Cautionary Information

This presentation and related materials contain statements about the Company's future that are not statements of historical fact, including specifically the statements regarding the Company's expectations with respect to economic conditions; its ability to generate financial returns, improve resource productivity and use innovation to enhance customer experience; implementing corporate strategies; and providing excellent service to its customers and returns to its shareholders. These statements are, or will be, forward-looking statements as defined by the Securities Act of 1933 and the Securities Exchange Act of 1934. Forward-looking statements also generally include, without limitation, information or statements regarding: projections, predictions, expectations, estimates or forecasts as to the Company's and its subsidiaries’ business, financial, and operational results, and future economic performance; and management's beliefs, expectations, goals, and objectives and other similar expressions concerning matters that are not historical facts.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times that, or by which, such performance or results will be achieved. Forward-looking information, including expectations regarding operational and financial improvements and the Company's future performance or results are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statement. Important factors, including risk factors, could affect the Company's and its subsidiaries' future results and could cause those results or other outcomes to differ materially from those expressed or implied in the forward-looking statements. Information regarding risk factors and other cautionary information are available in the Company's Annual Report on Form 10-K for 2018, which was filed with the SEC on February 8, 2019. The Company updates information regarding risk factors if circumstances require such updates in its periodic reports on Form 10-Q and its subsequent Annual Reports on Form 10-K (or such other reports that may be filed with the SEC).

Forward-looking statements speak only as of, and are based only upon information available on, the date the statements were made. The Company assumes no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. If the Company does update one or more forward-looking statements, no inference should be drawn that the Company will make additional updates with respect thereto or with respect to other forward-looking statements. References to our website are provided for convenience and, therefore, information on or available through the website is not, and should not be deemed to be, incorporated by reference herein.
First Quarter 2019 Results

**Earnings Per Share**
*First Quarter*

- 2018: $1.68
- 2019: $1.93 (+15%)

**Operating Ratio**
*First Quarter*

- 2018: 64.6
- 2019: 63.6 (-1.0 pts.)
## Commodity Group Mapping

<table>
<thead>
<tr>
<th>Agricultural Products</th>
<th>Energy</th>
<th>Industrial</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grain</td>
<td>PRB Coal</td>
<td>Construction</td>
<td>Dom Intermodal</td>
</tr>
<tr>
<td>Grain Products</td>
<td>Other Coal</td>
<td>Industrial Chem</td>
<td>Int'l Intermodal</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>Frac Sand</td>
<td>Plastics</td>
<td>Finished Vehicles</td>
</tr>
<tr>
<td>Fertilizer</td>
<td>Petroleum &amp; LPG Renewables</td>
<td>Forest Products</td>
<td>Auto Parts</td>
</tr>
</tbody>
</table>

## 2019 Business Trends

### 2019 Second Quarter Volumes*

<table>
<thead>
<tr>
<th>Category</th>
<th>2019 vs 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>-4%</td>
</tr>
<tr>
<td>Premium</td>
<td>-4%</td>
</tr>
<tr>
<td>Agricultural</td>
<td>+1%</td>
</tr>
<tr>
<td>Industrial</td>
<td>+2%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>-2%</td>
</tr>
</tbody>
</table>

* Through May 19, 2019

### 7-Day Monthly Carloadings (000s)

- 2018 @ 174
- 2017 @ 168
- 2019 @ 165
7-Day Volume Trends
Through May 14, 2019

Agricultural Products

2019 down 3%

Energy

2019 down 11%

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

7-Day Volume Trends (cont)
Through May 14, 2019

Industrial

2019 up 4%

Premium

2019 Flat

- 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
Business Team Review

Strength of a Unique Franchise

2018 Revenue

$21.4 B

2018 Volume Mix

- Premium: 49%
- Agricultural: 13%
- Energy: 18%
- Industrial: 20%

Border Crossings, Gateways and Interchanges

Ports

Automotive Distribution Centers

Manifest Terminals
**U.S. Economy**

**Industrial Production**

**International Trade Dynamics**

- **Gross Domestic Product**
  - 2016: 1.6%  2017: 2.2%  2018: 2.9%  2019: 3.3%  2020: 2.4%

