



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

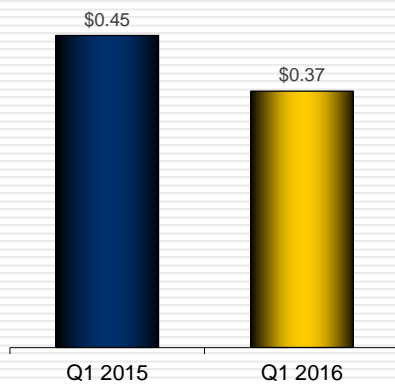
Michael Ward
Chairman and
Chief Executive Officer

How tomorrow moves [CSX]

First quarter performance . . .

Volume 1,551K Revenue \$2,618M Operating Income \$704M Operating Ratio 73.1% EPS \$0.37

Earnings Per Share



- Revenue declines 14%
 - Lower fuel recovery, volume and mix more than offset pricing gains
 - Revenue from customers not meeting minimum volume commitments declined \$95 million year-over-year
- Operations performance
 - Delivered strong safety results and gains in service and efficiency
- Financial results
 - Operating income declined \$139 million to \$704 million
 - Operating ratio increased by 90 bps to 73.1%

Financial Review

Frank Lonagro
Executive Vice President
Chief Financial Officer

How tomorrow moves 

First quarter earnings summary . . .

First Quarter Results			
Dollars in millions, except EPS	2016	2015	Variance
Revenue	\$ 2,618	\$ 3,027	(14%)
Expense	1,914	2,184	12%
Operating Income	\$ 704	\$ 843	(16%)
Interest Expense	(143)	(134)	
Other Income (net)	7	2	
Income Taxes	(212)	(269)	
Net Earnings	\$ 356	\$ 442	(19%)
Fully Diluted Shares in Millions	963	992	
Earnings Per Share	\$ 0.37	\$ 0.45	(18%)

Overall outlook for second quarter is down

Outlook	Markets	Drivers
Favorable	<ul style="list-style-type: none"> Automotive Minerals 	<ul style="list-style-type: none"> North American production and vehicle sales remain robust New fly ash business and modest aggregates growth
Neutral	<ul style="list-style-type: none"> Intermodal Phosphates & Fertilizers 	<ul style="list-style-type: none"> Competitive International losses offset strong Domestic growth Spring fertilizer application to drive slow recovery
Unfavorable	<ul style="list-style-type: none"> Agricultural Products Chemicals Domestic Coal Export Coal Food & Consumer Forest Products Metals Waste & Equipment 	<ul style="list-style-type: none"> Strong U.S. dollar and low commodity prices suppress grain Continued crude oil declines due to low worldwide oil prices Low natural gas prices and high inventory levels reduce demand Strong U.S. dollar and continued global market oversupply Continued headwinds from excess truck capacity Excess truck capacity and strong U.S. dollar challenging exports Market dynamics continue to challenge U.S. steel producers Cycling large waste remediation projects

Second quarter expense expectations . . .

Labor and Fringe	<ul style="list-style-type: none"> Headcount expected to be flat sequentially Inflation estimated to be around \$25 million
MS&O	<ul style="list-style-type: none"> Inflation and cycling prior year gain on operating property expected to more than offset efficiency and volume-related savings
Fuel	<ul style="list-style-type: none"> Lower cost per gallon, reflecting the current forward curve Benefit from volume-related savings and fuel efficiency
Depreciation	<ul style="list-style-type: none"> Estimated to increase around \$15 million versus the prior year
Equipment and Other Rents	<ul style="list-style-type: none"> Higher rates and expenses associated with higher automotive volume expected to more than offset benefits of improved cycle times

Financial wrap-up . . .

■ First quarter results reflect challenging freight conditions

- Low commodity prices and strong U.S dollar continue to impact most markets
- Strong pricing, efficiency gains, resource reductions mitigated volume decline

■ Macro and coal headwinds expected to persist in 2016

- Low commodity prices and strength in U.S. dollar impacting many markets
- Now expect total coal volume to decline about 25% for the full year

■ Second quarter and full year earnings expected to decline

- Second quarter reflects mid-to-high single digit volume declines
- Full year reflects current environment and cycling 2015 items, partially offset by strong pricing, efficiency savings about \$250 million and right-sizing efforts

Concluding Remarks

Michael Ward
Chairman and
Chief Executive Officer

Relentless pursuit of excellence . . .



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A collage of four images. The top-left image shows a CSX freight train crossing a wooden bridge over a lake, with mountains in the background. The top-right image shows a city skyline with One World Trade Center as the central focus. The bottom-left image shows a woman in a white uniform at a service counter, possibly a customer service representative. The bottom-right image is a solid yellow square. The text '2016 FIRST QUARTER EARNINGS CONFERENCE CALL' is overlaid on the bottom-left image. The CSX logo is overlaid on the bottom-right image.

2016 FIRST QUARTER
EARNINGS CONFERENCE CALL

