

ROWAN COMPANIES PLC

Form 424B5

December 05, 2012

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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-181455

Registration No. 333-181455-01

## CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum	Proposed Maximum	Amount of Registration Fee
		Offering Price per Unit	Aggregate Offering Price	
4.875% Senior Notes due 2022	\$200,000,000	109.007%	\$218,014,000	\$29,738 (1)
5.400% Senior Notes due 2042	\$400,000,000	99.575%	\$398,300,000	\$54,329 (1)
Guarantees of Senior Notes				\$ (2)

- (1) This amount is calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended. A registration fee of \$109,505 has already been paid with respect to securities that were previously registered pursuant to a Registration Statement on Form S-4 (No. 333-179749) filed by Rowan Companies Limited (the former name of the registrant's parent company, Rowan Companies plc) on February 28, 2012 and were not sold thereunder. Pursuant to Rule 457(p), the registrant previously offset such amount that has already been paid against the \$56,918 registration fee relating to the securities offered by the prospectus supplement dated May 16, 2012. Pursuant to Rule 457(p), the registrant is offsetting the remaining balance of such amount that has already been paid against the \$84,067 registration fee relating to the securities offered by this prospectus supplement. The remaining \$31,480 will be transmitted to the Securities and Exchange Commission in connection with this prospectus supplement.
- (2) No separate consideration will be paid in respect of the guarantee. Pursuant to Rule 457(n) under the Securities Act of 1933, as amended, no registration fee is required with respect to such guarantees.

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**PROSPECTUS SUPPLEMENT**

(To prospectus dated May 16, 2012)

**\$600,000,000**

**Rowan Companies, Inc.**

(a corporation incorporated under the laws of Delaware)

**\$200,000,000 4.875% Senior Notes due 2022**

**\$400,000,000 5.400% Senior Notes due 2042**

**Fully and Unconditionally Guaranteed by**

**Rowan Companies plc**

(a public limited company incorporated under the laws of England and Wales)

Rowan Companies, Inc., or Rowan Delaware, is offering \$200 million aggregate principal amount of 4.875% senior notes due 2022, which we refer to as the notes due 2022, and \$400 million aggregate principal amount of 5.400% senior notes due 2042, which we refer to as the notes due 2042. The notes due 2022 are being offered as additional notes under our indenture, pursuant to which we previously issued \$500.0 million principal amount of notes of the same series. The notes due 2022 offered hereby and the notes due 2022 that we previously issued are identical (except for the issue date, price to the public and initial interest payment date) and will be treated as a single class of debt securities.

Interest will be payable on the notes of each series on June 1 and December 1 of each year, beginning on June 1, 2013. The notes due 2022 will mature on June 1, 2022, and the notes due 2042 will mature on December 1, 2042. We refer to the notes due 2022 and the notes due 2042 collectively as the notes. Each series of notes will be fully and unconditionally guaranteed by our parent company, Rowan Companies plc, or Rowan UK.

Rowan Delaware may redeem some of the notes from time to time or all of the notes at any time at the redemption prices set forth in this prospectus supplement.

The notes will be unsecured senior obligations of Rowan Delaware and will rank equally in right of payment with all its existing and future unsecured senior indebtedness. The guarantee of the notes by Rowan UK will be a senior obligation of Rowan UK and will rank equally in right of payment with all the existing and future unsecured senior indebtedness of Rowan UK.

We do not intend to apply for listing of the notes on any securities exchange or for inclusion of the notes in any automated quotation system. Currently, there is no public market for the notes due 2042.

See **Risk Factors** beginning on page S-10 to read about important factors you should consider before buying the notes.

	Per Note due 2022	Total	Per Note due 2042	Total
Price to the public	109.007%(1)	\$ 218,014,000	99.575%(2)	\$ 398,300,000
Underwriting discount	0.650%	\$ 1,300,000	0.875%	\$ 3,500,000
Proceeds to us (before expenses)	108.357%(1)	\$ 216,714,000	98.700%(2)	\$ 394,800,000

(1) Plus accrued interest from December 1, 2012, the last day on which interest was paid on the existing notes due 2022, to the date of the issuance of the additional notes due 2022 offered hereby.

(2) Plus accrued interest, if any, from December 11, 2012.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

We expect that delivery of the notes will be made to investors in book-entry form on or about December 11, 2012 through The Depository Trust Company.

*Joint Book-Running Managers*

**Barclays**

**Citigroup**

**RBC Capital Markets**

**Wells Fargo Securities**

**BofA Merrill Lynch**

**DNB Markets**

**Goldman, Sachs & Co.**

*Co-Managers*

**HSBC  
Mizuho Securities**

**Mitsubishi UFJ Securities  
Morgan Stanley**

December 4, 2012

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it.

We are not, and the underwriters are not, making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, any free writing prospectus and the documents incorporated by reference herein and therein are accurate only as of the respective dates on the front of those documents or earlier dates specified herein or therein. Our business, financial condition, results of operations and prospects may have changed since those respective dates.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

This prospectus supplement and the accompanying prospectus are part of a universal shelf registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or the SEC, on May 16, 2012. Under the shelf registration process, we may sell any combination of Class A Ordinary Shares, ordinary shares, preference shares, senior debt securities, subordinated debt securities, guarantees, share purchase contracts, warrants and/or units in one or more offerings from time to time. In the accompanying prospectus, we provide you a general description of the securities we may offer from time to time under our shelf registration statement. This prospectus supplement describes the specific details regarding this offering, including the price, the aggregate principal amount of debt being offered and the risks of investing in our securities. This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein include important information about us, the notes being offered and other information you should know before investing.

On May 4, 2012, we completed a change in our legal domicile from Delaware to the United Kingdom. Our former Delaware parent company, Rowan Companies, Inc., which we refer to as Rowan Delaware, entered into a merger transaction, which we refer to as the merger, with Rowan Mergeco, LLC, a Delaware limited liability company and its wholly owned subsidiary, which was approved by Rowan Delaware's stockholders and whereby Rowan Delaware became an indirect, wholly owned subsidiary of Rowan UK. As a result of the merger, Rowan UK became the parent company of the Rowan group of companies. We refer to the transactions effecting these changes collectively as the redomestication.

Unless otherwise indicated or unless the context otherwise requires, all references in this prospectus supplement to Rowan Companies, Rowan, we, us and our mean Rowan Companies plc, a public limited company incorporated under the laws of England and Wales, and its wholly owned subsidiaries. Rowan UK refers to Rowan Companies plc, and not to any of its subsidiaries or affiliates. Rowan Delaware refers to Rowan Companies, Inc., a Delaware corporation and a subsidiary of Rowan UK, and not to any of the other subsidiaries or affiliates of Rowan UK.

**INCORPORATION BY REFERENCE**

The SEC allows us to incorporate by reference the information that we file with them, which means that we can disclose important information to you by referring you to other documents filed separately with the SEC. The information incorporated by reference is an important part of this prospectus supplement and the accompanying prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the following documents and all documents that we subsequently file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act (other than information furnished rather than filed):

our annual report on Form 10-K for the year ended December 31, 2011, as filed with the SEC on February 28, 2012 and as amended by the Form 10-K/A filed on April 30, 2012, except for Item 8 therein to the extent superseded by the Current Report on Form 8-K filed on May 16, 2012;

our quarterly reports on Form 10-Q for the quarter ended March 31, 2012, except for Item 1 therein to the extent superseded by the Current Report on Form 8-K filed on May 16, 2012, and for the quarters ended June 30, 2012 and September 30, 2012;

the description of the Class A Ordinary Shares contained in our Current Report on Form 8-K, as filed with the SEC on May 4, 2012; and

our current reports on Form 8-K, as filed with the SEC on February 3, 2012, February 28, 2012, March 15, 2012, March 27, 2012 (as amended by Form 8-K/A filed on March 27, 2012), April 12, 2012, April 16, 2012, April 27, 2012, April 30, 2012, May 4, 2012, May 16, 2012, May 21, 2012, July 5, 2012, July 27, 2012, July 31, 2012 and August 8, 2012.

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**FORWARD-LOOKING STATEMENTS**

This prospectus supplement includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and the Private Securities Litigation Reform Act of 1995 about us that are subject to risks and uncertainties. All statements other than statements of historical fact included in this prospectus supplement are forward-looking statements. Forward-looking statements may be found under Prospectus Supplement Summary, Risk Factors and elsewhere in this prospectus supplement regarding our financial position, business strategy, possible or assumed future results of operations, and other plans and objectives for our future operations.

Forward-looking statements include words or phrases such as anticipate, believe, estimate, expect, intend, plan, project, could, may, should, will and similar words and specifically include statements regarding expected financial performance; expected utilization, day rates, revenues, operating expenses, contract terms, contract backlog, capital expenditures, tax rates, insurance coverages, financing and funding sources; the timing of availability, delivery, mobilization, contract commencement or relocation or other movement of rigs; future rig construction (including construction in progress and completion thereof), enhancement, upgrade or repair and costs and timing thereof; the suitability of rigs for future contracts; general market, business and industry conditions, trends and outlook; future operations; the impact of the Macondo well incident and increased regulatory oversight; expected contributions from our rig fleet expansion program and our entry into the deepwater market; expense management; and the likely outcome of legal proceedings or insurance or other claims and the timing thereof.

