



December 2019

Union Pacific Corporation

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; its ability to generate financial returns, improve resource productivity and use innovation to enhance customer experience; implementing 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 2018, which was filed with the SEC on February 8, 2019. 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.

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BUILDING AMERICA®

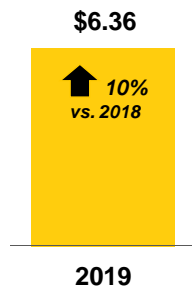
December 2019

Current Overview / Business Update

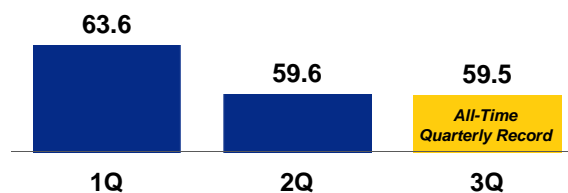
2019 Financial Results



Earnings Per Share Third Quarter Year-to-Date



Operating Ratio 2019

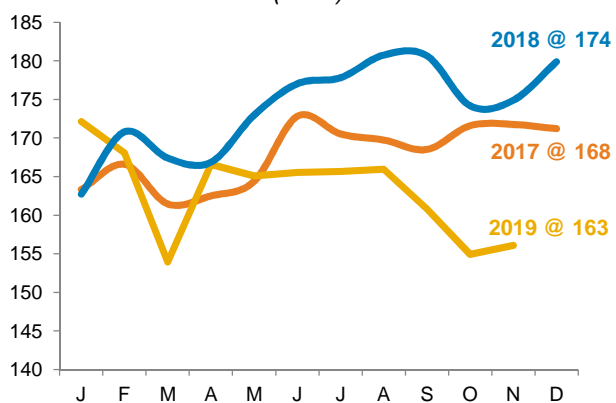


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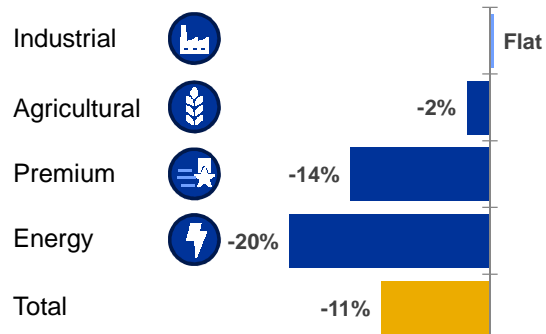
2019 Business Trends



7-Day Monthly Carloadings (000s)



Fourth Quarter Volumes* 2019 vs. 2018

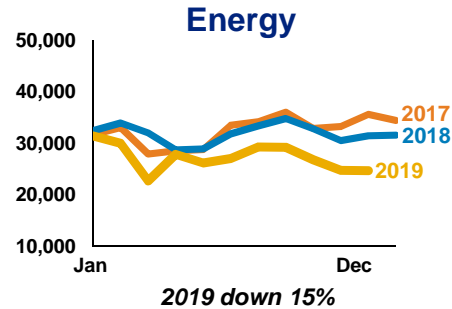
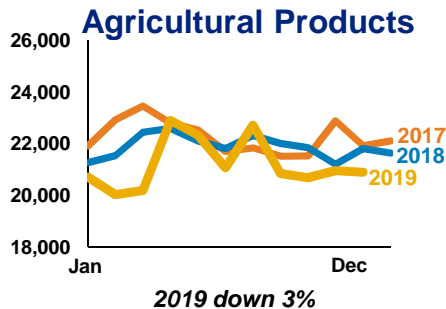


* Carloadings as of 12/2/19

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7-Day Volume Trends

Through November 30, 2019



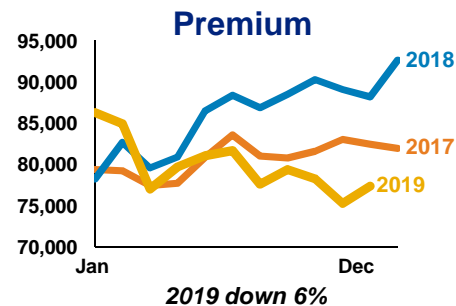
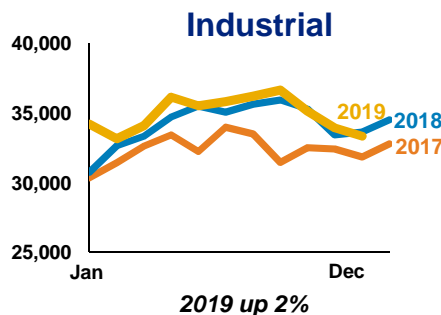
- Grain Inventories
- Export Market Fundamentals
- Food & Refrigerated Shipment Demand

- Natural Gas Prices
- Inventory Management
- Weather & Economy
- Frac Sand Demand
- Crude Oil Prices & Spreads

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7-Day Volume Trends (cont)

Through November 30, 2019



- Construction-Related Materials
- Housing Activity
- U.S. Dollar Impact
- Plastics Demand
- Base Chemicals Remain Solid

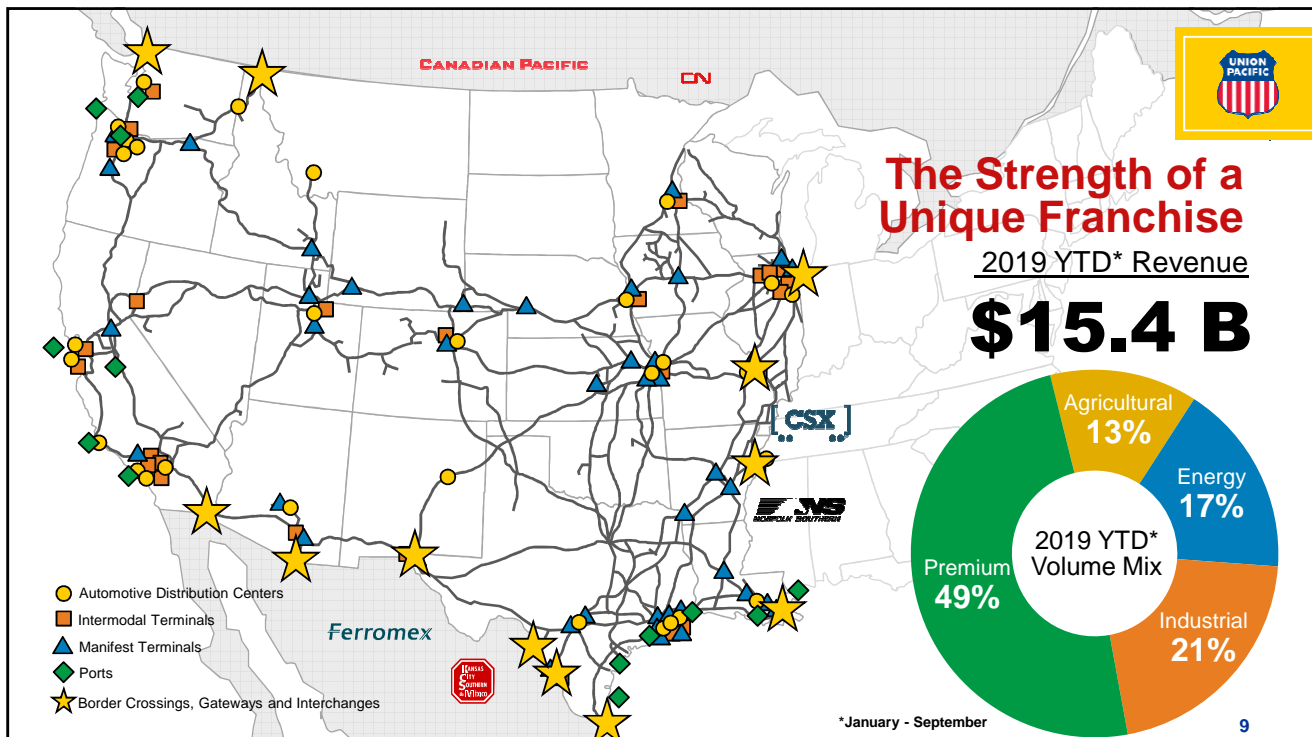
- North American Production & Sales
- Over-the-Road Parts Conversions
- Intermodal Market Fundamentals
- Truck Capacity
- Foreign Tariffs

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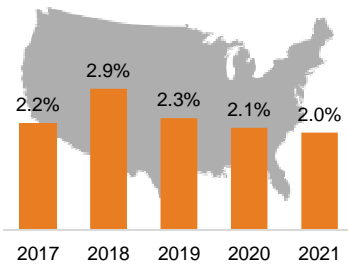


December 2019

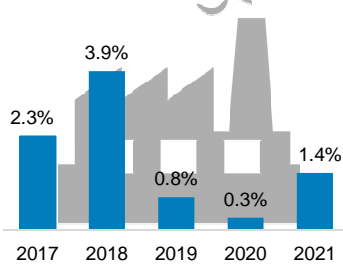
Business Team Review



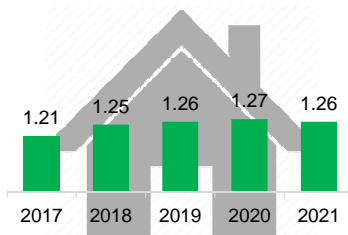
Gross Domestic Product



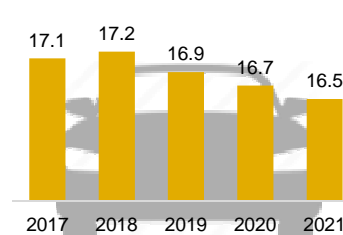
Industrial Production



Housing Starts (millions)



