

COVER

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K/A-1

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

Date of Report (Date of earliest event reported) September 11, 1996

UNION PACIFIC CORPORATION

(Exact Name of Registrant as Specified in Charter)

Utah	1-6075	13-2626465
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(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

Eighth and Eaton Avenues, Bethlehem, Pennsylvania	18018
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(Address of Principal Executive Offices)	(Zip Code)

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

N/A

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

The Current Report on Form 8-K of Union Pacific Corporation dated September 11, 1996 as filed with the Securities and Exchange Commission on September 16, 1996 is hereby amended to include the following:

Item 7. Pro Forma Financial Information and Exhibit

(b) Pro Forma Financial Information The unaudited pro forma financial statements of Union Pacific Corporation (UP) include the following: i) the acquisition of 100 percent of Southern Pacific Rail Corporation's common stock; ii) the initial public offering and distribution to UP's stockholders of Union Pacific Resources Group Inc.'s common stock and iii) the pro forma full year effect of the April 1995 acquisition of Chicago and North Western Transportation Company. Such pro forma financial statements are required to be reported in this Current Report on Form 8-K, as amended, and are attached as Exhibit 99.5, incorporated by reference herein.

(c) Exhibit

99.5 The 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.

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.

Dated: October 17, 1996

UNION PACIFIC CORPORATION

By: /s/Joseph E. O'Connor, Jr.

Joseph E. O'Connor, Jr.
Vice President and Controller

INDEX

EXHIBIT INDEX

Exhibit -----	Description -----
99.5	The 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.

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS OF
UNION PACIFIC CORPORATION (UP)

The unaudited pro forma combined financial statements of UP included herein have been prepared by UP to reflect four events: (i) the September 15, 1995 purchase of 25 percent of the outstanding shares of Southern Pacific Rail Corporation (SP) at \$25.00 per share; (ii) the September 11, 1996 purchase of the remaining 75 percent of the outstanding shares of SP (15 percent at \$25.00 per share in cash and the exchange of the remaining 60 percent of the outstanding shares of SP for UP common stock at a conversion ratio of 0.4065 shares of UP common stock per share of SP common stock); (iii) the October 15, 1996 distribution to UP stockholders of UP's remaining interest in Union Pacific Resources Group Inc. (Resources) common stock (the Spin-Off), and (iv) the pro forma full year effect on 1995 of UP's acquisition of Chicago and North Western Transportation Company (CNW) in April 1995. The SP and Spin-Off transactions are reflected in the pro forma combined balance sheet as if they occurred on June 30, 1996 and the SP, CNW and Spin-Off transactions are reflected in the pro forma combined statements of income as if they each occurred at the beginning of the earliest period presented with the pro forma affects rolled forward through the subsequent period.

The acquisition of SP has been accounted for under the purchase method. The pro forma combined adjustments do not reflect synergies, and accordingly, do not account for any potential increases in revenue or operating income, any estimated cost savings or adjustments to conform accounting practices or any one-time UP costs associated with the elimination of its duplicate facilities and payments to employees (see notes to pro forma combined financial statements).

The unaudited pro forma combined financial statements are prepared for illustrative purposes only and are based on the assumptions set forth in the notes to such statements. The unaudited pro forma financial statements are not necessarily indicative of the financial position or results of operations that might have occurred had the applicable transactions actually taken place on the dates indicated, or of future results of operations or financial position of the combined entities.

The unaudited pro forma combined financial statements are based on the historical consolidated financial statements of UP, SP and CNW and should be read in conjunction with such historical financial statements and the notes thereto.

PRO FORMA COMBINED STATEMENT OF INCOME
For the Year Ended December 31, 1995
(In millions, except per share amounts)

	UP Historical	CNW Acquisition Adjustments(A)	Spin-Off Adjustments	UP Pro Forma	SP Historical	SP Acquisition Adjustments	UP/SP Pro Forma
Operating Revenues	\$7,486	\$395	\$	\$7,881	\$3,151	\$	\$11,032
Operating Expenses:							
Salaries, wages and benefits	2,826	151	(7)(N)	2,970	1,120		4,090
Equipment and other rents	769	51		820	324		1,144
Depreciation and amortization	642	38		680	161	101 (H)	942
Fuel and utilities	574	28		602	262		864
Materials and supplies	377	28		405	174		579
Special charge	--	--		--	65		65
Other costs	957	28		985	896		1,881
Total	6,145	324	(7)	6,462	3,002	101	9,565
Operating Income	1,341	71	7	1,419	149	(101)	1,467
Gains from Sale of Property	76	--		76	31	(31)(I)	76
Other Income, Net	65	(11)	(12)(D)	42	(34)		8
Interest Expense	(450)	(61)	82 (E)	(429)	(145)	(89)(J) 17 (K)	(646)
Corporate Expenses	(99)	--	5 (F)	(94)	--		(94)
Income before Income Taxes	933	(1)	82	1,014	1	(204)	811
Income Taxes	(314)	2	(31)(G)	(343)	(4)	77 (G)	(270)
Income (Loss) from Continuing Operations	\$ 619	\$ 1	\$ 51	\$ 671	\$ (3)	\$(127)	\$ 541
Earnings Per Share:							
Income (loss) from continuing operations	\$ 3.01			\$ 3.26	\$(0.02)		\$ 2.22
Number of shares used in the computation of earnings per share	205.8			205.8	156.1		243.9 (L)

