



May 17, 2016

Bank of America Merrill Lynch 2016 Transportation Conference

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CFO

Cautionary Information



This presentation and related materials contain statements about the Company's future that are not statements of historical fact, including specifically the statements regarding the Company's expectations with respect to economic conditions and demand levels; its ability to generate financial returns, improve network performance, productivity and cost efficiency; capital spending plans; new business development opportunities; and providing returns to its shareholders. These statements are, or will be, forward-looking statements as defined by the Securities Act of 1933 and the Securities Exchange Act of 1934. Forward-looking statements also generally include, without limitation, information or statements regarding: projections, predictions, expectations, estimates or forecasts as to the Company's and its subsidiaries' business, financial, and operational results, and future economic performance; and management's beliefs, expectations, goals, and objectives and other similar expressions concerning matters that are not historical facts.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times that, or by which, such performance or results will be achieved. Forward-looking information, including expectations regarding operational and financial improvements and the Company's future performance or results are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statement. Important factors, including risk factors, could affect the Company's and its subsidiaries' future results and could cause those results or other outcomes to differ materially from those expressed or implied in the forward-looking statements. Information regarding risk factors and other cautionary information are available in the Company's Annual Report on Form 10-K for 2015, which was filed with the SEC on February 5, 2016. The Company updates information regarding risk factors if circumstances require such updates in its periodic reports on Form 10-Q and its subsequent Annual Reports on Form 10-K (or such other reports that may be filed with the SEC).

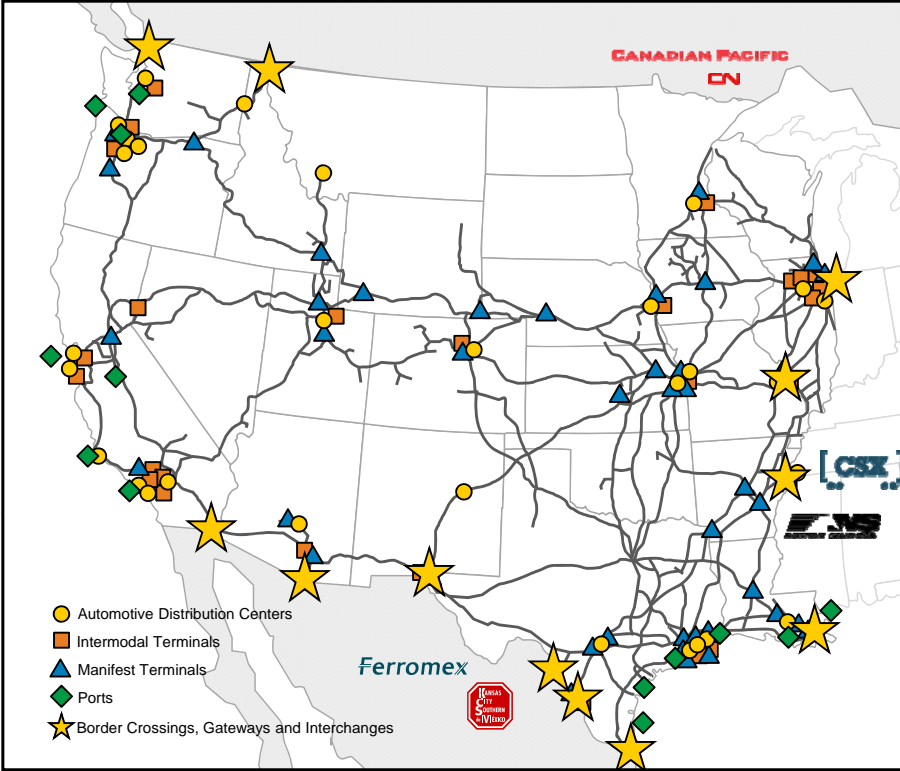
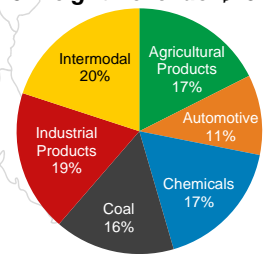
Forward-looking statements speak only as of, and are based only upon information available on, the date the statements were made. The Company assumes no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect thereto or with respect to other forward-looking statements. References to our website are provided for convenience and, therefore, information on or available through the website is not, and should not be deemed to be, incorporated by reference herein.



