SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the Quarter ended:	Commission file No.:
September 30, 2001	1-4601

SCHLUMBERGER N.V.
(SCHLUMBERGER LIMITED)

(Exact name of registrant as specified in its charter)

NETHERLANDS ANTILLES	52-0684746
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

153 EAST 53 STREET, 57/th/ Floor NEW YORK, NEW YORK, U.S.A.	10022
42 RUE SAINT-DOMINIQUE PARIS, FRANCE	75007
PARKSTRAAT 83 THE HAGUE, THE NETHERLANDS	2514 JG
(Addresses of principal executive offices)	Zip Codes)

Registrant's telephone number: (212) 350-9400

Indicate by check mark whether 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 and (2) has been subject to such filing requirements for the past 90 days.

YES X 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, 2001
COMMON STOCK, $0.01 PAR VALUE	575,720,064

PART I. FINANCIAL INFORMATION

Item 1: Financial Statements

SCHLUMBERGER LIMITED

(Schlumberger N.V., Incorporated in the Netherlands Antilles)
and Subsidiary Companies

CONSOLIDATED STATEMENT OF INCOME

(Unaudited)
(Stated in thousands except per share amounts)

	Periods Ended September 30,			
	Third Quarter		Nine Months	
	2001	2000/(1)/	2001	2000/(1)/
REVENUE:				
Operating	$ 3,624,404	$ 2,447,272	$ 10,168,437	$ 6,922,980
Interest & other income	40,762	89,683	190,179	249,334
	3,665,166	2,536,955	10,358,616	7,172,314
EXPENSES:				
Cost of goods sold & services	2,711,686	1,891,290	7,978,970	5,381,315
Research & engineering	174,366	134,278	518,171	396,060
Marketing	120,277	74,580	348,642	230,596
General	189,836	106,180	504,316	314,455
Interest	102,319	72,495	287,277	200,932
	3,298,484	2,278,823	9,637,376	6,523,358
Income before taxes and minority interest	366,682	258,132	721,240	648,956
Taxes on income	157,358	51,974	356,388	145,588
Income before minority interest	209,324	206,158	364,852	503,368
Minority interest	(14,676)	(1,560)	(27,601)	(6,689)
Net Income	$ 194,648	$ 204,598	$ 337,251	$ 496,679
Basic Earnings Per Share	$ 0.34	$ 0.36	$ 0.59	$ 0.87
Diluted Earnings Per Share	$ 0.34	$ 0.35	$ 0.59	$ 0.86
Average shares outstanding	575,019	571,351	573,843	569,177
Average shares outstanding assuming dilution	579,472	581,737	580,307	579,328
Depreciation and amortization included in expenses/(2)/	$ 464,468	$ 295,260	$ 1,368,308	$ 919,153
Dividends declared per share	$ 0.1875	$ 0.1875	$ 0.5625	$ 0.5625

(1) Reclassified, in part, for comparative purposes.

(2) Including multiclient seismic data costs.

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED

(Schlumberger N.V., Incorporated in the Netherlands Antilles)
and Subsidiary Companies

CONSOLIDATED BALANCE SHEET

(Unaudited)

	(Dollars in thousands) Sept. 30, 2001	Dec. 31, 2000/(1)/
ASSETS		
CURRENT ASSETS:		
Cash and short-term investments	$ 1,483,742	$ 3,040,150
Receivables less allowance for doubtful accounts (2001 - $148,479; 2000 - $106,503)	4,493,966	2,768,848
Inventories	1,393,308	1,111,585
Deferred taxes on income	379,957	259,184
Other current assets	595,919	313,444
	8,346,892	7,493,211
LONG-TERM INVESTMENTS, HELD TO MATURITY	617,000	1,547,132
INVESTMENTS IN AFFILIATED COMPANIES	746,160	654,516
FIXED ASSETS:		
Property, plant and equipment	11,506,074	10,821,509
Less accumulated depreciation	(6,665,858)	(6,426,995)
	4,840,216	4,394,514
MULTICLIENT SEISMIC DATA	1,012,098	975,775
EXCESS OF INVESTMENT OVER NET ASSETS OF COMPANIES PURCHASED less amortization, AND INTANGIBLE ASSETS	7,121,414	1,716,427
DEFERRED TAXES ON INCOME	124,196	271,059
OTHER ASSETS	256,060	120,097
	$ 23,064,036	$ 17,172,731
LIABILITIES & STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 4,610,622	$ 2,910,725
Estimated liability for taxes on income	574,396	379,916
Bank loans	1,196,270	556,020
Dividend payable	110,152	108,043
Long-term debt due within one year	31,825	36,201
	6,523,265	3,990,905
LONG-TERM DEBT	6,577,515	3,573,047
POSTRETIREMENT BENEFITS	496,157	476,380
MINORITY INTEREST	634,500	605,313
OTHER LIABILITIES	564,021	231,870
	14,795,458	8,877,515
STOCKHOLDERS' EQUITY:		
Common stock	2,025,356	1,963,905
Income retained for use in the business	8,237,779	8,223,476
Treasury stock at cost	(1,698,037)	(1,752,961)
Accumulated other comprehensive income	(296,520)	(139,204)
	8,268,578	8,295,216
	$ 23,064,036	$ 17,172,731

(1) Reclassified, in part, for comparative purposes.

