



March 6, 2018

Raymond James 39th Institutional Investors Conference

Rob Knight
CFO

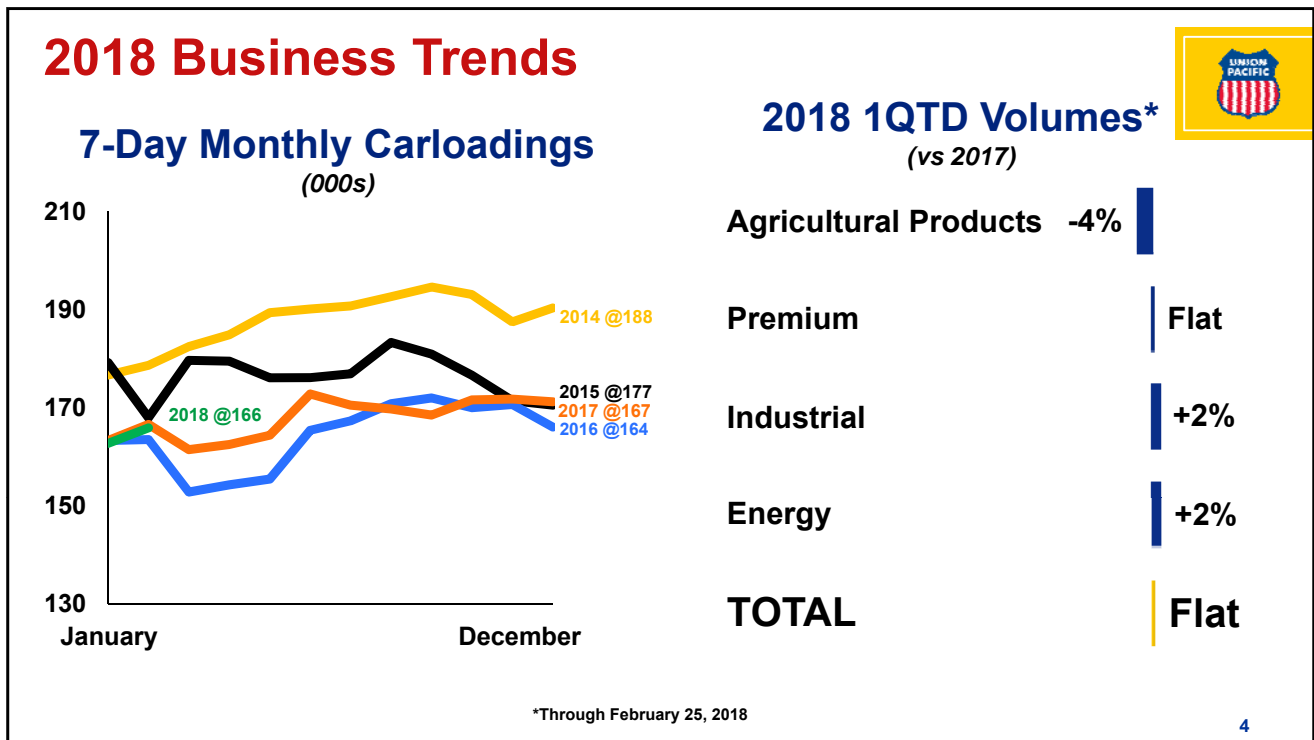
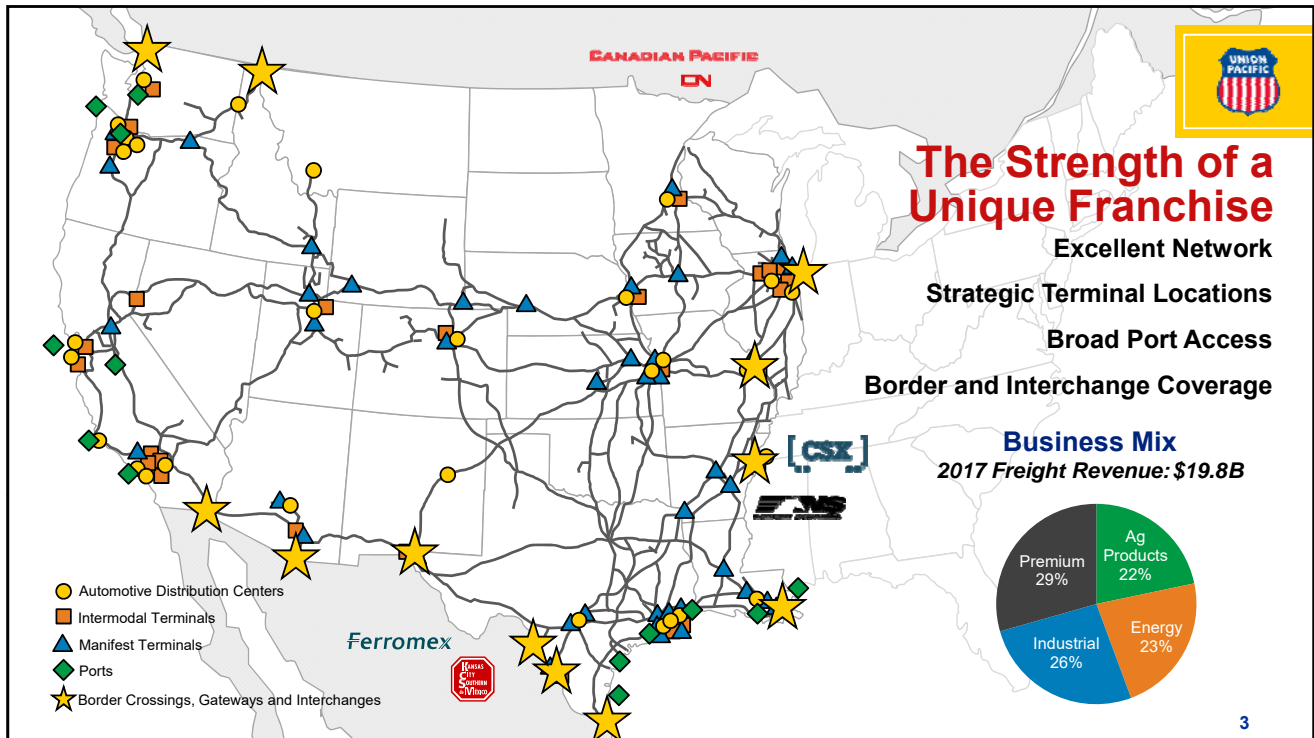
Cautionary Information



