NEWS RELEASE FOR IMMEDIATE RELEASE MARCH 21, 1968:

W. H. Kendall, President of the Louisville and Nashville Railroad and Samuel T. Brown, President of the Monon Railroad, announced today that the managements of the two railroads had agreed in principal of the merger of the Monon Railroad into the L. & N. on terms which call for the issuance to each Monon stockholder on a tax free basis of one share of new L&N six per cent $35.00 par value cumulative preferred stock for each share of Monon common. The L&N preferred stock would be convertible at any time into L&N common stock on the basis of one share of L&N common stock for three shares of L&N preferred and the L&N preferred would be callable after five years at L&N option at $40.00 per share plus accrued dividends. L&N presently outstanding share of common stock would not be changed in the merger and each share thereof would after the merger continue to represent a whole share of common stock of the merged companies. Application would be made for listing the new L&N preferred stock on the New York stock Exchange. Both Mr. Kendall and Mr. Brown stressed that the agreement in principal reached today was subject to the working out of the definitive merger agreement satisfactory to both railroads to approval thereof by stockholders of the railroad and by the Interstate Commerce Commission.

The L&N Railroad owns and operates 5600 miles of railroads serving such principal cities as St. Louis, Cincinatti, Louisville, Nashville, Birmingham, Mobile, Knoxville, Atlanta, Pensacola, Memphis and New Orleans. The principal lines of the Monon extend from Chicago and Michigan City to Indianapolis and Louisville.

Released by John B. Goodrich, Secy.