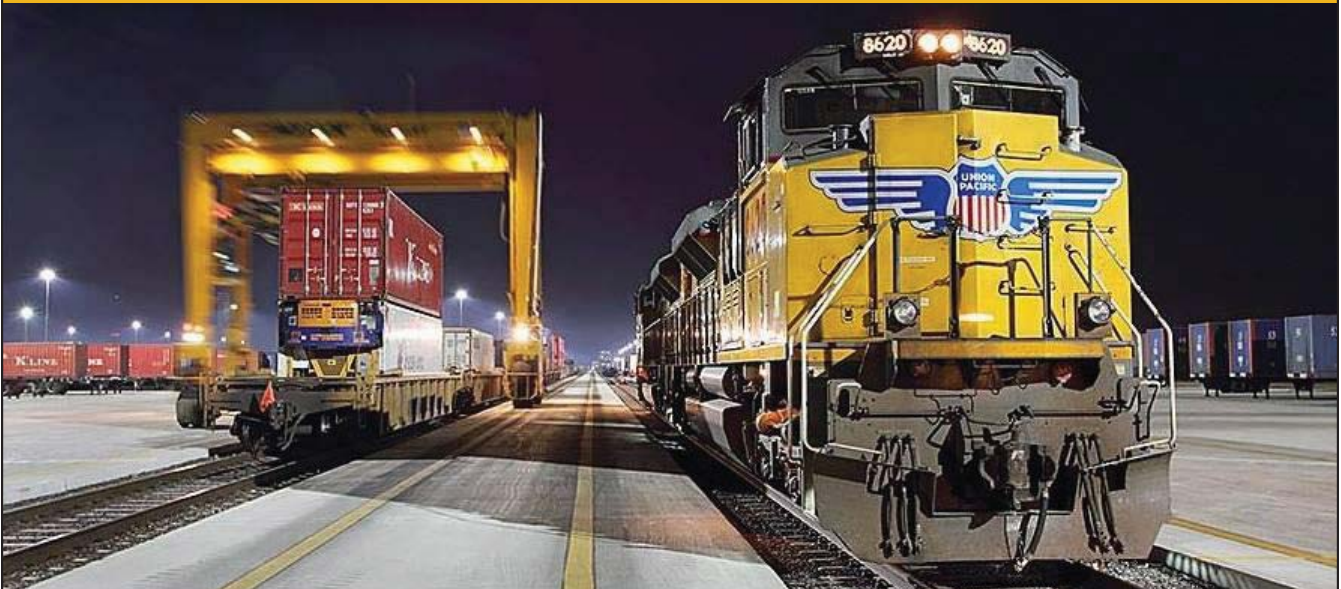


Industrial Products

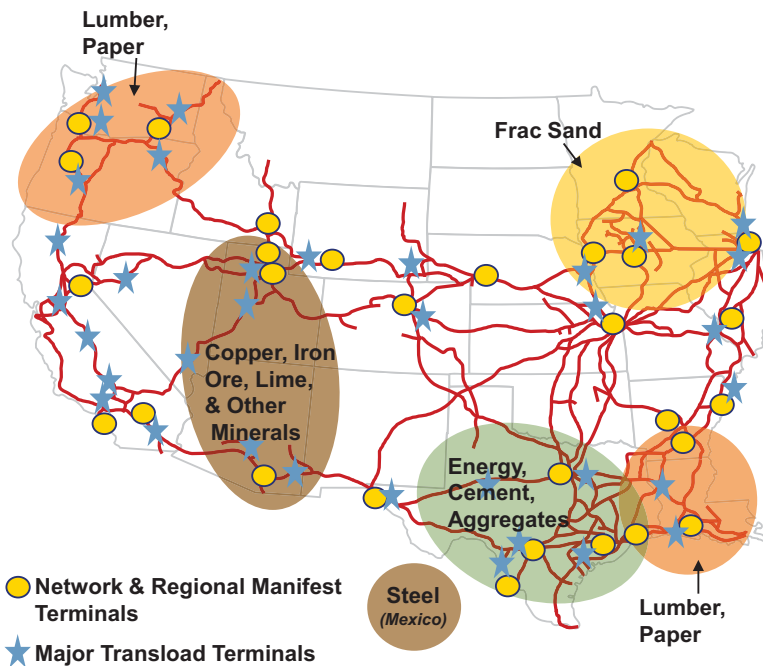
Brad Thrasher, VP & General Manager



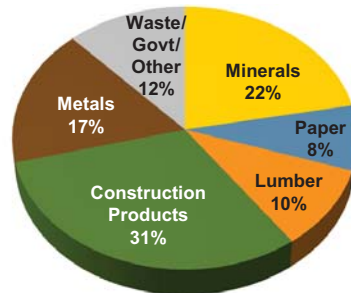
BUILDING AMERICA®

Industrial Products

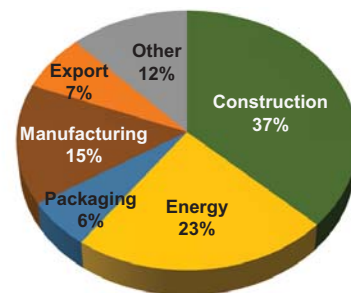
\$3.3 Billion Revenue as of 9/30/14



Volume Mix



