

GLOBAL INDUSTRIES LTD
Form 8-K
August 04, 2004

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): August 4, 2004

GLOBAL INDUSTRIES, LTD.

(Exact name of registrant as specified in its charter)

| | | |
|---|-----------------------------|---|
| Louisiana | 2-56600 | 72-1212563 |
| (State or other jurisdiction of incorporation or organization) | (Commission File Number) | (I.R.S. Employer Identification No.) |
| 8000 Global Drive | | 70665 |
| P.O. Box 442, Sulphur, LA | | 70664-0442 |
| (Address of principal executive offices) | | (Zip code) |

Registrant's telephone number, including area code: **(337) 583-5000**

Item 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On August 3, 2004, Global Industries, Ltd. issued a press release announcing operating results for the first quarter ended June 30, 2004, a copy of which is attached as Exhibit 99.1 and incorporated herein by reference.

Item 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a). FINANCIAL STATEMENTS OF BUSINESS ACQUIRED.

Not applicable.

(b). PRO FORMA FINANCIAL INFORMATION.

Not applicable.

(c). EXHIBITS.

99.1-Press Release dated August 3, 2004.

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.

GLOBAL INDUSTRIES, LTD.

By: /s/ TIMOTHY W. MICIOTTO

Timothy W. Miciotto

Senior Vice President/ Chief Financial Officer

Dated: August 3, 2004

EXHIBIT INDEX

EXHIBIT

| <u>NUMBER</u> | <u>EXHIBIT DESCRIPTION</u> |
|---------------|------------------------------------|
| 99.1 | Press Release dated August 3, 2004 |

EXHIBIT 99.1

[GLOBAL INDUSTRIES, LTD. LOGO]

FOR IMMEDIATE RELEASE

PRESS RELEASE CONTACT: WILLIAM J. DORE', JR.

Carlyss, Louisiana,

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(August 3, 2004) Global Industries, Ltd. (NASDAQ: GLBL) announced a net loss of \$9.6 million, or \$0.09 per diluted share for the quarter ended June 30, 2004, compared to net income of \$0.7 million, or \$0.01 per diluted share for the same period last year. Net loss for the six months ended June 30, 2004 was \$18.0 million, or \$0.17 per share, compared to a net loss of \$0.3 million, or \$0.00 per share for the six months ended June 30, 2003.

Revenues for the quarter ended June 30, 2004 decreased \$65.2 million, or 42%, to \$89.0 million from \$154.2 million for the quarter ended June 30, 2003. Revenues for the six months ended June 30, 2004 decreased \$129.3 million, or 43%, to \$173.8 million from \$303.1 million for the six months ended June 30, 2003.

Mr. William J. Dore', Global's Chairman and Chief Executive Officer, stated, "Our quarterly results reflect an industry-wide downturn in the U.S. Gulf of Mexico. As compared to the same period last year, our revenues from external customers were down 42% in this region. Also affecting the quarter was significantly less activity in our Middle East and West Africa OCD segments. Partially offsetting these declines were significant activity increases in our Latin America segments. During the quarter we reduced our selling general and administrative labor and associated costs; however, these savings have been offset by additional legal, audit, and consulting fees. Our backlog at June 30, 2004 was \$277.1 million of which \$222.2 million related to Latin America. During the quarter, we booked \$178.6 million of new work. Our bids outstanding at June 30, 2004 approximated \$1.0 billion. We are continuing to streamline operations, enhance project execution, and realign our business strategies. Our 2004 outlook remains positive and we expect to return to profitability in the second half of this year."

The Company has conformed its segment reporting this quarter to changes in its operating management structure that became effective June 2004. The Company's reportable segments still include two divisions, Offshore Construction Division and Global Divers and Marine Contractors. However, GDMC's Asia Pacific segment has been combined into OCD's Asia Pacific segment and the Gulf of Mexico shallow water pipelay has been removed from GDMC's Gulf of Mexico segment and added to OCD's Gulf of Mexico segment.

A conference call will be held at 9:00 a.m. Central Daylight Saving Time on Wednesday, August 4, 2004. Anyone wishing to listen to the conference call should dial 888.790.9477 or 210.234.9633 and ask for the "Global Industries Second Quarter" call. Phone lines will open fifteen minutes prior to the start of the call. The call will also be webcast in real time on the Company's website at www.globalind.com, where it will also be archived for anytime reference until August 18, 2004.

