



Putting America's Waterways to Work

NYSE: KEX

December 2014

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, 2013 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



Diesel Engine Services



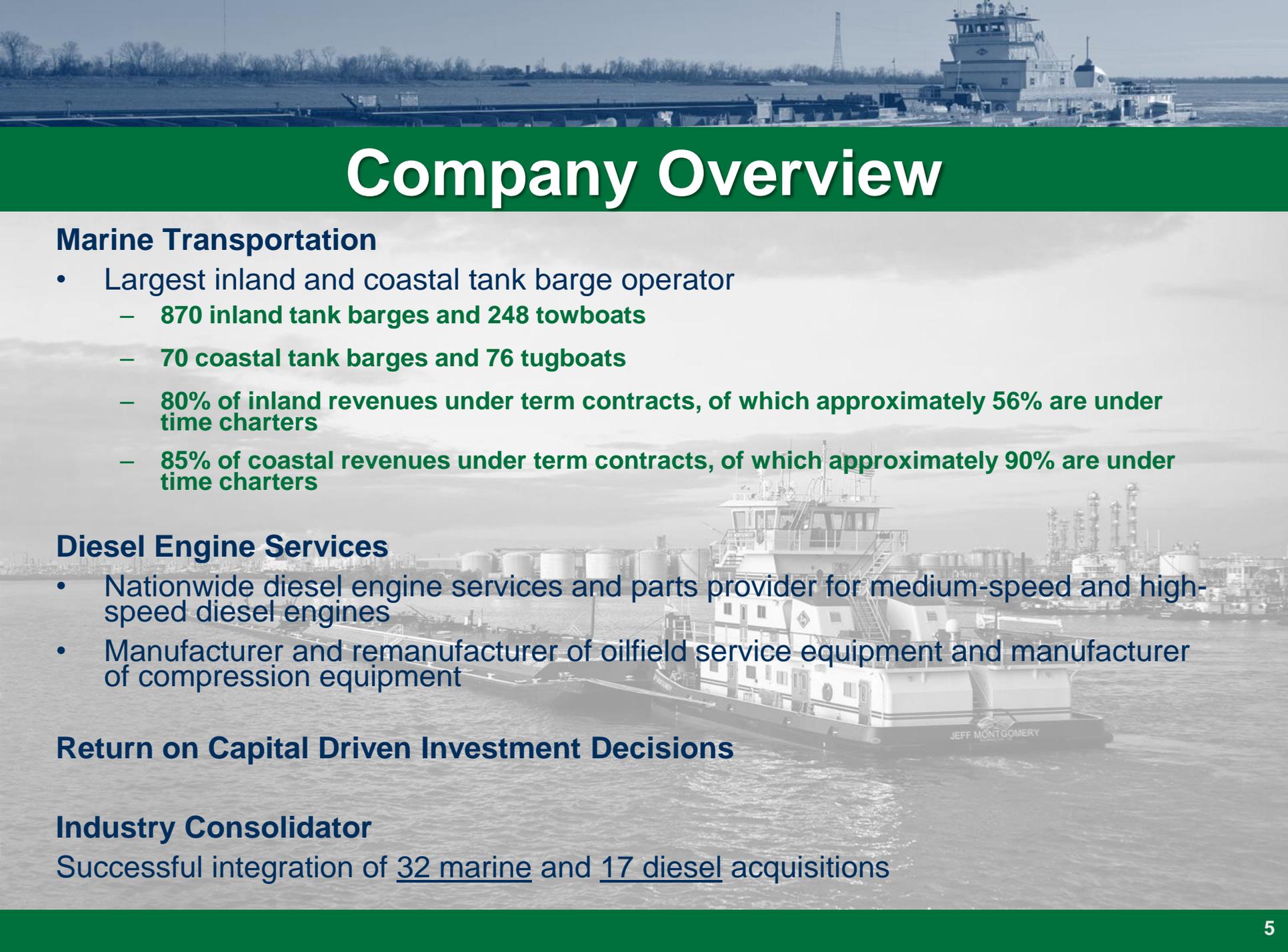
Largest U.S. Inland and Coastal Tank Barge Operator

Nationwide Diesel Engine Services Provider

Public Market Information

NYSE: KEX

Current Price (December 5, 2014)	\$89.76
Number of Shares O/S (November 4, 2014)	57.1M
Market Capitalization	\$5,122M
Debt (September 30, 2014)	\$649M
Enterprise Value	\$5,771M
Employees	4,639



Company Overview

Marine Transportation

- Largest inland and coastal tank barge operator
 - 870 inland tank barges and 248 towboats
 - 70 coastal tank barges and 76 tugboats
 - 80% of inland revenues under term contracts, of which approximately 56% are under time charters
 - 85% 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 and remanufacturer of oilfield service equipment and manufacturer of compression equipment

Return on Capital Driven Investment Decisions

Industry Consolidator

Successful integration of 32 marine and 17 diesel acquisitions

Marine Transportation Acquisitions

Date	No. of 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)

Date	No. of Tank Barges	Description
2002	94	Dow/Union Carbide (transportation assets)
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	21	Cypress Barge Leasing, LLC (operated as leased barges since 1994)
2007	11	Midland Marine Corporation (operated as leased barges)
2007	9	Siemens Financial (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	57	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)

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



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.

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

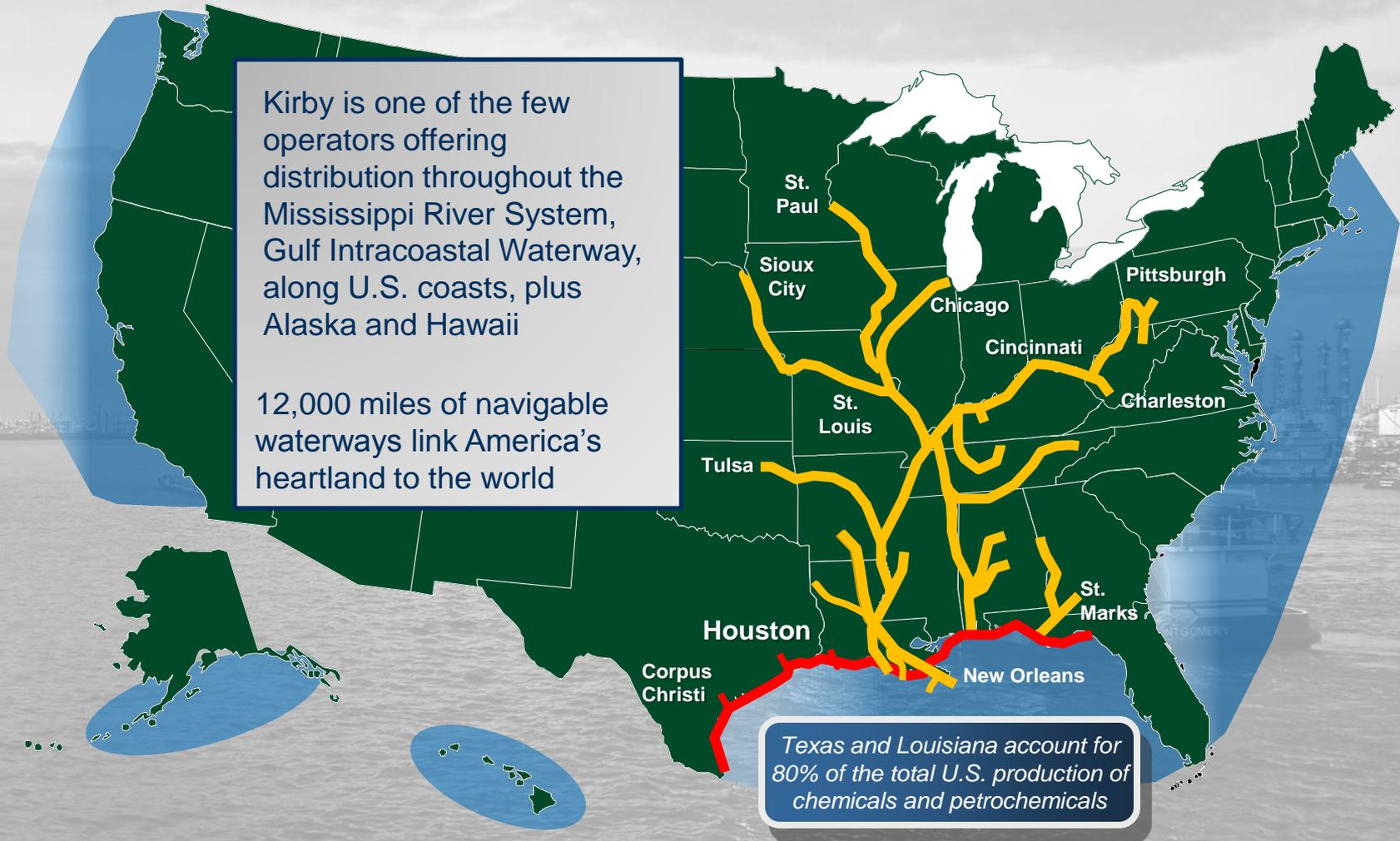
Earnings per share have been revised to reflect 2-for-1 stock split effective May 31, 2006



