KANSAS CITY SOUTHERN FOURTH QUARTER 2011 ANALYST PRESENTATION
RECONCILIATION TO GAAP
(in millions, except per share amounts)

KCS reports its financial results in accordance with generally accepted accounting principles ("GAAP"). However, management believes that certain non-GAAP financial measures used to review and in certain cases manage the Company's business that fall within the meaning of Regulation G (Disclosure of non-GAAP financial measures) may provide its users of the financial information with additional meaningful comparison when reviewing the Company's results.

In press releases and analyst presentations, KCS has provided financial information adjusted for certain items, which are non-GAAP financial measures. KCS management uses non-GAAP information in its planning and forecasting processes and to further analyze its own financial trends and operational performance, as well as making financial comparisons to prior periods presented on a similar basis. The Company also uses some of these measures internally as part of its incentive compensation plans for management employees. Management believes investors and users of the Company's financial information should consider all of the above factors when evaluating KCS's results.

These non-GAAP measures should not be considered a substitute for GAAP measures. Some of KCS's non-GAAP measures may differ from similar measures used by other companies, even if similar terms are used to identify such measures.

Reconciliation of Diluted Earnings Per Share to Adjusted Diluted Earnings Per Share:	**Three Months Ended December 31,**		**Twelve Months Ended December 31,**	
	2011	**2010**	**2011**	**2010**
Diluted earnings per share	$ 0.87	$ 0.50	$ 3.00	$ 1.67
Adjustment for debt retirement costs	0.14	0.12	0.23	0.44
Adjusted diluted earnings per share - see (a) below	$ 1.01	$ 0.62	$ 3.23	$ 2.11

Reconciliation of Free Cash Flow to Net Decreases in Cash and Cash Equivalents:	**Twelve Months Ended December 31,**	
	2011	**2010**
Net cash provided by operating activities	$ 638.0	$ 496.3
Net cash used for investing activities	(510.4)	(311.5)
Capital expenditures directly financed by third party	50.0	-
Preferred stock dividends paid	(3.0)	(11.0)
Free cash flow - see (b) below	174.6	173.8
Proceeds from issuance of long-term debt	550.0	480.7
Debt proceeds directly related to capital expenditures	(50.0)	-
Repayment of long-term debt	(653.3)	(839.7)
Proceeds from common stock issuance	-	214.9
Other financing activities	(34.3)	(61.8)
GAAP net decreases in cash and cash equivalents	$ (13.0)	$ (32.1)

Reconciliation of Revenues to Adjusted Revenues:	**Twelve Months Ended December 31,**	
	2011	**2010**
Revenues as reported	$ 2,098.3	$ 1,814.8
Adjustment for estimated impact from Hurricane Alex	-	33.0
Adjusted revenues - see (a) below	$ 2,098.3	$ 1,847.8

Reconciliation of Cash Capital Expenditures to Core Capital Expenditures:	**Twelve Months Ended December 31, 2011**
Capital expenditures	$ 495.0
Locomotive purchases	(69.9)
Cash portion of lease buyouts	(46.2)
Core capital expenditures - see (c) below	$ 378.9

(a) The Company believes adjusted earnings per share and revenues are meaningful as it allows investors to evaluate the Company's performance for different periods on a more comparable basis by adjusting for items that do not relate to the ongoing operations of the Company.

(b) The Company believes this measure is meaningful as it provides the amount of liquidity generated by operations that can be used for the combination or any one of the following: debt reduction, incremental capital investment, and other investments.

(c) Core capital expenditures excludes significant capital expenditures which occur on an irregular basis. Core capital expenditures as a percent of revenue enables a comparison to relevant long-term industry averages.