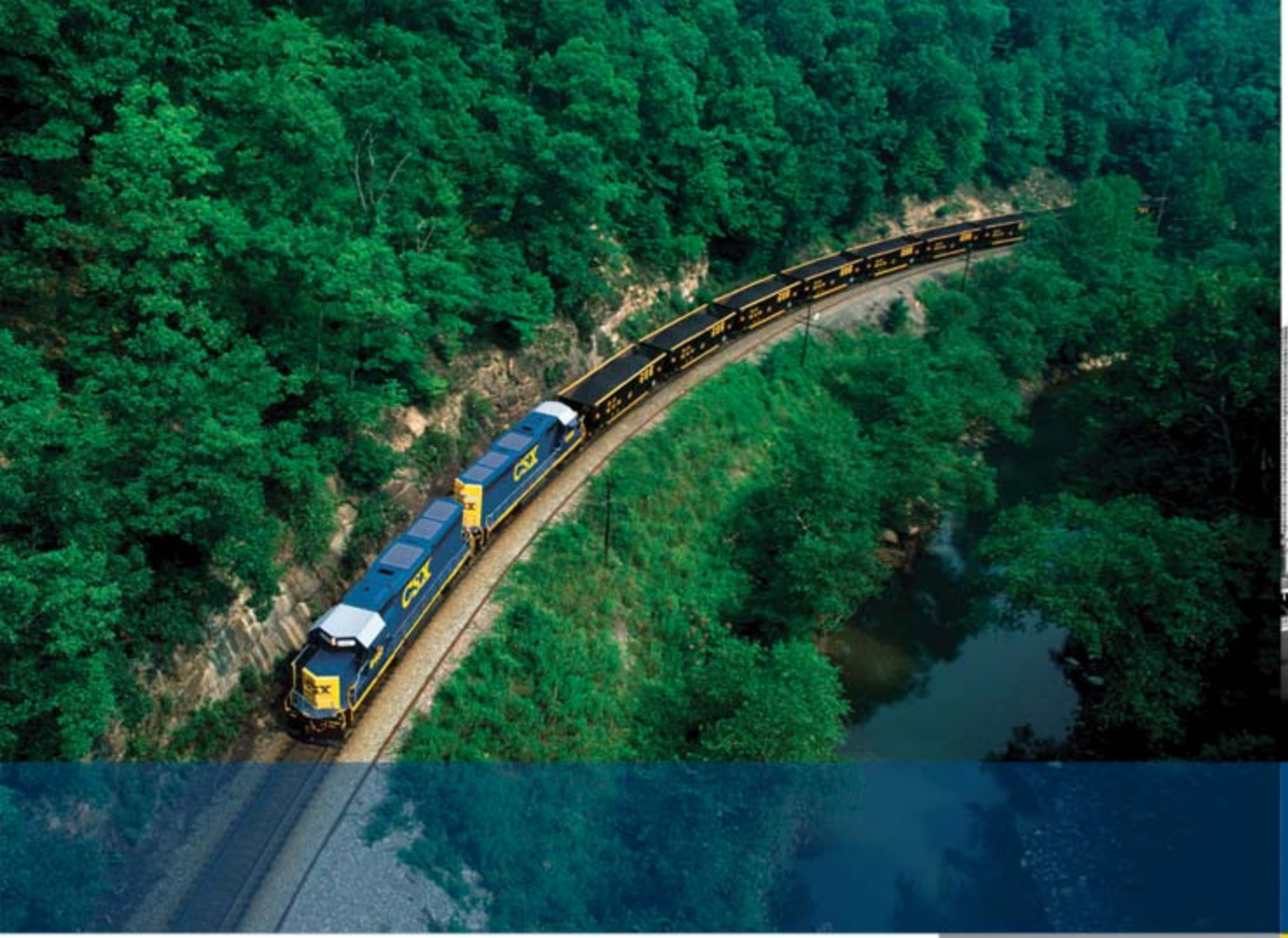




CSX
How tomorrow moves™

2011 COAL MARKET CALL
MACQUARIE EQUITY RESEARCH



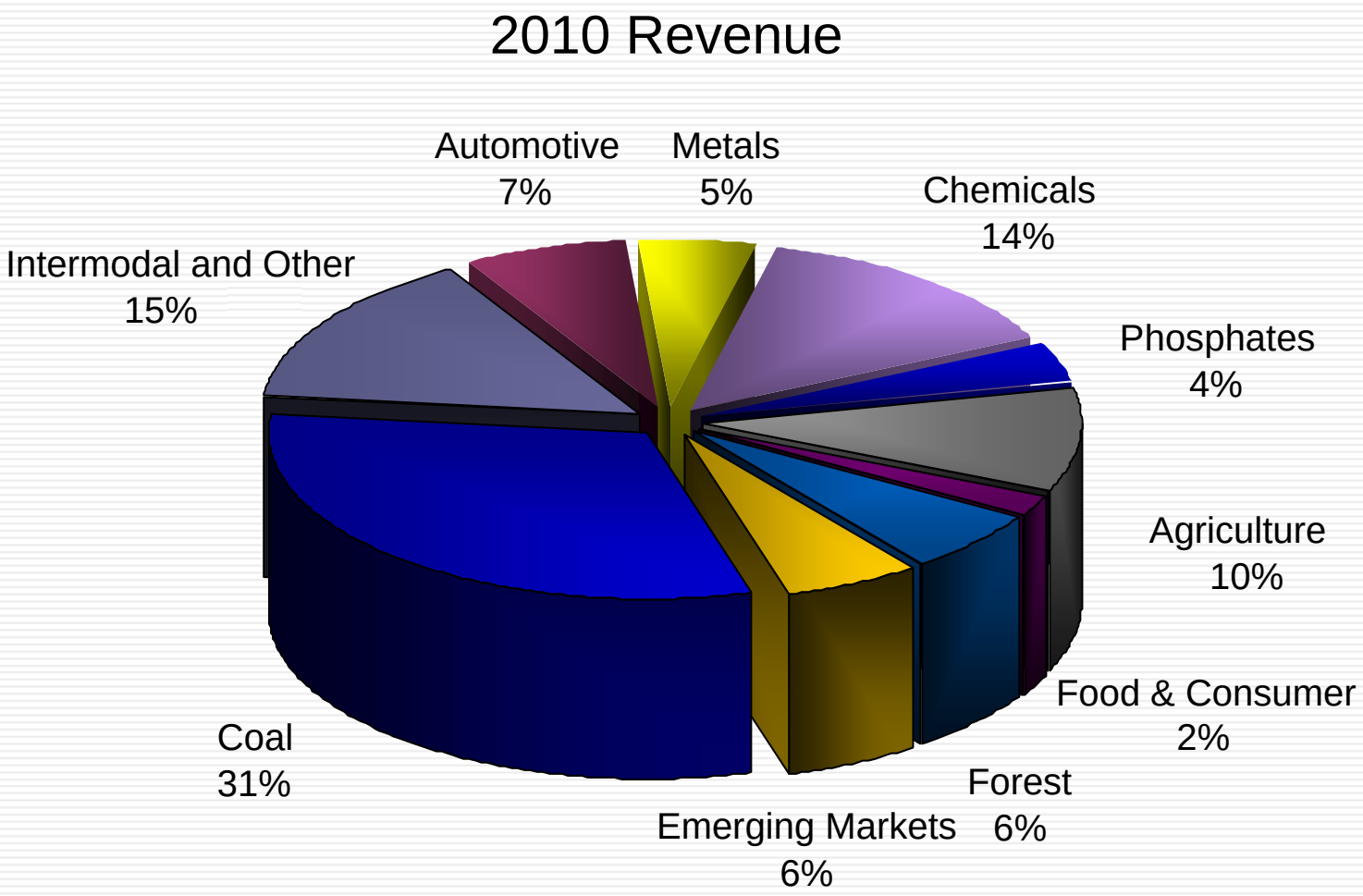
Forward-Looking Statements

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, 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.

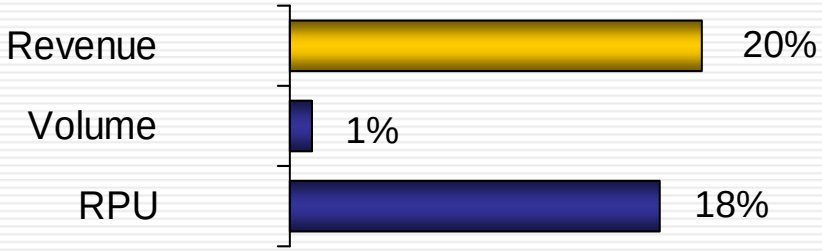
Coal accounts for 31% of CSX's total revenues

