Union Pacific Intermodal
$4.0 Billion Revenue 2013

Volume Mix

- Domestic: 47%
- International: 53%

Required Avg. Daily Transit Miles

- Domestic (Domestic Containers and Trailers): 600 miles
- International (Marine Containers): 400 miles

Intermodal Terminals
- Ports
- Interchange Points
Intermodal Strategic Outlook

• Growth potential in all economic scenarios
• Superior market coverage
• Continued International growth from off shoring
• Expand Domestic highway conversion
• Focus capacity investments to capture growth in target markets
• Provide reliable and competitive service
• Deliver financial returns that support reinvestment
Western Intermodal Industry Overview

- Largest and fastest growing business in the West
  - Global trade growth
  - Highway conversion
- Domestic has replaced International as the driver of volume growth

Western Intermodal Volume CAGR

<table>
<thead>
<tr>
<th></th>
<th>'01-'07</th>
<th>'07-'13</th>
<th>'01-'13</th>
</tr>
</thead>
<tbody>
<tr>
<td>International</td>
<td>7.5%</td>
<td>-4.0%</td>
<td>1.6%</td>
</tr>
<tr>
<td>Domestic</td>
<td>5.5%</td>
<td>7.0%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Total</td>
<td>6.8%</td>
<td>0.6%</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

Source: IANA; excludes Parcel/LTL
Largest Domestic Western Intermodal Network

- UP connects twice as many major markets in North America
- Competitive service in all lanes
- Connect to the most major markets in Mexico and Canada

Northern California Markets Served: UP 15  
BNSF 8

Los Angeles Markets Served: UP 18  
BNSF 9

Chicago Markets Served: UP 16  
BNSF 11
UP North American Domestic Container Programs
Over 53% of the Industry’s Capacity

- Interline program with NS
- Program began in 1994
- Access to over 32,000 rail-owned containers

- Interline program with CSX
- Program began in 2010
- Access to over 31,000 rail-owned containers
Union Pacific Offers Unparalleled Mexico Market Coverage

**Border Direct:**
UP rail service to the US border

**Streamline Passport Service:**
Door to door Intermodal service into & out of Mexico

**Mexico Direct:**
UP/Mexican rail to a Mexican rail ramp
Union Pacific Mexico Intermodal Products

• **Border Direct**
  – Steel Wheel service to/from the US/Mexico border
  – Accommodates freight sold under “mid bridge” terms of sale
  – Shippers product is often transloaded into/from a Mexican carriers conveyance

• **Streamline Passport**
  – Steel Wheel service to/from the US/Mexico border with Streamline managed door pick up and delivery in Mexico
  – Allows customers to avoid transloading costs at the border by keeping freight in original container
  – Customers can leverage Streamlines Mexico drayage network

• **Mexico Direct**
  – Steel Wheel service to/from an interior Mexican Ramp
  – Enhanced security from traveling by rail
  – Avoids congestion and costs of stopping at the border
Memphis and Mexico Have Never Been Closer

New 3rd AM Service Between Laredo and Memphis

- Reliable, Truck Competitive Service
- 6 Days of Service in Both Directions
- Access to EMP & UMAX Equipment, North America's Largest Rail Container Fleet
- Seamless Door-to-Door Service Available into Mexico via Streamline Passport

<table>
<thead>
<tr>
<th>Origin</th>
<th>Destination</th>
<th>Time</th>
<th>Days of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pt Laredo (Marion, AR)</td>
<td>Memphis (Marion, AR)</td>
<td>Cutoff 2200</td>
<td>- Mo Tu We Th Fr Sa</td>
</tr>
<tr>
<td>Pt Laredo</td>
<td>Memphis</td>
<td>Cutoff 1900</td>
<td>Su - Tu We Th Fr Sa</td>
</tr>
<tr>
<td>Pt Laredo</td>
<td>Memphis</td>
<td>Availability 0800</td>
<td>Th Fr Sa Su Mo Tu</td>
</tr>
</tbody>
</table>
Eagle Premium Service to Monterrey, Mexico

Eliminating Borders, Expanding Opportunity

Seamless Service
- Steel-wheel service to/from FXE Monterrey Intermodal terminal
- Between Monterrey & Chicago/IX
- Interline service to Canada, and the Eastern United States
- Experienced, bilingual customer service support

Equipment & Service
- Rail and Private Containers
- Ship Door to Door with Streamline

LA & St Louis Started January 2014!!

