

SURFACE TRANSPORTATION BOARD Washington, D.C. 20423				SURFACE TRANSPORTATION BOARD QUARTERLY REPORT OF REVENUES, EXPENSES AND INCOME-RAILROADS			
FOR STB USE ONLY		FORM	QUARTER		YEAR		
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		RE & I	1st <input type="checkbox"/>	2nd <input checked="" type="checkbox"/>	3rd <input type="checkbox"/>	4th <input type="checkbox"/>	
FULL NAME AND ADDRESS OF REPORTING RAILROAD			125 000 352 Kansas City 10 134500				
The Kansas City Southern Railway & Controlled Companies 427 West 12th Street, P. O. Box 219335 Kansas City, Missouri 64121-9335							
Show dollar amount in thousands.			Code No.	FIGURES FOR THE QUARTER		CUMULATIVE FIGURES	
DESCRIPTIONS (A)				THIS YEAR (B)	LAST YEAR (C)	THIS YEAR (D)	LAST YEAR (E)
Operating Revenues	Freight (Account 101)	1	275,810	242,564	532,901	475,449	
	Passenger (Account 102)	2					
	Passenger - Related (Account 103)	3					
	All other operating revenues (Accounts 104, 105, 106, 110, 502, 503)	4	11,393	11,308	23,720	22,741	
	Joint Facility Account (Account 120)	5					
	RAILWAY OPERATING REVENUES (All above)	6	287,203	253,872	556,621	498,190	
Operating Expenses	Depreciation - Road (Accounts 62-11-00, 62-12-00, 62-13-00)	7	18,571	17,522	37,280	34,755	
	All other way and structures accounts	8	21,641	22,477	43,093	41,612	
	Total way and structures	9	40,212	39,999	80,373	76,367	
	Depreciation - Equipment (Accounts 62-21-00, 62-22-00, 62-23-00)	10	7,426	5,767	14,573	11,470	
	All other equipment accounts	11	34,736	36,465	72,939	71,424	
	Total equipment	12	42,162	42,232	87,512	82,894	
	Transportation - Train, Yard and Train and Yard Common	13	96,770	75,208	192,479	158,413	
	Transportation - Specialized Services, Administrative Support	14	3,275	3,641	6,845	5,663	
	General and Administrative	15	31,415	23,963	56,772	53,394	
RAILWAY OPERATING EXPENSES (Account 531)	16	213,834	185,043	423,981	376,731		
Income Items	*NET REVENUE FROM RAILWAY OPERATIONS (Lines 6 minus 16)	17	73,369	68,829	132,640	121,459	
	Other Income (Accounts 506, 510-519)	18	925	1,607	1,940	4,319	
	Income from affiliated companies:						
	Dividends	19	2,853	8,000	2,853	8,000	
	Equity in undistributed earnings (losses)	20	(2,115)	(7,133)	(1,259)	(2,840)	
	TOTAL INCOME FROM AFFILIATED COMPANIES	21	738	867	1,594	5,160	
	Miscellaneous deductions from income (Accounts 534, 535, 543, 544, 545, 549-551, and 553)	22	19	24	188	97	
INCOME AVAILABLE FOR FIXED CHARGES (Lines 17, 18, 21 minus 22)	23	75,013	71,279	135,986	130,841		
Fixed Charges	Interest on funded debt (Accounts 546a, 546b)	24	22,083	24,755	44,561	51,726	
	Interest on unfunded debt (Account 547)	25	38	70	108	144	
	Amortization of discount on funded debt (Account 548)	26	778	16,623	1,556	17,424	
	TOTAL FIXED CHARGES	27	22,899	41,448	46,225	69,294	
Income Items	INCOME AFTER FIXED CHARGES	28	52,114	29,831	89,761	61,547	
	Other deductions (Account 546c)	29					

Show all figures to the nearest WHOLE number without cents, decimals or fractions, in ALL COLUMNS. DESCRIPTIONS (A)		Code No.	FIGURES FOR THE QUARTER		CUMULATIVE FIGURES																															
			THIS YEAR (B)	LAST YEAR (C)	THIS YEAR (D)	LAST YEAR (E)																														
Income Items - Continued	Unusual or infrequent items (Debit)Credit (Account 555)	30																																		
	INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	31	52,114	29,831	89,761	61,547																														
	Income taxes on ordinary income (Account 556)	32	138	8	274	(18)																														
	Provision for deferred income taxes (Account 557)	33	18,662	11,432	33,002	24,553																														
	INCOME FROM CONTINUING OPERATIONS	34	33,314	18,391	56,485	37,012																														
	Income or loss from operations of discontinued segments (Less applicable income taxes of \$) (Account 560)	35																																		
