

NORFOLK SOUTHERN CORP  
Form 425  
December 09, 2015

Filed by Canadian Pacific Railway Limited

Pursuant to Rule 425

under the Securities Act of 1933 and  
deemed filed pursuant to Rule 14a-12 under  
the Securities Exchange Act of 1934

Subject Company: Norfolk Southern Corporation (Commission File No. 001-8339)

### **No Offer or Solicitation**

This communication is neither an offer to purchase or exchange nor a solicitation of an offer to sell securities. This communication relates to a proposed business combination between Canadian Pacific Railway Limited ( CP ) and Norfolk Southern Corporation ( NS ).

### **Important Information For Investors And Shareholders**

Subject to future developments, additional documents regarding the proposed transaction may be filed with the SEC. Investors and security holders are urged to read such disclosure documents regarding the proposed transaction, if and when they become available, because they will contain important information. Investors and security holders may obtain a free copy of the disclosure documents (when they are available) and other documents filed by CP with the SEC at the SEC's website at [www.sec.gov](http://www.sec.gov). The disclosure documents and these other documents may also be obtained for free from CP at <http://www.cpr.ca/en/investors> or by directing a request to Canadian Pacific Railway Limited, 7550 Ogden Dale Road S.E., Calgary, Alberta, Canada, T2C 4X9, Attention: Office of the Corporate Secretary.

### **Participants in Solicitation**

CP and its directors, executive officers and other employees may be deemed to be participants in any solicitation of CP or NS shareholders in connection with the proposed transaction. Information about CP's executive officers and directors is available in CP's Annual Report on Form 40-F for the year ended December 31, 2014, which was filed with the SEC on February 23, 2015. Additional information about the interests of potential participants will be included in any proxy statement filed in connection with the proposed transaction.

### **Forward Looking Statement**

This communication contains certain forward-looking information within the meaning of applicable securities laws relating, but not limited, to CP's proposal to NS regarding a possible business combination, the anticipated results and benefits of the proposed transaction and matters relating to regulatory approvals and changes. This forward-looking information also includes, but is not limited to, statements concerning expectations, beliefs, plans, goals, objectives, assumptions and statements about possible future events, conditions, and results of operations or performance. Forward-looking information may contain statements with words or headings such as financial expectations , key assumptions , anticipate , believe , expect , plan , will , outlook , should or similar words suggesting future ou

Undue reliance should not be placed on forward-looking information as actual results may differ materially from the forward-looking information. Forward-looking information is not a guarantee of future performance. By its nature,

CP's forward-looking information involves numerous assumptions, inherent risks and uncertainties that could cause actual results to differ materially from the forward-looking information, including but not limited to the following factors: the ability of the parties to agree to the terms of a proposed transaction; the ability of the parties to obtain the required regulatory approvals; the ability to recognize the financial and operational benefits of the transaction; changes in business strategies; general North American and global economic, credit and business conditions; risks in agricultural production such as weather conditions and insect populations; the availability and price of energy commodities; the effects of competition and pricing pressures; industry capacity; shifts in market demand; changes in commodity prices; uncertainty surrounding timing and volumes of commodities being shipped via CP; inflation; changes in laws and regulations, including regulation of rates; changes in taxes and tax rates; potential increases in maintenance and operating costs; uncertainties of investigations, proceedings or other types of claims and litigation; labour disputes; risks and liabilities arising from derailments; transportation of dangerous goods; timing of completion of capital and maintenance projects; currency and interest rate fluctuations; effects of changes in market conditions and discount rates on the financial position of pension plans and investments; and various events that could disrupt operations, including severe weather, droughts, floods, avalanches and earthquakes as well as security threats and governmental response to them, and technological changes. The foregoing list of factors is not exhaustive.

These and other factors are detailed from time to time in reports filed by CP with securities regulators in Canada and the United States. Reference should be made to Management's Discussion and Analysis in CP's annual and interim reports, Annual Information Form and Form 40-F. Readers are cautioned not to place undue reliance on forward-looking information. Forward-looking information is based on current expectations, estimates and projections and it is possible that predictions, forecasts, projections, and other forms of forward-looking information will not be achieved by CP. Except as required by law, CP undertakes no obligation to update publicly or otherwise revise any forward-looking information, whether as a result of new information, future events or otherwise.

\*\*\*

The following is a press release:

Release: December 8, 2015

**Canadian Pacific revises offer for Norfolk Southern**

Calgary, AB Canadian Pacific (TSX:CP) (NYSE:CP) today announced it has sent a revised offer letter to Norfolk Southern Corp. (NS) that is financially more attractive and dramatically reduces the regulatory uncertainty for NS shareholders.

Below is the full text of the revised offer letter sent to NS CEO James Squires:

Mr. James A. Squires

Chairman and Chief Executive Officer

Norfolk Southern Railway Company

Three Commercial Place

Norfolk, VA 23510

Dear Jim,

In order to address the concerns you have publicly expressed, we have improved our prior offer by: 1) dramatically reducing the regulatory risk for NSC's shareholders, 2) making it substantially more financially attractive by increasing NSC shareholders' ownership of the pro forma company from 41% to 47%, and 3) agreeing to complete due diligence in no more than three weeks while contemporaneously negotiating definitive documentation.

To alleviate any regulatory concerns that NSC shareholders might have, we are prepared to close the transaction into a voting trust. By utilizing a voting trust, NSC shareholders will receive a substantial cash payment and shares in a new investment grade company which would be listed on both the NYSE and TSX. Based on extensive work done by our lead transaction counsel, Simpson Thacher, and our United States and Canadian regulatory counsel, Stinson Leonard Street and Bennett Jones, we anticipate the closing and listing of shares to occur on May 1, 2016.

