



CSX
How tomorrow moves



2011 INTERMODAL MARKET CALL
MORGAN STANLEY RESEARCH

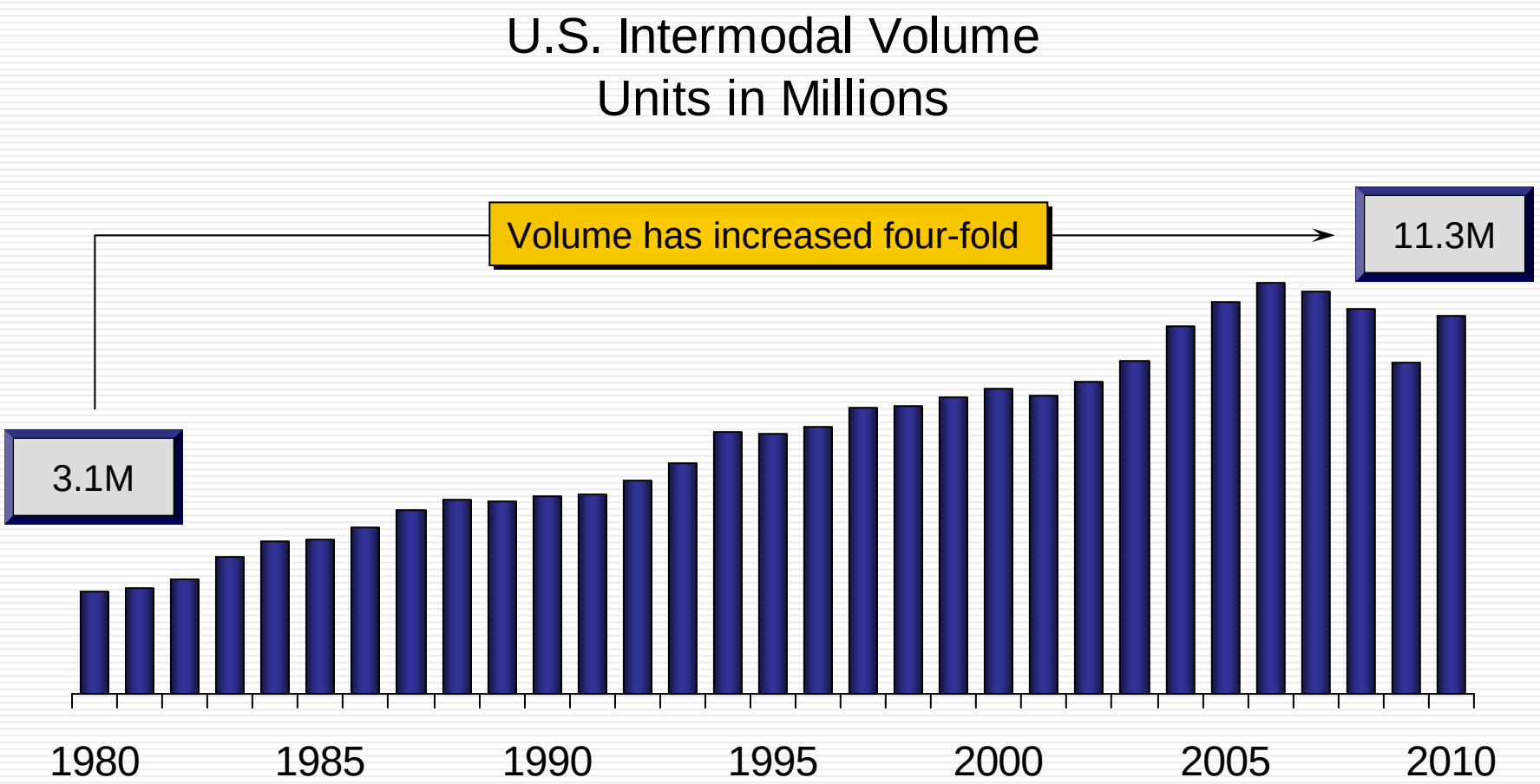
Forward-Looking Statements

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, taxes, liquidity, capital expenditures, 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 "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.

