

J.P. Morgan Aviation, Transportation & Defense Conference

March 24, 2011



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Conference Agenda

- First Quarter Update
- Franchise Opportunities
 - Strength of diversity
 - Global energy demand
- Efficient Use of Critical Resources
- Driving Shareholder Value

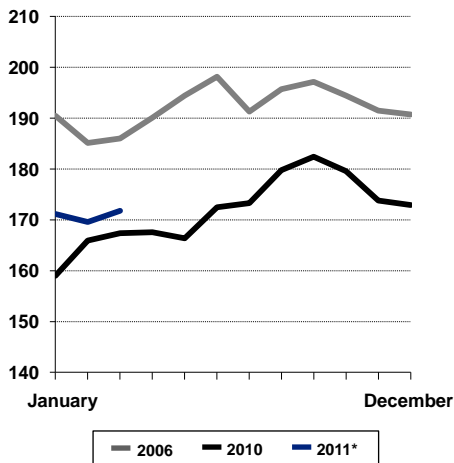


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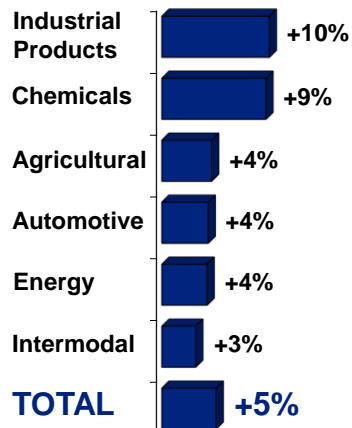


First Quarter Volume Trends

7-Day Carloading Trends
(000s)



First Quarter Volume*
(Revenue Carloads)

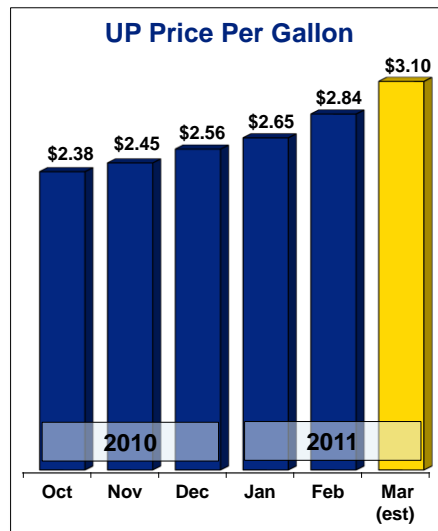
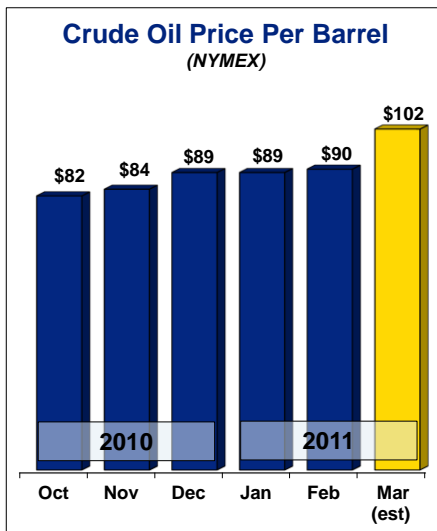


