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): January 15, 2004

ROWAN COMPANIES, INC.

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation)

<u>1-5491</u> (Commission file Number) 75-0759420 (IRS Employer Identification No.)

2800 Post Oak Boulevard
Suite 5450
Houston, Texas 77056-6127
(Address of principal executive office, including zip code)

(713) 621-7800 (Registrant s telephone number, including area code)

Item 7. Financial Statements and Exhibits

(c) Exhibits

| Exhibit Number | Exhibit Description |
|-------------------|---|
| 99 | Press release of Rowan Companies, Inc. dated January 15, 2004 |

Item 9. Regulation FD Disclosure (information provided under Item 12 Results of Operations and Financial Condition).

The following information is disclosed pursuant to Item 12 Results of Operations and Financial Condition. It is being furnished under Item 9 of this Form 8-K in accordance with the interim guidance provided in SEC Release No. 33-8216.

On January 15, 2004, Rowan Companies, Inc. issued a press release announcing its results for the fourth quarter of 2003. The press release is attached as Exhibit 99.

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.

ROWAN COMPANIES, INC.

Date: January 15, 2004 By: /s/ E. E. THIELE

E. E. THIELE

Senior Vice President - Administration and Finance and Principal Financial Officer

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INDEX TO EXHIBITS

EXHIBIT DESCRIPTION

| Number | Exhibit Description | |
|--------|---|-----------|
| 99 | Press release of Rowan Companies, Inc. dated January 15, 2004 | |
| | | |
| | | |
| | | Exhibit 9 |

Rowan Companies, Inc.

News Release

Exhibit

2800 Post Oak Boulevard, Suite 5450

Houston, Texas 77056 (713) 621-7800

FOR IMMEDIATE RELEASE

January 15, 2004

HOUSTON, TEXAS -- Rowan reports improved operating results .

For the three months ended December 31, 2003, Rowan Companies, Inc. (RDC-NYSE) generated net income of \$4.4 million, or \$.05 per share, on revenues of \$195.8 million, compared to a net loss of \$2.8 million, or \$.03 per share, on revenues of \$146.8 million in the fourth quarter of 2002.

For the year ended December 31, 2003, Rowan incurred a net loss of \$7.8 million, or \$.08 per share, compared to net income of \$86.3 million, or \$.90 per share, in 2002. The prior year results included net proceeds from the settlement of the Gorilla V contract dispute, which increased net income by approximately \$102 million, or \$1.07 per share. Excluding the effects of the settlement, the Company s 2002 results would have been a net loss of approximately \$16 million, or \$.17 per share.

Rowan s offshore rig utilization was 92% during the fourth quarter of 2003, versus 94% in the third quarter and 88% in the year-earlier period, and our average Gulf of Mexico day rate of \$42,400 increased by

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\$3,300, or 9%, from the third quarter and by \$6,900, or 19%, from the year-earlier period. Land rig utilization was 80% during the fourth quarter of 2003, versus 68% in the year-earlier period, and our average land rig day rate of \$11,200 increased by \$200, or 2%, from the third quarter and by \$1,700, or 18%, from the year-earlier period.

Danny McNease, President and Chief Executive Officer, commented, "Our drilling operations finished 2003 strongly, with revenues, utilization and average day rates in December at or near highs for the year. We are optimistic that 2004 will continue this trend and are confident that Rowan rigs will continue to lead deep-shelf drilling efforts in the ever-tightening Gulf of Mexico market.

"Our optimism is supported by recent reports of declining domestic natural gas production and increased estimates of deep-shelf gas reserves. With continuing high oil and natural gas prices, drilling activity should increase. A recent survey of independent operators indicated that 2004 exploration and production activities will exceed 2003 levels by nearly 25%.

"We will continue to pursue increasing opportunities for our Gorilla class rigs in harsh environments throughout the world. Our manufacturing operations generated record revenues during the fourth quarter and our backlog is at \$40 million, more than double the prior-year level."

