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**FOR IMMEDIATE RELEASE**

**Reading & Northern Railroad On the Move**

**November 4, 2016, Port Clinton -** The Reading & Northern Railroad is growing and growing fast.

Despite a soft market for anthracite coal, Reading & Northern's freight traffic has grown over our record-setting 2015 base. Our merchandise traffic (non-coal) traffic to our customers is up almost 15 percent! Our passenger excursion business, which saw a record 100,000 visitors in 2015, is also running 15 percent ahead of last year's pace.

In order to handle all of this traffic growth Reading & Northern has embarked on a significant program of capital expenditures and hiring.

In the last 60 days, Reading & Northern added six locomotives to our fleet bringing the total active locomotives to 36. We acquired four EMD MP15 locomotives at a Norfolk Southern auction. These locomotives are 1500 horsepower four axle locomotives and will be immediately used in freight service. This is the first of these type to be added to the roster. We also added two additional EMD GP39RNs. These locomotives are 2500 horsepower four axle locomotives, which brings our total of this type of locomotive to six. These locomotives will primarily be used in passenger excursion service

To handle what we anticipate will be future growth in our anthracite business Reading & Northern just closed on a deal to purchase 156 used steel open-top hopper cars. This acquisition brings our total car fleet to 1179 cars, Our fleet includes open-top and covered hoppers, flat cars, box cars and gondolas.

Our Maintenance of Way forces have been extremely busy upgrading our railroad to handle more traffic at higher speeds. In addition, our forces have recently completed major track projects at two new Reading & Northern freight customers, which we anticipate will lead to growth in excess of 1000 cars a year. This is in addition to a track project for another customer earlier in 2016. Our MOW forces have also been hard at work on our accelerated track maintenance program by installing 15,000 ties, 10,000 feet of new rail, constructing 10,000 feet of new sidings, and surfacing 89 miles of track.

In order to improve safety, expedite the movement of traffic, and handle increased train frequency, we have installed an additional 15 miles of signal system of previously un-signaled territory including a remotely controlled switch at a heavily used junction. These upgrades are only the start of an extensive upgrade to reinstall over 100 miles of a Centralized Traffic Control signal system remotely controlled from our Port Clinton dispatch center at an estimated cost of over 10 million dollars.

Last, but certainly not least, we have hired over 20 full-time freight railroad employees to assist us in handling all of our traffic. During this decade of growth Reading & Northern has doubled its



workforce. And we continue to retain our valued employees and attract new hires by offering excellent pay, starting pay after probation is minimum of \$20/hour along with the best benefits offered in the industry.

Reading & Northern is proud of its commitment to its customers. No other freight railroad guarantees customers two-hour service windows. Reading & Northern has met that guarantee over 99 percent of the time in 2016. We also offer our customers additional switches on request and industry-low ancillary charges.

Our commitment to our customers is the reason for our success. And our willingness to spend money on equipment, track and people to ensure excellent service helps us make sure that we meet or exceed all of our customers' expectations.

Reading & Northern Railroad, with its corporate headquarters in Port Clinton, is a privately held railroad company serving over 60 customers in nine eastern Pennsylvania counties (Berks, Bradford, Carbon, Columbia, Lackawanna, Luzerne, Northumberland, Schuylkill and Wyoming). It has expanded its operations over the last 20+ years and has grown into one of the premier railroads in Pennsylvania. Reading and Northern operates both freight services and steam and diesel powered excursion passenger services through its Lehigh Gorge Scenic Railway, owns over 1,000 freight cars, and employs over 200 dedicated employees.