*As of 3/21/2011

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Rising Fuel Costs



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First Quarter Outlook

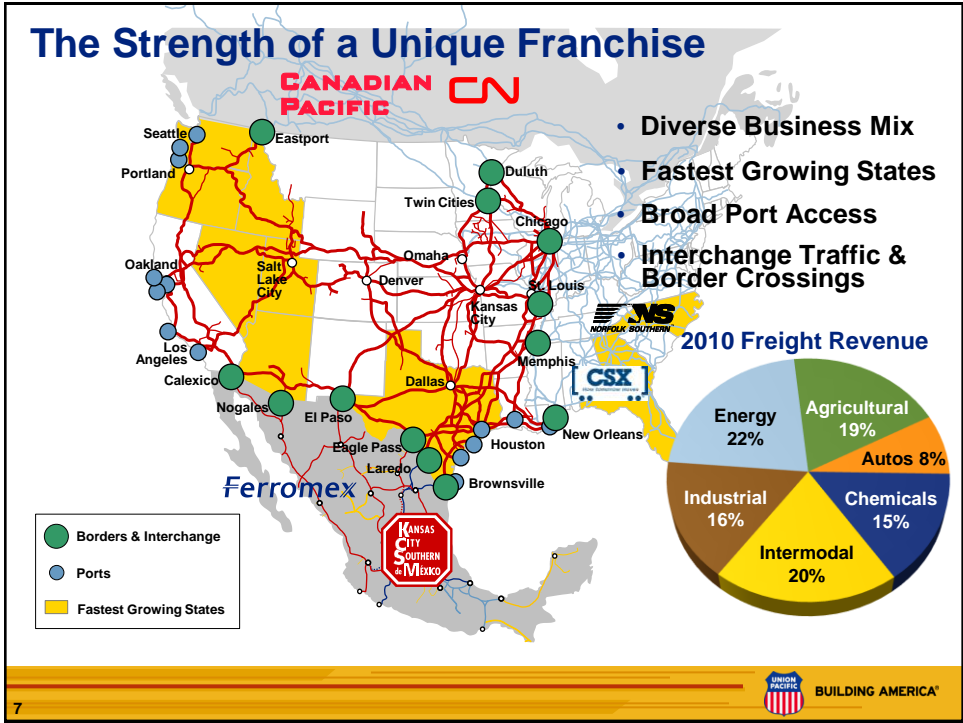
- **Solid Volume Growth**
 - Estimate weather reduced carloads by 1%
- **Negative Impact of Rising Fuel Costs**
- **Solid Operating Income Growth**



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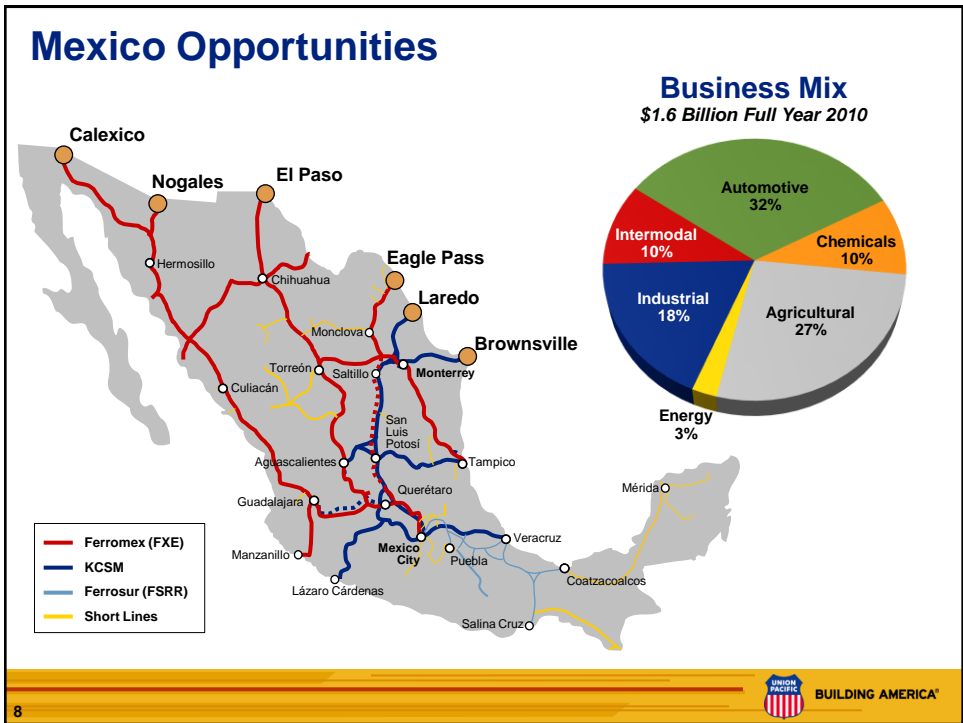
The Strength of a Unique Franchise



