



*Putting America's Waterways to Work*

**NYSE: KEX**

**November 2016**

# Forward Looking Statements

## Non-GAAP Financial Measures

Statements contained in this presentation 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 the timing, magnitude and the number of acquisitions made by Kirby. Forward-looking statements are based on currently available information and Kirby assumes no obligation to update such statements. A list of additional risk factors can be found in Kirby's annual report on Form 10-K For the year ended December 31, 2015 filed with the Securities and Exchange Commission.

Kirby reports its financial results in accordance with generally accepted accounting principles (GAAP). However, Kirby believes that a certain Non-GAAP financial measure is useful in managing Kirby's businesses and evaluating Kirby's performance. This presentation contains a Non-GAAP financial measure, EBITDA. Please see the Appendix for a reconciliation of GAAP to the Non-GAAP financial measure, EBITDA.

# Business Segments

## Marine Transportation

*The largest inland and coastwise tank barge fleets in the United States*

**84% of 2016YTD<sup>1</sup> Revenue**



## Diesel Engine Services

*Nationwide service provider and distributor of diesel engines, transmissions, parts, and oilfield service equipment*

**16% of 2016YTD<sup>1</sup> Revenue**





# Public Market Information

Share Price  
on November 2, 2016 **\$60.25**

Shares Outstanding  
(as of November 2, 2016) 53.9MM

Market Capitalization \$3,247MM

Net Debt  
(as of October 27, 2016) \$740MM

Enterprise Value \$3,987MM

**NYSE: KEX**



# Company Overview



## Marine Transportation

- **Largest combined inland and coastal tank barge operator**
  - 881 inland tank barges and 227 towboats
  - 68 coastal tank barges and 80 tugboats
  - 80% of inland revenues under term contracts, of which approximately 52% are under time charters
  - 78% of coastal revenues under term contracts, of which approximately 90% are under time charters

## Diesel Engine Services

- **Nationwide diesel engine services and parts provider for medium-speed and high-speed diesel engines**
- **Manufacturer, remanufacturer and service provider of oilfield service equipment**

## Return on Capital Driven Investment Decisions

## Proven Acquisition Strategy

*Successful integration of 32 marine and 18 diesel acquisitions*

# Marine Transportation Acquisitions

Shipper Owned (Red)    Independent (Green)    \* Towboats Only

Date	Tank Barges	Description
1986	5	Alliance Marine
1989	35	Alamo Inland Marine Co.
1989	53	Brent Towing Company
1991	3	International Barge Lines, Inc.
1992	38	Sabine Towing & Transportation Co.
1992	26	Ole Man River Towing, Inc.
1992	29	Scott Chotin, Inc.
1992	*	South Texas Towing
1993	72	TPT, Division of Ashland
1993	*	Guidry Enterprises
1993	53	Chotin Transportation Company
1994	96	Dow Chemical (transportation assets)
1999	270	Hollywood Marine, Inc. – Stellman, Alamo Barge Lines, Ellis Towing, Arthur Smith, Koch Ellis, Mapco
2002	15	Cargo Carriers
2002	64	Coastal Towing, Inc. (barge management agreement for 54 barges)
2002	94	Dow/Union Carbide (transportation assets)

Date	Tank Barges	Description
2003	64	SeaRiver Maritime (ExxonMobil)
2005	10	American Commercial Lines (black oil fleet)
2006	*	Capital Towing
2007	37	Coastal Towing, Inc. (operated barges since 2002 under barge management agreement)
2007	11	Midland Marine Corporation (operated as leased barges)
2008	6	OFS Marine One (operated as leased barges)
2011	*	Kinder Morgan (Greens Bayou fleet)
2011	21	Enterprise Marine (ship bunkering)
2011	58	K-Sea Transportation (coastal operator)
2011	3	Seaboats, Inc. (coastal transportation assets)
2012	17	Lyondell Chemical Co. (transportation assets)
2012	10	Allied Transportation Co. (coastal transportation assets)
2012	18	Penn Maritime Inc. (coastal operator)
2015	6	Martin Midstream Partners (pressure barges)
2016	27	SEACOR Holdings Inc. (inland barge assets)
2016	4	Hollywood/Texas Olefins, Ltd. ("TPC") (unowned 50% partnership interest in pressure barges)





# Diesel Engine Services Expansions

## Acquisitions

1987	National Marine
1991	Ewing Diesel
1995	Percle Enterprises
1996	MKW Power Systems
1997	Crowley (Power Assembly Shop)
2000	West Kentucky Machine Shop
2000	Powerway
2004	Walker Paducah Corp.
2005	TECO (Diesel Services Division)
2006	Global Power Holding Company
2006	Marine Engine Specialists
2007	NAK Engineering (Nordberg Engines)
2007	P&S Diesel Service
2007	Saunders Engine & Equipment Company
2008	Lake Charles Diesel, Inc.
2011	United Holdings LLC
2012	Flag Services & Maintenance, Inc.
2016	Valley Power Systems, Inc.

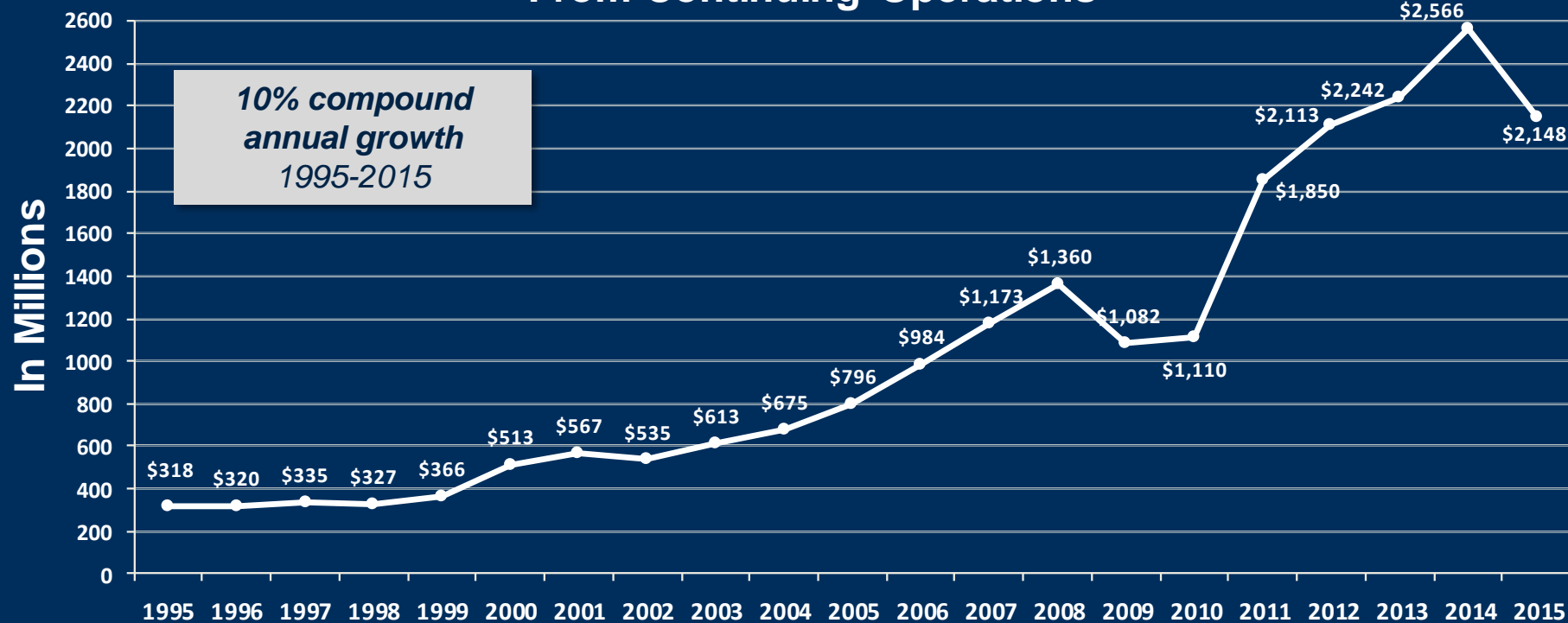
## Internal Growth

1989	Midwest
1992	Seattle
2000	Cooper Nuclear



# Historical Revenue Growth

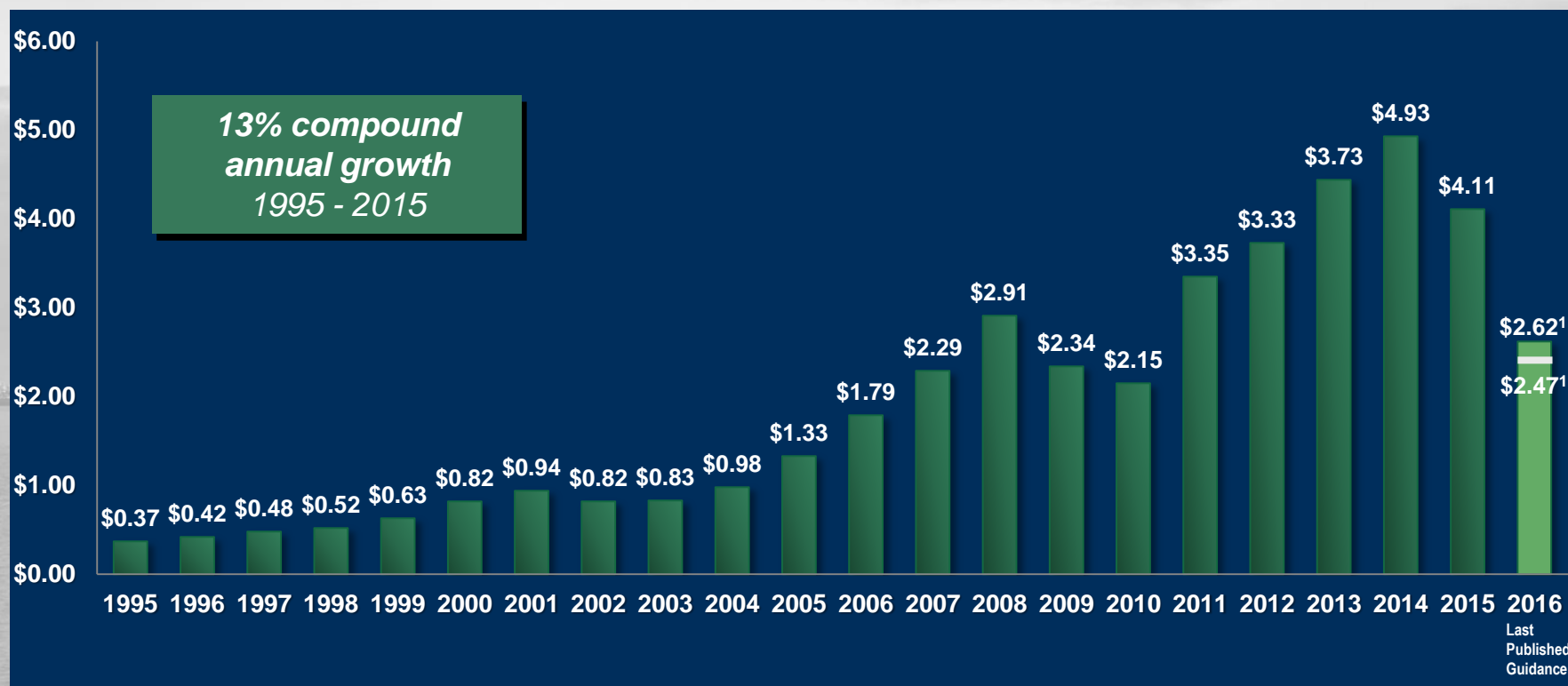
## Marine Transportation and Diesel Engine Services Revenue From Continuing Operations