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED

(Schlumberger N.V., Incorporated in the Netherlands Antilles)
and Subsidiary Companies

CONSOLIDATED STATEMENT OF CASH FLOWS

(Unaudited)

(Dollars in thousands)

	Nine Months Ended September 30, 2001	2000/(1)/
Cash flows from operating activities:		
Net income	$ 337,251	$ 496,679
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization/(2)/	1,368,308	919,153
Impairment charges and gain on sale of businesses	277,350	-
Earnings of companies carried at equity, less dividends received (2001 - $-; 2000 - $-)	(42,468)	(24,325)
Provision for losses on accounts receivable	27,601	16,369
Change in operating assets and liabilities:		
Increase in receivables	(893,739)	(159,882)
Increase in inventories	(305,761)	(108,550)
Increase in deferred taxes	(6,967)	(12,662)
Increase in other current assets	(56,580)	(35,999)
Increase in accounts payable and accrued liabilities	187,419	102,101
Increase (decrease) in estimated liability for taxes on income	45,479	(41,196)
Other - net	(145,698)	(70,583)
NET CASH PROVIDED BY OPERATING ACTIVITIES	792,195	1,081,105
Cash flows from investing activities:		
Purchase of fixed assets	(1,498,617)	(880,001)
Multiclient seismic data capitalized	(315,576)	(162,280)
Sales/retirements of fixed assets & other	9,402	90,804
Decrease in investments	2,583,207	76,720
Businesses acquired, net of cash acquired	(386,340)	(261,446)
Acquisition of Sema plc, net of cash acquired	(4,778,498)	-
Sale of Production Operators Corporation	273,600	-
Decrease (increase) in other assets	68,576	(72,117)
NET CASH USED IN INVESTING ACTIVITIES	(4,044,246)	(1,208,320)
Cash flows from financing activities:		
Dividends paid	(322,384)	(319,157)
Proceeds from employee stock purchase plan	78,965	69,089
Proceeds from exercise of stock options	37,410	150,509
Proceeds from issuance of long-term debt	3,039,046	600,173
Payments of principal on long-term debt	(83,238)	(520,998)
Net increase in short-term debt	568,423	160,376
NET CASH PROVIDED BY FINANCING ACTIVITIES	3,318,222	139,992
Net increase in cash	66,171	12,777
Cash, beginning of period	160,718	132,589
CASH, END OF PERIOD	$ 226,889	$ 145,366

(1) Restated, in part, for comparative purposes.
(2) Including multiclient seismic data costs.

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED

(Schlumberger N.V., Incorporated in the Netherlands Antilles)
and Subsidiary Companies

STOCKHOLDERS' EQUITY

(Unaudited)

	Common Stock		Retained	Accumulated Other Comprehensive Income		Comprehensive
	Issued	In Treasury	Income	Mark to Market	Translation Adjustment	Income
Equity, January 1, 2001	$ 1,963,905	$(1,752,961)	$ 8,223,476	$ -	$ (139,204)	$ -
Net Income			337,251			337,251
Derivatives marked to market				(63,040)		(63,040)
Translation adjustment					(173,276)	(173,276)
RMS disposition					79,000	79,000
Dividends declared			(322,948)			
Employee Stock Purchase Plan	46,397	32,568				
Shares sold to optionees (net of fees)	14,898	22,267				
Shares granted to Directors	156	89				
Equity, September 30, 2001	$ 2,025,356	$(1,698,037)	$ 8,237,779	$ (63,040)	$ (233,480)	$ 179,935

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED

(Schlumberger N.V., Incorporated in the Netherlands Antilles)
and Subsidiary Companies

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

The accompanying unaudited consolidated financial statements, which include the accounts of Schlumberger Limited ("Schlumberger") and its subsidiaries, have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for completed financial statements. In the opinion of management, all adjustments, consisting only of normal recurring accruals, considered necessary for a fair presentation, have been included in the accompanying unaudited financial statements. All significant intercompany transactions and balances have been eliminated in consolidation. Certain amounts in prior years' consolidated financial statements have been reclassified to conform to the current year presentation. Operating results for the nine month period ended September 30, 2001 are not necessarily indicative of the results that may be expected for the full year ending December 31, 2001. For further information, refer to the consolidated financial statements and notes thereto, included in Schlumberger's Annual Report on Form 10-K/A for the fiscal year ended in December 31, 2000.

EARNINGS PER SHARE

The following is a reconciliation from basic earnings per share to diluted earnings per share for the third quarter and the first nine months of 2001:

(Stated in thousands except per share amounts)

Third Quarter	Net Income	Average Shares Outstanding	Earnings per Share
Basic	$ 194,648	575,019	$0.34
Effect of dilution:			
Options		4,453	-
	$ 194,648	579,472	$0.34
Nine Months			
Basic	$ 337,251	573,843	$0.59
Effect of dilution:			
Options		6,464	-
	$ 337,251	580,307	$0.59

CHARGES/CREDITS

The first quarter 2001 included a $25 million ($0.04 per share - diluted) in-process research and development charge related to the acquisition of Bull CP8. This charge is classified in Research & Engineering in the Consolidated Statement of Income.

