



CSX Network & Service Update

January 8, 2016



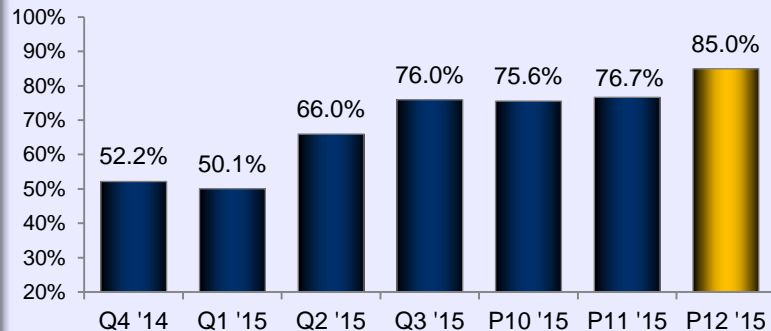
Service Update – Key Topics

- Network performance improvements
 - *Key metrics*
 - *Span and reliability improvements*
 - *Local service*
- Chicago terminal performance spotlight
- Crew and locomotive performance improvements
- Infrastructure Update: Pittsburgh Intermodal Terminal
- Winter weather preparations and contingency plans

Network operations improved significantly in December...

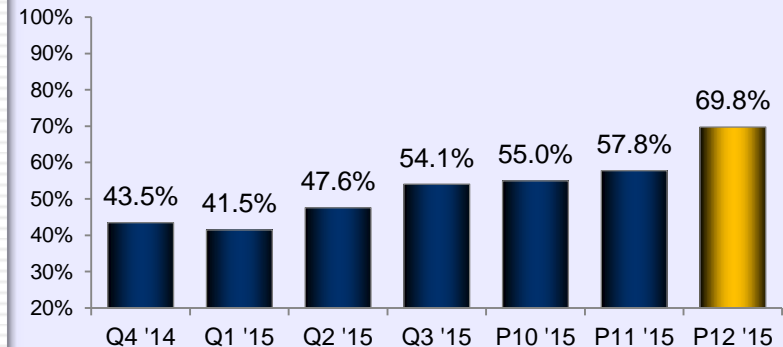
On-Time Originations (OTO)

% of trains leaving at or prior to scheduled departure time



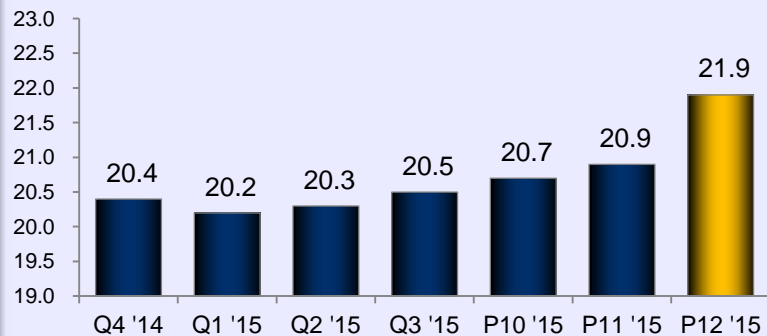
% On-Time Arrivals (OTA)

