Ocean Rig UDW Inc.
Form 6-K
May 13, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16
OF THE SECURITIES EXCHANGE ACT OF 1934

For the month of May 2015

Commission File Number 001-35298

OCEAN RIG UDW INC.

10 Skopa Street, Tribune House
2nd Floor, Office 202, CY 1075
Nicosia, Cyprus
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F [X]   Form 40-F [ ]

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): [ ].

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): [ ].

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

INFORMATION CONTAINED IN THIS FORM 6-K REPORT

Attached hereto as Exhibit 99.1 to this Report on Form 6-K are the Management's Discussion and Analysis of Financial Condition and Results of Operations and the unaudited interim condensed consolidated financial statements and related information and data of Ocean Rig UDW Inc., or the Company, as of and for the three-month period ended March 31, 2015.

This Report on Form 6-K and the exhibits hereto are hereby incorporated by reference into the Company's Registration Statement on Form F-3 (Registration No. 333-202829) filed with the Securities and Exchange Commission on April 22, 2015.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	OCEAN RIG UDW INC.
Dated: May 13, 2015	By: /s/George Economou
	George Economou
	Chief Executive Officer

Exhibit 99.1

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless otherwise specified herein, references to "Ocean Rig" or the "Company" or "we" shall include Ocean Rig UDW Inc. and its applicable subsidiaries. The following management's discussion and analysis should be read in conjunction with our unaudited interim condensed consolidated financial statements and related notes included herein. This discussion contains forward-looking statements that reflect our current views with respect to future events and financial performance. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as those set forth in the section entitled "Risk Factors" included in Company's Annual Report on Form 20-F (File No. 001-35298) for the fiscal year ended December 31, 2014 filed with the Securities and Exchange Commission (the "Commission") on March 9, 2015 and our Registration Statement on Form F-3, declared effective by the Commission on May 7, 2015. See also the discussion in the section entitled "Forward Looking Statements" below.

Unaudited Results of Operations

Three-months ended March 31, 2015 compared to the three-months ended March 31, 2014.

Selected Financial Data

(Expressed in thousands of U.S. Dollars)

	Three-months ended March 31,		Change	
	2014	2015	Amount	%
REVENUES:				
Service revenue, net	$360,764	$402,083	$41,319	11.5 %
	360,764	402,083	41,319	11.5 %
EXPENSES:				
Drilling rigs and drillships operating expenses	151,515	152,927	1,412	0.9 %
Depreciation and amortization	76,696	88,360	11,664	15.2 %
General and administrative expenses	35,425	28,001	(7,424)	(21.0)%
Other	1,605	-	(1,605)	(100.0)%
Operating income	95,523	132,795	37,272	39.0 %
OTHER INCOME/(EXPENSES):				
Interest and finance costs	(90,203)	(65,059)	25,144	(27.9)%
Interest income	4,108	3,369	(739)	(18.0)%
Loss on interest rate swaps	(2,195)	(8,191)	(5,996)	273.2 %
Other, net	18	(2,183)	(2,201)	(12,227.8)%
Total other expenses, net	(88,272)	(72,064)	16,208	(18.4)%
INCOME BEFORE INCOME TAXES	7,251	60,731	53,480	737.6 %
Income taxes	(8,791)	(19,590)	(10,799)	122.8 %
NET INCOME/(LOSS)	$(1,540)	$41,141	$42,681	2,771.5 %

