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.:
June 30, 2000	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.)

277 PARK AVENUE NEW YORK, NEW YORK, U.S.A.	10172
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 July 31, 2000
COMMON STOCK, $0.01 PAR VALUE	570,017,871

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)

	Period Ended June 30,			
	Second Quarter		Six Months	
	2000	1999 (1)	2000	1999 (1)
REVENUE:				
Operating	$ 2,338,266	$ 2,011,831	$ 4,475,708	$ 4,129,135
Interest & other income	83,541	53,753	159,651	217,864
	2,421,807	2,065,584	4,635,359	4,346,999
EXPENSES:				
Cost of goods sold & services	1,794,136	1,582,856	3,427,759	3,358,433
Research & engineering	130,740	126,354	261,782	258,197
Marketing	110,988	106,881	213,997	210,164
General	113,455	94,904	217,689	194,094
Interest	65,341	42,874	128,437	87,828
	2,214,660	1,953,869	4,249,664	4,108,716
Income from continuing operations before taxes	207,147	111,715	385,695	238,283
Taxes on income	51,224	20,574	93,614	78,099
Income from continuing operations (2)	155,923	91,141	292,081	160,184
Income from discontinued operations, net of tax (3)	-	36,146	-	56,270
Net Income	$ 155,923	$ 127,287	$ 292,081	$ 216,454
Basic Earnings Per Share				
Continuing Operations	$ 0.27	$ 0.16	$ 0.51	$ 0.28
Discontinued Operations	-	0.07	-	0.11
Net Income	$ 0.27	$ 0.23	$ 0.51	$ 0.39
Diluted Earnings Per Share				
Continuing Operations (2)	$ 0.27	$ 0.16	$ 0.51	$ 0.28
Discontinued Operations (3)	-	0.06	-	0.10
Net Income	$ 0.27	$ 0.22	$ 0.51	$ 0.38
Average shares outstanding	569,293	547,112	568,090	546,744
Average shares outstanding assuming dilution	579,707	563,529	578,124	561,722
Depreciation and amortization included in expenses (4)	$ 311,550	$ 276,353	$ 623,893	$ 552,570
Dividends declared per share	$ 0.1875	$ 0.1875	$ 0.3750	$ 0.3750

1) Restated for comparative purposes.

2) The six months 1999 results from Continuing Operations include a pretax charge of $147 million partially offset by a pretax gain of $103 million (net - $58 million after tax, $0.10 per share - diluted), consisting of the following:

- A charge of $118 million ($118 million after tax) related to the downsizing of its global Oilfield Services activities, including $108 million of severance cost and $10 million for asset impairments.
- A charge of $29 million ($20 million after tax) related to RMS and Test & Transactions, consisting principally of $16 million of severance cost at several RMS facilities resulting from a downturn in business and $5 million of asset write-downs.
- A credit of $103 million ($80 million after tax) from the gain on the sale of financial instruments received in connection with the 1998 sale of RPS. The pretax gain on the sale of financial instruments is included in Interest & other income. The pretax charge of $147 million is classified in Cost of goods sold and services.

3) Discontinued Operations in 1999 include the operating results of the spun-off Sedco Forex business. The six months 1999 results include an after-tax charge of $33 million ($0.06 per share - diluted) for severance costs ($13 million) and legal claims.