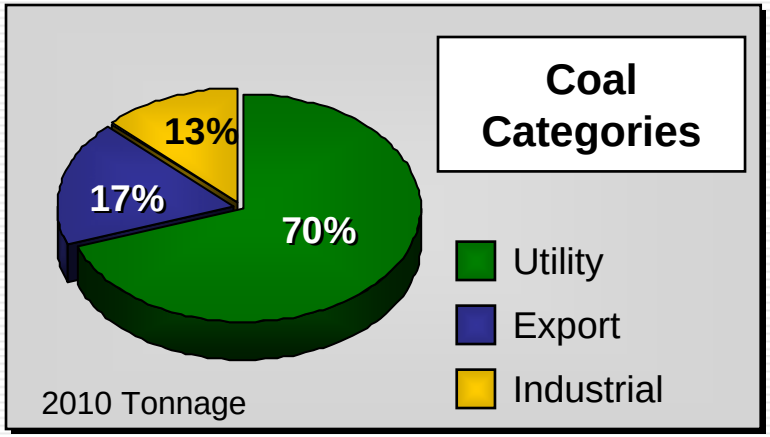


Coal revenue growth was strong in 2010

Revenue $3,267M Volume 1,573K RPU $2,077

Full-year 2010 Year-Over-Year Change

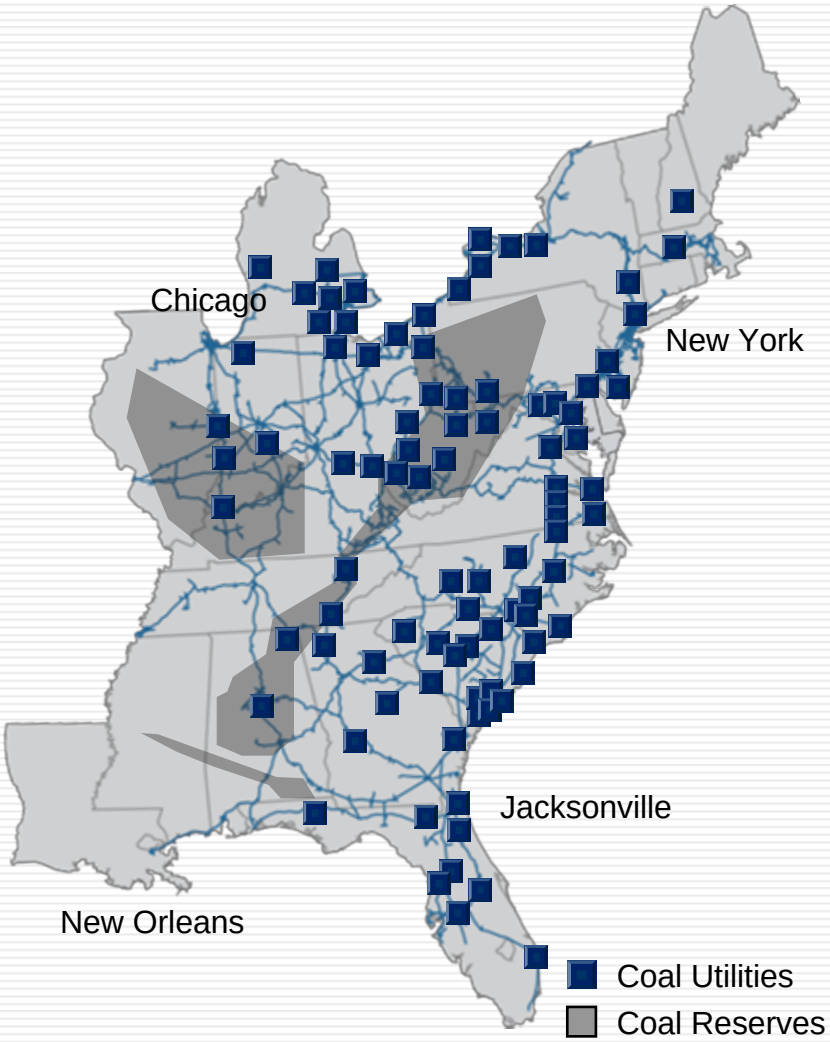




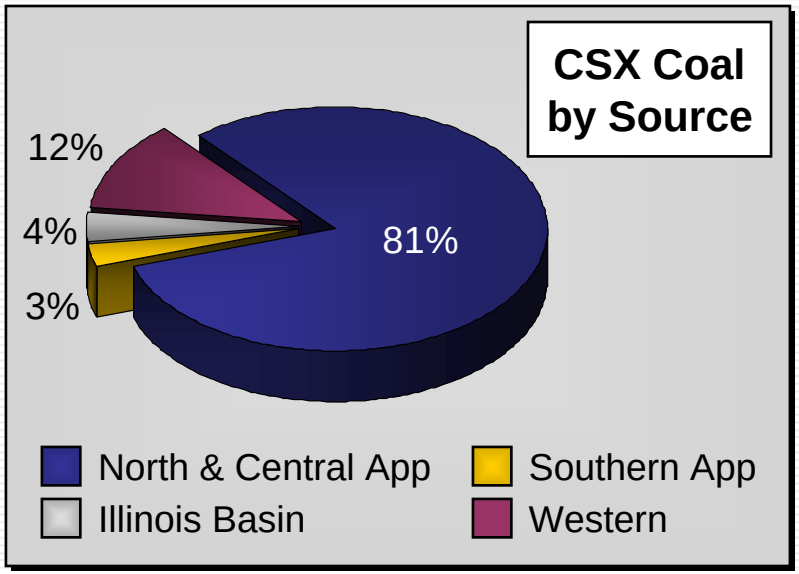
Volume based on carloads

- Full-year summary
  - *Increased exports driven by Asian and European markets*
  - *Shipments to utility customers down due to high inventory levels and low natural gas prices*
- Ongoing drivers
  - *Export demand expected to be 35-40 million tons in 2011*
  - *Continued softness likely in domestic utility and industrial demand*

