

CORE LABORATORIES N V  
Form 11-K  
June 28, 2004

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549  
FORM 11-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2003
- OR
- TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 (NO FEE REQUIRED)  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-14273

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

CORE LABORATORIES PROFIT SHARING AND RETIREMENT PLAN  
6316 Windfern Road  
Houston, Texas 77040

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Core Laboratories N.V.  
Herengracht 424  
1017 BZ Amsterdam  
The Netherlands

---

CORE LABORATORIES  
PROFIT SHARING AND RETIREMENT PLAN  
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULE  
AS OF DECEMBER 31, 2003

Edgar Filing: CORE LABORATORIES N V - Form 11-K  
TOGETHER WITH AUDITORS' REPORT

---

CORE LABORATORIES  
PROFIT SHARING AND RETIREMENT PLAN  
INDEX TO FINANCIAL STATEMENTS  
AND SUPPLEMENTAL SCHEDULE  
DECEMBER 31, 2003 and 2002

|  | <u>Page(s)</u> |
|--|----------------|
| Report of Independent Registered Public Accounting Firm  | 1              |
| Financial Statements-  |                |
| Statements of Net Assets Available for Plan Benefits as of December 31, 2003 and 2002                  | 2              |
| Statement of Changes in Net Assets Available for Plan Benefits for the Year Ended<br>December 31, 2003 | 3              |
| Notes to Financial Statements  | 4-8            |
| Supplemental Schedule*   |                |
| Schedule of Assets (Held at End of Year) as of December 31, 2003                                       | 9              |

\* All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because the information required by the schedules has been included in the notes to financial statements or the schedules are not applicable.

---

Report of Independent Registered Public Accounting Firm

To

the Participants and Administrator of  
Core Laboratories Profit Sharing and Retirement Plan

In our opinion, the accompanying statements of net assets available for plan benefits and the related statement of changes in net assets available for plan benefits present fairly, in all material respects, the net assets available for plan benefits of Core Laboratories Profit Sharing and Retirement Plan (the "Plan") at

December 31, 2003 and December 31, 2002, and the changes in net assets available for plan benefits for the year ended December 31, 2003 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

Houston, Texas

June 17, 2004

---

CORE LABORATORIES  
PROFIT SHARING AND RETIREMENT PLAN  
STATEMENTS OF NET ASSETS AVAILABLE FOR PLAN BENEFITS  
AS OF DECEMBER 31, 2003 AND 2002

-

Edgar Filing: CORE LABORATORIES N V - Form 11-K

|   | 2003                 | 2002                 |
|---|----------------------|----------------------|
| <b>ASSETS</b>                                     |                      |                      |
| Cash, noninterest-bearing                         | \$ 32,790            | \$ 44,263            |
| Investments:                                      |                      |                      |
| Life insurance, at cash surrender value           | 43,853               | 43,709               |
| Interest-bearing cash, at cost                    | 582                  | 2,617                |
| Collective trust fund, at fair value              | 6,757,755            | 5,894,230            |
| Common stock, at fair value                       | 8,851,792            | 6,388,643            |
| Mutual funds, at fair value                       | 31,810,179           | 22,554,374           |
| Participant loans, at cost                        | 1,272,405            | 1,211,004            |
|   | 48,736,566           | 36,094,577           |
| Receivables:                                      |                      |                      |
| Other receivables                                 | 27,038               | 2,097                |
|   | 27,038               | 2,097                |
| Total assets                                      | 48,796,394           | 36,140,937           |
| <b>LIABILITIES</b>                                |                      |                      |
| Other payables                                    | 39,145               | 38,018               |
| Total liabilities                                 | 39,145               | 38,018               |
| <b>NET ASSETS AVAILABLE<br/>FOR PLAN BENEFITS</b> | <b>\$ 48,757,249</b> | <b>\$ 36,102,919</b> |

The accompanying notes are an integral part of these financial statements.

---

CORE LABORATORIES

PROFIT SHARING AND RETIREMENT PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR PLAN BENEFITS

FOR THE YEAR ENDED DECEMBER 31, 2003

ADDITIONS TO NET ASSETS ATTRIBUTED TO:

Investment income:

Interest and dividends \$ 354,099

Contributions:

Participant 3,766,443

|  |               |
|--|---------------|
| Employee rollovers                             | 138,071       |
| Employer                                       | 1,513,176     |
|  | 5,417,690     |
| Net appreciation in fair value of investments: |               |
| Common stock                                   | 2,939,191     |
| Mutual funds                                   | 6,828,702     |
|  | 9,767,893     |
| Total additions                                | 15,539,682    |
| DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:      |               |
| Withdrawals and retirement benefits            | 2,762,892     |
| Corrective distributions                       | 13,749        |
| Administrative expenses                        | 108,562       |
| Other deductions                               | 149           |
| Total deductions                               | 2,885,352     |
| NET INCREASE                                   | 12,654,330    |
| NET ASSETS AVAILABLE FOR PLAN BENEFITS         |               |
| Beginning of year                              | 36,102,919    |
| End of year                                    | \$ 48,757,249 |

The accompanying notes are an integral part of these financial statements.

