



June 2018

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 2017, which was filed with the SEC on February 9, 2018. 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.



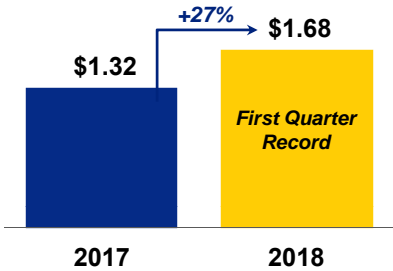
June 2018

Current Overview / Business Update

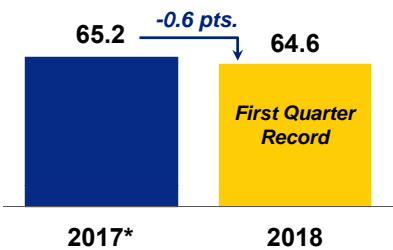
First Quarter 2018 Results



Earnings Per Share First Quarter



Operating Ratio First Quarter



* Certain prior period amounts have been adjusted for the retrospective adoption of Accounting Standard Update 2017-07 related to the presentation of the components of net periodic pension and other postretirement benefit costs. See Union Pacific website under Investors for the adoption impact.

New Commodity Group Mapping

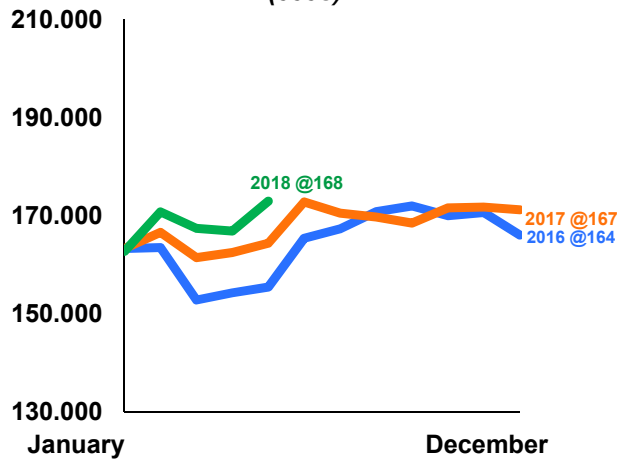


Agricultural Products	Energy	Industrial	Premium
Grain	PRB Coal	Construction	Dom Intermodal
Grain Products	Other Coal	Industrial Chem	Int'l Intermodal
Food & Beverage	Frac Sand	Plastics	Finished Vehicles
Fertilizer	Petroleum & LPG	Forest Products	Auto Parts
	Renewables	Specialized	
		Metals & Ores	
		Soda Ash	

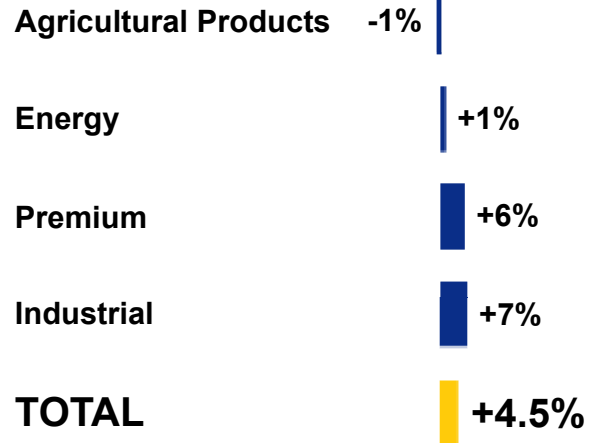
2018 Business Trends



7-Day Monthly Carloadings (000s)

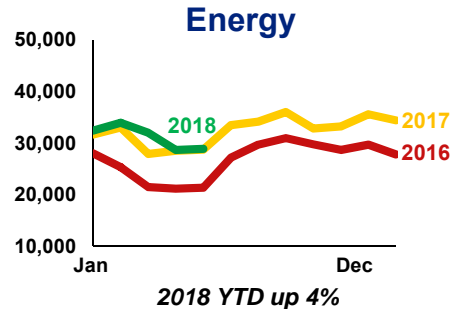
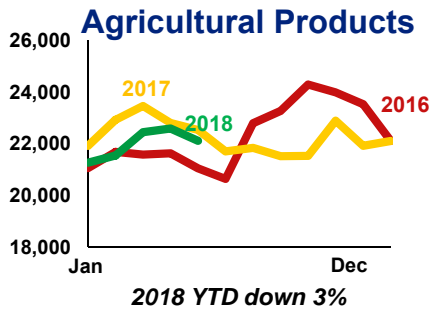


2018 2QTD Volumes* (vs 2017)



*Through June 9, 2018

7-Day Volume Trends Through May 31, 2018

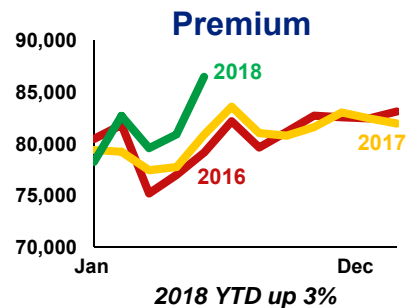
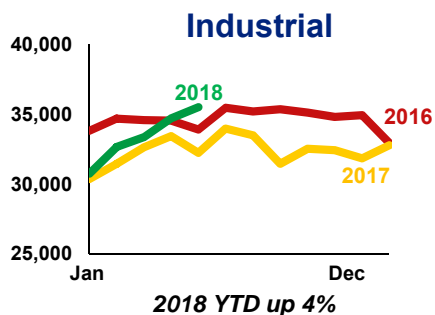


- Grain Inventories
- Export Market Fundamentals
- Food & Refrigerated Shipment Demand

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

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7-Day Volume Trends (cont) Through May 31, 2018



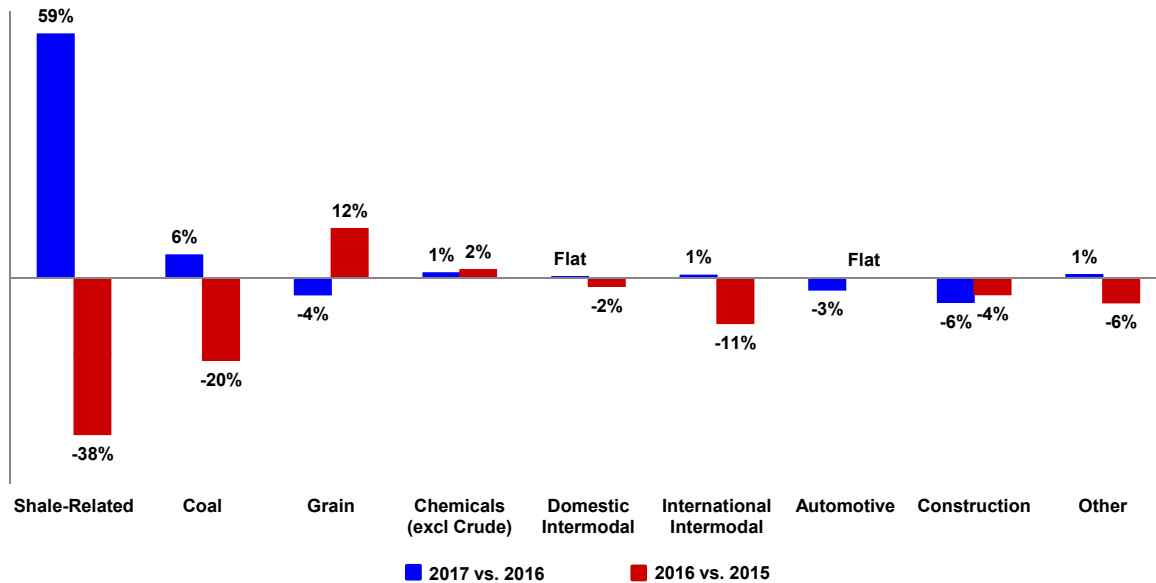
- Construction-Related Materials
- Housing Activity
- U.S. Dollar Impact
- Plastics Demand
- Base Chemicals Remain Solid

- North American Production & Sales
- Over-the-Road Parts Conversions
- Intermodal Market Fundamentals
- Transpacific Market Challenges

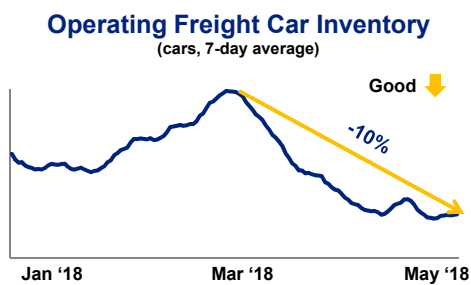
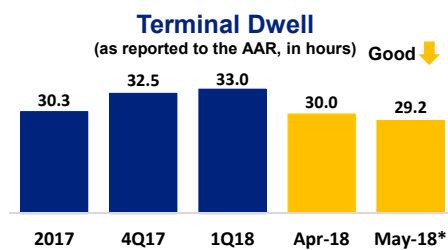
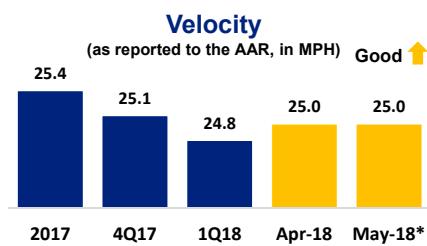
8

Volume Drivers

2017 vs. 2016 compared to 2016 vs. 2015 (carloads)