Light Vehicle Sales (millions)



Source: Global Insight November 2019



U.S. Economy

Union Pacific Volumes Tend to Reflect:

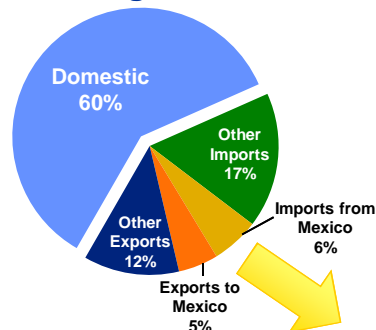
- Industrial Production
- International Trade Dynamics

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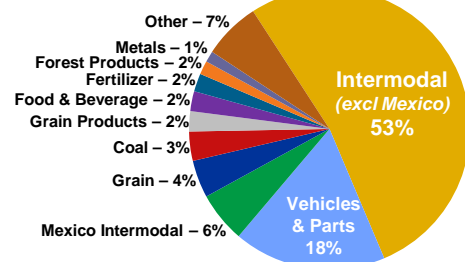
International Trade

- Diverse Franchise Creates Opportunity
- Off-shoring/Near-shoring of U.S. Manufacturing
- Demand for Grain and Food
- Low Natural Gas Prices Favor U.S. Plastics Production
- Impacts from a Strong U.S. Dollar
 - Negative: Steel, Grain, Coal
 - Positive: International Intermodal

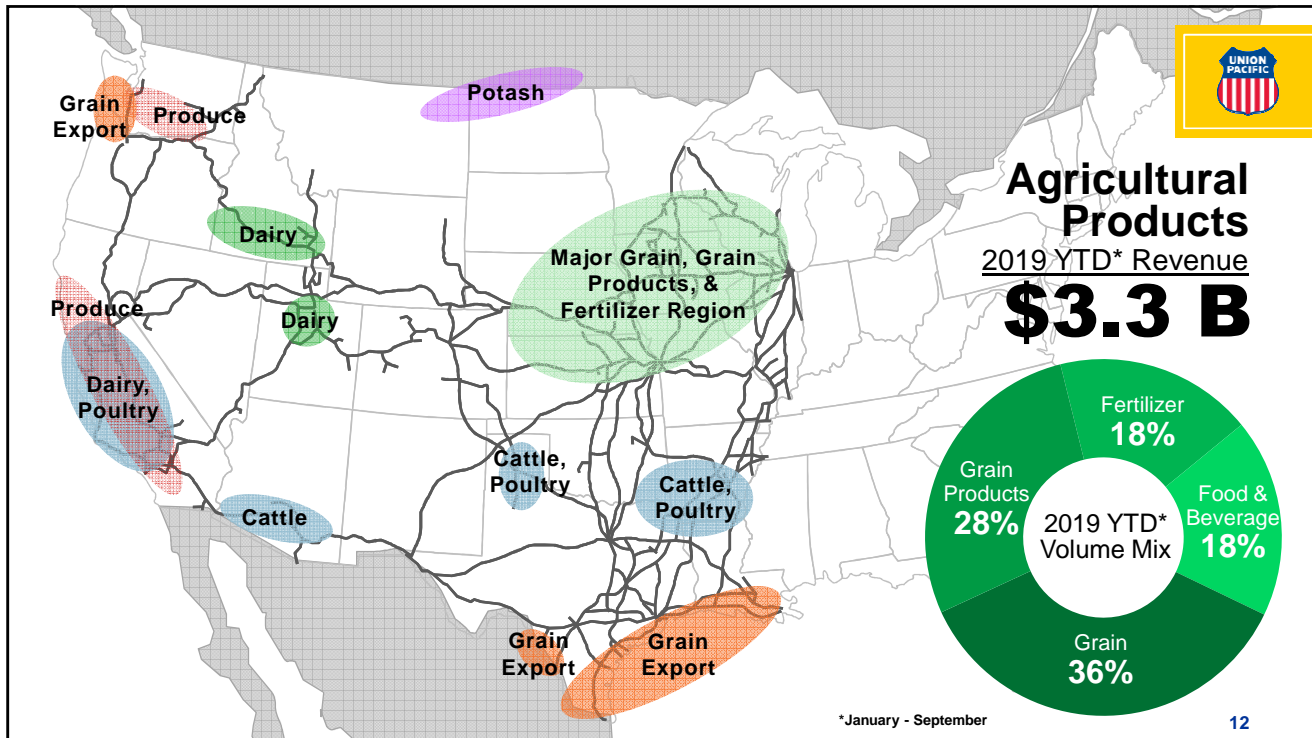
2018 Freight Volumes



International Volumes (3.5M carloads)



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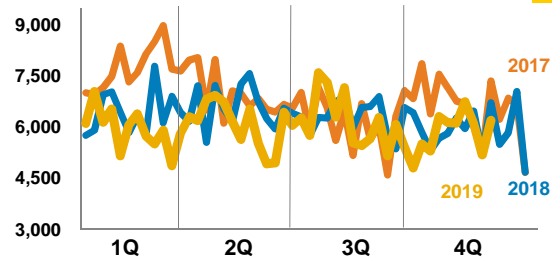
Agricultural Products

- Grain Inventory Management
- Export Market Fundamentals
- Food & Beverage Shipment Demand

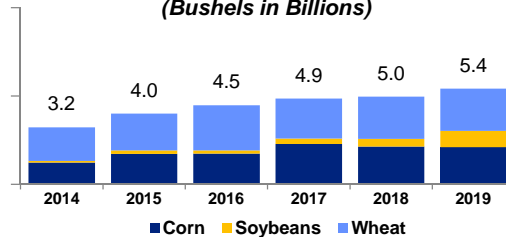


*Through November 30, 2019

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

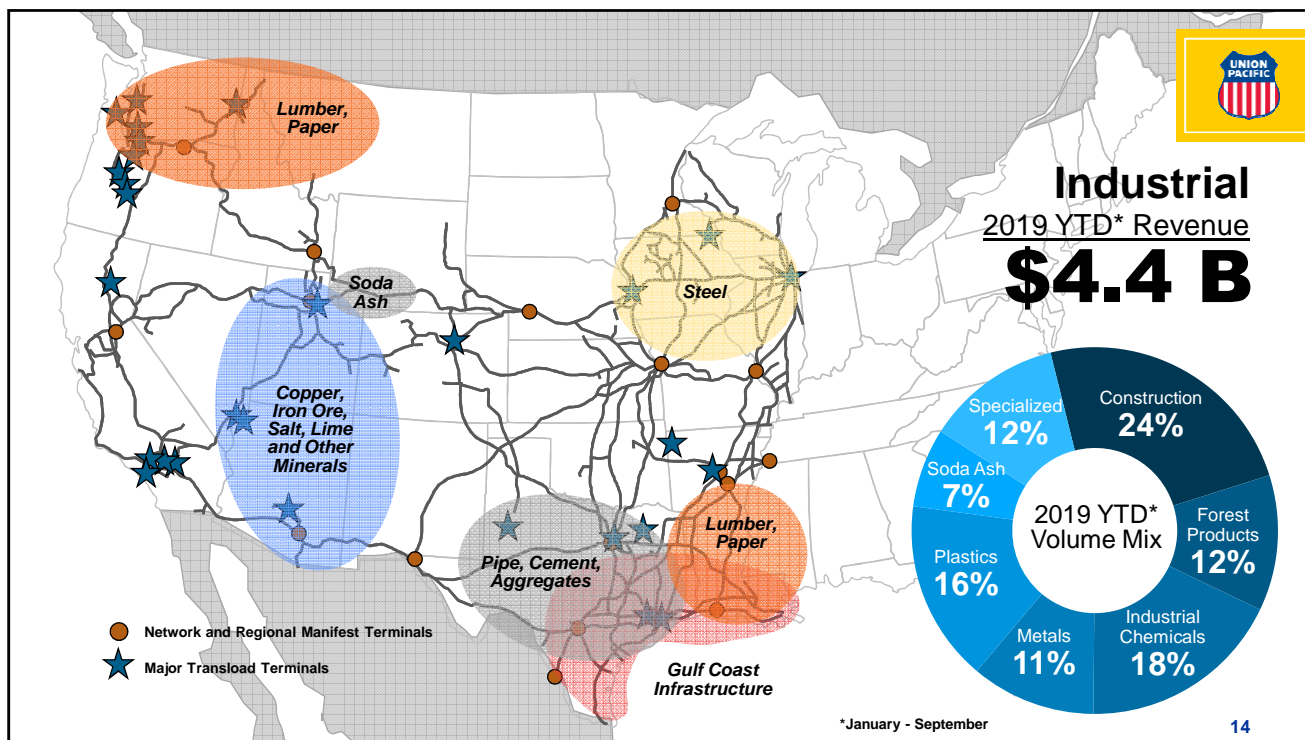


U.S. Grain Stocks** (Bushels in Billions)



