Jepperson Thomas C
Form 4/A
June 14, 2006

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Jepperson Thomas C
(Last) (First) (Middle)
180 EAST 100 SOUTH, P.O. BOX 45433
(Street)
SALT LAKE CITY, UT 84145-0433
(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
QUESTAR CORP [STR]

3. Date of Earliest Transaction (Month/Day/Year)
05/02/2006

4. If Amendment, Date Original Filed(Month/Day/Year)
05/04/2006

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
VP and General Counsel

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock and attached Common Stock Purchase Rights	05/02/2006		M		8,000	A	$ 21.375	40,262.296	D	
Common Stock and attached Common Stock	05/02/2006		M		8,000	A	$ 17	48,262.296	D	

Purchase Rights									
Common Stock and attached Common Stock Purchase Rights	05/02/2006		F		5,075	D	$ 81.75	43,187.296	D	
Common Stock and attached Common Stock Purchase Rights								6,018.7403 (1)	I	Employee Investment Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option	$ 21.375	05/02/2006		M			8,000	08/10/1998	02/10/2008	Common Stock and attached Common Stock Purchase Rights	8,000
Stock Option	$ 17	05/02/2006		M			8,000	08/09/1999	02/09/2009	Common Stock and attached Common Stock	8,000

				Purchase Rights	
Phantom Stock Units	$ 0	(2)	(2)	Phantom Stock Units	423.0415
Stock Option	$ 28.01	08/13/2001	02/13/2011	Common Stock and attached Common Stock Purchase Rights	10,000
Stock Option	$ 22.95	08/11/2002	02/11/2012	Common Stock and attached Common Stock Purchase Rights	12,000
Stock Option	$ 27.11	08/11/2003	02/11/2013	Common Stock and attached Common Stock Purchase Rights	9,750

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Jepperson Thomas C 180 EAST 100 SOUTH, P.O. BOX 45433 SALT LAKE CITY, UT 84145-0433			VP and General Counsel	

Signatures

Abigail L. Jones Attorney in Fact for T. C. Jepperson	06/14/2006
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) As of May 3, 2006, I had 6,018.7403 equivalent shares of stock in my account in the Employee Investment Plan. The number of equivalent shares will fluctuate as Questar's stock price changes, this fluctuation does not reflect any transactions that should be reported.

(2) Phantom stock units will be converted to cash beginning at retirement; my retirement date is unknown.

(3) I receive phantom stock units as a result of my election to defer compensation pursuant to nonqualified plans. I also receive phantom stock units as a result of my participation in an excess benefit plan. This total includes 422.6267 units in such plan in addition to units held through my account balance in a deferred compensation plan. I also receive dividends.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. font style="font-family:inherit;font-size:10pt;">—

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Comprehensive income attributable to Kansas City Southern and subsidiaries
$
118.4

$
40.9

$
1.1

$
73.9

$
(115.9
)

$
118.4

	Nine Months Ended September 30, 2014					
	Parent	KCSR	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated KCS
Revenues	$—	$913.7	$36.4	$ 1,015.5	$ (31.0)	$ 1,934.6
Operating expenses	6.7	674.7	30.4	659.7	(32.1)	1,339.4
Operating income (loss)	(6.7)	239.0	6.0	355.8	1.1	595.2
Equity in net earnings of unconsolidated affiliates	346.5	0.5	3.3	14.9	(348.6)	16.6
Interest expense	(0.1)	(62.9)	—	(29.5)	38.0	(54.5)
Debt retirement costs	—	(2.7)	—	(3.9)	—	(6.6)
Foreign exchange loss	—	—	—	(4.1)	—	(4.1)

Other income (expense), net	37.9	0.1	—	(2.6)	(39.1)	(3.7)
Income before income taxes	377.6	174.0	9.3	330.6	(348.6)	542.9
Income tax expense	16.0	66.7	3.6	94.0	—	180.3
Net income	361.6	107.3	5.7	236.6	(348.6)	362.6
Less: Net income attributable to noncontrolling interest	—	—	1.0	—	—	1.0
Net income attributable to Kansas City Southern and subsidiaries	361.6	107.3	4.7	236.6	(348.6)	361.6
Other comprehensive loss	(0.3)	—	—	(0.4)	0.4	(0.3)
Comprehensive income attributable to Kansas City Southern and subsidiaries	$361.3	$107.3	$4.7	$ 236.2	$ (348.2)	$ 361.3

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Kansas City Southern and Subsidiaries
Notes to Consolidated Financial Statements—(Continued)

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME - (Continued)

Nine Months Ended September 30, 2013

	Parent	KCSR	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated KCS
Revenues	$—	$836.1	$30.9	$ 916.6	$ (29.9)	$ 1,753.7
Operating expenses	3.7	617.8	28.5	593.0	(31.8)	1,211.2
Operating income (loss)	(3.7)	218.3	2.4	323.6	1.9	542.5
Equity in net earnings of unconsolidated affiliates	222.7	1.0	4.0	11.2	(225.1)	13.8
Interest expense	(0.1)	(49.4)	—	(47.4)	35.7	(61.2)
Debt retirement costs	—	(1.5)	—	(112.3)	—	(113.8)
Foreign exchange loss	—	(1.6)	—	(8.5)	—	(10.1)
Other income (expense), net	33.4	4.2	(0.1)	(0.4)	(37.6)	(0.5)
Income before income taxes	252.3	171.0	6.3	166.2	(225.1)	370.7
Income tax expense	14.7	63.9	2.3	50.8	0.1	131.8
Net income	237.6	107.1	4.0	115.4	(225.2)	238.9
Less: Net income attributable to noncontrolling interest	—	—	1.3	—	—	1.3
Net income attributable to Kansas City Southern and subsidiaries	237.6	107.1	2.7	115.4	(225.2)	237.6
Other comprehensive income	0.3	0.4	—	—	(0.4)	0.3
Comprehensive income attributable to Kansas City Southern and subsidiaries	$237.9	$107.5	$2.7	$ 115.4	$ (225.6)	$ 237.9

