



BUILDING AMERICA®

March 8, 2017

Raymond James 38th Annual Institutional Investors Conference

Rob Knight
CFO

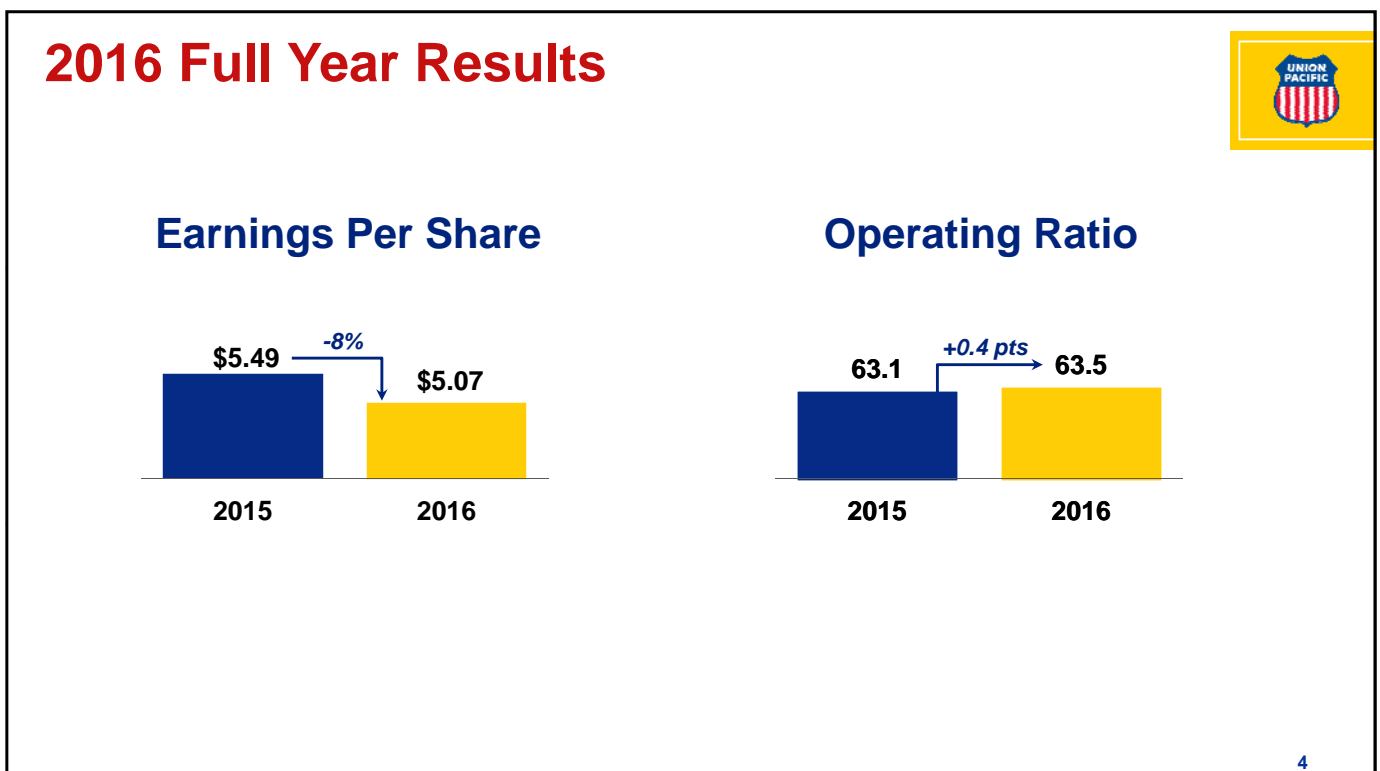
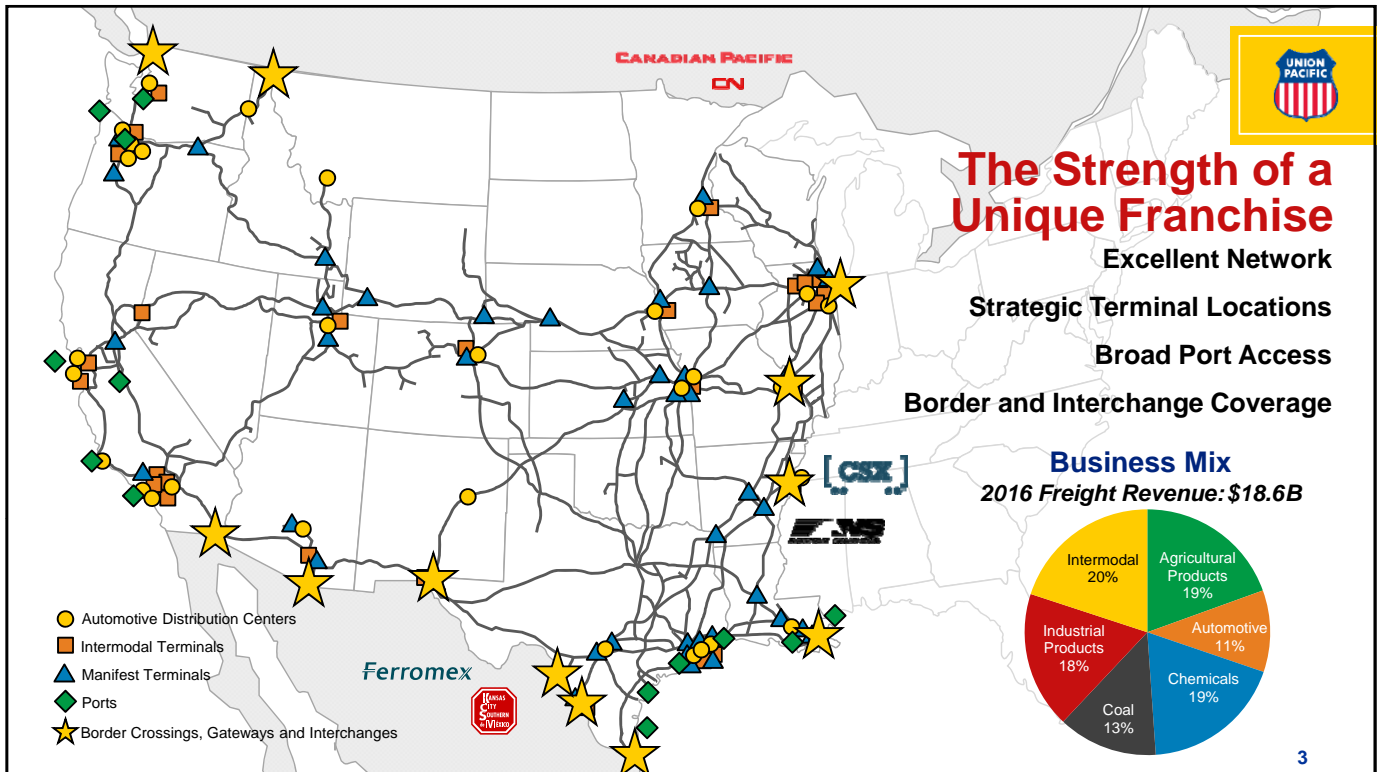
Cautionary Information



