

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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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): OCTOBER 19, 2004  
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DIAMOND OFFSHORE DRILLING, INC.  
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(Exact Name of Registrant as Specified in Charter)

DELAWARE

1-13926

76-0321760  
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(State or Other Jurisdiction  
of Incorporation)

(Commission File Number)

(IRS Employer  
Identification No.)

15415 KATY FREEWAY  
HOUSTON, TEXAS 77094  
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(Address of Principal Executive Offices and Zip Code)

Registrant's telephone number, including area code: (281) 492-5300  
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NOT APPLICABLE  
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(Former name or former address, if changed since last report)

Check the appropriate line below if the Form 8-K filing is intended to  
simultaneously satisfy the filing obligation of the registrant under any of the  
following provisions:

\_\_\_ 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))

INFORMATION TO BE INCLUDED IN THE REPORT

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On October 19, 2004, Diamond Offshore Drilling, Inc. issued a press release announcing its financial results for the fiscal quarter and nine-month period ended September 30, 2004. A copy of such press release is furnished herewith as Exhibit 99.1.

The information furnished in this Current Report on Form 8-K, including Exhibit 99.1, is being furnished pursuant to Item 2.02 of Form 8-K and shall not be deemed "filed" with the Securities and Exchange Commission and will not be incorporated by reference into any registration statement filed under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated by reference.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

- (c) Exhibits. The following exhibit is furnished as part of Item 2.02 of this Current Report on Form 8-K:

Exhibit number	Description
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99.1	Press Release dated October 19, 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.

DIAMOND OFFSHORE DRILLING, INC.

By: /s/ William C. Long

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William C. Long  
Vice President, General Counsel  
and Secretary

Dated: October 19, 2004

EXHIBIT INDEX

Exhibit number	Description
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99.1	Press Release dated October 19, 2004

FOR IMMEDIATE RELEASE

CONTACT: LES VAN DYKE  
DIRECTOR, INVESTOR RELATIONS  
(281) 492-5370

DIAMOND OFFSHORE DRILLING, INC. ANNOUNCES  
THIRD QUARTER 2004 RESULTS

Houston, Texas, October 19, 2004 -- Diamond Offshore Drilling, Inc. (NYSE:DO) today reported net income for the third quarter of 2004 of \$2.9 million, or \$0.02 per share on a diluted basis, compared with a net loss of \$11.5 million, or \$0.09 per share on a diluted basis, in the same period a year earlier. Revenues for the third quarter of 2004 were \$208.2 million, compared with revenues of \$183.9 million for the third quarter of 2003.

Results for the period were negatively impacted by \$.04 per share for the deductible portion of insurance claims made for damage caused by Hurricane Ivan. Additionally, the Ocean Alliance incurred 29 days of downtime during the quarter due to equipment repairs, which negatively impacted net income by \$.02 per share. The Company also recorded a provision for potential labor cost increases in the U.K. related to mandated legislative benefits that negatively impacted net income by \$.01 per share. In addition, the Company incurred reactivation costs to bring the jack-up Ocean Champion out of cold-stack and into the U.S. Gulf of Mexico ("GOM") market, which negatively impacted net income by \$.01 per share.

For the nine months ended September 30, 2004, the Company reported a net loss of \$18.5 million, or \$0.14 per share on a diluted basis compared with a net loss of \$49.7 million or \$0.38 per share on a diluted basis for the same period in 2003. Revenue for the nine months ended September 30, 2004 was \$577.3 million, compared with \$493.3 million for the first nine months of 2003.

The Company has received contracts and Letters of Intent for nine of its semisubmersible units for work in the GOM and North Sea beginning in the fourth quarter of 2004 and early 2005 at rates substantially higher than average rates recorded for these units in the third quarter of 2004. Commitments for Diamond Offshore's fourth generation rigs have reached as high as \$140,000 per day for GOM work beginning in 2005. Improving dayrates were a factor in the Company's decision to begin reactivation of the Ocean Voyager for the mid-water GOM market. The Voyager is expected to be ready to begin work by mid-December. Reactivation costs are estimated to be approximately \$8 million.

In the North Sea, the Ocean Vanguard recently arrived in Norway where it began an approximate 15 month series of contracts for a dayrate in the low \$140,000s. Both the Ocean Guardian and Ocean Princess have one year extensions in the U.K. at \$80,000 dayrates. The Ocean Nomad is in the process of mobilizing from West Africa to the U.K. where, following shipyard work, it will begin a one year contract at a dayrate of \$80,000.

