

**2010** UBS FIFTH ANNUAL  
BEST OF AMERICAS CONFERENCE



# 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, volumes, rates, cost-savings, expenses, 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 "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 does update 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 full year 2010 economic and business conditions.

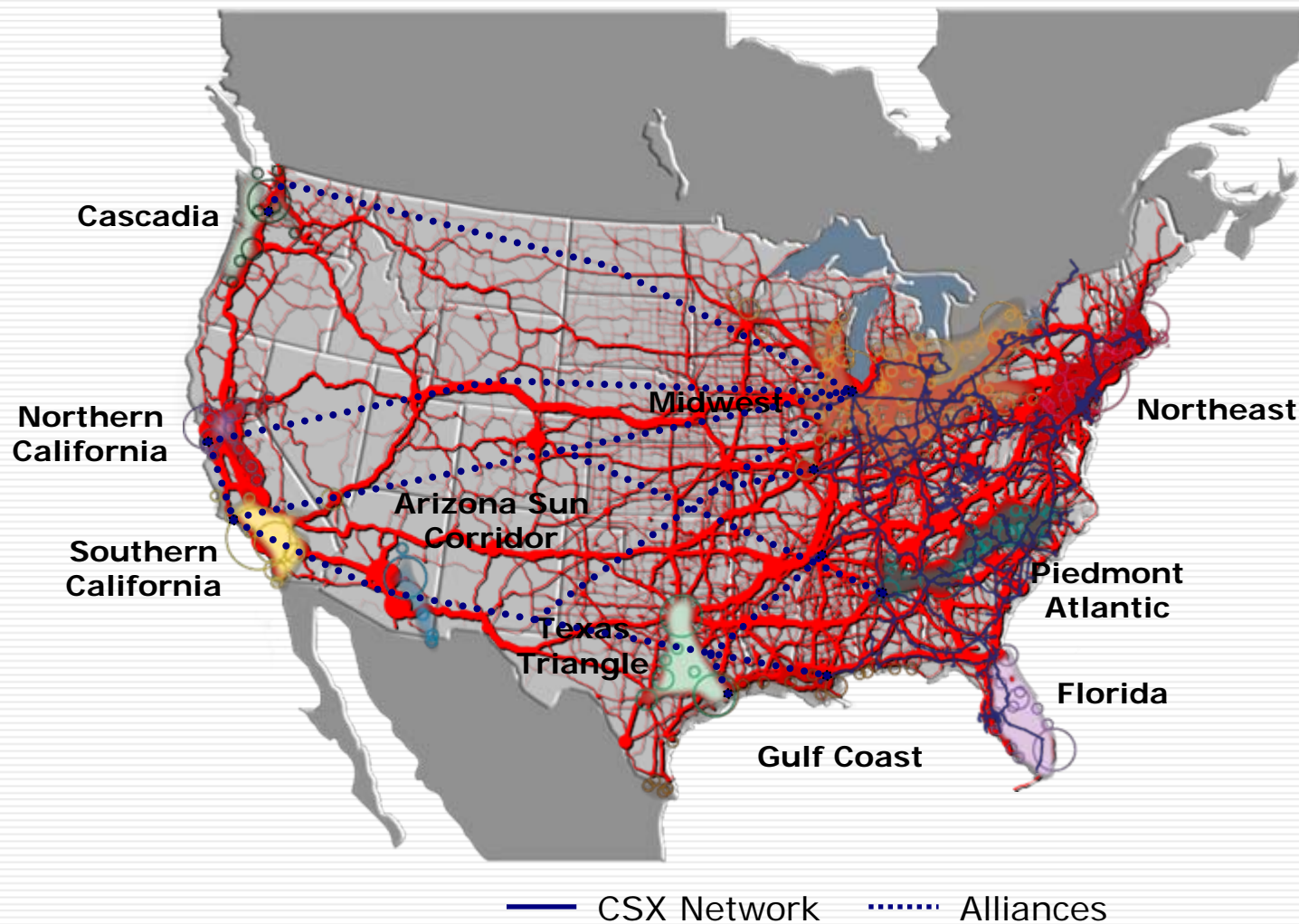
Other important assumptions and factors that could cause actual results to differ materially from those in the forward-looking statements are specified in the company's SEC reports, accessible on the SEC's website at [www.sec.gov](http://www.sec.gov) and the company's website at [www.csx.com](http://www.csx.com).

# *CSX is an industry leader across many fronts*

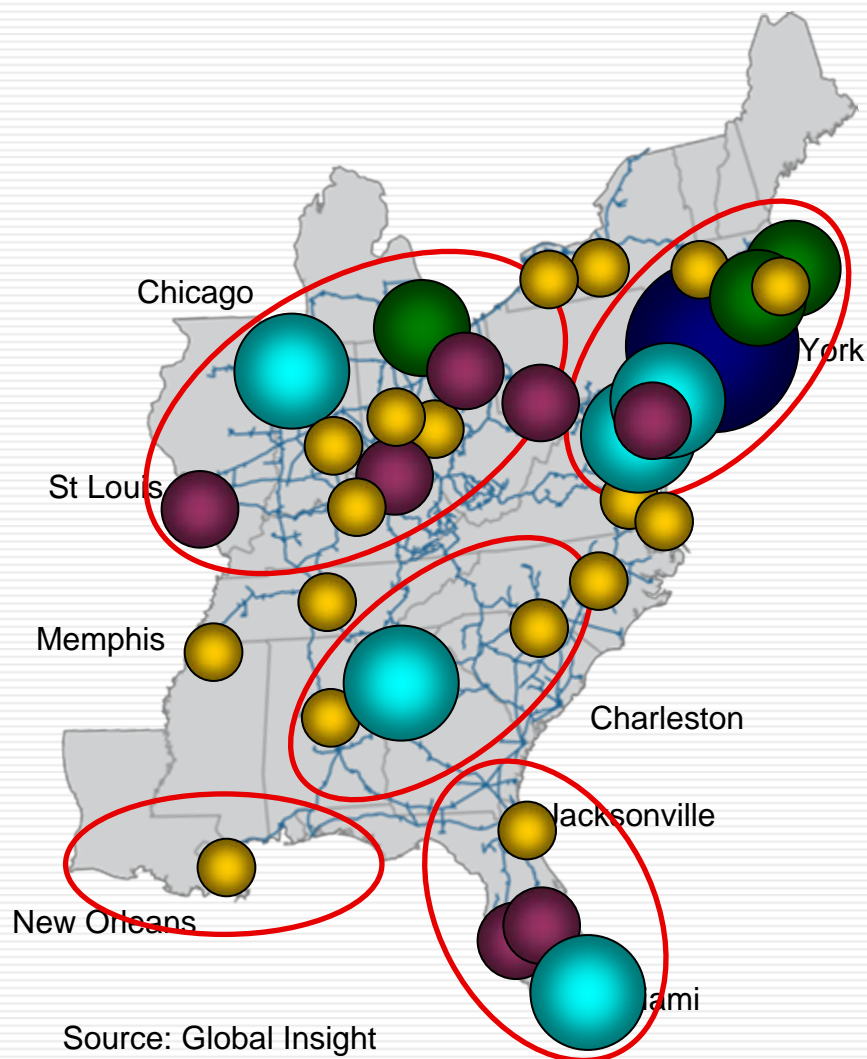
- North American network well-positioned for growth
  - *Serves two-thirds of population which supports three-quarters of consumption*
- Providing thought leadership in an evolving industry
  - *Presenting investors with leading indicators of future trends and transparency to ensure accountability*
- Producing top-tier financial results since new management team came together in 2004
  - *Seven-year results lead the peer group, with further upside going forward*



