



December 3, 2015

Credit Suisse 3rd Annual Industrials Conference 2015

Rob Knight
CFO

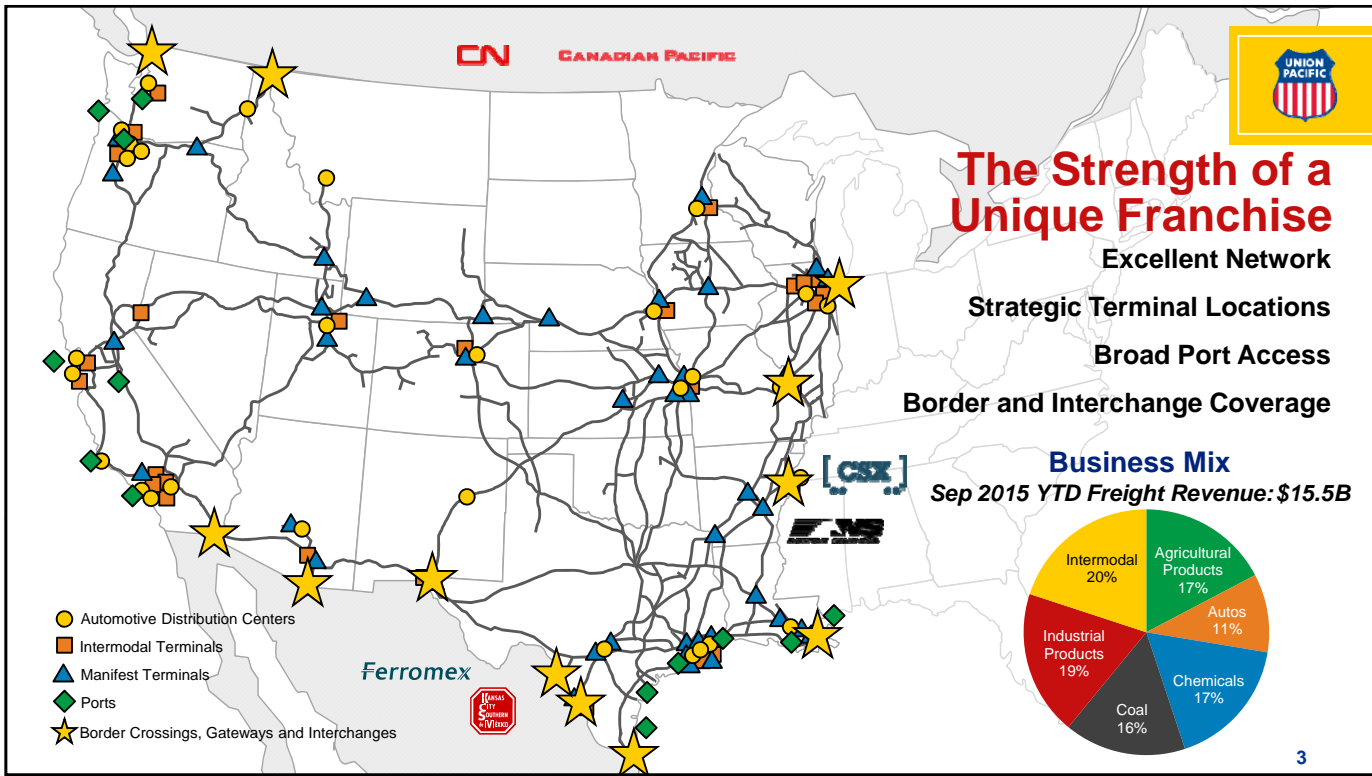
Cautionary Information



This presentation and related materials contain statements about the Corporation's future that are not statements of historical fact, including specifically the statements regarding the Corporation's expectations with respect to economic conditions, government regulation, and demand levels; and its ability to generate financial returns, improve network performance and cost efficiency, and provide 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 Corporation'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.

