



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.

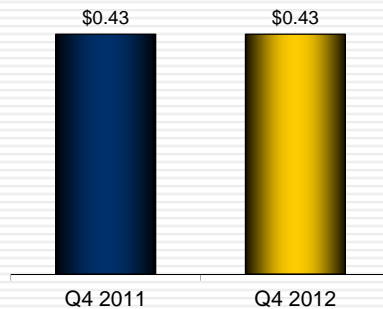
Executive Summary

Michael Ward
Chairman, President and
Chief Executive Officer

Fourth quarter performance . . .

Volume 1,567 Revenue \$2,884M Operating Income \$804M Operating Ratio 72.1% EPS \$0.43

Earnings Per Share



■ Revenue

- Coal headwinds more than offset merchandise and intermodal gains

■ Operational excellence

- Strong safety and superior service product drive excellent results

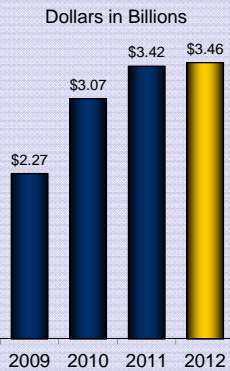
■ Financial performance

- Operating income declines 4% to \$804 million for the quarter
- Operating ratio is 72.1%, despite coal and economic headwinds

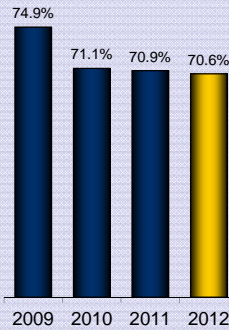
Full-year results continue steady improvement

Volume 6,409K Revenue \$11,756M Operating Income \$3,457M Operating Ratio 70.6% EPS \$1.79