# Historical EPS Growth

*Earnings Per Share From Continuing Operations Excluding Non-Recurring Items*



See Appendix for reconciliation of GAAP to Non-GAAP earnings per share

Earnings per share have been revised to reflect 2-for-1 stock split effective May 31, 2006

<sup>(1)</sup> Based on Kirby's most recently published earnings guidance in the October 26, 2016 press release announcing earnings for the 2016 third quarter. That guidance is shown for convenience only and does not constitute confirming or updating the guidance, which will only be done by public disclosure.

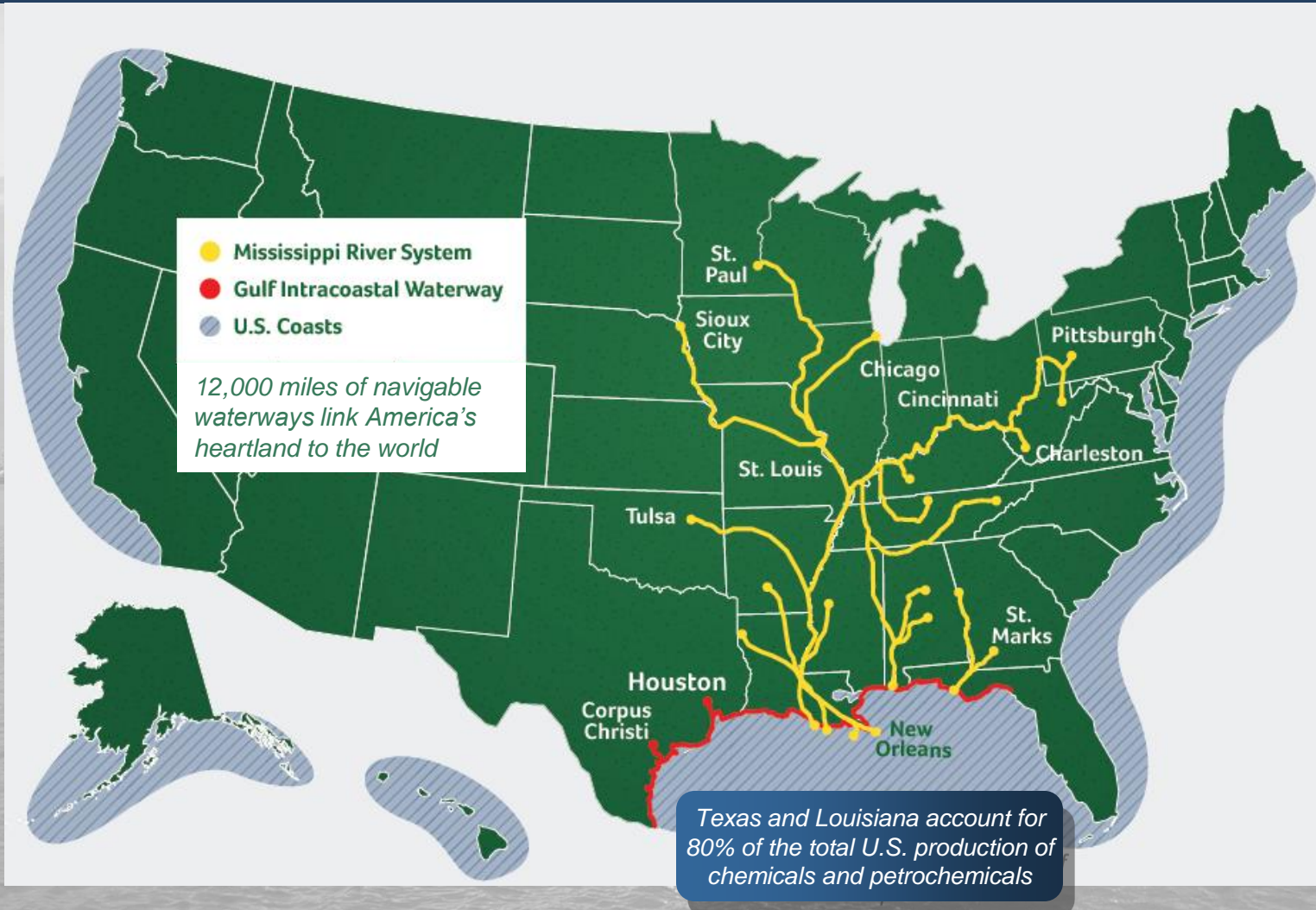


# MARINE TRANSPORTATION





# U.S. Inland and Coastal Waterway Systems







# Barge Industry Facts

**The U.S. barge industry serves the inland waterways, U.S. coastal ports, Alaska and Hawaii**

- The inland barge fleet is comprised of approximately 18,000 dry cargo barges and 3,900 liquid tank barges
- The coastal market, including Alaska and Hawaii, encompasses approximately 290 tank barges that are 195,000 barrels or smaller

**Kirby is principally in the liquid cargo transportation business**

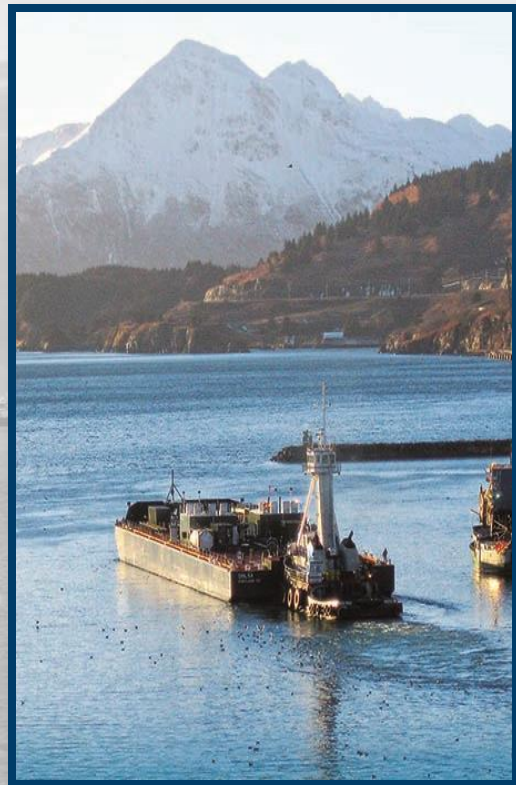
**No competition from foreign companies due to a U.S. law known as the Jones Act**

**Equipment not subject to economic obsolescence because draft, lock and port restrictions limit the size of barges**

**Barges are mobile, carry wide range of cargoes and service different geographic markets**

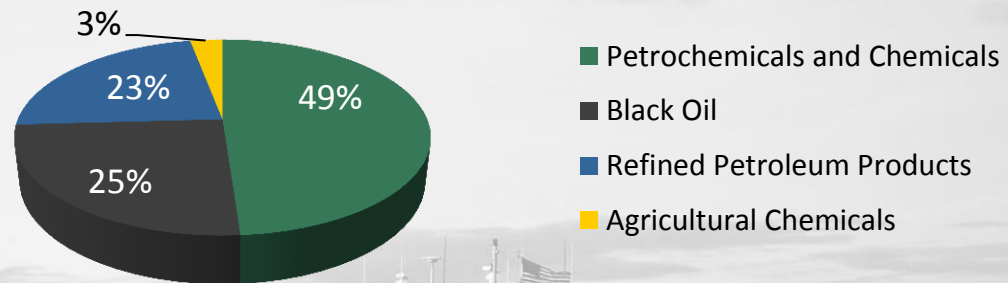
**Water transportation plays a vital role in the U.S. economy**











**U.S. waterway systems are an environmentally friendly mode of transportation**



# Marine Transportation Demand Drivers

Revenue by Product\*



Markets and Products Moved	Products	Drivers
 <b>Petrochemicals and Chemicals</b>	Benzene, Styrene, Methanol, Naphtha, Acrylonitrile, Xylene, Caustic Soda, Butadiene, Propylene	  Consumer Durables  Consumer Non-Durables
 <b>Black Oil</b>	Residual Fuel Oil, Coker Feedstock, Vacuum Gas Oil, Asphalt, Carbon Black Feedstock, Crude Oil, Ship Bunkers	 <b>Fuel for Power Plants and Ships, Feedstock for Refineries, Road Construction</b>
 <b>Refined Petroleum Products</b>	Gasoline, No. 2 Oil, Jet Fuel, Heating Oil, Diesel Fuel, Ethanol	 <b>Vehicle Usage, Air Travel, Weather, Refinery Utilization</b>
 <b>Agricultural Chemicals</b>	Anhydrous Ammonia, Nitrogen-based Liquid Fertilizer, Industrial Ammonia	 <b>Corn, Cotton, Wheat Production, Chemical Feedstock Usage</b>



# Strong Emphasis on Safety

- **Safety is the first and foremost concern in everything we do**
- Our customers place a high value on safety
- **Safe operations are good for morale and benefit financial performance in the long run**
- Extensive company-owned and operated training facility (towboat simulator)