- **Industrial Production**
  - 2016: 1.6%  2017: 3.9%  2018: 4.1%  2019: 2.1%  2020: 1.1%

- **Housing Starts** (millions)

- **Light Vehicle Sales** (millions)

**Source:** Global Insights

- **Agricultural Energy Industrial Premium**

- **Maximizing the Franchise**
  - New and Expanded Facilities
  - Access to Prime Locations
  - Regional Experts Connecting Customers to the Network
**International Trade**

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

**2018 Freight Volumes**

- Domestic 60%
- Other Exports 12%
- Other Imports 17%
- Exports to Mexico 9%
- Imports from Mexico 6%

**International Volumes (3.5M carloads)**

- Intermodal (excl Mexico) 53%
- Vehicles & Parts 16%
- Other – 7%
  - Metals – 1%
  - Forest Products – 2%
  - Fertilizer – 2%
  - Food & Beverage – 2%
  - Grain Products – 2%
  - Coal – 3%
  - Grain – 4%
  - Other Exports 12%

**Agricultural Products**

- 2018 Revenue $4.5 B

- Major Grain, Grain Products, & Fertilizer Region
- Major Cattle, Poultry, & Produce Region

- Fertilizer 18%
- Food & Beverage 18%
- Grain Products 28%
- Grain 36%
- 2018 Volume Mix

**2018 Revenue Mix**

- Grain Export
- Produce
- Dairy
- Poultry
- Cattle
- Major Grain, Grain Products, & Fertilizer Region
- Major Cattle, Poultry, & Produce Region
- Potash
- Cattle, Poultry
- Grain, Products, & Fertilizer Region
- Cattle, Poultry
- Produce
- Dairy
- Poultry
- Cattle
- Grain Export
Agricultural Products

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

*Through May 18, 2019

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

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

**Source: USDA; As of March 1st

Industrial
2018 Revenue
$5.7 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](chart.png)

**Chemical Opportunities**

North America Announced Expansions

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

![Map of Chemical Opportunities](map.png)
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

Likely Export Flow

Asia & Europe

Asia

South America

Europe & Africa

Packaging

Energy

2018 Revenue

$4.6 B

2018 Volume Mix

PRB Coal**

54%

Petroleum, LPG & Renewables

16%

Sand*

14%

Other Coal / Coke

16%

* Sand includes Boreas
** PRB includes SPRB and NPRB
Energy - Coal Trends

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

*Through May 18, 2019

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

Electricity Generation Market Share**

<table>
<thead>
<tr>
<th>Year</th>
<th>% from coal</th>
<th>% from natural gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q’19</td>
<td>50%</td>
<td>34%</td>
</tr>
<tr>
<td>1Q’17</td>
<td>46%</td>
<td>31%</td>
</tr>
<tr>
<td>1Q’15</td>
<td>45%</td>
<td>29%</td>
</tr>
<tr>
<td>1Q’13</td>
<td>42%</td>
<td>25%</td>
</tr>
<tr>
<td>1Q’11</td>
<td>41%</td>
<td>23%</td>
</tr>
<tr>
<td>1Q’09</td>
<td>42%</td>
<td>22%</td>
</tr>
</tbody>
</table>

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

Shale-Related Volumes
2.9% of 2019 First Quarter Total Volume

<table>
<thead>
<tr>
<th>2019 First Quarter</th>
<th>Volume (000s)</th>
<th>% Incr (vs 2017)</th>
<th>% of Total UP Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frac Sand**</td>
<td>38</td>
<td>(45%)</td>
<td>1.8%</td>
</tr>
<tr>
<td>Crude</td>
<td>14</td>
<td>84%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Pipe</td>
<td>8</td>
<td>25%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Total Shale</td>
<td>61</td>
<td>(27%)</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

