

NORFOLK SOUTHERN CORP  
Form 424B2  
August 25, 2010

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered</b>	<b>Proposed Maximum Offering Price</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount of Registration Fee (1)</b>
6% Notes due March 15, 2105	\$ 250,000,000	100.833%	\$ 252,082,500	\$ 17,973.48

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

**PROSPECTUS SUPPLEMENT**  
(To Prospectus Dated March 27, 2009)

**Filed Pursuant to Rule 424(b)(2)**  
**Registration Statement No. 333-158240**

**\$250,000,000**

**6% Senior Notes due 2105**

We are offering \$250 million aggregate principal amount of our 6% senior notes due 2105 (the Notes). The Notes will bear interest at a rate of 6% per year. We will pay interest on the Notes on March 15 and September 15 of each year. The Notes will mature on March 15, 2105. Interest on the Notes will accrue from March 15, 2010, and the first interest payment on the Notes will be due on September 15, 2010. The Notes are being offered as additional notes under the Indenture (as defined herein) pursuant to which we issued \$300,000,000 principal amount of our 6% senior notes due 2105 on March 11, 2005 (the Prior Notes). The Notes offered hereby and the Prior Notes will be treated as a single series of debt securities under the Indenture. We may redeem the Notes prior to maturity, in whole or in part, as described in this prospectus supplement.

The Notes will be unsecured obligations and rank equally with our other unsecured senior indebtedness. The Notes will be issued only in registered form in denominations of \$1,000 and integral multiples of \$1,000.

The Notes will not be listed on any securities exchange.

	<b>Price to Public (1)</b>	<b>Underwriting Discount</b>	<b>Proceeds to us (before expenses) (1)</b>
Per Note	100.833%	1.000%	99.833%
Total	\$ 252,082,500	\$ 2,500,000	\$ 249,582,500

(1) Plus accrued interest from March 15, 2010, the last date on which interest was paid on the Prior Notes, to the date of issuance of the Notes.

**The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

Edgar Filing: NORFOLK SOUTHERN CORP - Form 424B2

The Notes will be ready for delivery in book-entry form through the facilities of The Depository Trust Company and its participants, including Euroclear Bank, S.A./N.V., and Clearstream Banking, *société anonyme*, on or about August 26, 2010.

---

*Sole Book Running Manager*

**Goldman, Sachs & Co.**

---

*Co-Manager*

**Barclays Capital**

---

The date of this prospectus supplement is August 23, 2010

---

TABLE OF CONTENTS

Prospectus Supplement

	Page
<u>ABOUT THE PROSPECTUS SUPPLEMENT</u>	S-2
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	S-2
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	S-3
<u>FORWARD-LOOKING STATEMENTS</u>	S-4
<u>SUMMARY</u>	S-5
<u>USE OF PROCEEDS</u>	S-8
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	S-9
<u>DESCRIPTION OF THE NOTES</u>	S-10
<u>CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS</u>	S-19
<u>UNDERWRITING</u>	S-21
<u>LEGAL MATTERS</u>	S-24
<u>EXPERTS</u>	S-24

Prospectus

<u>ABOUT THIS PROSPECTUS</u>	1
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	2
<u>FORWARD-LOOKING STATEMENTS</u>	4
<u>NORFOLK SOUTHERN CORPORATION</u>	5
<u>RISK FACTORS</u>	5
<u>USE OF PROCEEDS</u>	5
<u>RATIO OF EARNINGS TO FIXED CHARGES</u>	5
<u>DESCRIPTION OF SECURITIES</u>	6
<u>DESCRIPTION OF DEBT SECURITIES</u>	6
<u>DESCRIPTION OF CAPITAL STOCK</u>	16
<u>DESCRIPTION OF WARRANTS</u>	18
<u>DESCRIPTION OF DEPOSITARY SHARES</u>	20
<u>DESCRIPTION OF STOCK PURCHASE CONTRACTS AND STOCK PURCHASE UNITS</u>	23
<u>PLAN OF DISTRIBUTION</u>	24
<u>LEGAL MATTERS</u>	25
<u>EXPERTS</u>	25

**ABOUT THE PROSPECTUS SUPPLEMENT**

You should rely only upon the information contained in this prospectus supplement, the accompanying prospectus and the documents they incorporate by reference. We have not authorized any other person to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. Neither we nor the underwriters are making an offer to sell the Notes in any jurisdiction where the offer or sale is not permitted. You should assume the information appearing or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate only as of the date of the document in which such information appears. Our business, financial condition, results of operations and prospects may have changed since those dates.

This prospectus supplement contains the terms of this offering of Notes. The Description of the Notes in this prospectus supplement supersedes in its entirety the description of debt securities contained in the accompanying prospectus under Description of Debt Securities. This prospectus supplement may add, update or change other information contained or incorporated by reference in the accompanying prospectus. In addition, the information incorporated by reference in the accompanying prospectus may have added, updated or changed information in the accompanying prospectus. If information in this prospectus supplement is inconsistent with any information in the accompanying prospectus (or any information incorporated therein by reference), this prospectus supplement will apply and will supersede such information in the accompanying prospectus.

It is important for you to read and consider all information contained in this prospectus supplement, the accompanying prospectus and the documents they incorporate by reference in making your investment decision. You should also read and consider the additional information under the captions Incorporation of Certain Documents by Reference and Where You Can Find More Information.

In this prospectus supplement, except as otherwise indicated, Norfolk Southern, we, our, us or the company refer to Norfolk Southern Corporation and its consolidated subsidiaries. References herein to a fiscal year shall mean the fiscal year ended December 31.

