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, 2002

[ ] 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 [ ]

The number of shares outstanding of the registrant's Common Stock, $.10 par value per share, on May 9, 2002 was 24,131,000.

PART I - FINANCIAL INFORMATION

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONDENSED BALANCE SHEETS
(Unaudited)

ASSETS

	March 31, 2002	December 31, 2001
	($ in thousands)	
Current assets:		
Cash and cash equivalents	$ 242	$ 1,850
Accounts receivable:		
Trade - less allowance for doubtful accounts	72,143	78,677
Insurance claims and other	6,877	5,420
Inventory - finished goods	17,809	15,105
Prepaid expenses	9,544	9,082
Deferred income taxes	3,463	3,113
Total current assets	110,078	113,247
Property and equipment	794,399	776,157
Less accumulated depreciation	320,656	309,918
	473,743	466,239
Investment in marine affiliates		

13,578
13,439
Goodwill -
net 156,726
156,726
Other
assets
3,975 4,820

- ---------
--- $
758,100 $
754,471
============
============

See accompanying notes to condensed financial statements.

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONDENSED BALANCE SHEETS
(Unaudited)

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31, 2002	December 31, 2001
	($ in thousands)	
Current liabilities:		
Current portion of long-term debt	$ 335	$ 335
Income taxes payable	7,964	2,997
Accounts payable	40,241	35,378
Accrued liabilities	46,429	54,097
Deferred revenues	3,170	4,250
Total current liabilities	98,139	97,057
Long-term debt - less current portion	241,818	249,402
Deferred income taxes	89,480	89,542
Minority interests	2,557	2,819
Other long-term liabilities	13,072	14,629
	346,927	356,392
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	176,125	176,074
Accumulated other comprehensive income	(2,186)	(3,364)
Retained earnings	251,019	242,211
	428,049	418,012
Less cost of 6,776,000 shares in treasury (6,892,000 at December 31, 2001)	115,015	116,990
	313,034	301,022
	$ 758,100	$ 754,471

See accompanying notes to condensed financial statements.

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONDENSED STATEMENTS OF EARNINGS
(Unaudited)

	Three months ended March 31,	
	2002	2001
	($ in thousands, except per share amounts)	
Revenues:		
Marine transportation	$ 108,990	$ 111,951
Diesel engine services	22,447	21,177
	131,437	133,128
Costs and expenses:		
Costs of sales and operating expenses	83,470	84,891
Selling, general and administrative	17,200	17,102
Taxes, other than on income	2,349	2,704
Depreciation and other amortization	11,522	10,563
Amortization of goodwill	--	1,530
Gain on disposition of assets	(141)	(13)
	114,400	116,777
Operating income	17,037	16,351
Equity in earnings of marine affiliates	803	716
Other expense	(127)	(473)
Interest expense	(3,507)	(5,144)
Earnings before taxes on income	14,206	11,450

Provision for taxes on income	5,398	4,695
	----------	----------
Net earnings	$ 8,808	$ 6,755
	==========	==========
Net earnings per share of common stock:		
Basic	$ .37	$ .28
	==========	==========
Diluted	$ .36	$ .28
	==========	==========

See accompanying notes to condensed financial statements.

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three months ended March 31,	
	2002	2001
	($ in thousands)	
Cash flows from operating activities:		
Net earnings	$ 8,808	$ 6,755
Adjustments to reconcile net earnings to net cash provided by operations:		
Depreciation and amortization	11,522	12,093
Provision (credit) for deferred income taxes	(1,047)	(138)
Equity in earnings of marine affiliates, net of distributions and contributions	(139)	509
Other	61	433
Increase in cash flows resulting from changes in operating working capital	3,976	7,520
Net cash provided by operating activities	23,181	27,172
Cash flows from investing activities:		
Capital expenditures	(17,320)	(15,272)
Acquisition of marine equipment	(2,800)	--

