

Agricultural Transportation Summit

Paul Hammes, VP & General Manager Agricultural Products

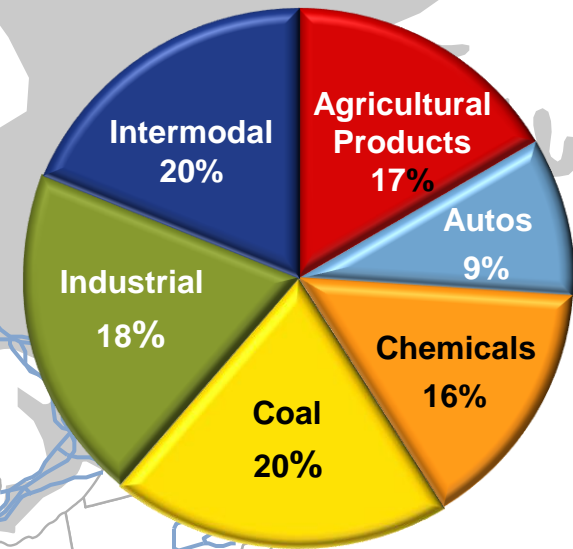
July 30, 2013



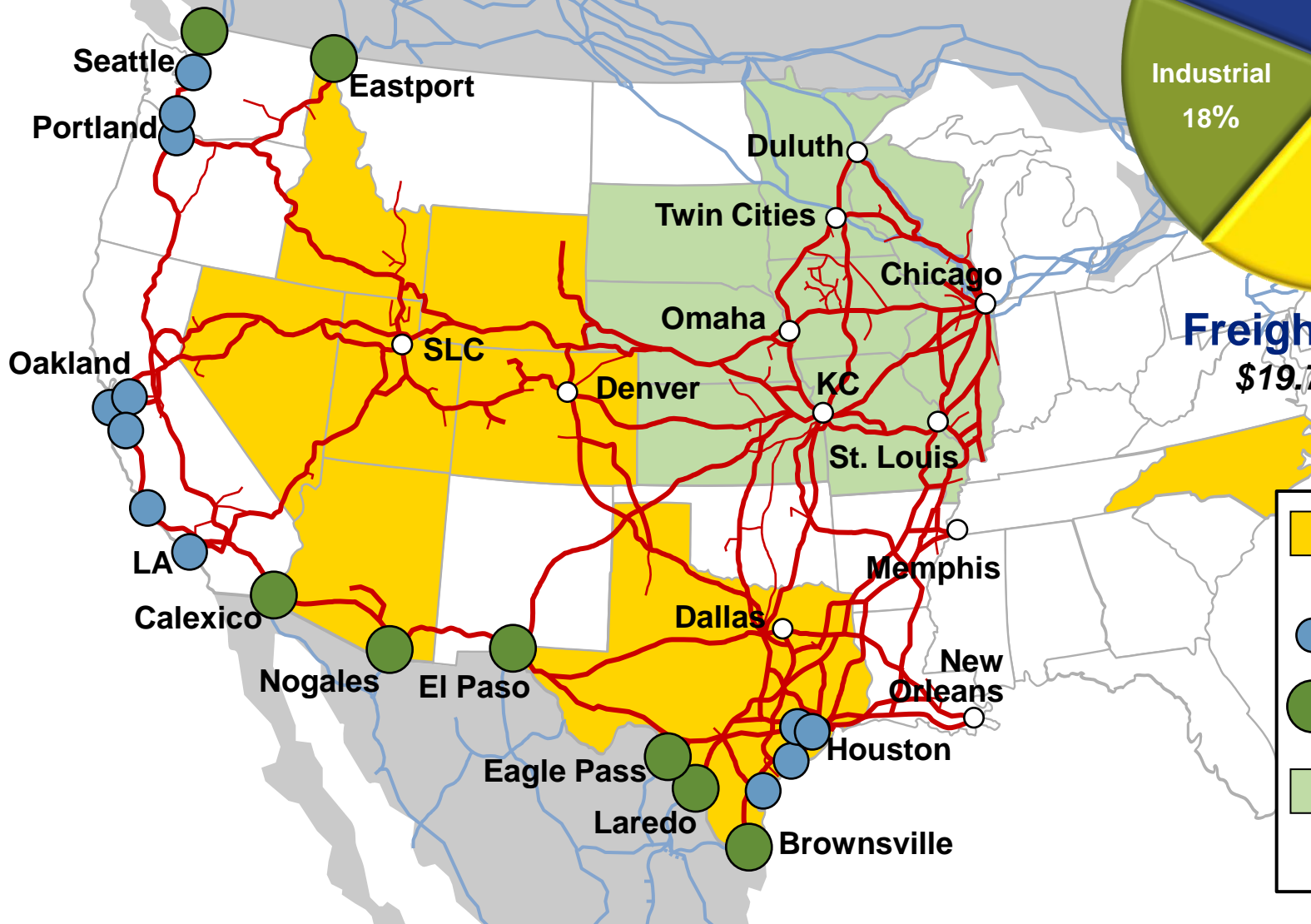
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Union Pacific Railroad