As of September 30, 2004, there were 128.5 million shares of Diamond Offshore common stock outstanding. During the third quarter of 2004, the Company repurchased 782,200 shares of its common stock at an aggregate cost of \$18.1 million, or \$23.11 per share. Depending on market conditions, the Company may, from time to time, purchase shares of its outstanding common stock in the open market or otherwise.

Diamond Offshore is a leader in deep water drilling. The Company's fleet of 45 offshore drilling rigs consists of 30 semisubmersibles, 14 jack-ups and one drillship. The fleet is located in the waters of six of the world's seven continents.

As previously announced, Diamond Offshore will provide a simulcast and rebroadcast of its third quarter 2004 earnings release conference call. The live broadcast of the Diamond Offshore Drilling, Inc. quarterly conference call will be available online at [www.diamondoffshore.com](http://www.diamondoffshore.com) on October 19, 2004, beginning at 9:00 a.m. Central Time. The online replay will follow immediately and continue for 5 days after the original call. Please go to the web site at least 15 minutes before the broadcast to register, download and install any necessary audio software.

Statements in this press release may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements include, but are not limited to, statements concerning commitments for drilling work or contracts, future dayrates, the timing and expense of the Ocean Voyager's reactivation, future contracts and share repurchases. Such statements are inherently subject to a variety of risks and uncertainties that could cause actual results to differ materially from those anticipated or projected. A discussion of the risk factors that could impact these areas and the Company's overall business and financial performance can be found in the Company's reports and other filings with the Securities and Exchange Commission. These factors include, among others, general economic and business conditions, casualty losses, industry fleet capacity, changes in foreign and domestic oil and gas exploration and production activity, competition, changes in foreign, political, social and economic conditions, regulatory initiatives and compliance with governmental regulations, customer preferences and various other matters, many of which are beyond the Company's control. Given these concerns, investors and analysts should not place undue reliance on forward-looking statements. Each forward-looking statement speaks only as of the date of this press release. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any forward-looking statement is based.

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DIAMOND OFFSHORE DRILLING, INC. AND SUBSIDIARIES

AVERAGE DAYRATES AND UTILIZATION

THIRD QUARTER  
SECOND QUARTER  
THIRD QUARTER  
2004 2004 2003

-----  
-----  
-----  
-----  
----- DAYRATE  
UTILIZATION  
DAYRATE  
UTILIZATION  
DAYRATE  
UTILIZATION ---  
-----  
-----  
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(Dayrate in  
thousands) HIGH  
SPECIFICATION  
FLOATERS \$92  
89% \$98 66% \$97  
90% OTHER  
SEMISUBMERSIBLES  
\$55 75% \$55 71%  
\$60 57% JACK-  
UPS \$40 89% \$37  
90% \$28 64%

## DIAMOND OFFSHORE DRILLING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)  
(In thousands, except per share data)

	THREE MONTHS ENDED NINE MONTHS ENDED SEPTEMBER 30, SEPTEMBER 30, -----			
	2004	2003	2004	2003
-----	2004	2003	2004	2003
REVENUES: Contract drilling				
.....				
\$ 174,923 \$ 554,535 \$ 471,820 Revenues related to				
reimbursable expenses .....	7,588	8,984		
22,807 21,436 -----				
Total revenues .....				
208,198 183,907 577,342 493,256 -----				
OPERATING EXPENSES: Contract				
drilling .....				
140,607 126,934 408,768 365,210 Reimbursable expenses				
.....	6,620	8,208		
20,373 19,471 Depreciation				
.....				
45,043 43,256 134,117 132,086 General and				
administrative .....				
6,728 7,181 24,277 22,595 Loss on sale and disposal				
of assets .....	1,536	1,509	1,341	
1,451 -----				
Total				
operating expenses .....	200,534			
187,088 588,876 540,813 -----				
OPERATING INCOME (LOSS)				
.....				
(3,181) (11,534) (47,557) OTHER INCOME (EXPENSE):				
Interest income				
.....				
2,742 7,581 10,235 Interest expense				
.....				
(6,432) (20,384) (17,385) Gain (loss) on sale of				
marketable securities .....	(27)	(6,179)		
231 (7,310) Other, net				
.....				
78				
(140) (333) 2,891 -----				
INCOME (LOSS) BEFORE INCOME TAX EXPENSE				
(BENEFIT) .....	2,957	(13,190)		
(24,439) (59,126) INCOME TAX BENEFIT (EXPENSE)				
.....	(16)	1,727		
5,913 9,410 -----				
NET INCOME (LOSS)				
.....				
\$ 2,941 \$ (11,463) \$ (18,526) \$ (49,716) =====				
===== EARNINGS (LOSS) PER				
SHARE: BASIC				
.....				
\$ 0.02 \$ (0.09) \$ (0.14) \$ (0.38) =====				
===== DILUTED				
.....				
\$ 0.02 \$ (0.09) \$ (0.14) \$ (0.38) =====				
===== WEIGHTED AVERAGE SHARES				
OUTSTANDING: Shares of common stock				
.....				
128,899 130,366				
129,180 130,336 Dilutive potential shares of common				
stock .....	42	--	--	--
-----				
Total weighted average shares				
outstanding ....	128,941	130,366	129,180	130,336
=====				