Proceeds
from
disposition
of assets
1,256 29
Other -- 10

Net cash
used in
investing
activities
(18,864)
(15,233) ---
--------- --

Cash flows
from
financing
activities:
Borrowings
(payments)
on bank
credit
facilities,
net 42,500
(18,100)
Payments on
long-term
debt
(50,084)
(84)
Proceeds
from
exercise of
stock
options
2,022 2,287
Other (363)
(384) ------
------ -----
------- Net
cash used in
financing
activities
(5,925)
(16,281) ---
--------- --

Decrease in
cash and
cash
equivalents
(1,608)
(4,342) Cash
and cash
equivalents,
beginning of
year 1,850
4,658 ------
------ -----
------- Cash
and cash
equivalents,
end of
period $ 242
$ 316
============
============
Supplemental
disclosures
of cash flow
information:
Cash paid
during the
period:
Interest $
4,569 $
4,050 Income
taxes $
1,478 $ 215

See accompanying notes to condensed financial statements.

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

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, 2002 and December 31, 2001, and the results of operations for the three months ended March 31, 2002 and 2001.

(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, 2001.

(2) CHANGES IN ACCOUNTING METHODS

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142"). SFAS No. 142, issued in July 2001, requires that amortization of goodwill will cease and be replaced with periodic tests of the goodwill's impairment at least annually in accordance with the provisions of SFAS No. 142, and that intangible assets other than goodwill be amortized over their useful lives. The Company did not incur any transitional impairment losses or gains as a result of adopting SFAS No. 142.

Amortization of goodwill for the 2001 first quarter was $1,565,000, or $.07 basic and diluted earnings per share. The following table sets forth the reported and adjusted net earnings, and basic and diluted earnings per share, for the three months ended March 31, 2001 (in thousands, except per share amounts):

	Three months ended March 31, 2001
Reported net earnings	$ 6,755
Amortization of goodwill - marine transportation	1,403
Amortization of goodwill - diesel engine services	127
Amortization of goodwill - equity in earnings of marine affiliates	35
Adjusted net earnings	$ 8,320
Reported basic earnings per share	$ .28
Amortization of goodwill	.07
Adjusted basic earnings per	

share $ .35
==========
Reported diluted earnings per share $ .28
Amortization of goodwill .07

Adjusted diluted earnings per share $ .35
==========

(2) CHANGES IN ACCOUNTING METHODS - (Continued)

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"). SFAS No. 144, issued in August 2001, addresses the accounting and reporting for the impairment or disposal of long-lived assets and supersedes Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" ("SFAS No. 121") and APB Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." The objective of SFAS No. 144 is to establish one accounting model for long-lived assets to be disposed of by sale, as well as to resolve implementation issues related to SFAS No. 121, while retaining many of the fundamental provisions of SFAS No. 121. The adoption of SFAS No. 144 had no effect on the Company's financial position or results of operations.

(3) COMPREHENSIVE INCOME

The Company's total comprehensive income for the three months ended March 31, 2002 and 2001 were as follows (in thousands):

	Three months ended March 31,	
	2002	2001
Net earnings	$ 8,808	$ 6,755
Change in fair value of derivative financial instruments, net of tax	1,178	(1,088)
Total comprehensive income	$ 9,986	$ 5,667

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED FINANCIAL STATEMENTS - (Continued)

(4) SEGMENT INFORMATION

The following table sets forth the Company's revenues and profit (loss) by reportable segment for the three months ended March 31, 2002 and 2001 and total assets as of March 31, 2002 and December 31, 2001 (in thousands):

	Three months ended March 31,	
	2002	2001
Revenues:		
Marine transportation	$ 108,990	$ 111,951
Diesel engine services	22,447	21,177
	$ 131,437	$ 133,128
Segment profit (loss):		
Marine transportation	$ 15,961	$ 15,750
Diesel engine services	2,371	2,229
Other	(4,126)	(6,529)
	$ 14,206	$ 11,450

	March 31, 2002	December 31, 2001
Total assets:		
Marine transportation	$ 680,682	$ 681,976
Diesel engine services	55,113	48,288
Other	22,305	24,207
	$ 758,100	$ 754,471

The following table presents the details of "Other" segment profit (loss) for the three months ended March 31, 2002 and 2001 (in thousands):

