

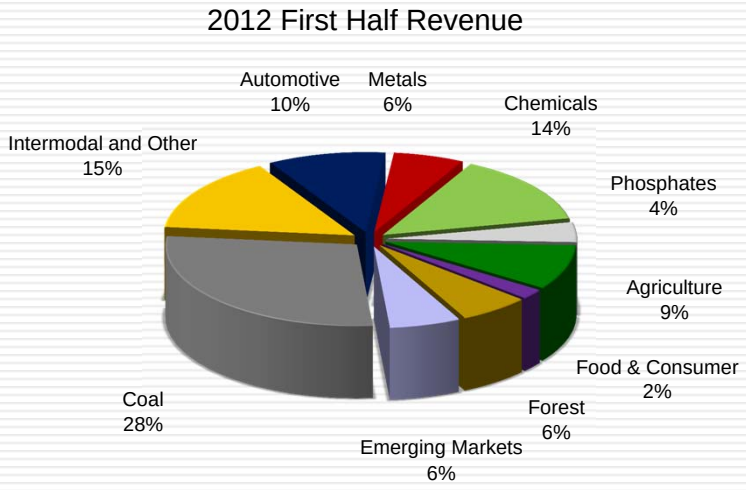
Forward-Looking Statements

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, 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.

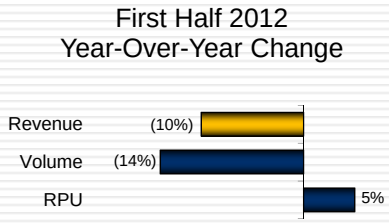
Coal accounts for 28% of CSX's total revenues

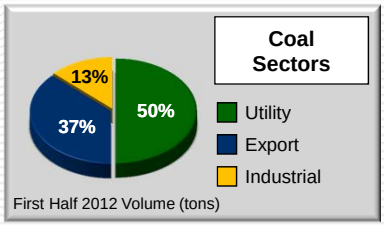


How tomorrow moves CSX

Coal revenue decreases 10%

Revenue $1,652M Volume 662K RPU $2,495

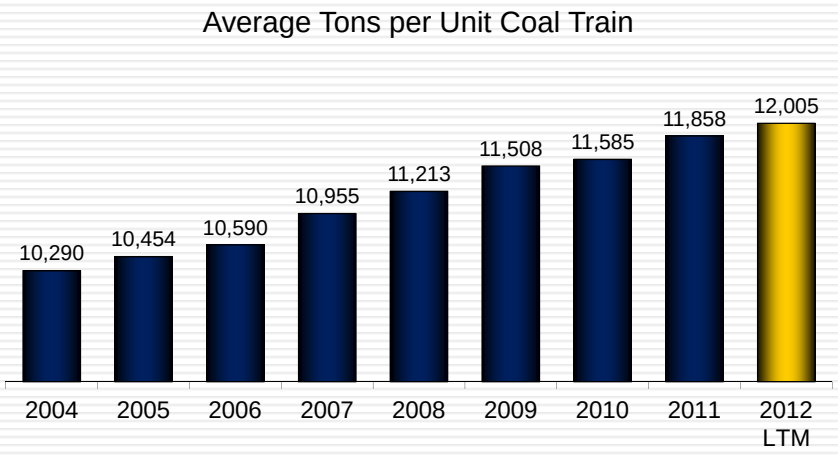




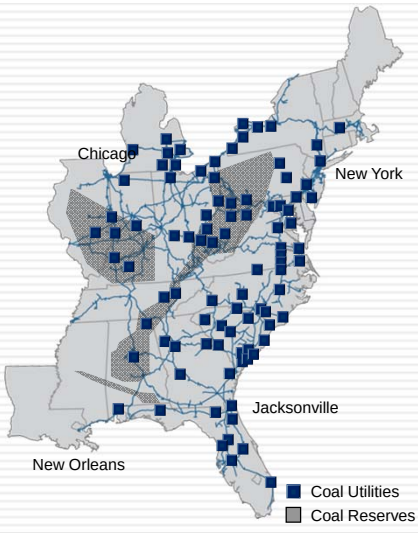
- First Half Summary
  - *Low natural gas prices and high inventories impact utility volume*
  - *Thermal coal demand drives increased export volume*
  - *RPU higher through strong pricing and favorable mix*
- Ongoing Drivers
  - *Export coal growth expected to moderate in second half*
  - *Full-year expectation for export coal remains above 2011 levels*
  - *Utility coal headwinds expected to moderate in second half*

