

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): January 28, 2009

Kirby Corporation

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or
organization)

1-7615

(Commission File Number)

74-1884980

(I.R.S. Employer Identification No.)

**55 Waugh Drive, Suite 1000
Houston, Texas**

(Address of principal executive offices)

77007

(Zip Code)

**Registrant's telephone number, including area code:
(713) 435-1000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

EXHIBIT INDEX

[Exhibit 99.1](#) Press release dated January 28, 2009



KIRBY CORPORATION

Contact: Steve Holcomb
713-435-1135

FOR IMMEDIATE RELEASE

**KIRBY CORPORATION ANNOUNCES RECORD
2008 FOURTH QUARTER AND YEAR RESULTS**

- **2008 fourth quarter earnings per share were \$.72, a 13% increase compared with \$.64 earned in the 2007 fourth quarter, and included a \$6.0 million before taxes, or \$.07 per share, increase in allowance for doubtful accounts**
- **2008 year earnings per share were \$2.91, a 27% increase over the \$2.29 earned in 2007**
- **2009 first quarter earnings per share guidance is \$.45 to \$.55 versus \$.68 earned in the 2008 first quarter**
- **2009 first quarter guidance includes a \$.03 to \$.06 per share negative diesel fuel price impact and a \$.05 per share charge for early retirements and staff reductions**
- **2009 year earnings per share guidance is \$2.40 to \$2.65 versus \$2.91 earned in 2008**

Houston, Texas (January 28, 2009) – Kirby Corporation (“Kirby”) (NYSE:KEX) today announced record net earnings for the fourth quarter ended December 31, 2008 of \$38.4 million, or \$.72 per share, compared with net earnings of \$34.4 million, or \$.64 per share, for the 2007 fourth quarter. The 2008 fourth quarter net earnings included a \$6.0 million before taxes, or \$.07 per share, increase in Kirby’s allowance for doubtful accounts. Consolidated revenues for the 2008 fourth quarter were a record \$326.7 million, an increase of 6% over the \$307.9 million reported for the 2007 fourth quarter.

“While our fourth quarter results mark the 20th consecutive quarter that our net earnings exceeded the same quarter of the previous year, both our marine transportation and diesel engine services markets weakened as the economic downturn began to impact our customers,” said Joe Pyne, Kirby’s President and Chief Executive Officer. “In our marine transportation segment, demand was weakest in our upriver markets but was partially offset by time charter contracts, lower fuel costs and lower operating costs as we responded to the changing economic conditions. We also increased our general reserve for doubtful accounts by \$6.0 million in the fourth quarter due to the deteriorating economic environment. Our diesel engine services segment’s fourth quarter results reflected a weaker medium-speed market and continued weakness in our high-speed market.”

Kirby reported record net earnings for the 2008 year of \$157.2 million, or \$2.91 per share, a 27% increase compared with \$123.3 million, or \$2.29 per share, for 2007. Consolidated revenues for the 2008 year were a record \$1.36 billion, a 16% increase compared with \$1.17 billion for 2007. The Company's debt to capitalization ratio declined from 27.9% to 21.7% during 2008.

Marine Transportation Operating Results

Marine transportation operating income for the 2008 fourth quarter was \$62.2 million, a 15% increase compared with the fourth quarter of 2007, and revenues were \$265.5 million, a 7% increase compared with the 2007 fourth quarter. Demand for the upriver movements of petrochemicals weakened during the quarter while demand in the Gulf Intracoastal Waterway remained consistent with third quarter levels. In addition to the \$.07 per share negative impact from the increase in the allowance for doubtful accounts, the fourth quarter results also reflected a \$.06 per share benefit from the timing impact of falling diesel fuel prices, which declined from an average price of \$3.99 per gallon consumed in the 2008 third quarter to an average of \$2.59 per gallon consumed in the 2008 fourth quarter. The 2008 fourth quarter operating margin was 23.4% compared with 21.8% for the 2007 fourth quarter, reflecting higher term contract pricing implemented throughout 2008, reduced number of charter boats operated and lower fuel costs, partially offset by the increase in the allowance for doubtful accounts.

