

Union Pacific Corporation

2005 ANALYST FACT BOOK



BUILDING AMERICA[®]



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Our Vision

Union Pacific is committed to be a railroad where our Customers want to do business, our Employees are proud to work, Shareholder value is created and the safety of the public and our employees is our top priority.

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Investor Inquiries

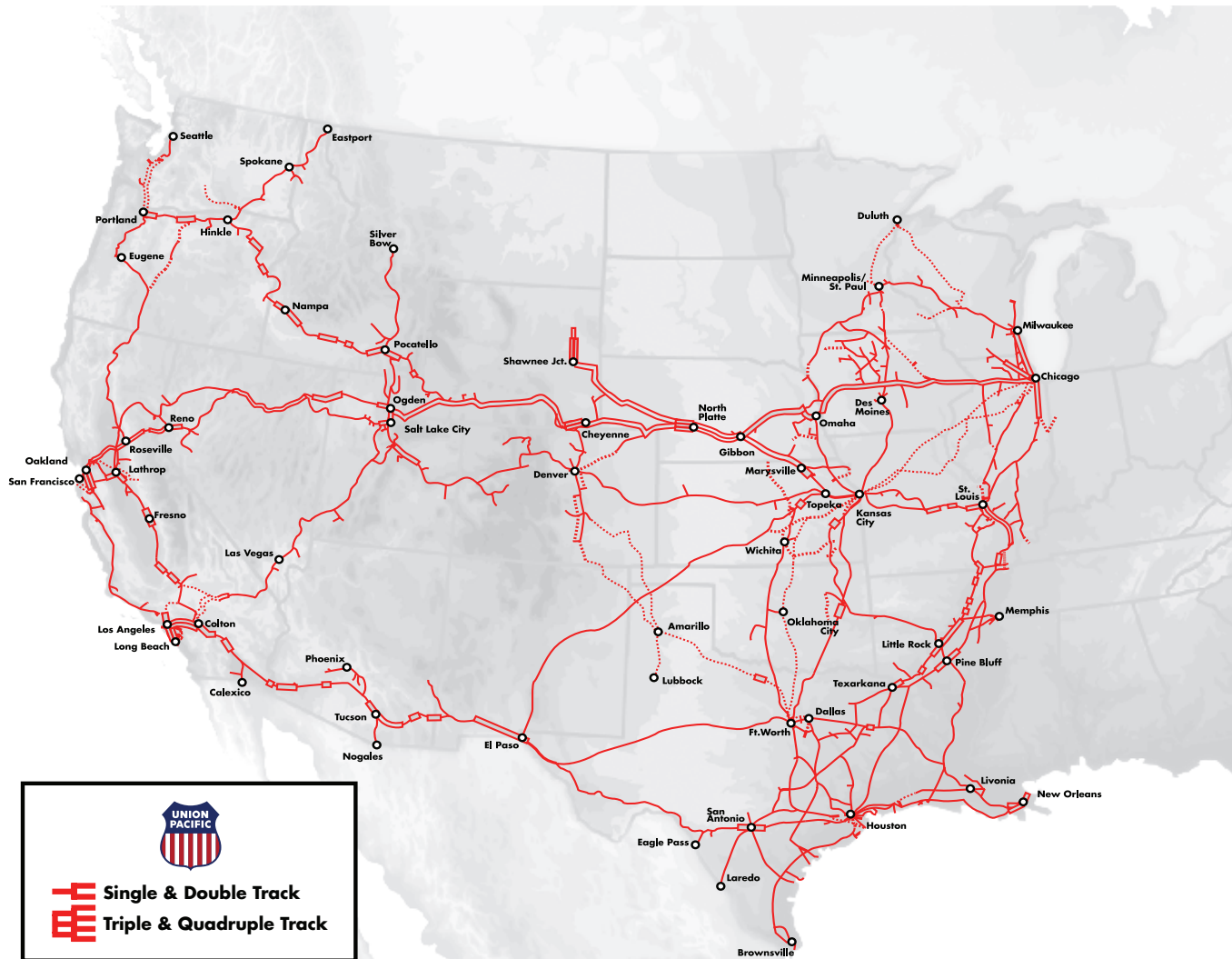
Union Pacific's analyst relations are coordinated through the Corporate Treasurer. Requests for interviews, investor packages and general information should be directed to:

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Web Site Information

For immediate receipt of new information as it becomes available, we invite you to regularly visit www.up.com. In the Investor Relations section, you can view on-line or download a variety of informative documents, including annual reports, proxy statements, SEC filings, quarterly earnings, press releases, company presentations and corporate governance information.

