

CANADIAN PACIFIC RAILWAY LTD/CN
Form 6-K
October 24, 2012

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, 2012

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, the Registration Statements of Canadian Pacific Railway Limited on Form S-8 (File Nos. 333-127943, 333-13962, 333-140955, 333-183891, S-8 No. 333-183892, and 333-183893) and Form F-10 (File No. 333-175033) and the Registration Statement of Canadian Pacific Railway Company on Form F-9 (File No. 333-175032).

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 24, 2012

Signed: /s/ Paul Bachand
By: Name: Paul Bachand
Title: Associate Corporate Secretary

CANADIAN PACIFIC RAILWAY COMPANY
(Registrant)

Date: October 24, 2012

Signed: /s/ Paul Bachand
By: Name: Paul Bachand
Title: Associate Corporate Secretary

Release: Immediate October 24, 2012

PROGRESS UNDERWAY CANADIAN PACIFIC ANNOUNCES IMPROVED THIRD-QUARTER 2012 RESULTS

CALGARY Canadian Pacific Railway Limited (TSX: CP) (NYSE: CP) today announced its third-quarter 2012 results with reported net income of \$224 million, an increase of \$37 million, or 20 per cent and diluted earnings per share of \$1.30, an increase of \$0.20, or 18 per cent, when compared to third-quarter 2011.

For the nine months of 2012 Canadian Pacific's net income was \$469 million, an increase of \$120 million, or 34 per cent and diluted earnings per share of \$2.72, an increase of \$0.68, or 33 per cent, when compared to the same period last year.

E. Hunter Harrison, President and Chief Executive Officer said, "Momentum is building at Canadian Pacific. We have implemented new services; closed terminals and certain yard operations; and we've put a new leadership team in place. The team has made significant progress on operational improvements, controlling costs and on delivering results. And this is just the beginning."

THIRD-QUARTER 2012 RESULTS COMPARED WITH THIRD-QUARTER 2011

Total revenues were \$1.5 billion, an increase of \$110 million or 8 per cent

Operating expenses were \$1.1 billion, an increase of \$58 million or 6 per cent

Operating income was \$376 million, an increase of \$52 million or 16 per cent

Operating ratio was 74.1 per cent, an improvement of 170 basis points

Conference Call Information

CP will discuss its results with analysts in a conference call beginning at 11:00 a.m. Eastern time (9:00 a.m. Mountain time) on October 24, 2012.

Conference call access

Toronto participants dial in number: (647) 427-7452

Operator assisted toll free dial in number: 1-888-231-8193

Callers should dial in 10 minutes prior to the call

Webcast

For those with Internet access we encourage you to listen via CP's website at www.cpr.ca. To access the webcast and the presentation material, click on "Invest In CP" tab.

A replay of the conference call will be available by phone through November 21, 2012 at 416-849- 0833 or toll free 1-855-859-2056, password 35137957. A webcast of the presentation and an audio file will be available at www.cpr.ca under Invest In CP tab.

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 www.cpr.ca to learn more.

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CANADIAN PACIFIC RAILWAY LIMITED

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	
	2012	2011	2012	2011
Revenues				
Freight	\$ 1,414	\$ 1,309	\$ 4,086	\$ 3,677
Other	37	32	107	92
Total revenues	1,451	1,341	4,193	3,769
Operating expenses				
Compensation and benefits <i>(Notes 8 and 11)</i>	371	336	1,128	1,037
Fuel	232	238	743	701
Materials	57	56	178	185
Equipment rents	52	53	158	158
Depreciation and amortization	137	123	399	367
Purchased services and other <i>(Notes 10 and 11)</i>	226	211	698	657
Total operating expenses	1,075	1,017	3,304	3,105
Operating income	376	324	889	664
Less:				
Other income and charges	2	14	34	8
Net interest expense	69	64	207	191
Income before income tax expense	305	246	648	465
Income tax expense <i>(Note 3)</i>	81	59	179	116
Net income	\$ 224	\$ 187	\$ 469	\$ 349
Earnings per share <i>(Note 4)</i>				
Basic earnings per share	\$ 1.31	\$ 1.10	\$ 2.74	\$ 2.06
Diluted earnings per share	\$ 1.30	\$ 1.10	\$ 2.72	\$ 2.04
Weighted-average number of shares (millions)				
Basic	172.2	169.4	171.3	169.4
Diluted	173.4	170.5	172.6	170.6
Dividends declared per share	\$ 0.3500	\$ 0.3000	\$ 1.0000	\$ 0.8700

See Notes to Interim Consolidated Financial Statements.

CANADIAN PACIFIC RAILWAY LIMITED**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****(in millions of Canadian dollars)****(unaudited)**

	For the three months ended September 30		For the nine months ended September 30	
	2012	2011	2012	2011
Net income	\$ 224	\$ 187	\$ 469	\$ 349
Net gain (loss) in foreign currency translation adjustments, net of hedging activities	14	(7)	12	(7)
Change in derivatives designated as cash flow hedges	9	(2)	11	(5)
Change in defined benefit pension and post-retirement plans	53	40	161	115
Other comprehensive income before income taxes	76	31	184	103
Income tax (expense) recovery	(30)	21	(58)	(9)
Other comprehensive income	46	52	126	94
Comprehensive income	\$ 270	\$ 239	\$ 595	\$ 443

See Notes to Interim Consolidated Financial Statements.

CANADIAN PACIFIC RAILWAY LIMITED**CONSOLIDATED BALANCE SHEETS**

(in millions of Canadian dollars)

(unaudited)

	September 30 2012	December 31 2011
Assets		
Current assets		
Cash and cash equivalents	\$ 207	\$ 47
Accounts receivable, net	533	518
Materials and supplies	142	138
Deferred income taxes	175	101
Other current assets	61	52
	1,118	856
Investments (Note 6)	87	167
Net properties	12,967	12,752
Goodwill and intangible assets	185	192
Other assets	134	143
Total assets	\$ 14,491	\$ 14,110
Liabilities and shareholders equity		
Current liabilities		
Short-term borrowing	\$	\$ 27
Accounts payable and accrued liabilities	1,047	1,133
Long-term debt maturing within one year	54	50
	1,101	1,210
Pension and other benefit liabilities (Note 8)	1,174	1,372
Other long-term liabilities	306	365
Long-term debt (Note 5)	4,602	4,695
Deferred income taxes	2,077	1,819
Total liabilities	9,260	9,461
Shareholders equity		
Share capital	2,042	1,854
Additional paid-in capital	57	86
Accumulated other comprehensive loss	(2,610)	(2,736)
Retained earnings	5,742	5,445
	5,231	4,649
Total liabilities and shareholders equity	\$ 14,491	\$ 14,110

Commitments and contingencies (Note 9)

See Notes to Interim Consolidated Financial Statements.

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	
	2012	2011	2012	2011
Operating activities				
Net income	\$ 224	\$ 187	\$ 469	\$ 349
Reconciliation of net income to cash provided by operating activities:				
Depreciation and amortization	137	123	399	367
Deferred income taxes <i>(Note 3)</i>	68	59	162	119
Pension funding in excess of expense <i>(Note 8)</i>	(14)	(16)		