2000 FINANCIAL & OPERATING STATISTICS

UNION PACIFIC RAILROAD

OVERNITE

UNION PACIFIC RAILROAD

OVERVIEW

Union Pacific is the largest railroad in North America, covering 23 states across the western two-thirds of the United States. The merger of Union Pacific, Southern Pacific and Chicago and North Western created a strategically advantageous route structure that serves customers in critical and fast-growing markets. That network, combined with a well-balanced and diverse traffic mix, makes Union Pacific the premier rail franchise in North America.

A key strength of the franchise is access to the coal fields in the Powder River Basin (PRB) region of northeastern Wyoming. Growth of PRB coal tonnage hauled by UP has averaged 8% over the past seven years, reflecting this coal's low-production cost and low-sulfur content. UP's rail lines in the Midwest and Plains states provide direct routes from major grain-producing areas to domestic markets, Mexico and to ports of export in the Gulf Coast and Pacific Northwest. Union Pacific also has broad coverage of the large chemical-producing areas along the Gulf Coast.

To handle growing east-west intermodal and automotive traffic, Union Pacific has competitive long-haul routes between all major West Coast ports and eastern gateways. In addition to directly serving all six major gateways to Mexico, the Railroad has the fastest and most direct route to and from the industrial Midwest and Mexico. UP also reaches north into Canada through the Eastport gateway, as well as through exchange points in Minnesota, Wisconsin and Illinois. The merger of Union Pacific and Southern Pacific routes in the South and Southwest produced a single-line rail network serving the rapidly growing population in this part of the country. Leveraging the strengths of this broad franchise allows Union Pacific to improve customer service, grow market share and achieve improved financial returns.

UNION PACIFIC CORPORATION *(excluding Overnite and Skyway)*

Financial Summary

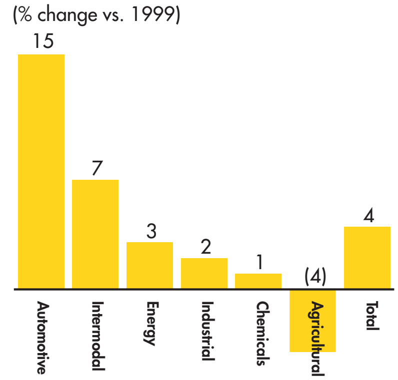
	2000	1999	1998
Operating Revenue *(millions of dollars)*	$10,765	$10,175	$9,329
Operating Income *(millions of dollars)*	$1,965	$1,784	$347
Operating Ratio	81.7%	82.5%	96.3%
Total Carloads *(thousands)*	8,901	8,556	7,998
Average Employees	50,523	52,539	53,121
Capital Investments (a) *(millions of dollars)*	$1,867	$1,942	$2,393

(a) Includes long-term operating leases
2000 excludes the impact of a $115 million pre-tax work force reduction charge

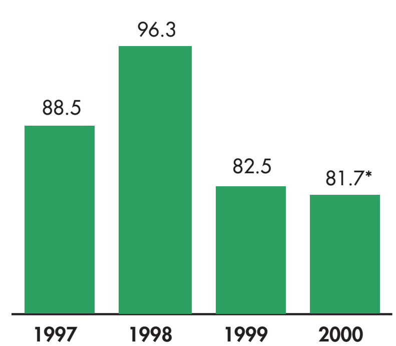
FINANCIAL REVIEW

Union Pacific's 2000 financial performance was strong, achieving many "best-ever" records. Commodity revenue grew 4%, to a record $10.3 billion as a result of significant increases in automotive and intermodal carloads. A continued focus on productivity improvements and service reliability drove the operating ratio down from 82.5% in 1999 to 81.7% in 2000, excluding a $115 million pre-tax work force reduction charge, despite the $444 million impact of higher fuel prices.

Carload Growth
(% change vs. 1999)



Operating Ratio
(Percent)



*Excludes work force reduction charge

UNION PACIFIC RAILROAD

Our Mission:

Union Pacific is committed to be a railroad where:

- *Customers want to do business*
- *Employees are proud to work*
- *Shareholder value is created*

Income from continuing operations was up 16%, to $871 million, excluding a $72 million after-tax work force reduction charge. Including the charge, income from continuing operations increased to a best-ever $799 million. Capital spending at the Railroad, excluding long-term operating leases, decreased during 2000 to $1.74 billion, while free cash flow contributed to the Corporation, after dividends, increased 37% to $302 million. These successes were achieved despite a challenging year of escalating fuel prices and a fourth quarter economic down turn.

QUALITY SERVICE

The Railroad's ability to grow and compete with other modes of transportation depends on providing quality transportation service.

According to monthly customer satisfaction surveys, the definition of quality service means more than providing fast service, it means providing reliable service. Efforts undertaken during 2000 to improve reliability include tighter accountability in field operations, standardization of the locomotive fleet and more efficient car scheduling. For example, corridor planning and terminal process reengineering are key strategies used in reducing the Freight Car Terminal Dwell Time, a measurement of how efficiently cars are passed through terminals.

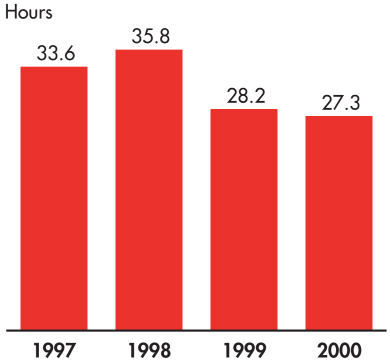
Union Pacific's Mission Statement establishes customer satisfaction as a top priority. The most direct measure of how well the Railroad is meeting customer expectations is the Service Delivery Index (SDI). Depending on the commodity, the SDI measures how closely a car followed its scheduled trip plan or how well a train performed against contractual obligations or agreed-upon transit times. The overall SDI for the Railroad was up 5 percentage points in 2000 to 70%, led by 96% on-time performance out of the Powder River Basin.

Failure to meet standards of operational performance, customer satisfaction or service performance results in financial costs to the Railroad in the form of higher expenses, poor asset utilization or lost revenue opportunities. At Union Pacific, failure costs are captured by the Cost of Quality system, which consists of over 100 separate accounts for tracking performance. Efforts in 2000 reflected continued improvement in reducing these costs to 13.7% of total revenue.

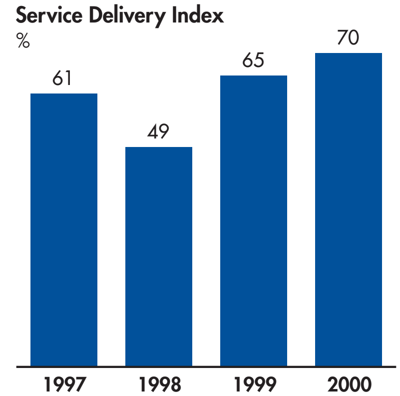
INNOVATION

As operational fluidity and service quality have improved, Union Pacific has begun to leverage the strength of its unparalleled rail franchise to provide innovative services to existing, as well as new customers. Innovation could also be seen in the form of building partnerships and leveraging technology.

Freight Car Terminal Dwell
Hours

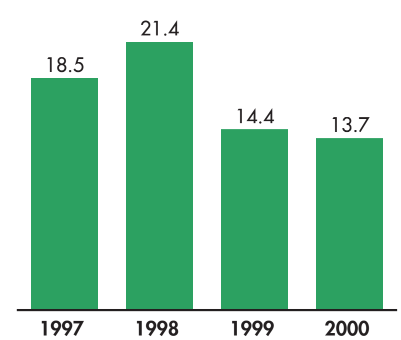


Service Delivery Index
%



1997 through 1998 results are pro forma UP/SP prior to and during computer systems cutovers.

Cost of Quality
% of Revenue



UNION PACIFIC RAILROAD

New Services

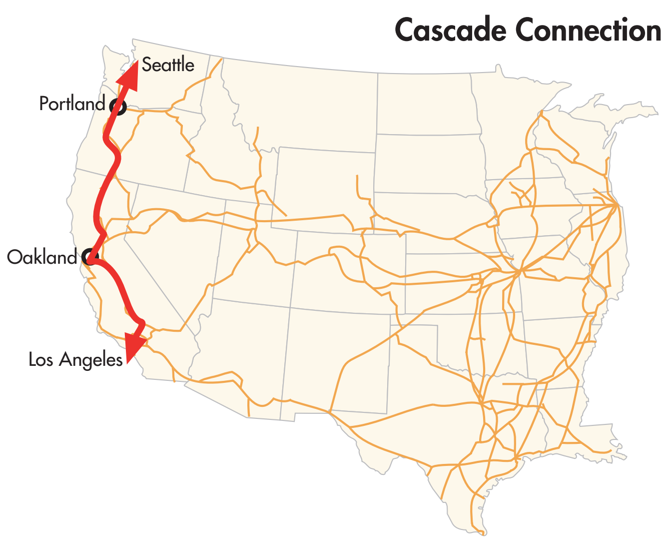
In January, the **Cascade Connection** program was successfully launched which moves intermodal products along the I-5 corridor between Seattle and Los Angeles. Northbound service is set by day of the week pricing based on demand. As a result, customers are shifting some volume to the weekend. Southbound, incentive pricing is used to fill up trains and attract non-traditional customers. As a result, customers have been able to better match service with demand, while the Railroad has experienced better equipment utilization and improved profitability.

To take further advantage of the truck competitive rail service along the I-5 corridor, Union Pacific introduced another customer offering called **"5-7-9"** service. To meet the customers needs, the Railroad transports lumber and paper products from the Pacific Northwest to Northern California in five days, Southern California in seven days and Las Vegas and Phoenix in nine days. By improving the consistency of service along this corridor, UP has been able to capture market share from trucks.

Alliances

Innovation has also been seen in the form of alliances within the rail industry. UP and Canadian Pacific joined forces to enhance and promote the Canada/West Coast route called the **Pacific CanAm** corridor. Both railroads pulled together to improve the border crossing procedures and field operations. Corridor capacity improvements were also made. This joint effort resulted in increased business in coal, potash, finished autos and lumber as traffic through the corridor increased from three to as many as eight trains per day.

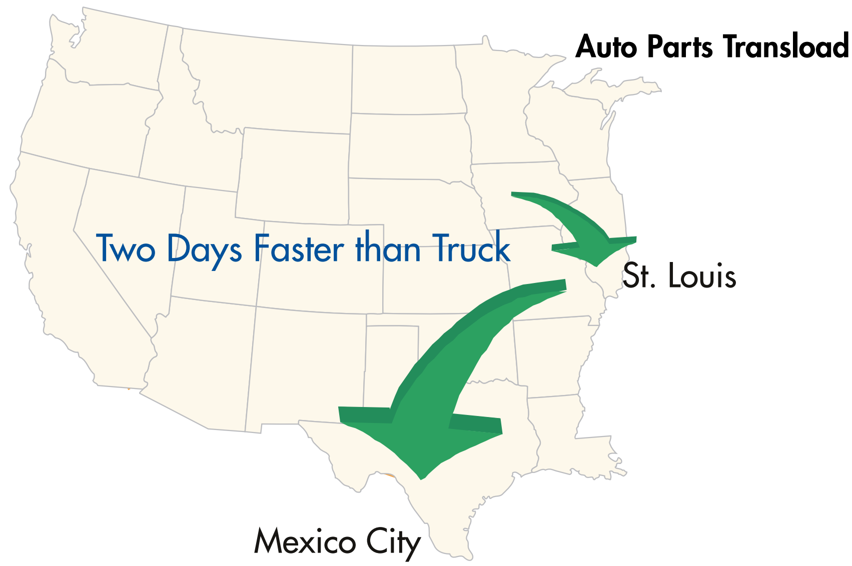
Targeting truck market share, Union Pacific worked in partnership with CSX in the East, to introduce the premium manifest service called



Alliances (continued)

Express Lane. Fresh and frozen foods, canned goods and wine are shipped from Southern California and the Pacific Northwest to destinations in the East. This new service was 95% on time in 2000 and attracted customers who haven't used rail service in over a decade.

