



KIRBY CORPORATION

FOR IMMEDIATE RELEASE

KIRBY CORPORATION ANNOUNCES RECORD FOURTH QUARTER AND YEAR 2000 RESULTS

- **EBITDA rose 53 percent on a 40 percent increase in revenues for year 2000**
- **Transportation operating margin increased to 18.7 percent in 2000 fourth quarter versus 16.9 percent last year**

Houston, Texas (January 31, 2001) - Kirby Corporation ("Kirby") (NYSE: KEX) reported that for the fourth quarter ended December 31, 2000, net earnings were a record \$9,088,000, or \$.38 per share, compared with \$3,974,000, or \$.16 per share, for the 1999 fourth quarter. The results for both quarters include non-recurring charges and credits which are set out below.

For the 2000 year, net earnings were \$34,113,000, or \$1.39 per share, up from \$21,441,000, or \$1.01 per share, in 1999. The results for both years include non-recurring charges and credits.

Joe Pyne, Kirby's President and Chief Executive Officer, commented, "The 2000 fourth quarter net earnings of \$.38 per share and 2000 year net earnings of \$1.39 per share are record results for Kirby. Our EBITDA results of \$33,615,000, or \$1.39 per share, for the 2000 fourth quarter and \$130,132,000, or \$5.30 per share, for the 2000 year are also a record. Revenues for the 2000 fourth quarter and year were at record levels as well. This performance reflects the continuing benefits of the successful integration of Kirby and Hollywood Marine. We have taken the best of both companies and have emerged as a stronger company, positioned to capture future efficiencies and poised for future growth, both internally and externally."

Revenues for the marine transportation segment for the 2000 year were \$443,203,000 and for the fourth quarter were \$110,413,000. Results of Hollywood Marine are included in Kirby's 1999 marine transportation results from October 12, 1999, the date of acquisition. On a pro forma combined basis, assuming that the Hollywood merger was completed at the beginning of 1999, revenues for the marine transportation segment were \$422.4 million for 1999 and \$112.3 million for the fourth quarter of 1999. Revenues for 2000 were 4.9 percent above pro forma 1999 revenues, but fourth quarter 2000 revenues declined 1.7 percent from a year ago. Increased revenues from contract

price increases and the recovery of higher fuel costs were more than offset by weather delays, more maintenance days and slowing demand in this year's fourth quarter. The transportation segment's operating margin increased to 18.7 percent in the fourth quarter of 2000 from 16.9 percent in the 1999 fourth quarter.

Although the Gulf Coast engine overhaul market began to recover in 2000, the diesel engine services segment experienced weakness in the East Coast and West Coast engine rebuild markets and the industrial rail market, which resulted in a 7.0 percent decline in year 2000 revenues. However, the diesel segment reported an operating margin of 8.8 percent for the 2000 fourth quarter compared with 8.0 percent for the 1999 fourth quarter. For the 2000 year, the operating margin was 10.0 percent compared with 9.6 percent last year.

With a slowing U.S. economy, many of Kirby's inland transportation customers are projecting reduced demand for their products, which could result in a more modest growth rate for Kirby over the next year. Assuming that volumes for 2001 are similar to those in the second half of 2000, earnings per share are likely to be in the \$1.45 to \$1.55 range. EBITDA, correspondingly, would total \$133 to \$137 million, or \$5.56 to \$5.73 per share. Capital spending should be in the range of \$55 to \$60 million and will include six new tank barges to replace single skin barges scheduled to be retired. In addition, five asphalt capable barges will be built to satisfy new opportunities arising from the Hollywood merger.

Kirby has scheduled a conference call at 3:00 p.m. (CST) today, January 31, 2001, to discuss its 2000 fourth quarter results and 2001 first quarter and year outlook. The conference call number is 888-220-3092 and the international number is 312-470-0079. The passcode for the conference call is "Kirby" and the leader's name is "Steve Holcomb". An audio playback will be available for seven days following the conference call by dialing 800-964-3941 and 402-998-1025 for international callers.

Kirby Corporation, based in Houston, Texas, operates 777 inland tank barges, with 14.1 million barrels of capacity, and 219 towing vessels, transporting chemicals, petrochemicals, refined petroleum products, black oil and agricultural chemicals throughout the United States' inland waterway system. Through its diesel engine services segment, Kirby provides after-market service for large medium-speed diesel engines used in marine, power generation, industrial, nuclear and rail applications.

Statements contained in this press release with respect to the future are forward-looking statements. These statements reflect management's reasonable judgement with respect to future events. Forward-looking statements involve risks and uncertainties. Actual results could differ materially from those anticipated as a result of various factors, including cyclical or other downturns in demand, significant pricing competition, unanticipated additions to industry capacity, changes in the Jones Act or in U. S. maritime policy and practice, fuel costs, interest rates, weather conditions and the timing, magnitude and the number of acquisitions made by Kirby. A list of additional risk factors can be found in Kirby's annual report on Form 10K for the year ended December 31, 1999, filed with the Securities and Exchange Commission.

