Kirby Corporation

2009 Annual Report

2009 Quarterly Review

(In thousands, except per share amounts) (Unaudited)

First Quarter

	2009	2008	Decrease
Revenues*	**$277,661**	$330,570	(16)%
Net earnings**	**$ 28,006**	$ 36,647	(24)%
Earnings per share**	**$ .52**	$ .68	(24)%
EBITDA	**$ 70,553**	$ 85,504	(17)%

- Marine transportation demand softened across all markets, driven by deteriorating economic conditions
- Term contracts renewed at existing rates or rates traded for longer terms and spot contracts 3% to 4% lower compared with 2008 first quarter
- Released chartered towboats and laid up Kirby owned towboats to balance horsepower with demand
- Diesel engine services marine and railroad markets weak as customers deferred maintenance
- Charge for early retirements and staff reductions of $4.0 million before taxes, or $.05 per share

Second Quarter

	2009	2008	Decrease
Revenues*	**$272,743**	$348,260	(22)%
Net earnings**	**$ 33,719**	$ 40,334	(16)%
Earnings per share**	**$ .63**	$ .74	(15)%
EBITDA	**$ 80,051**	$ 91,266	(12)%

- Marine transportation demand for all markets remained below prior year levels
- Term contracts renewed 0% to 8% lower and spot contracts 10% to 15% lower compared with 2008 second quarter
- Released chartered towboats and laid up Kirby owned towboats to balance horsepower with demand
- Diesel engine services marine and railroad markets remained weak as customers deferred maintenance

Third Quarter

	2009	2008	Decrease
Revenues*	**$272,166**	$354,647	(23)%
Net earnings**	**$ 35,014**	$ 41,778	(16)%
Earnings per share**	**$ .65**	$ .77	(16)%
EBITDA	**$ 84,550**	$ 93,505	(10)%

- Marine transportation demand stabilized for all markets but remained below prior year levels
- Term contracts renewed 7% to 15% lower and spot contracts 10% to 20% lower compared with 2008 third quarter
- Released chartered towboats and laid up Kirby owned towboats to balance horsepower with demand
- Diesel engine services marine and railroad markets remained weak as customers deferred maintenance

Fourth Quarter

	2009	2008	Decrease
Revenues*	**$259,588**	$326,677	(21)%
Net earnings**	**$ 29,202**	$ 38,409	(24)%
Earnings per share**	**$ .54**	$ .72	(25)%
EBITDA	**$ 73,855**	$ 89,600	(18)%

- Marine transportation demand relatively stable for all markets but remained below prior year levels
- Term contracts renewed 7% to 15% lower and spot contracts 20% to 30% lower compared with 2008 fourth quarter
- Diesel engine services marine and railroad markets remained weak as customers deferred maintenance
- Charges for staff reductions and partial impairment of goodwill, net of reduction in allowance for doubtful accounts, of $4.7 million before taxes, or $.05 per share

* Lower diesel fuel prices resulted in lower 2009 marine transportation revenues associated with the pass through of diesel fuel to customers through fuel escalation and de-escalation clauses in term contracts when compared with 2008.

** Net earnings represent net earnings attributable to Kirby and earnings per share represent diluted earnings per share attributable to Kirby common stockholders.

Statements made in this Annual Report with respect to the future are forward-looking statements. These statements reflect Management's reasonable judgment with respect to future events. Forward-looking statements involve risks and uncertainties. Actual results could differ materially from those anticipated as a result of various factors. Forward-looking statements are based on currently available information and Kirby assumes no obligation to update any such statements. A list of these factors can be found in Kirby's Annual Report on Form 10-K for the year ended December 31, 2009, included in this Annual Report and filed with the Securities and Exchange Commission.

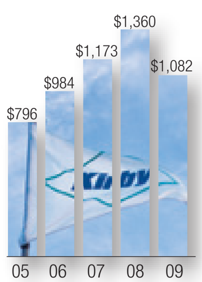
Cover: The M/V Galveston*, Kirby Inland Marine's new 1800 horsepower towboat, pushes two loaded 30,000 barrel tank barges on the Houston Ship Channel.*

Financial Highlights

(In thousands, except per share amounts)	For the years ended December 31, 2009	2008	2007	2006	2005
Revenues:					
Marine transportation	**$ 881,298**	$ 1,095,475	$ 928,834	$ 807,216	$ 685,999
Diesel engine services	**200,860**	264,679	243,791	177,002	109,723
	$ 1,082,158	$ 1,360,154	$ 1,172,625	$ 984,218	$ 795,722
Net earnings attributable to Kirby	**$ 125,941**	$ 157,168	$ 123,341	$ 95,451	$ 68,781
Net earnings per share attributable to Kirby common stockholders (diluted)	**$ 2.34**	$ 2.91	$ 2.29	$ 1.79	$ 1.33