	Three months ended March 31,	
	2002	2001
General corporate expenses	$ (1,436)	$ (1,641)
Gain on disposition of assets	141	13
Interest expense	(3,507)	(5,144)
Equity in earnings of marine affiliates	803	716
Other expense	(127)	(473)
	$ (4,126)	$ (6,529)

(4) SEGMENT INFORMATION - (Continued)

The following table presents the details of "Other" total assets as of March 31, 2002 and December 31, 2001 (in thousands):

	March 31, 2002	December 31, 2001
General corporate assets	$ 8,727	$ 10,768
Investment in marine affiliates	13,578	13,439
	$ 22,305	$ 24,207

(5) TAXES ON INCOME

Details of the provision for taxes on income for the three months ended March 31, 2002 and 2001 were as follows (in thousands):

	Three months ended March 31, 2002	2001
Provision for taxes on income:		
Current	$ 6,130	$ 4,293
Deferred	(1,047)	(112)
State and local	315	514
	$ 5,398	$ 4,695

(6) EARNINGS PER SHARE

The following table presents the components of basic and diluted earnings per share for the three months ended March 31, 2002 and 2001 (in thousands, except per share amounts):

	Three months ended March 31,	
	2002	2001
Net earnings	$ 8,808	$ 6,755
Basic earnings per share:		
Weighted average number of common shares outstanding	24,079	23,987
Basic earnings per share	$ .37	$ .28
Diluted earnings per share:		
Weighted average number of common shares outstanding	24,079	23,987
Dilutive shares applicable to stock options	466	108
Shares applicable to diluted earnings	24,545	24,095
Diluted earnings per share	$ .36	$ .28

Certain outstanding options to purchase approximately 494,000 shares of common stock were excluded in the computation of diluted earnings per share as of March 31, 2001, 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.

(7) CONTINGENCIES

In January 2001, the Environmental Protection Agency ("EPA"), in conjunction with other federal and state law enforcement agencies, initiated an investigation into possible violations of the Clean Water Act at a dry cargo barge cleaning facility in Houston operated by Western Towing Company ("Western"), a division of the Company. The Company has cooperated fully with the authorities in the investigation. Western has entered into a plea agreement with the U.S. Attorney for the Southern District of Texas in which Western plead guilty to one violation of the Clean Water Act for discharging washwater from the facility in violation of the facility's permit. The maximum fine for such a violation is $500,000. The Company has made an accrual for this matter which management believes is appropriate under present circumstances.

The Company and a group of approximately 45 other companies have been notified that they are Potentially Responsible Parties under 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

(7) CONTINGENCIES - (Continued)

subsidiaries of the Company. 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.

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, fog and ice, marine accidents, lock delays, 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.

The Company, through its marine transportation segment, is a provider of inland marine transportation services, operating a fleet of 875 inland tank barges, with 15.5 million barrels of capacity, and 212 inland towing vessels, transporting industrial petrochemicals, refined petroleum products, black oil and agricultural chemicals along the United States inland waterways. The marine transportation segment also operates one offshore dry-bulk barge and tug unit and serves as 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 segment is strictly a provider of transportation services for its customers and does not assume ownership of any of the products that it transports.

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, standby power generation, industrial, nuclear and railroad markets.

RESULTS OF OPERATIONS

The Company reported net earnings of $8,808,000, or $.36 per share, on revenues of $131,437,000 for the 2002 first quarter, compared with $6,755,000, or $.28 per share, on revenues of $133,128,000.

For purposes of this Management's Discussion, all earnings per share are "Diluted earnings per share." The weighted number of common shares applicable to diluted earnings for the 2002 and 2001 first quarter were 24,545,000 and 24,095,000, respectively. The increase in the weighted average number of common shares for the 2002 first quarter compared with the 2001 first quarter reflected shares issued under the Company's employee stock option plans, partially offset by open market stock repurchases during the third quarter of 2001.

