



April 2, 1985

Dear fellow employee:

I am pleased to enclose a copy of Conrail's 1984 Annual Report, which provides an in-depth review of Conrail's operations and financial results for the year. As in past years, this Annual Report is also being distributed to the financial community, shippers, federal, state and local government officials and others who are interested in Conrail's progress.

Also enclosed for those not accustomed to reading financial statements is a guide to understanding the financial information presented on pages 25-37.

I thought that you should receive the Annual Report for several reasons. First, as a participant in Conrail's Employee Stock Ownership Plan (ESOP), which represents 15% of Conrail's common stock, you have a significant stake in your company's financial future.

Second, the Conrail sale process is now the subject of debate in Congress, and decisions made by Congress about how best to return Conrail from government to private sector ownership—whether through sale to a single buyer such as the Norfolk Southern Corporation or through a public stock offering as supported by management—will affect your future. The Annual Report includes a section called, "Returning to the Private Sector," which provides background information on the sale process.

Third, this year's Annual Report prominently features the people who keep Conrail running everyday—you as employees. The efforts of all employees in 1984 helped Conrail to achieve further improvements in operating performance and record annual earnings for the fourth consecutive year. Your efforts have earned Conrail the respect of shippers everywhere.

The Annual Report points out that all of us, as a team, brought Conrail its most successful year in 1984. I believe that working together we can continue the performance that will keep Conrail a strong railroad.

I hope you will find the 1984 Annual Report both interesting and informative.

Sincerely,

A handwritten signature in black ink that reads "L. Stanley Crane". The signature is written in a cursive, flowing style.

L. Stanley Crane
Chairman and Chief Executive Officer