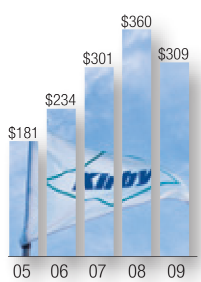
	2009	2008	2007	2006	2005
EBITDA–Earnings before interest, taxes, depreciation and amortization:*					
Net earnings attributable to Kirby	**$ 125,941**	$ 157,168	$ 123,341	$ 95,451	$ 68,781
Interest expense	**11,080**	14,064	20,284	15,201	12,783
Provision for taxes on income	**78,020**	97,444	76,491	58,751	42,341
Depreciation and amortization	**93,968**	91,199	80,916	64,396	57,405
EBITDA*	**$ 309,009**	$ 359,875	$ 301,032	$ 233,799	$ 181,310
Property and equipment, net	**$ 1,085,057**	$ 990,932	$ 906,098	$ 766,606	$ 642,381
Total assets	**$ 1,635,963**	$ 1,526,098	$ 1,430,475	$ 1,271,119	$ 1,025,548
Long-term debt, including current portion	**$ 200,239**	$ 247,307	$ 297,383	$ 310,362	$ 200,036
Total equity	**$ 1,056,095**	$ 893,555	$ 772,807	$ 635,013	$ 540,630

Revenues
(In millions)

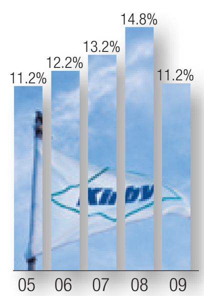


Earnings Per Share

EBITDA*
(In millions)



Return on Invested Capital



* EBITDA, defined as net earnings attributable to Kirby before interest expense, taxes on income, depreciation and amortization, is a non-GAAP financial measure used by Kirby because of its wide acceptance as a measure of operating profitability before nonoperating expenses (interest and taxes) and noncash charges (depreciation and amortization).

To Our Shareholders

2009 was a challenging year for Kirby as we steered through the obstacles presented by the current economic recession and its impact on our Company. In our marine transportation business, volumes declined, driving utilization and rates for tank barges lower. These reduced levels of utilization created excess tank barge capacity. Our diesel engine services business also came under pressure as our customers deferred maintenance on excess capacity.

Our five-year run of consecutive record financial results ended during 2009. Kirby's 2009 results reflected $1.1 billion in revenues, net earnings of $125.9 million and earnings per share of $2.34. Included in these 2009 results were first and fourth quarter charges totaling $8.8 million before taxes, or $.10 per share, for shoreside staff reductions that became necessary due to the lower recessionary business levels. Since our peak headcount in October 2008, we have reduced our shoreside staff by 21% through early retirements, staff reductions and attrition.

Fortunately, Kirby is well positioned to take full advantage of the environment in which it finds itself. We have taken significant costs out of our businesses, our balance sheet is in the best shape it has been in years, our marine transportation contract business represents approximately 75% of our marine transportation revenues, and our cash flow remains very strong, significantly exceeding our capital needs.

When you cannot influence revenues, you focus on what you can influence, costs. During 2009, we focused on operating as prudently and efficiently as possible and reducing our costs. In particular, we focused on cost reductions that were consistent with our forecast of sustainable business levels. Our effort to reduce costs and gain efficiencies helped us mitigate the pressure on operating earnings, operating margins and cash flows. These reductions are presented in detail in the marine transportation and diesel engine services sections of this annual report.

We continued to generate very strong cash flows throughout 2009. Net cash provided by operating activities for 2009 was $319.9 million compared with $245.9 million for 2008. This 30% increase was aided by a decline in working capital caused by lower business activity. Cash flow and other sources of cash were used for capital expenditures, debt reduction and to build cash on our balance sheet. Capital spending was $192.7 million. During 2009, we reduced our debt by $47.1 million, retiring all of our revolving credit bank debt, and ended the year with $97.8 million in cash.

Our continued strong cash flows allowed us to maintain our strong balance sheet and an investment grade rating by all three rating agencies. Our debt at year end was $200.2 million, consisting of mainly a $200 million private placement loan that matures in 2013. Debt-to-capitalization at December 31, 2009 was 15.9% compared with 21.7% at December 31, 2008. Our average interest rate for the year was 5.1%. Cash and cash equivalents continued to build on our balance sheet, totaling $112 million as of March 8, 2010.

Despite the lower revenues and operating income, evidence of our success in taking costs out of our marine transportation business can be seen in our marine transportation operating margin, which improved to 23.6% compared with 22.4% for 2008. The impact of lower fuel prices, reduced charter boats, shore staff reductions, better weather, reduced maintenance on idled inland equipment and greater efficiency at lower operating levels, partially offset by early retirement and staff reduction charges totaling $6.1 million, contributed to our success in improving our margin. The continuation of our excellent safety record during 2009 positively impacted our results. Reducing accidents, spills and injuries positively impacts our earnings and operating margins, and is consistent with our customer objectives of safe operations.

Our diesel engine services business was also impacted by recessionary pressure throughout 2009. Both medium-speed and high-speed marine transportation and oil services markets were weak throughout the year, particularly the high-speed Gulf Coast oil services market. Additionally, the medium-speed railroad market was weak as customers deferred maintenance on equipment in response to lower utilization of their equipment. The power generation segment performed well, driven by engine modification projects and direct parts sales, but was below prior year levels. The operating margin for the diesel services business declined to 10.5% compared with 15.0% in 2008, a reflection of the weaker markets, lower labor utilization and the $2.3 million charges for early retirements and staff reductions. Adjusted for the staff reduction charges, the 2009 operating margin was 11.6%.

