

FOR STB USE ONLY					FORM	QUARTER				YEAR	SURFACE TRANSPORTATION BOARD QUARTERLY CONDENSED BALANCE SHEET RAILROADS				
					CBS	1st	2nd	3rd	4th	2011					
FULL NAME AND ADDRESS OF REPORTING RAILROAD (If a system report, names of all operating roads included should be shown under (REMARKS))															
25 000 352 Kansas City 10 134500 Kansas City Southern Railway & Controlled Companies 427 West 12th Street, P. O. Box 219335 Kansas City, Missouri 64121-9335															
DESCRIPTIONS (a)											CODE NO.	BALANCE AT END OF QUARTER			
												THIS YEAR (b)	LAST YEAR (c)		
ASSETS															
Cash (Account 701)											1	53,844	14,015		
Temporary cash investments and Special Deposits (Accounts 702 and 703)											2	0	12		
Accounts Receivable (Accounts 704 - 709.5)											3	294,634	283,740		
Prepayments and working funds (Accounts 710, 711, and 714)											4	43,629	60,772		
Materials and supplies (Account 712)											5	79,808	67,539		
Other current assets (Account 713)											6	0	0		
Total Current Assets											7	471,915	426,078		
Special funds and other investments and advances (Accts. 715 - 717 & 722 - 724)											8	14,698	30,908		
Investments and advances: affiliated companies (Accounts 721, 721.9)											9	32,251	31,949		
Transportation property - net (Accounts 731 - 736)											10	2,650,241	2,486,786		
Property used in other than carrier operations (Accounts 737 and 738)											11	14,225	15,172		
Other assets and deferred debits (Accounts 739, 741, 743, and 744)											12	62,880	52,062		
Total Assets											13	3,246,210	3,042,955		
LIABILITIES															
Current liabilities (Accounts 751 - 761.5, 762, 763, and 764)											14	566,940	538,734		
Long term debt due after one year (Accounts 765 - 770.2)											15	1,245,218	1,247,482		
Deferred revenues - Transfers from governmental authorities (Account 783)											16	0	0		
Accumulated deferred income tax credits (Account 786)											17	600,460	531,859		
Other liabilities and deferred credits (Accts. 771, 772, 774, 775, 781, 782 and 784)											18	111,941	122,228		
Total Liabilities											19	2,524,559	2,440,303		
SHAREHOLDERS EQUITY															
Capital stock (Accounts 791 - 793)											20	57,514	57,514		
Additional capital (Accounts 794 and 795)											21	507,004	503,568		
Retained earnings (Accounts 797, 798, and 798.1)											22	158,583	46,174		
Less: Treasury stock (Account 798.5)											23	3,787	3,787		
Equity in undistributed earnings (losses) of affiliated companies											24	2,337	(818)		
Total Shareholders Equity											25	721,651	602,651		
Total Liabilities and Shareholders Equity											26	3,246,210	3,042,955		
GROSS EXPENDITURES FOR ADDITIONS AND BETTERMENTS (Accounts 731 and 732)											FIGURES FOR THE QUARTER		CUMULATIVE FIGURES		
											THIS YEAR (a)	LAST YEAR (b)	THIS YEAR (c)	LAST YEAR (d)	
Road											27	62,747	48,150	107,340	82,471
Equipment											28	2,988	2,884	9,752	6,235
Total											29	65,734	51,034	117,092	88,706
No. of Revenue Tons Carried											FIGURES FOR QUARTER		CUMULATIVE FIGURES		
													19,368,303	38,534,813	
No. of Revenue Tons Carried One Mile (thousands)											31	8,031,883	15,722,433		

INSTRUCTIONS

1. Under order of the Board, Class I railroads, excluding switching and terminal companies, are required to file quarterly reports of balance sheet items, Form CBS, in duplicate, in the Bureau of Accounts, Surface Transportation Board, Washington, D.C. 20423, within 30 days after the close of each quarter. Reports should be prepared on a calendar quarter basis beginning with the first day of January, April, July, and October.
2. The items reported on Form CBS should be taken from and agree with the accounts kept in conformity with current Uniform System of Accounts for Railroad Companies prescribed by the Surface Transportation Board. Report undistributed earnings from certain investments in account 721, in accordance with Docket No. 35949. The Equity Method of Accounting for Certain Long-Term Investments in Common Stocks. The account numbers refer to the accounts in the Uniform System of Accounts. Reverse items should be shown in parentheses. Dollar amounts should be shown in Thousands.
3. Unusual transactions or items which reflect an important change in the financial condition of the carrier should be identified and explained in a footnote under "Remarks."
4. The certification must be completed by an officer of the carrier.

It is estimated that an average of 6 burden hours per response are required to complete this collection of information. This estimate includes time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Comments concerning the accuracy of this burden estimate or suggestions for reducing this burden should be directed to the Section of Administrative Services, Surface Transportation Board and the Office of Information and Regulatory Affairs, Office of Management and Budget.

REMARKS

Operating Companies Included in Report:
Kansas City Southern Railway Company
Gateway Eastern Railway Company
Texas Mexican Railway Company
Meridian Speedway LLC
Trans-Serve, Inc. d/b/a Superior Tie and Timber

I, THE UNDERSIGNED, **Mary K. Stadler, Senior Vice President and Chief Accounting Officer** of
(Name and Title of officer in charge of accounts)
 the **KANSAS CITY SOUTHERN RAILWAY & CONTROLLED COMPANIES** state
(Full name of reporting company)

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) declare it to be a full, true, and correct statement of the balance sheet accounts named, and that the various items here reported were determined in accordance with effective rules promulgated by the Surface Transportation Board.

Signature _____

Telephone Number **(816) 983 - 1371**
(Area Code) (Number)

Date **July 29, 2011**