

Union Pacific Railroad

Mark Simon – AVP International Intermodal

2012 AAPA Conference

Mobile, AL October 25, 2012

150 YEARS

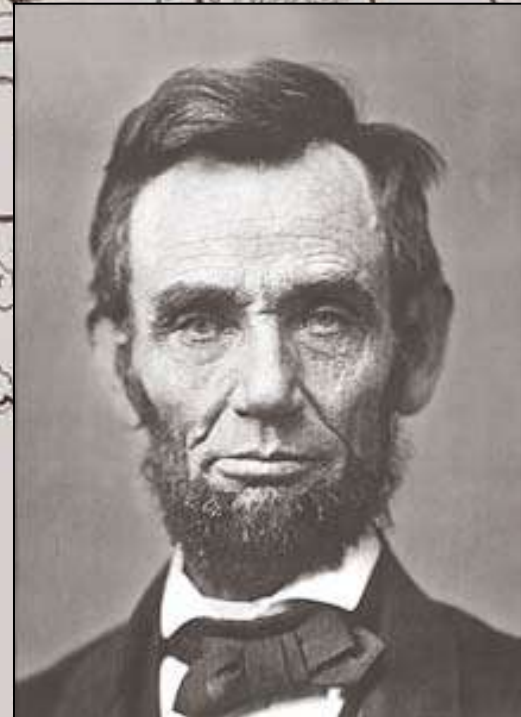
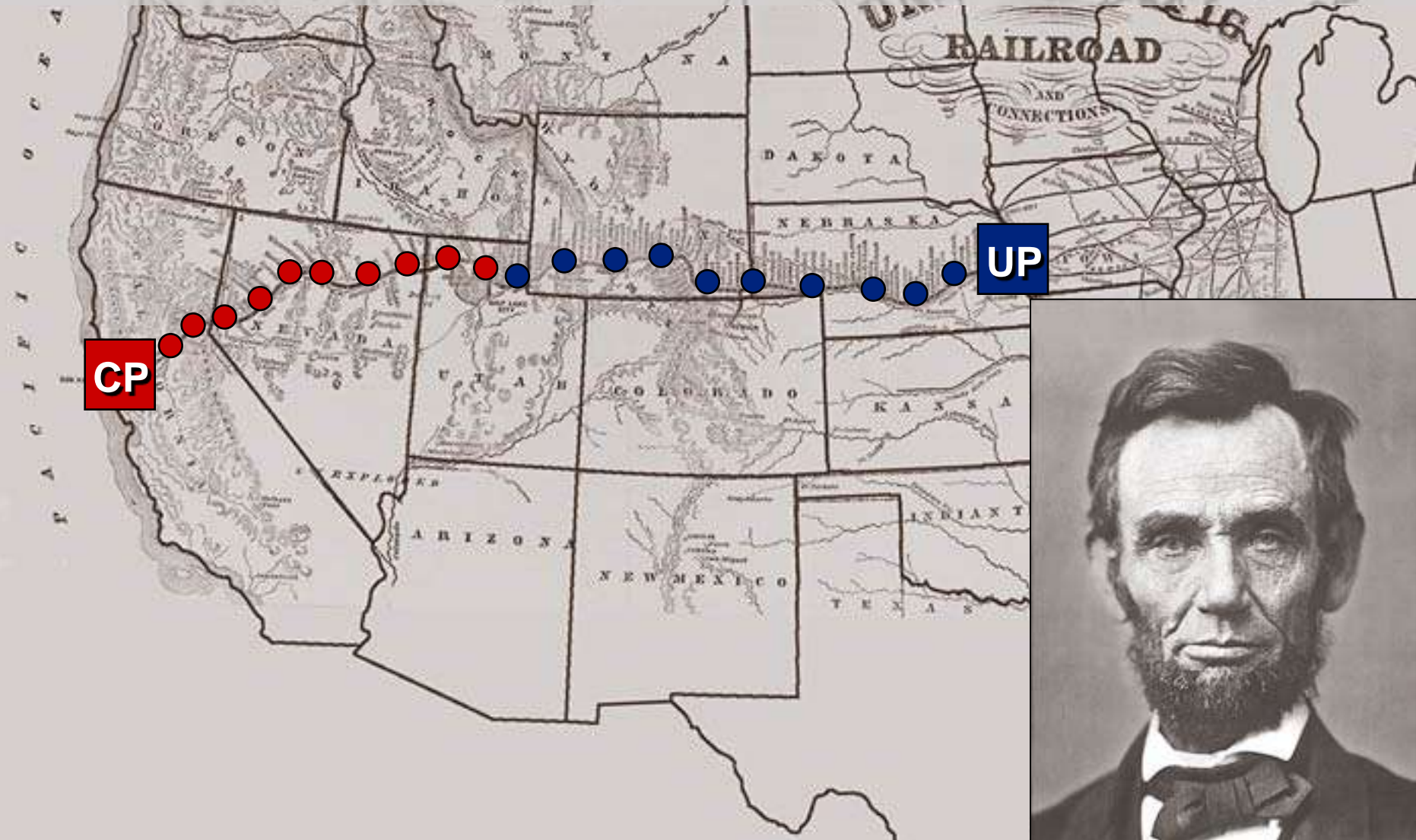


BUILDING AMERICA®

Today's Presentation

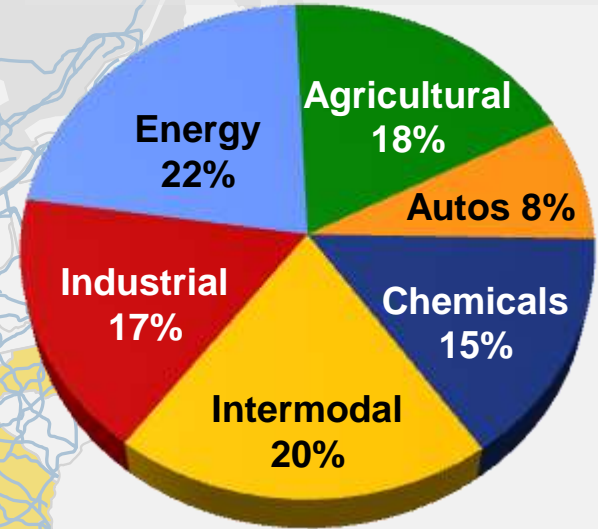
- **Brief History of Union Pacific**
- **Union Pacific Network Overview**
 - **Market Demand and Outlook**
- **Capital Investment Supports Growth and Service**
- **Environmental Benefits of Rail**
- **Summary**

