

How tomorrow moves



Railroad Transportation Challenges and Solutions

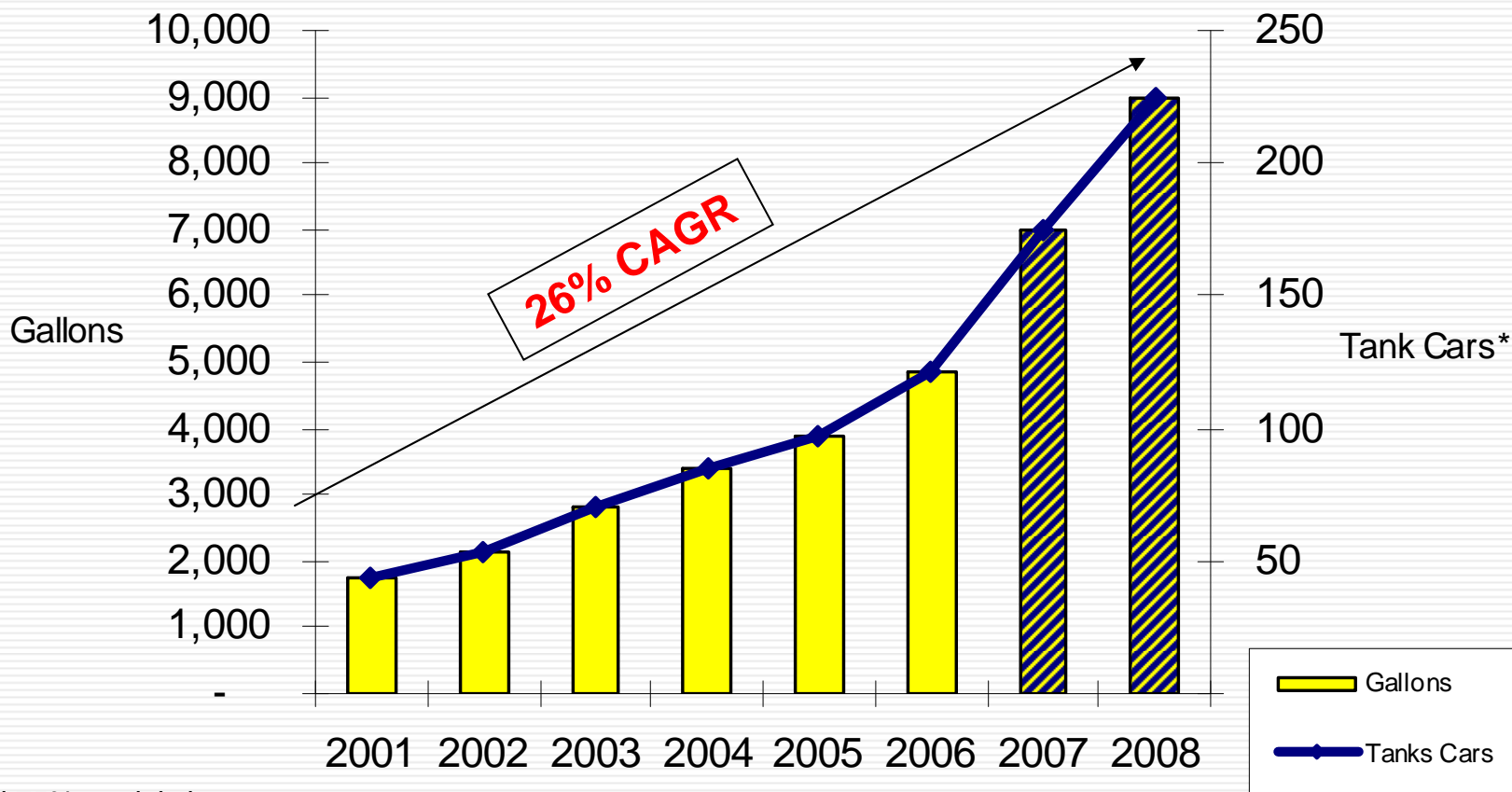
September 26, 2008

Agenda

- Status of the industry
- Managing the virtual pipeline
- Moving forward into new markets

