



November 30, 2016

Credit Suisse 4th Annual Industrials Conference

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CFO

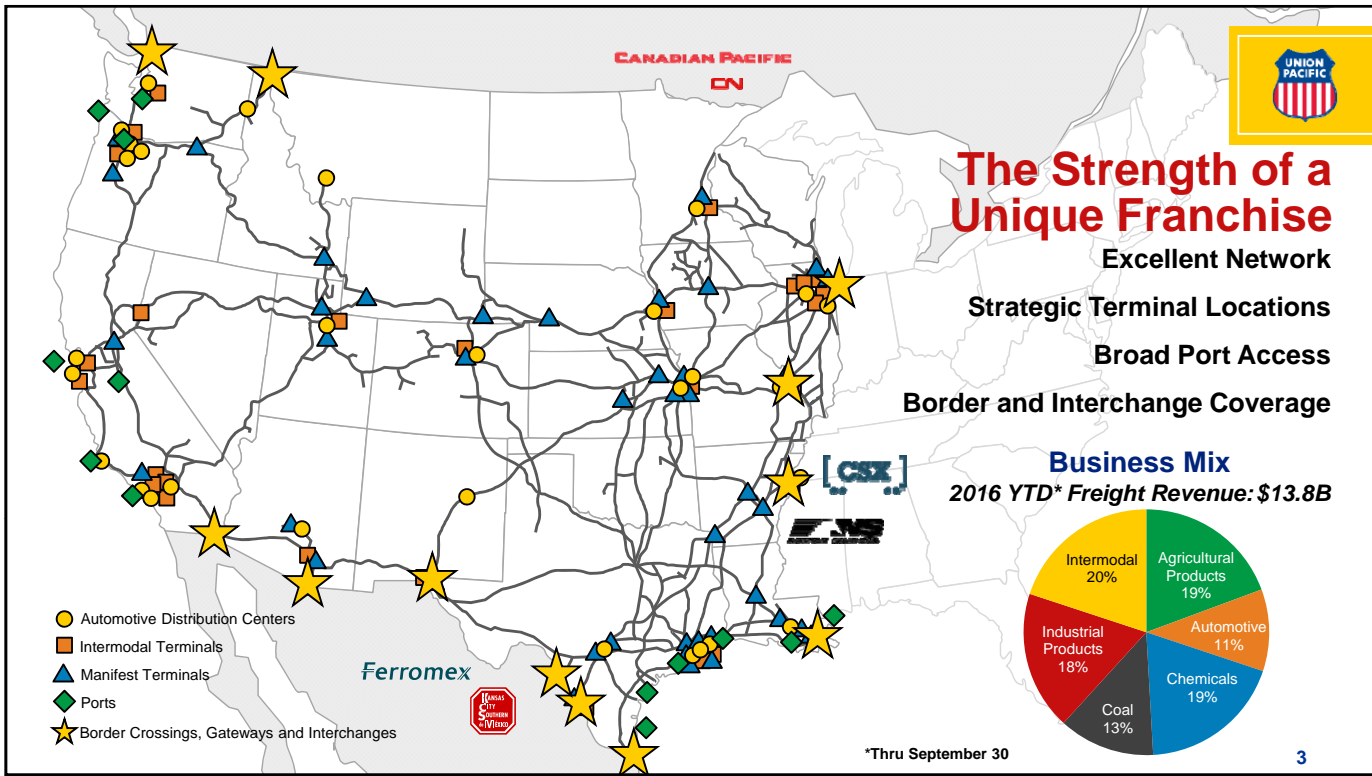
Cautionary Information



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, resource productivity and cost efficiency; implementation of corporate strategies; new business development opportunities; and providing 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 2015, which was filed with the SEC on February 5, 2016. 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).

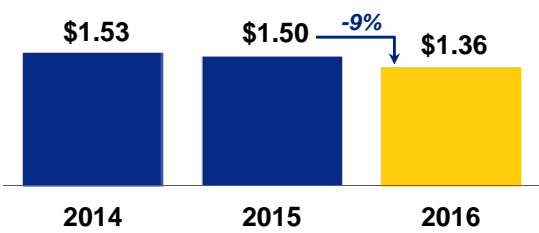
Forward-looking statements speak only as of, and are based only upon information available on, the date the statements were made. The Company assumes no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking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



