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KANSAS CITY SOUTHERN
Form 8-K
August 01, 2003

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
JULY 30, 2003

KANSAS CITY SOUTHERN
(Exact name of company as specified in its charter)

DELAWARE	1-4717	44-0663509
-----	-----	-----
(State or other jurisdiction of incorporation)	(Commission file number)	(IRS Employer Identification Number)

427 WEST 12TH STREET, KANSAS CITY, MISSOURI 64105

(Address of principal executive offices) (Zip Code)

COMPANY'S TELEPHONE NUMBER, INCLUDING AREA CODE:
(816) 983 - 1303

NOT APPLICABLE
(Former name or former address if changed since last report)

ITEM 5. OTHER EVENTS AND REGULATION FD DISCLOSURE

Kansas City Southern ("KCS" or "Company") is filing under Item 5 of this Current Report on Form 8-K the information included as Exhibit 99.1 of this report. Exhibit 99.1 is the Company's press release, dated July 30, 2003, announcing KCS's second quarter 2003 earnings and operating results.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

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EXHIBIT NO. (99)	DOCUMENT
99.1	Press Release issued by Kansas City Southern dated July 30, 2003 entitled, "Kansas City Southern Reports Second Quarter 2003 Earnings," is attached hereto as Exhibit 99.1
99.2	The following schedules are attached hereto as Exhibit 99.2 - Kansas City Southern Operating Statements, Kansas City Southern Railway Carloadings by Commodity, Kansas City Southern Consolidated Balance Sheets

ITEM 9. REGULATION FD DISCLOSURE (RESULTS OF OPERATIONS AND FINANCIAL CONDITION UNDER ITEM 12)

Kansas City Southern ("KCS" or "Company") is filing under Item 9 and Item 12 of this Current Report on Form 8-K the information included as Exhibit 99.2 of this report in accordance with interim procedures promulgated by the Securities and Exchange Commission in Release No. 33-8216. Included in Exhibit 99.2 are schedules regarding certain financial information discussed at the Company's second quarter 2003 analyst presentation and conference call.

The information included in this Current Report on Form 8-K, including Exhibit 99.2, is required by Item 12 of Form 8-K furnished pursuant to Item 9 and Item 12 and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section.

SIGNATURE

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 hereunto duly authorized.

Southern
Date: August 1, 2003

Kansas City
By: /S/ LOUIS G. VAN HORN

Louis G. Van Horn
Vice President and Comptroller
(Principal Accounting Officer)

EXHIBIT 99.1

KANSAS CITY SOUTHERN
Cathedral Square - 427 West 12TH Street - P.O. Box 219335
Kansas City, Missouri 64121-9335

PRESS RELEASE
NYSE SYMBOL: KSU

Date: July 30, 2003

Media Contact: William H. Galligan Phone: 816/983-1551

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william.h.galligan@kcsr.com

KANSAS CITY SOUTHERN REPORTS SECOND QUARTER 2003 EARNINGS

EARNINGS ANALYSIS & COMMENTARY

Kansas City Southern (KCS or Company) (NYSE: KSU) reported a net loss of \$0.5 million for the second quarter of 2003 compared to net income of \$14.5 million (\$0.23 per diluted share) for the second quarter of 2002. Results for the second quarter of 2003 were negatively affected by lower earnings from Grupo Transportacion Ferroviaria Mexicana, S.A. de C.V. (Grupo TFM), which reported to KCS, under the equity method, a loss of \$2.3 million for the quarter. Grupo TFM's net income was impacted by deferred tax expense (as calculated under U.S. GAAP) primarily tied to the strengthened Mexican peso versus the U.S. dollar and the impact of lower future Mexican corporate tax rates on Grupo TFM's deferred tax assets. Grupo TFM reported a deferred tax provision of \$8.9 million for second quarter 2003 compared with a \$33.6 million deferred tax benefit for the comparable 2002 period. KCS consolidated second quarter revenues were \$146.3 million, a 5% increase over second quarter 2002. KCS earnings per share for the quarter ended June 30, 2003 were impacted by the accumulated dividends for the 4.25% Redeemable Cumulative Convertible Perpetual Preferred Stock issued on April 29, 2003. These preferred dividends reduced earnings per share by two cents.

