

KANSAS CITY SOUTHERN
Form FWP
December 16, 2008
**Issuer Free Writing Prospectus
Issued December 15, 2008**

**Term Sheet to
Prospectus Supplement
Registration Statement No. 333-155601
Dated December 15, 2008
Rule 433**

**The Kansas City Southern Railway Company
\$190,000,000 13% SENIOR NOTES DUE 2013**

The following information supplements the Preliminary Prospectus Supplement of The Kansas City Southern Railway Company (KCSR), dated December 15, 2008, filed as part of Registration Statement Number 333-155601 in relation to the 13% Senior Notes due 2013.

Title of Securities:	13% Senior Notes due 2013 (the Notes)
Aggregate Principal Amount Offered:	\$190,000,000
Maturity:	December 15, 2013
Price to Public:	88.405% per Note and accrued interest, if any
Net Proceeds to KCSR after Expenses:	\$164,169,500
Underwriting Discount:	2%
Interest Rate:	13%
Yield:	16.5%
Interest Payment Dates:	June 15 and December 15 of each year, beginning on June 15, 2009
Record Dates:	June 1 and December 1
Optional Redemption:	<p>KCSR may redeem some or all of the Notes prior to December 15, 2011 by paying either 101% of the principal amount of the Notes or a make whole premium, whichever is greater, plus, in each case, accrued and unpaid interest, if any, as set forth in the prospectus supplement.</p> <p>KCSR may redeem the Notes, in whole or in part, at any time on or after December 15, 2011. The redemption price for the Notes (expressed as a percentage of principal amount) will be as follows, plus accrued and unpaid interest to the redemption date, if redeemed during the 12-month period commencing on December 15 of any year set forth below:</p>

Year	Redemption Price
2011	113.0%
2012	106.5%

In addition, at any time prior to December 15, 2010, KCSR may, on one or more occasions, redeem up to 35% of the aggregate principal amount of the Notes with net cash proceeds from specified equity offerings at the redemption price of 113% of the principal amount thereof, plus accrued and unpaid interest, if any.

Tax Treatment: The Notes will be issued with original issue discount (**OID**) for U.S. federal income tax purposes and U.S. Holders will be required to accrue **OID** into gross income on a constant yield basis in advance of the receipt of some or all of the cash attributable to such **OID**, regardless of their regular method of tax accounting.

Trade Date: December 15, 2008

Settlement Date: December 18, 2008

CUSIP: 485188 AH9

Underwriter	Principal Amount
Morgan Stanley & Co. Incorporated	\$ 87,400,000
Banc of America Securities LLC	\$ 57,000,000
Scotia Capital (USA) Inc.	\$ 30,400,000
BMO Capital Markets	\$ 7,600,000
SunTrust Robinson Humphrey, Inc.	\$ 7,600,000