Current Network Performance Improved, More Opportunity Ahead



Key Takeaways

- Fluidity Returning
- Various Causes of Service Slowdown
- Implementing New Solutions

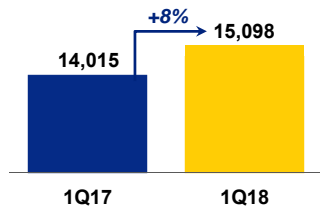
* Through May 25

Volume & Performance Drive Resources



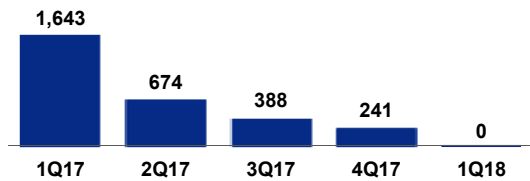
TE&Y

(Full-Time Equivalent)



TE&Y Furloughs

(Employees at Quarter-End)

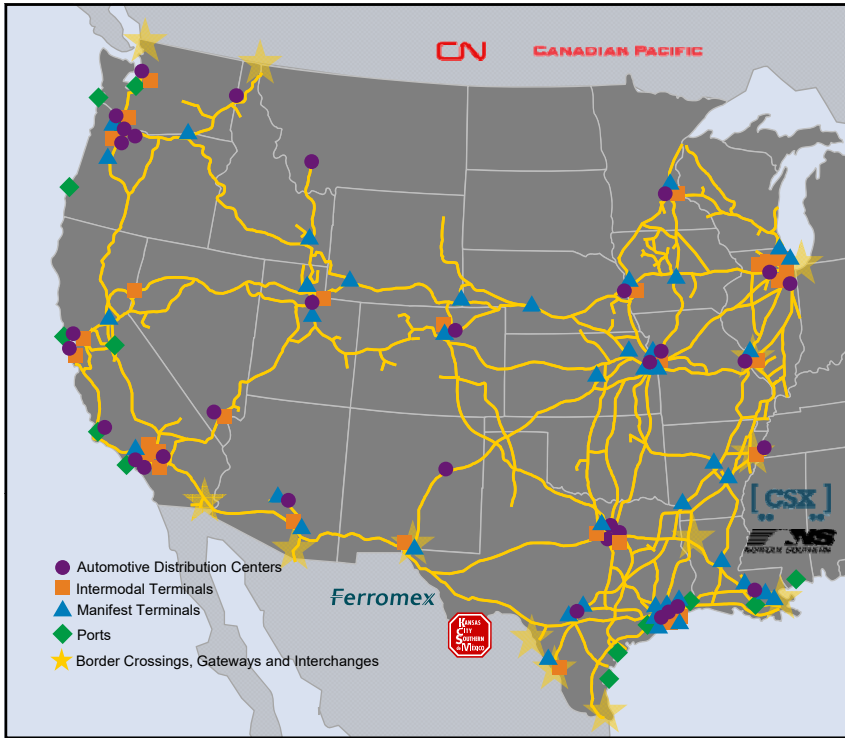


- Reactivated ~700 HHP Locomotives since Mid-2017
 - Leasing Additional Locomotives
- Increased TE&Y Training
 - Volume
 - Expected Attrition
 - Current Service Challenges
- Tight Labor Markets in Some Areas

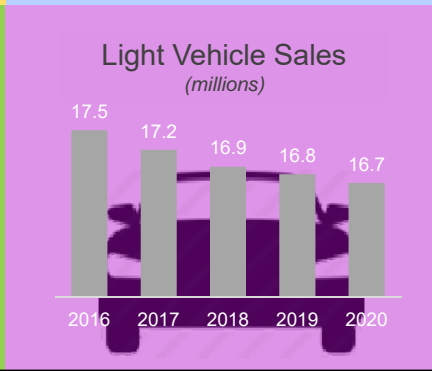
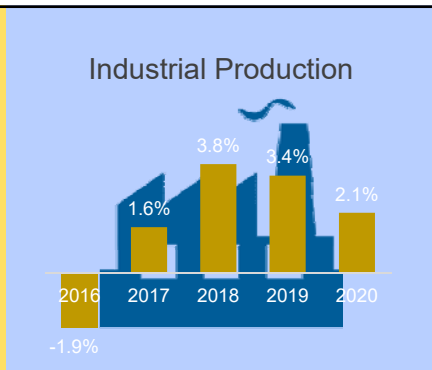
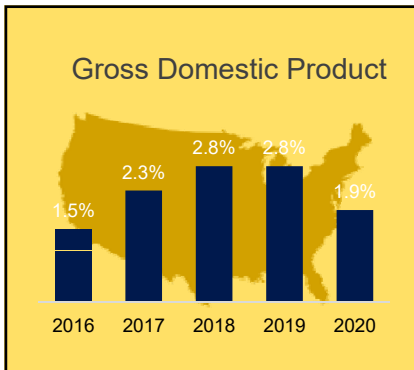
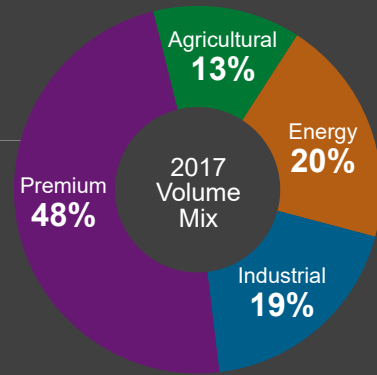


June 2018

Business Team Review



Strength of a Unique Franchise
 2017 Revenue
\$19.8 B



Source: I.H.S. Global Insight (May 2018)