Strength of a Unique Franchise



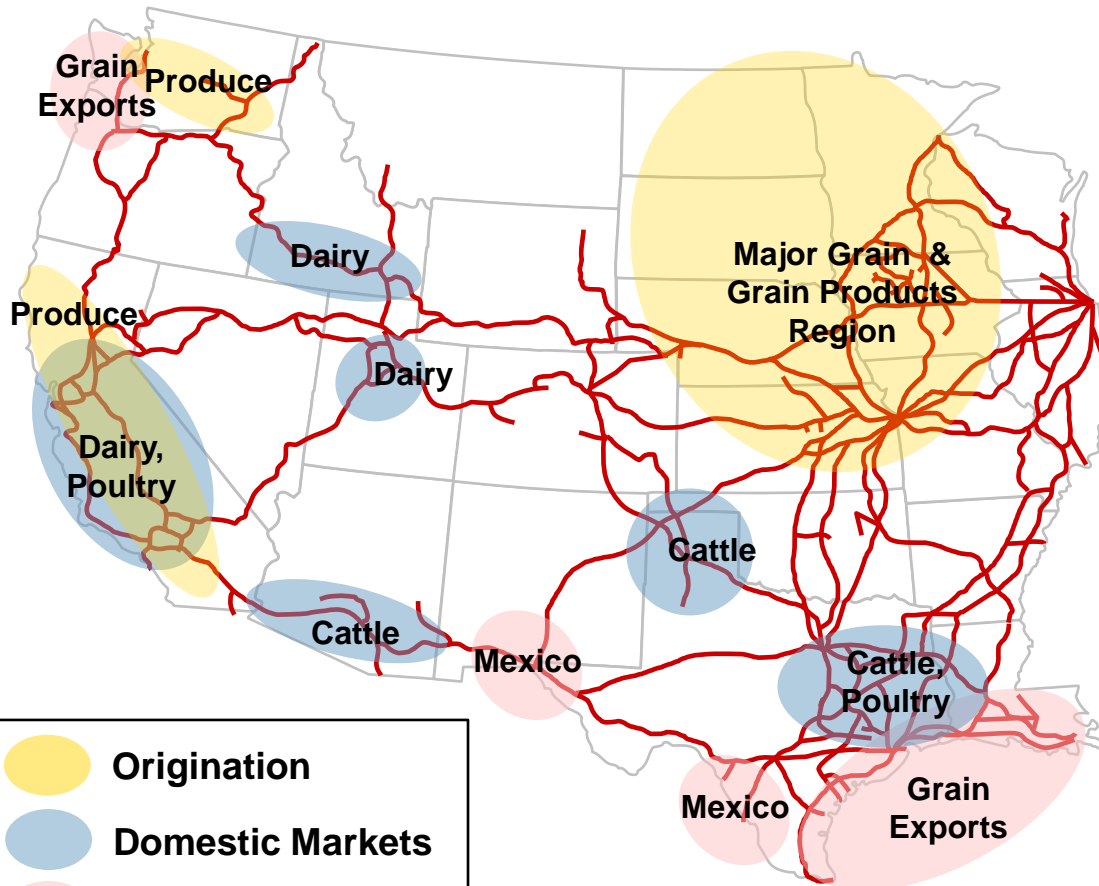
Freight Revenue
\$19.7B in 2012



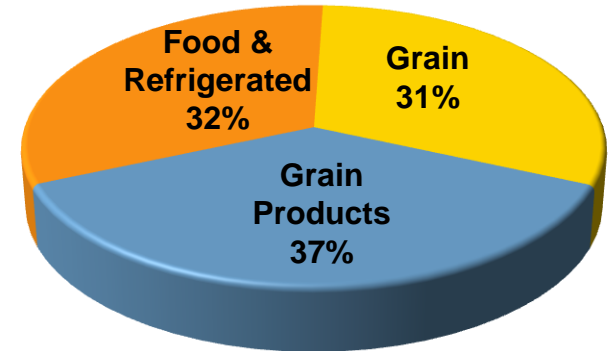
- Fastest growing states
- Port access
- Border crossings
- Top producing grain states

