

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

SEACOR SMIT INC
Form 10-K/A
April 06, 2004

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K/A

(AMENDMENT NO. 1)

FOR ANNUAL AND TRANSITION REPORTS
PURSUANT TO SECTIONS 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

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

For the fiscal year ended December 31, 2003

OR

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

For the transition period from _____ to _____

Commission file number 1-12289

SEACOR HOLDINGS INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware

13-3542736

(State or Other Jurisdiction
of Incorporation or Organization)

(I.R.S. Employer Identification No.)

11200 Richmond Avenue,
Suite 400, Houston, Texas

77082

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code (281) 899-4800

Securities registered pursuant to Section 12 (b) of the Act:

Title of Each Class

Name of Each Exchange
on Which Registered

Common Stock, par value \$.01 per share

New York Stock Exchange

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

Securities registered pursuant to Section 12 (g) of the Act:

None

(Title of Class)

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ___

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). X Yes No
--- ---

The aggregate market value of the voting stock of the registrant held by non-affiliates as of June 30, 2003 was approximately \$639,012,000 based on the closing price on the New York Stock Exchange on such date. The total number of shares of Common Stock issued and outstanding as of March 8, 2004 was 18,624,825.

DOCUMENTS INCORPORATED BY REFERENCE

The Registrant's definitive proxy statement to be filed with the Securities and Exchange Commission (the "Commission") pursuant to Regulation 14A within 120 days after the end of the Registrant's last fiscal year is incorporated by reference into Part III of this Annual Report on Form 10-K.

EXPLANATORY NOTE

This amendment to the Annual Report on Form 10-K of SEACOR Holdings Inc. for the fiscal year ended December 31, 2003, that was originally filed on March 15, 2004, is being filed solely to correct a typographical error in Item 15 of Part IV. Specifically, in a table in Note 5: "Acquisitions and Dispositions" of the Notes to Consolidated Financial Statements, under the sub-heading "Unaudited Pro Forma Information" net income for 2001 was \$72,883 and not \$73,72,883. This amendment does not reflect events occurring after the filing of the original 10-K.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) Documents filed as part of this report:

1. and 2. Financial Statements and Financial Statement Schedules.

See Index to Consolidated Financial Statements and Financial Statement Schedule on page 48 of this Form 10-K.

3. Exhibits:

Exhibit Number -----	Description -----
2.1	* Agreement and Plan of Merger, dated as of December 19, 2000, by and between SEACOR SMIT Inc. and SCF Corporation (incorporated by reference to Exhibit 2.1 of the Company's Registration Statement on Form S-3 (No. 333-56842) filed with the Commission on March 9, 2001).
2.2	* Stock Exchange Agreement, dated as of January 9, 2001, among SEACOR SMIT Inc. and the other parties thereto (incorporated by reference to Exhibit 2.2 of the Company's Registration Statement on Form S-3 (No. 333-56842) filed with the Commission on March 9, 2001).
3.1	* Restated Certificate of Incorporation of SEACOR SMIT Inc. (incorporated herein by reference to Exhibit 3.1(a) to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 1997 and filed with the Commission on August 14, 1997).
3.2	* Certificate of Amendment to the Restated Certificate of Incorporation of SEACOR SMIT Inc. (incorporated herein by reference to Exhibit 3.1(b) to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 1997 and filed with the Commission on August 14, 1997).
3.3	* Amended and Restated By-laws of SEACOR Holdings, Inc. (incorporated herein by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-8 (No. 333-12637) of SEACOR Holdings, Inc. filed with the Commission on September 25, 1996).
4.1	* Indenture, dated as of November 1, 1996, between First Trust National Association, as trustee, and SEACOR Holdings, Inc. (including therein forms of 5-3/8% Convertible Subordinated Notes due November 15, 2006 of SEACOR Holdings, Inc.) (incorporated herein by reference to Exhibit 4.0 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 1996 and filed with the

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

Commission on November 14, 1996).

3

- 4.2 * Indenture, dated as of September 22, 1997, between SEACOR SMIT Inc. and First Trust National Association, as trustee (including therein form of Exchange Note 7.20% Senior Notes Due 2009) (incorporated herein by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-4 (No. 333-38841) filed with the Commission on October 27, 1997).
- 4.3 * Investment and Registration Rights Agreement, dated as of March 14, 1995, by and among SEACOR Holdings, Inc., Miller Family Holdings, Inc., Charles Fabrikant, Mark Miller, Donald Toenshoff, Alvin Wood, Granville Conway and Michael Gellert (incorporated herein by reference to Exhibit 4.0 of the Company's Current Report on Form 8-K dated March 14, 1995, as amended).
- 4.4 * Investment and Registration Rights Agreement, dated as of May 31, 1996, among SEACOR Holdings, Inc. and the persons listed on the signature pages thereto (incorporated herein by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K dated May 31, 1996 and filed with the Commission on June 7, 1996).
- 4.5 * Registration Rights Agreement, dated November 5, 1996, between SEACOR Holdings, Inc. and Credit Suisse First Boston Corporation, Salomon Brothers Inc. and Wasserstein Perella Securities, Inc. (incorporated herein by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 1996 and filed with the Commission on November 14, 1996).
- 4.6 * Investment and Registration Rights Agreement, dated as of December 19, 1996, by and between SEACOR Holdings, Inc. and Smit International Overseas B.V. (incorporated herein by reference to Exhibit 4.0 to the Company's Current Report on Form 8-K dated December 19, 1996 and filed with the Commission on December 24, 1996).
- 4.7 * Investment and Registration Rights Agreement, dated as of January 3, 1997, among SEACOR Holdings, Inc., Acadian Offshore Services, Inc., Galaxie Marine Service, Inc., Moonmaid Marine, Inc. and Triangle Marine, Inc. (incorporated herein by reference to Exhibit 4.6 to the Company's Registration Statement on Form S-3 (No. 333-20921) filed with the Commission on January 31, 1997).
- 4.8 * Investment and Registration Rights Agreement, dated October 27, 1995, by and between SEACOR Holdings, Inc. and Coastal Refining and Marketing, Inc. (incorporated herein by reference to Exhibit 4.2 of the Company's Registration Statement on Form S-3 (No. 33-97868) filed with the Commission on November 17, 1995).
- 4.9 * Investment and Registration Rights Agreement, dated November 14, 1995, by and between SEACOR Holdings, Inc. and Compagnie Nationale de Navigation (incorporated herein by reference to Exhibit 4.3 of the Company's Registration Statement on Form S-3 (No. 33-97868) filed with the Commission on November 17,

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

1995).

- 4.10 * Registration Agreement, dated as of September 22, 1997, between the Company and the Initial Purchasers (as defined therein) (incorporated herein by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-4 (No. 333-38841) filed with the Commission on October 27, 1997).
 - 4.11 * Restated Stockholders' Agreement dated December 16, 1992 (incorporated herein by reference to Exhibit 10.12 to the Annual Report on Form 10-K of SEACOR Holdings, Inc. for the fiscal year ended December 31, 1992).
 - 4.12 * Investment and Registration Rights Agreement, dated as of April 19, 2000, among SEACOR SMIT Inc. and the other parties thereto (incorporated herein by reference to Exhibit 4.1 of the Company's Registration Statement on Form S-3 (No. 333-37492) filed with the Commission on May 19, 2000).
 - 4.13 * Investment and Registration Rights Agreement, dated as of December 19, 2000, among SEACOR SMIT Inc. and the other parties thereto (incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form S-3 (No. 333-56842) filed with the Commission on March 9, 2001).
 - 4.14 * Investment and Registration Rights Agreement, dated as of January 9, 2001, among SEACOR SMIT Inc. and the other parties thereto (incorporated by reference to Exhibit 4.2 of the Company's Registration Statement on Form S-3 (No. 333-56842) filed with the Commission on March 9, 2001).
 - 4.15 * SEACOR SMIT Inc. 2000 Employee Stock Purchase Plan, as amended February 14, 2001 (incorporated herein by reference to Exhibit 4.4 to the Company's Registration Statement on Form S-8 (No. 333-56714), filed with the Commission on March 8, 2001).
- 4
- 4.16 * Instrument, dated May 4, 2001, setting forth terms of (pound) 14,668,942 in aggregate principal amount of Fixed Rate Abatable Loan Notes (including form of Loan Note Certificate as a Schedule thereto) (incorporated herein by reference to the Company's Registration Statement on Form 8-K dated May 17, 2001).
 - 4.17 * Form of Indenture, dated as of January 10, 2001, among SEACOR SMIT Inc. and U.S. Bank Trust National Association as trustee (incorporated herein by reference to Exhibit 4.2 to Amendment No.1 to the Company's Registration Statement on Form S-3/A (No. 333-53326) filed with the Commission on January 18, 2001).
 - 4.18 * Form of Indenture, dated as of January 10, 2001, among SEACOR SMIT Inc. and U.S. Bank Trust National Association as trustee (incorporated herein by reference to Exhibit 4.3 to Amendment No. 1 to the Company's Registration Statement on Form S-3/A (No. 333-53326) filed with the Commission on January 18, 2001).
 - 10.1 * Lease Agreement, dated September 1, 1989, between The Morgan

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

City Fund and NICOR Marine Inc. (SEACOR Marine Inc., as successor lessee) (incorporated herein by reference to Exhibit 10.33 to the Company's Registration Statement on Form S-1 (No. 33-53244) filed with the Commission on November 10, 1992).

- 10.2 *+ SEACOR Holdings, Inc. 1992 Non-Qualified Stock Option Plan (incorporated herein by reference to Exhibit 10.45 to the Company's Registration Statement on Form S-1 (No. 33-53244) filed with the Commission on November 10, 1992).
- 10.3 *+ SEACOR Holdings, Inc. 1996 Share Incentive Plan (incorporated herein by reference to SEACOR Holdings, Inc.'s Proxy Statement dated March 18, 1996 relating to the Annual Meeting of Stockholders held on April 18, 1996).
- 10.4 *+ SEACOR SMIT Inc. 2000 Stock Option Plan for Non-Employee Directors (incorporated herein by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2000 and filed with the Commission on August 14, 2000).
- 10.5 *+ Benefit Agreement, dated May 1, 1989, between NICOR Marine Inc. and Lenny P. Dantin (assumed by SEACOR Holdings, Inc.) (incorporated herein by reference to Exhibit 10.51 to the Company's Registration Statement on Form S-1 (No. 33-53244) filed with the Commission on November 10, 1992).
- 10.6 *+ Employment Agreement, dated December 24, 1992, between SEACOR Holdings, Inc. and Milton Rose (incorporated herein by reference to Exhibit 10.61 to the Annual Report on Form 10-K of SEACOR Holdings, Inc. for the fiscal year ended December 31, 1992).
- 10.7 * Management and Services Agreement, dated January 1, 1985, between NICOR Marine (Nigeria) Inc. and West Africa Offshore Limited (assumed by SEACOR Holdings, Inc.) (incorporated herein by reference to Exhibit 10.55 to the Company's Registration Statement on Form S-1 (No. 33-53244) filed with the Commission on November 10, 1992).
- 10.8 * Joint Venture Agreement, dated December 19, 1996, between SEACOR Holdings, Inc. and Smit-Lloyd (Antillen) N.V. (incorporated herein by reference to Exhibit 10.0 to the Company's Current Report on Form 8-K dated December 19, 1996 and filed with the Commission on December 24, 1996).
- 10.9 * Form of Management Agreement (incorporated herein by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K dated December 19, 1996 and filed with the Commission on December 24, 1996).
- 10.10 * License Agreement, dated December 19, 1996, between SEACOR Holdings, Inc., certain subsidiaries of SEACOR Holdings, Inc. and Smit Internationale N.V. (incorporated herein by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K dated December 19, 1996 and filed with the Commission on December 24, 1996).
- 10.11 * Purchase Agreement, dated as of September 15, 1997, between the Company and Salomon Brothers Inc., individually and as representative of the Initial Purchasers (as defined

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

therein) (incorporated herein by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-4 (No. 333-38841) filed with the Commission on October 27, 1997).

5

- 10.12 *+ Form of Type A Restricted Stock Grant Agreement (incorporated herein by reference to Exhibit 10.35 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 and filed with the Commission on March 30, 2000).
- 10.13 *+ Form of Type B Restricted Stock Grant Agreement (incorporated herein by reference to Exhibit 10.36 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 and filed with the Commission on March 30, 2000).
- 10.14 *+ Form of Option Agreement for Officers and Key Employees Pursuant to the SEACOR SMIT Inc. 1996 Share Incentive Plan (incorporated herein by reference to Exhibit 10.37 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 and filed with the Commission on March 30, 2000).
- 10.15 * Stock Purchase Agreement dated as of January 30, 2001, by and between SEACOR SMIT Inc. and Brian Cheramie (incorporated herein by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, dated February 23, 2001 and filed with the Commission on March 5, 2001).
- 10.16 * Letter Agreement dated as of February 23, 2001, amending the Stock Purchase Agreement dated as of February 23, 2001, amending the Stock Purchase Agreement dated as of January 30, 2001 by and between SEACOR SMIT Inc. and Brian Cheramie (incorporated herein by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K, dated February 23, 2001 and filed with the Commission on March 5, 2001).
- 10.17 * Stock Purchase Agreement dated as of January 30, 2001 by and among SEACOR SMIT Inc., the persons listed on Exhibit A thereto and Brian Cheramie, as representative of such persons (incorporated herein by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K, dated February 23, 2001 and filed with the Commission on March 5, 2001).
- 10.18 * Letter Agreement dated as of February 23, 2001, amending the Stock Purchase Agreement dated as of January 30, 2001 by and among SEACOR SMIT Inc., the persons listed on Exhibit A thereto and Brian Cheramie, as representative of such persons (incorporated herein by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K, dated February 23, 2001 and filed with the Commission on March 5, 2001).
- 10.19 * Stock Purchase Agreement, dated as of May 4, 2001, by and between SEACOR SMIT Inc. and the Stirling Vendors (incorporated herein by reference to the Company's Registration Statement on Form 8-K dated May 17, 2001).
- 10.20 * Tax Deed, dated as of May 4, 2001, by and between SEACOR SMIT Inc. and the Stirling Vendors (incorporated herein by

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

reference to the Company's Registration Statement on Form 8-K dated May 17, 2001).

