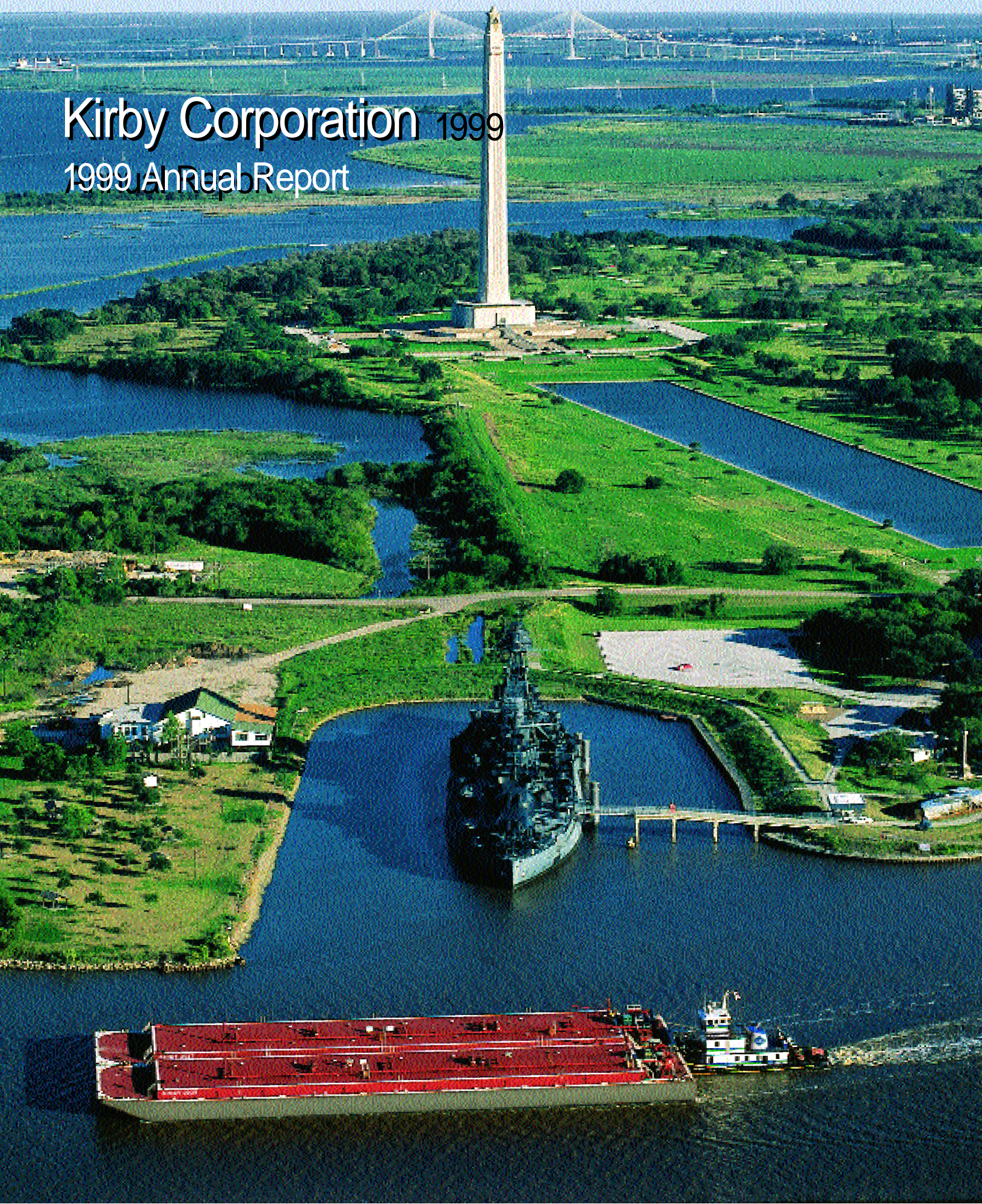


Kirby Corporation 1999

1999 Annual Report



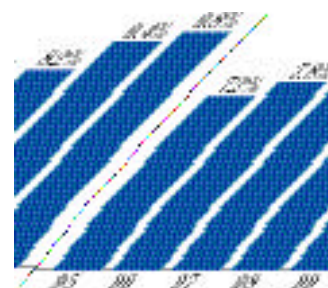
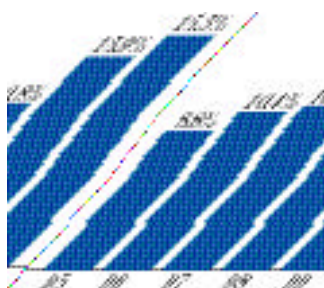
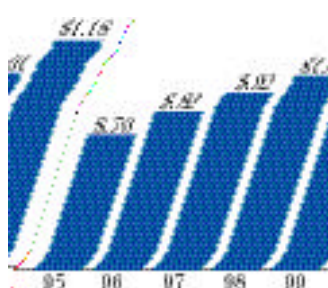
The merger of Hollywood Marine, Inc. into Kirby Corporation in October 1999 combined the United States' largest and third largest inland tank barge companies. Hollywood was the perfect fit to our strategy of enhancing and growing our core businesses through synergistic acquisitions, thereby creating enhanced earnings and value for our shareholders. This combination improves Kirby's tank barge distribution system, increases fleet utilization and reduces costs due to the elimination of organizational and facility redundancies. Today, Kirby Corporation is a new company focused on its core businesses, marine transportation and diesel engine services. Our very strong cash flow, our commitment to create shareholder value by employing the economic value management principles, our strong industry fundamentals and our ability to grow, as well as reduce our debt, place Kirby in a better position to create value for its shareholders.



The United States Inland Waterway System is composed of 11,000 miles of navigable rivers, canals and coastal waterways. Most refinery, chemical and petrochemical plants are located on this waterway system, taking advantage of this efficient means to transport bulk liquid cargoes. Kirby is one of a few carriers that can service its customers' needs throughout this vast waterway system.