CONDENSED CONSOLIDATING BALANCE SHEETS

September 30, 2014

	Parent	KCSR	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated KCS
Assets:						
Current assets	$4.6	$231.3	$6.3	$ 574.5	$ (36.4)	$ 780.3
Investments	—	3.9	—	39.4	—	43.3
Investments in consolidated subsidiaries	2,495.9	(3.2)	466.0	—	(2,958.7)	—
Property and equipment (including concession assets), net	—	3,171.2	193.8	3,544.4	—	6,909.4
Other assets	1.6	46.0	—	36.4	—	84.0
Total assets	$2,502.1	$3,449.2	$666.1	$ 4,194.7	$ (2,995.1)	$ 7,817.0
Liabilities and equity:						
Current liabilities	$(1,164.4)	$1,639.0	$118.4	$ 204.3	$ (36.4)	$ 760.9
Long-term debt	0.2	701.9	0.2	1,143.8	—	1,846.1
Deferred income taxes	7.2	759.0	130.1	231.7	—	1,128.0
Other liabilities	3.4	97.0	0.7	27.8	—	128.9
Stockholders' equity	3,655.7	252.3	109.7	2,587.1	(2,958.7)	3,646.1
Noncontrolling interest	—	—	307.0	—	—	307.0
Total liabilities and equity	$2,502.1	$3,449.2	$666.1	$ 4,194.7	$ (2,995.1)	$ 7,817.0

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Explanation of Responses:

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Kansas City Southern and Subsidiaries
Notes to Consolidated Financial Statements—(Continued)

CONDENSED CONSOLIDATING BALANCE SHEETS - (Continued)

	December 31, 2013					
	Parent	KCSR	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated KCS
Assets:						
Current assets	$2.6	$403.0	$8.8	$ 560.1	$ (32.1)	$ 942.4
Investments	—	9.6	—	31.5	—	41.1
Investments in consolidated subsidiaries	2,154.6	(2.1)	461.8	—	(2,614.3)	—
Restricted funds	—	—	—	4.2	—	4.2
Property and equipment (including concession assets), net	0.1	2,780.4	198.6	3,377.2	—	6,356.3
Other assets	1.5	50.9	—	39.0	—	91.4
Total assets	$2,158.8	$3,241.8	$669.2	$ 4,012.0	$ (2,646.4)	$ 7,435.4
Liabilities and equity:						
Current liabilities	$(1,216.5)	$1,580.6	$130.7	$ 267.9	$ (32.1)	$ 730.6
Long-term debt	0.2	704.3	0.2	1,152.2	—	1,856.9
Deferred income taxes	(11.7)	719.8	127.6	208.9	—	1,044.6
Other liabilities	6.6	92.0	0.7	27.5	(0.1)	126.7
Stockholders' equity	3,380.2	145.1	104.0	2,355.5	(2,614.2)	3,370.6
Noncontrolling interest	—	—	306.0	—	—	306.0
Total liabilities and equity	$2,158.8	$3,241.8	$669.2	$ 4,012.0	$ (2,646.4)	$ 7,435.4

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30, 2014					
	Parent	KCSR	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated KCS
Operating activities:						
Net cash provided	$83.7	$241.9	$0.8	$ 361.4	$ (6.0)	$ 681.8
Investing activities:						
Capital expenditures	—	(270.1)	(0.8)	(134.1)	1.5	(403.5)
Purchase or replacement of equipment under operating leases	—	(203.8)	—	(98.4)	—	(302.2)
Property investments in MSLLC	—	—	—	(25.6)	—	(25.6)
Other investing activities	(1.2)	9.0	(1.0)	1.0	0.7	8.5
Net cash used	(1.2)	(464.9)	(1.8)	(257.1)	2.2	(722.8)
Financing activities:						
Proceeds from commercial paper	—	11,502.7	—	—	—	11,502.7
Repayment of commercial paper	—	(11,191.8)	—	—	—	(11,191.8)
Proceeds from issuance of long-term debt	—	175.0	—	—	—	175.0
Repayment of long-term debt	—	(422.7)	(0.1)	(80.0)	—	(502.8)
Dividends paid	(85.7)	—	—	(6.0)	6.0	(85.7)
Other financing activities	4.3	(1.2)	1.0	(2.0)	(2.2)	(0.1)
Net cash provided (used)	(81.4)	62.0	0.9	(88.0)	3.8	(102.7)
Cash and cash equivalents:						
Net increase (decrease)	1.1	(161.0)	(0.1)	16.3	—	(143.7)

At beginning of year	0.4	196.1	0.2	232.8	—	429.5
At end of period	$ 1.5	$ 35.1	$ 0.1	$ 249.1	$ —	$ 285.8

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Kansas City Southern and Subsidiaries
Notes to Consolidated Financial Statements—(Continued)

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS - (Continued)

