

TIDEWATER INC
Form DEF 14A
June 12, 2002
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SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(A) OF THE SECURITIES AND EXCHANGE ACT OF 1934

Filed by the Registrant x
Filed by a Party other than the Registrant ..

Check the appropriate box:

- .. Preliminary Proxy Statement
- .. Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- x Definitive Proxy Statement
- .. Definitive Additional Materials
- .. Soliciting Material Pursuant to § 240.14a-11(c) or § 240.14a-12

Tidewater Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- x No Fee Required
- .. Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - 1) Title of each class of securities to which transaction applies:
 - 2) Aggregate number of securities to which transaction applies:
 - 3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):
 - 4) Proposed maximum aggregate value of transaction:
 - 5) Total Fee Paid:
- .. Fee paid previously with preliminary materials.
- .. Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.
 - 1) Amount Previously Paid:
 - 2) Form, Schedule or Registration Statement No.:
 - 3) Filing Party:
 - 4) Date Filed:

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TIDEWATER INC.
601 Poydras Street, Suite 1900
New Orleans, Louisiana 70130

June 12, 2002

To Our Stockholders:

You are cordially invited to attend the Annual Meeting of Stockholders of Tidewater Inc. to be held at the Pan-American Life Center Auditorium, 11th Floor, 601 Poydras Street, New Orleans, Louisiana, on Thursday, July 25, 2002, at 10:00 a.m., C.D.S.T.

The attached Notice of Annual Meeting and Proxy Statement describe the formal business to be transacted at the meeting. During the meeting, we will also report on the operations of the Company. Directors and officers of the Company will be present to respond to any questions that stockholders may have.

Stockholders are requested to vote by proxy as promptly as possible. Stockholders can vote by signing, dating, and returning the enclosed proxy card in the envelope provided. Stockholders can also call in their vote by touchtone telephone or send it over the Internet using the instructions on the proxy card. If you attend the meeting, which we hope you will do, you may vote in person even if you have previously voted by proxy.

Sincerely,

DEAN E. TAYLOR
President and Chief Executive Officer

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INFORMATION ABOUT ATTENDING THE ANNUAL MEETING

If you plan to attend the meeting in person, please bring the following:

1. Proper identification (preferably a driver's license); and
2. Acceptable Proof of Ownership if your shares are held in Street Name.

Street Name means your shares are held of record by brokers, banks or other institutions.

Acceptable Proof of Ownership is a letter from your broker stating that you owned Tidewater Inc. stock on the record date or an account statement showing that you owned Tidewater Inc. stock on the record date.

The Company may exclude from the meeting any person who is not a stockholder of record on the record date (or a duly designated proxy) or a street name holder on the record date evidenced as described above.

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TIDEWATER INC.

**601 Poydras Street, Suite 1900
New Orleans, LA 70130**

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of the Stockholders of TIDEWATER INC. will be held in the Pan-American Life Center Auditorium, 11th Floor, 601 Poydras Street, New Orleans, Louisiana, on Thursday, July 25, 2002, at 10:00 a.m., C.D.S.T., to vote upon the following matters:

1. The election of three directors for a term of three years;
2. Reapproval of the Executive Officer Annual Incentive Plan;
3. Ratification of the selection of Ernst & Young LLP as the Company's independent auditors for the fiscal year ending March 31, 2003; and
4. Such other matters as may properly come before the meeting or any adjournment thereof.

The record date for the determination of stockholders entitled to notice of and to vote at the meeting has been fixed as June 5, 2002.

You are requested to vote by proxy as promptly as possible. You can vote by signing, dating, and returning the enclosed proxy card in the envelope provided. You can also call in your vote by touchtone telephone or send it over the Internet using the instructions on the proxy card. If you attend the meeting, which we hope you will do, you may vote in person even if you have previously voted by proxy.

