

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 23,
2003

Union Pacific Corporation

(Exact Name of Registrant as Specified in its Charter)

<u>Utah</u>	<u>1-6075</u>	<u>13-2626465</u>
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

<u>1416 Dodge Street, Omaha, Nebraska</u>	<u>68179</u>
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: (402) 271-
5777

N/A

(Former Name or Former Address, if Changed Since Last Report)

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On October 23, 2003, Union Pacific Corporation issued a press release announcing Union Pacific Corporation's financial results for the third quarter of 2003. A copy of the press release is being furnished as Exhibit 99 and is incorporated herein by reference.

SIGNATURES

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

Dated: October 23, 2003

UNION PACIFIC CORPORATION

By: /s/ James R. Young
James R. Young
Executive Vice President -
Finance

EXHIBIT INDEX

Exhibit Description

- | | |
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| 99 | Press Release dated October 23, 2003 announcing Union Pacific Corporation's financial results for the third quarter of 2003. |
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RECORD REVENUE FOR UNION PACIFIC
Strong Performance in Agricultural, Industrial Products and Energy

OMAHA, Neb., October 23, 2003 – Union Pacific Corporation (NYSE:UNP) today reported net income for the third quarter of \$317 million or \$1.21 per diluted share. This compares to \$437 million or \$1.63 per diluted share in the third quarter of 2002, which included income gains from a major real estate sale, as well as a tax settlement. These two items added \$0.44 per diluted share to the 2002 quarterly earnings.

"As in the first half of the year, fuel prices continued to be a drain on earnings, adding nearly \$50 million to third quarter expenses," said Dick Davidson, chairman and chief executive officer. "On the plus side, however, we achieved record revenue of nearly \$3 billion – a four percent increase over last year."

Third Quarter Highlights

For the third quarter, Union Pacific Corporation reported operating income from continuing operations of \$592 million compared to \$619 million for the same period in 2002.

- Revenue was a record \$3.0 billion – up 4 percent versus 2002
- Operating Margin of 20 percent – down 1.7 points versus 2002, primarily as a result of higher energy costs

Third Quarter Railroad Business Revenue Summary versus 2002

Overall, commodity revenue was up 4 percent with three groups, Agricultural, Industrial Products and Energy all achieving best ever quarterly revenue as follows:

- m o r e -

- Agricultural up 10 percent
- Industrial Products up 7 percent
- Energy up 6 percent
- Chemicals and Intermodal were flat
- Automotive down 3 percent

"Even in the face of some operational challenges, we leveraged Union Pacific's diverse businesses into a solid revenue performance," said Davidson. "This competitive advantage enabled us to see strong demand in three of our six business groups and more than offset weaknesses in finished vehicle and chemical demand."

Overnite's Third Quarter Results

Due to the pending IPO of Overnite Corporation, the company's results are reported as Discontinued Operations.

Overnite reported a 13 percent increase in third quarter operating income of \$28.8 million compared to \$25.6 million in 2002. Operating revenues increased 8 percent to \$384.2 million compared to \$354.7 million last year. Overnite's 2003 operating ratio improved 0.3 percentage points to 92.5 percent from 92.8 percent in 2002.

Year-to-Date Summary

For the first nine months of 2003, Union Pacific Corporation reported operating income from continuing operations of \$1.54 billion compared with \$1.69 billion in 2002, down 9 percent. Net income for the nine months ended September 30, 2003, rose 7 percent to \$1.03 billion versus \$963 million for the same period a year ago. The \$1.03 billion includes \$274 million from the cumulative effect of an accounting change recorded in the first quarter of 2003.

Outlook

“We’re fairly optimistic that we’ll see continued broad-based growth in our business and improving economic conditions as we round out 2003,” Davidson said.

“While we have been experiencing some operational difficulties in the second half of the year, we expect operations to improve throughout the fourth quarter, enabling Union Pacific to enter 2004 with a balanced, fluid system that is positioned for new growth and new business.”