	Nine Months Ended September 30, 2013					
	Parent	KCSR	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Consolidating Adjustments	Consolidated KCS
Operating activities:						
Net cash provided	$67.3	$187.2	$2.3	$ 320.7	$ (5.0)	$ 572.5
Investing activities:						
Capital expenditures	—	(246.6)	(1.9)	(133.7)	0.4	(381.8)
Purchase or replacement of equipment under operating leases	—	(88.6)	—	(66.5)	—	(155.1)
Property investments in MSLLC	—	—	—	(25.0)	—	(25.0)
Proceeds from repayment of loans to affiliates	—	97.4	—	—	(97.4)	—
Loans to affiliates	—	(69.5)	—	—	69.5	—
Other investing activities	(0.7)	(5.3)	(1.0)	4.2	0.9	(1.9)
Net cash used	(0.7)	(312.6)	(2.9)	(221.0)	(26.6)	(563.8)
Financing activities:						
Proceeds from issuance of long-term debt	—	487.9	—	980.8	—	1,468.7
Repayment of long-term debt	—	(336.5)	(0.1)	(965.2)	—	(1,301.8)
Debt costs	—	(5.6)	—	(103.7)	—	(109.3)
Dividends paid	(47.6)	—	—	(5.0)	5.0	(47.6)
Proceeds from loans from affiliates	—	—	—	69.5	(69.5)	—
Repayment of loans from affiliates	—	—	—	(97.4)	97.4	—
Other financing activities	4.6	—	0.6	0.7	(1.3)	4.6
Net cash provided (used)	(43.0)	145.8	0.5	(120.3)	31.6	14.6
Cash and cash equivalents:						
Net increase (decrease)	23.6	20.4	(0.1)	(20.6)	—	23.3
At beginning of year	0.1	29.6	0.1	42.8	—	72.6
At end of period	$23.7	$50.0	$—	$ 22.2	$ —	$ 95.9

13. Subsequent Event

On October 8, 2014, the Company settled a portion of its foreign currency forward contracts by entering into offsetting contracts with an aggregate notional amount of $30.0 million. These offsetting contracts mature on December 31, 2014, and obligate the Company to sell a total of Ps.403.7 million at a weighted-average exchange rate of Ps.13.46 to each U.S. dollar.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The discussion below, as well as other portions of this Form 10-Q, contain forward-looking statements that are not based upon historical information. Readers can identify these forward-looking statements by the use of such verbs as "expects," "anticipates," "believes" or similar verbs or conjugations of such verbs. Such forward-looking statements are based upon information currently available to management and management's perception thereof as of the date of this Form 10-Q. However, such statements are dependent on and, therefore, can be influenced by, a number of external variables 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 Kansas City Southern's 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 the Company's 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's rail network or at KCS's 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; loss of key 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; and the outcome of claims and litigation involving the Company or its subsidiaries. For more discussion about each risk factor, see Part II Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report on Form 10-K for the year ended December 31, 2013, which is on file with the U.S. Securities and Exchange Commission (File No. 1-4717) and Part I Item 1A — "Risk Factors" in the Form 10-K and any updates contained herein. Readers are strongly encouraged to consider these factors when evaluating forward-looking statements.

Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the timing when, or by which, such performance or results will be achieved. As a result, actual outcomes or results could materially differ from those indicated in forward-looking statements. We are not under any obligation, and we expressly disclaim any obligation, to update or alter any forward-looking statements.

This discussion is intended to clarify and focus on Kansas City Southern's ("KCS" or the "Company") results of operations, certain changes in its financial position, liquidity, capital structure and business developments for the periods covered by the consolidated financial statements included under Item 1 of this Form 10-Q. This discussion should be read in conjunction with those consolidated financial statements and the related notes and is qualified by reference to them.

Critical Accounting Policies and Estimates

The Company's discussion and analysis of its financial position and results of operations is based upon its consolidated financial statements. The preparation of these consolidated financial statements requires estimation and judgment that affect the reported amounts of revenue, expenses, assets and liabilities. The Company bases its estimates on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the accounting for assets and liabilities that are not readily apparent from other sources. If the estimates differ materially from actual results, the impact on the consolidated financial statements may be material. The Company's critical accounting policies are disclosed in the 2013 Annual Report on Form 10-K.

Overview

The Company is engaged in the freight rail transportation business, operating a coordinated rail network under one reportable business segment. The primary operating subsidiaries of the Company consist of the following: The Kansas City Southern Railway Company ("KCSR"), Kansas City Southern de México, S.A. de C.V. ("KCSM"), Meridian Speedway, LLC ("MSLLC"), and The Texas Mexican Railway Company ("TexMex"). The Company generates revenues and cash flows by providing customers with freight delivery services within its regions, and throughout North America through connections with other Class I rail carriers. Customers conduct business in a number of different industries, including chemical and petroleum products, industrial and consumer products, agriculture and mineral products, energy products, automotive products and intermodal transportation. Appropriate eliminations and reclassifications have been recorded in preparing the consolidated financial statements.

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Third Quarter Analysis

The Company reported a 9% increase in revenues, a 5% increase in revenue per carload/unit and a 4% increase in carload/unit volumes during the three months ended September 30, 2014, as compared to the same period in 2013. Revenue increases were driven by positive pricing impacts and volumes.

Operating expenses increased $26.8 million during the three months ended September 30, 2014, as compared to the same period in 2013, due to higher carload/unit volumes. Operating expenses as a percentage of revenues decreased to 66.1% for the three months ended September 30, 2014, as compared to 67.8% for the same period in 2013.

KCSM's revenues and operating expenses are affected by fluctuations of the Mexican peso against the U.S. dollar. Based on the volume of revenue and expense transactions denominated in Mexican pesos, revenue and expense fluctuations generally offset, with insignificant net impacts to operating income.

The Company reported quarterly earnings of $1.25 per diluted share on consolidated net income of $138.1 million for the three months ended September 30, 2014, compared to earnings of $1.07 per diluted share on consolidated net income of $118.4 million for the same period in 2013. The increase for the three months ended September 30, 2014, as compared to the same period in 2013, is attributable to higher operating income, partially offset by higher foreign exchange loss.

