

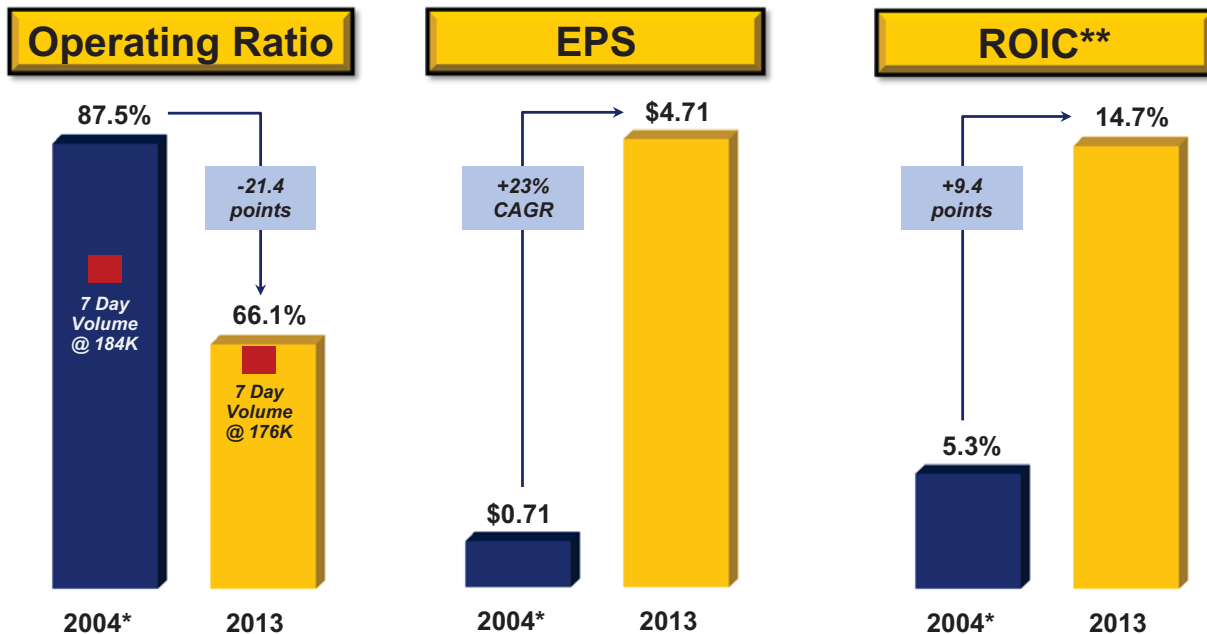
Continuing the Momentum

Rob Knight, CFO



BUILDING AMERICA®

The Last Decade 2004 to 2013



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

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



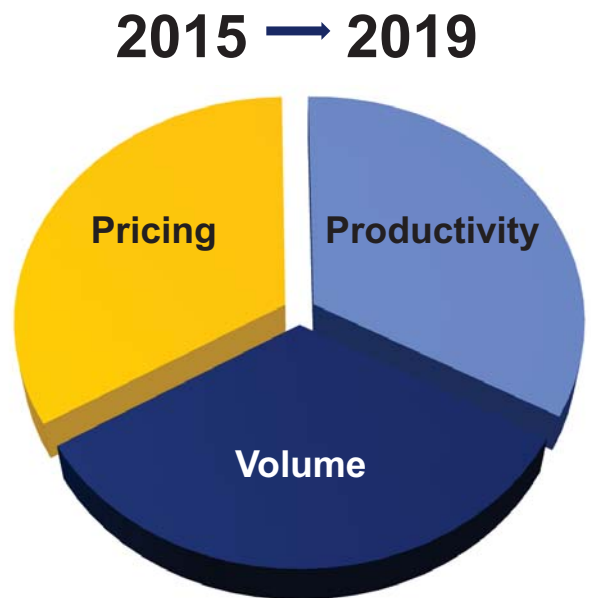
Meeting our Goals

2012 Targets <i>(Five Years: 2013 – 2017)</i>	2 Years Later...
Modest Volume Growth	✓
Continued Productivity & “Real” Core Pricing Gains	✓
Declared Dividend Payout Target of 30%	✓
Annual Capital of 16% - 17% of Revenue	✓
Increasing Free Cash Flow	✓ <i>On Track</i>
Sub 65% Operating Ratio By 2017	✓ <i>On Track</i>

