

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 14D-1  
(AMENDMENT NO. 5)  
TENDER OFFER STATEMENT PURSUANT TO SECTION 14(D) (1)  
OF THE SECURITIES EXCHANGE ACT OF 1934

CONRAIL INC.  
(Name of Subject Company)

NORFOLK SOUTHERN CORPORATION  
ATLANTIC ACQUISITION CORPORATION  
(Bidders)

COMMON STOCK, PAR VALUE \$1.00 PER SHARE  
(INCLUDING THE ASSOCIATED COMMON STOCK PURCHASE RIGHTS)  
(Title of Class of Securities)

208368 10 0  
(CUSIP Number of Class of Securities)

SERIES A ESOP CONVERTIBLE JUNIOR  
PREFERRED STOCK, WITHOUT PAR VALUE  
(INCLUDING THE ASSOCIATED COMMON STOCK PURCHASE RIGHTS)  
(Title of Class of Securities)

NOT AVAILABLE  
(CUSIP Number of Class of Securities)

JAMES C. BISHOP, JR.  
EXECUTIVE VICE PRESIDENT-LAW  
NORFOLK SOUTHERN CORPORATION  
THREE COMMERCIAL PLACE  
NORFOLK, VIRGINIA 23510-2191  
TELEPHONE: (757) 629-2750  
(Name, Address and Telephone Number of Person Authorized  
to Receive Notices and Communications on Behalf of Bidder)  
with a copy to:

RANDALL H. DOUD, ESQ.  
SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP  
919 THIRD AVENUE  
NEW YORK, NEW YORK 10022  
TELEPHONE: (212) 735-3000  
CALCULATION OF FILING FEE

TRANSACTION VALUATION*	AMOUNT OF FILING FEE**
\$12,282,193,550	\$2,456,439

\* For purposes of calculating the filing fee only. This calculation assumes the purchase of all outstanding shares of Common Stock, par value \$1.00 per share (the "Common Shares"), and Series A ESOP Convertible Junior Preferred Stock, without par value (the "ESOP Preferred Shares"), of Conrail Inc. (the "Company") at \$110 net per share in cash. According to information included in the Solicitation/Recommendation Statement on Schedule 14D-9, dated October 16, 1996, filed by the Company with the Securities and Exchange Commission, on October 10, 1996, 80,178,281 Common Shares and 9,571,086 ESOP Preferred Shares were outstanding and 5,951,461 Common Shares were reserved for issuance pursuant to the Company's Long-Term Incentive Plans. Also according to such Schedule 14D-9, pursuant to a Stock Option Agreement, dated as of October 14, 1996, by and between the Company and CSX Corporation ("CSX"), the Company has granted CSX the option to purchase in certain circumstances up to 15,955,477 Common Shares.

\*\* The amount of the filing fee, calculated in accordance with Rule 0-11(d) of the Securities Exchange Act of 1934, as amended, equals 1/50th of one percent of the aggregate value of cash offered by Atlantic Acquisition Corporation for such number of Shares.

[X] Check box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

Amount Previously Paid:	\$2,233,127	Filing Party:	Norfolk Southern Corporation and Atlantic Acquisition Corporation
Form or Registration No.:	Schedule 14D-1	Date Filed:	October 24, 1996

This Amendment No. 5 amends the Tender Offer Statement on Schedule 14D-1 filed on October 24, 1996, as amended (the "Schedule 14D-1"), by Norfolk Southern Corporation, a Virginia corporation ("Parent"), and its wholly owned subsidiary, Atlantic Acquisition Corporation, a Pennsylvania corporation ("Purchaser"), relating to Purchaser's offer to purchase all outstanding shares of (i) Common Stock, par value \$1.00 per share (the "Common Shares"), and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value (the "ESOP Preferred Shares" and, together with the Common Shares, the "Shares"), of Conrail Inc. (the "Company"), including, in each case, the associated Common Stock Purchase Rights, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated October 24, 1996 (the "Offer to Purchase"), as amended and supplemented by the Supplement thereto, dated November 8, 1996 (the "Supplement"), and in the revised Letter of Transmittal (which, together with any amendments or supplements thereto, constitute the "Offer"). Unless otherwise defined herein, all capitalized terms used herein shall have the respective meanings given such terms in the Offer to Purchase, the Supplement or the Schedule 14D-1.

#### ITEM 1. SECURITY AND SUBJECT COMPANY.

Item 1 is hereby amended and supplemented by the following:

(b) The information set forth in the Introduction and Section 1 ("Terms of the Offer; Expiration Date") of the Supplement is incorporated herein by reference.

(c) The information set forth in Section 3 ("Price Range of Shares; Dividends") of the Supplement is incorporated herein by reference.

#### ITEM 3. PAST CONTACTS, TRANSACTIONS OR NEGOTIATIONS WITH THE SUBJECT COMPANY.

Item 3 is hereby amended and supplemented by the following:

(a) and (b) The information set forth in the Introduction, Section 5 ("Background of the Offer; Contacts with the Company") and Section 6 ("Purpose of the Offer and the Merger; Plans for the Company; Certain Considerations") of the Supplement is incorporated herein by reference.

#### ITEM 4. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

Item 4 is hereby amended and supplemented by the following:

(a) and (b) The information set forth in Section 4 ("Source and Amount of Funds") of the Supplement is incorporated herein by reference.

#### ITEM 5. PURPOSE OF THE TENDER OFFER AND PLANS OR PROPOSALS OF THE BIDDER.

Item 5 is hereby amended and supplemented by the following:

The information set forth in the Introduction, Section 5 ("Background of the Offer; Contacts with the Company") and Section 6 ("Purpose of the Offer and Merger; Plans for the Company; Certain Considerations") of the Supplement is incorporated herein by reference.

#### ITEM 7. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO THE SUBJECT COMPANY'S SECURITIES.

Item 7 is hereby amended and supplemented by the following:

The information set forth in the Introduction, Section 5 ("Background of the Offer; Contacts with the Company") and Section 6 ("Purpose of the Offer and the Merger; Plans for the Company; Certain Considerations") and Section 8 ("Certain Legal Matters; Regulatory Approvals; Certain Litigation") of the Supplement is incorporated herein by reference.

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ITEM 10. ADDITIONAL INFORMATION.

Item 10 is hereby amended and supplemented by the following:

(b) The information set forth in the Introduction and Section 10 ("Purpose of the Offer and the Merger; Plans for the Company; Certain Considerations") of the Supplement is incorporated herein by reference.

(e) The information set forth in Section 8 ("Certain Legal Matters; Regulatory Approvals; Certain Litigation") of the Supplement is incorporated herein by reference.

The information set forth in the Supplement and the revised Letter of Transmittal, copies of which are attached hereto as Exhibits (a)(30) and (a)(31), respectively, is incorporated herein by reference.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

Item 11 is hereby amended to add the following:

- (a)(25) Charts sent on November 5, 1996 to certain coal customers of Parent
- (a)(26) Intermodal Presentation made on November 5, 1996 to The Port Authority of New York and New Jersey and the New York State Department of Transportation
- (a)(27) Text of Press Release issued by Parent on November 5, 1996
- (a)(28) Text of Advertisement published on November 5, 1996
- (a)(29) Text of Press Release issued by Parent on November 6, 1996
- (a)(30) Supplement to Offer to Purchase, dated November 8, 1996
- (a)(31) Revised Letter of Transmittal
- (a)(32) Revised Notice of Guaranteed Delivery
- (a)(33) Revised Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees
- (a)(34) Revised Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees
- (a)(35) Summary Advertisement, dated November 8, 1996
- (a)(36) Text of Press Release issued by Parent on November 8, 1996

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SIGNATURE

After due inquiry and to the best of its knowledge and belief, the undersigned certifies that the information set forth in this statement is

true, complete and correct.

Dated: November 8, 1996

NORFOLK SOUTHERN CORPORATION

By: /s/ JAMES C. BISHOP, JR.

-----  
Name: James C. Bishop, Jr.  
Title: Executive Vice  
President-Law

ATLANTIC ACQUISITION CORPORATION

By: /s/ JAMES C. BISHOP, JR.

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Name: James C. Bishop, Jr.  
Title: Vice President and  
General Counsel

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION	PAGE
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NS SERVED UTILITY PLANTS

UTILITY	PLANT	CITY	ST
1 ALABAMA ELECTRIC COOP INC	LOWMAN (TOMBIGBEE)	LEROY	AL
2 ALABAMA POWER CO.	GASTON	WILSONVILLE	AL
3 APPALACHIAN POWER CO.	CLINCH RIVER	CLEVELAND	VA
4 APPALACHIAN POWER CO.	GLEN LYN	GLEN LYN	VA
5 CAROLINA POWER & LIGHT CO.	ROXBORO	ROXBORO	NC
6 CAROLINA POWER & LIGHT CO.	MAYO	ROXBORO	NC
7 CAROLINA POWER & LIGHT CO.	LEE (NC)	GOLDSBORO	NC
8 CAROLINA POWER & LIGHT CO.	ASHEVILLE	ARDEN	NC
9 CAROLINA POWER & LIGHT CO.	CAPE FEAR	MONCURE	NC
10 CENTRAL ILLINOIS PUBLIC SERVICE CO	COFFEEN	COFFEEN	IL
11 CLEVELAND ELECTRIC ILLUM CO	AVON LAKE	AVON LAKE	OH
12 COLUMBIA WATER & LIGHT DEPT	COLUMBIA-MO	COLUMBIA	MO
13 DUKE POWER CO.	BELEWS CREEK	WALNUT COVE	NC
14 DUKE POWER CO.	MARSHALL (NC)	TERRELL	NC
15 DUKE POWER CO.	DAN RIVER	EDEN	NC
16 DUKE POWER CO.	BUCK	SPENCER	NC
17 DUKE POWER CO.	ALLEN (NC)	BELMONT	NC
18 EAST KENTUCKY POWER COOP, INC.	COOPER	SOMERSET	KY
19 GEORGIA POWER CO.	WANSLEY	ROOPVILLE	GA
20 GEORGIA POWER CO.	YATES	NEWNAN	GA
21 GEORGIA POWER CO.	SCHERER	JULIETTE	GA
22 GEORGIA POWER CO.	HAMMOND	COOSA	GA
23 GEORGIA POWER CO.	ARKWRIGHT	MACON	GA
24 GEORGIA POWER CO.	HARLEE BRANCH	MILLEDGEVILLE	GA
25 GEORGIA POWER CO.	MCDONOUGH	SMYRNA	GA
26 ILLINOIS POWER CO.	WOOD RIVER	FEDERAL	IL
27 KENTUCKY UTILITIES CO.	BROWN (KY)	BURGIN	KY
28 LOUISVILLE GAS & ELECTRIC CO.	CANE RUN	LOUISVILLE	KY
29 POTOMAC ELECTRIC POWER CO.	POTOMAC RIVER	ALEXANDRIA	VA
30 PSI ENERGY, INC.	GIBSON	OWENSVILLE	IN
31 SAVANNAH ELECTRIC & POWER CO.	PLANT KRAFT	PORT WENTWOR	GA
32 SOUTH CAROLINA ELECTRIC & GAS	WATEREE	EASTOVER	SC
33 SOUTH MISSISSIPPI EL PWR ASSN	MORROW	PURVIS	MS
34 TENNESSEE VALLEY AUTHORITY	KINGSTON	KINGSTON	TN
35 TENNESSEE VALLEY AUTHORITY	JOHN SEVIER	ROGERSVILLE	TN
36 TOLEDO EDISON CO.	BAY SHORE	OREGON	OH
37 VIRGINIA ELECTRIC & POWER CO	CHESAPEAKE ENERGY C	NORFOLK	VA
38 VIRGINIA ELECTRIC & POWER CO	CLOVER POWER STATION	CLOVER	VA
TOTALS			

(RESTUBBED TABLE CONTINUED FROM ABOVE)

UTILITY	NAME PLATE	NET GENERATION MWH	CAPACITY FACTOR BASED ON NAME-PLATE CAPACITY	PROVEN CAPACITY	CAPACITY FACTOR BASED ON PROVEN CAPACITY
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1	ALABAMA ELECTRIC COOP INC	538.00	3,283,232	69.67	549.60	68.19%
2	ALABAMA POWER CO.	2,012.80	8,414,622	47.72	1,884.00	50.99%
3	APPALACHIAN POWER CO.	712.50	4,081,107	65.39	705.00	66.08%
4	APPALACHIAN POWER CO.	337.50	1,500,298	50.75	335.00	51.12%
5	CAROLINA POWER & LIGHT CO.	2,558.25	12,846,995	57.33	2,489.87	58.90%
6	CAROLINA POWER & LIGHT CO.	735.84	4,063,224	63.04	750.28	61.82%
7	CAROLINA POWER & LIGHT CO.	402.45	862,837	24.47	421.00	23.40%
8	CAROLINA POWER & LIGHT CO.	413.64	2,609,136	72.01	394.00	75.60%
9	CAROLINA POWER & LIGHT CO.	328.48	1,559,748	54.21	357.00	49.87%
10	CENTRAL ILLINOIS PUBLIC SERVICE CO	1,005.46	3,087,677	35.06	885.00	39.83%
11	CLEVELAND ELECTRIC ILLUM CO	852.00	4,043,963	54.18	788.00	58.58%
12	COLUMBIA WATER & LIGHT DEPT	86.00	75,372	10.00	86.00	10.00%
13	DUKE POWER CO.	2,160.14	12,063,195	63.75	2,240.00	61.48%
14	DUKE POWER CO.	1,996.00	12,561,314	71.84	2,090.00	68.61%
15	DUKE POWER CO.	290.00	342,329	13.48	276.00	14.16%
16	DUKE POWER CO.	370.00	383,902	11.84	369.00	11.88%
17	DUKE POWER CO.	1,155.00	3,350,614	33.12	1,140.00	33.55%
18	EAST KENTUCKY POWER COOP, INC.	320.85	1,748,303	62.2	336.00	59.40%
19	GEORGIA POWER CO.	1,904.00	8,344,477	50.03	1,692.00	56.30%
20	GEORGIA POWER CO.	1,487.50	2,702,018	20.74	1,246.00	24.76%
21	GEORGIA POWER CO.	3,564.00	21,813,273	69.87	3,337.00	74.62%
22	GEORGIA POWER CO.	953.00	2,487,592	29.8	810.00	35.06%
23	GEORGIA POWER CO.	181.25	188,514	11.87	172.00	12.51%
24	GEORGIA POWER CO.	1,746.24	8,693,356	56.83	1,526.00	65.03%
25	GEORGIA POWER CO.	598.40	2,943,693	56.16	496.00	67.75%
26	ILLINOIS POWER CO.	650.10	1,675,138	29.41	616.00	31.04%
27	KENTUCKY UTILITIES CO.	739.54	2,378,139	36.71	661.00	41.07%
28	LOUISVILLE GAS & ELECTRIC CO.	645.00	2,398,923	42.46	678.00	40.39%
29	POTOMAC ELECTRIC POWER CO.	514.00	1,972,332	43.8	482.00	46.71%
30	PSI ENERGY, INC.	3,339.92	18,805,532	64.28	3,161.91	67.89%
31	SAVANNAH ELECTRIC & POWER CO.	333.90	438,336	14.99	303.00	16.51%
32	SOUTH CAROLINA ELECTRIC & GAS	771.80	4,127,259	61.05	720.00	65.44%
33	SOUTH MISSISSIPPI EL PWR ASSN	400.00	1,881,648	53.7	400.00	53.70%
34	TENNESSEE VALLEY AUTHORITY	1,700.00	10,192,073	68.44	1,456.00	79.91%
35	TENNESSEE VALLEY AUTHORITY	800.00	5,097,839	72.74	712.00	81.73%
36	TOLEDO EDISON CO.	639.49	3,177,345	56.72	631.00	57.48%
37	VIRGINIA ELECTRIC & POWER CO	649.64	3,195,553	56.15	605.00	60.30%
38	VIRGINIA ELECTRIC & POWER CO	424.04	1,250,524	33.67	416.00	34.32%
	TOTALS	38,316.73	180,641,432	53.82%	36,216.66	56.94%

BLUE--NS/CR JOINT PLANT (CR HAS TRACKAGE RIGHTS OVER NS LINE)

GREEN--NS/CSX JOINT PLANTS

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# CR SERVED UTILITY PLANTS

UTILITY	PLANT	CITY
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1 ATLANTIC CITY ELECTRIC CO	DEEPWATER	PENNSVILLE
2 ATLANTIC CITY ELECTRIC CO	ENGLAND	MARMORA
3 BALTIMORE GAS & ELECTRIC CO.	CRANE	BALTIMORE
4 CENTRAL HUDSON GAS & ELECTRIC	DANSKAMER	ROSETON
5 CLEVELAND ELECTRIC ILLUM CO	ASHTABULA	ASHTABULA
6 CLEVELAND ELECTRIC ILLUM CO	EASTLAKE	EAST LAKE
7 CLEVELAND ELECTRIC ILLUM CO	LAKE SHORE	CLEVELAND
8 CONSUMERS POWER CO.	WEADOCK	ESSEXVILLE
9 DAYTON POWER & LIGHT CO	HUTCHINGS	MIAMISBURG
10 DELMARVA POWER & LIGHT CO.	EDGE MOOR	WILMINGTON
11 DELMARVA POWER & LIGHT CO.	INDIAN RIVER	MILLSBORO
12 DETROIT EDISON CO.	MONROE	MONROE
13 DETROIT EDISON CO.	RIVER ROUGE	RIVER ROUGE
14 DETROIT EDISON CO.	TRENTON CHANNEL	TRENTON
15 INDIANAPOLIS POWER & LIGHT CO.	PRITCHARD	CAMPBELL
16 JAMESTOWN BOARD OF PUBLIC UTIL	CARLSON	JAMESTOWN
17 METROPOLITAN EDISON CO.	PORTLAND	PORTLAND

18	METROPOLITAN EDISON CO.	TITUS	READING
19	NEW YORK STATE ELEC & GAS CORP.	GOUDEY	JOHNSON CITY
20	NEW YORK STATE ELEC & GAS CORP.	GREENIDGE	DRESDEN
21	NEW YORK STATE ELEC & GAS CORP.	HICKLING	EAST CORNING
22	NEW YORK STATE ELEC & GAS CORP.	KINTIGH (SOMERSET)	BARKER
23	NEW YORK STATE ELEC & GAS CORP.	MILLIKEN STATION	LANSING
24	NIAGARA MOHAWK POWER CORP.	DUNKIRK	DUNKIRK
25	NIAGARA MOHAWK POWER CORP.	HUNTLEY	TONAWANDA
26	N. INDIANA PUBLIC SERVICE CO	MICHIGAN CITY	MICHIGAN CITY
27	N. INDIANA PUBLIC SERVICE CO	SCHAHFER	WHEATFIELD
28	ORANGE & ROCKLAND UTILITIES INC.	LOVETT	TOMKINS COVE
29	PECO ENERGY CO.	CROMBY	PHOENIXVILLE
30	PECO ENERGY CO.	EDDYSTONE	EDDYSTONE
31	PENNSYLVANIA ELECTRIC CO.	CONEMAUGH	NEW FLORENCE
32	PENNSYLVANIA ELECTRIC CO.	KEYSTONE	SHELOCTA
33	PENNSYLVANIA POWER & LIGHT CO.	BRUNNER ISLAND	YORK HAVEN
34	PENNSYLVANIA POWER & LIGHT CO.	MARTINS CREEK	MARTINS CREEK
35	PENNSYLVANIA POWER & LIGHT CO.	MONTOUR	WASHINGTONVILLE
36	PENNSYLVANIA POWER & LIGHT CO.	SUNBURY	SHAMOKIN DAM
37	POTOMAC ELECTRIC POWER CO.	CHALK POINT	AQUASCO
38	POTOMAC ELECTRIC POWER CO.	MORGANTOWN	NEWBURG
39	PSI ENERGY, INC.	GIBSON	OWENSVILLE
40	ROCHESTER GAS & ELECTRIC CORP.	ROCHESTER 3 (BEEBEE)	ROCHESTER
41	ROCHESTER GAS & ELECTRIC CORP.	ROCHESTER 7 (RUSSELL)	ROCHESTER
42	VINELAND MUNICIPAL ELEC UTILITY	H.M. DOWN	VINELAND
	TOTALS		

(RESTUBBED TABLE CONTINUED FROM ABOVE)

