



## 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](http://www.sec.gov) and the company's website at [www.csx.com](http://www.csx.com).

## Executive Summary

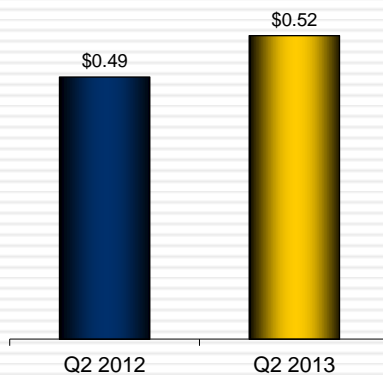
Michael Ward  
Chairman, President and  
Chief Executive Officer

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## Second quarter performance . . .

Volume 1,656K    Revenue \$3,069M    Operating Income \$963M    Operating Ratio 68.6%    EPS \$0.52

### Earnings Per Share

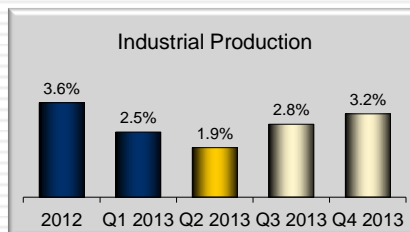
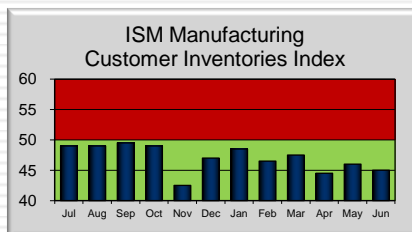
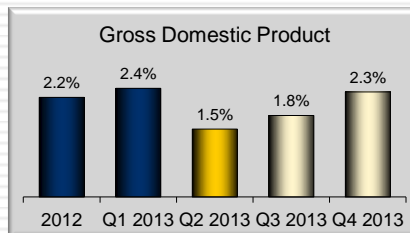
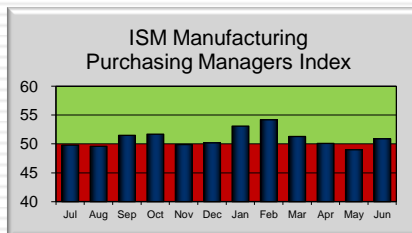


- Revenue growth
  - Solid pricing and volume growth offset the impact of negative mix
- Operational excellence
  - Safety, service and efficiency continue to drive superior results
- Financial results
  - Operating income increases 2% to a record \$963 million
  - Operating ratio improves 10 bps to a record 68.6%

## Sales and Marketing Review

Clarence Gooden  
Executive Vice President  
Sales and Marketing

## Macro-environment remains conducive for growth

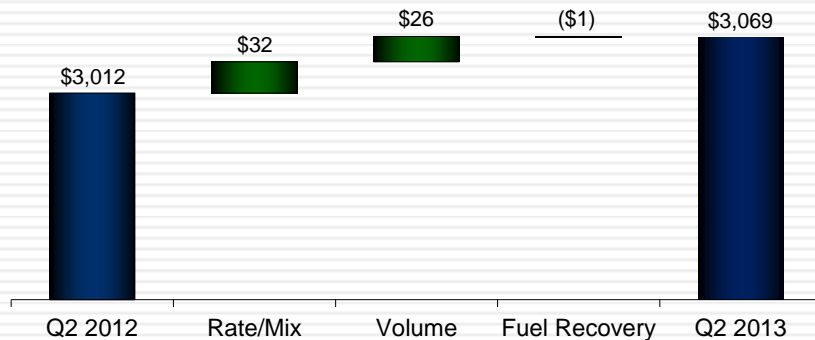


Source: ISM and Global Insight, with quarterly figures representing the year-over-year change

