Overview of BNSF's Second-Quarter Financial Performance

Update on BNSF's volumes, revenues and expenses through June 2012

Statement of Income (in millions)	Q2 – 2012	Q2 – 2011	Q/Q % Change	2012 YTD	2011 YTD	Y/Y% Change
Total revenues	$5,062	$4,790	6%	$10,064	$9,323	8%
Operating expenses	3,624	3,581	1%	7,361	7,010	5%
Operating income	1,438	1,209	19%	2,703	2,313	17%
Net income	$802	$690	16%	$1,503	$1,297	16%
Operating ratio (a)	71.1%	74.4%		72.7%	74.9%	

Source: Amounts derived from the GAAP results in the Burlington Northern Santa Fe, LLC Form 10-Q for the period ended June 30, 2012.
(a) Operating ratio excludes impacts of BNSF Logistics.

Volumes and Revenues

Total revenues for the second quarter 2012 and six months ended June 30, 2012, were up 6 and 8 percent compared with the same periods in 2011. This increase was primarily due to improved yields / mix and fuel surcharges, primarily driven by higher fuel prices. BNSF's total units were up 2 percent for both the second quarter and the first six months of 2012 compared with the same periods in 2011.

Below are some 2012 volume highlights:

- Consumer Products volumes were up 6 percent in the second quarter and first six months of 2012 compared with the same periods in 2011. Domestic intermodal volumes increased as a result of highway conversions to rail. Additionally, automotive volumes were higher due to increased North American auto sales and automakers rebuilding inventory levels.
- Coal volumes decreased 10 percent in the second quarter and 7 percent in the first six months of 2012 compared with the same periods in 2011, primarily due to a decrease in coal demand as a result of low natural gas prices, a mild winter and spring, and rising utility stockpiles.
- Industrial Products volumes increased 12 percent in the second quarter and first six months of 2012 compared with the same periods in 2011, primarily due to increased shipments of petroleum products and of construction products, principally sand and steel.
- Agricultural Products volumes were down 7 percent in the second quarter and 6 percent in the first six months of 2012 compared with the same periods in 2011, primarily due to a decrease in wheat exports, partially offset by higher U.S corn and soybean shipments in first and second quarters of 2012, respectively.

Listed below are details by business units – including revenues, volumes and average revenue per car/unit.

Business Unit	Q2 – 2012	Q2 – 2011	Q/Q % Change	2012 YTD	2011 YTD	Y/Y % Change
Revenues (in millions)						
Consumer Products	$1,676	$1,499	12%	$3,209	$2,827	14%
Coal	1,089	1,198	-9%	2,329	2,412	-3%
Industrial Products	1,246	1,022	22%	2,379	1,936	23%
Agricultural Products	887	926	-4%	1,840	1,875	-2%
Total Freight Revenues	**$4,898**	**$4,645**	**5%**	**$9,757**	**$9,050**	**8%**
Other Revenues	164	145	13%	307	273	12%
Total Operating Revenues	**$5,062**	**$4,790**	**6%**	**$10,064**	**$9,323**	**8%**
Volumes (in thousands)						
Consumer Products	1,215	1,148	6%	2,347	2,214	6%
Coal	487	541	-10%	1,048	1,124	-7%
Industrial Products	419	374	12%	811	726	12%
Agricultural Products	247	267	-7%	510	543	-6%
Total Volumes	**2,368**	**2,330**	**2%**	**4,716**	**4,607**	**2%**
Average Revenue per Car/Unit						
Consumer Products	$1,379	$1,306	6%	$1,367	$1,277	7%
Coal	2,236	2,214	1%	2,222	2,146	4%
Industrial Products	2,974	2,733	9%	2,933	2,667	10%
Agricultural Products	3,591	3,468	4%	3,608	3,453	4%
Total Freight Revenues	**$2,068**	**$1,994**	**4%**	**$2,069**	**$1,964**	**5%**

Source: Amounts derived from the GAAP results in the Burlington Northern Santa Fe, LLC Forms 10-Q for the periods ended June 30, 2012 and March 31, 2012. Second-quarter revenues and volumes are calculated as the difference between the YTD June and YTD March amounts.

Expenses

Operating expenses were up 1 and 5 percent for the second quarter and first six months of 2012 driven by volumes and higher fuel prices.

- Compensation and benefits increased 1 percent for the second quarter and 2 percent for the first six months of 2012 primarily as a result of higher volumes.
- Fuel expense was up 1 and 8 percent in the second quarter and first six months of 2012, respectively, compared with the same periods in 2011. The increase in fuel expense was driven by fuel prices and volumes, offset by improved efficiency. Locomotive fuel price per gallon for the second quarter 2012 and 2011 was $3.26 and $3.22, respectively, and was $3.19 and $2.96 for the first six months of 2012 and 2011, respectively.
- Purchased services, which includes expenses like maintenance contracts and professional services, increased 12 percent for the second quarter and 8 percent for the first six months of 2012 due to volume-related costs and increased equipment maintenance costs.
- Materials and other expenses decreased 28 percent for the second quarter of 2012 primarily due to lower environmental and casualty expenses, material costs, and utilities. An unfavorable arbitration ruling in the first quarter of 2012 offset this trend for the year-to-date period.

Operating Expenses (in millions)	Q2 – 2012	Q2 – 2011	Q/Q % Change	2012 YTD	2011 YTD	Y/Y % Change
Compensation and benefits	$1,078	$1,072	1%	$2,195	$2,147	2%
Fuel	1,102	1,096	1%	2,197	2,035	8%
Purchased services	614	549	12%	1,183	1,096	8%
Depreciation and amortization	470	450	4%	933	896	4%
Equipment rents	199	191	4%	401	383	5%
Materials and other	161	223	-28%	452	453	--%
Total Operating Expenses	**$3,624**	**$3,581**	**1%**	**$7,361**	**$7,010**	**5%**

Source: Amounts derived from the GAAP results in the Burlington Northern Santa Fe, LLC Form 10-Q for the period ended June 30, 2012.

Capital Activities

BNSF continues to invest heavily in maintaining and renewing its network to provide safe, reliable service to its customers. Our 2012 capital commitments forecast continues to be approximately $3.9 billion compared with $3.5 billion in 2011.

We will spend approximately $2.1 billion in capital in 2012 on maintaining our core network and related assets. In addition, we will continue investing in our locomotive and rail car fleet, as well as in projects to expand and improve the efficiency of our infrastructure. We also plan to spend about $300 million in 2012 as we continue installing positive train control in response to a federal mandate.