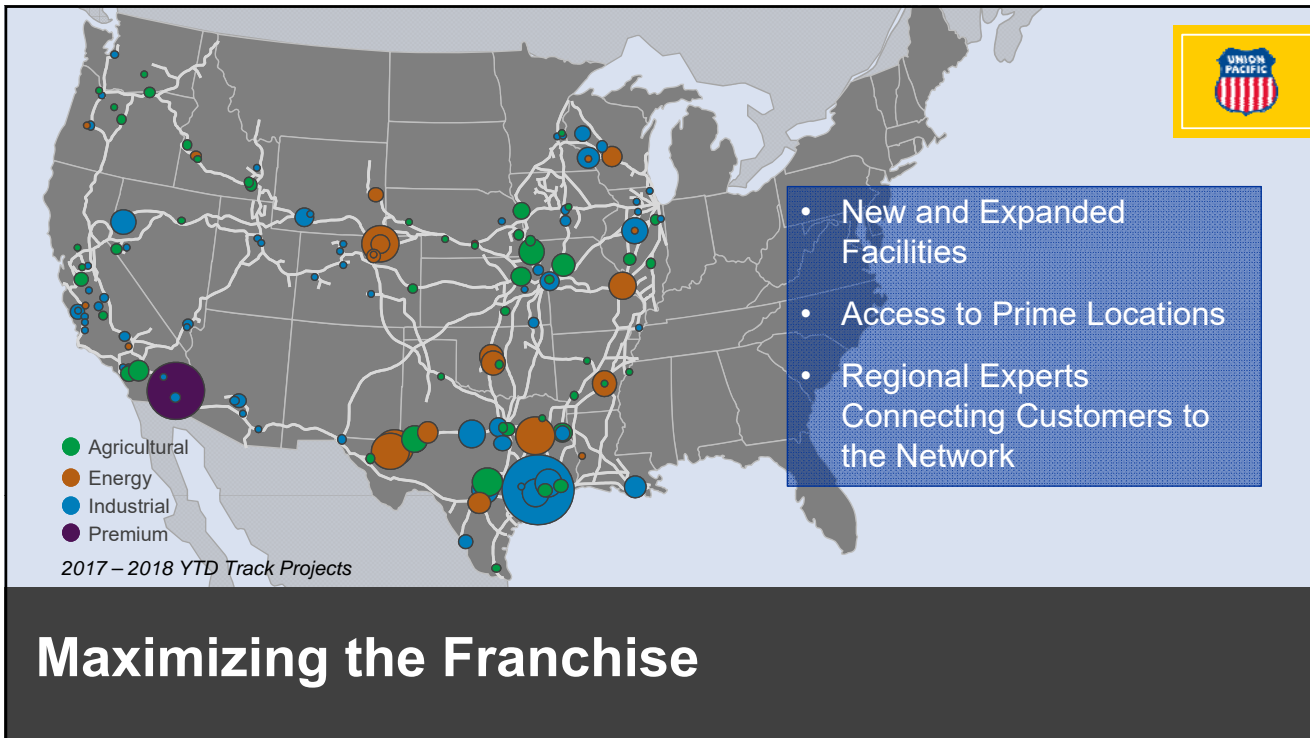


Stronger U.S. Economy

Economy Gaining Momentum

Strong Industrial Production

Federal Tax Cuts

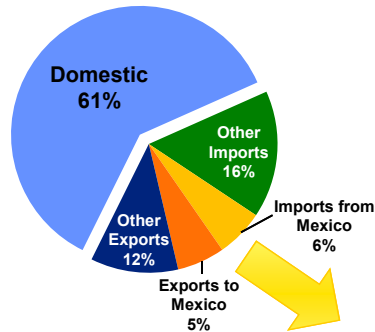


Maximizing the Franchise

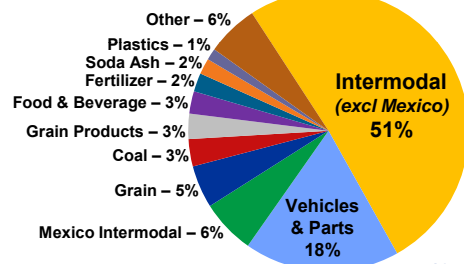
International Trade

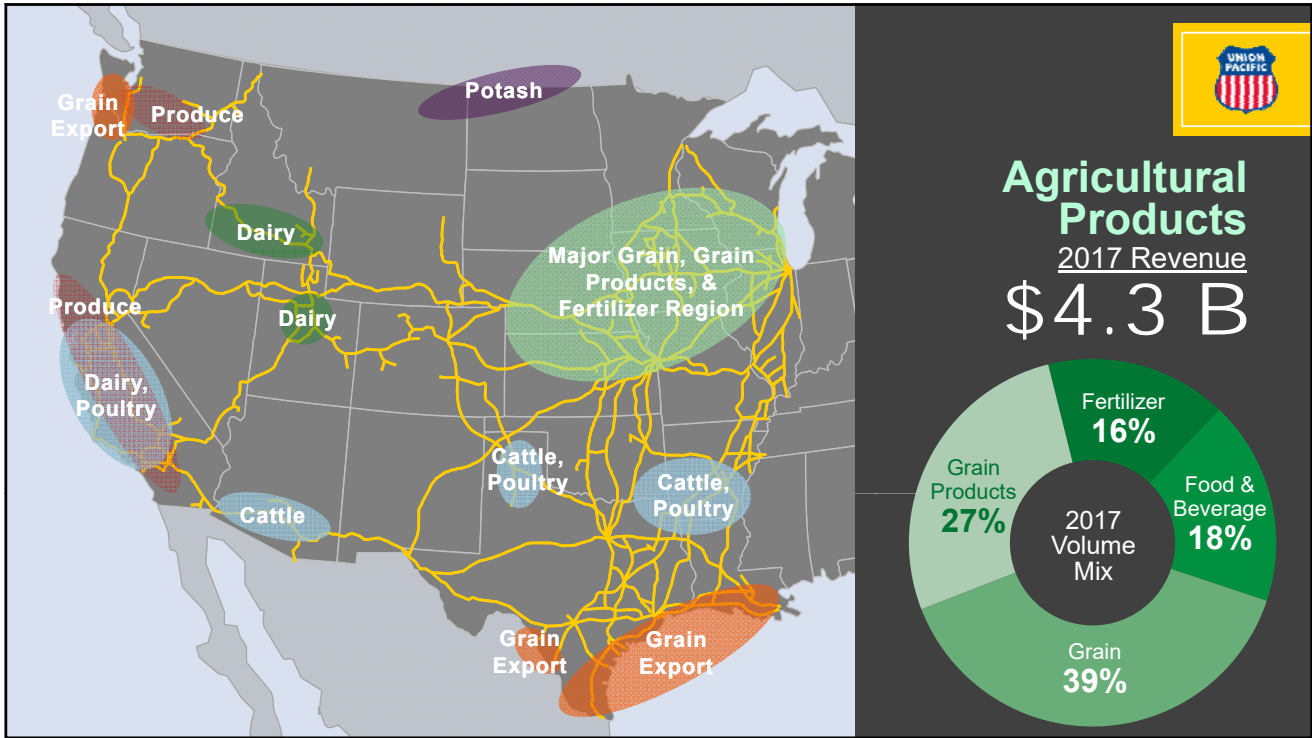
- Diverse Franchise Creates Opportunity
- Off-shoring / Near-shoring of U.S. Manufacturing
- Demand for Grain and Food
- Low Natural Gas Prices Favor U.S. Plastics Production
- Impacts from a Strong U.S. Dollar
 - Negative: Steel, Grain, Coal
 - Positive: International Intermodal

2017 Freight Volumes



International Volumes (3.4M carloads)





Agricultural Products

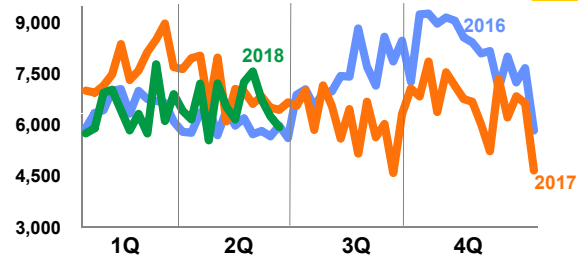
- Grain Inventory Management
- Export Market Fundamentals
- Food & Beverage Shipment Demand



*Through June 9, 2018

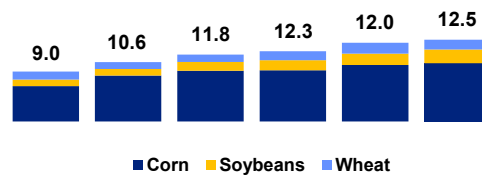
UNP Weekly Grain Carloads*

(As reported to the AAR)

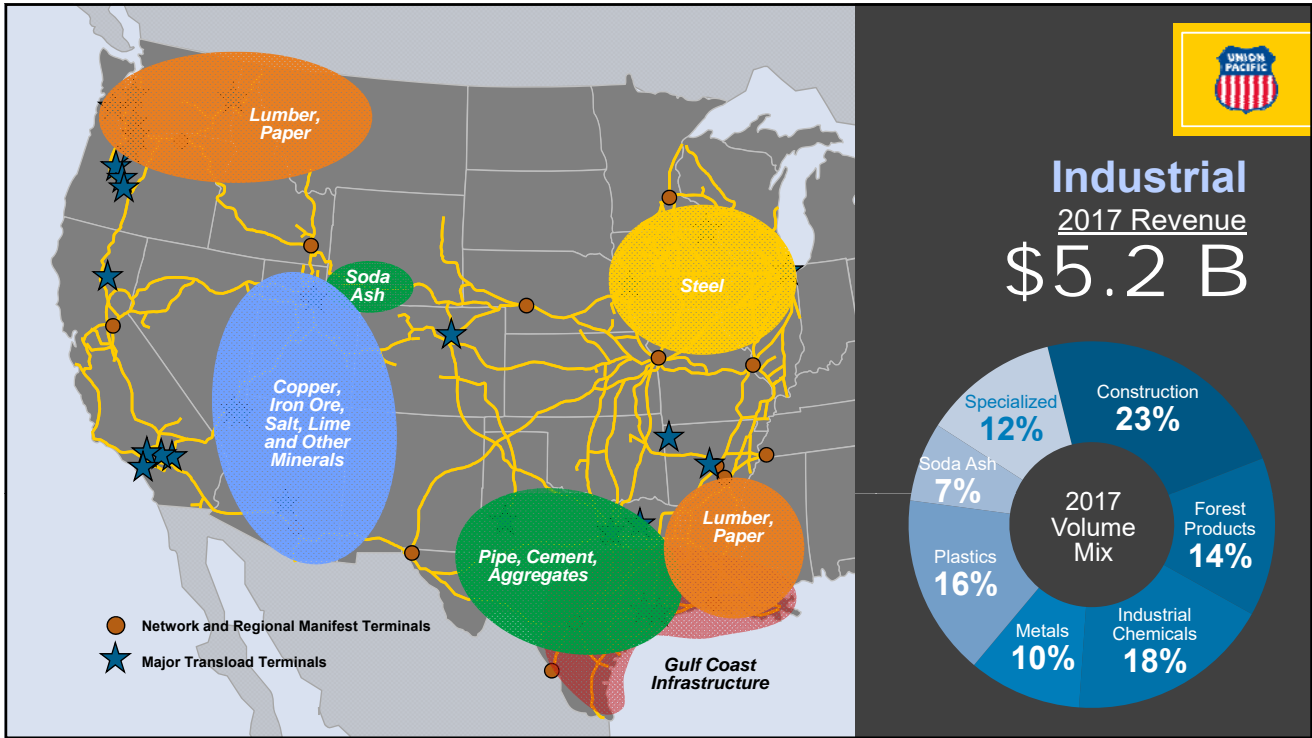


U.S. Grain Stocks**

(Bushels in Billions)



