

CANADIAN PACIFIC RAILWAY LTD/CN

Form 6-K

October 25, 2011

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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, 2011

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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Suite 500, Gulf Canada Square, 401 - 9th Avenue, S.W., Calgary, Alberta, Canada, T2P 4Z4

(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, each of the following Registration Statements under the Securities Act of 1933 of the registrant: Form S-8 No. 333-140955 (Canadian Pacific Railway Limited), Form S-8 No. 333-127943 (Canadian Pacific Railway Limited), Form S-8 No. 333-13962 (Canadian Pacific Railway Limited), and Form F-10 No. 333-175033 (Canadian Pacific Railway Limited) and Form F-9 No. 333-175032 (Canadian Pacific Railway Company).

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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 25, 2011

By: Signed: /s/ Karen L. Fleming
Name: Karen L. Fleming
Title: Corporate Secretary

CANADIAN PACIFIC RAILWAY COMPANY

(Registrant)

Date: October 25, 2011

By: Signed: /s/ Karen L. Fleming
Name: Karen L. Fleming
Title: Corporate Secretary

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Release: Immediate October 25, 2011

CANADIAN PACIFIC ANNOUNCES THIRD QUARTER 2011 RESULTS

CALGARY Canadian Pacific Railway Limited (TSX: CP) (NYSE: CP) announced its third-quarter 2011 results today with reported net income of \$186.8 million and diluted earnings per share of \$1.10, inclusive of \$0.04 per share of expenses related to the early redemption of its 2013 Notes.

THIRD-QUARTER 2011 RESULTS COMPARED WITH THIRD-QUARTER 2010

Total revenues were \$1.3 billion, an increase of \$55.4 million

Operating expenses were \$1.0 billion, an increase of \$68.5 million

Average fuel price increased 47 per cent to \$3.44 U.S. dollars per U.S. gallon

Operating income was \$324.6 million, a decrease of \$13.1 million

Net income was \$186.8 million, a decrease of \$10.5 million

Diluted earnings per share were \$1.10 per share, a decline of \$0.07 per share or a decline of \$0.03 per share exclusive of the early redemption of the 2013 Notes

We currently see strength in our bulk franchise, but remain vigilant in monitoring economic signals from Asia, stated Fred Green President and CEO. We are focused on sustaining and improving service and productivity through investments in locomotives, infrastructure, people and technology.

Note on forward-looking information

This news release contains certain forward-looking statements relating but not limited to our operations, anticipated financial performance and business prospects. Undue reliance should not be placed on forward-looking information as actual results may differ materially.

By its nature, CP's forward-looking information involves numerous assumptions, inherent risks and uncertainties, including but not limited to the following factors: 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; 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, including long-term floating rate notes; 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. Other risks 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

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Discussion and Analysis in CP's annual and interim reports, Annual Information Form and Form 40-F.

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 (CP:TSX)(NYSE:CP) operates a North American transcontinental railway providing freight transportation services, logistics solutions and supply chain expertise. Incorporating best-in-class technology and environmental practices, CP is re-defining itself as a modern 21st century transportation company built on safety, service reliability and operational efficiency. Visit cpr.ca and see how Canadian Pacific is Driving the Digital Railway.

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

(unaudited)

	For the three months ended September 30		For the nine months ended September 30	
	2011	2010	2011	2010
Revenues				
Freight	\$ 1,308.4	\$ 1,250.8	\$ 3,676.8	\$ 3,591.2
Other	33.2	35.4	92.7	96.0
	1,341.6	1,286.2	3,769.5	3,687.2
Operating expenses				
Compensation and benefits	336.4	365.2	1,037.0	1,068.7
Fuel	237.8	166.1	700.9	525.7
Materials	56.2	43.2	185.2	158.2
Equipment rents	53.1	53.6	158.1	157.5
Depreciation and amortization	122.6	123.9	367.1	368.4
Purchased services and other	210.9	196.5	656.9	590.3
	1,017.0	948.5	3,105.2	2,868.8
Operating income	324.6	337.7	664.3	818.4
Less:				
Other (income) and charges (Note 5)	14.1	1.0	8.6	(7.3)
Net interest expense	64.3	60.6	191.0	192.1
Income before income tax expense	246.2	276.1	464.7	633.6
Income tax expense (Note 3)	59.4	78.8	116.2	168.7
Net income	\$ 186.8	\$ 197.3	\$ 348.5	\$ 464.9
Earnings per share (Note 4)				
Basic	\$ 1.10	\$ 1.17	\$ 2.06	\$ 2.76
Diluted	\$ 1.10	\$ 1.17	\$ 2.04	\$ 2.75
Weighted average number of shares (millions)				
Basic	169.4	168.8	169.4	168.6
Diluted	170.5	169.3	170.6	169.0
Dividends declared per share	\$ 0.3000	\$ 0.2700	\$ 0.8700	\$ 0.7875

See notes to Consolidated Financial Statements.

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(in millions of Canadian dollars)

(unaudited)

	September 30 2011	December 31 2010
Assets		
Current assets		
Cash and cash equivalents	\$ 97.0	\$ 360.6
Accounts receivable, net	530.5	459.0
Materials and supplies	149.7	114.1
Deferred income taxes	113.6	222.3
Other current assets	59.8	47.8
	950.6	1,203.8
Investments	166.0	144.9
Net properties	12,535.4	11,996.8
Goodwill and intangible assets	198.8	189.8
Other assets	156.7	140.6
Total assets	\$ 14,007.5	\$ 13,675.9
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,030.8	\$ 1,007.8
Long-term debt maturing within one year (Note 10)	304.1	281.7
	1,334.9	1,289.5
Pension and other benefit liabilities	973.0	1,115.7
Other long-term liabilities	411.8	468.0
Long-term debt (Note 5)	4,042.5	4,033.2
Deferred income taxes	2,046.0	1,944.8
Total liabilities	8,808.2	8,851.2
Shareholders' equity		
Share capital	1,829.1	1,812.8
Additional paid-in capital	88.6	24.7
Accumulated other comprehensive loss	(1,992.5)	(2,085.8)
Retained earnings	5,274.1	5,073.0
	5,199.3	4,824.7
Total liabilities and shareholders' equity	\$ 14,007.5	\$ 13,675.9

Commitments and contingencies (*Note 9*)

See notes to Consolidated Financial Statements.

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

(in millions of Canadian dollars)

(unaudited)

	For the three months ended September 30		For the nine months ended September 30	
	2011	2010	2011	2010
Operating activities				
Net income	\$ 186.8	\$ 197.3	\$ 348.5	\$ 464.9
Reconciliation of net income to cash provided by operating activities:				
Depreciation and amortization	122.6	123.9	367.1	368.4
Deferred income taxes <i>(Note 3)</i>	58.6	75.4	118.4	160.4
Pension funding in excess of expense <i>(Note 8)</i>	(14.8)	(645.6)	(39.5)	(805.6)
Other operating activities, net	(33.5)	(0.6)	(46.7)	5.7
Change in non-cash working capital balances related to operations	5.7	(0.5)	(75.1)	(72.5)
Cash provided by (used in) operating activities	325.4	(250.1)	672.7	121.3
Investing activities				
Additions to properties	(351.9)	(185.1)	(703.5)	(443.9)
Proceeds from the sale of properties and other assets	20.4	19.8	40.5	46.2
Other	(6.2)	-	(6.5)	-

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