4) 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)	
ASSETS	Jun. 30, 2000	Dec. 31, 1999 (1)
CURRENT ASSETS:		
Cash and short-term investments	$3,695,676	$4,389,837
Receivables less allowance for doubtful accounts (2000 - $79,018; 1999 - $89,030)	2,616,429	2,429,842
Inventories	1,018,757	956,980
Deferred taxes on income	257,642	226,238
Other current assets	273,079	258,532
	7,861,583	8,261,429
LONG-TERM INVESTMENTS, HELD TO MATURITY	1,307,461	726,496
INVESTMENTS IN AFFILIATED COMPANIES	612,440	535,434
FIXED ASSETS:		
Property, plant and equipment	10,051,836	9,639,274
Less accumulated depreciation	(6,298,394)	(6,078,534)
	3,753,442	3,560,740
MULTICLIENT SEISMIC DATA	319,234	311,520
EXCESS OF INVESTMENT OVER NET ASSETS OF COMPANIES PURCHASED less amortization	1,358,813	1,333,681
DEFERRED TAXES ON INCOME	272,373	242,616
OTHER ASSETS	137,468	109,276
	$15,622,814	$15,081,192
LIABILITIES & STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$2,418,102	$2,282,884
Estimated liability for taxes on income	420,334	383,159
Bank loans	468,415	444,221
Dividend payable	107,453	106,653
Long-term debt due within one year	26,344	257,571
	3,440,648	3,474,488
LONG-TERM DEBT	3,573,545	3,183,174
POSTRETIREMENT BENEFITS	464,905	451,466
OTHER LIABILITIES	243,758	251,036
	7,722,856	7,360,164
STOCKHOLDERS' EQUITY:		
Common stock	1,859,961	1,820,186
Income retained for use in the business	7,995,648	7,916,612
Treasury stock at cost	(1,808,694)	(1,878,612)
Translation adjustment	(146,957)	(137,158)
	7,899,958	7,721,028
	$15,622,814	$15,081,192

(1) Restated 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) Six Months Ended June 30, 2000	1999 (1)
Cash flows from operating activities:		
Net income from continuing operations	$ 292,081	$ 160,184
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization (2)	623,893	552,570
Earnings of companies carried at equity, less dividends received (Dividends: 2000 - $0; 1999 - $616)	(13,583)	(4,332)
Provision for losses on accounts receivable	15,316	18,928
Change in operating assets and liabilities:		
(Increase) decrease in receivables	(222,935)	126,936
(Increase) decrease in inventories	(57,158)	42,791
(Increase) decrease in deferred taxes on income	(23,669)	463
Increase (decrease) in accounts payable and accrued liabilities	56,683	(208,995)
Increase (decrease) in estimated liability for taxes on income	39,303	(59,227)
Charge	-	57,568
Other - net	(105,934)	(13,486)
Net cash provided by operating activities	603,997	673,400
Cash flows from investing activities:		
Purchase of fixed assets	(528,960)	(399,596)
Multiclient seismic data capitalized	(119,940)	(111,049)
Sales/retirements of fixed assets	54,060	(14,538)
Decrease in investments	136,309	184,853
Sale of financial instruments	-	203,572
Businesses acquired	(261,446)	(54,581)
(Increase) decrease in other assets	(41,047)	5,871
Discontinued operations	-	(147,654)
Net cash used in investing activities	(761,024)	(333,122)
Cash flows from financing activities:		
Dividends paid	(212,368)	(204,839)
Proceeds from employee stock purchase plan	61,560	52,250
Proceeds from exercise of stock options	109,693	38,943
Proceeds from issuance of long-term debt	530,939	620,000
Payments of principal on long-term debt	(333,943)	(600,000)
Net increase (decrease) in short-term debt	26,937	(194,607)
Net cash provided by (used in) financing activities	182,818	(288,253)
Net increase in cash	25,791	52,025
Cash, beginning of period	132,589	105,321
Cash, end of period	$ 158,380	$ 157,346

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

See Notes to Consolidated Financial Statements

SCHLUMBERGER LIMITED

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STOCKHOLDERS' EQUITY

(Unaudited)

(Dollars in thousands)

	Common Stock		Retained	Translation	Comprehensive
	Issued	In Treasury	Income	Adjustment	Income
Balance, January 1, 2000	$1,820,186	$(1,878,612)	$7,916,612	$(137,158)	$ -
Net Income			292,081		292,081
Translation adjustment				(9,799)	(9,799)
Dividends declared			(213,045)		
Shares sold to optionees	39,775	69,918			
Balance, June 30, 2000	$1,859,961	$(1,808,694)	$7,995,648	$(146,957)	$ 282,282

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)

In the opinion of management, all adjustments necessary to present fairly the financial position and the results of operations have been made in the accompanying interim financial statements. The Company's significant accounting policies are summarized in its 1999 Annual Report. These policies have been consistently applied during the interim period presented in this report. The results of operations for the six month period ended June 30, 2000 are not necessarily indicative of the results of operations that may be expected for the entire year.

