

CANADIAN PACIFIC RAILWAY LTD/CN

Form 6-K

April 24, 2013

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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 April, 2013

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).

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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: April 24, 2013

Signed: /s/ Paul Bachand

By: Name: Paul Bachand
Title: Associate Corporate Secretary

CANADIAN PACIFIC RAILWAY COMPANY
(Registrant)

Date: April 24, 2013

Signed: /s/ Paul Bachand

By: Name: Paul Bachand
Title: Associate Corporate Secretary

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For Release Immediate April 24, 2013

Canadian Pacific reports Q1-2013 net income of C\$217M or C\$1.24 per diluted share

Delivers best first quarter results in company's history

Calgary, AB - Canadian Pacific Railway Limited (TSX: CP) (NYSE: CP) today announced record Q1 2013 results.

Reported net income in the first quarter was \$217 million, or \$1.24 per diluted share, versus \$142 million, or \$0.82 per share, in the first quarter of 2012. This represents a 51 per cent year-over-year improvement in earnings per share.

FIRST-QUARTER 2013 RESULTS COMPARED WITH FIRST-QUARTER 2012:

Total revenues were \$1,495 million, an increase of 9 per cent and a quarterly record

Operating expenses were \$1,133 million, an increase of 3 per cent

Operating income was \$362 million, an increase of 32 per cent

Operating ratio was 75.8 per cent, a 430 basis point improvement and a quarterly record

CP delivered the best first quarter results in its history despite challenging winter conditions, said E. Hunter Harrison, Chief Executive Officer. This is a true testament to the determination and perseverance of our outstanding team of railroaders. There remains a lot of work to do as we continue to make significant changes to our operating model. With a very strong start to the year and momentum quickly building, I am now even more confident that we are on pace toward the best year-end financial and operating performance in CP's history.

The transformational journey of the railway continues, added Harrison. Through ongoing culture change and focused, disciplined execution of the plan, we will make this franchise even stronger, adding significant value to customers and shareholders.

Editor's Note

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 April 24, 2013.

Conference call access

Toronto participants dial in number: (647) 427-7450

Operator assisted toll free dial in number: 1-888-231-8191

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 May 24, 2013 at 416-849-0833 or toll free 1-855-859-2056, password 31843416. A webcast of the presentation and an audio file will be available at www.cpr.ca under "Invest In CP" tab.

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Note on Forward-Looking Information

This news release contains certain forward-looking statements relating but not limited to our operations, anticipated financial performance, planned capital expenditures, 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; 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 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 (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 a low-cost provider that 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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(in millions of Canadian dollars, except per share data)

(unaudited)

	For the three months	
	ended March 31	
	2013	2012
Revenues		
Freight	\$ 1,459	\$ 1,340
Other	36	36
Total revenues	1,495	1,376
Operating expenses		
Compensation and benefits	402	391
Fuel	270	269
Materials	72	64
Equipment rents	46	50
Depreciation and amortization	141	127
Purchased services and other	202	201
Total operating expenses	1,133	1,102
Operating income	362	274
Less:		
Other income and charges	3	13
Net interest expense	70	69
Income before income tax expense	289	192
Income tax expense (<i>Note 4</i>)	72	50
Net income	\$ 217	\$ 142
Earnings per share (<i>Note 5</i>)		
Basic earnings per share	\$ 1.25	\$ 0.83
Diluted earnings per share	\$ 1.24	\$ 0.82
Weighted-average number of shares (millions)		
Basic	174.3	170.5
Diluted	175.8	172.0
Dividends declared per share	\$ 0.3500	\$ 0.3000
See Notes to Interim Consolidated Financial Statements.		

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	For the three months	
	ended March 31	
	2013	2012
Net income	\$ 217	\$ 142
Net (loss) gain on foreign currency translation adjustments, net of hedging activities	(2)	5
Change in derivatives designated as cash flow hedges	1	10
Change in pension and post-retirement defined benefit plans	188	54
Other comprehensive income before income tax expense	187	69
Income tax expense	(40)	(24)
Other comprehensive income (<i>Note 3</i>)	147	45
Comprehensive income	\$ 364	\$ 187

See Notes to Interim Consolidated Financial Statements.

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(in millions of Canadian dollars)

(unaudited)

	March 31 2013	December 31 2012
Assets		
Current assets		
Cash and cash equivalents	\$ 347	\$ 333
Accounts receivable, net	585	546
Materials and supplies	190	136
Deferred income taxes	292	254
Other current assets	67	60
	1,481	1,329
Investments	85	83
Properties	13,122	13,013
Goodwill and intangible assets	164	161
Other assets (<i>Note 9</i>)	175	141
Total assets	\$ 15,027	\$ 14,727
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,089	\$ 1,176
Long-term debt maturing within one year	154	54
	1,243	1,230
Pension and other benefit liabilities (<i>Note 8</i>)	1,172	1,366
Other long-term liabilities	315	306
Long-term debt	4,590	4,636
Deferred income taxes	2,258	2,092
Total liabilities	9,578	9,630
Shareholders' equity		
Share capital	2,183	2,127
Additional paid-in capital	35	41
Accumulated other comprehensive loss (<i>Note 3</i>)	(2,621)	(2,768)
Retained earnings	5,852	5,697
	5,449	5,097
Total liabilities and shareholders' equity	\$ 15,027	\$ 14,727

Commitments and contingencies (*Note 9*)

See Notes to Interim Consolidated Financial Statements.

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(in millions of Canadian dollars)

(unaudited)

	For the three months	
	ended March 31	
	2013	2012
Operating activities		
Net income	\$ 217	\$ 142
Reconciliation of net income to cash provided by operating activities:		
Depreciation and amortization	141	127
Deferred income taxes	63	46
Pension funding in excess of expense <i>(Note 8)</i>	(9)	(7)
Other operating activities, net	2	(29)
Change in non-cash working capital balances related to operations	(147)	(78)
Cash provided by operating activities	267	201
Investing activities		
Additions to properties	(203)	(233)
Proceeds from sale of properties and other assets	16	45
Other <i>(Note 9)</i>	(25)	(1)
Cash used in investing activities	(212)	(189)
Financing activities		
Dividends paid	(61)	(51)
Issuance of common shares	40	38
Issuance of long-term debt		71
Repayment of long-term debt	(19)	(12)
Net decrease in short term borrowings		(27)
Cash (used in) provided by financing activities	(40)	19
Effect of foreign currency fluctuations on U.S. dollar-denominated cash and cash equivalents	(1)	(1)
Cash position		
Increase in cash and cash equivalents	14	30
Cash and cash equivalents at beginning of period	333	47
Cash and cash equivalents at end of period	\$ 347	\$ 77

Supplemental disclosures of cash flow information:

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Income taxes paid	\$	4	\$	4
Interest paid	\$	66	\$	51

See Notes to Interim Consolidated Financial Statements.

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CANADIAN PACIFIC RAILWAY LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(in millions of Canadian dollars, except common share amounts)

(unaudited)

Common shares (in millions)	Share capital	Additional paid-in capital	Accumulated other comprehensive loss	Retained earnings
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