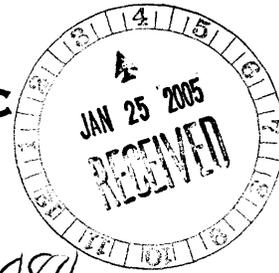


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January 25, 2005

BY HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Washington, DC 20423-0001

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Re: Third Status Report Under Decision No. 12
*Kansas City Southern - Control - The Kansas City Southern Railway
Company, Gateway Eastern Railway Company, And The Texas Mexican
Railway Company; Finance Docket No. 34342*

Dear Secretary Williams:

In keeping with the Surface Transportation Board's ("STB's") decision served herein on November 29, 2004 ("Decision No. 12"), Kansas City Southern ("KCS") files this Third Status Report. Decision No. 12 requires KCS to file "a status report detailing new developments (if any) in its efforts to acquire control of TFM."

Attached hereto is a joint press release by KCS and Grupo TMM, S.A. ("TMM") announcing that the 30-day waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR) for the Amended and Restated Acquisition Agreement (AAA) has expired without a formal request from the U.S. Department of Justice (DOJ) for additional information. With the completion of the HSR process, KCS shareholder approval of the issuance of the shares to TMM required under the AAA remains the final step to completion of the proposed transaction. The Securities and Exchange Commission is currently reviewing KCS' draft amended proxy statement.

Sincerely,

William A. Mullins

cc: Parties of Record



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**Grupo TMM and Kansas City Southern Announce Expiration of Hart-Scott-Rodino
Waiting Period Allowing the Amended and Restated
Acquisition Agreement to Proceed Without Further Antitrust Review**

Kansas City, MO, January 25, 2005. Today, Grupo TMM, S.A. (TMM) (BMV: TMM A and NYSE: TMM) and Kansas City Southern (KCS) (NYSE: KSU) announced that the 30-day waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR) for the Amended and Restated Acquisition Agreement (AAA) has expired without a formal request from the U.S. Department of Justice (DOJ) for additional information of documentary material. This allows KCS and TMM to consummate the transaction without an antitrust challenge from DOJ and to bring The Kansas City Southern Railway Company, The Texas Mexican Railway Company and TFM, S.A. de C.V. under the common control of KCS.

“We are pleased that the U.S. Department of Justice has again allowed the transaction to proceed without a request for additional information and without a challenge under the antitrust laws,” said Michael R. Haverty, KCS chairman, president and chief executive officer. “We believe that this transaction will enhance rail competition in the United States and Mexico, enhancing service for shippers in the North American trade corridor.”

On December 15, 2004, KCS and TMM announced that the companies had entered into the AAA whereby TMM will sell its 51 percent voting interest in Grupo Transportacion Ferroviaria Mexicana, S.A. de C.V. (Grupo TFM) to KCS for \$200 million in cash, 18 million shares of KCS common stock, \$47 million in a two-year promissory note, and up to \$110 million payable in a combination of cash and KCS common stock upon successful resolution of the current proceedings related to the VAT Claim and the Put with the Mexican Government. The \$47 million promissory note and a portion of the

\$110 million contingent payment will be subject to certain escrow arrangements to cover potential indemnification claims.

With the completion of the HSR process, KCS shareholder approval of the issuance of the shares to TMM required under the AAA remains the final step to completion of the proposed transaction. The Securities and Exchange Commission is currently reviewing KCS' draft amended proxy statement.

Headquartered in Mexico City, TMM is a Latin American multimodal transportation company. Through its branch offices and network of subsidiary companies, TMM provides a dynamic combination of ocean and land transportation services. Visit TMM's web site at <http://www.grupotmm.com> and TFM's web site at <http://www.tfm.com.mx>. Both sites offer Spanish/English language options.

KCS is a transportation holding company that has railroad investments in the United States, Mexico and Panama. Its primary domestic holdings include The Kansas City Southern Railway Company (KCSR), founded in 1887 and The Texas Mexican Railway Company, founded in 1885. Headquartered in Kansas City, Mo., KCSR serves customers in the central and south central regions of the United States. KCS' rail holdings and investments, including TFM, S.A. de C.V., are primary components of a NAFTA Railway system that links the commercial and industrial centers of the United States, Canada and Mexico. Visit KCS at www.kcsi.com.

Included in this press release are certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements are based on the beliefs of TMM's and KCS' management as well as on assumptions made. Actual results could differ materially from those included in such forward-looking statements. Readers are cautioned that all forward-looking statements involve risks and uncertainty. For additional information relating to such risks and uncertainties, readers are urged to review TMM's and KCS' respective filings and submissions with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

In connection with the proposed transaction, KCS will file relevant materials with the Securities and Exchange Commission ("SEC"), including an amended proxy statement soliciting stockholder approval of certain actions in connection with the transaction. Stockholders are urged to read the definitive proxy statement, as well as any amendments and supplements to the definitive proxy statement (if and when they become available) and any other relevant documents filed with the SEC, because they will contain important information about the transaction. Stockholders and investors may obtain the amended proxy statement and any other relevant documents free of charge at the SEC's Internet web site at www.sec.gov. Stockholders may also obtain free of charge the amended proxy statement and any other relevant documents by contacting the office of the Corporate Secretary at KCS' principal executive offices at (816) 983-1538. Written requests should be mailed to P.O. Box 219335, Kansas City, Missouri 64121-9335 (or if by United Parcel Service or other form of express delivery to 427 West 12th Street, Kansas City, Missouri

64105). Such amended proxy statement is not currently available. KCS and its directors and executive officers may be deemed to be participants in the solicitation of proxies from KCS stockholders with respect to approval of certain actions in connection with the transaction. Information regarding these directors and executive officers and their beneficial ownership interests in KCS can be found in KCS' proxy statement on Schedule 14A, filed with the SEC on April 5, 2004, in connection with the 2004 annual meeting of KCS stockholders. Investors may obtain additional information regarding the interests of such participants by reading the amended proxy statement filed in connection with the transaction when it becomes available.

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