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

Frac Sand Volume*
(By Shale, 000s)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Frac Sand</td>
<td>76</td>
<td>121</td>
<td>154</td>
<td>194</td>
<td>253</td>
<td>120</td>
<td>246</td>
<td>234</td>
<td>38</td>
<td></td>
</tr>
</tbody>
</table>

*Includes Barites
Premium
2018 Revenue
$6.6 B

Domestic*
51%
International
38%
Other
-1%
Finished Vehicles
10%
2018 Volume Mix

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

Highway Conversion Growth Opportunities

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

Source: Cass Information Systems, Index uses January 2005 as its base month, U.S DOT Bureau of Transportation Statistics
Extending Our Reach Beyond the Ramp

International Intermodal

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


*~30 days via Panama / ~35 days via Suez*

*~10 days*

*~14 days*
Premium – Finished Vehicles

U.S. Light Vehicle SAAR*

North American Auto Production

North American Light Vehicle Production Forecast*

*Source: Global Insight
2019 Volume Outlook

Agricultural Products
- Biofuels
- Food and Beverage
- Grain

Energy
- Petroleum Products
  - Sand
  - Coal Headwinds

Industrial
- Plastics
- Industrial Production

Premium
- Light Truck / SUV Sales
  - International
  - Trade & Economy

Mexico
2018 Revenue
$2.5 B
**Safety**

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

- 1Q15: 0.85
- 1Q16: 0.75
- 1Q17: 0.89
- 1Q18: 0.74
- 1Q19: 0.90

First Qtr Record: +22%

**Rail Equipment**
(Reportable Derailment Incidents Per Million Train Miles)

- 1Q15: 2.95
- 1Q16: 2.86
- 1Q17: 3.18
- 1Q18: 2.76
- 1Q19: 4.26

Goal: Good

**Public**
(Crossing Accidents Per Million Train Miles)

- 1Q15: 1.88
- 1Q16: 2.37
- 1Q17: 2.21
- 1Q18: 3.05
- 1Q19: 2.55

-16%

Goal: 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

Unified Plan 2020 Update
Terminal Rationalization & Network Changes

System Train Length
(Max on route, in feet)

-550 ft
+8%
### Unified Plan 2020

#### Key Performance Indicators

**Freight Car Terminal Dwell**
(As reported to the AAR, in Hours)

<table>
<thead>
<tr>
<th></th>
<th>1Q18</th>
<th>1Q19</th>
<th>April '18</th>
<th>April '19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dwell</td>
<td>33.0</td>
<td>26.6</td>
<td>30.0</td>
<td>26.2</td>
</tr>
<tr>
<td>Percent</td>
<td>-19%</td>
<td>-13%</td>
<td>0%</td>
<td>-13%</td>
</tr>
</tbody>
</table>

**Freight Car Velocity**
(Daily Miles per Car)

<table>
<thead>
<tr>
<th></th>
<th>1Q18</th>
<th>1Q19</th>
<th>April '18</th>
<th>April '19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Velocity</td>
<td>173</td>
<td>185</td>
<td>186</td>
<td>193</td>
</tr>
<tr>
<td>Percent</td>
<td>+7%</td>
<td>+4%</td>
<td>0%</td>
<td>+4%</td>
</tr>
</tbody>
</table>

**Train Speed**
(As reported to the AAR, in MPH)

<table>
<thead>
<tr>
<th></th>
<th>1Q18</th>
<th>1Q19</th>
<th>April '18</th>
<th>April '19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Speed</td>
<td>24.8</td>
<td>23.3</td>
<td>25.0</td>
<td>23.1</td>
</tr>
<tr>
<td>Percent</td>
<td>-6%</td>
<td>-8%</td>
<td>-8%</td>
<td>-8%</td>
</tr>
</tbody>
</table>