Pacific Railway Act - 1862



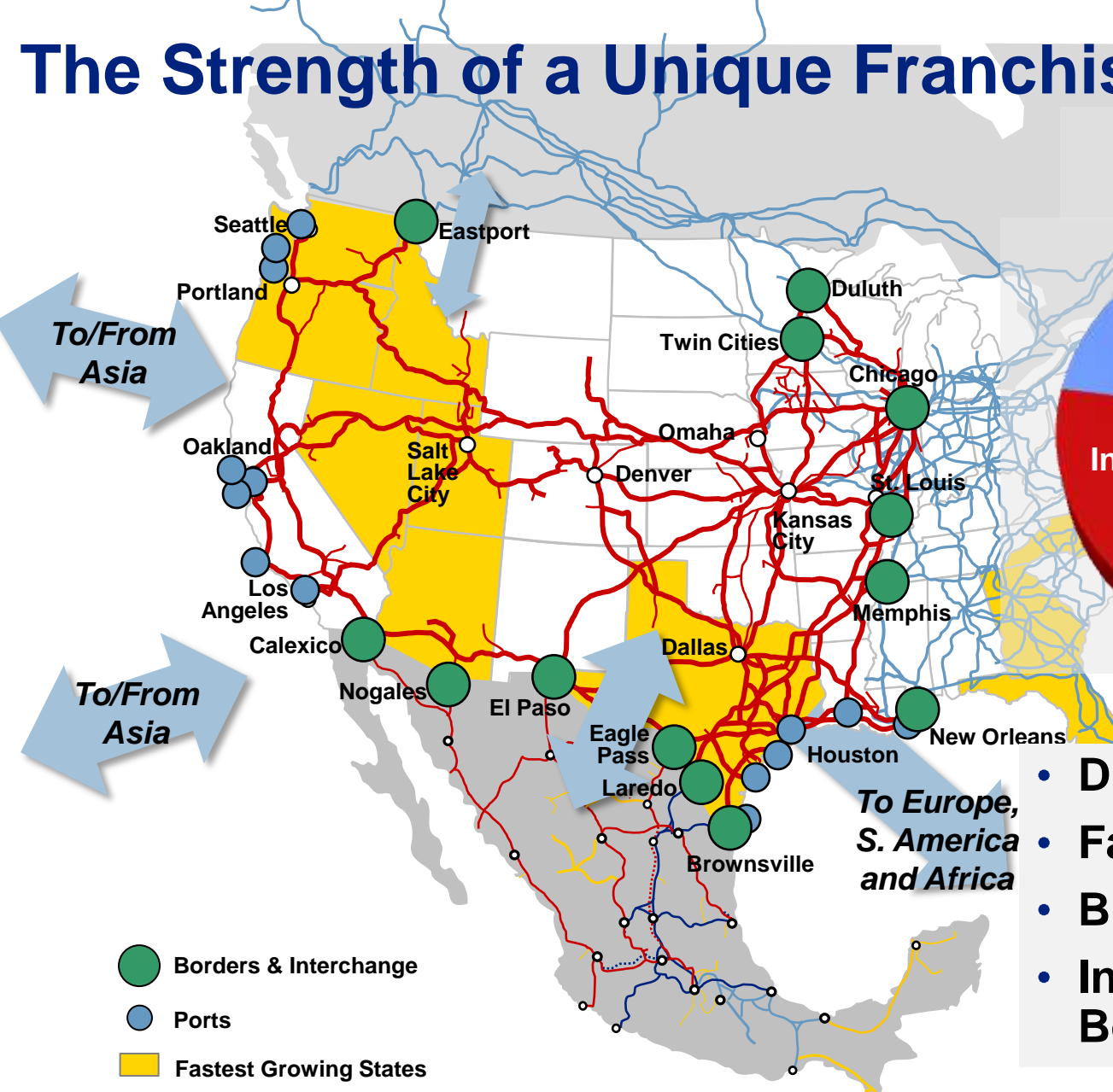
The Strength of a Unique Franchise

Freight Revenue
\$18.7 B in 2011

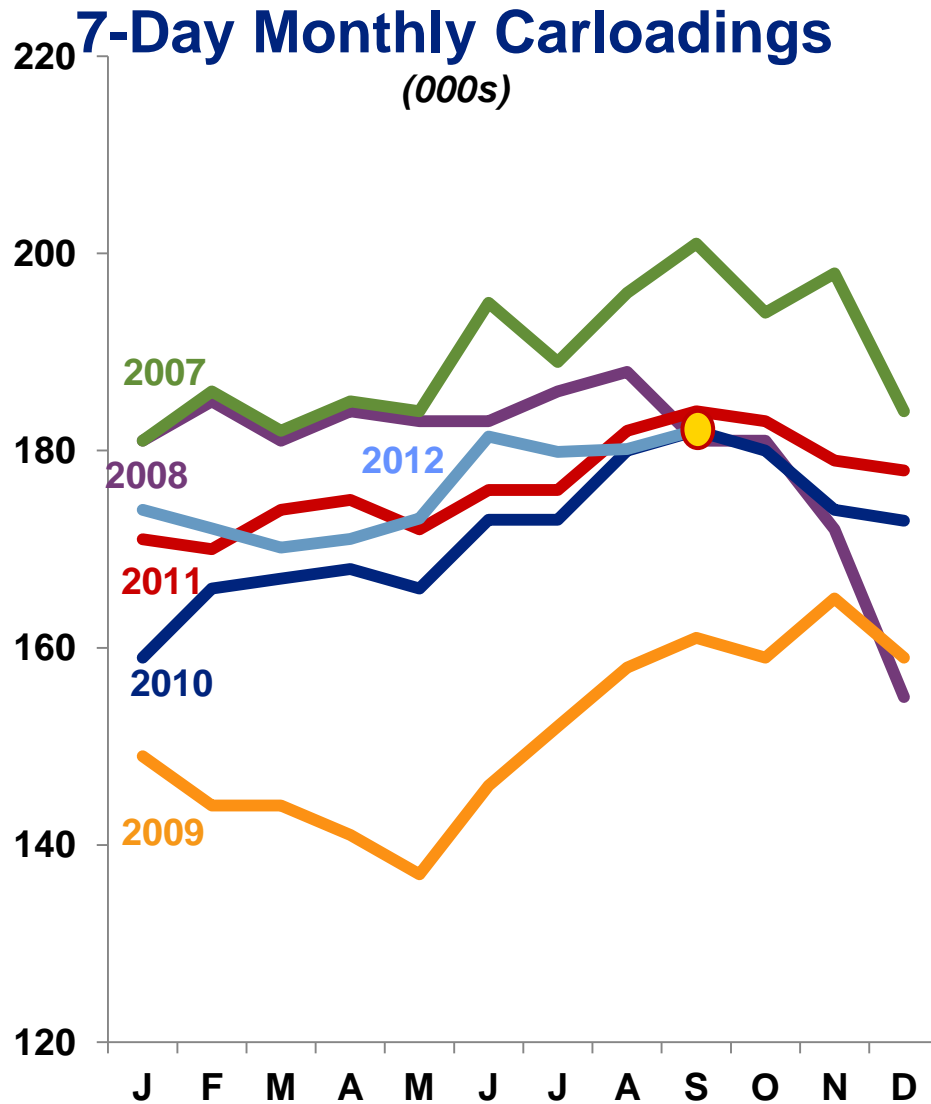


- Diverse Business Mix
