



Kansas City Southern
Mike Upchurch –
Executive Vice President Finance & CFO
 Morgan Stanley
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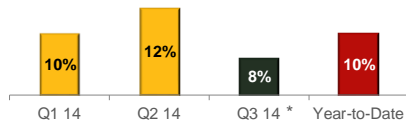
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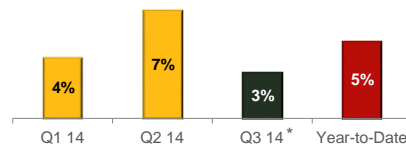


Revenue Remains Strong Despite Slower Carload Growth

KCS Revenue Growth



KCS Carload Growth



Tougher grain comps in Q3

- Q3 volume growth 19% vs Q2 YTD of 38%

Strong automotive revenue and volume

Coal volumes impacted by industry congestion; Utility partial shut-down in Q4

Strengthening Lázaro Cárdenas revenue and volume

Crude oil revenue and volume turn positive

* Q3 14 Revenue & Volume Growth as of 9/14/14

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Update for Q3 2014

2014 Guidance

- Mid-single digit volume growth
- High-single digit revenue growth⁽¹⁾
- Adjusted operating ratio⁽²⁾ improvement of 1-1.5 points
- Mid-teens adjusted diluted EPS⁽³⁾ growth

Current

- Mid-single digit volume growth
- High-single digit revenue growth⁽¹⁾
- **Adjusted operating ratio⁽²⁾ improvement of ~ 1.5 points**
- **High-teens adjusted diluted EPS⁽³⁾ growth**

(1) Depending on F/X impact.

(2) Adjusted operating ratio excludes lease termination costs.

(3) Adjusted diluted EPS excludes lease termination costs, debt retirement costs, and the impacts of foreign exchange rate fluctuations.

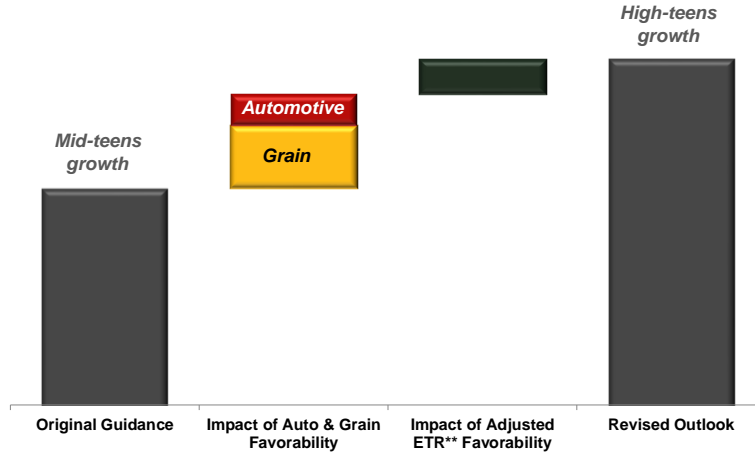


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Updated Earnings Guidance

FY 2014 Adjusted Diluted EPS* Growth



* Adjusted diluted EPS excludes the after-tax impacts of lease termination costs, debt retirement costs, and foreign exchange rate fluctuations.
 ** Adjusted ETR excludes the impacts of foreign exchange rate fluctuations.

