



KIRBY CORPORATION

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FOR IMMEDIATE RELEASE

KIRBY CORPORATION ANNOUNCES 2000 THIRD QUARTER RESULTS

Houston, Texas (October 19, 2000) — Kirby Corporation ("Kirby") (NYSE:KEX) reported net earnings for the 2000 third quarter of \$9,078,000, or \$.37 per share, compared with \$6,864,000, or \$.34 per share, for the 1999 third quarter. The 2000 third quarter results include the acquisition in October 1999 of Hollywood Marine, Inc. accounted for under the purchase method of accounting.

Joe Pyne, Kirby's President and Chief Executive Officer, commented "Our results of \$.37 per share are record third quarter earnings. The record results were achieved despite some softness in certain transportation markets we serve. Our strong third quarter performance continues to reflect evidence of cost savings, efficiencies and synergies resulting from the Hollywood merger. We are on track to achieve record earnings for the 2000 year at a double-digit earnings growth rate."

The transportation segment's operating margin for the 2000 third quarter improved when compared with the same period during 1999 from 17.8% to 18.6%. However, the third quarter was impacted by higher fuel costs, lower refined products volumes and some softness in the chemical industry caused by a slower economy and inventory adjustments. The effect of higher fuel prices on Kirby's earnings was approximately \$.02 per share.

The diesel engine services segment's operating margin for the 2000 third quarter was 9.6% compared with 9.0% for the 1999 third quarter. Revenues reflect lower parts sales and some softness in the engine rebuild market and rail market. This weakness was partially offset by a strong Gulf Coast drilling and offshore supply vessel market.

At Kirby's regularly scheduled Board of Directors meeting on October 17, 2000, Richard C. Webb was appointed to serve on the Kirby Board, replacing Philip J. Burguieres, who resigned on September 25, 2000 for personal reasons. Mr. Webb is Executive Vice President of Sanders Morris Harris, a regional investment banking firm located in Houston. Sanders Morris Harris is the successor to the recently merged

companies Sanders Morris Mundy and Harris, Webb & Garrison. Mr. Webb served as President of Harris, Webb & Garrison.

Kirby has scheduled a conference call at 10:00 a.m. (CDT) today, October 19, 2000, to discuss its 2000 third quarter results and fourth quarter outlook. The conference call number is 888-220-3092 and the international call 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 774 inland tank barges, with 14.0 million barrels of capacity, and 228 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, 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, 1999, filed with the Securities and Exchange Commission.

A summary of the results for the third quarter and first nine months is set forth below.

	<u>Third Quarter</u>		<u>Nine months ended September 30,</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	(in thousands, except per share amounts)			
Revenues by reportable segment:				
Marine transportation.....	\$ 113,348	\$ 63,571	\$ 332,790	\$ 184,972
Diesel engine services.....	<u>15,760</u>	<u>16,933</u>	<u>52,982</u>	<u>58,068</u>
	<u>\$ 129,108</u>	<u>\$ 80,504</u>	<u>\$ 385,772</u>	<u>\$ 243,040</u>
Operating profits by reportable segment:				
Marine transportation.....	\$ 21,038	\$ 11,329	\$ 57,418	\$ 29,647
Diesel engine services.....	<u>1,517</u>	<u>1,518</u>	<u>5,499</u>	<u>5,799</u>
	22,555	12,847	62,917	35,446
Equity in earnings of marine affiliates....	821	917	2,462	2,407
Gain (loss) on sale of assets	96	(27)	1,164	8
Other (expense) income.....	(206)	494	(457)	840
General corporate expenses.....	(1,790)	(938)	(5,278)	(3,194)
Merger related charge.....	—	—	(482)	—
Interest expense.....	<u>(6,089)</u>	<u>(2,289)</u>	<u>(17,916)</u>	<u>(7,403)</u>
Earnings before taxes on income.....	15,387	11,004	42,410	28,104
Provision for taxes on income.....	<u>(6,309)</u>	<u>(4,140)</u>	<u>(17,385)</u>	<u>(10,637)</u>
Net earnings	<u>\$ 9,078</u>	<u>\$ 6,864</u>	<u>\$ 25,025</u>	<u>\$ 17,467</u>
Earnings per share of common stock:				
Basic.....	\$.37	\$.34	\$ 1.02	\$.87
Diluted.....	\$.37	\$.34	\$ 1.01	\$.86
Common stock outstanding:				
Basic.....	24,511	20,117	24,510	20,192
Diluted.....	24,791	20,287	24,712	20,322
EBITDA (Earnings before interest, taxes, depreciation, amortization and merger related charge).....	<u>\$ 33,670</u>	<u>\$ 20,071</u>	<u>\$ 96,517</u>	<u>\$ 55,794</u>
Depreciation and amortization	<u>\$ 12,194</u>	<u>\$ 6,778</u>	<u>\$ 35,709</u>	<u>\$ 20,287</u>
Capital expenditures	<u>\$ 9,630</u>	<u>\$ 1,680</u>	<u>\$ 37,732</u>	<u>\$ 11,062</u>