



Kansas City Southern

First Quarter 2010 Earnings Presentation

April 27, 2010




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This presentation includes statements concerning potential future events involving the Company which could materially differ from events that actually occur. The differences could be caused by a number of factors, including those factors identified in the “Risk Factors” section of the Company’s Form 10-K for the year ended December 31, 2009 filed by the Company with the SEC (File No. 1-4717). The Company will not update any forward-looking statements in this presentation to reflect future events or developments. All reconciliations to GAAP can be found on the KCS website, kcsouthern.com/investors.

Certain prior year amounts have been adjusted for the retrospective change in accounting principle for rail grinding. Refer to the Consolidated Investors’ Report on the KCS website for a reconciliation.



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Today's Presenters

Mike Haverty	Chairman & CEO
Dave Starling	President & COO
Pat Ottensmeyer	EVP Sales & Marketing
Mike Upchurch	EVP & CFO




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First Quarter Highlights

- Revenues up 26% on volume increase of 15% year over year
- Sequentially, revenues up 7% on volume increase of 2%
- Operating Ratio of 75.2% versus 86.2% in 1Q 2009, and 77.3% in 4Q 2009
- Adjusted earnings per share of \$0.44* (excludes a one time charge of \$0.10 for debt retirement costs) versus a \$(0.05)* loss in 1Q 2009 and \$0.34 in 4Q 2009




*All reconciliations to GAAP can be found on the KCS website in the Investors section.

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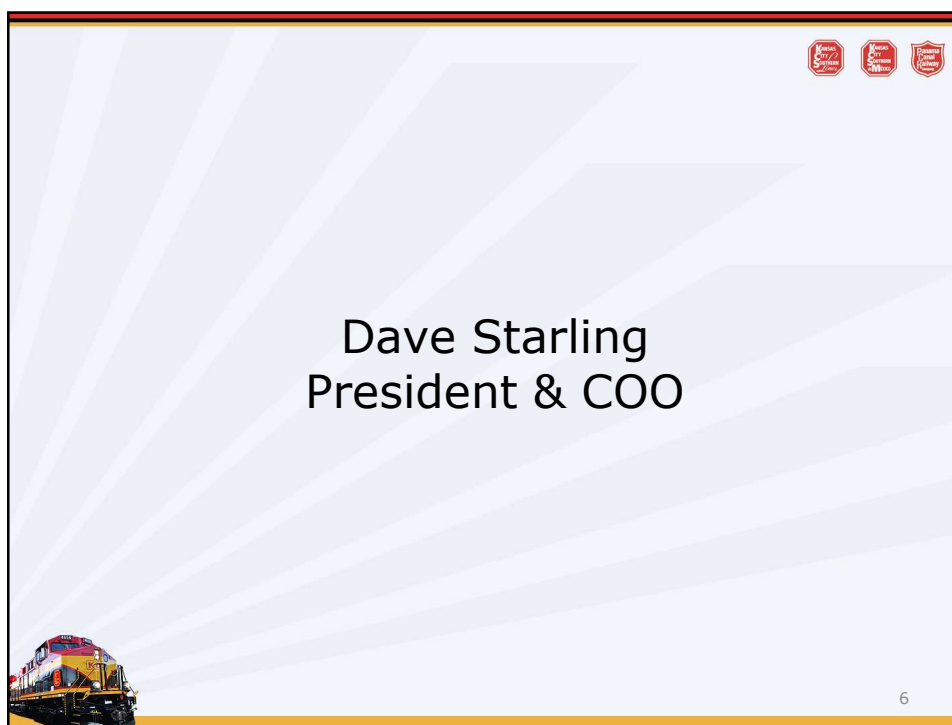




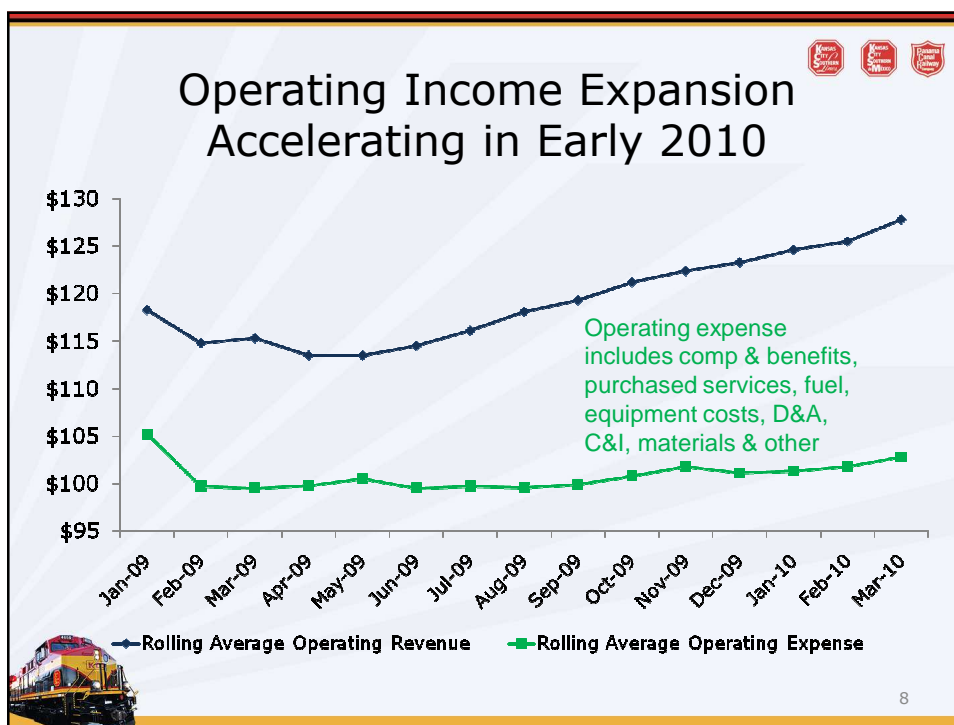
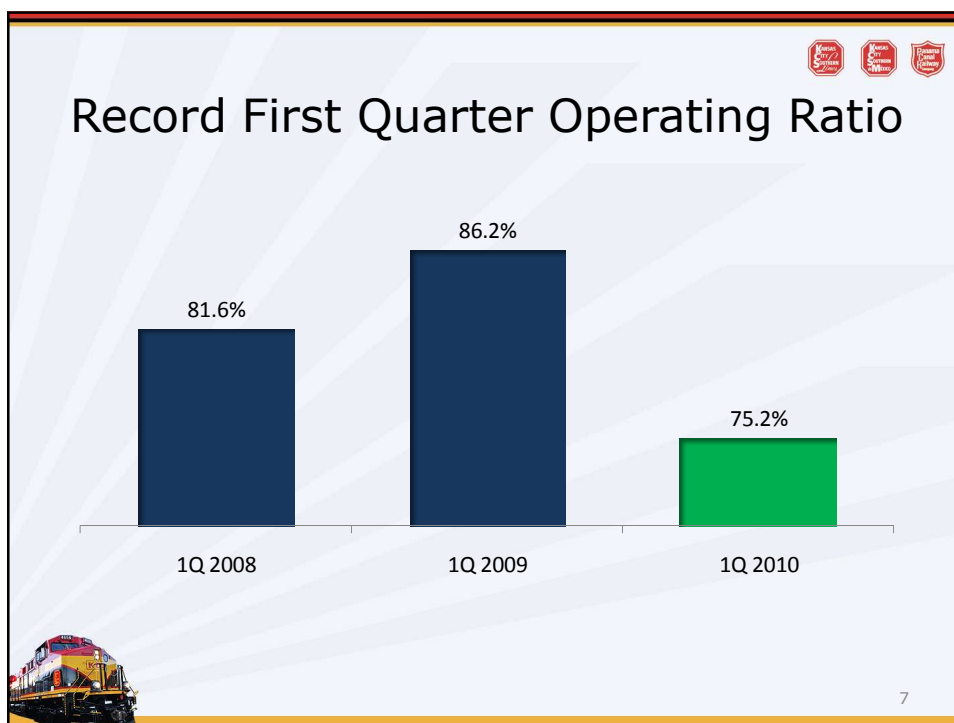
Financial Results

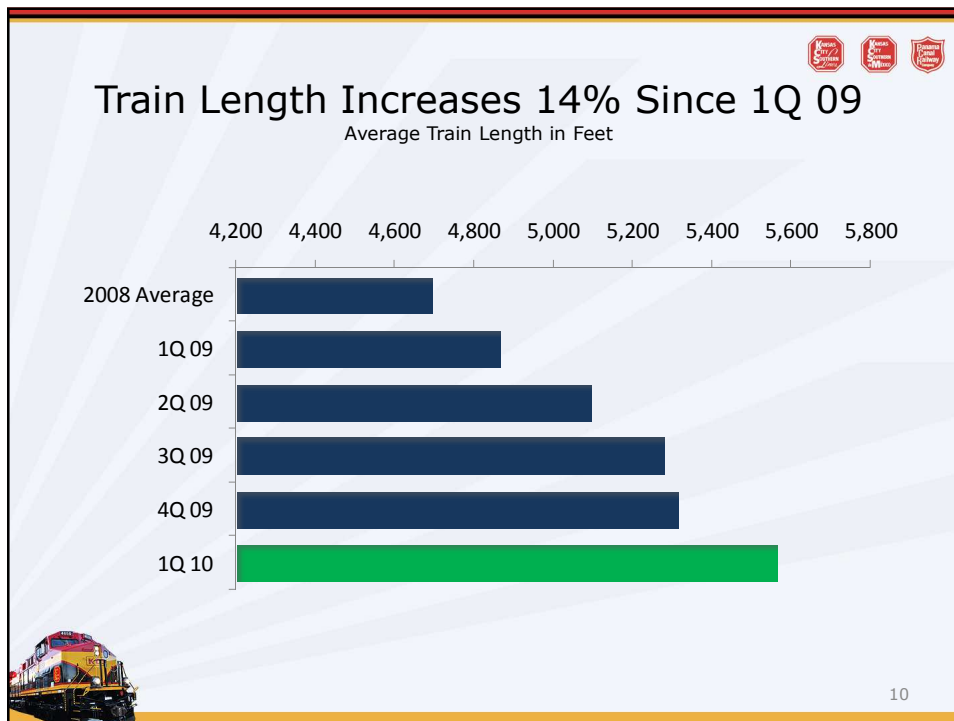
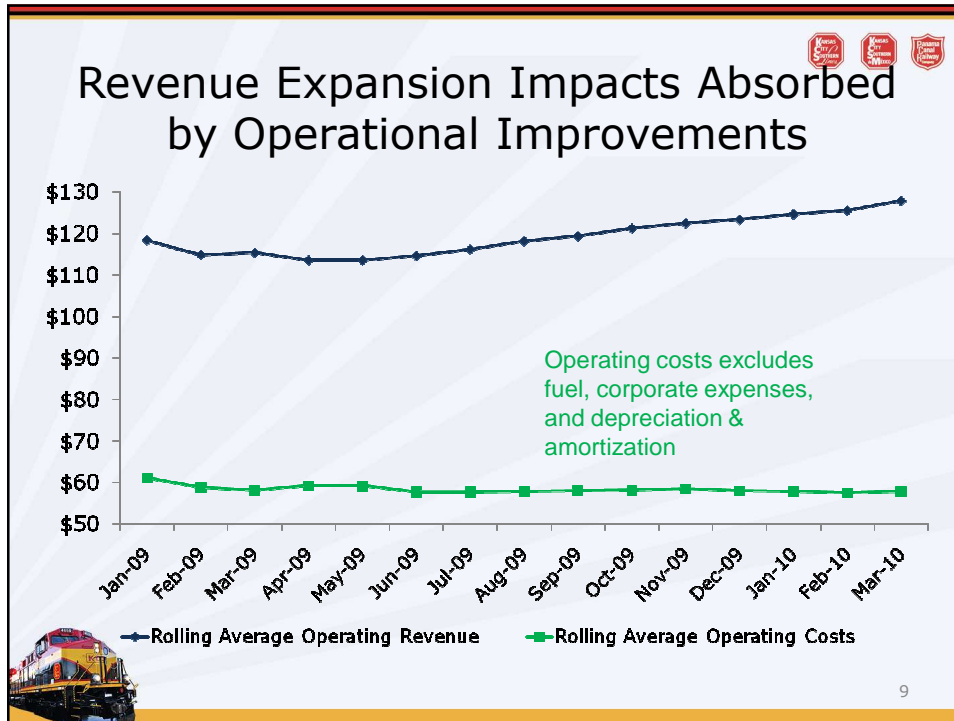
	1Q 10	1Q 09	1Q 08
Carloads / Units (in thousands)	443.2	384.0	452.3
Adjusted Earnings (Loss) per Share	\$0.44*	\$(0.05)*	\$0.38
Revenue (in millions)	\$436.3	\$346.0	\$450.6
Operating Ratio	75.2%	86.2%	81.6%

