KANSAS CITY SOUTHERN
Form 8-K
July 11, 2002

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 11, 2002

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

ADOPTION OF STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 142.

Effective January 1, 2002, Kansas City Southern ("KCS" or the "Company") adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"). SFAS 142 provides, among other things, that

goodwill with an indefinite life shall no longer be amortized, but shall be evaluated for impairment on an annual basis. SFAS 142 also requires various transitional disclosures until all periods presented reflect the provisions of SFAS 142. These transitional disclosures include the presentation of income before extraordinary items, net income and earnings per share information adjusted to exclude amortization expense (including the related income tax effects) for all periods presented. A reconciliation of reported income from continuing operations to adjusted income from continuing operations, reported income before extraordinary items to adjusted income before extraordinary items, reported net income to adjusted net income and reported earnings per share to adjusted earnings per share are presented in the table below.

	Year Ended December 31,		
	1999	2000	2001
Reported income from continuing operations	$ 10.2	$ 25.4	$ 31.1
Add back: Goodwill amortization	0.6	0.6	0.6
Adjusted income before extraordinary items	$ 10.8	$ 26.0	$ 31.7
Reported income from discontinued operations	$ 313.1	$ 363.8	$ -
Add back: Goodwill amortization	9.7	5.7	-
Adjusted income before extraordinary items	$ 322.8	$ 369.5	$ -
Reported income before extraordinary items	$ 323.3	$ 389.2	$ 31.1
Add back: Goodwill amortization	10.3	6.3	0.6
Adjusted income before extraordinary items	$ 333.6	$ 395.5	$ 31.7
Reported net income	$ 323.3	$ 380.5	$ 30.7
Add back: Goodwill amortization	10.3	6.3	0.6
Adjusted net income	$ 333.6	$ 386.8	$ 31.3
Reported diluted earnings per share from continuing operations	$ 0.17	$ 0.43	$ 0.51
Add back: Goodwill amortization	0.01	0.01	0.01
Adjusted diluted earnings per share from continuing operations	$ 0.18	$ 0.44	$ 0.52
Reported diluted earnings per share from discontinued operations	$ 5.40	$ 6.14	$ -
Add back: Goodwill amortization	0.17	0.10	-
Adjusted diluted earnings per share from discontinued operations	$ 5.57	$ 6.24	$ -
Reported diluted earnings per share - net income	$ 5.57	$ 6.42	$ 0.50

Add back: Goodwill amortization	0.18	0.11	0.01
Adjusted diluted earnings per share - net income	$ 5.75	$ 6.53	$ 0.51

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.

Kansas City Southern

Date: July 11, 2002 By: /s/ Louis G. Van Horn

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