

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

SANTA FE PACIFIC CORP

CIK: **732639** | IRS No.: **363258709** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-08627** | Film No.: **94501873**
SIC: **4011** Railroads, line-haul operating

Business Address
1700 EAST GOLF RD
SCHAUMBURG IL 60173-5860
7089956000

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

Date of Report (Date of Earliest event reported): January 19, 1994

SANTA FE PACIFIC CORPORATION
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

1-8627
(Commission File Number)

36-3258709
(I.R.S. Employer
Identification No.)

1700 East Golf Road, Schaumburg, Illinois 60173-5860
(Address of Principal Executive Offices) (zip code)

(708) 995-6000
(Registrant's Telephone Number, Including Area Code)

(Not Applicable)
(Former Name or Former Address, If Changed Since Last Report)

ITEM 5. OTHER EVENTS

Santa Fe Pacific Corporation announced its 1993 earnings in a January, 1994, press release, which press release is attached as Exhibit 99 and is hereby incorporated by reference.

Attached as Exhibit 12.1 is a statement regarding computation of ratio of earnings to fixed charges (as of December 31, 1993).

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.

SANTA FE PACIFIC CORPORATION
(Registrant)

Date: January 19, 1994

By: /s/ Thomas N. Hund

(Signature)

Thomas N. Hund

Vice President and Controller

EXHIBIT INDEX

EXHIBIT
NUMBER

Description of Exhibit

12.1	Statement regarding computation of ratio of earnings to fixed charges (as of December 31, 1993).
99	Santa Fe Pacific Corporation News Release dated January 19, 1994.

Santa Fe Pacific Corporation
Statement of Computation of Earnings to Fixed Charges (as of December 31, 1993)
(In millions, except ratio)

	Year Ended December 31, 1993 -----
Earnings:	
Income from continuing operations before income taxes	\$ 650.2
Add distributions greater than income of unconsolidated subsidiaries	5.4
Amortization of capitalized interest	2.0
Fixed charges before interest capitalized (see below)	173.7 -----
Total Earnings	\$ 831.3 =====
Fixed Charges:	
Interest expense including amortization of debt discount	\$ 142.4
Portion of rentals representing an interest factor	31.3 -----
Fixed charges before interest capitalized	173.7
Interest capitalized	8.7 -----
Total Fixed Charges	\$ 182.4 =====
Ratio of earnings to fixed charges	4.6 =====

Earnings in 1993 include a \$145.4 million gain on the sale of rail lines in southern California and a \$217.5 million gain on the exchange of mineral assets. Excluding these gains the ratio would have been 2.6.

News Release FOR IMMEDIATE RELEASE: JANUARY 19, 1994

Santa Fe Pacific Corporation

1700 East Golf Road
Schaumburg, Illinois 60173-5860

Corporate Communications Department

Contact: Cathy Westphal
(708) 995-6273

Release # 13

HIGHLIGHTS
Fourth Quarter 1993

Overall Results

- Net income of \$67.0 million up 53% from 1992 adjusted net income
- Earnings of \$0.36 per share
- Higher operating income at all segments

Railway Results

- Record operating income of \$114.8 million up 25%, including an \$8 million recovery of flood costs
- Revenues of \$631.1 million up 9%
- Traffic volumes up 8%
- Operating ratio improves to 81.8%

Gold Results

- Operating income of \$21.2 million more than double 1992
- 241,000 ounces of gold sold
- Reserves increased to 14.1 million ounces, up 26% since June 30, 1993

Pipelines Results

- Operating income of \$7.5 million up \$0.6 million

Other Highlights

- Interest expense of \$32.8 million decreased 24%

FOURTH QUARTER EARNINGS PER SHARE RISE 50%

SCHAUMBURG, ILLINOIS, JANUARY 19, 1994 -- Santa Fe Pacific Corporation (SFP) reported fourth quarter net income of \$67.0 million, or \$0.36 per share compared to adjusted net income of \$43.9 million, or \$0.24 per share last year. Including a pre-tax gain of \$204.9 million related to the sale of rail lines in southern California and an after tax extraordinary charge of \$5.0 million for early retirement of debt, 1992 net income was \$168.9 million or \$0.91 per share.

"Our fourth quarter performance was a great finish for the company in 1993," said Robert D. Krebs, chairman, president and chief executive officer. "The railroad achieved the highest quarterly operating income in its history and our gold company more than doubled its 1992 fourth quarter earnings."

RAILWAY RESULTS

Santa Fe Railway reported fourth quarter operating income of \$114.8 million, a 25% increase over 1992. The quarterly operating ratio improved to 81.8% from 84.1% last year.

Revenues of \$631.1 million increased 9% resulting from an 8% increase in loadings and

- more -

SFP Earnings
Page 2

a 1% increase in average revenue per car. Intermodal shipments increased 8% reflecting continued strength in direct marketing and international business. Carload shipments also increased 8%

due to growth in automotive and coal business.

