

STB

FD

33388

6-23-97

A

180274V7C

4/10

the Second Offer, except as may be required by the guaranteed delivery procedure if such procedure was utilized. See Section 3 of the Offer to Purchase and Section 1 of this Supplement.

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

1. *Expiration Date.* The discussion set forth in Section 1 of the Offer to Purchase and the amendments thereto are hereby amended and supplemented as follows:

The term "Expiration Date" means 5:00 p.m., New York City time, on Wednesday, January 22, 1997 unless and until Purchaser, in its sole discretion (but subject to the terms of the Merger Agreement), shall have extended the period of time during which the Second Offer is open, in which event the term "Expiration Date" shall refer to the latest time and date at which the Second Offer, as so extended by Purchaser, shall expire.

This Supplement, the revised (blue) Letter of Transmittal and other relevant materials will be mailed to record holders of Shares whose names appear on the Company's shareholder list and will be furnished, for subsequent transmittal to beneficial owners of Shares, to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the shareholder list or, if applicable, who are listed as participants in a clearing agency's security position listing.

Purchaser acknowledges that it cannot, consistent with the requirement that withdrawal rights be extended while the Second Offer is open, terminate the Second Offer, eliminate withdrawal rights, and delay acceptance for payment for Shares until all conditions are satisfied or waived.

2. *Price Range of Shares; Dividends.* The discussion set forth in Section 6 of the Offer to Purchase and the amendments thereto are hereby amended and supplemented as follows:

According to published financial sources, the Company paid its regular quarterly cash dividend of \$.475 per Common Share on December 16, 1996.

On December 18, 1996, the last full trading day prior to the announcement of the Second Amendment, the closing price per Common Share as reported on the NYSE composite tape was \$99. SHAREHOLDERS ARE URGED TO OBTAIN A CURRENT MARKET QUOTATION FOR THE COMMON SHARES.

3. *Background of the Second Offer Since December 6, 1996; Contacts with the Company.* The discussion set forth in Section 11 of the Offer to Purchase and the amendments thereto are hereby amended and supplemented as follows:

On December 6, 1996, Parent and Purchaser commenced the Second Offer.

On December 10, 1996, Parent and the Company issued the following press release:

CSX AND CONRAIL ANNOUNCE JOINT EFFORT TO BRING COMPETITIVE BENEFITS TO CUSTOMERS

Richmond, VA and Philadelphia, PA (December 10, 1996) — CSX Corporation (CSX) [NYSE: CSX] and Conrail Inc. (Conrail) [NYSE: CRR] announced today that they have jointly begun an effort that will bring even more competitive benefits to customers who will be served by their merged railroad.

The companies said that a joint CSX-Conrail team would work to assure that so-called two-to-one customers — customers who are today served by only CSX and Conrail — will fully participate in the benefits of this pro-competitive merger. The joint team will meet with representatives of other major carriers who have expressed interest in the opportunities afforded by this process.

The negotiations are confidential business discussions, and the companies will not comment on them until agreements have been reached. At that time, the agreements will be made available to the public and submitted to the Surface Transportation Board as part of the merger review process.

CSX Corporation, headquartered in Richmond, VA, is an international transportation company offering a variety of rail, container-shipping, intermodal, trucking, barge and contract logistics management services. CSX's home page can be reached at <http://www.CSX.com>.

Conrail, with corporate headquarters in Philadelphia, PA, operates an 11,000-mile rail freight network in 12 northeastern and midwestern states, the District of Columbia, and the Province of Quebec. Conrail's home page can be reached at <http://www.CONRAIL.com>.

On December 11, 1996, Parent issued the following press release in response to a "pledge letter" by Norfolk Southern to shareholders of the Company:

**CSX DISMISSES NORFOLK SOUTHERN'S
"PLEDGE" LETTER AS ANOTHER "NON-EVENT"**

Richmond, VA., December 11, 1996 — CSX Corp. (CSX) (NYSE: CSX) today dismissed Norfolk Southern's "pledge letter" to Conrail shareholders as another "non-event" in which Norfolk Southern again misrepresents its ability to close its hostile tender offer. In a statement, CSX said:

"This is more of the same Norfolk Southern smokescreen intended to cloud reality. The facts, however, are clear. Norfolk Southern could not close its hostile tender offer on its previous expiration date of Dec. 16, 1996, nor can it close on its revised expiration date of Jan. 10, 1997, or at any time thereafter until well into the summer of 1997 at the earliest, in accordance with the terms of the Conrail-CSX merger agreement. This has been resoundingly upheld in federal court."

CSX Corporation, headquartered in Richmond, VA., is an international transportation company offering a variety of rail, container-shipping, intermodal, trucking, barge and contract logistics management services. CSX's home page can be reached at <http://www.CSX.com>. Conrail's home page can be reached at <http://www.CONRAIL.com>.

Since the commencement of the Second Offer, Parent and the Company have held discussions and engaged in negotiations relative to the Merger Agreement and the Second Amendment. On December 18, 1996, Parent and the Company entered into the Second Amendment.

4. Merger Agreement; Other Agreements. The discussion set forth in Section 13 of the Offer to Purchase and the amendments thereto are hereby amended and supplemented as set forth below. The following is a summary of certain provisions of the Second Amendment and is qualified in its entirety by the full text of the Second Amendment, a copy of which has been filed with the SEC by Purchaser as an exhibit to the Schedule 14D-1.

The Merger. The Merger Agreement provides that, subject to the terms and conditions thereof and in accordance with the Pennsylvania Law, a wholly owned Pennsylvania subsidiary of Purchaser ("Merger Sub") will be merged with and into the Company (the "First Merger"). The Company will be the surviving corporation of the First Merger and shall succeed to and assume all rights and obligations of Merger Sub in accordance with the Pennsylvania Law. As soon as practicable on or after the closing of the First Merger, the parties will file articles of merger or other appropriate documents (such documents, collectively, the "First Articles of Merger") as may be required under the Pennsylvania Law. The First Merger will become effective when the First Articles of Merger are filed or at such subsequent date or time as Parent and the Company specify in the First Articles of Merger (the time the First Merger becomes effective being the "First Effective Time" or, unless otherwise specified, the "Effective Time").

Subject to the terms and conditions of the Merger Agreement and in accordance with the Pennsylvania Law, on the first business day immediately following the First Effective Time, the Company shall be merged with and into Purchaser (the "Second Merger" and, together with the First Merger, the "Merger"). Purchaser will be the surviving corporation (the "Surviving Corporation") of the Second Merger and shall succeed to and assume all rights and obligations of the Company in accordance with the Pennsylvania Law. As soon as practicable on or after the closing of the Second Merger, the parties will file articles of merger or other appropriate documents (such documents, collectively, the "Second Articles of Merger"). The Second Merger

will become effective when the Second Articles of Merger are filed or at such subsequent date or time as Parent and the Company specify in the Second Articles of Merger (the time the Second Merger becomes effective being the "Second Effective Time").

The Articles of Incorporation and By-laws of the Company, as in effect immediately prior to the First Effective Time and the Second Effective Time, shall be the Articles of Incorporation and By-laws, respectively, of the surviving corporation of each of the First Merger and the Second Merger, respectively. The officers and directors of the Company immediately prior to the First Effective Time and the Second Effective Time will be the officers and directors of the corporation surviving each of the First Merger and the Second Merger, respectively. The Merger shall have the effects set forth in the Pennsylvania Law.

Conversion of Shares. The Merger Agreement provides that all shares of common stock, par value \$1.00 per share, of Merger Sub issued and outstanding immediately prior to the First Effective Time shall, at the First Effective Time, by virtue of the First Merger and without any action on the part of any person, become such number of duly authorized, validly issued, fully paid and nonassessable Common Shares as, when aggregated with all Common Shares then owned by Parent, Purchaser or its affiliates, represents 80% of the then outstanding capital stock of the Company. Each share of Common Stock, par value \$1.00 per share, of Purchaser issued and outstanding immediately prior to the Second Effective Time shall, at the Second Effective Time, by virtue of the Second Merger and without any action on the part of any person, become one duly authorized, validly issued, fully paid and nonassessable share of common stock of the Surviving Corporation.

In the First Merger, such percentage of the respective shareholdings of each holder (other than Parent, Purchaser or its affiliates) of Shares which, when added to the Common Shares then held by Parent, Purchaser or its affiliates, represents 80% of the Shares issued and outstanding immediately prior to the Effective Time shall, at the First Effective Time, by virtue of the First Merger and without any action on the part of the holder thereof, be converted into the right to receive (x) such number of duly authorized, validly issued, fully paid and nonassessable shares of Parent Common Stock and such number of shares of Merger Preferred Stock having the other terms determined as described below, or (y) cash, without interest thereon, in the case of each of (x) and (y), as determined pursuant to the Merger Agreement. Each Share (fractional or otherwise) issued and outstanding immediately prior to the Second Effective Time shall, at the Second Effective Time, by virtue of the Second Merger and without any action on the part of the holder thereof, be converted into the right to receive the Per Share Merger Consideration.

The Merger Preferred Stock will be convertible preferred stock (or trust convertible preferred stock) of Parent with a liquidation preference of \$50 per share; a quarterly yield to be determined such that the securities are expected to trade at par on a fully distributed basis; a maturity, which currently is not fixed, of seven to ten years or perpetual; a conversion premium, which currently is not fixed, of 20% to 25%; and call protection, which currently is not fixed, for 3 to 4 years. The terms of the Merger Preferred Stock that are not fixed as described above (such terms, the "Other Terms") will not be inconsistent with the terms so fixed and will be determined in accordance with the following procedure such that the Merger Preferred Stock to be distributed with respect to each Share as described in clause (x) in the preceding paragraph shall have a value on a fully distributed basis, as of the date of the opinions referred to below, as close as possible equal to \$16:

(1) the Other Terms shall be determined by mutual agreement of two investment banking firms of national reputation, one selected by the Company and one selected by Parent, such that in their respective opinions the Merger Preferred Stock to be issued in respect of each Share will have a value on a fully distributed basis, as of the date of their opinions, equal to \$16 per Share; or

(2) if such two investment banking firms are unable to agree on the Other Terms or if either such firm is unable to provide the opinion referred to in clause (1) above within four business days following the fifteenth business day prior to the Company Merger Meeting, each such investment banking firm within two business days following such four-business day period shall propose its version of the Other Terms and shall mutually select a third investment banking firm of national reputation, and within four business days thereafter the third firm shall select the proposal of one or the other of the two firms that, in the opinion of the third firm, is the closer of the two proposals to giving, as of the date of its opinion, a

value on a fully distributed basis for the Merger Preferred Stock to be issued in respect of each Share equal to \$16 per Share.

The Other Terms of the Merger Preferred Stock will be determined in accordance with the foregoing no later than five business days prior to the date of the Company Merger Meeting.

In the First Merger, all Common Shares owned by Parent, Purchaser or its affiliates shall be retained. In the Second Merger, all Common Shares that are owned by the Company as treasury stock and any Common Shares owned by Parent, the Company or any of their respective subsidiaries will, at the Second Effective Time, be canceled and retired and will cease to exist, and, except as otherwise provided in the Merger Agreement, no shares of Parent Common Stock or other consideration shall be delivered or owing in exchange therefor.

On and after the First Effective Time and the Second Effective Time, as applicable, holders of Shares will no longer have any rights as shareholders of the Company, except, as applicable, the right to receive the Per Share Merger Consideration with respect to each Share held by them.

Boards of Directors; Officers. On the Control Date, the Board of Directors, committees of the Board of Directors, composition of such committees (including chairmen thereof) and officers of Parent and/or the Surviving Corporation will be as set forth in the Second Amendment and summarized under "Board of Directors; Officers" in Section 13 of the Offer to Purchase.

Voting Trust. The Merger Agreement provides that (i) simultaneously with the purchase by Parent, Purchaser or their affiliates of Shares pursuant to the First Offer, the Second Offer, the Company Stock Option Agreement or otherwise, such Shares shall be deposited in the Voting Trust in accordance with the terms and conditions of the Voting Trust Agreement and (ii) upon consummation of each of the First Merger and the Second Merger, all outstanding shares of common stock of the surviving corporation of such Merger owned directly or indirectly by Parent, Purchaser or their affiliates will be deposited in the Voting Trust. Prior to the Control Date, the Voting Trust may not be modified or amended without the prior written approval of the Company unless such modification or amendment is not inconsistent with the Merger Agreement or the Option Agreements and is not adverse to the Company or its shareholders; provided that, the Voting Trust may be modified or amended in any manner without the prior written approval of the Company at any time after the earlier of (i) December 31, 1998 and (ii) the date of any STB denial (as hereinafter defined). See Section 6 for a description of the Amended Voting Trust Agreement.

Conditions to the Merger. The Second Amendment provides that the STB condition described in clause (d) of the second paragraph and clause (c) of the third paragraph under "Conditions to the Merger" in Section 13 of the Offer to Purchase is no longer applicable.

Pre-Control Date Operations of Parent. The Merger Agreement provides that, during the period from the Second Effective Time until the Control Date, Parent shall not, nor shall it permit any of its subsidiaries to (without the consent of the Company):

(i) operate its railroad business other than in the ordinary course of business consistent with past practice, provided that (x) the direct or indirect acquisition or disposition of a significant portion of the assets of its railroad business, and (y) a merger, consolidation or other business combination with any other company involved in the railroad business that would have the effect set forth in clause (x) shall not be considered in the ordinary course of business consistent with past practice; or

(ii) enter into any new line of business (including by merger, acquisition of assets or securities or otherwise), in a material way, other than those engaged in by Parent as of the date of the Merger Agreement; or

(iii) authorize, or commit or agree to take, any of the foregoing actions.

No Solicitation. The Second Amendment provides that the "270 days from the date of the Merger Agreement" periods described under "No Solicitation" in Section 13 of the Offer to Purchase has been changed to December 31, 1998.

Tax-Free Reorganization. The Merger Agreement provides that none of the Company, Parent, Purchaser, or any of their subsidiaries or affiliates has taken any action or is aware of any fact that would jeopardize the qualification of the First Offer, the Second Offer, the First Merger and the Second Merger, if integrated and treated as a single transaction, as a reorganization under Section 368 of the Code.

Termination. The Second Amendment provides that the "270 days after the date of the Original Merger Agreement" period under clause (b) (ii) under "Termination" in Section 13 of the Offer to Purchase has been changed to December 31, 1998.

Listing. The Second Amendment provides that the Parent Merger Securities issuable to shareholders of the Company pursuant to the Merger Agreement and under the Company Stock Plans will be approved for listing on the NYSE prior to the Closing Date, subject to official notice of issuance.

Compensation and Benefits; Stock Options. The Merger Agreement provides that, with respect to all outstanding Company Employee Stock Options granted under Company Stock Plans, which, immediately prior to the First Effective Time, are vested ("Vested Company Employee Stock Options"), the Board of Directors will take such action as may be required to adjust the terms of such Company Employee Stock Options as is necessary to provide that, at the First Effective Time, each Vested Company Employee Stock Option outstanding immediately prior to the First Effective Time shall be deemed to constitute an option to acquire, on the same terms and conditions as were applicable under such Vested Company Employee Stock Option, the same number of shares of Parent Common Stock as the holder of such Vested Company Employee Stock Option would have been entitled to receive pursuant to the Merger had such holder exercised such Vested Company Employee Stock Option in full immediately prior to the First Effective Time and had the holder received additional shares of Parent Common Stock, in lieu of shares of Merger Preferred Stock, of equivalent value to such Merger Preferred Stock (based, for this purpose, upon an assumed \$16 value for the Merger Preferred Stock deliverable in respect of each Common Share and a per share price of Parent Common Stock based upon the average per share closing price of Parent Common Stock reported on the NYSE Composite Tape for the five consecutive trading days preceding the First Effective Time), at a price per share of (x) Parent Common Stock equal to (A) the aggregate exercise price for the Common Shares otherwise purchasable pursuant to such Vested Company Employee Stock Option divided by (B) the aggregate number of shares of Parent Common Stock deemed purchasable pursuant to such Vested Company Employee Stock Option (each, as so adjusted, an "Adjusted Option"); provided, however, that in the case of any option to which Section 421 of the Code applies by reason of its qualification under any of Sections 422 through 424 of the Code ("qualified stock options"), the option price, the number of shares purchasable pursuant to such option and the terms and conditions of exercise of such option shall be determined in order to comply with Section 424 of the Code.

With respect to all outstanding Company Employee Stock Options granted under Company Stock Plans which, immediately prior to the First Effective Time, are unvested ("Other Company Options"), the Board of Directors will take such action as may be required to adjust the terms of such Other Company Options to provide that in no event shall Other Company Options become exercisable prior to (x) the date that the STB approval is obtained, in which case such Other Company Options will then be adjusted as provided in clause (a) above, or (y) the date following STB denial on which a disposition of Shares held in the Voting Trust in accordance with paragraph 8 of the Amended Voting Trust Agreement, in which case, such Other Company Options will then be exercisable for Common Shares and such options will be equitably adjusted as necessary to preserve the value of such options in connection with any such disposition.

In lieu of any further option grants by the Company on or after the First Effective Time, the Company may grant incentive awards to its employees provided that (i) such awards are granted under arrangements which are in accordance with applicable law and (ii) such awards are of no greater aggregate value on the grant date than the aggregate value of the options which could otherwise have been awarded by the Company pursuant to Section 4.1(a)(ii)(x)(A) of the Merger Agreement.

The Company has agreed not to issue Common Shares or rights to acquire Common Shares for any reason following the Merger without the prior consent of Parent.

Interim Operations of the Company and Parent. The paragraph described under (a) under "Interim Operations of the Company and Parent" in Section 13 of the Offer to Purchase has been modified to provide that, following the First Effective Time, subject to applicable legal restrictions and financial covenants contained in instruments relating to outstanding indebtedness, the surviving corporation of each of the First Merger and the Second Merger shall not decrease the aggregate amount of dividends and other distributions paid in respect of the Company's outstanding capital stock from the level paid immediately prior to the First Effective Time or the Second Effective Time, as applicable.

STB Matters. For purposes of the Merger Agreement, STB approval means the issuance by the STB of a decision, which decision shall become effective and which decision shall not have been stayed or enjoined, that (A) constitutes a final agency action approving, exempting or otherwise authorizing the acquisition of control over the Company's railroad operations by Parent and (B) does not (1) change or disapprove of the consideration to be given in the Merger or other material provisions of Article II of the Merger Agreement or (2) unless Parent chooses to assume control despite such conditions, impose on Parent, the Company or any of their respective subsidiaries any other terms or conditions (including, without limitation, labor protective provisions but excluding conditions heretofore imposed by the ICC in *New York Dock Railway — Control — Brooklyn Eastern District*, 360 I.C.C. 60 (1979)), other than those proposed by the applicants, that materially and adversely affect the long-term benefits expected to be received by Parent from the transactions contemplated by this Agreement; the Control Date means the date on which Parent lawfully is permitted to assume control over the Company's railroad operations pursuant to STB approval or exemption; STB denial, for all purposes under the Merger Agreement, means (i) STB approval shall not have been obtained by December 31, 1998 or (ii) the STB shall have, by an order which shall have become final and no longer subject to reconsideration by the STB or review by the courts, either (x) refused to approve the acquisition of control of the Company by Parent or (y) approved such acquisition of control subject to conditions that cause such approval not to constitute STB approval; and following the Second Effective Time, all rights and obligations of the Company under this Agreement shall be exercisable or performed by the Surviving Corporation (as successor to the Company), and any consent or approval of the Company hereunder following the First Effective Time or the Second Effective Time shall mean the consent or approval of the Surviving Corporation's board of directors (or its duly authorized representatives).

Continuing Obligations. The Merger Agreement provides that the provisions of Articles IV and V of the Merger Agreement shall be binding through the Control Date, provided that the provisions of Article IV (other than Sections 4.1(a)(xii), Section 4.1(d), the last sentence of Section 4.1(c), Section 4.1(e) and Section 4.3) and Section 5.15 shall not be binding as against Parent and its subsidiaries following the First Effective Time; provided, however, that all obligations of Parent or its affiliates under the Merger Agreement shall terminate upon the earlier of (i) December 31, 1998 and (ii) the date of STB denial.

5. Certain Federal Income Tax Consequences. The discussion set forth in Section 5 of the Offer to Purchase and the amendments thereto are hereby amended and replaced in their entirety by the following:

The following discussion is a summary of the material federal income tax consequences of the Offers and the Merger to holders of Shares who hold the Shares as capital assets. The discussion set forth below is for general information only and may not apply to certain categories of holders of Shares subject to special treatment under the Internal Revenue Code of 1986, as amended (the "Code"), such as foreign holders and holders who acquired such Shares pursuant to the exercise of employee stock options or otherwise as compensation. This summary is based upon laws, regulations, rulings and decisions currently in effect, all of which are subject to change, retroactively or prospectively, and to possibly differing interpretations.

Tax Consequences of the Offers and the Merger Generally. It is unclear whether the Offers and the Merger should be treated as a single integrated transaction for federal income tax purposes. If the Offers and the Merger are so treated, the Offers and the Merger should, in the aggregate, qualify as a reorganization pursuant to Sections 368(a)(1)(A) and 368(a)(2)(D) of the Code. In such event, generally (i) no gain or loss will be recognized by Parent, Purchaser or the Company pursuant to the Offers and the Merger, (ii) gain or loss will be recognized by a shareholder of the Company who receives solely cash in exchange for Shares pursuant to either Offer and/or the Merger, (iii) no gain or loss will be recognized by a shareholder of the

Company who does not exchange any Shares pursuant to the Offers and who receives solely Parent Merger Securities that qualify as stock for federal income tax purposes ("Parent Merger Stock") in exchange for Shares pursuant to the Merger, and (iv) a shareholder of the Company who receives a combination of cash and Parent Merger Securities in exchange for such shareholder's Shares, pursuant to either Offer and/or the Merger, will not recognize loss but will recognize gain, if any, to the extent of the lesser of (a) the sum of the cash and fair market value of Parent Merger Securities that do not qualify as stock for federal income tax purposes ("Parent Merger Non Stock Securities") received and (b) the excess of the sum of the fair market value of the Parent Merger Securities and the amount of cash received over a shareholder's tax basis in the Shares exchanged. If so integrated, the federal income tax consequences to a shareholder may be, depending on such shareholder's particular circumstances, less favorable than the federal income tax consequences to such shareholder if the Offers and the Merger are not treated as integrated.

If the Offers and the Merger were not treated as a single integrated transaction for federal income tax purposes, the receipt of cash pursuant to either Offer would be on sale or exchange, while the Second Merger should still qualify as a reorganization pursuant to Section 368(a)(1)(A) of the Code, assuming Parent is not required to dispose of the Company or its assets by the STB and, as discussed more fully below, the First Merger may be treated as a sale or exchange or as a reorganization pursuant to Section 368 of the Code.

Tax Consequences if the Offers and the Merger are Treated as a Single Integrated Transaction and as a Reorganization

Exchange of Shares Solely for Cash. In general, a shareholder of the Company who, pursuant to either Offer and/or the Merger, exchanges all of the Shares actually and constructively owned by such shareholder solely for cash will recognize capital gain or loss equal to the difference between the amount of cash received and such shareholder's adjusted tax basis in the Shares surrendered. The gain or loss will be long-term capital gain or loss if, as of the date of the exchange, the holder thereof has held such Shares for more than one year. Gain or loss will be calculated separately for each identifiable block of Shares surrendered pursuant to either Offer and/or the Merger.

Exchange of Shares Solely for Parent Merger Stock. A shareholder of the Company who, pursuant to the Merger, exchanges all of the Shares actually owned by such shareholder solely for Parent Merger Stock (and who did not exchange any Shares for cash in either Offer) will not recognize any gain or loss upon such exchange. Such shareholder may recognize gain or loss, however, to the extent cash is received in lieu of a fractional share of Parent Merger Stock, as discussed below. The aggregate adjusted tax basis of the Parent Merger Stock received in such exchange will be equal to the aggregate adjusted tax basis of the Shares surrendered therefor allocated between the Parent Common Stock and Merger Preferred Stock in proportion to their relative fair market values, and the holding period of Parent Common Stock and Merger Preferred Stock will include the period during which the Shares surrendered in exchange therefor were held.

Exchange of Shares for Parent Merger Stock and Cash and/or Parent Merger Non Stock Securities. A shareholder of the Company who, pursuant to either Offer and/or the Merger, exchanges all of the Shares actually owned by such shareholder for a combination of shares of Parent Merger Stock and cash and/or Parent Merger Non-Stock Securities will not recognize any loss on such exchange. Such shareholder will realize gain equal to the excess, if any, of the cash and the aggregate fair market value of Parent Merger Securities received pursuant to either Offer and/or the Merger over such shareholder's adjusted tax basis in the Shares exchanged therefor, but will recognize any realized gain only to the extent of the cash and the fair market value of Parent Merger Non Stock Securities received.

Any gain recognized by a shareholder of the Company who receives a combination of Parent Merger Stock and cash and/or Parent Merger Non Stock Securities pursuant to either Offer and/or the Merger will be treated as capital gain unless the receipt of the cash has the effect of the distribution of a dividend for federal income tax purposes, in which case such recognized gain will be treated as ordinary dividend income to the extent of such shareholder's ratable share of the Company's accumulated earnings and profits.

For purposes of determining whether the cash and/or Parent Merger Non Stock Securities received pursuant to either Offer and/or the Merger will be treated as a dividend for federal income tax purposes, a

shareholder of the Company will be treated as if such shareholder first exchanged all of such shareholder's Shares solely for Parent Merger Stock and then Parent immediately redeemed a portion of such Parent Merger Stock in exchange for the cash and/or Parent Merger Non Stock Securities (together, "Nonqualifying Consideration") such shareholder actually received.

In general, the determination as to whether the Nonqualifying Consideration received will be treated as received pursuant to a sale or exchange (generating capital gain) or a dividend distribution (generating ordinary income) depends upon whether and to what extent there is a reduction in the shareholder's deemed percentage stock ownership of Parent. A shareholder of the Company who exchanges such shareholder's Shares for a combination of Parent Common Stock and Nonqualifying Consideration will recognize capital gain rather than dividend income if the deemed redemption by Parent (described in the preceding paragraph) is "not essentially equivalent to a dividend" or is "substantially disproportionate" with respect to such shareholder.

Whether the deemed exchange and subsequent redemption transaction are "not essentially equivalent to a dividend" with respect to a Company shareholder will depend upon such shareholder's particular circumstances. In order to reach such conclusion, it must be determined that the transaction results in a "meaningful reduction" in such Company shareholder's deemed percentage stock ownership of Parent. In determining whether a reduction in a Company shareholder's deemed percentage stock ownership has occurred, (i) the percentage of the outstanding stock of Parent that such Company shareholder is deemed actually and constructively to have owned immediately before the deemed redemption by Parent should be compared to (ii) the percentage of the outstanding stock of Parent actually and constructively owned by such shareholder immediately after the deemed redemption by Parent. The relevant constructive ownership rules treat shareholders as owning stock held indirectly (through partnerships, estates, trusts and corporations) and, under certain circumstances, treat persons as owning stock owned by their partners, beneficiaries and shareholders. Shareholders will also be treated as owning stock that could be acquired by virtue of the exercise of any option to acquire stock, and individual shareholders are treated as owning any stock owned by their family.

A Company shareholder will comply with the "substantially disproportionate" rule if the percentage described in (ii) above is less than 80% of the percentage described in (i) above. Even if a Company shareholder does not qualify under such test, the Internal Revenue Service has ruled that a minority shareholder in a publicly held corporation whose relative stock interest is minimal and who exercises no control with respect to corporate affairs is considered to have a "meaningful reduction" if such shareholder has a reduction in such shareholder's percentage stock ownership. In most circumstances, therefore, gain recognized by a shareholder of the Company who exchanges such shareholder's Shares for a combination of Parent Merger Stock and Nonqualifying Consideration will be capital gain, which will constitute long-term capital gain if the holding period for such Shares was greater than one year as of the date of the exchange.

