

HELMERICH & PAYNE, INC.

FORM 8-K (Current report filing)

Filed 04/24/03 for the Period Ending 04/24/03

Address	1437 S. BOULDER AVE. SUITE 1400 TULSA, OK, 74119
Telephone	918-742-5531
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Symbol	HP
SIC Code	1381 - Drilling Oil and Gas Wells
Industry	Oil & Gas Drilling
Sector	Energy
Fiscal Year	09/30

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: April 24, 2003

HELMERICH & PAYNE, INC.

(Exact name of registrant as specified in its charter)

Delaware

1-4221

73-0679879

(State or other
jurisdiction of
incorporation)

(Commission File
Number)

(I.R.S. Employer
Identification
Number)

Utica at Twenty-first Street, Tulsa, Oklahoma 74114
(Address of principal executive offices) (Zip Code)

(918) 742-5531

(Registrant's telephone number, including area code)

N/A

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

Page 1 of 7 Pages.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

99.1 Helmerich & Payne, Inc. earnings press release dated April 24, 2003.

ITEM 9. REGULATION FD DISCLOSURE

On April 24, 2003, Helmerich & Payne, Inc. ("Registrant") announced its financial results for its second quarter ended March 31, 2003. A copy of the press release is furnished to the United States Securities and Exchange Commission (the "Commission") with this current report on Form 8-K as an exhibit. The information in this current report is being furnished pursuant to Item 12 under Item 9 of Form 8-K as directed by the Commission in Release No. 34-47583.

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.

HELMERICH & PAYNE, INC.

By: /s/ STEVEN R. MACKEY

Name: Steven R. Mackey

Title: Vice President

Dated: April 24, 2003

EXHIBIT INDEX

Exhibit No. -----	Description -----
99.1	Helmerich & Payne, Inc. earnings press release dated April 24, 2003

EXHIBIT 99.1

APRIL 24, 2003

HELMERICH & PAYNE ANNOUNCES SECOND QUARTER EARNINGS

TULSA, OK. -- HELMERICH & PAYNE, INC. ANNOUNCED NET INCOME OF \$2,574,000 (\$0.05 PER DILUTED SHARE) FROM REVENUES OF \$126,320,000 FOR THE SECOND QUARTER ENDED MARCH 31, 2003, COMPARED WITH NET INCOME FROM CONTINUING OPERATIONS OF \$8,129,000 (\$0.16 PER DILUTED SHARE) FROM REVENUES OF \$132,344,000 FOR THE SECOND QUARTER OF THE PRIOR FISCAL YEAR. NET INCOME FOR THE FIRST SIX MONTHS OF THIS FISCAL YEAR TOTALED \$3,181,000 (\$0.06 PER DILUTED SHARE) FROM REVENUES OF \$239,633,000, COMPARED WITH NET INCOME FROM CONTINUING OPERATIONS OF \$26,256,000 (\$0.52 PER DILUTED SHARE) FROM REVENUES OF \$276,227,000 FOR THE SAME PERIOD LAST YEAR. LAST YEAR'S NET INCOME FROM CIMAREX ENERGY CO. (THE COMPANY'S FORMER EXPLORATION AND PRODUCTION COMPANY THAT WAS SPUN OFF SEPTEMBER 30, 2002) IS REPORTED AS INCOME FROM DISCONTINUED OPERATIONS OF AN ADDITIONAL \$0.06 AND \$0.01 PER DILUTED SHARE FOR THE THREE AND SIX MONTHS PERIOD ENDING MARCH 31, 2002.

TOTAL SECOND QUARTER NET INCOME FOR THE COMPANY WAS DOWN COMPARED TO LAST YEAR'S SECOND QUARTER DUE TO HIGHER DEPRECIATION, INTEREST AND G&A EXPENSES, LOWER DAYRATES AND MARGINS IN THE COMPANY'S U.S. LAND RIG BUSINESS, AND LOWER RIG UTILIZATIONS IN THE COMPANY'S U.S. OFFSHORE PLATFORM AND INTERNATIONAL BUSINESSES. SECOND QUARTER NET INCOME WAS UP SEQUENTIALLY DUE TO REDUCED COSTS IN THE COMPANY'S U.S. LAND RIG OPERATIONS, IMPROVED MARGINS IN ITS U.S. PLATFORM RIG BUSINESS, AND IMPROVED UTILIZATION IN ITS INTERNATIONAL LAND RIG OPERATIONS. (SEE ACCOMPANYING FINANCIALS FOR SPECIFIC OPERATING STATISTICS.)

