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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported):

June 2, 2009

Mitcham Industries, Inc.

(Exact name of registrant as specified in its charter)

Texas

000-25142

76-0210849

(State or other jurisdiction
of incorporation)

(Commission
File Number)

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

8141 SH 75 South, P.O. Box 1175, Huntsville, Texas

77342

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

936-291-2277

Not Applicable

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))
-

Item 2.02 Results of Operations and Financial Condition.

On June 2, 2009 Mitcham Industries, Inc. issued a press release announcing earnings for the quarter ended April 30, 2009. The date and time for a conference call discussing the earnings are also included in the press release. The text of the press release is attached to this report as Exhibit 99.1.

The information in this report is being furnished, not filed, for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and pursuant to Item 2.02 of form 8-K will not be incorporated by reference into any filing under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference.

Item 9.01 Financial Statements and Exhibits.

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

Exhibit No. Description

99.1 Mitcham Industries, Inc. press release dated June 2, 2009

SIGNATURES

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.

June 2, 2009

By: */s/ Robert P. Capps*

Name: Robert P. Capps
Title: Chief Financial Officer

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated June 2, 2009

NEWS RELEASE

Contacts:

Billy F. Mitcham, Jr., President & CEO
Mitcham Industries, Inc.
936-291-2277
Jack Lascar / Karen Roan

FOR IMMEDIATE RELEASE

Dennard Rupp Gray & Easterly (DRG&E)

713-529-6600

MITCHAM INDUSTRIES REPORTS FISCAL 2010 FIRST QUARTER RESULTS

HUNSTVILLE, TX – JUNE 2, 2009 – Mitcham Industries, Inc. (NASDAQ: MIND) (the “Company”) today announced financial results for its fiscal 2010 first quarter ended April 30, 2009.

The Company reported total revenues of \$10.6 million for the first quarter of fiscal 2010 compared to \$18.5 million in the first quarter of fiscal 2009. The Company reported a net loss of \$80,000, or \$0.01 loss per share, for the first quarter of fiscal 2010 compared to net income of \$4.3 million, or \$0.41 per diluted share, for the first quarter of fiscal 2009. EBITDA (earnings before interest, taxes, depreciation and amortization), a non-GAAP measure, amounted to \$4.5 million for the first quarter of fiscal 2010 compared to \$10.4 million in the same period last year.

Bill Mitcham, the Company’s President and CEO, stated, “Our first fiscal quarter is typically our strongest of the year. However, the pick-up in activity that usually occurs during the winter months in Canada and Russia did not materialize this year, negatively affecting our first quarter as it did the fourth quarter.

“Despite the difficult economic environment, there are some encouraging signs. In regions such as South America and parts of Asia, oil and gas exploration activity is still fairly healthy. Bidding activity outside of North America and Russia, particularly in South America, is relatively steady, and we believe that there are prospects for some rather large jobs later in the year. Demand for VSP, or vertical seismic profiling, tools remains encouraging. The marine environment is reasonably stable, and we expect to begin deliveries of our Polarcus contract during the second quarter. Seamap, as previously announced, is providing Polarcus with its GunLink 4000 fully distributed digital gun controller systems and BuoyLink RGPS tail buoy positioning systems.

“We believe that we are well positioned to manage through this downturn and capitalize on opportunities as they arise. The one factor that makes this current downturn different from previous cycles is the tight credit market; and when credit is tight, we know that our customers tend to lease equipment before making capital commitments for purchases. From a liquidity standpoint, we continue to generate good cash flow; have a strong balance sheet with modest debt; and have access to additional credit and liquidity, should the need arise. The long-term fundamentals of our industry remain intact, and when the seismic acquisition process returns to some state of normalcy, we expect that even more equipment will be required on each new prospect to better define the reservoir and reduce drilling costs. Fossil fuel will provide the world’s energy needs for many years to come, and we will provide the additional equipment needed to find those hidden deposits. We are very optimistic about the future of our industry and our company.”

FIRST QUARTER FISCAL 2010 RESULTS

Total revenues for the first quarter of fiscal 2010 were \$10.6 million compared to \$18.5 million for the first quarter of fiscal 2009, a decline of approximately 43%. The decline was primarily attributable to a decrease in equipment leasing revenues and lower sales from Seamap. A significant portion of the Company’s revenues are generated from sources outside the United States, with revenues from international customers totaling approximately 79% of total revenues during the first quarter of fiscal 2010 compared to 86% of total revenues in the same period last year.