This presentation and related materials contain statements about the Company's future that are not statements of historical fact, including specifically the statements regarding the Company's expectations with respect to economic conditions and demand levels; its ability to generate financial returns, improve network performance and customer service; implementation of corporate strategies; and providing excellent service to its customers and returns to its shareholders. 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 Company'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 Company'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 Company'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 Company's Annual Report on Form 10-K for 2015, which was filed with the SEC on February 5, 2016. The Company 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 Company 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 Company does update one or more forward-looking statements, no inference should be drawn that the Company 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.



Core Price, Productivity, and Rail Inflation



2016 Drivers

- Positive Core Price
- Challenging Market Environment
- Committed to Returns
- ~\$450 Million Productivity
- Low Inflation

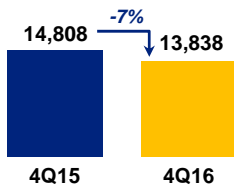


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Resources & Network Performance

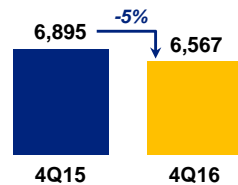


Total TE&Y*



*Full-time equivalent

Active Locomotive Fleet

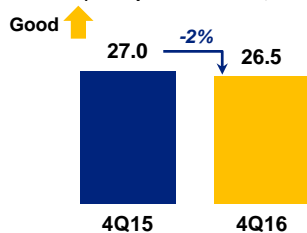


- ~1,700 TE&Y Employees in Furlough / AWTS**
- ~1,200 Locomotives in Storage**

**As of March 3, 2017

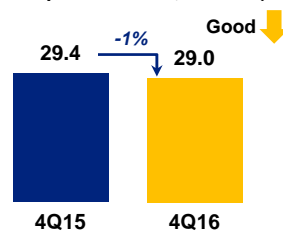
UP Velocity

(As reported to AAR, in mph)