IN THE COMPANY'S INTERNATIONAL RIG BUSINESS, ADDITIONAL RIGS WORKING IN VENEZUELA AND COLOMBIA HELPED PUSH RIG UTILIZATION AND OPERATING PROFITS UP SLIGHTLY FROM THE PREVIOUS QUARTER. THE COMPANY CURRENTLY HAS FIVE RIGS WORKING IN ITS VENEZUELA OPERATION, ONE IN COLOMBIA, SEVEN IN ECUADOR, ONE IN BOLIVIA, AND A LABOR CONTRACT OFFSHORE EQUATORIAL GUINEA. THE COMPANY PLANS DURING THE CURRENT QUARTER TO SEND ONE LAND RIG FROM ITS U.S. FLEET TO HUNGARY ON A SHORT-TERM CONTRACT. THE COMPANY ALSO RECENTLY SOLD THREE SMALL INACTIVE RIGS LOCATED IN THE LAKE MARACAIBO REGION OF VENEZUELA.

TOTAL DEPRECIATION EXPENSE FOR THE SECOND QUARTER WAS \$19,943,000, COMPARED WITH \$15,046,000 FOR LAST YEAR'S SECOND QUARTER AND \$18,236,000 FOR THE FIRST QUARTER OF FISCAL YEAR 2003. THE INCREASE WAS PRIMARILY DUE TO THE COMPLETION OF CONSTRUCTION OF APPROXIMATELY TWO FLEXRIGS(TM)* EACH MONTH SINCE JUNE 2002. THE COMPANY INCURRED HIGHER INTEREST EXPENSE IN THE SECOND QUARTER COMPARED WITH LAST YEAR'S SECOND QUARTER AND THE PREVIOUS QUARTER DUE TO THE PLACEMENT OF \$200,000,000 OF INTERMEDIATE TERM DEBT, HALF OF WHICH WAS PLACED ON AUGUST 15, 2002, AND THE OTHER HALF PLACED ON OCTOBER 15, 2002. GENERAL AND ADMINISTRATIVE EXPENSES WERE HIGHER IN THE CURRENT YEAR'S SECOND QUARTER COMPARED WITH LAST YEAR'S SECOND QUARTER MAINLY DUE TO INCREASES IN PENSION AND HEALTH INSURANCE COSTS, AND UP SEQUENTIALLY DUE TO HIGHER PAYROLL AND ASSOCIATED EMPLOYEE BENEFIT COSTS.

***FLEXRIG(TM) HEREINAFTER REFERRED TO AS FLEXRIG**

(OVER)

APRIL 24, 2003
NEWS RELEASE

COMPANY PRESIDENT AND C.E.O., HANS HELMERICH COMMENTED, "AT THE END OF THE QUARTER, INDUSTRY RIG COUNTS WERE FINALLY RESPONDING TO THE STRONG NATURAL GAS FUNDAMENTALS. WE ANTICIPATE THAT BETTER COST CONTAINMENT AND IMPROVING DAYRATES WILL ADD TO OUR OPERATING MARGINS. UNFORTUNATELY, THE SOFTNESS IN THE GULF OF MEXICO PLATFORM MARKET AND THE INTERNATIONAL DRILLING MARKETS HAMPER EARNINGS AS THEY WILL BE SLOWER TO RECOVER."

THE COMPANY DID NOT ALTER THE EARNINGS GUIDANCE IT PROVIDED THE PREVIOUS QUARTER, WHICH WAS FOR ONLY SLIGHT IMPROVEMENT IN EARNINGS FOR ITS THIRD AND FOURTH QUARTERS.

HELMERICH & PAYNE, INC. (HP/NYSE) IS A CONTRACT DRILLING COMPANY THAT OWNS 78 U.S. LAND RIGS, 12 U.S. PLATFORM RIGS LOCATED IN THE GULF OF MEXICO, AND 31 INTERNATIONAL LAND RIGS, OR A TOTAL OF 121 RIGS. OF THE 78 U.S. LAND RIGS CURRENTLY AVAILABLE, 38 ARE H&P-DESIGNED FLEXRIGS. THE COMPANY IS SCHEDULED TO COMPLETE THE CONSTRUCTION OF AN ADDITIONAL FOUR FLEXRIGS TO BE PUT IN SERVICE BY JUNE 2003.