SYSTEM MAP & FACTS



TRACK MILES (As of 12/31/05)

Main Line	27,301
Branch Line	5,125
Yards, Sidings, & Other Main Lines	20,241
Total	52,667
Track Miles of Rail Installed and Replaced	
New	661
Used	312
Track Miles of Continuous Welded Rail	27,390
Track Miles Under Centralized Traffic Control	18,736
Track Miles Ballasted	9,216
Ties Installed & Replaced (000)	4,690

EQUIPMENT OWNED OR LEASED AT YEAR END

Locomotives	8,226
Freight Cars:	
Covered Hoppers	38,553
Boxcars	16,505
Open-Top Hoppers	19,950
Gondolas	15,037
Other	16,698
Average Age of Equipment (Years)	
All Locomotives	15.4
Road Locomotives - Core Fleet	10.9
Freight Cars	26.0

COMPANY OVERVIEW

Headquartered in Omaha, Nebraska, Union Pacific Corporation owns one of America's leading transportation companies, Union Pacific Railroad Company (Company, UP or Railroad). The Railroad is the largest in North America, covering more than 32,400 route miles in 23 states across the western two-thirds of the United States. Union Pacific's strategically advantageous route structure supports the nation's economy, linking 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 serving all six major Mexican gateways and operating key north/south corridors for interchange traffic with the Canadian and Mexican rail systems. UP reaches north into Canada through the Eastport gateway in Idaho, 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 and soda ash in unit trains. A key franchise strength is access to the Southern Powder River Basin (SPRB) coal fields

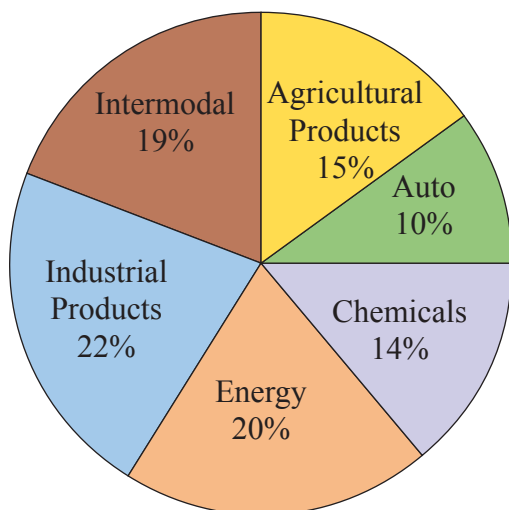
of northeastern Wyoming. UP also provides direct routes from major grain-producing areas in the Midwest to domestic markets, Mexico and export ports in the Gulf Coast and Pacific Northwest.

Manifest traffic is individual carload or less than train-load business, including commodities such as lumber, steel, paper and food, 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.

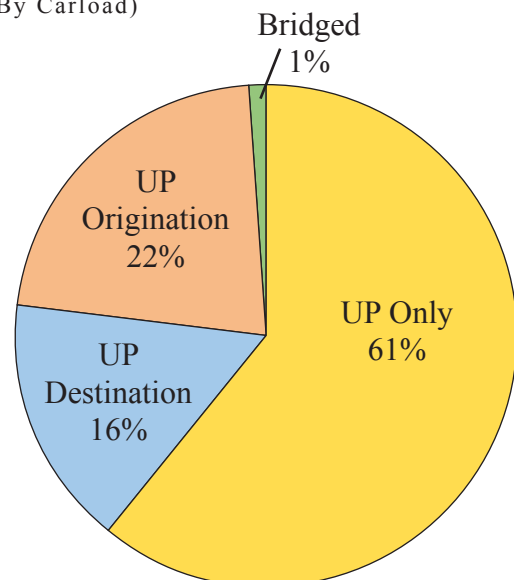
The Railroad's premium business is the transportation of finished vehicles, intermodal containers and truck trailers. UP's extensive automotive network facilitates delivery of more than 75 percent of the finished vehicles sold west of the Mississippi River. The Railroad also serves the fast-growing market for international imports with its competitive long-haul routes connecting the West Coast ports and eastern gateways, particularly along the Sunset Corridor from Los Angeles to El Paso.