- Fastest Growing States
- Broad Port Access
- Interchange Traffic & Border Crossings

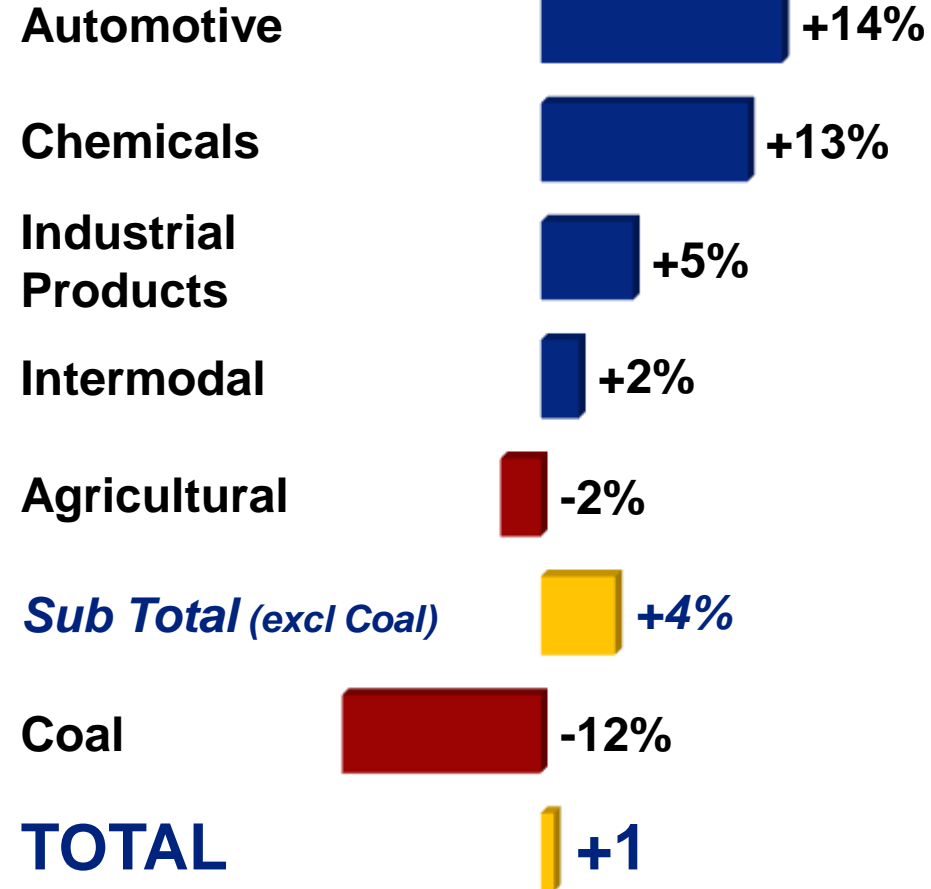
● Borders & Interchange
● Ports
■ Fastest Growing States



