


SURFACE TRANSPORTATION BOARD Washington, D.C. 20423				SURFACE TRANSPORTATION BOARD QUARTERLY REPORT OF REVENUES, EXPENSES AND INCOME-RAILROADS			
FOR STB USE ONLY		FORM	QUARTER		YEAR		
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		R E & I	1st	2nd	3rd	4th	2012
			<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
FULL NAME AND ADDRESS OF REPORTING RAILROAD				125 000 352 Kansas City 10 134500			
The Kansas City Southern Railway & Controlled Companies 427 West 12th Street, P. O. Box 219335 Kansas City, Missouri 64121-9335							
Show dollar amount in thousands.							
DESCRIPTIONS (A)			Code No.	FIGURES FOR THE QUARTER		CUMULATIVE FIGURES	
				THIS YEAR (B)	LAST YEAR (C)	THIS YEAR (D)	LAST YEAR (E)
Operating Revenues	Freight (Account 101)		1	281,362	275,810	568,844	532,901
	Passenger (Account 102)		2	0	0	0	0
	Passenger - Related (Account 103)		3	0	0	0	0
	All other operating revenues (Accounts 104, 105, 106, 110, 502, 503)		4	14,115	11,393	27,779	23,720
	Joint Facility Account (Account 120)		5	0	0	0	0
	RAILWAY OPERATING REVENUES (All above)		6	295,477	287,203	596,623	556,621
Operating Expenses	Depreciation - Road (Accounts 62-11-00, 62-12-00, 62-13-00)		7	19,905	18,571	39,513	37,280
	All other way and structures accounts		8	24,842	21,641	48,303	43,093
	Total way and structures		9	44,747	40,212	87,816	80,373
	Depreciation - Equipment (Accounts 62-21-00, 62-22-00, 62-23-00)		10	7,775	7,426	15,726	14,573
	All other equipment accounts		11	36,284	34,736	73,580	72,939
	Total equipment		12	44,059	42,162	89,306	87,512
	Transportation - Train, Yard and Train and Yard Common		13	98,851	96,770	204,322	192,479
	Transportation - Specialized Services, Administrative Support		14	3,539	3,275	7,034	6,845
	General and Administrative		15	34,992	31,415	64,830	56,772
RAILWAY OPERATING EXPENSES (Account 531)		16	226,188	213,834	453,308	423,981	
Income Items	*NET REVENUE FROM RAILWAY OPERATIONS (Lines 6 minus 16)		17	69,289	73,369	143,315	132,640
	Other Income (Accounts 506, 510-519)		18	1,730	925	4,239	1,940
	Income from affiliated companies:						
	Dividends		19	0	2,853	0	2,853
	Equity in undistributed earnings (losses)		20	913	(2,115)	1,763	(1,259)
	TOTAL INCOME FROM AFFILIATED COMPANIES		21	913	738	1,763	1,594
	Miscellaneous deductions from income (Accounts 534, 535, 543, 544, 545, 549-551, and 553)		22	10	19	(37)	188
INCOME AVAILABLE FOR FIXED CHARGES (Lines 17, 18, 21 minus 22)		23	71,922	75,013	149,354	135,986	
Fixed Charges	Interest on funded debt (Accounts 546a, 546b)		24	16,465	22,083	34,953	44,561
	Interest on unfunded debt (Account 547)		25	6	38	13	108
	Amortization of discount on funded debt (Account 548)		26	5,708	778	19,076	1,556
	TOTAL FIXED CHARGES		27	22,179	22,899	54,042	46,225
Income Items	INCOME AFTER FIXED CHARGES		28	49,743	52,114	95,312	89,761
	Other deductions (Account 546c)		29	0	0	0	0

Show all figures to the nearest WHOLE number without cents, decimals or fractions, in ALL COLUMNS. DESCRIPTIONS (A)		Code No.	FIGURES FOR THE QUARTER		CUMULATIVE FIGURES																																				
			THIS YEAR (B)	LAST YEAR (C)	THIS YEAR (D)	LAST YEAR (E)																																			
Income Items - Continued	Unusual or infrequent items (Debit)Credit (Account 555)	30	0	0																																					
	INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	31	49,743	52,114	95,312	89,761																																			
	Income taxes on ordinary income (Account 556)	32	(1,612)	138	774	274																																			
	Provision for deferred income taxes (Account 557)	33	19,872	18,662	34,544	33,002																																			
