

2016 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

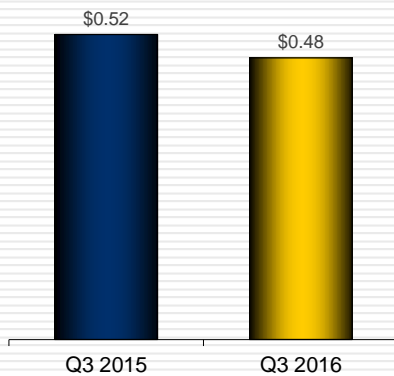
Michael Ward
Chairman and
Chief Executive Officer

How tomorrow moves 

Third quarter performance . . .

Volume 1,574K Revenue \$2,710M Operating Income \$841M Operating Ratio 69.0% EPS \$0.48

Earnings Per Share



- Revenue declines 8%
 - Lower volume and fuel recovery more than offset pricing gains
- Operations performance
 - Strong safety and service results
 - Delivered \$112M of efficiency gains
- Financial results
 - Operating income declined \$92 million to \$841 million
 - Operating ratio increased by 70 bps to 69.0%

Financial Review

Frank Lonegro
Executive Vice President
Chief Financial Officer

Third quarter earnings summary . . .

Third Quarter Results			
Dollars in millions, except EPS	2016	2015	Variance
Revenue	\$ 2,710	\$ 2,939	(8%)
Expense	1,869	2,006	7%
Operating Income	\$ 841	\$ 933	(10%)
Interest Expense	(139)	(136)	
Other Income (net)	13	2	
Income Taxes	(260)	(292)	
Net Earnings	\$ 455	\$ 507	(10%)
Fully Diluted Shares in Millions	943	982	
Earnings Per Share	\$ 0.48	\$ 0.52	(8%)

Fourth quarter: 13-wk basis down; 14-wk basis flat

13-Week Outlook	Markets	Drivers	14-Week Outlook
Favorable	<ul style="list-style-type: none"> Automotive 	<ul style="list-style-type: none"> Modest NALVP growth and new business ramp-up 	Favorable
Neutral	<ul style="list-style-type: none"> Agriculture & Food Export Coal Fertilizer 	<ul style="list-style-type: none"> Record grain harvest drives momentum; ethanol challenges Reduced Chinese supply increases Met coal demand near-term Demand remains subdued due to low commodity prices 	
Unfavorable	<ul style="list-style-type: none"> Domestic Coal 	<ul style="list-style-type: none"> Cycling large downturn in 2015, which moderates rate of decline 	Neutral
	<ul style="list-style-type: none"> Intermodal 	<ul style="list-style-type: none"> Competitive losses more than offset H2R conversion 	Unfavorable
	<ul style="list-style-type: none"> Chemicals 	<ul style="list-style-type: none"> Crude oil declines more than offset non-energy market growth 	
	<ul style="list-style-type: none"> Forest Products 	<ul style="list-style-type: none"> Strong U.S. dollar, excess truck capacity, weak paper demand 	
	<ul style="list-style-type: none"> Metals & Equipment 	<ul style="list-style-type: none"> Challenging steel market dynamics continue 	
	<ul style="list-style-type: none"> Minerals 	<ul style="list-style-type: none"> Cycling mild 2015, which extended Northern aggregates season 	

Fourth quarter expense expectations . . .

Labor and Fringe	<ul style="list-style-type: none"> Average headcount expected to be down slightly sequentially Inflation estimated to be around \$30 million in the fourth quarter Cycling prior year restructuring costs of \$37M Incentive compensation expected to increase about \$40 million year-over-year
MS&O	<ul style="list-style-type: none"> Expected to be relatively flat versus the prior year Cycling prior year restructuring costs of \$11M
Fuel	<ul style="list-style-type: none"> Higher cost per gallon, reflecting the current forward curve Benefit from fuel efficiency and volume-related savings
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"> Benefit of improved cycle times expected to offset higher rates and expenses associated with higher automotive volume
Extra Week	<ul style="list-style-type: none"> Incremental year-over-year expense associated with the extra week of 2016 Will provide impact of extra week as part of fourth quarter earnings release

Financial wrap-up . . .

- **Third quarter results reflect dynamic freight environment**
 - Low natural gas, low commodity prices, strong dollar continue impacting business
 - Strong pricing, efficiency gains, resource alignment partially mitigate volume decline
- **Year-to-date results driven by cost performance**
 - Efficiency about \$340 million; volume-related cost savings about \$200 million
 - Now expect full year efficiency savings to be around \$400 million
- **Expect fourth quarter EPS to be flat to slightly down to prior year¹**
 - Fourth quarter volume expected to be relatively flat (including extra week)
 - Reflects continued pricing, efficiency and volume-related cost savings
 - Cycling \$80 million property gain and \$48 million restructuring costs from prior year

Note 1: Reported GAAP on 14-week basis for 2016

Concluding Remarks

Michael Ward
Chairman and
Chief Executive Officer

Relentless pursuit of excellence . . .



11

A collage of four images arranged in a 2x2 grid. The top-left image shows a blue and yellow CSX freight train pulling a long line of white railcars along a track that runs parallel to a calm lake. The background features green trees and a distant mountain range under a blue sky. The top-right image shows a modern, multi-story office building with a glass facade, situated near a body of water with a fountain in the foreground. The bottom-left image shows a person wearing a white hard hat and a plaid shirt, kneeling on a gravel surface, possibly a construction or maintenance site. The bottom-right image is a solid yellow square containing the CSX logo and tagline "HOW TOMORROW MOVES" in white.

2016 THIRD QUARTER
EARNINGS CONFERENCE CALL