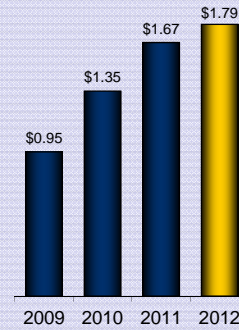
Operating Income



Operating Ratio



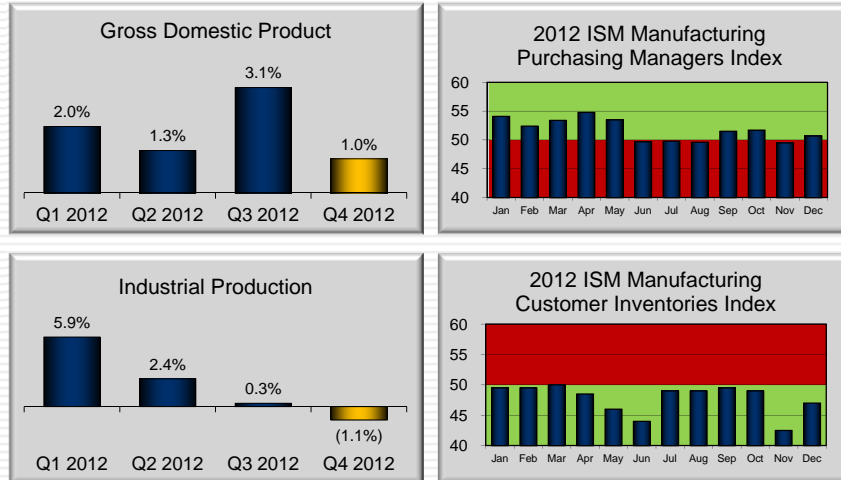
Earnings Per Share



Sales and Marketing Review

Clarence Gooden
Executive Vice President
Sales and Marketing

Macro-environment slowed in the fourth quarter

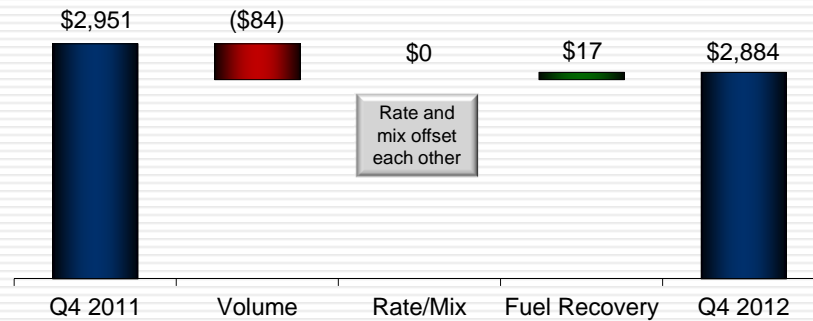


Source: Global Insight and ISM

Revenue decreases 2% year-over-year

Revenue \$2,884M Volume 1,567K RPU \$1,840

Fourth Quarter Revenue Dollars in Millions

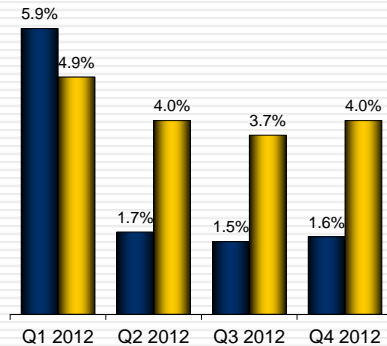


Pricing solid across nearly all markets

Revenue \$2,884M Volume 1,567K RPU \$1,840

Same Store Sales Pricing Gains

■ Overall ■ Excluding Export Coal



- Softening global coal market conditions drive export pricing
- Inflation-plus pricing achieved on remaining business
- Remain focused on pricing above rail inflation long-term
- Strong service product is the foundation for success

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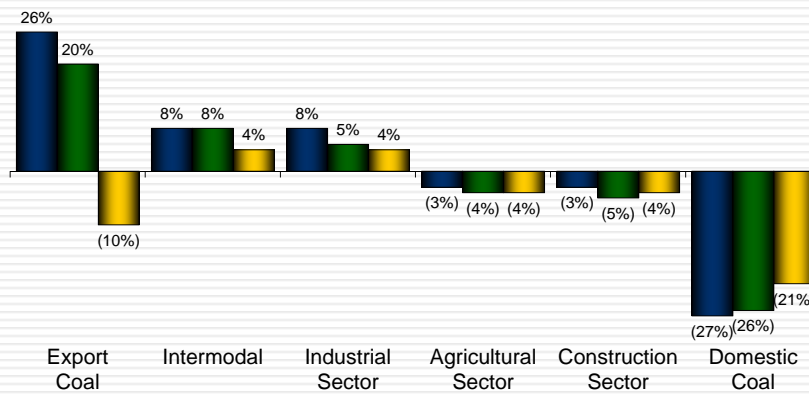
How tomorrow moves [CSX]

Volume declines 3% on moderating economy

Revenue \$2,884M Volume 1,567K RPU \$1,840

Year-over-year Change in Volume

■ First Half ■ Third Quarter ■ Fourth Quarter



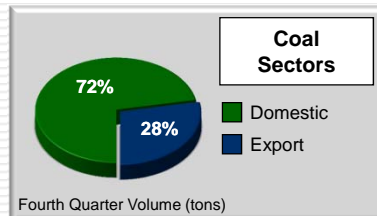
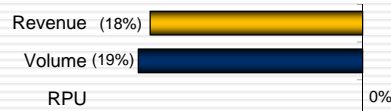
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How tomorrow moves [CSX]

Coal revenue decreases 18%

Revenue \$747M Volume 305K RPU \$2,449

Fourth Quarter Year-Over-Year Change



■ Fourth Quarter

- Domestic volume impacted by low gas prices, lower electrical demand
- Export coal volume impacted by softer metallurgical demand
- Stronger domestic pricing offsets lower export rates

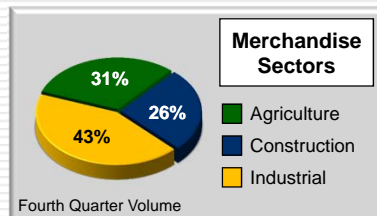
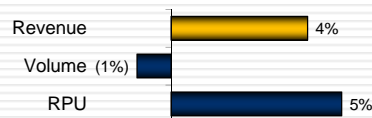
■ Ongoing Drivers