Domestic coal portfolio is diversified



- CSX sources coal from approximately 125 distinct origins
- Coal is shipped to nearly 200 destinations



CSX producers and receivers are also varied

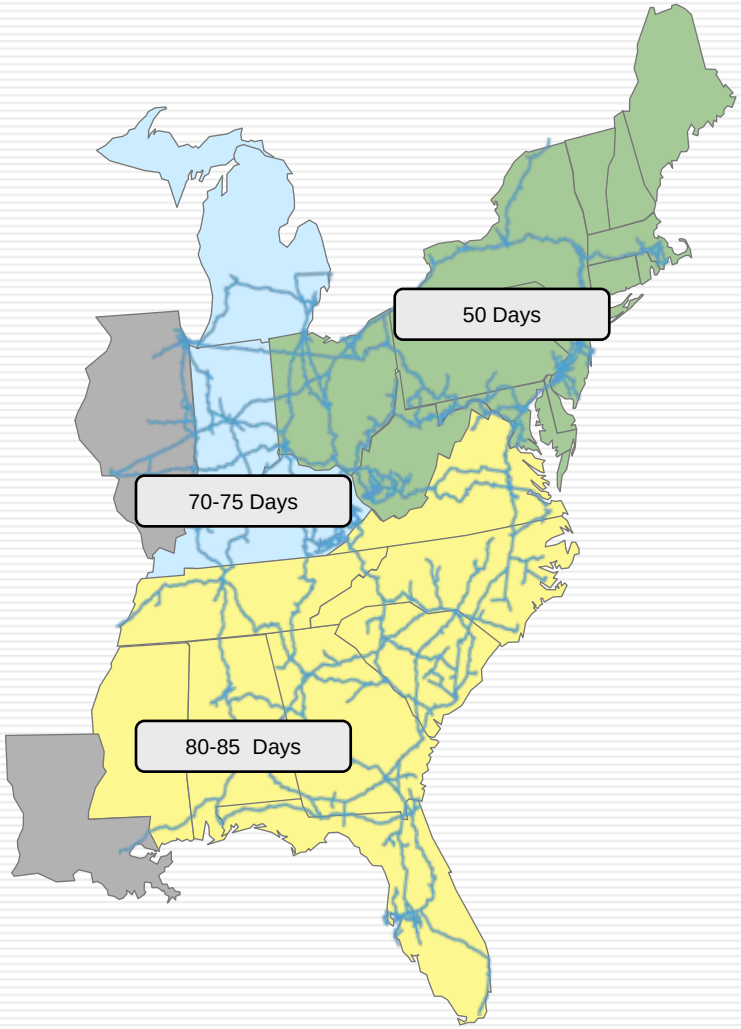
Top CSX Coal Producers

- Alliance Coal
- Alpha Natural Resources
- Arch Coal
- Consol Energy
- International Coal Group
- James River Coal
- Jim Walters Resources
- Massey
- Patriot
- TECO Coal

Top CSX Coal Receivers

- Dominion Resources
- Duke Energy
- Mirant Americas
- Progress Energy
- Seminole Electric
- South Carolina Electric & Gas
- South Carolina Public Service Authority
- Southern Company
- Tennessee Valley Authority
- U.S. Steel

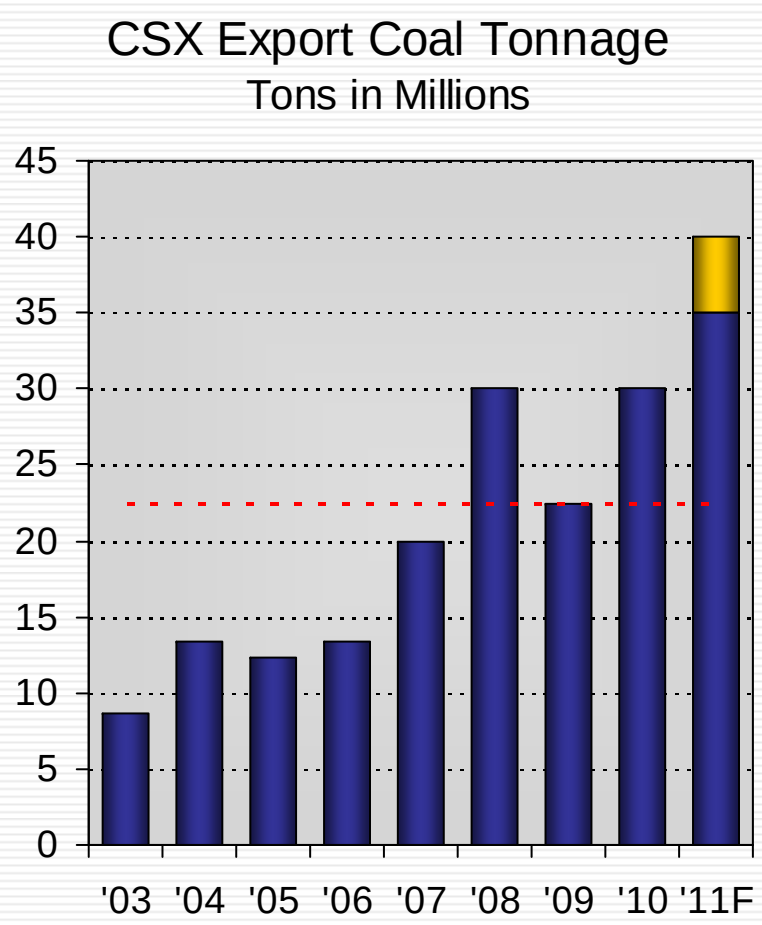
Energy demand & weather drive domestic volumes



