



2014 THIRD QUARTER EARNINGS CONFERENCE CALL

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 and the company's website at www.csx.com.

Executive Summary

Michael Ward
Chairman, President and
Chief Executive Officer

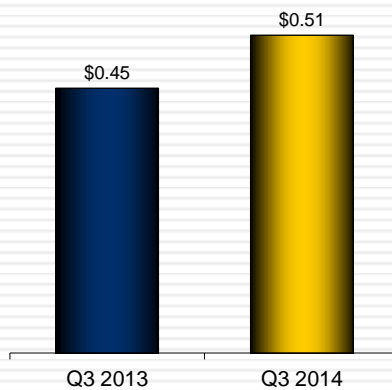
How tomorrow moves



Third quarter performance . . .

Volume 1,758K Revenue \$3,221M Operating Income \$976M Operating Ratio 69.7% EPS \$0.51

Earnings Per Share



- Revenue increases 8%
 - Driven by broad-based strength across nearly all markets
- Operations remain stable
 - Service levels continue to absorb strong volume increase
- Financial results
 - Operating income increases 16% to \$976 million
 - Operating ratio improves 220 bps to 69.7%

Note: Prior year results have been revised to reflect an immaterial revenue adjustment; see 2013 10-K for details

How tomorrow moves



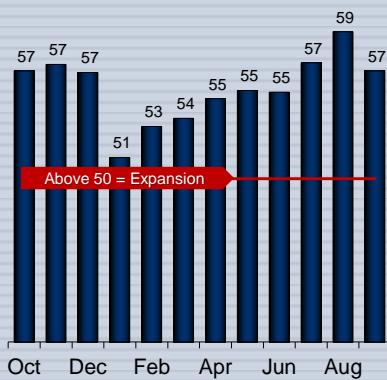
Sales and Marketing Review

Clarence Gooden
Executive Vice President
Chief Sales and Marketing Officer

How tomorrow moves [CSX]

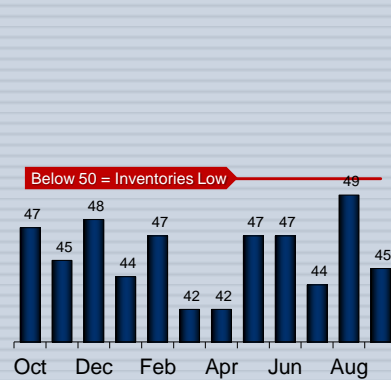
Economy continues to expand in the third quarter

ISM Manufacturing
Purchasing Managers Index



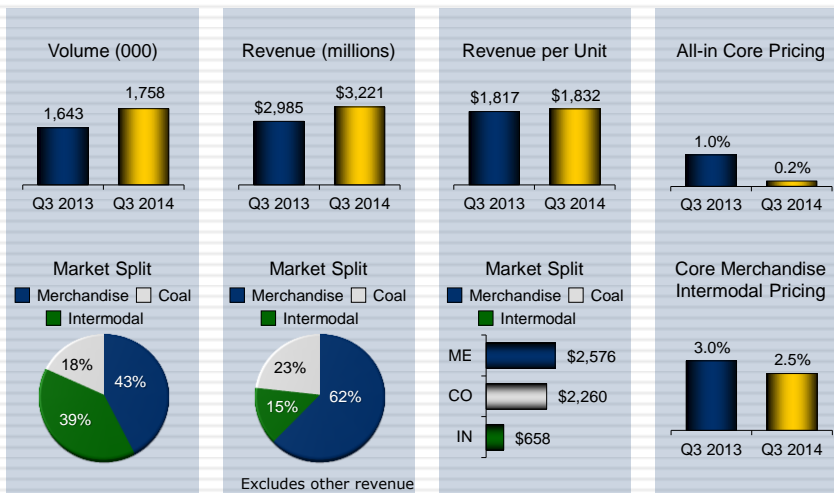
Source: October ISM

ISM Manufacturing
Customer Inventory Index



How tomorrow moves [CSX]

Sales and Marketing summary . . .