The second quarter 2001 included a $280 million ($0.48 per share - diluted) estimated impairment charge from the expected disposition of certain Resource Management Services businesses (Electricity and Water outside North America and the worldwide Gas businesses). This charge, which included the write off of goodwill ($139 million) and cumulative translation adjustment ($79 million), is classified in Cost of goods sold and services in the Consolidated Statement of Income.

The third quarter 2001 included a pretax credit of $42.2 million representing the gain on the sale of Production Operators Corporation ($107 million) partially offset by an impairment charge relating to the expected disposition of certain other activities. This pretax credit is classified in Cost of goods sold and services and the related net tax charge of $39.5 million is classified in Taxes on income in the Consolidated Statement of Income. The after tax net offset of these items was a gain of $3 million ($0.01 per share - diluted).

CONTINGENCIES

The Consolidated Balance Sheet includes accruals for the estimated future costs associated with certain environmental remediation activities related to the past use or disposal of hazardous materials. Substantially all such costs relate to divested operations and to facilities or locations that are no longer in operation. Due to a number of uncertainties, including uncertainty of timing, the scope of remediation, future technology, regulatory changes and other factors, it is possible that the ultimate remediation costs may exceed the amounts estimated. However, in the opinion of management, such additional costs are not expected to be material relative to consolidated liquidity, financial position or future results of operations.

In addition, Schlumberger and its subsidiaries are party to various other legal proceedings. Although the ultimate disposition of these proceedings is not presently determinable, in the opinion of Schlumberger any liability that might ensue would not be material in relation to the consolidated liquidity, financial position or future results of operations.

ACQUISITION OF SEMA PLC

On February 12, 2001, Schlumberger announced that it had reached an agreement with the board of directors of Sema plc on the terms of a recommended offer for the entire issued and to be issued share capital of Sema plc.

On March 8, 2001, Schlumberger acquired, through market purchases, approximately 20% of the issued share capital of Sema at a cost of $1 billion.

On April 6, 2001, the offer for the shares of Sema plc was declared unconditional in all respects. The aggregate consideration for the acquisition of 100% of the issued Sema shares was $5.15 billion (including expenses of the transaction) which was financed from existing cash resources and borrowings under a $3 billion credit facility.

On October 3, 2001, Schlumberger issued $1.9 billion European bonds (Euro 1.4 billion and (pound)425 million). The average rate of these bonds is 5.9% with maturity from 2008 through 2032. The proceeds from the issue were used to repay short-term bank loans originally taken out to finance the acquisition of Sema plc.

The acquisition was accounted for using the purchase method of accounting and the goodwill and identifiable intangibles aggregated $5.19 billion which are being amortized on a straight line basis. Goodwill and identifiable intangibles are currently amortized on a straight line basis over a composite life of 18 years.

The aggregate value of goodwill and identifiable intangibles comprised the following:

(Dollars in billions)

Cost (including expenses)	$ 5.15
Purchase accounting adjustments/(1)/	0.34
Net tangible assets acquired	(0.30)
	$ 5.19

(1) Purchase accounting adjustments consisted primarily of severance costs ($84 million), facility reductions ($33 million), pension plan adjustments ($136 million) and tax restructuring costs ($50 million).

For financial reporting purposes, Schlumberger included the results of operations of Sema in its consolidated accounts commencing April 1, 2001. If Sema had been included in the consolidated financial statements of Schlumberger from January 1, consolidated revenue for the nine months ended September 30, 2001 would have increased by $538 million to $10.7 billion and consolidated net income would have decreased by approximately $140 million related primarily to increased interest expense and amortization of intangibles, and lower interest income to $197 million.

Sema is an IT services company (with approximately 22,000 employees) that provides its customers with design, implementation, operations and management of information systems and IT-related consulting services. Among the industry sectors which Sema serves, Sema has increasingly focused on the telecommunications and finance sectors, and provides a range of its own software products specifically designed for these sectors in addition to its IT services. Sema's customers include a wide variety of businesses and governmental departments around the world. Sema's services and product offerings include systems integration and consulting; software products for the telecommunications, energy, transport and finance sectors; and outsourcing.

OTHER BUSINESS ACQUISITIONS

In March 2001, Schlumberger acquired Bull CP8, a market leader in microprocessor-based smart cards and associated systems applications for the banking, mobile communications and network security industries. The acquisition price was $313 million. Assets acquired included identifiable intangibles (primarily patents) of $136 million and goodwill of $140 million. Additionally, in-process research & development which aggregated $25 million was charged to expense in the first quarter.

INVESTMENTS IN AFFILIATED COMPANIES

Investments in affiliated companies include Schlumberger's 40% investment in the MI Drilling Fluids Joint Venture (September 30, 2001 - $513 million; December 31, 2000 - $461 million). Equity in income of investments carried under the equity method (2001 - $42 million; 2000 - $24 million) are included in Interest & other income on the Consolidated Statement of Income.

