

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

Filing Date: **2001-02-02** | Period of Report: **2001-01-25**
SEC Accession No. **0000950129-01-000455**

([HTML Version](#) on secdatabase.com)

FILER

NABORS INDUSTRIES INC

CIK: **798943** | IRS No.: **930711613** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-09245** | Film No.: **1522043**
SIC: **1381** Drilling oil & gas wells

Business Address
*515 W GREEN RD STE 1200
HOUSTON TX 77067
2818740035*

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 25, 2001

NABORS INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware	1-9245	930711613
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

515 West Greens Road, Suite 1200
Houston, Texas
(Address of Principal Executive Offices)

77067
(Zip Code)

Registrant's telephone number, including area code (281) 874-0035

N/A

(Former name or former address, if changed since last report)

2

ITEM 5. OTHER EVENTS.

On January 25, 2001, Nabors Industries, Inc. issued a press release announcing the results of its fourth quarter and full year 2000.

On January 31, 2001, Nabors Industries, Inc. issued a press release announcing the sale of zero coupon debentures for approximately \$700 million in gross proceeds.

On February 1, 2001, Nabors Industries, Inc. issued a press release providing further details of its sale of zero coupon debentures, including that: (1) the aggregate principal amount at maturity of the debentures is \$1,151 million; (2) each \$1,000 in principal amount at

maturity of the debentures is convertible into 7.0745 shares of its common stock; and (3) the yield to maturity of the debentures is 2.5%.

Copies of each of these press releases are filed as exhibits to this report and are incorporated in this report by reference.

2

3

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits

Exhibit No. -----	Description -----
99.1	Press Release of January 25, 2001
99.2	Press Release of January 31, 2001
99.3	Press Release of February 1, 2001

4

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.

NABORS INDUSTRIES, INC.

Date: February 1, 2001

By: /s/ Bruce P. Koch

Bruce P. Koch
Vice President-Finance

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.1	Press Release of January 25, 2001
99.2	Press Release of January 31, 2001
99.3	Press Release of February 1, 2001

NABORS' 4Q 2000 AND FULL YEAR RESULTS EXCEED PREVIOUS 1997 HIGHS

HOUSTON, TEXAS, JANUARY 25, 2001, NABORS INDUSTRIES, INC. (AMEX: NBR) today announced the results of its fourth quarter and full year 2000. For the fourth quarter, income derived from operating activities¹ was \$84.1 million and net income was \$54.9 million (\$0.35 per fully diluted share), with revenues of \$412.2 million. The quarter's \$84.1 million in income derived from operating activities compares to \$59.3 million in the third quarter of 2000 and \$16.6 million during the fourth quarter of 1999. The \$54.9 million in net income compares to \$38.7 million (\$0.25 per fully diluted share) in the third quarter of 2000 and \$7.7 million (\$0.06 per fully diluted share) in the prior year period. The \$412.2 million in revenues during the quarter compares to \$344.5 million in the third quarter of 2000 and \$216.8 million in the prior year period. For the full year 2000, income derived from operating activities was \$217.4 million and net income was \$137.4 million (\$0.90 per fully diluted share) on revenues of \$1.3 billion. This compares to prior year results of \$58.4 million in income derived from operating activities, \$27.7 million in net income (\$0.23 per fully diluted share) and revenues of \$638.5 million.

Gene Isenberg, Nabors' Chairman and Chief Executive Officer commented, "I am pleased with this quarter's results, particularly considering that we have already exceeded 1997's peaks in quarterly and full year's income derived from operating activities, at significantly lower levels of capacity utilization. Even more important, our primary business metric, return on capital employed, reached 15% during the quarter and continues to increase. Best of all, we are continuing to improve on our good safety record while increasing activity and employment substantially."

