Kansas City Southern

Fourth Quarter & Year End 2008
Earnings Presentation

February 3, 2009

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, 2007 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.

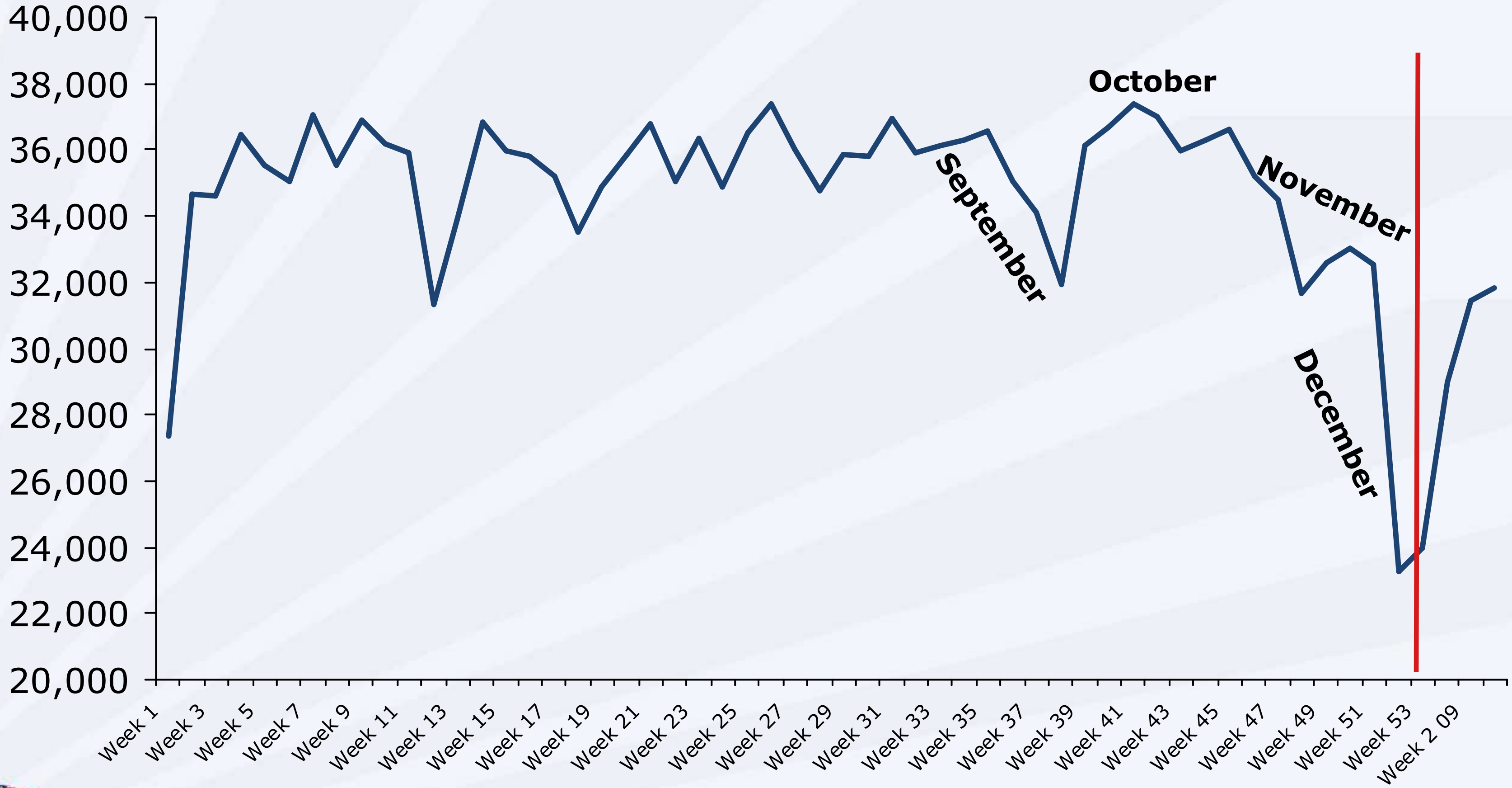
Today's Presenters

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

Financial Results

	4Q 08	4Q 07	FY 08	FY 07
Earnings per Share	$0.40	$0.56	$1.86	$1.57
Revenue Growth	-7.9% Over 4Q '07	+4.0% Over 4Q '06	+6.3% Over FY '07	+5.0% Over FY '06
Operating Ratio	78.5%	76.4%	78.9%	79.2%

2008-2009 Weekly Carload Trend



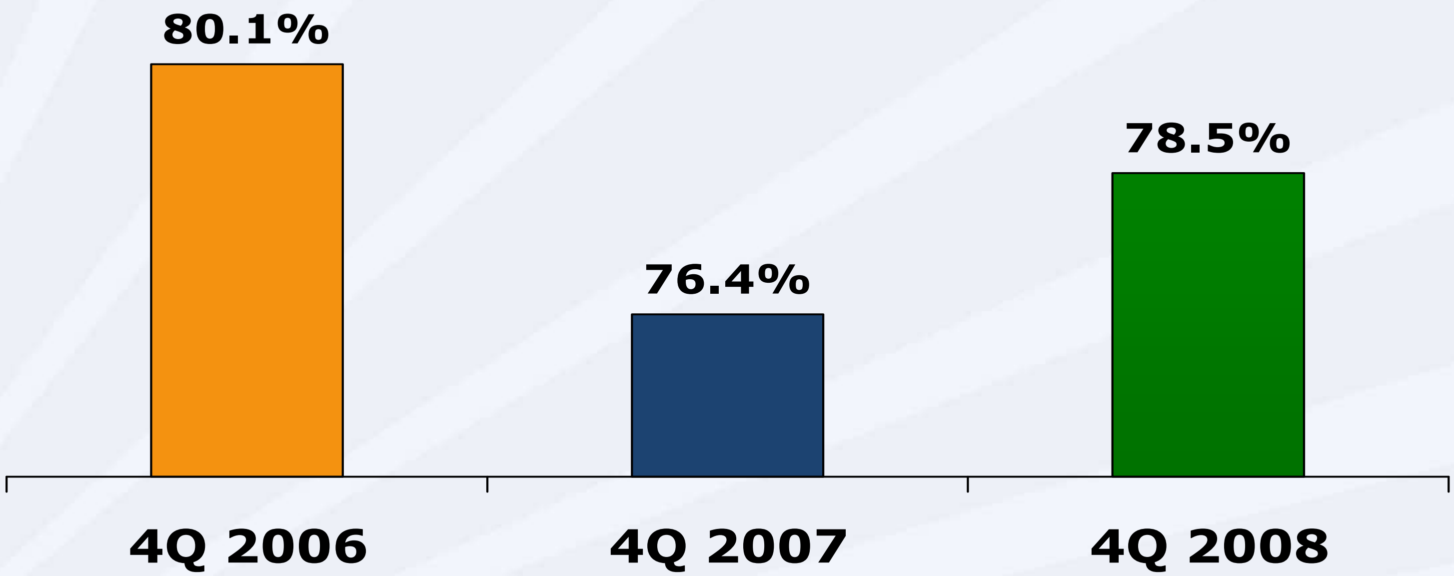
Fourth Quarter Highlights

- Cost controls helped offset volume decline
- Operations are strong and improving
- Safety results are at record levels
- Refinancing will extend debt maturities to 2011
- Pricing discipline sustained