ST	NAME PLATE	NET GENERATION MWH	CAPACITY FACTOR BASED ON NAME- PLATE CAPACITY	PROVEN CAPACITY	CAPACITY FACTOR BASED ON PROVEN CAPACITY	
1	NJ	250.10	480,443	21.93	220	24.93%
2	NJ	475.60	1,780,644	42.74	449	45.27%
3	MD	399.84	1,631,798	46.59	380	49.02%
4	NY	537.00	2,113,927	44.90	505	47.79%
5	OH	440.00	1,272,819	33.02	420	34.59%
6	OH	1,257.00	6,220,296	56.49	1,233	57.59%
7	OH	256.00	0	0.00	245	0.00%
8	MI	312.50	1,978,526	72.27	310	72.86%
9	OH	414.00	354,511	9.78	371	10.91%
10	DE	698.20	2,811,601	45.97	674	47.62%
11	DE	782.40	3,077,482	44.90	763	46.04%
12	MI	3,279.60	19,960,060	69.48	3,000	75.95%
13	MI	933.23	3,223,260	39.43	517	71.17%
14	MI	775.50	3,730,602	54.92	725	58.74%
15	IN	393.64	688,635	19.97	341	23.05%
16	NY	57.70	156,033	30.87	50	35.62%
17	PA	426.70	1,360,174	36.39	401	38.72%
18	PA	225.00	1,036,292	52.58	249	47.51%
19	NY	75.00	548,735	83.52	84	74.57%
20	NY	162.50	685,441	48.15	107	73.13%
21	NY	86.50	290,879	38.39	44	75.47%
22	NY	655.11	4,573,081	79.69	675	77.34%
23	NY	322.48	1,987,740	70.36	300	75.64%
24	NY	628.00	3,497,480	63.58	576	69.32%
25	NY	835.20	3,343,648	45.70	730	52.29%
26	IN	680.04	2,765,924	46.43	589	53.61%
27	IN	1,943.46	7,503,431	44.07	1,625	52.71%
28	NY	495.00	1,767,446	40.76	494	40.84%

29	PA	417.50	1,622,902	44.37	358	51.75%
30	PA	1,489.20	3,892,219	29.84	1,359	32.69%
31	PA	1,872.00	11,779,958	71.83	1,712	78.55%
32	PA	1,872.00	11,572,440	70.57	1,672	79.01%
33	PA	1,558.73	7,764,322	56.86	1,469	60.34%
34	PA	2,013.50	1,809,132	10.26	1,892	10.92%
35	PA	1,641.70	8,945,801	62.20	1,525	66.96%
36	PA	409.78	2,350,950	65.49	389	68.99%
37	MD	2,046.00	5,178,965	28.90	1,907	31.00%
38	MD	1,252.00	6,637,876	60.52	1,164	65.10%
39	IN	3,339.92	18,805,532	64.28	3,162	67.89%
40	NY	81.60	431,524	60.37	80	61.58%
41	NY	252.60	1,200,409	54.25	260	52.70%
42	NJ	70.50	62,470	10.12	62	11.50%
		36,114.33	160,895,408	0.51	33,088	55.51%

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 RED --CR/CSX JOINT PLANT  
 BLUE --CR/NS JOINT PLANT (CR HAS TRACKAGE RIGHTS OVER NS LINE)

2

# CSXT SERVED UTILITY PLANTS

UTILITY	PLANT	CITY
1 ALABAMA POWER CO.	GASTON	WILSONVILLE
2 ALABAMA POWER CO.	MILLER	GRAYSVILLE
3 APPALACHIAN POWER CO.	AMOS	ST. ALBANS
4 APPALACHIAN POWER CO.	MOUNTAINEER	NEW HAVEN
5 BIG RIVERS ELECTRIC CORP.	HENDERSON II	SEBREE
6 BIG RIVERS ELECTRIC CORP.	WILSON	CENTERTOWN
7 CAROLINA POWER & LIGHT CO.	CAPE FEAR	MONCURE
8 CAROLINA POWER & LIGHT CO.	LEE (NC)	GOLDSBORO
9 CAROLINA POWER & LIGHT CO.	ROBINSON	HARTSVILLE
10 CAROLINA POWER & LIGHT CO.	SUTTON	WILMINGTON
11 CAROLINA POWER & LIGHT CO.	WEATHERSPOON	LUMBERTON
12 CONSUMERS POWER CO.	CAMPBELL	WEST OLIVE
13 CONSUMERS POWER CO.	KARN	ESSEXVILLE
14 CONSUMERS POWER CO.	WEADOCK	ESSEXVILLE
15 DETROIT EDISON CO.	MARYSVILLE	MARYSVILLE
16 DETROIT EDISON CO.	ST. CLAIR	EAST CHINA
17 DUKE POWER CO.	CLIFFSIDE	CLIFFSIDE
18 DUKE POWER CO.	LEE (SC)	PELZER
19 DUKE POWER CO.	MARSHALL (NC)	TERRELL
20 DUKE POWER CO.	RIVERBEND	MT. HOLLY
21 EAST KENTUCKY POWER COOP, INC.	DALE	FORD
22 EAST KENTUCKY POWER COOP, INC.	SPURLOCK	MAYSVILLE
23 FLORIDA POWER CORP.	CRYSTAL RIVER	CRYSTAL RIVER
24 GAINESVILLE REGIONAL UTILITIES	DEERHAVEN	HAGUE
25 GEORGIA POWER CO.	BOWEN	TAYLORVILLE
26 GEORGIA POWER CO.	HARLEE BRANCH	MILLEDGEVILLE
27 GEORGIA POWER CO.	MCDONOUGH	SMYRNA
28 GEORGIA POWER CO.	MITCHELL (GA)	ALBANY
29 GULF POWER CO.	SCHOLZ	CHATTAHOOCHEE
30 HOOSIER ENERGY RURAL ELECTRIC	MEROM	MEROM
31 JACKSONVILLE ELECTRIC AUTH	ST. JOHNS RIVER POWER	JACKSONVILLE
32 KENTUCKY POWER CO.	BIG SANDY	LOUISA
33 LAKE LAND DEPT OF ELEC. & WATER	MCINTOSH-FL	LAKELAND
34 MONONGAHELA POWER CO.	HARRISON	HAYWOOD
35 MONONGAHELA POWER CO.	PLEASANTS	WILLOW ISLAND
36 MONONGAHELA POWER CO.	WILLOW ISLAND	WILLOW ISLAND
37 OHIO EDISON CO.	NILES	NILES
38 OHIO POWER CO.	GAVIN	CHESHIRE
39 OHIO POWER CO.	MITCHELL (WV)	MOUNDSVILLE



40 OHIO POWER CO.	MUSKINGUM RIVER	BEVERLY
41 ORLANDO UTILITIES COMMISSION	STANTON ENERGY CE	ORLANDO
42 POTOMAC ELECTRIC POWER CO.	DICKERSON	DICKERSON
43 PSI ENERGY, INC.	CAYUGA	CAYUGA
44 SAVANNAH ELECTRIC & POWER CO.	MCINTOSH (GA)	RINCON
45 SEMINOLE ELECTRIC COOP, INC.	SEMINOLE	PALATKA
46 SOUTH CAROLINA ELECTRIC & GAS	CANADYS	CANADYS
47 SOUTH CAROLINA ELECTRIC & GAS	MCMEEKIN	IRMO
48 SOUTH CAROLINA ELECTRIC & GAS	URQUHART	BEECH ISLAND
49 SOUTH CAROLINA ELECTRIC & GAS	WATEREE	EASTOVER
50 SOUTH CAROLINA GENER. CO, INC.	WILLIAMS STATION	GOOSE CREEK
51 SOUTH CAROLINA PUB SERV AUTH	CROSS	CROSS
52 SOUTH CAROLINA PUB SERV AUTH	GRAINGER	CONWAY
53 SOUTH CAROLINA PUB SERV AUTH	JEFFERIES	MONCK'S CORNER
54 SOUTH CAROLINA PUB SERV AUTH	WINYAH	GEORGETOWN
55 SOUTHERN INDIANA GAS & ELEC. CO.	BROWN (IN)	WEST FRANKLIN
56 TAMPA ELECTRIC CO.	GANNON	TAMPA
57 TENNESSEE VALLEY AUTHORITY	BULL RUN	OAK RIDGE
58 TENNESSEE VALLEY AUTHORITY	GALLATIN	GALLATIN
59 TENNESSEE VALLEY AUTHORITY	KINGSTON	KINGSTON
60 TENNESSEE VALLEY AUTHORITY	PARADISE	DRAKESBORO
61 TENNESSEE VALLEY AUTHORITY	WIDOWS CREEK	STEVENSON
62 VIRGINIA ELECTRIC & POWER CO	BREMO BLUFF	BREMO BLUFF
63 VIRGINIA ELECTRIC & POWER CO	CHESTERFIELD	CHESTER
64 VIRGINIA ELECTRIC & POWER CO	MOUNT STORM	MT. STORM
65 VIRGINIA ELECTRIC & POWER CO	POSSUM POINT	DUMFRIES
66 VIRGINIA ELECTRIC & POWER CO	YORKTOWN	YORKTOWN
TOTALS		

RED --CSX/CR JOINT PLANT GREEN --CSX/NS JOINT PLANTS

OTHER

P&L RAILROAD --CSXT HOLDS A MINORITY INTEREST & SPECIAL MARKETING ARRANGEMENT

LOUISVILLE GAS & ELECTRIC CO.	CANE RUN	LOUISVILLE
LOUISVILLE GAS & ELECTRIC CO.	MILL CREEK	KOSMOSDALE
TENNESSEE VALLEY AUTHORITY	SHAWNEE	PADUCAH
INRD RAILROAD --CSXT HOLDS AN INTEREST		
CENTRAL ILLINOIS PUBLIC SERVICE CO NEWTON		NEWTON
INDIANAPOLIS POWER & LIGHT CO.	STOUT	INDIANAPOLIS
PSI ENERGY, INC.	NOBLESVILLE	NOBLESVILLE

(RESTUBBED TABLE CONTINUED FROM ABOVE)

ST	NAME PLATE	NET GENERATION MWH	CAPACITY FACTOR BASED ON NAME- PLATE CAPACITY	PROVEN CAPACITY	CAPACITY FACTOR BASED ON PROVEN CAPACITY	
1	AL	2,012.80	8,414,622	47.72	1,884.00	50.99%
2	AL	2,822.00	18,212,069	73.67	2,803	74.16%
3	WV	2,932.60	11,734,823	45.68	2,900	46.19%
4	WV	1,300.00	5,410,832	47.51	1,300	47.51%
5	KY	354.70	1,763,232	56.75	315	63.90%
6	KY	440.03	3,007,139	78.01	420	81.73%
7	NC	328.48	1,559,748	54.21	357.00	49.87%
8	NC	402.45	862,837	24.47	421.00	23.40%
9	SC	206.64	753,344	41.62	185	46.49%
10	NC	671.62	1,692,913	28.77	629	30.72%
11	NC	165.50	252,092	17.39	177	16.26%
12	MI	1,420.00	7,262,801	58.39	1,404	59.06%
13	MI	1,761.30	3,634,012	23.55	1,791	23.16%
14	MI	312.50	1,978,526	72.27	310	72.86%
15	MI	200.00	43,064	2.46	167	2.94%
16	MI	1,905.01	7,225,561	43.30	1,379	59.81%

17	NC	780.90	2,403,835	35.14	760	36.11%
18	SC	355.00	496,281	15.96	370	15.31%
19	NC	1,996.00	12,561,314	71.84	2,090.00	68.61%
20	NC	466.00	787,647	19.29	454.00	19.80%
21	KY	176.00	756,325	49.06	172.00	50.20%
23	KY	813.51	5,584,818	78.37	800.00	79.69%
23	FL	2,442.87	13,595,755	63.53	2,276.00	68.19%
24	FL	325.75	1,628,777	57.08	299.00	62.19%
25	GA	3,498.60	20,222,352	65.98	3,040.00	75.94%
26	GA	1,746.24	8,693,356	56.83	1,526.00	65.03%
27	GA	598.40	2,943,693	56.16	496.00	67.75%
28	GA	218.32	335,363	17.54	193.00	19.84%
29	FL	98.00	142,862	16.64	95	17.20%
30	IN	1,073.00	4,845,476	51.55	1,016	54.44%
31	FL	1,358.00	9,130,770	76.75	1,250	83.39%
32	KY	1,096.80	7,317,567	76.16	1,060	78.81%
33	FL	593.37	2,203,044	42.38	541	46.52%
34	WV	2,052.00	12,428,596	69.14	1,920	73.90%
35	WV	1,368.00	8,165,553	68.14	1,252	74.45%
36	WV	213.20	856,091	45.84	243	40.22%
37	OH	266.00	1,126,375	48.34	216	59.53%
38	OH	2,600.00	14,135,869	62.06	2,600	62.06%
39	WV	1,632.60	8,441,366	59.02	1,600	60.23%
40	OH	1,529.61	5,580,898	41.65	1,425	44.71%

1

			NET GENERATION MWH	CAPACITY FACTOR BASED ON NAME- PLATE CAPACITY	PROVEN CAPACITY	CAPACITY FACTOR BASED ON PROVEN CAPACITY
ST	NAME PLATE					
41	FL	464.58	3,093,116	76.00	438	80.62%
42	MD	588.00	3,462,953	67.23	546	72.40%
43	IN	1,062.00	5,928,872	63.73	1,005	67.34%
44	GA	177.66	592,967	38.10	155	43.67%
45	FL	1,318.00	8,919,749	77.26	1,230	82.78%
46	SC	489.60	2,195,641	51.19	430	58.29%
47	SC	293.76	1,518,441	59.01	254	68.24%
48	SC	250.00	1,427,703	65.19	254	64.17%
49	SC	771.80	4,127,259	61.05	720.00	65.44%
50	SC	632.70	3,142,442	56.70	565	63.49%
51	SC	1,147.12	6,673,625	66.41	1,060	71.87%
52	SC	163.20	297,700	20.82	170	19.99%
53	SC	445.60	1,489,297	38.15	398	42.72%
54	SC	1,120.00	4,321,812	44.05	1,080	45.68%
55	IN	530.46	2,441,530	52.54	500	55.74%
56	FL	1,301.88	5,810,396	50.95	1,206	55.00%
57	TN	950.00	5,265,585	63.27	873	68.85%
58	TN	1,255.20	5,892,431	53.59	1,018	66.08%
59	TN	1,700.00	10,192,073	68.44	1,456.00	79.91%
60	KY	2,558.20	14,861,420	66.32	2,240	75.74%
61	AL	1,968.76	9,530,981	55.26	1,613	67.45%
62	VA	254.28	1,327,251	59.58	234	64.75%
63	VA	1,352.94	7,154,327	60.37	1,280	63.80%
64	WV	1,662.48	11,251,858	77.26	1,622	79.19%
65	VA	1,373.00	2,483,120	20.65	1,272	22.28%
66	VA	1,257.00	2,529,779	22.97	1,063	27.17%
		69,622.02	344,123,926	56.42%	64,818	60.61%
	KY	645.00	2,398,923	42.46	678	40.39%
	KY	1,717.20	7,368,357	48.98	1,456	57.77%
	KY	1,750.00	8,670,992	56.56	1,242	79.70%

IL	1,234.80	5,827,031	53.87	1,114	59.71%
IN	773.13	2,786,696	41.15	720	44.18%
IN	100.00	117,535	13.42	90	14.91%

CONRAIL-CSX-NORFOLK SOUTHERN  
THE INTERMODAL STORY

INTERMODAL, THE MOVEMENT OF TRAILERS AND CONTAINERS ON RAIL CARS, IS NOW THE SECOND LARGEST RAIL COMMODITY - BEHIND COAL AND IS THE FASTEST GROWING RAIL COMMODITY. THE MAJOR POLICY IMPLICATIONS FOR RAIL INTERMODAL ARE THAT IT IS LESS POLLUTING PER TON MILE BY AN ORDER OF MAGNITUDE THAN TRUCK TRANSPORTATION, IT REQUIRES LESS FUEL THAN TRUCKS AND THAT IT TAKES HEAVY TRUCKS AND CONTAINERS OFF THE HIGHWAY, SOLVING CONGESTION PROBLEMS AND ALLEVIATING WEAR AND TEAR ON PUBLIC HIGHWAYS.

2

ONE OF THE LARGEST, IF NOT THE LARGEST, TRUCK AND INTERMODAL MARKETS IN THE COUNTRY IS NORTH AND EAST OF THE MARYLAND/VIRGINIA BORDER. INTERMODAL ACCESS TO AND SERVICE IN THIS AREA ARE CRITICAL TO THE FUTURE OF THE COUNTRY AND TO THE REGION. BY INVESTIGATING HOW THE RAIL CARRIERS HAVE MANAGED THEIR INTERMODAL FRANCHISES IN THE PAST WE CAN ACCURATELY PREDICT THE FUTURE IN THE NORTHEAST BASED ON WHICH OF THE THREE CARRIERS HAS GOOD COMPETITIVE ACCESS.

3

RELATIVE INTERMODAL GROWTH BY CARRIER  
1988 BASE YEAR

(GRAPHICS CHART OMITTED)

4

RELATIVE INTERMODAL GROWTH BY CARRIER  
1988 BASE YEAR

	CR	CSX	CR/CSX	NS	INDUSTRY
88	100%	100%	100%	100%	100%
89	104	82	94	120	104
90	106	84	96	121	106
91	104	81	94	127	106
92	113	88	102	136	114
93	125	93	110	147	122
94	146	102	127	167	138
95	136	99	120	187	141
96*	143	101	124	194	143

\* PROJECTION THROUGH 42 WEEKS  
SOURCE: CS54/AAR DATA ORIGINATED AND RECEIVED

INTERMODAL SHIPMENTS BY YEAR

	CR	CSX	CR/CSX	NS	INDUSTRY
88	1,100,849	872,486	1,973,335	677,154	7,809,904
89	1,144,231	716,810	1,861,041	810,118	8,119,346
90	1,164,023	733,042	1,897,085	822,199	8,272,550
91	1,140,414	706,833	1,847,217	880,275	8,294,087
92	1,247,161	764,341	2,011,502	992,085	8,863,412
93	1,372,787	807,696	2,180,485	992,850	9,494,403
94	1,611,852	889,169	2,501,021	1,127,385	10,807,025
95	1,500,634	865,161	2,365,795	1,265,582	11,032,417
96*	1,574,634	878,138	2,432,303	1,316,582	11,164,417

\* PROJECTION THROUGH 42 WEEKS  
SOURCE: CS54/AAR DATA ORIGINATED AND RECEIVED

NORFOLK INTERNATIONAL VOLUME  
(GRAPHICS CHART OMITTED)

AVERAGE ANNUAL INCREASE = 9.3%

7

NORFOLK INTERNATIONAL VOLUME

YEAR	VOLUME	% INCREASE
85	79,393	
86	88,493	11.4
87	91,455	3.3
88	113,037	23.6
89	124,649	10.3
90	137,778	10.5
91	145,535	5.6
92	152,588	4.8
93	154,134	1.3
94	170,156	10.4
95	200,557	17.9
96	208,780	4.1

AVERAGE ANNUAL INCREASE = 9.3%

8

NS REVENUE SHIPMENTS WITH NORTHEAST ORIGINS  
AND TERMINATIONS

	TRAILERS & CONTAINERS	TRIPLE CROWN	NSCS54/ TOTAL	%TOTAL NS	CP HAULAGE*	TOTAL W/ HAULAGE
86	23,896					
87	24,516					
88	24,860			3.7		
89	48,454	5,700	54,154	6.7		
90	66,567	8,509	75,076	9.1		

91	72,945	10,115	83,060	9.7		
92	77,150	10,685	87,835	9.5	2,531	
93	89,624	41,842	131,466	13.2	39,734	171,200
94	139,694	58,968	198,662	17.6	52,284	250,946
95	178,466	49,051	227,517	18	45,493	273,010
96	163,332	54,100	217,432	16.5	5,831	223,263

\* CP HAULAGE LOADS WERE NOT INCLUDED IN CS54 DATA

NS REVENUE SHIPMENTS WITH NORTHEAST ORIGINS  
AND TERMINATIONS

(GRAPHICS CHART OMITTED)

\* CP HAULAGE LOADS WERE NOT INCLUDED IN CS54 DATA

- USING 1988 AS THE BASE YEAR (BECAUSE CSX AND NS INTERMODAL INITIATIVES BEGIN IN THAT YEAR), WE SEE THAT NS HAS GROWN ITS VOLUME BY 94% VERSUS 43% FOR CONRAIL AND NO GROWTH FOR CSX OVER THE EIGHT YEAR PERIOD. NS MORE THAN DOUBLES THE GROWTH OF THE INDUSTRY AVERAGE WHILE CONRAIL REACHES THE MEAN AND CSX FALLS BEHIND. THESE ARE ACCURATE MEASURES OF HOW THE RAILROADS MANAGE THEIR FRANCHISES.
- IN FACT, NS WHILE CARRYING ONLY 13% OF THE VOLUME OF THE INDUSTRY ACCOUNTS FOR 52% OF INDUSTRY GROWTH IN 1995 AND 1996.
- CONRAIL HAS ENTERED AND ABANDONED MARKETS RANDOMLY, AS IN 1994 WHEN THEY DROPPED SHORT HAUL MARKETS IN THE MIDDLE OF THE FALL BUSY SEASON. THE STRONG GROWTH THAT THEY SHOW IN 1996 IS THE RETURN OF THIS BUSINESS AND THEIR 1996 VOLUME WILL BARELY MEET 1994 LEVELS.
- CSX HAS DONE MUCH THE SAME, INCREASING TRANSIT TIMES OUT OF ATLANTA, THEIR BIGGEST MARKET, IN THE MIDDLE OF THE FALL BUSY SEASON IN 1996.