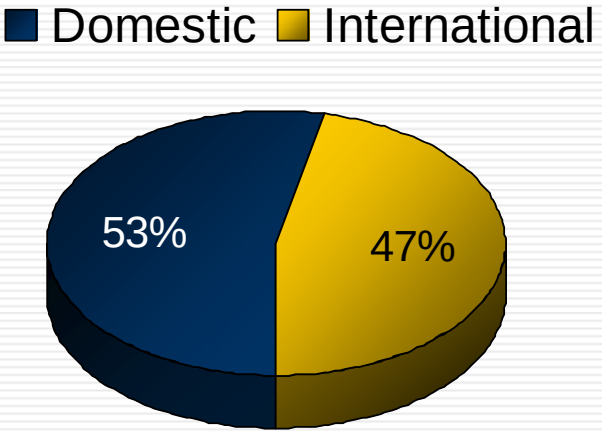
Intermodal industry volume has steadily grown . . .



Source: Association of American Railroads

Summary of CSX's intermodal market

CSX Intermodal
Volume Breakdown
2010



2.2 million units and $1.3 billion of revenue in 2010

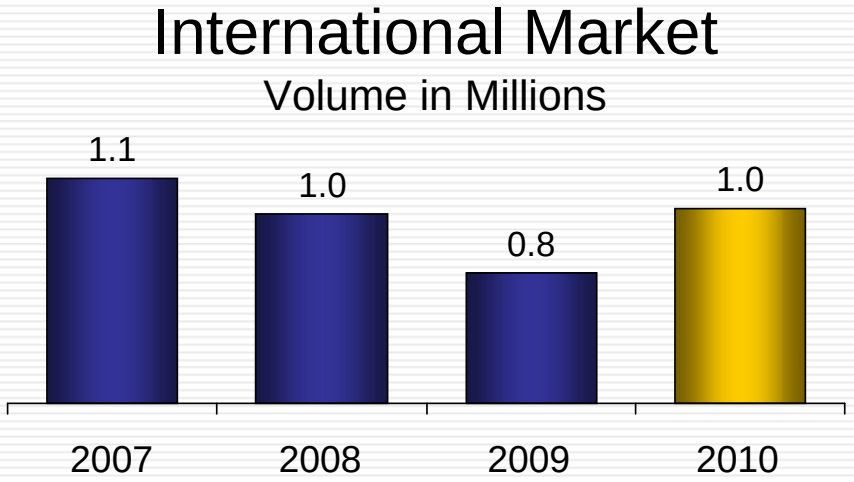
- Business poised to meet growing demand
- Focused on converting truck traffic to intermodal profitably
- Key investments support long-term growth

CSX is well positioned in the international market

INTERNATIONAL MARKET



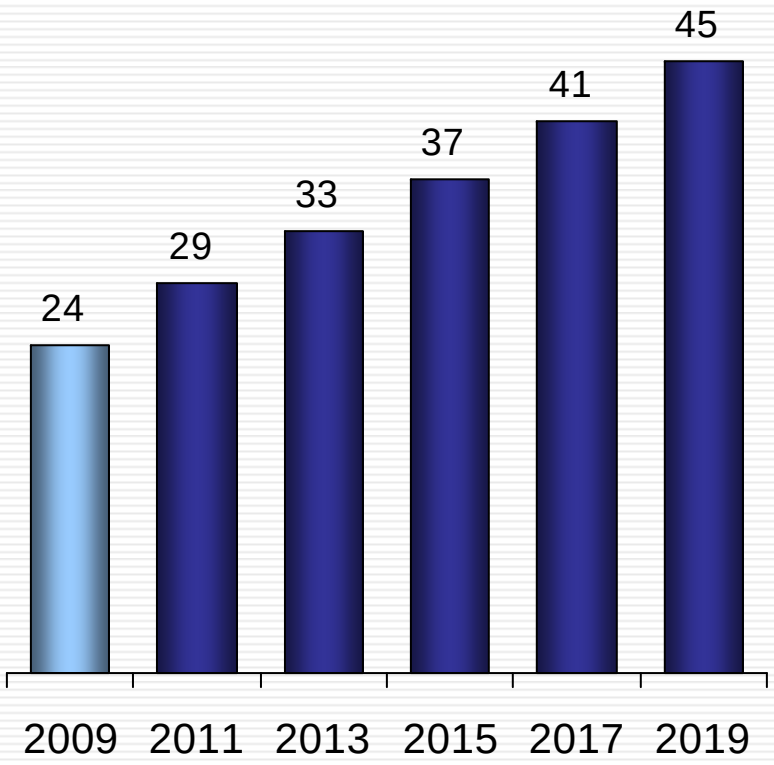
CMA CGM · MSC · APL · HAMBURG SÜD · Hapag-Lloyd · MAERSK · HYUNDAI