Financial Highlights

	For the years ended December 31,				
(In thousands, except per share amounts)	1999	1998	1997	1996	1995
Revenues:					
Marine transportation	\$ 290,956	\$ 244,839	\$ 256,108	\$ 249,594	\$ 267,687
Diesel engine services	74,648	82,241	79,136	70,422	50,538
	<u>\$ 365,604</u>	<u>\$ 327,080</u>	<u>\$ 335,244</u>	<u>\$ 320,016</u>	<u>\$ 318,225</u>
Net earnings from continuing operations	\$ 21,441	\$ 10,109	\$ 22,705	\$ 21,208	\$ 6,958
Net earnings (loss) from discontinued operations	—	—	(1,023)	6,021	2,425
Net earnings	<u>\$ 21,441</u>	<u>\$ 10,109</u>	<u>\$ 21,682</u>	<u>\$ 27,229</u>	<u>\$ 9,383</u>
Net earnings (loss) per share (diluted):					
Net earnings from continuing operations	\$ 1.01	\$.46	\$.92	\$.82	\$.25
Net earnings (loss) from discontinued operations	—	—	(.04)	.24	.09
Net earnings	<u>\$ 1.01</u>	<u>\$.46</u>	<u>\$.88</u>	<u>\$ 1.06</u>	<u>\$.34</u>
Weighted average shares outstanding (diluted)	21,293	22,113	24,594	25,781	27,772
Net cash flow from continuing operations (before changes in operating assets and liabilities)	\$ 58,250	\$ 51,069	\$ 50,255	\$ 44,595	\$ 61,839
Property and equipment, net	\$ 451,851	\$ 256,899	\$ 272,384	\$ 277,622	\$ 275,184
Total debt	\$ 321,607	\$ 142,885	\$ 154,818	\$ 181,950	\$ 179,226
Stockholders' equity	\$ 240,036	\$ 141,040	\$ 218,269	\$ 205,754	\$ 205,333



*Before unusual charges noted below:

(In thousands, except per share amounts)	For the years ended December 31,				
	1999	1998	1997	1996	1995
Net earnings from continuing operations	\$ 21,441	\$ 10,109	\$ 22,705	\$ 21,208	\$ 6,958
Unusual charges, net of taxes:					
Impairment of offshore vessels under SFAS No. 121	692	5,416	—	—	12,477
Loss on sale of Universal Insurance Company	—	6,849	—	—	—
Merger related charges	2,912	—	—	—	—
Net earnings from continuing operations before unusual charges	<u>\$ 25,045</u>	<u>\$ 22,374</u>	<u>\$ 22,705</u>	<u>\$ 21,208</u>	<u>\$ 19,435</u>
Net earnings per share from continuing operations before unusual charges (diluted)	<u>\$ 1.18</u>	<u>\$ 1.01</u>	<u>\$.92</u>	<u>\$.82</u>	<u>\$.70</u>

Quick facts about Kirby

Services Offered

Marine Transportation



- Kirby Inland Marine is the leading transporter of bulk liquid products on the inland waterway system.
- With 781 inland tank barges, comprising 14.2 million barrels of liquid cargo capacity, and 230 towboats, Kirby is one of the few carriers capable of servicing its customers' needs throughout the inland waterway system.
- With Kirby's distribution system and flexibility, it is more likely to have a barge close to a customer's pick-up point, thereby reducing repositioning, cleaning and power costs.
- Kirby's vessels are operated by highly trained crews, whose knowledge, skills and dedication are the backbone of Kirby's service to its customers. Supporting the crews is an experienced shoreside staff and state-of-the-art systems and training facilities.
- Kirby's communication network links by satellite the towing vessels, sales staff, fleet managers, dispatchers and Kirby's customers, allowing for rapid transfer of important information.

Key Markets

- Kirby services the transportation of chemicals, black oil and agricultural chemicals.
- 60% of transportation revenues are from petrochemicals (benzene, styrene, acrylonitrile, caustics, etc.) consumed in the manufacturing of plastics. The market drivers follow the U.S. economy, housing, consumer goods, automobiles, etc. U.S. chemical and petrochemical companies.
- 20% of transportation revenues are from fuels (naphtha and diesel fuel). The market drivers follow prevailing weather conditions. Customers include oil and refining companies.
- 10% of transportation revenues are from No. 6 fuel oil and coker fuel. The market drivers are feedstocks for refineries and fuel for power plants. U.S. refining companies, marketers and producers.
- 10% of transportation revenues are from fertilizers (nitrogen-based liquid fertilizer and inorganic fertilizers). U.S. producers of such products.

Diesel Engine Services



- Kirby Engine Systems provides after-market service for large medium-speed diesel engines, primarily engines manufactured by the Electro-Motive Division ("EMD") of General Motors Corporation. The diesel engines are used in marine, power generation and rail applications.
- Kirby has the largest service area of any diesel engine service company, encompassing the U.S., including Alaska, and parts of the Caribbean and Pacific Rim.
- In-house service is provided through six domestic locations throughout the U.S. Each location sells genuine EMD replacement parts, provides mechanics to overhaul and repair EMD engines, and rebuilds component parts or entire engines.
- In-field service is provided through project engineers and mechanics dispatched around the world to perform engine overhauls, in-place machining, line boring and block welding on board the vessel.
- Kirby serves as an EMD distributor for the East Coast and the Caribbean, as well as for the nuclear industry worldwide and for the nuclear industry worldwide.
- Kirby serves as an authorized service center for EMD engines throughout the U.S., including Alaska, and the Pacific Rim.
- Kirby's markets are generally driven by the industries it supports: marine, power generation, etc.
- The marine market services engines for harbor tugboats, offshore oil service vessels, commercial fishing industry fleets and military vessels.
- The power generation market services engines for power for the power generation industry. Kirby market services diesel-electric locomotives.
- EMD has a significant market position nationwide service contracts with major customers at various locations.