## DIAMOND OFFSHORE DRILLING, INC. AND SUBSIDIARIES

## RESULTS OF OPERATIONS

(Unaudited)

(In thousands)

THREE MONTHS ENDED SEPTEMBER 30, -----  
----- 2004 2003 -----  
--- CONTRACT DRILLING REVENUE High  
Specification Floaters  
..... \$ 75,502 \$ 79,688  
Other Semisubmersibles  
..... 79,357 72,588  
Jack-ups  
.....  
45,268 23,006 Other  
.....  
483 (359) Eliminations  
..... -- --  
----- TOTAL CONTRACT  
DRILLING REVENUE ..... \$  
200,610 \$ 174,923 =====  
REVENUES RELATED TO REIMBURSABLE EXPENSES  
..... \$ 7,588 \$ 8,984 =====  
===== CONTRACT DRILLING EXPENSE High  
Specification Floaters  
..... \$ 43,697 \$ 39,974  
Other Semisubmersibles  
..... 62,185 62,494  
Jack-ups  
.....  
34,354 23,677 Integrated Services  
..... -- (6) Other  
.....  
371 795 Eliminations  
..... -- --  
----- TOTAL CONTRACT  
DRILLING EXPENSE ..... \$  
140,607 \$ 126,934 =====  
REIMBURSABLE EXPENSES  
..... \$ 6,620 \$  
8,208 ===== OPERATING  
INCOME (LOSS) High Specification Floaters  
..... \$ 31,805 \$ 39,714  
Other Semisubmersibles  
..... 17,172 10,094  
Jack-ups  
.....  
10,914 (671) Integrated Services  
..... -- 6 Other  
.....  
112 (1,154) Reimbursables, net  
..... 968 776  
Depreciation Expense  
..... (45,043)  
(43,256) General and Administrative  
Expense ..... (6,728) (7,181)  
(Loss) on Sale and Disposal of Assets  
..... (1,536) (1,509) -----  
----- TOTAL OPERATING INCOME (LOSS)  
..... \$ 7,664 \$ (3,181)  
=====

DIAMOND OFFSHORE DRILLING, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS  
(In thousands)

SEPTEMBER 30, DECEMBER 31, 2004	2003	-----	-----
(unaudited) ASSETS Current assets: Cash and cash equivalents			
.....	\$ 213,875	\$ 106,345	
Investments and marketable securities			
.....	669,284	503,995	Accounts receivable
.....		153,952	154,124
Rig inventory and supplies			
.....	48,099	48,035	Prepaid
expenses and other	.....	34,144	
22,764	-----	-----	Total current assets
.....	1,119,354	835,263	Drilling and other property
and equipment, net of accumulated depreciation	.....	2,190,616	
2,257,876	Goodwill		
.....			
887	11,099	Other assets	
.....			
30,719	30,781	-----	Total assets
.....	\$3,341,576	\$3,135,019	=====
===== LIABILITIES AND STOCKHOLDERS' EQUITY Current liabilities:			
Current portion of long-term debt			
.....	\$ 479,190	\$ 11,969	Other current
liabilities	.....	104,646	
88,031	-----	-----	Total current liabilities
.....	583,836	100,000	Long-term debt
.....			
722,220	928,030	Deferred tax liability	
.....		373,584	
384,505	Other liabilities		
.....		42,111	
42,004	Stockholders' equity		
.....		1,619,825	
1,680,480	-----	-----	Total liabilities and stockholders'
equity ..	\$3,341,576	\$3,135,019	=====