- 10.21 * Revolving Credit Facility Agreement, dated as of February 5, 2002 by and among SEACOR SMIT Inc., the banks and financial institutions named therein, Fleet National Bank, Den norske Bank ASA, Nordea and The Governor and Company of the Bank of Scotland as agents.
- 10.22 * Securities Purchase Agreement dated as of December 31, 2002 by and between Offshore Aviation Inc., a wholly-owned subsidiary of SEACOR SMIT Inc., and Edward L. Behne. (Incorporated by reference to Exhibit 10.22 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and filed with the Commission on March 31, 2003.)
- 10.23 *+ List of Named Executive Officers which received awards of Type A Restricted Stock pursuant to a Type A Restricted Stock Grant Agreement, the form of which is attached hereto as Exhibit 10.12. (Incorporated by reference to Exhibit 10.23 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and filed with the Commission on March 15, 2004.)
- 10.24 *+ List of Named Executive Officers which received awards of Type B Restricted Stock pursuant to a Type B Restricted Stock Grant Agreement, the form of which is attached hereto as Exhibit 10.13. (Incorporated by reference to Exhibit 10.24 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and filed with the Commission on March 15, 2004.)
- 10.25 * SEACOR SMIT Inc. 2003 Non-Employee Director Share Incentive Plan. (Incorporated by reference to Exhibit 10.25 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and filed with the Commission on March 15, 2004.)
- 10.26 * SEACOR SMIT Inc. 2003 Share Incentive Plan. (Incorporated by reference to Exhibit 10.26 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and filed with the Commission on March 15, 2004.)
- 21.1 * List of Registrant's Subsidiaries. (Incorporated by reference to Exhibit 21.1 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and filed with the Commission on March 15, 2004.)
- 23.1 * Consent of Ernst & Young LLP. (Incorporated by reference to Exhibit 23.1 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and filed with the Commission on March 15, 2004.)
- 23.2 * Notice Regarding Consent of Arthur Andersen LLP. (Incorporated by reference to Exhibit 23.2 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and filed with the Commission on March 15, 2004.)

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

- 23.3 Consent of Ernst & Young LLP.
- 23.4 Notice Regarding Consent of Arthur Andersen LLP.
- 31.1 * Certification by the Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act. (Incorporated by reference to Exhibit 31.1 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and filed with the Commission on March 15, 2004.)
- 31.2 * Certification by the Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act. (Incorporated by reference to Exhibit 31.2 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and filed with the Commission on March 15, 2004.)
- 31.3 Certification by the Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
- 31.4 Certification by the Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
- 32.1 * Certification by the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Incorporated by reference to Exhibit 32.1 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and filed with the Commission on March 15, 2004.)
- 32.2 * Certification by the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Incorporated by reference to Exhibit 32.2 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and filed with the Commission on March 15, 2004.)
- 32.3 Certification by the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.4 Certification by the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Incorporated herein by reference as indicated.

+ Management contracts or compensatory plans or arrangements required to be filed as an exhibit pursuant to Item 15 (c) of the rules governing the preparation of this report.

(b) Reports on Form 8-K:

The Company filed a report on For 8-K dated November 5, 2003. Under Item 7 and item 12, the Company filed as an exhibit a Press Release reporting the Company's financial results for the third quarter of 2003.

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

7

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Amendment to be signed on its behalf by the undersigned, thereunto duly authorized.

SEACOR Holdings Inc.
(Registrant)

/s/ Randall Blank

Randall Blank
Executive Vice President, Chief
Financial Officer and Secretary
(Principal Financial Officer)

April 6, 2004

8

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND
FINANCIAL STATEMENT SCHEDULE

Consolidated Financial Statements:

	Page
Reports of Independent Auditors.....	10
Consolidated Balance Sheets as of December 31, 2003 and 2002.....	12
Consolidated Statements of Income for the Years Ended December 31, 2003, 2002 and 2001.....	13
Consolidated Statements of Changes in Equity for the Years Ended December 31, 2003, 2002 and 2001.....	14

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

Consolidated Statements of Cash Flows for the Years Ended December 31, 2003, 2002 and 2001.....	15
Notes to Consolidated Financial Statements.....	16
Financial Schedule:	
Reports of Independent Auditors on Financial Statement Schedule.....	37
Valuation and Qualifying Accounts for the Years ended December 31, 2003, 2002 and 2001.....	39

All Financial Schedules, except those set forth above, have been omitted since the information required is either included in the consolidated financial statements, not applicable or not required.

9

REPORT OF INDEPENDENT AUDITORS

The Shareholders and Board of Directors
SEACOR SMIT Inc.

We have audited the accompanying consolidated balance sheets of SEACOR SMIT Inc. and subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of income, changes in equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of SEACOR SMIT Inc. and subsidiaries for the year ended December 31, 2001 were audited by other auditors who have ceased operations and whose report dated February 21, 2002 expressed an unqualified opinion on those statements, including an explanatory paragraph that disclosed the Company's adoption of SFAS 133, "Accounting for Derivative Instruments and Hedging Activities," before the transitional disclosures and reclassification adjustments described in Notes 1 and 14.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of SEACOR SMIT Inc. and subsidiaries at December 31, 2003 and 2002 and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

As discussed in Note 1 to the financial statements, effective January 1, 2002,

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

the Company adopted Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" (SFAS 142).

As discussed above, the financial statements of SEACOR SMIT Inc. and subsidiaries for the year ended December 31, 2001 were audited by other auditors who have ceased operations. As described in Notes 1 and 14, these financial statements have been revised. Our procedures with respect to the SFAS 142 transitional disclosures in Note 1 related to 2001 included (a) agreeing the previously reported net income to the previously issued financial statements and the adjustments representing goodwill amortization (including related tax effects) recognized in those periods to the Company's underlying records obtained from management, and (b) testing the mathematical accuracy of the determination of the impact on net income and earnings-per-share. Our procedures with respect to the disclosures in Note 1 related to 2001 also included agreeing the carrying value of goodwill and the related 2001 activity by reportable segment, and in total, to the Company's underlying records obtained from management. We also audited the reclassification adjustments described in Note 14 that were applied to revise the 2001 financial statements relating to a change in the composition of reportable segments. In our opinion, the SFAS 142 transitional disclosures for 2001 in Note 1 are appropriate and the reclassification adjustments applied to the 2001 segment disclosures in Note 14 are appropriate and have been properly applied. However, we were not engaged to audit, review, or apply any procedures to the 2001 financial statements of the Company other than with respect to such transitional disclosures and reclassification adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2001 financial statements taken as a whole.

/s/ Ernst & Young LLP

New Orleans, Louisiana
March 9, 2004

10

REPORT OF INDEPENDENT AUDITORS

THIS IS A COPY OF THE AUDIT REPORT PREVIOUSLY ISSUED BY ARTHUR ANDERSEN LLP IN CONNECTION WITH SEACOR SMIT INC.'S FILING ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001. THIS AUDIT REPORT HAS NOT BEEN REISSUED BY ARTHUR ANDERSEN LLP IN CONNECTION WITH THIS FILING ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003 AS THEY HAVE CEASED OPERATIONS. SEACOR SMIT INC. IS INCLUDING THIS COPY OF ARTHUR ANDERSON LLP'S AUDIT REPORT PURSUANT TO RULE 2-02(E) OF REGULATION S-X UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

To SEACOR SMIT Inc.:

We have audited the accompanying consolidated balance sheets of SEACOR SMIT Inc. (a Delaware corporation) and subsidiaries as of December 31, 2001 and 2000 and the related consolidated statements of income, changes in equity and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SEACOR SMIT Inc. and subsidiaries as of December 31, 2001 and 2000 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

As discussed in Note 2 to the consolidated financial statements, effective January 1, 2001 the Company adopted SFAS 133, "Accounting for Derivative Instruments and Hedging Activities."

/s/ Arthur Andersen LLP

New Orleans, Louisiana
February 21, 2002

11

SEACOR SMIT INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2003 AND 2002
(IN THOUSANDS, EXCEPT SHARE DATA)

ASSETS	2003
Current Assets:	
Cash and cash equivalents.....	\$ 26
Available-for-Sale Securities.....	4
Receivables:	
Trade, net of allowance for doubtful accounts of \$2,800 and \$1,421 in 2003 and 2002, respectively.....	8
Other.....	2
Prepaid expenses and other.....	2
Total current assets.....	44
Investments, at Equity, and Receivables from 50% or Less Owned Companies.....	5
Available-for-Sale Securities.....	
Property and Equipment:	
Offshore vessels and equipment.....	82
Inland river barges and boats.....	8
Helicopters.....	3
Construction in progress.....	4
Equipment, furniture, fixtures, vehicles and other	2
Accumulated depreciation.....	1,02 (28)
	73
Construction Reserve Funds.....	12

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

Other Assets.....		3
	\$ 1,40	
	=====	
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt.....	\$	
Accounts payable and accrued expenses.....		3
Accrued wages and benefits.....		1
Accrued interest.....		
Accrued income taxes.....		
Deferred income taxes.....		
Accrued construction costs.....		
Accrued liability-short sale of securities.....		
Other current liabilities.....		1

Total current liabilities.....		7

Long -Term Debt		33
Deferred Income Taxes.....		19
Deferred Income and Other Liabilities.....		2
Minority Interest in Subsidiaries.....		
Stockholders' Equity:		
Common stock, \$.01 par value, 40,000,000 shares authorized; 24,466,010 and 24,307,235 shares issued in 2003 and 2002, respectively.....		40
Additional paid-in capital.....		53
Retained earnings.....		
Less 5,884,971 and 4,386,143 shares held in treasury in 2003 and 2002, respectively, at cost.....		(18)
Unamortized restricted stock.....		(
Accumulated other comprehensive income - Cumulative translation adjustments.....		1
Unrealized gain on available-for-sale securities.....		

Total stockholders' equity.....		77

	\$ 1,40	
	=====	

The accompanying notes are an integral part of these financial statements and should be read in conjunction herewith.

SEACOR SMIT INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2003, 2002 AND 2001
(IN THOUSANDS, EXCEPT SHARE DATA)

		2003	

Operating Revenues.....	\$	406,209	\$

Costs and Expenses:			
Operating expenses.....		287,290	
Administrative and general.....		57,684	

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

Depreciation and amortization.....	55,506		

	400,480		

Operating Income.....	5,729		

Other Income (Expense):			
Interest income.....	7,531		
Interest expense.....	(19,313)		
Debt extinguishments.....	(2,091)		
Income from equipment sales or retirements, net.....	17,522		
Gain upon sale of shares of Chiles Offshore Inc.....	-		
Derivative income (loss), net.....	2,389		
Foreign currency transaction gains, net.....	3,739		
Marketable securities sale gains, net.....	6,595		
Other, net.....	(652)		

	15,720		

Income Before Income Taxes, Minority Interest and Equity in Earnings of 50% or Less Owned Companies.....	21,449		

Income Tax Expense:			
Current.....	618		
Deferred.....	9,778		

	10,396		

Income Before Minority Interest and Equity in Earnings of 50% or Less Owned Companies.....	11,053		
Minority Interest in Net Income of Subsidiaries.....	(517)		
Equity in Earnings of 50% or Less Owned Companies.....	1,418		

Net Income.....	\$ 11,954	\$	
	=====		
Basic Earnings Per Common Share.....	\$ 0.63	\$	
	=====		
Diluted Earnings Per Common Share.....	\$ 0.63	\$	
	=====		
Weighted Average Common Shares			
Basic.....	19,012,899		
Diluted.....	19,279,568		

The accompanying notes are an integral part of these financial statements and should be read in conjunction herewith.

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

	Common Stock	Additional Paid-in Capital	Retained Earnings	Treasury Stock	Unamortized Restricted Stock
2003					
Balance, December 31, 2002.....	\$ 243	\$ 403,590	\$ 519,430	\$ (127,587)	\$ (2,21)
Add/ (Deduct) -					
-Net income for fiscal year 2003.....	-	-	11,954	-	
-Issuance of common stock:.....					
Employee Stock Purchase Plan.....	-	-	-	670	
Exercise of stock options.....	1	1,543	-	-	
Director stock awards.....	-	116	-	-	
Issuance of restricted stock.....	1	3,585	-	-	(3,71)
-Amortization of restricted stock.....	-	-	-	-	2,85
-Cancellation of restricted stock, 1,857 shares.....	-	(8)	-	(72)	8
-Net currency translation adjustments..	-	-	-	-	
-Change in unrealized gains (losses) on available-for-sale securities....	-	-	-	-	
-Conversion of 5 3/8% Convertible Subordinated Notes due 2006.....	-	2	-	-	
-Purchase of treasury shares.....	-	-	-	(56,542)	
Balance, December 31, 2003.....	\$ 245	\$ 408,828	\$ 531,384	\$ (183,531)	\$ (2,9
2002					
Balance, December 31, 2001.....	\$ 238	\$ 384,857	\$ 472,843	\$ (109,638)	\$ (1,9
Add/ (Deduct) -					
-Net income for fiscal year 2002.....	-	-	46,587	-	
-Issuance of common stock:.....					
Tex-Air Helicopters, Inc. acquisition.....	1	2,726	-	-	
Employee Stock Purchase Plan.....	-	-	-	693	
Exercise of stock options.....	1	3,380	-	-	
Issuance of restricted stock.....	1	2,655	-	-	(2,67
Settlement of equity forward transaction.....	2	9,998	-	-	
-Amortization of restricted stock.....	-	-	-	-	2,30
-Cancellation of restricted stock, 2,850 shares.....	-	-	-	(134)	13
-Net currency translation adjustments.....	-	-	-	-	
-Change in unrealized gains (losses) on available-for-sale securities....	-	-	-	-	
-Conversion of 5 3/8% Convertible Subordinated Notes due 2006.....	-	1	-	-	
-Change in share of book value of investment in Chiles Offshore Inc.....	-	(27)	-	-	
-Purchase of treasury shares.....	-	-	-	(18,508)	
Balance, December 31, 2002.....	\$ 243	\$ 403,590	\$ 519,430	\$ (127,587)	\$ (2,2
2001					

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

Balance, December 31, 2000.....	\$ 214	\$ 278,567	\$ 402,142	\$ (125,968)	\$ (1,3
Add/(Deduct) -					
-Net income for fiscal year 2001.....	-	-	70,701	-	
-Issuance of common stock:.....					
ERST/O'Brien's Inc. acquisition,					
27,877 shares.....	-	1,284	-	-	
Plaisance Marine Inc. acquisition...	-	-	-	3,163	
Stirling Shipping Holdings					
Limited acquisition.....	-	-	-	12,777	
Employee Stock Purchase Plan.....	-	-	-	624	
Exercise of stock options.....	-	272	-	-	
Issuance of restricted stock.....	1	3,644	-	-	(2,97
-Amortization of restricted stock.....	-	-	-	-	2,27
-Cancellation of restricted stock,					
459 shares.....	-	-	-	(20)	2
-Net currency translation					
adjustments.....	-	-	-	-	
-Change in unrealized gains (losses)					
on available-for-sale securities....	-	-	-	-	
-Conversion of 5 3/8% Convertible					
Subordinated Notes due 2006.....	23	98,824	-	-	
-Change in share of book value of					
investment in Chiles Offshore Inc...	-	2,395	-	-	
-Change in value of shares issued					
in equity forward transaction.....	-	(164)	-	-	
-Change in fair value of derivatives...	-	-	-	-	
-Purchase of TMM's minority interest					
in SEACOR Vision LLC.....	-	35	-	-	
-Purchase of treasury shares.....	-	-	-	(214)	
Balance, December 31, 2001.....	\$ 238	\$ 384,857	\$ 472,843	\$ (109,638)	\$ (1,98

The accompanying notes are an integral part of these financial statements and should be read in conjunction herewith.

