

2011 CITI INVESTMENT RESEARCH
GLOBAL INDUSTRIALS 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, taxes, liquidity, capital expenditures, share repurchases, dividends 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.

Current environment moderating; long-term intact

- Domestic and global economy growing at a slower pace
  - *Near-term growth still expected, but likely at lower rate than originally expected*
- Most CSX markets are holding up well quarter-to-date
  - *Year-over-year growth in Merchandise in-line with second quarter and declines in Coal are moderating; Intermodal growth softer on international trade*
- Long-term environment still remains favorable
  - *Opportunities provide strong upside for shareholders*

U.S. economic projections for 2011 have moderated

Key U.S. Indicators	Aug Fcst	Current Fcst
GDP	1.6%	1.5%
IDP	3.6%	3.7%
NALV Production	12.9M	12.9M
Imports	5.0%	4.9%
PMI – Manufacturing	50.6	50.6
Customer Inventories	46.5	46.5
Electricity Generation	0.5%	0.5%

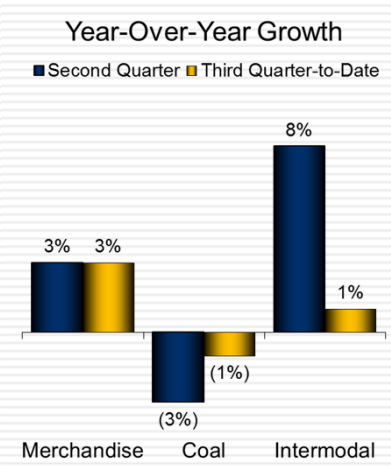
- Macro and industrial economy is still exhibiting growth
- Automotive is recovering from Japanese supply disruptions
- While import growth is strong, consumer sentiment is weak
- Manufacturing has slowed, but inventories remain low
- Trends for coal-fired power generation are favorable

Source: Global Insight, Institute of Supply Management, EIA

Impact of global economic trends mixed for CSX

- European GDP forecast is now 1.7% for 2011
  - *Eurozone debt issues persist*
- Global oil demand has declined
  - *Although crude oil price remains steady above $80*
- Emerging economies continue to show solid growth
  - *However, expectations have moderated*
- Exports remain strong year-over-year
  - *Export of coal and phosphates show significant growth over 2010 levels*

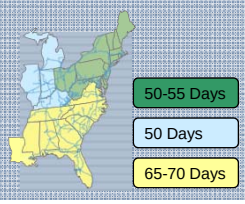
Quarter-to-date, CSX's volume is up 1% overall



- Merchandise continues to grow at solid rates
  - *Reflects solid industrial growth*
- Coal declines are moderating on continued export strength
  - *Domestic electricity generation and stockpiles are improving*
- Intermodal growth softer on international trade
  - *Expecting a later, more contracted fall peak*
  - *New customers coming online*

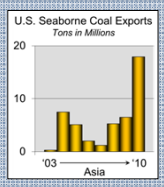
Still expecting overall coal growth in second half

Domestic Coal



- Utility inventories have declined
  - *Currently at 55 days in the east*
  - *Down over 40% from 2009 peak and down 8% from last year*
- Industrial energy demand is likely to remain flat

Export Coal



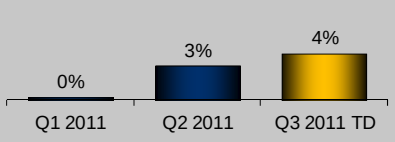
- Asian demand up significantly
  - *Growth moderating on higher base*
- Australia coming back on-line
  - *Minimal U.S. impact anticipated*
- U.S. resources coming on-line

Sources: PIRA Energy August 2011 estimates and Energy Information Administration

Intermodal long-term growth story still intact

Domestic Market

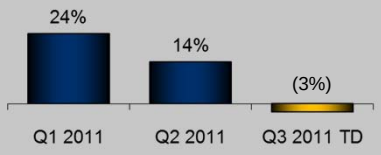
Year-Over-Year Change in Volumes



- Steady, profitable growth driven by over-the-road freight conversions
- Customer focus and service reliability drive strong value
- Expanding/opening new markets to leverage Northwest Ohio facility

International Market

Year-Over-Year Change in Volumes

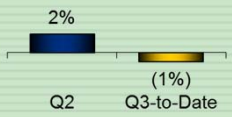


- Cycling 2010 customer gains and impacts of current environment
- Expecting later and more contracted fall peak shipping season
- Capitalizing on terminal network expansions and service product
  - *Maersk comes online in Jan 2012*

Merchandise markets are generally holding strong

Agricultural

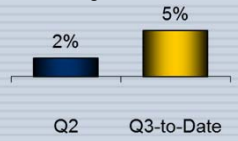
Year-Over-Year Change in Volume



- Agricultural products and phosphates slowed by Midwest flooding
- High corn prices have impacted feed grain
- Recent strength in short-haul phosphates

Industrial

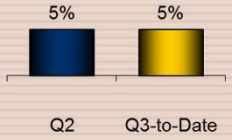
Year-Over-Year Change in Volume



- Japanese tsunami impact is reversing; auto showing signs of strength
- Increased export and domestic demand for scrap and sheet steel