"Almost all of our businesses showed improvement sequentially over the third quarter. The largest improvement came from our US Lower 48 land drilling operations, as natural gas-directed rig demand outpaced the supply of ready-to-run rigs. This created an inflection in dayrates, which are only beginning to reflect in our results. As expected, our SCR rigs fared well in terms of utilization and margin increases, but our mechanical fleet also experienced surprisingly strong gains in utilization and margins. Canada also posted a large improvement, recording its best ever fourth quarter result, driven by strong gas-directed drilling. Our marine transportation unit, Sea Mar, also increased significantly, mostly due to higher average rates resulting from strong demand for offshore supply vessels in the Gulf of Mexico. Our US land well servicing business again experienced a healthy improvement, largely due to higher average prices."

"Offshore was essentially flat as continuing higher rate renewals in all classes of rigs were offset by temporarily lower utilization due to a number of rigs repositioning and the completion of some long-term international contracts. Our international land business was up slightly, but is still lagging the pace of improvement in North America. Our Alaskan construction and logistics joint ventures were seasonally down as expected."

 1 "Income derived from operating activities" has historically been referred to as "operating income". It is computed by subtracting; direct costs, general and administrative expenses and depreciation and amortization from operating revenue and then adding earnings from unconsolidated affiliates.

"Looking forward, we anticipate robust near-term growth in our results as each business is expected to post further gains from higher average pricing and utilization. We again expect the largest improvements to be derived from our North American units, as gas-directed drilling continues to improve both in the US Lower 48 and Canada, forcing higher rates due to near-term capacity constraints. Our Alaskan rig count is increasing as a number of rigs are

returning to work on various projects. Also in Alaska, our construction and logistics operations should have an excellent first half with several winter contracts in place. Offshore, we expect to see higher utilization at higher average prices as activity levels are increasing both in the Gulf of Mexico and internationally. This should continue to have an upward effect on our marine transport business as well. Internationally, we expect to see substantial improvement over the next few quarters as new contracts for five rigs commence in Algeria, coupled with anticipated higher activity in the Middle East and Latin America. Furthermore, the strength of the North American rig market is sure to exert pressures on the international supply/demand balance of rigs. Our well servicing unit should see continuing increases in average pricing and higher rig hours from both active rigs and additional reactivated rigs."

"I believe that we are still in the early stages of an enduring growth cycle, both for the energy industry and for Nabors. Over the longer-term we expect to continue posting healthy improvements from a multitude of sources. In order to fulfill our customer's expanding global rig requirements and mitigate the need for new builds in the near-term, we plan to refurbish and deploy most of the remaining 160 stacked rigs from our US fleet over the next two years. Employment of this idle capacity along with the other 80 remaining idle drilling rigs in our other operations and some 280 stacked well servicing rigs, provides Nabors with significant long-term upside. The improving nature of our longer-cycle international, Alaskan and offshore markets further support my expectations of an extended upward trend for Nabors."

The Nabors companies actively market over 500 land drilling and 680 land workover and well-servicing rigs worldwide. Offshore, Nabors operates 37 platform, 11 jack-up, and four barge rigs in the Gulf of Mexico and international markets. These rigs provide drilling, workover and well-servicing services. Nabors also operates 30 active marine transportation and support vessels in the Gulf of Mexico. In addition, Nabors manufactures top drives and drilling instrumentation systems and provides comprehensive oilfield hauling, engineering, civil construction, logistics and facilities maintenance, and project management services. Nabors participates in most of the significant oil, gas and geothermal markets in the world.

The information above includes forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. Such forward-looking statements are subject to certain risks and uncertainties, as disclosed by Nabors from time to time in its filings with the Securities and Exchange Commission. As a result of these factors, Nabors' actual results may differ materially from those indicated or implied by such forward-looking statements.

=====

Nabors' stock is listed on the American Stock Exchange (NBR). For further information, please contact Dennis A. Smith at Nabors at (281) 874-0035. To request Investor Materials, call (281) 775-8000 - extension 6363.