UP Terminal Dwell

(As reported to AAR, in hours)

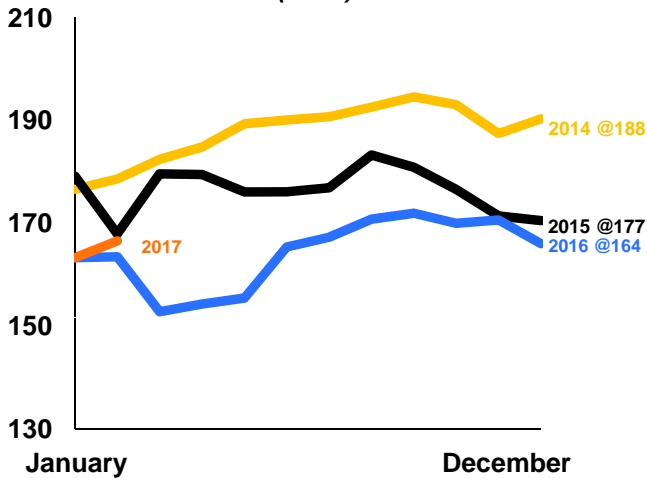


- Operating Performance Metrics QTD Have Deteriorated Slightly
 - West Coast Weather Challenges

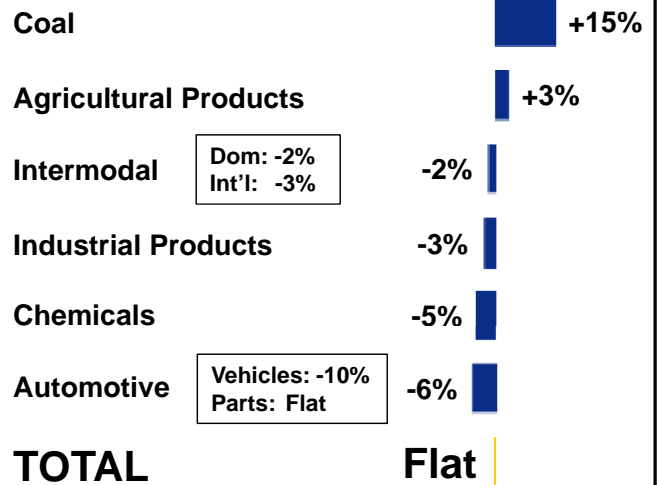
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2017 Business Trends

7-Day Monthly Carloadings (000s)



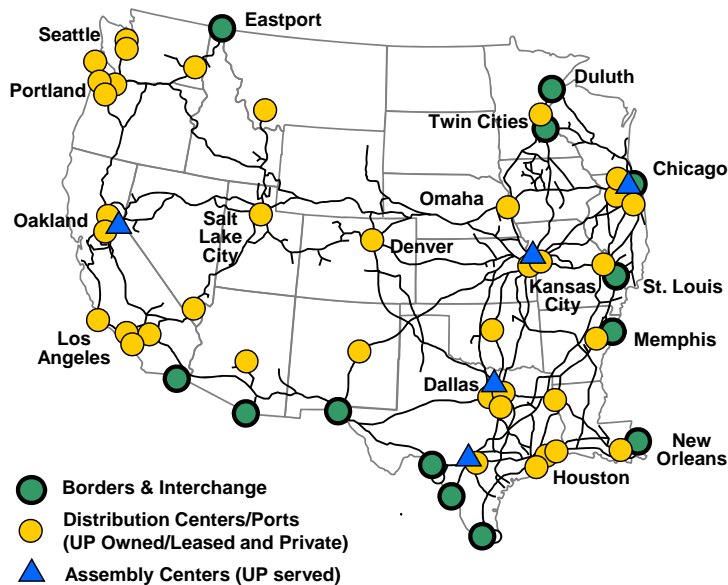
2017 1QTD Volumes* (vs 2016)