Dave Starling
President & COO

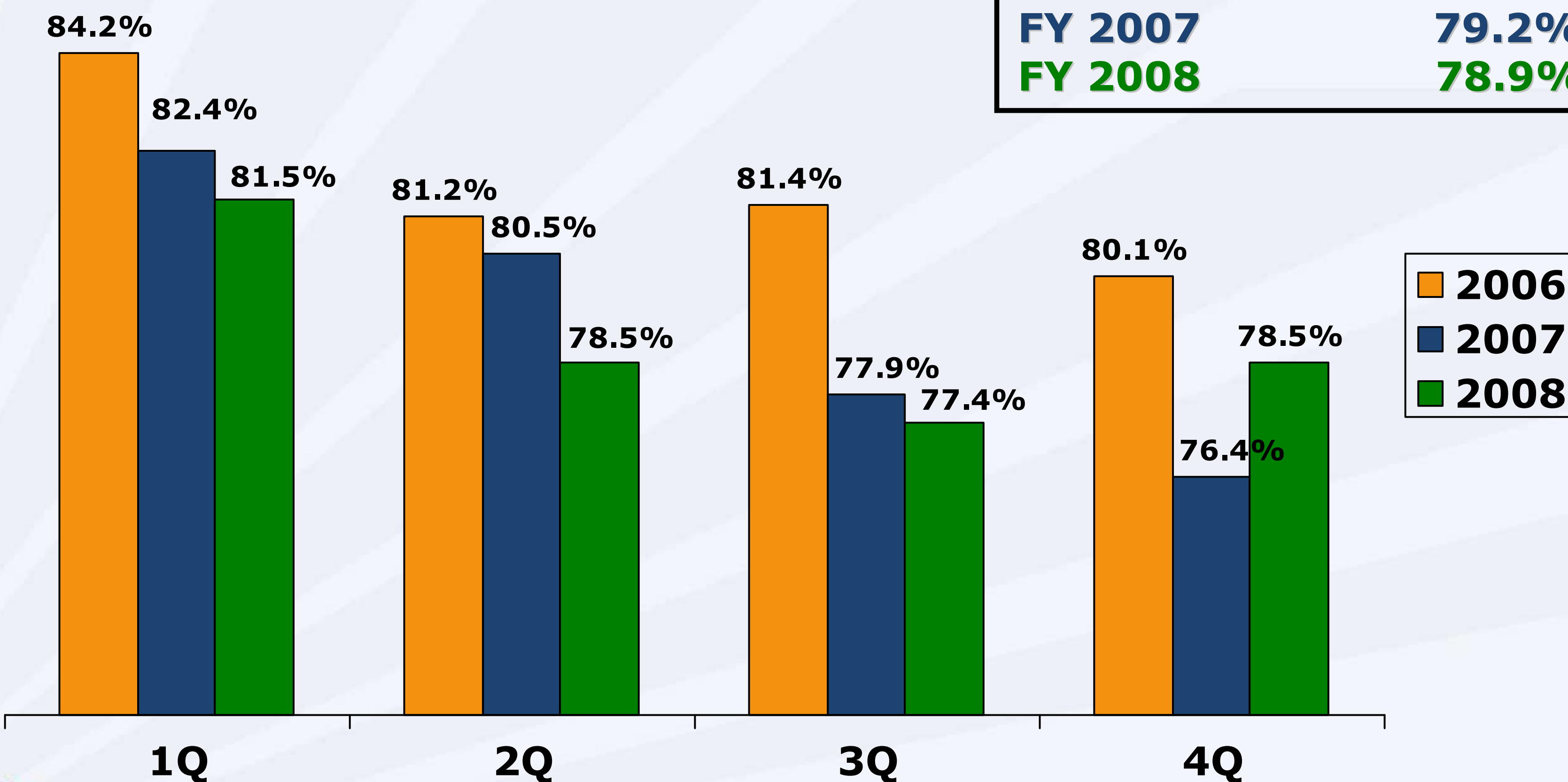
Operating Ratio

Fourth Quarter Comparison

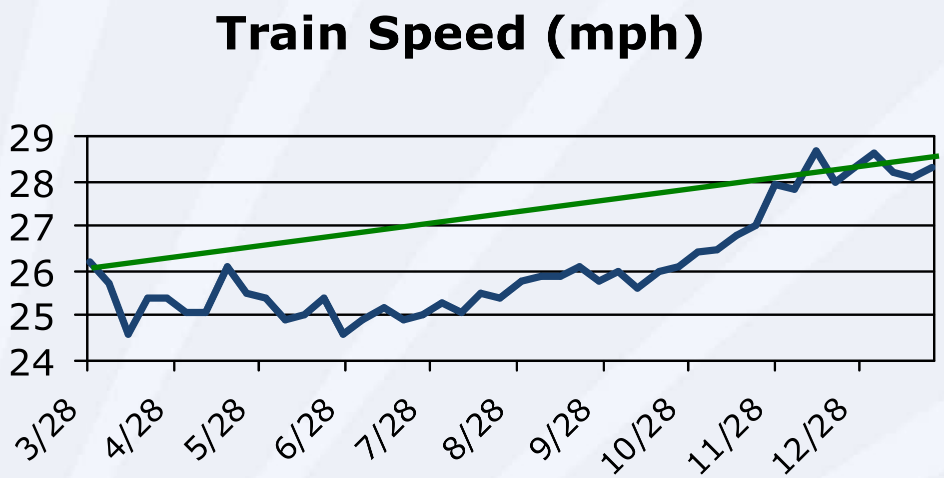


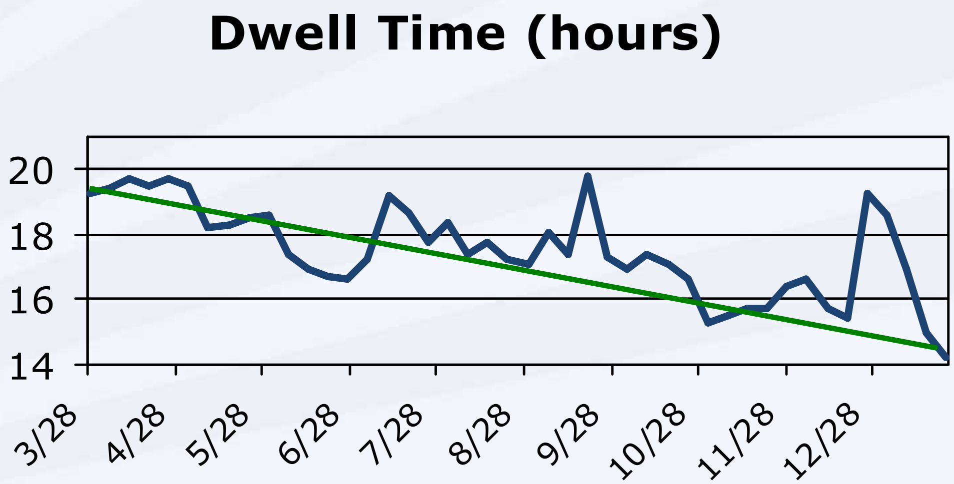
Operating Ratio Trend

FY 2006	81.7%
FY 2007	79.2%
FY 2008	78.9%



System Metrics



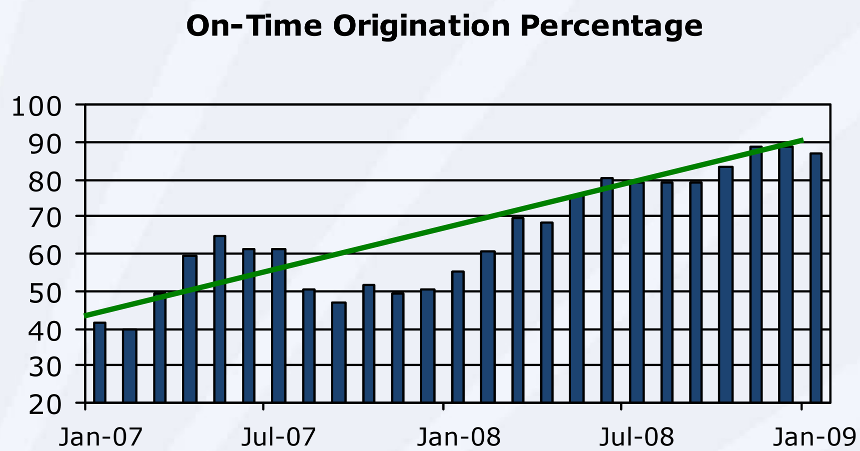


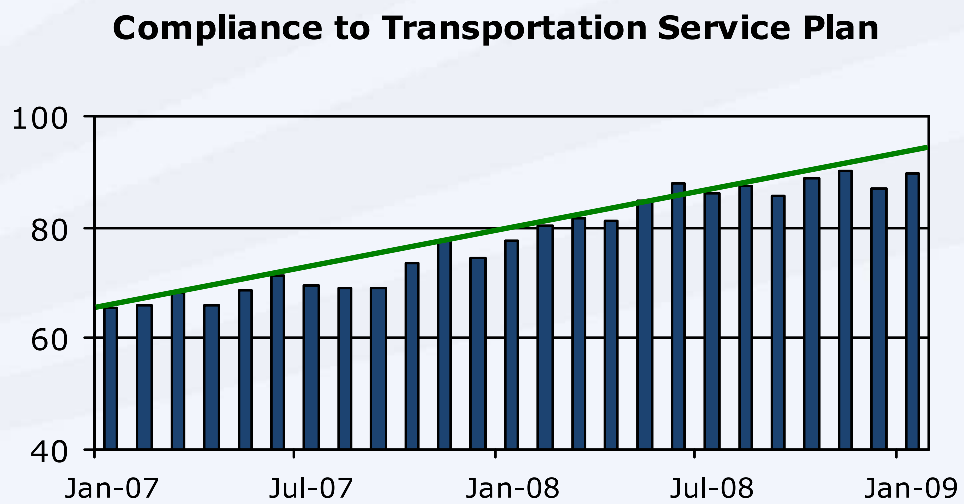
Source: Railroad Performance Measures

Focus on Execution

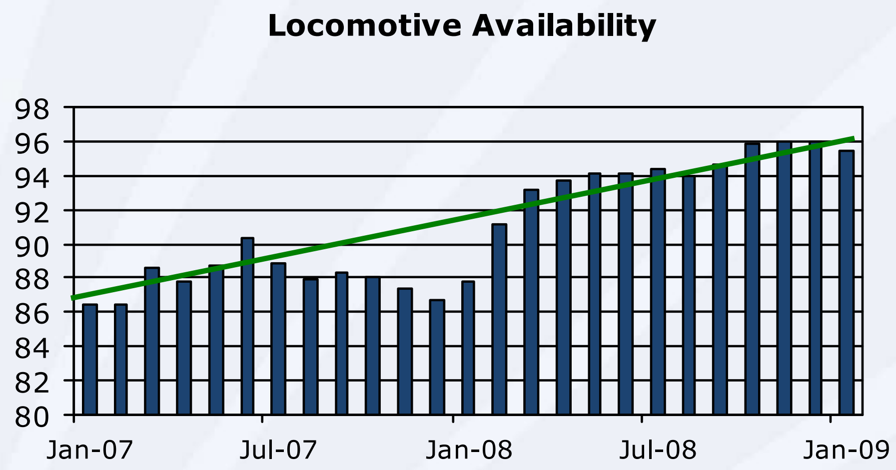
- Improvements are the result of embracing a management method focused on execution
- Method focuses on optimizing network throughput and cost controls
- KCS is committed to the disciplined delivery of the service to the customer through scheduled operations
- Key performance indicators are managed by a team empowered to affect the drivers that deliver results

