

CSX CORP  
 Form 424B5  
 October 19, 2010  
Table of Contents

Filed Pursuant to Rule 424(b)(5)  
 File No. 333-164978

**CALCULATION OF REGISTRATION FEE**

<b>Title of each class of securities to be registered</b>	<b>Amount to be registered</b>	<b>Proposed maximum offering price per unit</b>	<b>Proposed maximum aggregate offering price</b>	<b>Amount of registration fee(1)</b>
3.700% Notes due 2020	\$ 500,000,000	99.949%	\$ 499,745,000	\$ 35,632
5.500% Notes due 2041	\$ 300,000,000	98.951%	\$ 296,853,000	\$ 21,166
<b>Total</b>				<b>\$ 56,798</b>

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933.

**Table of Contents****Prospectus Supplement**

(To Prospectus dated February 19, 2010)

**\$500,000,000 3.700% Notes due 2020****\$300,000,000 5.500% Notes due 2041**

The 3.700% Notes due 2020 (the 2020 Notes ) will mature on October 30, 2020 and the 5.500% Notes due 2041 (the 2041 Notes, and together with the 2020 Notes, the Notes ) will mature on April 15, 2041. Interest is payable on the 2020 Notes on April 30 and October 30 of each year, commencing April 30, 2011 and interest is payable on the 2041 Notes on April 15 and October 15 of each year, commencing April 15, 2011. Interest on the Notes will accrue from October 21, 2010. We may redeem any series of Notes, in whole or in part, at any time, at the redemption prices set forth under the caption Description of Notes Optional Redemption.

The Notes will be senior obligations of our company and will rank equally with all of our other unsecured senior indebtedness.

The Notes of each series will be represented by one or more permanent global Notes in definitive, fully registered form without interest coupons, registered in the name of a nominee for The Depository Trust Company. The Notes will be issued in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

**Investing in these Notes involves risks. See risks described as risk factors in Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 25, 2009 as they may be amended, updated and modified periodically in our reports filed with the Securities and Exchange Commission.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

	Price to Public(1)	Underwriting Discount	Proceeds to Us
Per 2020 Note	99.949%	0.650%	99.299%
Total	\$499,745,000	\$3,250,000	\$496,495,000
Per 2041 Note	98.951%	0.875%	98.076%
Total	\$296,853,000	\$2,625,000	\$294,228,000

(1) Plus accrued interest from October 21, 2010 if settlement occurs after that.

CSX will not make application to list the Notes on any securities exchange or to include them in any automated quotation system.

We expect that delivery of the Notes will be made to investors on or about October 21, 2010, through the book-entry system of The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear system, and Clearstream Banking, société anonyme.

*Joint Book-Running Managers**Co-Lead Manager***J.P. Morgan****Morgan Stanley****Credit Suisse**

*Senior Co-Managers*

**Barclays Capital**

**Citi**

**Deutsche Bank Securities**

*Co-Managers*

**UBS Investment Bank**

**Mitsubishi UFJ Securities**

**Mizuho Securities USA Inc.**

October 18, 2010

**Scotia Capital**

**Table of Contents**

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different information. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front cover of this prospectus supplement.

Offers and sales of the Notes are subject to restrictions which are discussed in Underwriting below. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the Notes in certain other jurisdictions may also be restricted by law. In this prospectus supplement and the accompanying prospectus, unless otherwise specified or the context otherwise requires, references to dollars and \$ are to U.S. dollars.

**TABLE OF CONTENTS**

	<b>Page</b>
<b>Prospectus Supplement</b>	
<u>About This Prospectus Supplement</u>	S-2
<u>Special Notes Regarding Forward-Looking Statements</u>	S-2
<u>Where You Can Find More Information</u>	S-4
<u>CSX Corporation</u>	S-5
<u>Use of Proceeds</u>	S-6
<u>Ratio of Earnings to Fixed Charges</u>	S-6
<u>Description of Notes</u>	S-7
<u>Certain Tax Considerations</u>	S-16
<u>Underwriting</u>	S-19
<u>Legal Matters</u>	S-21
<u>Experts</u>	S-21
<b>Prospectus</b>	
<u>About This Prospectus</u>	2
<u>Where You Can Find More Information</u>	3
<u>CSX Corporation/CSX Transportation, Inc</u>	4
<u>CSX Capital Trust I</u>	4
<u>Ratio of Earnings to Fixed Charges</u>	5
<u>Use of Proceeds</u>	5
<u>Description of Debt Securities</u>	6
<u>Description of the Trust Preferred Securities</u>	22
<u>Description of Capital Stock</u>	34
<u>Description of Depositary Shares</u>	37
<u>Description of Securities Warrants</u>	38
<u>Plan of Distribution</u>	39
<u>Legal Opinions</u>	41
<u>Experts</u>	41

---

**Table of Contents**

**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of the Notes we are offering and certain other matters relating to CSX Corporation ( "CSX" and, together with its subsidiaries, the "Company" ). The second part, the base prospectus, gives more general information about securities we may offer from time to time, some of which does not apply to the Notes we are offering. Generally, when we refer to the prospectus, we are referring to both parts of this document combined. If the description of the Notes in the prospectus supplement differs from the description in the base prospectus, the description in the prospectus supplement supersedes the description in the base prospectus. All cross references in this prospectus supplement are to captions contained in this prospectus supplement and not in the accompanying prospectus, unless otherwise indicated.

