

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 Mary K. Stadler

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

Date July 26, 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))															
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															
											BALANCE AT END OF QUARTER				
DESCRIPTIONS (a)											CODE NO.	THIS YEAR (b)	LAST YEAR (c)		
ASSETS															
Cash (Account 701)											1	52,699	53,844		
Temporary cash investments and Special Deposits (Accounts 702 and 703)											2	0	0		
Accounts Receivable (Accounts 704 - 709.5)											3	295,679	294,634		
Prepayments and working funds (Accounts 710, 711, and 714)											4	79,241	43,629		
Materials and supplies (Account 712)											5	81,925	79,808		
Other current assets (Account 713)											6	0	0		
Total Current Assets											7	509,544	471,915		
Special funds and other investments and advances (Accts. 715 - 717 & 722 - 724)											8	11,759	14,698		
Investments and advances: affiliated companies (Accounts 721, 721.9)											9	189,868	32,251		
Transportation property - net (Accounts 731 - 736)											10	2,956,934	2,650,241		
Property used in other than carrier operations (Accounts 737 and 738)											11	14,194	14,225		
Other assets and deferred debits (Accounts 739, 741, 743, and 744)											12	75,394	62,880		
Total Assets											13	3,757,693	3,246,210		
LIABILITIES															
Current liabilities (Accounts 751 - 761.5, 762, 763, and 764)											14	645,902	538,318		
Long term debt due after one year (Accounts 765 - 770.2)											15	1,394,808	1,245,218		
Deferred revenues - Transfers from governmental authorities (Account 783)											16	40,767	13,995		
Accumulated deferred income tax credits (Account 786)											17	676,863	600,460		
Other liabilities and deferred credits (Accts. 771, 772, 774, 775, 781, 782 and 784)											18	147,127	126,568		
Total Liabilities											19	2,905,467	2,524,559		
SHAREHOLDERS EQUITY															
Capital stock (Accounts 791 - 793)											20	57,514	57,514		
Additional capital (Accounts 794 and 795)											21	514,564	507,004		
Retained earnings (Accounts 797, 798, and 798.1)											22	285,062	161,436		
Less: Treasury stock (Account 798.5)											23	3,787	3,787		
Equity in undistributed earnings (losses) of affiliated companies											24	(1,127)	(516)		
Total Shareholders Equity											25	852,226	721,651		
Total Liabilities and Shareholders Equity											26	3,757,693	3,246,210		
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	69,928	62,747	125,545	107,340
Equipment											28	21,921	2,988	24,987	9,752
Total											29	91,849	65,734	150,532	117,092
No. of Revenue Tons Carried											30	FIGURES FOR QUARTER		CUMULATIVE FIGURES	
												17,517,674	36,768,724		
No. of Revenue Tons Carried One Mile (thousands)											31	7,361,006	15,260,370		