Status of the industry

The percentage growth of ethanol has been dramatic



*Estimated 75% modal share

Status of the industry

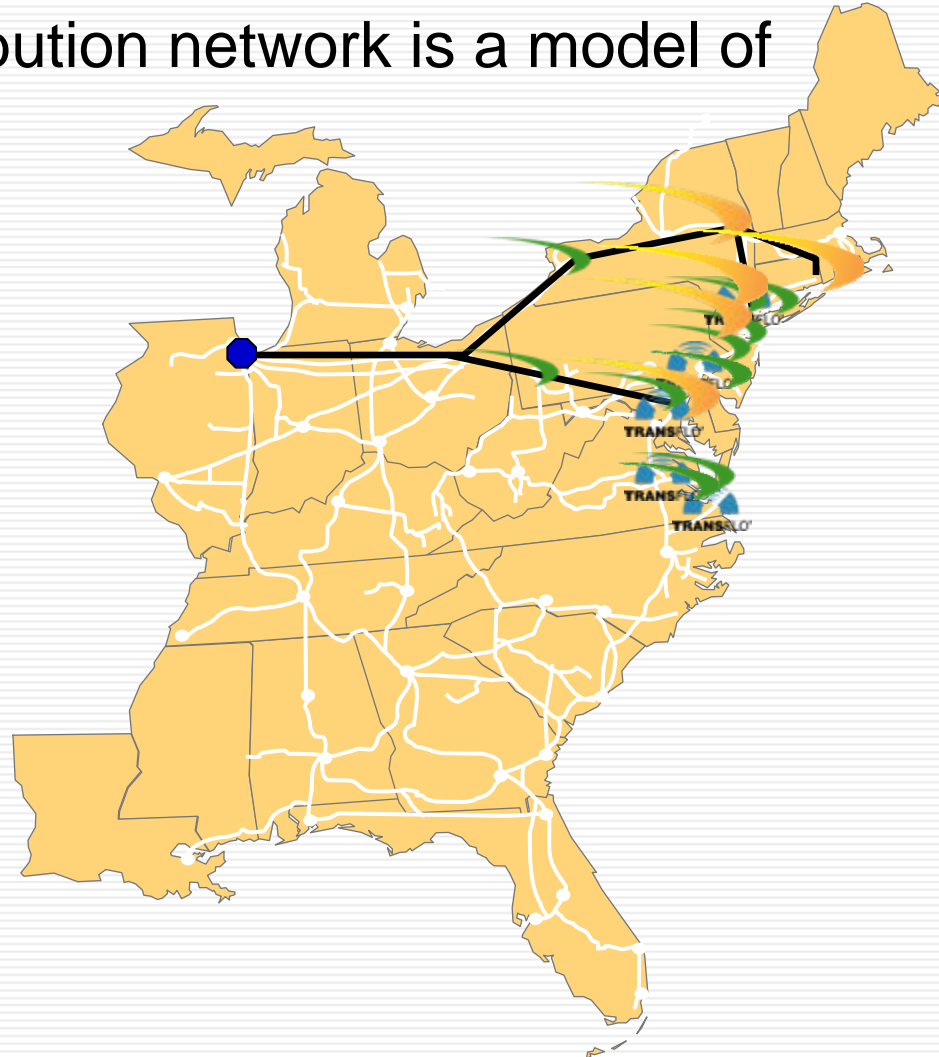
Railroads can handle the business...even at a 36B gallon RFS...and 100% moved by rail



