



March 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.



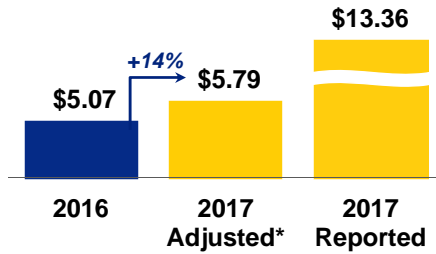
March 2018

Current Overview / Business Update

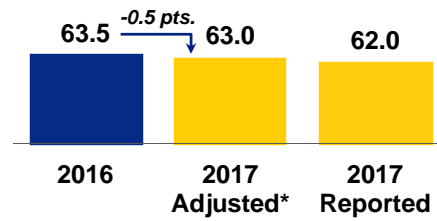
2017 Full Year Results



Earnings Per Share



Operating Ratio



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

New Commodity Group Mapping

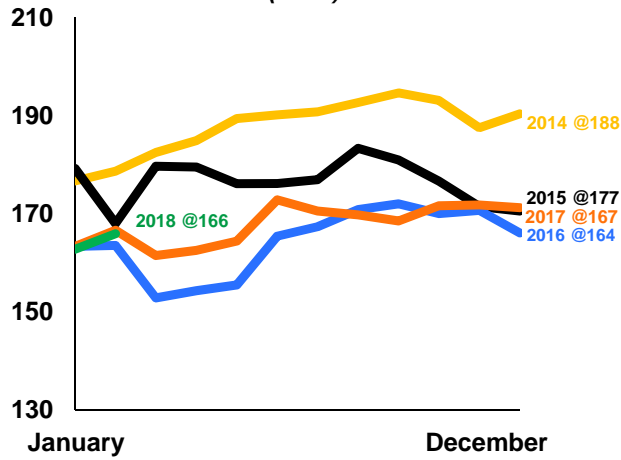


Agricultural Products	Energy	Industrial	Premium
Grain	PRB Coal	Construction	Dom Intermodal
Grain Products	Other Coal	Industrial Chem	Int'l Intermodal
Food & Beverage	Frac Sand	Plastics	Finished Vehicles
Fertilizer	Petroleum & LPG	Forest Products	Auto Parts
	Renewables	Specialized	
		Metals & Ores	
	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

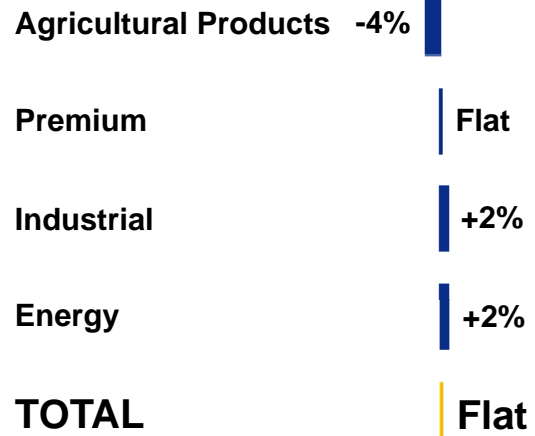
2018 Business Trends



7-Day Monthly Carloadings (000s)



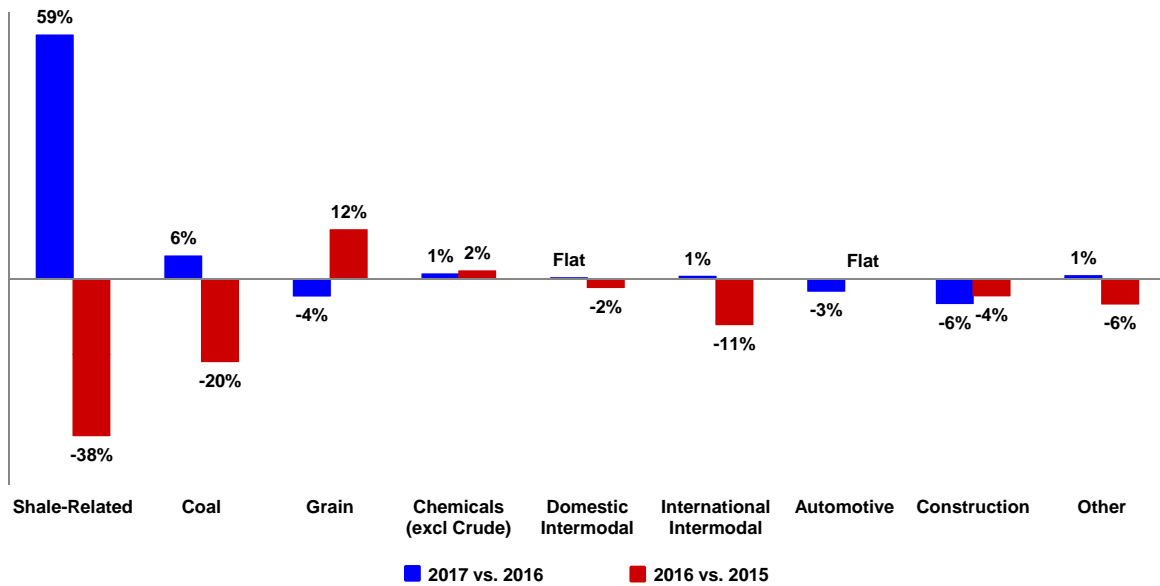
2018 1QTD Volumes* (vs 2017)



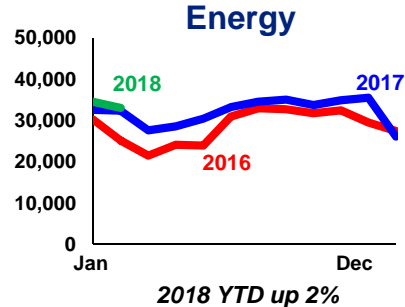
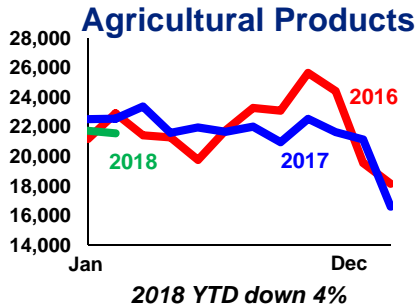
*Through February 25, 2018

Volume Drivers

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



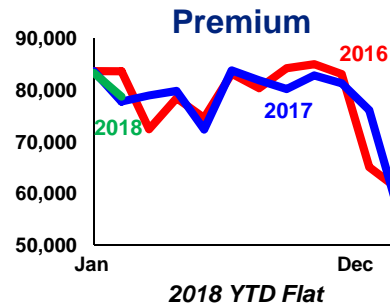
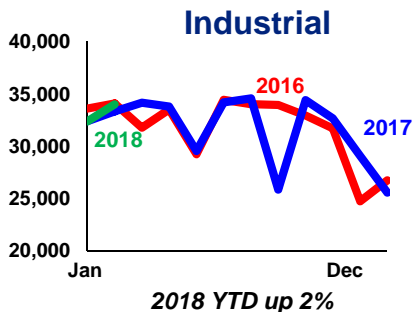
7-Day Volume Trends Through February 25, 2018