By Order of the Board of Directors

CLIFFE F. LABORDE

*Executive Vice President, Secretary
and General Counsel*

New Orleans, Louisiana
June 12, 2002

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TIDEWATER INC.
601 Poydras Street, Suite 1900
New Orleans, LA 70130

PROXY STATEMENT

SOLICITATION OF PROXIES

This Proxy Statement and the accompanying proxy card are furnished in connection with the solicitation by the Board of Directors of Tidewater Inc. (the Company) of proxies to be used at the Annual Meeting of Stockholders of the Company which will be held in the Auditorium of the Pan-American Life Center, 601 Poydras Street, New Orleans, Louisiana, on Thursday, July 25, 2002, at 10:00 a.m., C.D.S.T., and at any adjournment thereof. Only stockholders of record at the close of business on June 5, 2002, are entitled to vote at the meeting or any adjournment thereof.

The Company will bear the costs of soliciting proxies. Proxies may be solicited, without extra remuneration, by Directors, officers, or employees of the Company, by mail, telephone, internet, telex, telefax, telegram, or personal interview. The Company will reimburse brokers, banks, and other custodians, nominees, or fiduciaries for their reasonable expenses in forwarding proxies and proxy materials to beneficial owners of shares.

REVOCAION OF PROXIES

Any stockholder giving a proxy may revoke it at any time before it is voted by voting in person at the meeting or by delivering written revocation or a later dated proxy to the Secretary of the Company.

SHARES OUTSTANDING AND VOTING PROCEDURES

The Bylaws of the Company (the Bylaws) provide that the holders of a majority of the shares of common stock of the Company, par value \$.10 per share (the Common Stock), issued and outstanding and entitled to vote at the Annual Meeting, present in person or represented by proxy, shall constitute a quorum at the Annual Meeting. The Bylaws further provide that, except as otherwise provided by statute, the Certificate of Incorporation of the Company, or the Bylaws, all matters coming before the Annual Meeting shall be decided by the vote of a majority of the number of shares of Common Stock present in person or represented by proxy and entitled to vote at the Annual Meeting.

Votes cast by proxy or in person at the Annual Meeting will be counted by the persons appointed by the Company to act as election inspectors for the meeting. The election inspectors will treat shares represented by proxies that reflect abstentions as shares that are present and entitled to vote for purposes of determining the presence of a quorum and for purposes of determining the outcome of any matter submitted to the stockholders for a vote.

Abstentions as to particular proposals will have the same effect as votes against such proposals. Broker non-votes as to particular proposals will not, however, be deemed to be a part of the voting power present with respect to such proposals, will not therefore count as votes for or against such proposals and will not be included in calculating the number of votes necessary for approval of such proposals.

As of the close of business on June 5, 2002, the Company had 60,541,723 shares of Common Stock that were issued, outstanding, and entitled to vote. Each share of Common Stock is entitled to one vote with respect to matters to be voted upon at the meeting.

Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS**

The following table indicates the name, address, and stock ownership of each person known by the Company to own beneficially more than 5% of the Common Stock as of June 5, 2002:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent Of Class
FMR Corporation 82 Devonshire St. Boston, MA 02109	5,229,590(1)	8.6%(5)
Mellon Financial Corporation One Mellon Center Pittsburgh, PA 15258	4,262,513(2)	7.0%(5)
American Century Investment Management, Inc. 4500 Main St. P.O. Box 418210 Kansas City, MO 64141-9210	3,642,469(3)	6.0%(5)
Whitney National Bank, as Trustee of the Tidewater Inc. Grantor Stock Trust 228 St. Charles Avenue New Orleans, LA 70130	4,250,899(4)	7.0%(5)