**Source: USDA; As of September 1st

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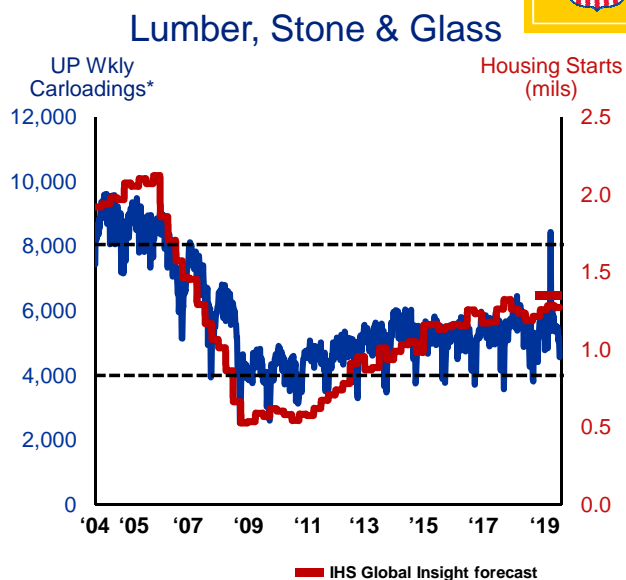


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Housing Trends

- Housing Market still well Below Historical Averages
- UP Lumber, Stone & Glass Business Correlates with Housing Starts
- Housing also Drives Appliances, Roofing, Rebar, Aggregates, and Cement Demand

Housing Related Shipments Represent ~ 5-10% of Current UP Volumes



*Through November 30, 2019

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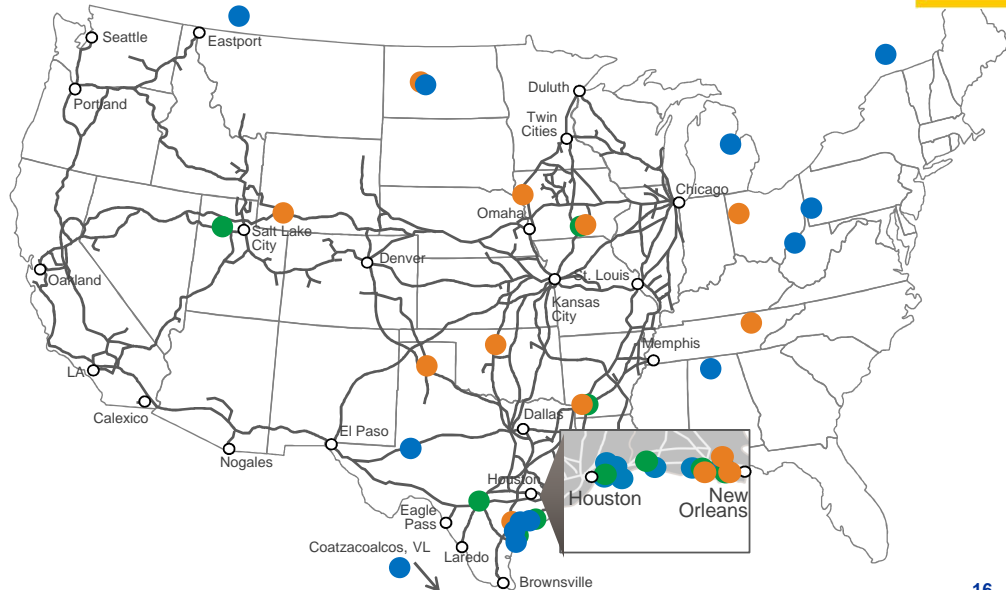
Chemical Opportunities

North America Announced Expansions



2015 – 2020

- Ind. Chemicals - 14
- Fertilizer - 13
- Plastics - 21

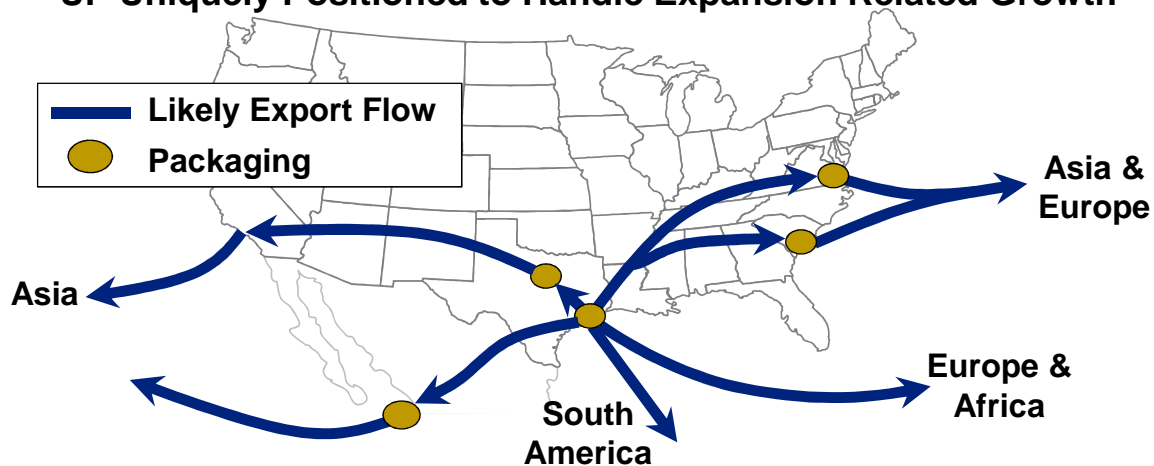


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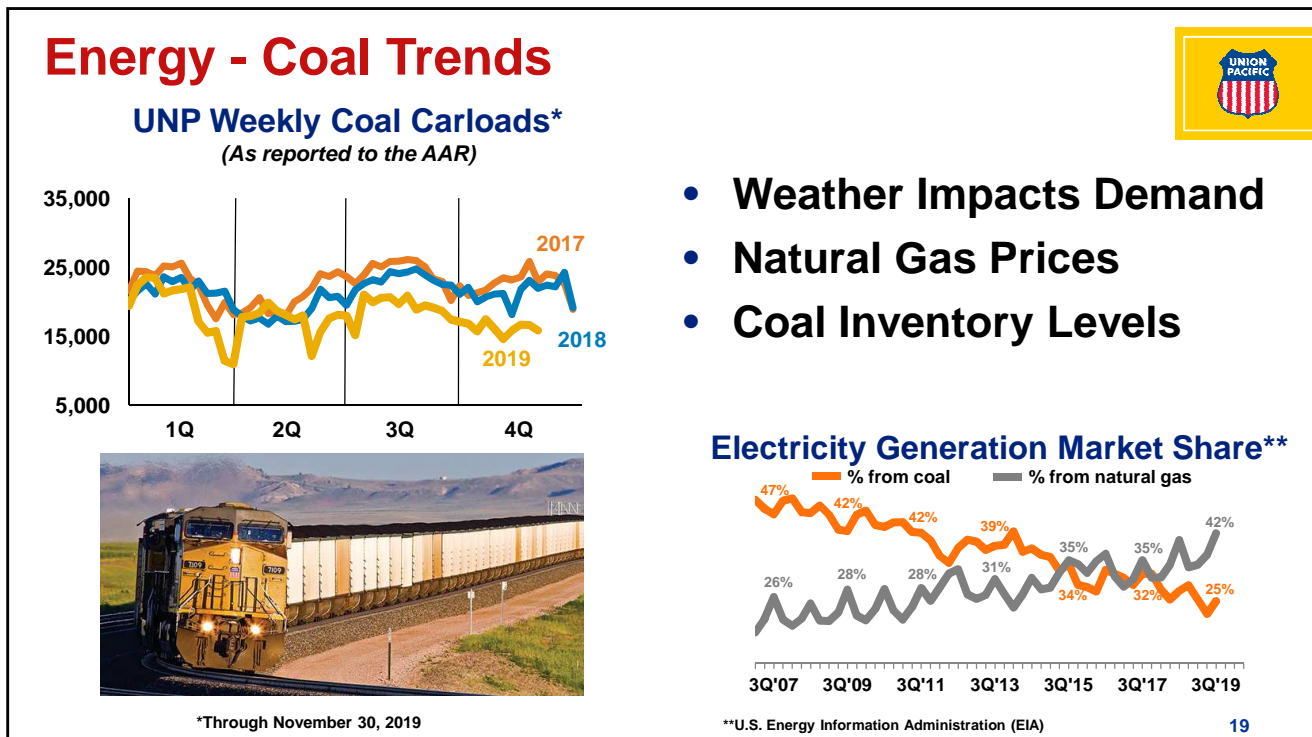
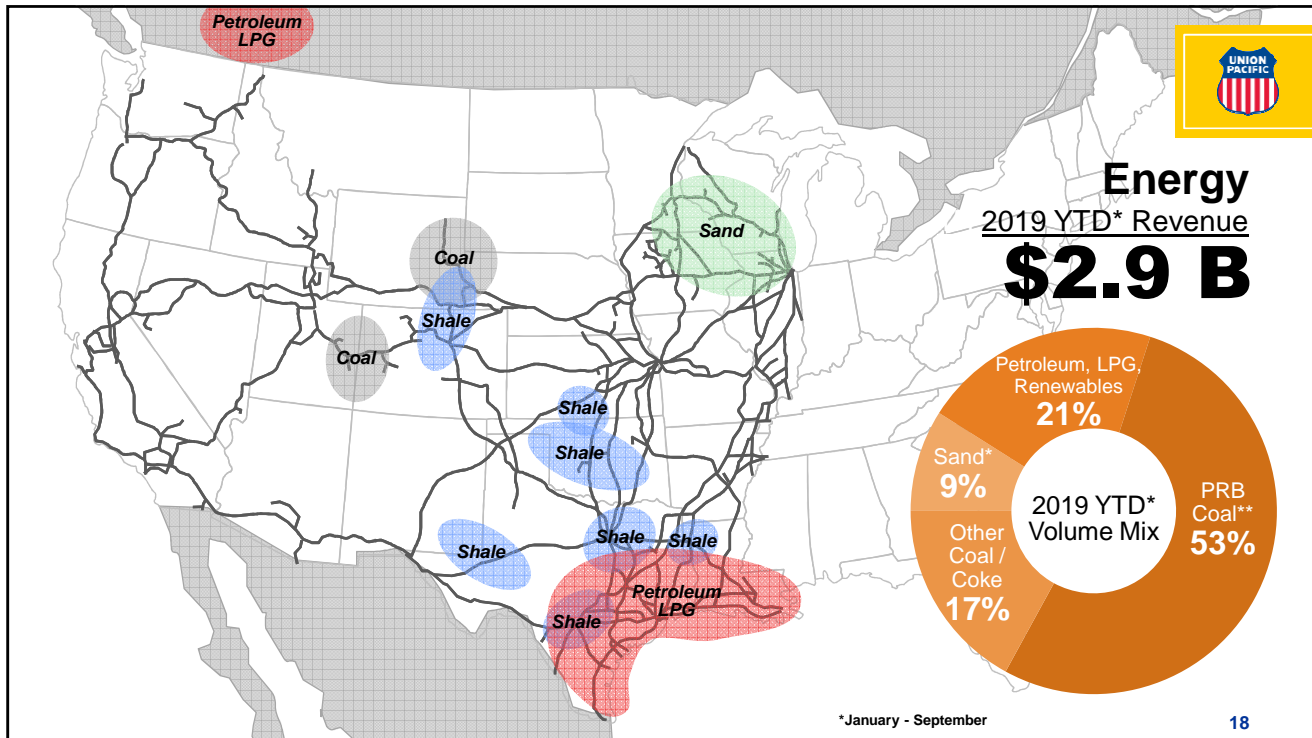
Chemical Export Opportunities