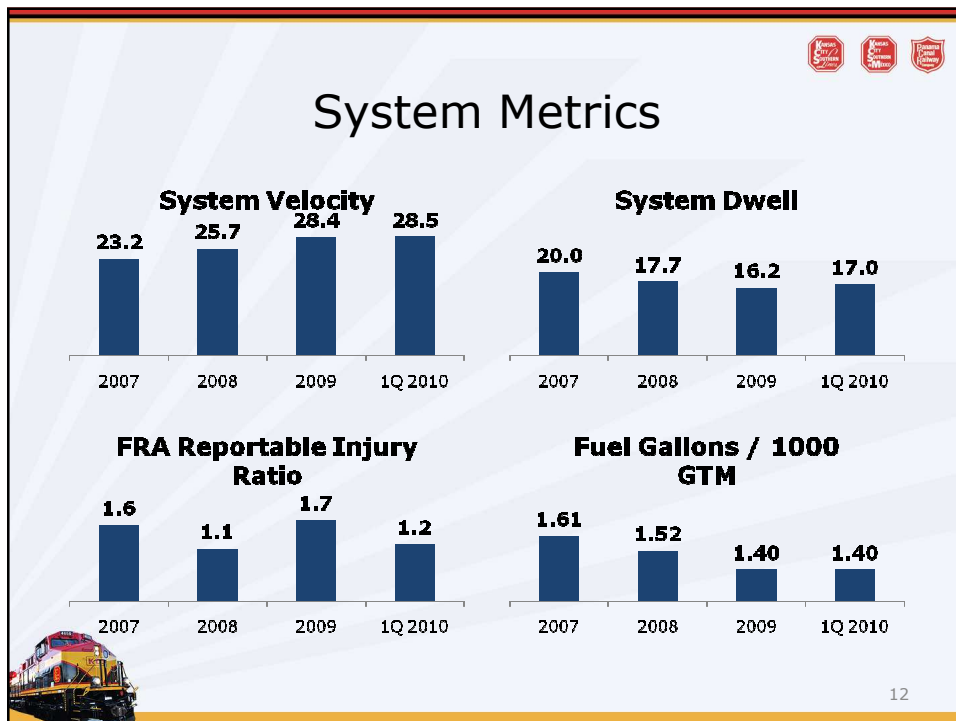
 *Excludes impact of debt retirement costs of \$0.10 per share and \$0.04 per share in first quarter 2010 and 2009, respectively. All reconciliations to GAAP can be found on the KCS website in the Investors section.