Housing & Construction

Year-Over-Year Change in Volume



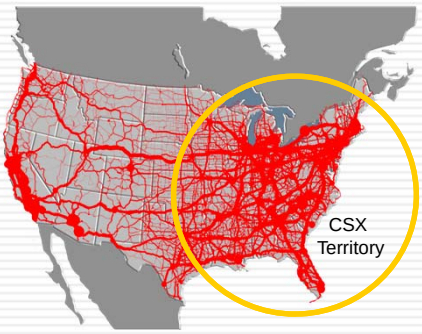
- Increased pulp board and paper shipments for packaging products
- Improved shipments of cement, aggregates and waste

Long-term opportunities remain favorable for rails

- BRIC economies drive energy and infrastructure demand
  - *Expect long-term favorable trends for imports and exports*
- Over-the-road trucking challenges continue
  - *Rail-truckload partnerships will drive sustained growth*
- Auto demand picking up
  - *Supply chain disruptions from Japan have eased*

U.S. trends are favorable for CSX long-term

Eastern U.S. highway congestion favors rail transportation long-term



- CSX serves over two thirds of U.S. population
- Significant majority of U.S. consumption in the east
- Connects all mega-regions in the eastern U.S.
- Network positioned to compete for new businesses
- Superior market reach into Northeast and Florida

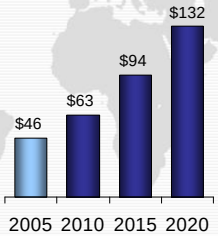
Source: USDOT FHWA Freight Analysis Framework

Rail demand also to benefit from global trends

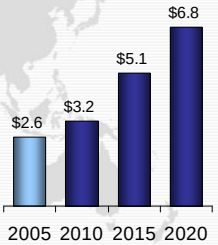
Global Population in Billions



Global GDP in Trillions

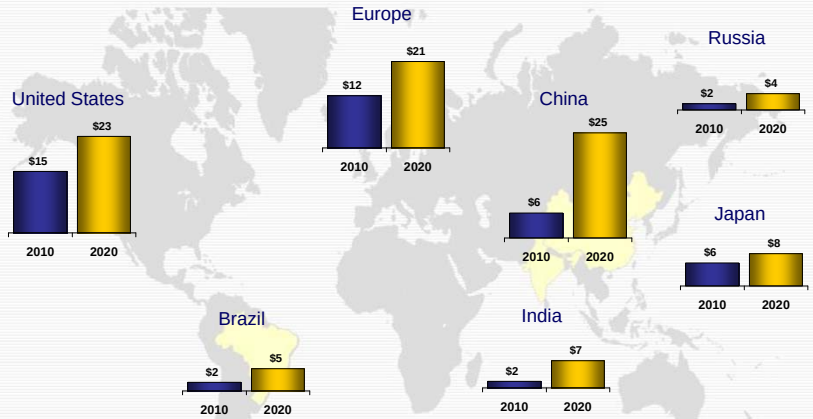


U.S. Import/Export in Trillions



Source: UN, Department of Economic and Social Affairs, Population Division (2011) – Global Insight

Global growth will be led by developing nations



Source: Global Insight GDP forecast (trillions of dollars); Europe includes Germany, UK, Spain, France, Italy, Netherlands

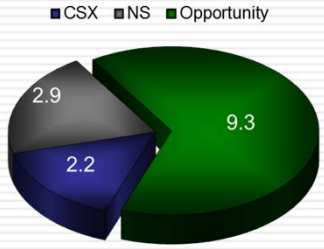
China, India, Brazil, and Europe drive export coal

- China driven by economic expansion
  - *Coal demand to increase 500 to 800 million tons by 2015*
- India faces strong growth and limited supply
  - *Projecting nearly 65% growth in demand over five years*
- Brazil lacks metallurgical coal and U.S. is natural supplier
  - *Demand driven primarily by steel production*
- Europe faces mine closures and supply diversion to Asia
  - *U.S. coal is competitive due to proximity and reliability*

Intermodal growth opportunity is also substantial

Domestic Opportunity

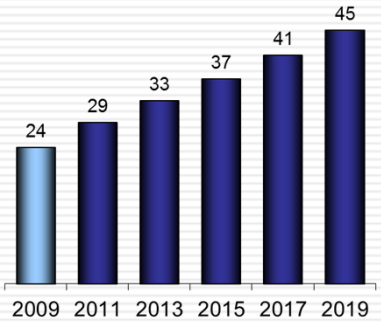
Total Market: 14 Million Units



Freight volume for lengths of haul over 550 miles

International Opportunity

U.S. Container TEU's in Millions



Sources: Global Insight's Transearch data, company reports, TTX, PIERS/JOC, TranSystems 2011

Wrap-up . . .

Capitalizing on Moderate Growth

- While expectations have moderated, still expecting H2 growth
- Most CSX markets performing at or above Q2 growth rates
- Strong and diverse portfolio provides confidence near & long-term

CSX Sectors Keeping Pace

- Strong export coal growth continues; utility inventories declining
- Merchandise driven by auto, metals, paper, emerging markets
- Intermodal growth slowed temporarily; still expecting shorter peak

Long-term Opportunity Intact

- BRIC economies will drive energy and infrastructure demand
- U.S. trends are favorable for CSX long-term
- Rail demand will also benefit from global trends



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