**SPECIAL NOTES REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus, including documents incorporated by reference, contains forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934 (the "Exchange Act" ). These forward-looking statements include, among others, statements regarding:

projections and estimates of earnings, revenues, volumes, rates, cost-savings, expenses, taxes or other financial items;

expectations as to results of operations and operational initiatives;

expectations as to the effect of claims, lawsuits, environmental costs, commitments, contingent liabilities, labor negotiations or agreements on the Company's financial condition, results of operations or liquidity;

management's plans, strategies and objectives for future operations, capital expenditures, proposed new services and other similar expressions concerning matters that are not historical facts, and management's expectations as to future performance and operations and the time by which objectives will be achieved; and

future economic, industry or market conditions or performance and their effect on the Company's financial condition, results of operations or liquidity.

Forward-looking statements are typically identified by words or phrases such as "believe," "expect," "anticipate," "project," "estimate," "preliminary" or similar expressions. The Company cautions against placing undue reliance on forward-looking statements, which reflect its good faith beliefs with respect to future events and are based on information currently available to it as of the date the forward-looking statement is made.

Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the timing when, or by which, such performance or results will be achieved.

Forward-looking statements are subject to a number of risks and uncertainties and actual performance or results could differ materially from those anticipated by any forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statement. If the Company does update 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. The following important factors, in addition to those discussed elsewhere, may cause actual results to differ materially from those contemplated by any forward-looking statements:

legislative, regulatory or legal developments involving transportation, including rail or intermodal transportation, the environment, hazardous materials, taxation, including the outcome of tax claims and litigation, the potential enactment of initiatives to further regulate the rail industry and the ultimate outcome of shipper and rate claims subject to adjudication;



**Table of Contents**

the outcome of litigation and claims, including, but not limited to, those related to fuel surcharge, environmental contamination, personal injuries and occupational illnesses;

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);

unanticipated conditions in the financial markets that may affect timely access to capital markets, the cost of capital, as well as management's decisions regarding share repurchases;

availability of insurance coverage at commercially reasonable rates or insufficient insurance coverage to cover claims or damages;

changes in fuel prices, surcharges for fuel and the availability of fuel;

the impact of increased passenger activities in capacity-constrained areas, including potential effects of high-speed rail initiatives, or regulatory changes affecting when CSX Transportation, Inc. ( CSXT ) can transport freight or service routes;

natural events such as severe weather conditions, including floods, fire, hurricanes and earthquakes, a pandemic crisis affecting the health of the Company's employees, its shippers or the consumers of goods, or other unforeseen disruptions of the Company's operations, systems, property or equipment;

the cost of compliance with laws and regulations that differ from expectations (including those associated with PTC implementation) and costs, penalties and operational impacts associated with noncompliance with applicable laws or regulations;

the inherent business risks associated with safety and security, including the availability and cost of insurance, the availability and vulnerability of information technology, adverse economic or operational effects from actual or threatened war or terrorist activities and any governmental response;

labor and benefit costs and labor difficulties, including stoppages affecting either the Company's operations or the customers' ability to deliver goods to the Company for shipment;

competition from other modes of freight transportation, such as trucking and competition and consolidation within the transportation industry generally;

the Company's success in implementing its strategic, financial and operational initiatives;

changes in operating conditions and costs or commodity concentrations; and

the inherent uncertainty associated with projecting full year 2010 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 elsewhere in this prospectus, including the documents incorporated by reference, which are accessible on the SEC's website at

## Edgar Filing: CSX CORP - Form 424B5

www.sec.gov and the Company's website at www.csx.com. The information on our website is not incorporated by reference in, and does not form a part of, this prospectus supplement or any accompanying prospectus.

S-3

**Table of Contents**

**WHERE YOU CAN FIND MORE INFORMATION**

CSX files annual, quarterly and special reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at [www.sec.gov](http://www.sec.gov). You may also read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. You may also read and copy these documents at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

The SEC allows CSX to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. CSX incorporates by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act until CSX sells all of the Notes.

Annual Report on Form 10-K for the fiscal year ended December 25, 2009, filed with the SEC on February 19, 2010;

Quarterly Report on Form 10-Q for the fiscal quarter ended March 26, 2010, filed with the SEC on April 19, 2010;

Quarterly Report on Form 10-Q for the fiscal quarter ended June 25, 2010, filed with the SEC on July 15, 2010;

Quarterly Report on Form 10-Q for the fiscal quarter ended September 24, 2010, filed with the SEC on October 15, 2010; and

Current Reports on Form 8-K filed with the SEC on February 22, 2010, March 8, 2010, March 22, 2010, May 7, 2010, July 1, 2010 and July 15, 2010.