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

Management's Discussion and Analysis of
Financial Condition and Results of Operations

RESULTS OF OPERATIONS - (CONTINUED)

The following table sets forth the Company's revenues and percentage of such revenues for the three months ended March 31, 2002 compared with the three months ended March 31, 2001 (dollars in thousands):

	Three months ended March 31,					
	2002		2001		Increase (decrease)	
	Amounts	%	Amounts	%	Amounts	%
Revenues:						
Marine transportation	$108,990	83%	$111,951	84%	$ (2,961)	(3)%
Diesel engine services	22,447	17	21,177	16	1,270	6
	$131,437	100%	$133,128	100%	$ (1,691)	(1)%

Revenues for the marine transportation segment decreased 3% for the 2002 first quarter compared with the 2001 first quarter. The decrease reflected the continued weak petrochemical volumes, the result of the sluggish economy, as well as lower than normal refined products and liquid fertilizer volumes. Partially offsetting the volume declines was the full quarter impact of the leasing of 94 inland tank barges from Dow Union Carbide in February 2001.

Historically, approximately 60% of the marine transportation revenues are from petrochemical volumes. The petrochemical market has remained weak since the third quarter of 2000. Petrochemical volumes for the 2002 first quarter were approximately 10 to 12% lower when compared with market highs in the second quarter of 2000. Refined products volumes, typically representing approximately 20% of revenues, began the 2002 first quarter strong, however, declined during the quarter due to high Midwest refined product inventories. In addition, a new refined products pipeline from the Gulf Coast to the Midwest went online during the 2002 first quarter, negatively impacting the volumes moved by inland tank barges. Liquid fertilizer volumes, representing approximately 10% of transportation revenues, were also less when compared with the 2001 first quarter due to high Midwest fertilizer inventory levels. Black oil volumes, representing approximately 10% of transportation revenues, were at expected levels.

For the 2001 first quarter, upriver refined products, liquid fertilizer and black oil volumes were all unseasonably strong, offsetting weak petrochemical volumes. The strong refined product volumes were the result of low Midwest inventory levels. The liquid fertilizer demand was driven by high natural gas prices, which caused the U.S. manufacturers of nitrogen based fertilizer to curtail production. The strong U.S. liquid fertilizer demand, the result of low Midwest inventory levels, was met by foreign manufacturers. The significant importation of fertilizer resulted in a disruption of the traditional U.S. rail and barge distribution patterns and created additional barging opportunities for the marine transportation segment. The unseasonably strong black oil demand was driven by high crude and natural gas pricing, creating a better market for residual fuel as a natural gas substitute for boiler fuel, as well as the high demand for asphalt for use in the active rebuilding of the U.S. highway infrastructure.

RESULTS OF OPERATIONS - (CONTINUED)

Contract renewals during the 2002 first quarter were modestly higher, generally inflationary increases. Spot market rates during the quarter declined approximately 10 to 15%, as weak petrochemical and refined products volumes created lower utilization and excess capacity industry wide. During the 2002 first quarter, approximately 70% of movements were under term contracts and approximately 30% were spot market movements.

During the 2002 and 2001 first quarters, the marine transportation operations were hampered by adverse weather conditions, causing delays and increasing transit times. For the 2002 first quarter, the delays were primarily along the Gulf Coast, consisting of heavy fog and winter frontal systems. For the 2001 first quarter, weather conditions were more severe, the result of heavy fog and winter frontal systems along the Gulf Coast, as well as ice on the Illinois River resulting in the closure of the river for the majority of January 2001.

The diesel engine services segment's revenues for the 2002 first quarter increased 6% compared with the 2001 first quarter revenues, reflecting a strong nuclear market and East Coast marine market. The nuclear segment repairs and sells parts for diesel engines used for auxiliary power units to nuclear power plants. A July 2001 agreement to distribute replacement parts for locomotive engines used by U.S. transit and Class II railroads also positively impacted the 2002 first quarter. The Gulf Coast oil service market, weak since the second half of 2001, remained weak during the 2002 first quarter.

For the 2001 first quarter, the diesel engine services segment revenues reflected the full quarter impact of two diesel engine service company acquisitions, one acquired in October 2000 and one in November 2000. The diesel engine services segment revenues also benefited from a strong East Coast field service market, a favorable Great Lakes market and a strong Gulf Coast drilling and offshore supply vessel market.