NEW ACCOUNTING STANDARDS

Commencing January 1, 2001, Schlumberger adopted SFAS 133 (Accounting for Derivative Instruments and Hedging Activities). Schlumberger uses derivative instruments such as interest rate swaps, currency swaps, forward currency contracts and foreign currency options. Forward currency contracts provide a hedge against currency fluctuations on assets/liabilities denominated in other than a functional currency. Options are usually entered into as a hedge against currency variations on firm commitments generally involving the construction of long-lived assets.

Schlumberger maintains a foreign-currency risk management strategy that uses derivative instruments to protect its interests from unanticipated fluctuations in earnings and cash flows caused by volatility in currency exchange rates. Movements in foreign currency exchange rates pose a risk to Schlumberger's operations as exchange rate changes may affect profitability and cash flow. Schlumberger uses foreign currency forward exchange contracts, swaps and options. Schlumberger also maintains an interest rate risk management strategy that uses derivatives to minimize significant, unanticipated earnings fluctuations caused by interest rate volatility.

Schlumberger's specific goals are (1) to manage interest rate sensitivity by modifying the repricing or maturity characteristics of certain of its debt and (2) to lower (where possible) the cost of borrowed funds.

By using derivative financial instruments to hedge exposure to changes in exchange rates and interest rates, Schlumberger exposes itself to credit risk and market risk. Schlumberger minimizes the credit risk by entering into transactions with high-quality counterparties, limiting the exposure to each counterparty and monitoring the financial condition of its counterparties. Market risk is managed through the setting and monitoring of parameters that limit the types and degree of market risk which are acceptable.

At September 30, 2001, Schlumberger recognized a net $63 million charge in Stockholders' Equity relating to SFAS 133. This charge was primarily due to the change in the fair market value of Schlumberger's US interest rate swaps as a result of declining interest rates. The effect on Stockholders' Equity at December 31, 2000 was not significant.

In June 2001, SFAS 141 (Business Combinations) and SFAS 142 (Goodwill and Other Intangible Assets) were issued. SFAS 141 has been adopted by Schlumberger for acquisitions subsequent to June 30, 2001. SFAS 142 will be adopted by Schlumberger commencing January 1, 2002. As required by SFAS 142, Schlumberger will undertake a review for impairment in 2002.

Amortization of goodwill and other intangibles included in Schlumberger's results are as follows:

($ million - pretax)

Third Quarter		Nine Months	
2001	2000	2001	2000
$ 111	$ 25	$ 236	$ 71

The total amount for the year 2001 is expected to be $350 million (pretax) and with the adoption of SFAS 142, the equivalent amount is estimated to be $60 million in 2002.

In June 2001, SFAS 143 (Accounting for Asset Retirement Obligations) was issued. SFAS 143 will be adopted by Schlumberger commencing January 1, 2003. Schlumberger does not believe that the implementation of this standard will have any material effect on it's Financial Position and Results of Operations.

In August 2001, SFAS 144 (Accounting for Impairment or Disposal of Long-Lived Assets) was issued. SFAS 144 will be adopted by Schlumberger commencing January 1, 2002. Schlumberger does not believe that the implementation of this standard will have any material effect on it's Financial Position and Results of Operations.

SEGMENT INFORMATION

Following the acquisition of Sema plc on April 6, 2001, Schlumberger created a new business segment, SchlumbergerSema, which resulted from the merger of Sema plc with certain businesses from Schlumberger's former segments, Test & Transactions and Resource Management Services. Following this reorganization, Schlumberger now operates two reportable segments, Oilfield Services and SchlumbergerSema.

(Stated in millions)

Nine Months 2001	NAM	LAM	ECA	MEA	Elims/ Other	Total OFS	Schlumberger Sema	Other(1)	Elims/ Other	Consolidated
Revenue	$2,807	$ 1,078	$1,565	$1,523	$ 309	$7,282	$ 2,091	$ 845	$ (50)	$ 10,168
Segment Income	$ 438	$ 102	$ 190	$ 279	$ (55)	$ 954	$ 11	$ 28	(195)	$ 798
Minority Interest	-	-	-	-	24	24	5	1	(2)	28
Income Tax Expense	265	31	59	50	8	413	(9)	(4)	(83)	317
Segment Income before tax	$ 703	$ 133	$ 249	$ 329	$ (23)	$1,391	$ 7	25	$(280)	$ 1,143
Interest Income										124
Interest Expense		(4)								(283)
Charges										(263)
Pretax Income										$ 721

Nine Months 2000	NAM	LAM	ECA	MEA	Elims/ Other	Total OFS	Schlumberger Sema	Other(1)	Elims/ Other	Consolidated
Revenue	$1,691	$ 810	$1,145	$1,210	$ 238	$5,094	$ 748	$1,128	$ (47)	$ 6,923
Segment Income	$ 147	$ 41	$ 91	$ 203	$ 31	$ 513	$ 20	$ 34	$ (94)	$ 473
Minority Interest	-	-	-	-	-	-	5	1	-	6
Income Tax Expense	89	15	38	29	27	198	(15)	10	(47)	146
Segment Income before tax	$ 236	$ 56	$ 129	$ 232	$ 58	$ 711	$ 10	$ 45	$(141)	$ 625
Interest Income										223
Interest Expense		(2)								(199)
Pretax Income										$ 649

(1) Includes those Resource Management Services activities planned for divestiture and Semiconductor Solutions.