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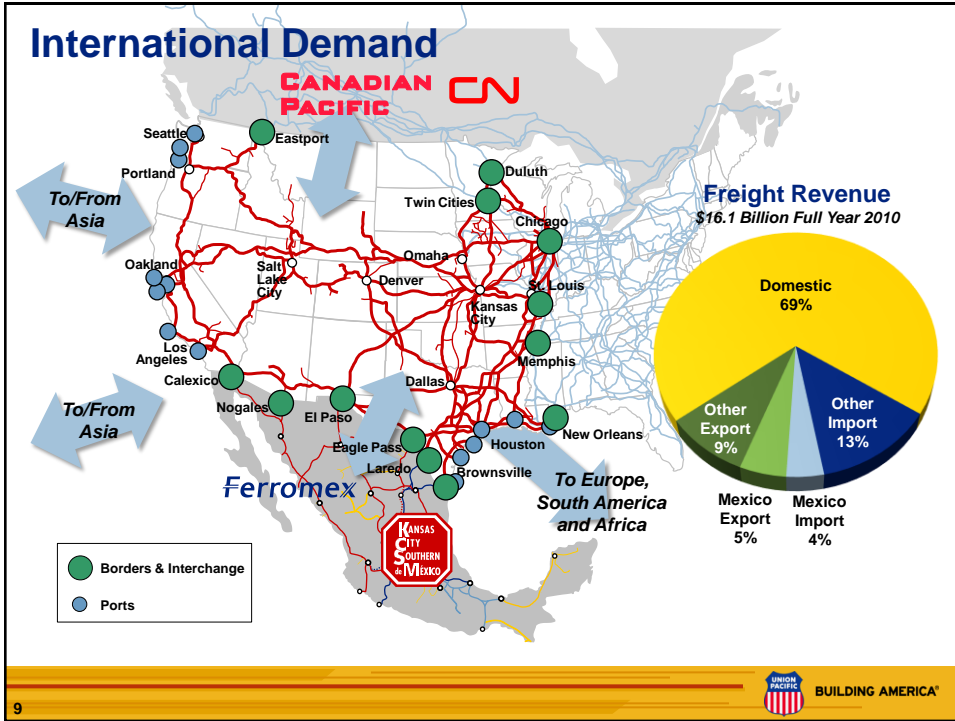


Mexico Opportunities



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Global Demand for Energy

Diverse Opportunities for UP

Energy Sources

- Coal
- Ethanol
- Petroleum/LPG
- Wind
- Oil Sands, Shale

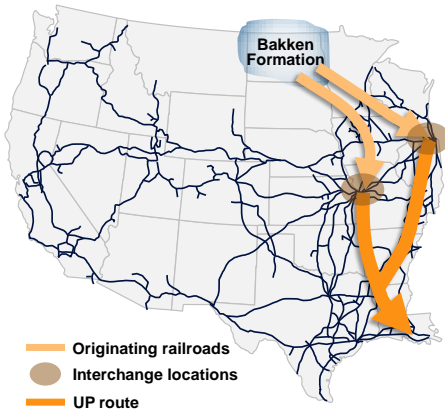
Related Markets

- Frac Sand
- Pipe
- Other Materials

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UP's Petroleum Pipeline Bakken Shale to Louisiana



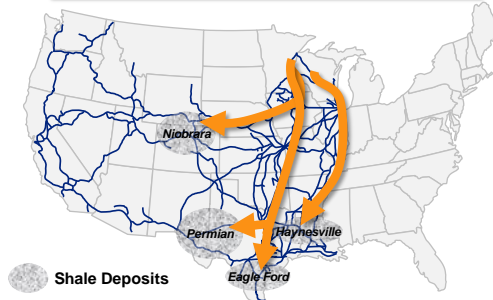
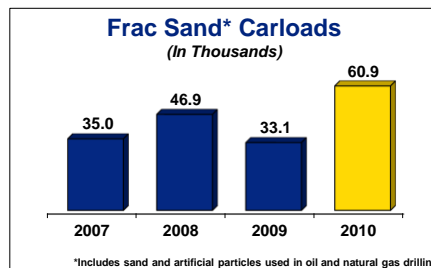
- Growing Demand For Domestic Production
- High Growth Potential
 - Efficient rail-based supply chain to Gulf region
 - Direct access to St. James storage & blending terminals
 - 2011 volume expected to more than triple 2010 level

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Oil and Natural Gas Drilling Opportunities

- Increased Domestic Drilling Activity
- A Deep Well Can Require 100+ Railcars of Sand
- Added Drilling Benefits
 - Steel for drill pipe and pipeline expansion
 - Rock for road construction



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Renewables Demand Ethanol and Wind

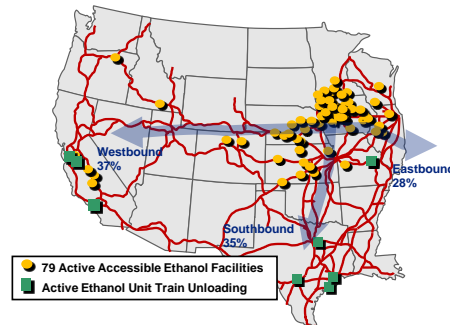
Ethanol

- Mandated Growth
- DDGS Co-Product
- Destination Market Development

Wind

- UP Offers Door-To-Door Shipping Solutions
- Steady Growth Expected in Wind Electrical Generation