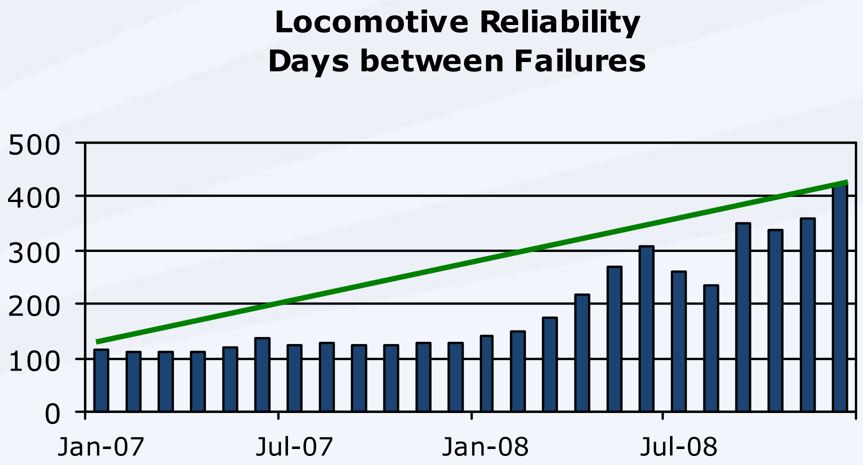
System Metrics



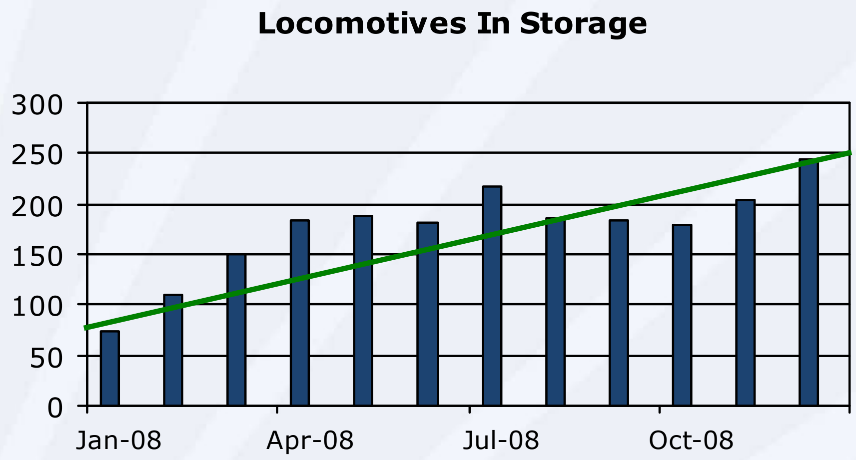


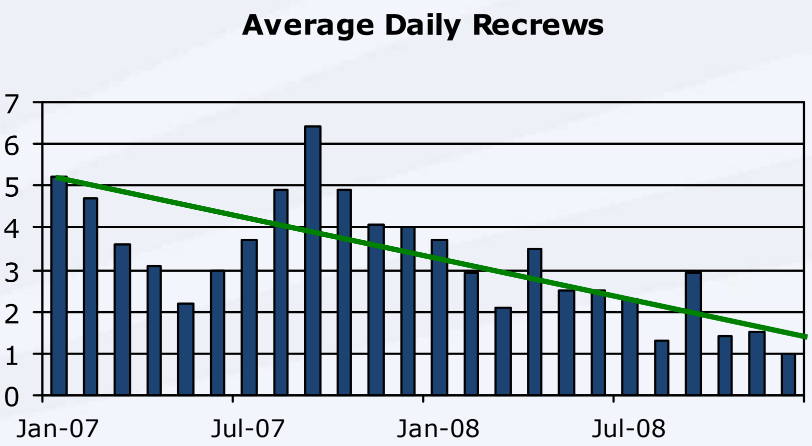
System Metrics





System Metrics





Pat Ottensmeyer
EVP Sales & Marketing

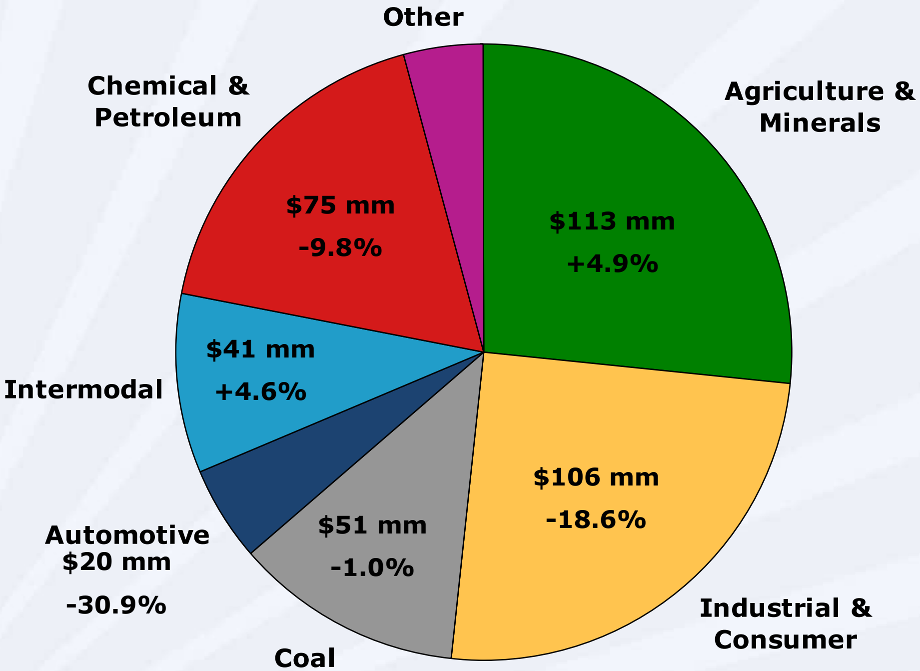
Revenue Summary

- Quarterly revenue declined by 7.9% to $423.8 million, primarily due to rapid volume reductions in 4Q
- Full year revenue increased 6.3% to a record $1,852.1 million
- Core pricing environment remains positive
  - Same linehaul move increased 5.6%
  - Linehaul rate per mile increased 10.7%
- Revenue per unit was negatively impacted by mix and foreign exchange
- Volumes are beginning to improve from depressed November and December levels
- Approximately 80% of 2009 business has been repriced

