

SCHLUMBERGER LTD /NV/

Form 8-K

January 23, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): January 23, 2004

SCHLUMBERGER N.V. (SCHLUMBERGER LIMITED)

(Exact name of registrant as specified in its charter)

Netherlands Antilles
(State or other jurisdiction
of incorporation)

1-4601
(Commission File Number)

52-0684746
(IRS Employer
Identification No.)

153 East 53rd Street, 57th Floor
New York, New York

10022-4624

42, rue Saint-Dominique
Paris, France

75007

Parkstraat 83,
The Hague,
The Netherlands

2514 JG

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(Addresses of principal executive offices)

(Zip or Postal Codes)

Registrant's telephone number in the United States, including area code: (212) 350-9400

Item 7. **FINANCIAL STATEMENTS AND EXHIBITS**

The exhibits listed below are furnished pursuant to Item 12 of this Form 8-K.

(c) Exhibits

99.1 Fourth Quarter and Full Year 2003 Press Release dated January 23, 2004.

99.2 Question and Answer document on the January 23, 2004 Press Release.

Item 12. **RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

The Fourth Quarter and Full Year 2003 Press Release attached hereto as Exhibit 99.1, and the Question and Answer document attached hereto as Exhibit 99.2, which are incorporated in this Item 12 by reference, were posted on the Schlumberger internet web site (www.slb.com/ir) on January 23, 2004.

In addition to financial results determined in accordance with generally accepted accounting principles (GAAP) that are included in the attached Fourth Quarter and Full Year 2003 Press Release and Question and Answer document, these documents also include the following non-GAAP financial measures (as defined under the SEC's Regulation G):

Net debt: Net debt is gross debt less cash, short-term investments and fixed income investments held to maturity. Management believes that net debt provides useful information regarding the level of the Company's indebtedness by reflecting cash and investments that could be used to repay debt, and that the level of net debt provides useful information as to the results of the Company's deleveraging efforts.

Income from continuing operations before credits and charges, diluted earnings per share before charges and credits and effective tax rate before credits and charges:

The following is a reconciliation of :

Income from continuing operations per the *Consolidated Statement of Income* to *Income from continuing operations before charges and credits*.

Diluted earnings per share before charges and credits.

Effective tax rate before charges and credits.

(\$ in thousands)				
Fourth Quarter 2003				
	Pretax	Tax	Min Int	Net
Per Consolidated Statement of Income	\$ 358,078	\$ 119,999	\$ (3,600)	\$ 234,479
Add back Charges/(Credits):				
Gain on sale of Note	(31,955)	(11,697)		(20,258)
Write-down of Investment	81,200			81,200
Continuing operations before charges and credits	\$ 407,323	\$ 108,302	\$ (3,600)	\$ 295,421
Continuing operations before charges and credits				
Effective tax rate				26.6%
Diluted Earnings per Share				\$ 0.50

Year 2003				
	Pretax	Tax	Min Int	Net
Per Consolidated Statement of Income	\$ 567,743	\$ 209,386	\$ 114,200	\$ 472,557
Add back Charges/(Credits):				
Gain on sale of Note	(31,955)	(11,697)		(20,258)
Write-down of Investment	81,200			81,200
Debt extinguishment costs	167,801			167,801
Multiclient library impairment	398,365	105,723	(87,793)	204,849
Vessel impairment	54,000		(16,200)	37,800
Gain on sale of rig	(31,416)			(31,416)
Continuing operations before charges and credits	\$ 1,205,738	\$ 303,412	\$ 10,207	\$ 912,533
Continuing operations before charges and credits				
Effective tax rate				25.2%
Diluted Earnings per Share				\$ 1.56

Reasons for excluding charges and credits Management believes that the exclusion of these items enables it to evaluate more effectively the Company's operations period over period and to identify operating trends that could otherwise be masked by the excluded items.

WesternGeco pretax operating loss before charges and credits. As described above, fiscal 2003 results include a multiclient library impairment charge and a vessel impairment charge. Management believes that the exclusion of these items from WesternGeco pretax operating loss enables it to evaluate more effectively WesternGeco's operations period over period and to identify operating trends that could otherwise be masked by the excluded items.

The foregoing non-GAAP financial measures should be considered in addition to, not as a substitute for, or superior to, total debt, net income, cash flows or other measures of financial performance prepared in accordance with GAAP as more fully discussed in the Company's financial statements and filings with the Securities and Exchange Commission.

SIGNATURE

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 hereunto duly authorized.

SCHLUMBERGER N.V.

(SCHLUMBERGER LIMITED)

By: /s/ FRANK A. SORGIE

Frank A. Sorgie

Chief Accounting Officer

Date: January 23, 2004