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 tank barge fleet is comprised of approximately 18,000 dry cargo barges and 3,500 liquid tank barges
- The coastal market, including Alaska and Hawaii, encompasses approximately 265 tank barges that are 195,000 barrels or smaller

Kirby is principally in the liquid cargo transportation business

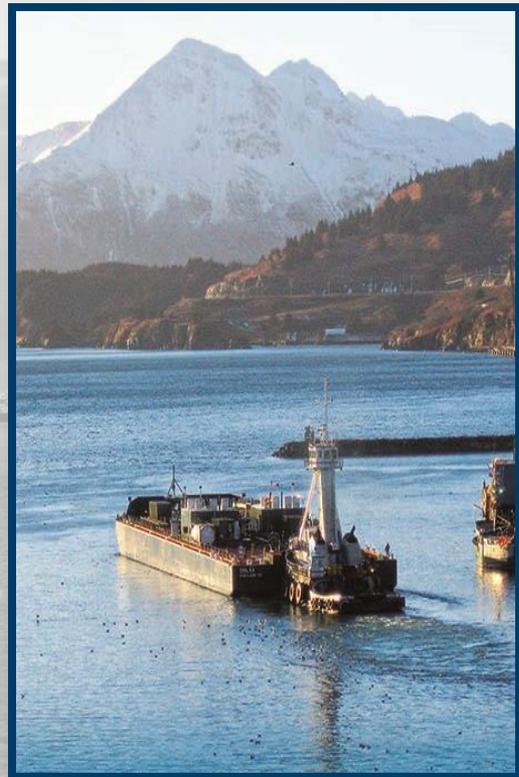
No competition from foreign companies due to a U.S. law known as the Jones Act

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

Product End Uses

Revenue Distribution *	Markets and Products Moved	Products	Drivers
47%	Petrochemicals and Chemicals	Benzene, Styrene, Methanol, Acrylonitrile, Xylene, Caustic Soda, Butadiene, Propylene	Consumer non-durables – 70% Consumer durables – 30%
25%	Black Oil	Residual Fuel Oil, Coker Feedstock, Vacuum Gas Oil, Asphalt, Carbon Black Feedstock, Crude Oil, Ship Bunkers	Fuel for Power Plants and Ships, Feedstock for Refineries and Road Construction,
25%	Refined Petroleum Products	Gasoline, No. 2 Oil, Jet Fuel, Heating Oil, Diesel Fuel, Naphtha, Ethanol	Vehicle Usage, Air Travel, Weather, Refinery Utilization
3%	Agricultural Chemicals	Anhydrous Ammonia, Nitrogen-based Liquid Fertilizer, Industrial Ammonia	Corn, Cotton, Wheat Production, Chemical Feedstock Usage

JEFF MONTGOMERY

* For the three months ended September 30, 2014

Shale Liquids Production Creates New Transport Needs

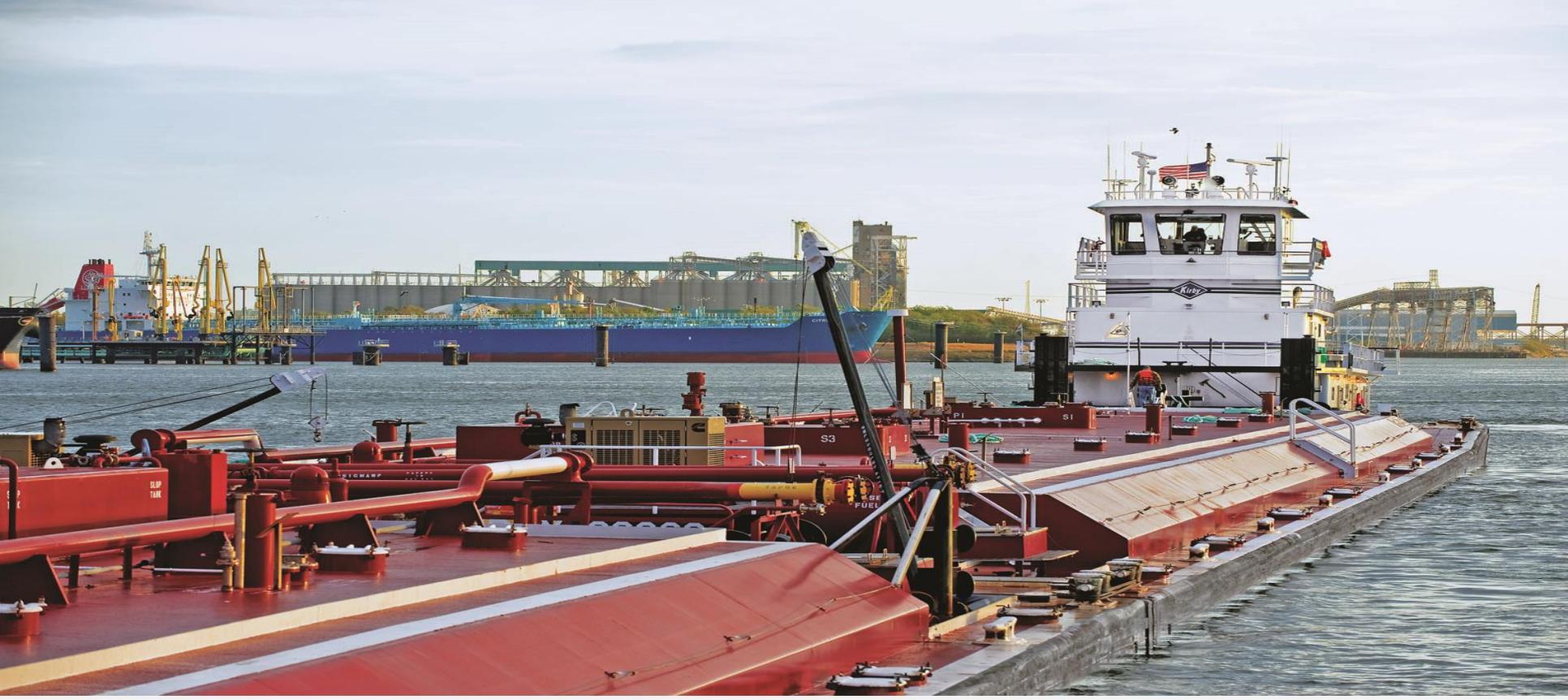


Strong Emphasis on Safety

- **Safety is the first and foremost concern in everything we do, safety comes before profit**
- **Safe operations are good for morale and benefit financial performance in the long run**
- **Our customers place a high value on our safety track record, that is a big reason why they use Kirby**
- **Acquired company safety programs are reinvigorated during integration and performance quickly brought in line with Kirby's standard of excellence**



