Second Quarter Earnings Release
July 21, 2011

Jim Young, Chairman & CEO

Second Quarter Results

Positives
• Second Quarter Records
  – Revenue
  – Operating Income
  – Earnings
  – Cash from Operations
  – Customer Satisfaction
• Franchise Diversity

Challenges
• Midwest Flood Impact
• Intermodal Volumes
• Fuel Price

Earnings Per Share

<table>
<thead>
<tr>
<th>Year</th>
<th>Earnings Per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$0.92</td>
</tr>
<tr>
<td>2010</td>
<td>$1.40</td>
</tr>
</tbody>
</table>
| 2011 | $1.59             

Best-Ever Quarterly Record

+14%
Customer Satisfaction

Overall Satisfaction

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q</td>
<td>87</td>
<td>91</td>
</tr>
<tr>
<td>2Q</td>
<td>89</td>
<td>92</td>
</tr>
<tr>
<td>3Q</td>
<td>90</td>
<td></td>
</tr>
<tr>
<td>4Q</td>
<td>90</td>
<td></td>
</tr>
</tbody>
</table>

Best-Ever Quarterly Record
Second Quarter Recap

Volume Growth

<table>
<thead>
<tr>
<th>Category</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural</td>
<td>+11%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>+11%</td>
</tr>
<tr>
<td>Industrial Products</td>
<td>+4%</td>
</tr>
<tr>
<td>Automotive</td>
<td>+4%</td>
</tr>
<tr>
<td>Energy</td>
<td>+2%</td>
</tr>
<tr>
<td>Intermodal</td>
<td>-1%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>+3%</td>
</tr>
</tbody>
</table>

Revenue Mix

- Intermodal: 20%
- Agricultural: 19%
- Industrial: 17%
- Energy: 21%
- Chemicals: 15%
- Autos: 8%

Performance Improvement (Year-Over-Year Change)

- Volume: +3%
- ARC: +13%
- Freight Revenue: +16%

Intermodal

Revenue $909M (+13%) Volume 819K (-1%) ARC $1,108 (+14%)

Revenue Mix

- Domestic: 52%
- International: 48%

Quarterly Drivers

- Contract Loss in International
- Repriced Contracts Drive Yield Gains

International*

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>459.4</td>
</tr>
<tr>
<td>2011</td>
<td>451.7</td>
</tr>
</tbody>
</table>

Domestic*

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>367.5</td>
</tr>
<tr>
<td>2011</td>
<td>367.9</td>
</tr>
</tbody>
</table>

*Volume in thousands of units
### Agricultural Products

**Revenue** $849M (+22%)  **Volume** 237K (+11%)  **ARC** $3,580 (+9%)

#### Revenue Mix

- **Grain Products**: 36%
- **Whole Grains**: 35%
- **Food/Refrigerated**: 29%

#### Quarterly Drivers

- Improved Demand for Export Whole Grains
- Import Beer Gains
- Continued Ethanol Growth

#### Export Whole Grains*

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>26.3</td>
<td>41.5</td>
</tr>
</tbody>
</table>

*Volume in thousands of carloads

### Automotive

**Revenue** $381M (+14%)  **Volume** 165K (+4%)  **ARC** $2,321 (+11%)

#### Revenue Mix

- **Finished Vehicles**: 78%
- **Auto Parts**: 22%

#### Quarterly Drivers

- Industry Recovery Continues at Slower Pace
- Impact from Disaster in Japan

#### Finished Vehicles*

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>93.4</td>
<td>97.5</td>
</tr>
</tbody>
</table>

#### Auto Parts*

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>65.8</td>
<td>67.3</td>
</tr>
</tbody>
</table>

*Volume in thousands of carloads
**Chemicals**

*Revenue $703M (+19%) Volume 233K (+11%) ARC $3,024 (+7%)*

**Revenue Mix**

- Petroleum & Other 27%
- Soda Ash 14%
- Industrial Chemicals 25%
- Plastics 18%

**Quarterly Drivers**

- Growth in Crude Oil
- Strong Demand for Fertilizer
- Continued Strength in Industrial Chemicals