- Grain Inventories
- Export Market Fundamentals
- Food & Refrigerated Shipment Demand
- Natural Gas Prices
- Inventory Management
- Weather & Economy
- Frac Sand Demand
- Crude Oil Prices & Spreads

8

7-Day Volume Trends (cont) Through February 25, 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

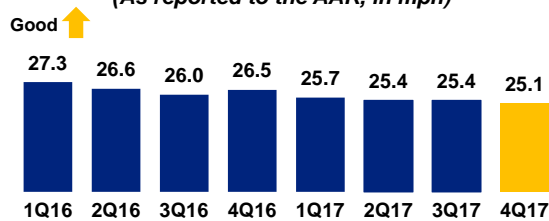
9

Network Performance



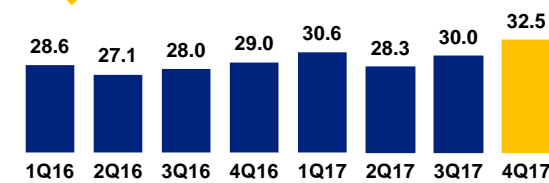
UP Velocity

(As reported to the AAR, in mph)



UP Terminal Dwell

Good ↓ (As reported to the AAR, in hours)



- Improve Network Fluidity
- PTC Implementation & Testing
- Transportation Plan Execution

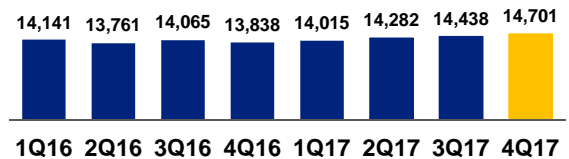
Volume and Performance Drive Resources

Remaining Agile in a Dynamic Environment

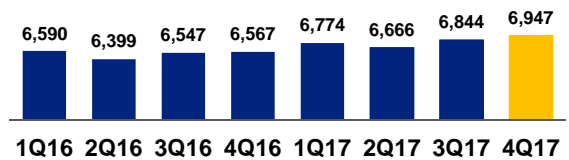


- TE&Y Workforce
 - 4Q17 Up 6% vs 4Q16
- Mechanical & Engineering Workforce
 - 4Q17 Down 4% vs 4Q16
- Locomotives
 - 4Q17 Up 6% vs 4Q16

Total TE&Y*



Active Locomotive Fleet

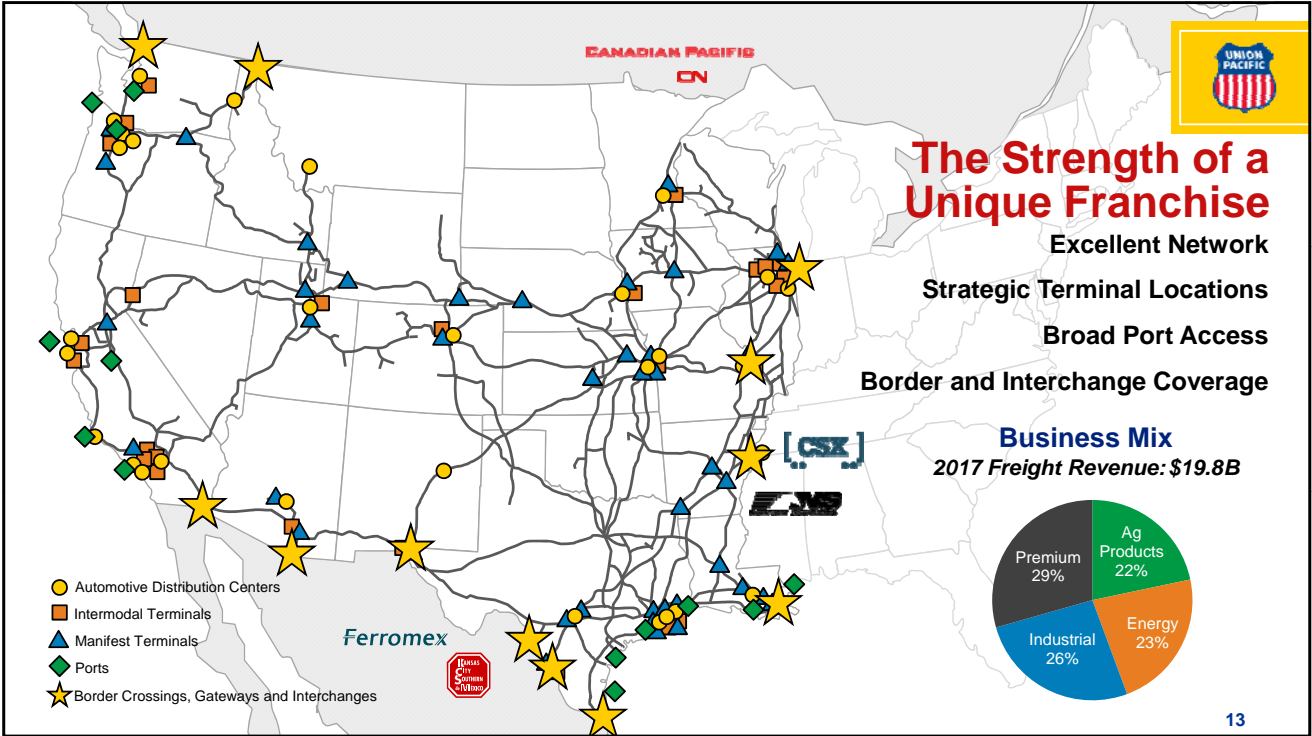


* Full-time Equivalent



March 2018

Business Team Review



Economic Outlook



Metric	2014	2015	2016	2017	2018-2020 Forecast
Gross Domestic Product (%)	2.4	2.6	1.5	2.3	2.5 (avg)
Industrial Production (%)	3.1	-0.7	-1.2	2.0	3.2 (avg)
Light Vehicle Sales (Millions)	16.5	17.4	17.5	17.2	16.9 (avg)
Housing Starts (Millions)	1.00	1.11	1.18	1.21	1.39 (avg)
Imports (%) incl Petroleum	4.4	4.6	1.3	3.9	6.4 (avg)
Exports (%)	4.3	0.4	-0.3	3.4	5.8 (avg)
Unemployment (%)	6.2	5.3	4.9	4.4	3.7 (avg)