- (1) Based on Schedule 13G dated February 14, 2002, filed with the Securities and Exchange Commission by FMR Corporation.
- (2) Based on Schedule 13G dated January 24, 2002, filed with the Securities and Exchange Commission by Mellon Financial Corporation.
- (3) Based on Schedule 13G dated February 8, 2002, filed with the Securities and Exchange Commission by American Century Investment Management, Inc.
- (4) The Company created the Tidewater Inc. Grantor Stock Trust (the "Trust") to acquire, hold and distribute shares of Common Stock for the payment of benefits and compensation under the Company's employee benefit plans, including the Company's stock option plans and 401(k) plan. Under the Trust, Whitney National Bank as Trustee (the "Trustee"), will vote all shares of Common Stock held in the Trust (the "Trust Shares") in accordance with instructions received from current and former employees of the Company (excluding members of the Board of Directors of the Company) who participate in the Company's 401(k) plan or hold options to purchase Common Stock granted under the Company's stock option plans (the "Eligible Participants"). For each Eligible Participant, the Trustee will vote or abstain from voting, according to instructions received from that Eligible Participant, with respect to that number of Trust Shares that results from multiplying (x) the total number of Trust Shares as of the record date by (y) a fraction, the numerator of which is the sum of the number of shares of Common Stock allocated to the account of such Eligible Participant in the 401(k) Plan and the number of shares of Common Stock that are subject to stock options held by such Eligible Participant, and the denominator of which is the total number of shares of Common Stock in the 401(k) plan allocated to Eligible Participants and the total number of shares of Common Stock subject to options held by Eligible Participants, as to which the Trustee has received voting instructions.
- (5) Based on 60,541,723 shares of Common Stock outstanding on June 5, 2002.

Table of Contents**SECURITY OWNERSHIP OF MANAGEMENT**

The following table sets forth the beneficial ownership of the Common Stock as of June 5, 2002, with respect to each Director and the executive officers named in the Summary Compensation Table and by all Directors and executive officers as a group:

<u>Name</u>	<u>Amount and Nature of Beneficial Ownership*</u>	<u>Percent of Class (6)</u>
Robert H. Boh	28,000(1)	**
Arthur R. Carlson	7,100(1)**	
Stephen W. Dick	157,170(2)(3)	**
Cliffe F. Laborde	235,750(2)(3)(4)	**
J. Keith Lousteau	139,940(2)(3)	**
Jon C. Madonna	10,000(1)	**
Paul W. Murrill	5,100(1)	**
William C. O Malley	1,133,412(2)	1.9%
Lester Pollack	22,000(1)	**
Richard A. Pattarozzi	2,000	**
Larry T. Rigdon	248,602(2)(3)	**
J. Hugh Roff, Jr.	24,000(1)	**
Donald G. Russell	17,750(1)	**
Dean E. Taylor	160,877(2)	**
All Directors and Executive Officers as a group (14 persons)	2,191,701(3)(5)	3.6%

* Unless otherwise indicated by footnote, all shares are held by the named individuals with sole voting and investment power.

** Less than 1.0%.

- (1) Includes shares that may be acquired within 60 days upon exercise of Non-Employee Director Stock Options, as follows: Mr. Boh, 21,000; Mr. Carlson, 4,000; Mr. Madonna, 8,000; Dr. Murrill, 4,000; Mr. Pollack, 22,000; Mr. Roff, 21,000; and Mr. Russell, 15,000.
- (2) Includes shares that may be acquired within 60 days upon exercise of Employee Stock Options, together with related restricted stock awards, as follows: Mr. Dick, 152,051; Mr. Laborde, 225,592; Mr. Lousteau, 135,625; Mr. O Malley, 1,002,292; Mr. Rigdon, 235,000; and Mr. Taylor, 157,778. Also includes shares attributable to accounts under the Company's 401(k) Savings Plan as follows: Mr. Dick, 2,419; Mr. Laborde, 1,040; Mr. Lousteau, 4,120; Mr. O Malley, 594; Mr. Rigdon, 1,664; and Mr. Taylor, 3,099.
- (3) Does not include shares held in the Tidewater Inc. Grantor Stock Trust with respect to which Messrs. Dick, Laborde, Lousteau and Rigdon and other participants (other than members of the Company's Board of Directors) in the Company's stock option plans and 401(k) Savings Plan have the power to direct the vote on a pro rata basis.
- (4) Includes 1,893 shares held in trusts for Mr. Laborde's minor children, beneficial ownership of which is disclaimed.
- (5) Includes 2,004,338 shares of Common Stock that such persons have the right to acquire within 60 days through the exercise of options together with related restricted stock awards; 4,337 shares for which Directors and executive officers reported indirect ownership and disclaim beneficial ownership; and 11,272 shares of Common Stock attributable to such persons' accounts in the Company's 401(k) Savings Plan, as to which shares such persons have sole voting power only.
- (6) Calculated on the basis of 60,541,723 shares of Common Stock outstanding at June 5, 2002, and includes for each person and group the number of shares the person or group has the right to acquire within 60 days.