- North American Production Will Exceed Domestic Demand
- Surplus U.S. Production Targeted for Export
- UP Uniquely Positioned to Handle Expansion Related Growth



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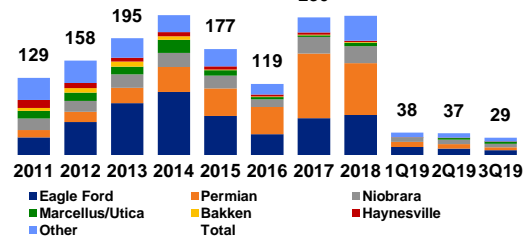


Shale-Related Volumes

2.8% of 2019 YTD* Total Volume

2019 YTD*	Volume (000s)	% Incr (vs 2018)	% of Total UP Volume
Frac Sand**	104	(47%)	1.6%
Crude	52	90%	0.8%
Pipe	23	2%	0.4%
Total Shale	179	(27%)	2.8%

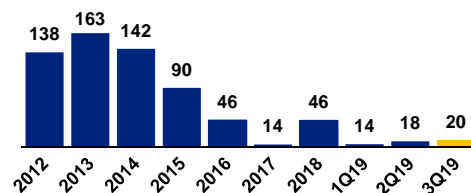
Frac Sand Volume* (By Shale, 000s)



Frac Sand Drivers

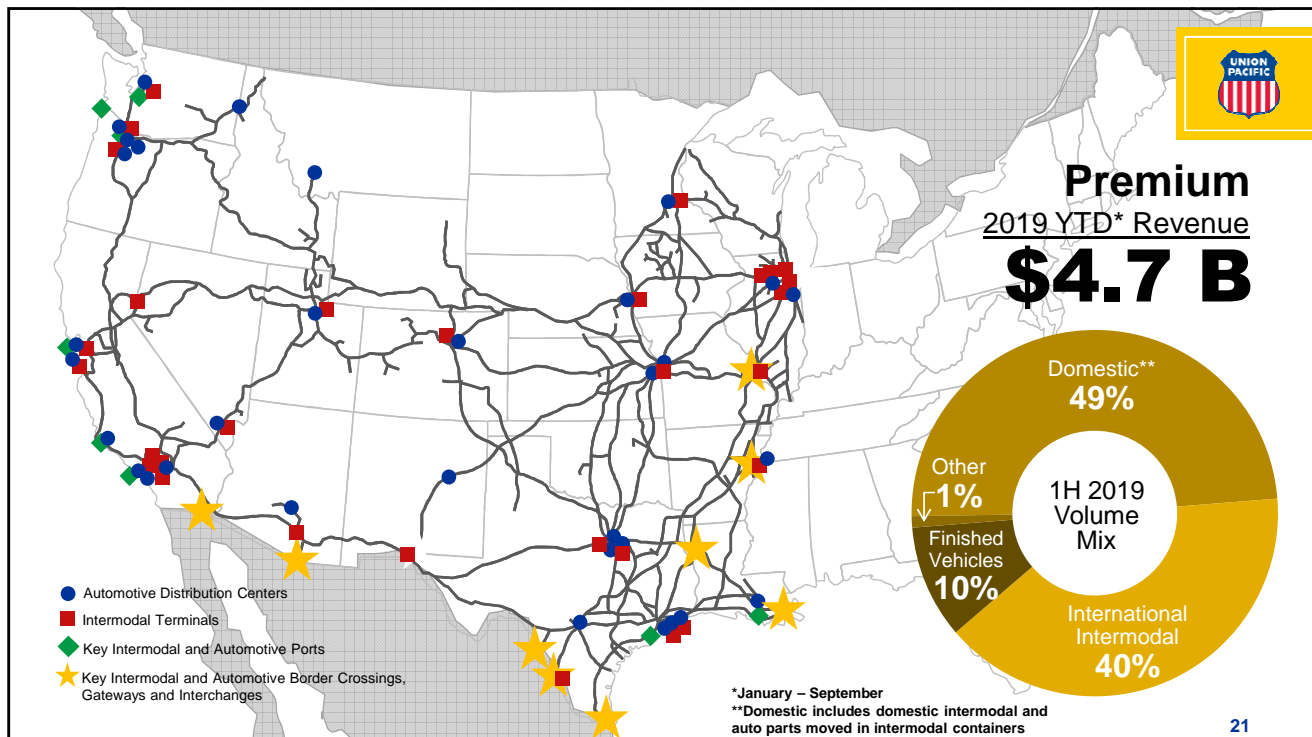
- Energy Prices
- Rig Counts
- Enhanced Fracking Technology
- White / Brown Sand Mix

Crude Oil Volume (000s)



*January – September
** Includes Barites

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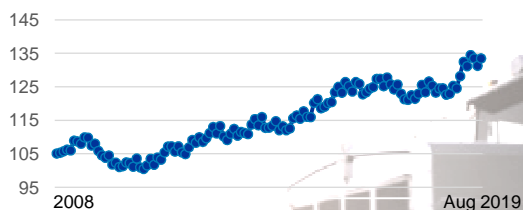


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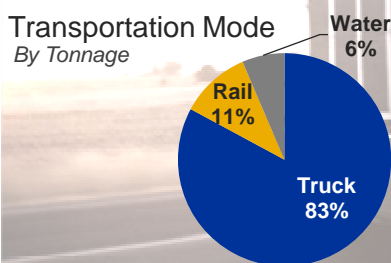
Highway Conversion Growth Opportunities



Cass Truckload Linehaul Index



Transportation Mode
By Tonnage

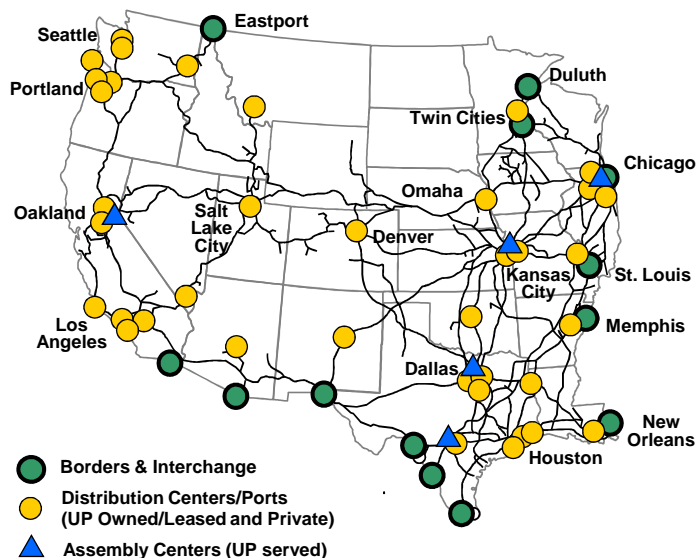


- Highway Conversion Opportunities in All Business Groups
- ELD Impact
- Truck Capacity
- LOUP
- Highway Congestion