CAPITAL EXPENDITURES ON INTERMODAL RELATED  
PROJECTS  
(COSTS IN MILLIONS)

	CONV I/M TERMINALS	CLEARANCE PROJECTS	TCS TERMINALS	TCS EQUIPMENT	TOTAL
88	\$4.48	\$0.25	\$2.36	\$33.96	\$41.05
89	\$4.99	\$0.60	\$0.97	\$0.26	\$6.82
90	\$1.50	\$2.93	\$0.00	\$0.00	\$4.43
91	\$3.50	\$2.14	\$8.11	\$19.91	\$33.67
92	\$10.10	\$3.65	N/A	N/A	\$13.75
93	\$9.70	\$1.62	\$1.77	\$23.45	\$36.55
94	\$25.72	\$0.00	\$0.00	\$0.00	\$25.72
95	\$26.23	\$4.00	\$0.00	N/A	\$30.29
96	\$18.04	\$0.00	\$0.00	N/A	\$18.04
TOTAL	\$104.06	\$15.18	\$13.22	\$77.59	\$210.25

12

- AT NORFOLK, NS HAS HAD A SIGNIFICANT ROLE IN THE GROWTH OF INTERNATIONAL TRAFFIC. INTERNATIONAL INTERMODAL BUSINESS AT NORFOLK HAS GROWN AT TWICE THE AVERAGE RATE OF INTERNATIONAL BUSINESS IN THE U.S. DURING THAT PERIOD OF TIME.
- THIS VOLUME, ALONG WITH INTERNATIONAL INTERMODAL BUSINESS MOVED AT CHARLESTON, SAVANNAH, JACKSONVILLE AND MIAMI, MAKES NS THE LEADER IN ATLANTIC PORT INTERMODAL TRAFFIC IN THE U.S.

13

- WHILE NS DOES NOT HAVE TRACKS INTO THE NORTHEAST, WE DO HAVE SEVERAL INITIATIVES THAT HAVE GIVEN US A SIGNIFICANT NORTHEAST PRESENCE.
- UNFORTUNATELY, THE ERRATIC NATURE OF THE GROWTH PROVES OUR POINT ABOUT COMPETITION. WHILE THERE REMAINS SIGNIFICANT



DEMAND FOR ANOTHER RAIL INTERMODAL CARRIER IN THE NORTHEAST,  
SERVICE VIA TRACKAGE OR HAULAGE RIGHTS IS TOO ERRATIC TO  
SUSTAIN.

- CP DEVELOPED A SIGNIFICANT BUSINESS INTO THE NORTHEAST  
ONLY TO ABANDON THE MARKET BECAUSE OF INCONSISTENT  
HAULAGE SERVICE.

14

NS SPECIFIC INTERMODAL PROPOSAL FOR THE  
NORTHEAST

- COMPETE FOR THE "LOCAL" DOMESTIC MARKET VIA ROADRAIL-  
ERS.
- USE THE NORTHEAST CORRIDOR FOR NORTH/SOUTH AND BOSTON  
ACCESS. ROADRAILER PROFILE FITS THIS CORRIDOR WELL.
- AGGRESSIVELY USE THE HAGERSTOWN GATEWAY, THE ONLY  
NORTH/SOUTH DOUBLESTACK ROUTE BETWEEN THE ATLANTIC  
OCEAN AND CINCINNATI FOR CONTAINER TRAFFIC.
- DEVELOP HUB CENTERS AT MAJOR NORTHEAST PORTS WITH  
INLAND ROUTINGS TO ALL POINTS EAST OF THE MINNEAPOLIS,  
KANSAS CITY, DALLAS, HOUSTON, LINE IN LESS THAN 72  
HOURS.

15

FOR IMMEDIATE RELEASE  
November 5, 1996

News Media Contact: Robert C. Fort  
(757) 629-2714

NORFOLK SOUTHERN CONFIRMS OFFER FOR CONRAIL

NORFOLK, VA -- Norfolk Southern late today reaffirmed its all-cash \$100 per share offer for Conrail. As originally announced, the offer will close to a voting trust, providing immediate cash payment to all shareholders.

The company also said that it had terminated the discussions begun by CSX.

"Let there be no misunderstanding and no disinformation: We are committed to taking every necessary step to provide Conrail shareholders with the choice of our better offer," said David R. Goode, Chairman and Chief Executive Officer of Norfolk Southern Corporation.

"It is clear to me that CSX and Conrail intend to continue their joint efforts to railroad Conrail shareholders into accepting a proposal significantly inferior to Norfolk Southern's \$100 per share all cash tender offer. Until CSX acknowledges that all Conrail shareholders are entitled to the \$100 cash that they can only receive from Norfolk Southern's offer, any discussions between us are a waste of time."

The company made its statement in advance of the expected announcement by Conrail's Board of Directors following a meeting held Tuesday.

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World Wide Web Site - <http://www.nscorp.com>

TO CONRAIL SHAREHOLDERS:

ACT NOW TO PROTECT  
YOUR INVESTMENT

NORFOLK SOUTHERN URGES YOU TO VOTE NO ON THE GOLD PROXY CARD

Norfolk Southern Corporation has offered \$100 per share in cash for each of your Conrail shares. This exceeds by more than \$15 the blended value per share offered under the ill advised merger agreement which Conrail has signed with CSX Corporation (based upon the closing sale price of CSX stock on November 1, 1996).

But you may not have the chance to accept this more valuable offer unless you vote NO on the GOLD proxy card. The Conrail Board wants you to "opt out" of the "Fair Value Statute" of the Pennsylvania Business Corporation Law. Essentially, this law protects the rights of shareholders to receive fair value for their shares in the company. You must vote NO to preserve your rights!

DON'T BE FORCED INTO  
ACCEPTING AN INFERIOR OFFER!

Look at the lockup devices and sweetheart  
deals that Conrail has given to CSX:

CONRAIL HAD AGREED TO "SWALLOW" ITS "POI-  
SON PILL" SO THAT NO ONE OTHER THAN CSX  
COULD ACQUIRE CONRAIL UNTIL 2005. FOLLOW-  
ING NORFOLK SOUTHERN'S LEGAL ACTION, THE  
CONRAIL BOARD BACKED DOWN.

-----  
CONRAIL HAS AGREED TO PAY APPROXI-  
MATELY \$420 MILLION IN "BREAK-UP" FEES  
AND OPTION BENEFITS (BASED ON OUR CURRENT  
OFFER) TO CSX IF THE MERGER AGREEMENT IS  
TERMINATED. THESE GIVEAWAYS AMOUNT TO  
MORE THAN \$4.60 PER SHARE OF YOUR STOCK.

-----  
THE CONRAIL BOARD HAS AGREED NOT  
TO TERMINATE THE CSX MERGER AGREEMENT  
FOR SIX MONTHS, EVEN IF ITS FIDUCIARY DUTIES  
TO YOU REQUIRE OTHERWISE.

-----  
Clearly, it's up to you to protect your legal  
rights. Don't opt out of the chance to get  
"fair value" for your shares.

-----  
ASK YOURSELF,  
WHY IS CONRAIL:

Putting up roadblock after roadblock in an  
attempt to prevent you from receiving the  
benefit of our higher offer?

Asking you to "opt out" of the "Fair Value  
Statute," one of the few protections you  
have left?

Not negotiating in your interests for a  
higher price?

Ignoring our superior \$100 per share offer?

-----  
VOTE NO ON THE "OPT-OUT" AND ADJOURNMENT PROPOSALS BY SIGNING, DATING AND

RETURNING THE GOLD PROXY CARD TODAY.

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Important: If you have any questions, please call our solicitor, Georgeson & Company Inc. toll free at 1 800-223-2064. Banks and brokers call 212-440-9800.

NS LOGO

FOR IMMEDIATE RELEASE  
November 6, 1996

News Media Contact: Robert C. Fort  
(757) 629-2714

NORFOLK SOUTHERN CALLS NEW CSX OFFER INFERIOR

NORFOLK, VA -- Norfolk Southern today issued the following statement in response to Conrail's decision to approve an amended merger offer from CSX:

"The action by CSX and Conrail comes as no surprise. The fact remains that CSX has not provided an overall price comparable to Norfolk Southern's \$100 per-share cash offer. Furthermore, CSX's coercive two-tiered front-end loaded tender offer is all the more abusive for having been aided and abetted by Conrail's board."

"Norfolk Southern will review all of its options and intends to take all steps necessary to ensure that Conrail shareholders are offered a fair deal."

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World Wide Web Site - <http://www.nscorp.com>

SUPPLEMENT TO THE OFFER TO PURCHASE FOR CASH DATED OCTOBER 24, 1996

ATLANTIC ACQUISITION CORPORATION,  
A WHOLLY OWNED SUBSIDIARY OF

NORFOLK SOUTHERN CORPORATION

HAS INCREASED THE PRICE OF ITS OFFER TO PURCHASE FOR CASH

ALL OUTSTANDING SHARES

OF

COMMON STOCK AND SERIES A ESOP CONVERTIBLE JUNIOR PREFERRED STOCK  
(INCLUDING, IN EACH CASE, THE ASSOCIATED COMMON STOCK PURCHASE RIGHTS)

OF

CONRAIL INC.

TO

\$110 NET PER SHARE

-----  
THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK  
CITY TIME, ON FRIDAY, NOVEMBER 22, 1996, UNLESS THE OFFER IS EXTENDED.  
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THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, PRIOR TO THE EXPIRATION OF THE OFFER, (1) THE RECEIPT BY ATLANTIC ACQUISITION CORPORATION ("PURCHASER"), A WHOLLY OWNED SUBSIDIARY OF NORFOLK SOUTHERN CORPORATION ("PARENT"), OF AN INFORMAL WRITTEN OPINION IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO PURCHASER FROM THE STAFF OF THE SURFACE TRANSPORTATION BOARD (THE "STB"), WITHOUT THE IMPOSITION OF ANY CONDITIONS UNACCEPTABLE TO PURCHASER, THAT THE USE OF A VOTING TRUST IN CONNECTION WITH THE OFFER AND THE PROPOSED MERGER IS CONSISTENT WITH THE POLICIES OF THE STB AGAINST UNAUTHORIZED ACQUISITIONS OF CONTROL OF A REGULATED CARRIER, (2) THE RECEIPT BY PURCHASER OF AN INFORMAL STATEMENT FROM THE PREMERGER NOTIFICATION OFFICE OF THE FEDERAL TRADE COMMISSION THAT THE TRANSACTIONS CONTEMPLATED BY THE OFFER AND THE PROPOSED MERGER ARE NOT SUBJECT TO, OR ARE EXEMPT FROM, THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED (THE "HSR ACT"), OR, IN THE ABSENCE OF THE RECEIPT OF SUCH INFORMAL STATEMENT, ANY APPLICABLE WAITING PERIOD UNDER THE HSR ACT HAVING EXPIRED OR BEEN TERMINATED, (3) PARENT AND PURCHASER HAVING OBTAINED, ON TERMS REASONABLY ACCEPTABLE TO PARENT, SUFFICIENT FINANCING TO ENABLE CONSUMMATION OF THE OFFER AND THE PROPOSED MERGER, (4) THERE BEING VALIDLY TENDERED AND NOT PROPERLY WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER A NUMBER OF COMMON SHARES AND ESOP PREFERRED SHARES WHICH TOGETHER CONSTITUTE AT LEAST A MAJORITY OF THE SHARES OUTSTANDING ON A FULLY DILUTED BASIS, (5) PURCHASER BEING SATISFIED, IN ITS SOLE DISCRETION, THAT SUBCHAPTER F OF CHAPTER 25 OF THE PENNSYLVANIA BUSINESS CORPORATION LAW HAS BEEN  
(CONTINUED)

The Dealer Managers for the Offer are:

J.P. MORGAN & CO.

MERRILL LYNCH & CO.

November 8, 1996

COMPLIED WITH OR IS INVALID OR OTHERWISE INAPPLICABLE TO THE OFFER AND THE PROPOSED MERGER, (6) THE COMMON STOCK PURCHASE RIGHTS HAVING BEEN REDEEMED BY THE BOARD OF DIRECTORS OF CONRAIL INC. OR PURCHASER BEING SATISFIED, IN ITS SOLE DISCRETION, THAT SUCH COMMON STOCK PURCHASE RIGHTS ARE INVALID OR OTHERWISE INAPPLICABLE TO THE OFFER AND THE PROPOSED MERGER, AND (7) PURCHASER BEING SATISFIED, IN ITS SOLE DISCRETION, THAT THE PREVIOUSLY

ANNOUNCED AGREEMENT AND PLAN OF MERGER, AS AMENDED, BETWEEN THE COMPANY AND CSX CORPORATION HAS BEEN TERMINATED IN ACCORDANCE WITH ITS TERMS OR OTHERWISE. SEE THE INTRODUCTION TO THE OFFER TO PURCHASE AND TO THE SUPPLEMENT.

#### IMPORTANT

Purchaser is currently reviewing its options with respect to the Offer and may consider, among other things, changes to the material terms of the Offer. In addition, Parent and Purchaser intend to continue to seek to negotiate with the Company with respect to the acquisition of the Company by Parent or Purchaser. Purchaser reserves the right to amend the Offer (including amending the number of shares to be purchased, the purchase price and the proposed merger consideration) upon entering into a merger agreement with the Company or to negotiate a merger agreement with the Company not involving a tender offer pursuant to which Purchaser would terminate the Offer and the Common Shares (as defined herein) and ESOP Preferred Shares (as defined herein, and together with the Common Shares, the "Shares") would, upon consummation of such merger, be converted into cash, common stock of Parent and/or other securities in such amounts as are negotiated by Parent and the Company.

Any shareholder desiring to tender all or any portion of such shareholder's Shares should either (i) complete and sign one of the Letters of Transmittal (or a facsimile thereof) in accordance with the instructions in the Letters of Transmittal, have such shareholder's signature thereon guaranteed if required by Instruction 1 to the Letters of Transmittal, mail or deliver one of the Letters of Transmittal (or such facsimile thereof) and any other required documents to the Depositary and either deliver the certificates for such Shares and, if separate, the certificates representing the associated Rights (as defined herein) to the Depositary along with one of the Letters of Transmittal (or a facsimile thereof) or deliver such Shares (and Rights, if applicable) pursuant to the procedure for book-entry transfer set forth in Section 3 of the Offer to Purchase (as defined herein) prior to the expiration of the Offer or (ii) request such shareholder's broker, dealer, commercial bank, trust company or other nominee to effect the transaction for such shareholder. A shareholder having Shares (and, if applicable, Rights) registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if such shareholder desires to tender such Shares (and, if applicable, Rights). Unless and until Purchaser declares that the Rights Condition (as defined herein) is satisfied, shareholders will be required to tender one Right for each Share tendered in order to effect a valid tender of such Share. The tender of Rights is also required for the valid tender of ESOP Preferred Shares.

Participants in the Company's Matched Savings Plan (the "ESOP") desiring that Fidelity Management Trust Company, as trustee under the ESOP (the "ESOP Trustee"), tender the ESOP Preferred Shares allocated to their accounts, which will be converted into Common Shares upon consummation of the Offer, should so instruct the ESOP Trustee by completing the form that will be provided to participants for that purpose. ESOP participants cannot tender shares allocated to their ESOP accounts by executing one of the Letters of Transmittal.

Any shareholder who desires to tender Shares (and, if applicable, Rights) and whose certificates for such Shares (and, if applicable, Rights) are not immediately available, or who cannot comply with the procedures for book-entry transfer described in this Offer to Purchase on a timely basis, may tender such Shares (and, if applicable, Rights) by following the procedures for guaranteed delivery set forth in Section 3 of the Offer to Purchase.

Questions and requests for assistance may be directed to the Information Agent or the Dealer Managers at their respective addresses and telephone numbers set forth on the back cover of this Supplement. Additional copies of the Offer to Purchase, this Supplement, the revised Letter of Transmittal or other tender offer materials may be obtained from the Information Agent.

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TO THE HOLDERS OF COMMON STOCK AND  
SERIES A ESOP CONVERTIBLE JUNIOR PREFERRED STOCK OF CONRAIL INC.:

#### INTRODUCTION

The following information amends and supplements the Offer to Purchase, dated October 24, 1996 (the "Offer to Purchase"), of Atlantic Acquisition Corporation ("Purchaser"), a Pennsylvania corporation and a wholly owned subsidiary of Norfolk Southern Corporation, a Virginia corporation ("Parent"), pursuant to which Purchaser is offering to purchase all outstanding shares of (i) common stock, par value \$1.00 per share (the "Common Shares"), and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value (the "ESOP Preferred Shares" and, together with the Common Shares, the "Shares"), of Conrail Inc., a Pennsylvania corporation (the "Company"), including, in each case, the associated Common Stock Purchase Rights (the "Rights") issued pursuant to the Rights Agreement, dated as of July 19, 1989, as amended, between the Company and First Chicago Trust Company of New York, as Rights Agent (the "Rights Agreement"). Purchaser has increased the price to be paid in the Offer (as defined below) to \$110 per Share, net to the seller in cash, without interest thereon (the "Offer Price"), upon the terms and subject to the conditions set forth in the Offer to Purchase, this Supplement, and in the revised Letter of Transmittal (which, as amended from time to time, together constitute the "Offer"). Unless the context otherwise requires, all references to Common Shares, ESOP Preferred Shares or Shares shall include the associated Rights, and all references to the Rights shall include the benefits that may enure to holders of the Rights pursuant to the Rights Agreement, including the right to receive any payment due upon redemption of the Rights.

The purpose of the Offer is to acquire control of, and the entire equity interest in, the Company. Parent is seeking to negotiate with the Company a definitive merger agreement pursuant to which the Company would, as soon as practicable following consummation of the Offer, consummate a merger or similar business combination with Purchaser or another direct or indirect subsidiary of Parent (the "Proposed Merger"). In the Proposed Merger, each Common Share and ESOP Preferred Share then outstanding (other than Shares held by the Company or any subsidiary of the Company and Shares owned by Parent, Purchaser or any direct or indirect subsidiary of Parent) would be converted into the right to receive an amount in cash equal to the price per Common Share and ESOP Preferred Share paid pursuant to the Offer. If Purchaser acquires 80% or more of the outstanding Shares in the Offer, Purchaser intends to effect the Proposed Merger as a "short-form" merger under the Pennsylvania Business Corporation Law (the "PBCL"), without a vote of the Company's shareholders or the Board of Directors of the Company (the "Company Board"). See Section 11 and Section 12 of the Offer to Purchase and Sections 5 and 6 of this Supplement.

This Supplement should be read in conjunction with the Offer to Purchase. Except as set forth in this Supplement and the revised Letter of Transmittal, the terms and conditions previously set forth in the Offer to Purchase and the Letter of Transmittal mailed with the Offer to Purchase, remain



applicable in all respects to the Offer. Terms used but not defined herein have the meanings set forth in the Offer to Purchase.

According to the Company's Solicitation/Recommendation Statement on Schedule 14D-9 (the "Schedule 14D-9") filed on November 6, 1996 with the SEC, the Board of Directors of the Company (the "Company Board") recommended that shareholders of the Company reject Purchaser's initial offer of \$100 per Share and not tender any of their Shares pursuant thereto. In addition, on November 5, 1996, the Company Board approved an amendment to the CSX Merger Agreement (the "Amendment") pursuant to which CSX increased the price per Share payable under the CSX Offer to \$110 and agreed that the per Share cash consideration to be paid in the Proposed CSX Merger, if any, would be \$110, while leaving unchanged the number of Shares sought to be purchased or otherwise acquired for cash pursuant to the CSX Offer and the Proposed CSX Merger. The provision of the CSX Merger Agreement providing that 60% of the outstanding Shares will be exchanged for CSX Common Stock at a rate of 1.85619 Shares of CSX Common Stock for each Share remained unchanged. Based on the closing sale price of the CSX Common Stock on the New York Stock Exchange (the "NYSE") on November 7, 1996, 1.85619 shares of CSX Common Stock were worth approximately \$82.14.