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ELECTION OF DIRECTORS

(PROPOSAL 1)

The Company's Certificate of Incorporation divides the Board of Directors into three classes, as nearly equal in number as possible, with each class of Directors serving a three year term. The term of office of each class of Directors expires in rotation so that one class is elected at each Annual Meeting for a full three-year term. All of the nominees for Director are currently serving as Directors.

The Board of Directors has nominated and urges you to vote FOR the election of Robert H. Boh, Richard A. Pattarozzi and Donald G. Russell for terms of office ending in 2005. Proxies solicited hereby will be so voted unless stockholders specify otherwise in their proxies.

It is intended that the proxies solicited hereby will be voted FOR the election of each of the nominees. In the event any nominee is not a candidate when the election occurs, it is intended that the proxies will be voted for the election of the other nominees and may be voted for any substitute nominee. The Board of Directors has no reason to believe that any nominee will not be a candidate or, if elected, will be unable or unwilling to serve as a Director. In no event, however, will the proxies be voted for a greater number of persons than the number of nominees named.

Nominees for election at this meeting to terms expiring in 2005:

Robert H. Boh, 71, Chairman and former President and Chief Executive Officer of Boh Bros. Construction Co. L.L.C. (general construction contractor); and Chairman of Hibernia Corporation and Hibernia National Bank. Director since 1978.

Richard A. Pattarozzi, 59, former Vice President of Shell Oil Company E&P and President and Chief Executive Officer of Shell Deepwater Development, Inc. and Shell Deepwater Production, Inc. Director of Global Industries, Inc., Stone Energy, Inc., Transocean, Inc., and Superior Energy Services, Inc. Director since 2001.

Donald G. Russell, 70, Chairman of Russell Companies (oil and gas investments) since 1998; Executive Vice President of Sonat Inc. 1993-1998; Chairman of the Board and Chief Executive Officer of Sonat Exploration Company 1988-1998. Director since 1998.

Directors whose terms continue until 2003:

Arthur R. Carlson, 61, Chairman, Energy and Infrastructure, TCW Group, Inc. (investment advisor); and Director of TCW Asset Management Company. Director since 1982.

Jon C. Madonna, 59, Chairman, DigitalThink, Inc. since April 2000, previously President and Chief Operating Officer since January 2000; President and Chief Executive Officer of Carlson Wagonlit Travel 1999-2000; Vice Chairman of Travelers Group 1997-1998; Chairman and Chief Executive Officer of KPMG Peat Marwick 1990-1996; and Director of Neuberger Berman, Inc. and DigitalThink Inc. Director since 1999.

William C. O Malley, 65, Chairman of the Company since 1994; formerly President (1994-2001) and Chief Executive Officer (1994-2002) of the Company; prior thereto, served as Chairman of the Board and Chief Executive Officer of Sonat Offshore Drilling, Inc.; and Director of Hibernia Corporation, and BE&K. Director since 1994.

Directors whose terms continue until 2004:

Paul W. Murrill, 67, Professional Engineer; Chairman of Piccadilly Cafeterias, Inc., 1994-2000; Special Advisor to the Chairman of the Board of Gulf States Utilities Co. (public utility), 1987-1989, its Chairman, 1982-1987, and its Chief Executive Officer, 1982-1986; and Director of ChemFirst, Inc., Entergy Corporation, and Howell Corporation. Director since 1981.

