

Edgar Filing: TRANSOCEAN INC - Form 8-K

TRANSOCEAN INC
Form 8-K
May 28, 2003

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): May 28, 2003

TRANSOCEAN INC.

(Exact name of registrant as specified in its charter)

CAYMAN ISLANDS	333-75899	66-0587307
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

4 GREENWAY PLAZA	
HOUSTON, TEXAS	77046
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (713) 232-7500

ITEM 9. Regulation FD Disclosure.

The following information is furnished under Item 12 of Form 8-K (Results of Operations and Financial Condition) in accordance with Securities and Exchange Commission Release No. 33-8216.

In the following tables, we set forth our total operating and maintenance expense and total cash operating costs for our International and U.S. Floater Contract Drilling Services and Gulf of Mexico Shallow and Inland Water business segments for the first quarter of 2003 and the fourth quarter of 2002. We also set forth the average cash operating costs and the range of cash operating costs per day within our International and U.S. Floater Contract Drilling Services and Gulf of Mexico Shallow and Inland Water business segments. The most directly comparable GAAP financial measure to cash operating costs, total operating and maintenance expense, and information

Edgar Filing: TRANSOCEAN INC - Form 8-K

reconciling the GAAP and non-GAAP measures are also included below in the table labeled "Transocean Inc. Reconciliation of Costs and Expenses to Cash Operating Costs." We utilize cash operating costs as an additional rig performance measure and to identify variances between periods and comparable rig types. We believe investors will utilize operating cost information as additional performance measures.

	1st Quarter 2003	4th Quarter 2002

Operating and Maintenance Expense		
(In millions)		
International and U.S. Floater Contract Drilling Segment		
Cash Operating Costs(1)		
5th-Generation Floaters	\$ 62.6	\$ 60.8
Other Deepwater Floaters	60.1	62.8
Mid-water Floaters	64.7	78.6
Non-U.S. Jackups	48.9	57.5
Other Rigs	6.5	18.7

Total Cash Operating Costs	242.8	278.4
Costs Deferred During Quarter	(23.8)	(26.1)
Amortization of Deferred Costs	27.8	16.5
Client Reimbursable Revenues	21.6	-
Local & Indirect Overhead	47.1	48.0

Total Operating & Maintenance Expense	\$ 315.5	\$ 316.8
Gulf of Mexico Shallow and Inland Water Segment		
Cash Operating Costs		
Jackups & Submersibles	\$ 22.8	\$ 22.6
Barge Rigs	18.4	15.7
Other Rigs	5.4	5.6

Total Cash Operating Costs	46.6	43.9
Costs Deferred During Quarter	-	-
Amortization of Deferred costs	-	-
Client Reimbursable Revenues	4.8	-
Local & Indirect Overhead	7.2	5.8

Total Operating & Maintenance Expense	\$ 58.6	\$ 49.7

 (1) Cash operating costs are operating and maintenance expenses excluding deferred costs and the effects of related amortization, client reimbursable costs and local and indirect overhead costs.

The average cash operating costs and the range of cash operating costs per day for the rigs within our fleet categories comprising our International and U.S. Floater Contract Drilling business segment are as follows (dollar amounts in thousands):

Edgar Filing: TRANSOCEAN INC - Form 8-K

	Number of Operating Rigs	Average Per Day	Ra Per
Fifth Generation Floaters			
1st Quarter 2003			
Operating	11	\$63.2	\$50.5
Stacked	0	--	
4th Quarter 2002			
Operating	11	\$60.0	\$52.5
Stacked	0	--	
Other Deepwater Floaters			
1st Quarter 2003			
Operating	14	\$44.8	\$26.9
Stacked	1	\$14.9	\$1
4th Quarter 2002			
Operating	15	\$45.5	\$27.5
Stacked	0	--	
Mid-Water Floaters			
1st Quarter 2003			
Operating	19	\$34.3	\$21.7
Stacked	12	\$5.7	\$1.1
4th Quarter 2002			
Operating	20	\$37.6	\$19.0
Stacked	11	\$9.3	\$2.1
Non-U.S. Jackups			
1st Quarter 2003			
Operating	25	\$19.2	\$12.2
Stacked	1	\$1.0	\$
4th Quarter 2002			
Operating	25	\$21.9	\$7.8
Stacked	2	\$1.2	\$0.9
Other Rigs			
1st Quarter 2003			
Operating	4	\$12.1	\$9.0
Stacked	8	\$2.9	\$0.1
4th Quarter 2002			
Operating	6	\$22.5	\$8.7
Stacked	6	\$2.3	\$0.1

