

# COMPANY OVERVIEW



Headquartered in Omaha, Nebraska, Union Pacific Corporation owns one of America's leading transportation companies, Union Pacific Railroad Company (Railroad). The Railroad is the largest in North America, covering nearly 33,000 route miles in 23 states across the western two-thirds of the United States. Supporting the nation's economy, Union Pacific has a strategically advantageous route structure that links every major West Coast and Gulf Coast port to some of the fastest growing U.S. population centers. The Railroad serves the East through major gateways in Chicago, St. Louis, Memphis and New Orleans. In addition, UP is the only railroad that serves all six major Mexican gateways, operating key north/south corridors which interchange traffic with the Canadian and Mexican rail systems. UP reaches north into Canada through the Eastport gateway, as well as through exchange points in Minnesota, Wisconsin and Illinois. That network, combined with a well-balanced and diverse traffic mix, makes UP the premier rail franchise in North America.

Union Pacific's freight traffic consists of bulk, manifest and premium business. Bulk traffic is primarily the shipment of coal, grain, rock or soda ash in unit trains. A key strength of the franchise is access to the coal fields in the Southern Powder River Basin (SPRB) region of northeastern Wyoming. Growth of SPRB coal tonnage hauled by UP has averaged nearly 6% over the past five years reflecting the coal's low-cost production and low sulfur content. UP's rail lines in the Midwest provide direct routes from major grain-producing areas to domestic markets, Mexico and ports of export in the Gulf Coast and Pacific Northwest.

Manifest traffic is individual carload or less than-train-load business, including commodities such as

lumber, steel, paper and food, that are transported from thousands of locations on Union Pacific's vast network. Union Pacific also has broad coverage in the large chemical-producing areas along the Gulf Coast.

The transportation of finished vehicles and intermodal containers is part of the Railroad's premium business. Leveraging the automotive network enables Union Pacific to deliver more than 80% of the finished vehicles sold west of the Mississippi River. Competitive long-haul routes between the West Coast ports and eastern gateways, particularly along the Sunset Corridor from Los Angeles to El Paso, enable the Railroad to serve the fast-growing market for Asian imports.

The strength of this diverse franchise and efficient utilization of the Railroad's capacity will enable the Company to provide its customers with a reliable and valuable service product that drives improved financial returns.

