

GLOBAL INDUSTRIES LTD
Form 8-K
August 04, 2005

UNITED STATES

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 REPORT (DATE OF EARLIEST EVENT REPORTED): June 30, 2005

GLOBAL INDUSTRIES, LTD.

(Exact name of registrant as specified in its charter)

| | | |
|---|-----------------------------|---|
| Louisiana | 2-56600 | 72-1212563 |
| (State or other jurisdiction of incorporation or organization) | (Commission File Number) | (I.R.S. Employer Identification No.0029) |
| 8000 Global Drive | | 70665 |
| P.O. Box 442, Sulphur, LA | | 70664-0442 (Zip code) |

(Address of principal executive offices)

Registrant's telephone number, including area code: **(337) 583-5000**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On August 3, 2005, Global Industries, Ltd. issued a press release announcing its operating results for the second quarter and six months ended June 30, 2005, a copy of which is attached as Exhibit 99.1 to this Report and incorporated by reference into this Item 2.02.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

- (a) Financial statements of businesses acquired.
Not applicable.
- (b) Pro forma financial information.
Not applicable.
- (c) Exhibits.
99.1 Global Industries, Ltd. press release dated August 3 2005.

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.

GLOBAL INDUSTRIES, LTD.

Date: August 3, 2005

By: /s/ TIMOTHY W. MICIOTTO

Name: Timothy W. Miciotto
Title: Senior Vice President/CFO

EXHIBIT INDEX

| <u>EXHIBIT NUMBER</u> | <u>EXHIBIT DESCRIPTION</u> |
|-----------------------|------------------------------------|
| 99.1 | Press Release dated August 3, 2005 |

PRESS RELEASE

For Immediate Release
Contact: William Doré Jr.
Tel: 281.529.7979

080305.01

Global Industries, Ltd. Announces Operating Results for the Second Quarter and Six Months Ended June 30, 2005

Carlyss, Louisiana, (August 3, 2005) **Global Industries, Ltd.** (NASDAQ: **GLBL**) announced results for the quarter ended June 30, 2005. Revenues were \$209.4 million for the second quarter of 2005, an improvement of \$127.1 million, or 154%, over the same period a year ago. Gross profit was \$37.5 million for the quarter, an improvement of \$36.6 million compared to last year's second quarter. Income from continuing operations, net of taxes, increased \$21.9 million to \$12.4 million, or \$0.11 per diluted share, for the second quarter, as compared to a loss of \$9.5 million or (\$0.09) per diluted share for the same period last year. The Company reported diluted earnings per share, including discontinued operations, of \$0.11 for the second quarter of 2005 compared to a loss per share of (\$0.09) for the comparable period in 2004.

Included in the second quarter 2005 income from continuing operations is approximately \$2.5 million or \$0.02 per diluted share, related to the gain on the disposition of one cargo barge and two other assets. Second quarter 2005 income from continuing operations, net of taxes, was reduced by losses on two projects in our Latin America segment of approximately \$5.6 million or (\$0.05) per diluted share and a \$2.5 million charge, or (\$0.02) per diluted share, related to penalties and fees associated with an unfavorable 1999 income tax audit assessment in our Latin America segment.

Revenues for the six months ended June 30, 2005 increased \$184.9 million, or 114%, to \$346.6 million from the same period last year. Gross profit was \$61.8 million for the six months, an improvement of \$57.8 million compared to the first six months of last year. Income from continuing operations, net of taxes, was \$19.8 million, an improvement of \$36.7 million over the comparable period in the prior year. Diluted earnings per share from continuing operations were \$0.17 for the first six months of 2005 compared to a diluted loss per share of (\$0.16) for the same period last year. Earnings per diluted share from discontinued operations were \$0.00 compared to a diluted loss per share of (\$0.01) for the same period last year.

William J. Doré, Global's Chairman and Chief Executive Officer, said, "I am pleased to announce our fourth consecutive quarter of positive earnings and our highest level of second quarter earnings since 1998. Although our OCD Latin America segment margins were lower than anticipated for the second quarter 2005, our earnings for the quarter increased substantially compared to the same period last year. Positively impacting our results were continued Hurricane Ivan repair work in our Gulf of Mexico segments and increased activity in our Asia Pacific and Middle East OCD segments. During the second quarter, we booked \$286.0 million of new work resulting in a June 30, 2005 backlog of \$436.0 million, the largest backlog in the Company's history, as compared to a backlog of \$277.1 million at the end of the same period last year."