By reason of the increase in the Offer Price, the increased punitive effect of the CSX Lockup Option on Parent will be approximately \$160 million. On such basis, in the event that the CSX Termination Fee is paid and the CSX Lockup Option Agreement is exercised by CSX, the aggregate additional cost to an acquiror of the Company (including Parent) by reason of the CSX Lockup Option Agreement and the CSX Termination Fee will amount to approximately \$580 million (assuming an acquisition of the Company at \$110 per Share). In the Pennsylvania Litigation, Parent and Purchaser are contesting the validity of both the CSX Lockup Option Agreement and the CSX Termination Fee. See Section 15 of the Offer to Purchase and Section 8 of this Supplement.

Pursuant to the Amendment, the Company and CSX also agreed, among other things, to a provision (the "No Discussions Provision") providing that, subject to certain exceptions, neither the Company nor CSX will, nor will they permit any of their subsidiaries to, nor will they authorize or permit any of their officers, directors or employees or any investment banker, financial advisor, attorney, accountant or other representative retained by them or any of their subsidiaries to, directly or indirectly through another person, participate in any conversations, discussions or negotiations, or enter into any agreement, arrangement or understanding, with any other company engaged in the operation of railroads (including Parent) with respect to the acquisition by any such other company (including Parent) of any securities or assets of the Company and its subsidiaries or CSX and its subsidiaries, or any trackage rights or other concessions relating to the assets or operations of the Company and its subsidiaries or CSX and its subsidiaries, other than with respect to certain sales, leases, licenses, mortgages or other disposals of assets or properties.

In the Amendment, the Company also agreed to extend the term of the No Negotiation Provision from 180 days to 270 days, with the intended effect of preventing the Company from considering or otherwise facilitating until July 1997 any competing proposal to acquire the Company, such as the Offer. See Section 5 of this Supplement.

On November 6, 1996, the Company announced that the special meeting of the Company's shareholders (the "Pennsylvania Special Meeting") to seek approval of an amendment (the "Articles Amendment") to the Company's Articles of Incorporation (the "Company Articles") to "opt out" of Subchapter E of Chapter 25 of the PBCL had been cancelled, and a new record date of December 5, 1996 had been set for a new Pennsylvania Special Meeting expected to be held in mid-December. Parent is currently soliciting proxies against the adoption of the Articles Amendment and intends to continue to solicit proxies against the Articles Amendment at any meeting of the Company's shareholders held to consider the Articles Amendment.

THIS SUPPLEMENT DOES NOT CONSTITUTE A SOLICITATION OF PROXIES FOR ANY MEETING OF THE COMPANY'S SHAREHOLDERS. ANY SUCH SOLICITATION WHICH PARENT OR PURCHASER MIGHT MAKE WOULD BE MADE ONLY PURSUANT TO SEPARATE PROXY MATERIALS

COMPLYING WITH THE REQUIREMENTS OF SECTION 14(A) OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "EXCHANGE ACT").

THE OFFER TO PURCHASE, THIS SUPPLEMENT AND THE REVISED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

1. TERMS OF THE OFFER; EXPIRATION DATE. The discussion set forth in Section 1 of the Offer to Purchase is hereby amended and supplemented as follows:

The price to be paid for Shares purchased pursuant to the Offer has been increased from \$100 to \$110 per Share, net to the seller in cash without interest thereon, upon the terms and subject to the conditions of the Offer.

The term "Expiration Date" has been amended to mean 12:00 Midnight, New York City time, on Friday, November 22, 1996, unless and until Purchaser, in its sole discretion, shall have extended the period of time during which the Offer is open, in which event the term "Expiration Date" shall refer to the latest time and date at which the Offer, as so extended by Purchaser, shall expire.

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2. PROCEDURES FOR TENDERING SHARES. The discussion set forth in Section 3 of the Offer to Purchase is hereby amended and supplemented as follows:

The revised Letter of Transmittal and the revised Notice of Guaranteed Delivery distributed with this Supplement may be used to tender Shares. Tendering shareholders may also continue to use the Letter of Transmittal and the Notice of Guaranteed Delivery previously distributed with the Offer to Purchase to tender Shares.

SHAREHOLDERS WHO HAVE PREVIOUSLY VALIDLY TENDERED SHARES PURSUANT TO THE OFFER AND NOT PROPERLY WITHDRAWN SUCH SHARES HAVE VALIDLY TENDERED SUCH SHARES FOR PURPOSES OF THE OFFER, AS AMENDED, AND NEED NOT TAKE ANY FURTHER ACTION IN ORDER TO RECEIVE THE INCREASED PRICE OF \$110 NET PER SHARE PURSUANT TO THE OFFER.

3. PRICE RANGE OF SHARES; DIVIDENDS. The discussion set forth in Section 6 of the Offer to Purchase is hereby amended and supplemented as follows:

According to public sources, the high and low closing sale prices per Common Share on the NYSE for the Fourth Quarter of 1996 (through November 7, 1996) were \$981/4 and \$681/2, respectively. On November 7, 1996, the last full trading day prior to Parent's announcement that it was amending the terms of the Offer upon the terms set forth in this Supplement, the reported closing sale price per Common Share on the NYSE Composite Tape was \$93. SHAREHOLDERS ARE URGED TO OBTAIN A CURRENT MARKET QUOTATION FOR THE COMMON SHARES.

4. SOURCE AND AMOUNT OF FUNDS. The discussion set forth in Section 10 of the Offer to Purchase is hereby amended and supplemented as follows:

Purchaser estimates that the total amount of funds now required to acquire Shares pursuant to the Offer and the Proposed Merger (in each case as amended as described in this Supplement), to pay all related costs and expenses, to refinance Parent's and the Company's existing debt and for working capital purposes will be approximately \$12.5 billion.

As of November 7, 1996, signed commitments (including the commitments of the Arrangers and their affiliates as Lenders) in excess of \$15 billion had been received by the Arrangers from banks and other financial institutions (the "Potential Syndicate Members") in respect of the \$11.5 billion financing for Parent's \$100 per Share Offer described in the Summary of Terms and Conditions previously filed as an exhibit to the Schedule 14D-1. The respective commitments of the Potential Syndicate Members will expire on March 1, 1997 if a satisfactory definitive credit agreement is not entered into on or prior to such date.

In order to finance the Offer and the Proposed Merger at the \$110 per Share Offer Price, Parent has begun the process of seeking confirmations from the Potential Syndicate Members that their respective commitments may apply to a \$12.5 billion (as opposed to an \$11.5 billion) financing for Parent in connection with the \$110 per Share Offer Price. Parent has already received oral confirmations from the Arrangers (and their affiliates as Lenders) in respect of their original commitments of \$2 billion each, and Parent and the Arrangers are highly confident that such confirmations will also be received from the other Potential Syndicate Members in respect of their original commitments in the near future. The terms and conditions on which the Potential Syndicate Members would be willing to make such confirmations, as well as the structure and pricing they may require for a larger financing, may vary from those set forth in the Financing Commitment, the related Summary of Terms and Conditions and Section 10 of the Offer to Purchase.

It is anticipated that the indebtedness incurred by Parent and Purchaser under the Credit Facility will be repaid from funds generated internally by Parent and its subsidiaries (including, after the Proposed Merger, if consummated, funds generated by the Company and its subsidiaries), through additional borrowings, or through a combination of such sources. No final decisions have been made concerning the method Parent will employ to repay such indebtedness. Such decisions when made will be based on Parent's review from time to time of the advisability of particular actions, as well as on prevailing interest rates and financial and other economic conditions.

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5. BACKGROUND OF THE OFFER; CONTACTS WITH THE COMPANY. The discussion set forth in Section 11 of the Offer to Purchase is hereby amended and supplemented as follows:

During the weekend of November 2 and November 3, 1996, representatives of Parent and CSX met to discuss matters related to their respective offers to acquire the Company. Such discussions were commenced at the suggestion of CSX, were represented by CSX to have been held with the knowledge of the Company and were pursued by Parent consistent with Parent's previously announced position of favoring a balanced competitive structure for Eastern railroad service. These discussions included an exchange of term sheets, first from CSX to Parent and then from Parent to CSX, Parent announced on November 4, 1996 that it had terminated such discussions and reaffirmed its \$100 per Share offer for all Shares.

On November 4, 1996, Parent filed its definitive proxy statement with the SEC relating to its solicitation of proxies against the adoption of the Articles Amendment at the Pennsylvania Special Meeting and provided copies of the proxy statement to the Company for dissemination to the Company's shareholders. Also on November 4, 1996, the Company provided a shareholder list and a substantial portion of the other information requested by Parent and Purchaser pursuant to Pennsylvania law.

On November 7, 1996, the Company issued a news release in the form of a letter purportedly from the "Independent Directors" of the Company and ostensibly addressed to the Parent Board. The letter reiterated such directors' publicized commitment to the Proposed CSX Transaction and to Mr. LeVan. Also on November 7, 1996, the Parent Board met to review events surrounding the Offer and the revised CSX Offer and authorized the increase in the Offer Price to \$110 per Share. On November 8, 1996, Parent publicly announced the increased Offer Price.

THE AMENDMENT

On November 5, 1996, the Company and CSX entered into the Amendment. The Amendment effects certain changes to the CSX Merger Agreement. Other than as amended by the Amendment, the provisions of the CSX Merger Agreement remain in full force and effect.

The CSX Offer. Pursuant to the Amendment, CSX has amended the CSX Offer for 19.9% of the outstanding Shares to increase the price to be paid to \$110 per Share, net to the seller in cash. The obligations of CSX and the Company set forth in the CSX Merger Agreement with respect to the CSX Offer apply

with respect to the CSX Offer as so amended.

The Amendment provides that, at any time prior to eleven business days before the then-scheduled expiration date of the CSX Offer if the Pennsylvania Control Transaction Law is inapplicable to the Company by such time, CSX will, at the written request of the Company, amend the CSX Offer to increase the number of Shares sought to 40% of the outstanding Shares on a fully diluted basis as of the date of the CSX Merger Agreement (excluding Shares that would be outstanding upon exercise of the CSX Lockup Option). In addition, at any time following seven business days after consummation of the CSX Offer, if CSX and its subsidiaries do not already own at such time 40% or more of the Shares outstanding as of the date of the CSX Merger Agreement (excluding Shares that would be outstanding upon exercise of the CSX Lockup Option), CSX may, and at the written request of the Company is required to, commence a second tender offer (the "CSX Second Offer") to purchase up to that number of Shares which, when added to the aggregate number of Shares then beneficially owned by CSX (other than pursuant to the CSX Lockup Agreement) equals 40% of such outstanding Shares, at a price of not less than \$110 and on other terms no less favorable to shareholders of the Company than the CSX Offer, provided that CSX will not be required to consummate the Second CSX Offer until after the Pennsylvania Control Transaction Law is inapplicable to the Company. The Company has agreed that it will not make any such written request at any time that the CSX Offer is outstanding and the expiration date of such CSX Offer is within 10 business days thereof.

The Proposed CSX Merger. The Amendment provides that the per Share cash consideration to be paid in the Proposed CSX Merger, if any, will be \$110. The provision of the CSX Merger Agreement

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providing that 60% of the outstanding Shares will be exchanged for CSX Common Stock at a rate of 1.85619 Shares of CSX Common Stock for each Share remains unchanged. Based on the closing sale price of CSX Common Stock on the NYSE on November 7, 1996, 1.85619 shares of CSX Common Stock were worth approximately \$82.14.

Shareholders' Meetings. The Amendment provides that the Company will not convene, adjourn or postpone the Pennsylvania Special Meeting without CSX's prior consent, and such consent will not be unreasonably withheld. In the event that the matters to be considered at the meetings of the shareholders of the Company and CSX to be held to consider the Proposed CSX Merger are not approved, from time to time the Company or CSX, as applicable, may, and will at the request of CSX or the Company, as applicable, duly call one or more meeting(s) of shareholders for such purposes. Subject to the foregoing, the Amendment further provides that the Company shall convene any such shareholder meetings as soon as practicable after receipt of any request to do so by CSX (and, in the case of the Pennsylvania Special Meeting, as soon as practicable after December 5, 1996).

The Amendment also provides that, following the approval of the Articles Amendment, the Company will take all necessary or advisable action to cause the Articles Amendment to become effective.

No Discussions. In the Amendment, the Company and CSX agreed to the No Discussion Provision which provides that during the term of the CSX Merger Agreement, neither the Company nor CSX, will, nor will they permit any of their subsidiaries to, nor will they authorize or permit any of their officers, directors or employees or any investment banker, financial advisor, attorney, accountant or other representative retained by them or any of their subsidiaries to, directly or indirectly through another person, participate in any conversations, discussions or negotiations, or enter into any agreement, arrangement or understanding, with any other company engaged in the operation of railroads (including Parent) with respect to the acquisition by any such other company (including Parent) of any securities or assets of the Company and its subsidiaries or CSX and its subsidiaries, or any trackage rights or other concessions relating to the assets or operations of the Company and its subsidiaries or CSX and its subsidiaries, other than with respect to certain sales, leases, licenses, mortgages or other disposals of assets or properties. Notwithstanding the foregoing, however, CSX and the

Company will be permitted to engage in conversations, discussions and negotiations with other companies engaged in the operation of railroads (including Parent) to the extent reasonably necessary or reasonably advisable in connection with obtaining regulatory approval of the transactions contemplated by the CSX Merger Agreement in accordance with the terms set forth in the CSX Merger Agreement, and in each case so long as (i) a representative of each party is present at any such conversation, discussion or negotiation, (ii) the general subject matter of any such conversation, discussion or negotiation has been agreed to in advance by the Company and Parent and (iii) the Company, CSX and such other company have previously agreed to appropriate confidentiality arrangements, on terms reasonably acceptable to the Company and CSX (which terms shall in any event permit disclosure to the extent required by law), relating to the existence and subject matter of any such conversation, discussion or negotiation. Provisions of the Amendment described in this paragraph will terminate and be of no further force and effect in certain circumstances if the Board of Directors of the Company or CSX, as the case may be, determines in the good faith exercise of its fiduciary duties that it is necessary to so terminate these provisions.

No Negotiations. The Amendment extends to 270 days the original 180 day limitation on negotiations in the No Negotiation Provision described in Section 11 of the Offer to Purchase.

Termination. The Amendment provides that the right to terminate the CSX Merger Agreement in connection with certain shareholder meetings will be exercisable only to the extent that such shareholder meetings are held after the earlier of (i) 270 days after the date of the CSX Merger Agreement or (ii) the purchase of an aggregate of 40% of the fully diluted shares under the CSX Offer or, if applicable, the CSX Second Offer.

The foregoing is a summary of certain provisions of the Amendment. This summary is qualified in its entirety by reference to the Amendment, which has been filed as an exhibit to Amendment No. 4 to CSX's Schedule 14D-1, dated November 6, 1996, and is incorporated herein by reference.

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6. PURPOSE OF THE OFFER AND THE MERGER; PLANS FOR THE COMPANY; CERTAIN CONSIDERATIONS. The discussion set forth in Section 12 of the Offer to Purchase is hereby amended and supplemented as follows:

Following a motion by the plaintiffs in the Pennsylvania Litigation seeking to compel such action, on November 4, 1996, the Company Board adopted a resolution extending the Distribution Date with respect to the Rights (as so extended, the "Distribution Date") so that it will occur only on the tenth business day after the acquisition by any Person (such as Purchaser pursuant to the Offer), together with all Affiliates and Associates of such Person (as such terms are defined in the Rights Agreement), of beneficial ownership of at least 10% of the outstanding Shares. Absent such resolution, the Distribution Date with respect to the Rights would have occurred on November 7, 1996. See Section 8 of this Supplement.

7. CONDITIONS OF THE OFFER. The Offer remains subject to the terms and conditions contained in the Offer to Purchase. See the Introduction and Sections 1 and 14 of the Offer to Purchase and the Introduction to this Supplement.

8. CERTAIN LEGAL MATTERS; REGULATORY APPROVALS; CERTAIN LITIGATION. The discussion set forth in Section 15 of the Offer to Purchase is hereby amended and supplemented as follows:

STB Matters; The Voting Trust. As previously disclosed, Parent has requested the staff of the STB to issue an informal, nonbinding opinion that the use of the Voting Trust is consistent with the policies of the STB against unauthorized acquisitions of control of a regulated carrier, and the staff of the STB has done so in a letter dated November 1, 1996. On November 6, 1996, Parent requested that the STB staff clarify certain aspects of its informal nonbinding opinion of November 1, 1996. Also on November 6, 1996, the Company submitted a letter to the STB staff objecting to the staff's

November 1, 1996 letter of informal nonbinding approval of the Voting Trust. On November 7, 1996, Parent submitted to the STB staff its response to the Company's letter of November 6, 1996 in which Parent vigorously took issue with the objections raised by the Company and noted that the CSX Merger Agreement already gives CSX far more control of the Company than Parent could ever achieve under the terms of the proposed Voting Trust.

The Voting Trust Agreement submitted to the staff of the STB for approval provides that the Voting Trustee will have sole power to vote the Shares in the Voting Trust, will vote those Shares in favor of the Proposed Merger, and in favor of any proposal or action necessary or desirable to effect, or consistent with the effectuation of, the Proposed Merger, and against any other acquisition transaction, and will vote the Shares in favor of any permitted disposition of the Shares. The Voting Trust Agreement contains other terms and conditions designed to ensure that neither Purchaser nor Parent will control the Company during the pendency of the STB proceedings. In addition, the Voting Trust Agreement provides that Purchaser or its successor in interest will be entitled to receive any cash dividends paid by the Company.

It is possible that the Department of Justice or railroad competitors of Parent and the Company, or others, may argue that Purchaser should not be permitted to use the voting trust mechanism to acquire Shares prior to the final STB approval of the acquisition of control of the Company. Purchaser believes it is unlikely that such arguments will prevail, but there can be no assurance in this regard, nor can there be an assurance that if such arguments are made, the STB staff will not rescind their opinion regarding the Voting Trust Agreement.

STB Matters; Acquisition of Control. On November 6, 1996, Parent and Purchaser filed with the STB a Notice of Intent to File Railroad Control Application. On or before May 1, 1997 (but not before February 6, 1997), Parent and various of its affiliates plan to file an application seeking approval of the STB for the acquisition of control over the Company and its affiliates by Parent and its affiliates.

Certain Litigation. On October 28, 1996, defendants in the litigation (the "Pennsylvania Litigation") brought by Parent, Purchaser and a company shareholder (collectively, the "Plaintiffs") against the Company, its directors and CSX (collectively, the "Defendants") in the United States District Court for the Eastern District of Pennsylvania (the "District Court") filed a motion to dismiss the Pennsylvania Litigation alleging that the Plaintiffs failed to state a claim in the Complaint for which relief could be

granted based upon, among other things, Defendants' allegations that shareholders are not permitted to sue directors directly for breach of fiduciary duty under Pennsylvania law; and that, as a result of Parent's breach of its confidentiality agreement with the Company, the Plaintiffs' claims for equitable relief are barred.

On October 30, 1996, the Plaintiffs amended the Complaint. In addition to the allegations cited in the original Complaint, the amended Complaint alleges, among other things, that the provisions in the CSX Merger Agreement which prohibit the Company Board from redeeming the Rights, and amending or otherwise taking further action with respect to the Rights Agreement, are ultra vires under Pennsylvania law and constitute a breach of the Company directors' fiduciary duties of loyalty and care; that the tender offer materials disseminated by the Company and CSX misrepresent key terms of the Rights Agreement necessary to an understanding of the effects of the Rights Agreement; that the provisions of the CSX Merger Agreement which prohibits the Company Board from withdrawing their recommendation that the Company's shareholders accept and approve the Proposed CSX Transaction and from terminating the CSX Merger Agreement for a period of 180 days from execution of the CSX Merger Agreement is ultra vires under Pennsylvania law and constitutes a breach of the Company directors' fiduciary duties of loyalty and care; and that CSX has knowingly participated in the illegal conduct of the Company and its directors.

In the amended Complaint, in addition to the relief sought pursuant to the original Complaint, the Plaintiffs seek declaratory relief and an order preliminarily and permanently enjoining the Defendants, their directors, officers, partners, employees, agents, subsidiaries and affiliates, and all other persons acting in concert with or on behalf of the Defendants directly or indirectly from, among other things: (a) taking any action to enforce the provisions in the CSX Merger Agreement regarding the Rights Agreement described in the immediately preceding paragraph; (b) failing to take such action as is necessary to postpone the occurrence of a Distribution Date under the Rights Agreement; and (c) taking any action to enforce the provisions of the CSX Merger Agreement regarding the 180-day lock-out restrictions described in the immediately preceding paragraph.

On October 30, 1996, Parent and Purchaser filed with the District Court a Complaint for Injunctive Relief against the Commissioners of the Pennsylvania Securities Commission, the Attorney General of Pennsylvania and the Company, together with a Consent Order agreed to by all parties, seeking to enjoin enforcement of the Pennsylvania Takeover Disclosure Law as it would relate to the Offer.

