

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549-1004

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1995

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-6075

UNION PACIFIC CORPORATION
(Exact name of registrant as specified in its charter)

UTAH 13-2626465
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

Martin Tower, Eighth and Eaton Avenues, Bethlehem, Pennsylvania
(Address of principal executive offices)

18018
(Zip Code)

(610) 861-3200
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding twelve months (or for such shorter period that the
Registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past ninety days.

YES X NO

As of April 28, 1995, there were 205,284,153 shares of the Registrant's
Common Stock outstanding.

UNION PACIFIC CORPORATION
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PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

CONDENSED STATEMENT OF CONSOLIDATED INCOME

For the Three Months Ended March 31, 1995 and 1994

(Amounts in Millions, Except Ratio and Per Share Amounts)
(Unaudited)

	1995	1994
	-----	-----
Operating Revenues (Note 7).....	\$ 1,978	\$ 1,860
	-----	-----
Operating Expenses:		
Salaries, wages and employee benefits.....	684	634
Depreciation, depletion, amortization and retirements.....	248	239
Equipment and other rents.....	171	156
Fuel and utilities (Note 7).....	128	122
Materials and supplies.....	98	97
Other costs.....	284	267
	-----	-----
Total.....	1,613	1,515
	-----	-----
Operating Income.....	365	345
Other Income - Net (Note 5).....	42	172
Interest Expense (Note 7).....	(89)	(77)
Corporate Expenses.....	(30)	(12)
	-----	-----
Income Before Income Taxes.....	288	428
Income Taxes.....	(97)	(143)
	-----	-----
Income from Continuing Operations.....	191	285
Loss from Discontinued Operations (Note 4)..	--	(2)
	-----	-----
Net Income.....	\$ 191	\$ 283
	=====	=====
Earnings Per Share:		
Income from Continuing Operations.....	\$ 0.93	\$ 1.39
Loss from Discontinued Operations.....	--	(0.01)
	-----	-----
Net Income.....	\$ 0.93	\$ 1.38
	=====	=====
Weighted Average Number of Shares.....	205.5	205.7
Cash Dividends Per Share.....	\$ 0.43	\$ 0.40
Ratio of Earnings to Fixed Charges (Note 6).	3.6	5.6

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES
CONDENSED STATEMENT OF CONSOLIDATED FINANCIAL POSITION

(Millions of Dollars)
(Unaudited)

ASSETS	March 31, 1995	December 31, 1994
	-----	-----
Current Assets:		
Cash and temporary investments.....	\$ 97	\$ 121
Accounts receivable.....	620	648
Inventories.....	280	315
Income taxes receivable (Note 4).....	225	285
Notes receivable (Notes 4 and 5).....	67	291
Other current assets.....	192	162
	-----	-----
Total Current Assets.....	1,481	1,822
	-----	-----
Investments:		
Investments in and advances to affiliated companies.....	494	492
Other investments.....	164	170
	-----	-----
Total Investments.....	658	662
	-----	-----
Properties:		
Railroad:		
Road and other.....	8,565	8,428
Equipment.....	4,679	4,658
	-----	-----
Total Railroad.....	13,244	13,086
	-----	-----
Natural resources.....	5,106	4,965
	-----	-----
Trucking.....	728	704
	-----	-----
Other.....	132	130
	-----	-----
Total Properties.....	19,210	18,885
	-----	-----
Accumulated depreciation, depletion and amortization.....	(6,839)	(6,614)
	-----	-----
Properties - Net.....	12,371	12,271
	-----	-----
Cost in Excess of Net Assets of Acquired Businesses - Net (Note 3).....	810	939
Other Assets.....	296	248
	-----	-----
Total Assets.....	\$ 15,616	\$ 15,942
	=====	=====

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

CONDENSED STATEMENT OF CONSOLIDATED FINANCIAL POSITION

 (Amounts in Millions, Except Share and Per Share Amounts)
 (Unaudited)

LIABILITIES AND STOCKHOLDERS' EQUITY	March 31, 1995	December 31, 1994
	-----	-----
Current Liabilities:		
Accounts payable.....	\$ 384	\$ 463
Accrued wages and vacation.....	237	223
Income and other taxes.....	212	198
Accrued casualty costs.....	160	163
Dividends and interest.....	159	192
Debt due within one year.....	105	470
Other current liabilities.....	789	796
	-----	-----
Total Current Liabilities.....	2,046	2,505
	-----	-----
Debt Due After One Year.....	4,202	4,090
Deferred Income Taxes (Note 3).....	2,765	2,856
Retiree Benefits Obligation.....	641	603
Other Liabilities (Note 8).....	758	757
Stockholders' Equity:		
Common stock, \$2.50 par value, authorized 500,000,000 shares, 231,857,343 shares issued in 1995, 231,837,976 shares issued in 1994....	580	580
Paid-in surplus.....	1,432	1,428
Retained earnings.....	4,836	4,734
Treasury stock, at cost, 26,576,140 shares in 1995, 25,900,775 shares in 1994.....	(1,644)	(1,611)
	-----	-----
Total Stockholders' Equity.....	5,204	5,131
	-----	-----
Total Liabilities and Stockholders' Equity....	\$ 15,616	\$ 15,942
	=====	=====

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

CONDENSED STATEMENT OF CONSOLIDATED CASH FLOWS
For the Three Months Ended March 31, 1995 and 1994

(Millions of Dollars)
(Unaudited)

	1995	1994
	-----	-----
Cash flows from operating activities:		
Net Income.....	\$ 191	\$ 283
Non-cash charges to income:		
Depreciation, depletion and amortization.....	248	239
Deferred income taxes.....	33	73
Other - Net.....	93	(108)
Changes in current assets and liabilities.....	(142)	(201)
Cash used for special charges.....	(7)	(23)
	-----	-----
Cash from operations.....	416	263
	-----	-----
Cash flows from investing activities:		
Capital investments.....	(349)	(352)
USPCI sale (Note 4).....	225	--
AMAX acquisition - Net.....	--	(725)
Wilmington sale (Note 5).....	--	280
Other - Net.....	64	(10)
	-----	-----
Cash used in investing activities.....	(60)	(807)
	-----	-----
Cash flows from equity and financing activities:		
Dividends paid.....	(88)	(82)
Debt repaid.....	(261)	(117)
Purchase of treasury stock.....	(32)	(1)
Financings.....	1	886
	-----	-----
Cash generated (used) in equity and financing activities.....	(380)	686
	-----	-----
Net change in cash and temporary investments....	\$ (24)	\$ 142
	=====	=====

CONDENSED STATEMENT OF CONSOLIDATED RETAINED EARNINGS
For the Three Months Ended March 31, 1995 and 1994

(Amounts in Millions, Except Per Share Amounts)
(Unaudited)

	1995	1994
	-----	-----
Balance at Beginning of Year.....	\$ 4,734	\$ 4,529
Net Income.....	191	283
	-----	-----
Total.....	4,925	4,812

Dividends Declared (\$0.43 per share in 1995; \$0.40 per share in 1994).....	(89)	(82)
	-----	-----
Balance at End of Period.....	\$ 4,836	\$ 4,730
	=====	=====

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. RESPONSIBILITIES FOR FINANCIAL STATEMENTS - The condensed consolidated financial statements are unaudited and reflect all adjustments (consisting only of normal and recurring adjustments) that are, in the opinion of management, necessary for a fair presentation of the financial position and operating results for the interim periods. The Condensed Statement of Consolidated Financial Position at December 31, 1994 is derived from audited financial statements. The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Union Pacific Corporation (the Corporation or UPC) Annual Report to Stockholders incorporated by reference in the Corporation's Annual Report on Form 10-K for the year ended December 31, 1994. The results of operations for the three months ended March 31, 1995 are not necessarily indicative of the results for the entire year ending December 31, 1995.
2. ACQUISITION OF CHICAGO AND NORTH WESTERN TRANSPORTATION COMPANY (CNW) - On March 16, 1995, the Corporation executed a definitive merger agreement pursuant to which the Corporation would acquire the remaining 71.6% of CNW's outstanding common stock not previously owned by UPC for \$1.2 billion. Under this agreement, UPC initiated a cash tender offer (through its indirectly wholly-owned subsidiary, UP Rail, Inc.) on March 23, 1995 at \$35 per share which was completed on April 25, 1995. A total of 31,529,846 shares was tendered pursuant to the offer and accepted by UPC for payment, bringing UPC's ownership of CNW to approximately 99.5%. CNW (the nation's eighth largest railroad) is located in the central transcontinental corridor, consists of more than 5,300 road miles, employs more than 6,100 people and is a major transporter of coal, grain and intermodal freight. For the year ended December 31, 1994, CNW had operating revenues of \$1.13 billion, net income of \$84 million and assets of \$2.22 billion. UPC funded the CNW tender offer through the issuance of commercial paper, part of which UPC subsequently refinanced with \$850 million of notes and debentures.
3. TAX SETTLEMENT - In January 1995, UPC recorded the effects of a tax settlement with the Internal Revenue Service that allowed part of the excess acquisition costs (goodwill) associated with the acquisition of Overnite Transportation Company (Overnite) to become tax deductible. The effect of this one-time tax benefit was to reduce goodwill and deferred income taxes payable by \$123 million and to decrease ongoing goodwill amortization by \$4 million annually.
4. SALE OF USPCI, INC. (USPCI) - At year-end 1994, the Corporation completed the sale of USPCI to Laidlaw Inc. for \$225 million in notes that were subsequently collected in January 1995. The sale resulted in a net loss of \$412 million in 1994. Prior year's results have been restated to present USPCI as a discontinued operation.

