



Kansas City Southern

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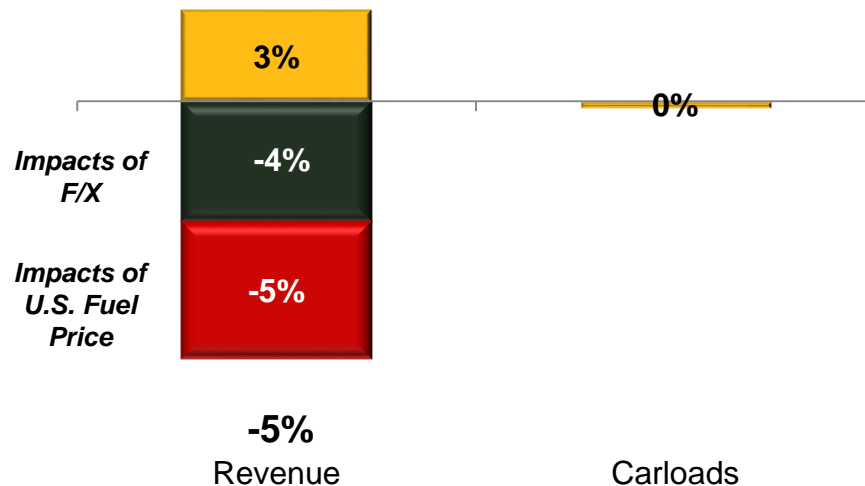
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Revenue and Volume Trends Improving Sequentially

KCS Revenue and Carload Growth



9% Ag/Min volume growth QTD

- Strength in Food Products, Ores & Minerals
- Grain harvest meeting expectations

Chemical & Petroleum volumes up 9% – strong volumes across multiple minor units led by refined products in Mexico & U.S.

Strength in Crude Oil & Utility Coal volumes carrying over into October. Continuation of trends dependent in large part on WCS/Maya spreads & natural gas prices

Improving service levels positively impacting Lázaro Cárdenas and Cross-Border Intermodal volumes

Automotive volumes continue to be down YoY driven by short-term impacts of service issues, OEM quality holds, and reduced demand for compact vehicles in the U.S.



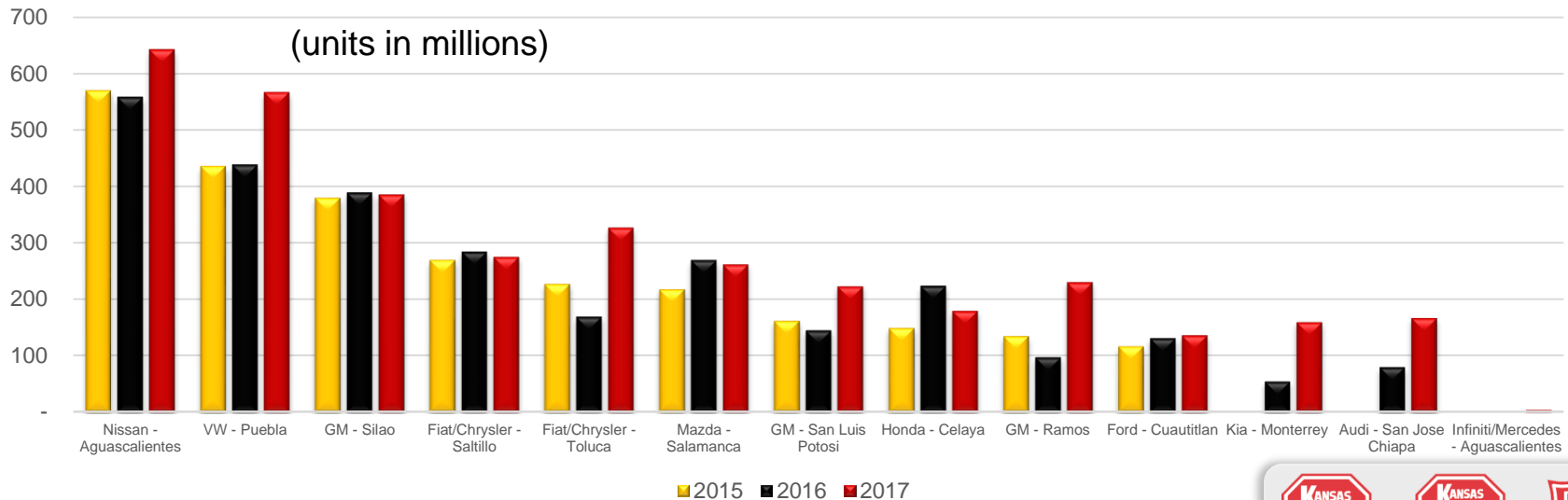
* Q4 15 Revenue & Carload Growth as of 10/31/15

