

CANADIAN PACIFIC RAILWAY LTD/CN

Form 6-K

October 20, 2015

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 under

the Securities Exchange Act of 1934

For the month of October, 2015

CANADIAN PACIFIC RAILWAY LIMITED

(Commission File No. 1-01342)

CANADIAN PACIFIC RAILWAY COMPANY

(Commission File No. 1-15272)

(translation of each Registrant's name into English)

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7550 Ogden Dale Road S.E., Calgary, Alberta, Canada, T2C 4X9

(address of principal executive offices)

Indicate by check mark whether the registrants file or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrants are submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrants are submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

The interim financial statements, Management's Discussion and Analysis, and updated earnings coverage calculations included in this Report furnished on Form 6-K shall be incorporated by reference into, or as an exhibit to, as applicable, the Registration Statements of Canadian Pacific Railway Limited on Form S-8 (File Nos. 333-127943, 333-13962, 333-140955, 333-183891, 333-183892, 333-183893, 333-188826 and 333-188827) and the Registration Statement of Canadian Pacific Railway Company on Form F-10 (File No. 333-206477).

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CANADIAN PACIFIC RAILWAY LIMITED

(Registrant)

Date: October 20, 2015

Signed: /s/ Scott Cedergren
By: Name: Scott Cedergren
Title: Assistant Corporate Secretary

CANADIAN PACIFIC RAILWAY COMPANY

(Registrant)

Date: October 20, 2015

Signed: /s/ Scott Cedergren
By: Name: Scott Cedergren
Title: Assistant Corporate Secretary

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Release: Immediate October 20, 2015

CP reports Q3 2015 adjusted earnings per share of \$2.69

Reported diluted EPS of \$2.04

Calgary, AB Canadian Pacific Railway Limited (TSX: CP) (NYSE: CP) today announced the highest-ever revenue for the third quarter, 16-percent growth in adjusted earnings per share and the lowest operating ratio for the period in the company's history.

Revenue rose to \$1.71 billion, a gain of 2 percent, while the adjusted operating ratio improved 290 basis points to a record-low for the period of 59.9 percent.

I am proud of the CP team's execution this quarter amid stubborn economic softness and the lowest commodity prices in more than a decade," said E. Hunter Harrison, CP's Chief Executive Officer. "It's clear that despite the ongoing tough economic environment, our continued focus on service, cost control and incremental investment in the franchise will serve customers and shareholders well in the long run.

THIRD-QUARTER 2015 HIGHLIGHTS

Revenue increased 2 percent to \$1.71 billion

Adjusted operating income climbed 10 percent to \$685 million

Adjusted operating ratio fell to a third-quarter record 59.9 percent, a 290-basis-point improvement

Adjusted earnings per share advanced 16 percent to \$2.69

CP's ability to generate bottom-line double-digit earnings growth in varied economic conditions demonstrates the resiliency and the power of our business model," Harrison said.

Non-GAAP Measures

For further information regarding non-GAAP measures, including reconciliations to the nearest GAAP measures, see the attached supplementary schedule Non-GAAP Measures.

Note on forward-looking information

This news release contains certain forward-looking information within the meaning of applicable securities laws relating, but not limited, to our operations, priorities and plans, anticipated financial performance, including our 2015 full-year guidance, business prospects, planned capital expenditures, programs and strategies. 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. To the extent that CP has provided guidance using non-GAAP financial measures, the Company may not be able to provide a reconciliation to a GAAP measure, due to unknown variables and uncertainty related to future results.

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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 key assumptions identified above; 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.

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 to see the rail advantages of Canadian Pacific.

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Table of Contents**CANADIAN PACIFIC RAILWAY LIMITED****INTERIM CONSOLIDATED STATEMENTS OF INCOME**

(in millions of Canadian dollars, except per share data)

(unaudited)

	For the three months ended September 30		For the nine months ended September 30	
	2015	2014	2015	2014
Revenues				
Freight	\$ 1,667	\$ 1,629	\$ 4,907	\$ 4,745
Non-freight	42	41	118	115
Total revenues	1,709	1,670	5,025	4,860
Operating expenses				
Compensation and benefits	352	347	1,038	1,034
Fuel	162	249	542	793
Materials	47	47	144	146
Equipment rents	42	36	130	117
Depreciation and amortization	149	135	440	413
Purchased services and other (Note 4)	272	235	788	726
Gain on sale of Delaware & Hudson South (Note 5)	(68)		(68)	
Total operating expenses	956	1,049	3,014	3,229
Operating income	753	621	2,011	1,631
Less:				
Other income and charges (Note 6)	168	1	236	4
Net interest expense	103	70	272	209
Income before income tax expense	482	550	1,503	1,418
Income tax expense (Note 7)	159	150	470	393
Net income	\$ 323	\$ 400	\$ 1,033	\$ 1,025
Earnings per share (Note 8)				
Basic earnings per share	\$ 2.05	\$ 2.33	\$ 6.37	\$ 5.90
Diluted earnings per share	\$ 2.04	\$ 2.31	\$ 6.32	\$ 5.84
Weighted-average number of shares (in millions)				
(Note 8)				
Basic	157.6	171.9	162.0	173.9
Diluted	158.7	173.5	163.3	175.5

Dividends declared per share	\$ 0.3500	\$ 0.3500	\$ 1.0500	\$ 1.0500
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See Notes to Interim Consolidated Financial Statements.