% of trains that arrived at destinations within a specified window



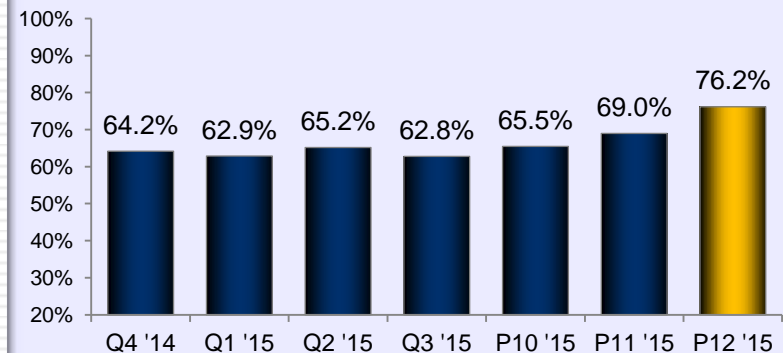
Train Velocity

Average speed of trains traveling between terminals in MPH



Intermodal Availability

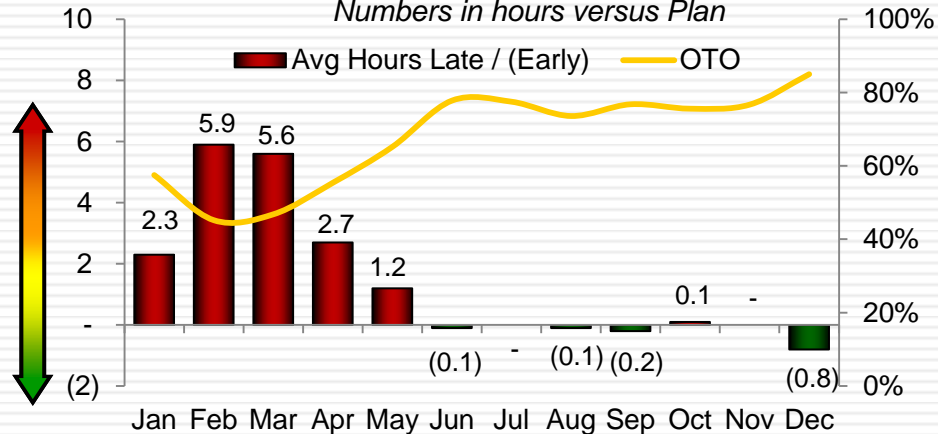
Container % on-time performance versus schedule



...driving improvements to service reliability ...

2015 Avg Hours Originations are Late / (Early)

Numbers in hours versus Plan



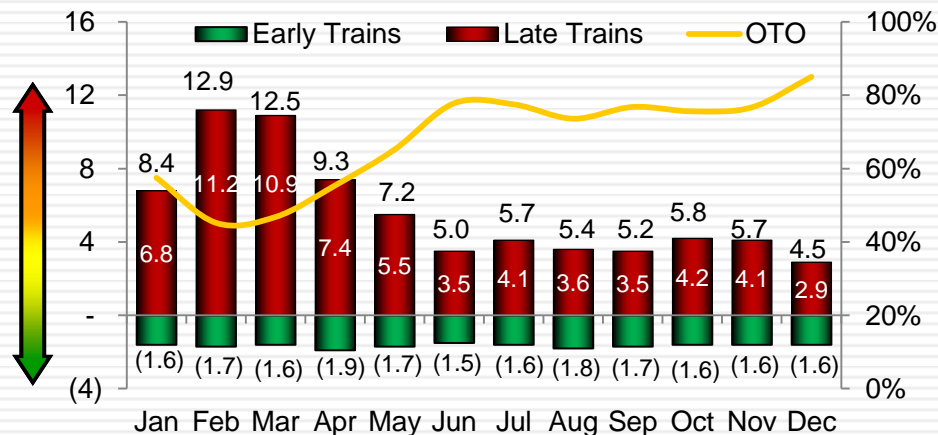
In December, scheduled train originations were on average 0.8 hours early, a significant sequential improvement

CSX's service reliability has improved substantially since early 2015

CSX measures this reliability through the "span" of on-time originations (OTO) on the scheduled train network versus the plan

2015 On-time Origination Span

Numbers in hours versus Plan



CSX reduced OTO span by 65% from February to December by reducing late trains on the network

In December, the OTO span was 4.5 hours, ranging from 1.6 hours early to 2.9 hours late

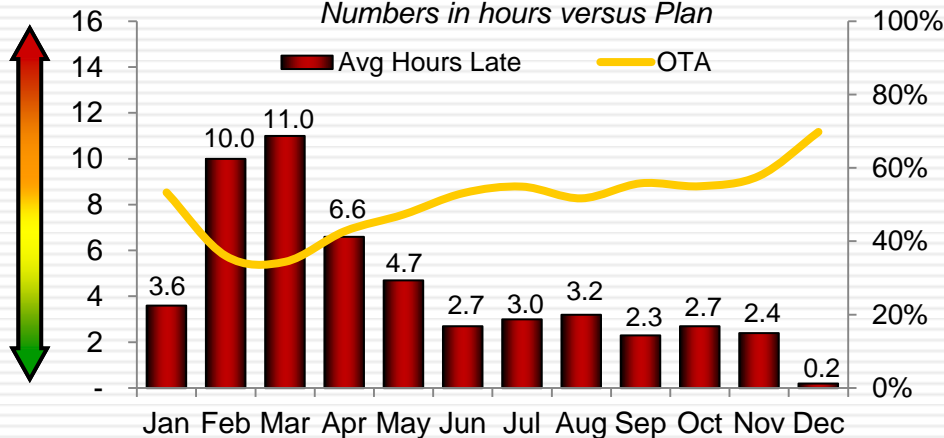
OTO span improved sequentially even as temperatures across the network dropped and seasonal volume increased

