



Kansas City Southern

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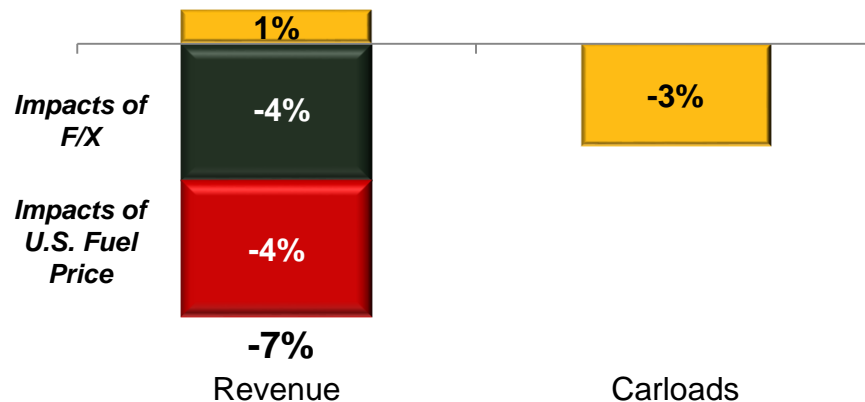
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Revenue and Carload Trends Improving Sequentially

KCS Revenue and Carload Growth



- Grain volumes have turned positive YoY
- Strong harvest expected again

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

Strong crude volumes driven by completion of rail loading/unloading facilities and WCS/Maya spreads

Service levels and tight equipment capacity negatively impacting:

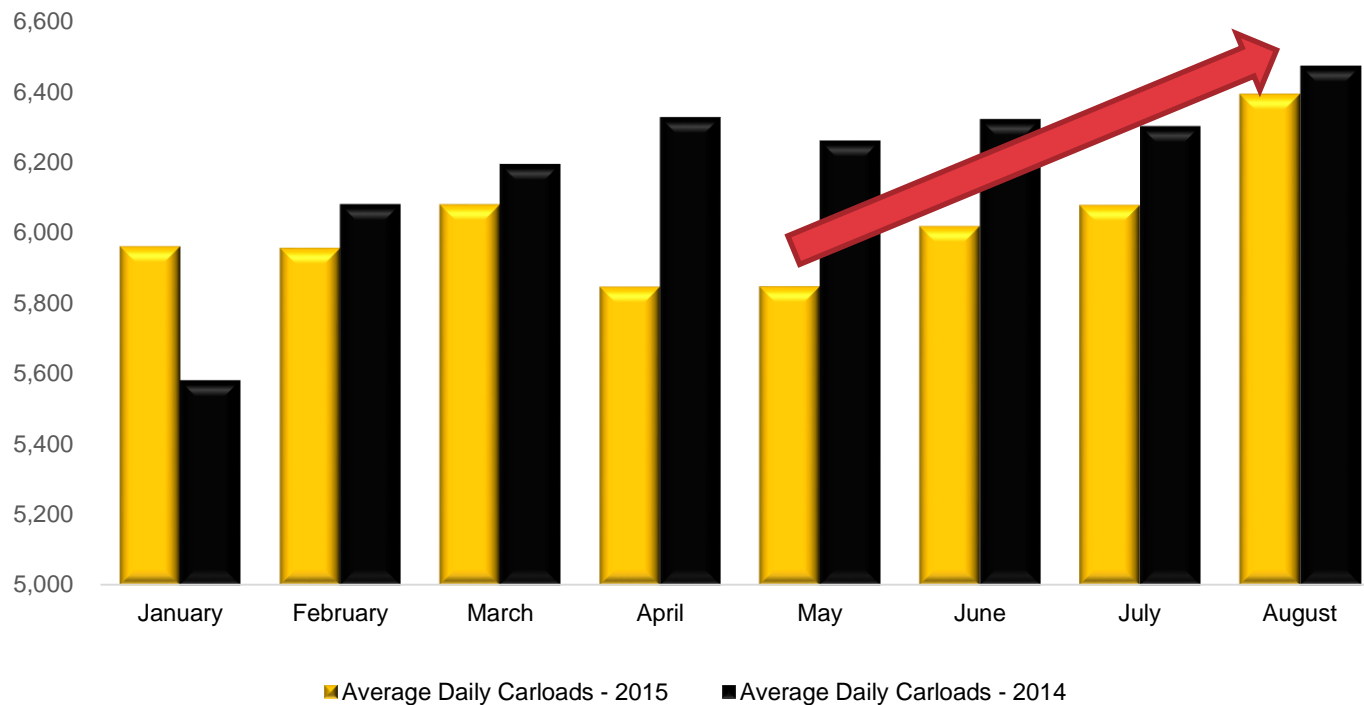
- Automotive
- Intermodal
- Lazaro Cardenas

