



## REQUIRED INFORMATION

## Item 4.

The financial statements and schedules of the Diamond Offshore Defined Contribution Retirement Plan for the fiscal year ended December 31, 1999 (attached)

## Exhibits

23.1 Consent of Deloitte & Touche LLP

AUDITED FINANCIAL STATEMENTS AND SCHEDULES

DIAMOND OFFSHORE DEFINED CONTRIBUTION RETIREMENT PLAN

Years ended December 31, 1999 and 1998 and  
Supplemental Schedules for Year ended December 31, 1999  
with Report of Independent Auditors

## DIAMOND OFFSHORE DEFINED CONTRIBUTION RETIREMENT PLAN

## Audited Financial Statements and Schedules

Years ended December 31, 1999 and 1998

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Schedules other than those listed above have been omitted because of the absence of the conditions under which they are required.	

## INDEPENDENT AUDITORS' REPORT

TO THE PARTICIPANTS AND ADMINISTRATIVE COMMITTEE  
OF THE DIAMOND OFFSHORE DEFINED CONTRIBUTION  
RETIREMENT PLAN  
HOUSTON, TEXAS

We have audited the accompanying statements of net assets available for benefits of the Diamond Offshore Defined Contribution Retirement Plan (the "Plan") as of December 31, 1999 and 1998, and the related statements of changes in net assets available for benefits for each of the three years ended December 31, 1999, 1998 and 1997. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 1999 and 1998, and the changes in net assets available for benefits for each of the three years in the period ended December 31, 1999, 1998 and 1997 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets held for investment purposes at end of year, December 31, 1999 is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employment Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan's management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 1999 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

DELOITTE & TOUCHE LLP  
June 16, 2000

DIAMOND OFFSHORE DEFINED CONTRIBUTION  
RETIREMENT PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	DECEMBER 31,	
	1999	1998
INVESTMENTS AT FAIR VALUE:		
Mutual funds .....	\$ 88,437,584	\$ 62,859,786
Company stock .....	2,552,069	1,419,733
Total investments .....	90,989,653	64,279,519
CONTRIBUTIONS RECEIVABLE:		
Employee .....	654,669	768,666
Employer .....	1,531,022	1,640,115
Total contributions receivable .....	2,185,691	2,408,781
LOANS TO PARTICIPANTS .....	3,597,285	2,882,871
OTHER ASSETS .....	7,021	2,942
NET ASSETS AVAILABLE FOR BENEFITS .....	\$ 96,779,650	\$ 69,574,113
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SEE NOTES TO FINANCIAL STATEMENTS.

DIAMOND OFFSHORE DEFINED CONTRIBUTION  
RETIREMENT PLAN

STATEMENTS OF CHANGES IN NET ASSETS  
AVAILABLE FOR BENEFITS

	YEAR ENDED DECEMBER 31,		
	1999	1998	1997
<b>INVESTMENT INCOME:</b>			
Dividends and interest .....	\$ 5,350,459	\$ 3,740,948	\$ 2,938,430
Net appreciation in fair value of investments .....	12,142,679	2,124,346	3,659,059
Total investment income .....	17,493,138	5,865,294	6,597,489
<b>CONTRIBUTIONS:</b>			
Employee .....	8,867,035	8,389,378	4,680,340
Employer .....	6,435,106	5,786,246	6,477,438
Rollover .....	20,919	334,664	11,231,765
Total contributions .....	15,323,060	14,510,288	22,389,543
Total additions .....	32,816,198	20,375,582	28,987,032
<b>DEDUCTIONS:</b>			
Benefit payments .....	(5,346,395)	(3,631,644)	(4,362,444)
Miscellaneous expenditures .....	(264,266)	(149,569)	(16,541)
Total deductions .....	(5,610,661)	(3,781,213)	(4,378,985)
<b>NET INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS .....</b>	<b>27,205,537</b>	<b>16,594,369</b>	<b>24,608,047</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS:</b>			
Beginning of period .....	69,574,113	52,979,744	28,371,697
End of period .....	\$ 96,779,650	\$ 69,574,113	\$ 52,979,744
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SEE NOTES TO FINANCIAL STATEMENTS.