How tomorrow moves CSX

CSX and customer efforts drive more tons per train

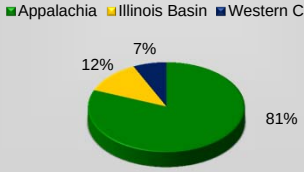


Domestic coal sources and destinations are diverse



- CSX sources coal from about 125 origins
- Coal is shipped to nearly 150 destinations
  - *Including about 90 utilities*

Sources for Total Coal Shipments



CSX producers and receivers are also varied

Top CSX Coal Producers

- Alliance Coal
- Alpha Natural Resources
- Arch Coal
- CONSOL Energy
- Eagle Industries
- James River Coal
- Patriot Coal
- TECO Coal
- Trinity Coal
- Walter Energy, Inc.

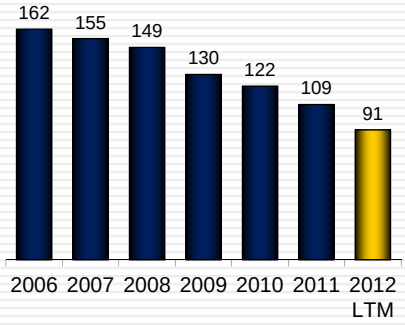
Top CSX Coal Receivers

- AK Steel
- Ameren CIPS
- Consumers Energy
- Duke Energy
- First Energy
- Genon Energy
- S. Carolina Electric & Gas
- S. Carolina Public Service Authority
- Southern Company
- U.S. Steel

Note: Producers and receivers are listed in alphabetical order

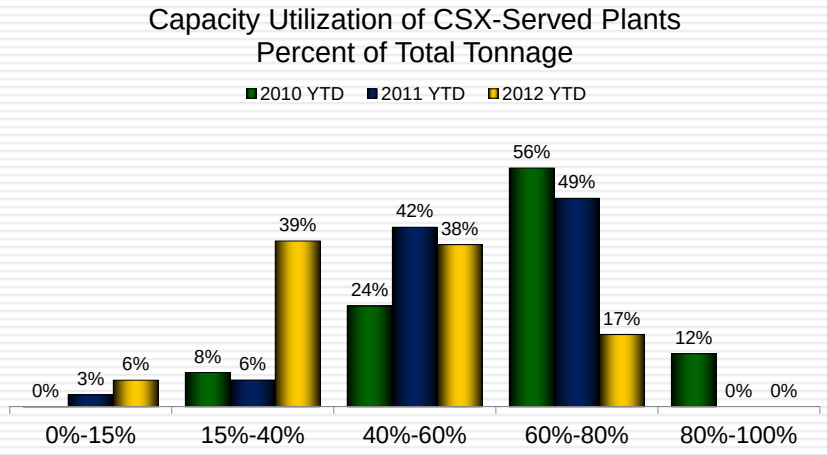
Domestic coal demand is down from 2006 peak

CSX Domestic Utility Coal
Tons in Millions



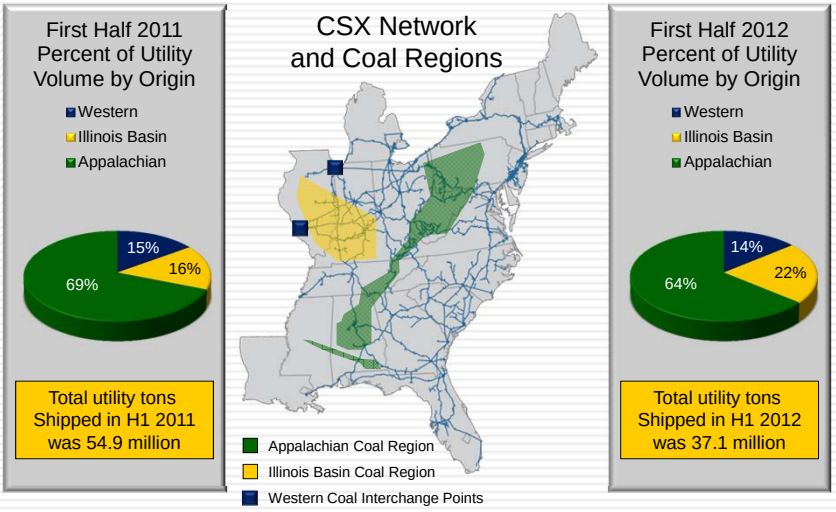
- Low natural gas prices driven by supply gains
- Utilities are facing higher than normal stockpile levels
- Many older, less efficient plants have been idled
  - *Anticipated later closure due to environmental regulation*