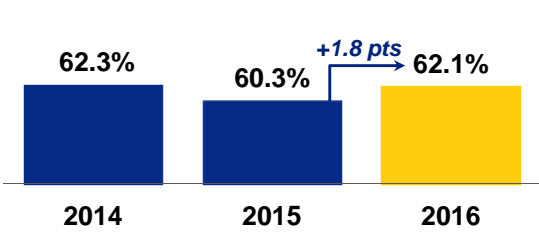
Third Quarter 2016 Results



Earnings Per Share Third Quarter



Operating Ratio Third Quarter



- Volume Headwinds
- Positive Core Pricing
- Focus on Productivity

Core Pricing



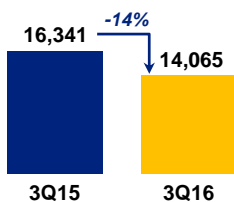
- Core Pricing has decelerated over the past several quarters
- Core Pricing gains offset by near-term challenges in energy and international intermodal business lines
- Real Core Pricing gains longer term
 - Value proposition
 - Re-investible returns



Resources & Network Performance

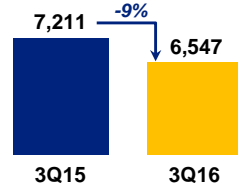


Total TE&Y*



*Full-time equivalent

Active Locomotive Fleet

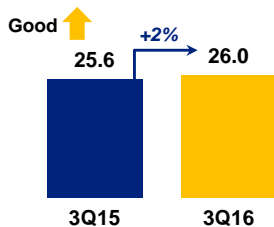


**As of November 25, 2016

- ~ 2,700 TE&Y Employees in Furlough / AWTS**
- ~ 1,600 Locomotives in Storage**

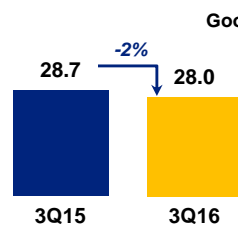
UP Velocity

(As reported to AAR, in mph)



UP Terminal Dwell

(As reported to AAR, in hours)



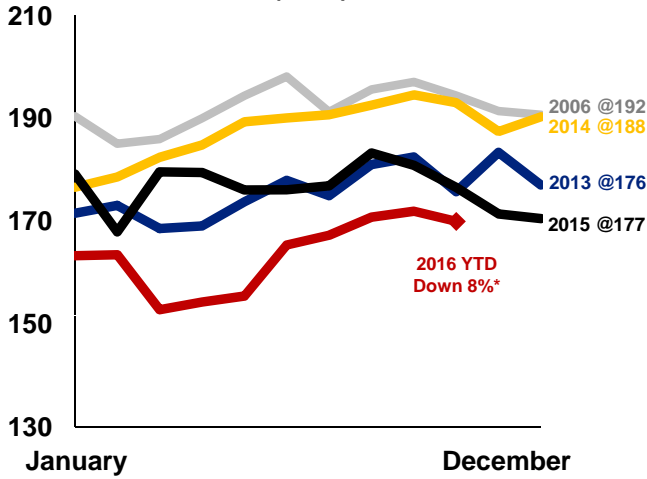
- Solid Operating Performance
- Effective use of Surge Resources

2016 Volumes



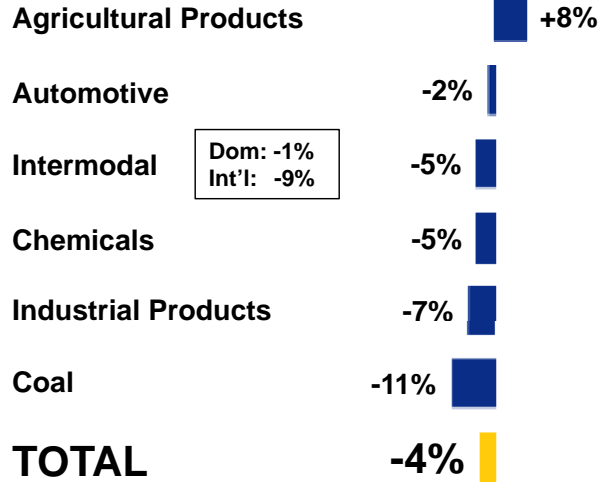
7-Day Monthly Carloadings

(000s)



2016 4QTD Volumes*

(vs 2015)

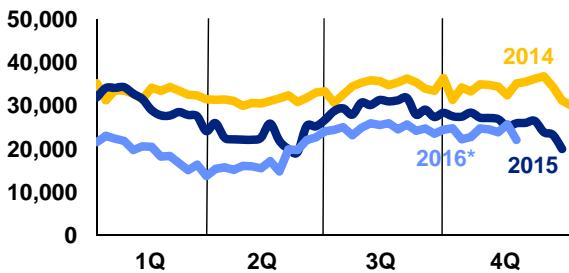


*Through November 25, 2016

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Coal Trends

Volume Impact (Weekly Carloadings)



