

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 14D-1  
AMENDMENT NO. 16  
TENDER OFFER STATEMENT PURSUANT TO SECTION 14(D)(1) OF THE SECURITIES  
EXCHANGE ACT OF 1934

SANTA FE PACIFIC CORPORATION  
(NAME OF SUBJECT COMPANY)

UNION PACIFIC CORPORATION  
UP ACQUISITION CORPORATION  
(BIDDERS)

COMMON STOCK, PAR VALUE \$1.00 PER SHARE  
(INCLUDING THE ASSOCIATED PREFERRED SHARE PURCHASE RIGHTS)

(TITLE OF CLASS OF SECURITIES)

802183 1 03  
(CUSIP NUMBER OF CLASS OF SECURITIES)

RICHARD J. RESSLER  
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(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON AUTHORIZED TO  
RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDERS)

with a copy to:

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Union Pacific Corporation, a Utah corporation ("Parent"), and UP Acquisition Corporation, a wholly owned subsidiary of Parent (the "Purchaser"), hereby amend and supplement their Statement on Schedule 14D-1 ("Schedule 14D-1"), filed with the Securities and Exchange Commission (the "Commission") on November 9, 1994, as amended and supplemented, with respect to the Purchaser's offer to purchase all of the outstanding shares of Common Stock, par value \$1.00 per share (the "Shares"), of Santa Fe Pacific Corporation, a Delaware corporation (the "Company").

Unless otherwise indicated herein, each capitalized term used but not defined herein shall have the meaning assigned to such term in Schedule 14D-1 or in the Offer to Purchase or in the Supplement referred to therein.

ITEM 4. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATIONS.

The information set forth in Item 4 to Schedule 14D-1 is hereby amended and supplemented by the following information:

Amendment No. 15 incorrectly stated that the Lenders under the supplemental commitment letter have increased the size of the revolving credit facility from \$2 billion to \$2.7 billion. As previously announced, the supplemental commitment letter increased the size of the revolving credit facility from \$2 billion to \$3.7 billion.

ITEM 10. ADDITIONAL INFORMATION.

The information set forth in Item 10 of Schedule 14D-1 is hereby amended and supplemented by the following information:

(e) On January 26, 1995, Parent filed a motion for a preliminary injunction in the Chancery Court in the State of Delaware seeking, among other things, an order enjoining the Company from taking any action with respect to the Rights Agreement and compelling the Company to make the Rights Agreement inapplicable to Parent's Offer and Proposed Merger. Also on

January 26, 1995, Parent issued a press release announcing that it is seeking such preliminary injunction. Copies of the motion and press release are attached hereto as Exhibit (g)(14) and Exhibit (g)(15), respectively, and incorporated herein by reference.

On January 27, 1995, Parent issued a press release announcing that several large shareholders of the Company had filed affidavits supporting Parent's litigation to invalidate the Rights Agreement. A copy of the press release is attached hereto as Exhibit (g)(16) and incorporated herein by reference.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

(g)(14) Motion for Preliminary Injunction in connection with Union Pacific Corporation and James A. Shattuck v. Santa Fe Pacific Corporation, et. al., filed in the Court of Chancery in Delaware on January 26, 1995.

(g)(15) Text of Press Release issued by Union Pacific Corporation on January 26, 1995.

(g)(16) Text of Press Release issued by Union Pacific Corporation on January 27, 1995.

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: January 27, 1995

UNION PACIFIC CORPORATION

By: /s/ Gary M. Stuart

Title: Vice President and Treasurer

SIGNATURE

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: January 27, 1995

UP ACQUISITION CORPORATION

By: /s/ Gary M. Stuart

Title: Vice President and Treasurer

EXHIBIT INDEX

Exhibit No.	Description
(g)(14)	Motion for Preliminary Injunction in connection with Union Pacific Corporation and James A. Shattuck v. Santa Fe Pacific Corporation, et. al., filed in the Court of Chancery in Delaware on January 26, 1995.
(g)(15)	Text of Press Release issued by Union Pacific Corporation on January 26, 1995.
(g)(16)	Text of Press Release issued by Union Pacific Corporation on January 27, 1995.

IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN AND FOR NEW CASTLE COUNTY

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:
UNION PACIFIC CORPORATION :
and JAMES A. SHATTUCK,   :
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:           Plaintiffs,   :
:
:           v.            :
:
:           Civil Action No. 13778
SANTA FE PACIFIC CORPORATION, :
BILL M. LINDIG, ROY S.       :
ROBERTS, JOHN S. RUNNELLS II, :
ROBERT H. WEST, JOSEPH F.    :
ALIBRANDI, GEORGE DEUKMEJIAN, :
JEAN HEAD SISCO, ROBERT D.   :
KREBS, MICHAEL A. MORPHY,    :
EDWARD F. SWIFT, and        :
BURLINGTON NORTHERN, INC.,   :
:
:           Defendants.  :
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- - - - - X

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MOTION FOR PRELIMINARY INJUNCTION

Plaintiffs Union Pacific Corporation ("Union Pacific") and James A. Shattuck, by their undersigned attorneys, hereby move for a preliminary injunction:

- (a) compelling defendants Santa Fe Pacific Corporation ("Santa Fe"), Bill M. Lindig, Roy S. Roberts, John S. Runnells II, Robert H. West, Joseph F. Albrandi, George Deukmejian, Jean Head Sisco, Robert D. Krebs, Michael A. Morphy, Edward F. Swift (together, the "Santa Fe Defendants") to redeem the rights; alternatively
- (b) enjoining the Santa Fe Defendants, their employees, agents and all persons acting in concert with them from taking any action with respect to Santa Fe's poison pill rights plan, except to amend the rights agreement to make it inapplicable to any all-cash, all-shares tender offer of at least \$18.50 per Santa Fe share to be followed by a cash merger at the same per-share price, after which all shares of Santa Fe would be held in a voting trust pending Interstate Commerce Commission ("ICC") approval of the buyer's acquisition of control; and
- (c) compelling the Santa Fe Defendants to amend the rights agreement to make it inapplicable to any all-cash, all-shares tender offer of at least \$18.50 per Santa Fe share to be followed by a cash merger at the same per-share price, after which all shares of Santa Fe would be held in a voting trust pending ICC approval of the buyer's acquisition of control; and alternatively, if (a) or (b) and (c) are not ordered
- (d) compelling the Santa Fe Defendants to amend the rights agreement to make it inapplicable to any all-cash, all-shares tender offer of at least \$18.50 per Santa Fe share which receives unwithdrawn tenders of 90% or more of Santa Fe outstanding stock, which tender offer is to be followed by a cash merger at the same per-share price, and after which the stock of Santa Fe will be held in a voting trust pending ICC approval of the buyer's

acquisition of control.

The grounds for this motion are as set forth below and as will be more fully stated in plaintiffs' memorandum of law to be filed following the limited expedited discovery sought in Plaintiffs' Second Motion for Expedited Discovery, filed herewith.

#### The Current Situation Requires Relief

1. Having initiated and encouraged an active, albeit unfairly skewed, bidding contest for the sale of Santa Fe, the Santa Fe Board has implemented and is maintaining a coercive, selective, and ultimately preclusive poison pill rights plan designed to force Santa Fe's stockholders to approve a Merger Agreement with its favored bidder, Burlington Northern Inc. ("Burlington Northern"), and forever foreclose them from choosing Union Pacific's superior all-cash, all-shares offer.

2. Union Pacific's current bid was made on January 17, 1995. Three days ago, the Santa Fe board rejected the superior Union Pacific offer in favor of the highly conditional, front-end loaded bid by Burlington Northern.

3. Two days ago, Tuesday, Santa Fe and Burlington Northern amended their merger agreement to permit, but not require, an enhanced exchange ratio in the highly contingent back-end merger. Additionally, Santa Fe announced that it had amended its Poison Pill Rights Agreement in order to enable Alleghany Corporation ("Alleghany") to purchase up to 14.9% of Santa Fe's stock, in return for Alleghany's agreement with Santa Fe and Burlington Northern to vote in favor of the Burlington Northern merger.

