Third Quarter Earnings Release
October 21, 2010

Jim Young, Chairman & CEO

Record Third Quarter Results

• Reported EPS = $1.56, +54%
• Operating Income +46%
• New Customer Service “Best”
• Safety & Efficiency Gains
• Record Operating Ratio = 68.2%
### Third Quarter Recap

<table>
<thead>
<tr>
<th>Volume Growth</th>
<th>Freight Revenue Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intermodal</strong></td>
<td><strong>Automotive</strong></td>
</tr>
<tr>
<td>+24%</td>
<td>+36%</td>
</tr>
<tr>
<td><strong>Industrial</strong></td>
<td><strong>Intermodal</strong></td>
</tr>
<tr>
<td>+20%</td>
<td>+34%</td>
</tr>
<tr>
<td><strong>Automotive</strong></td>
<td><strong>Industrial</strong></td>
</tr>
<tr>
<td>+18%</td>
<td>+25%</td>
</tr>
<tr>
<td><strong>Chemicals</strong></td>
<td><strong>Agricultural</strong></td>
</tr>
<tr>
<td>+9%</td>
<td>+16%</td>
</tr>
<tr>
<td><strong>Agricultural</strong></td>
<td><strong>Chemicals</strong></td>
</tr>
<tr>
<td>+7%</td>
<td>+14%</td>
</tr>
<tr>
<td><strong>Energy</strong></td>
<td><strong>Energy</strong></td>
</tr>
<tr>
<td>+1%</td>
<td>+11%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>TOTAL</strong></td>
</tr>
<tr>
<td>+14%</td>
<td>+21%</td>
</tr>
</tbody>
</table>
Record Setting Customer Satisfaction

Excellent Service Drives Improved Value as Volume Climbs

Agricultural Products

Revenue $750M (+16%) Volume 229K (+7%) ARC $3,271 (+8%)

Revenue Mix

Quarterly Drivers

• World Demand for U.S. Grain
• Ethanol Growth Continues
• Increased Beer Imports

Export Whole Grains*

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export</td>
<td>27.4</td>
<td>40.4</td>
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</tbody>
</table>

Ethanol*

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethanol</td>
<td>16.4</td>
<td>17.9</td>
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</tbody>
</table>

Import Beer*

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Import</td>
<td>8.3</td>
<td>10.1</td>
</tr>
</tbody>
</table>

*Volume in thousands of carloads
Automotive
Revenue $309M (+36%) Volume 146K (+18%) ARC $2,114 (+16%)

Revenue Mix

Quarterly Drivers
- Increased Vehicle Production
- Hurricane Alex Disrupts Mexico Business
- Repriced Contracts

Auto Parts
Finished Vehicles

Chemicals
Revenue $629M (+14%) Volume 221K (+9%) ARC $2,858 (+5%)

Revenue Mix

Quarterly Drivers
- Continued Strength in Fertilizer
- Growth in Petroleum Products
- Increased Demand for Domestic Plastics

Fertilizer
Petroleum Products
Plastics

*Volume in thousands of carloads
**Energy**

*Revenue $922M (+11%) Volume 535K (+1%) ARC $1,721 (+10%)*

**Revenue Mix**

- Southern Powder River Basin 77%
- Colorado/Utah 17%
- Other 6%

**Quarterly Drivers**

- Strengthened Demand for SPRB Coal
- Weak Demand and Changes in Mining Operations Continues to Challenge Colorado/Utah

**Southern Powder River Basin***

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tons</td>
<td>47.1</td>
<td>48.8</td>
</tr>
</tbody>
</table>

**Colorado/Utah***

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tons</td>
<td>8.5</td>
<td>7.5</td>
</tr>
</tbody>
</table>

*Tons in Millions

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**Industrial Products**

*Revenue $697M (+25%) Volume 282K (+20%) ARC $2,470 (+4%)*

**Revenue Mix**

- Minerals/Consumer 21%
- Metals 27%
- Construction 15%
- Paper 14%
- Lumber 13%
- Government Waste 10%

**Quarterly Drivers**

- Growth Markets Tied to Auto and Drilling Industries
- Construction Remains Slow Outside of Drilling Markets
- Growth in Waste Shipments

**Steel & Scrap***

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>30.6</td>
<td>44.0</td>
</tr>
</tbody>
</table>

**Non-Metallic Minerals***

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>33.8</td>
<td>32.9</td>
</tr>
</tbody>
</table>

**Hazardous Waste***

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>10.6</td>
<td>21.3</td>
</tr>
</tbody>
</table>

*Volume in thousands of carloads

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Intermodal
Revenue $880M (+34%) Volume 903K (+24%) ARC $974 (+8%)

Revenue Mix
- Domestic 49%
- International 51%

Quarterly Drivers
- Near Record Loadings
- Strength in International and Domestic Volumes
- Price and Fuel Surcharge

International* 2009 2010
398 518 +30%

Domestic* 2009 2010
331 385 +16%

*Volume in thousands of units

Fourth Quarter Outlook
- Slow Economic Growth
- Normal Seasonality
- Tight Truck Supply
- Strong Value Proposition
- Price Gains

7-Day Carloading Trends
(In Thousands)

January December
2006 2007 2008 2009 2010*

*As of 10/16/10
Safety: A Top Priority

- Continuous Improvement
- Focus on Severity
- Onboarding Process
Service Focus Drives Results

- Strong Service Levels as Volumes Increase
- Leveraging Growth
- Agility Demonstrated with Resources and Service Plan
- Resilient Network

Driving Customer Satisfaction

*Third Quarter*

- Local Customer Satisfaction Ratings Mirror Improvements
- Local Service – A Key Driver of Customer Satisfaction
- Disciplined Yard and Local Operations
Productivity Gains Continue
*Third Quarter*

