

The image features a silhouette of a train's undercarriage, including the wheels, suspension, and various mechanical components, set against a background of a sunset or sunrise. The sky transitions from a light orange at the horizon to a darker purple at the top. The BNSF Railway logo is centered in the upper half of the image.

BNSFSM
RAILWAY

BNSF 2011 REVIEW



Introduction

At **BNSF Railway**, we provide a vital link to the U.S. **ECONOMY** by connecting producers and consumers. We help move more freight, more efficiently and more safely than other modes of surface transportation. We are an industry leader in the protection of our **ENVIRONMENT** and in improving **SAFETY**, while also generating some of the best-paying jobs in the communities we serve.

BNSF at a Glance

Headquartered in Fort Worth, Texas, BNSF is one of the largest railroads in North America, serving 28 states and two Canadian provinces.

2011 Capital Commitments:

\$3.5 Billion

Employees:

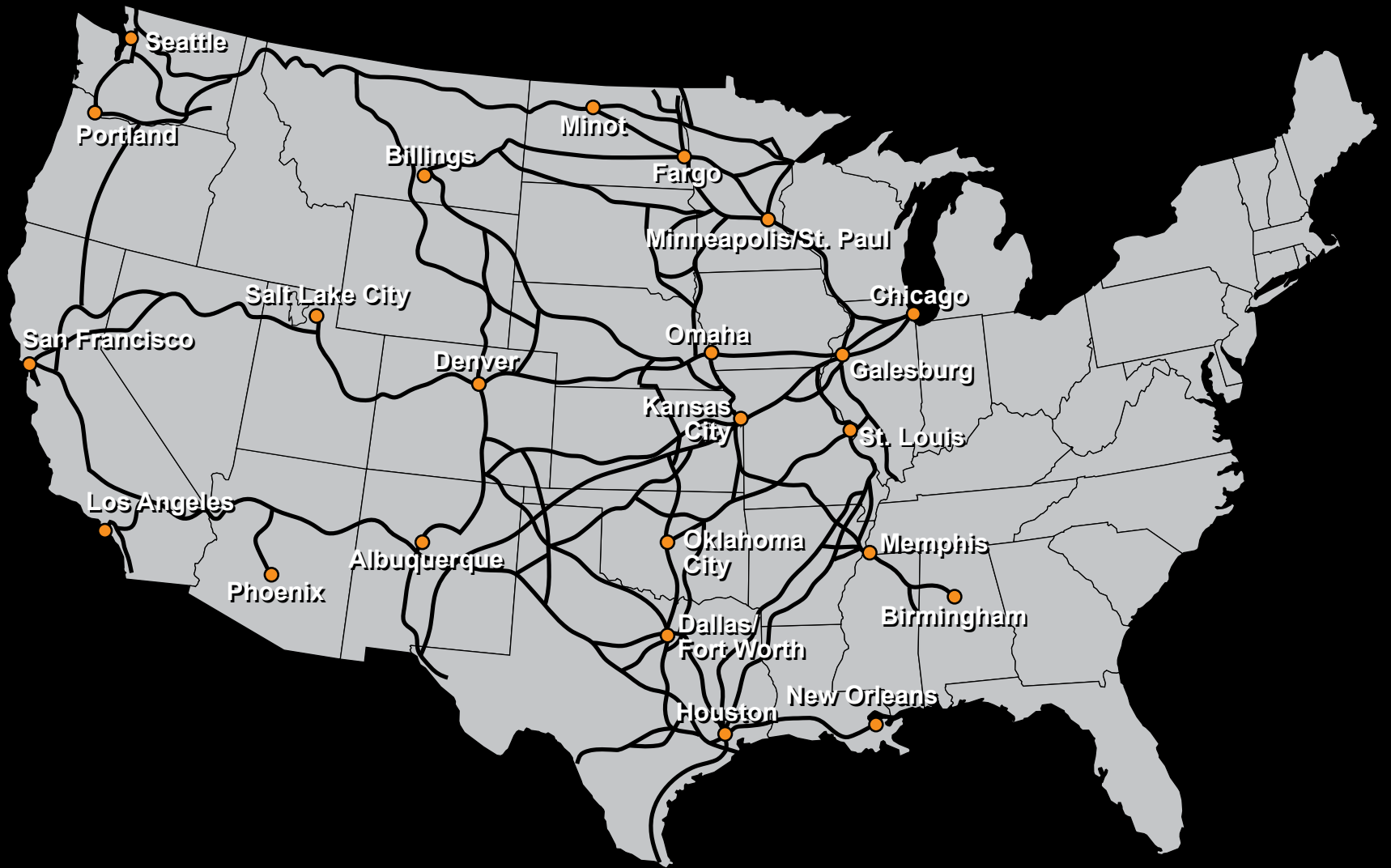
~40,000

Route Miles:

32,000

Ports Served:

40+



Message from Matt Rose



Every hour of every day, the wheels of the U.S. supply chain are in motion, moving everything from the products that consumers use every day to the raw materials and supplies that manufacturers need to make those goods. Rail connects manufacturers to consumers and farmers to families, moving the products that power the economy more safely and more efficiently than any other form of surface transportation.

There is significant investment being made in rails. Berkshire Hathaway's \$34 billion acquisition of BNSF signaled that railroads will be essential to the nation's economic growth. In 2012, according to the Association of American Railroads, seven North America-based Class I freight railroads are on track to invest a record \$13 billion to expand, upgrade and enhance the U.S. freight rail network. Collectively, there are plans to hire more than 15,000 people in 2012.

Improving returns have enabled BNSF to make robust investments to renew and expand our network in response to increasing demand. In 2011, real gross domestic product increased 1.7 percent, and the industrial production index rose more than twice as much. In the same year, BNSF invested \$3.5 billion to enhance our network and related infrastructure. Investments that enable us to grow our company, improve service to customers and respond to economic growth will continue, with a record \$3.9 billion capital investment planned by BNSF in 2012.

Rail is critical to the economy. It has important environmental advantages over other forms of surface transportation. And we are working hard to build on those advantages for the benefit of our customers, the communities we serve and the global economy, creating more jobs, reducing fuel consumption and emissions and making roads safer.

BNSF is well positioned to assist and respond to our nation's economic recovery. I am encouraged by our capabilities and enthused about the possibilities for the future.

Matthew K. Rose
Chairman and CEO



Volumes in 2011

Despite the significant impacts of flooding over the summer, BNSF total volumes were up 3 percent.

Units (*thousands*)



	2011	Y/Y % Change
Consumer Products	4,595	7%



	2011	Y/Y % Change
Industrial Products	1,498	7%



	2011	Y/Y % Change
Coal	2,309	-4%



	2011	Y/Y % Change
Agricultural Products	1,056	0%

BNSF has been expanding capacity on its Transcontinental Corridor between Southern California and Chicago.

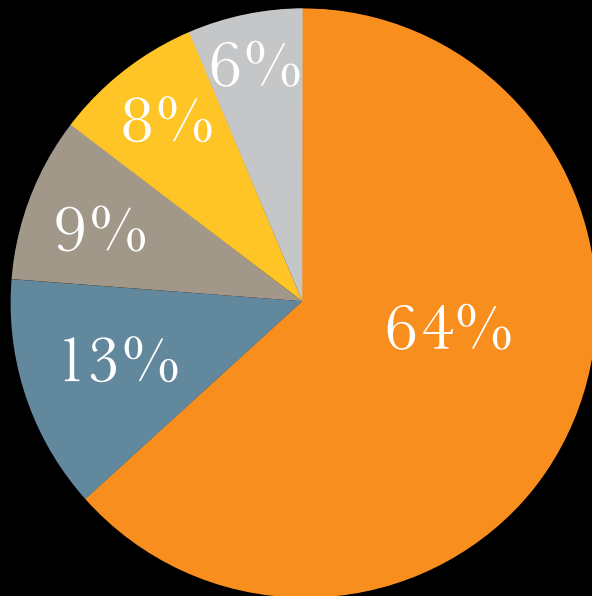
Nearly all of this 2,200-mile corridor now has double or triple track, significantly reducing transit times. Since the beginning of 1999, BNSF's investment of more than \$1 billion in this effort **KEEPS FREIGHT MOVING**, relieves bottlenecks and ensures that goods get from producers to consumers as efficiently as possible.





BNSF's Capital Commitment

In 2011, BNSF invested \$3.5 billion in its network and related infrastructure.



- Core network and related assets
- Locomotive acquisition
- Freight cars/equipment
- Positive train control
- Efficiency/expansion

For more information on BNSF's 2012 planned capital commitments, visit the [media center](#) at BNSF.com.



\$2.235 billion

■ Core network and related assets



\$455 million

■ Locomotive acquisition



\$315 million

■ *Freight cars/equipment*



\$285 million

■ *Positive train control*



\$210 million

■ *Efficiency/expansion*

Improving the Economy

According to the U.S. Department of Commerce, **EVERY DOLLAR INVESTED** in rail systems (track, locomotives, bridges, etc.) **RETURNS \$3 TO THE AMERICAN ECONOMY** in terms of job creation, business efficiency gains and expansion opportunities. America's freight railroads generate nearly \$265 billion in total annual economic activity and sustain 1.2 million jobs, including 175,000 in the industry itself.

BNSF bolsters the economy by investing heavily in infrastructure and facilities. In 2011 alone, BNSF worked with its customers to locate 172 new or expanded facilities, representing investments of about \$1 billion and creating more than 2,100 jobs. Facilities include ethanol plants, distribution centers, lumber yards, biodiesel plants and intermodal centers.

Most recently, BNSF and its partners began construction on the Kansas City Intermodal Facility. The facility will provide better access for shippers to BNSF's Transcontinental Corridor and the growing north-south MidCon Corridor. The \$250 million development will help **CREATE APPROXIMATELY 13,000 JOBS.**

BNSF works to earn returns that enable us to continually re-invest private dollars that improve the value and efficiency of our service to our customers and the nation's economy.









Connecting Commerce

Rail is critical to commerce and the health of local, national and global markets. No other form of ground transportation can move the sheer volume of goods and products to the global marketplace as efficiently and safely as freight rail does. As a result, the U.S. Department of Transportation expects **DEMAND FOR FREIGHT RAIL SERVICE WILL CONTINUE TO RISE.**

The efficiencies created by rail save American consumers billions of dollars while reducing energy consumption and pollution, lowering greenhouse gas emissions and reducing highway gridlock.