Source: February 2018 IHS Global Insight forecast

2018 Volume Outlook



Agricultural Products

- + Ethanol Exports
- + Food and Refrigerated
- ? Grain



Energy

- ? Frac Sand
- ? Natural Gas Prices
- Continued Coal Headwinds



Industrial

- + Plastics
- + Construction Products
- + Industrial Production



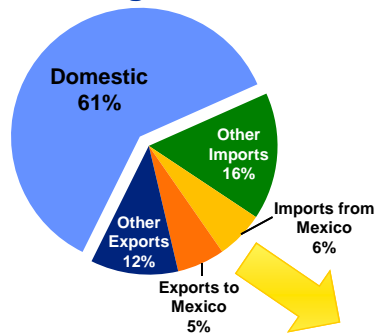
Premium

- + Over-the-Road Conversions
- + International Intermodal
- Automotive Sales

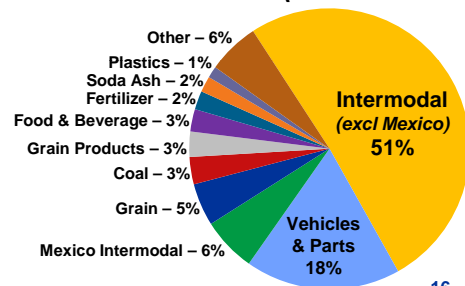
International Trade

- 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

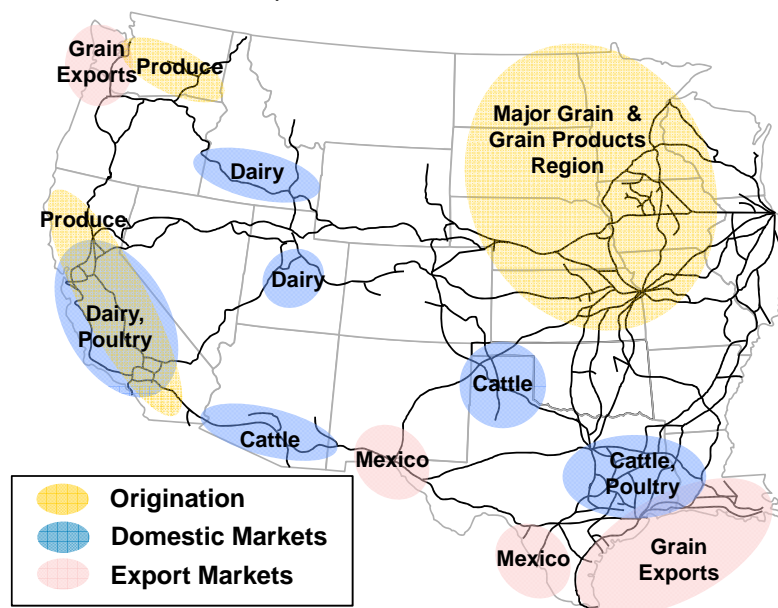


International Volumes (3.4M carloads)



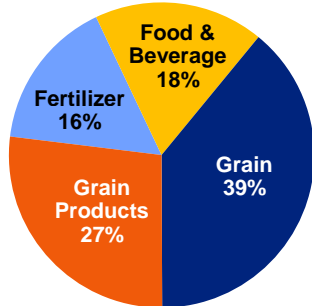
Agricultural Products

2017 Revenue: \$4.3 Billion



Agricultural Products

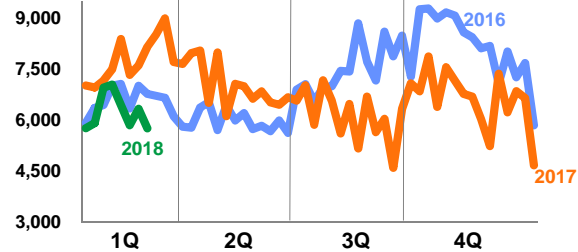
2017 Volume Mix



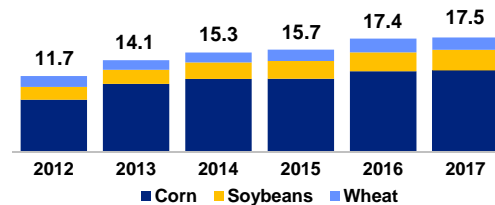
- Grain Inventory Management
- Export Market Fundamentals
- Food & Beverage Shipment Demand

*Through February 24, 2018

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



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

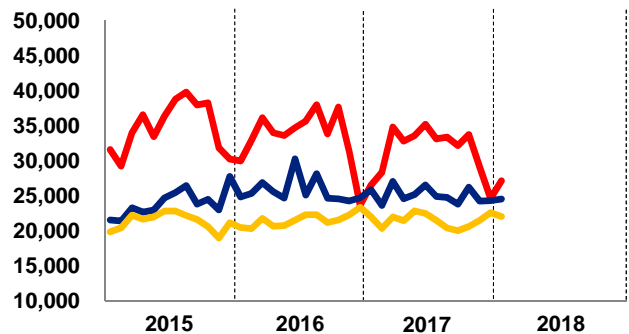


**Source: USDA; As of Dec 1st

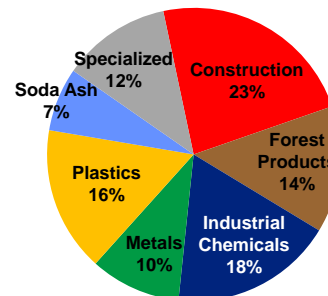
Industrial

UNP Monthly Volumes

Construction (red line), Plastics (yellow line), Industrial Chemicals (blue line)



2017 Volume Mix



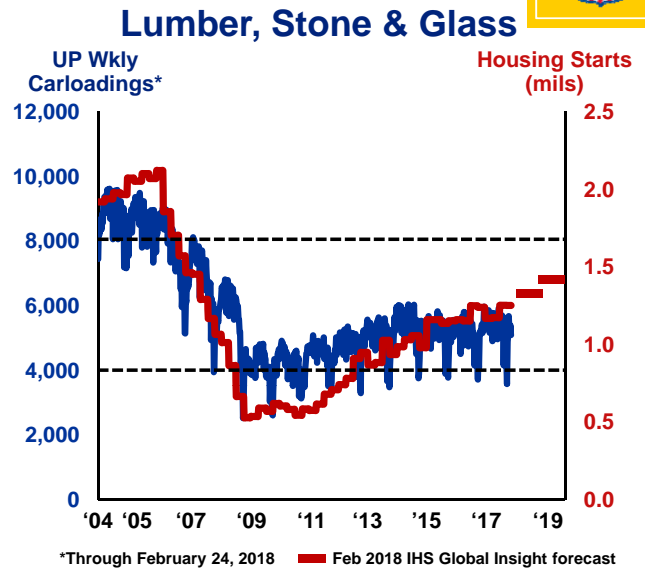
- Construction-Related Materials
- Housing Activity
- U.S. Dollar Impact
- Plastics Demand
- Base Chemicals Remain Solid