A conference call will be held at 10:00 a.m. Central Daylight Saving Time on Thursday, August 4, 2005. Anyone wishing to listen to the conference call may dial 888.790.9477 or 210.234.9633 and ask for the "Global Second Quarter Earnings" call. Phone lines will open fifteen minutes prior to the start of the call. The call will also be webcast in real time on the Company's website at www.globalind.com, where it will also be archived for anytime reference until August 18, 2005.

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All individuals listening to the conference call or the replay are reminded that all conference call material is copyrighted by Global and cannot be recorded or rebroadcast without Global's express written consent.

Global Industries provides pipeline construction, platform installation and removal, diving services, and other marine support to the oil and gas industry in the Gulf of Mexico, West Africa, Asia Pacific, the Mediterranean, Middle East/India, South America, and Mexico's Bay of Campeche. The Company's shares are traded on The NASDAQ National Market under the symbol "GLBL."

This press release may contain forward-looking information based on current information and expectations of the Company that involve a number of risks, uncertainties, and assumptions. Among the factors that could cause the actual results to differ materially are: industry conditions, prices of crude oil and natural gas, the Company's ability to obtain and the timing of new projects, and changes in competitive factors. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual outcomes could vary materially from those indicated.

Set forth are the Company's results of operations and selected balance sheet amounts for the periods indicated

(In thousands, except per share amounts)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|------------|------------------------------|-------------|
| | 2005 | 2004 | 2005 | 2004 |
| Results of Operations | | | | |
| Revenues | \$ 209,359 | \$ 82,335 | \$ 346,615 | \$ 161,727 |
| Cost of Operations | 171,825 | 81,442 | 284,784 | 157,744 |
| Gross Profit | 37,534 | 893 | 61,831 | 3,983 |
| Net (Gain) Loss on Asset Disposal | (2,503) | 60 | (2,615) | 53 |
| Selling, General and Administrative Expenses | 14,393 | 10,132 | 24,675 | 19,695 |
| Operating Income (Loss) | 25,644 | (9,299) | 39,771 | (15,765) |
| Other Expense (Income): | | | | |
| Interest Expense | 2,480 | 3,095 | 4,864 | 6,608 |
| Other | (817) | 814 | (1,546) | 958 |
| Income (Loss) From Continuing Operations | | | | |
| Before Income Taxes | 23,981 | (13,208) | 36,453 | (23,331) |
| Income Taxes (Benefit) | 11,628 | (3,685) | 16,604 | (6,421) |
| Income (Loss) From Continuing Operations, Net of Taxes | 12,353 | (9,523) | 19,849 | (16,910) |
| Loss From Discontinued Operations, Net of Taxes | -- | (109) | -- | (1,060) |
| Net Income (Loss) | \$ 12,353 | \$ (9,632) | \$ 19,849 | \$ (17,970) |
| Basic Earnings Per Common Share: | | | | |
| Earnings (Loss) From Continuing Operations | \$ 0.11 | \$ (0.09) | \$ 0.18 | \$ (0.16) |
| Loss From Discontinued Operations | -- | (0.00) | -- | (0.01) |
| Basic Earnings (Loss) Per Share | \$ 0.11 | \$ (0.09) | \$ 0.18 | \$ (0.17) |

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Diluted Earnings Per Common Share:

| | | | | | | | | |
|--|----|------|----|--------|----|------|----|--------|
| Earnings (Loss) From Continuing Operations | \$ | 0.11 | \$ | (0.09) | \$ | 0.17 | \$ | (0.16) |
| Loss From Discontinued Operations | | -- | | (0.00) | | -- | | (0.01) |
| Diluted Earnings (Loss) Per Share | \$ | 0.11 | \$ | (0.09) | \$ | 0.17 | \$ | (0.17) |

Weighted Average Common Shares

Outstanding:

| | | | | |
|---------|-------------|-------------|-------------|-------------|
| Basic | 112,512,000 | 110,996,000 | 112,557,000 | 106,338,000 |
| Diluted | 115,346,000 | 110,996,000 | 114,911,000 | 106,338,000 |