Pictured above is our towboat simulator where wheelhouse crew can gain repetitive practice navigating in extreme conditions and high-risk scenarios



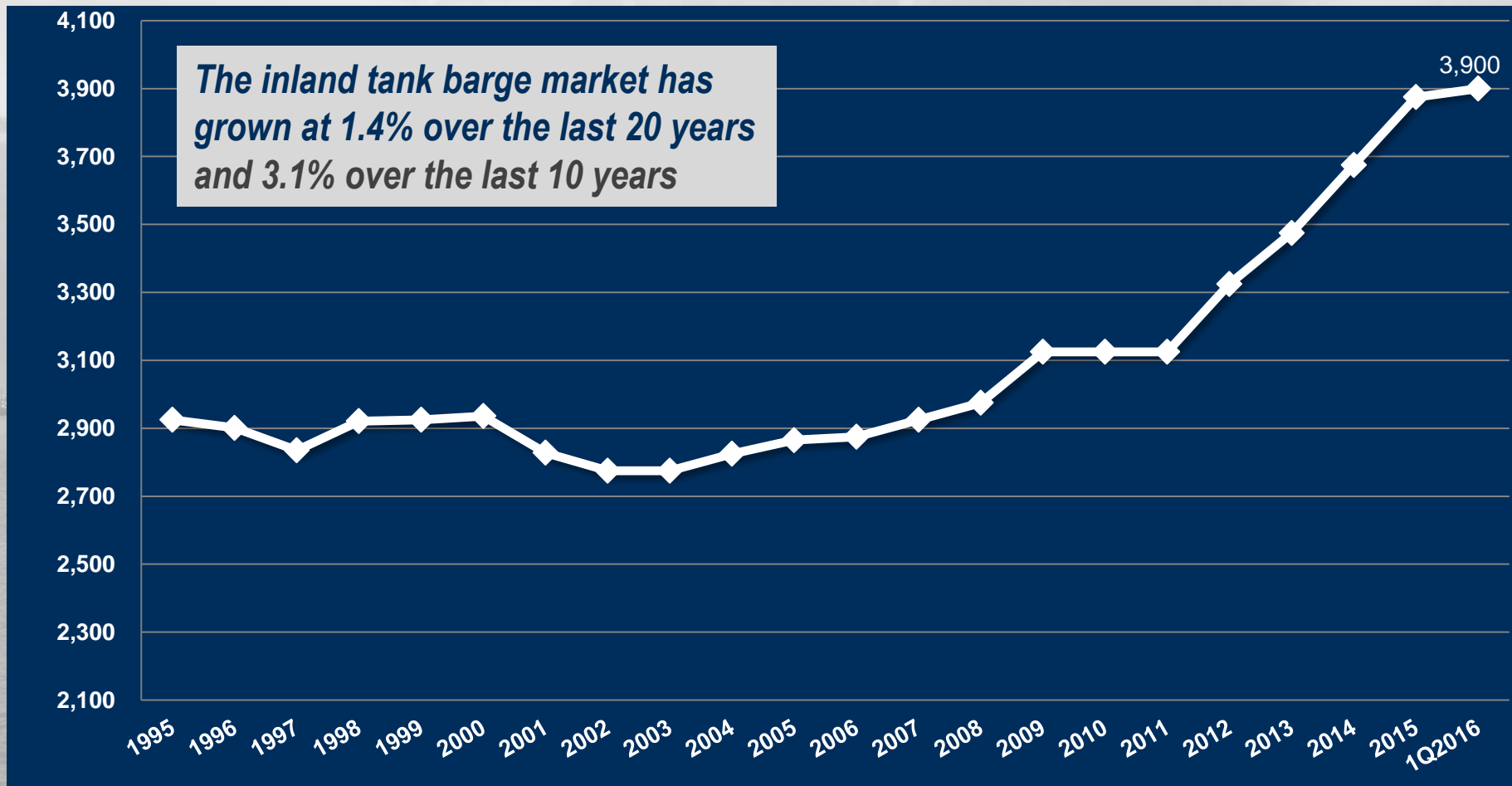


# Inland Tank Barge Markets



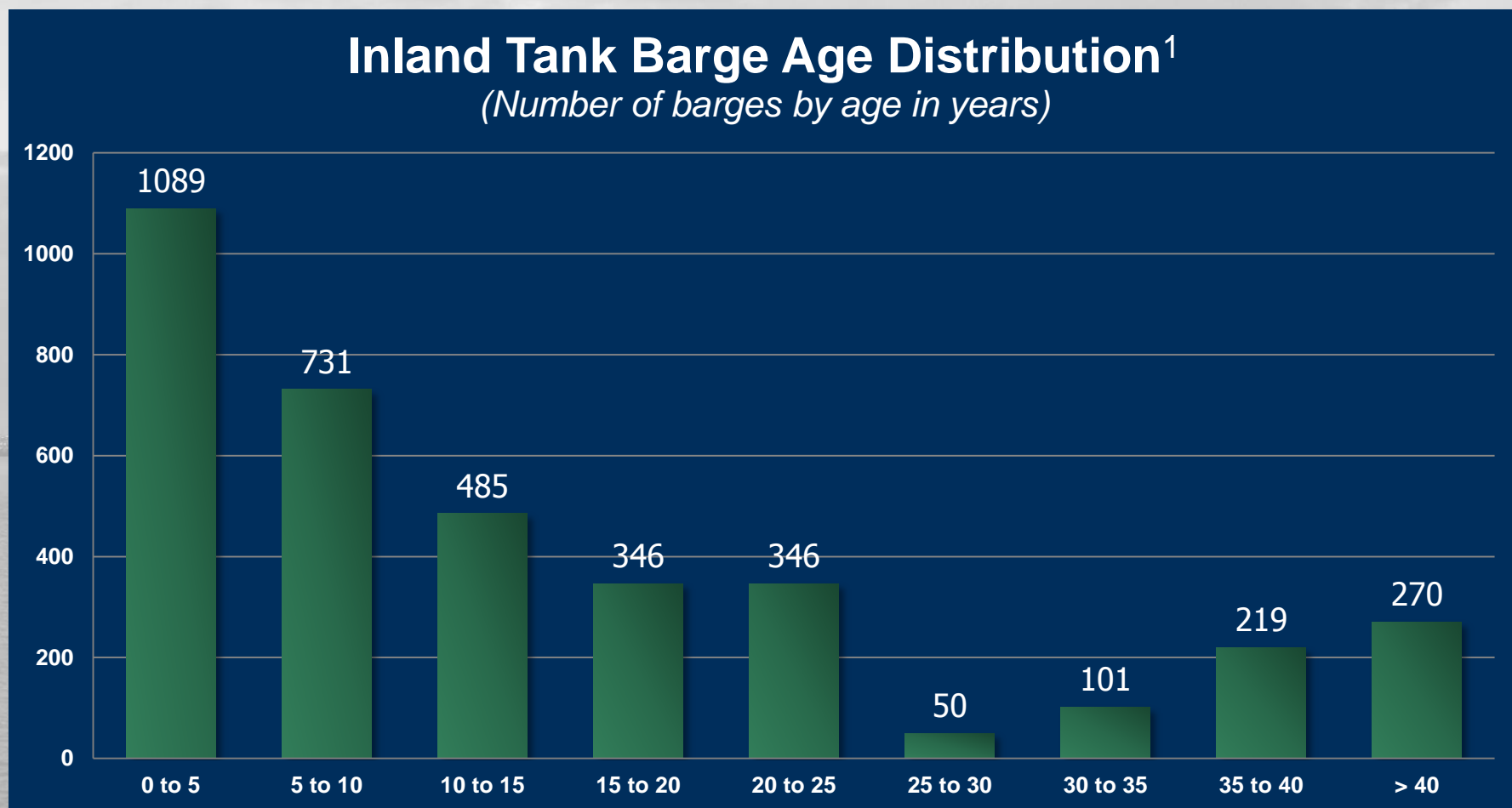
# Number of Inland Tank Barges

*Estimated for the years 1995 through March 31, 2016*



Source: Informa Economics, Barge Fleet Profile, March 2016 - Adjusted

# Inland Tank Barge Fleet Age Profile



<sup>(1)</sup> The total of 3,637 barges in this chart is unadjusted from the Informa Economics, Barge Fleet Profile      Source: Informa Economics, Barge Fleet Profile, March 2016



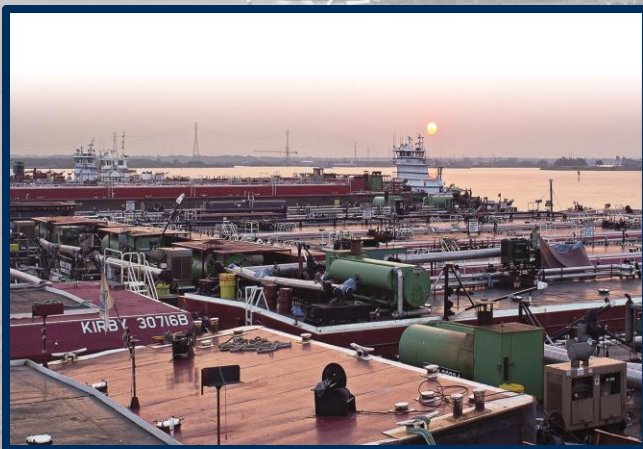
# Inland Fleet Size and Flexibility

## *Better Asset Utilization*



### **Tank Barge Fleet**

- **Large fleet facilitates better asset utilization**
  - More backhaul opportunities
  - Faster barge turnarounds
  - Diversity of barge products and spot opportunities
  - Less cleaning



### **Towboat Fleet**

- **Operated an average of 227 towboats during the 2016 third quarter of which 69 were chartered**
- **Chartered towboats used to balance horsepower with demand**