For the six months ended June 30, 2003, consolidated net income was \$13.1 million (\$0.19 per diluted share) compared with \$26.2 million (\$0.42 per diluted share) for the six months ended June 30, 2002. This \$13.1 million decrease was the result of a \$12.1 million decline in equity in net earnings of unconsolidated affiliates, a \$10.3 million increase in costs and expenses, and a \$6.0 million decline in other income. Partially offsetting these charges was a one-time \$8.9 million benefit (net of tax) booked in first quarter 2003 relating to the cumulative effect of a required change in accounting for removal costs of certain track structure assets. The first six months of 2002 included a \$4.4 million gain from the sale of Mexrail, Inc. (Mexrail) to TFM, S.A. de C.V. (TFM) and debt retirement costs of \$4.3 million.

Diluted earnings per share information (1):

	SECOND QUARTER		YTD THROUGH 6/30	
	2003	2002	2003	2002
U.S. Operations	0.07	0.09	0.10	0.27
Grupo TFM and PCRC (including allocated interest)	(0.10)	0.14	(0.05)	0.15
INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	(0.03)	0.23	0.05	0.42
Cumulative effect of accounting change,				

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net of income taxes	-	-	0.14	-
	-----	-----	-----	-----
NET INCOME	(0.03)	0.23	0.19	0.42

SECOND QUARTER

Consolidated operating income was \$14.2 million for the second quarter of 2003 compared to \$14.5 million for the second quarter of 2002. Second quarter 2003 consolidated revenues increased \$7.1 million compared to second quarter 2002. Consolidated costs and expenses increased by \$7.4 million quarter-to-quarter due principally to increases in fuel, casualties and insurance, purchased services, and depreciation. Other income declined \$2.9 million quarter-to-quarter primarily resulting from lower gains recorded on the sales of property in second quarter.

Second quarter 2003 revenues from the Company's principal operating subsidiary, The Kansas City Southern Railway Company (KCSR) were \$144.6 million, an increase of \$7.1 million over second quarter 2002. Revenues improved throughout most commodity groups at KCSR, including agriculture & minerals, paper & forest products, intermodal and coal. Agriculture & mineral revenues increased approximately \$3.4 million due to growth in food products, ores and minerals, and domestic grain. Paper & forest product revenues increased approximately \$4.3 million propelled by significant increases in pulp and paper, and lumber. Intermodal revenues increased approximately \$0.4 million based on continued growth in intermodal traffic with Norfolk Southern and CSX, and coal revenues were approximately \$0.5 million higher quarter to quarter on increased volumes. The only commodity group to experience a decline in the second quarter of 2003 was chemical & petroleum products with revenues approximately \$3.2 million off those of second quarter 2002. Plastics and petroleum were responsible for virtually the entire decrease quarter-to-quarter. Persistently high natural gas prices contributed to the shortfall in those two commodity areas.

 (1) The components of the diluted earnings per share information include measurements that are not presented under accounting principles generally accepted in the United States of America ("U.S. GAAP"). This presentation includes an internal allocation of interest expense from U.S. operations to Grupo TFM. Management believes this interest expense allocation results in a more accurate reflection of the diluted earnings per share relating to the contribution of Grupo TFM to the consolidated net income of KCS. The interest expense allocation is based upon the initial amount of capital invested by KCS in Grupo TFM and is calculated utilizing a blended interest rate applicable to the Company's indebtedness composition. This measurement is presented to provide the reader of these financial statements with a better understanding of the impact of financing costs on the earnings per share related to KCS's investment in Grupo TFM. The nearest GAAP measurement is net income, which is included in the consolidated statements of income included in this press release.

Second quarter 2003 KCSR expenses increased \$6.4 million compared with second quarter 2002 due primarily to higher expenses for depreciation (\$2.2 million), fuel (\$2.0 million), purchased services (\$1.5 million), and casualties and insurance (\$0.6 million). KCSR fuel costs rose quarter-to-quarter due to a 24% increase in the average price per gallon. KCSR's fuel conservation program achieved a 1% decrease in fuel consumption quarter-to-quarter despite a 4% increase in carloadings. Depreciation expense increased principally from the company-wide installation of the Management Control System (MCS) computer operating system in July 2002. KCSR's second quarter 2003 operating ratio was

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86.9% compared with 86.7% for second quarter 2002, and was improved from the 93.3% operating ratio in first quarter 2003.