	Gain or loss on disposal of discontinued segments (Less applicable income taxes of \$) (Account 562)	36																																		
	INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS	37	33,314	18,391	56,485	37,012																														
	Extraordinary items (net) (Account 570)	38																																		
	Income taxes on Extraordinary Items (Account 590)	39																																		
	Provisions for deferred taxes - Extraordinary Items (Account 591)	40																																		
	Cumulative effect of changes in accounting principles (Less applicable income taxes of \$) (Account 592)	41																																		
	NET INCOME	42	33,314	18,391	56,485	37,012																														
	Dividends on common stock (Account 623)	43																																		
	Dividends on preferred stock (Account 623)	44																																		
Ratios	Expenses to revenues	45	74.5%	72.9%	76.2%	75.6%																														
	Total maintenance to revenues	46	28.7%	32.4%	30.2%	32.0%																														
	Transportation to revenues	47	34.8%	31.1%	35.8%	32.9%																														
STB USE ONLY	<p>*NOTE: Reconciliation of Net Railway Operating Income (NROI)</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Net Revenues from Railway Operations</td> <td style="text-align: right;">\$73,369</td> <td style="text-align: right;">\$68,829</td> <td style="text-align: right;">\$132,640</td> <td style="text-align: right;">\$121,459</td> </tr> <tr> <td>(556) Income Taxes on Ordinary Income</td> <td style="text-align: right;">(138)</td> <td style="text-align: right;">(8)</td> <td style="text-align: right;">(274)</td> <td style="text-align: right;">18</td> </tr> <tr> <td>(557) Provision for Deferred Income Taxes</td> <td style="text-align: right;">(18,662)</td> <td style="text-align: right;">(11,432)</td> <td style="text-align: right;">(33,002)</td> <td style="text-align: right;">(24,553)</td> </tr> <tr> <td>** Income from Lease of Road and Equipment</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>** Rent for Leased Roads and Equipment</td> <td style="text-align: right;">81</td> <td style="text-align: right;">87</td> <td style="text-align: right;">125</td> <td style="text-align: right;">128</td> </tr> <tr> <td>NET RAILWAY OPERATING INCOME</td> <td style="text-align: right;">54,650</td> <td style="text-align: right;">57,476</td> <td style="text-align: right;">99,489</td> <td style="text-align: right;">97,052</td> </tr> </table>						Net Revenues from Railway Operations	\$73,369	\$68,829	\$132,640	\$121,459	(556) Income Taxes on Ordinary Income	(138)	(8)	(274)	18	(557) Provision for Deferred Income Taxes	(18,662)	(11,432)	(33,002)	(24,553)	** Income from Lease of Road and Equipment					** Rent for Leased Roads and Equipment	81	87	125	128	NET RAILWAY OPERATING INCOME	54,650	57,476	99,489	97,052
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<p>I, THE UNDERSIGNED <u>Mary K. Stadler, Senior VP and Chief Accounting Officer</u> of <u>THE KANSAS CITY SOUTHERN RAILWAY & CONTROLLED COMPANIES</u> (Name and Title of Officer in charge of accounts) (Full name of reporting company)</p> <p>state that this report was prepared by me or under my supervision; that I have carefully examined it; and on the basis of my knowledge, belief, and verification (where necessary) I declare it to be a full, true, and correct statement of the revenue, expense and income accounts named, and that the various items here reported were determined in accordance with effective rules promulgated by the Surface Transportation Board.</p>																																				
Date	<u>JULY 29, 2011</u>		Signature	_____																																
			Telephone Number	<u>(816) 983 - 1371</u> (Area code) (Number)																																