14

SEACOR SMIT INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2003, 2002 AND 2001
(IN THOUSANDS)

	2003	
Cash Flows from Operating Activities:		
Net income.....	\$ 11,954	\$
Depreciation and amortization.....	55,506	
Restricted stock amortization.....	2,855	
Director stock awards.....	116	
Debt discount amortization, net.....	326	
Bad debt expense.....	829	
Deferred income taxes.....	9,778	
Equity in net earnings of 50% or less owned companies.....	(1,418)	

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

Gain from sale of investment in 50% or less owned companies.....	-
Extinguishment of debt.....	2,091
Derivative (income) loss.....	(2,389)
Foreign currency transaction gains, net.....	(3,739)
Gain from sale of available-for-sale securities, net.....	(6,595)
Impairment on other investments.....	1,254
Gain upon sale of shares of Chiles Offshore Inc.....	-
Gain from equipment sales or retirements, net.....	(17,522)
Amortization of deferred income on sale and leaseback transactions.....	(6,342)
Minority interest in income of subsidiaries.....	517
Other, net.....	450
Changes in operating assets and liabilities -	
(Increase) decrease in receivables.....	3,559
Increase in prepaid expenses and other assets.....	(4,433)
Decrease in accounts payable, accrued and other liabilities.....	(1,801)
	44,996
Net cash provided by operations.....	44,996
 Cash Flows from Investing Activities:	
Purchases of property and equipment.....	(161,842)
Proceeds from the sale of marine vessels, other equipment and property.....	143,797
Investments in and advances to 50% or less owned companies.....	(7,992)
Principal payments on notes due from 50% or less owned companies.....	1,875
Dividends received from 50% or less owned companies.....	11,569
Proceeds from sale of investment in 50% or less owned companies.....	-
Net increase in construction reserve funds.....	(30,880)
Proceeds from sale of available-for-sale securities.....	84,255
Purchases of available-for-sale securities.....	(40,161)
Cash settlements of derivative transactions.....	3,330
Acquisitions, net of cash acquired.....	(7,756)
Cash proceeds from sale of shares of Chiles Offshore Inc.....	-
Other, net.....	2,064
	(1,741)
Net cash provided by (used in) investing activities.....	(1,741)
 Cash Flows from Financing Activities:	
Payments of long-term debt and stockholder loans.....	(71,557)
Premium paid with 5 3/8 % Note extinguishment.....	(632)
Proceeds from issuance of long-term debt	107
Net proceeds from sale of 5 7/8% Notes.....	-
Payments on capital lease obligations.....	-
Proceeds from issuance of Common Stock.....	-
Common stock acquired for treasury.....	(56,542)
Stock options exercised.....	936
Other, net.....	163
	(127,525)
Net cash provided by (used in) financing activities.....	(127,525)
Effects of Exchange Rate Changes on Cash and Cash Equivalents.....	5,359
Net Increase (Decrease) in Cash and Cash Equivalents.....	(78,911)
Cash and Cash Equivalents, beginning of period.....	342,046
	342,046
Cash and Cash Equivalents, end of period.....	\$ 263,135

The accompanying notes are an integral part of these financial statements
and should be read in conjunction herewith.

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

SEACOR SMIT INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND ACCOUNTING POLICIES:

NATURE OF OPERATIONS. SEACOR SMIT Inc. ("SEACOR") and its subsidiaries (collectively referred to as the "Company") is a major provider of offshore support vessel services to the oil and gas exploration and production industry and is one of the leading providers of oil spill response services to owners of tank vessels and oil storage, processing and handling facilities. The Company also operates inland river dry cargo barges primarily for the agriculture and industrial sectors strategically aligned along the Mississippi River and its tributaries and also provides helicopter transportation services primarily to companies operating in the U.S. Gulf of Mexico.

BASIS OF CONSOLIDATION. The consolidated financial statements include the accounts of SEACOR and all of its majority owned subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation.

The Company employs the equity method of accounting for investments in business ventures when it has the ability to exercise significant influence over the operating and financial policies of the venture. Significant influence is generally deemed to exist if the Company has between 20% and 50% of the voting rights of an investee. The Company reports its investment in and advances to equity investees in the Consolidated Balance Sheets as "Investments, at Equity, and Receivables from 50% or Less Owned Companies." The Company reports its share of earnings or losses of equity investees in the Consolidated Statements of Income as "Equity in Earnings of 50% or Less Owned Companies."

The Company employs the cost method of accounting for investments in other business ventures which the Company does not have the ability to exercise significant influence. These investments are in private companies, carried at cost, and are adjusted only for other-than-temporary declines in fair value and capital distributions.

USE OF ESTIMATES. The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

REVENUE RECOGNITION. The Company's offshore marine business segment earns and recognizes revenues primarily from the time and bareboat charter-out of vessels to customers based upon daily rates of hire. A time charter is a lease arrangement under which the Company provides a vessel to a customer and is responsible for all crewing, insurance and other operating expenses. In a bareboat charter, the Company provides only the vessel to the customer, and the customer assumes responsibility to provide for all of the vessel's operating expenses and generally assumes all risk of operation. Vessel charters may range from several days to several years.

Customers of the Company's environmental business segment are charged retainer fees for ensuring by contract the availability (at predetermined rates) of oil spill response services and equipment. Such retainer fees are generally recognized ratably over the terms of the contract. Retainer services include employing a staff to supervise response to an oil spill and maintaining specialized equipment. Retainer agreements with vessel owners generally range from one to three years while retainer arrangements with facility owners are as long as ten years. Spill response revenues are recognized as the services are

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

provided based on contract terms and are dependent on the magnitude of any one spill response and the number of spill responses within a given fiscal year. Consequently, spill response revenues can vary greatly between comparable periods. Consulting fees are also earned from preparation of customized training programs, planning of and participation in customer oil spill response drill programs and response exercises and other special projects and are recognized as the services are provided based on contract terms. Industrial and remediation services are provided on both a time and material basis and on a fixed fee bid basis. In both cases the total fees charged are dependent upon the scope of work to be accomplished and the labor and equipment to carry it out.

The Company's inland river business earns revenues primarily from voyage affreightments under which customers are charged for a committed space to transport cargo for a specific time from a point of origin to a destination at an established rate per ton. The inland river operation also earns revenues while cargo is stored aboard a barge and when a barge is chartered-out by a third party.

Helicopters are chartered primarily through master service agreements, term contracts and day-to-day charter arrangements. Master service agreements require customers to make incremental payments based on usage, have fixed terms ranging from one month to five years and generally are cancelable upon notice by either party in 30 days. Term contracts and day-to-day charter arrangements are generally non-cancelable and call for a combination of a monthly or daily fixed rental fee plus a charge based on usage. Rental fee revenues are recognized ratably over the contract term and revenues for helicopter usage are recognized as the services are performed.

16

CASH EQUIVALENTS. Cash equivalents refer to securities with maturities of three months or less when purchased.

ACCOUNTS RECEIVABLE. Customers of offshore support vessel services and helicopter transportation services are primarily major and large independent oil and gas exploration and production companies. Oil spill and emergency response services are provided to tank vessel owner/operators, refiners, terminals, exploration and production facilities and pipeline operators. Barge customers are primarily major agricultural and industrial companies based within the United States. All customers are granted credit on a short-term basis and related credit risks are considered minimal. Although credit risks associated with these customers are considered minimal, the Company routinely reviews its accounts receivable balances and makes provisions for probable doubtful accounts. Accounts receivable are deemed uncollectible and removed from accounts receivable and allowance for doubtful accounts when collection efforts have been exhausted.

DERIVATIVES. Effective January 1, 2001, the Company adopted SFAS 133, "Accounting for Derivative Instruments and Hedging Activities", as amended, and accounts for all of its derivative positions at fair value. The cumulative effect of adopting SFAS 133 was not material.

CONCENTRATIONS OF CREDIT RISK. The Company is exposed to concentrations of credit risks relating to its receivables due from customers in the industries described above. The Company does not generally require collateral or other security to support its outstanding receivables. The Company minimizes its credit risk relating to receivables by performing ongoing credit evaluations and, to date, credit losses have been within management's expectations. The Company is also exposed to concentrations of credit risks associated with its cash and cash equivalents, its available-for-sale securities, and its derivative instruments. The Company minimizes its credit risk relating to these positions by monitoring the financial condition of the financial institutions and

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

counterparties involved.

PROPERTY AND EQUIPMENT. Equipment, stated at cost, is depreciated over the estimated useful lives of the assets using the straight-line method. Offshore support vessels ("vessels") and related equipment are depreciated over 20 to 30 years, inland river dry cargo barges are depreciated over 20 years, helicopters and related equipment are generally depreciated over 12 years, and all other equipment is depreciated and amortized over 2 to 10 years. Depreciation expense totaled \$55,501,000, \$56,239,000 and \$55,069,000 in 2003, 2002 and 2001, respectively.

Effective January 1, 2003, the Company changed its estimated residual value for newly constructed supply vessels, towing and supply vessels, and anchor handling towing supply vessels from 10% to 5%. The effect on income of this change in accounting estimate was not material.

Vessel, helicopter and barge maintenance and repair costs and the costs of routine drydock inspections performed on vessels are charged to operating expense as incurred. Expenditures that extend the useful life or improve the marketing and commercial characteristics of vessels and helicopters as well as major renewals or improvements to other properties are capitalized. Certain interest costs incurred during the construction of equipment was capitalized as part of the assets' carrying values and are being amortized to expense over such assets estimated useful lives. Capitalized interest totaled \$2,272,000, \$1,092,000 and \$760,000 in 2003, 2002 and 2001, respectively.

IMPAIRMENT OF LONG-LIVED ASSETS. In accordance with SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets, the Company reviews long-lived assets for impairment when events or changes in circumstances indicate that the carrying amount of any asset may not be recoverable. As of December 31, 2003, the Company was not aware of any indicators that would have required an impairment review.

BUSINESS COMBINATIONS. As discussed in Note 4, business combinations completed by the Company have been accounted for under the purchase method of accounting. The cost of each acquired operation is allocated to the assets acquired and liabilities assumed based on their estimated fair values. These estimates are revised during an allocation period as necessary when, and if, information becomes available to further define and quantify the value of the assets acquired and liabilities assumed. The allocation period does not exceed beyond one year from the date of the acquisition. Should information become available after the allocation period, those items are included in operating results. The cost of an enterprise acquired in a business combination includes the direct cost of the acquisition. The operating results of entities acquired are included in the Consolidated Statements of Income from the completion date of the applicable transaction.

GOODWILL. Goodwill represents the excess of purchase price over fair value of net assets acquired in business combinations. Effective January 1, 2002, the Company adopted SFAS 142, "Goodwill and Other Intangible Assets" and ceased amortization of its remaining goodwill balance. The Company now performs annual testing based upon a fair value approach and, based on its annual impairment test as of December 31, 2003, has determined there is no goodwill impairment. Application of the non-amortization provisions of SFAS 142 would have increased net income by \$2,103,000, or \$0.10 per diluted share, in 2001.

DEFERRED FINANCING COSTS. Deferred financing costs, incurred in connection with the issuance of debt, are amortized over the life of the related debt, ranging from 4 to 9 years, using the effective interest rate method. Deferred financing

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

costs amortization expense totaled \$474,000, \$526,000 and \$504,000 in 2003, 2002 and 2001, respectively, is included in the Consolidated Statements of Income as "Interest Expense."

SELF-INSURANCE LIABILITIES. The Company maintains business insurance programs with significant self-insured retention, primarily relating to its offshore support vessels. In addition, the Company maintains self-insured health benefit plans for its participating employees. The Company limits its exposure to the business insurance programs and health benefit plans by maintaining stop-loss and aggregate liability coverages. Self-insurance losses for claims filed and claims incurred but not reported are accrued based upon the Company's historical loss experience and valuations provided by independent third-party consultants. To the extent that estimated self-insurance losses differ from actual losses realized, the Company's insurance reserves could differ significantly and may result in either higher or lower insurance expense in future periods.

INCOME TAXES. Deferred income tax assets and liabilities have been provided in recognition of the income tax effect attributable to the difference between assets and liabilities reported in the tax return and financial statements. Deferred tax assets or liabilities are provided using the enacted tax rates expected to apply to taxable income in the periods in which the deferred tax assets and liabilities are expected to be settled or realized. Deferred taxes are not provided on undistributed earnings of certain non-U.S. subsidiaries and business ventures because the Company considers those earnings to be indefinitely reinvested abroad.

The Company records a valuation allowance to reduce its deferred tax assets if it is more likely than not that some portion or all of the deferred assets will not be realized. While the Company has considered future taxable income and ongoing prudent and feasible tax strategies in assessing the need for the valuation allowance, the Company may be required to adjust its valuation allowance if these estimates and assumptions change in the period such determination is made.

DEFERRED INCOME. The Company has entered into vessel sale and leaseback transactions and has sold vessels to business ventures in which it holds an equity ownership interest. Certain of the gains realized from these transactions were not immediately recognized in income and have been reported in the Consolidated Balance Sheets as "Deferred Income and Other Liabilities." In sale and leaseback transactions, gains were deferred to the extent of the present value of minimum lease payments and are being amortized to income as reductions in rental expense over the applicable lease terms. In business venture sale transactions, gains were deferred to the extent of the Company's ownership interest with amortization to income over the applicable vessels' depreciable lives and upon receipt of debt securities with amortization to income on the installment method.