Industry Facts

chemicals and petrochemicals, refined products,

chemicals and petrochemicals

lastic soda, pressure products and other prod-
ing of plastics, paper and fibers.

economy and are affected by the production of
obiles and clothing. Customers are the major
companies.

refined products (gasoline blends, jet fuel,
ket drivers are vehicle usage, air travel and pre-
ners are the major U.S.

black oil used in producing asphalt,
market drivers are road construction,
or electric generation and ships. Customers are
s and end users.

agricultural chemicals (anhydrous ammonia,
industrial ammonia). The market drivers are the
eat. Customers
cts.

for the marine and power generation markets
ean, for shortline and industrial railroads nation-
worldwide.

vice center for EMD throughout the balance of
e Pacific Rim.

n by the business activity level of the three indus-
eration and railroad applications.

es used in inland and offshore towing vessels,
e vessels, the oil and gas drilling rigs, commer-
ary vessels.

ices stationary diesel engines used as standby
dustry and the nuclear industry. The railroad
omotives for shortline and industrial railroads.

tion in each of these markets. Kirby has several
major fleet operators that serve many different

- Inland water transportation is the safest, most flexible, productive and efficient mode of transportation per ton mile of cargo transported in the U.S.
 - Water transportation serves 90% of the U.S. population.
 - Water transportation moves 15% of the U.S. freight at 2% of the U.S. freight bill.
 - Texas and Louisiana account for approximately 80% of total U.S. production of chemicals and petrochemicals.
 - Over 1.1 billion short tons of cargo move annually on the U.S. waterways.
 - Water is a more energy efficient method of moving bulk materials than rail and trucks.
 - One gallon of fuel can move one ton of bulk liquid product 514 miles by inland tank barge compared with 202 miles by rail and 59 miles by truck.
 - One 30,000 barrel inland tank barge has the cargo equivalent of 40 rail cars or 150 trucks.
-
- Large diesel engines represent a large capital investment and are critical to the service that Kirby's customers provide.
 - The diesel engine services industry is tied to the industries it serves and therefore is influenced by the cycles of such industries.
 - EMD is the world's largest manufacturer of diesel-electric locomotives.
 - Service providers must be able to provide both in-house as well as around-the-world on-site repairs and maintenance.
 - While price is the major determinant, reputation, consistent quality, expeditious service, experienced personnel, access to parts inventories and market preference are significant factors.

Report to Shareholders



C. Berdon Lawrence,
Chairman

J.H. Pyne,
President

Kirby is now a new company! Two events occurred over the past two years that have dramatically changed Kirby. The first event was the decision to focus only on two businesses, inland marine transportation and diesel engine services. To accomplish this, in 1998, Kirby sold

and exited its offshore tank ship and tank barge business, and sold its insurance business. The second event was in October 1999 when Hollywood Marine was merged into Kirby Inland Marine, combining the nation's largest and third largest inland tank barge companies. Hollywood is a perfect fit under our strategy of growing Kirby through synergistic acquisitions. As we enter the new millennium, we begin with a new focus on our core businesses of inland tank barging and diesel engine services.

Creating shareholder value continues to be our principal objective. Ultimately, value must be reflected in the price of Kirby stock. Although the stock market has been difficult for "non-high tech" companies this past year, we believe that Kirby Corporation has never been more valuable than it is today. It is our intention to continue to build value for our shareholders by running a first-class, profitable company focused on providing superior returns.

Earnings for Kirby's core businesses have shown significant growth over the last five years. Adjusted for unusual charges related to the implementation of

Kirby's new strategy, earnings from continuing operations, as illustrated on the Financial Highlights page, were a record \$25.0 million in 1999, or \$1.18 per share, reflecting a 14.9% compounded growth trend since 1995. On the same basis, Return on Invested Capital has grown from 7.2% in 1995 to 9.8% in 1999, and Return on Average Equity has grown from 8.8% to 15.3% during that period. EBITDA per share increased from \$2.51 in 1995 to \$4.00 in 1999.

From an operations standpoint, our marine transportation business achieved record results, even excluding the impact of the Hollywood acquisition in the fourth quarter. Most of our markets remained strong for the entire year. As a result of the favorable markets, coupled with our continued focus on costs, our marine transportation operating margin improved to 16.3% in 1999 from 15.4% in 1998.

The 1999 year was challenging for our diesel engine services business, which was hampered by the depressed Gulf Coast drilling and offshore supply vessel markets. Even given these difficult markets, the operating margin for 1999 was 9.6% compared with 9.8% in 1998, the result of aggressive cost controls by our management team. The offshore oil and gas business is slowly rebounding, and we anticipate improved activity in this market during 2000.

Over the next year, we will complete the integration of Hollywood into Kirby, capturing the synergies that merging these companies will provide. We anticipate that the synergies will enable the Hollywood addition to be accretive to Kirby's earnings in 2000, the first full year of combined operations. Significant opportunities exist not only in taking costs out of the business, but more importantly in doing more with less. Our

expanded distribution system, better infrastructure and better horsepower utilization will allow us to carry more cargo in our barges. Additional synergies should be achieved as we combine the best of Kirby's and Hollywood's information and dispatching systems.

Kirby is the industry leader in providing information technology to facilitate the interface between the company and our customers. Our communication network is described on pages 7 and 8. We will continue to invest in new technology that will enable our customers to satisfy their inland tank barge transportation requirements, as well as increase the business we transact electronically.

We want to recognize the outstanding service of George Peterkin, Jr., Kirby's former Chairman who was elected Chairman Emeritus in October 1999. George served as President of Kirby from 1973 to April 1995 and as Chairman from April 1995 to October 1999. Under his watch, Kirby exited the oil and gas business and focused the company on a strategy of building the marine transportation business, growing from a medium sized inland tank barge company to the nation's leader in inland tank barge and diesel engine services.

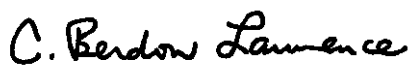
We also want to thank our employees and our Board of Directors for all their hard work on behalf of our shareholders. We particularly want to thank Board Members Tom Taylor and Virgil Waggoner, and Advisory Board Member Henry Gilchrist, who are retiring this year, for their counsel and wisdom as we positioned Kirby for the future. We wish them "fair winds and a following sea" as they pursue other interests. Without the support of our employees, Directors, customers, suppliers and shareholders, we would not have been able to accomplish what we have accomplished

to date. We thank them for their support.