## Revenue up slightly year-over-year

Revenue \$3,069M Volume 1,656K RPU \$1,853

### Second Quarter Revenue Dollars in Millions



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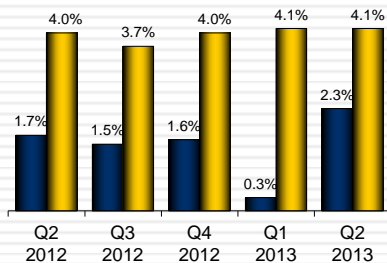
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## Pricing solid across nearly all markets

Revenue \$3,069M Volume 1,656K RPU \$1,853

### Same Store Sales Pricing Gains

■ Overall ■ Excluding Export Coal



- Inflation-plus pricing achieved in low-inflation environment
- Remain focused on pricing above rail inflation long-term
- Strong service is foundation for profitable growth

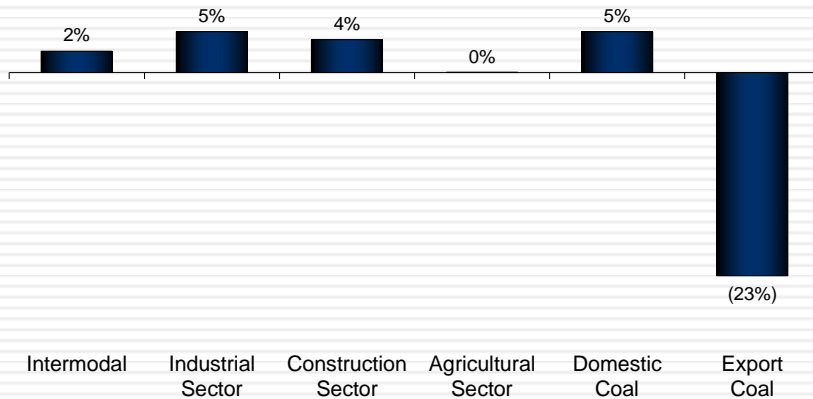
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## Volume increases 1% for the second quarter

Revenue \$3,069M Volume 1,656K RPU \$1,853

### Year-Over-Year Change in Volume



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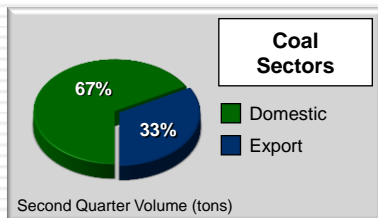
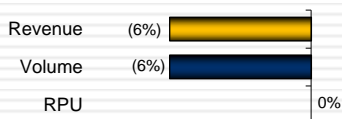
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## Coal revenue decreases 6%

Revenue \$770M Volume 310K RPU \$2,484

### Second Quarter Year-Over-Year Change



### Second Quarter

- Increased shipments of domestic coal on higher natural gas prices
- Export coal volume impacted by softer thermal demand
- Stronger domestic pricing offsetting lower export rates
  - Continue implementing contracts with fixed/variable components

### Ongoing Drivers

- Continue to expect domestic volume declines of 5-10% this year
- Still anticipate export volumes to be about 40 million tons in 2013

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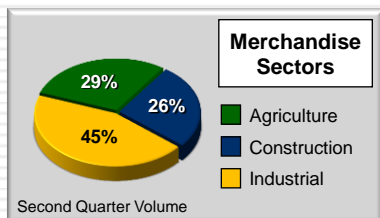
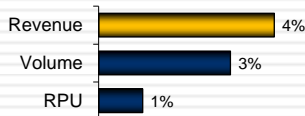
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## Merchandise revenue increases 4%

Revenue \$1,782M Volume 702K RPU \$2,538

### Second Quarter Year-Over-Year Change



### ■ Second Quarter

- Increased shipments of crude oil drives industrial growth
- Agricultural sector flat as fertilizer growth offset lower grain volume
- Increase in construction activity drives year-over-year growth

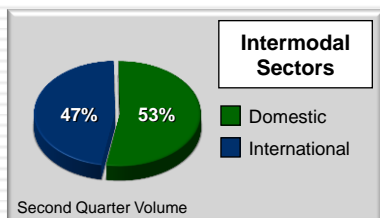
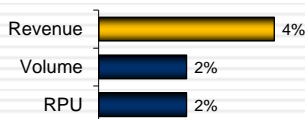
### ■ Ongoing Drivers