Equity in earnings from Grupo TFM decreased approximately \$15.3 million quarter-to-quarter, primarily due to the \$42.5 million increase in the U.S. GAAP deferred tax expense reported at Grupo TFM resulting from the impact to the tax provisions of a strengthened Mexican peso versus the U.S. dollar, and lower future Mexican corporate tax rates. Grupo TFM's second quarter 2003 revenues decreased \$9.7 million (5%) compared with second quarter of last year in part the result of a shift in the U.S. dollar/Mexican peso exchange rate (estimated impact of \$4.2 million of \$9.7 million decrease). Grupo TFM's revenues increased 5% compared to the first quarter of 2003. As calculated under U.S. GAAP, Grupo TFM's operating expenses were approximately \$11.2 million (12%) higher quarter-to-quarter primarily due to a \$11.0 million increase in a deferred profit-sharing charge, and a \$4 million, or 33%, increase in fuel expense.

Also affecting equity in earnings was the impact of the Company's increased ownership of Grupo TFM to 46.6% from 36.9%, which the Company obtained indirectly in July 2002 through the purchase by TFM of the Mexican government's 24.6% ownership of Grupo TFM. Interest expense at Grupo TFM increased approximately \$7.2 million in second quarter 2003 compared with second quarter 2002 primarily due to increased financing costs related to the acquisition of the Mexican government's ownership share. The Company reports its equity in Grupo TFM under U.S. GAAP while Grupo TFM reports under International Accounting Standards (IAS).

Year-to-Date

KCS's consolidated revenues of \$286.5 million for the first six months of 2003 improved by \$3.4 million over the prior year's six-month period. Consolidated operating income was \$21.0 million, compared with \$27.9 million for the 2002 period. Year-to-date 2003 revenues for KCSR were \$283.4 million, an increase of \$4.2 million from the previous year's six-month period. KCSR's year-to-date 2003 costs and expenses were \$12.1 million higher compared to the prior year resulting primarily from increases in fuel costs (\$5.3 million), depreciation (\$4.0 million), purchased services (\$3.9 million), and compensation and fringes (\$2.4 million). Partially offsetting these increases was a \$4.2 million reduction in car hire and equipment lease costs for the first six months of 2003 compared to prior year six-month period.

The Company's equity in earnings from Grupo TFM for the six-month period ending June 30, 2003, decreased by approximately \$13.2 million, principally due to a reduction of \$24.8 million of deferred tax benefits (calculated under U.S. GAAP) recorded by Grupo TFM. Also affecting the six-month period were a \$12 million decrease in revenues, and a \$15.0 million increase in operating expenses. Grupo TFM revenues were affected by the approximately \$21.9 million impact of the shift in peso/dollar exchange rates, and a 23% decrease in automobile volume related to lower North American automobile sales. Also impacting equity in earnings from Grupo TFM were the Company's increased ownership percentage of Grupo TFM, and higher interest expense at Grupo TFM due to the July 2002 acquisition of the Mexican government's 24.6% ownership share.

KCS's consolidated year-to-date interest expense increased \$1.4 million (6%) from the same prior year period as a result of higher interest rates caused by a shift to fixed-rate debt. Other income for the first six months of 2003 was \$2.8 million, \$6 million less than comparable 2002, due to a decline on sales of non-operating property. In the first half of 2002, the Company recorded a charge of \$4.3 million related to debt retirement costs.

Comments from the Chairman

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Michael R. Haverty, KCS's Chairman, President and Chief Executive Officer stated, "We are encouraged that during the second quarter, a number of KCSR's operating and business metrics showed significant improvement. Train operating performance showed steady improvement and we are making headway with our asset utilization. Revenues in almost all of our business groups improved and we are cautiously optimistic that the national economy is strengthening, which we believe will allow us to build on this positive trend. Two items of concern are stubbornly high fuel prices and the current high price of natural gas that is having a negative impact on the plastics and petroleum industries, key components of our chemical & petroleum business.

"While it is clear that Grupo TFM revenues have been impacted by the North American economy, the increase in revenues in the second quarter over the first quarter is an indicator that business is picking up there as well. The reduction in equity earnings from Grupo TFM in the second quarter of 2003 is almost totally the product of U.S. GAAP tax calculations and is not tied to any underlying weakness in the franchise. Grupo TFM continues to strengthen its infrastructure and improve its operations and customer service. We believe it is still the railroad with the greatest growth potential in North America.

