

ATWOOD OCEANICS INC
Form 10-Q
August 01, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934
FOR QUARTERLY PERIOD ENDED June 30, 2014
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934
COMMISSION FILE NUMBER 1-13167

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

TEXAS 74-1611874
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

15011 Katy Freeway, Suite 800 77094
Houston, Texas (Zip Code)
(Address of principal executive offices)
281-749-7800
(Registrant's telephone number, including area code)

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, and (2) has been subject to such filings requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of July 31, 2014:
64,343,000 shares of common stock, \$1.00 par value

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PART I. FINANCIAL INFORMATION

ITEM I. FINANCIAL STATEMENTS

Atwood Oceanics, Inc. and Subsidiaries

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share amounts)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2014	2013	2014	2013
REVENUES:				
Contract drilling	\$264,925	\$261,489	\$798,544	\$738,604
Revenues related to reimbursable expenses	27,852	11,199	52,036	32,338
Total revenues	\$292,777	\$272,688	\$850,580	\$770,942
COSTS AND EXPENSES:				
Contract drilling	128,586	109,502	388,715	314,001
Reimbursable expenses	23,493	8,461	41,095	23,351
Depreciation	37,601	30,352	107,376	86,412
General and administrative	12,844	13,663	47,688	44,152
(Gain)/loss on sale of equipment	7	—	(34,072) —
Other, net	(212) (55) (1,815) (68
	202,319	161,923	548,987	467,848
OPERATING INCOME	\$90,458	\$110,765	\$301,593	\$303,094
OTHER INCOME (EXPENSE):				
Interest expense, net of capitalized interest	(11,219) (5,692) (30,932) (16,647
Interest income	126	57	247	202
	(11,093) (5,635) (30,685) (16,445
INCOME BEFORE INCOME TAXES	79,365	105,130	270,908	286,649
PROVISION FOR INCOME TAXES	7,440	15,149	42,286	38,318
NET INCOME	\$71,925	\$89,981	\$228,622	\$248,331
EARNINGS PER COMMON SHARE (NOTE 2):				
Basic	\$1.12	\$1.38	\$3.56	\$3.79
Diluted	\$1.11	\$1.37	\$3.52	\$3.75
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (NOTE 2):				
Basic	64,309	65,062	64,204	65,441
Diluted	65,060	65,858	65,023	66,180

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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Atwood Oceanics, Inc. and Subsidiaries

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2014	2013	2014	2013
Net income	\$71,925	\$89,981	\$228,622	\$248,331
Other comprehensive gains (losses), net of tax:				
Derivative financial instruments:				