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January 31, 2008

RE: 2007 System Profit Sharing

To all employees eligible for profit sharing payments:

Thank you for your hard work this past year. Your dedication and focus helped Team BNSF overcome many challenges in 2007. Unfortunately, I am disappointed to report that our profit sharing award for 2007 is lower than the maximum we've seen the last three years. For 2007, your profit sharing payout will be 38 percent of your maximum profit sharing payout potential, based on Team BNSF's performance toward our mutual goals of safety, velocity, and earnings per share. To recognize your hard work in 2007, the 38 percent payout on profit sharing is actually higher than it would have been based simply on the numbers.

Several factors contributed to the reduced award this year, most importantly, beginning with our safety performance. Four of our colleagues were fatally injured in 2007, a sobering reminder that we have much more work to do in safety. We also fell significantly short of our safety goals in 2007. For 2008, we will continue our company-wide safety initiatives, but ultimately each of us must take ownership of our vision to achieve an accident- and injury-free workplace.

We also fell short of our goals for earnings per share. Improved pricing helped us offset a decrease in unit volumes, and we reported revenue records in some areas of our business. However, we were short of our plan. Despite strong grain volumes, we were affected by the soft economy and saw reduced demand for consumer goods and building products. The year brought other challenges that increased our costs, including soaring fuel prices and record flooding on parts of our network. The bottom line is that, due to a variety of factors, we fell short of our goals for earnings per share.

Our strongest performance for 2007 came in velocity. Thanks to much hard work and focus, we improved our performance on all six of our velocity measures compared with 2006 and achieved several of our velocity goals. Most of the profit sharing results we saw for 2007 came from our velocity improvements, and we should all be proud of this achievement.

For 2008, we are conservative in our expectations of the economy, but we are optimistic about the long term. We have set reasonable goals for volume growth and earnings per share, and we will continue to invest significant amounts in maintaining and expanding our network. Over the long term, we believe the demand for rail will grow significantly, and we are positioning ourselves to take advantage of that growth.

We can all have an impact in 2008 and can help achieve a successful year and a strong profit sharing contribution in several ways. First, as always, we must improve our safety performance. Second, we must be guided by our corporate vision of providing service that meets customer expectations. The best way to attract more business is to provide quality service. Finally, we can improve our service and efficiency by advancing our velocity and fuel savings initiatives and by meeting our plans for service excellence.

You can find more information about our 2007 profit sharing goals and performance on the Labor Relations Web site at [employee.bnsf.com](http://employee.bnsf.com) – My BNSF – Labor Relations. Thank you for your vital contribution to the success of BNSF. You truly make a difference, and working together we can achieve even better results in 2008.

Sincerely,

A handwritten signature in cursive script, appearing to read "Carl".

Carl R. Ice