

PARKER DRILLING CO /DE/

Form 10-K/A

March 22, 2004

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K/A

(Amendment No. 1)

(MARK ONE)

- þ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003

- o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 1-7573

PARKER DRILLING COMPANY

(Exact name of registrant as specified in its charter)

Delaware 73-0618660

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

1401 Enclave Parkway, Suite 600, Houston, Texas 77077

(Address of principal executive offices) (Zip code)

Registrant s telephone number, including area code: (281) 406-2000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange on which registered:

Common Stock, par value \$0.16 2/3 per
share

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

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 (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the agreement is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes No

The aggregate market value of our common stock held by non-affiliates on June 30, 2003 was \$258.9 million. At January 31, 2004, there were 94,176,081 shares of common stock issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of our definitive proxy statement for the 2004 annual meeting of shareholders are incorporated by reference in Part III.

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Cert. of President & CEO Pursuant to Section 302

Cert. of Senior VP & CFO Pursuant to Section 302

Cert. of President & CEO Pursuant to Section 906

Cert. of Senior VP & CFO Pursuant to Section 906

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Explanatory Note

This Amendment No. 1 to the Annual Report on Form 10-K of Parker Drilling Company (the Form 10-K) for the fiscal year ended December 31, 2003 is being filed solely to add basic and diluted earnings (loss) per share to Item 6 of the original Form 10-K filed with the Securities and Exchange Commission on March 12, 2004. In addition, we have included as exhibits to this Amendment No. 1 to the Form 10-K currently dated certifications pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act of 2002. The remainder of the Form 10-K is unchanged and is not reproduced in this Amendment No. 1.

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ITEM 6. *SELECTED FINANCIAL DATA*

The following table presents selected historical consolidated financial data derived from the audited financial statements of Parker Drilling for each of the five years in the period ended December 31, 2003. In 2003, our board of directors approved a plan to sell our non-core assets, which, as of December 31, 2003, includes our Latin America assets, consisting of 16 land rigs and related inventory and spare parts, and our U.S. offshore assets, consisting of six jackup and four platform rigs. The two operations that constitute this plan of disposition meet the requirements of discontinued operations under the provisions of SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. Accordingly, our consolidated financial statements for each of the five years in the period ended December 31, 2003 have been reclassified to present our Latin America operations and our U.S. jackup and platform drilling operations as discontinued operations and net gain on disposition of assets for continuing operations have been reclassified as part of total operating income. The financial data for the year ended December 31, 2000 has also been reclassified to reflect the adoption of SFAS No. 145, Rescission of FASB Statements No. 4, No. 44, and No. 64, Amendment of FASB Statement No. 13, and Technical Corrections, which resulted in the reclassification of the extraordinary gain on early extinguishment of debt to other income and the related deferred taxes to income tax expense.

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The following financial data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the financial statements and related notes appearing elsewhere in this Form 10-K.

| | Year Ended December 31, | | | | |
|--|--------------------------------|-----------------|-----------------|-----------------|-----------------|
| | 2003 | 2002 (1) | 2001 (1) | 2000 (1) | 1999 (1) |
| Statement of Operations Data | (Dollars in Thousands) | | | | |
| Drilling and rental revenues: | | | | | |
| U.S. drilling | \$ 67,449 | \$ 78,330 | \$ 118,998 | \$ 89,121 | \$ 77,518 |
| International drilling | 191,698 | 216,991 | 210,427 | 143,858 | 114,135 |
| Rental tools | 54,637 | 47,510 | 65,629 | 42,833 | 27,656 |
| | <u>313,784</u> | <u>342,831</u> | <u>395,054</u> | <u>275,812</u> | <u>219,309</u> |
| Total drilling and rental revenues | | | | | |
| | <u>313,784</u> | <u>342,831</u> | <u>395,054</u> | <u>275,812</u> | <u>219,309</u> |
| Total drilling and rental operating expenses | 271,695 | 284,988 | 305,330 | 241,521 | 208,983 |
| | <u>271,695</u> | <u>284,988</u> | <u>305,330</u> | <u>241,521</u> | <u>208,983</u> |
| Drilling and rental operating income | 42,089 | 57,843 | 89,724 | 34,291 | 10,326 |
| Net construction contract operating income | 2,000 | 2,462 | | | |
| General and administration expense | 19,256 | 24,728 | 21,721 | 20,392 | 16,312 |
| Provision for reduction in carrying value of certain assets and reorganization expense | 6,028 | 1,140 | 7,500 | 7,805 | 11,005 |
| Gain on disposition of assets, net | 3,557 | 2,997 | 1,757 | 22,398 | 37,945 |
| | <u>22,362</u> | <u>37,434</u> | <u>62,260</u> | <u>28,492</u> | <u>20,954</u> |
| Total operating income | | | | | |
| | <u>22,362</u> | <u>37,434</u> | <u>62,260</u> | <u>28,492</u> | <u>20,954</u> |
| Other income and (expense): | | | | | |
| Interest expense | (53,790) | (52,409) | (53,015) | (57,036) | (55,928) |
| Other | (3,638) | (3,140) | 3,169 | 12,068 | 3,798 |
| | <u>(57,428)</u> | <u>(55,549)</u> | <u>(49,846)</u> | <u>(44,968)</u> | <u>(52,130)</u> |
| Total other income and (expense) | | | | | |
| | <u>(57,428)</u> | <u>(55,549)</u> | <u>(49,846)</u> | <u>(44,968)</u> | <u>(52,130)</u> |
| Income (loss) before income taxes | (35,066) | (18,115) | 12,414 | (16,476) | (31,176) |
| Income tax expense (benefit) | 16,703 | (2,836) | 11,429 | (218) | (2,760) |
| | <u>(18,363)</u> | <u>(20,951)</u> | <u>23,843</u> | <u>(16,694)</u> | <u>(33,936)</u> |