Results of Operations

The following summarizes KCS's consolidated income statement components (in millions):

	Three Months Ended September 30,		Change
	2014	2013	
Revenues	$677.5	$621.6	$55.9
Operating expenses	448.1	421.3	26.8
Operating income	229.4	200.3	29.1
Equity in net earnings of unconsolidated affiliates	5.0	4.8	0.2
Interest expense	(17.9)	(18.3)	0.4
Debt retirement costs	—	(2.4)	2.4
Foreign exchange loss	(12.5)	(1.4)	(11.1)
Other expense, net	(0.4)	(0.7)	0.3
Income before income taxes	203.6	182.3	21.3
Income tax expense	65.2	63.3	1.9
Net income	138.4	119.0	19.4
Less: Net income attributable to noncontrolling interest	0.3	0.6	(0.3)
Net income attributable to Kansas City Southern and subsidiaries	$138.1	$118.4	$19.7

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	Nine Months Ended September 30, 2014	2013	Change
Revenues	$1,934.6	$1,753.7	$180.9
Operating expenses	1,339.4	1,211.2	128.2
Operating income	595.2	542.5	52.7
Equity in net earnings of unconsolidated affiliates	16.6	13.8	2.8
Interest expense	(54.5)	(61.2)	6.7
Debt retirement costs	(6.6)	(113.8)	107.2
Foreign exchange loss	(4.1)	(10.1)	6.0
Other expense, net	(3.7)	(0.5)	(3.2)
Income before income taxes	542.9	370.7	172.2
Income tax expense	180.3	131.8	48.5
Net income	362.6	238.9	123.7
Less: Net income attributable to noncontrolling interest	1.0	1.3	(0.3)
Net income attributable to Kansas City Southern and subsidiaries	$361.6	$237.6	$124.0

Revenues

The following summarizes revenues (in millions), carload/unit statistics (in thousands) and revenue per carload/unit:

	Revenues Three Months Ended September 30,			Carloads and Units Three Months Ended September 30,			Revenue per Carload/Unit Three Months Ended September 30,		
	2014	2013	% Change	2014	2013	% Change	2014	2013	% Change
Chemical and petroleum	$117.4	$109.5	7 %	63.3	62.2	2 %	$1,855	$1,760	5 %
Industrial and consumer products	166.9	148.0	13 %	90.6	85.8	6 %	1,842	1,725	7 %
Agriculture and minerals	104.6	97.1	8 %	55.7	53.1	5 %	1,878	1,829	3 %
Energy	90.7	94.6	(4 %)	81.8	84.0	(3 %)	1,109	1,126	(2 %)
Intermodal	106.7	95.8	11 %	269.9	256.8	5 %	395	373	6 %
Automotive	65.8	51.4	28 %	34.1	28.0	22 %	1,930	1,836	5 %
Carload revenues, carloads and units	652.1	596.4	9 %	595.4	569.9	4 %	$1,095	$1,046	5 %
Other revenue	25.4	25.2	1 %						
Total revenues (i)	$677.5	$621.6	9 %						

(i) Included in revenues:		
Fuel surcharge	$88.5	$86.8

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	Revenues Nine Months Ended September 30,			Carloads and Units Nine Months Ended September 30,			Revenue per Carload/Unit Nine Months Ended September 30,		
	2014	2013	% Change	2014	2013	% Change	2014	2013	% Change
Chemical and petroleum	$337.7	$320.9	5 %	185.3	184.1	1 %	$1,822	$1,743	5 %
Industrial and consumer products	472.2	434.3	9 %	263.5	254.7	3 %	1,792	1,705	5 %
Agriculture and minerals	332.9	264.8	26 %	174.7	149.4	17 %	1,906	1,772	8 %
Energy	250.3	256.2	(2 %)	227.6	229.3	(1 %)	1,100	1,117	(2 %)
Intermodal	293.4	262.2	12 %	758.6	722.7	5 %	387	363	7 %
Automotive	177.8	148.0	20 %	94.6	81.0	17 %	1,879	1,827	3 %
Carload revenues, carloads and units	1,864.3	1,686.4	11 %	1,704.3	1,621.2	5 %	$1,094	$1,040	5 %
Other revenue	70.3	67.3	4 %						
Total revenues (i)	$1,934.6	$1,753.7	10 %						

(i) Included in revenues:

Fuel surcharge	$253.7	$236.9

Freight revenues include revenue for transportation services and fuel surcharges. For the three months ended September 30, 2014, revenues and carload/unit volumes increased 9% and 4%, respectively, compared to the same period in 2013. For the nine months ended September 30, 2014, revenues and carload/unit volumes increased 10% and 5%, respectively, compared to the same period in 2013. Agriculture and minerals revenues increased $7.5 million and $68.1 million for the three and nine months ended September 30, 2014, respectively, compared to the same periods in 2013, due to an increase of $10.5 million and $61.9 million, respectively, in grain revenues. During the first half of 2013, grain volumes and average length of haul were adversely affected as a result of the severe drought conditions experienced in the Midwest region of the United States during 2012. Revenue per carload/unit increased by 5% for the three and nine months ended September 30, 2014, compared to the same periods in 2013, due to positive pricing impacts and commodity mix.

KCS's fuel surcharges are a mechanism to adjust revenue based upon changing fuel prices. Fuel surcharges are calculated differently depending on the type of commodity transported. For most commodities, fuel surcharge is calculated using a fuel price from a prior time period that can be up to 60 days earlier. In a period of volatile fuel prices or changing customer business mix, changes in fuel expense and fuel surcharge may differ.

The following discussion provides an analysis of revenues by commodity group:

Revenues by commodity group
for the three months ended
September 30, 2014

Chemical and petroleum. Revenues increased $7.9 million for the three months ended September 30, 2014, compared to the same period in 2013, due to a 5% increase in revenue per carload/unit and a 2% increase in carload/unit volumes. Revenues increased $16.8 million for the nine months ended September 30, 2014, compared to the same period in 2013, due to a 5% increase in revenue per carload/unit and a 1% increase in carload/unit volumes. Revenues increased due to positive pricing impacts in petroleum, plastics and chemicals.