Revenues

Revenues from drilling contracts increased by $41.3 million, or 11.5%, to $402.1 million for the three-month period ended March 31, 2015, as compared to $360.8 million for the three-month period ended March 31, 2014. The increase is primarily attributable to the operations of the Ocean Rig Apollo and the Ocean Rig Athena, that were added to the fleet during the first quarter of 2015 and 2014, respectively, resulting in additional revenues of $63.8 million and the operations of the Ocean Rig Mylos, which contributed $67.9 million revenues during the three-month period ended March 31, 2015 as compared to $29.2 million during the same period in 2014. Moreover, the Ocean Rig Olympia and the Ocean Rig Skyros contributed decreased revenue amounting to $36.4 million, during the three-month period ended March 31, 2015, as compared to the same period in 2014 and the operations of the Eirik Raude and Leiv Eiriksson, contributed $82.5 million during the three-month period ended March 31, 2015 as compared to $107.2 million during the same period in 2014. The maximum day rates for the contracts on which our drilling units were employed during the three-month period ended March 31, 2015, ranged between approximately $434,150 and $699,376 per day. The maximum day rates for the contracts on which our drilling units were employed during the three-month period ended March 31, 2014, ranged between approximately $440,000 and $670,000 per day.

Operating expenses

Drilling rigs and drillships operating expenses increased by $1.4 million, or 0.9%, to $152.9 million for the three-month period ended March 31, 2015, compared to $151.5 million for the three-month period ended March 31, 2014. The increase is primarily attributable to the operations of the Ocean Rig Apollo and the Ocean Rig Athena, that were added to the fleet during the first quarter of 2015 and 2014, respectively, resulting in higher operating expenses in the three-month period ended March 31, 2015, amounting to $18.3 million. These increases were partly offset by a decrease of $16.9 million in operating expenses of the Leiv Eiriksson, the Eirik Raude, the Ocean Rig Olympia, the Ocean Rig Poseidon and the Ocean Rig Mykonos.

Depreciation and amortization

Depreciation and amortization expense increased by $11.7 million, or 15.2%, to $88.4 million for the three-month period ended March 31, 2015, as compared to $76.7 million for the three-month period ended March 31, 2014. The increase in depreciation and amortization expense was mainly attributable to the operation of the Ocean Rig Apollo, amounting to $2.2 million, which was added to the fleet during the first quarter of 2015, the increase in depreciation expense of Ocean Rig Athena, by $7.1 million since it was delivered in the end of the first quarter of 2014. Additionally, the depreciation of the Ocean Rig Mykonos, the Leiv Eiriksson, the Ocean Rig Mylos and the Ocean Rig Skyros increased by $4.5 million in aggregate. These increases were partly offset by a decrease of $2.3 million in depreciation expense charged for the Ocean Rig Corcovado and the Eirik Raude. The depreciation expense charged for the Ocean Rig Olympia and the Ocean Rig Poseidon remained approximately the same for the three-month period ended March 31, 2015 as compared to the relevant period in 2014.

General and administrative expenses

General and administrative expenses decreased by $7.4 million, or 20.9%, to $28.0 million for the three-month period ended March 31, 2015, as compared to $35.4 million for the three-month period ended March 31, 2014, due to the decreased cost for the operation of the offices in Angola and Athens and decreased consultancy fees.

Other, net

Other, net amounted to $1.6 million, for the three-month period ended March 31, 2014. This amount concerns cancellation fees from a blow-out preventer order for the Leiv Eiriksson. No such costs existed for the relative period in 2015.

Interest and finance costs

Interest and finance costs decreased by $25.1 million, or 27.8%, to $65.1 million for the three-month period ended March 31, 2015, as compared to $90.2 million for the three-month period ended March 31, 2014. The decrease is mainly associated with the non-cash write-offs and redemption costs associated with the full refinancing of the Company's $500.0 million 9.5% senior unsecured notes due 2016, totaling $32.6 million, which were partly offset by the higher level of debt during the three-month period ended March 31, 2015.

Interest income

Interest income decreased by $0.7 million, or 17.1%, to $3.4 million for the three-month period ended March 31, 2015, compared to $4.1 million for the three-month period ended March 31, 2014. The decrease was mainly due to an increased average cash balance and higher interest rates on our deposits during the three month period ended March 31, 2014, as compared to the relevant period in 2015. The decrease was partially set off by the interest received from our parent company, Dryships Inc.