The following table sets forth the costs and expenses for the three months ended March 31, 2002 compared with the three months ended March 31, 2001 (dollars in thousands):

	Three months ended March 31,					
	2002		2001		Increase (decrease)	
	Amounts	%	Amounts	%	Amounts	%
Costs and expenses:						
Costs of sales and operating expenses	$ 83,470	73%	$ 84,891	73%	$ (1,421)	(2)%
Selling, general and administrative	17,200	15				

17,102 15 98
1 Taxes,
other than on
income 2,349
2 2,704 2
(355) (13)
Depreciation
and other
amortization
11,522 10
10,563 9 959
9
Amortization
of goodwill -
- -- 1,530 1
(1,530) 100
Gain on
disposition
of assets
(141) -- (13)
-- (128)
(985) -------
- -------- --
------ ------
-- -------- -

$114,400 100%
$116,777 100%
$ (2,377)
(2)% ========
========
========
========
========
========

RESULTS OF OPERATIONS - (CONTINUED)

Total costs and expenses, excluding interest expense, for the 2002 first quarter decreased 2% compared with the 2001 first quarter. The 2001 first quarter included $1,530,000 of goodwill amortization expense. In the 2002 first quarter, the Company adopted SFAS No, 142, and accordingly, ceased the amortization of goodwill, replacing the amortization with periodic tests of the goodwill's impairment at least annually.

Costs of sales and operating expenses for the 2002 first quarter were 2% lower than the corresponding 2001 quarter, reflecting the 1% decrease in consolidated revenues. During the 2002 first quarter, the marine transportation segment released three chartered-in towboats and placed ten boats in the inactive status due to the slowdown of petrochemical, refined products and liquid fertilizer volumes. As stated above, the 2002 first quarter and to a greater extent the 2001 first quarter, were negatively impacted by weather conditions, which decreased revenues and increased operating expenses. Ice conditions, fog, frontal systems, and high water require additional horsepower to complete movements, additional fuel and other variable expenses associated with longer transit times.

Selling, general and administrative expenses for the 2002 first quarter were 1% higher than the 2001 first quarter, primarily the result of annual salary increases effective January 2002, partially offset by lower professional fees.

Taxes, other than on income were 13% lower for the 2002 first quarter compared with the prior year's corresponding quarter. The decrease was primarily due to lower waterway use taxes, the result of decreased business levels, and lower franchise taxes attributable to a legal restructuring.

Depreciation and other amortization expense for the 2002 first quarter was 9% higher than the 2001 first quarter. The increase reflected new inland tank barge additions during 2001 and the 2002 first quarter, and the decreasing of the remaining useful lives of certain older barges to correspond with the anticipated retirement dates of such barges.

The Company reported net gains on disposition of assets of $141,000 and $13,000 in the 2002 and 2001 first quarters, respectively. The net gains were predominately from the sale of marine equipment.

RESULTS OF OPERATIONS - (CONTINUED)

The following tables set forth the operating income and operating margins by segment for the three months ended March 31, 2002 compared with the three months ended March 31, 2001 (dollars in thousands):

	Three months ended March 31,				Increase	
	2002		2001			
	Operating income	Operating margin	Operating Income	Operating margin	Amounts	%
Marine transportation	$ 15,961	14.6%	$ 15,750	14.1%	$ 211	1%
Diesel engine services	$ 2,371	10.6%	$ 2,229	10.5%	$ 142	6%

The operating margin for the marine transportation segment for the 2002 first quarter was 14.6%. For the 2001 first quarter, the reported operating margin was 14.1%, or 15.3% when adjusted for goodwill amortization expense. The lower operating margin for the 2002 first quarter compared with the adjusted 2001 operating margin reflected the softness in petrochemicals, refined products and liquid fertilizer volumes in the 2002 quarter. During the 2001 first quarter, petrochemical volumes were weak, however, refined products and liquid fertilizer volumes were strong.

The diesel engine services segment reported an operating margin of 10.6% for the 2002 first quarter compared with 10.5% reported for the first quarter of 2001. Adjusted for goodwill amortization expense, the 2001 first quarter's operating margin was 11.1%. The lower operating margin for the 2002 first quarter compared with the adjusted 2001 first quarter margin was attributable to increased lower margin replacement parts sales to the transit and Class II railroads, and the continued softness in the Gulf Coast oil service market.