Status of the industry

The current Northeast distribution network is a model of success

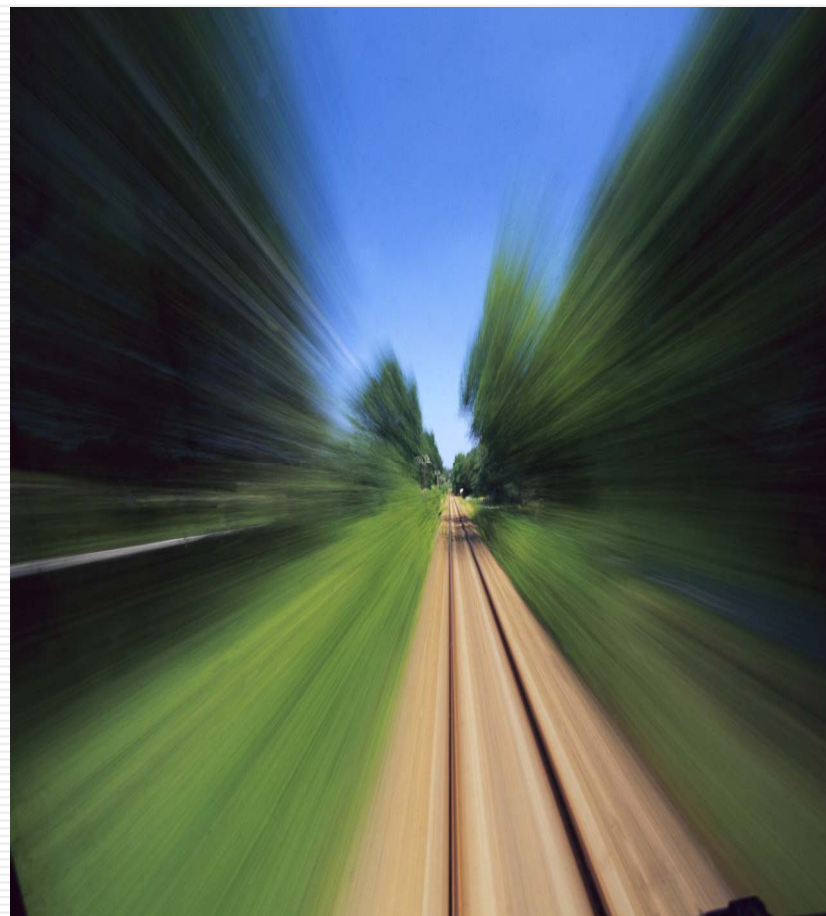
- Unit train capabilities
- High speed routes
- Multiple destinations
 - 5 unit train terminals
 - 5 TRANSFLO terminals
 - 10 direct receivers



