

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	2nd	3rd	4th	2012
			<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<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.							
DESCRIPTIONS (A)			Code No.	FIGURES FOR THE QUARTER		CUMULATIVE FIGURES	
				THIS YEAR (B)	LAST YEAR (C)	THIS YEAR (D)	LAST YEAR (E)
Operating Revenues	Freight (Account 101)		1	293,814	287,019	862,658	819,920
	Passenger (Account 102)		2	0	0	0	0
	Passenger - Related (Account 103)		3	0	0	0	0
	All other operating revenues (Accounts 104, 105, 106, 110, 502, 503)		4	15,216	13,171	42,994	36,891
	Joint Facility Account (Account 120)		5	0	0	0	0
	RAILWAY OPERATING REVENUES (All above)		6	309,030	300,190	905,652	856,811
Operating Expenses	Depreciation - Road (Accounts 62-11-00, 62-12-00, 62-13-00)		7	20,418	18,841	59,931	56,121
	All other way and structures accounts		8	24,991	28,236	73,294	71,329
	Total way and structures		9	45,409	47,077	133,225	127,450
	Depreciation - Equipment (Accounts 62-21-00, 62-22-00, 62-23-00)		10	7,719	7,546	23,445	22,119
	All other equipment accounts		11	41,252	40,171	114,832	113,110
	Total equipment		12	48,971	47,717	138,277	135,229
	Transportation - Train, Yard and Train and Yard Common		13	101,140	100,047	305,462	292,526
	Transportation - Specialized Services, Administrative Support		14	3,832	3,360	10,866	10,205
	General and Administrative		15	28,777	14,188	93,607	70,960
RAILWAY OPERATING EXPENSES (Account 531)		16	228,129	212,389	681,437	636,370	
Income Items	*NET REVENUE FROM RAILWAY OPERATIONS (Lines 6 minus 16)		17	80,901	87,801	224,215	220,441
	Other Income (Accounts 506, 510-519)		18	1,825	1,175	6,064	3,115
	Income from affiliated companies:						
	Dividends		19	0	0	0	2,853
	Equity in undistributed earnings (losses)		20	1,029	637	2,792	(622)
	TOTAL INCOME FROM AFFILIATED COMPANIES		21	1,029	637	2,792	2,231
	Miscellaneous deductions from income (Accounts 534, 535, 543, 544, 545, 549-551, and 553)		22	(45)	(50)	(82)	138
INCOME AVAILABLE FOR FIXED CHARGES (Lines 17, 18, 21 minus 22)		23	83,800	89,663	233,153	225,649	
Fixed Charges	Interest on funded debt (Accounts 546a, 546b)		24	15,101	21,051	50,053	65,612
	Interest on unfunded debt (Account 547)		25	5	40	18	148
	Amortization of discount on funded debt (Account 548)		26	469	4,484	19,545	6,040
	TOTAL FIXED CHARGES		27	15,575	25,575	69,616	71,800
Income Items	INCOME AFTER FIXED CHARGES		28	68,225	64,088	163,537	153,849
	Other deductions (Account 546c)		29	0	0	0	0

Show all figures to the nearest WHOLE number without cents, decimals or fractions, in ALL COLUMNS.		Code No.	FIGURES FOR THE QUARTER		CUMULATIVE FIGURES																																				
DESCRIPTIONS (A)			THIS YEAR (B)	LAST YEAR (C)	THIS YEAR (D)	LAST YEAR (E)																																			
Income Items - Continued	Unusual or infrequent items (Debit)Credit (Account 555)	30	0	0	0	0																																			
	INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	31	68,225	64,088	163,537	153,849																																			
	Income taxes on ordinary income (Account 556)	32	6,895	135	7,669	409																																			
	Provision for deferred income taxes (Account 557)	33	18,470	24,109	53,014	57,111																																			
	INCOME FROM CONTINUING OPERATIONS	34	42,860	39,844	102,854	96,329																																			
	Income or loss from operations of discontinued segments (Less applicable income taxes of \$) (Account 560)	35	0	0	0	0																																			
	Gain or loss on disposal of discontinued segments (Less applicable income taxes of \$) (Account 562)	36	0	0	0	0																																			
	INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS	37	42,860	39,844	102,854	96,329																																			
	Extraordinary items (net) (Account 570)	38	0	0	0	0																																			
	Income taxes on Extraordinary Items (Account 590)	39	0	0	0	0																																			
	Provisions for deferred taxes - Extraordinary Items (Account 591)	40	0	0	0	0																																			
	Cumulative effect of changes in accounting principles (Less applicable income taxes of \$) (Account 592)	41	0	0	0	0																																			
	NET INCOME	42	42,860	39,844	102,854	96,329																																			
Dividends on common stock (Account 623)	43	0	0	0	0																																				
	Dividends on preferred stock (Account 623)	44	0	0	0	0																																			
Ratios	Expenses to revenues	45	73.8%	70.8%	75.2%	74.3%																																			
	Total maintenance to revenues	46	30.5%	31.6%	30.0%	30.7%																																			
	Transportation to revenues	47	34.0%	34.4%	34.9%	35.3%																																			
STB USE ONLY	<p>*NOTE: Reconciliation of Net Railway Operating Income (NROI)</p> <table border="1"> <thead> <tr> <th></th> <th>\$80,901</th> <th>\$87,801</th> <th>\$224,215</th> <th>\$220,441</th> </tr> </thead> <tbody> <tr> <td>Net Revenues from Railway Operations</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>(556) Income Taxes on Ordinary Income</td> <td>(6,895)</td> <td>(135)</td> <td>(7,669)</td> <td>(409)</td> </tr> <tr> <td>(557) Provision for Deferred Income Taxes</td> <td>(18,470)</td> <td>(24,109)</td> <td>(53,014)</td> <td>(57,111)</td> </tr> <tr> <td>** Income from Lease of Road and Equipment</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>** Rent for Leased Roads and Equipment</td> <td>10</td> <td>2</td> <td>46</td> <td>127</td> </tr> <tr> <td>NET RAILWAY OPERATING INCOME</td> <td>55,546</td> <td>63,559</td> <td>163,578</td> <td>163,048</td> </tr> </tbody> </table>							\$80,901	\$87,801	\$224,215	\$220,441	Net Revenues from Railway Operations					(556) Income Taxes on Ordinary Income	(6,895)	(135)	(7,669)	(409)	(557) Provision for Deferred Income Taxes	(18,470)	(24,109)	(53,014)	(57,111)	** Income from Lease of Road and Equipment	0	0	0	0	** Rent for Leased Roads and Equipment	10	2	46	127	NET RAILWAY OPERATING INCOME	55,546	63,559	163,578	163,048
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CERTIFICATION																																									
<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> <small>(Name and Title of Officer in charge of accounts)</small> <small>(Full name of reporting company)</small></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>OCTOBER 26, 2012</u>	Signature																																							
		Telephone Number	<u>(816)</u>	<u>983 - 1371</u>																																					
			<small>(Area code)</small>	<small>(Number)</small>																																					