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 September 30, 2001

[Q] 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 November 13, 2001 was 23,991,000.

PART 1 - FINANCIAL INFORMATION

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONDENSED BALANCE SHEETS
(Unaudited)

ASSETS	September 30, 2001	December 31, 2000
	($ in thousands)	
Current assets:		
Cash and cash equivalents	$ 52	$ 4,658
Accounts receivable:		
Trade - less allowance for doubtful accounts	74,298	80,493
Insurance claims and other	6,310	6,910
Inventory - finished goods	15,422	15,650
Prepaid expenses	6,348	7,034
Deferred income taxes	3,359	3,721
Total current assets	105,789	118,466
Property and equipment	765,803	724,176
Less accumulated depreciation	301,590	270,369
	464,213	453,807
Investment		

in marine
affiliates
12,562
12,784
Goodwill -
less
accumulated
amortization
158,071
162,604
Other
assets
1,914 1,607

- ---------
--- $
742,549 $
749,268
============
============

See accompanying notes to condensed financial statements.

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONDENSED BALANCE SHEETS
(Unaudited)

LIABILITIES AND STOCKHOLDERS' EQUITY

	September 30, 2001	December 31, 2000
	($ in thousands)	
Current liabilities:		
Current portion of long-term debt	$ 5,335	$ 5,335
Income taxes payable	4,668	3,393
Accounts payable	35,471	35,877
Accrued liabilities	52,009	49,119
Deferred revenues	2,900	3,313
Total current liabilities	100,383	97,037
Long-term debt - less current portion	246,986	288,037
Deferred income taxes	87,018	89,138
Minority interests	3,078	3,308
Other long-term liabilities	17,303	9,099
	354,385	389,582
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	175,521	175,575
Accumulated other comprehensive income	(4,772)	--
Retained earnings	231,516	202,608
	-------------	-----------
	405,356	381,274
Less cost of 6,932,000 shares in treasury (7,025,000 at December 31, 2000)	117,575	118,625
	-------------	-----------
	287,781	262,649
	-------------	-----------
	$ 742,549	$ 749,268
	=============	=============

See accompanying notes to condensed financial statements.

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONDENSED STATEMENTS OF EARNINGS
(Unaudited)

	Three months ended September 30, 2001	Three months ended September 30, 2000	Nine months ended September 30, 2001	Nine months ended September 30, 2000
	($ in thousands, except per share amounts)			
Revenues:				
Marine transportation	$ 122,156	$ 113,348	$ 359,000	$ 332,790
Diesel engine services	19,641	15,760	63,547	52,982
	141,797	129,108	422,547	385,772
Costs and expenses:				
Costs of sales and operating expenses	86,563	78,426	264,379	239,792
Selling, general and administrative	16,607	15,223	51,324	45,120
Taxes, other than on income	2,789	2,500	8,538	7,512
Depreciation and other amortization	10,900	10,656	32,235	31,387
Amortization of goodwill	1,521	1,538	4,571	4,322
Merger related charge	--	--	--	482
Gain				

on
disposition
of assets
(153) (96)
(268) (1,164)
----------- -
---------- --
--------- ---

118,227
108,247
360,779
327,451 -----
------ ------
----- -------
---- --------
--- Operating
income 23,570
20,861 61,768
58,321 Equity
in earnings
of marine
affiliates
487 821 2,302
2,462 Other
expense (387)
(206) (1,052)
(457)
Interest
expense
(4,365)
(6,089)
(14,019)
(17,916) ----
------- -----
------ ------
----- -------
---- Earnings
before taxes
on income
19,305 15,387
48,999 42,410
Provision for
taxes on
income
(7,916)
(6,309)
(20,091)
(17,385) ----
------- -----
------ ------
----- -------
---- Net
earnings $
11,389 $
9,078 $
28,908 $
25,025
===========
===========
===========
===========
Net earnings
per share of
common stock:
Basic $ .47 $
.37 $ 1.20 $
1.02
===========
===========
===========
===========
Diluted $ .47
$ .37 $ 1.19
$ 1.01
===========
===========
===========
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See accompanying notes to condensed financial statements.

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

Nine months
ended
September
30, --------

2001 2000 --
--------- --
--------- ($
in
thousands)
Cash flows
from
operating
activities:
Net earnings
$ 28,908 $
25,025
Adjustments
to reconcile
net earnings
to net cash
provided by
operations:
Depreciation
and
amortization
36,806
35,709
Provision
for deferred
income taxes
915 202
Equity in
earnings of
marine
affiliates,
net of
distributions
and
contributions
222 2,648
Gain on
disposition
of assets
(268)
(1,164)
Merger
related
charge, net
of cash
expenditures
-- 482 Other
1,294 1,144
Increase
(decrease)
in cash
flows
resulting
from changes
in operating
working
capital
10,898
(4,883) ----
------- ----
------- Net
cash
provided by
operating
activities
78,775
59,163 -----
------ -----

Cash flows from investing activities:		
Proceeds from sale and maturities of investments	--	3,633
Capital expenditures	(43,558)	(37,732)
Proceeds from disposition of assets	1,246	3,337
Other	10	(40)
Net cash used in investing activities	(42,302)	(30,802)
Cash flows from financing activities:		
Borrowing (payments) on bank credit facilities, net	(35,800)	26,200
Payments on long-term debt	(5,251)	(50,251)
Purchase of treasury stock	(2,459)	(3,350)
Other	2,431	599
Net cash used in financing activities	(41,079)	(26,802)
Increase (decrease) in cash and cash equivalents	(4,606)	1,559
Cash and cash equivalents, beginning of year	4,658	3,571
Cash and cash equivalents, end of period	$ 52	$ 5,130

	===========	===========
Supplemental disclosures of cash flow information:		
Cash paid during the period:		
Interest	$ 13,046	$ 17,460
Income taxes	$ 18,072	$ 13,727

See accompanying notes to condensed financial statements.

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 September 30, 2001 and December 31, 2000, and the results of operations for the three months and nine months ended September 30, 2001 and 2000.

(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 latest Annual Report on Form 10-K.

(2) ACQUISITIONS

On October 12, 2000, the Company completed the acquisition of the Powerway Division of Covington Detroit Diesel-Allison, Inc. ("Powerway") for $1,428,000 in cash. With the acquisition of Powerway, the Company became the sole distributor of aftermarket parts and service for Alco diesel engines throughout the United States for marine, power generation and industrial applications. Goodwill is amortized over 10 years. On November 1, 2000, the Company completed the acquisition of West Kentucky Machine Shop, Inc. ("West Kentucky") for an aggregate consideration (before post-closing adjustments) of $6,674,000, consisting of $6,629,000 in cash, the assumption of $20,000 of West Kentucky's existing debt and $25,000 of merger costs. The acquisition of West Kentucky provided the Company with increased distributorship capabilities with Falk Corporation, a reduction gear manufacturer used in marine and industrial applications. Goodwill is amortized over 15 years. The acquisitions were accounted for using the purchase method of accounting. Financing for the two acquisitions was through the Company's bank revolving credit facility.

(3) ACCOUNTING STANDARDS

Statement of Financial Accounting Standards No. 141, "Business Combinations" ("SFAS No. 141") and Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142") were issued in July 2001. SFAS No. 141 requires that all business combinations initiated after June 30, 2001 be accounted for under the purchase method of accounting and that certain acquired intangible assets in a business combination be recognized and reported as assets apart from goodwill. SFAS No. 142 requires that amortization of goodwill 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 adopted SFAS No. 141 immediately and will adopt SFAS No. 142 on January 1, 2002.

(3) ACCOUNTING STANDARDS - (Continued)

Amortization expense related to goodwill was $4,571,000 and $5,702,000 for the nine months ended September 30, 2001 and the year ended December 31, 2000, respectively. Amortization expense related to equity-method goodwill was $107,000 and $142,000 for the nine months ended September 30, 2001 and the year ended December 31, 2000, respectively. Because of the extensive effort needed to comply with adopting SFAS No. 142, it is not practicable to reasonably estimate the impact of the adoption on the Company's financial statements at the date of this report, including whether any transitional impairment losses will be required to be recognized as a cumulative effect of a change in accounting principle.

(4) COMPREHENSIVE INCOME

The Company's total comprehensive income for the three months and nine months ended September 30, 2001 and 2000 were as follows (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Net earnings	$ 11,389	$ 9,078	$ 28,908	$ 25,025
Change in fair value of derivative financial instruments, net of tax	(4,726)	--	(4,772)	--
Unrealized gain on available-for-sale investments, net of tax	--	35	--	229
Total comprehensive income	$ 6,663	$ 9,113	$ 24,136	$ 25,254

(5) LONG-TERM DEBT

The Company has a revolving credit facility (the "Revolving Credit Facility") with The Chase Manhattan Bank ("Chase") as agent bank. On November 5, 2001, the Company amended the Revolving Credit Facility to increase the revolving credit amount from $100,000,000 to $150,000,000 and to extend the maturity date to October 9, 2004. The amended Revolving Credit Facility also included modifications to certain financial covenants, including a minimum net worth requirement, as defined, of at least $225,000,000. Per the amendment, the revised syndicate of banks includes Chase as administrative agent, Bank of America, N.A. ("Bank of America") as syndication agent, and First Union National Bank, Fleet National Bank and Wells Fargo Bank (Texas), N.A. as documentation agents. Proceeds under the Revolving Credit Facility may be used for general corporate purposes, the purchase of existing or new equipment, the purchase of the Company's common stock, or for possible business acquisitions. The Company was in compliance with all Revolving Credit Facility covenants as of September 30, 2001. As of September 30, 2001, $9,500,000 was outstanding under the Revolving Credit Facility and the average interest rate was 5.4%. The average borrowing under the Revolving Credit Facility during the first nine months of 2001 was $11,978,000, computed by using the daily

(5) LONG-TERM DEBT - (Continued)

balance, and the weighted average interest rate was 6.3%, computed by dividing the interest expense under the Revolving Credit Facility by the average Revolving Credit Facility borrowing.

The Company has a term loan credit facility (the "Term Loan"), dated October 12, 1999, with Bank of America as syndication agent bank, Chase as administrative agent and Bank One, Texas, N.A. as documentation agent. On November 5, 2001, the Term Loan was amended to conform existing financial covenants to the amended Revolving Credit Facility. The Company was in compliance with all Term Loan financial covenants as of September 30, 2001. At September 30, 2001, the amount borrowed under the Term Loan totaled $184,000,000 and the average interest rate was 3.7%. The average borrowing under the Term Loan during the first nine months of 2001 was $198,380,000, computed by using the daily balance, and the weighted average interest rate was 5.8%, computed by dividing the interest expense under the Term Loan by the average Term Loan borrowing.

In November 2000, the Company entered into a $10,000,000 credit line (the "Credit Line") with Bank of America whereby the Company may request, and Bank of America will consider, short-term advances and the issuance of letters of credit. On November 6, 2001, the Credit Line was amended to extend the maturity date to November 5, 2002. As of September 30, 2001, the amount borrowed under the Credit Line was $2,800,000.