The aggregate tax basis of Parent Merger Stock received by a Company shareholder who, pursuant to either Offer and/or the Merger, exchanges such shareholder's Shares for a combination of Parent Merger Stock and Nonqualifying Consideration will be the same as the aggregate tax basis of the Shares surrendered therefor, decreased by the Value of the Nonqualifying Consideration received and increased by the amount of gain recognized, if any (including any portion of such gain that is treated as a dividend), allocated between the different Classes of Parent Stock as described above. The holding period of Parent Merger Stock will include the holding period of the Shares surrendered therefor.

Cash Received in Lieu of a Fractional Interest of Parent Common Stock. Cash received in lieu of a fractional share of Parent Common Stock will generally (subject to the discussion above) be treated as received in redemption of such fractional interest and gain or loss will be recognized, measured by the difference between the amount of cash received and the portion of the basis of the Shares allocable to such fractional interest. Such gain or loss will constitute capital gain or loss, and will generally be long-term capital gain or loss if the holding period for such Shares was greater than one year as of the date of the exchange.

Tax Consequences if the Offers and the Merger are Treated as Separate Transactions

If the Offers and the Merger were treated as separate transactions for federal income tax purposes, the receipt of cash pursuant to either Offer and the receipt of Parent Merger Securities pursuant to the First Merger would be a taxable transaction, while the Second Merger should still qualify as a reorganization pursuant to Section 368(a)(1)(A) of the Code. Accordingly, a shareholder of the Company who receives Nonqualifying Consideration and/or Parent Merger Stock pursuant to either Offer or the First Merger would recognize gain or loss equal to the difference between the amount of Nonqualifying Consideration and Parent Merger Stock received and the shareholder's adjusted tax basis in the Shares surrendered, calculated separately with respect to each block of Shares exchanged. The gain or loss would be long-term capital gain or loss if, as of the date of the exchange, such shareholder had held such stock for more than one year.

A shareholder of the Company who receives cash and/or Parent Merger Securities pursuant to the Second Merger would be subject to the federal income tax rules concerning reorganizations discussed above under "Tax Consequences if the Offers and the Merger are Treated as a Single Integrated Transaction and as a Reorganization" (but without regard to the cash received, and Shares exchanged, in either Offer). Additionally, it is possible that the First Merger would be integrated with the Second Merger and treated as a single transaction, in which case a shareholder of the Company who receives Parent Common Stock and/or cash and/or Parent Merger Securities pursuant to the First Merger and the Second Merger would be subject to the federal income tax rules concerning reorganizations (as described in the preceding sentence) without regard to the cash received in either Offer.

Tax Consequences if the Merger is Not Treated as a Reorganization

In the event that Parent is required to dispose of the Company or its assets by the STB, certain "continuity of business enterprise" requirements that are a condition to reorganization treatment may not be met. In this event, a shareholder would recognize gain or loss equal to the fair market value of the Parent Merger Securities and cash received over the shareholder's tax basis in the Shares exchanged, calculated separately as to each block of Shares exchanged. The character of such gain or loss would be determined as described above.

Withholding

Unless a shareholder complies with certain reporting and/or certification procedures or is an exempt recipient under applicable provisions of the Code and Treasury Regulations promulgated thereunder, such shareholder may be subject to withholding tax of 31% with respect to any cash payments received pursuant to either Offer and/or the Merger. Shareholders should consult their brokers or the Depositary to ensure compliance with such procedures. Foreign shareholders should consult with their own tax advisors regarding withholding taxes in general.

TO PREVENT BACKUP FEDERAL INCOME TAX WITHHOLDING WITH RESPECT TO PAYMENT TO CERTAIN SHAREHOLDERS OF THE PURCHASE PRICE FOR SHARES PURCHASED PURSUANT TO THE SECOND OFFER, EACH SUCH SHAREHOLDER MUST PROVIDE THE DEPOSITARY WITH SUCH SHAREHOLDER'S CORRECT TAXPAYER IDENTIFICATION NUMBER AND CERTIFY THAT SUCH SHAREHOLDER IS NOT SUBJECT TO BACKUP FEDERAL INCOME TAX WITHHOLDING BY COMPLETING THE SUBSTITUTE FORM W-9 IN THE LETTER OF TRANSMITTAL. IF BACKUP WITHHOLDING APPLIES WITH RESPECT TO A SHAREHOLDER, THE DEPOSITARY IS REQUIRED TO WITHHOLD 31% OF ANY PAYMENTS MADE TO SUCH SHAREHOLDER. SEE INSTRUCTION 9 OF THE LETTER OF TRANSMITTAL.

THE ABOVE DISCUSSION MAY NOT APPLY TO CERTAIN CATEGORIES OF SHAREHOLDERS SUBJECT TO SPECIAL TREATMENT UNDER THE CODE, SUCH AS FOREIGN SHAREHOLDERS AND SHAREHOLDERS WHOSE SHARES WERE ACQUIRED PURSUANT TO THE EXERCISE OF AN EMPLOYEE STOCK OPTION OR OTHERWISE AS COMPENSATION. SHAREHOLDERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE SPECIFIC TAX CONSEQUENCES OF THE OFFERS AND THE MERGER, INCLUDING ANY

FEDERAL, STATE, LOCAL OR OTHER TAX CONSEQUENCES (INCLUDING ANY TAX RETURN FILING OR OTHER TAX REPORTING REQUIREMENTS) OF THE OFFERS AND THE MERGER.

6. *Certain Legal Matters; Regulatory Approvals.* The discussion set forth in Section 13 of the Offer to Purchase and the amendments thereto are hereby amended and supplemented as follows:

STB Matters; Acquisition of Control. STB approval or exemption of the Merger is not a condition to the Merger. However, the acquisition of control over the Company by Parent and Purchaser requires STB approval or exemption. The STB approval process described in "STB Matters; Acquisition of Control," "Conditions" and "Judicial Review — Stay" in Section 16 of the Offer to Purchase is applicable to the application to be filed by Parent and the Company seeking STB approval of Parent's acquisition of control over the Company, except that references to approval and consummation of the Merger should be understood to refer to approval of Parent's acquisition of control of the Company.

In order to ensure that Parent and its affiliates do not acquire and directly or indirectly exercise control over the Company and its affiliates prior to obtaining necessary STB approvals or exemption, Purchaser intends, simultaneously with the acquisition of Shares pursuant to the Second Offer, the Company Stock Option Agreement, the First Merger or otherwise, to deposit the Shares so acquired in the Voting Trust, and upon consummation of the Second Merger, to deposit in the Voting Trust all outstanding shares of common stock and any other voting stock of the surviving corporation in such merger owned by Parent and its affiliates.

STB Matters; The Voting Trust. The parties to the Voting Trust Agreement, with the Company's consent, propose to amend the Voting Trust Agreement (the "Amended Voting Trust Agreement") to reflect the proposed consummation of the Merger prior to STB approval or exemption of the acquisition of control of the Company by Parent. Amendment of the Voting Trust Agreement requires approval of the STB or an opinion of counsel that STB approval of such amendment is not required and that the amendment is consistent with the STB's regulations regarding voting trusts. Parent intends to obtain such an opinion of counsel and to seek informal assurance from the STB that use of the Voting Trust pursuant to the Amended Voting Trust Agreement would effectively insulate Parent and its affiliates from a violation of the governing statute and STB policy that would result from an unauthorized acquisition by Parent of a sufficient interest in the Company to result in control of the Company. While Parent believes that the Amended Voting Trust Agreement is consistent with the STB's regulations regarding voting trusts, there can be no assurance that the STB will provide the requested assurance.

It is possible that the U.S. Department of Justice or railroad competitors of Parent and the Company, or others, may argue that Parent and Purchaser should not be permitted to use the voting trust mechanism to acquire Shares and effectuate the Merger prior to final STB approval of the acquisition of control of the Company. Parent and Purchaser believe it is unlikely that such arguments would prevail, but there can be no assurance in this regard.

Under the terms of the Amended Voting Trust Agreement, the Voting Trustee is required to vote all Shares deposited in the Voting Trust (the "Trust Stock") in favor of the Merger, in favor of any proposal necessary or desirable to effectuate Parent's combination with the Company pursuant to the Merger Agreement, and, if there shall be with respect to the Board of Directors an "Election Contest" as defined in the proxy rules of the SEC, in which one slate of nominees shall support the effectuation of the Merger and another slate oppose it, to vote in favor of the slate supporting the effectuation of the Merger. In addition, for so long as the Merger Agreement is in effect, subject to certain exceptions, the Voting Trustee shall vote against any other proposed merger, business combination or similar transaction involving the Company, but not Parent or one of its affiliates. On certain other matters, the Voting Trustee is to vote the Trust Stock in the same proportion as all other Shares are voted with respect to such matters, except that, subject to certain exceptions, from and after the effectiveness of the First Merger, the Voting Trustee is to vote the Trust Stock in accordance with the instructions of a majority of the persons who are then directors of the Company and who are currently the directors of the Company and/or nominees of the current directors of the Company. If there are no directors of the Company qualified to give such instructions or such instructions are not given, the Voting Trustee is to vote the Trust Stock in its sole discretion, having due regard for the Parent solely as an investor in the stock of the Company.

The Voting Trustee has agreed to take all actions reasonably requested by Parent with respect to any proposed sale or disposition of the Trust Stock by Parent or Purchaser, including, without limitation, in connection with the exercise of registration rights under the Merger Agreement. Upon (i) approval or exemption by the STB of the acquisition of control of the Company by Parent or its affiliates or (ii) if the law is amended, delivery to the Voting Trustee of an opinion of independent legal counsel that no STB or other governmental approval is required, and, in the event that shareholder approval of the First Merger shall not have previously been obtained, with the prior written consent of the Company, the Voting Trustee shall either transfer the Trust Stock to Parent or Purchaser or, if shareholder approval of the First Merger or Second Merger has not previously been obtained, vote the Trust Stock in favor of the First Merger or the Second Merger.

In the event that (i) STB approval is not obtained by December 31, 1998 or (ii) there shall have been an STB denial, Parent has agreed to use its best efforts to sell the Trust Stock in one or more broadly distributed public offerings subject to all necessary regulatory approvals or otherwise dispose of it within two years or such extension of that period as the STB shall approve. The Amended Voting Trust Agreement provides that the Company's prior written approval is required for dispositions of Trust Stock only in the event any disposition of the Trust Stock is made prior to the earlier of December 31, 1998 or the date of an STB denial. Disposition of the Trust Stock pursuant to the Amended Voting Trust Agreement shall be subject to any jurisdiction of the STB to oversee Parent's divestiture of the Trust Stock. The Voting Trustee shall continue to perform its duties under the Voting Trust Agreement and, should Parent be unsuccessful in its effort to sell the Trust Stock during the two-year period, the Voting Trustee shall as soon as practicable sell the Trust Stock for cash to eligible purchasers in such manner and for such prices as the Voting Trustee in its discretion shall deem reasonable after consultation with Parent. (An "eligible purchaser" thereunder shall be a person or entity that is not affiliated with Parent and which has all necessary regulatory authority, if any, to purchase the Trust Stock.) The Amended Voting Trust Agreement further provides that Parent will cooperate with the Voting Trustee in effecting such disposition and that the Voting Trustee will act in accordance with any direction made by Parent as to any specific terms or method of disposition, to the extent not inconsistent with the terms of the Voting Trust Agreement and the requirements of the terms of any STB or court order. The proceeds of any such sale will be distributed to Parent.

Pursuant to the Merger Agreement, prior to the Control Date, the Amended Voting Trust Agreement may not be modified or amended without the prior written approval of the Company, unless such modification or amendment is not inconsistent with the Merger Agreement and is not adverse to the Company or its shareholders, except that the Amended Voting Trust Agreement may be amended or modified in any manner without the prior written approval of the Company at any time after the earlier of December 31, 1998 or the date of an STB denial.

The Amended Voting Trust Agreement provides that the Company is an express third-party beneficiary of the Amended Voting Trust Agreement, but that this status shall exist only through the earlier of December 31, 1998, if STB approval has not by then been obtained, or the date of an STB denial.

Norfolk Southern and Shareholder Litigation. On December 13, 1996, NSC amended its complaint to assert the claims (a) that any postponement by the Company of the Pennsylvania Special Meeting scheduled for December 23, 1996 (assuming such postponement was caused by the Company having failed to receive the requisite number of votes for approval) would be a breach of the fiduciary duties of the directors of the Company, and (b) that Parent has, in effect, acquired more than 20% of the shares of the Company (within the meaning of the Pennsylvania Control Transaction Law) by virtue of the allegation that shares owned by Parent should be aggregated with shares owned by directors of the Company, and employee benefit plan shares as to which directors of the Company allegedly have the power to direct the vote, and, accordingly, that Parent is obligated to pay "fair value" in cash, to be determined pursuant to the Pennsylvania Control Transaction Law, to all shareholders of the Company other than Parent.

On December 9, 1996, plaintiffs in the purported shareholder derivative and class actions amended their complaint against Parent, the Company and directors of the Company. The amendment adds the following additional claims to the shareholder plaintiffs' complaint:

(i) that the existing share ownership of Parent and the directors of the Company as individuals should be aggregated for purposes of determinations under the Pennsylvania Control Transaction Law because Parent and the individual directors of the Company are allegedly "acting in concert" for purposes of the statute, and accordingly the requirement in the Pennsylvania Control Transaction Law requiring persons who have 20% or more of the voting power of a Pennsylvania corporation to offer to purchase for cash the remaining shares (for "fair value") has allegedly been triggered; and

(ii) that it is a breach of the fiduciary duties of the directors of the Company to have agreed to postpone the Pennsylvania Special Meeting in the event that insufficient votes are received to assure approval of the Articles Amendment providing for the Company to opt out of the Pennsylvania Control Transaction Law.

As relief, the shareholder plaintiffs seek a declaration that Parent and the directors of the Company are obligated to make the "fair value" payments required by the Pennsylvania Control Transaction Law and that the Pennsylvania Special Meeting may not be postponed and that no second vote upon the Articles Amendment may be held.

On December 17, 1996, the Court preliminarily enjoined the Company from failing to convene, and/or from postponing, and/or from adjourning the Pennsylvania Special Meeting scheduled for December 23, 1996 if the basis for the Company's decision was the Company's failure to receive sufficient proxies to assure approval of the Articles Amendment.

Facsimile copies of the Letter of Transmittal, properly completed and duly signed, will be accepted. The 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 Depository at one of its addresses set forth below:

The Depository for the Second Offer is:

CITIBANK, N.A.

By Hand:

Citibank, N.A.
Corporate Trust Window
111 Wall Street, 5th Floor
New York, New York 10043

By Mail:

Citibank, N.A.
c/o Citicorp Data
Distribution, Inc.
P.O. Box 7072
Paramus, New Jersey 07653

By Overnight Carrier:

Citibank, N.A.
c/o Citicorp Data
Distribution, Inc.
404 Sette Drive
Paramus, New Jersey 07652

Facsimile for Eligible Institutions: (201) 262-3240

To confirm fax only: (800) 422-2077

Any questions or requests for assistance or additional copies of this Supplement, the Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery may be directed to the Information Agent or the Dealer Manager at their respective telephone numbers and locations listed below. You may also contact your broker, dealer, commercial bank or trust company or other nominee for assistance concerning the Second Offer.

The Information Agent for the Second Offer is:

**MACKENZIE
PARTNERS, INC.**

156 Fifth Avenue
New York, New York 10010
(212) 929-5500 (call collect)
or
Call Toll Free (800) 322-2885

The Dealer Manager for the Second Offer is:

Wasserstein Perella & Co., Inc.

31 West 52nd Street
New York, New York 10019
Call Collect:
(212) 969-2700

**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 December 6, 1996

and the Supplement thereto

dated December 19, 1996

by

Green Acquisition Corp.

a wholly owned subsidiary of

CSX Corporation

THE SECOND OFFER HAS BEEN EXTENDED: THE SECOND OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON WEDNESDAY, JANUARY 22, 1997, UNLESS THE SECOND OFFER IS FURTHER EXTENDED.

The Depositary for the Second Offer is:

CITIBANK, N.A.

By Hand:

Citibank, N.A.
Corporate Trust Window
111 Wall Street, 5th Floor
New York, New York 10043

By Mail:

Citibank, N.A.
c/o Citicorp Data Distribution, Inc.
P.O. Box 7072
Paramus, New Jersey 07653

By Overnight Carrier:

Citibank, N.A.
c/o Citicorp Data Distribution, Inc.
404 Sette Drive
Paramus, New Jersey 07652

Facsimile for Eligible Institutions: (201) 262-3240

To confirm fax only: (800) 422-2077

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 Letter of Transmittal is to be completed by shareholders of Conrail Inc. either if 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"), are to be forwarded herewith or if delivery of Shares 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). 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.

This revised (blue) Letter of Transmittal or the previously circulated (blue) Letter of Transmittal is to be completed by shareholders either if certificates evidencing Shares (as defined below) are to be forwarded herewith or if delivery of Shares 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 Section 3 of the Offer to Purchase (as defined below). **DELIVERY OF DOCUMENTS TO A BOOK-ENTRY TRANSFER FACILITY DOES NOT CONSTITUTE DELIVERY TO THE DEPOSITORY.**

Holders of Shares will be required to tender one Right (as defined below) for each Share tendered to effect a valid tender of such Share. Until the Distribution Date (as defined in the Offer to Purchase) 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, 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, a tender of Shares without Rights constitutes an agreement by the tendering shareholder to deliver certificates representing a number of Rights equal to the number of Shares tendered pursuant to the Second Offer (as defined below) to the Depositary within three New York Stock Exchange, Inc. trading days after the date such certificates are distributed. Purchaser (as defined below) reserves the right to require that it receive such certificates prior to accepting Shares for payment. Payment for Shares tendered and purchased pursuant to the Second Offer will be made only after timely receipt by the Depositary of, among other things, such 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 Second Offer.

Shareholders whose Share Certificates are not immediately available or who cannot deliver their Share 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 must do so pursuant to the guaranteed delivery procedure described in "Procedures for Tendering Shares" of the Offer to Purchase. See Instruction 2.

- ☐ CHECK HERE IF 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 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 Depositary Trust Company
☐ Philadelphia Depositary Trust Company

Account Number _____ Transaction Code Number _____

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.

208

Ladies and Gentlemen:

The undersigned hereby tenders to Green Acquisition Corp., a Pennsylvania corporation ("Purchaser") and a wholly owned subsidiary of CSX 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, between the Company and First Chicago Trust Company of New York, as Rights Agent (as amended, the "Rights Agreement"), pursuant to Purchaser's offer to purchase up to an aggregate of 18,344,845 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 December 6, 1996 (the "Offer to Purchase"), as amended and supplemented by the Supplement thereto, dated December 19, 1996 (the "Supplement"), receipt of which is hereby acknowledged, and in this Letter of Transmittal (which, as amended from time to time, together constitute the "Second Offer"). All references herein to Common Shares, ESOP Preferred Shares or Shares includes the associated Rights.

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 tendered pursuant to the Second Offer, but any such transfer or assignment will not relieve Purchaser of its obligations under the Second 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 Second Offer.

Subject to, and effective upon, acceptance for payment of the Shares tendered herewith, in accordance with the terms of the Second Offer (including, if the Second Offer is further 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 that are being tendered hereby (and any and all non-cash dividends, distributions, rights, other Shares or other securities issued or issuable in respect of such Shares or declared, paid or distributed in respect of such Shares on or after December 6, 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 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") and all Distributions, or transfer ownership of such Shares 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 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 and all Distributions, all in accordance with the terms of the Second Offer.

If, on or after December 6, 1996, the Company should declare or pay any cash or stock dividend, other than regular quarterly cash dividends, or make any distribution with respect to the Shares that is payable or distributable to stockholders 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 Second Offer, then, subject to the provisions of Section 14 of the Offer to Purchase, (i) the purchase price per Share payable by Purchaser pursuant to the Second 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 promptly remitted 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 John W. Snow, Mark G. Aron and Alan A. Rudnick 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 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. This appointment will be effective if, when, and only to the extent that, Purchaser accepts such Shares for payment pursuant to the Second Offer. Upon such acceptance for payment, all prior proxies given by the undersigned with respect to such Shares, 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, 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) or the Amended Voting Trust Agreement (as defined in the Supplement), if applicable, 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, Distributions or other securities to be deemed validly tendered, immediately upon Purchaser's acceptance for payment of such Shares Purchaser must be able to exercise full voting rights with respect to such Shares.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares tendered hereby and all Distributions, that the undersigned own(s) the Shares tendered hereby within the meaning of Rule 14e-4 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that such tender of Shares complies with Rule 14e-4 under the Exchange Act, and that when such Shares 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 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 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 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 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, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer to Purchase or the Supplement, this tender is irrevocable.

The undersigned understands that tenders of Shares pursuant to any one of the procedures described in "Procedures for Tendering Shares" of the Offer to Purchase and in the Instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the Second Offer. Purchaser's acceptance for payment of Shares tendered pursuant to the Second Offer will constitute a binding agreement between the undersigned and Purchaser upon the terms and subject to the conditions of the Second 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 tendered hereby.

Unless otherwise indicated herein in the box entitled "Special Payment Instructions," please issue the check for the purchase price of all Shares purchased, and return all Share Certificates evidencing Shares not purchased or not tendered, 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 of all Shares purchased and all Share Certificates evidencing Shares not tendered or not purchased (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 of all Shares purchased and return all Share Certificates evidencing Shares not purchased or not tendered in the name(s) of, and mail such check and Share Certificates to, the person(s) so indicated. Unless otherwise indicated herein in the box entitled "Special Payment Instructions," please credit any Shares 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 from the name of the registered holder(s) thereof if Purchaser does not accept for payment any of the Shares tendered hereby.

SPECIAL PAYMENT INSTRUCTIONS

(See Instructions 1, 5, 6 and 7 of
this Letter of Transmittal)

To be completed **ONLY** if certificates for Shares not tendered or not purchased and/or the check for the purchase price of Shares purchased are to be issued in the name of someone other than the undersigned, or if Shares 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 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)

SPECIAL DELIVERY INSTRUCTIONS

(See Instructions 1, 5, 6 and 7
of this Letter of Transmittal)

To be completed **ONLY** if certificates for Shares not tendered or not purchased and/or the check for the purchase price of Shares 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)

X _____

X _____

(Signature(s) of Holder(s))

Date _____, 199__

(Must be signed by registered holder(s) exactly as name(s) appear(s) on common or 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 _____

Date _____, 199__

INSTRUCTIONS

FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

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 Agent's 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) of Shares 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 are tendered for the account of an Eligible Institution. See Instruction 5. If a Share 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 Share Certificate not accepted for payment or not tendered is to be returned, to a person other than the registered holder(s), then the Share 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 Share Certificate, with the signature(s) on such Share 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 Share Certificates are to be forwarded herewith or if Shares are to be delivered by book-entry transfer pursuant to the procedure set forth in "Procedures for Tendering Shares" of the Offer to Purchase. Share Certificates evidencing all tendered Shares, or confirmation of a book-entry transfer of such Shares, if such procedure is available, into the Depository'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 Depository at one of its addresses set forth on the reverse hereof prior to the Expiration Date (as defined in "Terms of the Second Offer; Proration; Expiration Date" of the Offer to Purchase). If Share Certificates are forwarded to the Depository in multiple deliveries, a properly completed and duly executed Letter of Transmittal must accompany each such delivery. Stockholders whose Share Certificates are not immediately available, who cannot deliver their Share Certificates and all other required documents to the Depository 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 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 herewith, must be received by the Depository prior to the Expiration Date; and (iii) in the case of a guarantee of Shares, the Share Certificates, in proper form for transfer, or a confirmation of a book-entry transfer of such Shares, if such procedure is available, into the Depository'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 Depository 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. The term "Agent's Message" means a message, transmitted by a Book-Entry Transfer Facility to, and received by the Depository 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, that such participant has received and agrees to be bound by the terms of this Letter of Transmittal and that the Purchaser may enforce such agreement against the participant.

THE METHOD OF DELIVERY OF THIS LETTER OF TRANSMITTAL, SHARE CERTIFICATES AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH ANY BOOK-ENTRY TRANSFER FACILITY, IS AT THE OPTION AND RISK OF THE TENDERING STOCKHOLDER, AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITORY. 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 will be purchased. By execution of this Letter of Transmittal (or a facsimile hereof), all tendering stockholders waive any right to receive any notice of the acceptance of their Shares for payment.

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

4. *Partial Tenders.* (Not applicable to stockholders who tender by book-entry transfer.) If fewer than all the Shares evidenced by any Share Certificate delivered to the Depository herewith are to be tendered hereby, fill in the number of Shares which are to be tendered in the box entitled "Number of Shares Tendered." In such cases, new Share Certificate(s) evidencing the remainder of the Shares that were evidenced by the Share 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 Second Offer. All Shares evidenced by Share 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 tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Share Certificates evidencing such Shares without alteration, enlargement or any other change whatsoever.

If any Share 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 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 tendered hereby, no endorsements of Share Certificates or separate stock powers are required, unless payment is to be made to, or Share Certificates evidencing Shares 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 Share Certificate(s) evidencing the Shares 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 Share Certificate(s). Signatures on such Share 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 tendered hereby, the Share Certificate(s) evidencing the Shares 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 Share Certificate(s). Signatures on such Share Certificate(s) and stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal or any Share 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 to it or its order pursuant to the Second Offer. If, however, payment of the purchase price of any Shares purchased is to be made to, or Share Certificate(s) evidencing Shares 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 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 SHARE CERTIFICATE(S) EVIDENCING THE SHARES TENDERED HEREBY.

7. *Special Payment and Delivery Instructions.* If a check for the purchase price of any Shares tendered hereby is to be issued, or Share Certificate(s) evidencing Shares 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 Share 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 tendered hereby by book-entry transfer may request that Shares not purchased be credited to such account maintained at a Book-Entry Transfer Facility as such stockholder may designate in the box entitled "Special Payment Instructions" on the reverse hereof. If no such instructions are given, all such Shares 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 were delivered.

8. *Requests for Assistance or Additional Copies.* Requests for assistance may be directed to the Information Agent or Dealer Manager at their respective addresses or telephone numbers set forth below. Additional copies of the Offer to Purchase, 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 Manager 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 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 Depository is not provided with a TIN within 60 days, the Depository will withhold 31% on all payments of the purchase price to such stockholder until a TIN is provided to the Depository.

10. *Lost, Destroyed or Stolen Certificates.* If any certificate(s) representing Shares has been lost, destroyed or stolen, the shareholder should promptly notify the Depository. 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 OFFER TO PURCHASE).

IMPORTANT TAX INFORMATION

Under the federal income tax law, a shareholder whose tendered Shares 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 and Rights purchased pursuant to the Second 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 purchased pursuant to the Second 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 tendered hereby. If the Shares 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 stockholder until a TIN is provided to the Depositary.

PAYER'S NAME: CITIBANK, N.A., AS DEPOSITARY		
SUBSTITUTE FORM W-9 DEPARTMENT OF THE TREASURY INTERNAL REVENUE SERVICE PAYER'S REQUEST FOR TAXPAYER IDENTIFICATION NUMBER (TIN)	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")
	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 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 either because 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 the IRS has notified me that I am no longer subject to backup withholding.	
	CERTIFICATION 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.)	
	_____ SIGNATURE	DATE _____, 199__

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE SECOND 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, Supplement, Letter of Transmittal and other tender offer materials may be directed to the Information Agent or the Dealer Manager as set forth below:

The Information Agent for the Second Offer is:

**MACKENZIE
PARTNERS, INC.**

156 Fifth Avenue
 New York, New York 10010
 (212) 929-5500 (call collect)
 or
 Call Toll Free (800) 322-2885

The Dealer Manager for the Second Offer is:

Wasserstein Perella & Co., Inc.

