UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

[X] Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarter ended March 31, 2003

[ ] Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission File Number 1-7615

Kirby Corporation

(Exact name of registrant as specified in its charter)

Nevada	74-1884980
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
55 Waugh Drive, Suite 1000, Houston, TX	77007
(Address of principal executive offices)	(Zip Code)

(713) 435-1000

(Registrant's telephone number, including area code)

No Change

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).

Yes [X] No [ ]

The number of shares outstanding of the registrant's Common Stock, $.10 par value per share, on May 9, 2003 was 24,096,000.

Part I Financial Information

Item 1. Financial Statements

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONDENSED BALANCE SHEETS
(Unaudited)

ASSETS

	March 31, 2003	December 31, 2002
	($ in thousands)	
Current assets:		
Cash and cash equivalents	$ 1,964	$ 1,432
Accounts receivable:		
Trade - less allowance for doubtful accounts	86,029	79,829
Insurance claims and other	5,484	6,129
Inventory - finished goods	15,514	15,549
Prepaid expenses and other current assets	13,224	12,777
Deferred income taxes	3,435	3,752
Total current assets	125,650	119,468
Property and equipment	852,126	797,937
Less accumulated depreciation	323,226	311,085
	528,900	486,852
Investment in marine affiliates	9,924	10,238
Goodwill - net	156,726	156,726
Other assets	19,254	18,474
	$ 840,454	$ 791,758

See accompanying notes to condensed financial statements.

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONDENSED BALANCE SHEETS
(Unaudited)

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31, 2003	December 31, 2002
	($ in thousands)	
Current liabilities:		
Current portion of long-term debt	$ 336	$ 336
Income taxes payable	5,355	1,443
Accounts payable	45,001	37,509
Accrued liabilities	48,854	47,392
Deferred revenues	3,826	4,565
Total current liabilities	103,372	91,245
Long-term debt - less current portion	295,181	265,665
Deferred income taxes	85,483	85,768
Minority interests	2,915	2,691
Other long-term liabilities	22,921	23,078
	406,500	377,202
Contingencies and commitments	--	--
Stockholders' equity:		
Preferred stock, $1.00 par value per share. Authorized 20,000,000 shares	--	--
Common stock, $.10 par value per share. Authorized 60,000,000 shares, issued 30,907,000 shares	3,091	3,091
Additional paid-in capital	177,058	176,867
Accumulated other comprehensive income	(7,845)	(8,062)
Deferred compensation	(1,204)	--
Retained earnings	276,525	269,657
	447,625	441,553
Less cost of 6,815,000 shares in treasury (6,900,000 at December 31, 2002)	117,043	118,242
	330,582	323,311
	$ 840,454	$ 791,758

See accompanying notes to condensed financial statements.

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONDENSED STATEMENTS OF EARNINGS
(Unaudited)

	Three months ended March 31, 2003	2002
	($ in thousands, except per share amounts)	
Revenues:		
Marine transportation	$ 125,065	$108,990
Diesel engine services	23,135	22,447
	148,200	131,437
Costs and expenses:		
Costs of sales and operating expenses	100,851	83,470
Selling, general and administrative	17,561	17,200
Taxes, other than on income	3,051	2,349
Depreciation and other amortization	12,232	11,522
Loss (gain) on disposition of assets	7	(141)
	133,702	114,400
Operating income	14,498	17,037
Equity in earnings of marine affiliates	436	803
Other expense	(403)	(127)
Interest expense	(3,454)	(3,507)
Earnings before taxes on income	11,077	14,206
Provision for taxes on income	(4,209)	(5,398)
Net earnings	$ 6,868	$ 8,808
Net earnings per share of common stock:		
Basic	$ .29	$ .37
Diluted	$ .28	$ .36

See accompanying notes to condensed financial statements.

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three months ended March 31, 2003	Three months ended March 31, 2002
	($ in thousands)	
Cash flows from operating activities:		
Net earnings	$ 6,868	$ 8,808
Adjustments to reconcile net earnings to net cash provided by operations:		
Depreciation and amortization	12,232	11,522
Deferred income taxes	(85)	(1,047)
Equity in earnings of marine affiliates, net of distributions and contributions	314	(139)
Other	802	61
Increase in cash flows resulting from changes in operating working capital	5,235	3,976
Net cash provided by operating activities	25,366	23,181
Cash flows from investing activities:		
Capital expenditures	(18,752)	(17,320)
Acquisition of marine equipment	(36,316)	(2,800)
Proceeds from disposition of assets	261	1,256
Net cash used in investing activities	(54,807)	(18,864)
Cash flows from financing activities:		
Borrowings (payments) on bank credit facilities, net	(220,400)	42,500
Borrowings (payments) on long-term debt, net	249,916	(50,084)
Proceeds from exercise of stock options	626	2,022
Other	(169)	(363)
Net cash provided by (used in) financing activities	29,973	(5,925)
Increase (decrease) in cash and cash equivalents	532	(1,608)
Cash and cash equivalents, beginning of year	1,432	1,850
Cash and cash equivalents, end of period	$ 1,964	$ 242
Supplemental disclosures of cash flow information:		
Cash paid during the period:		
Interest	$ 2,918	$ 4,569
Income taxes	$ 41	$ 1,478

See accompanying notes to condensed financial statements.

NOTES TO CONDENSED FINANCIAL STATEMENTS
(Unaudited)

In the opinion of management, the accompanying unaudited condensed financial statements of Kirby Corporation and consolidated subsidiaries (the "Company") contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position as of March 31, 2003 and December 31, 2002, and the results of operations for the three months ended March 31, 2003 and 2002.

(1) BASIS FOR PREPARATION OF THE CONDENSED FINANCIAL STATEMENTS

The condensed financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Although the Company believes that the disclosures are adequate to make the information presented not misleading, certain information and footnote disclosures, including significant accounting policies normally included in annual financial statements, have been condensed or omitted pursuant to such rules and regulations. It is suggested that these condensed financial statements be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2002.

