

Railroad Report No. : RC139400 Quarter: 2 Year: 2003
 Date of Report: 6/30/2003 Report Amended: No

Show dollar amount in thousands DESCRIPTIONS (A)	Code No.	Figures for the Quarter		Year-To-Date Figures	
		This Year (B)	Last Year (C)	This Year (D)	Last Year (E)
<u>Operating Revenues</u>					
Freight (Account 101)	1	2,739,719	2,664,951	5,320,285	5,183,235
Passenger (Account 102)	2	15,171	15,381	29,884	29,946
Passenger-Related (Account 103)	3	18	36	178	119
All other operating revenues (Accounts 104, 105, 106, 110, 502, 503)	4	125,029	126,172	252,758	240,621
Joint Facility Account (Account 120)	5	1,516	1,694	2,895	3,572
Railway Operating Revenues (All Above)	6	2,881,453	2,808,234	5,606,000	5,457,493
<u>Operating Expenses</u>					
Depreciation - Road (Accounts 62-11-00, 62-12-00, 62-13-00)	7	190,094	198,671	403,391	395,371
All other way and structure accounts	8	190,121	182,848	369,772	368,876
Total way and structures	9	380,215	381,519	773,163	764,247
Depreciation - Equipment (Accounts 62-21-00, 62-22-00, 62-23-00)	10	85,241	84,903	169,861	170,063
All other equipment accounts	11	532,117	508,407	1,068,115	1,023,080
Total equipment	12	617,358	593,310	1,237,976	1,193,143
Transportation - Train, Yard and Train and Yard Common	13	952,539	888,277	1,918,950	1,727,785
Transportation - Specialized Services, Administrative Support)	14	105,236	108,206	210,258	209,222
General and Administrative	15	267,308	261,890	551,310	493,708
Total Railway Operating Expense (Account 531)	16	2,322,656	2,233,202	4,691,657	4,388,105
<u>Income Items</u>					
*Net revenue from railway operations (Line 6 minus 16)	17	558,797	575,032	914,343	1,069,388
Other Income (Accounts 506, 510-519)	18	36,521	59,243	69,915	90,018
Income from Affiliated companies:					
Dividends	19	0	12,769	34,637	13,128
Equity in undistributed earnings (losses)	20	20,216	10,346	(6,005)	23,352
Total Income from affiliated companies	21	20,216	23,115	28,632	36,480
Miscellaneous deductions from Income (Accounts 534,535,543,546,549-551 and 553)	22	15,703	19,512	32,857	28,026
Income Available for Fixed Charges (Lines 17, 18, 21 minus 22)	23	599,831	637,878	980,033	1,167,860
<u>Fixed Charges</u>					
Interest on funded debt (Accounts 546a, 546b)	24	39,237	41,536	79,116	83,757
Interest on unfunded debt (Account 547)	25	84,350	95,052	169,283	190,454
Amortization of discount on funded debt (Account 548)	26	1,493	1,385	3,000	3,288
Total fixed charges	27	125,080	137,973	251,399	277,499
<u>Income Items</u>					
Income after fixed charges	28	474,751	499,905	728,634	890,361
Other deductions (Account 546c)	29	1,907	1,878	3,862	3,924
Unusual or infrequent items (Debit) Credit (Account 555)	30				
Income (Loss) from continuing operations before income taxes	31	472,844	498,027	724,772	886,437
Income taxes on ordinary Income (Account 556)	32	95,062	78,803	145,368	171,846
Provision for deferred income taxes (Account 557)	33	81,925	103,731	123,587	155,791
Income from continuing operations	34	295,857	315,493	455,817	558,800
Income or loss from operations of discontinued segments (Less applicable Income taxes of \$ _____) (Account 560)	35				
Gain or loss on disposal of discontinued segments (Less applicable Income of \$ _____) (Account 562)	36				
Income (Loss) before extraordinary items	37	295,857	315,493	455,817	558,800
Extraordinary items (net) (Account 570)	38				
Income taxes on Extraordinary Items (Account 590)	39				
Provisions for deferred taxes - Extraordinary Items (Account 591)	40				

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Cumulative effect of changes in account principles (Less applicable Income taxes of \$ _____) (Account 592)	41				
Net income	42	295,857	315,493	455,817	558,800
Dividends on common stock (Account 623)	43	58,000	50,000	116,000	100,000
Dividends on preferred stock (Account 623)	44				
<u>Ratios</u>					
Expenses to revenues	45	80.61%	79.52%	83.69%	80.41%
Total maintenance to revenues	46	34.62%	34.71%	35.87%	35.87%
Transportation to revenues	47	36.71%	35.48%	37.98%	35.49%
*NOTE: Reconciliation of Net Railway Operating Income (NROI)					
Net Revenues from Railway Operations	N1	558,797			
(556) Income Taxes on Ordinary Income	N2	(95,062)			
(557) Provisions for Deferred Income Taxes	N3	(81,925)			
** Income from Lease of Road and Equipment	N6	0			
** Rent for leased Roads and Equipment	N7	1,941			
Net Railway Operating Income	N8	383,751			

REMARKS

I, the undersigned, TODD G. HUFFMAN, Sr. Manager - Financial Reporting of UNION PACIFIC RAILROAD COMPANY
 (Name and Title of Officer in charge of accounts) (Full name of reporting company)

state that this report was prepared by me or under my supervision; that I have carefully examined it; and on the best of my knowledge, belief, and verification (when necessary) I declare it to be a full, true and correct statement of the revenue, expense and income accounts named, and that the various items reported were determined in accordance with effective rules promulgated by the Surface Transportation Board.

Date: July 30, 2003

Signature _____

Telephone Number (402) - 280-6072

** Formerly accounts 509 and 542, respectively.