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

2005 Commodity Revenue Mix
\$13 Billion



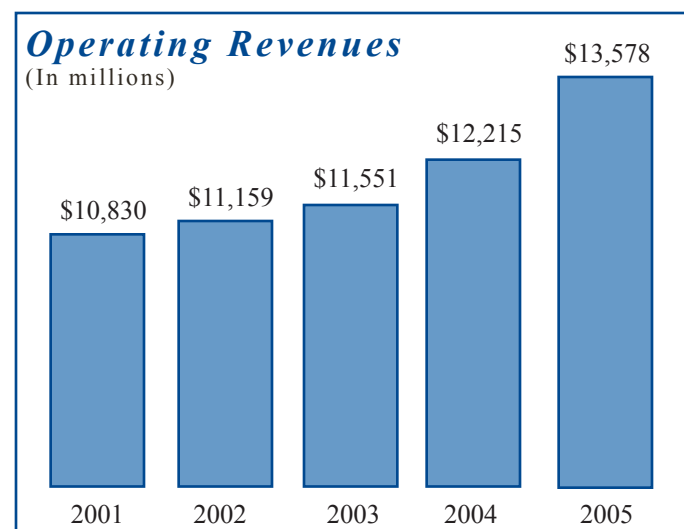
2005 Traffic Classification
(By Carload)



YEAR IN REVIEW

2005 Recap

Union Pacific combined record revenue with improved operating performance to produce operating income growth of 18 percent* in 2005. For the year, Union Pacific reported revenue of \$13.6 billion, an 11 percent year-over-year increase. Continuing strong demand for rail service drove revenue gains from increased fuel surcharges, higher yields and a 1 percent volume increase. All six business groups hit “best ever” annual revenue levels.



Operations improved during 2005 in a very challenging environment. During the year, UP improved average freight car terminal dwell by 6 percent, freight car utilization improved 2 percent, and average rail car inventory decreased 1 percent while carloads increased 1 percent. Implementation of the Unified Plan, one of the Company’s network management initiatives, began in 2005. The Plan reduced the rate of mainline work events by 16 percent and achieved a 12 percent reduction in UP’s car switching rate. In addition, the Company began implementing the Customer Inventory Management System (CIMS), a real-time terminal management system designed to increase terminal throughput with existing capacity.

The Railroad faced significant weather-related challenges throughout the year. In early January, a massive storm hit California and Nevada, temporarily closing five of six routes in and out of Los Angeles. In August and September, Hurricanes Katrina and Rita hit the New Orleans and Houston areas. Hurricane Katrina caused minimal damage to UP’s customers or rail lines. Hurricane Rita, however, resulted in lost revenue and higher operating expenses as more than 150 customers in the Houston area shut down and UP halted South Texas rail

FINANCIAL SUMMARY

Union Pacific Corporation

	2005	2004	2003
Operating Revenues (millions)	\$13,578	\$12,215	\$11,551
Operating Income (millions)	\$1,795	\$1,295(a)	\$2,133
Operating Margin	13.2%	10.6%(a)	18.5%
Revenue Carloads (thousands)	9,544	9,458	9,239
Average Employees	49,747	48,329	46,371
Average Diesel Fuel Price (per gallon)	\$1.77	\$1.22	\$0.92
Capital Expenditures (millions)	\$2,169	\$1,876	\$1,940(b)
Long-Term & Flexible Operating Leases (millions)(c)	\$690	\$526	\$131

(a) Includes a \$247 million pre-tax (\$154 million after-tax) charge for unasserted asbestos-related claims.

(b) Includes non-cash capital lease financings of \$188 million in 2003.

(c) Represents the net present value of long-term operating leases for new equipment.

*Excludes a \$247 million pre-tax (\$154 million after-tax) charge for unasserted asbestos-related claims in 2004.

