

CANADIAN PACIFIC RAILWAY LTD/CN

Form 6-K

December 12, 2007

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of December, 2007

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)

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 whether the registrants by furnishing the information contained in this Form are also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):
82-_____

This Report furnished on Form 6-K shall be incorporated by reference into each of the following Registration Statements under the Securities Act of 1933 of the registrant: Form S-8 No. 333-140955 (Canadian Pacific Railway Limited), Form S-8 No. 333-127943 (Canadian Pacific Railway Limited), and Form S-8 No. 333-13962 (Canadian Pacific Railway Limited).

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
CANADIAN PACIFIC RAILWAY COMPANY
(Registrants)

Date: December 12, 2007

By: Signed: G. A. Feigel
Name: G. A. Feigel
Title: Assistant Corporate Secretary

Release: Immediate, December 12, 2007

CANADIAN PACIFIC REVIEWS 2007 EARNINGS OUTLOOK

Outlook for 2008 remains unchanged

CALGARY Canadian Pacific (TSX/NYSE: CP) announced today that adjusted diluted earnings per share for 2007 may be at the bottom of, or even below, the range announced earlier this year of from \$4.30 to \$4.45. This is a result of recent harsh weather conditions that caused disruptions in train operations in CP's busy Western corridor, and a lag in the fuel recovery program.

Canadian Pacific has delivered solid growth in adjusted diluted EPS of 12 per cent for the first nine months of 2007, said Fred Green, President and CEO. But with these stronger than expected headwinds in the fourth quarter, there is a risk that earnings growth may not reach the level that we expected for 2007 of nine per cent to 13 per cent. However, with a focus on execution excellence and cost management, we remain confident we will deliver our earnings target in 2008 of \$4.70 to \$4.85.

Mike Lambert, Chief Financial Officer added, "With higher than anticipated WTI prices and the 30-day lag between our fuel expenses and our fuel recovery, combined with the effects of the severe weather patterns we experienced in British Columbia in early December, there is a risk that earnings may fall below the bottom end of our guidance of \$4.30 for the full year 2007."

Note on forward-looking information

This news release contains certain forward-looking statements relating but not limited to our operations, anticipated financial performance 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 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; changes in laws and regulations, including regulation of rates; changes in taxes and tax rates; potential increases in maintenance and operating costs; uncertainties of litigation; labour disputes; risks and liabilities arising from derailments; timing of completion of capital and maintenance projects; currency and interest rate fluctuations; effects of changes in market conditions on the financial position of pension plans and investments; and various events that could disrupt operations, including severe weather conditions, security threats and governmental response to them, and technological changes.

There are factors that could cause actual results to differ from those described in the forward-looking statements contained in this news release. These more specific factors are identified and discussed in the Outlook section and elsewhere in this news release with the particular forward-looking statement in question.

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 except as required by law.

Canadian Pacific, through the ingenuity of its employees located across Canada and in the United States, remains committed to being the safest, most fluid railway in North America. Our people are the key to delivering innovative transportation solutions to our customers and to ensuring the safe operation of our trains through the more than 900 communities where we operate. Our combined ingenuity makes CPR a better place to work, rail a better way to ship, and North America a better place to live. Come and visit us at www.cpr.ca to see how we can put our ingenuity to work for you. Canadian Pacific is proud to be the official rail freight services provider for the Vancouver 2010 Olympic and Paralympic Winter Games.

Contacts:

Media

Leslie Pidcock

Tel.: (403) 319-6878

email: leslie_pidcock@cpr.ca

Investment Community

Janet Weiss, Assistant Vice-President

Investor Relations

Tel.: (403) 319-3591

email: investor@cpr.ca

- 30 -