



KANSAS CITY SOUTHERN

Credit Suisse 4th Annual Industrials Conference

December 1, 2016



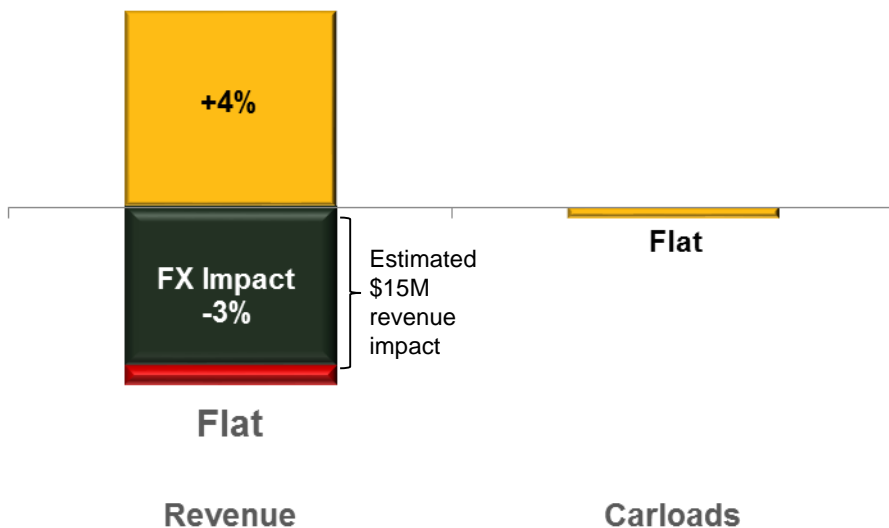
Safe Harbor Statement

This presentation contains “forward-looking statements” within the meaning of the securities laws concerning potential future events involving KCS and its subsidiaries, which could materially differ from the events that actually occur. Words such as “projects,” “estimates,” “forecasts,” “believes,” “intends,” “expects,” “anticipates,” and similar expressions are intended to identify many of these forward-looking statements. Such forward-looking statements are based upon information currently available to management and management’s perception thereof as of the date hereof. Differences that actually occur could be caused by a number of external factors over which management has little or no control, including: competition and consolidation within the transportation industry; the business environment in industries that produce and use items shipped by rail; loss of the rail concession of KCS’ subsidiary, Kansas City Southern de México, S.A. de C.V.; the termination of, or failure to renew, agreements with customers, other railroads and third parties; interest rates; access to capital; disruptions to KCS’ technology infrastructure, including its computer systems; natural events such as severe weather, hurricanes and floods; market and regulatory responses to climate change; credit risk of customers and counterparties and their failure to meet their financial obligations; legislative and regulatory developments and disputes; rail accidents or other incidents or accidents on KCS’ rail network or at KCS’ facilities or customer facilities involving the release of hazardous materials, including toxic inhalation hazards; fluctuation in prices or availability of key materials, in particular diesel fuel; dependency on certain key suppliers of core rail equipment; changes in securities and capital markets; availability of qualified personnel; labor difficulties, including strikes and work stoppages; insufficiency of insurance to cover lost revenue, profits or other damages; acts of terrorism or risk of terrorist activities; war or risk of war; domestic and international economic conditions; political and economic conditions in Mexico and the level of trade between the United States and Mexico; increased demand and traffic congestion; the outcome of claims and litigation involving KCS or its subsidiaries; and other factors affecting the operation of the business. More detailed information about factors that could affect future events may be found in filings by KCS with the Securities and Exchange Commission, including KCS’ Annual Report on Form 10-K for the year ended December 31, 2015 (File No. 1-4717) and subsequent reports. Forward-looking statements are not, and should not be relied upon as, a guarantee of future performance or results, nor will they necessarily prove to be accurate indications of the times at or by which any such performance or results will be achieved. As a result, actual outcomes and results may differ materially from those expressed in forward-looking statements. KCS is not obligated to update any forward-looking statements to reflect future events or developments. All reconciliations to GAAP can be found on the KCS website, kcsouthern.com/investors.



Fourth Quarter Revenue and Volume Trends

KCS Revenue and Carload Growth



Agriculture & Minerals volumes up 13%
 - Grain: +24% YOY & Food Products: +8% YOY

Chemical & Petroleum volumes down 6%
 - Plastics volumes down 7% - outages / new routes
 - Petroleum volumes down in both US & MX – YOY Comps & Mexico impacted by Pemex production

Intermodal volumes down 3%
 - Lazaro volumes down 5% - continued impacts from truck/vessel competition & FX environment

Automotive volumes up 19%
 - New Facilities & Cross-Border movements

Industrial & Consumer volumes up 6%
 - Metals up 19%. Moves for CFE nat. gas pipeline

- Higher incentive comp to be recognized YOY in Q4, estimated \$7M YOY impact
 - Expect FX to be a continued headwind in Q4; Current exchange rate = 20.6, a 25% deterioration
 - Tough 4Q expense comps from credits in 2015

Q4 Revenue and Carload as of November 30, 2016

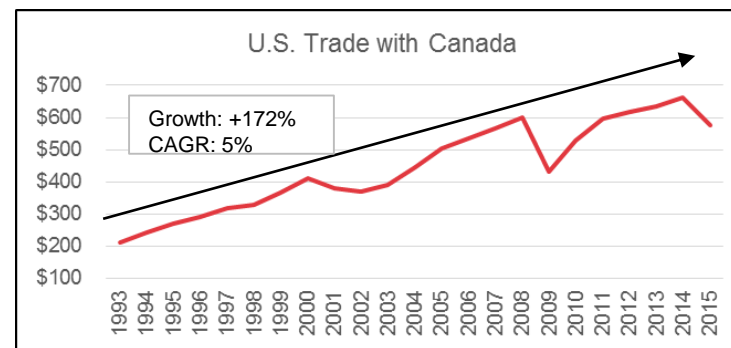
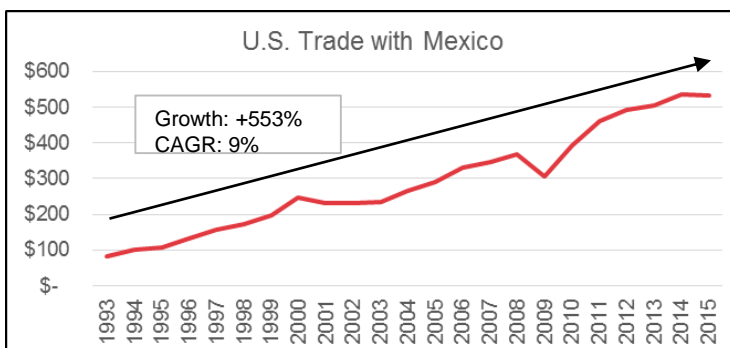
KCS Remains Positive Regarding New U.S. Administration

■ How NAFTA has been a Positive to the U.S. Economy

– Industry Growth

- Agriculture: U.S. exports have grown 330% since 1993; Mexico is the top market for soybean, corn, poultry, & pork
- Auto: International automakers have investments of ~\$52B in U.S. based facilities; U.S. investments by Ford/GM/Chrysler continue to exceed investments in Mexico

– Trade Growth since NAFTA implementation



– Job Creation

- NAFTA Trade supports ~14 million U.S. jobs

■ Presidential ability to withdraw from NAFTA

- Article 2205 allows any participating country to withdraw from NAFTA, given a 180-day notice to the other two countries
- Ability to withdraw from the agreement with one country only is not possible
- Tariffs are generally established by Congress