## DIAMOND OFFSHORE DEFINED CONTRIBUTION RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 1999 AND 1998

## 1. ORGANIZATION

The Diamond Offshore Defined Contribution Retirement Plan (the "Plan") was established effective July 1, 1989. Effective January 1, 1997, Diamond Offshore Drilling, Inc. (the "Company") merged the Arethusa Off-Shore Company Profit Sharing Plan (the "Arethusa Plan") with and into the Plan. Net assets available for benefits for the Arethusa Plan were \$10,731,913 as of December 31, 1996. In connection with this merger, the Plan changed trustees from The Dreyfus Trust Company ("Dreyfus") to The Scudder Trust Company ("Scudder") effective January 1, 1997. The adoption of the Plan in its entirety is intended to comply with the provisions of Sections 401(a), 401(k) and 401(m) of the Internal Revenue Code (the "IRC") and applicable regulations thereunder. The Plan is intended to qualify as a profit-sharing plan in accordance with the requirement of Section 401(a)(27) of the IRC.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ACCOUNTING BASIS - The financial statements of the Plan are prepared using the accrual basis of accounting.

INVESTMENTS - Investments are reported in the financial statements at fair value.

TRUSTEE FEES - Normal recurring trustee fees are paid by the Company, the Plan's sponsor. Fees paid by the Company were \$47,329 and \$49,314 for the years ended December 31, 1999 and 1998, respectively.

USE OF ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires Plan management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the Plan income and expenses during the reporting period. Actual results could differ from these estimates.

## 3. DESCRIPTION OF PLAN

The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a complete description of the Plan's provisions.

GENERAL - The Plan is a defined contribution retirement plan for U.S. employees of the Company and its subsidiaries. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") and the IRC.

ADMINISTRATION - The Plan is administered by an administrative committee appointed by the President of the Company.

PARTICIPANTS - Prior to July 1, 1997, any employee of the Company became a participant of the Plan on the first quarterly entry date (January 1, April 1, July 1 or October 1) following the completion of one year of service. From July 1, 1997 through December 31, 1998, an employee of the Company became a participant of the Plan beginning in the month following the completion of a 90-day service period. The Plan was amended effective January 1, 1999. All U.S. employees as of December 31, 1998 became eligible to participate in the Plan as of January 1, 1999. Employees with an original hire date on or after January 1, 1999 will become a participant of the Plan one year from the date of hire.

CONTRIBUTIONS - The Company makes a profit sharing contribution equal to 3.75% of the employee's qualified yearly earnings and a matching contribution equal to 25% for every percent the employee contributes up to a maximum of 6%. In 1999 and 1998, Company contributions were made quarterly. In addition, each participant may make voluntary contributions of up to 15% of his or her annual compensation, as defined by the Plan. Employee contributions are made through payroll deductions.



INVESTMENT FUNDS - The following investment options are available to plan participants:

Scudder Stable Value Funds: This collective investment trust invests in high-quality instruments, including guaranteed investment contracts, bank investment contracts, money market instruments and synthetic contracts.

Scudder Income Fund: This fund invests primarily in high-grade corporate bonds, convertible bonds and government securities.

Scudder Balanced Fund: This fund invests in common stocks of companies that the fund's advisor believes offer the potential for above-average growth of earnings, cash flow or assets relative to the overall market.

Scudder Growth & Income Fund: This fund's primary investments are income-producing common and preferred stocks of established companies.

Scudder Stock Index Fund: This collective investment trust invests in common stocks of companies listed in the S&P 500. The trust may invest in all 500 stocks or in other mutual funds that approximately mirror the S&P 500 in their weightings.

MFS Research Fund A: This fund invests in common stocks or securities convertible into common stocks of companies believed to possess better-than-average prospects for long-term growth.

Templeton Foreign Fund I: This fund generally invests in common stock, although it may also invest in preferred stocks and certain debt securities, rated or unrated.

Putnam New Opportunities Fund A: This fund invests primarily in common stocks in the following sectors: personal communications, environmental services, media/entertainment, medical technology/medical cost containment, applied advanced technology, value-oriented consuming and personal finance.