Technology is key to an efficient rail system that can meet growing demand. To that end, BNSF's IT systems are integrated into customers' supply chains to provide the information they need on transportation and scheduling. From order entry to final delivery, every shipment and piece of equipment is tracked to ensure a timely delivery of goods.

How does the supply chain work?

Visit [KeepAmericaInMotion.org](https://www.KeepAmericaInMotion.org) to learn more about the U.S. supply chain.

BNSF's Memphis Intermodal Facility is now fully operational using new wide-span electric cranes that load more containers more efficiently.

The \$200 million expansion doubles BNSF's lift capacity at the facility, which **REDUCES EMISSIONS AND IMPROVES EFFICIENCY** and air quality.

Trains and the Environment

A vibrant national rail system creates a healthy flow of commerce, decreases carbon emissions and reduces U.S. dependence on foreign oil. [Efficient freight rail transportation](#) also reduces roadway congestion and improves passenger vehicle safety.

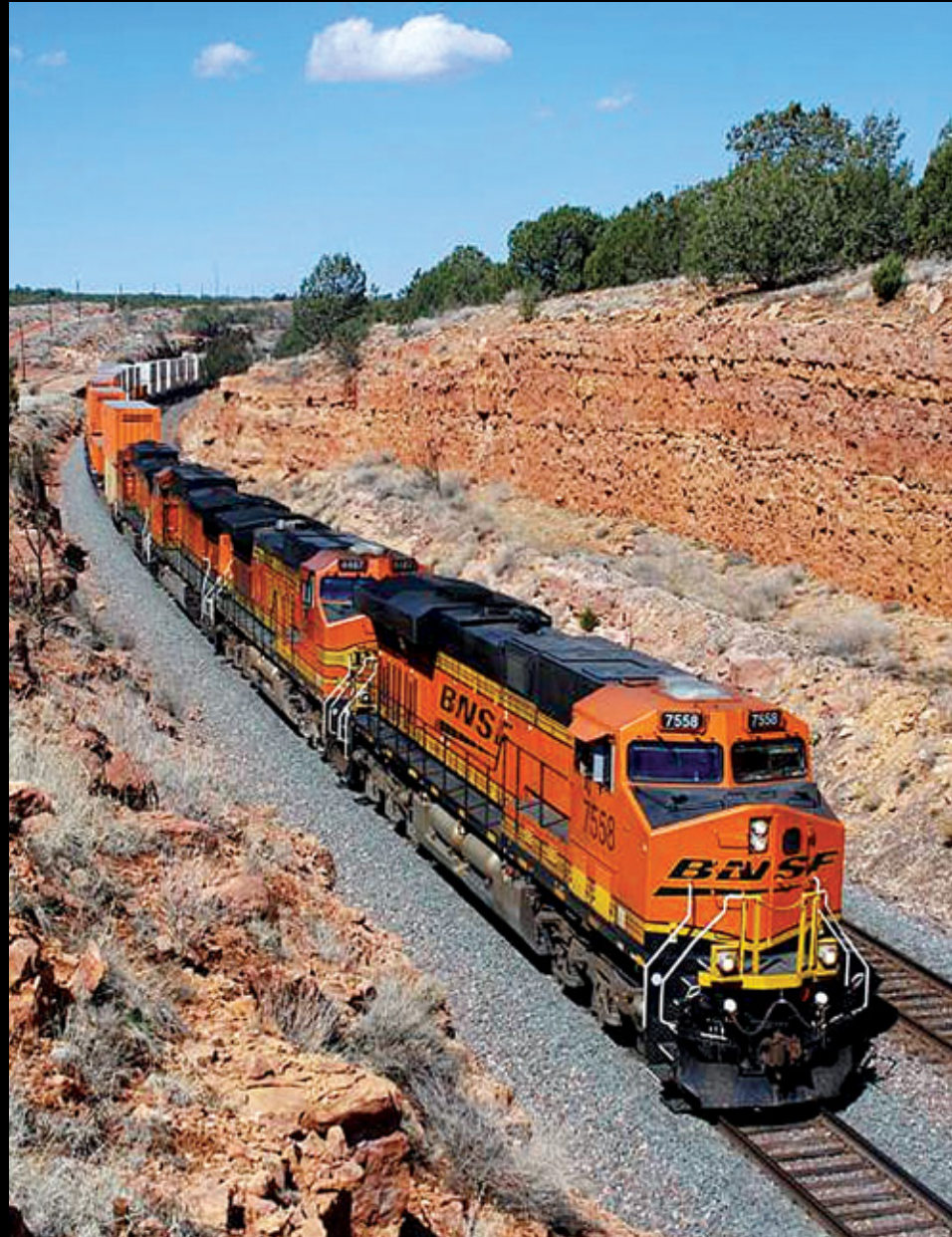
Moving one ton of freight by rail rather than exclusively by truck produces 75 percent less greenhouse gas emissions. On average, railroads are four times more fuel-efficient than trucks. A BNSF train can move one ton of freight, on average, 500 miles on a single gallon of diesel fuel. If 10 percent of the long-distance freight currently moved by truck switched to rail, fuel savings would exceed one billion gallons per year.