3

The average cash operating costs and the range of cash operating costs per day for the rigs within our fleet categories comprising our Gulf of Mexico Shallow and Inland Water business segment are as follows (dollar amounts in thousands):

	Number of Operating Rigs	Average Per Day	Ra Per
Jackups & Submersibles			
1st Quarter 2003			
Operating	11	\$13.8	\$12.8
Stacked	19	\$3.0	\$0.4
4th Quarter 2002			
Operating	10	\$17.5	\$14.5
Stacked	21	\$3.4	\$0.1
Barge Rigs			
1st Quarter 2003			
Operating	16	\$9.6	\$8.0

Edgar Filing: TRANSOCEAN INC - Form 8-K

Stacked	15	\$3.4	\$0.4
4th Quarter 2002			
Operating	15	\$8.5	\$8.3
Stacked	16	\$2.7	\$0.1
Other Rigs			
1st Quarter 2003			
Operating	5	\$10.0	\$5.4
Stacked	9	\$1.1	\$0.2
4th Quarter 2002			
Operating	3	\$11.4	\$9.0
Stacked	11	\$2.4	\$0.4

4

TRANSOCEAN INC.

RECONCILIATION OF COSTS AND EXPENSES TO
CASH OPERATING COSTS

	THREE MONTHS ENDED	
	DECEMBER 31, 2002	MARCH 31, 2003
	(IN US\$ MILLIONS)	
OPERATING AND MAINTENANCE		
International and U.S. Floater Contract		
Drilling Services	\$ 316.8	\$ 315.5
Gulf of Mexico Shallow and Inland Water	49.7	58.6
	-----	-----
	366.5	374.1
LESS:		
LOCAL AND INDIRECT OVERHEAD EXPENSES		
International and U.S. Floater Contract		
Drilling Services	(48.0)	(47.1)
Gulf of Mexico Shallow and Inland Water	(5.8)	(7.2)
	-----	-----
	(53.8)	(54.3)
AMORTIZATION OF DEFERRED COSTS		
International and U.S. Floater Contract		
Drilling Services	(16.5)	(27.8)
CLIENT REIMBURSABLE REVENUES		
International and U.S. Floater Contract		
Drilling Services	-	(21.6)
Gulf of Mexico Shallow and Inland Water	-	(4.8)
	-----	-----
	-	(26.4)
PLUS: DEFERRED COSTS AND EXPENSES		
International and U.S. Floater Contract		
Drilling Services	26.1	23.8
	-----	-----
CASH OPERATING COSTS	\$ 322.3	\$ 289.4
	=====	=====
CASH OPERATING COSTS BY SEGMENT		
International and U.S. Floater Contract		
Drilling Services	\$ 278.4	\$ 242.8

Edgar Filing: TRANSOCEAN INC - Form 8-K

Gulf of Mexico Shallow and Inland Water	43.9	46.6
	-----	-----
	\$ 322.3	\$ 289.4
	=====	=====

The information furnished pursuant to this Item 9 shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, nor will it be incorporated by reference into any registration statement filed by Transocean Inc. under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference. The furnishing of the information in this report is not intended to, and does not, constitute a determination or admission by Transocean Inc., that the information in this report is material or complete, or that investors should consider this information before making an investment decision with respect to any security of Transocean Inc.

5

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 thereunto duly authorized.

TRANSOCEAN INC.

Date: May 28, 2003

By: /s/ ERIC B. BROWN

Eric B. Brown
Senior Vice President, General
Counsel and Corporate Secretary

6