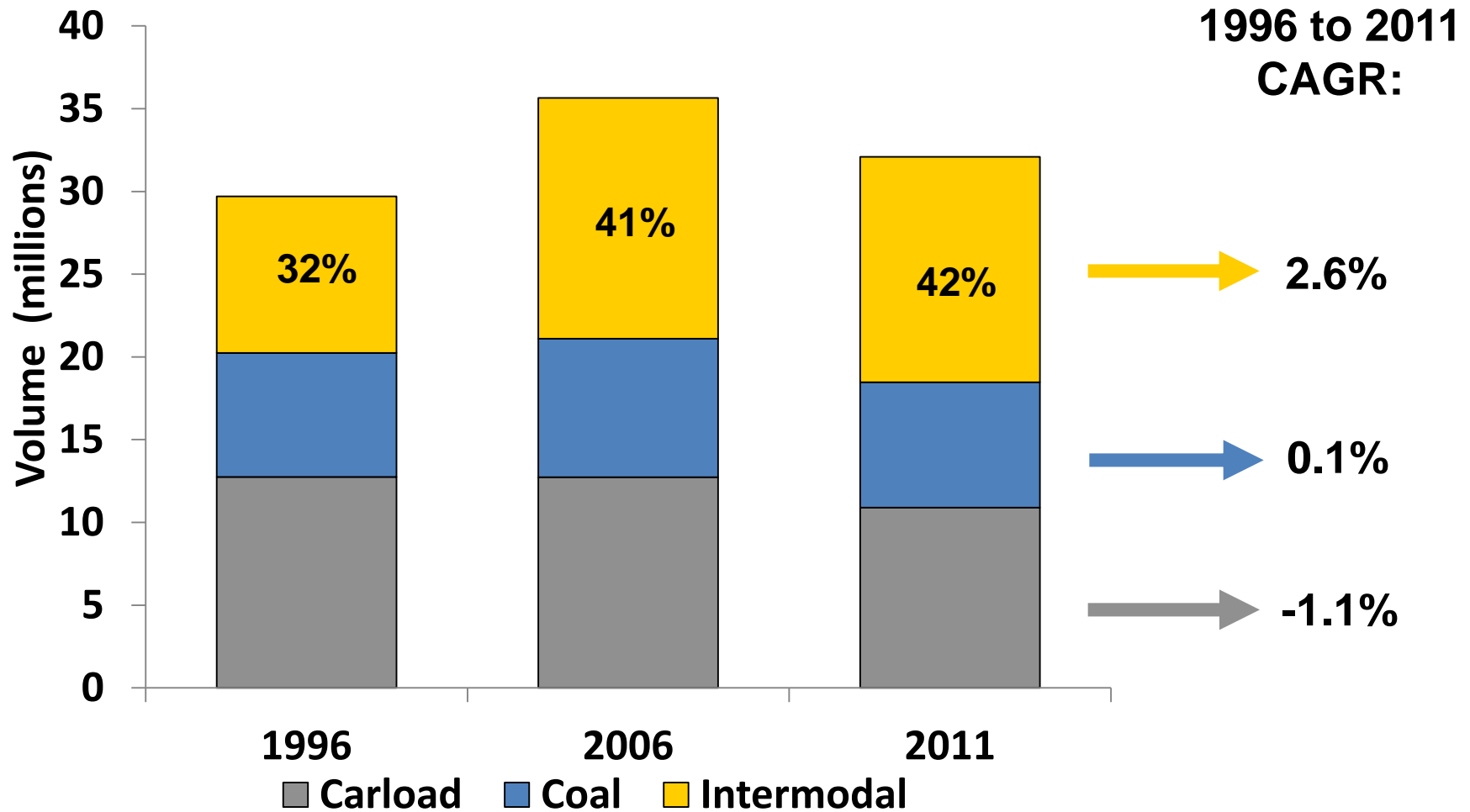
2012 UP Volume Drivers



YTD Volume Growth (vs 2011)



Intermodal is the Rail Industry's Largest and Fastest Growing Business Segment



Source: AAR CS54 Carloads (UP, NS, CSX, BNSF, CR)

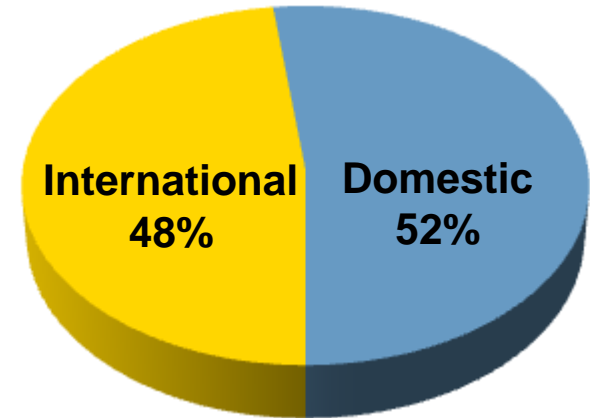


150
YEARS

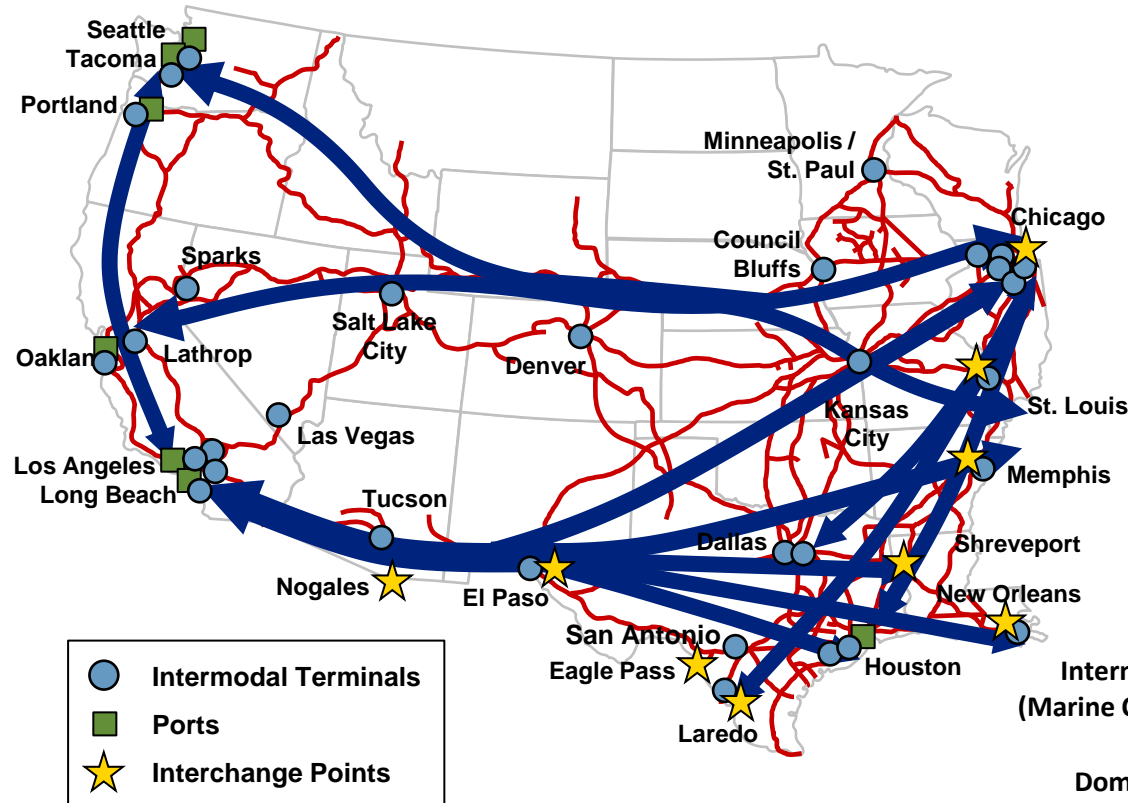
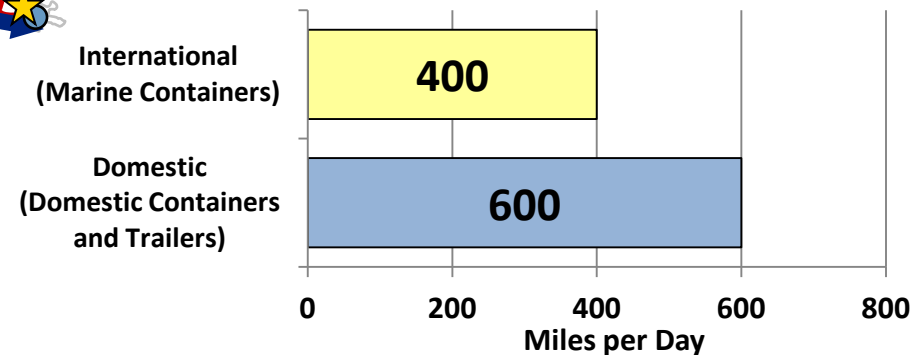
Intermodal