You may request a copy of any filings referred to above, at no cost, by contacting CSX at the following address: Ellen M. Fitzsimmons, Senior Vice President Law and Public Affairs, General Counsel and Corporate Secretary, CSX Corporation, 500 Water Street, 15th Floor, Jacksonville, Florida 32202, telephone number (904) 359-3200.

**Table of Contents**

**CSX CORPORATION**

CSX, based in Jacksonville, Florida, is one of the nation's leading transportation suppliers. The Company provides rail-based transportation services including traditional rail service and the transport of intermodal containers and trailers.

CSX's principal operating subsidiary, CSX Transportation, Inc. ( CSXT ), provides an important link to the transportation supply chain through its approximately 21,000 route mile rail network, which serves major population centers in 23 states east of the Mississippi River, the District of Columbia and the Canadian provinces of Ontario and Quebec.

**Other Entities**

In addition to CSXT, the Company's subsidiaries include CSX Intermodal Terminals, Inc. ( CSX Intermodal Terminals ), Total Distribution Services, Inc. ( TDSI ), Transflo Terminal Services, Inc. ( Transflo ), CSX Technology, Inc. ( CSX Technology ), CSX Real Property, Inc. ( CSX Property ) and other subsidiaries. CSX Intermodal Terminals owns and operates a system of intermodal terminals, predominantly in the eastern United States, and arranges drayage services for certain CSXT intermodal customers. TDSI serves the automotive industry with distribution centers and storage locations, while Transflo provides logistical solutions for transferring products from rail to trucks. CSX Technology and other subsidiaries provide support services for the Company. CSX Property is responsible for the Company's real estate sales, leasing, acquisition and management and development activities.

CSX Intermodal, Inc. ( Intermodal ) was a subsidiary of CSX until it merged with CSXT on June 26, 2010. Prior to the merger, Intermodal was the parent company of CSX Intermodal Terminals, and conducted the sales and marketing activities associated with intermodal transportation service now provided by CSXT, as well as the drayage and trucking dispatch operations now being provided by CSX Intermodal Terminals.

The Company no longer reflects the intermodal business as a separate segment. This change was a result of the strategic business review and change in the Company's intermodal service associated with the start of the UMAX program, a domestic interline container program which began during the second quarter, as well as certain management realignments.

**Table of Contents****USE OF PROCEEDS**

CSX estimates that the net proceeds from the sale of the Notes will be approximately \$790,473,000 million, after deducting our estimated offering expenses and the underwriters' discount. The net proceeds from the sale of the Notes will be used for general corporate purposes, which may include repayment of indebtedness outstanding from time to time, repurchases of CSX's common stock, capital expenditures, working capital requirements, improvements in productivity and other cost reductions at CSX's major transportation units.

**RATIO OF EARNINGS TO FIXED CHARGES**

CSX's consolidated ratio of earnings to fixed charges for each of the fiscal periods indicated is as follows:

	<b>For the Nine Months Ended</b>	<b>For the Fiscal Years Ended</b>				
	<b>Sept. 24, 2010</b>	<b>Dec. 25, 2009</b>	<b>Dec. 26, 2008</b>	<b>Dec. 28, 2007</b>	<b>Dec. 29, 2006</b>	<b>Dec. 30, 2005</b>
Ratio of earnings to fixed charges (a)(b)	5.2x	3.9x	5.0x	5.1x	5.0x	3.0x

- (a) For purposes of computing the ratio of earnings to fixed charges, earnings represent earnings from operations before income taxes plus interest expense related to indebtedness, amortization of debt discount and the interest portion of fixed rent expense, less undistributed earnings of affiliates accounted for using the equity method. Fixed charges include interest on indebtedness (whether expensed or capitalized), amortization of debt discount and the interest portion of fixed rent expense.
- (b) Effective in the second quarter of 2010, CSX changed the accounting policy for rail grinding costs from a capitalization method, under which the cost of rail grinding was capitalized and then depreciated, to a direct expense method, under which rail grinding costs are expensed as incurred. This represents a change from an acceptable method under GAAP to a preferable method, and is consistent with recent changes in industry practice. The ratios computed in the above table reflect the retrospective application of this change in accounting principle to each of the periods presented. Application of this change does not affect the computation of the ratios presented, other than the ratio for the fiscal period ended December 26, 2008, which changed from 5.1 to 5.0.

---

**Table of Contents**

**DESCRIPTION OF NOTES**

Set forth below is a description of the specific terms of the Notes. This description supplements, and should be read together with, the description of the general terms and provisions of the debt securities set forth in the accompanying base prospectus under the caption

Description of Debt Securities. The following description does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the description in the base prospectus and the senior indenture. If the description of the Notes in this prospectus supplement differs from the description of the debt securities in the base prospectus, the description in this prospectus supplement supersedes the description in the base prospectus. Capitalized terms used in this Description of Notes that are not defined in this prospectus supplement have the meanings given to them in the base prospectus or the senior indenture.