"The NAFTA Rail transaction continues to move ahead. During the second quarter, Mexico's Competition Commission ruled that the change in majority ownership would not adversely affect competition. In August, we expect a ruling from the Foreign Investment Commission, the other Mexican regulatory entity that must endorse the transaction. We were also pleased with the decision of the Court of the First Circuit in Mexico reaffirming TFM's right to the Value Added Tax (VAT) refund and remanding the case back to the Fiscal Court. We will continue to monitor closely the regulatory, legal and financial developments in the United States and Mexico that have bearing on the proposed NAFTA Rail transaction.

"With MCS now fully integrated into KCSR rail operations and having a significantly positive impact on service and operating efficiencies throughout our system, and with an economy beginning to pick up some steam, KCS looks forward to attaining financial and operational improvements during the second half of 2003."

KCS is comprised of, among others, The Kansas City Southern Railway Company ("KCSR") and equity investments in Grupo TFM, Southern Capital Corporation ("Southern Capital") and Panama Canal Railway Company ("PCRC").

This press release includes statements concerning potential future events involving the Company, which could materially differ from the events that actually occur. The differences could be caused by a number of factors including those factors identified in a Current Report on Form 8-K dated December 11, 2001 filed by the Company with the Securities and Exchange Commission ("SEC") (Commission file no. 1-4717). The Company will not update any forward-looking statements in this press release to reflect future events or developments.

(Financial Information Attached)

KANSAS CITY SOUTHERN
CONSOLIDATED STATEMENTS OF INCOME
(dollars in millions, except per share data)
(Unaudited)

Three Months
Ended June 30,

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	2003	2002
Revenues	\$ 146.3	\$ 139.2
Costs and expenses	116.1	110.1
Depreciation and amortization	16.0	14.6
Operating income	14.2	14.5
Equity in net earnings (losses) of unconsolidated affiliates:		
Grupo Transportacion Ferroviaria Mexicana, S.A. de C.V.	(2.3)	13.0
Other	(0.2)	(1.3)
Gain on sale of Mexrail, Inc.	-	-
Interest Expense	(11.7)	(10.5)
Debt retirement costs	-	(4.3)
Other income	1.5	4.4
Income before income taxes and cumulative effect of accounting change	1.5	15.8
Income tax provision	2.0	1.3
Income (loss) before cumulative effect of accounting change	(0.5)	14.5
Cumulative effect of accounting change, net of income taxes	-	-
Net income (loss)	\$ (0.5)	\$ 14.5
Preferred stock dividends	1.3	0.1
Net income (loss) available to Common shareholders	\$ (1.8)	\$ 14.4
Per Share Data:		
Basic Weighted Average Common shares outstanding (in thousands)	61,649	60,095
Basic Earnings (Loss) per Common share		
Income (loss) before cumulative effect of accounting change	\$ (0.03)	\$ 0.24
Cumulative effect of accounting change	-	-
Net income (loss)	\$ (0.03)	\$ 0.24
Diluted Weighted Average Common shares outstanding (in thousands)	61,649	62,327
Diluted Earnings (Loss) per Common share		
Income (loss) before cumulative effect of accounting change	\$ (0.03)	\$ 0.23
Cumulative effect of accounting change	-	-
Net income (loss)	\$ (0.03)	\$ 0.23

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GRUPO TRANSPORTACION FERROVIARIA MEXICANA
CONSOLIDATED INCOME STATEMENT
U.S. GAAP BASIS
(\$ in Thousands)

	Second Qtr Ended June 30,	
	2003	2002
OPERATING REVENUE	176,594	186,315
OPERATING EXPENSES	143,786	131,637
OPERATING PROFIT	32,808	54,678
INTEREST EXPENSE	(28,136)	(20,947)
EXCHANGE GAIN/(LOSS)	2,113	(12,127)
OTHER INCOME (EXPENSE)	(3,588)	(151)
Pre Tax Income	3,197	21,453
INCOME TAX PROVISION (BENEFIT)	8,871	(33,638)
INCOME BEFORE MINORITY INTEREST	(5,674)	55,091
MINORITY INTEREST	981	(10,606)
NET INCOME	\$ (4,693)	\$ 44,485
U.S. GAAP OPERATING RATIO	81.42%	70.65%
KCS EQUITY IN NET EARNINGS OF GRUPO TFM	\$ (2,272)	\$ 12,956
LESS: ALLOCATION OF INTEREST	(3,776)	(3,550)
ADJUSTED CONTRIBUTION TO NET INCOME OF KCS (2)	\$ (6,048)	\$ 9,406