Core revenues from equipment leasing, excluding equipment sales, were \$6.3 million compared to \$12.4 million in the same period a year ago, a 49% decline. Leasing revenues were impacted by the dramatic decline in demand for seismic equipment and services, including the lack of seasonal demand in Canada and Russia, areas where a great deal of seismic exploration activity usually occurs during the winter months. Oil and gas exploration activities have fallen significantly in these regions, as well as in many other areas worldwide, due to the global economic situation.

Sales of new seismic, hydrographic and oceanographic equipment were \$1.6 million compared to \$318,000 in the comparable period a year ago, primarily reflecting deliveries to the Royal Australian Navy, along with services and other equipment sold in Australia and throughout the Pacific Rim. In May 2008, the Company entered into a contract with the Royal Australian Navy that contributed approximately \$900,000 to first quarter revenues. Sales of lease pool equipment were \$69,000 compared to \$561,000 in the first quarter of fiscal 2009, reflecting the decline in seismic exploration activity.

Seamap equipment sales in the first quarter declined 51% to \$2.6 million from \$5.3 million in the comparable period a year ago, reflecting the fact that there were no large GunLink or BuoyLink systems shipped during the first quarter of fiscal 2010. Seamap sales can vary significantly on a quarter-to-quarter basis due to varying customer delivery requirements. Shipments related to Seamap's orders from Polarcus are scheduled to begin in the second quarter of fiscal 2010.

Total gross profit in the fiscal 2010 first quarter was \$3.8 million compared to \$11.6 million in the first quarter of fiscal 2009, a 68% decline. The fiscal 2010 gross profit was impacted by the decline in leasing revenues and higher depreciation expense related to new lease pool equipment that the Company acquired during fiscal 2009. Gross profit margin for the first quarter of fiscal 2010 was 36% compared to 63% in the same period a year ago.

General and administrative costs for the first quarter of fiscal 2010 were \$3.5 million compared to \$4.9 million in the first quarter of fiscal 2009, primarily due to lower stock-based and incentive compensation expenses and reductions in other general administrative costs, such as travel costs.

Operating income for the first quarter of fiscal 2010 was \$16,000 compared to \$6.4 million in the comparable period a year ago, primarily due to lower leasing revenues and higher lease pool depreciation expense. Income before income taxes was \$46,000 compared to \$6.5 million in the first quarter of fiscal 2009. Provision for income taxes was \$126,000 in the fiscal 2010 first quarter compared to \$2.2 million in the first quarter of fiscal 2009. Income tax expense for the first quarter of fiscal 2010 included \$109,000 of estimated penalties and interest that could arise from uncertain tax provisions. Income tax expense for the last year's first quarter included \$399,000 of estimated potential penalties and interest from uncertain tax positions. The estimated penalties and interest are recorded pursuant to the accounting standard dealing with uncertain tax positions, which the Company adopted in the first quarter of fiscal 2008.

EBITDA (earnings before interest, taxes, depreciation and amortization) for the first quarter was \$4.5 million, or 42% of total revenues, compared to \$10.4 million, or 56% of total revenues, in the same period last year. Adjusted EBITDA, which excludes stock-based compensation expense, was \$4.9 million, or 46% of total revenues, in the first quarter compared to \$11.1 million, or 60% of total revenues, in the first quarter of last year. EBITDA and Adjusted EBITDA, which are not measures determined in accordance with generally accepted accounting principles ("GAAP"), are defined and reconciled to reported net (loss) income, the most comparable GAAP measure, in Note A under the accompanying financial tables.

CONFERENCE CALL

The Company has scheduled a conference call for Wednesday, June 3, 2009 at 9:00 a.m. Eastern time to discuss its fiscal 2010 first quarter results. To access the call, please dial (480) 629-9692 and ask for the Mitcham Industries call at least 10 minutes prior to the start time. Investors may also listen to the conference live on the Mitcham Industries corporate website, <http://www.mitchamindustries.com>, by logging on that site and clicking "Investors." A telephonic replay of the conference call will be available through June 10, 2009 and may be accessed by calling (303) 590-3030, and using the passcode 4084489#. A web cast archive will also be available at <http://www.mitchamindustries.com> shortly after the call and will be accessible for approximately 90 days. For more information, please contact Donna Washburn at DRG&E at (713) 529-6600 or email dmw@drg-e.com.