On October 31, 1996, the Plaintiffs filed a memorandum of law with the District Court in opposition to the Defendants' motion to dismiss the Pennsylvania Litigation. The memorandum of law sets forth, among other things, Plaintiffs' arguments that (i) they have standing to sue the Company Board for breach of fiduciary duty, (ii) they are adequate representatives of the Company's shareholders for purposes of Federal Rule of Civil Procedure 23.1, (iii) pre-suit demand upon the Company Board should be excused since such a demand would have been futile, (iv) the Company's proposed amendment to the Company Articles to "opt-out" of the Pennsylvania Control Transaction Law is invalid under Pennsylvania law, (v) Plaintiffs' federal claims state a cause of action, and (vi) Defendants' unclean hands claim lacks merit.

On November 1, 1996, the Plaintiffs filed a motion, supporting brief and proposed form of order with the District Court seeking a temporary restraining order in the Pennsylvania Litigation (the "TRO Motion"). In the TRO Motion, the Plaintiffs requested that the District Court temporarily enjoin the Defendants and all persons acting on their behalf or in concert with them from taking any action to enforce Sections 3.1(n) and 5.13 of the CSX Merger Agreement and any other provisions of the CSX Merger Agreement which purport to limit the ability of the Company Board to take action or make any determination with regard to the Rights Agreement and temporarily enjoin the Defendants and all persons acting on their behalf or in concert with them from distributing any Rights pursuant to the Rights Agreement. The Plaintiffs also requested that the District Court require the Defendants to take such action as necessary to prevent a "Distribution Date" from occurring pursuant to the Rights Agreement. At the hearing on November 4, 1996 to hear arguments concerning the TRO Motion, counsel to the Company advised the District Court that the Company Board had on that date adopted a resolution

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deferring the "Distribution Date" under the Rights Agreement until such date as the Rights become exercisable (i.e., ten days after a party other than CSX Corporation acquires more than 10% of the Shares). Counsel to CSX advised the District Court that CSX had consented to the terms of such resolution. In view of the fact that the Company and CSX had taken the action that Plaintiffs requested be ordered by the District Court, the District Court stated that it was not necessary for the District Court to take further action and therefore denied the TRO Motion as moot.

As a result of the cancellation of the Pennsylvania Special Meeting, which was originally scheduled to be held on November 14, 1996, and the extension of the expiration date of the CSX Offer to November 20, 1996, the District Court has rescheduled from November 12, 1996 to November 18, 1996 a hearing on the Plaintiffs' motion for a preliminary injunction. At such hearing, the Plaintiffs will seek to enjoin (i) the CSX Offer from expiring on November 20, 1996 and (ii) CSX from acquiring Shares pursuant to the CSX Offer.

9. FEES AND EXPENSES. The discussion set forth in Section 16 of the Offer

to Purchase is hereby amended and supplemented as follows:

Parent has retained Georgeson & Company to act as Information Agent in connection with the Offer and to assist Parent in its communications with the Company's shareholders with respect to, and to provide other services in connection with, the Pennsylvania Special Meeting. Georgeson & Company will receive reasonable and customary compensation for its services, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities and expenses in connection therewith.

10. MISCELLANEOUS. Parent and Purchaser have filed with the SEC amendments to the Schedule 14D-1, together with exhibits, pursuant to Rule 14d-3 of the General Rules and Regulations under the Exchange Act, furnishing certain additional information with respect to the Offer. The Schedule 14D-1, and any amendments thereto, may be inspected at, and copies may be obtained from, the same places and in the same manner as set forth in Section 8 of the Offer to Purchase (except that they may not be available at the regional offices of the SEC).

ATLANTIC ACQUISITION CORPORATION

November 8, 1996

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Facsimile copies of the revised Letter of Transmittal, properly completed and duly signed, will be accepted. The revised Letter of Transmittal, certificates for the Shares and any other required documents should be sent by each shareholder of the Company or his broker, dealer, commercial bank, trust company or other nominee to the Depositary as follows:

The Depositary for the Offer is:

THE BANK OF NEW YORK

By Mail:

Tender & Exchange Department  
P.O. Box 11248  
Church Street Station  
New York, New York 10286-1248

By Facsimile Transmission:  
(for Eligible Institutions Only)  
(212) 815-6213

By Hand or Overnight Courier:

Tender & Exchange Department  
101 Barclay Street    Receive &  
Deliver Window    New York, New  
York 10286

For Information Telephone:  
(800) 507-9357

Any questions or requests for assistance may be directed to the Information Agent or the Dealer Managers at their respective telephone numbers and locations listed below. Additional copies of the Offer to Purchase, this Supplement, the revised Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the Information Agent at its address and telephone numbers set forth below. Holders of Shares may also contact their broker, dealer, commercial bank or trust company or other nominee for assistance concerning the Offer.

The Information Agent for the Offer is:

GEORGESON & COMPANY INC.  
[LOGO]

Wall Street Plaza



New York, NY 10005  
Banks and Brokers Call Collect: (212) 440-9800  
All Others Call Toll-Free: (800) 223-2064

The Dealer Managers for the Offer are:

J.P. Morgan & Co.	Merrill Lynch & Co.
60 Wall Street	World Financial Center
Mail Stop 2860	North Tower
New York, New York 10260	New York, New York 10281-1305
(800) 576-5070 (toll free)	(212) 449-8211 (call collect)

LETTER OF TRANSMITTAL  
TO TENDER SHARES OF COMMON STOCK AND  
SERIES A ESOP CONVERTIBLE JUNIOR PREFERRED STOCK  
(INCLUDING, IN EACH CASE, THE ASSOCIATED COMMON STOCK PURCHASE RIGHTS)  
OF

CONRAIL INC.

PURSUANT TO THE OFFER TO PURCHASE, DATED OCTOBER 24, 1996  
AND  
THE SUPPLEMENT THERETO, DATED NOVEMBER 8, 1996  
BY

ATLANTIC ACQUISITION CORPORATION,  
A WHOLLY OWNED SUBSIDIARY  
OF  
NORFOLK SOUTHERN CORPORATION

-----  
THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT,  
NEW YORK CITY TIME,  
ON FRIDAY, NOVEMBER 22, 1996, UNLESS THE OFFER IS EXTENDED.  
-----

The Depositary for the Offer is:  
THE BANK OF NEW YORK

By Mail:	By Facsimile Transmission:	By Hand or Overnight Courier:
Tender & Exchange Department P.O. Box 11248 Church Street Station New York, New York 10286-1248	(for Eligible Institutions Only) (212) 815-6213  For Information Telephone: (800) 507-9357	Tender & Exchange Department 101 Barclay Street Receive & Deliver Window New York, New York 10286

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET FORTH  
ABOVE OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE OR TELEX TRANSMISSION  
OTHER THAN AS SET FORTH ABOVE WILL NOT CONSTITUTE A VALID DELIVERY. YOU MUST  
SIGN THIS LETTER OF TRANSMITTAL WHERE INDICATED BELOW AND COMPLETE THE  
SUBSTITUTE FORM W-9 PROVIDED BELOW.

THE INSTRUCTIONS ACCOMPANYING THIS LETTER OF TRANSMITTAL  
SHOULD BE READ CAREFULLY BEFORE THIS LETTER  
OF TRANSMITTAL IS COMPLETED.

THIS REVISED LETTER OF TRANSMITTAL OR THE PREVIOUSLY CIRCULATED LETTER OF  
TRANSMITTAL IS TO BE COMPLETED BY SHAREHOLDERS OF CONRAIL INC. EITHER IF  
CERTIFICATES EVIDENCING SHARES AND/OR RIGHTS (EACH AS DEFINED BELOW) ARE TO  
BE FORWARDED HERewith, OR IF DELIVERY OF SHARES AND/OR RIGHTS IS TO BE MADE  
BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT THE DEPOSITARY TRUST  
COMPANY OR THE PHILADELPHIA DEPOSITARY TRUST COMPANY (EACH, A "BOOK-ENTRY  
TRANSFER FACILITY" AND COLLECTIVELY, THE "BOOK-ENTRY TRANSFER FACILITIES")  
PURSUANT TO THE BOOK-ENTRY TRANSFER PROCEDURE DESCRIBED IN "PROCEDURES FOR  
TENDERING SHARES" OF THE OFFER TO PURCHASE (AS DEFINED BELOW) AS SUPPLEMENTED  
BY THE SUPPLEMENT (AS DEFINED BELOW). DELIVERY OF DOCUMENTS TO A BOOK-ENTRY  
TRANSFER FACILITY IN ACCORDANCE WITH SUCH BOOK-ENTRY TRANSFER FACILITY'S  
PROCEDURES DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITARY.

SHAREHOLDERS WHO HAVE PREVIOUSLY VALIDLY TENDERED SHARES AND/OR RIGHTS  
PURSUANT TO THE OFFER USING THE PREVIOUSLY CIRCULATED LETTER OF TRANSMITTAL  
OR THE NOTICE OF GUARANTEED DELIVERY AND WHO HAVE NOT PROPERLY WITHDRAWN SUCH

SHARES AND/OR RIGHTS HAVE VALIDLY TENDERED SUCH SHARES AND/OR RIGHTS FOR THE PURPOSES OF THE OFFER, AS AMENDED, AND NEED NOT TAKE ANY FURTHER ACTION.

Unless the Rights are redeemed prior to the Expiration Date (as defined in the Supplement) holders of Shares will be required to tender one Right for each Share tendered to effect a valid tender of such Share. Until the Distribution Date (as defined in the Supplement) occurs, the Rights are represented by and transferred with the Shares. Accordingly, if the Distribution Date does not occur prior to the Expiration Date (as defined in the Supplement), a tender of Shares will constitute a tender of the associated Rights. If a Distribution Date has occurred and (i) Purchaser (as defined below) has waived that portion of the Rights Condition (as defined in the Offer to Purchase) requiring that a Distribution Date not have occurred and (ii) separate certificates ("Rights Certificates") have been distributed by the Company (as defined below) to holders of Shares prior to the date of tender pursuant to the Offer to Purchase, Rights Certificates representing a number of Rights equal to the number of Shares being tendered must be delivered to the Depositary in order for such Shares to be validly tendered. If a Distribution Date has occurred and (i) Purchaser has waived any portion of the Rights Condition (as defined in the Offer to Purchase) and (ii) Rights Certificates have not been distributed prior to the time Shares are tendered pursuant to the Offer to Purchase, a tender of Shares without Rights constitutes an agreement by the tendering shareholder to deliver Rights Certificates representing a number of Rights equal to the number of Shares tendered pursuant to the Offer to the Depositary within three business days after the date Rights Certificates are distributed. Purchaser reserves the right to require that it receive such Rights Certificates prior to accepting Shares for payment. Payment for Shares tendered and purchased pursuant to the Offer to Purchase will be made only after timely receipt by the Depositary of, among other things, Rights Certificates, if such certificates have been distributed to holders of Shares. Purchaser will not pay any additional consideration for the Rights tendered pursuant to the Offer to Purchase.

Shareholders whose certificates for Shares and, if applicable, Rights, are not immediately available or who cannot deliver such certificates and all other documents required hereby to the Depositary prior to the Expiration Date or who cannot complete the procedure for delivery by book-entry transfer on a timely basis and who wish to tender their Shares and Rights must do so pursuant to the guaranteed delivery procedure described in "Procedures for Tendering Shares" of the Offer to Purchase as supplemented by the Supplement. See Instruction 2.

[ ] CHECK HERE IF TENDERED SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT ONE OF THE BOOK-ENTRY TRANSFER FACILITIES AND COMPLETE THE FOLLOWING:

Name of Tendering Institution:

-----

Check Box of Applicable Book-Entry Transfer Facility:

- [ ] The Depositary Trust Company  
[ ] Philadelphia Depositary Trust Company

Account Number

- -----

Transaction Code Number

- -----

[ ] CHECK HERE IF TENDERED RIGHTS ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE DEPOSITARY'S ACCOUNT AT ONE OF THE BOOK-ENTRY TRANSFER FACILITIES AND COMPLETE THE FOLLOWING:

Name of Tendering Institution:

-----

Check Box of Applicable Book-Entry Transfer Facility:

- [ ] The Depositary Trust Company  
[ ] Philadelphia Depositary Trust Company

Account Number

- - - - -  
Transaction Code Number  
- - - - -

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[ ] CHECK HERE IF TENDERED SHARES ARE BEING TENDERED PURSUANT TO A NOTICE  
OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE  
THE FOLLOWING:

Name(s) of Registered Holder(s):  
- - - - -

Window Ticket No. (if any):  
- - - - -

Date of Execution of Notice of Guaranteed Delivery:  
- - - - -

Name of Institution which Guaranteed Delivery:  
- - - - -

If Delivered by Book-Entry Transfer, Check Box of Book-Entry Transfer  
Facility:

- [ ] The Depository Trust Company  
[ ] Philadelphia Depository Trust Company

Account Number  
- - - - -

Transaction Code Number  
- - - - -

[ ] CHECK HERE IF TENDERED RIGHTS ARE BEING TENDERED PURSUANT TO A NOTICE  
OF GUARANTEED DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE  
THE FOLLOWING:

Name(s) of Registered Holder(s):  
- - - - -

Window Ticket No. (if any):  
- - - - -

Date of Execution of Notice of Guaranteed Delivery:  
- - - - -

Name of Institution which Guaranteed Delivery:  
- - - - -

If Delivered by Book-Entry Transfer, Check Box of Book-Entry Transfer  
Facility:

- [ ] The Depository Trust Company  
[ ] Philadelphia Depository Trust Company

Account Number  
- - - - -

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DESCRIPTION OF SHARES TENDERED			
NAME(S) AND ADDRESS(ES) OF REGISTERED HOLDER(S) (PLEASE FILL IN, IF BLANK)		SHARE CERTIFICATE(S) TENDERED (ATTACH ADDITIONAL LIST IF NECESSARY)	
	CERTIFICATE NUMBER(S) *	TOTAL NUMBER OF SHARES REPRESENTED BY CERTIFICATE(S)	NUMBER OF SHARES TENDERED**
	Total Shares		

\* Need not be completed by shareholders tendering by book-entry transfer.  
 \*\* Unless otherwise indicated, it will be assumed that all Shares being delivered to the Depositary are being tendered.  
 See Instruction 4.

\* If the tendered Rights are represented by separate Rights Certificates, provide the certificate numbers of such Rights Certificates. Shareholders tendering Rights which are not represented by separate certificates will need to submit an additional Letter of Transmittal if Rights

Certificates are distributed.

\*\* Need not be completed by shareholders tendering by book-entry transfer.

\*\*\* Unless otherwise indicated, it will be assumed that all Rights being delivered to the Depositary are being tendered.  
See Instruction 4.

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The names and addresses of the registered holders should be printed, if not already printed above, exactly as they appear on the certificates representing Shares and/or Rights tendered hereby. The certificates and number of Shares and/or Rights that the undersigned wishes to tender should be indicated in the appropriate boxes.

NOTE: SIGNATURES MUST BE PROVIDED BELOW.  
PLEASE READ THE INSTRUCTIONS SET FORTH IN THIS LETTER OF TRANSMITTAL CAREFULLY.

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Ladies and Gentlemen:

The undersigned hereby tenders to Atlantic Acquisition Corporation, a Pennsylvania corporation ("Purchaser") and a wholly owned subsidiary of Norfolk Southern Corporation, a Virginia corporation, the above described shares of common stock, par value \$1.00 per share (the "Common Shares"), or shares of Series A ESOP Convertible Junior Preferred Stock, without par value (the "ESOP Preferred Shares" and, together with the Common Shares, the "Shares"), of Conrail Inc., a Pennsylvania corporation (the "Company"), including, in each case, the associated Common Stock Purchase Rights (the "Rights") issued pursuant to the Rights Agreement, dated as of July 19, 1989, as amended, between the Company and First Chicago Trust Company of New York, as Rights Agent (the "Rights Agreement"), pursuant to Purchaser's offer to purchase all outstanding shares, including, in each case, the associated Rights, at a price of \$110 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated October 24, 1996 (the "Offer to Purchase"), the Supplement, dated November 8, 1996 (the "Supplement"), receipt of which is hereby acknowledged, and in this revised Letter of Transmittal (which, as amended from time to time, together constitute the "Offer"). UNLESS THE CONTEXT REQUIRES OTHERWISE, ALL REFERENCES HEREIN TO THE COMMON SHARES, ESOP PREFERRED SHARES OR SHARES SHALL INCLUDE THE ASSOCIATED RIGHTS, AND ALL REFERENCES TO THE RIGHTS SHALL INCLUDE ALL BENEFITS THAT MAY INURE TO THE HOLDERS OF THE RIGHTS PURSUANT TO THE RIGHTS AGREEMENT.

The undersigned understands that Purchaser reserves the right to transfer or assign, in whole at any time, or in part from time to time, to one or more of its affiliates, the right to purchase all or any portion of the Shares and/or Rights tendered pursuant to the Offer, but any such transfer or assignment will not relieve Purchaser of its obligations under the Offer and will in no way prejudice the rights of tendering shareholders to receive payment for Shares validly tendered and accepted for payment pursuant to the Offer.

Subject to, and effective upon, acceptance for payment of the Shares and Rights tendered herewith, in accordance with the terms of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), the undersigned hereby sells, assigns and transfers to, or upon the order of, Purchaser all right, title and interest in and to all the Shares and Rights that are being tendered hereby (and any and all non-cash dividends, distributions, rights, other Shares or other securities issued or issuable in respect thereof or declared, paid or distributed in respect of such Shares on or after October 24, 1996 (collectively, "Distributions")), and irrevocably appoints the Depositary the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares, Rights and all Distributions, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to (i) deliver certificates for such Shares (individually, a "Share Certificate"), Rights and all Distributions, or transfer ownership of such Shares, Rights and all Distributions on the account books maintained by a Book-Entry Transfer Facility, together, in either case, with all

accompanying evidence of transfer and authenticity to, or upon the order of Purchaser, (ii) present such Shares, Rights and all Distributions for transfer on the books of the Company and (iii) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares, Rights and all Distributions, all in accordance with the terms of the Offer.

If, on or after October 24, 1996, the Company should declare or pay any cash or stock dividend or other distribution on (other than regular quarterly cash dividends), or issue any rights (other than the Rights), or make any distribution with respect to, the Shares that is payable or distributable to shareholders of record on a date prior to the transfer to the name of Purchaser or its nominee or transferee on the Company's stock transfer records of the Shares accepted for payment pursuant to the Offer, then, subject to the provisions of Section 13 of the Offer to Purchase, (i) the purchase price per Share payable by Purchaser pursuant to the Offer will be reduced by the amount of any such cash dividend or cash distribution and (ii) any such non-cash dividend, distribution or right to be received by the tendering shareholder will be received and held by such tendering shareholder for the account of Purchaser and will be required to be remitted promptly and transferred by each such tendering shareholder to the Depositary for the account of Purchaser, accompanied by appropriate documentation of transfer. Pending such remittance, Purchaser will be entitled to all rights and privileges as owner of any such non-cash dividend, distribution or right and may withhold the entire purchase price or deduct from the purchase price the amount of value thereof, as determined by Purchaser in its sole discretion.

By executing this Letter of Transmittal, the undersigned irrevocably appoints David R. Goode, James C. Bishop, Jr. and Henry C. Wolf as proxies of the undersigned, each with full power of substitution, to the full extent of the undersigned's rights with respect to the Shares and Rights tendered by the undersigned and accepted for payment by Purchaser (and any and all Distributions). All such proxies shall be considered coupled with an interest in the tendered Shares and Rights. This appointment will be effective if, when, and only to the extent that, Purchaser accepts such Shares and Rights for payment pursuant to the Offer. Upon such acceptance for payment, all prior proxies given by the undersigned with respect to such Shares, Rights, Distributions and other securities will, without further action, be revoked, and no subsequent proxies may be given. The individuals named above as proxies will, with respect to the Shares, Rights, Distributions and other securities for which the appointment is effective, be empowered (subject to the terms of the Voting Trust Agreement (as defined in the Offer to Purchase) so long as it shall be in effect with respect to the Shares) to exercise all voting and other rights of the undersigned as they in their sole discretion may deem proper at any annual, special, adjourned or postponed meeting of the

Company's shareholders, by written consent or otherwise, and Purchaser reserves the right to require that, in order for Shares, Rights, Distributions or other securities to be deemed validly tendered, immediately upon Purchaser's acceptance for payment of such Shares and Rights, Purchaser or Purchaser's designee must be able to exercise full voting rights with respect to such Shares and Rights.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares and Rights tendered hereby and all Distributions, that the undersigned own(s) the Shares and Rights tendered hereby and that, when such Shares and Rights are accepted for payment by Purchaser, Purchaser will acquire good, marketable and unencumbered title thereto and to all Distributions, free and clear of all liens, restrictions, charges and encumbrances, and that none of such Shares, Rights and Distributions will be subject to any adverse claim. The undersigned, upon request, shall execute and deliver all additional documents deemed by the Depositary or Purchaser to be necessary or desirable to complete the sale, assignment and transfer of the Shares and Rights tendered

hereby and all Distributions. In addition, the undersigned shall remit and transfer promptly to the Depositary for the account of Purchaser all Distributions in respect of the Shares and Rights tendered hereby, accompanied by appropriate documentation of transfer, and, pending such remittance and transfer or appropriate assurance thereof, Purchaser shall be entitled to all rights and privileges as owner of each such Distribution and may withhold the entire purchase price of the Shares and Rights tendered hereby or deduct from such purchase price, the amount or value of such Distribution as determined by Purchaser in its sole discretion.