All individuals listening to the conference call or the replay are reminded that all conference call material is copyrighted by Global and cannot be recorded or rebroadcast without Global's express written consent.

Global Industries provides pipeline construction, platform installation and removal, diving services, and other marine support to the oil and gas industry in the Gulf of Mexico, West Africa, Asia Pacific, the Mediterranean, Middle East/India, South America, and Mexico's Bay of Campeche. The Company's shares are traded on the NASDAQ National Market System under the symbol "GLBL."

This press release may contain forward-looking information based on current information and expectations of the Company that involve a number of risks, uncertainties, and assumptions. Among the factors that could cause the actual results to differ materially are: industry conditions, prices of crude oil and natural gas, the Company's ability to obtain and the timing of new projects, and changes in competitive factors. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual outcomes could vary materially from those indicated.

Set forth below are the Company's results of operations
and selected balance sheet amounts for the periods
indicated

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| | (In thousands, except shares and per share amounts) | |
|---|---|--------------------|
| | Three Months Ended | Three Months Ended |
| Results of Operations | June 30, 2004 | June 30, 2003 |
| Revenues | \$ 89,009 | \$ 154,153 |
| Gross profit | 1,302 | 13,620 |
| Selling, general, and administrative expenses | 10,534 | 10,525 |
| Operating (loss) income | \$ (9,232) | \$ 3,095 |
| Interest expense | 2,870 | 2,850 |
| Other expense (income) | 1,273 | (873) |
| (Loss) income before income taxes | (13,375) | 1,118 |
| Income taxes (benefit) | (3,743) | 429 |
| Net (loss) income | \$ (9,632) | \$ 689 |
| Average shares | | |
| Basic | 110,996,000 | 100,719,000 |
| Diluted | 110,996,000 | 101,026,000 |
| Net income per share | | |
| Basic | \$ (0.09) | \$ 0.01 |
| Diluted | (0.09) | 0.01 |
| Other data | | |
| Depreciation and amortization | \$ 11,782 | \$ 15,677 |
| Deferred income taxes (benefit) | (3,105) | 2,141 |
| Backlog at June 30, 2004 and 2003 | 277,109 | 70,472 |

Set forth below are the Company's results of operations
for the periods indicated

| | (In thousands) | |
|--------------------------------|--------------------|--------------------|
| Reportable Segments | Three Months Ended | Three Months Ended |
| | June 30, 2004 | June 30, 2003 |
| Total Segment Revenues | | |
| Offshore Construction Division | | |
| | \$ 13,271 | \$ 30,582 |
| Gulf of Mexico | 1,508 | 33,933 |
| West Africa | 31,702 | 3,352 |
| Latin America | | |

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| | | | | |
|--|----|----------|----|---------|
| Asia Pacific | | 23,913 | | 26,754 |
| | | 177 | | 41,298 |
| Middle East | | 70,571 | | 135,919 |
| Subtotal | | | | |
| Global Divers and Marine Contractors | | 17,105 | | 16,008 |
| Gulf of Mexico | | -- | | 3,920 |
| West Africa | | 1,829 | | -- |
| Latin America | | 5,643 | | 3,582 |
| Middle East | | 24,577 | | 23,510 |
| Subtotal | | 95,148 | | 159,429 |
| Total | | | | |
| Intersegment elimination | | (6,139) | | (5,276) |
| Total segment revenues from external customers | \$ | 89,009 | \$ | 154,153 |
| Income (loss) before income taxes | | | | |
| Offshore Construction Division | | | | |
| | \$ | (6,602) | \$ | (1,033) |
| Gulf of Mexico | | (4,347) | | (7,707) |
| West Africa | | 975 | | (6,826) |
| Latin America | | (574) | | 4,143 |
| Asia Pacific | | (3,008) | | 8,843 |
| Middle East | | (13,556) | | (2,580) |
| Subtotal | | | | |
| Global Divers and Marine Contractors | | (997) | | 1,671 |
| Gulf of Mexico | | | | |