\$3.6 Billion Revenue in 2011

2011 Revenue Mix

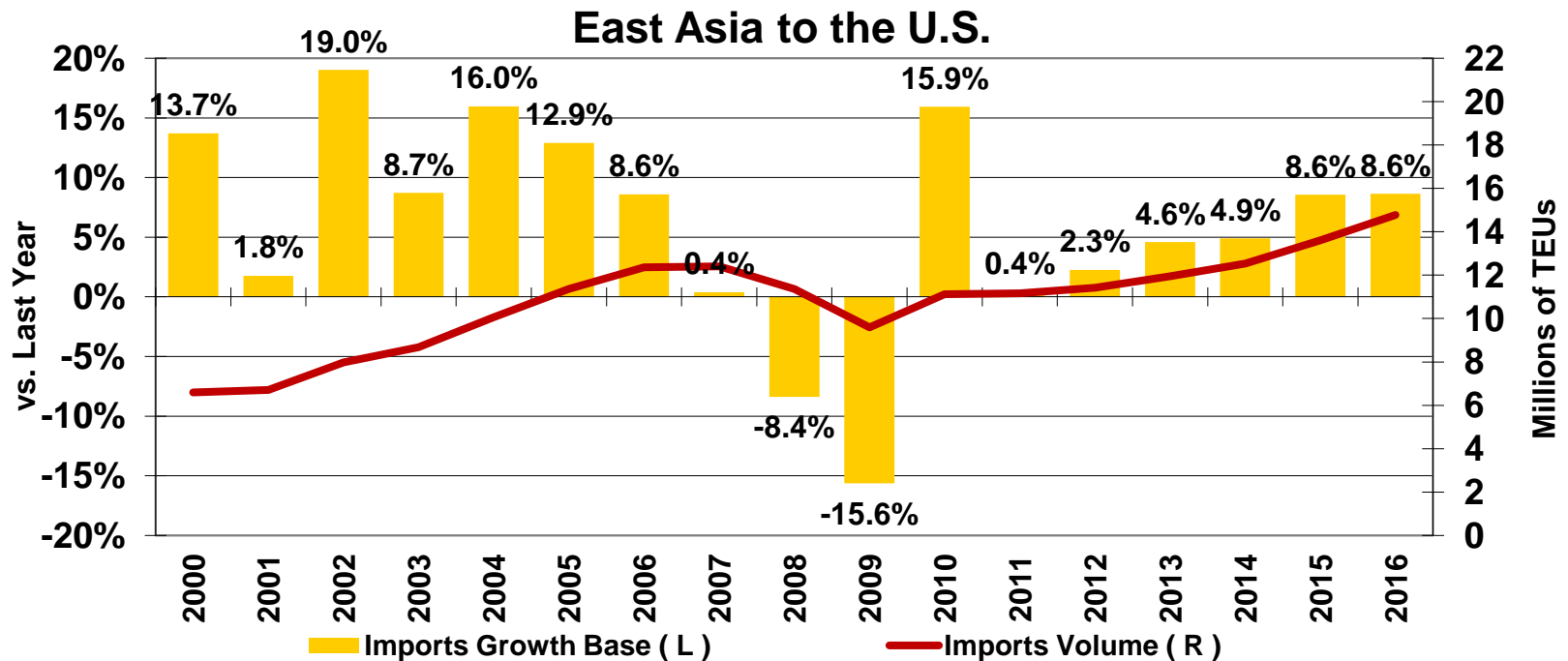


Required Avg. Daily Transit Miles



Transpacific traffic will continue to dominate imports

- Growth of International Volumes slowly climb