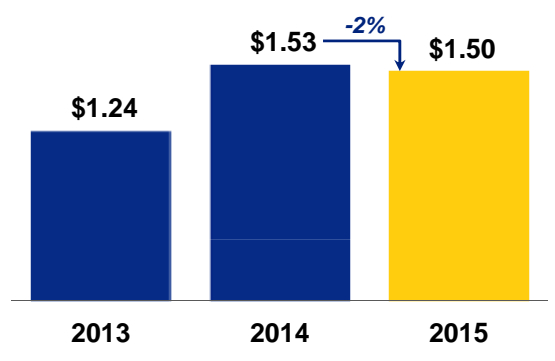
Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times that, or by which, such performance or results will be achieved. Forward-looking information, including expectations regarding operational and financial improvements and the Corporation'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 Corporation'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 Corporation's Annual Report on Form 10-K for 2014, which was filed with the SEC on February 6, 2015. The Corporation 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 Corporation 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 Corporation does update one or more forward-looking statements, no inference should be drawn that the Corporation 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.



Third Quarter 2015 Results

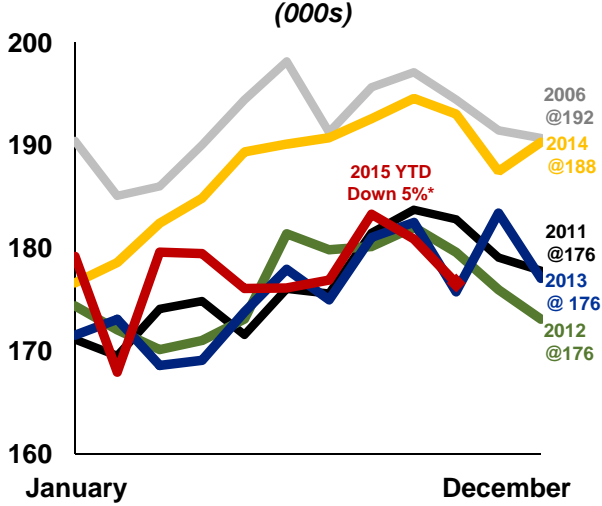
Earnings Per Share Third Quarter



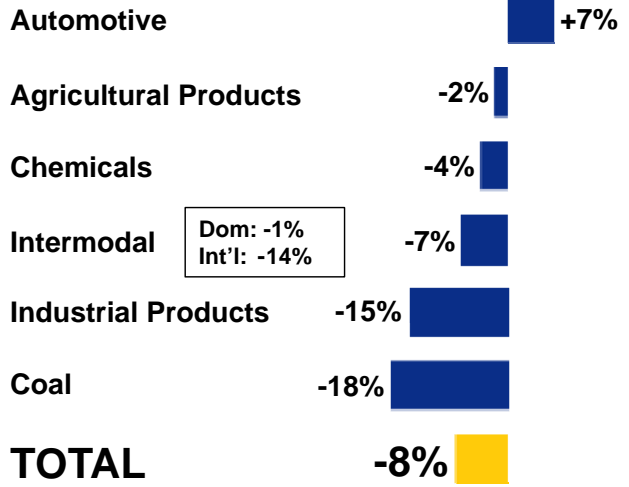
- Earnings Per Share Down 2%
- Softness in Demand
- Solid Core Pricing
- Record Operating Ratio

2015 Volumes

7-Day Monthly Carloadings



4QTD 2015 Volumes* (vs 2014)



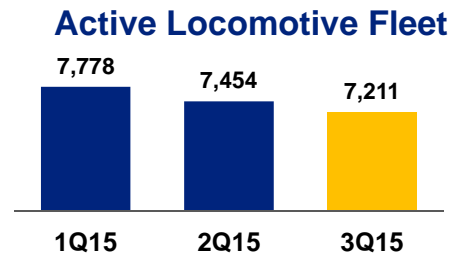
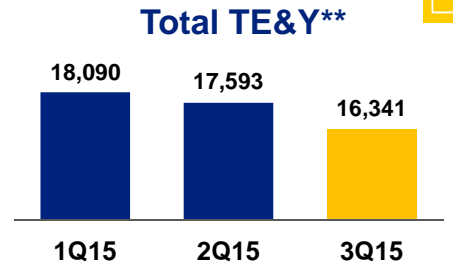
*Through November 18, 2015