Source: PIRA Energy February 2011 estimates

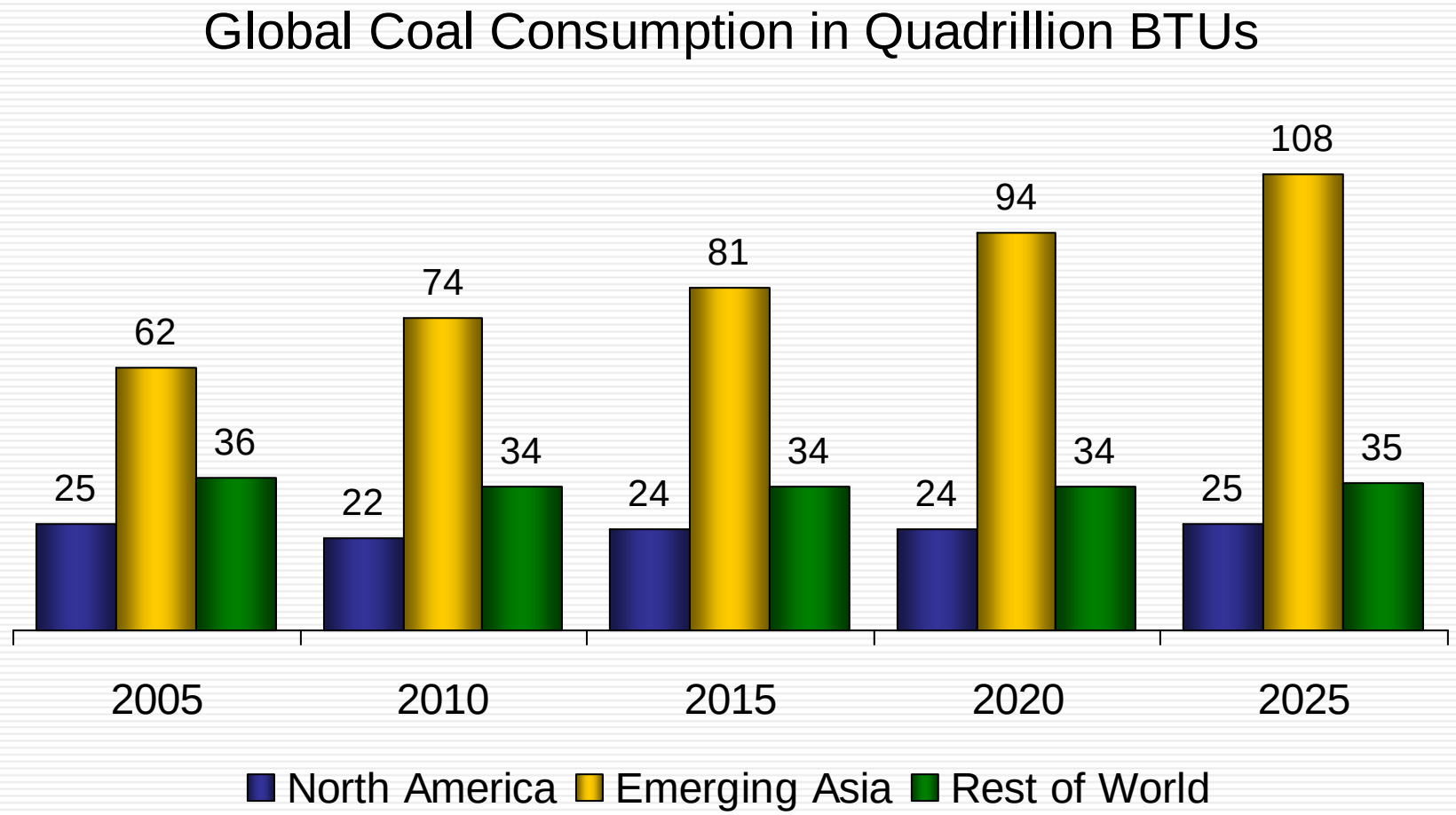
- Eastern U.S. averaging inventory of 68 days
  - *Down 25% from peak*
  - *10% below prior year level*
- Industrial energy demand likely to be neutral in 2011
  - *Coal faces ongoing competition from alternate sources*
- CSX remains confident on export coal shipments