Note: Data is subject to settling over time

...and improvements in terminal arrivals, and supporting CSX's continuing commitment to local service

2015 Avg Hours Arrivals are Late / (Early)

Numbers in hours versus Plan

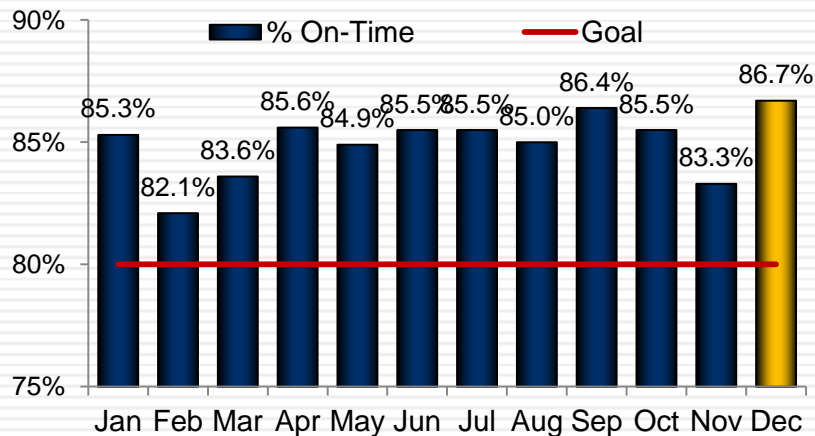


Improvement in on-time originations have driven improvements in terminal to terminal arrival performance (OTA)

In December, scheduled train terminal arrivals were on average 0.2 hours late, significantly improving from November

2015 Local Originations

% of local trains leaving at or prior to scheduled departure time

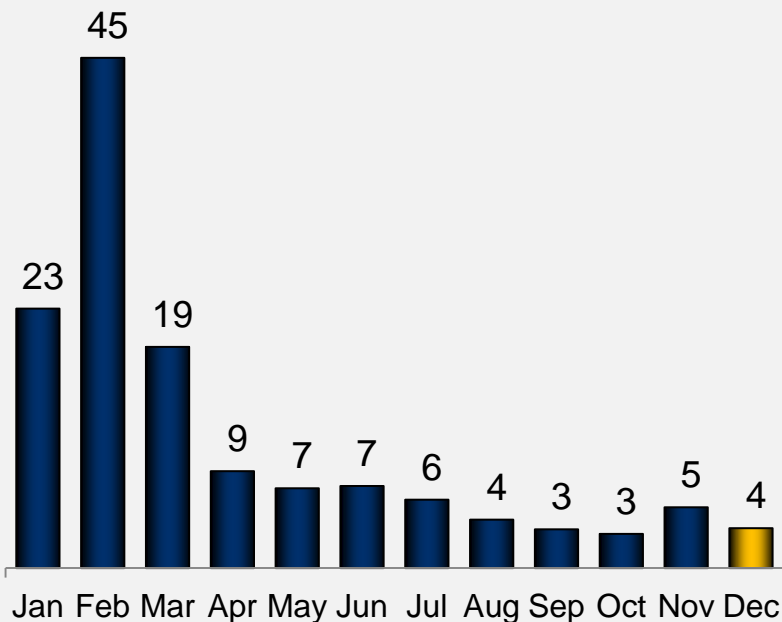


CSX's local service performance continues to improve and reinforce the company's commitment to the customer

Note: Data is subject to settling over time

The industry's Chicago terminal remains very fluid

Chicago Trains Held for Receiving Roads
Average weekly number of trains

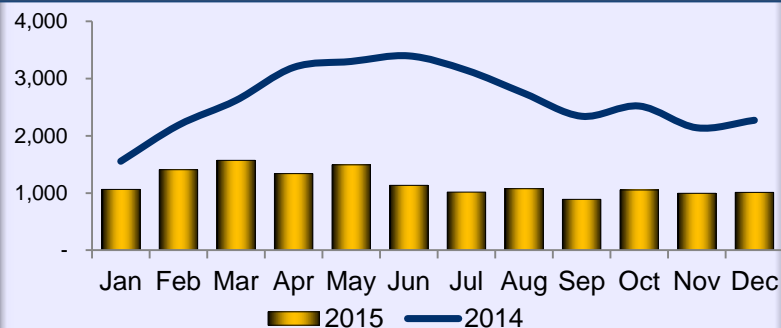


- Total trains held for receiving roads in Chicago improved drastically since 2014 and early 2015
- Weekly trains held in Chicago remained near 2015 lows in December
- This level of performance reflects the industry's continued commitment to the fluidity of this major interchange gateway

Note: the graph data displays the Trains Held based on AM snapshot, Trains Held six or more hours within one crew district of Chicago.