UP also teamed up with a partner to the South, Transportacion Ferroviaria Mexicana (TFM), to introduce the **Autoparts Transload** service. The new service includes transloading radiator supports that are shipped from Iowa through St. Louis and on to Laredo where they are interchanged with the TFM. The parts are then delivered to General Motors assembly plants in Mexico, all in two days less than truck transit times. By improving the border crossing process and providing transload service, UP was able to capture the previous truck-only business.



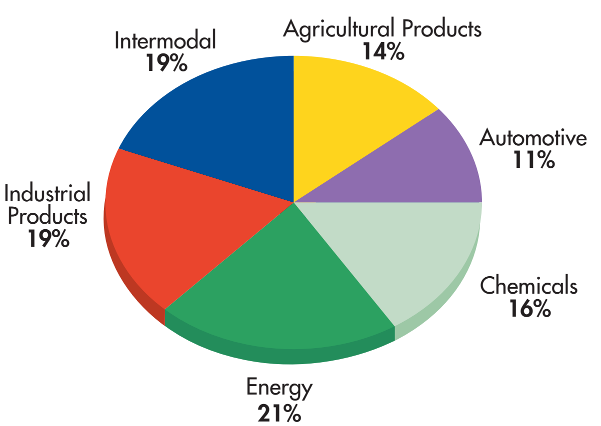
e-Commerce

Union Pacific is a rail industry leader in developing innovative business-to-business applications. The MyUPRR.com website was developed to take advantage of the internet opportunities by simplifying transactions with the customer. Via the internet, customers can receive real-time information, such as pricing inquiries, ordering freight cars, submitting shipping instructions and tracing car movements all without picking up the telephone. During 2000, customers with active MyUPRR.com accounts increased by 97% from 1,479 in January to 2,918 in December.

UNION PACIFIC RAILROAD

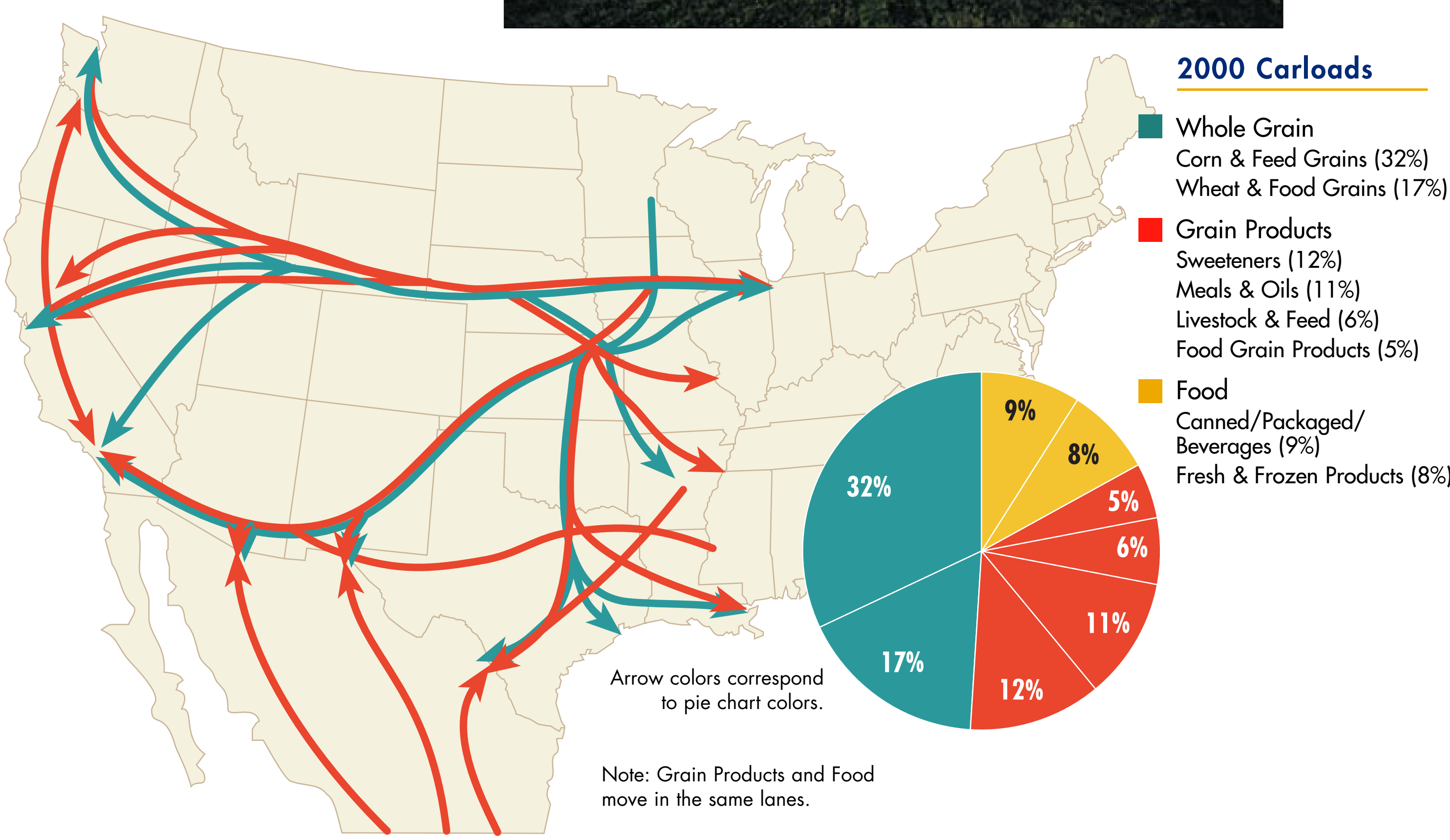
REVENUE MIX

Commodity Revenue: $10.3 Billion



2000 Review

- Whole grain carloadings declined 8% as wheat exports fell due to strong competition from Southern Hemisphere countries. In addition, corn exports were down significantly in the last half of 2000 due to low commodity prices, Starlink concerns and lack of foreign demand.
- Carloads of grain products decreased 1% due to a decline in government flour exports and an oversupply of sugar, offsetting strong soybean meal and oil exports.
- An increased market for import and domestic beer drove a 10% increase in beverage volume. The introduction of the Express Lane Service increased UP's share of the fresh fruits and vegetables market, helping food products volume grow 2% for the year.
- UP invested an additional $3.4 million in commercial facilities designed to improve the efficiency of the unit-train network. The results of investing in the program were seen in 2000 as strong feed grain movements were made to California, Arizona, Idaho, Texas and Mexico.



Key Market Factors

- Union Pacific offers a critical link between producing areas in the Midwest and West and the Pacific Northwest and primary Gulf ports, as well as to Mexico. UP's domestic markets include grain processors and feeders in the Midwest, South and Rocky Mountain states.
- Food products and beverages constitute another major product line, with producers and consumers being distributed broadly across the Railroad system.
- Factors affecting export grain movements include domestic and foreign crop production, differences between Gulf Coast and PNW shipping rates and grain prices. Domestic business is more stable and driven primarily by the consistency of service performance.
- Grain moves most efficiently in unit trains that shuttle continuously between producers and export terminals or domestic markets. Smaller shipments, along with food products and beverages, typically move in the manifest train network.

2001 Outlook

- Expanding Express Lane Service to Canada and the Mid-Atlantic states will further target the large volumes of service-sensitive food products and wine that have traditionally moved by truck from California and the Pacific Northwest.
- Continued low commodity prices and increasing competition from foreign grain-producing countries are expected to keep the export grain market relatively flat in 2001.
- Focus on improving efficiency and cycle times of grain shuttle trains will continue. In addition, refining the Shuttle Train Management System and expanding website capabilities will make it easier for customers to do business with UP.

COMMODITY REVENUE *(millions of dollars)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	314	291	333	365	347	328	367	377	350	334	363	353
Cumulative	314	605	938	1,303	347	675	1,042	1,419	350	684	1,047	1,400

REVENUE TON-MILES *(millions)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	15,570	14,074	15,541	15,543	16,914	16,329	17,874	18,298	17,563	16,417	16,956	16,259
Cumulative	15,570	29,644	45,185	60,728	16,914	33,243	51,117	69,415	17,563	33,980	50,936	67,195

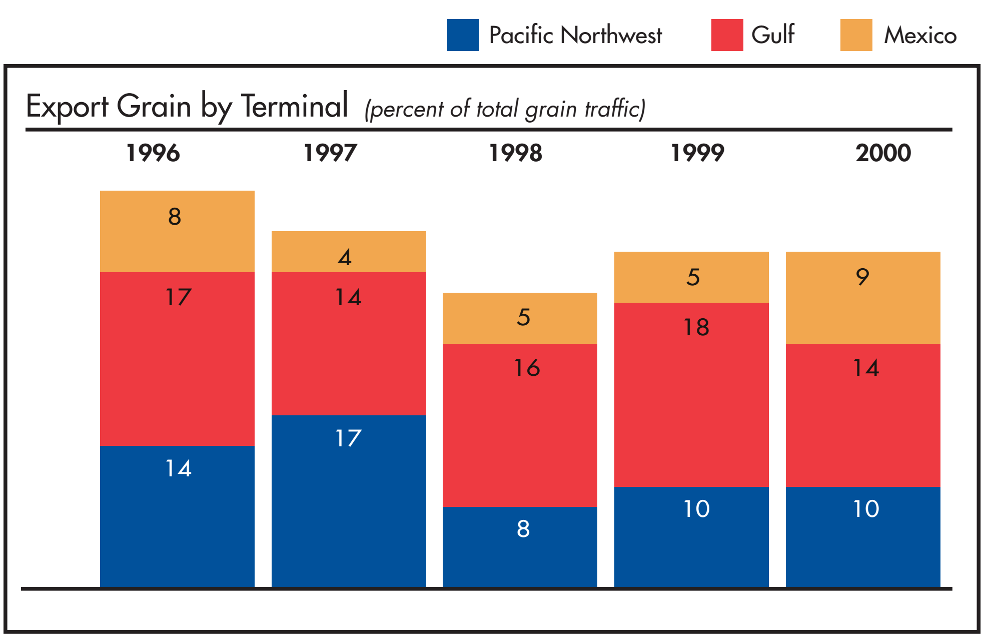
CARLOADINGS *(thousands)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	201	192	212	235	223	214	233	241	221	213	217	222
Cumulative	201	393	605	840	223	437	670	911	221	434	651	873

AVERAGE REVENUE/CARLOADING *(dollars)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	1,561	1,513	1,574	1,556	1,552	1,536	1,576	1,565	1,582	1,568	1,673	1,595
Cumulative	1,561	1,538	1,550	1,552	1,552	1,544	1,555	1,558	1,582	1,575	1,607	1,604

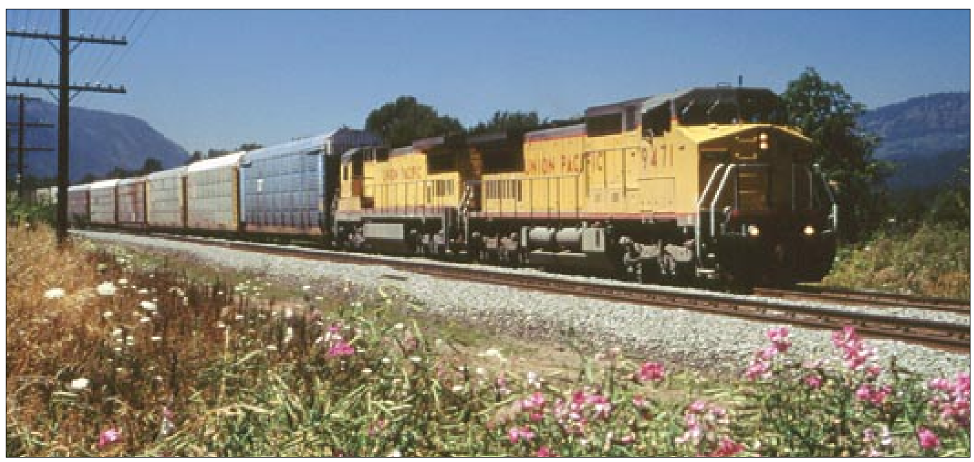
Export Grain by Terminal *(percent of total grain traffic)*

