First Quarter 2012 Results

Positives
• First Quarter Records
  – Operating Revenue*
  – Operating Income
  – Operating Ratio
  – Earnings
  – Safety*
  – Customer Satisfaction*
• Franchise Diversity

Challenges
• Coal Volumes

* Best-ever Quarterly Record

Earnings Per Share
First Quarter

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings Per Share</td>
<td>$1.01</td>
<td>$1.29</td>
<td>$1.79</td>
</tr>
</tbody>
</table>

$1.79 Best-Ever First Quarter
First Quarter 2012 Marketing & Sales Review
April 19, 2012

Eric Butler, Executive VP – Marketing & Sales

Customer Satisfaction

<table>
<thead>
<tr>
<th>Year</th>
<th>1Q</th>
<th>2Q</th>
<th>3Q</th>
<th>4Q</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>87</td>
<td>89</td>
<td>90</td>
<td>91</td>
</tr>
<tr>
<td>2011</td>
<td>164</td>
<td>169</td>
<td>178</td>
<td>175</td>
</tr>
<tr>
<td>2012</td>
<td>172</td>
<td>174</td>
<td>180</td>
<td>180</td>
</tr>
</tbody>
</table>

- 92 = Full Year Record
- 93 = Quarterly Record

Customer Satisfaction
First Quarter Recap

Volume Growth

<table>
<thead>
<tr>
<th>Category</th>
<th>Volume Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive</td>
<td>+15%</td>
</tr>
<tr>
<td>Industrial Products</td>
<td>+10%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>+8%</td>
</tr>
<tr>
<td>Intermodal</td>
<td>+1%</td>
</tr>
<tr>
<td>Agricultural</td>
<td>-2%</td>
</tr>
<tr>
<td><strong>Sub Total (excl Energy)</strong></td>
<td>+4%</td>
</tr>
<tr>
<td>Energy</td>
<td>-8%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>+1%</td>
</tr>
</tbody>
</table>

Revenue Mix

- Energy: 20%
- Industrial: 19%
- Chemicals: 16%
- Autos: 13%
- Agriculture: 13%
- Intermodal: 19%

Performance Improvement (Year-Over-Year Change)

<table>
<thead>
<tr>
<th>Category</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume</td>
<td>+1%</td>
</tr>
<tr>
<td>ARC</td>
<td>+12%</td>
</tr>
<tr>
<td>Freight Revenue</td>
<td>+14%</td>
</tr>
</tbody>
</table>

Energy

Revenue $995M (+5%) Volume 495K (-8%) ARC $2,010 (+14%)

Quarterly Drivers

- Mild Weather and Low Natural Gas Prices Weaken Demand
- Growth in Exports

Volume Impact (Weekly Carloadings)

Southern Powder River Basin*

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>47.4</td>
</tr>
<tr>
<td>2012</td>
<td>43.6</td>
</tr>
</tbody>
</table>

Colorado/Utah*

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>7.3</td>
</tr>
<tr>
<td>2012</td>
<td>7.1</td>
</tr>
</tbody>
</table>

*Tons in millions
### Agricultural Products

*Revenue $858M (+6%) Volume 234K (-2%) ARC $3,664 (+8%)*

#### Volume Mix

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grain</td>
<td>52.1</td>
<td>31.9</td>
</tr>
<tr>
<td>Products</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refrigerated</td>
<td>20.0</td>
<td>22.6</td>
</tr>
</tbody>
</table>

#### Quarterly Drivers

- Export Grain Declines versus Record 2011
- Continued Strength in Biofuels
- Growth in Food & Refrigerated

*Volume in thousands of carloads

### Automotive

*Revenue $430M (+26%) Volume 180K (+15%) ARC $2,390 (+10%)*

#### Volume Mix

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finished Vehicles</td>
<td>90.0</td>
<td>104.6</td>
</tr>
<tr>
<td>Auto Parts</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Quarterly Drivers

- Pent-up Demand, Strong Inventories
- Highest Quarterly SAAR Since 1Q 2008

*Volume in thousands of carloads
**Chemicals**

*Revenue $768M (+16%) Volume 241K (+8%) ARC $3,184 (+7%)*

### Quarterly Drivers
- Continued Growth in Crude Oil
- Strength in Industrial Chemicals
- Soft Potash Demand

**Volume Mix**

- Plastic: 23%
- Industrial Chemicals: 25%
- Petroleum & LP Gas: 25%
- Other: 5%
- Fertilizer: 12%
- Soda Ash: 10%
- Industrial Products: 29%
- Petro Chemicals: 25%
- Rock: 22%
- Metals: 22%
- Construction: 22%
- Minerals Consumer: 22%
- Government Waste: 16%
- Lumber: 16%
- Paper: 10%

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum Products*</td>
<td>27.5</td>
<td>44.9</td>
</tr>
<tr>
<td>Industrial Chemicals*</td>
<td>51.1</td>
<td>55.1</td>
</tr>
<tr>
<td>Fertilizer*</td>
<td>36.2</td>
<td>28.3</td>
</tr>
</tbody>
</table>