Year in Review

operations in advance of the storm. On October 1, a severe rainstorm hit northeastern Kansas with 10 to 12 inches of rain in one day, causing track and bridge washouts as well as erosion damage to four main lines.

Two derailments occurred on the SPRB Joint Line in mid-May. Union Pacific and BNSF Railway own the Joint Line, located in Wyoming. Unprecedented rainfall and snow during the previous winter season, combined with accumulated coal dust in the roadbed, created track instability. Following the derailments, an extensive and ongoing maintenance and restoration program reduced shipments throughout most of the year. Despite these constraints, UP hauled a record 179 million tons of SPRB coal.

Energy prices continued to rise throughout the year. Union Pacific's average annual fuel price rose 45 percent versus 2004 to \$1.77 per gallon. The Company utilized fuel surcharge programs to help mitigate rising prices. In addition, fuel conservation efforts enabled UP to handle a 1 percent increase in volume while consuming 2 percent less fuel.

During 2005, Union Pacific spent \$2.17 billion in cash capital for track, facility and terminal maintenance, capacity expansion, equipment upgrades and additions, as well as the development and implementation of new technologies. The Company also acquired 317 locomotives and approximately 2,900 freight cars under long-term operating leases with a net present value of \$690 million. Free cash flow, after dividends, totaled \$234 million. Lease adjusted debt to capital was 43.6 percent, the lowest level since 1985.

2006 Outlook

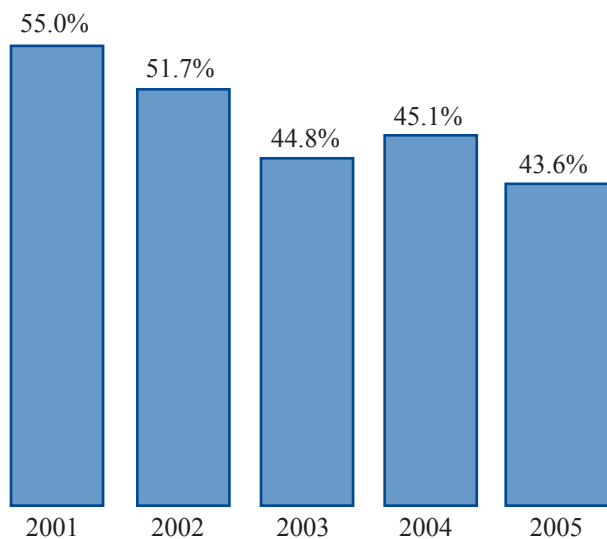
The Company expects another year of record business levels in 2006 as demand for rail services remains strong. The Railroad will continue to manage network volumes and expects yield increases across all six business groups. Volume growth should come primarily from Energy, Intermodal and Industrial Products. UP is targeting year-over-year commodity revenue growth of at least 12 percent.

On April 20, 2006, Union Pacific reported diluted earnings per share of \$1.15 on revenue growth of 18 percent during the first quarter of 2006. For the full year, the Company is targeting diluted earnings per share of \$5.00 to \$5.20 and expects operating ratio improvement of approximately 4 percentage points compared to 2005.

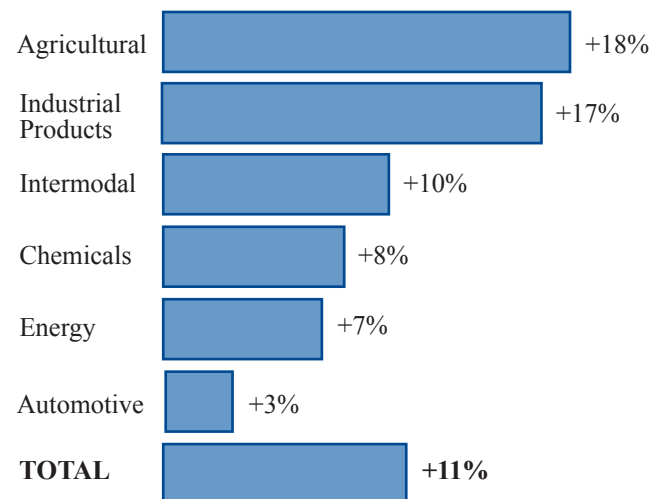
The Railroad will continue to refine its transportation plan to simplify operations and improve network efficiency. Cash capital expenditures in 2006 should total approximately \$2.25 billion, focused primarily on track maintenance and capacity expansion in constrained corridors. The Company will also acquire equipment under long-term operating leases with a net present value of approximately \$500 million.