The Strength of a Unique Franchise

- Excellent Network
- Strategic Terminal Locations
- Broad Port Access
- Border and Interchange Coverage

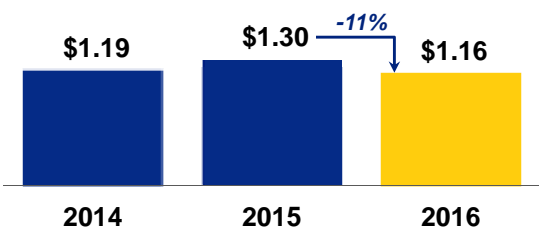
Business Mix 2015 Freight Revenue: \$20.4B



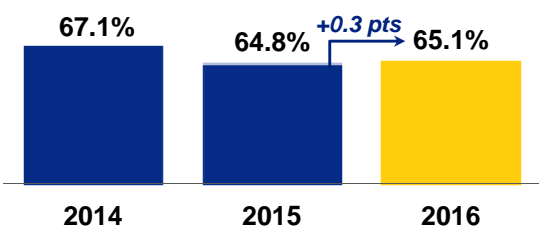
First Quarter 2016 Results



Earnings Per Share First Quarter



Operating Ratio First Quarter

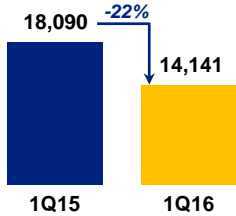


- Softness in Demand
- Business Mix Shifts
- Solid Core Pricing
- Resource Agility
- Lower Fuel Prices

Resources & Network Performance

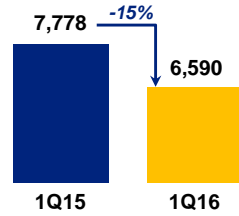


Total TE&Y*



*Full-time equivalent

Active Locomotive Fleet

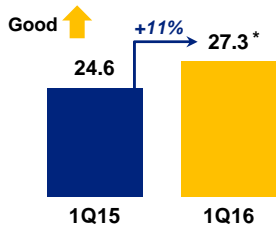


**As of May 13, 2016

- ~4,200 TE&Y Employees in Furlough / AWTS**
- ~1,800 Locomotives in Storage**

UP Velocity

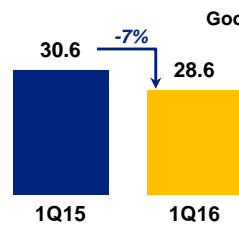
(As reported to AAR, in mph)



*First Quarter record

UP Terminal Dwell

(As reported to AAR, in hours)



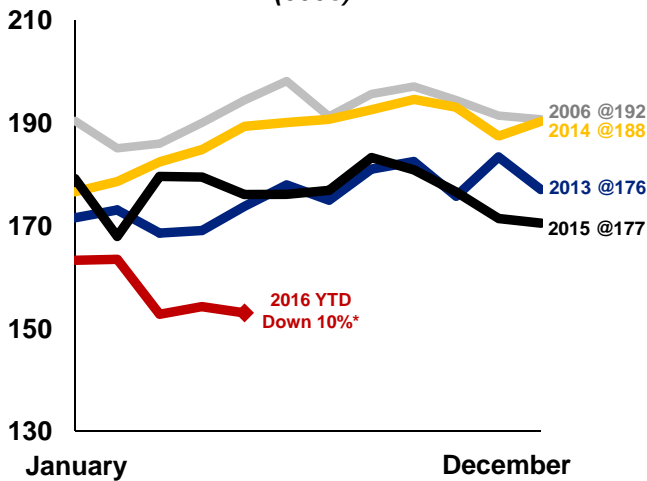
- Record Velocity at 1Q Volume Levels
- Focus on Further Improvement

2016 Volumes



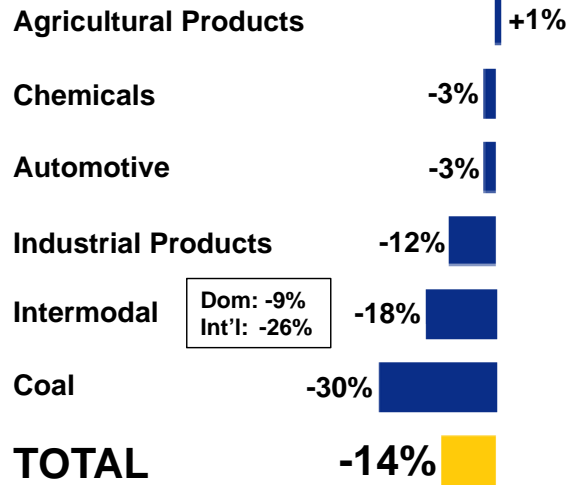
7-Day Monthly Carloadings

(000s)