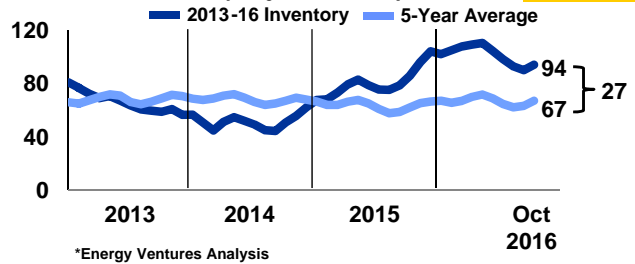
- More Seasonable Weather
- Low Natural Gas Prices
- High Coal Inventory Levels

*Through November 25, 2016

Powder River Basin

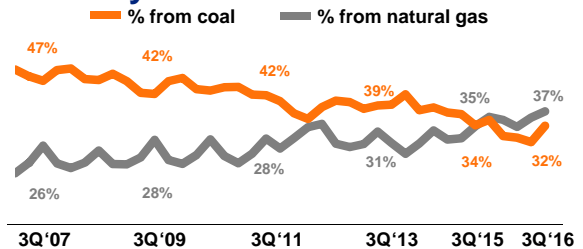
Coal Stockpiles*

(Days of Burn)



*Energy Ventures Analysis

Electricity Generation Market Share**

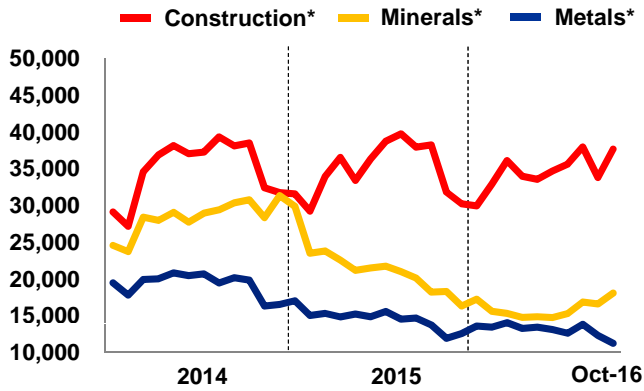


**U.S. Energy Information Administration (EIA)

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Industrial Products

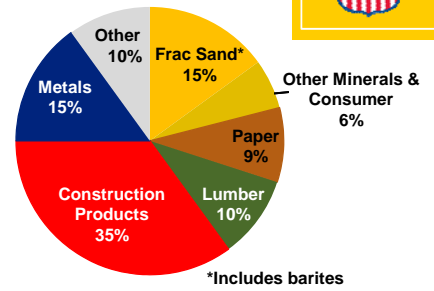
UNP Monthly Volumes



- Strong U.S. Dollar
- Low Energy Prices

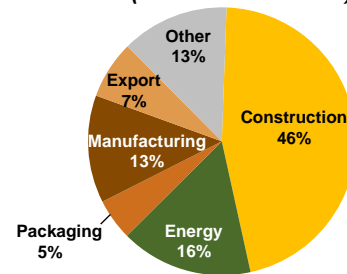
*Prior periods have been adjusted for the re-categorization of commodities

2015 Volume Mix



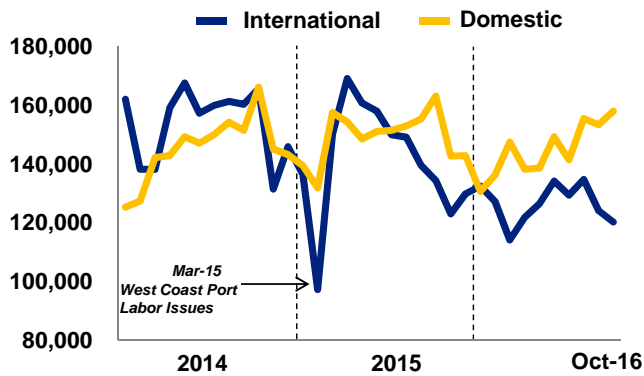
Key End-Use Markets

(% of 2015 Volumes)