EARNINGS PER SHARE

The following is a reconciliation from basic earnings per share to diluted earnings per share for the second quarter and the first six months of 2000:

(Stated in thousands except per share amounts)

Second Quarter	Net Income	Average Shares Outstanding	Earnings per Share
Basic	$ 155,923	569,293	$0.27
Effect of dilution:			
Options		10,414	-
	$ 155,923	579,707	$0.27

Six Months	Net Income	Average Shares Outstanding	Earnings per Share
Basic	$ 292,081	568,090	$0.51
Effect of dilution:			
Options		10,034	-
	$ 292,081	578,124	$0.51

1999 FOURTH QUARTER CHARGE

In December 1999, Schlumberger recorded a pretax charge of $77 million related to the asset impairments ($56 million) and severance costs ($13 million - 300 people) for reductions in the marine seismic fleet and restructuring of its land drilling activity. At June 30, 2000, substantially all costs have been paid.

DISCONTINUED OPERATIONS

Discontinued operations, in 1999, reflect the net operating results after taxes of Schlumberger's offshore contract drilling business, Sedco Forex, which was spun-off in December 1999.

Summarized financial information for the discontinued operations for the six months ended June 30, 1999 is as follows:

Operating revenue	$ 352 million
Income before taxes	$ 57 million
Income after taxes	$ 56 million

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.

INVESTMENTS IN AFFILIATED COMPANIES

Investments in affiliated companies include Schlumberger's 40% investment of $426 million in the MI Drilling Fluids joint venture.

SEGMENT INFORMATION

(Stated in millions)

Six Months 2000	North America	Latin America	Europe/ CIS/W. Afr.	Other Eastern	Elims/ Other	Total OFS	RMS	T&T	Elims/ Other	Consolidated
Revenue	$1,066	$511	$723	$805	$109	$3,214	$645	$657	$(40)	$4,476
Segment Income	$81	$13	$41	$132	$1	$268	$11	$15	$(17)	$277
Income Tax Expense	48	10	24	21	20	123	5	(5)	(31)	92
Pretax Segment Income	$129	$23	$65	$153	$21	$391	$16	$10	$(48)	$369
Interest Income										144
Interest Expense		$(1)								(127)
Pretax Income										$386

Six Months 1999	North America	Latin America	Europe/ CIS/W. Afr.	Other Eastern	Elims/ Other	Total OFS	RMS	T&T	Elims/ Other	Consolidated
Revenue	$742	$452	$813	$815	$90	$2,912	$687	$526	$4	$4,129
Segment Income	$20	$7	$43	$125	$(1)	$194	$(6)	$9	$(4)	$193
Income Tax Expense (1)	10	8	24	32	5	79	4	1	(20)	64
Pretax Segment Income	$30	$15	$67	$157	$4	$273	$(2)	$10	$(24)	$257
Interest Income										108
Interest Expense		$(4)	$ (1)							(83)
Sale of Financial Inst.										103
Charge & Other										(147)
Pretax Income										$238

(1) Income tax expense excludes a net charge of $14 million related to the charge.

Nonoperating expenses, such as certain intersegment charges and interest expense (except as shown above), are not included in segment operating income.

BUSINESS REVIEW

(Stated in millions)

Second Quarter	Oilfield Services 2000	Oilfield Services 1999	% chg	Resource Management Services 2000	Resource Management Services 1999	% chg	Test & Transactions (2) 2000	Test & Transactions (2) 1999	% chg
Operating Revenue	$ 1,685	$ 1,409	20%	$ 321	$ 342	(6)%	$ 350	$ 256	37%
Pretax Operating Income (1)	$ 219	$ 118	86%	$ 5	$ (7)	-	$ 10	$ 2	390%

Six Months	Oilfield Services 2000	Oilfield Services 1999	% chg	Resource Management Services 2000	Resource Management Services 1999	% chg	Test & Transactions (2) 2000	Test & Transactions (2) 1999	% chg
Operating Revenue	$ 3,214	$ 2,912	10%	$ 645	$ 687	(6)%	$ 657	$ 526	25%
Pretax Operating Income (1)	$ 391	$ 273	43%	$ 16	$ (2)	-	$ 10	$ 10	-

(1) Pretax operating income represents income before taxes, excluding interest expense, interest income and the first quarter 1999 net charge.