(6) DERIVATIVE INSTRUMENTS

Effective January 1, 2001, the Company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS No. 133"). This statement establishes accounting and reporting standards requiring that derivative instruments (including certain derivative instruments embedded in other contracts) be recorded at fair value and included in the balance sheet as assets or liabilities. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation, which is established at the inception date of a derivative. Special accounting for derivatives qualifying as fair value hedges allows a derivative's gain and losses to offset related results on the hedged item in the statement of earnings. For derivative instruments designated as cash flow hedges, changes in fair value, to the extent the hedge is effective, are recognized in other comprehensive income until the hedged item is recognized in earnings. Hedge effectiveness is measured at least quarterly based on the relative cumulative changes in fair value between the derivative contract and the hedged item over time. Any change in fair value resulting from ineffectiveness, as defined by SFAS No. 133, is recognized immediately in earnings.

At January 1, 2001, the Company did not hold any derivative financial instruments, therefore, the adoption of SFAS No. 133 had no effect on the Company's consolidated statement of earnings or balance sheet.

(6) DERIVATIVE INSTRUMENTS - (Continued)

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 swaps 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. Through December 31, 2000, gains and losses from the Company's interest rate derivative financial instruments have been recognized in interest expense in the periods for which the derivative financial instruments relate.

In February and April 2001, the Company executed interest rate swap agreements to hedge its exposure to increases in the benchmark interest rate underlying its variable rate bank credit facilities. The two February 2001 five-year swap agreements have a notional amount of $50 million each, and the two April 2001 three-year swap agreements have a notional amount of $25 million each. Under the swap agreements, the Company pays an average fixed rate of interest of 5.64% on the $50 million swaps, and pays a fixed rate of interest of 4.96% on the $25 million swaps, and receives a floating rate based on a one month USD LIBOR ("London Interbank Offered Rate") rate. The interest rate swaps are designated as cash flow hedges, therefore, the changes in fair value, to the extent the swaps 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. The fair value of the interest rate swap agreements was a liability of $7,341,000 at September 30, 2001. The Company has recorded, in interest expense, losses related to the interest rate swaps of $669,000 and $1,022,000 for the three months and nine months ended September 30, 2001, respectively. Amounts were determined as of September 30, 2001 based on quoted market values, the Company's portfolio of derivative instruments, and the Company's measurement of hedge effectiveness.

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED FINANCIAL STATEMENTS - (Continued)

(7) SEGMENT INFORMATION

The following table sets forth the Company's revenues and profit (loss) by reportable segment for the three months and nine months ended September 30, 2001 and 2000 and total assets as of September 30, 2001 and December 31, 2000 (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Revenues:				
Marine transportation	$ 122,156	$ 113,348	$ 359,000	$ 332,790
Diesel engine services	19,641	15,760	63,547	52,982
	$ 141,797	$ 129,108	$ 422,547	$ 385,772
Segment profit (loss):				
Marine transportation	$ 23,265	$ 21,038	$ 60,657	$ 57,418
Diesel engine services	1,759	1,517	6,164	5,499
Other	(5,719)	(7,168)	(17,822)	(20,507)
	$ 19,305	$ 15,387	$ 48,999	$ 42,410

	September 30, 2001	December 31, 2000
Total assets:		
Marine transportation	$ 673,448	$ 673,999
Diesel engine services	47,482	45,344
Other	21,619	29,925
	$ 742,549	$ 749,268

The following table presents the details of "Other" segment profit (loss) for the three months and nine months ended September 30, 2001 and 2000 (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
General corporate expenses	$ (1,607)	$ (1,790)	$ (5,321)	$ (5,278)
Gain on disposition of assets	153	96	268	1,164
Interest expense	(4,365)	(6,089)	(14,019)	(17,916)
Equity in earnings of marine affiliates	487	821	2,302	2,462
Merger related charge	--	--	--	(482)
Other expense				

(387)
(206)
(1,052)
(457) ----
------- --

- --------
--- $
(5,719) $
(7,168) $
(17,822) $
(20,507)
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KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

NOTES TO CONDENSED FINANCIAL STATEMENTS - (Continued)

(7) SEGMENT INFORMATION - (Continued)

The following table presents the details of "Other" total assets as of September 30, 2001 and December 31, 2000 (in thousands):

	September 30, 2001	December 31, 2000
General corporate assets	$ 9,057	$ 17,141
Investment in marine affiliates	12,562	12,784
	$ 21,619	$ 29,925

(8) TAXES ON INCOME

Details of the provision for taxes on income for the three months and nine months ended September 30, 2001 and 2000 were as follows (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Provision for taxes on income:				
Current	$ 6,868	$ 6,353	$ 18,205	$ 16,082
Deferred	1,113	(347)	990	277
State and local	(65)	303		

896 1,026

- --------
--- ------
----- ----
------- $
7,916 $
6,309 $
20,091 $
17,385
===========
===========
===========
===========

(9) EARNINGS PER SHARE

The following table presents the components of basic and diluted earnings per share for the three months and nine months ended September 30, 2001 and 2000 (in thousands, except per share amounts):

	Three months ended September 30,		Nine months ended September 30,	
	2001	2000	2001	2000
Net earnings	$ 11,389	$ 9,078	$ 28,908	$ 25,025
Basic earnings per share:				
Weighted average number of common shares outstanding	24,077	24,511	24,039	24,510
Basic earnings per share	$ .47	$ .37	$ 1.20	$ 1.02
Diluted earnings per share:				
Weighted average number of common shares outstanding	24,077			

24,511
24,039
24,510
Dilutive shares applicable to stock options
284 280 204 202
---------- ---------- ---------- ----------
Shares applicable to diluted earnings
24,361
24,791
24,243
24,712
========== ========== ========== ==========
Diluted earnings per share
$ .47 $ .37 $ 1.19 $ 1.01
========== ========== ========== ==========

Certain outstanding options to purchase approximately 6,000 and 77,000 shares of common stock were excluded in the computation of diluted earnings per share as of September 30, 2001 and 2000, respectively, as such stock options would have been antidilutive.

(10) CONTINGENCIES

As reported in the Company's Annual Report on Form 10-K for the year ended December 31, 2000, 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 subsidiary of the Company. The Company has cooperated fully with the authorities in the investigation. The U. S. Attorney for the Southern District of Texas has extended an offer to settle the matter under a plea agreement in which Western would plead 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 is discussing terms of such a plea agreement with the U. S. Attorney and has made an accrual for this matter which management believes is appropriate under present circumstances.

As reported in the Company's Annual Report on Form 10-K for the year ended December 31, 2000, in August 2000, the Company and four subsidiaries were among a group of approximately 50 companies that received a request for information from the EPA concerning a potential Superfund site,

(10) CONTINGENCIES - (Continued)

the Palmer Barge Line Site, located in Port Arthur, Texas. In prior years, Palmer had provided tank barge cleaning services to various subsidiaries of the Company. In October 2000, the Company submitted its response to the EPA. In late September 2001, the EPA notified the Company and the majority of the others which received the initial request for information that they may be Potentially Responsible Parties under Comprehensive Environmental Response, Compensation and Liability Act with respect to the site. 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 marine transportation services, operating a fleet of 871 inland tank barges, with 15.6 million barrels of capacity, and 215 inland towing vessels, transporting industrial chemicals and petrochemicals, refined petroleum products, black oil and agricultural chemicals along the United States inland waterways. The Company's 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.

In February 2001, the Company, through its marine transportation segment, leased 94 double hull inland tank barges from a subsidiary of the Dow Chemical Company ("Dow"). The inland tank barges were acquired by Dow as part of the February 5, 2001 merger between Union Carbide Corporation ("Union Carbide") and Dow. At the inception of the lease, the Dow Union Carbide barges were used exclusively in Dow's Union Carbide service. Transition of the barges into the Company's marine transportation fleet began in the 2001 third quarter and was completed around September 15, 2001.

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, power generation and industrial, and railroad markets.

RESULTS OF OPERATIONS

The Company reported 2001 third quarter net earnings of $11,389,000, or $ .47 per share, on revenues of $141,797,000, compared with 2000 third quarter net earnings of $9,078,000, or $.37 per share, on revenues of $129,108,000. Net earnings for the nine months ended September 30, 2001 were $28,908,000, or $1.19 per share, on revenues of $422,547,000, compared with net earnings of $25,025,000, or $1.01 per share, on revenues of $385,772,000 for the 2000 first nine months.

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

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

RESULTS OF OPERATIONS - (CONTINUED)

For purposes of this Management's Discussion, all earnings per share are "Diluted earnings per share". The weighted average number of common shares for diluted earnings per share for the 2001 and 2000 third quarter was 24,361,000 and 24,791,000, respectively, and for the 2001 and 2000 first nine months was 24,243,000 and 24,712,000, respectively. The decrease in the weighted average number of common shares for the 2001 third quarter and first nine months compared with the 2000 third quarter and first nine months primarily reflected the purchase of 860,000 shares of treasury stock by the Company during 2000 and 115,000 shares purchased during the 2001 third quarter, partially offset by shares issued under the Company's employee stock option plans.

The following tables set forth the Company's revenues and percentage of such revenues for the three months and nine months ended September 30, 2001 compared with the three months and nine months ended September 30, 2000 (dollars in thousands):

	Three months ended September 30,					
	2001		2000		Increase	
	Amounts	%	Amounts	%	Amounts	%
Revenues:						
Marine transportation	$ 122,156	86%	$ 113,348	88%	$ 8,808	8%
Diesel engine services	19,641	14	15,760	12	3,881	25
	$ 141,797	100%	$ 129,108	100%	$ 12,689	10%

Nine months ended September 30,

	2001		2000		Increase	
	Amounts	%	Amounts	%	Amounts	%
Revenues:						
Marine transportation	$ 359,000	85%	$ 332,790	86%	$ 26,210	8%
Diesel engine services	63,547	15	52,982	14	10,565	20
	$ 422,547	100%	$ 385,772	100%	$ 36,775	10%

Marine transportation revenues for the 2001 third quarter increased 8% compared with the third quarter of 2000, and increased 8% for the 2001 first nine months compared with the first nine months of 2000. The increase for both periods reflected the revenues generated from the leasing of 94 inland tank barges from Dow in February 2001. The Company generated revenues of approximately $6,600,000 for the third quarter of 2001 and approximately $15,300,000 for the first nine months of 2001 from such service. From the date of the lease until late in the 2001 third quarter, the leased barges were employed exclusively in Dow's Union Carbide service. Late in the 2001 third quarter, the Company completed the integration of the leased tank barges into the Company's inland tank barge fleet under the terms of the long-term contract with Dow. The integration will allow the Company to achieve additional operating synergies, including backhaul opportunities and the Company's extensive distribution system.

RESULTS OF OPERATIONS - (CONTINUED)

The 2001 third quarter increase in revenues also reflected a strong upriver refined products market, a strong black oil market and favorable operating conditions, offset in part by a depressed chemical and petrochemical market, the result of a continued slow economy.

The upriver refined products market was strong for the entire first nine months of 2001, accelerating in mid-August by a Chicago, Illinois area refinery fire which closed the facility for an estimated six month period. The facility closure created an anomaly in the normal distribution patterns of refined petroleum products into the U. S. Midwest.