We go into 2000 as a very strong company, in businesses that are important to the U.S. economy. There are few companies with the market flexibility, free cash flow and financial strength that Kirby possesses. We will continue to focus on earnings growth, cash flow and return on capital. We believe we can continue to grow our business both externally and internally. As an added incentive to grow our company, we implemented in 1999 an Economic Value Management System, which ties management's compensation to the creation of economic value. At no point in our recent history has our outlook been better. The industry is essentially in balance for the first time in years and Kirby is poised for continued success.

We are now truly a new company. Our goal this year is to capture the best systems, the best work practices and the best procedures from Kirby and Hollywood. By doing this, we will create a better company and one more efficient than either were individually.

Respectfully submitted,



C. Berdon Lawrence
Chairman of the Board



J.H. Pyne
President

Houston, Texas
March 6, 2000

Kirby Inland Marine—largest transport Inland Waterway System

Chemical / Petrochemical / Refined Products Fleet

Kirby is the largest inland tank barge transporter of chemicals, petrochemicals and refined products in the United States. The majority of barges in this fleet are equipped with vapor emission systems, capable of controlling cargo vapors during loading and discharge operations. Kirby's fleet serves the Mississippi River System, its tributaries and the Gulf Intracoastal Waterway. Tank barges range from approximately 10,000 barrel capacity to 30,000 barrel capacity and can be combined in multi-barge tows.

Black Oil Fleet

The Kirby fleet of black oil barges is equipped to handle a wide range of products. Many of these tank barges feature high-capacity pumps and on-board heating systems for viscous oils, including asphalt. This flexibility contributes to Kirby's ability to satisfy its customers' needs for transporting a wide range of cargo viscosities.

Shipowners and bunker suppliers rely on Kirby's fleet of bunkering barges, one of the largest along the Gulf Coast.

Pressure Fleet

Kirby operates a large fleet of pressure barges. These pressurized barges can handle products requiring up to 265 psi. Kirby tankermen and shore personnel are specially trained in pressurized transportation technology. Kirby is a leader in the technology of marine transportation of pressurized products.

Anhydrous Ammonia Fleet

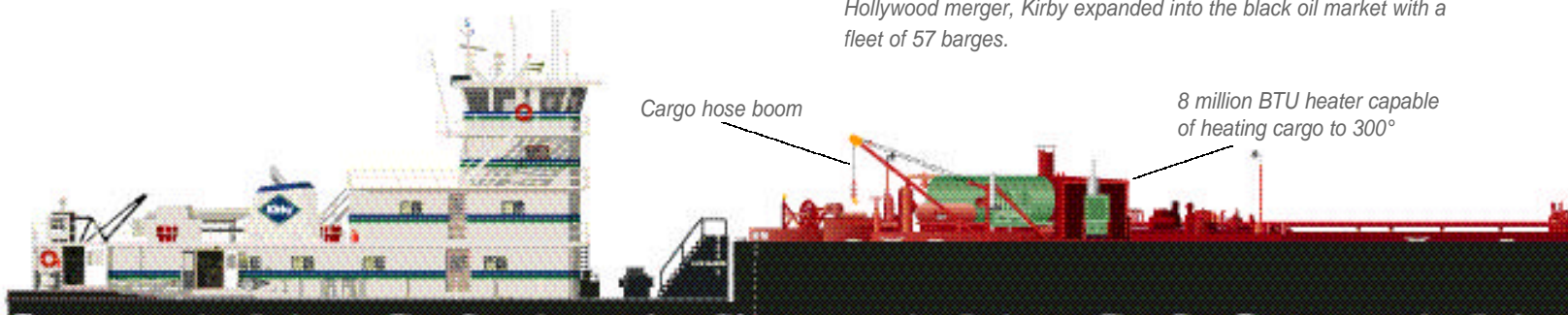
Kirby's fleet of anhydrous ammonia barges is used to transport anhydrous ammonia in cryogenic barges for fertilizer and industrial chemical customers. Transporting anhydrous ammonia requires specialized training in both cargo handling and equipment operations.

Specialty Fleet

Kirby's fleet of specialty tank barges has the capability to move a wide range of products that require stainless steel, aluminum or specially coated tanks. Certain specialty barges have the capability for positive segregation in the carriage of multiple products.

Towboats—Specially trained crews run Kirby towboats. The standard crew size is from four to eight people.

Inland Tank Barge—Black oil barges, like the one graphically illustrated below, transport residual fuel and asphalt with the capabilities to heat cargoes in transit from port to port. With the Hollywood merger, Kirby expanded into the black oil market with a fleet of 57 barges.



ter of bulk liquid products on U.S.

Kirby Inland Marine operates a fleet of 781 inland tank barges, with a liquid cargo capacity of 14.2 million barrels, and 230 inland towboats. The fleet, representing 27% of the U.S. inland tank barge capacity, transports chemicals, petrochemicals, pressurized gases, refined products, agricultural chemicals and black oil.

TOWBOAT FLEET

600 hp	7
800—1200 hp	131
1400—1900 hp	57
2000—2400 hp	8
2900—3200 hp	17
4200—4800 hp	6
5200—6000 hp	4
Total	230

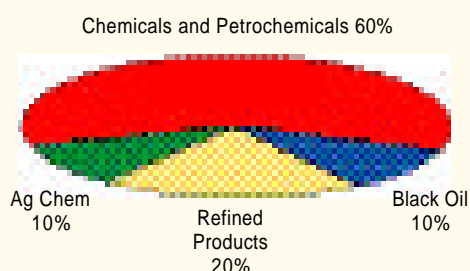
Kirby's fleet of 230 towboats ranges from 600 to 6000 horsepower. Towboats in the 600 to 1200 horsepower classes provide power for barges moving on the Gulf Intracoastal Waterway. Towboats in the 1400 to 6000 horsepower classes provide power for both the Gulf Intracoastal Waterway and the Mississippi River System. Towboats above 2000 horsepower are typically used in the Mississippi River System to move unit tows and provide linehaul towing. Based on the capabilities of the individual towboats, these tows range from unit tows of 10,000 tons, expanding upwards to 30,000 ton linehaul tows.