5. WILMINGTON SALE - In March 1994, Union Pacific Resources Company (Resources) sold its interest in the Wilmington, California oil field's surface rights and hydrocarbon reserves, and its interest in the Harbor Cogeneration Plant, to the City of Long Beach, California for \$405 million in cash and notes. The Wilmington sale resulted in a \$184 million (\$116 million after-tax) gain--\$159 million (\$100 million after tax) at Resources and \$25 million (\$16 million after tax) at Union Pacific Railroad Company (the Railroad).
6. RATIO OF EARNINGS TO FIXED CHARGES - The ratio of earnings to fixed charges has been computed on a total enterprise basis. Earnings represented income from continuing operations less equity in undistributed earnings of unconsolidated affiliates, plus income taxes and fixed charges. Fixed charges represent interest, amortization of debt discount and expense, and the estimated interest portion of rental charges.
7. PRICE RISK MANAGEMENT - The Corporation uses derivative financial instruments to protect against unfavorable hydrocarbon price movements, interest rate movements and foreign currency exchange risk. While the use of these hedging arrangements limits the downside risk of adverse price and rate movements, it may also limit future gains from favorable movements. All hedging is accomplished pursuant to exchange-traded contracts or master swap agreements based on standard forms. UPC does not hold or issue financial instruments for trading purposes. The Corporation addresses market risk by selecting instruments with value fluctuations that correlate strongly with the underlying item or risk being hedged. Credit risk related to hedging activities, which is minimal, is managed by requiring minimum credit standards for counterparties, periodic settlements and/or mark-to-market evaluations.

Hydrocarbons: At March 31, 1995, Resources had entered futures contracts and price swaps for 1995 natural gas and crude oil sales volumes of 198 mmcf/day at \$1.93/mcf (approximately 21% of its remaining 1995 natural gas production) and 48 mbbbl/day at \$18.01/bbl (approximately 85% of its remaining 1995 crude production), respectively. Resources had also entered into long-term fixed price sales agreements for 92 bcf of natural gas at an average price of \$2.96/mcf covering the period 1995 thru 2008, comprising less than 4% of its expected annual production. In addition, at March 31, 1995, Overnite had no fuel purchase hedging agreements in place, while the Railroad had hedged approximately 4% of its remaining 1995 diesel fuel consumption at \$0.46 per gallon. At the end of the first quarter, Resources and the Railroad had unrecognized mark-to-market gains of \$34 million and \$400,000, respectively, related to hedging arrangements.

Interest Rates and Foreign Currency: At March 31, 1995, the total notional principal amount of debt affected by hedging agreements was \$286 million with a recognized gain of \$34 million (included in the carrying value of the debt instruments) and an unrecognized mark-to-market loss of \$9 million. Hedging of foreign currency transactions offsets actual foreign currency losses.

8. COMMITMENTS AND CONTINGENCIES - There are various lawsuits pending against the Corporation and certain of its subsidiaries. The Corporation is also subject to Federal, state and local environmental laws and regulations and is currently participating in the investigation and remediation of numerous sites. Where UPC can reasonably determine the remediation costs, and where such remediation is probable, the Corporation has recorded a liability. In addition, the Corporation has entered into commitments and provided guarantees for specific financial and contractual obligations of its subsidiaries and affiliates. The Corporation does not expect that the lawsuits, environmental costs, commitments or guarantees will have a material adverse effect on its consolidated financial position or its results of operations.

Management does not anticipate that the ultimate resolution of the matters described in Part I, Item 3. Legal Proceedings of the Corporation's 1994 Annual Report on Form 10-K and in Part II, Item 1. Legal Proceedings in this Report will have a material adverse effect on the Corporation's consolidated financial condition or operating results.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

RESULTS OF OPERATIONS

Quarter Ended March 31, 1995 Compared to March 31, 1994

CONSOLIDATED - Union Pacific Corporation (the Corporation or UPC) reported net income of \$191 million or \$0.93 per share for the first quarter of 1995, compared to 1994 net income of \$283 million or \$1.38 per share. Prior year's results included the one-time benefit of a \$116 million (\$0.56 per share) after-tax gain resulting from the disposition of the Corporation's oil and gas producing properties in Wilmington, California. Net income improved at Union Pacific Railroad Company (the Railroad), while earnings declined at Union Pacific Resources Company (Resources)--reflecting the absence of the Wilmington sale--and at Overnite Transportation Company (Overnite)--the result of adverse traffic trends and increased competition.

Operating revenues grew 6% to \$1.98 billion from \$1.86 billion in 1994, as increased rail carloadings and higher natural gas and natural gas liquids sales volumes were partially offset by lower realized gas prices. Operating expenses rose \$98 million to \$1.61 billion during the quarter. Volume growth and inflation caused increases in salaries, wages and employee benefit costs (\$50 million), equipment and other rents (\$15 million), and fuel and utilities costs (\$6 million). In addition, insurance costs rose \$12 million--reflecting the absence of a 1994 credit, while depreciation charges increased \$9 million--the result of the Corporation's continued commitment to capital spending and higher hydrocarbon sales.

Operating income advanced \$20 million (6%) to \$365 million for the period. Interest expense increased \$12 million, reflecting higher average debt levels and short-term interest rates, while corporate expenses increased \$18 million, largely the result of the absence of 1994 stock appreciation rights credits and higher professional fees related to UPC's pursuit of various strategic transactions.

RAILROAD - Rail earnings advanced \$27 million (16%) to \$195 million for the quarter. Current year's results included a \$15 million after-tax gain on the sale of land in California and a \$6 million after-tax gain that resulted from the expiration of a buy-back contingency related to a 1992 property sale. Prior year's results also included a \$16 million after-tax gain on the sale of land and trackage rights in California.

Operating revenues improved 7% to \$1.38 billion. Higher revenues were generated by an 8% (more than 89,000 loads) rise in first quarter 1995 carloadings. Expanded capacity out of the Southern Powder River Basin and gains in the Southern Illinois and Los Angeles export markets accounted for a 14% increase in energy carloadings. Grain traffic improved 10% from higher export shipments of corn and traffic gains in soybeans, cottonseed and corn syrup. Intermodal volumes improved 9% largely because of business expansion with the Railroad's trucking partners, while chemical carloadings also advanced 9% due to volume growth in fertilizer, plastics and soda ash. Food, consumer and government

carloadings increased 4% from higher volumes in transportation equipment and canned and packaged product shipments. Automotive business improved 1%, as a 3% rise in finished vehicle shipments (the result of increased traffic out of Mexico) was partially countered by a 5% decline in auto parts traffic (reflecting declining market demand in both the U.S. and Mexico). Metals, minerals and forest volumes declined 4% from a year ago, because of lower stone, metallic mineral and forest product shipments. Average revenue per car remained at 1994 levels as price increases offset volume growth of lower-rated commodities--mainly energy and intermodal.

Operating expenses increased to \$1.10 billion for the quarter, compared to \$1.03 billion last year. Growing volumes and inflation accounted for increased wages and benefit costs (\$27 million), equipment and other rents (\$12 million), fuel and utilities costs (\$7 million) and contracted maintenance and drayage (\$4 million). Depreciation expense grew \$5 million because of the Railroad's continued investment in equipment and capacity, while employee safety costs increased \$4 million. Other components contributing to higher operating costs included destroyed equipment (\$3 million), insurance (\$3 million), state and local taxes (\$2 million) and materials and supplies costs (\$1 million).

Operating income at the Railroad rose \$21 million (8%) during the quarter to \$281 million. The Railroad's operating ratio improved to 79.6 from 79.8 a year ago.

NATURAL RESOURCES - Resources' earnings were \$61 million in the first quarter of 1995. This compares to earnings of \$155 million in 1994, which included the one-time benefit of a \$100 million after-tax gain resulting from the Wilmington sale.

Operating revenues (inclusive of hedging activities) grew \$13 million to \$314 million. This improvement was generated by a 20% rise (on a barrel of oil equivalent basis) in average hydrocarbon sales volumes and higher pipeline revenues, partially offset by a 12% decline (on a barrel of oil equivalent basis) in average prices. Natural gas sales volumes rose 33% to 911 mmcf/day, largely due to the AMAX Oil & Gas, Inc. (AMAX) acquisition and production improvements in the Austin Chalk, the Yellow Creek play in the Land Grant and in Carthage, Texas, while natural gas liquids sales volumes improved 48% to 58,446 bbl/day largely because of the AMAX acquisition, the addition of the Wahsatch Gathering System and the Echo Springs gas plant, and increased production in the East Texas plant and the Austin Chalk facilities. Crude oil sales volumes declined 19% to 56,516 bbl/day, reflecting 1994 field sales and lower output in the Austin Chalk. Average prices for crude oil rose \$3.89/bbl (32%) to \$16.08/bbl, while natural gas liquids prices improved \$0.66/bbl (8%) to \$9.32/bbl. Natural gas average prices declined 32% to \$1.34/mcf. Pipeline revenues advanced \$5 million due to the addition of the Wahsatch Gathering System.