No authority herein conferred or agreed to be conferred shall be affected by, and all such authority shall survive, the death or incapacity of the undersigned. All obligations of the undersigned hereunder shall be binding upon the heirs, executors, personal and legal representatives, administrators, trustees in bankruptcy, successors and assigns of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable, provided that Shares and Rights tendered pursuant to the offer may be withdrawn at any time prior to their acceptance for payment.

The undersigned understands that tenders of Shares and Rights pursuant to any one of the procedures described in "Procedures for Tendering Shares" of the Offer to Purchase and the Supplement and in the Instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the Offer. Purchaser's acceptance for payment of Shares and Rights tendered pursuant to the Offer will constitute a binding agreement between the undersigned and Purchaser upon the terms and subject to the conditions of the Offer. The undersigned recognizes that under certain circumstances set forth in the Offer to Purchase, Purchaser may not be required to accept for payment any of the Shares and Rights tendered hereby.

Unless otherwise indicated herein in the box entitled "Special Payment Instructions," please issue the check for the purchase price and/or return any certificates evidencing Shares or Rights not tendered or accepted for payment, in the name(s) of the registered holder(s) appearing above under "Description of Shares Tendered." Similarly, unless otherwise indicated in the box entitled "Special Delivery Instructions," please mail the check for the purchase price and/or return any certificates evidencing Shares or Rights not tendered or accepted for payment (and accompanying documents, as appropriate) to the address(es) of the registered holder(s) appearing above under "Description of Shares Tendered." In the event that the boxes entitled "Special Payment Instructions" and "Special Delivery Instructions" are both completed, please issue the check for the purchase price and/or return any certificates for Shares or Rights not purchased or not tendered or accepted for payment in the name(s) of, and mail such check and/or return such certificates to, the person(s) so indicated. Unless otherwise indicated herein in the box entitled "Special Payment Instructions," please credit any Shares or Rights tendered hereby and delivered by book-entry transfer, but which are not purchased, by crediting the account at the Book-Entry Transfer Facility designated above. The undersigned recognizes that Purchaser has no obligation, pursuant to the Special Payment Instructions, to transfer any Shares or Rights from the name of the registered holder(s) thereof if Purchaser does not accept for payment any of the Shares or Rights tendered hereby.

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SPECIAL PAYMENT INSTRUCTIONS  
(SEE INSTRUCTIONS 1, 5, 6 AND 7 OF THIS  
LETTER OF TRANSMITTAL)

To be completed ONLY if certificates for Shares and/or Rights not tendered or not purchased and/or the check for the purchase price of Shares and/or Rights purchased are to be issued in the name of someone other than the undersigned, or if Shares and/or Rights delivered by book-entry transfer which are not purchased are to be returned by credit to an account maintained at a Book-Entry Transfer Facility other than that designated above.  
Issue check and/or certificates to:

Name



-----  
(PLEASE PRINT)  
Address  
-----  
(ZIP CODE)  
-----  
(TAXPAYER IDENTIFICATION OR SOCIAL SECURITY NUMBER)  
(ALSO COMPLETE SUBSTITUTE FORM W-9 BELOW)  
[ ] Credit unpurchased Shares and/or Rights delivered by book-entry transfer  
to the Book-Entry Transfer Facility account set forth below:  
  
Check appropriate box:  
[ ] The Depository Trust Company  
[ ] Philadelphia Depository Trust Company  
-----  
(ACCOUNT NUMBER)  
=====

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SPECIAL DELIVERY INSTRUCTIONS  
(SEE INSTRUCTIONS 1, 5, 6 AND 7 OF THIS  
LETTER OF TRANSMITTAL)

To be completed ONLY if certificates for Shares and/or Rights not  
tendered or not purchased and/or the check for the purchase price of  
Shares and/or Rights purchased are to be sent to someone other than the  
undersigned, or to the undersigned at an address other than that shown  
above.

Mail check and/or certificates to:

Name  
-----  
(PLEASE PRINT)  
  
Address  
-----  
(ZIP CODE)  
-----  
=====

SIGN HERE  
(COMPLETE SUBSTITUTE FORM W-9 ON REVERSE)  
-----  
-----  
(SIGNATURE(S) OF HOLDER(S))  
  
Dated: , 199\_  
  
(Must be signed by registered holder(s) exactly as name(s) appear(s) on

Common or ESOP Preferred stock certificate(s) or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, please provide the following information. See Instruction 5 of this Letter of Transmittal.)

Name(s)

- -----  
(PLEASE PRINT)

Capacity (full title)

- -----

Address

- -----  
(INCLUDE ZIP CODE)

Area Code and Telephone Number

- -----

Tax Identification or Social Security No.

- -----  
(COMPLETE SUBSTITUTE FORM W-9 ON REVERSE)

GUARANTEE OF SIGNATURE(S)  
(SEE INSTRUCTIONS 1 AND 5 OF THIS LETTER OF TRANSMITTAL)

Authorized Signature

- -----

Name

- -----  
(PLEASE PRINT)

Title

- -----

Name of Firm

- -----

Address

- -----  
(INCLUDE ZIP CODE)

Area Code and Telephone Number

- -----

Dated: , 199\_

1. Guarantee of Signatures. Except as otherwise provided below, all signatures on this Letter of Transmittal must be guaranteed by a firm which is a bank, broker, dealer, credit union, savings association, or other entity that is a member in good standing of the Securities Transfer Agents Medallion Program (each, an "Eligible Institution"). No signature guarantee is required on this Letter of Transmittal (a) if this Letter of Transmittal is signed by the registered holder(s) (which term, for purposes of this document, shall include any participant in a Book-Entry Transfer Facility whose name appears on a security position listing as the owner of Shares or Rights) of Shares and/or Rights tendered herewith, unless such holder(s) has completed either the box entitled "Special Delivery Instructions" or the box entitled "Special Payment Instructions" on the reverse hereof, or (b) if such Shares or Rights are tendered for the account of an Eligible Institution. See Instruction 5. If a certificate evidencing Shares and/or Rights (a "Certificate") is registered in the name of a person other than the signer of this Letter of Transmittal, or if payment is to be made, or a Certificate not accepted for payment or not tendered is to be returned, to a person other than the registered holder(s), then the Certificate must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on the Certificate, with the signature(s) on such Certificate or stock powers guaranteed as described above. See Instruction 5.

2. Delivery of Letter of Transmittal and Share Certificates. This Letter of Transmittal is to be used either if Certificates are to be forwarded herewith or if Shares and/or Rights are to be delivered by book-entry transfer pursuant to the procedure set forth in "Procedures for Tendering Shares" of the Offer to Purchase. Certificates evidencing all tendered Shares and/or Rights, or confirmation of a book-entry transfer of such Shares and/or Rights, if such procedure is available, into the Depositary's account at one of the Book-Entry Transfer Facilities pursuant to the procedures set forth in "Procedures for Tendering Shares" of the Offer to Purchase, together with a properly completed and duly executed Letter of Transmittal (or facsimile thereof) with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message, as defined below) and any other documents required by this Letter of Transmittal, must be received by the Depositary at one of its addresses set forth on the reverse hereof prior to the Expiration Date (as defined in the Supplement). If Certificates are forwarded to the Depositary in multiple deliveries, a properly completed and duly executed Letter of Transmittal must accompany each such delivery. Shareholders whose Certificates are not immediately available, who cannot deliver their Certificates and all other required documents to the Depositary prior to the Expiration Date or who cannot complete the procedure for delivery by book-entry transfer on a timely basis may tender their Shares or Rights pursuant to the guaranteed delivery procedure described in "Procedures for Tendering Shares" of the Offer to Purchase. Pursuant to such procedure: (i) such tender must be made by or through an Eligible Institution; (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form provided by Purchaser, must be received by the Depositary prior to the Expiration Date; and (iii) in the case of a guarantee of Shares or Rights, the Certificates, in proper form for transfer, or a confirmation of a book-entry transfer of such Shares or Rights, if such procedure is available, into the Depositary's account at one of the Book-Entry Transfer Facilities, together with a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof) with any required signature guarantees (or, in the case of a book-entry transfer, an Agent's Message), and any other documents required by this Letter of Transmittal, must be received by the Depositary within three New York Stock Exchange, Inc. trading days after the date of execution of the Notice of Guaranteed Delivery, all as described in "Procedures for Tendering Shares" of the Offer to Purchase as supplemented by the Supplement. The term "Agent's Message" means a message, transmitted by a Book-Entry Transfer Facility to, and received by the Depositary and forming a part of a Book-Entry Confirmation, which states that such Book-Entry Transfer Facility has received an express acknowledgment from the participant in such Book-Entry Transfer Facility tendering the Shares or Rights, that such participant has received and agrees to be bound by the terms of this Letter of Transmittal and that Purchaser may enforce such agreement against the participant.

THE METHOD OF DELIVERY OF THIS LETTER OF TRANSMITTAL, CERTIFICATES AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH ANY BOOK-ENTRY TRANSFER FACILITY, IS AT THE SOLE OPTION AND RISK OF THE TENDERING SHAREHOLDER, AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME

SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

No alternative, conditional or contingent tenders will be accepted and no fractional Shares or Rights will be purchased. By execution of this Letter of Transmittal (or a facsimile hereof), all tendering shareholders waive any right to receive any notice of the acceptance of their Shares or Rights for payment.

3. Inadequate Space. If the space provided herein under "Description of Shares Tendered" is inadequate, the Certificate numbers, the number of Shares or Rights evidenced by such Certificates and the number of Shares or Rights tendered should be listed on a separate schedule and attached hereto.

4. Partial Tenders. (Not applicable to shareholders who tender by book-entry transfer.) If fewer than all the Shares or Rights evidenced by any Certificate delivered to the Depository herewith are to be tendered hereby, fill in the number of

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Shares or Rights which are to be tendered in the box entitled "Number of Shares Tendered." In such cases, new Certificate(s) evidencing the remainder of the Shares or Rights that were evidenced by the Certificates delivered to the Depository herewith will be sent to the person(s) signing this Letter of Transmittal, unless otherwise provided in the box entitled "Special Delivery Instructions," as soon as practicable after the expiration or termination of the Offer. All Shares or Rights evidenced by Certificates delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

5. Signatures on Letter of Transmittal; Stock Powers and Endorsements. If this Letter of Transmittal is signed by the registered holder(s) of the Shares or Rights tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Certificates evidencing such Shares or Rights without alteration, enlargement or any other change whatsoever.

If any Shares or Rights tendered hereby is owned of record by two or more persons, all such persons must sign this Letter of Transmittal.

If any of the Shares or Rights tendered hereby are registered in the names of different holders, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of such certificates.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares or Rights tendered hereby, no endorsements of Certificates or separate stock powers are required, unless payment is to be made to, or Certificates evidencing Shares or Rights not tendered or not purchased are to be issued in the name of, a person other than the registered holder(s), in which case, the Certificate(s) evidencing the Shares or Rights tendered hereby must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on such Certificate(s). Signatures on such Certificate(s) and stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares or Rights tendered hereby, the Share or Rights Certificate(s) evidencing the Shares or Rights tendered hereby must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on such Certificate(s). Signatures on such Certificate(s) and stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal or any Certificate(s) or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or

representative capacity, such person should so indicate when signing, and proper evidence satisfactory to Purchaser of such person's authority so to act must be submitted.

6. Stock Transfer Taxes. Except as otherwise provided in this Instruction 6, Purchaser will pay all stock transfer taxes with respect to the sale and transfer of any Shares or Rights to it or its order pursuant to the Offer. If, however, payment of the purchase price of any Shares or Rights purchased is to be made to, or Certificate(s) evidencing Shares or Rights not tendered or not purchased are to be issued in the name of, a person other than the registered holder(s), the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person or otherwise) payable on account of the transfer to such other person will be deducted from the purchase price of such Shares or Rights purchased, unless evidence satisfactory to Purchaser of the payment of such taxes, or exemption therefrom, is submitted.

EXCEPT AS PROVIDED IN THIS INSTRUCTION 6, IT WILL NOT BE NECESSARY FOR TRANSFER TAX STAMPS TO BE AFFIXED TO THE CERTIFICATE(S) EVIDENCING THE SHARES TENDERED HEREBY.

7. Special Payment and Delivery Instructions. If a check for the purchase price of any Shares or Rights tendered hereby is to be issued, or Certificate(s) evidencing Shares or Rights not tendered or not purchased are to be issued, in the name of a person other than the person(s) signing this Letter of Transmittal or if such check or any such Certificate is to be sent to someone other than the person(s) signing this Letter of Transmittal or to the person(s) signing this Letter of Transmittal but at an address other than that shown in the box entitled "Description of Shares Tendered," the appropriate boxes on this Letter of Transmittal must be completed. Shares or Rights tendered hereby by book-entry transfer may request that Shares or Rights not purchased be credited to such account maintained at a Book-Entry Transfer Facility as such shareholder may designate in the box entitled "Special Payment Instructions" on the reverse hereof. If no such instructions are given, all such Shares or Rights not purchased will be returned by crediting the account at the Book-Entry Transfer Facility designated on the reverse hereof as the account from which such Shares or Rights were delivered.

8. Requests for Assistance or Additional Copies. Requests for assistance may be directed to the Information Agent or the Dealer Managers at their respective addresses or telephone numbers set forth below. Additional copies of the Offer to Purchase, the Supplement, this Letter of Transmittal, the Notice of Guaranteed Delivery and the Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 may be obtained from the Information Agent or the Dealer Managers or from brokers, dealers, commercial banks or trust companies.

9. Substitute Form W-9. Each tendering shareholder is required to provide the Depository with a correct Taxpayer Identification Number ("TIN") on the Substitute Form W-9 which is provided under "Important Tax Information" below, and to certify, under penalties of perjury, that such number is correct and that such shareholder is not subject to backup

withholding of federal income tax. If a tendering shareholder has been notified by the Internal Revenue Service that such shareholder is subject to backup withholding, such shareholder must cross out item (2) of the Certification box of the Substitute Form W-9, unless such shareholder has since been notified by the Internal Revenue Service that such shareholder is no longer subject to backup withholding. Failure to provide the information on the Substitute Form W-9 may subject the tendering shareholder to 31% federal income tax withholding on the payment of the purchase price of all

Shares or Rights purchased from such shareholder. If the tendering shareholder has not been issued a TIN and has applied for one or intends to apply for one in the near future, such shareholder should write "Applied For" in the space provided for the TIN in Part I of the Substitute Form W-9, and sign and date the Substitute Form W-9. If "Applied For" is written in Part I and the Depositary is not provided with a TIN within 60 days, the Depositary will withhold 31% on all payments of the purchase price to such shareholder until a TIN is provided to the Depositary.

10. Lost, Destroyed or Stolen Certificates. If any certificate(s) representing Shares or Rights has been lost, destroyed or stolen, the shareholder should promptly notify the Depositary. The shareholder will then be instructed as to the steps that must be taken in order to replace the certificate(s). This Letter of Transmittal and related documents cannot be processed until the procedures for replacing lost or destroyed certificates have been followed.

IMPORTANT: THIS LETTER OF TRANSMITTAL (OR FACSIMILE HEREOF), PROPERLY COMPLETED AND DULY EXECUTED, WITH ANY REQUIRED SIGNATURE GUARANTEES, OR AN AGENT'S MESSAGE (TOGETHER WITH SHARE CERTIFICATES OR CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS) OR A PROPERLY COMPLETED AND DULY EXECUTED NOTICE OF GUARANTEED DELIVERY MUST BE RECEIVED BY THE DEPOSITARY PRIOR TO THE EXPIRATION DATE (AS DEFINED IN THE SUPPLEMENT).

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#### IMPORTANT TAX INFORMATION

Under the federal income tax law, a shareholder whose tendered Shares or Rights are accepted for payment is required by law to provide the Depositary (as payer) with such shareholder's correct TIN on Substitute Form W-9 below. If such shareholder is an individual, the TIN is such shareholder's social security number. If the Depositary is not provided with the correct TIN, the shareholder may be subject to a \$50 penalty imposed by the Internal Revenue Service. In addition, payments that are made to such shareholder with respect to Shares or Rights purchased pursuant to the Offer may be subject to backup withholding of 31%.

Certain shareholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order for a foreign individual to qualify as an exempt recipient, such individual must submit a statement, signed under penalties of perjury, attesting to such individual's exempt status. Forms of such statements can be obtained from the Depositary. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions.

If backup withholding applies with respect to a shareholder, the Depositary is required to withhold 31% of any payments made to such shareholder. Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

#### PURPOSE OF SUBSTITUTE FORM W-9

To prevent backup withholding on payments that are made to a shareholder with respect to Shares or Rights purchased pursuant to the Offer, the shareholder is required to notify the Depositary of such shareholder's

correct TIN by completing the form below certifying (a) that the TIN provided on Substitute Form W-9 is correct (or that such shareholder is awaiting a TIN), and (b) that (i) such shareholder has not been notified by the Internal Revenue Service that such shareholder is subject to backup withholding as a result of a failure to report all interest or dividends or (ii) the Internal Revenue Service has notified such shareholder that such shareholder is no longer subject to backup withholding.

WHAT NUMBER TO GIVE THE DEPOSITARY

The shareholder is required to give the Depositary the social security number or employer identification number of the record holder of the Shares or Rights tendered hereby. If the Shares or Rights are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidance on which number to report. If the tendering shareholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, the shareholder should write "Applied For" in the space provided for the TIN in Part I, and sign and date the Substitute Form W-9. If "Applied For" is written in Part I and the Depositary is not provided with a TIN within 60 days, the Depositary will withhold 31% of all payments of the purchase price to such shareholder until a TIN is provided to the Depositary.

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PAYER'S NAME: THE BANK OF NEW YORK, AS DEPOSITARY		
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SUBSTITUTE FORM W-9 Department of the Treasury Internal Revenue Service	Part I --PLEASE PROVIDE YOUR TIN IN THE BOX AT RIGHT AND CERTIFY BY SIGNING AND DATING BELOW.	-----
		Social Security Number
		OR
		Employer Identification Number (If awaiting TIN write "Applied For")
-----		
PAYER'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER (TIN)	PART II -- For Payees Exempt From Backup Withholding, see the enclosed Guidelines and complete as instructed therein.	
	CERTIFICATION -- Under penalties of perjury, I certify that:	
	(1) The number shown on this form is my correct Taxpayer Identification (1) Number (or a Taxpayer Identification Number has not been issued to me and either (a) I have mailed or delivered an application to receive a Taxpayer Identification Number to the appropriate Internal Revenue Service ("IRS") or Social Security Administration office or (b) I intend to mail or deliver an application in the near future. I understand that if I do not provide a Taxpayer Identification Number within sixty (60) days, 31% of all reportable payments made to me thereafter will be withheld until I provide a number), and	
	(2) I am not subject to backup withholding because (a) I am exempt from (2) backup withholding, (b) I have not been notified by the IRS that I am subject to backup withholding as a result of failure to report all interest or dividends or (c) the IRS has notified me that I am no longer subject to backup withholding.	
	CERTIFICATE INSTRUCTIONS --You must cross out item (2) above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out item (2). (Also see instructions in the enclosed Guidelines.)	
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SIGNATURE _____	DATE _____, 199_	
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NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP  
WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER.  
PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER  
IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

Questions and requests for assistance or additional copies of the Offer to  
Purchase, the Supplement, the Letter of Transmittal and other tender offer

materials may be directed to the Information Agent or the Dealer Managers as set forth below:

The Information Agent for the Offer is:

GEORGESON & COMPANY INC.

[LOGO]

Wall Street Plaza  
New York, New York 10005  
(800) 223-2064 (Toll-Free)  
Banks and Brokers Call: (212) 440-9800 (Collect)

The Dealer Managers for the Offer are:

J.P. Morgan & Co.	Merrill Lynch & Co.
60 Wall Street	World Financial Center
Mail Stop 2860	North Tower
New York, New York 10260	New York, New York 10281-1305
(800) 576-5070 (toll free)	(212) 449-8211 (call collect)



NOTICE OF GUARANTEED DELIVERY  
FOR  
TENDER OF SHARES OF  
COMMON STOCK AND SERIES A ESOP CONVERTIBLE JUNIOR PREFERRED STOCK  
(INCLUDING, IN EACH CASE, THE ASSOCIATED COMMON STOCK PURCHASE RIGHTS)  
OF

CONRAIL INC.