Source: Cass Information Systems, Index uses January 2005 as its base month, U.S DOT Bureau of Transportation Statistics

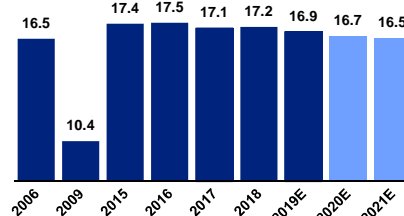
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Premium – Finished Vehicles



*Source: Global Insight

U.S. Light Vehicle SAAR*

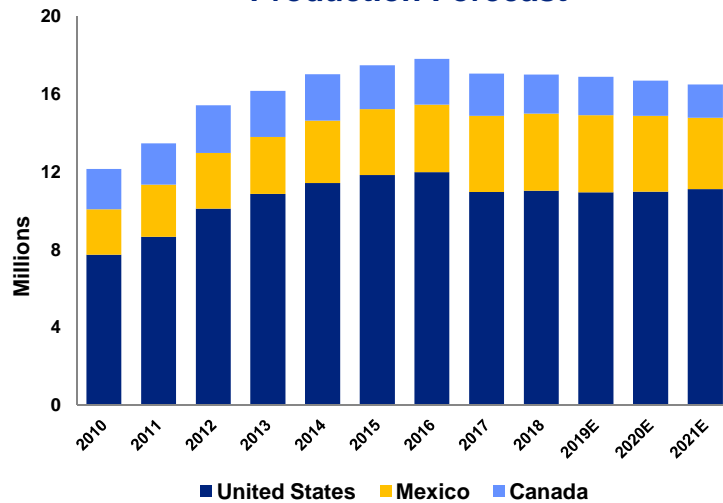


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North American Auto Production



North American Light Vehicle
Production Forecast*



*Source: Global Insight



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What We Do

Full-Service Meets Extensive Expertise



LOUP



Supply Chain
Optimization



Warehousing



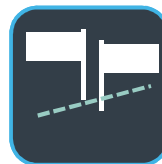
Transloading



Door-to-Door



Market Reach



Cross-Border
Expertise

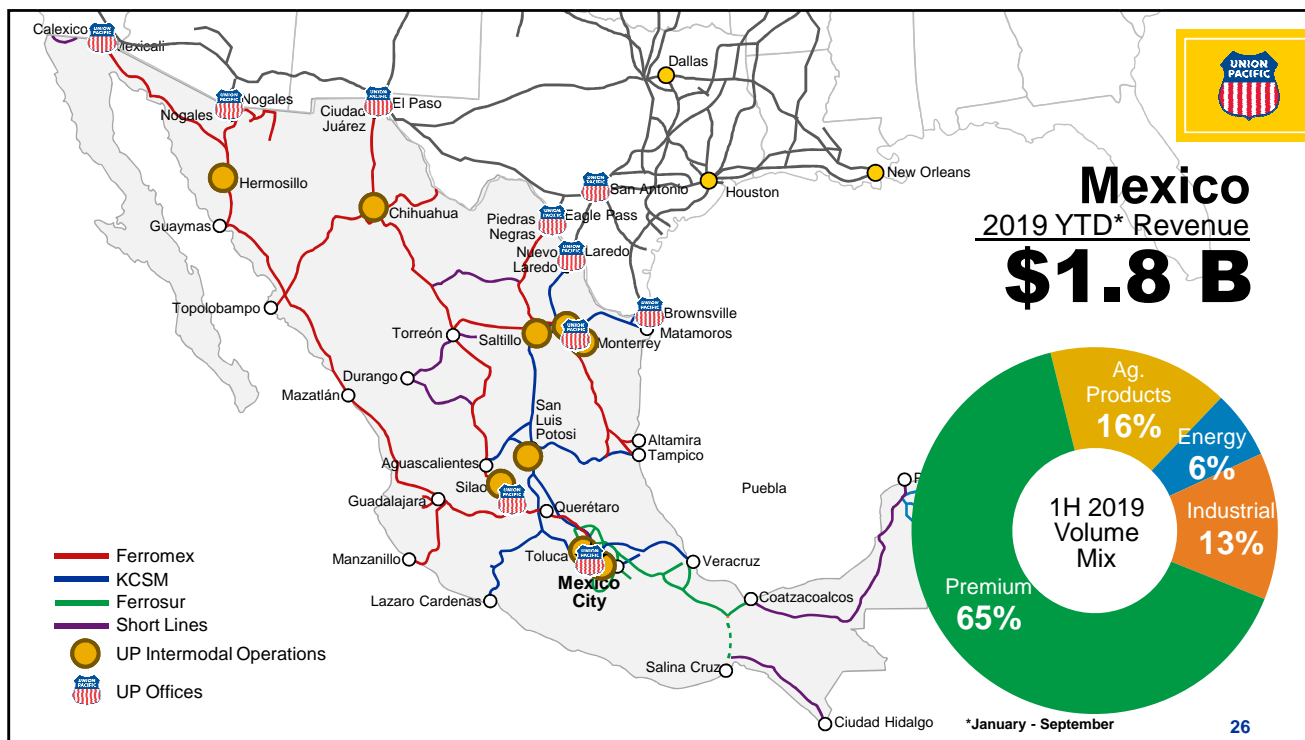


Shipment
Visibility



Just-in-Time

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2019 Volume Outlook



Agricultural Products

- + Biofuels
- + Food and Beverage
- ? Grain



Industrial

- + Plastics
- + Construction
- Forest Products



Energy

- + Petroleum Products
- Sand
- Coal Headwinds



Premium

- ? Light Truck / SUV Sales
- Domestic Intermodal
- Trade & Economy



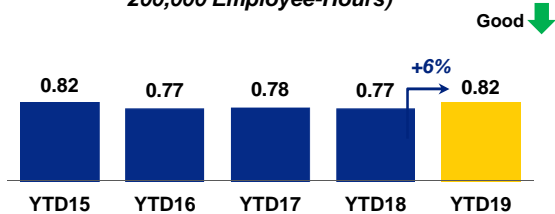
December 2019

Operating Overview

Safety

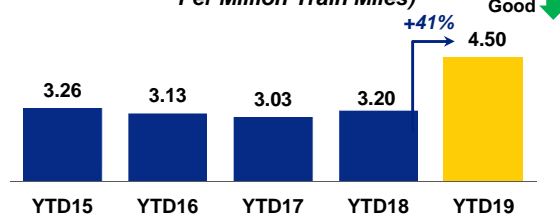
Employee

(Reportable Personal Injury Incidents Per 200,000 Employee-Hours)



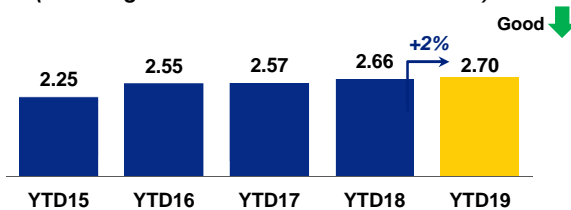
Rail Equipment

(Reportable Derailment Incidents Per Million Train Miles)



Public

(Crossing Accidents Per Million Train Miles)



- Continued Focus on Safety
- Goal of Zero Incidents

YTD19 = January - September

Unified Plan 2020

Precision Scheduled Railroading Tenets

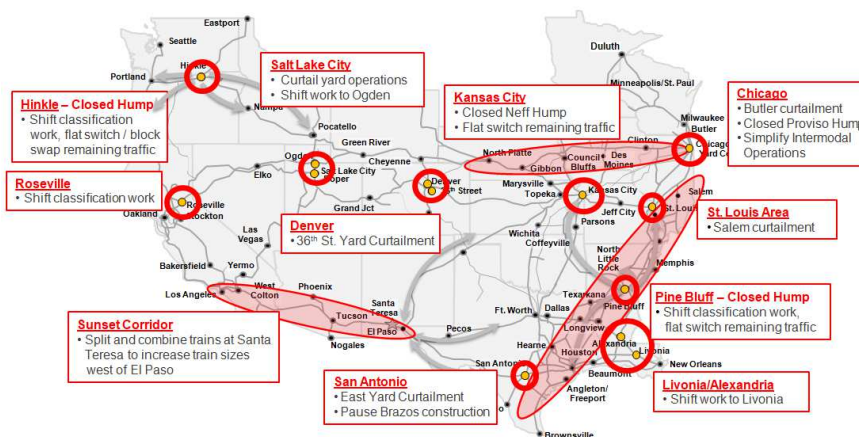
- Shifting the focus of operations from moving trains to moving cars
- Minimizing car dwell, car classification events and locomotive requirements
- Utilizing general-purpose trains by blending train services
- Balancing train movements to improve the utilization of crews and rail assets



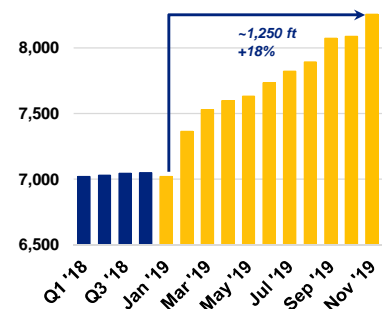
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Unified Plan 2020 Update