(in thousands)	Deferred Income
Balance at 12/31/02.....	\$ 27,308
Deferred income from 2003 vessel sales.....	5,596
2003 amortization of deferred income.....	(7,015)
Currency translation.....	10
Balance at 12/31/03.....	\$ 25,899
	=====

FOREIGN CURRENCY TRANSLATION. The assets, liabilities and results of operations of certain SEACOR subsidiaries are measured using the currency of the primary foreign economic environment within which they operate, their functional currency. Upon consolidating these subsidiaries with SEACOR, their assets and

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

liabilities are translated to U.S. dollars at currency exchange rates as of the balance sheet date and their revenues and expenses at the weighted average currency exchange rates during the applicable reporting periods. Translation adjustments resulting from the process of translating these subsidiaries' financial statements are reported in the Consolidated Balance Sheets as "Accumulated other comprehensive income."

FOREIGN CURRENCY TRANSACTIONS. Certain SEACOR subsidiaries enter into transactions denominated in currencies other than their functional currency. Changes in currency exchange rates between the functional currency and the currency in which a transaction is denominated is included in the determination of net income in the period in which the currency exchange rates change. From time to time, SEACOR may advance funds to wholly-owned subsidiaries whose functional currency differs from the U.S. dollar. If settlement of such advances are not planned or anticipated to be paid in the foreseeable future, exchange rate gains and losses relating to the transactions are deferred and included in the Consolidated Balance Sheets as "Accumulated other comprehensive income." Conversely, if settlement of the advances is expected in the foreseeable future, changes in the exchange rate from the transaction date until the settlement date with respect to such advances are included in the Consolidated Statements of Income as "Foreign currency transaction gains, net."

18

EARNINGS PER SHARE. Basic earnings per common share were computed based on the weighted-average number of common shares issued and outstanding for the relevant periods. Diluted earnings per common share were computed based on the weighted-average number of common shares issued and outstanding plus all potentially dilutive common shares that would have been outstanding in the relevant periods assuming the vesting of restricted stock grants and the issuance of common shares for stock options and convertible subordinated notes through the application of the treasury stock and if-converted methods. Certain options and share awards, 364,805, 69,300 and 127,580 in 2003, 2002 and 2001, respectively, were excluded from the computation of diluted earnings per share as the effect would have been antidilutive.

(in thousands, except share data)	Income	Shares
FOR THE YEAR ENDED 2003-		
Basic Earnings Per Share:		
Net income.....	\$ 11,954	19,012,899
Effect of Dilutive Securities:		
Options and restricted stock.....	-	163,308
Convertible securities.....	167	103,361
Diluted Earnings Per Share:		
Net income available to common stockholders plus assumed conversions.....	\$ 12,121	19,279,568
FOR THE YEAR ENDED 2002-		
Basic Earnings Per Share:		
Net income.....	\$ 46,587	19,997,625
Effect of Dilutive Securities:		
Options and restricted stock.....	-	257,538

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

Convertible securities.....		1,463	802,714
		-----	-----
Diluted Earnings Per Share:			
Net income available to common stockholders			
plus assumed conversions.....	\$	48,050	21,057,877
		=====	=====
FOR THE YEAR ENDED 2001-			
Basic Earnings Per Share:			
Net income.....	\$	70,701	19,490,115
Effect of Dilutive Securities:			
Options and restricted stock.....		-	253,260
Convertible securities.....		2,596	1,591,807
Common stock sold with equity forward contract, see Note 8.....		(164)	-
		-----	-----
Diluted Earnings Per Share:			
Net income available to common stockholders			
plus assumed conversions.....	\$	73,133	21,335,182
		=====	=====

COMPREHENSIVE INCOME. Comprehensive income is defined as the total of net income and all other changes in equity of an enterprise that result from transactions and other economic events of a reporting period other than transactions with owners. The Company has chosen to disclose Comprehensive Income in the Consolidated Statements of Changes in Equity. The Company's other comprehensive income was comprised of net currency translation adjustments and unrealized holding gains and losses on available-for-sale securities. Income taxes allocated to each component of other comprehensive income during the years indicated are as follows:

(in thousands)	Before-Tax Amount	Ta o
-----	-----	-----
2003		
Foreign currency translation adjustments.....	\$ 11,145	\$
Unrealized gains on available-for-sale securities:		
Unrealized holding gains arising during period.....	3,117	
Less - reclassification adjustment for gains included in net income.....	(6,529)	
	-----	-----
Other comprehensive income.....	\$ 7,733	\$
	=====	=====
2002		
Foreign currency translation adjustments.....	\$ 12,652	\$
Unrealized gains on available-for-sale securities:		
Unrealized holding gains arising during period.....	12,272	
Less - reclassification adjustment for gains included in net income.....	(3,218)	
	-----	-----
Other comprehensive income	\$ 21,706	\$
	=====	=====
2001		
Foreign currency translation and derivative adjustments.....	\$ (708)	\$
Unrealized gains on available-for-sale securities:		
Unrealized holding gains arising during period.....	4,066	
Less - reclassification adjustment for gains included in net income.....	(5,689)	
	-----	-----
Other comprehensive loss.....	\$ (2,331)	\$
	=====	=====

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

19

STOCK COMPENSATION. Under Statement of Financial Accounting Standards No. 123 ("SFAS 123"), companies could either adopt a "fair value method" of accounting for its stock based compensation plans or continue to use the "intrinsic value method" as prescribed by APB Opinion No. 25. The Company has elected to continue accounting for its stock compensation plans using the intrinsic value method. Had compensation costs for the plans been determined using a fair value method consistent with SFAS 123, the Company's net income and earnings per share would have been reduced to the following pro forma amounts for the following years ended December 31:

(in thousands, except share and option data)	2003	2002	2001
Net income, as reported.....	\$ 11,954	\$ 46,587	\$ 70,701
Add: stock based compensation included in net income.....	1,931	1,501	1,477
Less: stock based compensation using fair value method.....	(3,163)	(3,498)	(3,432)
Net income, Pro forma.....	\$ 10,722	\$ 44,590	\$ 68,746
Basic earnings per common share:			
As reported.....	\$ 0.63	\$ 2.33	\$ 3.63
Pro forma.....	0.56	2.23	3.53
Diluted earnings per share:			
As reported.....	\$ 0.63	\$ 2.28	\$ 3.43
Pro forma.....	0.56	2.19	3.34
Weighted average fair value of options granted.....	\$ 13.99	\$ 20.03	\$ 26.21
Weighted average fair value of restricted stock granted.....	\$ 41.44	\$ 43.53	\$ 50.80
Weighted average fair value of stock granted to non-employee directors.....	\$ 38.62	\$ -	\$ -

The effects of applying a fair value method consistent with SFAS 123 in this pro forma disclosure are not indicative of future events and the Company anticipates that it will award additional stock based compensation in future periods.

The fair value of each option granted during the periods presented is estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions: (a) no dividend yield, (b) weighted average expected volatility of 37.2%, 38.8% and 37.37% in the years 2003, 2002 and 2001, respectively, (c) weighted average discount rates of 2.93%, 3.76% and 5.31% in the years 2003, 2002 and 2001, respectively, and (d) expected lives of five years.

NEW ACCOUNTING PRONOUNCEMENTS. In January 2003, the Financial Accounting Standards Board issued Interpretation No. 46, Consolidation of Variable Interest Entities, an Interpretation of ARB No. 51 ("FIN 46"), as revised. This interpretation provides guidance on the identification of, and the financial

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

reporting for, variable interest entities, as defined. Consolidation of variable interest entities is required under FIN 46 only when a company will absorb a majority of the variable interest entity's expected losses, receive a majority of the variable interest entity's expected residual returns, or both. This interpretation applied immediately to a variable interest entity created or acquired after January 31, 2003. For variable entities acquired before February 1, 2003, this interpretation was applied effective December 31, 2003. The adoption of FIN 46 did not have a material impact on the Company's financial position or results of its operations.

In May 2003, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity ("SFAS 150"). This statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. This statement applied immediately for financial instruments entered into or modified after May 31, 2003. For financial instruments entered into or modified before June 1, 2003, this statement was applied effective July 1, 2003. The adoption of SFAS 150 did not have a material impact on the Company's financial position or results of its operations.

Effective January 1, 2003, the Company adopted Statement of Financial Accounting Standard No. 145, Rescission of FASB Statements Nos. 4, 44 and 64, Amendment of FASB Statement No. 13 and Technical Corrections ("SFAS 145"). This statement, among other matters, eliminates the requirement that gains or losses on the early extinguishment of debt be classified as extraordinary items and provides guidance when gains or losses on the early retirement of debt should or should not be reflected as an extraordinary item. The Company recognized losses on debt extinguishments of \$2,091,000, \$2,338,000 (previously reported as an extraordinary item, net of tax), and \$1,383,000 (previously reported as an extraordinary item, net of tax) in 2003, 2002 and 2001, respectively. These charges against income consisted of premium payments and the write off of related unamortized deferred financing costs and debt discount.

RECLASSIFICATIONS. Certain reclassifications of prior year information have been made to conform to the presentation of current year information.

20

2. FINANCIAL INSTRUMENTS:

	2003		
(in thousands)	Carrying Amount	Estimated Fair Value	C
ASSETS:			
Cash and cash equivalents.....	\$ 263,135	\$ 263,135	\$
Available-for-sale securities.....	48,856	48,856	
Collateral deposits and notes receivables.....	6,220	5,975	
Construction reserve funds.....	126,140	126,140	
Business ventures, carried at cost.....	700	see below	
Derivative instruments.....	338	338	
LIABILITIES:			
Long-term debt, including current portion.....	332,272	357,490	
Short-sale of securities.....	3,680	3,680	
Derivative instruments.....	-	-	

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

The carrying value of cash, cash equivalents and collateral cash deposits approximates fair value. The carrying value of construction reserve funds, primarily consisting of auction rate certificates, approximates fair value. The fair values of the Company's available-for-sale securities, notes receivable, derivative instruments, long-term debt, and short-sales of marketable securities were estimated based upon quoted market prices or by using discounted cash flow analyses based on estimated current rates for similar type of arrangements. It was not practicable to estimate the fair value of the Company's historical cost investments in business ventures because of the lack of a quoted market price and the inability to estimate fair value without incurring excessive costs. Considerable judgment was required in developing certain of the estimates of fair value and, accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

3. DERIVATIVE INSTRUMENTS:

The Company's foreign currency exchange risks primarily relates to its offshore support vessel operations that are conducted from ports located in the United Kingdom, where its functional currency is Pounds Sterling. To protect the U.S. dollar value of certain Pounds Sterling denominated net assets of the Company from the effects of volatility in foreign currency exchange rates that might occur prior to their conversion to U.S. dollars, the Company has entered into forward exchange contracts. The Company considers these forward exchange contracts as economic hedges of its net investment in the United Kingdom with the resulting gains or losses from those transactions being charged to Accumulated Other Comprehensive Income in Stockholders' Equity. For the year ended December 31, 2001, recognized net gains of \$85,000 from these contracts. At December 31, 2003, the Company had no outstanding Pounds Sterling forward exchange contracts for which hedge accounting criteria were met.

The Company has entered into forward exchange and futures contracts that are considered speculative with respect to Norwegian Kroners, Pounds Sterling, Euros, Japanese Yen and Singapore Dollars. The Norwegian Kroner contracts enabled the Company to buy Norwegian Kroners in the future at fixed exchange rates which could have offset possible consequences of changes in foreign exchange had the Company decided to conduct business in Norway. The Pound Sterling, Euro, Yen and Singapore Dollar contracts enable the Company to buy Pounds Sterling, Euros, Yen and Singapore Dollars in the future at fixed exchange rates which could offset possible consequences of changes in foreign exchange of the Company's business conducted in Europe and the Far East. Resulting gains or losses from these transactions are reported in the Consolidated Statements of Income as "Derivative income (loss), net" as they do not meet the criteria for hedge accounting. For the years ended December 31, 2003, 2002 and 2001, the Company recognized net gains of \$1,343,000, net gains of \$674,000 and net losses of \$153,000, respectively, from these forward exchange and futures contracts. At December 31, 2003, the fair market value of the Company's speculative Pound Sterling, Euro, Japanese Yen and Singapore Dollar contracts was an unrealized gain of \$238,000 included in the Consolidated Balance Sheets as "Other receivables." At December 31, 2003, the Company had no outstanding Norwegian Kroner contracts.

The Company has entered into and settled various positions in natural gas and crude oil via swaps, options and futures contracts pursuant to which, on each applicable settlement date, the Company receives or pays an amount, if any, by which a contract price for a swap, an option or a futures contract exceeds the settlement price quoted on the New York Mercantile Exchange ("NYMEX") or receives or pays the amount, if any, by which the settlement price quoted on the NYMEX exceeds the contract price. The general purpose of these hedge transactions is to provide value to the Company should the price of natural gas

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

and crude oil decline which over time, if sustained, would lead to a decline in the Company's offshore assets' market values and cash flows. Resulting gains or losses from these transactions are reported in the Consolidated Statements of Income as "Derivative income (loss), net" as they do not meet the criteria for hedge accounting. For the years ended December 31, 2003, 2002 and 2001, the Company has recognized net losses of \$743,000, net gains of \$406,000 and net gains of \$4,584,000, respectively, from these commodity hedging activities. At December 31, 2003, the fair market value of the Company's positions in commodity contracts was an unrealized gain of \$177,000 included in the Consolidated Balance Sheets as "Other receivables."

21

The Company has entered into and settled various positions in U.S. treasury notes and bonds via futures or options on futures and rate-lock agreements on U.S. treasury notes pursuant to which, on each applicable settlement date, the Company receives or pays an amount, if any, by which a contract price for an option or a futures contract exceeds the settlement price quoted on the Chicago Board of Trade ("CBOT") or receives or pays the amount, if any, by which the settlement price quoted on the CBOT exceeds the contract price. The general purpose of these transactions is to provide value to the Company should the price of U.S. treasury notes and bonds decline leading to generally higher interest rates which, if sustained over time, might lead to a higher interest cost for the Company. Resulting gains or losses from these transactions are reported in the Consolidated Statements of Income as "Derivative income (loss), net" as they do not meet the criteria for hedge accounting. For the years ended December 31, 2003, 2002 and 2001, the Company recognized net gains of \$52,000, net losses of \$8,312,000 and net gains of \$195,000, respectively, with respect to derivative positions in U.S. treasury obligations. At December 31, 2003, the fair market value of the Company's derivative positions in U.S. treasury obligations was an unrealized loss of \$77,000 included in the Consolidated Balance Sheets as "Other receivables."