Key End-Use Markets (% of Volume)

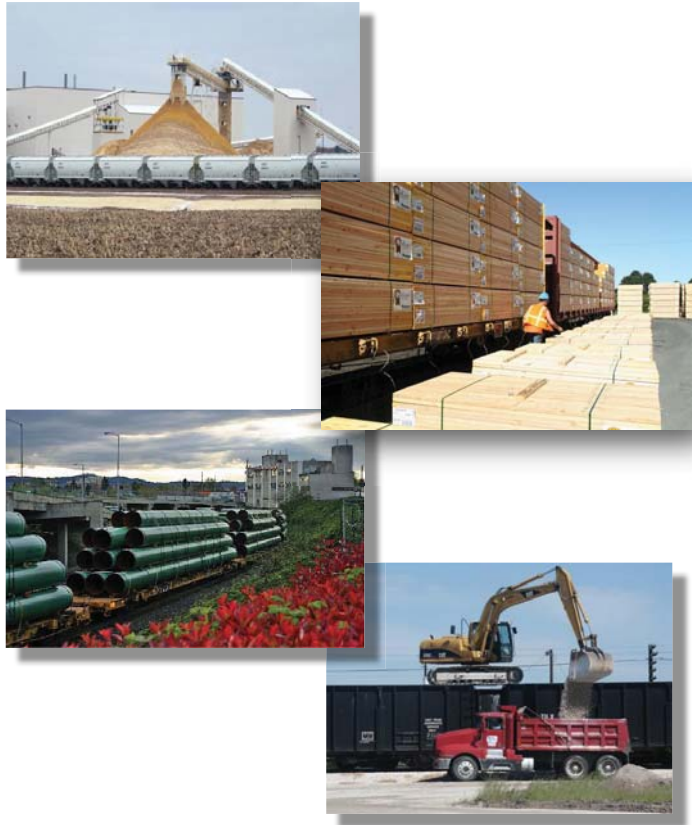


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Industrial Products

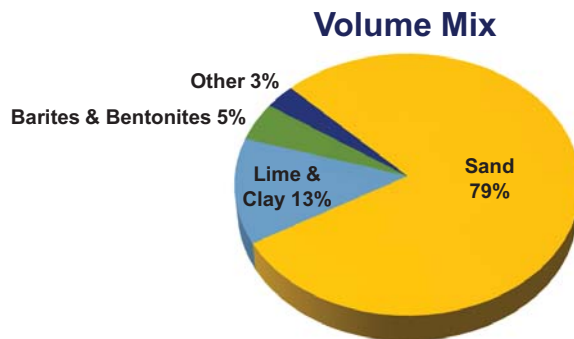
Market Drivers

- Domestic Energy Drilling
- Recovering Markets
- Construction Activity
- Reshoring/Global Trade
- Continued Truck Conversions

