



November 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.



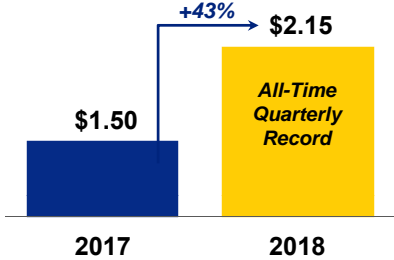
November 2018

Current Overview / Business Update

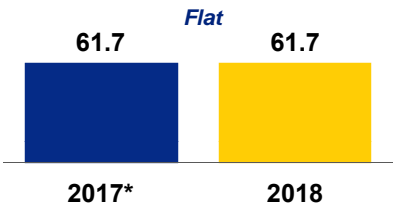
Third Quarter 2018 Results



Earnings Per Share Third Quarter



Operating Ratio Third 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

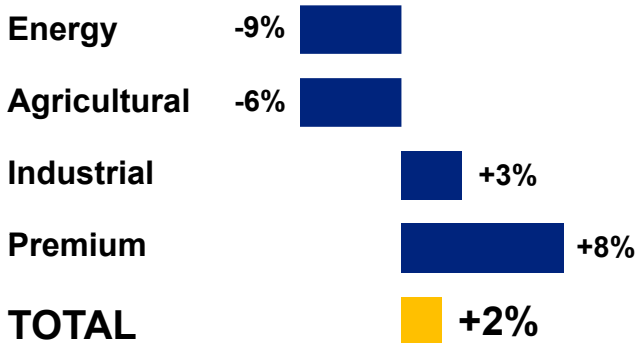


Agricultural Products	Energy	Industrial	Premium
Grain	PRB Coal	Construction	Dom Intermodal
Grain Products	Other Coal	Industrial Chem	Int'l Intermodal
Food & Beverage	Frac Sand	Plastics	Finished Vehicles
Fertilizer	Petroleum & LPG	Forest Products	Auto Parts
	Renewables	Specialized	
		Metals & Ores	
	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

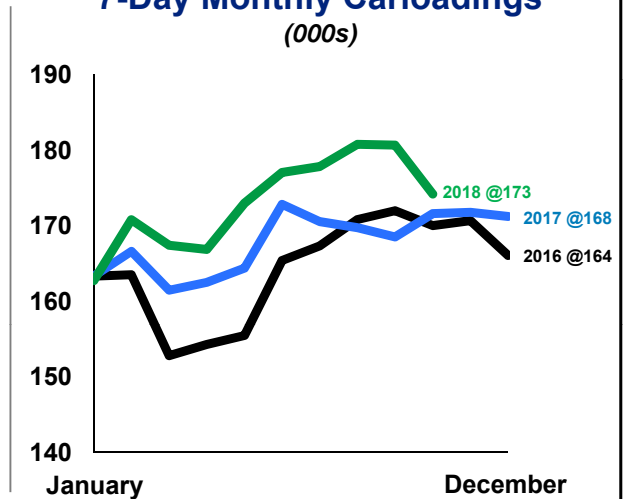
2018 Business Trends



2018 4QTD Volumes*
(vs 2017)



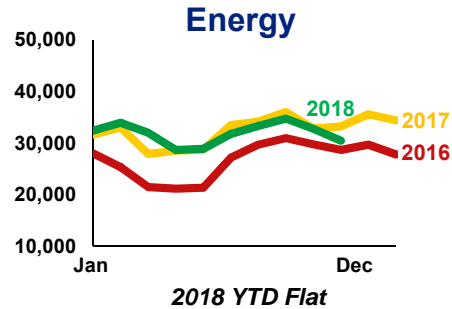
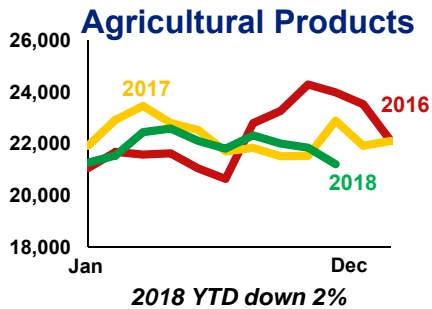
7-Day Monthly Carloadings
(000s)



* Through November 4, 2018

7-Day Volume Trends

Through October 31, 2018



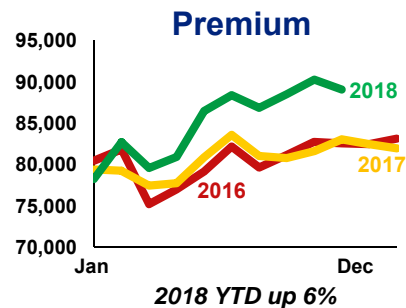
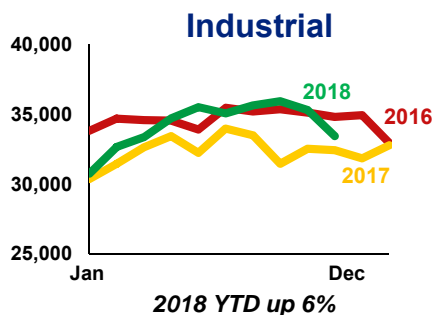
- Grain Inventories
- Export Market Fundamentals
- Food & Refrigerated Shipment Demand

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

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7-Day Volume Trends (cont)

Through October 31, 2018



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

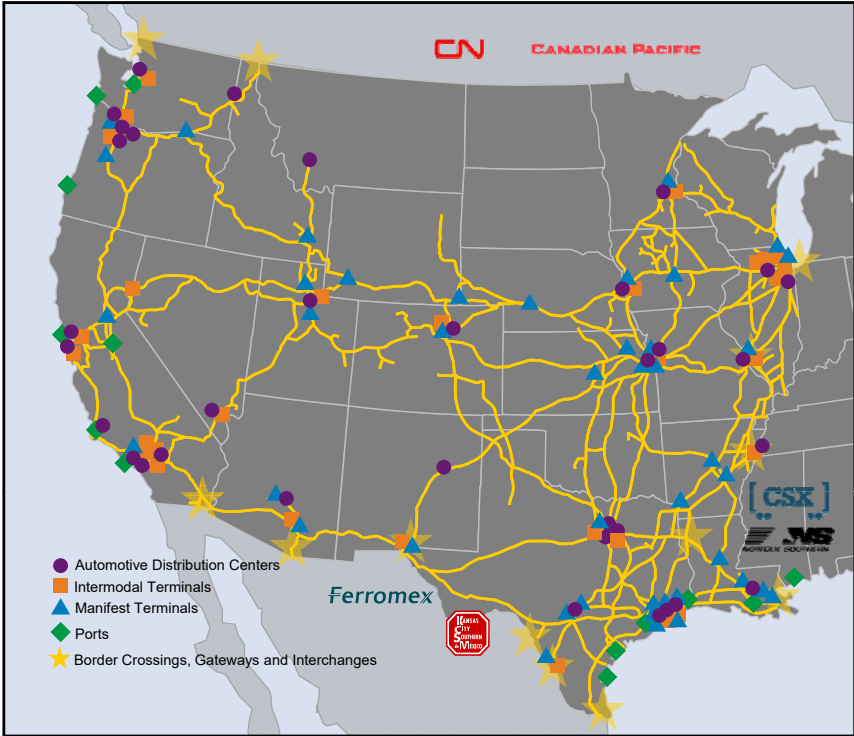
- North American Production & Sales
- Over-the-Road Parts Conversions
- Intermodal Market Fundamentals
- Transpacific Market Challenges

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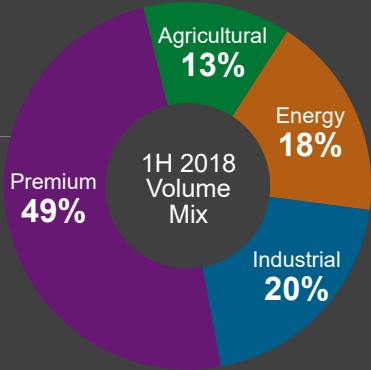
November 2018