4. It is clear that Santa Fe's directors intend to put the Burlington Northern merger to a vote as scheduled on February 7, amidst the confusion created by Tuesday's illusory promise of higher consideration and subject to the coercive effect of continued maintenance of the poison pill. Furthermore, the joint, partial tender offer is scheduled to close immediately after the vote. As a result of that tender offer and related agreements and transactions, enormous changes will occur in both Santa Fe's capital structure and the composition of its shareholder body. Thus, Santa Fe's stockholders are threatened with imminent, irreparable harm.

#### The Bidding Contest

5. In June 1994, Burlington Northern initially agreed to exchange 0.27 shares of its stock for each share of Santa Fe common stock. On October 5, 1994, Union Pacific proposed to acquire Santa Fe for \$18.00 per Santa Fe share in a stock-for-stock merger. At that time, the Burlington Northern proposal was worth \$13.50 per share of Santa Fe stock. Following Union Pacific's bid, the Santa Fe defendants encouraged Burlington Northern to top it.

6. An active bidding contest for the sale of Santa Fe ensued. Over the next three months, Union Pacific and Burlington Northern engaged in a see-saw battle of revised bids for Santa Fe. Because it is dominated and controlled by Santa Fe Chairman and CEO Robert Krebs -- who stands to become CEO of a combined Santa Fe/Burlington Northern -- the Santa Fe board consistently and unfairly favored Burlington Northern throughout the bidding contest. Santa Fe refused to enter into discussions with Union Pacific for two months, while continuing actively to encourage and facilitate escalating offers by Burlington Northern. Moreover, Santa Fe refused Union Pacific's repeated demands that it implement a fair bidding process. At the same time, Santa Fe cynically challenged Union Pacific to improve its bid. The process has culminated in two competing bids: (i) Burlington Northern's coercive, two-tiered merger offer, which, due to ICC regulatory concerns and

other material conditions, places the risk of non-consummation of the second step merger on Santa Fe's stockholders, and which has been exempted from Santa Fe's poison pill, and (ii) Union Pacific's superior all-cash, all-shares bid, which poses to Santa Fe's stockholders no regulatory risk of non-consummation or delay for regulatory review, but which has not been exempted from the poison pill.

7. Union Pacific is currently offering by tender offer (to be followed promptly by a second-step merger) to purchase all shares of Santa Fe stock for \$18.50 per share in cash. Union Pacific's tender offer is currently scheduled to expire on February 7, 1995. The shares purchased in the tender offer and the second-step merger will be placed in an ICC-approved voting trust pending the ICC's approval of the merger between Union Pacific and Santa Fe. Although Union Pacific's tender offer is conditioned on a definitive merger agreement with Santa Fe, Union Pacific announced that it will waive this condition if the poison pill rights are neutralized and at least 90% of Santa Fe's outstanding stock is tendered, enabling it to consummate a short-form merger under Delaware law. In order to proceed on this unilateral basis, Union Pacific would first ask the ICC to approve an amendment to the voting trust that would enable the trustee to ensure Santa Fe's cooperation in seeking ICC approval of a Santa Fe/Union Pacific combination. Santa Fe rejected Union Pacific's offer this Monday, January 23.

8. Burlington Northern's current bid has been approved by the Santa Fe board and is scheduled for a stockholder vote on February 7, 1995. The proposed Burlington Northern transaction has two tiers. First, Burlington Northern and Santa Fe have commenced a joint, partial tender offer to purchase for cash up to 63 million shares, approximately 33% of Santa Fe's outstanding stock, for \$20.00 per share. Of this, 38 million shares are to be repurchased by Santa Fe with \$760 million of its own newly-borrowed cash; the remaining 25 million shares are to be bought by Burlington Northern, which, as a result of the joint tender offer, will own about 16% of the remaining outstanding shares of Santa Fe. The closing of this first-step tender offer is conditioned upon stockholder approval of the merger agreement, and it is currently scheduled to expire immediately after the stockholder vote.