Export coal is a strong growth story since 2007



- Demand for export coal from the U.S is growing
- CSX expects to ship 35 – 40 million tons during 2011
  - *Shipped 30 million tons in 2010*
- Long-term global demand for coal expected to remain strong
  - *Demand is also broad-based*
- Capacity in place near-term and scalable longer-term

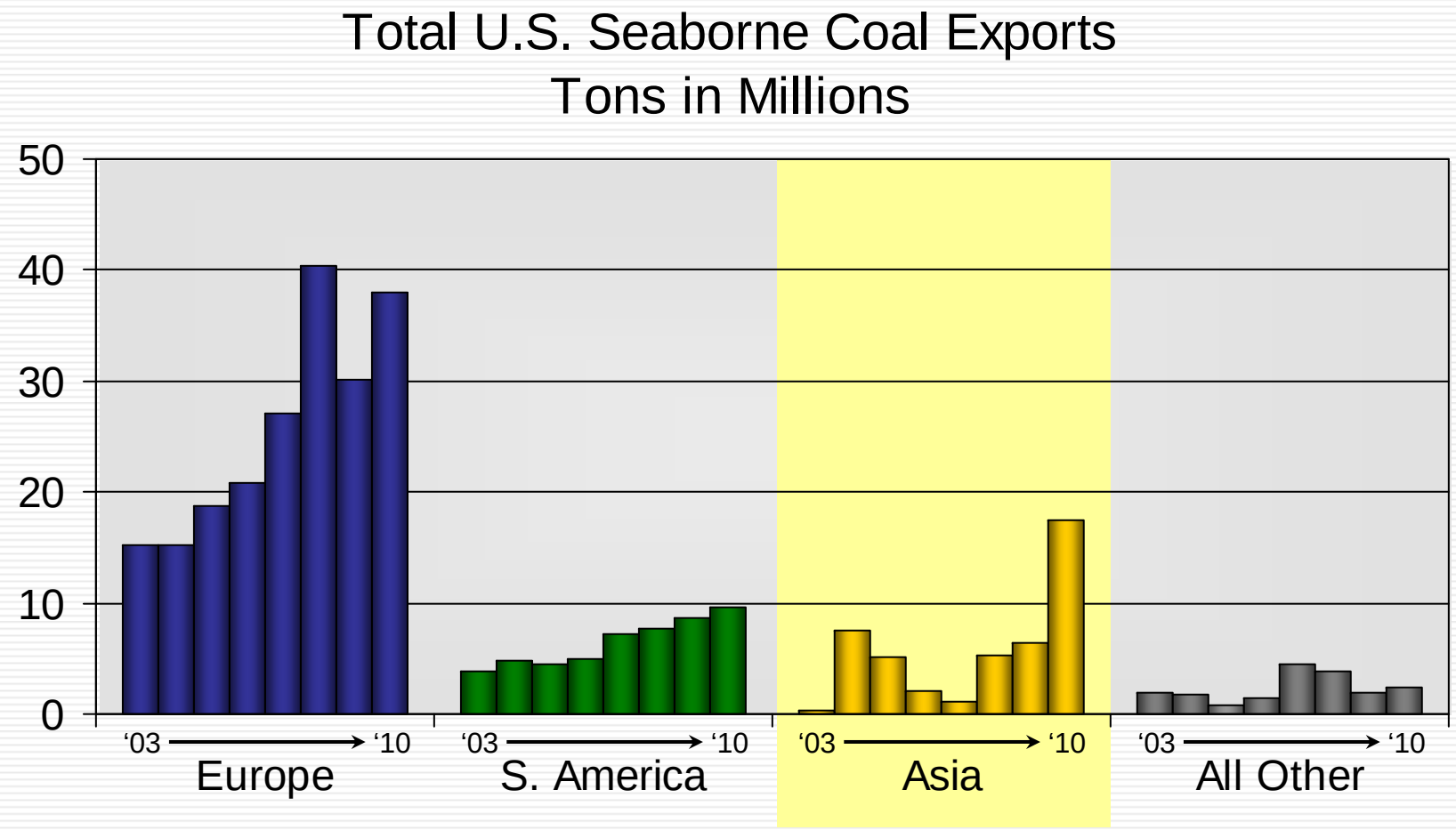
Global coal demand expected to remain strong