Resourcing to Demand

Significant Progress in Aligning to Demand



- **TE&Y Workforce**
 - Furlough / AWTS: ~3,300*
- **Locomotives**
 - Storage: ~1,150*
- **Aligning Other Resources**



* As of November 20, 2015

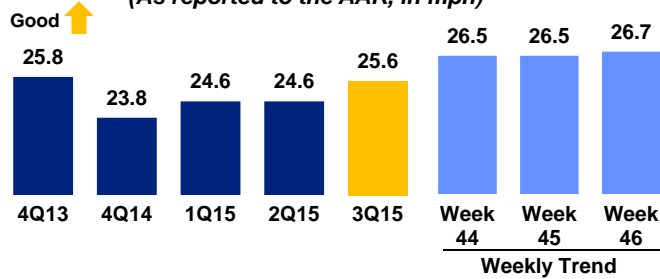
** Full-time Equivalent

Network Performance



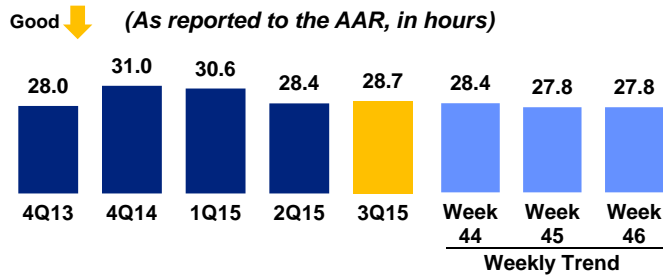
UP Velocity

(As reported to the AAR, in mph)



UP Terminal Dwell

(As reported to the AAR, in hours)

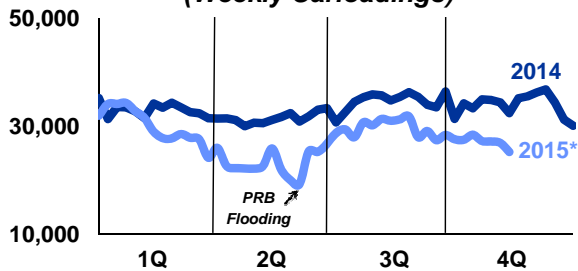


- Solid Improvement
- Dynamic Environment
- Leverage Franchise Strengths
- Focus on Further Improving Service & Costs

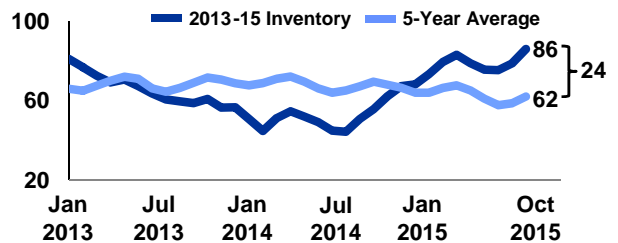
Coal Trends



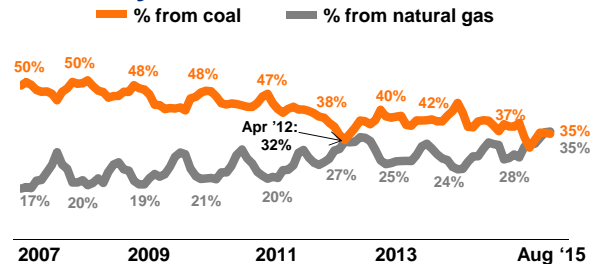
Volume Impact (Weekly Carloadings)



Powder River Basin Coal Stockpiles (Days of Burn)



Electricity Generation Market Share*



- Natural Gas Prices
- Coal Inventory Levels
- Exports

*Through November 21, 2015

*U.S. Energy Information Administration (EIA)