2016 2QTD Volumes*

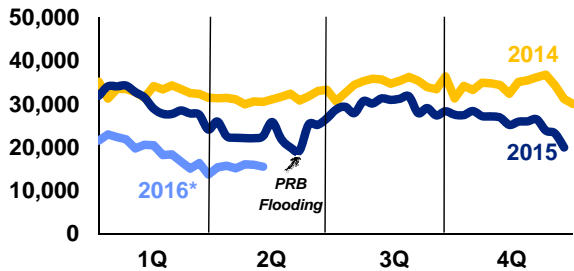
(vs 2015)



*Through May 12, 2016

Coal Trends

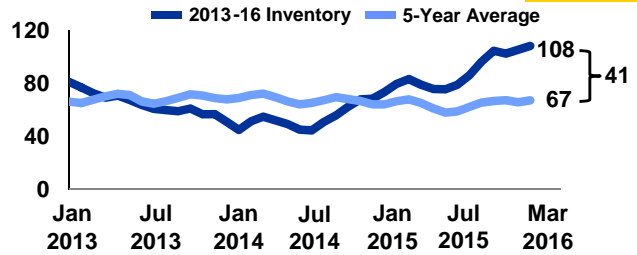
**Volume Impact
(Weekly Carloadings)**



- Warmest Winter on Record
- Natural Gas Prices
- Coal Inventory Levels

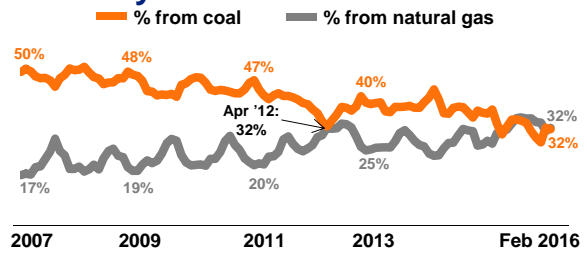
*Through May 14, 2016

Powder River Basin Coal Stockpiles* (Days of Burn)