Crew and locomotive related delays remain significantly improved from 2014 and early 2015

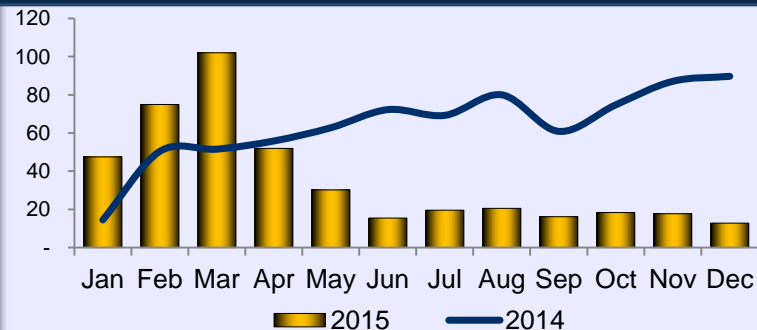
Train Crew Delay Hours by Week 2014 – 2015



- Weekly train crew delay in December decreased 56% versus the same period in 2014

— *Operating efficiency and train reductions have significantly benefited the network and decreased crew-related train delay*

Avg Daily Trains Holding for Power 2014 – 2015



- Trains holding for power hit a yearly low in December

— *New, rebuilt, and repaired locomotives have helped drive down train delay due to power by 86% in December year-over-year*

Overall, the network is significantly more fluid and terminals are less congested compared to 2014

December 2015



Operating Performance (Prior Two Weeks)

- ◆ Congested Terminals (Delay worse than 2014)
- Line-of-Road Congestion (<90% of 2014 Velocity, Adjusted for Volume)

- Only isolated areas of the network are experiencing decreases in velocity versus 2014
- Only one terminal is experiencing more congestion
- Improvements are the result of:
 - Resource additions
 - Management focus
 - Network operating plan changes
 - Other process improvements

Pittsburgh Intermodal Rail Terminal



Quick Facts

- Redevelopment of former Pittsburgh & Lake Erie rail yard
- 70 acre facility with 50,000 annual lift capacity
- State-of-the-art technology and engineering
- Approximately one mile long by one-tenth of a mile wide
- Approximately 150 construction jobs and 30 to 40 permanent operating jobs
- Approximately 150 indirect jobs, including drayage, once operational

- CSX invested more than \$60 million to redevelop a brownfield site where the former Pittsburgh & Lake Erie Rail Yard operated for over a century
- The new facility will connect shippers in western Pennsylvania directly to CSX's extensive intermodal freight rail network
 - *Shifting long-haul freight from highways to railways*
 - *Strengthening the transportation infrastructure that supports the regional economy*
- The terminal is an important connection in CSX's \$850 million National Gateway public-private partnership
 - *Creates a more efficient and environmentally friendly transportation network*
 - *Allows shippers to take advantage of the economics of double-stacked containers between Mid-Atlantic ports and Midwest consumers*

CSX's operating departments have taken action to prepare for harsh winter weather

Engineering Department

- Added switch heaters to new locations and upgraded and replaced existing switch heaters to improve operational fluidity and reduce train delay along key routes
- Performed preventative maintenance on vehicles and work equipment
- Reviewed resource levels in key locations along the Northern Tier to improve response times

Mechanical Department

- Strategically staging vehicles across the network for quicker repairs along the line of road
- Increased the supply of winter-specific parts on hand to reduce car and locomotive shop dwell
- Proactively assessing the condition of locomotive components with high winter failure rates and better utilizing onboard systems designed to prevent failures caused by extreme temperatures

Transportation Department

- Referenced divisional playbooks to guide actions prior to and during winter conditions
- Adhering to updated terminal checklists for winter weather preparation
- Conducting multiple network calls daily to assess conditions and trigger contingency plans
- Readied rapid response teams to be deployed to field locations when conditions warrant

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.