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

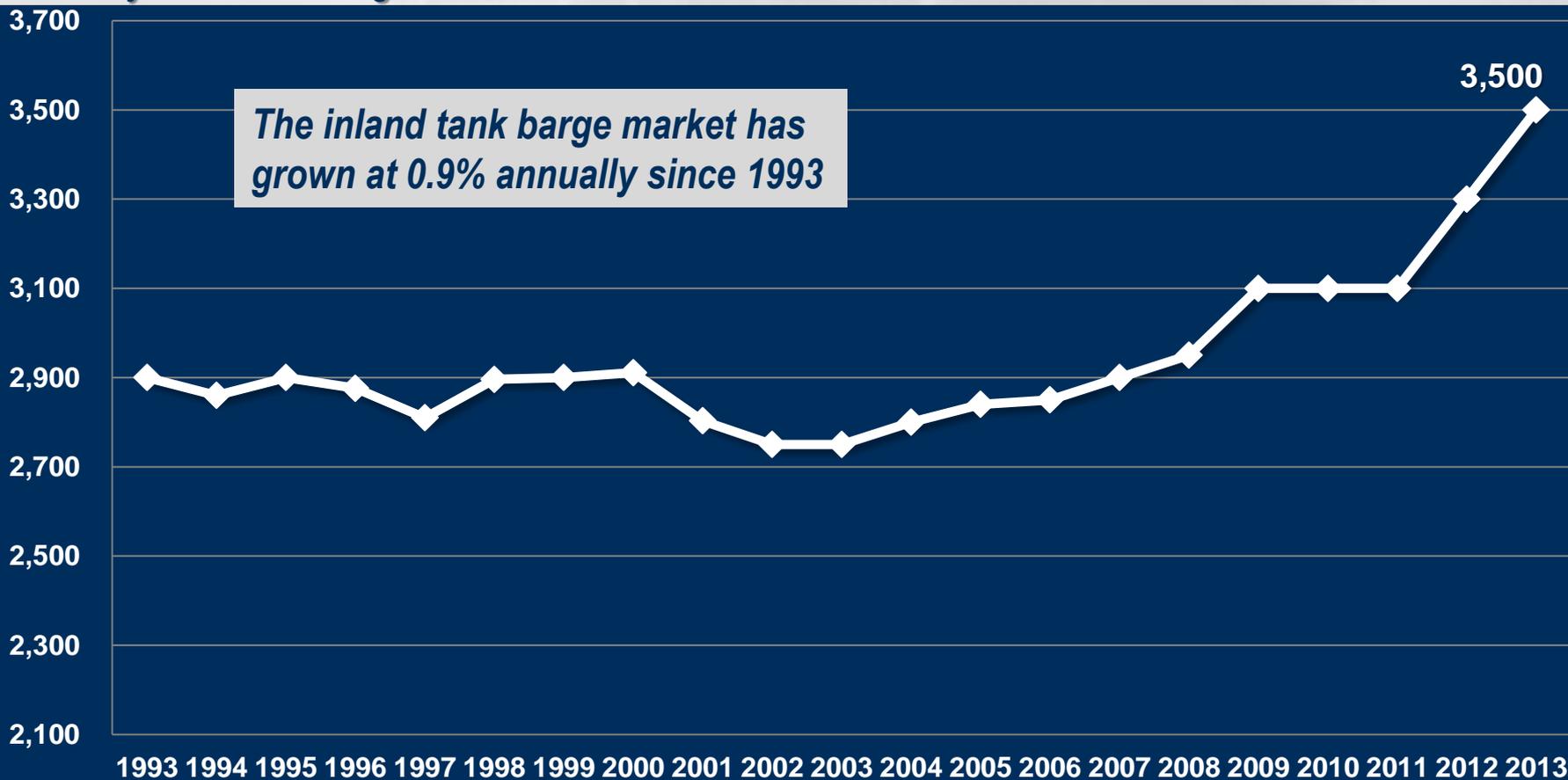


Inland Tank Barge Markets



Number of Inland Tank Barges

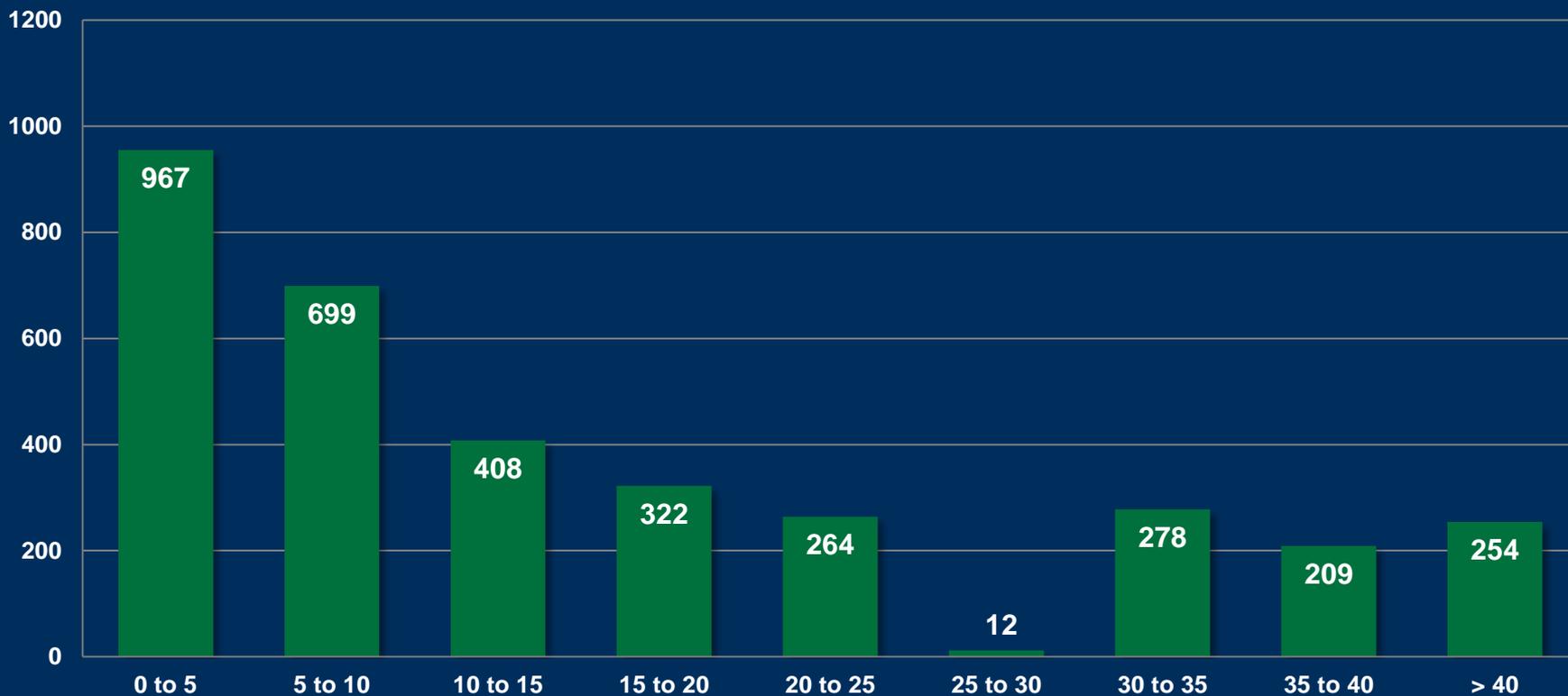
For the years 1993 through 2013



Source: Informa Economics, Barge Fleet Profile, March 2014 - Adjusted

Inland Tank Barge Fleet Age Profile

Inland Tank Barge Age Distribution
(Number of barges by age in years)



Source: Informa Economics, Barge Fleet Profile, March 2014 - Adjusted

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 248 towboats during the 2014 third quarter**
- **Chartered towboats used to balance horsepower with demand**

Inland Tank Barge Owners

Kirby Outpaces the Competition

Shipper Owned Independent	Tank Barges Operated	Dry Cargo Barges Operated
Kirby Corporation	870	-
American Commercial Lines LLC	349	1,582
Canal Barge Company, Inc.	277	443
Ingram Barge Company	208	4,356
Florida Marine	200	-
Marathon Oil Corporation	200	-
Higman Barge Lines, Inc.	150	-
Blessey Marine Services	146	-
Enterprise Products Partners	120	-
American River Transportation Co	103	1,981
Settoon Towing, LLC	99	-
LeBeouf Brothers Towing Co	80	-
Southern Towing Company	67	-
PPG Industries, Inc.	57	-
Magnolia Marine Transport Co	56	-
Martin Midstream Partners	53	-
Genesis Energy, L.P.	49	-
John W. Stone Oil	41	-
Westlake Vinyl	41	-
Golding Barge Lines, Inc.	40	-
Chem Carriers, Inc.	36	-
Buffalo Marine Service, Inc.	34	-
Accu Trans Marine	33	-

	Tank Barges Operated	Dry Cargo Barges Operated
Devall Barge Line	29	-
SCF Marine/Waxler	27	-
Cenac Towing	24	-
Rhodia, Inc.	20	-
Olin Corporation	19	-
NGL Energy Partners	18	-
River City Towing Services	15	-
Progressive Barge Line	10	-
TARGA	9	-
AgriChemical Marine	8	-
Cierra Marine	7	-
Merichem Company	6	-
AEP River Operations	5	2,831
Natures Way Marine	5	-
Mon River Towing, Inc.	4	-
Highland Marine	3	-
Campbell Transportation	3	445
James Transportation	3	-
Plaquemine Towing	3	-
Other dry cargo carriers	-	6,324
TOTAL	3,527	17,517



