

Reconciliation of Non-GAAP Performance Measures

Information presented by James A. Squires during NS' first quarter earnings conference call on April 22, 2009 (posted elsewhere on our web site) included non-GAAP financial measures, as defined by SEC Regulation G. 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.

Free Cash Flow

(\$ in millions)

Quarters Ended March 31,	2009	2008
Net cash provided by operating activities	\$ 354	\$ 604
Property additions	(243)	(304)
Free cash flow ¹	<u>\$ 111</u>	<u>\$ 300</u>

¹Free cash flow as used here is a measure of cash available for other investing activities and financing activities, including repurchases of common stock and dividends.