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

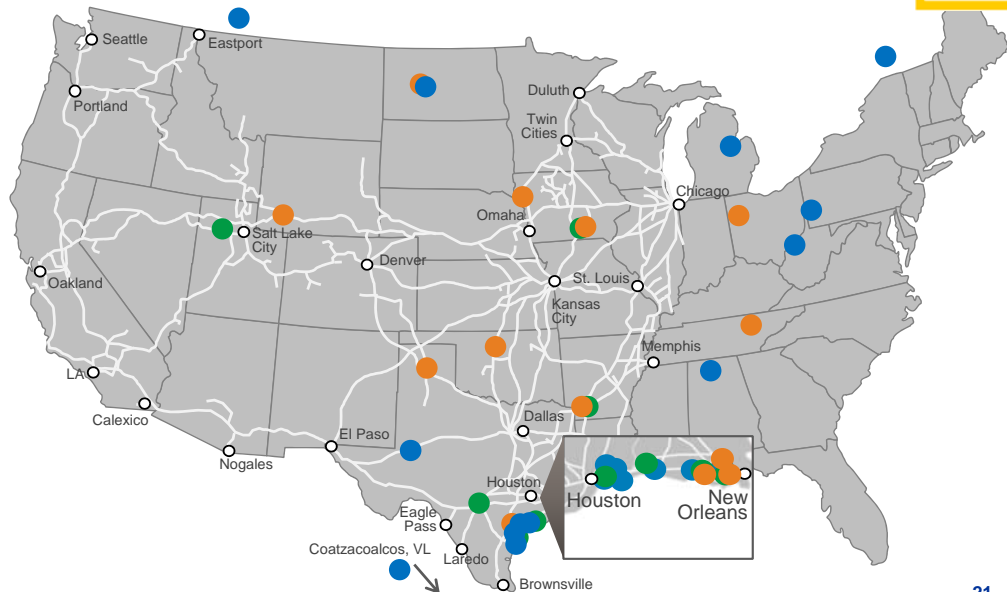
Housing related Shipments Represent ~ 5-10% of Current UP Volumes



Chemical Opportunities North America Announced Expansions



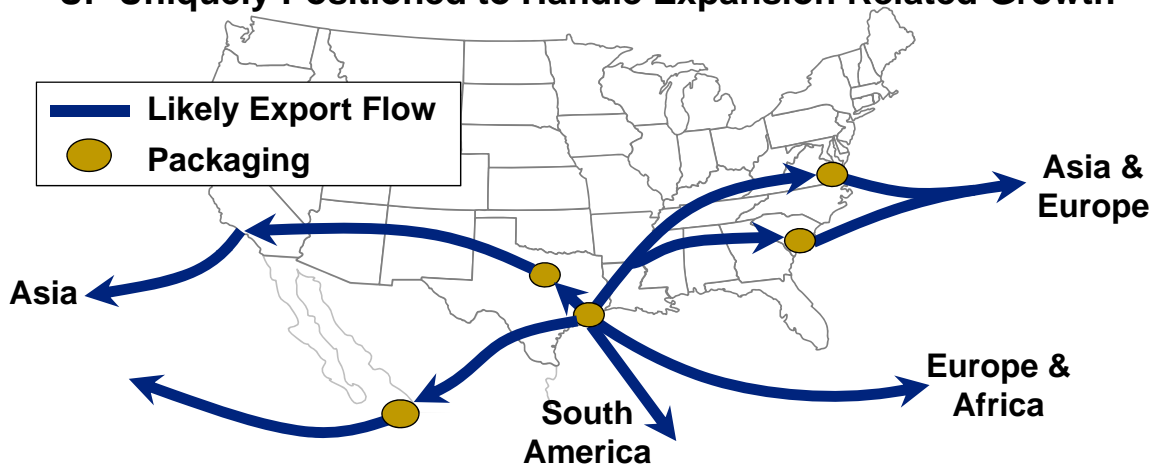
- 2015 – 2020**
- Ind. Chemicals - 14
 - Fertilizer - 13
 - Plastics - 21



Chemical Export Opportunities



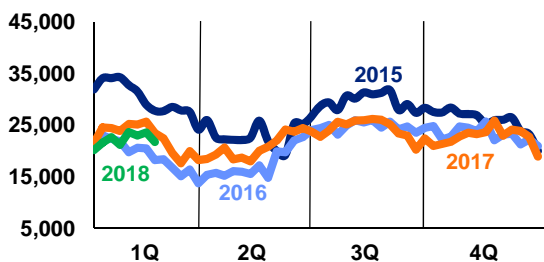
- North American Production Will Exceed Domestic Demand
- Surplus U.S. Production Targeted for Export
- UP Uniquely Positioned to Handle Expansion Related Growth



Energy - Coal Trends



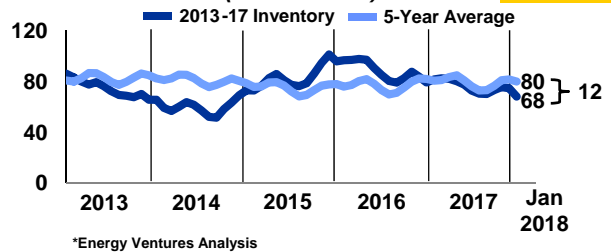
UNP Weekly Coal Carloads*
 (As reported to the AAR)



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

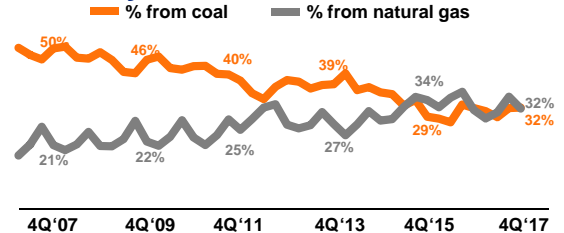
*Through February 24, 2018

Powder River Basin Coal Stockpiles*
 (Tons in MM)



*Energy Ventures Analysis

Electricity Generation Market Share**



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

Shale-Related Volumes

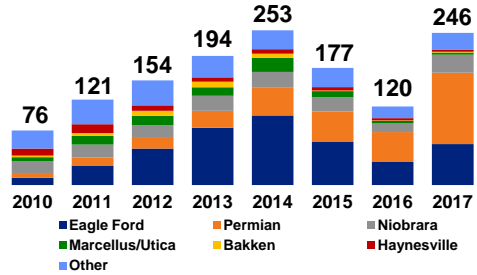
3.3% of 2017 Total Volume

2017	Volume (000s)	% Incr (vs '16)	% of Total UP Volume
Frac Sand*	246	104%	2.9%
Crude	14	-70%	0.2%
Pipe	19	68%	0.2%
Total Shale	279	56%	3.3%

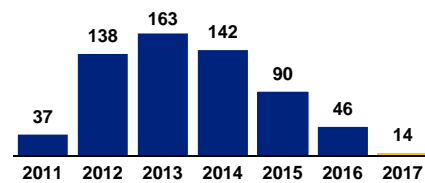
• Frac Sand Drivers

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

Frac Sand Volume* (By Shale, 000s)



