



## Forward-Looking Statements

This information and other statements by the company may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act with respect to, among other items: projections and estimates of earnings, revenues, margins, volumes, rates, cost-savings, expenses, taxes, liquidity, capital expenditures, dividends, share repurchases or other financial items, statements of management's plans, strategies and objectives for future operations, and management's expectations as to future performance and operations and the time by which objectives will be achieved, statements concerning proposed new services, and statements regarding future economic, industry or market conditions or performance. Forward-looking statements are typically identified by words or phrases such as "will," "should," "believe," "expect," "anticipate," "project," "estimate," "preliminary" and similar expressions. Forward-looking statements speak only as of the date they are made, and the company undertakes no obligation to update or revise any forward-looking statement. If the company updates any forward-looking statement, no inference should be drawn that the company will make additional updates with respect to that statement or any other forward-looking statements.

Forward-looking statements are subject to a number of risks and uncertainties, and actual performance or results could differ materially from that anticipated by any forward-looking statements. Factors that may cause actual results to differ materially from those contemplated by any forward-looking statements include, among others; (i) the company's success in implementing its financial and operational initiatives; (ii) changes in domestic or international economic, political or business conditions, including those affecting the transportation industry (such as the impact of industry competition, conditions, performance and consolidation); (iii) legislative or regulatory changes; (iv) the inherent business risks associated with safety and security; (v) the outcome of claims and litigation involving or affecting the company; (vi) natural events such as severe weather conditions or pandemic health crises; and (vii) the inherent uncertainty associated with projecting economic and business conditions.

Other important assumptions and factors that could cause actual results to differ materially from those in the forward-looking statements are specified in the company's SEC reports, accessible on the SEC's website at [www.sec.gov](http://www.sec.gov) and the company's website at [www.csx.com](http://www.csx.com).

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How tomorrow moves

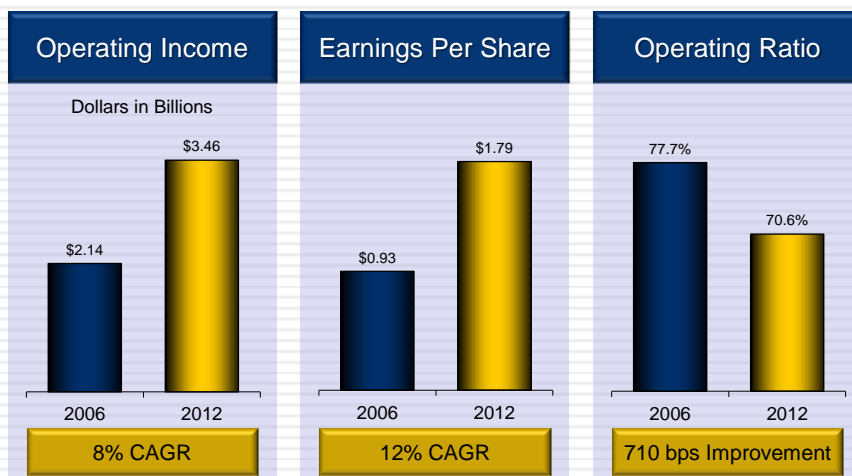
## Presentation overview . . .

- CSX has a long-term proven track record of success
  - Performance has been sustained even through challenging business conditions
- Company's network reaches all major eastern markets
  - Connects population centers, ports, manufacturing and natural resources
- Business portfolio diversified across broad market base
  - Merchandise and intermodal volume accounts for 80% of total business
- Intermodal platform aligned for profitable growth
  - Recent and future investments leverage domestic and international opportunity

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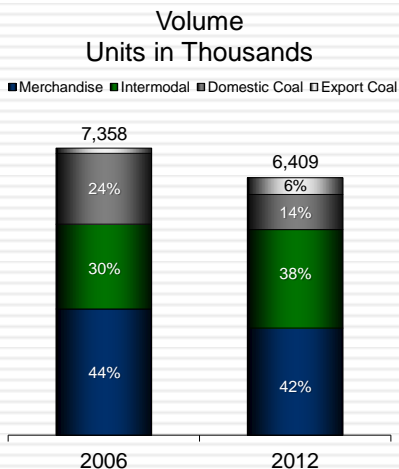
## Performance strong since freight recession . . .