**General**

The 2020 Notes will initially be limited to \$500,000,000 in aggregate principal amount and will mature on October 30, 2020. The 2041 Notes will initially be limited to \$300,000,000 in aggregate principal amount and will mature on April 15, 2041. The Notes will be issued in fully registered form only, in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The 2020 Notes and the 2041 Notes will each be issued as a series of senior debt securities under the senior indenture referred to in the accompanying base prospectus. The senior indenture does not limit the amount of other debt that CSX may incur. CSX may, from time to time, without the consent of the holders of the Notes, issue other debt securities under the senior indenture in addition to the \$500,000,000 aggregate principal amount of the 2020 Notes and the \$300,000,000 aggregate principal amount of the 2041 Notes. CSX may also, from time to time, without the consent of the holders of either series of Notes, issue additional debt securities having the same ranking and the same interest rate, maturity and other terms as either series of Notes. Any additional debt securities having similar terms as either series of Notes, together with the applicable series of Notes, will constitute a single series of debt securities under the senior indenture if such additional debt securities are fungible with the applicable series of Notes for U.S. federal income tax purposes.

The 2020 Notes will bear interest from October 21, 2010, at the annual rate set forth for the 2020 Notes on the cover page of this prospectus supplement, payable semiannually on April 30 and October 30 of each year, commencing April 30, 2011, to the persons in whose names the 2020 Notes are registered at the close of business on the immediately preceding April 15 and October 15, respectively, whether or not that day is a business day.

The 2041 Notes will bear interest from October 21, 2010, at the annual rate set forth for the 2041 Notes on the cover page of this prospectus supplement, payable semiannually on April 15 and October 15 of each year, commencing April 15, 2011, to the persons in whose names the 2041 Notes are registered at the close of business on the immediately preceding April 1 and October 1, respectively, whether or not that day is a business day.

The Notes will be unsecured obligations of CSX and will rank *pari passu* with all other unsecured and unsubordinated indebtedness of CSX.

The Notes do not provide for any sinking fund.

The senior indenture does not contain any provisions that may afford you protection in the event of a highly leveraged transaction or other transaction that may occur in connection with a change of control of CSX, except to the extent described below under Change of Control Repurchase Event. Additionally, the senior indenture does not restrict our ability to incur additional indebtedness or otherwise affect changes in our capital structure.

For a description of the rights attaching to each series of debt securities under the senior indenture, see Description of Debt Securities in the accompanying base prospectus.

---

**Table of Contents**

The provisions of the senior indenture described under Description of Debt Securities Discharge, Defeasance and Covenant Defeasance in the accompanying base prospectus apply to the Notes.

**Limitation on Liens on Stock of CSXT**

The senior indenture provides that neither CSX nor any of our subsidiaries may create or permit any lien of any kind upon any stock or indebtedness, whether owned on the date of the senior indenture or acquired later, of any principal subsidiary, to secure any obligation (other than the senior debt securities) of CSX, any subsidiary or any other person, unless all of the outstanding senior debt securities (and other outstanding debt securities issued from time to time pursuant to the senior indenture) will be directly secured equally and ratably with that obligation. This provision does not restrict any other property of CSX or our subsidiaries. The senior indenture defines obligation as indebtedness for money borrowed or indebtedness evidenced by a bond, note, debenture or other evidence of indebtedness; principal subsidiary as CSXT; and subsidiary as a corporation a majority of the outstanding voting stock of which is owned, directly or indirectly, by CSX or one or more subsidiaries, or by CSX and one or more subsidiaries. The senior indenture does not prohibit the sale by CSX or any subsidiary of any stock or indebtedness of any subsidiary, including any principal subsidiary.

**Optional Redemption**

The Notes of either or both series will be redeemable, in whole or in part, at our option at any time.

If the Notes of either series are redeemed prior to the date that is three months (for the 2020 Notes) or six months (for the 2041 Notes) prior to the applicable maturity date for such series of Notes, the redemption price for the Notes to be redeemed will equal the greater of the following amounts, plus, in each case, accrued interest to the redemption date:

100% of the principal amount of such Notes; or

As determined by the Independent Investment Banker (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed (not including any portion of any payments of interest accrued as of the redemption date) discounted to the redemption date on a semiannual basis at the Adjusted Treasury Rate (as defined below) plus 20 basis points with respect to the 2020 Notes and plus 25 basis points with respect to the 2041 Notes.

If the Notes of either series are redeemed on or after the date that is three months (for the 2020 Notes) or six months (for the 2041 Notes) prior to the applicable maturity date for such series of Notes, the redemption price for the Notes to be redeemed will equal 100% of the principal amount of such Notes, plus accrued interest to the redemption date.

The redemption price will be calculated assuming a 360-day year consisting of twelve 30-day months.

Adjusted Treasury Rate means, with respect to any redemption date:

The yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the remaining term of the Notes to be redeemed, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Adjusted Treasury Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month); or

If that release (or any successor release) is not published during the week preceding the calculation date or does not contain those yields, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of the principal amount) equal to the Comparable Treasury Price for that redemption date.



---

**Table of Contents**

The Adjusted Treasury Rate will be calculated on the third business day preceding the redemption date.

**Comparable Treasury Issue** means the U.S. Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of those Notes.

**Comparable Treasury Price** means, with respect to any redemption date, (A) the average of five Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of those Reference Treasury Dealer Quotations, or (B) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all of those quotations.