Agricultural Products

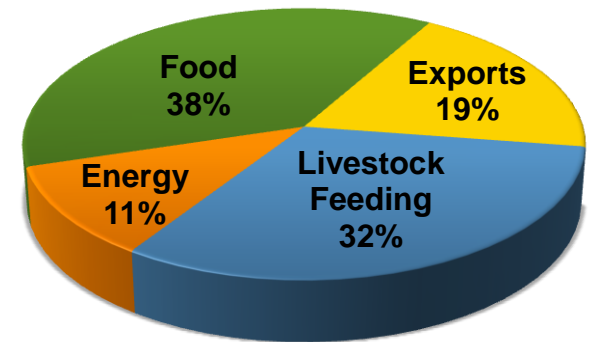
\$3.3 Billion Revenue in 2012



Revenue Mix

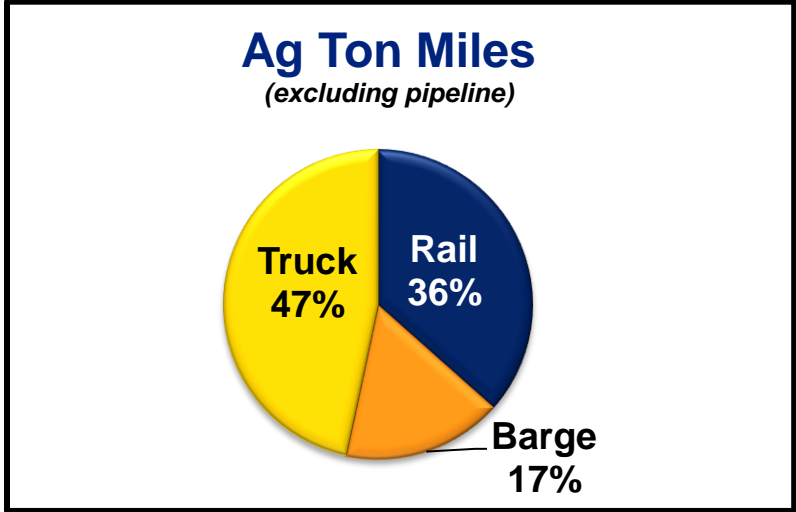
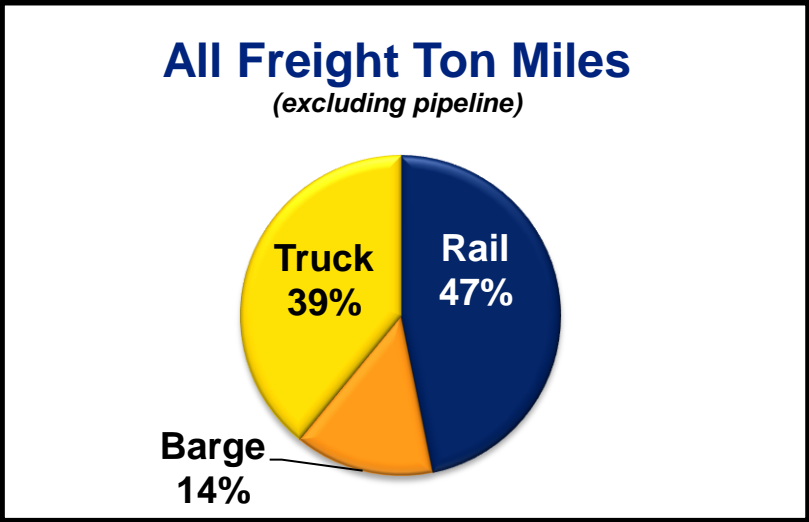
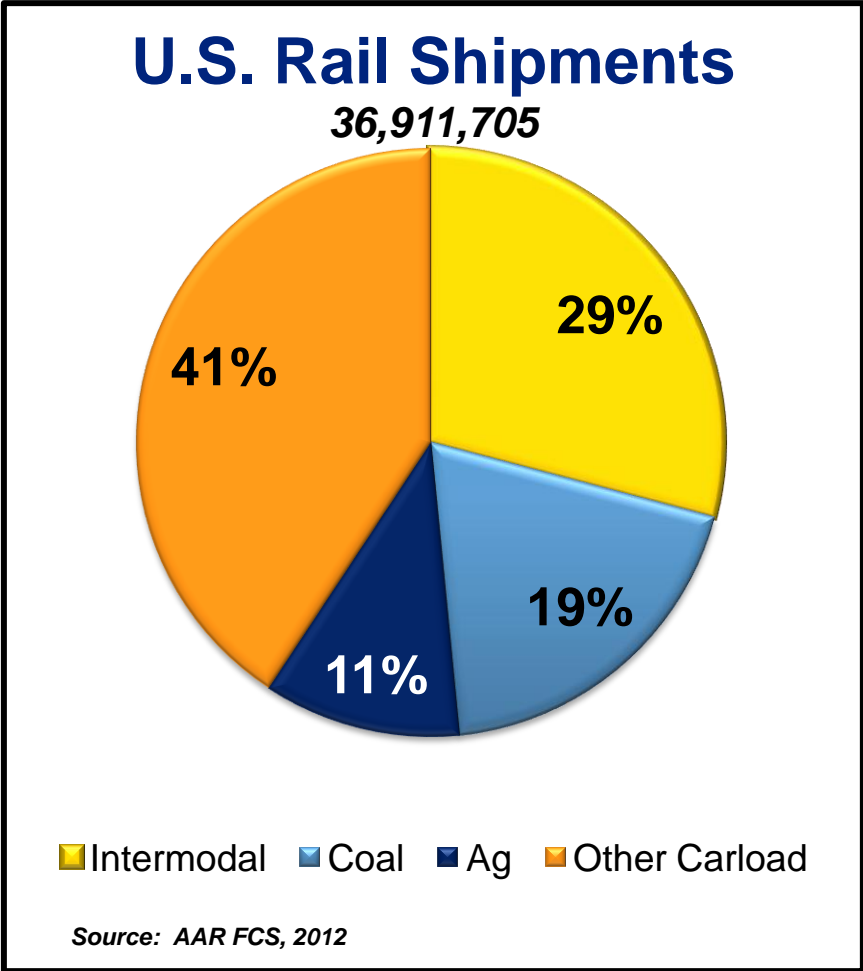


Key End-Use Markets (% of Revenue)

