



June 14, 2017

Citi 2017 Industrials Conference

Rob Knight
CFO

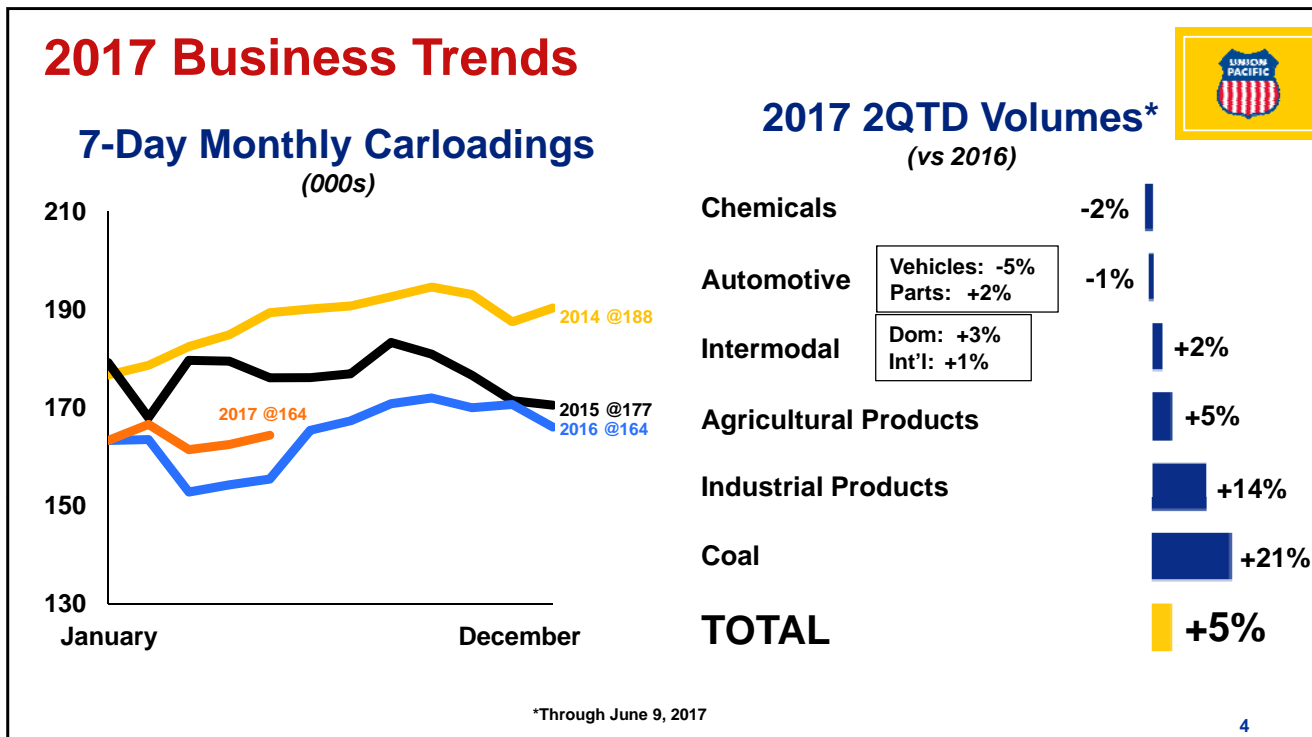
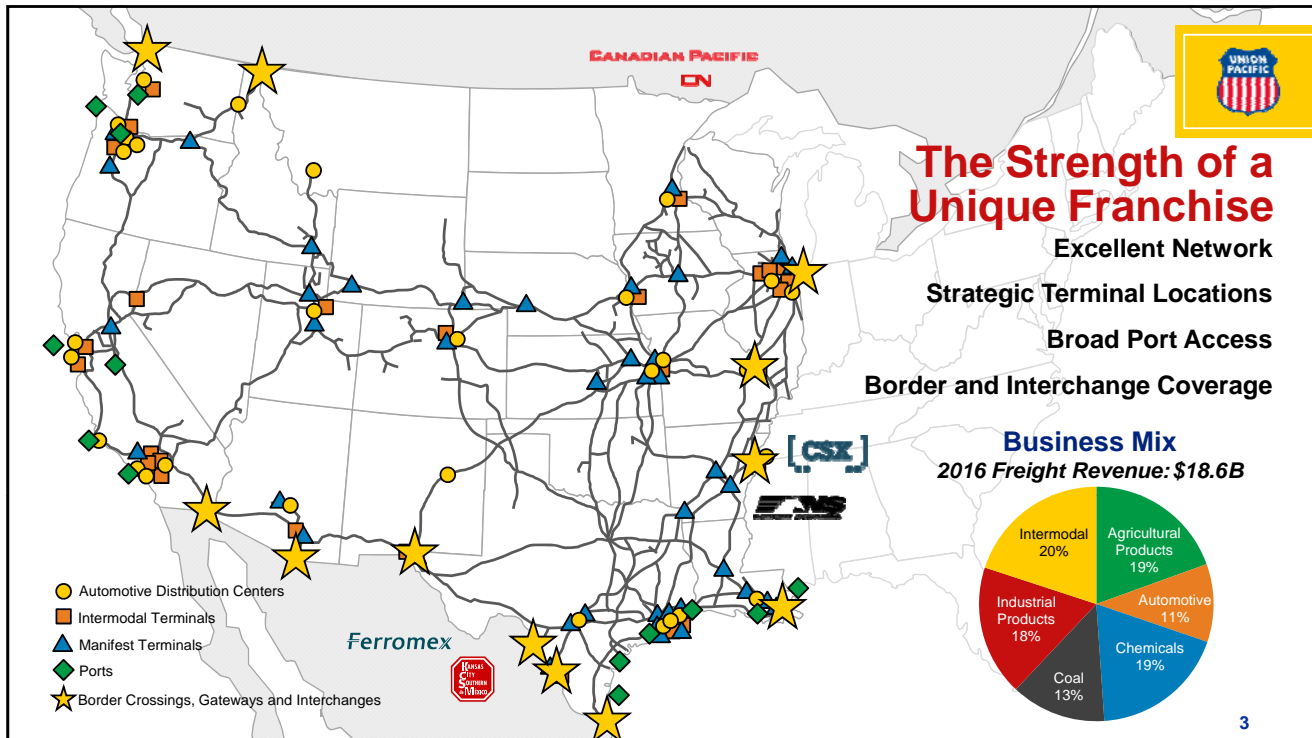
Cautionary Information