TO

ATLANTIC ACQUISITION CORPORATION,  
A WHOLLY OWNED SUBSIDIARY OF  
NORFOLK SOUTHERN CORPORATION  
(NOT TO BE USED FOR SIGNATURE GUARANTEES)

This revised Notice of Guaranteed Delivery, or one substantially in the form hereof, must be used to accept the Offer (as defined below) if (i) certificates ("Share Certificates") evidencing shares of common stock, par value \$1.00 per share (the "Common Shares"), or shares of Series A ESOP Convertible Junior Preferred Stock, without par value (the "ESOP Preferred Shares" and, together with the Common Shares, the "Shares"), of Conrail Inc., a Pennsylvania corporation (the "Company"), including the associated Common Stock Purchase Rights (the "Rights") issued pursuant to the Rights Agreement, dated July 19, 1989, as amended, between the Company and First Chicago Trust Company of New York, as Rights Agent (the "Rights Agreement"), are not immediately available, (ii) time will not permit all required documents to reach The Bank of New York, as Depositary (the "Depositary"), prior to the Expiration Date (as defined in the Supplement, dated November 8, 1996 (the "Supplement")) or (iii) the procedure for book-entry transfer cannot be completed on a timely basis. All references herein to the Common Shares, ESOP Preferred Shares or Shares include the associated Rights. This Notice of Guaranteed Delivery may be delivered by hand or transmitted by telegram, facsimile transmission or mail to the Depositary. See "Procedures for Tendering Shares" of the Offer to Purchase, dated October 24, 1996 (the "Offer to Purchase"), as supplemented by the Supplement.

The Depositary for the Offer is:

THE BANK OF NEW YORK

By Mail:

Tender & Exchange Department  
P.O. Box 11248  
Church Street Station  
New York, New York 10286-1248

By Facsimile Transmission:

(for Eligible Institutions Only)  
(212) 815-6213

By Hand or by Overnight Delivery:

Tender & Exchange Department  
101 Barclay Street  
Receive and Deliver Window  
New York, New York 10286

For Information Telephone:  
(800) 507-9357

DELIVERY OF THIS NOTICE OF GUARANTEED DELIVERY TO AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION OTHER THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

This form is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an "Eligible Institution" under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

LADIES AND GENTLEMEN:

The undersigned hereby tenders to Atlantic Acquisition Corporation, a Pennsylvania corporation and a wholly owned subsidiary of Norfolk Southern Corporation, a Virginia corporation, upon the terms and subject to the conditions set forth in the Offer to Purchase, the Supplement and the revised Letter of Transmittal (which, as amended from time to time, together constitute the "Offer"), receipt of each of which is hereby acknowledged, the number of Shares and Rights specified below pursuant to the guaranteed delivery procedures described in "Procedures for Tendering Shares" of the Offer to Purchase and the Supplement.

Number of Shares (including the associated Rights):

Name(s) of Record Holder(s)

PLEASE TYPE OR PRINT

Address(es):

ZIP CODE

Area Code and Tel. No.:

Certificate No(s). (if available)

Check ONE box if Shares or Rights will be tendered by book-entry transfer:

☐ The Depository Trust Company

☐ Philadelphia Depository Trust Company

Signature(s):

Account Number

Dated , 199\_

GUARANTEE

(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a member firm of a registered national securities

exchange, a member of the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or correspondent in the United States, hereby guarantees delivery to the Depositary, at one of its addresses set forth above, of certificates evidencing the Shares and Rights tendered hereby in proper form for transfer, or confirmation of book-entry transfer of such Shares and Rights into the Depositary's accounts at The Depositary Trust Company or the Philadelphia Depositary Trust Company, in each case with delivery of a properly completed and duly executed Letter of Transmittal (or facsimile thereof) with any required signature guarantees, or an Agent's Message (as defined in "Acceptance for Payment and Payment for Shares" of the Offer to Purchase), and any other documents required by the Letter of Transmittal, (x) in the case of Shares, within three New York Stock Exchange, Inc. trading days after the date of execution of this Notice of Guaranteed Delivery, or (y) in the case of Rights, within a period ending the latter of (i) three New York Stock Exchange, Inc. trading days after the date of execution of this Notice of Guaranteed Delivery or (ii) three business days after the date Rights Certificates are distributed to shareholders.

The Eligible Institution that completes this form must communicate the guarantee to the Depositary and must deliver the Letter of Transmittal and certificates for Shares and Rights to the Depositary within the time period shown herein. Failure to do so could result in financial loss to such Eligible Institution.

Name of Firm:

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AUTHORIZED SIGNATURE

Address:

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(ZIP CODE)

Area Code and  
Tel. No.:

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Name:

-----

PLEASE TYPE OR PRINT

Title:

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Date , 199\_

NOTE: DO NOT SEND CERTIFICATES FOR SHARES OR RIGHTS WITH THIS NOTICE. SUCH  
CERTIFICATES SHOULD BE SENT WITH YOUR LETTER OF TRANSMITTAL.

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ATLANTIC ACQUISITION CORPORATION,  
A WHOLLY OWNED SUBSIDIARY OF

NORFOLK SOUTHERN CORPORATION

HAS INCREASED THE PRICE OF ITS  
OFFER TO PURCHASE FOR CASH  
ALL OUTSTANDING SHARES

OF

COMMON STOCK AND SERIES A ESOP CONVERTIBLE JUNIOR PREFERRED STOCK  
(INCLUDING, IN EACH CASE, THE ASSOCIATED COMMON STOCK PURCHASE RIGHTS)  
OF

CONRAIL INC.

TO

\$110 NET PER SHARE

-----  
THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT,  
NEW YORK CITY TIME,  
ON FRIDAY, NOVEMBER 22, 1996, UNLESS THE OFFER IS EXTENDED.  
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November 8, 1996

To Brokers, Dealers, Commercial Banks,  
Trust Companies and Other Nominees:

We have been engaged by Atlantic Acquisition Corporation, a Pennsylvania corporation ("Purchaser") and a wholly owned subsidiary of Norfolk Southern Corporation, a Virginia corporation ("Parent"), to act as Dealer Managers in connection with Purchaser's offer to purchase all outstanding shares of (i) common stock, par value \$1.00 per share (the "Common Shares"), and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value (the "ESOP Preferred Shares" and, together with the Common Shares, the "Shares"), of Conrail Inc., a Pennsylvania corporation (the "Company"), including, in each case, the associated Common Stock Purchase Rights (the "Rights") issued pursuant to the Rights Agreement, dated July 19, 1989, by and between the Company and First Chicago Trust Company of New York, as Rights Agent (as amended, the "Rights Agreement") at a price of \$110 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated October 24, 1996 (the "Offer to Purchase"), the Supplement, dated November 8, 1996 (the "Supplement"), and the revised Letter of Transmittal (which, as amended from time to time, together constitute the "Offer") enclosed herewith.

Unless the Rights are redeemed prior to the Expiration Date (as defined in the Supplement), holders of Shares will be required to tender one associated Right for each Share tendered in order to effect a valid tender of such Share. Accordingly, shareholders who sell their Rights separately from their Shares and do not otherwise acquire Rights may not be able to satisfy the requirements of the Offer for the tender of Shares. If the Distribution Date (as defined in the Supplement) has not occurred prior to the Expiration Date, a tender of Shares will also constitute a tender of the associated Rights. If the Distribution Date has occurred and Purchaser has waived that portion of the Rights Condition (as defined in the Offer to Purchase) requiring that a Distribution Date not have occurred and Rights Certificates (as defined in the Offer to Purchase) have been distributed to holders of Shares prior to the time a holder's Shares are purchased pursuant to the Offer, in order for Rights (and the corresponding Shares) to be validly tendered, Rights Certificates representing a number of Rights equal to the number of Shares tendered must be delivered to the Depositary (as defined in the Offer to Purchase) or, if available,

a Book-Entry Confirmation (as defined in the Offer to Purchase) must be received by the Depositary with respect thereto. If the Distribution Date has occurred and Purchaser has waived that portion of the Rights Condition requiring that a Distribution Date not have occurred and Rights Certificates have not been distributed prior to the time Shares are purchased pursuant to the Offer, Rights may be tendered prior to a shareholder receiving Rights Certificates by use of the guaranteed delivery procedure described in Section 3 of the Offer to Purchase. In any case, a tender of Shares constitutes an agreement by the tendering shareholder to deliver Rights Certificates representing a number of Rights equal to the number of Shares tendered pursuant to the Offer to the Depositary within three business days after the date that Rights Certificates are distributed. Purchaser reserves the right to require that the Depositary receive Rights Certificates, or a Book-Entry Confirmation, if available, with respect to such Rights prior to accepting the relating Shares for payment pursuant to the Offer if the Distribution Date has occurred prior to the Expiration Date.

If a shareholder desires to tender Shares and Rights pursuant to the Offer and such shareholder's Share Certificates (as defined in the Offer to Purchase) or, if applicable, Rights Certificates are not immediately available (including, if the Distribution Date has occurred and Purchaser waives that portion of the Rights Condition requiring that a Distribution Date not have occurred, because Rights Certificates have not yet been distributed) or time will not permit all required documents to reach the Depositary prior to the Expiration Date or the procedure for book-entry transfer cannot be completed on a timely basis, such Shares or Rights may nevertheless be tendered according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. See Instruction 2 of the revised Letter of Transmittal. Delivery of documents to a Book-Entry Transfer Facility (as defined in the Offer to Purchase) in accordance with the Book-Entry Transfer Facility's procedures does not constitute delivery to the Depositary.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, PRIOR TO THE EXPIRATION OF THE OFFER, (1) THE RECEIPT BY PURCHASER OF AN INFORMAL WRITTEN OPINION IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO PURCHASER FROM THE STAFF OF THE SURFACE TRANSPORTATION BOARD (THE "STB"), WITHOUT THE IMPOSITION OF ANY CONDITIONS UNACCEPTABLE TO PURCHASER, THAT THE USE OF A VOTING TRUST IN CONNECTION WITH THE OFFER AND THE PROPOSED MERGER (AS DEFINED IN THE OFFER TO PURCHASE) IS CONSISTENT WITH THE POLICIES OF THE STB AGAINST UNAUTHORIZED ACQUISITIONS OF CONTROL OF A REGULATED CARRIER, (2) THE RECEIPT BY PURCHASER OF AN INFORMAL STATEMENT FROM THE PREMERGER NOTIFICATION OFFICE OF THE FEDERAL TRADE COMMISSION THAT THE TRANSACTIONS CONTEMPLATED BY THE OFFER AND THE PROPOSED MERGER ARE NOT SUBJECT TO, OR ARE EXEMPT FROM, THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED (THE "HSR ACT"), OR, IN THE ABSENCE OF THE RECEIPT OF SUCH INFORMAL STATEMENT, ANY APPLICABLE WAITING PERIOD UNDER THE HSR ACT HAVING EXPIRED OR BEEN TERMINATED, (3) PARENT AND PURCHASER HAVING OBTAINED, ON TERMS REASONABLY ACCEPTABLE TO PARENT, SUFFICIENT FINANCING TO ENABLE CONSUMMATION OF THE OFFER AND THE PROPOSED MERGER, (4) THERE BEING VALIDLY TENDERED AND NOT PROPERLY WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER A NUMBER OF COMMON SHARES AND ESOP PREFERRED SHARES WHICH TOGETHER CONSTITUTE AT LEAST A MAJORITY OF THE SHARES OUTSTANDING ON A FULLY DILUTED BASIS, (5) PURCHASER BEING SATISFIED, IN ITS SOLE DISCRETION, THAT SUBCHAPTER F OF CHAPTER 25 OF THE PENNSYLVANIA BUSINESS CORPORATION LAW HAS BEEN COMPLIED WITH OR IS INVALID OR OTHERWISE INAPPLICABLE TO THE OFFER AND THE PROPOSED MERGER, (6) THE RIGHTS HAVING BEEN REDEEMED BY THE BOARD OF DIRECTORS OF THE COMPANY OR PURCHASER BEING SATISFIED, IN ITS SOLE DISCRETION, THAT SUCH RIGHTS ARE INVALID OR OTHERWISE INAPPLICABLE TO THE OFFER AND THE PROPOSED MERGER AND (7) PURCHASER BEING SATISFIED, IN ITS SOLE DISCRETION, THAT THE PREVIOUSLY ANNOUNCED AGREEMENT AND PLAN OF MERGER, AS AMENDED, BETWEEN THE COMPANY AND CSX CORPORATION HAS BEEN TERMINATED IN ACCORDANCE WITH ITS TERMS OR OTHERWISE.

For your information and for forwarding to your clients for whom you hold Shares registered in your name or in the name of your nominee, or who hold Shares registered in their own names, we are enclosing the following documents:

1. Supplement, dated November 8, 1996;
2. Revised Letter of Transmittal to be used by holders of Shares and Rights in accepting the Offer and tendering Shares and/or Rights;
3. Revised Notice of Guaranteed Delivery to be used to accept the Offer if the certificates evidencing such Shares and/or Rights are not immediately available or time will not permit all required documents to reach the Depository prior to the Expiration Date or the procedure for book-entry transfer cannot be completed on a timely basis;
4. A revised letter which may be sent to your clients for whose accounts you hold Shares and/or Rights registered in your name or in the name of your nominees, with space provided for obtaining such clients' instructions with regard to the Offer;

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5. Guidelines of the Internal Revenue Service for Certification of Taxpayer Identification Number on Substitute Form W-9; and
6. Return envelope addressed to the Depository.

Upon the terms and subject to the conditions of the Offer (including, if the Offer is extended or amended, the terms and conditions of any such extension or amendment), Purchaser will purchase, by accepting for payment, and will pay for, all Shares (and, if applicable, Rights) validly tendered prior to the Expiration Date promptly after the later to occur of (i) the Expiration Date and (ii) the satisfaction or waiver of the conditions set forth in "Conditions of the Offer" of the Offer to Purchase. For purposes of the Offer, Purchaser will be deemed to have accepted for payment, and thereby purchased, tendered Shares and Rights if, as and when Purchaser gives oral or written notice to the Depository of Purchaser's acceptance of such Shares and Rights for payment. In all cases, payment for Shares and Rights purchased pursuant to the Offer will be made only after timely receipt by the Depository of (i) the certificates evidencing such Shares and Rights or timely confirmation of a book-entry transfer of such Shares and Rights, if such procedure is available, into the Depository's account at The Depository Trust Company or the Philadelphia Depository Trust Company pursuant to the procedures set forth in "Procedures for Tendering Shares" of the Offer to Purchase, as supplemented by the Supplement, (ii) the Letter of Transmittal (or facsimile thereof), properly completed and duly executed, or an Agent's Message (as defined in the Offer to Purchase) and (iii) any other documents required by the Letter of Transmittal.

Purchaser will not pay any fees or commissions to any broker or dealer or any other person (other than the Dealer Managers and the Information Agent as described in "Fees and Expenses" of the Offer to Purchase) in connection with the solicitation of tenders of Shares and Rights pursuant to the Offer. Purchaser will, however, upon request, reimburse you for customary mailing and handling expenses incurred by you in forwarding the enclosed materials to your clients.

Purchaser will pay any stock transfer taxes incident to the transfer to it of validly tendered Shares, except as otherwise provided in Instruction 6 of the Letter of Transmittal.

YOUR PROMPT ACTION IS REQUESTED. WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, NOVEMBER 22, 1996, UNLESS THE OFFER IS EXTENDED.

In order to take advantage of the Offer, a duly executed and properly completed Letter of Transmittal (or facsimile thereof), with any required signature guarantees and any other required documents, should be sent to the Depository, and certificates evidencing the tendered Shares or Rights should be delivered or such Shares and/or Rights should be tendered by book-entry transfer, all in accordance with the Instructions set forth in the revised Letter of Transmittal, the Offer to Purchase and the Supplement.

If holders of Shares and/or Rights wish to tender, but it is impracticable for them to forward their certificates or other required documents prior to the Expiration Date, a tender may be effected by following the guaranteed delivery procedures specified under "Procedures for Tendering Shares" of the Offer to Purchase as supplemented by the Supplement.

Any inquiries you may have with respect to the Offer should be addressed to the Dealer Managers or the Information Agent at their respective addresses and telephone numbers set forth on the back cover page of the Offer to Purchase.

Additional copies of the enclosed materials may be obtained from J.P. Morgan Securities Inc. at 60 Wall Street, New York, New York 10260, telephone (800) 576-5070 (Toll Free), Merrill Lynch & Co., at World Financial Center, North Tower, New York, New York 10281-1305, telephone (212) 449-8211 (Collect) or by calling the Information Agent, Georgeson & Company Inc., at Wall Street Plaza, New York, New York 10005, telephone (800) 223-2064 (Toll Free), or from brokers, dealers, commercial banks or trust companies.

Very truly yours,

J.P. MORGAN & CO.

MERRILL LYNCH & CO.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON AS AN AGENT OF PARENT, PURCHASER, THE DEPOSITARY, THE INFORMATION AGENT OR THE DEALER MANAGERS, OR ANY AFFILIATE OF ANY OF THE FOREGOING, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE DOCUMENTS ENCLOSED AND THE STATEMENTS CONTAINED THEREIN.

ATLANTIC ACQUISITION CORPORATION,  
A WHOLLY OWNED SUBSIDIARY OF

NORFOLK SOUTHERN CORPORATION

HAS INCREASED THE PRICE OF ITS  
OFFER TO PURCHASE FOR CASH  
ALL OUTSTANDING SHARES

OF

COMMON STOCK AND SERIES A ESOP CONVERTIBLE JUNIOR PREFERRED STOCK  
(INCLUDING, IN EACH CASE, THE ASSOCIATED COMMON STOCK PURCHASE RIGHTS)  
OF

CONRAIL INC.

TO

\$110 NET PER SHARE

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THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT,  
NEW YORK CITY TIME,  
ON FRIDAY, NOVEMBER 22, 1996, UNLESS THE OFFER IS EXTENDED.  
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November 8, 1996

To Our Clients:

Enclosed for your consideration is the Supplement, dated November 8, 1996 (the "Supplement"), to the Offer to Purchase, dated October 24, 1996 (the "Offer to Purchase"), and the revised Letter of Transmittal (which, as amended from time to time, together constitute the "Offer") in connection with the offer by Atlantic Acquisition Corporation, a Pennsylvania corporation ("Purchaser") and a wholly owned subsidiary of Norfolk Southern Corporation, a Virginia corporation ("Parent"), to purchase all of the outstanding shares of (i) common stock, par value \$1.00 per share (the "Common Shares"), and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value (the "ESOP Preferred Shares" and, together with the Common Shares, the "Shares"), of Conrail Inc., a Pennsylvania corporation (the "Company"), including, in each case, the associated Common Stock Purchase Rights (the "Rights") issued pursuant to the Rights Agreement, dated as of July 19, 1989, as amended, between the Company and First Chicago Trust Company of New York, as Rights Agent (the "Rights Agreement") at a price of \$110 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer. All references herein to the Common Shares, ESOP Preferred Shares, or Shares shall, unless the context otherwise requires, include the associated Rights.

Unless the Rights are redeemed prior to the Expiration Date (as defined in the Supplement), holders of Shares will be required to tender one associated Right for each Share tendered in order to effect a valid tender of such Share. Accordingly, shareholders who sell their Rights separately from their Shares and do not otherwise acquire Rights may not be able to satisfy the requirements of the Offer for the tender of Shares. If the Distribution Date (as defined in the Supplement) has not occurred prior to the Expiration Date, a tender of Shares will also constitute a tender of the associated Rights. If the Distribution Date has occurred and (i) Purchaser has waived that portion of the Rights Condition (as defined in the Offer to Purchase) requiring that a Distribution Date not have occurred and (ii) Rights Certificates (as defined in the Offer to Purchase) have been distributed to holders of Shares prior to the time a holder's Shares are purchased pursuant to the Offer, in order for Rights (and the corresponding Shares) to be validly tendered, Rights Certificates representing a number of Rights equal to the number of Shares tendered must be delivered to the Depositary (as defined in the Offer to Purchase) or, if

available, a Book-Entry Confirmation (as defined in the Offer to Purchase)



must be received by the Depositary with respect thereto. If the Distribution Date has occurred and (i) Purchaser has waived that portion of the Rights Condition requiring that a Distribution Date not have occurred and (ii) Rights Certificates have not been distributed prior to the time Shares are purchased pursuant to the Offer, Rights may be tendered prior to a shareholder receiving Rights Certificates by use of the guaranteed delivery procedure described in Section 3 of the Offer to Purchase. In any case, a tender of Shares constitutes an agreement by the tendering shareholder to deliver Rights Certificates representing a number of Rights equal to the number of Shares tendered pursuant to the Offer to the Depositary within three business days after the date that Rights Certificates are distributed. Purchaser reserves the right to require that the Depositary receive Rights Certificates, or a Book-Entry Confirmation, if available, with respect to such Rights prior to accepting the related Shares for payment pursuant to the Offer if the Distribution Date has occurred prior to the Expiration Date.