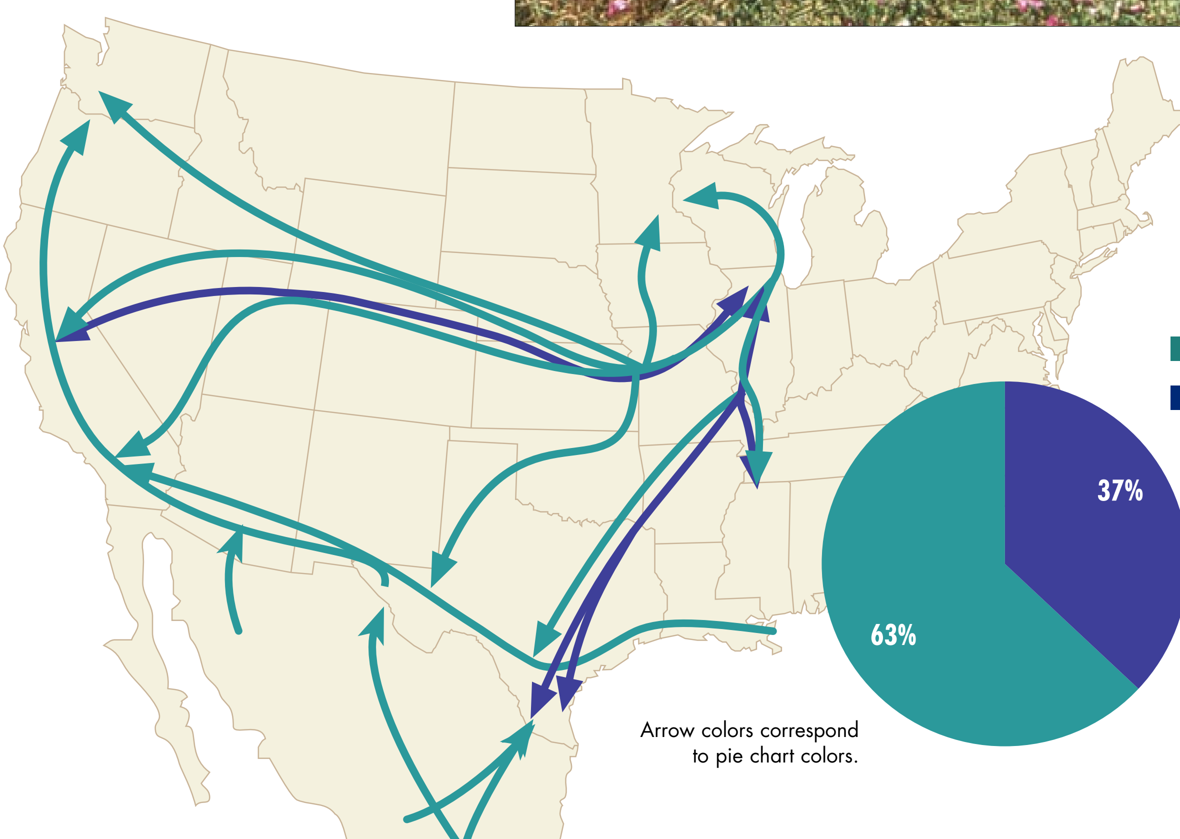


AUTOMOTIVE

2000 Review

- Automotive shipments increased significantly as finished vehicles and auto parts carloads grew 10% and 24%, respectively. The growth was driven by market share gains and improved service as North American vehicle sales increased 3%, another record year.
- UP partnered with Thrall Manufacturing and DaimlerChrysler to develop and introduce the Q2 autorack. This new technology, which combines the right balance of capacity and flexibility without sacrificing velocity, further enhances UP's autorack fleet, the largest in North America.
- Union Pacific and DaimlerChrysler added Mexico auto parts shipments to their multi-year strategic alliance – which recognizes UP as its sole provider of transportation services in the West.
- Toyota recognized Union Pacific as its 1999 and 2000 Rail Carrier of the Year. Business levels with Toyota have continued to grow with an 11% increase in 2000.
- Business volume to and from Mexico grew 34%, reflecting increased vehicle production levels and more reliable and expanded services. New service offerings, such as the auto parts transload service, helped to facilitate the conversion of auto parts shipments from truck to rail by reducing transit times by two days.





Arrow colors correspond to pie chart colors.

2000 Carloads

- Assembled Autos (63%)
- Auto Materials (37%)

Key Market Factors

- Union Pacific is the largest carrier of finished vehicles west of the Mississippi River. The Railroad has facilities that serve 80% of western U.S. cities, including 42 vehicle distribution centers. Union Pacific also directly serves six assembly centers and distributes import vehicles from four West Coast ports and two Gulf ports.
- Mexico is an important automotive market for the Railroad as companies continue to locate both vehicle manufacturing and material facilities throughout the country. Automotive materials flow north and south across the border bound for assembly centers in Mexico, the U.S. and Canada.

2001 Outlook

- Because of the slowing economy, North American vehicle sales are expected to decline in 2001. Union Pacific anticipates that market share gains and strength in certain markets will provide some offset to this industry decline.
- Supply chain logistics services, using VIN Vision as a foundation, will continue to enhance customers' "Fast-to-Market" strategies. These products, combined with further technology advances, will facilitate improvements in velocity and reliability for the entire distribution network.
- The auto parts business should provide an opportunity for growth as UP continues to develop supply chain management solutions and new rail services that help win market share from trucks.

COMMODITY REVENUE *(millions of dollars)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	230	243	203	261	253	275	239	281	290	307	280	305
Cumulative	230	473	676	937	253	528	767	1,048	290	597	877	1,182

REVENUE TON-MILES *(millions)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	3,295	3,431	2,966	3,806	3,748	3,965	3,555	4,080	4,229	4,298	3,853	4,136
Cumulative	3,295	6,726	9,692	13,498	3,748	7,713	11,268	15,348	4,229	8,527	12,380	16,516

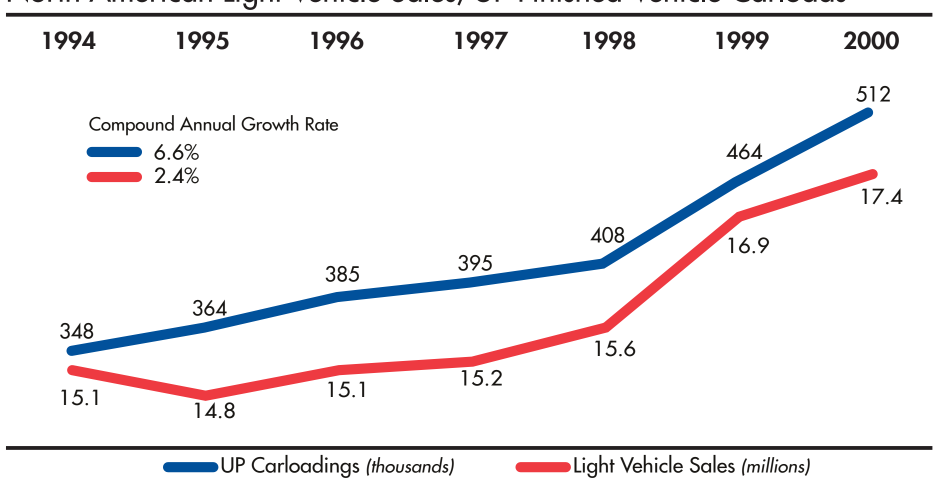
CARLOADINGS *(thousands)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	159	165	140	177	170	184	167	186	199	214	196	206
Cumulative	159	324	464	641	170	354	521	707	199	413	609	815

AVERAGE REVENUE/CARLOADING *(dollars)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	1,448	1,473	1,450	1,471	1,491	1,492	1,430	1,507	1,456	1,437	1,425	1,483
Cumulative	1,448	1,461	1,458	1,461	1,491	1,492	1,472	1,481	1,456	1,446	1,439	1,450

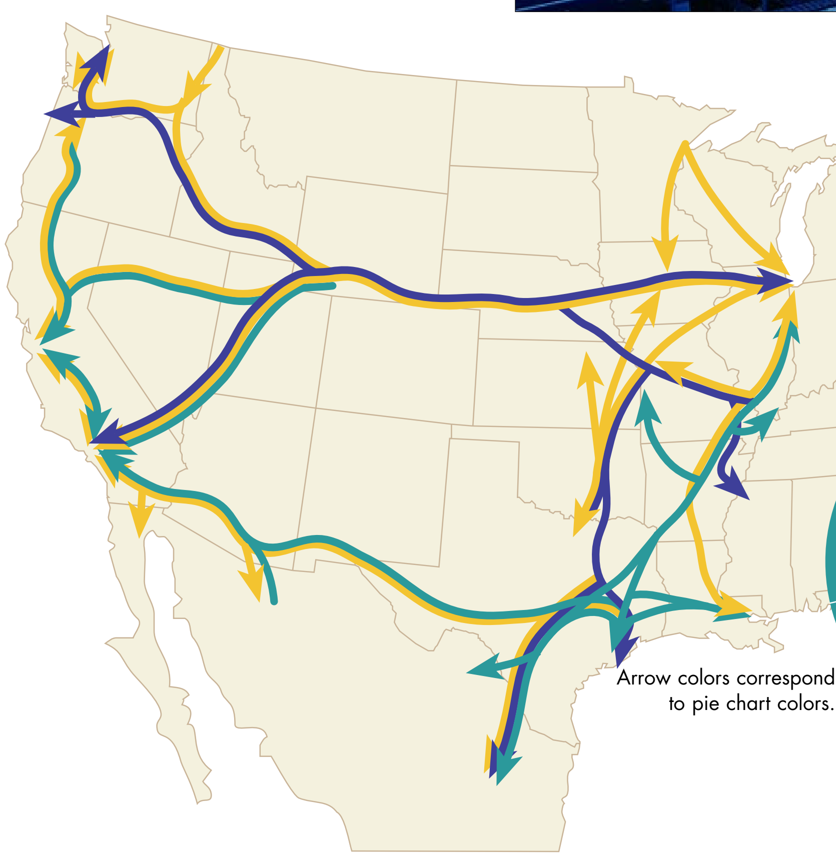
North American Light Vehicle Sales/UP Finished Vehicle Carloads*

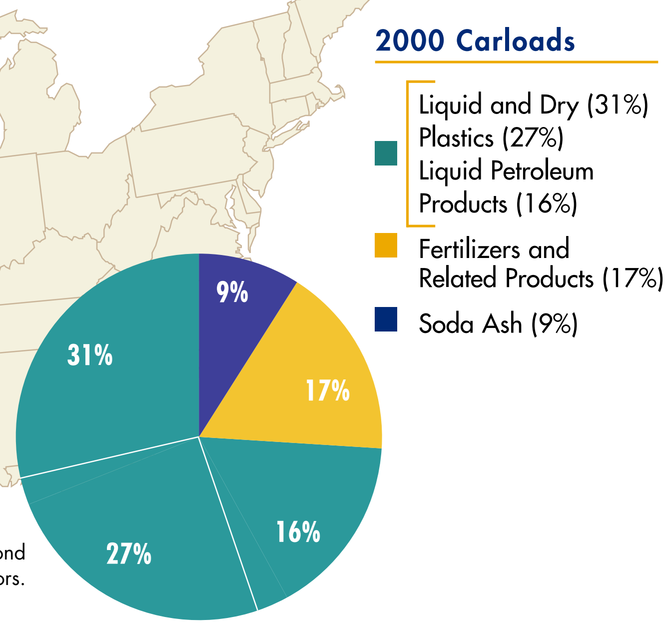


* UP, SP & CNW pro forma for years 1994 through 1996

2000 Review

- Despite late-year weakening in the economy, carloads increased 1% as a result of strong export demand and improved service levels.
- Expanding facilities and upgrading track in the Bloomington, Texas area and the Houston to New Orleans corridor has increased efficiency at switching yards, removed capacity bottlenecks, and added storage capacity contributing to a 4% increase in plastics carloads.
- The high price of natural gas and petroleum products, coupled with the slowing economy during the last half of 2000 resulted in a 1% decrease in liquid and dry carloads.
- Soda ash carloads were off by 1% as the slowing economy resulted in a flat domestic soda ash market. During the fall of 2000, a new jointly served soda ash facility opened in Parachute, Colorado that will add approximately one million tons of production to the marketplace.
- Increased export demand for soda ash via Portland and domestic market share gains led to an 8% increase in revenue.
- Depressed demand for farm commodities drove fertilizer carloads down 2% for the year. In addition, the significant increase in natural gas prices resulted in reduced nitrogen production.