**Independent Investment Banker** means J.P. Morgan Securities LLC, Morgan Stanley & Co. Incorporated or Credit Suisse Securities (USA) LLC and their successors, or if they are unwilling or unable to serve in that capacity, an independent investment and banking institution of national standing appointed by us.

**Reference Treasury Dealer** means:

J.P. Morgan Securities LLC, Morgan Stanley & Co. Incorporated and Credit Suisse Securities (USA) LLC and their successors; provided that, if any ceases to be a primary U.S. Government securities dealer in the U.S. ( **Primary Treasury Dealer** ), we will substitute another Primary Treasury Dealer; and

Up to four other Primary Treasury Dealers selected by us.

**Reference Treasury Dealer Quotation** means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 5:00 p.m. (New York City time) on the third business day preceding that redemption date.

We will mail notice of any redemption at least 30 days but not more than 60 days before the redemption date to each holder of the Notes to be redeemed. If we elect to partially redeem the Notes of either or both series, the trustee will select in a fair and appropriate manner the Notes to be redeemed.

Unless we default in payment of the redemption price, on and after the redemption date interest will cease to accrue on the Notes or portions of the Notes called for redemption.

**Change of Control Repurchase Event**

If a Change of Control Repurchase Event occurs with respect to the Notes of either series, unless we have exercised our right to redeem the Notes of the applicable series as described above, we will be required to make an offer to each holder of Notes of the applicable series to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of that holder's applicable series of Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of such Notes repurchased plus any accrued and unpaid interest on such Notes repurchased to, but not including, the date of repurchase. Within 30 days following any Change of Control Repurchase Event or, at our option, prior to any Change of Control, but after the public announcement of the Change of Control, we will mail a notice to each holder of the applicable series of Notes, with a copy to the trustee, describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase Notes of the applicable series on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed. The notice shall, if mailed prior to the date of consummation of the Change of Control, state that

---

**Table of Contents**

the offer to purchase is conditioned on a Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice. We will comply with the requirements of Rule 14e-1 under the Exchange Act, and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes of the applicable series as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the Notes of the applicable series, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Repurchase Event provisions of the Notes of the applicable series by virtue of such conflict.

On the repurchase date following a Change of Control Repurchase Event, we will, to the extent lawful:

- (1) accept for payment all Notes or portions of Notes properly tendered pursuant to our offer;
- (2) deposit with the paying agent an amount equal to the aggregate purchase price in respect of all Notes or portions of Notes properly tendered; and
- (3) deliver or cause to be delivered to the trustee the Notes properly accepted, together with an officers certificate stating the aggregate principal amount of Notes being purchased by us.

The paying agent will promptly mail to each holder of Notes of the applicable series properly tendered the purchase price for the Notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new note equal in principal amount to any unpurchased portion of any Notes surrendered; provided that each new note will be in a principal amount of \$2,000 or an integral multiple of \$1,000 in excess thereof.

We will not be required to make an offer to repurchase with respect to the applicable series of Notes upon a Change of Control Repurchase Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party purchases all Notes of the applicable series properly tendered and not withdrawn under its offer.

For purposes of the foregoing description of a repurchase at the option of holders, the following definitions are applicable:

**Below Investment Grade Ratings Event** means, with respect to either series of Notes, that on any day within the 60-day period (which period shall be extended so long as the rating of such Notes is under publicly announced consideration for a possible downgrade by any of the Rating Agencies) after the earlier of (1) the occurrence of a Change of Control; or (2) public notice of the occurrence of a Change of Control or the intention by CSX to effect a Change of Control, such Notes are rated below Investment Grade by each of the Rating Agencies. Notwithstanding the foregoing, a Below Investment Grade Ratings Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Ratings Event for purposes of the definition of Change of Control Repurchase Event hereunder) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the ratings event).

**Change of Control** means the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any person (as that term is used in Section 13(d)(3) of the Exchange Act), other than CSX or our subsidiaries, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the combined voting power of our Voting Stock or other Voting Stock into which our Voting Stock is reclassified, consolidated, exchanged or changed measured by voting power rather than number of shares.

---

**Table of Contents**

Change of Control Repurchase Event means the occurrence of both a Change of Control and a Below Investment Grade Ratings Event.

Fitch means Fitch Ratings Ltd.

Investment Grade means a rating of Baa3 or better by Moody's (or its equivalent under any successor rating categories of Moody's); a rating of BBB- or better by S&P or Fitch (or its equivalent under any successor rating categories of S&P and Fitch); or the equivalent Investment Grade credit rating from any additional Rating Agency or Rating Agencies selected by us.

Moody's means Moody's Investors Service Inc.

Rating Agency means (1) each of Moody's, S&P and Fitch; and (2) if any of Moody's, S&P or Fitch ceases to rate either series of Notes or fails to make a rating of either series of Notes publicly available for reasons outside of our control, a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act, selected by us (as certified by a resolution of the Chief Executive Officer or Chief Financial Officer) as a replacement agency for Moody's, S&P or Fitch, or all of them, as the case may be.