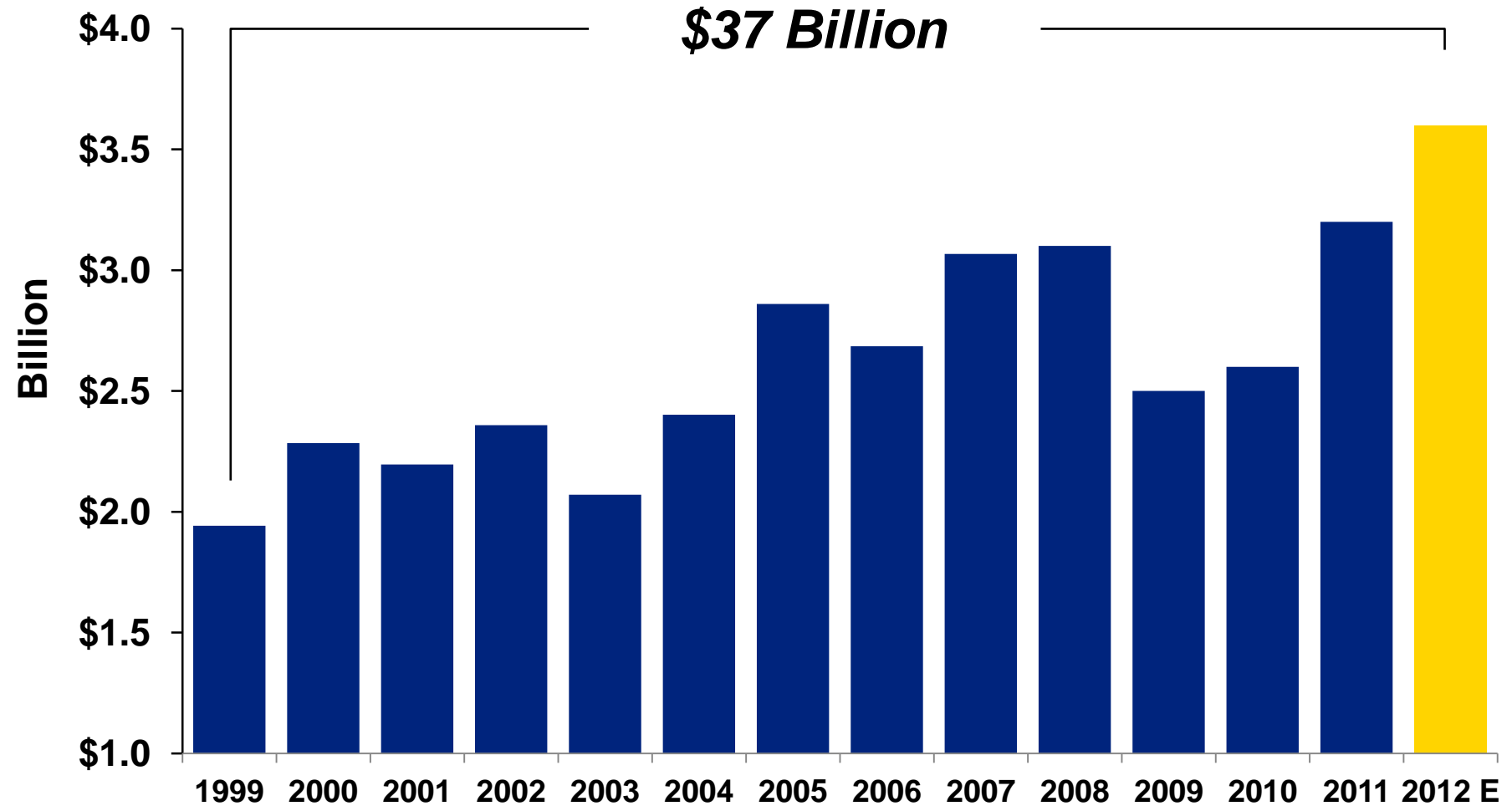
- Domestic Volumes & Highway Conversions Growing

Sources: PIERS, TTX



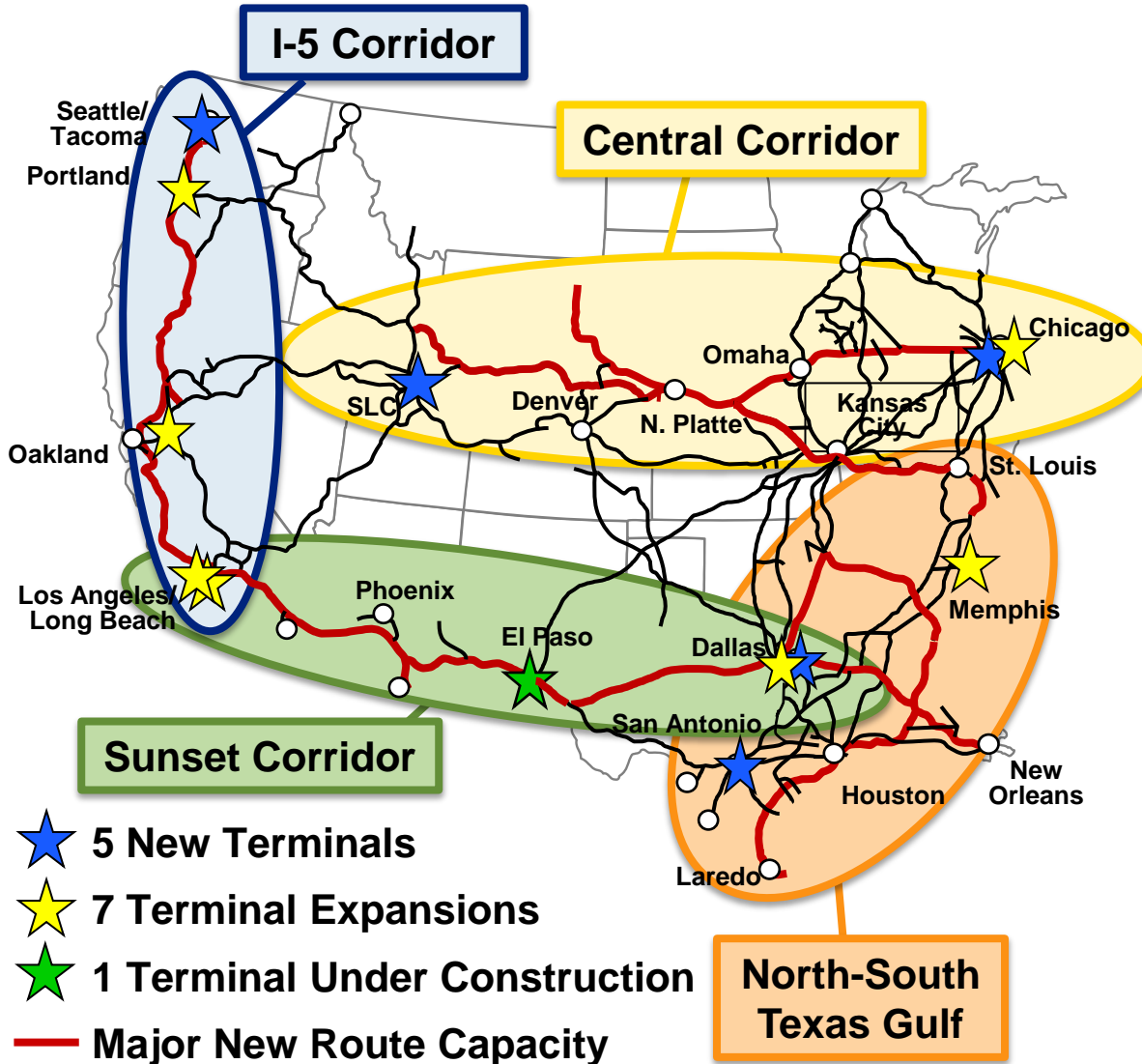
UP Leads the Rail Industry in Capital Investment