# Kirby Inland Fleet by Barge Type\*

689

## Petrochemicals / Refined Products

-High capacity pumps -Specialty coated tanks

121

## Black Oil & Bunkering

-Self-contained heating systems

56

## Pressure

-Pressurized tanks

10

## Anhydrous Ammonia

-Refrigeration tanks

5

## Specialty

-Stainless steel tanks



# Inland Barge Fleet by Operator

Shipper Owned Independent	Tank Barges Operated	Dry Cargo Barges Operated
Kirby Corporation	881	-
American Commercial Lines LLC	432	3,823
Canal Barge Company, Inc.	309	403
Ingram Barge Company	219	4,252
MPLX ("Hardin St. Marine")	213	-
Florida Marine	205	270
Higman Barge Lines, Inc.	184	-
Blessey Marine Services	168	-
Settoon Towing, LLC	131	-
Enterprise Products Partners	130	-
American River Transportation Co.	101	1,772
LeBeouf Brothers Towing Co	84	-
Magnolia Marine Transport Co.	75	-
Southern Towing Company	69	-
Genesis Energy, L.P.	66	-
Cenac Towing	65	-
PPG Industries, Inc.	56	-
Devall Barge Line	55	-
Golding Barge Lines, Inc.	51	-
Martin Midstream Partners	47	-
John W. Stone Oil	41	-
Westlake Vinyl	37	-
Chem Carriers, Inc.	36	-

	Tank Barges Operated	Dry Cargo Barges Operated
Buffalo Marine Service, Inc.	34	-
Accu Trans Marine	33	-
Harley Marine Gulf	23	-
Rhodia, Inc.	20	-
Targa	20	-
NGL Energy Partners	19	-
River City Towing Services	17	-
Olin Corporation (Blue Cube)	15	-
Progressive Barge Line	10	-
AgriChem Marine	8	-
Apex Towing Company	7	-
Merichem Company	6	-
Natures Way Marine	5	-
Mon River Towing, Inc.	4	-
Highland Marine	4	-
TW LaQuay Marine, LLC	4	-
Parker Towing Company	3	-
Campbell Transportation	3	557
Plaquemine Towing	3	-
Oakley Barge Line	2	-
Other dry cargo carriers	-	7,264
<b>TOTAL</b>	<b>3,895</b>	<b>18,341</b>





# Coastal Tank Barge Markets





# Coastal Tank Barge Markets

**Largest operator of coastal tank barges and towing vessels participating in the regional distribution of refined petroleum products, black oil, and distribution of petrochemicals between PADDs**

**Fleet consists of 68 tank barges with 6.0 million barrels of capacity and 80 tugboats**

**Operates along the U.S. East, West and Gulf Coasts, and in Alaska and Hawaii**

**195,000 barrel and smaller tank barges, which represent all of Kirby's coastal fleet, have the flexibility to access ports inaccessible to larger vessels, while still delivering large volumes of product**

**Adding to fleet capacity, with the following under construction:**

Two 155,000 barrel, 6000 horsepower ATBs for approximately \$65 million each.  
Deliveries expected in 2016 fourth quarter and 2017 first half

One 35,000 barrel petrochemical tank barge with delivery expected in early-2017

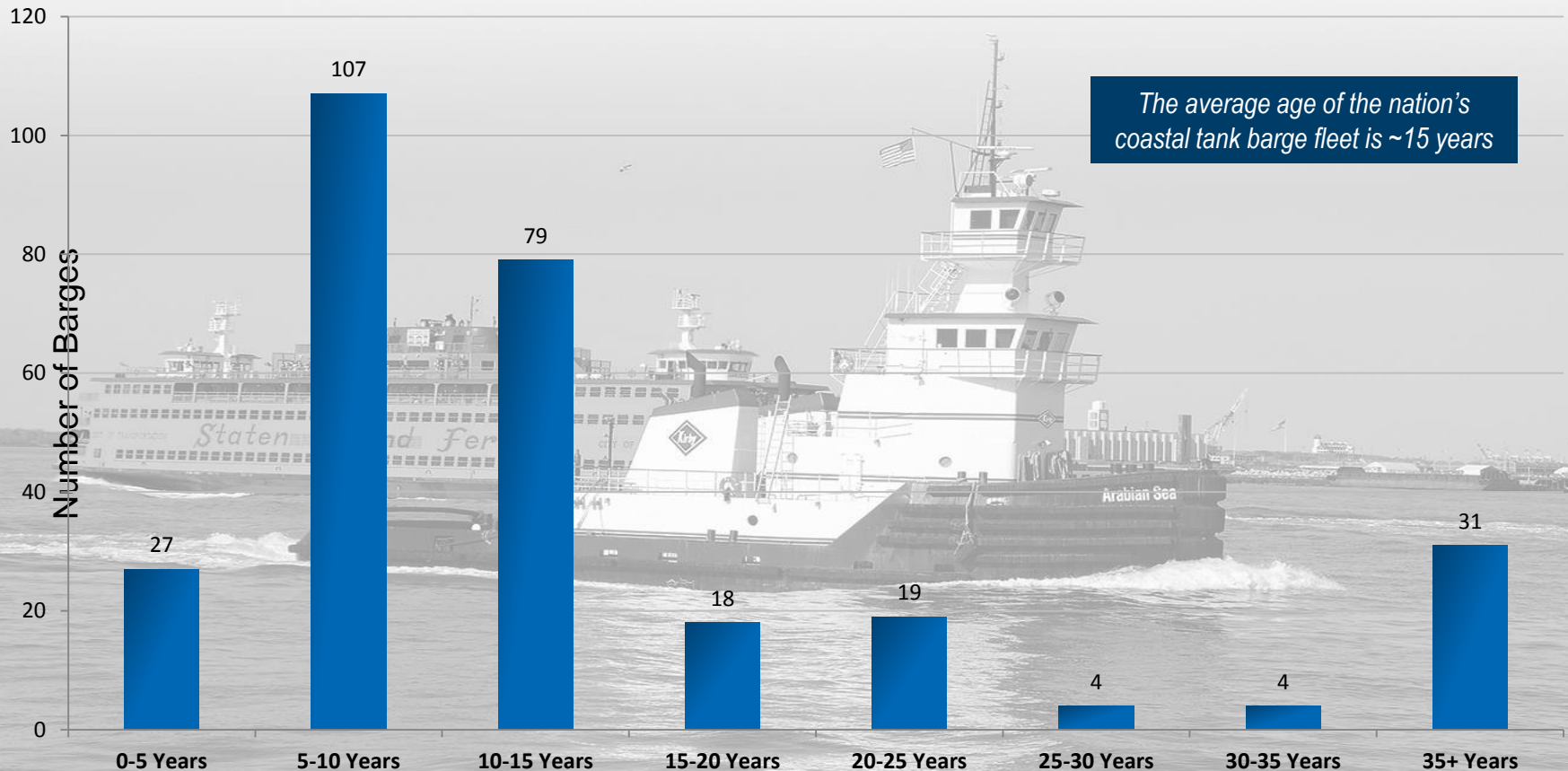
Two 4900 horsepower tugboats with delivery expected in 2017



# Coastal Tank Barge Age Profile

## Coastal Barge Market Age Profile

*Number of barges by age*





# Coastal Tank Barge Owners

*Kirby is Well-Positioned in U.S. Coastal Markets*

	Coastal Tank Barges Operated *	Estimated Barrel Capacity* (MM)
Vane Brothers	74	2.7
Kirby Corporation	68	6.0
Harley Marine	33	1.6
Reinauer Transportation	26	2.1
Bouchard Transportation <sup>1</sup>	23	2.4
Crowley Marine <sup>2</sup>	14	2.4
Moran Towing	12	1.4
Saltchuk Resources (Foss Maritime)	10	0.3
Genesis Energy L.P.	9	0.9
Sause Brothers	8	0.7
U.S. Shipping Corporation	4	0.6
Martin Gas Marine	3	0.3
Kuehne Chemical	2	0.1
Poling & Cutler	2	0.1
Overseas Shipholding Group <sup>3</sup>	1	0.2
Occidental Chemical Corporation	1	0.1
	<b>290</b>	<b>21.9</b>

(1) Excludes three vessels over 250,000 barrels

(2) Excludes the "750 class", three ATBs with capacity of 327,000 barrels/ea.

(3) Excludes nine ATBs with capacity of 200,000 barrels or greater

\* Tank barges with 195,000 barrels capacity or less



Kirby Engine Systems



United Holdings

# DIESEL ENGINE SERVICES



# Diesel Engine Services

Revenue Distribution *	Markets	Services Offered	Customers and Market Drivers
43%	Land-Based	Distributes and services high-speed diesel engines and transmissions, and manufactures, remanufactures and services oilfield service equipment, including hydraulic fracturing equipment	<ul style="list-style-type: none"> <li>• Oilfield Services</li> <li>• Oil &amp; Gas Operators and Producers</li> <li>• Power Generation</li> <li>• Transportation</li> </ul>
40%	Marine	Overhaul, repair and replacement parts provider for medium-speed and high-speed diesel engines, reduction gears, transmissions, starters, governors and marine clutches	<ul style="list-style-type: none"> <li>• Inland, Coastal and Harbor Waterways Carriers – Dry and Liquid</li> <li>• Offshore Oil &amp; Gas Services</li> <li>• Offshore Towing – Dry and Liquid</li> <li>• Harbor Towing</li> <li>• Dredging</li> <li>• Great Lakes Ore Carriers</li> </ul>
17%	Power Generation, Nuclear and Industrial	Overhaul, repair and replacement parts provider for medium-speed diesel engines and provides diesel engine-generator set upgrades	<ul style="list-style-type: none"> <li>• Standby Power Generation</li> <li>• Pumping Stations</li> <li>• Industrial Reduction Gears</li> </ul>

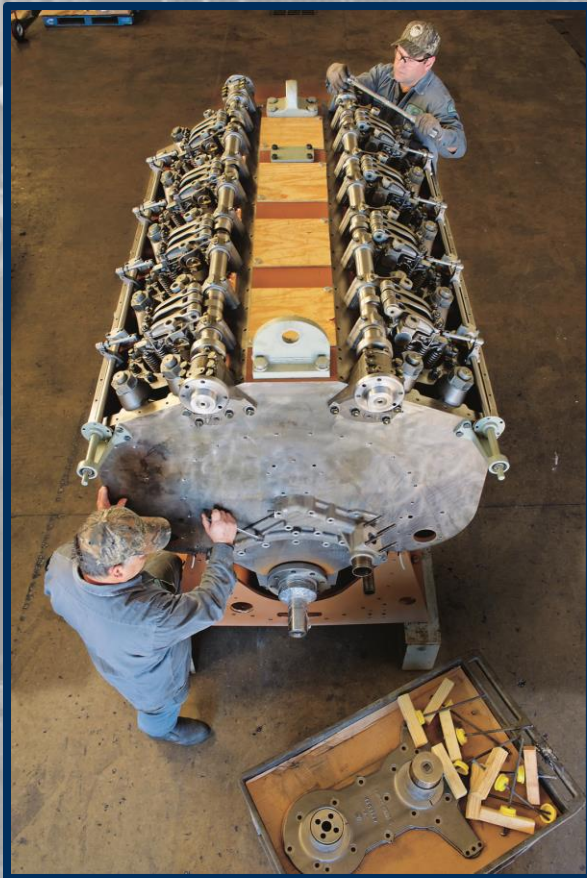
\* For the nine months ended September 30, 2016





