



CSX CORPORATION
2017 CITI INDUSTRIALS CONFERENCE

Progressing Forward



Forward Looking Disclosure

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.



Non-GAAP Disclosure

CSX reports its financial results in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). CSX also uses certain non-GAAP measures that fall within the meaning of Securities and Exchange Commission Regulation G and Regulation S-K Item 10(e), which may provide users of the financial information with additional meaningful comparison to prior reported results.

Non-GAAP measures do not have standardized definitions and are not defined by U.S. GAAP. Therefore, CSX's non-GAAP measures are unlikely to be comparable to similar measures presented by other companies. The presentation of these non-GAAP measures should not be considered in isolation from, as a substitute for, or as superior to the financial information presented in accordance with GAAP.

Forward Looking Non-GAAP Measures

CSX presents non-GAAP or adjusted operating ratio and adjusted net earnings per share, assuming dilution on a forward-looking basis. The most directly comparable forward-looking GAAP measure is operating ratio and net earnings per share, assuming dilution. CSX is unable to provide a quantitative reconciliation of these forward-looking non-GAAP measures to the most directly comparable forward-looking GAAP measure, because CSX cannot reliably forecast the timing and amount of future restructuring charges and other charges related to the change of leadership and strategy which are difficult to predict and estimate. Please note that the unavailable reconciling items could significantly impact CSX's future financial GAAP results.



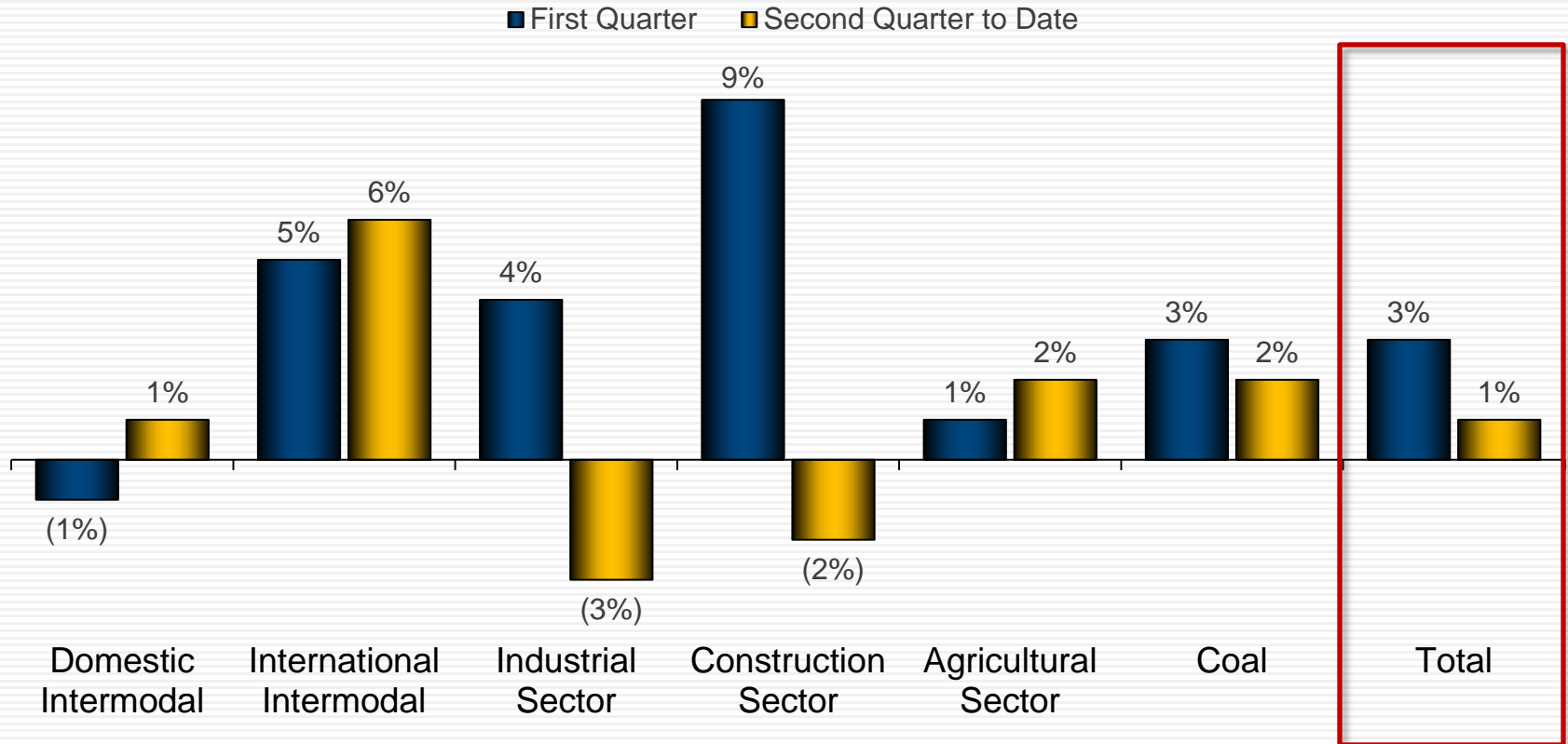
Presentation overview . . .