S&P means Standard & Poor's Ratings Services, a division of McGraw-Hill, Inc.

Voting Stock of any specified person (as that term is used in Section 13(d)(3) of the Exchange Act) as of any date means the capital stock of such person that is at the time entitled to vote generally in the election of the board of directors of such person.

The Change of Control Repurchase Event feature of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of CSX and, thus, the removal of incumbent management. Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under either series of Notes, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings on the Notes. Restrictions on our ability to incur liens are contained in the covenants as described in this prospectus supplement under Description of Notes Limitation on Liens on Stock of CSXT and in the accompanying prospectus under Description of Debt Securities Certain Covenants and Agreements of CSX Covenant in the Senior Indenture Limitation on Liens on Stock of Our Principal Subsidiaries .

We may not have sufficient funds to repurchase all the Notes, or any other outstanding debt securities that we would be required to repurchase, upon a Change of Control Repurchase Event.

**Book-Entry Notes**

The Notes of each series will be represented by one or more permanent global Notes in definitive, fully registered form without interest coupons. Each beneficial interest in a global Note is referred to as a book-entry Note. Each global Note representing book-entry Notes will be deposited with the trustee, as custodian for, and registered in the name of, a nominee of The Depository Trust Company, as depository, located in the Borough of Manhattan, The City of New York (the Depository ).

The book-entry Notes of each series will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in the Depository. Investors may elect to hold interests in the book-entry Notes through either the Depository (in the U.S.) or Clearstream Banking, société anonyme ( Clearstream Luxembourg ) or Euroclear Bank S.A./N.V., as operator of the Euroclear System ( Euroclear ) (in Europe) if they are participants of such systems, or indirectly through organizations that are participants in such systems. Clearstream Luxembourg and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream Luxembourg's and Euroclear's

---

**Table of Contents**

names on the books of their respective depositaries, which, in turn, will hold such interests in customers' securities accounts in the depositaries' names on the books of the Depository. Citibank, N.A. will act as depository for Clearstream Luxembourg and The Bank of New York will act as depository for Euroclear (in such capacities, the "U.S. Depositaries"). The book-entry Notes of each series will be held in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. Except as set forth below, the global Notes may be transferred, in whole and not in part, only to another nominee of the Depository or to a successor of the Depository or its nominee.

Clearstream Luxembourg advises that it is incorporated under the laws of Luxembourg as a professional depository. Clearstream Luxembourg holds securities for its participating organizations ("Clearstream Luxembourg Participants") and facilitates the clearance and settlement of securities transactions between Clearstream Luxembourg Participants through electronic book-entry changes in accounts of Clearstream Luxembourg Participants, thereby eliminating the need for physical movement of certificates. Clearstream Luxembourg provides to Clearstream Luxembourg Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream Luxembourg interfaces with domestic markets in several countries.

As a professional depository, Clearstream Luxembourg is subject to regulation by the Luxembourg Monetary Institute. Clearstream Luxembourg Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters. Indirect access to Clearstream Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Luxembourg Participant either directly or indirectly. Distributions with respect to Notes held beneficially through Clearstream Luxembourg will be credited to cash accounts of Clearstream Luxembourg Participants in accordance with its rules and procedures, to the extent received by the U.S. Depository for Clearstream Luxembourg.

Euroclear advises that it was created in 1968 to hold securities for participants of Euroclear ("Euroclear Participants") and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. (the "Euroclear Operator"), under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation (the "Cooperative"). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly. The Euroclear Operator was launched on December 31, 2000, and replaced Morgan Guaranty Trust Company of New York as the operator of and banker to the Euroclear system. The Euroclear Operator has capital of approximately EUR 1 billion. Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the "Terms and Conditions"). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis, without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants, and has no record of or relationship with persons holding through Euroclear Participants. Distributions with respect to each series of Notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. Depository for Euroclear.

---

**Table of Contents**

So long as the Depositary, or its nominee, is the registered owner or holder of a global Note, the Depositary or the nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by that global Note for all purposes under the senior indenture and the Notes. No beneficial owner of an interest in a global Note will be able to transfer that interest, except in accordance with the Depositary's applicable procedures, in addition to those provided for under the senior indenture.

CSX has been advised by the Depositary that upon the issuance of global Notes representing book-entry Notes, and the deposit of those global Notes with the Depositary, the Depositary will immediately credit, on its book-entry registration and transfer system, the respective principal amounts of the book-entry Notes represented by those global Notes to the accounts of participants. The accounts to be credited shall be designated by the underwriters.

Payments of principal of and any premium and interest on book-entry Notes will be made to the Depositary or its nominee, as the case may be, as the registered owner of those Notes. Those payments to the Depositary or its nominee, as the case may be, will be made in immediately available funds at the offices of The Bank of New York, as paying agent, in the Borough of Manhattan, The City of New York, provided that, in the case of payments of principal and any premium, the global Notes are presented to the paying agent in time for the paying agent to make those payments in immediately available funds in accordance with its normal procedures. None of CSX, the underwriters, the trustee or any agent of CSX, the underwriters or the trustee will have any responsibility or liability for any aspect of the Depositary's records or any participant's records relating to or payments made on account of book-entry Notes or for maintaining, supervising or reviewing any of the Depositary's records or any participant's records relating to book-entry Notes.