(CONTINUED)

Rowan Companies, Inc. is a major provider of international and domestic offshore contract drilling and aviation services. The Company also operates a mini-steel mill, a manufacturing facility that produces heavy equipment for the mining, timber and transportation industries, and a drilling products division that has designed or built about one-third of all mobile offshore jack-up drilling rigs, including all 23 operated by the Company. The Company s stock is traded on the New York Stock Exchange and the Pacific Stock Exchange. Common Stock trading symbol: RDC. Contact: William C. Provine, Vice-President Investor Relations, 713-960-7575. Website: www.rowancompanies.com

This report contains forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, statements as to the expectations, beliefs and future expected financial performance of the Company that are based on current expectations and are subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those projected by the Company. Among the factors that could cause actual results to differ materially include oil and natural gas prices, the level of offshore expenditures by energy companies, energy demand, the general economy, including inflation, weather conditions in the Company s principal operating areas and environmental and other laws and regulations. Other relevant factors have been disclosed in the Company s filings with the U.S. Securities and Exchange Commission.

ROWAN COMPANIES, INC. CONDENSED CONSOLIDATED BALANCE SHEET

Unaudited (In Thousands)

| investments \$ 58,227 \$ 178,756 Accounts receivable 135,538 109,320 Inventories 181,037 162,960 Other current assets 69,422 18,866 Total current assets 444,224 469,902 Property, plant and equipment - net 1,728,219 1,567,144 Other assets 18,568 17,458 TOTAL \$ 2,191,011 \$ 2,054,504 LIABILITIES AND STOCKHOLDERS' EQUITY STOCKHOLDERS' EQUITY Current maturities of long-term debt \$ 55,267 \$ 42,458 Other current liabilities 95,098 73,517 Total current liabilities 150,365 115,975 Long-term debt 569,067 512,844 Other liabilities 335,264 293,908 Stockholders' equity 1,136,315 1,131,777 | | DECEMBER 31 | | | |
|--|---------------------------|-------------|-----------|----|-----------|
| Cash and short-term investments \$ 58,227 \$ 178,756 Accounts receivable 135,538 109,320 Inventories 181,037 162,960 Other current assets 69,422 18,866 Total current assets 444,224 469,902 Property, plant and equipment - net 1,728,219 1,567,144 Other assets 18,568 17,458 TOTAL \$ 2,191,011 \$ 2,054,504 LIABILITIES AND STOCKHOLDERS' EQUITY STOCKHOLDERS' A 2,054,504 Current maturities of long-term debt \$ 55,267 \$ 42,458 Other current liabilities 95,098 73,517 Total current liabilities 150,365 115,975 Long-term debt 569,067 512,844 Other liabilities 335,264 293,908 Stockholders' equity 1,136,315 1,131,777 | | _ | 2003 | | 2002 |
| Cash and short-term investments \$ 58,227 \$ 178,756 Accounts receivable 135,538 109,320 Inventories 181,037 162,960 Other current assets 69,422 18,866 Total current assets 444,224 469,902 Property, plant and equipment - net 1,728,219 1,567,144 Other assets 18,568 17,458 TOTAL \$ 2,191,011 \$ 2,054,504 LIABILITIES AND STOCKHOLDERS' EQUITY STOCKHOLDERS' EQUITY Current maturities of long-term debt \$ 55,267 \$ 42,458 Other current liabilities 95,098 73,517 Total current liabilities 150,365 115,975 Long-term debt 569,067 512,844 Other liabilities 335,264 293,908 Stockholders' equity 1,136,315 1,131,777 | ASSETS | | | | |
| investments \$ 58,227 \$ 178,756 Accounts receivable 135,538 109,320 Inventories 181,037 162,960 Other current assets 69,422 18,866 Total current assets 444,224 469,902 Property, plant and equipment - net 1,728,219 1,567,144 Other assets 18,568 17,458 TOTAL \$ 2,191,011 \$ 2,054,504 LIABILITIES AND STOCKHOLDERS' EQUITY STOCKHOLDERS' EQUITY Current maturities of long-term debt \$ 55,267 \$ 42,458 Other current liabilities 95,098 73,517 Total current liabilities 150,365 115,975 Long-term debt 569,067 512,844 Other liabilities 335,264 293,908 Stockholders' equity 1,136,315 1,131,777 | 100210 | | | | |
| Accounts receivable 135,538 109,320 Inventories 181,037 162,960 Other current assets 69,422 18,866 Total current assets 444,224 469,902 Property, plant and equipment - net 1,728,219 1,567,144 Other assets 18,568 17,458 TOTAL \$2,191,011 \$2,054,504 LIABILITIES AND STOCKHOLDERS' EQUITY Current maturities of long-term debt \$55,267 \$42,458 Other current liabilities 95,098 73,517 Total current liabilities 150,365 115,975 Long-term debt 569,067 512,844 Other liabilities 335,264 293,908 Stockholders' equity 1,136,315 1,131,777 | Cash and short-term | | | | |
| Inventories | investments | \$ | | \$ | |
