

KIRBY CORPORATION

Reconciliation of GAAP to Non-GAAP Financial Measure

Kirby reports its financial results in accordance with generally accepted accounting principles (GAAP). However, Kirby believes that the non-GAAP financial measure EBITDA is useful in managing Kirby's businesses and evaluating Kirby's performance.

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

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

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

KIRBY CORPORATION

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
	(\$ in millions)										
Net earnings attributable to Kirby, GAAP	\$ 141.4	\$ 226.7	\$ 282.0	\$ 253.1	\$ 209.4	\$ 183.0	\$ 116.2	\$ 125.9	\$ 157.2	\$ 123.3	\$ 95.5
Interest expense	17.7	18.8	21.5	27.9	24.4	17.9	11.0	11.1	14.1	20.3	15.2
Provision for taxes on income	85.0	133.7	169.8	152.3	127.9	109.3	72.3	78.0	97.4	76.5	58.7
Depreciation and amortization	<u>200.9</u>	<u>192.2</u>	<u>169.3</u>	<u>164.4</u>	<u>145.2</u>	<u>126.0</u>	<u>95.3</u>	<u>94.0</u>	<u>91.2</u>	<u>80.9</u>	<u>64.4</u>
EBITDA, Non-GAAP	<u>\$ 445.0</u>	<u>\$ 571.4</u>	<u>\$ 642.6</u>	<u>\$ 597.7</u>	<u>\$ 506.9</u>	<u>\$ 436.2</u>	<u>\$ 294.8</u>	<u>\$ 309.0</u>	<u>\$ 359.9</u>	<u>\$ 301.0</u>	<u>\$ 233.8</u>

KIRBY CORPORATION

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

	<u>Three Months Ended March 31,</u>		<u>Three Months Ended June 30,</u>		<u>Three Months Ended September 30,</u>		<u>Three Months Ended December 31,</u>		<u>Twelve Months Ended December 31,</u>	
			(\$ in millions)							
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Net earnings attributable to Kirby	\$ 38.1	\$ 61.1	\$ 38.9	\$ 58.1	\$ 32.1	\$ 56.8	\$ 32.3	\$ 50.7	\$ 141.4	\$ 226.7
Interest expense	4.2	5.2	4.5	4.8	4.5	4.5	4.5	4.3	17.7	18.8
Provision for taxes on income	22.9	36.5	23.4	34.7	19.1	33.5	19.6	29.0	85.0	133.7
Depreciation and amortization	<u>48.6</u>	<u>45.8</u>	<u>49.7</u>	<u>46.7</u>	<u>50.1</u>	<u>49.8</u>	<u>52.5</u>	<u>49.9</u>	<u>200.9</u>	<u>192.2</u>
EBITDA, Non-GAAP	<u>\$ 113.8</u>	<u>\$ 148.6</u>	<u>\$ 116.5</u>	<u>\$ 144.3</u>	<u>\$ 105.8</u>	<u>\$ 144.6</u>	<u>\$ 108.9</u>	<u>\$ 133.9</u>	<u>\$ 445.0</u>	<u>\$ 571.4</u>