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Pat Ottensmeyer EVP Sales & Marketing




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Revenue Summary


- Revenue increased by 26% to \$436 million
 - Volume increased by 15% year over year
- Sequential Improvements from 4Q 2009
 - Revenue increased 7%
 - Volume increased 2%
- U.S. linehaul revenue in March was a record
- Same store pricing increased over 6%



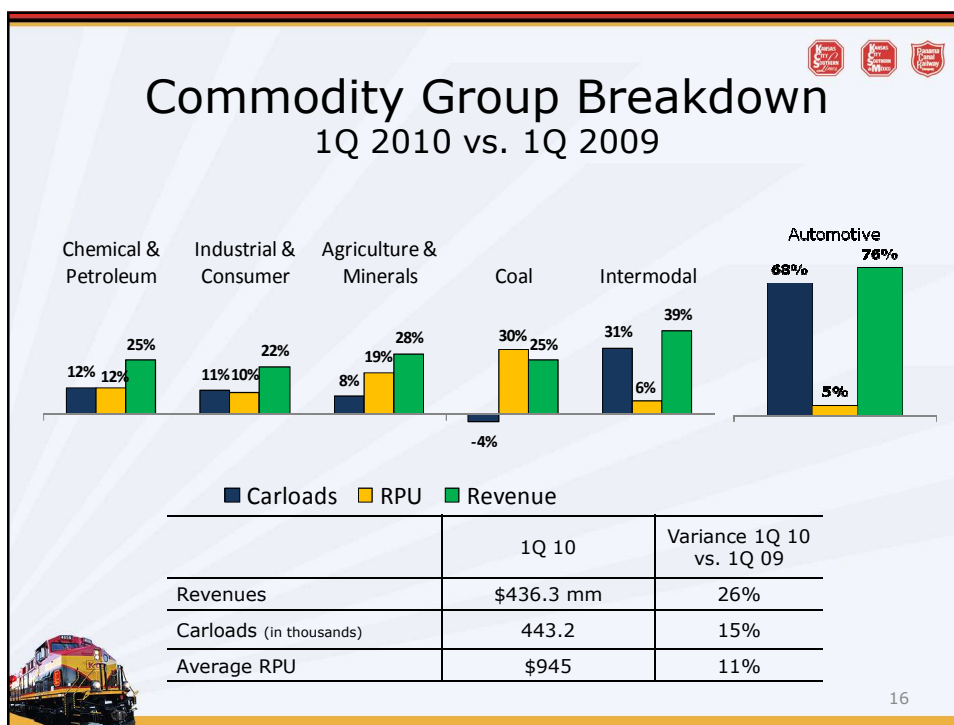
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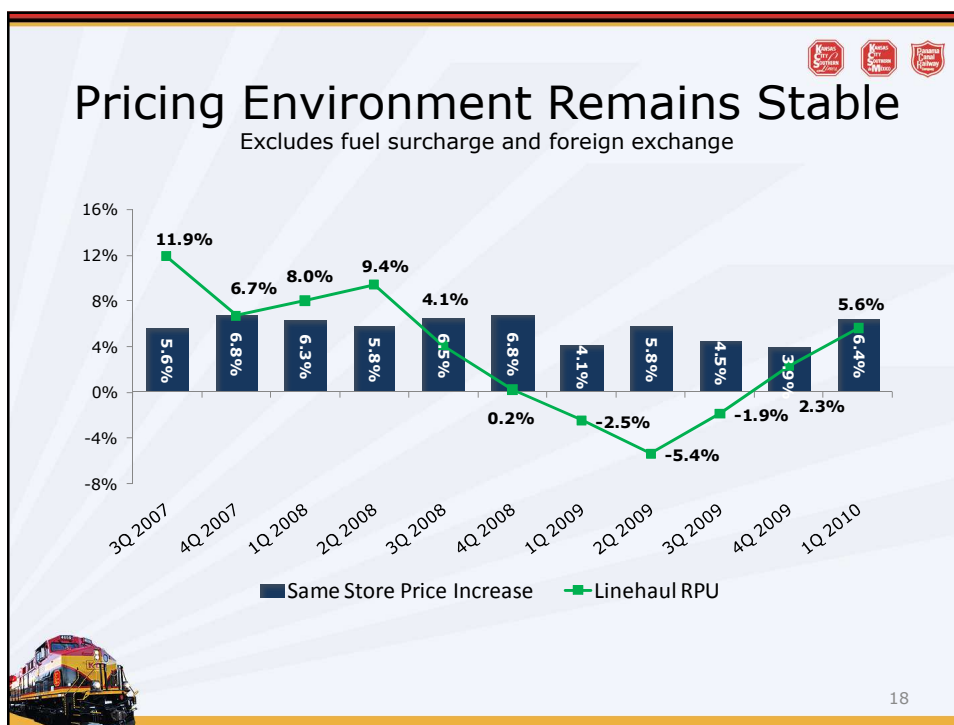
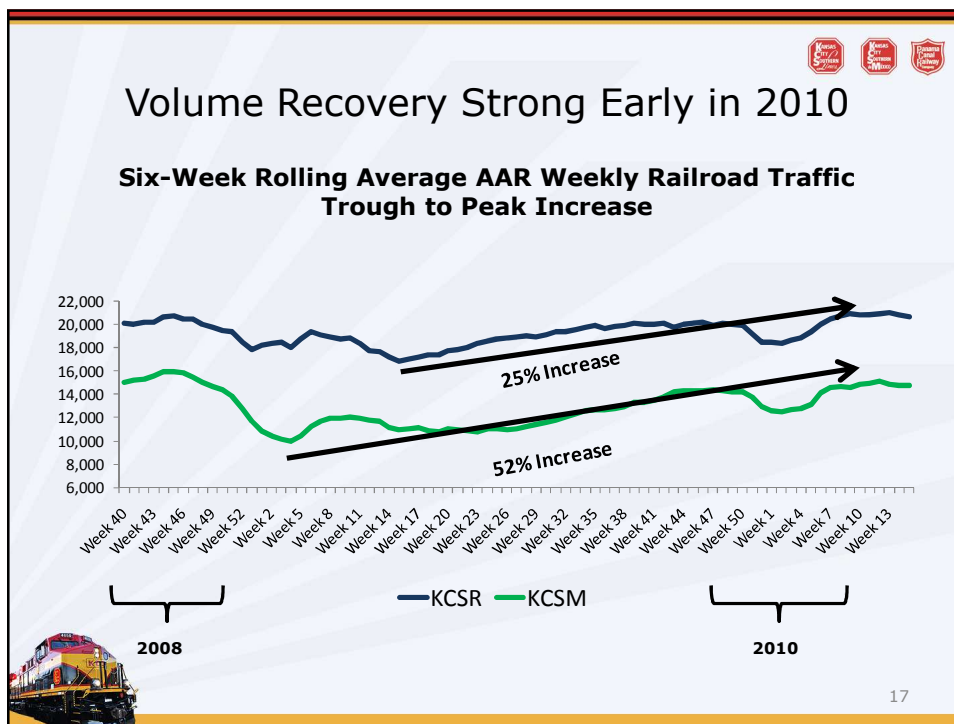
1Q Revenue Detail