As we noted earlier, capital expenditures for 2009 were $192.7 million. Capital additions during 2009 included the delivery of 43 tank barges and seven chartered tank barges, adding 1.1 million barrels of capacity. However, even with these additional barges, our overall fleet capacity declined from 17.5 million barrels at the beginning of 2009 to 16.7 million barrels at the end of 2009. During 2009 we retired 101 older tank barges as we continue to upgrade our tank barge fleet. We also took delivery of four 1800 horsepower towboats during 2009. The total cost of new tank barges and towboats was $142.4 million. An additional $50.3 million was expended primarily for upgrading of our existing marine transportation fleet.

Our capital expenditure program for 2010 is projected to be in the $125 to $135 million range, including $60 million for the construction of new tank barges, intended to replace older barges that will be removed from service, and new towboats. We have contracted for the construction of fifty 10,000 barrel tank barges, five 30,000 barrel tank barges and three 1800 horsepower towboats, all for delivery in 2010. Based on current economic conditions, we are forecasting that our tank barge capacity will decline slightly by the end of 2010 as we continue to remove more barges from our fleet than we add. We are projecting 2010 capital upgrades to the existing marine transportation fleet will be $65 to $75 million.

During 2007 and through much of 2008, strong industry-wide demand for marine transportation drove an increase in tank barge supply, but this additional supply was absorbed by strong demand through the 2008 third quarter. The industry's tank barge construction orders for 2009 were placed in early 2008 and between 180 and 200 tank barges were built in 2009. These additional barges, combined with decreased demand, created an oversupply of tank barge capacity in the industry. Approximately 30% of the industry fleet is over 30 years old, with approximately 16% over 35 years old. The high cost of maintaining the United States Coast Guard certification requirements for older barges, coupled with the current depressed term contract and spot contract rate environment, should result in the retirement of sufficient tank barges to lessen the impact of the current overcapacity.

Historically, the majority of our acquisitions, 25 in marine transportation and 15 in diesel engine services, have been completed during difficult economic times. Our financial discipline over the past several years has improved our already strong balance sheet. Our strong balance sheet, cash on hand and undrawn $250 million revolving line of credit give us the capacity to take advantage of any synergistic acquisitions in our marine transportation and diesel engine services segments that come our way.

In October 2009, Berdon Lawrence, our Board Chairman, announced he will be retiring on April 27, 2010, the date of Kirby's 2010 Annual Stockholders' meeting. Mr. Lawrence has served as Chairman of Kirby since October 1999 and will remain on the Kirby Board. Prior to joining Kirby, he was the founder and President of Hollywood Marine, Inc., an inland tank barge company acquired by Kirby in October 1999.

Berdon Lawrence
Chairman of the Board

Joe Pyne
President and Chief Executive Officer

In January 2010, Norman Nolen, our Executive Vice President, Chief Financial Officer and Treasurer, also announced his retirement effective March 31, 2010. David Grzebinski has joined Kirby as Executive Vice President and Chief Financial Officer, and Renato Castro was appointed Treasurer of Kirby.

We want to thank our employees for their hard work and dedication in these challenging times and our Board of Directors and stockholders for their continuing direction and support. We are confident that with their continued support and Kirby's strong market position and financial condition, we will continue to prosper and grow.

Although the year was certainly challenging, with challenge comes opportunity. Despite the general economic difficulties, we are very well positioned. We have kept our organization lean. Our marine fleet and operations and our diesel engine services business are in great shape. Our balance sheet is very strong. If the economy remains weak or deteriorates further, with our strong balance sheet and credit capacity, we are a natural industry consolidator. If the economy recovers and business begins to rebound, we are well positioned to continue to grow our earnings.

Respectfully submitted,

C. Berdon Lawrence

C. Berdon Lawrence
Chairman of the Board

Joseph H. Pyne

Joseph H. Pyne
President and Chief Executive Officer

Houston, Texas
March 10, 2010

Marine Transportation

Kirby Inland Marine, LP

Services Offered

Kirby Inland Marine is the largest transporter of bulk liquid products, with an approximate 28% share of the U.S. inland tank barge market. Kirby Inland Marine transports petrochemicals, black oil products, refined petroleum products and agricultural chemicals throughout the Mississippi River System, the Gulf Intracoastal Waterway and the Houston Ship Channel for a blue chip list of customers. Kirby's fleet currently consists of 863 inland tank barges, comprising 16.7 million barrels of cargo capacity, and 213 inland towboats.

Results of Operations for 2009

Kirby Inland Marine reported the second highest operating income in its history, earning $208 million on revenues of $881 million, and reported a record operating margin of 23.6%. Compared with the record setting 2008, during 2009 lower demand in all four marine transportation markets resulted in lower barge utilization industry-wide. The lower demand led to downward pressure on term contract and spot contract pricing throughout 2009. The record operating margin primarily reflected the ongoing cost reduction initiatives implemented throughout 2009.