Managing the virtual pipeline

Success is achieved by maximizing all aspects of the virtual pipeline

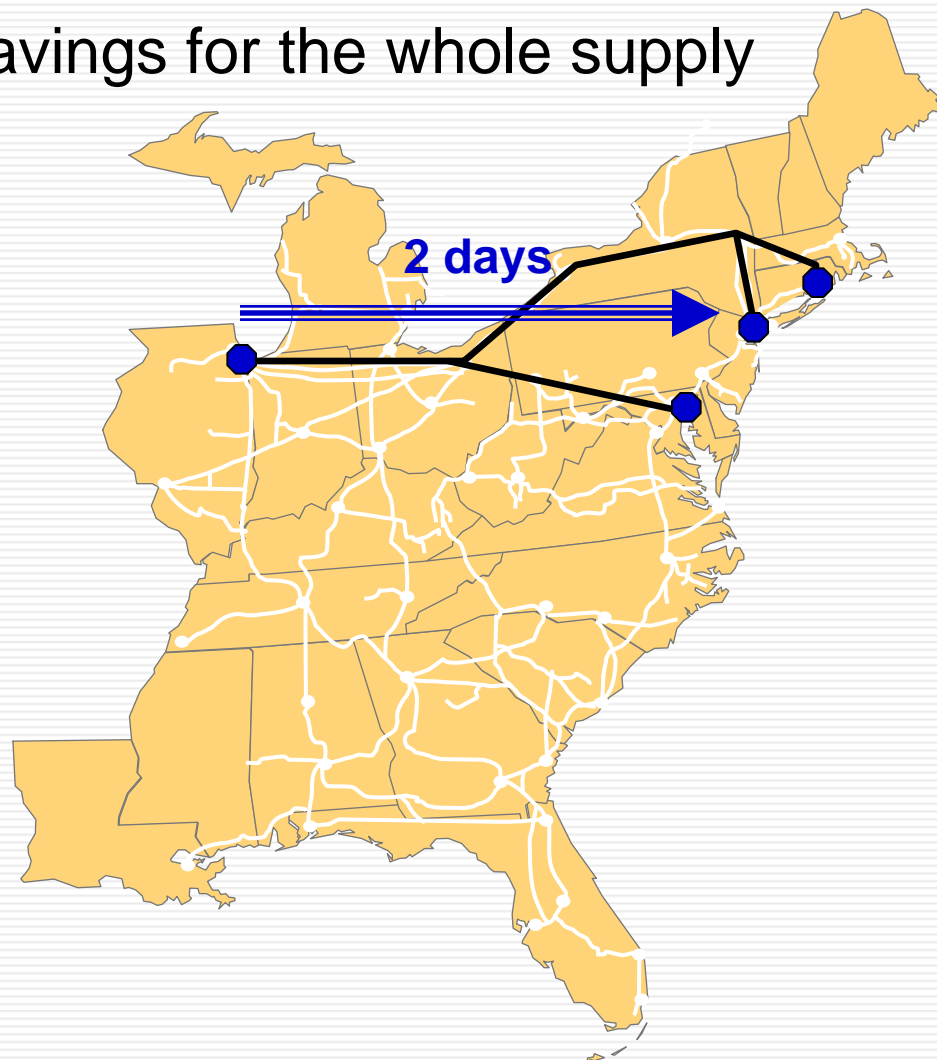
- Speed
 - Asset utilization
 - Speed to market
- Economies of scale
 - Unit trains
 - Facility infrastructure
- Diversity
 - Large terminals
 - Direct shipments
 - TRANSFLO



Managing the virtual pipeline: Speed

Quick turn times generate savings for the whole supply chain

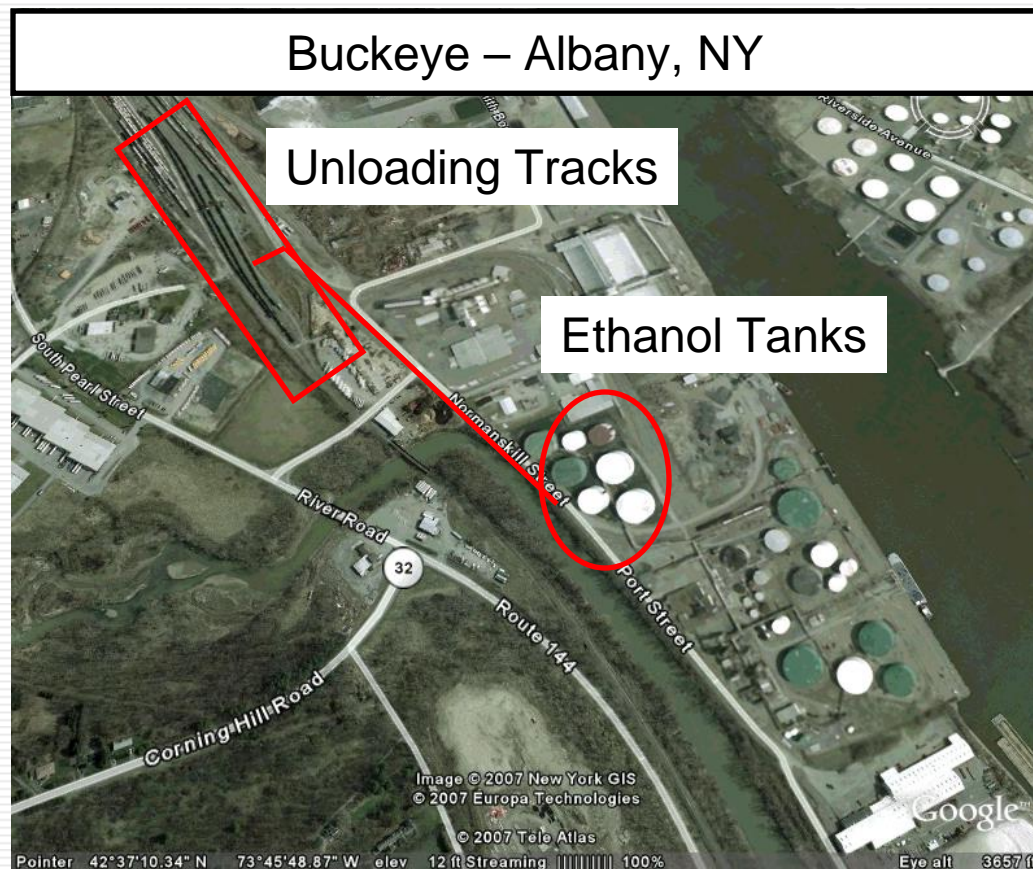
- 50% better turn times in unit train service
- Potential \$675K per year lease savings
- Dedicated locomotive power