Union Pacific Corporation is one of America's leading transportation companies. Its principal operating company, Union Pacific Railroad, is the largest railroad in North America, covering 23 states across the western two-thirds of the United States. A strong focus on quality and a strategically advantageous route structure enable the company to serve customers in critical and fast growing markets. It is a leading carrier of low-sulfur coal used in electrical power generation and has broad coverage of the large chemical-producing areas along the Gulf Coast. With competitive long-haul routes between all major West Coast ports and eastern gateways, and as the only railroad to serve all six gateways to Mexico, Union Pacific has the premier rail franchise in North America. The Corporation’s trucking operations include Overnite, Inc. which owns its less-than-truckload carriers Overnite Transportation and Motor Cargo.

Supplemental financial information is attached.

Additional information is available at our website: www.up.com. Our media contact is Kathryn Blackwell, 402 271-3753. Our contact for investors is Jennifer Hamann, 402 271-4227.

This press release and related materials may contain statements about the Corporation's future that are not statements of historical fact. These statements are, or will be, forward-looking statements as defined by the Securities Act of 1933 and the Securities Exchange Act of 1934. Forward-looking statements include, without limitation, statements regarding: expectations as to operational improvements; expectations as to cost savings, revenue growth and earnings; the time by which certain objectives will be achieved; estimates of costs relating to environmental remediation and restoration; proposed new products and services; expectations that claims, lawsuits, environmental costs, commitments, contingent liabilities, labor negotiations or agreements, or other matters will not have a material adverse effect on our consolidated financial position, results of operations or liquidity; and statements concerning projections, predictions, expectations, estimates or forecasts as to the Corporation's and its subsidiaries' business, financial and operational results, and future economic performance, statements of management's goals and objectives and other similar expressions concerning matters that are not historical facts.

Forward-looking statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times that, or by which, such performance or results will be achieved. Forward-looking information is based on information available at the time and/or management's good faith belief with respect to future events, and is subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements.

Important factors that could affect the Corporation's and its subsidiaries' future results and could cause those results or other outcomes to differ materially from those expressed or implied in the forward-looking statements include, but are not limited to: whether the Corporation and its subsidiaries are fully successful in implementing their financial and operational initiatives; industry competition, conditions, performance and consolidation; legislative and regulatory developments, including possible enactment of new tax rates and possible enactment of initiatives to re-regulate the rail industry; natural events such as severe weather, fire, floods and earthquakes; the effects of adverse general economic conditions, both within the United States and globally; any adverse economic or operational repercussions from terrorist activities and any governmental response thereto; war or risk of war; changes in fuel prices; changes in labor costs; labor stoppages; and the outcome of claims and litigation, including those related to environmental contamination, personal injuries, and occupational illnesses arising from hearing loss, repetitive motion and exposure to asbestos and diesel fumes.

Forward-looking statements speak only as of the date the statements were made. The Corporation assumes no obligation to update forward-looking information to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information. If the Corporation does update one or more forward-looking statements, no inference should be drawn that the Corporation will make additional updates with respect thereto or with respect to other forward-looking statements.

UNION PACIFIC CORPORATION
STATEMENTS OF CONSOLIDATED INCOME
For the Three Months Ended September 30
(Dollars in Millions, Except Per Share Amounts)
(Unaudited)

	2003	2002	Pct Chg	
Operating Revenues	\$ 2,956	\$ 2,850	+	4
Operating Expenses	<u>2,364</u>	<u>2,231</u>	+	6
Operating Income	592	619	-	4
Other Income - Net	15	160	-	91
Interest Expense	<u>(140)</u>	<u>(157)</u>	-	11
Income Before Income Taxes	467	622	-	25
Income Tax Expense	<u>(167)</u>	<u>(234)</u>	-	29
Income from Continuing Operations	300	388	-	23
Income from Discontinued Operations	<u>17</u>	<u>49</u>	-	65
Net Income	<u>\$ 317</u>	<u>\$ 437</u>	-	27
Basic Earnings Per Share				
Income from Continuing Operations	\$ 1.18	\$ 1.54	-	23
Income from Discontinued Operations	0.07	0.19	-	63
Net Income	<u>\$ 1.25</u>	<u>\$ 1.73</u>	-	28
Diluted Earnings Per Share				
Income from Continuing Operations	\$ 1.15	\$ 1.45	-	21
Income from Discontinued Operations	0.06	0.18	-	67
Net Income	<u>\$ 1.21</u>	<u>\$ 1.63</u>	-	26
Average Basic Shares Outstanding (MM)	254.3	252.5		
Average Diluted Shares Outstanding (MM)	265.0	277.3		