**Petroleum Products***

- 2010: 22.0
- 2011: 28.8
- +31%

**Fertilizer***

- 2010: 27.3
- 2011: 33.2
- +22%

**Industrial Chemicals***

- 2010: 50.6
- 2011: 53.5
- +6%

*Volume in thousands of carloads

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**Energy**

*Revenue $950M (+14%) Volume 496K (+2%) ARC $1,916 (+11%)*

**Revenue Mix**

- Southern Powder River Basin 75%
- Other 7%
- Colorado/Utah 18%

**Southern Powder River Basin***

- 2010: 43.1
- 2011: 44.2
- +3%

**Colorado/Utah***

- 2010: 7.1
- 2011: 6.8
- -4%

*Tons in millions

**Quarterly Drivers**

- New Business Drives SPRB Growth
- Colorado/Utah Export Growth Offset by Lower Domestic Demand

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Industrial Products
Revenue $803M (+16%) Volume 297K (+4%) ARC $2,697 (+11%)

Revenue Mix

Quarterly Drivers
• Ramp-up of Iron Ore Exports to China
• Strong Drilling Demand
• Growth in Packaging Paper

Metallic Minerals*

Non-Metallic Minerals*

Paperboard*

*Volume in thousands of carloads

2011 Outlook

Second Half Opportunities
• Agricultural
  – Ethanol
  – Plant to Port
• Autos
  – Higher vehicle sales rate
  – Recovery from Japan disaster
• Chemicals
  – Shale development
  – Seasonal fertilizer demand
• Energy
  – New coal-fired unit near Waco
  – CO/UT production increases
• Industrial Products
  – Energy-related markets
  – Iron ore exports
• Intermodal
  – Peak season
Second Quarter Operations Review
July 21, 2011

Lance Fritz, Executive VP – Operations

Operating Foundation, Safety Focus
Second Quarter

<table>
<thead>
<tr>
<th></th>
<th>Employee (Reportable Personal Injury Incidents Per 200,000 Man-Hours)</th>
<th>Customer (Reportable Derailment Incidents Per Million Train Miles)</th>
<th>Public (Crossing Accidents Per Million Train Miles)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2009 1.55</td>
<td>2009 2.89</td>
<td>2009 1.89</td>
</tr>
<tr>
<td></td>
<td>2010 1.41</td>
<td>2010 2.58</td>
<td>2010 2.25</td>
</tr>
<tr>
<td></td>
<td>2011 0.95</td>
<td>2011 2.34</td>
<td>2011 1.98</td>
</tr>
<tr>
<td></td>
<td>-33%</td>
<td>-10%</td>
<td>-14%</td>
</tr>
<tr>
<td></td>
<td>Good</td>
<td>Good</td>
<td>Good</td>
</tr>
<tr>
<td></td>
<td>Best Ever Quarter</td>
<td>Record Second Quarter</td>
<td>Improvement vs. 2010</td>
</tr>
</tbody>
</table>
Flood Challenges

- Central Corridor Preserved
- Falls City and River Sub Outages
- Response Actions
  - Engineering Mobilization
  - Contingency Planning
  - Reroute Schedule

Consistent Network Performance

- Agility Demonstrated with Resources and Service Plan
- Focus on Service Reliability
- Resilient Network
- Positioned for Growth

*As reported to the AAR
**Productivity**

*Second Quarter*

- **GTMs per Employee** *(In Millions)*
  - 2008: 5.28
  - 2009: 4.59
  - 2010: 5.36
  - 2011: 5.32

- **Train Size** *(Average Cars or Boxes per Train)*
  - **Intermodal Boxes**
    - 2008: 156
    - 2009: 149
    - 2010: 164
    - 2011: 168
  - **Manifest Cars**
    - 2008: 82
    - 2009: 82
    - 2010: 86
    - 2011: 90

