

**UNION PACIFIC, DAIMLERCHRYSLER CREATE
NORTH AMERICA DELIVERY LOGISTICS COMPANY**

FOR IMMEDIATE RELEASE:

OMAHA, July 31 – Union Pacific Corporation (UNP) and DaimlerChrysler Corporation (DCX) today announced formation of a new logistics company to track up to 3 million Chrysler Group vehicle shipments annually from assembly plants to dealers across North America.

The new company, Insight Network Logistics, will be a wholly owned subsidiary of Union Pacific Corporation, parent company of Union Pacific Railroad. Based in the Detroit area, Insight Network Logistics will utilize the Internet to drastically reduce the order-to-delivery times of Chrysler Group vehicles through increased network efficiencies across the automaker's vast supply chain in the United States and Canada.

“We want to take days -- not hours -- out of our delivery cycle,” said Dave Hodgson, Vice President of Worldwide Supply, Chrysler Group. “We expect to dramatically improve process control, transportation planning, information flow and shipment visibility across our entire network. We are targeting a 30 percent reduction in vehicle delivery times within 12 months.” Chrysler Group's current delivery time averages 12 days.

Today DaimlerChrysler delivers its vehicles through a multi-modal, transportation network that involves significant coordination and data exchange between many service providers. Under the new arrangement, Insight Network Logistics' Detroit control center will utilize VinVision technology to track the shipments of DaimlerChrysler's vehicles via the Internet. VinVision is the commercial product name used to describe a collection of software and

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communication technologies developed by Union Pacific Railroad and Transentric, another UP Corporation subsidiary. VinVision provides total shipment visibility via the Internet and decision-support tools designed to identify shipments that may have deviated from their original transportation plan.

Insight Network Logistics will deploy personnel at strategic locations around the country to focus on local process improvements as well as the coordination and integration activities between rail carriers, motor carriers and vehicle distribution facilities.

“We are extremely excited about Insight Network Logistics and its growth prospects,” said Dick Davidson, Union Pacific Chairman and Chief Executive Officer. “We will move quickly to implement the technology, services, velocity and process improvements that DaimlerChrysler expects. We understand DaimlerChrysler’s delivery network, business objectives, information systems and processes, which will help us to hit the ground running and drive immediate improvements in delivery times.”

Insight Network Logistics expects to be operational by the fourth quarter. Union Pacific selected Roland Fortner, UP’s former Director of Automotive Sales for DaimlerChrysler, to lead the new organization as General Manager. Approximately one-third of the Insight Network Logistics team will come from within Union Pacific, with the remainder to be recruited outside UP from the automotive and transportation industry.

Fortner has worked for more than 20 years for Union Pacific Railroad. He earned an MBA from Virginia Tech and has held key commercial positions within UP’s automotive and intermodal business teams.

“First and foremost, our mission will be to reduce delivery times for DaimlerChrysler,” said Fortner. “We will also seek to become an ally, a resource and a partner with all of the service

providers DaimlerChrysler employs in order to improve shipment visibility and information flow. We will only be successful if we add value for both our customers and their business partners.”

Union Pacific Railroad is the sole provider of rail service for DaimlerChrysler’s finished vehicles in the western United States. UP also provides intermodal stack train transportation for DaimlerChrysler’s auto parts supply chain between the U.S. and Mexico.

Union Pacific Corporation is one of America’s leading transportation companies. Its principal operating company, Union Pacific Railroad, is the largest railroad in North America, covering 23 states across the western two-thirds of the United States. A strong focus on quality and a strategically advantageous route structure enable the company to serve customers in critical and fast growing markets. It is a leading carrier of low-sulfur coal used in electrical power generation and has broad coverage of the large chemical-producing areas along the Gulf Coast. With competitive long-haul routes between all major West Coast ports and eastern gateways, and as the only railroad to serve all six gateways to Mexico, Union Pacific has the premier rail franchise in North America. The Corporation also owns Overnite Transportation, a nationwide less-than-truckload carrier, and Fenix, a group of affiliated technology companies.

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