**Source: USDA; As of Mar 1st

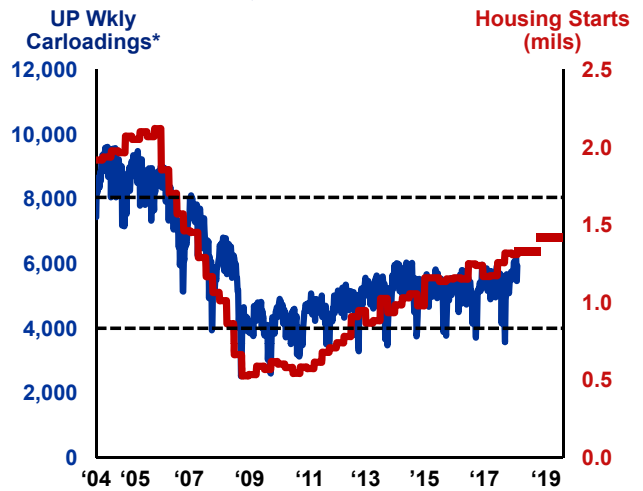


Housing Trends

- 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

Lumber, Stone & Glass



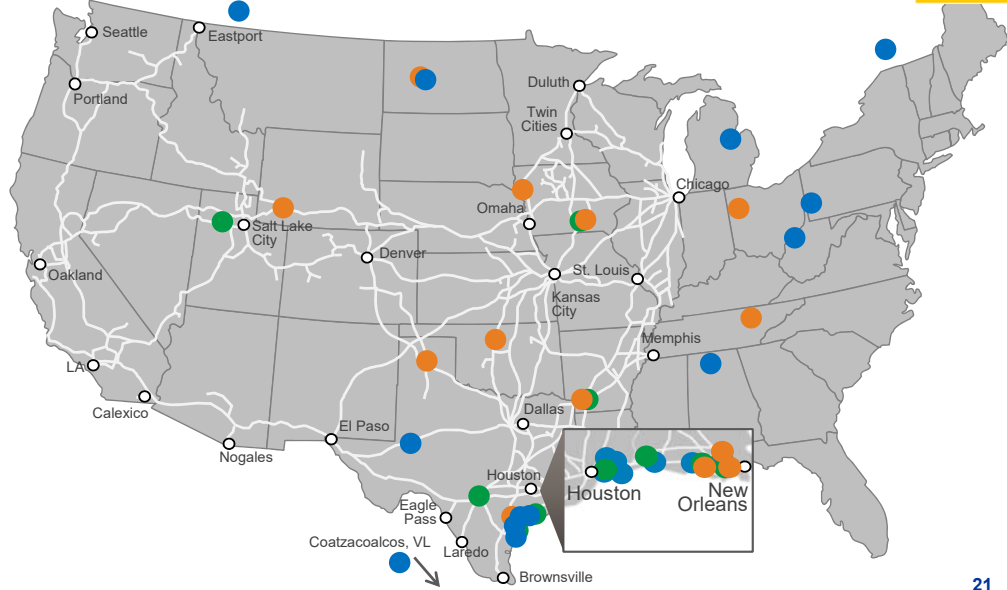
*Through June 9, 2018 May 2018 IHS Global Insight forecast

Chemical Opportunities

North America Announced Expansions



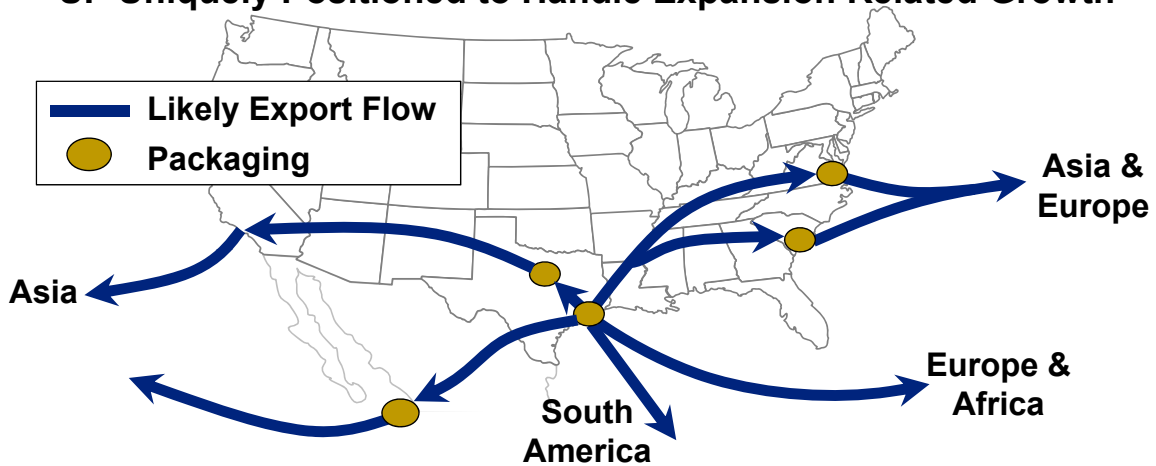
2015 – 2020
 ● Ind. Chemicals - 14
 ● Fertilizer - 13
 ● Plastics - 21

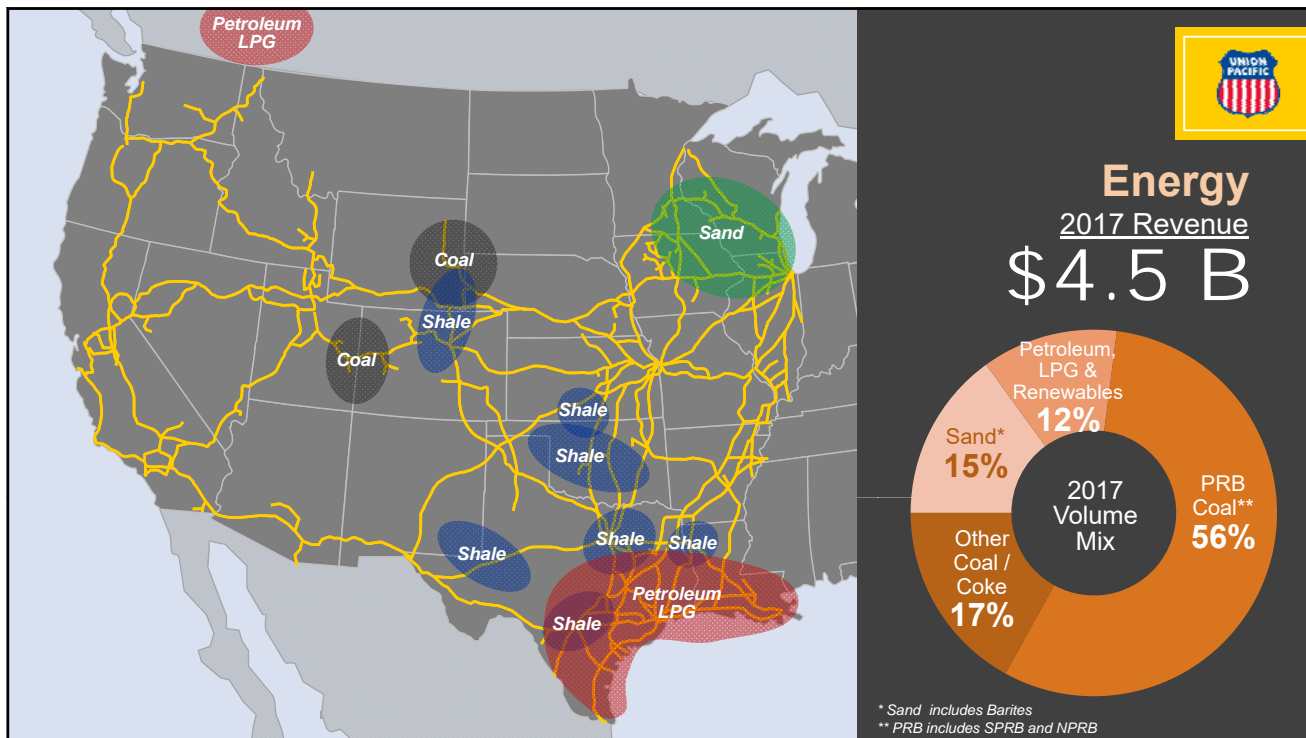


Chemical Export Opportunities



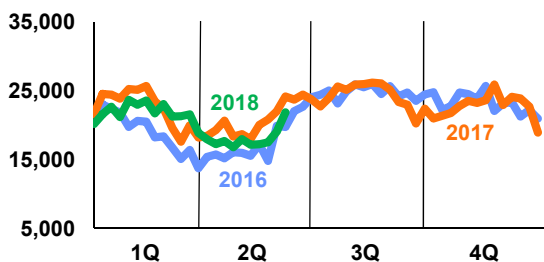
- North American Production Will Exceed Domestic Demand
- Surplus U.S. Production Targeted for Export
- UP Uniquely Positioned to Handle Expansion Related Growth





Energy - Coal Trends

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

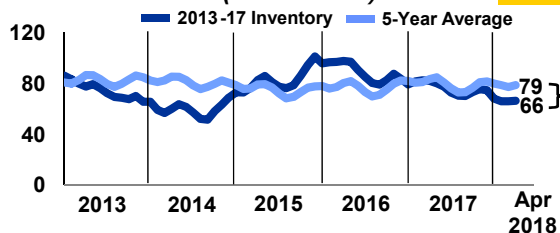


- Weather Impacts Demand
- Natural Gas Prices
- Coal Inventory Levels

*Through June 9, 2018

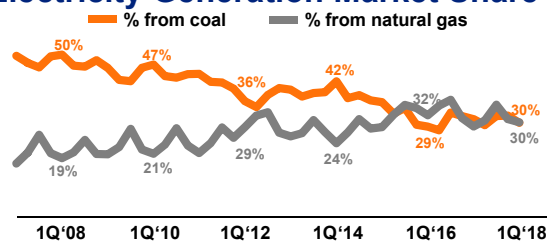
Powder River Basin Coal Stockpiles*

(Tons in MM)



*Energy Ventures Analysis

Electricity Generation Market Share**



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

Shale-Related Volumes

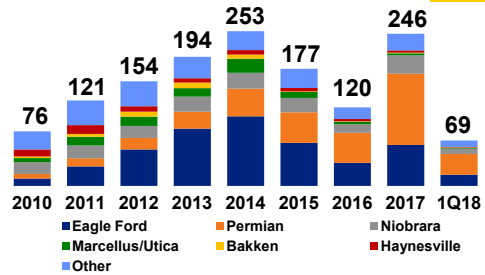
3.3% of 2017 Total Volume

1Q 2018	Volume (000s)	% Incr (vs 1Q17)	% of Total UP Volume
Frac Sand*	69	52%	3.2%
Crude	8	259%	0.4%
Pipe	7	53%	0.3%
Total Shale	83	61%	3.9%