# Diesel Engine Services

## Engines, Transmissions and Reduction Gears



### Medium-Speed

- Electro-Motive Diesel (EMD)
- Cooper-Bessemer
- Nordberg

### High-Speed

- Caterpillar
- Cummins
- MTU
- Detroit Diesel
- John Deere
- Isuzu

### Transmissions/ Reduction Gears

- Allison
- Falk
- Twin Disc



# Land-Based Oil Services Market



**One of the largest diesel engine service providers to the land-based oil services market**

**Hydraulic fracturing technology has significantly expanded and reduced the cost of producing U.S. natural gas and oil reserves**

**Manufacturer and remanufacturer of oilfield equipment used in the hydraulic fracturing of shale formations**

**Approximate installed base of 15 million horsepower of frac equipment; most require some form of major service every three to five years**

**Heavy duty cycle associated with fracturing drives need for service and parts**





# Pressure Pumping Market Size

Estimated North American Pressure  
Pumping Horsepower (*millions*)  
2003-2016E

Each pressure pumping unit is  
~2,250 hp and must be replaced or  
remanufactured every 3-5 years







# OUTLOOK





# 2016 Guidance

- Published 2016 fourth quarter guidance of \$0.45 to \$0.60 per share, versus \$0.94 for the 2015 fourth quarter <sup>(1)</sup>
- Published 2016 full year guidance of \$2.47 to \$2.62 per share, versus \$4.11 for 2015 <sup>(1)</sup>
- **Marine Transportation:**
  - Inland utilization in the low-80% to high-80% range
  - Coastal utilization in the low-80% to mid-80% range
  - Continued pricing pressure on inland and coastal tank barge term contract renewals
  - Additional coastal vessels shifting from term contracts to trade in the spot market
- **Diesel Engine Services:**
  - Weak demand for engines, transmissions and parts in the land-based markets, partially offset by high demand for pressure pumping unit service and remanufacturing
  - Anticipate continued weakness in the Gulf of Mexico marine market related to the offshore oilfield services market, with possibility of further marine project deferrals in other regions
  - Normal fourth quarter seasonal decline in the other marine and power generation markets

<sup>(1)</sup> Based on Kirby's most recently published earnings guidance in the October 26, 2016 press release announcing earnings for the 2016 third quarter. That guidance is shown for convenience only and does not constitute confirming or updating the guidance, which will only be done by public disclosure.





# FINANCIAL HIGHLIGHTS

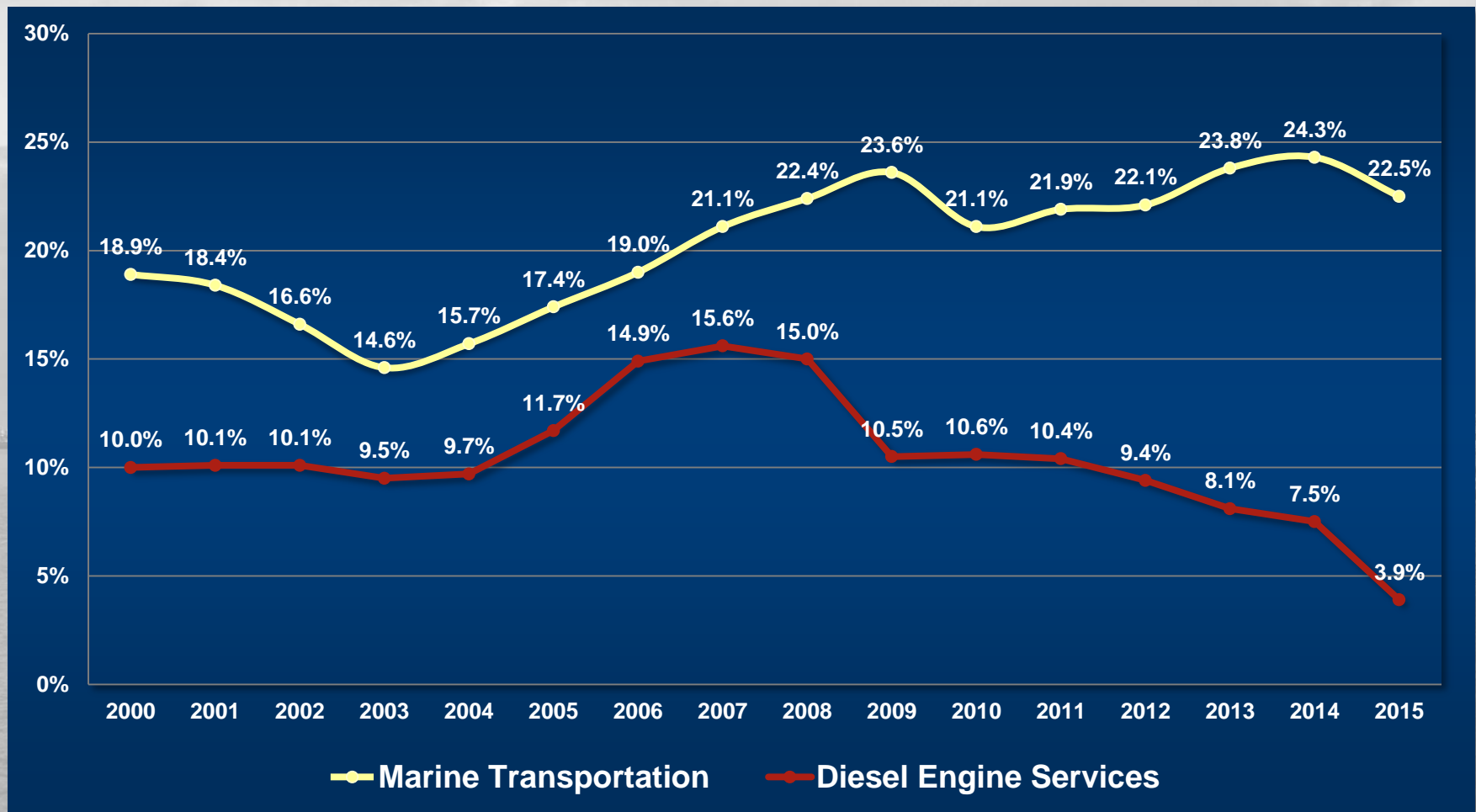




# For the nine months ended September 30, 2016

Income Statement	2016	2015	Change from 2015	
			\$	%
Revenues:				
Marine Transportation	\$ 1,116M	\$ 1,263M	\$ (147)M	(12)%
Diesel Engine Services	<u>219</u>	<u>400</u>	<u>(181)</u>	<u>( 45)</u>
Total	\$ <u>1,335M</u>	\$ <u>1,663M</u>	\$ <u>(328)M</u>	<u>(20)%</u>
Operating Income:				
Marine Transportation	\$ 198M	\$ 287M	\$ (89)M	(31)%
Diesel Engine Services	2	19	(17)	(89)
Corporate Expenses	<u>(12)</u>	<u>(10)</u>	<u>(2)</u>	<u>(20)</u>
	188	296	(108)	(36)
Other Income	-	-	-	-
Interest Expense	<u>(13)</u>	<u>(14)</u>	<u>1</u>	<u>7</u>
Pre-Tax Earnings	175	282	(107)	(38)
Taxes	<u>(65)</u>	<u>(105)</u>	<u>40</u>	<u>(38)</u>
Net Earnings	\$ <u>110M</u>	\$ <u>177M</u>	\$ <u>(67)M</u>	<u>(38)%</u>
Earnings Per Share	\$ <u>2.02</u>	\$ <u>3.17</u>	\$ <u>(1.15)</u>	<u>(36)%</u>