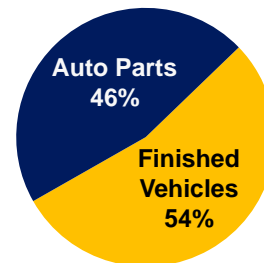
*Through February 28, 2017

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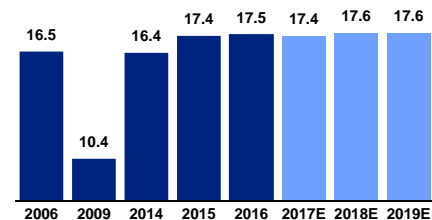
U.S. Vehicle Sales and Drivers



2016 Volume Mix



U.S. Light Vehicle SAAR*

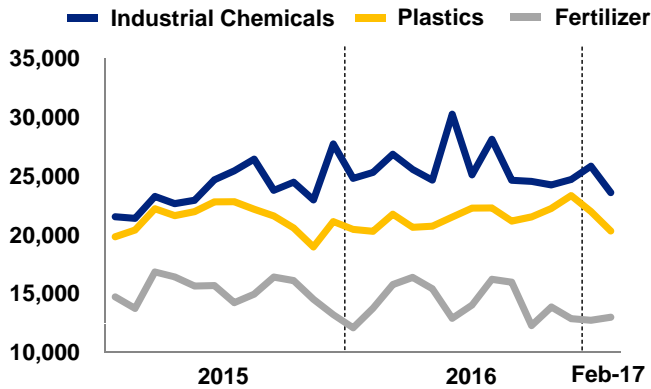


*Source: February 2017 IHS Global Insight forecast

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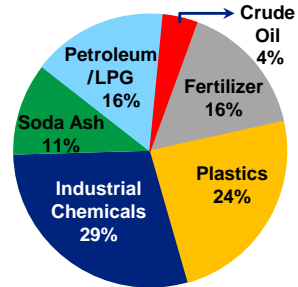
Chemicals

UNP Monthly Volumes

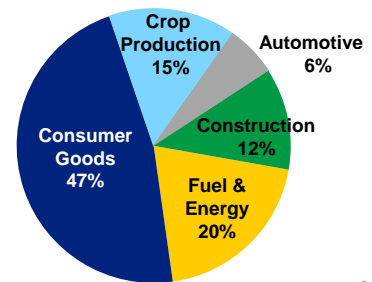


- Solid Base Chemicals
- Anticipated Strength in Plastics

2016 Volume Mix



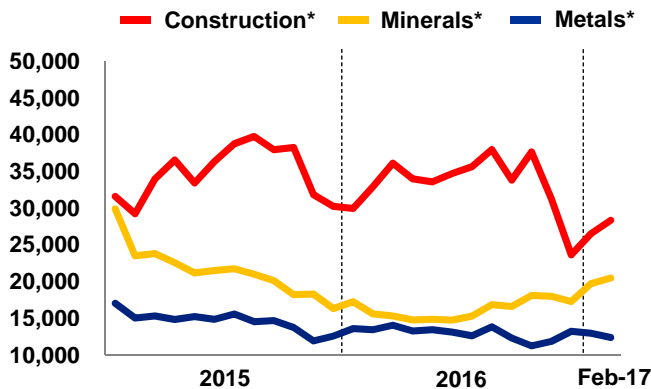
Key End-Use Markets (% of 2016 Volume)



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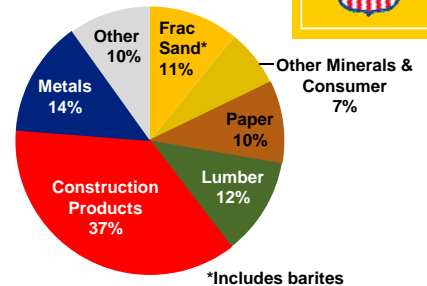
Industrial Products

UNP Monthly Volumes



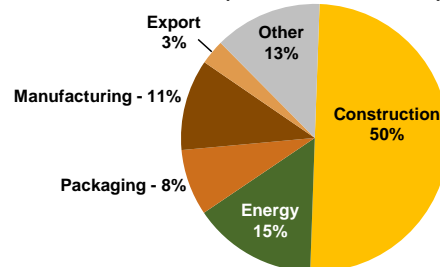
- Construction Product Demand
- Increased Drilling Activity

2016 Volume Mix



*Includes barites

Key End-Use Markets (% of 2016 Volumes)