# *CSX's competitive position is strong*



# CSX network serves all eastern mega-regions



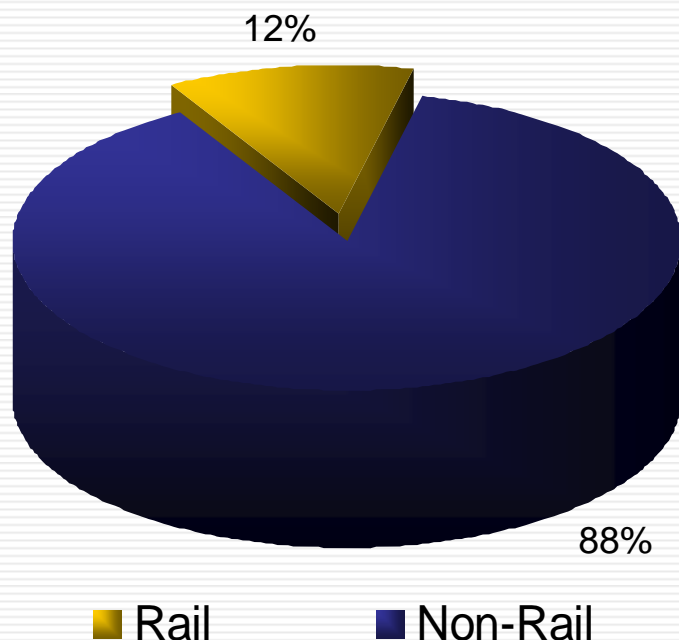
- Eastern markets account for two-thirds of U.S. population
- Markets drive three-fourths of total U.S. consumption
- Access to all major ports
- Florida and New England markets differentiate CSX

2006 Population in  
Major Metropolitan Areas

■ GT 10 Million	■ 2 – 3 Million
■ 5 – 10 Million	■ 1 – 2 Million
■ 3 – 5 Million	

# *Evolving market provides long-term growth potential*

## Ground Transportation \$695 Billion Market



Source: ATA estimate for 2011

## Trucking Industry Faces Challenges

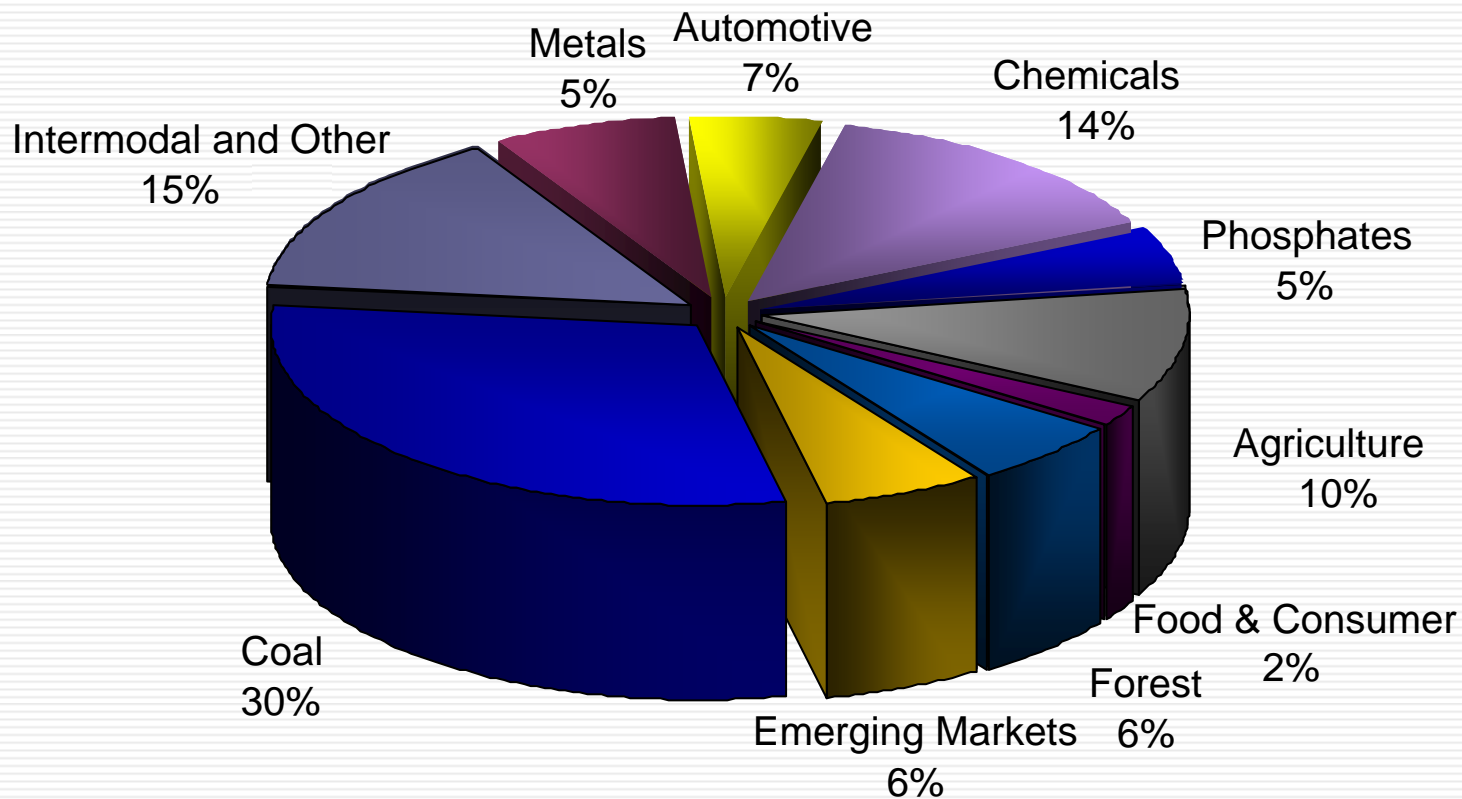
- Highway congestion increasing
- Driver shortages growing
- Hours of Service laws constraining
- Fuel costs rising