See Notes to the Pro Forma Combined Financial Statements of UP.

PRO FORMA COMBINED STATEMENT OF INCOME
 For the Six Months Ended June 30, 1996
 (In millions, except per share amounts)

	UP Historical	Spin-Off Adjustments	UP Pro Forma	SP Historical	SP Acquisition Adjustments	UP/SP Pro Forma
Operating Revenues	\$3,980	\$	\$3,980	\$1,614	\$ (9)(Q)	\$5,585
Operating Expenses:						
Salaries, wages and benefits	1,517	(4)(N)	1,513	564		2,077
Equipment and other rents	441		441	166		607
Depreciation and amortization	346		346	87	50(H)	483
Fuel and utilities	344		344	146		490
Materials and supplies	227		227	67		294
Other costs	451		451	475		926
Total	3,326	(4)	3,322	1,505	50	4,877
Operating Income	654	4	658	109	(59)	708
Gain on the Sale of Property	12		12	42	(42)(I)	12
Other Income, Net	38	(25)(D)	13	(24)		(11)
Interest Expense	(231)	18 (M)	(213)	(88)	(25)(J) 9 (K)	(317)
Corporate Expenses	(51)		(51)			(51)
Income before Income Taxes	422	(3)	419	39	(117)	341
Income Taxes	(129)	1 (G)	(128)	(15)	41 (G)	(102)
Income from Continuing Operations	\$ 293	\$ (2)	\$ 291	\$ 24	\$ (76)	\$ 239
Earnings Per Share:						
Income from continuing operations	\$ 1.42		\$ 1.41	\$ 0.15		\$ 0.98
Number of shares used in the computation of earnings per share	206.4		206.4	156.2		244.5 (L)

See Notes to the Pro Forma Combined Financial Statements of UP.

PRO FORMA COMBINED BALANCE SHEET
As of June 30, 1996
(In millions, unaudited)

	Historical UP	Historical SP	SP Purchase Price Allocation	UP/SP Pro Forma	Spin-Off Adjustment	Combined Pro Forma
Assets						
Current assets:						
Cash and cash equivalents	\$ 73	\$ 130	\$	\$ 203	\$	\$ 203
Notes receivable	653	7		660	(650)(M)	10
Other current assets	867	393		1,260		1,260
Total current assets	1,593	530		2,123	(650)	1,473
Investments, net	1,421	--	(985)(O)	436		436
Properties, net	14,339	4,103	5,707(O)	24,149		24,149
Net assets of discontinued operations (D)	1,419	--		1,419	(1,419)(P)	--
Excess acquisition costs	712	--		712		712
Other assets	265	164		429		429
Total assets	\$19,749	\$4,797	\$4,722	\$29,268	\$(2,069)	\$27,199
Liabilities and Stockholders' Equity						
Current liabilities:						
Other current liabilities	\$ 1,782	\$ 930	\$ 484(O)	\$ 3,196		\$ 3,196
Debt due within one year	232	57		289		289
Total current liabilities	2,014	987	484	3,485		3,485
Debt due after one year	5,923	1,777	586(O) 37(O) 201(K)	8,524	(650)(M)	7,874
Deferred income taxes	3,712	237	1,842(O)	5,791	34(N)	5,825
Minority interest - Resources	236	--		236	(236)(P)	--
Other liabilities	1,268	711	162(O) 19(K)	2,160	(89)(N)	2,071
Stockholders' equity	6,596	1,085	(1,085)(O) 2,476(O)	9,072	(1,128)(P)	7,944
Total liabilities and stockholders' equity	\$19,749	\$4,797	\$4,722	\$29,268	\$(2,069)	\$27,199

See Notes to the Pro Forma Combined Financial Statements of UP.

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

(A) On April 24, 1995, Union Pacific Corporation (UP) acquired the remaining 71.6 percent of Chicago and North Western Transportation Company's (CNW) outstanding common stock not previously owned by UP for \$1,170 million. The acquisition of CNW has been accounted for as a purchase and CNW's results have been consolidated into UP's historical 1995 results as of May 1, 1995.