Revenue Breakdown

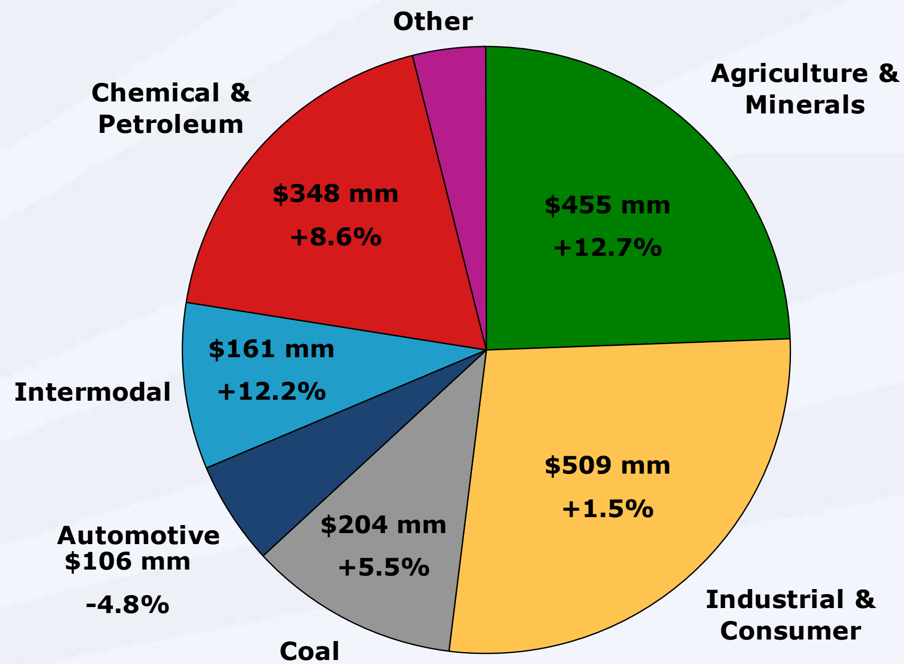
4th Quarter

Total $423.8 million
Down 7.9% from 2007

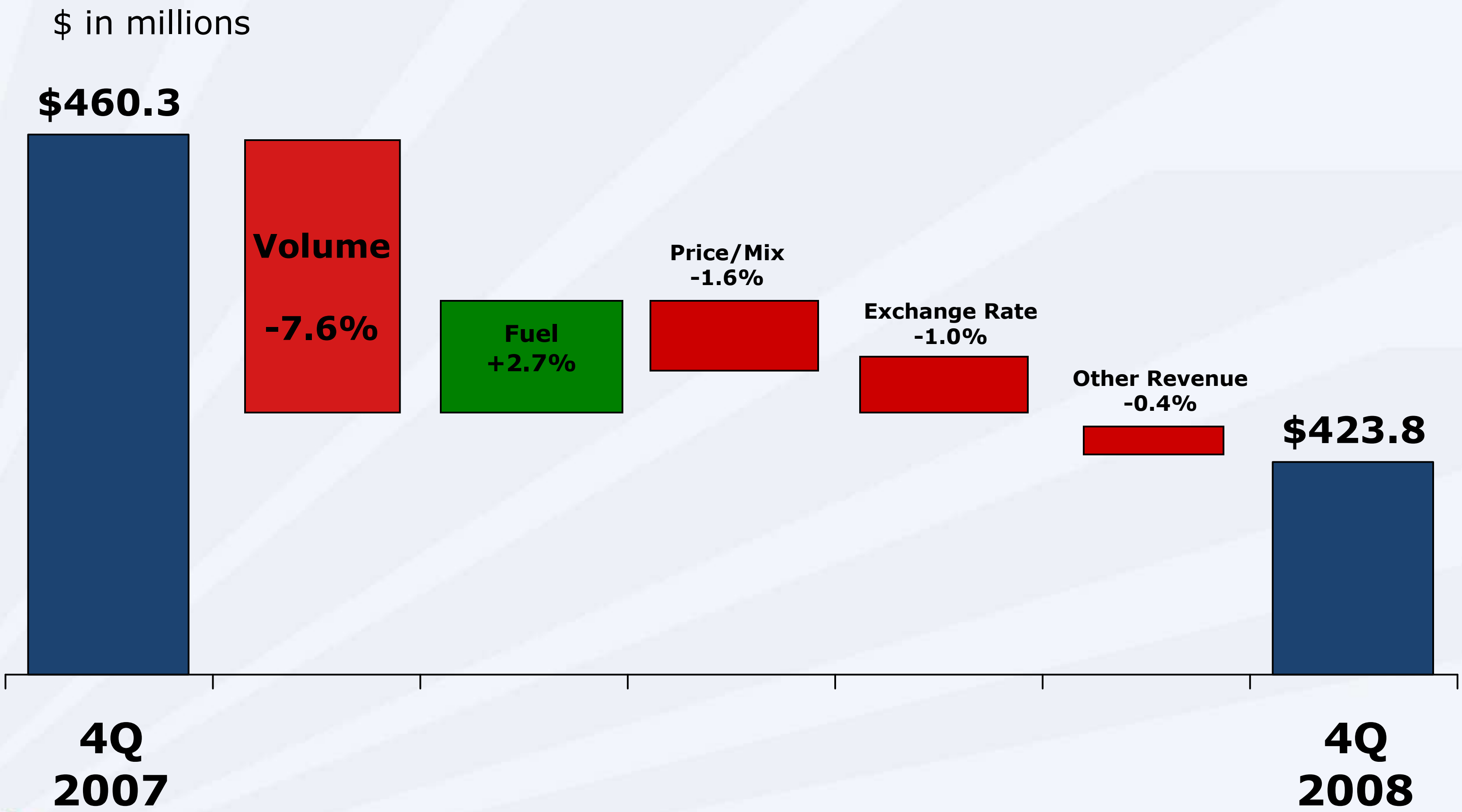


FY 2008

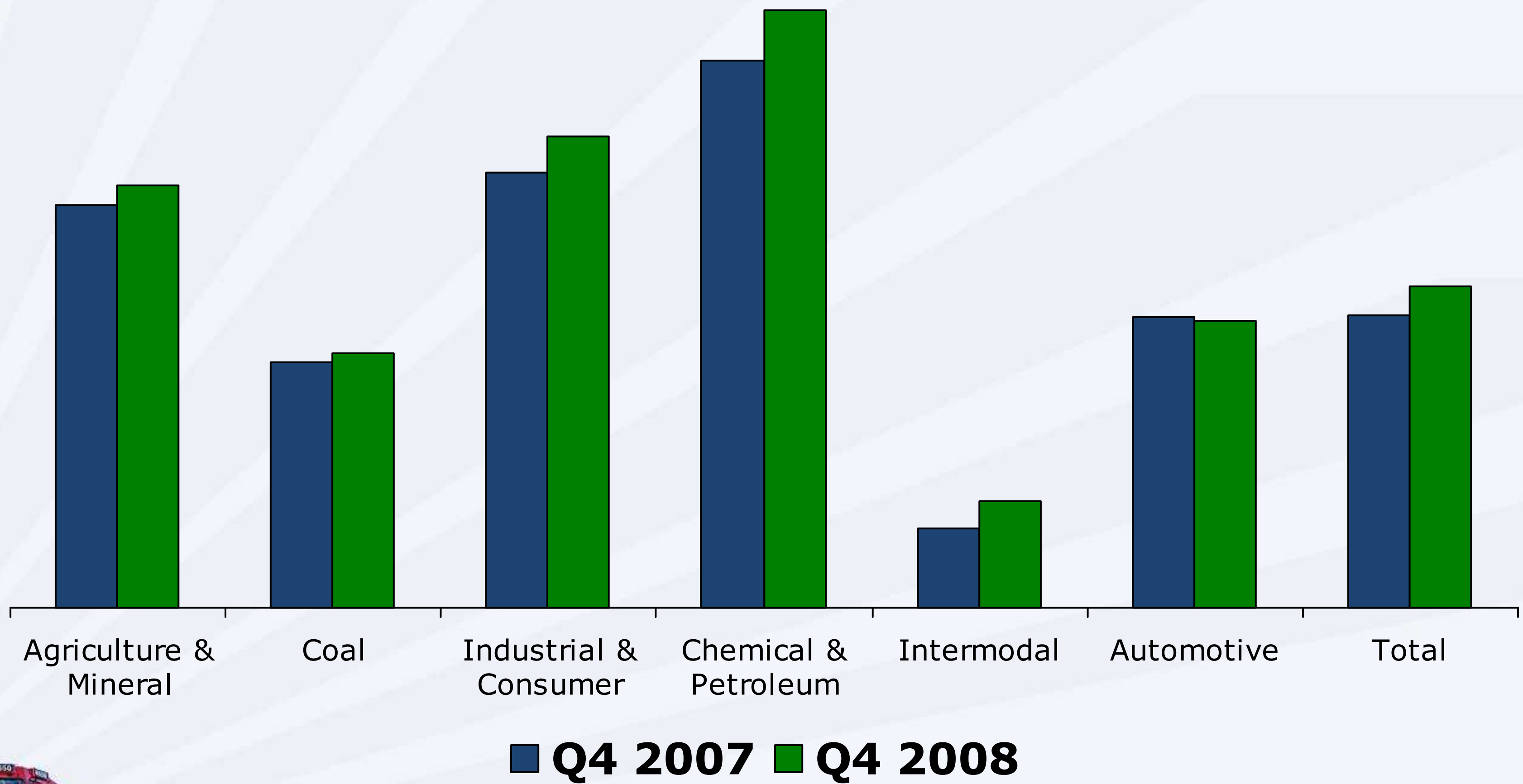
Total $1,852.1 million
Up 6.3% from 2007



Quarterly Revenue Decreased by 7.9%



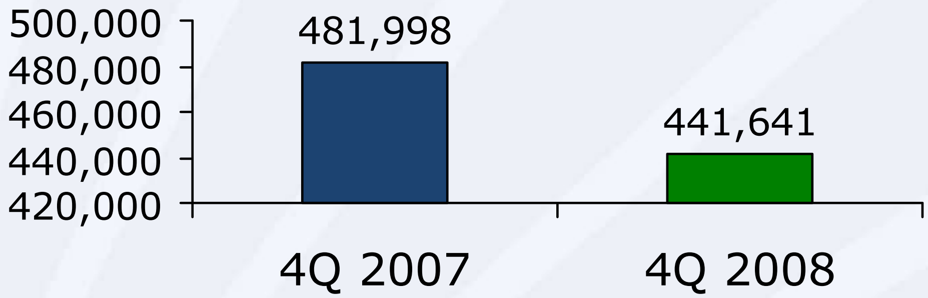
Linehaul Rate per Loaded Car/Unit Mile *



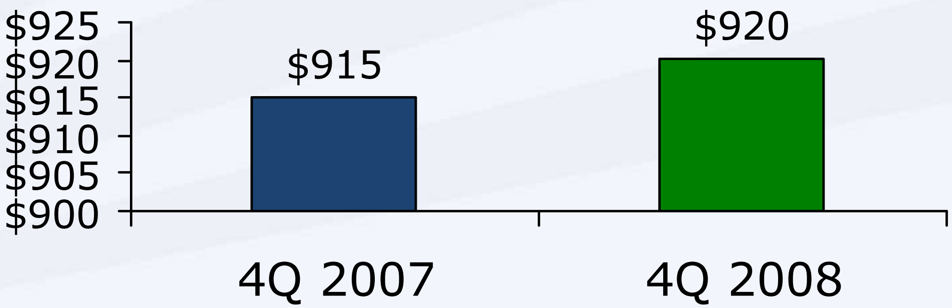
* Linehaul excludes fuel surcharge

Consolidated Revenue Decreased by 7.9%

Carloads
-8.4%

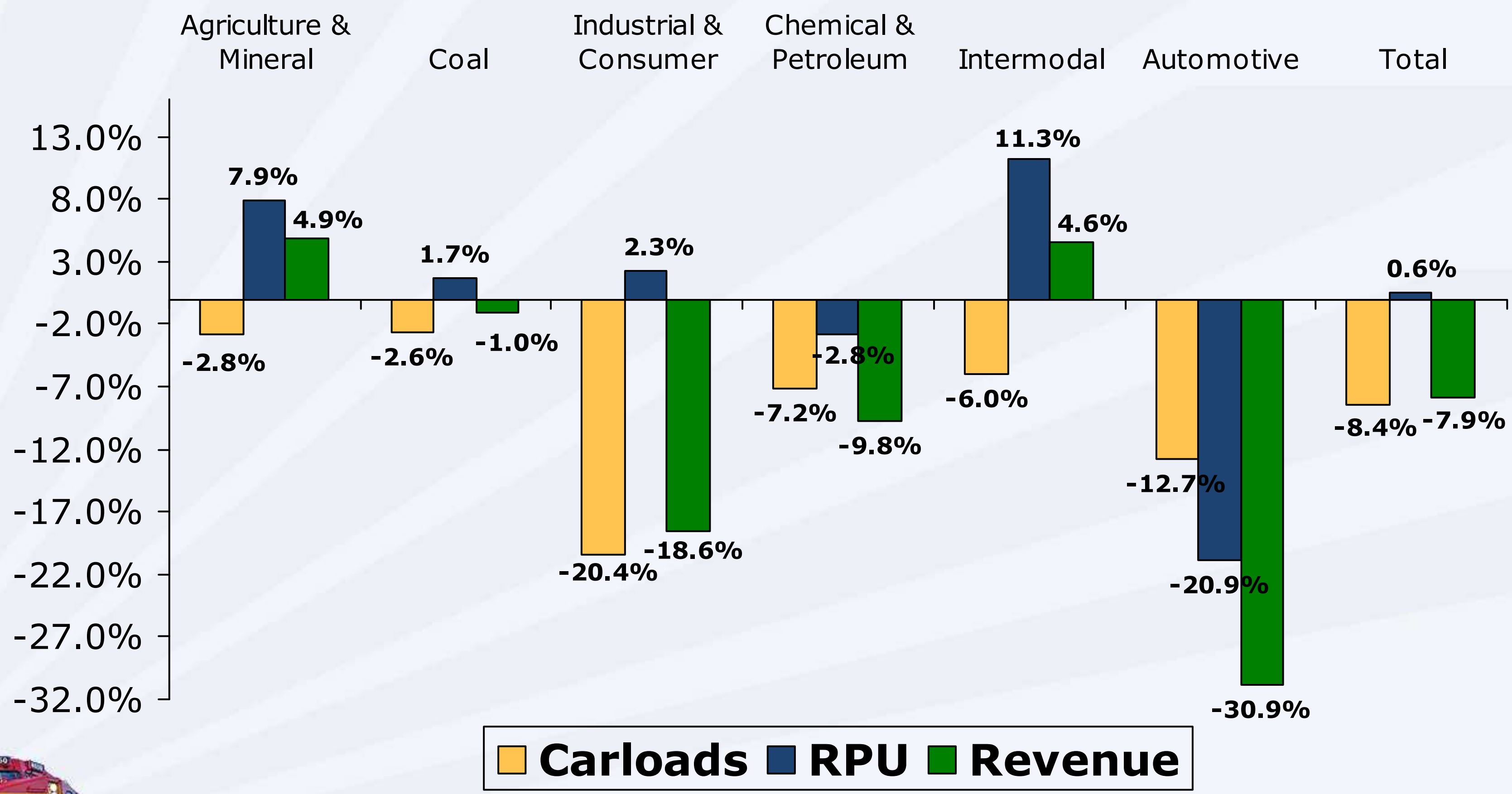


Revenue per Unit
+0.6%



Business Unit Breakdown

4Q 2007 vs. 4Q 2008



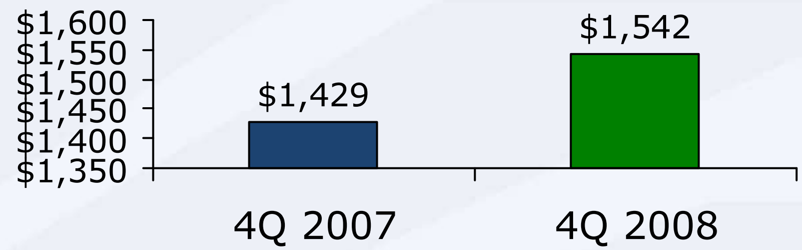
Agriculture & Minerals Revenue Increased by 4.9%

