



KIRBY CORPORATION

FOR IMMEDIATE RELEASE

**KIRBY CORPORATION ANNOUNCES RECORD
FIRST QUARTER RESULTS**

- ◆ **Earnings per share were a first quarter record of \$0.28 versus \$0.25 a year ago**
- ◆ **EBITDA per share reaches \$1.19 compared with \$1.13 in last year's quarter**
- ◆ **Debt to capitalization reduced to 50.4 %**
- ◆ **2001 year earnings estimate of \$1.45 to \$1.55 per share reconfirmed**

Houston, Texas (April 19, 2001) — Kirby Corporation ("Kirby") (NYSE:KEX) today reported record net earnings for the 2001 first quarter of \$6,755,000, or \$0.28 per share, compared with \$6,067,000, or \$0.25 per share, for the 2000 first quarter. Record first quarter revenues were \$133.1 million compared with \$126.5 million for last year's first quarter.

Joe Pyne, Kirby's President and Chief Executive Officer, commented, "Our record results for the 2001 first quarter are at the top of our publicly announced earnings range of \$0.24 to \$0.28 per share. The favorable results reflect unseasonably strong refined products and fertilizer markets. These results were offset in part by a declining chemical and petrochemical market, and by more severe winter weather and high water conditions than we experienced during last year's first quarter. The first quarter is historically our lowest earnings quarter due to inefficiencies and delays caused by winter weather and water conditions."

The first quarter 2001 results reflect only a nominal amount of earnings contribution from the long-term leasing in February 2001 of 94 inland tank barges from a subsidiary of The Dow Chemical Company ("Dow"). During a transition period, estimated to be 90 to 180 days, the leased barges are being employed by Kirby exclusively in Dow's Union Carbide service prior to being integrated into the Kirby fleet under the terms of Kirby's long-term contract with Dow.

Marine transportation revenue gains in the 2001 first quarter were due to increased volumes in the refined products and fertilizer markets and the 94 leased inland tank barges from Dow. Since the 2000 third quarter, chemical and petrochemical volumes have flattened, and in some cases volumes have actually declined, the result of the slowdown in the U.S. economy and continued economic uncertainty. In addition, many of Kirby's inland transportation customers have experienced a reduced demand for their products.

The diesel engine services segment reported higher revenue and operating income during the 2001 first quarter compared with the first quarter of 2000, primarily due to the acquisitions in the 2000 fourth quarter of two service companies. Diesel engine services benefited from a strong East Coast field service market, a favorable Great Lakes market and a strong Gulf Coast drilling and offshore supply vessel market. The rail market and West Coast fishing market continued to experience weakness.

During the 2001 first quarter, Kirby continued to reduce its debt to capitalization ratio. As of December 31, 1999, following Kirby's acquisition of Hollywood Marine, Inc., the debt to capitalization ratio was 57.3%, and was reduced to 52.8% as of December 31, 2000 and to 50.4% as of March 31, 2001.

In the press release dated January 31, 2001, Kirby stated that, assuming volumes for 2001 are similar to those in the second half of 2000, earnings per share were likely to be in the \$1.45 to \$1.55 per share range. Based on the first quarter 2001 results of \$0.28 per share, and an anticipated second quarter earnings per share range of \$0.38 to \$0.42, the \$1.45 to \$1.55 earnings per share projection for the 2001 year remains obtainable.

Kirby has scheduled a conference call at 10:00 a.m. (CDT) today, April 19, 2001, to discuss the 2001 first quarter results and the 2001 second quarter and year outlook. The conference call number is 888-220-3092 for domestic callers and 312-470-0079 for international callers. The pass code for the conference call is "Kirby" and the leader's name is Steve Holcomb. An audio playback will be available starting at approximately 12:00 p.m. (CDT) on April 19 through 5:00 p.m. (CDT) on Friday, April 27, 2001, by dialing 800-839-5108 for domestic callers and 402-998-1207 for international callers.

The first quarter results conference call will also be available online at www.streetfusion.com. The web cast will begin at 10:00 a.m. (CDT), with a replay available beginning shortly after completion of the live call. The replay will be available through Friday, May 18, 2001.

Kirby Corporation, based in Houston, Texas, operates 871 inland tank barges, with 15.6 million barrels of capacity, and 215 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 10-K for the year ended December 31, 2000, filed with the Securities and Exchange Commission.

-- Tables Follow --

A summary of the results for the first quarter is set forth below.

Condensed Statements of Earnings

	<u>First Quarter</u>	
	<u>2001</u>	<u>2000</u>
	(unaudited, \$ in thousands except per share amounts, consolidated basis)	
Revenues by reportable segment:		
Marine transportation.....	\$ 111,951	\$ 107,502
Diesel engine services.....	<u>21,177</u>	<u>18,954</u>
	<u>\$ 133,128</u>	<u>\$ 126,456</u>
Operating profits by reportable segment:		
Marine transportation.....	\$ 15,750	\$ 15,030
Diesel engine services.....	<u>2,229</u>	<u>2,037</u>
	17,979	17,067
Equity in earnings of marine affiliates.....	716	837
Other expense.....	(460)	(107)
General corporate expenses.....	(1,641)	(1,651)
Interest expense.....	<u>(5,144)</u>	<u>(5,863)</u>
Earnings before taxes on income	11,450	10,283
Provision for taxes on income.....	<u>(4,695)</u>	<u>(4,216)</u>
Net earnings	<u>\$ 6,755</u>	<u>\$ 6,067</u>
Earnings per share of common stock:		
Basic.....	\$ 0.28	\$ 0.25
Diluted.....	\$ 0.28	\$ 0.25
Common stock outstanding:		
Basic.....	23,987	24,493
Diluted.....	24,095	24,594

Supplemental Information

	<u>First Quarter</u>	
	<u>2001</u>	<u>2000</u>
	(unaudited, \$ in thousands except per share and per gallon amounts, condensed and consolidated basis)	
Operating margins:		
Marine transportation	14.1 %	14.0 %
Diesel engine services	10.5 %	10.7 %
EBITDA:		
Earnings before taxes on income	\$ 11,450	\$ 10,283
Interest expense	5,144	5,863
Depreciation and amortization	<u>12,093</u>	<u>11,761</u>
	<u>\$ 28,687</u>	<u>\$ 27,907</u>
EBITDA per share – diluted	\$ 1.19	\$ 1.13
Long-term debt, including current portion	\$ 275,188	\$ 310,523
Stockholders' equity	\$ 270,775	\$ 246,167
Debt to capitalization ratio	50.4 %	55.8 %
Capital expenditures	\$ 15,272	\$ 13,311
Average cost per gallon of fuel consumed	\$ 0.84	\$ 0.79

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