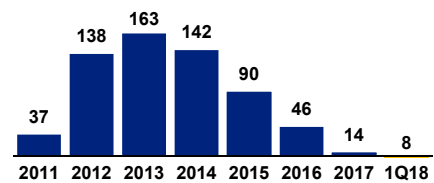
• Frac Sand Drivers

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

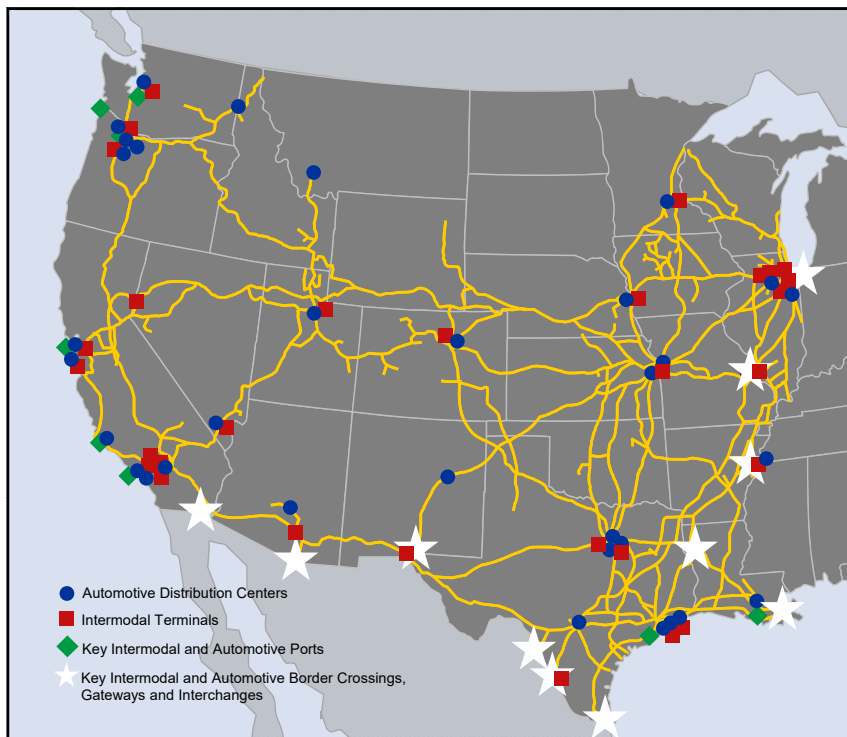
Frac Sand Volume* (By Shale, 000s)



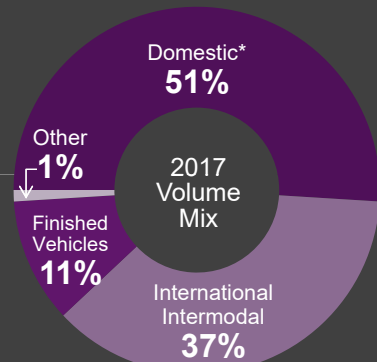
Crude Oil Volume (000s)



*Includes Barites

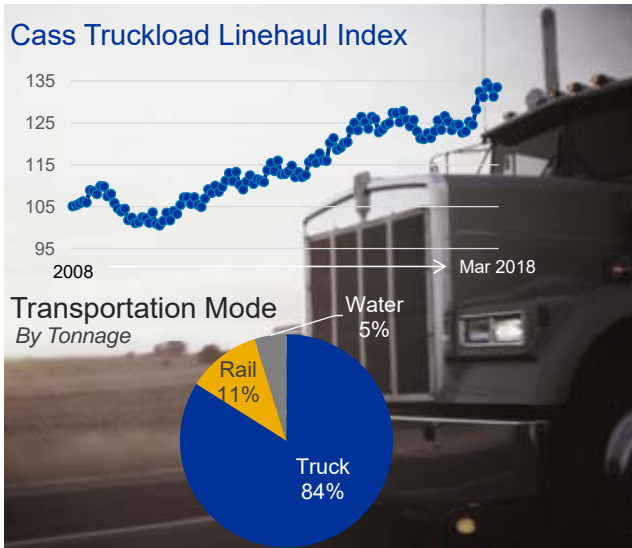


Premium
2017 Revenue
\$5.8 B



* Domestic includes domestic intermodal and auto parts moved in intermodal containers

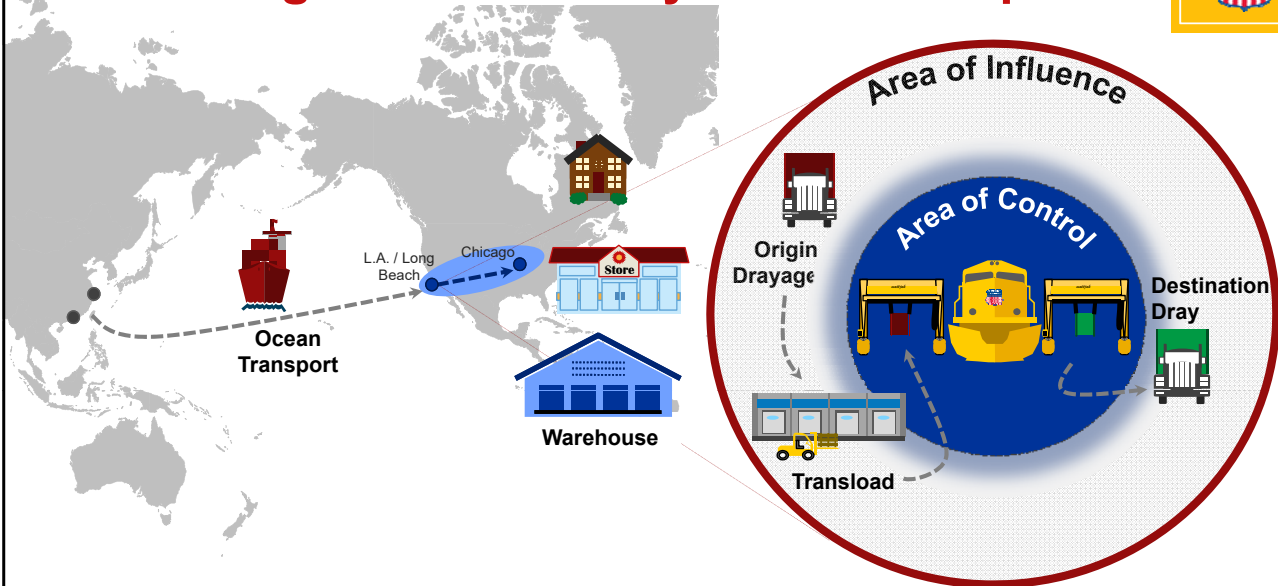
Highway Conversion Growth Opportunities



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

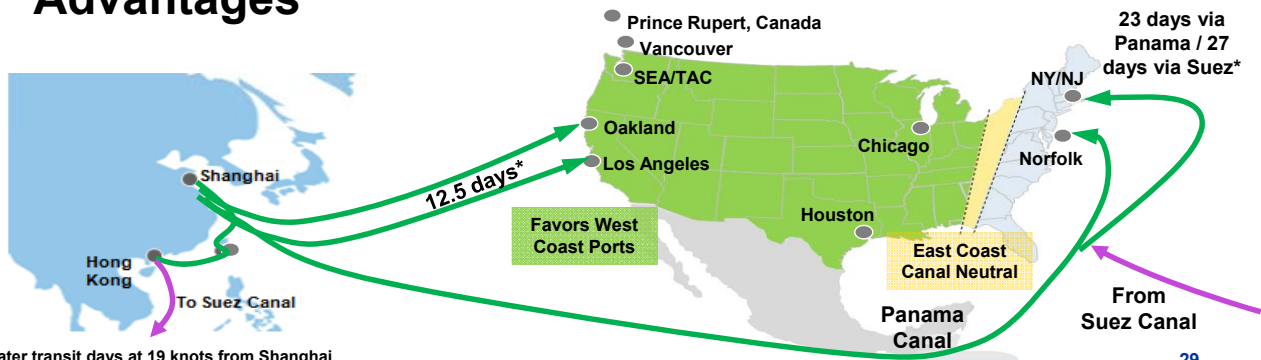
Source: Cass Information Systems, Index uses January 2005 as its base month, U.S DOT Bureau of Transportation Statistics

Extending Our Reach Beyond the Ramp



International Intermodal

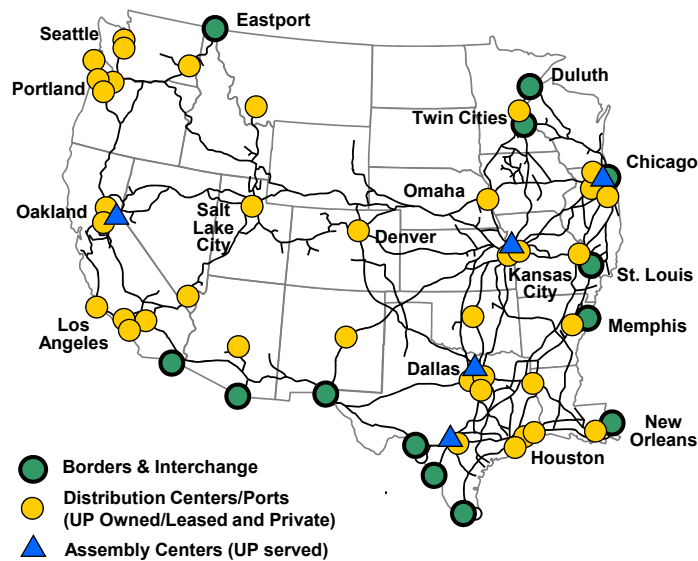
- Transpacific Market Challenges
- Retail Inventories
- West Coast Port Advantages