The following table sets forth the equity in earnings of affiliates, other expense, and interest expense for the three months ended March 31, 2002 compared with the three months ended March 31, 2001 (dollars in thousands):

	Three months ended March 31,	Increase

	2002	2001	(decrease) Amount	%
Equity in earnings of marine affiliates	$ 803	$ 716	$ 87	12%
Other expense	$ (127)	$ (473)	$ (346)	(73)%
Interest expense	$ (3,507)	$ (5,144)	$ (1,637)	(32)%

RESULTS OF OPERATIONS - (CONTINUED)

Equity in earnings of marine affiliates consisted primarily of a 35% owned offshore marine partnership with a public utility consisting of four offshore dry-cargo barge and tug units. The units were generally employed under the partnership's contract to transport coal across the Gulf of Mexico, with a separate contract for the backhaul of limestone rock.

The 32% reduction in interest expense for the 2002 first quarter compared with the 2001 first quarter was attributable to the Company's strong free cash flow, which enabled the Company to reduce its outstanding debt by $43.6 million during the 2001 year and $7.6 million during the 2002 first quarter. Lower market interest rates also contributed to the lower interest expense. In addition, in January 2002, the Company retired the remaining $50.0 million of 7.05% medium term notes, refinancing the notes through the Company's revolving credit facility. During the first quarter of 2002, the average interest rate under the Company's revolving credit facility was 3.2%. The overall average debt and average interest rate for the 2002 first quarter were $241,978,000 and 5.9%, compared with $284,939,000 and 7.2% for the 2001 first quarter, respectively.

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY

Balance Sheet

Total assets as of March 31, 2002 were $758,100,000, compared with $754,471,000 as of December 31, 2001. The following table sets forth the significant components of the balance sheet as of March 31, 2002 compared with December 31, 2001 (dollars in thousands):

	March 31, 2002	December 31, 2001	Increase (decrease) Amount	%
Assets:				
Current assets	$ 110,078	$ 113,247	$ (3,169)	(3)%
Property and equipment, net	473,743	466,239	7,504	2
Investment in marine affiliates	13,578	13,439	139	1
Goodwill, net	156,726	156,726	--	--
Other assets	3,975	4,820	(845)	(18)
	$ 758,100	$ 754,471	$	

3,629 --%
============
============
============
============
Liabilities and stockholders' equity:
Current liabilities
$ 98,139 $ 97,057 $ 1,082 1%
Long-term debt - less current portion
241,818 249,402 (7,584) (3)
Deferred income taxes
89,480 89,542 (62) --
Minority interest and other long-term liabilities
15,629 17,448 (1,819) (10)
Stockholders' equity
313,034 301,022 12,012 4
------------ ------------ ------------ ------------
$ 758,100 $ 754,471 $ 3,629 --%
============
============
============
============

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY - (CONTINUED)

Balance Sheet - (Continued)

Current assets as of March 31, 2002 decreased 3% compared with December 31, 2001. Cash and cash equivalents decreased $1,608,000 and trade accounts receivable decreased $6,534,000, or 8%, the result of lower revenues and emphasis on collection of receivables. Finished goods inventory increased $2,704,000 during the 2002 first quarter to support scheduled second quarter diesel engine services overhauls.

The 2% increase in property and equipment primarily reflected $17,320,000 of capital expenditures and the $2,800,000 acquisition of a tank barge fleet, both more fully described under Capital Expenditures below.

Current liabilities as of March 31, 2002 increased 1% compared with December 31, 2001. The 1% increase was due primarily to an increase in accounts payable for shipyard activity and for inventory received but not yet paid, and an increase in income taxes payable resulting from the first quarter 2002 federal income tax accrual. Offsetting these increases was the payment of the 2001 accrued employee bonuses in the first quarter of 2002.

Long-term debt, less current portion, declined $7,584,000, or 3%, reflecting the favorable cash flow provided by operating activities during the quarter.