## Rails Provide Solutions

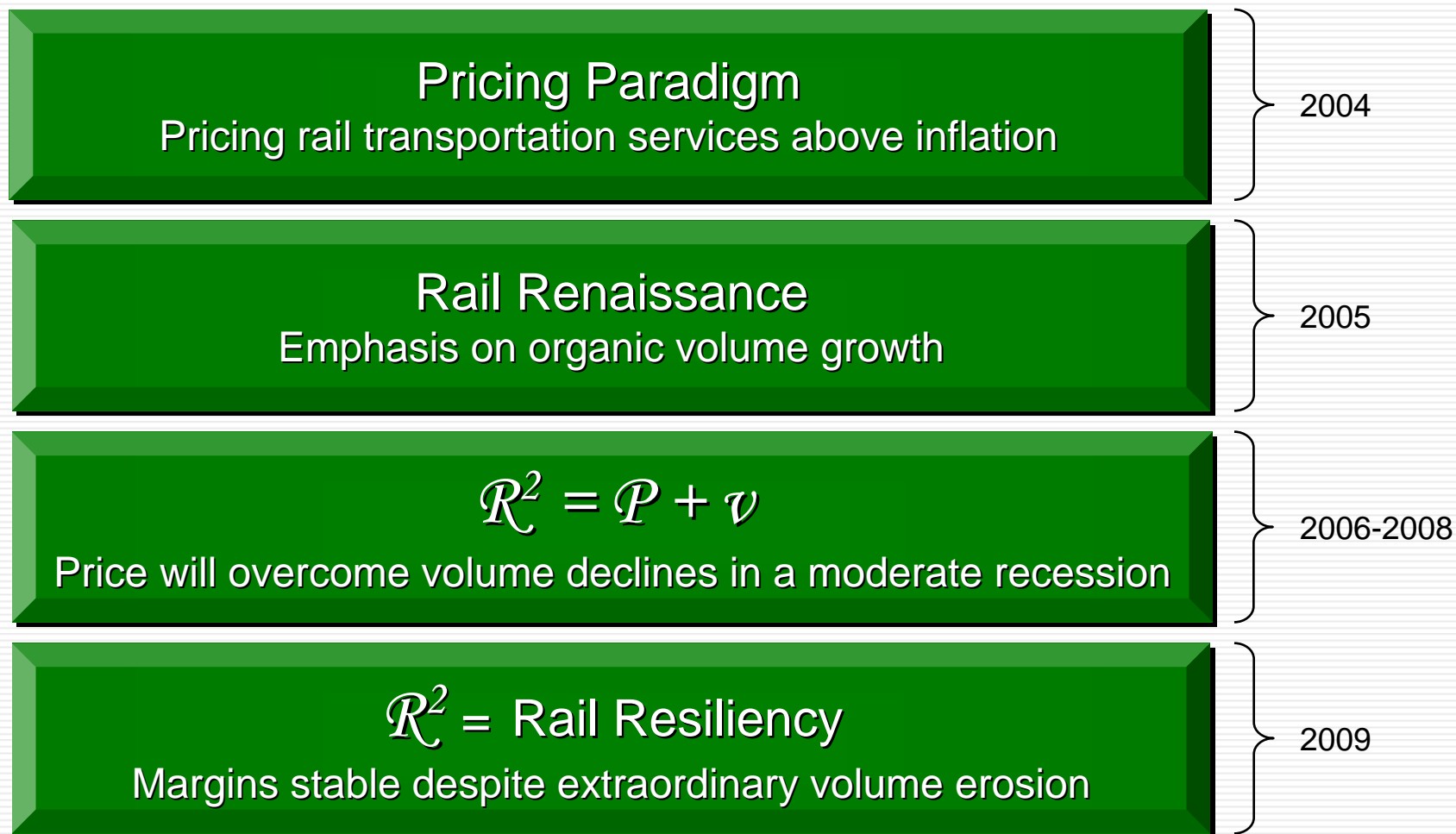
- Access fluid rail network
- Leverage labor efficiency
- Reduce carbon footprint
- Supply chains evolving to longer hauls

# *CSX has a diverse business portfolio*

## First Half 2010 Revenue



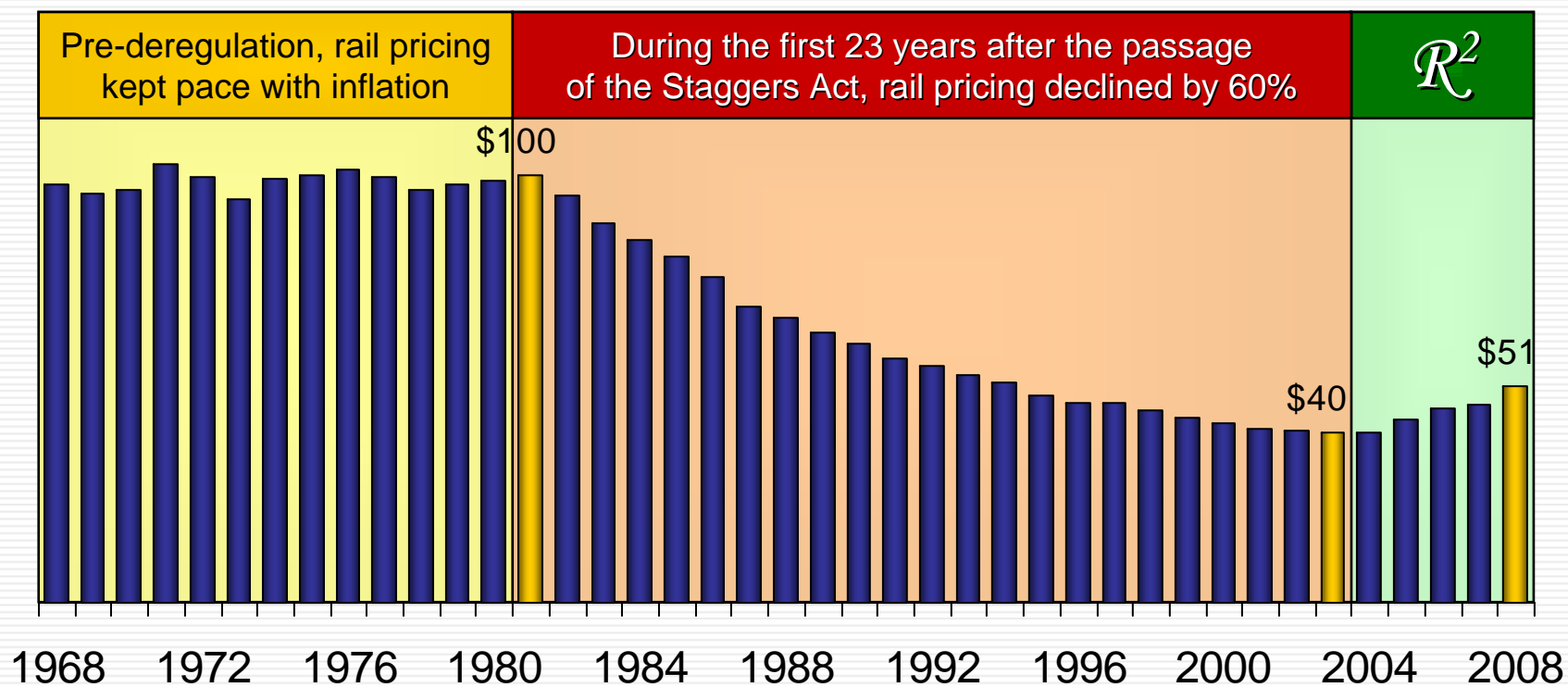
# *CSX provides thought leadership and transparency*