*Water transit days at 19 knots from Shanghai

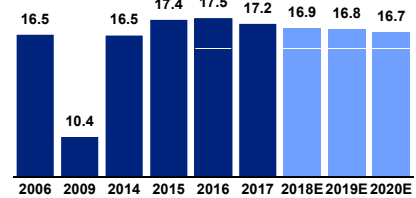
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Premium – Finished Vehicles



*Source: May 2018 IHS Global Insight forecast

U.S. Light Vehicle SAAR*

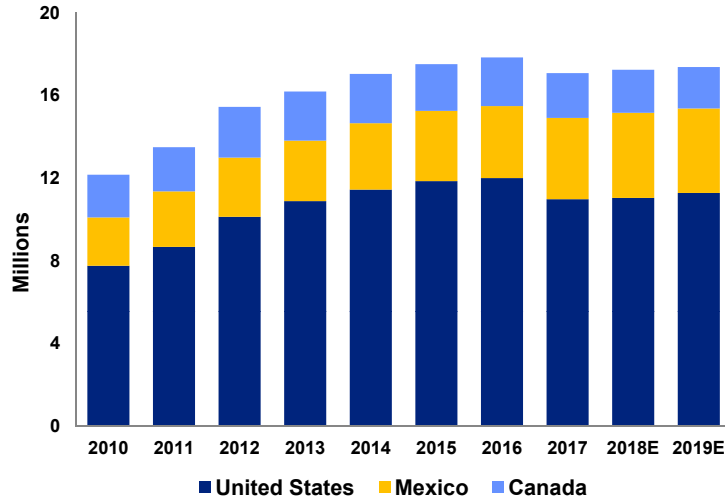


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North American Auto Production



North American Light Vehicle Production Forecast*



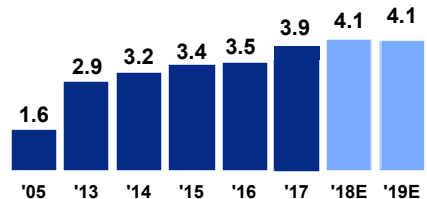
*Source: IHS Global Insight May 2018

Mexican Automotive Production Growth



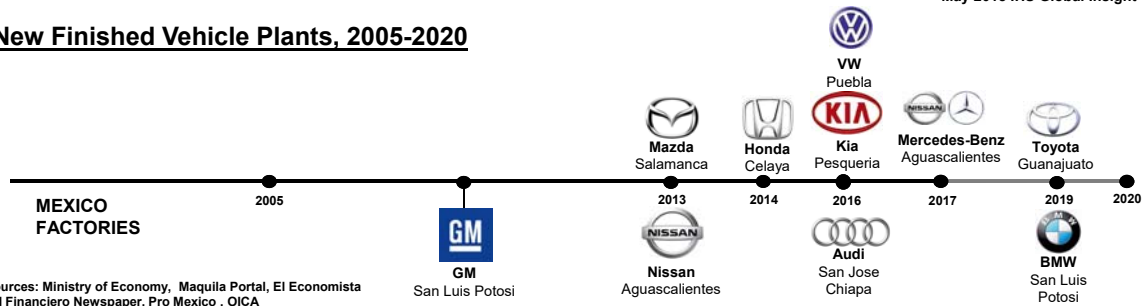
- 7th Largest Automotive Manufacturer
- 4th Largest Automotive Exporter
 - No. 2 Supplier of Vehicles to U.S.

Mexico Auto Production* (In Millions)

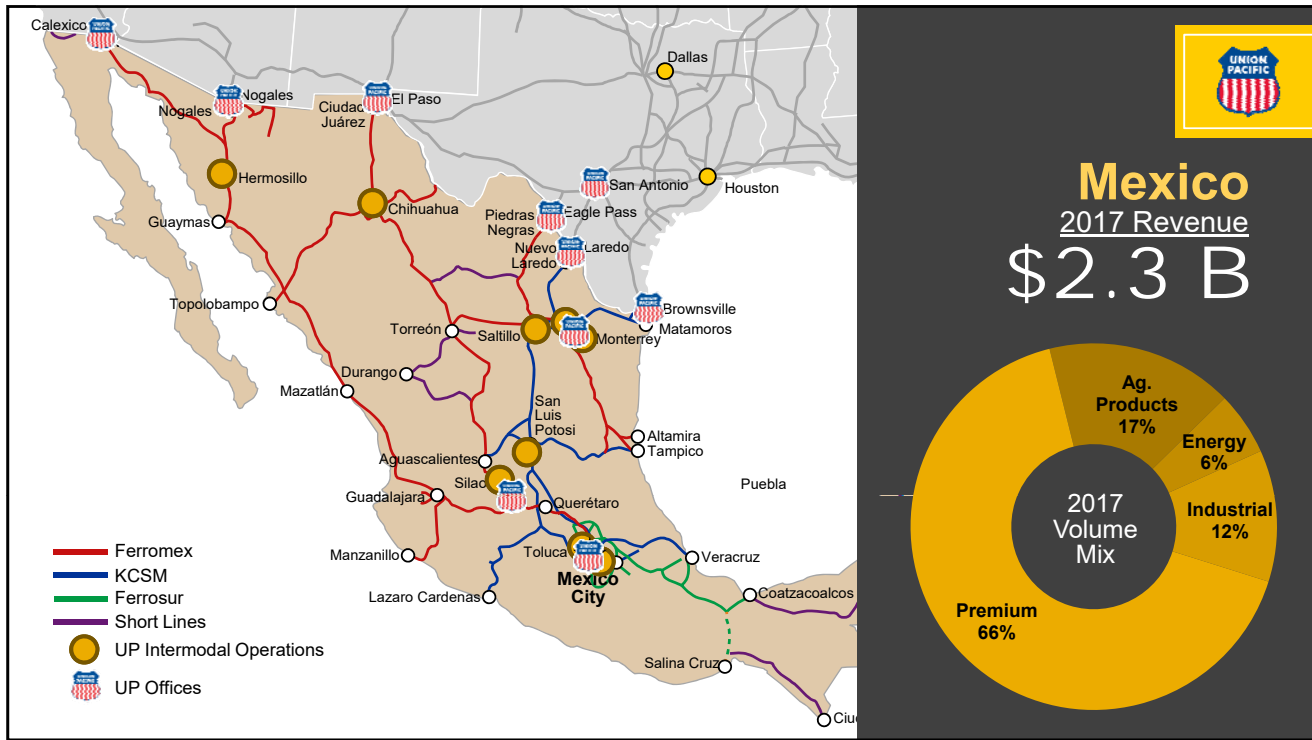


* May 2018 IHS Global Insight

New Finished Vehicle Plants, 2005-2020



*Sources: Ministry of Economy, Maquila Portal, El Economista and Financiero Newspaper, Pro Mexico, OICA



2018 Volume Outlook



Agricultural Products
+ Ethanol Exports
+ Food and Refrigerated
? Grain



Industrial
+ Plastics
+ Industrial Production



Energy
+ Petroleum Products
? Frac Sand
- Coal Headwinds



Premium
+ Over the Road Conversions
+ New International Business
- Automotive Sales



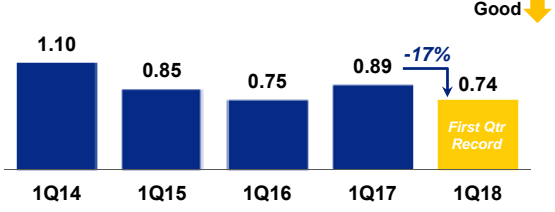
June 2018

Operating Overview

Safety

Employee

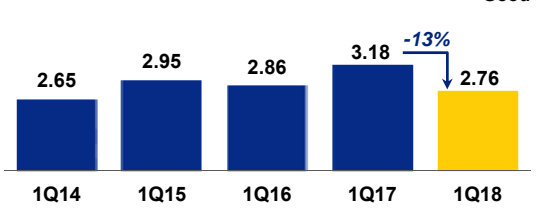
(Reportable Personal Injury Incidents Per 200,000 Employee-Hours)



Good ↓

Rail Equipment

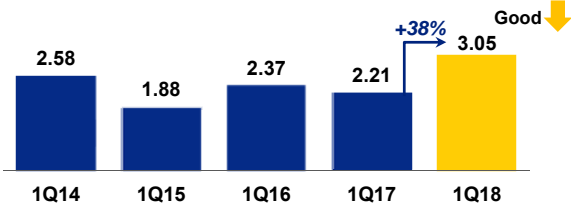
(Reportable Derailment Incidents Per Million Train Miles)



Good ↓

Public

(Crossing Accidents Per Million Train Miles)



Good ↓

- Goal of Zero Incidents
- Solid Employee & Rail Equipment Improvement

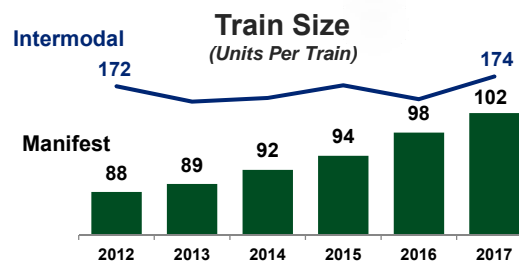
Blend and Balance

Improving Train Network Productivity



- **Significant Progress**
 - Record Train Size
 - 70% of Auto Network is Blended
- **Significant Opportunity**
 - Leverage Intermodal Network
 - Blending Manifest and Bulk
 - Balance Fewer Unproductive Starts
- **People, Process, Technology**
 - Corridor Wave Process
 - Design and Decision Support Tools

