

KANSAS CITY SOUTHERN THIRD QUARTER 2013 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 September 30, 2013 | | | |
|---|--|-------------------------------|-------------------|---------------------------------------|
| | Income Before Income Taxes | Income Tax Expense | Net Income | Diluted Earnings per Share |
| As reported | \$ 182.3 | \$ 63.3 | \$ 119.0 | \$ 1.07 |
| Adjustments for: | | | | |
| Debt retirement costs | 2.4 | 0.8 | 1.6 | 0.02 |
| Foreign exchange loss | 1.4 | 0.4 | 1.0 | 0.01 |
| Foreign exchange component of income taxes | - | (0.4) | 0.4 | - |
| Adjusted | \$ 186.1 | \$ 64.1 | 122.0 | |
| Less: Noncontrolling interest | (i) | (ii) | 0.6 | |
| Adjusted net income attributable to Kansas City Southern and subsidiaries - see (a) below | | | \$ 121.4 | \$ 1.10 |
| Adjusted effective income tax rate - see (a) below | | | 34.4% | (ii)/(i) |

Reconciliation of Diluted Earnings per Share to Adjusted Diluted Earnings per Share:

| | Three Months Ended September 30, 2012 | | | |
|---|--|-------------------------------|-------------------|---------------------------------------|
| | Income Before Income Taxes | Income Tax Expense | Net Income | Diluted Earnings per Share |
| As reported | \$ 164.6 | \$ 73.9 | \$ 90.7 | \$ 0.82 |
| Adjustments for: | | | | |
| Foreign exchange gain | (3.7) | (1.1) | (2.6) | (0.02) |
| Foreign exchange component of income taxes | - | (17.6) | 17.6 | 0.15 |
| Adjusted | \$ 160.9 | \$ 55.2 | 105.7 | |
| Less: Noncontrolling interest | (i) | (ii) | 0.6 | |
| Adjusted net income attributable to Kansas City Southern and subsidiaries - see (a) below | | | \$ 105.1 | \$ 0.95 |
| Adjusted effective income tax rate - see (a) below | | | 34.3% | (ii)/(i) |

Reconciliation of Operating Expenses to Adjusted Operating Expenses:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|-------------|--|-------------|
| | 2013 | 2012 | 2013 | 2012 |
| Operating expenses as reported | \$ 421.3 | \$ 396.7 | \$ 1,211.2 | \$ 1,127.9 |
| Adjustment for elimination of net deferred statutory profit sharing liability | - | - | - | 43.0 |
| Adjusted operating expenses - see (b) below | \$ 421.3 | \$ 396.7 | \$ 1,211.2 | \$ 1,170.9 |
| Operating income as reported | \$ 200.3 | \$ 180.7 | \$ 542.5 | \$ 542.3 |
| Adjusted operating income - see (b) below | 200.3 | 180.7 | 542.5 | 499.3 |
| Operating ratio (c) as reported | 67.8% | 68.7% | 69.1% | 67.5% |
| Adjusted operating ratio - see (b) and (c) below | 67.8% | 68.7% | 69.1% | 70.1% |

| | Three Months Ended September 30, 2013 | Three Months Ended June 30, 2013 | Three Months Ended March 31, 2013 |
|---|--|---|--|
| Reconciliation of Total Revenue to Linehaul Revenue: | | | |
| Total Revenue | \$ 621.6 | \$ 579.3 | \$ 552.8 |
| Fuel Surcharge Revenue | (86.8) | (79.1) | (71.0) |
| Other Revenue | (25.2) | (22.1) | (20.0) |
| Linehaul Revenue - see (d) below | <u>\$ 509.6</u> | <u>\$ 478.1</u> | <u>\$ 461.8</u> |