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Revenues by commodity group for the three months ended September 30, 2014

Industrial and consumer products. Revenues increased $18.9 million for the three months ended September 30, 2014, compared to the same period in 2013, due to a 7% increase in revenue per carload/unit and a 6% increase in carload/unit volumes. Revenues increased $37.9 million for the nine months ended September 30, 2014, compared to the same period in 2013, due to a 5% increase in revenue per carload/unit and a 3% increase in carload/unit volumes. Metals and scrap revenues increased due to strong demand, positive pricing impacts and increased length of haul. Pulp and paper revenues increased due to positive pricing impacts and higher volumes due to increased market demand and a customer’s temporary plant shutdown during the third quarter of 2013.

Agriculture and minerals. Revenues increased $7.5 million for the three months ended September 30, 2014, compared to the same period in 2013, due to a 5% increase in carload/unit volumes and a 3% increase in revenue per carload/unit. For the nine months ended September 30, 2014, revenues increased $68.1 million due to a 17% increase in carload/unit volumes and an 8% increase in revenue per carload/unit. For the three and nine months ended September 30, 2014, grain revenues increased $10.5 million and $61.9 million, respectively, as volumes and average length of haul were adversely affected in the first half of 2013 as a result of the severe drought conditions experienced in the Midwestern region of the United States during 2012. In addition, for the three months ended September 30, 2014, food products volumes decreased as a result of a customer's temporary plant shutdown.

Energy. Revenues decreased $3.9 million for the three months ended September 30, 2014, compared to the same period in 2013, due to a 3% decrease in carload/unit volumes and a 2% decrease in revenue per carload/unit. Revenue per carload/unit decreases were driven by shorter length of haul. Volumes decreased due to longer cycle times and connecting carrier fluidity in moving utility coal and slowing frac sand growth due to lost business. This decrease was partially offset by crude oil growth due to new business.

Revenues decreased $5.9 million for the nine months ended September 30, 2014, compared to the same period in 2014, due to a 2% decrease in revenue per carload/unit and a 1% decrease in carload/unit volumes. Revenue per carload/unit decreases were driven by shorter length of haul. Volumes decreased due to longer cycle times and connecting carrier fluidity in moving utility coal and lost crude oil business. This decrease was partially offset by strong frac sand demand in the first half of the year driven by higher crude oil prices.

Intermodal. Revenues increased $10.9 million for the three months ended September 30, 2014, compared to the same period in 2013, due to a 6% increase in revenue per carload/unit and a 5% increase in carload/unit volumes. Revenues increased $31.2 million for the nine months ended September 30, 2014, compared to the same period in 2013, due to a 7% increase in revenue per carload/unit and a 5% increase in carload/unit volumes. Revenue per carload/unit increased as a result of cross border length of haul and pricing. Volume growth was driven by conversion of cross border and domestic general commodity truck traffic to rail, and trans-Pacific imports via the Port of Lazaro Cardenas.

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Automotive. Revenues increased $14.4 million for the three months ended September 30, 2014, compared to the same period in 2013, due to a 22% increase in carload/unit volumes and a 5% increase in revenue per carload/unit. Revenues increased $29.8 million for the nine months ended September 30, 2014, compared to the same period in 2013, due to a 17% increase in carload/unit volumes and a 3% increase in revenue per carload/unit. Growth was driven by the opening of three automotive plants in Mexico and an increase in import/export volumes through the Port of Lazaro Cardenas.

Operating Expenses

Operating expenses, as shown below (in millions), increased $26.8 million and $128.2 million for the three and nine months ended September 30, 2014, respectively, compared to the same periods in 2013, due to higher carload/unit volumes. In addition, operating expenses for the nine months ended September 30, 2014, compared to the same period in 2013, increased due to lease termination costs.

	Three Months Ended September 30,		Change	
	2014	2013	Dollars	Percent
Compensation and benefits	$125.2	$111.4	$13.8	12 %
Purchased services	64.2	57.2	7.0	12 %
Fuel	109.2	102.7	6.5	6 %
Equipment costs	28.4	39.5	(11.1)	(28 %)
Depreciation and amortization	65.0	57.2	7.8	14 %
Materials and other	56.1	53.3	2.8	5 %
Total operating expenses	$448.1	$421.3	$26.8	6 %

	Nine Months Ended September 30,		Change	
	2014	2013	Dollars	Percent
Compensation and benefits	$351.3	$328.4	$22.9	7 %
Purchased services	183.2	160.4	22.8	14 %
Fuel	320.8	286.6	34.2	12 %
Equipment costs	89.6	120.0	(30.4)	(25 %)
Depreciation and amortization	190.8	165.0	25.8	16 %
Materials and other	165.4	150.8	14.6	10 %
Lease termination costs	38.3	—	38.3	100 %
Total operating expenses	$1,339.4	$1,211.2	$128.2	11 %

Compensation and benefits. Compensation and benefits increased $13.8 million and $22.9 million for the three and nine months ended September 30, 2014, respectively, compared to the same periods in 2013, due to carload/unit volumes, incentive compensation, higher headcount and annual salary rate increases. The increase in compensation and benefits for the nine months ended September 30, 2014 was partially offset by the weakening of the Mexican peso against the U.S. dollar.

Purchased services. Purchased services expense increased $7.0 million and $22.8 million for the three and nine months ended September 30, 2014, respectively, compared to the same periods in 2013, due to carload/unit volumes and increases in track maintenance, consulting and legal expenses.

Fuel. Fuel expense increased $6.5 million and $34.2 million for the three and nine months ended September 30, 2014, respectively, compared to the same periods in 2013, due to higher consumption and diesel fuel prices. The average price per gallon, including the effects of the weakening of the Mexican peso against the U.S. dollar, was $3.10 for the three and nine months ended September 30, 2014, respectively, compared to $3.06 and $3.04 for the same periods in 2013.