---

CORE LABORATORIES

PROFIT SHARING AND RETIREMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2003 and 2002

1. SUMMARY OF SIGNIFICANT PLAN PROVISIONS:

The Core Laboratories Profit Sharing and Retirement Plan (the "Plan" or "Core Lab Plan") is sponsored by Core Laboratories LP (the "Company") and was established effective October 1, 1994. The following brief description of the Plan provides only general information. Participants should refer to the summary plan description or Plan document for a more complete description of the Plan's provisions.

The Plan is a defined contribution plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") and the Internal Revenue Code (the "Code"). Effective January 1, 2003, the Plan was amended to increase (from 15 percent to 60 percent) the maximum percentage that participants are allowed to contribute of their compensation, as defined by the Plan, on a pre-tax basis. The Plan also was amended to reduce (from twelve months to six months) the suspension period during which participants may not make pre-tax contributions following receipt of a hardship withdrawal, effective for hardship withdrawals made on or after January 1, 2003. The Plan was also amended to comply with certain changes in the law.

#### Plan Administrator and Trustee

An administrative committee appointed by the Company is the Plan administrator as defined under ERISA. The 401K Company (the "Recordkeeper") has been contracted to provide administration services for the Plan, including maintaining the Plan's participant account balances. Austin Trust Company (the "Trustee") is the trustee of all investments held by the Plan. The management companies that issue securities are custodians of the mutual fund investments and the Pershing Division of Donaldson, Lufkin and Jenrette Securities Corporation is custodian of Core Laboratories N.V. common stock ("Company Common Stock").

#### Eligibility

Substantially all of the Company's employees are eligible to participate in the Plan. For most eligible employees, participation may commence upon the later of the first day of the calendar quarter coincident with or following such eligible employee's date of hire or the date on which such employee attains the age of 21. However, certain designated classes of employees must satisfy a service requirement of either six months or 1,000 hours of service during a Plan year before becoming eligible to participate.

#### Contributions

As amended effective January 1, 2003, the Plan allows each participant to make pre-tax contributions of up to 60 percent (15 percent for 2002) of his or her compensation, as defined by the Plan, up to the statutory limit of \$12,000 for 2003 (\$11,000 for 2002). The Plan also allows participants who attained age 50 before the close of the Plan year to contribute an additional "catch-up" contribution as permitted under the Code. The Company may, in its discretion, make matching contributions equal to a designated percentage of each participant's pre-tax contributions, up to a maximum of a designated percentage of the participant's compensation. In addition, the Company may, in its discretion, make an additional discretionary contribution for a Plan year with respect to each participant who has completed one year of service (as defined by the Plan) and is employed by the Company on the last day of such Plan year. For Plan years 2002 and 2003, the Company made matching contributions to the Plan equal to 100 percent of each participant's pre-tax contributions, up to a maximum of four percent of the participant's compensation; however, no additional discretionary contributions were made to the Plan for these years.

The application of certain rules and restrictions under the Code may require that a portion of the contributions from certain highly compensated employees, as well as a portion of the corresponding Company matching contributions, be refunded in order to comply with the Code. Any such excess contributions are recorded as corrective distributions.

#### Participant Accounts

Each participant's account is credited with the participant's contribution, the Company's matching contribution, allocations of any additional Company contribution and Plan earnings, and charged with an allocation of administrative expenses. Allocations are generally based on participant earnings or account balances, as applicable, in accordance with the terms of the Plan. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account balance.

### Vesting

Participants are fully vested in their contributions and related earnings/losses. Participants vest in Company contributions and related earnings/losses at the rate of 20 percent for each completed year of service (as defined by the Plan). A participant also becomes fully vested in Company contributions and related earnings/losses if such participant, while employed by the Company, dies, becomes totally and permanently disabled, or attains normal retirement age.

### Investment Program

Participants may direct the investment of their contributions, the Company's matching contributions and any additional Company contributions in any of ten mutual funds, one collective trust fund and Company Common Stock.

Contributions may be invested in one fund or divided among two or more funds. Participants may transfer some or all of the balances out of any fund into one or any combination of the other funds on a daily basis. Participants can also choose from four Asset Allocation Models: Conservative Model; Moderate Model; Moderate Aggressive Model or Aggressive Model which represent a designated blend of the available mutual funds. Participants who select one of the Asset Allocation Models can also choose to invest a portion of their account balances in Company Common Stock.