Such statements are subject to numerous risks, uncertainties and assumptions that may cause actual results to vary materially from those indicated, including:

drilling permit and operations delays, moratoria or suspensions, new and future regulatory, legislative or permitting requirements (including requirements related to certification and testing of blow-out preventers and other equipment or otherwise impacting operations), future lease sales, changes in laws, rules and regulations that have or may impose increased financial responsibility, additional oil spill abatement contingency plan capability requirements and other governmental actions that may result in claims of force majeure or otherwise adversely affect our existing drilling contracts;

governmental regulatory, legislative and permitting requirements affecting drilling operations in the areas in which our rigs operate;

tax matters, including our effective tax rate, changes in tax laws, treaties and regulations, tax assessments and liabilities for tax issues;

changes in worldwide rig supply and demand, competition or technology, including as a result of delivery of newbuild drilling rigs;

variable levels of drilling activity and expenditures, whether as a result of global capital markets and liquidity, prices of oil and natural gas or otherwise, which may cause us to idle or stack additional rigs;

downtime, lost revenue and other risks associated with rig operations, operating hazards, or rig relocations and transportation, including rig or equipment failure, damage and other unplanned repairs, the limited availability of transport vessels, hazards, self-imposed drilling limitations and other delays due to weather conditions or other causes, and the limited availability or high cost of insurance coverage for certain offshore perils or associated removal of wreckage or debris;

access to spare parts, equipment and personnel to maintain, upgrade and service our fleet;

possible cancellation or suspension of drilling contracts as a result of mechanical difficulties, delays, performance or other reasons;

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potential cost overruns and other risks inherent to shipyard rig construction, repair or enhancement, unexpected delays in rig and equipment delivery and engineering or design issues following shipyard delivery, or delays in the dates our rigs will enter a shipyard, be transported and delivered, enter service or return to service;

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actual contract commencement dates, contract terminations or expirations, contract extensions, contract option exercises, contract revenues and contract awards;

the termination or renegotiation of contracts by customers or payment or operational delays by our customers;

operating hazards, including environmental or other liabilities, risks, expenses or losses, whether related to storm or hurricane damage, losses or liabilities (including wreckage or debris removal) or otherwise;

our ability to attract and retain skilled personnel on commercially reasonable terms, whether due to competition from other contract drillers, labor regulations or otherwise;

governmental action and political and economic uncertainties, including uncertainty or instability resulting from civil unrest, political demonstrations, mass strikes or an escalation or additional outbreak of armed hostilities or other crises in oil or natural gas producing areas of the Middle East or other geographic areas, which may result in expropriation, nationalization, confiscation or deprivation of our assets or result in claims by our customers of a force majeure situation;

terrorism, piracy, political instability, hostilities, nationalization, expropriation, or military action impacting our operations, assets or financial performance in our areas of operation, including the Middle East;

the outcome of legal proceedings, or other claims or contract disputes, including any inability to collect receivables or resolve significant contractual or day rate disputes, any purported renegotiation, nullification, cancellation or breach of contracts with customers or other parties and any failure to negotiate or complete definitive contracts following announcements of receipt of letters of intent;

potential long-lived asset impairments;

costs and uncertainties associated with the redomestication, or changes in foreign or domestic laws that could reduce or eliminate the anticipated benefits of the transaction;

the impact of the financial and economic downturn;

the effects of accounting changes and adoption of accounting policies;

potential unplanned expenditures and funding requirements, including investments in pension plans and other benefit plans; and

other important factors described from time to time in the reports filed by us with the Securities and Exchange Commission and the New York Stock Exchange.

All written and oral forward-looking statements attributable to us are expressly qualified in their entirety by such factors. For additional information with respect to these factors, see Incorporation by Reference.

**NON-GAAP FINANCIAL MEASURES**

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The SEC has adopted rules to regulate the use of non-GAAP financial measures, such as EBITDA, that are derived on the basis of methodologies other than in accordance with generally accepted accounting principles, or GAAP. EBITDA is a non-GAAP financial measure that complies with the applicable safe harbor provisions of the Exchange Act regulations when it is defined as net income from continuing operations (the most directly comparable GAAP financial measure) before interest, taxes, depreciation and amortization. We define EBITDA in this prospectus supplement accordingly.

We present EBITDA because we believe that our investors consider it to be an important supplemental measure of our performance and that it is frequently used by securities analysts and other interested parties in the evaluation of companies in our industry. We believe EBITDA is an appropriate supplemental measure of debt

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service capacity, because cash expenditures on interest are, by definition, available to pay interest, and tax expense is inversely correlated to interest expense because tax expense goes down as deductible interest expense goes up; depreciation and amortization are non-cash charges.

EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. For example, this measure:

does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments;

does not reflect changes in, or cash requirements for, our working capital needs;

does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debts; and

does not reflect the effect of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations. In addition, although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements. Other companies in our industry and in other industries may calculate EBITDA differently from the way that we do, limiting its usefulness as a comparative measure. Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results and using EBITDA only supplementally.

**INDUSTRY AND MARKET DATA**

We have obtained some industry and market share data from third-party sources that we believe are reliable. In many cases, however, we have made statements in this prospectus supplement (or in documents incorporated by reference in this prospectus supplement) regarding our industry and our position in the industry based on estimates made based on our experience in the industry and our own investigation of market conditions. We believe these estimates to be accurate as of the date of this prospectus supplement. However, this information may prove to be inaccurate because of the method by which we obtained some of the data for our estimates or because this information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. As a result, you should be aware that the industry and market data included or incorporated by reference in this prospectus supplement, and estimates and beliefs based on that data, may not be reliable. We cannot, and the underwriters cannot, guarantee the accuracy or completeness of any such information.

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*This summary highlights information from this prospectus supplement and the accompanying prospectus to help you understand our business and an investment in the notes offered hereby. You should read carefully this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein for a more complete understanding of this offering. For more information about important risks that you should consider before making a decision to purchase notes in this offering, you should read the Risk Factors beginning on page S-10 of this prospectus supplement, as well as the Risk Factors appearing in our annual report on Form 10-K for the year ended December 31, 2011, as amended, and our quarterly reports on Form 10-Q for the quarters ended March 31, 2012, June 30, 2012 and September 30, 2012.*

**Rowan Companies plc**

We are a successor to a contract drilling business conducted since 1923. We are a leading international provider of contract drilling services with a focus on high-specification and premium jack-up rigs, which we use for both exploratory and development drilling. Depending on the particular rig and location, we are capable of drilling to depths of up to 35,000 feet in water up to 550 feet deep. As of October 31, 2012, our offshore fleet includes 31 self-elevating mobile jack-up rigs, with eleven rigs located in the Middle East, seven in the U.S. Gulf of Mexico, or GOM, six in the North Sea, two in each of Trinidad and Malaysia, one in each of Egypt and Indonesia and one that is mobilizing to Malaysia from Vietnam for work in Malaysia. In addition, we have four ultra-deepwater drillships under construction with deliveries expected in late 2013, mid 2014, late 2014 and early 2015. The drillships will be capable of drilling wells to depths of 40,000 feet in waters of up to 12,000 feet.

The following table summarizes our offshore jack-up rig assets as of October 31, 2012:

	High-Specification Jack-Ups <sup>(1)</sup>	Premium Jack-Ups <sup>(2)</sup>	Conventional Jack-Ups	Total	Percentage of Fleet <sup>(3)</sup>
Middle East	5	6		11	35
GOM	3	1	3	7	23
North Sea	6			6	19
Southeast Asia	3	1		4	13
Trinidad	1	1		2	6
Other International	1			1	3
<b>Total</b>	<b>19</b>	<b>9</b>	<b>3</b>	<b>31</b>	<b>100%</b>
Percentage of Fleet	61%	29%	10%	100%	

(1) Rigs that have at least two million pounds of hook load capability or other high specification capabilities.

(2) Cantilever jack-up rigs that have the ability to operate in water depths equal to or greater than 300 feet.

(3) Percentages do not total 100% due to rounding.

For the nine months ended September 30, 2012, we had total revenues of \$1.04 billion, net income of \$126.5 million and EBITDA of \$356.4 million. Please see Summary Consolidated Historical Financial Data for a reconciliation of EBITDA to its most directly comparable GAAP financial measure.

**Competitive Strengths**

*High-Specification Jack-up Fleet Allows for Premium Day Rates and Utilization.* We believe our offshore fleet of 31 jack-up rigs, including 19 high-specification rigs, is one of the youngest and most capable jack-up rig fleets in our industry. These rigs typically command higher day rates and maintain higher utilization rates compared to other lower specification jack-up rigs. Each of our 19 high-specification jack-up rigs has two million pounds or greater hook load capability, which allows us to drill deeper and more difficult wells than



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conventional jack-up rigs. Currently, our high-specification rigs constitute approximately 51% of the total world-wide number of 37 rigs with similar capabilities. We also have nine premium cantilever rigs that can operate in at least 300 feet of water in benign environments.