Tank Barge Fleet (Active)

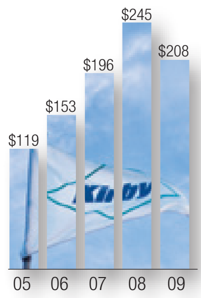
Petrochemical/Refined products	665
Pressure	64
Black oil products	118
Anhydrous ammonia	11
Specialty	5
Total	**863**
Total Barrel Capacity	**16.7 MM**

Towboat Fleet (Active)

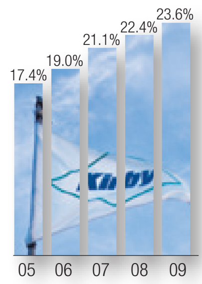
Less than 800 hp	1
800–1300 hp	96
1400–1900 hp	74
2000–2400 hp	18
2500–3200 hp	13
3300–4900 hp	9
5000 hp and greater	1
Spot charters	1
Total	**213**

Revenues
(In millions)

Operating Income
(In millions)



Operating Margin



Diesel Engine Services

Kirby Engine Systems, Inc.

Services Offered

Kirby Engine Systems is a nationwide diesel engine services remanufacturer and replacement parts provider, as well as an ancillary products provider of gears, transmissions, starters, governors and marine clutches, for medium-speed and high-speed diesel engines and reduction gears. Kirby services the marine, power generation and railroad markets providing both in-house and worldwide in-field service, offering its customers a single source for all their engine, gear and transmission services and parts requirements. Kirby employs over 250 factory-trained and authorized project engineers, mechanics and machinists.

Results of Operations for 2009

Kirby Engine Systems reported operating income of $21 million on revenues of $201 million, substantially below 2008 record levels. The 2009 operating margin was 10.5% compared with 15.0% for 2008. During 2009, the marine and railroad service levels and direct parts sales remained well below 2008 levels, as weak marine transportation, offshore oil services and railroad markets resulted in deferrals of maintenance on customers' idled equipment in response to the economic slowdown.

Service Locations

Medium-Speed
Houma, LA (2 locations)
Chesapeake, VA
Paducah, KY
Rocky Mount, NC
Seattle, WA
Tampa, FL

High-Speed
Houma, LA (2 locations)
Baton Rouge, LA
Belle Chasse, LA
Houston, TX
Lake Charles, LA
Mobile, AL
Morgan City, LA
New Iberia, LA

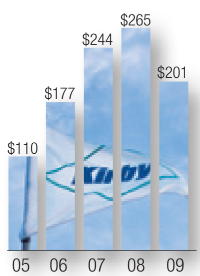
Manufacturer Relationships

Medium-Speed
Electro-Motive Diesel, Inc.
Alco
Cooper-Bessemer
Nordberg

High-Speed
Caterpillar, Cummins
Detroit Diesel, John Deere

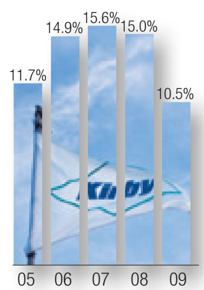
Ancillary Products
Allison Transmission (transmissions)
Twin Disc (transmissions)
Falk Corporation (reduction gears)
Ingersoll-Rand (starters)
Woodward Governor (governors)
Oil States Industries (marine clutches)

Revenues
(In millions)



Operating Income
(In millions)

Operating Margin



A Kirby Inland Marine towboat with two loaded tank barges transits the Houston Ship Channel at sunrise.

Below: Perry Comeaux, Field Project Engineer, installs a turbocharger on a Cummins Model KTA 19 diesel engine.

Kirby Inland Marine

Kirby Inland Marine's business model, especially during changing and difficult economic times, is to focus on business aspects over which it has control: safety, costs and customer service. Indeed, 2009 proved to be a challenging year, with revenue and operating income declining 20% and 15%, respectively, compared with 2008. This period highlighted the value of flexibility in Kirby Inland Marine's business model, the value of focusing on customers' needs and the value of the actions taken to reduce variable and fixed costs. This flexibility and focus, along with a supportive customer base and excellent performance by our afloat personnel, helped to achieve our 2009 operating margin of 23.6% compared with 22.4% for 2008.

Warning Signs

Early warning signs of weakening demand were seen in early 2008. These signs were somewhat masked by stronger than normal time charter utilization and delays at terminal facilities the industry serviced. Nevertheless, these early indications of weakness did serve to put Kirby on notice that the strong market conditions may deteriorate and allowed us to better position Kirby Inland Marine for a weaker market.

Early in 2008, we developed a contingency plan to match potential declines in revenue with similar reductions in costs. The plan included shoreside staff reductions, reduction in the number of charter boats operated, reduction of maintenance on older tank barges and inactive towboats, and a number of other cost reduction and process improvement initiatives.

The signals became stronger when demand for upriver movements of more finished petrochemical products into the Midwest began falling in the 2008 fourth quarter. Gulf Coast petrochemical and refining companies adjusted production downward, and customers announced plant closures and layoffs, all in response to sharply deteriorating economic conditions. In response to falling demand levels, Kirby implemented its cost reduction plan early in the 2009 first quarter.