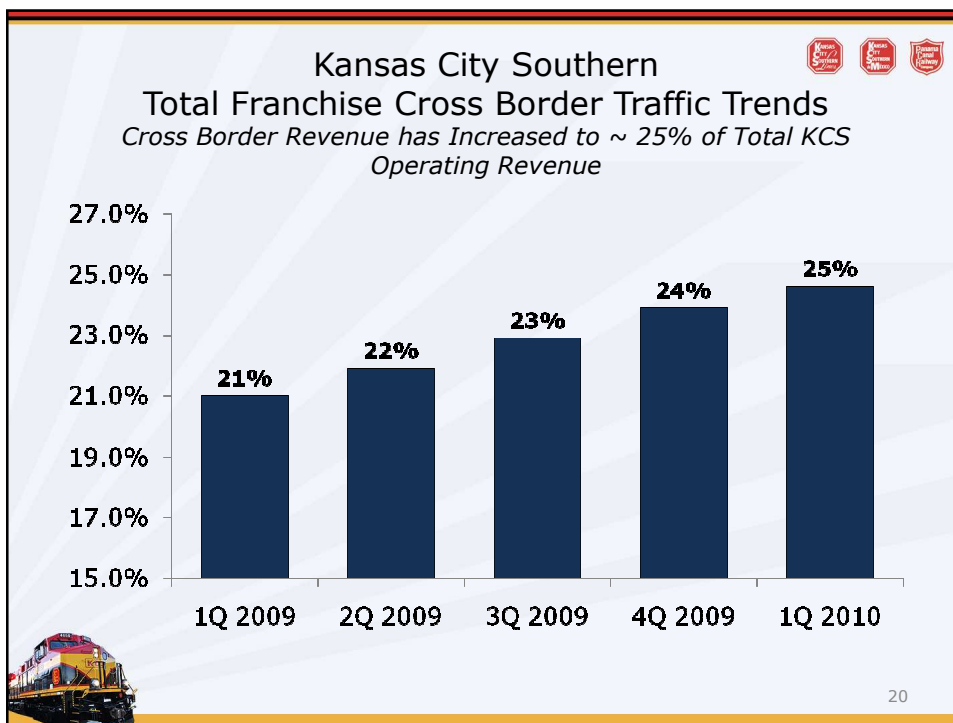
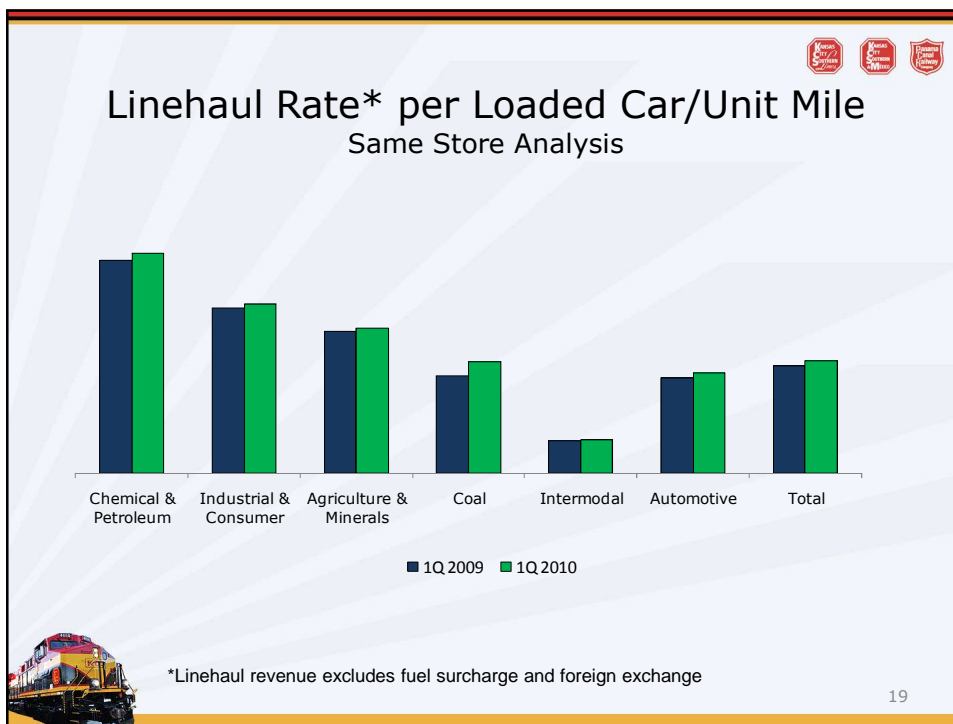
\$ in millions	1Q 10	4Q 09	% Change	1Q 09	% Change
Chemical & Petroleum	\$89.6	\$84.1	7%	\$71.5	25%
Industrial & Consumer	99.8	92.7	8%	82.0	22%
Agriculture & Minerals	106.0	102.2	4%	82.6	28%
Coal	59.0	47.9	23%	47.3	25%
Intermodal	42.6	42.3	1%	30.6	39%
Automotive	21.7	20.2	7%	12.3	76%
Total Freight Revenue	418.7	389.4	8%	326.3	28%
Other Revenue	17.6	17.4	1%	19.7	(11%)
Total Revenue	\$436.3	\$406.8	7%	\$346.0	26%