- Increased Gross Ton-Miles Per Employee
- Train Length Improvement
- Solid Freight Car Utilization

**Cost Control**
*(2010 versus 2009)*

- Carloads: 14%
- Total First Crew Starts: 8%
- Through Freight: 12%
- Yard & Local: 3%

**Resource Update**
*2010*

<table>
<thead>
<tr>
<th>TE&amp;Y Employees</th>
<th>Locomotives</th>
<th>Freight Cars</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Furloughs at Quarter End</strong></td>
<td><strong>Units Stored at Quarter End</strong></td>
<td><strong>Cars Parked at Quarter End</strong></td>
</tr>
<tr>
<td>1Q: 3,000</td>
<td>1Q: 1,350</td>
<td>1Q: 38,000</td>
</tr>
<tr>
<td>2Q: 2,700</td>
<td>2Q: 1,320</td>
<td>2Q: 37,000</td>
</tr>
<tr>
<td>3Q: 1,100</td>
<td>3Q: 875</td>
<td>3Q: 30,000</td>
</tr>
</tbody>
</table>
2010 Capital Plan
Replacement, Growth and Productivity

- “Hardening” the Infrastructure
- Completed Joliet Intermodal
- Timing of PTC Spend
- Restart Sunset Corridor Project

$2.6 Billion Capital Plan*
(In Millions)

- Infrastructure Replacement $1,650
- Capacity/Commercial Facilities $275
- Technology/Other $225
- Locomotives/Equipment $350
- PTC $100

* Capital budget as of October 2010

Strong Finish to 2010

- Service Excellence
  - Reduce variability
- Continuous Push for Productivity
- Safe Operations
**Third Quarter Earnings Summary**

*In Millions (except EPS)*

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009*</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>$4,408</td>
<td>$3,671</td>
<td>20</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$3,007</td>
<td>$2,710</td>
<td>11</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$1,401</td>
<td>$961</td>
<td>46</td>
</tr>
<tr>
<td>Other Income</td>
<td>25</td>
<td>14</td>
<td>79</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(153)</td>
<td>(156)</td>
<td>(2)</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>(495)</td>
<td>(305)</td>
<td>62</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td><strong>$778</strong></td>
<td><strong>$514</strong></td>
<td><strong>51</strong></td>
</tr>
<tr>
<td>Weighted Average Diluted Shares</td>
<td>497.7</td>
<td>507.0</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Diluted EPS</strong></td>
<td><strong>$1.56</strong></td>
<td><strong>$1.01</strong></td>
<td><strong>54</strong></td>
</tr>
</tbody>
</table>

*Certain prior year amounts have been adjusted for the retrospective change in accounting principle for rail grinding. See Union Pacific website under Investors in the Earnings News Release/Financials section for the effects of the adjustments.*
Sequentially Improving Core Price

Quarterly Pricing Trend

- Legacy Renewals
- Stronger Freight Demand
- High Quality Service

Compensation & Benefits
Third Quarter 2010 $1,092M, +9%

- Wage and Benefit Inflation
- Volume Costs
- Equity & Incentive Compensation
- Strong Employee Productivity
**Fuel Expense**  
*Third Quarter 2010 $608M, +30%*

- 20% Increase in Diesel Fuel Prices added $97 Million
- 9% More Gross Ton-Miles added $42 Million
- 1% Improvement in Fuel Efficiency

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**Third Quarter 2010 Expense Review**  
*In Millions*

- Increased Contract Services
- Increased Car Hire
- Lower Lease Expense
- Ongoing Safety Benefits
- Higher Property Taxes

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**Record Operating Ratio**

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>1Q 2010</th>
<th>2Q 2010</th>
<th>3Q 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ratio</td>
<td>81.6</td>
<td>79.3</td>
<td>77.4</td>
<td>76.1</td>
<td>75.1</td>
<td>69.4</td>
<td>68.2</td>
</tr>
</tbody>
</table>

- Volume Leverage
- Operating Efficiency and Service
- Price Gains
- Fuel Surcharge Recovery

*Certain prior year amounts have been adjusted for the retrospective change in accounting principle for rail grinding.

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**Generating & Returning Cash to Shareholders**

*As of September 30 - In Millions*

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash From Operations*</td>
<td>$3,019</td>
<td>$2,383</td>
<td>$3,120</td>
</tr>
<tr>
<td>Cumulative Share Repurchases (Full Year)</td>
<td>25.2</td>
<td>47.4</td>
<td>47.4</td>
</tr>
</tbody>
</table>

- Strong Cash From Operations
- Repurchased More Than $1 Billion of Common Stock
- Balance Sheet Strength

*Certain prior year amounts have been adjusted for the retrospective change in accounting principle for rail grinding. See Union Pacific website under Investors for a reconciliation of non-GAAP measures to GAAP.
Wrapping Up a Record Year
Fourth Quarter 2010 Outlook

• Volume Leverage
• Tougher Cost Comparison
• Efficiency Gains
• Pricing Focus
• Improving Financial Returns

Third Quarter Earnings Release
October 21, 2010

Jim Young, Chairman & CEO
2010 – On Track for a Record Year

• Leverage The Franchise

• Drivers of Success:
  – Capital investments
  – Productivity
  – Service
  – Pricing

• Increasing Shareholder Value

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 statements under the caption “Outlook” in this press release, which include statements regarding the Corporation’s expectations with respect to economic conditions; operating performance; future revenue growth; delivering value to its customers and shareholders; and moving customer traffic safely, and reliably. 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 2009, which was filed with the SEC on February 5, 2010. 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).

Forward-looking statements speak only as of, and are based only upon information available on, the date the statements were made. The Corporation 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 Corporation does update one or more forward-looking statements, no inference should be drawn that the Corporation 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.
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Question and Answer Session