Fourth Quarter Results

Revenue Carloads
(Year-Over-Year % Change)

-13%  
-3%  
4%

Diluted Earnings per Share

2008  $1.31  -18%
2009  $1.08

October  November  December
Delivering Strong Results in a Recession

2009 Year-End Review

• Safety Records
• Excellent Operations
  – Best ever service metrics
  – Customer service “bests”
• Record Operating Ratio
• Strong Balance Sheet
• Positioned for the Future
Fourth Quarter Recap

<table>
<thead>
<tr>
<th></th>
<th>Volume</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural</td>
<td>3%</td>
<td>-7%</td>
</tr>
<tr>
<td>Automotive</td>
<td>1%</td>
<td>-1%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>-2%</td>
<td>-7%</td>
</tr>
<tr>
<td>Energy</td>
<td>-15%</td>
<td>-22%</td>
</tr>
<tr>
<td>Industrial</td>
<td>-21%</td>
<td>-28%</td>
</tr>
<tr>
<td>Intermodal</td>
<td>5%</td>
<td>-3%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>-5%</td>
<td>-13%</td>
</tr>
</tbody>
</table>
Agricultural Products
Fourth Quarter - $738 Million

Revenue Mix
- Grain Products 40%
- Whole Grains 39%
- Food/Refrigerated 21%

Quarterly Drivers
- Strong Export Demand for Soybeans and Meal
- Growth in Ethanol & DDGS
- Record Unit Train Moves

Volume ARC Revenue
- Volume: -7
- ARC (%): -10
- Revenue: 3
Automotive
Fourth Quarter - $302 Million

Revenue Mix

- Finished Vehicles 79%
- Auto Parts 21%

Quarterly Drivers

- Increased Production
- Parts Growth

Volume ARC (%) Revenue
-2 -1
Chemicals

Fourth Quarter - $539 Million

Revenue Mix

- Plastics 20%
- Industrial Chemicals 26%
- Petroleum & Other 23%
- Soda Ash 17%
- Fertilizer 14%

Quarterly Drivers

- Weak Soda Ash and Petroleum Markets
- Late Harvest Impacts Fertilizer
- Export Plastics Growth

Volume  ARC (%)  Revenue
-2  -5  -7
Energy

Fourth Quarter - $765 Million

Revenue Mix

- Southern Powder River Basin 72%
- Colorado/Utah 20%
- Other 8%

Quarterly Drivers

- Tough Year-Over-Year Comparison
- High Coal Stockpiles
- 1/1/09 Southern Powder River Basin Contract Losses
- Colorado/Utah Production Issues

Table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Volume</th>
<th>ARC (%)</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-15</td>
<td>-8</td>
<td>-22</td>
</tr>
</tbody>
</table>
Industrial Products

Fourth Quarter - $513 Million

Revenue Mix

- Metals 23%
- Construction Products 14%
- Minerals/Consumer 21%
- Lumber 16%
- Paper 16%
- Consumer/Waste/Machinery 10%

Quarterly Drivers

- Major Segments Reflect Economic Weakness
- Waste Shipments Grow

<table>
<thead>
<tr>
<th>Volume</th>
<th>ARC (%)</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>-21</td>
<td>-9</td>
<td>-28</td>
</tr>
</tbody>
</table>
Intermodal
Fourth Quarter - $684 Million

Revenue Mix
- International: 49%
- Domestic: 51%

Quarterly Drivers
- International Weakness vs. Domestic Strength
- New Hub Business

Volume
5

ARC (%)
-8

Revenue
-3
Customer Satisfaction Index

Full Year

- 2007: 79
- 2008: 83
- 2009: 88
Legacy Opportunity
Total Percent of Revenue

18+% To Re-Price
(As of 1/1/2009)

Remaining Legacy

Energy 67%
Intermodal 29%
All Other 4%

14% To Re-Price
(As of 1/21/2010)
2010 Outlook

- Consumer Spending/ Economic Recovery
- Volume Growth Opportunities in All Groups
- Pricing Gains
- Strong Value Proposition
Fourth Quarter Operations Review
January 21, 2010

Dennis Duffy, Vice Chairman – Operations
2009 Safety Performance

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

- 2006
- 2007
- 2008
- 2009*

-24%

**Customer**
*(Incidents Per Million Train Miles)*

- 2006
- 2007
- 2008
- 2009*

-26%

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

- 2006
- 2007
- 2008
- 2009*

-26%

*Best ever safety performance
2009 Service Metrics
Full Year

AAR Velocity
(MPH)

2006: 21.4
2007: Good
2008: 27.3
2009*: 10.5

Freight Car Utilization
(Cycle Days)

2006: 27.2
2007: Good
2008: 24.8
2009*: 8.6

AAR Terminal Dwell
(Hours)