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	For the three months ended September 30		For the nine months ended September 30	
	2015	2014	2015	2014
Net income	\$ 323	\$ 400	\$ 1,033	\$ 1,025
Net loss on foreign currency translation adjustments, net of hedging activities	(33)	(26)	(63)	(19)
Change in derivatives designated as cash flow hedges	(45)		(78)	(2)
Change in pension and post-retirement defined benefit plans	65	31	203	93
Other comprehensive (loss) income before income tax (expense) recovery	(13)	5	62	72
Income tax recovery (expense)	33	15	44	(1)
Other comprehensive income (<i>Note 3</i>)	20	20	106	71
Comprehensive income	\$ 343	\$ 420	\$ 1,139	\$ 1,096

See Notes to Interim Consolidated Financial Statements.

Table of Contents**CANADIAN PACIFIC RAILWAY LIMITED****INTERIM CONSOLIDATED BALANCE SHEETS AS AT**

(in millions of Canadian dollars)

(unaudited)

	September 30 2015	December 31 2014
Assets		
Current assets		
Cash and cash equivalents	\$ 661	\$ 226
Accounts receivable, net	722	702
Materials and supplies	174	177
Deferred income taxes	79	56
Other current assets	69	116
	1,705	1,277
Investments	144	112
Properties	15,762	14,438
Assets held for sale (Note 5)		182
Goodwill and intangible assets	204	176
Pension asset (Note 13)	543	304
Other assets (Note 2)	73	117
Total assets	\$ 18,431	\$ 16,606
Liabilities and shareholders equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,587	\$ 1,277
Long-term debt maturing within one year (Note 9)	29	134
	1,616	1,411
Pension and other benefit liabilities (Note 13)	763	755
Other long-term liabilities	343	432
Long-term debt (Notes 2 and 9)	8,648	5,625
Deferred income taxes	3,069	2,773
Total liabilities	14,439	10,996
Shareholders equity		
Share capital (Note 10)	2,054	2,185
Additional paid-in capital	42	36
Accumulated other comprehensive loss (Note 3)	(2,113)	(2,219)
Retained earnings	4,009	5,608

	3,992	5,610
<i>Total liabilities and shareholders equity</i>	\$ 18,431	\$ 16,606

Certain of the comparative figures have been reclassified to be consistent with the 2015 presentation (*Note 2*).

Contingencies (*Note 14*)

See Notes to Interim Consolidated Financial Statements.

Table of Contents**CANADIAN PACIFIC RAILWAY LIMITED****INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(in millions of Canadian dollars)

(unaudited)

	For the three months		For the nine	
	ended September 30		months	
	2015	2014	ended	ended
			September 30	September 30
			2015	2014
Operating activities				
Net income	\$ 323	\$ 400	\$ 1,033	\$ 1,025
Reconciliation of net income to cash provided by operating activities:				
Depreciation and amortization	149	135	440	413
Deferred income taxes (Note 7)		120	106	194
Pension funding in excess of expense (Note 13)	(10)	(38)	(40)	(103)
Other operating activities, net	75	(1)	60	39
Change in non-cash working capital balances related to operations	159	(82)	237	(102)
Cash provided by operating activities	696	534	1,836	1,466
Investing activities				
Additions to properties	(449)	(414)	(1,067)	(936)
Proceeds from the sale of west end of Dakota, Minnesota and Eastern Railroad				236
Proceeds from the sale of Delaware & Hudson South (Note 5)	281		281	
Proceeds from sale of properties and other assets (Note 4)	13	10	73	26
Change in restricted cash and cash equivalents used to collateralize letters of credit		318		327
Other (Note 4)	(8)	1	5	
Cash used in investing activities	(163)	(85)	(708)	(347)
Financing activities				
Dividends paid	(57)	(61)	(172)	(184)
Issuance of CP common shares	5	14	32	50
Purchase of CP common shares (Note 10)	(1,523)	(455)	(2,595)	(987)
Net repayment of commercial paper (Note 9)	(669)		(893)	
Issuance of long-term debt, excl. commercial paper (Note 9)	2,601		3,411	
Repayment of long-term debt, excl. commercial paper (Note 9)	(432)	(21)	(499)	(175)
Settlement of foreign exchange forward on long-term debt		17		17
Other		(3)		(3)

Cash used in financing activities	(75)	(509)	(716)	(1,282)
Effect of foreign currency fluctuations on U.S. dollar-denominated cash and cash equivalents	18	6	23	2
Cash position				
Increase (decrease) in cash and cash equivalents	476	(54)	435	(161)
Cash and cash equivalents at beginning of period	185	369	226	476
Cash and cash equivalents at end of period	\$ 661	\$ 315	\$ 661	\$ 315
Supplemental disclosures of cash flow information:				
Income taxes paid	\$ 48	\$ 103	\$ 107	\$ 142
Interest paid	\$			