TANK BARGE FLEET

Clean/Chemicals	654
Black Oil	57
Pressure	52
Anhydrous Ammonia	11
Specialty	7
Total	781
Total Capacity	14.2MM Barrels

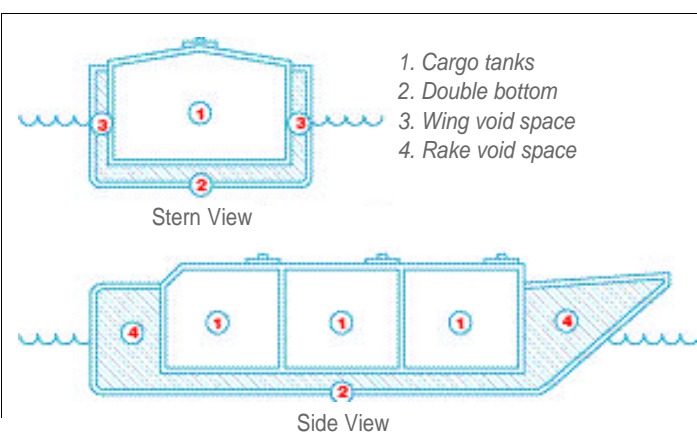
Kirby moves and handles a broad range of sophisticated cargoes. Barges may be equipped with self-contained heating systems, pressurized tanks, refrigeration units, stainless steel tanks or specially coated tanks in order to meet the specific requirements of the cargo being transported.

REVENUES BY PRODUCT GROUP

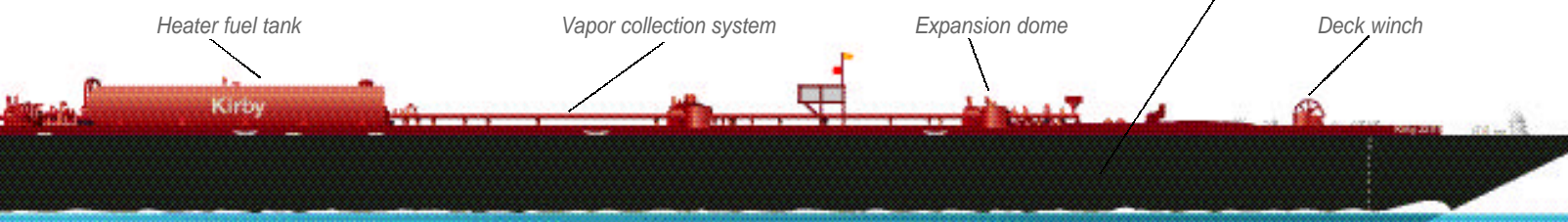


During 1999, Kirby and Hollywood moved 50+ million tons of liquid cargo on the U.S. inland waterway system. The table above displays the type of products moved, expressed as a percentage of annual revenues.

This cut-away drawing illustrates the pollution prevention safety features of a typical double-hull inland tank barge.



Training—Kirby operates a comprehensive training facility in Houston for its vessel employees. Continuous training for all positions, from deckhand to tankerman to captain, is part of the regular training curriculum. These efforts, along with a formalized career ladder, allow Kirby's qualified employees to move up the ranks from deckhand to captain.



Kirby's communication network provides its entire fleet.

Integration of information and dispatching systems

The Kirby instant-access information system keeps everyone informed: salespeople, fleet managers, dispatchers, towboat crew members and, most importantly, Kirby customers. Complete and up-to-the-hour information on a customer's shipment is available at any time through the customer's secure page on Kirby's Internet website.

On-line, all the time

Kirby towboats have a satellite positioning and communications system that automatically transmits the exact location of the towboat every hour, 24 hours a day. Kirby gathers this data and continually updates its database and Internet website. All a Kirby customer has to do is log on and click: the location of every shipment is noted, both in text and on a map. Faxes are also sent with the same information to the customer. There's no easier way for Kirby customers to track their cargoes and plan their deliveries.

Real-time charting, real-time positions

Kirby's towboat crews have access to all the information they need about their vessels, their barges and their routes. Computerized charting on the towboats helps ensure safe operations along the fastest course. Satellite communications between towboats and headquarters allow Kirby's salesperson to reach the towboat to resolve any problems while the customer is still on the phone. Customers won't find more responsive service, anywhere.

Logistics department

As businesses reengineer to focus on core competencies, many consider outsourcing their owned fleets. Kirby is perfectly positioned to handle this outsourcing, from managing each customer's fleet to inventory control.