- **Second quarter volume reflects modest growth**
 - Expecting record productivity results and solid top line gains to continue
- **Customers adjusting well to operational changes**
 - High touch approach ensures ongoing positive relationships
- **Service measures nearing record high levels**
 - Enabled by hump yard transitions, unit train conversions, balanced train plan
- **Precision Scheduled Railroading improves 2017 outlook**
 - Shareholder distributions reinforce management confidence



Expect second quarter volume to increase modestly

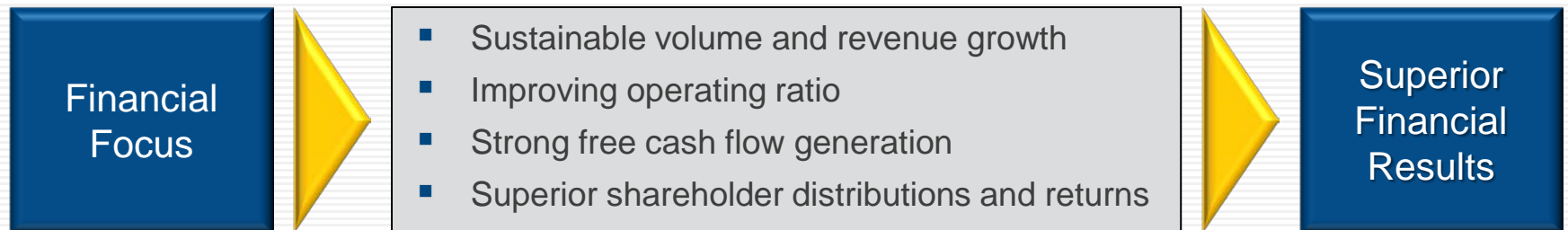
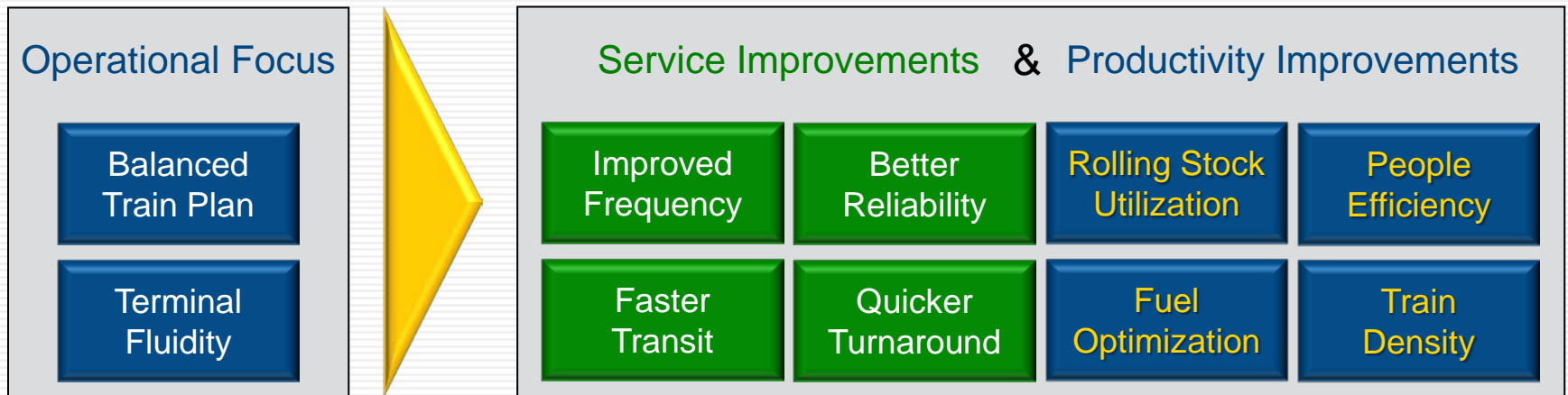
Year-Over-Year Volume Growth