Long-Term Mexico Automotive Opportunity Remains Strong

- **Outlook for 2016 is a work-in-progress; challenges include**
 - Significant re-tooling efforts expected by U.S. Auto Manufacturers in Mexico as new models introduced and lines changeover
 - VW announced that planned investments in Puebla to be “re-evaluated”
 - Fuel price outlook for 2016 largely matches 2015
- **New plant openings for Audi, Kia, Infiniti/Mercedes, BMW and Toyota along with expansion by GM support growth into 2020**

KCS Served Mexico Automotive Production by Plant

(units in millions)

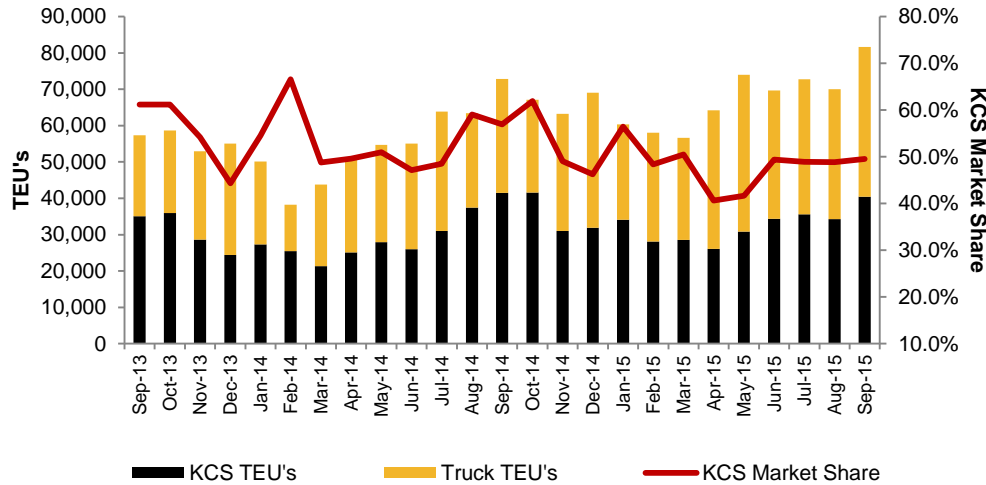


Source: Autocast, October 2015



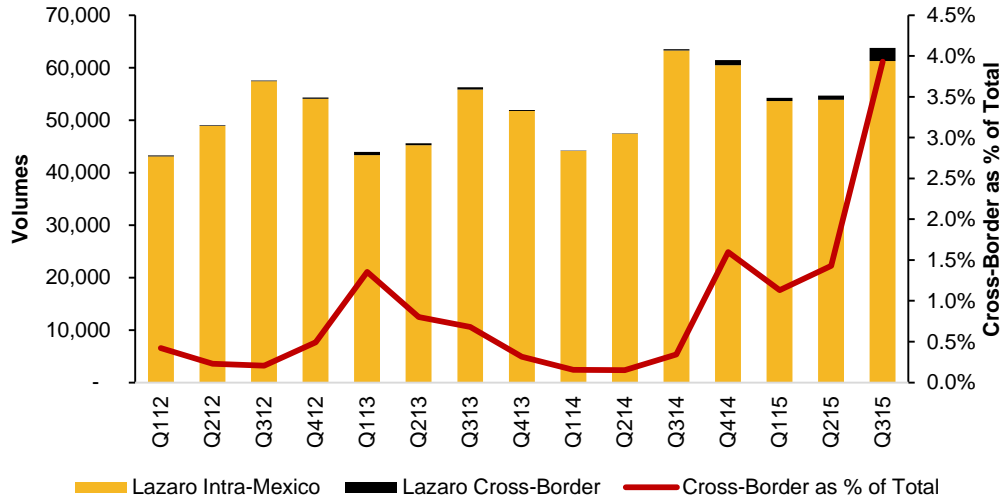
Improving Trends at Lázaro Cárdenas

Market Share of Rail & Truck at Lázaro Cárdenas



- **Peak season less evident than prior year**
- **APMT container terminal at Lázaro Cárdenas on track for mid-year 2016 opening**
 - The two terminal operators are working to attract business to the port
- **KCS investing to support accelerated growth from Lázaro Cárdenas in 2016 & beyond**