- Core pricing remained strong

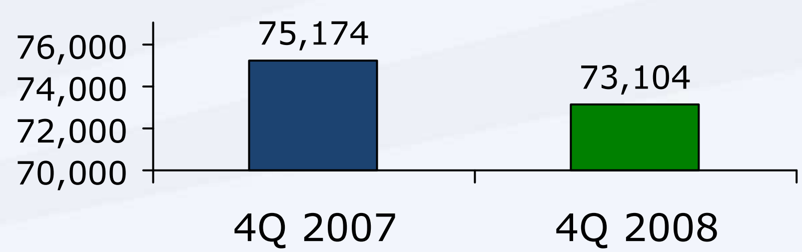
- October volume did rebound after the hurricane as October was our highest carload month in 2008

- The economy, and low vessel freight rates, negatively affected November & December volumes

Revenue per Unit
+7.9%



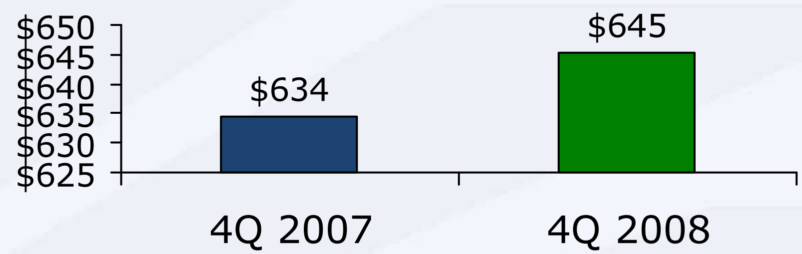
Carloads
-2.8%



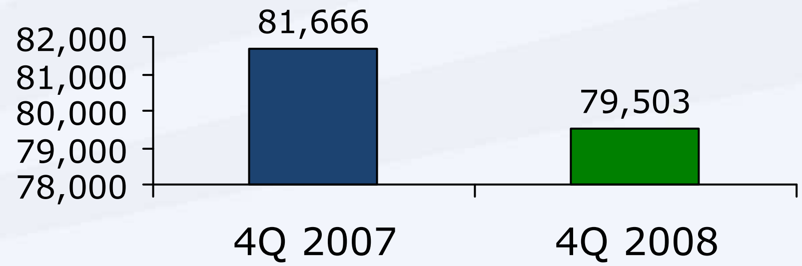
Coal Revenue Decreased by 1.0%

- RPU change driven by increase in fuel surcharge participation offset by unfavorable mix
- Utility demand remains strong
- Decline in demand for petroleum coke
- Utility demand for PRB coal expected to increase through Q2 2009

Revenue per Unit
+1.7%



Carloads
-2.6%

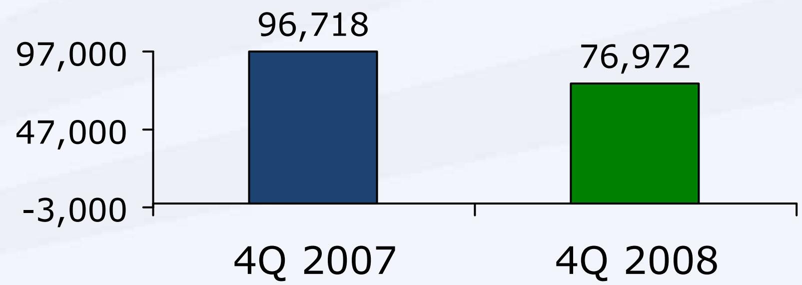


Industrial & Consumer Revenue Decreased by 18.6%

- Sharp decline in Mexico steel slab shipments as auto and appliance industry orders drop
- Steel pipe and cement shipments also fell in 4Q
- Major paper mills extended plant shut downs
- Lumber and housing related weakness continues
- RPU strength driven by domestic steel and military shipments

Revenue per Unit
+2.3%

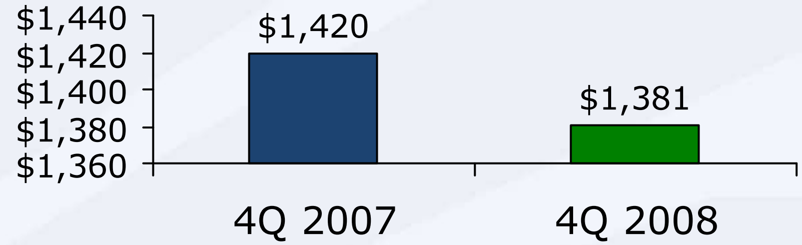
Carloads
-20.4%



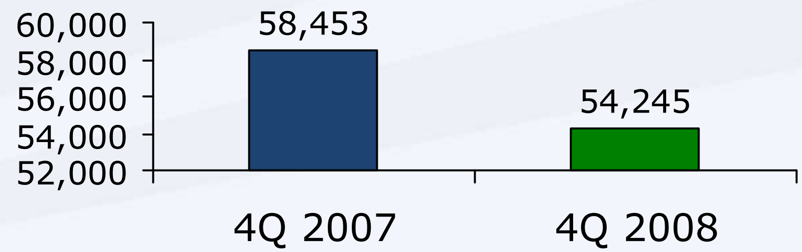
Chemical & Petroleum Revenue Decreased by 9.8%

- Widespread weakness due to economic conditions as shippers draw down inventories

Revenue per Unit
-2.8%



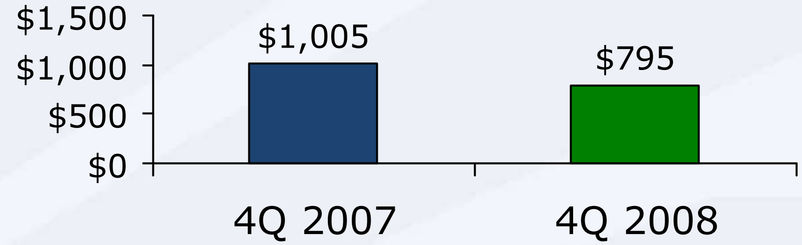
Carloads
-7.2%



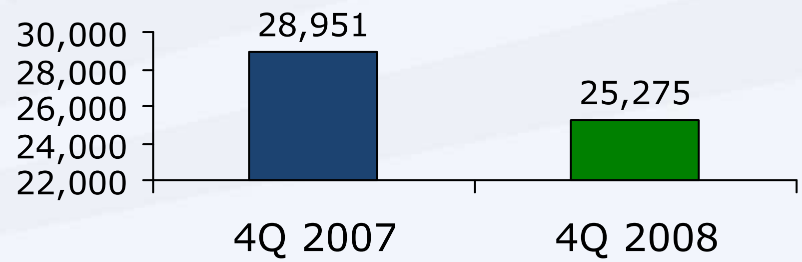
Automotive Revenue Decreased by 30.9%

- Q4 U.S. auto sales lowest since 1992
- Decline in both RPU and carloads were driven by adverse routing changes at one large manufacturer
- 2009 demand forecasted to remain weak until Q4 2009
- Long-term, Mexico remains an attractive location for automotive production

Revenue per Unit
-20.9%



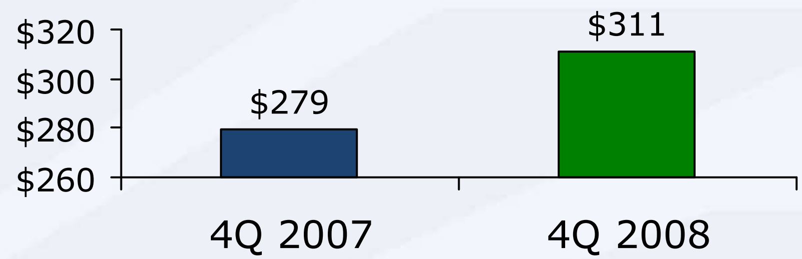
Carloads
-12.7%



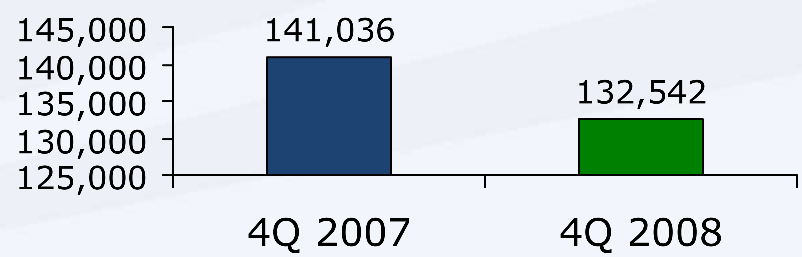
Intermodal Revenue Increased by 4.6%

- Selective rate increases drove auto parts revenue up 3.3% despite a 10.4% drop in volume
- Revenue from Lazaro Cardenas increased 37.2%
- The drop in volume driven by lower international haulage and auto parts, and the lack of a fall retail surge
- 2009 opportunities include: increased cross border volume, full year comps from Lazaro Cardenas growth and increased Meridian Speedway haulage traffic