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.

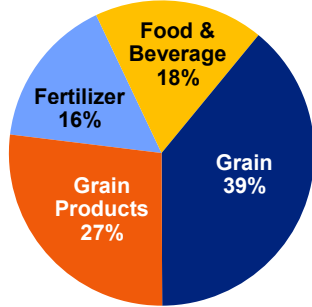
Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times that, or by which, such performance or results will be achieved. Forward-looking information, including expectations regarding operational and financial 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.



Agricultural Products

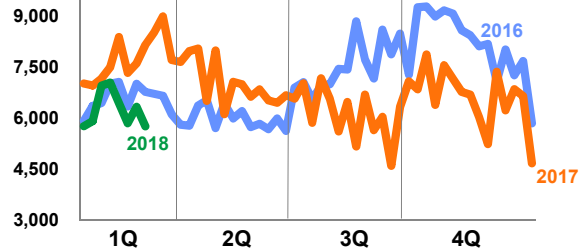
2017 Volume Mix



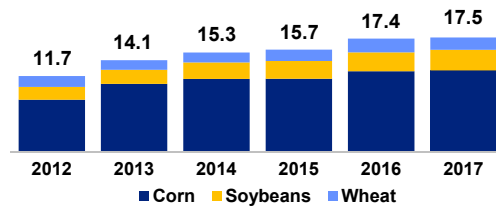
- High Global Supplies
- Ethanol Export Demand
- Growth in Food & Refrigerated