3

NABORS INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS
THREE MONTHS AND TWELVE MONTHS ENDED DECEMBER 31, 2000 AND 1999

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
<CAPTION>

(UNAUDITED)

	THREE MONTHS ENDED DECEMBER 31,		TWELVE MONTHS ENDED DECEMBER 31,	
	2000	1999	2000	1999
<S>	<C>	<C>	<C>	<C>
Revenues and other income:				
Operating revenues	\$ 412,209	\$ 216,824	\$ 1,327,124	\$ 638,507
Earnings from unconsolidated affiliates	7,214	124	37,490	3,757
Interest income	8,835	1,440	20,581	8,756
Other income, net	6,253	1,834	24,121	8,860

Total revenues and other income	434,511	220,222	1,409,316	659,880
Costs and other deductions:				
Direct costs	267,562	150,589	888,322	418,675
General and administrative expenses	27,788	18,920	106,504	65,288
Depreciation and amortization	39,983	30,819	152,413	99,893
Interest expense	9,208	7,056	35,370	30,395
Total costs and other deductions	344,541	207,384	1,182,609	614,251
Income before income taxes and extraordinary gain	89,970	12,838	226,707	45,629
Income taxes (benefit):				
Current	7,104	(8,995)	19,594	(2,478)
Deferred	27,986	14,132	71,639	20,403
Total income taxes	35,090	5,137	91,233	17,925
Income before extraordinary gain	54,880	7,701	135,474	27,704
Extraordinary gain, net	32	--	1,882	--
Net income	\$ 54,912	\$ 7,701	\$ 137,356	\$ 27,704
Earnings per share (1):				
Basic :				
Before extraordinary gain	\$.37	\$.06	\$.94	\$.25
Extraordinary gain, net	.00	.00	.01	.00
Net income	\$.37	\$.06	\$.95	\$.25
Diluted (2):				
Before extraordinary gain	\$.35	\$.06	\$.89	\$.23
Extraordinary gain, net	.00	.00	.01	.00
Net income	\$.35	\$.06	\$.90	\$.23
Weighted average number of shares outstanding:				
Basic	146,399	124,919	144,344	111,395
Diluted	163,394	133,973	152,417	120,449
Income derived from operating activities (3)	\$ 84,090	\$ 16,620	\$ 217,375	\$ 58,408

</TABLE>

(1) Earnings per share is computed independently for each of the quarters presented. Therefore, the sum of the quarterly earnings per share may not equal the total computed for the year.

(2) Diluted earnings per share for the three months ended December 31, 2000, equals net income plus \$2.0 million of interest expense, net of tax, incurred on the \$825.0 million, Zero Coupon Convertible Senior Notes, issued in June 2000, divided by the weighted average common shares outstanding, after giving effect to dilutive stock options and warrants, as well as 8.9 million shares assumed to be issued on conversion of the notes. The notes were not assumed to be converted for the twelve months ended December 31, 2000 as the effect on earnings per share would have been anti-dilutive.

(3) "Income derived from operating activities" has historically been referred to as "operating income". It is computed by subtracting; direct costs, general and administrative expenses, and depreciation and amortization from operating

revenues and then adding earnings from unconsolidated affiliates.

4

SELECTED FINANCIAL DATA
AS OF DECEMBER 31, 2000 AND 1999

(IN THOUSANDS)

BALANCE SHEET DATA:

<TABLE>

<CAPTION>

	DECEMBER 31,	
	2000	1999
<S>	<C>	<C>
ASSETS		
Cash and marketable securities	\$ 550,953	\$ 111,666
Accounts receivable, net	350,302	205,643
Other current assets	117,063	143,984
Total current assets	1,018,318	461,293
Property, plant and equipment, net	1,827,141	1,669,466
Goodwill, net	168,824	169,054
Other long-term assets	120,585	98,190
Total assets	\$ 3,134,868	\$ 2,398,003
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current portion of long-term debt	\$ 3,554	\$ 3,599
Other current liabilities	275,625	261,877
Total current liabilities	279,179	265,476
Long-term obligations	854,777	482,600
Other long-term liabilities	194,444	179,853
Total liabilities	1,328,400	927,929
Stockholders' equity	1,806,468	1,470,074
Total liabilities and stockholders' equity	\$ 3,134,868	\$ 2,398,003
Working capital	\$ 739,139	\$ 195,817
Funded debt to capital ratio	0.32:1	0.25:1

</TABLE>

NABORS ANNOUNCES SALE OF CONVERTIBLE SECURITIES

HOUSTON, TEXAS, JANUARY 31, 2001, Nabors Industries, Inc. today announced the sale of \$700 million Rule 144A zero coupon convertible securities.