2006: Good
2007: 27.2
2008: 24.8
2009*: 92

Service Delivery Index**

2006: 69
2007: Good
2008: 92
2009*: Good

*Best ever service metrics performance
**Includes early deliveries
Performance Sustainability

**Volume Variability**

- Furloughs/Stored*:
  - 4,200 TE&Y
  - 1,600 Locomotives
  - 44,000 Freight Cars

- Full Year 2009 Variability
  - -17% GTMs
  - -20% Train Starts

**Service Excellence**

- 7-Day Carloads
- SDI**

**Upside Leverage**

- Train Capacity and Locomotive Practices
- Surge Capabilities
- Process Discipline
- Capital Investments and Total Cost of Ownership
- Infrastructure Condition

*As of 1/16/2010

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**Service Performance & Volume**

- Includes early deliveries

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**Graph Details**

- Furloughs/Stored: 4,200 TE&Y, 1,600 Locomotives, 44,000 Freight Cars
- Full Year 2009 Variability: -17% GTMs, -20% Train Starts
- Graph shows Service Performance & Volume from 2006 to 2009:
  - 7-Day Carloads
  - SDI**

---

*Includes early deliveries
$2.5 Billion Investment
(In Millions)

Engineering Replacement $1,675
Capacity/Commercial Facilities $375
Locomotives & Equipment $375
Technology & Other $100

Replacement  Growth and Productivity

Slow Orders Down 30%
Boone High Bridge
Donner Pass

2009 Capacity & Commercial Projects

2009 Capital Achievements
2010 Operating Initiatives

• Drive Toward “Best in Class” Safety
• Service Excellence
• Strong Infrastructure
• Fewer Assets, More Carloadings
• Resilient, Agile and Volume Variable
### Fourth Quarter Earnings Summary

**In Millions (except EPS)**

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue</strong></td>
<td>$3,754</td>
<td>$4,286</td>
<td>(12)</td>
</tr>
<tr>
<td><strong>Operating Expense</strong></td>
<td>2,752</td>
<td>3,145</td>
<td>(12)</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td>1,002</td>
<td>1,141</td>
<td>(12)</td>
</tr>
<tr>
<td><strong>Other Income</strong></td>
<td>23</td>
<td>25</td>
<td>(8)</td>
</tr>
<tr>
<td><strong>Interest Expense</strong></td>
<td>(153)</td>
<td>(127)</td>
<td>20</td>
</tr>
<tr>
<td><strong>Income Taxes</strong></td>
<td>(321)</td>
<td>(378)</td>
<td>(15)</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>$551</td>
<td>$661</td>
<td>(17)</td>
</tr>
<tr>
<td><strong>Weighted Average Diluted Shares</strong></td>
<td>507.8</td>
<td>506.5</td>
<td>-</td>
</tr>
<tr>
<td><strong>Diluted EPS</strong></td>
<td>$1.08</td>
<td>$1.31</td>
<td>(18)</td>
</tr>
</tbody>
</table>
Diluted Earnings Per Share Comparison*

Fourth Quarter

2009 Earnings Offsets

- Casualty Costs +$0.04
- One-Time Pacer Payment -$0.04

Business Summary

- Price and Productivity Offset Volume Decline and Inflation

*See Union Pacific Web site under Investor Relations for a reconciliation to GAAP.
Continued Core Pricing Gains

Quarterly (2009)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Price Excluding RCAF Fuel Impact</th>
<th>Report Core Price (Including RCAF Fuel Impact)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Q2</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>Q3</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Q4</td>
<td>5%</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

Full Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Price Excluding RCAF Fuel Impact</th>
<th>Report Core Price (Including RCAF Fuel Impact)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>6.5%</td>
<td>7%</td>
</tr>
<tr>
<td>2007</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>2008</td>
<td>5%</td>
<td>5.5%</td>
</tr>
<tr>
<td>2009</td>
<td>5%</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

Price Excluding RCAF Fuel Impact

Reported Core Price (Including RCAF Fuel Impact)
Compensation & Benefits
Fourth Quarter – In Millions

- 10% Workforce Reduction
- Improved Labor Efficiency
  - Volume variability
  - Less overtime
Fuel Expense
Fourth Quarter – In Millions

Average Fuel Price
(Per Gallon Consumed)

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Fuel Price ($/Gallon)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$2.46</td>
</tr>
<tr>
<td>2009</td>
<td>$2.05</td>
</tr>
</tbody>
</table>

- Reduced Fuel Prices Saved $102 Million
- -10% GTMs Saved $73 Million
- Impact of Fuel Conservation Programs and Technology Investments

Fuel Consumption
(Million Gallons)

<table>
<thead>
<tr>
<th>Year</th>
<th>Fuel Consumption (Million Gallons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>289</td>
</tr>
<tr>
<td>2009</td>
<td>256</td>
</tr>
</tbody>
</table>
Purchased Services & Materials
Fourth Quarter – In Millions

