
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

December 13, 2005 (December 13, 2005)
Date of Report (Date of earliest event reported)

Mitcham Industries, Inc.

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction
of incorporation)

000-25142
(Commission
File Number)

76-0210849
(IRS Employer
Identification No.)

8141 SH 75 South, P.O. Box 1175, Huntsville, Texas 77342
(Address of principal executive offices) (Zip Code)

936-291-2277
(Registrant's telephone number, including area code)

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

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

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

On December 13, 2005, Mitcham Industries, Inc. issued a press release announcing earnings for the quarter ended October 31, 2005. The text of the press release is attached to this report as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits. The following exhibits are filed as a part of this report:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Mitcham Industries, Inc. press release dated December 13, 2005.

Pursuant to the rules and regulations of the Securities and Exchange Commission, information attached as Exhibit 99.1 is being furnished pursuant to Item 2.02 and shall not be deemed to be "filed" under the Securities Exchange Act of 1934.

SIGNATURE

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

MITCHAM INDUSTRIES, INC.

Date: December 13, 2005

By: /s/ Michael A. Pugh
Michael A. Pugh
Executive Vice President - Finance and Chief Financial
Officer

EXHIBIT INDEX

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PRESS RELEASE**FOR IMMEDIATE RELEASE****CONTACT:****Christine Reel
713.629.1316****MITCHAM INDUSTRIES REPORTS STRONG THIRD QUARTER**
Net Income Increases to \$2.9 million; Revenue Increases 107% to \$9.8 million

HUNTSVILLE, Texas — December 13, 2005 — Mitcham Industries, Inc. (NASDAQ: MIND) today reported net income of \$2.9 million, or \$0.29 per diluted share, on revenues of \$9.8 million for its third quarter ended October 31, 2005. This compares with a net loss of \$(0.8 million), or \$(0.09) per diluted share, in the prior year's third quarter. The increase in the Company's results for the quarter primarily reflects strong leasing demand for land equipment in Canada and for marine equipment internationally, as well as solid equipment sales across all areas of operation.

"We saw a strong pickup in leasing activity in the seismic equipment market this last quarter," said Billy F. Mitcham, Jr., President and CEO of Mitcham Industries. "The Canadian market was very active and we saw an increase in marine equipment rentals on a global basis. Seemap, our most recent acquisition, also contributed to our results, and with its newly released Gunlink 3000 as well as recently signed strategic alliances appears to be on track to be a strong contributor next fiscal year. Unusually heavy rains delayed certain projects and limited Seismic Asia Pacific's results for the quarter, but the projects should resume in the fourth quarter and continue into the next fiscal year. Overall, we are optimistic about leasing activity for the remainder of this fiscal year and believe we are well-positioned for continued growth in the upcoming fiscal year."

For the nine months ended October 31, 2005, the Company recorded net income of \$6.2 million, or \$0.64 per diluted share, on revenues of \$24.5 million. This compares with net income of \$0.7 million, or \$0.08 per diluted share, on revenues of \$19.3 million for the comparable nine-month period of the prior year.

M O R E

Mitcham Industries, Inc., a geophysical equipment supplier, offers for lease or sale, new and “experienced” seismic equipment to the oil and gas industry, seismic contractors, environmental agencies, government agencies and universities. Headquartered in Texas, with sales and services offices in Calgary, Canada, Brisbane, Australia, Singapore and the United Kingdom and with associates throughout Europe, South America and Asia, Mitcham conducts operations on a global scale and is the largest independent exploration equipment lessor in the industry.

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts included herein, including statements regarding potential future demand for the Company’s products and services, the Company’s future financial position and results of operations, business strategy and other plans and objectives for future operations, are forward-looking statements. Actual results may differ materially from such forward-looking statements. Important factors that could cause or contribute to such differences include a prolonged and gradual recovery, or no full recovery, of the energy services sector of a depressed oil and gas industry, and thereafter, the inherent volatility of oil and gas prices and the related volatility of demand for the Company’s services; loss of significant customers; significant defaults by customers on amounts due to the Company; international economic and political instability; dependence upon additional lease contracts; the risk of technological obsolescence of the Company’s lease fleet; vulnerability of seismic activity and demand to weather conditions and seasonality of operating results; dependence upon few suppliers; and other factors which are disclosed in the Company’s Securities and Exchange Commission filings, available from the Company without charge.

M O R E

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands except share and per share data)
(Unaudited)

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2005	2004	2005	2004
Revenues:				
Equipment leasing	\$ 6,676	\$ 3,948	\$ 17,668	\$ 12,727
Equipment sales	3,139	790	6,787	6,610
Total revenues	<u>9,815</u>	<u>4,738</u>	<u>24,455</u>	<u>19,337</u>
Costs and expenses:				
Direct costs — seismic leasing	968	450	2,174	1,350
Cost of equipment sales	1,308	557	3,072	3,371
General and administrative	2,381	1,471	6,488	5,419
Provision for doubtful accounts	82	122	161	122
Depreciation and amortization	2,253	2,700	6,585	8,113
Total costs and expenses	<u>6,992</u>	<u>5,300</u>	<u>18,480</u>	<u>18,375</u>
Operating income (loss)	2,823	(562)	5,975	962
Other income (expense) — net	84	3	281	(76)
Income (loss) from continuing operations before income taxes	<u>2,907</u>	<u>(559)</u>	<u>6,256</u>	<u>886</u>
Provision for income taxes	57	264	25	264
Income (loss) from continuing operations	<u>2,850</u>	<u>(823)</u>	<u>6,231</u>	<u>622</u>
Income from discontinued operations, net of income taxes	—	—	—	80
Net income (loss)	<u>\$ 2,850</u>	<u>\$ (823)</u>	<u>\$ 6,231</u>	<u>\$ 702</u>
Income (loss) per common share from continuing operations:				
Basic	\$ 0.31	\$ (0.09)	\$ 0.69	\$ 0.07
Diluted	\$ 0.29	\$ (0.09)	\$ 0.64	\$ 0.07
Income per common share from discontinued operations:				
Basic	\$ —	\$ —	\$ —	\$ 0.01
Diluted	\$ —	\$ —	\$ —	\$ 0.01
Net income (loss) per common share:				
Basic	\$ 0.31	\$ (0.09)	\$ 0.69	\$ 0.08
Diluted	\$ 0.29	\$ (0.09)	\$ 0.64	\$ 0.08
Shares used in computing net income per common share:				
Basic	9,152,000	8,880,000	9,061,000	8,824,000
Dilutive effect of common stock equivalents	750,000	—	684,000	411,000
Diluted	<u>9,902,000</u>	<u>8,880,000</u>	<u>9,745,000</u>	<u>9,235,000</u>

MITCHAM INDUSTRIES, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands except share data)

	October 31, 2005	January 31, 2005
ASSETS	(Unaudited)	
Current assets:		
Cash and cash equivalents	\$ 15,196	\$ 13,138
Accounts receivable, net of allowance for doubtful accounts of \$1,210 and \$723	7,099	6,021
Current portion of notes receivable, net of allowance for doubtful notes of \$198 and \$286	584	1,192
Inventories	1,679	—
Prepaid expenses and other current assets	530	705
Current assets of discontinued operations	388	393
Total current assets	<u>25,476</u>	<u>21,449</u>
Seismic equipment lease pool, property and equipment	77,338	74,792
Accumulated depreciation of seismic equipment lease pool, property and equipment	(59,961)	(55,067)
Goodwill	5,324	—
Long-term assets of discontinued operations	—	216
Other assets	15	5
Total assets	<u>\$ 48,192</u>	<u>\$ 41,395</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,272	\$ 4,893
Current maturities — long-term debt	—	918
Deferred revenue	644	652
Income taxes payable	151	284
Wages payable	163	299
Accrued expenses and other current liabilities	1,391	458
Current liabilities of discontinued operations	5	14
Total current liabilities	<u>3,626</u>	<u>7,518</u>
Long-term debt	3,000	—
Total liabilities	<u>6,626</u>	<u>7,518</u>
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, \$1.00 par value; 1,000,000 shares authorized; none issued and outstanding	—	—
Common stock, \$.01 par value; 20,000,000 shares authorized; 10,112,062 and 9,893,732 shares issued, respectively	101	99
Additional paid-in capital	63,582	62,702
Treasury stock, at cost (915,000 shares)	(4,686)	(4,686)
Deferred compensation	(12)	(94)
Accumulated deficit	(20,048)	(26,282)
Accumulated other comprehensive income	2,629	2,138
Total shareholders' equity	<u>41,566</u>	<u>33,877</u>
Total liabilities and shareholders' equity	<u>\$ 48,192</u>	<u>\$ 41,395</u>

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