

COMPANY OVERVIEW

For 180 years, CSX has been meeting America's transportation needs. Today, the company continues to provide transportation solutions to major manufacturers, energy producers, farmers, small shippers and local, state and federal governments.

With a rail network that runs up and down the East Coast, spans the Southeast and reaches west to the Mississippi River, CSX has a strong presence in rapidly growing metropolitan markets where two-thirds of the population lives and three-fourths of the nation's

CSX works to feed America, transporting more than 21 million tons of grain annually and supplying more than half the feed needed for the livestock industry in the Southeast. The company also features specialized services like the Tropicana Juice Train, now in its 30th year, which delivers orange juice from Florida to the Northeast, Ohio and California.

The company is a major transporter for America's armed forces, delivering the supplies and machinery needed to keep the nation strong and secure.

New services like the high-speed intermodal corridor from Los Angeles to Atlanta offer customers reliable ways to move consumer goods from the nation's West Coast markets to distribution centers in the growing Southeast.



consumption occurs. The company's Surface Transportation businesses are vital arteries connecting commerce to communities and alleviating increased congestion on the nation's highways.

A major transportation provider for the nation's energy companies, CSX is the largest coal transporter east of the Mississippi River, helping provide the fuel to power American homes and businesses. As the nation's energy supply continues to diversify, the company also provides transportation for growing alternative energy products such as ethanol.

Surface Transportation Businesses

CSX Transportation, Inc., (CSXT) provides a crucial link to the transportation supply chain through its 21,000-mile rail network, which serves every major population center in 23 states east of the Mississippi River, the District of Columbia and the Canadian provinces of Quebec and Ontario. It serves 70 ocean, river and lake ports along the Atlantic and Gulf Coasts, the Mississippi River, the Great Lakes and the St. Lawrence Seaway. This unit also serves thousands of production and distribution facilities through track connections to more than 230 short-line and regional railroads.

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CSX Intermodal, Inc. (Intermodal), one of the nation's largest coast-to-coast intermodal transportation providers, links customers to railroads via trucks and terminals. Intermodal helps keep distribution centers ready to deliver clothing, electronic and other consumer products to retail outlets coast to coast.

CSX also owns **Total Distribution Services, Inc.**, which serves the automotive industry with distribution centers and storage locations, and **TRANSFLO**, which provides logistical solutions for transferring products from rail to truck at more than 60 facilities across the country.

These four subsidiaries primarily combine to form the company's Surface Transportation businesses, which continue to deliver record results for shareholders.

Coal. Nearly 1.9 million carloads of coal, coke and iron ore were delivered in 2006 for electric utilities, manufacturers and export markets. Coal continues to play a vital role in the generation of energy used to heat, cool and light America's homes and businesses. In addition, coal exports remain strong, reflecting the relative weakness of the U.S. dollar. In 2006, coal generated nearly 25% of CSX's total revenue.

Automotive. This market accounted for 463,000 carloads and contributed approximately 10% of the company's total revenue in 2006. CSX delivers one-third of North America's light vehicles, serving both traditional manufacturers and the increasing number of global manufacturers.



Transportation Markets

CSX's Surface Transportation businesses delivered nearly 7.4 million carloads in 2006, generating \$9.6 billion of revenue, an 11% increase over 2005.

Merchandise. This is the most diverse market, with nearly three million carloads per year of aggregate, metal, phosphate, building, fertilizer, food, consumer, agricultural, paper and chemical products. In 2006, this market accounted for nearly 50% of CSX's total revenue.

Intermodal. In 2006, the company handled nearly 2.2 million containers and trailers of consumer products, which generated nearly 15% of CSX's total revenue. As the rail renaissance continues to unfold, CSX anticipates this business will become a strong growth engine for the company.

Rail Network

The company’s train operations focus around four major transportation networks and 36 major terminals. These major networks are the coal network, the Southeastern Corridor, the Interstate 90 Corridor, and the Interstate 95 Corridor.

Coal Network. The CSX coal network connects 130 mining operations in nine states with industrial areas in the Northeast and Mid-Atlantic, as well as many river, lake and seaport facilities. This network also supports the strong, growing utility market in the Southeast. With increasing demand for electricity, this network will continue to play a vital role in the nation’s economy.

Interstate 90 (I-90) Corridor. The I-90 Corridor links Chicago, New York and New England. Much of this route has double track supporting high-speed intermodal and automotive services. It is also a primary route for import traffic moving across the country, through Chicago and into the population centers in the Northeast. Continued growth in consumption in the East and Northeast makes this corridor a critical element in the company’s overall system.

Interstate 95 (I-95) Corridor. Charleston, Jacksonville, Miami and many other cities throughout the growing Southeast are connected to the heavily populated northeastern cities of Baltimore, Philadelphia and New York along the I-95 Corridor. This route is primarily used



Southeastern Corridor. Running from the western gateways of Chicago, Memphis and St. Louis through the growing cities of Nashville, Birmingham and Atlanta and into the expanding markets in the Southeast, this premier corridor plays an integral role in the company’s long-term growth strategies. The corridor extends through the Illinois coal basin and is an important route for merchandise, intermodal and automotive traffic. The Southeastern Corridor was the primary focus of the company’s recent capacity expansion investments, which included double track and longer sidings in Illinois, Indiana, Kentucky, Alabama and Georgia.

to ship food and consumer products, as well as metals and chemicals. It serves as the only rail corridor along the East Coast south of Washington, D.C., and provides access to all the major eastern ports.

Non-Transportation Holdings

CSX Hotels, Inc., operates the Greenbrier Resort and Club, a AAA Five-Diamond resort for 31 consecutive years that is located in White Sulphur Springs, W.Va. CSX Real Property, another subsidiary, is responsible for the sale, lease and development of CSX-owned properties.

