

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

ATWOOD OCEANICS INC
Form 8-K
November 18, 2003

=====

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

Form 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF EARLIEST EVENT REPORTED: November 18, 2003

ATWOOD OCEANICS, INC.
(Exact name of registrant as specified in its charter)

COMMISSION FILE NUMBER 1-13167

TEXAS
(State or other jurisdiction of
incorporation or organization)

74-1611874
(I.R.S. Employer Identification No.)

15835 Park Ten Place Drive
Houston, Texas
(Address of principal executive offices)

77084
(Zip Code)

Registrant's telephone number, including area code:
281-749-7800

=====

ITEM 7. EXHIBITS

- EXHIBIT 99.1 PRESS RELEASE DATED NOVEMBER 18, 2003
- EXHIBIT 99.2 CONSOLIDATED STATEMENT OF OPERATIONS FOR THE THREE MONTHS AND YEAR ENDED SEPTEMBER 30, 2003 AND 2002
- EXHIBIT 99.3 ANALYSIS OF CONTRACT REVENUES AND DRILLING COSTS FOR THE THREE MONTHS AND YEAR ENDED SEPTEMBER 30, 2003
- EXHIBIT 99.4 CONSOLIDATED CONDENSED BALANCE SHEETS AT SEPTEMBER 30, 2003 AND 2002
- EXHIBIT 99.5 CONTRACT STATUS SUMMARY AT NOVEMBER 18, 2003

ITEM 9. REGULATION FD DISCLOSURE

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

ON NOVEMBER 18, 2003, THE COMPANY ANNOUNCED ITS EARNINGS FOR THE FISCAL YEAR AND FOURTH QUARTER ENDED SEPTEMBER 30, 2003. A COPY OF THE PRESS RELEASE SUMMARIZING THESE EARNINGS IS FILED WITH THIS FORM 8-K AS EXHIBIT 99.1 AND IS INCORPORATED HEREIN BY REFERENCE.

ADDITIONAL INFORMATION WITH RESPECT TO THE COMPANY'S CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE THREE MONTHS AND YEAR ENDED SEPTEMBER 30, 2003 AND 2002, AN ANALYSIS OF CONTRACT REVENUES AND DRILLING COSTS FOR THE THREE MONTHS AND YEAR ENDED SEPTEMBER 30, 2003, CONSOLIDATED CONDENSED BALANCE SHEETS AT SEPTEMBER 30, 2003 AND 2002 AND CONTRACT STATUS SUMMARY AT NOVEMBER 18, 2003 ARE ATTACHED HERETO AS EXHIBITS 99.2, 99.3, 99.4 AND 99.5, RESPECTIVELY, WHICH ARE BEING FURNISHED IN ACCORDANCE WITH RULE 101(e)1) UNDER REGULATION FD AND SHOULD NOT BE DEEMED TO BE FILED.

Statements contained in this report with respect to the future are forward-looking statements. These statements reflect management's reasonable judgment with respect to future events. Forward-looking statements involve risks and uncertainties. Actual results could differ materially from those anticipated as a result of various factors; the Company's dependence on the oil and gas industry; the risks involved in upgrades to the Company's rigs; competition; operating risks; risks involved in foreign operations, risks associated with possible disruptions in operations due to terrorism; and governmental regulations and environmental matters. A list of additional risk factors can be found in the Company's annual report on Form 10-K for the year ended September 30, 2002, filed with the Securities and Exchange Commission.

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 hereunto duly authorized.

ATWOOD OCEANICS, INC.
(Registrant)

/s/ James M. Holland
James M. Holland
Senior Vice President

DATE: 18 November 2003

EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
99.1	Press Release dated November 18, 2003

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

- 99.2 Consolidated Statements of Operations for the three months and year ended September 30, 2003 and 2002
- 99.3 Analysis of Contract Revenues and Drilling Costs for the three months and year ended September 30, 2003
- 99.4 Consolidated Condensed Balance Sheets at September 30, 2003 and 2002
- 99.5 Contract Status Summary at November 18, 2003

EXHIBIT 99.1

Houston, Texas
18 November 2003

FOR IMMEDIATE RELEASE

ATWOOD OCEANICS, INC., Houston-based International Drilling Contractor, announced today that the Company and its subsidiaries reported net loss of USD (12,802,000), or USD (.92) per diluted share, on contract revenues of USD 144,766,000, for the fiscal year ended September 30, 2003, compared to net income of USD 28,285,000, or USD 2.02 per diluted share, on contract revenues of USD 149,157,000, for the fiscal year ended September 30, 2002. For the fourth quarter ended September 30, 2003, the Company recorded a net loss of USD (14,257,000) or USD (1.03) per diluted share, on contract revenues of USD 38,005,000 compared to a net income of USD 7,165,000 or USD .51 per diluted share, on contract revenues of USD 30,781,000 for the fourth quarter of fiscal 2002.

The Company's current tax provision for the quarter and year ended September 30, 2003 virtually all relates to taxes in foreign jurisdictions, with the Company not incurring taxable income in the United States necessary to utilize foreign tax credits. Due to the low level of earnings in the US, in addition to losses in certain nontaxable jurisdictions the Company's effective tax for fiscal year 2003 significantly exceeds the US statutory rate.

Further, the Company has recently determined that after reassessing certain tax planning strategies in conjunction with the Company's major reorganization of its foreign subsidiaries and the assets of those subsidiaries undertaken in fiscal year 2003, the Company should book deferred foreign tax liabilities relating to Australian and Malaysian taxes of \$5.9 million. This deferred tax expense has no cash effect on the Company; however, the loss for the quarter and for fiscal year 2003 increased by approximately \$.40 per share.

Compared figures are as follows:

FOR THE YEAR ENDED SEPTEMBER 30:	2003	2002
-----	----	----
CONTRACT REVENUES	USD 144,766,000	USD 149,157,000
INCOME BEFORE INCOME TAXES		38,777,000
NET INCOME (LOSS)	1,636,000	28,285,000
EARNINGS (LOSS) PER COMMON SHARE -	(12,802,000)	
BASIC		2.04
DILUTED	(.92)	2.02
	(.92)	

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

AVERAGE COMMON SHARES OUTSTANDING -		
BASIC		13,839,000
DILUTED	13,846,000	13,994,000
	13,846,000	
FOR THE QUARTER ENDED SEPTEMBER 30:		
	2003	2002

CONTRACT REVENUES	USD 38,005,000	USD 30,781,000
INCOME (LOSS) BEFORE INCOME TAXES	(4,373,000)	6,501,000
NET INCOME (LOSS)	(14,257,000)	7,165,000
EARNINGS (LOSS) PER COMMON SHARE -		
BASIC	(1.03)	.52
DILUTED	(1.03)	.51
WEIGHTED COMMON SHARES OUTSTANDING -		
BASIC	13,848,000	13,845,000
DILUTED	13,848,000	13,928,000

Contact: Jim Holland
(281)-749-7804

EXHIBIT 99.2
ATWOOD OCEANICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)

	Three Months Ended September 30,		Year Ended September
	2003	2002	2003
	(Unaudited)		(Unaudited)
REVENUES			
Contract drilling	\$ 38,005	\$ 30,781	\$144,766
	-----	-----	-----
COSTS AND EXPENSES			
Contract drilling	27,407	16,176	98,501
Depreciation	7,733	5,381	25,758
General and administrative	5,193	2,580	14,015
	-----	-----	-----
	40,333	24,137	138,274
	-----	-----	-----
OPERATING INCOME (LOSS)	(2,328)	6,644	6,492
OTHER INCOME (EXPENSE)			
Interest expense	(2,064)	(271)	(5,014)
Investment income	19	128	158
	-----	-----	-----
	(2,045)	(143)	(4,856)
	-----	-----	-----
INCOME (LOSS) BEFORE INCOME TAXES	(4,373)	6,501	1,636
PROVISION (BENEFIT) FOR INCOME TAXES			
(Note 1 and 2)	9,884	(664)	14,438
	-----	-----	-----

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

NET INCOME (LOSS)	\$ (14,257)	\$ 7,165	\$ (12,802)
	=====	=====	=====
EARNINGS (LOSS) PER COMMON SHARE			
Basic	\$ (1.03)	\$ 0.52	\$ (0.92)
Diluted	\$ (1.03)	\$ 0.51	\$ (0.92)
AVERAGE COMMON SHARES OUTSTANDING			
Basic	13,848	13,845	13,846
Diluted	13,848	13,928	13,846

Notes -

1) The Company's current tax provision for the quarter and year ended September 30, 2003 virtually all relates to taxes in foreign jurisdictions, with the Company not incurring taxable income in the United States necessary to utilize foreign tax credits. Due to the low level of earnings in the US, in addition to losses in certain nontaxable jurisdictions the Company's effective tax for fiscal year 2003 significantly exceeds the US statutory rate.

Further, the Company has recently determined that after reassessing certain tax planning strategies in conjunction with the Company's major reorganization of its foreign subsidiaries and the assets of those subsidiaries undertaken in fiscal year 2003, the Company should book deferred foreign tax liabilities relating to Australian and Malaysian taxes of \$5.9 million. This deferred tax expense has no cash effect on the Company; however, the loss for the quarter and for fiscal year 2003 increased by approximately \$.40 per share.

2) Net income for the year and fourth quarter of fiscal 2002 was enhanced by \$2.3 million from a foreign income tax credit benefit generated in the quarter ended September 30, 2002.