(2) This schedule includes a measurement that is not presented under U.S. GAAP. The adjusted contribution of Grupo TFM to the net income of KCS includes an internal allocation of interest expense applied against the equity in net earnings of the Company's investment in Grupo TFM. Management believes this interest expense allocation results in a more accurate reflection of the contribution of Grupo TFM to the consolidated net income of KCS. The interest expense allocation is based upon the initial amount of capital invested by KCS in Grupo TFM and is calculated utilizing a blended interest Rate applicable to the Company's indebtedness composition. This measurement is presented to provide the reader of these financial statements with a better understanding of the impact of financing costs on the contribution of Grupo TFM to the consolidated net income of KCS. The nearest GAAP measurement is included in the consolidated statements of income included in this press release.

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EXHIBIT 99.2

Kansas City Southern
Operating Statements
Dollars in Millions

	Second Quarter 2003	Second Quarter 2002	Year 2002
	-----	-----	-----
Revenues			
Freight Revenue	\$ 96.2	\$ 90.8	\$
Intermodal and Automotive Revenue	14.9	15.8	
Unit Coal Revenue	21.2	20.9	
Haulage Revenue	2.7	2.6	
Other Revenue	11.3	9.1	
	-----	-----	-----
Total Revenues	146.3	139.2	
	-----	-----	-----
Operating Expenses			
Compensation	33.0	32.2	
Fringe Benefits	14.5	14.3	
Fuel	11.3	9.3	
Material and Supplies	7.2	7.8	
Car Hire	3.5	4.1	
Purchased Services	15.2	13.9	
Casualties & Insurance	8.4	7.2	
Other	5.0	3.5	
	-----	-----	-----
Net Operating Expenses	98.1	92.3	
	-----	-----	-----
Fixed Expenses			
Leases, Net	14.2	13.8	
Depreciation	16.0	14.6	
Taxes (Other Than Income)	3.8	4.0	
	-----	-----	-----
Total Fixed Expenses	34.0	32.4	
	-----	-----	-----
Total Expenses	132.1	124.7	
	-----	-----	-----
Operating Income	\$ 14.2	\$ 14.5	\$
	=====	=====	=====

Note:

Certain prior year amounts have been reclassified to conform to the current year presentation.

Kansas City Southern Railway

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Carloadings By Commodity - Year to Date June 30, 2003

Dollars in Thousands

Carloadings				Revenue
Year to Date		%		Year
2003	2002	Change		2003
			Coal	
91,366	103,095	(11.4)%	Unit Coal	\$ 45,501
1,528	2,012	(24.1)%	Other Coal	813
92,894	105,107	(11.6)%	Total	46,314
			Chemical & Petroleum Products	
2,833	3,213	(11.8)%	Agri Chemicals	1,883
7,479	6,828	9.5%	Gases	7,359
10,758	11,392	(5.6)%	Organic	11,364
11,186	10,236	9.3%	Inorganic	11,660
27,739	27,153	2.2%	Petroleum	18,629
10,309	14,879	(30.7)%	Plastics	10,899
70,304	73,701	(4.6)%	Total	61,794
			Agriculture and Minerals	
23,228	24,265	(4.3)%	Domestic Grain	18,878
8,227	7,446	10.5%	Export Grain	6,610
16,576	13,855	19.6%	Food Products	13,381
12,690	11,047	14.9%	Ores and Minerals	7,232
7,988	7,801	2.4%	Stone, Clay & Glass	6,256
68,709	64,414	6.7%	Total	52,357
			Paper & Forest Products	
46,400	42,629	8.8%	Pulp/Paper	36,311
3,387	2,926	15.8%	Scrap Paper	2,099
15,248	17,104	(10.9)%	Pulpwood/Logchips	6,999
14,911	13,766	8.3%	Lumber/Plywood	14,483
9,038	8,944	1.1%	Metal/Scrap	7,603
3,266	3,499	(6.7)%	Military/Other Carloads	4,791
92,250	88,868	3.8%	Total	72,286
			Intermodal & Automotive	
3,145	9,481	(66.8)%	Automotive	2,613
146,508	134,213	9.2%	Intermodal	25,815
149,653	143,694	4.1%	Total	28,428
473,810	475,784	(0.4)%	TOTAL FOR BUSINESS UNITS	261,179
17,866	12,705	40.6%	Haulage	5,198
(1,735)	(3,523)	50.8%	Adjustments	(1,025)

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489,941	484,966	1.0%	TOTAL	\$ 265,352
=====	=====			=====

Note:

Certain prior year amounts have been reclassified to conform to the current year presentation.