In order to reduce its cost of capital, the Company entered into swap agreements with a major financial institution with respect to \$41,000,000 of its 7.2% Senior Notes due 2009 (the 7.2% Notes"). Pursuant to each such agreement and subsequent extensions, such financial institution agreed to pay to the Company an amount equal to interest paid on the notional amount of the 7.2% Notes subject to such agreement, and the Company agreed to pay to such financial institution an amount equal to an agreed upon reduced interest rate on the price of such notional amount of the 7.2% Notes, as set forth in the applicable swap agreements. Upon termination of each swap agreement, the financial institution agreed to pay to the Company the amount, if any, by which the fair market value of the notional amount of the 7.2% Notes subject to such swap agreements on such date exceeded the agreed upon price of such notional amount as set forth in such swap agreements, and the Company agreed to pay to such financial institution the amount, if any, by which the agreed upon price of such notional amount exceeded the fair market value of such notional amount on such date. As of December 31, 2003, the Company had terminated all outstanding swap agreements. For the years ended December 31, 2003, 2002 and 2001, the Company recorded a gain of \$49,000, a gain of \$3,877,000 and a loss of \$499,000, respectively, with respect to these swap agreements in the Condensed Consolidated Statements of Income as "Derivative income (loss), net."

In order to partially hedge the fluctuation in market value for part of the Company's common stock investment in ENSCO International Incorporated ("ENSCO") acquired in connection with the Chiles Merger (see discussion in Note 5), the Company entered into various transactions (commonly known as "costless collars") during 2002 with a major financial institution on 1,000,000 shares of ENSCO common stock. The effect of these transactions was that the Company would be guaranteed a minimum value of approximately \$24.35 and a maximum value of

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

approximately \$29.80 per share of ENSCO, at expiration. These costless collars expired during the second quarter of 2003 and, as the share value of ENSCO's common stock was between \$24.35 and \$29.80 at expiration, neither party had a payment obligation under these transactions. For the years ended December 31, 2003 and 2002, the Company recorded a gain of \$1,688,000 and a loss of \$1,688,000, respectively, with respect to these costless collars in the Condensed Consolidated Statement of Income as "Derivative income (loss), net".

4. MARKETABLE SECURITIES:

Marketable equity securities with readily determinable fair values and debt securities are classified by the Company as investments in available-for-sale securities. Available-for-sale securities are current assets representing the investment of cash available for current operations. These investments are reported at their fair values with unrealized holding gains and losses included in the Consolidated Balance Sheets as "Accumulated other comprehensive income." The amortized cost and fair value of marketable securities at December 31, 2003 and 2002 were as follows:

(in thousands)				
Type of Securities	Amortized Cost	Gross Unrealized Holding		Fair Value
		Gains	Losses	
2003:				
Corporate debt securities.....	\$ 1,793	\$ 630	\$ (15)	\$ 2,408
Equity securities.....	41,640	5,229	(421)	46,448
	-----	-----	-----	-----
	\$ 43,433	\$ 5,859	\$ (436)	\$ 48,856
	=====	=====	=====	=====
2002:				
U.S. government and agencies.....	\$ 3,208	\$ 34	\$ -	\$ 3,242
U.S. states and political subdivisions.....	12,860	360	-	13,220
Corporate debt securities.....	19,602	-	(241)	19,361
UK government securities.....	3,777	186	-	3,963
Equity securities.....	40,343	8,496	-	48,839
	-----	-----	-----	-----
	\$ 79,790	\$ 9,076	\$ (241)	\$ 88,625
	=====	=====	=====	=====

At December 31, 2003, the corporate debt securities have contractual maturities in 2006 and 2007.

22

For the years ended December 31, 2003, 2002 and 2001, the sale of available-for-sale securities resulted in gross realized gains of \$6,845,000, \$4,342,000 and \$8,944,000, respectively, and gross realized losses of \$316,000, \$1,903,000 and \$3,275,000, respectively. The specific identification method was used to determine the cost of available-for-sale securities in computing realized gains and losses.

Short sales of marketable equity securities are temporary trading positions held by the Company in anticipation of short-term market movements. The liabilities arising from these positions are reported at fair value with both realized and unrealized gains and losses included in the Consolidated Statement of Income as "Marketable securities sale gains, net." For the years ended December 31, 2003, 2002 and 2001, short sales of marketable securities resulted in gross realized

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

and unrealized gains of \$772,000, \$1,026,000 and \$643,000, respectively, and gross realized and unrealized losses of \$706,000, \$247,000 and \$623,000, respectively.

5. ACQUISITIONS AND DISPOSITIONS:

FES ACQUISITION. On October 31, 2003, the Company acquired all of the issued and outstanding shares of Foss Environmental Services, Inc. ("FES") for \$7,769,000. The selling stockholder of FES has the opportunity to receive additional consideration of up to \$41,000,000 based upon certain performance standards over a period following the date of the acquisition through December 31, 2008. This additional consideration, if paid, will be allocated to fixed assets and goodwill.

YARNELL ACQUISITION. On June 30, 2003, the Company acquired a controlling interest in Yarnell Marine, LLC ("Yarnell") for \$248,000. Previous to this transaction, the Company had a 50% interest in this business venture and accounted for its investment using the equity method.

TEX-AIR ACQUISITION. During January and July of 2002, the Company acquired an aggregate 20 percent of the outstanding common stock of Tex-Air Helicopters, Inc. ("Tex-Air") through two separate cash transactions totaling \$225,000. The Company acquired the remaining 80 percent of Tex-Air's common stock on December 31, 2002 in a stock-for-stock transaction whereby the Company issued 68,292 shares of SEACOR's common stock, par value \$.01 per share ("Common Stock") valued at \$3,039,000. As security for the selling stockholder's obligations under the purchase agreement, 6,097 shares issued pursuant to the transaction were deposited into escrow for a period of eighteen months. The selling stockholder of Tex-Air has the opportunity to receive additional consideration of up to \$900,000 based upon certain performance standards through 2004. This additional consideration, if paid, will be allocated to fixed assets and goodwill. Tex-Air's long term debt at closing was approximately \$6,662,000 and immediately following the closing of the transaction, the Company repaid \$5,838,000 of such debt.

STIRLING ACQUISITION. On May 4, 2001, the Company completed the acquisition of all of the issued and outstanding shares of Stirling Shipping Holdings Limited ("Stirling Shipping"). Aggregate consideration was (pound)54,300,000 (\$77,100,000 based on exchange rates in effect and the price of SEACOR's Common Stock on the closing date, consisting of (pound)29,900,000, or \$43,000,000, in cash, (pound)14,700,000, or \$21,200,000, in one-year loan notes, and 285,852 shares of Common Stock issued from treasury, valued at \$12,900,000. Stirling Shipping's long term debt at closing was approximately (pound)43,000,000, or \$61,900,000. In November 2001, the Company repaid all of the outstanding indebtedness, totaling (pound)48,316,000 or approximately \$68,250,000 that was included in the Stirling Shipping acquisition.

CHERAMIE ACQUISITION. In February 2001, the Company completed the acquisition of all of the issued and outstanding shares of Gilbert Cheramie Boats, Inc. and related companies (collectively, "Cheramie"). Purchase consideration was \$62,800,000 in cash. Pursuant to the terms of the purchase agreement, the Company had an option of making an Internal Revenue Code Section 338(h)(10) election and, in January 2002, it exercised that option. The election entitled the Company to full income tax basis in the assets of the Cheramie companies and the realization of an income tax benefit of the depreciation. In order to induce the prior shareholders of Cheramie to agree to the election, the Company had agreed to make them "whole" for the amount of the increase in their total income tax liability, including the amount of income tax payable by them on the additional purchase price payment. In January 2002, as a result of making this election, the Company paid the prior shareholders of Cheramie an additional \$10,162,000 in order to reimburse them for all of their expected additional income tax obligations, which payment was recorded in the Consolidated Balance

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

Sheet as "Accrued acquisition costs." The January 2002 payment was intended to reimburse the selling shareholders for all of their incremental tax liabilities, and therefore, the Company has recorded an adjustment to the purchase price for the funds presently held in escrow. Goodwill, as adjusted, of approximately \$11,280,000 was recorded in connection with this acquisition.

23

RINCON ACQUISITION. In February 2001, the Company acquired two U.S. based towing supply vessels from Rincon Marine, Inc., a U.S. based operator ("Rincon"). Aggregate consideration paid Rincon was \$19,700,000, including \$6,100,000 in cash and the assumption of \$13,600,000 of debt due Caterpillar Financial Services Corporation ("Caterpillar"). In February 2002, the Company repaid all of the outstanding indebtedness due Caterpillar from working capital.

PLAISANCE ACQUISITION. In January 2001, the Company acquired all of the issued and outstanding shares of Plaisance Marine, Inc. ("Plaisance") that owns two mini-supply vessels and acquired four additional mini-supply vessels from companies affiliated with Plaisance (collectively the "Plaisance Fleet"). Aggregate consideration paid for the Plaisance Fleet and certain related spares and other assets was \$20,100,000, including \$16,200,000 paid in cash, the assumption of \$700,000 of debt and the issuance of 71,577 shares of Common Stock from treasury, valued at \$3,200,000 on the closing date.

UNAUDITED PRO FORMA INFORMATION. The following unaudited pro forma information has been prepared as if the acquisitions of FES, Yarnell, Tex-Air, Stirling Shipping, Cheramie and Plaisance had occurred at the beginning of each of the periods presented. This pro forma information has been prepared for comparative purposes only and is not necessarily indicative of what would have occurred had the acquisition taken place on the dates indicated, nor does it purport to be indicative of the future operating results of the Company.

(in thousands, except share data, unaudited)	For the Year Ended December,			
	2003		2002	
Revenue.....	\$	433,648	\$	420,047
Net income.....		10,475		45,914
Basic earnings per share.....		0.55		2.29

PURCHASE PRICE ALLOCATION. The following table summarizes the allocation of the purchase price in the FES, Yarnell and Tex-Air acquisitions in 2003 and 2002:

(in thousands)	For the Year Ended December 31,			
	2003		2002	
Trade and other receivables	\$	7,568	\$	3,540
Prepaid expenses and other.....		940		1,747
Equity Investments.....		(552)		-
Property and equipment.....		3,836		7,659

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

Goodwill.....	367	109
Other assets.....	54	385
Accounts payable and accrued liabilities.....	(3,707)	(2,140)
Debt.....	-	(6,662)
Deferred income taxes.....	(550)	(888)
Deferred gains and other liabilities.....	-	(910)
Minority Interest.....	(200)	-
Common stock.....	-	(1)
Paid in capital.....	-	(2,726)
<hr/>		
Purchase price(a).....	\$ 7,756	\$ 113
<hr/>		

(a) The purchase price is net of cash acquired, totaling \$261,000 and \$302,000 in 2003 and 2002, respectively, and includes acquisition costs, totaling \$92,000 and \$190,000 in 2003 and 2002, respectively.

VESSEL CONSTRUCTION. Since January 1, 2001, the Company completed the construction of 15 crew, 2 anchor handling towing supply, 2 mini-supply, 1 supply and 3 towing supply vessels at an approximate aggregate cost of \$179,649,000.

VESSEL DISPOSITIONS. The table below sets forth, during the fiscal years indicated, the number of vessels sold by type of service. At December 31, 2003, 35 vessels previously sold pursuant to sale and leaseback transactions remain chartered-in to the Company.

Type of Vessel	2003	2002	2001
Anchor handling towing supply.....	2	4	1
Crew.....	16	10	13
Mini-supply.....	2	-	3
Standby safety.....	1	3	6
Supply.....	1	2	-
Towing supply.....	6	6	5
Utility.....	28	5	7
Project.....	-	1	-
	<hr/>	<hr/>	<hr/>
	56	31	35
	<hr/>	<hr/>	<hr/>

OTHER MAJOR EQUIPMENT ADDITIONS. Since January 1, 2001, the Company has accepted delivery of 327 newly constructed barges, 4 newly constructed helicopters and 4 pre-owned helicopters for an approximate aggregate cost of \$107,596,000.

CHILES DISPOSITION. On August 7, 2002, the stockholders of Chiles Offshore Inc. ("Chiles") approved a merger (the "Chiles Merger") with ENSCO and the merger was completed. Pursuant to the terms of the merger agreement, Chiles' stockholders received \$5.25 and 0.6575 shares of ENSCO common stock for each share of Chiles' common stock they owned at the time of the merger. Upon completion of this merger, the Company received \$25,365,000 in cash and 3,176,646 shares of ENSCO's common stock, valued at \$73,444,000 on date of close, and recognized an after-tax gain of \$12,817,000, or \$0.61 per diluted share.

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

Chiles Offshore LLC, the predecessor to Chiles, was formed in 1997 for the purpose of constructing, owning and operating ultra-premium jackup drilling rigs. The Company consolidated the reporting of financial information of Chiles from its inception in 1997 until its initial public offering of common stock in September 2000 (the "Chiles IPO"). As a consequence of the Chiles IPO, the Company's ownership interest in Chiles was reduced, and the Company ceased its consolidation of Chiles and began accounting for its ownership interest in Chiles using the equity method.

The Company received approximately \$2,006,000 and \$240,000 in 2002 and 2001, respectively, for management and legal services provided to Chiles. Chiles also paid the Company approximately \$65,000 for services provided by one of its offshore marine vessels in 2001.

6. INVESTMENTS, AT EQUITY, AND RECEIVABLES FROM 50% OR LESS OWNED COMPANIES:

Investments, carried at equity, and advances to 50% or less owned companies were as follows:

(in thousands)		December 31,	
50% or Less Owned Companies	Ownership	2003	2002
TMM Joint Venture.....	40.0%	\$ 10,284	\$ 15,701
Globe Wireless, L.L.C.....	38.0%	16,593	17,793
Pelican Offshore Services Pte Ltd.....	50.0%	8,540	9,832
Ultragas Joint Venture.....	50.0%	5,908	4,477
Other.....	29.6%-50.0%	18,523	13,556
		\$ 59,848	\$ 61,359

COMBINED CONDENSED FINANCIALS. Summarized unaudited financial information for the Company's investments, at equity, is as follows:

(in thousands, unaudited)		December 31,	
		2003	2002
Current assets.....		\$ 68,496	\$ 78,433
Noncurrent assets.....		94,334	111,516
Current liabilities.....		26,271	28,233
Noncurrent liabilities.....		29,870	38,390

	Year ended December 31,		
	2003	2002	2001
Equity Investees, excluding Chiles:			
Operating revenues.....	\$ 122,388	\$ 112,725	\$ 103,990

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

Operating income.....	10,892	16,601	2,697
Net income.....	7,110	8,690	3,265
Chiles:			
Operating revenues.....	-	58,405	74,184
Operating income.....	-	4,184	29,688
Net income.....	-	7,326	22,546

At December 31, 2003, cumulative net undistributed losses of 50% or less owned companies accounted for by the equity method included in the Company's consolidated retained earnings was \$2,552,000.