Lázaro Cárdenas Intermodal Carloads: Intra-Mexico vs. Cross-Border



Source: Secretaria de Comunicaciones y Transportes and Internal Data

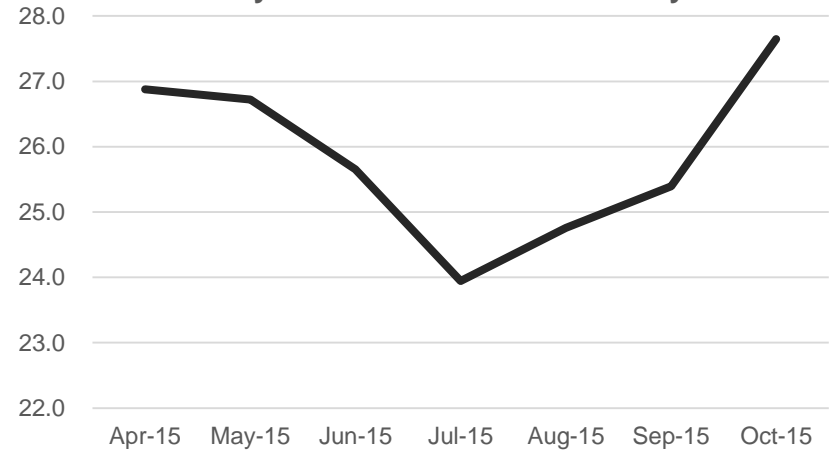


Operational Update – Managing Bulk Volume Increase in U.S.

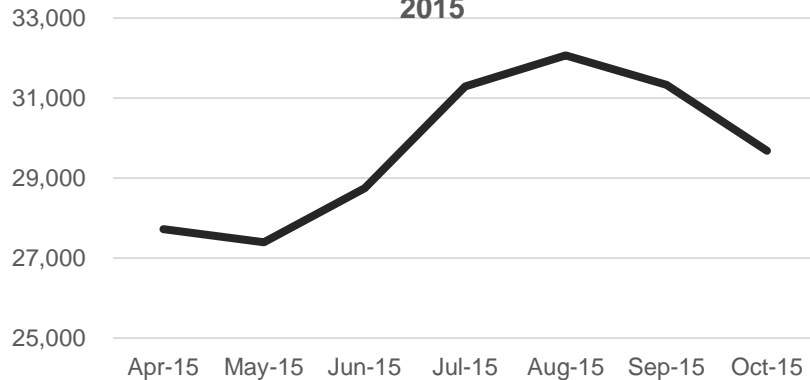
Kansas City Southern - Domestic Dwell 2015



Kansas City Southern - Domestic Velocity 2015



Kansas City Southern - Cars-on-Line (Domestic) 2015



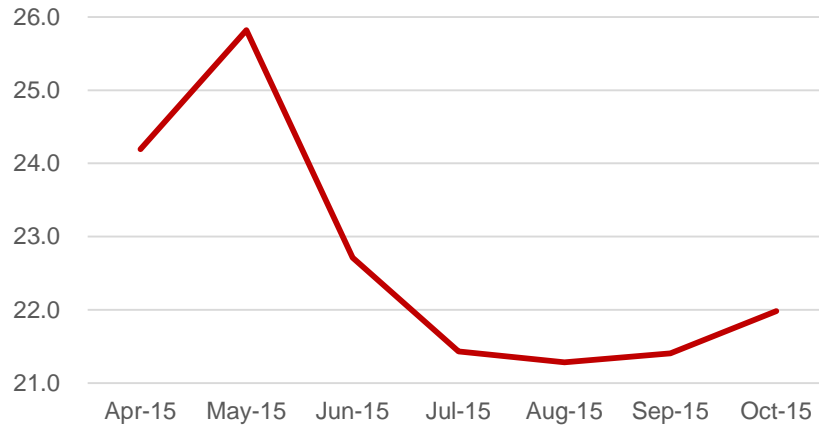
U.S. Overview

- U.S. “bulk” daily volumes up 80% sequentially in Q3 vs. Q2 average
- Kansas City capacity projects in the works
- Cars on line increase primarily related to crude tank cars and grain cars supporting incremental volumes