Operating expenses rose to \$228 million for the quarter from \$224 million a year ago. Depreciation and depletion charges rose \$9 million, reflecting higher production levels and the addition of new gas processing facilities, while wage and benefit costs rose \$2 million. These cost increases were partially mitigated by a \$6 million decline in dry hole costs (reflecting reduced emphasis on exploration in the current low gas price environment) and a \$2 million reduction in pipeline and plant product purchases for resale (reflecting lower gas prices). Operating income for all of Resources' operations improved \$9 million (12%) to \$86 million in the first quarter of 1995.

Operating income from Resources' minerals operations declined \$3 million during the first three months of 1995 to \$24 million. This decrease was the result of the absence of a first quarter 1994 lease bonus on trona lands and reduced coal royalties (reflecting lower coal production on the Land Grant).

TRUCKING - Overnite's operating environment was extremely difficult in the first quarter of 1995. Operating expenses increased because of reduced operating efficiency associated with shifts in freight flows from shorter-haul, higher margin, intra-regional business to longer-haul traffic, and wage inflation. Margins were also squeezed by aggressive competition from both less-than-truckload (LTL) and truckload (TL) carriers. These unfavorable operating trends may continue throughout 1995, as Overnite works toward tailoring its organization to meet its changing business environment and attempts to regain lost shorter-haul business. In addition, Overnite had several challenges from organized labor in the first quarter of 1995, as twenty-two of Overnite's 174 terminals had union elections--seven of which voted to organize. Overnite has won ten out of the last eleven such elections. Despite the Teamsters' union efforts, less than 7% of Overnite's work force is currently represented by labor unions.

As a result of these unfavorable business trends, Overnite generated a net loss of \$4 million in the first quarter of 1995, despite the absence of the effects of the severe winter in the Eastern U.S. in 1994. This compares to net income of \$6 million a year ago. First quarter 1995 results included goodwill amortization of \$5 million, \$1 million lower than last year due to a tax settlement related to the deductibility of intangible assets (see Note 3 to the Condensed Consolidated Financial Statements).

Overnite's operating revenues advanced \$3 million to \$245 million as a 3% rise in average prices was offset by a 2% decline in volume. Lower volumes were generated by an 18% decrease in TL volumes partially countered by a 1% increase in Overnite's core LTL business.

Operating expenses increased \$16 million to \$250 million. A longer average length of haul, inflation and operating inefficiencies associated with shifts in freight flows caused a \$9 million rise in salaries, wages and employee benefit costs and a \$3 million increase in equipment and other rents. In addition, depreciation expense grew by \$2 million due to Overnite's continuing investment in equipment and technology. Operating income declined \$13 million to a loss of \$5 million in 1995, while Overnite's operating ratio (excluding goodwill amortization) increased to 100.2 for the quarter from 94.5 in 1994.

CORPORATE SERVICES AND OTHER OPERATIONS - Expenses related to Corporate Services and Other Operations--which include corporate expenses, third-party interest charges, intercompany interest allocations, other income and income taxes that are not related to other segments, and the results of other operating units--rose \$17 million to \$61 million. This increase was largely the result of higher interest costs, the absence of 1994 stock appreciation rights credits and higher professional fees. Operating income was \$3 million for the first three months of 1995, compared to a loss of \$0.4 million a year ago, reflecting operating improvements at the Corporation's Other Operations.

CHANGES IN FINANCIAL CONDITION AND OTHER DEVELOPMENTS

FINANCIAL CONDITION - During the first three months of 1995, cash from operations was \$416 million, an improvement of \$153 million from 1994. This improvement was the result of favorable working capital changes (reflecting lower hydrocarbon inventories and improved accounts receivable and inventory management), increased earnings from operations, higher non-cash casualty accruals and depreciation charges, and less spending related to the 1991 restructuring charge.

Cash used in investing activities of \$60 million reflects a \$747 million decline over 1994 due to the absence of the AMAX acquisition and the 1995 collection of proceeds from the sale of USPCI, Inc. (USPCI) (see Note 4 to the Condensed Consolidated Financial Statements). These reductions in cash used for investing activities were partially offset by proceeds from the Wilmington sale in 1994.

The ratio of debt to debt plus equity declined to 45.3% at March 31, 1995 from 47.0% at December 31, 1994. This improvement reflects the favorable effects of debt repaid by USPCI sale proceeds and the addition of 1995 earnings.

OTHER DEVELOPMENTS - On March 16, 1995, the Corporation executed a definitive merger agreement to acquire the remaining 71.6% of Chicago and North Western Transportation Company's (CNW) outstanding common stock not already owned by UPC for \$1.2 billion. Under this agreement, UPC initiated a cash tender offer on March 23, 1995 which was completed on April 25, 1995 (see Note 2 to the Condensed Consolidated Financial Statements). The CNW acquisition is expected to strengthen UPC's capacity in many key western corridors allowing for growth in intermodal traffic from major West Coast ports to the Midwest and enhanced low-sulfur coal shipments out of the Powder River Basin in Wyoming to the East.

In April 1995, UPC arranged \$2.3 billion in new credit facilities to support the funding of the CNW acquisition, to refinance certain CNW debt obligations and for other corporate purposes. The facilities consist of a \$1.1 billion, five-year facility and a \$1.2 billion, one-year facility. In May 1995, the Corporation issued \$425 million of 7.60% Notes, due May 1, 2005, \$275 million of 8.35% Sinking Fund Debentures, due May 1, 2025 and \$150 million of 7.375% Notes, due May 15, 2001. The proceeds from these Notes and Debentures were used to repay commercial paper issued to fund the CNW tender offer. In February 1995, UPC amended its existing \$1.4 billion credit facility to extend the maturity of the \$600 million one-year portion of the facility to five years. As a result of these two events, UPC now has \$2.5 billion of long-term credit facilities available. Commitment fees and interest rates payable under these facilities are similar to fees and rates available to other investment grade borrowers. As a result of the incremental debt the Corporation incurred for the CNW acquisition, Moody's Investors Service downgraded UPC's senior unsecured debt rating to A3 from A2, while Standard and Poor's lowered UPC's senior unsecured rating to A minus from A. This change in credit rating is not expected to significantly affect the Corporation's future cost of funds.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Corporation, UP Rail, Inc. (UP Rail), CNW and CNW's directors were named as defendants in five lawsuits, purportedly filed on behalf of all public stockholders of CNW, which were commenced on March 10 and 13, 1995 in the Court of Chancery in New Castle County, Delaware, with respect to the Corporation's acquisition of CNW. The suits alleged, among other things, that (i) the directors of CNW breached their fiduciary duties to the CNW stockholders in considering and approving the acquisition of CNW by UPC and (ii) as the controlling stockholder of CNW, the Corporation and UP Rail breached their fiduciary duties to other stockholders of CNW in agreeing to enter into the acquisition. As relief, the suits requested, among other things, an injunction against consummation of the transaction and damages in an unspecified amount.

On April 13, 1995, counsel for CNW, the Corporation and the plaintiffs entered into a Memorandum of Understanding (the Memorandum of Understanding) proposing to settle all of the pending class action lawsuits relating to the acquisition. Pursuant to the Memorandum of Understanding, the Corporation and CNW agreed, among other things, (i) to disseminate certain supplemental disclosures to CNW's stockholders, (ii) to modify a Stock Option Agreement pursuant to which UP Rail would be permitted to acquire additional shares of CNW common stock from CNW if UP Rail acquired more than 87.5% (85% before such amendment) but less than 90% of the CNW shares in the Corporation's tender offer for CNW shares, (iii) to extend the expiration date of the CNW tender offer until April 24, 1995 and (iv) to pay certain fees and expenses of plaintiffs' counsel, subject to approval of the Delaware Court of Chancery. The parties to the Memorandum of Understanding have prepared and submitted to the Delaware Court of Chancery for its approval a Stipulation of Settlement of the pending class action lawsuits. A hearing on Stipulation of Settlement has been set for June 20, 1995. If such Stipulation of Settlement is not approved by the Court, the proposed settlement will be null and void and will not prejudice the rights of any party with respect to such litigation.

Item 4. Submission of Matters to a Vote of Security Holders.

- (a) The annual meeting of stockholders (the Annual Meeting) of the Corporation was held on April 21, 1995.
- (c) At the Annual Meeting, the Corporation's stockholders voted for the election of Jack L. Messman (171,345,276 shares in favor; 78,914 shares withheld), L. White Matthews, III (171,400,268 shares in favor; 23,922 shares withheld), Robert P. Bauman (171,353,046 shares in favor; 71,144 shares withheld), Richard K. Davidson (171,370,845 shares in favor; 53,345 shares withheld), Elbridge T. Gerry, Jr. (171,387,858 shares in favor; 36,332 shares withheld), Lawrence M. Jones (171,278,024 shares in favor; 146,166 shares withheld), Richard J. Mahoney (171,358,467 shares in favor; 65,723 shares withheld) and James D. Robinson, III (171,105,063 shares in favor; 319,127 shares withheld) as directors of the Corporation. In addition, the Corporation's stockholders voted to amend and extend the Executive Incentive Plan of Union Pacific Corporation and Subsidiaries, as amended; to amend the 1993 Stock Option and Retention Stock Plan of Union Pacific Corporation, as amended; and to engage Deloitte & Touche LLP as the Corporation's independent auditors. The votes on these items were 163,955,049 shares in favor, 6,577,921 shares against and 2,110,788 shares abstained; 161,376,981 shares in favor, 9,038,743 shares against and 2,228,034 shares abstained; and 171,150,146 shares in favor, 713,232 shares against and 780,380 shares abstained, respectively.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

10(a) - The Executive Incentive Plan of Union Pacific Corporation, amended April 27, 1995.