CSX expects that the Depositary or its nominee, upon receipt of any payment of principal of or any premium or interest in respect of a global Note of either series, will immediately credit, on its book-entry registration and transfer system, accounts of participants with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global Notes of the applicable series, as shown on the records of the Depositary or its nominee.

CSX also expects that payments by participants to owners of beneficial interests in book-entry Notes held through those participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in street name, and will be the responsibility of those participants.

CSX expects that the Depositary will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described below) only at the direction of one or more participants to whose account or accounts the depositary interests in a global Note are credited and only in respect of the portion of the aggregate principal amount of the Notes of the applicable series as to which that participant or participants has or have given that direction. However, if there is an event of default under the Notes of either series, the Depositary will exchange the applicable global Note for definitive Notes in registered form, which it will distribute to its participants.

CSX understands that the Depositary is a limited purpose trust company organized under the laws of the State of New York, a banking organization within the meaning of New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the Uniform Commercial Code, and a Clearing Agency registered pursuant to the provisions of Section 17A of the Exchange Act. The Depositary was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among participants through electronic book-entry changes in accounts of its participants and certain other organizations, thereby eliminating the need for physical movement of securities certificates. The Depositary's participants include securities brokers and dealers (including the underwriters), banks, trust companies, clearing corporations, and certain other organizations, some of whom (or their representatives) own

---

**Table of Contents**

interests in the Depositary. Indirect access to the Depositary's book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly ( indirect participants ).

Although the Depositary is expected to follow the foregoing procedures in order to facilitate transfers of interests in a global Note among participants of the Depositary, it is under no obligation to perform or continue to perform those procedures and those procedures may be discontinued at any time. Neither CSX, the underwriters nor the trustee will have any responsibility for the performance by the Depositary or its respective participants or indirect participants of its respective obligations under the rules and procedures governing their operations.

The global Notes representing book-entry Notes may not be transferred except as a whole by a nominee of the Depositary to the Depositary or to another nominee of the Depositary, or by the Depositary or the nominee to a successor of the Depositary or a nominee of the successor.

The global Notes representing book-entry Notes are exchangeable for definitive Notes in registered form, of like tenor and of an equal aggregate principal amount, only if:

The Depositary notifies CSX that it is unwilling or unable to continue as a depositary for the global Note, or if at any time the Depositary ceases to be a Clearing Agency registered under the Exchange Act, and a successor depositary is not appointed by CSX within 90 days;

CSX in its sole discretion determines that the book-entry Notes will be exchangeable for definitive Notes in registered form; or

Any event has happened and is continuing which, after notice or lapse of time, or both, would become an event of default with respect to the Notes.

Any global Note representing book-entry Notes that is exchangeable pursuant to the preceding sentence will be exchangeable in whole for definitive Notes in registered form, of like tenor and of an equal aggregate principal amount, in denominations of U.S. \$2,000 and integral multiples of U.S. \$1,000 in excess thereof. Upon the exchange of a global Note for definitive Notes, that global Note will be canceled by the trustee and the definitive Notes will be registered in the names and in the authorized denominations as the Depositary, pursuant to instructions from its participants, any indirect participants or otherwise, instructs the trustee. The trustee will deliver those Notes to the persons in whose names those Notes are registered and will recognize those persons as the holders of those Notes.

Except as provided above, owners of book-entry Notes will not be entitled to receive physical delivery of Notes in definitive form and will not be considered the holders of those Notes for any purpose under the senior indenture, and no global Note representing book-entry Notes will be exchangeable, except for another global Note of like denomination and tenor to be registered in the name of the Depositary or its nominee. Accordingly, each person owning a book-entry Note must rely on the procedures of the Depositary and, if that person is not a participant, on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder under that global Note or the senior indenture. The senior indenture provides that the Depositary, as a holder, may appoint agents and otherwise authorize participants to give or take any request, demand, authorization, direction, notice, consent, waiver or other action that a holder is entitled to give or take under the senior indenture. CSX understands that under existing industry practices, if CSX requests any action of holders or an owner of a book-entry Note desires to give or take any action a holder is entitled to give or take under the senior indenture, the Depositary would authorize the participants owning the relevant book-entry Notes to give or take that action, and those participants would authorize beneficial owners owning through those participants to give or take that action or would otherwise act upon the instructions of beneficial owners owning through them.

**Table of Contents**

**Clearance and Settlement Procedures**

Initial settlement for the Notes will be made in immediately available funds. Transfers between participants in the Depository will be effected in the ordinary way in accordance with the Depository's rules and will be settled in same-day funds. Secondary market trading between Clearstream Luxembourg Participants and/or Euroclear Participants will be effected in the ordinary way, in accordance with the applicable rules and operating procedures of Clearstream Luxembourg and Euroclear, and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through participants in the Depository, on the one hand, and directly or indirectly through Clearstream Luxembourg Participants or Euroclear Participants, on the other, will be effected in the Depository in accordance with the Depository's rules on behalf of the relevant European international clearing system by its U.S. Depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system, in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. Depository to take action to effect final settlement on its behalf by delivering or receiving Notes in the Depository, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to the Depository. Clearstream Luxembourg Participants and Euroclear Participants may not deliver instructions directly to their respective U.S. Depositaries.