*Through February 24, 2018

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



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

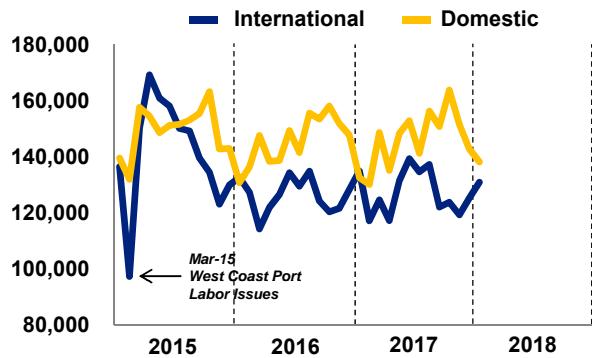


**Source: USDA; As of Dec 1st

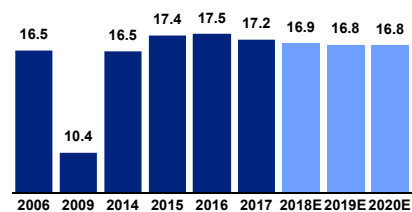
Premium



UNP Monthly Intermodal Volume



U.S. Light Vehicle SAAR*



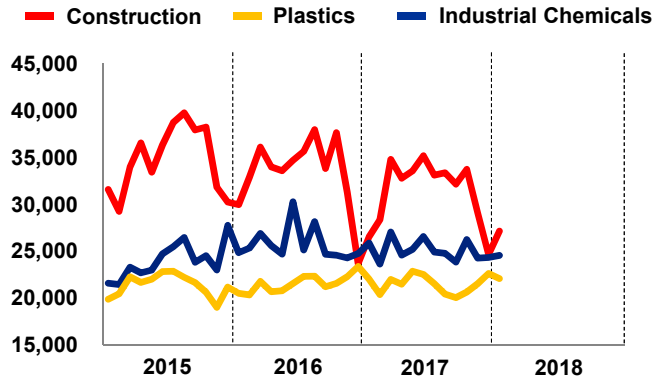
- Tightening Truck Market
- Over the Road Conversions
- Auto Production Shifts

*Source: January 2018 IHS Global Insight forecast

Industrial



UNP Monthly Volumes



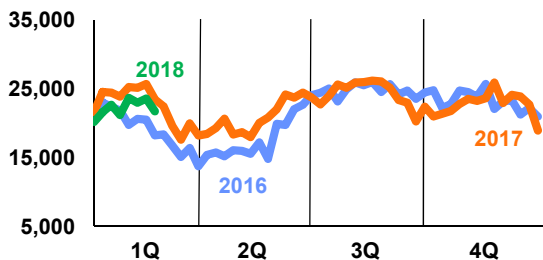
- Industrial Volume Up 2% 1QTD*
- Anticipated Strength in Rock, Cement and Plastics

*Through February 25, 2018

Energy



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

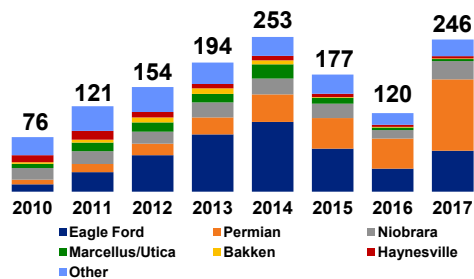


- Strength in Frac Sand
- Coal Inventory Levels
- Weather is a Key Factor of Coal Demand

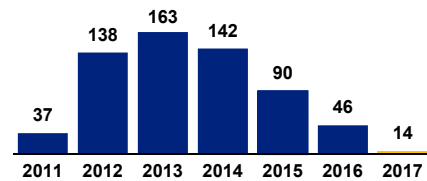
*Through February 24, 2018

**Includes Barites

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



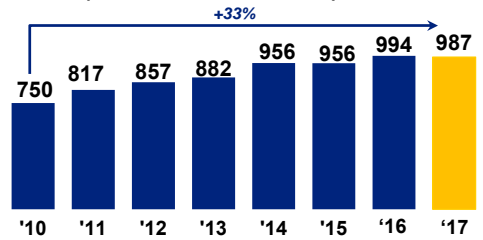
Crude Oil Volume (000s)



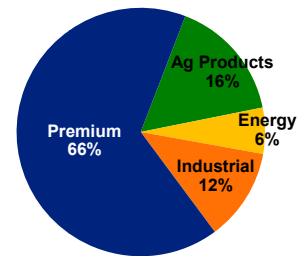
UP Positioned for Mexico Growth



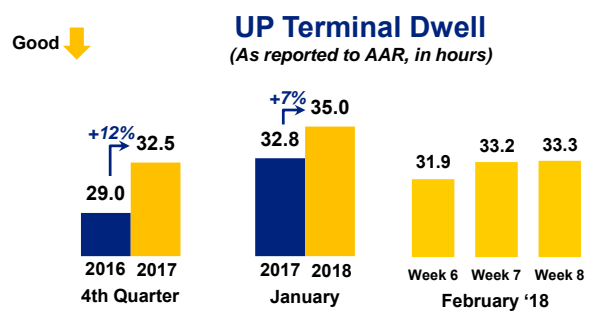
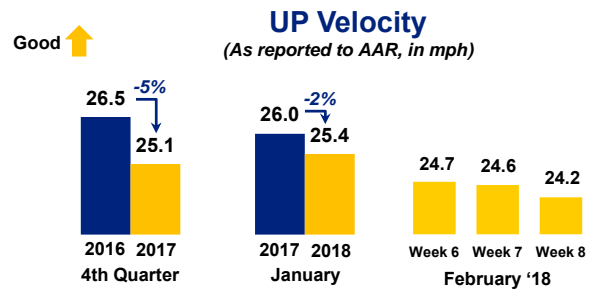
Volume Growth (Carloads in Thousands)



