

Document 1111

[21111001]

Norfolk Southern Corp. directors authorized the railroad company to buy back as many as 45 million of its shares , which would have a current value of more than \$ 1.7 billion .

[21111002]

The buy-back , coupled with a nearly completed earlier purchase of 20 million shares , would reduce shares outstanding by more than 26 % .

[21111003]

The Norfolk , Va. , company has 172.2 million shares outstanding .

[21111004]

In a statement , Arnold B. McKinnon , chairman and chief executive officer , noted that the new repurchase program " should serve to enhance shareholder value . "

[21111005]

A spokeswoman said the company will finance the buy-back with cash on hand , borrowing and " cash Norfolk expects to generate . "

[21111006]

Analysts said they expected the action , and investors applauded the move .

[21111007]

In composite trading on the New York Stock Exchange , Norfolk Southern shares closed at \$ 37.875 , up \$ 1.125 .

[21111008]

Still , analysts do n't expect the buy-back to significantly affect per-share earnings in the short term .

[21111009]

" The impact wo n't be that great , " said Graeme Lidgerwood of First Boston Corp .

[21111010]

That is in part because of the effect of having to average the number of shares outstanding , she said .

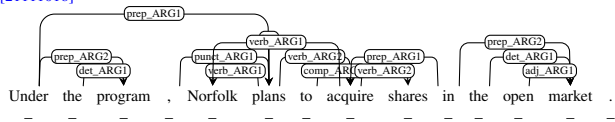
[21111011]

In addition , Mrs. Lidgerwood said , Norfolk is likely to draw down its cash initially to finance the purchases and thus forfeit some interest income .

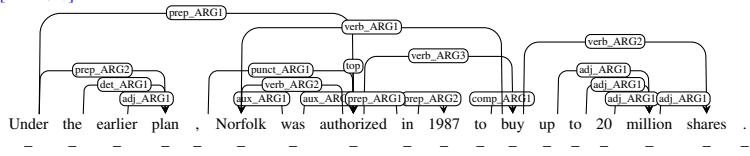
[21111013]

Moreover , the extensive program in effect establishes a floor for the stock price , said Joel Price , analyst for Donaldson , Lufkin & Jenrette .

[21111016]



[21111017]



[21111018]

