

UNION PACIFIC ANNOUNCES FIRST QUARTER RESULTS

Omaha, NE, April 20, 2000 – Union Pacific Corporation today reported continuing strength in both its revenue and operating performance for the first quarter of 2000. Net income for the quarter increased 43% to \$185 million, or \$.74 per diluted share. Union Pacific reported net income of \$129 million, or \$.52 per diluted share, in the first quarter of 1999.

Union Pacific Corporation, excluding Overnite, reported a 28% increase in first quarter operating income to a record \$451 million. The Railroad's commodity revenue increased 5% to a record \$2.5 billion for the quarter. The Automotive, Intermodal and Industrial Products business groups reached record first quarter revenue levels showing gains of 15%, 14%, and 10% respectively. Increased revenue and improved operating productivity drove the operating ratio down to 82.9, a first quarter record for the combined company and a reduction of 2.9 points from the first quarter of 1999. This was accomplished despite the \$100 million impact of higher fuel prices year over year.

Overnite Transportation reported first quarter operating income of \$1 million compared to \$10 million in the first quarter of 1999. This is a marked improvement over the \$13 million operating loss in the fourth quarter of 1999. Overnite's revenue increased 6% to \$269 million as momentum built throughout the quarter. Operating expense increased 10% due to increased fuel prices and costs

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associated with a Teamster-led job action. Despite the Teamster activity, on-time performance improved to a record 98% for the quarter.

“With the strong performance in the first quarter, we are off to a great start for 2000,” said Dick Davidson, Chairman and CEO. “As we move through the year, we will continue our unrelenting focus on improving the quality and reliability of our service to customers while reducing failure costs. Through this process we’re committed to achieving the tremendous potential of our merged rail franchise.”

A first quarter income statement is attached.

Media inquiries should be directed to John Bromley at Union Pacific Railroad, (402) 271-3475.

(This press release may contain statements about the Company’s future that are not statements of historical fact. These statements are “forward-looking statements” for purposes of applicable securities laws, and are based on current information and/or management’s good faith belief as to future events. Forward-looking statements include projections and estimates of earnings, revenues, cost-savings, expenses, or other financial items; statements of management’s plans, strategies and objectives for future operation, and management’s expectations as to future performance and operations and the time by which objectives will be achieved; statements concerning proposed new products and services; and statements regarding future economic or market conditions or performance.

Forward-looking statements are subject to risks and uncertainties. Actual performance or results could differ materially from that anticipated by the forward-looking statement. Important factors that could cause such differences include the Company’s success in implementing its financial and operational initiatives; the impact of industry competition, conditions, performance and consolidation; legislative and/or regulatory developments, including initiatives to re-regulate the rail business; natural events such as severe weather, floods and earthquakes; adverse general economic conditions, both within the United States and globally; changes in fuel prices; changes in labor costs; labor stoppages; and the outcome of claims and litigation.

Forward-looking statements speak only as of the date the statement was 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 any forward-looking statement, no inference should be drawn that the Company will make additional updates with respect to that statement or any other forward-looking statements.

UNION PACIFIC CORPORATION
STATEMENT OF CONSOLIDATED INCOME
For the Three Months Ended March 31
(Dollars in Millions, Except Per Share Amounts)
(Unaudited)

	2000	1999	Pct Chg
Operating Revenue	\$ 2,913	\$ 2,740	+ 6
Operating Expense - a)	<u>2,461</u>	<u>2,378</u>	+ 3
Operating Income	452	362	+ 25
Other Income - Net	20	25	- 20
Interest Expense	<u>(182)</u>	<u>(186)</u>	- 2
Income Before Income Taxes	290	201	+ 44
Income Tax Expense	<u>(105)</u>	<u>(72)</u>	+ 46
Net Income	<u>\$ 185</u>	<u>\$ 129</u>	+ 43
Basic Earnings Per Share	<u>\$ 0.75</u>	<u>\$ 0.52</u>	+ 44
Diluted Earnings Per Share	<u>\$ 0.74</u>	<u>\$ 0.52</u>	+ 42
Average Basic Shares Outstanding (MM)	246.4	246.3	
Average Diluted Shares Outstanding (MM) - b)	269.3	247.4	

a) Includes one-time merger expenses of \$9 million pre-tax (\$6 million after-tax or \$.02 per diluted share) in 2000, \$15 million pre-tax (\$9 million after-tax or \$.04 per share) in 1999. Merger expenses include severance, relocation and certain other costs related to Union Pacific employees affected by the merger.

b) 1999 excludes 21.8 million anti-dilutive common stock equivalents.

UNION PACIFIC RAILROAD
REVENUE DETAIL
For the Three Months Ended March 31
(Unaudited)

	2000	1999	Pct Chg
Commodity Revenue (000):			
Agricultural	\$ 349,494	\$ 346,699	+ 1
Automotive	290,136	253,344	+ 15
Chemicals	411,942	400,893	+ 3
Energy	529,095	563,794	- 6
Industrial Products	492,046	449,208	+ 10
Intermodal	441,057	388,102	+ 14
 Total	 <u>\$ 2,513,770</u>	 <u>\$ 2,402,040</u>	 + 5
 Revenue Carloads:			
Agricultural	220,988	223,414	- 1
Automotive	199,262	169,938	+ 17
Chemicals	231,796	225,042	+ 3
Energy	479,813	476,739	+ 1
Industrial Products	354,856	327,180	+ 8
Intermodal	687,035	625,502	+ 10
 Total	 <u>2,173,750</u>	 <u>2,047,815</u>	 + 6
 Average Revenue per Car:			
Agricultural	\$ 1,582	\$ 1,552	+ 2
Automotive	1,456	1,491	- 2
Chemicals	1,777	1,781	-
Energy	1,103	1,183	- 7
Industrial Products	1,387	1,373	+ 1
Intermodal	642	620	+ 4
 Total	 <u>\$ 1,156</u>	 <u>\$ 1,173</u>	 - 1