*New Ultra-Deepwater Drillships Offer Growth and Diversification of Operating Cash Flows.* We have four ultra-deepwater drillships under construction that we believe, upon their delivery in late 2013, 2014 and early 2015, will be among the most highly capable floating rigs in the world. We believe our long standing reputation for operational excellence with jack-ups will transfer seamlessly to our drillship operations, and we have assembled a core team of highly experienced and respected deepwater professionals to manage that business. We are optimistic about the long-term prospects of the ultra-deepwater market, and highly confident in our ability to obtain contracts for our drillships prior to delivery. Importantly, the ultra-deepwater market often provides higher revenues and longer-term contractual commitments than the jack-up market, which we believe will offer greater and more stable operating cash flows.

*Geographic Diversity.* We are a global company with offshore operations in the Middle East, GOM, North Sea, Southeast Asia, Trinidad, and the Mediterranean. Approximately 77% of our offshore fleet is in markets outside the United States. We believe our geographic diversity helps reduce our exposure to regional downturns, enabling us to take advantage of changing market conditions, and provides access to new and emerging markets.

*Robust Contract Backlog.* As of October 31, 2012, our contract backlog was approximately \$3.76 billion, with \$249.0 million estimated to be realized in the remainder of 2012, and \$1.19 billion in 2013.

*Conservative Financial Profile.* We operate with relatively conservative levels of leverage and strong capitalization ratios. As of September 30, 2012, our ratio of total debt to total capitalization was 24%, and our total debt to EBITDA ratio was 3.15x for the twelve-month period ended on that date.

*Experienced Management Team.* We are led by a management team with substantial experience in the offshore drilling sector as well as with our company. Matt Ralls, our President and Chief Executive Officer, spent ten years with GlobalSantaFe, most recently as Chief Operating Officer until the merger of GlobalSantaFe and Transocean in November 2007. The top five members of our senior management team have on average approximately 13 years of experience with Rowan.

## ***Business Strategy***

*International Diversification.* We are committed to offering the highest jack-up rig drilling capabilities in the toughest operating environments throughout the world. Over the last several years, we have expanded our rig operations from primarily the Americas and the North Sea to include the Middle East, Trinidad, Vietnam, Indonesia, Malaysia and Egypt. We will continue to evaluate opportunities to redeploy offshore rigs to regions around the world with strong demand for our drilling services.

*Position Ourselves as the Contractor of Choice for High-Specification Jack-ups and Ultra-Deepwater Drillships.* With a focus on high-specification and premium jack-up rigs, we offer our customers the ability to drill deep, difficult wells that are beyond the capabilities of conventional jack-up rigs. We believe we will continue to enjoy strong demand for our high-specification equipment in jack-up markets where difficult drilling conditions prevail. Though our competitors have new rigs under construction, we expect to maintain our leadership position in the high-specification jack-up market.

In addition, our delivery of four ultra-deepwater drillships will provide access to significant customers and markets not otherwise available to us. We believe our drillships will offer among the highest capabilities and, given our proven operating reputation throughout the world, will find strong acceptance among oil and gas operators.

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*Focus on Financially Strong Customers With Stable Drilling Needs.* As of October 31, 2012, approximately 87% of our offshore drilling backlog was contracted with national oil companies, major international oil companies and large investment-grade exploration and production companies. We believe these customers tend to have a longer-term view on their drilling plans and capital budgets, and are therefore less likely to react to short-term fluctuations in the price of crude oil and natural gas.

*Strong Emphasis on Safety and Environmental Compliance.* We are committed to keeping our employees safe and protecting the environment. As national oil companies and major international oil companies increasingly scrutinize the safety and environmental compliance records of their vendors, we believe our focus and commitment to excellence in these areas will continue to attract and retain customers.

Our principal executive offices are located at 2800 Post Oak Boulevard, Suite 5450, Houston, Texas 77056, and our telephone number is (713) 621-7800.

***Recent Development***

On December 4, 2012, we and the lenders under our senior revolving credit facility amended such facility to increase our borrowing capacity thereunder from \$500 million to \$750 million, and to provide further for an accordion feature that would permit, subject to the requisite consent of the lenders, our borrowing capacity thereunder to be increased to a maximum of \$1.0 billion. The \$750 million in lending commitments under the amended senior revolving credit facility includes a \$150 million sublimit for standby letters of credit and a \$50 million sublimit for swingline loans.

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**The Offering**

The following summary contains basic information about the notes and is not intended to be complete. For a more complete understanding of the notes, please refer to the section of this prospectus supplement entitled Description of Notes. For purposes of this section of the summary and the description of notes included in this prospectus supplement, references to Rowan Companies, Rowan, issuer, us, we and our refer only to Companies, Inc. and do not include its subsidiaries or affiliates (including Rowan UK).

**Issuer** Rowan Companies, Inc.

**Securities** \$600,000,000 aggregate principal amount of notes consisting of:

\$200,000,000 aggregate principal amount of 4.875% senior notes due 2022; and

\$400,000,000 aggregate principal amount of 5.400% senior notes due 2042.

The notes due 2022 are being offered as additional notes under our indenture, pursuant to which we previously issued \$500.0 million principal amount of notes of the same series. The notes due 2022 offered hereby and those previously issued notes will be treated as a single class of debt securities. When we refer to the notes due 2022, we are referring to the notes due 2022 offered in this prospectus supplement, as well as our outstanding 4.875% senior notes due 2022, unless the context requires otherwise.

**Maturity date** The notes due 2022 will mature on June 1, 2022.

The notes due 2042 will mature on December 1, 2042.

**Interest payment dates** Interest on the notes of each series will accrue from December 1, 2012 and will be payable on June 1 and December 1 of each year, beginning on June 1, 2013.

**Mandatory redemption** We will not be required to make mandatory redemption or sinking fund payments on the notes.

**Optional redemption** At any time and from time to time, we may redeem any or all of the notes for a redemption price equal to 100% of the principal amount of the notes redeemed plus accrued and unpaid interest to, but excluding, the redemption date plus the applicable make-whole premium, if any. There will be no make-whole premium applicable to redemption of the notes due 2022 on and after March 1, 2022, or applicable to redemption of the notes due 2042 on and after June 1, 2042. See Description of Notes Optional Redemption.

**Parent guarantee**

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Each series of notes will be fully and unconditionally guaranteed on a senior unsecured basis by Rowan UK.

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**Ranking**

Each series of notes will be general unsecured, senior obligations of Rowan Delaware. Accordingly, they will rank:

senior in right of payment to all of the subordinated indebtedness of Rowan Delaware, if any;

*pari passu* in right of payment with any of Rowan Delaware's existing and future senior indebtedness, including Rowan Delaware's 5% Senior Notes due 2017, 7.875% Senior Notes due 2019, existing 4.875% Senior Notes due 2022 and any indebtedness of Rowan Delaware under our senior revolving credit facility;

effectively junior to Rowan Delaware's secured indebtedness, if any (including any letter of credit reimbursement obligations under our credit facility that are secured by cash deposits), to the extent of the value of the assets of Rowan Delaware constituting collateral securing that indebtedness; and

effectively junior to all indebtedness and other liabilities, including trade payables, of Rowan Delaware's subsidiaries (other than indebtedness and liabilities owed to Rowan Delaware).

As of September 30, 2012, Rowan Delaware had total indebtedness of approximately \$1.39 billion (none of which was secured), and its subsidiaries had no indebtedness.

Rowan UK's guarantee of each series of notes will be a general unsecured obligation of Rowan UK and will rank:

senior in right of payment to all subordinated indebtedness of Rowan UK;

*pari passu* in right of payment with any of Rowan UK's senior indebtedness, including its indebtedness under our senior revolving credit facility, and Rowan UK's guarantee of Rowan Delaware's 5% Senior Notes due 2017, 7.875% Senior Notes due 2019 and existing 4.875% Senior Notes due 2022;

effectively junior to Rowan UK's secured indebtedness, if any (including any letter of credit reimbursement obligations under our credit facility that are secured by cash deposits), to the extent of the value of the assets of Rowan UK constituting collateral securing that indebtedness; and

effectively junior to all indebtedness and other liabilities, including trade payables, of Rowan UK's subsidiaries (other than indebtedness and liabilities owed to Rowan UK).

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As of September 30, 2012, Rowan UK had no indebtedness, and its subsidiaries had total indebtedness of approximately \$1.39 billion, which would be structurally senior to its guarantee of the notes. However, all of such indebtedness of Rowan UK's subsidiaries is indebtedness of Rowan Delaware, which will be the issuer of the notes.

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**Covenants**

The indenture governing the notes contains covenants that, among other things, limit Rowan Delaware's ability and the ability of its subsidiaries to:

create liens that secure debt;

engage in sale and leaseback transactions; and

merge or consolidate with another company.

These covenants are subject to a number of important limitations and exceptions that are described later in this prospectus supplement under the caption "Description of Notes Additional Covenants."

**Use of Proceeds**

We expect to receive net proceeds from this offering of approximately \$610.7 million, after deducting the underwriting discount and estimated offering expenses payable by us. We intend to use the net proceeds of this offering for general corporate purposes, including capital expenditures.

**Form**

Each series of notes will be represented by registered global securities registered in the name of Cede & Co., the nominee of the depository, The Depository Trust Company, or DTC. Beneficial interests in the notes will be shown on, and transfers will be effected through, records maintained by DTC and its participants.

**Trustee**

U.S. Bank National Association.