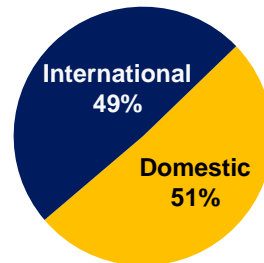
Intermodal

UNP Monthly Intermodal Volume



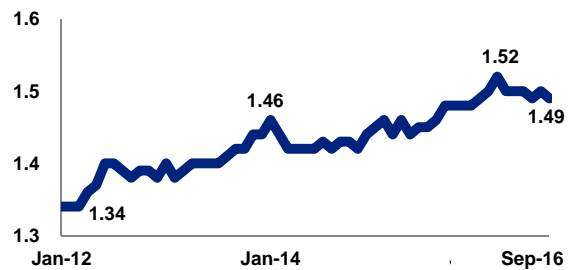
- High Inventory to Sales Ratio
- Trans Pacific Market Challenges

2015 Volume Mix

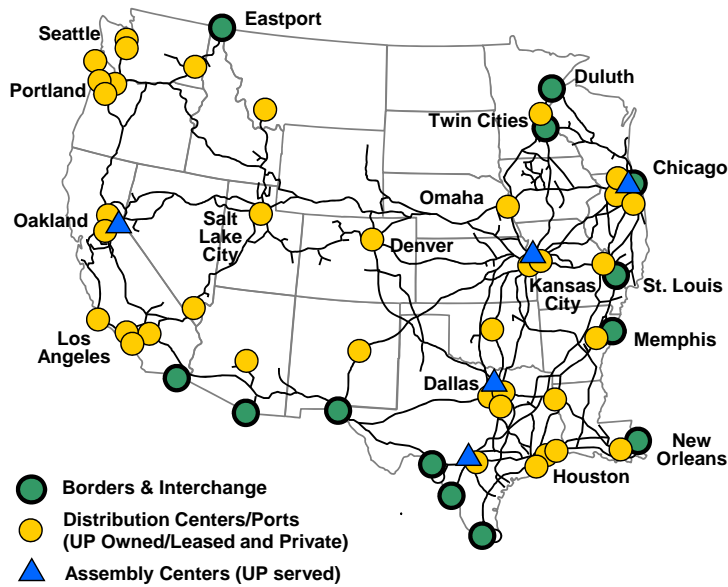


Retail Inventory-to-Sales Ratio

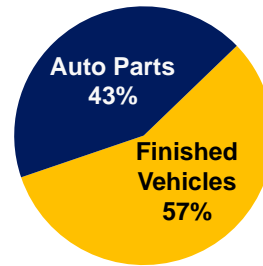
Source: U.S. Bureau of Economic Analysis