Note: Prior year results have been revised to reflect an immaterial revenue adjustment; see 2013 10-K for details

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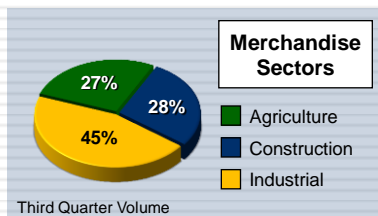
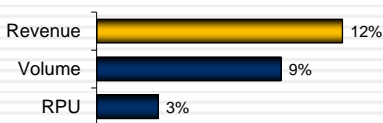
How tomorrow moves



Merchandise revenue increases 12%

Revenue \$1,927M Volume 748K RPU \$2,576

Third Quarter Year-Over-Year Change



Third Quarter Summary

- Strong 2013 harvest continues to drive growth in agricultural sector
 - Strength in grain, phosphate and fertilizer, and ethanol shipments
- Growth in construction sector remains broad based
 - Aggregates and building products drive growth
- Oil and gas markets continue to lead industrial sector growth
 - Strong growth in crude, LPG, and frac sand shipments continue

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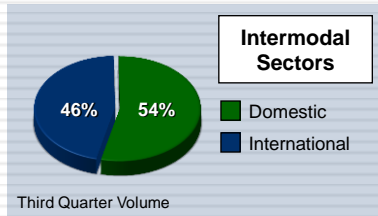
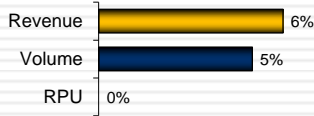
How tomorrow moves



Intermodal revenue increases 6%

Revenue \$455M Volume 691K RPU \$658

Third Quarter Year-Over-Year Change



Third Quarter Summary

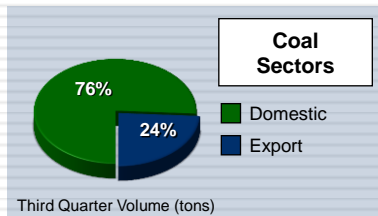
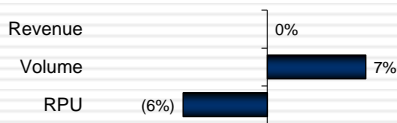
- Second consecutive record quarter
 - Domestic volume driven by H2R conversion and organic growth
 - International volume up as economy continues to expand
- Revenue per unit flat as core pricing gains offset by mix changes
- Strategic investments driving sustainable growth into 2015



Coal revenue flat year-over-year

Revenue \$721M Volume 319K RPU \$2,260

Third Quarter Year-Over-Year Change



Third Quarter Summary

- Domestic volume increases 14%
 - Includes competitive gain and stockpile replenishment
- Export volume declines 13%; reflects global oversupply of coal
 - Soft market conditions exist for both thermal and metallurgical coals
- Revenue per unit declines 6%
 - Lower export rates, volume impact of fixed-variable contracts, and mix

Overall outlook for the Fourth quarter is favorable

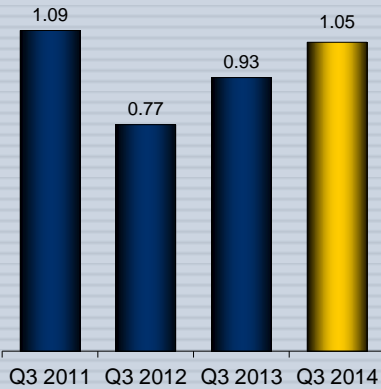
Outlook	Markets	Drivers
Favorable 79% of volume	<ul style="list-style-type: none"> ■ Chemicals ■ Food & Consumer ■ Metals ■ Minerals ■ Phosphate & Fertilizer ■ Waste & Equipment ■ Intermodal ■ Domestic Coal 	<ul style="list-style-type: none"> ■ Strength in oil and gas related markets continues ■ Increase in food and beverage shipments ■ Growth in steel production expected to continue ■ Replenishing salt inventories ■ Increase in short haul phosphate rock ■ Movement of private rail cars ■ Strategic investments drive H2R conversions ■ Stockpile replenishment ahead of winter
Neutral 17% of volume	<ul style="list-style-type: none"> ■ Forest Products ■ Automotive ■ Agricultural Products 	<ul style="list-style-type: none"> ■ Building product strength offset by less wood pellets ■ Production growth offset by earlier modal conversion ■ Cycling strong 2013 harvest
Unfavorable 4% of volume	<ul style="list-style-type: none"> ■ Export Coal 	<ul style="list-style-type: none"> ■ Decreased demand for thermal shipments

Operations Review

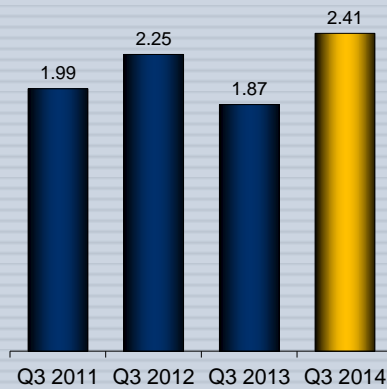
Oscar Munoz
Executive Vice President
Chief Operating Officer