**Governing law**

The notes and the indenture will be governed by New York law.

**Risk factors**

See "Risk Factors" for a discussion of the risk factors you should carefully consider before deciding to invest in the notes.

**Table of Contents****Summary Consolidated Historical Financial Data**

The following tables set forth summary consolidated historical financial and statistical data for the years ended December 31, 2009, 2010 and 2011, and for the nine months ended September 30, 2011 and 2012. The summary consolidated historical financial and statistical data presented below is derived from (i) the audited financial statements and related notes included in our Current Report on Form 8-K dated May 16, 2012, and (ii) the unaudited financial statements and related notes included in our Quarterly Report on Form 10-Q for the nine months ended September 30, 2012.

You should read this financial information in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations, which are set forth in our Annual Report on Form 10-K for the year ended December 31, 2011, as amended, and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, as well as our historical financial statements and notes thereto, which are incorporated by reference into this prospectus supplement. Historical results are not necessarily indicative of results that may be expected for any future period. All dollar values in the following tables are in thousands.

Income statement data:	Year Ended December 31,			Nine Months Ended September 30,	
	2009	2010	2011	2011 (Unaudited)	2012 (Unaudited)
<b>Revenues</b>	\$ 1,043,003	\$ 1,017,705	\$ 939,229	\$ 664,161	\$ 1,038,405
<b>Costs and expenses</b>					
Direct operating costs	404,313	416,832	508,066	345,558	558,405
Depreciation and amortization	123,940	138,301	183,903	129,267	183,323
Selling, general and administrative	65,953	78,658	88,278	65,172	73,934
(Gain) loss on disposals of property and equipment	(5,543)	402	(1,577)	(1,408)	(2,678)
Material charges and other operating expenses		5,250	10,976	6,120	30,871
	588,663	639,443	789,646	544,709	843,855
<b>Income from operations</b>	454,340	378,262	149,583	119,452	194,550
<b>Other income (expense)</b>					
Interest expense, net of interest capitalized	(8,028)	(24,879)	(20,071)	(17,001)	(37,940)
Interest income	1,194	1,289	730	338	523
Gain (loss) on debt extinguishment		5,324			(22,223)
Other, net	12	(461)	(162)	(1,177)	710
Other income (expense), net	(6,822)	(18,727)	(19,503)	(17,840)	(58,930)
<b>Income from continuing operations before income taxes</b>	447,518	359,535	130,080	101,612	135,620
Provision (benefit) for income taxes	119,186	91,934	(5,659)	(1,010)	2,858
<b>Net income from continuing operations</b>	328,332	267,601	135,739	102,622	132,762
<b>Discontinued operations</b>	39,172	12,394	601,102	589,118	(6,231)
<b>Net income</b>	\$ 367,504	\$ 279,995	\$ 736,841	\$ 691,740	\$ 126,531

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Balance sheet data:	2009	December 31,		September 30,	
		2010	2011	2011	2012
				(Unaudited)	
Cash and cash equivalents	\$ 639,681	\$ 437,479	\$ 438,853	\$ 892,560	\$ 328,290
Total assets	5,210,694	6,217,457	6,597,845	6,758,529	6,988,846
Total liabilities	2,100,324	2,465,147	2,271,858	2,360,006	2,510,535
Total equity	3,110,370	3,752,310	4,325,987	4,398,523	4,478,311
Total debt	852,412	1,185,911	1,134,358	1,147,958	1,393,151

Other financial data and key credit statistics:	Year Ended December 31,			Nine Months Ended	
	2009	2010	2011	September 30,	2012
				(Unaudited)	
Net cash provided by operating activities	\$ 544,094	\$ 508,162	\$ 94,679	\$ 128,009	\$ 189,502
Net cash provided by (used in) investing activities	(557,791)	(520,239)	58,805	426,173	(555,536)
Net cash provided by (used in) financing activities	430,950	(190,125)	(152,110)	(99,101)	255,471
EBITDA <sup>(1)</sup>	578,292	521,426	333,324	247,542	356,360
Ratio of total debt to EBITDA	1.47	2.27	3.40	4.64	3.91
Ratio of EBITDA to total interest	84.62	22.10	17.23		
Ratio of earnings to fixed charges <sup>(2)</sup>	14.4	5.8	2.0		

- (1) EBITDA is a non-GAAP financial measure that we define as net income from continuing operations before interest, taxes, depreciation and amortization. As used and defined by us, EBITDA may not be comparable to similarly titled measures employed by other companies and is not a measure of performance calculated in accordance with GAAP. EBITDA should not be considered in isolation or as a substitute for operating income, net income or loss, cash flows provided by operating, investing and financing activities, or other income or cash flow statement data prepared in accordance with GAAP. However, our management believes EBITDA is useful to an investor in evaluating our operating performance because this measure:

is widely used by investors in the energy industry to measure a company's operating performance without regard to items excluded from the calculation of such term, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired, among other factors;

helps investors more meaningfully evaluate and compare the results of our operations from period to period by removing the effect of our capital structure and asset base from our operating structure; and

is used by our management for various purposes, including as a measure of operating performance, in presentations to our board of directors, as a basis for strategic planning and forecasting and as a component for setting incentive compensation.

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There are significant limitations to using EBITDA as a measure of performance, including the inability to analyze the effect of certain recurring and non-recurring items that materially affect our net income or loss, and the lack of comparability of results of operations of different companies. The following table reconciles our net income from continuing operations, the most directly comparable GAAP financial measure, to EBITDA:

	Year Ended December 31,			Nine Months Ended September 30,	
	2009	2010	2011	2011 (Unaudited)	2012
Net income from continuing operations	\$ 328,332	\$ 267,601	\$ 135,739	\$ 102,622	\$ 132,762
Interest (income) expense, net	6,834	23,590	19,341	16,663	37,417
Income tax expense (benefit)	119,186	91,934	(5,659)	(1,010)	2,858
Depreciation and amortization	123,940	138,301	183,903	129,267	183,323
<b>EBITDA</b>	<b>\$ 578,292</b>	<b>\$ 521,426</b>	<b>\$ 333,324</b>	<b>\$ 247,542</b>	<b>\$ 356,360</b>

(2) For each of the periods presented there were no outstanding shares of preferred stock.

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**RISK FACTORS**

*An investment in the notes involves risks. You should consider carefully the risk factors included below and under the caption Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2011, as amended, and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2012, June 30, 2012 and September 30, 2012, together with all of the other information included in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus, when evaluating an investment in the notes.*

**Risks relating to the notes**

*We may not be able to generate enough cash flow to meet our debt obligations.*

Our earnings and cash flow may vary significantly from year to year due to the cyclical nature of our industry. As a result, the amount of debt that we can manage in some periods may not be appropriate for us in other periods. In addition, our future cash flow may be insufficient to meet our debt obligations and commitments, including the notes. Any insufficiency could adversely affect our business. A range of economic, competitive, business and industry factors will affect our future financial performance, and, as a result, our ability to generate cash flow from operations and to pay our debt, including the notes. Many of these factors, such as oil and gas prices, economic and financial conditions in our industry and the global economy or initiatives of our competitors, are beyond our control.

As of September 30, 2012, our total indebtedness was approximately \$1.39 billion. Furthermore, as of such date, on a pro forma basis giving effect to our recent increase in borrowing capacity under our senior revolving credit facility, we had \$750.0 million in undrawn borrowing capacity under that credit facility. All borrowings under our senior revolving credit facility rank equal in right of payment to the notes.

If we do not generate enough cash flow from operations to satisfy our debt obligations, we may have to undertake alternative financing plans, such as:

refinancing or restructuring our debt;

selling assets;

reducing or delaying capital investments; or

seeking to raise additional capital.

However, any alternative financing plans that we undertake, if necessary, may not allow us to meet our debt obligations. Our inability to generate sufficient cash flow to satisfy our debt obligations, including our obligations under the notes, or to obtain alternative financing, could materially and adversely affect our business, financial condition, results of operations and prospects.

Our debt could have important consequences to you. For example, it could:

increase our vulnerability to general adverse economic and industry conditions;

limit our ability to fund future working capital and capital expenditures, to engage in future acquisitions or development activities, or to otherwise realize the value of our assets and opportunities fully because of the need to dedicate a substantial portion of our cash flow from operations to payments of interest and principal on our debt or to comply with any restrictive terms of our debt;

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limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

impair our ability to obtain additional financing in the future; and

place us at a competitive disadvantage compared to our competitors that have less debt.

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In addition, if we fail to comply with the covenants or other terms of any agreements governing our debt, our lenders will have the right to accelerate the maturity of that debt and foreclose upon the collateral, if any, securing that debt. Realization of any of these factors could adversely affect our financial condition.