Terminal Rationalization & Network Changes



System Train Length (Max on route, in feet)



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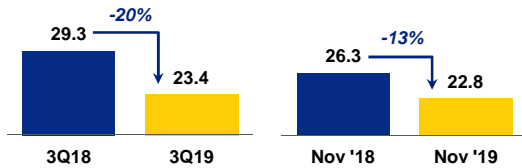
Unified Plan 2020

Key Performance Indicators



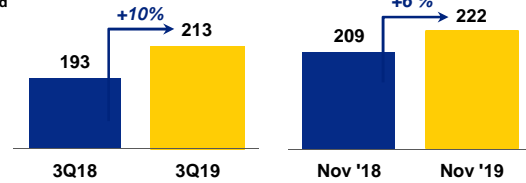
Freight Car Terminal Dwell (Hours)

Good
↓



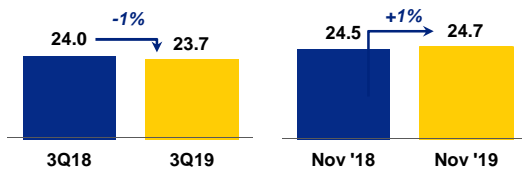
Freight Car Velocity (Daily Miles per Car)

Good
↑



Train Speed (Miles per Hour)

Good
↑



- Year-over-Year Improvement
- Continued Focus on Asset Utilization and Minimizing Car Classifications

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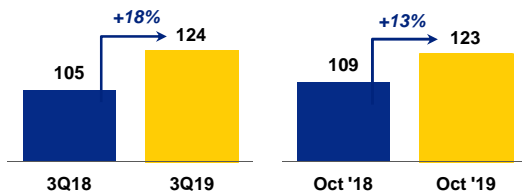
Unified Plan 2020

Key Performance Indicators



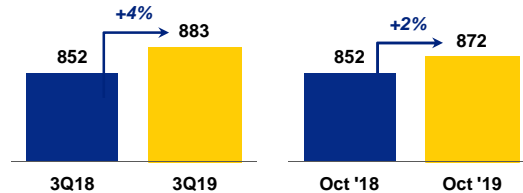
Locomotive Productivity (GTM per Horsepower Day)

Good
↑



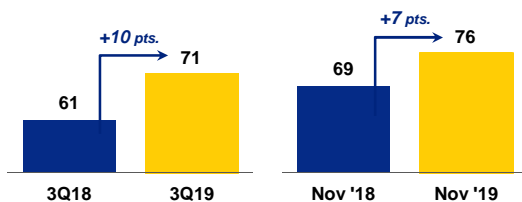
Workforce Productivity (Daily Car Miles per FTE)

Good
↑



Car Trip Plan Compliance (% Cars On Time)

Good
↑

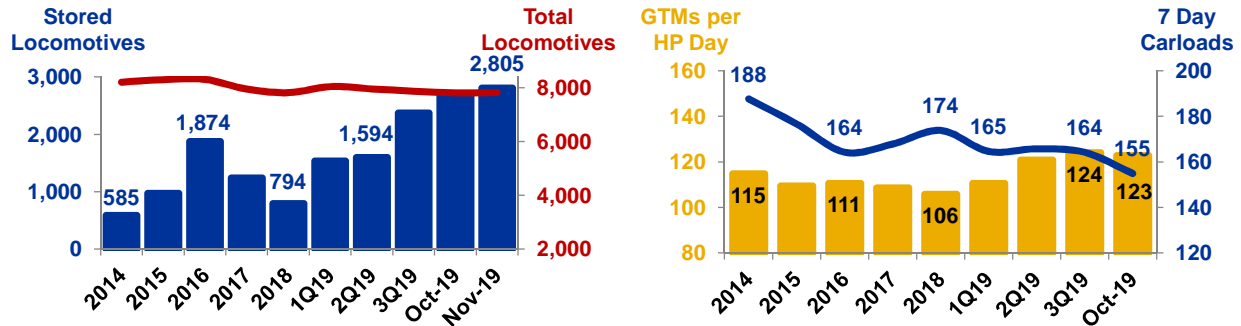


- ~2,800 Stored Locomotives as of November 30th
- Third Quarter Workforce Down 13%
- Improved Service Product

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Unified Plan 2020

Locomotive Productivity



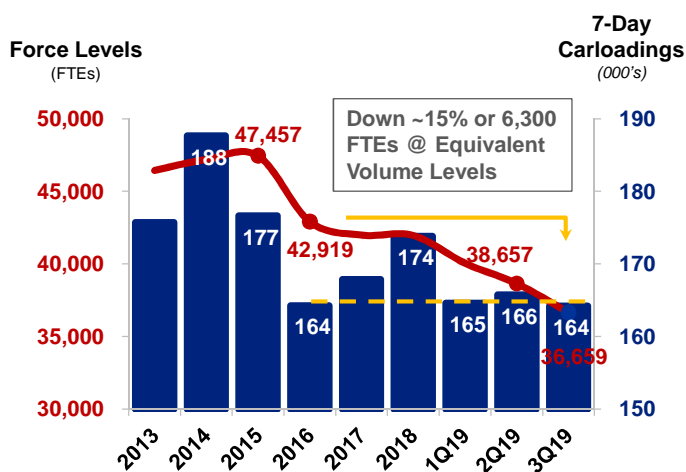
- ~2,800 Stored Locomotives as of November 30th or ~35% of Total Fleet
- Result of using the Locomotive Fleet more efficiently

- October 2019 GTMs per Horsepower Day increased 13% compared to October 2018
- Driven by less units, increased train length and reduced dwell

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Unified Plan 2020

Employee Force Levels

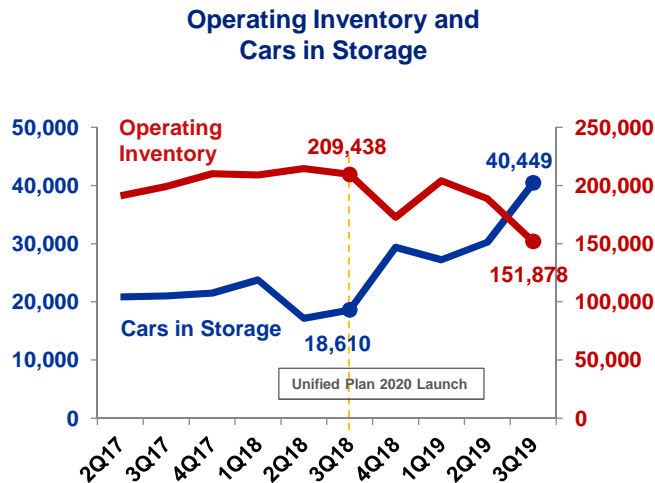


- **Unified Plan 2020 Driving a Significant Reduction in FTEs**
 - Down ~15% or about 6,300 FTEs in 3Q19 from 2016 at equivalent volume levels
 - Lowest number of FTEs in the last 15 years
 - Driven by Asset Utilization and Process Improvements
- **Additional Opportunity Exists**

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Unified Plan 2020

Inventory Management



- **Operating Inventory Reduced with Unified Plan 2020**

- Excludes Cars in Storage and Cars placed at Customer
- Change driven by improved Freight Car Velocity and Terminal Dwell
- Weather challenges in 1H19

- **Cars in Storage on the Rise**

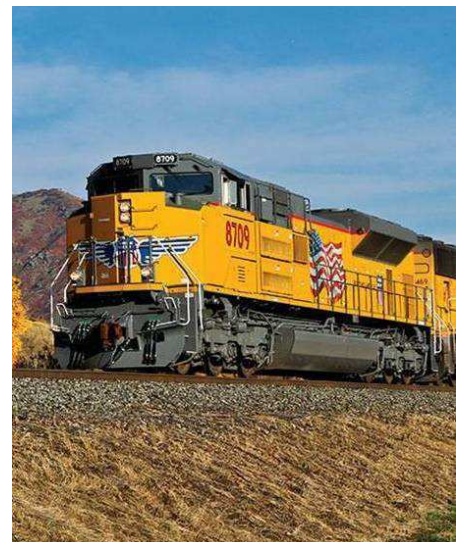
- Increased more than 60% since Third Quarter 2018

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Positive Train Control (PTC) Status Overview



- Approximately \$2.8 Billion Invested through June 2019
- Total Estimated Investment ~ \$2.9 Billion
- Field Testing since October 2013
- Installed on 100% of Required Rail Lines
- Implemented on 93% of Required Rail Lines
- Continue Implementing, Testing and Refining PTC in 2019 & 2020



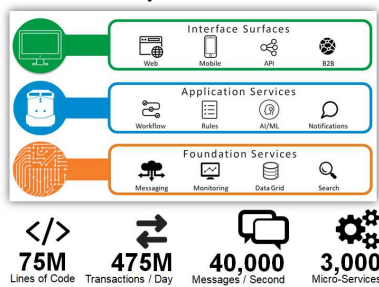
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Technology Advancing Operations