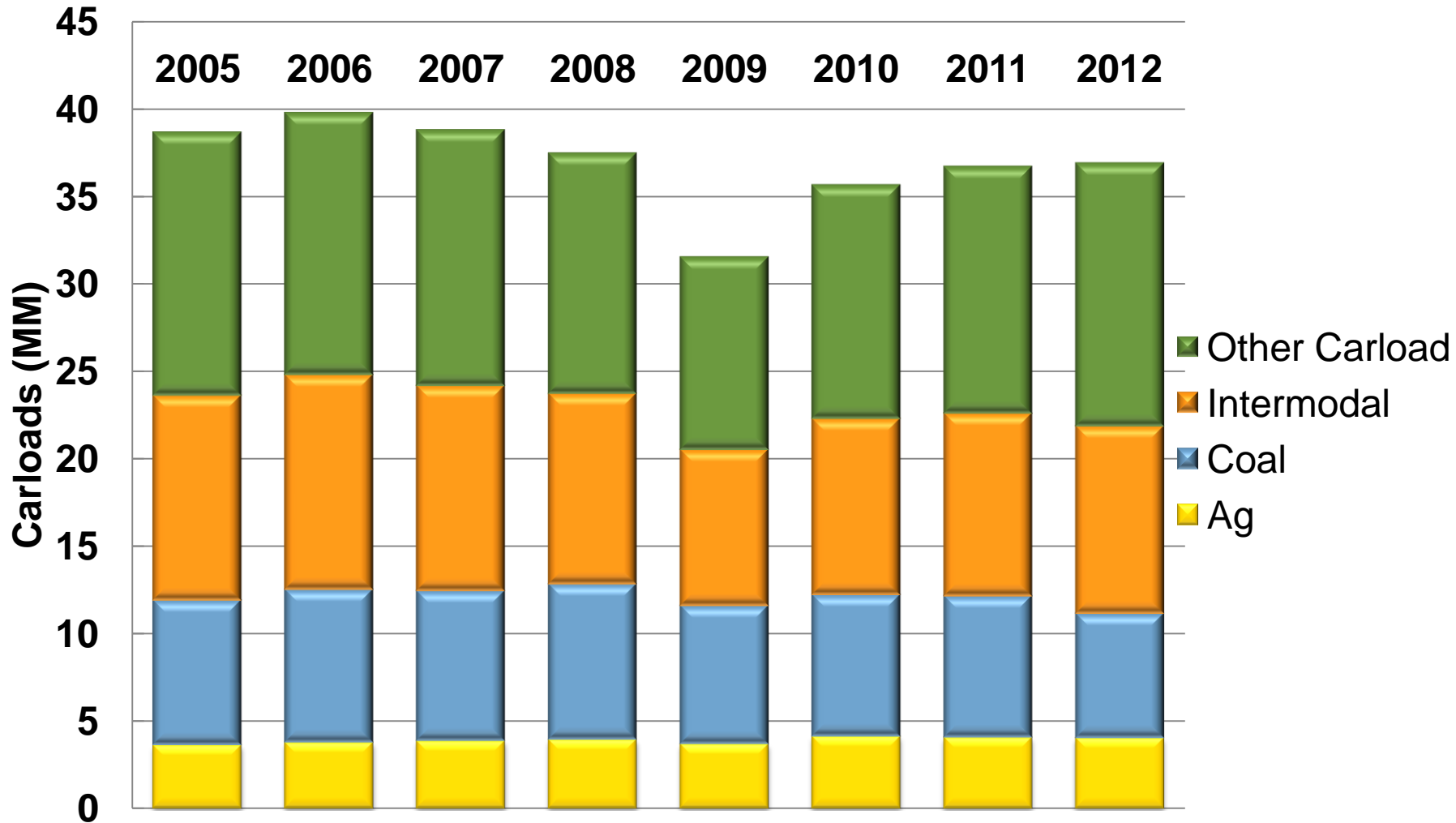


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Rail Impact on Transportation



Annual U.S. Rail and Ag Shipment Comparison



Source: AAR FCS, 2005 - 2012

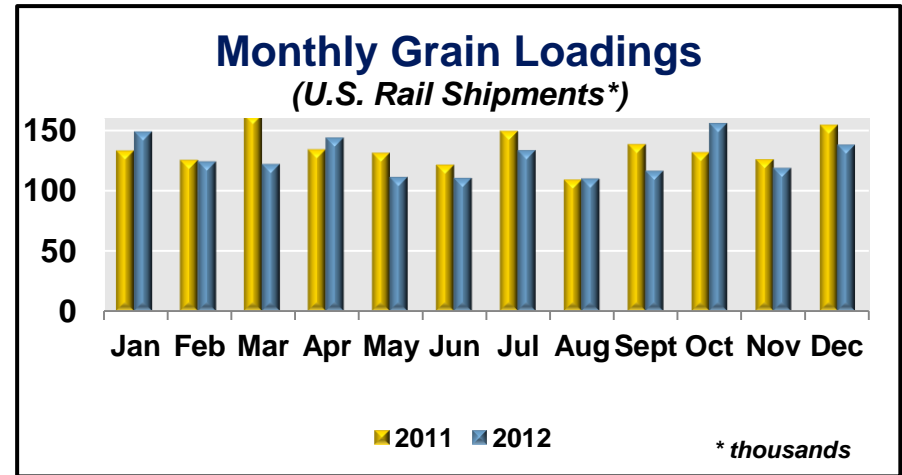


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Changing Business Mix

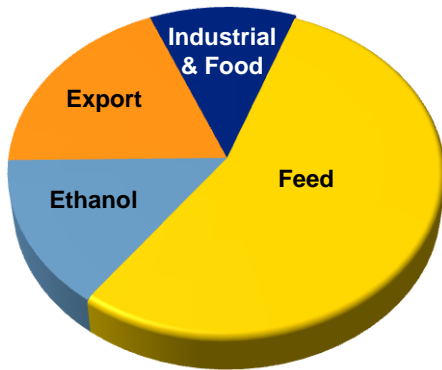
Managing Variability Through Marketing and Network Agility