BNSF and Efficiency

BNSF has tracked and worked to reduce its carbon emissions since 1995. BNSF believes that its chief contribution to fuel efficiency and emissions reduction is achieved by moving more freight, more efficiently via rail instead of over the road. We are always looking for technologies and processes that will enable us to further reduce our carbon footprint.

Rigorous maintenance requirements on our equipment keep it operating at maximum efficiency. Improvements in operating and maintenance practices have had a substantial impact on our fuel efficiency. Locomotive engineers are trained to shut down idling locomotives, isolate or shut down unneeded locomotives, pace trains and adjust acceleration and braking to conserve fuel. But the key driver behind carbon emission reduction is improving locomotive efficiency.



Locomotives

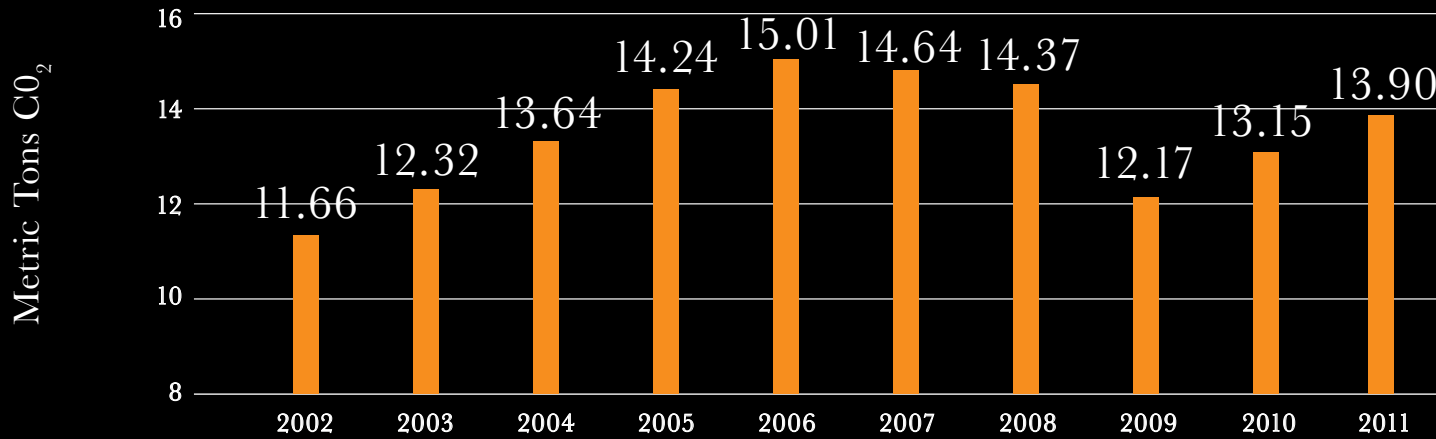
Since the beginning of 2000, BNSF has acquired more than 2,500 new locomotives that are **MORE FUEL EFFICIENT** than the older locomotives they replaced. This effort has yielded one of the industry's newest and most fuel-efficient fleets of road locomotives that is able to pull more freight with less fuel. Over the past 10 years, BNSF's fuel consumption has only increased 14 percent, while the volume and distance of freight moved has increased 29 percent.

New and more fuel efficient locomotives have contributed to greater efficiency and a **SMALLER CARBON FOOTPRINT** for our long-haul road locomotives.

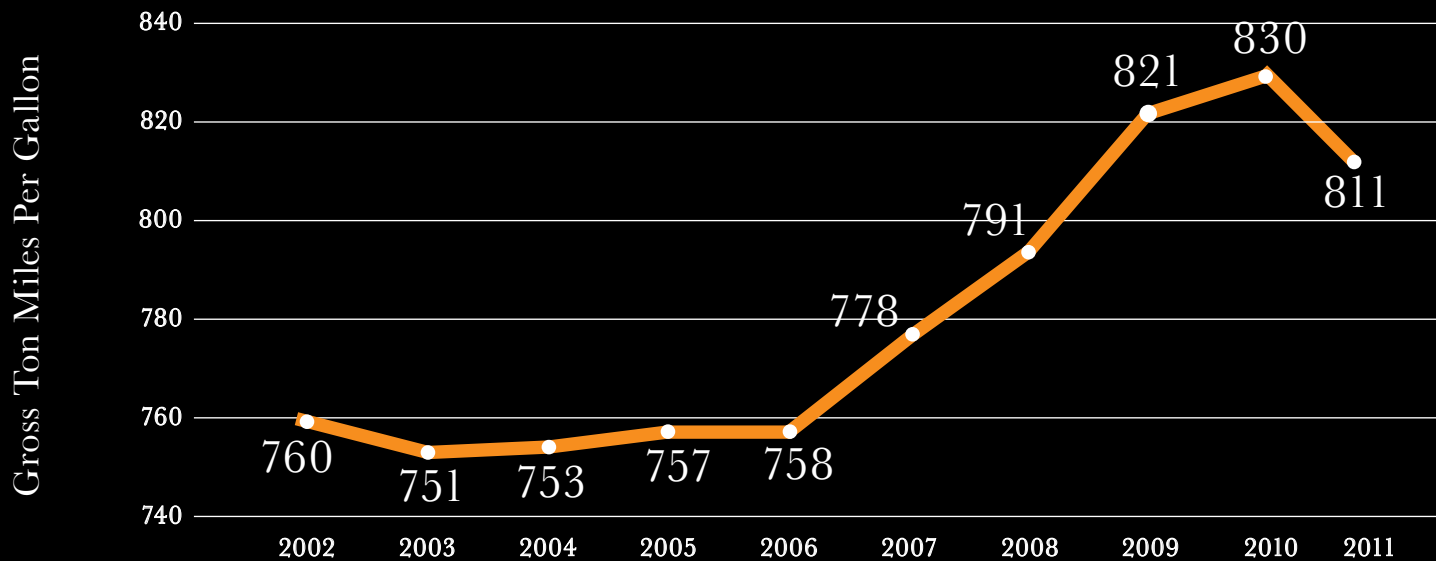
BNSF was the first in the rail industry to develop and begin testing **HYDROGEN FUEL CELL TECHNOLOGY** for switch locomotives. While still experimental, BNSF has partnered with the U.S. Department of Defense to assume a leadership role in the development of hydrogen fuel cell technology currently being tested in switch locomotives, which work in rail yards to assemble rail cars into trains.