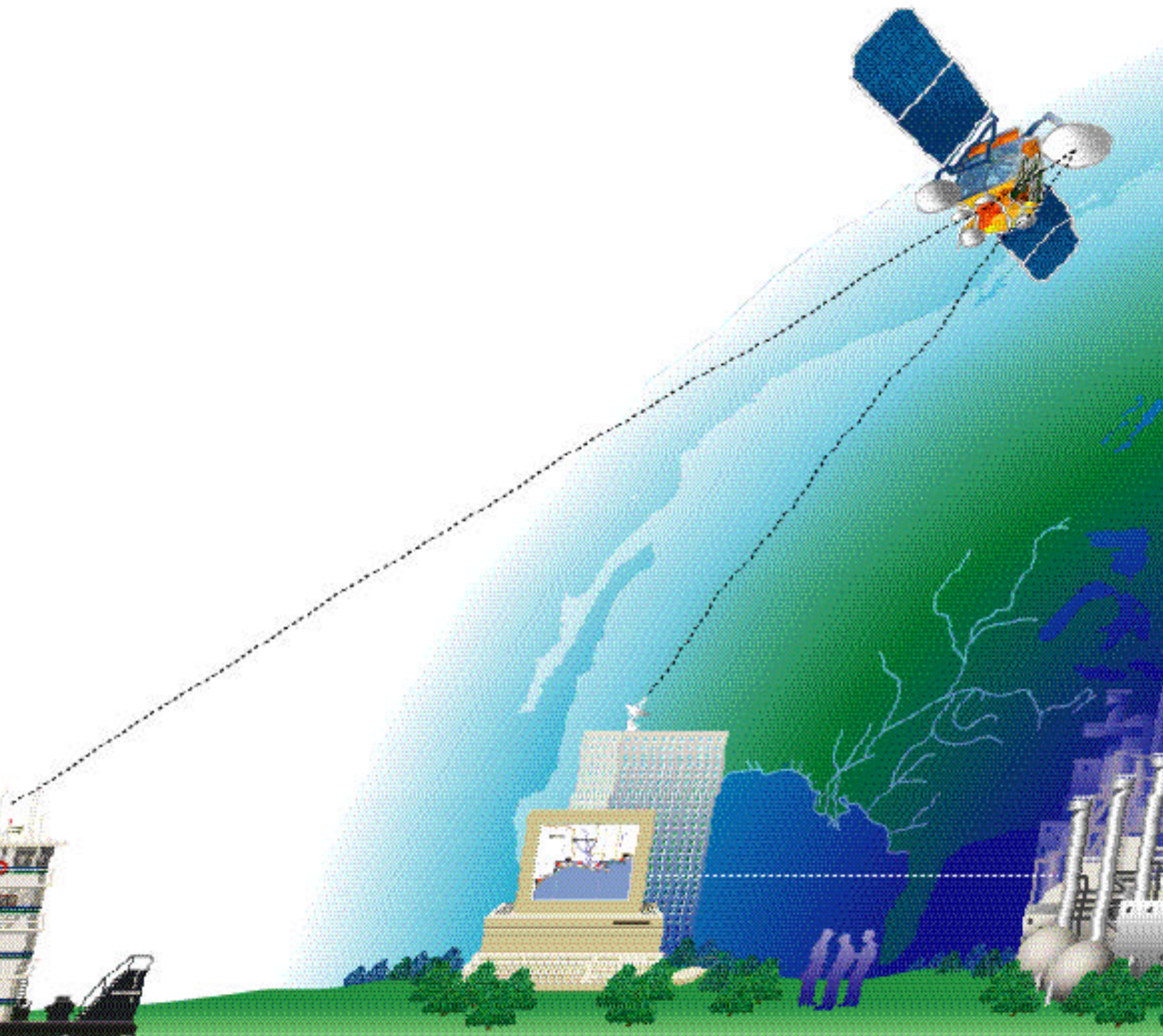
Instant Communication

Kirby's communication network provides current information to those who need it: our vessel crews, our shoreside employees and our customers.



ides current information on

Every hour, 24 hours a day, the exact location of every Kirby towboat is automatically transmitted by satellite to Kirby's headquarters, continually updating the database and Internet website. Kirby's customers can easily track their cargoes and plan their deliveries.



Kirby Inland Marine

The merger of Kirby and Hollywood is anticipated to generate cost savings, estimated to be at least \$10 million per year, through the consolidation of the corporate headquarters, the elimination of duplicate administrative and operating staffs and expenses, and improved operating efficiencies.

Since October 12, Kirby has made significant progress in combining the operations of the two premier inland tank barge companies. The two companies were very complementary to each other, each possessing highly talented and knowledgeable officers, managers and shore-side support personnel, and well trained and loyal afloat organizations. Each company had highly serviceable operational and training facilities, and state-of-the-art communication systems, all of which supported the heart of the two companies, the skilled and dedicated personnel manning the vessels.

In early November, Kirby announced its management team, consisting of the best of the two companies. In mid November, a little more than 30 days after the merger date, Kirby combined its operations, maintenance, training and shoreside tankering departments.

In mid January, sales and dispatching forces were combined at Kirby's new corporate headquarters in Houston. With duplicate corporate facilities, the decision was made to relocate to Hollywood's facility at 55 Waugh Drive, which has greater expansion opportunities and is more convenient to the operations facilities. The combination of the sales and dispatching teams under one roof was critical to achieving the anticipated synergies and operating efficiencies. In late January, Kirby combined its executive officers at Waugh Drive. Final integration is in April, when the accounting, administrative, human resource and information systems departments are combined.

Integration of Kirby's and Hollywood's systems has also been a high priority item. In order to achieve the

KIRBY INLAND MARINE STATEMENTS OF OPERATING INCOME (In thousands)

For the years ended December 31,	1999	1998
Revenues:		
Marine transportation	\$ 290,956	\$ 244,839
Costs and expenses:		
Costs of sales and operating expenses	175,118	150,027
Selling, general and administrative	32,207	25,802
Taxes, other than on income	8,228	7,372
Depreciation and amortization	27,878	23,977
	<u>243,431</u>	<u>207,178</u>
Operating income	<u>\$ 47,525</u>	<u>\$ 37,661*</u>

*Operating income before taxes on income is presented excluding the effect of an \$8.3 million write-down under SFAS No. 121.

operating synergy goals, all salespeople, fleet managers, dispatchers and vessel employees on Kirby's towboats must be under one system. The integration process is currently under way, with a target completion date of the second quarter of 2000.

Kirby has also been successful in achieving certain operating synergies through backhaul opportunities, the availability of compatible bottoms, better utilization of horsepower and an expanded distribution system. As Kirby further integrates its operations, it is anticipated that additional operating and administrative synergies will be achieved.

Kirby Engine Systems

The diesel engines serviced by Kirby are essential to the day-to-day operations of the nation's inland marine fleets, offshore tugs, offshore oil service vessels and drilling rigs, international fishing fleets, standby power generation, the nuclear power industry, and shortline and industrial railroads.

Kirby Engine Systems provides in-house and in-field service and genuine replacement parts for large medium-speed diesel engines. Today, as a value added provider of service with a reputation for quality, Kirby has the largest service area of any diesel engine service company.

Kirby has a 34-year relationship with the Electro-Motive Division ("EMD") of General Motors, a manufacturer of large, medium-speed diesel engines. As a result of that relationship, Kirby is able to offer services to companies within three distinct markets: marine, power generation and railroad applications.

In the marine market, Kirby services diesel engines operated by inland and offshore towing companies, oil service and drilling companies, international fishing companies and the U.S. Government. Kirby services these fleets on the Gulf Coast and West Coast and in the Midwest through Marine Systems, Inc., authorized service centers for EMD. The East Coast and Caribbean marine fleets are serviced through Engine Systems, Inc., an authorized distributor for EMD. Engine Systems operates in three locations on the East Coast.