- Anticipate export volume to be about 40 million tons in 2013
- Expect domestic volume declines to moderate throughout 2013
 - Full-year down 5% – 10%

Merchandise revenue increases 4%

Revenue \$1,661M Volume 662K RPU \$2,509

Fourth Quarter Year-Over-Year Change



■ Fourth Quarter

- Industrial volume growth driven by automotive and oil & gas markets
- Agricultural sector declines driven by ethanol and feed grains
- Rebound in building products more than offset by aggregates and salt

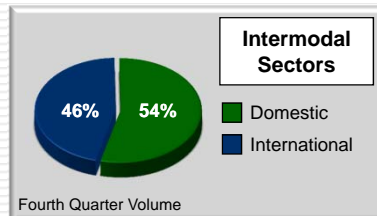
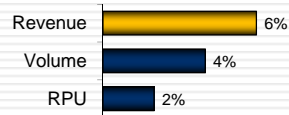
■ Ongoing Drivers

- Oil & gas activity to increase as drilling activity expands
- Increase in fertilizer volume offset by headwinds in ethanol
- Slow recovery in housing and construction expected to continue

Intermodal revenue increases 6%

Revenue \$398M Volume 600K RPU \$663

Fourth Quarter Year-Over-Year Change



■ Fourth Quarter

- Domestic volume increases despite impact of Hurricane Sandy
- Maersk business was the primary driver of international volume
- Revenue per unit increases on pricing gains and fuel recovery

■ Ongoing Drivers

- Strategic investments enhance network operations and growth
- High service levels and highway conversions also driving growth



Overall outlook for first quarter 2013 is neutral

Outlook Markets Drivers

Favorable 57% of volume	<ul style="list-style-type: none"> ■ Intermodal ■ Chemicals ■ Forest Products ■ Phosphate & Fertilizer 	<ul style="list-style-type: none"> ■ Continue to drive highway-to-rail conversions ■ Growth in oil & gas related markets ■ Increased demand for lumber and building products ■ High corn prices support application to improve crop yield
Neutral 14% of volume	<ul style="list-style-type: none"> ■ Automotive ■ Emerging Markets ■ Food & Consumer 	<ul style="list-style-type: none"> ■ While strong, now cycling tougher comparables ■ Construction aggregates offset by lower waste volume ■ Growth in food offset by lower manufactured products
Unfavorable 29% of volume	<ul style="list-style-type: none"> ■ Agricultural Products ■ Metals ■ Export Coal ■ Domestic Coal 	<ul style="list-style-type: none"> ■ High corn prices, lower gasoline demand impact ethanol ■ Expect lower domestic steel production ■ Softening global demand for thermal coal ■ Low natural gas prices driving high inventories

Sales and Marketing wrap-up . . .

- Economic backdrop moderated in the fourth quarter
 - *Excluding coal, volume up 1% in fourth quarter, reflecting moderate economy*
- Overall first quarter 2013 volume outlook is neutral
 - *While 71% of markets are favorable or neutral, overall volume likely to be flat*
- Coal weakness expected to continue well into 2013
 - *Driven by low natural gas prices, high stockpiles and lower global demand*
- CSX standing out as a compelling value for customers
 - *Leveraging superior service to drive long-term volume and revenue growth*