***The notes and the guarantee will be unsecured and effectively subordinated to existing and future secured indebtedness and structurally subordinated to any existing or future indebtedness and other liabilities of subsidiaries.***

The notes will be general unsecured senior obligations of Rowan Delaware, and the guarantee of the notes by Rowan UK will be a general unsecured senior obligation of Rowan UK. In the event of any distribution or payment of assets of Rowan Delaware in any dissolution, winding up, liquidation, reorganization or other bankruptcy proceeding of Rowan Delaware, any secured debt of Rowan Delaware will be entitled to be paid in full from its assets securing that debt before any payment may be made with respect to the notes. Consequently, the notes will rank effectively junior in right of payment to all existing and future secured debt of Rowan Delaware, to the extent of the value of the collateral securing that debt. Similarly, in the event of any distribution or payment of assets of Rowan UK in any dissolution, winding up, liquidation, reorganization or other bankruptcy proceeding of Rowan UK, any secured debt of Rowan UK will be entitled to be paid in full from its assets securing that debt before any payment may be made with respect to its guarantee of the notes. Consequently, Rowan UK's guarantee of the notes will rank effectively junior in right of payment to all existing and future secured debt of Rowan UK, to the extent of the value of the collateral securing that debt. Holders of the notes will participate ratably in the remaining assets of Rowan Delaware and Rowan UK with all holders of unsecured indebtedness of Rowan Delaware or Rowan UK that does not rank junior to the notes or Rowan UK's guarantee of the notes, respectively, including all of their respective other general creditors, based upon the respective amounts owed to each holder or creditor. In any of the foregoing events, there may not be sufficient assets to pay amounts due on the notes. As a result, holders of the notes would likely receive less, ratably, than holders of secured indebtedness.

In the event of any distribution or payment of assets of any of Rowan Delaware's subsidiaries in any dissolution, winding up, liquidation, reorganization, or other bankruptcy proceeding of such subsidiary, the claims of the creditors of the subsidiary must be satisfied prior to making any such distribution or payment to Rowan Delaware in respect of its direct or indirect equity interests in the subsidiary. Similarly, in the event of any distribution or payment of assets of any of Rowan UK's subsidiaries in any dissolution, winding up, liquidation, reorganization, or other bankruptcy proceeding of such subsidiary, the claims of the creditors of the subsidiary must be satisfied prior to making any such distribution or payment to Rowan UK in respect of its direct or indirect equity interests in the subsidiary. Consequently, creditors of current and future subsidiaries of Rowan Delaware will have claims, with respect to the assets of those subsidiaries, that rank structurally senior to the notes, and creditors of current and future subsidiaries of Rowan UK will have claims, with respect to the assets of those subsidiaries, that rank structurally senior to Rowan UK's guarantee of the notes.

As of September 30, 2012, Rowan UK had no indebtedness, and its subsidiaries had total indebtedness of approximately \$1.39 billion. All of such indebtedness of Rowan UK's subsidiaries is indebtedness of Rowan Delaware, which will be the issuer of the notes, and consequently, all of such indebtedness will rank *pari passu* in right of payment with the notes. None of such indebtedness was secured. In addition, as of such date, subsidiaries of Rowan Delaware had no indebtedness. All indebtedness of Rowan UK's subsidiaries would be structurally senior to Rowan UK's guarantee of the notes.

***Federal and state statutes allow courts, under specific circumstances, to void the guarantee by Rowan UK and require note holders to return payments received from Rowan UK.***

Under the U.S. federal bankruptcy law and comparable provisions of state fraudulent transfer laws, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that guarantor if, among other things, the guarantor, at the time it incurred the indebtedness evidenced by its guarantee:

received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee; and

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was insolvent or rendered insolvent by reason of such incurrence; or

was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or

intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

In addition, any payment by Rowan UK pursuant to its guarantee of the notes could be voided and required to be returned to the guarantor, or to a fund for the benefit of the creditors of the guarantor. In any such case, your right to receive payments in respect of the notes from Rowan UK would be effectively subordinated to all indebtedness and other liabilities of Rowan UK.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a guarantor would be considered insolvent if:

the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets; or

if the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

We believe that Rowan UK, after giving effect to its guarantee of the notes, will not be insolvent, will not have unreasonably small capital for the business in which it is engaged and will not have incurred debts beyond its ability to pay such debts as they mature. We cannot assure you, however, as to what standard a U.S. court would apply in making these determinations or that a court would agree with our conclusions in this regard.

The guarantee provisions in the indenture governing the notes include a fraudulent transfer savings clause that purports to limit the obligations of Rowan UK under its guarantee of the notes to the maximum amount that would result in such obligations not constituting a fraudulent transfer or conveyance. However, this limitation of liability may or may not protect Rowan UK's guarantee of the notes from fraudulent transfer challenges, and, if it does, the remaining amount due and collectible under such guarantee may or may not be sufficient to pay the notes in full when due. In a recent case, *Official Committee of Unsecured Creditors of TOUSA, Inc. v. Citicorp North America, Inc.*, the U.S. Bankruptcy Court in the Southern District of Florida held that a fraudulent transfer savings clause was unenforceable, and that the relevant guarantees were avoidable as fraudulent transfers. Although this decision was later overturned by the U.S. District Court in the Southern District of Florida, that U.S. District Court ruling was reversed in May 2012 by the Eleventh Circuit Court of Appeals, which affirmed the decision of the U.S. Bankruptcy Court in the Southern District of Florida. We do not know how a court will decide a further appeal by the lenders in *TOUSA, Inc. v. Citicorp North America, Inc.*, or how courts other than the Eleventh Circuit would rule if presented with the issue in light of the Eleventh Circuit precedent and other law. Consequently, in light of the uncertain state of case law regarding fraudulent transfer savings clauses, if Rowan UK's guarantee of the notes were held to be a fraudulent transfer, then the fraudulent transfer savings clause in our indenture might not prevent complete avoidance of Rowan UK's guarantee of the notes.

***We may be able to incur substantially more debt. This could exacerbate the risks associated with our indebtedness.***

We and our subsidiaries may be able to incur substantial additional indebtedness in the future. The terms of Rowan Delaware's indenture do not prohibit us or our subsidiaries from doing so. As of September 30, 2012, our total indebtedness was approximately \$1.39 billion. Furthermore, as of such date, on a pro forma basis giving effect to our recent increase in borrowing capacity under our senior revolving credit facility, we had \$750.0

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million in undrawn borrowing capacity under that credit facility. All borrowings under our senior revolving credit facility rank equal in right of payment to the notes. With respect to our unsecured borrowings under this facility, the lenders will be entitled to share ratably with the holders of the notes as well as the holders of any of our other unsecured and unsubordinated debt, in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of Rowan Delaware. Furthermore, with respect to secured reimbursement obligations in respect of letters of credit under our senior revolving credit facility and any other future secured indebtedness, the claims of creditors in respect of such secured obligations will rank effectively senior to the claims of holder of our unsecured indebtedness, including the notes, to the extent of the collateral securing such reimbursement obligations.

If we increase our debt levels, the related risks that we and our subsidiaries now face could intensify. Our level of indebtedness may prevent us from engaging in certain transactions that might otherwise be beneficial to us by limiting our ability to obtain additional financing, limiting our flexibility in operating our business or otherwise. In addition, we could be at a competitive disadvantage against other less leveraged competitors that have more cash flow to devote to their business. Any of these factors could result in a material adverse effect on our business, financial condition, results of operations, business prospects and ability to satisfy our obligations under the notes.

***A financial failure by us or our subsidiaries may result in the assets of any or all of those entities becoming subject to the claims of all creditors of those entities.***

A financial failure by us or our subsidiaries could affect payment of the notes if a bankruptcy court were to substantively consolidate us and our subsidiaries. If a bankruptcy court substantively consolidated us and our subsidiaries, the assets of each entity would be subject to the claims of creditors of all entities. This would expose you not only to the usual impairments arising from bankruptcy, but also to potential dilution of the amount ultimately recoverable because of the larger creditor base. Furthermore, forced restructuring of the notes could occur through the cram-down provision of the bankruptcy code. Under this provision, the notes could be restructured over your objections as to their general terms, primarily interest rate and maturity.

***Your ability to transfer the notes may be limited by the absence of an active trading market, and an active trading market may not develop for the notes.***

The notes due 2042 are a new issue of securities for which there is no established trading market. We do not intend to apply for listing of either series of notes on any securities exchange or for inclusion of the notes in any automated quotation system. The underwriters of the notes have informed us that, if the notes are not listed on a securities exchange, they intend to make a market in the notes. However, the underwriters may cease their market-making at any time. The liquidity of the trading markets in the notes may be adversely affected by changes in the overall market for debt securities and by changes in our financial performance or prospects or in the prospects for companies in our industry generally. An active trading market may not develop or be maintained for either series of notes. Subsequent to the closing of this offering, each series of notes may trade at a discount from their initial offering price, depending upon prevailing interest rates, the market for similar notes, our operating performance and financial condition and other factors.

***Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.***

Borrowings under our senior revolving credit facility bear interest at variable rates and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness would increase although the amount borrowed remained the same, and our net income and cash available for servicing our indebtedness would decrease.

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**USE OF PROCEEDS**

We expect to receive net proceeds from this offering of approximately \$610.7 million, after deducting the underwriting discount and estimated offering expenses payable by us. We intend to use the net proceeds of this offering for general corporate purposes, including capital expenditures.

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**Table of Contents****CAPITALIZATION**

The following table sets forth our cash and cash equivalents and capitalization as of September 30, 2012:

on an actual basis; and

as adjusted to give effect to the issuance and sale of \$600 million in aggregate principal amount of senior notes in this offering. This table is unaudited and should be read together with our historical financial statements and the accompanying notes incorporated by reference into this prospectus supplement and the accompanying prospectus.

