KIRBY CORPORATION

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FOR IMMEDIATE RELEASE

KIRBY CORPORATION ANNOUNCES SECOND QUARTER RESULTS AND ADOPTION OF SHAREHOLDER RIGHTS PLAN

Houston, Texas (July 20, 2000) — Kirby Corporation ("Kirby") (NYSE:KEX) reported net earnings for the 2000 second quarter of $9,880,000, or $.40 per share. Net earnings for the 1999 second quarter were $6,602,000, or $.33 per share. The 2000 second quarter results included the acquisition in October 1999 of Hollywood Marine, Inc., accounted for under the purchase method of accounting.

The 2000 second quarter included a $1,035,000 pretax gain ($647,000 after taxes) from the sale of an inland towboat, the result of Kirby's ongoing efforts to optimize horsepower requirements. Kirby also recognized an additional merger related charge of $482,000 ($313,000 after taxes) associated with the early termination of the lease of Kirby's former corporate headquarters. The net effect of the gain and the charge increased the 2000 second quarter net earnings by $334,000, or $.01 per share.

Product volumes carried by Kirby remained strong during the 2000 second quarter. Spot market rates were higher than contract rates, and contract renewals generally reflected modest increases. The marine transportation segment's operating margin for the 2000 second quarter was 19.1% compared with 17.9% for the 1999 second quarter.

The 2000 second quarter revenues and operating profits of the diesel engine services segment were 10% below the 1999 second quarter due to softness in its East Coast engine rebuild market, as well as its Midwest marine and rail markets. The segment did benefit from modest improvements from the Gulf Coast drilling and offshore supply vessel market. The segment's operating margin for the 2000 second quarter remained steady at 10.6%.

Joe Pyne, Kirby's President and Chief Executive Officer, commented, "Our second quarter results of $.40 per share are record earnings, reflecting our strong inland markets as well as progress in capturing the operating synergies and efficiencies

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allowed by the integration of Kirby and Hollywood. We are pleased with our progress to date."

At its meeting on July 18, 2000, the Kirby Board of Directors adopted a shareholder rights plan to protect Kirby's shareholders from unfair takeover tactics by third parties. The plan is similar to ones adopted by numerous other companies.

The plan entails a distribution of one right for each outstanding share of Kirby common stock. The rights will not be exercisable until a person or group acquires 15% of Kirby's common stock or commences a tender offer that would result in ownership of 15% of Kirby's common stock. In the event that the rights become exercisable, all holders of rights other than the acquirer will be entitled to purchase Kirby common stock at a 50% discount.

The rights are not being distributed in response to any specific effort to acquire control of Kirby and the Board of Directors is not aware of any such effort. The rights are not intended to prevent a takeover but are designed to assure that all Kirby's stockholders receive fair treatment in the event of any takeover and to guard against coercive or abusive tactics to gain control of Kirby.

Kirby Corporation, based in Houston, Texas, operates 774 inland tank barges, with 14.0 million barrels of capacity, and 229 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 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, and weather conditions. A list of additional risk factors can be found in Kirby's annual report on Form 10-K for the year ended December 31, 1999, filed with the Securities and Exchange Commission.

A summary of the results for the second quarter and first six months is set forth below.

	Second Quarter		Six months ended June 30,	
	2000	1999	2000	1999
	(in thousands, except per share amounts)			
Revenues by reportable segment:				
Marine transportation	$ 111,940	$ 63,672	$ 219,442	$ 121,401
Diesel engine services	18,268	20,383	37,222	41,135
	$ 130,208	$ 84,055	$ 256,664	$ 162,536
Operating profits by reportable segment:				
Marine transportation	$ 21,350	$ 11,415	$ 36,380	$ 18,318
Diesel engine services	1,945	2,164	3,982	4,281
	23,295	13,579	40,362	22,599
Equity in earnings of marine affiliates	804	609	1,641	1,490
Gain on sale of assets	1,019	3	1,068	35
Other (expense) income	(95)	191	(251)	346
General corporate expenses	(1,837)	(1,135)	(3,488)	(2,256)
Merger related charge	(482)	—	(482)	—
Interest expense	(5,964)	(2,569)	(11,827)	(5,114)
Earnings before taxes on income	16,740	10,678	27,023	17,100
Provision for taxes on income	(6,860)	(4,076)	(11,076)	(6,497)
Net earnings	$ 9,880	$ 6,602	$ 15,947	$ 10,603
Earnings per share of common stock:				
Basic	$ .40	$ .33	$ .65	$ .52
Diluted	$ .40	$ .33	$ .65	$ .52
Common stock outstanding:				
Basic	24,524	20,103	24,509	20,230
Diluted	24,751	20,220	24,673	20,341
EBITDA (Earnings before interest, taxes, depreciation, amortization and merger related charge)	$ 34,940	$ 20,076	$ 62,847	$ 35,723
Depreciation and amortization	$ 11,754	$ 6,829	$ 23,515	$ 13,509
Capital expenditures	$ 14,791	$ 3,925	$ 28,102	$ 9,382