Operations Review

Oscar Munoz
Executive Vice President
Chief Operating Officer

Delivering performance excellence



- Driving results that continue to be at or near all-time best levels



- Customer satisfaction now at record levels

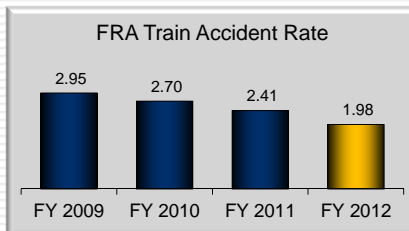
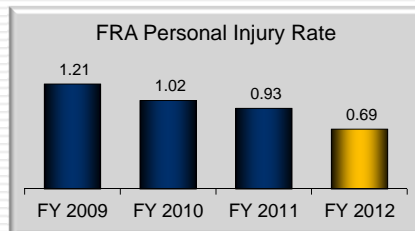
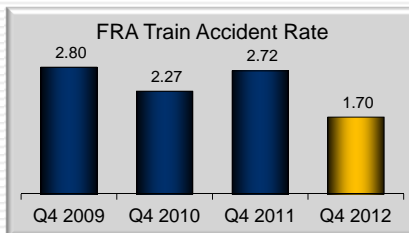
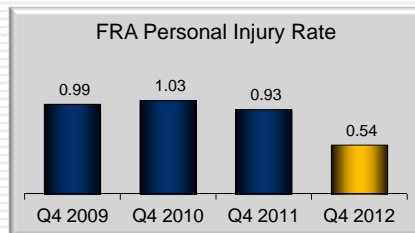


- Resource adjustments and asset utilization drive nearly \$200 million in savings

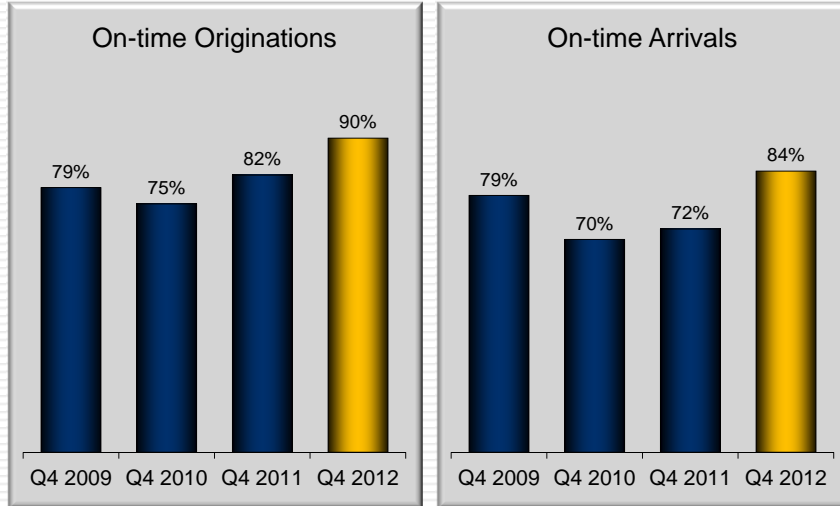


- Solving problems for customers and addressing nation's freight transportation needs

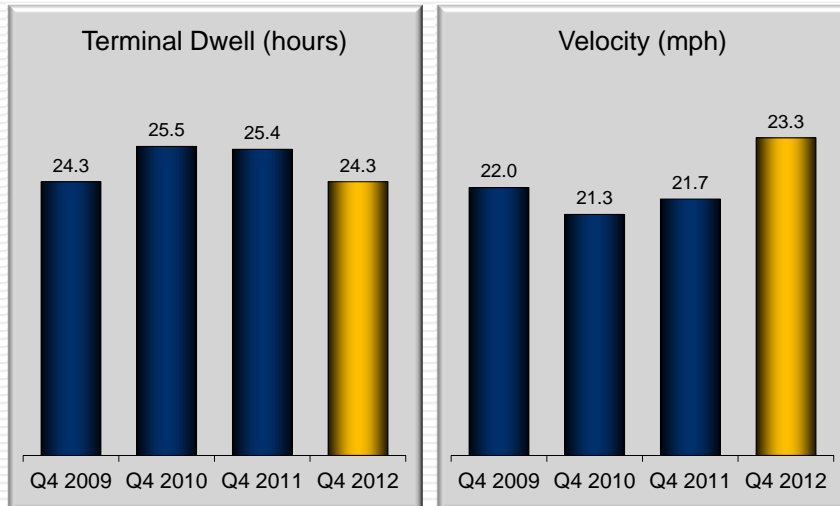
CSX is a leader in one of nation's safest industries