This presentation and related materials contain statements about the Company's future that are not statements of historical fact, including specifically the statements regarding the Company's expectations with respect to economic conditions and demand levels; its ability to generate financial returns, improve network performance and customer service; implementation of corporate strategies; and providing excellent service to its customers and 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 Company'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 Company'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 Company'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 Company's Annual Report on Form 10-K for 2016, which was filed with the SEC on February 3, 2017. The Company 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).

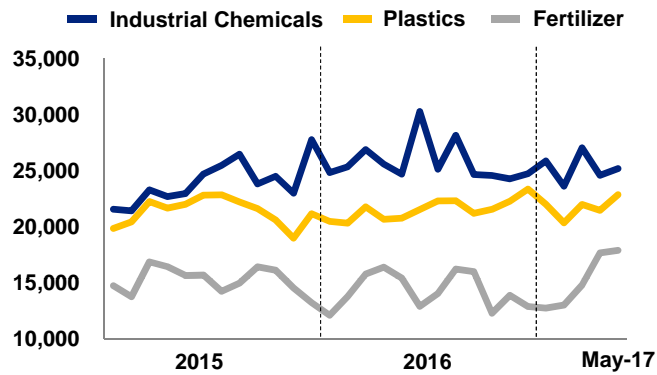
Forward-looking statements speak only as of, and are based only upon information available on, the date the statements were made. The Company assumes no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company 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.