Black oil demand for the 2001 third quarter and first nine months was primarily driven by continued high demand for asphalt for use in the active rebuilding of the U. S. highway infrastructure. During the first half of 2001, black oil demand was also driven by high crude oil and natural gas prices, thus creating a better market for residual fuel as boiler fuel. With the decline in crude oil and natural gas prices by the end of the 2001 third quarter, the market for black oil curtailed to some degree.

During the 2001 first quarter, and into April and May, high natural gas prices caused the U.S. manufacturers of nitrogen based fertilizer to significantly decrease production, therefore, the strong U. S. demand for liquid fertilizer, the result of low Midwest inventory levels, was met by foreign manufacturers. The significant importing of fertilizer resulted in a disruption in the traditional U. S. rail and inland tank barge distribution patterns and created additional barging opportunities for the marine transportation segment. Movements of liquid fertilizer in the 2001 third quarter were at expected levels, with the peak seasons being early spring and late fall.

Contract renewals during the 2001 third quarter were generally at modestly higher prices. Spot market rates, after the mid-August refinery fire, were generally higher than the 2001 second quarter, the result of increased utilization to meet the demand for refined product movements into the U. S. Midwest. During the 2001 first nine months and third quarter, approximately 70% of movements were under term contracts and approximately 30% were spot market transactions.

Chemical and petrochemical movements for the 2000 first half were strong. During the 2000 third quarter, the chemical and petrochemical industry experienced some decrease in demand in their markets caused by a slower economy and inventory adjustments, which resulted in some softness in movements of such products. Refined product movements to the Midwest were strong in the 2000 first quarter, seasonably steady in the second quarter and unseasonably soft in the third quarter. During the 2000 third quarter, refined product movements declined earlier than the typical slowdown after the Labor Day holiday. Fertilizer movements were unseasonably strong in the 2000 first quarter, the result of low inventory levels in Midwest terminals, and at expected levels for the 2000 second and third quarters. Black oil movements were at expected levels for the 2000 first nine months. Navigational delays during the 2000 first and third quarters due to low water conditions on the Mississippi River lowered the quarters' revenues due to increased transit times and restricted drafts for upriver movements.

RESULTS OF OPERATIONS - (CONTINUED)

Revenues for the diesel engine services segment for the 2001 third quarter and first nine months increased 25% and 20%, respectively, compared with the corresponding periods. The increases primarily reflected the two service company acquisitions, one acquired in October 2000 and one in November 2000. The increases also reflect the July 2001 agreement signed with the Electro-Motive Division of General Motors to sell replacement parts for locomotive engines to U. S. passenger and Class II railroads. Diesel engine services revenue for both 2001 periods also benefited from service work and parts sales to a stronger Gulf Coast drilling and offshore supply vessel market, as well as other marine markets. The shortline and industrial railroad market continued to experience weakness.

During the 2000 third quarter and first nine months, the diesel engine service segment experienced softness in its East Coast engine rebuild market, as well as its Midwest marine and rail markets. The segment did benefit during 2000 from the market improvement to the Gulf Coast drilling and offshore well service sector.

The following tables set forth the costs and expenses and percentage of each for the three months and nine months ended September 30, 2001 compared with the three months and nine months ended September 30, 2000 (dollars in thousands):

	Three months ended September 30,					
	2001		2000		Increase (decrease)	
	Amounts	%	Amounts	%	Amounts	%
Costs and expenses:						
Costs of sales and operating expenses	$ 86,563	73%	$ 78,426	73%	$ 8,137	10%
Selling, general and administrative	16,607	14	15,223	14	1,384	9
Taxes, other than on income	2,789	3	2,500	2	289	12
Depreciation and other amortization	10,900	9	10,656	10	244	2
Amortization						

of goodwill
1,521 1 1,538
1 (17) (1)
Gain on
disposition
of assets
(153) -- (96)
-- (57) (59)
--------- ---
------ ------
--- ---------
--------- ---
------ $
118,227 100%
$ 108,247
100% $ 9,980
9% =========
=========
=========
=========
=========
=========

Nine months
ended
September 30,

2001 2000
Increase
(decrease) --

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Amounts %
Amounts %
Amounts % ---
------ ------
--- ---------
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------ ------
--- Costs and
expenses:
Costs of
sales and
operating
expenses $
264,379 73% $
239,792 73% $
24,587 10%
Selling,
general and
administrative
51,324 14
45,120 14
6,204 14
Taxes, other
than on
income 8,538
3 7,512 2
1,026 14
Depreciation
and other
amortization
32,235 9
31,387 10 848
3
Amortization
of goodwill
4,571 1 4,322
1 249 6
Merger
related
charge -- --
482 -- (482)

-- Gain on
disposition
of assets
(268) --
(1,164) --
896 77 ------
--- ---------
--------- ---
------ ------
--- ---------
$ 360,779
100% $
327,451 100%
$ 33,328 10%
=========
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=========
=========
=========
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KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

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

RESULTS OF OPERATIONS - (CONTINUED)

Total costs and expenses for the 2001 third quarter and first nine months increased 9% and 10%, respectively, compared with the 2000 third quarter and 2000 first nine months. The 2001 periods included the lease and operating expenses of the 94 Dow inland tank barges leased in February 2001, as well as the full impact of the costs and expenses of the two diesel engine service companies acquired in the 2000 fourth quarter.

The 2000 first nine months included a second quarter $482,000 pre-tax merger related charge associated with the acquisition of Hollywood Marine, Inc. ("Hollywood Marine"). In 1999, the Company's results included $4,502,000 of pre-tax merger related charges, consisting of severance and related pay for Company employees whose positions were eliminated, an abandonment charge for the Company's leased corporate headquarters' facility and a charge to exit an insurance mutual. The 2000 second quarter charge resulted from the early termination of the lease of the Company's former corporate headquarters.

The significant gain on disposition of assets for the 2000 first nine months included a gain on the sale of an inland towboat and a single hull inland tank barge in the 2000 third quarter, a gain on the sale of an inland towboat in the 2000 second quarter, and a net gain from the sale during the 2000 first quarter of three inland towboats and six single hull inland tank barges. The sale of the towboats was part of the Company's efforts to optimize horsepower requirements. The six single hull inland tank barges were scrapped.

The following tables set forth the operating income, excluding the gain on disposition of assets, and operating margin by segment for the three months and nine months ended September 30, 2001 compared with the three months and nine months ended September 30, 2000 (dollars in thousands):

	Three months ended September 30,					
	2001		2000			
	Operating income (loss)	Operating margin	Operating income (loss)	Operating margin	Increase Amounts	%
Marine transportation	$ 23,265	19.0%	$ 21,038	18.6%	$ 2,227	11%
Diesel engine services	1,759	9.0%	1,517	9.6%	242	16%

Corporate
(1,607)
(1,790) 183
10% ---------
- ----------
---------- --
-------- $
23,417 $
20,765 $
2,652 13%
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==========
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RESULTS OF OPERATIONS - (CONTINUED)

	Nine months ended September 30,					
	2001		2000		Increase (decrease)	
	Operating income (loss)	Operating margin	Operating income (loss)	Operating margin	Amounts	%
Marine transportation	$ 60,657	16.9%	$ 57,418	17.3%	$ 3,239	6%
Diesel engine services	6,164	9.7%	5,499	10.4%	665	12%
Corporate	(5,321)		(5,278)		(43)	(1)%
Merger related charge	--		(482)		482	--%
	$ 61,500		$ 57,157		$ 4,343	8%

The marine transportation segment earned a 19.0% operating margin for the 2001 third quarter compared with 18.6% for the 2000 third quarter. For the 2001 first nine months, the operating margin was 16.9% compared with 17.3% for the 2000 first nine months. The improved margin for the 2001 third quarter reflected a strong river refined products market and resulting higher spot market rates, and the completion of the integration during the 2001 third quarter of the leased tank barges from Dow into the Company's inland tank barge fleet under the terms of the long-term contract with Dow. The decline in the segment's operating margin for the 2001 first nine months compared with the 2000 corresponding period reflected reduced chemical and petrochemical volumes during the 2001 period, as chemical and petrochemical volumes typically earn a higher margin than refined products and liquid fertilizer volumes. The Company generally manages the larger chemical and petrochemical fleet of assets more efficiently through better positioning and compatible cargo opportunities.

The diesel engine services segment earned a 9.0% operating margin for the 2001 third quarter compared with 9.6% earned in the 2000 third quarter. For the first nine months of 2001, the operating margin was 9.7% compared with 10.4% for the 2000 first nine months. The decline for both comparable periods was primarily attributable to increased replacement parts sales to the passenger and Class II railroads, as such parts sales typically carry a lower margin than service revenues.

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

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

RESULTS OF OPERATIONS - (CONTINUED)

The following tables set forth the equity in earnings of marine affiliates, other expense and interest expense for the three months and nine months ended September 30, 2001 compared with the three months and nine months ended September 30, 2000 (dollars in thousands):

	Three months ended September 30,		Increase (decrease)	
	2001	2000	Amount	%
Equity in earnings of marine affiliates	$ 487	$ 821	$ (334)	(41)%
Other expense	$ (387)	$ (206)	$ 181	88%
Interest expense	$ (4,365)	$ (6,089)	$ (1,724)	(28)%

	Nine months ended September 30,		Increase (decrease)	
	2001	2000	Amount	%
Equity in earnings				

of marine affiliates	$ 2,302	$ 2,462	$ (160)	(6)%
Other expense	$ (1,052)	$ (457)	$ 595	130%
Interest expense	$ (14,019)	$ (17,916)	$ (3,897)	(22)%

Equity in earnings of marine affiliates consist primarily of four offshore dry-cargo barge and tug units owned through a partnership with a public utility, of which the Company has a 35% interest. The offshore units operating under the partnership primarily transport coal across the Gulf of Mexico with a backhaul of limestone rock. For the 2001 third quarter, equity in earnings of marine affiliates reflected a 41% decrease compared with the 2000 third quarter, and a 6% decrease for the 2001 first nine months compared with the first nine months of 2000. The decrease for both comparable 2001 periods was attributable to major maintenance at the public utility's docking facility, closing the facility for a portion of the 2001 third quarter, and the Company's decision to conduct early vessel maintenance on two of the offshore barge and tug units while the facility was closed.

The 28% decrease in interest expense for the 2001 third quarter over the 2000 third quarter, and 22% decrease for the 2001 first nine months over the 2000 first nine months, primarily reflected lower interest rates and lower debt levels. The average debt and average interest rate for the 2001 third quarter were $256,065,000 and 6.8%, compared with $306,199,000 and 7.8% for the third quarter of 2000, respectively. For the 2001 first nine months, the average debt was $270,130,000 and average interest rate was 6.9%, compared with average debt of $312,210,000 and average interest rate of 7.5% for the 2000 first nine months.