RAIL AND OTHER OPERATIONS - a)
REVIEW OF OPERATIONS
For the Three Months Ended March 31
(Dollars in Millions, Except Operating Statistics)
(Unaudited)

	2000	1999	Pct Chg	
Operating Revenues	\$ 2,644	\$ 2,487	+	6
Operating Expenses - b)				
Salaries and Benefits	900	918	-	2
Rent Expense	304	313	-	3
Depreciation	270	259	+	4
Fuel and Utilities	293	178	+	65
Materials and Supplies	145	133	+	9
Other	281	334	-	16
Total	<u>2,193</u>	<u>2,135</u>	+	3
Operating Income	<u>\$ 451</u>	<u>\$ 352</u>	+	28
Operating Statistics:				
Revenue Carloads (Thousands)	2,174	2,048	+	6
Revenue Ton-Miles (Millions)	121,243	115,387	+	5
Gross Ton-Miles (Millions)	232,017	218,502	+	6
Rev/RTM (Commodity Revenue Based)	2.07 ¢	2.08 ¢		-
Average Commodity Revenue Per Car	\$ 1,156	\$ 1,173	-	1
Average Employees	50,767	52,637	-	4
Average Fuel Price Per Gallon	81.3 ¢	50.4 ¢	+	61
Fuel Consumed in Gallons (MM)	324	304	+	7
Fuel Consumption Rate (Gal/000 GTM)	1.396	1.389	+	1
Operating Ratio (%)	82.9	85.8	-	2.9 pt.
Merger Expenses (\$MM) - b)	\$ 9	\$ 15		

a) Excludes Overnite's operations.

b) Includes merger expenses (severance, relocation and certain other costs).

OVERNITE TRANSPORTATION COMPANY
REVIEW OF OPERATIONS

For the Three Months Ended March 31

(Dollars in Millions, Except Operating Statistics)

(Unaudited)

	2000	1999	Pct Chg	
Operating Revenues	\$ 269	\$ 253	+	6
Operating Expenses				
Salaries and Benefits	165	158	+	4
Rent Expense	23	18	+	28
Depreciation	12	11	+	9
Fuel and Utilities	18	11	+	64
Materials and Supplies	11	11		-
Other	39	34	+	15
Total	<u>268</u>	<u>243</u>	+	10
Operating Income	<u>\$ 1</u>	<u>\$ 10</u>	-	90
Operating Statistics:				
Millions of Pounds Hauled - LTL	1,856	1,942	-	4
Millions of Pounds Hauled - Combined	1,978	2,050	-	4
Revenue/CWT - LTL	\$ 13.44	\$ 12.35	+	9
Revenue/CWT - Combined	\$ 13.00	\$ 11.97	+	9
Average Employees	11,101	11,518	-	4
Average Fuel Price Per Gallon	86.3 ¢	44.3 ¢	+	95
Fuel Consumed in Gallons (000s)	14,493	13,932	+	4
Operating Ratio (%)	99.8	95.9	+	3.9 pt.

UNION PACIFIC CORPORATION
STATEMENT OF CONSOLIDATED FINANCIAL POSITION

As of March 31, 2000 and December 31, 1999

(Dollars in Millions)

(Unaudited)

	March 31, 2000	December 31, 1999
Assets:		
Cash and Temporary Investments	\$ 60	\$ 175
Other Current Assets	1,191	1,139
Investments	678	753
Properties - Net	27,628	27,519
Other Assets	352	302
Total	\$ 29,909	\$ 29,888
Liabilities and Stockholders' Equity:		
Current Portion of Long Term Debt	\$ 225	\$ 214
Other Current Liabilities	2,570	2,671
Long Term Debt	8,352	8,426
Deferred Income Taxes	6,809	6,715
Other Long Term Liabilities	2,314	2,361
Convertible Preferred Shares	1,500	1,500
Common Stockholders' Equity	8,139	8,001
Total	\$ 29,909	\$ 29,888

UNION PACIFIC CORPORATION
STATEMENT OF CONSOLIDATED CASH FLOWS
For the Three Months Ended March 31
(Dollars in Millions)
(Unaudited)

	<u>2000</u>	<u>1999</u>
Cash From Operations:		
Net Income	\$ 185	\$ 129
Depreciation and Amortization	282	270
Deferred Income Taxes	91	60
Other	<u>(203)</u>	<u>(46)</u>
Cash Provided by Operations	<u>355</u>	<u>413</u>
Investing Activities:		
Capital Investments	(360)	(372)
Other	6	(90)
Cash Used by Investing Activities	<u>(354)</u>	<u>(462)</u>
Financing Activities:		
Dividends Paid	(52)	(49)
Debt Repaid	(168)	(369)
Financings and Other - Net	104	398
Cash Used by Financing Activities	<u>(116)</u>	<u>(20)</u>
Net Change in Cash and Temporary Investments	<u>\$ (115)</u>	<u>\$ (69)</u>