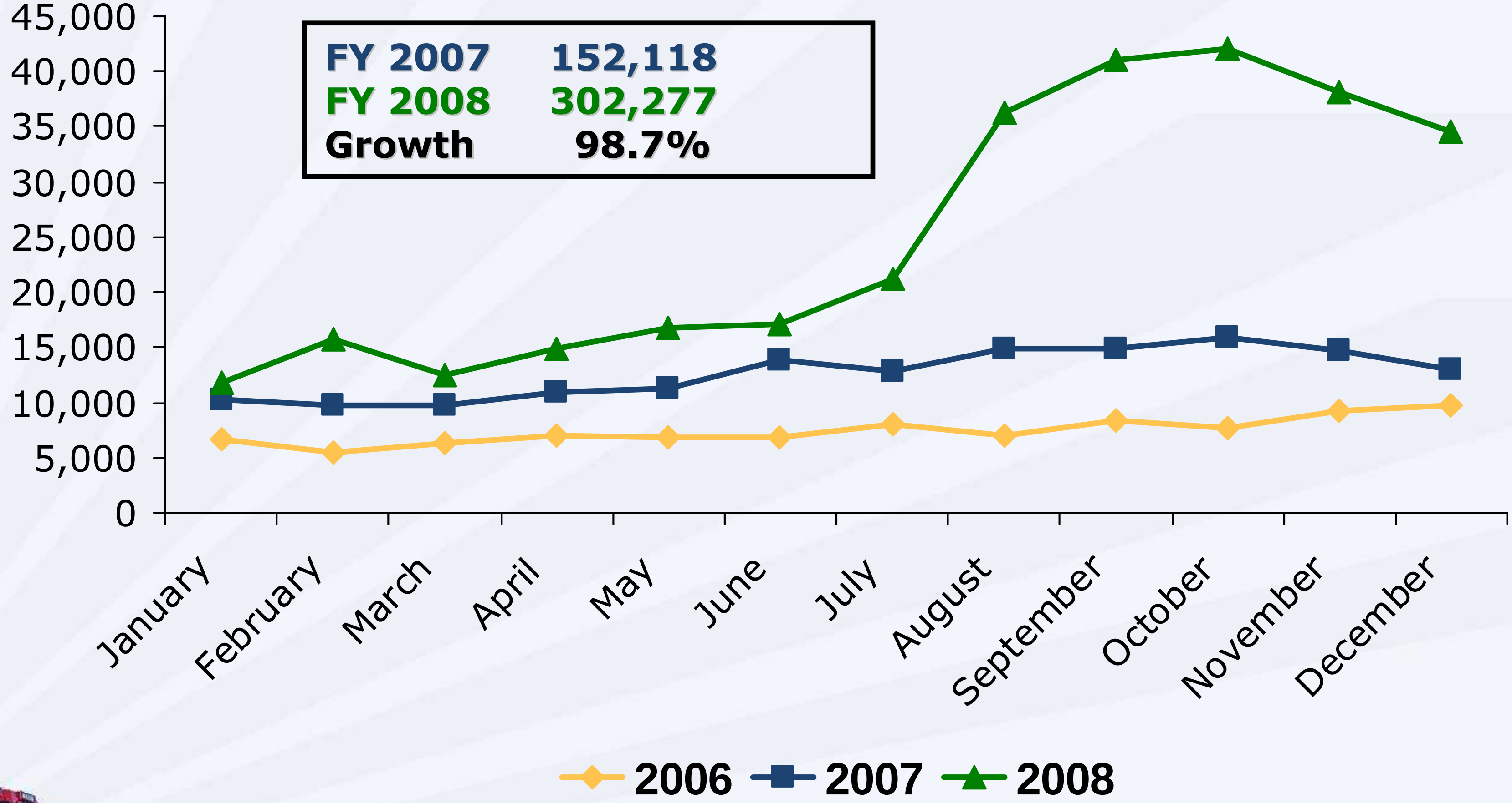
Revenue per Unit
+11.3%



Units
-6.0%

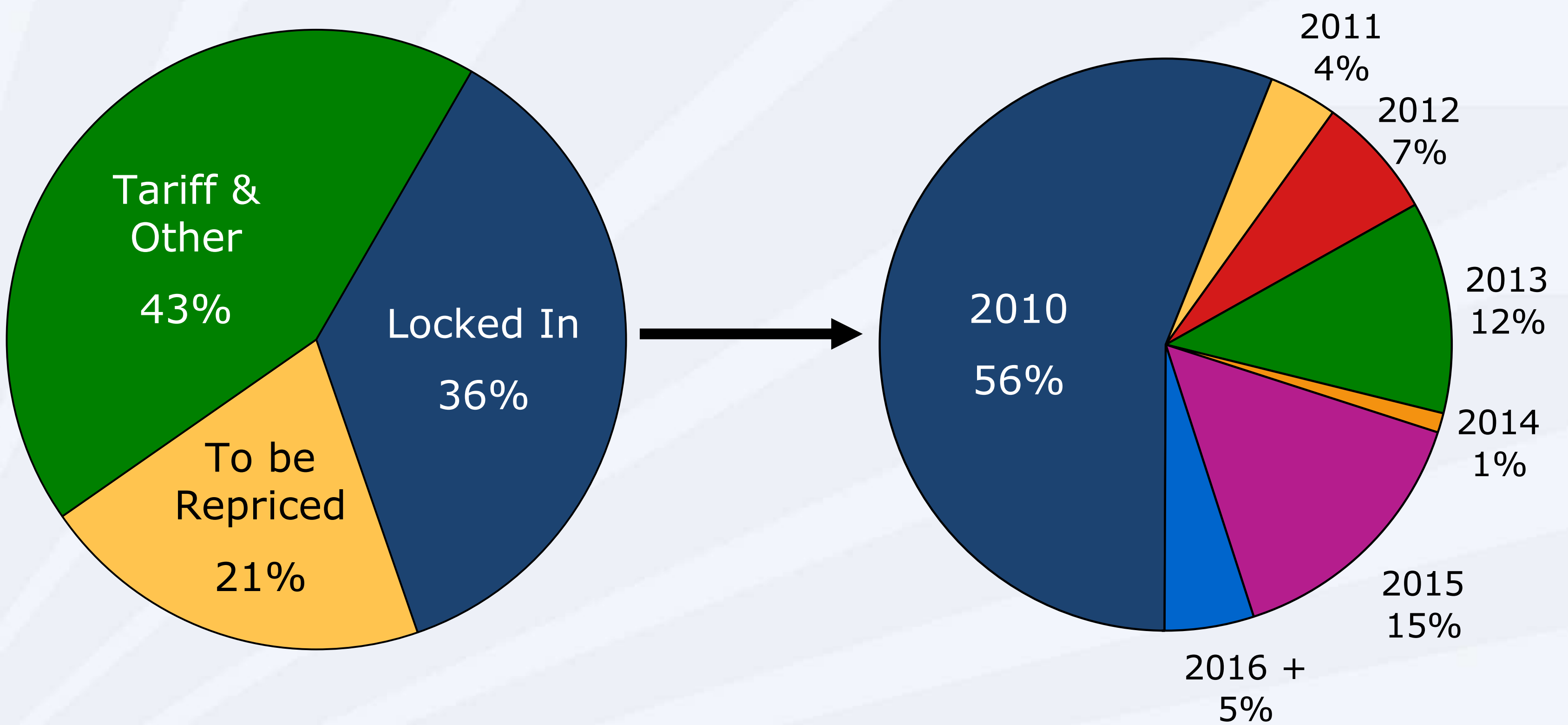


Container Growth at Lazaro Cardenas



Source: Secretaría de Comunicaciones Y Transportes, Coordinación General de Puertos Y Marina Mercante