KIRBY CORPORATION AND CONSOLIDATED SUBSIDIARIES

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

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY

Balance Sheet

Total assets as of September 30, 2001 were $742,549,000 compared with $749,268,000 as of December 31, 2000. The following table sets forth the significant components of the balance sheet as of September 30, 2001 compared with December 31, 2000 (dollars in thousands):

	September 30, 2001	December 31, 2000	Increase (decrease) Amount	%
Assets:				
Current assets	$ 105,789	$ 118,466	$ (12,677)	(11)%
Property and equipment, net	464,213	453,807	10,406	2
Investments in marine affiliates	12,562	12,784	(222)	(2)
Goodwill, net	158,071	162,604	(4,533)	(3)
Other assets	1,914	1,607	307	19
	$ 742,549	$ 749,268	$ (6,719)	(1)%
Liabilities and stockholders' equity:				
Current liabilities	$ 100,383	$ 97,037	$ 3,346	3%
Long-term debt	246,986	288,037	(41,051)	

				(14)
Deferred taxes	87,018	89,138	(2,120)	(2)
Other long-term liabilities	20,381	12,407	7,974	64
Stockholders' equity	287,781	262,649	25,132	10 --
	$ 742,549	$ 749,268	$ (6,719)	(1)%

As of September 30, 2001, working capital totaled $5,406,000, down significantly from the $21,429,000 as of December 31, 2000. The decrease was primarily attributable to a $4,606,000 reduction in cash and cash equivalents, a $6,195,000, or 8% decrease in trade accounts receivable, and a $2,890,000, or 6% increase in accrued liabilities. The Company placed significant emphasis in the collection of accounts receivable during 2001, and that emphasis is reflected in the 8% decrease.

Long-term debt, less current portion, decreased 14% during the 2001 first nine months, reflecting the net payments of $41,051,000, the result of favorable cash flows provided by operating activities during the 2001 first nine months.

Stockholders' equity as of September 30, 2001 increased $25,132,000, or 10% during the 2001 first nine months, reflecting the Company's net earnings for the 2001 first nine months of $28,908,000, a net reduction in treasury stock of $1,050,000 and a $4,772,000 decrease in accumulated other comprehensive income. The reduction in treasury stock reflected $3,509,000 associated with the exercise of employee stock options, less $2,459,000 of treasury stock purchases. The decrease in accumulated other comprehensive income reflected the net change in the fair value of the interest rate swaps, net of taxes.

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY - (CONTINUED)

Long-Term Financing

The Company has a Revolving Credit Facility with Chase as agent bank. On November 5, 2001, the Company amended the Revolving Credit Facility to increase the revolving credit amount from $100,000,000 to $150,000,000 and to extend the maturity date to October 9, 2004. The amended Revolving Credit Facility also included modifications to certain financial covenants, including a minimum net worth requirement, as defined, of at least $225,000,000. Proceeds under the Revolving Credit Facility may be used for general corporate purposes, the purchase of existing or new equipment, the purchase of the Company's common stock, or for possible business acquisitions. The Company was in compliance with all Revolving Credit Facility covenants as of September 30, 2001. As of September 30, 2001, $9,500,000 was outstanding under the Revolving Credit Facility and the average interest rate was 5.4%. The average borrowing under the Revolving Credit Facility during the first nine months of 2001 was $11,978,000, computed by using the daily balance, and the weighted average interest rate was 6.3%, computed by dividing the interest expense under the Revolving Credit Facility by the average Revolving Credit Facility borrowing.

The Company has a Term Loan, dated October 12, 1999, with Bank of America as syndication agent bank. On November 5, 2001, the Term Loan was amended to conform existing financial covenants to the amended Revolving Credit Facility. The Company was in compliance with all Term Loan financial covenants as of September 30, 2001. At September 30, 2001, the amount borrowed under the Term Loan totaled $184,000,000 and the average interest rate was 3.7%. The average borrowing under the Term Loan during the first nine months of 2001 was $198,380,000, computed by using the daily balance, and the weighted average interest rate was 5.8%, computed by dividing the interest expense under the Term Loan by the average Term Loan borrowing.

In November 2000, the Company entered into a $10,000,000 Credit Line with Bank of America whereby the Company may request, and Bank of America will consider, short-term advances and the issuance of letters of credit. On November 6, 2001, the Credit Line was amended to extend the maturity date to November 5, 2002. As of September 30, 2001, the amount borrowed under the Credit Line was $2,800,000.

In February 2001, the Company entered into two five-year $50,000,000 interest rate swap contracts with two banks to hedge the Company's exposure to fluctuations in interest rates. Under the terms of the contracts, the Company pays to the banks interest at an average fixed rate of 5.64% based on a notional $100,000,000 of debt and, in turn, the Company receives the floating rate of LIBOR. The transaction converted $100,000,000 of the Company's variable debt to an effective rate of 6.64% when taking the 100 basis point loan spread the Company pays on its variable debt into account.

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY - (CONTINUED)

Long-Term Financing - (Continued)

In April 2001, the Company entered into two three-year $25,000,000 interest rate swap contracts with two banks to hedge the Company's exposure to fluctuations in interest rates. Under the terms of the contracts, the Company pays to the banks interest at a fixed rate of 4.96% based on a notional $50,000,000 of debt and, in turn, the Company receives the floating rate of LIBOR. The transaction converted $50,000,000 of the Company's variable debt to an effective rate of 5.96% when taking the 100 basis point loan spread the Company pays on its variable debt into account.

Merger Related Charge

In connection with the acquisition of Hollywood Marine in October 1999, the Company recorded $4,502,000 of pre-tax merger related charges in the fourth quarter of 1999 to combine the acquired operations with those of the Company. Such charges were as follows (in thousands):

Severance for Company employees	$ 2,061
Exit of insurance mutual	870
Corporate headquarters lease abandonment	1,571
	$ 4,502

The cash portion of the merger related charges totaled $3,248,000. The non-cash portion of the charges consisted of $748,000 for the write-off of the Company's leasehold improvements of its former corporate headquarters and $506,000 for severance pay for changes in stock option terms.

In 2000, the Company recorded additional merger related charges of $199,000, consisting of a $482,000 charge associated with the termination of the corporate headquarters' lease, and a $283,000 credit to reduce the estimates of remaining expenditures.

The components of the cash charge incurred, the actual cash payments made and the accrued balances as of September 30, 2001 were as follows (in thousands):

	1999 TOTAL CASH PORTION	PAID IN 1999	2000 TOTAL CASH PORTION	PAID IN 2000	PAID IN 2001	ACCRUED AT SEPTEMBER 30, 2001
Severance for Company employees...	$ 1,555	$ 13	$ (268)	$ 659	$ 615	$--
Exit of insurance mutual	870	--	--	870	--	--
Corporate headquarters lease abandonment	823	106	366	707	376	--

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$ 3,248 $ 119 $
98 $ 2,236 $
991 $--
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FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY - (CONTINUED)

Capital Expenditures

In September 2000, the marine transportation segment entered into a contract for the construction of six double hull, 30,000 barrel capacity, inland tank barges for use in the transportation of chemicals, petrochemicals and refined petroleum products. Two of the barges were placed into service during the 2001 second quarter and three during the third quarter. The final barge is scheduled to be placed into service in November. The total purchase price of the six barges is approximately $8,500,000. Financing of the construction of the six barges is through operating cash flows and available credit under the Company's Revolving Credit Facility.

In January 2001, the marine transportation segment entered into a contract for the construction of five double hull, 30,000 barrel capacity inland tank barges for use in the asphalt trade. During the 2001 third quarter, two of the asphalt barges were placed into service and the remaining three barges are scheduled to be placed into service in the fourth quarter. The total purchase price of the five barges is approximately $9,000,000. Financing of the construction of the five barges is through operating cash flows and available credit under the Company's Revolving Credit Facility.

In June 2001, the marine transportation segment entered into a contract for the construction of six double hull, 30,000 barrel capacity, inland tank barges for use in the transportation of chemicals, petrochemicals and refined petroleum products. Delivery of the six barges is expected one every six weeks starting in February 2002. The total purchase price of the six barges is approximately $8,500,000. Financing of the construction of the six barges will be through operating cash flows and available credit under the Company's Revolving Credit Facility.

Capital expenditures in the 2001 first nine months were $43,558,000, of which $10,901,000 were for fleet and project construction and $32,657,000 were primarily for upgrading of the existing marine transportation fleet. Capital expenditures in the 2000 first nine months totaled $37,732,000, primarily for upgrading of the Company's existing marine transportation fleet.

Treasury Stock

During the 2001 third quarter, the Company purchased in the open market 115,000 shares of common stock at a total purchase price of $2,459,000, for an average price of $21.36 per share. As of November 9, 2001, the Company had 1,385,000 shares available under its common stock repurchase authorization. Historically, treasury stock purchases have been financed by borrowings under the Company's Revolving Credit Facility and through its operating cash flows. 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, in future acquisitions for stock or for other appropriate corporate purposes.

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY - (CONTINUED)

Liquidity

The Company generated net cash provided by operating activities of $78,775,000 and $59,163,000 for the nine months ended September 30, 2001 and 2000, respectively. The 2001 first nine months was positively influenced by a $10,898,000 decrease in working capital. For the 2000 first nine months, cash provided by operating activities was negatively influenced by a $4,883,000 increase in working capital. The Company placed continued emphasis on the collection of trade accounts receivable starting in the second half of 2000 and that continued emphasis is reflected in the results for the 2001 first nine months.

The Company accounts for its ownership in its 35% owned marine transportation partnership and other partnerships under the equity method of accounting, recognizing cash flow upon the receipt or distribution of cash from the partnerships. For the 2001 and 2000 first nine months, the Company received $2,524,000 and $5,110,000, respectively, of cash from the marine partnerships.

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 the net cash provided by operating activities, the Company also had available as of November 9, 2001, $142,500,000 under its Revolving Credit Facility, $121,000,000 under its medium term note program and $10,000,000 under its Credit Line. The Company's scheduled principal payments during the next 12 months are $55,335,000. On January 29, 2002, $50,000,000 of the Company's medium term notes mature. These notes were classified as long-term at September 30, 2001, as the Company has the ability and intent to refinance the notes on a long-term basis through available bank credit facilities.

During the last nine months, 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.

Accounting Standards

SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets" were issued in July 2001. SFAS No. 141 requires that all business combinations initiated after June 30, 2001 be accounted for under the purchase method of accounting and that certain acquired intangible assets in a business combination be recognized and reported as assets apart from goodwill. SFAS No. 142 requires that amortization of goodwill 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 adopted SFAS No. 141 immediately and will adopt SFAS No. 142 on January 1, 2002.

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY - (CONTINUED)

Accounting Standards - (Continued)

Amortization expense related to goodwill was $5,702,000 and $4,571,000 for the year ended December 31, 2000 and the nine months ended September 30, 2001, respectively. Amortization expense related to equity-method goodwill was $142,000 and $107,000 for the year ended December 31, 2000 and the nine months ended September 30, 2001, respectively. Because of the extensive effort needed to comply with adopting SFAS No. 142, it is not practicable to reasonably estimate the impact of the adoption on the Company's financial statements at the date of this report, including whether any transitional impairment losses will be required to be recognized as a cumulative effect of a change in accounting principle.

Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144") was issued in October 2001. SFAS No. 144 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 resolve implementation issues related to SFAS No. 121, while retaining many of its fundamental provisions. The Company will adopt SFAS No. 144 on January 1, 2002 and does not expect it to have a material effect on the Company's financial position or results of operations.

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, although the notes issued to date have all been fixed rate notes. A 10% change in variable interest rates would impact the 2001 interest expense by approximately $1,764,000, based on balances outstanding at December 31, 2000, 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 others, 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 swaps 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 2001, the Company executed two five-year interest rate swap agreements to hedge its exposure to increases in the benchmark interest rate underlying the variable rate bank credit facilities. The swap agreements each have a notional amount of $50 million. Under the swap agreements, the Company pays an average fixed rate of interest of 5.64% and receives a floating rate based on a one month LIBOR rate. In April 2001, the Company executed two three-year interest rate swap agreements to hedge its exposure to increases in the benchmark interest rate underlying the variable rate bank credit facilities. The swap agreements each have a notional amount of $25 million. Under the swap agreements, the Company pays a fixed rate of interest of 4.96% and receives a floating rate based on a one month LIBOR rate. The interest rate swaps are designated as cash flow hedges, therefore, the changes in fair value, to the extent the swaps 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. The fair value of the interest rate swap agreements was a liability of $7,341,000 at September 30, 2001. The Company has recorded, in interest expense, losses related to the interest rate swaps of $669,000 and $1,022,000 for the three months and nine months ended September 30, 2001, respectively. Amounts were determined as of September 30, 2001 based on quoted market values, the Company's portfolio of derivative instruments, and the Company's measurement of hedge effectiveness.

Item 1. Legal Proceedings

As reported in the Company's Annual Report on Form 10-K for the year ended December 31, 2000, in January 2001, the 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, a subsidiary of the Company. The Company has cooperated fully with the authorities in the investigation. The U. S. Attorney for the Southern District of Texas has extended an offer to settle the matter under a plea agreement in which Western would plead 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 is discussing terms of such a plea agreement with the U. S. Attorney and has made an accrual for this matter which management believes is appropriate under present circumstances.

As reported in the Company's Annual Report on Form 10-K for the year ended December 31, 2000, in August 2000, the Company and four subsidiaries were among a group of approximately 50 companies that received a request for information from the EPA concerning a potential Superfund site, the Palmer Barge Line Site, located in Port Arthur, Texas. In prior years, Palmer had provided tank barge cleaning services to various subsidiaries of the Company. In October 2000, the Company submitted its response to the EPA. In late September 2001, the EPA notified the Company and the majority of the others which received the initial request for information that they may be Potentially Responsible Parties under Comprehensive Environmental Response, Compensation and Liability Act with respect to the site. 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 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

10.1 Third Amendment to Credit Agreement, dated November 5, 2001, among Kirby Corporation, the Banks named herein, and The Chase Manhattan Bank as Agent and Funds Administrator.

10.2 First Amendment to Credit Agreement, dated November 5, 2001, among Kirby Corporation, the Banks named therein, The Chase Manhattan Bank as Administrative Agent, Bank of America, N.A. as Syndication Agent, and Bank One, Texas, N.A. as Documentation Agent.

Item 6. Exhibits and Reports on Form 8-K - (Continued)

(b) Reports on Form 8-K:

There were no reports on Form 8-K filed for the three months ended September 30, 2001.

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: November 13, 2001

INDEX TO EXHIBITS

EXHIBIT NUMBER	DESCRIPTION
10.1	Third Amendment to Credit Agreement, dated November 5, 2001, among Kirby Corporation, the Banks named herein, and The Chase Manhattan Bank as Agent and Funds Administrator.
10.2	First Amendment to Credit Agreement, dated November 5, 2001, among Kirby Corporation, the Banks named therein, The Chase Manhattan Bank as Administrative Agent, Bank of America, N.A. as Syndication Agent, and Bank One, Texas, N.A. as Documentation Agent.

EXHIBIT 10.1

THIRD AMENDMENT
TO
CREDIT AGREEMENT

THIS THIRD AMENDMENT TO CREDIT AGREEMENT dated as of November 5, 2001 (the "Third Amendment" or this "Amendment") is among KIRBY CORPORATION, a Nevada corporation (the "Borrower"), the banks named on the signature pages hereto (the "Banks"), THE CHASE MANHATTAN BANK (successor by merger to Chase Bank of Texas, N.A., formerly known as Texas Commerce Bank National Association), as Funds Administrator (the "Funds Administrator") and as Administrative Agent (the "Agent"), BANK OF AMERICA, N.A., as Syndication Agent and FIRST UNION NATIONAL BANK, FLEET NATIONAL BANK and WELLS FARGO BANK (TEXAS), N.A., each as a Documentation Agent.

PRELIMINARY STATEMENT

Pursuant to that certain Credit Agreement dated as of September 19, 1997, among the Borrower, the banks named therein, the Agent as the Funds Administrator and the Agent, said parties made a revolving credit facility available to the Borrower upon the terms and conditions set forth therein. Said Credit Agreement was amended by that certain First Amendment to Credit Agreement dated as of January 30, 1998, and that Second Amendment to Credit Agreement dated November 30, 1998, both of said Amendments among the Borrower, the banks named therein, the Agent and the Funds Administrator. Said Credit Agreement as amended by said Amendments and as further amended from time to time is herein referred to as the "Existing Credit Agreement".

Certain of the banks that have executed the Existing Credit Agreement no longer wish to be a party thereto and are being replaced by the Banks executing this Amendment. In addition, the Borrower has requested that certain provisions of the Existing Credit Agreement be further amended, and the Banks and the Agent have agreed to amend such provisions to the extent and in the manner set forth herein.

Accordingly, in consideration of the foregoing and the mutual covenants set forth herein, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.01 Defined Terms. All capitalized terms defined in the Existing Credit Agreement, and not otherwise defined herein shall have the same meanings herein as in the Existing Credit Agreement. Upon the effectiveness of this Amendment, each reference (a) in the Existing Credit Agreement to "this Agreement," "hereunder," "herein" or words of like import shall mean and be a reference to the Existing Credit Agreement, as amended hereby, (b) in the Notes and the other Loan Documents to the Existing Credit Agreement shall mean and be a reference to the Existing Credit Agreement, as amended hereby, and (c) in the Loan Documents to any term defined by reference to the Existing Credit Agreement shall mean and be a reference to such term as defined in the Existing Credit Agreement, as amended hereby.

SECTION 1.02 References, Etc. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Amendment shall refer to this Amendment as a whole and not to any particular provision of this Amendment. In this Amendment, unless a clear contrary intention appears the word "including" (and with correlative meaning "include") means including, without limiting the generality of any description preceding such term. No provision of this Amendment shall be interpreted or constructed against any Person solely because that Person or its legal representative drafted such provision.

ARTICLE II
AMENDMENTS TO EXISTING CREDIT AGREEMENT

SECTION 2.01 AMENDMENT TO SECTION 2.06. The pricing grid contained in Section 2.06(d) is hereby deleted and restated to read as follows:

PRICING GRID

S&P/FITCH/ MOODY'S RATING	EURODOLLAR RATE	ADJUSTED CD RATE	PRIME RATE	COMMITMENT FEE	UTILIZATION FEE
Greater than or equal to BBB+/Baa1	0.750%	0.875%	0.000%	0.200%	0.125%
Greater than or equal to BBB/Baa2	0.875%	1.000%	0.000%	0.250%	0.125%
Greater than or equal to BBB-/Baa3	1.000%	1.125%	0.000%	0.300%	0.250%
Greater than or equal to BB+/Ba1	1.250%	1.375%	0.000%	0.350%	0.250%
Less than BB+/Ba1	1.500%	1.625%	0.000%	0.400%	0.250%

SECTION 2.02 AMENDMENT TO SECTION 2.09. Section 2.09 is hereby amended by deleting paragraph (a) thereof and restating it to read as follows and by adding a new paragraph (c) thereto as set forth below:

"(a) Subject to the provisions of Section 9.13, the Borrower shall pay each Bank a commitment fee equal to the applicable percentage set forth in the pricing grid in Section 2.06(d) on the average unused portion of the Commitment of such Bank as in effect from time to time for the period from the date hereof to, but excluding, the Termination Date. Accrued commitment fees shall be due and payable in arrears on each Quarterly Payment Date in each year, on the date of any reduction or termination of the Commitment of such Bank and on the Termination Date, and shall be computed for the period commencing with the day to which such fee was last paid (or, in the case of the first commitment fee payment date, for the period commencing with and including the date hereof) to the date such fee is due and payable.

(c) Subject to the provisions of Section 9.13, the Borrower shall pay to the Agent for the pro-rata accounts of the Banks, a utilization fee equal to the applicable percentage set forth in the grid contained in Section 2.06(d) on the average outstanding balance of the Loans during all times for which the principal balance of the Loans outstanding (including all outstanding, undrawn Letters of Credit) exceeds 33% of the Total Commitment."

SECTION 2.03 AMENDMENT TO SECTION 6.01. Section 6.01 is hereby deleted and restated to read as follows:

"Section 6.01 Financial Covenants. The Borrower will not:

(a) Fixed Charge Coverage Ratio. Permit the ratio of (i) EBITDA minus Capital Expenditures (other than Acquisitions that also constitute Capital Expenditures) to (ii) Interest Expense, measured as of the last day of any calendar quarter for the twelve month period then ended to be less than 3.0 to 1.0.

(b) Debt Coverage Ratio. Permit the ratio of (i) Funded Debt as of the last day of any calendar quarter to (ii) EBITDA for the twelve month period then ended to equal or exceed the ratio shown below for each quarter-end for the periods indicated:

12/31/01 through 12/31/02	3.25 to 1
3/31/03 and thereafter	3.0 to 1

(c) Minimum Net Worth. Permit Net Worth, measured as of the last day of any calendar quarter, to be less than the sum of (i) $225,000,000, plus (ii) (A) a cumulative amount (calculated as of the end of the most recently completed fiscal year as of the time of the calculation) equal to fifty percent (50%), if positive, zero percent (0%), if negative, of Net Income for the period from July 1, 2001, through December 31, 2001, and for each fiscal year thereafter during the term of this Agreement and (B) 100% of the net cash proceeds from the issuance and sale, other than to a Subsidiary of Borrower, of any of Borrower's capital stock, minus the actual amount paid by the Borrower, up to a maximum of $25,000,000, for the repurchase of its capital stock after November 5, 2001."

SECTION 2.04 AMENDMENT TO SECTION 6.04. Section 6.04 is hereby deleted and restated to read as follows:

"Section 6.04. Restrictions on Negative Pledge. The Borrower will not, and will not permit any of its Subsidiaries to, enter into any agreement prohibiting or having the effect of prohibiting the Borrower and its Subsidiaries from granting a Lien against or otherwise disposing of the capital stock, promissory notes or other equity or debt interests of any Consolidated Subsidiary, other than (i) this Agreement, (ii) the $200,000,000 Credit Agreement, and, (iii) in the case of Kirby Inland Marine, Inc., a Delaware corporation and a Subsidiary of the Borrower, the applicable provisions of Section 7.3 of the Dixie Note Purchase Agreement as in effect of the date of the Third Amendment and as thereafter amended to lessen or eliminate the restrictions contained therein."