Key Market Factors

- Plastics customers depend on reliable rail service and railroad-provided storage-in-transit (SIT) yards for intermediate storage of plastic resins.
- Fertilizer and related products are produced and imported in the Gulf Coast and the western U.S. and Canada and are shipped to major agricultural areas.
- The liquid and dry market consists of 22 different segments of various intermediate chemicals produced by and shipped to a multitude of large and small customers.
- UP directly serves Green River, Wyoming, the primary soda ash producing region in the United States. Domestic demand for soda ash is relatively constant. Export markets to Asia, Europe and Mexico, though volatile, provide growth opportunity.

2001 Outlook

- Plastics shipments are expected to weaken due to the weakening U.S. economy – specifically, reduced auto sales and lower housing starts.
- Fertilizer business is expected to be flat, due to crop surpluses, production cutbacks, and weak agricultural markets.
- Rising export demand for soda ash should increase shipments above 2000 levels. The primary driver is increased demand from both Asia and Europe which will be supplied from the Portland export terminal.
- To optimize capacity and meet expected plastics growth in the Los Angeles chemical region, UP is building the Valla, California transload facility. This facility will raise UP's transload capacity in the Los Angeles Basin by 1,600 cars annually.

COMMODITY REVENUE *(millions of dollars)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	390	383	384	378	401	396	398	400	412	424	412	392
Cumulative	390	773	1,157	1,535	401	797	1,195	1,595	412	836	1,248	1,640

REVENUE TON-MILES *(millions)*

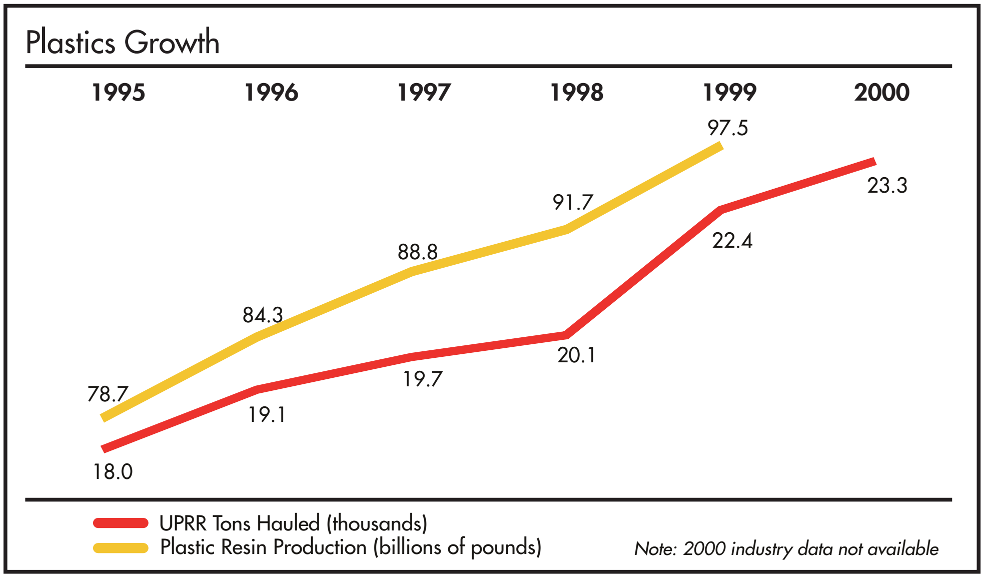
	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	12,553	12,571	12,576	11,642	13,153	13,096	13,238	13,761	13,532	13,623	13,168	12,897
Cumulative	12,553	25,124	37,700	49,342	13,153	26,249	39,487	53,248	13,532	27,155	40,323	53,220

CARLOADINGS *(thousands)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	223	226	232	218	225	233	238	234	232	244	237	223
Cumulative	223	449	681	899	225	458	696	930	232	476	713	936

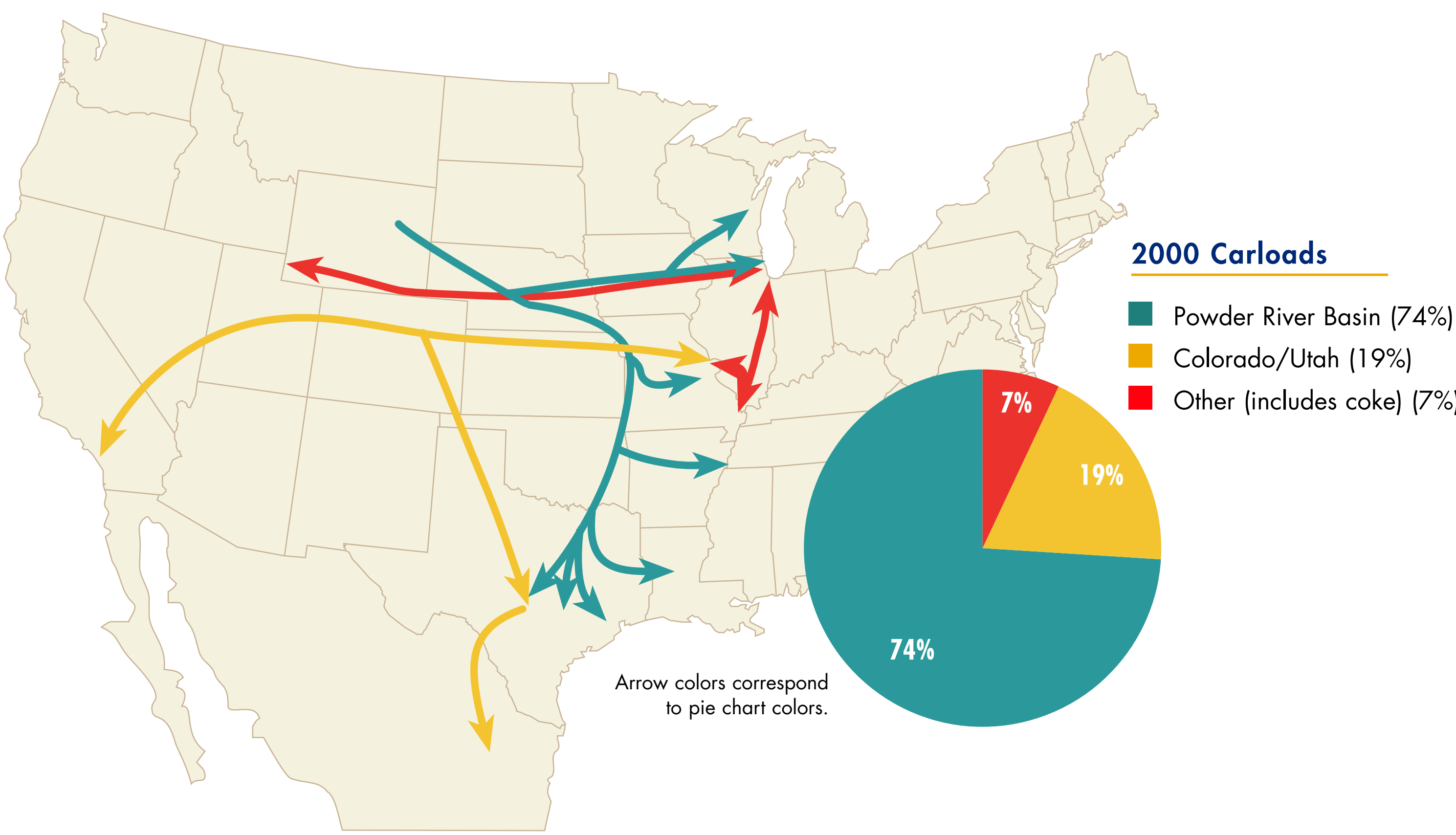
AVERAGE REVENUE/CARLOADING *(dollars)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	1,750	1,692	1,658	1,733	1,781	1,701	1,673	1,708	1,777	1,741	1,738	1,753
Cumulative	1,750	1,721	1,699	1,708	1,781	1,741	1,717	1,715	1,777	1,759	1,752	1,752



2000 Review

- In 2000, Union Pacific coal volume grew 3% to 212 million tons. Growth in Wyoming's Powder River Basin (PRB) coal led the way with a record 144 million tons originated, a 7% increase over 1999.
- Colorado/Utah coal volume was flat due to mine production issues during the first half of 2000.
- PRB coal train productivity improved slightly to 13,645 tons per train in 2000. Since 1995, PRB train productivity has grown nearly 14%, reflecting the increased use of longer trains and high-capacity aluminum cars.
- Track capacity expansion between Gibbon, Nebraska and Marysville, Kansas was completed in 2000, resulting in a 46% increase in train speed and a 20% increase in daily trains moving through this coal corridor.
- Coal train cycle performance continued its strong improvement during 2000, averaging 96.3%, compared to 86.5% in 1999.



Key Market Factors

- Union Pacific provides transportation service between most of the coal-producing regions in the western U.S. and utilities and industrial facilities in 27 states. The PRB represents the largest and fastest growing segment of the market, as utilities continue to favor the low cost and low-sulfur content of the coal mined there.
- The Railroad also moves high-BTU, low-sulfur coal from Colorado and Utah to domestic utilities and through West Coast ports for export to the Pacific Rim. Colorado coal is exported to Mexico via Eagle Pass, Texas, and PRB coal is exported to Europe through Mississippi River barge terminals.

2001 Outlook

- Continued improvement is expected for PRB coal volumes, as recent capacity improvements and strong service performance support growing demand for low-sulfur western coal. Growth is expected both from new and existing customers.
- Productivity improvement should continue as more and longer distributed-power (DP) trains are utilized. Radio-controlled locomotives are placed at the rear of DP trains to allow train size to be expanded and asset utilization to be increased.
- Capital spending in 2001 will focus on increasing the capacity at the South Morrill, Nebraska rail yard. In addition, double track projects will be completed between South Morrill and Shawnee Junction, Wyoming – the line south of the PRB coal mines.