Portfolio Repricing



New Business Won in 2008 & Opportunities

2009 - 2011

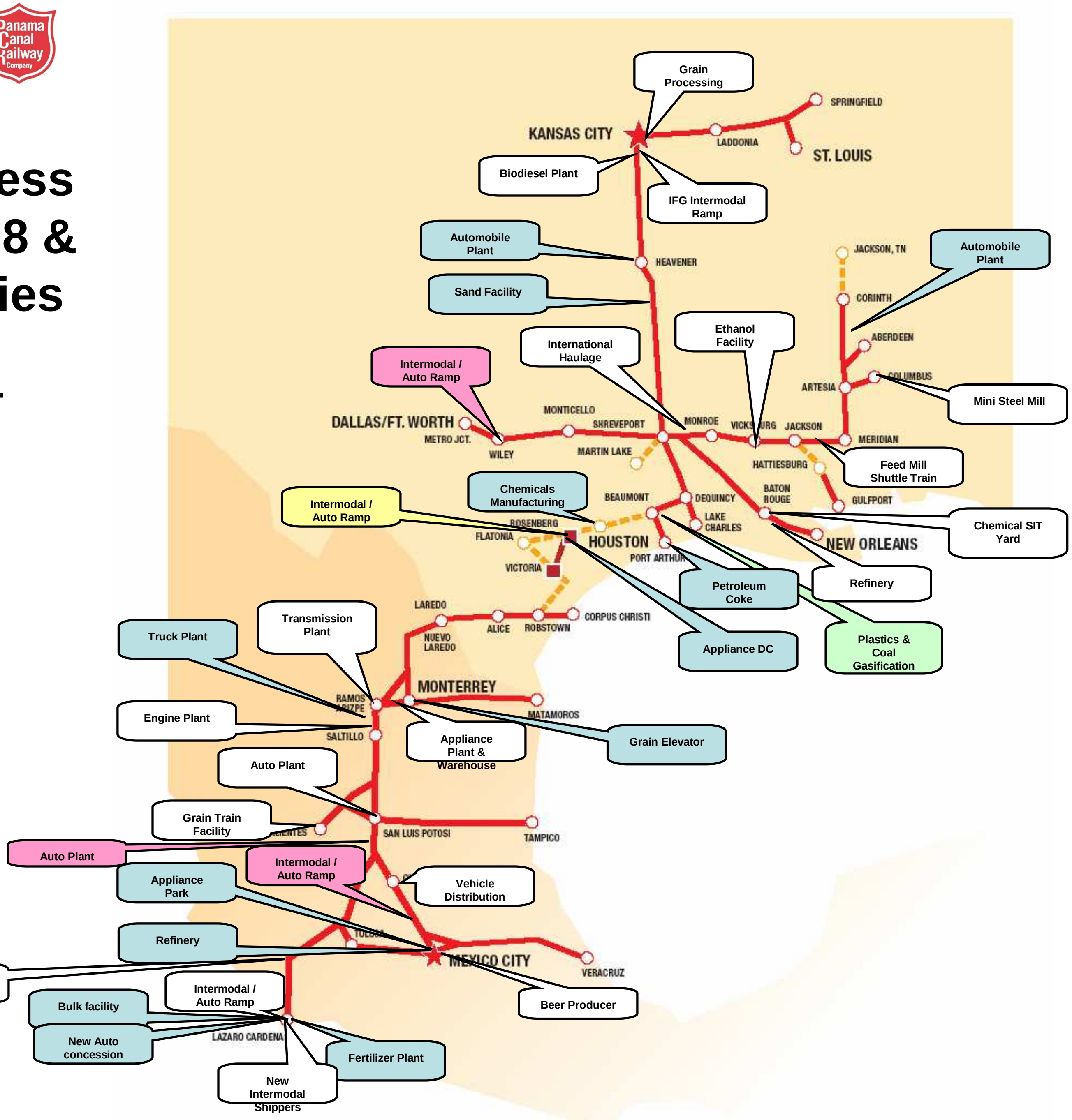
2008 New Business

2009 – 2010 Announced Plans

2009 – 2011 Tentative Plans

2009 Intermodal / Auto Ramp

2009 – 2011 Intermodal / Auto Ramp



Market Outlook

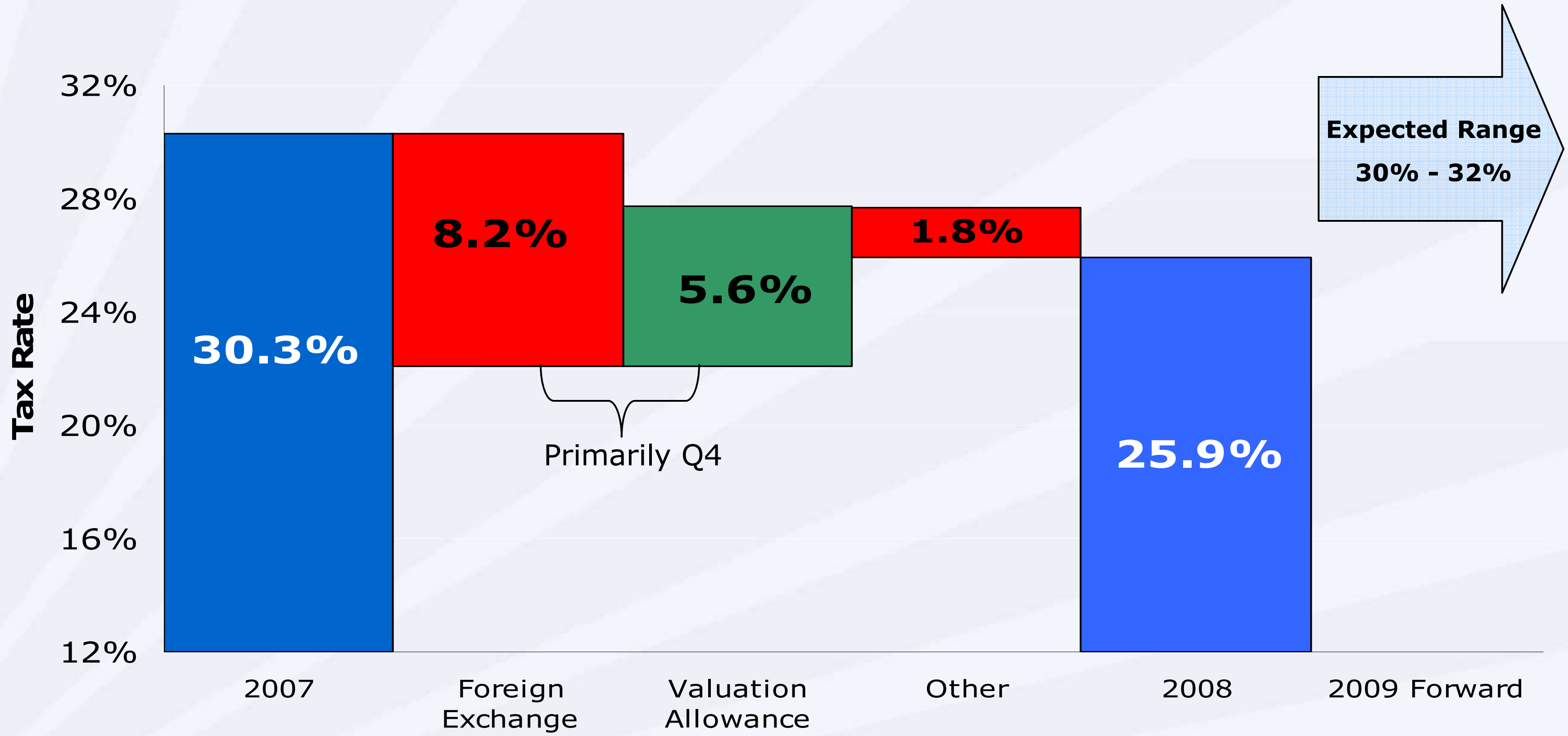
- 2009 volume outlook continues to be very uncertain
- Expect overall weakness to continue until at least the second half of 2009
- Intermodal and coal are possible growth opportunities for 2009
- Core pricing environment continues to be positive
- Long term, revenue growth will be driven by new business opportunities

Mike Upchurch
Executive VP & CFO

Consolidated Income Statement

$ in millions	**FY 2008**	**FY 2007**
Total Revenue	$1,852.1	$1,742.8
Operating Expense	(1,461.9)	(1,380.4)
Operating Income	390.2	362.4
Currency Loss	(21.0)	(0.9)
Equity Earnings	18.0	11.4
Interest Expense	(138.9)	(156.7)
Other Income	0.1	4.7
Income Tax	(64.5)	(67.1)
Net Income	$183.9	$153.8

Income Tax Expense

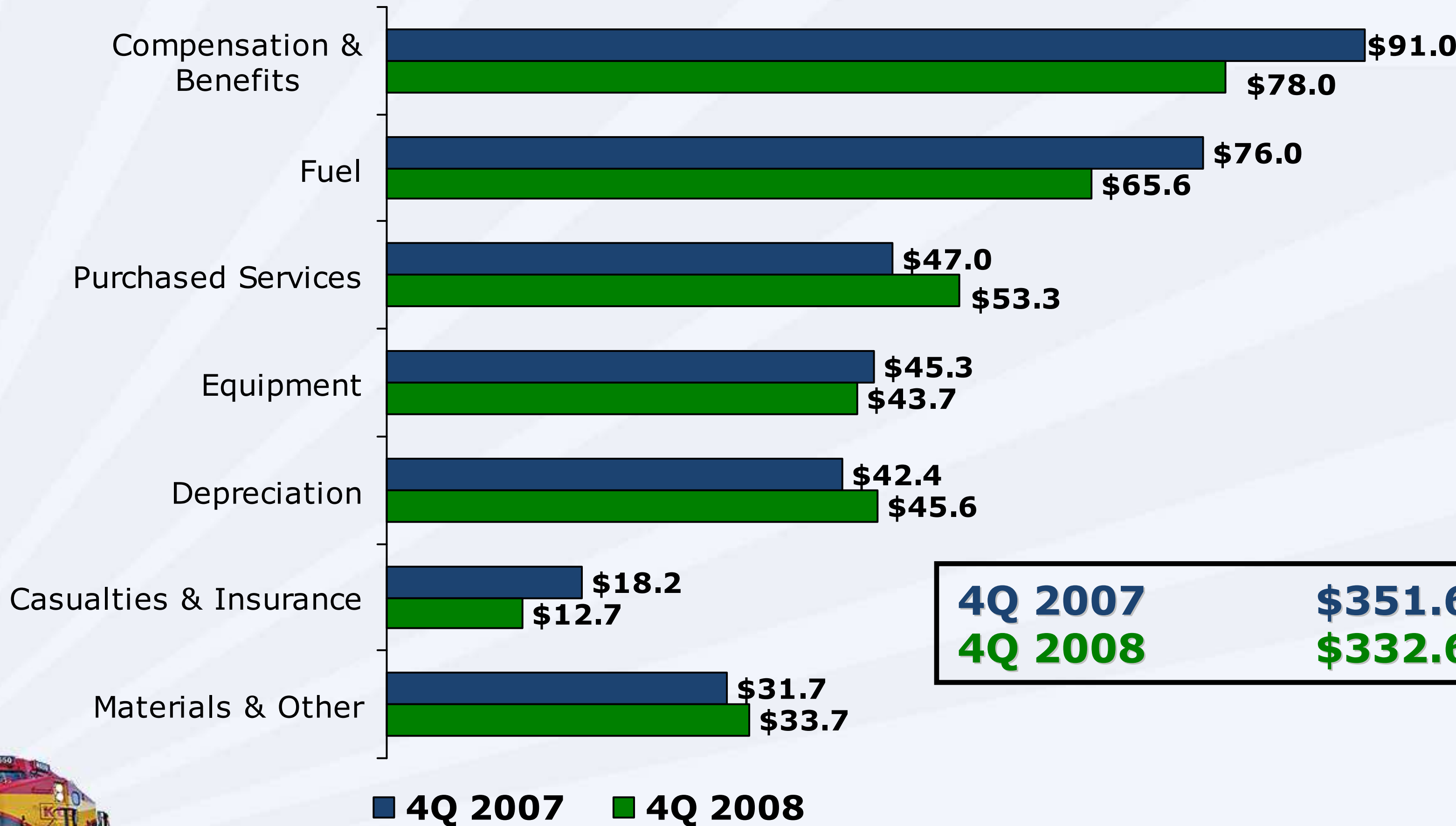


Consolidated Income Statement

$ in millions	**4Q 2008**	**4Q 2007**
Total Revenue	$423.8	$460.3
Operating Expense	(332.6)	(351.6)
Operating Income	91.2	108.7
Currency Gain (Loss)	(21.7)	0.7
Equity Earnings	4.2	4.2
Interest Expense	(36.2)	(38.4)
Other Income (Expense)	(1.0)	6.0
Income Tax Benefit (Expense)	2.7	(26.5)
Net Income	$39.2	$54.7