Stockholders' equity as of March 31, 2002 increased 4% compared with December 31, 2001. The increase was primarily attributable to net earnings of $8,808,000, partially offset by a $1,975,000 decrease in treasury stock from the exercise of employee stock options during the quarter. Accumulated other comprehensive income declined $1,178,000, reflecting the net change in the fair value of interest rate swap agreements, net of taxes, more fully described under Quantitative and Qualitative Disclosures about Market Risk below.

Long-Term Financing

The Company has an unsecured $150,000,000 bank revolving credit facility (the "Revolving Credit Facility") agented by JPMorgan Chase, with a maturity date of October 9, 2004. The Company was in compliance with Revolving Credit Facility covenants at March 31, 2002. As of March 31, 2002, $53,000,000 was outstanding under the Revolving Credit Facility.

The Company has an unsecured term loan credit facility (the "Term Loan") with a syndicate of banks, with Bank of America, N.A. as agent bank. The Term Loan has quarterly principal payments of $12,500,000, plus interest, due beginning October 9, 2002, with the remaining principal due on October 9, 2004, the maturity date of the Term Loan. The principal payments of $25,000,000 due in the next

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY - (CONTINUED)

Long-Term Financing - (Continued)

twelve months were classified as long-term debt at March 31, 2002 as the Company has the ability and intent through the Revolving Credit Facility to refinance the payments on a long-term basis. The Company was in compliance with all Term Loan covenants at March 31, 2002. As of March 31, 2002, $184,000,000 was outstanding under the Term Loan.

The Company has an unsecured $10,000,000 line of credit ("Credit Line") with Bank of America whereby Bank of America will provide short-term advances and the issuance of letters of credit on an uncommitted basis. The Credit Line maturity date is November 5, 2002. As of March 31, 2002, $4,300,000 was borrowed under the Credit Line. Amounts borrowed on the Credit Line were classified as long-term debt at March 31, 2002, as the Company has the ability and intent to refinance the Credit Line on a long-term basis through the Revolving Credit Facility.

The Company has on file with the Securities and Exchange Commission a shelf registration for the issuance of up to $250,000,000 of medium term notes ("Medium Term Notes") providing for the issuance of fixed rate or floating rate notes with a maturity of nine months of longer. As of March 31, 2002, $121,000,000 was available under the Medium Term Notes program, subject to mutual agreement to terms, to provide financing for future business or equipment acquisitions, and to fund working capital requirements. On January 29, 2002, the Company used proceeds from its Revolving Credit Facility to retire $50,000,000 of Medium Term Notes due on that date. As of March 31, 2002, there were no outstanding Medium Term Notes.

Capital Expenditures

Capital expenditures for the 2002 first quarter totaled $17,320,000, of which $3,751,000 was for fleet and project construction and $13,569,000 was primarily for upgrading of the existing marine transportation fleet. In addition, the Company purchased the Cargo Carriers fleet of 21 inland tank barges for $2,800,000 from Cargill, and resold six of the barges for $530,000 in April 2002.

In June 2001, 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 petroleum products. Delivery of the first barge was in February 2002, and the remaining five barges are expected over the next six months. The total purchase price is approximately $8,700,000, of which approximately $4,000,000 was expended through March 31, 2002. Financing of the remaining construction cost of the five barges will be through operating cash flows and borrowings under the Company's Revolving Credit Facility.

In February 2002, the Company entered into a contract for the construction of two double hull, 30,000 barrel capacity, inland tank barges which will be used for transporting asphalt. Delivery of the first barge is expected in the fourth quarter of 2002 and the second barge in the first quarter of 2003. The total purchase price of the two barges is approximately $3,600,000. No payments have been made on

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY - (CONTINUED)

Capital Expenditures - (Continued)

this construction contract through March 31, 2002. Financing of the construction of the two barges will be through operating cash flows and borrowings under the Company's Revolving Credit Facility.