- Looking Forward
  - *Grow organically with existing customer base*
  - *Support customer growth with NW Ohio terminal*
  - *Continue to expand and open new markets*

CSX international market to grow with global trade

U.S. Containerized Tonnage
TEU's in Millions



Source: TTX, PIERS/JOC, TranSystems 2011

- Partnered with strong international customers
- Customer focus, service reliability and network enhancements will further generate new opportunities
- Well positioned for Panama Canal expansion and expanding international trade

Domestic has grown steadily through recession

DOMESTIC MARKET



UMAX

PACER
Making Your World Run Smoother

SCHNEIDER NATIONAL

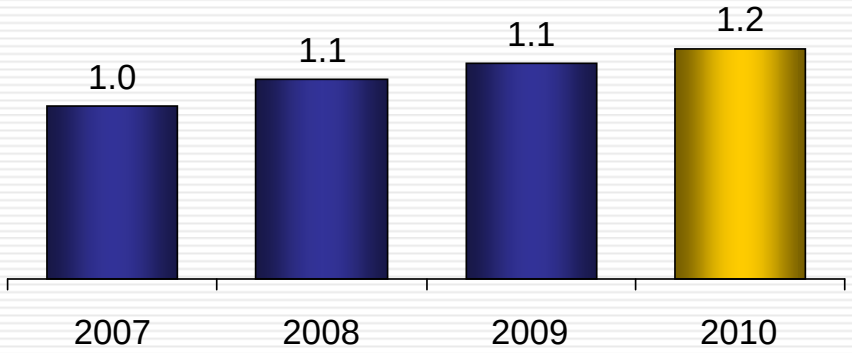
SWIFT

ups

J.B. HUNT

Domestic Market

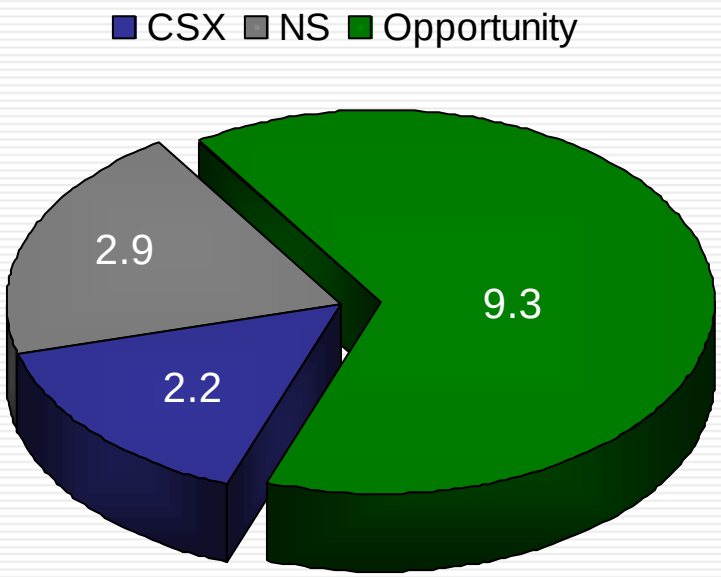
Volume in Millions



- Looking Forward
  - *Stimulate growth through over-the-road conversions*
  - *Customer focus & service reliability drive unique value*
  - *Expand and open new markets, including Mexico*

Truckload conversion opportunity is substantial

Addressable Eastern Truckload Market
14 Million Units



Freight volume for lengths of haul over 550 miles

Market Strategy

- Broad market reach to convert truck freight through "wholesale" channel partners
- Enhance service reliability and customer satisfaction
- Network investments improve flexibility and quality of service offerings

Sources: Global Insight's Transearch data and company reports

Domestic go-to-market strategy is wholesale-based

CSX

Sells “wholesale” Intermodal service to Channel Partners

Wholesale Channel Partner

Retails intermodal to “End Customer” and provides logistics support and other transportation-related services

“End Customer” or Beneficial Cargo Owner

Purchases wide range of services, including intermodal trucking, warehousing, etc.