Diesel Engine Services Operating Results

Diesel engine services operating income for the 2008 fourth quarter was \$7.5 million, a 19% decrease compared with the fourth quarter of 2007, and revenues were \$61.2 million, a 3% increase compared with the 2007 fourth quarter. Demand levels for service and direct parts sales weakened in the fourth quarter in the medium-speed market as its customers' activities slowed, particularly in the power generation and railroad markets. The high-speed market, which had been impacted by lower Gulf of Mexico oil services activity during the 2008 first nine months, improved in the fourth quarter as customers recovered from the disruptions of Hurricanes Gustav and Ike. The diesel engine services operating margin was 12.3% for the 2008 fourth quarter compared with 15.6% for the 2007 fourth quarter and 15.0% for the 2008 year compared with 15.6% for 2007. The reduced fourth quarter operating margin reflected lower labor utilization and higher equipment sales, which had lower operating margins.

2009 First Quarter and Year Outlook

Commenting on the 2009 first quarter guidance, Mr. Pyne said, "The global recession has limited our visibility for 2009 volumes and we are providing a wider quarterly and annual earnings guidance range until we can forecast with a higher level of confidence. For the 2009 first quarter our earnings guidance is \$.45 to \$.55 per share, reflecting a 19% to 34% decrease compared with \$.68 per share for the 2008 first quarter, as demand is anticipated to remain weak. The 2009 first quarter guidance includes an estimated \$.03 to \$.06 per share negative diesel fuel price impact. The guidance also includes an estimated \$.05 per share charge for early retirement and staff reductions, as we respond to a lower demand and service environment."

Commenting on the 2009 year, Mr. Pyne said, "For the 2009 year, our earnings guidance is \$2.40 to \$2.65 per share, reflecting a 9% to 18% decrease from 2008 net earnings of \$2.91 per share. Our 2009 capital spending guidance range is \$185 to \$195 million, including approximately \$140 million for the construction of 48 new tank barges and five towboats."

Conference Call

A conference call is scheduled at 10:00 a.m. central time tomorrow, Thursday, January 29, 2009, to discuss the 2008 fourth quarter and year performance as well as the outlook for the 2009 first quarter and year. The conference call number is 888-328-2514 for domestic callers and 706-679-3262 for international callers. The leader's name is Steve Holcomb. An audio playback will be available at 1:00 p.m. central time on Thursday, January 29, through 6:00 p.m. central time on Friday, February 27, by dialing 800-642-1687 for domestic and 706-645-9291 for international callers. The conference ID number is 80621376. A live audio webcast of the conference call will be available to the public and a replay available after the call by visiting Kirby's web site at <http://www.kirbycorp.com/>.

GAAP to Non-GAAP Financial Measures

The financial and other information to be discussed in the conference call is available in this press release and in a Form 8-K filed with the Securities and Exchange Commission. This press release and the Form 8-K include a non-GAAP financial measure, EBITDA, which Kirby defines as net earnings before interest expense, taxes on income, depreciation and amortization. A reconciliation of EBITDA with GAAP net earnings is included in this press release. This earnings press release also includes marine transportation performance measures, consisting of ton miles, revenue per ton mile, towboats operated and delay days. Comparable performance measures for the 2008 and 2007 years and quarters are available at Kirby's web site, <http://www.kirbycorp.com/>, under the caption Performance Measurements in the Investor Relations section.

About Kirby Corporation

Kirby Corporation, based in Houston, Texas, operates inland tank barges and towing vessels, transporting petrochemicals, black oil products, refined petroleum products and agricultural chemicals throughout the United States inland waterway system. Kirby also owns and operates four ocean-going barge and tug units transporting dry-bulk commodities in United States coastwise trade. Through the diesel engine services segment, Kirby provides after-market service for medium-speed and high-speed diesel engines and reduction gears used in marine, power generation and railroad applications.

Statements contained in this press release 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 timing, magnitude and number of acquisitions made by Kirby. Forward-looking statements are based on currently available information and Kirby assumes no obligation to update any 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, 2007 filed with the Securities and Exchange Commission.