Coastal Tank Barge Markets



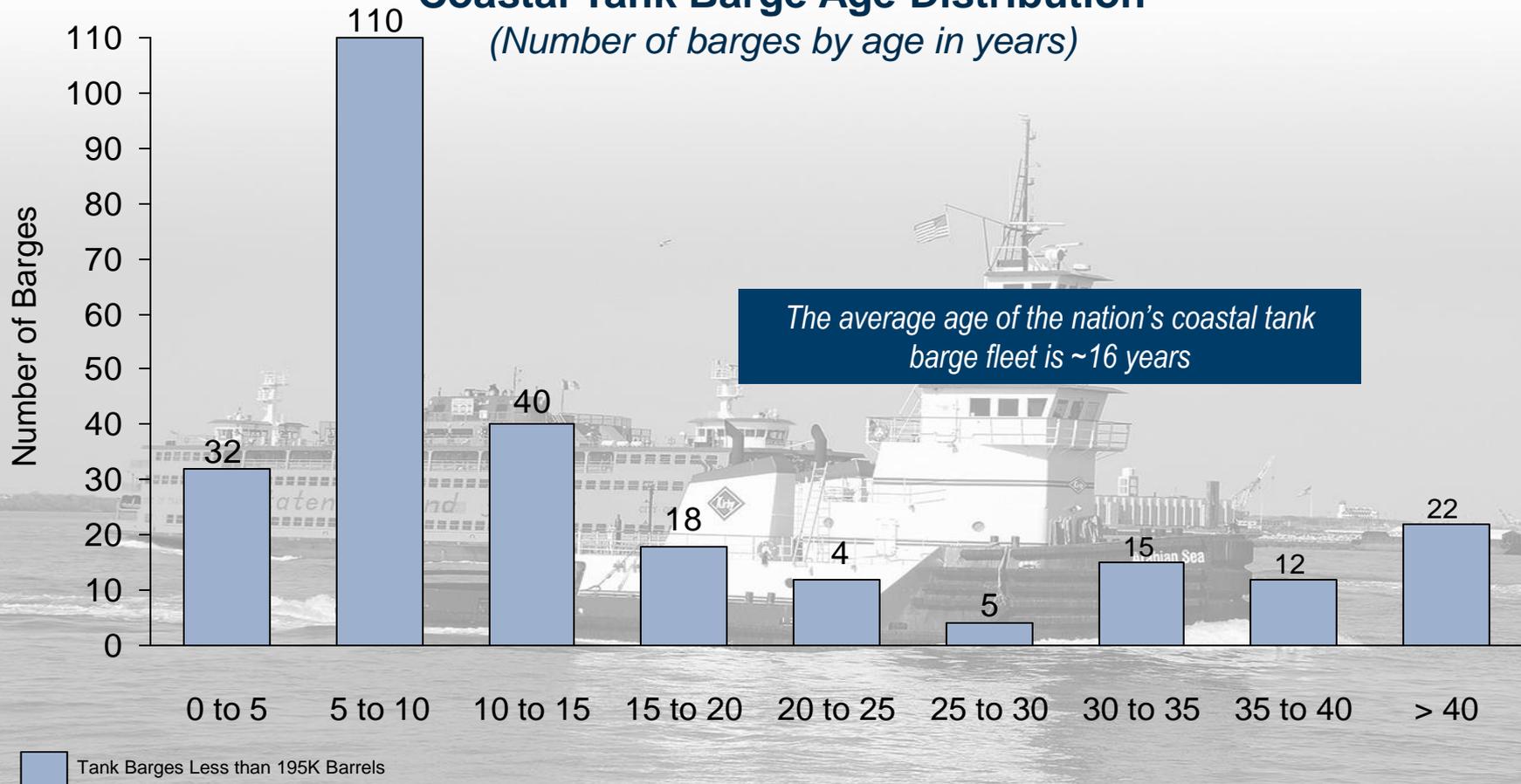


Coastal Tank Barge Markets

- Largest operator of coastal tank barges and towing vessels participating in the regional distribution of refined petroleum products, black oil products, and distribution of petrochemicals between PADDs
- Fleet consists of 70 tank barges with 6.0 million barrels of capacity and 76 tugboats
- Operates along the U.S. East, West and Gulf Coasts, and in Alaska and Hawaii
- 185,000 barrel and smaller tank barges, which represents all of Kirby's coastal fleet, have the flexibility to access ports inaccessible to larger vessels, while still delivering large volumes of products
- Adding to fleet capacity
 - Building two 185,000 barrel, 10,000 horsepower articulated tug barge (“ATB”) units for \$75 to \$80 million each. Deliveries expected in mid-to-late 2015 and 2016 first half
 - Building two 155,000 barrel, 6,000 horsepower ATBs, with deliveries expected in mid-to-late 2016 and early-to-mid 2017

Coastal Tank Barge Age Profile

Coastal Tank Barge Age Distribution
(Number of barges by age in years)



Coastal Tank Barge Owners

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

	Coastal Tank Barges Operated *
Kirby Corporation	70
Vane Brothers	56
Olympic Tug & Barge (Harley Marine)	27
Bouchard Transportation	24
Reinauer Transportation	24
Crowley Marine	14
Moran Towing	10
Saltchuk Resources (Foss Maritime)	10
Genesis Energy L.P.	9
Sause Brothers	8
U.S. Shipping Corporation	4
Martin Gas Marine	4
Overseas Shipholding Group	3
Poling & Cutler	2
	265



Kirby Engine Systems



United Holdings

DIESEL ENGINE SERVICES



Diesel Engine Services

Revenue Distribution *	Markets	Services Offered	Customers and Market Drivers
71%	Land-Based	Distributes and services high-speed diesel engines and transmissions, and manufactures and remanufactures oilfield service equipment, including hydraulic fracturing equipment	<ul style="list-style-type: none"> • Oil & Gas Services • Power Generation • Transportation • Compression
22%	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"> • Inland, Coastal and Harbor Waterway Carriers – Dry and Liquid • Offshore Oil & Gas Services • Offshore Towing – Dry and Liquid • Harbor Towing • Dredging • Great Lakes Ore Carriers
7%	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"> • Standby Power Generation • Pumping Stations • Industrial Reduction Gears

* For the nine month period ended September 30, 2014



Diesel Engine Services

Engines, Transmissions and Reduction Gears



Medium-Speed

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

High-Speed

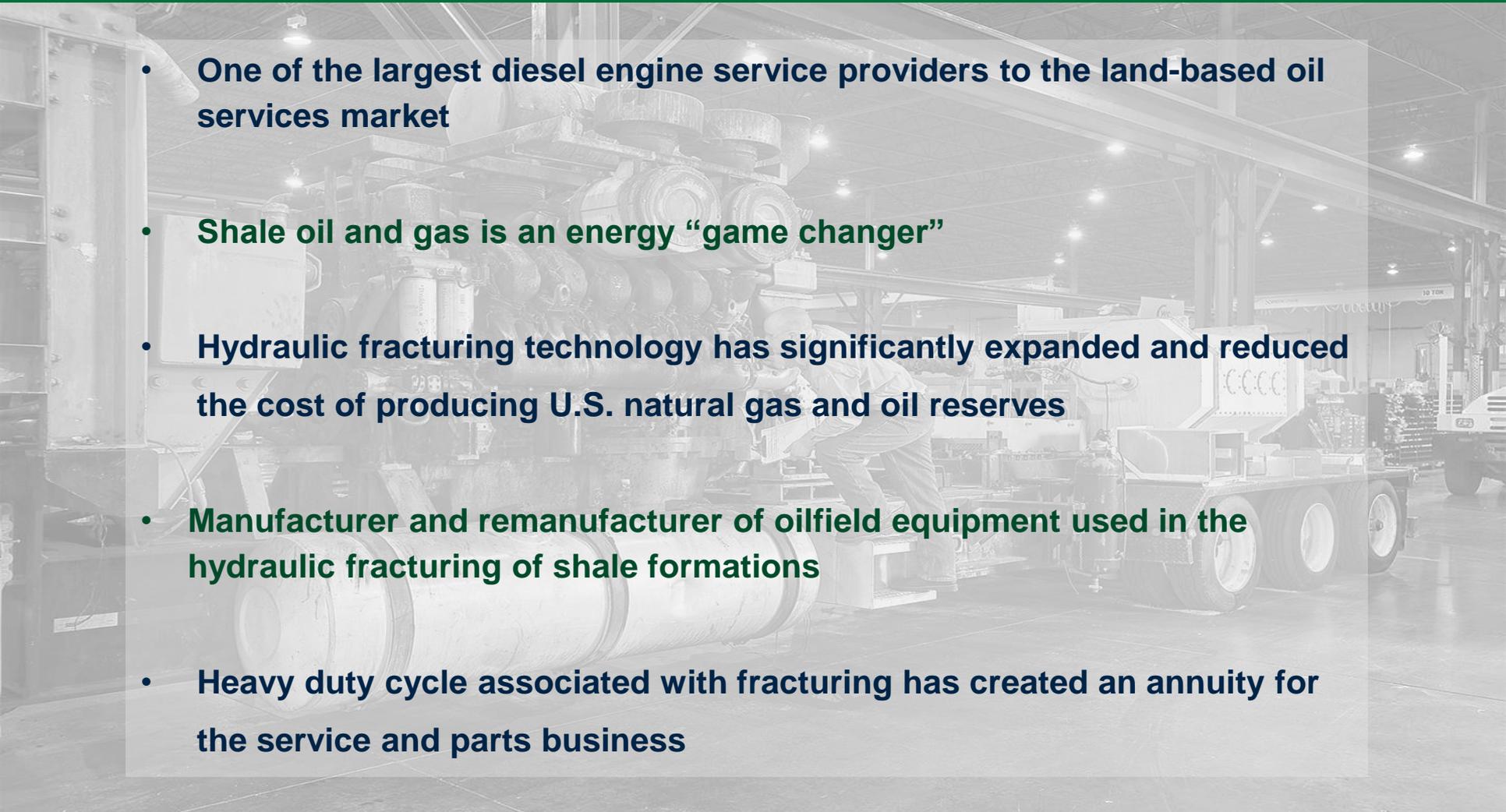
- Caterpillar
- Cummins
- MTU
- Detroit Diesel
- John Deere
- Isuzu