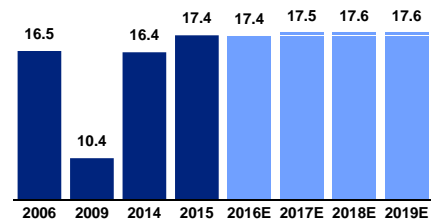
U.S. Vehicle Sales and Drivers



2015 Volume Mix



U.S. Light Vehicle SAAR*

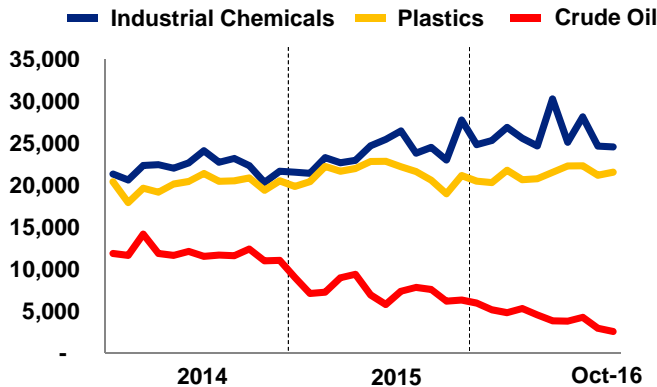


*Source: November 2016 IHS Global Insight forecast

Chemicals

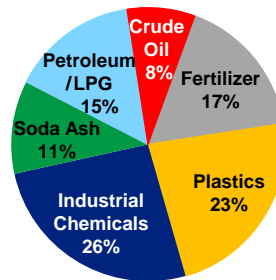


UNP Monthly Volumes

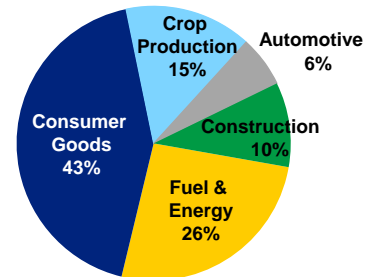


- Challenging Crude by Rail Market
- Solid Base Chemicals

2015 Volume Mix

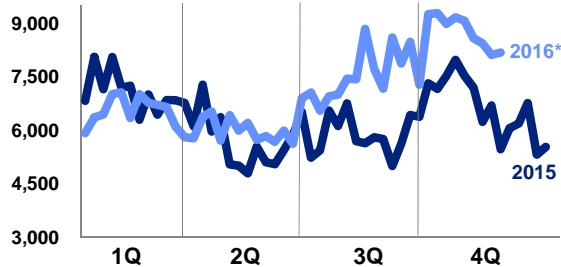


Key End-Use Markets (% of 2015 Volume)



Grain Volumes

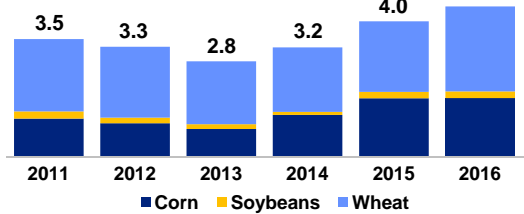
UNP Weekly Grain Carloads
(As reported to the AAR)



- High Grain Inventories
- Better Export Market
- Strong Harvest Nearing Completion

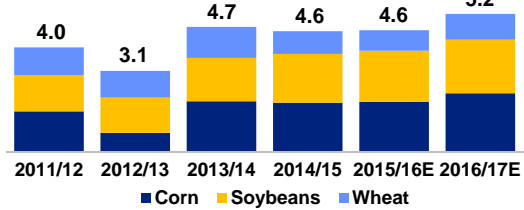
*Through November 25, 2016

U.S. Grain Stocks*
(Bushels in Billions)



*Source: USDA; As of September 1st

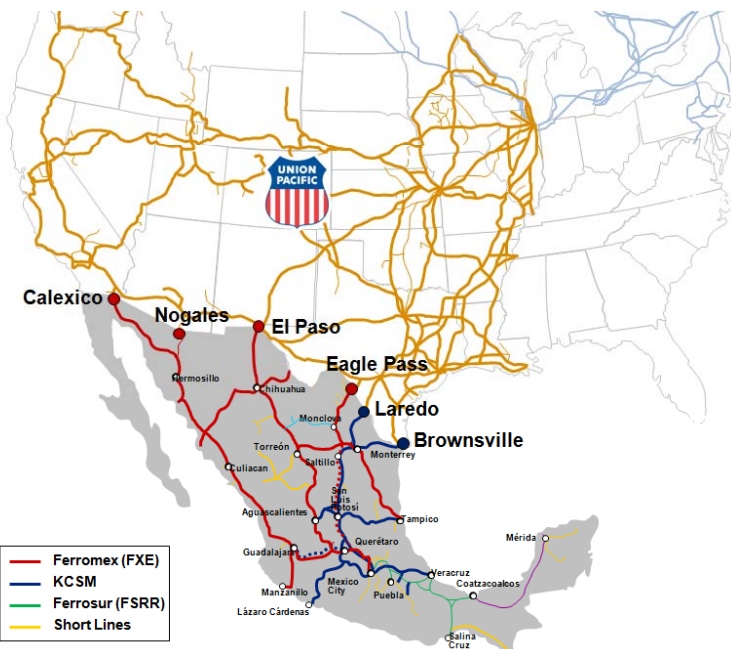
U.S. Grain Exports**
(Bushels in Billions)



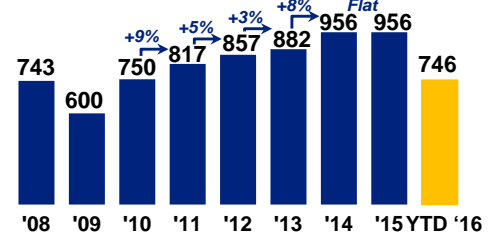
**Source: USDA



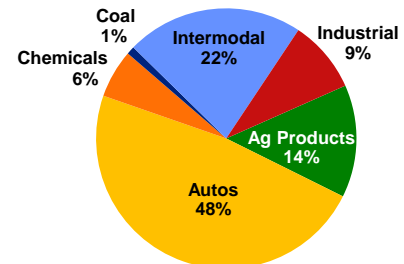
UP Positioned for Mexico Growth



Volume Growth
(Carloads in Thousands)