UNION PACIFIC CORPORATION
STATEMENTS OF CONSOLIDATED INCOME
For the Nine Months Ended September 30
(Dollars in Millions, Except Per Share Amounts)
(Unaudited)

	2003	2002	Pct Chg	
Operating Revenues	\$ 8,586	\$ 8,334	+	3
Operating Expenses	<u>7,042</u>	<u>6,643</u>	+	6
Operating Income	1,544	1,691	-	9
Other Income - Net	32	216	-	85
Interest Expense	<u>(440)</u>	<u>(478)</u>	-	8
Income Before Income Taxes	1,136	1,429	-	21
Income Tax Expense	<u>(413)</u>	<u>(532)</u>	-	22
Income from Continuing Operations	723	897	-	19
Income from Discontinued Operations	37	66	-	44
Cumulative Effect of Accounting Change	<u>274</u>	<u>-</u>		F
Net Income	<u>\$ 1,034</u>	<u>\$ 963</u>	+	7
Basic Earnings Per Share				
Income from Continuing Operations	\$ 2.85	\$ 3.56	-	20
Income from Discontinued Operations	0.14	0.27	-	48
Cumulative Effect of Accounting Change	1.08	-		F
Net Income	<u>\$ 4.07</u>	<u>\$ 3.83</u>	+	6
Diluted Earnings Per Share				
Income from Continuing Operations	\$ 2.79	\$ 3.40	-	18
Income from Discontinued Operations	0.13	0.24	-	46
Cumulative Effect of Accounting Change	1.02	-		F
Net Income	<u>\$ 3.94</u>	<u>\$ 3.64</u>	+	8
Average Basic Shares Outstanding (MM)	253.9	251.8		
Average Diluted Shares Outstanding (MM)	269.1	276.5		

UNION PACIFIC RAILROAD

REVENUE DETAIL

Periods Ended September 30

(Unaudited)

Third Quarter					Year-to-Date					
2003		2002		Pct Chg		2003		2002		Pct Chg
Commodity Revenue (000):										
\$	411,244	\$	373,165	+ 10	Agricultural	\$	1,158,027	\$	1,095,859	+ 6
	276,030		284,942	- 3	Automotive		898,229		892,982	+ 1
	400,000		398,778	-	Chemicals		1,187,450		1,186,297	-
	627,898		591,381	+ 6	Energy		1,790,783		1,743,068	+ 3
	571,974		535,597	+ 7	Industrial Products		1,642,379		1,542,554	+ 6
	540,138		542,115	-	Intermodal		1,521,267		1,511,693	+ 1
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\$	2,827,284	\$	2,725,978	+ 4	Total	\$	8,198,135	\$	7,972,453	+ 3
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Revenue Carloads:										
	224,919		214,495	+ 5	Agricultural		644,868		641,757	-
	189,734		192,640	- 2	Automotive		610,628		604,930	+ 1
	224,686		230,674	- 3	Chemicals		669,757		680,943	- 2
	562,700		539,915	+ 4	Energy		1,620,629		1,604,997	+ 1
	389,976		379,954	+ 3	Industrial Products		1,112,562		1,077,384	+ 3
	774,764		801,251	- 3	Intermodal		2,219,777		2,253,392	- 1
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	2,366,779		2,358,929	-	Total		6,878,221		6,863,403	-
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Average Revenue per Car:										
	\$1,828		\$1,740	+ 5	Agricultural		\$1,796		\$1,708	+ 5
	1,455		1,479	- 2	Automotive		1,471		1,476	-
	1,780		1,729	+ 3	Chemicals		1,773		1,742	+ 2
	1,116		1,095	+ 2	Energy		1,105		1,086	+ 2
	1,467		1,410	+ 4	Industrial Products		1,476		1,432	+ 3
	697		677	+ 3	Intermodal		685		671	+ 2
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	\$1,195		\$1,156	+ 3	Total		\$1,192		\$1,162	+ 3