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| | | |
|---------------|-------------|----------|
| West Africa | (74) | 1,206 |
| | 584 | (185) |
| Latin America | 1,520 | 939 |
| Middle East | 1,033 | 3,631 |
| Subtotal | (852) | 67 |
| Other | | |
| | \$ (13,375) | \$ 1,118 |
| Total | | |

Set forth below are the Company's results of operations and selected balance sheet amounts for the periods indicated

(In thousands, except shares and per share amounts)

| | Six Months Ended June 30, 2004 | Six Months Ended June 30, 2003 |
|---|-----------------------------------|-----------------------------------|
| Results of Operations | | |
| Revenues | \$ 173,779 | \$ 303,093 |
| Gross profit | 3,616 | 24,408 |
| Selling, general, and administrative expenses | 20,648 | 20,004 |
| Operating (loss) income | \$ (17,032) | \$ 4,404 |
| Interest expense | 6,267 | 5,595 |
| Other expense (income) | 1,661 | (700) |
| (Loss) income before income taxes | (24,960) | (491) |
| Income taxes (benefit) | (6,990) | (182) |
| Net (loss) income | \$ (17,970) | \$ (309) |
| Average shares | | |
| Basic | 106,338,000 | 100,645,000 |
| Diluted | 106,338,000 | 100,645,000 |
| Net income per share | | |
| Basic | \$ (0.17) | \$ (0.00) |
| Diluted | (0.17) | (0.00) |
| Other data | | |
| Depreciation and amortization | \$ 22,739 | \$ 27,764 |
| Deferred income taxes (benefit) | (9,475) | 7,230 |
| Selected Balance Sheet Amounts | | |
| | June 30, 2004 | December 31, 2003 |
| Cash | \$ 19,964 | \$ 15,628 |
| Working capital | 68,782 | 37,321 |
| Total assets | 664,247 | 620,831 |
| Debt | 132,906 | 123,728 |
| Shareholders' equity | 407,359 | 377,071 |

Set forth below are the Company's results of operations
for the periods indicated

(In thousands)

| Reportable Segments | Six Months Ended June 30, 2004 | Six Months Ended June 30, 2003 |
|--|-----------------------------------|-----------------------------------|
| Total Segment Revenues | | |
| Offshore Construction Division | | |
| | \$ 26,154 | \$ 73,875 |
| Gulf of Mexico | 17,083 | 72,810 |
| West Africa | 60,065 | 7,268 |
| Latin America | 38,137 | 60,884 |
| Asia Pacific | 182 | 51,285 |
| Middle East | 141,621 | 266,122 |
| Subtotal | | |
| Global Divers and Marine Contractors | | |
| | 27,102 | 31,912 |
| Gulf of Mexico | 525 | 5,474 |
| West Africa | 3,761 | 210 |
| Latin America | 11,674 | 8,274 |
| Middle East | 43,062 | 45,870 |
| Subtotal | 184,683 | 311,992 |
| Total | | |
| Intersegment elimination | (10,904) | (8,899) |
| Total segment revenues from external customers | \$ 173,779 | \$ 303,093 |

Income (loss) before income taxes

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Offshore Construction Division

| | | | | |
|--------------------------------------|----|----------|----|----------|
| | \$ | (17,477) | \$ | (1,179) |
| Gulf of Mexico | | | | |
| | | 1,550 | | (6,788) |
| West Africa | | | | |
| | | 4,502 | | (13,637) |
| Latin America | | | | |
| | | (6,688) | | 5,053 |
| Asia Pacific | | | | |
| | | (5,741) | | 10,106 |
| Middle East | | | | |
| | | (23,854) | | (6,445) |
| Subtotal | | | | |
| | | | | |
| Global Divers and Marine Contractors | | | | |
| | | (4,303) | | 3,269 |
| Gulf of Mexico | | | | |
| | | (53) | | 1,515 |
| West Africa | | | | |
| | | 895 | | (323) |
| Latin America | | | | |
| | | 3,073 | | 1,431 |
| Middle East | | | | |
| | | (388) | | 5,892 |
| Subtotal | | | | |
| Other | | (718) | | 62 |
| | \$ | (24,960) | \$ | (491) |
| Total | | | | |