*Energy Ventures Analysis

Electricity Generation Market Share**

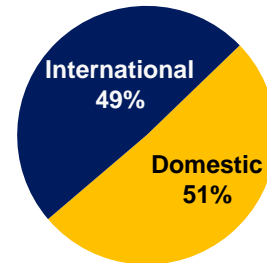


**U.S. Energy Information Administration (EIA)

Intermodal

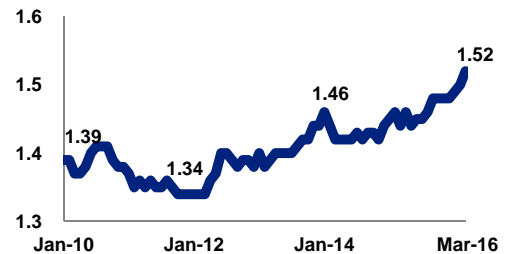


2015 Volume Mix



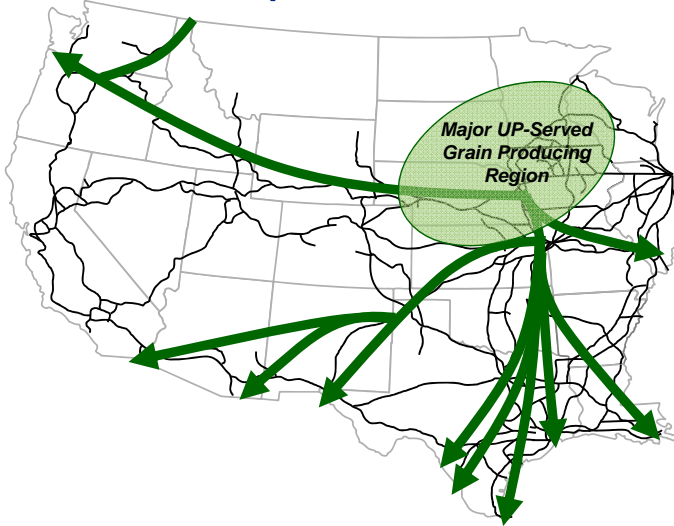
Retail Inventory-to-Sales Ratio

Source: U.S. Bureau of Economic Analysis



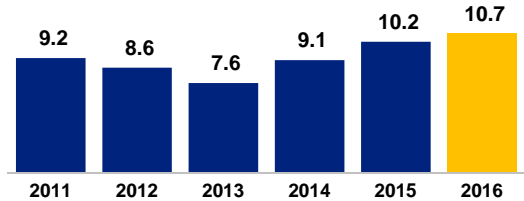
Grain Volumes

Export Grain Flows



U.S. Grain Stocks*

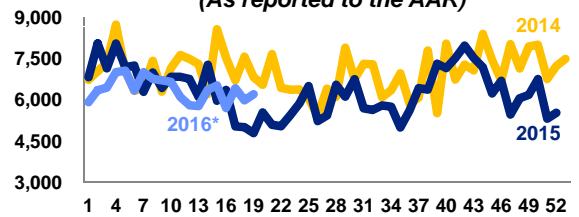
Total Corn, Soybeans, & Wheat in Storage
(Bushels in Billions)



*Source: USDA; As of March 1st

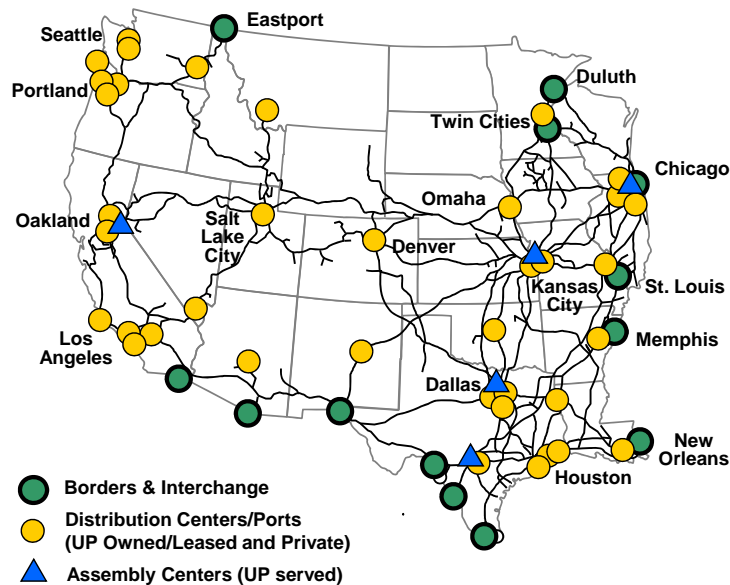
UNP Weekly Grain Carloads

(As reported to the AAR)