BNSF has **84 ULTRA-LOW EMISSION SWITCH LOCOMOTIVES** in service. This locomotive has three low-horsepower engines that only operate when needed instead of one large engine operating at all times, saving fuel and reducing air emissions. These locomotives reduce nitrogen oxide and particulate matter emissions by 80 to 90 percent and improve fuel efficiency by 25 percent compared to standard switch engines.

CO₂ Emissions from Train Operations



BNSF Fuel Efficiency



Carbon Measurement

For the past three years, BNSF has provided its intermodal, automotive, industrial and agricultural products customers with individualized reports of their total rail carbon footprint. In 2011, our analysis showed that **CUSTOMERS REDUCED TOTAL CARBON OUTPUT BY MORE THAN 30 MILLION METRIC TONS OF CO₂**. This is equivalent to reducing the annual fuel consumption and resultant greenhouse gas emissions of more than six million passenger vehicles.

Estimate Your Carbon Footprint

Visit [BNSF's railway carbon estimator](#) to find out how shipping by rail (vs. long-haul truck) can reduce your carbon footprint.

Environmental Remediation

BNSF also invests in programs and facilities to protect water and wetlands, prevent chemical spills and recycle used material including batteries, railroad ties and lubricating oil. We are bringing sites where rail operations have been conducted for a century or more up to today's standards. Over the past five years, BNSF has invested approximately \$350 million on remediation efforts throughout our network.



Intermodal Efficiency

BNSF's partnerships with the nation's trucking companies, ocean container carriers and logistics companies are key to shifting more long-haul truck traffic to intermodal rail, creating fuel efficiencies and keeping carbon output to a minimum.

Just one intermodal train can carry 280 trucks. And every container shipped by rail means one less long-haul truck on the highway, easing congestion, reducing pollution and saving energy. As U.S. trucking companies seek ways to reduce their fuel costs, overcome driver shortages and deal with demand, they are increasingly turning to rail – and that is good news for our environment and our nation's roadways.

WIDE-SPAN ELECTRIC CRANES produce zero emissions on site and significantly reduce the number of trucks needed to move containers within the rail yard. Additionally, these cranes also generate electricity when they lower a load, recharging internal batteries and thereby conserving electricity.

AUTOMATED GATES, secured by digital cameras that record images of containers, chassis and tractors, as well as drivers' biometric identities, improve safety and reduce truck idling time and emissions by 50 percent.



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CAP. 100,000 LBS.

BNSF has worked with communities to **CLOSE MORE THAN 5,000 GRADE CROSSINGS** since the beginning of 2000, creating **SAFER COMMUNITIES.**





Approach to Safety

Safety is top of mind in everything we do at BNSF. We believe every accident and injury is preventable and we strive to work in partnership with our employees, our customers and the communities we serve to make the rail industry **ONE OF THE SAFEST INDUSTRIES IN THE NATION.**

Our commitment in time and resources to ensure that BNSF employees, communities and operations are as safe as they can be remains our highest priority.