(2) ACQUISITIONS

On January 15, 2003, the Company purchased from SeaRiver Maritime, Inc. ("SeaRiver"), the U.S. transportation affiliate of Exxon Mobil Corporation, 45 double hull inland tank barges and seven inland towboats for $32,113,000 in cash, and assumed from SeaRiver the leases of 16 double hull inland tank barges. On February 28, 2003, the Company purchased three double hull inland tank barges leased by SeaRiver from Banc of America Leasing & Capital, LLC ("Banc of America Leasing") for $3,453,000 in cash. The Company entered into a contract to provide inland marine transportation services to SeaRiver, transporting petrochemicals, refined petroleum products and black oil products throughout the Gulf Intracoastal Waterway and the Mississippi River System. Financing of the equipment acquisitions was through the Company's revolving credit facility.

In March 2002, the Company purchased the Cargo Carriers fleet of 21 inland tank barges for $2,800,000 in cash from Cargill Corporation ("Cargill"), and resold six of the tank barges for $530,000 in April 2002. Financing of the equipment acquisition was through the Company's revolving credit facility.

On October 31, 2002, the Company completed the acquisition of seven inland tank barges and 13 inland towboats from Coastal Towing, Inc. ("Coastal") for $17,053,000 in cash. In addition, the Company and Coastal entered into a barge management agreement whereby the Company will serve as manager of the two companies' combined black oil fleet for a period of seven years. The combined black oil fleet consists of 54 barges owned by Coastal and the Company's 66 black oil barges. Coastal is engaged in the inland tank barge transportation of black oil products along the Gulf Intracoastal Waterway and the Mississippi River and its tributaries. In a related transaction, on September 25, 2002, the Company purchased from Coastal three black oil tank barges for $1,800,000 in cash. Financing of the equipment acquisitions was through the Company's revolving credit facility.

(2) ACQUISITIONS - (Continued)

On December 15, 2002, the Company completed the acquisition of 94 inland tank barges from Union Carbide Finance Corporation ("Union Carbide") for $23,000,000. Nine of the 94 tank barges were out-of-service and will be sold. The Company had operated the tank barges since February 2001 under a long-term lease agreement between the Company and Union Carbide. The Dow Chemical Company ("Dow") acquired the inland tank barges as part of the February 2001 merger between Union Carbide Corporation and Dow. The Company has a long-term contract with Dow to provide for Dow's bulk liquid inland marine transportation requirements throughout the United States inland waterway system. With the merger between Union Carbide and Dow, the Company's long-term contract with Dow was amended to provide for Union Carbide's liquid inland marine transportation requirements. Financing of the equipment acquisition was through the Company's revolving credit facility.

(3) ACCOUNTING STANDARDS

In June 2001, Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations" ("SFAS No. 143") was issued. SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and associated asset retirement costs. SFAS No. 143 requires the fair value of a liability associated with an asset retirement be recognized in the period in which it is incurred if a reasonable estimate of fair value can be determined. The associated retirement costs are capitalized as part of the carrying amount of the long-lived asset and depreciated over the life of the asset. The Company adopted SFAS No. 143 effective January 1, 2003 with no effect on the Company's financial position or results of operations.

In April 2002, Statement of Financial Accounting Standards No. 145, "Rescission of SFAS No. 4, 44, and 64, Amendment of SFAS No. 13 and Technical Corrections" ("SFAS No. 145") was issued. SFAS No. 145 provides guidance for accounting for certain lease modifications that have economic effects that are similar to sale-leaseback transactions and income statement classification of gains and losses on extinguishment of debt. The Company adopted SFAS No. 145 effective January 1, 2003 with no effect on the Company's financial position or results of operations.

In July 2002, Statement of Financial Accounting Standards No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" ("SFAS No. 146") was issued. SFAS No. 146 requires companies to recognize costs associated with exit or disposal activities when they are incurred rather than accruing costs at the date of management's commitment to an exit or disposal plan. The Company adopted SFAS No. 146 for all exit or disposal activities initiated after December 31, 2002. The adoption of SFAS 146 did not have an impact in the quarter, as there were no applicable exit or disposal activities.

In November 2002, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness to Others, an interpretation of FASB Statements No. 5, 57, and 197 and a rescission of FASB Interpretation No. 34." This Interpretation elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees issued. The Interpretation also clarifies that a guarantor is required to recognize, at inception

(3) ACCOUNTING STANDARDS - (Continued)

of a guarantee, a liability for the fair value of the obligation undertaken. The disclosure requirements are effective for the Company's financial statements for interim and annual periods ending after December 15, 2002. The Company adopted the recognition provisions of the Interpretation effective January 1, 2003 for guarantees issued or modified after December 31, 2002. The adoption of the Interpretation did not have a material effect on the Company's financial position or results of operations. The Company's guarantees as of March 31, 2003 are described in Note 8, Contingencies.

In December 2002, Statement of Financial Accounting Standards No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure" ("SFAS No. 148") was issued. SFAS No. 148 amends Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123") and provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, SFAS No. 148 amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results.

The Company accounts for stock-based compensation utilizing the intrinsic value method in accordance with the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." The intrinsic value method of accounting is used for stock-based employee compensation whereby no compensation expense is recorded when the stock option exercise price is equal to, or greater than, the market price of the Company's common stock on the date of the grant.

The following table summarizes pro forma net earnings and earnings per share for the three months ended March 31, 2003 and 2002 assuming the Company had used the fair value method of accounting for its stock option plans (in thousands, except per share amounts):

	Three months ended March 31,	
	2003	2002
Net earnings, as reported	$ 6,868	$ 8,808
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(846)	(662)
Pro forma net earnings	$ 6,022	$ 8,146
Earnings per share:		
Basic - as reported	$ .29	$ .37
Basic - pro forma	$ .25	$ .34
Diluted - as reported	$ .28	$ .36
Diluted - pro forma	$ .25	$ .33

(3) ACCOUNTING STANDARDS - (Continued)

The weighted average fair value of options granted during the 2003 and 2002 first quarters were $14.26 and $14.55, respectively. The fair value was determined using the Black-Scholes option valuation model. The key input variables used in valuing the options were as follows: no dividend yield for any period; average risk-free interest rate based on five- and 10-year Treasury bonds - 1.3% for 2003 first quarter and 1.9% for 2002 first quarter; stock price volatility - 68% for 2003 first quarter and 67% for 2002 first quarter; and estimated option term - four or nine years.