- Time
- Product Mix
- Geographic Mix

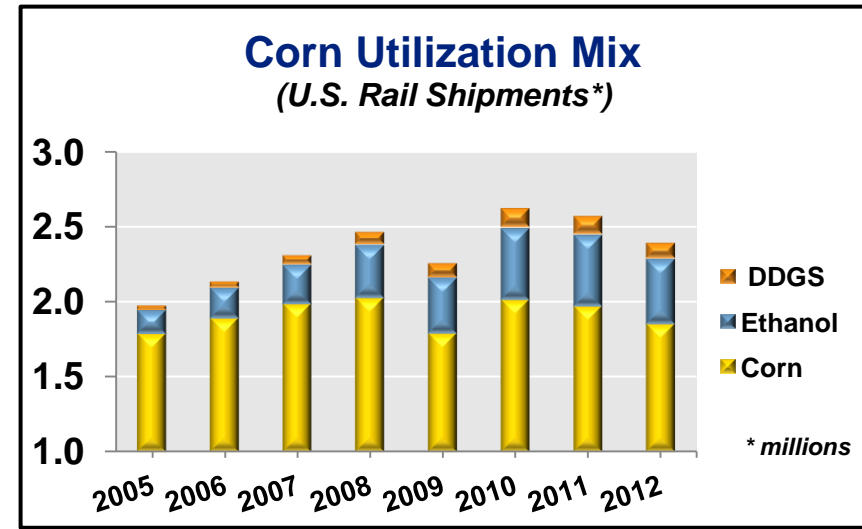
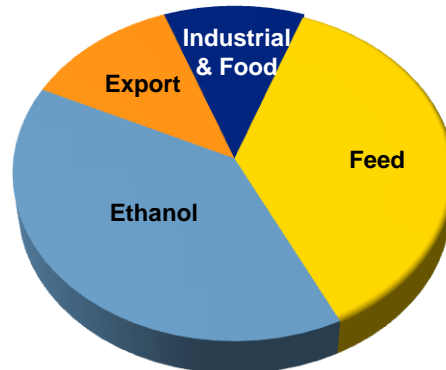


U.S. Corn Usage

2005/06
(11.3 Billion Bushels)



2011/12
(12.5 Billion Bushels)