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Lester Pollack, 68, Managing Director of Centre Partners Management LLC since 1995; Managing Director of Lazard Frères & Co. LLC 1986-1999 (prior thereto a general partner); Chairman of the Board of Firearms Training Systems, Inc.; and Director of American Seafoods Group, LLC, Bank Leumi USA, Nationwide Credit, Parlex Corporation, and Rembrandt Photo Services. Director since 1992.

J. Hugh Roff, Jr., 70, Chairman of the Board of Roff Resources LLC (energy investments) since 1998; Chairman of the Board of PetroUnited Terminals, Inc. (petrochemical terminals) 1986-1998; and Advisory Director of Chase Bank of Texas, N.A. Director since 1986.

Dean E. Taylor, 54, President and Chief Executive Officer of the Company; President since October 5, 2001 and Chief Executive Officer since March 28, 2002; Executive Vice President of the Company since 2000. Director since 2001.

COMMITTEES OF THE BOARD

The Company has standing Audit, Compensation and Finance Committees of the Board of Directors. During fiscal 2002, seven meetings of the Board of Directors were held. Each Director attended at least 75% of the aggregate of the meetings of the Board and the Committees on which he served.

The Company's Audit Committee is composed of Messrs. Madonna, Murrill, Pattarozzi and Russell. The Committee met five times during fiscal 2002. The Audit Committee's primary function, which is described in its charter, is to oversee management's conduct of the Company's financial reporting process. Among the Audit Committee's key responsibilities are to review with management and the outside auditors the Company's audited financial statements, discuss with management and the outside auditors the quality and adequacy of the Company's internal controls, discuss with the outside auditors the quality and acceptability of the accounting principles applied, review the independence of the outside auditors, recommend the selection of the outside auditors and review and approve the scope and cost of audit and non-audit services to be performed by the outside auditors.

The Company's Compensation Committee is composed of Messrs. Boh, Carlson, Pollack, and Roff. The Committee met five times during fiscal 2002. The principal functions of the Committee include responsibility for considering all substantive elements of the Company's total employee compensation package, including overall plan design for each of the Company's major benefit programs, and determining appropriate actuarial assumptions and funding methods. The Committee also has responsibility for determining salary and bonus awards for executive officers and determining stock option and restricted stock awards for all key employees.

The Company's Finance Committee is composed of Messrs. Boh, Carlson, and Murrill. The Committee met four times during fiscal 2002. The principal functions of the Committee include responsibility for reviewing capital structure, dividend policy, corporate liquidity, and issuance of debt and equity securities. The Committee also has responsibility for appointing and monitoring independent investment managers and establishing investment policies and guidelines for employee benefit plans.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

The members of the Company's Compensation Committee are Messrs. Boh, Carlson, Pollack and Roff. None of the members of the Compensation Committee have been officers or employees of the Company or any of its subsidiaries. No executive officer of the Company served in the last fiscal year as a director or member of the compensation committee of another entity one of whose executive officers served as a Director or on the Compensation Committee of the Company.

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DIRECTOR COMPENSATION

Outside Directors of the Company receive an annual retainer of \$30,000 and a fee of \$1,500 for attendance at each Board meeting. The chairman of each Board committee receives an additional annual retainer of \$5,000, and each committee member, including the chairman, receives a fee of \$1,200 for attendance at each committee meeting.

Outside Directors also receive an annual grant of options to purchase up to 5,000 shares of Common Stock, the exact number to be set by the Compensation Committee. Outside Directors will receive an option to purchase 2,500 shares of Common Stock on the day of the 2002 Annual Meeting of Stockholders. The exercise price of the stock option is equal to the closing price for the Common Stock reported on the New York Stock Exchange consolidated tape on that date.