Current dispatch rate of CSX-served utility plants

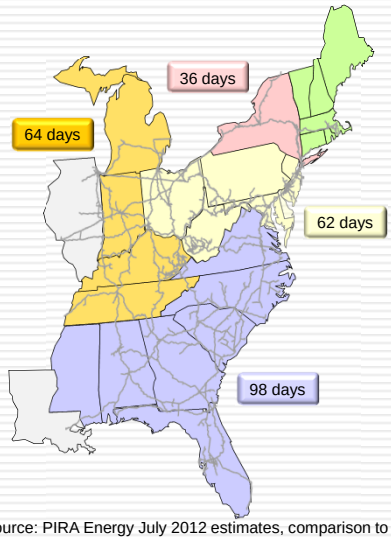


Source: SNL Energy, with year-to-date April data for each of the three years

CSX well positioned to move coal from all sources



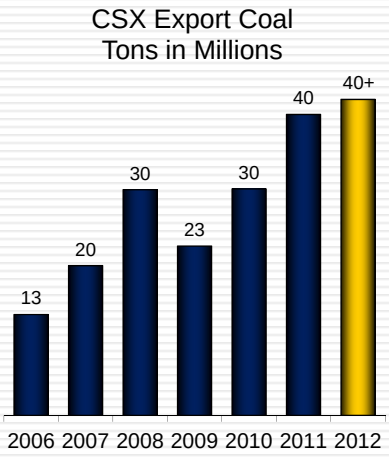
Utility stock piles declining, but still above normal



- Eastern U.S. averaging inventory of 76 days
  - *2 days below normal in New York market*
  - *7 days above normal in Midwest market*
  - *15 days above normal in Mid-Atlantic market*
  - *40 days above normal in southeast market*

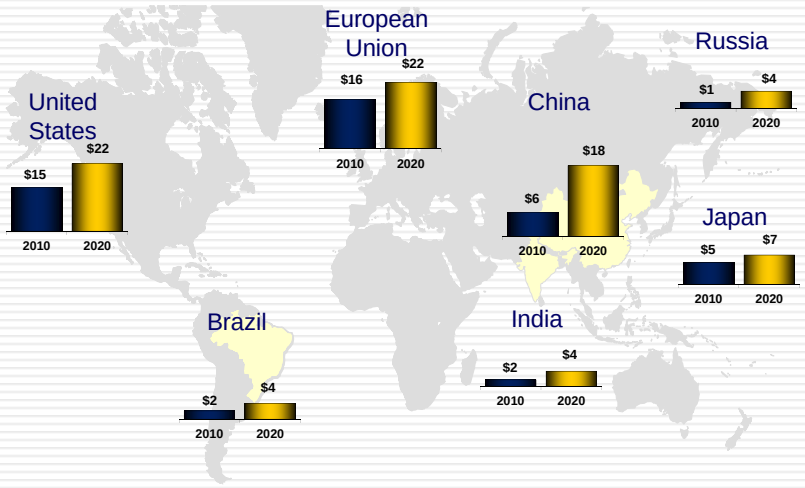
Source: PIRA Energy July 2012 estimates, comparison to normal is July 2006 - 2010

Export coal is a strong growth story for CSX



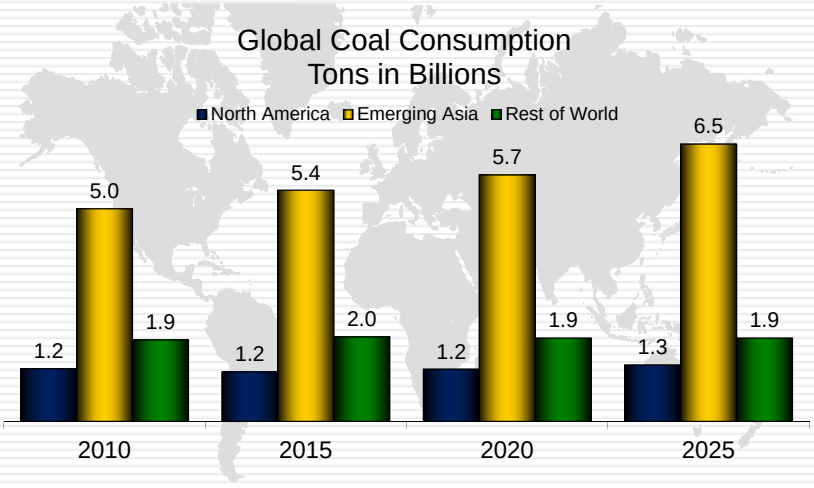
- Demand for export coal from the U.S is growing
- CSX expects to ship over 40 million tons in 2012
- Long-term global demand for coal likely to remain strong
- Capacity in place near-term and scalable longer-term