HELMERICH & PAYNE, INC.'S CONFERENCE CALL/WEBCAST IS SCHEDULED FOR THIS

AFTERNOON AT 3:30 ET (2:30 CT). GO TO

[HTTP://WWW.FIRSTCALLEVENTS.COM/SERVICE/AJWZ378570134GF12.HTML](http://www.firstcallevts.com/service/AJWZ378570134GF12.HTML). IF YOU ARE UNABLE TO PARTICIPATE DURING THE LIVE WEBCAST, THE CALL WILL BE ARCHIVED FOR 60 DAYS ON THE WEBSITE LISTED ABOVE AS WELL AS ON H&P'S WEBSITE AT [WWW.HPINC.COM](http://www.hpinc.com).

THE INFORMATION TO BE DISCLOSED IN THE CONFERENCE CALL AND WEBCAST SHALL INCLUDE 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 H&P FROM TIME TO TIME IN ITS FILINGS WITH THE SECURITIES AND EXCHANGE COMMISSION. AS A RESULT OF THESE FACTORS, H&P'S ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE INDICATED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS.

CONTACT: DOUG FEARS
(918) 748-5208

(MORE)

APRIL 24, 2003

NEWS RELEASE

HELMERICH & PAYNE, INC.

UNAUDITED

(IN THOUSANDS, EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED MARCH 31		SIX MONTHS ENDED MARCH 31	
	2003	2002	2003	2002
CONSOLIDATED STATEMENTS OF INCOME				
REVENUES:				
Operating revenues(A)	\$ 125,291	\$ 130,816	\$ 237,814	\$ 273,392
Income from investments	1,029	1,528	1,819	2,835
	-----	-----	-----	-----
	126,320	132,344	239,633	276,227
	-----	-----	-----	-----
COST AND EXPENSES:				
Operating costs(A)	91,314	97,477	177,164	193,649
Depreciation	19,943	15,046	38,179	28,879
General and administrative	7,575	6,117	13,761	10,600
Interest	3,032	338	5,802	730
	-----	-----	-----	-----
	121,864	118,978	234,906	233,858
	-----	-----	-----	-----
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND EQUITY IN INCOME OF AFFILIATES				
	4,456	13,366	4,727	42,369
PROVISION FOR INCOME TAXES EQUITY IN INCOME OF AFFILIATES, net of income taxes				
	1,915	6,007	2,032	17,975
	33	770	486	1,862
	-----	-----	-----	-----
INCOME FROM CONTINUING OPERATIONS	2,574	8,129	3,181	26,256
INCOME FROM DISCONTINUED OPERATIONS	--	2,743	--	220
	-----	-----	-----	-----
NET INCOME	\$ 2,574	\$ 10,872	\$ 3,181	\$ 26,476
	=====	=====	=====	=====
BASIC EARNINGS PER COMMON SHARE:				
INCOME FROM CONTINUING OPERATIONS	\$ 0.05	\$ 0.16	\$ 0.06	\$ 0.52
INCOME FROM DISCONTINUED OPERATIONS	--	0.06	--	0.01
	-----	-----	-----	-----
NET INCOME	\$ 0.05	\$ 0.22	\$ 0.06	\$ 0.53
	=====	=====	=====	=====
DILUTED EARNINGS PER COMMON SHARE:				
INCOME FROM CONTINUING OPERATIONS	\$ 0.05	\$ 0.16	\$ 0.06	\$ 0.52
INCOME FROM DISCONTINUED OPERATIONS	--	0.06	--	0.01
	-----	-----	-----	-----
NET INCOME	\$ 0.05	\$ 0.22	\$ 0.06	\$ 0.53
	=====	=====	=====	=====
Average common shares outstanding:				
Basic	50,023	49,788	50,001	49,762
Diluted	50,539	50,265	50,503	50,171

(more)

APRIL 24, 2003

NEWS RELEASE

HELMERICH & PAYNE, INC.