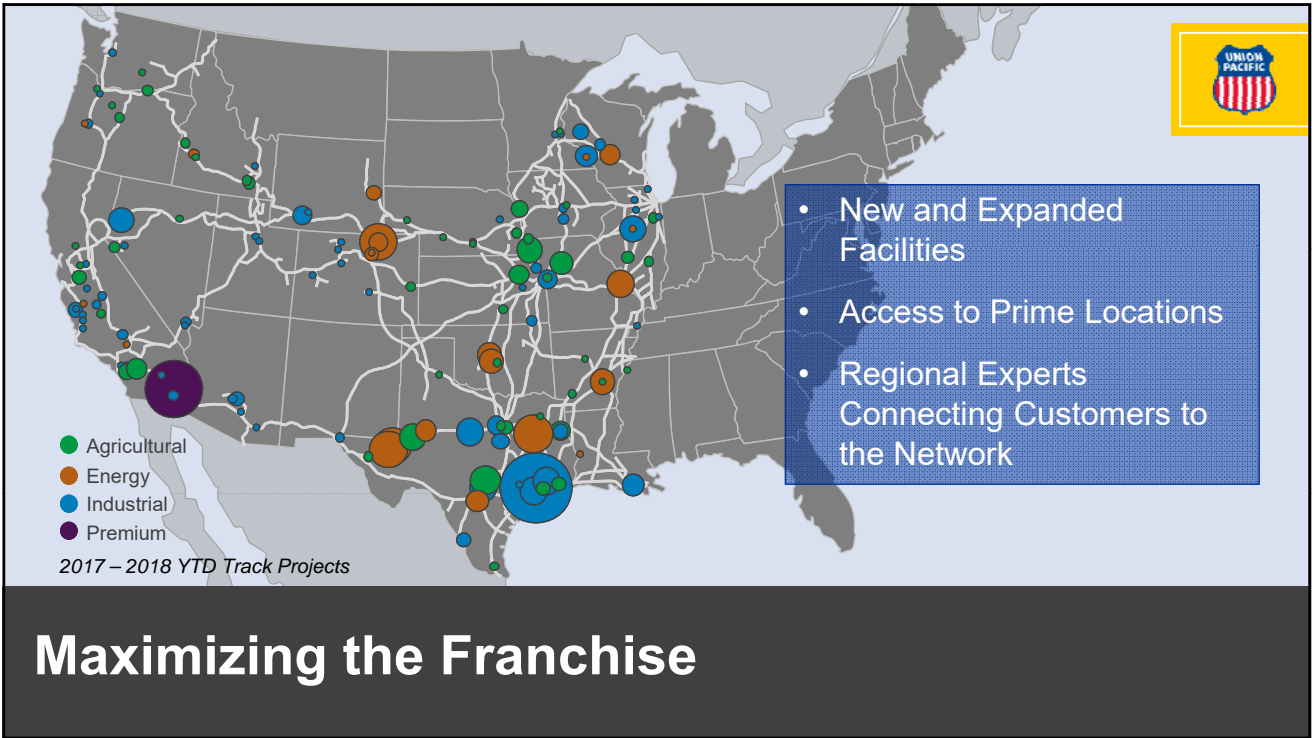
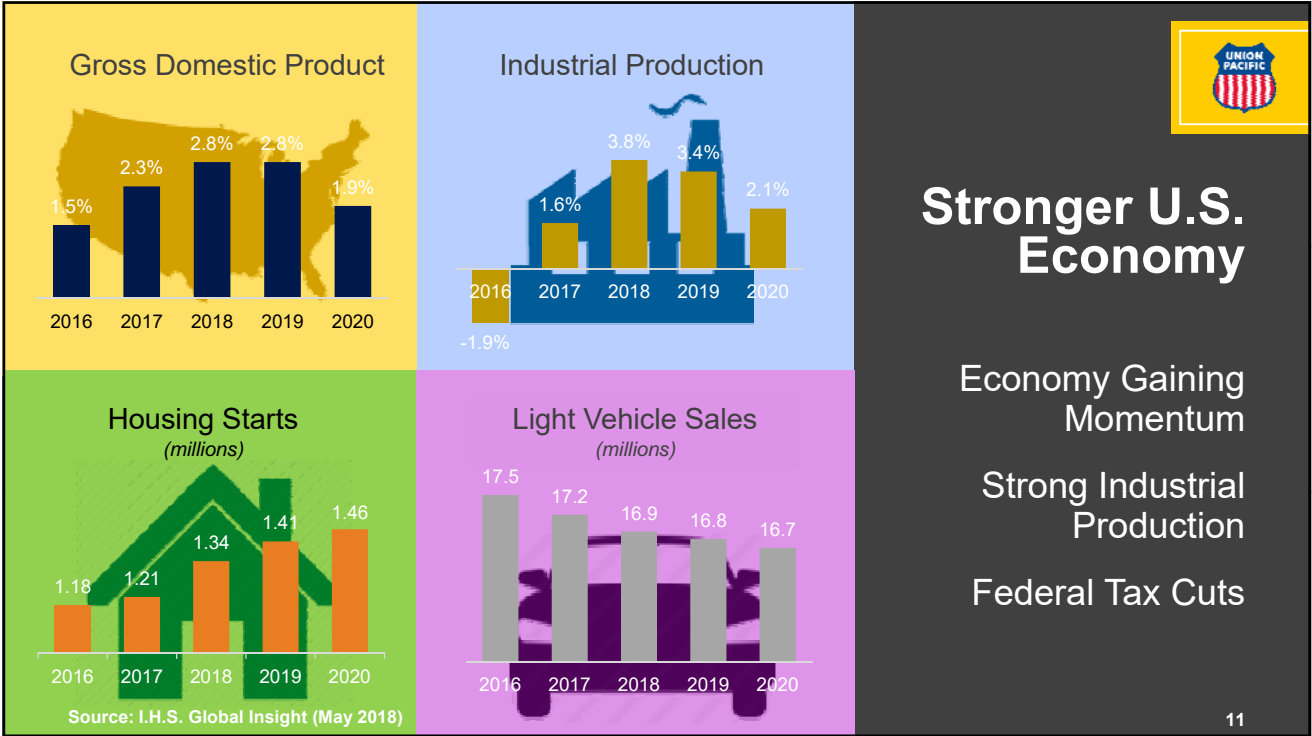
Business Team Review