COMMODITY REVENUE *(millions of dollars)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	497	488	516	495	564	533	559	512	529	490	586	549
Cumulative	497	985	1,501	1,996	564	1,097	1,656	2,168	529	1,019	1,605	2,154

REVENUE TON-MILES *(millions)*

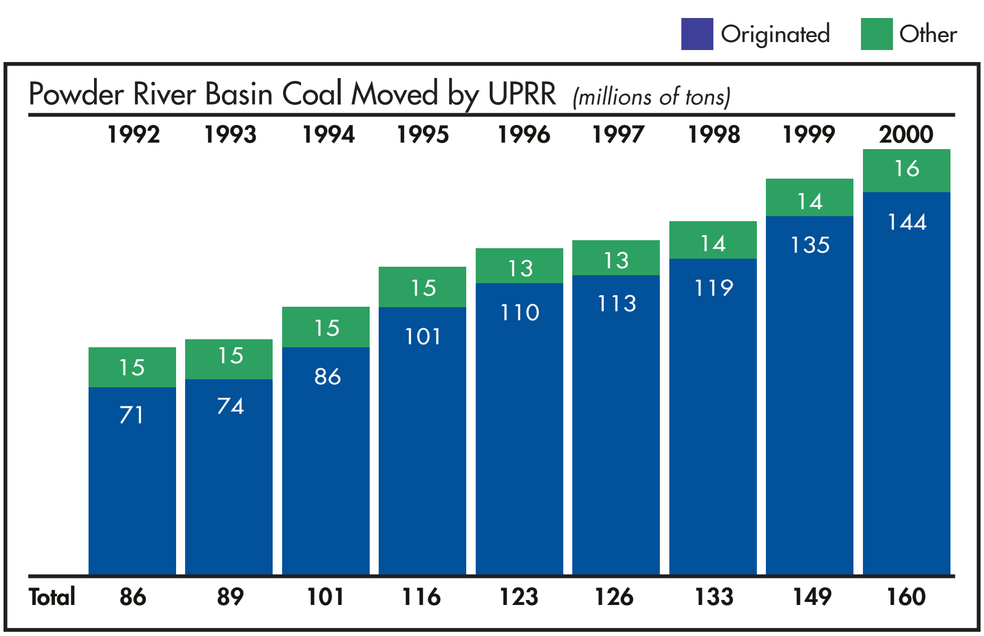
	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	41,634	41,480	45,370	44,609	47,608	45,654	48,222	47,890	48,580	44,934	54,323	50,879
Cumulative	41,634	83,114	128,484	173,093	47,608	93,262	141,484	189,374	48,580	93,514	147,837	198,716

CARLOADINGS *(thousands)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	442	427	449	449	477	448	478	469	480	439	513	498
Cumulative	442	869	1,318	1,767	477	925	1,403	1,872	480	919	1,432	1,930

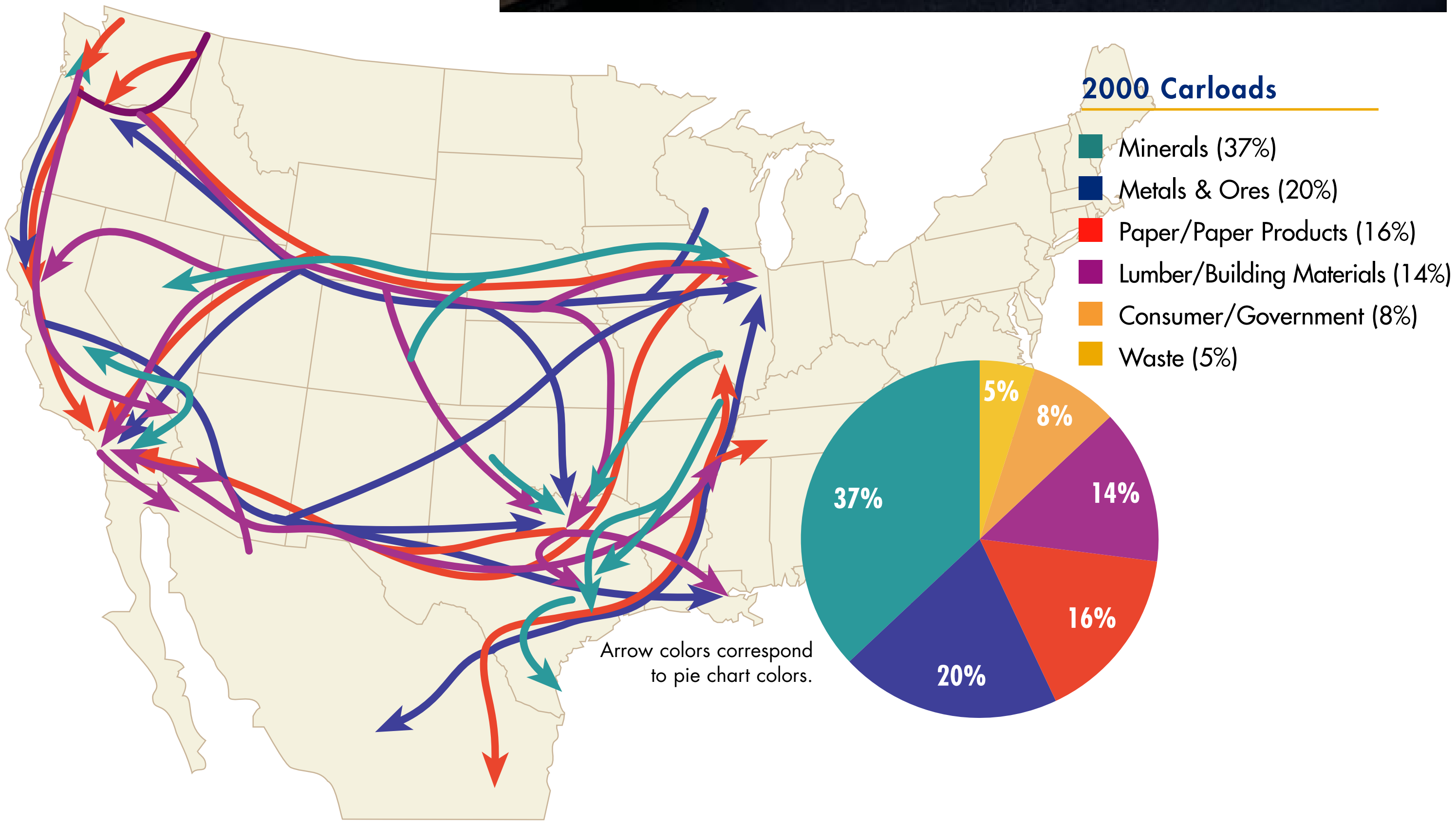
AVERAGE REVENUE/CARLOADING *(dollars)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	1,124	1,143	1,148	1,104	1,183	1,188	1,172	1,090	1,103	1,115	1,141	1,101
Cumulative	1,124	1,133	1,138	1,130	1,183	1,185	1,181	1,158	1,103	1,109	1,120	1,116



2000 Review

- A strong economy in the first half of the year contributed to 5% revenue growth. First half revenues were up 10% due to a rebound in the steel market and continued strength in the construction market.
- Improved service levels, particularly due to the successful implementation of the 5-7-9 Strategy, enabled UP to capture truck share in lumber, paper and cement.
- Consumer products volumes increased 17% due primarily to improved cotton production, as crop conditions in 2000 improved significantly over 1999.
- The steel market rebounded in early 2000 resulting in a 16% increase in carloads, despite a weak fourth quarter reflecting the slowing U.S. economy.
- Paper and lumber revenues were up 10% in the first half of the year due to a strong domestic economy. Second half revenues were essentially flat as a result of the economic slowdown. High natural gas prices in the PNW and historically low lumber prices resulted in numerous customer plant shutdowns in the fourth quarter.



Arrow colors correspond to pie chart colors.

Key Market Factors

- Industrial Products covers a broad range of commodities – from bulk products like stone, cement, minerals, waste and scrap to higher-value shipments like lumber, paper and consumer goods. For most commodities, trucks provide a competitive transportation alternative. Market share growth hinges on providing consistent, reliable service.
- Bulk commodities like rock often move in unit train service from origin to a transload facility in major metropolitan areas. Demand is driven by construction activity and peaks during the warmer months.
- Most other commodities move in manifest train service and rely on UP's extensive network of rail terminals to move between thousands of shippers and customers across North America. Demand is driven primarily by macro-economic conditions but experiences seasonal peaks.

2001 Outlook

- In general, the slowing economy is expected to impact demand in 2001, with volumes improving as the economy rebounds.
- Continued strength in highway construction projects in the southwest should continue to create growth opportunity in the stone, sand and gravel business.
- High crude oil prices should continue to create demand for tubular steel and non-metallic minerals. In addition, higher natural gas prices have reinvigorated the transmission pipe market. However, reduced automotive demand and other economic factors are expected to adversely affect shipments from many of our steel customers.
- Population growth in key markets served by the UP system should continue to grow lumber, cement, roofing products and metals markets, somewhat offsetting the impact from the overall slowing housing market.

COMMODITY REVENUE *(millions of dollars)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	433	466	455	431	449	474	493	480	492	525	502	466
Cumulative	433	899	1,354	1,785	449	923	1,416	1,896	492	1,017	1,519	1,985

REVENUE TON-MILES *(millions)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	17,627	18,356	18,417	16,875	17,950	19,180	19,573	19,794	20,310	20,723	19,401	18,322
Cumulative	17,627	35,983	54,400	71,275	17,950	37,130	56,703	76,497	20,310	41,033	60,434	78,756

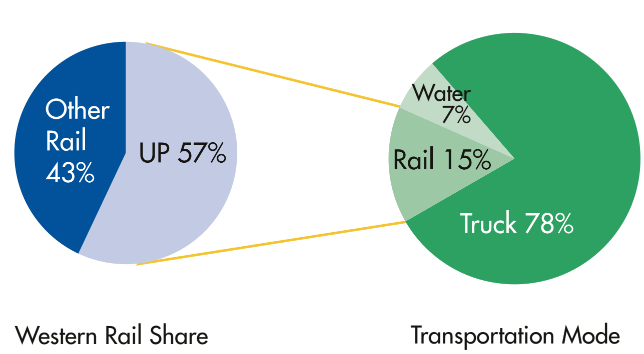
CARLOADINGS *(thousands)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	314	342	349	315	327	353	365	353	355	376	363	337
Cumulative	314	656	1,005	1,320	327	680	1,045	1,398	355	731	1,094	1,431

AVERAGE REVENUE/CARLOADING *(dollars)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	1,381	1,362	1,303	1,365	1,373	1,345	1,350	1,360	1,387	1,398	1,383	1,382
Cumulative	1,381	1,371	1,348	1,352	1,373	1,359	1,356	1,357	1,387	1,392	1,389	1,387

Industrial Products: Western Market Share

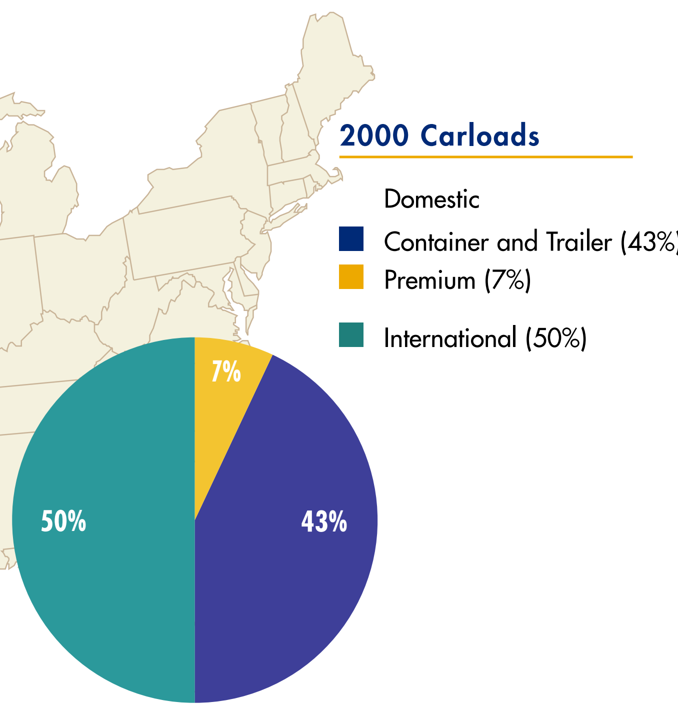


A majority of the western industrial products market currently moves by truck. This provides significant opportunity to increase market share through new service offerings and improvements in cycle time and service variability.

INTERMODAL

2000 Review

- Economic strength, cycle time improvements and strong demand combined to produce a 7% increase in intermodal volume and an 11% increase in revenue.
- Average revenue per car increased 4% due to longer hauls and demand-driven price increases.
- In 2000, the international market segment enjoyed double-digit growth, which was fueled by a strong U.S. economy and continued recovery of Asian markets.
- Less-Than-Truckload and Premium intermodal volume was up 14%, led by a new premium service offering between the Southeast and California.
- Third party and Truckload revenue grew 7%, primarily due to strong EMP growth and demand-driven price increases.
- The Railroad went 164 consecutive days without missing a single sort for UPS, breaking the previous industry record by over two months.
- Terminal expansion during 2000 in the Los Angeles, Oakland, Seattle and Chicago areas enabled Union Pacific to support the increased demand from our customers while positioning the Railroad for future growth.



Key Market Factors

- **International:** Consists of international container traffic handled by steamship customers.
- **Domestic:** Two key domestic market segments:
  - *Domestic Container and Trailer:* Includes domestic container traffic handled by Intermodal Marketing Companies (IMC) and Truckload carriers. The EMP product line continues to grow in this market segment due to our success in converting trailer business to EMP containers (see graph below).
  - *Premium:* Primarily Less-Than-Truckload and package carriers with time-sensitive business needs. Service performance and reliability drive premium business growth.