Double-digit revenue growth and improved rail operations should generate stronger cash flow from operations in 2006. A higher cash tax rate in 2006 is expected to increase tax liabilities approximately \$450 to \$500 million. Despite higher taxes, coupled with a \$2.25 billion cash capital budget, the Company is targeting free cash flow after dividends of \$350 to \$400 million.

Lease Adjusted Debt to Capital



2005 Commodity Revenue Growth



INVESTING IN OUR PEOPLE

Vital Role

The nearly 50,000 men and women of Union Pacific play a critical role in the success of the Railroad and their communities. The Railroad transports the raw materials and finished goods that keep the economy and the country moving. One of the Company's human resource focuses is to hire a talented, diverse workforce with the Union Pacific values of safety, quality, respect, commitment and accountability. During 2005, GI Jobs magazine named UP the nation's top Military Friendly Employer and Working Mother and LATINA Style magazines honored UP as a top employer. In early 2006, Fortune magazine named Union Pacific America's most admired railroad.

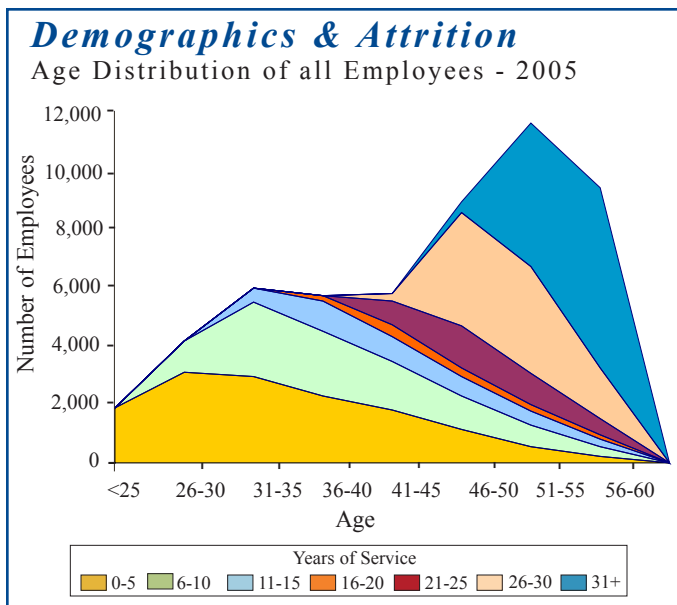
Changing Environment

Increased demand for the Company's services and higher attrition and retirement rates required UP to hire more than 13,000 employees over the last two years. The extensive hiring is in stark contrast to the years of railroad mergers and excess resources that enabled UP to maintain an experienced workforce without hiring many new workers. A challenge for the Company will be to continue to attract, hire and retain quality people. Knowledge transfer from current employees to the next generation of railroaders is another vital aspect of UP's workforce transition.

New Opportunities

Large scale hiring also presents an opportunity. This recent railroad hiring boom is likely to persist, making hiring and training an important part of UP's ongoing success. By seeking the right people for the right jobs, the Railroad will be able to merge new ideas and skill sets with the experience of current railroaders.

Since 2004, over 7,000 conductors and more than 2,300 locomotive engineers graduated from UP training programs. In 2006, Union Pacific plans on training an additional 2,500 conductors and over 1,100 locomotive engineers. These programs typically last three to four months for conductors and six months for engineers. During this time, conductors and engineers learn safety rules, operating practices, federal regulations and lifestyle preparedness such as alertness management, diversity and communication skills. Locomotive simulators (as shown in the photo below) allow new and current employees to become familiar with their operating territory more rapidly. Simulators also allow operators to identify and adjust to different train sizes and weights and understand the impact of their actions on the train's fuel consumption. Currently, UP has 34 simulators at 23 locations throughout the network.