31 West 52nd Street
 New York, New York 10019
 Call Collect:
 (212) 969-2700

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
Green Acquisition Corp.
 a wholly owned subsidiary of
CSX Corporation
 (Not to be Used for Signature Guarantees)

This Notice of Guaranteed Delivery, or one substantially in the form hereof, must be used to accept the Second 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, between the Company and First Chicago Trust Company of New York, as Rights Agent, are not immediately available, (ii) time will not permit all required documents to reach Citibank, N.A., as Depositary (the "Depositary"), prior to the Expiration Date (as defined in "Terms of the Second Offer; Proration; Expiration Date" of the Offer to Purchase (as defined below)) 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.

The Depositary for the Second Offer is:

CITIBANK, N.A.

By Hand:

Citibank, N.A.
 Corporate Trust Window
 111 Wall Street, 5th Floor
 New York, New York 10043

By Mail:

Citibank, N.A.
 c/o Citicorp Data Distribution, Inc.
 P.O. Box 7072
 Paramus, New Jersey 07653

By Overnight Carrier:

Citibank, N.A.
 c/o Citicorp Data Distribution, Inc.
 404 Sette Drive
 Paramus, New Jersey 07652

Facsimile for Eligible Institutions: (201) 262-3240

To confirm fax only: (800) 422-2077

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 Green Acquisition Corp., a Pennsylvania corporation and a wholly owned subsidiary of CSX Corporation, a Virginia corporation, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated December 6, 1996 (the "Offer to Purchase"), as amended and supplemented by the Supplement thereto, dated December 19, 1996 (the "Supplement"), and the related Letters of Transmittal (which, as amended from time to time, together constitute the "Second Offer"), receipt of each of which is hereby acknowledged, the number of Shares specified below pursuant to the guaranteed delivery procedures described in "Procedures for Tendering Shares" of the Offer to Purchase.

Number of Shares: _____

Name(s) of Record Holder(s): _____

Certificate Nos. (if available): _____

Please Print

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

Address(es): _____

- ☐ The Depository Trust Company
☐ Philadelphia Depository Trust Company

Zip Code

Area Code and Tel. No.: _____

Account Number: _____

Dated: _____, 199__

GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEES)

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 (a) represents that the tender of Shares effected hereby complies with Rule 14e-4 of the Securities Exchange Act of 1934, as amended, and (b) guarantees delivery to the Depository, at one of its addresses set forth above, of certificates evidencing the Shares tendered hereby in proper form for transfer, or confirmation of book-entry transfer of such Shares into the Depository's accounts at The Depository Trust Company or the Philadelphia Depository 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, (a) 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 (b) in the case of Rights, 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 Right Certificates are distributed to stockholders.

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

Name of Firm

Authorized Signature

Address

Title

Zip Code

Name: _____

Please Print

Area Code and Tel. No.: _____

Date: _____ 199__

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

FOR IMMEDIATE RELEASE

CONTACTS:

CSX Corporation
Thomas E. Hopplin
(804) 782-1450

Conrail Inc.
Craig R. MacQueen
(215) 209-4594

Kekst and Company
Richard Wolff
(212) 593-2655

Bernathy MacGregor Group
Joele Frank / Dan Katcher
(212) 371-5999

CSX AND CONRAIL INCREASE MERGER CONSIDERATION
BY \$16 PER SHARE

VOTING TRUST TO PERMIT EARLY 1997 PAYMENT
OF MERGER CONSIDERATION TO CONRAIL SHAREHOLDERS

CASH PORTION TO REMAIN AT \$110 PER CONRAIL SHARE

TENDER OFFER EXTENDED UNTIL JANUARY 22, 1997

SPECIAL CONRAIL SHAREHOLDER MEETING NOW SCHEDULED
FOR JANUARY 17, 1997

PHILADELPHIA, PA AND RICHMOND, VA (DECEMBER 19, 1996) -- Conrail Inc. [NYSE:CRR] and CSX Corporation [NYSE:CSX] announced today that they have amended their merger agreement to increase the merger consideration by \$16 per Conrail share, or approximately \$870 million in the aggregate. Conrail shareholders will also benefit from the significant value of receiving the merger consideration earlier than previously contemplated. Conrail shareholders will now receive in the merger, for 60% of their shares, an additional \$16 per share in CSX convertible preferred stock, the terms of which will be set prior to the merger so that such securities would trade at par on a fully distributed basis. This is in addition to the tax-free 1.85619 shares of CSX common stock to be received in the merger.

The amended agreement also provides that the merger will occur at the time of the CSX and Conrail shareholders meeting for approval of matters related to the merger. These meetings are expected to be held in the first quarter of 1997. Upon shareholder approval and consummation of the merger, the Conrail shareholders would receive the merger consideration of CSX common stock and CSX Convertible Preferred Stock. All the Conrail Stock acquired by CSX, both in the tender and in the merger, would be placed in a voting trust pending the outcome of the Surface Transportation Board's (STB) proceeding.

CSX has already purchased 19.9% of Conrail's common and ESOP preferred stock, through a tender offer for \$110 in cash per Conrail share. CSX is currently offering to purchase up to an additional 18,344,845 shares of Conrail through a second cash tender offer at \$110 per share.

David M. LeVan, chairman, president and chief executive officer of Conrail, said "Because of the actions taken by the Conrail board, our shareholders are receiving extraordinary value in our strategic merger-of-equals with CSX. The original terms of the merger provided our shareholders with a price at the high end of what has been paid in railroad mergers. That price has since been increased by more than \$1.5 billion before taking into account the significant value associated with receiving the merger consideration in early 1997. In every respect, this merger holds great potential and clearly offers the best possible result for Conrail. This amendment to the merger agreement reaffirms the decision of the Conrail board that it is not willing to agree to the sale of Conrail to Norfolk Southern."

John W. Snow, chairman, president and chief executive officer of CSX said "The actions taken by the CSX and Conrail boards allow us to move on to the next stage of the process, the filing of our merger application with the STB. We are confident that we will present a strong case and look forward to building the world's leading transportation and logistics company."

The amended merger agreement provides that the period of time during which each of Conrail and CSX has agreed that it will not discuss or agree to any takeover proposal with a third party has been extended to the termination date under the merger agreement, December 31, 1998. CSX and Conrail also announced that the CSX tender offer has been extended to 5:00 p.m., Eastern Standard Time, on January 22, 1997 and the special shareholders meeting seeking approval of the opt-out of the Pennsylvania statute has been postponed to 2:00 p.m., Eastern Standard Time, on January 17, 1997. CSX has been advised by the depository, on a preliminary basis, that fewer than 100,000 shares have been tendered into the CSX offer as of the close of business on December 18, 1996.

Conrail, with corporate headquarters in Philadelphia, PA, operates an 11,000-mile rail freight network in 12 northeastern and midwestern states, the District of Columbia, and the Province of Quebec. Conrail's home page on the Internet can be reached at <http://www.CONRAIL.com>.

CSX, headquarters in Richmond, VA, is an international transportation company offering a variety of rail, container-shipping, intermodal, trucking, barge and contract logistics management services. CSX's home page on the Internet can be reached at <http://www.CSX.com>.

Exhibit (c)(6)

Second Amendment to Agreement and Plan of
Merger dated as of December 18, 1996, by
and among CSX, Tender Sub and
Conrail

See Volume 8

Exhibit (c)(7)

AMENDED AND RESTATED VOTING TRUST AGREEMENT

THIS AMENDED AND RESTATED VOTING TRUST AGREEMENT, dated as of December 18, 1996, by and among CSX Corporation, a Virginia corporation ("Parent"), Green Acquisition Corp., a Pennsylvania corporation and a wholly-owned subsidiary of Parent ("Acquiror"), and Deposit Guaranty National Bank, a national banking association (the "Trustee"),

W I T N E S S E T H:

WHEREAS, Parent, Acquiror and Conrail Inc., a Pennsylvania corporation (the "Company"; which term shall instead refer, from and after the effectiveness of the Second Merger, to the corporation resulting from the Second Merger), have entered into an Agreement and Plan of Merger, dated as of October 14, 1996 (as it has been and may be amended from time to time, the "Merger Agreement"; capitalized terms used but not defined herein shall have the meanings set forth therein), pursuant to which (i) Acquiror was to commence and did commence the Offer and Second Offer (collectively, the "Tender Offer") for shares of Common Stock of the Company (all such shares accepted for payment pursuant to the Tender Offer or otherwise received, acquired or purchased by or on behalf of Parent or Acquiror, including pursuant to the Option Agreement, the "Acquired Shares"), and (ii) a subsidiary of Acquiror will merge into the Company pursuant to the First Merger and thereafter the Company will merge into Acquiror pursuant to the Second Merger. As it is in the Merger Agreement,

the word "Merger" shall herein be a collective reference to the First Merger and the Second Merger taken together.

WHEREAS, Parent, Acquiror and the Trustee have entered into a Voting Trust Agreement, dated as of October 15, 1996 (the "Original Voting Trust Agreement");

WHEREAS, Parent, Acquiror and the Company entered into a First Amendment to the Merger Agreement dated November 5, 1996, and a Second Amendment thereto dated December 18, 1996;

WHEREAS, Parent, Acquiror and the Company have entered into a Stock Option Agreement, dated as of October 14, 1996 (as it may be amended from time to time, the "Option Agreement") providing Parent and Acquiror the option to purchase 15,955,477 shares of common stock of the Company;

WHEREAS, the parties intend that, prior to the authorization and approval of the Surface Transportation Board (the "STB"), neither Parent nor Acquiror nor any of their affiliates shall control the Company and the Company shall not have as a director any officer, director, nominee or representative of the Parent, the Acquiror or any of their affiliates;

WHEREAS, Parent and Acquiror wish (and are obligated pursuant to the Merger Agreement and the Option Agreement), simultaneously with the acceptance for payment of Acquired Shares pursuant to the Tender Offer, the Option Agreement, the First Merger, or otherwise to deposit such Shares of

Common Stock, and upon the consummation of the Second Merger shall deposit all of the common stock and any other voting stock of the Company (being then the corporation resulting from the Second Merger), in an independent, irrevocable voting trust, pursuant to the rules of the STB, in order to avoid any allegation or assertion that the Parent or the Acquiror is controlling or has the power to control the Company prior to the receipt of any required STB approval or exemption;

WHEREAS, Parent, Acquiror and the Trustee wish to amend the Original Voting Trust Agreement to reflect certain changes made in the Merger Agreement by the Second Amendment thereto, and the Company has consented to such amendment, and Parent, Acquiror and the Trustee wish to restate the Voting Trust Agreement as so amended;

WHEREAS, the holder of all outstanding Trust Certificates has assented to such amendment of the Original Voting Trust Agreement, and all requirements for the amendment of the Original Voting Trust Agreement contained therein have been satisfied;

WHEREAS, neither the Trustee nor any of its affiliates has any officers or board members in common or any direct or indirect business arrangements or dealings (as described in Paragraph 9 hereof) with the Parent or the Acquiror or any of their affiliates; and

WHEREAS, the Trustee is willing to continue to act as voting trustee pursuant to the terms of this Trust Agreement and the rules of the STB,

NOW THEREFORE, the parties hereto agree as follows:

1. CREATION OF TRUST -- The Parent and the Acquiror hereby appoint Deposit Guaranty National Bank as Trustee hereunder, and Deposit Guaranty National Bank hereby accepts said appointment and agrees to act as Trustee under this Trust Agreement as provided herein.

2. TRUST IS IRREVOCABLE -- This Trust Agreement and the nomination of the Trustee during the term of the trust shall be irrevocable by the Parent and the Acquiror and their affiliates and shall terminate only in accordance with, and to the extent of, the provisions of Paragraphs 8 and 14 hereof.

3. DEPOSIT OF TRUST STOCK -- The Parent and the Acquiror agree that, prior to acceptance of Acquired Shares purchased pursuant to the Tender Offer, the Acquiror will direct the depository for the Tender Offer to transfer to the Trustee any such Acquired Shares purchased pursuant to the Tender Offer. The Parent and the Acquiror also agree that simultaneously with receipt, acquisition or purchase of any additional shares of Common Stock by either of them, directly or indirectly, or by any of their affiliates, including, without limitation, upon any exercise of the option provided for in the Option Agreement, they will transfer to the Trustee the certificate or certificates for such shares. The Parent and the Acquiror also agree that simultaneously with the receipt by them or by any of their affiliates of any shares of common stock or other voting stock of the Company upon the effectiveness of the First Merger or the Second Merger, they will transfer to the Trustee the certificate or certificates for such shares, including

without limitation, shares of common stock or other voting securities of the corporation resulting from the Second Merger. All such certificates shall be duly endorsed or accompanied by proper instruments duly executed for transfer thereof to the Trustee or otherwise validly and properly transferred, and shall be exchanged for one or more Voting Trust Certificates substantially in the form attached hereto as Exhibit A (the "Trust Certificates"), with the blanks therein appropriately filled in. Voting Trust Certificates executed in the form attached to the Original Voting Trust Agreement as Exhibit A shall continue to be valid and obligatory and shall, from and after the execution and delivery of this instrument, be deemed in every respect to be Trust Certificates executed and delivered under this instrument. All shares of Common Stock all other shares of common stock or other voting securities at any time delivered to the Trustee hereunder are called the "Trust Stock." The Trustee shall present to the Company all certificates representing Trust Stock for surrender and cancellation and for the issuance and delivery to the Trustee of new certificates registered in the name of the Trustee or its nominee.

4. POWERS OF TRUSTEE -- The Trustee shall be present, in person or represented by proxy, at all annual and special meetings of shareholders of the Company so that all Trust Stock may be counted for the purposes of determining the presence of a quorum at such meetings. Parent and Acquiror agree, and the Trustee acknowledges, that the Trustee shall not participate in or interfere with the management of the Company and shall take no other actions with respect to the Company except in accordance with the terms hereof. The Trustee shall exercise all voting rights in respect of the Trust Stock to approve and effect the Merger, and in favor of any proposal or action necessary or desirable to effect, or

consistent with the effectuation of, the Parent and Acquiror's acquisition of the Company, pursuant to the Merger Agreement, and without limiting the generality of the foregoing, if there shall be with respect to the Board of Directors of the Company an "Election Contest" as defined in the Proxy Rules of the Securities and Exchange Commission ("SEC"), in which one slate of nominees shall support the effectuation of the Merger and another slate oppose it, then the Trustee shall vote in favor of the slate supporting the effectuation of the Merger. In addition, for so long as the Merger Agreement is in effect, the Trustee shall exercise all voting rights in respect of the Trust Stock, to cause any other proposed merger, business combination or similar transaction (including, without limitation, any consolidation, sale or purchase of assets, reorganization, recapitalization, liquidation or winding up of or by the Company) involving the Company, but not involving the Parent or one of its subsidiaries or affiliates (otherwise than in connection with a disposition pursuant to Paragraph 8), not to be effected. In addition, the Trustee shall exercise all voting rights in respect of the Trust Stock in favor of any proposal or action necessary or desirable to dispose of Trust Stock in accordance with Paragraph 8 hereof. Except as provided in the three immediately preceding sentences, the Trustee shall vote all shares of Trust Stock with respect to all matters, including without limitation the election or removal of directors, voted on by the shareholders of the Company (whether at a regular or special meeting or pursuant to a unanimous written consent) in the same proportion as all shares of Common Stock (other than Trust Stock) are voted with respect to such matters; provided that, except as provided in the three immediately preceding sentences, from and after the effectiveness of the First Merger, the Trustee shall vote all shares of Trust Stock in accordance with the instructions of a majority of the persons who are currently the directors of the

Company and their nominees as successors and who shall then be directors of the Company, except that the Trustee shall not vote the Trust Stock in favor of taking or doing any act which violates the Merger Agreement or which if taken or done prior to the consummation of the Merger would have been a violation of the Merger Agreement; and except further that if there shall be no such persons qualified to give such instructions hereunder, or if a majority of such persons refuse or fail to give such instructions, then the Trustee shall vote the Trust Stock in its sole discretion, having due regard for the interests of the holders of Trust Certificates as investors in the stock of the Company, determined without reference to such holders' interests in other railroads than the subsidiaries of the Company. In exercising its voting rights in accordance with this Paragraph 4, the Trustee shall take such actions at all annual, special or other meetings of stockholders of the Company or in connection with any and all consents of shareholders in lieu of a meeting.

5. FURTHER PROVISIONS CONCERNING VOTING OF TRUST STOCK -- The Trustee shall be entitled and it shall be its duty to exercise any and all voting rights in respect of the Trust Stock either in person or by proxy, as herein provided (including without limitation Paragraphs 4 and 8(b) hereof), unless otherwise directed by the STB or a court of competent jurisdiction. Subject to Paragraph 4, the Trustee shall not exercise the voting powers of the Trust Stock in any way so as to create any dependence or intercorporate relationship between (i) any or all of the Parent, the Acquiror and their affiliates, on the one hand, and (ii) the Company or its affiliates, on the other hand. The term "affiliate" or "affiliates" wherever used in this Trust Agreement shall have the meaning specified in Section 11323(c) of Title 49 of the United States Code, as amended.

The Trustee shall not, without the prior approval of the STB, vote the Trust Stock to elect any officer, director, nominee or representative of the Parent, the Acquiror or their affiliates as an officer or director of the Company or of any affiliate of the Company. The Trustee shall be kept informed respecting the business operations of the Company by means of the financial statements and other public disclosure documents periodically filed by the Company and affiliates of the Company with the SEC and the STB, and by means of information respecting the Company contained in such statements and other documents filed by the Parent with the SEC and the STB, copies of which shall be promptly furnished to the Trustee by the Company or the Parent, as the case may be, and the Trustee shall be fully protected in relying upon such information. Notwithstanding the foregoing provisions of this Paragraph 5 or any other provision of this Agreement, however, the registered holder of any Trust Certificate may at any time with the prior written approval of the Company -- but only with the prior written approval of the STB -- instruct the Trustee in writing to vote the Trust Stock represented by such Trust Certificate in any manner, in which case the Trustee shall vote such shares in accordance with such instructions.

6. TRANSFER OF TRUST CERTIFICATES -- Until the earlier of STB Denial or December 31, 1998, the Trust Certificates shall be transferable only with the prior written consent of the Company. They may be transferred on the books of the Trustee by the registered holder upon the surrender thereof properly assigned, in accordance with rules from time to time established for that purpose by the Trustee. Until so transferred, the Trustee may treat the registered holder as owner for all purposes. Each transferee of a Trust Certificate issued hereunder

shall, by his acceptance thereof, assent to and become a party to this Trust Agreement, and shall assume all attendant rights and obligations. Any such transfer in violation of this Paragraph 6 shall be null and void.

7. DIVIDENDS AND DISTRIBUTIONS -- Pending the termination of this Trust as hereinafter provided, the Trustee shall, immediately following the receipt of each cash dividend or cash distribution as may be declared and paid upon the Trust Stock, pay the same over to or as directed by the Acquiror or to or as directed by the holder of the Trust Certificates hereunder as then appearing on the books of the Trustee. The Trustee shall receive and hold dividends and distributions other than cash upon the same terms and conditions as the Trust Stock and shall issue Trust Certificates representing any new or additional securities that may be paid as dividends or otherwise distributed upon the Trust Stock to the registered holders of Trust Certificates in proportion to their respective interests.

8. DISPOSITION OF TRUST STOCK; TERMINATION OF TRUST -- (a) This Trust is accepted by the Trustee subject to the right hereby reserved in the Parent at any time to direct the sale or other disposition of the whole or any part of the Trust Stock, but only as permitted by subparagraph (e) below, whether or not an event described in subparagraph (b) below has occurred. The Trustee shall take all actions reasonably requested by the Parent (including, without limitation, exercising all voting rights in respect of Trust Stock) in favor of any proposal or action necessary or desirable to effect, or consistent with the effectuation of or with respect to any proposed sale or other disposition of the whole or any part of the Trust Stock by the Acquiror or Parent that is otherwise permitted pursuant to

this Paragraph 8, including, without limitation, in connection with the exercise by Parent of its registration rights under the Merger Agreement. The Trustee shall be entitled to rely on a certification from the Parent, signed by its President or one of its Vice Presidents and under its corporate seal, that a disposition of the whole or any part of the Trust Stock is being made in accordance with the requirements of subparagraph (e) below. In the event of a permitted sale of Trust Stock by the Acquiror, the Trustee shall, to the extent the consideration therefor is payable to or controllable by the Trustee, promptly pay, or cause to be paid, upon the order of the Acquiror the net proceeds of such sale to the registered holders of the Trust Certificates in proportion to their respective interests. It is the intention of this Paragraph that no violation of 49 U.S.C. Section 11323 will result from a termination of this Trust.

(b) In the event the STB Approval shall have been granted, then immediately upon the direction of the Parent and the delivery of a certified copy of such order of the STB or other governmental authority with respect thereof, or, in the event that Subtitle IV of Title 49 of the United States Code, or other controlling law, is amended to allow the Acquiror, the Parent or their affiliates to acquire control of the Company without obtaining STB or other governmental approval, upon delivery of an opinion of independent counsel selected by the Trustee that no order of the STB or other governmental authority is required, and, in the event that shareholder approval of the First Merger shall not have previously been obtained, with the prior written consent of the Company, the Trustee shall either (x) transfer to or upon the order of the Acquiror, the Parent or the holder or holders of Trust Certificates hereunder as then appearing on the records of the Trustee, its right, title and interest in and to all of the Trust Stock

then held by it (or such portion as is represented by the Trust Certificates in the case of such an order by such holders) in accordance with the terms, conditions and agreements of this Trust Agreement and not theretofore transferred by it as provided in subparagraph (a) hereof, or (y) if shareholder approval has not previously been obtained for the First Merger or the Second Merger, vote the Trust Stock in favor of the First Merger or the Second Merger, and upon any such transfer of all of the Trust Stock, or any such merger following such STB approval or law amendment permitting control without governmental approval, this Trust shall cease and come to an end.

(c) In the event that (i) the STB Approval shall not have been obtained by December 31, 1998, or (ii) there shall have been an STB Denial, Parent shall use its best efforts to sell the Trust Stock during a period of two years after such date or STB Denial, or such extension of that period as the STB shall approve. Any such disposition shall be subject to the requirements of subparagraph (e) below, and to any jurisdiction of the STB to oversee Parent's divestiture of Trust Stock. At all times, the Trustee shall continue to perform its duties under this Trust Agreement and, should Parent be unsuccessful in its efforts to sell or distribute the Trust Stock during the period referred to, the Trustee shall then as soon as practicable, and subject to the requirements of subparagraph (e) below, sell the Trust Stock for cash to eligible purchasers in such manner and for such price as the Trustee in its discretion shall deem reasonable after consultation with Parent. (An "eligible purchaser" hereunder shall be a person or entity that is not affiliated with Parent and which has all necessary regulatory authority, if any, to purchase the Trust Stock.) Parent agrees to cooperate with the Trustee in

effecting such disposition and the Trustee agrees to act in accordance with any direction made by Parent as to any specific terms or method of disposition, to the extent not inconsistent with any of the terms of this Trust Agreement, including subparagraph (e) below, and with the requirements of the terms of any STB or court order. The proceeds of the sale shall be distributed to or upon the order of Parent or, on a pro rata basis, to the holder or holders of the Trust Certificates hereunder as then known to the Trustee. The Trustee may, in its reasonable discretion, require the surrender to it of the Trust Certificates hereunder before paying to the holder his share of the proceeds. Upon disposition of all the Trust Stock pursuant to this paragraph 8(c), this Trust shall cease and come to an end.

(d) Unless sooner terminated pursuant to any other provision herein contained, this Trust Agreement shall terminate on December 31, 2016, and may be extended by the parties hereto, so long as no violation of 49 U.S.C. Section 11323 will result from such termination or extension. All Trust Stock and any other property held by the Trustee hereunder upon such termination shall be distributed to or upon the order of the Acquiror. The Trustee may, in its reasonable discretion, require the surrender to it of the Trust Certificates hereunder before the release or transfer of the stock interests evidenced thereby.

(e) No disposition of Trust Stock under this paragraph 8 or otherwise hereunder shall be made except pursuant to one or more broadly distributed public offerings and subject to all necessary regulatory approvals, if any. Notwithstanding the foregoing, Trust Stock may be distributed as otherwise directed by Parent (but, if prior to the earlier of (i) December 31, 1998, if STB Approval shall not have by then been granted or (ii) the occurrence of an STB

Denial, only with the prior written consent of the Company), subject to any order of the STB pursuant to any of its jurisdiction, in which case the Trustee shall be entitled to rely on a certificate of Parent (acknowledged by the Company) that such person or entity to whom the Trust Stock is disposed is not an affiliate of the Parent and has all necessary regulatory authority, if any is necessary, to purchase such Trust Stock. The Trustee shall promptly inform the STB of any transfer or disposition of Trust Stock pursuant to this Paragraph 8. Upon the transfer of all of the Trust Stock pursuant to this paragraph 8(e), this Trust shall cease and come to an end.

(f) Except as expressly provided in this Paragraph 8, the Trustee shall not dispose of, or in any way encumber, the Trust Stock, and any transfer, sale or encumbrance in violation of the foregoing shall be null and void.

9. INDEPENDENCE OF THE TRUSTEE -- Neither the Trustee nor any affiliate of the Trustee may have (i) any officers, or members of their respective boards of directors, in common with the Acquiror, the Parent, or any affiliate of either, or (ii) any direct or indirect business arrangements or dealings, financial or otherwise, with the Acquiror, the Parent or any affiliate of either, other than dealings pertaining to the establishment and carrying out of this voting trust. Mere investment in the stock or securities of the Acquiror or the Parent or any affiliate of either by the Trustee, short of obtaining a controlling interest, will not be considered a proscribed business arrangement or dealing, but in no event shall any such investment by the Trustee in voting securities of the Acquiror, the Parent or their affiliates exceed five percent of their outstanding voting securities and in no event shall the Trustee hold a proportion of such voting securities so

substantial as to permit the Trustee in any way to control or direct the affairs of the Acquiror, the Parent or their affiliates. Neither the Acquiror, the Parent nor their affiliates shall purchase the stock or securities of the Trustee or any affiliate of the Trustee.

10. COMPENSATION OF THE TRUSTEE -- The Trustee shall be entitled to receive reasonable and customary compensation for all services rendered by it as Trustee under the terms hereof and said compensation to the Trustee, together with all counsel fees, taxes, or other expenses reasonably incurred hereunder, shall be promptly paid by the Acquiror or the Parent.

11. TRUSTEE MAY ACT THROUGH AGENTS -- The Trustee may at any time or from time to time appoint an agent or agents and may delegate to such agent or agents the performance of any administrative duty of the Trustee.

12. CONCERNING THE RESPONSIBILITIES AND INDEMNIFICATION OF THE TRUSTEE -- The Trustee shall not be liable for any mistakes of fact or law or any error of judgment, or for any act or omission, except as a result of the Trustee's willful misconduct or gross negligence. The Trustee shall not be answerable for the default or misconduct of any agent or attorney appointed by it in pursuance hereof if such agent or attorney has been selected with reasonable care. The duties and responsibilities of the Trustee shall be limited to those expressly set forth in this Trust Agreement. The Trustee shall not be responsible for the sufficiency or the accuracy of the form, execution, validity or genuineness of the Trust Stock, or of any documents relating thereto, or for any lack of endorsement thereon, or for any description therein, nor shall the Trustee be responsible or

liable in any respect on account of the identity, authority or rights of the persons executing or delivering or purporting to execute or deliver any such Trust Stock or document or endorsement or this Trust Agreement, except for the execution and delivery of this Trust Agreement by this Trustee. The Acquiror and the Parent agree that they will at all times protect, indemnify and save harmless the Trustee, its directors, officers, employees and agents from any loss, cost or expense of any kind or character whatsoever in connection with this Trust except those, if any, growing out of the gross negligence or willful misconduct of the Trustee, and will at all times themselves undertake, assume full responsibility for, and pay all costs and expense of any suit or litigation of any character, including any proceedings before the STB, with respect to the Trust Stock of this Trust Agreement, and if the Trustee shall be made a party thereto, the Acquiror or the Parent will pay all costs and expenses, including reasonable counsel fees, to which the Trustee may be subject by reason thereof; provided, however, that the Acquiror and the Parent shall not be responsible for the cost and expense of any suit that the Trustee shall settle without first obtaining the Parent's written consent. The Trustee may consult with counsel and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or omitted or suffered by the Trustee hereunder in good faith and in accordance with such opinion.