2001 Outlook

- Continued import/export growth is anticipated in our International segment.
- Premium, Third-Party and Truckload Domestic market segments offer opportunities for growth, contingent upon U.S. economic conditions and continued service performance.
- New products and market expansion activities through UP's Outreach Programs will extend our market reach and provide market penetration and growth opportunities.

COMMODITY REVENUE *(millions of dollars)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	362	379	385	390	388	426	459	452	441	471	506	491
Cumulative	362	741	1,126	1,516	388	814	1,273	1,725	441	912	1,418	1,909

REVENUE TON-MILES *(millions)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	15,482	16,276	16,148	16,224	16,014	17,472	17,886	17,847	17,029	17,832	18,370	17,818
Cumulative	15,482	31,758	47,906	64,130	16,014	33,486	51,372	69,219	17,029	34,861	53,231	71,049

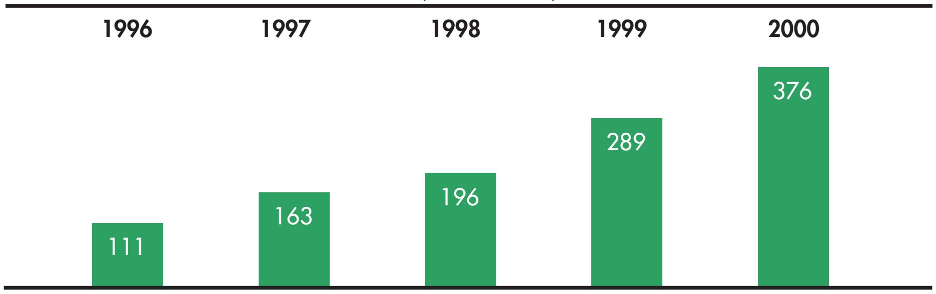
CARLOADINGS *(thousands)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	599	643	640	649	626	681	719	712	687	727	767	735
Cumulative	599	1,242	1,882	2,531	626	1,307	2,026	2,738	687	1,414	2,181	2,916

AVERAGE REVENUE/CARLOADING *(dollars)*

	1998				1999				2000			
	1	2	3	4	1	2	3	4	1	2	3	4
Quarterly	603	590	602	601	620	624	638	636	642	647	661	667
Cumulative	603	596	598	599	620	622	628	630	642	645	650	655

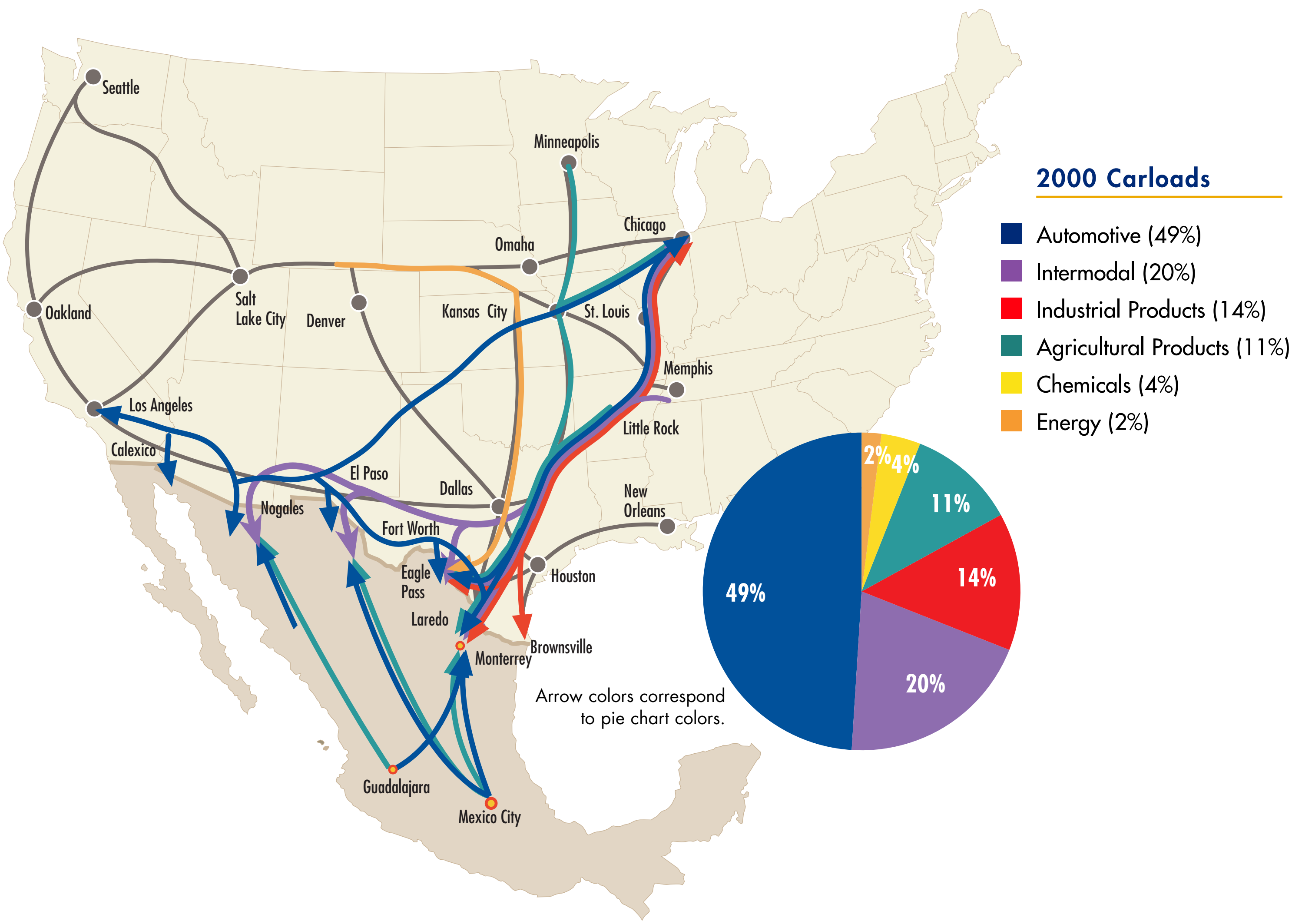
EMP Domestic Container Loads *(in thousands)*



EMP is an equipment management program sponsored by Union Pacific and Norfolk Southern that provides intermodal containers to shippers using an Internet reservation system. EMP offers customers a truck-equivalent container and the economic benefits of double-stack train service. Full-year utilization of last year's fleet additions and improvements in cycle times are expected to help meet projected growth in demand in 2001.

2000 Review

- Rail business with Mexico increased 19% to $850 million in 2000, driven by significant improvements in service performance both north and south of the border. Top gainers include Autos, up 39%; Agricultural Products, up 20%; and Intermodal, up 12%.
- UP and Transportacion Ferroviaria Mexicana (TFM), in cooperation with the automotive industry, implemented a new run-through train of finished autos and auto parts from Mexico through St. Louis, to Chicago and eastern destinations, improving transit times by approximately two days.
- Trans-Border Express was introduced in connection with TFM offering 48' EMP doublestack container service in and out of Mexico. The entire process is automated, including customs clearance and equipment ordering. For the Mexico portion of the move, per diem and door delivery are bundled in the rate, which makes equipment management easier for the customer.
- UP and TFM began a run-through intermodal train between Mexico City and Chicago, which improved the service by over one day each direction. The train is pre-cleared at the border and provides our customers faster service in this important corridor.
- Improvements in cycle time and service increased the customer satisfaction index for Mexican customers from 82 to 85 year-over-year.

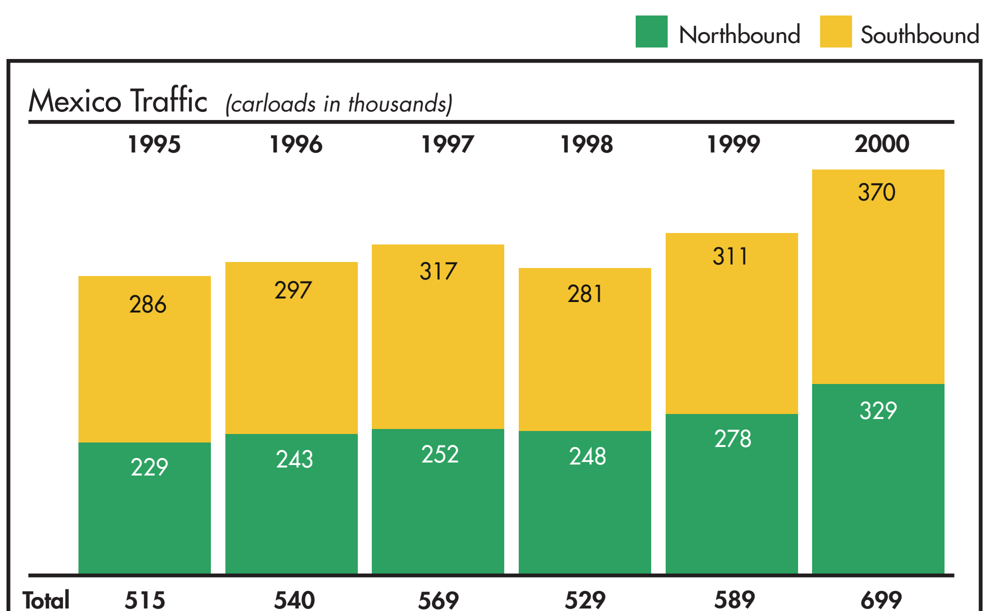


Arrow colors correspond to pie chart colors.

Key Market Factors

- Union Pacific serves all six major gateways to Mexico, connecting to the two largest Mexican railways. Union Pacific has the most efficient route between Mexico and the Chicago connections to Canada and the eastern railroads.
- The Mexican rail network comprises five railroads (see map) and is now 90% privatized. The privatization process has resulted in a more efficient transportation system well-positioned to compete for the northbound and southbound business opportunities created by the North American Free Trade Agreement (NAFTA). The Mexican railroads are and have been making substantial investments in track structure, equipment and facilities to improve service, equipment utilization, safety and damage prevention.
- The Mexico land transportation market is estimated to be over $6 billion per year in size and consists of a broad range of commodities from raw materials to finished goods. Trucks are the dominant transportation mode with a 63% share.
- The rail market is well-positioned for growth as the Mexican economy expands and rail service within the country continues to improve. Continued foreign investment in manufacturing and further privatization in the petrochemical and utility industries provide opportunities.
- Additional progress is expected in 2001 to facilitate Mexico growth, including implementation of more run-though trains and electronic data interchange between U.S. and Mexican carriers.
- Implementation of Automatic Manifest System (AMS), continues, which automates the customs clearance process for rail import shipments and permits rail carriers, customs brokers and U.S. Customs to electronically exchange shipment information – allowing advance review of shipments for release or examination.

- Ferrocarril Mexicano (FXE), a 26% owned subsidiary of UP, continues implementation of Despacho Anticipado at key gateways. When fully implemented, northbound rail shipments will be cleared with U. S. Customs and billed with the connecting U. S. rail carrier prior to the interchange of the shipments at the Mexican gateways. TFM has begun implementation of a similar process.
- UP, TFM and FXE have been working with receivers of grain products to improve their facilities to receive trainload quantities of agricultural products – so they can benefit from improved service and economies of rail.