William C. O Malley, the former President and Chief Executive Officer, will continue to serve as Chairman of the Board through the 2003 Annual Meeting of Stockholders and will be paid \$100,000 for his services as Chairman during that period. He will also receive the additional benefits described under Executive Compensation Termination of Employment and Retirement Arrangements and the regular compensation paid to Outside Directors.

The Company provides a Deferred Compensation Plan pursuant to which an Outside Director may elect to defer all or a portion of the fees that are payable to him from the Company. Deferred amounts are credited to an account in the name of the Director as phantom shares of the Company's Common Stock or as units in one or more investment funds made available through the plan. Upon termination of Board service with the Company or on another date chosen by the Director, amounts accrued under the plan are payable either in a lump sum or over a period of two to ten years, at the election of the participant. A distribution from the plan may also be made upon a change of control of the Company or in the event of hardship. Two Directors participated in the Deferred Compensation Plan during fiscal 2002.

The Company also provides a Retirement Plan for the benefit of Outside Directors who retire from the Board on or after reaching age 65 or after completing five or more years of service on the Board. Under the Retirement Plan, an eligible Director will be entitled to an annual benefit equal to the annual retainer fee for a Board member at the time of his retirement. An eligible Director who was a member of the Board on May 31, 2001, will receive the annual benefit for a term equal to the number of years the retired Director served as an Outside Director. An eligible Director who joins the Board after May 31, 2001, will receive the annual benefit for a term equal to the number of years the retired director served as an Outside Director, but not to exceed five years. If a Director dies prior to payment of his benefit, a death benefit is payable to his beneficiaries equal to the then present value of the unpaid benefit.

The Deferred Compensation Plan and the Retirement Plan both provide for the protection of benefits in the event of a change of control of the Company and also permit the acceleration of payment of benefits in such event.

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The following table summarizes, for each of the three fiscal years ended March 31, 2000, 2001, and 2002, the compensation paid to each of the executive officers of the Company in all capacities in which they served:

SUMMARY COMPENSATION TABLE

Name and Principal Position	Annual Compensation			Long-Term Compensation(1)	
	Fiscal Year	Salary	Bonus	No. of Options Awarded	All Other Compensation(2)
William C. O Malley, Chairman, President and Chief Executive Officer (3)	2002	\$ 750,000	\$ 1,151,567	100,000	\$28,308
	2001	700,000	950,000	50,000	25,359
	2000	700,000	1,000,000	75,000	24,876
Dean E. Taylor, President and Chief Executive Officer (4)	2002	270,000	271,064	125,000	13,880
	2001	194,138	247,104	75,000	10,183
	2000	170,000	135,109	35,000	8,976
Cliffe F. Laborde, Executive Vice President, Secretary and General Counsel	2002	240,000	197,734	20,000	13,008
	2001	233,448	241,260	75,000	11,362
	2000	230,000	210,835	35,000	10,776
Stephen W. Dick Executive Vice President	2002	203,333	182,634	52,500	12,652
Larry T. Rigdon, Executive Vice President (5)	2002	240,000	220,000		10,887
	2001	201,379	247,014	75,000	9,930
	2000	180,000	165,002	35,000	8,496
J. Keith Lousteau, Senior Vice President and Chief Financial Officer	2002	200,000	171,198	30,000	11,658
	2001	176,488	205,845	60,000	9,621
	2000	140,000	128,335	30,000	8,076

