**BNSF Acquisition by Berkshire Hathaway**

Implied Equity Risk Premium 4.36%

Yield on the 10-Year US Treasury on December 31st, 2009 3.26%

BNSF Beta 1.25

1. Year Annual Average Expected Cash Flow Rate 14.4%

Expected Constant Growth Rate after 2014 4.25%

Yield-to-Maturity on BNSF Long-Term Debt 6.2%

Total Interest-Bearing Debt $10 Billion

Market Capitalization $26.9 Billion

BNSF Estimated Effective Tax Rate 35%

BRK took on an additional $8 billion in debt to pay for the BNSF purchase.

Weight of Equity for BNSF Acquisition .76

Weight of Debt for BNSF Acquisition .24

Yield-to-Maturity on BRK Long-term Debt 5.75%

BRK Estimated Effective Tax Rate 30%

BNSF did not have a material amount of non-operating assets.

BRK inherited BNSF’s debt when it was purchased.