Kansas City Southern Railway
 Carloadings By Commodity - Second Quarter 2003
 Dollars in Thousands

Carloadings				Revenue
Second Quarter		%		Second Qu
2003	2002	Change		2003
-----	-----	-----		-----
			Coal	
44,886	45,503	(1.4)%	Unit Coal	\$ 21,610
870	1,131	(23.1)%	Other Coal	471
-----	-----			-----
45,756	46,634	(1.9)%	Total	22,081
-----	-----			-----
			Chemical & Petroleum Products	
1,419	1,392	1.9%	Agri Chemicals	930
3,815	3,588	6.3%	Gases	3,796
5,451	5,978	(8.8)%	Organic	5,934
5,552	5,372	3.4%	Inorganic	5,837
13,299	14,066	(5.5)%	Petroleum	9,164
4,757	7,425	(35.9)%	Plastics	4,980
-----	-----			-----
34,293	37,821	(9.3)%	Total	30,641
-----	-----			-----
			Agriculture and Minerals	
11,937	12,141	(1.7)%	Domestic Grain	10,205
2,949	2,531	16.5%	Export Grain	2,220
8,961	6,572	36.4%	Food Products	7,269
7,012	5,991	17.0%	Ores and Minerals	4,060
4,405	4,139	6.4%	Stone, Clay & Glass	3,487
-----	-----			-----
35,264	31,374	12.4%	Total	27,241
-----	-----			-----
			Paper & Forest Products	
23,715	22,060	7.5%	Pulp/Paper	19,105
1,693	1,383	22.4%	Scrap Paper	1,074
8,089	8,318	(2.8)%	Pulpwood/Logs/Chips	3,645
7,920	6,968	13.7%	Lumber/Plywood	7,764
4,390	4,695	(6.5)%	Metal/Scrap	4,034
1,645	1,611	2.1%	Military/Other carloads	2,781
-----	-----			-----
47,452	45,035	5.4%	Total	38,403
-----	-----			-----

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			Intermodal & Automotive	
1,750	3,710	(52.8)%	Automotive	1,457
76,119	70,502	8.0%	Intermodal	13,458
-----	-----			-----
77,869	74,212	4.9%	Total	14,915
-----	-----			-----
240,634	235,076	2.4%	TOTAL FOR BUSINESS UNITS	133,281
10,191	6,924	47.2%	Haulage	2,711
(918)	(1,461)	37.2%	Adjustments	-
-----	-----			-----
249,907	240,539	3.9%	TOTAL	\$ 135,992
=====	=====			=====

Note:

Certain prior year amounts have been reclassified to conform to the current year presentation.

Kansas City Southern

	June 30, 2003 (Unaudited)	December 31, 2002
Assets		
Cash	\$ 191.9	\$ 19.0
Accounts receivable	116.8	118.5
Inventories	35.6	34.2
Other current assets	31.9	44.5
	-----	-----
Total current assets	376.2	216.2
Investments	460.8	423.1
Properties, net of depreciation	1,344.3	1,337.4
Other assets	35.2	32.1
	-----	-----
Total assets	\$ 2,216.5	\$ 2,008.8
	=====	=====
Liabilities and Stockholders' Equity		
Current portion of long-term debt	\$ 10.0	\$ 10.0
Accounts payable	35.7	47.7
Accrued liabilities	141.9	128.6
	-----	-----
Total current liabilities	187.6	186.3
Long-term debt	570.1	572.6
Deferred income taxes	396.6	392.8
Other	97.3	104.2
Stockholders' equity	964.9	752.9
	-----	-----
Total liabilities and stockholders' equity	\$ 2,216.5	\$ 2,008.8
	=====	=====