A summary of the results for the fourth quarter and year is set forth below.

	Fourth Quarter		Year	
	2000	1999	2000	1999
	(in thousands, except per share amounts)			
Revenues by reportable segment:				
Marine transportation.....	\$110,413	\$105,984	\$443,203	\$290,956
Diesel engine services	<u>16,459</u>	<u>16,580</u>	<u>69,441</u>	<u>74,648</u>
	<u>\$126,872</u>	<u>\$122,564</u>	<u>\$512,644</u>	<u>\$365,604</u>
Operating profits by reportable segment:				
Marine transportation.....	\$ 20,682	\$ 17,878	\$ 78,100	\$ 47,525
Diesel engine services.....	<u>1,456</u>	<u>1,330</u>	<u>6,955</u>	<u>7,129</u>
	22,138	19,208	85,055	54,654
Equity in earnings (loss) of marine affiliates	932	(271)	3,394	2,136
Gain (loss) on sale of assets.....	(3)	56	1,161	64
Other (expense) income	(172)	(148)	(629)	692
General corporate expenses.....	(1,775)	(1,620)	(7,053)	(4,814)
Merger related (charges) credit.....	283	(4,502)	(199)	(4,502)
Interest expense.....	<u>(6,001)</u>	<u>(5,435)</u>	<u>(23,917)</u>	<u>(12,838)</u>
Earnings before taxes on income	15,402	7,288	57,812	35,392
Provision for taxes on income	<u>(6,314)</u>	<u>(3,314)</u>	<u>(23,699)</u>	<u>(13,951)</u>
Net earnings	<u>\$ 9,088</u>	<u>\$ 3,974</u>	<u>\$ 34,113</u>	<u>\$ 21,441</u>
Earnings per share of common stock:				
Basic.....	\$.38	\$.17	\$ 1.40	\$ 1.01
Diluted	\$.38	\$.16	\$ 1.39	\$ 1.01
Common stock outstanding:				
Basic.....	24,076	24,054	24,401	21,172
Diluted	24,131	24,143	24,566	21,293
Operating margins:				
Marine transportation.....	18.7%	16.9%	17.6%	16.3%
Diesel engine services.....	8.8%	8.0%	10.0%	9.6%
Capital expenditures	\$ 9,951	\$ 1,657	\$ 47,683	\$ 12,719
Acquisitions of companies.....	\$ 7,942	\$320,788	\$ 7,942	\$320,788

	Fourth Quarter		Year	
	2000	1999	2000	1999
(in thousands, except per share amounts)				
EBITDA:				
Earnings before taxes on income	\$ 15,402	\$ 7,288	\$ 57,812	\$ 35,392
Interest expense.....	6,001	5,435	23,917	12,838
Depreciation and amortization	12,495	10,991	48,204	31,278
Impairment of offshore vessel.....	—	1,065	—	1,065
Merger related charges (credit).....	<u>(283)</u>	<u>4,502</u>	<u>199</u>	<u>4,502</u>
	<u>\$ 33,615</u>	<u>\$ 29,281</u>	<u>\$130,132</u>	<u>\$ 85,075</u>
 EBITDA per share - diluted.....	 \$ 1.39	 \$ 1.21	 \$ 5.30	 \$ 4.00
 Long-term debt, including current portion			\$293,372	\$321,607
 Stockholders' equity			\$262,649	\$240,036
 Debt to capitalization ratio			52.8%	57.3%
Treasury stock acquired:				
Shares	687	30	860	713
Purchase price.....	\$ 12,441	\$ 524	\$ 15,791	\$ 12,362
Price per share	\$ 18.12	\$ 17.47	\$ 18.37	\$ 17.33
 Average cost per gallon of fuel consumed.....	 \$.96	 \$.60	 \$.84	 \$.48

A summary of the fourth quarter and year net earnings as reported, and the net earnings before non-recurring charges follows:

	Fourth Quarter		Year	
	2000	1999	2000	1999
(in thousands, except per share amounts)				
Net earnings	\$ 9,088	\$ 3,974	\$ 34,113	\$ 21,441
Non-recurring charges, net of taxes:				
Merger related charges (credit).....	(184)	2,912	130	2,912
Impairment of offshore vessel.....	—	<u>692</u>	—	<u>692</u>
Net earnings before non-recurring charges	<u>\$ 8,904</u>	<u>\$ 7,578</u>	<u>\$ 34,243</u>	<u>\$ 25,045</u>
Earnings per share (diluted):				
Net earnings	\$.38	\$.16	\$ 1.39	\$ 1.01
Non-recurring charges, net of taxes:				
Merger related charges (credit).....	(.01)	.12	—	.14
Impairment of offshore vessel.....	—	<u>.03</u>	—	<u>.03</u>
Net earnings before non-recurring charges	<u>\$.37</u>	<u>\$.31</u>	<u>\$ 1.39</u>	<u>\$ 1.18</u>