



KIRBY CORPORATION

FOR IMMEDIATE RELEASE

KIRBY CORPORATION 2003 FIRST QUARTER NET EARNINGS GUIDANCE LOWERED TO \$.26 - \$.30 PER SHARE

- **2003 first quarter earnings guidance lowered to \$.26 to \$.30 per share from previous guidance of \$.36 to \$.40 per share, and compared with \$.36 per share for the first quarter last year**
- **2003 first quarter earnings negatively impacted by a spike in diesel fuel prices and transportation delays due to navigational and lock issues**

Houston, Texas (March 18, 2003) – Kirby Corporation (“Kirby”) (NYSE:KEX) announced today that it is lowering its earnings guidance for the 2003 first quarter to \$.26 to \$.30 per share from previous guidance of \$.36 to \$.40 per share. The revised earnings guidance compares with 2002 first quarter earnings of \$.36 per share.

Joe Pyne, Kirby’s President and Chief Executive Officer, commented, “Very poor weather, major repairs to a lock on the Gulf Intracoastal Waterway and rapidly escalating fuel prices, not lower business levels, are the factors causing Kirby to revise its first quarter forecast. Not only have our transit times been slower, but we also have been forced to use additional horsepower to meet scheduling demands.”

Navigational delays due to fog along the Gulf Coast, both high and low water issues on the Mississippi River, and major repairs to a critical lock on the Gulf Intracoastal Waterway, have resulted in increased transit times. Navigational delays increase transit times, which reduce revenues and increase operating expenses. For the 2003 first quarter, Kirby estimates that navigational delays will increase by 18% when compared with the first quarter of 2002.

During the 2003 first quarter, Kirby has also experienced a significant increase in its fuel costs. The average price per gallon consumed in the first two months of 2003 was \$1.00, up 22% from the 2002 fourth quarter average of 82 cents, and 72% higher than the 2002 first quarter average of 58 cents. Currently, Kirby is paying an average of \$1.20 per gallon. Approximately 70% of Kirby’s marine transportation revenue is from term contracts, which contain fuel escalation clauses allowing increases or decreases in fuel prices to be passed through to the customers; however, there is a 30 to 90 day delay before contracts are adjusted for fuel costs. The balance of Kirby’s marine transportation revenue is from spot market business, and market forces dictate whether spot market pricing will allow Kirby to recover fuel cost increases. The increase in fuel costs in the 2003 first quarter is anticipated to cost Kirby an estimated \$.04 to \$.05 per share of net earnings.

Joe Pyne further commented, “Although we have adjusted earnings for the first quarter, our transportation markets continue to be at least consistent with the last half of 2002, except for fertilizer, which is being affected by high natural gas prices. The fertilizer season will be delayed until early in the second quarter. Given the uncertainty in the economy, our current business

levels are actually somewhat encouraging. We have been and are continuing to prepare Kirby for an upturn in the economy. Last year, we acquired Cargill's tank barge fleet, part of Coastal Towing's tank barge fleet and signed a barge management agreement for the balance of their active fleet, and purchased the Dow Union Carbide tank barge fleet. In the first quarter of 2003, we acquired ExxonMobil's inland tank barge operation. We also recently completed a \$250 million, interest only, 10-year private placement, which adds a significant long-term component to our capital structure and frees up our \$150 million bank revolving credit facility. All of this puts us in great shape for the future."

Kirby has scheduled a conference call for 10:00 a.m. central time, Thursday, March 20, 2003, to discuss the impact of the fuel and navigational delays, as well as current market conditions. The conference call number is 888-810-4795 for domestic callers and 630-395-0212 for international callers. The passcode is Kirby and the leader's name is Steve Holcomb. An audio playback will be available starting at approximately 12:00 noon central time on March 20 through 5:00 p.m. on Friday, April 18, 2003, by dialing 800-947-1214 for domestic callers and 402-220-3470 for international callers. The conference call can also be accessed by visiting Kirby's homepage at <http://www.kirbycorp.com/> or at <http://www.vcall.com/>. A replay will be available on each of those Web Sites following the conference call.

Kirby Corporation, based in Houston, Texas, operates 911 inland tank barges and 226 inland towing vessels, transporting petrochemicals, refined petroleum products, black oil and agricultural chemicals throughout the United States inland waterway system. Through the diesel engine services segment, Kirby provides after-market service for large medium-speed diesel engines used in marine, power generation and industrial, and rail applications.

Statements contained in this press release with respect to the future are forward-looking statements. These statements reflect management's reasonable judgment 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 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 10-K for the year ended December 31, 2002, filed with the Securities and Exchange Commission.

CONFERENCE CALL INFORMATION

Date:	March 20, 2003
Time:	10:00 a.m. central time
U.S.:	888-810-4795
Int'l:	630-395-0212
Leader:	Steve Holcomb
Passcode:	Kirby
Webcast:	http://www.kirbycorp.com/