**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

The SEC allows certain issuers, including our company, to incorporate by reference information into a prospectus such as this one, which means that we can disclose important information about us by referring you to those documents and that such incorporated documents are considered part of this prospectus supplement. Any statement contained in this prospectus supplement or a document incorporated by reference into this prospectus supplement will be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained herein or therein, or in any other subsequently filed document that also is deemed to be incorporated herein or therein by reference, modifies or supersedes such statement. A statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement. We incorporate by reference into this prospectus supplement the documents set forth below that have been previously filed with the SEC, provided, however, that we are not incorporating any information furnished rather than filed on any Current Report on Form 8-K or Form 8-K/A:

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2009 (the Fiscal 2009 Form 10-K );

Our Definitive Proxy Statement on Schedule 14A, as filed with the SEC on March 22, 2010;

Our Quarterly Reports on Form 10-Q for the quarter ended March 31, 2010 and June 30, 2010 (the Quarterly Reports on Form 10-Q ); and

Our Current Reports on Form 8-K dated January 29, 2010, April 5, 2010 and May 18, 2010 and Form 8-K/A dated January 29, 2010.

S-2

---

We also incorporate by reference any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, provided, however, that we are not incorporating any information we furnish rather than file with the SEC.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and special reports, prospectus and other information with the SEC. You may read and copy any document we file at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet site that contains our reports, proxy and other information regarding us at <http://www.sec.gov>. You may read and copy reports and other information we file at the office of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. Information about our company is also available to the public from our website at <http://www.nscorp.com>. The information on our website is not incorporated by reference into this prospectus supplement, and you should not consider it a part of this prospectus.

This prospectus supplement contains summaries of the material terms of certain documents and refers you to certain documents that we have filed with the SEC. Copies of these documents, except for certain exhibits and schedules, will be made available to you without charge upon written or oral request to:

Investor Relations  
Norfolk Southern Corporation  
Three Commercial Place  
Norfolk, Virginia 23510-2191  
(757) 629-2861

S-3

---

**FORWARD-LOOKING STATEMENTS**

This prospectus supplement contains forward-looking statements that may be identified by the use of words like believe, expect, anticipate and project. Forward-looking statements reflect management's good-faith evaluation of information currently available. However, such statements are dependent on and, therefore, can be influenced by a number of external variables over which management has little or no control, including: legislative and regulatory developments; transportation of hazardous materials as a common carrier by rail; acts of terrorism or war; general economic conditions; impacts of environmental regulations on utility coal customers and/or the value of certain company assets; competition and consolidation within the transportation industry; the operations of carriers with which the company interchanges; disruptions to the company's technology infrastructure, including computer systems; labor difficulties, including strikes and work stoppages; results of litigation; natural events such as severe weather, hurricanes, and floods; unavailability of qualified personnel due to unpredictability of demand for rail services; fluctuation in supplies and prices of key materials, in particular diesel fuel; and changes in securities and capital markets. For a discussion of significant risk factors applicable to the company, see our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, as well as other risks identified in our public filings. Forward-looking statements are not, and should not be relied upon as, a guarantee of future performance or results, nor will they necessarily prove to be accurate indications of the times at or by which any such performance or results will be achieved. As a result, actual outcomes and results may differ materially from those expressed in forward-looking statements. The company undertakes no obligation to update or revise forward-looking statements.

## SUMMARY

*This summary highlights the information contained elsewhere, or incorporated by reference, in this prospectus supplement. Because this is only a summary, it does not contain all of the information that may be important to you. For a more complete understanding of this offering, we encourage you to read this entire prospectus supplement, the accompanying prospectus and the documents to which we refer you. You should read the following summary together with the more detailed information and consolidated financial statements and the notes to those statements included elsewhere in this prospectus supplement and the accompanying prospectus and incorporated by reference herein.*

### Our Company

Norfolk Southern Corporation is a Norfolk, Virginia based company that controls a major freight railroad, Norfolk Southern Railway Company. Norfolk Southern Railway Company is primarily engaged in the rail transportation of raw materials, intermediate products and finished goods primarily in the Southeast, East and Midwest and, via interchange with other rail carriers, to and from the rest of the United States. Norfolk Southern also transports overseas freight through several Atlantic and Gulf Coast ports. Norfolk Southern provides comprehensive logistics services and offers the most extensive intermodal network in the eastern half of the United States. The common stock of Norfolk Southern is listed on the New York Stock Exchange (NYSE) under the symbol NSC.

Norfolk Southern was incorporated on July 23, 1980, under the laws of the Commonwealth of Virginia. On June 1, 1982, Norfolk Southern acquired control of two major operating railroads, Norfolk and Western Railway Company ( NW ) and Southern Railway Company ( Southern ) in accordance with an Agreement of Merger and Reorganization dated as of July 31, 1980, and with the approval of the transaction by the Interstate Commerce Commission (now the Surface Transportation Board). Effective December 31, 1990, Norfolk Southern transferred all the common stock of NW to Southern, and Southern's name was changed to Norfolk Southern Railway Company ( Norfolk Southern Railway or NSR ). Effective September 1, 1998, NW was merged with and into Norfolk Southern Railway. As of June 30, 2010, all the common stock of Norfolk Southern Railway was owned directly by Norfolk Southern.

Through a limited liability company, Norfolk Southern and CSX Corporation ( CSX ) jointly own Conrail Inc., whose primary subsidiary is Consolidated Rail Corporation ( CRC ). Norfolk Southern has a 58% economic and 50% voting interest in the jointly owned entity, and CSX has the remainder of the economic and voting interests. CRC owns and operates certain properties for the joint and exclusive benefit of NSR and CSX Transportation Inc. (see Note 5 to the consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2009, incorporated herein by reference).

Our executive offices are located at Three Commercial Place, Norfolk, Virginia 23510-2191, and our telephone number is (757) 629-2600.