In January 2003, the FASB issued Interpretation No. 46, "Consolidation of Variable Interest Entities, an interpretation of ARB No. 51." This Interpretation addresses the consolidation by business enterprises of variable interest entities as defined in the Interpretation. The Interpretation applies immediately to variable interest in variable interest entities created after January 31, 2003, and to variable interests in variable entities obtained after January 31, 2003. The application of this Interpretation is not expected to have a material effect on the Company's financial position or results of operations.

(4) COMPREHENSIVE INCOME

The Company's total comprehensive income for the three months ended March 31, 2003 and 2002 were as follows (in thousands):

	Three months ended March 31,	
	2003	2002
Net earnings	$ 6,868	$ 8,808
Change in fair value of derivative financial instruments, net of tax	217	1,178
Total comprehensive income	$ 7,085	$ 9,986

(5) SEGMENT INFORMATION

The following table sets forth the Company's revenues and profit (loss) by reportable segment for the three months ended March 31, 2003 and 2002 and total assets as of March 31, 2003 and December 31, 2002 (in thousands):

	Three months ended March 31, 2003	Three months ended March 31, 2002
Revenues:		
Marine transportation	$ 125,065	$ 108,990
Diesel engine services	23,135	22,447
	$ 148,200	$ 131,437
Segment profit (loss):		
Marine transportation	$ 13,704	$ 15,961
Diesel engine services	2,417	2,371
Other	(5,044)	(4,126)
	$ 11,077	$ 14,206

	March 31, 2003	December 31, 2002
Total assets:		
Marine transportation	$ 772,965	$ 726,353
Diesel engine services	46,494	45,531
Other	20,995	19,874
	$ 840,454	$ 791,758

The following table presents the details of "Other" segment profit (loss) for the three months ended March 31, 2003 and 2002 (in thousands):

	Three months ended March 31, 2003	Three months ended March 31, 2002
General corporate expenses	$ (1,616)	$ (1,436)
Gain (loss) on disposition of assets	(7)	141
Interest expense	(3,454)	(3,507)
Equity in earnings of marine affiliates	436	803
Other expense	(403)	(127)
	$ (5,044)	$ (4,126)

(5) SEGMENT INFORMATION - (Continued)

The following table presents the details of "Other" total assets as of March 31, 2003 and December 31, 2002 (in thousands):

	March 31, 2003	December 31, 2002
General corporate assets	$ 11,071	$ 9,636
Investment in marine affiliates	9,924	10,238
	$ 20,995	$ 19,874

(6) TAXES ON INCOME

Details of the provision for taxes on income for the three months ended March 31, 2003 and 2002 were as follows (in thousands):

	Three months ended March 31, 2003	2002
Provision for taxes on income:		
Current	$ 4,110	$ 6,130
Deferred	(260)	(1,047)
State and local	359	315
	$ 4,209	$ 5,398

(7) EARNINGS PER SHARE

The following table presents the components of basic and diluted earnings per share for the three months ended March 31, 2003 and 2002 (in thousands, except per share amounts):

	Three months ended March 31,	
	2003	2002
Net earnings	$ 6,868	$ 8,808
Basic earnings per share:		
Weighted average number of common shares outstanding	24,062	24,079
Basic earnings per share	$ .29	$ .37
Diluted earnings per share:		
Weighted average number of common shares outstanding	24,062	24,079
Dilutive shares applicable to stock options	265	466
Shares applicable to diluted earnings	24,327	24,545
Diluted earnings per share	$ .28	$ .36

Certain outstanding options to purchase approximately 762,000 shares of common stock were excluded in the computation of diluted earnings per share as of March 31, 2003, as such stock options would have been antidilutive. No options were excluded in the computation of diluted earnings per share as of March 31, 2002.

(8) CONTINGENCIES

The Company has issued guaranties or obtained stand-by letters of credit and performance bonds supporting performance by the Company and its subsidiaries of contractual or contingent legal obligations of the Company and its subsidiaries incurred in the ordinary course of business. The aggregate notional value of these instruments is $6,555,000 at March 31, 2003, including $1,600,000 in letters of credit and $4,955,000 in performance bonds, of which $4,718,000 of these financial instruments relates to contingent legal obligations, which are covered by the Company's liability insurance program in the event the obligations are incurred. All of these instruments have an expiration date within two years. The Company does not believe demand for payment under these instruments is likely and expects no material cash outlays to occur in connection with these instruments.

(8) CONTINGENCIES - (Continued)

The Company and a group of approximately 45 other companies have been notified that they are Potentially Responsible Parties ("PRPs") under the Comprehensive Environmental Response, Compensation and Liability Act with respect to a potential Superfund site, the Palmer Barge Line Site ("Palmer"), located in Port Arthur, Texas. In prior years, Palmer had provided tank barge cleaning services to various subsidiaries of the Company. The Company and three other PRPs have entered into an agreement with the EPA to perform a remedial investigation and feasibility study. Based on information currently available, the Company is unable to ascertain the extent of its exposure, if any, in this matter.

In addition, there are various other suits and claims against the Company, none of which in the opinion of management will have a material effect on the Company's financial condition, results of operations or cash flows. Management has recorded necessary reserves and believes that it has adequate insurance coverage or has meritorious defenses for these other claims and contingencies.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Statements contained in this Form 10-Q that are not historical facts, including, but not limited to, any projections contained herein, are forward-looking statements and involve a number of risks and uncertainties. Such statements can be identified by the use of forward-looking terminology such as "may," "will," "expect," "anticipate," "estimate," or "continue" or the negative thereof or other variations thereon or comparable terminology. The actual results of the future events described in such forward-looking statements in this Form 10-Q could differ materially from those stated in such forward-looking statements. Among the factors that could cause actual results to differ materially are: adverse economic conditions, industry competition and other competitive factors, adverse weather conditions such as high water, low water, tropical storms, hurricanes, fog and ice, marine accidents, lock delays, fuel costs, interest rates, construction of new equipment by competitors, including construction with government assisted financing, government and environmental laws and regulations, and the timing, magnitude and number of acquisitions made by the Company.

ACQUISITIONS

In March 2002, the Company purchased the Cargo Carriers fleet of 21 inland tank barges for $2,800,000 in cash from Cargill, and resold six of the tank barges for $530,000 in April 2002.

