

GLOBAL INDUSTRIES LTD
Form 8-K
February 16, 2006

**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): February 15, 2006

GLOBAL INDUSTRIES, LTD.

(Exact name of registrant as specified in its charters)

| | | |
|---|--------------------------|---|
| Louisiana | 0-21086 | 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**

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On February 15, 2006, Global Industries, Ltd. issued a press release announcing its operating results for the fourth quarter and year ended December 31, 2005, a copy of which is attached as Exhibit 99.1 to this Report and incorporated by reference into this Item 2.02.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

- (a) Financial statements of businesses acquired.
Not applicable.
- (b) Pro forma financial information.
Not applicable.
- (c) Exhibits.
99.1 Global Industries, Ltd. press release dated February 15, 2006.

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.

Date: February 15, 2006

By: /s/ PETER S. ATKINSON

Name: Peter S. Atkinson

Title: President and Chief Financial Officer

EXHIBIT INDEX

Exhibit

| <u>Number</u> | <u>Exhibit Description</u> |
|----------------------|--|
| 99.1 | Global Industries, Ltd. press release dated February 15, 2006. |

PRESS RELEASE

For Immediate Release
Contact: William Dore' Jr.
Tel: 281.529.7979

Global Industries, Ltd. Announces Operating Results for the Fourth Quarter and Year Ended December 31, 2005

Carlyss, Louisiana, (February 15, 2006) **Global Industries, Ltd.** (NASDAQ: **GLBL**) announced results for the quarter and year ended December 31, 2005. Revenues were \$174.0 million for the fourth quarter of 2005 compared to revenues of \$171.2 million for the same period in 2004. Gross profit was \$29.5 million for the fourth quarter of 2005 compared to \$43.2 million for the same period in 2004. The Company reported diluted earnings per share from continuing operations of \$0.09 per share for the fourth quarter of 2005 compared to \$0.05 per share for the

comparable period in 2004. Additionally, results for the fourth quarter of 2004 included diluted earnings per share from discontinued operations of \$0.14 per share, primarily resulting from the sale of our Liftboat Division.

The \$13.7 million decline in gross profit between comparable quarters was primarily due to lower utilization in our Latin America and Asia Pacific segments. In Latin America, major projects which were started in 2004 and 2005 were substantially completed during the fourth quarter of 2005, and the OCD and GDMC Latin America segments prepared for new projects set to commence in earnest in early 2006. In OCD Asia Pacific, the working season for 2005 in China came to an end during the quarter, and additional equipment which had been relocated to this region during 2005 became temporarily idle. Additionally, the gross profit margin of our OCD Gulf of Mexico segment was negatively impacted by lower margins on intercompany services and the unscheduled release and demobilization of a vessel in Trinidad.

Income from continuing operations before income taxes for the fourth quarter of 2004 included the negative effect of \$7.1 million of asset impairment costs, or \$0.02 per diluted share, related to the impairment of two vessels and one facility.

Revenues for the year ended December 31, 2005 increased \$225.3 million, or 49%, from 2004 to \$688.6 million. Gross profit was \$116.8 million for the year ended December 31, 2005, an improvement of \$52.4 million compared to the year ended December 31, 2004. Income from continuing operations, net of taxes, was \$34.8 million, an improvement of \$28.2 million over 2004. Diluted earnings per share from continuing operations were \$0.30 for the year ended December 31, 2005 compared to \$0.06 per share for 2004. Additionally, results for 2004 included diluted earnings per share from discontinued operations of \$0.14 per share, primarily resulting from the sale of our Liftboat Division.

During the fourth quarter of 2005, we booked \$175.0 million of new work resulting in a December 31, 2005 backlog of \$576.1 million as compared to a backlog of \$262.0 million at the end of 2004.

William J. Dore', Global's Chairman and Chief Executive Officer, said, "We are entering a phase in the cycle where there is robust demand for offshore construction services across all of our regions. Our long-term positive outlook is supported by record levels of inquiries and bidding activity. We anticipate backlog to continue on an upward trend.

In the Gulf of Mexico, we see strong demand for offshore construction services, including diving, based on the amount of damage which occurred from last year's hurricane season. In addition, our worldwide major construction barge utilization for fiscal 2005 was 54% up 22% from fiscal year 2004. As of December 31, 2005, our backlog in international regions was \$537.8 million. Given this promising situation, we intend to redouble our efforts to address productivity issues and to take full advantage of this opportunity."

A conference call will be held at 9:00 a.m. Central Time on Thursday, February 16, 2006. Anyone wishing to listen to the conference call may dial 888.790.9477 or 210.234.9633 and ask for the "Global Fourth Quarter Earnings" 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 March 3, 2006.

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 under the symbol "GLBL."

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

(In thousands, except per share amounts)

| | Three Months Ended | | Year Ended | |
|--|--------------------|------------|-------------|------------|
| | December 31 | | December 31 | |
| | 2005 | 2004 | 2005 | 2004 |
| Results of Operations | | | | |
| Revenues | \$ 173,957 | \$ 171,215 | \$ 688,615 | \$ 463,331 |
| Cost of Operations | 144,495 | 128,061 | 571,768 | 398,875 |
| Gross Profit | 29,462 | 43,154 | 116,847 | 64,456 |
| Losses on Asset Impairment | -- | 7,073 | -- | 7,173 |
| Net (Gain) Loss on Asset Disposal | (3) | (111) | (5,303) | (18,246) |
| Selling, General and Administrative Expenses | 14,004 | 9,425 | 50,916 | 37,923 |
| Operating Income (Loss) | 15,461 | 26,767 | 71,234 | 37,606 |
| Other Expense (Income): | | | | |
| Interest Expense | 2,050 | 4,668 | 10,192 | 14,797 |
| Other | (2,232) | 822 | (4,972) | 1,647 |
| Income (Loss) From Continuing Operations | | | | |
| Before Income Taxes | 15,643 | 21,277 | 66,014 | 21,162 |
| Income Taxes (Benefit) | 5,567 | 15,862 | 31,256 | 14,640 |
| Income (Loss) From Continuing Operations, Net of Taxes | 10,076 | 5,415 | 34,758 | 6,522 |
| Income (Loss) From Discontinued Operations, Net of Taxes | -- | 16,107 | -- | 15,910 |
| Net Income (Loss) | 10,076 | 21,522 | 34,758 | \$ 24,432 |