13. TRUSTEE TO GIVE ACCOUNT TO HOLDERS -- To the extent requested to do so by the Acquiror or any registered holder of a Trust Certificate, the Trustee shall furnish to the party making such request full information with respect to (i) all property theretofore delivered to it as Trustee, (ii) all property then held by it as Trustee, and (iii) all actions theretofore taken by it as Trustee.

14. RESIGNATION, SUCCESSION, DISQUALIFICATION OF TRUSTEE -- The Trustee, or any trustee hereafter appointed, may at any time resign by giving forty-five days' written notice of resignation to the Parent and the STB. The Parent shall at least fifteen days prior to the effective date of such notice appoint a successor trustee which shall (i) satisfy the requirements of Paragraph 9 hereof and (ii) be a corporation organized and doing business under the laws of the United States or of any State thereof and authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by federal or state authority. If no successor trustee shall have been appointed and shall have accepted appointment at least fifteen days prior to the effective date of such notice of resignation, the resigning Trustee may petition any competent authority or court of competent jurisdiction for the appointment of a successor trustee. Upon written assumption by the successor trustee of the Trustee's powers and duties hereunder, a copy of the instrument of assumption shall be delivered by the Trustee to the Parent and the STB and all registered holders of Trust Certificates shall be notified of its assumption, whereupon the Trustee shall be discharged of the powers and duties of the Trustee hereunder and the successor trustee shall become vested with such powers and duties. In the event of any material violation by the Trustee of the terms and conditions of this Trust Agreement, the Trustee shall become disqualified from acting as trustee hereunder as soon as a successor trustee shall have been selected in the manner provided by this paragraph.

15. AMENDMENT -- Subject to the requirements of Section 1.9 of the Merger Agreement, this Trust Agreement may from time to time be modified or amended by agreement executed by the Trustee, the Acquiror (if executed prior to the Merger), the Parent and all registered holders of the Trust Certificates (i) pursuant to an order of the STB, (ii) with the prior approval of the STB, (iii) in order to comply with any order of the STB or (iv) upon receipt of an opinion of counsel satisfactory to the Trustee and the holders of Trust Certificates that an order of the STB approving such modification or amendment is not required and that the amendment is consistent with the STB's regulations regarding voting trusts.

16. GOVERNING LAW; POWERS OF THE STB -- The provisions of this Trust Agreement and of the rights and obligations of the parties hereunder shall be governed by the laws of the State of Pennsylvania, except that to the extent any provision hereof may be found inconsistent with subtitle IV, title 49, United States Code or regulations promulgated thereunder, such statute and regulations shall control and such provision hereof shall be given effect only to the extent permitted by such statute and regulations. In the event that the STB shall, at any time hereafter by final order, find that compliance with law requires any other or different action by the Trustee than is provided herein, the Trustee shall act in accordance with such final order instead of the provisions of this Trust Agreement.

17. COUNTERPARTS -- This Trust Agreement is executed in four counterparts, each of which shall constitute an original, and one of which shall be held by each of the Parent and the Acquiror and the other two shall be held by

the Trustee, one of which shall be subject to inspection by holders of Trust Certificates on reasonable notice during business hours.

18. FILING WITH THE STB -- A copy of this Agreement and any amendments or modifications thereto shall be filed with the STB by the Acquiror.

19. SUCCESSORS AND ASSIGNS -- This Trust Agreement shall be binding upon the successors and assigns to the parties hereto, including without limitation successors to the Acquiror and the Parent by merger, consolidation or otherwise. The parties agree that the Company shall be an express third party beneficiary of this Trust Agreement through and including the earlier of (i) December 31, 1998, if STB Approval shall not have been granted or (ii) the occurrence of an STB Denial, but that thereafter the Company shall not be any such third-party beneficiary. Except as otherwise expressly set forth herein, any consent or approval required from the Company hereunder shall mean the prior written consent or approval by a duly adopted resolution of the Company's board of directors, or by its duly authorized officer or other representative, and shall be granted or withheld in the sole discretion of such board, officer or representative.

20. SUCCESSION OF FUNCTIONS -- The term "STB" includes any successor agency or governmental department that is authorized to carry out the responsibilities now carried out by the STB with respect to the consideration of the consistency with the public interest of rail mergers and combinations, the regulation of voting trusts in respect of the acquisition of securities of rail carriers or companies controlling them, and the exemption of approved rail mergers and combinations from the antitrust laws.

21. NOTICES -- Any notice which any party hereto may give to the other hereunder shall be in writing and shall be given by hand delivery, or by first class registered mail, or by overnight courier service, or by facsimile transmission confirmed by one of the aforesaid methods, sent,

If to Purchaser or Acquiror, to:

CSX Corporation
One James Center
901 East Cary Street
Richmond, Virginia 23219

Attention: General Counsel

If to the Trustee, to:

Deposit Guaranty National Bank
One Deposit Guaranty Plaza,
8th Floor
Jackson, Mississippi 39201

Attention: Corporate Trust Department

With a required copy to:

Deposit Guaranty National Bank
c/o Commercial National Bank In Shreveport
333 Texas Street
Shreveport, LA 71101

Attention: Corporate Trust Department

And if to the holders of Trust Certificates, to them at their addresses as shown on the records maintained by the Trustee.

22. REMEDIES -- Each of the parties hereto acknowledges and agrees that in the event of any breach of this Agreement, each non-breaching party would be irreparably and immediately harmed and could not be made whole by monetary damages. It is accordingly agreed that the parties hereto (a) will waive,

in any action for specific performance, the defense of adequacy of a remedy at law and (b) shall be entitled, in addition to any other remedy to which they may be entitled at law or in equity, to an order compelling specific performance of this Agreement in any action instituted in any state or federal court sitting in Philadelphia, Pennsylvania. Each party hereto consents to personal jurisdiction in any such action brought in any state or federal court sitting in Philadelphia, Pennsylvania.

IN WITNESS WHEREOF, CSX Corporation and Green Acquisition Corp. have caused this Amended and Restated Trust Agreement to be executed by their authorized officers and their corporate seals to be affixed, attested by their Secretaries or Assistant Secretaries, and Deposit Guaranty National Bank has caused this Amended and Restated Trust Agreement to be executed by its authorized officer or agent and its corporate seal to be affixed, attested to by its

Secretary or one of its Assistant Secretaries or other authorized agent,
all as of the day and year first above written.

Attest:

CSX CORPORATION

Secretary

By -----

Attest:

GREEN ACQUISITION CORP.

Secretary

By -----

Attest:

DEPOSIT GUARANTY NATIONAL BANK

By -----

VOTING TRUST CERTIFICATE
FOR
COMMON STOCK
OF
CONRAIL INC.
INCORPORATED UNDER THE LAWS OF
THE STATE OF PENNSYLVANIA

THIS IS TO CERTIFY that _____ will be entitled, on the surrender of this Certificate, to receive on the termination of the Voting Trust Agreement hereinafter referred to, or otherwise as provided in Paragraph 8 of said Voting Trust Agreement, a certificate or certificates for _____ shares of the Common Stock, \$1.00 par value, of Conrail Inc., a Pennsylvania corporation (the "Company," which term shall instead refer, from and after the effectiveness of the Second Merger, to the corporation resulting from the Second Merger, as defined under the Voting Trust Agreement). This Certificate is issued pursuant to, and the rights of the holder hereof are subject to and limited by, the terms of an Amended and Restated Voting Trust Agreement, dated as of December 18, 1996, executed by CSX Corporation, a Virginia corporation, Green Acquisition Corp., a Pennsylvania corporation, and Deposit Guaranty National Bank, as Trustee (as it may be amended from time to time, the "Voting Trust Agreement"), a copy of which Voting Trust Agreement is on file in the office of said Trustee at One Deposit Guaranty Plaza, 8th Floor, Jackson, Mississippi 39201 and open to inspection of any stockholder of the Company and the holder hereof. The Voting Trust Agreement, unless earlier terminated (or extended) pursuant to the terms thereof, will terminate on December 31, 2016, so long as no violation of 49 U.S.C. Section 11323 will result from such termination.

The holder of this Certificate shall be entitled to the benefits of said Voting Trust Agreement, including the right to receive payment equal to the cash dividends, if any, paid by the Company with respect to the number of shares represented by this Certificate.

This Certificate shall be transferable only on the books of the undersigned Trustee or any successor, to be kept by it, on surrender hereof by the registered holder in person or by attorney duly authorized in accordance with the provisions of said Voting Trust Agreement, and until so transferred, the Trustee may treat the registered holder as the owner of this Voting Trust Certificate for all purposes whatsoever, unaffected by any notice to the contrary.

By accepting this Certificate, the holder hereof assents to all the provisions of, and becomes a party to, said Voting Trust Agreement.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be signed by its officer duly authorized.

Dated:

DEPOSIT GUARANTY
NATIONAL BANK

By

Authorized Officer

[FORM OF BACK OF VOTING TRUST CERTIFICATE]

FOR VALUE RECEIVED _____ hereby sells, assigns, and transfers unto _____ the within Voting Trust Certificate and all rights and interests represented thereby, and does hereby irrevocably constitute and appoint _____ Attorney to transfer said Voting Trust Certificate on the books of the within mentioned Trustee, with full power of substitution in the premises.

Dated: _____

In the Presence of: _____

</TEXT>
</DOCUMENT>



One James Center
Richmond, Virginia 23219
(904)782-1400

December 19, 1996

Dear Conrail Shareholder:

We are pleased to enclose a supplement to CSX's tender offer to purchase 20.1% of Conrail voting shares outstanding for \$110 per share in cash.

The \$110 CSX tender offer has been extended until 5:00 p.m. EST on January 22, 1997, and the conditions remain the same, including obtaining shareholder approval to opt out of Subchapter 25E of the Pennsylvania statute. Conrail has scheduled this special shareholders meeting for 12:00 noon EST on January 17, 1997.

The supplement describes in detail the terms of our amended merger agreement with Conrail Inc., which will provide you with increased consideration in the merger of \$16 per Conrail share in CSX convertible preferred stock. The \$16 per share is in addition to the 1.85619 shares of CSX common stock to be received in the merger.

You will also benefit from the significant value of receiving the merger consideration upon shareholder approval and consummation of the merger, which is significantly earlier than previously contemplated and prior to regulatory approval.

We urge you to give this supplement to our tender offer prompt consideration. We believe that the tender offer, combined with our earlier purchase of 19.9% of Conrail shares at \$110 per share in cash, gives shareholders the advantages of a significant and immediate payment of cash combined with the upside potential of continued stock ownership.

If you have any questions, or require assistance in tendering your shares, please call MacKenzie Partners, the information agent for our tender offer, toll-free at 800-322-2885 or collect at 212-929-5500.

We look forward to building the world's leading transportation and logistics company by joining forces with Conrail.

Sincerely,

A handwritten signature in dark ink, appearing to read "John W. Snow".

John W. Snow
Chairman and
Chief Executive Officer

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1
TENDER OFFER STATEMENT

(AMENDMENT NO. 4)

PURSUANT TO
SECTION 14(D)(1) OF THE SECURITIES EXCHANGE ACT OF 1934
AND

AMENDMENT NO. 14
TO
SCHEDULE 13D

CONRAIL INC.
(NAME OF SUBJECT COMPANY)

CSX CORPORATION
GREEN ACQUISITION CORP.
(BIDDERS)

COMMON STOCK, PAR VALUE \$1.00 PER SHARE
(TITLE OF CLASS OF SECURITIES)
208368 10 0
(CUSIP NUMBER OF CLASS OF SECURITIES)

SERIES A ESOP CONVERTIBLE JUNIOR PREFERRED STOCK, WITHOUT PAR VALUE
(TITLE OF CLASS OF SECURITIES)

NOT AVAILABLE
(CUSIP NUMBER OF CLASS OF SECURITIES)

MARK G. ARON
CSX CORPORATION
ONE JAMES CENTER
901 EAST CARY STREET
RICHMOND, VIRGINIA 23219-4031
(804) 782-1400
(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON
AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDER)

WITH A COPY TO:

PAMELA S. SEYMON
WACHTELL, LIPTON, ROSEN & KATZ
51 WEST 52ND STREET
NEW YORK, NEW YORK 10019
TELEPHONE: (212) 403-1000

This Statement amends and supplements the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission (the "SEC") on December 6, 1996, as previously amended and supplemented (the "Schedule 14D-1"), by Green Acquisition Corp. ("Purchaser"), a Pennsylvania corporation and a wholly owned subsidiary of CSX Corporation, a Virginia corporation ("Parent"), to purchase up to an aggregate of 18,344,845 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 (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, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated December 6, 1996 (the "Offer to Purchase"), as supplemented by the Supplement thereto, dated December 19, 1996 (the "Supplement"), and the related Letters of Transmittal (which, together with any amendments or supplements thereto, constitute the "Offer") at a purchase price of \$110.00 per Share, net to the tendering shareholder in cash. Capitalized terms used and not defined herein shall have the meanings assigned such terms in the Offer to Purchase, the Supplement and the Schedule 14D-1.

ITEM 10. ADDITIONAL INFORMATION

On December 20, 1996, Parent issued a press release regarding the Merger. A copy of the press release is attached as Exhibit (a)(20), and the foregoing summary description is qualified in its entirety by reference to such exhibit.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS

- (a)(19) Letter from Parent to shareholders of the Company, dated December 19, 1996.
- (a)(20) Text of Press Release issued by Parent on December 20, 1996.
- (c)(8) Deleted.

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.

CSX CORPORATION

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: Executive Vice President
-- Law and Public Affairs

Dated: December 23, 1996

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.

GREEN ACQUISITION CORP.

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: General Counsel and
Secretary

Dated: December 23, 1996

EXHIBIT INDEX

EXHIBIT NO.

- *(a)(1) Offer to Purchase, dated December 6, 1996.
- *(a)(2) Letter of Transmittal.
- *(a)(3) Notice of Guaranteed Delivery.
- *(a)(4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- *(a)(5) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- *(a)(6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
- *(a)(7) Tender Offer Instructions for Participants of Conrail Inc. Dividend Reinvestment Plan.
- *(a)(8) Text of Press Release issued by Parent and the Company on December 6, 1996.
- *(a)(9) Form of Summary Advertisement, dated December 6, 1996.
- *(a)(10) Text of Press Release issued by Parent on December 5, 1996.
- *(a)(11) Text of Press Release issued by Parent and the Company on December 10, 1996.
- *(a)(12) Text of Advertisement published by Parent and the Company on December 10, 1996.
- *(a)(13) Text of Press Release issued by Parent on December 11, 1996.
- *(a)(14) Text of Advertisement published by Parent and the Company on December 12, 1996.
- *(a)(15) Supplement to Offer to Purchase, dated December 19, 1996.

* Previously filed.

- * (a) (16) Revised Letter of Transmittal.
- * (a) (17) Revised Notice of Guaranteed Delivery.
- * (a) (18) Text of Press Release issued by Parent and the Company on December 19, 1996.
- (a) (19) Letter from Parent to shareholders of the Company, dated December 19, 1996.
- (a) (20) Text of Press Release issued by Parent on December 20, 1996.
- * (b) (1) Credit Agreement, dated November 15, 1996 (incorporated by reference to Exhibit (b) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996.)
- * (c) (1) Agreement and Plan of Merger, dated as of October 14, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (1) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (2) Company Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (3) Parent Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (3) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (4) Voting Trust Agreement, dated as of October 15, 1996, by and among Parent, Purchaser and Deposit Guaranty National Bank (incorporated by reference to Exhibit (c) (4) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).

* Previously filed.

- * (c) (5) First Amendment to Agreement and Plan of Merger, dated as of November 5, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (7) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (6) Second Amendment to Agreement and Plan of Merger, dated as of December 18, 1996, by and among Parent, Purchaser and the Company.
- * (c) (7) Form of Amended and Restated Voting Trust Agreement.
- (c) (8) Deleted.
- (d) Not applicable.
- (e) Not applicable.
- (f) Not applicable.

* Previously filed.

[CSX Letterhead]

December 19, 1996

Dear Conrail Shareholder:

We are pleased to enclose a supplement to CSX's tender offer to purchase 20.1% of Conrail voting shares outstanding for \$110 per share in cash.

The \$110 CSX tender offer has been extended until 5:00 p.m. EST on January 22, 1997, and the conditions remain the same, including obtaining shareholder approval to opt out of Subchapter 25E of the Pennsylvania statute. Conrail has scheduled this special shareholders meeting for 12:00 noon EST on January 17, 1997.

The supplement describes in detail the terms of our amended merger agreement with Conrail Inc., which will provide you with increased consideration in the merger of \$16 per Conrail share in CSX convertible preferred stock. The \$16 per share is in addition to the 1.85619 shares of CSX common stock to be received in the merger.

You will also benefit from the significant value of receiving the merger consideration upon shareholder approval and consummation of the merger, which is significantly earlier than previously contemplated and prior to regulatory approval.

We urge you to give this supplement to our tender offer prompt consideration. We believe that the tender offer, combined with our earlier purchase of 19.9% of Conrail shares at \$110 per share in cash, gives shareholders the advantages of a significant and immediate payment of cash combined with the upside potential of continued stock ownership.

If you have any questions, or require assistance in tendering your shares, please call MacKenzie Partners, the information agent for our tender offer, toll-free at 800-322-2885 or collect at 212-929-5500.

We look forward to building the world's leading transportation and logistics company by joining forces with Conrail.

Sincerely,

/s/ John W. Snow

John W. Snow
Chairman and
Chief Executive Officer

[LETTERHEAD OF
CSX CORPORATION]

NEWS

CONTACTS:

CSX Corporation
Thomas E. Hoppin
(804) 782-1450

Kekst and Company
Richard Wolff
(212) 593-2655

FOR IMMEDIATE RELEASE:

CSX REAFFIRMS COMMITMENT TO CONRAIL MERGER

RICHMOND, VA. - DEC. 20, 1996 - CSX Corporation today issued the following statement by John W. Snow, chairman and chief executive officer of the company:

"We are pleased with the action taken earlier today by the Conrail board of directors. Clearly, the CSX offer and the merger of equals we jointly are now preparing to take before the Surface Transportation Board early next year best addresses the interests of all of Conrail's constituencies, including shareholders, who receive a significant and immediate cash payment combined with the opportunity to share in the future of the company.

"From the beginning, our objective has been to provide real value for Conrail's shareholders; provide competitive rail service throughout the east; grow the business; increase opportunities for our employees; and generate far-reaching public benefits for the region. It is time to move forward to accomplish those goals and to the creation of the world's leading transportation and logistics company."

CSX Corporation, headquartered in Richmond, Va., is an international transportation company offering a variety of rail, container-shipping, intermodal, trucking, barge and contract logistics management services. The CSX home page can be reached at <http://www.CSX.com>.

- # # # -

Deleted.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1
TENDER OFFER STATEMENT

(AMENDMENT NO. 5)

PURSUANT TO
SECTION 14(D) (1) OF THE SECURITIES EXCHANGE ACT OF 1934
AND

AMENDMENT NO. 15
TO
SCHEDULE 13D

CONRAIL INC.
(NAME OF SUBJECT COMPANY)

CSX CORPORATION
GREEN ACQUISITION CORP.
(BIDDERS)

COMMON STOCK, PAR VALUE \$1.00 PER SHARE
(TITLE OF CLASS OF SECURITIES)
208368 10 0
(CUSIP NUMBER OF CLASS OF SECURITIES)

SERIES A ESOP CONVERTIBLE JUNIOR PREFERRED STOCK, WITHOUT PAR VALUE
(TITLE OF CLASS OF SECURITIES)

NOT AVAILABLE
(CUSIP NUMBER OF CLASS OF SECURITIES)

MARK G. ARON
CSX CORPORATION
ONE JAMES CENTER
901 EAST CARY STREET
RICHMOND, VIRGINIA 23219-4031
(804) 782-1400

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON
AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDER)

WITH A COPY TO:

PAMELA S. SEYMON
WACHTELL, LIPTON, ROSEN & KATZ
51 WEST 52ND STREET
NEW YORK, NEW YORK 10019
TELEPHONE: (212) 403-1000

STB

FD

33388

6-23-97

A

180274V7C

5/10

This Statement amends and supplements the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission (the "SEC") on December 6, 1996, as previously amended and supplemented (the "Schedule 14D-1"), by Green Acquisition Corp. ("Purchaser"), a Pennsylvania corporation and a wholly owned subsidiary of CSX Corporation, a Virginia corporation ("Parent"), to purchase up to an aggregate of 18,344,845 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 (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, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated December 6, 1996 (the "Offer to Purchase"), as supplemented by the Supplement thereto, dated December 19, 1996 (the "Supplement"), and the related Letters of Transmittal (which, together with any amendments or supplements thereto, constitute the "Offer") at a purchase price of \$110.00 per Share, net to the tendering shareholder in cash. Capitalized terms used and not defined herein shall have the meanings assigned such terms in the Offer to Purchase, the Supplement and the Schedule 14D-1.

ITEM 10. ADDITIONAL INFORMATION

(b)-(e) On December 27, 1996, Norfolk Southern filed a Petition for Declaratory Order with the STB, claiming that certain provisions of the Second Amendment to the Merger Agreement constitute an unauthorized acquisition of control by Parent over the Company. In such petition, Norfolk Southern requests that the STB take expedited action to issue a declaratory order that certain provisions of the Merger Agreement are void and unenforceable. In the event that a decision cannot be reached substantially before January 17, 1997, Norfolk Southern requests that the STB issue a temporary cease and desist order barring the Company from holding the Pennsylvania Special Meeting on January 17, 1997 or barring Parent from requiring the Voting Trustee to vote any shares of the Company held in the Voting Trust in favor of opting out of the Pennsylvania Control Transaction Law or in favor of the Merger until the STB is able to decide.

On December 30, 1996, Parent filed an interim reply with the STB opposing Norfolk Southern's request for interim coercive relief.

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.

CSX CORPORATION

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: Executive Vice President
-- Law and Public Affairs

Dated: December 31, 1996

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.

GREEN ACQUISITION CORP.

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: General Counsel and
Secretary

Dated: December 31, 1996

EXHIBIT INDEX

EXHIBIT NO.

- * (a) (1) Offer to Purchase, dated December 6, 1996.
- * (a) (2) Letter of Transmittal.
- * (a) (3) Notice of Guaranteed Delivery.
- * (a) (4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- * (a) (5) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- * (a) (6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
- * (a) (7) Tender Offer Instructions for Participants of Conrail Inc. Dividend Reinvestment Plan.
- * (a) (8) Text of Press Release issued by Parent and the Company on December 6, 1996.
- * (a) (9) Form of Summary Advertisement, dated December 6, 1996.
- * (a) (10) Text of Press Release issued by Parent on December 5, 1996.
- * (a) (11) Text of Press Release issued by Parent and the Company on December 10, 1996.
- * (a) (12) Text of Advertisement published by Parent and the Company on December 10, 1996.
- * (a) (13) Text of Press Release issued by Parent on December 11, 1996.
- * (a) (14) Text of Advertisement published by Parent and the Company on December 12, 1996.
- * (a) (15) Supplement to Offer to Purchase, dated December 19, 1996.

* Previously filed.

- * (a) (16) Revised Letter of Transmittal.
- * (a) (17) Revised Notice of Guaranteed Delivery.
- * (a) (18) Text of Press Release issued by Parent and the Company on December 19, 1996.
- * (a) (19) Letter from Parent to shareholders of the Company, dated December 19, 1996.
- * (a) (20) Text of Press Release issued by Parent on December 20, 1996.
- * (b) (1) Credit Agreement, dated November 15, 1996 (incorporated by reference to Exhibit (b) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (1) Agreement and Plan of Merger, dated as of October 14, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (1) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (2) Company Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (3) Parent Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (3) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (4) Voting Trust Agreement, dated as of October 15, 1996, by and among Parent, Purchaser and Deposit Guaranty National Bank (incorporated by reference to Exhibit (c) (4) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).

* Previously filed.

- * (c) (5) First Amendment to Agreement and Plan of Merger, dated as of November 5, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (7) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (6) Second Amendment to Agreement and Plan of Merger, dated as of December 18, 1996, by and among Parent, Purchaser and the Company.
- * (c) (7) Form of Amended and Restated Voting Trust Agreement.
- (c) (8) Deleted.
- (d) Not applicable.
- (e) Not applicable.
- (f) Not applicable.

* Previously filed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1
TENDER OFFER STATEMENT
(AMENDMENT NO. 6)

PURSUANT TO
SECTION 14(D) (1) OF THE SECURITIES EXCHANGE ACT OF 1934
AND

AMENDMENT NO. 16
TO
SCHEDULE 13D

CONRAIL INC.
(NAME OF SUBJECT COMPANY)

CSX CORPORATION
GREEN ACQUISITION CORP.
(BIDDERS)

COMMON STOCK, PAR VALUE \$1.00 PER SHARE
(TITLE OF CLASS OF SECURITIES)
208368 10 0
(CUSIP NUMBER OF CLASS OF SECURITIES)

SERIES A ESOP CONVERTIBLE JUNIOR PREFERRED STOCK, WITHOUT PAR VALUE
(TITLE OF CLASS OF SECURITIES)

NOT AVAILABLE
(CUSIP NUMBER OF CLASS OF SECURITIES)

MARK G. ARON
CSX CORPORATION
ONE JAMES CENTER
901 EAST CARY STREET
RICHMOND, VIRGINIA 23219-4031
(804) 782-1400
(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON
AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDERS)

WITH A COPY TO:

PAMELA S. SEYMON
WACHTELL, LIPTON, ROSEN & KATZ
51 WEST 52ND STREET
NEW YORK, NEW YORK 10019
TELEPHONE: (212) 403-1000

This Statement amends and supplements the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission on December 6, 1996, as previously amended and supplemented, by Green Acquisition Corp., a Pennsylvania corporation and a wholly owned subsidiary of CSX Corporation, a Virginia corporation, to purchase up to an aggregate of 18,344,845 shares of (i) Common Stock, par value \$1.00 per share, and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value, of Conrail Inc., a Pennsylvania corporation, 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 December 6, 1996, as supplemented by the Supplement thereto, dated December 19, 1996, and the related Letters of Transmittal at a purchase price of \$110.00 per Share, net to the tendering shareholder in cash. Capitalized terms used and not defined herein shall have the meanings assigned such terms in the Offer to Purchase, the Supplement and the Schedule 14D-1.

ITEM 1. INTEREST IN SECURITIES OF THE SUBJECT COMPANY.

(a)-(b) On January 2, 1997, Parent and Purchaser, through the Voting Trust, sold 85,000 Common Shares (with proxies for the Pennsylvania Special Meeting) through brokerage transactions on the New York Stock Exchange. 3,500 of such Common Shares were sold at \$99 1/8 per Common Share; 65,500 of such Common Shares were sold at \$99 per Common Share; and 15,000 of such Common Shares were sold at \$98 7/8 per Common Share. Such transactions were effected through the Dealer Manager, who will receive normal and customary brokerage commissions in connection therewith. While Parent continues to believe that the claims of NSC and the shareholder plaintiffs in the pending litigation brought by such parties are without merit, such transactions were effected to moot certain contentions in such litigation that Common Shares owned by Parent and Purchaser should be aggregated with Common Shares owned by directors and certain officers of the Company for purposes of the Pennsylvania Control Transaction Law.

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

The information set forth above under Item 1 is incorporated herein by reference.

ITEM 10. ADDITIONAL INFORMATION.

(e) The information set forth above under Item 1 is incorporated herein by reference.

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.

CSX CORPORATION

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: Executive Vice President
-- Law and Public Affairs

Dated: January 2, 1997

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.

GREEN ACQUISITION CORP.

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: General Counsel and
Secretary

Dated: January 2, 1997

EXHIBIT INDEX

EXHIBIT NO.