On October 31, 2002, the Company completed the acquisition of seven inland black oil tank barges and 13 inland towboats from Coastal for $17,053,000 in cash. In addition, the Company and Coastal entered into a barge management agreement whereby the Company will serve as manager of the two companies' combined black oil fleet for a period of seven years. The combined black oil fleet consists of 54 barges owned by Coastal and the Company's 66 black oil barges. In a related transaction, on September 25, 2002, the Company purchased from Coastal three black oil tank barges for $1,800,000 in cash.

On December 15, 2002, the Company purchased from Union Carbide 94 double hull inland tank barges for $23,000,000. Nine of the 94 tank barges were out-of-service and will be sold. The Company had operated the tank barges since February 2001 under a long-term lease agreement between the Company and Union Carbide, following the February 2001 merger between Union Carbide and Dow. The Company has a long-term contract with Dow to provide for Dow's bulk liquid inland marine transportation requirements.

On January 15, 2003, the Company purchased from SeaRiver, the U.S. transportation affiliate of ExxonMobil, 45 double hull inland tank barges and seven inland towboats for $32,113,000 in cash, and assumed from SeaRiver the leases of 16 double hull inland tank barges. On February 28, 2003, the Company purchased three double hull inland tank barges leased by SeaRiver from Banc of America Leasing for $3,453,000 in cash. In addition, the Company entered into a contract to provide inland marine transportation services to SeaRiver.

RESULTS OF OPERATIONS

The Company reported first quarter 2003 net earnings of $6,868,000, or $.28 per share, on revenues of $148,200,000, compared with 2002 first quarter net earnings of $8,808,000, or $.36 per share, on revenues of $131,437,000.

RESULTS OF OPERATIONS - (CONTINUED)

Marine transportation revenues for the 2003 first quarter totaled $125,065,000, or 84% of total revenues, compared with $108,990,000, or 83% of total revenues for the 2002 first quarter. Diesel engine services revenues for the 2003 first quarter was $23,135,000, or 16% of total revenues, compared with $22,447,000, or 17% of total revenues for the first quarter of 2002.

For purposes of the Management's Discussion, all earnings per share are "Diluted earnings per share." The weighted average number of common shares applicable to diluted earnings for the 2003 and 2002 first quarters were 24,327,000 and 24,545,000, respectively. The decrease in the weighted average number of common shares for the 2003 first quarter compared with the 2002 first quarter primarily reflected fewer dilutive shares applicable to stock option plans due to the exclusion of certain outstanding options to purchase approximately 762,000 shares of common stock in the computation of diluted earnings per share as of March 31, 2003, as such stock options would have been antidilutive. No options were excluded in the computation of diluted earnings per share as of March 31, 2002.

MARINE TRANSPORTATION

The Company, through its marine transportation segment, is a provider of marine transportation services, operating a current fleet of 905 active inland tank barges and 226 active inland towing vessels, transporting petrochemicals, black oil products, refined petroleum products and agricultural chemicals along the United States inland waterways. The marine transportation segment is also the managing partner of a 35% owned offshore marine partnership, consisting of four dry-bulk barge and tug units. The partnership is accounted for under the equity method of accounting.

The following table sets forth the Company's marine transportation segment's revenues, costs and expenses, operating income and operating margins for the three months ended March 31, 2003 compared with the three months ended March 31, 2002 (dollars in thousands):

	Three months ended March 31, 2003	Three months ended March 31, 2002	% Change
Marine transportation revenues	$125,065	$108,990	15%
Costs and expenses:			
Costs of sales and operating expenses	83,171	66,447	25
Selling, general and administrative	13,783	13,635	1
Taxes, other than on income	2,902	2,199	32
Depreciation and other amortization	11,505	10,748	7
	111,361	93,029	20
Operating income	$ 13,704	$ 15,961	(14)%
Operating margins	11.0%	14.6%	

MARINE TRANSPORTATION REVENUES

Revenues for the 2003 first quarter were 15% over the 2002 first quarter. The increase included revenues generated from the October 2002 acquisition of 10 inland tank barges and seven towboats from Coastal and the signing of a barge management agreement to manage Coastal's remaining 54 tank barges. The increase also included revenues generated from the purchase of 48 inland tank barges and seven towboats, and the assumption of 16 leased inland tank barges, from SeaRiver in January 2003.

Petrochemical volumes into the Midwest continued to gradually improve in the 2003 first quarter, a trend since mid-2002, as Midwest manufacturers replenished low inventory levels of petrochemicals. Black oil volumes also increased due to greater demand for residual oil as a substitute for boiler fuel and cat cracker feedstock for the production of mostly refined products. Refined products volumes were soft at the beginning of the first quarter, but strengthened in March. Liquid fertilizer volumes were weak the entire first quarter, as the U.S. production of agricultural chemicals was significantly curtailed due to high feedstock cost, principally natural gas.

During the 2003 first quarter, approximately 70% of marine transportation volumes were under term contracts and 30% were spot market volumes. Contract renewals remained relatively flat during the 2003 first quarter. Spot market rates for the first quarter of 2003 increased about 10% when compared with 2002 lows experienced in the third quarter of 2002, as transportation volumes, excluding agricultural chemicals, gradually improved and navigational delays during the quarter increased tank barge utilization.

MARINE TRANSPORTATION COSTS AND EXPENSES

Total costs and expenses for the 2003 first quarter were 20% above the first quarter of 2002, partially reflecting the additional costs and expenses associated with operating additional tank barges and towboats from the March 2002 purchase of the Cargill fleet, the tank barges and towboats purchased from Coastal in October 2002 and related barge management agreement signed with Coastal, and the SeaRiver fleet acquisition in January 2003.

Costs of sales and operating expenses for the 2003 first quarter were 25% higher than the 2002 first quarter, reflecting additional vessel personnel and higher operating expenses from the acquisitions noted above. The 2003 first quarter costs and expenses were also higher due to navigational delays caused by periods of both high and low water levels on the Mississippi River System, and numerous instances of fog and high winds along the Gulf Intracoastal Waterway. Navigational delays also resulted from repairs to a major lock located on the Gulf Intracoastal Waterway. The navigational delays necessitated the use of additional chartered towboats to meet service requirements and schedules. In addition, the segment incurred significantly higher fuel costs during the 2003 first quarter. The average price per gallon of diesel fuel consumed in the 2003 first quarter was $1.03, up 78% from the 2002 first quarter average price of 58 cents. Term contracts contain fuel escalation clauses; however, there is generally a 30 to 90 day delay before contracts are adjusted. It is estimated that the higher fuel prices reduced the Company's 2003 first quarter earnings by approximately $.05 per share.