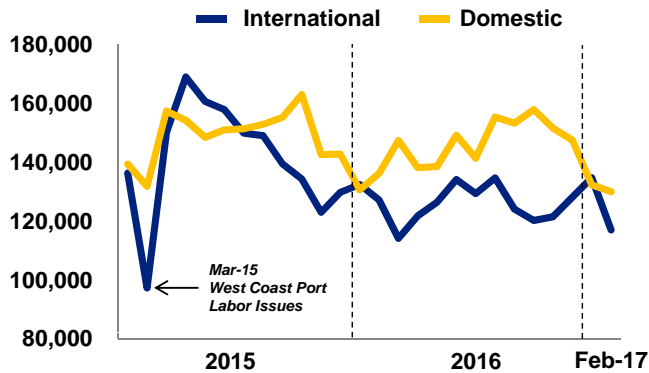


*Prior periods have been adjusted for the re-categorization of commodities

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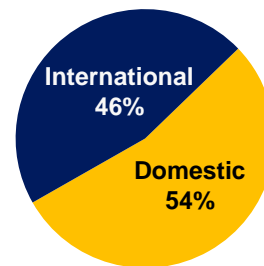
Intermodal

UNP Monthly Intermodal Volume



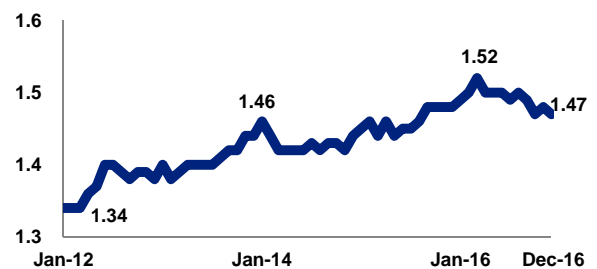
- Retail Sales Outlook
- Trans Pacific Market Challenges

2016 Volume Mix



Retail Inventory-to-Sales Ratio

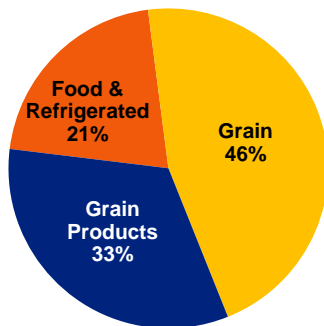
Source: U.S. Bureau of Economic Analysis



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Agricultural Products

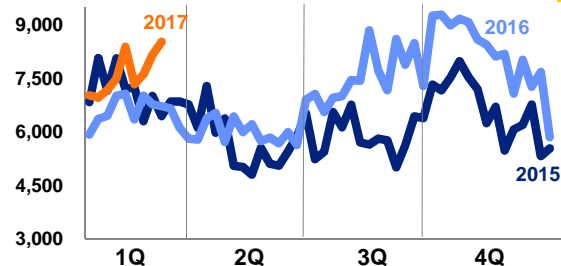
2016 Volume Mix



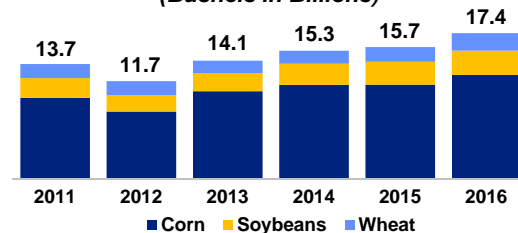
- High Grain Inventories
- Export Market Fundamentals
- Refrigerated Foods & Import Beer

*Through March 4, 2017

UNP Weekly Grain Carloads (As reported to the AAR)



U.S. Grain Stocks* (Bushels in Billions)

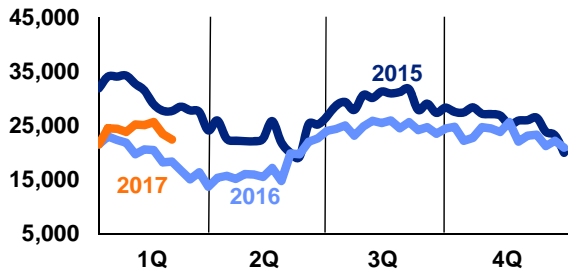


*Source: USDA; As of December 1st

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Coal Trends

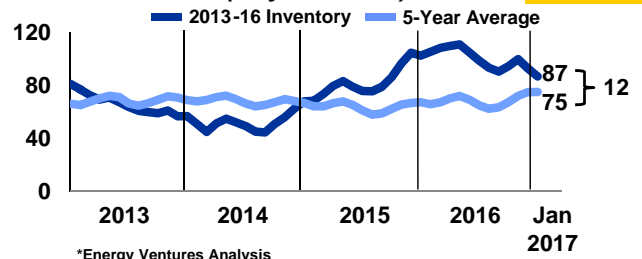
UNP Weekly Coal Carloads* (As reported to the AAR)