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| | | | | | |
|---|----------|----------|--------|----------|----------|
| Income (loss) from continuing operations | (51,769) | (15,279) | 985 | (16,258) | (28,416) |
| Discontinued operations, net of taxes | (57,930) | (25,631) | 10,074 | (2,787) | (9,481) |
| Cumulative effect of change in accounting principle | | (73,144) | | | |

| | | | | | |
|-------------------|---------------------|---------------------|------------------|--------------------|--------------------|
| Net income (loss) | <u>\$ (109,699)</u> | <u>\$ (114,054)</u> | <u>\$ 11,059</u> | <u>\$ (19,045)</u> | <u>\$ (37,897)</u> |
|-------------------|---------------------|---------------------|------------------|--------------------|--------------------|

Basic and diluted earnings (loss) per share:

| | | | | | |
|--|-----------|-----------|---------|-----------|-----------|
| Income (loss) from continuing operations | \$ (0.55) | \$ (0.16) | \$ 0.01 | \$ (0.20) | \$ (0.37) |
| Net income (loss) | \$ (1.17) | \$ (1.23) | \$ 0.12 | \$ (0.23) | \$ (0.49) |

Balance Sheet Data

| | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|
| Cash and cash equivalents | \$ 67,765 | \$ 51,982 | \$ 60,400 | \$ 62,480 | \$ 45,501 |
| Property, plant and equipment, net | 387,664 | 641,278 | 695,529 | 663,525 | 661,402 |
| Assets held for sale | 150,370 | 896 | 1,800 | 6,860 | 17,063 |
| Total assets | 847,632 | 953,325 | 1,105,777 | 1,107,419 | 1,082,743 |
| Total long-term debt and capital leases, including current portion | 571,625 | 589,930 | 592,172 | 597,627 | 653,631 |
| Stockholders equity | 192,803 | 300,626 | 412,143 | 399,163 | 329,421 |

- (1) During the first quarter of 2003, the Company determined that pursuant to the provisions of EITF No. 01-14, Income Statement Characterization of Reimbursements Received for Out-of-Pocket Expenses Incurred, amounts received as reimbursements should have been reported as revenues, with the corresponding amounts reported as operating expenses. In prior years, the Company netted the reimbursement with the cost in the statement of operations. Accordingly, the Company has revised its previously issued statement of operations to reflect this new presentation. The effect of making this change was an increase in both total drilling and rental revenues and total drilling and rental operating expenses for continuing operations of \$32.6 million, \$37.6 million, \$20.8 million and \$8.1 million for the years ended December 31, 2002, 2001, 2000 and 1999, respectively, and \$4.9 million, \$7.1 million, \$9.7 million and \$10.4 million for discontinued operations for the years ended December 31, 2002, 2001, 2000 and 1999, respectively. This revision has no effect on total operating income, net income, cash flows or any balance sheet amount presented.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Amendment No. 1 to Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

PARKER DRILLING COMPANY

By /s/ Robert L. Parker Jr.

Robert L. Parker Jr.
President and Chief Executive Officer and Director

Date: March 19, 2004

INDEX TO EXHIBITS

| <u>EXHIBIT NUMBER</u> | <u>DESCRIPTION</u> |
|------------------------------|--|
| 31.1 | - Robert L. Parker Jr., President and Chief Executive Officer, Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | - James W. Whalen, Senior Vice President and Chief Financial Officer, Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | - Robert L. Parker Jr., President and Chief Executive Officer, Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | - James W. Whalen, Senior Vice President and Chief Financial Officer, Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |