

Georgia-Pacific LLC



MIDWEST ASSOCIATION OF RAIL SHIPPERS

LAKE GENEVA, WI JULY 15, 2014

PRESENTATION OUTLINE

- **Koch Industries, Inc. Overview**

- Georgia-Pacific LLC Overview



- Railroad Performance Matrix

- Impact of Capacity Constraints

Koch Industries Overview

KOCH AT A GLANCE

2014

What is now Koch Industries, Inc. began as Wood River Oil and Refining Co. in 1940. Based in Wichita, Kansas, Koch Industries is one of the largest private companies in America.*



\$115 BILLION IN ANNUAL REVENUE*



RECOGNIZING
SAFETY
ENVIRONMENTAL EXCELLENCE
CUSTOMER SERVICE
COMMUNITY STEWARDSHIP
INNOVATION

9,500
APPROVED
PATENTS

1,140
PENDING
APPLICATIONS

These innovations are used to make clothing, shelter, technologies, transportation, consumer products and more.

INDUSTRY AREAS

- refining, chemicals, grain processing & biofuels
- forest & consumer products
- fertilizers

- polymers & fibers
- process & pollution control equipment & technologies
- electronic components

- commodity trading
- minerals
- energy

- ranching
- glass
- investments

GLOBAL PRESENCE

ABOUT
60
COUNTRIES



MORE THAN
100,000
EMPLOYEES WORLDWIDE

ABOUT
60,000
IN THE U.S. – 49 STATES AND
THE DISTRICT OF COLUMBIA

*ACCORDING TO FORBES MAGAZINE

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- **Georgia-Pacific LLC Overview**



- Railroad Performance Matrix
- Impact of Capacity Constraints



Georgia-Pacific LLC Overview

- **Approximately 35,000 employees globally**
- **Facilities in approximately 35 states**
- **Wholly owned subsidiary of Koch Industries, Inc.**

Alignment with Railroads

- **157 Rail-served Facilities**
 - 56 locations are served by 39 Short-Line or Regional Railroads
 - 105 locations are served by 7 Class I Railroads
- **106,000 Carloads per Year**
 - Georgia-Pacific touches virtually all North American Railroads

Georgia-Pacific LLC : Major Businesses

Global Consumer Products North America



- Retail Tissue/Towels/Napkins
- Professional Tissue/ Towels
- Foodservice
- Communication Papers
- Dixie® Products

Building Products



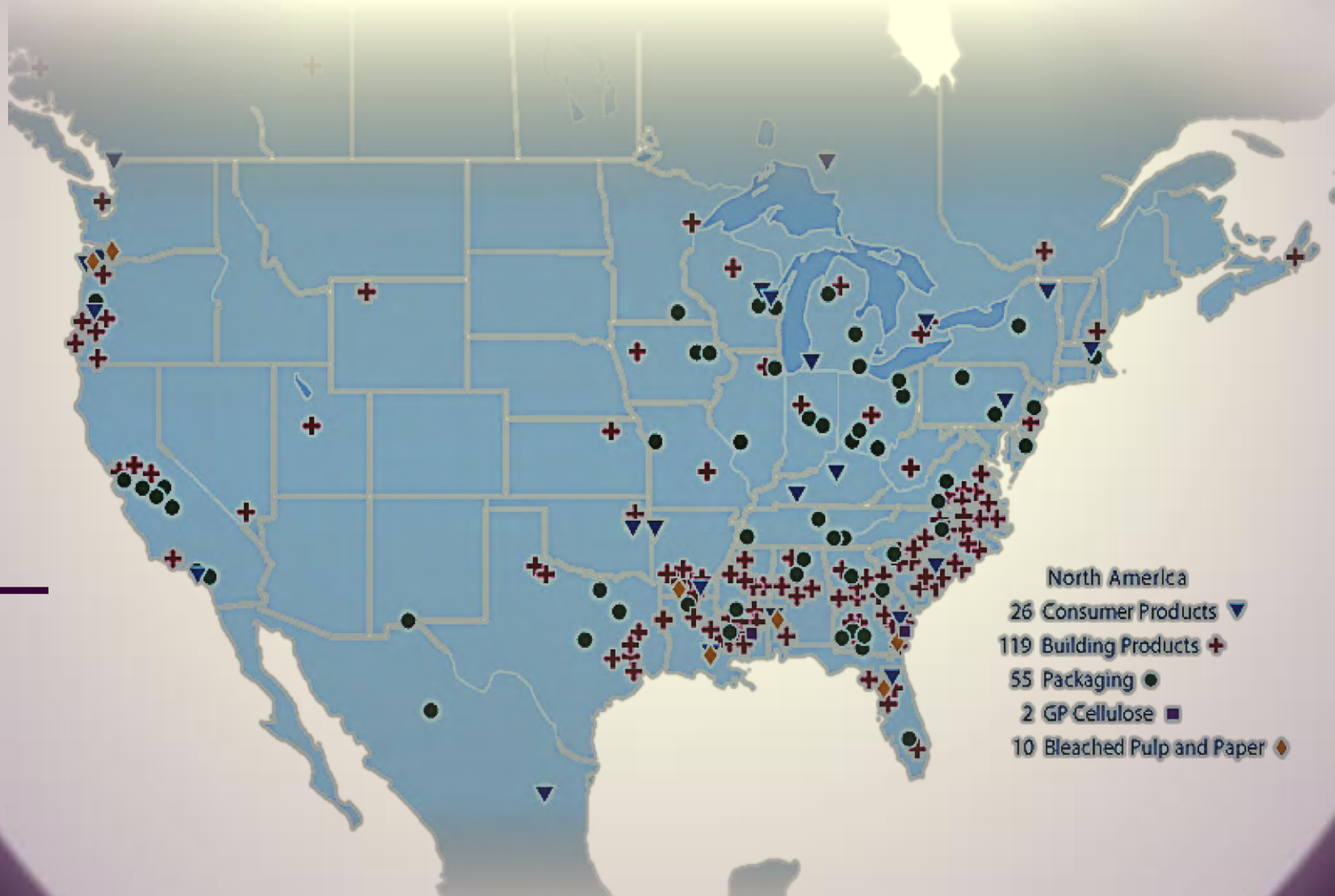
- Plywood
- Oriented Strand Board
- Engineered Lumber
- Lumber
- Gypsum
- Chemicals

Containerboard, Packaging & Cellulose



- Linerboard
- Corrugating Medium
- Packaging
- Pulp
- Bleached Board
- Kraft
- White-top Liner

North American Locations



PRESENTATION OUTLINE

- Koch Industries, Inc. Overview
- Georgia-Pacific LLC Overview

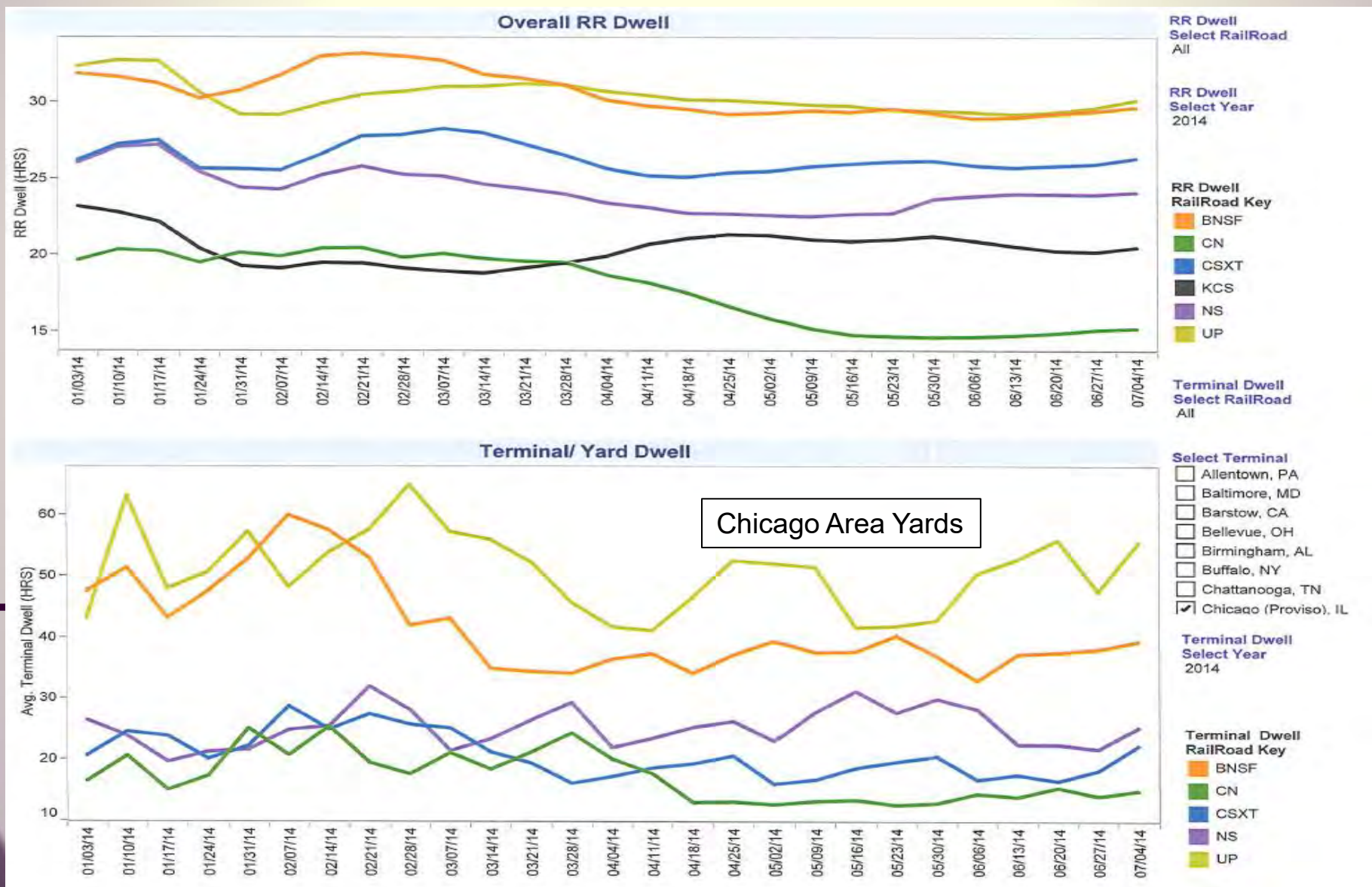
- **Railroad Performance Matrix**



- Impact of Capacity Constraints

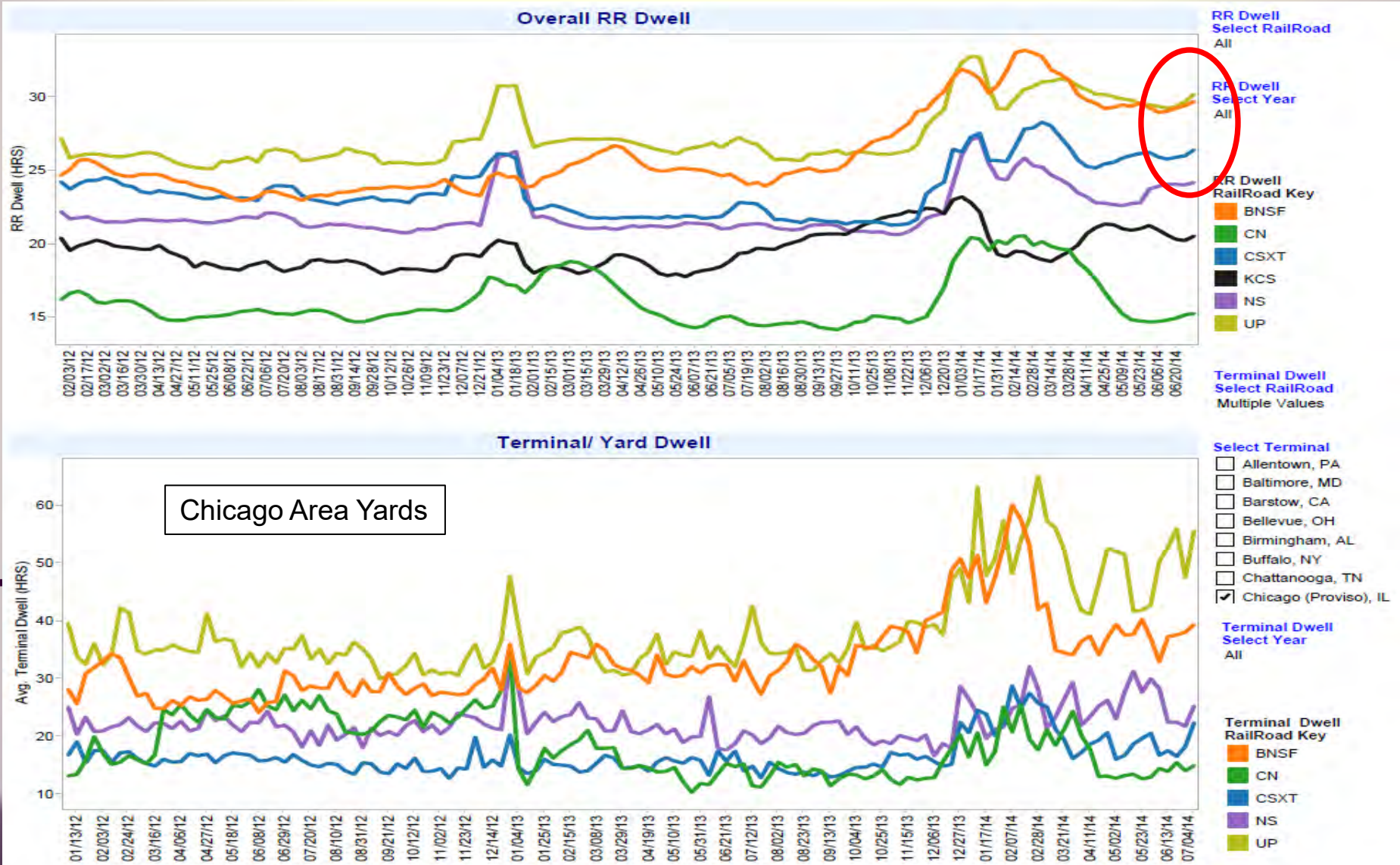