	<b>As of September 30, 2012</b>	
	<b>Actual</b>	<b>As Adjusted for this Offering</b>
	<b>(Dollars in millions)</b>	
Cash and cash equivalents	\$ 328.3	\$ 938.8
Long-term debt, including current maturities:		
Senior revolving credit facility <sup>(1)</sup>		
5% Senior Notes due 2017 (\$400 million principal amount)	398.6	398.6
7.875% Senior Notes due 2019 (\$500 million principal amount)	497.8	497.8
4.875% Senior Notes due 2022 (\$500 million principal amount)	496.8	496.8
4.875% Senior Notes due 2022 offered hereby (\$200 million principal amount)		218.0
5.4% Senior Notes due 2042 offered hereby (\$400 million principal amount)		398.3
<b>Total long-term debt, including current maturities</b>	<b>1,393.2</b>	<b>2,009.5</b>
<b>Total stockholders' equity</b>	<b>4,478.3</b>	<b>4,478.3</b>
<b>Total capitalization</b>	<b>5,871.5</b>	<b>6,487.8</b>

- (1) As of September 30, 2012, we had no amounts outstanding under our \$500 million senior revolving credit facility. On December 4, 2012, we and the lenders under our senior revolving credit facility amended such facility to increase our borrowing capacity thereunder from \$500 million to \$750 million.

**Table of Contents****RATIO OF EARNINGS TO FIXED CHARGES**

The following table sets forth our ratio of earnings to fixed charges for the periods indicated on a consolidated historical basis.

	Year Ended December 31,			Nine Months Ended September 30,	
	2009	2010	2011	2011	2012
(Dollars in thousands)					
<b>Earnings</b>					
Pre-tax income (loss) from continuing operations	\$ 447,518	\$ 359,535	\$ 130,080	\$ 101,612	\$ 135,620
Fixed charges (see below)	31,901	67,106	77,494	58,658	63,111
Interest capitalized	(21,486)	(39,950)	(54,508)	(39,606)	(22,424)
Amortization of capitalized interest	3,028	3,484	4,727	3,720	5,211
<b>Total adjusted earnings available for payment of fixed charges</b>	<b>\$ 460,961</b>	<b>\$ 390,175</b>	<b>\$ 157,793</b>	<b>\$ 124,384</b>	<b>\$ 181,518</b>
<b>Fixed charges<sup>(1)</sup></b>					
Interest expensed and capitalized	\$ 29,514	\$ 64,829	\$ 74,579	\$ 56,607	\$ 60,364
Amortization of capitalized expenses related to indebtedness	1,057	1,057	1,057	793	793
Rental expense representative of interest factor	1,330	1,220	1,859	1,258	1,954
<b>Total fixed charges</b>	<b>\$ 31,901</b>	<b>\$ 67,106</b>	<b>\$ 77,494</b>	<b>\$ 58,658</b>	<b>\$ 63,111</b>
<b>Ratio of earnings to fixed charges</b>	<b>14.4</b>	<b>5.8</b>	<b>2.0</b>	<b>2.1</b>	<b>2.9</b>

(1) For each of the periods presented there were no outstanding shares of preferred stock.

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**DESCRIPTION OF NOTES**

The following description of the particular terms of the notes supplements the general description of the debt securities included in the accompanying prospectus. You should review this description together with the description of the debt securities included in the accompanying prospectus. To the extent this description is inconsistent with the description in the accompanying prospectus, this description will control and replace the inconsistent description in the accompanying prospectus.

You can find the definitions of certain terms used in this description of notes under the subheading *Definitions*. As used in this description, the words *Rowan*, *Rowan Delaware*, *we*, *us* and *our* refer to Rowan Companies, Inc. and not to any of its subsidiaries or affiliates (including Rowan UK).

In this offering, we will issue two series of notes, and we refer to each such series as a *series*. The first series, designated as our *4.875% Senior Notes due 2022*, will mature in 2022, and we refer to those notes as the *notes due 2022*. The second series, designated as our *5.4% Senior Notes due 2042*, will mature in 2042, and we refer to those notes as the *notes due 2042*. When we refer to the *notes*, we mean both such series of notes.

We have entered into an indenture dated July 21, 2009, which we refer to as the *base indenture*, between us and U.S. Bank National Association, as trustee, pursuant to which we may issue multiple series of debt securities from time to time. We issued our:

7.875% senior notes due 2019 pursuant to the first supplemental indenture;

5% senior notes due 2017 pursuant to the second supplemental indenture; and

4.875% senior notes due 2022 pursuant to the fourth supplemental indenture.

The notes due 2022 offered hereby will be issued under the base indenture, as amended and supplemented by the fourth supplemental indenture. On May 21, 2012, we issued \$500.0 million in aggregate principal amount of the notes due 2022 (the *initial notes due 2022*). The \$200.0 million principal amount of the notes due 2022 to be issued in this offering are *Additional Notes due 2022* (as defined below) under the indenture, are identical (except for the issue date, price to the public and initial interest payment date) to and will be treated together with the initial notes due 2022 as a single class of debt securities under the indenture and will trade as a single class of securities. References to the *notes due 2022* in this section of the prospectus supplement include both the initial notes due 2022 and the notes due 2022 offered hereby, unless the context otherwise requires.

The notes due 2042 will be issued under the base indenture, as amended and supplemented by the fifth supplemental indenture to be entered into among us and the trustee, setting forth the specific terms of the notes due 2042. In this description, when we refer to the *indenture*, we mean the base indenture as so amended and supplemented by the fourth and fifth supplemental indentures.

We have summarized some of the material provisions of the notes and the indenture below. The summary supplements the description of the indenture contained in the accompanying prospectus, and we encourage you to read that description for additional material provisions that may be important to you. We also urge you to read the indenture because it, and not this description, defines your rights as a holder of notes. You may request copies of the indenture from us as set forth under *Additional Information*. Capitalized terms defined in the accompanying prospectus and the indenture have the same meanings when used in this prospectus supplement. The terms of the notes include those expressly set forth in the indenture and those made part of the indenture by reference to the Trust Indenture Act of 1939, as amended.

The registered holder of a note will be treated as the owner of it for all purposes. Only registered holders will have rights under the indenture.

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### **Brief Description of the Notes**

The notes will be:

general unsecured, senior obligations of Rowan;

*pari passu* in right of payment with all existing and future senior Indebtedness of Rowan, including indebtedness under Rowan's senior revolving credit facility, and Rowan's 5% Senior Notes due 2017, 7.875% Senior Notes due 2019 and the initial notes due 2022;

senior in right of payment to all future subordinated Indebtedness of Rowan;

effectively junior to Rowan Delaware's secured indebtedness, if any (including any letter of credit reimbursement obligations under our credit facility that are secured by cash deposits), to the extent of the value of the assets of Rowan Delaware constituting collateral securing that indebtedness;

effectively junior in right of payment to all existing and future Indebtedness and other liabilities, including trade payables, of Rowan's Subsidiaries (other than Indebtedness and liabilities owed to us); and

fully and unconditionally guaranteed by Rowan UK on a senior unsecured basis.

As of September 30, 2012, Rowan Delaware had total indebtedness of approximately \$1.39 billion (none of which was secured), and its subsidiaries had no indebtedness.

Our subsidiaries will not guarantee the notes. In the event of a bankruptcy, liquidation or reorganization of any of these subsidiaries, the subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to us. As of September 30, 2012, our subsidiaries had no indebtedness.

### **Principal, Maturity and Interest**

We will issue notes having an aggregate principal amount of \$600 million in this offering, of which \$200 million aggregate principal amount will consist of the notes due 2022 and \$400 million aggregate principal amount will consist of the notes due 2042. The notes due 2022 offered hereby are additional notes to the \$500.0 million principal amount of notes due 2022 previously issued and outstanding under the indenture. Upon issuance of the notes due 2022 and the notes due 2042 in this offering, the indenture will provide that subject to compliance with the covenants described in Additional Covenants, we may issue additional notes due 2022 (the Additional Notes due 2022) and additional notes due 2042 (the Additional Notes due 2042) without limitation as to aggregate principal amount of any such series of notes.

If after consummation of this offering, we issue any Additional Notes due 2022, those Additional Notes due 2022 will have terms and conditions identical (except for the issue date, price to the public and initial interest payment date) to the notes due 2022 issued in this offering, will be treated as part of the same series of debt securities as the notes due 2022 offered hereby and will vote on all matters with the notes due 2022 offered in this offering. If after consummation of this offering, we issue any Additional Notes due 2042, those Additional Notes due 2042 will have terms and conditions identical to the notes due 2042 issued in this offering, will be treated as part of the same series of debt securities as the notes due 2042 offered hereby and will vote on all matters with the notes due 2042 offered in this offering.

The notes due 2022 will mature on June 1, 2022. The notes due 2042 will mature on December 1, 2042.