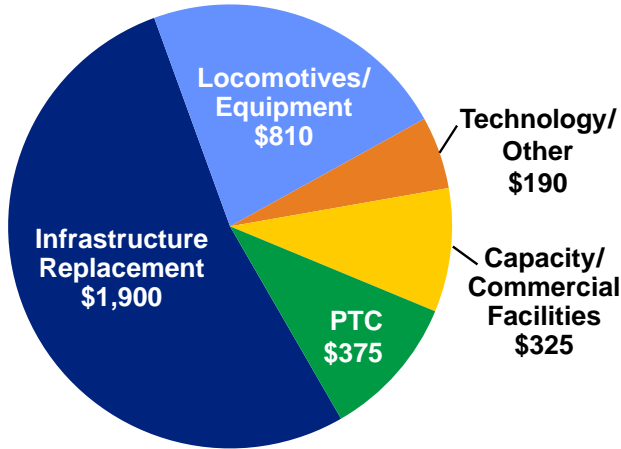
2015 Volume Mix
(In Carloads)



Strengthening the Franchise



2016 Capital Plan: ~\$3.6 Billion* (\$ in Millions)



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

2016

- Reduced Capital Plan
- Capacity Investments & PTC
- 200 New Locomotives

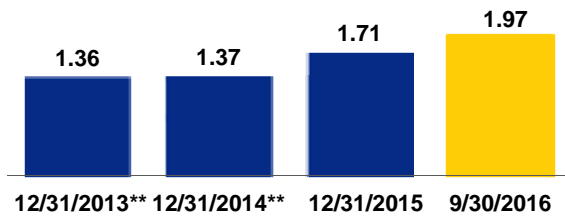
2017

- 100 New Locomotives
- Total Spend Likely Closer to 15% of Revenue

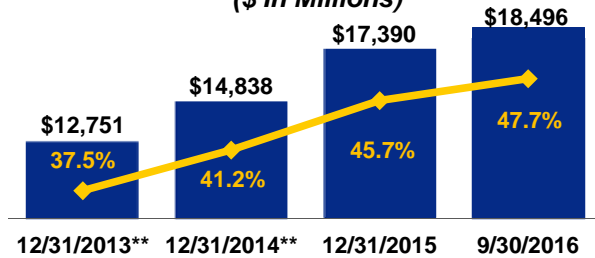
Optimizing the Balance Sheet



Adjusted Debt / EBITDA*



Adjusted Debt (\$ In Millions)



Adjusted Debt to Capital

- Investment Grade Credit Rating
- 2016 YTD Debt Issuance: ~\$1.9 Billion
- Increased Adj. Debt over \$5 Billion since 2013

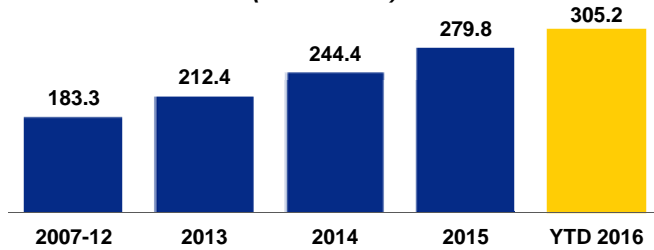
* See Union Pacific website under Investors for a reconciliation to GAAP.

** Prior periods have been adjusted for the retrospective adoption of Accounting Standard Update 2015-03.

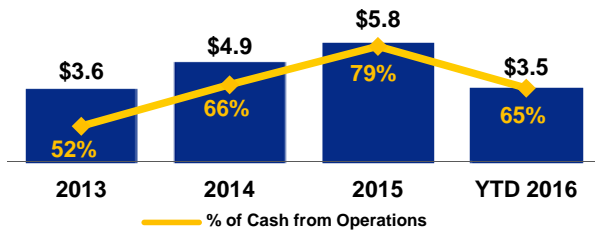
Shareholder Returns



Cumulative Share Repurchases (In Millions)



Cash Returned to Shareholders (\$ In Billions)



- Early Renewal of Share Repurchase Program
- 10% Dividend Increase
- Returned nearly \$17.8 Billion of cash to Shareholders since 2013
 - Averaged 66% of Total Cash From Operations

*Includes 2014 fourth quarter dividend payment, and all four 2015 dividend payments

Looking Ahead



- 4Q Volume Down Low Single Digits (Coal down low teens)
- Full Year Volume Down in the 6-8% Range
- Focus on G55+0 Productivity Initiatives
- Positive Core Pricing

60% +/- Op Ratio by 2019

Operating Ratio (Percent)