### Administrative Expenses

The Plan pays substantially all administrative expenses. For 2003, expenses were comprised of approximately \$49,000 for recordkeeper fees, \$34,000 for broker fees, \$23,000 for audit fees and \$3,000 for trustee fees. Any legal fees associated with the Plan have been paid by the Company and are considered immaterial to the Plan assets. Additionally, the Company provides various other operational and administrative services to the Plan for which the costs are incurred directly by the Company. These expenses are not included in the Plan's financial statements. Any such expenses not paid by the Company are paid by the Plan and included in the Plan's financial statements.

### Loans

The Plan permits participants to borrow a minimum of \$1,000 and up to a maximum amount equal to the lesser of \$50,000 or 50 percent of their vested account balances in the Plan. Loans bear interest at the applicable Treasury rate in effect for the month the loan originated plus four percent. Loans are repaid through payroll deductions over a period not to exceed five years and are collateralized by the balance in the participant's account.

### Payment of Benefits and Forfeitures

Upon termination of employment, death, or retirement, a participant may elect to receive a distribution equal to the participant's vested interest in his or her Plan account balance. A participant may elect an in-kind distribution of the portion of his or her vested account balance that is invested in Company Common Stock.

A participant may make an in-service withdrawal from his or her vested account balance at age 59 1/2. Subject to satisfying the applicable requirements of the Code, a participant also may make an in-service withdrawal from his or her pre-tax contributions in the event of financial hardship, although such participant will be suspended from making additional pre-tax contributions to the Plan for a period of six months (twelve months for hardship withdrawals made prior to 2003). A participant can withdraw his or her after-tax contributions and rollover contributions, if any, from the Plan without being suspended from making additional pre-tax contributions to the Plan.

Upon a participant's termination of employment, any unvested Company contributions and related earnings/losses will be forfeited. Subject to certain conditions, a participant who returns to employment within five years from his or her

previous termination date is entitled to have his or her forfeited account balance restored. Forfeitures, net of amounts restored, are used to reduce future Company contributions under the Plan or to pay Plan expenses. During 2003, forfeitures of \$171,547 were used to reduce Company contributions. At December 31, 2003, forfeitures of \$49,822 were available to reduce future Company contributions or to pay Plan expenses.

Priorities Upon Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts and the net assets of the Plan will be allocated and distributed among the participants and beneficiaries of the Plan in accordance with ERISA and the terms of the Plan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States. Distributions to participants are recorded when paid.

Investment Valuation

The Plan reports the investments in the financial statements at fair value.

Investments in life insurance policies are recorded at the cash surrender value of the life insurance policies, as determined by the issuer of the insurance policy. Investments in mutual funds and common stock are reported at fair value based on quoted market prices. The fair value of the investment in the collective trust fund is based on the market value of the underlying assets, as determined by the investment issuer. The collective trust fund holds investment contracts that are recorded at contract value, which approximates fair value. The average yield of the collective trust fund for the year ended December 31, 2003, was 3.65 percent. Investment income is recorded as earned. Purchases and sales are recorded on a trade-date basis.

Net realized gains or losses on the sale of investments and net unrealized appreciation (depreciation) in the fair value of investments are recorded in the accompanying statement of changes in net assets available for plan benefits as net appreciation (depreciation) in fair value of investments. Dividends are recorded at the ex-dividend date.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make the use of estimates and assumptions that affect the accompanying financial statements and disclosures. Actual results could differ from those estimates.

3. INVESTMENTS:

The following presents investments that represent five percent or more of the Plan's net assets as of December 31, 2003 and 2002.

2003-

|  |              |
|--|--------------|
| Core Laboratories N.V. Common Stock        | \$ 8,851,792 |
| Washington Mutual Investors Fund - Class A | 7,051,528    |
| Stable Value Fund                          | 6,757,755    |
| The Growth Fund of America - Class A       | 4,217,498    |



Edgar Filing: CORE LABORATORIES N V - Form 11-K

|  |           |
|--|-----------|
| Vanguard 500 Index Fund                          | 3,617,594 |
| PIMCO Total Return Fund - Class A                | 3,514,222 |
| Franklin Balance Sheet Investment Fund - Class A | 3,425,150 |
| EuroPacific Growth Fund - Class A                | 3,212,517 |
| Lord Abbett Developing Growth Fund               | 2,639,703 |

2002-

|  |              |
|--|--------------|
| Core Laboratories N.V. Common Stock              | \$ 6,388,643 |
| Stable Value Fund                                | 5,894,166    |
| Washington Mutual Investors Fund - Class A       | 5,223,471    |
| The Bond Fund of America - Class A               | 3,005,886    |
| Putnam Growth Opportunities - Class A            | 2,904,160    |
| Vanguard 500 Index Fund                          | 2,461,505    |
| Franklin Balance Sheet Investment Fund - Class A | 2,458,461    |
| EuroPacific Growth Fund - Class A                | 2,197,837    |

4. RISKS AND UNCERTAINTIES:

The Plan provides for various investments in a collective trust fund, mutual funds and Company Common Stock. Investment securities, in general, are exposed to various risks, such as interest rate, foreign exchange, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term.