FINANCIAL AND OPERATING STATISTICS

UNION PACIFIC CORPORATION *(excluding Overnite Transportation Co.)*

for the year ended December 31	2000					1999				
	1	2	3	4	TOTAL	1	2	3	4	TOTAL
FINANCIAL AND REVENUE STATISTICS										
Operating Revenues *(millions of dollars)*	$2,637	$2,683	$2,767	$2,678	**$10,765**	$2,481	$2,493	$2,604	$2,597	**$10,175**
Operating Expenses *(millions of dollars) (a)*	$2,186	$2,157	$2,217	$2,355	**$8,915**	$2,129	$2,067	$2,097	$2,098	**$8,391**
Operating Ratio *(%)*	82.9	80.4	80.1	87.9	**82.8**	85.8	82.9	80.5	80.8	**82.5**
Salaries and Benefits *(millions of dollars) (a)*	$900	$875	$894	$992	**$3,661**	$918	$890	$930	$896	**$3,634**
Salaries and Benefits *(% of operating revenue)*	34.1	32.6	32.3	37.0	**34.0**	37.0	35.7	35.7	34.5	**35.7**
Commodity Revenue/Employee *(thousands of dollars)*	$49.5	$50.1	$51.8	$52.0	**$203.4**	$45.7	$45.6	$47.7	$48.6	**$187.6**
Fuel Expense *(millions of dollars)*	$263	$266	$299	$335	**$1,163**	$153	$170	$176	$193	**$692**
Average Fuel Price Per Gallon *(cents)*	81	84	92	103	**90**	50	56	56	60	**56**
Commodity Revenue *(millions of dollars)*	$2,514	$2,551	$2,649	$2,556	**$10,270**	$2,402	$2,432	$2,515	$2,502	**$9,851**
Average Commodity Revenue Per Car *(dollars)*	$1,156	$1,153	$1,155	$1,151	**$1,154**	$1,173	$1,151	$1,144	$1,140	**$1,151**
Average Commodity Revenue/Revenue Ton Mile *(cents)*	2.07	2.17	2.10	2.12	**2.12**	2.08	2.10	2.09	2.06	**2.08**
Passenger Revenue *(millions of dollars)*	$27	$25	$29	$28	**$109**	$27	$25	$26	$27	**$105**
OPERATING STATISTICS										
Revenue Carloads *(thousands)*	2,174	2,213	2,293	2,221	**8,901**	2,048	2,113	2,200	2,195	**8,556**
Revenue Ton-Miles *(billions)*	121	118	126	120	**485**	115	116	120	122	**473**
Gross Ton-Miles *(billions)*	232	227	238	234	**931**	218	221	229	230	**898**
Fuel Consumed *(millions of gallons)*	324	319	325	325	**1,293**	303	307	312	322	**1,244**
Average Employees *(thousands)*	50.8	50.9	51.1	49.2	**50.5**	52.6	53.3	52.7	51.5	**52.5**
Gross Ton-Miles Per Employee *(millions)*	4.57	4.46	4.66	4.76	**18.44**	4.14	4.15	4.35	4.47	**17.10**
SURFACE TRANSPORTATION BOARD-BASIS OPERATING EXPENSE *(millions of dollars) (b)*										
Transportation Expense	$997	$991	$1,039	$1,121	**$4,148**	$920	$895	$917	$975	**$3,707**
Engineering Expense	348	353	350	387	**1,438**	366	350	360	356	**1,432**
Mechanical Expense	612	594	609	586	**2,401**	608	587	604	607	**2,406**
General and Administrative Expense	174	167	167	234	**742**	191	191	178	117	**677**

a) Includes the impact of a work force reduction charge of $115 million pre-tax ($72 million after-tax) in the fourth quarter of 2000.

b) UPRR only.

Refer to the Union Pacific Corporation 2000 Annual Report for additional information.

FINANCIAL AND OPERATING STATISTICS

UNION PACIFIC CORPORATION *(excluding Overnite Transportation Co.)*

(millions of dollars, unaudited)

for the year ended December 31, 2000		1	2	3	4	TOTAL
OPERATING REVENUES	Transportation	$2,637	$2,683	$2,767	$2,678	$10,765
OPERATING EXPENSES	Salaries and Benefits (a)	900	875	894	992	3,661
	Equipment and Other Rents	292	286	313	293	1,184
	Depreciation	270	271	273	278	1,092
	Fuel and Utilities	293	294	326	365	1,278
	Materials and Supplies	145	142	136	122	545
	Other Costs	286	289	275	305	1,155
	Total Operating Expenses	2,186	2,157	2,217	2,355	8,915
	Operating Income	**$451**	**$526**	**$550**	**$323**	**$1,850**

for the year ended December 31, 1999		1	2	3	4	TOTAL
OPERATING REVENUES	Transportation	$2,481	$2,493	$2,604	$2,597	$10,175
OPERATING EXPENSES	Salaries and Benefits	918	890	930	896	3,634
	Equipment and Other Rents	304	295	306	297	1,202
	Depreciation	259	256	259	263	1,037
	Fuel and Utilities	178	191	199	215	783
	Materials and Supplies	133	134	136	138	541
	Other Costs	337	301	267	289	1,194
	Total Operating Expenses	2,129	2,067	2,097	2,098	8,391
	Operating Income	**$352**	**$426**	**$507**	**$499**	**$1,784**

a) Includes the impact of a work force reduction charge of $115 million pre-tax ($72 million after-tax) in the fourth quarter of 2000.

Refer to the Union Pacific Corporation 2000 Annual Report for additional information.

FINANCIAL AND OPERATING STATISTICS

UNION PACIFIC RAILROAD COMPANY

(millions of dollars, unaudited)

as of December 31		2000	1999	1998
ASSETS				
CURRENT ASSETS	Cash and Temporary Investments	$88	$83	$35
	Accounts Receivable	393	418	494
	Inventories	347	329	337
	Other Current Assets	151	126	215
	Total Current Assets	**979**	**956**	**1,081**
INVESTMENTS	**Investments**	**728**	**752**	**691**
PROPERTIES	Cost	34,613	33,536	32,334
	Accumulated Depreciation	(6,881)	(6,490)	(5,871)
	Net Properties	**27,732**	**27,046**	**26,463**
OTHER	**Other Assets**	**142**	**126**	**122**
	Total Assets	**$29,581**	**$28,880**	**$28,357**
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES	Accounts Payable	$558	$496	$493
	Accrued Wages and Vacation	388	377	380
	Accrued Casualty Costs	345	344	364
	Income and Other Taxes Payable	220	252	297
	Debt Due Within One Year	207	210	178
	Interest Payable	82	97	110
	Other Current Liabilities	712	669	730
	Total Current Liabilities	**2,512**	**2,445**	**2,552**
OTHER LIABILITIES AND SHAREHOLDERS' EQUITY	Intercompany Borrowings – Net	5,082	5,357	5,368
	Debt Due After One Year	2,397	2,419	2,606
	Deferred Income Taxes	7,705	7,266	6,759
	Accrued Casualty Costs	811	911	928
	Retiree Benefits Obligation	632	677	707
	Other Long-Term Liabilities	440	533	811
	Redeemable Preference Shares	23	25	27
	Common Shareholders' Equity	9,979	9,247	8,599
	Total Liabilities and Shareholders' Equity	**$29,581**	**$28,880**	**$28,357**

Refer to the Union Pacific Corporation 2000 Annual Report for additional information.

FINANCIAL AND OPERATING STATISTICS

UNION PACIFIC RAILROAD COMPANY

(millions of dollars, unaudited)

for the year ended December 31		**2000**	**1999**	**1998**
OPERATING ACTIVITIES	Net Income	$926	$854	$27
	Depreciation	1,089	1,034	1,003
	Deferred Income Taxes	456	592	7
	Other – Net	(537)	(560)	(218)
	Changes in Current Assets and Liabilities	49	66	(266)
	Cash Provided by Operating Activities	**1,983**	**1,986**	**553**
INVESTING ACTIVITIES	Capital Investments	(1,735)	(1,777)	(2,044)
	Proceeds from Asset Sales and Other Activities	254	211	212
	Cash Used in Investing Activities	**(1,481)**	**(1,566)**	**(1,832)**
FINANCING ACTIVITIES	Dividends Paid	(200)	(200)	(320)
	Debt Repaid	(224)	(239)	(276)
	Financings	202	77	486
	Advances - Net	(275)	(10)	1,374
	Cash (Used in) Provided by Financing Activities	**(497)**	**(372)**	**1,264**
	Net Change in Cash and Temporary Investments	5	48	(15)
	Cash and Temporary Investments at Beginning of Year	83	35	50
	Cash and Temporary Investments at End of Year	**$88**	**$83**	**$35**
CHANGES IN CURRENT ASSETS AND LIABILITIES	Accounts Receivable	$25	$76	$58
	Inventories	(18)	8	(49)
	Other Current Assets	(25)	89	36
	Accounts, Wages and Vacation Payable	73	–	(169)
	Debt Due Within One Year	(3)	32	(51)
	Other Current Liabilities	(3)	(139)	(91)
	Net Changes in Current Assets and Liabilities	**$49**	**$66**	**$(266)**

Refer to the Union Pacific Corporation 2000 Annual Report for additional information.

FINANCIAL AND OPERATING STATISTICS

UNION PACIFIC RAILROAD COMPANY

for the year ended December 31	**2000**	**1999**	**1998**	**1997**	**1996**
CAPITAL EXPENDITURES *(millions of dollars, includes long-term operating leases)*					
Track	$1,066	$961	$989	$1,030	$647
Locomotives	250	468	655	622	506
Freight Cars	172	85	200	129	246
Facilities and Other	363	425	549	504	283
Total	**$1,851**	**$1,939**	**$2,393**	**$2,285**	**$1,682**
EQUIPMENT OWNED OR LEASED AT YEAR-END					
Locomotives	7,007	6,969	7,083	6,966	6,755
Freight Cars: *(a)*					
■ Covered Hoppers	37,607	39,212	40,097	41,149	42,406
■ Box Cars	18,342	20,864	23,263	24,718	22,934
■ Open-Top Hoppers	18,683	19,828	20,324	20,674	20,989
■ Gondolas	17,480	18,099	17,828	16,083	15,325
■ Other	16,557	16,726	18,264	17,143	19,675
Total Freight Cars	108,669	114,729	119,776	119,767	121,329
Work Equipment	6,616	9,927	9,218	10,045	11,631
Bad Order Ratio (percent)	5.5	5.4	4.5	4.4	4.1
AVERAGE AGE OF EQUIPMENT *(years)*					
Locomotives	14.9	15.4	14.4	14.4	13.7
Freight Cars	20.9	19.3	20.1	19.3	19.2
TRACK MILES AT YEAR-END					
Main Line	26,914	26,963	27,197	27,421	27,406
Branch Line	6,121	6,378	6,509	7,526	8,431
Yards, Sidings, and Other Main Line	21,564	21,660	21,597	21,588	21,915
Total	**54,599**	**55,001**	**55,303**	**56,535**	**57,752**
Track Miles of Continuous Welded Rail at Year-End	24,855	24,771	23,647	23,392	23,172
Track Miles Under Centralized Traffic-Control at Year-End	17,163	16,199	15,944	15,590	15,277
TRACK MILES OF RAIL INSTALLED AND REPLACED					
■ New	943	950	858	716	451
■ Used	242	444	341	273	362
Track Miles Ballasted	6,967	4,579	3,259	3,557	4,503
Ties Installed and Replaced (thousands)	3,332	3,293	2,961	3,853	2,919

(a) Includes owned and leased freight cars with Union Pacific system marks.

Capital Expenditure amounts and Equipment and Track statistics include the effects of the Southern Pacific and Chicago & North Western acquisitions as of October 1, 1996 and May 1, 1995, respectively.

Refer to the Union Pacific Corporation 2000 Annual Report for additional information.

O V E R N I T E

Shipments *(thousands)*	7,495
Tonnage *(thousands)*	4,012
Revenue *(per hundredweight)*	$13.25
Total Revenue *(millions)*	$1,113
Operating Ratio *(%)*	95.2
Capital Expenditures *(millions)*	$33
Employees	11,000
Fleet:	
Tractors	4,900
Trailers	19,000

VISION STATEMENT: To be the most successful company in the industry, with the best equipment and facilities. With this success, over time, comes the best jobs in the industry in terms of job security, wages, benefits and job satisfaction.

OVERNITE TRANSPORTATION

Overnite Transportation is one of the nation's largest less-than-truckload (LTL) carriers. With 11,000 full-time equivalent employees, 19,000 trailers and 4,900 tractors, Overnite serves over 45,000 points in all 50 states, Canada, Mexico, and U.S. territories. More than 90 percent of the company's revenues are derived from its LTL business, with the remainder derived from truckload services and value-added services that support the core LTL business. Through more than 160 service centers, Overnite offers customized intrastate, regional, national, next-day and two-day major-market transportation services.