# *Pricing paradigm shift expected to continue*

## Inflation-Adjusted Pricing Indexed: 1981 = \$100



Source: Association of American Railroads

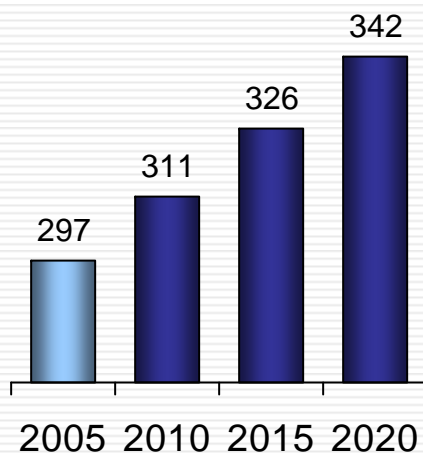
# *Rail Renaissance driven by key market forces*

Over time,  
more people . . .

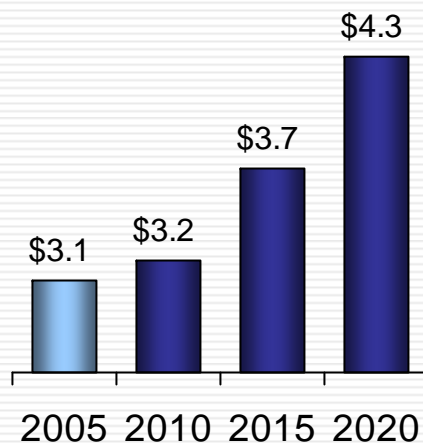
. . . will consume  
more things . . .

. . . and those things  
need to be moved

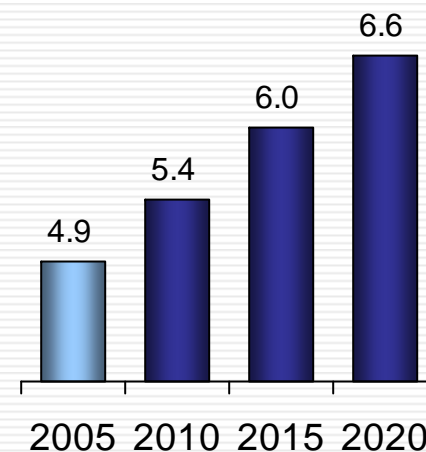
U.S. Population  
in Millions



U.S. Consumption  
of Goods in Trillions



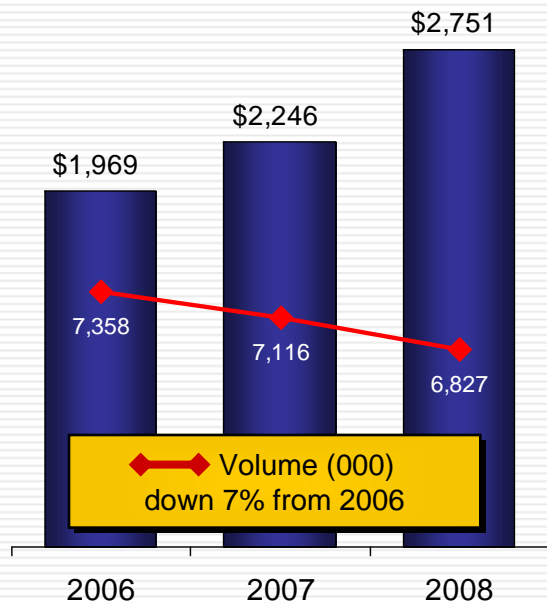
U.S. Transportation  
Demand in Trillion Ton-miles



Sources: Global Insight and American Association of State Highway and Transportation Officials

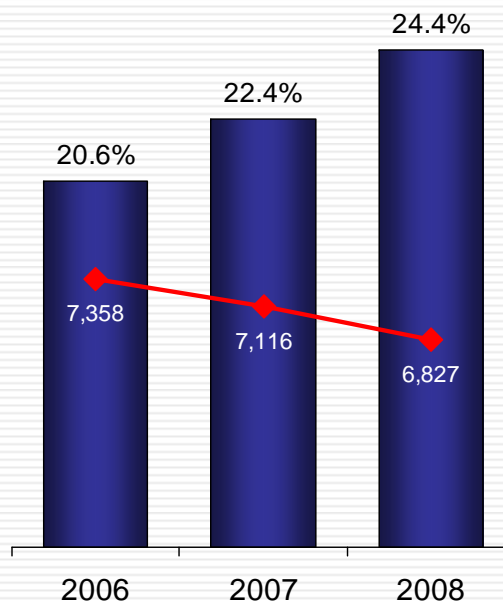
$R^2 = P+v$  proved correct through 2008