- *(a)(1) Offer to Purchase, dated December 6, 1996.
- *(a)(2) Letter of Transmittal.
- *(a)(3) Notice of Guaranteed Delivery.
- *(a)(4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- *(a)(5) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- *(a)(6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
- *(a)(7) Tender Offer Instructions for Participants of Conrail Inc. Dividend Reinvestment Plan.
- *(a)(8) Text of Press Release issued by Parent and the Company on December 6, 1996.
- *(a)(9) Form of Summary Advertisement, dated December 6, 1996.
- *(a)(10) Text of Press Release issued by Parent on December 5, 1996.
- *(a)(11) Text of Press Release issued by Parent and the Company on December 10, 1996.
- *(a)(12) Text of Advertisement published by Parent and the Company on December 10, 1996.
- *(a)(13) Text of Press Release issued by Parent on December 11, 1996.
- *(a)(14) Text of Advertisement published by Parent and the Company on December 12, 1996.
- *(a)(15) Supplement to Offer to Purchase, dated December 19, 1996.

* Previously filed.

- * (a) (16) Revised Letter of Transmittal.
- * (a) (17) Revised Notice of Guaranteed Delivery.
- * (a) (18) Text of Press Release issued by Parent and the Company on December 19, 1996.
- * (a) (19) Letter from Parent to shareholders of the Company, dated December 19, 1996.
- * (a) (20) Text of Press Release issued by Parent on December 20, 1996.
- * (b) (1) Credit Agreement, dated November 15, 1996 (incorporated by reference to Exhibit (b) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996.)
- * (c) (1) Agreement and Plan of Merger, dated as of October 14, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (1) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (2) Company Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (3) Parent Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (3) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (4) Voting Trust Agreement, dated as of October 15, 1996, by and among Parent, Purchaser and Deposit Guaranty National Bank (incorporated by reference to Exhibit (c) (4) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).

* Previously filed.

- * (c) (5) First Amendment to Agreement and Plan of Merger, dated as of November 5, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (7) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (6) Second Amendment to Agreement and Plan of Merger, dated as of December 18, 1996, by and among Parent, Purchaser and the Company.
- * (c) (7) Form of Amended and Restated Voting Trust Agreement.
- (c) (8) Deleted.
- (d) Not applicable.
- (e) Not applicable.
- (f) Not applicable.

* Previously filed.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1
TENDER OFFER STATEMENT
(AMENDMENT NO. 7)

PURSUANT TO
SECTION 14(D)(1) OF THE SECURITIES EXCHANGE ACT OF 1934
AND

AMENDMENT NO. 17
TO
SCHEDULE 13D

CONRAIL INC.
(NAME OF SUBJECT COMPANY)

CSX CORPORATION
GREEN ACQUISITION CORP.
(BIDDERS)

COMMON STOCK, PAR VALUE \$1.00 PER SHARE
(TITLE OF CLASS OF SECURITIES)
208368 10 0
(CUSIP NUMBER OF CLASS OF SECURITIES)

SERIES A ESOP CONVERTIBLE JUNIOR PREFERRED STOCK, WITHOUT PAR VALUE
(TITLE OF CLASS OF SECURITIES)

NOT AVAILABLE
(CUSIP NUMBER OF CLASS OF SECURITIES)

MARK G. ARON
CSX CORPORATION
ONE JAMES CENTER
901 EAST CARY STREET
RICHMOND, VIRGINIA 23219-4031
(804) 782-1400

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON
AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDERS)

WITH A COPY TO:

PAMELA S. SEYMON
WACHTELL, LIPTON, ROSEN & KATZ
51 WEST 52ND STREET
NEW YORK, NEW YORK 10019
TELEPHONE: (212) 403-1000

This Statement amends and supplements the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission on December 6, 1996, as previously amended and supplemented, by Green Acquisition Corp., a Pennsylvania corporation and a wholly owned subsidiary of CSX Corporation, a Virginia corporation, to purchase up to an aggregate of 18,344,845 shares of (i) Common Stock, par value \$1.00 per share, and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value, of Conrail Inc., a Pennsylvania corporation, 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 December 6, 1996, as supplemented by the Supplement thereto, dated December 19, 1996, and the related Letters of Transmittal at a purchase price of \$110.00 per Share, net to the tendering shareholder in cash. Capitalized terms used and not defined herein shall have the meanings assigned such terms in the Offer to Purchase, the Supplement and the Schedule 14D-1.

ITEM 10. ADDITIONAL INFORMATION.

(b) Section 16 of the Offer to Purchase, as previously supplemented by the Supplement and other amendments, is hereby further amended and supplemented by adding the following sentence after the third sentence of the first paragraph of the section entitled "Antitrust.":

On January 2, 1997, counsel to Parent received oral confirmation from the FTC staff that the exemption from the notice and waiting period of the HSR Act also applies with regard to the transactions contemplated by the Second Amendment.

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.

CSX CORPORATION

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: Executive Vice President
-- Law and Public Affairs

Dated: January 3, 1997

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.

GREEN ACQUISITION CORP.

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: General Counsel and
Secretary

Dated: January 3, 1997

EXHIBIT INDEX

EXHIBIT NO.

- * (a) (1) Offer to Purchase, dated December 6, 1996.
- * (a) (2) Letter of Transmittal.
- * (a) (3) Notice of Guaranteed Delivery.
- * (a) (4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- * (a) (5) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- * (a) (6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
- * (a) (7) Tender Offer Instructions for Participants of Conrail Inc. Dividend Reinvestment Plan.
- * (a) (8) Text of Press Release issued by Parent and the Company on December 6, 1996.
- * (a) (9) Form of Summary Advertisement, dated December 6, 1996.
- * (a) (10) Text of Press Release issued by Parent on December 5, 1996.
- * (a) (11) Text of Press Release issued by Parent and the Company on December 10, 1996.
- * (a) (12) Text of Advertisement published by Parent and the Company on December 10, 1996.
- * (a) (13) Text of Press Release issued by Parent on December 11, 1996.
- * (a) (14) Text of Advertisement published by Parent and the Company on December 12, 1996.
- * (a) (15) Supplement to Offer to Purchase, dated December 19, 1996.

* Previously filed.

- * (a) (16) Revised Letter of Transmittal.
- * (a) (17) Revised Notice of Guaranteed Delivery.
- * (a) (18) Text of Press Release issued by Parent and the Company on December 19, 1996.
- * (a) (19) Letter from Parent to shareholders of the Company, dated December 19, 1996.
- * (a) (20) Text of Press Release issued by Parent on December 20, 1996.
- * (b) (1) Credit Agreement, dated November 15, 1996 (incorporated by reference to Exhibit (b) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996.)
- * (c) (1) Agreement and Plan of Merger, dated as of October 14, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (1) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (2) Company Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (3) Parent Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (3) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (4) Voting Trust Agreement, dated as of October 15, 1996, by and among Parent, Purchaser and Deposit Guaranty National Bank (incorporated by reference to Exhibit (c) (4) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).

* Previously filed.

- * (c) (5) First Amendment to Agreement and Plan of Merger, dated as of November 5, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (7) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (6) Second Amendment to Agreement and Plan of Merger, dated as of December 18, 1996, by and among Parent, Purchaser and the Company.
- * (c) (7) Form of Amended and Restated Voting Trust Agreement.
- (c) (8) Deleted.
- (d) Not applicable.
- (e) Not applicable.
- (f) Not applicable.

* Previously filed.

**SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

Schedule 14D-1

**Tender Offer Statement
(Amendment No. 8)**

**Pursuant to
Section 14(d) (1) of the Securities Exchange Act of 1934
and**

**Amendment No. 18
to
Schedule 13D**

Conrail Inc.
(Name of Subject Company)

CSX Corporation
Green Acquisition Corp.
(Bidders)

Common Stock, Par Value \$1.00 Per Share
(Title of Class of Securities)
208368 10 0
(CUSIP Number of Class of Securities)

**Series A ESOP Convertible Junior
Preferred Stock, Without Par Value**
(Title of Class of Securities)

Not Available
(CUSIP Number of Class of Securities)

Mark G. Aron
CSX Corporation
One James Center
901 East Cary Street
Richmond, Virginia 23219-4031
(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications on Behalf of Bidders)

With a copy to:

Pamela S. Seymon
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Telephone: (212) 403-1000

This Statement amends and supplements the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission on December 6, 1996, as previously amended and supplemented, by Green Acquisition Corp., a Pennsylvania corporation and a wholly owned subsidiary of CSX Corporation, a Virginia corporation, to purchase up to an aggregate of 18,344,845 shares of (i) Common Stock, par value \$1.00 per share, and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value, of Conrail Inc., a Pennsylvania corporation, 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 December 6, 1996, as supplemented by the Supplement thereto, dated December 19, 1996, and the related Letters of Transmittal at a purchase price of \$110.00 per Share, net to the tendering shareholder in cash. Capitalized terms used and not defined herein shall have the meanings assigned such terms in the Offer to Purchase, the Supplement and the Schedule 14D-1.

ITEM 9. FINANCIAL STATEMENTS OF CERTAIN BIDDERS.

On January 9, 1997, Parent filed a registration statement on Form S-4 (the "Registration Statement") with the SEC containing, among other things, *pro forma* financial statements, including notes thereto, reflecting the Transactions (set forth under "Unaudited *Pro Forma* Financial Statements"). Any shareholder of the Company interested in obtaining a copy of the Registration Statement may do so from the offices of the SEC or the SEC's internet web site set forth in Section 8 of the Offer to Purchase, or upon request from Parent at the address (Attn.: Corporate Secretary) set forth in Section 9 of the Offer to Purchase. A copy of the Registration Statement should also be available at the offices of the NYSE at the address set forth in Section 8 of the Offer to Purchase. Such *pro forma* financial statements are incorporated herein by reference.

ITEM 10. ADDITIONAL INFORMATION.

(b) On January 8, 1997, Parent received informal assurance from the STB staff that use of the Voting Trust pursuant to the Amended Voting Trust Agreement would insulate Parent and its affiliates from a violation of the governing statute and STB policy.

(e) On January 9, 1997, Parent and the Company issued a joint press release announcing that the United States District Court for the Eastern District of Pennsylvania had rejected NSC's motion for a preliminary injunction to invalidate certain provisions of the Merger Agreement and to enjoin the Pennsylvania Special Meeting scheduled for January 17, 1997.

(f) Reference is made to the disclosure in Item 9 above, which is incorporated herein by reference.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

(a) (21) Text of Press Release issued by Parent and the Company on January 9, 1997.

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.

CSX CORPORATION

By: /s/ MARK G. ARON

Name: Mark G. Aron

Title: Executive Vice President —
Law and Public Affairs

Dated: January 9, 1997

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.

GREEN ACQUISITION CORP.

By: /s/ MARK G. ARON

Name: Mark G. Aron

Title: General Counsel and Secretary

Dated: January 9, 1997

EXHIBIT INDEX

Exhibit No.	
* (a) (1)	Offer to Purchase, dated December 6, 1996.
* (a) (2)	Letter of Transmittal.
* (a) (3)	Notice of Guaranteed Delivery.
* (a) (4)	Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
* (a) (5)	Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
* (a) (6)	Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
* (a) (7)	Tender Offer Instructions for Participants of Conrail Inc. Dividend Reinvestment Plan.
* (a) (8)	Text of Press Release issued by Parent and the Company on December 6, 1996.
* (a) (9)	Form of Summary Advertisement, dated December 6, 1996.
* (a) (10)	Text of Press Release issued by Parent on December 5, 1996.
* (a) (11)	Text of Press Release issued by Parent and the Company on December 10, 1996.
* (a) (12)	Text of Advertisement published by Parent and the Company on December 10, 1996.
* (a) (13)	Text of Press Release issued by Parent on December 11, 1996.
* (a) (14)	Text of Advertisement published by Parent and the Company on December 12, 1996.
* (a) (15)	Supplement to Offer to Purchase, dated December 19, 1996.
* (a) (16)	Revised Letter of Transmittal.
* (a) (17)	Revised Notice of Guaranteed Delivery.
* (a) (18)	Text of Press Release issued by Parent and the Company on December 19, 1996.
* (a) (19)	Letter from Parent to shareholders of the Company, dated December 19, 1996.
* (a) (20)	Text of Press Release issued by Parent on December 20, 1996.
(a) (21)	Text of Press Release issued by Parent and the Company on January 9, 1997.
* (b) (1)	Credit Agreement, dated November 15, 1996 (incorporated by reference to Exhibit (b) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996.)
* (c) (1)	Agreement and Plan of Merger, dated as of October 14, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (1) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
* (c) (2)	Company Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
* (c) (3)	Parent Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (3) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
* (c) (4)	Voting Trust Agreement, dated as of October 15, 1996, by and among Parent, Purchaser and Deposit Guaranty National Bank (incorporated by reference to Exhibit (c) (4) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).

Exhibit
No.

- * (c) (5) First Amendment to Agreement and Plan of Merger, dated as of November 5, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (7) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (6) Second Amendment to Agreement and Plan of Merger, dated as of December 18, 1996, by and among Parent, Purchaser and the Company.
- * (c) (7) Form of Amended and Restated Voting Trust Agreement.
- (c) (8) Deleted.
- (d) Not applicable.
- (e) Not applicable.
- (f) Not applicable.

* Previously filed.

CONTACT:

CSX
Thomas E. Hoppin
(804) 782-1450

Conrail
Craig R. MacQueen
(215) 209-4594

Kekst and Company
Richard Wolff
(212) 593-2655

Abernath, MacGregor Group
Joele Frank/Dan Katcher
(212) 371-5999

FOR IMMEDIATE RELEASE

CSX AND CONRAIL PREVAIL

FEDERAL COURT DENIES NORFOLK SOUTHERN'S MOTION

**** CSX, Conrail Strategic Merger to Proceed as Planned ****

RICHMOND, VA and PHILADELPHIA, PA, January 9, 1997 -- CSX Corporation (CSX) (NYSE: CSX) and Conrail Inc. (Conrail) (NYSE: CRR) said today that they are pleased with the decision by the United States District Court for the Eastern District of Pennsylvania rejecting Norfolk Southern's motion for a preliminary injunction to invalidate the exclusivity period contained in the merger agreement between CSX and Conrail and enjoin the shareholder vote scheduled for January 17.

CSX and Conrail issued the following statement:

"We are gratified with the Court's decision, which allows us to move forward to the successful completion of the next steps in our merger -- the Conrail shareholder vote on January 17 and the completion of CSX's second \$2 billion tender offer shortly thereafter. We believe that our merger is clearly the superior business combination and that Conrail shareholders acknowledge that the merger of CSX and Conrail will offer them the most immediate value combined with the opportunity to participate in the long-term growth of the world's largest transportation and logistics company."

CSX Corporation, headquartered in Richmond, Va., is an international transportation company offering a variety of rail, container-shipping, intermodal, trucking, barge, and contract logistics management services.

Conrail, with corporate headquarters in Philadelphia, Pa., operates an 11,000-mile freight network in 12 northeastern and midwestern states, the District of Columbia, and the Province of Quebec.

Additional information regarding this announcement can be found on the companies' Web sites on the Internet. CSX's home page can be reached at <http://www.CSX.com>. Conrail's home page can be reached at <http://www.CONRAIL.com>.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1
TENDER OFFER STATEMENT
(AMENDMENT NO. 9)

PURSUANT TO
SECTION 14(D)(1) OF THE SECURITIES EXCHANGE ACT OF 1934
AND

AMENDMENT NO. 19
TO
SCHEDULE 13D

CONRAIL INC.
(NAME OF SUBJECT COMPANY)

CSX CORPORATION
GREEN ACQUISITION CORP.
(BIDDERS)

COMMON STOCK, PAR VALUE \$1.00 PER SHARE
(TITLE OF CLASS OF SECURITIES)
208368 10 0
(CUSIP NUMBER OF CLASS OF SECURITIES)

SERIES A ESOP CONVERTIBLE JUNIOR PREFERRED STOCK, WITHOUT PAR VALUE
(TITLE OF CLASS OF SECURITIES)

NOT AVAILABLE
(CUSIP NUMBER OF CLASS OF SECURITIES)

MARK G. ARON
CSX CORPORATION
ONE JAMES CENTER
901 EAST CARY STREET
RICHMOND, VIRGINIA 23219-4071
(804) 782-1400

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON
AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDERS)

WITH A COPY TO:

PAMELA S. SEYMON
WACHTELL, LIPTON, ROSEN & KATZ
51 WEST 52ND STREET
NEW YORK, NEW YORK 10019
TELEPHONE: (212) 403-1000

This Statement amends and supplements the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission on December 6, 1996, as previously amended and supplemented, by Green Acquisition Corp., a Pennsylvania corporation and a wholly owned subsidiary of CSX Corporation, a Virginia corporation, to purchase up to an aggregate of 18,344,845 shares of (i) Common Stock, par value \$1.00 per share, and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value, of Conrail Inc., a Pennsylvania corporation, 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 December 6, 1996, as supplemented by the Supplement thereto, dated December 19, 1996, and the related Letters of Transmittal at a purchase price of \$110.00 per Share, net to the tendering shareholder in cash. Capitalized terms used and not defined herein shall have the meanings assigned such terms in the Offer to Purchase, the Supplement and the Schedule 14D-1.

ITEM 10. ADDITIONAL INFORMATION.

(b), (e) On January 9, 1997, the STB delivered its decision, dated January 8, 1997, rejecting NSC's Petition for Declaratory Order as premature. A copy of such decision is attached as Exhibit (c)(9), and the foregoing summary description is qualified in its entirety by reference to such exhibit.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

- (c)(9) Text of STB Decision No. 5 of STB Finance Docket No. 33220, dated January 8, 1997.
- (c)(10) Unaudited Pro Forma Financial Statements reflecting the Transactions (incorporated by reference to Parent's registration statement on Form S-4, registration number 333-19523 (the "Registration Statement")).

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.

CSX CORPORATION

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: Executive Vice President
-- Law and Public Affairs

Dated: January 10, 1997

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.

GREEN ACQUISITION CORP.

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: General Counsel and
Secretary

Dated: January 10, 1997

EXHIBIT INDEX

EXHIBIT NO.

- * (a) (1) Offer to Purchase, dated December 6, 1996.
- * (a) (2) Letter of Transmittal.
- * (a) (3) Notice of Guaranteed Delivery.
- * (a) (4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- * (a) (5) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- * (a) (6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
- * (a) (7) Tender Offer Instructions for Participants of Conrail Inc. Dividend Reinvestment Plan.
- * (a) (8) Text of Press Release issued by Parent and the Company on December 6, 1996.
- * (a) (9) Form of Summary Advertisement, dated December 6, 1996.
- * (a) (10) Text of Press Release issued by Parent on December 5, 1996.
- * (a) (11) Text of Press Release issued by Parent and the Company on December 10, 1996.
- * (a) (12) Text of Advertisement published by Parent and the Company on December 10, 1996.
- * (a) (13) Text of Press Release issued by Parent on December 11, 1996.
- * (a) (14) Text of Advertisement published by Parent and the Company on December 12, 1996.
- * (a) (15) Supplement to Offer to Purchase, dated December 19, 1996.

* Previously filed.

- * (a) (16) Revised Letter of Transmittal.
- * (a) (17) Revised Notice of Guaranteed Delivery.
- * (a) (18) Text of Press Release issued by Parent and the Company on December 19, 1996.
- * (a) (19) Letter from Parent to shareholders of the Company, dated December 19, 1996.
- * (a) (20) Text of Press Release issued by Parent on December 20, 1996.
- * (a) (21) Text of Press Release issued by Parent and the Company on January 9, 1997.
- * (b) (1) Credit Agreement, dated November 15, 1996 (incorporated by reference to Exhibit (b) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996.)
- * (c) (1) Agreement and Plan of Merger, dated as of October 14, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (1) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (2) Company Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (3) Parent Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (3) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (4) Voting Trust Agreement, dated as of October 15, 1996, by and among Parent, Purchaser and Deposit Guaranty National Bank (incorporated by reference to Exhibit (c) (4) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).

* Previously filed.

- * (c) (5) First Amendment to Agreement and Plan of Merger, dated as of November 5, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (7) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (6) Second Amendment to Agreement and Plan of Merger, dated as of December 18, 1996, by and among Parent, Purchaser and the Company.
- (c) (7) Form of Amended and Restated Voting Trust Agreement.
- (c) (8) Deleted.
- (c) (9) Text of STB Decision No. 5 of STB Finance Docket No. 33220, dated January 8, 1997.
- (c) (10) Unaudited Pro Forma Financial Statements reflecting the Transactions (incorporated by reference to Parent's registration statement on Form S-4, registration number 333-19523).
- (d) Not applicable.
- (e) Not applicable.
- (f) Not applicable.

* Previously filed.

SERVICE DATE - JANUARY 9, 1997

SURFACE TRANSPORTATION BOARD

DECISION

STB Finance Docket No. 33220

CSX CORPORATION AND CSX TRANSPORTATION, INC.
--CONTROL AND MERGER--
CONRAIL INC. AND CONSOLIDATED RAIL CORPORATION

[Decision No. 5]

Decided: January 8, 1997

BACKGROUND

On October 18, 1996, CSX Corporation (CSXC), CSX Transportation, Inc. (CSXT),¹ Conrail Inc. (CRI), and Consolidated Rail Corporation (CRC)² (collectively, applicants) filed a notice of intent (CSX/CR-1) to file an application (hereinafter referred to as the primary application) seeking Board authorization under 49 U.S.C. 11323-25 for: (1) the acquisition of control of CRI by Green Acquisition Corp. (Acquisition), a wholly owned subsidiary of CSXC; (2) the merger of CRI into Acquisition; and (3) the resulting common control of CSXT and CRC by CSXC. Applicants indicate that they expect to file their primary application, and any related applications, on or before March 1, 1997.³

1 CSXC and CSXT are referred to collectively as CSX.

2 CRI and CRC are referred to collectively as Conrail.

3 Decision No. 1, served October 25, 1996, granted applicants' request for a protective order. Decision No. 2, served and published in the Federal Register (61 FR 58613) on November 15, 1996, gave notice to the public of applicants' CSX/CR-1 pre-filing notification, and found that the transaction proposed by applicants is a "major" transaction, as defined at 49 CFR 1180.2(a). Decision No. 3, served and published in the Federal Register (61 FR 58611) on November 15, 1996, invited comments from interested persons on a proposed procedural schedule. Decision No. 4, served December 13, 1996, assigned this proceeding to Administrative Law Judge Jacob Leventhal for the handling of all discovery matters and the ini-

(continued...)

CSXC, Acquisition, and CRI entered into an Agreement and Plan of Merger (the Merger Agreement) dated October 14, 1996, which they amended on November 5, 1996, and further amended on December 18, 1996.⁴ On December 27, 1996, Norfolk Southern Corporation and Norfolk Southern Railway Company (collectively, NS) filed a petition for declaratory order that CSXC, CSXT, and Acquisition are in violation of 49 U.S.C. 11323 by reason of a "lock-out provision" in Section 4.2 of the Merger Agreement, as amended on December 18, 1996, and that the amendment to Section 4.2 is void and unenforceable.⁵

3 (continued...)

tial resolution of all discovery disputes.

We will address, in a separate decision, applicants' CSX/CR-6 petition for waiver or clarification of certain railroad consolidation procedures, and for related relief, filed on December 27, 1996.

4 The Merger Agreement, as first entered into, envisioned: (1) the acquisition by Acquisition of approximately 19.9% of the common stock of CRI; (2) the acquisition by Acquisition of an additional approximately 20.1% of the common stock of CRI; and (3) after Board approval of the primary application, the merger of CRI with and into Acquisition. As amended, however, the Merger Agreement now envisions that the merger of CRI with and into Acquisition will occur prior to Board approval of the primary application. This change means that applicants no longer seek Board authorization for the acquisition of control of CRI by Acquisition, or for the merger of CRI into Acquisition. Applicants, however, continue to seek Board authorization for the common control, by CSXC, of CSXT and CRC. Applicants continue to indicate that they expect to file their primary application, and any related applications, on or before March 1, 1997.

5 NS requests expedited consideration of its petition for declaratory order. NS alternatively requests that, if the Board is unable to reach a decision on the question of unlawful control substantially before January 17, 1997, it should issue a temporary cease and desist order barring Conrail from holding the shareholder meeting now scheduled for January 17, 1997, or barring CSX from requiring the trustee under CSX's voting trust to vote any Conrail shares held in the voting trust in favor of opting out of Subchapter 25E of the Pennsylvania Business Corporation Act or in favor of a CSX/Conrail merger, until the

(continued...)

On December 30, 1996, CSX and Conrail respectively filed letters notifying the Board of their objection to NS' request for expedited consideration, and of their intent to file responses to NS' petition for declaratory order within the time provided by the Board's rules.

We are granting NS' request for expedited consideration, and will deny its petition for declaratory order at this time, as we discuss further below.

DISCUSSION AND CONCLUSIONS

Section 4.2 of the Merger Agreement. Section 4.2 of the Merger Agreement (hereinafter, the "lock-out provision") prohibits Conrail's management for a specified period from taking various actions with respect to any proposal by any entity other than CSX to acquire more than 50 percent of the assets or voting stock of Conrail (defined in the agreement as a "Takeover Proposal"). Section 4.2(a) provides that Conrail may not "(i) solicit, initiate or encourage (including by way of furnishing information) or take any other action designed to facilitate, directly and indirectly, any inquiries or the making of any proposal which constitutes any Takeover Proposal or (ii) participate in any discussions or negotiations regarding any Takeover Proposal" Section 4.2(b) prohibits Conrail's board of directors for a specified period from (1) withdrawing or modifying its approval or recommendation that shareholders approve the CSX/Conrail merger agreement, (2) approving or recommending any merger agreement with any party other than CSX, or (3) entering into any letter of intent or merger agreement related to any Takeover Proposal.

5(continued...)

Board is able to decide the question. See Pa. Stat. Ann., tit. 15, Sections 2541 through 2548 (West 1995). Without such opt-out, CSX would be required to purchase all Conrail shares for the same cash price as it paid for the first 19.9 percent (Merger Agreement, Section 5.1(b)). Because we are issuing this decision in advance of the January 17, 1997 shareholder meeting, this alternative request for relief is moot.

Under the original Merger Agreement, Conrail was permitted to negotiate with respect to other unsolicited takeover proposals after April 12, 1997, if Conrail's board concluded, on advice of counsel, that their fiduciary duties required them to do so. The original Merger Agreement also permitted Conrail to enter into a letter of intent or agreement with another party after April 12, 1997, if Conrail's board concluded that the other party's proposal was superior to CSX's and that CSX was unlikely to acquire 40% of Conrail's stock. In the first amendment (November 5, 1996), the lock-out period was extended 90 days to July 12, 1997. The second amendment (December 18, 1996) extends the lock-out period to December 31, 1998. (Second Amendment at 18.)

NS' Arguments. NS states that it wishes to acquire Conrail and is prepared to pay Conrail's shareholders substantially more than CSX is willing to pay; however, provisions of the Merger Agreement have prevented NS from reaching an agreement, or even discussing NS' proposal, with Conrail's management.⁶ NS challenges the second amendment to the extent that it prohibits Conrail, without CSX's consent, from entering into a merger agreement with any other company, or even discussing such an agreement with any other company, until 1999, even if Conrail shareholders vote in the next few months to disapprove the proposed CSX merger and even if the Board issues a decision in 1997 refusing to approve that merger.

NS makes three main arguments: (1) by the amended lock-out provision, CSX has acquired unlawful control of Conrail in violation of 49 U.S.C. 11323; (2) the lock-out

⁶ On December 19, 1996, NS increased its all-cash offer for all of Conrail's outstanding shares to \$115 per share. According to NS, its offer would provide Conrail shareholders other than CSX almost \$16 per share more than the blended value of cash and securities that CSX is offering current Conrail shareholders for their shares, based on the market price of CSX common stock at closing on December 26, 1996. On that basis, NS estimates that the total amount it is offering to Conrail shareholders other than CSX is approximately \$1.16 billion more than what CSX is offering.