**Locomotive Productivity**
(GTMs per Horsepower Day)

<table>
<thead>
<tr>
<th></th>
<th>1Q18</th>
<th>1Q19</th>
<th>April '18</th>
<th>April '19</th>
</tr>
</thead>
<tbody>
<tr>
<td>GTMs</td>
<td>105</td>
<td>111</td>
<td>101</td>
<td>122</td>
</tr>
<tr>
<td>Percent</td>
<td>+6%</td>
<td>+21%</td>
<td>0%</td>
<td>+21%</td>
</tr>
</tbody>
</table>

**Workforce Productivity**
(Daily Car Miles per FTE)

<table>
<thead>
<tr>
<th></th>
<th>1Q18</th>
<th>1Q19</th>
<th>April '18</th>
<th>April '19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miles</td>
<td>826</td>
<td>812</td>
<td>829</td>
<td>864</td>
</tr>
<tr>
<td>Percent</td>
<td>-2%</td>
<td>+4%</td>
<td>0%</td>
<td>+4%</td>
</tr>
</tbody>
</table>

**Car Trip Plan Compliance**
(% Cars On Time)

<table>
<thead>
<tr>
<th></th>
<th>1Q18</th>
<th>1Q19</th>
<th>April '18</th>
<th>April '19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance</td>
<td>60</td>
<td>62</td>
<td>64</td>
<td>60</td>
</tr>
<tr>
<td>Percent</td>
<td>+2 pts</td>
<td>+4 pts</td>
<td>0%</td>
<td>+2 pts</td>
</tr>
</tbody>
</table>

- 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.*

- ~2,100 Stored Locomotives as of April 30th
- First Quarter 2019 Total Employees Down 4%
- Rebounding from Weather Challenges
Positive Train Control (PTC) Status Overview

- Approximately $2.8 Billion Invested through December 2018
- Total Estimated Investment ~ $2.9 Billion
- Field Testing since October 2013
- Installed on 100% of Required Rail Lines
- Implemented on 76% of Required Rail Lines
- Continue Implementing, Testing and Refining PTC in 2019 & 2020
Financial Performance
Expanding Margins and Driving Returns

**Operating Ratio**

<table>
<thead>
<tr>
<th></th>
<th>2004*</th>
<th>2014</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>87.5%</td>
<td>63.5%</td>
<td>62.7%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>(24.8) points</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>+19% CAGR</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2004*</th>
<th>2014</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.71</td>
<td>$5.75</td>
<td>$7.91</td>
<td></td>
</tr>
</tbody>
</table>

**EPS**

<table>
<thead>
<tr>
<th></th>
<th>2004*</th>
<th>2014</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5.75</td>
<td>$16.2%</td>
<td>15.1%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>+9.8 points</th>
</tr>
</thead>
</table>

**ROIC**

<table>
<thead>
<tr>
<th></th>
<th>2004*</th>
<th>2014</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.3%</td>
<td>$2.48</td>
<td>$8.7B</td>
<td></td>
</tr>
</tbody>
</table>

**Financial Performance**
Growing Cash Flow and Shareholder Returns

**Cash from Ops**

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2014</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2.3B</td>
<td>$7.4B</td>
<td>$8.7B</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>+10% CAGR</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2014</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.30</td>
<td>$1.91</td>
<td>$2.48</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>+18% CAGR</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2014</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$13B</td>
<td>$31B</td>
<td></td>
</tr>
</tbody>
</table>

**Dividends**

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2014</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.30</td>
<td>$1.91</td>
<td>$2.48</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>408M shrs</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2014</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0</td>
<td>$13B</td>
<td>$31B</td>
<td></td>
</tr>
</tbody>
</table>

**Share Repurchases**

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2014</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$18B</td>
<td>$105B</td>
<td>$119B</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>5.6x</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2014</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$18B</td>
<td>$105B</td>
<td>$119B</td>
<td></td>
</tr>
</tbody>
</table>