Equipment costs. Equipment costs decreased $11.1 million and $30.4 million for the three and nine months ended September 30, 2014, respectively, compared to the same periods in 2013, due to lower lease expense as a result of the purchase of equipment under existing operating leases and replacement equipment as certain operating leases expired. As a result of reduced lease expense from the conversion of equipment from leased to owned and reduced net car hire expense due to the increase in owned equipment, total equipment costs are expected to decrease by approximately 25% for the year ended December 31, 2014, as compared to the same period in 2013.

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Depreciation and amortization. Depreciation and amortization expense increased $7.8 million and $25.8 million for the three and nine months ended September 30, 2014, respectively, compared to the same periods in 2013, due to a larger asset base, including the purchase of equipment under existing operating leases and replacement equipment as certain operating leases expired. As a result of expected capital expenditures and the conversion of equipment from leased to owned, total depreciation and amortization expense is expected to increase by approximately 15% for the year ended December 31, 2014, as compared to the same period in 2013.

Materials and other. Materials and other expense increased $2.8 million for the three months ended September 30, 2014, compared to the same period in 2013, due to increases in materials and supplies expense and employee expenses, partially offset by lower casualty expense. Materials and other expense increased $14.6 million for the nine months ended September 30, 2014, compared to the same period in 2013, due to increases in materials and supplies expense, employee expenses, and casualty expense. In addition, the Company recognized a recovery from a legal dispute in the first quarter of 2013.

Lease termination costs. Lease termination costs were $38.3 million for the nine months ended September 30, 2014, due to the early termination of certain operating leases and the related purchase of the equipment. The Company did not incur lease termination costs during the third quarter of 2014.

Non-Operating Income and Expenses

Equity in net earnings of unconsolidated affiliates. Equity in net earnings from unconsolidated affiliates increased $0.2 million and $2.8 million for the three and nine months ended September 30, 2014, respectively, compared to the same periods in 2013. For the nine months ended September 30, 2014, equity in earnings from the operations of Panama Canal Railway Company ("PCRC") increased as PCRC's volumes were adversely affected during the first half of 2013 as the movement of containers was either trucked or rerouted to other destinations as a result of delays caused by a system implementation at the Port of Balboa.

Interest expense. Interest expense decreased $0.4 million and $6.7 million for the three and nine months ended September 30, 2014, respectively, compared to the same periods in 2013, due to lower average interest rates as a result of the Company's refinancing activities during 2013 and the utilization of the commercial paper program during 2014. These decreases were partially offset by higher average debt balances driven by financing incurred during 2013. During the three and nine months ended September 30, 2014, the average debt and commercial paper balances were $2,202.9 million and $2,145.9 million, respectively, compared to $1,806.8 million and $1,731.1 million for the same periods in 2013. Average interest rates during the three and nine months ended September 30, 2014 were 3.2% and 3.3%, respectively, compared to 4.0% and 4.6% for the same periods in 2013.

Debt retirement costs. Debt retirement costs were $2.4 million for the three months ended September 30, 2013. The Company did not incur debt retirement costs during the third quarter of 2014. For the nine months ended September 30, 2014 and 2013, debt retirement costs were $6.6 million and $113.8 million, respectively. The debt retirement costs include tender and call premiums, original issue discounts and the write-off of unamortized debt issuance costs associated with the Company's various debt refinancing and redemption activities.

Foreign exchange loss. For the three and nine months ended September 30, 2014, foreign exchange loss was $12.5 million and $4.1 million, respectively, compared to a foreign exchange loss of $1.4 million and $10.1 million for the same periods in 2013. Foreign exchange loss includes the re-measurement and settlement of monetary assets and liabilities denominated in Mexican pesos and the loss on foreign currency forward contracts.

For the three and nine months ended September 30, 2014, the re-measurement and settlement of monetary assets and liabilities denominated in Mexican pesos resulted in a foreign exchange loss of $2.4 million and $2.7 million, respectively, compared to a foreign exchange loss of $0.1 million and $3.8 million for the same periods in 2013.

The Company enters into foreign currency forward contracts to hedge its net exposure to fluctuations in the Mexican cash tax obligation due to changes in the value of the Mexican peso against the U.S. dollar. For the three and nine months ended September 30, 2014, foreign exchange loss on foreign currency forward contracts was $10.1 million and $1.4 million, respectively, compared to a loss of $1.3 million and $6.3 million for the same periods in 2013.

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Income tax expense. Income tax expense increased $1.9 million and $48.5 million for the three and nine months ended September 30, 2014, respectively, compared to the same periods in 2013, due to higher pre-tax income, partially offset by lower effective tax rates. The components of the effective tax rates for the three and nine months ended September 30, 2014, compared to the same periods in 2013 are as follows:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2014		2013		2014		2013	
Statutory rate in effect	35.0	%	35.0	%	35.0	%	35.0	%
Tax effect of:								
Difference between U.S. and foreign tax rate	(3.4	%)	(3.1	%)	(3.3	%)	(3.1	%)
State and local income tax provision, net	1.3	%	1.8	%	1.3	%	1.8	%
Foreign exchange (i)	(1.8	%)	0.2	%	(0.2	%)	0.5	%
Reversal of previously recognized benefit due to court ruling	—		—		—		1.2	%
Other, net	0.9	%	0.8	%	0.4	%	0.2	%
Effective tax rate	32.0	%	34.7	%	33.2	%	35.6	%

(i) Mexican income taxes are paid in Mexican pesos, and as a result, the effective income tax rate reflects fluctuations in the value of the Mexican peso against the U.S. dollar measured by the forward exchange rate. Most significantly, any gain or loss from the revaluation of net U.S. dollar-denominated monetary liabilities (primarily debt) into Mexican pesos is included in Mexican taxable income under Mexican tax law. As a result, a strengthening of the Mexican peso against the U.S. dollar for the reporting period will generally increase the Mexican cash tax obligation and the effective income tax rate, and a weakening of the Mexican peso against the U.S. dollar for the reporting period will generally decrease the Mexican cash tax obligation and the effective tax rate. To hedge its exposure to this risk, the Company enters into foreign currency forward contracts, which are measured at fair value each period and any change in fair value is recognized in foreign exchange gain (loss) within the consolidated statements of income as described above. Refer to Note 6 Derivative Instruments for more information.