(2) Test & Transactions results include Schlumberger Omnes, formerly a joint venture, which was 100% acquired during the third quarter 1999.

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

Second Quarter 2000

The second quarter operating revenue of $2.34 billion was 16% higher than the same period last year. Income from continuing operations increased 71% to $156 million compared with $91 million last year. Per share net income from continuing operations increased to $0.27 (diluted) versus $0.16 (diluted).

Oilfield Services operating revenue increased 10% versus the prior quarter while the worldwide M-I rig count decreased by 1%. Compared with the same period last year, revenue increased 20% as the worldwide M-I rig count grew 40%.

Resource Management Services (RMS) operating revenue was 6% lower than in the second quarter of 1999. Excluding the adverse effects of currency exchange rates, revenue increased 1%. Test & Transactions operating revenue, including Omnes, increased 37% compared with the same quarter last year.

OILFIELD SERVICES

Oilfield Services operating revenue in the second quarter increased 10% sequentially with improvements in all geographic Areas. Led by activity in North America, revenue increased 20% versus the same period last year. Compared with the prior quarter and the same period last year, revenue increased in all four geographic Areas as the worldwide M-I rig count decreased 1% sequentially and increased 40% year-over-year.

Pretax operating income in the second quarter increased 27% sequentially and 86% versus the same period last year.

The quarter was characterized by increasing oil and gas demand, firmer oil and gas prices and the relatively low level of excess production capacity, which led to increased demand for oilfield services as oil companies began increasing their exploration and production spending.

During the quarter Schlumberger undertook a number of strategic positioning steps:

- On May 31, Schlumberger and Baker Hughes signed a memorandum of understanding under which the Schlumberger surface seismic business, Geco-Prakla, would join with the Western Geophysical seismic unit of Baker Hughes to form a new venture to be called Western GECO. As part of the formation of the venture, Baker Hughes would receive $500 million in cash from Schlumberger. The new venture would be owned 70% by Schlumberger and 30% by Baker Hughes. The creation of Western GECO is subject to the completion of a definitive agreement, and to regulatory and board approvals.

- To enhance its Oilfield Services product offering for reservoir optimization, Schlumberger acquired Operational Services, Inc. (OSI) on April 28. OSI provides clients with a systematic approach to production management through efficient systems and processes, including contract operations management of oil and gas production, gas processing, co-generation facilities, contract maintenance services for large rotating equipment, and stand-alone operational engineering consulting services. The acquisition price was $13 million.

- In anticipation of growth in subsea completions and deepwater field developments, Schlumberger purchased, for $11 million, a 40% share of Framo Engineering AS, a leader in subsea hydrocarbon processing. Based in Bergen, Norway, Framo has developed a range of products and services that substantially increase hydrocarbon production. The combination of Framo Engineering subsea products and services with Schlumberger downhole equipment and reservoir knowledge offers a single source for selecting, integrating and operating advanced technical solutions to optimize recovery in subsea developments.

North America

In North America, second quarter revenue of $555 million increased 9% sequentially and 57% compared with the second quarter of 1999 as the M-I rig count decreased 7% sequentially and increased 76% year-over-year. Pretax operating income of $67 million increased 9% sequentially and 419% versus the same period last year. Sequentially, revenue increased in all regions, except Canada, which was down due to the normal seasonal reduction in drilling activity. All Product Groups posted significant year-over-year revenue gains, with drilling bits, seismic and pressure pumping services showing the largest year-over-year increases.

Latin America

In Latin America, second quarter revenue of $262 million increased 5% sequentially and 10% year-over-year as the M-I rig count increased 5% sequentially and 19% versus the same period last year. Pretax operating income of $15 million showed a strong 87% improvement, both sequentially and year-over-year. Revenue increased in all GeoMarket regions, both sequentially and year-over-year, with southern Latin America posting the largest percentage increase, offset partly by lower marine seismic revenue during the quarter due to the movement of seismic vessels to other markets.