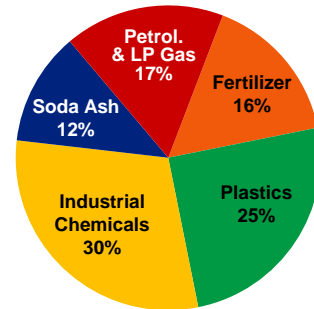
Chemicals



UNP Monthly Volumes



1Q Volume Mix

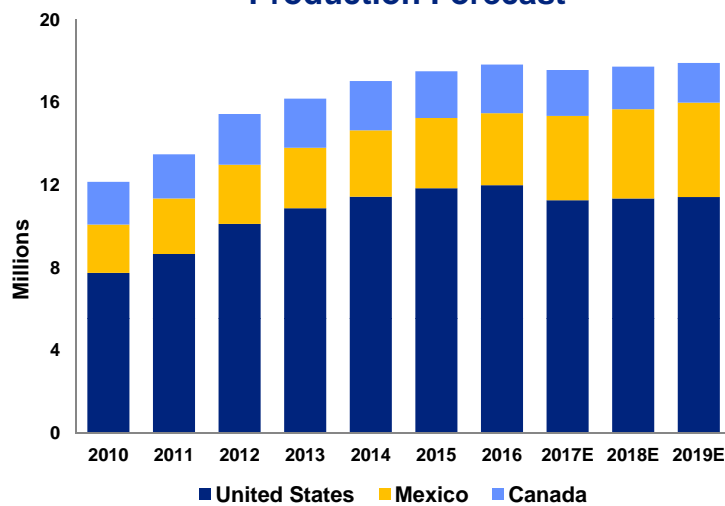


- Solid Base Chemicals
- Anticipated Strength in Plastics
- Diminishing Crude Volumes

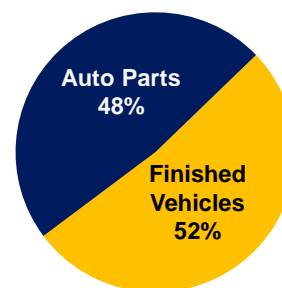
North American Auto Production Growth



North American Light Vehicle Production Forecast*



1Q Volume Mix

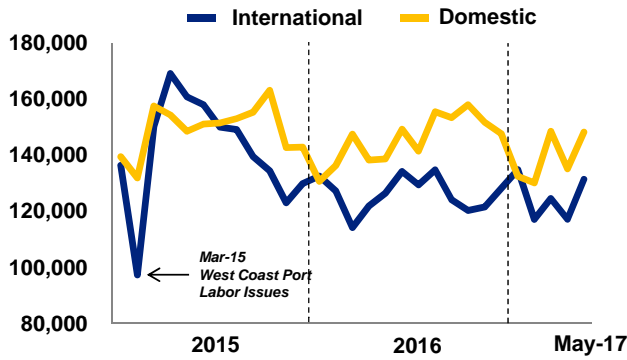


- Cautious on Auto Sales
- Continued Parts Growth

*Source: IHS Global Insight June 2017

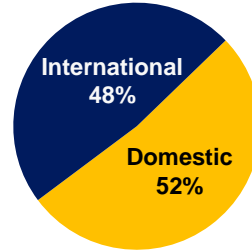
Intermodal

UNP Monthly Intermodal Volume



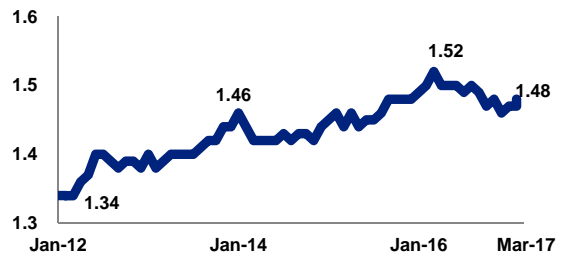
- Retail Sales & Inventory Outlook
- Trans Pacific Market Challenges