UP Ethanol Destination Markets



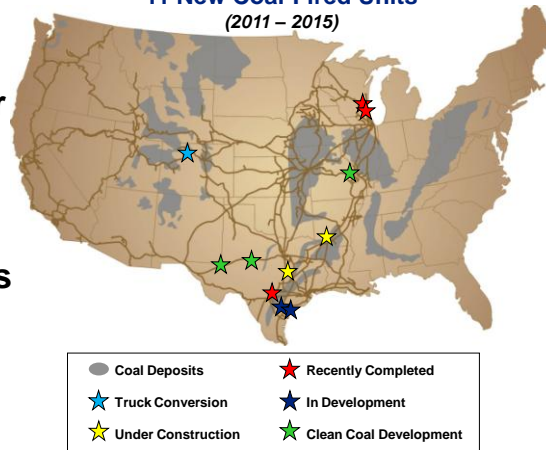
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Favorable Outlook for Coal Demand

- 9 Million Tons in New Business
- Increased Demand for Electricity
- New Coal-Fired Units
- Normalized Stockpiles

11 New Coal-Fired Units
(2011 – 2015)

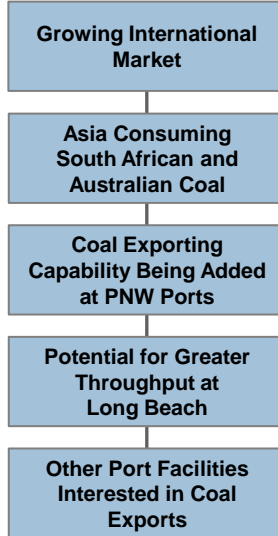
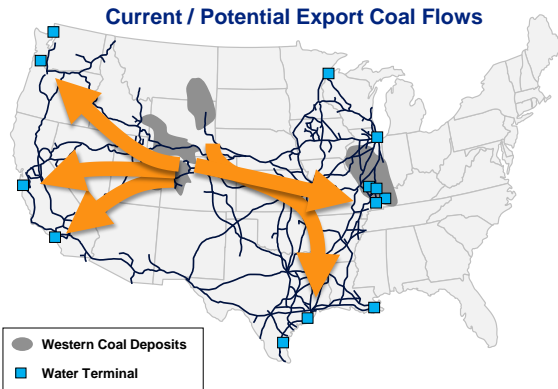


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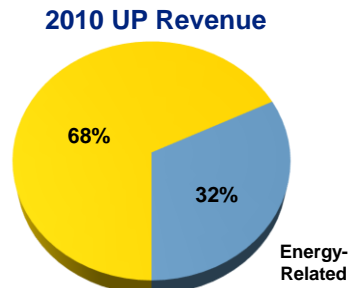
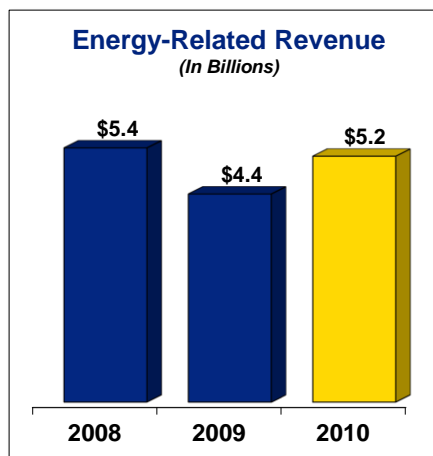


Potential for Emerging Export Market

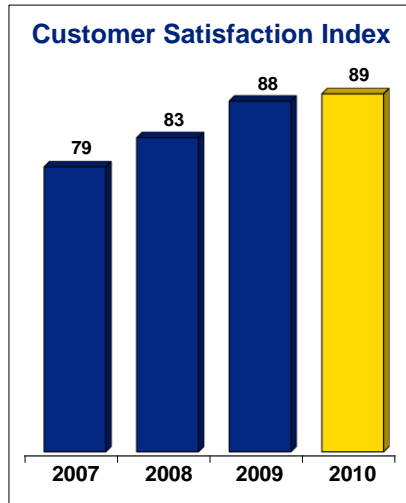
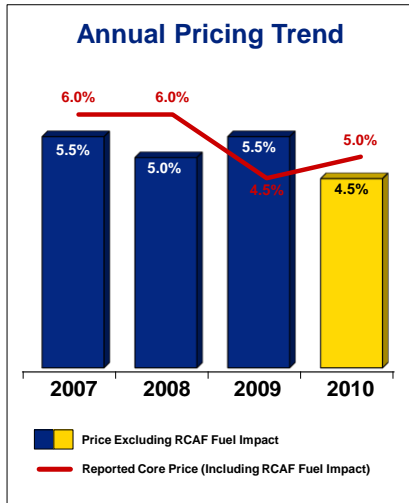
Global Market for Western U.S. Coal