Variable Cost Flexibility

One of the important elements of Kirby's business model is our strategy of utilizing chartered towboats. These chartered towboats allow Kirby to grow during strong markets and contract when the market is weak. Reductions in the charter fleet result in an immediate cost reduction, as all costs associated with a chartered towboat are eliminated, providing a major offset to reduced revenues resulting from declining volumes. During the 2008 fourth quarter and continuing throughout 2009, we released chartered towboats and laid up Kirby owned towboats in an effort to balance horsepower needs with demand requirements. For 2009, we operated an average of 220 towboats, of which an average of 56 were chartered, compared with averages of 256 and 84, respectively, during 2008.

Another important feature of the Kirby business model is an experienced towboat scheduling staff. This group optimizes Kirby's towboat assignments 24/7, at times removing towboats that represent 50-70% of a customer's cost when waiting to load or discharge in certain ports. This feature enables Kirby to often provide its customers with the best value when measured on the basis of cost per unit delivered and permits Kirby to renew many

A Kirby Inland Marine towboat pushes two loaded tank barges on the Houston Ship Channel. Kirby transports a wide variety of petrochemicals, black oil products, refined petroleum products and agricultural chemicals. The principal distribution system encompasses the Gulf Intracoastal Waterway, the Mississippi River System and the Houston Ship Channel.

important customer agreements during the year. Additionally, a consistent and visible focus on safety provided measurable results in the reduction of incidents, leading to a sizable reduction in self insured losses and insurance costs.

Barge Fleet Size Reductions and Fleet Renewal

As demand fell in all four of our transportation markets, we reduced our tank barge fleet by approximately 6%, from 914 at the beginning of 2009 to 863 at the end of 2009. During 2009, we took delivery of 43 new Kirby owned tank barges and an additional seven chartered barges. We achieved a significant reduction in maintenance cost during 2009 by retiring 101 of our older tank barges, thereby eliminating the high cost of maintaining the United States Coast Guard certifications on such older barges, as lower utilization rates and lower pricing did not justify the expense of maintaining the certifications. Exclusive of our pressure and specialty fleets, the average fleet age fell from 23.2 years at the end of 2008 to 21.4 years at the end of 2009.

Fixed Cost Reductions and Customer Service Improvements

During 2009, we maintained a hiring freeze for all shoreside positions, offered early retirement incentives for certain shoreside employees, implemented a reduction in force for shoreside employees and froze executive and management salaries. As a result of these first quarter actions, 6% of our shoreside positions were eliminated through early retirements and reductions in force with an estimated annualized savings of $3.9 million. A severance charge applicable to the marine transportation segment of $2.6 million before taxes, or $.03 per share, was taken in the 2009 first quarter.

During this period we also took actions to improve our customer service and key processes. To accomplish this we engaged an outside consulting firm and commissioned numerous teams to assess various organizational improvements. The process produced consolidation of several company functions and further reductions in costs. For example, our sales and traffic teams were reorganized around the customer instead of the previous organization around traditional product lines. This change increased our sales team's knowledge about each customer's needs, which can be used to deploy a better solution for the customer's complex logistical challenges. The consolidation of the sales and traffic functions and other operational combinations resulted in efficiencies that allowed us to eliminate an additional 8% of our shoreside staff, with an estimated annualized savings of $4.7 million. A severance charge applicable to the marine transportation segment of $3.5 million before taxes, or $.04 per share, was taken in the 2009 fourth quarter and an additional severance charge of an estimated $2.4 million before taxes, or $.03 per share, will be taken in the 2010 first quarter. Since October 2008, we have reduced our shore staff by 22%, removing an estimated $14.5 million in annual costs.

A challenging period presents opportunities. Looking forward to 2010, Kirby Inland Marine is well positioned to successfully compete in a challenging environment with continued focus on safety, cost effectiveness and customer service.

David Hayes, Steersman on the M/V Pride, *trains on Kirby's new wheelhouse simulator located at Kirby's training center. This one-of-a-kind facility incorporates a wheelhouse simulator with a radar simulator.*


33.0
28.3
PITCH
PORT
STBD
TIME
DEPTH

Kirby Engine Systems

During late 2008 and throughout 2009, the demand levels for medium-speed and high-speed engine services and direct parts sales remained weak as offshore oil services, marine transportation and railroad customers continued to defer maintenance on their equipment in response to lower business levels. During this period, the power generation market remained relatively stable, but below prior year levels. Revenue and operating income declined 24% and 47%, respectively, compared with 2008, and the operating margin for 2009 was 10.5% compared with 15.0% for 2008. The 2009 operating income and operating margin included first and fourth quarter severance charges of $2.3 million before taxes for early retirements and staff reductions.

Cost Reduction Initiatives

In mid-2008, in the face of this economic uncertainty and weakening markets, we laid the groundwork for the development of a cost reduction program to take costs out of the business consistent with the reduced revenues. The plan focused on two cost reduction initiatives: staff reductions and inventory management.