Source: U.S. Energy Information Administration

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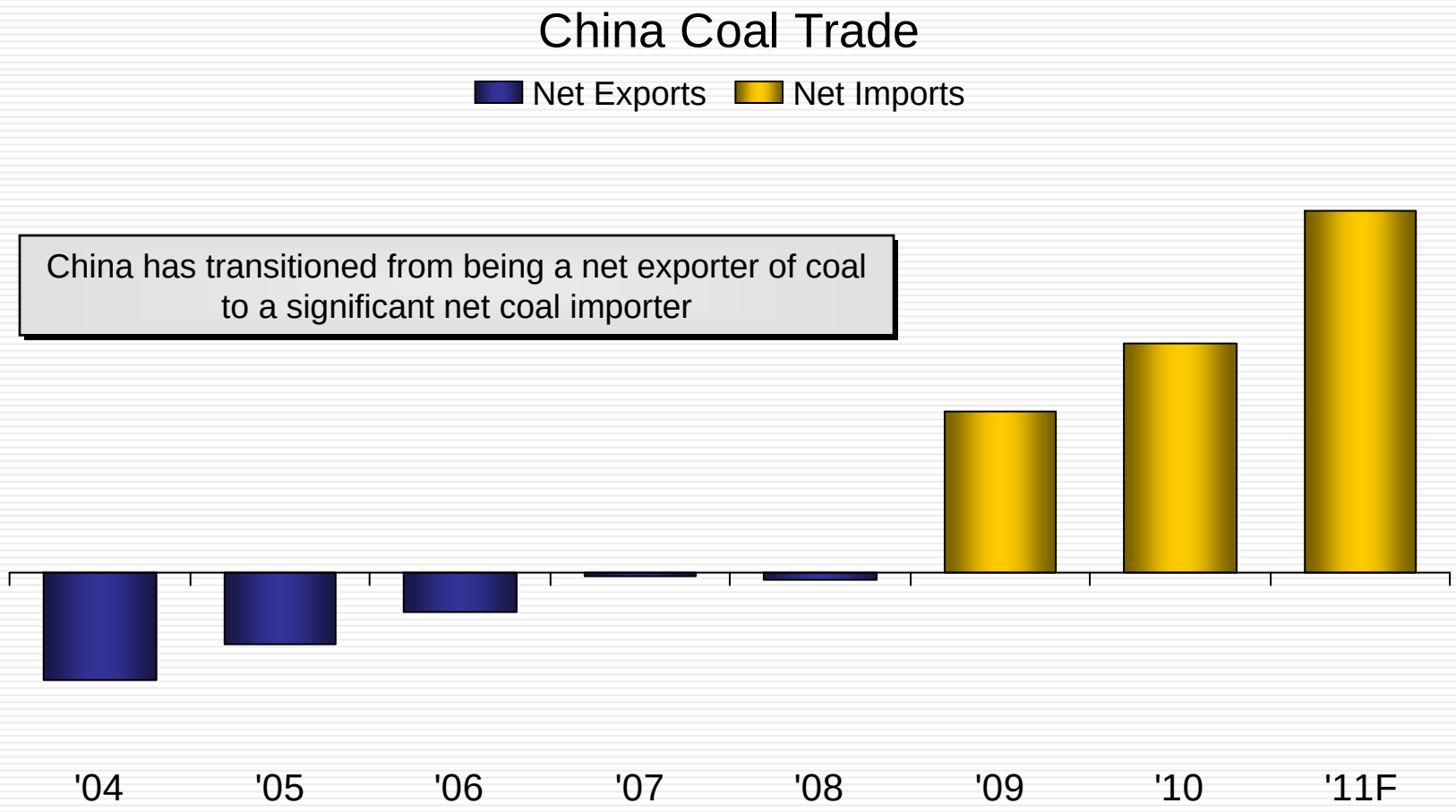
Europe remains largest importer; Asia growing fast



Source: Energy Information Administration; 2010 data is based on year-to-date figures through third quarter annualized

