

**Northern Border Partners, L.P.**

**Financial Highlights**

(Unaudited: In Millions)

	<b>Second Quarter</b>		<b>Year-to-Date</b>	
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
Operating Revenue	\$125.5	\$82.5	\$213.4	\$164.1
Recurring Net Income	\$22.9	\$18.0	\$43.2	\$36.0
Per Unit Recurring Net Income	\$0.54	\$0.60	\$1.15	\$1.19
Cash Flows From Operating Activities	\$59.2	\$57.4	\$98.4	\$94.8
EBITDA*	\$77.2	\$61.6	\$144.8	\$122.7

**Consolidated Statement of Income**

(Unaudited: In Millions Except Net Income Per Unit)

	<b>Second Quarter</b>		<b>Year-to-Date</b>	
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
Operating Revenue	<u>\$125.5</u>	<u>\$82.5</u>	<u>\$213.4</u>	<u>\$164.1</u>
Operating Expenses				
Product Purchases	17.5	0.0	17.5	0.0
Operations and Maintenance	24.7	14.7	40.7	27.6
Depreciation and Amortization	20.2	15.3	35.9	30.9
Taxes Other Than Income	7.5	7.8	11.6	15.7
Total Operating Expenses	<u>69.9</u>	<u>37.8</u>	<u>105.7</u>	<u>74.2</u>
Operating Income	55.6	44.7	107.7	89.9
Interest Expense, Net	(25.8)	(19.3)	(47.5)	(38.0)
Other Income (Expense)	(0.6)	1.7	(2.1)	2.2
Equity Earnings (Losses) from Investments	0.8	(0.3)	0.6	(0.7)
Minority Interest	<u>(9.5)</u>	<u>(8.8)</u>	<u>(20.3)</u>	<u>(17.4)</u>
Net Income	<u>\$20.5</u>	<u>\$18.0</u>	<u>\$38.4</u>	<u>\$36.0</u>
Non-Recurring Items	<u>(2.4)</u>	<u>0.0</u>	<u>(4.8)</u>	<u>0.0</u>
Recurring Net Income	<u><u>\$22.9</u></u>	<u><u>\$18.0</u></u>	<u><u>\$43.2</u></u>	<u><u>\$36.0</u></u>
EBITDA*	<u><u>\$77.2</u></u>	<u><u>\$61.6</u></u>	<u><u>\$144.8</u></u>	<u><u>\$122.7</u></u>
Per Unit Net Income	<u><u>\$0.48</u></u>	<u><u>\$0.60</u></u>	<u><u>\$1.02</u></u>	<u><u>\$1.19</u></u>
Per Unit Recurring Net Income	<u><u>\$0.54</u></u>	<u><u>\$0.60</u></u>	<u><u>\$1.15</u></u>	<u><u>\$1.19</u></u>
Average Units Outstanding	<u><u>39.3</u></u>	<u><u>29.3</u></u>	<u><u>35.5</u></u>	<u><u>29.3</u></u>
Capital Expenditures and Equity Investments				
Maintenance -				
Pipeline	\$2.3	\$1.1	\$2.8	\$1.1
Gas Gathering and Processing	0.1	0.0	0.1	0.0
Coal Slurry	0.1	0.3	0.1	0.3
Growth -				
Pipeline	103.6	1.3	106.3	1.6
Gas Gathering and Processing	57.9	21.2	463.4	23.3
Coal Slurry	0.0	0.0	0.0	0.0

\*Represents net income plus minority interest, interest expense, net and depreciation and amortization less equity AFUDC.

**Operating Highlights**

(Unaudited)

<b>Pipeline Segment</b>	<b>Second Quarter</b>		<b>Year-to-Date</b>	
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
Operating Results:				
Gas Delivered (MMcf)	219,616	210,719	433,929	423,366
Average Throughput (MMcf/d)	2,567	2,385	2,656	2,398
Financial Results (In Millions):				
Operating Revenue	<u>\$79.1</u>	<u>\$77.3</u>	<u>\$156.1</u>	<u>\$153.6</u>
Operating Expenses				
Operations and Maintenance	9.5	10.9	18.0	19.9
Depreciation and Amortization	15.0	14.5	29.4	29.4
Taxes Other Than Income	<u>7.1</u>	<u>7.6</u>	<u>10.8</u>	<u>15.4</u>
Total Operating Expenses	<u>31.6</u>	<u>33.0</u>	<u>58.2</u>	<u>64.7</u>
Operating Income	47.5	44.3	97.9	88.9
Interest Expense, Net	(13.7)	(16.4)	(28.8)	(32.7)
Other Income (Expense)	<u>(1.2)</u>	<u>1.5</u>	<u>(0.6)</u>	<u>1.9</u>
Net Income	32.6	29.4	68.5	58.1
Net income to Minority Interest	<u>(9.5)</u>	<u>(8.8)</u>	<u>(20.3)</u>	<u>(17.4)</u>
Net Income to Northern Border Partners	<u>\$23.1</u>	<u>\$20.6</u>	<u>\$48.2</u>	<u>\$40.7</u>
EBITDA*	<u>\$60.9</u>	<u>\$60.3</u>	<u>\$126.1</u>	<u>\$120.1</u>
Distributions paid to Northern Border Partners	\$26.9	\$23.4	\$48.9	\$45.0
Distributions paid to Minority Interest	<u>\$11.6</u>	<u>\$10.0</u>	<u>\$21.0</u>	<u>\$19.3</u>
Total Distributions	<u>\$38.5</u>	<u>\$33.4</u>	<u>\$69.9</u>	<u>\$64.3</u>