Source: USDA June 28, 2013 Acreage & Stocks

Source: AAR, FCS 2005 - 2012



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Five Critical Resources



Workforce



Main Lines



Locomotives



Freight Cars



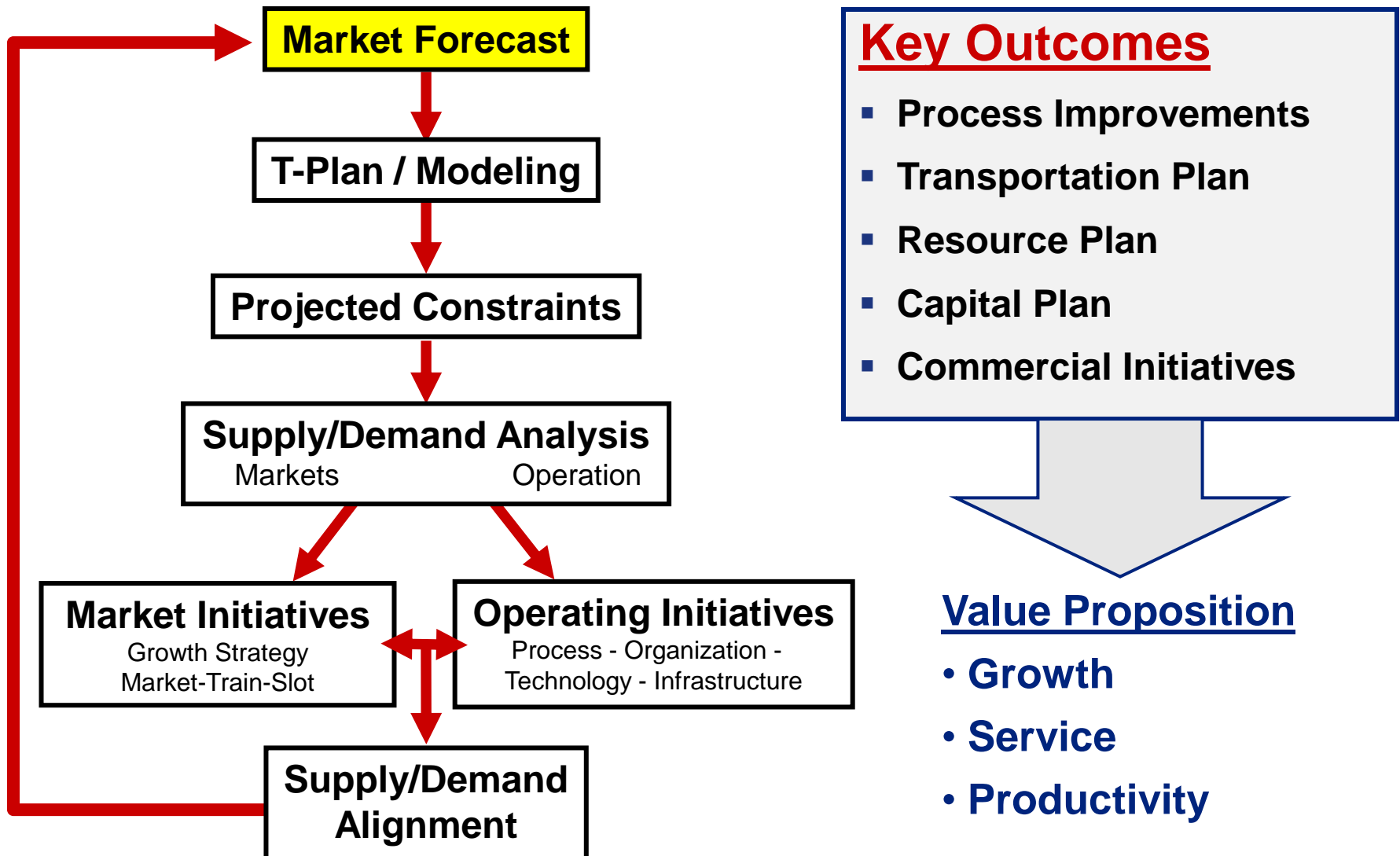
Terminals

Externalities

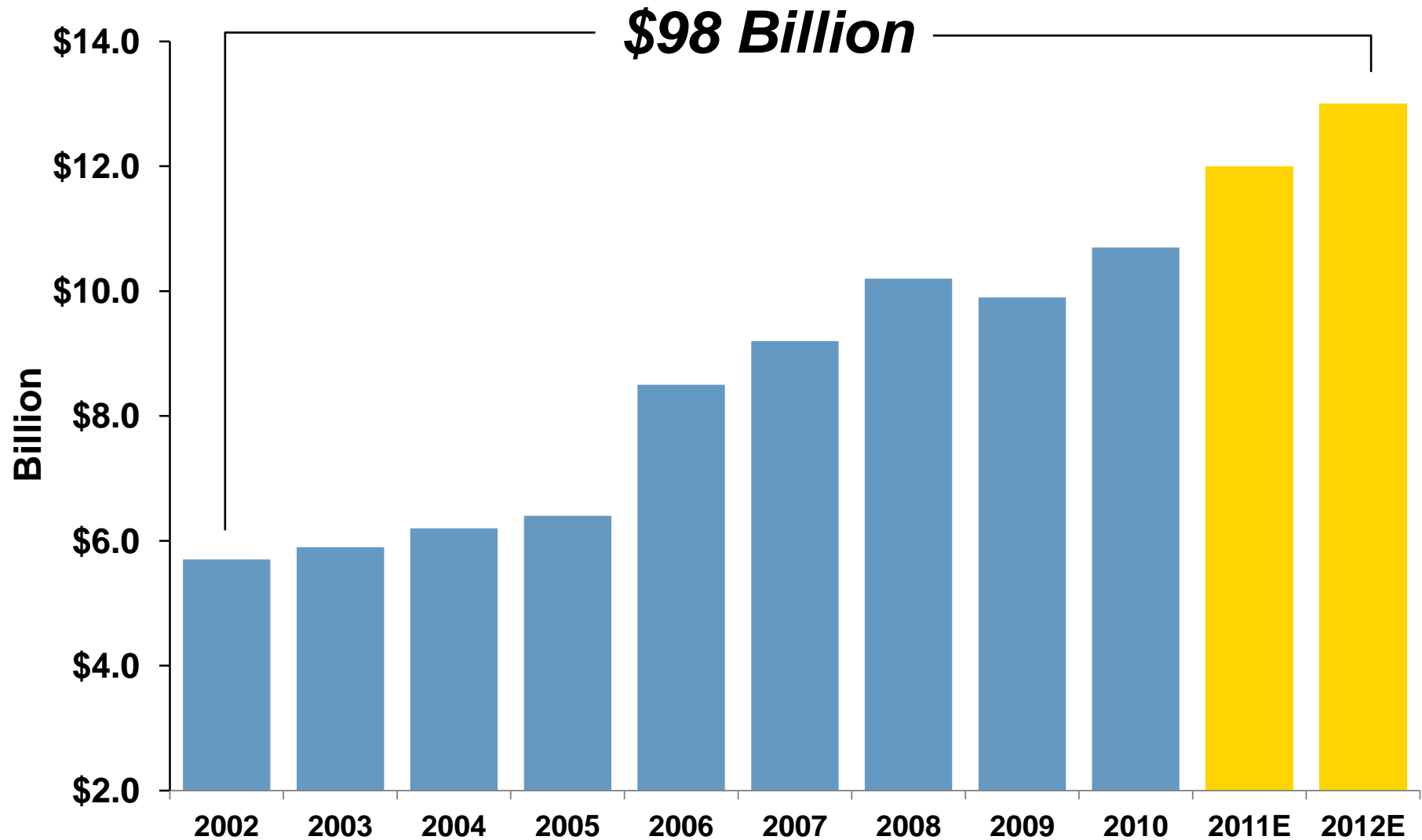
- Severe Weather
- Service Interruptions