Loss on interest rate swaps

For the three-month period ended March 31, 2015 we incurred losses on interest rate swaps of $8.2 million, as compared to losses of $2.2 million for the three-month period ended March 31, 2014, an increase of 272.7%. The loss for the three-month period ended March 31, 2015, was mainly due to mark to market losses of outstanding swap positions.

Other, net

Other, net amounted to a loss of $2.2 million for the three-month period ended March 31, 2015, compared to a nil balance for the three-month period ended March 31, 2014. The loss recognized is due to foreign currency exchange rate differences mainly between USD and Euro(EUR) or Norwegian Krone (NOK).

Income taxes

Income taxes increased by $10.8 million, or 122.7%, to $19.6 million for the three-month period ended March 31, 2015, compared to $8.8 million for the three-month period ended March 31, 2014, mainly due to the increased operating days of the fleet which resulted in increased revenues. As our drilling units operate around the world, they may become subject to taxation in many different jurisdictions. The basis for such taxation depends on the relevant regulation in the countries in which we operate. Consequently, there is no expected relationship between the income tax expense or benefit for the period and the income or loss before taxes.

Liquidity

As of March 31, 2015, we had $509.3 million of cash and cash equivalents and $11.3 million restricted cash.

Our cash and cash equivalents decreased by $19.6 million, or 3.7%, to $509.3 million as of March 31, 2015, compared to $528.9 million as of December 31, 2014, and our restricted cash increased by $8.7 million, or 334.6%, to $11.3 million as of March 31, 2015, compared to $2.6 million as of December 31, 2014. The decrease in our cash and cash equivalents was mainly due to loan repayments and payment of financing costs amounting to $14.2 million, the payment of dividends amounting to $25.1 million, the payment for the delivery of the Ocean Rig Apollo amounting to $394.8 million and the payment of $39.8 million for our drillships under construction, which were partly offset with loan proceeds amounting to $462.0 million and cash provided from operating activities amounting to $58.7 million.

Working capital is defined as current assets minus current liabilities (including the current portion of long-term debt). Our working capital surplus amounted to $590.3 million as of March 31, 2015, compared to a working capital surplus of $560.5 million as of December 31, 2014. We believe that we will be able to satisfy our liquidity needs for the next 12 months with the cash we generate from our operations and, if required, proceeds from future debt or equity issuances.

As of March 31, 2015, we had total indebtedness of $4.9 billion under our senior secured credit facilities and secured notes, excluding unamortized deferred financing costs. As of March 31, 2015, we were in compliance with all covenants related to our credit facilities.

As of March 31, 2015, we had $1.5 billion of remaining installment payments under our drillship newbuilding contracts relating to our three newbuilding drillships. The drillships under construction, the Ocean Rig Santorini and the two 7th generation, new integrated design drillships under construction, will be financed with cash on hand, operating cash flow, equity financing and additional bank debt.

Cash flow

Net cash provided by operating activities was $58.7 million for the three-month period ended March 31, 2015. For the three-month period ended March 31, 2015, net income was adjusted for the effects of certain non-cash items including $92.8 million of depreciation and amortization of deferred financing costs. Moreover for the three-month period ended March 31, 2015, net income was also adjusted for the effects of non-cash items, such as the loss in the change in fair value of derivatives of $2.8 million and the loss in the movement in operating assets and liabilities of $80.0 million, which was partly offset by net income of $41.1 million . Net cash provided by operating activities was $23.2 million for the three-month period ended March 31, 2014.

Net cash used in investing activities was $501.0 million for the three-month period ended March 31, 2015, compared to $436.5 million used in investing activities for the three-month period ended March 31, 2014. We made shipyard payments and expenditures related to drilling rigs, drillships machinery, equipment and other improvements of approximately $97.5 million and the payment for the delivery of the Ocean Rig Apollo amounting to $394.8 million for the three-month period ended March 31, 2015, compared to $413.4 million in the corresponding period of 2014. The increase in restricted cash was $8.7 million during the three-month period ended March 31, 2015, compared to an increase of $23.1 million in the corresponding period of 2014.