- Drilling activity continues to drive strong growth in industrial sector
- Higher anticipated crop yields to drive agricultural sector
- Continued recovery in housing benefiting construction sector

## Intermodal revenue increases 4%

Revenue \$425M Volume 644K RPU \$660

### Second Quarter Year-Over-Year Change



### ■ Second Quarter

- Record domestic volume driven by truck conversions and organic growth
- International volume up slightly as new services offset carrier port shifts
- Revenue per unit increases on favorable pricing

### ■ Ongoing Drivers

- Strong service levels and highway conversions driving profitable growth
- Strategic investments improving capacity and network operations



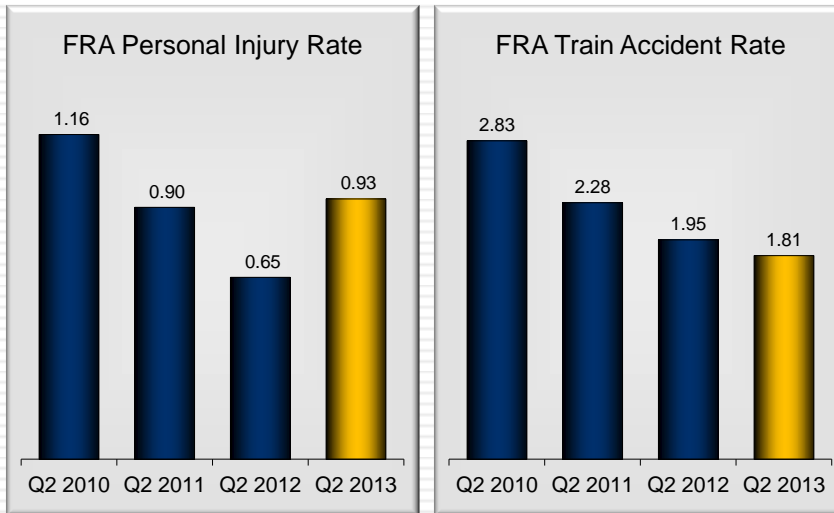
## Third quarter outlook is neutral to slightly favorable

Outlook	Markets	Drivers
Favorable 72% of volume	Agriculture Products	<ul style="list-style-type: none"> <li>Higher anticipated crop yields to support volume growth</li> </ul>
	Automotive	<ul style="list-style-type: none"> <li>Increase in light vehicle production</li> </ul>
	Chemicals	<ul style="list-style-type: none"> <li>Supported by continued growth in oil and gas markets</li> </ul>
	Intermodal	<ul style="list-style-type: none"> <li>H2R conversions and growth with existing customers</li> </ul>
	Metals	<ul style="list-style-type: none"> <li>Markets expected to stabilize as the year progresses</li> </ul>
	Phosphates & Fertilizers	<ul style="list-style-type: none"> <li>Restocking inventories and high crop prices support applications</li> </ul>
Neutral 11% of volume	Waste & Equipment	<ul style="list-style-type: none"> <li>Construction debris and environmental remediation projects</li> </ul>
	Food & Consumer	<ul style="list-style-type: none"> <li>Growth in appliances offset by lower food shipments</li> </ul>
	Forest Products	<ul style="list-style-type: none"> <li>Recovery in residential construction offset by lower paper volume</li> </ul>
Unfavorable 17% of volume	Minerals	<ul style="list-style-type: none"> <li>Increase in construction and replenishing salt inventories</li> </ul>
	Domestic Coal	<ul style="list-style-type: none"> <li>Demand is stabilizing although inventories still remain elevated</li> </ul>
	Export Coal	<ul style="list-style-type: none"> <li>Decreased demand for thermal shipments</li> </ul>