10(b) - The 1993 Stock Option and Retention Stock Plan of Union Pacific Corporation, amended April 21, 1995.

11 - Computation of earnings per share.

12 - Computation of ratio of earnings to fixed charges.

27 - Financial data schedule.

(b) Reports on Form 8-K

On March 21, 1995, the Corporation filed a Current Report on Form 8-K, containing a press release that announced the execution of a definitive merger agreement for the acquisition of Chicago and North Western Transportation Company.

On April 20, 1995, the Corporation filed a Current Report on Form 8-K, containing a press release with unaudited earnings information for the Corporation for the quarter ended March 31, 1995 and a computation of certain pro forma earnings to fixed charges ratios.

On April 26, 1995, the Corporation filed a Current Report on Form 8-K, announcing the completion of the Corporation's tender offer for all of the common shares of Chicago and North Western Transportation Company.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: May 15, 1995

UNION PACIFIC CORPORATION
(Registrant)

/s/ Charles E. Billingsley

Charles E. Billingsley,
Vice President and Controller
(chief accounting officer and
duly authorized officer)

UNION PACIFIC CORPORATION

EXHIBIT INDEX

Exhibit No. -----	Description -----
10(a)	The Executive Incentive Plan of Union Pacific Corporation, amended April 27, 1995.
10(b)	The 1993 Stock Option and Retention Stock Plan of Union Pacific Corporation, amended April 21, 1995.
11	Computation of earnings per share
12	Computation of ratio of earnings to fixed charges
27	Financial data schedule

(LOGO - UNION PACIFIC CORPORATION)

EXECUTIVE INCENTIVE PLAN
OF
UNION PACIFIC CORPORATION
AND SUBSIDIARIES

Effective January 1, 1971

Amended and Restated as of April 15, 1988

Amended October 26, 1989

Amended September 24, 1992

Amended September 30, 1993

Amended April 21, 1995

Amended April 27, 1995

EXECUTIVE INCENTIVE PLAN OF UNION PACIFIC CORPORATION
AND SUBSIDIARIES

Effective January 1, 1971

Amended and Restated as of April 15, 1988
Amended October 26, 1989
Amended September 24, 1992
Amended September 30, 1993
Amended April 21, 1995
Amended April 27, 1995

PURPOSE OF PLAN

The purpose of this Plan is to promote the success of Union Pacific Corporation and Subsidiaries by providing additional compensation for services rendered during any year by key executives who contribute in a significant manner to the operations and business of the Company and such Subsidiaries.

1. DEFINITIONS

Section 1.01 The following terms shall have the following meanings:

"Accountholder" means any person who has received a Deferred Award.

"Beneficiary" means any person or persons designated in writing by an Accountholder to the Committee on a form prescribed by it for that purpose, which designation shall be revocable at any time by the Accountholder prior to his death, provided that, in the absence of such a designation or the failure of the person or persons so designated to survive the Accountholder, payments or distributions shall be made to the Accountholder's estate and provided further that no payment or distribution shall be made during the lifetime of the Accountholder to his Beneficiary.

"Board" means the Board of Directors of the Company.

"Code" means the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any successor statute.

"Committee" means the Committee provided for in Section 2.01.

"Company" means Union Pacific Corporation, a Utah corporation, or any successor corporation.

"Company Stock" means Common Stock, \$2.50 par value per share, of the Company.

"Deferred Award" means an award under the Plan which an Executive to whom the award is made shall have elected to defer until after Termination or, for awards made with respect to Years beginning with 1982, the earlier of either (i) a date or dates certain in any year or years prior to

Termination (but in no event more often than once in each such year or years), or (ii) after Termination, all in accordance with Section 4.01 and which until paid shall, subject to paragraph (1) of Section 7.01, be represented by Investment Accounts maintained for such Executive in accordance with Section 5.01.

"Executive" means any person who was a regular employee of the Company or a Subsidiary (including directors who are also such employees) for all or part of the Year in respect of which awards are made under the Plan and who, in the judgment of the Committee, contributed in a significant manner to the operations and business of the Company or a Subsidiary for such Year.

"Immediate Cash Award" means an award under the Plan payable in cash pursuant to Section 4.02 as promptly as practicable after the close of the Year for which the award is made or, in the sole discretion of the Committee, in December of the year for which the award is made.

"Incentive Reserve Account" means the account established by the Company pursuant to Section 3.01.

"Investment Account" means one of the accounts established by the Company pursuant to Section 5.01.

"Plan" means this Executive Incentive Plan as amended from time to time.

"Subsidiary" means any corporation of which the Company owns directly or indirectly at least a majority of the outstanding shares of voting stock and which by action of its board of directors has adopted the Plan.

"Termination" means termination of employment with the Company and its Subsidiaries, for any reason, including retirement and death.

"Valuation Date" means the last business day of each calendar quarter and each other interim date on which the Committee determines that a valuation of Investment Accounts shall be made.

"Year" means a calendar year.

2. ADMINISTRATION OF THE PLAN

Section 2.01 The Plan shall be administered by a Committee which shall consist of at least three members designated by the Board to serve at its pleasure. Such members shall be members of the Board and shall not be officers or employees of the Company or any Subsidiary. The Committee shall determine the Executives to whom awards are granted under the Plan and the amounts of awards payable to such Executives out of the Incentive Reserve Account, and shall otherwise be responsible for the administration and interpretation of the Plan. The Committee shall supervise and be responsible for the maintenance of the various accounts under the Plan and for determining the amounts and, subject to Sections 4.02 and 6.01, the times of payments or distributions of awards. The Committee may delegate its authority under the Plan to one or more officers or employees of the Company or a Subsidiary. All determinations of the Committee shall be by a majority of its members, and its determinations shall be final. Each member of the Committee, while serving as such, shall be considered to be acting in his capacity as a Director of the Company.

3. INCENTIVE RESERVE ACCOUNT

Section 3.01 The Company shall establish an Incentive Reserve Account to which amounts available for awards to Executives shall be credited and which shall be debited as such awards are made by the Committee. The Board may cause to be credited to such Incentive Reserve Account such amount for each Year, beginning with 1983 during which the Plan remains in effect as it, in its discretion, may determine provided that the amount so credited for any Year shall not exceed the following limitation:

The maximum amount that may be credited to the Incentive Reserve Account for any Year is 1.5% of Net Income for such Year when the Return on Average Annual Total Stockholders' Equity is 10.0% and is 3.0% of Net Income for such Year when the Return on Average Annual Total Stockholders' Equity is 12.0% or more. At intermediate levels of Return on Average Annual Total Stockholders' Equity (between 10.0% and 12.0%), the maximum percentage of Net Income that may be credited to the Incentive Reserve Account for such Year shall increase 0.075% for each incremental 0.1% increase in the Return on Average Annual Total Stockholders' Equity. Net Income is the consolidated net earnings from continuing operations of the Company (before extraordinary items) determined in conformity with generally accepted accounting principles before giving effect to provisions for amounts to be credited to the Incentive Reserve Account for such year. Average Annual Total Stockholders' Equity is calculated as the average of (i) total stockholders' equity, including preferred stock, as shown on the consolidated financial statements of the Company at the beginning of each year and (ii) total stockholders' equity, including preferred stock, as shown on the consolidated financial statements of the Company at the end of such year, adjusted in the case of clause (ii) to include income from continuing operations before extraordinary items (determined in conformity with generally accepted accounting principles) and amounts to be credited to the Incentive Reserve Account under the Plan for such year.

The amount of Net Income and the percentage Return on Average Annual Total Stockholders Equity shall be computed and reported to the Board and the Committee at the end of each Year by the Company. The Committee shall obtain a report from the Company's independent certified public accountants stating that the computation of the amount credited to the Incentive Reserve Account at the end of the Plan Year was made in accordance with the provisions of the Plan and their report shall be final and binding. Any amounts credited to the Incentive Reserve Account which are not awarded with respect to such Year may, on direction of the Committee, be awarded in future Years during which the Plan remains in effect.

4. AWARDS UNDER THE PLAN

Section 4.01 Prior to September 30 of each Year, beginning with 1984, an Executive who has been granted awards under the Plan with respect to prior Years and who has not previously made an election under the Plan, shall file with the Committee an initial election on a form prescribed by the Committee for such purpose specifying the percent in multiples of 10% of any award which may be granted to him with respect to such Year and later Years to be in the form of an Immediate Cash Award or a Deferred Award in one or more Investment Accounts. Deferral and investment elections shall be continuing elections for all awards under the Plan except that:

(i) Deferral elections shall be subject to change before September 30 of any Year on a form prescribed by the Committee for such purpose with respect to any awards which may be granted to him for such Year and later Years; and

(ii) an Accountholder, whether or not currently employed by the Company or a Subsidiary, may elect to convert the value of his account, if any, in any Investment Account to equivalent value accounts in any other Investment Accounts as of a Valuation Date, provided that the Committee has received such notice of the conversion as the Committee may require, and provided further that, unless the Committee shall in its sole discretion determine otherwise, an Accountholder may make conversions only in such amounts and at such times as are allowable for changes in investment elections under the terms of the Union Pacific Corporation Thrift Plan. The Committee shall cause such conversions to be effected by transferring equivalent amounts from the one such account to the other, all as of such Valuation Date; otherwise, such deferral and investment elections, and such changes therein, shall be irrevocable.