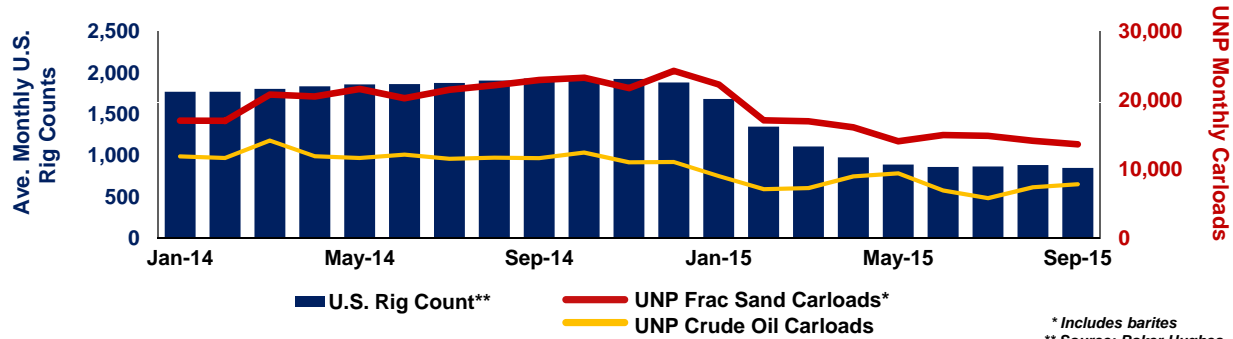
Shale-Related Volumes

3.3% of 2015 YTD Total Volume



YTD 2015 Through September	Volume (000s)	% Incr (vs 2014)	% of Total UP Volume
Frac Sand*	144	-22%	2.1%
Crude Oil	70	-36%	1.0%
Pipe	15	-40%	0.2%
Total Shale	229	-28%	3.3%

- **Frac Sand Drivers**
 - Lower Energy Prices / Lower Rig Counts
 - Enhanced Fracking Technology
- **Crude Oil By Rail Market Drivers**
 - Lower Crude Oil Prices
 - Unfavorable Price Spreads

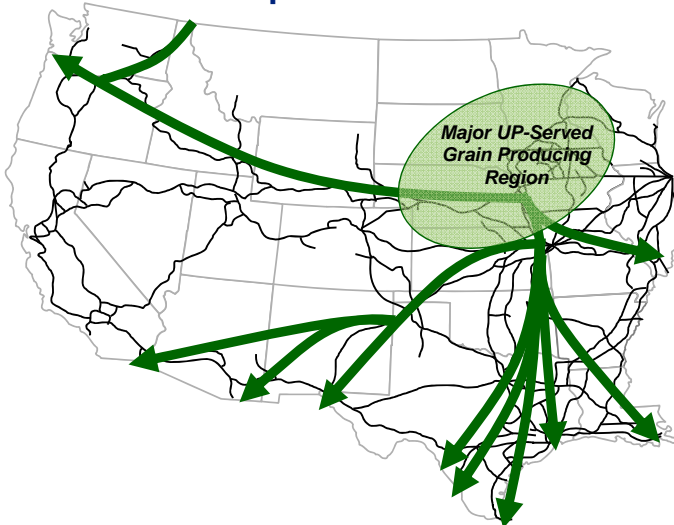


* Includes barites
** Source: Baker Hughes

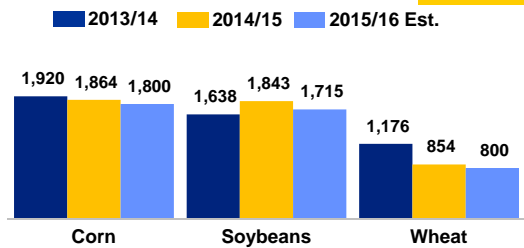
Grain Volumes



Export Grain Flows

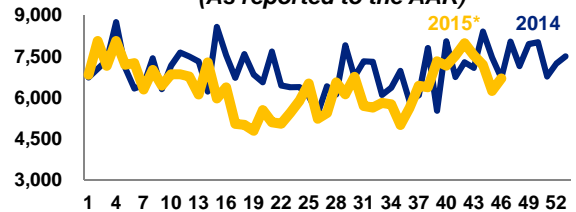


U.S. Grain Exports* (Bushels in Millions)