# Operating Margins



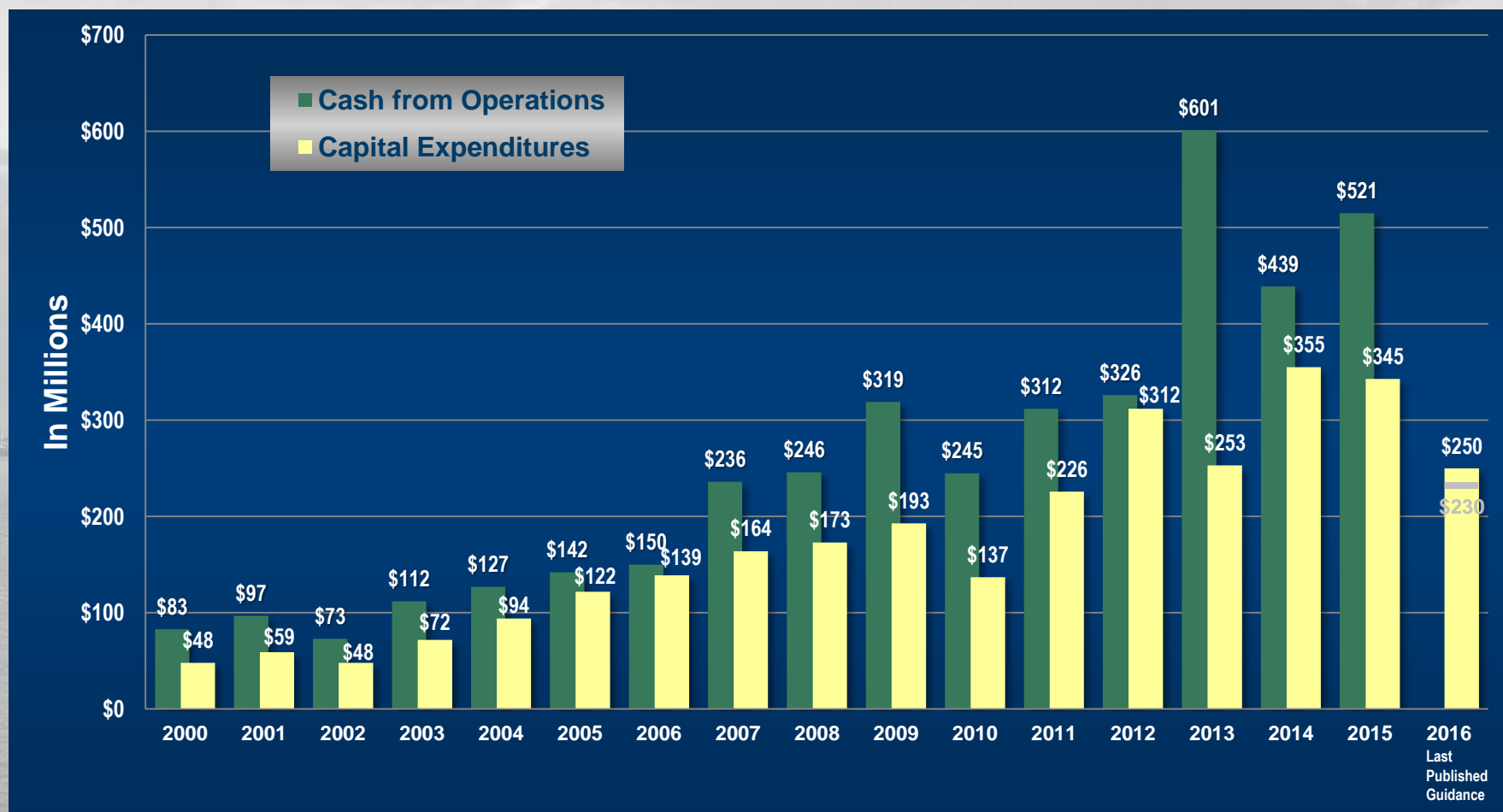


# EBITDA Per Share Growth



See Appendix for reconciliation of GAAP net earnings to Non-GAAP EBITDA

# Cash Flows

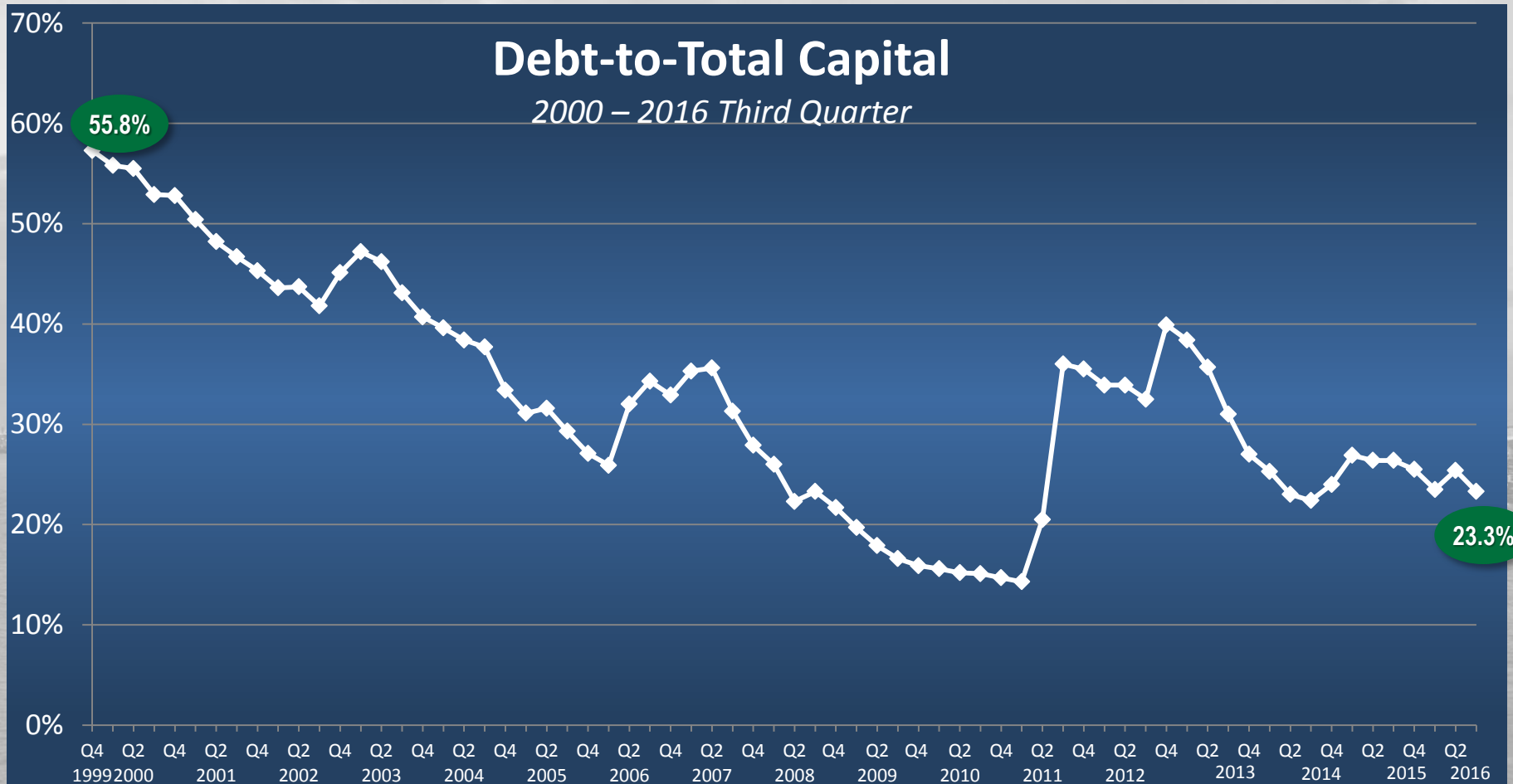




# Capital Structure

## Debt-to-Total Capital

2000 – 2016 Third Quarter





# Financial Strength

- **Investment grade rating**
  - Standard & Poor's: BBB+, stable outlook
  - Moody's: Baa2, stable outlook
- **\$500 million unsecured Private Placement**
  - \$150 million 7-year maturity at 2.72%
  - \$350 million 10-year maturity at 3.29%
  - Proceeds used for Penn Maritime acquisition and to replace \$200 million Private Placement in February 2013
- **\$550 million Bank Revolving Credit Facility**
  - Signed April 30, 2015, replacing \$325 million revolver and term loans with \$100 million outstanding
  - \$229MM outstanding as of September 30, 2016
  - Maturity date of April 30, 2020
- **2015 and the YTD 2016<sup>1</sup> share repurchases totaled approximately 3.4 million shares, or roughly 5.0% of shares outstanding at the beginning of the year, at a \$72.72 average price**

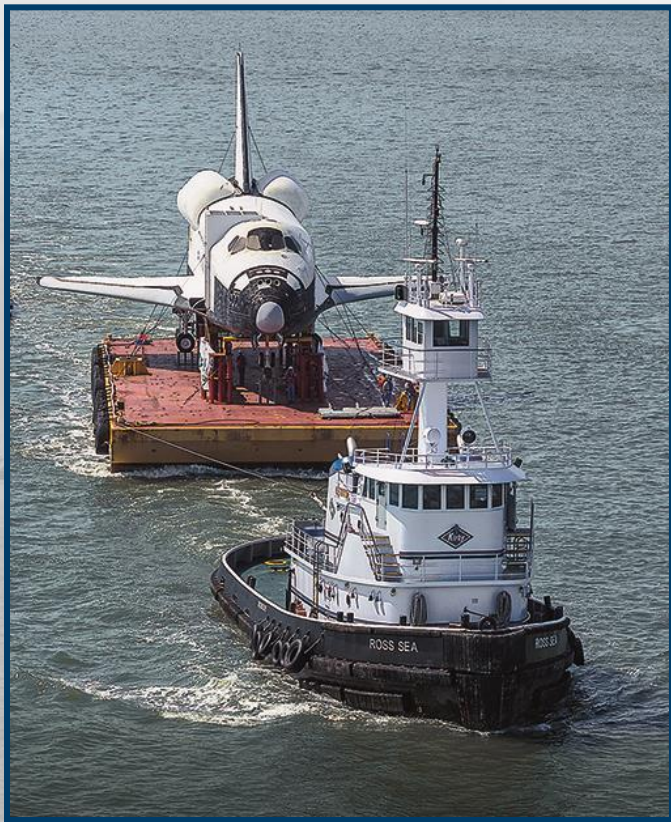




# WHY INVEST IN KIRBY?



# Why Invest in Kirby?



**Long-term record of success**

**Experienced management teams in both core businesses**

## **Marine Transportation**

U.S. feedstock position puts our refinery, chemical, and integrated major customers in a globally competitive position and is driving volume growth

80% of inland revenue under term contracts, of which approximately 52% are under time charters

78% of coastal revenue under term contracts, of which approximately 90% are under time charters

Approximately 70% of petrochemicals moved produce consumer nondurable goods

## **Diesel Engine Services**

Provides essential service to marine, land-based, and power generation industries

Largest geographic footprint of any U.S. diesel service provider

**Strong financial discipline and cash flow**



A white pennant flag with a green diamond border and the word "Kirby" in blue script is flying on a white pole. The background is a blurred image of a large ship's deck with red railings and various equipment.

# **Kirby Corporation**

*Putting America's  
Waterways to Work*

**Thank You For Listening to Our Story**



## KIRBY CORPORATION

### Reconciliation of GAAP to Non-GAAP Financial Measure

Kirby reports its financial results in accordance with generally accepted accounting principles (GAAP). However, Kirby believes that the non-GAAP financial measure EBITDA is useful in managing Kirby's businesses and evaluating Kirby's performance.

EBITDA, which Kirby defines as net earnings attributable to Kirby before interest expense, taxes on income, depreciation and amortization, is used because of its wide acceptance as a measure of operating profitability before non-operating expenses (interest and taxes) and noncash charges (depreciation and amortization). EBITDA is one of the performance measures used in Kirby's incentive bonus plan. EBITDA is also used by rating agencies in determining Kirby's credit rating and by analysts publishing research reports on Kirby, as well as by investors and investment bankers generally in valuing companies.

This non-GAAP financial measure is not a substitute for GAAP financial results and should only be considered in conjunction with Kirby's financial information that is presented in accordance with GAAP.