SECTION 2.05 AMENDMENT TO ANNEX A - DEFINITIONS. The below listed definitions are hereby deleted and the following substituted therefor:

(i) "`Prime Rate' means, as of any particular date, a rate per annum equal to the highest of (a) the Federal Funds Rate plus one-half of one percent (1/2%), (b) the secondary market rate for three-month Certificates of Deposit (adjusted for statutory reserve requirements) plus one percent (1%), and (c) the prime rate per annum most recently announced by the Agent as its prime rate of interest per annum, automatically fluctuating upward or downward, as the case may be, on the day of each announcement without special notice to the Borrower or any other Person. The Borrower acknowledges that the prime rate referred to in clause (c) of the preceding sentence may not be the Agent's best or lowest rate, or favored rate, and any statement, representation or warranty in that regard or to that effect is hereby expressly disclaimed by the Agent."

(ii) "`Termination Date' means October 9, 2004 or the earlier termination in whole of the Commitments pursuant to Section 2.04 or Section 7.01."

(b) All references to "Duff & Phelps" in the definitions or elsewhere in the Existing Credit Agreement shall be deleted and replaced with references to "Fitch, Inc." All references to the "Duff & Phelps Rating" shall likewise be references to the "Fitch Rating" from the date of the Third Amendment.

(c) The following additional definitions are hereby added to Annex A:

(i) "`Acquisition' means a transaction resulting in (a) acquisition by the Borrower, directly or indirectly, of all or substantially all of the assets of a Person, or of any business or division of a Person, (b) acquisition by the Borrower of in excess of 50% of the capital stock, partnership interests, or other equity of any Person, or otherwise causing such Person to become a Subsidiary of the Borrower, or (c) a merger or consolidation or other combination of the Borrower with another Person.

(ii) `EBITDA' means Adjusted Net Income plus, to the extent same caused a reduction in Adjusted Net Income, Interest Expense, depreciation, amortization and income tax expense.

(iii) `Issuer' means The Chase Manhattan Bank and its successors and assigns, or any other Bank that agrees to be an issuer of a Letter of Credit hereunder.

(iv) `Letter of Credit' means a letter of credit issued pursuant to Section 2.15 hereof.

(v) `Letter of Credit Liabilities' means, at any time and in respect of any Letter of Credit, the sum of (i) the amount available for drawings under such Letter of Credit plus (ii) the aggregate unpaid amount of all payments made by Issuer to the beneficiary of a Letter of Credit that are not either repaid by Borrower or added to the amounts outstanding under the Notes.

(vi) `Proceeds of Obligations' has the meaning specified in Section 7.04.

(vii) `Restricted Payment' means any dividend or other distribution in respect of the capital stock or other equity interest of the Borrower or any Subsidiary of the Borrower (other than a distribution of capital stock or other equity interests of a Subsidiary of the Borrower), including, without limitation, any distribution resulting in the acquisition by the Borrower of securities which would constitute treasury stock. For purposes of this Agreement, the amount of any Restricted Payment made in property shall be the greater of (x) the fair market value of such property (as determined by good faith by the board of directors (or equivalent governing body) of the person making such Restricted Payment) and (y) the net book value thereof on the books of such Person, in each case determined as of the date on which such Restricted Payment is made.

(viii) `$200,000,000 Credit Agreement' means that certain Credit Agreement dated as of October 12, 1999, by and among Kirby Corporation as the borrower, The Chase Manhattan Bank as the administrative agent, Bank of America, N.A., as the syndication agent and the other banks named therein, providing for a $200,000,000 credit facility to be made available to the named borrower by the banks party thereto, as said document may be amended, restated or modified from time to time in accordance with the terms thereof."

(d) The definitions of "Fixed Charges", "Modified Net Cash Flow" and "Net Cash Flow" are hereby deleted in their entirety.

SECTION 2.06 AMENDMENT TO SCHEDULE 2.01. Schedule 2.01 reflecting the Commitment of each Bank is hereby deleted and replaced with Schedule 2.01 attached hereto. All references to the Total Commitment or to the amount of Loans to be made under the Existing Credit Agreement shall be changed from $100,000,000 to $150,000,000.

SECTION 2.07 NEW SECTION 2.15. A new Section 2.15 is hereby added to the Existing Credit Agreement to read as follows:

"Section 2.15 Letters of Credit.

(a) Subject to the terms and conditions of this Agreement, and on the condition that aggregate Letter of Credit Liabilities shall never exceed $10,000,000, Borrower shall have the right to, in addition to the Loans provided for in Section 2.01 hereof, utilize the Commitments from time to time during the term hereof by obtaining the issuance of letters of credit for the account of Borrower if Borrower shall so request in a form and with such accompanying documentation as Issuer my reasonably require not less than five (5) Business Days prior to the proposed date of issuance (such letters of credit, as any of them may be amended, supplemented, extended or confirmed from time to time, being herein collectively called the "Letters of Credit"). Upon the date of the issuance of a Letter of Credit, the Issuer shall be deemed, without further action by any party hereto, to have sold to each Bank, and each such Bank shall be deemed, without further action by any party hereto, to have purchased from the Issuer, a participation, to the extent of such Bank's Commitment Percentage, in such Letter of Credit and the related Letter of Credit Liabilities, which participation shall terminate on the earlier of the expiration date of such Letter of Credit or the Termination Date.

(b) The following additional provisions shall apply to each Letter of Credit:

(i) Borrower shall give Agent and the Issuer notice requesting each issuance of a Letter of Credit hereunder as provided in Section 2.15(a) hereof and shall furnish such additional information regarding such transaction as Agent and the Issuer may reasonably request. Upon receipt of such notice, Issuer shall promptly notify each Bank of the contents thereof and of such Bank's Commitment Percentage of the amount of such proposed Letter of Credit.

(ii) No Letter of Credit may be issued if after giving effect thereto the sum of (A) the aggregate outstanding principal amount of Loans plus (B) the aggregate Letter of Credit Liabilities with respect to Letters of Credit would exceed the Total Commitment. On each day during the period commencing with the issuance of any Letter of Credit and until such Letter of Credit shall have expired or been terminated, the Commitment of each Bank shall be deemed to be utilized for all purposes hereof in an amount equal to such Bank's Commitment Percentage of the amount then available for drawings under such Letter of Credit (or any unreimbursed drawings under such Letter of Credit).

(iii) Upon receipt from the beneficiary of any Letter of Credit of any demand for payment thereunder, the Issuer shall promptly notify Borrower and each Bank as to the amount to be paid as a result of such demand and the payment date therefor. If at any time prior to the earlier of the expiration date of a Letter of Credit or the Termination Date, Issuer shall have made a payment to a beneficiary of a Letter of Credit in respect of a drawing under such Letter of Credit, each Bank will pay to Issuer promptly upon demand by Issuer at any time during the period commencing after such payment until reimbursement thereof in full by Borrower, an amount equal to such Bank's Commitment Percentage of such payment, together with interest on such amount for each day from the date of demand for such payment (or, if such demand is made after 11:00 a.m. Houston time on such date, from the next succeeding Business Day) to the date of payment by such Bank of such amount at a rate of interest per annum equal to the Federal Funds Rate for such period.

(iv) Borrower shall be irrevocably and unconditionally obligated forthwith to reimburse Issuer, on the date on which Issuer notifies Borrower of the date and amount of any payment by Issuer of any drawing under a Letter of Credit, for the amount paid by Issuer upon such drawing, without presentment, demand, protest or other formalities of any kind, all of which are hereby waived. Such reimbursement may, subject to satisfaction of the conditions in Sections 3.01 and 3.02 hereof and to the limitations of the Total Commitment (after adjustment in the same to reflect the elimination of the corresponding Letter of Credit Liability), be made by a Borrowing of Loans. Issuer will pay to each Bank such Bank's Commitment Percentage of all amounts received from Borrower for application in payment, in whole or in part, in respect of any Letter of Credit, but only to the extent such Bank has made payment to Issuer in respect of such Letter of Credit pursuant to clause (iii) above.

(v) Borrower will pay to Agent for the account of each Bank a letter of credit fee with respect to each Letter of Credit equal to the greater of (x) $250 or (y) the Eurodollar Rate Applicable Margin per annum, multiplied by the face amount of each Letter of Credit (and computed on the basis of the actual number of days elapsed in a year composed of 360 days), in each case for the period from and including the date of issuance of such Letter of Credit to and including the date of expiration or termination thereof, such fee to be due and payable quarterly in arrears based on the date of the issuance thereof.

Agent will pay to each Bank, promptly after receiving any payment in respect of letter of credit fees referred to in this clause (v), an amount equal to the product of such Bank's Commitment Percentage times the amount of such fees. In addition to and cumulative of the above described fees, Borrower shall pay to Issuer, quarterly in arrears, based on the date of the issuance of the applicable Letter of Credit, a fee in an amount equal to 1/8% of the face amount of the applicable Letter of Credit and shall pay reasonable and customary fees imposed and expenses incurred by Issuer in connection with the issuance or amendment of said Letter of Credit (such fees and expense reimbursements to be retained by Issuer for its own account).

(vi) The issuance by Issuer of each Letter of Credit shall, in addition to the conditions precedent set forth in Article III hereof, be subject to the conditions precedent (A) that such Letter of Credit shall be in such form and contain such terms as shall be reasonably satisfactory to Issuer and Agent, and (B) that Borrower shall have executed and delivered such applications and other instruments and agreements relating to such Letter of Credit as Issuer and Agent shall have reasonably requested and which are not inconsistent with the terms of this Agreement. In the event of a conflict between the terms of this Agreement and the terms of any application, the terms of this Agreement shall control.

(vii) Issuer will send to each Bank, immediately upon issuance of any Letter of Credit a true and correct copy of such Letter of Credit.

(viii) Any Letter of Credit issued under this Agreement shall provide for an expiry date which is not later than the earlier of five (5) days prior to the Termination Date or twelve (12) months from the issuance date, provided, Borrower may request, and Issuer agrees to issue, Letters of Credit with expiry dates beyond five (5) days prior to the Termination Date if at the time of issuance thereof Borrower pledges to the Agent cash collateral in an amount and on such terms and conditions as Agent and Issuer may request. Each Letter of Credit which is self-extending beyond its expiration date must be cancelable upon no more than thirty (30) days' written notice given by the Issuer to the beneficiary of such Letter of Credit.

(ix) The issuance of a Letter of Credit shall constitute the making of a Loan except as otherwise expressly set forth herein, and each Letter of Credit and all related applications and other documents executed or delivered in connection with any Letter of Credit shall be considered Loan Documents."

SECTION 2.08 NEW SECTION 6.12. A new Section 6.12 is hereby added to the Existing Credit Agreement to read as follows:

"Section 6.12. Restricted Payments. The Borrower will not, and will not permit any of its Subsidiaries to, at any time, declare or make, any Restricted Payment unless, immediately after giving effect to such action, no Default or Event of Default would exist.