### The Offering

*The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the Notes, see Description of the Notes herein.*

Issuer	Norfolk Southern Corporation.
Notes Offered	\$250 million aggregate principal amount of 6 % senior notes due 2105 (the Notes ). The Notes are being offered as additional notes under the Indenture, pursuant to which we issued \$300,000,000 principal amount of 6% senior notes due 2105 on March 11, 2005 (the Prior Notes ). The Notes offered hereby and the Prior Notes will be treated as a single series of debt securities under the Indenture.
Maturity	March 15, 2105.
Interest	Interest will accrue on the Notes from March 15, 2010 at the rate of 6% per year, and will be payable in cash semi-annually in arrears on March 15 and September 15 of each year, commencing September 15, 2010. Interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months.
Ranking	The Notes will be unsecured obligations of Norfolk Southern and will rank equally with each other, with the Prior Notes and with all other unsecured and unsubordinated indebtedness of Norfolk Southern from time to time outstanding.
Optional Redemption	We may redeem some or all of the Notes, in whole or in part, at any time or from time to time, at the redemption price set forth in this prospectus supplement. See Description of the Notes Optional Redemption.
Certain Covenants	The Indenture governing the Notes contains covenants that, among other things, will limit our ability to incur certain additional indebtedness.
Use of Proceeds	The net proceeds from this offering after deducting the underwriters' discount, the accrued interest on the Notes to be paid by the underwriters to us and our estimated expenses will be approximately \$249.3 million. We intend to use the net proceeds of this offering for general corporate purposes.
Governing Law	State of New York.
Risk Factors	See the risk factors described in our Fiscal 2009 Form 10-K (together with any material changes thereto contained in subsequent filed Quarterly Reports on Form 10-Q) and those contained in our



other filings with the SEC during this fiscal year, which are incorporated by reference in this prospectus supplement. Before deciding to invest in the Notes, you should carefully consider those risks.

Trustee

U.S. Bank Trust National Association (the Trustee ).

S-7

---

**USE OF PROCEEDS**

Our net proceeds from this offering will be approximately \$249.3 million, after deducting the underwriters' discount, the accrued interest on the Notes to be paid by the underwriters to us and our estimated offering expenses. We expect to use all the net proceeds of this offering for general corporate purposes.

S-8

---

**RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our ratio of earnings to fixed charges for the periods indicated:

	<b>Year Ended December 31,</b>					<b>Six-Months</b>
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Ended</b>
						<b>June 30, 2010</b>
Ratio of earnings to fixed charges(a)	3.90x	4.88x	5.07x	6.34x	4.05x	4.93x

---

(a) For purposes of computing the ratios of earnings to fixed charges, earnings represents income from continuing operations before income taxes, *plus* (a) the sum of (i) total interest expenses and (ii) amortization of capitalized interest, *less* (b) income of partially owned entities. Fixed charges are calculated as the sum of (i) interest expense on debt, (ii) interest expense on unrecognized tax benefit, (iii) other interest expense, (iv) calculated interest portion of rent expense and (v) capitalized interest.

S-9

---

## DESCRIPTION OF THE NOTES

The following description of the Notes we are offering supersedes in its entirety the description of the general terms and provisions of our debt securities set forth in the accompanying prospectus under Description of Debt Securities.

The Notes will be senior debt issued under a supplement to an indenture, dated as of January 15, 1991, as supplemented by the Second Supplemental Indenture, dated April 26, 1999, the Ninth Supplemental Indenture dated March 11, 2005 and as to be further supplemented as of the settlement date of this offering (the Indenture) between Norfolk Southern and U.S. Bank Trust National Association, formerly known as First Trust of New York National Association, as successor trustee to Morgan Guaranty Trust Company of New York (the Trustee).

### General

On March 11, 2005, we issued \$300,000,000 principal amount of 6% senior notes due 2105 under the Indenture (the Prior Notes). The \$250,000,000 principal amount of the Notes to be issued in this offering are additional notes under the Indenture, and will be fully fungible with the Prior Notes and be treated together with the Prior Notes as a single series of debt securities under the Indenture. The terms of the Notes, other than their issue date, issue price, first date of interest accrual and first interest payment date, will be identical to the Prior Notes. The Notes offered hereby will have the same CUSIP and ISIN numbers as the Prior Notes and will trade interchangeably with the Prior Notes immediately upon settlement. References to the Notes in this section of this prospectus supplement include both the Prior Notes and the Notes offered hereby.

The Notes will bear interest at a rate of 6% per year. Interest will be payable semi-annually on March 15 and September 15 of each year, beginning September 15, 2010. Interest on the Notes will accrue from March 15, 2010, which is the most recent date to which interest has been paid on the Prior Notes. Interest on the Notes will be paid to holders of record on the March 1 or September 1 immediately before the interest payment date. If any interest payment date or a maturity date falls on a day that is not a Business Day, the required payment shall be made on the next Business Day as if it were made on the date such payment was due, and no interest shall accrue on the amount so payable for the period from and after such interest payment date or such maturity date, as the case may be. Business Day means any day, other than a Saturday or Sunday, on which banking institutions in the City of New York are open for business. Interest and principal will be payable in U.S. dollars at the Trustee's New York corporate trust office, which is located at 100 Wall Street, Suite 1600, New York, New York 10005. The Notes will mature on March 15, 2105. The Notes will be issued only in denominations of \$1,000 and integral multiples of \$1,000. There will be no sinking fund payments for the Notes.

### Ranking

The Notes will be senior unsecured obligations of Norfolk Southern and will rank equally with all of our other senior unsecured indebtedness. As of June 30, 2010, prior to giving effect to the offering of the Notes, we had \$3.2 billion of outstanding senior indebtedness (none of which is secured indebtedness) not including the debt of our subsidiaries. Because we are a holding company, the Notes effectively will rank junior to all liabilities of our subsidiaries. As of June 30, 2010, total liabilities (other than intercompany liabilities) of our railroad subsidiaries were approximately \$11.3 billion and debt of our railroad subsidiaries was approximately \$848 million.

### Optional Redemption

The Notes may be redeemed in whole at any time or in part from time to time, at our option, at a redemption price equal to the greater of (1) 100% of their principal amount or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the Notes to be redeemed, discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve

## Edgar Filing: NORFOLK SOUTHERN CORP - Form 424B2

30-day months) at the applicable Treasury Yield plus 20 basis points for the Notes, plus accrued and unpaid interest on the principal amount being redeemed to the redemption date.

**Treasury Yield** means, with respect to any redemption date, (1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated H.15(519) or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption Treasury Constant Maturities, for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the Remaining Life, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Yield will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield-to-maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price of such redemption date. The Treasury Yield will be calculated on the third Business Day preceding the redemption date.