Item 2: Management's Discussion and Analysis of Financial Condition and Results of Operations.

BUSINESS REVIEW

(Stated in millions)

	Oilfield Services			SchlumbergerSema			Other/(1)/		
Third Quarter	2001	2000	% chg	2001	2000	% chg	2001	2000	% chg
Operating Revenue	$2,492	$1,833	36%	$ 870	$ 270	222%	$ 273	$ 358	(24)%
Pretax Operating Income/(2)/	$ 502	$ 288	74%	$ 19	$ (2)	-%	$ 15	$ 12	28%
Nine Months									
Operating Revenue	$7,282	$5,094	43%	$2,091	$ 748	180%	$ 845	$1,128	(25)%
Pretax Operating Income/(2)/	$1,391	$ 711	96%	$ 7	$ 10	(30)%	$ 25	$ 45	(44)%

(1) Includes those Resource Management Services activities planned for divestiture and Semiconductor Solutions.
(2) Pretax operating income represents income before taxes and minority interest, excluding interest expense, interest income, amortization of goodwill and identifiable intangibles ($111 million and $236 million in the third quarter 2001 and nine months 2001, respectively). All prior periods have been restated for comparative purposes.

Third Quarter 2001 Compared to Third Quarter 2000

The third quarter operating revenue was $3.62 billion compared to $2.45 billion in the same period last year. Net Income for the same period was $195 million compared to $205 million last year. Diluted earnings per share, excluding acquisition-related costs and the divestiture related net gain, were $0.51 compared with $0.39 for the same period last year and $0.47 per share for the second quarter this year.

Oilfield Services revenue increased 36% including WesternGeco versus the third quarter of 2000. The worldwide M-I rig count grew 14% over the same period. Revenue growth of 1% compared to the second quarter of 2001 reflected the lower quarterly average rig count growth of 2%.

SchlumbergerSema revenue of $870 million for the quarter decreased 3% sequentially mostly as a result of a 17% decrease in Cards revenue following lower demand in Europe. However pretax operating income improved to $19 million.

During the quarter, Schlumberger sold the Production Operators Corporation natural gas compression business and related assets. The previously announced divestiture of the Resource Management Services (RMS) businesses is expected to be completed in the fourth quarter. Net cash proceeds from these divestitures will be used to pay down debt.

OILFIELD SERVICES

Oilfield Services operating revenue of $2.5 billion in the third quarter increased 36% year-on-year and 1% sequentially. The worldwide M-I rig count increased 14% year-on-year and 2% sequentially.

The year-on-year increase was led by the North America and Middle East & Asia Areas together with increased non-rig related activity, which was partly attributable to the WesternGeco Joint Venture. Sequential revenue growth was slightly lower than the rig count growth due to a slowdown in activity in North America as a result of slower economic growth and declining gas prices, and uncertainty following recent events.

Pretax operating income of $502 million increased 7% sequentially due to improved pricing levels.

North America

Revenue of $942 million increased 51% compared with the same quarter last year but was flat sequentially. The M-I rig count increased 20% year-on-year and 3% sequentially. Pretax operating income of $251 million was 134% higher than the third quarter last year and 11% higher than last quarter.

Year-on-year revenue growth was led by the US Land GeoMarket due to increased demand for Well Services and Wireline technologies. Year-on-year pretax operating income growth reflected pricing increases for new technology as well as the higher rig count. Despite flat revenue, there was an increase in sequential pretax operating income resulting from strong seasonal growth in the Canada GeoMarket and increased margins from seismic activity that partially offset the weather-induced reduction in activity in the Gulf Coast GeoMarket.

Latin America

Revenue of $358 million increased 20% year-on-year and 1% sequentially. The M-I rig count increased 4% compared with the same quarter in 2000 but decreased 2% sequentially. Pretax operating income of $46 million increased 42% compared to last year and 4% sequentially.

Year-on-year revenue growth was broad-based led by the Latin America South and Peru, Colombia and Ecuador (PCE) GeoMarkets. The modest sequential revenue increase was led by strong Reda sales and Drilling & Measurements activities in the PCE GeoMarket offset by lower than expected activity across all other Latin American GeoMarkets.

Europe/CIS/West Africa

Revenue of $551 million increased 30% year-on-year but was flat sequentially. The M-I rig count, excluding CIS, increased 12% year-on-year and 1% sequentially. Pretax operating income of $96 million increased 49% year-on-year and was flat sequentially.

Strong growth was recorded in the Caspian GeoMarket from increased activities related to the Chirag Extended Reach Project in Baku and the start-up of the well construction services contract for the TengizChevroil Consortium in Kazakhstan. In addition, substantial growth in the UK GeoMarket resulted from an increase in the number of 4C proprietary seismic surveys acquired for North Sea operators.

Higher demand for Drilling & Measurements services across the Area contributed to the year-on-year increase in pretax operating income.

