

**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 22, 2007**

**Kirby Corporation**

**(Exact name of registrant as specified in its charter)**

Nevada  
(State or other jurisdiction of incorporation)

1-7615  
(Commission File Number)

75-1884980  
(IRS Employer Identification No.)

**55 Waugh Drive, Suite 1000  
Houston, Texas 77007  
(Address of principal executive offices)**

**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))
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Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Bonuses for 2006

On January 22, 2007, the Compensation Committee of Kirby's Board of Directors awarded discretionary bonuses to the Company's Chief Executive Officer, Chief Financial Officer and three other most highly compensated executive officers (the "named executive officers") under the Company's incentive bonus plan for 2006.

The Company's 2006 incentive bonus plan is based on the achievement of three equally weighted performance measures by each of the Company's four business groups — inland marine transportation, diesel engine services, offshore marine transportation and container-on-barge service — and by the Company as a whole. The three performance measures are EBITDA (net earnings before interest expense, taxes on income, depreciation and amortization), return on total capital and earnings per share.

At the beginning of the year, the Compensation Committee established objectives for each of the three performance measures for the year, based on the budget for the year approved by the Board of Directors. A target bonus expressed as a percentage of base salary was established for each participant. Seventy-five percent of each participant's bonus is based on the achievement of the target performance by the Company and its business groups for the year (shown as the "formula bonus" in the table below); 25% of each participant's bonus is allocated based on a discretionary assessment of individual performance for the year (shown as the "discretionary bonus" in the table below).

At its January 22 meeting, the Compensation Committee awarded the full discretionary 25% of the bonus award to each named executive officer. The total bonuses earned by each named executive officer for 2006 were as follows:

<u>Officer</u>	<u>Formula Bonus</u>	<u>Discretionary Bonus</u>
Joseph H. Pyne President and Chief Executive Officer	\$576,455	\$192,152
C. Berdon Lawrence Chairman of the Board	\$441,077	\$147,026
Stephen P. Valerius President, Kirby Inland Marine, LP	\$249,747	\$83,249
Norman W. Nolen Executive Vice President, Treasurer and Chief Financial Officer	\$211,424	\$70,474
Mark R. Buese Senior Vice President-Administration	\$161,851	\$53,950

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Performance Awards for 2007-2009

On January 22, 2007, the Compensation Committee of the Board of Directors of Kirby granted performance awards under Kirby's 2005 Stock and Incentive Plan to Mr. Pyne, Mr. Valerius and Mr. Nolen. The performance awards are based on a three-year performance period beginning January 1, 2007. The target amounts for the performance awards established for the three executive officers were \$1,186,815 for Mr. Pyne, \$288,640 for Mr. Valerius and \$259,776 for Mr. Nolen. The percentage of the target award paid at the end of the performance period will be based on Kirby's achievement on a cumulative basis for the three-year period of the objective levels of EBITDA, return on total capital and earnings per share established under its annual incentive bonus plan, with the three factors equally weighted. The officers will be paid the target amount if 100% of the objective performance measures is achieved over the three-year period. The payment can range from zero if less than 80% of the objective performance measures is achieved to a maximum of 200% of the target award for the achievement of 130% or more of the objective performance measures.

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SIGNATURE

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 hereunto duly authorized.

Dated January 26, 2007

KIRBY CORPORATION  
(Registrant)

By /s/ G. Stephen Holcomb  
G. Stephen Holcomb  
Vice President

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