**Comparable Treasury Issue** means the United States Treasury security selected by the Independent Investment Banker as having a maturity most comparable to the remaining term of the applicable series of Notes, that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of maturity comparable to the remaining term of such Notes.

**Independent Investment Banker** means Merrill Lynch, Pierce, Fenner & Smith Incorporated or, if such firm is unwilling or unable to select the Comparable Treasury Issue, an independent investment banking institution of national standing in the United States appointed by the Trustee after consultation with us.

**Comparable Treasury Price** means, (1) the average of five Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

**Reference Treasury Dealer** means Merrill Lynch Government Securities, Inc. and its successors; provided, however, that if the foregoing ceases to be a primary U.S. Government securities dealer in New York, New York (a Primary Treasury Dealer) or otherwise fails to provide a Reference Treasury Dealer Quotation, the Company will substitute therefor another Primary Treasury Dealer.

**Reference Treasury Dealer Quotation** means a quotation for a Comparable Treasury Issue provided by a Reference Treasury Dealer.

### **Covenants**

The Indenture contains the covenants summarized below, which will be applicable (unless waived or amended) so long as any of the Notes is outstanding.

*Limitation on Liens on Stock or Indebtedness of Principal Subsidiaries.* The Company will not, and will not permit any of its Subsidiaries to, create, assume, incur or suffer to exist any mortgage, pledge, lien, encumbrance, charge or security interest of any kind, other than a Purchase Money Lien, upon any stock or indebtedness, now owned or hereafter acquired, of any Principal Subsidiary, to secure any Obligation (other than the Notes) of the Company, any Subsidiary or any other person, without in any such case making effective provision whereby all of the outstanding Notes are secured on an equal and ratable basis with the obligations so secured. This restriction does not apply to any mortgage, pledge, lien, encumbrance, charge or security interest on any stock or indebtedness of a corporation existing at the time

## Edgar Filing: NORFOLK SOUTHERN CORP - Form 424B2

such corporation becomes a Subsidiary. This provision does not restrict any other property of the Company or its Subsidiaries. Obligation is defined as indebtedness for money borrowed or indebtedness evidenced by a bond, note, debenture or other evidence of indebtedness. Purchase Money Lien is defined as any mortgage, pledge, lien, encumbrance, charge or security interest of any kind upon any stock or indebtedness of any Principal Subsidiary acquired after the date any notes are first issued if such Purchase Money Lien is for the purpose of financing, and does not exceed, the cost to the Company or any Subsidiary of acquiring the indebtedness of such Principal Subsidiary and such financing is effected concurrently with, or within 180 days after, the date of such acquisition. Principal Subsidiary is defined as NSR. Subsidiary is defined as an entity a majority of the outstanding voting stock of which is owned, directly or indirectly, by the Company or one or more Subsidiaries, but does not include Conrail. The Indenture does not prohibit the sale by the Company or any Subsidiary of any stock or indebtedness of any Subsidiary.

*Limitations on Funded Debt.* The Indenture provides that the Company will not permit any Restricted Subsidiary to incur, issue, guarantee or create any Funded Debt unless, after giving effect thereto, the sum of the aggregate amount of all outstanding Funded Debt of the Restricted Subsidiaries would not exceed an amount equal to 15% of Consolidated Net Tangible Assets.

The limitation on Funded Debt will not apply to, and there will be excluded from Funded Debt in any computation under such restriction, Funded Debt secured by:

- (1) Liens on real or physical property of any corporation existing at the time such corporation becomes a Subsidiary;
- (2) Liens on real or physical property existing at the time of acquisition thereof incurred within 180 days of the time of acquisition thereof (including, without limitation, acquisition through merger or consolidation) by the Company or any Restricted Subsidiary;
- (3) Liens on real or physical property thereafter acquired (or constructed) by the Company or any Restricted Subsidiary and created prior to, at the time of, or within 270 days after such acquisition (including, without limitation, acquisition through merger or consolidation) (or the completion of such construction or commencement of commercial operation of such property, whichever is later) to secure or provide for the payment of all or any part of the purchase price (or the construction price) thereof;
- (4) Liens in favor of the Company or any Restricted Subsidiary;
- (5) Liens in favor of the United States of America, any State thereof or the District of Columbia, or any agency, department or other instrumentality thereof, to secure partial, progress, advance or other payments pursuant to any contract or provisions of any statute;
- (6) Liens incurred or assumed in connection with the issuance of revenue bonds the interest on which is exempt from federal income taxation pursuant to Section 103(b) of the Internal Revenue Code of 1954, as amended;
- (7) Liens securing the performance of any contract or undertaking not directly or indirectly in connection with the borrowing of money, the obtaining of advances or credit or the securing of Funded Debt if made and continuing in the ordinary course of business;
- (8) Liens incurred (no matter when created) in connection with the Company's or a Restricted Subsidiary's engaging in a leveraged or single-investor lease transaction; provided, however, that the instrument creating or evidencing any borrowings secured by such Lien will provide that such borrowings are payable solely out of the income and proceeds of the property subject to such Lien and are not a general obligation of the Company or such Restricted Subsidiary;

## Edgar Filing: NORFOLK SOUTHERN CORP - Form 424B2

(9) Liens under workers' compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts or deposits to secure public or statutory obligations of the Company or any Restricted Subsidiary, or deposits of cash or obligations of the United States of America to secure surety, repletion and appeal bonds to which the Company or any Restricted Subsidiary is a party or in lieu of such bonds, or pledges or deposits for similar purposes in the ordinary course of business, or Liens imposed by law, such as laborers' or other employees', carriers', warehousemen's, mechanics', materialmen's and vendors' Liens and Liens arising out of judgments or awards against the Company or any Restricted Subsidiary with respect to which the Company or such Restricted Subsidiary at the time shall be prosecuting an appeal or proceedings for review and with respect to which it shall have secured a stay of execution pending such appeal or proceedings for review, or Liens for taxes not yet subject to penalties for nonpayment or the amount or validity of which is being in good faith contested by appropriate proceedings by the Company or any Restricted Subsidiary, as the case may be, or minor survey exceptions, minor encumbrances, easement or reservations of, or rights of others for, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions or Liens on the use of real properties, which Liens, exceptions, encumbrances, easements, reservations, rights and restrictions do not, in the opinion of the Company, in the aggregate materially detract from the value of said properties or materially impair their use in the operation of the business of the Company and its Restricted Subsidiaries;

