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## CSX Corporation Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from John Barnes – BB&T Capital.

#### John Barnes – BB&T Capital

Could you talk a little bit about coal volumes during the quarter it looked like export coal volumes maybe were a little weaker than expected, just elaborate on that and has there been any change in your outlook on export coal volumes?

#### Clarence Gooden

On our export coal volumes going forward there's no change on it. We expect the export market to remain fundamentally strong. There's a world wide and adequate supply of metallurgic coals, the API 2 index and Rotterdam Thermal Coal although is down is still up significantly by historical standards.

On your second question we were able to meet most of our requirements with little exception on export coal during the third quarter. We've maintained our supplies to our producers of equipment going forward we've got adequate crews, locomotives and cars committed to the service. The numbers really were what they were based what the demand was at the time.

#### John Barnes – BB&T Capital

In looking at your full year guidance obviously if you took the \$0.94 that you reported if you add it back in I think you said the impact from the hurricanes was \$0.06 to \$0.08 you'd be looking at something of the magnitude of \$1.02 or something like that. As I go back and look in our model in prior years typically you have a little bit better fourth quarter than you did third quarter. I'm just trying to understand exactly what the big fear is.

Are you worried about a more severe slow down in volumes in the fourth quarter? It doesn't seem like pricing has really be impacted by that so I would imagine pricing comes off that much. Is there something in the or we should be prepared for in the fourth quarter that maybe we don't have currently modeled?

#### Oscar Munoz

A couple of events I think that have transpired over the last couple of weeks, probably the most significant and these are all top line issues. GM shut a few more plants than were expected and I think that's going to continue to affect our automotive business clearly. As you've seen and as you'll

continue to see in addition the international intermodal business is a bit soft and we do have, although small, some lingering effects as the chemical plants really while our lines are up and running some of our customers are not yet quite up and running.

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