Note: Second quarter to date volume reflects shipments CSX fiscal weeks 14-23, starting April 1st and ending June 9th



Precision Scheduled Railroading drives benefits



Precision Railroading reinforces Service Excellence

Consistent and positive customer outreach

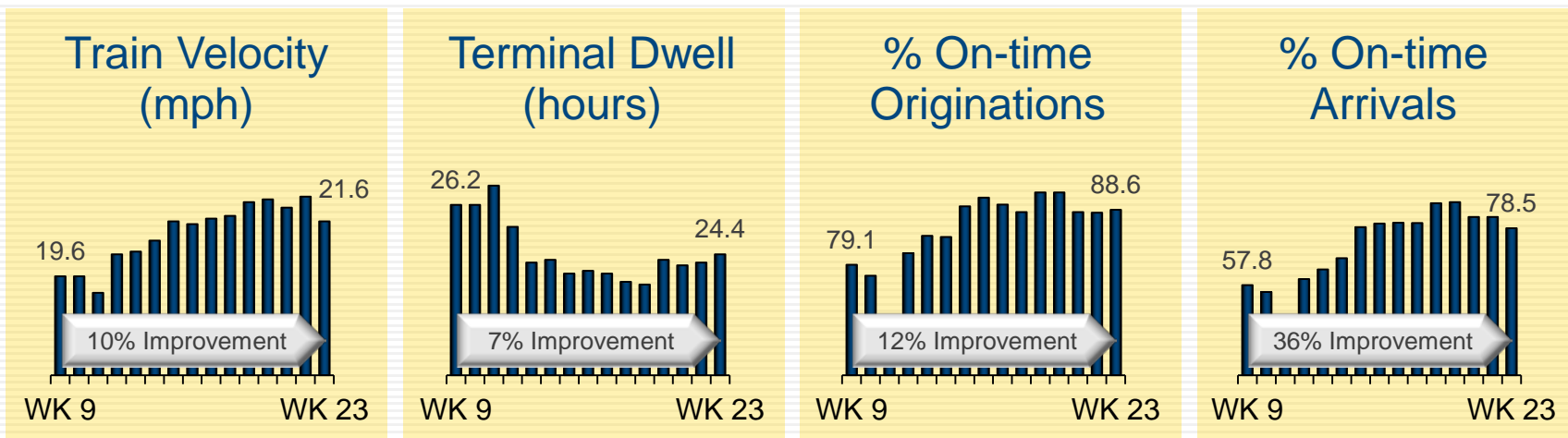
- Committed to proactive customer interactions during transition
- Striving to address changes up front and seeking feedback
- Regular dialogue as operating plan evolves
- Close communication if we can't meet expectations

Precision Railroading drives sustainable customer benefits

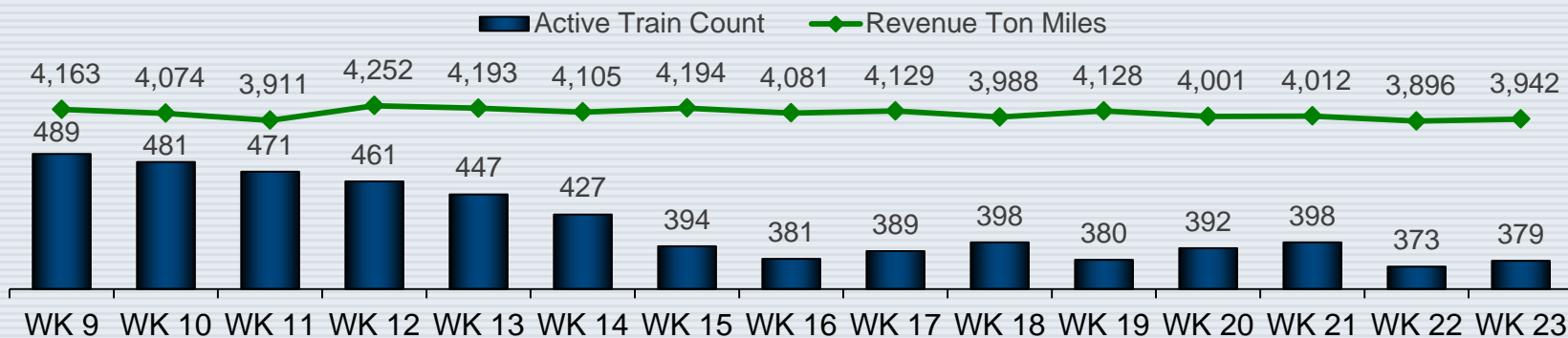
- Scheduled service drives predictability for customers
- Increased service frequency opens up growth possibilities
- Improved asset turn time reduces need for customer investments
- Differentiated service product will support long-term pricing