In addition, for awards made with respect to Years beginning with 1982, an Executive may also specify on a form prescribed by the Committee for such purpose whether he wishes payment of Deferred Awards to be made on the earlier of either (i) date or dates certain in any year or years prior to Termination (but in no event more often than once in each such year or years), such payment to be in full in cash on such date or dates, or (ii) upon Termination in accordance with the provisions of Sections 6.01 through 6.04. Elections made as to dates for the payment of Deferred Awards shall be subject to change by such Executive before September 30 of any Year on a form prescribed by the Committee for such purpose with respect to any awards made for such Year and later Years; otherwise such elections, and such changes therein, shall be irrevocable.

Designation, election or change in election shall not entitle an Executive to any award for any Year but the form of award, if any, for any Year to such Executive shall be in accordance with such election. If an Executive has not been so designated as eligible for Deferred Awards, or an election for Deferred Awards is not in effect for him, any award granted to him for any Year shall be in the form of an Immediate Cash Award.

Section 4.02 As soon as practicable after the close of each Year, or in December of any Year if so determined by the Committee, beginning with 1971, the Committee may grant awards payable out of the Incentive Reserve Account to such Executives in such dollar amounts as it in its sole discretion shall determine, subject to Section 4.03, and the amount of each such award shall be debited to the Incentive Reserve Account. Except to the extent that Deferred Awards are elected pursuant to Section 4.01, any award under the Plan granted to an Executive for any Year shall be paid to him or to his Beneficiary in a lump sum in cash as promptly as practicable after such award is granted.

Section 4.03 No Covered Executive shall receive an award for any Year in excess of (i) .25% of Covered Income for such Year, in the case of the Chief Executive Officer of the Company, and (ii) .15% of Covered Income for such Year, in the case of any other Covered Executive. Covered Executive means an Executive whose compensation is subject to the limitations on deductibility set forth in Section 162(m) of the Code. Covered Income for a Year is the greater of (a) the consolidated net earnings from continuing operations of the Company for such Year, before extraordinary items, special charges and the cumulative effect of accounting changes, determined in accordance with generally accepted accounting principles, and (b) such net earnings for the first eleven months of such Year.

5. DEFERRED AWARDS

Section 5.01 The Company shall from time to time establish on its books one or more Investment Accounts. In the case of each Executive, if and when a Deferred Award is granted to him, the Committee shall credit to an account maintained for him in one or more Investment Accounts the equivalent amount of such award in accordance with his election. Each Investment Account shall have such name, and be charged or credited pursuant to such method, as the Committee shall determine upon establishment of such Investment Account, provided such method is consistent with the requirements of Section 162(m) of the Code for performance-based compensation. The Committee may change such names or methods for any Investment Account, but no such change shall reduce any amount previously accrued in an Accountholder's account. The Committee shall cause each Investment Account to be valued as of each Valuation Date by such person or persons as it in its sole discretion shall determine and such valuation shall be conclusive for all purposes of the Plan. The value of any Investment Account for the purpose of making payment of a Deferred Award shall be the value of such Investment Account as of the Valuation Date last preceding such payment. Compensation paid in respect of any Investment Account shall result in corresponding reduction in the value of such accounts. The amounts credited in Investment Accounts shall represent general liabilities of the Company and shall not constitute a trust fund or otherwise create any property interest in any Accountholder or his Beneficiary.

Section 5.02 The provisions of Section 5.01 shall be subject to the provisions of paragraph (1) of Section 7.01.

6. PAYMENT OR DELIVERY OF DEFERRED AWARDS

Section 6.01 Upon termination of an Executive, the Committee shall cause cash in respect of any balances in the accounts maintained for such Executive in any Investment Account to be paid or delivered to him or his Beneficiary in the sole discretion of the Committee as follows:

(i) in a single distribution, an amount in cash equal to the value of the accounts maintained for him in all Investment Accounts, all such cash being paid in the Year of his Termination or in January of the following Year, as determined by the Committee; or

(ii) over such number of Years as are fixed by the Committee but not exceeding fifteen, in annual installments of an aggregate amount of cash equal in value at the time of each installment payment to the value of the accounts maintained for him in all Investment Accounts at the Valuation Date next preceding payment divided by the remaining number of such annual installments, the first of such installments to be paid or delivered in the month following the month of his Termination, or at the discretion of the Committee not later than 12 months following the date of Termination and subsequent installments to be paid or delivered in January of each subsequent Year; or

(iii) in the event of retirement or death of a currently employed Executive, at a specified future date not to exceed 15 years from the date of such retirement or death in a single distribution, an amount of cash equal to the value of the accounts maintained for him in all Investment Accounts. Income in respect of Investment Accounts would be paid in cash quarterly to such Executive or his Beneficiary commencing with the first day of the month

subsequent to such Executive's retirement or death. In the case of retirement, the single distribution referred to above will be paid on the date specified or upon death, whichever occurs first.

All payments or distributions attributable to each Deferred Award of an Executive after his Termination shall be made by the Company on its behalf or on behalf of the Subsidiary or Subsidiaries by which he was employed during the Year in which such Deferred Award was earned. The Subsidiary shall reimburse the Company in the amount of such paid Deferred Awards.

Section 6.02 Deferred Awards elected to be paid on a date or dates certain in any year or years prior to Termination shall be paid to the Executive in full in cash on such date or dates.

Section 6.03 At any time before or after Termination of an Executive who shall have elected to receive one or more Deferred Awards, the Committee, if it finds in its sole discretion that continued deferral of such Awards would result in undue hardship to such Executive or his Beneficiary, may accelerate and pay in cash all or any part of such Deferred Award or Deferred Awards by converting the value of the accounts maintained for him in Investment Accounts into the cash equivalent thereof on the same basis as if a payment in cash were being made as provided in Section 6.01. On the death of an Executive after his Termination, the Committee, in its sole discretion, may accelerate one or more installments, and change the form of payment or distribution in accordance with Section 6.01, of any balance of his Deferred Awards and, in the event of relevant changes in the Federal income tax laws, regulations and rulings or on termination of the Plan, the Committee may, in its sole discretion, so accelerate or change the form of payment or distribution of any or all Deferred Awards.

Section 6.04 The provisions of Sections 6.01, 6.02, and 6.03 shall be subject to provisions to paragraph (1) of Section 7.01.

7. GENERAL PROVISIONS

Section 7.01 (1) Anything in the Plan otherwise to the contrary notwithstanding, the Board may at any time under such circumstances as it in its sole discretion may determine, convert all the accounts of Accountholders in the Investment Accounts into cash credits, with future credits to the accounts of Accountholders being made solely in cash. Accounts shall be so converted on the basis of the value thereof as of the last preceding Valuation Date. Any such cash credits to the accounts of Accountholders shall, after such conversion, solely bear interest until paid to the Accountholder or his Beneficiary compounded annually at such annual rate of interest as may be fixed by the Board. The granting and payment of Deferred Awards in respect of such cash credits shall otherwise be in accordance with the other provisions of the Plan with such adjustments therein as the Committee may deem appropriate.

(2) Neither the Plan nor the payment of benefits hereunder nor any action by the Company, any Subsidiary or the Committee shall be held or construed to confer upon any person any right to be continued in the employ of the Company or of a Subsidiary and the Company and each Subsidiary expressly reserves the right to discharge, without liability, any Executive whenever in its sole discretion its interest may so require.

(3) No member of the Board or the Board of Directors of any Subsidiary or of the Committee or any person to whom the Committee has delegated its authority hereunder shall be liable for any action, or action hereunder, whether of commission or omission, except in circumstances involving his bad faith, for anything done or omitted to be done by himself.

(4) The Company or any Subsidiary shall not be required to segregate cash for any Investment Account.

(5) Notwithstanding the fact that an Investment Account may use Company Stock to determine amounts credited or debited thereto, no Executive shall have voting or other rights with respect to shares of such Company Stock.

(6) The Company or any Subsidiary shall not, by virtue of any provisions of this Plan or by any action by any person hereunder, be deemed to be a trustee or other fiduciary of any property for any Accountholder or any Beneficiary of an Accountholder and the liabilities of the Company or of any Subsidiary to any Accountholder or his Beneficiary pursuant to the Plan shall be those of a debtor only pursuant to such contractual obligations as are created by the Plan, and no such obligation of the Company or of any Subsidiary shall be deemed to be secured by any pledge or other encumbrance on any property of the Company or of any Subsidiary.

(7) Except to the extent of the rights of the Beneficiary of an Accountholder, no benefit payable under, or interest in, the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any such attempted action shall be void; and no such benefit or interest shall be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of any Accountholder, former Accountholder or his Beneficiary. If any Accountholder, former Accountholder or Beneficiary shall become bankrupt or shall attempt to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit payable under, or interest in, the Plan, then the Committee in its discretion may hold or apply such benefit or interest or any part thereof to or for the benefit of such Accountholder, former Accountholder, or his Beneficiary, his spouse, children, blood relatives or other dependents, or any of them, in such manner and in such proportions as the Committee may consider proper.

(8) The Company shall on its behalf and on behalf of its Subsidiaries withhold from payment of distribution of the Awards the required amounts of income and other taxes.

(9) No member of the Committee shall be eligible for an award under the Plan.

(10) All questions pertaining to the construction, regulation, validity and effect of the Plan shall be determined in accordance with the laws of the State of New York.

8. AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

Section 8.01 The Board may from time to time amend, suspend or terminate the Plan in whole or in part, and, if suspended or terminated, may reinstate any of or all of its provisions, except that without the consent of the Executive, or, if he is not living, his Beneficiary, no amendment, suspension or termination of the Plan shall be made which materially adversely affects his rights with respect to awards previously made to him and except that the limitations set forth in Section 3.01 with respect to the amount of awards which may be granted under the Plan may be increased only with the

approval of a majority of the stockholders of the Company present, in person or by proxy, at a meeting of such stockholders at which a quorum is present. In the absence of action by the stockholders of the Company, no awards shall be made under the Plan with respect to years after the calendar year 2005 and the Plan shall automatically terminate after all Deferred Awards made prior thereto shall have been paid or distributed. Notwithstanding the foregoing, no amendment which is material for purposes of the shareholder approval requirement of Section 162(m) of the Code shall be effective in the absence of action by the stockholders of the Company.

(LOGO - UNION PACIFIC CORPORATION)
1993

STOCK OPTION AND RETENTION STOCK PLAN

of

UNION PACIFIC CORPORATION

Effective April 16, 1993 -
Amended September 30, 1993
Amended July 28, 1994
Amended April 21, 1995

1993 STOCK OPTION AND RETENTION STOCK PLAN
OF UNION PACIFIC CORPORATION

1. PURPOSE

The purpose of the 1993 Stock Option and Retention Stock Plan of Union Pacific Corporation is to promote and closely align the interests of employees of Union Pacific Corporation and its shareholders by providing stock based compensation. The Plan is intended to strengthen Union Pacific Corporation's ability to reward performance which enhances long term shareholder value; to increase employee stock ownership through performance based compensation plans; and to strengthen the company's ability to attract and retain an outstanding employee and executive team.

2. DEFINITIONS

The following terms shall have the following meanings:

"Act" means the Securities Exchange Act of 1934, as amended.

"Approved Leave of Absence" means a leave of absence of definite length approved by the Senior Vice President - Human Resources of the Company, or by any other officer of the Company to whom the Committee delegates such authority.

"Award" means an award of Retention Shares pursuant to the Plan.

"Beneficiary" means any person or persons designated in writing by a Participant to the Committee on a form prescribed by it for that purpose, which designation shall be revocable at any time by the Participant prior to his or her death, provided that, in the absence of such a designation or the failure of the person or persons so designated to survive the Participant, "Beneficiary" shall mean such Participant's estate; and further provided that no designation of Beneficiary shall be effective unless it is received by the Company before the Participant's death.

"Board" means the Board of Directors of the Company.

"Code" means the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any successor statute.

"Committee" means the Committee designated by the Board to administer the Plan pursuant to Section 3.

"Common Stock" means the Common Stock, par value \$2.50 per share, of the Company.

"Company" means Union Pacific Corporation, a Utah corporation, or any successor corporation.

"Option" means each non-qualified stock option, incentive stock option and stock appreciation right granted under the Plan.

"Optionee" means any employee of the Company or a Subsidiary (including directors who are also such employees) who is granted an Option under the Plan.

"Participant" means any employee of the Company or a Subsidiary (including directors who are also such employees) who is granted an Award under the Plan.

"Plan" means this 1993 Stock Option and Retention Stock Plan, as amended from time to time.

"Retention Shares" means shares of Common Stock subject to an Award granted under the Plan.

"Restriction Period" means the period defined in Section 9(a).

"Subsidiary" means any corporation of which the Company owns directly or indirectly at least a majority of the outstanding shares of voting stock.

"Vesting Condition" means any condition to the vesting of Retention Shares established by the Committee pursuant to Section 9.

3. ADMINISTRATION

The Plan shall be administered by the Committee which shall be comprised of not less than three members of the Board, none of whom shall be employees of the Company or any Subsidiary. The Committee shall (i) grant Options to Optionees and make Awards of Retention Shares to Participants, and (ii) determine the terms and conditions of such Options and Awards of Retention Shares, all in accordance with the provisions of the Plan. The Committee shall have full authority to construe and interpret the Plan, to establish, amend and rescind rules and regulations relating to the Plan, to administer the Plan, and to take all such steps and make all such determinations in connection with the Plan and Options and Awards granted thereunder as it may deem necessary or advisable. The Committee may delegate its authority under the Plan to one or more officers or employees of the Company or a Subsidiary, provided, however, that no delegation shall be made of authority to take an action which is required by Rule 16b-3 promulgated under the Act to be taken by "disinterested persons" in order that the Plan and transactions thereunder meet the requirements of such Rule. Each Option and grant of Retention

Shares shall, if required by the Committee, be evidenced by an agreement to be executed by the Company and the Optionee or Participant, respectively, and contain provisions not inconsistent with the Plan. All determinations of the Committee shall be by a majority of its members and shall be evidenced by resolution, written consent or other appropriate action, and the Committee's determinations shall be final. Each member of the Committee, while serving as such, shall be considered to be acting in his or her capacity as a director of the Company.

4. ELIGIBILITY

To be eligible for selection by the Committee to participate in the Plan an individual must be an employee of the Company or a Subsidiary. Directors who are not full-time salaried employees shall not be eligible. In granting Options or Awards of Retention Shares to eligible employees, the Committee shall take into account the duties of the respective employees, their present and potential contributions to the success of the Company or a Subsidiary, and such other factors as the Committee shall deem relevant in connection with accomplishing the purpose of the Plan.

5. STOCK SUBJECT TO THE PLAN

Subject to the provisions of Section 11 hereof, the maximum number and kind of shares as to which Options or Retention Shares may at any time be granted under the Plan are 16 million shares of Common Stock. No Participant may receive Options or Awards aggregating more than 10% of the shares of Common Stock available under the Plan. Shares of Common Stock subject to Options or Awards under the Plan may be either authorized but unissued shares or shares previously issued and reacquired by the Company. Upon the expiration, termination or cancellation (in whole or in part) of unexercised Options, shares of Common Stock subject thereto shall again be available for option or grant as Retention Shares under the Plan. Shares of Common Stock covered by an Option, or portion thereof, which is surrendered upon the exercise of a stock appreciation right, shall thereafter be unavailable for option or grant as Retention Shares under the Plan. Upon the forfeiture (in whole or in part) of a grant of Retention Shares, the shares of Common Stock subject to such forfeiture shall again be available for option or grant as Retention Shares under the Plan if no dividends have been paid on the forfeited shares, and otherwise shall be unavailable for such an option or grant.

6. TERMS AND CONDITIONS OF NON-QUALIFIED OPTIONS

All non-qualified options under the Plan shall be granted subject to the following terms and conditions:

(a) Option Price. The option price per share with respect to each option shall be determined by the Committee but shall not be less than 100% of the fair market value of the Common Stock on the date the option is granted, such fair market value to be determined in accordance with the procedures to be established by the Committee.

(b) Duration of Options. Options shall be exercisable at such time or times and under such conditions as set forth in the written agreement evidencing such option, but in no event shall any option be exercisable subsequent to the tenth anniversary of the date on which the option is granted.

(c) Exercise of Option. Except as provided in Section 6(h), 6(i) or 8(c), the shares of Common Stock covered by an option may not be purchased prior to the first anniversary of the date on which the option is granted (unless the Committee shall determine otherwise), or such longer period or periods, and subject to such conditions, as the Committee may determine, but thereafter may be purchased at one time or in such installments over the balance of the option period as may be provided in the option. Any shares not purchased on the applicable installment date may, unless the Committee shall have determined otherwise, be purchased thereafter at any time prior to the final expiration of the option. To the extent that the right to purchase shares has accrued thereunder, options may be exercised from time to time by written notice to the Company stating the number of shares with respect to which the option is being exercised.

(d) Payment. Shares of Common Stock purchased under options shall, at the time of purchase, be paid for in full. All, or any portion, of the option exercise price may, at the discretion of the Committee, be paid by the surrender to the Company, at the time of exercise, of shares of previously acquired Common Stock owned by the Optionee, to the extent that such payment does not require the surrender of a fractional share of such previously acquired Common Stock. In addition, to the extent permitted by the Committee, the option exercise price may be paid by authorizing the Company to withhold Common Stock otherwise issuable on exercise of the option. Such shares previously acquired or shares withheld to pay the option exercise price shall be valued at fair market value on the date the option is exercised in accordance with the procedures to be established by the Committee. A holder of an option shall have none of the rights of a stockholder until the shares of Common Stock are issued to him or her. If an amount is payable by an Optionee to the Company or a Subsidiary under applicable withholding tax laws in connection with the exercise of non-qualified options, the Committee may, in its discretion and subject to such rules as it may adopt, permit the Optionee to make such payment, in whole or in part, by electing to authorize the Company to withhold or accept shares of Common Stock having a fair market value equal to the amount to be paid under such withholding tax laws.

(e) Restrictions. The Committee shall determine, with respect to each option, the nature and extent of the restrictions, if any, to be imposed on the shares of Common Stock which may be purchased thereunder including restrictions on the transferability of such shares acquired through the exercise of such option. Without limiting the generality of the foregoing, the Committee may impose conditions restricting absolutely or conditionally the transferability of shares acquired through the exercise of options for such periods, and subject to such conditions, including continued employment of the Optionee by the Company or a Subsidiary, as the Committee may determine.

(f) Purchase for Investment. The Committee shall have the right to require that each Optionee or other person who shall exercise an option under the Plan represent and agree that any shares of Common Stock purchased pursuant to such option will be purchased for investment and not with a view to the distribution or resale thereof or that such shares will not be sold except in accordance with such restrictions or limitations as may be set forth in the written agreement granting such option.

