

COVER

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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 15, 1996

Union Pacific Corporation

(Exact Name of Registrant as Specified in Charter)

Utah

(State or Other Jurisdiction
of Incorporation)

1-6075

(Commission
File Number)

13-2626465

(IRS Employer
Identification No.)

Eighth and Eaton Avenues, Bethlehem, Pennsylvania

(Address of Principal Executive Offices)

18018

(Zip Code)

Registrant's telephone number, including area code (610) 861-3200

N/A

Former Name or Former Address, if Changed Since Last Report

Item 2. Acquisition or Disposition of Assets.

As previously disclosed, in July 1995 Union Pacific Corporation ("Union Pacific" or the "Company") announced a formal plan to exit its natural resources business. This plan included an initial public offering (the "IPO") by Union Pacific Resources Group Inc. ("Resources") of a portion of its common stock (the "Resources Common Stock") followed by a distribution of the Company's remaining interest in Resources, consisting of 206 million shares of Resources Common Stock, to holders of the Company's common stock on a tax-free, pro-rata basis (the "Distribution"). The IPO was completed on October 17, 1995 and resulted in the sale to the public of 42,500,000 shares (approximately 17%) of Resources Common Stock at an initial offering price of \$21 per share. On September 12, 1996, Union Pacific's Board of Directors declared a special dividend consisting of the shares of Resources Common Stock to be distributed in the Distribution. The Distribution was completed on October 15, 1996 to holders of record of the Company's common stock on September 26, 1996 (the "Record Date"). As a result of the Distribution, each of the Company's shareholders received 0.846946 of a share of Resources Common Stock for each share of the Company's common stock held by such shareholder on the Record Date. No certificates or scrip for fractional shares of Resources Common Stock were issued in the Distribution; rather such fractional shares were aggregated and sold in the open market at prevailing prices by CS First Boston, as Fractional Share Agent, and the total sale proceeds (net of commissions and other selling costs) were distributed pro rata to Union Pacific shareholders otherwise entitled to receive a fractional share of Resources Common Stock. No consideration was paid by the Company's shareholders for the shares of Resources Common Stock received in the Distribution.

In 1970, Union Pacific acquired Champlin Petroleum Company ("Champlin") in order to manage the exploitation of certain oil and gas resources owned by Union Pacific Railroad Company ("UPRR"). These resources are located on approximately 7.5 million acres in Colorado, Wyoming and Utah which had been granted to a predecessor of UPRR in the mid-1800s by the Federal Government at the time of construction of the first North American transcontinental railroad (the "Land Grant"). In 1987, Champlin changed its name to Union Pacific Resources Company ("UPRC") and UPRC also became responsible for managing Union Pacific's hard mineral assets. These hard mineral assets were owned by another affiliate, Union Pacific Minerals, Inc. ("Minerals"). In connection with the IPO, Minerals changed its name to Union Pacific Resources Group Inc. (defined as "Resources" above), and the Company transferred the stock of UPRC to Resources and caused the Land Grant and certain other oil and gas assets historically managed by Resources, but owned by UPRR and certain other affiliates of Union Pacific, to be transferred to Resources and certain of its subsidiaries, including UPRC. As a result of this restructuring, Resources and its subsidiaries own all of the oil, gas and minerals operations historically owned by Union Pacific.

As a result of Union Pacific's recently completed acquisition of Southern Pacific Rail Corporation, Mr. Philip F. Anschutz, The Anschutz Corporation, an affiliate of Mr. Anschutz, and Anschutz Foundation of which Mr. Anschutz is a director (collectively, the "Anschutz Shareholders"), received 13,196,428 shares of Union Pacific common stock, which represents approximately 5.4% of the total Union Pacific common stock outstanding. On September 26, 1996, Mr. Anschutz was also elected Vice Chairman of Union Pacific's Board of Directors. As a result of the Distribution, the Anschutz Shareholders received 11,176,659 shares of Resources Common Stock, or approximately 4.47% of the total Resources Common Stock outstanding.

Item 7. Financial Statements and Exhibits.

(b) Pro Forma Financial Information. The pro forma financial information required to be reported in this Form 8-K is set forth in Exhibit 99.5 to Form 8-K/A-1 filed by the Company on October 17, 1996, and such information is incorporated by reference herein in its entirety.

(c) Exhibits.

- 99.1 Pro forma financial statements of Union Pacific Corporation for the year ended December 31, 1995 and as of and for the six months ended June 30, 1996, incorporated by reference to Exhibit 99.5 to Form 8-K/A-1 filed by Union Pacific Corporation on October 17, 1996.
- 99.2 Press Release dated October 17, 1996 containing earnings information for Union Pacific Corporation for the third quarter of 1996 and the nine months ended September 30, 1996.