Volatility in energy market pricing (WTI, Nat'l gas) continues to negatively impact Utility Coal and Frac Sand



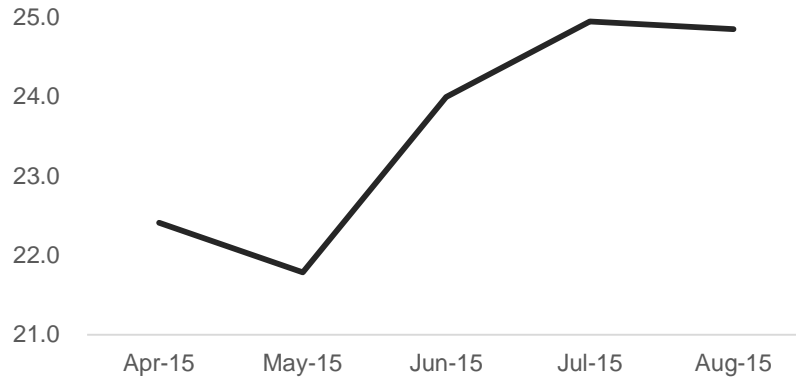
* Q3 15 Revenue & Carload Growth as of 9/6/15

Sequential Monthly Improvement in Volume

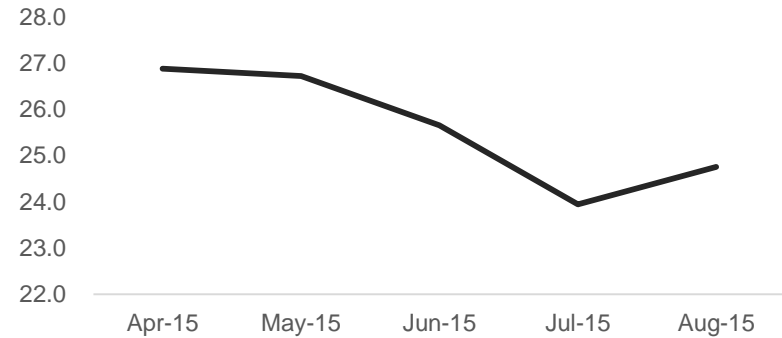


Operational Update – Managing Bulk Volume Increase in U.S.

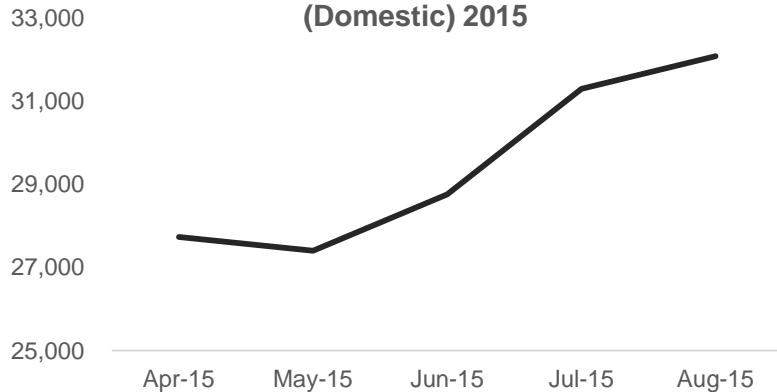
Kansas City Southern - Domestic Dwell 2015



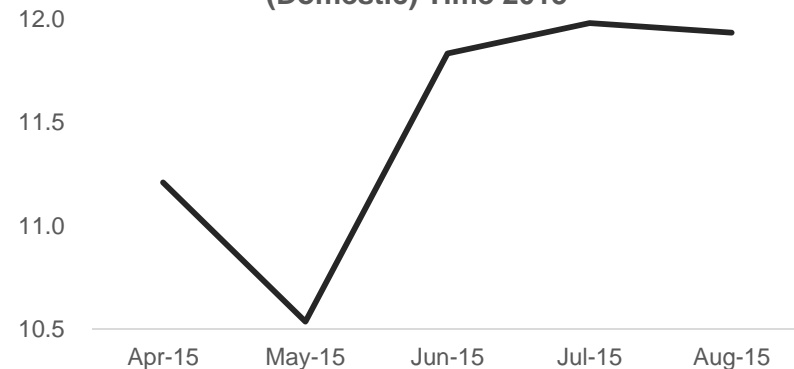
Kansas City Southern - Domestic Velocity 2015



