

Railroad Report No. : RC139400 Quarter: 2 Year: 2004
 Date of Report: 6/30/2004 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 | 2,873,748 | 2,739,719 | 5,611,793 | 5,320,285 |
| Passenger (Account 102) | 2 | 15,541 | 15,171 | 30,674 | 29,884 |
| Passenger-Related (Account 103) | 3 | 20 | 18 | 138 | 178 |
| All other operating revenues (Accounts 104, 105, 106, 110, 502, 503) | 4 | 128,842 | 125,029 | 258,362 | 252,758 |
| Joint Facility Account (Account 120) | 5 | 1,694 | 1,516 | 3,373 | 2,895 |
| Railway Operating Revenues (All Above) | 6 | 3,019,845 | 2,881,453 | 5,904,340 | 5,606,000 |
| <u>Operating Expenses</u> | | | | | |
| Depreciation - Road (Accounts 62-11-00, 62-12-00, 62-13-00) | 7 | 220,113 | 190,094 | 438,080 | 403,391 |
| All other way and structure accounts | 8 | 200,005 | 190,121 | 415,617 | 369,772 |
| Total way and structures | 9 | 420,118 | 380,215 | 853,697 | 773,163 |
| Depreciation - Equipment (Accounts 62-21-00, 62-22-00, 62-23-00) | 10 | 89,169 | 85,241 | 177,485 | 169,861 |
| All other equipment accounts | 11 | 602,643 | 532,117 | 1,198,495 | 1,068,115 |
| Total equipment | 12 | 691,812 | 617,358 | 1,375,980 | 1,237,976 |
| Transportation - Train, Yard and Train and Yard Common | 13 | 1,149,413 | 952,539 | 2,237,364 | 1,918,950 |
| Transportation - Specialized Services, Administrative Support) | 14 | 120,353 | 105,236 | 234,007 | 210,258 |
| General and Administrative | 15 | 310,748 | 267,308 | 596,942 | 551,310 |
| Total Railway Operating Expense (Account 531) | 16 | 2,692,444 | 2,322,656 | 5,297,990 | 4,691,657 |
| <u>Income Items</u> | | | | | |
| *Net revenue from railway operations (Line 6 minus 16) | 17 | 327,401 | 558,797 | 606,350 | 914,343 |
| Other Income (Accounts 506, 510-519) | 18 | 29,708 | 36,521 | 65,682 | 69,915 |
| Income from Affiliated companies: | | | | | |
| Dividends | 19 | 7,084 | 0 | 7,084 | 34,637 |
| Equity in undistributed earnings (losses) | 20 | 11,841 | 20,216 | 31,333 | (6,005) |
| Total Income from affiliated companies | 21 | 18,925 | 20,216 | 38,417 | 28,632 |
| Miscellaneous deductions from Income (Accounts 534,535,543,546,549-551 and 553) | 22 | 21,004 | 15,703 | 35,112 | 32,857 |
| Income Available for Fixed Charges (Lines 17, 18, 21 minus 22) | 23 | 355,030 | 599,831 | 675,337 | 980,033 |
| <u>Fixed Charges</u> | | | | | |
| Interest on funded debt (Accounts 546a, 546b) | 24 | 35,678 | 39,237 | 78,094 | 79,116 |
| Interest on unfunded debt (Account 547) | 25 | 86,690 | 84,350 | 170,574 | 169,283 |
| Amortization of discount on funded debt (Account 548) | 26 | 335 | 1,493 | 2,209 | 3,000 |
| Total fixed charges | 27 | 122,703 | 125,080 | 250,877 | 251,399 |
| <u>Income Items</u> | | | | | |
| Income after fixed charges | 28 | 232,327 | 474,751 | 424,460 | 728,634 |
| Other deductions (Account 546c) | 29 | 1,914 | 1,907 | 3,828 | 3,862 |
| Unusual or infrequent items (Debit) Credit (Account 555) | 30 | | | | |
| Income (Loss) from continuing operations before income taxes | 31 | 230,413 | 472,844 | 420,632 | 724,772 |
| Income taxes on ordinary Income (Account 556) | 32 | (20,838) | 95,062 | (12,229) | 145,368 |
| Provision for deferred income taxes (Account 557) | 33 | 96,645 | 81,925 | 123,392 | 123,587 |
| Income from continuing operations | 34 | 154,606 | 295,857 | 309,469 | 455,817 |
| 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 | 154,606 | 295,857 | 309,469 | 455,817 |
| Extraordinary items (net) (Account 570) | 38 | | | | |
| Income taxes on Extraordinary Items (Account 590) | 39 | | | | |
| Provisions for deferred taxes - Extraordinary Items (Account 591) | 40 | | | | |

UNION PACIFIC RAILROAD COMPANY
 1400 Douglas Street
 Omaha, Nebraska 68179

FORM: RE&I - Quarterly Report of Revenues, Expenses & Income-Railroads

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 Date of Report: 6/30/2004 Report Amended: No

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| | | This Year (B) | Last Year (C) | This Year (D) | Last Year (E) |
| Cumulative effect of changes in account principles (Less applicable Income taxes of \$ _____) (Account 592) | 41 | | | | |
| Net income | 42 | 154,606 | 295,857 | 309,469 | 455,817 |
| Dividends on common stock (Account 623) | 43 | 78,000 | 58,000 | 156,000 | 116,000 |
| Dividends on preferred stock (Account 623) | 44 | | | | |
| <u>Ratios</u> | | | | | |
| Expenses to revenues | 45 | 89.16% | 80.61% | 89.73% | 83.69% |
| Total maintenance to revenues | 46 | 36.82% | 34.62% | 37.76% | 35.87% |
| Transportation to revenues | 47 | 42.05% | 36.71% | 41.86% | 37.98% |
| *NOTE: Reconciliation of Net Railway Operating Income (NROI) | | | | | |
| Net Revenues from Railway Operations | N1 | 327,401 | | | |
| (556) Income Taxes on Ordinary Income | N2 | 20,838 | | | |
| (557) Provisions for Deferred Income Taxes | N3 | (96,645) | | | |
| ** Income from Lease of Road and Equipment | N6 | 0 | | | |
| ** Rent for leased Roads and Equipment | N7 | 892 | | | |
| Net Railway Operating Income | N8 | 252,486 | | | |

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, 2004

Signature _____

Telephone Number (402) - 544-0190

** Formerly accounts 509 and 542, respectively.