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NABORS INDUSTRIES LTD
Form 8-K
August 08, 2003

UNITED STATES
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): August 8, 2003

NABORS INDUSTRIES LTD.
(Exact name of registrant as specified in its charter)

Bermuda (State or Other Jurisdiction of Incorporation)	000-49887 (Commission File Number)	980363970 (IRS Employer Identification No.)
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2nd Fl. International Trading Centre
Warrens
PO Box 905E
St. Michael, Barbados
(Address of Principal Executive Offices)

N/A
(Zip Code)

Registrant's telephone number, including area code (246) 421-9471

N/A
(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS

The Securities and Exchange Commission recently issued Regulation G and amended Item 10 of Regulation S-K concerning the use of non-GAAP financial measures (the "Regulations"). The Regulations became effective March 28, 2003. Subsequent to its last fiscal year ended but prior to the effective date of the Regulations, Nabors Industries Ltd. (the "Company") filed a Current Report on Form 8-K on January 30, 2003, amended by a Current Report on Form 8-K/A filed on January 31, 2003, and furnished a Current Report on Form 8-K on January 31, 2003 (the "Current Reports"), each of which included financial information. In anticipation of the filing of one or more registration statements under the Securities Act of 1933, including a registration statement relating to the resale of the Company's Zero Coupon Senior Exchangeable Notes Due 2023, that will incorporate the Current Reports by reference, the Company is filing this Current Report on Form 8-K solely for the purpose of conforming certain information included in the Current Reports to the requirements of the Regulations.

The Company presented its cash flow derived from operating activities for all quarterly and annual periods presented in the Current Reports. The components of cash flow derived from operating activities are computed using amounts determined in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Cash flow derived from operating

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activities is computed by: subtracting direct costs and general and administrative expenses from Operating revenues and then adding Earnings from unconsolidated affiliates.

As part of this Current Report on Form 8-K, we are providing the reconciliation below, for all quarterly and annual periods presented in the Current Reports, of cash flow derived from operating activities, which is a "non-GAAP" financial measure under Regulation G, to net cash provided by operating activities from our consolidated statements of cash flows, which is the most comparable GAAP financial measure.

The Company included its cash flow derived from operating activities in the Current Reports because management evaluates the performance of its business units based on several criteria, including cash flow derived from operating activities, and because it believes this financial measure is an accurate reflection of the ongoing performance of our business units.

	1Q	2Q	20
(IN THOUSANDS)			
Net cash provided by operating activities from our consolidated statements of cash flows	\$ 61,954	\$ 179,003	\$ 268
Interest expense	12,464	14,513	15
Interest income	(13,260)	(15,676)	(13)
Other income, net	(9,268)	(3,056)	(5)
Current income tax expense	14,935	11,388	27
Deferred financing costs amortization	(179)	(251)	(1)
Discount amortization on long-term debt	(6,343)	(8,444)	(8)
Amortization of loss on cash flow hedges	--	--	
Gains (losses) on long-term assets, net	4,427	561	4
Gains (losses) on marketable securities	3,862	3,353	
Loss on derivative instruments	--	--	
Sales of marketable securities, trading	--	--	
Foreign currency transaction gains (losses)	482	(185)	
Gain (loss) on early extinguishment of debt	--	--	
Equity in earnings (losses) of unconsolidated affiliates, net of dividends	8,038	4,904	
Decrease (increase), net of effects from acquisitions, from changes in balance sheet accounts	90,647	25,522	(68)
Cash flow derived from operating activities	\$ 167,759	\$ 211,632	\$ 219

	1Q	2Q	2002
(IN THOUSANDS)			
Net cash provided by operating activities from our consolidated statements of cash flows	\$ 103,363	\$ 91,322	\$ 91,0
Interest expense	14,615	14,418	17,7
Interest income	(9,251)	(8,142)	(8,1
Other income, net	(497)	(2,649)	9

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Current income tax expense	4,443	2,514	1,7
Deferred financing costs amortization	(1,098)	(1,098)	(1,5
Discount amortization on long-term debt	(7,597)	(7,673)	(7,6
Amortization of loss on cash flow hedges	--	--	
Gains (losses) on long-term assets, net	(106)	(722)	(2
Gains (losses) on marketable securities	2,474	476	(5
Loss on derivative instruments	--	--	
Sales of marketable securities, trading	--	--	
Foreign currency transaction gains (losses)	(217)	2,524	(3
Gain (loss) on early extinguishment of debt	(202)	--	
Equity in earnings (losses) of unconsolidated affiliates, net of dividends	3,439	(1,315)	(
Decrease (increase), net of effects from acquisitions, from changes in balance sheet accounts	(4,628)	(4,151)	(8,6
Cash flow derived from operating activities	\$ 104,738	\$ 85,504	\$ 84,2
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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.

NABORS INDUSTRIES LTD.

Date: August 8, 2003

By: /s/ Bruce P. Koch

Bruce P. Koch
Vice President and
Chief Financial Officer