Middle East & Asia

Revenue of $547 million increased 35% year-on-year and 8% sequentially outpacing the M-I rig count, which increased 4% compared with last year and only 1% sequentially. Pretax operating income of $130 million increased 65% compared to the third quarter last year and 20% sequentially.

The year-on-year increase was broad-based across the Area. Sequential revenue increases were recorded by all service segments led by WesternGeco in the Saudi Arabia, Australia and Indonesia GeoMarkets, with the exception of Well Services due to reduced fracturing activity in Saudi Arabia. Year-on-year and sequential pretax operating income growth were due partly to improved pricing through the introduction of new technologies such as the CHFR* Cased Hole Formation Resistivity reservoir characterization technique that allows formation measurements to be made in wells that have already been cased. In addition, the PowerSTIM* well production optimization solution continued to expand in the Area, where it was deployed in the Indonesia GeoMarket for the first time.

SCHLUMBERGERSEMA

The merger of Sema into Schlumberger made significant progress during the quarter. Market resilience, particularly in the UK and in utilities, and continued rapid exploitation of cost synergies, have provided the basis for improved performance. The contracts awarded to SchlumbergerSema during the quarter strongly support the rationale for integration and deployment of IT services for customers with the six-year Conoco contract demonstrating Schlumberger's ability to address enterprise-level commitments in connectivity, security, systems integration and IT consulting.

SchlumbergerSema reported operating revenue for the quarter of $870 million. Pretax operating income of $19 million increased as a result of improved profitability in the utility and global services markets and the cost saving synergy programs implemented last quarter.

Revenue from the utility market segment was flat sequentially with strong growth in North America for Real Time Energy Management (RTEM) services and further deployment of the wireless fixed network supporting those services. The utilities-related systems integration business was weak in the quarter. Orders increased 69% due to strong demand for remotely-readable meter installations, which included the signing of a 15-year agreement to provide information technology services to Milwaukee-based Wisconsin Electric-Wisconsin Gas.

Global Services revenue grew by 3% sequentially. Multi-year contracts were won in the medical services, recovery services and outsourcing businesses.

Cards revenue of $147 million was down 17% compared to the prior quarter and down 4% year-on-year. Revenue from mobile communications cards (SIM) was down 23% sequentially, reflecting reduced demand in Europe, and in Asia where uncertainty continues in the telecom market. Orders for SIM cards showed strong improvement in the later part of the quarter, up 47% sequentially, indicating that an inflection point may have been reached. The lower revenues in SIM cards were partially offset by improved shipments of IT and financial cards. In the quarter, the first deliveries were made to the Department of Defense Common Access Card program.

Demand for parking, mass transit and point-of-sales banking products resulted in eTransaction terminals' revenue growth of 31% year-on-year and 9% sequentially. The city of New York purchased an additional 220 multi-space parking terminals for on-street parking. SchlumbergerSema parking terminals will replace more than 7,000 conventional single-space terminals as New York City moves forward with its innovative commercial parking program.

Revenue from the telecom sector increased 3% sequentially while orders were flat. This was largely due to increased sales in customer care and billing systems in Europe and Latin America, which is the direct result of an expanded customer base and subsequent realization of the synergies within SchlumbergerSema.

OTHER

The segment includes the portion of the Resource Management Services businesses, Semiconductor Solutions and Global Tel*Link which are expected to be disposed of in the near future. Revenue from the Resource Management Services businesses was 14% below last year; Semiconductor Solutions revenue was 56% below a year ago. The operating loss at Semiconductor Solutions was more than offset by the profit at Resource Management Services.

INCOME STATEMENT

Interest and other income decreased $49 million from the same period last year as a $51 million decrease in interest income (2001 - $28 million; 2000 - $79 million) reflecting a decrease of $2.9 billion in average investment balances and a decrease in average returns on investments from 6.6% to 5.9%, was partially offset by a $2 million increase in equity income. Gross margin, excluding the $42 million divestiture related credit, of 24% was 1.6 percentage points above last year. Research and engineering expense as a percentage of revenue decreased 0.7% and marketing expense increased 0.3% from last year. General expense as a percentage of revenue increased from 4.3% to 5.2%. Interest expense increased by $30 million as average debt balances were up $3.8 billion due primarily to the Sema acquisition and the average borrowing rates decreased from 7.1% to 5.2%. The effective tax rate, excluding the $3 million credit, increased by 16 percentage points to 36% primarily due to higher pretax income in North America and the effect of higher non-tax deductible goodwill amortization.

First Nine Months 2001 Compared to First Nine Months 2000

Operating revenue for the first nine months was $10.17 billion, a 47% increase over the same period last year, and net income was $337 million ($0.59 per share - diluted). Excluding charges/credits (See "Charges/Credits" in Notes to Consolidated Financial Statements), net income was $640 million and diluted earnings per share were $1.10, increases of 29% and 28%, respectively, over the same period last year.

OILFIELD SERVICES

Operating revenue of $7.3 billion increased 43% due in large part to North America and Europe/CIS/West Africa. Pretax operating income increased by 96% over last year. The M-I rig count increased by 23%. Revenue outpaced rig count due to higher pricing, market share gains, and increase in WesternGeco revenue.