Europe/CIS/West Africa

Second quarter revenue of $385 million in the Europe/CIS/West Africa Area increased 14% sequentially and was up 1% compared with the same quarter last year. The M-I rig count, excluding the CIS, was up 7% versus the first quarter of 2000, and up 2% over the same period last year. Pretax operating income of $41 million increased 73% sequentially and 59% year-over-year. Second quarter revenue this year excludes drilling fluids revenue as a result of the M-I drilling fluids joint venture. CIS and West Africa showed the largest revenue gains, both sequentially and compared with last year. In the Area, sequential revenue growth was led by pressure pumping, wireline and seismic services.

Schlumberger completed an installation of its intelligent completion system in a North Sea field for Norsk Hydro. The system was installed ahead of schedule, leading to the highest producing well in the field, and was used to eliminate gas breakthrough while optimizing oil production levels.

Other Eastern Hemisphere

Second quarter revenue of $424 million in the Other Eastern Hemisphere Area increased 12% sequentially and 10% year-over-year, while the M-I rig count increased 4% sequentially and 7% year-over-year. Pretax operating income of $89 million increased 38% sequentially and 28% year-over-year. Geographically, the Gulf region in the Middle East and Indonesia posted the largest year-over-year revenue gains. Product Group revenue increased sequentially and year-over-year, led by Reservoir Development.

RESOURCE MANAGEMENT SERVICES

Resource Management Services second quarter revenue decreased 6% versus the same period in 1999. In national currencies, revenue rose 1% versus the same period last year. Orders increased 1% (up 8% in national currencies) versus the same period last year.

Excluding the impact of CellNet and the special provisions last year, second quarter pretax operating income improved compared with the same period a year ago.

In North America, second quarter revenue rose 12% versus the same period last year, while orders increased by 53%. The large increase in orders was led by higher demand for the CENTRON* static electricity meter and by new CellNet business. In May, RMS North America acquired the assets of CellNet Data Systems, the leading provider of telemetry technology for the development and deployment of large-scale automatic meter reading (AMR) systems. Revenue was realized from reading fees from already-deployed CellNet networks, primarily at AmerenUE, Northern States Power and Puget Sound Energy. In addition revenue during the quarter included a contribution from sales of the Metricom UtiliNet radios.

In Europe, second quarter revenue and orders both declined 17% (down 7% in national currencies) versus the same period last year. Gas revenue in the UK increased significantly due to strong residential meter demand including an agreement for the sale of over 650,000 U6 gas meters in 2000.

Revenue in South America benefited from economic recovery in Chile and in Brazil. Both countries reported increased orders over 1999 with electricity particularly strong in Brazil. For South America overall, however, revenue was flat in the second quarter versus the prior year while orders decreased 5%.

In Asia, second quarter revenue climbed 8% versus the same period in 1999. The increase in revenue resulted, in part, from sales in India and increased exports from Asia to other markets.

TEST & TRANSACTIONS

Test & Transactions second quarter revenue and orders, including Omnes, increased 37% and 33%, respectively, compared with the same quarter last year.

Second quarter revenue for Cards increased 28% over the same period last year, and orders rose 29%. The revenue results reflect continued strength in shipments for GSM (Global Systems for Mobile Communications) SIM (Subscriber Identity Module) cards. Orders were strong in Asia, particularly in China where the first order for high-end Simera* (Java***-programmable) SIM cards was received. Orders during the quarter were driven by mobile communications markets in Asia and included the first order for new 3G (third-generation) mobile standard SIM cards in Japan as well as orders from the launch of the Simera GAIT* TDMA card in April and the Simera Airflex* CDMA card in June.

Including Omnes, which is not included in the 1999 second quarter revenue, Network Solutions second quarter revenue increased 149% versus the same period last year and orders increased 47%. Revenue during the quarter included a contribution from the delivery of mobile communications applications to customers in China, Australia and France. These applications permit cell phone customers to access Internet-based services via their cell phones and pave the way for secure mobile-commerce and mobile-banking growth. Orders also included a contract for the design and systems integration of a data center for a telecommunications client in the Caribbean as well as the first integrated mobile communications solution covering cards, readers and service administration platforms. The Xpert Connect* web-based automated help desk for high-volume user access was introduced during the quarter.

