



May 14, 2019

Bank of America Merrill Lynch 2019 Transportation Conference

Rob Knight
Chief Financial Officer
Jim Vena
Chief Operating Officer

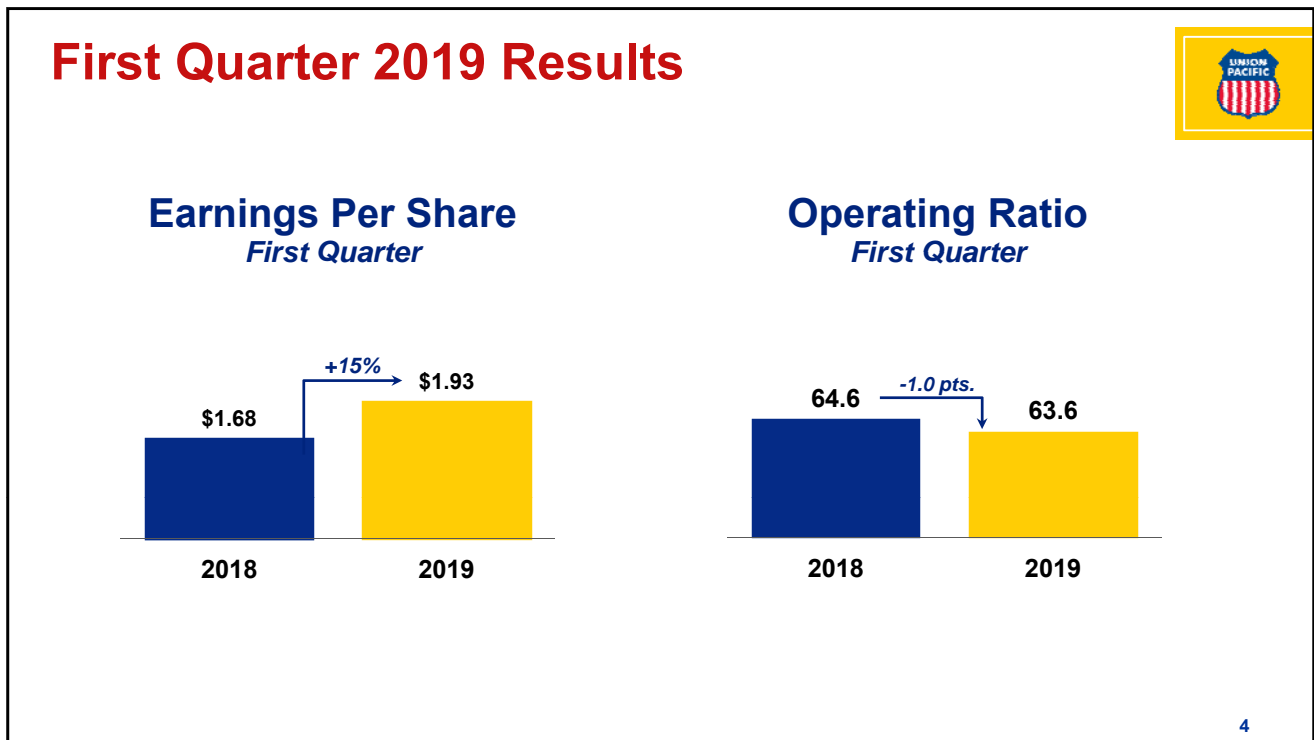
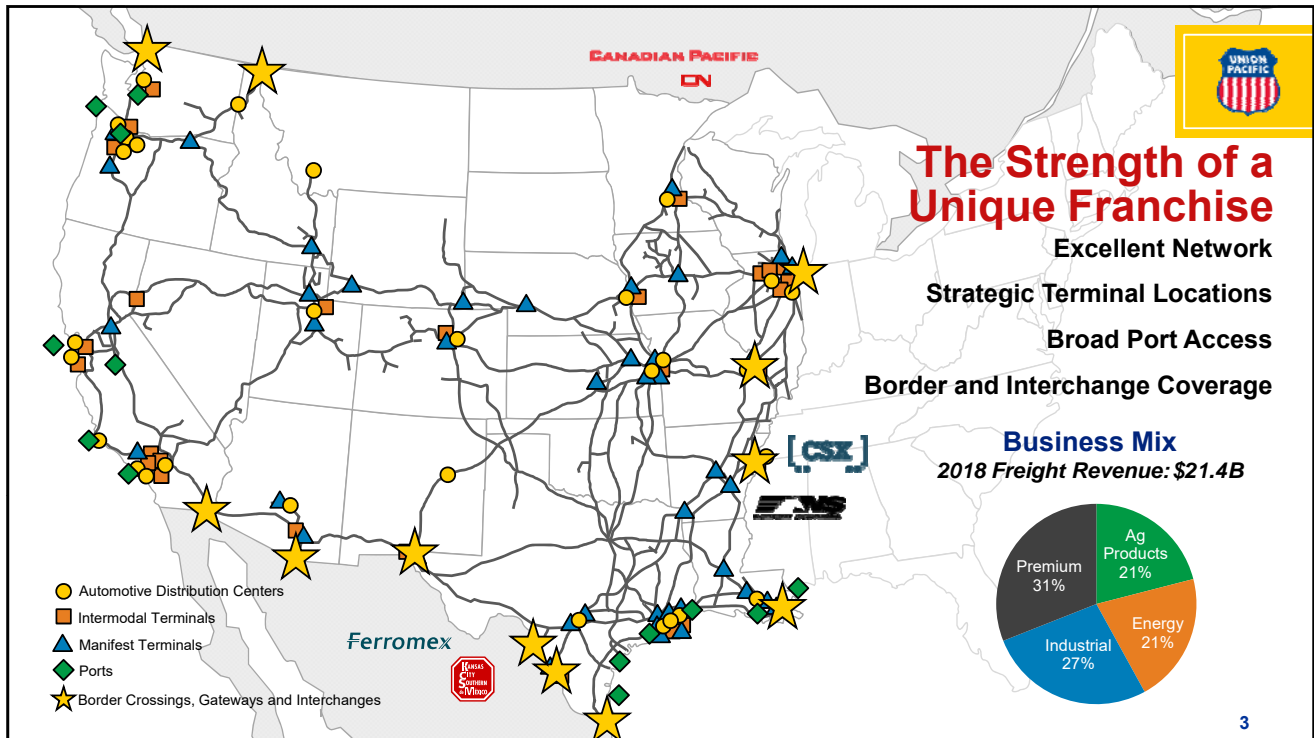
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This presentation and related materials contain statements about the Company's future that are not statements of historical fact, including specifically the statements regarding the Company's expectations with respect to economic conditions; its ability to generate financial returns, improve resource productivity; enhancing the 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.