*Source: USDA November 2015

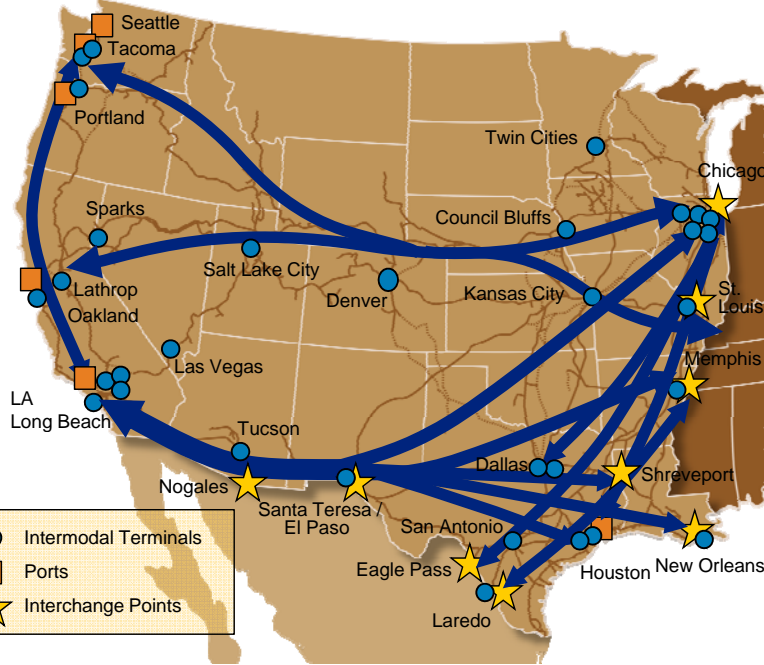
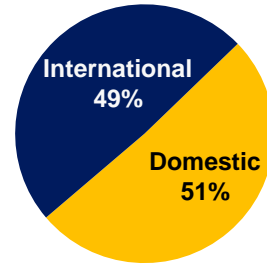
UNP Weekly Grain Carloads (As reported to the AAR)