1Q Volume Mix



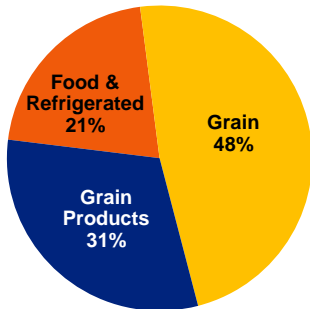
Retail Inventory-to-Sales Ratio

Source: U.S. Bureau of Economic Analysis



Agricultural Products

1Q Volume Mix

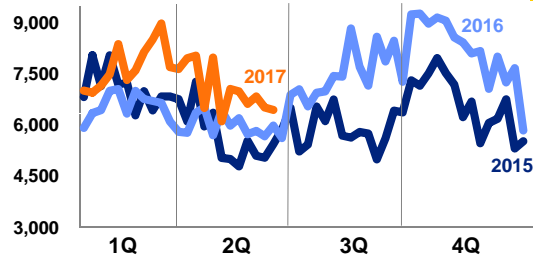


- Grain Inventories
- Export Market Fundamentals
- Strength in Food & Refrigerated

*Through June 10, 2017

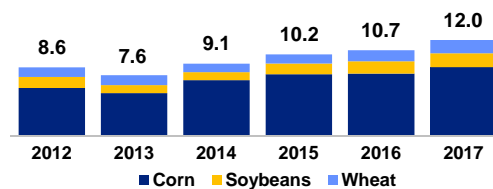
UNP Weekly Grain Carloads

(As reported to the AAR)



U.S. Grain Stocks*

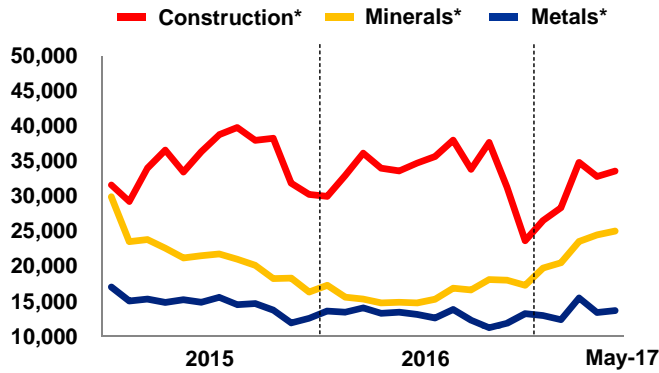
(Bushels in Billions)



*Source: USDA; As of March 1st

Industrial Products

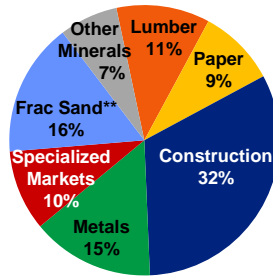
UNP Monthly Volumes



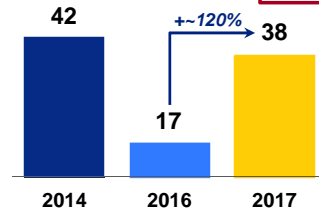
- Construction Product Demand
- Increased Drilling Activity & Frac Sand Demand

*Prior periods have been adjusted for the re-categorization of commodities

1Q Volume Mix



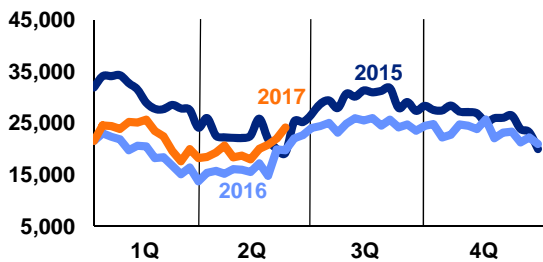
2QTD Frac Sand Volume** ^ (000s)



^Through May 31
**Includes barites

Coal Trends

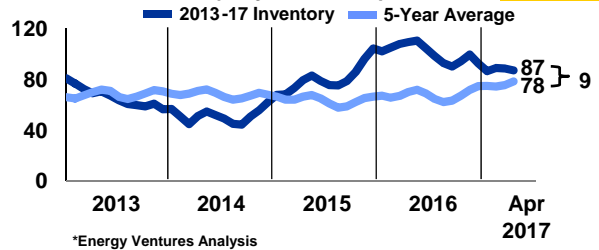
UNP Weekly Coal Carloads* (As reported to the AAR)