A summary of the results for the fourth quarter and year follows:

CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

| | <u>Fourth Quarter</u> | | <u>Year</u> | |
|--|---|------------------|-------------------|-------------------|
| | <u>2008</u> | <u>2007</u> | <u>2008</u> | <u>2007</u> |
| | (unaudited, \$ in thousands except per share amounts) | | | |
| Revenues: | | | | |
| Marine transportation | \$ 265,461 | \$ 248,695 | \$ 1,095,475 | \$ 928,834 |
| Diesel engine services | 61,216 | 59,155 | 264,679 | 243,791 |
| | <u>326,677</u> | <u>307,850</u> | <u>1,360,154</u> | <u>1,172,625</u> |
| Costs and expenses: | | | | |
| Costs of sales and operating expenses | 193,830 | 192,882 | 843,310 | 735,427 |
| Selling, general and administrative | 39,822 | 30,665 | 142,171 | 121,952 |
| Taxes, other than on income | 2,572 | 3,533 | 13,120 | 13,159 |
| Depreciation and amortization | 24,067 | 20,642 | 91,199 | 80,916 |
| Loss (gain) on disposition of assets | 134 | (148) | (142) | 383 |
| | <u>260,425</u> | <u>247,574</u> | <u>1,089,658</u> | <u>951,837</u> |
| Operating income | 66,252 | 60,276 | 270,496 | 220,788 |
| Other expense | (719) | (215) | (1,820) | (672) |
| Interest expense | (3,399) | (4,458) | (14,064) | (20,284) |
| Earnings before taxes on income | 62,134 | 55,603 | 254,612 | 199,832 |
| Provision for taxes on income | (23,725) | (21,251) | (97,444) | (76,491) |
| Net earnings | <u>\$ 38,409</u> | <u>\$ 34,352</u> | <u>\$ 157,168</u> | <u>\$ 123,341</u> |
| Net earnings per share of common stock: | | | | |
| Basic | \$.72 | \$.65 | \$ 2.94 | \$ 2.33 |
| Diluted | \$.72 | \$.64 | \$ 2.91 | \$ 2.29 |
| Common stock outstanding (in thousands): | | | | |
| Basic | 53,067 | 53,123 | 53,397 | 52,978 |
| Diluted | 53,548 | 53,925 | 54,020 | 53,764 |

CONDENSED CONSOLIDATED FINANCIAL INFORMATION

| | <u>Fourth Quarter</u> | | <u>Year</u> | |
|---|------------------------------|------------------|------------------------------|-------------------|
| | <u>2008</u> | <u>2007</u> | <u>2008</u> | <u>2007</u> |
| | (unaudited, \$ in thousands) | | | |
| EBITDA: ⁽¹⁾ | | | | |
| Net earnings | \$ 38,409 | \$ 34,352 | \$ 157,168 | \$ 123,341 |
| Interest expense | 3,399 | 4,458 | 14,064 | 20,284 |
| Provision for taxes on income | 23,725 | 21,251 | 97,444 | 76,491 |
| Depreciation and amortization | 24,067 | 20,642 | 91,199 | 80,916 |
| | <u>\$ 89,600</u> | <u>\$ 80,703</u> | <u>\$ 359,875</u> | <u>\$ 301,032</u> |
| Capital expenditures | \$ 31,494 | \$ 41,056 | \$ 173,019 | \$ 164,083 |
| Acquisitions of businesses and marine equipment | \$ 44 | \$ 5,419 | \$ 5,480 | \$ 67,185 |
| | | | | |
| | | | <u>December 31,</u> | |
| | | | <u>2008</u> | <u>2007</u> |
| | | | (unaudited, \$ in thousands) | |
| Long-term debt, including current portion | | | \$ 247,307 | \$ 297,383 |
| Stockholders' equity | | | \$ 890,053 | \$ 769,830 |
| Debt to capitalization ratio | | | 21.7% | 27.9% |

MARINE TRANSPORTATION STATEMENTS OF EARNINGS

| | Fourth Quarter | | Year | |
|---------------------------------------|------------------------------|------------------|-------------------|-------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | (unaudited, \$ in thousands) | | | |
| Marine transportation revenues | \$ 265,461 | \$ 248,695 | \$ 1,095,475 | \$ 928,834 |
| Costs and expenses: | | | | |
| Costs of sales and operating expenses | 149,995 | 151,470 | 657,078 | 562,769 |
| Selling, general and administrative | 28,578 | 20,658 | 96,960 | 82,454 |
| Taxes, other than on income | 2,293 | 3,287 | 12,034 | 12,188 |
| Depreciation and amortization | 22,424 | 19,111 | 84,537 | 75,311 |
| | <u>203,290</u> | <u>194,526</u> | <u>850,609</u> | <u>732,722</u> |
| Operating income | \$ <u>62,171</u> | \$ <u>54,169</u> | \$ <u>244,866</u> | \$ <u>196,112</u> |
| Operating margins | <u>23.4%</u> | <u>21.8%</u> | <u>22.4%</u> | <u>21.1%</u> |