TMM JOINT VENTURE. In 1994, the Company and Grupo TMM, S.A., formerly Transportacion Maritima Mexicana S.A. de C.V., a Mexican corporation ("TMM"), organized a joint venture to serve the Mexican offshore market. At December 31, 2003, the joint venture operated 31 vessels, 15 owned and 16 chartered-in, including 12 vessels provided by the Company and 4 vessels provided by other vessel owners. Since commencement of operations, the Company has sold 11 of its vessels to the joint venture.

25

The Company guarantees up to 40% of obligations for nonpayment that may arise from the bareboat charter-in of three vessels by the TMM joint venture. At December 31, 2003, the Company's guarantee was limited to approximately \$9,300,000 and terminates upon completion of the charters, expected in 2008 and 2009. A \$750,000 promissory note previously issued the Company as partial payment by the TMM joint venture for the purchase of a vessel from the Company was repaid in 2003. Revenues earned by the Company from the charter of vessels and management services provided the TMM joint venture in 2003, 2002 and 2001 totaled \$11,264,000, \$7,041,000 and \$4,890,000, respectively. During 2003, the joint venture paid the Company an \$8,000,000 dividend.

GLOBE WIRELESS L.L.C. Globe Wireless L.L.C. ("Globe Wireless") and its subsidiaries operate a worldwide network of high frequency radio stations. The network of stations is a wireless data network initially targeted at the maritime industry that supports Internet messaging, telex and facsimile communications. Globe Wireless also provides satellite messaging and voice communication services to the maritime industry. At December 31, 2003, the Company owned beneficially approximately 38% of the voting equity of Globe Wireless.

Since its inception in 1990, Globe Wireless has experienced negative cash flow. The Company presently expects Globe Wireless can achieve operating cash break-even without requiring additional capital funding from shareholders. There can be no assurances that Globe Wireless' future operations will successful. Should Globe Wireless be unable to meet its funding requirements, SEACOR would be required to commit additional funding or record an impairment charge with respect to its investment.

Globe Wireless provides the Company's offshore marine business segment with a "ship-to-shore" communication network and has provisioned and installed certain computer hardware, software and electronic equipment aboard its vessels. In fiscal 2003, 2002 and 2001, the Company paid approximately \$1,525,000, \$1,904,000 and \$2,126,000, respectively, to Globe Wireless for services and merchandise provided the Company.

PELICAN OFFSHORE SERVICES PTE LTD. During 2000, the Company entered into a joint venture owned 50% by each of the Company and Penguin Boat International Limited, a Singapore corporation, ("Penguin"). The joint venture, Pelican Offshore Services Pte Ltd, also a Singapore corporation ("Pelican"), owns 7 newly built

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

Fast Support Vessels (also known as multipurpose crew vessels) that operate in Asia. At December 31, 2003, the Company had outstanding loans to Pelican totaling approximately \$2,197,000. The Company also presently guarantees up to \$1,500,000 of amounts owed by the Pelican joint venture under its banking facilities that is expected to mature in 2006.

ULTRAGAS JOINT VENTURE. In 1996, the Company acquired an equity interest in Ultragas Smit Lloyd Ltda ("Ultragas") and certain other entities affiliated with Ultragas that own and operate vessels. Since 1996, the Company and Sociedad Naviera Ultragas Ltda, the Company's joint venture partner in Ultragas and its affiliated companies, formed additional corporations for purposes of owning and operating additional vessels. As of December 31, 2003, this joint venture owned 6 vessels that operated in Chile, Argentina and Brazil.

OTHER. The Company's other business ventures include offshore marine businesses that own 15 and charter-in an additional vessel, environmental services businesses, an entity that develops and sells software to the ship brokerage and shipping industry, and a corporation that owns a Handymax Dry-Bulk ship. At December 31, 2003, loans of \$2,995,000 were payable to the Company from certain of these joint ventures. The Company is guarantor of up to \$5,224,000 with respect to amounts owing pursuant to a vessel charter between a joint venture in which the Company owns a 50% interest and the vessel owner. The Company's guarantee declines over the life of the charter and terminates in 2009. During 2003 and 2002, the Company received dividends, totaling \$2,520,000 and \$1,889,000, respectively, from its other business ventures.

7. CONSTRUCTION RESERVE FUNDS:

The Company has established, pursuant to Section 511 of the Merchant Marine Act, 1936, as amended, joint depository construction reserve fund accounts with the Maritime Administration. In accordance with this statute, the Company has been permitted to deposit proceeds from the sale of certain vessels into the joint depository construction reserve fund accounts for purposes of acquiring newly constructed U.S.-flag vessels and qualifying for the Company's temporary deferral of taxable gains realized from the sale of the vessels. From date of deposit, withdrawals from the joint depository construction reserve fund accounts are subject to prior written approval of the Maritime Administration, and the funds on deposit must be committed for expenditure within three years or be released for the Company's general use. Construction reserve funds are classified as non-current assets as the Company has the intent and ability to maintain the funds for more than one year and/or use the funds to acquire fixed assets. Income from vessel sales previously deferred would become immediately taxable upon release to the Company of sale proceeds that were deposited into joint depository construction reserve funds.

26

8. INCOME TAXES:

Income before income taxes, minority interest and equity in net earnings of 50% or less owned companies derived from the United States and foreign operations for the years ended December 31, are as follows:

(in thousands)	2003	2002	2001
United States.....	\$ 5,165	\$ 25,629	\$ 63,0
Foreign.....	16,284	40,513	39,2

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

\$ 21,449 \$ 66,142 \$ 102,3
 =====

The Company files a consolidated U.S. federal tax return. Income tax expense (benefit) consisted of the following components for the years ended December 31:

(in thousands)	2003	2002	2001

Current:			
State.....	\$ 681	\$ 991	\$ 7
Federal.....	(6,648)	2,106	7,8
Foreign.....	6,585	2,910	5,7
Deferred:			
Federal.....	9,888	16,996	21,1
Foreign.....	(110)	31	
	-----	-----	-----
	\$ 10,396	\$ 23,034	\$ 35,5
	=====	=====	=====

The following table reconciles the difference between the statutory federal income tax rate for the Company to the effective income tax rate:

	2003	2002	2001

Statutory rate.....	35.0 %	35.0 %	35.0 %
Valuation allowance.....	9.0 %	- %	- %
Non-deductible expenses.....	2.1 %	- %	- %
Foreign and state taxes.....	2.1 %	1.4 %	1.0 %
Other.....	0.3 %	(1.6) %	(1.2) %
	-----	-----	-----
	48.5 %	34.8 %	34.8 %
	=====	=====	=====

The components of the net deferred income tax liabilities for the years ended December 31 were as follows:

(in thousands)	2003	2002

Deferred tax liabilities:		
Property and equipment.....	\$ 154,902	\$ 128,
Unremitted earnings of foreign subsidiaries.....	34,624	33,
Marketable securities.....	6,955	12,
Currency translation.....	6,998	3,
Other.....	3,860	3,
	-----	-----
Total deferred tax liabilities.....	207,339	181,
	-----	-----
Deferred tax assets:		
Net operating loss carryforwards.....	\$ 5,151	\$

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

Foreign tax credit carryforwards.....	6,607	4,
Alternative minimum tax credit carryforward.....	927	
Other.....	1,795	1,
	-----	-----
Total deferred tax assets.....	14,480	6,
Valuation allowance.....	(1,937)	
	-----	-----
Net deferred tax assets.....	12,543	6,
	-----	-----
Net deferred tax liabilities.....	\$ 194,796	\$ 174,
	=====	=====

As of December 31, 2003, the Company has not recognized a deferred tax liability of \$9,198,000 on \$26,281,000 of undistributed earnings for certain non-U.S. subsidiaries and business ventures because it considers those earnings to be indefinitely reinvested abroad. As of December 31, 2003, the Company has net operating loss carryforwards approximating \$14,700,000 that expires in 2023. The Company's alternative minimum tax credits can be carryforward indefinitely.

As of December 31, 2003, the Company also has foreign tax credit carryforwards of \$6,607,000 that expire from 2004 through 2008. Based on projections completed during the fourth quarter of 2003, the Company has determined that the foreign tax credits due to expire in 2004 and 2005 may not be utilized, resulting in a recorded valuation allowance of \$1,937,000. The Company believes it is more likely than not that the remaining net foreign tax credit carryforwards will be utilized through the turnaround of existing temporary differences, future earnings, tax strategies or a combination thereof.

27

For employee stock options that are exercised, the Company receives an income tax benefit based on the difference between the option exercise price and the fair market value of the stock at the time the option is exercised. For employee restricted stock grants, the Company receives an income tax benefit or accrues additional taxes based on the difference between the fair market value of the stock at the time of grant and at the time of vesting. The combined benefit, which is recorded in stockholders' equity, was \$478,000 and \$1,608,000 in 2003 and 2002, respectively.

9. LONG-TERM DEBT:

Long-term debt balances, maturities and interest rates are as follows as of December 31:

(in thousands)		2003
-----		-----
7.2% Senior Notes due 2009, interest payable semi-annually.....	\$	134,5
5-7/8% Senior Notes due 2012, interest payable semi-annually.....		200,0
5-3/8% Convertible Subordinated Notes due 2006, interest payable semi-annually....		
5.467% Subordinated Promissory Notes due SMIT in 2004, interest payable quarterly..		
Promissory Notes due the prior shareholders of Putford Enterprises Ltd., bearing		
interest at 4%, principal and interest due April 2005.....		
Other obligations due various financial institutions, secured by equipment.....		1

		334,6
Less - Portion due within one year.....		(
- Debt discount, net.....		(2,3

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

\$ 332,1
=====

Maturities of long-term debt following December 31, 2003 are as follows:

(in thousands)	2004	2005	2006	2007
Amount.....	\$ 93	\$ 41	\$ 24	\$ -

7.2% NOTES. The Company's 7.2% Notes were issued under an indenture (the "1997 Indenture") between the Company and First Trust National Association, as trustee. Interest on the 7.2% Notes is payable semi-annually on March 15 and September 15 of each year. The 7.2% Notes may be redeemed at any time at the option of the Company, in whole or from time to time in part, at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of redemption plus a "make-whole" premium, if any, relating to the then prevailing Treasury Yield and the remaining life of the 7.2% Notes. The 1997 Indenture contains covenants including, among others, limitations on liens and sale and leasebacks of certain Principal Properties, as defined in the 1997 Indenture, and certain restrictions on the Company consolidating with or merging into any other Person, as defined in the 1997 Indenture. During 2002, the Company purchased \$13,000,000 principal amount of its 7.2% Notes in the open market that resulted in the recognition of a \$1,522,000 debt extinguishment loss.

5-7/8% SENIOR NOTES. During the third quarter of 2002, SEACOR completed the sale of \$200,000,000 aggregate principal amount of its 5-7/8% Senior Notes Due October 1, 2012 (the "5-7/8% Notes"). The 5-7/8% Notes were issued at a price of 98.839% of principal amount. Interest on the 5 7/8% Notes is payable semiannually on April 1 and October 1 of each year commencing April 1, 2003. The 5-7/8% Notes may be redeemed at any time, in whole or in part, at a price equal to 100% of the principal amount, plus accrued and unpaid interest to the date of redemption, plus a specified "make-whole" premium. The 5-7/8% Notes were issued under a supplemental indenture dated as of September 27, 2002 to the base indenture relating to SEACOR's senior debt securities, dated as of January 10, 2001, between SEACOR and U.S. Bank National Association, as trustee. The Company incurred \$842,000 of net underwriting fees associated with this transaction.

5-3/8% CONVERTIBLE NOTES. On February 20, 2003, the Company redeemed all of the then outstanding principal amount of its 5-3/8% Notes, totaling \$35,319,000, in exchange for \$35,949,000 in cash and 45.4544 shares of Common Stock. The redemption resulted in the Company's recognition of a debt extinguishment loss of \$1,124,000.

In 2002, the Company called for the redemption of \$10,000,000 of the 5-3/8% Notes. The redemption price was \$1,023.90 per \$1,000 principal amount of notes plus accrued interest to the applicable redemption date. Holders of 5-3/8% Notes being called were able to convert any or all of their notes into 22.7272 shares of Common Stock per \$1,000 principal amount of notes. The entire \$10,000,000 was redeemed for cash totaling \$10,352,472, including a premium and accrued interest. Also during 2002, the Company purchased \$1,000,000 principal amount of the 5-3/8% Notes in the open market and \$1,000 principal amount of the 5-3/8% Notes were voluntarily converted into 22.7272 shares of Common Stock. In connection with the redemptions and purchase of the 5-3/8% Notes during 2002, the Company recognized a debt extinguishment loss of \$554,000.

In 2001, the Company called for the redemption of \$100,000,000 of the \$181,600,000 aggregate principal amount outstanding of the 5-3/8% Notes. The redemption price was \$1,029.90 per \$1,000 principal amount of notes plus accrued interest to the applicable redemption date. Holders of 5-3/8% Notes being called were able to convert any or all of their notes into 22.7272 shares of Common Stock per \$1,000 principal amount of notes. The call, together with certain privately negotiated transactions, resulted in the conversion of \$99,166,000 principal amount of the 5-3/8% Notes into 2,285,878 shares of Common Stock and redemption of \$36,114,000 principal amount of the 5-3/8% Notes for approximately \$37,970,000, including accrued interest. The redemption resulted in the Company's recognition of a debt extinguishment loss of \$1,383,000.

5.467% SMIT NOTES. On March 4, 2003, the Company repaid the \$23,200,000 aggregate principal amount of its 5.467% five-year subordinated promissory notes that were issued pursuant to a vessel purchase transaction.

PUTFORD NOTES. On April 7, 2003, the Company repaid the outstanding principal amount of its Promissory Notes due to the prior shareholders of Putford Enterprises Ltd, totaling \$13,156,000. The redemption resulted in the Company's recognition of a debt extinguishment loss of \$967,000.

REVOLVING CREDIT FACILITY. On February 5, 2002, the Company completed the syndication of a \$200,000,000, five year, non-reducing, unsecured revolving credit facility. Advances under this revolving credit facility are available for general corporate purposes. Interest on advances will be charged at a rate per annum of LIBOR plus an applicable margin of 65 to 150 basis points based upon the Company's credit rating as determined by Standard and Poor's and Moody's. Adjustments to the applicable margin are the only consequence of a change in the Company's credit rating. The Company is not required to maintain a credit rating under the terms of the facility agreement, and if the Company does not maintain a credit rating, the applicable margin would be determined by financial ratios. The revolving credit facility contains various restrictive covenants covering interest coverage, secured debt to total capitalization, funded debt to total capitalization ratios, the maintenance of a minimum level of consolidated net worth, as well as other customary covenants, representations and warranties, funding conditions and events of default. The revolving credit facility contains no repayment triggers. As of December 31, 2003 and 2002, the Company had outstanding letters of credit of \$1,275,000 and \$175,000, respectively, advanced under the revolving credit facility. As of December 31, 2003, the Company had \$198,725,000 available for future borrowings under the revolving credit facility.