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; Ufa, Bashkortostan, Russia; 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 Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts included herein, including statements regarding the Company's future financial position and results of operations, planned capital expenditures, the Company's business strategy and other plans for future expansion, the future mix of revenues and business, future demand for the Company's services and general conditions in the energy industry in general and seismic service industry, are forward-looking statements. While management believes that these forward-looking statements are reasonable when and as made, actual results may differ materially from such forward-looking statements. Important factors that could cause or contribute to such differences include possible decline in demand for seismic data and our services; the effect of recent declines in oil and natural gas prices on exploration activity; the effect of uncertainty in financial markets on our customers' and our ability to obtain financing; loss of significant customers; defaults by customers on amounts due us; possible impairment of long-lived assets; risks associated with our manufacturing operations; foreign currency exchange risk; and other factors that are disclosed in the Company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and available from the Company without charge. Readers are cautioned to not place undue reliance on forward-looking statements which speak only as of the date of this release and the Company undertakes no duty to update or revise any forward-looking statement whether as a result of new information, future events or otherwise.

- Tables to follow -

MITCHAM INDUSTRIES, INC.

CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

ASSETS

April 30, 2009

January 31, 2009

Current assets:		
Cash and cash equivalents	\$ 4,756	\$ 5,063
Restricted cash	1,112	969
Accounts receivable, net	12,730	12,415
Current portion of contracts receivable	562	836
Inventories, net	6,057	3,772
Costs incurred and estimated profit in excess of billings on uncompleted contract	1,001	1,787
Income taxes receivable	—	1,000
Deferred tax asset	1,339	1,682
Prepaid expenses and other current assets	1,051	1,535
Total current assets	28,608	29,059
Seismic equipment lease pool and property and equipment, net	61,165	64,251
Intangible assets, net	2,719	2,744
Goodwill	4,320	4,320
Deferred tax asset	671	—
Long-term portion of contracts receivable	3,806	3,806
Other assets	50	47
Total assets	<u>\$101,339</u>	<u>\$104,227</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 8,197	\$ 13,561
Income taxes payable	455	—
Deferred revenue	553	424
Accrued expenses and other current liabilities	3,281	3,877
Total current liabilities	12,486	17,862
Non-current income taxes payable	3,448	3,260
Deferred tax liability	—	32
Long-term debt	6,450	5,950
Total liabilities	22,384	27,104
Shareholders' equity:		
Preferred stock, \$1.00 par value; 1,000 shares authorized; none issued and outstanding	—	—
Common stock, \$.01 par value; 20,000 shares authorized; 10,725 shares issued at April 30, 2009 and January 31, 2009	107	107
Additional paid-in capital	74,819	74,396
Treasury stock, at cost (923 and 922 shares at April 30, 2009 and January 31, 2009, respectively)	(4,832)	(4,826)
Retained earnings	9,647	9,727
Accumulated other comprehensive income	(786)	(2,281)
Total shareholders' equity	<u>78,955</u>	<u>77,123</u>
Total liabilities and shareholders' equity	<u>\$101,339</u>	<u>\$104,227</u>

MITCHAM INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	For the Three Months Ended April 30,	
	<u>2009</u>	<u>2008</u>
Revenues:		
Equipment leasing	\$ 6,326	\$12,373
Lease pool equipment sales	69	561
Seamap equipment sales	2,598	5,282
Other equipment sales	<u>1,612</u>	<u>318</u>
Total revenues	<u>10,605</u>	<u>18,534</u>
Cost of sales:		
Direct costs — equipment leasing	528	442
Direct costs — lease pool depreciation	4,101	3,640
Cost of lease pool equipment sales	10	125
Cost of Seamap and other equipment sales	2,194	2,699
Total cost of sales	<u>6,833</u>	<u>6,906</u>
Gross profit	3,772	11,628
Operating expenses:		
General and administrative	3,502	4,875
Depreciation and amortization	<u>254</u>	<u>395</u>
Total operating expenses	<u>3,756</u>	<u>6,906</u>
Operating income	16	11,628
Other income (expense)		
Interest income, net	(89)	150
Other, net	<u>119</u>	<u>5</u>
Total other income (expense)	30	155
Income before income taxes	46	6,513
Provision for income taxes	<u>(126)</u>	<u>(2,235)</u>
Net (loss) income	<u>\$ (80)</u>	<u>\$ 4,278</u>
Net (loss) income per common share:		
Basic	\$ (0.01)	\$ 0.44
Diluted	\$ (0.01)	\$ 0.41

Shares used in computing net (loss) income per common share:

Basic	9,784	9,751
Diluted	9,784	10,337

MITCHAM INDUSTRIES, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

For the Three months Ended

April 30,

2009 2008

Cash flows from operating activities:

Net (loss) income	\$ (80)	4,278
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation and amortization	4,385	4,076
Stock-based compensation	416	636
Provision for doubtful accounts	-	116
Provision for inventory obsolescence	(81)	6
Gross profit from sale of lease pool equipment	(59)	(438)
Excess tax benefit from exercise of non-qualified stock options	(7)	(53)
Deferred tax (benefit) provision	(176)	548
Changes in non-current income taxes payable	188	205
Changes in working capital items:		
Accounts receivable	555	(2,814)
Contracts receivable	—	424
Inventories	(2,029)	825
Income taxes payable and receivable	1,402	30
Accounts payable, accrued expenses and other current liabilities	(239)	(7,310)
Contract revenues in excess of billings	1,066	-
Prepays and other, net	261	431
Net cash provided by operating activities	<u>5,602</u>	<u>960</u>

Cash flows from investing activities:

Sales of used lease pool equipment	69	561
Purchases of seismic equipment held for lease	(6,485)	(11,338)
Purchases of property and equipment	(95)	(269)
Net cash used in investing activities	<u>(6,511)</u>	<u>(11,046)</u>

Cash flows from financing activities:

Net proceeds from revolving line of credit	500	4,000
Payments on borrowings	—	(637)
Proceeds from issuance of common stock upon exercise of stock options	(6)	49
Excess tax benefits from exercise of non-qualified stock options	7	53
Net cash provided by financing activities	501	3,465
Effect of changes in foreign exchange rates on cash and cash equivalents	<u>101</u>	<u>(330)</u>
Net decrease in cash and cash equivalents	<u>(307)</u>	<u>(6,951)</u>
Cash and cash equivalents, beginning of period	<u>5,063</u>	<u>13,884</u>
Cash and cash equivalents, end of period	<u>\$ 4,756</u>	<u>\$ 6,933</u>

Note A

MITCHAM INDUSTRIES, INC.
Reconciliation of Net (Loss) Income to EBITDA
(In thousands)
(Unaudited)

For the Three Months Ended
April 30,

2009 2008

Net (loss) income	\$ (80)	\$ 4,278
Interest expense (income), net	89	(150)
Depreciation, amortization and impairment	4,385	4,076
Provision for income taxes	126	2,235
EBITDA ⁽¹⁾	<u>4,520</u>	<u>10,439</u>
Stock-based compensation	416	636
Adjusted EBITDA ⁽¹⁾	<u>\$4,936</u>	<u>\$11,075</u>

(1) EBITDA is defined as net income (loss) before (a) interest income, net of interest expense, (b) provision for (or benefit from) income taxes and (c) depreciation, amortization and impairment. Adjusted EBITDA excludes stock-based compensation. We consider EBITDA and Adjusted EBITDA to be important indicators for the performance of our business, but not measures of performance calculated in accordance with accounting principles generally accepted in the United States of America ("GAAP"). We have included these non-GAAP financial measures because management utilizes this information for assessing our performance and as indicators of our ability to make capital expenditures, service debt and finance working capital requirements. The covenants of our revolving credit agreement require us to maintain a minimum level of EBITDA. Management believes that EBITDA and Adjusted EBITDA are measurements that are commonly used by analysts and some investors in evaluating the performance of companies such as us. In particular, we believe that it is useful to our analysts and investors to understand this relationship because it excludes transactions not related to our core cash operating activities. We believe that excluding these transactions allows investors to meaningfully trend and analyze the performance of our core cash operations. EBITDA and Adjusted EBITDA are not measures of financial performance under GAAP and should not be considered in isolation or as alternatives to cash flow from operating activities or as alternatives to net income as indicators of operating performance or any other measures of performance derived in accordance with GAAP. In evaluating our performance as measured by EBITDA, management recognizes and considers the limitations of this measurement. EBITDA and Adjusted EBITDA do not reflect our obligations for the payment of income taxes, interest expense or other obligations such as capital expenditures. Accordingly, EBITDA and Adjusted EBITDA are only two of the measurements that management utilizes. Other companies in our industry may calculate EBITDA or Adjusted EBITDA differently than we do and EBITDA and Adjusted EBITDA may not be comparable with similarly titled measures reported by other companies.

Mitcham Industries, Inc.
Segment Operating Results
(In thousands)
(Unaudited)

	For the Three Months	
	Ended	
	April 30,	
	2009	2008
Revenues		
Equipment Leasing	\$ 8,007	\$13,252
Seamap	2,683	5,305
Less inter-segment sales	(85)	(23)
Total revenues	10,605	18,534
Cost of Sales		
Equipment Leasing	5,862	4,488
Seamap	1,109	2,469
Less inter-segment costs	(138)	(51)
Total cost of sales	6,833	6,906
Gross Profit		
Equipment Leasing	\$ 2,145	\$ 8,764
Seamap	1,574	2,836
Plus inter-segment amounts	53	28
Total gross profit	3,772	11,628

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