(10) Liens incurred to finance construction, alteration or repair of any real or physical property and improvements thereto prior to or within 270 days after completion of such construction, alteration or repair;

(11) Liens incurred (no matter when created) in connection with a Securitization Transaction;

(12) Liens on property (or any Receivable arising in connection with the lease thereof) acquired by the Company or a Restricted Subsidiary through repossession, foreclosure or liens proceeding and existing at the time of the repossession, foreclosure, or like proceeding;

(13) Liens on deposits of the Company or a Restricted Subsidiary with banks (in the aggregate, not exceeding \$50 million), in accordance with customary banking practice, in connection with the providing by the Company or a Restricted Subsidiary of financial accommodations to any Person in the ordinary course of business; or

(14) any extension, renewal, refunding or replacement of the foregoing.

The definitions set forth below apply only to the foregoing limitations on Funded Debt.

**Consolidated Net Tangible Assets** means, at any date, the total assets appearing on the most recent consolidated balance sheet of the Company and Restricted Subsidiaries as at the end of the fiscal quarter of the Company ending not more than 135 days prior to such date, prepared in accordance with generally accepted accounting principles, less (1) all current liabilities (due within one year) as shown on such balance sheet, (2) applicable reserves, (3) investments in and advances to Securitization Subsidiaries and Subsidiaries of Securitization Subsidiaries that are consolidated on the consolidated balance sheet of the Company and its Subsidiaries, and (4) Intangible Assets and liabilities relating thereto.

**Funded Debt** means (1) any indebtedness of a Restricted Subsidiary maturing more than 12 months after the time of computation thereof, (2) guarantees by a Restricted Subsidiary of Funded Debt or of dividends of others (except guarantees in connection with the sale or discount of accounts receivable, trade acceptances and other paper arising in the ordinary course of business), (3) all preferred stock of such Restricted Subsidiaries, and (4) all Capital Lease Obligations (as defined in the Indenture) of a Restricted Subsidiary.

**Indebtedness** means, at any date, without duplication, (1) all obligations for borrowed money of a Restricted Subsidiary or any other indebtedness of a Restricted Subsidiary, evidenced by bonds,

## Edgar Filing: NORFOLK SOUTHERN CORP - Form 424B2

debentures, notes or other similar instruments, and (2) Funded Debt, except such obligations and other indebtedness of a Restricted Subsidiary and Funded Debt, if any, incurred as a part of a Securitization Transaction.

**Intangible Assets** means at any date, the value (net of any applicable reserves) as shown on or reflected in the most recent consolidated balance sheet of the Company and the Restricted Subsidiaries as at the end of the fiscal quarter of the Company ending not more than 135 days prior to such date, prepared in accordance with generally accepted accounting principles, of: (1) all trade names, trademarks, licenses, patents, copyrights, service marks, goodwill and other like intangibles; (2) organizational and development costs; (3) deferred charges (other than prepaid items, such as insurance, taxes, interest, commissions, rents, deferred interest waiver, compensation and similar items and tangible assets being amortized); and (4) unamortized debt discount and expense, less unamortized premium.

**Liens** means such pledges, mortgages, security interests and other liens, including purchase money liens, on property of the Company or any Restricted Subsidiary which secure Funded Debt.

**Receivables** mean any right of payment from or on behalf of any obligor, whether constituting an account, chattel paper, instrument, general intangible or otherwise, arising, either directly or indirectly, from the financing by the Company or any Subsidiary of the Company of property or services, monies due thereunder, security interests in the property and services financed thereby and any and all other related rights.

**Restricted Subsidiary** means each Subsidiary of the Company other than Securitization Subsidiaries and Subsidiaries of Securitization Subsidiaries.

**Securitization Subsidiary** means a Subsidiary of the Company (1) which is formed for the purpose of effecting one or more Securitization Transactions and engaging in other activities reasonably related thereto and (2) as to which no portion of the Indebtedness (as defined in the Indenture) or any other obligations (a) is guaranteed by any Restricted Subsidiary, or (b) subjects any property or assets of any Restricted Subsidiary, directly or indirectly, contingently or otherwise, to any lien, other than pursuant to representations, warranties and covenants (including those related to servicing) entered into in the ordinary course of business in connection with a Securitization Transaction and inter-company notes and other forms of capital or credit support relating to the transfer or sale of Receivables or asset-backed securities to such Securitization Subsidiary and customarily necessary or desirable in connection with such transactions.

**Securitization Transaction** means any transaction or series of transactions that have been or may be entered into by the Company or any of its Subsidiaries in connection with or reasonably related to a transaction or series of transactions in which the Company or any of its Subsidiaries may sell, convey or otherwise transfer to (1) a Securitization Subsidiary or (2) any other Person, or may grant a security interest in, any Receivables or asset-backed securities or interest therein (whether such Receivables or securities are then existing or arising in the future) of the Company or any of its Subsidiaries, and any assets related thereto, including, without limitation, all security interests in the property or services financed thereby, the proceeds of such Receivables or asset-backed securities and any other assets which are sold in respect of which security interests are granted in connection with securitization transactions involving such assets.

### Events of Default

Under the Indenture, the following are events of default :

failure to pay any principal or premium, if any, when due;

failure to pay any interest when due, and this failure continues for 30 days;

S-14

---



failure to perform any covenant in the indenture, and the failure continues for 90 days after there has been given a notice of default from either the Trustee or holders of at least 10% in principal amount of the outstanding Notes;

acceleration of any indebtedness of Norfolk Southern (or any significant subsidiary of Norfolk Southern, as defined in the federal securities laws) in an aggregate principal amount that exceeds \$30,000,000 within 10 days after there has been given a notice of default from either the Trustee or holders of at least 10% in principal amount of the outstanding Notes; and

certain events of bankruptcy, insolvency or reorganization.