| Other current assets 69,422 18,866 Total current assets 444,224 469,902 Property, plant and equipment - net 1,728,219 1,567,144 Other assets 18,568 17,458 TOTAL \$ 2,191,011 \$ 2,054,504 LIABILITIES AND STOCKHOLDERS' EQUITY STOCKHOLDERS' AUGUSTAND STOCKHOLDERS' STOCKHOLDE | | | | | |
| Total current assets | | | , | | • |
| Property, plant and equipment - net | Other current assets | | 69,422 | | 18,866 |
| Property, plant and equipment - net | Total current assets | | 444,224 | | 469,902 |
| Other assets 18,568 17,458 TOTAL \$ 2,191,011 \$ 2,054,504 LIABILITIES AND STOCKHOLDERS' EQUITY \$ 55,267 \$ 42,458 Current maturities of long-term debt \$ 55,267 \$ 42,458 Other current liabilities 95,098 73,517 Total current liabilities 150,365 115,975 Long-term debt 569,067 512,844 Other liabilities 335,264 293,908 Stockholders' equity 1,136,315 1,131,777 | Property, plant and | | , | | , |
| TOTAL \$ 2,191,011 \$ 2,054,504 LIABILITIES AND STOCKHOLDERS' EQUITY Current maturities of long-term debt \$ 55,267 \$ 42,458 Other current liabilities 95,098 73,517 Total current liabilities 150,365 115,975 Long-term debt 569,067 512,844 Other liabilities 335,264 293,908 Stockholders' equity 1,136,315 1,131,777 | equipment - net | | 1,728,219 | | 1,567,144 |
| LIABILITIES AND STOCKHOLDERS' EQUITY Current maturities of long-term debt \$ 55,267 \$ 42,458 Other current liabilities \$ 95,098 73,517 Total current liabilities \$ 150,365 115,975 Long-term debt \$ 569,067 512,844 Other liabilities \$ 335,264 293,908 Stockholders' equity \$ 1,136,315 1,131,777 | Other assets | | 18,568 | | 17,458 |
| LIABILITIES AND STOCKHOLDERS' EQUITY Current maturities of long-term debt \$ 55,267 \$ 42,458 Other current liabilities \$ 95,098 73,517 Total current liabilities \$ 150,365 115,975 Long-term debt \$ 569,067 512,844 Other liabilities \$ 335,264 293,908 Stockholders' equity \$ 1,136,315 1,131,777 | TOTAL | <u> </u> | 2 101 011 | Ф | 2.054.504 |
| STOCKHOLDERS' EQUITY Current maturities of long-term debt \$ 55,267 \$ 42,458 Other current liabilities 95,098 73,517 Total current liabilities 150,365 115,975 Long-term debt 569,067 512,844 Other liabilities 335,264 293,908 Stockholders' equity 1,136,315 1,131,777 | TOTAL | φ | 2,171,011 | ψ | 2,034,304 |
| STOCKHOLDERS' EQUITY Current maturities of long-term debt \$ 55,267 \$ 42,458 Other current liabilities 95,098 73,517 Total current liabilities 150,365 115,975 Long-term debt 569,067 512,844 Other liabilities 335,264 293,908 Stockholders' equity 1,136,315 1,131,777 | | _ | | | _ |
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| STOCKHOLDERS' EQUITY Current maturities of long-term debt \$ 55,267 \$ 42,458 Other current liabilities 95,098 73,517 Total current liabilities 150,365 115,975 Long-term debt 569,067 512,844 Other liabilities 335,264 293,908 Stockholders' equity 1,136,315 1,131,777 | LIABILITIES AND | | | | |
| EQUITY Current maturities of long-term debt \$ 55,267 \$ 42,458 Other current liabilities \$ 95,098 \$ 73,517 Total current liabilities \$ 150,365 \$ 115,975 Long-term debt \$ 569,067 \$ 512,844 Other liabilities \$ 335,264 \$ 293,908 Stockholders' equity \$ 1,136,315 \$ 1,131,777 | | | | | |
| Current maturities of long-term debt \$ 55,267 \$ 42,458 Other current liabilities 95,098 73,517 Total current liabilities 150,365 115,975 Long-term debt 569,067 512,844 Other liabilities 335,264 293,908 Stockholders' equity 1,136,315 1,131,777 | | | | | |
| long-term debt \$ 55,267 \$ 42,458 Other current liabilities 95,098 73,517 Total current liabilities 150,365 115,975 Long-term debt 569,067 512,844 Other liabilities 335,264 293,908 Stockholders' equity 1,136,315 1,131,777 | | | | | |
| Other current liabilities 95,098 73,517 Total current liabilities 150,365 115,975 Long-term debt 569,067 512,844 Other liabilities 335,264 293,908 Stockholders' equity 1,136,315 1,131,777 | Current maturities of | | | | |
| Total current liabilities 150,365 115,975 Long-term debt 569,067 512,844 Other liabilities 335,264 293,908 Stockholders' equity 1,136,315 1,131,777 | long-term debt | \$ | | \$ | |
| Long-term debt 569,067 512,844 Other liabilities 335,264 293,908 Stockholders' equity 1,136,315 1,131,777 | Other current liabilities | | 95,098 | | 73,517 |
| Long-term debt 569,067 512,844 Other liabilities 335,264 293,908 Stockholders' equity 1,136,315 1,131,777 | | _ | | _ | |
| Other liabilities 335,264 293,908 Stockholders' equity 1,136,315 1,131,777 | | | | | · |
| Stockholders' equity 1,136,315 1,131,777 | | | | | |
| | | | , | | • |
| TOTAL \$ 2,191,011 \$ 2,054,504 | Stockholders' equity | | 1,136,315 | _ | 1,131,777 |
| | TOTAL | \$ | 2,191,011 | \$ | 2,054,504 |

