

UNION PACIFIC CORP
Form 10-Q
July 24, 2015
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-6075

UNION PACIFIC CORPORATION

(Exact name of registrant as specified in its charter)

Edgar Filing: UNION PACIFIC CORP - Form 10-Q

UTAH	13-2626465
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1400 DOUGLAS STREET, OMAHA, NEBRASKA

(Address of principal executive offices)

68179

(Zip Code)

(402) 544-5000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

As of July 17, 2015, there were 867,691,580 shares of the Registrant's Common Stock outstanding.

Table of Contents

TABLE OF CONTENTS

UNION PACIFIC CORPORATION

AND SUBSIDIARY COMPANIES

PART I. FINANCIAL INFORMATION

<u>Item 1. Condensed Consolidated Financial Statements:</u>	
<u>CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)</u>	
<u>For the Three Months Ended June 30, 2015 and 2014</u>	3
<u>CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)</u>	
<u>For the Three Months Ended June 30, 2015 and 2014</u>	3
<u>CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)</u>	
<u>For the Six Months Ended June 30, 2015 and 2014</u>	4
<u>CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)</u>	
<u>For the Six Months Ended June 30, 2015 and 2014</u>	4
<u>CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited)</u>	
<u>At June 30, 2015 and December 31, 2014</u>	5
<u>CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)</u>	
<u>For the Six Months Ended June 30, 2015 and 2014</u>	6
<u>CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN COMMON SHAREHOLDERS' EQUITY (Unaudited)</u>	
<u>For the Six Months Ended June 30, 2015 and 2014</u>	7
<u>NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)</u>	8
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	22
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	35
<u>Item 4. Controls and Procedures</u>	35

PART II. OTHER INFORMATION

<u>Item 1. Legal Proceedings</u>	35
<u>Item 1A. Risk Factors</u>	37
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	37
<u>Item 3. Defaults Upon Senior Securities</u>	37
<u>Item 4. Mine Safety Disclosures</u>	37
<u>Item 5. Other Information</u>	37

<u>Item 6. Exhibits</u>	38
<u>Signatures</u>	39
Certifications	

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

Condensed Consolidated Statements of Income (Unaudited)

Union Pacific Corporation and Subsidiary Companies

Millions, Except Per Share Amounts,

for the Three Months Ended June 30,	2015	2014
Operating revenues:		
Freight revenues	\$ 5,068	\$ 5,661
Other revenues	361	354
Total operating revenues	5,429	6,015
Operating expenses:		
Compensation and benefits	1,305	1,246
Purchased services and materials	600	636
Fuel	541	923
Depreciation	497	470
Equipment and other rents	312	316
Other	225	228
Total operating expenses	3,480	3,819
Operating income	1,949	2,196
Other income (Note 6)	142	22
Interest expense	(153)	(138)
Income before income taxes	1,938	2,080
Income taxes	(734)	(789)
Net income	\$ 1,204	\$ 1,291
Share and Per Share (Note 8):		
Earnings per share - basic	\$ 1.38	\$ 1.43
Earnings per share - diluted	\$ 1.38	\$ 1.43
Weighted average number of shares - basic	872.2	901.5
Weighted average number of shares - diluted	875.2	905.0
Dividends declared per share	\$ 0.55	\$ 0.455

Condensed Consolidated Statements of Comprehensive Income (Unaudited)

Union Pacific Corporation and Subsidiary Companies

Millions, for the Three Months Ended June 30,	2015	2014
Net income	\$ 1,204	\$ 1,291
Other comprehensive income/(loss):		
Defined benefit plans		