E-Transactions Solutions second quarter revenue declined 17% from the same period last year, which included exceptional revenue for the RATP (the Paris Regional Transportation Administration). Orders increased by 33% year-over-year. The order improvement spanned all activities and geographic markets. Two integrated railway ticketing solutions tenders were won in France during the quarter. New introductions in the MagIC* e-payment and Flexio* off-street parking product lines also contributed to the order growth.

Semiconductor Solutions second quarter revenue increased 36% over last year, and orders increased 39%. However, in the memory chip market, manufacturers are delaying their buildup of RDRAM** production, affecting orders for the RDX2400* test system. Strong demand in both the Asian and European markets for SOC (System On a Chip) semiconductor test equipment, combined with continued demand for Probe and Verification Systems, led the growth in revenue and orders, assisted by the introduction of the EXA3000* SOC tester due to its early acceptance in the critical Asian marketplace. The growth of the SABER* semiconductor consulting and solutions integration business and customer service business reflects the continued expansion of solutions activities within Test & Transactions.

INCOME STATEMENT

Interest and other income includes Interest income of $74 million and Equity in Net Earnings of Affiliated Companies of $10 million, of which $8 million is related to the drilling fluids joint venture with Smith International. Compared to last year, Interest income increased by $20 million mainly due to the higher average returns on investments, from 4.7% to 6.1%, while Equity in Net Earnings of Affiliated Companies increased by $10 million due primarily to the drilling fluids joint venture income. Gross margin was 23% compared to 21% for the same period last year. Research and engineering and marketing expenses increased by 3% and 4%, respectively. General expense as a percentage of operating revenue increased from 4.7% to 4.9%. Interest expenses increased by $22 million as average borrowing rates increased from 5.4% to 6.7% and average debt balances increased slightly. The effective tax rate increased by 6 percentage points to 25% reflecting higher pretax income in the United States.

First Six Months 2000

First half operating revenue of $4.48 billion was 8% higher than the same period last year. Excluding the first quarter 1999 charge, income from continuing operations of $292 million and diluted earnings per share from continuing operations of $0.51 were both 34% above the same period last year.

OILFIELD SERVICES

Operating revenue increased by 10% with North and South America accounting for most of this. Pretax operating income increased by 43%. The M-I rig count increased by 30% over last year.

North America

Revenue of $1.07 billion increased 44% compared with the first 6 months of 1999, pretax operating income increased by 339%. The M-I rig count increased by 63%. Revenue increased across all oilfield services. The increasing oilfield services demand led to improvement in pricing levels, particularly for wireline, pressure pumping, and logging-while-drilling (LWD) services.

Latin America

Latin America revenue increased by $59 million, a 13% increase. The pretax operating income increased by 61%, and the M-I rig count by 11%.

Revenue increased in all regions although some marine vessels were moved to other markets.

Europe/CIS/West Africa
- ----------------------

Revenue of $723 million decreased by 11% compared to prior year. Pretax operating income fell by 3% and the M-I rig count increased by 3%. CIS was the only region to show an increase in revenue.

Other Eastern Hemisphere
- ------------------------

Revenue decreased 1% to $804 million. Compared to the same period last year pretax operating income was down 3% and the M-I rig count decreased 2%. Middle East revenue increased by 1% while Asia decreased by 5%.

RESOURCE MANAGEMENT SERVICES

Resources Management Services revenue was down 6%. Excluding the special provision last year, pretax operating income increased by $3 million. This was due mainly to the significant increases in UK & Southern Africa and South American regions, partially offset by the loss at CellNet.

Revenue in North America was up 8% including CellNet; excluding CellNet revenue grew by 5%. Orders grew by 32%, this large increase was led by higher demand for CENTRON* static electricity meters and by new CellNet business.

In Europe revenue and orders were down by 16% and 20%, respectively. The continued pressure on prices affected electricity revenue, while gas revenue has increased significantly in the UK.

In South America revenue grew by 7% and orders grew by 11%. Brazil showed improvement over last year mainly in electricity. In Asia revenue and orders grew by 17% and 5%, respectively.

TEST & TRANSACTIONS

Revenue including Omnes was 25% higher than last year and pretax operating income remained flat. Orders grew by 42% compared to last year.