During 2002, the Company repaid the then outstanding borrowings, totaling \$30,000,000, and cancelled a letter of credit in connection with the acquisition of Stirling Shipping. Also during 2002, the Company incurred cancellation fees associated with its previous credit facility that resulted in the recognition of a \$262,000 debt extinguishment loss.

10. COMMON STOCK:

The Company's Board of Directors has approved a securities repurchase plan, which allows the Company to acquire its outstanding Common Stock, 5-3/8% Notes, 7.2% Notes and 5-7/8% Notes (collectively, the "SEACOR Securities"). In 2003 and 2002, a total of 1,518,116 and 459,700 shares of Common Stock, respectively, were acquired for treasury at an aggregate cost of \$56,542,000 and \$18,508,000, respectively. Also during 2002, the Company purchased \$13,000,000 principal amount of its 7.2% Notes and \$11,000,000 principal amount of its 5-3/8% Notes for a total of \$15,407,940. As of December 31, 2003, the Company had

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

approximately \$58,184,000 available for the repurchase of additional SEACOR Securities that may be conducted from time to time through open market purchases, privately negotiated transactions or otherwise, depending on market conditions.

11. BENEFIT PLANS:

SEACOR SAVINGS PLAN. The Company provides a defined contribution plan to its employees. The Company's contribution is limited to 50% of the employee's first 6% of wages invested in such defined contribution plan and is subject to annual review by the Board of Directors. The Company's contributions to the plan were \$1,072,000, \$1,106,000 and \$1,088,000 for the years ended December 31, 2003, 2002 and 2001, respectively.

EMPLOYEE STOCK INCENTIVE PLANS. On November 22, 1992, April 18, 1996 and May 14, 2003, SEACOR's stockholders adopted the 1992 Non-Qualified Stock Option Plan, the 1996 Share Incentive Plan, and the 2003 Share Incentive Plan, respectively (collectively, the "Plans"). The Plans provide for the grant of options to purchase shares of Common Stock and additionally provides for the grant of stock appreciation rights, restricted stock awards, performance awards and stock units to key officers and employees of the Company. The exercise price per share of options granted cannot be less than 100% of the fair market value of Common Stock at the date of grant under the current plan. Options granted under the Plans expire no later than the tenth anniversary of the date of grant. The Plans are administered by the Stock Option and Executive Compensation Committee of the Board of Directors (the "Compensation Committee"). A total of 2,500,000 shares of Common Stock have been reserved for issuance upon adoption of the Plans. During 2003 and 2002, and 183,955 and 62,360 shares of Common Stock and options to purchase shares of Common Stock were granted pursuant to the Plans, respectively. As of December 31, 2003, there were 974,542 shares available for future grant under the Plans.

29

On February 25, 2004, the Compensation Committee granted to certain officers and key employees of the Company 36,650 restricted shares of Common Stock with an aggregate market value of \$1,578,000 on the grant date. Also on February 25, 2004, the Compensation Committee granted to certain officers and key employees of the Company, or conditionally agreed to grant in installments during 2004, options to purchase an aggregate of 92,150 shares of Common Stock. The exercise price of the options granted on February 25, 2004 was \$43.05 per share of Common Stock. The options that the Compensation Committee agreed to conditionally grant in installments during 2004 will have an exercise price of the fair market value per share of Common Stock on the date of each installment.

EMPLOYEE STOCK PURCHASE PLAN. On May 23, 2000, the stockholders of SEACOR approved the 2000 Employee Stock Purchase Plan (the "Stock Purchase Plan") that permits SEACOR to offer Common Stock for purchase by eligible employees at a price equal to 85% of the lesser of (i) the fair market value of Common Stock on the first day of the offering period or (ii) the fair market value of Common Stock on the last day of the offering period. Common Stock will be available for purchase under the Stock Purchase Plan for six-month offering periods. The Stock Purchase Plan is intended to comply with Section 423 of the Internal Revenue Code of 1986, as amended (the "Code"), but is not intended to be subject to Section 401(a) of the Code or the Employee Retirement Income Security Act of 1974. The Board of Directors of SEACOR may amend or terminate the Stock Purchase Plan at any time; however, no increase in the number of shares of Common Stock reserved for issuance under the Stock Purchase Plan may be made without stockholder approval. A total of 300,000 shares of Common Stock have been reserved for issuance under the Stock Purchase Plan during the ten years following its adoption. During 2003 and 2002, a total of 21,142 and 19,684 shares, respectively, of Common Stock were issued from treasury pursuant to the

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

Stock Purchase Plan. As of December 31, 2003, there were 243,251 shares available for future issuance pursuant to the Stock Purchase Plan.

NON-EMPLOYEE DIRECTOR STOCK INCENTIVE PLANS. On May 14, 2003, the stockholders of SEACOR approved the 2003 Non-Employee Director Share Incentive Plan ("Non-Employee Share Incentive Plan"). Under the Non-Employee Share Incentive Plan, each member of the Board of Directors who is not an employee of SEACOR will be granted automatically a stock option to purchase 3,000 of Common Stock on the date of each annual meeting of the stockholders of SEACOR commencing with the 2003 Annual Meeting of Stockholders of SEACOR. The exercise price of the options granted under the Non-Employee Director Plan will be equal to 100% of the fair market value per share of Common Stock on the date the options are granted. Options granted under the Non-Employee Share Incentive Plan will be exercisable at any time following the earlier of the first anniversary of, or the first annual meeting of SEACOR's stockholders after, the date of grant, for a period of up to ten years from date of grant. Subject to the accelerated vesting of options upon a non-employee Director's death or disability or the change in control of SEACOR, if a non-employee Director's service as a director of SEACOR is terminated, his or her options will terminate with respect to the shares of Common Stock as to which such options are not then exercisable. A non-employee Director's options that are vested but not exercised may, subject to certain exceptions, be exercised within three months after the date of termination of service as a director in the case of termination by reason of voluntary retirement, failure of SEACOR to nominate such director for re-election or failure of such director to be re-elected by stockholders after nomination by SEACOR, or within one year in the case of termination of service as a director by reason of death or disability. Also on the date of each Annual Meeting of Stockholders of SEACOR, each Non-Employee Director in office immediately following such annual meeting shall be granted the right to receive 500 shares of Common Stock with such shares to be delivered to such Non-Employee Director in four equal installments as follows: 125 shares on the date of such annual meeting and 125 shares on the dates that are three, six, and nine months thereafter (each such installment of shares, until the delivery date thereof, being referred to as an "Unvested Stock Award"); provided, however, if a Non-Employee Director's service as a director of SEACOR terminates for any reason, any and all Unvested Stock Awards shall terminate and become null and void. A total of 150,000 shares of Common Stock have been reserved under the Non-Employee Share Incentive Plan. During 2003, options were granted for the purchase of 24,000 shares of Common Stock and 3,000 shares of Common Stock were issued under the Non-Employee Share Incentive Plan. As of December 31, 2003, there were 123,000 shares available for future issuance pursuant to the Non-Employee Share Incentive Plan.

On May 23, 2000, the stockholders of SEACOR approved the 2000 Stock Option Plan for Non-Employee Directors (the "Non-Employee Director Plan"). The Non-Employee Director Plan was terminated upon the adoption of the Non-Employee Share Incentive Plan. Options granted under the Non-Employee Director Plan will be exercisable at any time following the earlier of the first anniversary of, or the first annual meeting of SEACOR's stockholders after, the date of grant, for a period of up to ten years from date of grant. A non-employee Director's options that are vested but not exercised may, subject to certain exceptions, be exercised within three months after the date of termination of service as a director in the case of termination by reason of voluntary retirement, failure of SEACOR to nominate such director for re-election or failure of such director to be re-elected by stockholders after nomination by SEACOR, or within one year in the case of termination of service as a director by reason of death or disability. During 2002, options were granted for the purchase of 21,000 shares of Common Stock pursuant to the Non-Employee Director Plan.

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

SHARE AWARD TRANSACTIONS. The following transactions have occurred in connection with the employee stock incentive plans and the non-employee director stock incentive plans during the years ended December 31:

	2003		2002	
	Number of Shares	Wt'ed Avg. Exercise/ Grant Price	Number of Shares	Wt'ed Avg. Exercise/ Grant Price
Stock Option Activities -				
Outstanding, at beginning of year.	657,894	\$ 28.27	807,752	\$ 25.0
Granted.....	118,300	\$ 38.13	21,900	\$ 48.6
Exercised.....	(66,075)	\$ 14.16	(150,458)	\$ 11.6
Canceled.....	(3,500)	\$ 26.80	(21,300)	\$ 44.3
	706,619	\$ 31.25	657,894	\$ 28.2
	555,226	\$ 28.42	530,062	\$ 25.0
Restricted stock awards granted.....	89,655	\$ 41.44	61,460	\$ 43.5
Director stock awards granted.....	3,000	\$ 38.62	-	\$
Shares available for future grant.....	1,097,542		243,140	

The following table summarizes certain information about the options outstanding at December 31, 2003 grouped into three exercise price ranges:

	Exercise Pri	
	\$6.43 - \$16.63	\$20.50 -
Options outstanding at December 31, 2003.....	166,842	
Weighted-average exercise price.....	\$ 11.65	\$
Weighted-average remaining contractual life (years).....	1.25	
Options exercisable at December 31, 2003.....	166,842	
Weighted average exercise price of exercisable options.....	\$ 11.65	\$

On date of issue, the market value of restricted shares issued to certain officers and key employees of the Company is recorded in Stockholders' Equity as Unamortized Restricted Stock and then amortized to expense over defined vesting periods. During 2003, 2002 and 2001, compensation cost recognized in connection with restricted stock awards totaled \$2,855,000, \$2,309,000 and \$2,272,000, respectively. At December 31, 2003, there were 124,126 shares of unvested restricted stock outstanding at a weighted average price of \$42.75. Of the unvested shares outstanding, 61,558, 25,969, 13,763, 11,418 and 11,418 shares will vest in 2004, 2005, 2006, 2007, and 2008, respectively.

12. RELATED PARTY TRANSACTIONS:

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

The Company manages barge pools as part of its inland river business segment. Pursuant to the pooling agreements, operating revenues and expenses of participating barges in a pool are combined and the net results are allocated to participating barge owners based upon the number of days any one participating owner's barges bear to the total number of days of all barges participating in a pool. Mr. Fabrikant, the Chief Executive Officer of SEACOR, companies controlled by Mr. Fabrikant and trusts for the benefit of Mr. Fabrikant's two children own barges that participate in the barge pools managed by the Company. In 2003 and 2002, the Company distributed \$369,000 and \$434,000, respectively, of barge pool results to Mr. Fabrikant and his affiliates, net of \$91,000 and \$87,000, respectively in management fees paid to the Company.

13. COMMITMENTS AND CONTINGENCIES:

Future capital expenditures, based upon the Company's commitments at December 31, 2003, to purchase 9 new vessels, 330 new inland river dry cargo barges, 24 new chemical tank barges, and one new helicopter, will approximate \$139,837,000. Deliveries are expected over the next ten months. Subsequent to December 31, 2003, the Company committed to purchase additional equipment for \$6,500,000.

In the normal course of its business, the Company becomes involved in various litigation matters including, among other things, claims by third parties for alleged property damages, personal injuries and other matters. While the Company believes it has meritorious defenses against these claims, management has used estimates in determining the Company's potential exposure and has recorded reserves in its financial statements related thereto where appropriate. It is possible that a change in the Company's estimates of that exposure could occur, but the Company does not expect such changes in estimated costs will have a material effect on the Company's financial position or results of its operations.

31

In connection with an examination of the Company's income tax return for fiscal year 2001, the Internal Revenue Service (IRS) has indicated that it may assert a deficiency in the amount of taxes paid based on the manner in which vessel assets were classified for the purpose of depreciation. If the IRS were able to sustain its position, the Company would be required to pay currently certain amounts, which have not yet been determined, that are currently reported as long-term deferred tax obligations. Other than a potential charge for interest related to any such deficiencies, the final resolution of this matter should not have an effect on the Company's results of operations. The Company intends to vigorously defend its position and to contest any deficiency that may be asserted.

As of December 31, 2003, the Company leases 36 vessels, resulting primarily from sale-leaseback transactions, 16 helicopters, 174 barges and certain facilities and equipment. These leasing agreements have been classified as operating leases for financial reporting purposes and related rental fees are charged to expense over the lease term as they become payable. Vessel leases generally contain purchase and lease renewal options at fair market value or rights of first refusal with respect to the sale or lease of the vessels and range in duration from 1 to 7 years. Certain of the gains realized from various sale-leaseback transactions, totaling \$5,201,000, \$13,822,000 and \$11,447,000 in 2003, 2002 and 2001, respectively, have been deferred in the Consolidated Balance Sheets and are being credited to income as reductions in rental expense over the lease terms. The total rental expense for the Company's operating leases in 2003, 2002 and 2001 totaled \$24,372,000, \$18,783,000 and \$12,945,000, respectively. Future minimum payments under operating leases that have a remaining term in excess of one year at December 31, 2003:

(in thousands)

Minimum

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

In the Years Ending December 31,	Payment
2004.....	\$ 28,028
2005.....	25,012
2006.....	17,663
2007.....	12,005
2008.....	9,828
Years subsequent to 2008.....	12,879

14. MAJOR CUSTOMERS AND SEGMENT DATA:

Accounting standards require public business enterprises to report information about each of their operating business segments that exceed certain quantitative thresholds or meet certain other reporting requirements. Operating business segments have been defined as a component of an enterprise about which separate financial information is available and is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. The Company's basis of segmentation and its basis of measurement of segment profit have not changed from previous periods reported, except for a change in certain vessels' estimated residual values as described in Note 1 herein.

The Company's most significant business segment, offshore marine services, is primarily engaged in the operation of a diversified fleet of offshore support vessels serving oil and gas exploration and development activities in the U.S. Gulf of Mexico, the North Sea, West Africa, Asia, Latin America and Mexico and other international regions. The Company's vessels deliver cargo and personnel to offshore installations, handle anchors for drilling rigs and other marine equipment, support offshore construction and maintenance work, provide standby safety services, and support the Company's environmental service segment's oil spill response activities. From time to time, vessels service special projects, such as well stimulation, seismic data gathering and freight hauling. In addition to vessel services, the Company's offshore marine services business offers logistics services, which include shorebase, marine transport and other supply chain management services also in support of offshore oil and gas exploration and development operations.