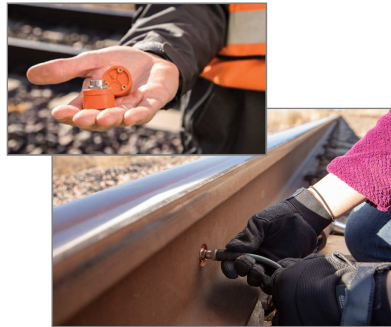
Net Control

- Premier transportation operating system
- Manages all transportation assets including trains, cars, shipment, locomotives, and terminals
- Foundational platform for innovation, customer experience, productivity, and efficiency



Sensor X

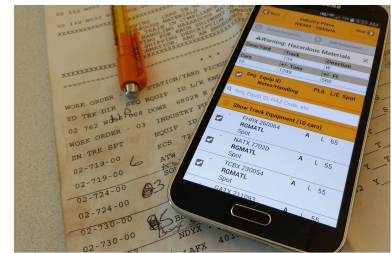
- Accelerometer
- Strain Gauge
- Digital Temp Sensor



* SensorX Patent Pending 62647445

Mobile Work Order

- Real time inventory updates and corrections
- Enables dynamic work instructions & planning
- Platform to digitize other work activities
- Reduced user work load



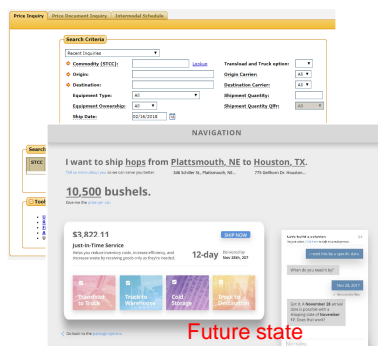
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Technology Improving Customer Experience



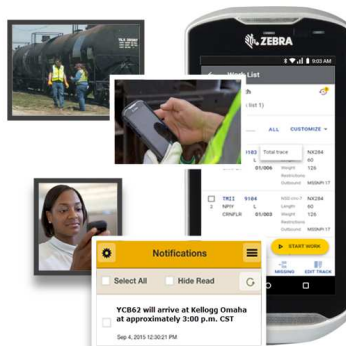
Streamlined interfaces

- Ease of navigation
- Quick access to information
- Modern and intuitive



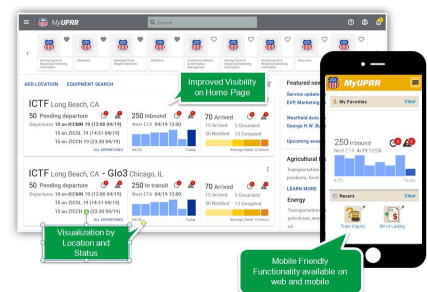
Notifications

- "You are next" notifications
- No service today | customer exceptions notifications
- Numerous other notification types



Enhanced shipment management

- Dashboards
- Mobile available



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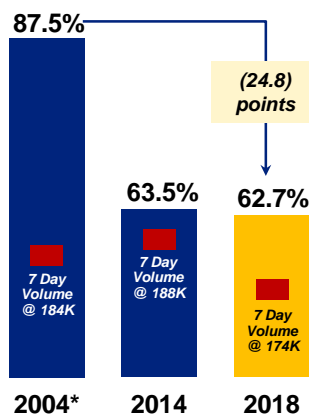
December 2019

Financial Review

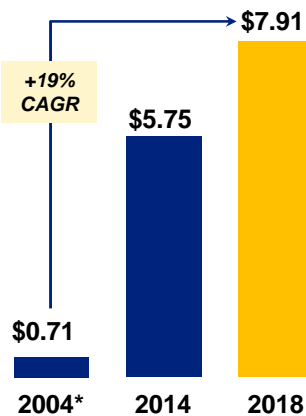
Financial Performance Expanding Margins and Driving Returns



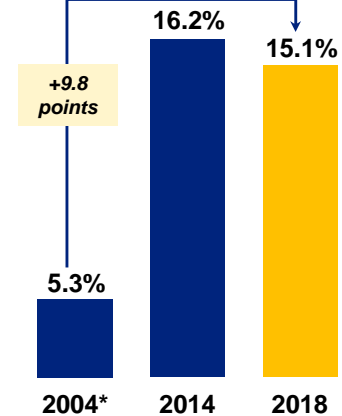
Operating Ratio



EPS



ROIC**



* 2004 adjusted for asbestos pre-tax charge of \$247.4 million.

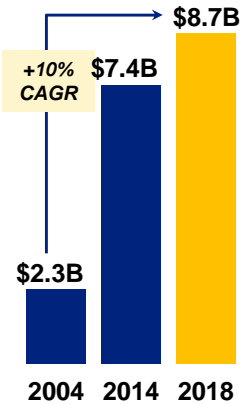
** See Union Pacific website under Investors for a reconciliation to GAAP.

Financial Performance

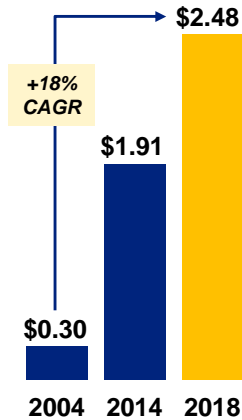
Growing Cash Flow and Shareholder Returns



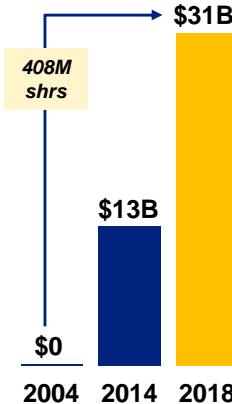
Cash from Ops



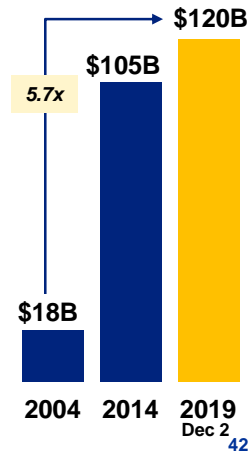
Dividends (Declared)



Share Repurchases (Cumulative)



Market Cap



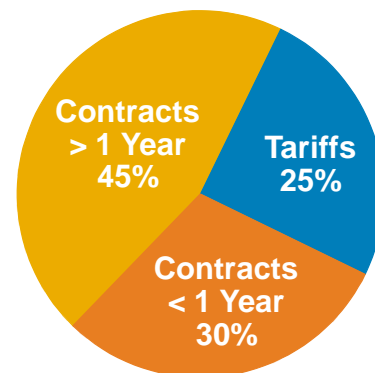
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Pricing Fundamentals



- Value is the Key to Future Price Improvement
- Balanced Portfolio Provides Flexibility for Repricing as Value Grows
- Solid Core Pricing

Balanced Revenue Portfolio



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Productivity Update



Third Quarter Results:

~\$170 Million of Productivity

- Rail Equipment Incidents Resulted in a \$25 Million Headwind
- Net Productivity of \$145 Million for the Quarter and \$375 Million Year-to-Date
- Maintain Full-Year Productivity Outlook of at Least \$500 Million

Initiatives & 3Q19 Results (\$ in millions)

\$56 Network and Train Operations *Fuel, Unified Plan 2020, Car Velocity*

\$75 Equipment (Locomotive and Car) *Mechanical Productivity, Car Hire, Lease Savings, Car Velocity*

\$14 Other *Support, Supply, & Engineering partially offset by Incidents & Joint Facilities*

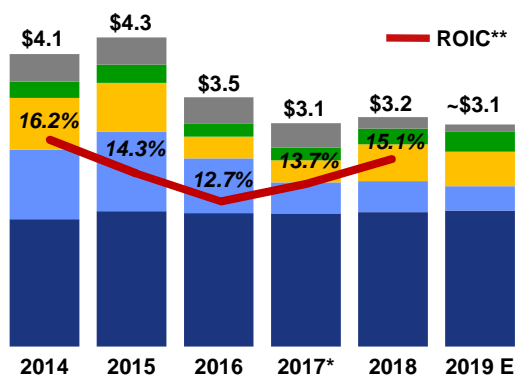
\$145 3Q19 Net Productivity

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Capital Program



Capital Spending & Returns



- Positive Train Control
- Technology / Other
- Capacity / Commercial Facilities
- Locomotives / Equipment
- Infrastructure Replacement

- Return-Focused Capital Program
- Productivity Through G55+0 Initiatives
- Capex Less than 15% of Revenue Longer-Term

* Adjusted to exclude the impact of Corporate Tax Reform.