UP's Energy-Related Business



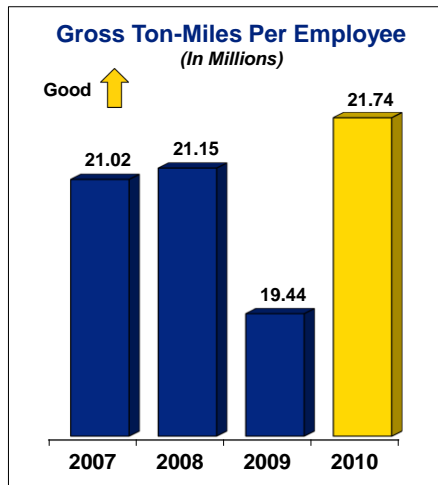
Delivering Strong Service and Value



5 Critical Resources



Employee Productivity



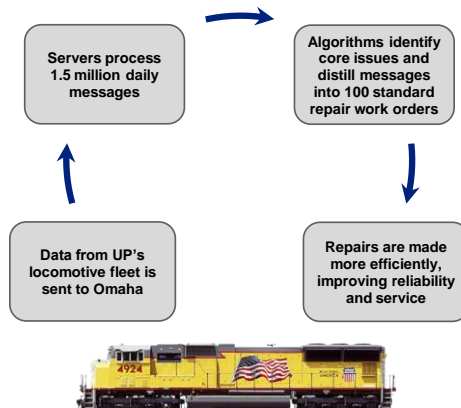
- Project Operating Ratio & 0
- Unified Plan
- Lean Processing Techniques
- Technology
- Agility & Volume Variability

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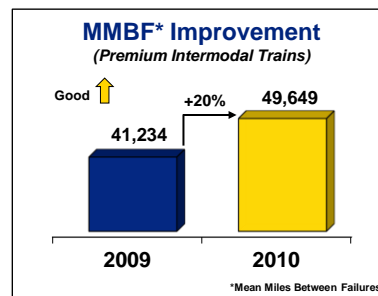
Locomotive Utilization

Proactive Diagnostics



“Right Fix at the Right Time”