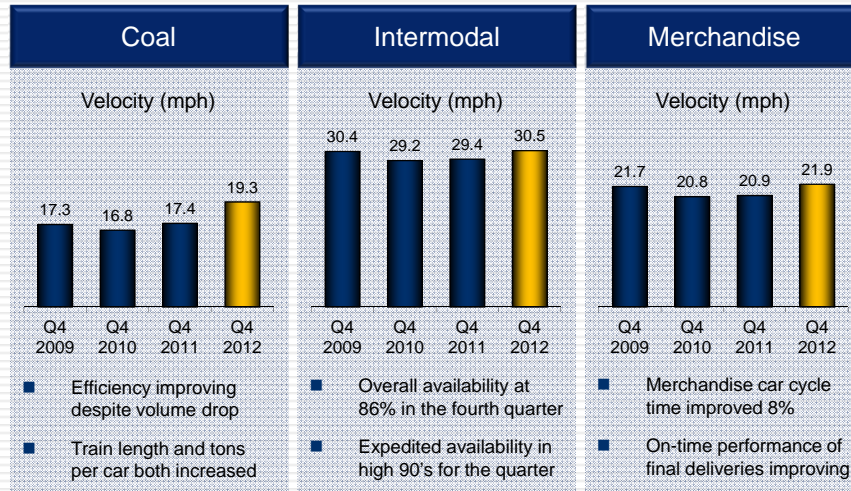
On-time performance at record levels



Fluidity drives value for customers and shareholders



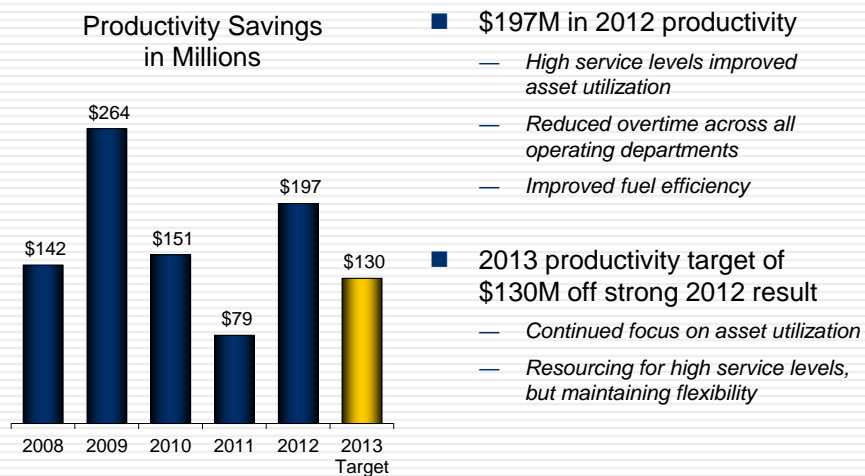
Service at high levels across all three networks



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How tomorrow moves **CSX**

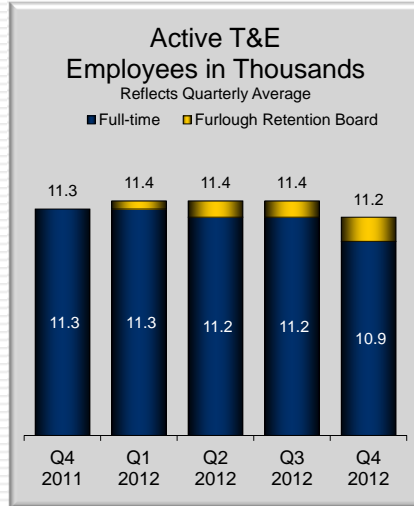
Service and operating efficiency drive productivity



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How tomorrow moves **CSX**

Headcount reductions help drive productivity

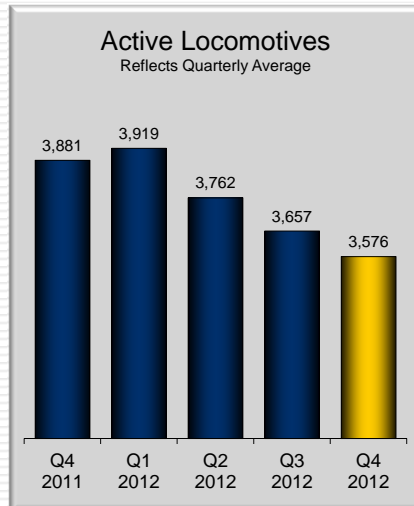


- Operating more efficiently with fewer employees
 - Active T&E headcount down 1% year-over-year
- Over 900 furloughed or on furlough retention at year-end
 - Offering voluntary transfer program for affected employees
- Labor costs are down and service is significantly better
 - Overtime hours are down 17% with 26% fewer relief crews