Quantitative reconciliations of GAAP net earnings attributable to Kirby to Non-GAAP EBITDA are provided in the following tables.



# KIRBY CORPORATION

## Reconciliation of GAAP Net Earnings Attributable to Kirby to Non-GAAP EBITDA

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Net earnings attributable to Kirby, GAAP	\$ 226.7	\$ 282.0	\$ 253.1	\$ 209.4	\$ 183.0	\$ 116.2	\$ 125.9	\$ 157.2	\$ 123.3	\$ 95.5	\$ 68.8
Interest expense	18.8	21.5	27.9	24.4	17.9	11.0	11.1	14.1	20.3	15.2	12.8
Provision for taxes on income	133.7	169.8	152.3	127.9	109.3	72.3	78.0	97.4	76.5	58.7	42.3
Depreciation and amortization	<u>192.2</u>	<u>169.3</u>	<u>164.4</u>	<u>145.2</u>	<u>126.0</u>	<u>95.3</u>	<u>94.0</u>	<u>91.2</u>	<u>80.9</u>	<u>64.4</u>	<u>57.4</u>
EBITDA, Non-GAAP	<u>\$571.4</u>	<u>\$642.6</u>	<u>\$ 597.7</u>	<u>\$ 506.9</u>	<u>\$ 436.2</u>	<u>\$ 294.8</u>	<u>\$ 309.0</u>	<u>\$ 359.9</u>	<u>\$ 301.0</u>	<u>\$ 233.8</u>	<u>\$ 181.3</u>

## KIRBY CORPORATION

### Reconciliation of GAAP Net Earnings Attributable to Kirby to Non-GAAP EBITDA

	<u>Three Months Ended March 31,</u>		<u>Three Months Ended June 30,</u>		<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	(\$ in millions)							
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Net earnings attributable to Kirby	\$ 38.1	\$ 61.1	\$ 38.9	\$ 58.1	\$ 32.1	\$ 56.8	\$ 109.1	\$ 176.0
Interest expense	4.2	5.2	4.5	4.8	4.5	4.5	13.2	14.5
Provision for taxes on income	22.9	36.5	23.4	34.7	19.1	33.5	65.4	104.7
Depreciation and amortization	<u>48.6</u>	<u>45.8</u>	<u>49.7</u>	<u>46.7</u>	<u>50.1</u>	<u>49.8</u>	<u>148.4</u>	<u>142.3</u>
EBITDA, Non-GAAP	<u>\$ 113.8</u>	<u>\$ 148.6</u>	<u>\$ 116.5</u>	<u>\$ 144.3</u>	<u>\$ 105.8</u>	<u>\$ 144.6</u>	<u>\$ 336.1</u>	<u>\$ 437.5</u>



## KIRBY CORPORATION MARINE TRANSPORTATION PERFORMANCE MEASUREMENTS

	2008	2009	2010	2011	2012	2013	2014			2015				2016		
	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>Year</u>	<u>1<sup>st</sup> Q</u>	<u>2<sup>nd</sup> Q</u>	<u>3<sup>rd</sup> Q</u>	<u>4<sup>th</sup> Q</u>	<u>Year</u>	<u>1<sup>st</sup> Q</u>	<u>2<sup>nd</sup> Q</u>	<u>3<sup>rd</sup> Q</u>	<u>9 Months</u>
Inland Performance Measurements:																
Ton miles (in millions) <sup>(1)</sup>	14,267	11,977	12,957	13,414	12,224	11,754	13,088	3,098	3,261	3,099	3,044	12,502	2,748	2,792	2,648	8,188
Revenues/Ton mile (cents/tm) <sup>(2)</sup>	7.3	7.1	6.8	7.6	8.9	9.8	8.8	8.9	8.6	8.9	8.6	8.7	8.9	8.8	8.6	8.8
Towboats operated <sup>(3)</sup>	256	220	221	240	245	256	251	249	251	246	243	248	240	241	227	236
Delays days <sup>(4)</sup>	8,267	5,201	5,772	6,777	6,358	7,843	7,804	2,378	2,076	1,431	2,039	7,924	2,236	2,035	929	5,200

(1) Ton miles indicate fleet productivity by measuring the distance (in miles) a loaded inland tank barge is moved. Example: A typical 30,000 barrel inland tank barge loaded with 3,300 tons of liquid cargo is moved 100 miles, thus generating 330,000 ton miles.

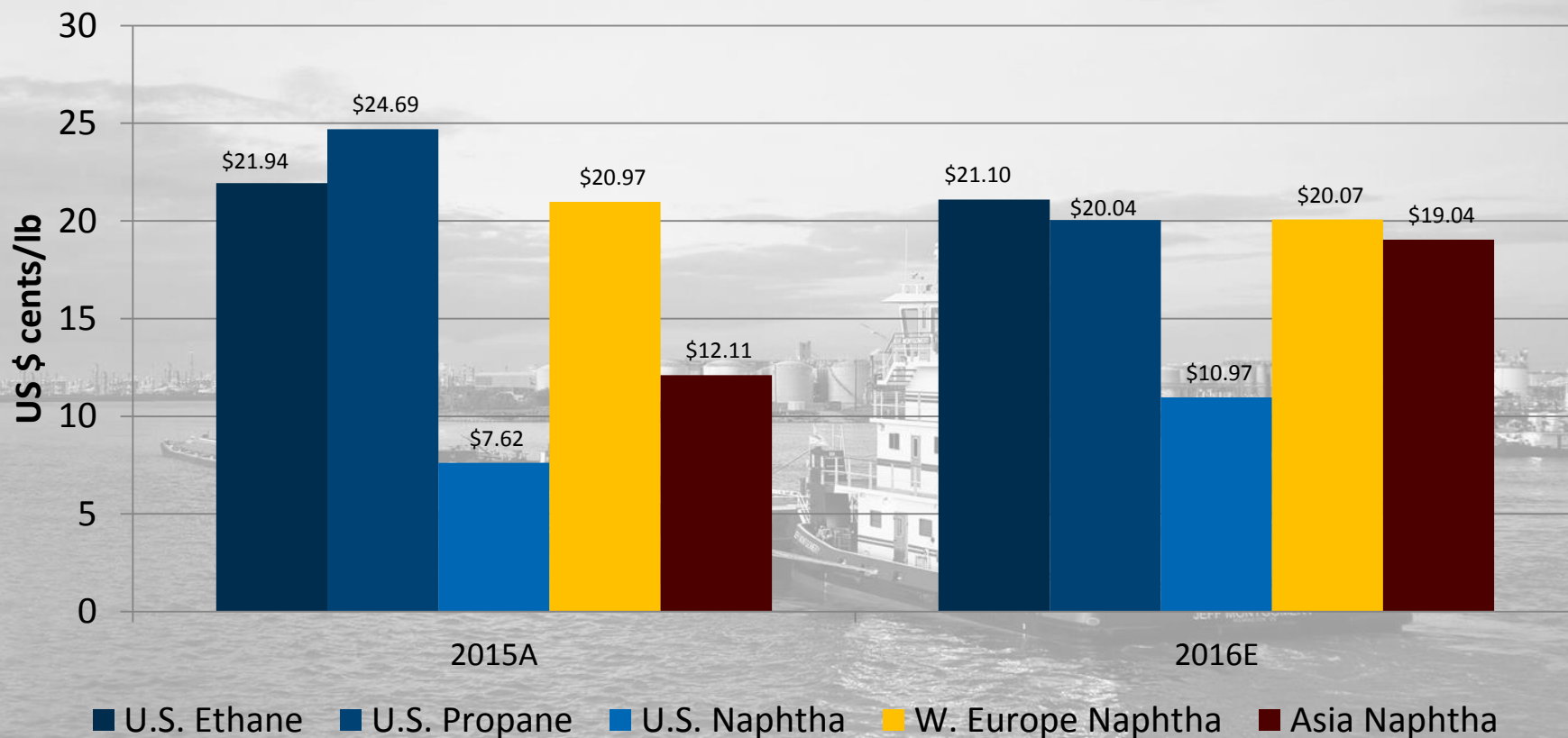
(2) Inland marine transportation revenues divided by ton miles. Example: 3<sup>rd</sup> quarter 2016 inland marine revenues of \$228,353,000 divided by 2,648,000,000 ton miles = 8.6 cents.

(3) Towboats operated, is the average number of owned and chartered inland towboats operated during the period.

(4) Delay days measures the lost time incurred by an inland tow (inland towboat and one or more inland tank barges) during transit. The measure includes transit delays caused by weather, lock congestion and other navigational factors.