At the closing of the transaction, NSC shareholders will receive \$32.86 in cash and 0.451 shares of stock in a new company which will own NSC and Canadian Pacific. We estimate the total value of the stock and cash consideration to NSC shareholders to be worth \$125 to \$140 per share at the closing of the transaction in May 2016. The revised transaction offers a 37% to 53% premium to today's closing price of \$91.52 and a 58% to 77% premium to the unaffected price of \$79.14 per share.

We remain ready to work with you and your team immediately on this transformational opportunity.

This offer has received the unanimous support of our Board of Directors.

Yours sincerely,

/s/ E. Hunter Harrison  
E. Hunter Harrison, CEO

/s/ Andrew F. Reardon  
Andrew F. Reardon, Chairman

Canadian Pacific Railway

Canadian Pacific Railway

## Forward Looking Statement

This news release contains certain forward-looking information within the meaning of applicable securities laws relating, but not limited, to CP's proposal to NS regarding a possible business combination, the anticipated results and benefits of the proposed transaction and matters relating to regulatory approvals and changes. This forward-looking information also includes, but is not limited to, statements concerning expectations, beliefs, plans, goals, objectives, assumptions and statements about possible future events, conditions, and results of operations or performance. Forward-looking information may contain statements with words or headings such as financial expectations, key assumptions, anticipate, believe, expect, plan, will, outlook, should or similar words suggesting future outcomes.

Undue reliance should not be placed on forward-looking information as actual results may differ materially from the forward-looking information. Forward-looking information is not a guarantee of future performance. By its nature, CP's forward-looking information involves numerous assumptions, inherent risks and uncertainties that could cause actual results to differ materially from the forward-looking information, including but not limited to the following factors: the ability of the parties to agree to the terms of a proposed transaction; the ability of the parties to obtain the required regulatory approvals; the ability to recognize the financial and operational benefits of the transaction; changes in business strategies; general North American and global economic, credit and business conditions; risks in agricultural production such as weather conditions and insect populations; the availability and price of energy commodities; the effects of competition and pricing pressures; industry capacity; shifts in market demand; changes in commodity prices; uncertainty surrounding timing and volumes of commodities being shipped via CP; inflation; changes in laws and regulations, including regulation of rates; changes in taxes and tax rates; potential increases in maintenance and operating costs; uncertainties of investigations, proceedings or other types of claims and litigation; labour disputes; risks and liabilities arising from derailments; transportation of dangerous goods; timing of completion of capital and maintenance projects; currency and interest rate fluctuations; effects of changes in market conditions and discount rates on the financial position of pension plans and investments; and various events that could disrupt operations, including severe weather, droughts, floods, avalanches and earthquakes as well as security threats and governmental response to them, and technological changes. The foregoing list of factors is not exhaustive.

These and other factors are detailed from time to time in reports filed by CP with securities regulators in Canada and the United States. Reference should be made to Management's Discussion and Analysis in CP's annual and interim reports, Annual Information Form and Form 40-F. Readers are cautioned not to place undue reliance on forward-looking information. Forward-looking information is based on current expectations, estimates and projections and it is possible that predictions, forecasts, projections, and other forms of forward-looking information will not be achieved by CP. Except as required by law, CP undertakes no obligation to update publicly or otherwise revise any forward-looking information, whether as a result of new information, future events or otherwise.

## **Rule 425 Disclosure**

This announcement is neither an offer to purchase or exchange nor a solicitation of an offer to sell securities. Subject to future developments, additional documents regarding the proposed transaction may be filed with the SEC. Investors and security holders are urged to read such disclosure documents regarding the proposed transaction, if and when they become available, because they will contain important information. Investors and security holders may obtain a free copy of the disclosure documents (when they are available) and other documents filed by CP with the SEC at the SEC's website at [www.sec.gov](http://www.sec.gov). The disclosure documents and these other documents may also be obtained for free from CP at <http://www.cpr.ca/en/investors> or by directing a request to Canadian Pacific Railway Limited, 7550 Ogden Dale Road S.E., Calgary, Alberta, Canada, T2C 4X9, Attention: Office of the Corporate Secretary.

CP and its directors, executive officers and other employees may be deemed to be participants in any solicitation of CP or NS shareholders in connection with the proposed transaction. Information about CP's executive officers and directors is available in CP's Annual Report on Form 40-F for the year ended December 31, 2014, which was filed with the SEC on February 23, 2015. Additional information about the interests of potential participants will be included in any proxy statement filed in connection with the proposed transaction.

## **About Canadian Pacific**

Canadian Pacific (TSX:CP)(NYSE:CP) is a transcontinental railway in Canada and the United States with direct links to eight major ports, including Vancouver and Montreal, providing North American customers a competitive rail service with access to key markets in every corner of the globe. CP is growing with its customers, offering a suite of freight transportation services, logistics solutions and supply chain expertise. Visit [cpr.ca](http://cpr.ca) to see the rail advantages of Canadian Pacific.

## **Contacts:**

### **Media**

Martin Cej

403-319-7298

24/7 Media Pager: 855-242-3674

[Martin\\_Cej@cpr.ca](mailto:Martin_Cej@cpr.ca)

### **Investment Community**

Nadeem Velani

403-319-3591

[investor@cpr.ca](mailto:investor@cpr.ca)