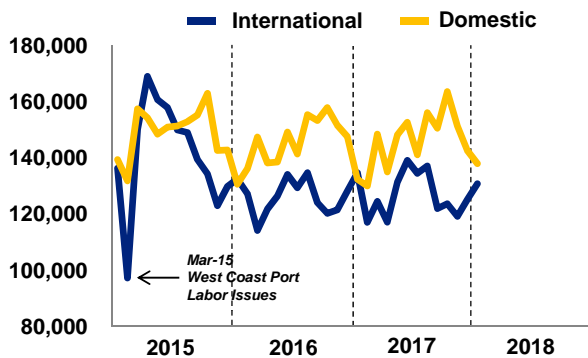
Crude Oil Volume (000s)



*Includes Barites

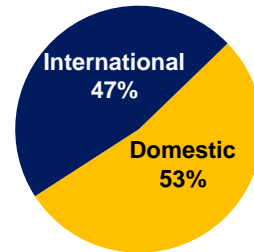
Premium - Intermodal

UNP Monthly Intermodal Volume



- Trans Pacific Market Challenges
- Truck Capacity & Economic Outlook

2017 Volume Mix



Domestic Intermodal Growth

Comprehensive Network

- Significant Domestic Truck-Load Conversion Opportunity
- Truckload Opportunity Originating from Mexico

Strong Value Proposition

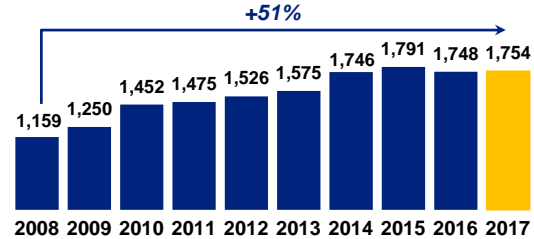
- Competitive Service at an Affordable Price
- Environmental Friendliness

Truck's Traditional Advantage is Eroding

- Regulations & Rising Costs
- Highway Congestion & Infrastructure

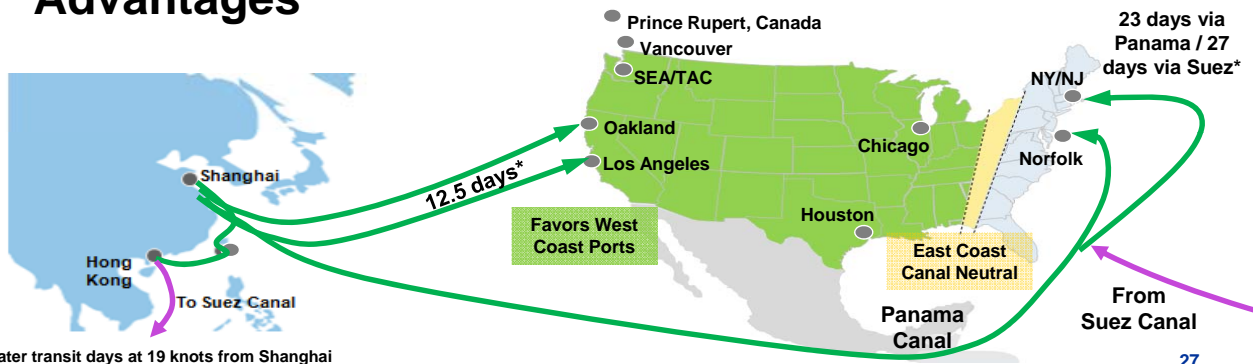
Domestic Volumes

(Units in 000's)