SECTION 2.09 NEW SECTION 7.04. A new Section 7.04 is hereby added to the Existing Credit Agreement to read as follows:

"Section 7.04. Preservation of Security for Unmatured Reimbursement Obligations. In the event that, following (i) the occurrence and during the continuation of an Event of Default and the exercise of any rights available to Agent, Issuer or any Bank under the Loan Documents and (ii) payment in full of the principal amount then outstanding of and the accrued interest on the Loans and fees and all other amounts payable hereunder and under the Notes, any Letters of Credit shall remain outstanding and undrawn, Agent shall be entitled to hold (and Borrower hereby grants and conveys to Agent a security interest in and to) all cash or other Property ("Proceeds of Remedies") realized or arising out of the exercise of any rights available under the Loan Documents, at law or in equity, including, without limitation, the proceeds of any foreclosure, as collateral for the payment of any amounts due or to become due under or in respect of such outstanding Letters of Credit. Such Proceeds of Remedies shall be held by the Agent for the ratable benefit of the Banks. The rights, titles, benefits, privileges, duties and obligations of Agent with respect thereto shall be governed by the terms and provisions of this Agreement. Agent may, but shall have no obligation to, invest any such Proceeds of Remedies in such manner as Agent, in the exercise of its sole discretion, deems appropriate. Such Proceeds of Remedies shall be applied to amounts owing in respect of any such Letters of Credit and/or the payment of Borrower's or any Bank's obligations under any such Letter of Credit when such Letter of Credit is drawn upon. Nothing in this Section 7.04 shall cause or permit an increase in the maximum amount permitted to be outstanding from time to time under this Agreement."

ARTICLE III
CONDITIONS TO EFFECTIVENESS

SECTION 3.01 CONDITIONS TO EFFECTIVENESS. This Amendment shall become effective upon receipt by the Agent on the date of such receipt (the "Effective Date") of the following, each in form and substance reasonably satisfactory to the Agent and in such number of counterparts as may be reasonably requested by the Agent:

(a) This Amendment duly executed by the Borrower and each of the Banks.

(b) Notes for each Bank evidencing the increased Commitment of the Banks as shown on Schedule 2.01, duly executed by the Borrower.

(c) A certificate of the secretary or an assistant secretary of the Borrower certifying (i) true and correct copies of resolutions adopted by the Board of Directors of the Borrower (A) authorizing the execution, delivery and performance by the Borrower of this Amendment, and (B) authorizing officers of the Borrower to execute and deliver this Amendment, and (ii) the incumbency and specimen signatures of the officers of the Borrower executing this Amendment or any other document on behalf of the Borrower.

(d) Certificates of appropriate public officials as to the existence, good standing and/or authority to do business of the Borrower and Kirby Inland Marine, Inc., in the state of the respective incorporation of each and in Texas.

(e) An Amendment to the $200,000,000 Credit Agreement, amending it such that the financial covenants contained therein are the same as those contained in the Existing Credit Agreement, as amended by this Amendment, and containing a modified definition of the Existing Credit Agreement to include a reference to all amendments, modifications and restatements thereto or thereof.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

In order to induce the Bank Group to enter into this Amendment, the Borrower hereby represents and warrants to the Bank Group as follows:

SECTION 4.01 EXISTING CREDIT AGREEMENT. After giving effect to the execution and delivery of this Amendment and the consummation of the transactions contemplated hereby, and with this Amendment constituting one of the Loan Documents, the representations and warranties set forth in Article IV of the Existing Credit Agreement are true and correct on the date hereof as though made on and as of such date.

SECTION 4.02 NO DEFAULT. After giving effect to the execution and delivery of this Amendment and the consummation of the transactions contemplated hereby, no Default or Event of Default has occurred and is continuing as of the date hereof.

ARTICLE V
MISCELLANEOUS

SECTION 5.01 BANKS PARTY TO CREDIT AGREEMENT. Certain of the banks executing the Existing Credit Agreement originally as Banks no longer wish to be party thereto (the "Existing Banks") and, from the date of this Amendment forward, the undersigned parties signing as Banks (the "New Banks") constitute the Banks under the Existing Credit Agreement. The Existing Banks and the New Banks (acting through the Agent) shall make appropriate adjustments in payments for periods prior to the Effective Date such that from and after the Effective Date the New Banks shall constitute all of the Banks under the Existing Credit Agreement.

SECTION 5.02 AFFIRMATION OF LOAN DOCUMENTS. The Borrower hereby acknowledges and agrees that all of its obligations under the Existing Credit Agreement, as amended hereby, and the other Loan Documents shall remain in full force and effect following the execution and delivery of this Amendment, and such obligations are hereby affirmed, ratified and confirmed by the Borrower.

SECTION 5.03 COSTS AND EXPENSES. The Borrower agrees to pay on demand all reasonable costs and expenses incurred by the Agent and the Funds Administrator in connection with the preparation, execution, delivery, filing, administration and recording of this Amendment and any other agreements delivered in connection with or pursuant to this Amendment, including, without limitation, the reasonable fees and out-of-pocket expenses of Andrews & Kurth, Mayor, Day, Caldwell & Keeton L.L.P., special counsel to the Agent.

SECTION 5.04 SUCCESSORS AND ASSIGNS. This Amendment shall be binding upon and inure to the benefit of the Borrower and the Bank Group and their respective successors and assigns.

SECTION 5.05 CAPTIONS. The captions in this Amendment have been inserted for convenience only and shall be given no substantive meaning or significance whatsoever in construing the terms and provisions of this Amendment.

SECTION 5.06 COUNTERPARTS. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered either in original, facsimile or electronic form, shall be deemed to be an original but all of which taken together shall constitute but one and the same instrument.

SECTION 5.07 GOVERNING LAW. This Amendment shall be governed by, and construed in accordance with, the laws of the State of Texas.

SECTION 5.08 FINAL AGREEMENT OF THE PARTIES. THE EXISTING CREDIT AGREEMENT (INCLUDING THE EXHIBITS THERETO), AS AMENDED BY THIS AMENDMENT, THE NOTES AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first above written.

BORROWER

KIRBY CORPORATION

By: /s/ Norman W. Nolen

Name: Norman W. Nolen
Title: Executive Vice President

BANKS

THE CHASE MANHATTAN BANK, successor by merger to Chase Bank of Texas, N.A. (formerly known as Texas Commerce Bank National Association), as Funds Administrator, as Agent, and individually as one of the Banks

By: /s/ H. David Jones

Name: H. David Jones
Title: Vice President

FIRST UNION NATIONAL BANK, as successor to CoreStates Bank, N.A.

By: /s/ Roy O. Young

Name: Roy O. Young
Title: Vice President

WELLS FARGO BANK (TEXAS), N.A.

By: /s/ Warren R. Ross

Name: Warren R. Ross
Title: Vice President

BANK OF AMERICA, N.A.

By: /s/ Claire Liu

Name: Claire Liu
Title: Managing Director

THE BANK OF TOKYO-MITSUBISHI, LTD.

By: /s/ Joey Powell

Name: Joey Powell
Title: Officer

By: /s/ John Mearns

Name: John Mearns
Title: Vice President & Manager

FLEET NATIONAL BANK

By: /s/ Alicia Szendiuch

Name: Alicia Szendiuch
Title: Managing Director

DEN NORSKE BANK

By: /s/ Sanjiv Nayar

Name: Sanjiv Nayar
Title: Vice President

By: /s/ Theodore S. Jadick, Jr.

Name: Theodore S. Jadick, Jr.
Title: Senior Vice President

THE INDUSTRIAL BANK OF JAPAN, LTD. NEW YORK BRANCH

By: /s/ Michael N. Oakes

Name: Michael N. Oakes
Title: Sr. Vice President, Houston Office

BNP PARIBAS

By: /s/ Mike Shryock

Name: Mike Shryock
Title: Vice President

By: /s/ Aurora Abella

Name: Aurora Abella
Title: Vice President

COMERICA BANK

By: /s/ T. Bancroft Mattei

Name: T. Bancroft Mattei
Title: Assistant Vice President

THE NORTHERN TRUST COMPANY

By: /s/ Carolyn D. Grant

Name: Carolyn D. Grant
Title: Vice President

SCHEDULE 2.01

ALLOCATION AND LENDER NAMES

1. THE CHASE MANHATTAN BANK

Allocation: $16,000,000.00

The Chase Manhattan Bank
712 Main Street
Houston, Texas 77002
Attention: Carl Luna

Telecopier: (713) 216-2339

2. BANK OF AMERICA, N.A.

Allocation: $15,000,000.00

Bank of America, N.A.
333 Clay Street, Suite 4550
Houston, Texas 77002-4103
Attention: Claire Liu

Telecopier: (713) 651-4807

3. FIRST UNION NATIONAL BANK

Allocation: $15,000,000.00

First Union National Bank
One South Penn Square
Philadelphia, Pennsylvania 19101
Attention: Roy O. Young

Telecopier: (267) 321-6300

4. FLEET NATIONAL BANK

Allocation: $15,000,000.00

Fleet National Bank
100 Federal Street
MADE 10008D
Boston, Massachusetts 02110
Attention: Suzanne Chomiczewski

Telecopier: (617) 434-1955

5. WELLS FARGO BANK (TEXAS), N.A.

Allocation: $15,000,000.00

Wells Fargo Bank (Texas), N.A.
1000 Louisiana Street, 3rd Floor
Houston, Texas 77002
Attention: Warren Ross

Telecopier: (713) 739-1082

6. DEN NORSKE BANK

Allocation: $15,000,000.00

Den Norske Bank
200 Park Avenue, 31st Floor
New York, New York 10066
Attention: Sanjiv Nayer

Telecopier: (212) 681-3900

7. THE INDUSTRIAL BANK OF JAPAN, LTD.

Allocation: $15,000,000.00

The Industrial Bank of Japan, Ltd.
One Houston Center
1221 McKinney, Suite 4100
Houston, Texas 77010
Attention: Mike Oakes

Telecopier: (713) 651-9209

8. BNP PARIBAS

Allocation: $14,000,000.00

BNP Paribas
1200 Smith Street, Suite 3100
Houston, Texas 77002
Attention: Craig Pierce

Telecopier: (713) 659-5228

9. THE BANK OF TOKYO-MITSUBISHI, LTD.

Allocation: $10,000,000.00

The Bank of Tokyo-Mitsubishi, Ltd.
1100 Louisiana Street, Suite 2800
Houston, Texas 77002
Attention: Joey Powell

Telecopier: (713) 655-3855

10. COMERICA BANK

Allocation: $10,000,000.00

Comerica Bank
4100 Spring Valley Road, Suite 400
Dallas, Texas 75244
Attention: Bancroft Mattei

Telecopier: (972) 361-2550

11. THE NORTHERN TRUST COMPANY

Allocation: $10,000,000.00

The Northern Trust Company
50 South LaSalle Street
Chicago, Illinois 60675
Attention: Carolyn Grant

Telecopier: (312) 444-7023

Total Allocation: $150,000,000.00

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT dated effective as of November 5, 2001 (the "FIRST AMENDMENT" or this "Amendment") is among KIRBY CORPORATION, a Nevada corporation (the "BORROWER"), the banks named on the signature pages hereto (the "BANKS"), THE CHASE MANHATTAN BANK (successor by merger to Chase Bank of Texas, N.A., formerly known as Texas Commerce Bank National Association), as administrative agent (the "ADMINISTRATIVE AGENT"), and Bank of America, N.A., as syndication agent (the "SYNDICATION AGENT").