Note: Beginning in May 2001, the Pipeline segment information includes the operating results for Midwestern Gas Transmission.

\*Represents net income plus minority interest, interest expense, net and depreciation and amortization less equity AFUDC.

**Operating Highlights**

(Unaudited)

	<b>Second Quarter</b>		<b>Year-to-Date</b>	
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
<b>Gas Gathering and Processing Segment</b>				
<b>Operating Results:</b>				
<b>Volumes (MMcf/d):</b>				
Gathering	756	0	1,253	0
Processing	113	0	113	0
<b>Financial Results (In Millions):</b>				
Operating Revenue	<u>\$40.8</u>	<u>\$0.0</u>	<u>\$46.3</u>	<u>\$0.0</u>
Operating Expenses				
Product Purchases	17.5	0.0	17.5	0.0
Operations and Maintenance	10.4	0.0	14.5	0.0
Depreciation and Amortization	4.5	0.0	5.0	0.0
Taxes Other Than Income	0.3	0.0	0.5	0.0
Total Operating Expenses	<u>15.2</u>	<u>0.0</u>	<u>20.0</u>	<u>0.0</u>
Operating Income	25.6	0.0	26.3	0.0
Interest Expense, Net	(0.2)	0.0	(0.2)	0.0
Other Income	0.5	0.0	0.5	0.0
Equity Earnings (Losses) from Investments	<u>0.8</u>	<u>(0.3)</u>	<u>0.6</u>	<u>(0.7)</u>
Net Income	<u><u>\$26.7</u></u>	<u><u>(\$0.3)</u></u>	<u><u>\$27.2</u></u>	<u><u>(\$0.7)</u></u>
EBITDA*	<u><u>\$15.4</u></u>	<u><u>(\$0.1)</u></u>	<u><u>\$18.0</u></u>	<u><u>(\$0.3)</u></u>
Distributions Received from Investments	<u><u>\$1.1</u></u>	<u><u>\$0.0</u></u>	<u><u>\$2.1</u></u>	<u><u>\$0.0</u></u>

Note: There are no operating results reported in first two quarters of 2000 for Gas Gathering and Processing since a majority of the initial acquisitions were made in September 2000.

\*Represents net income plus interest expense, net and depreciation and amortization.

**Operating Highlights**

(Unaudited)

	<b>Second Quarter</b>		<b>Year-to-Date</b>	
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
<b>Coal Slurry Segment</b>				
Operating Results:				
Tons of Coal Shipped (In Thousands)	928	1,012	2,294	2,285
Financial Results (In Millions):				
Operating Revenue	<u>\$5.6</u>	<u>\$5.2</u>	<u>\$11.0</u>	<u>\$10.5</u>
Operating Expenses				
Operations and Maintenance	3.7	3.2	6.8	6.7
Depreciation and Amortization	0.7	0.8	1.5	1.5
Taxes Other Than Income	0.2	0.2	0.3	0.3
Total Operating Expenses	<u>4.6</u>	<u>4.2</u>	<u>8.6</u>	<u>8.5</u>
Operating Income	1.0	1.0	2.4	2.0
Interest Expense, Net	(0.4)	(0.4)	(0.7)	(0.9)
Other Expense	<u>0.0</u>	<u>0.0</u>	<u>(0.1)</u>	<u>0.0</u>
Net Income	<u><u>\$0.6</u></u>	<u><u>\$0.6</u></u>	<u><u>\$1.6</u></u>	<u><u>\$1.1</u></u>
EBITDA*	<u><u>\$1.8</u></u>	<u><u>\$1.9</u></u>	<u><u>\$4.1</u></u>	<u><u>\$3.6</u></u>

\*Represents net income plus interest expense, net and depreciation and amortization.