- Predict + Repair = Prevent
- Prevention = Customer Satisfaction

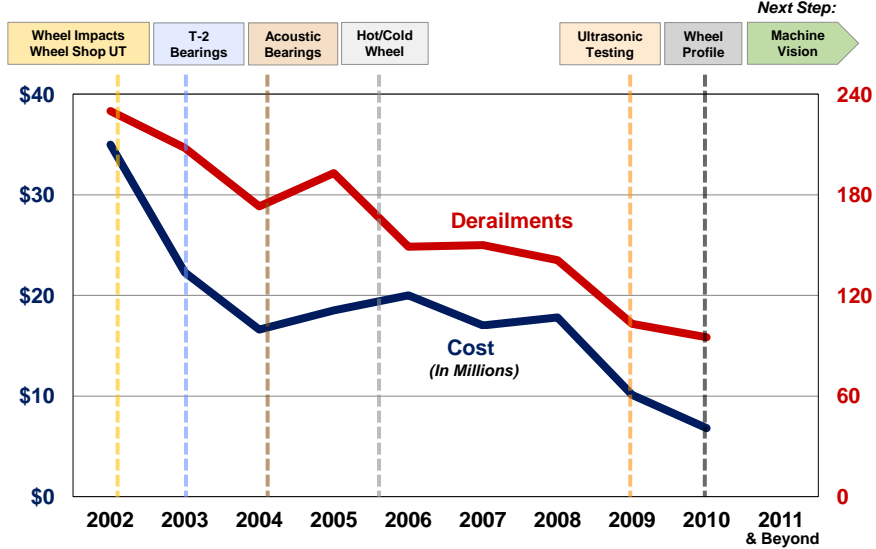


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Freight Car Utilization

Technology Time Line for Mechanical Failures

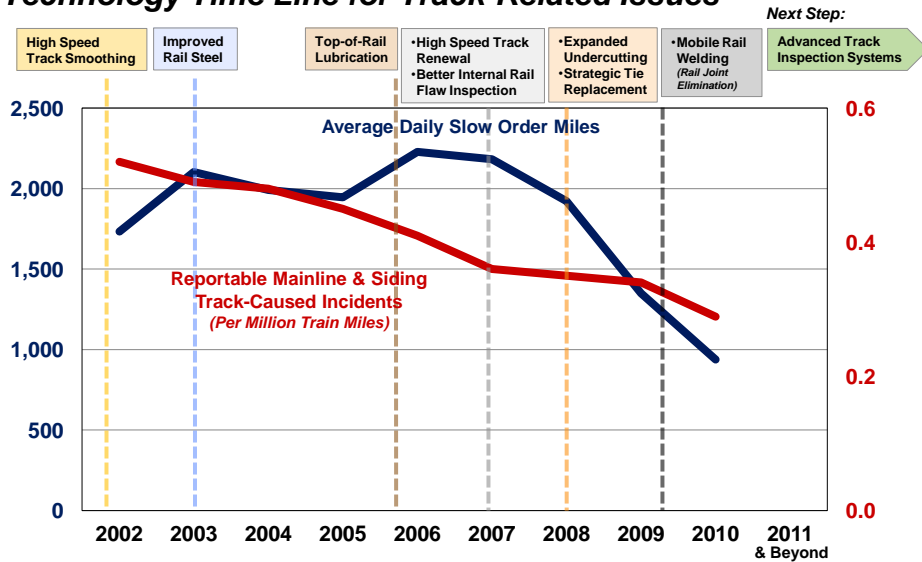


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Main Line Track

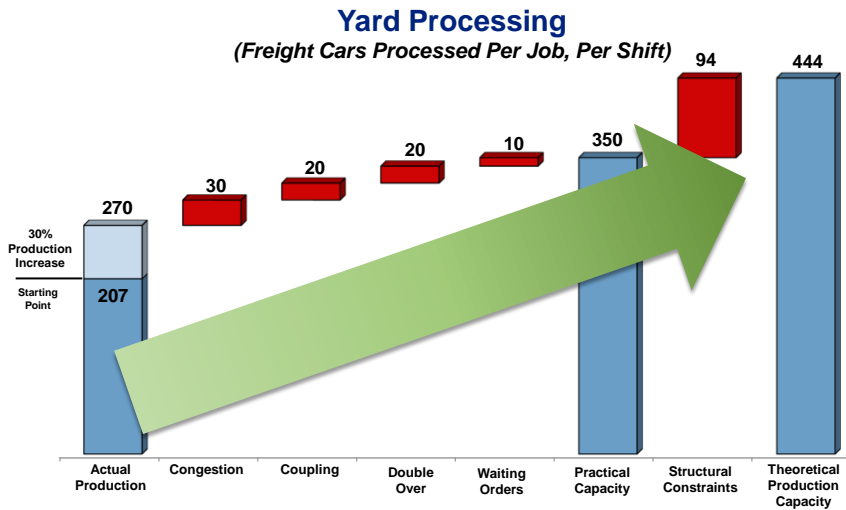
Technology Time Line for Track-Related Issues



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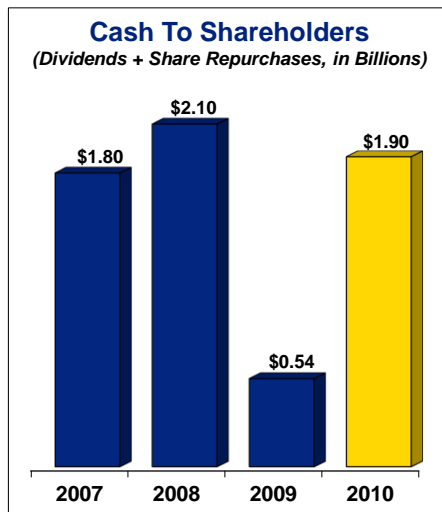
Increasing Capacity Through LEAN Techniques Terminal Throughput Improvement



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Driving Shareholder Value



- Cash Returns Supported by Record Performance
- UP's Future Looks Bright:
 - Strong potential for revenue growth
 - Efficiency gains continue
- Expect Record Financials in 2011 and Beyond

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Question & Answer Session



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