Interest on the notes due 2022 will accrue at the rate of 4.875% per annum, and interest on the notes due 2042 will accrue at the rate of 5.400% per annum. Interest on the notes due 2022 will be payable semiannually in arrears on June 1 and December 1, commencing on June 1, 2013. We

will make each interest payment with

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respect to the notes due 2022 to the holders of record of the notes of such series on the immediately preceding May 15 and November 15. Interest on the notes due 2042 will be payable semiannually in arrears on June 1 and December 1, commencing on June 1, 2013. We will make each interest payment with respect to the notes due 2042 to the holders of record of the notes of such series on the immediately preceding May 15 and November 15. Interest on each series of notes will accrue from the date of original issuance or, if interest has already been paid on that series of notes, from the date it was most recently paid. Interest on the notes of each series will be computed on the basis of a 360-day year comprised of twelve 30-day months.

### **Form, Denomination and Registration of Notes**

The notes will be issued in registered form, without interest coupons, in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The notes of each series will be represented by a global note.

### **Transfer and Exchange**

A holder may transfer or exchange notes in accordance with the indenture. The registrar and the trustee may require such holder, among other things, to furnish appropriate endorsements and transfer documents and we may require such holder to pay any taxes and fees required by law or permitted by the indenture. We are not required to transfer or exchange any notes selected for redemption. Also, we are not required to transfer or exchange any notes in respect of which a notice of redemption has been given or for a period of 15 days before a selection of the notes to be redeemed.

No service charge will be imposed in connection with any transfer or exchange of any note, but Rowan may in general require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith.

### **Paying Agent and Registrar**

The trustee will initially act as paying agent and registrar for the notes. We may change the paying agent or registrar without prior notice to the holders of the notes, and we or any of our Subsidiaries may act as paying agent or registrar.

### **Optional Redemption**

The notes will be redeemable, in whole or in part, at our option at any time. The redemption price for the notes due 2022 to be redeemed at any time on or after March 1, 2022 will be equal to 100% of the principal amount of the notes redeemed plus accrued and unpaid interest to, but excluding, the redemption date. The redemption price for the notes due 2042 to be redeemed at any time on or after June 1, 2042 will be equal to 100% of the principal amount of the notes redeemed plus accrued and unpaid interest to, but excluding, the redemption date. The redemption price for the notes to be redeemed at any time prior to March 1, 2022 in the case of the notes due 2022, and June 1, 2042 in the case of the notes due 2042, will equal the greater of the following amounts, plus, in each case, accrued and unpaid interest to, but excluding, the redemption date:

100% of the principal amount of such notes; or

as determined by the Quotation Agent (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest on such notes (not including any portion of any payments of interest accrued as of the redemption date) discounted to the redemption date on a semi-annual basis at the Adjusted Treasury Rate (as defined below) plus 50 basis points, in the case of the notes due 2022, or 40 basis points, in the case of the notes due 2042.

The redemption price will be calculated assuming a 360-day year consisting of twelve 30-day months.

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*Adjusted Treasury Rate* means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of the principal amount) equal to the Comparable Treasury Price for that redemption date. The Adjusted Treasury Rate will be calculated on the third business day preceding the redemption date.

*Comparable Treasury Issue* means the U.S. Treasury security selected by the applicable Quotation Agent as having a maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of those notes.

*Comparable Treasury Price* means, (1) with respect to any redemption date for the notes due 2022, (A) the average of the Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of those Reference Treasury Dealer Quotations, or (B) if Rowan obtains fewer than four such Reference Treasury Dealer Quotations, the average of all of those quotations and (2) with respect to any redemption date for the notes due 2042, (A) the average of the Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of those Reference Treasury Dealer Quotations, or (B) if Rowan obtains fewer than five such Reference Treasury Dealer Quotations, the average of all of those quotations.

*Quotation Agent* means the Reference Treasury Dealer appointed by us for the notes.

*Reference Treasury Dealer* means (1) with respect to the notes due 2022, (A) RBC Capital Markets, LLC, Citigroup Global Markets Inc. and Wells Fargo Securities, LLC and their respective successors; *provided* that, if any ceases to be a primary U.S. Government securities dealer ( *Primary Treasury Dealer* ), we will substitute another Primary Treasury Dealer; and (B) any other Primary Treasury Dealer selected by us and (2) with respect to the notes due 2042, (A) Barclays Capital Inc., Citigroup Global Markets Inc., RBC Capital Markets, LLC and one primary U.S. government securities dealer in New York City designated by Wells Fargo Securities, LLC. and their respective successors; *provided* that, if any ceases to be a Primary Treasury Dealer, we will substitute another Primary Treasury Dealer; and (B) any other Primary Treasury Dealer selected by us.

*Reference Treasury Dealer Quotation* means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m. (New York City time) on the third business day preceding that redemption date.

Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the notes or portions of the notes called for redemption.

### **Open Market Purchases; No Mandatory Redemption or Sinking Fund**

We may at any time and from time to time purchase notes in the open market or otherwise, in each case without any restriction under the indenture. We are not required to make mandatory redemption or sinking fund payments with respect to the notes.

### **Selection and Notice**

If less than all of the notes of a particular series are to be redeemed at any time, selection of such notes for redemption will be made by the trustee in compliance with the requirements of the principal national securities exchange, if any, on which the notes are listed, or, if the notes are not so listed, on a *pro rata* basis, by lot or by such method as the trustee shall deem fair and appropriate; *provided* that no notes of \$2,000 or less shall be redeemed in part.

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Notices of redemption with respect to the notes shall be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the notes or a satisfaction and discharge of the indenture.

If any note is to be redeemed in part only, the notice of redemption that relates to such note shall state the portion of the principal amount thereof to be redeemed. A new note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on the notes or portions of the notes called for redemption. Any redemption or notice of redemption may, at Rowan's discretion, be subject to one or more conditions precedent.

### **The Rowan UK Guarantee**

The notes will be fully and unconditionally guaranteed on a senior unsecured basis by Rowan UK. Rowan UK's guarantee of the notes will be a general unsecured obligation of Rowan UK and will rank:

senior in right of payment to all existing and future subordinated indebtedness of Rowan UK;

*pari passu* in right of payment with any of Rowan UK's existing and future senior indebtedness, including its indebtedness under our senior revolving credit facility, and Rowan UK's guarantee of Rowan Delaware's 5% Senior Notes due 2017, 7.875% Senior Notes due 2019 and existing 4.875% Senior Notes due 2022;

effectively junior to Rowan UK's secured indebtedness, if any (including any letter of credit reimbursement obligations under our credit facility that are secured by cash deposits), to the extent of the value of the assets of Rowan UK constituting collateral securing that indebtedness; and

effectively junior to all existing and future indebtedness and other liabilities, including trade payables, of Rowan UK's subsidiaries (other than indebtedness and liabilities owed to Rowan UK).

As of September 30, 2012, Rowan UK had no indebtedness, and its subsidiaries had total indebtedness of approximately \$1.39 billion, which would be structurally senior to Rowan UK's guarantee of the notes. However, all of such indebtedness of Rowan UK's subsidiaries is indebtedness of Rowan Delaware, which will be the issuer of the notes, and consequently, all of such indebtedness will rank *pari passu* in right of payment with the notes.

Rowan UK will be released and relieved of any obligations under its guarantee of the notes immediately:

upon Legal Defeasance in accordance with Article Thirteen of the indenture or satisfaction and discharge of the indenture in accordance with Article Four of the indenture; or

upon the merger of Rowan UK with and into Rowan Delaware.

### **Additional Covenants**

With respect to the notes, the indenture will contain the following covenants, in addition to the covenants and other provisions described in the accompanying prospectus under the captions "Description of Debt Securities - Covenants" and "Description of Debt Securities - Merger and Sale of Assets."

### ***Limitation on Liens***

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We have agreed that we or any of our Subsidiaries will issue, assume or guarantee Indebtedness for borrowed money secured by a lien upon a Principal Property only if we secure the notes equally and ratably with or prior to the Indebtedness secured by that lien. If we so secure the notes, we have the option to secure any of

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our other Indebtedness or obligations equally and ratably with or prior to the Indebtedness secured by the lien and, accordingly, equally and ratably with the notes. This covenant has exceptions that permit:

- (1) liens existing on the date the notes are first issued;
- (2) liens on any entity's property or assets existing at the time we acquire such entity or its property or assets, or at the time such entity becomes a Subsidiary;
- (3) intercompany liens in favor of us or any Subsidiary;
- (4) liens on assets either:
  - (a) securing all or part of the cost of acquiring, constructing, improving, developing or repairing the assets; or
  - (b) securing Indebtedness incurred to finance the acquisition of the assets or the cost of constructing, improving, developing, expanding or repairing the assets and commencing commercial operation of the assets if the applicable Indebtedness was incurred prior to, at the time of or within 24 months after the acquisition, or completion of construction, improvement, development, expansion or repair of the assets or their commencing commercial operation;
- (5) liens in favor of governmental entities to secure (a) payments under any contract or statute to secure progress or advance payments or (b) industrial development, pollution control or similar indebtedness;
- (6) governmental liens under contracts for the sale of products or services;
- (7) liens imposed by law, such as mechanic's or workmen's liens;
- (8) liens under workers' compensation laws or similar legislation;
- (9) liens in connection with legal proceedings or securing taxes or other assessments;
- (10) statutory or other liens arising in the ordinary course of our business and relating to amounts that are not yet delinquent or that we are contesting in good faith;
- (11) liens on stock, partnership or other equity interests in any Joint Venture or any Subsidiary that owns an equity interest in a Joint Venture to secure Indebtedness contributed or advanced solely to that Joint Venture;
- (12) good faith deposits in connection with bids, tenders, contracts or leases;
- (13) deposits made in connection with maintaining self-insurance, to obtain the benefits of laws, regulations or arrangements relating to unemployment insurance, old age pensions, social security or similar matters or to secure surety, appeal or customs bonds; and
- (14) any extensions, substitutions, renewals or replacements of the above-described liens.