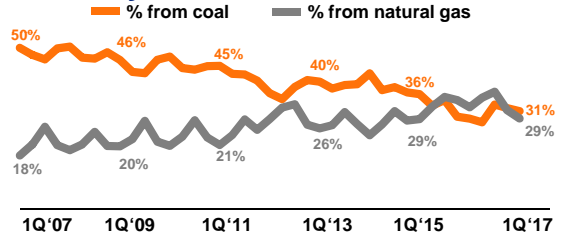
- Weather Impacts Demand
- Natural Gas Prices
- Coal Inventory Levels

*Through June 10, 2017

Powder River Basin Coal Stockpiles* (Days of Burn)



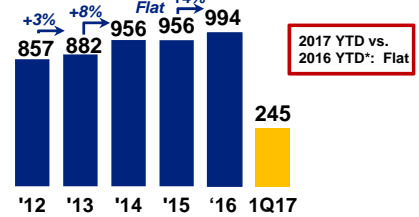
Electricity Generation Market Share**



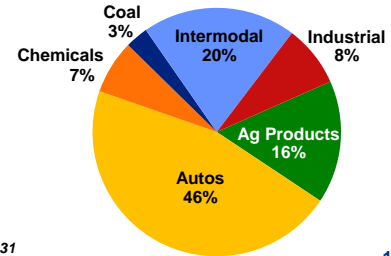
UP Positioned for Mexico Growth



Volume Growth (Carloads in Thousands)



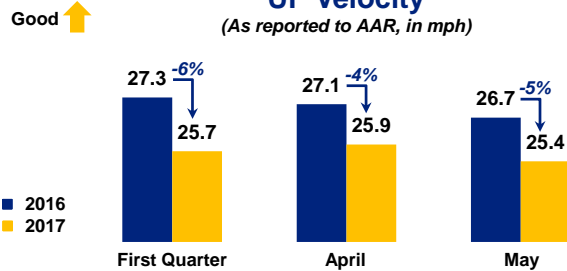
1Q Volume Mix (In Carloads)



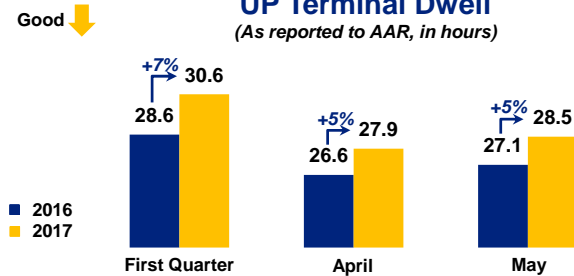
*Through May 31

Network Performance & Resources

UP Velocity (As reported to AAR, in mph)



UP Terminal Dwell (As reported to AAR, in hours)



- Weather & Continued Episodic Events

- ~1,450 Locomotives in Storage*

*As of June 9, 2017

Productivity



| Initiatives: | Achieved 2016 Results | ((\$M)) | 2016 Results |
|---|--|---------|--------------|
| Network and Train Ops | TE&Y / Train length / Joint facility | | 34% |
| Equipment (Loco and Car) | Active fleet / Car repair / Equip rental costs | | 33% |
| Other Ops, Support, Sourcing and Safety | Engineering gang / Fuel conservation / Intermodal & Premium Ops / Admin / Supply Chain / Sourcing / Safety performance | | 33% |

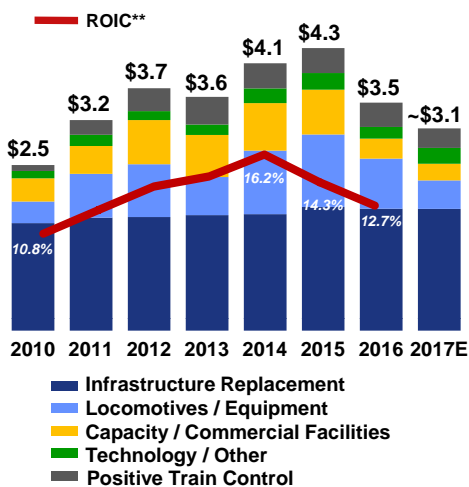
Total (OE): \$450

2017 Productivity Target: \$350 - \$400 M

Capital Program Supported by Returns



Capital Program* & Returns**
(Capital in Billions)