*Volume in thousands of carloads

---

**Industrial Products**

*Revenue $863M (+25%) Volume 290K (+10%) ARC $2,977 (+13%)*

### Quarterly Drivers
- Strong Energy Drilling Demand
- Favorable Weather for Construction
- Ramp-up of Iron Ore Exports

**Volume Mix**

- Rock: 22%
- Metals: 22%
- Construction: 22%
- Minerals Consumer: 22%
- Government Waste: 16%
- Lumber: 16%
- Paper: 10%
- Non-Metallic Minerals: 9%

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Metallic Minerals*</td>
<td>38.3</td>
<td>52.0</td>
</tr>
<tr>
<td>Rock*</td>
<td>50.8</td>
<td>59.0</td>
</tr>
<tr>
<td>Metallic Minerals*</td>
<td>6.9</td>
<td>10.2</td>
</tr>
</tbody>
</table>

*Volume in thousands of carloads
### Intermodal

Revenue $909M (+15%) Volume 778K (+1%) ARC $1,169 (+13%)

**Volume Mix**

- Domestic 47%
- International 53%

#### Quarterly Drivers

- Soft Import Volumes Combined with Contract Loss
- Highway Conversions Drive Domestic Growth

<table>
<thead>
<tr>
<th></th>
<th>International*</th>
<th>Domestic*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>425.4</td>
<td>344.3</td>
</tr>
<tr>
<td>2012</td>
<td>413.4</td>
<td>364.3</td>
</tr>
</tbody>
</table>

*Volume in thousands of units

### 2012 Outlook

- Economy Continues Its Slow Recovery
- Weak Coal Demand Creates Headwind
- Diverse Franchise Offers Opportunities for Growth
  - Shale-Energy Markets Booming
  - Vehicle Sales Outlook Strengthening
  - Highway Conversions
  - Strong Value Proposition
- Volume Gains, Combined with Improved Pricing, Drive Revenue Growth
First Quarter 2012 Operations Review
April 19, 2012

Lance Fritz, Executive VP - Operations

Operating Foundation, Safety Focus
First Quarter

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Good</td>
<td>Good</td>
<td>Good</td>
</tr>
<tr>
<td>Reportable Personal</td>
<td>1.25</td>
<td>1.07</td>
<td>0.96</td>
</tr>
<tr>
<td>Injury Incidents Per</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>200,000 Man-Hours</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent Change</td>
<td>-10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Rail Equipment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Good</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reportable Derailment</td>
<td>3.29</td>
<td>2.96</td>
<td>2.93</td>
</tr>
<tr>
<td>Incidents Per</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Million Train Miles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent Change</td>
<td>-1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Public</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Good</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crossing Accidents</td>
<td>2.05</td>
<td>1.78</td>
<td>2.28</td>
</tr>
<tr>
<td>Per Million Train</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miles</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent Change</td>
<td>28%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Market Shifts
First Quarter 2012 vs. First Quarter 2011

Volume Growth
- Manifest: +5%
- Premium: +3%
- Bulk: -4%
- Total Volume Growth: +1%

Volume Growth By Region
- West: 1%
- South: 6%
- North: -1%

Resource Realignment
- Network Routing
- Employee Assignments
- Locomotive Repositioning

Manifest Growth Impact
- Nbr of Cars Switched: +6%
- Yard & Local Man Days: +2%
- Cars Switched (per employee day): +3%

Productivity Improvements
First Quarter

Train Size
(Average Units per Train)
- Good
- Intermodal Boxes: 141
- Manifest Cars: 80
- 2009: 1,574
- 2010: 1,057
- 2011: 639
- 2012: 451

Slow Order Miles
- Good
- 2009: 1,574
- 2010: 1,057
- 2011: 639
- 2012: 451

GTMs per Employee
(In Millions)
- Good
- 2009: 4.59
- 2010: 5.31
- 2011: 5.34
- 2012: 5.27

Fuel Consumption Rate
(Gallons per Thousand GTMs)
- Good
- 2009: 1.22
- 2010: 1.18
- 2011: 1.18
- 2012: 1.16

** First Quarter Record
Network Performance
First Quarter

- Agility and Resiliency Demonstrated with Resources and Service Plan
- Volume Growth in Southern Region
- Favorable Weather Conditions Allowing Advancements in Capital work
- Positioned for Growth

Velocity (as Reported to the AAR)

<table>
<thead>
<tr>
<th>Year</th>
<th>Velocity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>27.2</td>
</tr>
<tr>
<td>2010</td>
<td>26.2</td>
</tr>
<tr>
<td>2011</td>
<td>26.1</td>
</tr>
<tr>
<td>2012</td>
<td>26.3</td>
</tr>
</tbody>
</table>