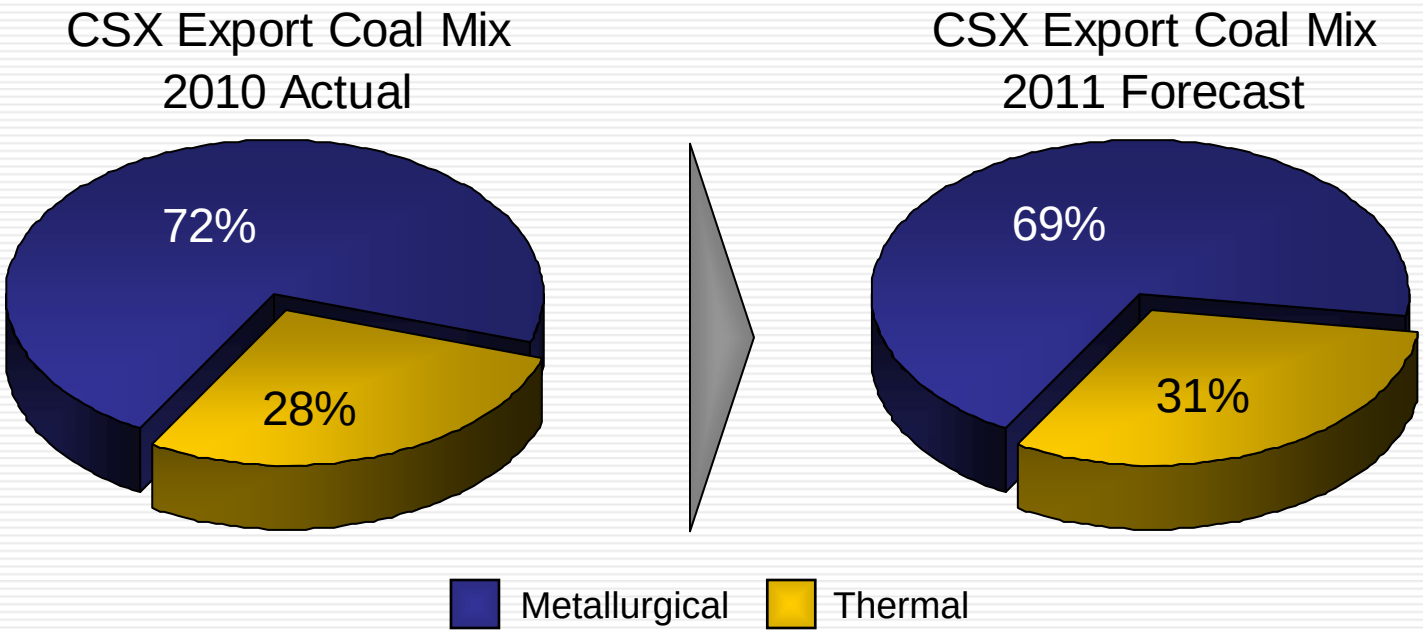
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Change in China coal demand creates opportunity



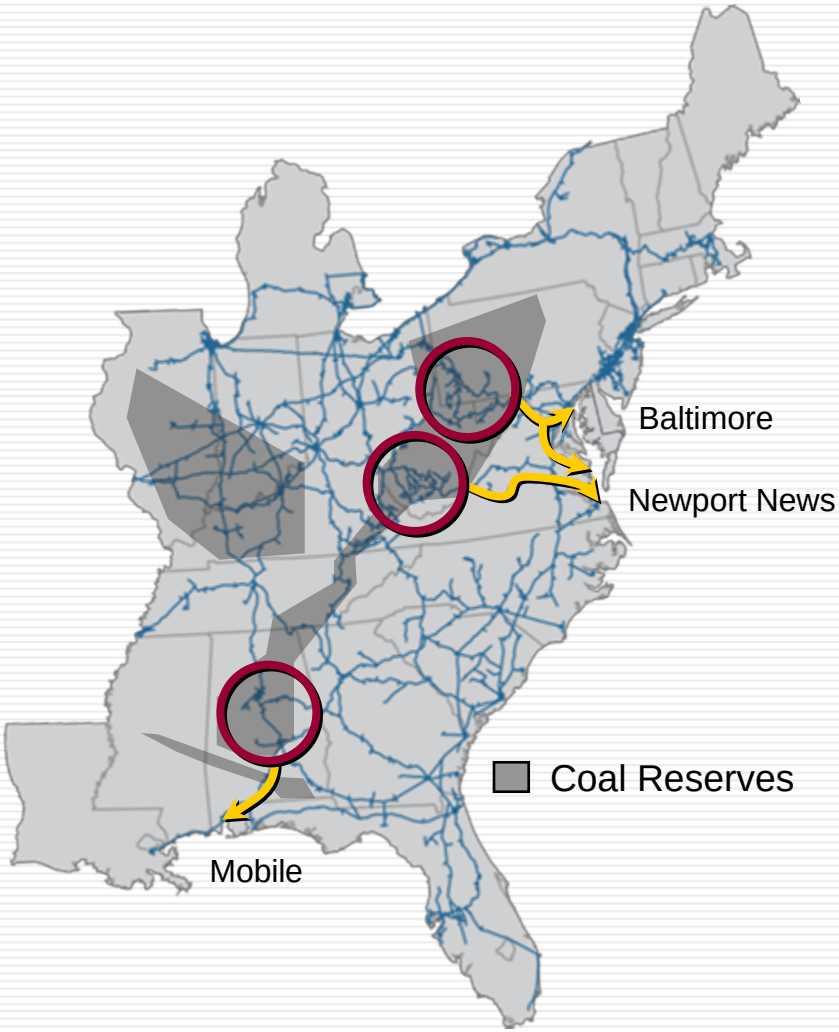
Sources: Energy Information Administration and China's General Administration of Customs

Thermal share of exports likely to increase in 2011



- Thermal growth anticipated as European prices increase
- With world supply tightening, the U.S. emerges as a stable supplier with strong reserves of high-vol metallurgical coals

CSX expects growth in all major export locations



Baltimore

- Two piers — Curtis Bay is CSX-owned and operated, while Consol is private
- 27% of 2010 export volume

Newport News

- Two piers — Kinder Morgan and DTA are both privately owned
- 58% of 2010 export volume

Mobile

- One pier owned by the state
- 15% of 2010 export volume

Volume based on carloads