Operating  
Income in Millions



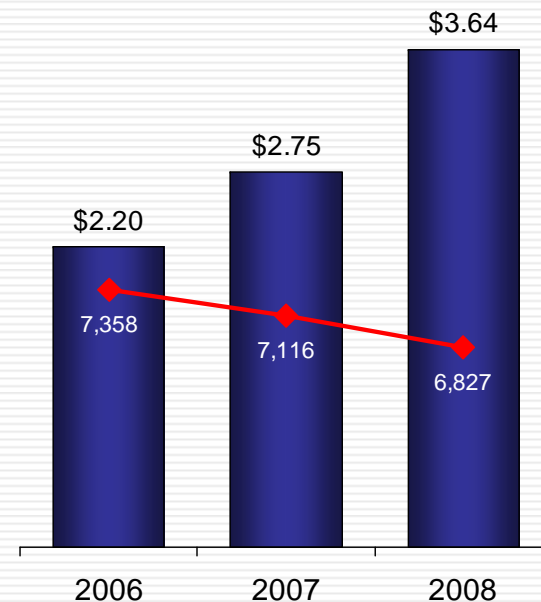
Operating income up  
40% from 2006

Operating Margin



Operating Margin up  
380 bps from 2006

Continuing Earnings  
Per Share

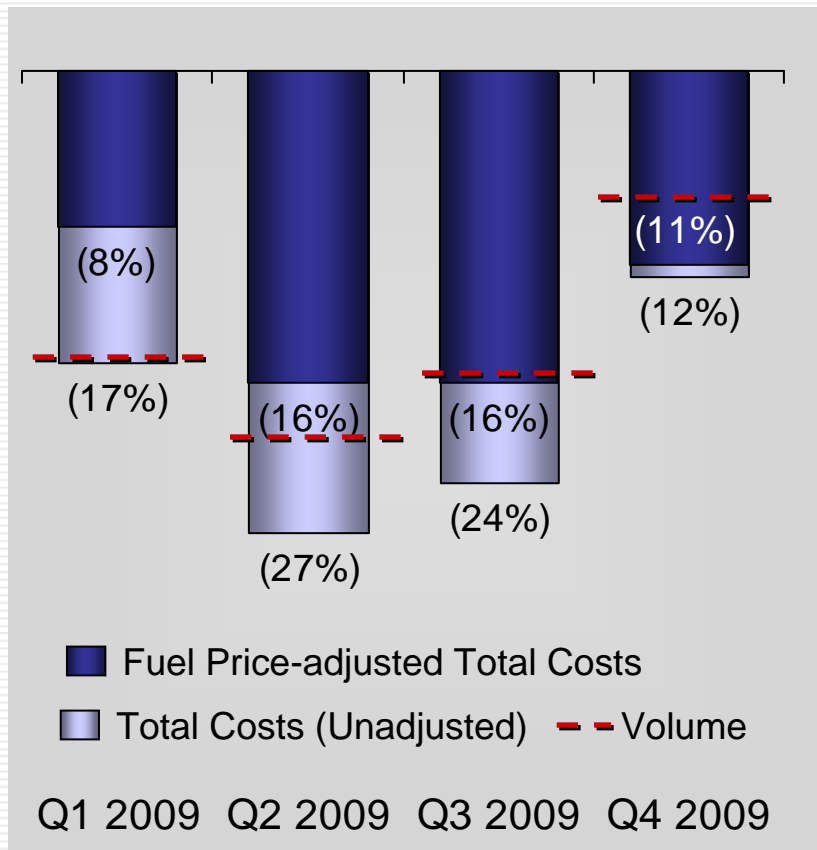


Continuing EPS up  
65% from 2006

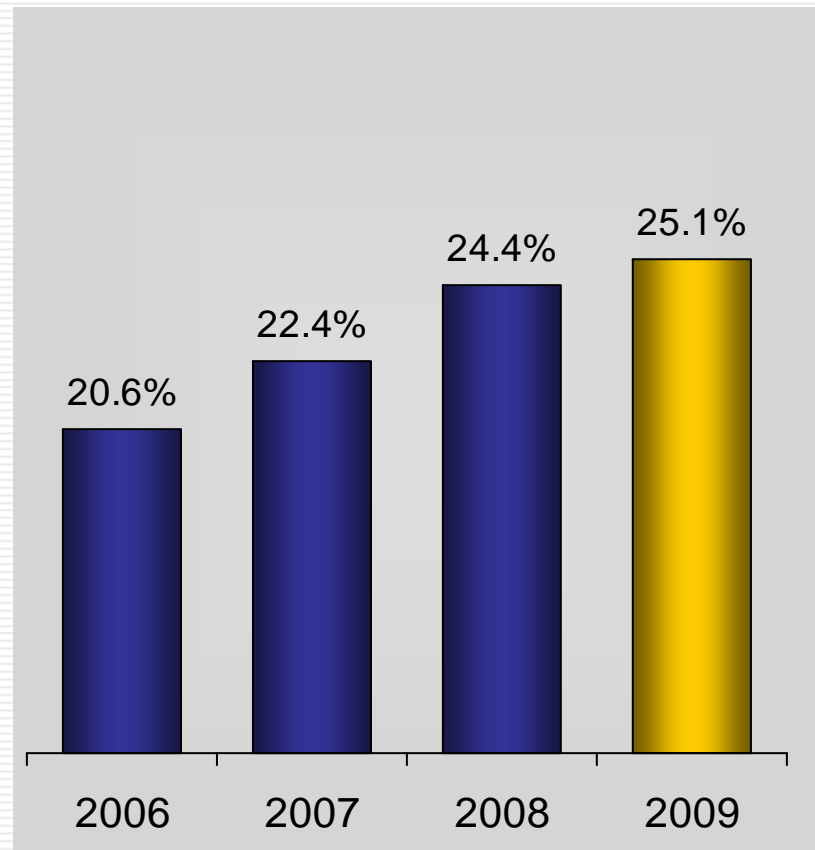
Note: 2006 results presented on a comparable basis; see GAAP Reconciliation

# *Rail resiliency was about variablizing our costs*

## Cost Structure



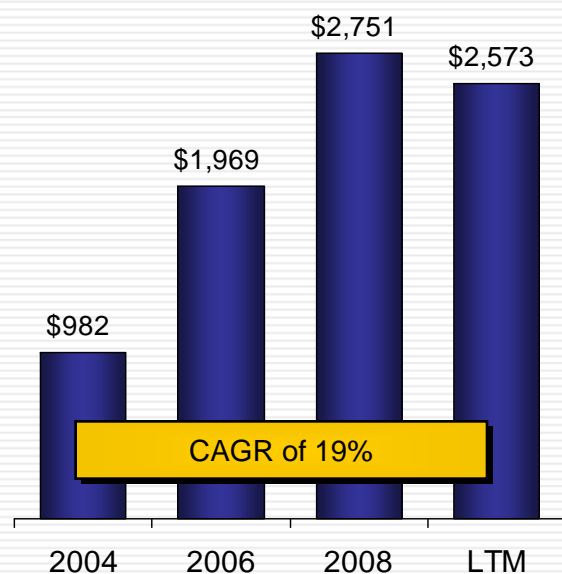
## Operating Margin





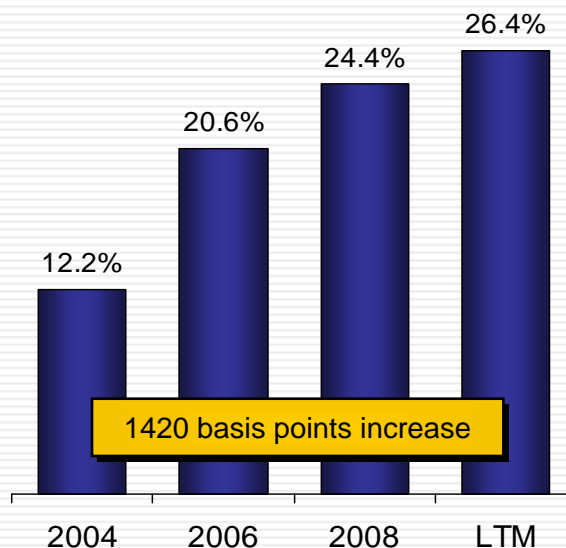
# *Focus has provided industry leading results*