If an event of default occurs and is continuing, either the Trustee or the holders of at least 25%, in aggregate principal amount, of the outstanding Notes affected by the default, may notify Norfolk Southern (and the Trustee, if notice is given by the holders) and declare that the unpaid principal, premium, and accrued interest, if any, is due and payable immediately. However, under certain circumstances, the holders of a majority in aggregate principal amount of outstanding Notes may be able to rescind and annul this declaration for accelerated payment. Norfolk Southern will furnish the Trustee with an annual statement that describes how Norfolk Southern has performed its obligations under the Indenture, and that specifies any defaults that may have occurred.

### **Satisfaction and Discharge of the Indenture**

Norfolk Southern may terminate its obligations with respect to the Notes under the Indenture if:

either (i) all the outstanding Notes have been delivered to the Trustee for cancellation; or (ii) Norfolk Southern deposits with the Trustee sufficient funds, or the equivalent thereof, to cover payments due, with respect to the Notes, under the Indenture; and

Norfolk Southern has paid all other sums it is required to pay under the Indenture with respect to the Notes.

As a condition to defeasance, Norfolk Southern must deliver to the Trustee an opinion of counsel to the effect that (i) the holders will not recognize gain or loss on such Notes for federal income tax purposes solely as a result of Norfolk Southern's defeasance, and (ii) the holders will be subject to federal income tax in the same amounts and at the same times as would have been the case if Norfolk Southern's defeasance had not occurred. In the event of defeasance, holders of Notes must look to the funds Norfolk Southern has deposited with the Trustee to cover payments due under the Indenture.

### **Modification and Waiver**

Norfolk Southern and the Trustee may modify or amend the Indenture by obtaining the written consent of the individuals who hold at least a majority, in aggregate principal amount, of the outstanding Notes. However, certain changes can be made only with the consent of each holder of Notes. For example, each holder must consent to changes in:

the stated maturity date;

the principal, premium, or interest payments, if any;

the place or currency of any payment;

the rights of holders to enforce payment; or

the percentage of outstanding Notes needed to modify, amend or waive certain provisions of the Indenture (if such change is a reduction in the percentage).

The holders of a majority, in aggregate principal amount, of the outstanding Notes can consent, on behalf of the holders of all the Notes, to waive certain provisions of the Indenture. In addition, these holders also can consent to waive any past default under the Indenture, except:

a default in any payments due; and

a default on an Indenture provision that can be modified or amended only with the consent of each holder of Notes.

**Consolidation, Merger and Sale of Assets**

Norfolk Southern cannot consolidate with, merge into, or sell, transfer or lease substantially all of its assets to, another corporation unless:

the successor corporation is organized and existing under the laws of the United States, any state thereof or the District of Columbia and assumes Norfolk Southern's obligations under the Indenture;

after giving effect to the transaction, no event of default (and no event which, after notice or lapse of time, would become an event of default) will have occurred and be continuing; and

the successor corporation executes a supplemental indenture that assumes the obligations of the Indenture, satisfies the Trustee, and provides the necessary opinions and certificates.

Since Norfolk Southern is a holding company, if one of its subsidiaries distributes its assets as a result of a liquidation or recapitalization of that subsidiary, the rights of Norfolk Southern, of Norfolk Southern's creditors and of the holders of Notes to participate in such subsidiary's distribution of assets will be subject to the prior claims of such subsidiary's creditors, except to the extent that Norfolk Southern itself may be a creditor with prior claims enforceable against such subsidiary.

**Concerning the Trustee**

The holders of a majority, in aggregate principal amount, of the Notes will have the right to direct the time, method and place to conduct any proceeding to exercise any remedy available to the Trustee, subject to certain exceptions. The Indenture provides that if an event of default occurs (and is not cured) with respect to the Notes, the Trustee will be required, in the exercise of its power, to use the same degree of care a prudent person would use in the conduct of that person's own affairs. Subject to this standard, the Trustee is not obligated to exercise any of its powers under the Indenture at the request of a holder of Notes, unless the holder offers to indemnify the Trustee against any loss, liability or expense, and then only to the extent required by the terms of the Indenture.

### **Further Issues**

We may from time to time, without notice to or the consent of the registered holders of the Notes, create and issue further notes ranking pari passu with the Notes in all respects (or in all respects except for the payment of interest accruing prior to the issue date of such further notes or except for the first payment of interest following the issue date of such further notes) and so that such further notes may be consolidated and form a single series with the Notes and have the same terms as to status, redemption or otherwise as the Notes.

### **Governing Law**

The Indenture and the Notes will be governed by and construed in accordance with the laws of the State of New York, except to the extent the Trust Indenture Act shall be applicable.

### **Book-Entry System**

The following are summaries of certain rules and operating procedures of DTC that affect the payment of principal and interest and the transfers of interests in the global notes (the Global Notes). Upon issuance, the Notes will be issued only in the form of one or more definitive global securities which will be deposited with, or on behalf of, DTC and registered in the name of Cede & Co., as nominee of DTC. Unless and until it is exchanged in whole or in part for Notes in definitive form under the limited circumstances described below, a Global Note may not be transferred except as a whole (1) by DTC to a nominee, (2) by a nominee of DTC to DTC or another nominee of DTC or (3) by DTC or any such nominee to a successor of DTC or a nominee of such successor.

Ownership of beneficial interests in a Global Note will be limited to persons that have accounts with DTC for such Global Note ( participants ) or persons that may hold interests through participants. Upon the issuance of a Global Note, DTC will credit, on its book-entry registration and transfer system, the participants' accounts with the respective principal amounts of the Notes represented by such Global Note beneficially owned by such participants. Ownership of beneficial interests in the Global Notes will be shown on, and the transfer of such ownership interests will be effected only through, records maintained by DTC (with respect to interests of participants). The laws of some states may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such laws may limit or impair the ability to own, transfer or pledge beneficial interests in the Global Notes.