## Operations Review

Oscar Munoz  
Executive Vice President  
Chief Operating Officer

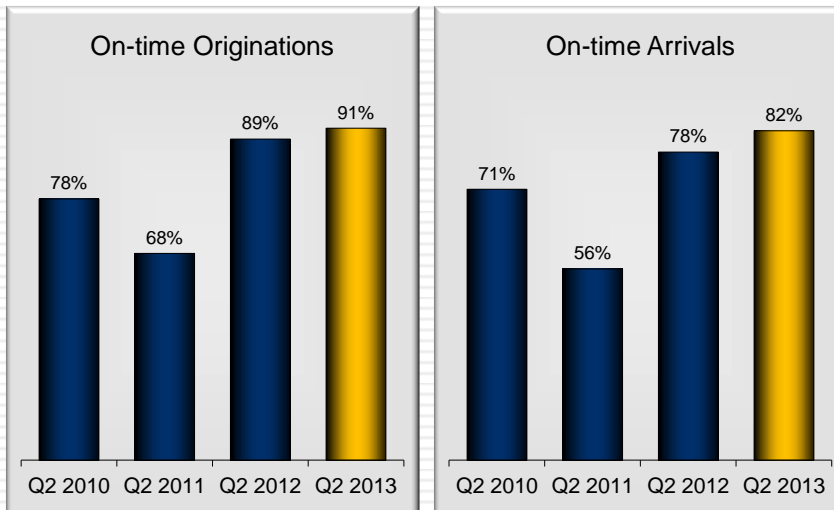
## Second quarter safety performance



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## On-time performance remains at record levels

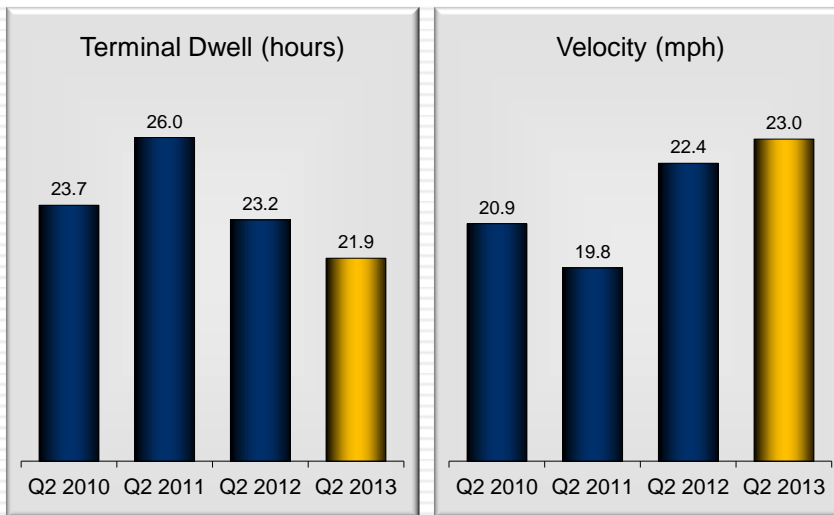


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## System performance continues strong momentum

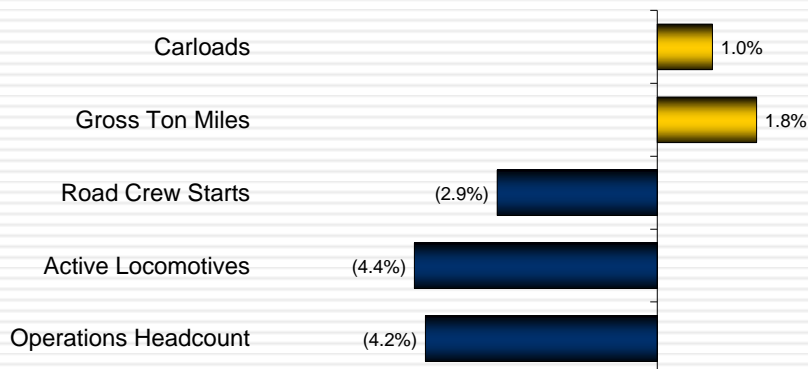


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## Resource management focus drives efficiency

### Second Quarter Year-Over-Year Change in Volume and Resources



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## Operations wrap-up . . .

**[ Safety ]** ■ Remain focused on continuous safety improvement

**[ Service ]** ■ Service measures sustained at record levels

**[ Efficiency ]** ■ Well on pace to exceed \$150 million in savings

**[ Solutions ]** ■ Solving problems for customers, addressing nation's freight needs, delivering shareholder value

## Financial Review

Fredrik Eliasson  
Executive Vice President  
Chief Financial Officer

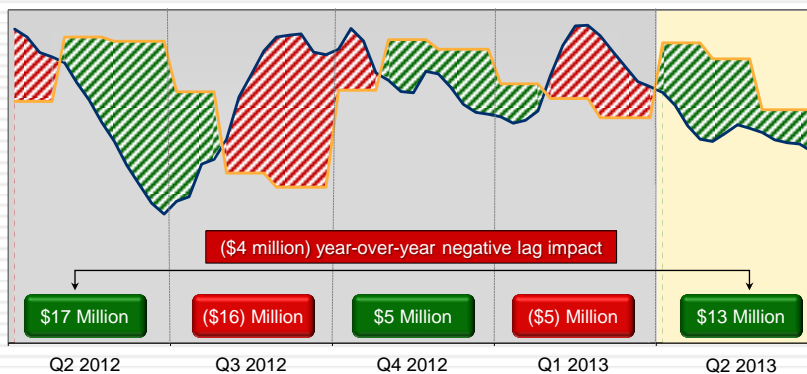
## Second quarter earnings summary . . .

Second Quarter Results			
Dollars in millions, except EPS	2013	2012	Variance
Revenue	\$ 3,069	\$ 3,012	2%
Expense	2,106	2,069	(2%)
<b>Operating Income</b>	<b>\$ 963</b>	<b>\$ 943</b>	<b>2%</b>
Interest Expense	(140)	(139)	
Other Income (net)	9	5	
Income Taxes	(297)	(297)	
<b>Net Earnings</b>	<b>\$ 535</b>	<b>\$ 512</b>	<b>4%</b>
Fully Diluted Shares in Millions	1,023	1,043	
<b>Earnings Per Share</b>	<b>\$ 0.52</b>	<b>\$ 0.49</b>	<b>6%</b>

## Fuel lag headwind is \$4 million year-over-year

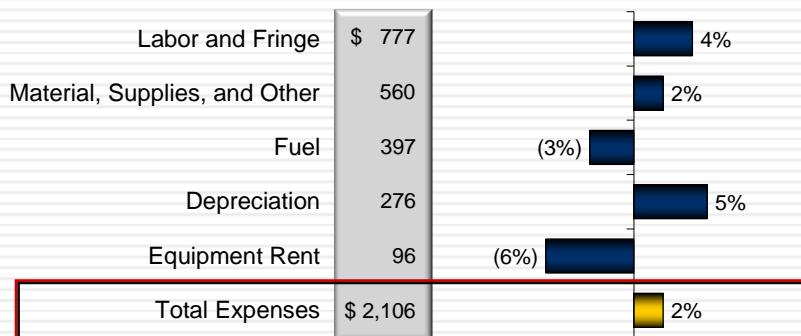
### Fuel Surcharge Lag Impact

— Weekly Highway Diesel — Monthly Highway Diesel (two-month lag) ▨ Negative Impact ▩ Positive Impact



## Total expense increases 2% overall

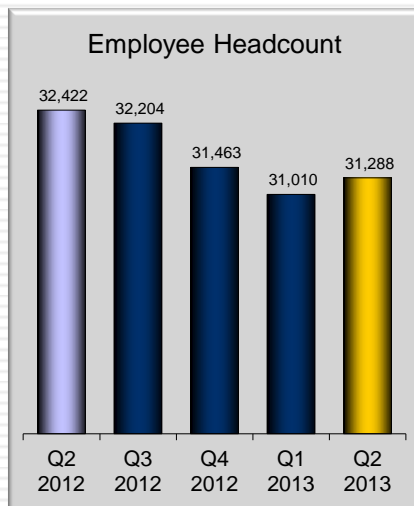
### Second Quarter 2013 Operating Expenses and Year-Over-Year Percentage Change



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## Labor and Fringe expense increases 4%



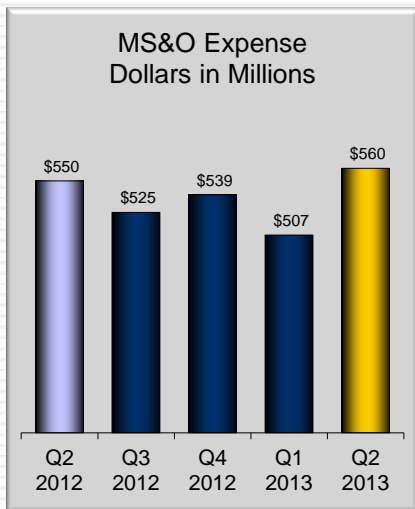
### Second Quarter Labor Analysis in Millions

2012 Labor Expense	\$ 744
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	Variance
Net Efficiency and Volume	19
Incentive Compensation	(24)
Inflation	(18)
Other	(10)
<b>Subtotal</b>	<b>(33)</b>
<b>2013 Labor Expense</b>	<b>\$ 777</b>

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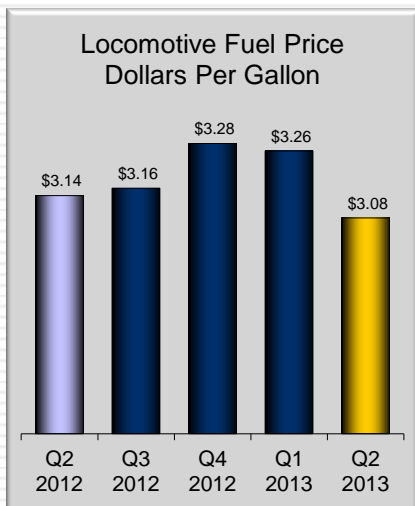
## MS&O expense increases 2%



### Second Quarter MS&O Analysis in Millions

2012 MS&O Expense	\$ 550
<hr/>	
	<u>Variance</u>
Real Estate Gains	16
Inflation	(10)
Train Accidents and Other	(16)
<b>Subtotal</b>	<b>(10)</b>
<b>2013 MS&amp;O Expense</b>	<b>\$ 560</b>

## Fuel expense decreases 3%



### Second Quarter Fuel Analysis in Millions

2012 Fuel Expense	\$ 410
<hr/>	
	<u>Variance</u>
Efficiency	10
Price	7
Volume and Other	(4)
<b>Subtotal</b>	<b>13</b>
<b>2013 Fuel Expense</b>	<b>\$ 397</b>

## Financial wrap-up . . .

- Earnings strong despite continued coal transition
  - *Certain items help produce record quarter and record first half*
- Second half earnings per share still faces key hurdles
  - *Coal remains challenged and certain first half items will not continue*
- 2013 EPS expected to be roughly flat with 2012
  - *First half performance enhances full-year outlook slightly*
- Remain on track to achieve long-term guidance
  - *High-60's operating ratio by 2015 and mid-60's longer-term*

## Concluding Remarks

Michael Ward  
Chairman, President and  
Chief Executive Officer

*Relentless pursuit of excellence . . .*



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A collage of three images: a CSX freight train on a track through a green landscape, a city skyline with a bridge over water, and a close-up of water droplets on a surface. The bottom right corner of the collage features the CSX logo and tagline on a blue background, which transitions into a solid yellow block.

**2013** SECOND QUARTER  
EARNINGS CONFERENCE CALL