Net cash provided by financing activities was $422.7 million for the three-month period ended March 31, 2015, consisting of loan proceeds amounting to $462.0 million which were offset with loan repayments and payment of financing costs amounting to $14.2 million and dividend payments of $25.1 million. This compares to net cash provided by financing activities of $459.4 million for the three-month period ended March 31, 2014.

Financing activities

Long-term debt

As of March 31, 2015, the Company was in compliance with the covenants in its credit facilities.

The annual principal payments required to be made after March 31, 2015, including balloon payments, totaling $4.9 billion due through July 2021, are as follows:

Twelve months ending:	Total (in thousands)
March 31, 2016	$70,905
March 31, 2017	70,905
March 31, 2018	870,905
March 31, 2019	70,905
March 31, 2020	838,380
March 31, 2021 and thereafter	3,005,000
Total principal payments	4,927,000
Less: Deferred financing costs	(103,827)
Total debt	$4,823,173

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Off-balance sheet arrangements

We do not have any off-balance sheet arrangements.

Recent developments

On April 27, 2015, we reached an agreement to postpone the delivery of the Ocean Rig Crete and Ocean Rig Amorgos to the first quarter of 2018 and 2019, respectively. As part of the agreement, certain portion of the pre-delivery payments were also deferred and the total project costs for the construction of each drillship have increased by $15 million

On May 6, 2015, our Board of Directors declared the fifth consecutive quarterly cash dividend with respect to the quarter ended March 31, 2015, of $0.19 per common share, to its shareholders of record as of May 22, 2015 and payable on or about June 2, 2015.

Supplemental Information

Ocean Rig UDW Inc. and its Operating Subsidiaries

Adjustments to the calculation of Consolidated Net Income under the Company's 7.25% Senior Unsecured Notes due 2019.

During the three-months ended March 31, 2015, we estimate that we will not exceed $3.4 million of adjustments to the calculation of consolidated net income in connection with drydock, shipyard stay and special survey expenses for the drilling rigs and drillships of Ocean Rig.

Drill Rigs Holdings Inc. and its Operating Subsidiaries

Selected historical consolidated financial information and other data:

The following table sets forth certain financial and other data of Drill Rigs Holdings Inc., our wholly-owned subsidiary and the issuer of $800.0 million aggregate principal amount of 6.50% senior secured notes due 2017 (the "6.5% Senior Secured Notes") and each of its subsidiaries that is a guarantor of the Senior Secured Notes (collectively "Drill Rigs Holdings"), at the dates and for the periods indicated, which are derived from the unaudited financial statements of Drill Rigs Holdings on a consolidated basis and were prepared by us for use in connection with certain reporting requirements set forth in the indenture governing the 6.5% Senior Secured Notes.

	Year ended December 31, 2014	Three Months ended March 31, 2015
(Dollars in thousands)		
Total assets	$1,254,454	$1,234,719
Total debt, net of financing fees	(788,224)	(789,187)
Shareholders equity	(384,938)	(344,445)
Total cash and cash equivalents	23,635	23,442

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	Three Months ended March 31,	
	2014	2015
(Dollars in thousands)		
Total revenue	$107,226	$82,546
EBITDA	$65,953	$46,225

EBITDA reconciliation:

EBITDA represents net income before interest, taxes, depreciation and amortization and class survey costs. EBITDA does not represent and should not be considered as an alternative to net income or cash flow from operations, as determined by United States generally accepted accounting principles ("U.S. GAAP") and our calculation of EBITDA may not be comparable to that reported by other companies. EBITDA is included herein because it is a basis upon which Drill Rigs Holdings measures its operations and efficiency. EBITDA is also presented herein because Drill Rigs Holdings believes that it presents useful information to investors regarding a company's ability to service and/or incur indebtedness.

(Dollars in thousands)	Three Months Ended March 31,	
	2014	2015
Net income	$35,662	$4,651
Add: Net interest expense	8,860	14,058
Add: Depreciation and amortization	21,142	23,721