So long as DTC or its nominee is the registered owner of a Global Note, DTC or its nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Note for all purposes under the Indenture. Except as set forth below, owners of beneficial interests in a Global Note will not be entitled to have Notes represented by such Global Note registered in their names, will not receive or be entitled to receive physical delivery of such Notes in certificated form and will not be considered the registered owners or holders thereof under the Indenture. Accordingly, each person owning a beneficial interest in a Global Note must rely on the procedures of DTC and, if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under the Indenture. We understand that under existing industry practices, if we request any action of holders or if an owner of a beneficial interest in a Global Note desires to give or take any action that a holder is entitled to give or take under the Indenture, DTC would authorize the participants holding the relevant beneficial interests to give or take such action, and such participants would authorize beneficial owners owning through such participants to give or to take such action or would otherwise act upon the instructions of beneficial owners holding through them.

Principal and interest payments on interests represented by a Global Note will be made to DTC or its nominee, as the case may be, as the registered owner of such Global Note. None of Norfolk Southern, the Trustee or any other agent of Norfolk Southern or agent of the Trustee will have any responsibility or liability for any facet of the records relating to or payments made on account of beneficial ownership of interests. We expect that DTC, upon receipt of any payment of principal or interest in respect of a Global Note, will immediately credit participants' accounts with payments in amounts proportionate to their

## Edgar Filing: NORFOLK SOUTHERN CORP - Form 424B2

respective beneficial interests in such Global Note as shown on the records of DTC. We also expect that payments by participants to owners of beneficial interests in the Global Notes held through such participants will be governed by standing customer instructions and customary practice, as is now the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of such participants.

If DTC is at any time unwilling or unable to continue as depository for the Notes, and we fail to appoint a successor depository registered as a clearing agency under the Securities Exchange Act of 1934 (the Exchange Act ) within 90 days, we will issue Notes in definitive form in exchange for the respective Global Notes. Any Notes issued in definitive form in exchange for the Global Notes will be registered in such name or names, and will be issued in denominations of \$1,000 and integral multiples of \$1,000, as DTC shall instruct the Trustee. It is expected that such instructions will be based upon directions received by DTC from participants with respect to ownership of beneficial interests in the Global Notes.

DTC is a limited purpose trust company organized under the Banking Law of the State of New York, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold the securities of its participants and to facilitate the clearance and settlement of transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations, some of which (and/or their representatives) own DTC. Access to the DTC book-entry system is also available to others, such as banks, brokers and dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

### **Same-Day Settlement and Payment**

Settlement for the Notes will be made by the underwriter in immediately available funds. All payments of principal and interest in respect of the Notes will be made by us in immediately available funds.

The Notes will trade in DTC's Same-Day Funds Settlement System until maturity and secondary market trading activity in the Notes will settle in immediately available funds. No assurance can be given as to the effect, if any, of settlement in immediately available funds on trading activity in the Notes.

**CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS**

The following is a general discussion of certain United States federal income tax consequences to a Non-U.S. Holder (as defined below) of the acquisition, ownership and disposition of the Notes. This discussion does not address specific tax consequences that may be relevant to particular persons in light of their individual circumstances (including, for example, entities treated as partnerships for United States federal income tax purposes or partners or members therein, banks or other financial institutions, broker-dealers, insurance companies, regulated investment companies, tax-exempt entities, common trust funds, certain expatriates, controlled foreign corporations, dealers in securities or currencies, and persons in special situations, such as those who hold the Notes as part of a straddle, hedge, synthetic security, conversion transaction or other integrated investment comprised of the Notes and one or more other investments). Unless otherwise stated, this discussion is limited to Non-U.S. Holders that purchase the Notes in the initial offering at their issue price and that hold such Notes as capital assets for United States federal income tax purposes. In addition, this discussion does not describe any tax consequences arising under United States federal gift and estate tax or other U.S. federal tax laws or under the tax laws of any state, local or foreign jurisdiction. This discussion is based upon the Internal Revenue Code of 1986, as amended (the Code), the Treasury Regulations (the Treasury Regulations) promulgated thereunder, and administrative and judicial interpretations thereof, all as of the date hereof and all of which are subject to change, possibly with retroactive effect.

Prospective purchasers of the Notes are urged to consult their tax advisors concerning the United States federal income tax consequences to them of acquiring, owning and disposing of the Notes, as well as the application of state, local and foreign income and other tax laws.

For purposes of this discussion, a Non-U.S. Holder is a beneficial owner of the Notes other than a partnership (or entity treated as a partnership for United States federal income tax purposes) that is not a U.S. person. A U.S. person means (i) a citizen or individual resident of the United States; (ii) a corporation (including an entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate, the income of which is subject to United States federal income tax regardless of the source; or (iv) a trust, if a court within the United States is able to exercise primary supervision over the trust's administration and one or more U.S. persons have the authority to control all its substantial decisions.

*Classification of the Notes.* The Notes should be treated as debt for U.S. federal income tax purposes and the remainder of this discussion assumes such treatment is respected.

*Payments of Interest.* Payments of interest on the Notes made by us or our agent to a Non-U.S. Holder generally should not be subject to United States federal withholding tax, provided that:

(1) the Non-U.S. Holder does not actually or constructively own 10 percent or more of the total combined voting power of all classes of our stock entitled to vote;

(2) the Non-U.S. Holder is not a controlled foreign corporation that is related to us, directly or indirectly, through stock ownership; and

(3) either (A) the beneficial owner of the Notes certifies to us or our agent on IRS Form W-8BEN (or successor form), under penalties of perjury, that it is not a U.S. person, provides its name and address and renews the certificate periodically as required by the Treasury Regulations, or (B) the Notes are held through certain foreign intermediaries and the beneficial owner of the Notes satisfies certain certification requirements of the applicable Treasury Regulations and, in either case, neither we nor our agent has actual knowledge or reason to know that such beneficial owner is a U.S. person. Special certification rules apply to certain Non-U.S. Holders that are entities rather than individuals.