Diamond Offshore Drilling, Inc. Common Stock: This fund invests in the common stock of the Company and reinvests dividends of the Company's stock, if any, into additional shares of the Company.

PARTICIPANT ACCOUNTS - Each participant's account is credited with the Company's and the participant's contributions and an allocation of the Plan's earnings. Allocations are based primarily on account balances at specified dates as provided under the terms of the Plan.

VESTING - Each participant has at all times a fully vested and nonforfeitable interest in their contributions, the earnings thereon, and contributions made by the Company. Prior to January 1, 1999, matching contributions made by the Company to participant accounts were vested 100% after five years of service.

FORFEITURES - Forfeitures are applied to reduce the Company contributions to the Plan.

LOANS - Participants may borrow from his or her account up to the lesser of (i) one-half of the vested value of their accounts or (ii) \$50,000.

PAYMENT OF BENEFITS - Upon separation of service, each participant may elect to receive the entire account balance in a lump sum payment. As of December 31, 1999 and 1998, amounts payable to participants who had terminated or withdrawn from the Plan were \$251,151 and \$86,255, respectively.

4. The following is a summary of individual Plan assets in excess of 5% of total Plan assets at December 31, 1999 and 1998:

DESCRIPTION OF INVESTMENT	PRINCIPAL AMOUNT OR NUMBER OF UNITS OR SHARES	FAIR VALUE
Scudder Stable Value Fund	25,186,497.932	\$25,186,498
Scudder Growth and Income Fund	553,558.134	14,774,467
MFS Research Fund A	493,508.500	14,242,655
Putnam New Opportunities Fund A	273,845.426	24,908,980

#### 5. PLAN TERMINATION

Although the Company has not expressed any intent to do so, it has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. Upon termination of the Plan by the Company, the trustee will distribute to each participant the amounts credited to his or her account. No amount will revert to the Company in the event of the Plan's termination.

#### 6. FEDERAL INCOME TAXES

The Plan obtained a favorable tax determination letter from the Internal Revenue Service ("IRS") dated February 25, 1997. It is the opinion of the Plan administrative committee that the Plan has met, and continues to meet, all necessary IRS requirements exempting it from federal income taxes; therefore, no provision for income taxes has been made.

## DIAMOND OFFSHORE DEFINED CONTRIBUTION RETIREMENT PLAN

SCHEDULE OF ASSETS HELD FOR  
INVESTMENT PURPOSES  
December 31, 1999

IDENTITY OF ISSUE	DESCRIPTION	CURRENT VALUE
Scudder Stable Value Fund	Mutual Fund	\$ 25,186,498
Scudder Income Fund	Mutual Fund	1,559,484
Scudder Balanced Fund	Mutual Fund	1,009,022
Scudder Growth and Income Fund	Mutual Fund	14,774,467
Scudder Stock Index Fund	Mutual Fund	2,527,839
MFS Research Fund A	Mutual Fund	14,242,655
Templeton Foreign Fund I	Mutual Fund	4,228,639
Putnam New Opportunities Fund A	Mutual Fund	24,908,980
*Diamond Offshore Drilling, Inc.	Common Stock, par value \$0.01	2,552,069
*Participant Loans	Loans to participants, bearing interest of Prime +1.0%, with varying maturity dates	3,597,285
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TOTAL		\$ 94,586,938
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\*Party in interest

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Plan administrative committee of the Diamond Offshore Defined Contribution Retirement Plan (the "Plan"), which administers the Plan, has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized, on the 28th day of June, 2000.

By: /s/ Robert L. Charles  
Name: Robert L. Charles  
Title: Administrative Committee Member

EXHIBIT INDEX

EXHIBIT NUMBER - - - - -	DESCRIPTION - - - - -
23.1	Consent of Independent Auditors

## INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statement No. 333-22745 of Diamond Offshore Drilling, Inc. in Form S-8 of our report dated June 16, 2000, appearing in this Annual Report on Form 11-K of Diamond Offshore Defined Contribution Retirement Plan for the year ended December 31, 1999.

DELOITTE & TOUCHE LLP

Houston, Texas  
June 28, 1999