Transmissions/ Reduction Gears

- Allison
- Falk
- Twin Disc



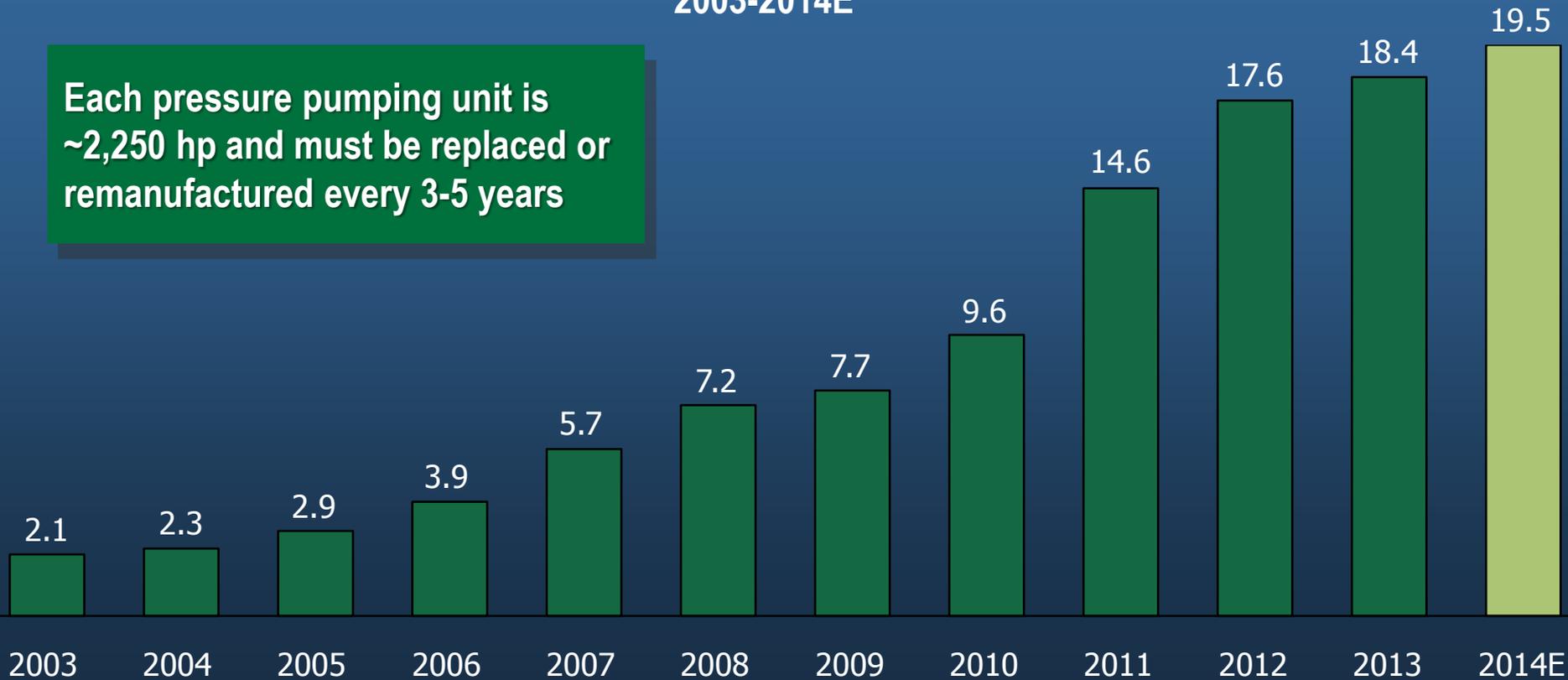
Land-Based Oil Services Market

- One of the largest diesel engine service providers to the land-based oil services market
 - Shale oil and gas is an energy “game changer”
 - 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
 - Heavy duty cycle associated with fracturing has created an annuity for the service and parts business
- 

Pressure Pumping Market Size

Estimated North American Pressure
Pumping Horsepower (*millions*)
2003-2014E

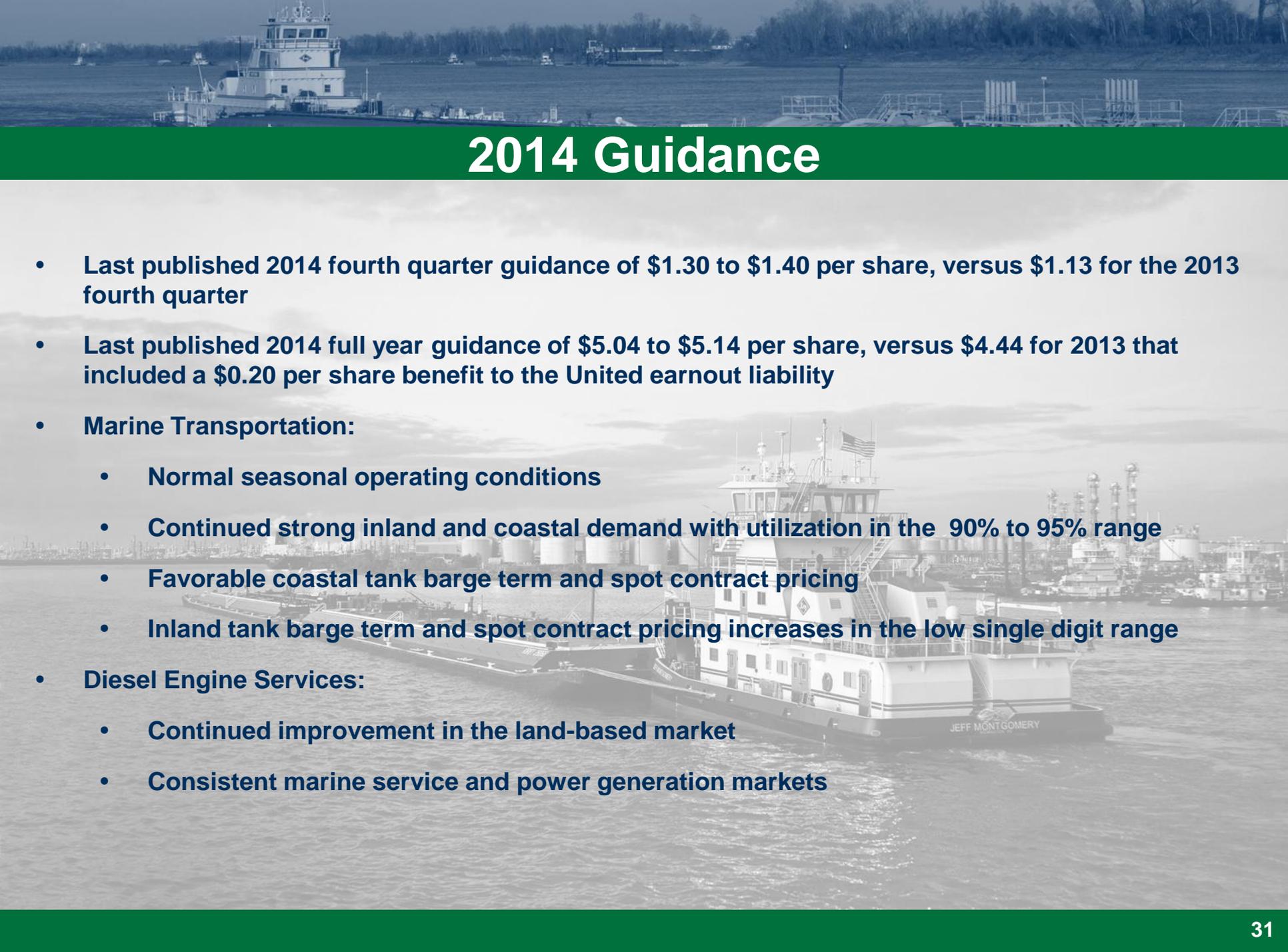
Each pressure pumping unit is
~2,250 hp and must be replaced or
remanufactured every 3-5 years