Quarterly operating expenses of \$516.3 million increased 6% compared to 1992, primarily due to increased traffic. Compensation and benefits expense of \$199.8 million rose 3% from 1992 as increases in traffic were partially offset by operating efficiencies. Fuel expense of \$66.9 million increased \$9.5 million due to a 10% increase in consumption and a 6% increase in price. Fuel expense includes a 4.3 cents per gallon fuel tax increase that went into effect on October 1. Equipment rents of \$59.3 million increased \$7.9 million due to volume increases and additional equipment leased for new business. Other expenses of \$112.7 million increased \$5.0 million and include higher intermodal drayage and other contract service costs, which were partially offset by the recovery of approximately \$8 million for certain flood costs incurred during the third quarter.

GOLD RESULTS

Santa Fe Pacific Gold's (SFPG) quarterly operating income of \$21.2 million rose \$11.5 million compared to the same quarter last year. Gold sales increased 178,000 ounces to 241,000 ounces due to increased sales at all operations including mines acquired as part of the asset exchange completed in the second quarter with Hanson Natural Resources Company. Fourth quarter 1992 results included income from coal and aggregate assets which were exchanged with Hanson.

- more -

SFP Earnings
Page 3

For the quarter, average sales price per ounce of \$382 was \$8 below 1992, but \$9 per ounce higher than the average spot price for the quarter. Average cash production cost was \$165 per ounce, compared to \$201 in 1992. Total cost per ounce decreased \$26 to \$239. Both cash and total production cost per ounce

benefitted from increased production and other efficiencies.

Yesterday, SFPG announced a 26% increase in proven and probable contained gold reserves from 11.2 million ounces announced as of June 30, 1993 to 14.1 million ounces as of December 31, 1993. SFPG has more than doubled its reserves since the end of 1992.

PIPELINE RESULTS

SFP's equity investment in Santa Fe Pacific Pipeline Partners, L.P., produced operating income of \$7.5 million in the fourth quarter, compared to \$6.9 million last year because of an increase in revenues from commercial shipments.

OTHER INCOME AND INTEREST EXPENSE

Other income-net of \$1.2 million decreased \$6.1 million due principally to reduced land sales by the railroad. Interest expense of \$32.8 million declined \$10.3 million from 1992 reflecting lower outstanding debt levels.

1993 ANNUAL RESULTS

Excluding special items, SFP reported adjusted net income of \$167.6 million, or \$0.90 per share for the year compared to \$138.8 million, or \$0.75 per share in 1992. The improved 1993 performance is due to higher Railway and Gold operating income and lower interest expense, offset by lower other income-net related to reduced land sales and interest income. The higher operating income at Santa Fe Railway reflects growth in traffic and continued operating

- more -

SFP Earnings
Page 4

efficiencies, and occurred despite depressed third quarter income due to the flood. The increase in Gold operating income includes the benefits of increased production at all operations including mines acquired as part of the asset exchange completed in the

second quarter with Hanson.

Including special items, SFP reported net income of \$338.8 million, or \$1.81 per share for the year compared to a loss of \$104.5 million, or \$0.57 per share in 1992. Annual 1993 results include a \$32.0 million increase in tax expense for the retroactive effect of the increase in the maximum corporate federal income tax rate from 34% to 35%, \$12.2 million in pre-tax expense for SFP's portion of environmental and litigation charges at Santa Fe Pacific Pipeline Partners, L.P., and \$21.6 million in pre-tax gains related to the favorable outcome of arbitration and litigation settlements, all reflected in the third quarter. In addition, 1993 includes a second quarter non-cash pre-tax gain of \$217.5 million on the asset exchange with Hanson and a first quarter pre-tax gain of \$145.4 million from the sale of rail lines in southern California to various transit agencies.

The 1992 results include the previously described fourth quarter gain on the sale of rail lines and the extraordinary charge, as well as third quarter pre-tax charges totalling \$324.9 million related to Railway's crew consist agreement and operations centralization and increased environmental accruals at Railway and Pipeline. Results in 1992 also include a net charge of \$163.0 million taken in the first quarter for the adoption of a new accounting method for health and life insurance and disability benefits for retired and inactive employees.

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<TABLE>

Santa Fe Pacific Corporation
 Consolidated Statement of Operations
 (Unaudited. In millions, except per share data)
 <CAPTION>

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	1993	1992	1993	1992
<S> Revenues	<C>	<C>	<C>	<C>