## Edgar Filing: NORFOLK SOUTHERN CORP - Form 424B2

If a Non-U.S. Holder cannot satisfy the requirements of the exemption described above, payments of interest made to such Non-U.S. Holder should be subject to a 30% withholding tax unless the beneficial owner of the Notes provides us or our agent, as the case may be, with a properly executed:

(1) IRS Form W-8BEN (or successor form) claiming an exemption from withholding or reduced rate of tax under an applicable tax treaty (a Treaty Exemption), or

(2) IRS Form W-8ECI (or successor form) stating that interest paid on the Notes is not subject to withholding tax because it is effectively connected with the conduct of a U.S. trade or business of the beneficial owner,

each such Form to be renewed periodically as required by the Treasury Regulations.

If interest on the Notes is effectively connected with the conduct of a U.S. trade or business of the beneficial owner (and, if certain tax treaties apply, is attributable to a permanent establishment maintained by the Non-U.S. Holder within the United States), the Non-U.S. Holder, although exempt from the withholding tax described above, should generally be subject to United States federal income tax on the receipt or accrual of such interest on a net income basis in the same manner as if it were a U.S. person. In addition, if such Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (or lower applicable treaty rate) of its effectively connected earnings and profits for the taxable year, subject to adjustments. For this purpose, interest on the Notes should be included in such foreign corporation's earnings and profits.

*Disposition of the Notes.* No withholding of United States federal income tax generally should be required with respect to any gain realized by a Non-U.S. Holder upon the sale, exchange or other taxable disposition of the Notes.

In addition, a Non-U.S. Holder should not be subject to United States federal income tax on gain realized on the sale, exchange or other taxable disposition of the Notes unless (i) the Non-U.S. Holder is an individual who is present in the United States for a period or periods aggregating 183 or more days in the taxable year of the disposition and certain other conditions are met, or (ii) such gain is effectively connected with the Non-U.S. Holder's U.S. trade or business and, if certain tax treaties apply, is attributable to a permanent establishment maintained by the Non-U.S. Holder within the United States.

### **Information Reporting and Backup Withholding**

In general, backup withholding and information reporting should not apply to a payment of interest on a Note to a Non-U.S. Holder, or to proceeds from the disposition of a Note by a Non-U.S. Holder, in each case, if the holder certifies under penalties of perjury that it is a Non-U.S. Holder and neither we nor our agent has actual knowledge or reason to know to the contrary. Any amounts withheld under the backup withholding rules should be refunded or credited against the Non-U.S. Holder's United States federal income tax liability provided the required information is timely furnished to the IRS. In certain circumstances, if a Note is not held through a qualified intermediary, the amount of payments made on such Note, the name and address of the beneficial owner and the amount, if any, of tax withheld may be reported to the IRS.

**UNDERWRITING**

Under the terms and subject to the conditions contained in the underwriting agreement dated the date of this prospectus supplement, the underwriters named below, for whom Goldman, Sachs & Co. is acting as representative, have severally agreed to purchase, and we have agreed to sell to them, severally, the respective principal amount of the Notes set forth opposite their names below:

<u>Underwriters</u>	<u>Principal Amount of Notes</u>
Goldman, Sachs & Co.	\$ 225,000,000
Barclays Capital Inc.	\$ 25,000,000
<b>Total</b>	<b>\$ 250,000,000</b>

The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the Notes offered hereby is subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the Notes if any Notes are taken. The offering of the Notes by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

The underwriters have advised us that they propose initially to offer the Notes to the public at the public offering price on the cover page of this prospectus supplement, and to dealers at that price less a concession not in excess of .40% of the principal amount of the Notes. The underwriters may allow, and the dealers may reallow, a discount not in excess of .25% of the principal amount of the Notes to other dealers. After the Notes are released to the public, the offering price and other selling terms may from time to time be varied by the underwriters.

In compliance with the guidelines of the Financial Industry Regulatory Authority, Inc. ( FINRA ), the maximum discount or commission to be received by any FINRA member or independent broker-dealer may not exceed 8% of the aggregate offering price of the securities offered hereby.

The expenses of the offering, not including the underwriting discount, are estimated to be \$200,000 and are payable by us.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments that the underwriters may be required to make in respect of those liabilities.

In order to facilitate the offering of these securities, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes or any other notes the prices of which may be used to determine payments on the Notes. Specifically, the underwriters may sell more Notes than they are obligated to purchase in connection with the offering, creating a short position for their own accounts. A short sale is covered by purchasing the Notes in the open market. A short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the offering. As an additional means of facilitating the offering, the underwriters may bid for, and purchase, the Notes or any other notes in the open market to stabilize the price of the Notes or of any other notes. Finally, in any offering of the Notes through a syndicate of underwriters or dealer group, the underwriter acting on behalf of the underwriting syndicate or for itself may also reclaim selling concessions allowed to an underwriter or a dealer for distributing the Notes in the offering, if the underwriter repurchases previously distributed Notes to cover syndicate short positions or to stabilize the price of the Notes. Any of these activities may raise or maintain the market price of the Notes above independent market levels or prevent or retard a decline in the market price of the Notes. The underwriters are not required to engage in these activities, and may end any of these activities at any time without notice.

## Edgar Filing: NORFOLK SOUTHERN CORP - Form 424B2

In general, purchases of a Note for the purpose of stabilizing or reducing a syndicate short position could cause the price of the Note to be higher than it might otherwise be in the absence of such purchases without notice.

Neither we nor the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Notes.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and/or their affiliates have performed certain investment banking, commercial banking and advisory services for us from time to time for which they have received customary fees and expenses. The underwriters may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they will receive customary fees and expenses. In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the issuer. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### Selling Restrictions

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may make with effect from and including the Relevant Implementation Date an offer of Notes to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR43,000,000 and (3) an annual net turnover of more than EUR50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representative for any such offer; or
- (d) in any other circumstances which do not require the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of Notes to the public in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive



## Edgar Filing: NORFOLK SOUTHERN CORP - Form 424B2

means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA would not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

The Notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each