*Through November 21, 2015

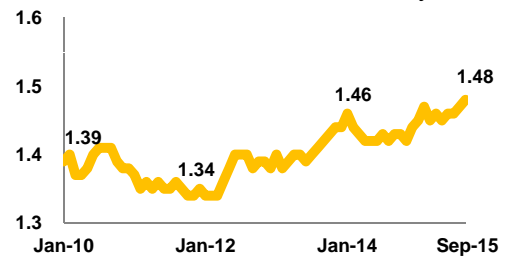
Intermodal

2015 Volume Mix
YTD Through September

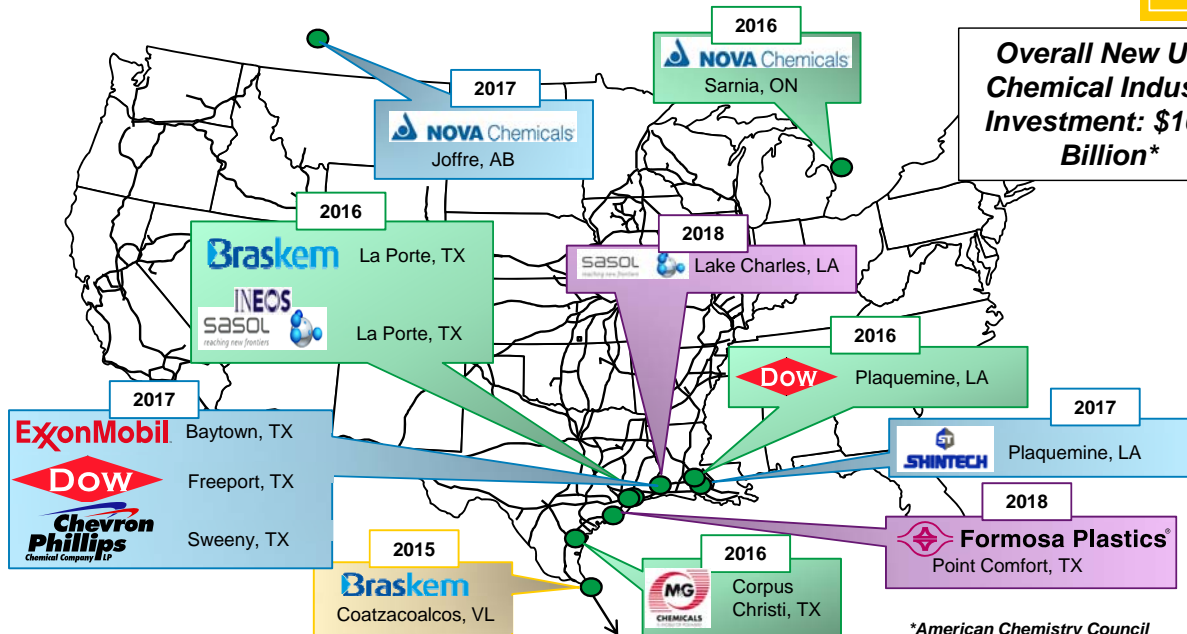


Retail Inventory-to-Sales Ratio

Source: U.S. Bureau of Economic Analysis

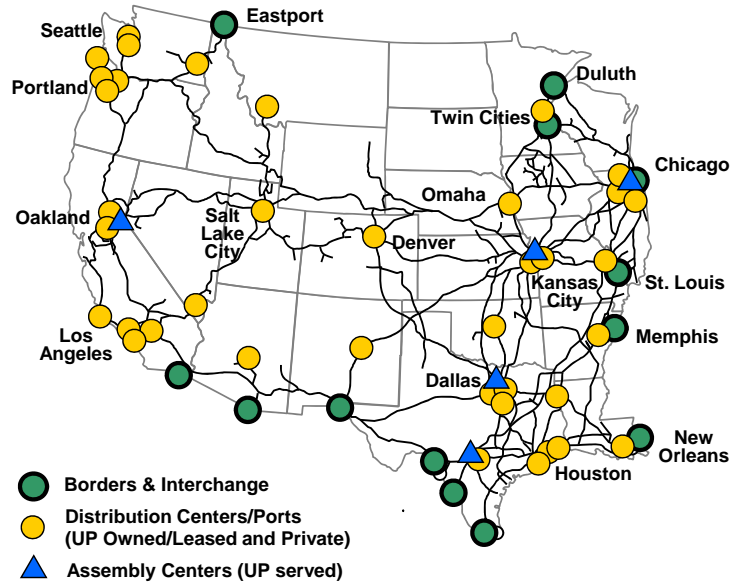


Anticipated North American Expansions Plastic Resins

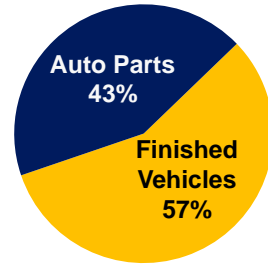


*American Chemistry Council

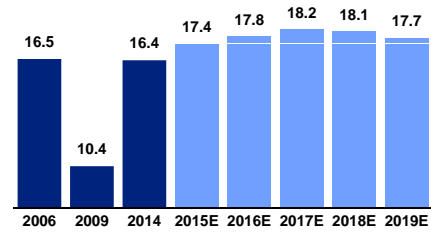
U.S. Vehicle Sales



2015 Volume Mix YTD Through September

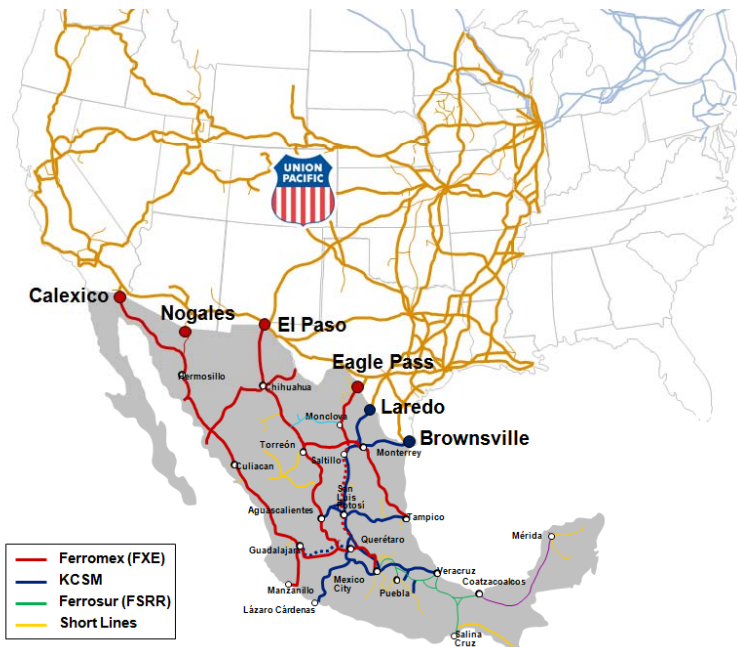


U.S. Light Vehicle SAAR*

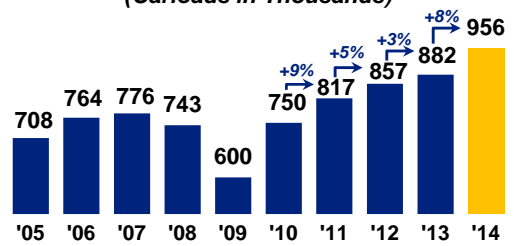


*Source: November 2015 IHS Global Insight forecast 13

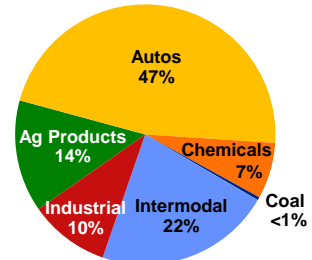