9. The second tier of the Burlington Northern bid is highly conditional. At the earliest by mid-1996 and contingent on ICC approval of a merger of Santa Fe and Burlington Northern, the remaining shares of Santa Fe stock would each be exchanged for .4 shares of Burlington Northern stock, subject to a possible adjustment described in paragraph 10, *infra*. Based on the closing price of Burlington Northern stock on January 24, 1995, the second-step merger consideration has a nominal value, before discounting for the time value of money and the risk of non-consummation, of \$20.00 per Santa Fe share. Of course, no one knows what the trading price of Burlington Northern stock will be if and when ICC approval is obtained.

10. On Tuesday, Santa Fe and Burlington, aided by Allegheny, shuffled two new wild cards into the deck. First, Burlington Northern and Santa Fe amended their merger agreement to permit -- but not require -- Santa Fe to purchase up to 10 million shares of its stock in the time after shareholder approval and prior to consummation of the merger. The total number of shares of Burlington Northern stock to be issued if the merger ever occurs, however, remains fixed. Thus, Santa Fe and Burlington Northern have effectively announced that if the merger ever occurs, then maybe the exchange ratio will be improved, if Santa Fe is ever able to purchase additional shares -- which it is not obligated to do, which it appears Santa Fe is not now able to do and which it may never be able to do.

11. The second new development is that the Santa Fe board amended the Santa Fe Rights Agreement to raise the triggering threshold from 10 percent to 15 percent to induce Allegheny to sign a voting agreement with Santa Fe and Burlington Northern pursuant to which its current 7.2% of Santa Fe's stock and any additional shares which Allegheny acquires and becomes entitled to vote at the meeting will be voted in favor of the Santa Fe/Burlington Northern merger. Allegheny plans to tender its shares in the joint, partial tender offer and use the proceeds to purchase additional shares so that it will own up to 14.9% of Santa Fe's post-joint tender offer outstanding stock. Thus, as a result of the joint tender offer, the potential Santa Fe repurchase of an additional 10 million shares and the intended purchases of Allegheny, Allegheny would own as much as 15% of Santa Fe's common stock. Allegheny and Burlington Northern together would own over 32% of the outstanding shares.

#### Santa Fe Is For Sale

12. Despite its board's self-serving protestations that Santa Fe is "not for sale", by its affirmative actions of (a) encouraging Burlington Northern to bid against Union Pacific, (b) cynically challenging Union Pacific to improve its bid through a flawed and biased sale process, and (c) actually facilitating and causing Santa Fe to participate in and finance Burlington Northern's ultimate bid, Santa Fe "albeit unintentionally, [ ] `initiate[d] [and fueled] an active bidding process seeking to sell "itself.'" Paramount Communications Inc. v. QVC Network, Inc., Del. Supr., 637 A.2d 34, 47 (1994) (quoting Paramount Communications Inc. v. Time, Inc., Del. Supr., 571 A.2d 1140, 1150 (1989)).

13. Moreover, the first step of the current Burlington Northern proposal, when viewed in conjunction with the related late-breaking developments of the potential Santa Fe stock repurchase and the announced intention of Allegheny to purchase up to 14.9% of Santa Fe stock, may result in effective control shifting from "a fluid aggregation of unaffiliated stockholders," Paramount Communications Inc. v. QVC Network, Inc., 637 A.2d at 46, to a concentrated group, consisting of Burlington Northern and Allegheny, acting in concert. This concentration of effective control would likely last for many months if not years, while ICC approval of the Santa Fe/Burlington Northern merger is sought.

14. As a result of these factors, Santa Fe is for sale. Its board is therefore subject to the obligation to act reasonably toward the goal of obtaining for its stockholders the highest value reasonably available. Paramount Communications Inc. v. QVC Network, Inc., 637 A.2d at 48.

#### Santa Fe's Continued Use Of The Poison Pill To Foreclose Free Stockholder Choice Between The Competing Offers Is Coercive And Unjustifiable

15. Santa Fe's board has determined to submit the Burlington Northern merger agreement to a vote of Santa Fe's stockholders on February 7th. If the merger is approved, the bidding contest for Santa Fe will be over.