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... despite significant volume decline and mix shift



- Merchandise decline
  - Industrial and housing economies have suppressed recovery
- Intermodal growth
  - Driven by highway conversions and new customers
- Domestic coal decline
  - Driven by natural gas substitution
- Export coal growth
  - Driven by secular long-term global trends

Strong first half, but challenging remainder to 2013

2013 First Half Performance

Dollars in millions	2013
Volume (000)	3,234
Revenue Per Unit	\$ 1,864
Revenue	\$ 6,027
Operating Income	\$ 1,838
Operating Ratio	69.5%
Net Earnings	\$ 994
EPS	\$ 0.97

- First half sets financial records
  - Results aided by real estate gains and liquidated damages
- Second half more challenging
  - Coal headwinds continue
  - Real estate gains and liquidated damages lower than first half
- CSX delivered record service and industry leading safety
  - Strong performances continuing in third quarter

Expecting full-year 2013 EPS to be roughly flat to 2012 levels

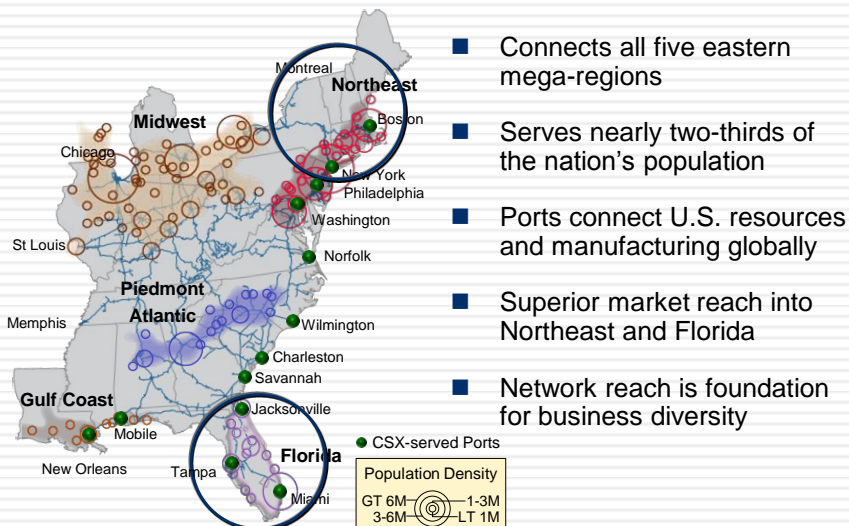
## Going forward, earning power supports distributions

<b>EPS Growth</b>	<ul style="list-style-type: none"> <li>Project 10-15% CAGR through 2015 off 2013 base                     <ul style="list-style-type: none"> <li>Expect 2013 EPS to be roughly flat to 2012 levels</li> </ul> </li> </ul>
<b>Operating Ratio</b>	<ul style="list-style-type: none"> <li>Targeting a high-60's operating ratio by 2015                     <ul style="list-style-type: none"> <li>Operating ratio in the mid-60's remains focus longer-term</li> </ul> </li> </ul>
<b>Investment</b>	<ul style="list-style-type: none"> <li>Remains unchanged for 2013 at \$2.3 billion                     <ul style="list-style-type: none"> <li>Long-term investment remains 16-17% of revenue plus PTC</li> </ul> </li> </ul>
<b>Dividends</b>	<ul style="list-style-type: none"> <li>Quarterly dividend increases 7% to \$0.15 per share                     <ul style="list-style-type: none"> <li>Reflects payout at high end of 30-35% of TTM EPS</li> </ul> </li> </ul>
<b>Share Buybacks</b>	<ul style="list-style-type: none"> <li>New program of \$1.0 billion over two years                     <ul style="list-style-type: none"> <li>Supported primarily by excess cash and Free Cash Flow</li> </ul> </li> </ul>
<b>Credit Profile</b>	<ul style="list-style-type: none"> <li>Continue to target an improving credit profile                     <ul style="list-style-type: none"> <li>Balances flexibility and cost of capital through the cycle</li> </ul> </li> </ul>