Global GDP growth is led by developing nations



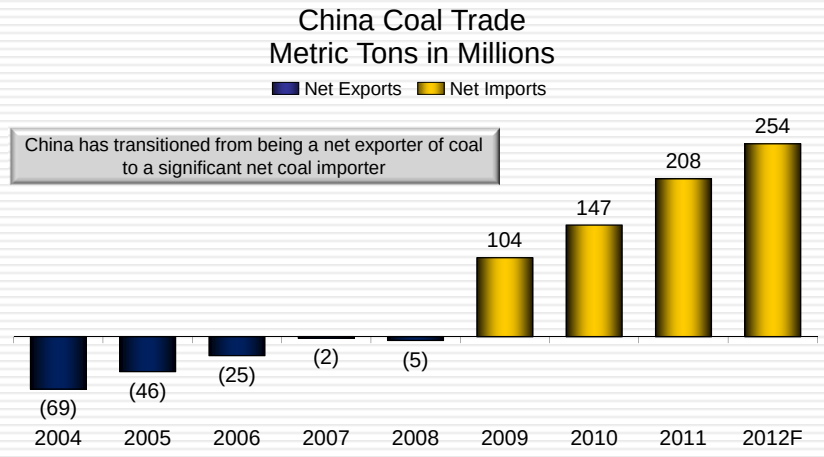
Note: GDP expressed in trillions. Source: International Monetary Fund, World Economic Outlook Database, April 2012

Long-term global growth driven by Asian economies



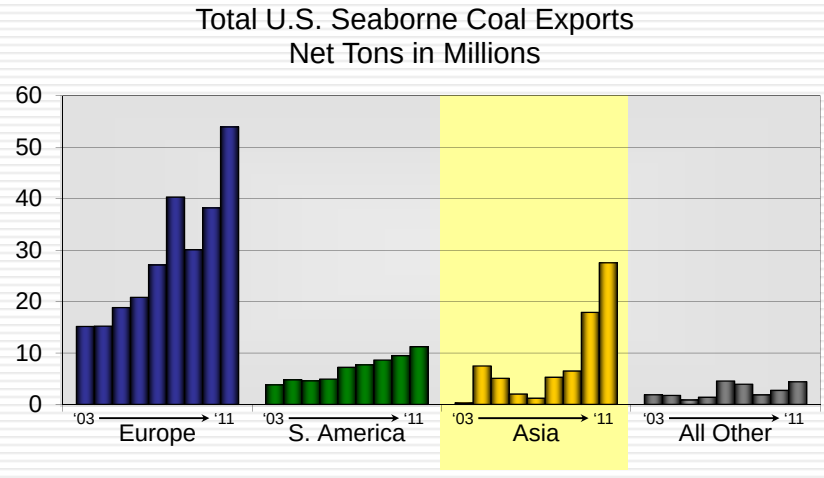
Source: U.S. Energy Information Administration

Change in China coal demand creates opportunity



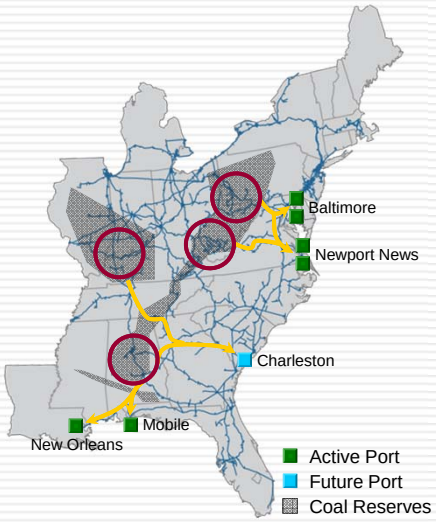
Sources: Energy Information Administration, Doyle Trading Consultants, & China Coal Resource