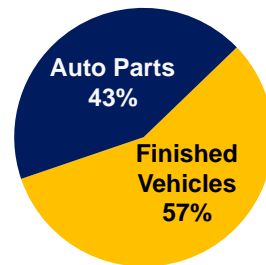


*Through May 14, 2016

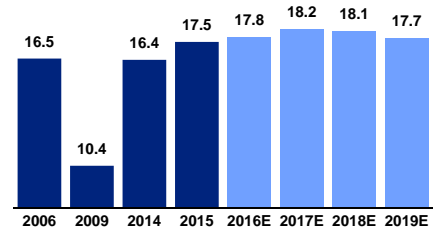
U.S. Vehicle Sales and Drivers



2015 Volume Mix



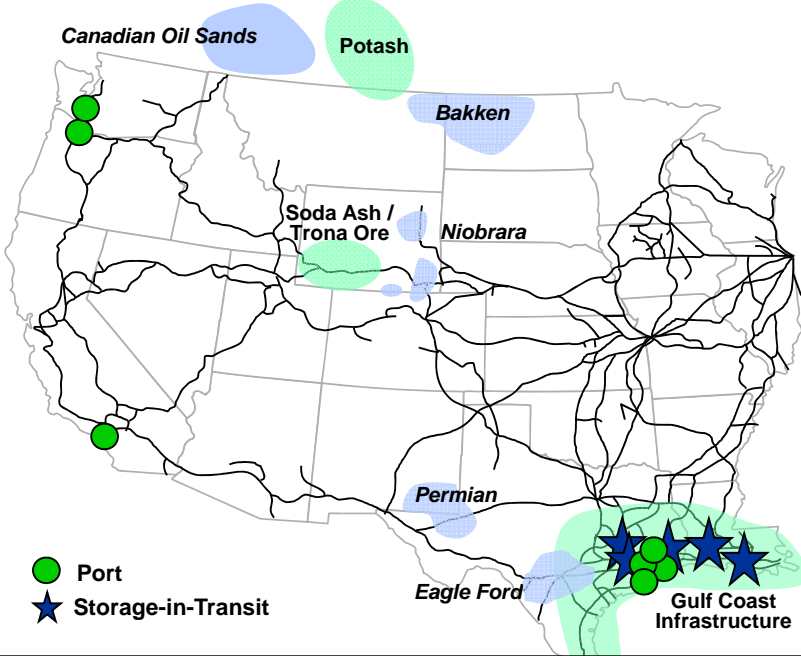
U.S. Light Vehicle SAAR*



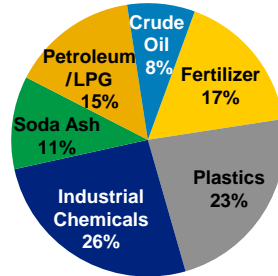
*Source: May 2016 IHS Global Insight forecast

Chemicals

2015 Revenue: \$3.5 Billion

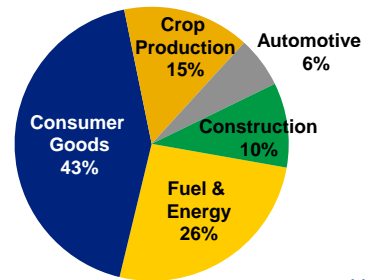


2015 Volume Mix



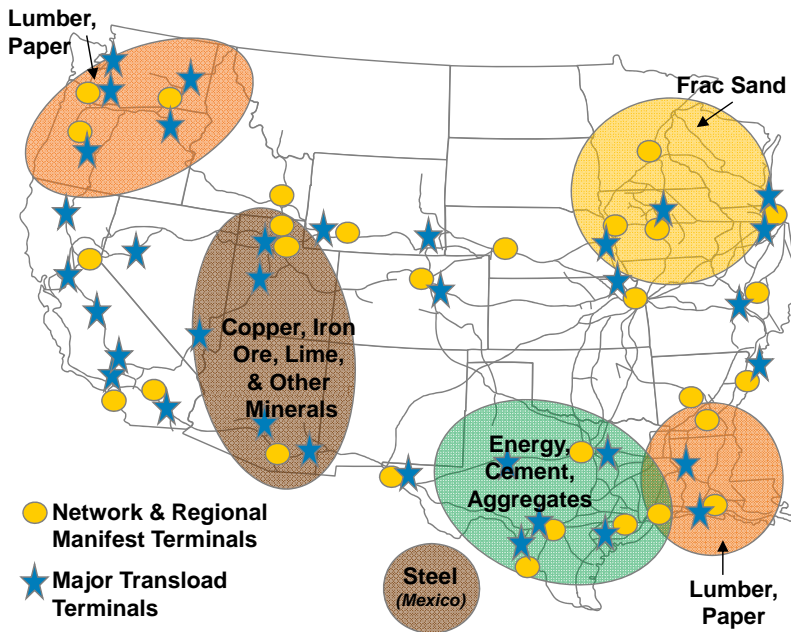
Key End-Use Markets

(% of 2015 Volume)

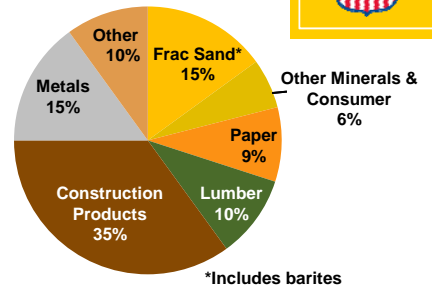


Industrial Products

2015 Revenue: \$3.8 Billion

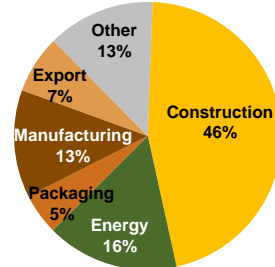


2015 Volume Mix



Key End-Use Markets

(% of 2015 Volumes)

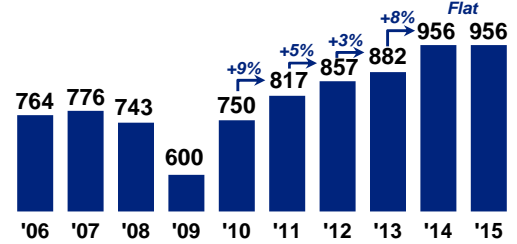


UP Positioned for Mexico Growth

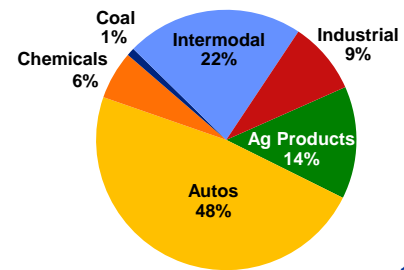
Strong Investments – Foreign & Domestic



Volume Growth (Carloads in Thousands)