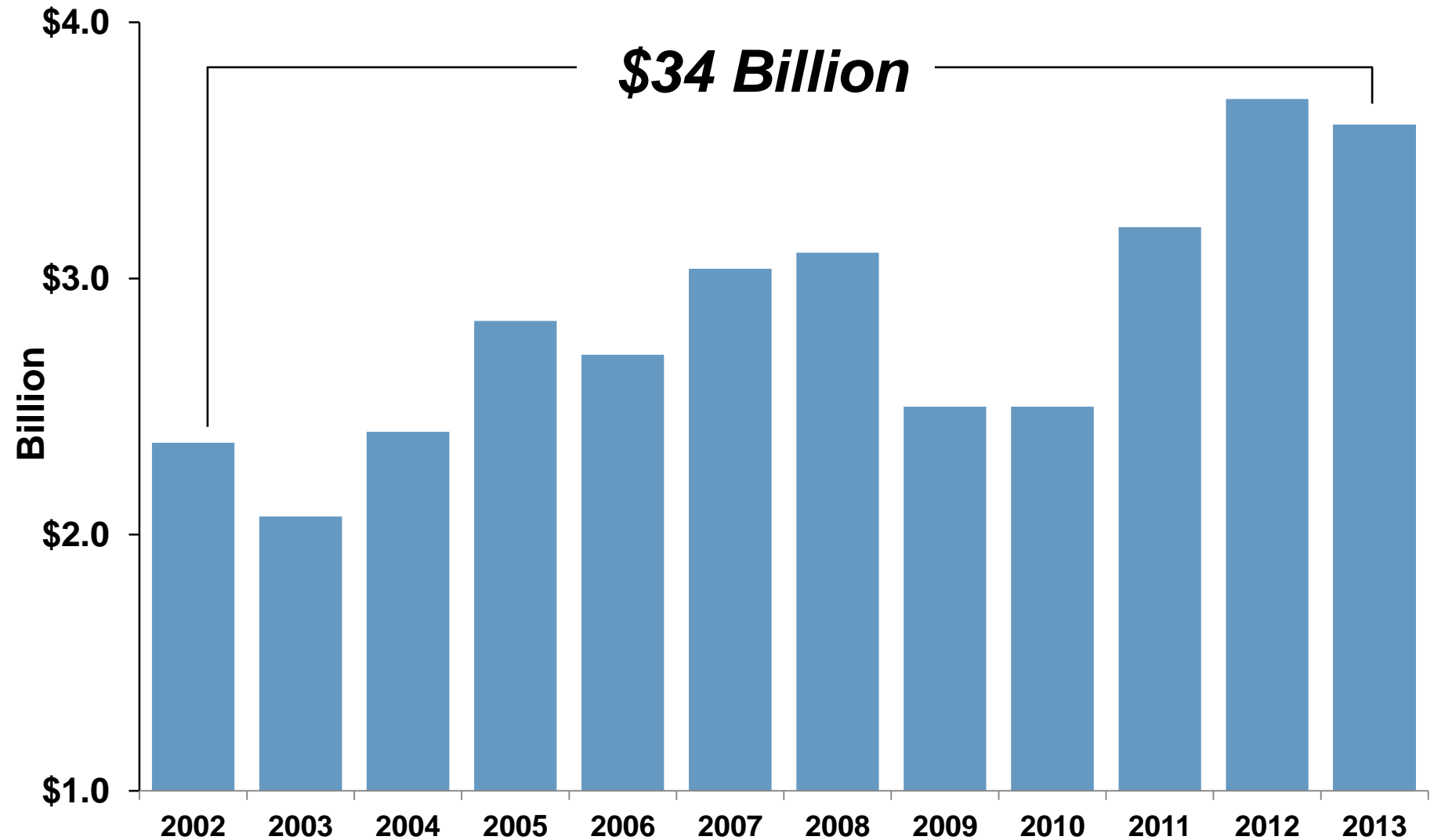
Business Planning Process



US Railroads Capital Investment



UP Capital Investment

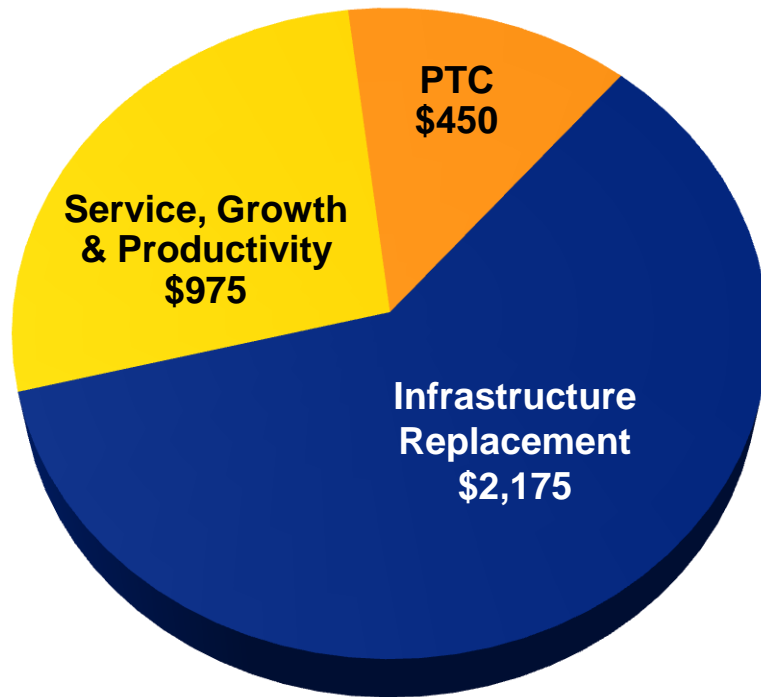


Capital Investments

Replacement, Growth & Productivity, and PTC

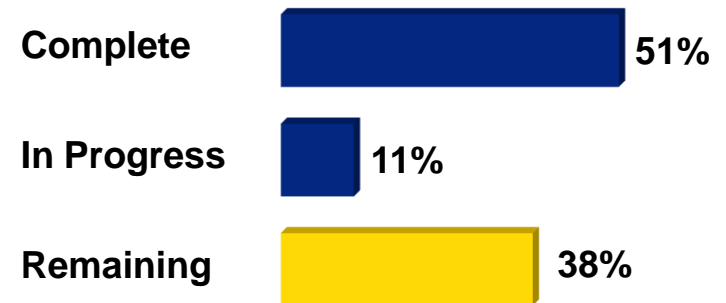
2013 Capital Investments

(\$ in Millions)



YTD Track Replacement

(% of Projects)



YTD Capacity Cutovers

- **Sunset: 15 of 30 miles**
- **Southern Region Capacity**
 - Siding additions
 - Terminal enhancements