| | Three Months Ended December 31, 2012 | Three Months Ended September 30, 2012 | Three Months Ended June 30, 2012 | Three Months Ended March 31, 2012 |
|---|---|--|---|--|
| Reconciliation of Total Revenue to Linehaul Revenue: | | | | |
| Total Revenue | \$ 568.4 | \$ 577.4 | \$ 545.3 | \$ 547.5 |
| Fuel Surcharge Revenue | (73.6) | (72.1) | (69.8) | (66.6) |
| Other Revenue | (21.5) | (22.8) | (20.2) | (18.5) |
| Linehaul Revenue - see (d) below | <u>\$ 473.3</u> | <u>\$ 482.5</u> | <u>\$ 455.3</u> | <u>\$ 462.4</u> |

| | Three Months Ended December 31, 2011 | Three Months Ended September 30, 2011 | Three Months Ended June 30, 2011 | Three Months Ended March 31, 2011 |
|---|---|--|---|--|
| Reconciliation of Total Revenue to Linehaul Revenue: | | | | |
| Total Revenue | \$ 530.3 | \$ 544.5 | \$ 534.9 | \$ 488.6 |
| Fuel Surcharge Revenue | (64.0) | (67.9) | (63.5) | (49.2) |
| Other Revenue | (20.0) | (19.1) | (17.1) | (18.2) |
| Linehaul Revenue - see (d) below | <u>\$ 446.3</u> | <u>\$ 457.5</u> | <u>\$ 454.3</u> | <u>\$ 421.2</u> |

| | Three Months Ended December 31, 2010 | Three Months Ended September 30, 2010 | Three Months Ended June 30, 2010 | Three Months Ended March 31, 2010 |
|---|---|--|---|--|
| Reconciliation of Total Revenue to Linehaul Revenue: | | | | |
| Total Revenue | \$ 478.6 | \$ 438.3 | \$ 461.6 | \$ 436.3 |
| Fuel Surcharge Revenue | (43.1) | (38.6) | (39.6) | (34.8) |
| Other Revenue | (16.0) | (15.8) | (15.9) | (17.6) |
| Linehaul Revenue - see (d) below | <u>\$ 419.5</u> | <u>\$ 383.9</u> | <u>\$ 406.1</u> | <u>\$ 383.9</u> |

| | Three Months Ended December 31, 2009 | Three Months Ended September 30, 2009 | Three Months Ended June 30, 2009 | Three Months Ended March 31, 2009 |
|---|---|--|---|--|
| Reconciliation of Total Revenue to Linehaul Revenue: | | | | |
| Total Revenue | \$ 406.8 | \$ 386.1 | \$ 341.3 | \$ 346.0 |
| Fuel Surcharge Revenue | (26.8) | (20.9) | (13.4) | (16.8) |
| Other Revenue | (17.4) | (15.6) | (16.2) | (19.7) |
| Linehaul Revenue - see (d) below | <u>\$ 362.6</u> | <u>\$ 349.6</u> | <u>\$ 311.7</u> | <u>\$ 309.5</u> |

| | Three Months Ended September 30, 2013 | Three Months Ended June 30, 2013 | Three Months Ended March 31, 2013 |
|---|--|---|--|
| Reconciliation of Total Operating Expenses to Operating Costs: | | | |
| Total Operating Expenses | \$ 421.3 | \$ 400.0 | \$ 389.9 |
| Fuel | (102.7) | (93.0) | (90.9) |
| Depreciation and Amortization | (57.2) | (54.7) | (53.1) |
| Selling, General & Administrative; Casualties & Insurance; and Other | (65.1) | (63.7) | (66.1) |
| Operating Costs - see (e) below | <u>\$ 196.3</u> | <u>\$ 188.6</u> | <u>\$ 189.8</u> |

| | Three Months Ended December 31, 2012 | Three Months Ended September 30, 2012 | Three Months Ended June 30, 2012 | Three Months Ended March 31, 2012 |
|---|---|--|---|--|
| Reconciliation of Total Operating Expenses to Operating Costs: | | | | |
| Total Operating Expenses | \$ 394.8 | \$ 396.7 | \$ 341.5 | \$ 389.7 |
| Fuel | (94.9) | (89.5) | (86.9) | (88.3) |
| Depreciation and Amortization | (51.9) | (49.8) | (48.7) | (48.4) |
| Selling, General & Administrative; Casualties & Insurance; and Other | (52.4) | (59.6) | (14.9) | (66.6) |
| Operating Costs - see (e) below | <u>\$ 195.6</u> | <u>\$ 197.8</u> | <u>\$ 191.0</u> | <u>\$ 186.4</u> |