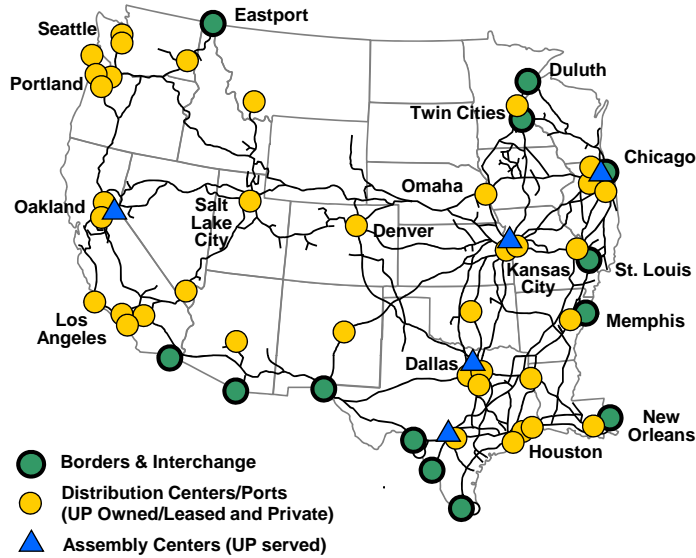
International Intermodal

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

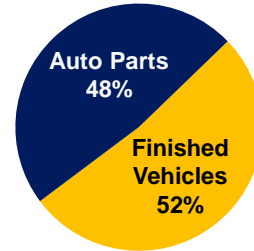


*Water transit days at 19 knots from Shanghai

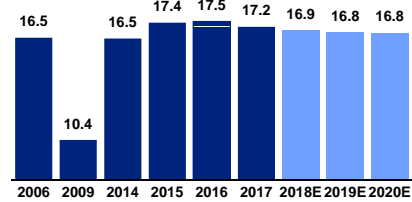
Premium - Automotive



2017 Volume Mix



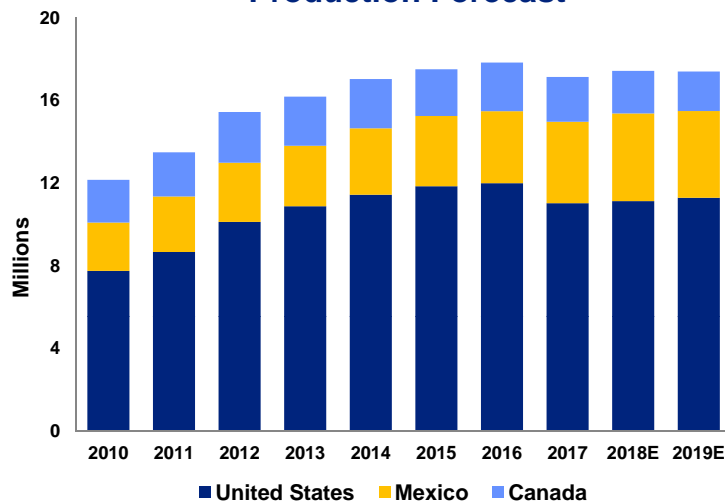
U.S. Light Vehicle SAAR*



*Source: February 2018 IHS Global Insight forecast

North American Auto Production

North American Light Vehicle Production Forecast*



*Source: IHS Global Insight January 2018

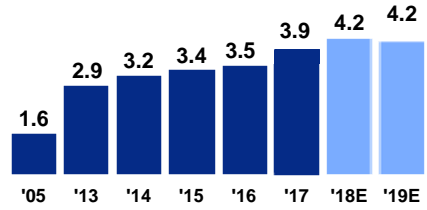


Mexican Automotive Production Growth



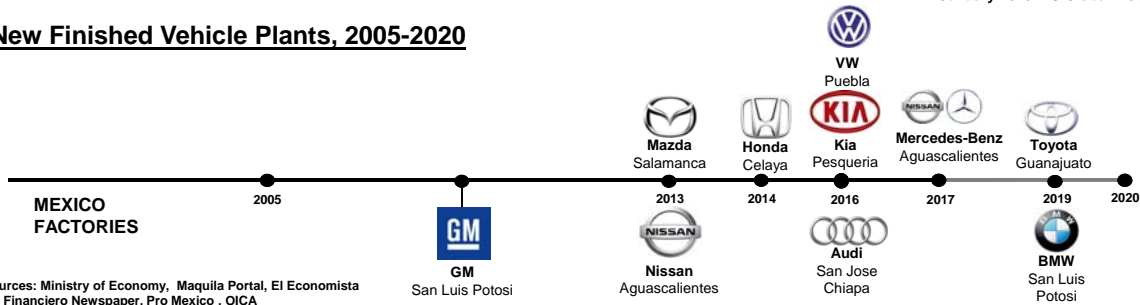
- 7th Largest Automotive Manufacturer
- 4th Largest Automotive Exporter
 - No. 2 Supplier of Vehicles to U.S.

Mexico Auto Production*
(In Millions)



* January 2018 IHS Global Insight

New Finished Vehicle Plants, 2005-2020

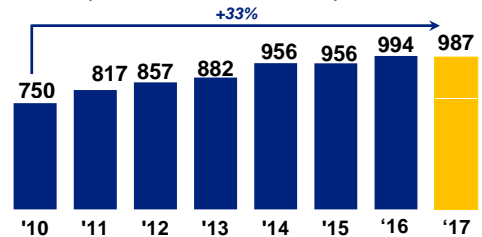


*Sources: Ministry of Economy, Maquila Portal, El Economista and Financiero Newspaper, Pro Mexico, OICA

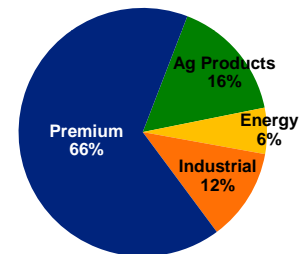
UP Positioned for Mexico Growth



Volume Growth
(Carloads in Thousands)



2017 Volume Mix
(In Carloads)





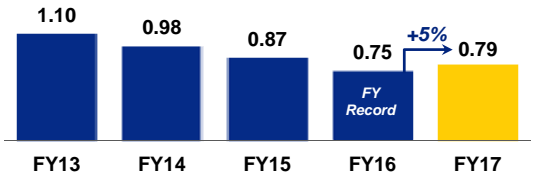
March 2018

Operating Overview

Safety

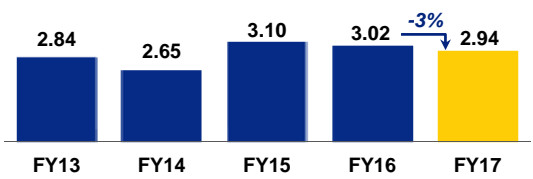
Employee

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



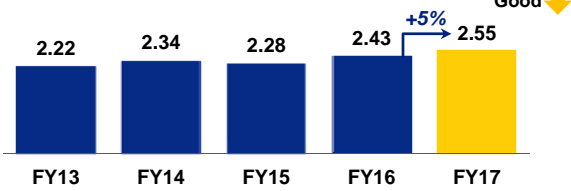
Rail Equipment

(Reportable Derailment Incidents Per Million Train Miles)



Public

(Crossing Accidents Per Million Train Miles)

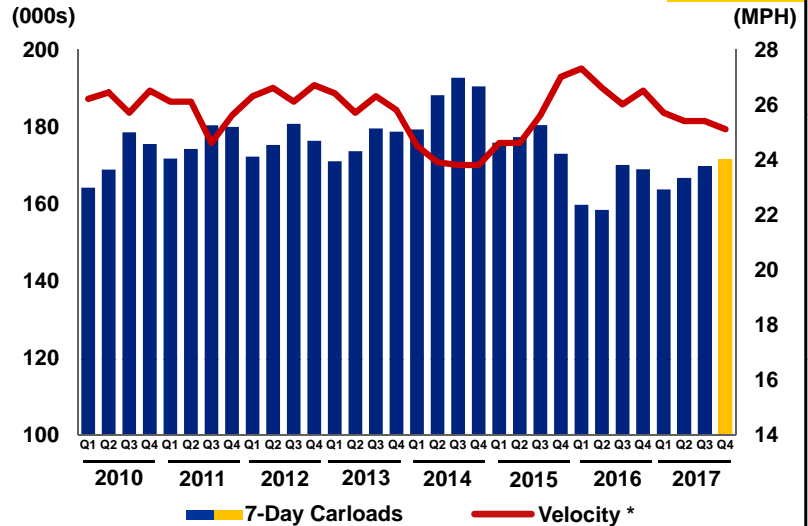


- Goal of Zero Incidents
- Community Partnerships and Public Safety Campaigns

Network Performance



- Dynamic Environment
- Strategic Investments
- Balancing Resources with Demand
- Focus on Further Improving Service & Costs



*As reported to the AAR

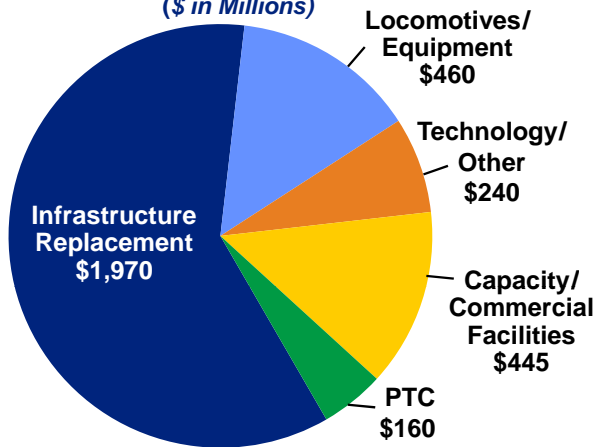
Strengthening the Franchise

Replacement, Growth & Productivity, and PTC



2018 Capital Plan: ~\$3.3 Billion

(\$ in Millions)

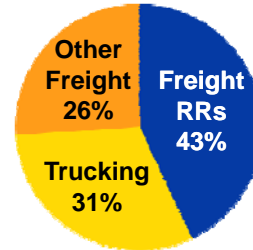


- Safe & Resilient Infrastructure
- Equipment Acquisitions
 - ~60 New Locomotives
 - ~700 Freight Cars
- Positive Train Control
- Capacity Investments
 - Brazos Yard