<table>
<thead>
<tr>
<th>Origin</th>
<th>Destination</th>
<th>Time</th>
<th>Days of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>FXE Monterrey</td>
<td>Chicago (Yardcenter)</td>
<td>Cutoff</td>
<td>1630</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mo   Tu   We   Th Fr   Sa</td>
</tr>
<tr>
<td>Availability</td>
<td></td>
<td>1200</td>
<td>Sa   Su   Mo   Tu   We   Th</td>
</tr>
<tr>
<td>Chicago (Yardcenter)</td>
<td>FXE Monterrey</td>
<td>Cutoff</td>
<td>0300</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Su   -   Tu   We   Th   Fr   Sa</td>
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<tr>
<td>Availability</td>
<td></td>
<td>0700</td>
<td>Th   -   Sa   Su   Mo   Tu   We</td>
</tr>
<tr>
<td>FXE Monterrey</td>
<td>Los Angeles</td>
<td>Cutoff</td>
<td>1630</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mo   Tu   We   Th   Fr   Sa</td>
</tr>
<tr>
<td>Availability</td>
<td></td>
<td>0800</td>
<td>Sa   Su   Mo   Tu   We   Th</td>
</tr>
<tr>
<td>FXE Monterrey</td>
<td>St Louis (Dupo,IL)</td>
<td>Cutoff</td>
<td>1630</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mo   Tu   We   Th   Fr   Sa</td>
</tr>
<tr>
<td>Availability</td>
<td></td>
<td>1800</td>
<td>Sa   Su   We   We   Th   Th</td>
</tr>
</tbody>
</table>
New Santa Teresa (El Paso) Terminal

Provides capacity to Add New Lanes

$400 Million overall project

• 225,000 lift capacity
• Potential Service Lanes
  - El Paso – Southeast, NorCal
  - El Paso – Dallas, Portland
  - El Paso – Kan City, St Louis

Opened: April 2014
New SE Services: June 2014
International Customer Service Center

Laredo, Texas

• Manage all cross-border train activities for our six Mexican/US gateways

• All representatives are bilingual (English/Spanish)

• Manages nearly 50 cross-border trains per day while handling more than 130,000 inbound and outbound calls per year.
  – Proactive customer calls
  – Problem Resolution
  – New business desk/border industry desk

  – Management of Despacho Previo rail car clearing process into Mexico
  – Manage cars not cleared into Mexico for resolution
# International Customer Service Center

## Hours of Operations

<table>
<thead>
<tr>
<th>Customer Location</th>
<th>Phone Numbers</th>
<th>Fax</th>
<th>Contact</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toll Free in U.S. or Canada</td>
<td>1-800-877-0531</td>
<td>1-800-877-0533</td>
<td><a href="mailto:icscmgmt@up.com">icscmgmt@up.com</a></td>
<td>0800 – 1900</td>
</tr>
<tr>
<td>Toll Free from Mexico</td>
<td>1-800-520-1771</td>
<td>1-800-520-1772</td>
<td><a href="mailto:icscmgmt@up.com">icscmgmt@up.com</a></td>
<td>0800 – 1900</td>
</tr>
</tbody>
</table>

Open Monday – Friday except Thanksgiving, Christmas and New Year’s

## Border Operations Support

<table>
<thead>
<tr>
<th>Phone Number</th>
<th>Contact</th>
<th>Hours of Operations</th>
<th>Holidays</th>
</tr>
</thead>
<tbody>
<tr>
<td>956-721-3230 (U.S)</td>
<td><a href="mailto:amsteam@up.com">amsteam@up.com</a></td>
<td>24 hours day/7 days week</td>
<td>Dec 25\textsuperscript{th} and Jan 1st</td>
</tr>
</tbody>
</table>
US/Mexico Trade Positioned for Strong Growth

• Mexico has a strong 5 year economic outlook
  – GDP is expected to grow at or above 3%*

• Foreign Direct Investment in Mexico continues to rise
  – “Near – shoring” trend will continue
  – Total delivered cost of goods to the US is becoming more competitive with China

• The US-Mexico truckload market is large and an underpenetrated opportunity for Intermodal

• Union Pacific is well positioned to handle Mexico growth
  – Direct Intermodal access to 4 Mexico Gateways
  – Most direct service between US and Canada
  – Flexible, innovative intermodal solutions for shipping into and out of Mexico
  – Investing capital to handle growth and enhance service

*Source: Insight Logistics
Thank you for your business!!