

ENSCO PLC

FORM 8-K (Current report filing)

Filed 01/12/01 for the Period Ending 01/11/01

Telephone	4402076594660
CIK	0000314808
Symbol	ESV
SIC Code	1381 - Drilling Oil and Gas Wells
Industry	Oil Well Services & Equipment
Sector	Energy
Fiscal Year	12/31

ENSCO INTERNATIONAL INC

FORM 8-K (Unscheduled Material Events)

Filed 1/12/2001 For Period Ending 1/11/2001

Address	500 NORTH AKARD STREET SUITE 4300 DALLAS, Texas 75201-3331
Telephone	214-397-3000
CIK	0000314808
Industry	Oil Well Services & Equipment
Sector	Energy
Fiscal Year	12/31

**UNITED STATES
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 11, 2001

Commission File Number 1-8097

ENSCO International Incorporated

(Exact name of registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of
incorporation)

76-0232579

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

2700 Fountain Place

1445 Ross Avenue

Dallas, Texas

(Address of principal executive offices)

75202-2792

(Zip Code)

Registrant's telephone number, including area code: **(214) 922-1500**

Item 5. Other Events

On January 10, 2001, ENSCO International Incorporated (the "Company") issued a press release regarding its restated earnings for the year ended December 31, 1999 and the first three quarters of 2000. A copy of the press release is attached hereto as Exhibit 99.1. Attached hereto as Exhibit 99.2 is a summary of the impact of the restatements on the Company's consolidated statements of income for the year ended December 31, 1999, the quarters ended March 31, 2000, June 30, 2000 and September 30, 2000, and the nine months ended September 30, 2000. The Company expects to file an amended Form 10-K for 1999 and amended Form 10-Q for the third quarter of 2000 with the Securities and Exchange Commission prior to January 31, 2001.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c.) Exhibits

Exhibit No.**Document**

- 99.1 Press release issued by ENSCO International Incorporated in connection with its restated earnings for 1999 and the first three quarters of 2000.
- 99.2 Summary of the impact of restatements on the Company's consolidated statements of income for the year ended December 31, 1999, the quarters ended March 31, 2000, June 30, 2000 and September 30, 2000, and the nine months ended September 30, 2000.

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.

ENSCO International Incorporated

Date: January 11, 2001

/s/ C. CHRISTOPHER GAUT

C. Christopher Gaut
Chief Financial Officer

/s/ H. E. MALONE

H. E. Malone
Chief Accounting Officer

EXHIBIT 99.1

[GRAPHIC OMITTED]

**ENSCO ANNOUNCES RESTATEMENTS OF PREVIOUSLY
REPORTED RESULTS FOR CERTAIN DEFERRED TAXES**

Dallas, Texas, January 10, 2001...ENSCO International Incorporated (NYSE: ESV) today announced that it is restating its previously reported net income for the year ended December 31, 1999, and the first three quarters of 2000. The restatement is a result of a revision in the accounting treatment of income tax expense relating to certain inter-company transfers of assets that took place in the fourth quarter of 1999 and the first quarter of 2000. The change has no impact on the Company's income from operations, cash flow or income taxes owed in any period. The additional income tax expense recorded in 1999 and 2000 will be recovered through lower deferred tax expense in future years.

The Company transferred several drilling rigs among subsidiaries in different taxing jurisdictions during the fourth quarter of 1999 and the first quarter of 2000. The Company realized certain income tax benefits as a result of the transfers, which the Company recorded in the year in which the transfers occurred. The Company's independent accounting firm has recently revised its original view of this matter and has advised that the Company should not have recognized the full income tax benefit in the year the transactions took place, but rather should have recognized such benefits over the remaining lives of the assets transferred.

The effect of the restatement for 1999 is to increase income tax expense by \$6.4 million (\$.05 per diluted share) and reduce net income by the same amount, with these income tax expenses recovered over the approximate twelve year remaining depreciable lives of the rigs.