Taxes, other than on income, were 32% higher in the 2003 first quarter than the first quarter of 2002, primarily reflecting increased waterway use taxes and property taxes resulting from the 2002 and first quarter 2003 acquisitions and equipment purchases noted above.

Depreciation and other amortization increased 7% in the 2003 first quarter compared with the corresponding quarter of 2002. The increase reflected new tank barge additions in 2002 and 2003, as well as the acquisitions and equipment purchases noted above.

MARINE TRANSPORTATION OPERATING INCOME AND OPERATING MARGINS

Operating income for the 2003 first quarter decreased 14% compared with the first quarter of 2002. The operating margin for the 2003 first quarter was 11.0% compared with 14.6% for the 2002 first quarter. The lower operating margin reflected more severe winter weather conditions in the first quarter of 2003 compared with the prior year first quarter, major repairs to a critical lock on the Gulf Intracoastal Waterway and rapidly escalating fuel prices during the 2003 first quarter.

DIESEL ENGINE SERVICES

The Company, through its diesel engine services segment, sells genuine replacement parts, provides service mechanics to overhaul and repair large medium-speed diesel engines and reduction gears, and maintains facilities to rebuild component parts or entire large medium-speed diesel engines or entire reduction gears. The segment services the marine, power generation and industrial, and railroad markets.

The following table sets forth the Company's diesel engine services segment's revenues, costs and expenses, operating income and operating margins for the three months ended March 31, 2003 compared with the three months ended March 31, 2002 (dollars in thousands):

	Three months ended March 31,		
	2003	2002	% Change
Diesel engine services revenues	$ 23,135	$ 22,447	3%
Costs and expenses:			
Costs of sales and operating expenses	17,629	16,959	4
Selling, general and administrative	2,754	2,818	(2)
Taxes, other than on income	83	87	(5)
Depreciation and other amortization	252	212	19
	20,718	20,076	3
Operating income	$ 2,417	$ 2,371	2%
Operating margins	10.4%	10.6%	

DIESEL ENGINE SERVICES REVENUES

The diesel engine services segment's revenues for the 2003 first quarter increased 3% compared with the 2002 first quarter. The segment benefited from strong East Coast marine, power generation and industrial, and railroad markets. These markets were partially offset by a continued weak Gulf Coast oil and gas services market and a poor Midwest dry cargo barge market.

DIESEL ENGINE SERVICES COSTS AND EXPENSES

Costs and expenses for the 2003 first quarter increased 3% compared with the first quarter of 2002, and were in line with the 3% increase in 2003 first quarter revenues.

DIESEL ENGINE SERVICES OPERATING INCOME AND OPERATING MARGINS

The diesel engine services segment reported an operating margin of 10.4% for the 2003 first quarter, relatively constant with the 10.6% reported for the 2002 first quarter.

GENERAL CORPORATE EXPENSES

General corporate expenses for the 2003 first quarter were $1,616,000 compared with $1,436,000 for the first quarter of 2002. The 13% increase primarily reflected higher legal and professional fees.

OTHER INCOME AND EXPENSES

The following table sets forth the gain (loss) on disposition of assets, equity in earnings of marine affiliates, other expense and interest expense for the three months ended March 31, 2003 compared with the three months ended March 31, 2002 (dollars in thousands):

	Three months ended March 31,		
	2003	2002	% Change
Gain (loss) on disposition of assets	$ (7)	$ 141	(105)%
Equity in earnings of marine affiliates	$ 436	$ 803	(46)%
Other expense	$ (403)	$ (127)	217%
Interest expense	$ (3,454)	$ (3,507)	(2)%

EQUITY IN EARNINGS OF MARINE AFFILIATES

Equity in earnings of marine affiliates, consisting primarily of a 35% owned offshore marine partnership, declined 46% for the 2003 first quarter compared with the corresponding quarter of 2002. The lower results primarily reflected reduced rates on the April 2002 renewed coal transportation contract.

INTEREST EXPENSE

Interest expense for the 2003 first quarter decreased 2% compared with the first quarter of 2002, as a lower average interest rate offset higher average debt. The average debt and average interest rate for the 2003 and 2002 first quarter, including the effect of interest rate swaps, were $289,161,000 and 4.8%, and $241,978,000 and 5.9%, respectively.

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY

BALANCE SHEET

Total assets as of March 31, 2003 were $840,454,000, a 6% increase compared with $791,758,000 as of December 31, 2002. The following table sets forth the significant components of the balance sheet as of March 31, 2003 compared with December 31, 2002 (dollars in thousands):

	March 31, 2003	December 31, 2002	% Change
Assets:			
Current assets	$ 125,650	$ 119,468	5%
Property and equipment, net	528,900	486,852	9
Investment in marine affiliates	9,924	10,238	(3)
Goodwill, net	156,726	156,726	--
Other assets	19,254	18,474	4
	$ 840,454	$ 791,758	6%
Liabilities and stockholders' equity:			
Current liabilities	$ 103,372	$ 91,245	13%
Long-term debt - less current portion	295,181	265,665	11
Deferred income taxes	85,483	85,768	--
Minority interest and other long-term liabilities	25,836	25,769	--
Stockholders' equity	330,582	323,311	2
	$ 840,454	$ 791,758	6%

Current assets as of March 31, 2003 increased 5% compared with December 31, 2002. Trade accounts receivable increased 8%, primarily reflecting the acquisition of the SeaRiver fleet in January 2003 and corresponding increase in marine transportation business with SeaRiver. Insurance claims and other receivables decreased 11% primarily due to collection of claims receivables and the downward adjustment of certain claims.

Property and equipment, net of accumulated depreciation, at March 31, 2003 increased 9% compared with December 31, 2002. The increase reflected $18,752,000 of capital expenditures, the acquisition of the SeaRiver fleet for $35,566,000, less $12,177,000 of depreciation expense for the 2003 first quarter.

Current liabilities as of March 31, 2003 increased 13% compared with December 31, 2002. Income taxes payable increased 271%, as no estimated federal income tax payment is due in the first quarter of the year. Accounts payable reflected a 20% increase, mainly due to increased business activity levels, primarily from the SeaRiver fleet acquisition.