Strength of a Unique Franchise

1H 2018 Revenue
\$10.4 B

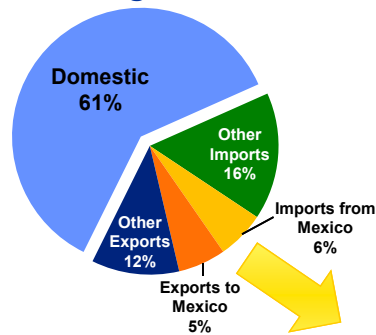




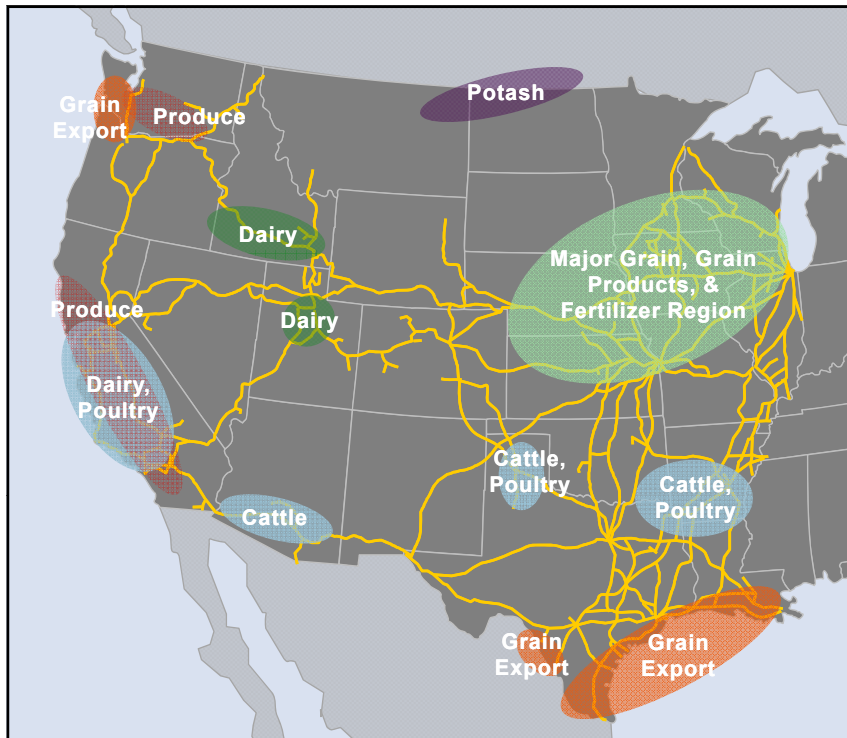
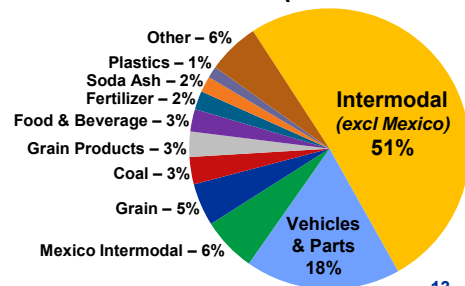
International Trade

- 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



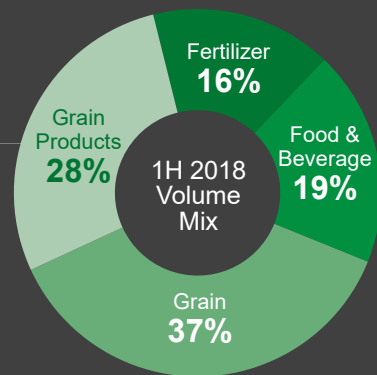
International Volumes (3.4M carloads)



Agricultural Products

1H 2018 Revenue

\$2.2 B



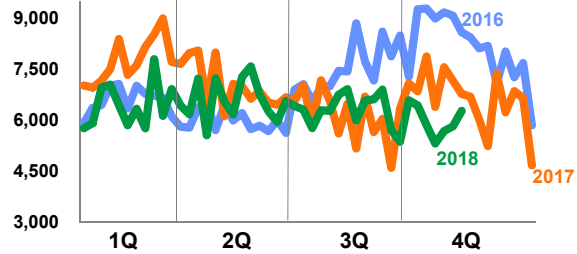
Agricultural Products

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

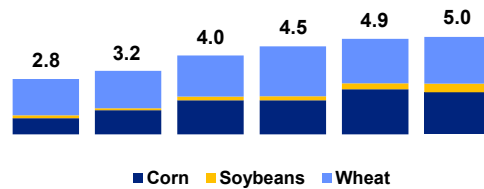


*Through November 3, 2018

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



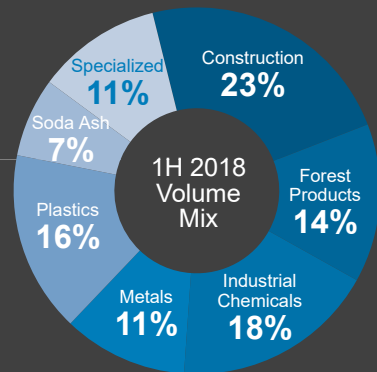
U.S. Grain Stocks** (Bushels in Billions)