EXHIBIT 99.3
ATWOOD OCEANICS, INC. AND SUBSIDIARIES
ANALYSIS OF CONTRACT DRILLING REVENUES
AND DRILLING COSTS
(Unaudited)

FOR THE QUARTER ENDED SEPTEMBER 30, 2003

	CONTRACT DRILLING REVENUES	CONTRACT DRILLING COSTS
	-----	-----
	(In Millions)	
ATWOOD EAGLE	\$ 9.2	\$ 10.5
ATWOOD FALCON	7.0	3.2
VICKSBURG	6.4	2.3
SEAHAWK	5.9	2.1
ATWOOD BEACON	2.9	1.4
ATWOOD HUNTER	2.5	2.8
RICHMOND	2.0	1.9
ATWOOD SOUTHERN CROSS	1.6	2.5
OTHER	0.5	0.7
	-----	-----
	\$ 38.0	\$ 27.4

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

=====

=====

FOR THE YEAR ENDED SEPTEMBER 30, 2003

	CONTRACT DRILLING REVENUES	CONTRACT DRILLING COSTS
	-----	-----
	(In Millions)	
ATWOOD FALCON	\$ 32.4	\$ 18.7
VICKSBURG	25.0	9.3
SEAHAWK	22.8	9.7
ATWOOD EAGLE	19.8	19.4
ATWOOD HUNTER	17.2	12.9
ATWOOD SOUTHERN CROSS	14.5	14.4
RICHMOND	8.3	8.2
ATWOOD BEACON	3.0	1.4
OTHER	1.8	4.5
	-----	-----
	\$ 144.8	\$ 98.5
	=====	=====

EXHIBIT 99.4
ATWOOD OCEANICS, INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED BALANCE SHEETS
(In Thousands)

	SEPTEMBER 30,	
	2003	2002
	(Unaudited)	
	-----	-----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 20,391	\$ 27,055
Other current assets	51,791	44,758
	-----	-----
Total Current Assets	72,182	71,813
NET PROPERTY AND EQUIPMENT	442,659	368,397
DEFERRED COSTS AND OTHER ASSETS	4,805	4,320
	-----	-----
	\$ 519,646	\$ 444,530
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES (includes \$24 million of current maturities of long-term notes payable in 2003)	\$ 40,504	\$ 24,416
LONG-TERM NOTES PAYABLE, net of		

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

current maturities	181,000	115,000
DEFERRED CREDITS	34,757	28,981
SHAREHOLDERS' EQUITY	263,385	276,133
	-----	-----
	\$ 519,646	\$ 444,530
	=====	=====

EXHIBIT 99.5
 ATWOOD OCEANICS, INC. AND SUBSIDIARIES
 CONTRACT STATUS SUMMARY
 AT NOVEMBER 18, 2003

NAME OF RIG -----	LOCATION -----	CUSTOMER -----	CONTRACT STATUS -----
SEMISUBMERSIBLES - -----			
ATWOOD FALCON	MALAYSIA	SARAWAK SHELL ("SHELL")	The rig is currently work program in Malaysia to dr The drilling of this well until mid-December 2003 t completion of its work in be moved to Japan to drill take 100 to 120 days to c
ATWOOD HUNTER	MOBILIZING TO TUNISIA	MP ZARAT	The rig is currently mobi commence a one-well drill around mid-November 2003. expected to take 20 to 25 Future contract opportuni are being pursued in the well as areas outside of
ATWOOD EAGLE	ANGOLA	CNR RANGER (ANGOLA) LIMITED ("CNR")	In early October 2003, t one-well drilling program expected to be completed mid-December 2003. Contr additional work in Angola world are being pursued.
SEAHAWK	MALAYSIA	EXXONMOBIL EXPLORATION & PRODUCTION MALAYSIA INC. ("EMEPMI")	The rig's current contrac 2004, with an option for EMEPMI has the right to t after the completion of t the extension period (whi 2003) with 120 days writt

Edgar Filing: ATWOOD OCEANICS INC - Form 8-K

ATWOOD SOUTHERN CROSS	MOBILIZING TO INDIA	CAIRN ENERGY INDIA PTY. LIMITED ("CAIRN")	The rig is currently being commence, in early December two-options drilling program firm well is expected to and, if the two options are additional 80 days could program. Contract opportu work in India, as well as Asia are being pursued.
SEASCOUT	UNITED STATES GULF OF MEXICO		The SEASCOUT was purchased future conversion to a rig to the SEAHAWK, once an opportunity is secured. coldstacked.
CANTILEVER JACK-UPS - ----- VICKSBURG	MALAYSIA	EXXONMOBIL EXPLORATION & PRODUCTION MALAYSIA INC. ("EMEPMI")	In October 2002, the rig drilling program (with an additional year), with EM terminate the drilling pro at least 120 days notice
ATWOOD BEACON	MALAYSIA	MURPHY SARAWAK OIL COMPANY, LTD. ("MURPHY")	In early August 2003, the under a contract with Mur the drilling of three fir drill five additional wel Malaysia. Murphy has now extend the contract for t wells. It should take un to complete the drilling Contract opportunities fo following completion of t being pursued in Malaysia outside of Malaysia.
SUBMERSIBLE - ----- RICHMOND	UNITED STATES GULF OF MEXICO	UNION OIL COMPANY OF CALIFORNIA ("UNOCAL")	In September 2003, the ri plus one option well cont has exercised the option awarded the rig two more providing for a total of under the contract. It s February 2004 to complete wells.
MODULAR PLATFORMS - ----- GOODWYN 'A' / NORTH RANKIN 'A'	AUSTRALIA	WOODSIDE ENERGY LTD.	There is currently an ind drilling activity for the

managed by the Company.
in maintenance of the two
programs.