OVERVIEW

By continuing to build upon its basic strengths in 2000, Overnite delivered its best results in six years. Throughout 2000, Overnite enhanced its transit times, improved its services and expanded its coverage area. With a combination of cost control measures, a strong customer base and a dedicated work force, the company provided the fastest and most reliable service in its history and concluded the year with an outstanding on-time performance level of 98 percent.

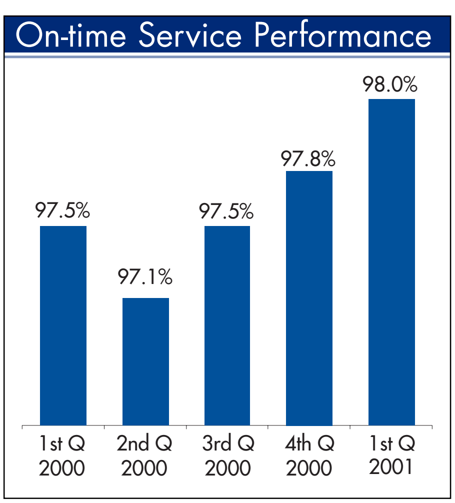
FINANCIAL REVIEW

Operating revenues grew $51 million or 5 percent in 2000 to over $1.1 billion. This revenue growth was attributable to yield-enhancing initiatives, such as contract renegotiations, a general rate increase, and a fuel surcharge, which all helped to offset lower volumes. Operating expenses grew 2 percent or $18 million. Operating income grew 165 percent to $53 million, and the operating ratio fell to 95.2 percent from 98.1 percent in 1999. In addition, free cash flow contributed to the Corporation, after dividends, increased 74 percent to $47 million.

Salaries, Wages, and Benefits expense decreased slightly due to lighter volumes. Fuel and utilities expense increased 47 percent or $23 million due to higher fuel prices and miles driven. Equipment and other rent expense increased 2 percent or $2 million due to additional purchased transportation expense as a result of the Teamsters' activity, as well as increased use of long term tractor leases. Materials and Supplies dropped slightly due to a reduction in maintenance costs associated with a smaller fleet. Other costs decreased $7 million due to better management of additional costs associated with the Teamsters' activity.

DELIVERING VALUE IN TRANSPORTATION:

Over the past several years, Overnite has expanded its efforts to improve service and focus on higher-margin business segments. The result is a series of innovative transportation products that better meet the demands of customers for simpler, faster and more reliable service. In 2000, Overnite introduced service into Mexico and expanded direct coverage to Canada. In addition, it was the first LTL carrier to introduce a guaranteed pickup service. As evidence of Overnite's success, on-time performance reached a record 97.5 percent for full year 2000. Its services include:



Advantage Overnite is Overnite's standard dependable service which provides nationwide coverage to more than 45,000 points including 100 percent direct full-state coverage in 32 states, more than 15,000 one- and two-day lanes and three- and four-day "Quantum Leap" transcontinental sleeper service.

Overnite Advantage Guaranteed is for time-sensitive shipments; Advantage Guaranteed service will guarantee delivery based on the Company's published transit times. It's on-time, or it's free.

Overnite Advantage Expedited is for customers needing expedited service for emergency, time-critical shipments to any point in the world through a single transportation provider. Overnite's team of freight specialists coordinate and track expedited shipments from origin to destination.

Special Services Division is Overnite's dedicated truckload service division, which utilizes Overnite's LTL expertise to expand into niche segments of the growing truckload market.

Assembly & Distribution is a special logistical function for shippers that need consolidation and distribution services. Overnite's Assembly and Distribution service provides these functions by leveraging the broad distribution capabilities of the Overnite network.

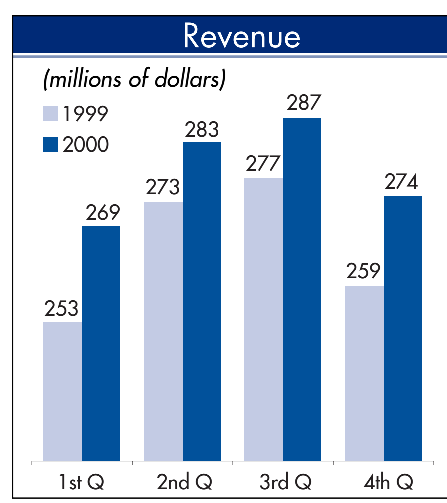
International and Ocean Shipping services provide single carrier contact for transportation services to Alaska, Hawaii, Guam, Canada, Puerto Rico, the U.S. Virgin Islands and Mexico with competitive transit times and price.

LABOR RELATIONS:

A Teamster campaign to organize all Overnite employees culminated in the union calling for a nationwide walkout on October 24, 1999. The job action, which continued through 2000, was ignored by 96 percent of Overnite employees. The union is the certified and recognized bargaining agent for about 1,800 Overnite drivers and freight handlers out of an 11,000 full-time equivalent employee work force. Employees at 15 of the 22 Teamster- represented service centers have petitioned the National Labor Relations Board to decertify the Teamsters as their bargaining agent.

Despite the walkout, all locations continue to be served and on-time service levels continue to improve. The Company is currently engaged in negotiations with the Teamsters, but has not entered into any bargaining agreements.

For more information concerning Overnite's products and services visit www.overnite.com.



SELECTED OPERATING STATISTICS

OVERNITE TRANSPORTATION COMPANY

for the year ended December 31	2000					1999				
	1	2	3	4	TOTAL	1	2	3	4	TOTAL
FINANCIAL AND REVENUE STATISTICS										
Operating Revenues *(millions of dollars)*	$269	$283	$287	$274	**$1,113**	$253	$273	$277	$259	**$1,062**
Operating Expenses *(millions of dollars)*	$268	$266	$267	$259	**$1,060**	$243	$258	$269	$272	**$1,042**
Operating Ratio *(%)*	99.8	94.1	93.2	94.0	**95.2**	95.9	94.5	97.1	105.3	**98.1**
Average Fuel Price Per Gallon (cents)	86	83	92	98	**90**	44	51	57	65	**54**
Total Fuel Consumed (thousands of gallons)	14,493	14,453	14,038	14,185	**57,169**	13,932	14,425	14,444	13,017	**55,818**
Average Employees	11,101	11,182	11,297	11,459	**11,260**	11,518	11,704	11,994	11,562	**11,695**
MILLIONS OF POUNDS HAULED										
Less-Than-Truckload	1,856	1,927	1,905	1,822	**7,510**	1,942	2,090	2,080	1,837	**7,949**
Truckload	122	135	133	124	**514**	107	106	117	117	**447**
TOTAL	1,978	2,062	2,038	1,946	**8,024**	2,049	2,196	2,197	1,954	**8,396**
AVERAGE REVENUE PER HUNDREDWEIGHT										
Less-Than-Truckload	$13.44	$13.51	$13.86	$13.84	**$13.66**	$12.35	$12.42	$12.60	$13.25	**$12.64**
Truckload	6.21	7.25	7.56	7.61	7.17	5.22	5.21	5.67	6.30	**5.62**
TOTAL	$13.00	$13.10	$13.45	$13.44	**$13.25**	$11.97	$12.07	$12.23	$12.83	**$12.26**
SHIPMENTS *(thousands)*										
Less-Than-Truckload	1,828	1,922	1,909	1,804	**7,463**	1,885	2,030	2,025	1,746	**7,686**
Truckload	7	8	9	8	**32**	5	5	6	6	**22**
TOTAL	1,835	1,930	1,918	1,812	**7,495**	1,890	2,035	2,031	1,752	**7,708**

Refer to the Union Pacific Corporation 2000 Annual Report for additional information.

STATEMENTS OF CONSOLIDATED INCOME

OVERNITE TRANSPORTATION COMPANY

(millions of dollars, unaudited)

for the year ended December 31, 2000		1	2	3	4	TOTAL
OPERATING REVENUES	Transportation	$269	$283	$287	$274	$1,113
OPERATING EXPENSES	Salaries and Benefits	165	165	164	156	650
	Equipment and Other Rents	23	24	26	24	97
	Depreciation	12	12	12	12	48
	Fuel and Utilities	18	17	18	19	72
	Materials and Supplies	11	12	12	13	48
	Other Costs	39	36	35	35	145
	Total Operating Expenses	**268**	**266**	**267**	**259**	**1,060**
	Operating Income	**$1**	**$17**	**$20**	**$15**	**$53**
	Net Income	**$2**	**$13**	**$15**	**$13**	**$43**

for the year ended December 31, 1999

		1	2	3	4	TOTAL
OPERATING REVENUES	Transportation	$253	$273	$277	$259	$1,062
OPERATING EXPENSES	Salaries and Benefits	158	167	169	157	651
	Equipment and Other Rents	18	22	24	31	95
	Depreciation	11	12	12	11	46
	Fuel and Utilities	11	11	13	14	49
	Materials and Supplies	11	12	13	13	49
	Other Costs	34	34	38	46	152
	Total Operating Expenses	**243**	**258**	**269**	**272**	**1,042**
	Operating Income (Loss)	**$10**	**$15**	**$8**	**$(13)**	**$20**
	Net Income	**$9**	**$11**	**$8**	**$1**	**$29**

Refer to the Union Pacific Corporation 2000 Annual Report for additional information.

STATEMENTS OF CONSOLIDATED FINANCIAL POSITION

OVERNITE TRANSPORTATION COMPANY *(millions of dollars, unaudited)*

as of December 31	2000	1999	1998
ASSETS			
Current Assets	$438	$393	$358
Net Properties	441	459	461
Other Assets	52	51	39
Total Assets	**$931**	**$903**	**$858**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities	$160	$164	$144
Debt Due After One Year - Third Parties	–	–	3
Other Liabilities	159	154	139
Shareholders' Equity	612	585	572
Total Liabilities and Shareholders' Equity	**$931**	**$903**	**$858**

STATEMENTS OF CONSOLIDATED CASH FLOWS

OVERNITE TRANSPORTATION COMPANY *(millions of dollars, unaudited)*

as of December 31	2000	1999	1998
Cash Provided by Operating Activities	$93	$89	$82
Cash Used In Investing Activities	(30)	(46)	(52)
Cash Used In Financing Activities	(63)	(46)	(27)
Net Change In Cash and Temporary Investments	**$ –**	**$(3)**	**$3**

Refer to the Union Pacific Corporation 2000 Annual Report for additional information.

CAUTIONARY INFORMATION

Certain statements in this report are forward-looking within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. These forward-looking statements include, without limitation, statements regarding: expectations as to operational improvements; expectations as to market growth, cost savings, revenue growth and earnings; the time by which certain objectives will be achieved; estimates of costs relating to environmental remediation and restoration; proposed new products and services; expectations that claims, lawsuits, environmental costs, commitments, contingent liabilities, labor negotiations or agreements, or other matters will not have a material adverse effect on the financial position, results of operations or liquidity; and statements concerning projections, predictions, expectations, estimates or forecasts as to the Corporation's and its subsidiaries' business, financial and operational results, and future economic performance, statements of management's 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 at, or by which, such performance or results will be achieved. Forward-looking information is based on information available at the time and/or management's good faith belief with respect to future events, and is subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements.

Important factors that could cause such differences include, but are not limited to, whether the Corporation and its subsidiaries are fully successful in implementing their financial and operational initiatives; industry competition, conditions, performance and consolidation; legislative and/or regulatory developments, including possible enactment of initiatives to re-regulate the rail business; natural events such as severe weather, floods and earthquakes; the effects of adverse general economic conditions, both within the United States and globally; changes in fuel prices; changes in labor costs; labor stoppages; and the outcome of claims and litigation.

Forward-looking statements speak only as of the date the statement was 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.

CONTACT FOR PORTFOLIO MANAGERS AND FINANCIAL ANALYSTS

Union Pacific's analyst relations are coordinated by the Corporate Treasurer at the executive offices. Requests for interviews, general information, offering memoranda, bond circulars and other publications should be directed to:

Investor Relations
(402) 271-4227
or
(877) 547-7261

UNION PACIFIC RAILROAD

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