Kansas City Southern – Cars on Line (Domestic) 2015



Kansas City Southern - Foreign Car Cycle (Domestic) Time 2015



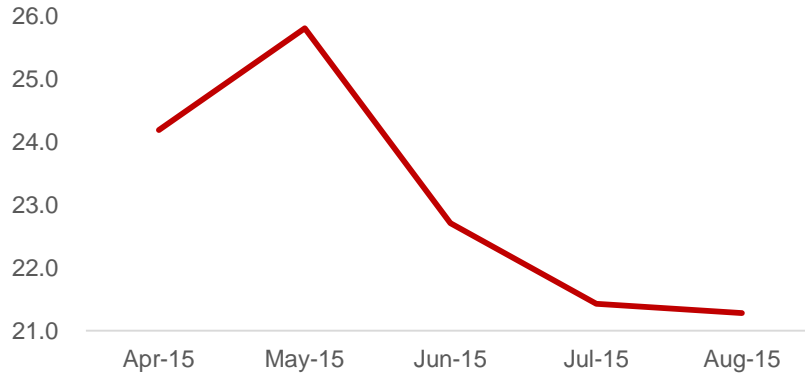
U.S. Overview

- Heavy maintenance and curfew activity on main North-South line in summer months
- U.S. “bulk” daily volumes up 50% sequentially in Q3 vs. Q2 average

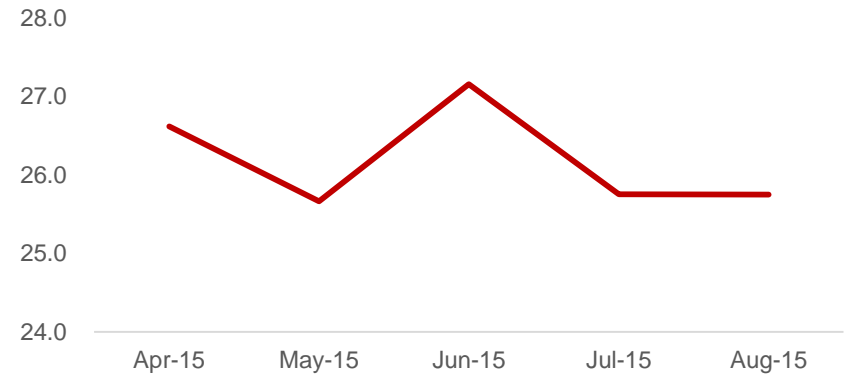


Operational Update – Gradual Improvement in Mexico

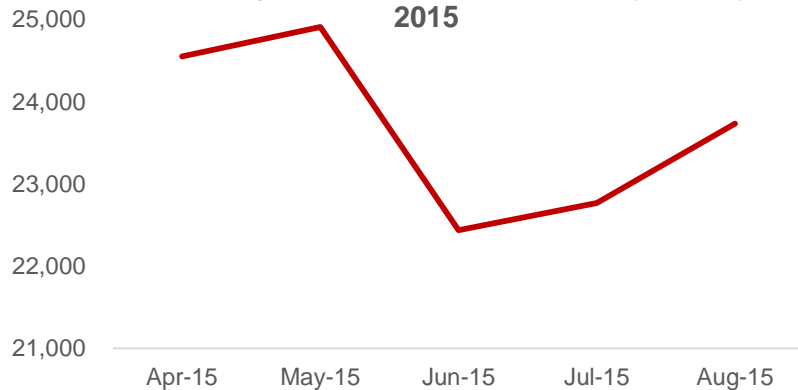
Kansas City Southern - Mexico Dwell 2015



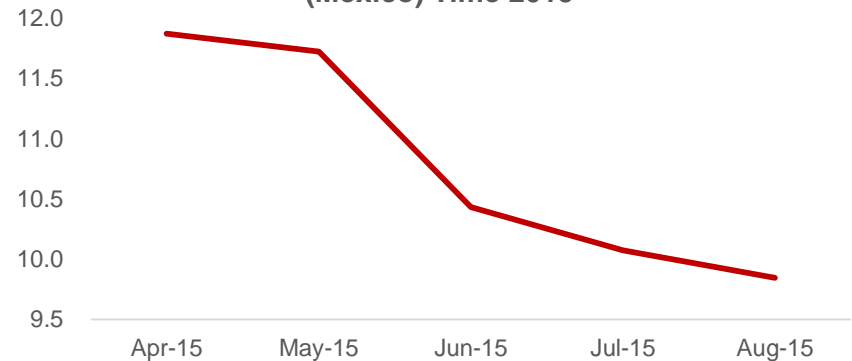
Kansas City Southern - Mexico Velocity 2015