Truckload Carriers

Intermodal Marketing Companies (IMC’s)

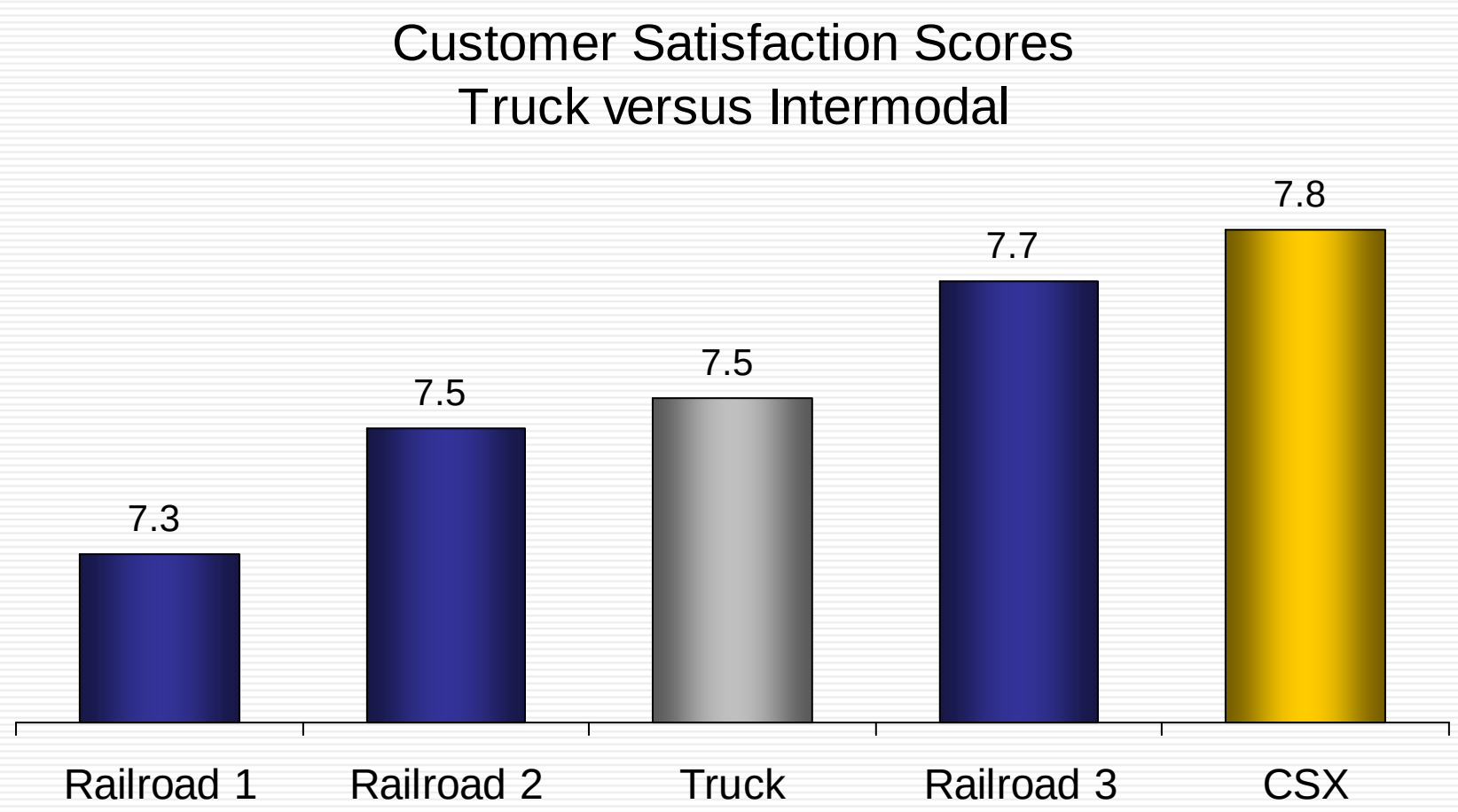
Freight Brokers

WAL★MART

TARGET

SMALL BUSINESS AMERICA

CSX highly rated intermodal service drives value



Source: JD Power & Associates

Structural changes continue to impact trucking

Fuel Prices



Higher fuel prices favor rail. Diesel prices up 42% since 2006

Environmental Mandates

Progressively more stringent environmental mandates

Driver Shortages

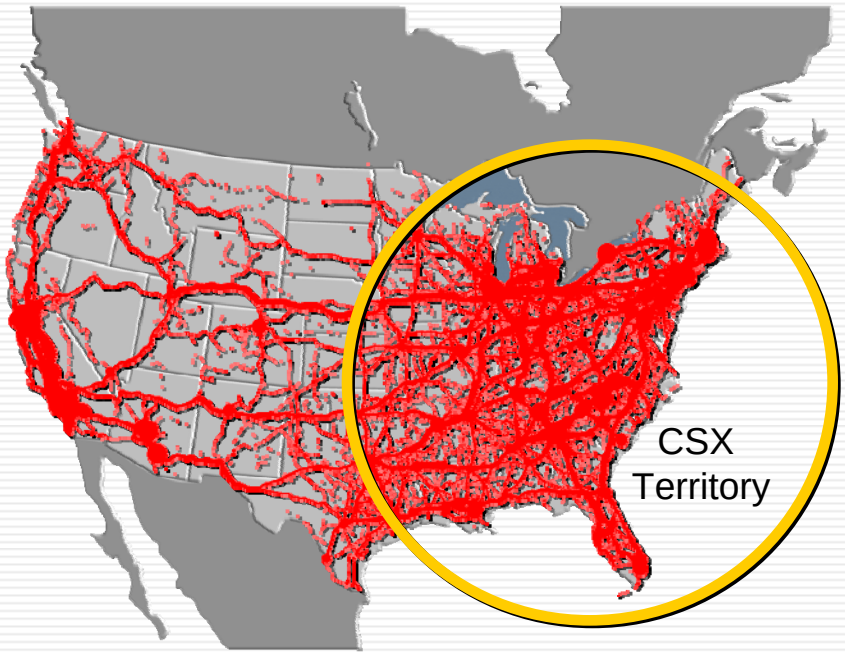


Increased regulations in hours of service, safety reporting and background checks