Train Category	2017 Train Size
Manifest	✓ Record
Intermodal (Boxes)	✓ Record
Coal	✓ Record
Auto	✓ Record
Grain & Ethanol	✓ Record
Rock, Sand & Cement	✓ Record

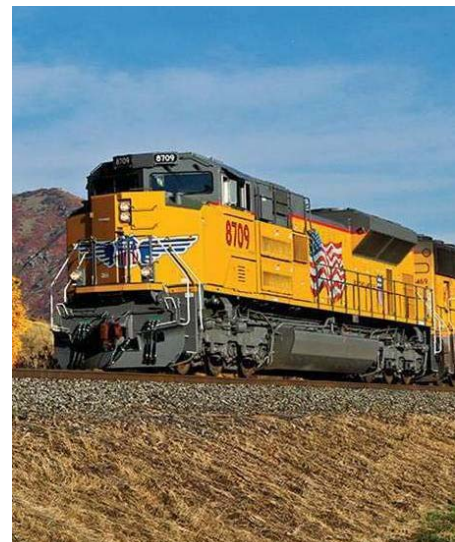


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Positive Train Control (PTC) Status Overview



- Approximately \$2.6 Billion Invested through December 2017
- Total Estimated Investment ~ \$2.9 Billion
- Field Testing since October 2013
- By the End of 2018 UP will have PTC:
 - Installed on 100% of Required Rail Lines
 - Implemented on 75% of Required Rail Lines
- Continue Implementing, Testing and Refining PTC in 2019 & 2020

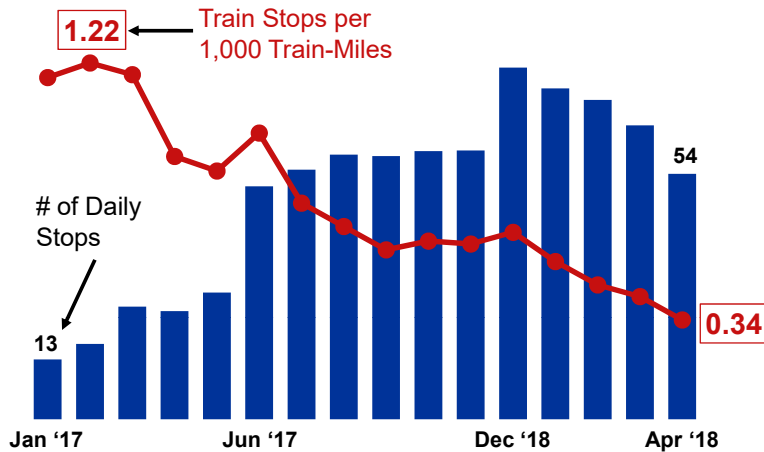


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PTC Variability Reduction

Train Stops Declining as PTC Rollout Continues



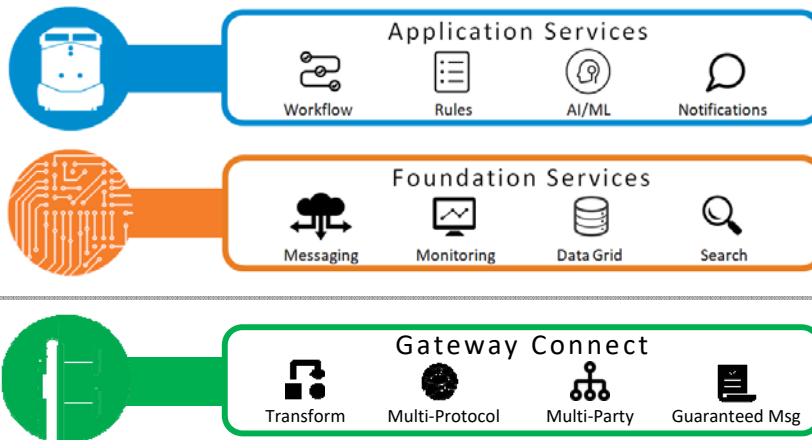
Core Activities

- Field Problem-Solving
- Training
- Software Upgrades
- Signal Upgrades



Union Pacific Technology Platform

Forging The Future




300M
Transactions / Day


30,000
Messages / Second


3,000
Micro-Services

Pioneering Innovation

Big “I”, Little “i”, The Internet of Things



Mobile Work Order

- Real-Time Work Event Reporting
- Provides More Shipment Visibility and Improves Local Service



UP GO

- Mobile Technology to Pre-Validate Gate Information
- Reduces Driver Gate Time
- Improves Ramp Inventory Location Accuracy



Hand Held Ultrasound

- Detects Subsurface Cracks in Wheel Tread Using Ultrasound



Machine Vision

- High Resolution Images and Alert Generation
- 50,000 Images per Second vs 4 Hour Manual Inspection Process



June 2018

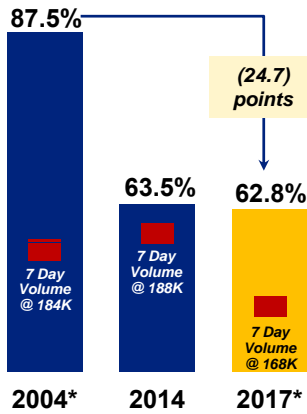
Financial Review

Financial Performance

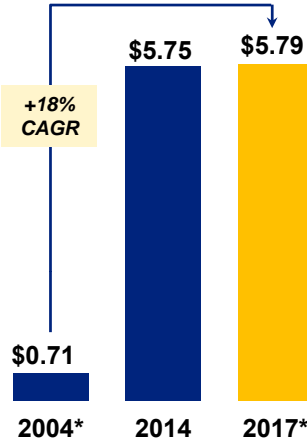
Expanding Margins and Driving Returns



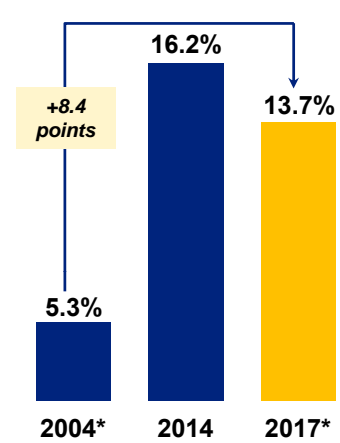
Operating Ratio



EPS



ROIC**



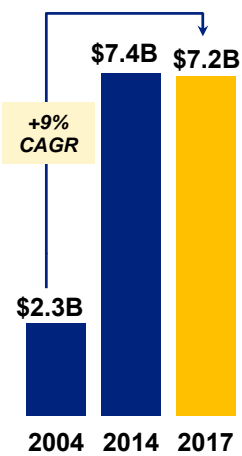
* 2004 adjusted for asbestos pre-tax charge of \$247.4 million. 2017 adjusted to exclude the impact of Corporate Tax Reform and to include the retrospective adoption of ASU 2017-07. ** See Union Pacific website under Investors for a reconciliation to GAAP.

Financial Performance

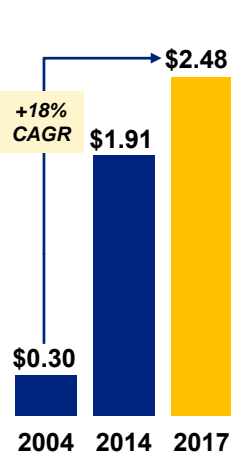
Growing Cash Flow and Shareholder Returns



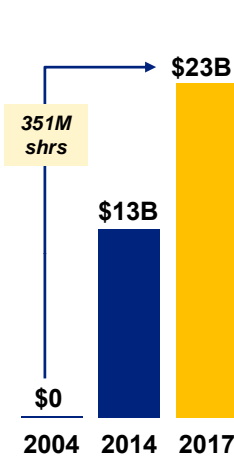
Cash from Ops



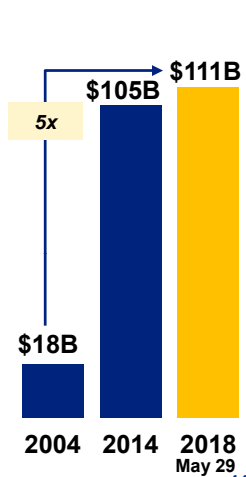
Dividends (Declared)



Share Repurchases (Cumulative)



Market Cap

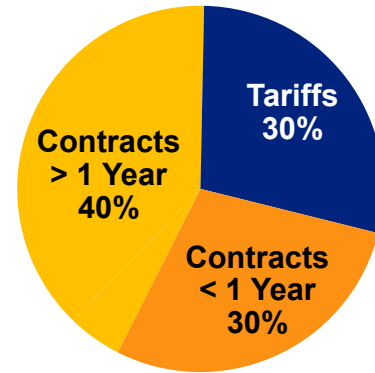


Pricing Fundamentals



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

Balanced Revenue Portfolio



Productivity Update



First Quarter Results:
~\$35 Million of Savings

- Operational Challenges Resulted in ~\$40 Million Headwind
- Full Year Productivity Less Than Original \$300 - \$350 Goal

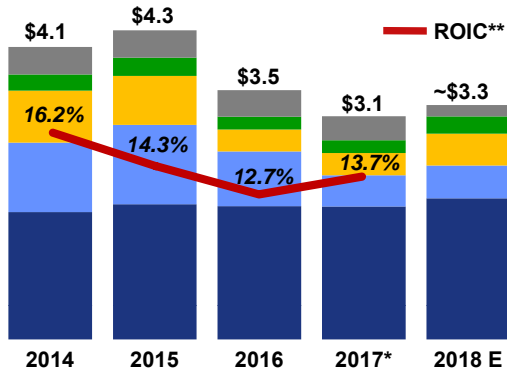
Initiatives & 1Q18 Results (\$ in millions)

(\$20)	Network and Train Ops	<i>Slower velocity, TE&Y crew, Overtime, and Higher fuel consumption rate</i>
(\$5)	Equipment (Loco and Car)	<i>Active loco fleet, Car repair & rents, offset by lease savings</i>
\$60	Other Ops, Support, Sourcing, Mgmt & Admins	<i>Support, Safety, Engineering, Supply, Joint Facilities</i>

Capital Program



Capital Spending & Returns



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

* Adjusted to exclude the impact of Corporate Tax Reform.
 ** See Union Pacific website under Investors for a reconciliation to GAAP.