Long-term debt, less current portion, as of March 31, 2003 increased 11% compared with December 31, 2002. The increase was impacted by borrowings to finance the 2003 first quarter SeaRiver marine equipment acquisition and the 2003 first quarter capital expenditures, less the paydown of long-term debt from cash flow generated by the Company in the 2003 first quarter.

Stockholders' equity as of March 31, 2003 increased 2% compared with December 31, 2002. The increase primarily reflected 2003 first quarter net earnings of $6,868,000, a decrease in treasury stock of $1,199,000 and an increase in additional paid-in capital of $191,000 from the exercise of employee and director stock options, and the recording of $1,204,000 of deferred compensation related to restricted stock grants.

LONG-TERM FINANCING

The Company has an unsecured $150,000,000 revolving credit facility ("Revolving Credit Facility"), agented by JPMorgan Chase, with a maturity date of October 9, 2004. As of March 31, 2003, the Company had no borrowings outstanding under the Revolving Credit Facility and had outstanding letters of credit totaling $778,000. The Company was in compliance with all Revolving Credit Facility covenants at March 31, 2003.

The Company has an unsecured term loan ("Term Loan") provided by a syndicate of banks, with Bank of America, N.A. as agent bank. As of March 31, 2003, $37,500,000 was outstanding under the Term Loan. The principal amounts due within one year were classified as long-term debt, as the Company has the ability and intent through the Revolving Credit Facility to refinance the payments on a long-term basis. The Term Loan requires quarterly principal payments of $12,500,000, plus interest. The Company was in compliance with all Term Loan covenants at March 31, 2003.

On February 28, 2003, the Company issued $250,000,000 of floating rate senior notes ("Senior Notes") due February 28, 2013. The unsecured Senior Notes pay interest quarterly at a rate equal to the London Interbank Offered Rate ("LIBOR") plus a margin of 1.2%. The notes are callable at par after one year without penalty and no principal payments are required until maturity in 2013. The proceeds of the Senior Notes were used to repay $121,500,000 of the outstanding balance on the Term Loan and $128,500,000 of the outstanding balance on the Revolving Credit Facility. The Company was in compliance with all Senior Notes covenants at March 31, 2003.

The Company has an uncommitted $10,000,000 line of credit ("Credit Line") with Bank of America, N.A. for short-term liquidity needs and letters of credit. The Credit Line matures on November 4, 2003. As of March 31, 2003, $2,500,000 was borrowed under the Credit Line and outstanding letters of credit totaled $572,000. Amounts borrowed on the Credit Line were classified as long-term debt at March 31, 2003, as the Company has the ability and intent through the Revolving Credit Facility to refinance the short-term notes on a long-term basis.

The Company has an uncommitted $5,000,000 revolving credit note ("Credit Note") with BNP Paribus ("BNP") for short-term liquidity needs. The Credit Note originally had a $10,000,000 borrowing limit but was reduced to $5,000,000 on February 27, 2003 by mutual agreement between BNP and the Company. In September 2002, the Company entered into a $5,000,000 uncommitted letter of credit line with BNP. On February 27, 2003, the $5,000,000 uncommitted letter of credit line was cancelled due to a lack of need. As of March 31, 2003, $5,000,000 was borrowed under the Credit Note and classified as long-term debt, as the Company has the ability and intent through the Revolving Credit Facility to refinance the short-term notes on a long-term basis.

The Company has on file with the Securities and Exchange Commission a shelf registration for the issuance of up to $250,000,000 of debt securities, including medium term notes, providing for the issuance of fixed rate or floating rate notes with a maturity of nine months or longer. As of March 31, 2003, $121,000,000 was available under the shelf registration, subject to mutual agreement to terms, to provide financing for future business or equipment acquisitions, and to fund working capital requirements. As of March 31, 2003, there were no outstanding debt securities under the shelf registration.

In February and April 2001, the Company hedged a portion of its exposure to fluctuations in short-term interest rates under its Revolving Credit Facility and Term Loan by entering into interest rate swap agreements. Five-year interest rate swaps with notional amounts totaling $100,000,000 were executed in February 2001 and three-year interest rate swaps with notional amounts totaling $50,000,000 were executed in April 2001. On February 28, 2003, in connection with the issuing of the Senior Notes, the Company hedged a further portion of its exposure to fluctuations in short-term interest rates with a one-year interest rate swap with a notional amount of $100,000,000. The February and April 2001 interest rate swaps totaling $150,000,000 were re-designated as cash flow hedges for the Senior Notes. Under the swap agreements, the Company will pay a fixed rate of 4.96% on a notional amount of $50,000,000 for three years, an average fixed rate of 5.64% on a notional amount of $100,000,000 for five years, and a fixed rate of 1.39% on a notional amount of $100,000,000 for one year, and will receive floating rate interest payments based on LIBOR. The interest rate swaps are designated as cash flow hedges and the changes in fair value, to the extent the swap agreements are effective, are recognized in other comprehensive income until the hedged interest expense is recognized in earnings. As of March 31, 2003, the Company had a total notional amount of $250,000,000 of interest rate swaps designated as cash flow hedges for its Senior Notes. These interest rate swaps hedge a significant portion of the Company's long-term debt and only an immaterial loss on ineffectiveness was recognized in the 2003 first quarter. The fair value of the interest rate swap agreements was recorded as other long-term liability of $12,070,000 at March 31, 2003. The Company has recorded, in interest expense, losses related to the interest rate swap agreements of $1,475,000 and $1,285,000 for the three months ended March 31, 2003 and 2002, respectively. The Company anticipates $4,132,000 of net losses included in accumulated other comprehensive income will be transferred into earnings over the next year based on current interest rates. Fair value amounts were determined as of March 31, 2003 and 2002 based on quoted market values of the Company's portfolio of derivative instruments.

CAPITAL EXPENDITURES

Capital expenditures for the 2003 first quarter totaled $18,752,000, of which $3,811,000 was for construction of new tank barges and $14,941,000 was primarily for upgrading of the existing marine transportation fleet.