16. Thus, the bidding contest for Santa Fe has run its course or will do so by the time the vote is taken.

17. Meanwhile, by their continuing claim that Santa Fe is "not for sale," the Santa Fe directors are seeking to coerce stockholders into believing, that if they reject the Burlington Northern merger proposal, they will not have the chance to accept the Union Pacific transaction because, by leaving the poison pill in place, those directors will not comply with their fundamental duties as "auctioneers charged with getting the best price for the stockholders at a sale of the company." Revlon, Inc. v. MacAndrews & Forbes Holdings, Inc., Del.

Supr., 506 A.2d 173, 182 (1986). This court has recently observed that when directors arrogate to themselves

[the] power to choose what premium the shareholders will receive in a change of control transaction, then those directors, as fiduciaries, must be deemed to have assumed the duty that accompanies the power. In colloquial terms, that duty is to do for the shareholders what the shareholders would otherwise do for themselves -- to seek the best premium-conferring transaction that is available in the circumstances. Fairness requires no less.

QVC Network, Inc. v. Paramount Communications Inc., Del. Ch., 635 A.2d 1245, 1266 (1993) (emphasis added) (citations omitted), aff'd, Del. Supr., 637 A.2d 34 (1994). By claiming that the company is not for sale, the Santa Fe directors have unequivocally indicated that they have not fulfilled this basic fiduciary obligation and will not do so.

18. Therefore, the only remaining function of the poison pill at this point is to coerce Santa Fe's stockholders to vote in favor of the Burlington Northern Merger agreement. Stockholders know that, with the pill in place, the board has the power to carry out its coercive, implicit threat to remain independent and deny them any premium rather than merge with Union Pacific. To avoid the risk of losing the chance to realize some premium (although not that which could be obtained in the "best premium-conferring transaction available"), Santa Fe's stockholders are being coerced to vote for the inferior Burlington Northern deal.

19. Thus, the poison pill no longer serves any valid corporate purpose. Keeping it in place "will only cause the shareholders irreparable harm, since they will be deprived of the opportunity to consider, as an alternative to the [Burlington Northern] offer, [Union Pacific's superior] bid" Mills Acquisition Co. v. MacMillan, Inc., Del. Ch., C.A. No. 10168, slip op. at 48-50, Jacobs, V.C. (Oct. 17, 1988) (Ex. A hereto), rev'd on other grounds, Del. Supr., 559 A.2d 1261 (1969).

20. The Santa Fe board's failure to redeem the poison pill or render it inapplicable to Union Pacific's offer is also a disproportionate defensive measure under Unocal Corp. v. Mesa Petroleum Co., Del. Supr., 493 A.2d 946 (1985). A board of directors does not have unlimited discretion to defeat a perceived threat by any draconian means available. Unitrin, Inc. v. American General Corp., Del. Supr., No. 418, 1994, slip op. at 51, Holland, J. (Jan. 11, 1995) (Ex. B hereto).

21. The Santa Fe Board's continued maintenance of the poison pill is draconian. As mentioned above, it is coercive in that it is both intended to and is operating to coerce the Santa Fe stockholders to vote in favor of the management-sponsored alternative -- the Burlington Northern merger agreement. See Paramount Communications Inc. v. Time, Inc., 571 A.2d at 1154; AC Acquisitions Corp. v. Anderson, Clayton & Co., Del. Ch., 519 A.2d 103 (1986).

22. Moreover, the poison pill is preclusive in two ways. First, unless relief is granted, the board's coercive use of the pill may well force the stockholders to approve the Burlington Northern merger agreement. In that event, Union Pacific would be precluded, absent court intervention, from acquiring Santa Fe, and Santa Fe's stockholders would be correspondingly precluded from receiving the Union Pacific offer's superior value. Second, even if the Burlington Northern merger agreement is not approved, the Board's threatened continued maintenance of the pill will preclude Union Pacific from ever acquiring Santa Fe, since, as a practical matter, an election contest for control of the Santa Fe board is infeasible due to the need for prior ICC approval. Thus, the Santa Fe directors have effectively arrogated to themselves the power to forever preclude Union Pacific's

acquisition offer.

