

ATWOOD OCEANICS INC
Form 10-Q
August 02, 2013

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, 2013

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 incorporation or organization)	(I.R.S. Employer Identification No.)

15835 Park Ten Place Drive Houston, Texas	77084
(Address of principal executive offices)	(Zip Code)

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

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, 2013:
63,963,904 shares of common stock, \$1.00 par value

Table of Contents

ATWOOD OCEANICS, INC.
 FORM 10-Q
 For the Quarter Ended June 30, 2013
 INDEX

Part I. Financial Information

Item 1.	<u>Unaudited Condensed Consolidated Financial Statements</u>	Page
a)	<u>Unaudited Condensed Consolidated Statements of Operations for the Three and Nine Months ended June 30, 2013 and 2012</u>	<u>3</u>
b)	<u>Unaudited Condensed Consolidated Statements of Comprehensive Income for the Three and Nine Months Ended June 30, 2013 and 2012</u>	<u>4</u>
c)	<u>Unaudited Condensed Consolidated Balance Sheets as of June 30, 2013 and September 30, 2012</u>	<u>5</u>
d)	<u>Unaudited Condensed Consolidated Statement of Changes in Shareholders' Equity for the Nine Months Ended June 30, 2013</u>	<u>6</u>
e)	<u>Unaudited Condensed Consolidated Statements of Cash Flows for the Nine Months Ended June 30, 2013 and 2012</u>	<u>7</u>
f)	<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	<u>8</u>
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>15</u>
Item 3.	<u>Quantitative and Qualitative Disclosures about Market Risk</u>	<u>24</u>
Item 4.	<u>Controls and Procedures</u>	<u>25</u>

Part II. Other Information

Item 1.	<u>Legal Proceedings</u>	<u>26</u>
Item 1A.	<u>Risk Factors</u>	<u>26</u>
Item 6.	<u>Exhibits</u>	<u>26</u>
	<u>Signatures</u>	<u>27</u>

Table of Contents

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,	
	2013	2012	2013	2012
REVENUES:				
Contract drilling	\$272,688	\$178,603	\$770,942	\$534,896
COSTS AND EXPENSES:				
Contract drilling	117,963	87,374	337,352	245,060
Depreciation	30,352	15,650	86,412	46,419
General and administrative	13,663	11,856	44,152	37,502
Other, net	(55	) 274	(68	) 1,137
	161,923	115,154	467,848	330,118
OPERATING INCOME	\$110,765	\$63,449	\$303,094	\$204,778
OTHER INCOME (EXPENSE):				
Interest expense, net of capitalized interest	(5,692	) (1,517	) (16,647	) (1,623
Interest income	57	58	202	258
	(5,635	) (1,459	) (16,445	) (1,365
INCOME BEFORE INCOME TAXES	105,130	61,990	286,649	203,413
PROVISION FOR INCOME TAXES	15,149	10,279	38,318	26,768
NET INCOME	\$89,981	\$51,711	\$248,331	\$176,645
EARNINGS PER COMMON SHARE (NOTE 2):				
Basic	\$1.38	\$0.79	\$3.79	\$2.71
Diluted	\$1.37	\$0.79	\$3.75	\$2.69
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING (NOTE 2):				
Basic	65,062	65,362	65,441	65,221
Diluted	65,858	65,823	66,180	65,715

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

Table of Contents

Atwood Oceanics, Inc. and Subsidiaries

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)	Three Months Ended June 30,		Nine Months Ended June 30,	
	2013	2012	2013	2012
Net income	\$89,981	\$51,711	\$248,331	\$176,645
Other comprehensive gains (losses), net of tax:				
Interest rate swaps :				
Unrealized holding gain (loss)	51	(822	) 3	(2,316
Reclassification adjustment for loss included in net income	441	266	1,316	1,200
Total other comprehensive gain (loss)	492	(556	) 1,319	(1,116