SIGNATURE

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

October 21, 1996

UNION PACIFIC CORPORATION

By: /s/ Carl W. von Bernuth

Name: Carl W. von Bernuth

Title: Senior Vice President & General Counsel

Exhibit Index

Exhibit	Description
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99.2	Press Release dated October 17, 1996 containing earnings information for Union Pacific Corporation for the third quarter of 1996 and the nine months ended September 30, 1996.

FOR IMMEDIATE RELEASE

Bethlehem, PA, October 17 -- Union Pacific Corporation increased its third quarter income from continuing operations 32 percent, from \$160 million in 1995 to \$211 million in 1996. Third quarter net income rose 16 percent, from \$237 million to \$275 million. Net income included income from Union Pacific Resources, which is being reported as a discontinued operation.

Union Pacific Railroad increased its third quarter operating income 11 percent to \$433 million on the strength of both revenue growth and productivity improvements. Total carloadings were up 3 percent, from 1.47 million to 1.51 million units, with gains in four of the six major commodity groups. These increases more than offset a weakness in agricultural products, primarily corn. The Railroad's operating ratio improved 2.0 percentage points, from 76.9 in the third quarter of 1995 to 74.9 in 1996. Its net income rose 17 percent to \$259 million. The Southern Pacific was merged with Union Pacific on September 11, 1996, and its earnings offset the higher interest cost associated with the acquisition. Southern Pacific results will be fully consolidated with Union Pacific, effective October 1, 1996.

While Overnite Transportation had a third quarter loss of \$4 million, compared with a loss of \$2 million in 1995 (before goodwill of \$5 million in both quarters), results showed an improving trend through the quarter. Total tonnage declined 12 percent, but average prices increased 8 percent, as the company focused on improving its lower-margin business.

Union Pacific's share of third quarter income reported from Union Pacific Resources was \$64 million, compared with \$77 million in 1995. (Earnings in the third quarter of 1996 reflected only 83 percent of Resources' income, compared with 100 percent in the prior year). This is the last quarter in which UP Resources' income will be reported with Union Pacific. On October 15, Union Pacific Corporation distributed shares of Union Pacific Resources on a tax-free basis to UP shareholders, using a ratio of .846946 of a share of Resources' common stock for each UP common share held.

Union Pacific Corporation reported earnings of \$675 million in the first nine months of 1996, compared with \$652 million last year. Income from continuing operations in the first nine months of 1996 was \$504 million, compared with \$440 million in 1995. Union Pacific Railroad earned \$660 million, up 4 percent; Overnite had a loss of \$22 million, compared to a loss of \$6 million (before goodwill of \$15 million in both periods); and Union Pacific Resources, the corporation's discontinued operation, earned \$171 million, compared to \$212 million in 1995.

"We were pleased with the corporation's strong financial results," said Drew Lewis, chief executive officer. "When combined with the spin-off of our Resources company and the completion of our Southern Pacific merger, it was a great quarter on all fronts for Union Pacific."

An income statement for the third quarter and first nine months is attached.

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES
STATEMENT OF CONSOLIDATED INCOME
Periods Ended September 30
(Dollars in Millions Except Per Share Amounts)
(Unaudited)

Third Quarter				Year-to-Date		
1996	1995	Pct Chg		1996	1995	Pct Chg
----	----	-----		----	----	-----
\$1,996	\$1,974	+ 1	Operating Revenues.....	\$5,976	\$5,512	+ 8
1,577	1,595	- 1	Operating Expenses.....	4,903	4,517	+ 9
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419	379	+ 11	Operating Income.....	1,073	995	+ 8
52	35	+ 49	Other Income - Net	102	105	- 3
(115)	(127)	- 9	Interest Expense.....	(346)	(328)	+ 5
(24)	(26)	- 8	Corporate Expenses.....	(75)	(80)	- 6
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332	261	+ 27	Income Before Income Taxes.....	754	692	+ 9
(121)	(101)	+ 20	Income Taxes.....	(250)	(252)	- 1
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211	160	+ 32	Income From Continuing Operation	504	440	+ 15
64	77	- 17	Discontinued Operations a).....	171	212	- 19
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\$275	\$237	+ 16	Net Income.....	\$675	\$652	+ 4
=====	=====	=====		=====	=====	=====
			Earnings Per Share:			
\$1.00	\$0.78	+ 28	Income From Continuing Operation	\$2.42	\$2.14	+ 13
0.30	0.37	- 19	Discontinued Operations a).....	0.82	1.03	- 20
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\$1.30	\$1.15	+ 13	Net Income.....	\$3.24	\$3.17	+ 2
=====	=====	=====		=====	=====	=====
N/A	N/A	-	Average Shares Outstanding (MM).	208.5	205.8	+ 1

a) In September 1996 the Corporation declared a special dividend of its remaining 83% ownership of Union Pacific Resources Group Inc. (UPRG) to shareholders of record on September 26, 1996. The dividend was paid October 15, 1996. Income from discontinued operations includes the Corporation's share of UPRG's income through the record date of the special dividend.