Operating  
Income in Millions



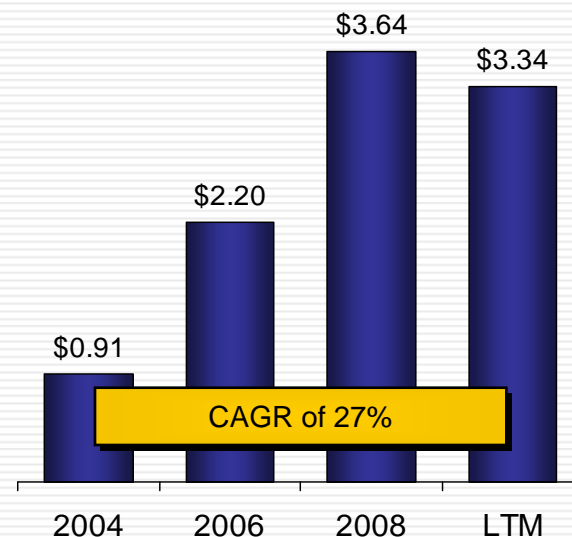
Industry CAGR excluding  
CSX 12%

Operating Margin



Industry improvement  
excluding CSX 660 bps

Continuing  
Earnings Per Share



Industry CAGR excluding  
CSX 6%

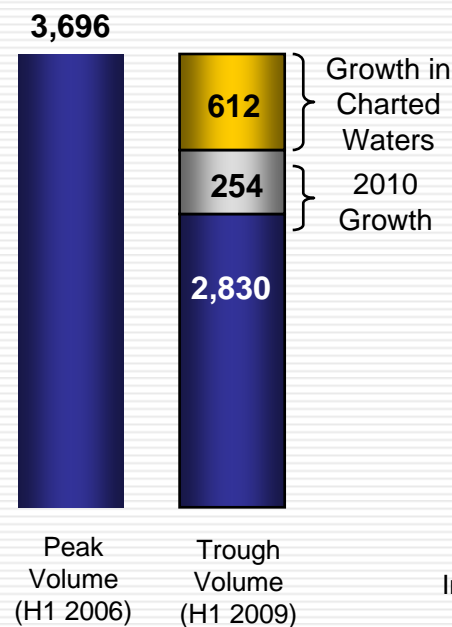
Note: 2006 results presented on a comparable basis; see GAAP Reconciliation

# The formula for success evolves in 2010 and beyond

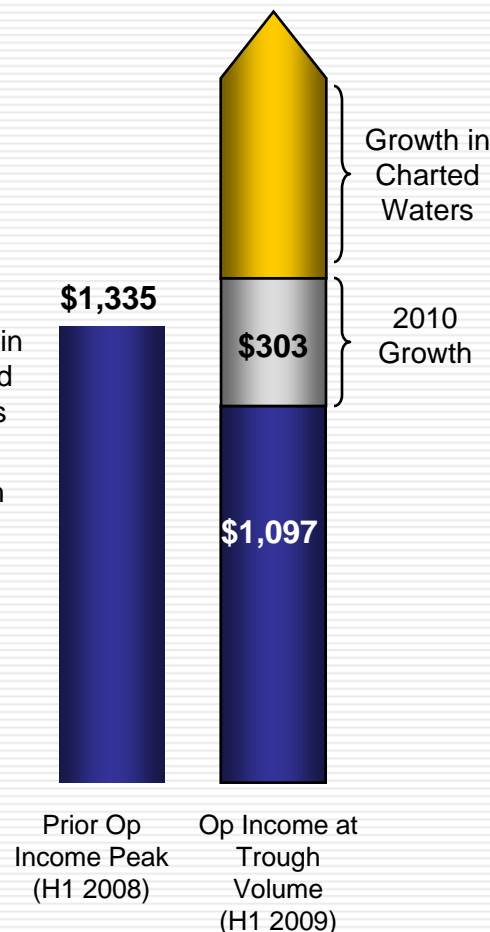
$$\mathcal{R}^3 = \mathcal{P} + \mathcal{V} + \mathcal{P}$$

- Competitive pricing above inflation sustainable long-term
- Productivity is making CSX a stronger company
- Near-term volume growth is through “charted waters”