Service Delivery* and IS&P

<table>
<thead>
<tr>
<th>Year</th>
<th>Industry Spot &amp; Pull %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>88</td>
</tr>
<tr>
<td>2010</td>
<td>91</td>
</tr>
<tr>
<td>2011</td>
<td>87</td>
</tr>
<tr>
<td>2012</td>
<td>89</td>
</tr>
</tbody>
</table>

* Includes early deliveries  ** Best-ever quarterly record

Full Year 2012

- World Class Safety Results
- Excellent Service with Growth
- Productivity / Volume Leverage
- Capital Effectiveness
- Critical Initiatives
First Quarter 2012 Financial Review  
April 19, 2012  
Rob Knight, CFO  

First Quarter Earnings Summary  
In Millions (except EPS)  

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenues</td>
<td>$5,112</td>
<td>$4,490</td>
<td>14</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>3,602</td>
<td>3,353</td>
<td>7</td>
</tr>
<tr>
<td>Operating Income</td>
<td>1,510</td>
<td>1,137</td>
<td>33</td>
</tr>
<tr>
<td>Other Income</td>
<td>16</td>
<td>15</td>
<td>7</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(135)</td>
<td>(141)</td>
<td>(4)</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>(528)</td>
<td>(372)</td>
<td>42</td>
</tr>
<tr>
<td>Net Income</td>
<td>$863</td>
<td>$639</td>
<td>35</td>
</tr>
<tr>
<td>Weighted Average Diluted Shares</td>
<td>481.4</td>
<td>494.1</td>
<td>(3)</td>
</tr>
<tr>
<td>Diluted EPS</td>
<td>$1.79</td>
<td>$1.29</td>
<td>39</td>
</tr>
</tbody>
</table>
### Freight Revenue
*First Quarter (In Millions)*

#### 2011
- **Volume**: $4,248
- **Mix**: +1%
- **Fuel Surcharge**: +3%
- **Core Price**: +5%

#### 2012
- **Total**: $4,823
- **Increase**: +14%

### Core Pricing & Fuel Coverage Gains
- **Solid Pricing in 1Q 2012**
- **Improved Fuel Surcharge Coverage**
- **Core Pricing Gains Impacted by Negative Volume Mix**
**Compensation & Benefits Expense**

*First Quarter 2012 $1,211M, +4%*

- Labor Inflation of 2%
- Volume-Related Expenses

**Workforce Levels**

*(Quarterly Average)*

- Increased Capital Work *(incl PTC)* and Base Business Activity Each Drove Half of the Increase

**Fuel Expense**

*First Quarter 2012 $926M, +12%*

- Higher Diesel Fuel Prices added $98 Million to Costs
- Barrel Price and Conversion Spreads Increased versus 2011
- GTMs Increased 2%
- Consumption Rate Improved 2%
First Quarter 2012 Expense Review

In Millions

Purchased Services & Materials

- Higher Subsidiary Contract Expenses
- Increased Locomotive and Freight Car Repair Costs

Other

- Higher Property Taxes
- Higher Personal Injury Expense (2011 adjustment for prior years)

First Quarter 2012 Expense Review (cont)

In Millions

Depreciation

- Ongoing Capital Spending
- Volume Driven - Higher Expense

Equipment & Other Rents

- Lower Locomotive Expense (early buyout of leases)
- Lower Container Lease Expense
Operating Ratio Performance

First Quarter (Percent)

- 2010: 75.1%
- 2011: 74.7%
- 2012: 70.5%

Record 1st Quarter

- Solid Pricing
- Improved Fuel Surcharge Coverage
- Volume Growth

Strong Financial Position

Three Month Period Ending March 31 ($ In Millions)

Free Cash Flow*

- Before Dividends: $574
- Dividends: $289
- After Dividends: $285

Total Debt* (Adjusted)

- 12/31/2011: $12,753
- 3/31/2012: $12,557

- Strong Cash from Operations and Free Cash Flow
- 55% Cash Dividend Increase
- Targeted Dividend Payout Ratio of 30%
- Maintain Solid Investment Grade Rating

* See Union Pacific website under Investors for a reconciliation to GAAP.
Driving Strong Shareholder Value

Cumulative Share Repurchases (In Millions)

- First Quarter Activity
  - Repurchases totaling $433 million, up $185 million versus 1Q 2011
  - 3.9 million shares @ avg price of $110.64
- Since 2007, repurchases total 82.7 million shares @ avg price of $73.52
- 23.9 million shares remaining in current authorization

Full Year 2012

Full Year
- Top Line Growth Opportunities
- Solid Pricing
- Value Proposition
- Productivity Focus
- Targeting Full Year Record Operating Ratio & Earnings
First Quarter 2012 Earnings Release
April 19, 2012

Jack Koraleski, CEO

Positioned for Success in 2012

• Growth Opportunities Despite Coal Headwinds
• Confidence in Strategy
  – Investments Supported by Higher Returns
  – Provide Increased Value to Customers and Shareholders
  – Targeting Record Financial Results in 2012
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 2011, which was filed with the SEC on February 3, 2012. 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.