PRELIMINARY STATEMENT

(1) Pursuant to that certain Credit Agreement dated as of October 12, 1999, among the Borrower, the banks named therein, the Administrative Agent, the Syndication Agent, and the other agents therein named, said parties made a revolving credit facility converting to a term facility available to the Borrower upon the terms and conditions set forth therein (the "CREDIT AGREEMENT").

(2) The Borrower has requested that certain provisions of the Credit Agreement be amended, and the undersigned Banks and the Administrative Agent have agreed to amend such provisions to the extent and in the manner set forth herein.

Accordingly, in consideration of the foregoing and the mutual covenants set forth herein, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.01 DEFINED TERMS. All capitalized terms defined in the Credit Agreement, and not otherwise defined herein shall have the same meanings herein as in the Credit Agreement. Upon the effectiveness of this Amendment, each reference (a) in the Credit Agreement to "this Agreement," "hereunder," "herein" or words of like import shall mean and be a reference to the Credit Agreement, as amended hereby, (b) in the Notes and the other Loan Documents to the Credit Agreement shall mean and be a reference to the Credit Agreement, as amended hereby, and (c) in the Loan Documents to any term defined by reference to the Credit Agreement shall mean and be a reference to such term as defined in the Credit Agreement, as amended hereby.

SECTION 1.02 REFERENCES, ETC. The words "hereof," "herein" and "hereunder" and words of similar import when used in this Amendment shall refer to this Amendment as a whole and not to any particular provision of this Amendment. In this Amendment, unless a clear contrary intention appears the word "including" (and with correlative meaning "include") means including, without limiting the generality of any description preceding such term. No provision of this Amendment shall be interpreted or constructed against any Person solely because that Person or its legal representative drafted such provision.

ARTICLE II
AMENDMENTS TO CREDIT AGREEMENT

SECTION 2.01 AMENDMENT TO SECTION 6.01. SECTION 6.01 is amended and restated to read as follows:

"Section 6.01 Financial Covenants. The Borrower will not:

(a) Fixed Charge Coverage Ratio. Permit the ratio of (i) EBITDA minus Capital Expenditures (other than Acquisitions that also constitute Capital Expenditures) to (ii) Interest Expense, measured as of the last day of any calendar quarter for the twelve month period then ended to be less than the ratio of 3.0 to 1.0.

(b) Debt Coverage Ratio. Permit the ratio of (i) Funded Debt as of the last day of any calendar quarter to (ii) EBITDA for the twelve month period then ended to equal or exceed the ratio shown below for the periods indicated:

12/31/01 through 12/31/02	3.25 to 1
03/31/03 and thereafter	3.0 to 1

(c) Minimum Net Worth. Permit Net Worth, measured as of the last day of any calendar quarter, to be less than the sum of (i) $225,000,000, plus (ii) (A) a cumulative amount (calculated as of the end of the most recently completed fiscal year as of the time of the calculation) equal to fifty percent (50%), if positive, zero percent (0%), if negative, of Net Income for the period from July 1, 2001, through December 31, 2001, and for each fiscal year thereafter during the term of this Agreement and (B) 100% of the net cash proceeds from the issuance and sale, other than to a Subsidiary of Borrower, of any of Borrower's capital stock, minus the actual amount paid by the Borrower, up to a maximum of $25,000,000, for the repurchase of its capital stock after November 5, 2001."

SECTION 2.02 AMENDMENT TO SECTION 6.02(A)(I). SECTION 6.02(A)(I) is amended and restated to read as follows: "(i) Debt of the Borrower under the Loan Documents;".

SECTION 2.03 AMENDMENT TO ANNEX A - DEFINITIONS.

(a) The following definition is hereby added to Annex A:

"EBITDA" means Adjusted Net Income plus, to the extent same caused a reduction in Adjusted Net Income, Interest Expense, depreciation, amortization and income tax expense.

(b) The following definition is hereby amended and restated as follows:

"Existing Credit Agreement" means the Credit Agreement dated as of September 19, 1997, by and among the Borrower, The Chase Manhattan Bank (successor by merger to Chase Bank of Texas, N.A., formerly known as Texas Commerce Bank National Association), as Funds Administrator and Agent and the other Banks therein named, as amended by the First Amendment dated as of January 30, 1998, by the Second Amendment dated as of November 30, 1998, by the Third Amendment dated as of

November 5, 2001, and as may be further amended, restated, or modified from time to time.

(c) The definitions of "Modified Net Cash Flow" and "Net Cash Flow" are hereby deleted in their entirety.

ARTICLE III
CONDITIONS TO EFFECTIVENESS

SECTION 3.01 CONDITIONS TO EFFECTIVENESS. This Amendment shall become effective upon receipt by the Administrative Agent of the following, each in form and substance reasonably satisfactory to the Administrative Agent and in such number of counterparts as may be reasonably requested by the Administrative Agent:

(a) This Amendment duly executed by the Borrower and the Majority Banks.

(b) A certificate of the secretary or an assistant secretary of the Borrower certifying (i) true and correct copies of resolutions adopted by the Board of Directors of the Borrower (A) authorizing the execution, delivery and performance by the Borrower of this Amendment, and (B) authorizing officers of the Borrower to execute and deliver this Amendment, and (ii) the incumbency and specimen signatures of the officers of the Borrower executing this Amendment or any other document on behalf of the Borrower.

(c) The Borrower shall have paid to the Administrative Agent for the account of each Bank executing this Amendment, an amendment fee equal to five (5) basis points times each such Bank's unpaid principal amount of Loans.

(d) A Third Amendment to the Existing Credit Agreement shall be effective as of the effective date hereof, amending the Existing Credit Agreement so that the financial covenants contained in Section 6.01 of the Existing Credit Agreement as amended by such Third Amendment are the same as the financial covenants contained in Section 6.01 of the Credit Agreement as hereby amended.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES

In order to induce the Bank Group to enter into this Amendment, the Borrower hereby represents and warrants to the Bank Group as follows:

SECTION 4.01 CREDIT AGREEMENT. After giving effect to the execution and delivery of this Amendment and the consummation of the transactions contemplated hereby, and with this Amendment constituting one of the Loan Documents, the representations and warranties set forth in Article IV of the Credit Agreement are true and correct on the date hereof as though made on and as of such date.

SECTION 4.02 NO DEFAULT. After giving effect to the execution and delivery of this Amendment and the consummation of the transactions contemplated hereby, no Default or Event of Default has occurred and is continuing as of the date hereof.

ARTICLE V
MISCELLANEOUS

SECTION 5.01 AFFIRMATION OF LOAN DOCUMENTS. The Borrower hereby acknowledges and agrees that all of its obligations under the Credit Agreement, as amended hereby, and the other Loan Documents shall remain in full force and effect following the execution and delivery of this Amendment, and such obligations are hereby affirmed, ratified and confirmed by the Borrower.

SECTION 5.02 COSTS AND EXPENSES. The Borrower agrees to pay on demand all reasonable costs and expenses incurred by the Administrative Agent and the Syndication Agent in connection with the preparation, execution, delivery, filing, administration and recording of this Amendment and any other agreements delivered in connection with or pursuant to this Amendment, including, without limitation, the reasonable fees and out-of-pocket expenses of Haynes and Boone, LLP, special counsel to the Syndication Agent.

SECTION 5.03 SUCCESSORS AND ASSIGNS. This Amendment shall be binding upon and inure to the benefit of the Borrower and the Bank Group and their respective successors and assigns.

SECTION 5.04 CAPTIONS. The captions in this Amendment have been inserted for convenience only and shall be given no substantive meaning or significance whatsoever in construing the terms and provisions of this Amendment.

SECTION 5.05 COUNTERPARTS. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered either in original, facsimile or electronic form, shall be deemed to be an original but all of which taken together shall constitute but one and the same instrument.

SECTION 5.06 GOVERNING LAW. This Amendment shall be governed by, and construed in accordance with, the laws of the State of Texas.

SECTION 5.07 FINAL AGREEMENT OF THE PARTIES. THE CREDIT AGREEMENT (INCLUDING THE EXHIBITS THERETO), AS AMENDED BY THIS AMENDMENT, THE NOTES AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first above written.

BORROWER

KIRBY CORPORATION

By: /s/ Norman W. Nolen

Name: Norman W. Nolen
Title: Executive Vice President

THE CHASE MANHATTAN BANK,
successor by merger to Chase Bank of
Texas, N.A., as Administrative Agent and as
a Bank

By: /s/ H. David Jones

Name: H. David Jones
Title: Vice President

BANK OF AMERICA, N.A., as
Syndication Agent and as a Bank

By: /s/ Claire M. Liu

Name: Claire M. Liu
Title: Managing Director

BANK ONE, N.A.

By: /s/ J. V. Carr, Jr.

Name: J. V. Carr, Jr.
Title: First Vice President:

SIGNATURE PAGE TO THE FIRST AMENDMENT

FIRST UNION NATIONAL BANK

By: /s/ Roy O. Young

Name: Roy O. Young
Title: Vice President

THE INDUSTRIAL BANK OF JAPAN, LIMITED, NEW YORK BRANCH

By: /s/ Michael N. Oakes

Name: Michael N. Oakes
Title: Senior Vice President, Houston Office

WELLS FARGO BANK (TEXAS), NATIONAL ASSOCIATION

By: /s/ Warren R. Ross

Name: Warren R. Ross
Title: Vice President

FLEET NATIONAL BANK (F/K/A BANKBOSTON, N.A.)

By: /s/ Alicia Szendiuch

Name: Alicia Szendiuch
Title: Managing Director

THE BANK OF TOKYO-MITSUBISHI, LTD., HOUSTON AGENCY

By: /s/ Joey Powell

Name: Joey Powell
Title: Officer

By: /s/ John Mearns

Name: John Mearns
Title: Vice President & Manager

DEN NORSKE BANK ASA

By: /s/ Sanjiv Nayar

Name: Sanjiv Nayar
Title: Vice President

By: /s/ Barbara Gronquist

Name: Barbara Gronquist
Title: Senior Vice President

GUARANTY BANK

By: /s/ Scott L. Brewer

Name: Scott L. Brewer
Title: Vice President

HIBERNIA NATIONAL BANK

By: /s/ Corwin Dupree

Name: Cowin Dupree
Title: Bank Officer

SOUTHWEST BANK OF TEXAS, N.A.

By: /s/ Gary Tolbert

Name: Gary Tolbert
Title: SVP

BANCO ESPIRITO SANTO, S.A.

By: /s/ Terry H. Hull

Name: Terry H. Hull
Title: Senior Vice President

By: /s/ Leon Stark

Name: Leon Stark
Title: Senior Vice President
Deputy General Manager