Our safety program is centered on the following:

1. Training and preparing our **PEOPLE** and the communities we serve,
2. Testing and upgrading our **NETWORK** and equipment and
3. Continuously improving our **PROCESSES.**

Grade Crossing Safety

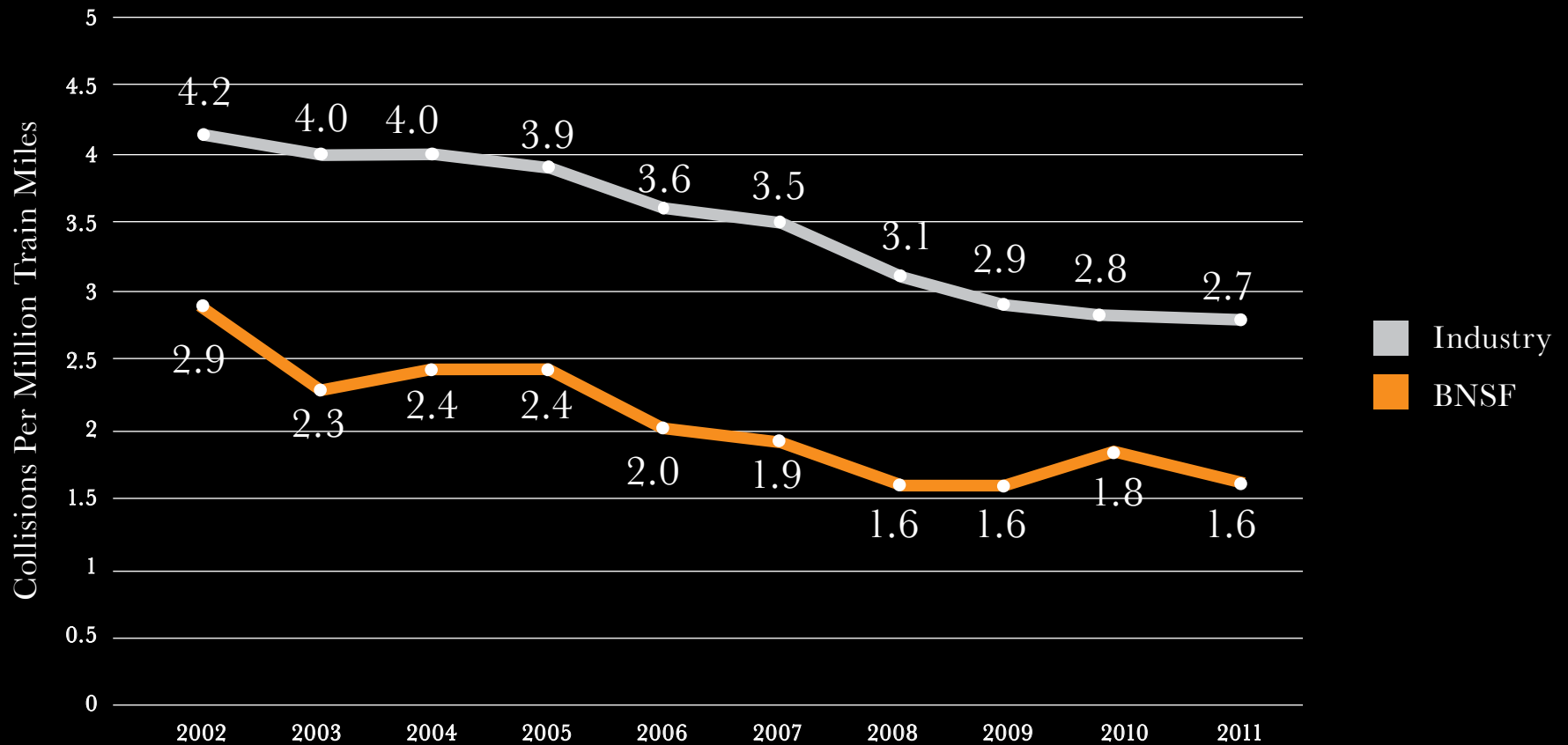
BNSF's dedication to accident-free operations is demonstrated in its commitment to grade crossing safety. One of the most reliable ways to reduce accidents is to reduce the number of highway-railroad crossings. BNSF has worked with communities to close on average more than 400 crossings each year since the beginning of 2000; that's more than one every day for over 10 years. In 2010, BNSF celebrated the closure of the 5,000th grade crossing on BNSF's network since the beginning of 2000, setting a new national record for grade crossing closures and safety improvement.

BNSF has one of the **LOWEST GRADE CROSSING COLLISION RATES** in the rail industry, with 41 percent fewer collisions than the broader industry. Building on that success, we continue to work with the states and communities we serve to further improve [grade crossing safety](#). Over the last several years, we have spent more than \$90 million annually on closures, community education and employee safety programs, new safety and signaling technologies, track and signal inspection and vegetation control.

Together, these efforts have helped to reduce grade crossing collisions per million train miles on BNSF's 32,000-mile network by about 70 percent since 1995.



Highway-Rail Grade-Crossing Collisions



Source: Federal Railroad Administration

Training BNSF People

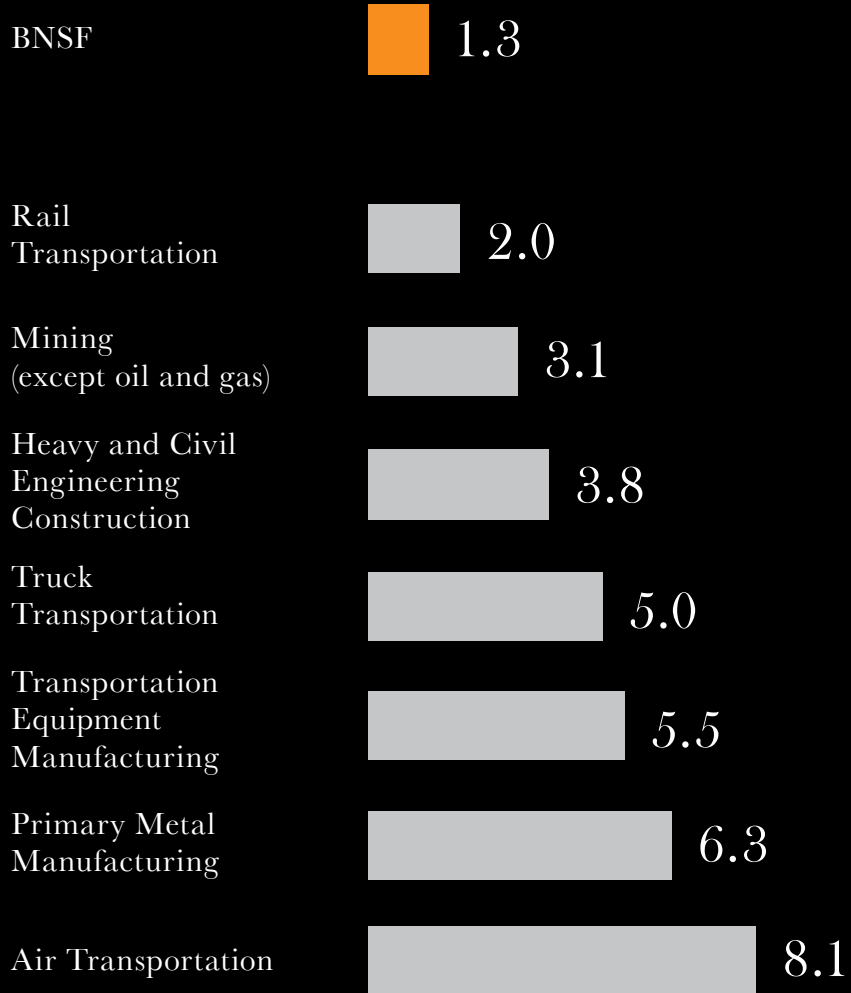
The safety of those working for BNSF or living in communities we serve is what matters. As a leader in railroad safety, we recognize that a safe and secure railroad network is essential to our nation's future. We diligently **INSPECT TRACKS**, closely **WATCH WEATHER CONDITIONS** that could impact operations and **INVEST IN TECHNOLOGY** that makes our railroad safer.

BNSF employees are trained on a comprehensive set of safety rules and recommendations, from federal mandates and rail industry recommendations to BNSF-specific safety initiatives. BNSF's Technical Training Center trains employees each year on locomotive simulators, switching operations, track maintenance, signal systems, radio and telecomm networks, mechanical repair of locomotive engines and freight car and locomotive braking. Field trainers also coach employees at various work locations.

The extensive training of BNSF employees is the direct result of an acute commitment to safety, which is deeply rooted in BNSF's culture. We believe in empowering people to do the right thing, seek answers, and do whatever it takes to make our operations as safe as they can be. It is this empowered workforce that is responsible for BNSF's excellent safety record.

Our **EMPLOYEE INJURY RATE HAS DROPPED 43 PERCENT** over the past 10 years to 1.3 injuries per 200,000 employee hours. This is part of our dedicated effort to ultimately eliminate the loss of life and life-altering injuries on the railroad.

2011 Injury rate per 200,000 employee hours*



**Injury rates for BNSF are quoted based on 2011 year-end data. Industry-wide data for 2011 was not available at time of publication; 2010 data from Bureau of Labor Statistics was used.*







Prepared BNSF Communities

BNSF works closely with communities to conduct emergency response training and regularly conducts drills with emergency response personnel. BNSF has a team of more than 200 well-trained and equipped emergency responders from a variety of backgrounds, including our environmental, safety and mechanical teams. We also utilize contractors with special expertise in emergency response.

Our environmental team **TRAINS AN AVERAGE OF 3,800 PUBLIC EMERGENCY RESPONDERS ANNUALLY** in communities across our network. Our geographic information system provides point-and-click access to information about state and local emergency response contacts and jurisdictions, as well as other critical information to enable BNSF and local emergency responders to react efficiently and effectively if an incident occurs.

As a result of our efforts, BNSF is regularly awarded the National Achievement Award from the National TRANSCAER™ (Transportation Community Awareness and Emergency Response) program, an award that is presented to a company that does the most to help communities prepare for hazardous materials transportation emergencies. BNSF has received this award 10 years in a row.





Positive Train Control

BNSF leads the industry in developing and testing Positive Train Control (PTC) technology. This system uses global positioning data to monitor train movement and provides warnings to crews, stopping the train when necessary to **PREVENT COLLISIONS**.

BNSF began development of its PTC system in 2003. Testing started in 2006. Today, BNSF's PTC system is under construction or has been installed across 5,319 miles of track in 14 states. BNSF's 2011 capital commitment made available an additional \$285 million for PTC development.

BNSF employs about 40,000 people in 28 states and two Canadian provinces and partners with communities we serve to deliver positive returns.







Partners in Community

On a grassroots level, BNSF employees are involved in a wide-range of community activities, from serving nonprofits to coordinating local holiday toy drives and fundraisers. Individual efforts are supported by an active BNSF Railway Foundation.

