$ 1,544</u>	<u>\$ 1,470</u>	<u>\$ 74</u>	5%

### Revenue Per Unit

First Quarter	2016	2015	Change	% Change
Total revenue per unit	\$ 1,378	\$ 1,425	\$ (47)	-3%
Less: Fuel surcharge revenue per unit	28	91	(63)	-69%
Revenue per unit less fuel surcharge revenue <sup>1</sup>	<u>\$ 1,350</u>	<u>\$ 1,334</u>	<u>\$ 16</u>	1%
Coal revenue per unit	\$ 1,626	\$ 1,642	\$ (16)	-1%
Less: Fuel surcharge revenue per unit	19	83	(64)	-77%
Coal revenue per unit less fuel surcharge revenue <sup>1</sup>	<u>\$ 1,607</u>	<u>\$ 1,559</u>	<u>\$ 48</u>	3%
Intermodal revenue per unit	\$ 562	\$ 639	\$ (77)	-12%
Less: Fuel surcharge revenue per unit	43	97	(54)	-56%
Intermodal revenue per unit less fuel surcharge revenue <sup>1</sup>	<u>\$ 519</u>	<u>\$ 542</u>	<u>\$ (23)</u>	-4%
Merchandise revenue per unit	\$ 2,526	\$ 2,541	\$ (15)	-1%
Less: Fuel surcharge revenue per unit	8	83	(75)	-90%
Merchandise revenue per unit less fuel surcharge revenue <sup>1</sup>	<u>\$ 2,518</u>	<u>\$ 2,458</u>	<u>\$ 60</u>	2%

**Intermodal Revenue**

(\$ in millions)

<u>First Quarter</u>	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>% Change</u>
Intermodal revenue	\$ 522	\$ 592	\$ (70)	-12%
Less: Triple Crown revenue	<u>19</u>	<u>83</u>	<u>(64)</u>	-77%
Intermodal revenue less Triple Crown <sup>2</sup>	503	509	(6)	-1%
Less: Fuel surcharge revenue	<u>37</u>	<u>74</u>	<u>(37)</u>	-50%
Intermodal revenue less Triple Crown and fuel surcharge revenue <sup>1,2</sup>	<u>\$ 466</u>	<u>\$ 435</u>	<u>\$ 31</u>	7%

**Intermodal Revenue Per Unit**

<u>First Quarter</u>	<u>2016</u>	<u>2015</u>	<u>Change</u>	<u>% Change</u>
Intermodal revenue per unit	\$ 562	\$ 639	\$ (77)	-12%
Less: Triple Crown revenue per unit	<u>9</u>	<u>47</u>	<u>(38)</u>	-81%
Intermodal revenue per unit less Triple Crown <sup>2</sup>	553	592	(39)	-7%
Less: Fuel surcharge revenue per unit	<u>41</u>	<u>86</u>	<u>(45)</u>	-52%
Intermodal revenue per unit less Triple Crown and fuel surcharge revenue <sup>1,2</sup>	<u>\$ 512</u>	<u>\$ 506</u>	<u>\$ 6</u>	1%

## Free Cash Flow

(\$ in millions)

<u>First Quarter</u>	<u>2016</u>	<u>2015</u>
Net cash provided by operating activities	\$ 879	\$ 631
Property additions	<u>(398)</u>	<u>(392)</u>
Free cash flow <sup>3</sup>	481	239
Property sales and other transactions	12	16
Investment purchases	(23)	(3)
Investment sales and other transactions	1	1
Net cash used in financing activities	<u>(983)</u>	<u>(702)</u>
Net decrease in cash and cash equivalents	<u>\$ (512)</u>	<u>\$ (449)</u>

<sup>1</sup> Revenue and revenue per unit as used here is to reflect revenue and average revenue per unit absent the effect of fuel surcharges.

<sup>2</sup> Intermodal revenue and revenue per unit as used here are to reflect these measures absent Triple Crown due to its restructuring.

<sup>3</sup> Free cash flow as used here is a measure of cash available for other investing activities and financing activities, including payment of dividends and repurchases of common stock.