Source: US EIA Weekly Retail On-Highway Diesel Prices

Rail is a solution to freight infrastructure challenges

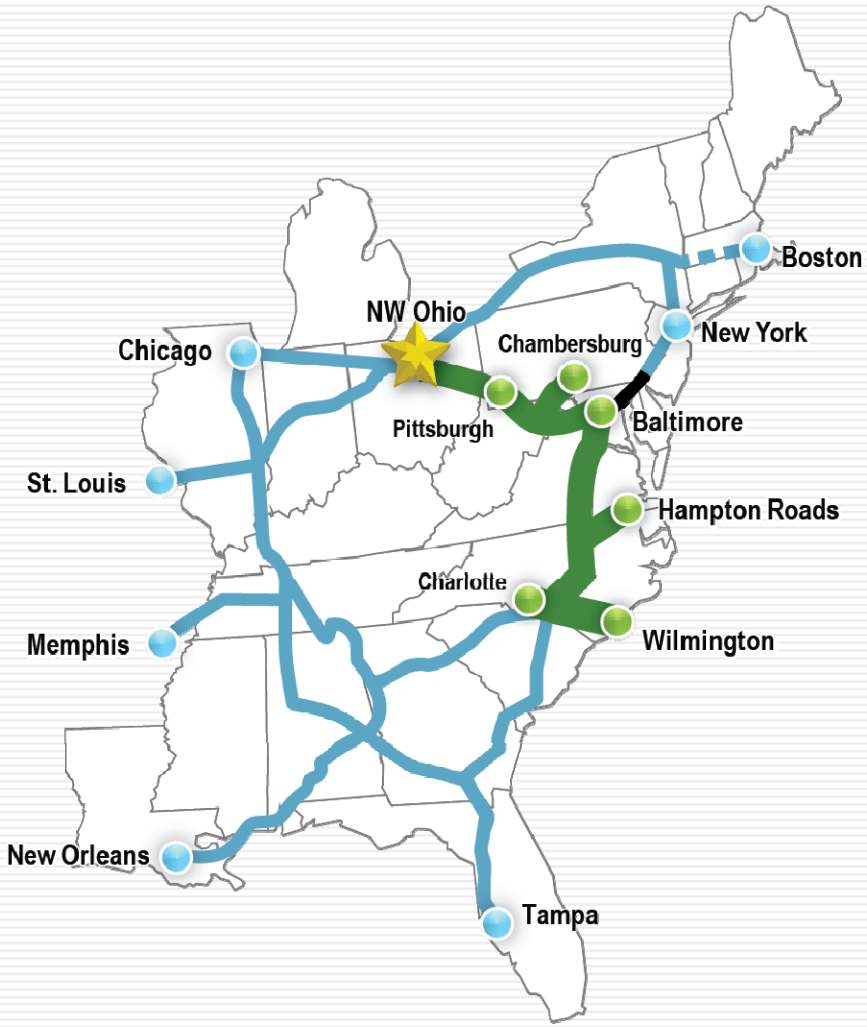
2020 Highway Congestion



- Freight demand projected to grow more than 60% by 2040
- Vehicle highway miles are beginning to grow again