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2010 Market Outlook

- Economic environment is improving
 - Current forecasts show GDP improvement in both U.S. and Mexico
- Mexican automotive production expected to remain strong for the rest of 2010
- Cross border intermodal growth will be driven by new service schedules, border crossing efficiencies, and Rosenberg center
- 2010 revenue growth in coal driven by pricing
- Core pricing expected to remain strong
- New business opportunities continue to be the primary driver of long term revenue growth


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Mike Upchurch Executive VP & CFO

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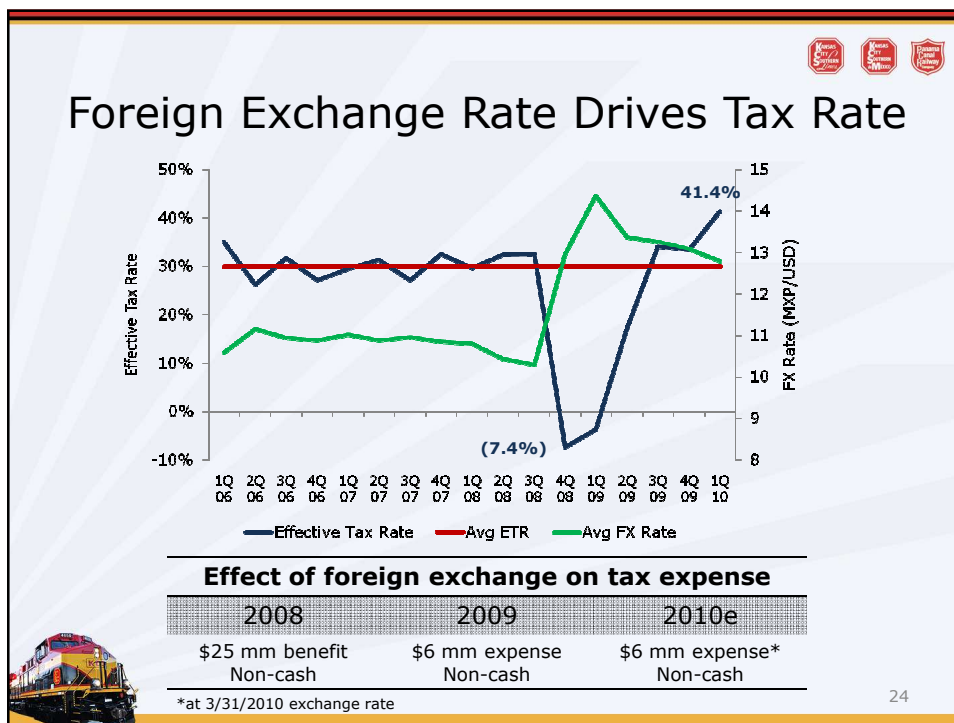
Consolidated Income Statement