**Source: USDA; As of September 1st



Industrial
1H 2018 Revenue
\$2.8 B



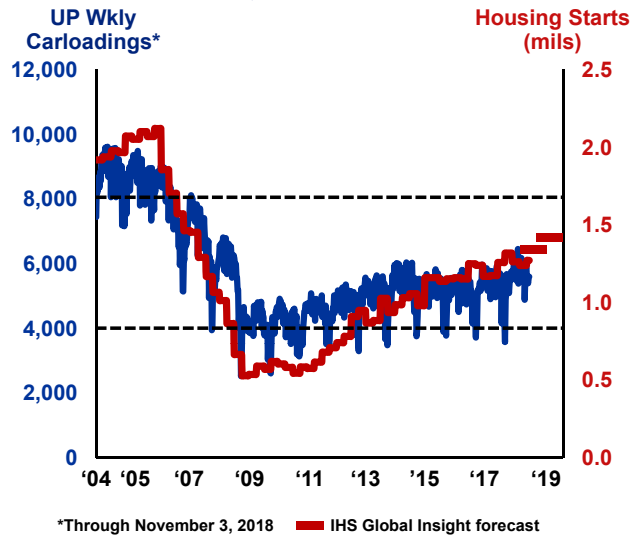
Housing Trends



- 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

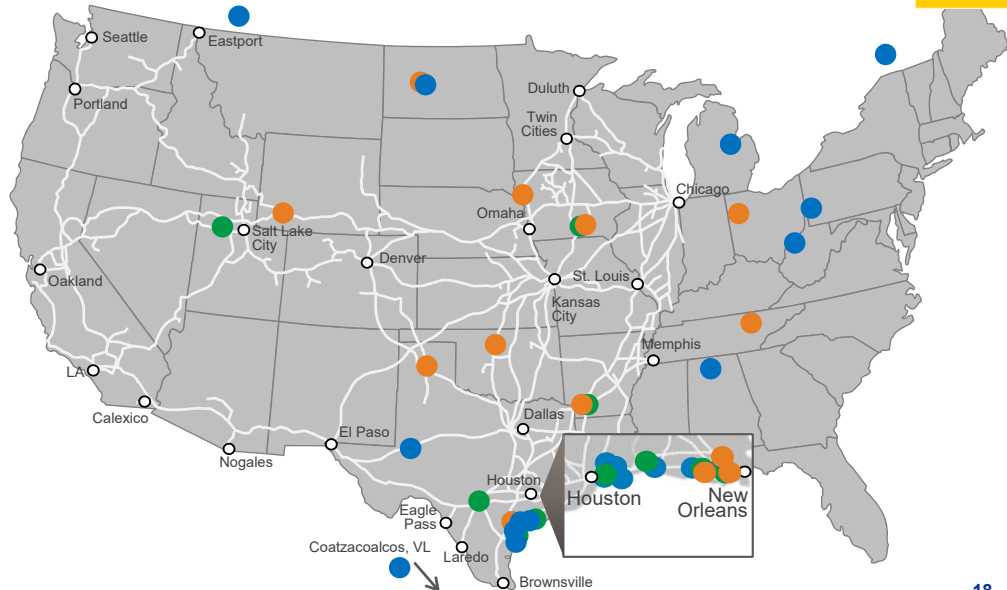


Chemical Opportunities

North America Announced Expansions



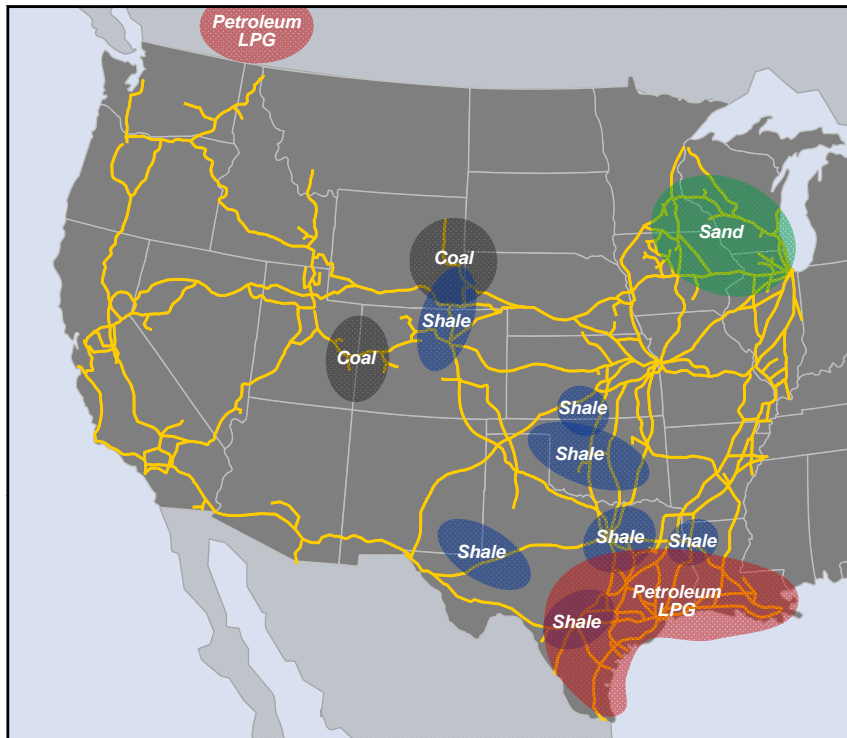
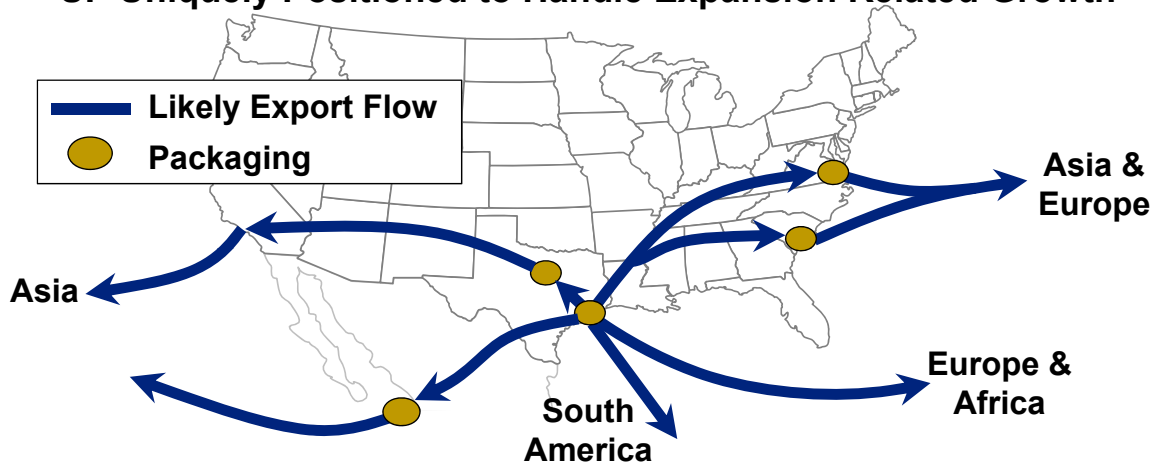
- 2015 – 2020**
- Ind. Chemicals - 14
 - Fertilizer - 13
 - Plastics - 21



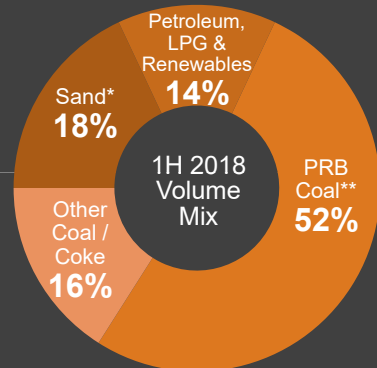
Chemical Export Opportunities



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



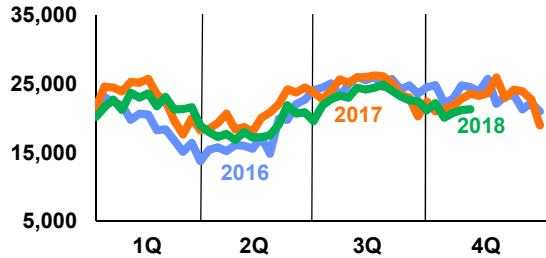
Energy
1H 2018 Revenue
\$2.3 B



* Sand includes Barites
** PRB includes SPRB and NPRB

Energy - Coal Trends

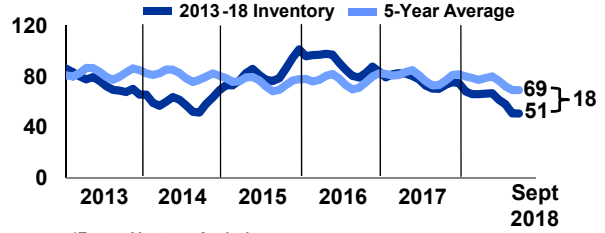
UNP Weekly Coal Carloads* (As reported to the AAR)



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

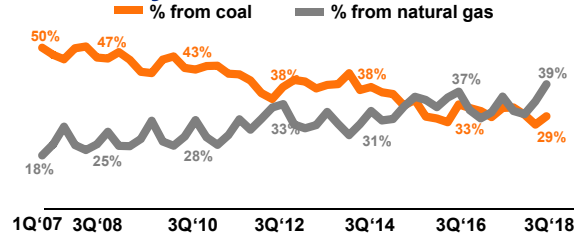
*Through November 3, 2018

Powder River Basin Coal Stockpiles* (Tons in MM)



*Energy Ventures Analysis

Electricity Generation Market Share**



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

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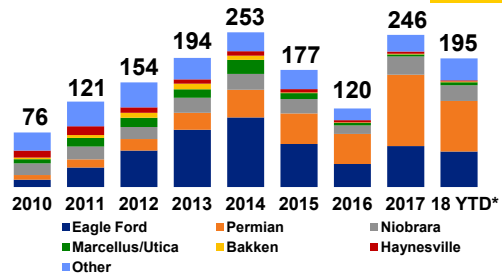
Shale-Related Volumes

3.3% of 2017 Total Volume

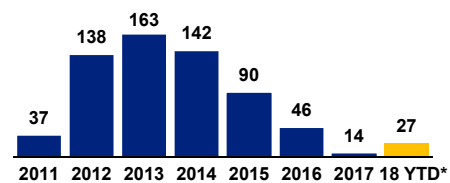
2018 YTD*	Volume (000s)	% Incr (vs 3QTD17)	% of Total UP Volume
Frac Sand**	195	13%	2.9%
Crude	27	331%	0.4%
Pipe	22	46%	0.3%
Total Shale	244	26%	3.7%

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

Frac Sand Volume** (By Shale, 000s)