Treasury Stock

During the 2002 first quarter, the Company did not purchase any treasury stock. As of May 8, 2002, the Company has 1,376,000 shares available under its common stock repurchase authorization. Historically, treasury stock purchases have been financed through operating cash flows and borrowings 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 $23,181,000 and $27,172,000 for the three months ended March 31, 2002 and 2001, respectively. Both quarters were positively influenced by favorable cash flow from working capital, $3,976,000 for the 2002 first quarter and $7,520,000 for the 2001 first quarter.

The Company accounts for its ownership in its 35% owned marine transportation partnership under the equity method of accounting, recognizing cash flow only upon the receipt or distribution of cash from the partnership. For the 2002 and 2001 first quarters, the Company received $525,000 and $1,225,000, respectively, of cash from the marine partnership.

Funds generated are available for acquisitions, capital construction projects, treasury stock repurchases, repayment of borrowings associated with each of the above and for other operating requirements. In addition to net cash flow provided by operating activities, the Company also had available as of May 8, 2002, $89,259,000 under its Revolving Credit Facility and $121,000,000 under its Medium Term Notes program, subject to mutual agreement and terms. As of May 7, 2002, the Company had $9,508,000 available under its Credit Line.

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 which 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.

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 balance 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. Notes issued under the Company's medium term note program may bear fixed or variable interest rates. A 10% change in variable interest rates would impact the 2002 interest expense by approximately $271,000, based on balances outstanding at December 31, 2001, 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 with bank counterparties. Five-year swap agreements with notional amounts totaling $100 million were executed in February 2001 and three-year swap agreements with notional amounts totaling $50 million were executed in April 2001. Under the swap agreements, the Company will pay to the bank counterparties a fixed rate of 4.96% on a notional amount of $50 million for three years, an average fixed rate of 5.64% on a notional amount of $100 million for five years, and will receive from the bank counterparties floating rate interest payments based on the LIBOR for United States dollar deposits. 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. No gain or loss on ineffectiveness was required to be recognized in the 2002 first quarter. The fair value of the interest rate swap agreements was recorded as an other long-term liability of $3,363,000 at March 31, 2002. The Company has recorded, in interest expense, losses related to the interest rate swap agreements of $1,285,000 for the first quarter ended March 31, 2002. The Company anticipates $2,931,000 of net losses included in accumulated other comprehensive income will be transferred into earnings over the next twelve months based on current interest rates. Amounts were determined as of March 31, 2002 based on quoted market values, the Company's portfolio of derivative instruments, and the Company's measurement of hedge effectiveness.

Item 1. Legal Proceedings

In January 2001, the Environmental Protection Agency ("EPA"), in conjunction with other federal and state law enforcement agencies, initiated an investigation into possible violations of the Clean Water Act at a dry cargo barge cleaning facility in Houston operated by Western Towing Company ("Western"), a division of the Company. The Company has cooperated fully with the authorities in the investigation. Western has entered into a plea agreement with the U.S. Attorney for the Southern District of Texas in which Western plead guilty to one violation of the Clean Water Act for discharging washwater from the facility in violation of the facility's permit. The maximum fine for such a violation is $500,000. The Company has made an accrual for this matter which management believes is appropriate under present circumstances.

The Company and a group of approximately 45 other companies have been notified that they are Potentially Responsible Parties under 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. 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 16, 2002.

(b) Class I Directors elected to serve until the 2005 Annual Meeting of Stockholders were Walter E. Johnson, George A. Peterkin, Jr. and Robert G. Stone, Jr. Class II Directors continuing to serve until the 2003 Annual Meeting of Stockholders were Bob G. Gower, J. H. Pyne and Richard C. Webb. Class III Directors continuing to serve until the 2004 Annual Meeting of Stockholders were C. Sean Day, William M. Lamont, Jr. and C. Berdon Lawrence.

(c) A proposal to approve the 2002 Stock and Incentive Plan was also approved by the Stockholders at the Annual Meeting. The number of affirmative, negative and abstained votes with respect to the matter was as follows:

For	14,120,945
Against	7,092,886
Abstain	77,303

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES
PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

None

(b) Reports on Form 8-K:

There were no reports on Form 8-K filed for the three months ended March 31, 2002.

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/ G. STEPHEN HOLCOMB

G. Stephen Holcomb
Vice President and Controller

Dated: May 9, 2002