The securities offered have not yet been and will not be registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

The Nabors companies actively market over 500 land drilling and 680 land workover and well-servicing rigs worldwide. Offshore, Nabors operates 37 platform, 11 jack-up, and four barge rigs in the Gulf of Mexico and international markets. These rigs provide drilling, workover and well-servicing services. Nabors also operates 30 active marine transportation and support vessels in the Gulf of Mexico. In addition, Nabors manufactures top drives and drilling instrumentation systems and provides comprehensive oilfield hauling, engineering, civil construction, logistics and facilities maintenance, and project management services. Nabors participates in most of the significant oil, gas and geothermal markets in the world.

The information above includes forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. Such forward-looking statements are subject to certain risks and uncertainties, as disclosed by Nabors from time to time in its filings with the Securities and Exchange Commission. As a result of these factors, Nabors' actual results may differ materially from those indicated or implied by such forward-looking statements.

=====
Nabors' stock is listed on the American Stock Exchange (NBR). For further information, please contact Dennis A. Smith at Nabors at (281) 874-0035. To request Investor Materials, call (281) 775-8000 - extension 5363.

NABORS PRICES \$700 MILLION OF CONVERTIBLE DEBT.

HOUSTON TEXAS, FEBRUARY 1, 2001, Nabors Industries Inc. today announced further details regarding the terms of the private placement of \$1,151 million face value in 20-year Zero Coupon Senior Convertible Debentures announced yesterday. The issue price was \$608.41 for each \$1,000.00 note, which will provide gross proceeds to Nabors of approximately \$700 million, and potentially up to another \$140 million in proceeds, if the initial purchaser's option to acquire additional debentures is exercised. The issue price represents a yield-to-maturity of 2.5%. The debentures are convertible into common stock at a fixed ratio of 7.0745 shares per \$1,000.00 face value. At this conversion ratio and at the initial discount to the face amount, the breakeven value for the conversion shares is \$86.00 per common share of Nabors. This will appreciate at the rate of accrual of the original issue discount. This represents an initial conversion premium of 45.7% to yesterday's \$59.01 closing price of Nabors' common stock. The debentures can be put to the company on the fifth, tenth and fifteenth anniversaries of the issue date at the issue price plus the accrued original issue discount and can be paid in cash or stock at Nabors' option. The bonds are callable by Nabors any time after the fifth anniversary of the issue at the issue price plus accrued original issue discount. The breakeven value for the conversion shares on the fifth anniversary of issuance of the debentures will be approximately \$97.38. The transaction is expected to close on February 5, 2001 subject to satisfaction of customary closing conditions.

Eugene M. Isenberg Nabors' Chairman and Chief Executive Officer commented on the issuance of the notes. "We decided to capitalize on the strong demand in the convertibles market as an opportunistic borrowing which provides an opportunity to leverage our financial position with relatively inexpensive capital at attractive terms while maintaining conservative financial ratios and a negative cost of carry. We have found it advantageous to borrow when debt market conditions are favorable in anticipation of future opportunities, even though we have no pressing need for the funds."

The senior debentures and the shares of common stock into which they would be convertible have yet not been registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

Statements in this release that contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 include, but are not limited to, statements regarding the timing of and conditions to closing and the amount and use of proceeds. Such forward-looking statements are subject to certain risks and uncertainties, as disclosed by Nabors from time to time in its filings with the Securities and Exchange Commission. As a result of these factors, Nabors' actual results may differ materially from those indicated or implied by such forward-looking statements.

=====
Nabors' stock is listed on the American Stock Exchange (NBR). For further information, please contact Dennis A. Smith at Nabors at (281) 874-0035. To request Investor Materials, call (281) 775-8000 - extension 6363.