In February 2002, the Company entered into a contract for the construction of two double hull, 30,000 barrel capacity, inland tank barges for use in the transportation of asphalt. The two barges were placed into service during the 2003 first quarter. The total purchase price of the two barges was approximately $3,600,000, of which $164,000 was funded in 2002, $1,724,000 in the 2003 first quarter and the balance in April 2003.

In February 2002, the Company entered into a contract for the construction of six double hull, 30,000 barrel capacity, inland tank barges for use in the transportation of petrochemicals and refined products. Delivery of the six barges is scheduled over 2003, with the first barge delivered in April 2003. The total purchase price of the six barges is approximately $8,900,000, of which $780,000 was funded in 2002, $1,320,000 in the 2003 first quarter, with the balance to be expended during 2003.

In October 2002, the Company entered into a contract for the construction of six double hull, 30,000 barrel capacity, inland tank barges for use in the transportation of petrochemicals and refined products. Delivery of the six barges is scheduled over a six-month period starting in March 2004. The total purchase price of the six barges is approximately $8,900,000, of which $784,000 was funded in the 2003 first quarter.

In May 2003, the Company entered into a contract for the construction of 16 double hull, 30,000 barrel capacity, inland tank barges for use in the transportation of black oil products. Delivery of the 16 barges is scheduled over 2003 and 2004, with seven anticipated to be delivered in 2003 and nine in the first half of 2004. The total purchase price of the 16 barges is approximately $29,000,000, of which no payments have been made to date.

Under the barge management agreement with Coastal, Coastal has the right to purchase a portion of the 16 tank barges noted above. Over the next three years, a number of barges in the combined Company/Coastal black oil fleet will be retired and replaced with new barges. Under the barge management agreement, Coastal has the right to maintain its same capacity share of the combined fleet by building replacement barges as older barges are retired. If Coastal chooses not to exercise its right to purchase its share of the 16 barges currently under construction, the Company will purchase the barges that Coastal chooses not to purchase. The Company is currently in discussions with Coastal to determine whether Coastal intends to exercise its right to replace the Coastal capacity to be retired.

Funding for future capital expenditures and new barge construction is expected to be provided by borrowings on the Company's $150,000,000 Revolving Credit Facility.

TREASURY STOCK PURCHASES

During the 2003 first quarter, the Company did not purchase any treasury stock. As of May 9, 2003, the Company had 1,210,000 shares available under its common stock repurchase authorization. Historically, treasury stock purchases have been financed through operating cash flows and borrowing under the Company's Revolving Credit Facility. The Company is authorized to purchase its common stock on the New York Stock Exchange and in privately negotiated transactions. When purchasing its common stock, the Company is subject to price, trading volume and other market considerations. Shares purchased may be used for reissuance upon the exercise of stock options or the granting of other forms of incentive compensation, in future acquisitions for stock or for other appropriate corporate purposes.

LIQUIDITY

The Company generated net cash provided by operating activities of $25,366,000 during the three months ended March 31, 2003, 9% higher than the $23,181,000 generated during the three months ended March 31, 2002. Both quarters were positively influenced by favorable cash flow from working capital, $5,235,000 for the 2003 first quarter and $3,976,000 for the 2002 first quarter.

The Company accounts for its ownership in its four marine partnerships under the equity method of accounting, recognizing cash flow upon the receipt or distribution of cash from the partnerships and joint venture. For the three months ended March 31, 2003 and 2002, the Company received net cash totaling $750,000 and $525,000, respectively, from the marine partnerships.

Funds generated are available for acquisitions, capital expenditure projects, treasury stock repurchases, repayments of borrowings associated with each of the above and other operating requirements. In addition to net cash flow provided by operating activities, the Company also had available as of May 9, 2003, $133,218,000 under its Revolving Credit Facility and $121,000,000 under its shelf registration program, subject to mutual agreement to terms. As of May 8, 2003, the Company had $8,454,000 available under its Credit Line and none available under its Credit Note.

Neither the Company, nor any of its subsidiaries, is obligated on any debt instruments, swap agreement, or any other financial instrument or commercial contract which has a rating trigger, except for the pricing grids on its Senior Notes, Term Loan, Revolving Credit Facility, Credit Line or Credit Note.

The Company expects to continue to fund expenditures for acquisitions, capital construction projects, new barge construction, treasury stock repurchases, repayment of borrowings, and for other operating requirements from a combination of funds generated from operating activities and available financing arrangements.

The Company has a 50% interest in a joint venture bulk liquid terminal business that has a $5,740,000 term loan outstanding at March 31, 2003. The loan is non-recourse to the Company and the Company has no guarantee obligation. The Company uses the equity method of accounting to reflect its investment in the joint venture.

The Company has issued guaranties or obtained stand-by letters of credit and performance bonds supporting performance by the Company and its subsidiaries of contractual or contingent legal obligations of the Company and its subsidiaries incurred in the ordinary course of business. The aggregate notional value of these instruments is $6,555,000 at March 31, 2003, including $1,600,000 in letters of credit and $4,955,000 in performance bonds, of which $4,718,000 of these financial instruments relates to contingent legal obligations, which are covered by the Company's liability insurance program in the event the obligations are incurred. All of these instruments have an expiration date within two years. The Company does not believe demand for payment under these instruments is likely and expects no material cash outlays to occur in connection with these instruments.

During the last three years, inflation has had a relatively minor effect on the financial results of the Company. The marine transportation segment has long-term contracts that generally contain cost escalation clauses whereby certain costs, including fuel, can be passed through to its customers; however, there is typically a 30 to 90 day delay before contracts are adjusted for fuel prices. The repair portion of the diesel engine services segment is based on prevailing current market rates.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to market risk from changes in interest rates on certain of its outstanding debt and changes in fuel prices. The outstanding loan balances under the Company's bank credit facilities bear interest at variable rates based on prevailing short-term interest rates in the United States and Europe. A 10% change in variable interest rates would impact the 2003 interest expense by approximately $428,000, based on balances outstanding at December 31, 2002, and change the fair value of the Company's debt by less than 1%. The potential impact on the Company of fuel price increases is limited because most of its term contracts contain escalation clauses under which increases in fuel costs, among other, can be passed on to the customers, while its spot contract rates are set based on prevailing fuel prices. The Company does not presently use commodity derivative instruments to manage its fuel costs. The Company has no foreign exchange risk.