Managing the virtual pipeline: Economies of scale

The most reliable service depends on well designed facilities

- 490,000 barrels of tank capacity
- Over 80 cars of track space
- High speed discharge



Managing the virtual pipeline: Diversity

Enter into niche markets without significant capital spend by utilizing TRANSFLO

- Typically less than 90 days to be operational
- Minimal to no capital exposure
- Great option to test a new market



Managing the virtual pipeline

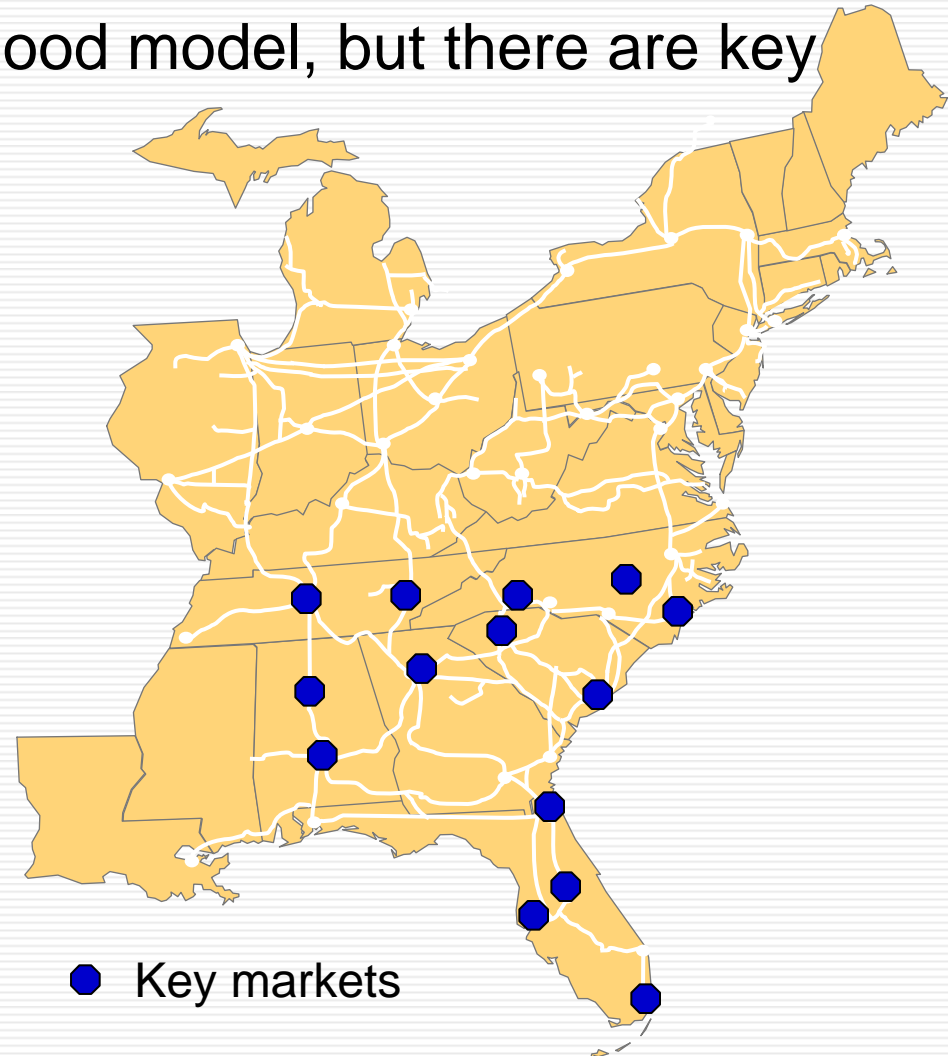
Freight logistics and planning will keep the supply chain fluid and successful