CSX a leader in one of the nation's safest industries

FRA Personal Injury Rate

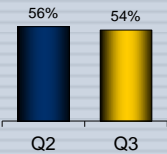


FRA Train Accident Rate

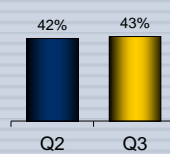


Network performance stable on strong demand

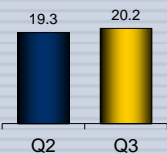
On-time Originations



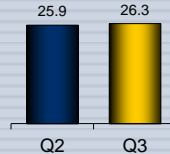
On-time Arrivals



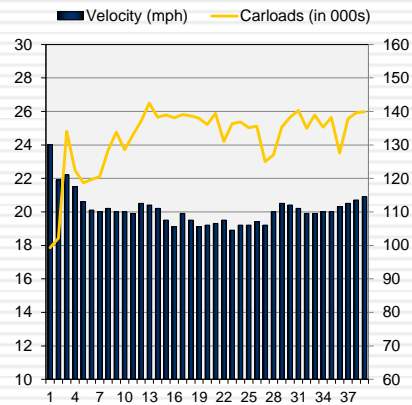
Velocity (mph)



Terminal Dwell (hours)

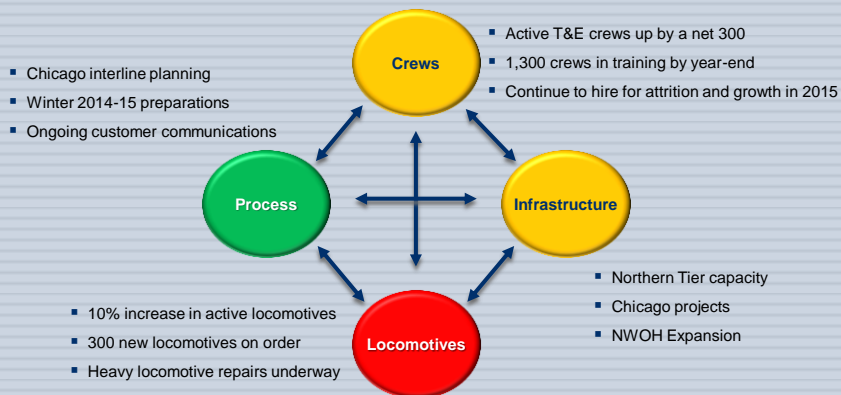


2014 Weekly Velocity versus Volume



Operating team focused on recovery and growth

CSX Resource – Service Framework



Operations wrap-up . . .

- Safe operations still “job number one” for the team
 - Continue focus on industry leading safety initiatives
- Network performance remains stable
 - Serving customers in a strong demand environment
- Costs remain elevated, though better sequentially
 - Should return to normal levels as fluidity is restored
- Continue to expect gradual improvement into 2015
 - Multi-faceted approach will aid recovery to high service levels

Financial Review

Fredrik Eliasson
Executive Vice President
Chief Financial Officer

How tomorrow moves 

Third quarter earnings summary . . .

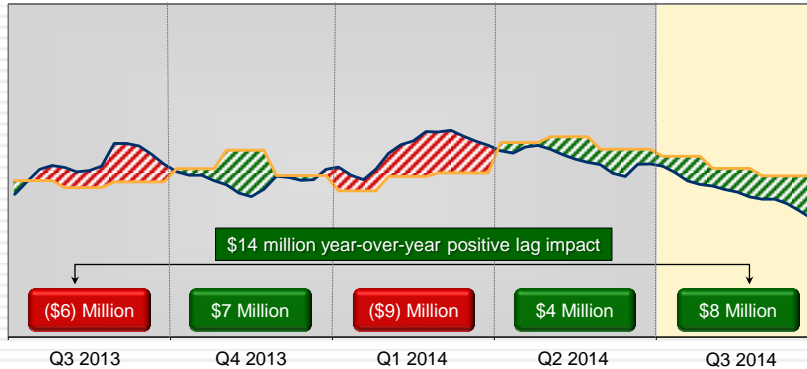
Third Quarter Results			
Dollars in millions, except EPS	2014	2013	Variance
Revenue	\$ 3,221	\$ 2,985	8%
Expense	2,245	2,145	(5%)
Operating Income	\$ 976	\$ 840	16%
Interest Expense	(137)	(136)	
Other Income (net)	(26)	5	
Income Taxes	(304)	(254)	
Net Earnings	\$ 509	\$ 455	12%
Fully Diluted Shares in Millions	999	1,018	
Earnings Per Share	\$ 0.51	\$ 0.45	13%

Note: Prior year results have been revised to reflect an immaterial revenue adjustment; see 2013 10-K for details