Rail	\$ 631.1	\$ 578.7	\$ 2,409.2	\$ 2,251.7
Gold	94.0	46.6	298.6	220.6
Pipeline	7.5	6.9	18.6	24.1
	-----	-----	-----	-----
Total revenues	732.6	632.2	2,726.4	2,496.4
	-----	-----	-----	-----
Operating Income				
Rail	114.8	92.0	317.7	297.6
Rail Special Charge	-	-	-	(320.4)
Gold	21.2	9.7	86.5	76.3
Pipeline	7.5	6.9	18.6	24.1
	-----	-----	-----	-----
Total operating income	143.5	108.6	422.8	77.6
Other Income-Net	1.2	7.3	6.9	2.2
Gain on Sale of California Lines	-	204.9	145.4	204.9
Gain on Exchange of Mineral Assets	-	-	217.5	-
Interest Expense	32.8	43.1	142.4	180.2
	-----	-----	-----	-----
Income Before Income Taxes	111.9	277.7	650.2	104.5
Income Tax	44.9	103.8	311.4	41.0
	-----	-----	-----	-----
Income Before Extraordinary Charge and Cumulative Effect of a Change in Accounting	67.0	173.9	338.8	63.5
Extraordinary Charge on Early Retirement of Debt, Net of Income Taxes	-	(5.0)	-	(5.0)
Cumulative Effect of a Change in Accounting for Postretirement and Postemployment Benefits, Net of Income Taxes	-	-	-	(163.0)
	-----	-----	-----	-----
Net Income (Loss)	\$ 67.0	\$ 168.9	\$ 338.8	\$ (104.5)
	=====	=====	=====	=====
Income (Loss) Per Share of Common Stock Before Extraordinary Charge and Cumulative Effect of a Change in Accounting	\$ 0.36	\$ 0.94	\$ 1.81	\$ 0.34
Extraordinary Charge	-	(0.03)	-	(0.03)
Cumulative Effect of a Change in Accounting	-	-	-	(0.88)
	-----	-----	-----	-----
Net Income (Loss) Per Share	\$ 0.36	\$ 0.91	\$ 1.81	\$ (0.57)
	=====	=====	=====	=====
Average Number of Common and Common Equivalent Shares	188.6	185.2	187.2	184.8
	=====	=====	=====	=====

</TABLE>

<TABLE>
Santa Fe Pacific Corporation
(Unaudited, in millions)

Condensed Balance Sheet
<CAPTION>

	December 31,	
	1993	1992
	-----	-----
<S>	<C>	<C>
Assets		
Cash and cash equivalents	\$ 96.4	\$ 100.1
Other current assets	482.1	437.5

Total current assets	578.5	537.6
Properties and other assets	5,358.5	4,807.8
Total Assets	\$ 5,937.0	\$ 5,345.4

Liabilities and Shareholders' Equity

Current liabilities	\$ 921.8	\$ 942.0
Long-term debt due after one year	1,185.1	1,245.7
Other liabilities	2,561.8	2,229.2
Shareholders' equity	1,268.3	928.5
Total Liabilities and Shareholders' Equity	\$ 5,937.0	\$ 5,345.4

</TABLE>

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Condensed Statement of Cash Flows

<CAPTION>

	Three Months		Twelve Months	
	Ended December 31,		Ended December 31,	
	1993	1992	1993	1992
<S>	<C>	<C>	<C>	<C>
Cash Provided by Operations	\$ 127.2	\$ 111.5	\$ 351.9	\$ 312.2
Cash Used for Capital Expenditures	(159.4)	(108.6)	(488.6)	(322.5)
Proceeds From Sale of Property, Plant and Equipment	11.1	285.8	247.9	320.7
Net Borrowings (Repayments)	51.4	(213.0)	(193.6)	(426.5)
Cash Dividends Paid	-	(18.2)	(18.5)	(18.2)
Cash Provided by (Used for) Other Activities	22.6	(4.8)	97.2	70.8
Increase (Decrease) in Cash and Cash Equivalents	\$ 52.9	\$ 52.7	\$ (3.7)	\$ (63.5)

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Santa Fe Pacific Corporation

Supplemental Data

(Unaudited)

	Three Months		Twelve Months	
	Ended December 31,		Ended December 31,	
	1993	1992	1993	1992
<S>	<C>	<C>	<C>	<C>
Rail				
Operating expenses (In millions)				
Compensation and benefits	\$ 199.8	\$ 194.0	\$ 799.8	\$ 798.8
Fuel	66.9	57.4	239.1	205.5
Equipment rents	59.3	51.4	229.4	186.0
Depreciation and amortization	48.0	45.3	188.4	180.8
Materials and supplies	29.6	30.9	127.7	127.5
Other	112.7	107.7	507.1	455.5
Special charge	-	-	-	320.4
Total operating expenses	\$ 516.3	\$ 486.7	\$ 2,091.5	\$ 2,274.5

Operating ratio (1) 81.8 % 84.1 % 86.8 % 86.8 %

Revenue ton-miles (billions)	24.2	22.2	93.1	85.6
Revenue per revenue ton mile (cents)	2.56	2.57	2.54	2.58
Carloadings (thousands)	469.4	435.5	1,790.7	1,670.1
Average revenue per car	\$ 1,323	\$ 1,306	\$ 1,323	\$ 1,323
Employees (period-end)	14,794	13,991	14,794	13,991

Gold

Ounces produced (thousands)	251	49	611	296
Ounces sold (thousands)	241	63	591	295
Average sales price (per ounce)	\$ 382	\$ 390	\$ 387	\$ 394
Average production cost (per ounce)	\$ 239	\$ 265	\$ 243	\$ 222
Average cash production cost (per ounce)	\$ 165	\$ 201	\$ 167	\$ 162
Employees (period-end)	1,462	993	1,462	993

</TABLE>

(1) 1992 excludes \$320.4 million special charge.