RAIL AND OTHER OPERATIONS - a)

REVIEW OF OPERATIONS

Periods Ended September 30

(Dollars in Millions, Except Operating Statistics)

(Unaudited)

Third Quarter				Year-to-Date			
2003	2002	Pct Chg		2003	2002	Pct Chg	
\$ 2,956	\$ 2,850	+	4	\$ 8,586	\$ 8,334	+	3
Operating Revenues							
Operating Expenses							
977	919	+	6	2,893	2,745	+	5
308	316	-	3	916	939	-	2
267	288	-	7	795	858	-	7
330	277	+	19	1,005	770	+	31
104	119	-	13	306	365	-	16
378	312	+	21	1,127	966	+	17
2,364	2,231	+	6	7,042	6,643	+	6
\$ 592	\$ 619	-	4	\$ 1,544	\$ 1,691	-	9
Operating Income							
Operating Statistics:							
2,367	2,359	-		6,878	6,863	-	
137.0	131.5	+	4	395.7	387.5	+	2
259.8	253.3	+	3	754.9	741.3	+	2
2.06 ¢	2.07 ¢	-		2.07 ¢	2.06 ¢	-	
\$ 1,195	\$ 1,156	+	3	\$ 1,192	\$ 1,162	+	3
46,369	47,906	-	3	46,499	47,639	-	2
90 ¢	75 ¢	+	20	93 ¢	70 ¢	+	33
334	331	+	1	985	985	-	
1.29	1.31	-	2	1.30	1.33	-	2
20.0	21.7	-	1.7 pt.	18.0	20.3	-	2.3 pt.
80.0	78.3	+	1.7 pt.	82.0	79.7	+	2.3 pt.

a) Excludes Overnite's operations.

UNION PACIFIC CORPORATION
STATEMENTS OF CONSOLIDATED FINANCIAL POSITION

As of September 30, 2003 and December 31, 2002

(Dollars in Millions)

(Unaudited)

	September 30, 2003	December 31, 2002
Assets:		
Cash and Temporary Investments	\$ 223	\$ 367
Other Current Assets	1,559	1,531
Investments	722	699
Properties - Net	30,121	29,004
Other Assets	397	381
Assets of Discontinued Operations	793	782
 Total	 <u>\$ 33,815</u>	 <u>\$ 32,764</u>
Liabilities and Shareholders' Equity:		
Current Portion of Long Term Debt	\$ 162	\$ 275
Other Current Liabilities	2,314	2,248
Long Term Debt	8,058	7,428
Deferred Income Taxes	9,057	8,550
Other Long Term Liabilities	1,807	1,805
Liabilities of Discontinued Operations	341	307
Convertible Preferred Securities a)	500	1,500
Common Shareholders' Equity	11,576	10,651
 Total	 <u>\$ 33,815</u>	 <u>\$ 32,764</u>

a) \$1 billion of the Convertible Preferred Securities were redeemed in the first nine months of 2003.

UNION PACIFIC CORPORATION
STATEMENTS OF CONSOLIDATED CASH FLOWS

For the Nine Months Ended September 30

(Dollars in Millions)

(Unaudited)

	2003	2002
Operating Activities:		
Net Income	\$ 1,034	\$ 963
Income from Discontinued Operations	(37)	(66)
Cumulative Effect of Accounting Change	(274)	-
Depreciation	795	858
Deferred Income Taxes	346	455
Other	(93)	(393)
Cash Provided by Operating Activities	<u>1,771</u>	<u>1,817</u>
Investing Activities:		
Capital Investments	(1,300)	(1,301)
Other	174	243
Cash Used in Investing Activities	<u>(1,126)</u>	<u>(1,058)</u>
Financing Activities:		
Dividends Paid	(175)	(151)
Debt Repaid	(1,398)	(1,032)
Financings and Other - Net	784	768
Cash Used in Financing Activities	<u>(789)</u>	<u>(415)</u>
Net Change in Cash and Temporary Investments	<u>\$ (144)</u>	<u>\$ 344</u>