UNAUDITED

(IN THOUSANDS)

	THREE MONTHS ENDED MARCH 31		SIX MONTHS ENDED MARCH 31	
	2003	2002	2003	2002
FINANCIAL RESULTS - LINES OF BUSINESS				
SALES AND OTHER REVENUES(A):				
Contract Drilling - Domestic	\$ 93,491	\$ 85,728	\$ 180,240	\$ 183,386
Contract Drilling - International	29,451	43,546	52,975	85,955
Total Contract Drilling	122,942	129,274	233,215	269,341
Real Estate Division	2,517	1,965	4,748	4,460
Investments Income	1,029	1,528	1,819	2,835
Other Revenues	(168)	(423)	(149)	(409)
Total Revenues	\$ 126,320	\$ 132,344	\$ 239,633	\$ 276,227
OPERATING PROFIT:				
Contract Drilling - Domestic	\$ 12,267	\$ 13,533	\$ 20,893	\$ 41,349
Contract Drilling - International	1,248	4,416	656	8,293
Total Contract Drilling Division	13,515	17,949	21,549	49,642
Real Estate Division	1,360	1,336	2,526	2,733
Total Operating Profit	14,875	19,285	24,075	52,375
OTHER	(10,419)	(5,919)	(19,348)	(10,006)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND EQUITY				
IN INCOME OF AFFILIATES	\$ 4,456	\$ 13,366	\$ 4,727	\$ 42,369

(A) The Company accounts for reimbursement of "out-of-pocket" expenses in accordance with Emerging Issues Task Force (EITF) No. 01-14, "Income Statement Characterization of Reimbursements Received for Out-of-Pocket Expenses Incurred." EITF 01-14 requires that reimbursements received be included in operating revenues and "out-of-pocket" expenses be included in direct costs. Accordingly, such reimbursements and expenses have been appropriately classified, resulting in revenues and operating costs for the three and six month periods ending March 31, 2002 increasing from previously reported amounts by \$11.4 million and \$20.3 million, respectively. These reclassifications had no impact on net income.

(more)

APRIL 24, 2003

NEWS RELEASE

HELMERICH & PAYNE, INC.
UNAUDITED
(IN THOUSANDS)

	3/31/03	09/30/02
	-----	-----
CONSOLIDATED CONDENSED BALANCE SHEET		
ASSETS		
Cash	\$ 43,248	\$ 46,883
Accounts Receivable	89,915	92,604
Inventories	22,111	22,511
Other current assets	20,597	16,753
	-----	-----
Total current assets	\$ 175,871	\$ 178,751
	-----	-----
Investments	150,425	146,855
Net property, plant, and equipment	995,183	897,445
Other assets	20,603	4,262
	-----	-----
TOTAL ASSETS	\$1,342,082	\$1,227,313
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Total current liabilities	\$ 70,735	\$ 72,899
Total noncurrent liabilities	178,158	159,244
Long-term debt	200,000	100,000
Total Shareholders' Equity	893,189	895,170
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$1,342,082	\$1,227,313
	=====	=====

HELMERICH & PAYNE, INC.
OPERATING STATISTICS(B)

	SECOND QUARTER		FIRST QUARTER
	2003	2002	2003
	-----	-----	-----
U.S. LAND			
Revenue Days	5,357	3,985	5,015
Average Rig Revenue Per Day	\$ 11,433	\$ 12,386	\$ 11,316
Average Rig Margin Per day	\$ 3,162	\$ 3,545	\$ 2,835
Utilization	80%	76%	79%
U.S. PLATFORM			
Revenue Days	540	804	572
Average Rig Revenue Per Day	\$ 38,139	\$ 30,624	\$ 36,087
Average Rig Margin Per Day	\$ 20,234	\$ 13,069	\$ 18,658
Utilization	50%	89%	52%
INTERNATIONAL			
Revenue Days	1,205	1,663	991
Average Rig Revenue Per Day	\$ 19,356	\$ 21,777	\$ 18,666
Average Rig Margin Per Day	\$ 5,229	\$ 7,109	\$ 3,854
Utilization	41%	58%	33%
TOTAL CAPITAL EXPENDITURES	\$ 68,548	\$ 76,469	\$ 69,255

(B) Operating statistics exclude the effects of labor contracts, and do not include reimbursements and "out-of-pocket" expenses (see Note A) in revenue per day and margin calculations.

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