- Return-Focused Capital Program
- Productivity Through G55+0 Initiatives
- Outlook: Capital ≤ 15% of Revenue

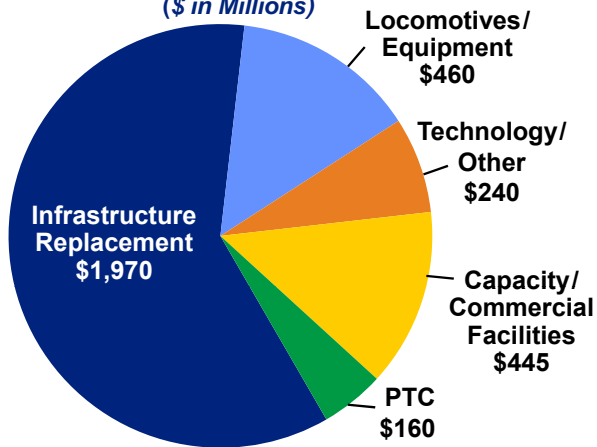
Strengthening the Franchise

Replacement, Growth & Productivity, and PTC



2018 Capital Plan: ~\$3.3 Billion

(\$ in Millions)



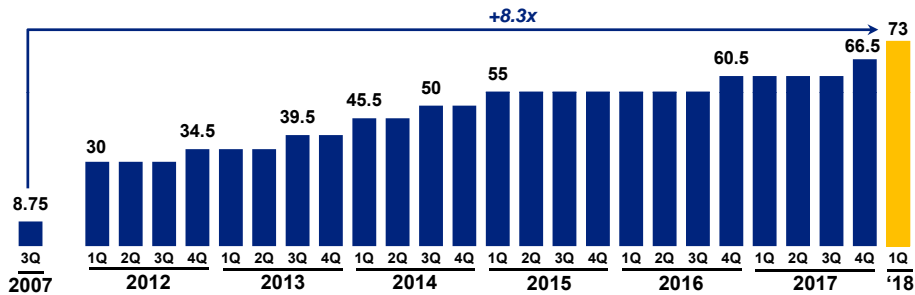
- Safe & Resilient Infrastructure
- Equipment Acquisitions
 - ~60 New Locomotives
 - ~700 Freight Cars
- Positive Train Control
- Capacity Investments
 - Brazos Yard

Dividends



- Dividend Payout Target of 40% to 45%
- 10% Dividend Per Share Increase in 4Q 2017 & 1Q 2018

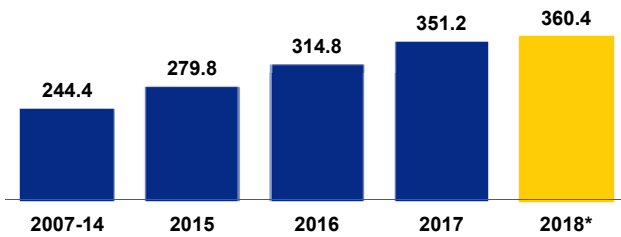
Declared Dividend Per Share
(cents)



Cumulative Share Repurchases



Cumulative Share Repurchases
(In Millions)

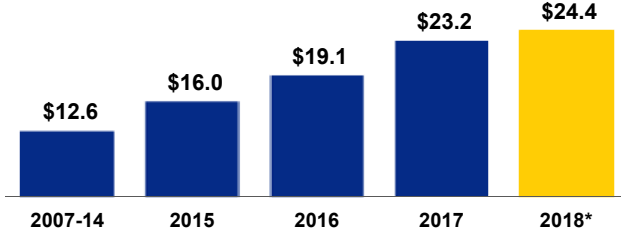


- Repurchased ~33% of Shares since 2007

- Share Repurchase Program

- Four Years Beginning January 1, 2017
- 120 Million Shares

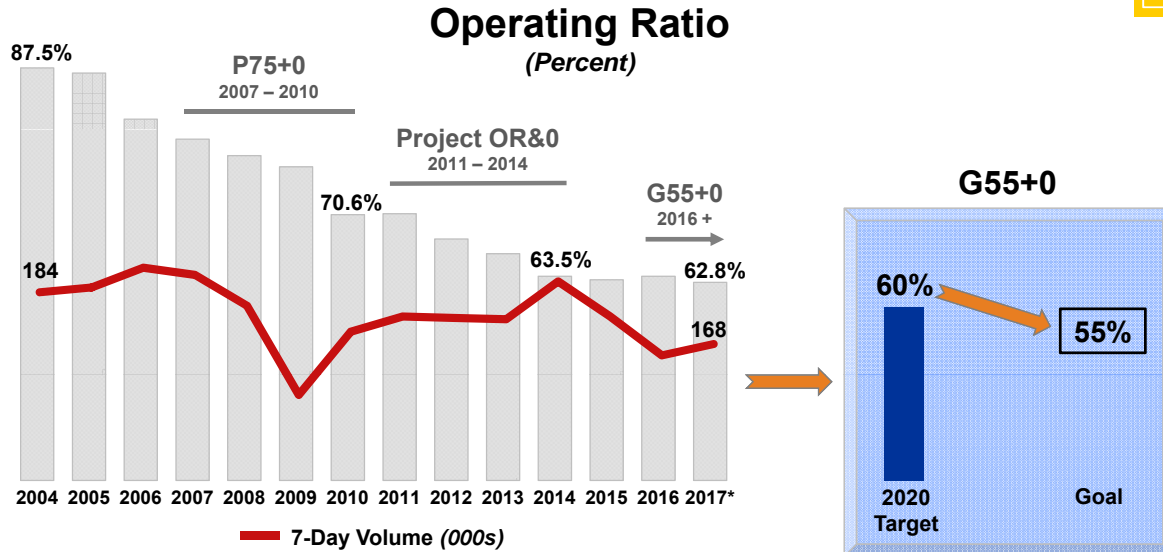
Cumulative Share Repurchases
(\$ In Billions)



* Through March 31, 2018



Growing Margins



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



Drivers of Margin Improvement

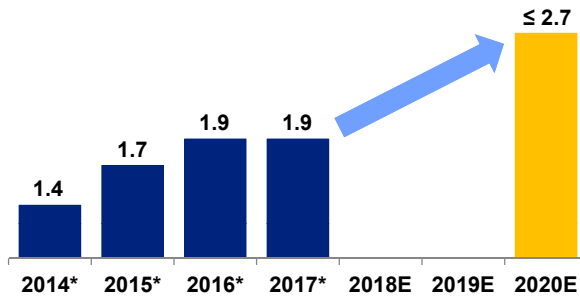
	2015 - 2017	2018 - 2020+
Volume	(11%)	Positive Volume Growth
Price	\$1.3 B	Above Inflation
Productivity	\$1 B	Achieve Through Innovation & Efficiency Gains

- **60% Operating Ratio by 2020**
- **G55+0 Opportunities**
- **Growing Earnings & Cash Flow**

Capital Structure



Adjusted Debt / EBITDA



* at year-end

- 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

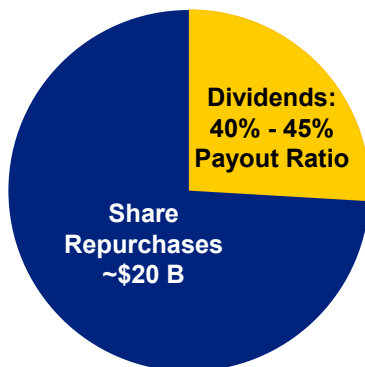
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What This Means for Shareholders



Return ~\$20 Billion + Dividends to Shareholders

Cash to Shareholders 2018 to 2020



- ~\$20 Billion of Share Repurchases Over Next 3 Years
- Dividend Payout Ratio of 40% to 45%

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2018 Outlook



Full Year

- Low Single Digit Volume Growth
- Price Above Inflation
- Goal is an Improved Operating Ratio



Continued Focus on G55+0

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Growing Shareholder Value



KEY DRIVERS	2018 - 2020
Firm Economy Diverse Franchise Opportunities	Positive Volume Growth
Strong Value Proposition	Real Core Price \$ Above Inflation \$
Volume + Pricing + Productivity	60% Operating Ratio by 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 2017, which was filed with the SEC on February 9, 2018. 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.