The effect of the restatement for the first three quarters of 2000 is to increase income tax expense and reduce net income by \$0.7 million (\$.01 per diluted share), \$2.1 million (\$.02 per diluted share) and \$3.7 million (\$.03 per diluted share) for the quarters ended March 31, June 30 and September 30, 2000, respectively. This additional income tax expense will be recovered through lower deferred tax expense in future years.

For the fourth quarter of 2000, the revision of the accounting treatment will have the effect of increasing tax expense, but this increase will be largely offset by other, non-recurring items, including a gain from the resolution of several personal injury claims and settlement of related disputes with insurance carriers.

Carl Thorne, Chairman and Chief Executive Officer of ENSCO, commented, "As a result of recently received revised advice regarding a complex tax accounting issue, the Company feels compelled to restate certain of its financial results. The changes do not impact our operating income, cash position, cash flow, or income taxes owed in any way, and the reductions to 1999 and 2000 net income will be balanced by reduced deferred tax expense in future years."

Statements contained in this press release that state the Company's or management's intentions, hopes, beliefs, or expectations or predictions of the future are forward-looking statements. It is important to note that the Company's actual results could differ materially from those projected in such forward-looking statements. Additional information concerning factors that could cause actual results to differ materially from those in the forward-looking statements is contained from time to time in the Company's SEC filings. Copies of these may be obtained by contacting the Company or the SEC.

ENSCO, headquartered in Dallas, Texas, provides contract drilling and marine transportation services to the international petroleum industry.

Contact: C. Christopher Gaut
(214) 922-1500

EXHIBIT 99.2

ENSCO INTERNATIONAL INCORPORATED
CONSOLIDATED STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 1999
(in millions, except per share amounts)

	<u>As Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
REVENUES	\$363.7	\$ --	\$363.7
OPERATING EXPENSES			
Operating costs	250.8	--	250.8
Depreciation and amortization	98.2	--	98.2
General and administrative	11.2	--	11.2
	360.2	--	360.2
OPERATING INCOME	3.5	--	3.5
OTHER INCOME (EXPENSE)			

Interest income	13.7	--	13.7
Interest expense, net	(19.3)	--	(19.3)
Other, net	7.3	--	7.3
	1.7	--	1.7
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INCOME BEFORE INCOME TAXES AND MINORITY INTEREST	5.2	--	5.2
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PROVISION (BENEFIT) FOR INCOME TAXES			
Current income taxes	(22.4)	(5.7)	(28.1)
Deferred income taxes	19.5	12.1	31.6
	(2.9)	6.4	3.5
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MINORITY INTEREST	1.4	--	1.4
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NET INCOME	\$ 6.7	\$ (6.4)	\$ 0.3
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EARNINGS PER SHARE			
Basic	\$.05	\$ (.05)	\$ --
Diluted	\$.05	\$ (.05)	\$ --

ENSCO INTERNATIONAL INCORPORATED
CONSOLIDATED STATEMENT OF INCOME
THREE MONTHS ENDED MARCH 31, 2000
(in millions, except per share amounts)
(Unaudited)

	<u>As Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
REVENUES	\$96.2	\$ --	\$96.2
<hr/>			
OPERATING EXPENSES			
Operating costs	63.8	--	63.8
Depreciation and amortization	23.5	--	23.5
General and administrative	3.1	--	3.1
	90.4	--	90.4
<hr/>			
OPERATING INCOME	5.8	--	5.8
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OTHER INCOME (EXPENSE)			
Interest income	2.0	--	2.0
Interest expense, net	(3.0)	--	(3.0)
Other, net	0.1	--	0.1
	(0.9)	--	(0.9)
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INCOME BEFORE INCOME TAXES	4.9	--	4.9
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PROVISION FOR INCOME TAXES			
Current income taxes	0.1	(0.1)	--
Deferred income taxes	1.0	0.8	1.8