DWELL REPORTING : 2014 YTD

(Relatively Flat.....but deceiving)

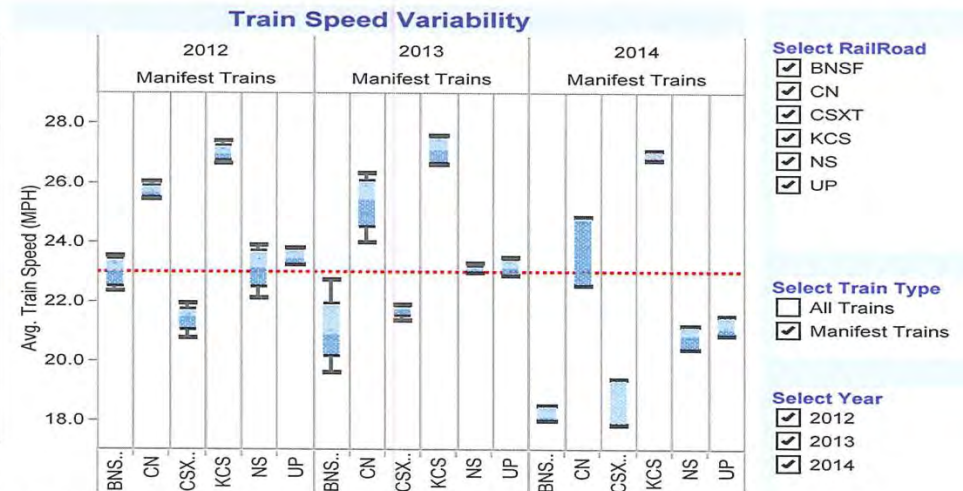


DWELL REPORTING : Multi Year

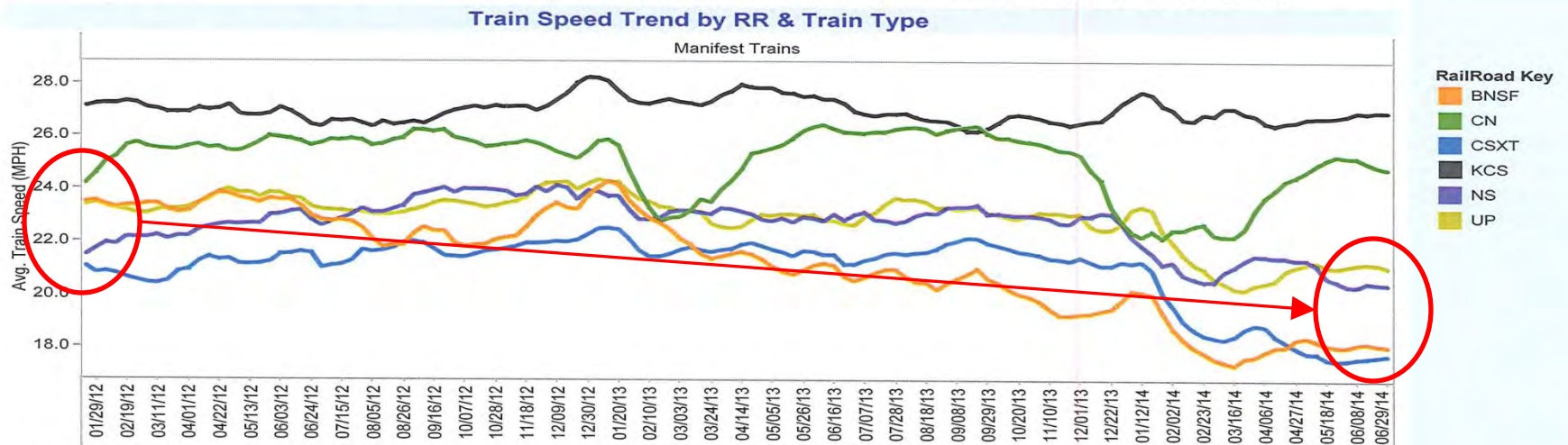
(Trending Upward)