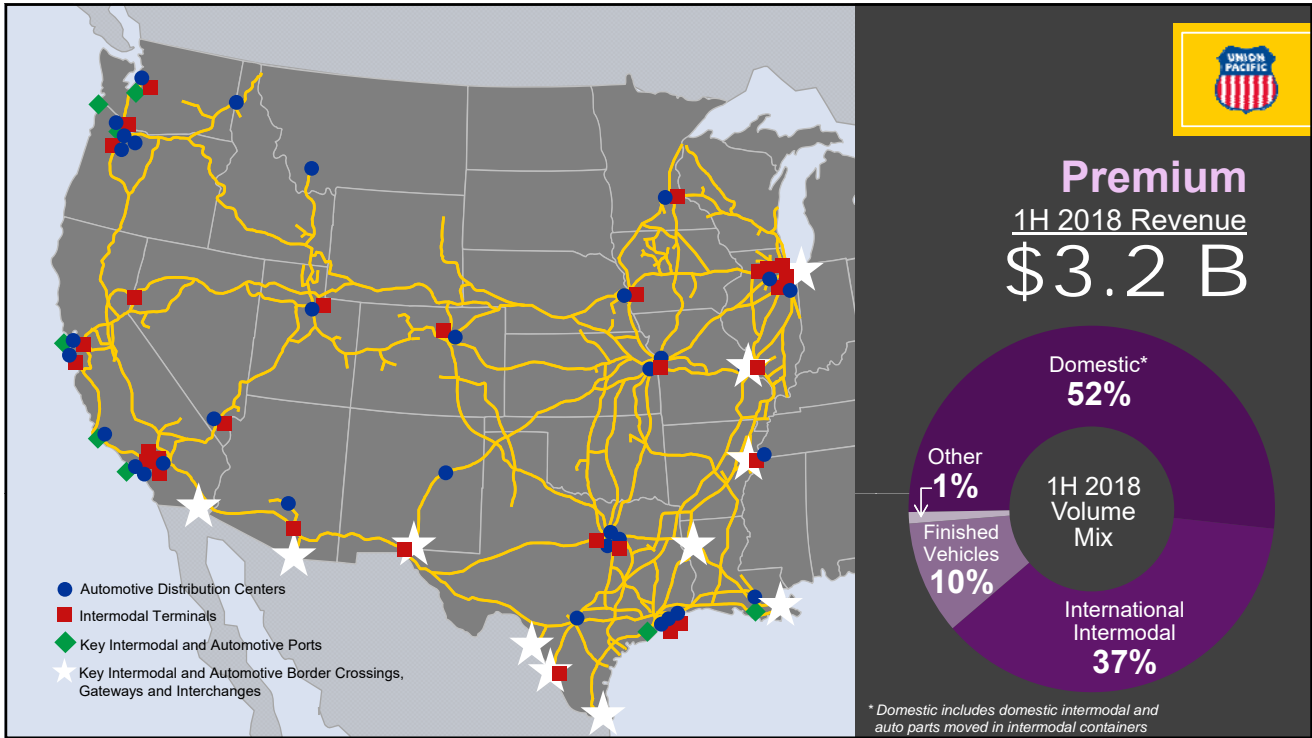


Crude Oil Volume (000s)

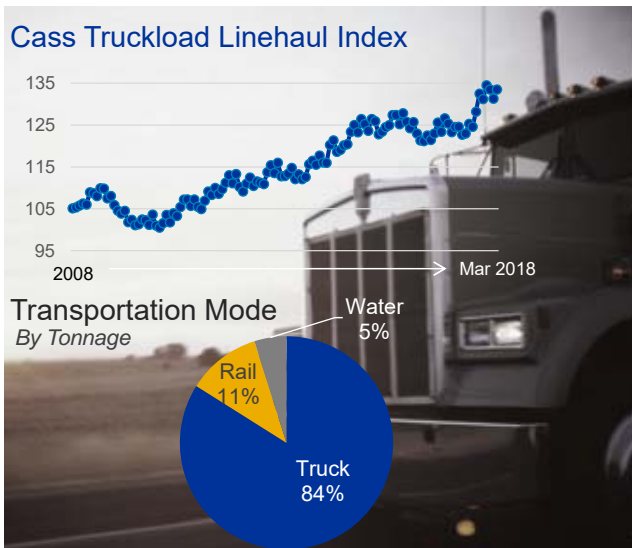


* Jan - Sept ** Includes Barites

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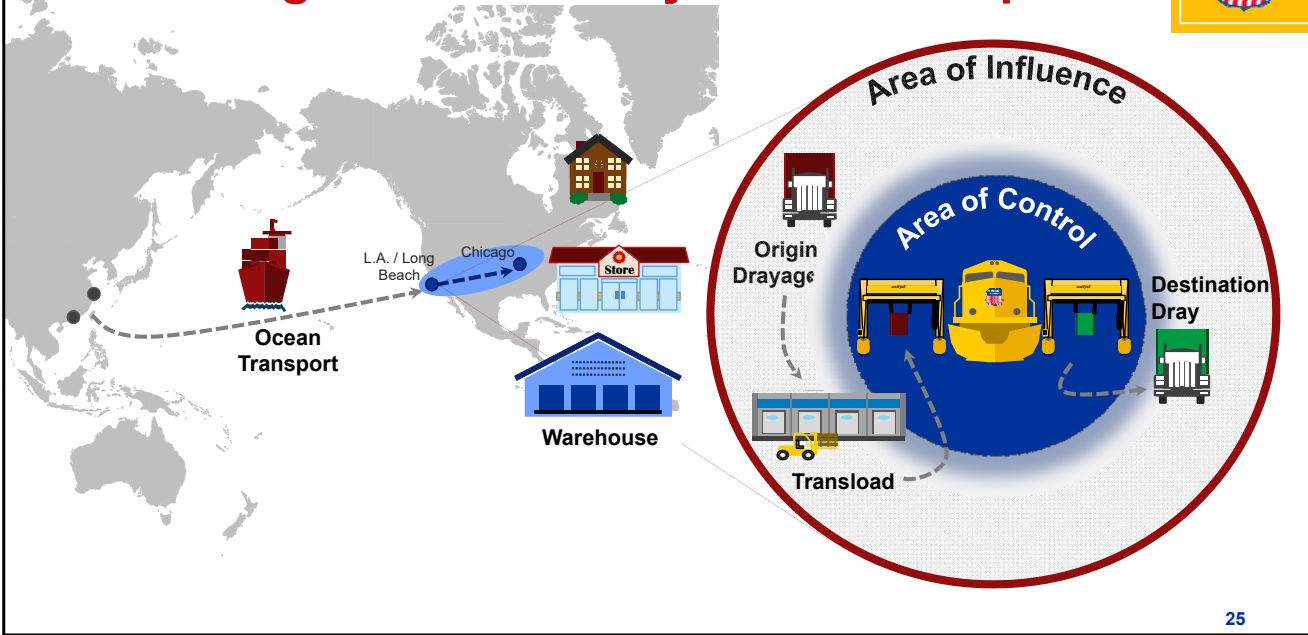
Highway Conversion Growth Opportunities



- 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

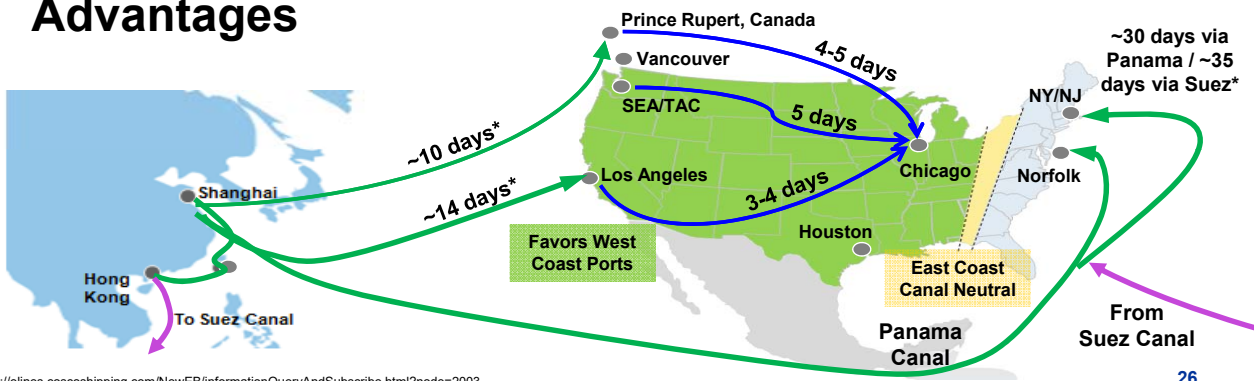
Extending Our Reach Beyond the Ramp



International Intermodal

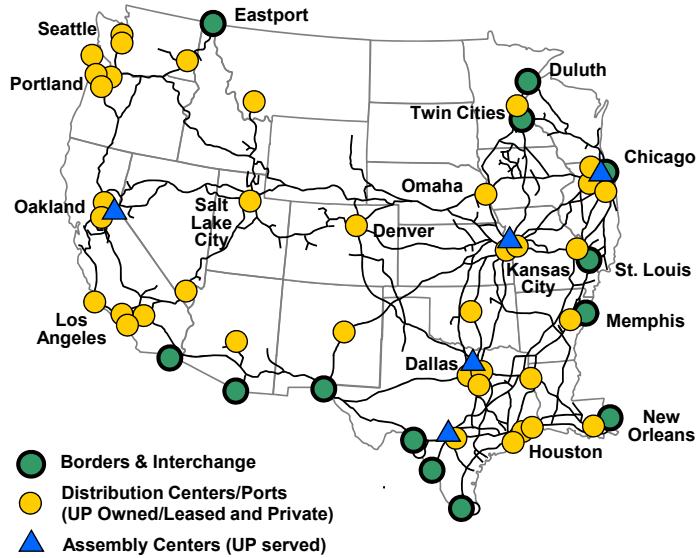


- Transpacific Market Challenges
- Retail Inventories
- West Coast Port Advantages



