

## Reconciliation of Non-GAAP Performance Measures

Information presented by James A. Squires during NS' third quarter earnings conference call on October 24, 2007 (posted elsewhere on our web site) included a non-GAAP financial measure, as defined by SEC Regulation G. Specifically, the effect of Illinois tax legislation has been excluded from net income for the third quarter of 2007. 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.

Three Months Ended September 30,	2007	2006
	(\$ in millions, except per share)	
Net income	\$ 386	\$ 416
Effect of Illinois tax legislation	19	-
Net income excluding this item	<u>\$ 405</u>	<u>\$ 416</u>
Diluted earnings per share	\$ 0.97	\$ 1.02
Effect of Illinois tax legislation	0.05	-
Diluted earnings per share excluding this item	<u>\$ 1.02</u>	<u>\$ 1.02</u>