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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.



First Quarter Operating Ratio and EPS

Favorable / (Unfavorable)



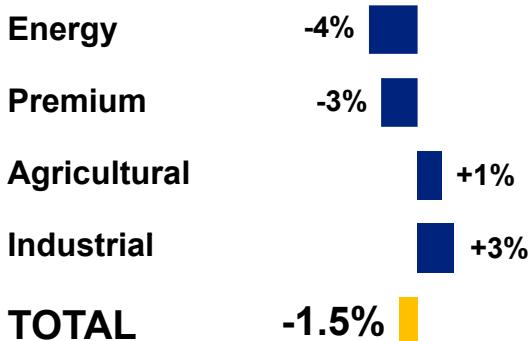
	Operating Ratio	EPS
First Quarter 2018	64.6%	\$1.68
Weather Impact	(1.6) pts	(\$0.15)
<i>Lost Revenue (Net of Volume Savings)</i>	<i>(0.8) pts</i>	<i>(\$0.11)</i>
<i>Additional Operating Costs</i>	<i>(0.8) pts</i>	<i>(\$0.04)</i>
Payroll Tax Refund	0.8 pts	\$0.07
Fuel Impact	0.9 pts	\$0.06
Core Operating Improvement	0.9 pts	\$0.27
First Quarter 2019	63.6%	\$1.93