⁷ Under 49 U.S.C. 11323 (formerly 49 U.S.C. 11343), certain transactions may be carried out only with the prior approval and authorization of this Board. These include "[a]cquisition of control of a rail carrier by any number of rail carriers," "[a]cquisition of control of at least two carriers by a person that is not a rail carrier," and "[a]cquisition of control of a
(continued...)

restraint cannot be justified as reasonably related to CSX's desire to preserve the status quo pending corporate and regulatory approval; and (3) CSX's unlawful control threatens NS and Conrail's stockholders with immediate irreparable injury which the Board must act to prevent. NS also asserts that, to the extent the lock-out provision precludes Conrail from developing more competitive and innovative services through a combination with NS, the provision shields CSX from increased competition from its two main competitors.⁸

Our Analysis. We note that NS has challenged the legality of the amended lock-out provision, as well as other provisions of the CSX/Conrail merger agreement, in an action pending in the United States District Court for the Eastern District of Pennsylvania with claims based on the Pennsylvania corporation laws and the fiduciary duties of Conrail's board of directors. Contrary to NS' assertion that the amended lock-out provision involves an issue of illegal control under 49 U.S.C. 11323 that the Board must address and enforce independently of any issue of state law, we do not find that NS' request is ripe for our consideration, as discussed further below.

NS argues that CSX will unlawfully control Conrail because the lock-out will remain in effect until December 31, 1998, even if the Conrail stockholders vote not to approve the proposed CSX/Conrail merger,⁹ and even if the Board disapproves the CSX/Conrail merger before the lock-out period expires or imposes conditions unacceptable to the applicants. Conrail has pointed out, however, in its December 30 letter, that NS' case is founded on the uncertainty of future events, rather than on any actual controversy or complaint, and we agree.

7(continued...)

rail carrier by a person that is not a rail carrier but that controls any number of rail carriers." 49 U.S.C. 11323(a)(3), (4) and (5).

⁸ CSX and Conrail compete throughout large areas of the Northeast and Midwest, and NS and CSX compete throughout the Southeast and Midwest.

⁹ CSX and Conrail expect that vote to take place before March 31, 1997.

NS acknowledges that a rationale for permitting such an agreement (prior to Board approval) would be to provide a reasonable period of time for parties to an agreement to determine whether their shareholders and their regulators will approve the transaction. NS argues, however, that the lock-out period here is too long because it goes beyond what may be reasonably expected for the Board to consider and act upon the consolidation application of the two railroads themselves, and because it may extend beyond other actions (such as a shareholder vote rejecting the merger) that effectively foreclose the possibility of the transaction taking place as proposed. NS' argument that the amendment increases CSX's control over Conrail is based on the extension of the termination date of the lock-out period by an additional 18 months -- from July 12, 1997, to December 11, 1998. While the now 2-year lock-out period appears excessive on the face, we do not find the extended termination date, in and of itself, to be unreasonable at this time, given the complicated and controversial matters facing the parties concerning the proposed control transaction, and given that provision's lack of any meaningful constraint on our jurisdiction as discussed below.

As for NS' concern that CSX will be able to use unlawful control afforded by the lock-out provision to coerce a critical vote of Conrail shareholders scheduled for January 17, 1997, by portraying CSX as the only choice available to them, and effectively preclude the possibility of NS' offer from being realized, we believe that the Conrail shareholders are aware of their choices in this highly public controversy, and can pursue legal remedies if they believe that their board of directors breached its fiduciary duty. NS protests the agreement between CSX and Conrail's board of directors to amend the Merger Agreement to preclude Conrail and CSX from pursuing other transactions without the consent of the other through December 31, 1998. We find that voiding or overriding the amendment at this time is premature.

As discussed above, we find that NS' petition for relief is premature and unwarranted at this time. We advise the parties, however, that, if a CSX/Conrail merger application is filed, we may exercise our 49 U.S.C. 11324(e) conditioning power to impose certain conditions and/or grant any inconsistent or responsive applications that are found to be in the public interest. We emphasize that, under those circumstances, the preemptive immunizing force of 49 U.S.C. 11321(a) can preempt contractual rights, including those resulting from the lock-out provision, if necessary to permit a Board-approved transaction to go forward. See *Norfolk & Western R. Co. v. Train Dispatchers*, 499 U.S. 117 (1991) (*Dispatchers*) (the immunity provision, which provides that a carrier, corporation,

or person participating in a transaction that is approved under 49 U.S.C. 11324 (old 49 U.S.C. 11344) is "exempt from the anti-trust laws and from all other law, including State and municipal law, as necessary to let that person carry out the transaction," extends not only to laws but also to contracts). A person cannot effectively preclude our approval of a transaction from going forward simply by entering into a contract that purports to prevent all alternatives to its own preferred outcome. Thus, the lock-out provision would in no way preclude Board approval, as appropriate, of an NS/Conrail merger proposal, or any other Conrail merger proposal, or the consummation of such a merger, if approved.

This decision will not significantly affect either the quality or the human environment or the conservation of energy resources.

It is ordered:

1. NS' petition for declaratory order is denied.
2. This decision is effective on the date of service.

By the Board, Chairman Morgan and Vice Chairman Owen.

Vernon A. Williams
Secretary

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1
TENDER OFFER STATEMENT
(AMENDMENT NO. 10)

PURSUANT TO
SECTION 14(D)(1) OF THE SECURITIES EXCHANGE ACT OF 1934
AND

AMENDMENT NO. 20
TO
SCHEDULE 13D

CONRAIL INC.
(NAME OF SUBJECT COMPANY)

CSX CORPORATION
GREEN ACQUISITION CORP.
(BIDDERS)

COMMON STOCK, PAR VALUE \$1.00 PER SHARE
(TITLE OF CLASS OF SECURITIES)
208368 10 0
(CUSIP NUMBER OF CLASS OF SECURITIES)

SERIES A ESOP CONVERTIBLE JUNIOR PREFERRED STOCK, WITHOUT PAR VALUE
(TITLE OF CLASS OF SECURITIES)

NOT AVAILABLE
(CUSIP NUMBER OF CLASS OF SECURITIES)

MARK G. ARON
CSX CORPORATION
ONE JAMES CENTER
901 EAST CARY STREET
RICHMOND, VIRGINIA 23219-4031
(804) 782-1400

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON
AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDERS)

WITH A COPY TO:

PAMELA S. SEYMON
WACHTELL, LIPTON, ROSEN & KATZ
51 WEST 52ND STREET
NEW YORK, NEW YORK 10019
TELEPHONE: (212) 403-1000

This Statement amends and supplements the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission on December 6, 1996, as previously amended and supplemented, by Green Acquisition Corp., a Pennsylvania corporation and a wholly owned subsidiary of CSX Corporation, a Virginia corporation, to purchase up to an aggregate of 18,344,845 shares of (i) Common Stock, par value \$1.00 per share, and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value, of Conrail Inc., a Pennsylvania corporation, 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 December 6, 1996, as supplemented by the Supplement thereto, dated December 19, 1996, and the related Letters of Transmittal at a purchase price of \$110.00 per Share, net to the tendering shareholder in cash. Capitalized terms used and not defined herein shall have the meanings assigned such terms in the Offer to Purchase, the Supplement and the Schedule 14D-1.

ITEM 10. ADDITIONAL INFORMATION.

(e) On January 9, 1997, the Honorable Donald VanArtsdalen of the United States District Court for the Eastern District of Pennsylvania denied the motions of NSC and the shareholder-plaintiffs for a preliminary injunction to invalidate certain provisions of the Merger Agreement and to enjoin the Pennsylvania Special Meeting scheduled for January 17, 1997, including on the basis of their contentions that the Pennsylvania Control Transaction Law had been triggered by Parent's purchase of Shares in the First Offer. Such ruling is attached hereto as Exhibit (c)(11), and the foregoing summary description is qualified in its entirety by reference to such exhibit.

NSC and the shareholder-plaintiffs have appealed such ruling to the United States Court of Appeals for the Third Circuit and moved for an expedited appeal and an injunction pending appeal, seeking to enjoin the Pennsylvania Special Meeting scheduled for January 17, 1997.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

(c)(11) Text of opinion of Judge Donald VanArtsdalen of the United States District Court for the Eastern District of Pennsylvania as delivered from the bench on January 9, 1997.

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.

CSX CORPORATION

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: Executive Vice President
-- Law and Public Affairs

Dated: January 13, 1997

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.

GREEN ACQUISITION CORP.

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: General Counsel and
Secretary

Dated: January 13, 1997

EXHIBIT INDEX

EXHIBIT NO.

- *(a)(1) Offer to Purchase, dated December 6, 1996.
- *(a)(2) Letter of Transmittal.
- *(a)(3) Notice of Guaranteed Delivery.
- *(a)(4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- *(a)(5) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- *(a)(6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
- *(a)(7) Tender Offer Instructions for Participants of Conrail Inc. Dividend Reinvestment Plan.
- *(a)(8) Text of Press Release issued by Parent and the Company on December 6, 1996.
- *(a)(9) Form of Summary Advertisement, dated December 6, 1996.
- *(a)(10) Text of Press Release issued by Parent on December 5, 1996.
- *(a)(11) Text of Press Release issued by Parent and the Company on December 10, 1996.
- *(a)(12) Text of Advertisement published by Parent and the Company on December 10, 1996.
- *(a)(13) Text of Press Release issued by Parent on December 11, 1996.
- *(a)(14) Text of Advertisement published by Parent and the Company on December 12, 1996.
- *(a)(15) Supplement to Offer to Purchase, dated December 19, 1996.

* Previously filed.

- * (a) (16) Revised Letter of Transmittal.
- * (a) (17) Revised Notice of Guaranteed Delivery.
- * (a) (18) Text of Press Release issued by Parent and the Company on December 19, 1996.
- * (a) (19) Letter from Parent to shareholders of the Company, dated December 19, 1996.
- * (a) (20) Text of Press Release issued by Parent on December 20, 1996.
- * (a) (21) Text of Press Release issued by Parent and the Company on January 9, 1997.
- * (b) (1) Credit Agreement, dated November 15, 1996 (incorporated by reference to Exhibit (b) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996.)
- * (c) (1) Agreement and Plan of Merger, dated as of October 14, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (1) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (2) Company Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (3) Parent Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (3) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (4) Voting Trust Agreement, dated as of October 15, 1996, by and among Parent, Purchaser and Deposit Guaranty National Bank (incorporated by reference to Exhibit (c) (4) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).

* Previously filed.

- * (c) (5) First Amendment to Agreement and Plan of Merger, dated as of November 5, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (7) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (6) Second Amendment to Agreement and Plan of Merger, dated as of December 18, 1996, by and among Parent, Purchaser and the Company.
- * (c) (7) Form of Amended and Restated Voting Trust Agreement.
- (c) (8) Deleted.
- * (c) (9) Text of STB Decision No. 5 of STB Finance Docket No. 33220, dated January 8, 1997.
- * (c) (10) Unaudited Pro Forma Financial Statements reflecting the Transactions (incorporated by reference to Parent's registration statement on Form S-4, registration number 333-19523).
- (c) (11) Text of opinion of Judge Donald VanArtsdalen of the United States District Court for the Eastern District of Pennsylvania as delivered from the bench on January 9, 1997.
- (d) Not applicable.
- (e) Not applicable.
- (f) Not applicable.

* Previously filed.

EXHIBIT (c)(11)

Text of opinion of Judge Donald
VanArtsdalen of the United States
District Court for the Eastern District
of Pennsylvania as delivered from the
bench on January 9, 1997.

As I've always said in these matters, I think it's important that they be decided promptly. I never won any contest in extemporaneous speaking. I try to explain the reasons for whatever decision I make in this case as best I can on such limited time to decide just exactly what's to be done here.

In these two cases, there is as we all know a shareholders meeting of Conrail scheduled for January the 17th, 1997 which is next week. And that meeting is to decide whether Conrail should, as I call it, opt-out of subchapter 25E of the Pennsylvania business corporation law whereby CSX may thereafter proceed by tender offer to acquire approximately 20.1 percent more of Conrail voting stock in order to proceed with the next step of the merger agreement between CSX and Conrail.

Plaintiffs in Civil Action 96-7167, which I will call the Norfolk Southern or the NS Corporation plaintiffs, alleging that they are Conrail shareholders seek by a preliminary injunction to prohibit the shareholders meeting from going ahead until a partial summary judgment motion is decided that seeks declaration that a controlled transaction has occurred by reason of CSX's purchase of 19.9 percent of Conrail outstanding stock pursuant to the original tender offer and along with aggregating with various directors and officers stock control alleging that they have formed a group pursuant to 15 Pennsylvania CSA Section 2543, which is a part of the Pennsylvania State Statue on controlling party transactions.

And thereby the plaintiffs contend that it triggers the shareholders' rights to obtain fair value and a fair value appraisal for their stock. Also they seek a preliminary injunction against enforcement of a revision to the merger agreement that provided for what I call a no-shop, what some of the witnesses have called no-shop, some have called it a lockout, extension of the -- until I believe December 31st, 1998. It

was an extension of about 18 months beyond that which was in the original merger agreement.

Now, the so-called Ferrara plaintiffs, which is the other civil action, Number 96-7350, likewise seek an injunction and a declaration that the so-called 720-day lockout provision is invalid.

I specially set this hearing because I was advised that there would be an application for a preliminary injunction in light of the revised merger agreement which had been apparently made public.

There are two, as everybody seems to recognize, two distinct and discrete issues. One is the extension of the so-called no-shop or lockout agreement until 12-31-98, which will coincide with the termination date of the merger agreement itself, or what is often referred to as the so-called drop dead date, whereby if the merger doesn't go through by that date, then under certain conditions at least the agreement can be in effect terminated.

And the second issue is whether any of the defendants, that is, Conrail and its board of directors are liable to pay fair share because of the triggering of the control transaction as provided in the business corporation law.

As to the 720-day period no-shop or lockout period, the arguments that have been made on the present motions are essentially those or a rehash of the arguments which were made at the prior hearing, in which I denied any relief by reason of the period of lockout that was contained in the original merger agreement. There is no essential difference, as I see it, even though the new agreement as apparently opposed to the prior agreement has a so-called "fiduciary duty opt-out" provision. Beyond that the only change is that the agreement -- as to the lockout provision, is that the agreement sets a final date for completion of the merger and government approvals of 12-31-98, and provides that the so-called lockout period shall continue until that time.

I see no principled reason, and apparently neither did Professor Coffee who testified at the prior hearing, as I recall his testimony, as to why the lockout could not extend for the full period of the contract, nor is there any reason to think that any particular line of demarcation need be drawn so far as the facts of this case presently before me are concerned. After all, as it seems to me, and I think I expressed this previously, that where a contract is entered into, it is expected that the parties will act in good faith and will not

deliberately go out and attempt to shop the contract, if you will, with some other party or to see if they can get a better deal after having entered into a valid contract.

If by reason something occurs in the future by which it could be determined that there was a fiduciary duty upon the board of directors to go ahead and take some action by reason of some offer that had been made, if the fiduciary duty so required it, I see no reason why that should make any difference that it is not specifically set forth in the contract. After all, if a contract imposes upon certain of the parties certain fiduciary duties, it seems to me that then becomes practically an unwritten term of the contract or the agreement. And therefore whether this one did not have such a fiduciary duty opt-out and the earlier one did seems to me should make no difference. In addition to which there has been absolutely no showing or no claim that any situation has arisen as yet or will or is likely to arise in the future that would impose any sort of a fiduciary duty upon the board of directors to disregard the lockout or the no-shop provisions of the merger agreement.

In addition, defendants have taken no action pursuant to that clause that I am aware of, or about which there has been any testimony that would give rise to any basis for presently prohibiting the meeting of January 17th, 1997 going ahead so far as the no-shop provision is concerned. In other words, even if it could conceivably be that there was something invalid about that particular provision that would have nothing to do as I see it with precluding the shareholders meeting which is in no way to consider anything other than whether or not they should opt-out of the 20 percent rule under the Pennsylvania business corporation law.

Now, there is a so-called controlling person or controlling transaction problem. Plaintiffs contend that the fair valuation provisions of 15 Pennsylvania CSA, I think it's Section 2544 has been triggered. In other words, it's the contention of plaintiffs that there was a controlled transaction, and therefore the argument seems to be that because there was a controlled transaction at the meeting of January the 17th, 1997 which is presently scheduled should be enjoined from proceeding.

As to the controlled transaction, the argument as I understand it is that the shares acquired by CSX under its original tender offer which was approximately 19.9 percent of the voting shares should be aggregated with the shares held by certain -- or perhaps all of the directors and certain of the officers, who it is contended formed a group, and by aggregating those shares, the total number of shares presently held by

CSX and the group exceed 20 percent; therefore, controlled transaction has taken place.

Formation of a group acting in concert, and that is of course the contention here, that this is a group acting in concert under Section 2543 would normally to me appear to be a fact-specific matter and would not ordinarily be subject to summary judgment and certainly would not be a proper basis for a preliminary injunction.

However, on the basis of the evidence presented which as I understand it is probably all of the evidence that would be intended to be presented on this issue at any time, the likelihood of success on the contention that there was a controlled transaction is to me very doubtful. Although it may be expected, it may fully be expected that the board of directors and the officers will continue to support the merger, and to the extent that they are called upon to vote their shares will vote in its favor. But there is certainly no evidence that there was any agreement, express or implied, that the individual -- that the officers and directors as individuals would vote their own shares of stock in locked step with that of CSX.

In that regard the evidence is pretty clear that the amendment to the merger agreement was negotiated and worked out after very extension negotiations and at a truly arm's length proceeding. It is clear from this that at least during those negotiations CSX and the board of directors of Conrail and the officers of Conrail were not acting as a group or in locked step.

I do not find under the present facts that have been established, at least as so far developed, that there has been and established a controlled transaction. To do that I think everybody agrees that they have to aggregate the shares of stock originally purchased by CSX plus some stock held by some one or more of the other directors and officers.

Even if there had been a controlled transaction; that is to say, even if they had operated as a group within the meaning of the statute, and I think everybody agrees that there is no case law on the subject except for an opinion written by Judge Gawthrop some years ago, and I'm not sure about the date of that.

Although I don't think that it would really make any difference, but I believe that that decision was before the last amendments of the Pennsylvania business corporation law. I don't believe that that would make any difference, because the wording is substantially the same. But I think the facts

were somewhat different in that case, and I am not here to judge the validity of the contentions made by the judge in that particular case.

It does seem to me, however, that there does have to be some sort of an agreement, express or implied, and I do not find that the evidence establishes that at this particular time under the facts that have been established. But even if there had been, the statute has what I would call an inadvertence escape valve under Section 2541B.

After the contention was first raised that there had been a controlled transaction by reason of CSX purchasing 19.9 percent of the stock, CSX sold on the open market 85,000 shares. Now, I have tried somewhat roughly to calculate the various methods by which and the different groups of plaintiffs make different contentions as to who should be considered in the group. But it seems to me no matter how liberally you compute the plaintiff's figures, with CSX having divested itself of 85,000 shares, the present number of shares and those shares of the persons claimed to be members of the group would not at the present time equal 20 percent, even including voting control over the ESOP and the EBT shares, as to which there is some question as to the federal duties that are imposed by Federal Law on the trustees of such shares. Clearly, if inadvertent means unintentional in the subjective sense of the word, clearly there never was an intention to obtain control or to have a control transaction. The whole merger agreement with the so-called two-tiered arrangement was carefully structured not to be -- not to offend the, if you will -- if I may use that expression -- the provisions of the Pennsylvania Business Corporation Law which imposes certain rights upon the shareholders to receive fair value if a controlled transaction takes place. If they overlook the possibility of aggregation, I think at best, that would have been negligence, which is by some definitions of the word inadvertent, included within the term of inadvertence.

It's clear, of course, that the number of shares they bought were bought advertently. It's clear that they were aware certainly, that officers and directors probably held some shares of stock, although I don't know that there's any evidence that there may or may not be, that they knew the exact numbers at the time of the purchase.

Also, it has been argued and I think the record may show that the 19.9 percent that was originally calculated was in error through misinformation as to the number of shares that were outstanding of Conrail at the time. And it has been argued and I have not been able to compute this accurately, but

at least it has been argued that if that were considered, that part of it was considered inadvertence and if they had bought only 19.9 percent of the stock that was actually outstanding as of the time of the purchase, that no matter how you would aggregate, it would still not reach the 20 percent limit.

In any event, the statute provides that if the -- if there is an inadvertent going over the 20 percent limit, that the fair value rights will not -- will not accrue if the controlled transaction -- if the party having those shares of stock divests itself of those shares as soon -- I think the word is as soon as practical. I'm trying to find the terminology there.

Now, CSX did, after it was called to their attention, sell 85,000 shares and as I just read the briefs rather quickly on that score, it would appear to me that to do so cost CSX approximately \$900,000. There is no one that has made any argument that they did not divest themselves of the stock as soon as practical. Perhaps plaintiffs would like to make that argument, but I think another thing that must be borne in mind is, even if there was some technical violation of the controlled transaction problem, the purpose of that is to -- or one of the purposes certainly, is that there be no votes taken by the controlling parties under those circumstances, unless the other shareholders have a right to obtain fair value.

And there has been no vote -- there was no vote taken and at the proposed vote to be taken on January the 17th, it is clear that no matter how you compute the matter, the shares of stock, that CSX in combination with any other group of shareholders that could be aggregated under any of the theories submitted by the plaintiffs, would not constitute 20 percent.

Consequently, I can see where there has been absolutely no harm done by reason of the purchase of the CSX shares, whether or not and as I say, it's my view from what has been presented here, that it is not a controlled transaction. But even if it were a controlled transaction and even if the shareholders are entitled to receive fair value, that still doesn't explain to me why the meeting set for January the 17th should be enjoined or give any basis for an injunction against it.

First of all, shareholders to have received fair value and have no basis under the statute, as I see it, to object to somebody acquiring more than 20 percent or any group acquiring more than 20 percent of the shares of stock. Their only right is to receive fair value. And to do that, they must, as the statute says, object. And I don't know how that's

done, but that's what the statute seems to say. And to make a demand to have the shares appraised for fair value.

And then there is a rather long -- a lot of statutory requirements as to how that procedure would be required to take place. No one has made any demand to receive fair value. No one has objected, as I see it, but aside from that, there is a, as is clear from the statute, there is a complete legal remedy and I would see no reason therefore to enjoin the meeting that is set for January the 17th.

In addition to -- in addition to that, the meeting that is set for January 17th, one of the arguments that's been made by the plaintiffs is, well, the meeting would be a nullity and therefore, it should be enjoined. Well, if it's a nullity, it's a nullity. But that doesn't mean -- therefore, I see no harm that could occur to anyone in that event. I fail to see how, if the meeting is held and if there's a vote and if it's later determined that that's a nullity, I fail to see how the shareholders would in any meaningful way have been harmed. Although, some might have been disappointed if they personally went to attend the meeting.

It is clear that Norfolk Southern, as a shareholder, is seeking in every conceivable way to block this merger from proceeding. And of course, to the extent that they do so through legal and lawful means, there is nothing too wrong about that nor are they to be -- is it to be criticized for attempting to do so. However, there is no showing on this record that Norfolk Southern, as a shareholder, would be harmed in any way if the shareholders vote on the proposition to opt-out of the provisions of the Pennsylvania Corporation Law proceeds on January the 17th.

Now, before a preliminary injunction may be granted, as we all know, there must be first a finding of likelihood of success. On the so called 720 day no-shop clause, it is my evaluation at this point, that there is no likelihood at all of success on that claim.

On the controlled transaction claim, I think that it's unlikely that there would be -- they would be -- or that the plaintiffs would be successful on that contention. Because, first, I think it's unlikely that there ever was a controlled transaction and if there was, it was clearly inadvertent, at least, if inadvertence means unintentional. And because there was a divesting of a sufficient number of excess shares, so that there would no longer be a control group having more than 20 percent of the stock. That there would be no harm

if the vote is taken on January the 17th and there is no showing of any likelihood of harm occurring in the future.

Now, as to the harm to the parties, as I think I've said several times, I can see no harm to the plaintiffs by this meeting proceeding on January the 17th. It's conceivable that it could amount, eventually amount to a nullity, but that would not cause any legal harm as I see it.

As to the defendants, of course, anything that slows up this progress and the progress of the merger is -- does cause severe and substantial harm and injury. And clearly, that is one of the things that the plaintiffs seek in this, by these proceedings, is to impede or slow up the progress of the merger. If I granted either preliminary injunctive relief or granted the summary judgment as requested here, one of the claims, as I understand it, is that I should preliminarily enjoin the hearing set for January 17th until the summary judgment motion is decided.

Whatever order I make here or decide here, undoubtedly if granted, would be appealed. And of course, during the appeal, I have no doubt that the plaintiffs would intend to seek to have any injunctive relief continued during the course of that appeal. And I think that the practical effect of that might well be to so upset the timing of these -- of this merger as to perhaps completely throw it off track.

In addition, before a preliminary injunction may be given, there must be shown that there is no adequate legal remedy. As I point out clearly under the controlled transaction, there is a complete statutory legal proceeding and remedy, so that there would be no reason to make any injunction as to that.

As to the 720-day period during which it's agreed that the Conrail board and directors will take no action toward any other bid that might come in, at least until such time as there is some showing that there is some other bid, it is clear that it would not be appropriate to enter an injunction really in affect, while all the -- as I see it -- the plaintiffs are asking for is some type of declaratory judgment and I don't think that that would be a proper situation to grant a declaratory judgment. I think it would be more in the nature of an advisory opinion.

Consequently, to the extent that this is an application for a preliminary injunction, the application will be denied. To the extent that there is an application that I grant

summary judgment, the application for a grant of summary judgment is also denied.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1
TENDER OFFER STATEMENT
(AMENDMENT NO. 11)

PURSUANT TO
SECTION 14(D)(1) OF THE SECURITIES EXCHANGE ACT OF 1934
AND

AMENDMENT NO. 21
TO
SCHEDULE 13D

CONRAIL INC.
(NAME OF SUBJECT COMPANY)

CSX CORPORATION
GREEN ACQUISITION CORP.
(BIDDERS)

COMMON STOCK, PAR VALUE \$1.00 PER SHARE
(TITLE OF CLASS OF SECURITIES)
208368 10 0
(CUSIP NUMBER OF CLASS OF SECURITIES)

SERIES A ESOP CONVERTIBLE JUNIOR PREFERRED STOCK, WITHOUT PAR VALUE
(TITLE OF CLASS OF SECURITIES)

NOT AVAILABLE
(CUSIP NUMBER OF CLASS OF SECURITIES)

MARK G. ARON
CSX CORPORATION
ONE JAMES CENTER
901 EAST CARY STREET
RICHMOND, VIRGINIA 23219-4031
(804) 782-1400

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON
AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDERS)

WITH A COPY TO:

PAMELA S. SEYMON
WACHTELL, LIPTON, ROSEN & KATZ
51 WEST 52ND STREET
NEW YORK, NEW YORK 10019
TELEPHONE: (212) 403-1000

This Statement amends and supplements the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission on December 6, 1996, as previously amended and supplemented, by Green Acquisition Corp., a Pennsylvania corporation and a wholly owned subsidiary of CSX Corporation, a Virginia corporation, to purchase up to an aggregate of 18,344,845 shares of (i) Common Stock, par value \$1.00 per share, and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value, of Conrail Inc., a Pennsylvania corporation, 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 December 6, 1996, as supplemented by the Supplement thereto, dated December 19, 1996, and the related Letters of Transmittal at a purchase price of \$110.00 per Share, net to the tendering shareholder in cash. Capitalized terms used and not defined herein shall have the meanings assigned such terms in the Offer to Purchase, the Supplement and the Schedule 14D-1.

ITEM 10. ADDITIONAL INFORMATION.

(f) On January 13, 1997, Parent and the Company jointly issued a press release. A copy of such press release is attached as Exhibit (a)(22), and the foregoing summary description is qualified in its entirety by reference to such exhibit.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

(a)(22) Text of Press Release issued by Parent and the Company on January 13, 1997.

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.

CSX CORPORATION

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: Executive Vice President
-- Law and Public Affairs

Dated: January 14, 1997

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.

GREEN ACQUISITION CORP.