UP Positioned for Mexico Growth Strong Investments – Foreign & Domestic



Volume Growth (Carloads in Thousands)



2015 Volume Mix YTD Through September

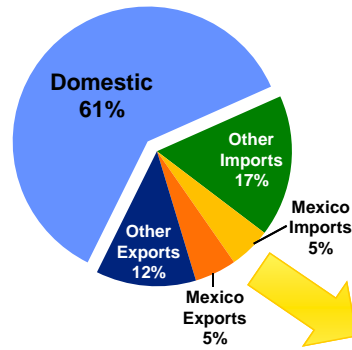


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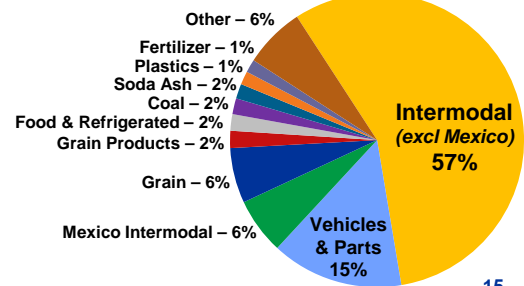
International Trade

- Diverse Franchise Creates Opportunity
- Off-shoring/Near-shoring of U.S. Manufacturing
- Demand for Grain and Food
- Low Natural Gas Prices Favor U.S. Plastics Production
- Impacts from a Strong U.S. Dollar
 - Negative: Steel, Grain, Coal
 - Positive: International Intermodal

2014 Freight Volumes



International Volumes (3.7M carloads)



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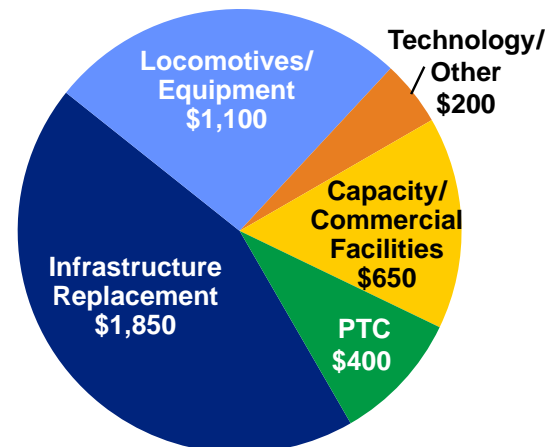