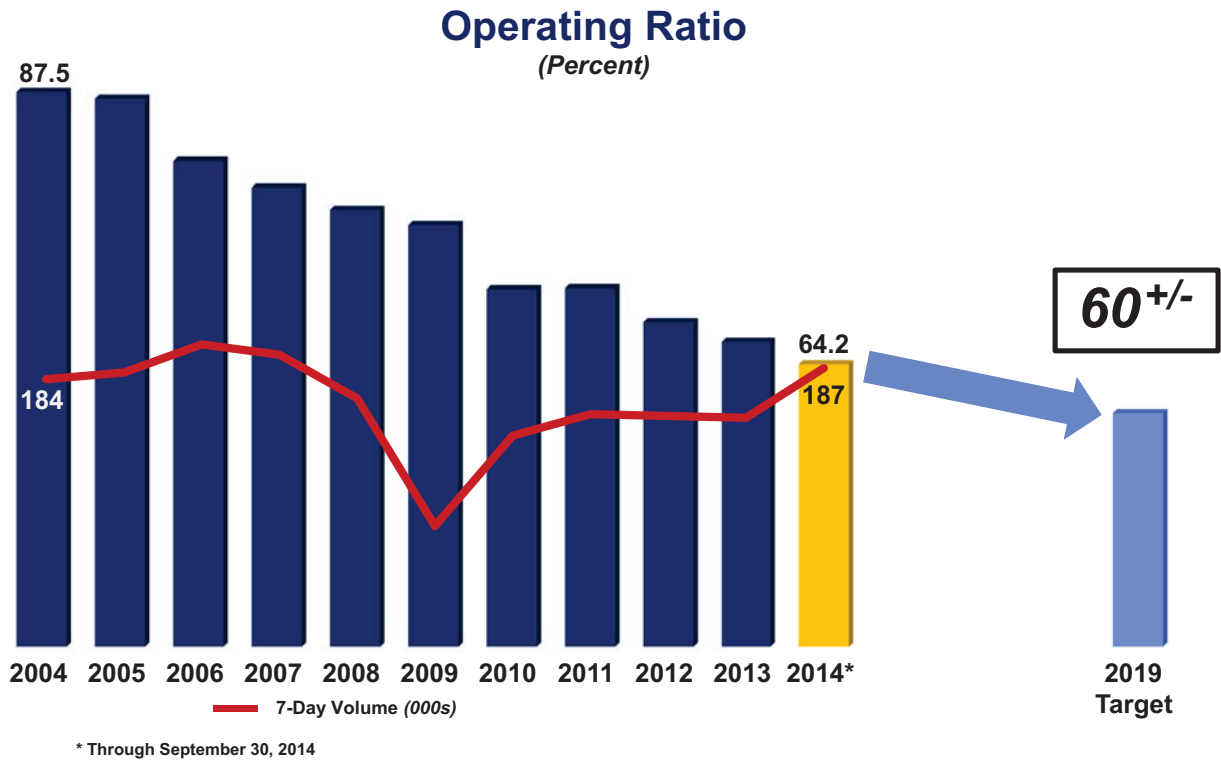
Drivers of Margin Improvement

2004 → Today

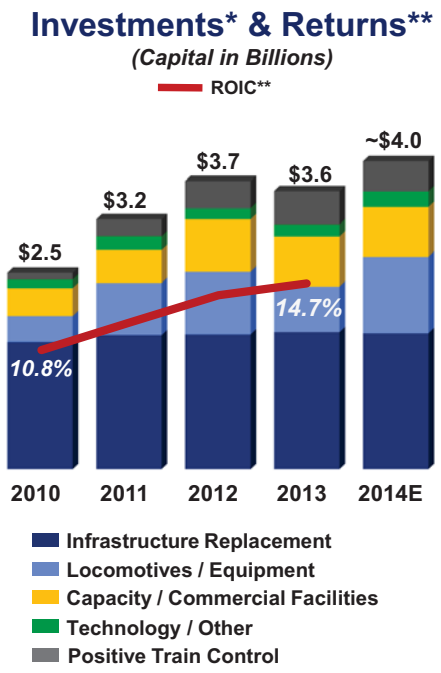
- Pricing
- Productivity
- Volume



Growing the Margins – “60+/-” Operating Ratio



Capital Investments Supported by Returns



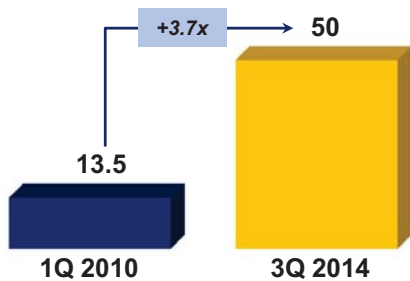
Capital Spend
16% - 17% of Revenue
for 2015 - 2019

* Includes cash capital, leases and other non-cash capital.