Other Data

| | | | | | | | | |
|-----------------------------------|----|--------|----|---------|----|---------|----|---------|
| Depreciation and Amortization | \$ | 13,634 | \$ | 9,191 | \$ | 25,208 | \$ | 17,907 |
| Deferred Income Taxes (Benefit) | | 8,037 | | (3,105) | | 12,310 | | (9,475) |
| Backlog at June 30, 2005 and 2004 | | | | | | 435,998 | | 277,109 |

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Set forth are the Company's results of operations for the periods indicated

(In thousands)

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|------|------------------|------|
| | June 30 | | June 30 | |
| | 2005 | 2004 | 2005 | 2004 |

Reportable Segments

Total Segment Revenues

Offshore Construction Division

| | | | | |
|----------------|---------|-----------|-----------|-----------|
| Gulf of Mexico | \$ | \$ 13,271 | \$ 45,990 | \$ 26,154 |
| | 22,671 | | | |
| West Africa | | 1,508 | 9,320 | 17,083 |
| | 5,802 | | | |
| Latin America | | 31,702 | 162,461 | 60,065 |
| | 96,706 | | | |
| Asia Pacific | | 23,913 | 58,919 | 38,137 |
| | 48,548 | | | |
| Middle East | | 177 | 27,107 | 182 |
| | 14,307 | | | |
| Subtotal | | 70,571 | 303,797 | 141,621 |
| | 188,034 | | | |

Global Divers and Marine Contractors

| | | | | |
|----------------|--------|--------|--------|--------|
| Gulf of Mexico | | 10,431 | 23,697 | 15,049 |
| | 10,177 | | | |
| West Africa | | -- | 245 | 525 |
| | 185 | | | |
| Latin America | | 1,829 | 13,555 | 3,761 |
| | 8,139 | | | |
| Middle East | | 5,643 | 32,303 | 11,674 |
| | 16,752 | | | |
| Subtotal | | 17,903 | 69,800 | 31,009 |
| | 35,253 | | | |

| | | | | |
|-------|---------|-----------|------------|------------|
| Total | \$ | \$ 88,474 | \$ 373,597 | \$ 172,630 |
| | 223,287 | | | |

| | | | | |
|--|----------|-----------|------------|------------|
| Intersegment elimination | | (6,139) | (26,982) | (10,903) |
| | (13,928) | | | |
| Total segment revenues from external customers | \$ | \$ 82,335 | \$ 346,615 | \$ 161,727 |
| | 209,359 | | | |

Income (Loss) from Continuing Operations

Before Income Taxes

Offshore Construction Division

| | | | | | |
|----------------|---------|----------|------------|-----------|-------------|
| Gulf of Mexico | \$ | \$ 6,755 | \$ (6,602) | \$ 16,676 | \$ (17,477) |
| West Africa | (3,525) | (4,347) | (7,659) | 1,550 | |
| Latin America | (2,458) | 975 | (1,806) | 4,502 | |
| Asia Pacific | 6,497 | (574) | (1,088) | (6,688) | |
| Middle East | 5,779 | (3,008) | 7,761 | (5,741) | |
| Subtotal | 13,048 | (13,556) | 13,884 | (23,854) | |

Global Divers and Marine Contractors

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| | | | | |
|----------------|--------|----------|--------|----------------|
| Gulf of Mexico | 3,562 | (830) | 8,391 | (2,674) |
| West Africa | 66 | (74) | 84 | (53) |
| Latin America | 1,632 | 584 | 3,456 | 895 |
| Middle East | 5,366 | 1,520 | 9,893 | 3,073 |
| Subtotal | 10,626 | 1,200 | 21,824 | |
| Other | 307 | (852) | 745 | 1,241 (718) |
| Total | 23,981 | (13,208) | 36,453 | (23,331) |

| Selected Balance Sheet Amounts | As of | |
|----------------------------------|---------------|-------------------|
| | June 30, 2005 | December 31, 2004 |
| Cash | \$ 101,492 | \$ 143,161 |
| Working Capital (including cash) | 196,392 | 152,202 |
| Total Assets | 787,393 | 704,787 |
| Debt | 79,200 | 81,180 |
| Shareholders' Equity | 474,253 | 450,728 |