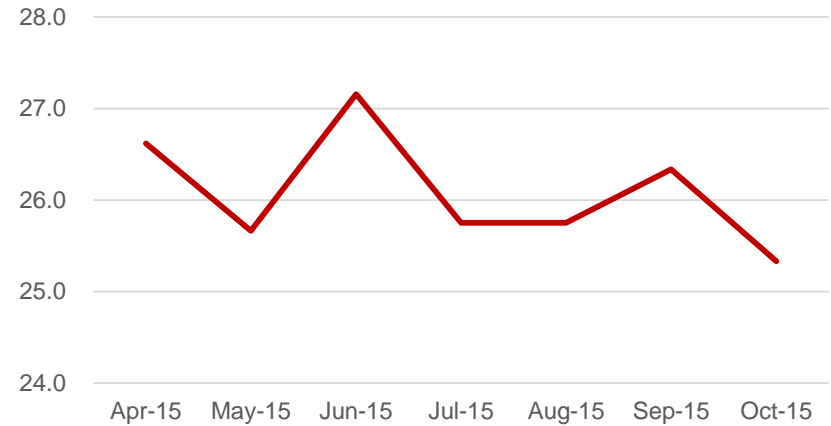


Operational Update – Gradual Improvement in Mexico, October Metrics impacted by Hurricane Patricia

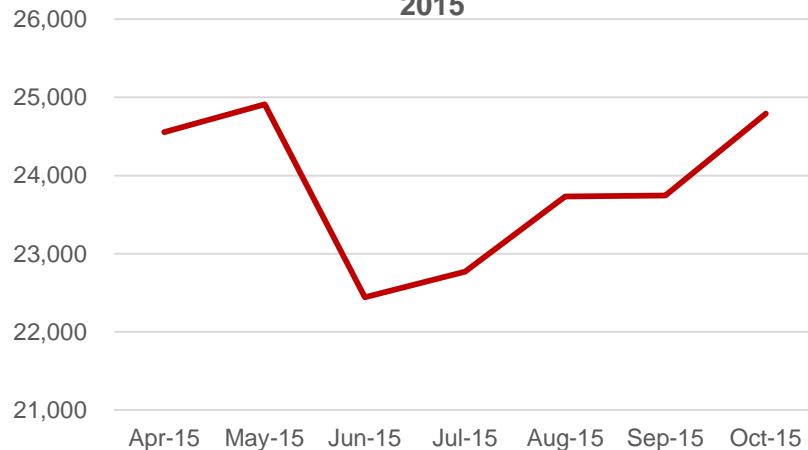
Kansas City Southern - Mexico Dwell 2015



Kansas City Southern - Mexico Velocity 2015



Kansas City Southern - Cars-on-Line (Mexico) 2015



Mexico Overview

- 2015 hiring projections met, training continues
- Terminal dwell continues to stabilize
- Cars on line trended upward; grain cars up due to volume and cycle time impacted auto and intermodal
- Velocity not fully rebounded but road crews continue to be on-boarded



Balanced Approach to Investing in Business and Returning Capital to Shareholders

Invest in Business

- Committed to superior growth profile
 - *2015 Capex - \$650 to \$670 million range*

Shareholder Returns

- Board of Directors approved \$500 million share repurchase program
 - *During Q3 15 KCS repurchased 1,236,094 shares for \$115.7 million with an average price of \$93.57*
- Q3 cash dividend declared on Aug 3, 2015; paid Oct 7, 2015
- Quarterly payout of \$0.33 per share or \$36.0 million
- Annualized payout of \$1.32 per share or \$144.0 million

Optimize Capital Structure

- Continued lease conversions
 - *Percentage of owned equipment increased from 56% at 6/30/15 to 61% at 09/30/15*
- Maintain investment grade status
- Lowest industry coupon rate of ~ 3.8%
- Average maturity of 16 years matches industry



