

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 October 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))															
<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>															
DESCRIPTIONS (a)											CODE NO.	BALANCE AT END OF QUARTER			
												THIS YEAR (b)	LAST YEAR (c)		
ASSETS															
Cash (Account 701)											1	113,127	120,919		
Temporary cash investments and Special Deposits (Accounts 702 and 703)											2	0	0		
Accounts Receivable (Accounts 704 - 709.5)											3	304,057	312,213		
Prepayments and working funds (Accounts 710, 711, and 714)											4	65,127	59,684		
Materials and supplies (Account 712)											5	90,560	82,967		
Other current assets (Account 713)											6	0	0		
<b>Total Current Assets</b>											7	<b>572,871</b>	<b>575,783</b>		
Special funds and other investments and advances (Accts. 715 - 717 & 722 - 724)											8	7,717	15,363		
Investments and advances: affiliated companies (Accounts 721, 721.9)											9	167,101	32,888		
Transportation property - net (Accounts 731 - 736)											10	3,005,546	2,707,284		
Property used in other than carrier operations (Accounts 737 and 738)											11	14,189	14,209		
Other assets and deferred debits (Accounts 739, 741, 743, and 744)											12	79,719	67,138		
<b>Total Assets</b>											13	<b>3,847,143</b>	<b>3,412,665</b>		
LIABILITIES															
Current liabilities (Accounts 751 - 761.5, 762, 763, and 764)											14	703,119	623,418		
Long term debt due after one year (Accounts 765 - 770.2)											15	1,386,278	1,251,707		
Deferred revenues - Transfers from governmental authorities (Account 783)											16	48,633	22,126		
Accumulated deferred income tax credits (Account 786)											17	683,025	642,969		
Other liabilities and deferred credits (Accts. 771, 772, 774, 775, 781, 782 and 784)											18	131,265	110,951		
<b>Total Liabilities</b>											19	<b>2,952,320</b>	<b>2,651,171</b>		
SHAREHOLDERS EQUITY															
Capital stock (Accounts 791 - 793)											20	57,514	57,514		
Additional capital (Accounts 794 and 795)											21	514,301	507,004		
Retained earnings (Accounts 797, 798, and 798.1)											22	326,893	200,642		
Less: Treasury stock (Account 798.5)											23	3,787	3,787		
Equity in undistributed earnings (losses) of affiliated companies											24	(98)	121		
<b>Total Shareholders Equity</b>											25	<b>894,823</b>	<b>761,494</b>		
<b>Total Liabilities and Shareholders Equity</b>											26	<b>3,847,143</b>	<b>3,412,665</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	65,040	67,529	190,585	174,869
Equipment											28	2,885	2,050	27,872	11,802
Total											29	67,925	69,579	218,457	186,671
No. of Revenue Tons Carried											FIGURES FOR QUARTER		CUMULATIVE FIGURES		
No. of Revenue Tons Carried One Mile (thousands)											30			19,240,843	56,009,567
											31			7,992,163	23,252,533