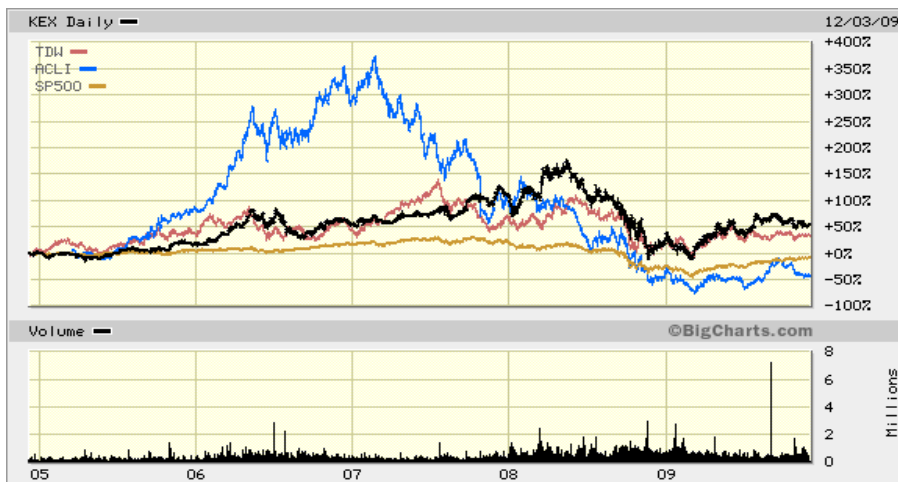


## Kirby Corporation (KEX) 12/3/09

KEX operates as a liquid transporter and diesel engine producer, specializing in oil products through inland waterways. KEX operates in the Gulf of Mexico and along the Mississippi River system for major oil and gas companies. The company is headquartered in Houston, Texas and was founded in 1969.

|                          |         |
|--------------------------|---------|
| Current Price            | \$34.32 |
| 52 Week High             | \$39.16 |
| 52 Week Low              | \$19.46 |
| One Yr Target            | \$41.00 |
| Market Cap (in billions) | \$1.85  |
| P/E (Trailing)           | 13.64   |
| P/E(1 Yr Forward)        | 13.68   |
| P/E/G                    | 1.21    |
| ROA                      | 8.72%   |
| ROE                      | 14.32%  |
| EPS                      | \$2.52  |
| Beta                     | 0.90    |
| Annualized Dividend      | \$0.00  |
| Dividend Yield           | 0.00%   |
| Analyst Consensus        | 2.30    |
| Debt to Equity           | 0.58    |



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**Annual EPS**

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|       |        |         |
|-------|--------|---------|
| 2005  | \$1.32 |         |
| 2006  | \$1.80 | 36.14%  |
| 2007  | \$2.30 | 27.92%  |
| 2008  | \$2.94 | 27.59%  |
| 2009E | \$2.52 | -14.38% |

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**Annual Revenue (in millions)**

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|      |            |        |
|------|------------|--------|
| 2005 | \$795.70   |        |
| 2006 | \$984.20   | 23.69% |
| 2007 | \$1,172.60 | 19.14% |
| 2008 | \$1,360.20 | 16.00% |

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**Annual Net Income (in millions)**

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|      |          |        |
|------|----------|--------|
| 2005 | \$68.70  |        |
| 2006 | \$95.40  | 38.86% |
| 2007 | \$123.30 | 29.25% |
| 2008 | \$157.20 | 27.49% |

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**Free Cash Flows (in millions)**

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|      |         |         |
|------|---------|---------|
| 2005 | \$19.70 |         |
| 2006 | \$11.30 | -42.64% |
| 2007 | \$71.60 | 533.63% |
| 2008 | \$72.90 | 1.82%   |

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**Required Rate of Return**

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9.67%

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**Dividend Growth Model**

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|                                 |     |
|---------------------------------|-----|
| Present Value of 2014 Price     | n/a |
| Holding Period Return (5 years) | n/a |

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**Expected Annualized Return Model**

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|                                 |         |
|---------------------------------|---------|
| Present Value of 2014 Price     | \$46.63 |
| Holding Period Return (5 years) | 6.22%   |

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**Residual Income Model**

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|                       |         |
|-----------------------|---------|
| Intrinsic Stock Price | \$16.43 |
|-----------------------|---------|

# Analysis

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## Positives

Company has solid financial ratios across the board

## Negatives

## Financial Statements

Income Statement is good, Net Income has shown nice growth over five years

Balance Sheet is strong as company carries little Debt and grows Retained Earnings

Cash Flows are decent but Capital Expenditures are a concern

## Industry Analysis

Liquid transport industry is competitive but should see nice growth with rise in oil

KEX's financial ratios are better than industry averages

## Summary

KEX is a solid company in an industry that has good operating metrics and upside. The financial statements for KEX are nice and do not lack in any area. Much of KEX's revenue depends on the prices of oil and the output of oil producers. While KEX is heavily dependant on liquid transport, as opposed to dry-bulk, this method of transport is becoming more cost effective for oil producers. KEX itself benefits from economies of scale by having the largest number of inland-waterway vessels, but they are aging which will make for replacement costs. Overall KEX is a good company and should see a stock price increase along with oil, but industry competitor TDW has a better outlook.