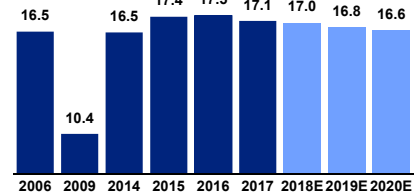
*<http://elines.coscoshipping.com/NewEB/informationQueryAndSubscribe.html?node=2003>

Premium – Finished Vehicles



*Source: IHS Global Insight

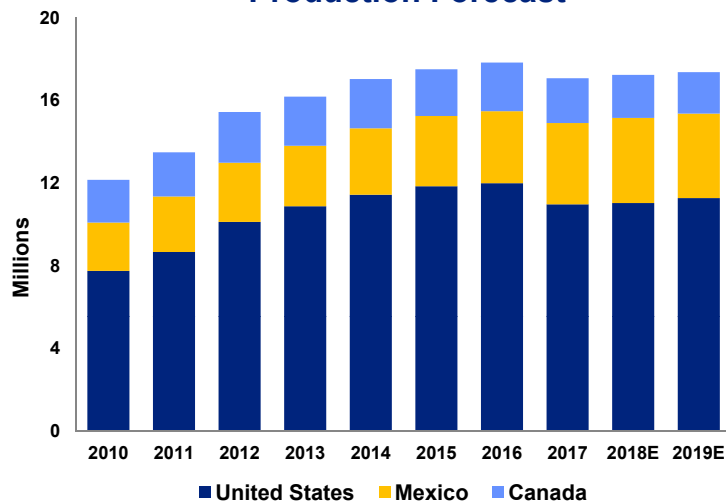
U.S. Light Vehicle SAAR*



North American Auto Production



North American Light Vehicle Production Forecast*



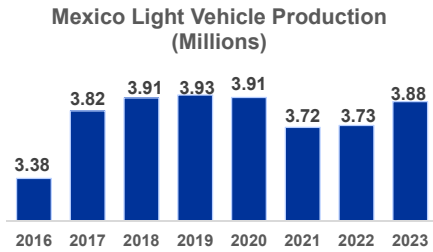
*Source: IHS Global Insight



Mexico's Strong Automotive Sector



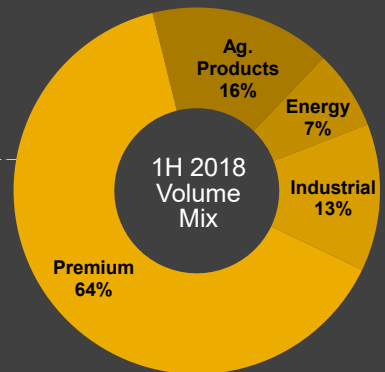
- 2017 Mexico production ~3.8M vehicles
 - 9% increase vs. 2016
- Jan-Aug 2018 Mexico production ~2.6M vehicles
 - Flat vs LY



Source: AMIA / I.H.S Autoinsights



Mexico
1H 2018 Revenue
\$1.2 B



2018 Volume Outlook



Agricultural Products

- ? Grain
- + Biofuels
- + Food and Beverage



Industrial

- + Plastics
- + Metals
- + Industrial Production



Energy

- + Petroleum Products
- Frac Sand
- Coal Headwinds



Premium

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



November 2018

Operating Overview

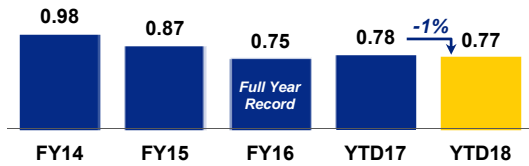
Safety



Employee

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

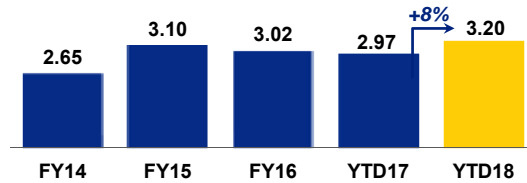
Good ↓



Rail Equipment

(Reportable Derailment Incidents Per Million Train Miles)

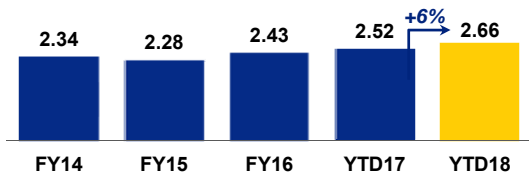
Good ↓



Public

(Crossing Accidents Per Million Train Miles)

Good ↓



- Continued Focus on Safety
- Goal of Zero Incidents

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



Key Performance Indicators

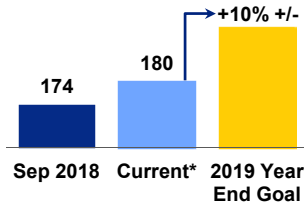
* 7-day averages,
as of October 24, 2018



Freight Car Velocity

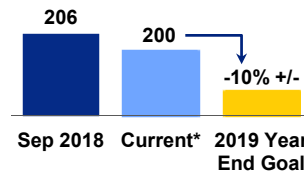
(Daily Miles per Car)

↑
Good



Operating Inventory

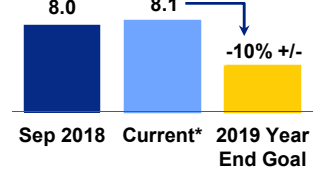
↓
Good



Cars per Carload

(Operating Inventory / Daily Carloads)

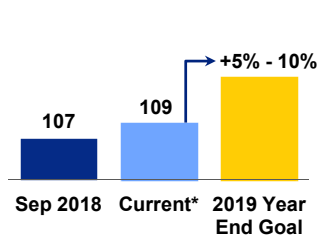
↓
Good



Locomotive Productivity

(GTMs per Horsepower Day)

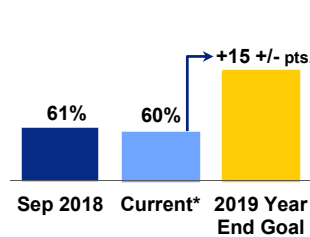
↑
Good



Car Trip Plan Compliance

(% Cars On Time)

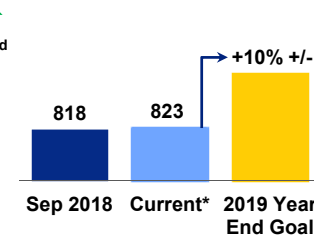
↑
Good



Workforce Productivity

(Daily Car Miles per FTE)

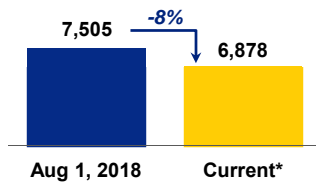
↑
Good



Laser Focused on Resources

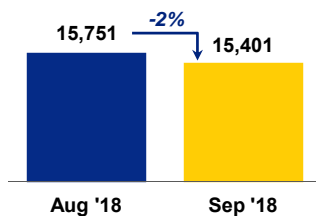


Active Locomotive Fleet



TE&Y

(Full-Time Equivalent)



- Removed Over 625 Locomotives Since August 1
- TE&Y Operating Leverage

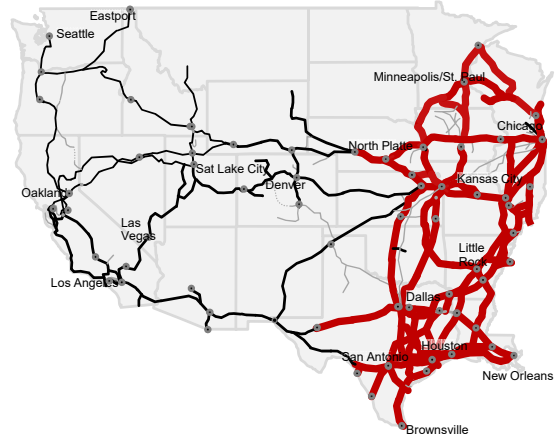
* As of October 24, 2018

Operating Update



- **Unified Plan 2020**
 - Implementation Began October 1st
- **Recent Initiatives**
 - Consolidating Regions & Service Units
 - Closing South Morrill Locomotive Shop
 - Terminal Rationalization Review
 - Functional Realignment
- **Encouraged by Early Results**