- Plan logistics in advance → ■ CSXT reservation system
- Know terminal capabilities → ■ Minimize car dwell
- Match right origin:right destination → ■ Maximize freight

Moving forward into new markets

The northeast success is a good model, but there are key differences in the southeast

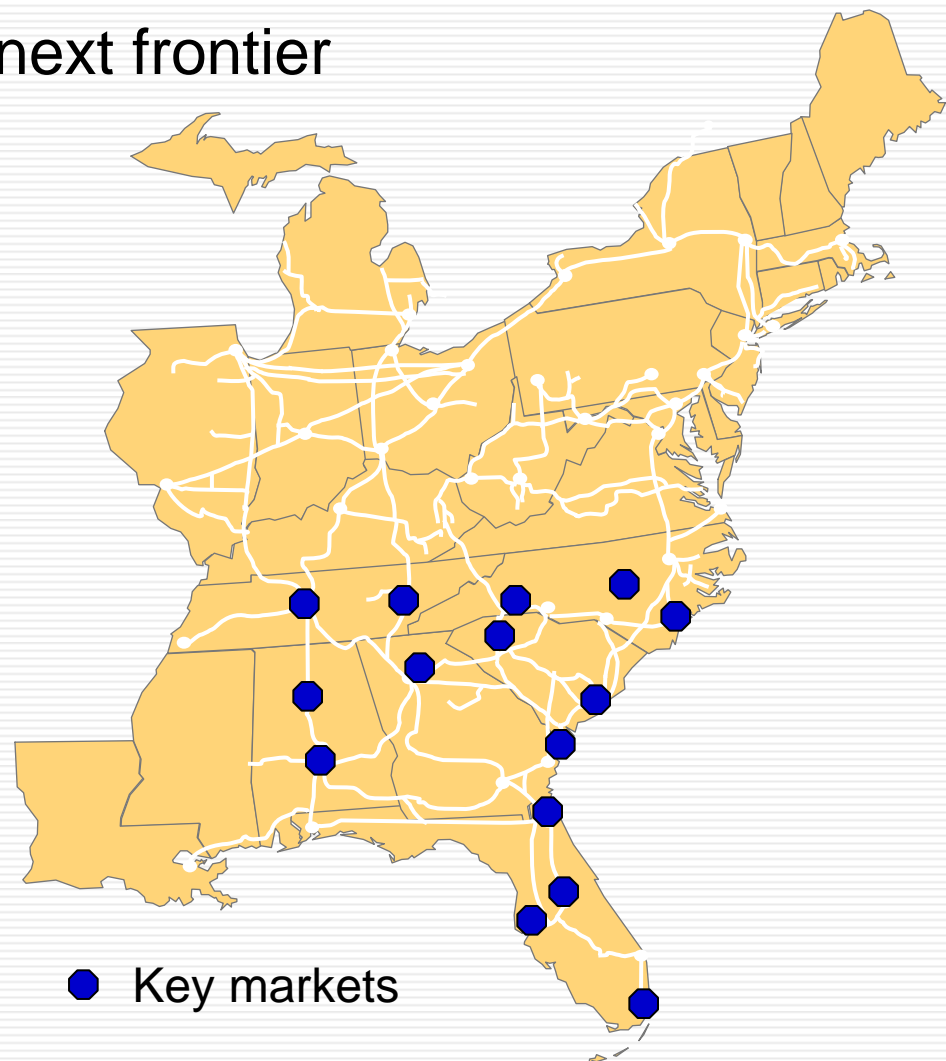
- Discretionary blending
- State regulations
- Less density in population