Strengthening the Franchise

Replacement, Growth & Productivity, and PTC

- Safe and Resilient Infrastructure
- Continued Capacity Spending
 - Southern Region
 - Network Strategies
- Equipment Acquisitions
 - 218 New Locomotives
 - 800 Freight Cars
 - More than 6,000 Containers & 6,500 Chassis

~\$4.2B 2015 Capital Plan* (\$ in Millions)

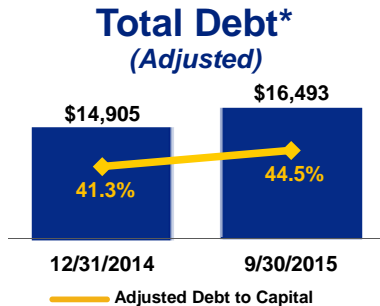


* Includes cash capital, leases and other non-cash capital.

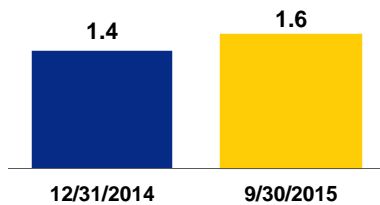
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Debt & Leverage (\$ In Millions)



Adjusted Debt / Adjusted EBITDA*



- Strong Balance Sheet
- Investment Grade Credit Rating
- \$3.35 Billion YTD Debt Issuance
 - Includes \$1.1 Billion Issued in October

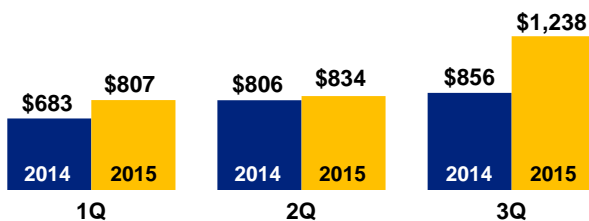
* See Union Pacific website under Investors for a reconciliation to GAAP.

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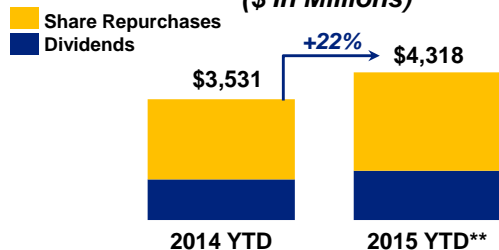
Driving Strong Shareholder Value



Quarterly Share Repurchases (\$ In Millions)



Dividends & Share Repurchases* (\$ In Millions)



* Through September ** Excludes 4Q14 dividend payment made Jan. 2, 2015

- Repurchase Activity
 - 13.8 Million Shares in 3Q
 - 28.7 Million Shares YTD
 - ~59 Million Shares Remain Under Current Authorization
- Cash Returned to Shareholders up 22%

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Closing Out 2015

Will Fall Short of Fourth Quarter & Full Year 2014 EPS Records



- Lower Year-over-Year Volumes
- Business Mix Challenges
- Focus on Core Pricing
- Continued Productivity & Cost Improvement



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Growing Shareholder Value



KEY DRIVERS	2015→2019
Moderate Economy Diverse Franchise Opportunities	★ Positive Volume Growth
Strong Value Proposition - Reinvestability	★ Real Core Price Gains
Volume + Pricing + Productivity	★ Operating Ratio 60% ^{+/-}
Replacement & Productivity Growth with High Returns	★ CapEx of ~16%-17% of Revenue
Increasing Cash Generation Low to Mid 40's Adj. Debt/Cap 1.5x "Plus" (<2x) Adj. Debt / Adj. EBITDA Strong Investment Grade	★ Dividend Payout Target of 35% ★ Opportunistic Share Repurchases

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