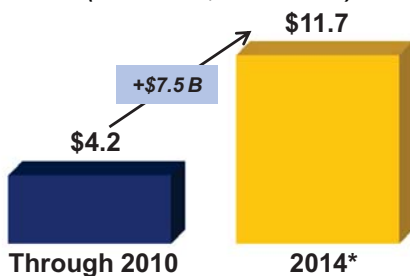
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Cash to Shareholders

Declared Dividend Per Share (cents)



Cumulative Share Repurchases (Since 2007, \$ In Billions)



*As of September 30, 2014

Dividends

- Continued Growth with Earnings
- 35% Target Payout Ratio

Share Repurchases

- Current Repurchase Program
 - Expires Dec. 31, 2017
 - 95.7M Shares Remain*
- 2007-2014 YTD: 237M Shares*
 - 22% of outstanding shares
- Opportunistic Approach

Long Term Capital Structure

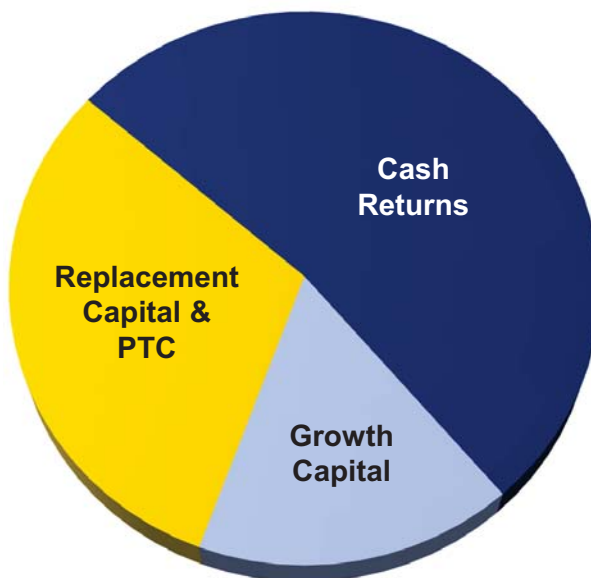
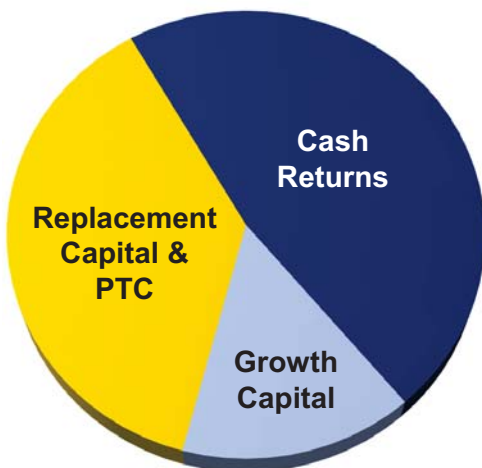
- Low to Mid 40's Adj. Debt-to-Cap
- 1.5x+ Adj. Debt / Adj. EBITDA



Future Allocation of Growing Cash

2015E – 2019E

2010 – 2014E



Return-Driven Capital



Dividend Growth



Share Repurchase



Shareholder Returns



Growing Shareholder Value

KEY DRIVERS

Moderate Economy
Diverse Franchise Opportunities

Strong Value Proposition - Reinvestability

Volume + Pricing + Productivity

Replacement & Productivity
Growth with High Returns

Increasing Cash Generation
Low to Mid 40's Adj. Debt/Cap
Strong Investment Grade

2015 → 2019

★ Positive Volume Growth

★ Real Core Price Gains

★ Operating Ratio 60% +/-

★ CapEx of 16% - 17% of Revenue

★ Dividend Payout Target: 35%
★ Opportunistic Share Repurchases