North America

Revenue increased 66% to $2.81 billion compared to the first nine months of 2000, pretax operating income of $703 million increased 198%. The M-I rig count increased 30% over the same period last year. The increase in revenue reflected the higher non-rig related activities, price increase, new technologies and better utilization of existing resources. This was reduced somewhat by the slowing down in economic growth in the US.

Latin America

Latin America revenue of $1.08 billion increased by 33% compared to last year. The pretax operating income increased by 139% and the M-I rig count increased by 21%. Compared to the same period last year, revenue growth was broad-based driven by marked increases in activity from higher rig counts. There were increases in market share and improvement in rig rates across all GeoMarkets led by VTT (up 26%), Peru, Colombia & Ecuador (PCE up 51%) and Latin America South (up 45%). In the Area, Seismic increased 36%, Wireline (up 37%), Drilling & Measurements (up 44%), WCP (up 43%) and Well Services (up 29%).

Europe/CIS/West Africa

Revenue of $1.56 billion increased 37% over the same period last year. Pretax operating income increased 93% and the M-I rig count (excluding CIS) increased by 18%. Year over year, revenue growth was driven both by increased activity as result of rig count growth and by tremendous growth in non-rig related activity, Seismic (up 137%) from the WesternGeco joint venture. Growth was led by West and South Africa (up 80%) which includes the EPF project in Gabon. Strong growth was also recorded in the UK (up 30%) & Russia (up 57%) GeoMarkets.

Middle East & Asia

Revenue increased 26% to $1.52 billion. Compared to the same period last year, pretax operating income was up 42% and the M-I rig count increased by 6%. Compared to last year, revenue increase was broad-based across the Area with the majority of the GeoMarkets registering double-digit growths led by the Gulf (54% increase), Eastern Mediterranean (up 30%), Saudi/Kuwait/Bahrain (up 27%). The growth is due to increased activity (from higher rig counts) and from increase in non-rig related activity (e.g. Seismic which is up 79% in the Area). The successful implementation of new technologies also made some inroads in terms of market share increases. Drilling & Measurements, WCP and SIS were up 47%, 26% and 36%, respectively.

SCHLUMBERGERSEMA

Revenue was $2.09 billion and pretax operating income was $7 million. Revenue for Utilities and Transactions Systems increased by 101% and 46%, respectively, over last year.

OTHER

Revenue from the Resource Management Services businesses decreased 20% compared to last year. Semiconductor Solutions revenue declined 47%. The profit at Resource Management Services was partially offset by Semiconductor Solutions losses.

INCOME STATEMENT

Interest and other income decreased $59 million from the same period last year as a $96 million decrease in interest income (2001 - $129 million; 2000 - $225 million) reflecting a decrease in average investment balances which were used to finance the acquisition of Sema plc shares, was partially offset by a $19 million gain from the sale of investments, also related to funding the Sema plc share purchases, and a $18 million increase in equity income. Average returns on investments decreased from 5.6% to 5.5%. Gross margin, excluding the net charges of $238 million, of 24% was one percentage point above last year. Research and engineering, excluding the Bull CP8 charge of $25 million, as a percentage of revenue decreased 0.8% over last year. Marketing and general expenses as a percentage of revenue increased by 0.5% and remained flat, respectively, over last year. Interest expense increased by $86 million as average borrowing rates decreased from 6.1% to 5.4%. The increase in expenses was due mainly to the acquisition of Sema plc. The effective tax rate, excluding the charges and credit, increased from 22% to 32% for the same period last year due primarily to higher profitability in North America and the effect of higher non-tax deductible goodwill amortization.

NEW ACCOUNTING STANDARDS

Commencing January 1, 2001, Schlumberger adopted SFAS 133 (Accounting for Derivative Instruments and Hedging Activities). Schlumberger uses derivative instruments such as interest rate swaps, currency swaps, forward currency contracts and foreign currency options. Forward currency contracts provide a hedge against currency fluctuations on assets/liabilities denominated in other than a functional currency. Options are usually entered into as a hedge against currency variations on firm commitments generally involving the construction of long-lived assets.

Schlumberger maintains a foreign-currency risk management strategy that uses derivative instruments to protect its interests from unanticipated fluctuations in earnings and cash flows caused by volatility in currency exchange rates. Movements in foreign currency exchange rates pose a risk to Schlumberger's operations as exchange rate changes may affect profitability and cash flow. Schlumberger uses foreign currency forward exchange contracts, swaps and options. Schlumberger also maintains an interest rate risk management strategy that uses derivatives to minimize significant, unanticipated earnings fluctuations caused by interest rate volatility. Schlumberger's specific goals are (1) to manage interest rate sensitivity by modifying the repricing or maturity characteristics of certain of its debt and (2) to lower (where possible) the cost of borrowed funds.

By using derivative financial instruments to hedge exposure to changes in exchange rates and interest rates, Schlumberger exposes itself to credit risk and market risk. Schlumberger minimizes the credit risk by entering into transactions with high-quality counterparties, limiting the exposure to each counterparty and monitoring the financial condition of its counterparties. Market risk is managed through the setting and monitoring of parameters that limit the types and degree of market risk which are acceptable.