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How tomorrow moves **CSX**

Continuing to proactively adjust locomotive count



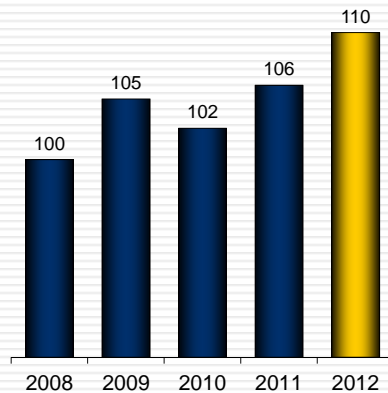
- Active locomotive count down 8% versus Q4 2011
 - GTM's per active horsepower hour improved 7%
- Locomotive storage saves fuel, labor, and materials
 - Monitoring storage levels constantly to improve efficiency
- Currently activating small number of stored locomotives
 - Constantly balancing demand and service levels

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How tomorrow moves **CSX**

Customer satisfaction at all-time high levels

CSX Customer Satisfaction
Indexed: 2008 = 100



- CSX customer satisfaction at all-time high levels
 - *Internal and third party shipper surveys confirm results*
- Local service improvements were primary driver
 - *First and last mile significantly impacts customer satisfaction*
- Superior service is foundation for long-term growth

Operations wrap-up . . .

- Remaining a leader in one of nation's safest industries
 - *Record FRA personal injury rate and train accident rate near all-time best*
- Delivered nearly \$200 million of productivity in 2012
 - *Asset utilization and technology deployment drives additional \$130 million in 2013*
- Customer satisfaction at all-time high
 - *Superior service drives long-term growth, value pricing, efficiency and returns*
- Creating flexible solutions in a dynamic environment
 - *Sets foundation for long-term shareholder value creation*

Financial Review

Fredrik Eliasson
Executive Vice President
Chief Financial Officer

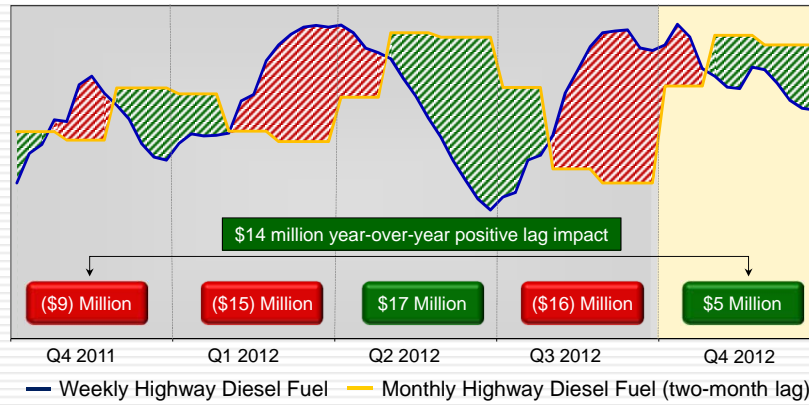
Fourth quarter earnings summary . . .

Fourth Quarter Results			
Dollars in millions, except EPS	2012	2011	Variance
Revenue	\$ 2,884	\$ 2,951	(2%)
Expense	2,080	2,110	1%
Operating Income	\$ 804	\$ 841	(4%)
Interest Expense	(145)	(140)	
Other Income (net)	59	11	
Income Taxes	(275)	(255)	
Net Earnings	\$ 443	\$ 457	(3%)
Fully Diluted Shares in Millions	1,028	1,056	
Earnings Per Share	\$ 0.43	\$ 0.43	0%