Cards continue to grow with an increase in revenue of 25% and orders of 34%. This is reflecting a strong Asian market for the product. Semiconductor revenue and orders grew by 8% and 33%, respectively, over last year. The revenue for e-Transactions fell by 17% while orders grew by 20%. The largest increase in revenue was in Network Solutions, including Omnes which grew by 137% and orders grew by 128%.

INCOME STATEMENT

Interest and other income includes Interest income of $146 million and Equity in Net Earnings of Affiliated Companies of $14 million. Compared to last year, Interest income increased by $33 million mainly due to the higher average returns on investments, from 4.8% to 6.0%, while Equity in Net Earnings of Affiliated Companies was $12 million higher reflecting the drilling fluids joint venture income. The 1999 Interest and other income included a $103 million gain on the sale of financial instruments relating to the sale of Retail Petroleum Systems. Gross margin increased from 19% to 23% as 1999 included $147 million of charges. Excluding these charges gross margin in 1999 was 22%. Research and engineering and marketing expenses increased by 1% and 2%, respectively.

General expenses as a percentage of operating revenue increased from 4.7% to 4.9%. Interest expense increased $41 million as average borrowing rates increased from 5.4% to 6.6%. The effective tax rate, excluding the 1999 charges is 24% versus 23% for the same period last year due to higher pretax income in the United States which was nearly offset by a favorable country profitability mix in Other Eastern, RMS and Test & Transactions.

ACQUISITIONS

In the second quarter 2000, Schlumberger acquired Operational Services, Inc. for $13 million. OSI provides a systematic approach to production management through efficient systems and processes. The acquisition was accounted for using the purchase method of accounting, and cost in excess of net assets acquired is being amortized on a straight-line basis over 15 years.

In the second quarter of 2000, Schlumberger completed the acquisition of substantially all of the assets of CellNet Data Systems, Inc. at a cost of $209 million. CellNet is a provider of telemetry services for the development and deployment of large-scale automatic meter reading systems. The acquisition was handled through Chapter 11 procedure and was approved by the bankruptcy court.

NEW ACCOUNTING STANDARDS

In June 1998, the Financial Accounting Standards Board (FASB) issued SFAS 133, "Accounting for Derivative Instruments and Hedging Activities," which requires that Schlumberger recognize all derivative instruments as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The standard is effective in the year 2001 for Schlumberger. 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 to hedge against currency variations on firm commitments generally involving the construction of long-lived assets. Schlumberger does not anticipate that the implementation of the new standard in 2001 will have a material effect on the consolidated financial position and results of operations.

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements," which provides guidance and interpretations of the application of generally accepted accounting principles to revenue recognition. Adoption of this bulletin is not expected to have a material effect on the Company's consolidated financial position or results of operations.

FORWARD-LOOKING STATEMENTS

Schlumberger cautions that, except for historical information, statements in this Form 10-Q report and elsewhere may constitute forward-looking statements. These include statements as to expectation, beliefs and future financial performance, such as statements regarding 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 oilfield projects; changes in E&P spending by major oil companies; the extent and timing of utilities' investment in integrated solutions to utility management; growth in demand for smart cards in e-commerce and Internet-enabled solutions and completion of the Western GECO transactions as currently contemplated by the parties.

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
** Rambus and RDRAM are registered trademarks of Rambus, Inc.
*** JAVA is a registered trademark of Sun Microsystems, Inc.

PART II. OTHER INFORMATION

Item 6: Exhibits and Reports on Form 8-K

(a) Exhibits: None

(b) Reports on Form 8-K:

Report on Form 8-K filed with the Commission on May 31, 2000 to report the signing of a memorandum of understanding with Baker Hughes Inc. under which the Schlumberger surface seismic business, Geco Prakla, would join with the Baker Hughes surface seismic business, Western Geophysical, to form a new venture to be called Western GECO.

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 principal financial officer.

Schlumberger Limited
(Registrant)

Date: August 8, 2000

/s/Jack Liu

Jack Liu
Executive Vice President,
Chief Financial Officer and
Chief Accounting Officer

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This schedule contains summary financial information extracted from Form 10-Q
and is qualified in its entirety by reference to such financial statements.

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6-MOS
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JAN-01-2000
JUN-30-2000
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0.51