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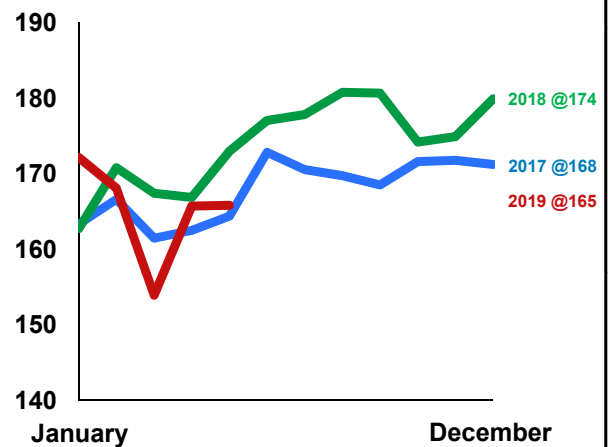
2019 Business Trends



2019 Second Quarter Volumes* (vs 2018)



7-Day Monthly Carloadings (000s)

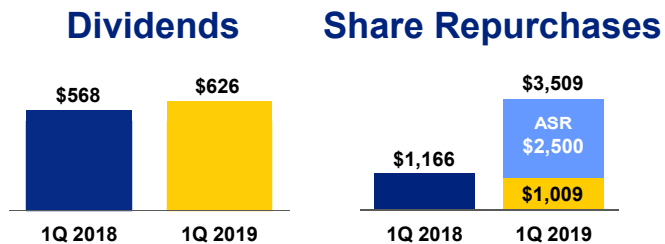


* Through May 12, 2019

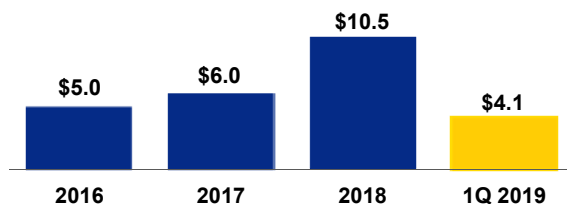
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Delivering Value to Shareholders

\$ In Millions



Cash Returned to Shareholders (\$ In Billions)



- **10% Dividend Increase in First Quarter 2019**
 - Target Payout Range of 40% to 45%
- **Targeted Share Repurchases of \$20 Billion by 2020**
 - ~60% Complete as of First Quarter 2019
- **\$4.1 Billion Returned to Shareholders in First Quarter 2019**

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2019 Outlook Unchanged



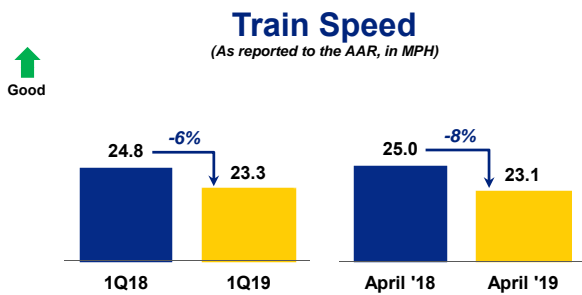
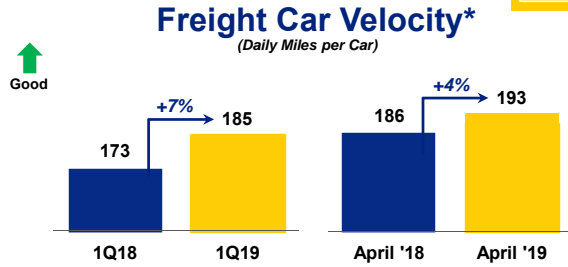
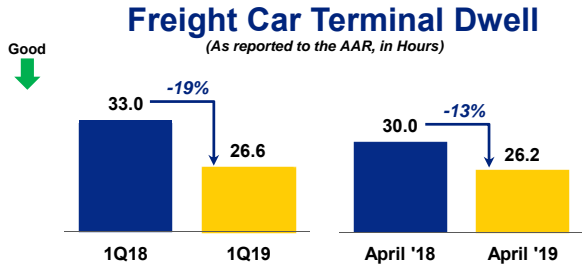
- **Low Single Digit Volume Growth**
- **Continued Pricing Gains In Excess of Inflation Dollars**
- **Capital Expenditures of ~\$3.2 Billion**
- **Significant Productivity Savings from G55 + 0, Including Unified Plan 2020**
 - At Least \$500 Million of Productivity in 2019
- **Operating Ratio Guidance:**
 - Sub-61% in 2019
 - Below 60% by 2020



