

NABORS INDUSTRIES LTD

Form 8-K

February 07, 2006

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) February 6, 2006
NABORS INDUSTRIES LTD.
(Exact name of registrant as specified in its charter)

Bermuda
(State or Other Jurisdiction of
Incorporation or Organization)

000-49887
(Commission File Number)

980363970
(I.R.S. Employer
Identification No.)

Mintflower Place
8 Par-La-Ville Road
Hamilton, HM08
Bermuda
(Address of principal executive offices)

N/A
(Zip Code)

(441) 292-1510
(Registrant's telephone number, including area code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition.

On February 6, 2006, Nabors Industries Ltd. (the Company) issued a press release announcing its results of operations for the three and twelve month periods ending December 31, 2005. A copy of that release is furnished herewith as Exhibit 99.1 in accordance with General Instruction B.2 to Form 8-K.

The press release furnished as an exhibit to this report includes forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934. Such forward-looking statements are subject to certain risks and uncertainties, as disclosed by the Company from time to time in its filings with the Securities and Exchange Commission. As a result of these factors, the Company's actual results may differ materially from those indicated or implied by such forward-looking statements.

The Company also presented in the press release non-GAAP financial measures under Regulation G. First, the Company presented its adjusted income (loss) derived from operating activities for all periods presented in the release. The components of adjusted income (loss) derived from operating activities are computed by using amounts which are determined in accordance with accounting principles generally accepted in the United States of America (GAAP). Adjusted income (loss) derived from operating activities is computed by subtracting direct costs, general and administrative expenses, depreciation and amortization, and depletion expense from Operating revenues and then adding Earnings from unconsolidated affiliates. Second, the Company presented net income for the fourth quarter and the full 2005 fiscal year of \$221.6 million (\$1.35 per diluted share) and \$659.7 million (\$4.07 per diluted share), respectively, which excluded from net income and diluted earnings per share the incremental impact of \$11 million, net of tax, related to an interim litigation award entered against the Company in the amount of \$25.6 million on a pretax basis (plus attorneys fees and costs) which was in excess of reserves established by the Company of \$10.6 million (pretax) as of September 30, 2005. As part of our press release information we have provided a reconciliation of net income and diluted earnings per share, as presented, to net income and diluted earnings per share including the incremental impact of the interim litigation award (the nearest comparable GAAP financial measures), and adjusted income (loss) derived from operating activities to income before income taxes, which is its nearest comparable GAAP financial measure.

The Company included its adjusted income (loss) derived from operating activities in the release because management evaluates the performance of our business units and the consolidated company based on several criteria, including adjusted income (loss) derived from operating activities, and because it believes this financial measure is an accurate reflection of the ongoing profitability of the Company. The Company included net income and diluted earnings per share excluding the incremental impact of the litigation award because management believes these non-GAAP financial measures to be more indicative of the Company's on-going operating results and financial condition.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

| Exhibit No. | Description |
|-------------|---|
| 99.1 | Press Release issued by Nabors Industries Ltd. on February 6, 2006. |

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.

NABORS INDUSTRIES LTD.

Date: February 7, 2006

By: /s/ Daniel McLachlin
Daniel McLachlin
Vice President-Administration &
Secretary

EXHIBIT INDEX

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