Because of time-zone differences, credits of book-entry Notes received in Clearstream Luxembourg or Euroclear as a result of a transaction with a Depository participant will be made during subsequent securities settlement processing and dated the business day following the Depository settlement date. Such credits or any transactions in such Notes settled during such processing will be reported to the relevant Euroclear or Clearstream Luxembourg Participants on such business day. Cash received in Clearstream Luxembourg or Euroclear as a result of sales of Notes by or through a Clearstream Luxembourg Participant or a Euroclear Participant to a Depository participant will be received on the Depository settlement date but will be available in the relevant Clearstream Luxembourg or Euroclear cash account only as of the business day following settlement in the Depository.

Although the Depository, Clearstream Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of Notes among participants of the Depository, Clearstream Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

---

**Table of Contents**

**CERTAIN TAX CONSIDERATIONS**

The following discussion is a general summary of certain U.S. federal income and estate tax consequences to non-U.S. holders (as defined below) of the acquisition, ownership and disposition of the Notes. This discussion applies only to non-U.S. holders of Notes that acquire the Notes pursuant to this offering at the initial offering price indicated on the cover page of this prospectus supplement. This discussion is based upon the Internal Revenue Code of 1986, as amended (the Code), Treasury regulations promulgated and proposed thereunder, judicial authorities, published positions of the Internal Revenue Service (the IRS) and other applicable authorities, all as of the date hereof and all of which are subject to change, possibly with retroactive effect.

No ruling has been or will be sought from the IRS regarding any matter discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax discussion points set forth below. This discussion is limited to investors that hold the Notes as capital assets (generally, for investment purposes). Furthermore, except to the extent set forth below, this discussion does not address any U.S. federal gift or alternative minimum tax laws or any state, local or foreign tax laws. Prospective investors are urged to consult their tax advisors regarding the U.S. federal, state and local, foreign income and other tax consequences of the acquisition, ownership and disposition of the Notes.

**Non-U.S. Holder Defined**

For purpose of this discussion, you are a non-U.S. holder if you are a beneficial owner of the Notes that is an individual, corporation, estate or trust that, for U.S. federal income tax purposes, is not a U.S. person. You are generally treated as a U.S. person for U.S. federal income tax purposes if you are: (i) an individual who is a citizen or resident of the United States, including an alien individual who is a lawful permanent resident of the United States or who meets the substantial presence test under Section 7701(b) of the Code; (ii) a corporation or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in the United States or under the laws of the United States or of any state therein or the District of Columbia; (iii) an estate whose income is subject to U.S. federal income tax regardless of its source; or (iv) a trust (A) whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) which has made a valid election to be treated as a U.S. person under applicable Treasury regulations. If any entity or arrangement treated as a partnership for U.S. federal income tax purposes is a beneficial owner of a Note, the U.S. federal income tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A beneficial owner of a Note that is a partnership, and partners in such partnership, should consult their own tax advisors about the U.S. federal income tax consequences of acquiring, owning and disposing of the Notes.

**Interest**

A non-U.S. holder will generally not be subject to U.S. federal income or withholding tax on payments of interest on the Notes provided that (i) such interest is not effectively connected with the conduct of a trade or business within the United States by the non-U.S. holder and (ii) the non-U.S. holder (A) does not actually or constructively own 10% or more of the total combined voting power of all classes of our voting stock, (B) is not a controlled foreign corporation (within the meaning of Section 957(a) of the Code) related to us directly or constructively through stock ownership, (C) is not a bank receiving interest described in Section 881(c)(3)(A) of the Code, and (D) satisfies certain certification requirements under penalty of perjury (generally through the provision of a properly executed IRS Form W-8BEN). If interest on the Notes is not effectively connected with the conduct of a trade or business in the United States by a non-U.S. holder, but such non-U.S. holder cannot satisfy the other requirements outlined in the preceding sentence, interest on the Notes will generally be subject

**Table of Contents**

to U.S. withholding tax at a 30% rate unless an income tax treaty applies to reduce or eliminate such withholding tax and the non-U.S. holder properly certifies as to its entitlement to the treaty benefits under penalty of perjury (generally through the provision of a properly executed IRS Form W-8BEN). If interest on the Notes is effectively connected with the conduct of a trade or business within the United States by the non-U.S. holder, and, if an income tax treaty applies, is attributable to a permanent establishment or fixed base within the United States, then the non-U.S. holder will generally be subject to U.S. federal income tax on such interest, in the same manner as if such holder were a U.S. person, if such non-U.S. holder provides a properly executed IRS Form W-8ECI. A non-U.S. holder that is a foreign corporation may also be subject to the branch profits tax at a rate of 30% (or a lower applicable treaty rate) in respect of earnings attributable to the conduct of a trade