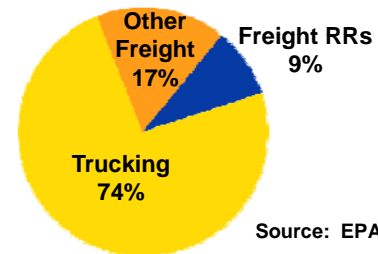
Rail – The “Green” Alternative

- Each train can take up to 300 trucks off highways
- Three times cleaner than trucks on a ton-mile basis
 - Conversion of 10% long-haul truck freight would eliminate more than 10 million tons of greenhouse gas emissions annually
- Energy Consumption
 - Four times more fuel efficient than trucks
 - Can haul one ton of freight 456 miles on one gallon of fuel

Intercity Freight Transportation
(Based on Ton Miles)



Transportation Greenhouse Gas Emissions



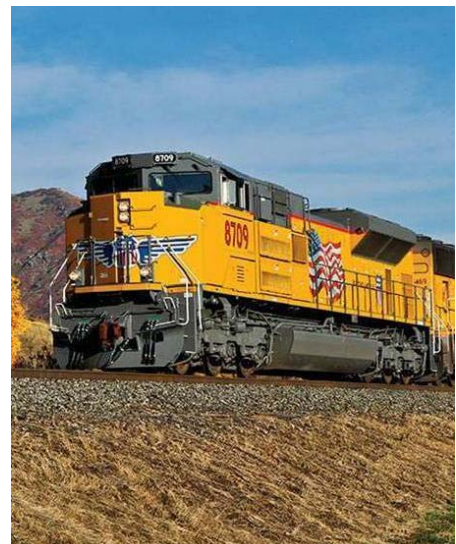
Source: EPA, AAR

36



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
- New Deadline: December 31, 2018
 - DOT Secretary has Option to Further Extend Deadline an Additional 2 Years



37



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



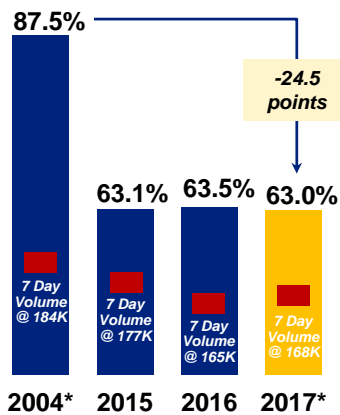
March 2018

Financial Review

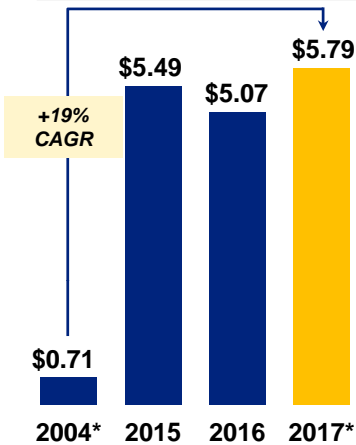
Financial Performance



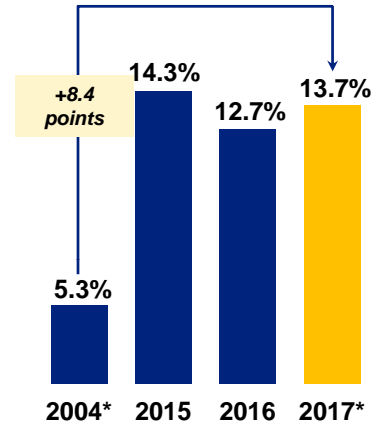
Operating Ratio



EPS



ROIC**



* 2004 adjusted for asbestos pre-tax charge of \$247.4 million. 2017 adjusted to exclude the impact of Corporate Tax Reform.

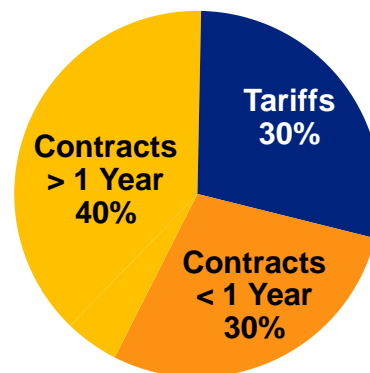
** See Union Pacific website under Investors for a reconciliation to GAAP.

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

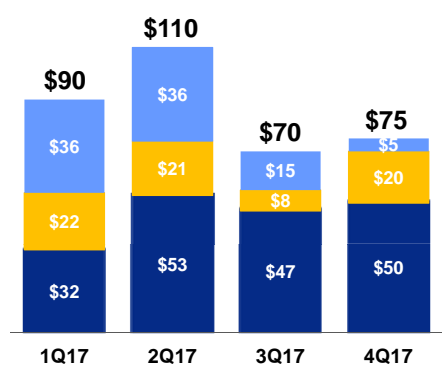


Initiatives:

- Network and Train Ops** *TE&Y / Train length / Intermodal & Premium Ops / Joint facility*
- Equipment (Loco and Car)** *Active fleet / Car repair / Equip rental costs*
- Other Ops, Support, Sourcing and Safety** *Engineering / Fuel conservation / Admin / Supply Chain / Sourcing / Safety performance*

2017 Results

(\$ in millions)

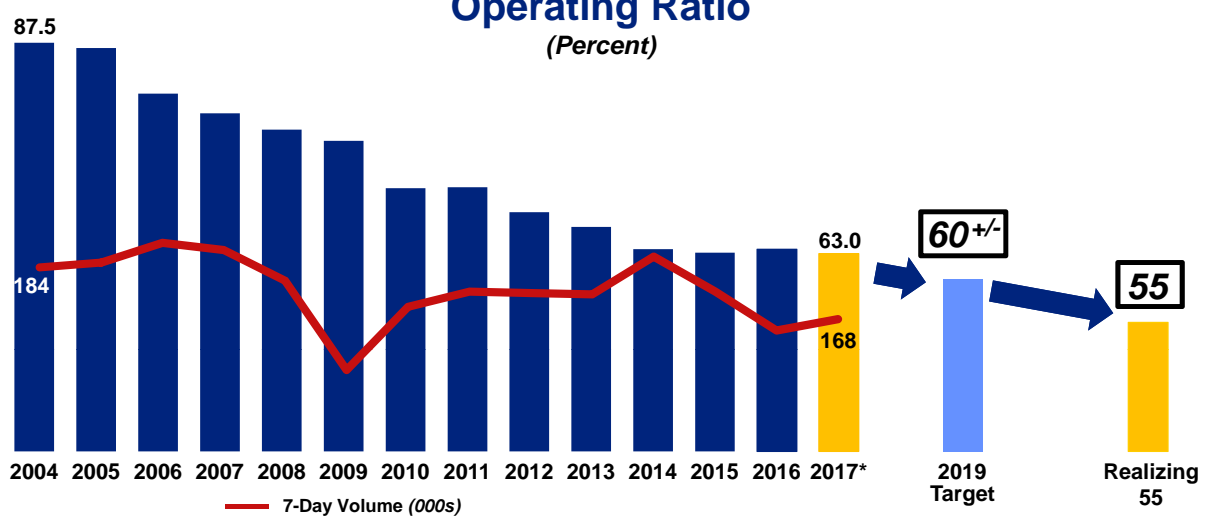


2017 Full Year Productivity: \$345M

Growing the Margins "60 +/-" OR



Operating Ratio (Percent)