OUTLOOK





2014 Guidance

- Last published 2014 fourth quarter guidance of \$1.30 to \$1.40 per share, versus \$1.13 for the 2013 fourth quarter
- Last published 2014 full year guidance of \$5.04 to \$5.14 per share, versus \$4.44 for 2013 that included a \$0.20 per share benefit to the United earnout liability
- Marine Transportation:
 - Normal seasonal operating conditions
 - Continued strong inland and coastal demand with utilization in the 90% to 95% range
 - Favorable coastal tank barge term and spot contract pricing
 - Inland tank barge term and spot contract pricing increases in the low single digit range
- Diesel Engine Services:
 - Continued improvement in the land-based market
 - Consistent marine service and power generation markets



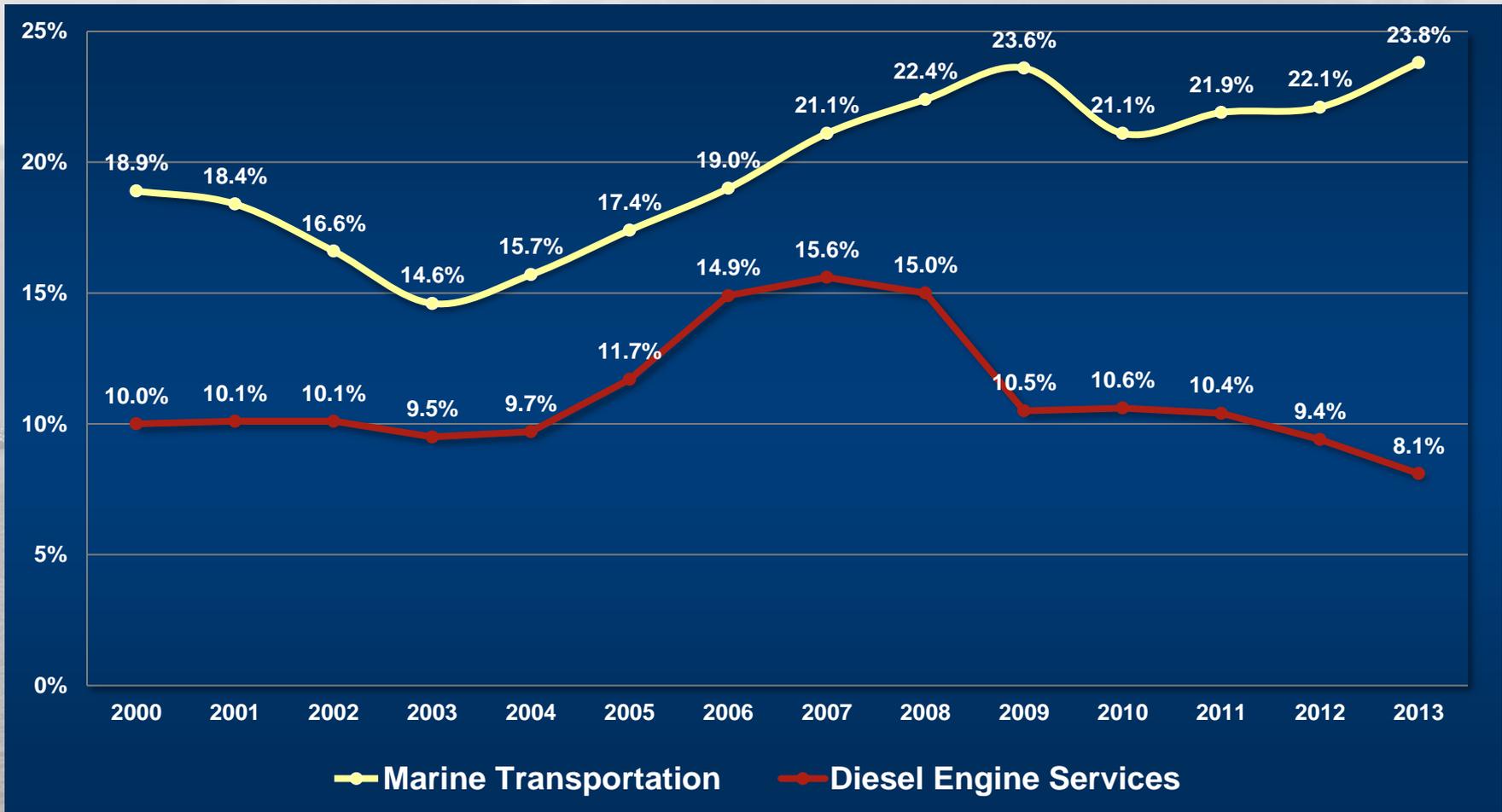
FINANCIAL HIGHLIGHTS



Third Quarter Ended September 30, 2014

Income Statement	2014	2013	Change from 2013	
			\$	%
Revenues:				
Marine Transportation	\$ 449M	\$ 436M	\$ 13M	3%
Diesel Engine Services	<u>232</u>	<u>115</u>	<u>117</u>	<u>102</u>
Total	<u>\$ 681M</u>	<u>\$ 551M</u>	<u>\$ 130M</u>	<u>24%</u>
Operating Income:				
Marine Transportation	\$ 112M	\$ 114M	\$ (2)M	(2)%
Diesel Engine Services	20	9	11	122
Corporate Expenses	<u>(4)</u>	<u>(5)</u>	<u>(1)</u>	<u>20</u>
	128	118	10	8
Other Expense	-	-	-	-
Interest Expense	<u>(5)</u>	<u>(7)</u>	<u>2</u>	<u>29</u>
Pre-Tax Earnings	123	112	12	11
Taxes	<u>(46)</u>	<u>(42)</u>	<u>(4)</u>	<u>(10)</u>
Net Earnings	<u>\$ 77M</u>	<u>\$ 70M</u>	<u>\$ 7M</u>	<u>10%</u>
Earnings Per Share	<u>\$ 1.34</u>	<u>\$ 1.21</u>	<u>\$ 0.13</u>	<u>11%</u>