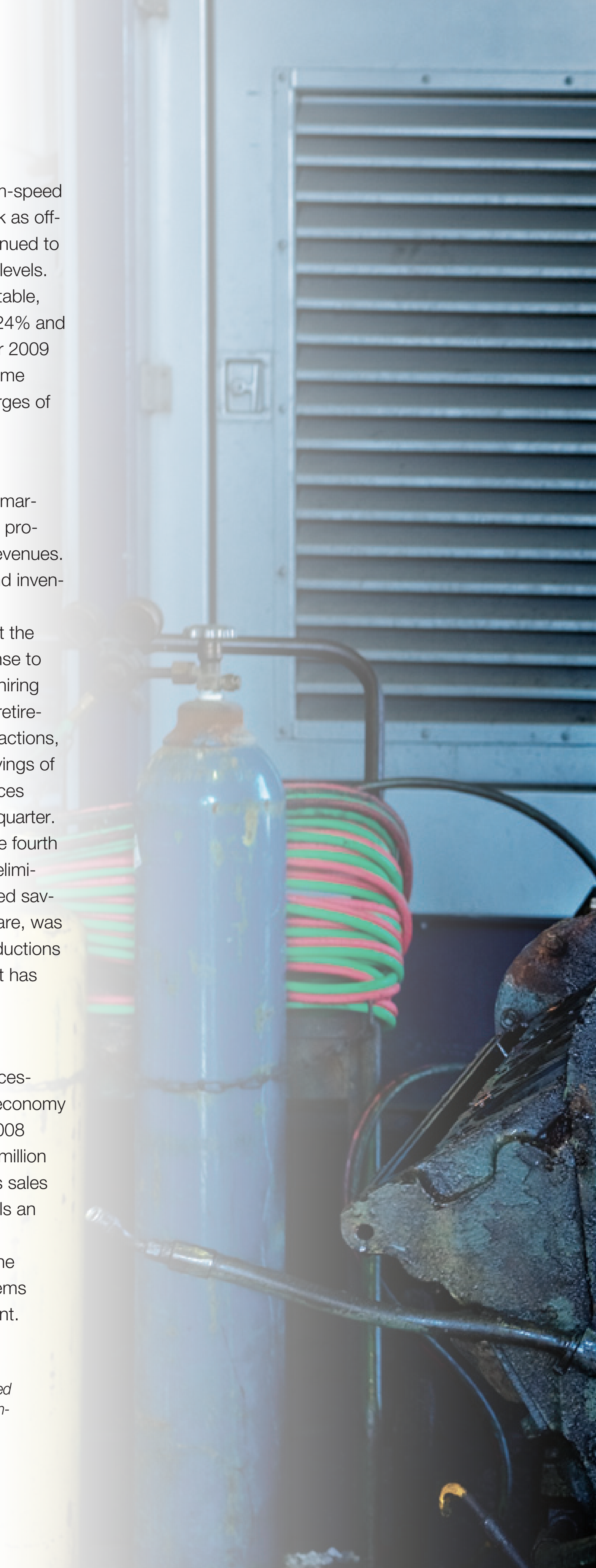
With service levels and direct parts sales across all markets except the power generation market slowing in the 2008 fourth quarter in response to deteriorating economic conditions, Kirby implemented an immediate hiring freeze. In early January 2009, we reduced the staff and offered early retirement incentives to certain classes of employees. As a result of these actions, 7% of our positions were eliminated with an estimated annualized savings of $3.1 million. A severance charge applicable to the diesel engine services segment of $1.4 million, or $.02 per share, was taken in the 2009 first quarter.

As our markets continued to be under pressure during 2009, in the fourth quarter we implemented a second reduction in force. This reduction eliminated an additional 7% of our manpower, with an estimated annualized savings of $2.5 million. A severance charge of $.9 million, or $.01 per share, was taken in the fourth quarter. In total, through early retirements, staff reductions and employee attrition, the staff of the diesel engine services segment has been reduced 22% since the peak headcount in October 2008.