Manifest Train Speeds : Multi Year (Trending Downward)



Avg. Train Speed (MPH) for each Railroad broken down by Date Year and Train Type. Details are shown for Railroad, Date Year and Date Quarter.



Rolling 4 week Avg. Train Speed (MPH) for Date Week broken down by Train Type. Color shows details about Railroad. The data is filtered on Date Year, which keeps 2012, 2013 and 2014.



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- Koch Industries, Inc. Overview
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- Railroad Performance Matrix
- **Impact of Railroad Service**



IMPACT OF REDUCED CAPACITY

EQUIPMENT

-  Velocity +  Dwell =

Sub-optimum Equipment Utilization

- Supply & Demand for Boxcars
- Shipper's & Receiver's Capacity Constraints

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Sub-optimum Equipment Utilization

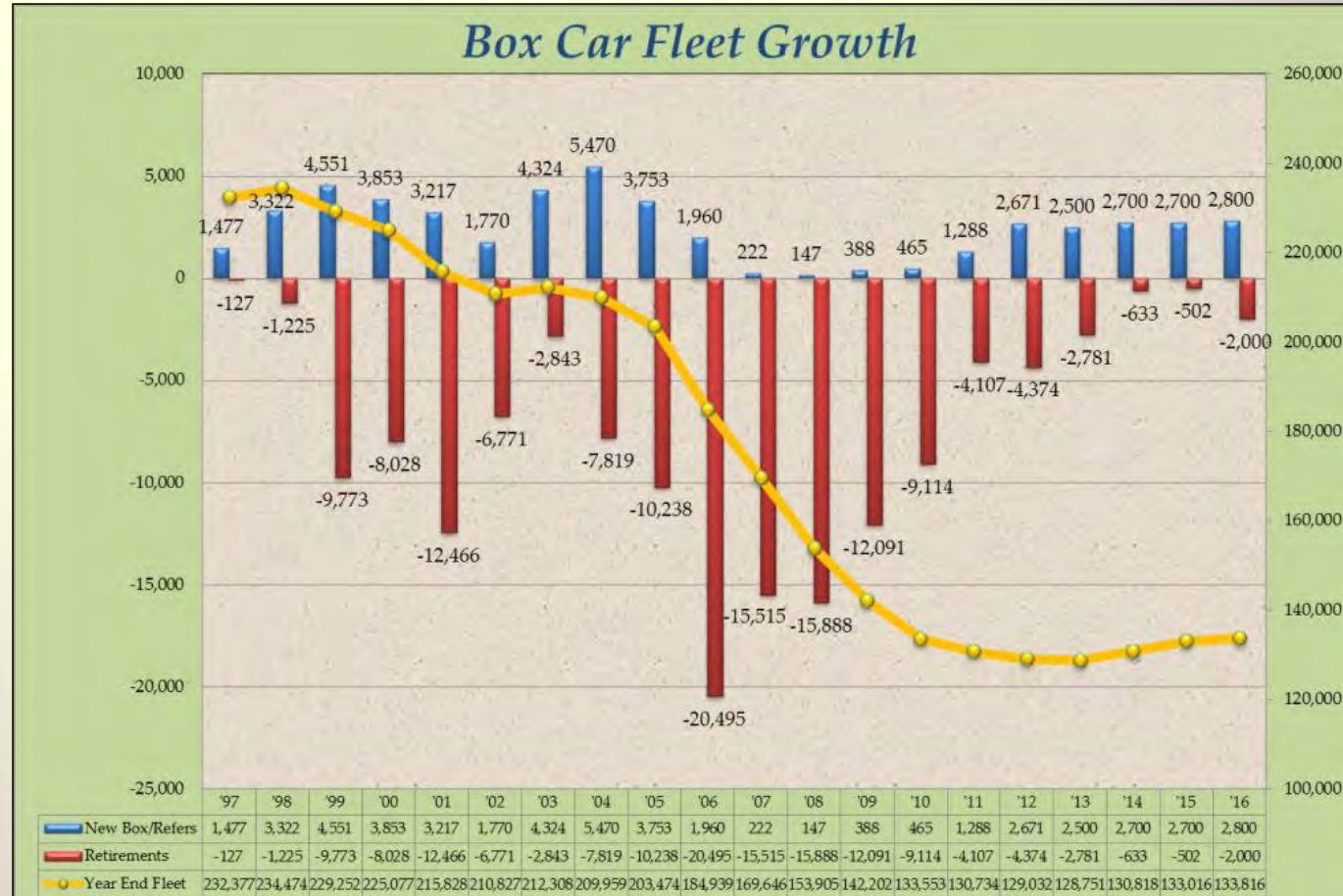
• Supply & Demand for Boxcars

- Shipper's & Receiver's Capacity Constraints

PROBLEM = Supply & Demand

Boxcar Fleet

- 1997 232M
- 2013 129M
- Reduction 44%



Source: AllTranstek LLC and FTR Intel

IMPACT OF REDUCED CAPACITY

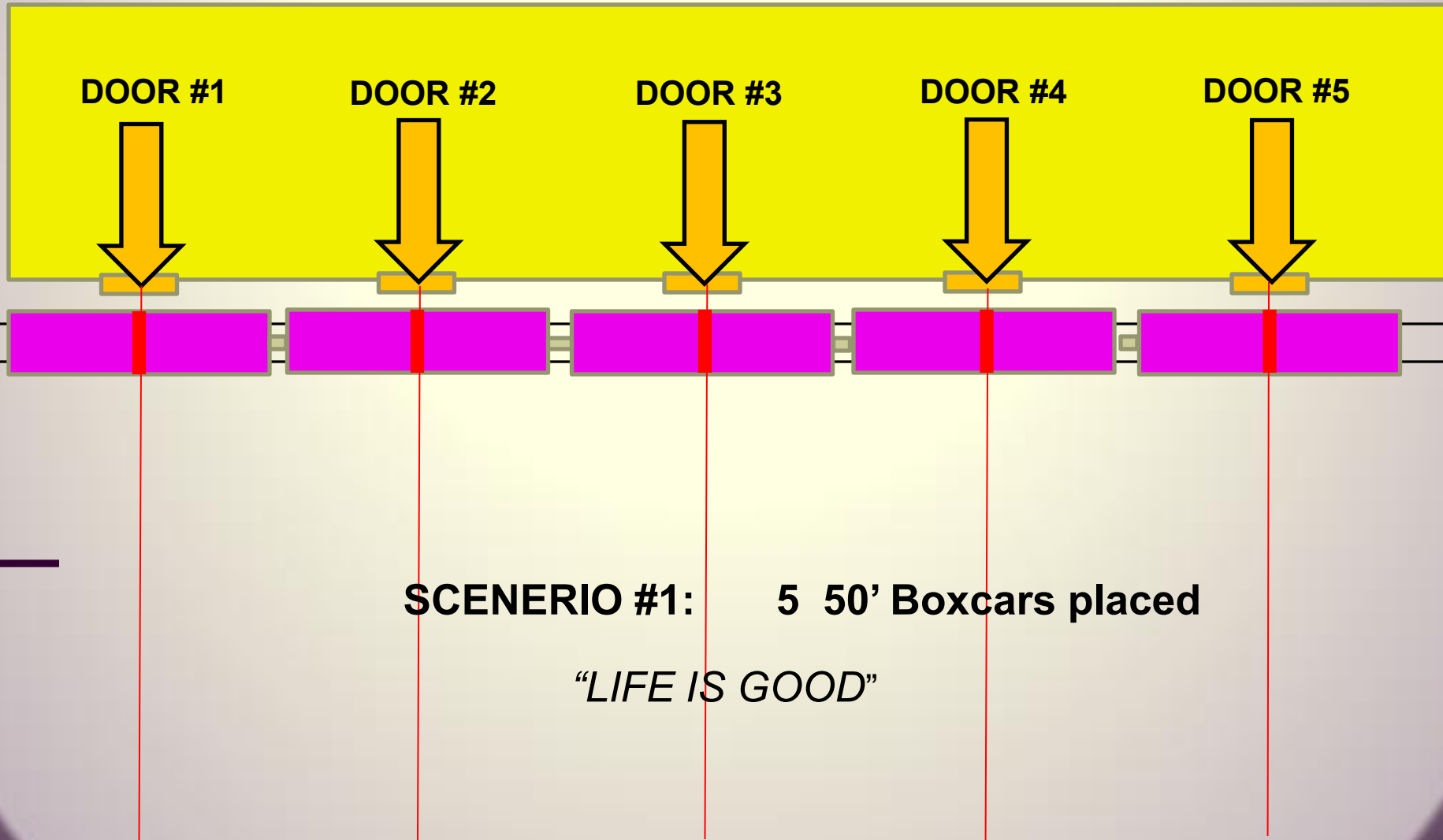


EQUIPMENT

-  Velocity +  Dwell =
Sub-optimum Equipment Utilization
- Supply & Demand for Boxcars

