

NOBLE CORP
Form 10-Q
August 06, 2012
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended: June 30, 2012

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 000-53604

NOBLE CORPORATION

(Exact name of registrant as specified in its charter)

Switzerland
(State or other jurisdiction of
incorporation or organization)

98-0619597
(I.R.S. employer
identification number)

Dorfstrasse 19A, Baar, Switzerland
(Address of principal executive offices)

6340
(Zip Code)

Registrant's Telephone Number, Including Area Code: 41 (41) 761-65-55

Commission file number: 001-31306

NOBLE CORPORATION

(Exact name of registrant as specified in its charter)

Cayman Islands
(State or other jurisdiction of
incorporation or organization)

98-0366361
(I.R.S. employer
identification number)

Suite 3D, Landmark Square, 64 Earth Close, P.O. Box 31327 George Town, Grand Cayman, Cayman Islands, KY1-1206
(Address of principal executive offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (345) 938-0293

Indicate by check mark whether each registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether each registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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Indicate by check mark whether each registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Noble-Swiss: Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Noble-Cayman: Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether each registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Number of shares outstanding and trading at July 31, 2012: Noble Corporation (Switzerland) 252,604,007

Number of shares outstanding at July 31, 2012: Noble Corporation (Cayman Islands) 261,245,693

Noble Corporation, a Cayman Islands company and a wholly owned subsidiary of Noble Corporation, a Swiss corporation, meets the conditions set forth in General Instructions H(1) (a) and (b) to Form 10-Q and is therefore filing this Form 10-Q with the reduced disclosure format contemplated by paragraphs (b) and (c) of General Instruction H(2) of Form 10-Q.

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This combined Quarterly Report on Form 10-Q is separately filed by Noble Corporation, a Swiss corporation (Noble-Swiss), and Noble Corporation, a Cayman Islands company (Noble-Cayman). Information in this filing relating to Noble-Cayman is filed by Noble-Swiss and separately by Noble-Cayman on its own behalf. Noble-Cayman makes no representation as to information relating to Noble-Swiss (except as it may relate to Noble-Cayman) or any other affiliate or subsidiary of Noble-Swiss. Since Noble-Cayman meets the conditions specified in General Instructions H(1)(a) and (b) to Form 10-Q, it is permitted to use the reduced disclosure format for wholly owned subsidiaries of reporting companies. Accordingly, Noble-Cayman has omitted from this report the information called for by Item 3 (Quantitative and Qualitative Disclosures about Market Risk) of Part I of Form 10-Q and the following items of Part II of Form 10-Q: Item 2 (Unregistered Sales of Equity Securities and Use of Proceeds) and Item 3 (Defaults upon Senior Securities).

This report should be read in its entirety as it pertains to each Registrant. Except where indicated, the Consolidated Financial Statements and related Notes are combined. References in this Quarterly Report on Form 10-Q to Noble, the Company, we, us, our and words of similar meaning refer collectively to Noble-Swiss and its consolidated subsidiaries, including Noble-Cayman.

Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Financial Statements****NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEET****(In thousands)****(Unaudited)**

	June 30, 2012	December 31, 2011
ASSETS		
Current assets		
Cash and cash equivalents	\$ 275,293	\$ 239,196
Accounts receivable	693,533	587,163
Taxes receivable	97,900	75,284
Prepaid expenses	78,463	35,796
Other current assets	142,541	122,173
Total current assets	1,287,730	1,059,612
Property and equipment, at cost	16,055,168	15,540,178
Accumulated depreciation	(3,632,532)	(3,409,833)
Property and equipment, net	12,422,636	12,130,345
Other assets	325,650	305,202
Total assets	\$ 14,036,016	\$ 13,495,159
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable	\$ 277,647	\$ 436,006
Accrued payroll and related costs	125,603	117,907
Interest payable	73,208	54,419
Taxes payable	89,262	94,920
Dividends payable	132,679	
Other current liabilities	108,714	123,928
Total current liabilities	807,113	827,180
Long-term debt	4,444,294	4,071,964
Deferred income taxes	238,045	242,791
Other liabilities	306,397	255,372
Total liabilities	5,795,849	5,397,307
Commitments and contingencies		

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Shareholders' equity		
Shares; 253,076 and 252,639 shares outstanding	709,368	766,595
Treasury shares, at cost; 569 and 287 shares	(20,318)	(10,553)
Additional paid-in capital	60,991	48,356
Retained earnings	6,823,758	6,676,444
Accumulated other comprehensive loss	(75,461)	(74,321)
Total shareholders' equity	7,498,338	7,406,521
Noncontrolling interests	741,829	691,331
Total equity	8,240,167	8,097,852
Total liabilities and equity	\$ 14,036,016	\$ 13,495,159

See accompanying notes to the unaudited consolidated financial statements.

Table of Contents**NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES****CONSOLIDATED STATEMENT OF INCOME****(In thousands, except per share amounts)****(Unaudited)**

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Operating revenues				
Contract drilling services	\$ 848,237	\$ 589,550	\$ 1,594,547	\$ 1,132,155
Reimbursables	30,812	24,122	65,953	46,413
Labor contract drilling services	19,863	14,012	35,871	27,559
Other	11	313	242	758
	898,923	627,997	1,696,613	1,206,885
Operating costs and expenses				
Contract drilling services	423,502	336,728	843,513	643,091
Reimbursables	24,970	18,723	55,571	35,826
Labor contract drilling services	11,847	8,750	21,079	17,273
Depreciation and amortization	183,615	163,119	354,692	321,241
Selling, general and administrative	25,404	21,632	48,530	45,347
Loss on impairment	18,345		18,345	
Gain on contract settlements/extinguishments, net	(33,255)		(33,255)	(21,202)
	654,428	548,952	1,308,475	1,041,576
Operating income	244,495	79,045	388,138	165,309
Other income (expense)				
Interest expense, net of amount capitalized	(20,652)	(14,829)	(31,148)	(33,870)
Interest income and other, net	1,188	(534)	2,973	2,058
Income before income taxes	225,031	63,682	359,963	133,497
Income tax provision	(46,356)	(9,508)	(67,945)	(24,867)
Net income	178,675	54,174	292,018	108,630
Net income attributable to noncontrolling interests	(18,857)	(91)	(12,025)	(52)
Net income attributable to Noble Corporation	\$ 159,818	\$ 54,083	\$ 279,993	\$ 108,578
Net income per share				
Basic	\$ 0.63	\$ 0.21	\$ 1.10	\$ 0.43
Diluted	\$ 0.63	\$ 0.21	\$ 1.10	\$ 0.43

See accompanying notes to the unaudited consolidated financial statements.

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NOBLE CORPORATION (NOBLE-SWISS) AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(In thousands)

(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Net income	\$ 178,675	\$ 54,174	\$ 292,018	\$ 108,630
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustments	(6,949)	1,375	(7,027)	4,382
Gain on foreign currency forward co				