

Buffett's firm to buy BNSF

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Berkshire Hathaway will acquire unowned stake of railroad in a cash-and-stock deal worth \$44 billion.

NEW YORK -- Warren Buffett's Berkshire Hathaway said Tuesday it will buy railroad operator Burlington Northern Santa Fe for \$44 billion.

Berkshire, which already has major stake in the company, said it would acquire the remaining 77.4% of the company in a cash-and-stock offer worth \$100 per share.

Widely regarded as both one of the world's richest men and the investment community's more brilliant minds, Buffett called his firm's investment an "all-in wager on the economic future of the United States."

"Our country's future prosperity depends on its having an efficient and well-maintained rail system," Buffett said in a statement.

Burlington Northern shares soared 29% in pre-market trading on the news.

Separately, Berkshire said it was announcing a 50-for-1 split of its Class B common stock. The majority of stock issued by the company in its purchase of Burlington Northern will be its pricier Class A shares, the company said.

The deal, which would rank as the largest acquisition in Berkshire Hathaway's history, would also include \$10 billion of Burlington Northern debt.

It would also expand the already massive portfolio of companies Berkshire already owns. Brand-name businesses such as auto insurer Geico, See's Candy and Fruit of the Loom are all subsidiaries of the Omaha, Neb.-based firm.

The deal is expected to close sometime in early 2010, pending approval by Burlington Northern shareholders and following a review by the Justice Department.