

Overview of BNSF's First-Quarter Financial Performance

Update on BNSF's volumes, revenues and expenses through March 2013

| Statement of Income (in millions) | Q1 – 2013 | Q1 – 2012 | Q/Q % Change |
|-----------------------------------|-----------|-----------|--------------|
| Total revenues | \$5,284 | \$5,002 | 6% |
| Operating expenses | 3,816 | 3,737 | 2% |
| Operating income | 1,468 | 1,265 | 16% |
| Net income | \$798 | \$701 | 14% |
| Operating ratio (a) | 71.7% | 74.4% | |

Source: Amounts derived from the GAAP results in the Burlington Northern Santa Fe, LLC Form 10-Q for the period ended March 31, 2013.

(a) Operating ratio excludes impacts of BNSF Logistics.

Volumes and Revenues

Total revenues for the first quarter 2013 were up 6 percent. BNSF's total units were up 3 percent compared with the same period in 2012, reflecting continued strength in our crude and domestic intermodal businesses offset by weakness in coal and grain. Revenue also increased due to improved yields / mix.

Business unit first quarter 2013 volume highlights:

- Consumer Products volumes were up 5 percent in the first quarter of 2013 compared with the same period in 2012, primarily due to higher domestic intermodal volumes as a result of highway conversions to rail.
- Industrial Products volumes increased 14 percent in the first quarter of 2013 compared with the same period in 2012, primarily due to increased shipments of petroleum products.
- Coal volumes decreased 3 percent in the first quarter of 2013 compared with the same period in 2012, primarily due to a decrease in coal demand as a result of utilities' focus on reducing high stockpiles.
- Agricultural Products volumes were down 7 percent in the first quarter of 2013 compared with the same period in 2012, primarily due to a decrease in corn and soybean exports as a result of the extreme U.S. drought in 2012. This was partially offset by higher domestic wheat shipments.

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

| Business Unit | Q1 – 2013 | Q1 – 2012 | Q/Q % Change |
|---------------------------------|-----------------------|-----------------------|------------------|
| Revenues (in millions) | | | |
| Consumer Products | \$1,661 | \$1,533 | 8% |
| Industrial Products | 1,337 | 1,133 | 18% |
| Coal | 1,209 | 1,240 | -3% |
| Agricultural Products | 911 | 953 | -4% |
| Total Freight Revenues | <u>\$5,118</u> | <u>\$4,859</u> | <u>5%</u> |
| Other Revenues | 166 | 143 | 16% |
| Total Operating Revenues | <u>\$5,284</u> | <u>\$5,002</u> | <u>6%</u> |
| Volumes (in thousands) | | | |
| Consumer Products | 1,188 | 1,132 | 5% |
| Industrial Products | 448 | 392 | 14% |

| | | | |
|-------------------------------------|----------------|----------------|-----------|
| Coal | 542 | 561 | -3% |
| Agricultural Products | 244 | 263 | -7% |
| Total Volumes | 2,422 | 2,348 | 3% |
| Average Revenue per Car/Unit | | | |
| Consumer Products | \$1,398 | \$1,354 | 3% |
| Industrial Products | 2,984 | 2,890 | 3% |
| Coal | 2,231 | 2,210 | 1% |
| Agricultural Products | 3,734 | 3,624 | 3% |
| Total Freight Revenues | \$2,113 | \$2,069 | 2% |

Source: Amounts derived from the GAAP results in the Burlington Northern Santa Fe, LLC Forms 10-Q for the period ended March 31, 2013.

Expenses

Operating expenses were up 2 percent for the first quarter of 2013, primarily driven by higher volumes, inflation, and higher fuel prices, partially offset by expense initiatives and a one-time item from 2012.

- Compensation and benefits increased 2 percent for the first quarter of 2013 primarily as a result of higher volumes and inflation, partially offset by initiatives.
- Fuel expense was up 2 percent in the first quarter of 2013 compared with the same period in 2012. Locomotive fuel price per gallon increased 2 percent for the first quarter to \$3.21. Additionally, fuel expense was impacted by higher volumes offset by improved efficiency.
- Purchased services, which includes expenses like maintenance contracts and professional services, increased 8 percent for the first quarter of 2013, compared with the same period in 2012 due to volume-related costs, including purchased transportation for BNSF Logistics, a whollyowned, third-party logistics company.
- Materials and other expenses decreased 12 percent primarily due to expense recorded in 2012 for an unfavorable arbitration ruling.

| Operating Expenses (in millions) | Q1 – 2013 | Q1 – 2012 | Q/Q % Change |
|----------------------------------|----------------|----------------|--------------|
| Compensation and benefits | \$1,139 | \$1,117 | 2% |
| Fuel | 1,122 | 1,095 | 2% |
| Purchased services | 617 | 569 | 8% |
| Depreciation and amortization | 483 | 463 | 4% |
| Equipment rents | 198 | 202 | -2% |
| Materials and other | 257 | 291 | -12% |
| Total Operating Expenses | \$3,816 | \$3,737 | 2% |

Source: Amounts derived from the GAAP results in the Burlington Northern Santa Fe, LLC Form 10-Q for the period ended March 31, 2013.

Capital Activities

BNSF continues to invest heavily in maintaining and renewing its network to provide safe, reliable service to its customers. Our 2013 capital commitments forecast continues to be approximately \$4.1 billion compared with \$3.6 billion in 2012.

We will spend \$2.3 billion in capital in 2013 on 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 \$250 million in 2013 as we continue installing positive train control in response to a federal mandate.