# US Global Ethylene Margin Advantage

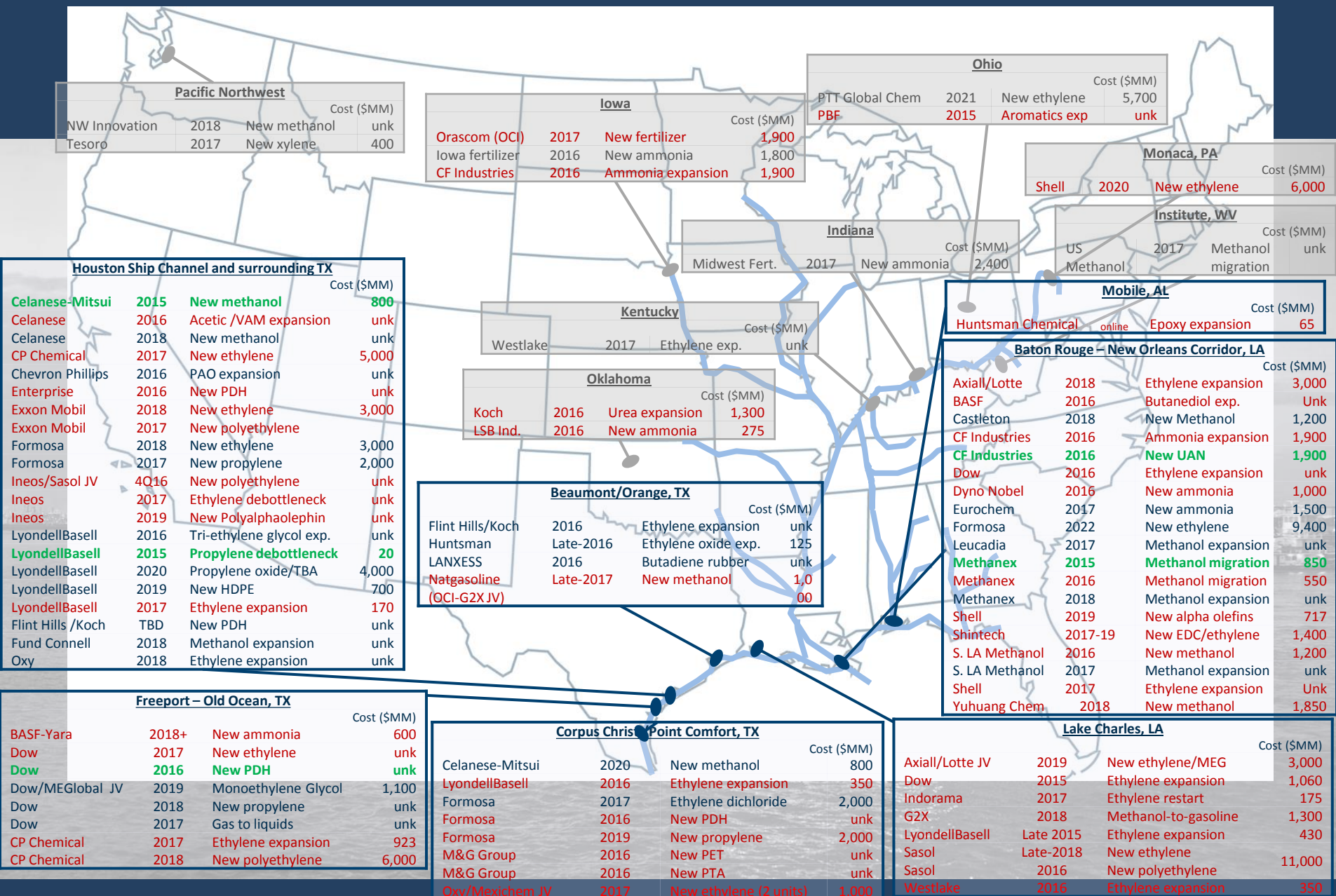
## Global Ethylene Production Margin



Source: Macquarie Capital Inc. (with permission)  
October 3, 2016



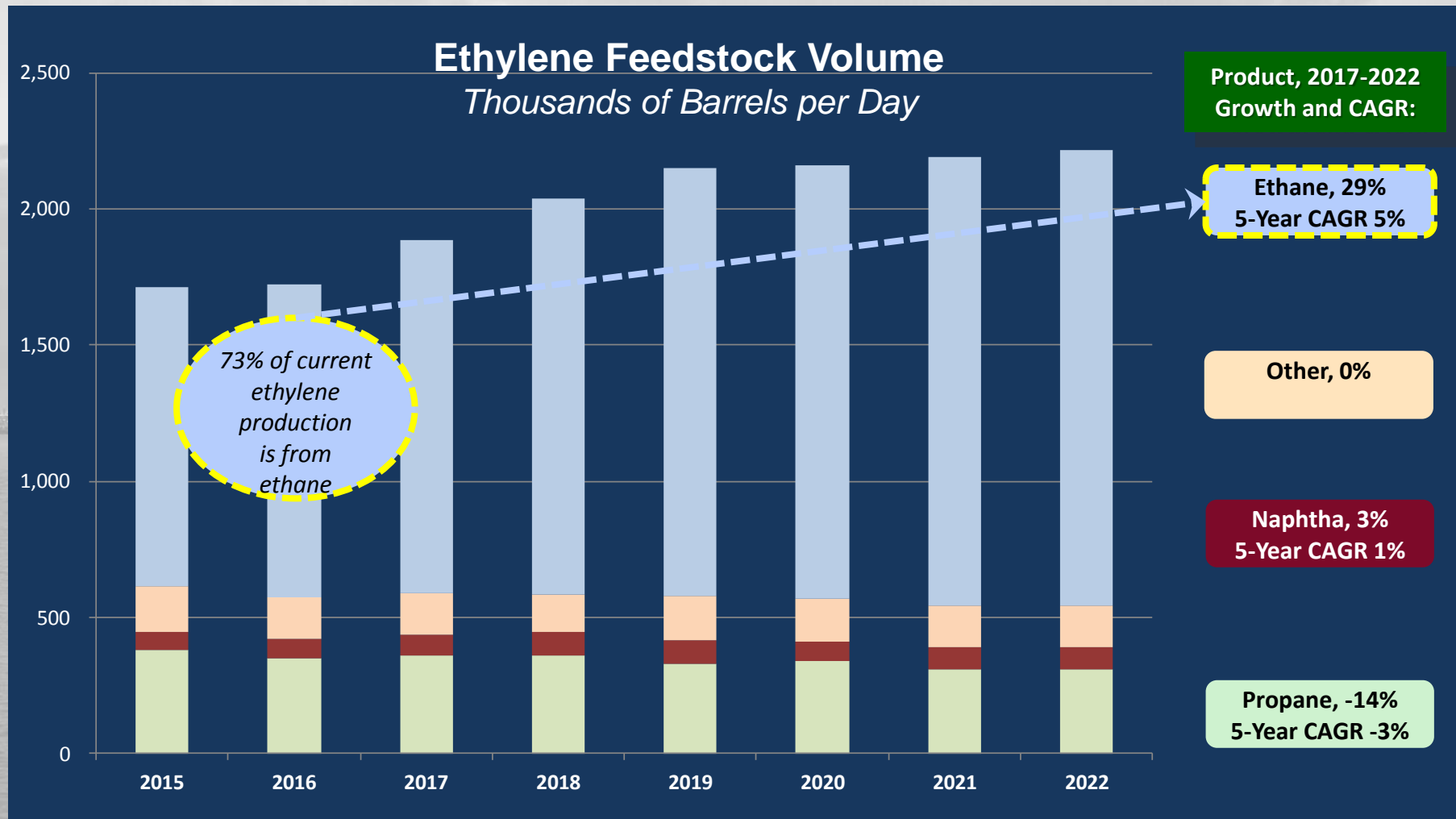
# \$100+ Billion of Planned U.S. Petrochemical Investments\*



\*Notes: Date reflects anticipated year in-service, red font reflects construction in progress, green online, unk=unknown

Sources: ICIS, Company announcements, Kirby Corp.

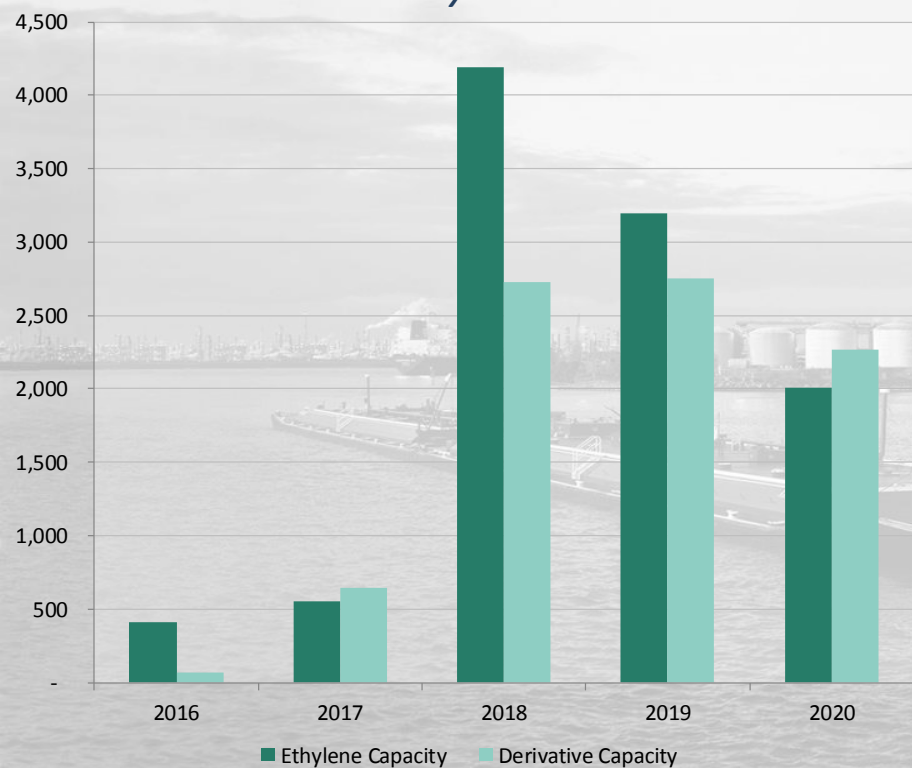
# U.S. Ethylene Feedstock Forecast



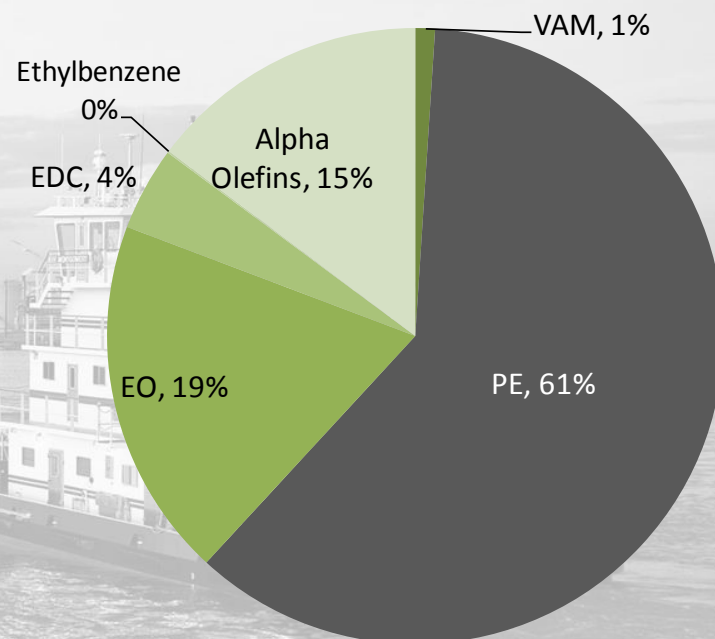


# Near-Term U.S. Ethylene and Derivative Capacity Additions

*U.S. ethylene derivative capacity is expected to expand ~30% over the next 5 years*



*~40% of new derivatives are products that are moved by water*



Source: Bernstein Research (with permission)  
August 30, 2016