- Recession amplifies funding challenges for highways
- Repairs and maintenance are disruptive and prolonged

Source: USDOT FHWA Freight Analysis Framework

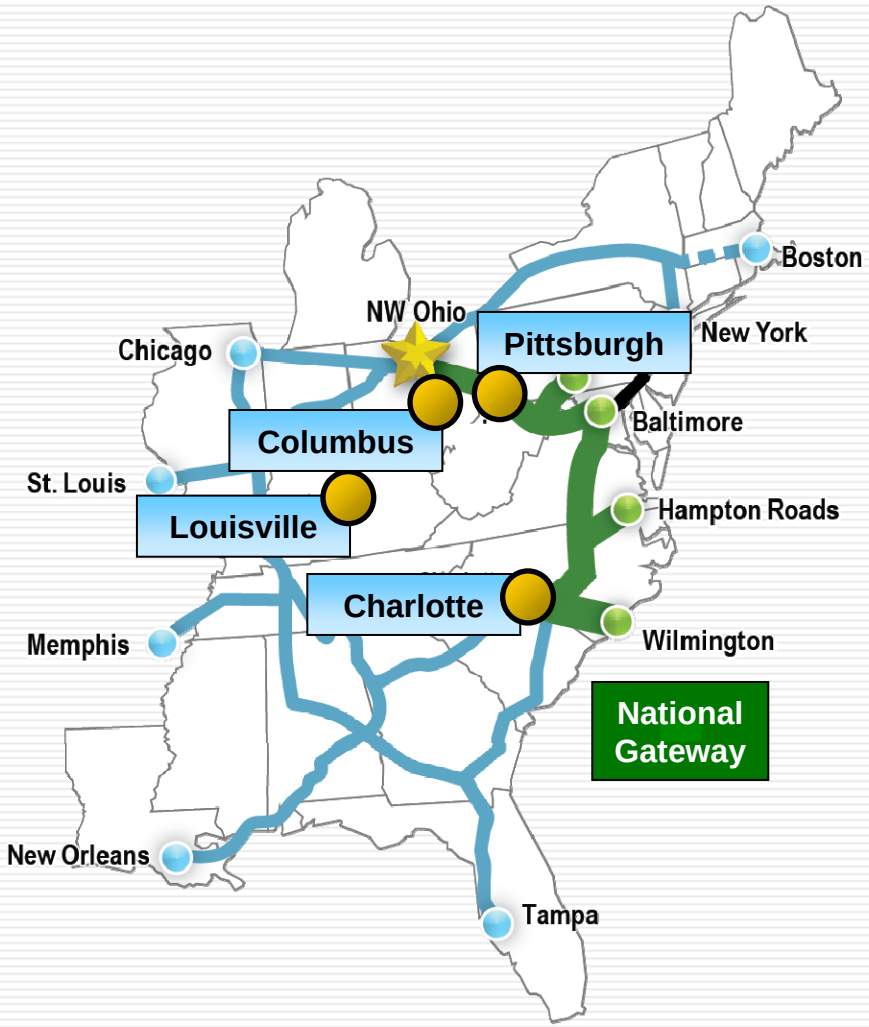
Infrastructure projects support strategic growth