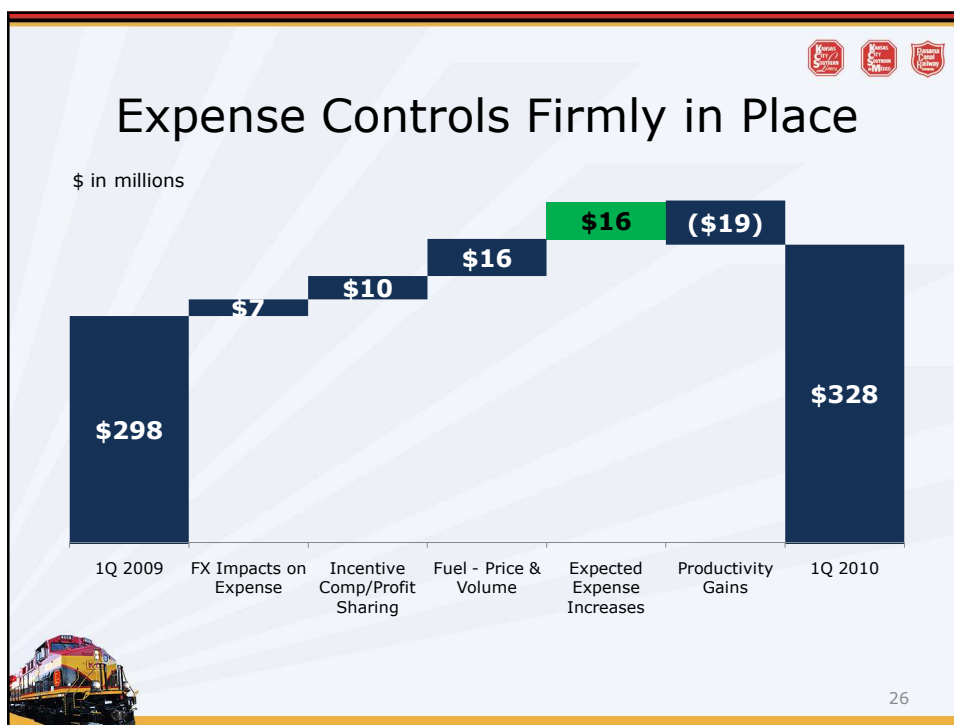
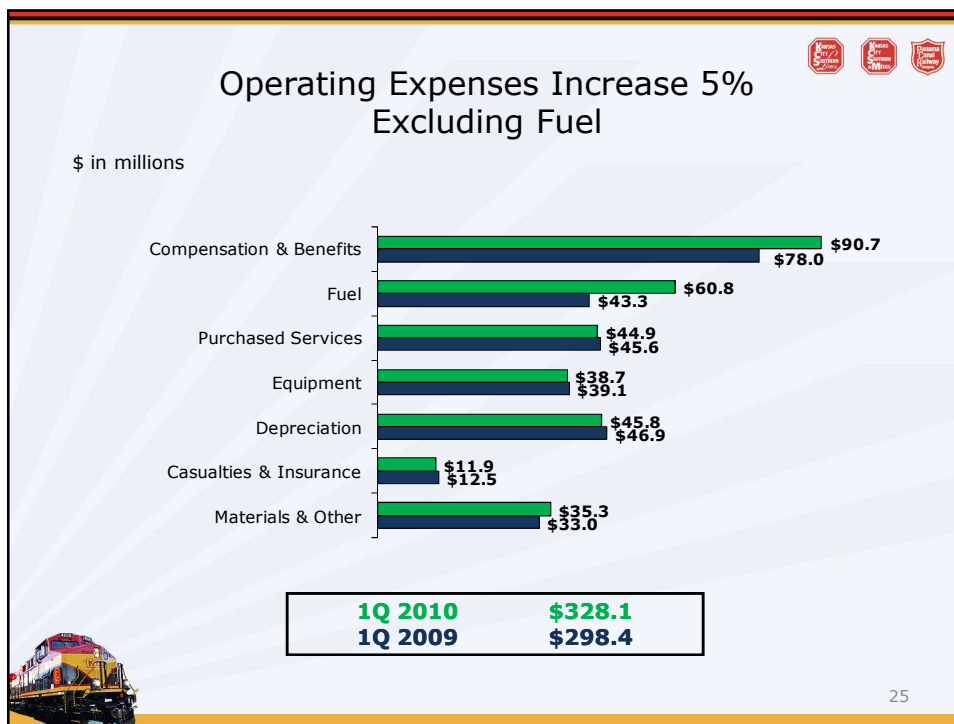