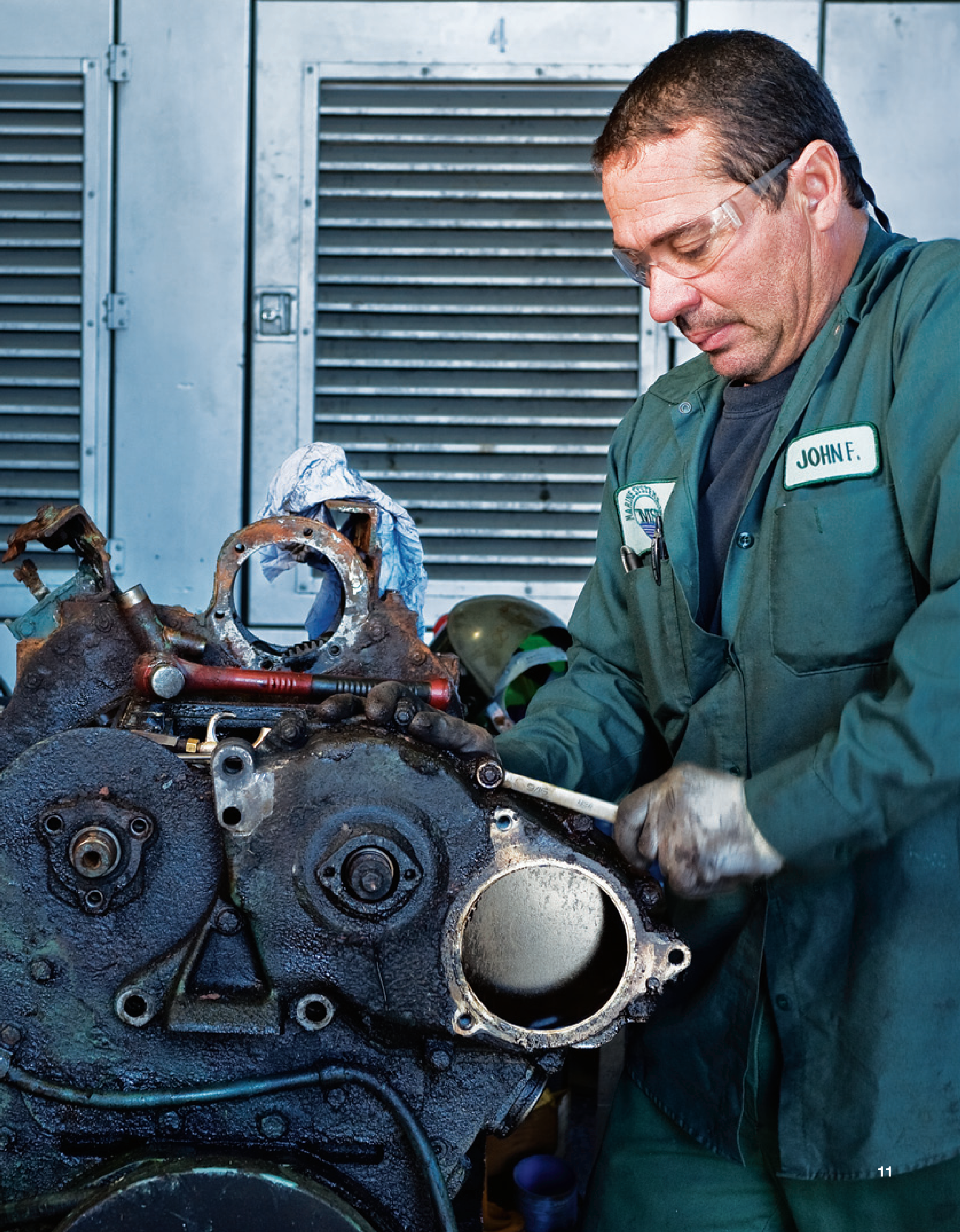
Inventory Reduction

We also addressed inventory levels during this period of economic recession. Inventory peaked in December 2007 at $53.4 million when the economy and demand for our services and direct parts sales were strong. In 2008 as demand weakened, we reduced our inventory levels 9% to $48.5 million by December 31, 2008. As demand levels for service and direct parts sales continued to decline throughout 2009, we reduced our inventory levels an additional 18% to $39.8 million by December 31, 2009.

We believe we are close to, if not at, the bottom of the diesel engine services business cycle. Looking forward to 2010, Kirby Engine Systems is well positioned to successfully compete in a challenging environment.



John Francis disassembles a 12V71 Detroit Diesel engine. Parts and services are provided through 16 facilities consisting of direct sales of OEM replacement parts and the refurbishment or rebuilding of parts, engines, gears and transmissions.


4
JOHN F.

Board of Directors

James R. Clark [4]
Retired President and COO
of Baker Hughes Incorporated
Director since 2008

C. Sean Day [3, 4]
Chairman of
Teekay Corporation
Director since 1996

Bob G. Gower [1, 2, 3]
Retired Chairman of Lyondell
Petrochemical Company
Director since 1998

William M. Lamont, Jr. [1, 3, 4]
Private Investor
Director since 1979

C. Berdon Lawrence [1]
Chairman of the Board of Kirby
Director since 1999

David L. Lemmon [2]
Retired President and CEO of
Colonial Pipeline Company
Director since 2006

Monte J. Miller [3]
Retired Executive Vice President,
Chemicals, of Flint Hills Resources, LP
Director since 2006

George A. Peterkin, Jr. [1, 2]
Chairman Emeritus of Kirby
Director since 1973

Joseph H. Pyne [1]
President and
Chief Executive Officer of Kirby
Director since 1988

Richard R. Stewart [2]
Retired President and CEO of
GE Aero Energy
Director since 2008

[1] Executive Committee
[2] Audit Committee
[3] Compensation Committee
[4] Governance Committee