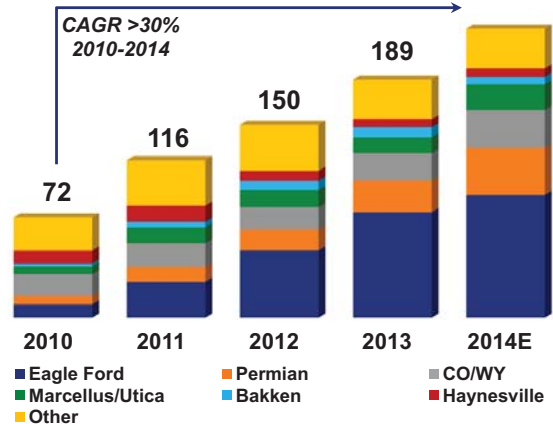


Minerals Market

- Shale Energy Drilling
 - Frac Sand / Other Minerals
 - Drilling Productivity
 - Potential, Continued Growth
- Strong Franchise
 - Western Rail Market Share Gain of 15 points since 2010
- Future Trends
 - Potential for Additional Production Sources
 - Opportunity to Grow with Industry



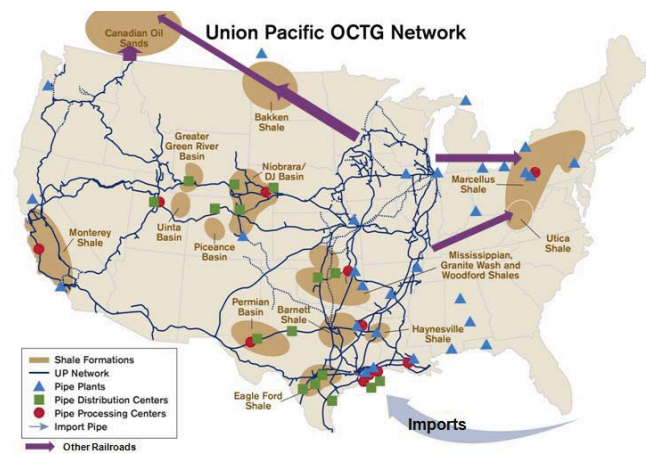
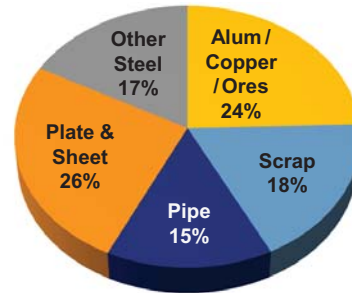
Sand Volume by Shale (000s)



Metals Market

- Shale Energy Drilling
 - OCTG Market: 6M Tons Annually
 - UP has Direct Access to 75% of Active Shale Plays in the U.S.
 - Horizontal Rigs Require More Pipe
- Reshoring – Global Trade
- New Pipe Facilities Ramping Up to 3 - 4M Tons of Additional Inbound Materials
- Pipeline Construction
- Other Construction Activity
- Steel Imports

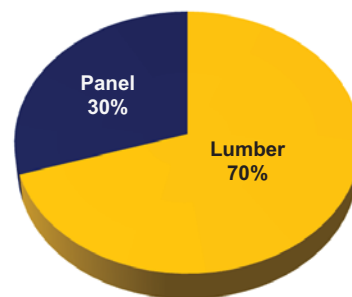
Volume Mix



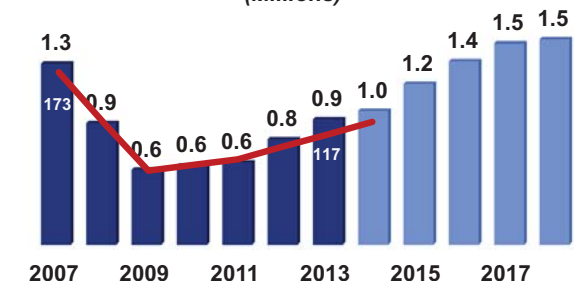
Lumber Market

- Recovering Housing Market
- Current Run Rate Still 50% Below Peak
- Est. 1.5 Million Annual Starts Required for Population Growth and New Household Formation
- Remodeling and Commercial Construction
- Truck Conversions
- Access to Fast Growing Population Centers