32

The Company's environmental services segment provides contractual oil spill response and other services, both domestically and internationally, to those who store, transport, produce or handle petroleum and certain non-petroleum oils, as required by the Oil Pollution Act of 1990, as amended ("OPA 90"), various state regulations and the United Nations' MARPOL 73/78 regulations. Services include training, consulting and supervision for emergency preparedness, response and crisis management associated with oil or hazardous material spills, fires and natural disasters and maintaining specialized equipment for immediate deployment in response to spills and other events. The Company maintains relationships with numerous environmental sub-contractors to assist with response operations, equipment maintenance and provide trained personnel for deploying equipment in a spill response. When oil spills occur, the Company mobilizes specialized oil spill response equipment, using either its own personnel or personnel under contract, to provide emergency response services for both land and marine oil spills. The Company's clients include tank vessel owner/operators, refiners and terminal operators, exploration and production facility operators, and pipeline operators. In accordance with Statement of Financial Accounting Standards No. 131, the Company's environmental services segment has been separately reported in the segment information presented below due to its improvement in operating results. Certain reclassifications of prior year information have been made to

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

conform to the current year's reportable segment presentation.

"Other" business segment of the Company includes inland river dry cargo barge operations, aviation services and equity in earnings of 50% or less owned companies unrelated to the offshore marine services and environmental services segments. The Company's aviation services commenced operations on December 31, 2002 with the acquisition of Tex-Air Helicopters, Inc. The Company reported its equity in the earnings of Chiles, an owner and operator of jackup drilling rigs, until Chiles' merger with ENSCO on August 7, 2002.

Information about profit and loss and assets by business segment is as follows:

FOR THE YEAR ENDED DECEMBER 31, 2003 (IN THOUSANDS)	Offshore Marine Services	Environmental Services	
OPERATING REVENUES:			
External customers.....	\$ 315,822	\$ 44,045	\$
Intersegment.....	294	-	
	\$ 316,116	\$ 44,045	\$
Eliminations.....			
 REPORTABLE SEGMENT PROFIT:			
Operating profit (loss).....	\$ 6,378	\$ 9,045	\$
Income from equipment sales and retirements, net.....	17,866	83	
Other, net.....	5,055	(7)	
Equity in earnings (losses) of 50% or less owned companies..	2,306	(56)	
	\$ 31,605	\$ 9,065	\$
 RECONCILIATION TO INCOME BEFORE INCOME TAXES, MINORITY INTEREST AND EQUITY EARNINGS:			
Interest income.....			
Interest expense.....			
Debt extinguishment.....			
Gain on derivative transactions, net.....			
Gain from sale of marketable securities, net.....			
Corporate.....			
Equity in earnings of 50% or less owned companies.....			
 ASSETS:			
Investments in and Receivables from 50% or less owned companies.....	\$ 33,891	\$ (10)	\$
Goodwill.....	12,646	14,264	
Other Segment Assets.....	683,193	26,898	
	\$ 729,730	\$ 41,152	\$
Corporate.....			

CAPITAL EXPENDITURES:

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

Segment.....	\$	93,673	\$	2,139	\$
		=====		=====	=====
Corporate.....					
DEPRECIATION AND AMORTIZATION:					
Segment.....	\$	46,425	\$	2,509	\$
		=====		=====	=====
Corporate.....					

33

		Offshore Marine Services	Environmental Services	
FOR THE YEAR ENDED DECEMBER 31, 2002 (IN THOUSANDS)				

OPERATING REVENUES:				
External customers.....	\$	367,914	\$	22,087
Intersegment.....		55		-
		-----		-----
	\$	367,969	\$	22,087
		=====		=====
Eliminations.....				
REPORTABLE SEGMENT PROFIT:				
Operating profit (loss).....	\$	49,598	\$	1,016
Income from equipment sales and retirements, net.....		8,625		10
Other, net.....		6,307		-
Equity in earnings (losses) of 50% or less owned companies..		5,353		(37)
		-----		-----
	\$	69,883	\$	989
		=====		=====
RECONCILIATION TO INCOME BEFORE INCOME TAXES, MINORITY INTEREST AND EQUITY EARNINGS:				
Interest income.....				
Interest expense.....				
Debt extinguishment.....				
Gain upon sale of Chiles Offshore Inc.....				
Loss from derivative transactions, net.....				
Gain from sale of marketable securities, net.....				
Corporate.....				
Equity in earnings of 50% or less owned companies.....				
ASSETS:				
Investments in and Receivables from 50% or less owned companies.....	\$	39,155	\$	83
Goodwill.....		12,646		14,172
Other Segment Assets.....		878,526		12,386
		-----		-----
	\$	930,327	\$	26,641
		=====		=====
Corporate.....				

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

CAPITAL EXPENDITURES:

Segment.....	\$	94,037	\$	1,284	\$
		=====		=====	=====
Corporate.....					

DEPRECIATION AND AMORTIZATION:

Segment.....	\$	50,846	\$	3,280	\$
		=====		=====	=====
Corporate.....					

FOR THE YEAR ENDED DECEMBER 31, 2001 (IN THOUSANDS)

OPERATING REVENUES:

External customers.....	\$	398,557	\$	26,847	\$
Intersegment.....		566		-	
		-----		-----	-----
	\$	399,123	\$	26,847	\$
		=====		=====	=====
Eliminations.....					

REPORTABLE SEGMENT PROFIT:

Operating profit (loss).....	\$	96,821	\$	2,037	\$
Income from equipment sales and retirements, net.....		9,180		6	
Other, net.....		1,384		-	
Equity in earnings (losses) of 50% or less owned companies..		3,882		26	
		-----		-----	-----
	\$	111,267	\$	2,069	\$
		=====		=====	=====

RECONCILIATION TO INCOME BEFORE INCOME TAXES,

MINORITY INTEREST AND EQUITY EARNINGS:

Interest income.....					
Interest expense.....					
Debt extinguishment.....					
Gain on derivative transactions, net.....					
Gain from sale of marketable securities, net.....					
Corporate.....					
Equity in earnings of 50% or less owned companies.....					

ASSETS:

Investments in and Receivables from 50% or less owned companies.....	\$	49,618	\$	303	\$
Goodwill.....		12,537		14,172	
Other Segment Assets.....		862,611		14,240	
		-----		-----	-----
	\$	924,766	\$	28,715	\$
		=====		=====	=====
Corporate.....					

CAPITAL EXPENDITURES:

Segment.....	\$	92,495	\$	3,762	\$
--------------	----	--------	----	-------	----

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

Corporate.....

DEPRECIATION AND AMORTIZATION:

Segment.....	\$	52,871	\$	4,288	\$
Corporate.....					

34

In 2003 and 2002, the Company did not earn revenues from a single customer that was greater than or equal to 10% of total revenues. Revenues earned by the Company's offshore marine and environmental services businesses for services rendered to divisions or subsidiaries of one customer totaled \$42,240,000, or 10%, of revenues in 2001. Revenues attributed to geographic areas were based upon the country of domicile for offshore marine and drilling service segment customers and the country in which the Company provided oil spill protection or other related training and consulting services for environmental service segment customers. The Company considers long-lived assets to be property and equipment that has been distributed to geographical areas based upon the assets' physical location during the applicable period. Certain of the Company's offshore marine service segment's long-lived vessel assets relocate between its geographical areas of operation. The costs of long-lived vessel assets that are relocated have been allocated between geographical areas of operation based upon length of service in the applicable region. The following table is presented for the years ending December 31.

(in thousands)	2003	2002	2001
Revenues:			
United States of America.....	\$ 217,677	\$ 212,291	\$ 267,195
United Kingdom.....	71,996	83,033	74,477
Nigeria.....	26,329	36,130	29,425
Other.....	90,207	71,704	63,693
	<u>\$ 406,209</u>	<u>\$ 403,158</u>	<u>\$ 434,790</u>
Property and Equipment:			
United States of America.....	\$ 387,895	\$ 365,474	\$ 335,648
United Kingdom.....	131,561	182,741	186,686
Mexico.....	80,699	15,547	20,900
Nigeria.....	46,142	42,121	39,973
Other.....	91,919	132,085	151,550
	<u>\$ 738,216</u>	<u>\$ 737,968</u>	<u>\$ 734,757</u>

For the years ended December 31, 2003, 2002 and 2001, approximately 46%, 47%, and 39%, respectively, of the Company's operating revenues were derived from its foreign operations. The Company's foreign operations, primarily contained in its offshore marine service segment, are subject to various risks inherent in conducting business in foreign nations. These risks include, among others, political instability, potential vessel seizure, nationalization of assets,

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

terrorist attacks, currency restrictions and exchange rate fluctuations, import-export quotas and other forms of public and governmental regulations, all of which are beyond the control of the Company. Although historically the Company's operations have not been affected materially by such conditions or events, it is not possible to predict whether any such conditions or events might develop in the future. The occurrence of any one or more of such conditions or events could have a material adverse effect on the Company's financial condition and results of operations. Oil spill response and related training and consulting service revenues derived from foreign markets have not been material and barge and helicopter operations are limited to the U.S.

15. SUPPLEMENTAL INFORMATION FOR STATEMENTS OF CASH FLOWS:

(in thousands)

	2003
Income taxes paid.....	\$ 5,3
Income taxes refunded.....	10,0
Interest paid.....	22,4
Schedule of Non-Cash Investing and Financing Activities:	
Cancellation of sales-type lease.....	1,7
Exchange of assets with affiliate.....	1
Property exchanged for investment in and notes receivable from 50% or less owned company.....	
Conversion of 5 3/8% Notes - Common Stock.....	
Acquisition of ERST/O'Brien's Inc. with	
- Common Stock.....	
Acquisition of Plaisance with	
- Common Stock.....	
- assumption of debt.....	
Acquisition of Rincon vessels with	
- assumption of debt.....	
Acquisition of Stirling Shipping with	
- Common Stock.....	
- assumption of debt.....	
- notes, including debt discount.....	
Acquisition of Tex-Air with	
- Common Stock.....	
- assumption of debt.....	

35

16. OTHER ASSETS:

Other assets as of December 31 include the following:

(in thousands)	2003	2002
Goodwill, net of amortization.....	\$ 28,708	\$ 28,341
Deferred financing costs, net of amortization.....	2,627	3,055
Net sale-type leases.....	-	2,443
Notes receivable.....	1,135	15
Common stock investments, carried at cost.....	700	1,190
Refundable deposits.....	902	2,684
Other.....	117	960
	-----	-----
Total other assets.....	\$ 34,189	\$ 38,688
	=====	=====

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

17. QUARTERLY FINANCIAL INFORMATION (UNAUDITED):

Selected financial information for interim periods are presented below. Earnings per share are computed independently for each of the quarters presented; therefore, the sum of the quarterly earnings per share do not necessarily equal the total for the year.

(in thousands, except share data)	Quarter Ended		
	Dec. 31,	Sept. 30,	Jun
2003:			
Revenue.....	\$ 100,956	\$ 103,234	\$ 1
Operating income (loss).....	(7,837)	3,883	
Net income (loss).....	(1,730)	2,897	
Basic earnings (loss) per common share.....	\$ (0.09)	\$ 0.16	\$
Diluted earnings (loss) per common share.....	\$ (0.09)	\$ 0.15	\$
2002:			
Revenue.....	\$ 99,708	\$ 102,137	\$
Operating income.....	3,743	10,025	
Net income.....	1,638	21,295	
Basic earnings per common share.....	\$ 0.08	\$ 1.06	\$
Diluted earnings per common share.....	\$ 0.08	\$ 1.02	\$

REPORT OF INDEPENDENT AUDITORS
ON FINANCIAL STATEMENT SCHEDULE

We have audited the consolidated financial statements of SEACOR SMIT Inc. and subsidiaries as of December 31, 2003 and 2002 and for the years then ended, and have issued our report thereon dated March 9, 2004 (included elsewhere in this Form 10-K). Our audits also included the financial statement schedule listed in Item 15(a) of this Form 10-K as of and for the years ended December 31, 2003 and 2002. This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits.

In our opinion, the 2003 and 2002 financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

/s/ Ernst & Young LLP

New Orleans, Louisiana
March 9, 2004

37

REPORT OF INDEPENDENT AUDITORS
ON FINANCIAL STATEMENT SCHEDULE

THIS IS A COPY OF THE AUDIT REPORT PREVIOUSLY ISSUED BY ARTHUR ANDERSEN LLP ON FINANCIAL STATEMENT SCHEDULE IN CONNECTION WITH SEACOR SMIT INC.'S FILING ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001. THIS AUDIT REPORT HAS NOT BEEN REISSUED BY ARTHUR ANDERSEN LLP IN CONNECTION WITH THIS FILING ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003 AS THEY HAVE CEASED OPERATIONS. SEACOR SMIT INC. IS INCLUDING THIS COPY OF ARTHUR ANDERSON LLP'S AUDIT REPORT PURSUANT TO RULE 2-02(E) OF REGULATION S-X UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

To SEACOR SMIT Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated financial statements of SEACOR SMIT Inc. and its subsidiaries and have issued our report thereon dated February 21, 2002. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule on page 76 is the responsibility of the Company's management and is presented for the purpose of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

/s/ Arthur Andersen LLP

New Orleans, Louisiana
February 21, 2002

38

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

SEACOR SMIT INC. AND SUBSIDIARIES

SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2003, 2002 AND 2001
(IN THOUSANDS)

Description	Balance Beginning of Year	Allowances Assumed in Acquisitions	Charges to Cost and Expenses
Year Ended December 31, 2003			
Allowance for doubtful accounts (deducted from accounts receivable)...	\$ 1,421	\$ 718	\$ 829
Year Ended December 31, 2002			
Allowance for doubtful accounts (deducted from accounts receivable)...	\$ 1,635	\$ 0	\$ 9
Year Ended December 31, 2001			
Allowance for doubtful accounts (deducted from accounts receivable)...	\$ 1,310	\$ 0	\$ 947

- (a) Accounts receivable amounts deemed uncollectible and removed from accounts receivable and allowance for doubtful accounts.

EXHIBIT INDEX

Exhibit Number	Description
-------------------	-------------

Edgar Filing: SEACOR SMIT INC - Form 10-K/A

- 23.3 Consent of Ernst & Young LLP.
- 23.4 Notice Regarding Consent of Arthur Andersen LLP.
- 31.3 Certification by the Chief Executive Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
- 31.4 Certification by the Chief Financial Officer Pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
- 32.3 Certification by the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.4 Certification by the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.