Fourth Quarter Operating Expenses Decline 5.4%

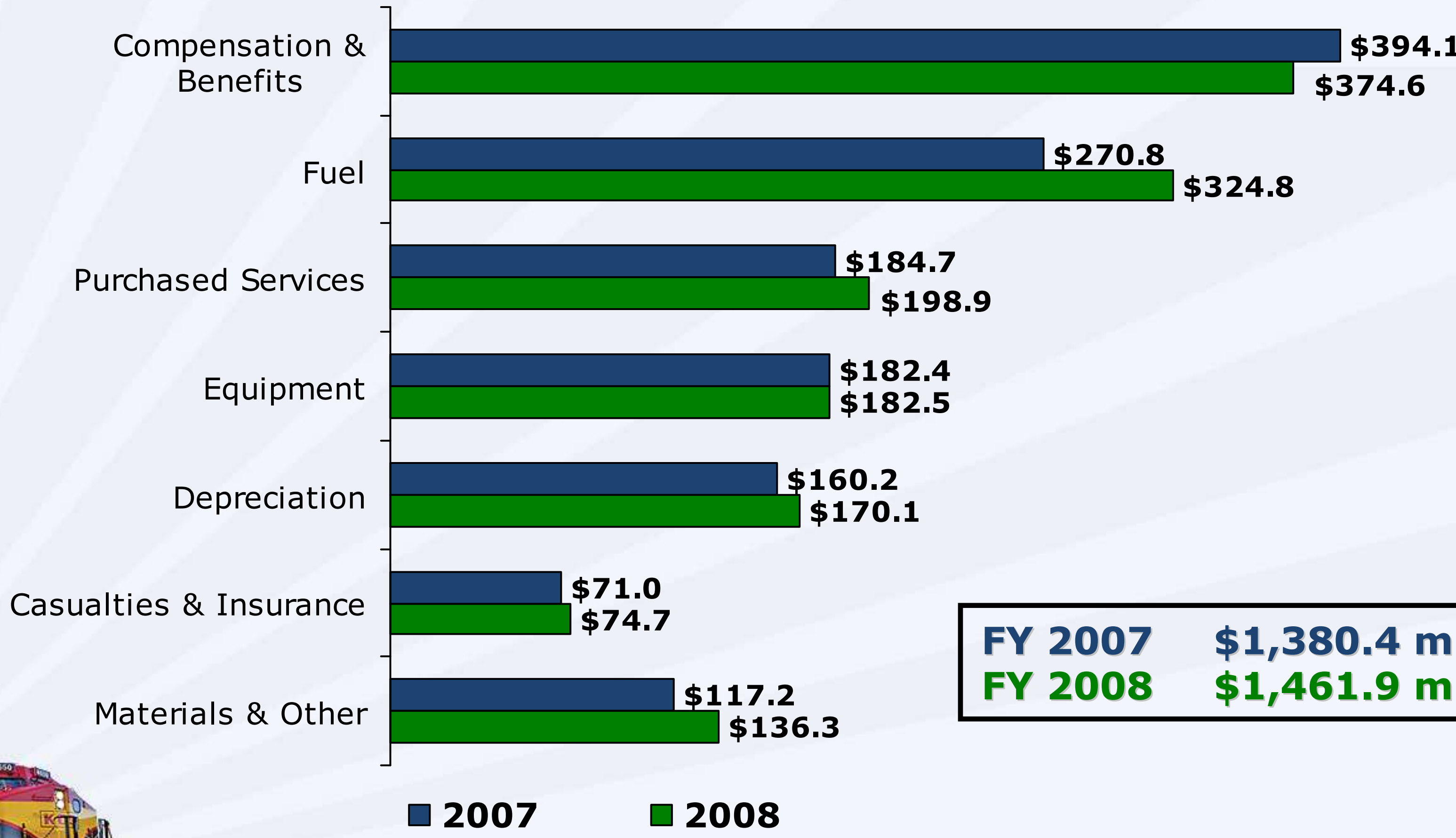
$ in millions



4Q 2007	**$351.6 mm**
4Q 2008	**$332.6 mm**

2008 Operating Expenses Increase 5.9%

$ in millions



FY 2007	**$1,380.4 mm**
FY 2008	**$1,461.9 mm**

Free Cash Flow *

$ in millions

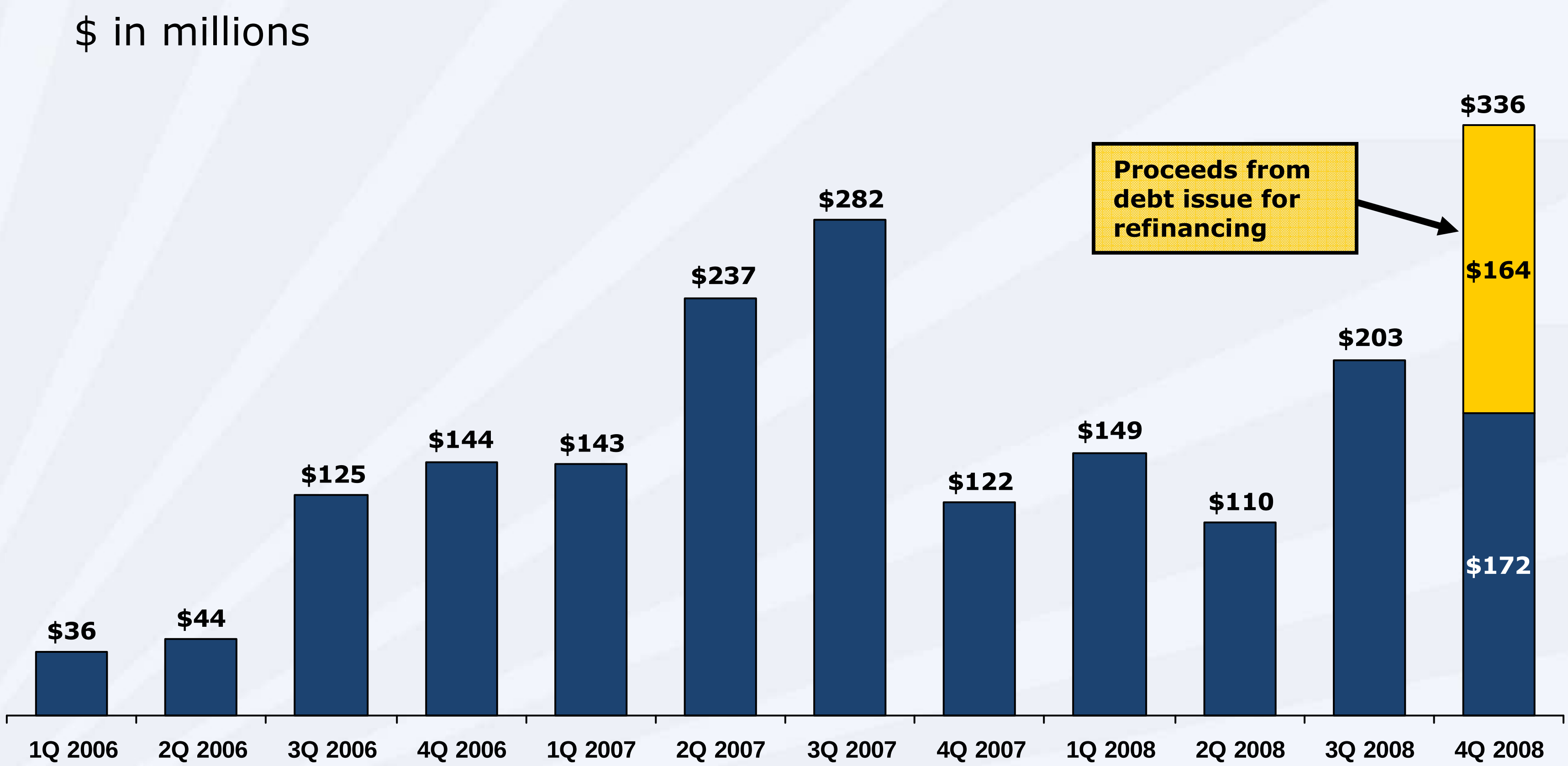
	2008	2007
Net cash provided by operating activities	$455.7	$381.5
Cash used for capital expenditures	(576.5)	(410.5)
Other investing activities	(4.2)	30.0
Preferred dividends paid	(15.2)	(23.3)
Free cash flow after dividends paid	($140.2)	($22.3)

- Target positive free cash flow in 2009
- Cash capital expenditure target 35%+ reduction from 2008 levels
- Disciplined management of expenses

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

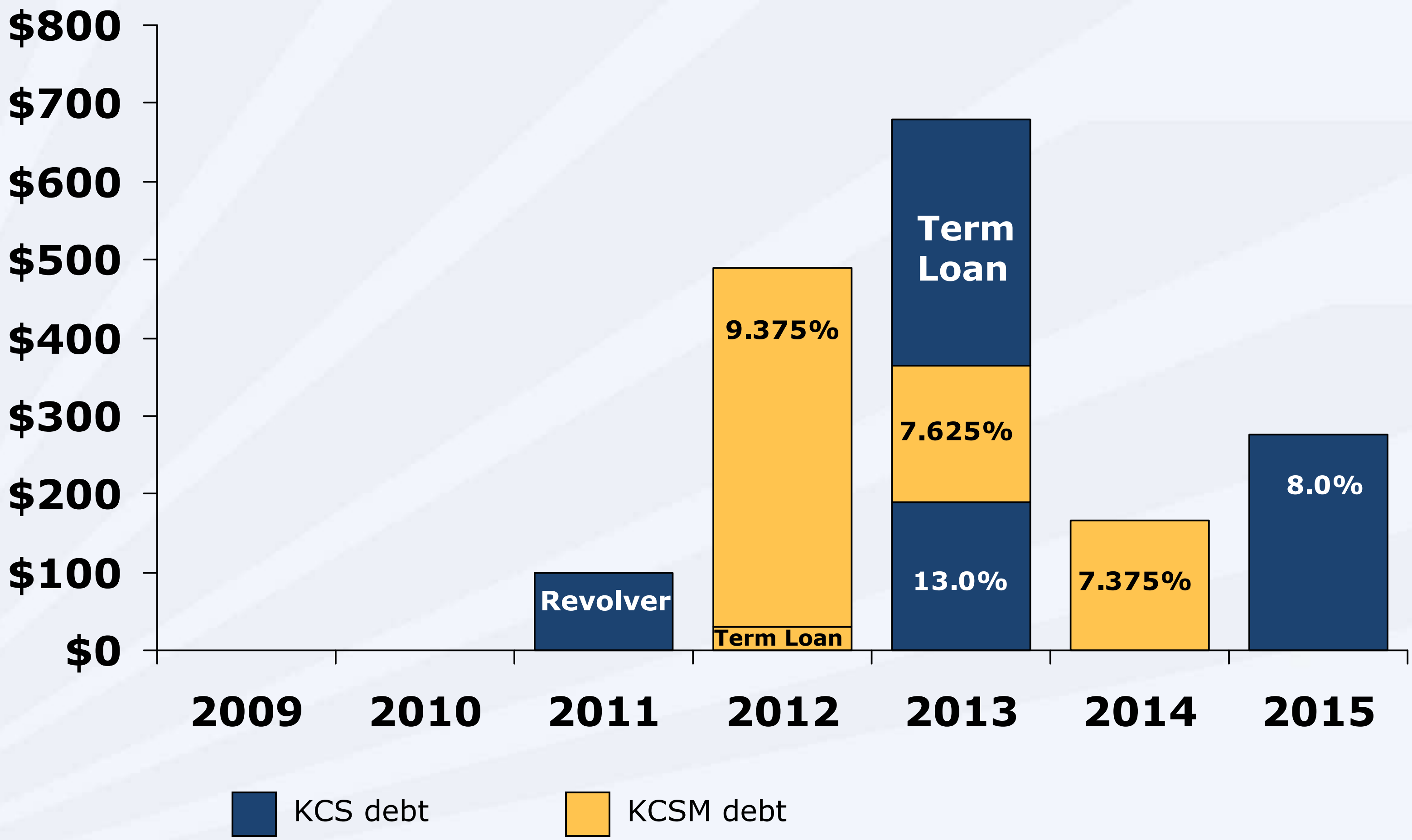
Liquidity Summary

Unrestricted cash plus unused bank credit commitments



Major Debt Maturities

$ in millions



Maturity schedule assumes repurchase of 7.5% senior notes during 1Q 2009

Mike Haverty

Panama Canal Railway

Total Containers

Summary & Outlook

- Manage to positive free cash flow
  - Disciplined cost controls
  - Prudent capital investments
- Continue strong operating improvements
- Franchise strong and remains positioned as best growth story

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