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

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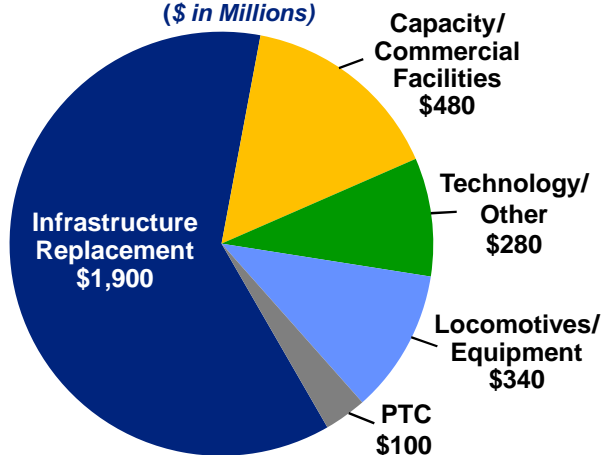
Strengthening the Franchise

Replacement, Growth & Productivity, and PTC



2019 Capital Plan: ~\$3.1 Billion

(\$ in Millions)



- Safe & Resilient Infrastructure
- Equipment Acquisitions
 - Locomotive Modernizations
 - Targeted Freight Car Acquisitions
- Capacity & Commercial
 - Targeted Opportunities
 - Intermodal Growth
- Lower PTC Spending

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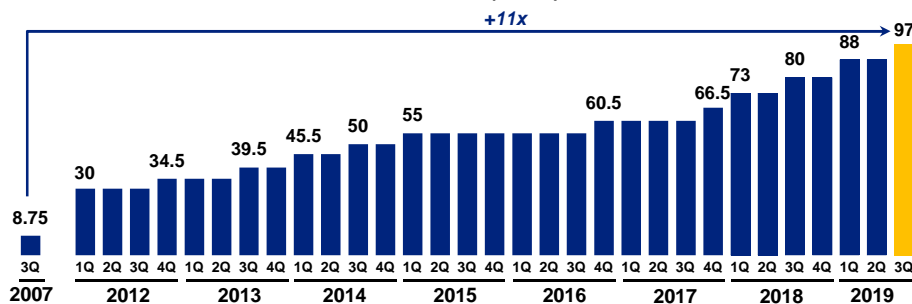
Dividends



- Dividend Payout Target of 40% to 45%
- Five Dividend Increases in the past Eight Quarters

Declared Dividend Per Share

(cents)

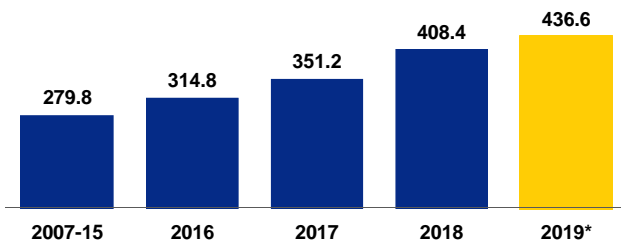


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Cumulative Share Repurchases



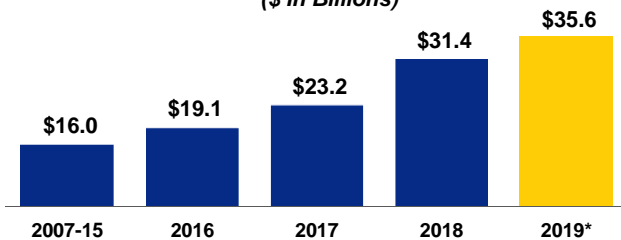
Cumulative Share Repurchases (In Millions)



- Repurchased ~40% of Shares since 2007

- Share Repurchase Authorization
 - Three Years Beginning April 1, 2019
 - Up to 150 Million Shares

Cumulative Share Repurchases (\$ In Billions)



- \$2.5 Billion Accelerated Share Repurchase Program February 2019

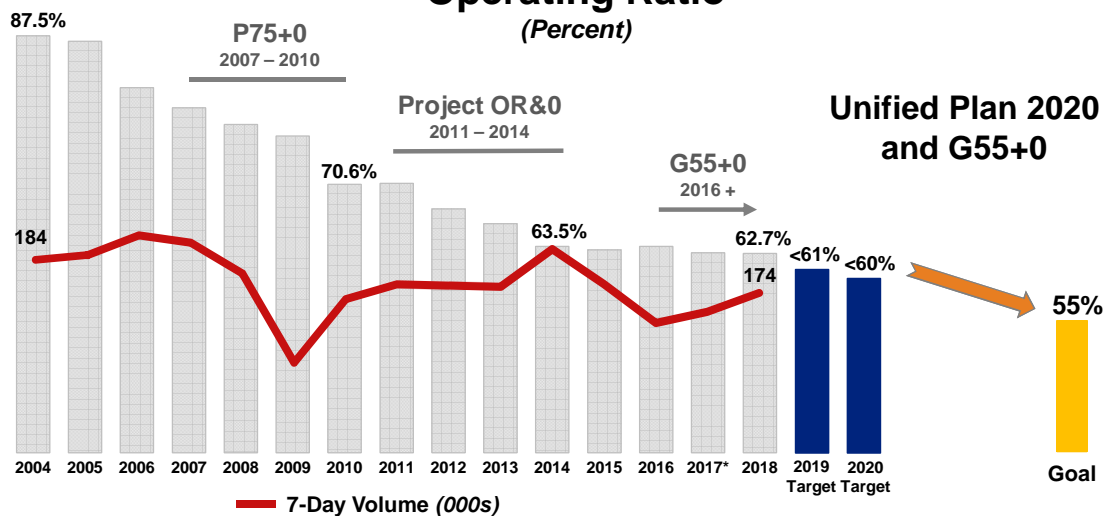
* Through September 30, 2019

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Growing Margins



Operating Ratio (Percent)



* Adjusted to exclude the impact of Corporate Tax Reform and include the retrospective adoption of ASU 2017-07

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Drivers of Margin Improvement



	2015 - 2017	2018 - 2020+
Volume	(11%)	Positive Volume Growth
Price	\$1.3 B	Above Inflation
Productivity	\$1 B	Achieve Through Innovation & Efficiency Gains

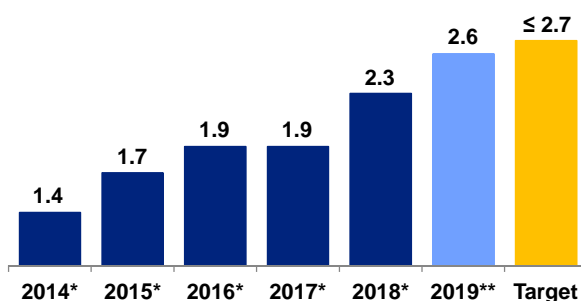
- Sub-61% Operating Ratio in 2019
- Below 60% Operating Ratio in 2020
- Unified Plan 2020 & G55+0 Opportunities
- Growing Earnings & Cash Flow

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Capital Structure



Adjusted Debt / EBITDA



- Increased Leverage
 - Consistent Financial Performance
 - Tax Reform
 - Free Cash Flow Growth
- Target Debt / EBITDA ratio: up to 2.7x
- Maintain Strong Investment Grade Credit Rating
 - No Lower than Baa1 and BBB+
- Dependent on Economy and Achievement of Financial Goals

* at year-end ** at September 30, 2019

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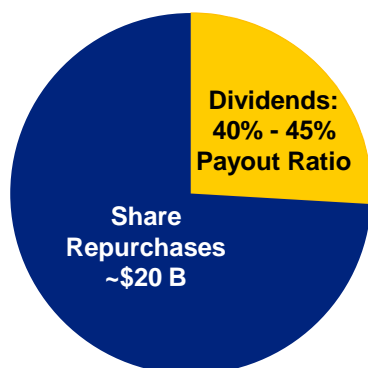
What This Means for Shareholders



Return ~\$20 Billion + Dividends to Shareholders

Cash to Shareholders

2018 to 2020



- ~\$20 Billion of Share Repurchases Over Next 3 Years
 - ~67% Complete at June 30, 2019
 - \$2.5 Billion Accelerated Share Repurchase Program February 2019
- Dividend Payout Ratio of 40% to 45%

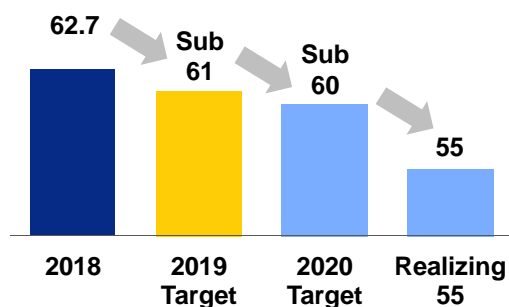
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2019 Outlook



- Fourth Quarter Volumes Down at Level Similar to Third Quarter
- Pricing Gains In Excess of Inflation Dollars
- Capital Expenditures Down \$100 Million to ~\$3.1 Billion
- Significant Productivity Savings from G55 and 0, Including Unified Plan 2020
 - At Least \$500 Million in 2019
 - Fourth Quarter Force Levels Down At Least 15%
- Reiterate Operating Ratio Guidance
 - Sub-61% in 2019
 - Below 60% in 2020

Operating Ratio (%)



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Growing Shareholder Value



KEY DRIVERS	2019 - 2020
Firm Economy Diverse Franchise Opportunities	Positive Volume Growth
Strong Value Proposition	Real Core Price \$ Above Inflation \$
Volume + Pricing + Productivity	Sub-61% OR in 2019, Below 60% OR in 2020
Return-Focused Capital Program	CapEx < 15% of Revenue
Increase Cash to Shareholders Increase Leverage Strong Credit Ratings	Share Repurchases: ~\$20 Billion over 3 years Dividend Payout Ratio: 40% to 45% Debt / EBITDA Ratio: ≤ 2.70 Baa1 and BBB+ or Better

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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; its ability to generate financial returns, improve resource productivity and use innovation to enhance customer experience; implementing 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 2018, which was filed with the SEC on February 8, 2019. 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.

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