(g) Non-Transferability of Options. During an Optionee's lifetime, the option may be exercised only by the Optionee. Options shall not be transferable, except for exercise by the Optionee's legal representatives or heirs.

(h) Termination of Employment. Upon the termination of an Optionee's employment, for any reason other than death, the option shall be exercisable only as to those shares of Common Stock which were then subject to the exercise of such option, provided that (I) in the case of disability as described below, any holding period required by Section 6(c) shall automatically be deemed to be satisfied and (II) the Committee may determine that particular limitations and restrictions under the Plan shall not apply, and such option shall expire according to the following schedule (unless the Committee shall provide for shorter periods at the time the option is granted):

(i) Retirement. Option shall expire, unless exercised, five (5) years after the Optionee's retirement from the Company or any Subsidiary under the provisions of the Company's or a Subsidiary's pension plan.

(ii) Disability. Option shall expire, unless exercised, five (5) years after the date the Optionee is eligible to receive disability benefits under the provisions of the Company's or a Subsidiary's long-term disability plan.

(iii) Gross Misconduct. Option shall expire upon receipt by the Optionee of the notice of termination if he or she is terminated for deliberate, willful or gross misconduct as determined by the Company.

(iv) All Other Terminations. Option shall expire, unless exercised, three (3) months after the date of such termination.

(i) Death of Optionee. Upon the death of an Optionee during his or her period of employment, the option shall be exercisable only as to those shares of Common Stock which were subject to the exercise of such option at the time of his or her death, provided that (I) any holding period required by Section 6(c) shall automatically be deemed to be satisfied and (II) the Committee may determine that particular limitations and restrictions under the Plan shall not apply, and such option shall expire, unless exercised by the Optionee's legal representatives or heirs, five (5) years after the date of death (unless the Committee shall provide for a shorter period at the time the option is granted).

In no event, however, shall any option be exercisable pursuant to Sections 6(h) or (i) subsequent to the tenth anniversary of the date on which it is granted.

7. TERMS AND CONDITIONS OF STOCK APPRECIATION RIGHTS

(a) General. The Committee may also grant a stock appreciation right in connection with a non-qualified option, either at the time of grant or by amendment. Such stock appreciation right shall cover the same shares covered by such option (or such lesser number of shares of Common Stock as the Committee may determine) and shall, except for the provisions of Section 6(d) hereof, be subject to the same terms and conditions as the related non-qualified option.

(b) Exercise and Payment. Each stock appreciation right shall entitle the Optionee to surrender to the Company unexercised the related option, or any portion thereof, and to receive from the Company in exchange therefor an amount equal to the excess of the fair market value of one share of Common Stock over the option price per share times the number of shares covered by the option, or portion thereof, which is surrendered. Payment shall be made in shares of Common Stock valued at fair market value, or in cash, or partly in shares and partly in cash, all as shall be determined by the Committee. The fair market value shall be the value determined in accordance with procedures established by the Committee. Stock appreciation rights may be exercised from time to time upon actual receipt by the Company of written notice stating the number of shares of Common Stock with respect to which the stock appreciation right is being exercised, provided that if a stock appreciation right expires unexercised, it shall be deemed exercised on the expiration date if any amount would be payable with respect thereto. No fractional shares shall be issued but instead cash shall be paid for a fraction or, if the Committee should so determine, the number of shares shall be rounded downward to the next whole share. If an amount is payable by an Optionee to the Company or a Subsidiary under applicable withholding tax laws in connection with the exercise of stock appreciation rights, the Committee may, in its discretion and subject to such rules as it may adopt, permit the Optionee to make such payment, in whole or in part, by electing to authorize the Company to withhold or accept shares of Common Stock having a fair market value equal to the amount to be paid under such withholding tax laws.

(c) Restrictions. The obligation of the Company to satisfy any stock appreciation right exercised by an Optionee subject to Section 16 of the Act shall be conditioned upon the prior receipt by the Company of an opinion of counsel to the Company that any such satisfaction will not create an obligation on the part of such Optionee pursuant to Section 16(b) of the Act to reimburse the Company for any statutory profit which might be held to result from such satisfaction.

8. TERMS AND CONDITIONS OF INCENTIVE STOCK OPTIONS.

(a) General. The Committee may also grant incentive stock options as defined under section 422 of the Code. All incentive stock options issued under the Plan shall, except for the provisions of Sections 6(h) and (i) and Section 7 hereof, be subject to the same terms and conditions as the non-qualified options granted under the Plan. In addition, incentive stock options shall be subject to the conditions of Sections 8(b), (c), (d) and (e).

(b) Limitation of Exercise. The aggregate fair market value (determined as of the date the incentive stock option is granted) of the shares of stock with respect to which incentive stock options are exercisable for the first time by such Optionee during any calendar year, under this Plan or any other stock option plans adopted by the Company, its Subsidiaries or any predecessor companies thereof, shall not exceed \$100,000. If any incentive stock options become exercisable in any year in excess of the \$100,000 limitation, options representing such excess shall become non-qualified options exercisable pursuant to the terms of Section 6 hereof and shall not be exercisable as incentive stock options.

(c) Termination of Employment. Upon the termination of an Optionee's employment, for any reason other than death, his or her incentive stock option shall be exercisable only as to those shares of Common Stock which were then subject to the exercise of such option provided that (I) in the case of disability as described below, any holding period required by Section 6(c) shall automatically be deemed to be satisfied and (II) the Committee may determine that particular limitations and restrictions under the Plan shall not apply, and such option shall expire as an incentive stock option (but shall become a non-qualified option exercisable pursuant to the terms of Section 6 hereof less the period already elapsed under such Section), according to the following schedule (unless the Committee shall provide for shorter periods at the time the incentive stock option is granted):

(i) Retirement. An incentive stock option shall expire, unless exercised, three (3) months after the Optionee's retirement from the Company or any Subsidiary under the provisions of the Company's or a Subsidiary's pension plan.

(ii) Disability. In the case of an Optionee who is disabled within the meaning of section 22(e)(3) of the Code, an incentive stock option shall expire, unless exercised, one (1) year after the earlier of the date the Optionee terminates employment or the date the Optionee is eligible to receive disability benefits under the provisions of the Company's or a Subsidiary's long-term disability plan.

(iii) Gross Misconduct. An incentive stock option shall expire upon receipt by the Optionee of the notice of termination if he or she is terminated for deliberate, willful or gross misconduct as determined by the Company.

(iv) All Other Terminations. An incentive stock option shall expire, unless exercised, three (3) months after the date of such termination.

(d) Death of Optionee. Upon the death of an Optionee during his or her period of employment, the incentive stock option shall be exercisable as an incentive stock option only as to those shares of Common Stock which were subject to the exercise of such option at the time of death, provided that (I) any holding period required by Section 6(c) shall automatically be deemed to be satisfied, and (II) the Committee may determine that particular limitations and restrictions under the Plan shall not apply, and such option shall expire, unless exercised by the Optionee's legal representatives or heirs, five (5) years after the date of death (unless the Committee shall provide for a shorter period at the time the option is granted).

(e) Leave of Absence. A leave of absence, whether or not an Approved Leave of Absence, shall be deemed a termination of employment for purposes of Section 8.

In no event, however, shall any incentive stock option be exercisable pursuant to Sections 8(c) or (d) subsequent to the tenth anniversary of the date on which it was granted.

9. TERMS AND CONDITIONS OF AWARDS OF RETENTION STOCK

(a) General. Retention Shares may be granted only to reward the attainment of individual, Company or Subsidiary goals, or to attract or retain officers or other employees of the Company or any Subsidiary, and shall be granted subject to the attainment of performance goals unless the Committee shall determine otherwise. With respect to each grant of Retention Shares under the Plan, the Committee shall determine the period or periods, including any conditions for determining such period or periods, during which the restrictions set forth in Section 9(b) shall apply, provided that in no event, other than as provided in Section 9(c), shall such restrictions terminate prior to 3 years after the date of grant (the "Restriction Period"), and may also specify any other terms or conditions to the right of the Participant to receive such Retention Shares ("Vesting Conditions"). Subject to Section 9(c) and any such Vesting Condition, a grant of Retention Shares shall be effective for the Restriction Period and may not be revoked.

(b) Restrictions. At the time of grant of Retention Shares to a Participant, a certificate representing the number of shares of Common Stock granted shall be registered in the Participant's name but shall be held by the Company for his or her account. The Participant shall have the entire beneficial ownership interest in, and all rights and privileges of a stockholder as to, such Retention Shares, including the right to vote such Retention Shares and, unless the Committee shall determine otherwise, the right to receive dividends thereon, subject to the

following: (i) subject to Section 9(c), the Participant shall not be entitled to delivery of the stock certificate until the expiration of the Restriction Period and the satisfaction of any Vesting Conditions; (ii) none of the Retention Shares may be sold, transferred, assigned, pledged, or otherwise encumbered or disposed of during the Restriction Period or prior to the satisfaction of any Vesting Conditions; and (iii) all of the Retention Shares shall be forfeited and all rights of the Participant to such Retention Shares shall terminate without further obligation on the part of the Company unless the Participant remains in the continuous employment of the Company or a Subsidiary for the entire Restriction Period, except as provided by Sections 9(a) and 9(c), and any applicable Vesting Conditions have been satisfied. Any shares of of Common Stock or other securities or property received as a result of a transaction listed in Section 11 shall be subject to the same restrictions as such Retention Shares unless the Committee shall determine otherwise.