National Gateway

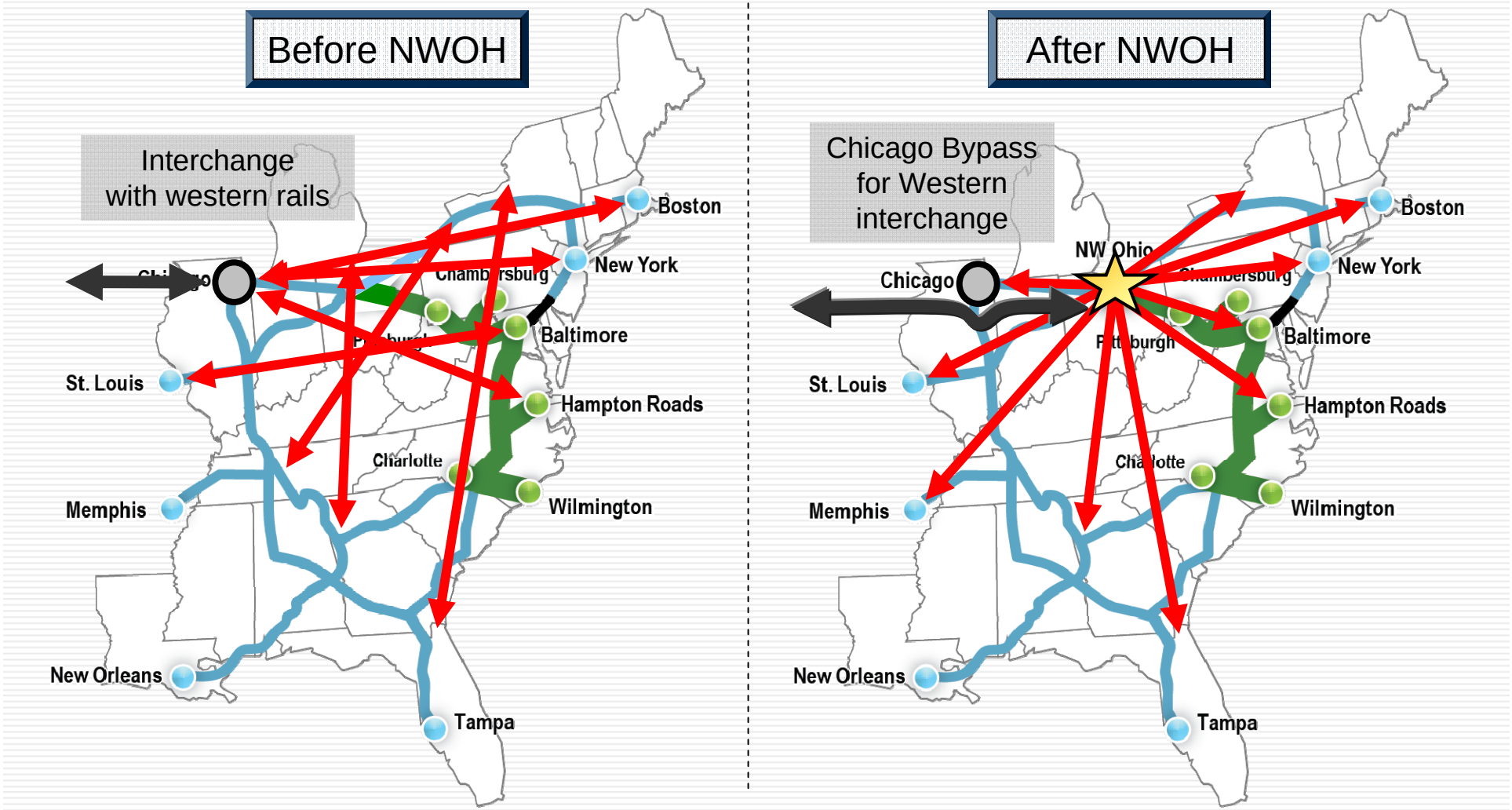
- Approximately $850 million public/private partnership
- CSX-funded terminal capacity
- Public/CSX-funded double-stack capacity from ports to Midwest