Operating Margins

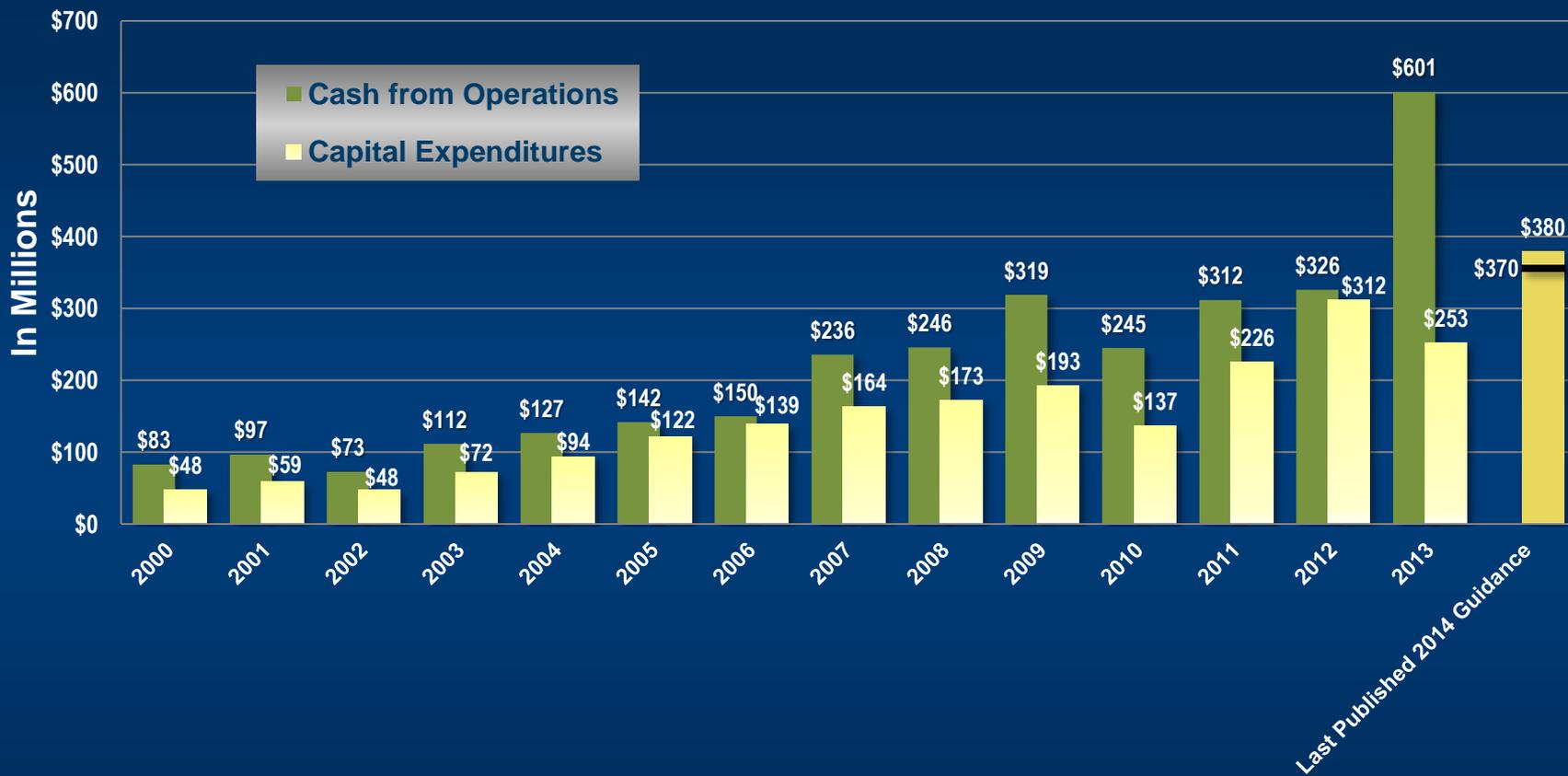


EBITDA Per Share Growth

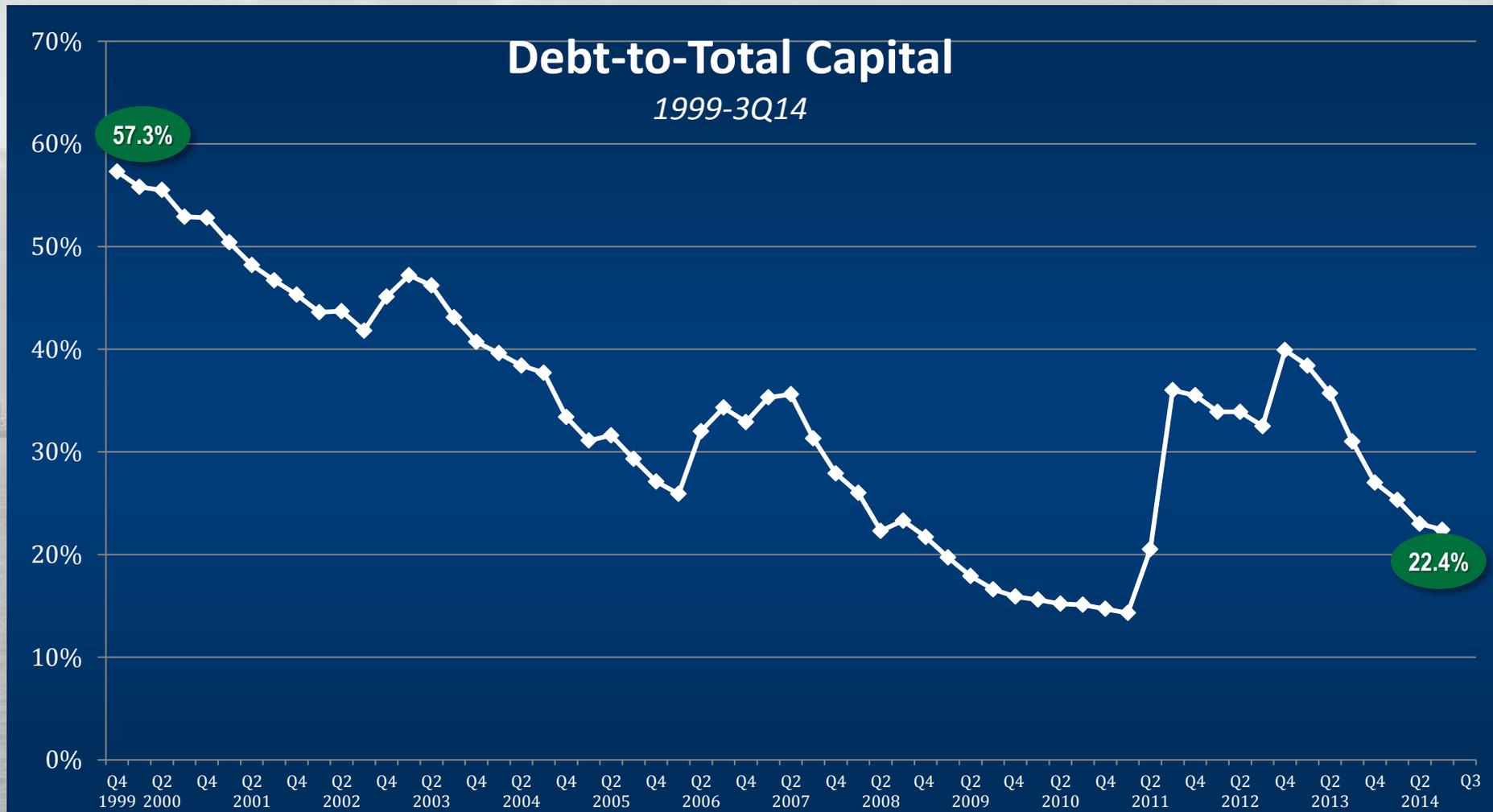


See Appendix for reconciliation of GAAP net earnings to Non-GAAP EBITDA

Cash Flows



Capital Structure





Financial Strength

- **Investment grade rating**
 - Standard & Poor's: A-, stable outlook
 - Moody's: Baa3, stable outlook
 - Fitch: BBB, stable outlook
- **\$500 million unsecured Private Placement**
 - \$150 million 7-year maturity at 2.79%
 - \$350 million 10-year maturity at 3.34%
 - Proceeds used for Penn Maritime acquisition and replace \$200 million Private Placement in February 2013
- **\$325 million Bank Revolving Credit Facility**
 - \$7MM outstanding as of September 30, 2014
 - Renewed for 5 years in November 2010
- **5 year unsecured Bank Term Loan due May 2016**
 - \$142 million outstanding, none current, as of September 30, 2014
 - Floating rate of LIBOR + 1.5%
 - Quarterly amortization in increasing amounts
 - No prepayment penalty



WHY INVEST IN KIRBY?



Why Invest in Kirby?