- Decreased Contract Services Expense
  - Less crew transportation and lodging
  - Lower facility costs
- Less Locomotive and Freight Car Material

2008: $458
2009: $421
-8% decrease
Depreciation

Fourth Quarter – In Millions

- Ongoing Capital Investments
- Restructured Locomotive Leases


+7% growth from 2008 to 2009
Equipment and Other Rents

Fourth Quarter – In Millions

- Restructured Locomotive Leases
- Lower Volume & Increased Productivity
  - Less leased equipment
  - Reduced short-term car rents

2008: $320
2009: $266

-17%
Other
Fourth Quarter – In Millions

- $30 Million Pacer Payment
- Reduced Casualty Expense
- Lower Bad Debt Expense
- Increased Equity Income
- Other Miscellaneous Expense Reductions
Flexible, Efficient Cost Structure

### Carloads

- **2008**: 9,261
- **2009**: 7,786
- **Change**: -16%

### Operating Expenses

*In Millions*

- **2008**: $13,895
- **2009**: $12,099
- **Change**: -13%

*Fuel Price Adjusted*

*Reported*

#### Key Drivers

- Project Operating Ratio
- Increased Operating Effectiveness
- Total Cost of Ownership Focus
- Reduced Administrative Burden

*The calculation normalizes for the change in diesel fuel prices. (See Union Pacific website under Investor Relations for a reconciliation to GAAP.)*
Operating Ratio (%)

Fourth Quarter

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>79.6</td>
<td>79.4</td>
<td>73.4</td>
<td>73.3*</td>
</tr>
</tbody>
</table>

Full Year

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>81.5</td>
<td>79.3</td>
<td>77.3</td>
<td>76.0*</td>
</tr>
</tbody>
</table>

*Best ever quarterly and full year Operating Ratio
## Full Year Income Statement

*In Millions (Except EPS)*

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>$14,143</td>
<td>$17,970</td>
<td>(21)</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>10,751</td>
<td>13,895</td>
<td>(23)</td>
</tr>
<tr>
<td>Operating Income</td>
<td>3,392</td>
<td>4,075</td>
<td>(17)</td>
</tr>
<tr>
<td>Other Income</td>
<td>195</td>
<td>92</td>
<td>F</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(600)</td>
<td>(511)</td>
<td>17</td>
</tr>
<tr>
<td>Income Before Income Taxes</td>
<td>2,987</td>
<td>3,656</td>
<td>(18)</td>
</tr>
<tr>
<td>Income Tax Expense</td>
<td>(1,089)</td>
<td>(1,318)</td>
<td>(17)</td>
</tr>
<tr>
<td>Net Income</td>
<td>1,898</td>
<td>2,338</td>
<td>(19)</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$3.75</td>
<td>$4.54</td>
<td>(17)</td>
</tr>
</tbody>
</table>
Strong Financial Position

In Millions

Generating Solid Cash

Free Cash Flow*

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$825</td>
</tr>
<tr>
<td>2009</td>
<td>$515</td>
</tr>
</tbody>
</table>

Balance Sheet Improvement

Total Debt* (Adjusted)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Debt to Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>$13,934</td>
<td>47.4%</td>
</tr>
<tr>
<td>2009</td>
<td>$14,376</td>
<td>45.9%</td>
</tr>
</tbody>
</table>

*Adjusted Debt to Capital

*See Union Pacific Web site under Investor Relations for a reconciliation to GAAP.
Capital Update
Full Year – In Billions

Total Capital Spending*

2008: $3.1
2009: $2.5
2010E: $2.5

- $200 Million for Positive Train Control
- No Locomotive Purchases
- $150 Million Joliet Intermodal Terminal Completion

*Includes Cash Capital, Leases and Other Non-Cash Capital
2010 Drivers

• Volume Growth
  – 2009 comparison
  – Economy dependent

• “Real” Pricing Gains

• Diesel Fuel Prices
  – Current spot price at $2.15+/gallon
  – First half 2009 fuel surcharge lag

• Labor Cost Pressures
  – Agreement health and welfare

• Drive Stronger Shareholder Returns
A View to 2010

• Slow Economic Environment
• Attract New Business with Excellent Service
• High Customer Expectations
• Regulatory Activity
• Remain Focused on Margin Improvement
  – Cost efficiency
  – Pricing gains
Cautionary Information

This press release and related materials contain statements about the Corporation’s future that are not statements of historical fact, including specifically the Corporation’s outlook regarding economic conditions, future productivity, future safety and operating performance, the success and outcome of network management initiatives and strategic investments, competitiveness and quality of service, and its ability to generate financial returns and significant margin leverage and take advantage of new business opportunities. 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 Corporation’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 Corporation’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 Corporation’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 Corporation’s Annual Report on Form 10-K for 2008, which was filed with the SEC on February 6, 2009. The Corporation 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).

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