At September 30, 2001, Schlumberger recognized a net $63 million charge in Stockholders' Equity relating to SFAS 133. This charge was primarily due to the change in the fair market value of

Schlumberger's US interest rate swaps as a result of declining interest rates. The effect on Stockholders' Equity at December 31, 2000 was not significant.

In June 2001, SFAS 141 (Business Combinations) and SFAS 142 (Goodwill and Other Intangible Assets) were issued. SFAS 141 has been adopted by Schlumberger for acquisitions subsequent to June 30, 2001. SFAS 142 will be adopted by Schlumberger commencing January 1, 2002. As required by SFAS 142, Schlumberger will undertake a review for impairment in 2002.

Amortization of goodwill and other intangibles included in Schlumberger's results are as follows:

($ million - pretax)

Third Quarter		Nine Months	
2001	2000	2001	2000
$111	$ 25	$236	$ 71

The total amount for the year 2001 is expected to be $350 million (pretax) and with the adoption of SFAS 142, the equivalent amount is estimated to be $60 million in 2002.

In June 2001, SFAS 143 (Accounting for Asset Retirement Obligations) was issued. SFAS 143 will be adopted by Schlumberger commencing January 1, 2003. Schlumberger does not believe that the implementation of this standard will have any material effect on it's Financial Position and Results of Operations.

In August 2001, SFAS 144 (Accounting for Impairment or Disposal of Long-Lived Assets) was issued. SFAS 144 will be adopted by Schlumberger commencing January 1, 2002. Schlumberger does not believe that the implementation of this standard will have any material effect on it's Financial Position and Results of Operations.

ACQUISITIONS

In March 2001, Schlumberger acquired Bull CP8, a market leader in microprocessor-based smart cards and associated systems applications for the banking, mobile communications and network security industries. The acquisition price was $313 million. Assets acquired included identifiable intangibles (primarily patents) of $136 million and goodwill of $140 million. Additionally, in-process research & development which aggregated $25 million was charged to expense in the first quarter.

In April 2001, Schlumberger acquired Sema plc for an aggregate consideration of $5.15 billion. See "Investment in Sema plc" in the "Notes to the Consolidated Financial Statements".

LIQUIDITY

In April 2001, Schlumberger borrowed $3 billion to finance the acquisition of Sema plc ($2.5 billion in Europe). See "Investment in Sema plc" in the "Notes to the Consolidated Financial Statements".

On October 3, 2001, Schlumberger issued $1.9 billion European bonds (Euro 1.4 billion and (pound)425 million). The average rate of these bonds is 5.9% with maturity from 2008 through 2032. The proceeds from the issue were used to repay short-term bank loans originally taken out to finance the acquisition of Sema plc.

FORWARD-LOOKING STATEMENTS

Schlumberger cautions that, except for historical information, statements in this 10-Q report, the third quarter 2001 earnings release and associated conference call, and elsewhere may constitute forward-looking statements. These include statements as to expectations, beliefs and future financial performance, such as statements regarding business prospects in the key industries in which Schlumberger operates and growth opportunities for Schlumberger in those industries.

These statements involve a number of risks, uncertainties, assumptions and other factors that could cause actual results to differ materially from those in the forward-looking statements. Such factors include: continuing customer commitment to certain key long-term contracts; changes in E&P spending by major oil and gas companies, including renewed growth in gas drilling; economic, competitive and technological factors affecting markets, services, and prices in Schlumberger Sema businesses, including the extent and timing of a recovery in the telecommunications industry segment and utilities investment in utility management solutions; Schlumberger's ability to integrate newly acquired businesses and to realize identified synergies and cost savings from those acquisitions; timing and proceeds from anticipated divestitures; general economic and business conditions in key regions of the world; and changes in business strategy.

Item 3: Quantitative and Qualitative Disclosure about Market Risk.

Schlumberger does not believe it has a material exposure to financial market risk. Schlumberger manages the exposure to interest rate changes by using a mix of debt maturities and variable- and fixed-rate debt together with interest rate swaps, where appropriate, to fix or lower borrowing costs. With regard to foreign currency fluctuations, Schlumberger enters into various contracts, which change in value as foreign exchange rates change, to protect the value of external and intercompany transactions in foreign currencies. Schlumberger does not enter into foreign currency or interest rate transactions for speculative purposes.

* Mark of Schlumberger

PART II. OTHER INFORMATION

Item 6: Exhibits and Reports on Form 8-K

Exhibits: As permitted by Item 601(b)(4)(iii)(A) of Regulation S-K, the Registrant has not filed with this Quarterly Report on Form 10-Q certain instruments defining the rights of holders of long-term debt of the Registrant and it subsidiaries because the total amount of securities authorized under any of such instruments does not exceed 10% of the total assets of the Registrant and its subsidiaries on a consolidated basis. The Registrant agrees to furnish a copy of any such agreements to the Securities and Exchange Commission upon request.

Reports on Form 8-K: None

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 thereunto duly authorized and in his capacity as chief accounting officer.

Schlumberger Limited
(Registrant)

Date: November 1, 2001

.../s/Jean-Marc Perraud

Jean-Marc Perraud
Controller and
Chief Accounting Officer