- Resource Metrics Challenged
  - Adverse Flood Impact
  - Surge Capability

- Productivity Emphasis Maintained
  - Train Size
  - Customer Service

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**Maintaining Service Performance**

- **Service Delivery Index** *(Includes early deliveries)*
  - 2008: 84
  - 2009: 92
  - 2010: 90
  - 1Q11: 87
  - 2Q11: 89

- **Industry Spot & Pull** *(Percent within window)*
  - 2008: 86
  - 2009: 88
  - 2010: 93
  - 1Q11: 94
  - 2Q11: 95

- **Local Customer Satisfaction** *(Index - 0 to 100)*
  - 2008: 86
  - 2009: 90
  - 2010: 90
  - 1Q11: 92
  - 2Q11: 92

- Flood Response and Containment
- Focus on Process and Fundamentals
Operating Outlook

- Building a Total Safety Culture
- Continued Flood Prevention Efforts
- Leveraging Network Productivity
- Growing Value Proposition for our Customers
- Positioned for Growth

Second Quarter Financial Review
July 21, 2011

Rob Knight, CFO
Second Quarter Earnings Summary

*In Millions (except EPS)*

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2010</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>$4,858</td>
<td>$4,182</td>
<td>16</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>3,466</td>
<td>2,903</td>
<td>19</td>
</tr>
<tr>
<td>Operating Income</td>
<td>1,392</td>
<td>1,279</td>
<td>9</td>
</tr>
<tr>
<td>Other Income</td>
<td>26</td>
<td>19</td>
<td>37</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(148)</td>
<td>(152)</td>
<td>(3)</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>(485)</td>
<td>(435)</td>
<td>11</td>
</tr>
<tr>
<td>Net Income</td>
<td>$785</td>
<td>$711</td>
<td>10</td>
</tr>
<tr>
<td>Weighted Average Diluted Shares</td>
<td>492.4</td>
<td>506.5</td>
<td>(3)</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$1.59</td>
<td>$1.40</td>
<td>14</td>
</tr>
</tbody>
</table>

Freight Revenue

*Second Quarter (In Millions)*

- Volume & Mix: + 5.5%
- Core Price: + 4.5%
- Fuel Surcharge: + 6.0%

2010: $3,956
2011: $4,595

+ 16%
**Pricing Gains & Leverage**

**Core Pricing**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q10</th>
<th>2Q10</th>
<th>3Q10</th>
<th>4Q10</th>
<th>1Q11</th>
<th>2Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Pricing</td>
<td>3.5%</td>
<td>5.0%</td>
<td>5.5%</td>
<td>5.5%</td>
<td>4.5%</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

**Incremental Margins**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q10</th>
<th>2Q10</th>
<th>3Q10</th>
<th>4Q10</th>
<th>1Q11</th>
<th>2Q11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incremental Margins</td>
<td>58%</td>
<td>60%</td>
<td>60%</td>
<td>48%</td>
<td>45%*</td>
<td>36%*</td>
</tr>
</tbody>
</table>

* Adjusted for fuel price & one-time items. See Union Pacific website under Investors for a reconciliation to GAAP.

**Operating Expense Recap**

*Second Quarter 2011 vs. 2010 ($ Increase in Millions)*

- **$563 Million Increase**
- **Drivers**
  - Fuel Price
  - Volume & Inflation
  - Casualty Costs
  - Training
  - Flood Prevention

<table>
<thead>
<tr>
<th>Category</th>
<th>Increase in Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel</td>
<td>$296</td>
</tr>
<tr>
<td>Comp &amp; Benefits</td>
<td>$115</td>
</tr>
<tr>
<td>Other</td>
<td>$74</td>
</tr>
<tr>
<td>Prch Svrs &amp; Materials</td>
<td>$44</td>
</tr>
<tr>
<td>Depr</td>
<td>$33</td>
</tr>
<tr>
<td>Equip &amp; Rents</td>
<td>$1</td>
</tr>
</tbody>
</table>
Fuel Expense
Second Quarter 2011 $904M, +49%