Liquidity and Capital Resources

Overview

The Company focuses its cash and capital resources on investing in the business, shareholder returns and optimizing its capital structure.

The Company believes, based on current expectations, that cash and other liquid assets, operating cash flows, access to debt and equity capital markets, and other available financing resources will be sufficient to fund anticipated operating expenses, capital expenditures, debt service costs, dividends and other commitments in the foreseeable future. The Company’s current financing instruments contain restrictive covenants which limit or preclude certain actions; however, the covenants are structured such that the Company has sufficient flexibility to conduct its operations. The Company was in compliance with all of its debt covenants as of September 30, 2014.

Though KCS’s cash flows from operations are expected to be sufficient to fund operations, capital expenditures, debt service and dividends, the Company may, from time to time, incur debt to refinance existing indebtedness, purchase equipment under operating leases, or to fund equipment additions or new investments.

During the nine months ended September 30, 2014, the Company purchased $300.8 million of equipment under existing operating leases and replacement equipment as certain operating leases expired. These purchases were primarily funded with proceeds from the senior notes issued during the fourth quarter of 2013.

During the nine months ended September 30, 2014, the Company’s Board of Directors declared quarterly cash dividends on its common stock of $0.280 per share (total of $92.7 million). Subject to the discretion of the Board of Directors, capital availability and a determination that cash dividends continue to be in the best interest of its stockholders, the Company intends to pay a quarterly dividend on an ongoing basis.

On September 30, 2014, total available liquidity (the unrestricted cash balance plus revolving credit facility and commercial paper program availability) was $623.8 million. As of September 30, 2014, the total cash and cash equivalents held outside of the U.S. in foreign subsidiaries was $246.6 million. The Company expects that this cash will be available to fund operations without incurring additional taxes.

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In January 2014, the Company amended its credit agreements to eliminate certain representations as a condition to borrowing under the KCSR and KCSM revolving facilities, provided for the prepayment of all outstanding term loans under the KCSR credit agreement on or before February 13, 2014, and increased the borrowing capacity under KCSR's revolving credit facility (the "KCSR Revolving Facility") to $450.0 million. In addition, the Company established a $450.0 million commercial paper program for KCSR and a $200.0 million commercial paper program for KCSM. The Company's revolving facilities serve as a backstop for the commercial paper programs and these commercial paper programs generally serve as the Company's primary means of short-term funding. As of September 30, 2014, KCSR had $312.0 million outstanding amount issued under the KCSR commercial paper program and KCSM had no outstanding amount issued under the KCSM commercial paper program.

KCSM 8.0% Senior Notes. On February 3, 2014, KCSM redeemed all of the remaining $62.8 million aggregate principal amount of the KCSM 8.0% senior unsecured notes due February 1, 2018, at a redemption price (expressed as a percentage of the principal amount) of 104.0%, using a portion of the proceeds from the KCSM floating rate senior unsecured notes due October 28, 2016, issued in the fourth quarter of 2013.

KCSR Revolving Credit Facility and Term Loan. On February 7, 2014, KCSR borrowed $175.0 million under the KCSR Revolving Facility and used the proceeds and cash on hand to repay the outstanding $245.3 million principal amount of the KCSR term loan. On February 14, 2014, KCSR repaid the outstanding $175.0 million principal amount of the KCSR Revolving Facility using proceeds received under the KCSR Commercial Paper Program.

For additional discussion of the agreements representing the indebtedness of KCS, see "Liquidity and Capital Resources — Debt and Capital Structure" in the Company's Annual Report on Form 10-K for the year ended December 31, 2013.

KCS's operating results and financing alternatives can be unexpectedly impacted by various factors, some of which are outside of its control. For example, if KCS were to experience a reduction in revenues or a substantial increase in operating costs or other liabilities, its earnings could be significantly reduced, increasing the risk of non-compliance with debt covenants. Additionally, the Company is subject to external factors impacting debt and equity capital markets and its ability to obtain financing under reasonable terms is subject to market conditions. Volatility in capital markets and the tightening of market liquidity could impact KCS's access to capital. Further, KCS's cost of debt can be impacted by independent rating agencies which assign debt ratings based on certain factors including credit measurements such as interest coverage and leverage ratios, liquidity and competitive position.

Cash Flow Information

Summary cash flow data follows (in millions):

	Nine Months Ended September 30, 2014	2013
Cash flows provided by (used for):		
Operating activities	$681.8	$572.5
Investing activities	(722.8)	(563.8)
Financing activities	(102.7)	14.6
Net increase (decrease) in cash and cash equivalents	(143.7)	23.3
Cash and cash equivalents beginning of year	429.5	72.6
Cash and cash equivalents end of period	$285.8	$95.9

Cash flows from operating activities increased $109.3 million for the nine month period ended September 30, 2014, compared to the same period in 2013, due to increased revenues, an increase in cash generated from working capital items resulting mainly from the timing of certain payments and receipts, and distributions from unconsolidated affiliates. Net cash used for investing activities increased $159.0 million due to the purchase or replacement of equipment under existing operating leases. Additional information regarding capital expenditures is provided below. During 2014, net financing cash outflows were $102.7 million due to the payment of dividends of $85.7 million and the net repayment of long-term debt was offset by the net proceeds from the issuance of commercial paper. During

2013, net financing cash inflows were $14.6 million due to the net proceeds from long-term borrowings of $166.9 million, partially offset with the payment of $109.3 million in debt costs and $47.6 million in dividends.