2015 Volume Mix (In Carloads)



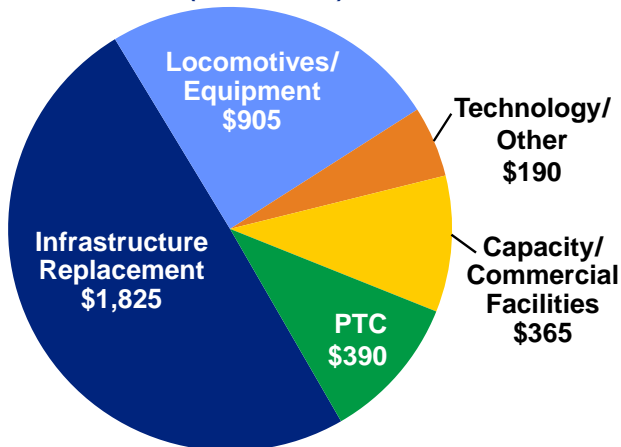
Strengthening the Franchise

Replacement, Growth & Productivity, and PTC



2016 Capital Plan: \$3.675 Billion*

(\$ in Millions)



*Includes cash capital, leases and other non-cash capital.

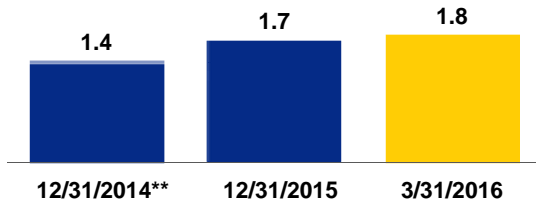
- Safe & Resilient Infrastructure
- Capacity Investments
 - Southern Region
 - Network Strategies
- Equipment Acquisitions
 - 230 New Locomotives
 - 450 Freight Cars
- Positive Train Control

Leverage & Shareholder Returns

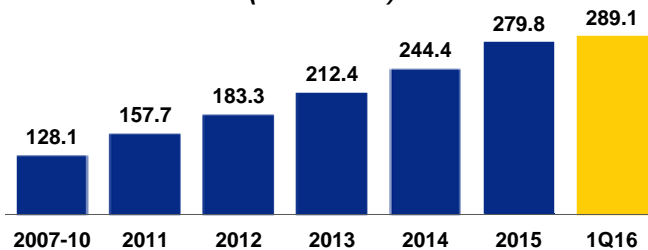
(\$ In Millions)



Adjusted Debt / Adjusted EBITDA*



Cumulative Share Repurchases (In Millions)



- Strong Balance Sheet
- Investment Grade Credit Rating
- 2016 YTD Debt Issuance: ~\$1.5 Billion
- Repurchased 27% of Shares since 2007

* See Union Pacific website under Investors for a reconciliation to GAAP.

** Prior periods have been adjusted for the retrospective adoption of Accounting Standard Update 2015-03.

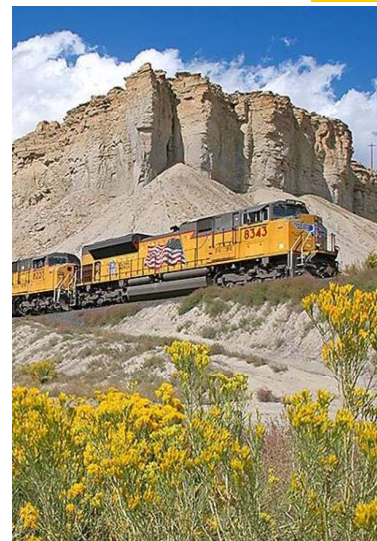
15

Aspiring to New Levels: “G55 + 0”

Kicked off Fall 2015



- 15 Focused Teams
 - Turbocharge Productivity – All Areas
 - New Capital Efficiency Approaches
 - Improve the Customer Experience
 - New Business Development
 - Continue Pricing to Service & Value
- \$ Billions of Ideas – Launch in 2016



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Realizing Potential of the Franchise



Operating Ratio (Percent)