 - Double track expansions
 - Signal upgrades



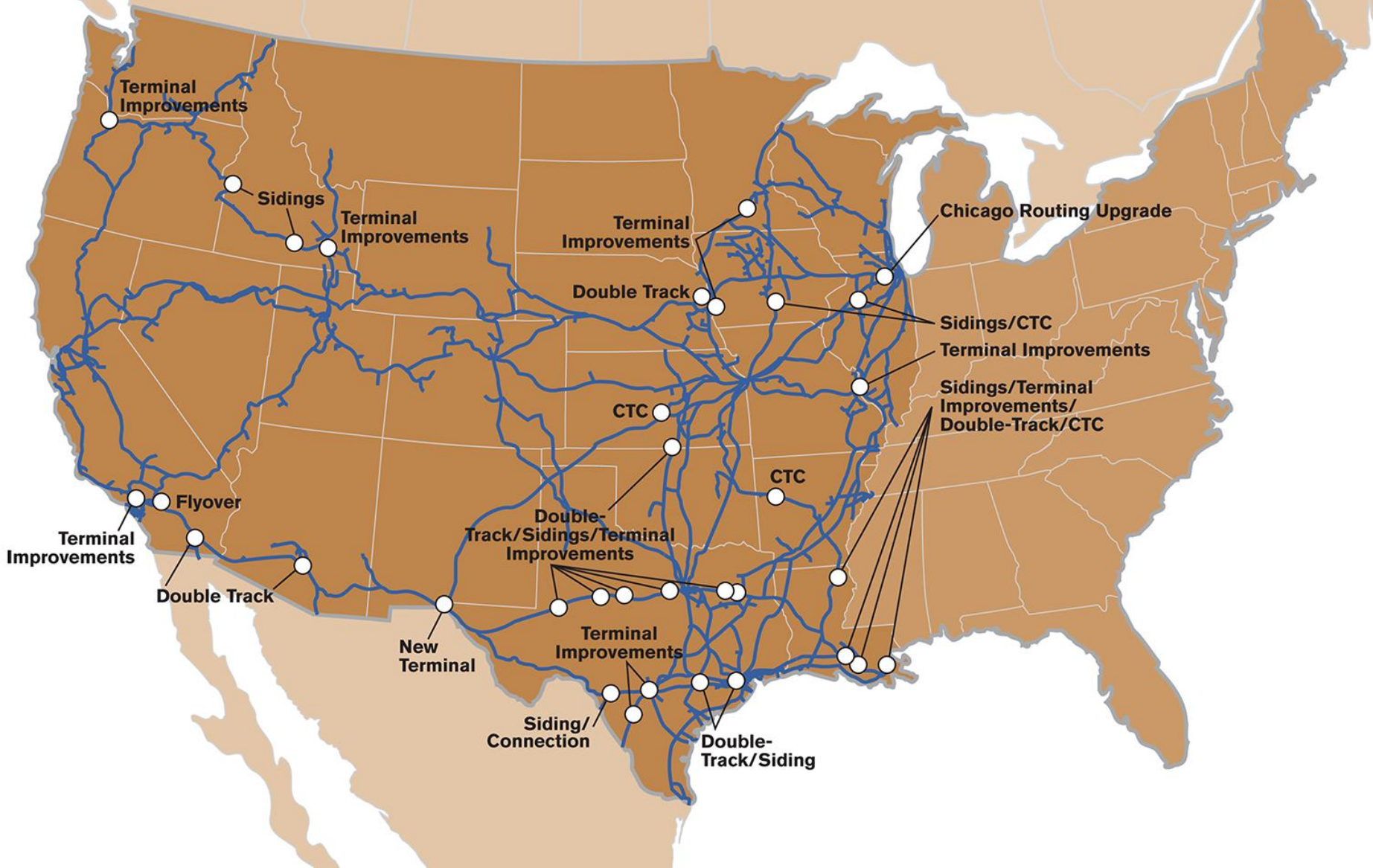
Summary

- **Strong Linkage between Rail and Agriculture**
- **Agriculture Shipment Variability Challenging**
- **Focus on Managing 5 Critical Resources**
- **Forecasts and Customer Input are Key Components**
- **Railroads Continue to Invest Capital to Provide Capacity and Service**



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2013 Capital Overview



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