If a shareholder desires to tender Shares and Rights pursuant to the Offer and such shareholder's Share Certificates (as defined in the Offer to Purchase) or, if applicable, Rights Certificates are not immediately available (including, if the Distribution Date has occurred and Purchaser waives that portion of the Rights Condition requiring that a Distribution Date not have occurred, because Rights Certificates have not yet been distributed) or time will not permit all required documents to reach the Depositary prior to the Expiration Date or the procedure for book-entry transfer cannot be completed on a timely basis, such Shares or Rights may nevertheless be tendered according to the guaranteed delivery procedures set forth in Section 3 of the Offer to Purchase. See Instruction 2 of the revised Letter of Transmittal. Delivery of documents to a Book-Entry Transfer Facility (as defined in the Offer to Purchase) in accordance with the Book-Entry Transfer Facility's procedures does not constitute delivery to the Depositary.

THE MATERIAL IS BEING SENT TO YOU AS THE BENEFICIAL OWNER OF SHARES HELD BY US FOR YOUR ACCOUNT BUT NOT REGISTERED IN YOUR NAME. WE ARE THE HOLDER OF RECORD OF SHARES HELD BY US FOR YOUR ACCOUNT. A TENDER OF SUCH SHARES CAN BE MADE ONLY BY US AS THE HOLDER OF RECORD AND PURSUANT TO YOUR INSTRUCTIONS. THE LETTER OF TRANSMITTAL IS FURNISHED TO YOU FOR YOUR INFORMATION ONLY AND CANNOT BE USED BY YOU TO TENDER SHARES HELD BY US FOR YOUR ACCOUNT.

We request instructions as to whether you wish to have us tender on your behalf any or all of the Shares held by us for your account, upon the terms and subject to the conditions set forth in the Offer.

Your attention is invited to the following:

1. The tender price has been increased to \$110 per Share, net to the seller in cash.
2. The Offer and withdrawal rights will expire at 12:00 Midnight, New York City time, on Friday, November 22, 1996, unless the Offer is extended.
3. The Offer is being made for all of the outstanding Shares.

4. The Offer is conditioned upon, among other things, prior to the expiration of the Offer, (1) the receipt by Purchaser of an informal written opinion in form and substance reasonably satisfactory to Purchaser from the staff of the Surface Transportation Board (the "STB"), without the imposition of any conditions unacceptable to Purchaser, that the use of a voting trust in connection with the Offer and the Proposed Merger (as defined in the Offer to Purchase) is consistent with the policies of the STB against unauthorized acquisitions of control of a regulated carrier, (2) the receipt by Purchaser of an informal statement from the Premerger Notification Office of the Federal Trade Commission that the transactions contemplated by the Offer and the Proposed Merger are not subject to, or are exempt from, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), or, in the absence of the receipt of such informal statement, any applicable waiting period under the HSR Act having expired or been terminated, (3) Parent and Purchaser having obtained, on terms reasonably acceptable to Parent, sufficient financing to enable consummation of the

Offer and the Proposed Merger, (4) there being validly tendered and not properly withdrawn prior to the expiration of the Offer a number of Common Shares and ESOP Preferred Shares which together constitute at least a majority of the Shares outstanding on a fully diluted basis, (5) Purchaser being satisfied, in its sole discretion, that Subchapter F of Chapter 25 of the Pennsylvania Business Corporation Law has been complied with or is invalid or otherwise inapplicable to the Offer and the Proposed Merger, (6) the Rights having been redeemed by the Board of Directors of the Company or Purchaser being satisfied, in its sole discretion, that such Rights are invalid or otherwise inapplicable to the Offer and the Proposed Merger and (7) Purchaser being satisfied, in its sole discretion, that the previously announced Agreement and Plan of Merger, as amended, between the Company and CSX Corporation has been terminated in accordance with its terms or otherwise.

5. Tendering shareholders will not be obligated to pay brokerage fees or commissions or, except as set forth in Instruction 6 of the Letter of Transmittal, stock transfer taxes on the purchase of Shares by Purchaser pursuant to the Offer.

The Offer is made solely by the Offer to Purchase, the Supplement and the revised Letter of Transmittal and is being made to all holders of Shares. Purchaser is not aware of any state where the making of the Offer is prohibited by administrative or judicial action pursuant to any valid state statute. If Purchaser becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of Shares pursuant thereto, Purchaser will make a good faith effort to comply with such state statute. If, after such good faith effort, Purchaser cannot comply with such state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in such state. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Purchaser by the Dealer Managers or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

If you wish to have us tender any or all of your Shares, please so instruct us by completing, executing and returning to us the instruction form contained in this letter. An envelope in which to return your instructions to us is enclosed. If you authorize the tender of your Shares, all such Shares will be tendered unless otherwise specified on the instruction form set forth in this letter. YOUR INSTRUCTIONS SHOULD BE FORWARDED TO US IN AMPLE TIME TO PERMIT US TO SUBMIT A TENDER ON YOUR BEHALF PRIOR TO THE EXPIRATION OF THE OFFER.

INSTRUCTIONS WITH RESPECT TO THE OFFER  
TO PURCHASE FOR CASH ALL OUTSTANDING SHARES OF COMMON STOCK  
AND SERIES A ESOP CONVERTIBLE JUNIOR PREFERRED STOCK  
OF  
CONRAIL INC.

The undersigned acknowledge(s) receipt of your letter and the enclosed Supplement, dated November 8, 1996, and the revised Letter of Transmittal (which, as amended from time to time, together constitute the "Offer"), in connection with the offer by Atlantic Acquisition Corporation, a Pennsylvania corporation ("Purchaser") and a wholly owned subsidiary of Norfolk Southern Corporation, a Virginia corporation ("Parent"), to purchase all outstanding shares of (i) common stock, par value \$1.00 per share (the "Common Shares") and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value (the "ESOP Preferred Shares" and, together with the Common Shares, the "Shares"), of Conrail Inc., a Pennsylvania corporation (the "Company"), including, in each case, the associated Common Stock Purchase Rights (the "Rights") issued pursuant to the Rights Agreement, dated July 19, 1989, as amended, between the Company and First Chicago Trust Company of New York, as Rights Agent. All references herein to the Common Shares, ESOP Preferred Shares or Shares shall include the associated Rights.

This will instruct you to tender to Purchaser the number of Shares and Rights indicated below (or, if no number is indicated in either appropriate space below, all Shares and Rights) held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer.

NUMBER OF SHARES AND RIGHTS  
TO BE TENDERED:\*

\_\_\_\_\_Shares and Rights

Account Number:

- - - - -

Dated: , 199\_

SIGN HERE

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Signature(s)

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Please Type or Print Name(s)

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Please Type or Print  
Address(es) Here

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Area Code and Telephone Number

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Taxpayer Identification or  
Social Security Number(s)

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\* Unless otherwise indicated, it will be assumed that all Shares and Rights held by us for your account are to be tendered.

This announcement is neither an offer to purchase nor a solicitation of an offer to sell Shares. The Offer is made solely by the Offer to Purchase, dated October 24, 1996, the Supplement, dated November 8, 1996, and the revised Letter of Transmittal and is being made to all holders of Shares. The Offer is not being made to (nor will tenders be accepted from or on behalf of) holders of Shares in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions where securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Atlantic Acquisition Corporation by J.P. Morgan Securities Inc., Merrill Lynch & Co., or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Atlantic Acquisition Corporation,  
a wholly owned subsidiary of

Norfolk Southern Corporation

Has Increased the Price of its Offer to Purchase for Cash

All Outstanding Shares

of

Common Stock and Series A ESOP Convertible Junior Preferred Stock (including, in each case, the associated Common Stock Purchase Rights)

of

Conrail Inc.

to

\$110 Net Per Share

Atlantic Acquisition Corporation ("Purchaser"), a Pennsylvania corporation and a wholly owned subsidiary of Norfolk Southern Corporation, a Virginia corporation ("Parent"), hereby offers to purchase all of the outstanding shares of (i) common stock, par value \$1.00 per share (the "Common Shares"), and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value (the "ESOP Preferred Shares" and, together with the Common Shares, the "Shares"), of Conrail Inc., a Pennsylvania corporation (the "Company"), including, in each case, the associated Common Stock Purchase

Rights (the "Rights") issued pursuant to the Rights Agreement, dated as of July 19, 1989, as amended, between the Company and First Chicago Trust Company of New York, as Rights Agent (the "Rights Agreement"), at a price of \$110 per Share, net to the seller in cash, without interest thereon (the "Offer Price"), upon the terms and subject to the conditions set forth in the Offer to Purchase, dated October 24, 1996 (the "Offer to Purchase"), the Supplement, dated November 8, 1996 (the "Supplement"), and in the revised Letter of Transmittal (which, as amended from time to time, together constitute the "Offer"). Unless the context otherwise requires, all references to Common Shares, ESOP Preferred Shares or Shares shall include the associated Rights, and all references to the Rights shall include the benefits that may inure to holders of the Rights pursuant to the Rights Agreement, including the right to receive any payment due upon redemption of the Rights.

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THE OFFER AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT,  
NEW YORK CITY TIME, ON FRIDAY, NOVEMBER 22, 1996, UNLESS THE OFFER  
IS EXTENDED.  
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THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, PRIOR TO THE EXPIRATION OF THE OFFER, (1) THE RECEIPT BY PURCHASER OF AN INFORMAL WRITTEN OPINION IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO PURCHASER FROM THE STAFF OF THE SURFACE TRANSPORTATION BOARD (THE "STB"), WITHOUT THE IMPOSITION OF ANY CONDITIONS UNACCEPTABLE TO PURCHASER, THAT THE USE OF A VOTING TRUST IN CONNECTION WITH THE OFFER AND THE PROPOSED MERGER (AS DEFINED HEREIN) IS CONSISTENT WITH THE POLICIES OF THE STB AGAINST UNAUTHORIZED ACQUISITIONS OF CONTROL OF A REGULATED CARRIER, (2) THE RECEIPT BY PURCHASER OF AN INFORMAL STATEMENT FROM THE PREMERGER NOTIFICATION OFFICE OF THE FEDERAL TRADE COMMISSION THAT THE TRANSACTIONS CONTEMPLATED BY THE OFFER AND THE PROPOSED MERGER ARE NOT SUBJECT TO, OR ARE EXEMPT FROM, THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED (THE "HSR ACT"), OR, IN THE ABSENCE OF THE RECEIPT OF SUCH INFORMAL STATEMENT, ANY APPLICABLE WAITING PERIOD UNDER THE HSR ACT HAVING EXPIRED OR BEEN TERMINATED, (3) PARENT AND PURCHASER HAVING OBTAINED, ON TERMS REASONABLY ACCEPTABLE TO PARENT, SUFFICIENT FINANCING TO ENABLE CONSUMMATION OF THE OFFER AND THE PROPOSED MERGER, (4) THERE BEING VALIDLY TENDERED AND NOT PROPERLY WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER A NUMBER OF COMMON SHARES AND ESOP PREFERRED SHARES WHICH TOGETHER CONSTITUTE AT LEAST A MAJORITY OF THE SHARES OUTSTANDING ON A FULLY DILUTED BASIS, (5) PURCHASER BEING SATISFIED, IN ITS SOLE DISCRETION, THAT SUBCHAPTER F OF CHAPTER 25 OF THE PENNSYLVANIA BUSINESS CORPORATION LAW HAS BEEN COMPLIED WITH OR IS INVALID OR OTHERWISE INAPPLICABLE TO THE OFFER AND THE PROPOSED MERGER, (6) THE RIGHTS HAVING BEEN REDEEMED BY THE BOARD OF DIRECTORS OF THE COMPANY OR PURCHASER BEING SATISFIED, IN ITS SOLE DISCRETION, THAT SUCH RIGHTS ARE INVALID OR OTHERWISE INAPPLICABLE TO THE OFFER AND THE PROPOSED MERGER AND (7) PURCHASER BEING SATISFIED, IN ITS SOLE DISCRETION, THAT THE PREVIOUSLY ANNOUNCED AGREEMENT AND PLAN OF MERGER, AS AMENDED, BETWEEN THE COMPANY AND CSX CORPORATION HAS BEEN TERMINATED IN ACCORDANCE WITH ITS TERMS OR OTHERWISE.

The purpose of the Offer is for Parent to acquire control of, and the entire equity interest in, the Company. Parent is seeking to negotiate with the Company a definitive merger agreement pursuant to which the Company would, as soon as practicable following consummation of the Offer, consummate a merger or similar business combination with Purchaser or another direct or indirect subsidiary of

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Parent (the "Proposed Merger"). In the Proposed Merger, each Common Share and ESOP Preferred Share then outstanding (other than Shares held by the Company or any subsidiary of the Company and Shares owned by Parent, Purchaser or any direct or indirect subsidiary of Parent) would be converted into the right to receive an amount in cash equal to the price per Share paid pursuant to the Offer.

Purchaser expressly reserves the right, in its sole judgment, at any time and from time to time and regardless of whether any of the events set forth in Section 14 of the Offer to Purchase shall have occurred or shall have been determined by Purchaser to have occurred, (i) to extend the period of time during which the Offer is open and thereby delay acceptance for payment of, and the payment for, any Shares, by giving oral or written notice of such extension to the Depositary (as defined in the Offer to Purchase) and (ii) to amend the Offer in any respect by giving oral or written notice of such amendment to the Depositary. Any such extension or amendment will be followed as promptly as practicable by a public announcement thereof, such announcement in the case of an extension, to be issued not later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date (as defined in the Supplement). During any such extension, all Shares previously tendered and not withdrawn will remain subject to the Offer, subject to the right of a tendering shareholder to withdraw such shareholder's Shares.

For purposes of the Offer, Purchaser will be deemed to have accepted for payment, and thereby purchased, Shares validly tendered and not properly withdrawn as, if and when Purchaser gives oral or written notice to the Depositary of Purchaser's acceptance of such Shares for payment pursuant to the Offer. In all cases, upon the terms and subject to the conditions of the Offer, payment for Shares purchased pursuant to the Offer will be made by deposit of the aggregate purchase price therefor with the Depositary, which will act as agent for tendering shareholders for the purpose of receiving payment from Purchaser and transmitting payment to validly tendering shareholders. Under no circumstances will interest on the purchase price for Shares be paid by Purchaser by reason of any delay in making such payment.

In all cases, payment for Shares purchased pursuant to the Offer will be made only after timely receipt by the Depositary of (i) certificates for such Shares ("Certificates") or a book-entry confirmation of the book-entry transfer of such Shares into the Depositary's account at The Depositary Trust Company or the Philadelphia Depositary Trust Company (collectively, the "Book-Entry Transfer Facilities"), pursuant to the procedures set forth in Section 3 of the Offer to Purchase, (ii) subject to Section 2 of the Supplement, the revised Letter of Transmittal (or facsimile thereof) properly completed and duly executed, with any required signature guarantees, or an Agent's Message (as defined in the Offer to Purchase) in connection with a book-entry transfer, and (iii) any other documents required by the revised Letter of Transmittal.

If, for any reason whatsoever, acceptance for payment of any Shares tendered pursuant to the Offer is delayed, or if Purchaser is unable to accept for payment or pay for Shares tendered pursuant to the Offer, then, without prejudice to Purchaser's rights set forth in the Offer to Purchase and the Supplement, the Depositary may, nevertheless, on behalf of Purchaser, retain tendered Shares and

such Shares may not be withdrawn except to the extent that the tendering shareholder is entitled to and duly exercises withdrawal rights as described in Section 4 of the Offer to Purchase. Any such delay will be followed by an extension of the Offer to the extent required by law.

Except as otherwise provided in Section 4 of the Offer to Purchase, tenders of Shares made pursuant to the Offer are irrevocable. Shares tendered pursuant to the Offer may be withdrawn at any time prior to 12:00 Midnight, New York City time, on Friday, November 22, 1996 (or if Purchaser shall have extended the period of time for which the Offer is open, at the latest time and date at which the Offer, as so extended by Purchaser, shall expire) and unless theretofore accepted for payment and paid for by Purchaser pursuant to the Offer, may also be withdrawn at any time after December 22, 1996. In order for a withdrawal to be effective, a written, telegraphic or facsimile transmission notice of withdrawal must be timely received by the Depositary at one of its addresses set forth on the back cover of the Offer to Purchase or the Supplement. Any notice of withdrawal must specify the name of the person who tendered the Shares to be withdrawn, the number of Shares to be withdrawn, and, if Certificates for Shares have been tendered, the name of the registered holder of the Shares as set forth in the tendered Certificate, if different from that of the person who tendered such Shares. If Certificates for Shares to be withdrawn have been delivered or otherwise identified to the Depositary, then prior to the physical release of such Certificates, the serial numbers shown on such Certificates evidencing the Shares to be withdrawn must be submitted to the Depositary and the signature on the notice of withdrawal must be guaranteed by a firm which is a bank, broker, dealer, credit union, savings association or other entity that is a member in good standing of the Securities Transfer Agent's Medallion Program (an "Eligible Institution"), unless such Shares have been tendered for the account of an Eligible Institution. If Shares have been tendered pursuant to the procedures for book-entry transfer set forth in Section 3 of the Offer to Purchase, any notice of withdrawal must also specify the name and number of the account at the appropriate Book-Entry

Transfer Facility to be credited with the withdrawn Shares and otherwise comply with such Book-Entry Transfer Facility's procedures. Withdrawal of tenders of Shares may not be rescinded, and any Shares properly withdrawn will be deemed not to be validly tendered for purposes of the Offer. Withdrawn Shares may, however, be retendered by repeating one of the procedures set forth in Section 3 of the Offer to Purchase as supplemented by Section 2 of the Supplement at any time before the Expiration Date. Purchaser, in its sole judgment, will determine all questions as to the form and validity (including time of receipt) of notices of withdrawal, and such determination will be final and binding.

The information required to be disclosed by Rule 14d-6(e)(1)(vii) of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is contained in the Offer to Purchase and the Supplement and is incorporated herein by reference. The Supplement, the revised Letter of Transmittal and other relevant materials will be mailed to record holders of Shares and Rights and will be furnished to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the Company's shareholder lists and the Company's list of holders of Rights or, if applicable, who are listed as participants in a clearing agency's security position listing for subsequent transmittal to beneficial owners of Shares.

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THE OFFER TO PURCHASE, THE SUPPLEMENT AND THE REVISED LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ CAREFULLY BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

Questions and requests for assistance may be directed to the Information Agent or the Dealer Managers at their respective addresses and telephone numbers as set forth below. Additional copies of the Offer to Purchase, the Supplement, the revised Letter of Transmittal or other tender offer materials may be obtained from the Information Agent. Such copies will be furnished promptly at Purchaser's expense. No fees or commissions will be paid to brokers, dealers or other persons (other than the Information Agent and the Dealer Managers) for soliciting tenders of Shares pursuant to the Offer.

The Information Agent for the Offer is:

[GEORGESON & COMPANY INC. LOGO]

Wall Street Plaza  
New York, New York 10005

Banks and Brokers Call Collect: (212) 440-9800

ALL OTHERS CALL TOLL FREE: (800) 223-2064

The Dealer Managers for the Offer are:

[J.P. Morgan & Co. logo]  
60 Wall Street  
Mail Stop 2860  
New York, New York 10260  
(800) 576-5070 (toll free)

[Merrill Lynch & Co. logo]  
World Financial Center  
North Tower  
New York, New York 10251-1305  
(212) 449-8211 (Call Collect)

November 8, 1996

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FOR IMMEDIATE RELEASE  
November 8, 1996

Contact: Robert C. Fort  
(757) 629-2714 or  
(757) 463-3276

NORFOLK, VA--Norfolk Southern Corporation (NYSE: NSC) today announced that it has increased to \$110 per share its all-cash offer for all of Conrail's outstanding common shares and Series A ESOP convertible junior preferred shares. The \$110 offer gives shareholders a premium of \$17 (or 18 percent) over the blended value of CSX's 40 percent cash and 60 percent stock proposal (based on yesterday's closing price for CSX stock).

Norfolk Southern's all-cash offer also provides Conrail shareholders other significant benefits. Shares will be purchased into a voting trust, providing immediate cash payment to shareholders. Unlike 60% of CSX's offer, Norfolk Southern's purchase is not contingent upon regulatory approval, which may force shareholders to wait until late next year or longer to receive an as-yet undetermined total value from CSX.

"Our increased offer demonstrates our total commitment to this combination. We are determined to take every step necessary to ensure that Conrail shareholders will have an opportunity to choose between our superior offer and CSX's coercive two-tiered, front-end loaded offer," said David R. Goode, Chairman, President and Chief Executive Officer of Norfolk Southern.

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