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How tomorrow moves **CSX**

## Network well positioned for eastern U.S. growth

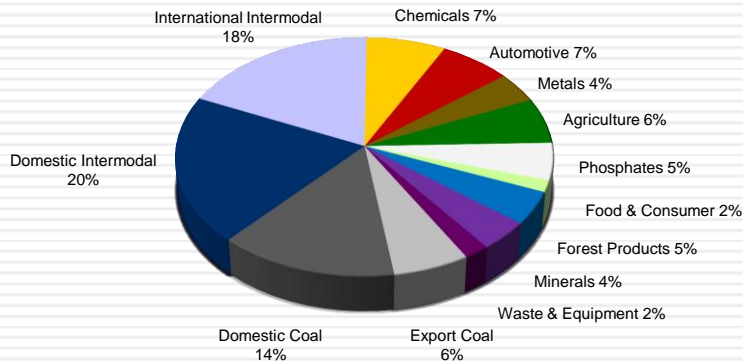


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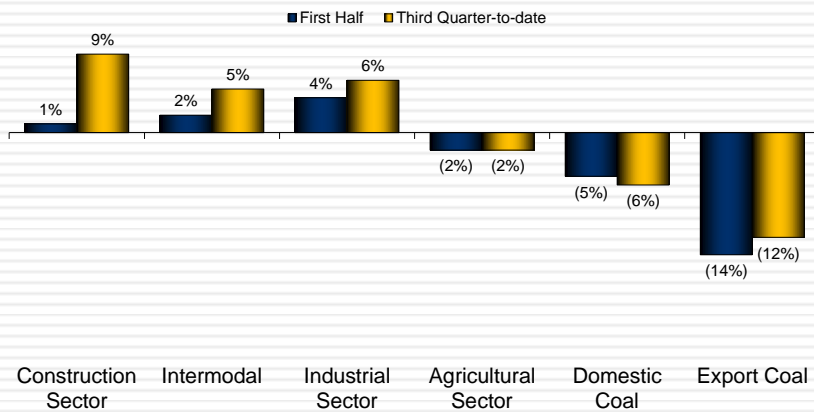
## Business diversified across broad market base

2012 Volume by Market  
6.4 Million Units



## Solid growth in economically-sensitive markets

Year-Over-Year Change in Volume

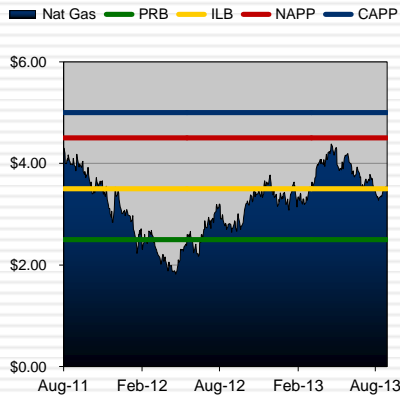


Note: Third quarter volume data is through the first ten weeks of the quarter ending September 6, 2013

## Domestic run-rate stable despite lower natural gas

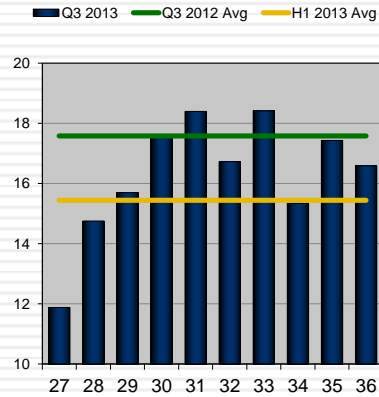
Domestic Coal

### Henry Hub Price (per mmbtu)



Source: EIA

### CSX Weekly Domestic Volume in Thousands



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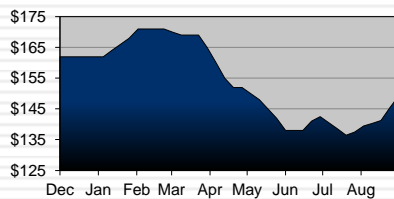
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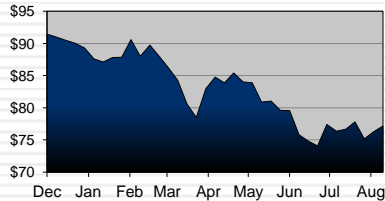
## Lower coal prices drive lower export demand

Export Coal

### Queensland Index

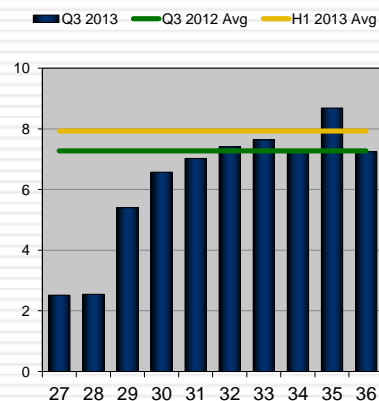


### API2 Index



Source: ICAP Energy, Energy Publishing

### CSX Weekly Export Volume in Thousands

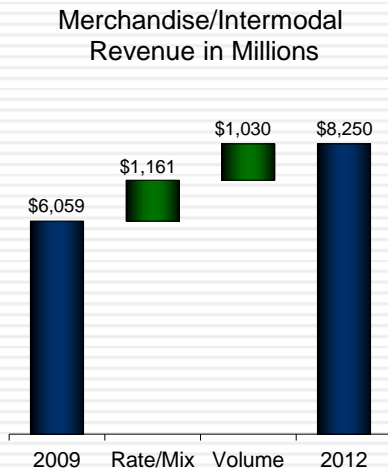


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## Merchandise/intermodal has grown \$2.2 billion