Management Training

In 2005, the Company formally began a robust Operating Management Training Program in anticipation of accelerated attrition. This tailored six-month, entry-level management program trains recent college graduates, current employees and experienced people from other industries to become leaders within the Railroad's Operating Department. Participants spend several months learning UP's values, the basics of railroading and fundamental leadership principles and management practices. After the first phase of the training, hands-on experience begins at one of many field locations with each participant assigned a mentor to continue development.

The Company also has a program taking high potential employees and furthering their development into successful leaders of Union Pacific. The Leadership Development Program is a 12-month curriculum where employees, in addition to their current jobs, spend three weeks in classroom training. The balance of the time employees are working on a team project using the Company's quality principles to solve a strategic problem within the organization.

Safety

Safety is a core value at Union Pacific. All employees are responsible for maintaining safe working conditions and preventing personal injuries and incidents. In 2005, the number of rail equipment incidents decreased 8 percent and the associated costs decreased 12 percent. Union Pacific's commitment to safety extends beyond its own employees and includes both customers and the communities in which they operate. During 2005, the Railroad closed 400 grade crossings and installed 750 video cameras on locomotives. The cameras allow better analysis of grade crossing incidents. In 2006, Union Pacific will continue to focus on employee safety education and training, public awareness and derailment prevention.

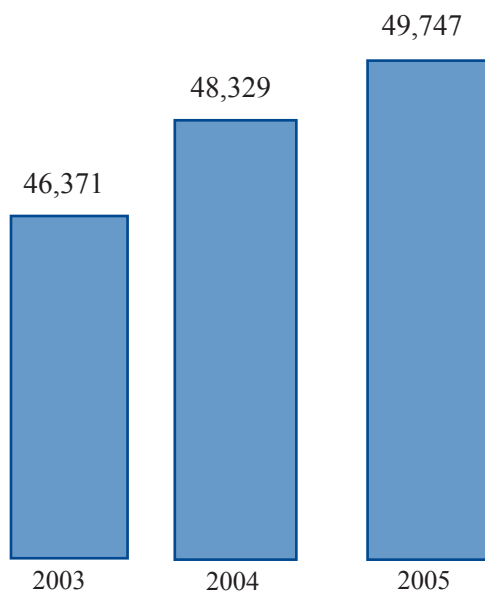
Environment

Union Pacific is committed to protecting the environment for its customers, employees and the communities in which it operates. Railroads are one of the most environmentally friendly and fuel efficient modes of freight transportation. To learn more about the Company's environmental efforts, please visit Union Pacific's Web site at:

<http://www.uprr.com/she/emg/index.shtml>

Full Year Average Employees

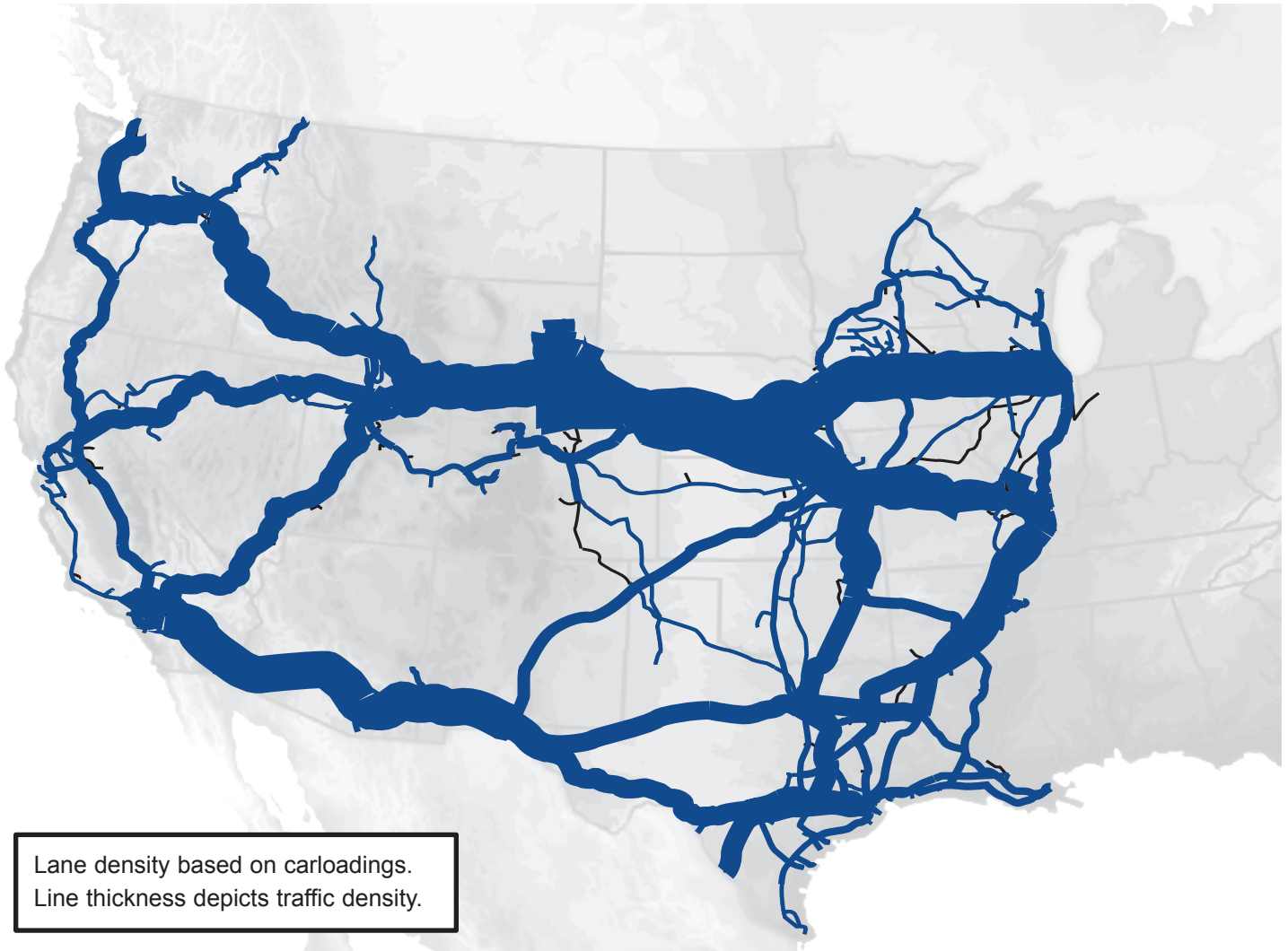
Full Time Equivalents



UP Labor Organizations

United Transportation Union	UTU
Brotherhood of Locomotive Engineers & Trainmen	BLET
Int'l. Assoc. of Machinists & Aerospace	IAM
Brotherhood of Maintenance of Way Employees Div.	BMWED
Int'l. Brotherhood of Boilermakers	IBBB
Transportation Communications International Union	TCU
Brotherhood of Railway Carmen	BRC
Brotherhood of Railroad Signalmen	BRS
Int'l. Brotherhood of Electrical Workers	IBEW
Sheet Metal Workers International Assoc.	SMWIA
National Conference Fireman & Oilers	NCFO
Int'l. Assoc. of Bridge Structural & Iron Workers	IAofBSOIR
Assoc. of Railway & Airway Supervisors	ARASA
Int'l. Union of Operating Engineers	IUOE
United Supervisors Council of America	USCA

TRACK & TERMINAL DENSITY



Lane density based on carloadings.
Line thickness depicts traffic density.

2005 Terminal Volumes

Major Classification Yards	Avg. Daily Volume/Cars	Major Intermodal Terminals	Annual Lifts
North Platte, Nebraska	2,900	ICTF (Los Angeles)	626,000
North Little Rock, Arkansas	1,800	Marion (Memphis)	387,000
Proviso (Chicago), Illinois	1,600	East Los Angeles	345,000
Englewood (Houston), Texas	1,500	Global 1 (Chicago)	323,000
Roseville, California	1,450	Global 2 (Chicago)	300,000
Pine Bluff, Arkansas	1,400	Oakland	279,000
West Colton, California	1,300	Seattle	244,000
Livonia, Louisiana	1,300	Yard Center (Chicago)	231,000
Fort Worth, Texas	1,300	Lathrop (Northern California)	202,000
Neff (Kansas City), Missouri	1,050	City of Industry (Los Angeles)	200,000