Mid-America Corridor

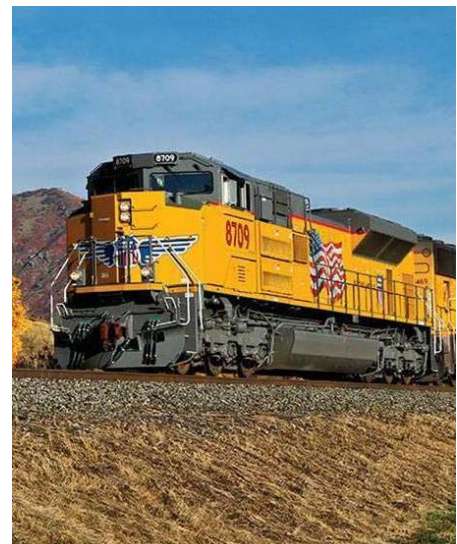


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Positive Train Control (PTC) Status Overview



- **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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Union Pacific Technology Platform

Forging The Future



Application Services

- Workflow
- Rules
- AI/ML
- Notifications



Foundation Services

- Messaging
- Monitoring
- Data Grid
- Search



Gateway Connect

- Transform
- Multi-Protocol
- Multi-Party
- Guaranteed Msg

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

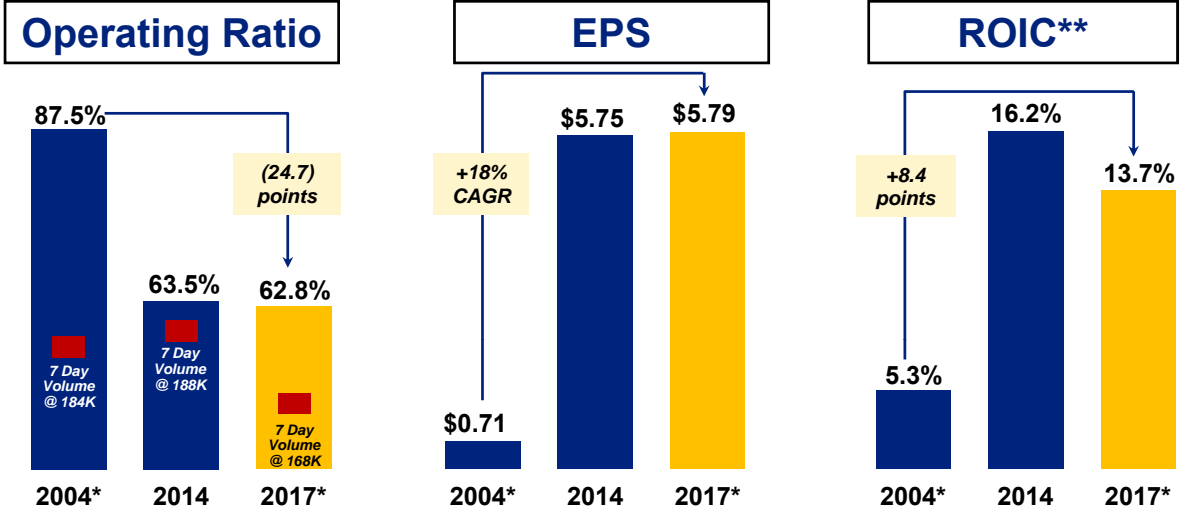
- High Resolution Images and Alert Generation
- 50,000 Images per Second vs 4 Hour Manual Inspection Process



November 2018

Financial Review

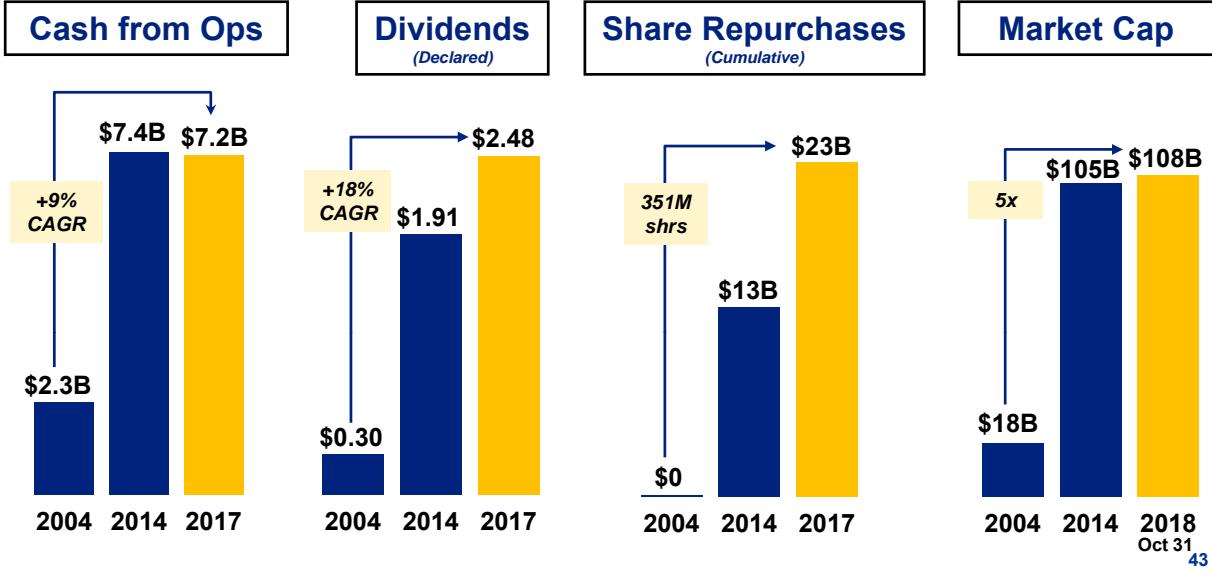
Financial Performance Expanding Margins and Driving Returns



* 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

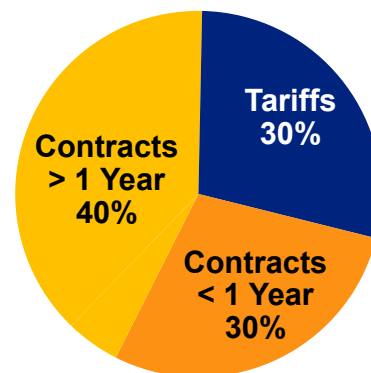


Pricing Fundamentals



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

Balanced Revenue Portfolio



Third Quarter Productivity Update



3Q18 Net Productivity by Category

(\$ in millions)

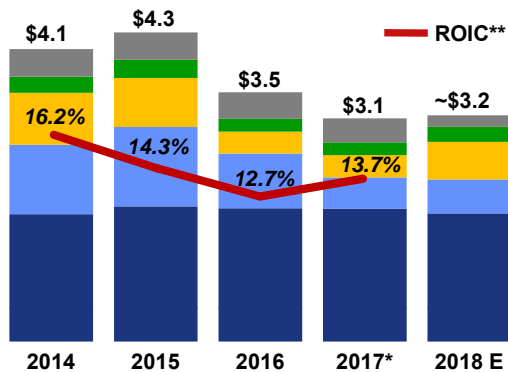
- Productivity Gains of ~\$60 Million, Offset by ~\$50 Million of Service Related Costs
- Focused on Eliminating Network Cost Inefficiencies

(\$20)	Network and Train Ops	<i>Slower velocity, TE&Y recrew, Limos & Lodging, Overtime, and Higher fuel consumption rate</i>
\$0	Equipment (Loco and Car)	<i>Lease savings, offset by active loco fleet and car cycle time</i>
\$30	Other Ops, Support, Sourcing, Mgmt & Admins	<i>Engineering, Safety, Support, Supply, Joint Facilities</i>
\$10	Net Results	

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
- 2019 Outlook: Capital < 15% of Revenue

* Adjusted to exclude the impact of Corporate Tax Reform.

