

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.

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**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 April 30, 2012

FOR STB USE ONLY					FORM	QUARTER				YEAR	SURFACE TRANSPORTATION BOARD QUARTERLY CONDENSED BALANCE SHEET RAILROADS			
					CBS	1st	2nd	3rd	4th	2012				
FULL NAME AND ADDRESS OF REPORTING RAILROAD (If a system report, names of all operating roads included should be shown under (REMARKS))														
<b>25 000 352 Kansas City 10 134500</b>														
<b>Kansas City Southern Railway &amp; Controlled Companies</b>														
<b>427 West 12th Street, P. O. Box 219335</b>														
<b>Kansas City, Missouri 64121-9335</b>														
											BALANCE AT END OF QUARTER			
DESCRIPTIONS (a)											CODE NO.	THIS YEAR (b)	LAST YEAR (c)	
ASSETS														
Cash (Account 701)											1	43,895	32,573	
Temporary cash investments and Special Deposits (Accounts 702 and 703)											2	0	0	
Accounts Receivable (Accounts 704 - 709.5)											3	289,168	298,299	
Prepayments and working funds (Accounts 710, 711, and 714)											4	101,553	40,853	
Materials and supplies (Account 712)											5	84,835	76,433	
Other current assets (Account 713)											6	0	0	
<b>Total Current Assets</b>											7	<b>519,451</b>	<b>448,158</b>	
Special funds and other investments and advances (Accts. 715 - 717 & 722 - 724)											8	16,707	18,572	
Investments and advances: affiliated companies (Accounts 721, 721.9)											9	230,727	34,366	
Transportation property - net (Accounts 731 - 736)											10	2,883,896	2,600,646	
Property used in other than carrier operations (Accounts 737 and 738)											11	14,199	14,230	
Other assets and deferred debits (Accounts 739, 741, 743, and 744)											12	64,291	51,586	
<b>Total Assets</b>											13	<b>3,729,271</b>	<b>3,167,558</b>	
LIABILITIES														
Current liabilities (Accounts 751 - 761.5, 762, 763, and 764)											14	636,494	541,961	
Long term debt due after one year (Accounts 765 - 770.2)											15	1,408,758	1,245,818	
Deferred revenues - Transfers from governmental authorities (Account 783)											16	33,520	12,876	
Accumulated deferred income tax credits (Account 786)											17	674,175	572,748	
Other liabilities and deferred credits (Accts. 771, 772, 774, 775, 781, 782 and 784)											18	155,420	107,818	
<b>Total Liabilities</b>											19	<b>2,908,367</b>	<b>2,481,221</b>	
SHAREHOLDERS EQUITY														
Capital stock (Accounts 791 - 793)											20	57,514	57,514	
Additional capital (Accounts 794 and 795)											21	514,724	505,004	
Retained earnings (Accounts 797, 798, and 798.1)											22	250,413	126,007	
Less: Treasury stock (Account 798.5)											23	3,787	3,787	
Equity in undistributed earnings (losses) of affiliated companies											24	2,040	1,599	
<b>Total Shareholders Equity</b>											25	<b>820,904</b>	<b>686,337</b>	
<b>Total Liabilities and Shareholders Equity</b>											26	<b>3,729,271</b>	<b>3,167,558</b>	
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	55,617	44,594	
Equipment											28	3,066	6,764	
Total											29	58,683	51,358	
No. of Revenue Tons Carried											30	19,251,050	19,251,050	
No. of Revenue Tons Carried One Mile (thousands)											31	7,899,364	7,899,364	