From time to time, the Company has utilized and expects to continue to utilize derivative financial instruments with respect to a portion of its interest rate risks to achieve a more predictable cash flow by reducing its exposure to interest rate fluctuations. These transactions generally are interest rate swap agreements and are entered into with major financial institutions. Derivative financial instruments related to the Company's interest rate risks are intended to reduce the Company's exposure to increases in the benchmark interest rates underlying the Company's variable rate bank credit facilities. The Company does not enter into derivative financial instrument transactions for speculative purposes.

In February and April 2001, the Company hedged a portion of its exposure to fluctuations in short-term interest rates by entering into interest rate swap agreements. Five-year swap agreements with notional amounts totaling $100,000,000 were executed in February 2001 and three-year swap agreements with notional amounts totaling $50,000,000 were executed in April 2001. On February 28, 2003, in connection with the issuing of the Senior Notes, the Company hedged a further portion of its exposure to fluctuations in short-term interest rates when it entered into a one-year interest rate swap agreement with a notional amount of $100,000,000. The February and April 2001 interest rate swap agreements totaling $150,000,000 were re-designated as cash flow hedges for the Senior Notes. Under the swap agreements, the Company will pay a fixed rate of 4.96% on a notional amount of $50,000,000 for three years, an average fixed rate of 5.64% on a notional amount of $100,000,000 for five years, and a fixed rate of 1.39% on a notional amount of $100,000,000 for one year, and will receive floating rate interest payments based on LIBOR. The interest rate swap agreements are designated as cash flow hedges, therefore, the changes in fair value, to the extent the swap agreements are effective, are recognized in other comprehensive income until the hedged interest expense is recognized in earnings. As of March 31, 2003, the Company had a total notional amount of $250,000,000 of interest rate swaps designated as cash flow hedges for its Senior Notes. These interest rate swaps hedge a significant portion of the Company's long-term debt and only an immaterial loss on ineffectiveness was recognized in the 2003 first quarter. The fair value of the interest rate swap agreements was recorded as other long-term liability of $12,070,000 at March 31, 2003. The Company has recorded, in interest expense, losses related to the interest rate swap agreements of $1,475,000 and $1,285,000 for the three months ended March 31, 2003 and 2002, respectively. Fair value amounts were determined as of March 31, 2003 and 2002 based on quoted market values of the Company's portfolio of derivative instruments.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures. Based on their evaluation of the Company's disclosure controls and procedures (as defined in Rule 13a-14(c) under the Securities Exchange Act of 1934 (the "Exchange Act")) as of a date within ninety days of the filing date of this quarterly report, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

(b) Changes in Internal Controls. There were no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation. There were no significant deficiencies or material weaknesses in the internal controls.

Item 1. Legal Proceedings

The Company and a group of approximately 45 other companies have been notified that they are Potentially Responsible Parties ("PRPs") under the Comprehensive Environmental Response, Compensation and Liability Act with respect to a potential Superfund site, the Palmer Barge Line Site ("Palmer"), located in Port Arthur, Texas. In prior years, Palmer had provided tank barge cleaning services to various subsidiaries of the Company. The Company and three other PRPs have entered into an agreement with the EPA to perform a remedial investigation and feasibility study. Based on information currently available, the Company is unable to ascertain the extent of its exposure, if any, in this matter.

In addition, there are various other suits and claims against the Company, none of which in the opinion of management will have a material effect on the Company's financial condition, results of operations or cash flows. Management has recorded necessary reserves and believes that it has adequate insurance coverage or has meritorious defenses for these other claims and contingencies.

Item 4. Results of Votes of Security Holders

(a) The Registrant held its Annual Meeting of Stockholders on April 22, 2003.

(b) Class II Directors elected to serve until the 2006 Annual Meeting of Stockholders were Bob G. Gower, Joseph H. Pyne and Richard C. Webb. Class III Directors continuing to serve until the 2004 Annual Meeting of Stockholders are C. Sean Day, William M. Lamont, Jr. and C. Berdon Lawrence. Class I Directors continuing to serve until the 2005 Annual Meeting of Stockholders are Walter E. Johnson, George A. Peterkin, Jr. and Robert G. Stone, Jr.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

99.1 - Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K:

There were no reports on Form 8-K filed for the three months ended March 31, 2003.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KIRBY CORPORATION
(Registrant)

By: /s/ NORMAN W. NOLEN

Norman W. Nolen
Executive Vice President, Treasurer
and Chief Financial Officer

Dated: May 9, 2003

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

In connection with the filing of the Quarterly Report on Form 10-Q for the quarter ended March 31, 2003 by Kirby Corporation, Joseph H. Pyne, President and Chief Executive Officer, hereby certifies that:

1. I have reviewed this quarterly report on Form 10-Q of Kirby Corporation (the "Company");

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this quarterly report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Company and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the Company's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation, to the Company's auditors and the audit committee of the Company's board of directors:

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls; and

6. The Company's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ J. H. PYNE

J. H. Pyne
President and Chief Executive Officer

Dated: May 9, 2003

CERTIFICATION OF CHIEF FINANCIAL OFFICER

In connection with the filing of the Quarterly Report on Form 10-Q for the quarter ended March 31, 2003 by Kirby Corporation, Norman W. Nolen, Executive Vice President, Treasurer and Chief Financial Officer, hereby certifies that:

1. I have reviewed this quarterly report on Form 10-Q of Kirby Corporation (the "Company");

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this quarterly report;

4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the Company and we have:

    a) designed such disclosure controls and procedures to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    b) evaluated the effectiveness of the Company's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

    c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation, to the Company's auditors and the audit committee of the Company's board of directors:

    a) all significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weaknesses in internal controls; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls; and

6. The Company's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ NORMAN W. NOLEN

Norman W. Nolen
Executive Vice President, Treasurer
and Chief Financial Officer

Dated: May 9, 2003

EXHIBIT INDEX

Exhibits:

99.1 - Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 99.1

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Quarterly Report on Form 10-Q for the quarter ended March 31, 2003 (the "Report") by Kirby Corporation (the "Company"), each of the undersigned hereby certifies that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ J. H. PYNE

J. H. Pyne
President and Chief Executive Officer

/s/ NORMAN W. NOLEN

Norman W. Nolen
Executive Vice President, Treasurer
and Chief Financial Officer

Dated: May 9, 2003