Service and efficiency improvements already evident

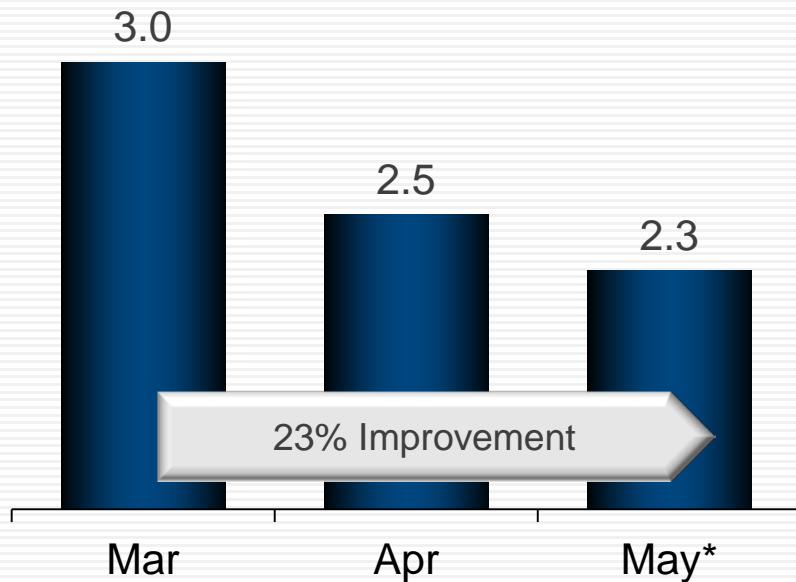


Train Count Down with Stable Revenue Ton Miles

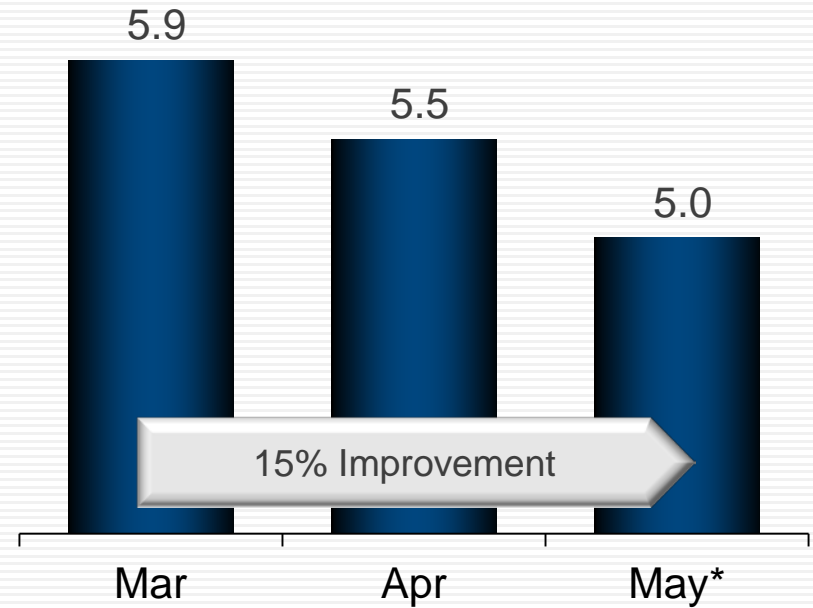


Customer transit times already improving materially

Coal Unit Train Loaded Transit Time (Days)