- Higher Diesel Fuel Prices Added $276 Million to Costs
- Conversion Spreads more than Doubled versus 2010
- Negative Fuel Price Impact (vs. 2010)
  - Operating Ratio (2.0) points
  - EPS ($0.02)
- 2% Consumption Rate Improvement

Average Fuel Price
(Per Gallon Consumed)

$2.29  $3.29
2010  2011

Fuel Consumption
(Million Gallons)

257  265
2010  2011

Compensation & Benefits
Second Quarter

+ 11%

$1,166
$1,051

+ 5.5%

Inflation

2010

Volume
(Net of Productivity)

Training

Flood-Related

2011
**Workforce Levels**  
*Second Quarter 2010*

- **Base Workforce** 2010: 42,571  
  - + 2.5%  
- **Training** 2010:  
  - + 2.5%  
- **Capital Projects** 2010:  
  - + 1.0%  

**2011**: 44,971

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**Second Quarter 2011 Expense Review**  
*In Millions*

- **Other**  
  - 2010: $122  
  - 2011: $196

- **Purchased Services & Materials**  
  - 2010: $472  
  - 2011: $516

- **Higher Personal Injury and Other Casualty-Related Expenses**
- **Higher Property Taxes**
- **Increased Contract Services**
- **Flood-Prevention Expenses**
- **Locomotive Materials Usage**
- **Crew Lodging & Transportation Costs**
Second Quarter 2011 Expense Review (cont)

*In Millions*

### Depreciation
- **2010**: $368
- **2011**: $401

- Ongoing Capital Spending
- Volume Driven - Higher Expense

### Equipment & Other Rents
- **2010**: $282
- **2011**: $283

- Increased Other Rent Expenses
- Lower Freight Car and Locomotive Lease Expenses

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Operating Ratio Performance

*Second Quarter*

### Operating Ratio (Pct)
- **2008**: 79.7
- **2009**: 77.4
- **2010**: 69.4
- **2011**: 71.3

- Solid Pricing
- Modest Volume Growth & Leverage
- Year-Over-Year Negative Fuel Price Impact of 2.0 points

**Full Year**

- Improvement excluding Fuel Price Impact
Solid Financial Position
$ In Millions

- Record Cash from Operations and Free Cash Flow
- 38% Cash Dividend Increase YTD
- Maintain Solid Investment Grade Rating

Free Cash Flow*

<table>
<thead>
<tr>
<th>1H 2010</th>
<th>1H 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,027</td>
<td>$1,274</td>
</tr>
<tr>
<td>$272</td>
<td>$374</td>
</tr>
<tr>
<td>$755</td>
<td>$900</td>
</tr>
</tbody>
</table>

Total Debt *
(Adjusted)

<table>
<thead>
<tr>
<th>YE 2010</th>
<th>6/30/2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>$13,139</td>
<td>$12,684</td>
</tr>
<tr>
<td>42.5%</td>
<td>40.9%</td>
</tr>
</tbody>
</table>

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

Delivering Value to Shareholders

- Performance Drives Dividend Increases
  - Second Quarter Declared Dividend Increase of 25%
  - Targeted Payout Ratio of 30%

- Opportunistic Share Repurchases
  - 1Q 2011 = $248 Million
  - 2Q 2011 = $360 Million
2011 Outlook

- Continued Volume Growth
- “Real” Pricing Gains
- Ongoing Productivity Focus
- Record Earnings
- Improved Shareholder Returns

Second Quarter Earnings Release
July 21, 2011

Jim Young, Chairman & CEO
UP Gaining Momentum

- Strong UP Value Proposition
  - Price / Service
  - Franchise
- Positioned for Growth
- Remain Proactive
- Reward Shareholders

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 regarding the Corporation’s expectations with respect to economic conditions and its performance for the rest of the year; and its ability to leverage volume growth and improve pricing and financial returns. 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 2010, which was filed with the SEC on February 4, 2011. 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 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.