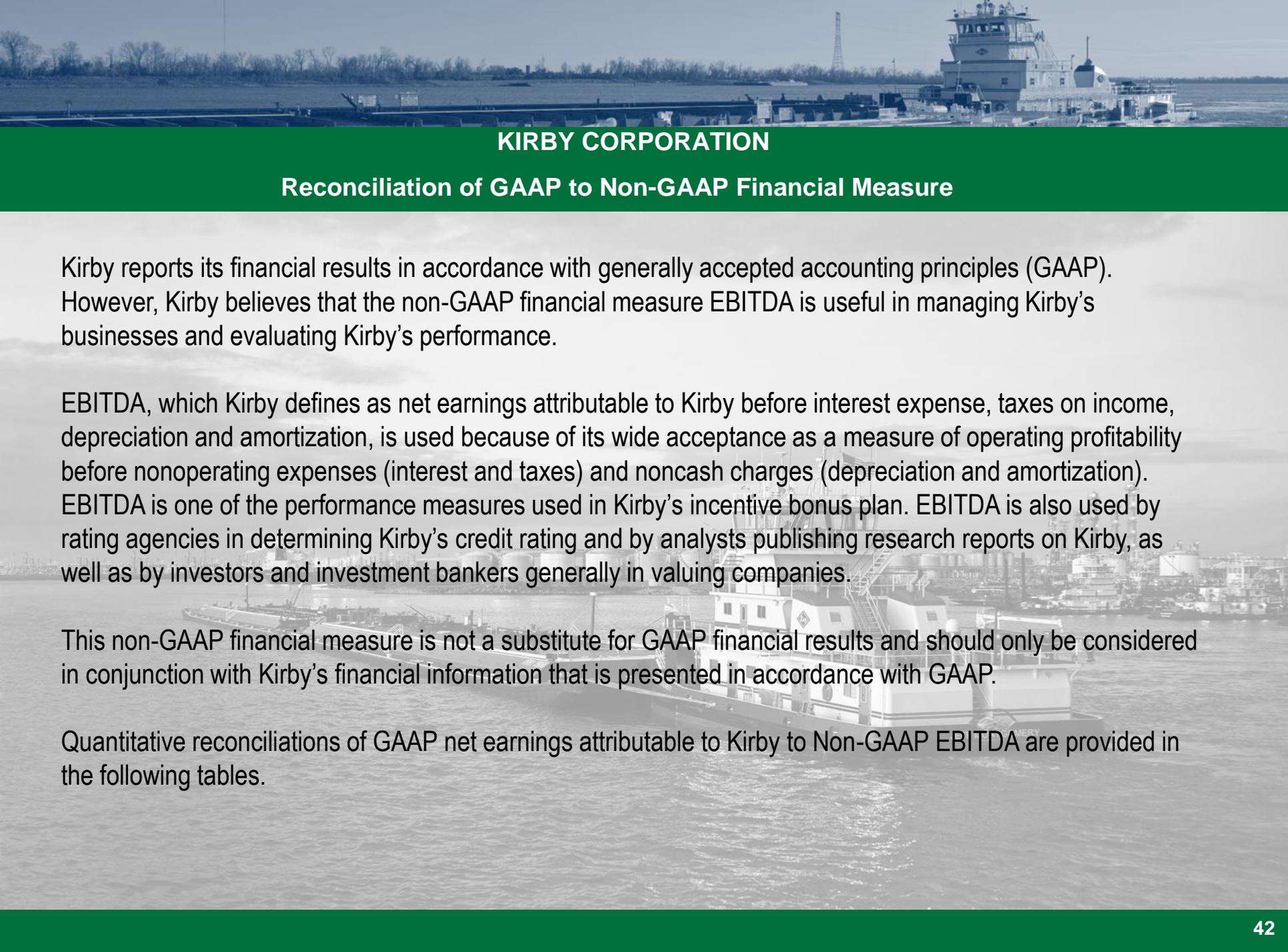


- **Consistent long-term record of success**
- **Experienced management teams in both core businesses**
- **Marine Transportation**
 - U.S. feedstock position puts our refinery, chemical, and integrated major customers in a globally competitive position and is driving volume growth
 - 80% of inland business under term contracts, of which approximately 56% are under time charters
 - 85% of coastal business 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-shaped border and the word "Kirby" in blue script font is flying on a white pole. The background is a blurred view of a large red ship, likely a tugboat, on a body of water.

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 nonoperating 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>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>	<u>2004</u>
	(\$ in millions)									
Net earnings attributable to Kirby, GAAP	\$ 253.1	\$ 209.4	\$ 183.0	\$ 116.2	\$ 125.9	\$ 157.2	\$ 123.3	\$ 95.5	\$ 68.8	\$ 49.5
Interest expense	27.9	24.4	17.9	11.0	11.1	14.1	20.3	15.2	12.8	13.3
Provision for taxes on income	152.3	127.9	109.3	72.3	78.0	97.4	76.5	58.7	42.3	30.4
Depreciation and amortization	<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>	<u>55.1</u>
EBITDA, Non-GAAP	<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>	<u>\$ 148.3</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>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Net earnings attributable to Kirby	\$ 62.3	\$ 56.6	\$ 74.9	\$ 63.1	\$ 76.7	\$ 69.1	\$ 213.9	\$ 188.8
Interest expense	5.6	7.9	5.5	7.3	5.2	6.7	16.3	21.9
Provision for taxes on income	38.0	34.4	45.8	38.3	45.7	42.0	129.5	114.7
Depreciation and amortization	41.0	41.0	41.4	40.3	42.5	41.6	124.9	122.9
EBITDA, Non-GAAP	<u>\$ 146.9</u>	<u>\$ 139.9</u>	<u>\$ 167.6</u>	<u>\$ 149.0</u>	<u>\$ 170.1</u>	<u>\$ 159.4</u>	<u>\$ 484.6</u>	<u>\$ 448.3</u>

(\$ in millions)

KIRBY CORPORATION MARINE TRANSPORTATION PERFORMANCE MEASUREMENTS

	2005	2006	2007	2008	2009	2010	2011	2012	2013				2014				
	<u>Year</u>	<u>1st Q</u>	<u>2nd Q</u>	<u>3rd Q</u>	<u>4th Q</u>	<u>Year</u>	<u>1st Q</u>	<u>2nd Q</u>	<u>3rd Q</u>	<u>9 Months</u>							
Inland Performance Measurements:																	
Ton miles (in millions) ⁽¹⁾	16,141	15,649	16,716	14,267	11,977	12,957	13,414	12,224	3,012	2,969	2,904	2,869	11,754	2,990	3,358	3,414	9,762
Revenues/Ton mile (cents/tm) ⁽²⁾	4.3	4.9	5.3	7.3	7.1	6.8	7.6	8.9	9.3	9.7	9.9	10.0	9.8	9.6	8.8	8.5	8.9
Towboats operated ⁽³⁾	242	241	253	256	220	221	240	245	256	262	256	253	256	255	252	248	252
Delays days ⁽⁴⁾	9,022	7,489	8,157	8,267	5,201	5,772	6,777	6,358	2,049	2,520	1,289	1,985	7,843	2,897	2,117	1,020	6,034

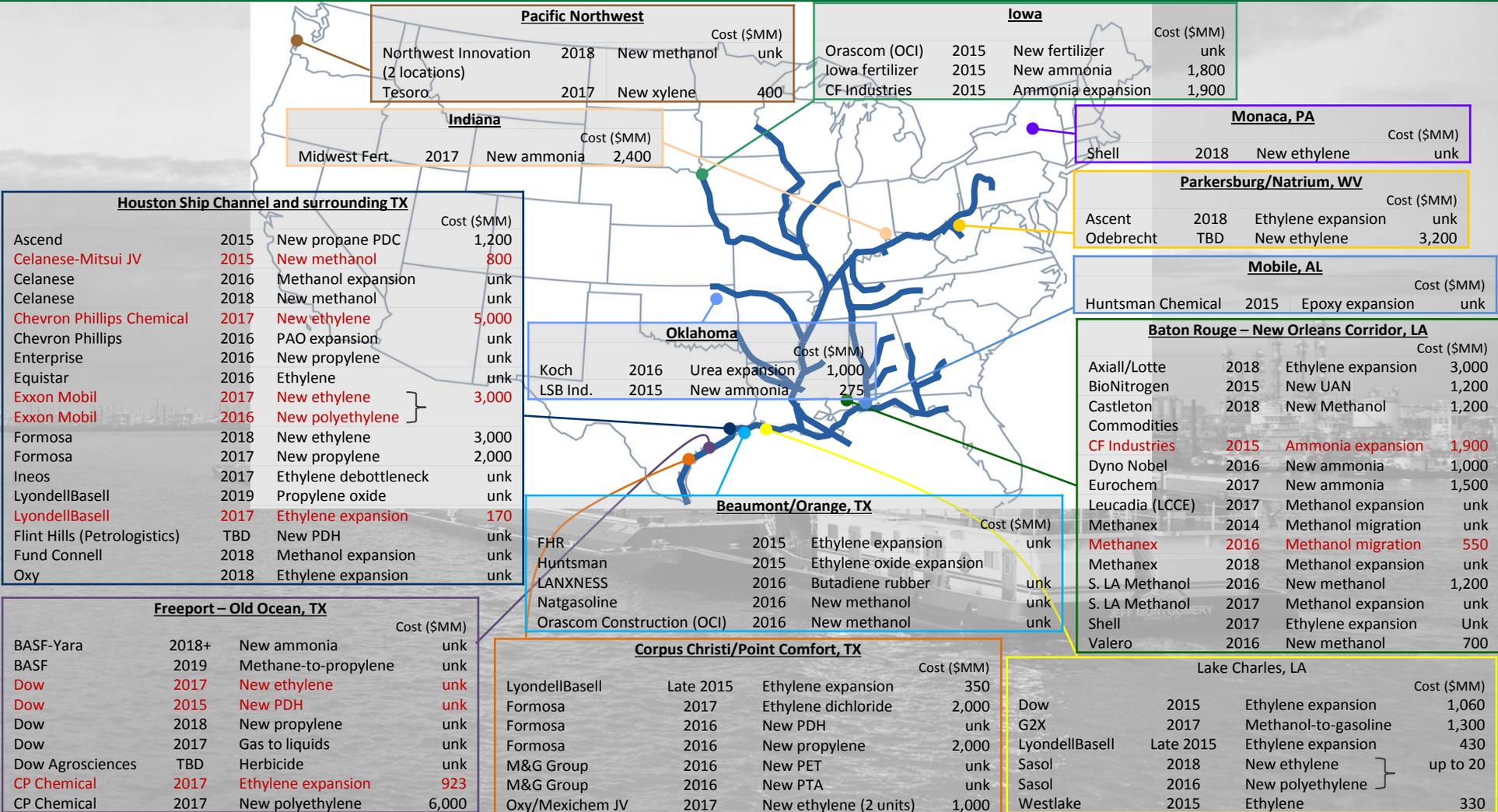
⁽¹⁾ Ton miles indicate fleet productivity by measuring the distance (in miles) a loaded inland tank barge is moved. Example: A typical 30,000 barrel inland tank barge loaded with 3,300 tons of liquid cargo is moved 100 miles, thus generating 330,000 ton miles.

⁽²⁾ Inland marine transportation revenues divided by ton miles. Example: 3rd quarter 2014 inland marine revenues of \$289,253,000 divided by 3,414,000,000 ton miles = 8.5 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.

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



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

Sources: ICIS, Company announcements, Kirby Corp.