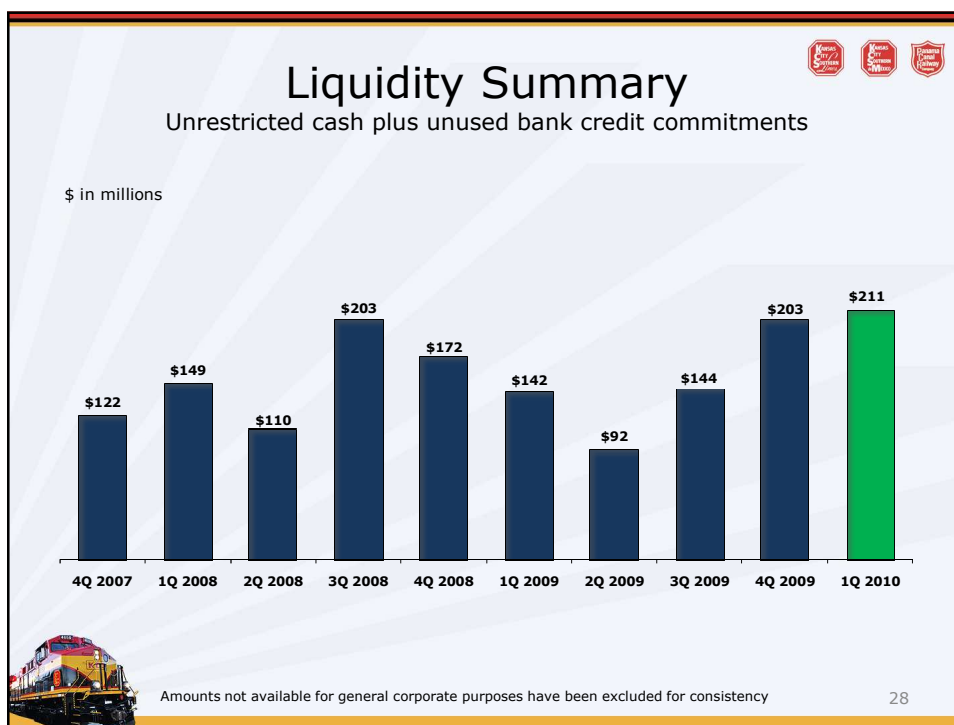
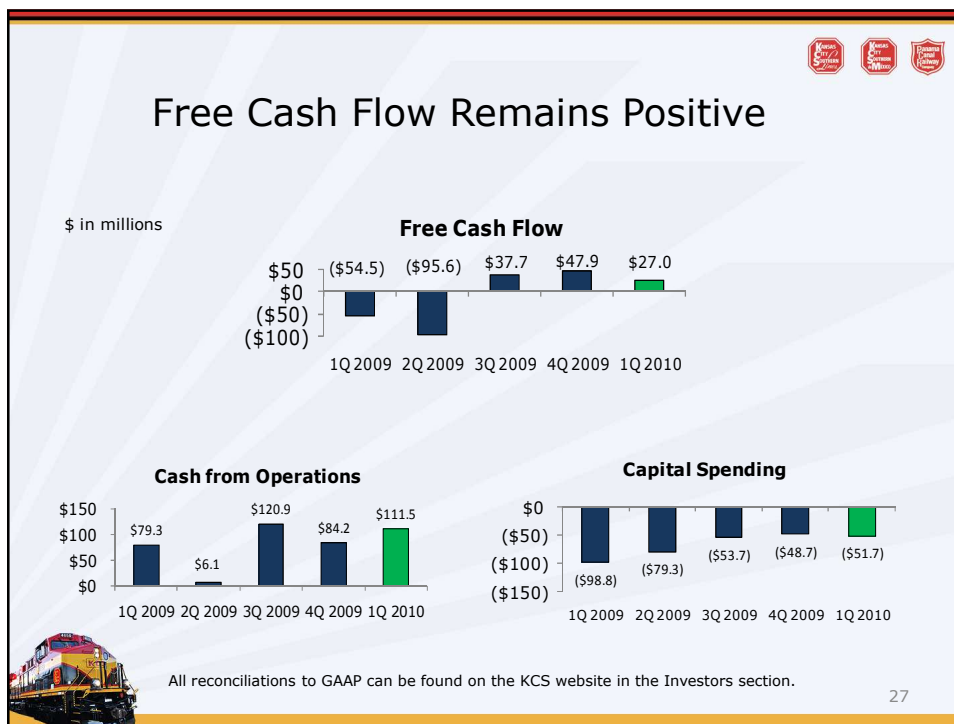
(in millions)	<u>1Q 2010</u>	<u>1Q 2009*</u>
Revenues	\$436.3	\$346.0
Operating Expenses	328.1	298.4
Operating Income	108.2	47.6
Equity Earnings & Other Income	6.9	2.5
Interest Expense	(44.4)	(41.8)
Debt Retirement Costs	(14.9)	(5.9)
Foreign Exchange Gain (Loss)	2.6	(5.1)
Pre-Tax Income (Loss)	58.4	(2.7)
Income Tax Expense	24.2	0.1
Net Income (Loss)	34.2	(2.8)
Noncontrolling Interest	(1.1)	(0.1)
Preferred Dividends	2.7	5.4
Net Income (Loss) Available to Common Shareholders	\$32.6	\$(8.1)
EPS Diluted	\$0.34	\$(0.09)
Average Share Count (in thousands)	96,458**	90,743**

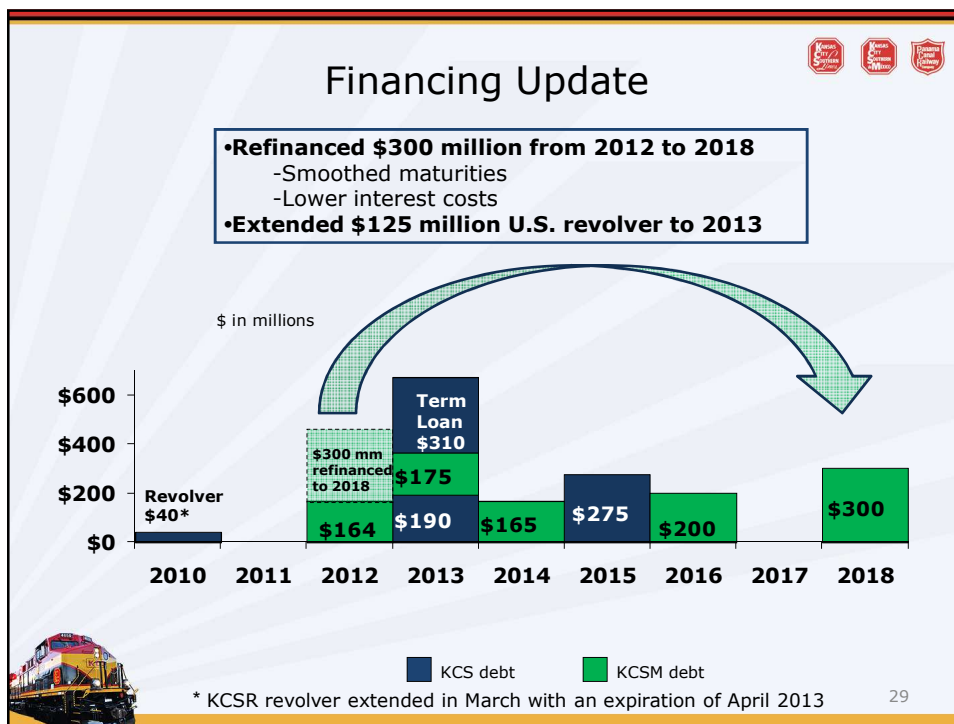
* Certain prior year amounts have been adjusted for the retrospective change in accounting principle for rail grinding.

** The average share count calculation excludes the impact of the conversion of convertible preferred stock as it would be anti-dilutive.







Mike Haverty

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