	1.1	0.7	1.8
NET INCOME	\$ 3.8	\$ (0.7)	\$ 3.1
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EARNINGS PER SHARE			
Basic	\$.03	\$ (.01)	\$.02
Diluted	\$.03	\$ (.01)	\$.02
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ENSCO INTERNATIONAL INCORPORATED
CONSOLIDATED STATEMENT OF INCOME
THREE MONTHS ENDED JUNE 30, 2000
(in millions, except per share amounts)
(Unaudited)

	<u>As</u> <u>Reported</u>	<u>Adjustment</u>	<u>As</u> <u>Restated</u>
REVENUES	\$116.6	\$ --	\$116.6
OPERATING EXPENSES			
Operating costs	67.7	--	67.7
Depreciation and amortization	23.8	--	23.8
General and administrative	3.2	--	3.2
	94.7	--	94.7
OPERATING INCOME	21.9	--	21.9
OTHER INCOME (EXPENSE)			
Interest income	1.3	--	1.3
Interest expense, net	(1.9)	--	(1.9)
Other, net	0.2	--	0.2
	(0.4)	--	(0.4)
INCOME BEFORE INCOME TAXES	21.5	--	21.5
PROVISION FOR INCOME TAXES			
Current income taxes	4.0	(0.4)	3.6
Deferred income taxes	1.1	2.5	3.6
	5.1	2.1	7.2
NET INCOME	\$16.4	\$ (2.1)	\$14.3
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EARNINGS PER SHARE			
Basic	\$.12	\$ (.02)	\$.10
Diluted	\$.12	\$ (.02)	\$.10

ENSCO INTERNATIONAL INCORPORATED
CONSOLIDATED STATEMENT OF INCOME
THREE MONTHS ENDED SEPTEMBER 30, 2000
(in millions, except per share amounts)
(Unaudited)

<u>As</u> <u>Reported</u>	<u>Adjustment</u>	<u>As</u> <u>Restated</u>
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REVENUES	\$149.8	\$ --	\$149.8
OPERATING EXPENSES			
Operating costs	81.0	--	81.0
Depreciation and amortization	25.2	--	25.2
General and administrative	3.3	--	3.3
	109.5	--	109.5
OPERATING INCOME	40.3	--	40.3
OTHER INCOME (EXPENSE)			
Interest income	1.7	--	1.7
Interest expense, net	(4.0)	--	(4.0)
Other, net	0.2	--	0.2
	(2.1)	--	(2.1)
INCOME BEFORE INCOME TAXES	38.2	--	38.2
PROVISION FOR INCOME TAXES			
Current income taxes	8.6	(0.7)	7.9
Deferred income taxes	0.6	4.4	5.0
	9.2	3.7	12.9
NET INCOME	\$29.0	\$ (3.7)	\$25.3
EARNINGS PER SHARE			
Basic	\$.21	\$ (.03)	\$.18
Diluted	\$.21	\$ (.03)	\$.18

ENSCO INTERNATIONAL INCORPORATED
CONSOLIDATED STATEMENT OF INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2000
(in millions, except per share amounts)
(Unaudited)

	<u>As Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
REVENUES	\$362.6	\$ --	\$362.6
OPERATING EXPENSES			
Operating costs	212.5	--	212.5
Depreciation and amortization	72.5	--	72.5
General and administrative	9.6	--	9.6
	294.6	--	294.6
OPERATING INCOME	68.0	--	68.0
OTHER INCOME (EXPENSE)			
Interest income	5.0	--	5.0
Interest expense, net	(8.9)	--	(8.9)
Other, net	0.5	--	0.5
	(3.4)	--	(3.4)

INCOME BEFORE INCOME TAXES	64.6	--	64.6
PROVISION FOR INCOME TAXES			
Current income taxes	12.7	(1.2)	11.5
Deferred income taxes	2.7	7.7	10.4
	15.4	6.5	21.9
NET INCOME	\$ 49.2	\$ (6.5)	\$ 42.7

EARNINGS PER SHARE			
Basic	\$.36	\$ (.05)	\$.31
Diluted	\$.35	\$ (.05)	\$.31

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