5. FEDERAL INCOME TAX STATUS:

The Plan received a favorable determination letter dated July 25, 2003, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Code. The Plan has been amended since filing for this determination letter. However, the Plan administrator believes the Plan is currently designed and is being operated in compliance with the applicable requirements of the Code.

6. RELATED-PARTY TRANSACTIONS:

The Plan provides for investment in shares of the Company Common Stock. As the Company is the Plan sponsor, these transactions qualify as party-in-interest transactions. These transactions are exempt from the ERISA prohibited transaction rules.

7. TRANSFERS FROM OTHER PLANS:

In accordance with the applicable rules under the Code, excess funds from the terminated Retirement Income Plan for Employees of Saybolt Inc. were transferred into the Plan on October 15, 2002 in the amount of approximately \$578,000. In 2003 and 2002, approximately \$190,000 and \$388,000, respectively, of this amount was used to fund Company matching contributions.

SCHEDULE H, line 4i

CORE LABORATORIES

## Edgar Filing: CORE LABORATORIES N V - Form 11-K

PROFIT SHARING AND RETIREMENT PLANSCHEDULE OF ASSETS (HELD AT END OF YEAR)AS OF DECEMBER 31, 2003

| <u>Identity of Issuer</u>       | <u>Description of Investment</u>  | <u># of Units</u> | <u>Current Value</u> |
|---------------------------------|---|-------------------|----------------------|
| Core Laboratories N.V.*         | Core Laboratories N.V. Common Stock                                     | 530,365           | \$ 8,851,792         |
| American Funds                  | Washington Mutual Investors Fund - Class A                              | 245,015           | 7,051,528            |
| AMVESCAP National Trust Company | Stable Value Fund   | 6,757,754         | 6,757,755            |
| American Funds                  | The Growth Fund of America  | 171,862           | 4,217,498            |
| The Vanguard Group              | Vanguard 500 Index Fund   | 35,235            | 3,617,594            |
| PIMCO Funds                     | PIMCO Total Return Fund Class A   | 328,125           | 3,514,222            |
| Franklin Templeton Investments  | Franklin Balance Sheet Investment Fund - Class A                        | 72,002            | K,425,150            |
| American Funds                  | EuroPacific Growth Fund - Class A                                       | 106,340           | 3,212,517            |
| Lord Abbett & Company           | Lord Abbett Developing Growth Fund                                      | 175,980           | 2,639,703            |
| Franklin Templeton Investments  | Franklin Real Estate Securities Fund - Class A                          | 99,323            | 2,135,444            |
| Participant Loans*              | Interest rates ranging from 5.10% to 10.74% with varying maturity dates | N/A               | 1,272,405            |
| Franklin Templeton Investments  | Templeton Foreign Smaller Companies Fund - Class A                      | 60,237            | I,089,090            |
| Franklin Templeton Investments  | Templeton Developing Markets Trust - Class A                            | 60,536            | 907,433              |
| Conseco Life Insurance Company  | Cash surrender value of life insurance policies                         | N/A               |                      |
|                                 |   |                   | 43,853               |

Alliance Capital Management Corp.

Alliance Capital Reserves

N/A

582

Total assets (held at end of year)

\$ 48,736,566

Assets indicated by \* are invested with parties-in-interest to the Plan as defined by Section 3 (14) of ERISA.

---

SIGNATURES

The Plan

. Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan administrator has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: June 25, 2004

CORE LABORATORIES  
PROFIT SHARING AND RETIREMENT PLAN  
By: Administrative Committee of the  
Core Laboratories Profit Sharing and  
Retirement Plan

By: /s/ Richard L. Bergmark  
Richard L. Bergmark  
Executive Vice President  
and  
Chief Financial Officer

---

INDEX TO EXHIBIT

Exhibit

Number

23.1 - Consent of Independent Registered Public Accounting Firm

---

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-73772, 333-73774, 333-43859) of Core Laboratories N.V. of our report dated June 17 2004 relating to the financial statements of Core Laboratories Profit Sharing and Retirement Plan, which appears in this Form 11-K.

/s/ PricewaterhouseCoopers LLP

Houston, Texas

June 17, 2004