Volume Mix



Housing Starts* (Millions)



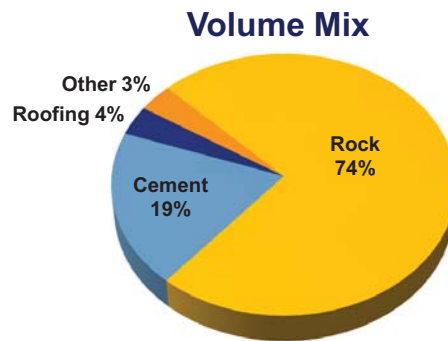
UP Lumber volume (000s)

*Source: Global Insight

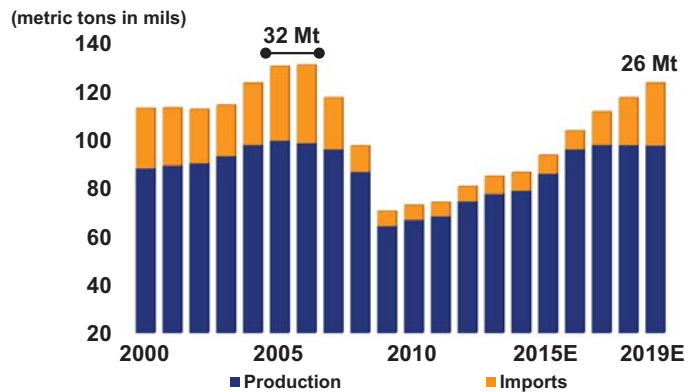


Construction Products Market

- Shale Energy Drilling
 - Roads and infrastructure
 - Chemical plant expansions
- Growing markets in TX and CA
- Recovering housing & construction markets
- Highway construction
- Cement consumption / production / imports



U.S. Cement Production & Imports*



* Source: Historical USGS, Forecast PCA



Other Industrial Products Markets

- Ores
- Waste
- Paper
- Wind Turbines
- Government



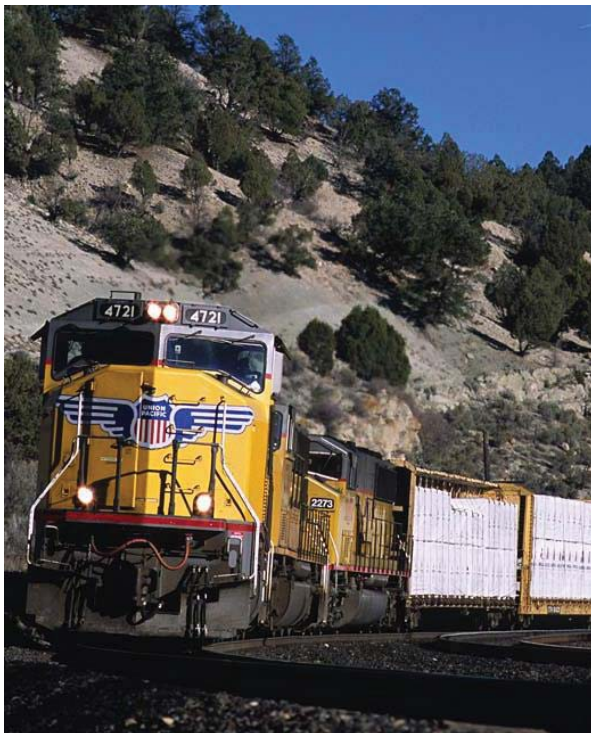
Industrial Products Market Drivers

Market	Energy	Construction	Reshoring / Global Trade	Recovering Markets	Truck Conversion
Minerals	✓				✓
Metals	✓	✓	✓	✓	✓
Lumber		✓		✓	✓
Aggregates	✓	✓	✓	✓	✓
Other	✓	✓		✓	✓

Well Positioned for Growth



Industrial Products Outlook



Minerals

- + Shale Energy Drilling
- ? Oil & Nat Gas Prices
- ? Regulations

Lumber & Construction

- + Recovering Markets
- + Strength in UP Served Territories

Metals

- + Drilling Pipe & Pipelines
- + Reshoring / Global Trade
- ? Steel Imports