Supports Service and Growth



Capacity for Growth


Industry-Leading Investment Program



- \$35+ billion capital investment since 2000
- \$3.6 billion 2012 capital budget
- \$1.1 billion invested in intermodal terminals since 2000
- 1.5 million incremental lifts added in the past 10 years

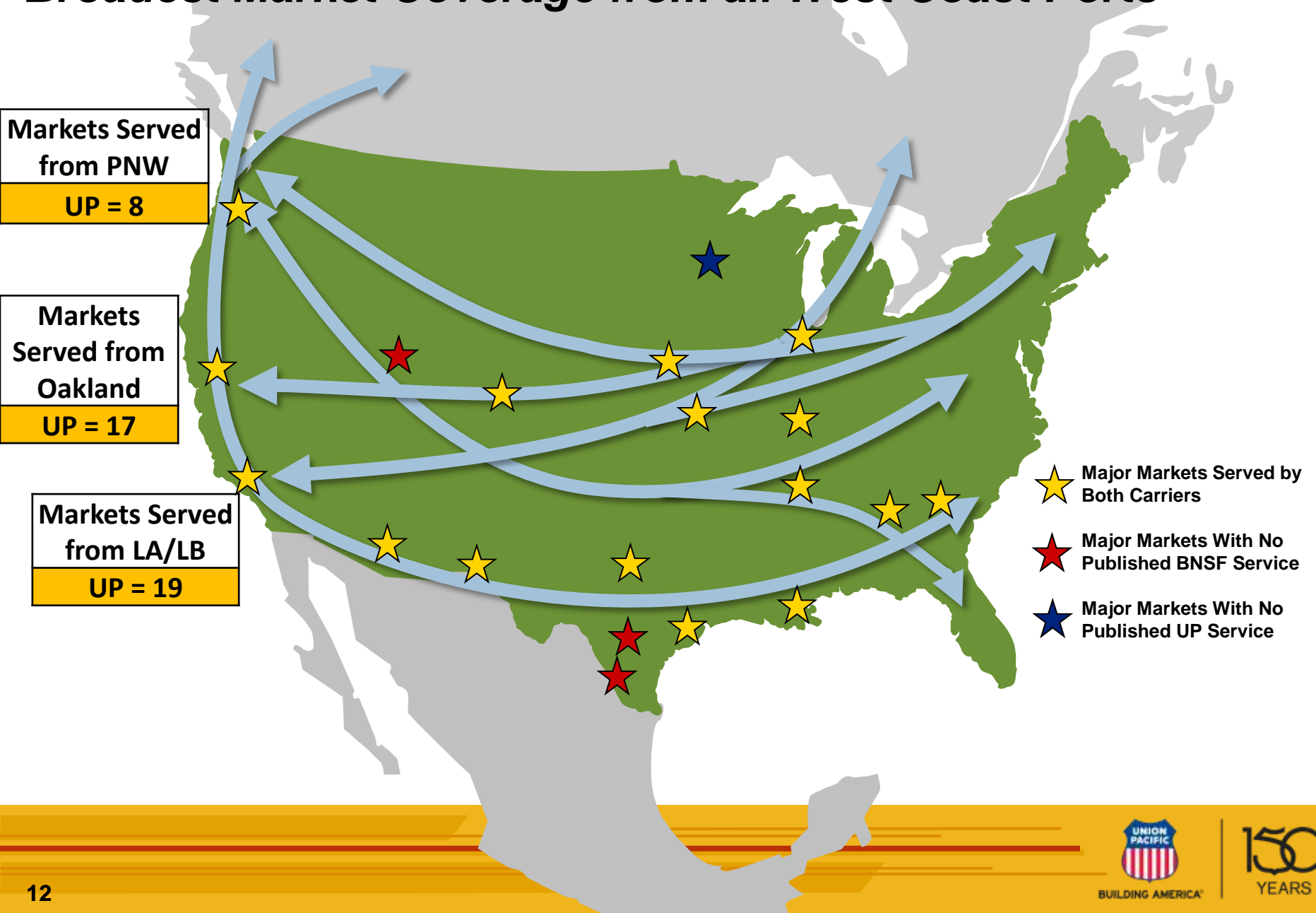
Recent New Intermodal Terminal Investments



	Chicago	Dallas	San Antonio
Acres	550	304	250
Lift Capacity	500,000	500,000	250,000
Parking Slots	4200	5600	1300
Cost (\$Million)	\$370	\$100	\$125

Largest International Intermodal Network

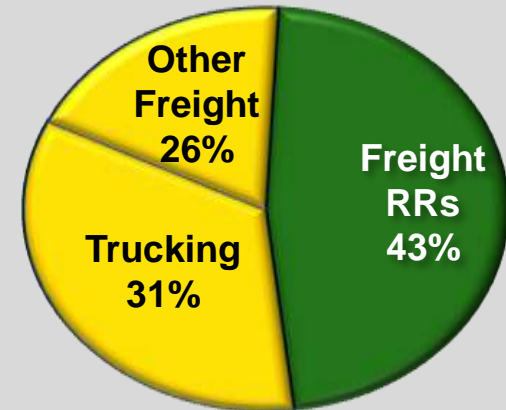
Broadest Market Coverage from all West Coast Ports