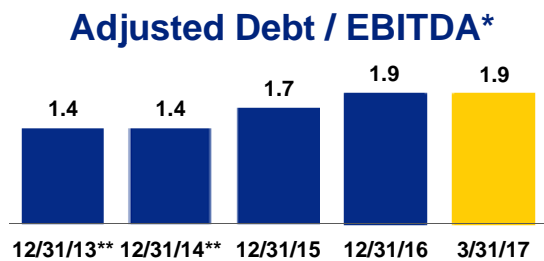
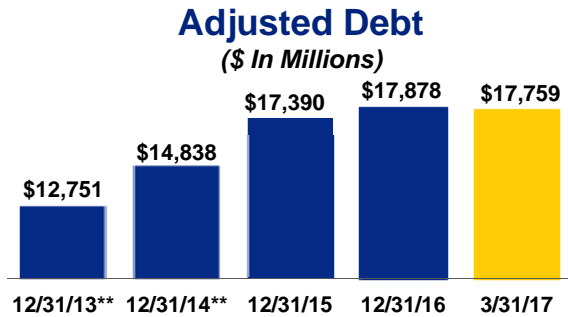


- Reduction of \$1.2 Billion from 2015
- Decreasing Locomotive Spend (~60 Locomotives in 2017)
- PTC Spending ~\$300 M in 2017
- Supports Core Pricing *that Drives Continued Investment*

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

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

Debt \$ In Millions



- Close to Adjusted Debt / EBITDA Target Ratio of 2.0
- Increased Adj. Debt over \$5 Billion since 2013

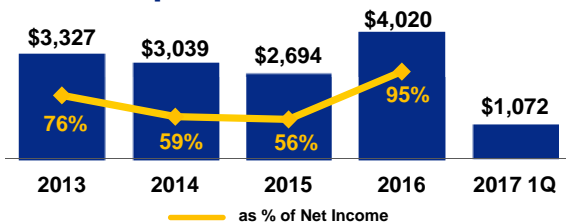
*See Union Pacific website under Investors for a reconciliation to GAAP.
** Prior periods have been adjusted for the retrospective adoption of Accounting Standard Update 2015-03.

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Delivering Value to Shareholders

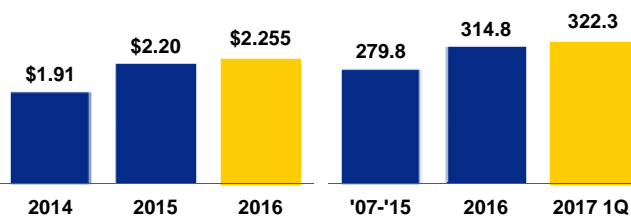


Cash From Operations Less Capital Investments (\$ In Millions)



Dividends (Per Share)

Share Repurchases (Cumulative, In Millions)



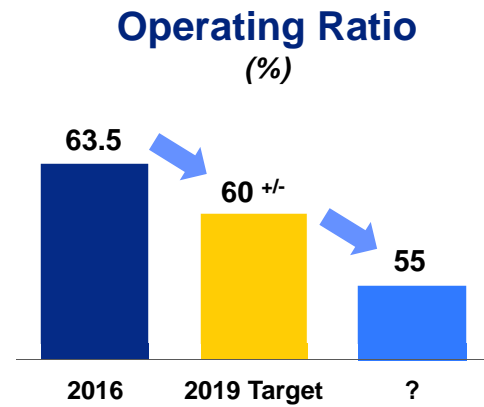
- Solid Cash From Ops
- 10% Dividend Increase in 4Q 2016
- Repurchased 7.5 Million Shares Totaling \$800 Million in 1Q 2017
- ~30% of Outstanding Shares Since 2007

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2017 Outlook



- Full Year Volume Up Low Single Digits
- Price Above Rail Inflation Costs
- Productivity \$350 to \$400 Million (\$90M in 1Q17)
- Improved Operating Ratio
- Continued Focus on “G55 + 0” Initiatives



Improved OR in 2017