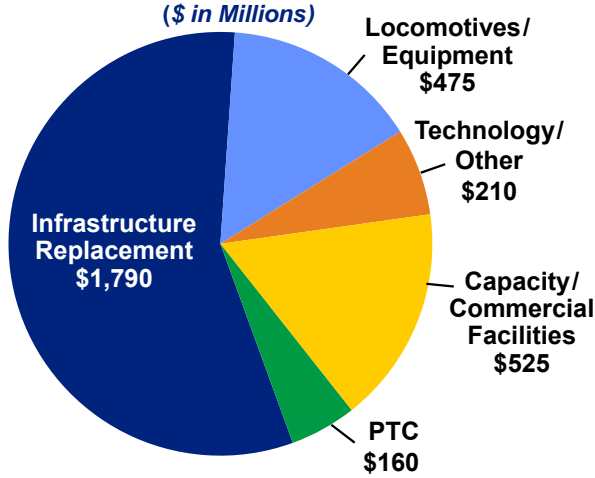
** See Union Pacific website under Investors for a reconciliation to GAAP.

Strengthening the Franchise

Replacement, Growth & Productivity, and PTC



2018 Capital Plan: ~\$3.2 Billion



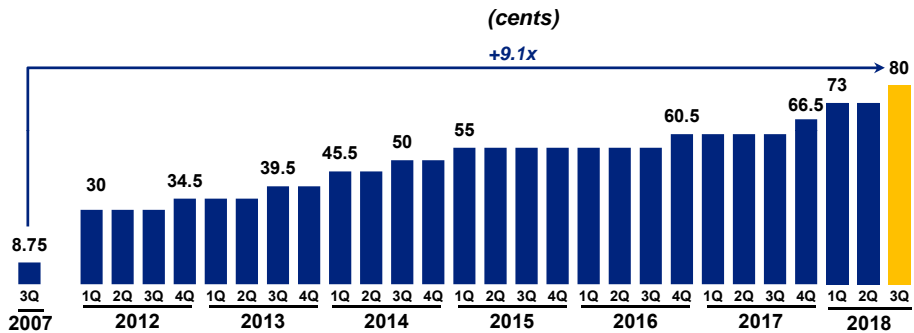
- Safe & Resilient Infrastructure
- Equipment Acquisitions
 - ~60 New Locomotives
 - ~700 Freight Cars
- Positive Train Control
- Capacity Investments
 - Brazos Yard

Dividends



- Dividend Payout Target of 40% to 45%
- 10% Dividend Per Share Increase in 4Q 2017, 1Q 2018 & 3Q 2018

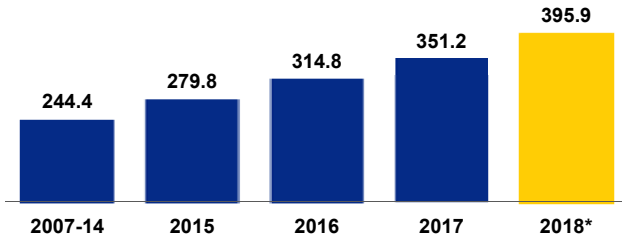
Declared Dividend Per Share



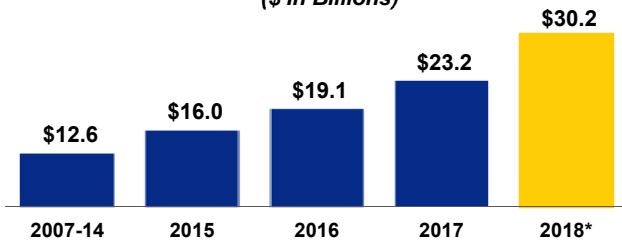
Cumulative Share Repurchases



Cumulative Share Repurchases
(In Millions)



Cumulative Share Repurchases
(\$ In Billions)



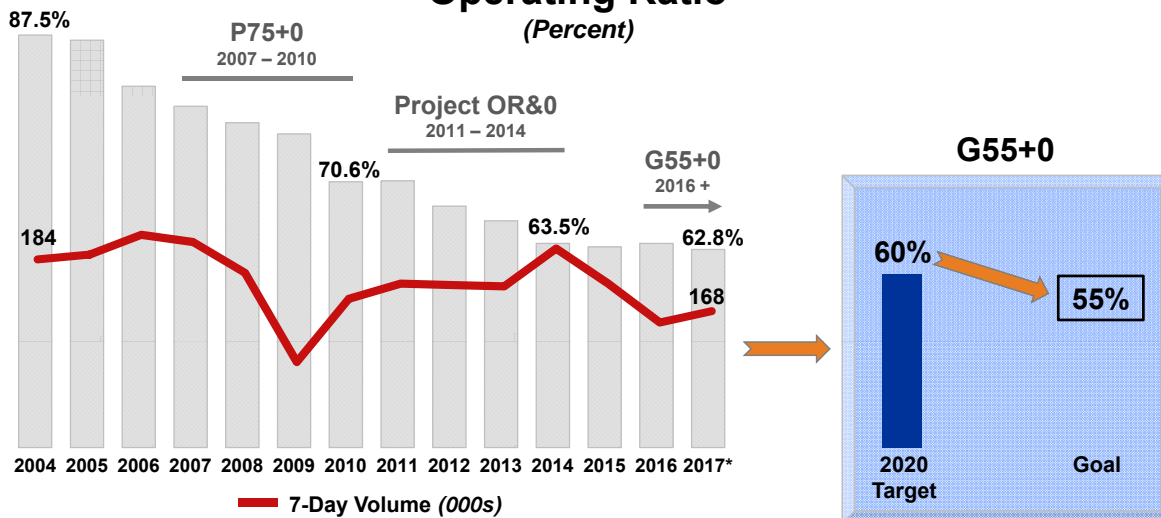
- Repurchased ~37% of Shares since 2007
- Share Repurchase Program
 - Four Years Beginning January 1, 2017
 - 120 Million Shares
- \$3.6 Billion Accelerated Share Repurchase Program June 2018

* Through September 30, 2018

Growing Margins



Operating Ratio
(Percent)



* 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

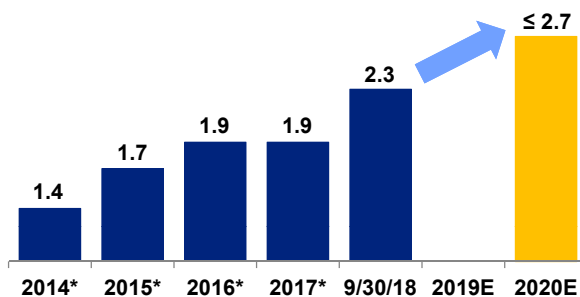
- 60% Operating Ratio by 2020
- G55+0 Opportunities
- Growing Earnings & Cash Flow

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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

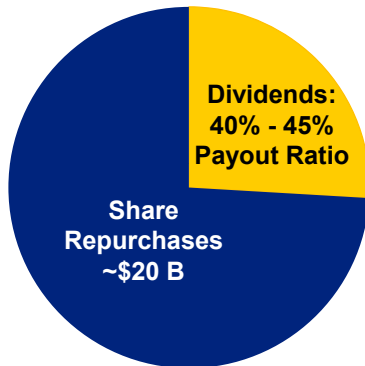
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What This Means for Shareholders



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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Financial Outlook



2018 Full Year

- Low to Mid Single Digit Volume Growth
- Price Above Inflation
- Capex Reduction of \$100 Million to ~ \$3.2 Billion
- Risk to Improved Operating Ratio Target

2019 Outlook

- Volume and Pricing Gains
- Significant Benefits from G55 + 0, Including Unified Plan 2020
 - At Least \$500 Million of Productivity in 2019
- Operating Ratio Target of 60% by 2020
- Capex Less Than 15% of Revenue

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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.

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