Kansas City Southern – Cars on Line (Mexico) 2015



Kansas City Southern - Foreign Car Cycle (Mexico) Time 2015

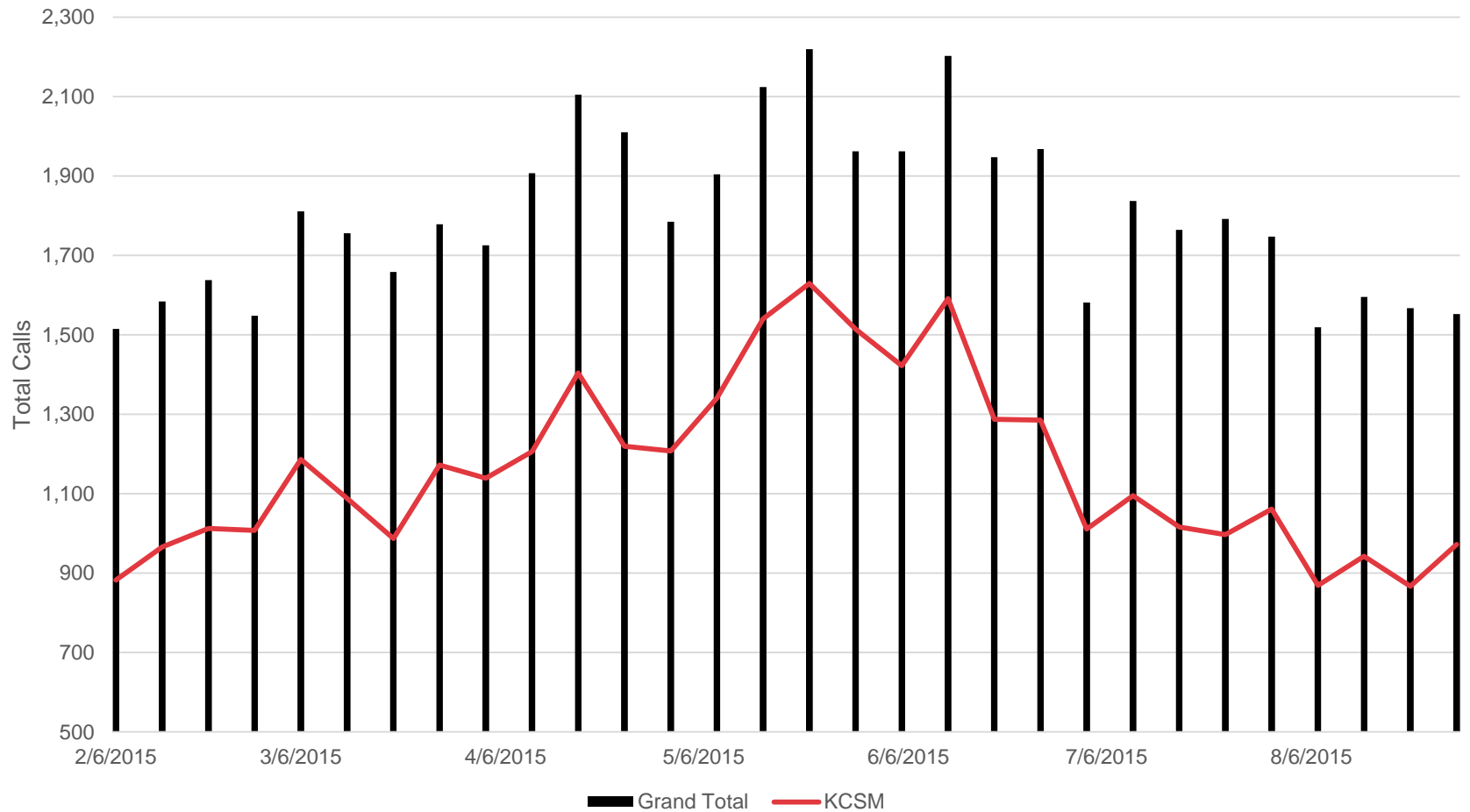


Mexico Overview

- Recent trends in Mexico show dwell stabilizing
- Cars on line has trended upward entering peak intermodal season
- Automotive fluidity still impacted as new hires complete training and enter the workforce



Reduced Customer Calls Underlines Service Improvement in Mexico



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 Q2 15 KCS repurchased 222,131 shares for \$20.6 million with an average price of \$92.71
- Share repurchases have accelerated during Q3
- Funded through incremental leverage of \$500 million
- Annualized dividend payout of \$1.32 per share or \$146.0 million

Optimize Capital Structure

- Continue lease conversions
- Maintain investment grade status
- Lowest industry coupon rate of ~ 3.8%
- Average maturity of 16 years matches industry



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