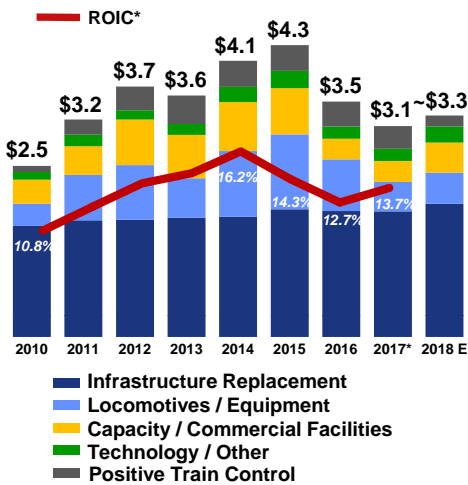


* Adjusted to exclude the impact of Corporate Tax Reform.

Capital Program Supported by Returns



Capital Program & Returns**
(Capital in Billions)



- Profitability Drives Cash Flow
- Supports Investments *that must meet high return hurdles*
- Supports Core Pricing *that Drives Continued Investment*

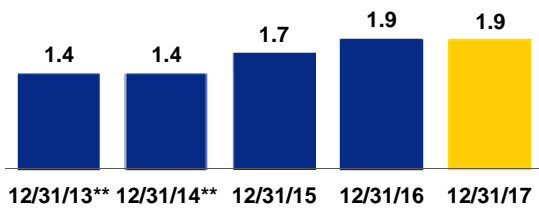
* Adjusted to exclude the impact of Corporate Tax Reform.

** See Union Pacific website under Investors for a reconciliation to GAAP. 44

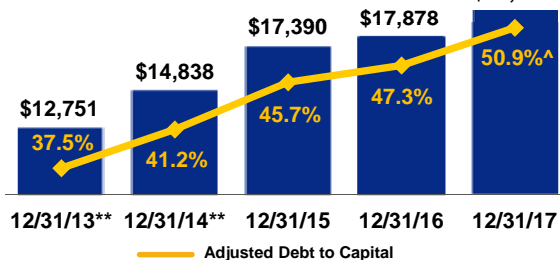
Optimizing the Balance Sheet



Adjusted Debt / EBITDA*



Adjusted Debt
(\$ In Millions)



- Investment Grade Credit Rating
- Increased Adj. Debt ~\$6.7 Billion since 2013

^ Adjusted to exclude the impact of Corporate Tax Reform.

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

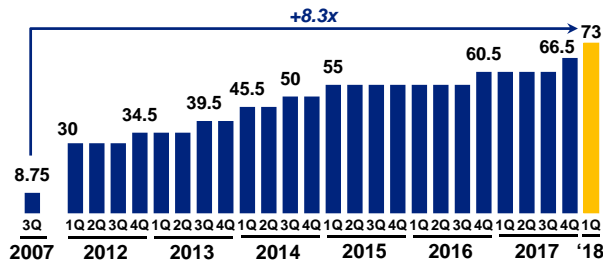
** Prior periods have been adjusted for the retrospective adoption of Accounting Standard Update 2015-03.

Delivering Value to Shareholders



Declared Dividend Per Share

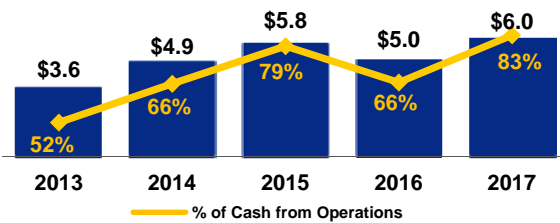
(cents)



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

Cash Returned to Shareholders

(Share Repurchases & Dividends, \$ In Billions)



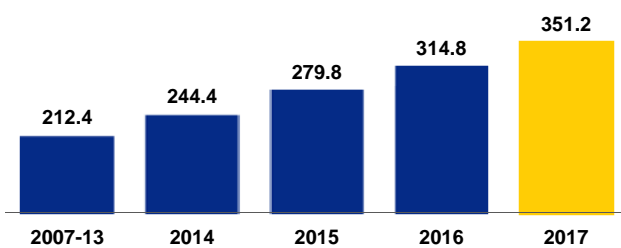
- Returned ~\$25.2 Billion of Cash to Shareholders since 2013
- Averaged 69% of Total Cash From Operations

Share Repurchases



Cumulative Share Repurchases

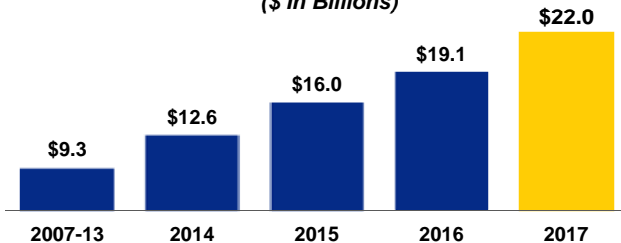
(In Millions)



- Repurchased ~32% of Shares since 2007
- Continue Opportunistic Approach

Cumulative Share Repurchases

(\$ In Billions)



- Share Repurchase Program
 - Four Years Beginning January 1, 2017
 - 120 Million Shares
 - Prior Program Expired December 31, 2016

Impacts from Tax Reform in 2018



- **Taxes and Cash Flow**
 - Income Tax Rate: ~25%
 - Cash Tax Rate: 17% to 18%
 - Cash Flow: +\$1 Billion
- **Capital Allocation**
 - Capital Spending: 6% Increase to \$3.3 Billion
 - Dividends: 10% Increase in 1Q18
 - Share Repurchases: Up vs 2017



48

Growing Shareholder Value



KEY DRIVERS	2018 → 2019
Moderate Economy Diverse Franchise Opportunities	★ Positive Volume Growth
Strong Value Proposition - Reinvestability	★ Real Core Price Gains
Volume + Pricing + Productivity	★ Operating Ratio 60% ^{+/-}
Replacement & Productivity Growth with High Returns	★ CapEx likely closer to 15% of revenue
Increasing Cash Generation Re-Evaluate Optimal Capital Structure Strong Investment Grade	★ Dividend Payout Target of 40% - 45% ★ Opportunistic Share Repurchases

49

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.