New market opportunities drive greater reach

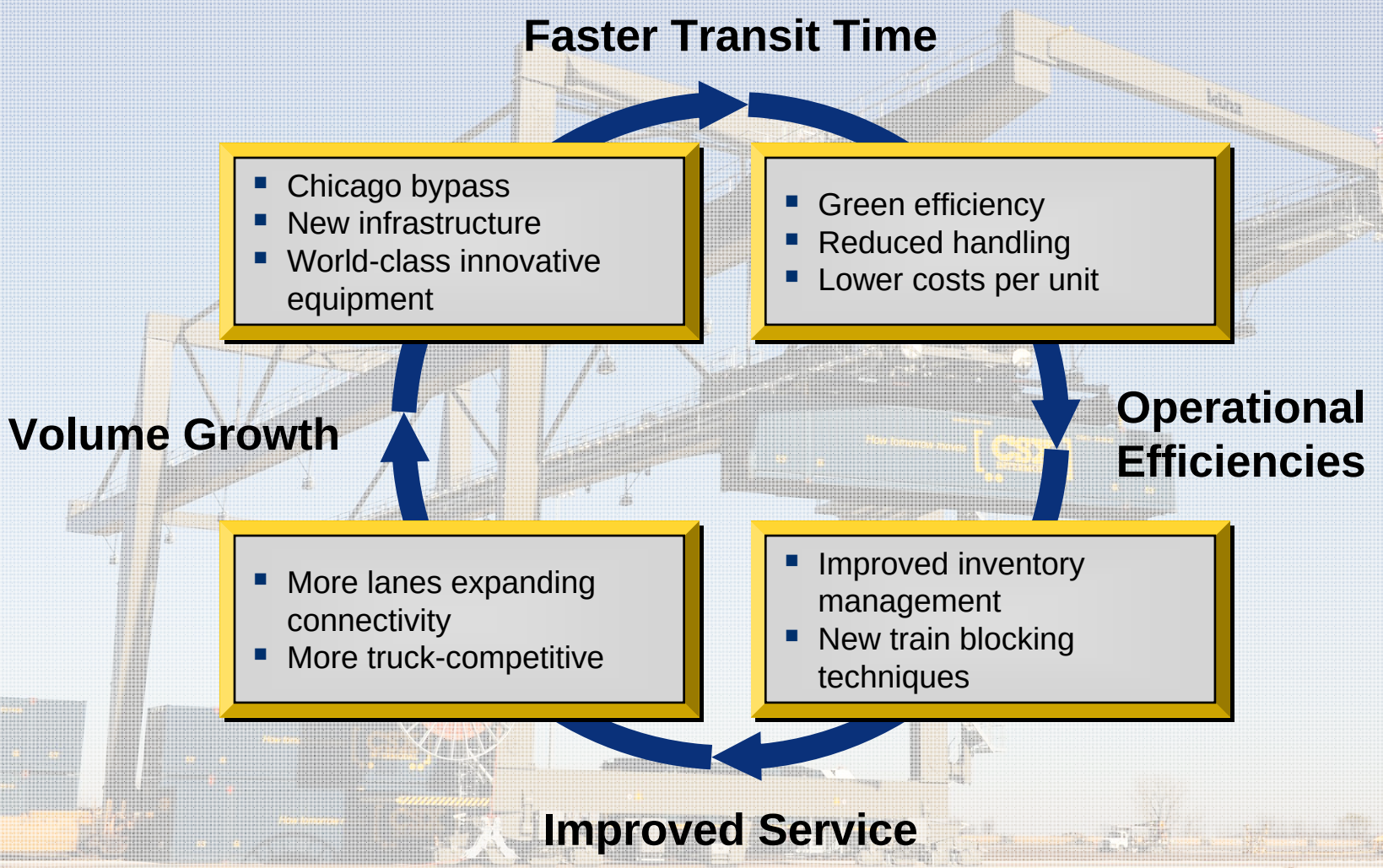


- National Gateway
  - *Double stack clearances*
- Northwest Ohio
  - *Currently operational*
  - *Anchor to National Gateway*
- New and Expanded Terminals
  - *Louisville, KY (New)*
  - *Charlotte, NC (Expanded)*
  - *Columbus, OH (Expanded)*
  - *Pittsburgh, PA (New)*

Northwest Ohio creates new hub and spoke network



Northwest Ohio network benefits . . .



How tomorrow is taking shape for intermodal . . .

Customer Focus	Expanding service offerings to meet needs of current and future customers
Service Reliability	Creating truck-competitive service to profitably convert over-the-road freight
Network Capabilities	Making infrastructure improvements to support customer growth & network reach





CSX
How tomorrow moves



2011 INTERMODAL MARKET CALL
MORGAN STANLEY RESEARCH