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: General Counsel and
Secretary

Dated: January 14, 1997

EXHIBIT INDEX

EXHIBIT NO.

- * (a) (1) Offer to Purchase, dated December 6, 1996.
- * (a) (2) Letter of Transmittal.
- * (a) (3) Notice of Guaranteed Delivery.
- * (a) (4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- * (a) (5) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- * (a) (6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
- * (a) (7) Tender Offer Instructions for Participants of Conrail Inc. Dividend Reinvestment Plan.
- * (a) (8) Text of Press Release issued by Parent and the Company on December 6, 1996.
- * (a) (9) Form of Summary Advertisement, dated December 6, 1996.
- * (a) (10) Text of Press Release issued by Parent on December 5, 1996.
- * (a) (11) Text of Press Release issued by Parent and the Company on December 10, 1996.
- * (a) (12) Text of Advertisement published by Parent and the Company on December 10, 1996.
- * (a) (13) Text of Press Release issued by Parent on December 11, 1996.
- * (a) (14) Text of Advertisement published by Parent and the Company on December 12, 1996.
- * (a) (15) Supplement to Offer to Purchase, dated December 19, 1996.

* Previously filed.

- * (a) (16) Revised Letter of Transmittal.
- * (a) (17) Revised Notice of Guaranteed Delivery.
- * (a) (18) Text of Press Release issued by Parent and the Company on December 19, 1996.
- * (a) (19) Letter from Parent to shareholders of the Company, dated December 19, 1996.
- * (a) (20) Text of Press Release issued by Parent on December 20, 1996.
- * (a) (21) Text of Press Release issued by Parent and the Company on January 9, 1997.
- (a) (22) Text of Press Release issued by Parent and the Company on January 13, 1997.
- * (b) (1) Credit Agreement, dated November 15, 1996 (incorporated by reference to Exhibit (b) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996.)
- * (c) (1) Agreement and Plan of Merger, dated as of October 14, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (1) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (2) Company Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (3) Parent Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (3) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).

* Previously filed.

STB

FD

33388

6-23-97

A

180274V7C

6/10

- * (c) (4) Voting Trust Agreement, dated as of October 15, 1996, by and among Parent, Purchaser and Deposit Guaranty National Bank (incorporated by reference to Exhibit (c) (4) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (5) First Amendment to Agreement and Plan of Merger, dated as of November 5, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (7) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (6) Second Amendment to Agreement and Plan of Merger, dated as of December 18, 1996, by and among Parent, Purchaser and the Company.
- * (c) (7) Form of Amended and Restated Voting Trust Agreement.
- (c) (8) Deleted.
- * (c) (9) Text of STB Decision No. 5 of STB Finance Docket No. 33220, dated January 8, 1997.
- * (c) (10) Unaudited Pro Forma Financial Statements reflecting the Transactions (incorporated by reference to Parent's registration statement on Form S-4, registration number 333-19523).
- * (c) (11) Text of opinion of Judge Donald VanArtsdalen of the United States District Court for the Eastern District of Pennsylvania as delivered from the bench on January 9, 1997.
- (d) Not applicable.
- (e) Not applicable.
- (f) Not applicable.

* Previously filed.

FOR IMMEDIATE RELEASE

CONTACTS:

CSX Corporation
Thomas E. Hoppin
(804) 782-1450

Conrail Inc.
Craig R. MacQueen
(215) 209-4594

Kekst and Company
Richard Wolff
(212) 593-2655

Abernathy MacGregor Group
Joele Frank/Dan Katcher
(212) 371-5999

RICHMOND, VA AND PHILADELPHIA, PA (JANUARY 13, 1996)
-- CSX Corporation [NYSE:CSX] and Conrail Inc. [NYSE:CRR] issued the following statement:

"Today's announcement by Norfolk Southern changes nothing. The fact is the CSX-Conrail merger is the only transaction where Conrail shareholders can receive value for 100% of their shares. No transaction with Norfolk Southern can occur until January 1999, at the earliest.

"Norfolk Southern has misrepresented the implications of the Surface Transportation Board's (STB) decision which refused to invalidate the two-year exclusivity provision. CSX and Conrail believe that the STB cannot require the consummation of a merger that has not been approved by the Conrail Board of Directors."

CSX, headquartered in Richmond, VA, is an international transportation company offering a variety of rail, container-shipping, intermodal, trucking, barge and contract logistics management services. CSX's home page on the Internet can be reached at <http://www.CONRAIL.com>.

Conrail, with corporate headquarters in Philadelphia, PA, operates an 11,000-mile rail freight network in 12 northeastern and midwestern states, the District of Columbia, and the Province of Quebec. Conrail's home page on the Internet can be reached at <http://www.CONRAIL.com>.

#

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1
TENDER OFFER STATEMENT
(AMENDMENT NO. 12)

PURSUANT TO
SECTION 14(D)(1) OF THE SECURITIES EXCHANGE ACT OF 1934
AND

AMENDMENT NO. 22
TO
SCHEDULE 13D

CONRAIL INC.
(NAME OF SUBJECT COMPANY)

CSX CORPORATION
GREEN ACQUISITION CORP.
(BIDDERS)

COMMON STOCK, PAR VALUE \$1.00 PER SHARE
(TITLE OF CLASS OF SECURITIES)
208368 10 0
(CUSIP NUMBER OF CLASS OF SECURITIES)

SERIES A ESOP CONVERTIBLE JUNIOR PREFERRED STOCK, WITHOUT PAR VALUE
(TITLE OF CLASS OF SECURITIES)

NOT AVAILABLE
(CUSIP NUMBER OF CLASS OF SECURITIES)

MARK G. ARON
CSX CORPORATION
ONE JAMES CENTER
901 EAST CARY STREET
RICHMOND, VIRGINIA 23219-4031
(804) 782-1400

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON
AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDERS)

WITH A COPY TO:

PAMELA S. SEYMON
WACHTELL, LIPTON, ROSEN & KATZ
51 WEST 52ND STREET
NEW YORK, NEW YORK 10019
TELEPHONE: (212) 403-1000

This Statement amends and supplements the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission on December 6, 1996, as previously amended and supplemented, by Green Acquisition Corp., a Pennsylvania corporation and a wholly owned subsidiary of CSX Corporation, a Virginia corporation, to purchase up to an aggregate of 16,344,845 shares of (i) Common Stock, par value \$1.00 per share, and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value, of Conrail Inc., a Pennsylvania corporation, 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 December 6, 1996, as supplemented by the Supplement thereto, dated December 19, 1996, and the related Letters of Transmittal at a purchase price of \$110.00 per Share, net to the tendering shareholder in cash. Capitalized terms used and not defined herein shall have the meanings assigned such terms in the Offer to Purchase, the Supplement and the Schedule 14D-1.

ITEM 10. ADDITIONAL INFORMATION.

(e) On January 15, 1997, Parent and the Company issued a joint press release announcing that the United States Court of Appeals for the Third Circuit had rejected NSC's application to enjoin the Pennsylvania Special Meeting scheduled for January 17, 1997 pending appeal of the January 9 decision by the United States District Court for the Eastern District of Pennsylvania. A copy of such press release is attached as Exhibit (a)(23), and the foregoing summary description is qualified in its entirety by reference to such exhibit.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

(a)(23) Text of Press Release issued by Parent and the Company on January 15, 1997.

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.

CSX CORPORATION

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: Executive Vice President
-- Law and Public Affairs

Dated: January 16, 1997

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.

GREEN ACQUISITION CORP.

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: General Counsel and
Secretary

Dated: January 16, 1997

EXHIBIT INDEX

EXHIBIT NO.

- * (a) (1) Offer to Purchase, dated December 6, 1996.
- * (a) (2) Letter of Transmittal.
- * (a) (3) Notice of Guaranteed Delivery.
- * (a) (4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- * (a) (5) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- * (a) (6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
- * (a) (7) Tender Offer Instructions for Participants of Conrail Inc. Dividend Reinvestment Plan.
- * (a) (8) Text of Press Release issued by Parent and the Company on December 6, 1996.
- * (a) (9) Form of Summary Advertisement, dated December 6, 1996.
- * (a) (10) Text of Press Release issued by Parent on December 5, 1996.
- * (a) (11) Text of Press Release issued by Parent and the Company on December 10, 1996.
- * (a) (12) Text of Advertisement published by Parent and the Company on December 10, 1996.
- * (a) (13) Text of Press Release issued by Parent on December 11, 1996.
- * (a) (14) Text of Advertisement published by Parent and the Company on December 12, 1996.
- * (a) (15) Supplement to Offer to Purchase, dated December 19, 1996.

* Previously filed.

- * (a) (16) Revised Letter of Transmittal.
- * (a) (17) Revised Notice of Guaranteed Delivery.
- * (a) (18) Text of Press Release issued by Parent and the Company on December 19, 1996.
- * (a) (19) Letter from Parent to shareholders of the Company, dated December 19, 1996.
- * (a) (20) Text of Press Release issued by Parent on December 20, 1996.
- * (a) (21) Text of Press Release issued by Parent and the Company on January 9, 1997.
- * (a) (22) Text of Press Release issued by Parent and the Company on January 13, 1997.
- (a) (23) Text of Press Release issued by Parent and the Company on January 15, 1997.
- * (b) (1) Credit Agreement, dated November 15, 1996 (incorporated by reference to Exhibit (b) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996.)
- * (c) (1) Agreement and Plan of Merger, dated as of October 14, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (1) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (2) Company Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (3) Parent Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (3) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).

* Previously filed.

- * (c) (4) Voting Trust Agreement, dated as of October 15, 1996, by and among Parent, Purchaser and Deposit Guaranty National Bank (incorporated by reference to Exhibit (c) (4) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (5) First Amendment to Agreement and Plan of Merger, dated as of November 5, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (7) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (6) Second Amendment to Agreement and Plan of Merger, dated as of December 18, 1996, by and among Parent, Purchaser and the Company.
- * (c) (7) Form of Amended and Restated Voting Trust Agreement.
- (c) (8) Deleted.
- * (c) (9) Text of STB Decision No. 5 of STB Finance Docket No. 33220, dated January 8, 1997.
- * (c) (10) Unaudited Pro Forma Financial Statements reflecting the Transactions (incorporated by reference to Parent's registration statement on Form S-4, registration number 333-19523).
- * (c) (11) Text of opinion of Judge Donald VanArtsdalen of the United States District Court for the Eastern District of Pennsylvania as delivered from the bench on January 9, 1997.
- (d) Not applicable.
- (e) Not applicable.
- (f) Not applicable.

* Previously filed.

CONTACT: CSX
Thomas E. Hoppin
(804) 782-1450

Kekst and Company
Richard Wolff
(212) 593-2655

Conrail
Craig R. MacQueen
(215) 209-4594

Abernathy MacGregor Group
Dan Katcher/Matt Sherman
(212) 371-5999

FOR IMMEDIATE RELEASE

APPEALS COURT REJECTS NORFOLK SOUTHERN'S REQUEST TO
ENJOIN CONRAIL SHAREHOLDER VOTE

RICHMOND, VA AND PHILADELPHIA, PA, JANUARY 15, 1997

-- CSX Corp. (CSX) (NYSE:CSX) and Conrail Inc. (Conrail) (NYSE:CRR) today announced that they are pleased with the decision by the United States Court of Appeals for the Third Circuit rejecting Norfolk Southern's application for an injunction pending appeal of the January 9 decision by the U.S. District Court for the Eastern District of Pennsylvania.

CSX and Conrail today issued the following statement:

"We are pleased that the U.S. Court of Appeals has refused to enjoin the Conrail shareholder meeting set for Friday, January 17. This is another blow to Norfolk Southern's continuing hostile attempts to derail the merger of Conrail and CSX. We now look forward to moving ahead towards the completion of our strategic merger."

The District Court decision rejected Norfolk Southern's motion for a preliminary injunction to invalidate the exclusivity period contained in the merger agreement between CSX and Conrail and enjoin the shareholder vote scheduled for January 17. In its application to the Third Circuit Court of Appeals, Norfolk

Southern sought to enjoin the Conrail shareholder vote scheduled for January 17 until its appeal of the District Court decision could be heard.

CSX Corporation, headquartered in Richmond, Va., is an international transportation company offering a variety of rail, container-shipping, intermodal, trucking, barge, and contract logistics management services. CSX's home page can be reached at <http://www.CSX.com>.

Conrail, with corporate headquarters in Philadelphia, Pa., operates an 11,000-mile freight network in 12 northeastern and midwestern states, the District of Columbia, and the Province of Quebec. Conrail's home page can be reached at <http://www.CONRAIL.com>.

#

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1
TENDER OFFER STATEMENT
(AMENDMENT NO. 13)

PURSUANT TO
SECTION 14(D)(1) OF THE SECURITIES EXCHANGE ACT OF 1934
AND

AMENDMENT NO. 23

TO

SCHEDULE 13D

CONRAIL INC.
(NAME OF SUBJECT COMPANY)

CSX CORPORATION
GREEN ACQUISITION CORP.
(BIDDERS)

COMMON STOCK, PAR VALUE \$1.00 PER SHARE
(TITLE OF CLASS OF SECURITIES)
208368 10 0
(CUSIP NUMBER OF CLASS OF SECURITIES)

SERIES A ESOP CONVERTIBLE JUNIOR PREFERRED STOCK, WITHOUT PAR VALUE
(TITLE OF CLASS OF SECURITIES)

NOT AVAILABLE
(CUSIP NUMBER OF CLASS OF SECURITIES)

MARK G. ARON
CSX CORPORATION
ONE JAMES CENTER
901 EAST CARY STREET
RICHMOND, VIRGINIA 23219-4031
(804) 782-1400

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON
AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDERS)

WITH A COPY TO:

PAMELA S. SEYMON
WACHTELL, LIPTON, ROSEN & KATZ
51 WEST 52ND STREET
NEW YORK, NEW YORK 10019
TELEPHONE: (212) 403-1000

This Statement amends and supplements the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission on December 6, 1996, as previously amended and supplemented, by Green Acquisition Corp., a Pennsylvania corporation and a wholly owned subsidiary of CSX Corporation, a Virginia corporation, to purchase up to an aggregate of 18,344,845 shares of (i) Common Stock, par value \$1.00 per share, and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value, of Conrail Inc., a Pennsylvania corporation, 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 December 6, 1996, as supplemented by the Supplement thereto, dated December 19, 1996, and the related Letters of Transmittal at a purchase price of \$110.00 per Share, net to the tendering shareholder in cash. Capitalized terms used and not defined herein shall have the meanings assigned such terms in the Offer to Purchase, the Supplement and the Schedule 14D-1.

ITEM 10. ADDITIONAL INFORMATION.

(f) On January 17, 1997, Parent issued a press release announcing that the apparent vote by shareholders of the Company against an opt out of the Pennsylvania Control Transaction Law will not alter the ability of Parent and the Company to complete the Merger. A copy of such press release is attached as Exhibit (a)(24), and the foregoing summary description is qualified in its entirety by reference to such exhibit.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

(a)(2.) Text of Press Release issued by Parent on January 17, 1997.

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.

CSX CORPORATION

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: Executive Vice President
-- Law and Public Affairs

Dated: January 17, 1997

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.

GREEN ACQUISITION CORP.

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: General Counsel and
Secretary

Dated: January 17, 1997

EXHIBIT INDEX

EXHIBIT NO.

- *(a)(1) Offer to Purchase, dated December 6, 1996.
- *(a)(2) Letter of Transmittal.
- *(a)(3) Notice of Guaranteed Delivery.
- *(a)(4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- *(a)(5) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- *(a)(6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
- *(a)(7) Tender Offer Instructions for Participants of Conrail Inc. Dividend Reinvestment Plan.
- *(a)(8) Text of Press Release issued by Parent and the Company on December 6, 1996.
- *(a)(9) Form of Summary Advertisement, dated December 6, 1996.
- *(a)(10) Text of Press Release issued by Parent on December 5, 1996.
- *(a)(11) Text of Press Release issued by Parent and the Company on December 10, 1996.
- *(a)(12) Text of Advertisement published by Parent and the Company on December 10, 1996.
- *(a)(13) Text of Press Release issued by Parent on December 11, 1996.
- *(a)(14) Text of Advertisement published by Parent and the Company on December 12, 1996.
- *(a)(15) Supplement to Offer to Purchase, dated December 19, 1996.

* Previously filed.

- * (a) (16) Revised Letter of Transmittal.
- * (a) (17) Revised Notice of Guaranteed Delivery.
- * (a) (18) Text of Press Release issued by Parent and the Company on December 19, 1996.
- * (a) (19) Letter from Parent to shareholders of the Company, dated December 19, 1996.
- * (a) (20) Text of Press Release issued by Parent on December 20, 1996.
- * (a) (21) Text of Press Release issued by Parent and the Company on January 9, 1997.
- * (a) (22) Text of Press Release issued by Parent and the Company on January 13, 1997.
- * (a) (23) Text of Press Release issued by Parent and the Company on January 15, 1997.
- (a) (24) Text of Press Release issued by Parent on January 17, 1997.
- * (b) (1) Credit Agreement, dated November 15, 1996 (incorporated by reference to Exhibit (b) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996.)
- * (c) (1) Agreement and Plan of Merger, dated as of October 14, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (1) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (2) Company Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).

* Previously filed.

- * (c) (3) Parent Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (3) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (4) Voting Trust Agreement, dated as of October 15, 1996, by and among Parent, Purchaser and Deposit Guaranty National Bank (incorporated by reference to Exhibit (c) (4) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (5) First Amendment to Agreement and Plan of Merger, dated as of November 5, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (7) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (6) Second Amendment to Agreement and Plan of Merger, dated as of December 18, 1996, by and among Parent, Purchaser and the Company.
- * (c) (7) Form of Amended and Restated Voting Trust Agreement.
- (c) (8) Deleted.
- * (c) (9) Text of STB Decision No. 5 of STB Finance Docket No. 33220, dated January 8, 1997.
- * (c) (10) Unaudited Pro Forma Financial Statements reflecting the Transactions (incorporated by reference to Parent's registration statement on Form S-4, registration number 333-19523).
- * (c) (11) Text of opinion of Judge Donald VanArtsdalen of the United States District Court for the Eastern District of Pennsylvania as delivered from the bench on January 9, 1997.
- (d) Not applicable.
- (e) Not applicable.
- (f) Not applicable.

* Previously filed.

CSX
Corporation
Corporate Communications
P.O. Box 65629
Richmond, Virginia 23285-5629
<http://www.csx.com>

NEWS

CONTACTS:

CSX Corporation
Thomas E. Hoppin
(804) 782-1450

Kekst and Company
Richard Wolff
(212) 593-2655

FOR IMMEDIATE RELEASE:

CSX SAYS APPARENT VOTE WILL NOT ALTER CSX AND
CONRAIL'S ABILITY TO COMPLETE MERGER

RICHMOND, VA -- Jan. 17, 1997 -- CSX Corp. (CSX)

(NYSE: CSX) said that today's apparent vote by Conrail shareholders refusing to opt out of the Pennsylvania Control Transaction statute will not alter its firm commitment to the CSX-Conrail merger and will not affect the ultimate outcome.

John W. Snow, chairman, president and chief executive officer of CSX, issued the following statement:

"In light of Norfolk Southern's calculated and massive disinformation campaign coupled with its last-ditch, conditional 9.9% tender offer intended to provide Conrail shareholders with over \$1 billion in cash as payment for a "no" vote, this apparent outcome is not surprising. The apparent "no" vote procured by Norfolk Southern simply postpones the eventual completion of our strategic merger of equals and delays the ability of Conrail's shareholders to receive the full consideration that will be provided by the CSX-Conrail transaction.

"We remain fully and firmly committed to the CSX-Conrail merger of equals. We are confident we will eventually prevail with Conrail's shareholders and then present a compelling application for approval of the merger to the Surface Transportation Board.

"Norfolk Southern has succeeded only in confusing the issue. The CSX-Conrail merger remains the right merger, of the right companies, at the right price and, in time, it will be approved.

"There is not now, nor will there be, a viable alternative to the CSX-Conrail merger. The CSX and Conrail boards both have committed that neither company will even hold discussions with any other company regarding a business combination for at least two years, and the Federal courts and the Surface Transportation Board (STB) both have upheld that key provision of the CSX-Conrail merger agreement.

"We have no intention of amending or altering our merger agreement in any way in light of this apparent vote. Those who voted against the opt-out in the expectation that their vote will force CSX to raise its price will be disappointed. We believe the CSX transaction provides the maximum value to all Conrail constituents.

"CSX and Conrail's managements are now preparing a compelling case demonstrating the unique commercial and public policy benefits of the merger, which will be presented to the STB in March of 1997. This case will also demonstrate to investors the clearly realizable financial synergies, new business opportunities and transportation efficiencies that will result. At an appropriate time, Conrail will again hold an opt-out vote and, ultimately, we will proceed with the successful completion of this merger.

"Our commitment to completing this merger at the stated terms is unflagging," Snow concluded.

CSX also corrected four other matters raised in Norfolk Southern's disinformation campaign:

- Contrary to statements made by Norfolk Southern, both CSX and Conrail have repeatedly stated they will not meet with Norfolk Southern until after they have rebuffed all challenges to the CSX-Conrail merger.
- Norfolk Southern's claims that the Conrail board can be replaced in 1997 simply are erroneous. This situation is not possible. Conrail has a staggered board and Conrail's shareholder rights plan (poison pill) can be redeemed or altered only by participation of the current Conrail board, which is unified in its support of the CSX-Conrail merger.
- Any offer from Norfolk Southern must be disavowed - for at least the length of the two-year exclusivity period. Conrail's Board has never expressed an interest in entering into merger negotiations with Norfolk Southern at the end of the two year exclusivity period.
- There are no circumstances under which the STB can force the Conrail board to accept a merger with Norfolk Southern without the Conrail Board's approval. The Conrail Board, unified in its support of the CSX-Conrail merger, has repeatedly rejected Norfolk Southern's overtures.

CSX, headquartered in Richmond, VA, is an international transportation company offering a variety of rail, container-shipping, intermodal, trucking, barge and contract logistics management services. CSX's home page on the Internet can be reached at <http://www.CSX.com>.

#

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Schedule 14D-1
Tender Offer Statement
(Amendment No. 14)

Pursuant to
Section 14(d) (1) of the Securities Exchange Act of 1934
and

Amendment No. 24
to
Schedule 13D

Conrail Inc.
(Name of Subject Company)

CSX Corporation
Green Acquisition Corp.
(Bidders)

Common Stock, Par Value \$1.00 Per Share
(Title of Class of Securities)
208368 10 0
(CUSIP Number of Class of Securities)

Series A ESOP Convertible Junior Preferred Stock, Without Par Value
(Title of Class of Securities)

Not Available
(CUSIP Number of Class of Securities)

Mark G. Aron
CSX Corporation
One James Center
901 East Cary Street
Richmond, Virginia 23219-4031
(804) 782-1400

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications on Behalf of Bidders)

With a copy to:

Pamela S. Seymon
Wachtell, Lipton, Rosen & Katz
51 West 52nd Street
New York, New York 10019
Telephone: (212) 403-1000

This Statement amends and supplements the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission on December 6, 1996, as previously amended and supplemented, by Green Acquisition Corp., a Pennsylvania corporation and a wholly owned subsidiary of CSX Corporation, a Virginia corporation, to purchase up to an aggregate of 18,344,845 shares of (i) Common Stock, par value \$1.00 per share, and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value, of Conrail Inc., a Pennsylvania corporation, 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 December 6, 1996, as supplemented by the Supplement thereto, dated December 19, 1996, and the related Letters of Transmittal at a purchase price of \$110.00 per Share, net to the tendering shareholder in cash. Capitalized terms used and not defined herein shall have the meanings assigned such terms in the Offer to Purchase, the Supplement and the Schedule 14D-1.

ITEM 10. ADDITIONAL INFORMATION.

(f) On January 22, 1997, Parent issued a press release announcing that Parent and Purchaser were extending the Expiration Date of the Second Offer to 5:00 p.m., New York City time, on Friday, February 14, 1997, unless the Second Offer is further extended. As of the close of business on January 21, 1997, approximately 961,830 Shares had been tendered and not withdrawn pursuant to the Second Offer. A copy of such press release is attached as Exhibit (a) (25), and the foregoing summary description is qualified in its entirety by reference to such exhibit.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

(a) (25) Text of Press Release issued by Parent on January 22, 1997.

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.

CSX CORPORATION

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: Executive Vice President
-- Law and Public Affairs

Dated: January 22, 1997

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.

GREEN ACQUISITION CORP.

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: General Counsel and
Secretary

Dated: January 22, 1997

EXHIBIT INDEX

Exhibit No.

- * (a) (1) Offer to Purchase, dated December 6, 1996.
- * (a) (2) Letter of Transmittal.
- * (a) (3) Notice of Guaranteed Delivery.
- * (a) (4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- * (a) (5) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- * (a) (6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
- * (a) (7) Tender Offer Instructions for Participants of Conrail Inc. Dividend Reinvestment Plan.
- * (a) (8) Text of Press Release issued by Parent and the Company on December 6, 1996.
- * (a) (9) Form of Summary Advertisement, dated December 6, 1996.
- * (a) (10) Text of Press Release issued by Parent on December 5, 1996.
- * (a) (11) Text of Press Release issued by Parent and the Company on December 10, 1996.
- * (a) (12) Text of Advertisement published by Parent and the Company on December 10, 1996.
- * (a) (13) Text of Press Release issued by Parent on December 11, 1996.
- * (a) (14) Text of Advertisement published by Parent and the Company on December 12, 1996.

* Previously filed.

- * (a) (15) Supplement to Offer to Purchase, dated December 19, 1996.
- * (a) (16) Revised Letter of Transmittal.
- * (a) (17) Revised Notice of Guaranteed Delivery.
- * (a) (18) Text of Press Release issued by Parent and the Company on December 19, 1996.
- * (a) (19) Letter from Parent to shareholders of the Company, dated December 19, 1996.
- * (a) (20) Text of Press Release issued by Parent on December 20, 1996.
- * (a) (21) Text of Press Release issued by Parent and the Company on January 9, 1997.
- * (a) (22) Text of Press Release issued by Parent and the Company on January 13, 1997.
- * (a) (23) Text of Press Release issued by Parent and the Company on January 15, 1997.
- * (a) (24) Text of Press Release issued by Parent on January 17, 1997.
- (a) (25) Text of Press Release issued by Parent on January 22, 1997.
- * (b) (1) Credit Agreement, dated November 15, 1996 (incorporated by reference to Exhibit (b) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996.)
- * (c) (1) Agreement and Plan of Merger, dated as of October 14, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (1) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (2) Company Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (2) to Parent and

* Previously filed.

Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).

- * (c) (3) Parent Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (3) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (4) Voting Trust Agreement, dated as of October 15, 1996, by and among Parent, Purchaser and Deposit Guaranty National Bank (incorporated by reference to Exhibit (c) (4) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (5) First Amendment to Agreement and Plan of Merger, dated as of November 5, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (7) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (6) Second Amendment to Agreement and Plan of Merger, dated as of December 18, 1996, by and among Parent, Purchaser and the Company.
- * (c) (7) Form of Amended and Restated Voting Trust Agreement.
- (c) (8) Deleted.
- * (c) (9) Text of STB Decision No. 5 of STB Finance Docket No. 33220, dated January 8, 1997.
- * (c) (10) Unaudited Pro Forma Financial Statements reflecting the Transactions (incorporated by reference to Parent's registration statement on Form S-4, registration number 333-19523).
- * (c) (11) Text of opinion of Judge Donald VanArtsdalen of the United States District Court for the Eastern District of Pennsylvania as delivered from the bench on January 9, 1997.
- (d) Not applicable.

* Previously filed.

(e) Not applicable.

(f) Not applicable.