KCS New Business Opportunities

New Grain Shuttle Facility
Open Early 2016

Wylie Intermodal Facility

Genesis Energy
Open

Kia – New Plant
Opens Mid 2016

Sunoco Logistics
Open

Sasol Ethane Cracker

GM - Expansion

Jefferson Rail Terminal
Open

Global Partners
Est. Completion –
Q1 2017

**Mercedes/Infiniti-
New Plant**
Opens 2017

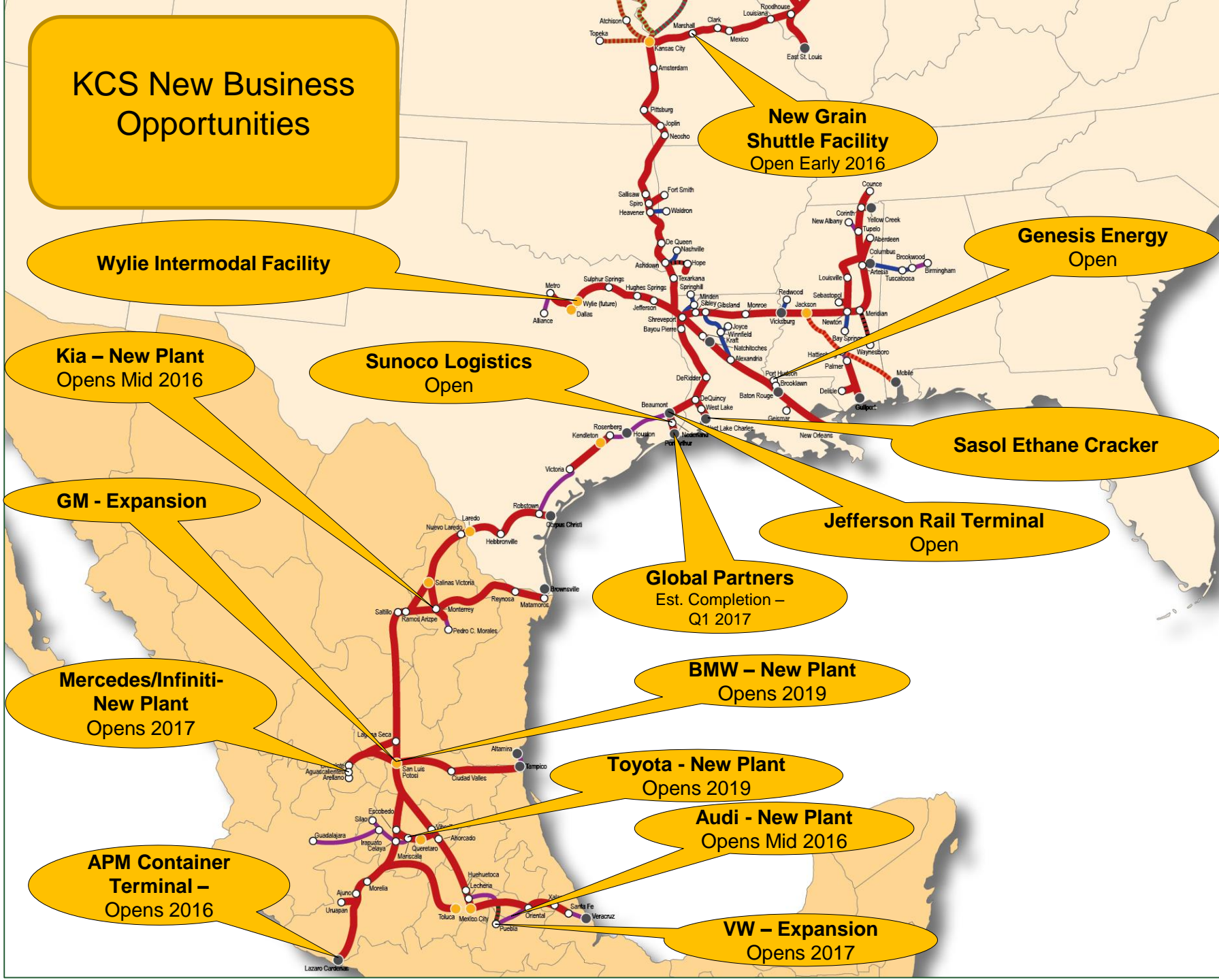
BMW – New Plant
Opens 2019

Toyota - New Plant
Opens 2019

Audi - New Plant
Opens Mid 2016

**APM Container
Terminal –**
Opens 2016

VW – Expansion
Opens 2017



CONCLUSION



KSU Investment Highlights

- ✓ Best-positioned growth story in the industry with unique U.S.-Mexico cross-border network
- ✓ Track record of strong financial and operating performance
- ✓ Well-diversified customer base and commodity mix
- ✓ Excellent strategic positioning with multiple growth drivers
- ✓ Solid balance sheet with a commitment to maintaining investment grade credit rating