H1 Volume  
In Thousands

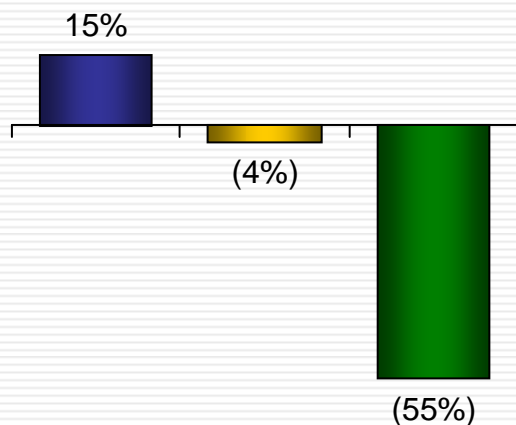


H1 Operating Income  
In Millions



# *CSX and rail industry have become less cyclical*

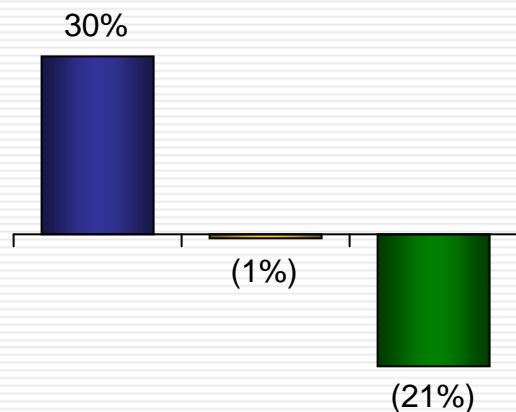
Operating  
Income Growth  
2006-2009



CSX      S&P  
         Rails      S&P 500

CSX ranks among top  
40% of S&P companies

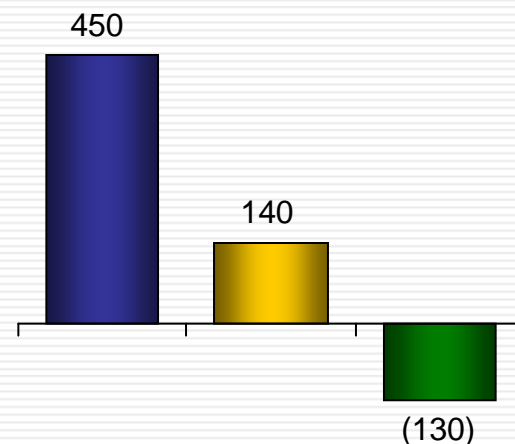
Continuing  
EPS Growth  
2006-2009



CSX      S&P  
         Rails      S&P 500

CSX ranks among top  
27% of S&P companies

Operating Margin  
Improvement (bps)  
2006-2009

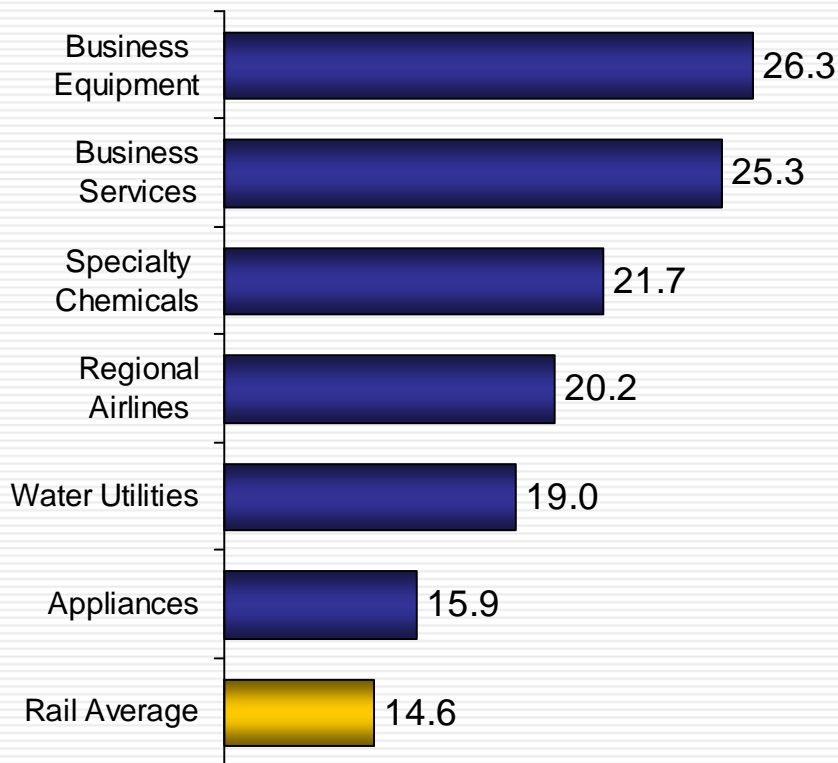


CSX      S&P  
         Rails      S&P 500

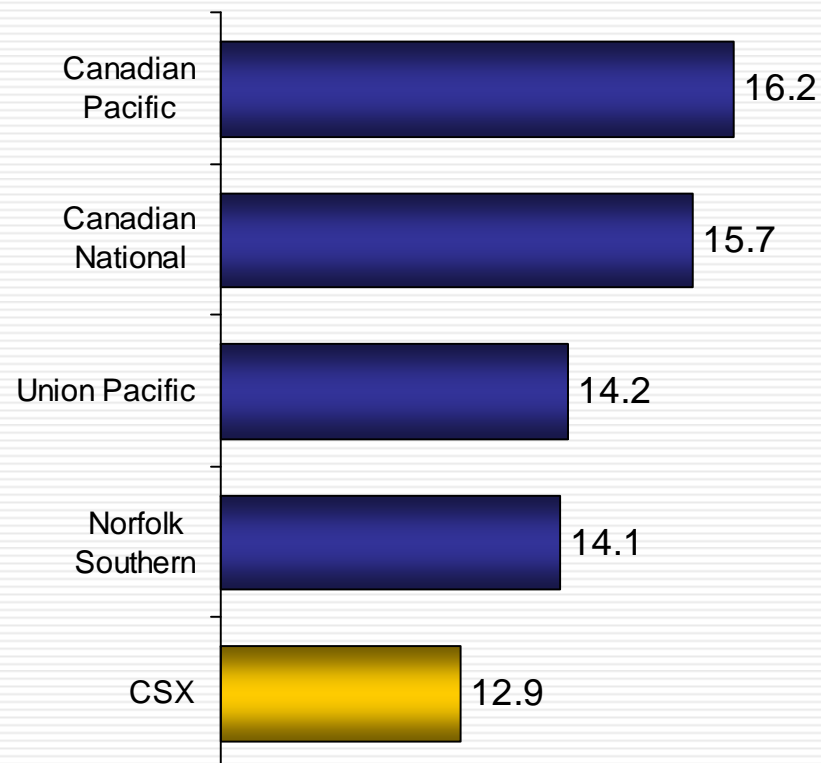
CSX ranks among top  
11% of S&P companies

# *Yet rail industry P/E ratios still reflect cyclical view*

## Price/Earnings Ratios of Selected Industries



## Price/Earnings Ratios of North American Railroads

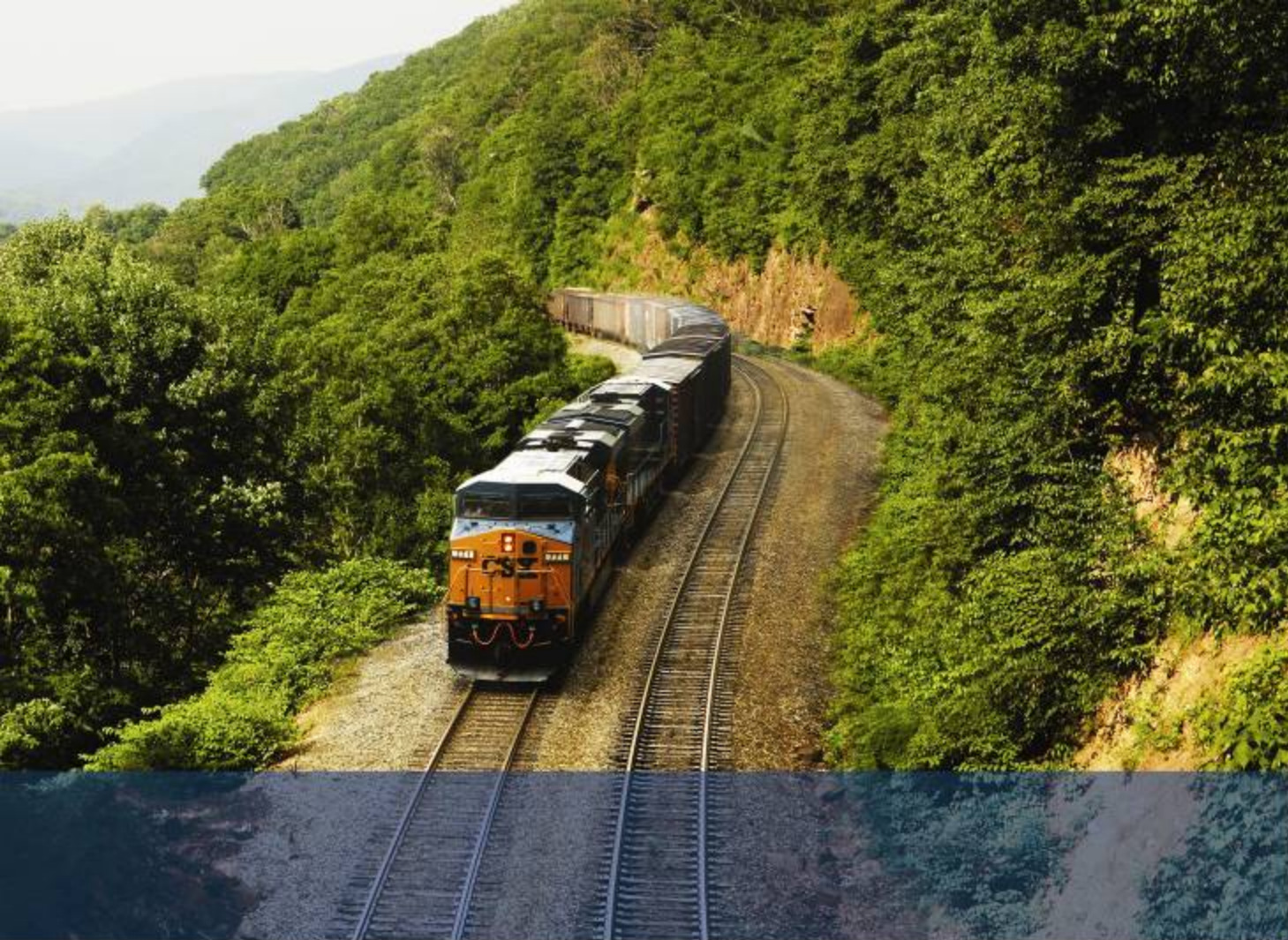


Note: Railroad P/E ratios based on First call estimates and the closing stock price as of August 27, 2010