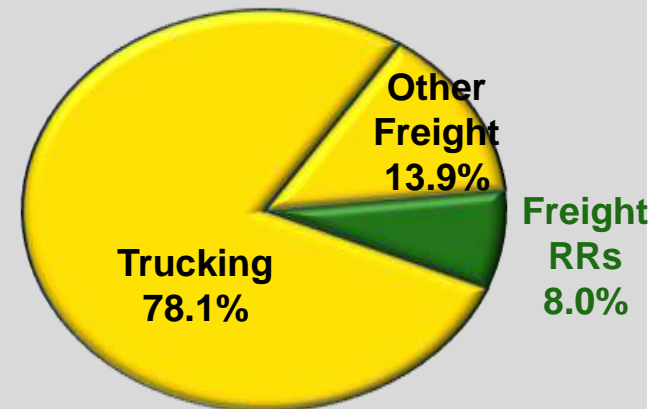
Growing Usage of Rail comes with Cleaner Skies & Clearer Roads

- Three times cleaner than trucks on a ton-mile basis
- Energy independence
 - Four times more fuel efficient than trucks
 - Hauls one ton of freight an avg. 484 miles on one gallon of fuel
 - Moved double the freight on the same amount of fuel since 1980
- Each train can take up to 300 trucks off highways

Intercity Freight Transportation
[Based on Ton Miles]



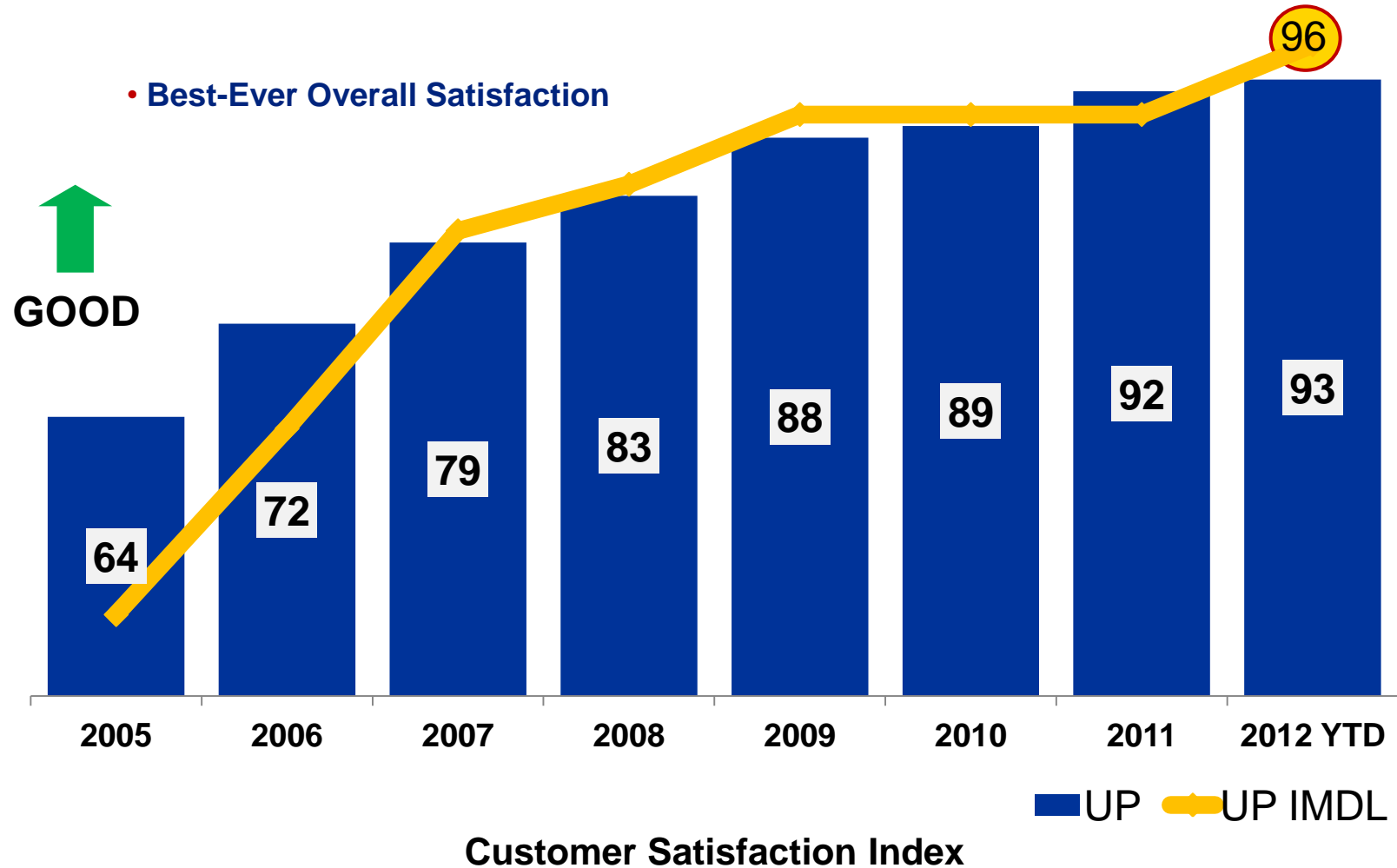
Transportation
Greenhouse Gas Emissions



Source: EPA, AAR

Creating Customer Value

Value = Customer Satisfaction



Union Pacific Well Positioned to Support Growth

- Frequent and Consistent Service that Allows our Customers to Succeed in the Market
- Investments Support Future Volume Growth and Enhanced Service
- Satisfied Customers
- Ports and Railroads working together



Building America for 150 Years

Thank you !



Wherever you find business, you'll find us.