| | Three Months Ended December 31, 2011 | Three Months Ended September 30, 2011 | Three Months Ended June 30, 2011 | Three Months Ended March 31, 2011 |
|---|---|--|---|--|
| Reconciliation of Total Operating Expenses to Operating Costs: | | | | |
| Total Operating Expenses | \$ 379.9 | \$ 362.7 | \$ 383.3 | \$ 360.8 |
| Fuel | (88.5) | (86.5) | (92.0) | (79.5) |
| Depreciation and Amortization | (47.1) | (47.9) | (45.5) | (45.7) |
| Selling, General & Administrative; Casualties & Insurance; and Other | (60.8) | (40.3) | (54.7) | (55.7) |
| Operating Costs - see (e) below | <u>\$ 183.5</u> | <u>\$ 188.0</u> | <u>\$ 191.1</u> | <u>\$ 179.9</u> |

| | Three Months Ended December 31, 2010 | Three Months Ended September 30, 2010 | Three Months Ended June 30, 2010 | Three Months Ended March 31, 2010 |
|---|---|--|---|--|
| Reconciliation of Total Operating Expenses to Operating Costs: | | | | |
| Total Operating Expenses | \$ 343.5 | \$ 322.3 | \$ 334.4 | \$ 328.1 |
| Fuel | (71.9) | (61.8) | (69.1) | (60.8) |
| Depreciation and Amortization | (46.1) | (46.1) | (46.9) | (45.8) |
| Selling, General & Administrative; Casualties & Insurance; and Other | (49.0) | (48.0) | (45.9) | (60.4) |
| Operating Costs - see (e) below | <u>\$ 176.5</u> | <u>\$ 166.4</u> | <u>\$ 172.5</u> | <u>\$ 161.1</u> |

| | Three Months Ended December 31, 2009 | Three Months Ended September 30, 2009 | Three Months Ended June 30, 2009 | Three Months Ended March 31, 2009 |
|---|---|--|---|--|
| Reconciliation of Total Operating Expenses to Operating Costs: | | | | |
| Total Operating Expenses | \$ 314.6 | \$ 302.2 | \$ 298.2 | \$ 298.4 |
| Fuel | (56.2) | (49.7) | (40.2) | (43.3) |
| Depreciation and Amortization | (42.7) | (44.6) | (47.4) | (46.9) |
| Selling, General & Administrative; Casualties & Insurance; and Other | (52.9) | (44.3) | (46.2) | (46.0) |
| Operating Costs - see (e) below | <u>\$ 162.8</u> | <u>\$ 163.6</u> | <u>\$ 164.4</u> | <u>\$ 162.2</u> |

(a) The Company believes adjusted diluted earnings per share and the related effective income tax rate are meaningful as these measures allow investors to evaluate the Company's performance for different periods on a more comparable basis by excluding the impact of changes in foreign currency exchange rates and items that are not directly related to the ongoing operations of the Company.

(b) The Company believes adjusted operating expenses, operating income and operating ratio are meaningful as they allow investors to evaluate the Company's performance for different periods on a more comparable basis by excluding items that are not directly related to the ongoing operations of the Company.

(c) Operating ratio is calculated by dividing operating expenses by revenues; or in the case of adjusted operating ratio, adjusted operating expenses divided by revenues.

(d) The Company believes this measure is meaningful as it provides the amount of revenue provided by transportation services, excluding fuel surcharge and other revenue, that trend with changes in volume over time.

(e) The Company believes this measure is meaningful as it provides the amount of operating expenses, excluding fuel, depreciation and amortization, selling, general, and administrative, casualties and insurance and other that trend with changes in volume over time.