

SCHLUMBERGER LTD /NV/  
Form 10-Q  
October 23, 2013

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

FORM 10-Q

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

For the quarterly period ended: September 30, 2013

Commission file No.: 1-4601

SCHLUMBERGER N.V.  
(SCHLUMBERGER LIMITED)

(Exact name of registrant as specified in its charter)

CURAÇAO (State or other jurisdiction of incorporation or organization)	52-0684746 (I.R.S. Employer Identification No.)
42 RUE SAINT-DOMINIQUE PARIS, FRANCE	75007
5599 SAN FELIPE, 17th FLOOR HOUSTON, TEXAS, U.S.A.	77056
PARKSTRAAT 83 THE HAGUE, THE NETHERLANDS	2514 JG

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(Addresses of principal executive offices) (Zip Codes)  
Registrant's telephone number: (713) 375-3400

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 for 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. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at September 30, 2013
COMMON STOCK, \$0.01 PAR VALUE PER SHARE	1,316,954,935

SCHLUMBERGER LIMITED

Third Quarter 2013 Form 10-Q

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements.

## SCHLUMBERGER LIMITED AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF INCOME

(Unaudited)

(Stated in millions, except per share amounts)

	Third Quarter		Nine Months	
	2013	2012	2013	2012
Revenue	\$ 11,608	\$ 10,498	\$ 33,360	\$ 30,648
Interest & other income	43	44	105	137
Gain on formation of OneSubsea			1,028	
Expenses				
Cost of revenue	8,926	8,237	26,047	24,124
Research & engineering	286	291	870	849
General & administrative	110	95	305	294
Merger & integration		32		68
Impairment & other			456	
Interest	98	89	294	246
Income before taxes	2,231	1,798	6,521	5,204
Taxes on income	506	436	1,361	1,268
Income from continuing operations	1,725	1,362	5,160	3,936
Income (loss) from discontinued operations		65	(69)	211
Net income	1,725	1,427	5,091	4,147
Net income attributable to noncontrolling interests	10	3	23	20
Net income attributable to Schlumberger	\$ 1,715	\$ 1,424	\$ 5,068	\$ 4,127
Schlumberger amounts attributable to:				
Income from continuing operations	\$ 1,715	\$ 1,359	\$ 5,137	\$ 3,916
Income (loss) from discontinued operations		65	(69)	211
Net income	\$ 1,715	\$ 1,424	\$ 5,068	\$ 4,127
Basic earnings per share of Schlumberger:				
Income from continuing operations	\$ 1.30	\$ 1.02	\$ 3.87	\$ 2.94
Income (loss) from discontinued operations		0.05	(0.05)	0.16
Net income	\$ 1.30	\$ 1.07	\$ 3.82	\$ 3.10
Diluted earnings per share of Schlumberger:				
Income from continuing operations	\$ 1.29	\$ 1.02	\$ 3.84	\$ 2.92
Income (loss) from discontinued operations		0.05	(0.05)	0.16
Net income	\$ 1.29	\$ 1.07	\$ 3.79	\$ 3.08
Average shares outstanding:				

Basic	1,322	1,328	1,326	1,331
Assuming dilution	1,333	1,336	1,336	1,340

See Notes to Consolidated Financial Statements

## SCHLUMBERGER LIMITED AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Unaudited)

(Stated in millions)

	Third Quarter		Nine Months	
	2013	2012	2013	2012
Net income	\$ 1,725	\$ 1,427	\$ 5,091	\$ 4,147
Currency translation adjustments				
Unrealized net change arising during the period	95	138	(139)	45
Marketable securities				
Unrealized (loss) gain arising during the period	(25)		58	
Derivatives				
Net derivatives gain (loss) on hedge transactions (see Note 11)	76	142	(27)	(35)
Reclassification to net income of net realized (gain) loss (see Note 11)	(30)	(92)	15	58
Pension and other postretirement benefit plans				
Actuarial loss				
Actuarial loss arising during the period	(18)	(14)	(23)	(35)
Amortization to net income of net actuarial loss (see Note 15)	73	51	224	137
Prior service cost				
Amortization to net income of net prior service cost (see Note 15)	31	31	94	93
Income taxes on pension and other postretirement benefit plans	(9)	(8)	(40)	(31)
Comprehensive income	1,918	1,675	5,253	4,379
Comprehensive income attributable to noncontrolling interests	10	3	23	20
Comprehensive income attributable to Schlumberger	\$ 1,908	\$ 1,672	\$ 5,230	\$ 4,359
See Notes to Consolidated Financial Statements				

## SCHLUMBERGER LIMITED AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEET

(Stated in millions)

	Sept. 30, 2013	Dec. 31,
	(Unaudited)	2012
<b>ASSETS</b>		
Current Assets		
Cash	\$ 3,149	\$ 1,905
Short-term investments	3,286	4,369
Receivables less allowance for doubtful accounts (2013 \$254; 2012 \$202)	12,057	11,351
Inventories	4,895	4,785
Deferred taxes	278	343
Other current assets	1,428	1,403
	25,093	24,156
Fixed Income Investments, held to maturity	363	245
Investments in Affiliated Companies	3,298	1,502
Fixed Assets less accumulated depreciation	14,828	14,780
Multiclient Seismic Data	650	518
Goodwill	14,623	14,585
Intangible Assets	4,732	4,802
Other Assets	1,536	959
	\$ 65,123	\$ 61,547
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 8,366	\$ 8,453
Estimated liability for taxes on income	1,471	1,426
Long-term debt current portion	1,876	1,163
Short-term borrowings	622	958
Dividends payable	418	368
	12,753	12,368
Long-term Debt	9,916	9,509
Postretirement Benefits	1,833	2,169
Deferred Taxes	1,479	1,493
Other Liabilities	1,111	1,150
	27,092	26,689
Equity		
Common stock	12,108	11,912
Treasury stock	(7,208)	(6,160)
Retained earnings	36,711	32,887
Accumulated other comprehensive loss	(3,726)	(3,888)
Schlumberger stockholders equity	37,885	34,751
Noncontrolling interests	146	107



	38,031	34,858
\$	65,123	\$ 61,547

See Notes to Consolidated Financial Statements

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SCHLUMBERGER LIMITED AND SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CASH FLOWS