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Reading & Northern Breaks All Traffic Records

FOR IMMEDIATE RELEASE

January 8 2019, Port Clinton, PA – Reading & Northern Railroad (R&N) broke all of its records for revenues, freight carload traffic and passenger excursion guests in 2018.

Ending the year with double digit growth in both freight and passenger revenue R&N was able to continue its unprecedented streak of annual growth.

Once again, the movement of anthracite coal showed the most growth. R&N's coal business grew in response to increased demand by domestic Electric Arc Furnace Steel producers. This growth was enough to overcome losses in certain lanes due to fires at an originating coal processor and one of its key destination customers as well as a decline in the movement of export coal to the Ukraine.

2018 was the year when R&N began to see the true promise of delivering dried coal to steel producers. In 2017 R&N began service to Hazleton Shaft, a project that took 7 years to reach fruition. In 2018 Hazleton Shaft originated over 1300 carloads of business, most of it going to domestic steel producers. R&N business out of Hazleton Shaft, now known as Atlantic Coal, is set to dramatically increase in 2019 and beyond. Another coal dryer, Kimmel Coal, has gone through bankruptcy procedures and has come out much stronger as part of the Rausch Creek family of companies. Rausch Creek has huge coal reserves, sits right on R&N's Good Spring branch, and is very strong financially. Reading Anthracite suffered a fire at its coal dryer in 2018 but is now open for business with the ability to produce more dried coal than ever. And finally, we have begun working closely with Mid-Continent, a long-time major supplier of non-anthracite products to steel mills. In 2018 R&N handled over 1000 cars for Mid-Continent and that number is expected to increase significantly.

This growth in the coal business reminds all that R&N truly is "The Road of Anthracite."

R&N success covered other commodities. Forest Products business remains its largest single source of income. In furtherance of handling that business, R&N recently purchased its first warehouse in Ransom, PA. This warehouse will allow woodpulp and other forest products producers to ship their raw materials by rail off of Norfolk Southern or Canadian Pacific origins to a central location in northeast PA from where it can be shipped out by rail or truck. Within

days of announcing the purchase R&N was approached by a new customer, which promptly took advantage of the site to stage over 150 carloads of product in advance of expected price hikes. All of this was business R&N would not have handled if not for this purchase.

The warehouse acquisition is part of a broader R&N strategy to get more involved in transloading and distribution services. In addition to acquiring the warehouse R&N also opened a new transload site for pipe and went into the intra-state trucking business in 2018.

As good a year as R&N had hauling freight, its success in the passenger excursion business was even more notable. In 2018 R&N, and its sister company Lehigh Gorge Scenic Railway, smashed all of its ridership records. In 2018 143,000 people had the pleasure of riding in one of R&N's many passenger train offerings.

The continuation of growth year after year at R&N does not come naturally. It takes hard work from a dedicated team. In 2018 R&N added 18 men and women to its ranks and now employs well over 250 people.

Led by its entrepreneurial owner/CEO, Andy Muller, Jr. R&N continued to invest in the future. "Our customers in both the freight and passenger worlds demand more service. That's why we purchased a warehouse and built more freight facilities this year and that is why we opened Outer Station in North Reading and expanded our passenger offerings this year. I will continue to give our employees the tools they need to succeed, and I will continue to take our profits and invest them into making our freight and passenger experience second to none."

On tap for 2019 is even more investment into the railroad. Four large customer development projects are already booked requiring construction of eight switches and two miles of new sidings. In December the company purchased four additional locomotives and it plans on purchasing 150-250 additional freight cars in 2019 for its growing coal business. As Muller explains, "To grow the business and satisfy your customers you have to invest. We invest in our people and in our infrastructure. That's how we provide a safe, dependable service day in and day out."

And that's how the Reading & Northern Railroad continues to grow each and every year.

Reading & Northern Railroad, with its corporate headquarters in Port Clinton, is a privately held railroad company serving over 70 customers in nine eastern Pennsylvania counties (Berks, Bradford, Carbon, Columbia, Lackawanna, Luzerne, Northumberland, Schuylkill and Wyoming). It has expanded its operations over the last 30+ years and now handles well over 30,000 carloads of freight and 120,000 excursion train riders over 340 miles of track. Reading and Northern operates both freight services and steam and diesel-powered excursion passenger services, owns almost 1,300 freight cars, and employs over 200 dedicated employees. Reading & Northern has repeatedly been honored as one of the premier railroads in the nation.