Fuel lag tailwind is \$14 million year-over-year

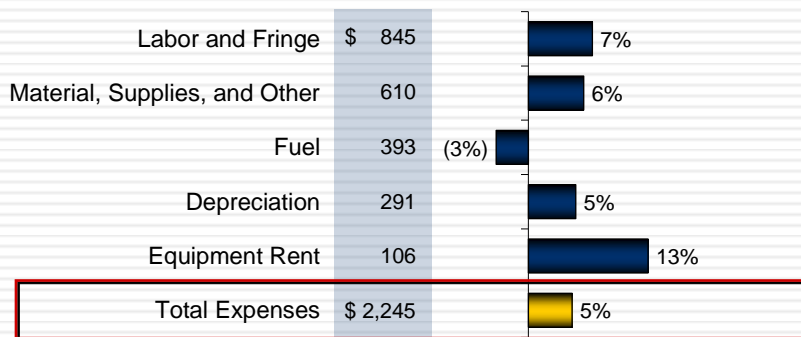
Fuel Surcharge Lag Impact

— Weekly Highway Diesel — Monthly Highway Diesel (two-month lag) ■ Negative Impact ■ Positive Impact

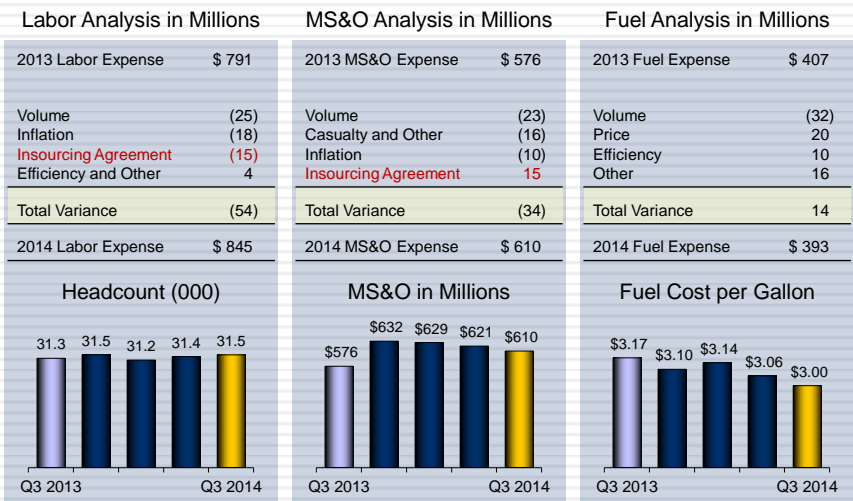


Total expense increases 5% overall

Third Quarter Operating Expenses and Year-Over-Year Percentage Change



Third quarter expense analysis . . .

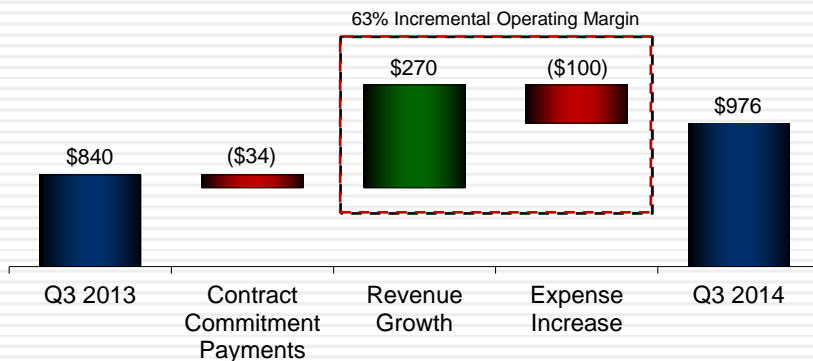


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How tomorrow moves **CSX**

Core earnings strength and margins more evident

Operating Income and Drivers of Change Dollars in Millions



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How tomorrow moves **CSX**

Financial wrap-up . . .

- Core earnings improvement more apparent
 - *Broad-based strength across nearly all markets drives earnings growth*
- Fourth quarter EPS growth expected to be roughly similar
 - *Reflects stable operations and continued strong volume growth*
- Still expect modest earnings growth for full-year 2014
 - *Building on third quarter momentum with continued strength in fourth quarter*
- Expect double-digit earnings growth in 2015
 - *Continue to target a mid-60s operating ratio longer-term*

Concluding Remarks

Michael Ward
Chairman, President and
Chief Executive Officer

Relentless pursuit of excellence . . .



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A collage of three images. The top-left image shows a CSX freight train with a blue and yellow locomotive pulling a long line of grey hopper cars through a wooded area. The top-right image shows a city skyline with a prominent skyscraper, likely Charlotte, North Carolina, situated on a waterfront. The bottom-left image shows a pair of hands holding a small amount of white sand. The bottom-right image is a solid yellow square containing the CSX logo and tagline.

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