

KIRBY CORPORATION

Reconciliation of GAAP to Non-GAAP Financial Measures

Kirby reports its financial results in accordance with generally accepted accounting principles (GAAP). However, Kirby believes that certain non-GAAP financial measures are useful in managing Kirby's businesses and evaluating Kirby's performance. Two such non-GAAP financial measures are adjusted net earnings attributable to Kirby and EBITDA.

Adjusted net earnings attributable to Kirby and adjusted net earnings per share attributable to Kirby common stockholders exclude non-recurring adjustments in order to present a measure of earnings that facilitates a comparison of results from one period to results from another period on a more consistent basis, since the non-recurring items are materially different in nature and amount from one period to another. The adjustments generally represent items that are outside normal business operations and are therefore difficult to predict for future periods.

EBITDA, which Kirby defines as net earnings attributable to Kirby before interest expense, taxes on income, depreciation and amortization, is used because of its wide acceptance as a measure of operating profitability before nonoperating expenses (interest and taxes) and noncash charges (depreciation and amortization). EBITDA is one of the performance measures used in Kirby's incentive bonus plan. EBITDA is also used by rating agencies in determining Kirby's credit rating and by analysts publishing research reports on Kirby, as well as by investors and investment bankers generally in valuing companies.

These non-GAAP financial measures are not a substitute for GAAP financial results and should only be considered in conjunction with Kirby's financial information that is presented in accordance with GAAP.

Quantitative reconciliations of adjusted net earnings attributable to Kirby to GAAP net earnings attributable to Kirby and of EBITDA to GAAP net earnings attributable to Kirby are provided in the following tables.

KIRBY CORPORATION

Reconciliation of GAAP Net Earnings Attributable to Kirby and

Earnings Per Share Attributable to Kirby Common Stockholders to Non-GAAP Adjusted

Net Earnings Attributable to Kirby and Adjusted Earnings Per Share Attributable to Kirby Common Stockholders

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
	(\$ in millions)											
Net earnings attributable to Kirby, GAAP	<u>\$ 183.0</u>	<u>\$ 116.2</u>	<u>\$ 125.9</u>	<u>\$ 157.2</u>	<u>\$ 123.3</u>	<u>\$ 95.5</u>	<u>\$ 68.8</u>	<u>\$ 49.5</u>	<u>\$ 40.9</u>	<u>\$ 27.4</u>	<u>\$ 39.6</u>	<u>\$ 34.1</u>
Adjustments or charges, net of taxes:												
Impairment of assets	—	—	—	—	—	—	—	—	—	12.5	—	—
Amortization of goodwill expense	—	—	—	—	—	—	—	—	—	—	6.3	5.9
Merger-related charges	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>.1</u>
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>12.5</u>	<u>6.3</u>	<u>6.0</u>
Adjusted net earnings attributable to Kirby, Non-GAAP	<u>\$ 183.0</u>	<u>\$ 116.2</u>	<u>\$ 125.9</u>	<u>\$ 157.2</u>	<u>\$ 123.3</u>	<u>\$ 95.5</u>	<u>\$ 68.8</u>	<u>\$ 49.5</u>	<u>\$ 40.9</u>	<u>\$ 39.9</u>	<u>\$ 45.9</u>	<u>\$ 40.1</u>
Net earnings per share attributable to Kirby common stockholders, GAAP	\$ 3.33	\$ 2.15	\$ 2.34	\$ 2.91	\$ 2.29	\$ 1.79	\$ 1.33	\$.98	\$.83	\$.56	\$.81	\$.70
Adjustments or charges per share, net of taxes	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>.26</u>	<u>.13</u>	<u>.12</u>
Adjusted net earnings per share attributable to Kirby common stockholders, Non-GAAP	<u>\$ 3.33</u>	<u>\$ 2.15</u>	<u>\$ 2.34</u>	<u>\$ 2.91</u>	<u>\$ 2.29</u>	<u>\$ 1.79</u>	<u>\$ 1.33</u>	<u>\$.98</u>	<u>\$.83</u>	<u>\$.82</u>	<u>\$.94</u>	<u>\$.82</u>

KIRBY CORPORATION

Reconciliation of GAAP Net Earnings Attributable to Kirby to Non-GAAP EBITDA

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
	(\$ in millions)											
Net earnings attributable to Kirby, GAAP	\$ 183.0	\$ 116.2	\$ 125.9	\$ 157.2	\$ 123.3	\$ 95.5	\$ 68.8	\$ 49.5	\$ 40.9	\$ 27.4	\$ 39.6	\$ 34.1
Interest expense	17.9	11.0	11.1	14.1	20.3	15.2	12.8	13.3	14.6	13.7	19.0	23.9
Provision for taxes on income	109.3	72.3	78.0	97.4	76.5	58.7	42.3	30.4	25.1	18.0	27.5	23.7
Depreciation and amortization	<u>126.0</u>	<u>95.3</u>	<u>94.0</u>	<u>91.2</u>	<u>80.9</u>	<u>64.4</u>	<u>57.4</u>	<u>55.1</u>	<u>53.4</u>	<u>45.5</u>	<u>50.3</u>	<u>48.2</u>
EBITDA, Non-GAAP	436.2	294.8	309.0	359.9	301.0	233.8	181.3	148.3	134.0	104.6	136.4	129.9
Adjustments or charges:												
Impairment of assets	—	—	—	—	—	—	—	—	—	18.9	—	—
Merger-related charges	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>.2</u>
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>18.9</u>	<u>—</u>	<u>.2</u>
EBITDA, after adjustments, Non-GAAP	<u>\$ 436.2</u>	<u>\$ 294.8</u>	<u>\$ 309.0</u>	<u>\$ 359.9</u>	<u>\$ 301.0</u>	<u>\$ 233.8</u>	<u>\$ 181.3</u>	<u>\$ 148.3</u>	<u>\$ 134.0</u>	<u>\$ 123.5</u>	<u>\$ 136.4</u>	<u>\$ 130.1</u>

KIRBY CORPORATION

Reconciliation of GAAP Net Earnings Attributable to Kirby to Non-GAAP EBITDA

	<u>Three Months Ended March 31,</u>		<u>Three Months Ended June 30,</u>		<u>Three Months Ended September 30,</u>		<u>Three Months Ended December 31,</u>		<u>Year Ended December 31,</u>	
	(\$ in millions)									
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Net earnings attributable to Kirby	\$ 32.4	\$ 24.7	\$ 41.7	\$ 29.2	\$ 52.8	\$ 30.7	\$ 56.1	\$ 31.6	\$ 183.0	\$ 116.2
Interest expense	2.8	2.7	3.3	2.7	6.0	2.7	5.8	2.9	17.9	11.0
Provision for taxes on income	20.0	15.4	26.0	18.4	32.7	19.2	30.6	19.3	109.3	72.3
Depreciation and amortization	<u>25.2</u>	<u>23.4</u>	<u>28.2</u>	<u>22.8</u>	<u>36.8</u>	<u>24.2</u>	<u>35.8</u>	<u>24.9</u>	<u>126.0</u>	<u>95.3</u>
EBITDA, Non-GAAP	<u>\$ 80.4</u>	<u>\$ 66.2</u>	<u>\$ 99.2</u>	<u>\$ 73.1</u>	<u>\$ 128.3</u>	<u>\$ 76.8</u>	<u>\$ 128.3</u>	<u>\$ 78.7</u>	<u>\$ 436.2</u>	<u>\$ 294.8</u>