In the power generation market, Kirby services EMD diesel engines used as standby power for the power generation industry. This market is serviced through Engine Systems' distributorship. Engine Systems also serves as the exclusive worldwide distributor of EMD parts to the nuclear power industry. The railroad market is serviced by Rail Systems, Inc., the only authorized nationwide EMD distributor for shortline and industrial railroads.

Kirby provides service through its strategically located land based facilities and its in-field capabilities. At Kirby's

KIRBY DIESEL ENGINE SERVICES STATEMENTS OF OPERATING INCOME (In thousands)

For the years ended December 31,	1999	1998
Revenues:		
Diesel engine services	\$ 74,648	\$ 82,241
Costs and expenses:		
Costs of sales and operating expenses	57,911	60,390
Selling, general and administrative	8,517	12,652
Taxes, other than on income	249	232
Depreciation and amortization	842	917
	67,519	74,191
Operating income	\$ 7,129	\$ 8,050

land based facilities, in-house shop mechanics inspect, repair and rebuild diesel engine components or entire engines. In the field throughout the world, project engineers and field mechanics service the needs of Kirby's customers by providing critical evaluations, engine repairs and engine overhauls, as well as machining, block welding and line boring on board the vessel.

With its nationwide presence and worldwide on-site capabilities, Kirby has been successful in procuring exclusive service contracts with several major customers. Kirby will continue to pursue additional exclusive service contracts with major operators with extensive fleets and distribution patterns.

Officers

Kirby Corporation

C. Berdon Lawrence,
Chairman of the
Board of Directors

J. H. Pyne,
President and
Chief Executive Officer

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

Mark R. Buese,
Senior Vice President –
Administration

Connie C. Power,
Vice President – Corporate
Operations

Jack M. Sims,
Vice President – Human Resources

G. Stephen Holcomb,
Vice President and Controller

Howard G. Runser,
Vice President – Information
Technology

Thomas G. Adler,
Secretary

Kirby Inland Marine, Inc.

Steven P. Valerius,
President

William G. Ivey,
Executive Vice President

Gregory R. Binion,
Vice President – Canal Operations

Mel R. Jodeit,
Vice President – Sales

Dennis A. Kirkonis,
Vice President – Sales

Scott E. Mickey,
Vice President – Logistics

Michael C. Molloy,
Vice President – Sales

John E. Russell,
Vice President – Sales

John W. Sansing, Jr.,
Vice President – Maintenance

David L. Shaw,
Vice President – River Operations

Carl R. Whitlatch,
Vice President and Controller

[Kirby Logistics
Management, Inc.](#)

Mark C. Lawrence,
Vice President and General Manager

[Western Towing Company](#)

Robert D. Goolsby,
Vice President and General Manager

Company

J. H. Pyne,
President

Kenneth C. Bush,
Executive Vice President

Thomas J. Johnson,
Vice President – Marketing

Kirby Engine Systems, Inc.

Dorman L. Strahan,
President

John A. Manno,
Vice President

David H. Farrar,
Controller

[Engine Systems, Inc.](#)

P. Scott Mangan,
Vice President – Sales

[Marine Systems, Inc.](#)

Lynn A. Ahlemeyer,
Vice President and General
Manager

[Rail Systems, Inc.](#)

L. Michael Clavio,
General Manager

Dixie Offshore Transportation

Directors



Philip J. Burguières,
Chairman and Chief
Executive Officer of EMC
Holdings, LLC
Joined board 1999



C. Sean Day,
Chairman of
Teekay Shipping Corporation
Joined board 1996



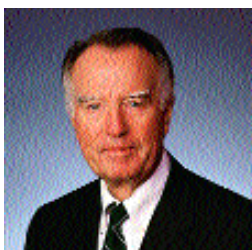
Bob G. Gower,
Chairman and Chief
Executive Officer of Specified
Fuels & Chemicals, L.L.C.
Joined board 1998



William M. Lamont, Jr.,
Private Investor
Joined board 1979



C. Berdon Lawrence,
Chairman of the Board of
Kirby and former President of
Hollywood Marine, Inc.
Joined board 1999



George A. Peterkin, Jr.,
Chairman Emeritus
of Kirby
Joined board 1973



J. H. Pyne,
President and Chief
Executive Officer of Kirby
Joined board 1988



Robert G. Stone, Jr.,
Chairman Emeritus
of Kirby
Joined board 1983



Thomas M. Taylor,
Private Investor
Joined board 1996



J. Virgil Waggoner,
Private Investor
Joined board 1993



Henry Gilchrist,
Advisory Director
Attorney and Senior
Shareholder in the law firm
Jenkins & Gilchrist
Advisory Director since 1987

Committees

Executive Committee

William M. Lamont, Jr.
George A. Peterkin, Jr.
J. H. Pyne
Robert G. Stone, Jr.

Audit Committee

Bob G. Gower,
Chairman
C. Sean Day
J. Virgil Waggoner

Compensation Committee

William M. Lamont, Jr.,
Chairman
Philip J. Burguières
Robert G. Stone, Jr.
Thomas M. Taylor
J. Virgil Waggoner
Henry Gilchrist,
Advisory Member

Committee on Directors and Board Governance

Robert G. Stone, Jr., Chairman
William M. Lamont, Jr.
George A. Peterkin, Jr.
J. H. Pyne
Thomas M. Taylor

Strategic Planning Committee

J. H. Pyne, Chairman
C. Sean Day
George A. Peterkin, Jr.
Robert G. Stone, Jr.
Thomas M. Taylor

Operating Locations

Kirby Corporation

55 Waugh Drive, Suite 1000
P. O. Box 1745
Houston, Texas 77251-1745
(713) 435-1000
Fax: (713) 435-1010

Kirby Inland Marine, Inc.