- 4 -

CONTACT:

CSX
Thomas E. Hoppin
(804) 782-1450

Kekst and Company
Richard Wolff
(212) 593-2655

FOR IMMEDIATE RELEASE

CSX EXTENDS TENDER OFFER

RICHMOND, VA, January 22, 1997 -- CSX Corporation (CSX) (NYSE: CSX) today announced that its tender offer for 20.1% of Conrail shares outstanding has been extended until 5:00 p.m., Eastern Standard Time, on February 14, 1997. The offer was scheduled to expire at 5:00 p.m. Eastern Standard Time on January 22, 1997. CSX has been advised by the depository that 961,830 shares have been tendered into the CSX offer as of the close of business on January 21, 1997.

John W. Snow, chairman, president, and chief executive officer of CSX said, "Our commitment to the merger of CSX and Conrail is unflagging, and we are confident that Conrail shareholders will acknowledge that the merger of CSX and Conrail offers them the most immediate value combined with the opportunity to participate in the long-term growth of the world's leading transportation and logistics company."

CSX Corporation, headquartered in Richmond, VA, is an international transportation company offering a variety of

3
rail, container-shipping, intermodal, trucking, barge, and contract logistics management services. CSX's home page can be reached at <http://www.CSX.com>.

#

NO AMENDMENT NO. 15 FILED

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1
TENDER OFFER STATEMENT
(AMENDMENT NO. 16)

PURSUANT TO
SECTION 14(D) (1) OF THE SECURITIES EXCHANGE ACT OF 1934
AND

AMENDMENT NO. 26
TO
SCHEDULE 13D

CONRAIL INC.
(NAME OF SUBJECT COMPANY)

CSX CORPORATION
GREEN ACQUISITION CORP.
(BIDDERS)

COMMON STOCK, PAR VALUE \$1.00 PER SHARE
(TITLE OF CLASS OF SECURITIES)
208368 10 0
(CUSIP NUMBER OF CLASS OF SECURITIES)

SERIES A ESOP CONVERTIBLE JUNIOR PREFERRED STOCK, WITHOUT PAR VALUE
(TITLE OF CLASS OF SECURITIES)

NOT AVAILABLE
(CUSIP NUMBER OF CLASS OF SECURITIES)

MARK G. ARON
CSX CORPORATION
ONE JAMES CENTER
901 EAST CARY STREET
RICHMOND, VIRGINIA 23219-4031
(804) 782-1400

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON
AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDERS)

WITH A COPY TO:

PAMELA S. SEYMON
WACHTELL, LIPTON, ROSEN & KATZ
51 WEST 52ND STREET
NEW YORK, NEW YORK 10019
TELEPHONE: (212) 403-1000

This Statement amends and supplements the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission on December 6, 1996, as previously amended and supplemented, by Green Acquisition Corp., a Pennsylvania corporation and a wholly owned subsidiary of CSX Corporation, a Virginia corporation, to purchase up to an aggregate of 18,344,845 shares of (i) Common Stock, par value \$1.00 per share, and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value, of Conrail Inc., a Pennsylvania corporation, 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 December 6, 1996, as supplemented by the Supplement thereto, dated December 19, 1996, and the related Letters of Transmittal at a purchase price of \$110.00 per Share, net to the tendering shareholder in cash. Capitalized terms used and not defined herein shall have the meanings assigned such terms in the Offer to Purchase, the Supplement and the Schedule 14D-1.

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

(f) On January 22, 1997, Parent and the Company issued a letter to NSC in response to a letter from NSC dated January 21, 1997. A copy of such letter is attached as Exhibit (a)(27), and the foregoing summary description is qualified in its entirety by reference to such exhibit.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

(a)(27) Text of Letter issued by Parent and the Company dated January 22, 1997.

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.

CSX CORPORATION

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: Executive Vice President
-- Law and Public Affairs

Dated: January 23, 1997

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.

GREEN ACQUISITION CORP.

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: General Counsel and
Secretary

Dated: January 23, 1997

EXHIBIT INDEX

EXHIBIT NO.

- * (a) (1) Offer to Purchase, dated December 6, 1996.
- * (a) (2) Letter of Transmittal.
- * (a) (3) Notice of Guaranteed Delivery.
- * (a) (4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- * (a) (5) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- * (a) (6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
- * (a) (7) Tender Offer Instructions for Participants of Conrail Inc. Dividend Reinvestment Plan.
- * (a) (8) Text of Press Release issued by Parent and the Company on December 6, 1996.
- * (a) (9) Form of Summary Advertisement, dated December 6, 1996.
- * (a) (10) Text of Press Release issued by Parent on December 5, 1996.
- * (a) (11) Text of Press Release issued by Parent and the Company on December 10, 1996.
- * (a) (12) Text of Advertisement published by Parent and the Company on December 10, 1996.
- * (a) (13) Text of Press Release issued by Parent on December 11, 1996.
- * (a) (14) Text of Advertisement published by Parent and the Company on December 12, 1996.

* Previously filed.

- * (a) (15) Supplement to Offer to Purchase, dated December 19, 1996.
- * (a) (16) Revised Letter of Transmittal.
- * (a) (17) Revised Notice of Guaranteed Delivery.
- * (a) (18) Text of Press Release issued by Parent and the Company on December 19, 1996.
- * (a) (19) Letter from Parent to shareholders of the Company, dated December 19, 1996.
- * (a) (20) Text of Press Release issued by Parent on December 20, 1996.
- * (a) (21) Text of Press Release issued by Parent and the Company on January 9, 1997.
- * (a) (22) Text of Press Release issued by Parent and the Company on January 13, 1997.
- * (a) (23) Text of Press Release issued by Parent and the Company on January 15, 1997.
- * (a) (24) Text of Press Release issued by Parent on January 17, 1997.
- * (a) (25) Text of Press Release issued by Parent on January 22, 1997.
- (a) (27) Text of Letter issued by Parent and the Company dated January 22, 1997.
- * (b) (1) Credit Agreement, dated November 15, 1996 (incorporated by reference to Exhibit (b) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (1) Agreement and Plan of Merger, dated as of October 14, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (1) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).

* Previously filed.

- * (c) (2) Company Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (3) Parent Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (3) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (4) Voting Trust Agreement, dated as of October 15, 1996, by and among Parent, Purchaser and Deposit Guaranty National Bank (incorporated by reference to Exhibit (c) (4) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (5) First Amendment to Agreement and Plan of Merger, dated as of November 5, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (7) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (6) Second Amendment to Agreement and Plan of Merger, dated as of December 18, 1996, by and among Parent, Purchaser and the Company.
- * (c) (7) Form of Amended and Restated Voting Trust Agreement.
- * (c) (9) Text of STB Decision No. 5 of STB Finance Docket No. 33220, dated January 8, 1997.
- * (c) (10) Unaudited Pro Forma Financial Statements reflecting the Transactions (incorporated by reference to Parent's registration statement on Form S-4, registration number 333-19523).
- * (c) (11) Text of opinion of Judge Donald VanArtsdalen of the United States District Court for the Eastern District

* Previously filed.

of Pennsylvania as delivered from the bench on January 9, 1997.

- (d) Not applicable.
- (e) Not applicable.
- (f) Not applicable.

- 4 -

[Letterhead of CSX & Conrail]

January 22, 1997

Mr. David R. Goode
Chairman, President and
Chief Executive Officer
Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510-2191

Dear David:

Thank you for your letter of January 21, 1997. It certainly is timely in light of Chairman Morgan's very positive suggestions that we work together to best serve the public's interest.

We are fully committed to the CSX/Conrail merger. We believe our merger, together with your participation, will enable us to best serve the interests of all our constituencies, preserve our merger synergies and yield a pro-competitive result. We recognize that you have a different view of our merger; nevertheless, we should, as Chairman Morgan urges, meet and talk. This can and should be done without any preconditions that would limit our discussions or otherwise prejudice our respective positions.

Let us be very clear, no one should interpret from our meeting that either party has changed its position. Our objective, which we are sure you share, is to assure that the public's interest in strong, viable competition is met. We want no winner or loser, other than to be sure that the public is a winner.

We sincerely hope with all that is at stake that we can begin meaningful and candid discussions. We look forward to meeting with you at your earliest convenience and will be in contact with your office to arrange a mutually convenient place and time.

Sincerely,

/s/ John

John W. Snow
Chairman, President & CEO
CSX Corporation

/s/ Dave

David M. LeVan
Chairman, President & CEO
Conrail Inc.

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1
TENDER OFFER STATEMENT
(AMENDMENT NO. 17)

PURSUANT TO
SECTION 14(D)(1) OF THE SECURITIES EXCHANGE ACT OF 1934
AND

AMENDMENT NO. 27
TO
SCHEDULE 13D

CONRAIL INC.
(NAME OF SUBJECT COMPANY)

CSX CORPORATION
GREEN ACQUISITION CORP.
(BIDDERS)

COMMON STOCK, PAR VALUE \$1.00 PER SHARE
(TITLE OF CLASS OF SECURITIES)
208368 10 0
(CUSIP NUMBER OF CLASS OF SECURITIES)

SERIES A ESCP CONVERTIBLE JUNIOR PREFERRED STOCK, WITHOUT PAR VALUE
(TITLE OF CLASS OF SECURITIES)

NOT AVAILABLE
(CUSIP NUMBER OF CLASS OF SECURITIES)

MARK G. ARON
CSX CORPORATION
ONE JAMES CENTER
901 EAST CARY STREET
RICHMOND, VIRGINIA 23219-4031
(804) 782-1400

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON
AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDERS)

WITH A COPY TO:

PAMELA S. SEYMON
WACHTELL, LIPTON, ROSEN & KATZ
51 WEST 52ND STREET
NEW YORK, NEW YORK 10019
TELEPHONE: (212) 403-1000

This Statement amends and supplements the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission on December 6, 1996, as previously amended and supplemented, by Green Acquisition Corp., a Pennsylvania corporation and a wholly owned subsidiary of CSX Corporation, a Virginia corporation, to purchase up to an aggregate of 18,344,845 shares of (i) Common Stock, par value \$1.00 per share, and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value, of Conrail Inc., a Pennsylvania corporation, 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 December 6, 1996, as supplemented by the Supplement thereto, dated December 19, 1996, and the related Letters of Transmittal at a purchase price of \$110.00 per Share, net to the tendering shareholder in cash. Capitalized terms used and not defined herein shall have the meanings assigned such terms in the Offer to Purchase, the Supplement and the Schedule 14D-1.

ITEM 10. ADDITIONAL INFORMATION

(f) On January 29, 1997, Parent and the Company published an advertisement regarding the Merger. A copy of the advertisement is attached as Exhibit (a)(27), and the foregoing summary description is qualified in its entirety by reference to such exhibit.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

(a)(25) Deleted.

(a)(27) Text of Advertisement published by Parent and the Company on January 29, 1997.

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.

CSX CORPORATION

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: Executive Vice President
-- Law and Public Affairs

Dated: January 30, 1997

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.

GREEN ACQUISITION CORP.

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: General Counsel and
Secretary

Dated: January 30, 1997

EXHIBIT INDEX

EXHIBIT NO.

- *(a)(1) Offer to Purchase, dated December 6, 1996.
- *(a)(2) Letter of Transmittal.
- *(a)(3) Notice of Guaranteed Delivery.
- *(a)(4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- *(a)(5) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- *(a)(6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
- *(a)(7) Tender Offer Instructions for Participants of Conrail Inc. Dividend Reinvestment Plan.
- *(a)(8) Text of Press Release issued by Parent and the Company on December 6, 1996.
- *(a)(9) Form of Summary Advertisement, dated December 6, 1996.
- *(a)(10) Text of Press Release issued by Parent on December 5, 1996.
- *(a)(11) Text of Press Release issued by Parent and the Company on December 10, 1996.
- *(a)(12) Text of Advertisement published by Parent and the Company on December 10, 1996.
- *(a)(13) Text of Press Release issued by Parent on December 11, 1996.
- *(a)(14) Text of Advertisement published by Parent and the Company on December 12, 1996.

* Previously filed.

- * (a) (15) Supplement to Offer to Purchase, dated December 19, 1996.
- * (a) (16) Revised Letter of Transmittal.
- * (a) (17) Revised Notice of Guaranteed Delivery.
- * (a) (18) Text of Press Release issued by Parent and the Company on December 19, 1996.
- * (a) (19) Letter from Parent to shareholders of the Company, dated December 19, 1996.
- * (a) (20) Text of Press Release issued by Parent on December 20, 1996.
- * (a) (21) Text of Press Release issued by Parent and the Company on January 9, 1997.
- * (a) (22) Text of Press Release issued by Parent and the Company on January 13, 1997.
- * (a) (23) Text of Press Release issued by Parent and the Company on January 15, 1997.
- * (a) (24) Text of Press Release issued by Parent on January 17, 1997.
- * (a) (25) Text of Press Release issued by Parent on January 22, 1997.
- (a) (25) Deleted.
- * (a) (26) Text of Letter issued by Parent and the Company dated January 22, 1997.
- (a) (27) Text of Advertisement published by Parent and the Company on January 29, 1997.
- * (b) (1) Credit Agreement, dated November 15, 1996 (incorporated by reference to Exhibit (b) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).

* Previously filed.

- * (c) (1) Agreement and Plan of Merger, dated as of October 14, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (1) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (2) Company Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (3) Parent Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (3) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (4) Voting Trust Agreement, dated as of October 15, 1996, by and among Parent, Purchaser and Deposit Guaranty National Bank (incorporated by reference to Exhibit (c) (4) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (5) First Amendment to Agreement and Plan of Merger, dated as of November 5, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (7) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (6) Second Amendment to Agreement and Plan of Merger, dated as of December 18, 1996, by and among Parent, Purchaser and the Company.
- * (c) (7) Form of Amended and Restated Voting Trust Agreement.
- (c) (8) Deleted.
- * (c) (9) Text of STB Decision No. 5 of STB Finance Docket No. 33220, dated January 8, 1997.

* Previously filed.

- * (c) (10) Unaudited Pro Forma Financial Statements reflecting the Transactions (incorporated by reference to Parent's registration statement on Form S-4, registration number 333-19523).
- * (c) (11) Text of opinion of Judge Donald VanArtsdalen of the United States District Court for the Eastern District of Pennsylvania as delivered from the bench on January 9, 1997.
- (d) Not applicable.
- (e) Not applicable.
- (f) Not applicable.

* Previously filed.

WHY ARE CSX AND CONRAIL
SO COMMITTED TO THEIR MERGER?

Because It Will Create The Most Efficient And Competitive
Transportation And Logistics Company In The Nation

. . .AND THIS MEANS MORE FOR EVERYONE

MORE FOR CUSTOMERS

More Comprehensive Single-Line Service
More Rail Competition
More Customers And Ports Served
More Truck Competitive Corridors

MORE FOR EMPLOYEES

Common Management Vision
Highly Compatible Cultures
Greater Opportunities To Participate In Future Growth

MORE FOR THE COMMUNITIES WE SERVE

More Capital Investment
Improved Safety By Greater Separation Of Freight And
Passenger Operations
Environmental And Safety Benefits From Reduced Truck
Traffic

MORE FOR SHAREHOLDERS

More Opportunities For Growth
-More Access To Low-Sulfur Coal -More Utilities Served
-More Automotive Plants Served -More Auto Terminals
-More Steel Mills And Distribution Centers Served
More Operating Synergies From Companies With A Track
Record Of Achievement
Stronger Balance Sheet To Further Enhance Shareholder
Value

THAT'S WHY CSX AND CONRAIL
ARE FULLY COMMITTED TO THEIR MERGER

[CSX CORPORATION LOGO]

[CONRAIL LOGO]

January 29, 1997

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1
TENDER OFFER STATEMENT
(AMENDMENT NO. 18)

PURSUANT TO
SECTION 14(D)(1) OF THE SECURITIES EXCHANGE ACT OF 1934
AND

AMENDMENT NO. 28
TO
SCHEDULE 13D

CONRAIL INC.
(NAME OF SUBJECT COMPANY)

CSX CORPORATION
GREEN ACQUISITION CORP.
(BIDDERS)

COMMON STOCK, PAR VALUE \$1.00 PER SHARE
(TITLE OF CLASS OF SECURITIES)
208368 10 0
(CUSIP NUMBER OF CLASS OF SECURITIES)

SERIES A ESOP CONVERTIBLE JUNIOR PREFERRED STOCK, WITHOUT PAR VALUE
(TITLE OF CLASS OF SECURITIES)

NOT AVAILABLE
(CUSIP NUMBER OF CLASS OF SECURITIES)

MARK G. ARON
CSX CORPORATION
ONE JAMES CENTER
201 EAST CARY STREET
RICHMOND, VIRGINIA 23219-4031
(804) 782-1400

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON
AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDERS)

WITH A COPY TO:

PAMELA S. SLYMON
WACHTELL, LIPTON, ROSEN & KATZ
51 WEST 52ND STREET
NEW YORK, NEW YORK 10019
TELEPHONE: (212) 403-1000

ENTERED	
Office of the Secretary	
FEB 4 1997	
51	Dep of PUBLIC AFFAIRS

This Statement amends and supplements the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission on December 6, 1996, as previously amended and supplemented, by Green Acquisition Corp., a Pennsylvania corporation and a wholly owned subsidiary of CSX Corporation, a Virginia corporation, to purchase up to an aggregate of 18,344,845 shares of (i) Common Stock, par value \$1.00 per share, and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value, of Conrail Inc., a Pennsylvania corporation, 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 December 6, 1996, as supplemented by the Supplement thereto, dated December 19, 1996, and the related Letters of Transmittal at a purchase price of \$110.00 per Share, net to the tendering shareholder in cash. Capitalized terms used and not defined herein shall have the meanings assigned such terms in the Offer to Purchase, the Supplement and the Schedule 14D-1.

ITEM 10. ADDITIONAL INFORMATION

(b) Section 16 of the Offer to Purchase, as previously amended and supplemented, is hereby amended and supplemented by adding the following information:

STB Matters; Acquisition of Control. On January 30, 1997, the STB issued a procedural schedule providing for issuance of a final decision no later than 365 days after the filing of the application by Parent seeking approval of the Merger.

(f) On January 31, 1997, Parent, the Company and NSC issued a press release. A copy of the press release is attached as Exhibit (a)(28), and the foregoing summary description is qualified in its entirety by reference to such exhibit.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

(a)(28) Text of Press Release issued by Parent and the Company on January 31, 1997.

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.

CSX CORPORATION

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: Executive Vice President
-- Law and Public Affairs

Dated: February 3, 1997

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.

GREEN ACQUISITION CORP.

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: General Counsel and
Secretary

Dated: February 3, 1997

EXHIBIT INDEX

EXHIBIT NO.

- * (a) (1) Offer to Purchase, dated December 6, 1996.
- * (a) (2) Letter of Transmittal.
- * (a) (3) Notice of Guaranteed Delivery.
- * (a) (4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- * (a) (5) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- * (a) (6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
- * (a) (7) Tender Offer Instructions for Participants of Conrail Inc. Dividend Reinvestment Plan.
- * (a) (8) Text of Press Release issued by Parent and the Company on December 6, 1996.
- * (a) (9) Form of Summary Advertisement, dated December 6, 1996.
- * (a) (10) Text of Press Release issued by Parent on December 5, 1996.
- * (a) (11) Text of Press Release issued by Parent and the Company on December 10, 1996.
- * (a) (12) Text of Advertisement published by Parent and the Company on December 10, 1996.
- * (a) (13) Text of Press Release issued by Parent on December 11, 1996.
- * (a) (14) Text of Advertisement published by Parent and the Company on December 12, 1996.

* Previously filed.

- * (a) (15) Supplement to Offer to Purchase, dated December 19, 1996.
- * (a) (16) Revised Letter of Transmittal.
- * (a) (17) Revised Notice of Guaranteed Delivery.
- * (a) (18) Text of Press Release issued by Parent and the Company on December 19, 1996.
- * (a) (19) Letter from Parent to shareholders of the Company, dated December 19, 1996.
- * (a) (20) Text of Press Release issued by Parent on December 20, 1996.
- * (a) (21) Text of Press Release issued by Parent and the Company on January 9, 1997.
- * (a) (22) Text of Press Release issued by Parent and the Company on January 10, 1997.
- * (a) (23) Text of Press Release issued by Parent and the Company on January 15, 1997.
- * (a) (24) Text of Press Release issued by Parent on January 17, 1997.
- * (a) (25) Text of Press Release issued by Parent on January 22, 1997.
- (a) (25) Deleted.
- * (a) (26) Text of Letter issued by Parent and the Company dated January 22, 1997.
- * (a) (27) Text of Advertisement published by Parent and the Company on January 29, 1997.
- (a) (28) Text of Press Release issued by Parent and the Company on January 31, 1997.

* Previously filed.

- * (b) (1) Credit Agreement, dated November 15, 1996 (incorporated by reference to Exhibit (b) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (1) Agreement and Plan of Merger, dated as of October 14, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (1) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (2) Company Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (2) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (3) Parent Stock Option Agreement, dated as of October 14, 1996, between Parent and the Company (incorporated by reference to Exhibit (c) (3) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (4) Voting Trust Agreement, dated as of October 15, 1996, by and among Parent, Purchaser and Deposit Guaranty National Bank (incorporated by reference to Exhibit (c) (4) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (5) First Amendment to Agreement and Plan of Merger, dated as of November 5, 1996, by and among Parent, Purchaser and the Company (incorporated by reference to Exhibit (c) (7) to Parent and Purchaser's Tender Offer Statement on Schedule 14D-1, as amended, dated October 16, 1996).
- * (c) (6) Second Amendment to Agreement and Plan of Merger, dated as of December 18, 1996, by and among Parent, Purchaser and the Company.
- * (c) (7) Form of Amended and Restated Voting Trust Agreement.
- (c) (8) Deleted.

* Previously filed.

- * (c) (9) Text of STB Decision No. 5 of STB Finance Docket No. 33220, dated January 8, 1997.
- * (c) (10) Unaudited Pro Forma Financial Statements reflecting the Transactions (incorporated by reference to Parent's registration statement on Form S-4, registration number 333-19523).
- * (c) (11) Text of opinion of Judge Donald VanArtsdalen of the United States District Court for the Eastern District of Pennsylvania as delivered from the bench on January 9, 1997.
- (d) Not applicable.
- (e) Not applicable.
- (f) Not applicable.

* Previously filed.

CONRAIL INC. - CSX CORP. - NORFOLK SOUTHERN CORP.

CONTACTS:

CONRAIL INC.	CSX CORPORATION	NORFOLK SOUTHERN CORP.
CRAIG MACQUEEN	THOMAS E. HOPPIN	ROBERT FORT
215-209-4597	804-782-1450	757-629-2710

FOR IMMEDIATE RELEASE:

WASHINGTON, DC - JAN. 31, 1997 - Conrail Inc. (NYSE: CRR), CSX Corp. (CSX) (NYSE: CSX) and Norfolk Southern Corp. (NYSE: NSC) today released the following statement following the initial meeting between the parties:

"Conrail, CSX and Norfolk Southern have concluded their meeting and have agreed that no further details on this meeting or timing of future meetings will be announced."

#

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1
TENDER OFFER STATEMENT
(AMENDMENT NO. 19)

PURSUANT TO
SECTION 14(D)(1) OF THE SECURITIES EXCHANGE ACT OF 1934
AND

AMENDMENT NO. 29
TO
SCHEDULE 13D

CONRAIL INC.
(NAME OF SUBJECT COMPANY)

CSX CORPORATION
GREEN ACQUISITION CORP.
(BIDDERS)

COMMON STOCK, PAR VALUE \$1.00 PER SHARE
(TITLE OF CLASS OF SECURITIES)
208368 10 0
(CUSIP NUMBER OF CLASS OF SECURITIES)

SERIES A ESOP CONVERTIBLE JUNIOR PREFERRED STOCK, WITHOUT PAR VALUE
(TITLE OF CLASS OF SECURITIES)

NOT AVAILABLE
(CUSIP NUMBER OF CLASS OF SECURITIES)

MARK G. ARON
CSX CORPORATION
ONE JAMES CENTER
901 EAST CARY STREET
RICHMOND, VIRGINIA 23219-4031
(804) 782-1400

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON
AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDERS)

WITH A COPY TO:

PAMELA S. SEYMON
WACHTELL, LIPTON, ROSEN & KATZ
51 WEST 52ND STREET
NEW YORK, NEW YORK 10019
TELEPHONE: (212) 403-1000

This Statement amends and supplements the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission on December 6, 1996, as previously amended and supplemented, by Green Acquisition Corp., a Pennsylvania corporation and a wholly owned subsidiary of CSX Corporation, a Virginia corporation, to purchase up to an aggregate of 18,344,845 shares of (i) Common Stock, par value \$1.00 per share, and (ii) Series A ESOP Convertible Junior Preferred Stock, without par value, of Conrail Inc., a Pennsylvania corporation, 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 December 6, 1996, as supplemented by the Supplement thereto, dated December 19, 1996, and the related Letters of Transmittal at a purchase price of \$110.00 per Share, net to the tendering shareholder in cash. Capitalized terms used and not defined herein shall have the meanings assigned such terms in the Offer to Purchase, the Supplement and the Schedule 14D-1.

ITEM 10. ADDITIONAL INFORMATION.

(f) On February 14, 1997, Parent issued a press release announcing that Parent and Purchaser were extending the Expiration Date of the Second Offer to 5:00 p.m., New York City time, on Friday, March 14, 1997, unless the Second Offer is further extended. As of the close of business on February 13, 1997, according to the Depository, approximately 504,381 Shares had been tendered and not withdrawn pursuant to the Second Offer. A copy of such press release is attached as Exhibit (a)(29), and the foregoing summary description is qualified in its entirety by reference to such exhibit.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

(a)(29) Text of Press Release issued by Parent on February 14, 1997.

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.

CSX CORPORATION

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: Executive Vice President
-- Law and Public Affairs

Dated: February 14, 1997

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.

GREEN ACQUISITION CORP.

By: /s/ MARK G. ARON
Name: Mark G. Aron
Title: General Counsel and
Secretary

Dated: February 14, 1997

EXHIBIT INDEX

EXHIBIT NO.

- *(a)(1) Offer to Purchase, dated December 6, 1996.
- *(a)(2) Letter of Transmittal.
- *(a)(3) Notice of Guaranteed Delivery.
- *(a)(4) Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- *(a)(5) Letter to Clients for use by Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees.
- *(a)(6) Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9.
- *(a)(7) Tender Offer Instructions for Participants of Conrail Inc. Dividend Reinvestment Plan.
- *(a)(8) Text of Press Release issued by Parent and the Company on December 6, 1996.
- *(a)(9) Form of Summary Advertisement, dated December 6, 1996.
- *(a)(10) Text of Press Release issued by Parent on December 5, 1996.
- *(a)(11) Text of Press Release issued by Parent and the Company on December 10, 1996.
- *(a)(12) Text of Advertisement published by Parent and the Company on December 10, 1996.
- *(a)(13) Text of Press Release issued by Parent on December 11, 1996.
- *(a)(14) Text of Advertisement published by Parent and the Company on December 12, 1996.

* Previously filed.

- * (a) (15) Supplement to Offer to Purchase, dated December 19, 1996.
- * (a) (16) Revised Letter of Transmittal.
- * (a) (17) Revised Notice of Guaranteed Delivery.
- * (a) (18) Text of Press Release issued by Parent and the Company on December 19, 1996.
- * (a) (19) Letter from Parent to shareholders of the Company, dated December 19, 1996.
- * (a) (20) Text of Press Release issued by Parent on December 20, 1996.
- * (a) (21) Text of Press Release issued by Parent and the Company on January 9, 1997.
- * (a) (22) Text of Press Release issued by Parent and the Company on January 13, 1997.
- * (a) (23) Text of Press Release issued by Parent and the Company on January 15, 1997.
- * (a) (24) Text of Press Release issued by Parent on January 17, 1997.
- * (a) (25) Text of Press Release issued by Parent on January 22, 1997.
- (a) (25) Deleted.
- * (a) (26) Text of Letter issued by Parent and the Company dated January 22, 1997.
- * (a) (27) Text of Advertisement published by Parent and the Company on January 29, 1997.
- * (a) (28) Text of Press Release issued by Parent and the Company on January 31, 1997.
- (a) (29) Text of Press Release issued by Parent on February 14, 1997.

* Previously filed.