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Unified Plan 2020

Key Performance Indicators

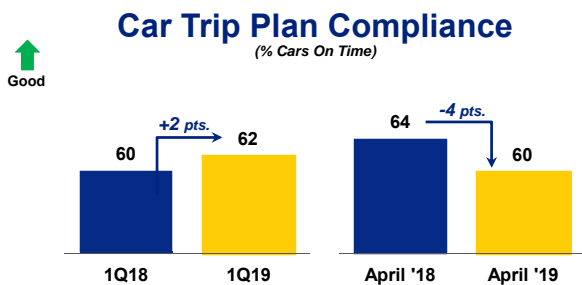
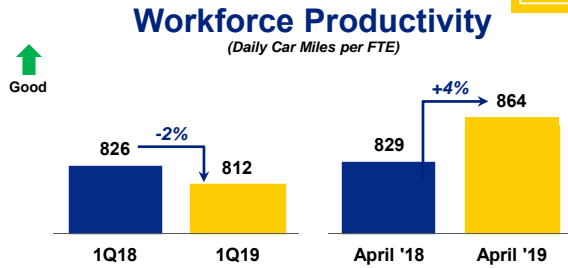
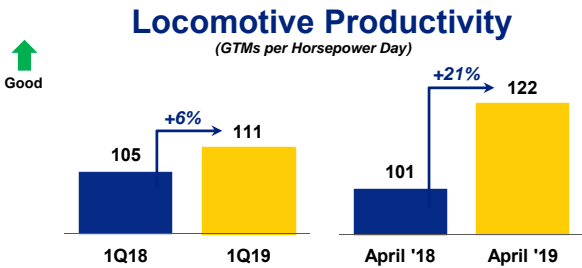


- Year-over-Year Improvement
- Continued Focus on Asset Utilization and Minimizing Car Classifications

* Calculation revised to remove certain cars placed in hold status as a result of customer or interchanging carrier actions. Prior periods have been adjusted to reflect the change.

Unified Plan 2020

Key Performance Indicators

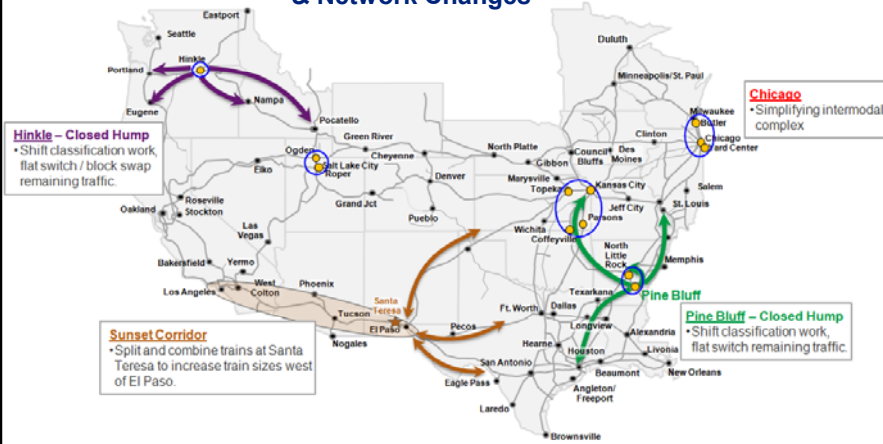


- ~2,100 Stored Locomotives as of April 30th
- First Quarter 2019 Total Employees Down 4%
- Rebounding from Weather Challenges

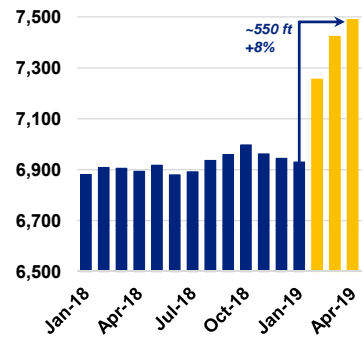
Unified Plan 2020 Update



Terminal Rationalization & Network Changes



System Train Length (Max on route, in feet)







Operating Outlook



- Network Resiliency
- Continue with Unified Plan 2020
- Relentless Focus On:
 - Safety
 - Network Efficiency
 - Service Reliability

Unified Plan 2020

-  Focus on Moving Cars
-  Minimized Car Dwell
-  Scheduled Service
-  Improved Locomotive & Crew Availability