- Normal Winter Weather
- Low Natural Gas Prices
- High Coal Inventory Levels

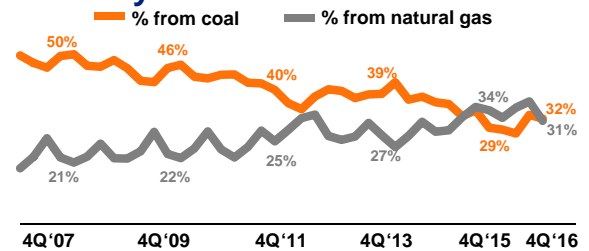
*Through March 4, 2017

Powder River Basin Coal Stockpiles* (Days of Burn)



*Energy Ventures Analysis

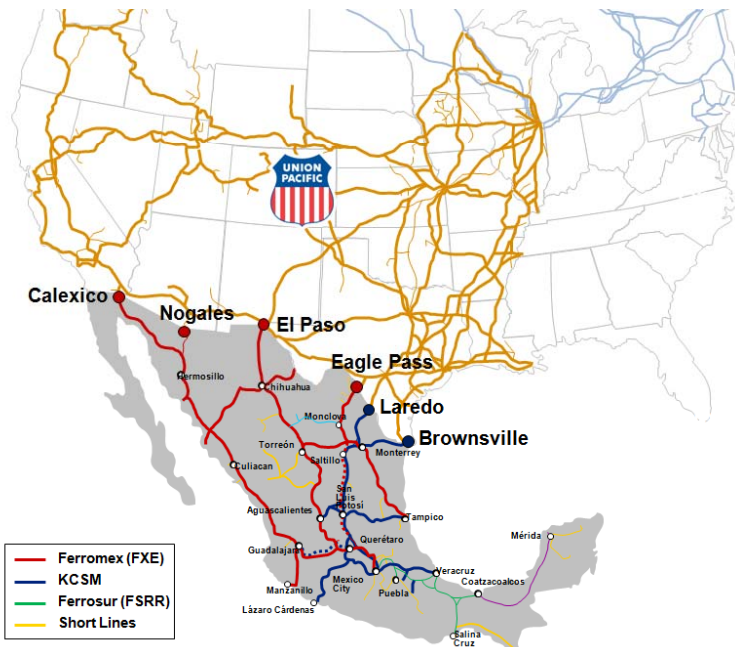
Electricity Generation Market Share**



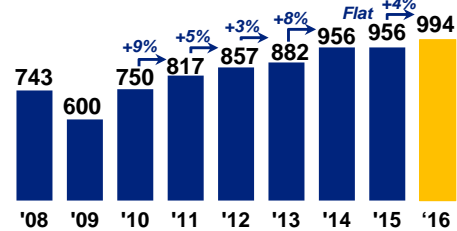
**U.S. Energy Information Administration (EIA)

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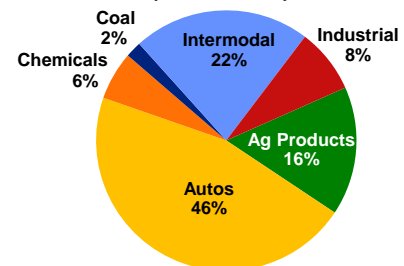
UP Positioned for Mexico Growth



Volume Growth (Carloads in Thousands)



2016 Volume Mix (In Carloads)

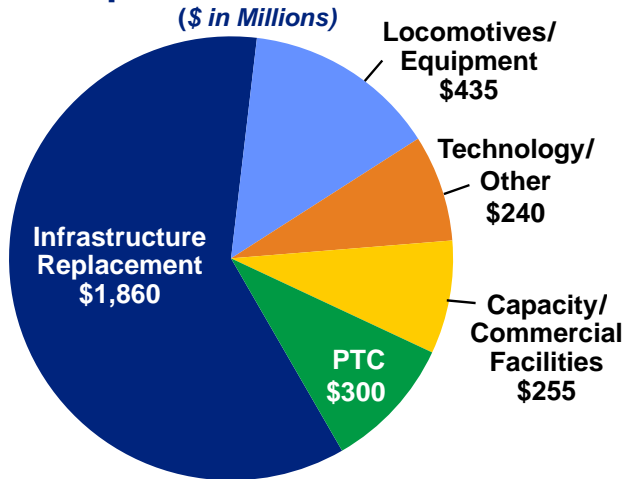


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Strengthening the Franchise



2017 Capital Plan: ~\$3.1 Billion*



*Includes cash capital, leases and other non-cash capital.