	INCOME FROM CONTINUING OPERATIONS	34	31,483	33,314	59,994	56,485																																			
	Income or loss from operations of discontinued segments (Less applicable income taxes of \$) (Account 560)	35	0	0	0	0																																			
	Gain or loss on disposal of discontinued segments (Less applicable income taxes of \$) (Account 562)	36	0	0																																					
	INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS	37	31,483	33,314	59,994	56,485																																			
	Extraordinary items (net) (Account 570)	38	0	0	0	0																																			
	Income taxes on Extraordinary Items (Account 590)	39	0	0	0	0																																			
	Provisions for deferred taxes - Extraordinary Items (Account 591)	40	0	0	0	0																																			
	Cumulative effect of changes in accounting principles (Less applicable income taxes of \$) (Account 592)	41	0	0																																					
	NET INCOME	42	31,483	33,314	59,994	56,485																																			
Dividends on common stock (Account 623)	43	0	0	0	0																																				
	Dividends on preferred stock (Account 623)	44	0	0	0	0																																			
Ratios	Expenses to revenues	45	76.6%	74.5%	76.0%	76.2%																																			
	Total maintenance to revenues	46	30.1%	28.7%	29.7%	30.2%																																			
	Transportation to revenues	47	34.7%	34.8%	35.4%	35.8%																																			
STB USE ONLY	<p>*NOTE: Reconciliation of Net Railway Operating Income (NROI)</p> <table border="1"> <thead> <tr> <th></th> <th>\$69,289</th> <th>\$73,369</th> <th>\$143,315</th> <th>\$132,640</th> </tr> </thead> <tbody> <tr> <td>Net Revenues from Railway Operations</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>(556) Income Taxes on Ordinary Income</td> <td>1,612</td> <td>(138)</td> <td>(774)</td> <td>(274)</td> </tr> <tr> <td>(557) Provision for Deferred Income Taxes</td> <td>(19,872)</td> <td>(18,662)</td> <td>(34,544)</td> <td>(33,002)</td> </tr> <tr> <td>** Income from Lease of Road and Equipment</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>** Rent for Leased Roads and Equipment</td> <td>0</td> <td>81</td> <td>44</td> <td>125</td> </tr> <tr> <td>NET RAILWAY OPERATING INCOME</td> <td>51,029</td> <td>54,650</td> <td>108,041</td> <td>99,489</td> </tr> </tbody> </table>							\$69,289	\$73,369	\$143,315	\$132,640	Net Revenues from Railway Operations					(556) Income Taxes on Ordinary Income	1,612	(138)	(774)	(274)	(557) Provision for Deferred Income Taxes	(19,872)	(18,662)	(34,544)	(33,002)	** Income from Lease of Road and Equipment	0	0	0	0	** Rent for Leased Roads and Equipment	0	81	44	125	NET RAILWAY OPERATING INCOME	51,029	54,650	108,041	99,489
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<p>I, THE UNDERSIGNED <u>Mary K. Stadler, Senior VP and Chief Accounting Officer</u> of <u>THE KANSAS CITY SOUTHERN RAILWAY & CONTROLLED COMPANIES</u> <small>(Name and Title of Officer in charge of accounts)</small> <small>(Full name of reporting company)</small></p> <p>state 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) I declare it to be a full, true, and correct statement of the revenue, expense and income accounts named, and that the various items here reported were determined in accordance with effective rules promulgated by the Surface Transportation Board.</p>																																									
Date	<u>JULY 26, 2012</u>	Signature																																							
		Telephone Number	<u>(816)</u>	<u>983 - 1371</u>																																					
			<small>(Area code)</small>	<small>(Number)</small>																																					