In addition, without securing the notes as described above, we or any Subsidiary may issue, assume or guarantee Indebtedness that this covenant would otherwise restrict in a total principal amount that, when added to all of our and our Subsidiaries' other outstanding Indebtedness that this covenant would otherwise restrict and the total amount of Attributable Indebtedness outstanding for Sales and Leaseback Transactions, does not exceed a basket equal to 15% of our Consolidated Net Tangible Assets. When calculating this total principal amount, we exclude from the calculation Attributable Indebtedness from Sale and Leaseback Transactions in connection with which we have voluntarily retired debt securities issued under the indenture, Indebtedness of equal rank or

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Funded Indebtedness, in each case as described in clause (3) below under Limitation on Sale and Leaseback Transactions.

### ***Limitation on Sale and Leaseback Transactions***

We have agreed that we or any of our Subsidiaries will not enter into a Sale and Leaseback Transaction, unless one of the following applies:

- (1) we or that Subsidiary could incur Indebtedness in a principal amount equal to the Attributable Indebtedness for that Sale and Leaseback Transaction and, without violating the Limitation on Liens covenant, could secure that Indebtedness by a lien on the property to be leased without equally or ratably securing the notes;
- (2) after the issuance of the notes and within the period beginning nine months before the closing of the Sale and Leaseback Transaction and ending nine months after such closing, we or any Subsidiaries have expended for property used or to be used in the ordinary course of business an amount equal to all or a portion of the net proceeds of the transaction, and we have elected to designate that amount as a credit against that transaction (with any amount not so designated to be applied as set forth in (3) below or as otherwise permitted); or
- (3) during the nine-month period after the effective date of the Sale and Leaseback Transaction, we have applied to the voluntary defeasance or retirement of any debt securities under the indenture, any Indebtedness of equal rank to the notes or any Funded Indebtedness, an amount equal to the net proceeds of the sale or transfer of the property leased in the Sale and Leaseback Transaction (or, if greater, the fair value of that property at the time of the Sale and Leaseback Transaction as determined by our board of directors) adjusted to reflect the remaining term of the lease and any amount expended as set forth in clause (2) above.

### **Additional Event of Default**

With respect to each series of notes, the occurrence of any of the following events shall, in addition to the other events or circumstances described as Events of Default under the caption Description of Debt Securities Events of Default in the accompanying prospectus, constitute an Event of Default: default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness of us or any of our Significant Subsidiaries (or the payment of which is guaranteed by us or any of our Significant Subsidiaries), whether such Indebtedness or guarantee now exists or is created after the date of issuance of the notes, if (a) that default (x) is caused by a failure to pay principal of or premium, if any, or interest on such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a Payment Default ), or (y) results in the acceleration of such Indebtedness prior to its express maturity, and (b) in each case described in clauses (x) or (y) above, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates \$35.0 million or more.

### **Definitions**

*Attributable Indebtedness* means the present value of the rental payments during the remaining term of the lease included in the Sale and Leaseback Transaction. To determine that present value, we use a discount rate equal to the lease rate of the Sale and Leaseback Transaction. For these purposes, rental payments do not include any amounts we are required to pay for taxes, maintenance, repairs, insurance, assessments, utilities, operating and labor costs and other items that do not constitute payments for property rights. In the case of any lease that we may terminate by paying a penalty, if the net amount would be reduced if we terminated the lease on the first date that it could be terminated, then this lower net amount will be used, in which case, the net amount shall also include the amount of the penalty, but no rent shall be considered as required to be paid under such lease subsequent to the final date upon which it may be so terminated.

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*Capital Lease Obligation* means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet in accordance with GAAP, and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

*Capital Stock* means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

*Consolidated Net Tangible Assets* of any Person means the total amount of assets (after deducting applicable reserves and other properly deductible items) of such Person and its consolidated Subsidiaries less:

all current liabilities (excluding liabilities that are extendable or renewable at our option to a date more than 12 months after the date of calculation and excluding current maturities of long-term indebtedness); and

all goodwill, trade names, trademarks, patents, unamortized indebtedness discount and expense and other like intangible assets. Consolidated Net Tangible Assets of any Person shall be based on the most recently available consolidated quarterly balance sheet of such Person, and shall be calculated in accordance with GAAP.

*Exchange Act* means the Securities Exchange Act of 1934, as amended.

*Funded Indebtedness* means all Indebtedness that matures on or is renewable to a date more than one year after the date the Indebtedness is incurred.

*GAAP* means generally accepted accounting principles in the United States, which are in effect from time to time. All computations based on GAAP contained in the indenture will be computed in conformity with GAAP. At any time after the Issue Date, Rowan may elect to apply International Financial Reporting Standards, or IFRS, accounting principles in lieu of GAAP and, upon any such election, references herein to GAAP shall thereafter be construed to mean IFRS; *provided* that any such election, once made, shall be irrevocable; *provided, further*, that any calculation or determination in the indenture that requires the application of GAAP for periods that include fiscal quarters ended prior to Rowan's election to apply IFRS shall remain as previously calculated or determined in accordance with GAAP. Rowan shall give notice of any such election made in accordance with this definition to the trustee under the indenture.

*Indebtedness* means:

all indebtedness for borrowed money (whether full or limited recourse);

all obligations evidenced by bonds, debentures, notes or other similar instruments;

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all obligations under letters of credit or other similar instruments, other than standby letters of credit, performance bonds and other obligations issued in the ordinary course of business, to the extent not

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drawn or, to the extent drawn, if such drawing is reimbursed not later than the third business day following demand for reimbursement;

all obligations to pay the deferred and unpaid purchase price of property or services, except trade payables and accrued expenses incurred in the ordinary course of business;

all Capital Lease Obligations;

all Indebtedness of others secured by a lien on any asset of the person in question (*provided* that if the obligations so secured have not been assumed in full or are not otherwise fully the person's legal liability, then such obligations may be reduced to the value of the asset or the liability of the person); and

all Indebtedness of others (other than endorsements in the ordinary course of business) guaranteed by the person in question to the extent of such guarantee.

*Issue Date* means the first date on which any notes are issued, authenticated and delivered under the indenture.

*Joint Venture* means any partnership, corporation or other entity in which up to and including 50% of the partnership interests, outstanding voting stock or other equity interests is owned, directly or indirectly, by Rowan and/or one or more Subsidiaries of Rowan. A Joint Venture is not treated as a Subsidiary.

*Person* means any individual, corporation, partnership, joint venture, association, joint stock company, trust, limited liability company, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

*Principal Property* means any drilling rig, or integral portion thereof, owned or leased by us or any Subsidiary and used for drilling offshore oil and gas wells, that, in the opinion of our board of directors, is of material importance to the business of us and our Subsidiaries taken as a whole, but no such drilling rig, or portion thereof, shall be deemed of material importance if its net book value (after deducting accumulated depreciation) is less than 2% of our Consolidated Net Tangible Assets.

*Sale and Leaseback Transaction* means any arrangement with anyone under which we or any Subsidiary leases any Principal Property that we or that Subsidiary has or will sell or transfer to that person. This term excludes the following:

temporary leases for a term of not more than five years;

intercompany leases between us and a Subsidiary or between two or more of Subsidiaries; and

leases of a Principal Property executed by the time of or within 12 months after the acquisition, the completion of construction, alteration, improvement or repair, or the commencement of commercial operation of the Principal Property.

*Subsidiary* means, with respect to any Person,

(1) any corporation, association or other business entity of which more than 50% of the total voting power of the Voting Stock thereof is at the time owned or controlled, directly or indirectly, by such Person; and

(2) any partnership (a) the sole general partner or the managing general partner of which is such Person or an entity described in clause (1) and related to such Person or (b) the only general partners of which are such Person or of one or more entities described in clause (1) and related to such Person (or any combination thereof).



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*Voting Stock* of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors (or similar governing body) of such Person.

### **Defeasance**

The defeasance provisions of the indenture described in the accompanying prospectus will apply to the notes. In particular, Rowan may, at its option and at any time, elect to have its obligations released with respect to the provisions of the indenture described above under Additional Covenants, and thereafter any omission to comply with such obligations or provisions will not constitute a Default or Event of Default. In the event Covenant Defeasance occurs in accordance with the indenture, the Events of Default described under clauses (3) and (4) under the caption Description of Debt Securities Events of Default in the accompanying prospectus and the additional Event of Default described above under the caption Additional Event of Default, in each case, will no longer constitute an Event of Default with respect to the notes.

### **Concerning the Trustee**

U.S. Bank National Association is the trustee under the indenture and has been appointed by Rowan as initial registrar and paying agent with regard to the notes.

### **Notices**

Notices to holders of notes will be given by mail to the holder's address as it appears in the notes register.

### **Governing Law**