Scheduled Merchandise Loaded Transit Time (Days)



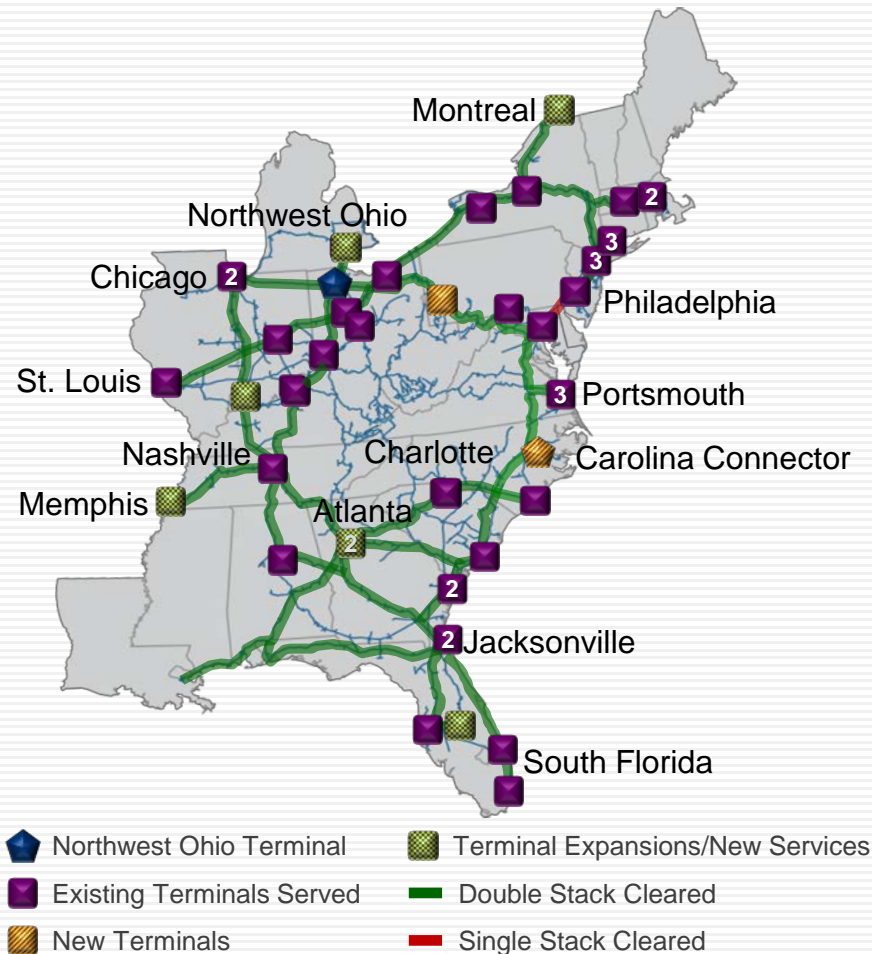
Transit time variability has also been significantly reduced since March

*Note: May measure reflects loaded shipments completed through May 29th



Superior intermodal service drives H2R conversion

CSX Intermodal Network



- Providing truck-like service in core intermodal lanes
 - Premium and core availability above 97% and 90%, respectively QTD*
- Balancing network by adding days of service and densifying trains
 - Extra days driving customer service
 - Consolidating trains for efficiency
- Terminal and clearance investments drive sustainable growth
 - Double stack clearance at 95% driving greater capacity and efficiency
 - New Pittsburgh terminal opens Q3, expansions beginning in key markets

*Note: Premium availability measure is exactly on time, core availability measure is within 4 hours of schedule



Operating changes help drive financial targets

- 2017 full-year adjusted expectations (excludes impact of 2017 restructuring charges)
 - Operating ratio to be in the mid-60s, supported by record efficiency gains
 - Earnings per share growth to be around 25% off 2016 reported base of \$1.81
 - Free Cash Flow before dividends to be around \$1.5 billion
 - Expectations presume coal markets and overall economy remain stable
- Shareholder distributions reinforce management confidence
 - Quarterly dividend increases 11% to \$0.20; new \$1 billion buyback program
- Multi-year strategy and guidance to be conveyed
 - Timing expected to be in the third or fourth quarter

Note: Please see Forward Looking Non-GAAP Measures Disclosure on Slides 2-3





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