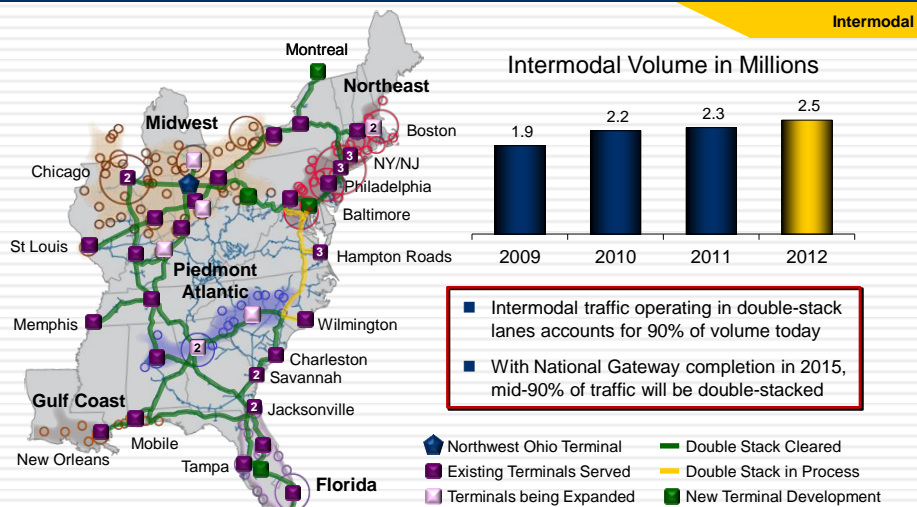
- Strong service is foundation for price and profitable growth
  - Operating at record levels
- Core pricing drives over \$1 billion rate/mix increase
  - Reflects inflation plus pricing
- Volume has exceeded broader economic growth
  - 6% non-coal growth CAGR
- Profitable growth is key long-term focus
  - Driven by organic growth and inflation-plus pricing

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## Network positioned to leverage intermodal growth



Note: Multiple terminals in a location are designated with a number

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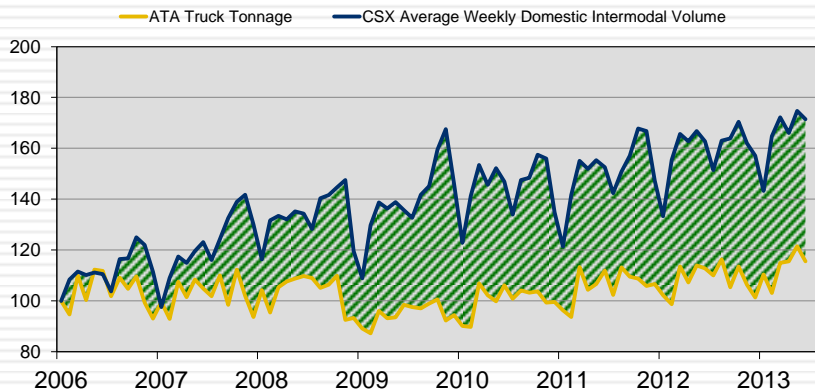
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## CSX has successful H2R conversion platform

Intermodal

### Domestic Intermodal Volume versus ATA Truck Tonnage Indexed: January 2006 = 100



Source: CSX Corporation and ATA

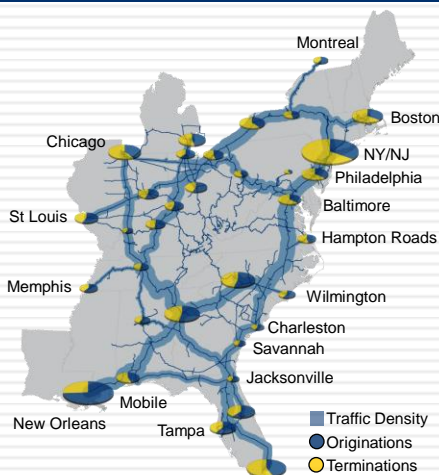
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## Domestic opportunity aligned with CSX's network

Intermodal



- Total eastern opportunity is about 9 million truck loads
  - Reflects truckload moves greater than 550 miles
- Significant majority overlays CSX's intermodal network
  - H2R initiative designed to capture growth opportunity
- Capital investment will be required over time
  - Investment is scalable as volume increases

Opportunity creates long runway for profitable organic growth

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## Wrap-up . . .

- **CSX has a long-term proven track record of success**
  - *Guidance through 2015 extends performance; delivers value for shareholders*
- **Merchandise/intermodal revenue up \$2.2 billion**
  - *Three-year revenue growth sustained financial success despite coal headwinds*
- **Network well positioned for global growth opportunities**
  - *Leverages long-term growth prospects from diverse business portfolio*
- **CSX's intermodal business a key long-term profit driver**
  - *Network leverages international and domestic growth opportunities*



**2013 CITI US & EUROPEAN**  
INDUSTRIALS CONFERENCE

  
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