- (1) As of March 31, 2002, Mr. Dick held a restricted stock award for 902 shares of restricted stock with a value of \$38,200, Mr. Laborde held a restricted stock award for 403 shares of restricted stock with a value of \$17,067, and Mr. Taylor held a restricted stock award for 178 shares of restricted stock with a value of \$7,538. Mr. O Malley held 50,000 shares of restricted stock with a value of \$2,013,000 that vested when he reached age 65 in March 2002.
- (2) Consists of \$5,808 in 2002, \$4,359 in 2001 and \$3,876 in 2000 of health care premiums paid by the Company each year on behalf of each named executive officer under the Company's Executive Medical Plan and the following amounts contributed by the Company on behalf of each named executive officer pursuant to the Company's Savings Plan and Supplemental Savings Plan: Mr. O Malley, \$22,500 in 2002, \$21,000 in 2001 and \$21,000 in 2000; Mr. Taylor \$8,072 in 2002, \$5,824 in 2001 and \$5,100 in 2000; Mr. Laborde, \$7,200 in 2002, \$7,003 in 2001 and \$6,900 in 2000; Mr. Dick, \$6,844 in 2002; Mr. Rigdon \$5,079 in 2002, \$5,579 in 2001, and \$4,620 in 2000; and Mr. Lousteau \$5,850 in 2002, \$5,262 in 2001 and \$4,200 in 2000.
- (3) Mr. O Malley retired from his position as Chief Executive Officer of the Company on March 28, 2002.
- (4) Mr. Taylor was named President on October 5, 2001, and Chief Executive Officer upon William C. O Malley's retirement on March 28, 2002.
- (5) Mr. Rigdon ceased to serve as an executive officer of the Company on April 1, 2002.

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The following table contains certain information concerning the grant of stock options to the named individuals during the fiscal year ended March 31, 2002

OPTION GRANTS IN FISCAL YEAR ENDED MARCH 31, 2002

<u>Name</u>	<u>Number of Shares Underlying Options Granted(1)</u>	<u>% of Total Options Granted to Employees in Last Fiscal Year</u>	<u>Exercise Price</u>	<u>Expiration Date</u>	<u>Grant Date Present Value(2)</u>
William C. O Malley	50,000	5.9%	\$ 35.29	3/28/07	\$ 768,500
	50,000	5.9%	27.85	3/28/07	606,500
Dean E. Taylor	50,000	5.9%	28.33	10/5/11	617,000
	75,000	8.9%	40.28	3/27/12	1,316,250
Cliffe F. Laborde	20,000	2.4%	40.28	3/27/12	351,000
Stephen W. Dick	17,500	2.1%	35.29	7/26/11	268,975
	35,000	4.1%	40.28	3/27/12	614,250
Larry T. Rigdon					
J. Keith Lousteau	30,000	3.6%	40.28	3/27/12	526,500

- (1) The options become exercisable one-third per year and are fully exercisable three years after the date of grant. Exercisability is accelerated upon a change of control, and exercisability of Mr. O Malley's options were accelerated upon his retirement.
- (2) The theoretical values on grant date are calculated under the Black-Scholes Model. The Black-Scholes Model is a mathematical formula used to value options traded on stock exchanges. This formula considers a number of factors to estimate the option's theoretical value, including the stock's historical volatility, dividend rate, exercise period of the option and interest rates. The grant date theoretical value above assumes an expected stock price volatility of 48.9%, an expected annual dividend yield of 1.4%, a 5.0% risk free rate of return and an expected five year stock option life.

Option Exercises and Holdings

The following table sets forth certain information concerning the exercise of options during the fiscal year ended March 31, 2002, and unexercised options held on March 31, 2002:

AGGREGATED OPTION EXERCISES IN FISCAL YEAR ENDED MARCH 31, 2002 AND OPTION VALUES AS OF MARCH 31, 2002

<u>Name</u>	<u>Number of Shares Acquired on Exercise</u>	<u>Value Realized(1)</u>	<u>Number of Shares Underlying Unexercised Options at March 31, 2002</u>		<u>Value of Unexercised In-the-Money Options At March 31, 2002(2)</u>	
			<u>Exercisable</u>	<u>Unexercisable</u>	<u>Exercisable</u>	<u>Unexercisable</u>
William C. O Malley(3)	0	0	1,100,000	0	\$ 9,796,125	0
Dean E. Taylor	0	0	157,600	186,667	1,445,660	982,212
Cliffe F. Laborde	0	0	225,189	81,667	2,067,699	167,362
Stephen W. Dick						