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Capital Expenditures

KCS has funded, and expects to continue to fund capital expenditures with operating cash flows, debt financing, short-term borrowings and equipment leases.

The following table summarizes capital expenditures by type (in millions):

	Nine Months Ended September 30,	
	2014	2013
Roadway capital program	$214.5	$230.5
Locomotives and freight cars	117.4	89.2
Capacity	40.1	37.4
Information technology	17.8	8.6
Other	7.9	6.3
Total capital expenditures (accrual basis)	397.7	372.0
Change in capital accruals	5.8	9.8
Total cash capital expenditures	$403.5	$381.8
Purchase or replacement of equipment under operating leases		
Locomotives	$76.3	$155.1
Freight cars	224.5	—
Total purchase or replacement of equipment under operating leases (accrual basis)	300.8	155.1
Change in capital accruals	1.4	—
Total cash purchase or replacement of equipment under operating leases	$302.2	$155.1

Generally, the Company’s capital program consists of capital replacement and equipment. For 2014, internally generated cash flows and short-term borrowings are expected to fund cash capital expenditures, which are currently estimated to be between $690.0 million and $740.0 million. In addition, the purchase or replacement of equipment under existing operating leases for the year 2014 is substantially complete. However, the Company is continuously reviewing its equipment under existing operating leases. Any additional purchase or replacement of equipment under operating leases through the end of 2014 is expected to be funded with external borrowings.

Other Matters

Approximately 80% of KCSR employees are covered by collective bargaining agreements. KCSR participates in industry-wide bargaining as a member of the National Carriers’ Conference Committee. Long-term settlement agreements were reached and ratified during 2011 and the first half of 2012 covering all of the participating unions. These agreements will be in effect through December 2015.

KCSM Servicios, S.A. de C.V. (“KCSM Servicios”), a wholly owned subsidiary of KCS, provides employee services to KCSM, and KCSM pays KCSM Servicios market-based rates for these services. KCSM Servicios union employees are covered by one labor agreement, which was signed on June 23, 1997, between KCSM and the Sindicato de Trabajadores Ferrocarrileros de la República Mexicana (“Mexican Railroad Union”), for a term of fifty years, for the purpose of regulating the relationship between the parties. Approximately 80% of KCSM Servicios employees are covered by this labor agreement. The compensation terms under this labor agreement are subject to renegotiation on an annual basis and all other benefits are subject to negotiation every two years. The union labor negotiations with the Mexican Railroad Union have not historically resulted in any strike, boycott or other disruption in KCSM’s business operations. On October 14, 2014, compensation terms covering the period from July 1, 2014 through June 30, 2015, were finalized between KCSM Servicios and the Mexican Railroad Union. The finalization of the compensation terms will not have a significant effect on the consolidated financial statements.

Explanation of Responses:

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Item 3. Quantitative and Qualitative Disclosures about Market Risk

There was no material change during the quarter from the information set forth in Part II, Item 7A. “Quantitative and Qualitative Disclosure about Market Risk” in the Annual Report on Form 10-K for the year ended December 31, 2013.

Item 4. Controls and Procedures

(a) Disclosure Controls and Procedures

As of the end of the period for which this Quarterly Report on Form 10-Q is filed, the Company’s Chief Executive Officer and Chief Financial Officer have each reviewed and evaluated the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have each concluded that the Company’s current disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company’s management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control over Financial Reporting

There have not been any changes in the Company’s internal control over financial reporting that occurred during the third quarter of 2014 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

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PART II — OTHER INFORMATION

Item 1. Legal Proceedings

For information related to the Company's legal proceedings, see Note 10, Commitments and Contingencies under Part I, Item 1 of this quarterly report on Form 10-Q.

Item 1A. Risk Factors

There were no material changes during the quarter to the Risk Factors disclosed in Item 1A — "Risk Factors" in our annual report on Form 10-K for the year ended December 31, 2013.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

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Item 6. Exhibits

Exhibit No.	Description of Exhibits Filed with this Report
31.1	Principal Executive Officer's Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 is attached to this Form 10-Q as Exhibit 31.1.
31.2	Principal Financial Officer's Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 is attached to this Form 10-Q as Exhibit 31.2.
32.1	Principal Executive Officer's Certification furnished Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 is attached to this Form 10-Q as Exhibit 32.1.
32.2	Principal Financial Officer's Certification furnished Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 is attached to this Form 10-Q as Exhibit 32.2.
101	The following unaudited financial information from Kansas City Southern's Quarterly Report on Form 10-Q for the quarter ended September 30, 2014, formatted in XBRL (Extensible Business Reporting Language) includes: (i) Consolidated Statements of Income for the three and nine months ended September 30, 2014 and 2013, (ii) Consolidated Statements of Comprehensive Income for the three and nine months ended September 30, 2014 and 2013, (iii) Consolidated Balance Sheets as of September 30, 2014 and December 31, 2013, (iv) Consolidated Statements of Cash Flows for the nine months ended September 30, 2014 and 2013, and (v) the Notes to Consolidated Financial Statements.

Exhibit No.	Description of Exhibits Incorporated by Reference
3.1	Kansas City Southern Bylaws, amended and restated as of September 26, 2014, filed as Exhibit 3.1 to the Company's Current Report on Form 8-K, filed on September 30, 2014 (File No. 1-4717), are incorporated herein by reference as Exhibit 3.1.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized and in the capacities indicated on October 17, 2014.

Kansas City Southern

/s/ MICHAEL W. UPCHURCH
Michael W. Upchurch
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ MARY K. STADLER
Mary K. Stadler
Senior Vice President and Chief Accounting Officer
(Principal Accounting Officer)

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