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ROWAN COMPANIES INC
Form 8-K
July 15, 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): JULY 15, 2003

ROWAN COMPANIES, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE
(STATE OR OTHER JURISDICTION OF INCORPORATION)

1-5491
(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 July 15, 2003

ITEM 9. REGULATION FD DISCLOSURE (INFORMATION PROVIDED UNDER ITEM 12 - RESULTS OF OPERATIONS AND FINANCIAL CONDITION).

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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 July 15, 2003, Rowan Companies, Inc. issued a press release announcing its results for the second 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.

By: /s/ E. E. THIELE

E. E. Thiele,
Senior Vice President - Administration
and Finance and Principal Financial Officer

Dated: July 15, 2003

INDEX TO EXHIBITS

EXHIBIT DESCRIPTION

Exhibit Number -----	Exhibit Description -----
99	Press release of Rowan Companies, Inc. dated July 15, 2003

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EXHIBIT 99

NEWS RELEASE

ROWAN COMPANIES, INC.
2800 POST OAK BOULEVARD, SUITE 5450
HOUSTON, TEXAS 77056 (713) 621-7800

FOR IMMEDIATE RELEASE

July 15, 2003

HOUSTON, TEXAS -- ROWAN REPORTS IMPROVED OPERATING RESULTS.

For the three months ended June 30, 2003, Rowan Companies, Inc. (RDC-NYSE) incurred a net loss of \$6.6 million, or \$.07 per share, on revenues of \$158.1 million, compared to a net loss of \$17.2 million, or \$.18 per share, on revenues of \$131.4 million in the first quarter of 2003, and a net loss of \$8.7 million, or \$.09 per share, on revenues of \$148.5 million in the second quarter of 2002.

Rowan's offshore rig utilization was 88% during the second quarter of 2003, versus 82% in the first quarter and 87% in the year-earlier period, and our average offshore day rate of \$39,400 increased by \$4,600, or 13%, from the first quarter and by \$8,900, or 29%, from the year-earlier period. Land rig utilization was 76% during the second quarter of 2003, versus 68% in the year-earlier period, and our average land rig day rate of \$10,600 increased by \$800, or 8%, from the first quarter and by \$400, or 4%, from the year-earlier period.

Bob Palmer, Chairman of the Board, commented, "In April, we announced that we were optimistic that the second quarter 2003 would witness a dramatic turn in our efforts to return to profitability. We believe such a turn is occurring.

"During the second quarter, our revenues grew by 20%, and our losses were reduced by two-thirds. Our drilling and aviation divisions were profitable in June, and the outlook for the manufacturing division is improving.

"With all 23 Rowan offshore rigs currently under contract, we believe our operating results will continue to improve during the third quarter."

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 22 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.

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ROWAN COMPANIES, INC.
 CONDENSED CONSOLIDATED BALANCE SHEET
 Unaudited (Dollars In Thousands)

	JUNE 30	
	2003	2002
	----	----
ASSETS		
Cash and short-term investments	\$ 73,651	\$ 212,465
Accounts receivable	115,281	112,719
Inventories	188,443	151,509
Other current assets	54,033	7,711
	-----	-----
Total current assets	431,408	484,404
Property, plant and equipment - net	1,661,341	1,505,516
Other assets	18,057	18,642
	-----	-----
TOTAL	\$ 2,110,806	\$ 2,008,562
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current maturities of long-term debt	\$ 47,633	\$ 42,458
Other current liabilities	83,873	93,906
	-----	-----
Total current liabilities	131,506	136,364
Long-term debt	547,591	479,864
Other liabilities	318,124	217,525
Stockholders' equity	1,113,585	1,174,809
	-----	-----
TOTAL	\$ 2,110,806	\$ 2,008,562
	=====	=====

CONSOLIDATED STATEMENT OF OPERATIONS
 Unaudited (In Thousands Except Per Share Amounts)

	For The Three Months		For The Six Months	
	Ended June 30,		Ended June 30,	
	2003	2002	2003	2002
	-----	-----	-----	-----
REVENUES:				
Drilling services	\$ 95,138	\$ 79,343	\$ 173,024	\$ 156,967
Manufacturing sales and services	30,631	31,951	59,671	63,586
Aviation services	32,331	37,204	56,760	65,750
	-----	-----	-----	-----
Total	158,100	148,498	289,455	286,303
	-----	-----	-----	-----

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COSTS AND EXPENSES:				
Drilling services	79,121	74,627	156,631	150,071
Manufacturing sales and services	28,693	30,498	55,319	60,044
Aviation services	29,936	29,829	53,370	57,676
Depreciation and amortization	20,923	18,754	41,233	37,002
General and administrative	6,789	6,422	13,294	12,817
	-----	-----	-----	-----
Total	165,462	160,130	319,847	317,610
	-----	-----	-----	-----
INCOME (LOSS) FROM OPERATIONS	(7,362)	(11,632)	(30,392)	(31,307)
	-----	-----	-----	-----
OTHER INCOME (EXPENSE):				
Net proceeds from Gorilla V settlement				157,125
Interest expense	(4,797)	(5,243)	(9,656)	(10,224)
Less interest capitalized	1,355	1,516	2,453	3,134
Interest income	362	1,184	884	2,322
Other - net	259	283	379	385
	-----	-----	-----	-----
Other income (expense) - net	(2,821)	(2,260)	(5,940)	152,742
	-----	-----	-----	-----
INCOME (LOSS) BEFORE INCOME TAXES	(10,183)	(13,892)	(36,332)	121,435
Provision (credit) for income taxes	(3,559)	(5,153)	(12,526)	42,497
	-----	-----	-----	-----
NET INCOME (LOSS)	\$ (6,624)	\$ (8,739)	\$ (23,806)	\$ 78,938
	=====	=====	=====	=====
NET INCOME (LOSS) PER COMMON SHARE:				
Basic	\$ (.07)	\$ (.09)	\$ (.25)	\$.84
	=====	=====	=====	=====
Diluted	\$ (.07)	\$ (.09)	\$ (.25)	\$.83
	=====	=====	=====	=====
DILUTED SHARES	93,716	93,998	93,667	95,535
	=====	=====	=====	=====

(CONTINUED)

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ROWAN COMPANIES, INC.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Unaudited (In Thousands)

	FOR THE SIX MONTHS ENDED JUNE 30	
	2003	2002
	----	----
CASH PROVIDED BY (USED IN):		
Operations:		
Net income (loss)	\$ (23,806)	\$ 78,938
Adjustments to reconcile net income (loss) to net cash provided by (used in) operations:		
Depreciation and amortization	41,233	37,002
Deferred income taxes	(12,496)	25,590

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Other - net	12,170	7,569
Net changes in current assets and liabilities	(32,203)	(71,174)
Net changes in other noncurrent assets and liabilities	(664)	(400)
	-----	-----
Net cash provided by (used in) operations	(15,766)	77,525
	-----	-----
Investing activities:		
Property, plant and equipment additions	(137,370)	(123,364)
Proceeds from disposals of property, plant and equipment	5,692	3,656
	-----	-----
Net cash used in investing activities	(131,678)	(119,708)
	-----	-----
Financing activities:		
Proceeds from borrowings	61,151	62,609
Repayments of borrowings	(21,229)	(21,229)
Proceeds from stock option and convertible debenture plans	2,417	2,098
Payment of cash dividends		(23,511)
Payments to acquire treasury stock		(2,308)
	-----	-----
Net cash provided by financing activities	42,339	17,659
	-----	-----
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(105,105)	(24,524)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	178,756	236,989
	-----	-----
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 73,651	\$ 212,465
	=====	=====