# Wrap up

- Strength of network provides competitive advantage
  - *CSX is a key component of America's transportation solutions*
- Formula for success continues to evolve
  - *Pricing, volume growth, and productivity will drive value*
- CSX is well positioned for the future
  - *Growth over next few years through chartered waters provides the company with strong earnings growth potential*



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# *Appendix*

# *GAAP Reconciliation Disclosure*

CSX reports its financial results in accordance with generally accepted accounting principles (“GAAP”). However, management believes that certain non-GAAP financial measures used to manage the company’s business that fall within the meaning of Regulation G (Disclosure of Non-GAAP Financial Measures) by the SEC may provide users of the financial information with additional meaningful comparisons to prior reported results.

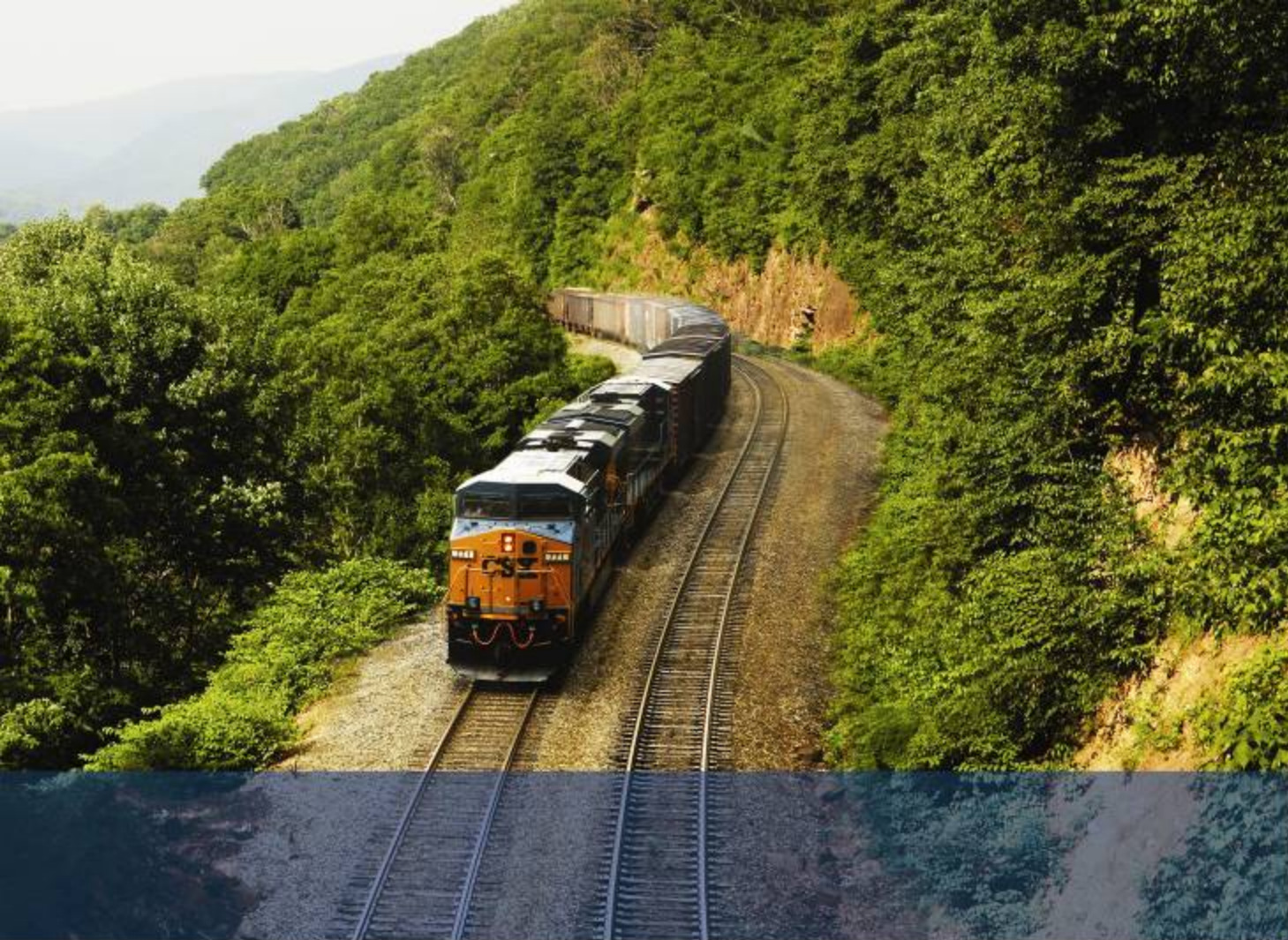
In press releases and presentation slides for stock analysts, CSX has provided financial information adjusted for certain items, which are non-GAAP financial measures. The company’s management evaluates its business and makes certain operating decisions (e.g., budgeting, forecasting, employee compensation, asset management and resource allocation) using these adjusted numbers.

Likewise, this information facilitates comparisons to financial results that are directly associated with ongoing business operations as well as provides comparable historical information. Lastly, earnings forecasts prepared by stock analysts and other third parties generally exclude the effects of items that are difficult to predict or measure in advance and are not directly related to CSX’s ongoing operations. A reconciliation between GAAP and the non-GAAP measure is provided. These non-GAAP measures should not be considered a substitute for GAAP measures.



# GAAP Reconciliation

Dollars in millions	Full-year Results			
	2006	2007	2008	2009
Operating Income	\$ 2,137	\$ 2,246	\$ 2,751	\$ 2,270
Gain on Insurance Recoveries	(168)	-	-	-
Comparable Operating Income	\$ 1,969	\$ 2,246	\$ 2,751	\$ 2,270
Operating Margin	22.3%	22.4%	24.4%	25.1%
Gain on Insurance Recoveries	(1.7%)	-	-	-
Comparable Operating Margin	20.6%	22.4%	24.4%	25.1%
EPS from Continuing Operations	\$ 2.80	\$ 2.75	\$ 3.64	\$ 2.85
Gain on Insurance Recoveries	(0.22)	-	-	-
Income Tax Benefits	(0.32)	-	-	-
Gain on Conrail Property After-tax	(0.06)	-	-	-
Comparable EPS from Continuing Operations	\$ 2.20	\$ 2.75	\$ 3.64	\$ 2.85



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