Basic Earnings Per Common Share:

| | | | | |
|--|---------|---------|---------|---------|
| Earnings (Loss) From Continuing Operations | \$ 0.09 | \$ 0.05 | \$ 0.31 | \$ 0.06 |
| Income (Loss) From Discontinued Operations | -- | 0.14 | -- | 0.15 |
| Basic Earnings (Loss) Per Share | \$ 0.09 | \$ 0.19 | \$ 0.31 | \$ 0.21 |

Diluted Earnings Per Common Share:

| | | | | |
|--|---------|---------|---------|---------|
| Earnings (Loss) From Continuing Operations | \$ 0.09 | \$ 0.05 | \$ 0.30 | \$ 0.06 |
| Income (Loss) From Discontinued Operations | -- | 0.14 | -- | 0.14 |
| Diluted Earnings (Loss) Per Share | \$ 0.09 | \$ 0.19 | \$ 0.30 | \$ 0.20 |

Weighted Average Common Shares

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Outstanding:

| | | | | |
|---------|-------------|-------------|-------------|-------------|
| Basic | 114,428,000 | 111,034,000 | 113,959,000 | 108,746,000 |
| Diluted | 117,582,000 | 113,330,000 | 115,072,000 | 109,536,000 |

Other Data

| | | | | |
|--|-----------|-----------|-----------|-----------|
| Depreciation and Amortization | \$ 10,539 | \$ 15,417 | \$ 51,194 | \$ 45,932 |
| Deferred Income Taxes (Benefit) | (8,687) | 21,489 | 350 | 21,569 |
| Backlog at December 31, 2005 and 2004 | | | 576,134 | 261,956 |

Set forth are the Company's results of
operations for the periods indicated
(In thousands)

| Reportable Segments | Three Months Ended | | Year Ended | |
|--|--------------------|------------|-------------|------------|
| | December 31 | | December 31 | |
| | 2005 | 2004 | 2005 | 2004 |
| Total Segment Revenues | | | | |
| Offshore Construction Division | | | | |
| Gulf of Mexico | \$ 69,260 | \$ 27,974 | \$ 160,591 | \$ 65,076 |
| West Africa | 21,005 | 597 | 30,360 | 7,469 |
| Latin America | 24,100 | 85,332 | 255,784 | 238,986 |
| Asia Pacific | 31,020 | 20,676 | 132,258 | 76,702 |
| Middle East | 8,210 | 21,100 | 36,251 | 29,600 |
| Subtotal | 153,595 | 155,679 | 615,244 | 417,833 |
| Global Divers and Marine Contractors | | | | |
| Gulf of Mexico | 26,792 | 13,945 | 64,943 | 38,169 |
| West Africa | 1,740 | 92 | 1,909 | 617 |
| Latin America | (104) | 5,563 | 21,909 | 13,854 |
| Middle East | 10,993 | 8,700 | 46,140 | 24,913 |
| Subtotal | 39,421 | 28,300 | 134,901 | 77,553 |
| Total | \$ 193,016 | \$ 183,979 | \$ 750,145 | \$ 495,386 |
| Intersegment elimination | (19,059) | (12,764) | (61,530) | (32,055) |
| Total segment revenues from external customers | \$ 173,957 | \$ 171,215 | \$ 688,615 | \$ 463,331 |

**Income (Loss) from Continuing Operations
Before Income Taxes**

| | | | | |
|--------------------------------------|-----------|-----------|-----------|-----------|
| Offshore Construction Division | | | | |
| Gulf of Mexico | \$ 13,915 | \$ 11,681 | \$ 41,541 | \$ 13,214 |
| West Africa | 1,467 | (7898) | (12,003) | (22,655) |
| Latin America | (2,840) | 5,380 | (3,548) | 26,430 |
| Asia Pacific | (2,849) | 3,119 | (3,350) | (2,010) |
| Middle East | (1,134) | 1,488 | 4,889 | (5,716) |
| Subtotal | 8,559 | 13,770 | 27,529 | 9,263 |
| Global Divers and Marine Contractors | | | | |
| Gulf of Mexico | 9,659 | 5,757 | 24,107 | 4,613 |
| West Africa | 782 | (25) | 724 | (94) |
| Latin America | (1,209) | 1,672 | 4,985 | 3,641 |
| Middle East | (309) | 241 | 9,659 | 4,086 |
| Subtotal | 8,923 | 7,645 | 39,475 | 12,246 |
| Other | (1,839) | (138) | (990) | (347) |
| Total | 15,643 | 21,277 | 66,014 | 21,162 |

| Selected Balance Sheet Amounts | As of December 31, 2005 | As of December 31, 2004 |
|---------------------------------------|----------------------------|-------------------------------|
| Cash | \$ 128,615 | \$ 143,161 |
| Working Capital (including cash) | 213,755 | 152,202 |
| Total Assets | 861,987 | 704,787 |
| Debt | 77,220 | 81,180 |
| Shareholders' Equity | 496,806 | 450,728 |