The following shows CNW's historically reported amounts plus pro forma adjustments for the period January 1, 1995 through April 30, 1995, which are included in the pro forma combined financial statements as an adjustment to reflect the annualization of the impact the CNW acquisition would have had on UP's 1995 operating results:

For the Period January 1, 1995 through April 30, 1995

(In Millions)

	Historical CNW	Consolidation Adjustments	Pro Forma CNW
Operating Revenues	\$407	(\$12) (B)	\$395
Operating Expenses	319	11 (C) (6) (B)	324
Operating Income	88	(17)	71
Other Income, Net	(5)	(6) (B)	(11)
Interest Expense	(33)	(28) (C)	(61)
Income before Income Taxes	50	(51)	(1)
Income Taxes	(17)	19 (G)	2
Income from Continuing Operations	\$ 33	(\$32)	\$ 1

(B) The pro forma combined statement of income as of December 31, 1995 has been adjusted to include CNW's historical results as if the CNW acquisition had occurred as of January 1, 1995 and includes a reduction of operating revenues to eliminate UP's recognition of CNW's equity earnings of \$12 million, reductions of CNW's operating costs and UP's other income of \$6 million each to reflect the elimination of intercompany leasing activity.

(C) As a result of the revaluation of CNW's assets to fair market value as part of the allocation of the purchase price of CNW, annual depreciation expense increased \$33 million. In addition, annual interest expense increased by \$85 million, reflecting UP's borrowings of \$1,170 million at an average interest rate of 7.3 percent per annum (the actual average interest rate of the debt securities used to finance the CNW acquisition).

(D) In July 1995, UP's Board of Directors approved a formal plan to exit its natural resources business. The plan included an initial public offering (IPO) of 17.1 percent of Union Pacific Resources Group Inc. (Resources) common stock, which occurred on October 12, 1995 and the October 15, 1996 distribution of UP's remaining investment in Resources on a pro rata, tax-free basis to UP's stockholders (the Spin-Off). The pro forma financial statements include an adjustment to eliminate interest income recorded for Resources' \$650 million, 8.5 percent note to UP that was repaid on October 16, 1996 (see Note M below).

As a result of the plan of disposal, Resources has been presented as a discontinued operation in UP's historical financial statements.

(E) Represents the repayment of outstanding commercial paper balances at the weighted average commercial paper interest rate for 1995 of 6 percent with the proceeds from Resources' \$1,562 million dividend (\$912 million received in October 1995 and \$650 million repaid on October 16, 1996).

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

(F) Represents administrative savings UP will recognize as a result of the Resources' IPO and Spin-Off. These savings include the pension expense reduction discussed in Note N below, lower stock-based compensation costs for executives and lower administrative costs.

(G) Tax-effected pro forma adjustments have been determined using a marginal tax rate of 38 percent.

(H) On September 11, 1996, UP completed the acquisition of Southern Pacific Rail Corporation (SP). The purchase price has been allocated to the assets and liabilities acquired on a preliminary basis based on their estimated fair market value. The initial purchase price allocation (see Note O below) resulted in an annual increase in depreciation expense of \$101 million (\$62 million after tax). The purchase price was allocated at the consummation of the acquisition and may be revised for a period of up to one year. As a result, the final purchase price allocation may be different from the amounts included in Note O below. Nevertheless, management believes the final impact on its operating results will not be materially different from the amounts included in the pro forma combined financial statements because the majority of the purchase price will be allocated to certain real estate, land used for transportation purposes and/or goodwill.

The increase in annual depreciation reflects a \$2,666 million increase in the book value of track, grading and other roadway assets depreciated over an average life of 27 years and a \$30 million increase in the book value of equipment depreciated over an average life of 15 years. The remaining purchase price is allocated to land used for transportation purposes and certain real estate.

(I) Gains on property sales recorded by SP have been eliminated as a result of the revaluation of real estate to fair market value as part of the SP purchase price allocation.

(J) The \$976 million first-step cash tender offer (see Note O below), which occurred on September 15, 1995, was financed by UP's credit facilities of which \$2.5 billion are currently available. The December 31, 1995 pro forma financial statements have been adjusted to reflect a full year of interest for the first-step cash tender offer based on the credit facilities' 1995 weighted average interest rate of 5.7 percent per annum. The cash portion of the second-step tender offer of \$586 million was also financed by UP's existing credit facilities. However, it is management's intent to refinance such amounts on a long-term basis. As a result, the pro forma financial statements at December 31, 1995 and June 30, 1996 reflect interest costs for this latter amount based upon a current long-term market interest rate of 8.5 percent per annum.

A portion of the actual interest rate may be LIBOR-based and; therefore, would be variable rather than fixed. If all of the interest rates were variable, a 0.125 percent change in the market interest rate would cause total annual interest to change by approximately \$2 million.