CONSOLIDATED STATEMENT OF OPERATIONS

Unaudited (In Thousands Except Per Share Amounts)

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| | | FOR THE THREE MONTHS ENDED DECEMBER 31 | | | | | THE YEAR DECEMBER 31 | |
|-------------------------------------|----|--|----|-----------------|----|----------|-------------------------|-------------------|
| | | 2003 | | 2002 | | 2003 | | 2002 |
| REVENUES: | | | | | | | | |
| Drilling services | \$ | 123,806 | \$ | 91,794 | \$ | 421,412 | \$ | 357,244 |
| Manufacturing sales and | Ψ | 120,000 | Ψ | 71,771 | Ψ | 121,112 | Ψ | 337,211 |
| services | | 46,448 | | 25,780 | | 133,186 | | 118,120 |
| Aviation services | | 25,496 | | 29,228 | | 124,490 | | 141,894 |
| Aviation services | | 25,470 | | 27,220 | | 124,470 | | 141,004 |
| TOTAL | | 195,750 | | 146,802 | | 679,088 | | 617,258 |
| COCTO AND EXPENSES. | | | | | | | | |
| COSTS AND EXPENSES: | | 07 221 | | 75 601 | | 220 124 | | 204.946 |
| Drilling services | | 87,331 | | 75,684 | | 330,124 | | 304,846 |
| Manufacturing sales and | | 41 711 | | 22.046 | | 122 220 | | 100.042 |
| services | | 41,711 | | 22,946 | | 122,229 | | 109,842 |
| Aviation services | | 25,694 | | 22,605 | | 112,391 | | 112,286 |
| Depreciation and | | 22.070 | | 20.750 | | 07.051 | | 70.001 |
| amortization | | 23,878 | | 20,759 | | 86,851 | | 78,091 |
| General and administrative | | 5,937 | | 5,889 | | 25,357 | | 25,140 |
| TOTAL | | 184,551 | | 147,883 | | 676,952 | | 630,205 |
| INCOME (LOSS) FROM | | | | | | | | |
| OPERATIONS | | 11,199 | | (1,081) | | 2,136 | | (12,947) |
| | | 11,177 | | (1,001) | | | | (12,517) |
| OTHER INCOME | | | | | | | | |
| (EXPENSE): | | | | | | | | |
| Net proceeds from Gorilla | | | | | | | | |
| V settlement | | | | | | | | 157,125 |
| Interest expense | | (5,158) | | (5,166) | | (20,027) | | (20,645) |
| Less interest capitalized | | 685 | | 742 | | 4,142 | | 4,722 |
| Interest income | | 101 | | 839 | | 1,124 | | 4,106 |
| Other - net | | 256 | | 25 | | 673 | | 458 |
| outer net | | | | | | | | .56 |
| OTHER INCOME | | | | | | | | |
| (EXPENSE) - NET | | (4,116) | | (3,560) | | (14,088) | | 145,766 |
| (EXTENSE) THE | _ | (4,110) | | (3,300) | _ | (14,000) | | 145,700 |
| INCOME (LOSS) | | | | | | | | |
| BEFORE INCOME | | | | | | | | |
| TAXES | | | | | | (11.050) | | 122 010 |
| IAALO | | 7 083 | | (4.641) | | (11 057) | | 139 810 |
| Provision (credit) for | | 7,083 | | (4,641) | | (11,952) | | 132,819 |
| Provision (credit) for income taxes | | 7,083 2,638 | | (4,641) (1,817) | | (4,178) | | 132,819 46,541 |

| NET INCOME (LOSS) | | | | | |
|-------------------|-----------|-------------|-------------|----|-------------|
| PER COMMON SHARE: | | | | | |
| Basic | \$.05 | \$ (.03) | \$ (80.) | \$ | .92 |
| | | | | | |
| Diluted | \$.05 | \$ (.03) | \$ (.08) | \$ | .90 |
| | | | | | |
| DILUTED SHARES | 96,044 | 93,573 | 93,820 | | 95,398 |
| | | | | | |
| | | | | (| (CONTINUED) |

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ROWAN COMPANIES, INC. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Unaudited (In Thousands)

FOR THE YEAR ENDED DECEMBER 31

| | | 2003 | 2002 |
|---|----|-----------|--------------|
| CASH PROVIDED BY (USED IN): | | | |
| Operations: | | | |
| Net income (loss) | \$ | (7,774) | \$ 86,278 |
| Adjustments to reconcile net income (loss) | | | |
| to net cash provided by operations: | | | |
| Depreciation and amortization | | 86,851 | 78,091 |
| Deferred income taxes | | (3,677) | 53,252 |
| Other - net | | 7,847 | 6,075 |
| Net changes in current assets and liabilities | | (34,596) | (106,016) |
| Net changes in other noncurrent assets and | | | |
| liabilities | | (401) | 510 |
| | | | |
| Net cash provided by operations | | 48,250 | 118,190 |
| | | | |
| Investing activities: | | | |
| Property, plant and equipment additions | | (250,463) | (242,896) |
| Proceeds from disposals of property, plant | | | |
| and equipment | | 7,060 | 25,781 |
| | _ | | |
| Net cash used in investing activities | | (243,403) | (217,115) |

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| Financing activities: | | |
|--|-----------|------------|
| Proceeds from borrowings | 111,490 | 116,818 |
| Repayments of borrowings | (42,458) | (42,458) |
| Proceeds from stock option and convertible | | |
| debenture plans | 5,592 | 3,042 |
| Payment of cash dividends | | (23,511) |
| Payments to acquire treasury stock | | (13,199) |
| | | |
| Net cash provided by financing activities | 74,624 | 40,692 |
| | | |
| INCREASE (DECREASE) IN CASH AND | | |
| CASH EQUIVALENTS | (120,529) | (58,233) |
| CASH AND CASH EQUIVALENTS, | | |
| BEGINNING OF PERIOD | 178,756 | 236,989 |
| | | |
| CASH AND CASH EQUIVALENTS, END | | |
| OF PERIOD | \$ 58,227 | \$ 178,756 |
| | , | |
| | | |