Fuel lag benefit is \$14 million year-over-year

Fuel Surcharge Lag Impact

█ Positive Impact
 █ Negative Impact

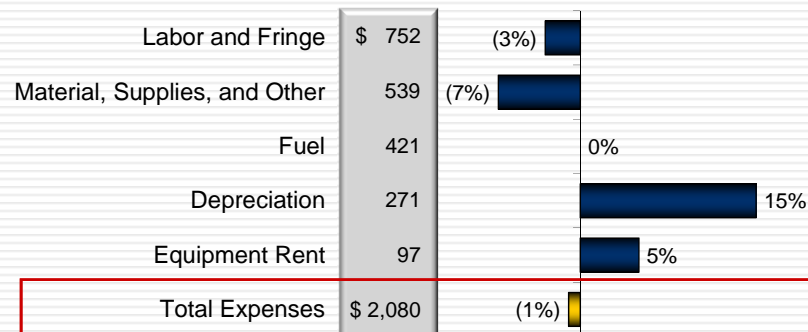


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How tomorrow moves **CSX**

Total expense decreases 1% overall

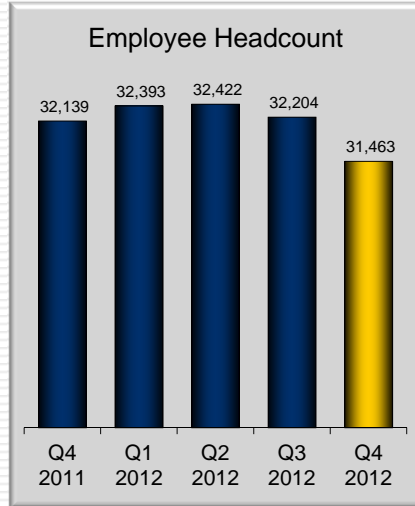
Fourth Quarter 2012 Operating Expenses and Year-Over-Year Percentage Change



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How tomorrow moves **CSX**

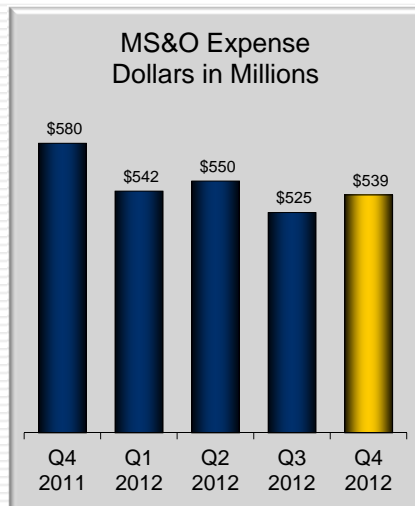
Labor and Fringe expense decreases 3%



Fourth Quarter Labor Analysis in Millions

2011 Labor Expense	\$ 779
<u>Variance</u>	
Efficiency and Volume	35
Inflation	(9)
Other	1
Subtotal	27
2012 Labor Expense	\$ 752

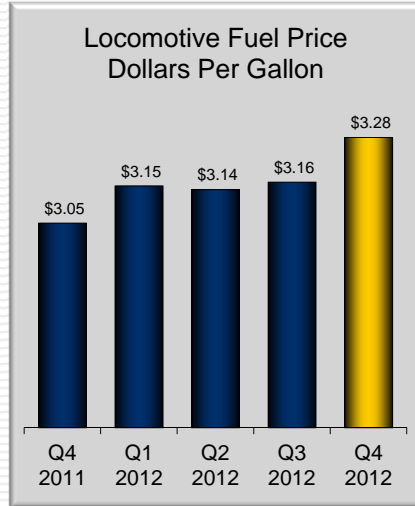
MS&O expense decreases 7%



Fourth Quarter MS&O Analysis in Millions

2011 MS&O Expense	\$ 580
<u>Variance</u>	
Real Estate Gains	21
Efficiency and Volume	19
Inflation	(12)
Net Casualty & Other	13
Subtotal	41
2012 MS&O Expense	\$ 539

Fuel expense decreases slightly



Fourth Quarter Fuel Analysis in Millions

2011 Fuel Expense	\$ 423
<hr/>	
	<u>Variance</u>
Efficiency	15
Volume	15
Price	(28)
Subtotal	2
2012 Fuel Expense	\$ 421

Full-year earnings summary . . .