**Market Cap**

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2014</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$18B</td>
<td>$105B</td>
<td>$119B</td>
<td></td>
</tr>
</tbody>
</table>

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

- Contracts > 1 Year: 40%
- Contracts < 1 Year: 30%
- Tariffs: 30%

Productivity Update

First Quarter Results: ~$120 Million of Productivity

- Operational Challenges Resulted in a $60 Million Headwind
- Net Productivity of approximately $60 Million for the Quarter
- Full Year Productivity Still Expected to be at least $500 Million

Initiatives & 1Q19 Results (in millions)

<table>
<thead>
<tr>
<th>Initiatives</th>
<th>1Q19 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5 Network and Train Operations</td>
<td>Unified Plan 2020, Starts, partially offset by weather</td>
</tr>
<tr>
<td>Equipment (Locomotive and Car)</td>
<td>Mechanical productivity, fleet size, car hire, lease savings</td>
</tr>
<tr>
<td>$10 Other</td>
<td>Support, Supply, Engineering, Joint Facilities, partially offset by incidents and weather</td>
</tr>
</tbody>
</table>

$60 1Q19 Net Productivity
Capital Program

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

Strengthening the Franchise
Replacement, Growth & Productivity, and PTC

2019 Capital Plan: ~$3.2 Billion ($ in Millions)

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

- Dividend Payout Target of 40% to 45%
- Four Dividend Increases in the past Six Quarters

![Declared Dividend Per Share](chart)

Cumulative Share Repurchases

- Repurchased ~39% of Shares since 2007
- Share Repurchase Authorization
  - Three Years Beginning April 1, 2019
  - Up to 150 Million Shares
- $2.5 Billion Accelerated Share Repurchase Program February 2019

* Through March 31, 2019
Growing Margins

Operating Ratio

\[(\text{Percent})\]

- 87.5% P75+0 2007 – 2010
- 70.6% Project OR&0 2011 – 2014
- 63.5% G55+0 2016 +
- 62.7% 2019 2020
- 55% Goal

7-Day Volume (000s)

* 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+

<table>
<thead>
<tr>
<th>Volume</th>
<th>(11%)</th>
<th>Positive Volume Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>$1.3 B</td>
<td>Above Inflation</td>
</tr>
<tr>
<td>Productivity</td>
<td>$1 B</td>
<td>Achieve Through Innovation &amp; Efficiency Gains</td>
</tr>
</tbody>
</table>

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

Adjusted Debt / EBITDA

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

* at year-end  ** at March 31, 2019

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
  - ~60% Complete at March 31, 2019
  - $2.5 Billion Accelerated Share Repurchase Program February 2019
- Dividend Payout Ratio of 40% to 45%
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

Growing Shareholder Value

<table>
<thead>
<tr>
<th>KEY DRIVERS</th>
<th>2018 - 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm Economy</td>
<td>Positive Volume Growth</td>
</tr>
<tr>
<td>Diverse Franchise Opportunities</td>
<td></td>
</tr>
<tr>
<td>Strong Value Proposition</td>
<td>Real Core Price $ Above Inflation $</td>
</tr>
<tr>
<td>Volume + Pricing + Productivity</td>
<td>Sub-61% OR by 2019, Below 60% OR by 2020</td>
</tr>
<tr>
<td>Return-Focused Capital Program</td>
<td>CapEx &lt; 15% of Revenue</td>
</tr>
<tr>
<td>Increase Cash to Shareholders</td>
<td>Share Repurchases: ~$20 Billion over 3 years</td>
</tr>
<tr>
<td>Increase Leverage</td>
<td>Dividend Payout Ratio: 40% to 45%</td>
</tr>
<tr>
<td>Strong Credit Ratings</td>
<td>Debt / EBITDA Ratio: ≤ 2.70</td>
</tr>
<tr>
<td></td>
<td>Baa1 and BBB+ or Better</td>
</tr>
</tbody>
</table>
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