(c) Termination of Employment.

(i) Disability and Retirement. Unless the Committee shall determine otherwise at the time of grant of Retention Shares, if (A) a Participant ceases to be an employee of the Company or a Subsidiary prior to the end of a Restriction Period, by reason of disability under the provisions of the Company's or a Subsidiary's long-term disability plan or retirement under the provisions of the Company's or a Subsidiary's pension plan either (i) at age 65 or (ii) prior to age 65 at the request of the Company or a Subsidiary, and (B) all Vesting Conditions have been satisfied, the Retention Shares granted to such Participant shall immediately vest and all restrictions applicable to such shares shall lapse. A certificate for such shares shall be delivered to the Participant in accordance with the provisions of Section 9(d).

(ii) Death. Unless the Committee shall determine otherwise at the time of grant of Retention Shares, if (A) a Participant ceases to be an employee of the Company or a Subsidiary prior to the end of a Restriction Period by reason of death, and (B) all Vesting Conditions have been satisfied, the Retention Shares granted to such Participant shall immediately vest in his or her Beneficiary, and all restrictions applicable to such shares shall lapse. A certificate for such shares shall be delivered to the Participant's Beneficiary in accordance with the provisions of Section 9(d).

(iii) All Other Terminations. If a Participant ceases to be an employee of the Company or a Subsidiary prior to the end of a Restriction Period for any reason other than death, disability or retirement as provided in Section 9(c)(i) and (ii), the Participant shall immediately forfeit all Retention Shares then subject to the restrictions of Section 9(b) in accordance with the provisions thereof, except that the Committee may, if it finds that the circumstances in the particular case so warrant, allow a Participant whose employment has so terminated to retain any or all of the Retention Shares then subject to the restrictions of Section 9(b) and all restrictions applicable to such retained shares shall lapse. A certificate for such retained shares shall be delivered to the Participant in accordance with the provisions of Section 9(d).

(iv) Vesting Conditions. Unless the Committee shall determine otherwise at the time of grant of Retention Shares, if a Participant ceases to be an employee of the Company for any reason prior to the satisfaction of any Vesting Conditions, the Participant shall immediately forfeit all Retention Shares then subject to the restrictions of Section 9(b) in accordance with the provisions thereof, except that the Committee may, if it finds that the circumstances in the particular case so warrant, allow a Participant whose employment has so terminated to retain any or all of the Retention Shares then subject to the restrictions of Section 9(b) and all restrictions applicable to such retained shares shall lapse. A certificate for such retained shares shall be delivered to the Participant in accordance with the provisions of Section 9(d).

(d) Payment of Retention Shares. At the end of the Restriction Period and after all Vesting Conditions have been satisfied, or at such earlier time as provided for in Section 9(c) or as the Committee, in its sole discretion, may otherwise determine, all restrictions applicable to the Retention Shares shall lapse, and a stock certificate for a number of shares of Common Stock equal to the number of Retention Shares, free of all restrictions, shall be delivered to the Participant or his or her Beneficiary, as the case may be. If an amount is payable by a Participant to the Company or a Subsidiary under applicable withholding tax laws in connection with the lapse of such restrictions, the Committee, in its sole discretion, may permit the Participant to make such payment, in whole or in part, by authorizing the Company to transfer to the Company Retention Shares otherwise deliverable to the Participant having a fair market value equal to the amount to be paid under such withholding tax laws.

10. REGULATORY APPROVALS AND LISTING

The Company shall not be required to issue to an Optionee, Participant or a Beneficiary, as the case may be, any certificate for any shares of Common Stock upon exercise of an option or for any Retention Shares granted under the Plan prior to (i) the obtaining of any approval from any governmental agency which the Company, in its sole discretion, shall determine to be necessary or advisable, (ii) the admission of such shares to listing on any stock exchange on which the Common Stock may then be listed, and (iii) the completion of any registration or other qualification of such shares under any state or Federal law or rulings or regulations of any governmental body which the Company, in its sole discretion, shall determine to be necessary or advisable.

11. ADJUSTMENT IN EVENT OF CHANGES IN CAPITALIZATION

In the event of a recapitalization, stock split, stock dividend, combination or exchange of shares, merger, consolidation, rights offering, separation, spin-off, reorganization or liquidation, or any other change in the corporate structure or shares of the Company, the Board, upon recommendation of the Committee, may make such equitable adjustments as it may deem appropriate in the

number and kind of shares authorized by the Plan, in the option price of outstanding Options, and in the number and kind of shares or other securities or property subject to Options or covered by outstanding Awards.

12. TERM OF THE PLAN

No Options or Retention Shares shall be granted pursuant to the Plan after April 16, 2003, but grants of Options and Retention Shares theretofore granted may extend beyond that date and the terms and conditions of the Plan shall continue to apply thereto.

13. TERMINATION OR AMENDMENT OF THE PLAN

The Board may at any time terminate the Plan with respect to any shares of Common Stock not at that time subject to outstanding Options or Awards, and may from time to time alter or amend the Plan or any part thereof (including, but without limiting the generality of the foregoing, any amendment deemed necessary to ensure that the Company may obtain any approval referred to in Section 10 or to ensure that the grant of Options or Awards, the exercise of Options or payment of Retention Shares or any other provision of the Plan complies with Section 16(b) of the Act), provided that no change with respect to any Options or Retention Shares theretofore granted may be made which would impair the rights of an Optionee or Participant without the consent of such Optionee or Participant and, further, that without the approval of stockholders, no alteration or amendment may be made which would (i) increase the maximum number of shares of Common Stock subject to the Plan as set forth in Section 5 (except by operation of Section 11), (ii) extend the term of the Plan, (iii) change the class of eligible persons who may receive Options or Awards of Retention Shares under the Plan or (iv) increase the limitation set forth in Section 5 on the maximum number of shares that any Participant may receive under the Plan.

14. LEAVE OF ABSENCE

Unless the Committee shall determine otherwise, a leave of absence other than an Approved Leave of Absence shall be deemed a termination of employment for purposes of the Plan. An Approved Leave of Absence shall not be deemed a termination of employment for purposes of the Plan (except for purposes of Section 8), but the period of such Leave of Absence shall not be counted toward satisfaction of any Restriction Period or any holding period described in Section 6(c).

15. GENERAL PROVISIONS

(a) Neither the Plan nor the grant of any Option or Award nor any action by the Company, any Subsidiary or the Committee shall be held or construed to confer upon any person

any right to be continued in the employ of the Company or a Subsidiary. The Company and each Subsidiary expressly reserve the right to discharge, without liability but subject to his or her rights under the Plan, any Optionee or Participant whenever in the sole discretion of the Company or a Subsidiary, as the case may be, its interest may so require.

(b) All questions pertaining to the construction, regulation, validity and effect of the Plan shall be determined in accordance with the laws of the State of Utah, without regard to conflict of laws doctrine.

16. EFFECTIVE DATE

The Plan shall become effective upon approval of the stockholders of the Company.

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATION OF EARNINGS PER SHARE
-----(In Thousands, Except Share and Per Share Amounts)
(Unaudited)

	Three Months Ended March 31,	
	1995	1994
	-----	-----
Average number of shares outstanding.....	205,073	205,108
Average shares issuable on exercise of stock options less shares repurchasable from proceeds.....	459	592
	-----	-----
Total average number of common and common equivalent shares.....	205,532	205,700
	=====	=====
Income from continuing operations.....	\$190,681	\$285,437
Loss from discontinued operations (Note 4).....	--	(2,139)
	-----	-----
Net Income.....	\$190,681	\$283,298
	=====	=====
Earnings per share:		
Income from continuing operations.....	\$ 0.93	\$ 1.39
Loss from discontinued operations.....	--	(0.01)
	-----	-----
Net Income.....	\$ 0.93	\$ 1.38
	=====	=====

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(In Thousands, Except Ratios)
(Unaudited)

	Three Months Ended March 31,	
	1995	1994
Earnings:		
Income from continuing operations.....	\$190,681	\$285,437
Add (deduct) distributions greater (to extent less) than income of unconsolidated affiliates.....	(13,187)	(13,809)
Total.....	177,494	271,628
Income Taxes:		
Federal, state and local.....	97,095	143,614
Fixed Charges:		
Interest expense including amortization of debt discount.....	88,818	76,454
Portion of rentals representing an interest factor.....	14,995	12,267
Total.....	103,813	88,721
Earnings available for fixed charges.....	\$378,402	\$503,963
Fixed Charges -- as above.....	\$103,813	\$ 88,721
Interest capitalized.....	394	545
Total fixed charges.....	\$104,207	\$ 89,266
Ratio of earnings to fixed charges (Note 6).....	3.6	5.6

UNION PACIFIC CORPORATION
 FINANCIAL DATA SCHEDULE - EXHIBIT 27
 (\$ in millions except per share amounts)

Schedule contains summary financial information extracted from the Statements of Consolidated Income and Consolidated Financial Position and is qualified in its entirety by reference to such financial statements.

	1,000,000	
	3-MOS	
	DEC-31-1994	
	MAR-31-1995	
		97
	0	
	620	
	0	
	280	
	1,481	
		19,210
	6,839	
	15,616	
2,046		
		4,202
		580
0		
	0	
	4,624	
15,616		
		0
	1,978	
		0
	1,613	
	30	
	0	
	89	
	288	
		97
191		
	0	
	0	
		0
	191	
	0.93	
	0	