Dollars in millions, except EPS	Full-year Results		
	2012	2011	Variance
Revenue	\$ 11,756	\$ 11,743	0%
Expense	8,299	8,325	0%
Operating Income	\$ 3,457	\$ 3,418	1%
Operating Ratio	70.6%	70.9%	30 bps
Net Earnings	\$ 1,859	\$ 1,822	2%
Fully Diluted Shares in Millions	1,040	1,089	
Earnings Per Share	\$ 1.79	\$ 1.67	7%

Earnings growth achieved despite coal headwinds

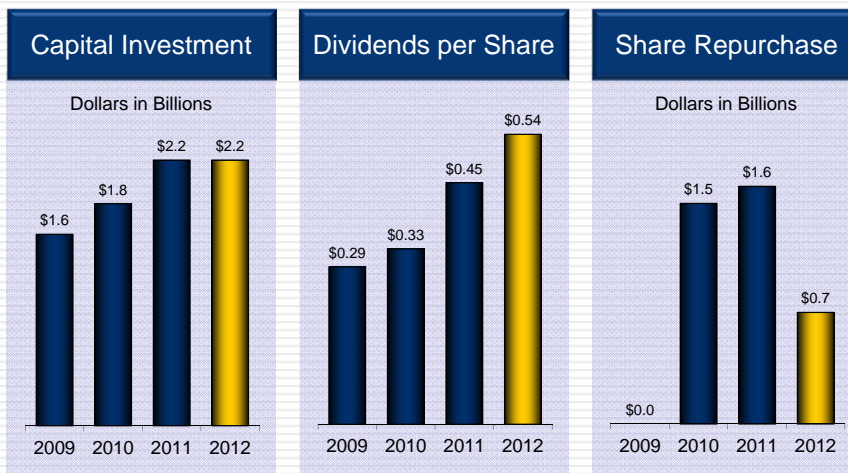
■ Revenue factors

- Excluding export coal, pricing remained above inflation
- Coal revenue declined \$519 million from 2011 levels, with volume down 16%
- Superior service product drove Merchandise and Intermodal revenue growth of \$514 million, helping to overcome the affects of a moderating economy

■ Expense factors

- Productivity benefits of \$197 million achieved in 2012
- Real estate gains of \$90 million and incentive compensation benefits of \$55 million helped to offset inflation and other costs

Balanced cash deployment continued in 2012

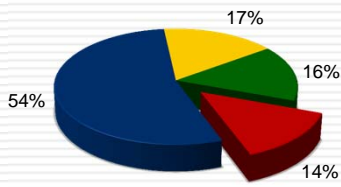


Note: Capital investment excludes investments related to public-private reimbursable projects

Targeting \$2.3 billion of capital investment in 2013

Capital Investment \$2.3 billion

■ Infrastructure ■ Equipment
■ Strategic ■ PTC



- Core investment remains at 16% – 17% of revenue for 2013
 - Infrastructure investments support sustaining high service levels
 - Recapitalizing locomotive and car fleets also enhance productivity
 - Strategic investments support Intermodal growth opportunity
- PTC investment of \$325 million targeted for this year
 - About \$800 million of investment will still be required beyond 2013

Note: Capital investment excludes investments related to public-private reimbursable projects

Financial wrap-up . . .

- Achieved 2012 earnings growth and margin expansion
 - Performance accomplished despite coal headwinds and moderating economy
- Expect continued Merchandise and Intermodal growth
 - Volume growth expected to be broad-based
- Coal headwinds expected to persist well into 2013
 - High domestic inventories, softer global environment to impact coal volume
- Cycling expense benefits recorded during 2012
 - SunRail gains and incentive compensation are expected to be headwinds

Concluding Remarks

Michael Ward
Chairman, President and
Chief Executive Officer

How tomorrow moves [CSX]

Relentless pursuit of excellence . . .





2012 FOURTH QUARTER
EARNINGS CONFERENCE CALL