- **Shipper's & Receiver's Capacity Constraints**

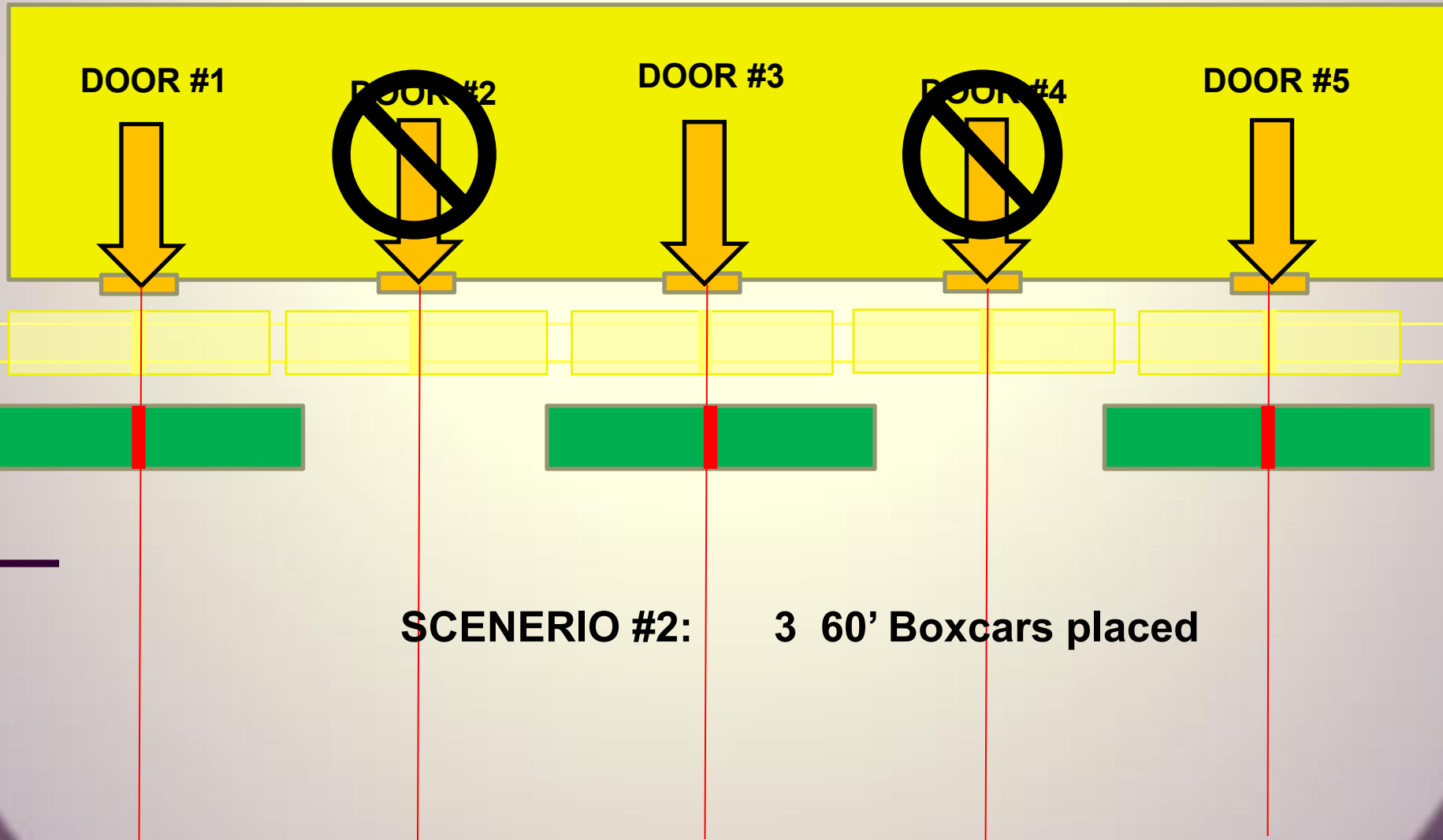
DOORS SPACED FOR 50' CARS



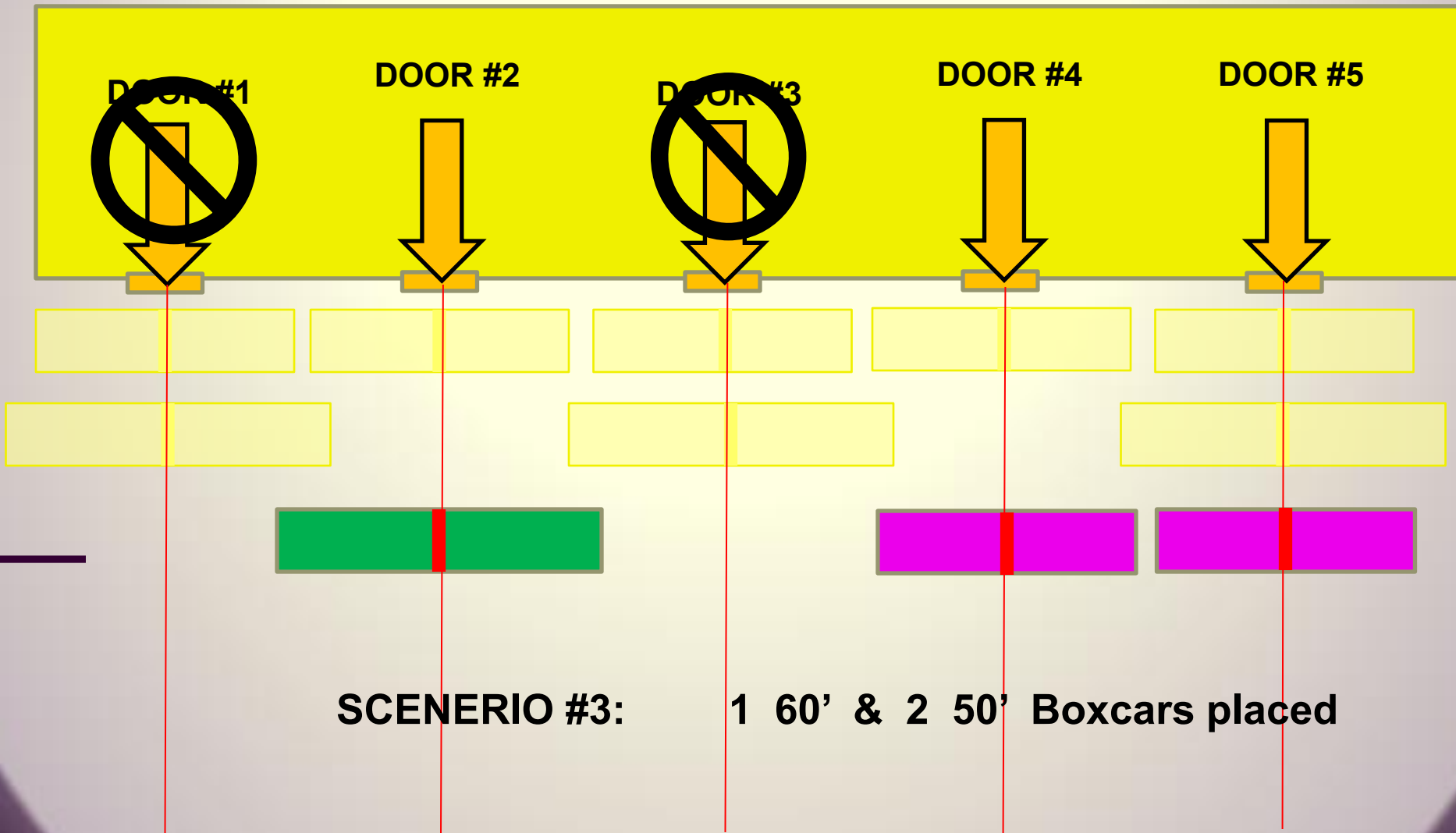
SCENERIO #1: 5 50' Boxcars placed

"LIFE IS GOOD"

DOORS SPACED FOR 50' CARS



DOORS SPACED FOR 50' CARS



Infrastructure Constraints



- **Impact of Shipper's & Receiver's Infrastructure Limitations**
 - **Reduction in Rail Volumes**
 - **Increased Railroad Operating Requirements**
 - **Require Intensive Capital to Resolve**

Thank You



Glen Courtwright