Moving forward into new markets

The southeast market is the next frontier

- Terminal infrastructure is critical
- Start up time will vary
- Collaboration throughout the entire supply chain is necessary



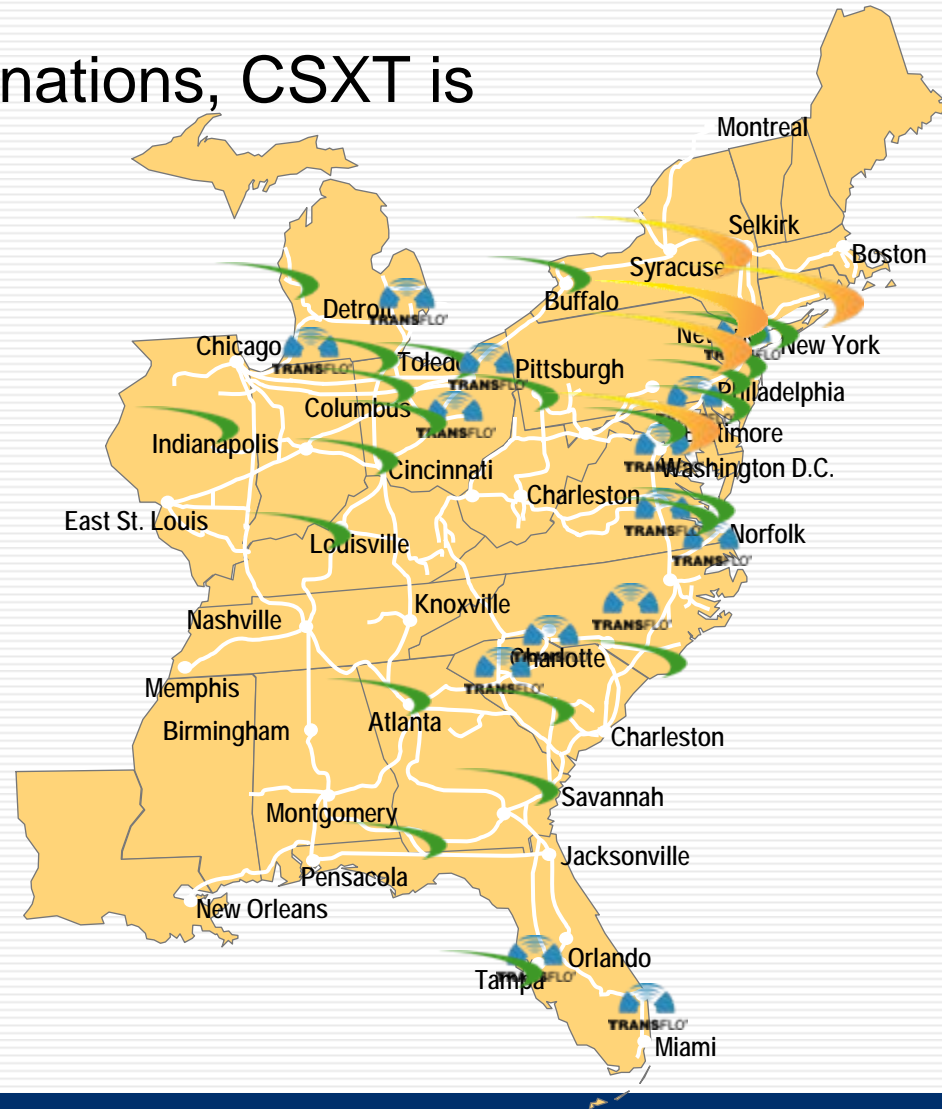
The complete picture

With 65 active ethanol destinations, CSXT is committed to the ethanol industry

■ 5 unit train

■ 21 TRANSFLO 

■ 39 direct shipments 



In summary

- Railroads are in a good position to handle your business
- Planning and investment into terminal infrastructure will lead to success
- CSXT is committed to the bio fuels industry