Seaborne demand for U.S. coal is increasing



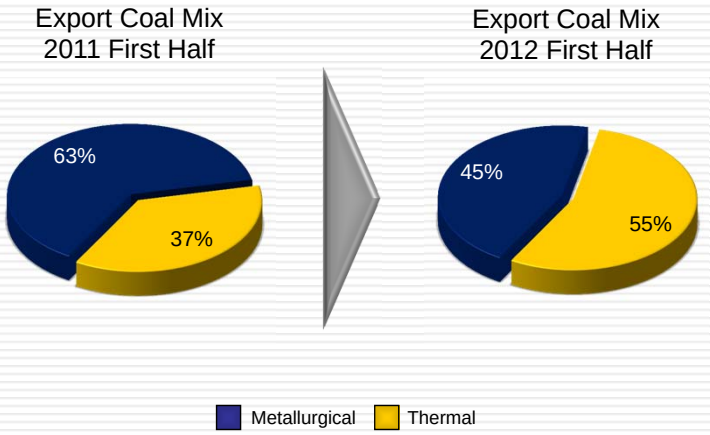
Source: Energy Information Administration

CSX serves multiple ports, all with ground storage



- Baltimore, MD (2 terminals)
  - *Northern Appalachia*
- Newport News, VA (2 terminals)
  - *Northern and Central Appalachia*
- Mobile, AL
  - *Southern Appalachia*
- New Orleans, LA
  - *Southern Appalachia*
- Charleston, SC
  - *Southern Appalachia and Illinois Basin*

Thermal share of exports increases in 2012



Export coal operations at Curtis Bay . . .



- Cape-size ship, docked at Curtis Bay, is largest class of dry bulk vessel
- The vessel measures 850 feet from bow to stern and is 145 feet wide
- Several of these type vessels are loaded each month at Curtis Bay

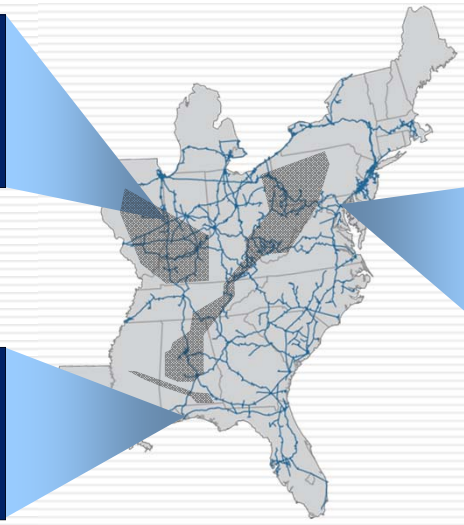


- From the bridge of the vessel, eight cargo holds can be seen
- Each cargo hold is capable of loading 200 carloads of coal

Recent investments position CSX well

Illinois Basin

Line additions have increased CSX's access to the rapidly growing production of this region



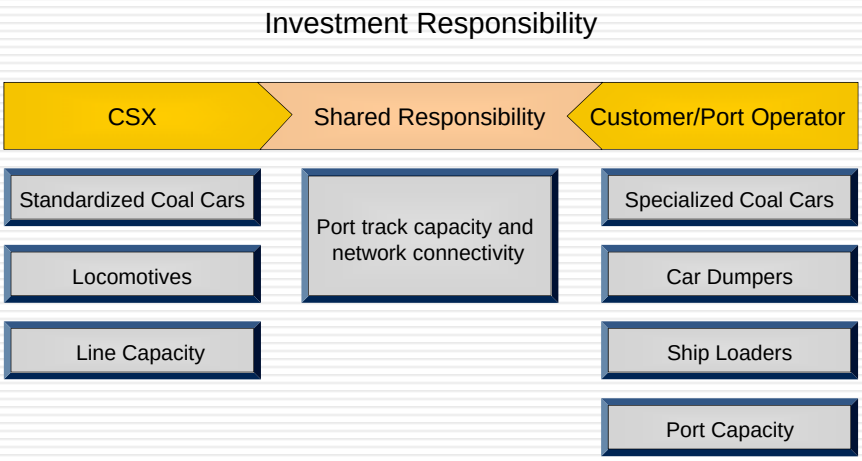
Baltimore

Investments made to improve throughput capacity at CSX's Curtis Bay Terminal

Mobile

Recent investment by the state increased throughput and CSX network investments have improved access

Customers will share in future investments



How tomorrow is taking shape for coal . . .

Domestic Coal Environment

- Utility coal weakness expected to continue
  - *Although headwinds are expected to moderate in the back half of the year*
  - *CSX adjusting resources that serve utility market*
- CSX will continue pricing above rail inflation
  - *Providing a more valuable service as coal shifts from base load to peak load*

Export Coal Environment

- U.S. emerging as a growing supplier of coal globally
  - *Developing economies driving long-term demand, with volatility in short-term*
  - *Strategic investments by CSX and customers capitalize on long-term growth*