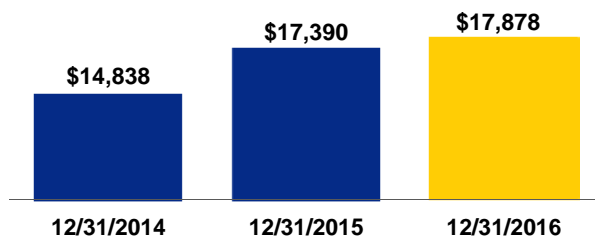
- Safe & Resilient Infrastructure
- Capacity Investments
 - Southern Region
 - Network Strategies
- Equipment Acquisitions
 - ~60 New Locomotives
 - 430 Freight Cars
- Positive Train Control

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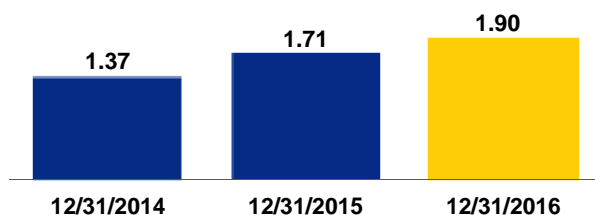
Debt

\$ In Millions

Adjusted Debt*



Adjusted Debt / EBITDA*



- 2016 Debt Issuance: ~ \$1.9 Billion
- Increased Adj. Debt over \$5 Billion since 2013
- Close to Adjusted Debt / EBITDA Target Ratio of 2.0

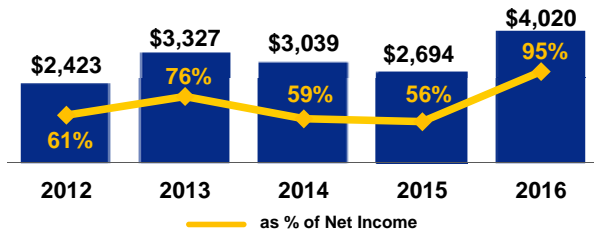
* See Union Pacific website under Investors for a reconciliation to GAAP

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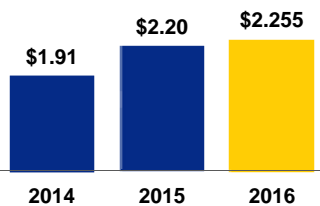
Delivering Value to Shareholders



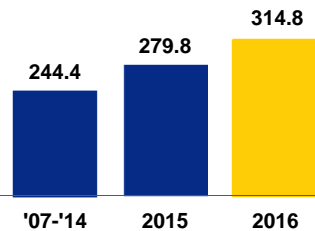
Cash From Operations Less Capital Investments (\$ In Millions)



Dividends (Per Share)



Share Repurchases (Cumulative, In Millions)



- 2016 Cash From Ops Less Capital Investments Totaled 95% of Net Income

- 10% Dividend Increase in 4Q 2016

- Repurchased 35 Million Shares Totaling \$3.1 Billion in 2016

- ~29% of Outstanding Shares Since 2007

** Includes 4Q 2014 dividend payment of \$438 million made in 1Q 2015

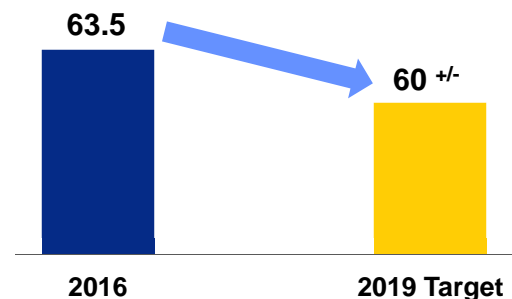
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2017 Expectations



- Volume
 - 1Q Up Slightly
 - FY Up Low Single Digits
- Price Above Inflation
- Rail Inflation ~ 3%
- Productivity \$350 to \$400 Million
- Improved Operating Ratio
- Continued Focus on "G55 + 0" Initiatives

Operating Ratio (%)



Improved OR in 2017

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