DIESEL ENGINE SERVICES STATEMENTS OF EARNINGS

| | Fourth Quarter | | Year | |
|---------------------------------------|------------------------------|-----------------|------------------|------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | (unaudited, \$ in thousands) | | | |
| Diesel engine services revenues | \$ 61,216 | \$ 59,155 | \$ 264,679 | \$ 243,791 |
| Costs and expenses: | | | | |
| Costs of sales and operating expenses | 43,835 | 41,412 | 186,232 | 172,658 |
| Selling, general and administrative | 8,508 | 7,116 | 33,014 | 28,196 |
| Taxes, other than income | 259 | 218 | 1,016 | 856 |
| Depreciation and amortization | 1,115 | 1,157 | 4,830 | 4,133 |
| | <u>53,717</u> | <u>49,903</u> | <u>225,092</u> | <u>205,843</u> |
| Operating income | \$ <u>7,499</u> | \$ <u>9,252</u> | \$ <u>39,587</u> | \$ <u>37,948</u> |
| Operating margins | <u>12.3%</u> | <u>15.6%</u> | <u>15.0%</u> | <u>15.6%</u> |

OTHER COSTS AND EXPENSES

| | Fourth Quarter | | Year | |
|--------------------------------------|------------------------------|----------|-----------|-----------|
| | 2008 | 2007 | 2008 | 2007 |
| | (unaudited, \$ in thousands) | | | |
| General corporate expenses | \$ 3,284 | \$ 3,293 | \$ 14,099 | \$ 12,889 |
| Loss (gain) on disposition of assets | \$ 134 | \$ (148) | \$ (142) | \$ 383 |

MARINE TRANSPORTATION PERFORMANCE MEASUREMENTS

| | Fourth Quarter | | Year | |
|--|----------------|---------|---------|---------|
| | 2008 | 2007 | 2008 | 2007 |
| Ton Miles (in millions) ⁽²⁾ | 3,292 | 4,206 | 14,267 | 16,716 |
| Revenue/Ton Mile (cents/tm) ⁽³⁾ | 7.7 | 5.7 | 7.3 | 5.3 |
| Towboats operated (average) ⁽⁴⁾ | 250 | 258 | 256 | 253 |
| Delay Days ⁽⁵⁾⁽⁵⁾ | 1,926 | 2,311 | 8,267 | 8,157 |
| Average cost per gallon of fuel consumed | \$ 2.59 | \$ 2.49 | \$ 3.21 | \$ 2.10 |
| Tank barges: | | | | |
| Active | | | 914 | 913 |
| Inactive | | | 73 | 53 |
| Barrel capacities (in millions): | | | | |
| Active | | | 17.5 | 17.3 |
| Inactive | | | 1.3 | .9 |

- (1) Kirby has historically evaluated its operating performance using numerous measures, one of which is EBITDA, a non-GAAP financial measure. Kirby defines EBITDA as net earnings before interest expense, taxes on income, depreciation and amortization. EBITDA is presented because of its wide acceptance as a financial indicator. 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. EBITDA is not a calculation based on generally accepted accounting principles and should not be considered as an alternative to, but should only be considered in conjunction with, Kirby's GAAP financial information.
- (2) Ton miles indicate fleet productivity by measuring the distance (in miles) a loaded tank barge is moved. Example: A typical 30,000 barrel tank barge loaded with 3,300 tons of liquid cargo is moved 100 miles, thus generating 330,000 ton miles.
- (3) Inland marine transportation revenues divided by ton miles. Example: Fourth quarter 2008 inland marine revenues of \$252,719,000 divided by 3,292,000,000 marine transportation ton miles = 7.7 cents.
- (4) Towboats operated are the average number of owned and chartered towboats operated during the period.
- (5) Delay days measures the lost time incurred by a tow (towboat and one or more tank barges) during transit. The measure includes transit delays caused by weather, lock congestion and other navigational factors.