(K) In conjunction with the allocation of the SP purchase price, SP's debt and preference shares were revalued to fair market value. A debt premium of \$190 million was created and an \$11 million discount that existed in SP's historical debt valuation was eliminated as a result of this revaluation. The premium is being amortized over the average remaining life of the debt of 11 years. As a result, interest expense was reduced on a pro forma basis by \$9 million for the six months ended June 30, 1996 and \$17 million for the twelve months ended December 31, 1995.

(L) The number of shares of outstanding UP common stock used in the determination of pro forma earnings per share include the 206.4 million weighted average shares of UP common stock outstanding as of June 30, 1996 plus 38.1 million additional shares of UP common stock issued in conjunction with the SP acquisition and 205.8 million weighted average shares of UP common stock as of December 31, 1995 plus 38.1 million additional shares of UP common stock issued in conjunction with the SP acquisition.

NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

(M) In conjunction with the IPO, Resources declared a \$1,562 million dividend to UP consisting of \$912 million in cash and a \$650 million note bearing interest at 8.5 percent per annum that was repaid on October 16, 1996. The pro forma financial statements reflect the final distribution of Resources including the repayment of Resources' \$650 million note. Such proceeds were used to repay outstanding commercial paper balances of UP which had a weighted average annual interest rate of 5.5 percent for the six months ended June 30, 1996.

(N) The pro forma financial statements reflect a contractual reallocation of pension assets between UP and Resources that differs from historical December 31, 1995 pension asset allocations between UP and Resources under the UP Pension Plan. As a result of the spin-off of Resources from the UP Pension Plan and the resulting reallocation of pension assets, UP will receive additional pension assets estimated at \$89 million and will realize annual estimated pension expense savings of \$7 million.

(O) On September 15, 1995, UP acquired SP shares in a first-step cash tender offer representing 25 percent of the outstanding SP shares at \$25.00 per share. On September 11, 1996, UP acquired the remaining SP shares for cash and UP common stock so that 40 percent of the consideration for the SP shares was paid in cash, including the shares previously acquired in September 1995, and 60 percent in UP common stock.

The purchase price for SP was determined as follows and was based upon a market value of each share of UP common stock of \$65.00, the value at August 3, 1995 (the date the acquisition was announced), and an aggregate amount of SP shares outstanding of 156.2 million:

(In millions)	
Initial Investment on September 15, 1995 plus Equity	
Income (see Note Q)	\$ 985
Cash Purchase (23.4 million SP shares at \$25.00 per share) on	
September 11, 1996	586
Exchange of Common Shares (93.7 million SP shares converted into	
UP common stock at a conversion ratio of 0.4065 UP common shares	
for each SP share based upon UP's market price of \$65.00 per share)	2,476
Transactions Costs	37

Pro Forma Purchase Price	\$4,084
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The acquisition of SP has been accounted for as a purchase. The initial allocation of the Pro Forma Purchase Price is based upon a preliminary appraisal of assets and liabilities acquired, as follows:

	June 30, 1996

Purchase price	\$4,084
Pre-tax merger costs	646
Equity acquired	(1,085)

Unallocated purchase price	\$3,645
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Purchase Price Allocation:	
Property and equipment	\$5,707
Debt revaluation (see Note K)	(201)
Preference share revaluation (see Note K)	(19)
Deferred income taxes, including the	
effect of merger costs	(1,842)

Total	\$3,645
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NOTES TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

In connection with the SP acquisition and subsequent consolidation of UP's and SP's railroad operations, UP plans to relocate or eliminate duplicate positions, relocate certain functions, merge or dispose of redundant facilities and dispose of certain rail lines. Relocation and severance plans for unionized employees and for employees not covered by collective bargaining agreements are expected to be completed by mid-1997. Other merger-related costs include debt and lease prepayment penalties, duplicate facility abandonment expenses and contract cancellation fees. UP has recognized an estimated \$646 million liability for costs attributable to a preliminary assessment of SP employees and facilities in purchase accounting. Expenses for severing or relocating UP employees and disposing of UP facilities will be charged to operating expense as definitive plans are determined and communicated.

Because UP was precluded by the Interstate Commerce Act from obtaining certain non-public information regarding SP, and was thus unable to perform a substantive analysis of SP's business activities prior to September 1996, the determination of merger costs attributable to SP employees and facilities and the determination of fair market values is preliminary and subject to further refinement. Final amounts could differ from the original estimate, although any such revisions are not expected to be material to the UP's results of operations.

(P) Reflects the distribution of UP's remaining ownership interest in Resources to UP stockholders by dividend on October 15, 1996.

(Q) Reflects the elimination of \$9 million of equity income recognized on the original 25 percent investment in SP for the six months ended June 30, 1996. No equity income was recorded in 1995.