We celebrate our rich history in communities. One such community is San Bernardino, where at the end of 2010, 5,000 BNSF employees and local citizens gathered to commemorate the 125th anniversary of the first train traveling through Cajon Pass, located between the San Gabriel and San Bernardino mountains. BNSF's gift to the community on this special occasion was a major investment for beautification in the city of San Bernardino.

On a broader level, we work in close partnership with other rail companies, federal, state and local governments, businesses and local citizens to develop **SMART PROJECTS THAT DELIVER WIDE-RANGING BENEFITS TO THE COMMUNITIES WE SERVE.** These include lower shipping costs, reduced highway gridlock, enhanced mobility, improved safety and lower fuel consumption and greenhouse gas emissions.

Join Friends of BNSF

From historic photos and videos to resources about BNSF, there is plenty to check out.

[Membership is free.](#)

Connection

With a workforce of about 40,000 people in communities throughout North America, our employees represent a wide range of geographies and demographics, but share a focus on safety and service.

Some aspects of our workforce that we are especially proud of are:

BNSF Railway Foundation

The Foundation makes a difference through matching grants for employees' incredible volunteer spirit and direct contributions to important community programs ranging from the arts to social services to education. We serve on not-for-profit boards, represent city governments and participate in community projects. Each year, the Foundation also provides substantial support through scholarships for children of our employees and other students through a variety of programs. BNSF employees participate in United Way fund drives at scores of locations across our network. In Fort Worth alone, BNSF and its employees pledged \$2.2 million to support the United Way in 2011.

Military Representation

Military Times EDGE magazine named BNSF number three on its list of “Best for Vets” companies, for going above and beyond in hiring and retaining military veterans. CivilianJobs.com named BNSF as a finalist for the 2010 Most Valuable Employer for the Military. BNSF employs more than **6,000 VETERANS**, which equates to approximately 15 percent of our workforce. We also have more than **2,000 EMPLOYEES WHO CURRENTLY SERVE IN THE NATIONAL GUARD OR RESERVES**. BNSF annually hosts a series of passenger train events in different locations on its network to pay tribute to our employees who have or are serving in the military and contributes to several not-for-profit organizations that benefit military families.



Diversity

BNSF was named a “2010 Best Diversity Company” by the readers of *Diversity/Careers in Engineering & Information Technology*. BNSF has received this honor four years in a row. Our current, salaried workforce is composed of about **19 PERCENT MINORITIES** and about **19 PERCENT WOMEN**. Our commitment to diversity extends to higher education for minorities through donations to colleges, universities and other organizations, including donating to the American Indian Science and Engineering Society, the Hispanic College Fund and the United Negro College Fund.

People join BNSF for its excellent compensation and benefits structure and stay because they are family. BNSF operates like a family...in it for the long haul. The average tenure for BNSF employees is more than 15 years.

We are proud of the work we do to support a critical industry. We know our industry provides a valuable service, powering the nation’s supply chain, efficiently and economically. It is something for which we are all immensely proud of.

Enhancing Quality of Life

We are committed to consistently enhancing the quality of life in communities where we work and live. Key to improving quality of life in the communities we serve is decreasing congestion on roadways. **A SINGLE BNSF TRAIN CAN TAKE MORE THAN 280 LONG-HAUL TRUCKS OFF OUR NATION'S HIGHWAYS.**

Working with passenger rail agencies to improve commuter train service within existing freight railroad right of way is another opportunity to improve lives in communities we serve, contributing to less congested roadways and fewer carbon emissions. BNSF is working closely with passenger rail authorities to improve passenger train performance and to expand passenger rail capacity without compromising freight service.

Most recently, Amtrak, BNSF Railway and the Washington State Department of Transportation signed an agreement to expand commuter rail service in the Pacific Northwest. The goals of the project will be to improve commuter travel time and increase on time reliability and passenger safety, while taking cars off the road to reduce fuel consumption and carbon emissions.





2011 Financial Highlights

(in Millions)

	2011	2011/2010 % Change
Operating Revenues	\$19,548	16%
Operating Expenses	\$14,238	15%
Operating Income	\$5,310	18%
Net Income	\$2,972	21%

More detailed financial information can be found at BNSF.com.

Source: Amounts derived from the GAAP results in the Burlington Northern Santa Fe, LLC 10-K for the period ended Dec. 31, 2011.

Note: 2010 amounts are derived by combining Predecessor and Successor periods.



Details by Business Groups

Revenues (in Millions)

Business Unit	2011	2010	Y/Y % Change
Consumer Products	\$6,005	\$5,031	19%
Coal	\$5,066	\$4,348	17%
Industrial Products	\$4,104	\$3,460	19%
Agricultural Products	\$3,769	\$3,493	8%
Total Freight Revenues	\$18,944	\$16,332	16%
Other Revenues	\$604	\$518	17%
Total Operating Revenues	\$19,548	\$16,850	16%

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BNSF

WARNING
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TO ANY PART OF CAR BODY
EXCEPT BRAKING BRACKETS
USE ON LOWER CAR ONLY

WARNING
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CLASS C

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