2017 Volume Mix (In Carloads)



Network Performance

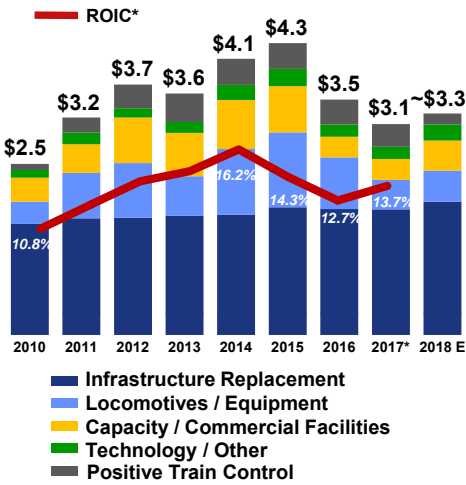


- PTC Implementation & Testing
- Transportation Plan Execution

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.

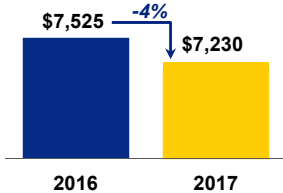
** See Union Pacific website under Investors for a reconciliation to GAAP. 11

Cash Flow & Debt

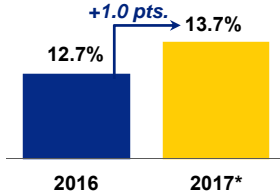
\$ In Millions



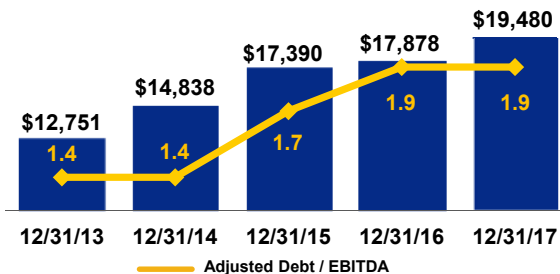
Cash From Ops



ROIC**



Adjusted Debt**



- Higher Net Income
- 2016 Bonus Depreciation Benefit
- Improved ROIC
- Increased Adj. Debt ~\$1.6 Billion since 2016 Year-End

* Adjusted to exclude the impact of Corporate Tax Reform

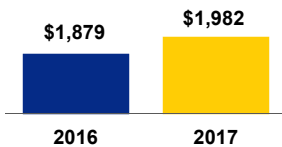
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Delivering Value to Shareholders

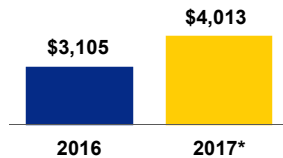
\$ In Millions



Dividends



Share Repurchases

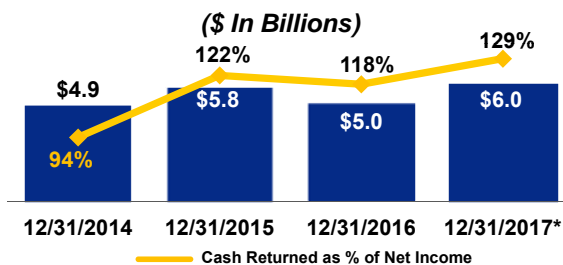


- Repurchased 36.4 Million Shares Totaling Over \$4 Billion in 2017

- Increased 29% from 2016

- ~32% of Outstanding Shares Since 2007

Cash Returned to Shareholders



- 2017 Cash Returns to Shareholders: 129% of Adjusted Net Income

* Adjusted to exclude the 2017 impact of Corporate Tax Reform

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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

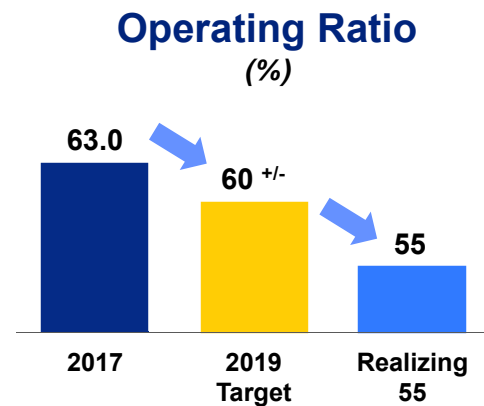


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A Look Ahead to 2018



- 1Q and Full-Year Volume Up Low Single Digits
- Pricing Benefits Will Exceed Rail Inflation Dollars
- Labor and Overall Inflation Under 2%
- \$300 to \$350 Million of Productivity
- Re-Evaluate Optimal Capital Structure



Improved OR in 2018