55 Waugh Drive, Suite 1000
P. O. Box 1537
Houston, Texas 77251-1537
(713) 435-1000
Fax: (713) 435-1464

Operations Centers:

18350 Market Street
Channelview, Texas 77530
(713) 435-1600
Fax: (713) 435-1606

7747 Tom Drive
Baton Rouge, Louisiana 70806
(225) 926-4711
Fax: (225) 925-5076

3105 E. Navigation
Corpus Christi, Texas 78402
(361) 883-6387
Fax: (361) 883-8052

249 Brent Road
P. O. Box 5758
Greenville, Mississippi 38704-5758
(662) 378-9100
Fax: (662) 335-6988

Maintenance/

Training Center:

16402 $\frac{1}{4}$ De Zavala
Channelview, Texas 77530
(281) 457-9890
Fax (Maintenance): (281) 860-9031
Fax (Training): (281) 860-9038

Kirby Logistics

Management, Inc.

16441 De Zavala
Channelview, Texas 77530
(281) 860-9012
Fax: (281) 860-9007

Kirby Inland Marine, Inc.

Continued

Western Towing Company

18350 Market Street
Channelview, Texas 77530
(713) 435-1800
Fax: (713) 435-1818

4102 Barge Terminal Road
Crystal Beach, Texas 77650
(409) 684-6418
Fax: (409) 684-6205

503 Port Road
Freeport, Texas 77541
(281) 393-1431
Fax: (409) 239-3202

7150 S. River Road
Baton Rouge, Louisiana 70820
(225) 757-1347
Fax: (225) 757-1349

P.O. Box 10859
Jefferson, Louisiana 70181
(504) 737-7526
Fax: (504) 738-3941

Lake Charles Terminal

3524 Cities Service Hwy.
Westlake, Louisiana 70669
(361) 972-0806
Fax: (361) 972-0507

Matagorda Terminal

Oyster Lake
Collegeport, Texas
(713) 435-1000
Fax: (713) 435-1464

Red River Terminal

Port of Shreveport/Bossier
10911 Louisiana Highway 1 South
P. O. Box 52539
Shreveport, Louisiana 71135-2539
(318) 798-1311
Fax: (318) 798-1257

Dixie Offshore Transportation Company

Dixie Fuels Limited

Dixie Fuels II, Limited

333 W.P.A. Road
Belle Chasse, Louisiana 70037
(504) 392-7800
Fax: (504) 391-2295

Kirby Engine Systems, Inc.

116 Capital Boulevard
Houma, Louisiana 70360
(504) 223-7100
Fax: (504) 872-5302

Engine Systems, Inc.

1220 S. Washington Street
P. O. Box 1928
Rocky Mount, N. Carolina 27802
(252) 977-2720
Fax: (252) 446-3830

1401 Precon Drive
Suite 106
Chesapeake, Virginia 23320
(757) 543-3000
Fax: (757) 543-1595

11801 N.W. 100th Road
Suite 11
Medley, Florida 33178
(305) 885-5575
Fax: (305) 885-6422

Marine Systems, Inc.

Gulf Coast:
116 Capital Boulevard
Houma, Louisiana 70360
(504) 223-7100
Fax: (504) 872-5302

Midwest:
3880 Industrial Drive
Paducah, Kentucky 42001
(270) 443-8900
Fax: (270) 443-8902

West Coast:
950 N. W. Leary Way
Seattle, Washington 98107
(206) 784-3302
Fax: (206) 784-3358

Rail Systems, Inc.

114 Capital Boulevard
Houma, Louisiana 70360
(504) 223-7300
Fax: (504) 223-7333

Shareholder Information

Annual Meeting

The 2000 Annual Meeting of shareholders will be held at the Four Seasons Hotel, 1300 Lamar, Houston, Texas, at 10:00 a.m. (CDT), Tuesday, April 18, 2000.

Corporate Headquarters

55 Waugh Drive, Suite 1000
P.O. Box 1745
Houston, Texas 77251-1745
Telephone: (713) 435-1000
Fax: (713) 435-1010

Inquiries Regarding Stock Holdings

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

Bank Boston, N.A.
c/o EquiServe, LP
P.O. Box 8040
Boston, Massachusetts 02266-8040
Telephone: (781) 575-3400
Fax: (781) 828-8813
Internet: <http://www.equiserve.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 at Kirby's corporate headquarters.

Auditors

KPMG LLP
700 Louisiana, Suite 3000
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 6, 2000, there were 24,518,493 common shares outstanding held by approximately 1,300 registered shareholders.

Common Stock Market Price

	1999 Sales Price		1998 Sales Price	
	High	Low	High	Low
1st Quarter	\$20	\$16 ³¹ / ₄₄	\$24 ¹¹ / ₄₁₆	\$19 ¹¹ / ₄₁₆
2nd Quarter	\$21 ¹¹ / ₄₂	\$17 ¹³ / ₄₁₆	\$25 ¹¹ / ₄₁₆	\$21 ¹¹ / ₄₂
3rd Quarter	\$22 ³¹ / ₄₈	\$18 ³¹ / ₄₁₆	\$25 ¹¹ / ₄₁₆	\$20
4th Quarter	\$20 ¹¹ / ₄₁₆	\$16 ¹¹ / ₄₂	\$21 ⁹¹ / ₄₁₆	\$17 ¹¹ / ₄₄
January 1 to March 3, 2000	\$20 ¹¹ / ₄₂	\$17 ⁵¹ / ₄₈		

Financial And Other Information

Corporate earnings and news releases, Forms 10-K and 10-Q reports, and other company information are available through Kirby's website <http://www.kmtc.com>.

Additional copies of Kirby's Form 10-K (which is incorporated in this Annual Report) and copies of Kirby's Form 10-Q reports are available free of charge. Contact G. Stephen Holcomb at Kirby's corporate headquarters, or e-mail Steve.Holcomb@kmtc.com.



Kirby Corporation

Corporate Headquarters:
55 Waugh Drive, Suite 1000
Houston, Texas 77007

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

(713) 435-1000
Fax: (713) 435-1010
www.kmtc.com

Cover: A Kirby towboat pushes two 30,000 barrel tank barges on the Houston Ship Channel, passing the Battleship Texas and the San Jacinto Monument. The Battleship Texas served in World War I and II, while the San Jacinto Monument honors the site where Texas won its independence from Mexico.