#### The Irreparable Harm Imminently Threatened

23. The Santa Fe stockholder vote is imminent. A wrongfully coerced stockholder vote constitutes irreparable harm because the stockholders are thus forever deprived of their right to be treated fairly. See *Eisenberg v. Chicago Milwaukee Corp.*, Del. Ch. 537 A.2d 1051, 1052 (1987). Moreover, once a vote in favor of the Santa Fe/Burlington Northern transaction is obtained -- even one coerced by operation of the poison pill -- Santa Fe and Burlington Northern stand ready to close their joint, partial tender offer and, thus, substantially alter both the capital structure and shareholder composition of Santa Fe. At that point, the Court will not be able to "unscramble the eggs" and the injury to the interests of Santa Fe shareholders in receiving the superior Union Pacific proposal will be complete and irreparable.

24. In the event the coerced vote results in approval of the Burlington Northern merger, the stockholders will be further irreparably harmed by loss of the opportunity to obtain Union Pacific's better offer. See *Mills Acquisition*, supra. See also *City Capital Assocs. v. Interco Inc.*, Del. Ch., 551 A.2d 787, 800 (1988) (stockholders' loss of the opportunity to effectively choose between competing acquisition offers constitutes irreparable harm).

25. In the event the Burlington Northern merger is not approved by the coerced vote of the stockholders, the Santa Fe board's threatened continued maintenance of the pill to support a "just say no" stance will deprive the Santa Fe's stockholders of the unique opportunity afforded by Union Pacific's acquisition offer.

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Attorneys for Plaintiffs

Dated: January 26, 1995



(UNION PACIFIC  
CORPORATION - LOGO)

NEWS RELEASE

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FOR IMMEDIATE RELEASE

UNION PACIFIC SUES TO INVALIDATE SANTA FE  
POISON PILL PRIOR TO SHAREHOLDERS' MEETING

BETHLEHEM, PA, JANUARY 26, 1995 -- Union Pacific Corporation (NYSE: UNP) announced today that it is seeking a preliminary injunction in the Delaware Chancery Court to enjoin Santa Fe Pacific Corporation's (NYSE: SFX) "poison pill" rights plan. Union Pacific said it is seeking a decision prior to Santa Fe's February 7, 1995 shareholders' meeting to vote on the proposed transaction with Burlington Northern Inc. (NYSE: BNI).

Drew Lewis, Union Pacific's Chairman and Chief Executive Officer, said, "Santa Fe's use of its poison pill to block Union Pacific's offer, while exempting the Burlington Northern transaction and related share purchases by a Santa Fe shareholder, is a manipulative attempt to coerce Santa Fe shareholders to vote for the BN deal. Santa Fe's shareholders, rather than Santa Fe's management and Board, deserve the right to choose freely between Union Pacific's and Burlington Northern's competing bids to acquire Santa Fe. If Santa Fe really believes the Burlington Northern transaction is superior, it would not try to hide behind its poison pill."

Union Pacific's court filing asserts that Santa Fe's Board, by its actions, has put the Company up for sale and has a fiduciary obligation to provide the best deal for Santa Fe shareholders.

(UNION PACIFIC  
CORPORATION - LOGO)

NEWS RELEASE

Contact: 610-861-3382  
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FOR IMMEDIATE RELEASE

SANTA FE SHAREHOLDERS FILE AFFIDAVITS SUPPORTING  
UNION PACIFIC LAWSUIT TO INVALIDATE SANTA FE "POISON PILL"

BETHLEHEM, PA, JANUARY 27, 1995 -- Union Pacific Corporation (NYSE: UNP) announced today that several large shareholders of Santa Fe Pacific Corporation (NYSE: SFX) beneficially owning approximately 12 million Santa Fe shares had filed affidavits supporting Union Pacific's litigation to invalidate Santa Fe's "poison pill."

The shareholders stated that Union Pacific's \$18.50 all-cash offer will yield materially greater value than Burlington Northern Inc.'s (NYSE: BNI) merger proposal. In their statements, the shareholders also said that it is inappropriate for Santa Fe's Board of Directors to seek to prejudice the outcome of the Santa Fe shareholder vote by using the "poison pill" to block the Union Pacific offer.

The shareholders expressed their support for the elimination of Santa Fe's "poison pill" so that Santa Fe shareholders are free to choose between the competing Union Pacific and Burlington Northern bids.