Officers

Kirby Corporation

C. Berdon Lawrence
Chairman of the Board

Joseph H. Pyne
President and Chief
Executive Officer

David W. Grzebinski
Executive Vice President and
Chief Financial Officer

Norman W. Nolen
Executive Vice President

Ronald A. Dragg
Vice President and Controller

G. Stephen Holcomb
Vice President—Investor Relations

Amy D. Husted
Vice President—Legal

David R. Mosley
Vice President and
Chief Information Officer

Jack M. Sims
Vice President—Human Resources

Renato A. Castro
Treasurer

Thomas G. Adler
Secretary

Kirby Inland Marine, LP

Gregory R. Binion
President

James F. Farley
Executive Vice President—
Operations

William G. Ivey
Executive Vice President—
Marketing

Mel R. Jodeit
Senior Vice President—Sales

John E. Russell
Senior Vice President—Sales

David L. Shaw
Senior Vice President—Vessel
Operations

William M. Withers
Senior Vice President—Sales

Stephen C. Butts
Vice President—Sales

Robert D. Goolsby
Vice President—Facility Operations

James C. Guidry
Vice President—Canal Vessel
Operations

Patrick C. Kelly
Vice President—Kirby Logistics
Management

C. Gene Moore
Vice President—River Vessel
Operations

Richard C. Northcutt
Vice President—Traffic

Christian G. O'Neil
Vice President—Sales

John W. Sansing, Jr.
Vice President—Maintenance

Cliff R. Stanich
Vice President—Sales

Thomas H. Whitehead
Vice President—Sales

Carl R. Whitlatch
Vice President and Controller

Kirby Ocean Transport Company

Joseph H. Pyne
President

William M. Withers
Vice President

Osprey Line, L.L.C.

John T. Hallmark
President

Charles J. Duet
Vice President

Kirby Engine Systems, Inc.

Dorman Lynn Strahan
President

David H. Farrar
Vice President and Controller

Engine Systems, Inc.

John A. Manno
Vice President

P. Scott Mangan
Vice President—East Coast
and West Coast

Marine Systems, Inc.

Lynn A. Ahlemeyer
Vice President—Gulf Coast

Thomas W. Bottoms
Vice President—Midwest and
Mobile

Troy A. Bourgeois
Vice President—Sales

Rail Systems, Inc.

John A. Manno
Vice President

Shareholder Information

Annual Meeting

The 2010 Annual Meeting of Stockholders will be held at the Four Seasons Hotel, 1300 Lamar Street, Houston, Texas 77010, at 10:00 a.m. (CDT), Tuesday, April 27, 2010.

Corporate Headquarters

Executive Office:
55 Waugh Drive, Suite 1000
Houston, Texas 77007
Telephone: (713) 435-1000
Fax: (713) 435-1011
Web site: www.kirbycorp.com

Mailing Address:
P.O. Box 1745
Houston, Texas 77251-1745

Inquiries Regarding Stock Holdings

Registered shareholders (shares held in owner's name) should address communications concerning address changes, lost certificates and stock transfers to:

Computershare Trust Company, N.A.
P.O. Box 43078
Providence, Rhode Island 02940-3078
Telephone: (781) 575-2897
Web site: http://computershare.com

Beneficial shareholders (shares held in the name of banks or brokers) should address communications to their banks or stockbrokers.

All other inquiries should be addressed to G. Stephen Holcomb, Vice President–Investor Relations, at Kirby's corporate headquarters.

Web Site

For more investor information, as well as information about Kirby, visit Kirby's web site at www.kirbycorp.com.

Independent Registered Accountants

KPMG LLP
700 Louisiana, Suite 3100
Houston, Texas 77002

Common Stock Information

Stock trading symbol—KEX

The New York Stock Exchange is the principal market for Kirby's common stock. As of March 1, 2010, there were 54,010,000 common shares outstanding held by approximately 850 registered shareholders. The number of registered shareholders does not reflect the number of beneficial owners of common stock.

Common Stock Market Price

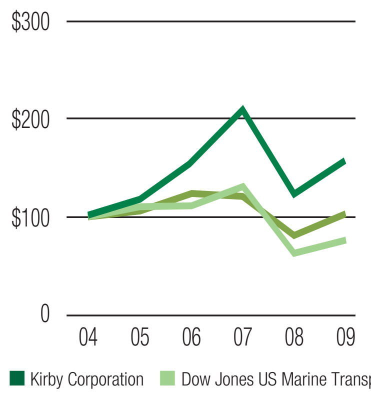
	Sales Price High	Sales Price Low
2010		
First Quarter (through March 9, 2010)	$36.04	$30.83
2009		
First Quarter	$31.16	$19.46
Second Quarter	$36.32	$25.93
Third Quarter	$39.16	$28.71
Fourth Quarter	$37.28	$32.30
2008		
First Quarter	$58.10	$37.72
Second Quarter	$61.65	$47.45
Third Quarter	$51.09	$34.13
Fourth Quarter	$39.87	$19.54

Financial and Investor Relations

Copies of Kirby's Form 10-K (which is incorporated in this Annual Report) are available free of charge. Either contact G. Stephen Holcomb, Vice President–Investor Relations, at Kirby's corporate headquarters, e-mail Steve.Holcomb@kirbycorp.com, or visit Kirby's web site at www.kirbycorp.com.

Comparison of 5 Year Cumulative Total Return

Return on $100 invested on 12/31/04 in stock or index, including reinvestment of dividends.
Fiscal year ended December 31.



	12/04	12/05	12/06	12/07	12/08	12/09
Kirby Corporation	100.00	117.55	153.81	209.46	123.30	156.96
Dow Jones US Marine Transportation	100.00	109.80	111.03	130.51	61.45	76.29
Russell 2000	100.00	104.55	123.76	121.82	80.66	102.58

Kirby Corporation

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