

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)

JANUARY 23, 1996

Halliburton Company
(Exact name of registrant as specified in its charter)

State or other
jurisdiction
of incorporation

Commission
File Number

IRS Employer
Identification
Number

Delaware

1-3492

No. 73-0271280

3600 Lincoln Plaza
500 North Akard Street
Dallas, Texas 75201-3391
(Address of principal executive offices)

Registrant's telephone number,
including area code - 214/978-2600

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INFORMATION TO BE INCLUDED IN REPORT

Item 5. Other Events

The registrant may, at its option, report under this item any events, with respect to which information is not otherwise called for by this form, that the registrant deems of importance to security holders.

(a) On January 23, 1996, the registrant issued a press release entitled Halliburton Completes Spin-Off of Highlands Insurance pertaining, among other things, to an announcement that registrant had completed a tax-free distribution of all of the shares of Highlands Insurance Group, Inc. ("Highlands") to shareholders of Halliburton Company (sometimes herein referred to as "Halliburton" or "registrant") of record at the close of business on January 4, 1996. The distribution ratio was one share of Highlands common stock for each ten shares of Halliburton common stock. Highlands common stock is now listed on the New York Stock Exchange and trades with the ticker symbol of "HIC". Immediately upon distribution of all Highlands common stock to Halliburton stockholders, Highlands issued \$62.85 million of 10% convertible subordinated debentures due December 31, 2005, together with common stock subscription warrants, to Insurance Partners, L.P. and members of Highlands management team. Richard M. Haverland, a partner of Insurance Partners, has been named president, chairman and chief executive officer of Highlands.

(b) On January 23, 1996, registrant also issued a press release entitled Halliburton Improvement Continues in 1995 Fourth Quarter, pertaining, among other things, to an announcement that registrant reported 1995 fourth quarter net income of \$71.9 million (\$.63 per share). 1995 fourth quarter earnings per share increased by 24 percent compared to the year earlier period. For the 1995 full year, registrant's net income was \$168.3 million (\$1.47 per share) including a \$65.5 million loss (\$.57 per share) recognized for the discontinued insurance business operations which were spun-off to Halliburton shareholders. Registrant's 1995 earnings of \$2.04 per share more than doubled

1994 earnings of \$.95 per share.

The foregoing summaries, contained in paragraphs (a) and (b) above, are subject to the full text of the press releases with respect thereto, copies of which are attached hereto as Exhibit 20, which exhibit is incorporated herein by reference.

Item 7. Financial Statements and Exhibits

List below the financial statements, pro forma financial information and exhibits, if any, filed as part of this report.

(c) Exhibits.

Exhibit 20 - Press releases dated January 23, 1996

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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.

HALLIBURTON COMPANY

Date: January 24, 1996

By: _____
Robert M. Kennedy
Vice President - Legal

EXHIBIT INDEX

| Exhibit Number | Description | Sequentially Numbered Page |
|-------------------|--|-------------------------------|
| 20 | Press Releases of January 23, 1996 Incorporated by Reference | 5 of 10 |

HALLIBURTON COMPLETES SPIN-OFF OF HIGHLANDS INSURANCE

DALLAS, Texas -- Halliburton Company (NYSE:HAL) and Highlands Insurance Group, Inc. (NYSE:HIC) today jointly announced the completion of a tax-free distribution of all of the shares of Highlands to Halliburton Company's shareholders of record on January 4, 1996.

Highlands Insurance Group, Inc. is a regional insurance holding company that, through Highlands Insurance Company and its other insurance subsidiaries, is primarily engaged in the property and casualty insurance business. Previously, Highlands was a wholly owned subsidiary of Halliburton. The distribution ratio was one share of Highlands common stock for each ten shares of Halliburton outstanding at the close of business on the January 4, 1996 record date. Highlands common stock is now listed on the New York Stock Exchange and trades with the ticker symbol of "HIC".

Immediately upon the distribution of all of the Highlands common stock to Halliburton stockholders, Highlands issued \$62.85 million of 10% convertible subordinated debentures due December 31, 2005, together with common stock subscription warrants, to Insurance Partners, L.P. and members of the Highlands

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management team. Proceeds from the issuance of the debentures and warrants will be used by Highlands for working capital and general corporate purposes, additions to the surplus of certain subsidiaries, and transaction fees for the issuance of the debentures and warrants.

Richard M. Haverland, who is a partner of Insurance Partners, has been named president, chairman and chief executive officer of Highlands. Mr. Haverland, 54, has worked the last 25 years in the insurance industry, including serving as president and chief operating officer of the Progressive Corporation (1970-1983), executive vice president of Great American Insurance Company (1984-1991), and executive vice president of American Premier Underwriters, Inc. (1991-1994).

The spin-off of Highlands completes Halliburton's exit from the insurance business. Halliburton sold its life insurance and health care cost management subsidiaries in 1988 and 1992, respectively. Halliburton will now focus its entire management and financial resources on its two core business segments, oil field services and engineering and construction.

Halliburton Company is one of the world's largest diversified energy services, engineering, maintenance, and construction companies. Founded in 1919, Halliburton provides a broad range of energy services and products, industrial and marine engineering and construction services.

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FOR IMMEDIATE RELEASE
January 23, 1996

Contact: Guy T. Marcus
Vice President-Inv. Rel.
(214) 978-2691

HALLIBURTON IMPROVEMENT CONTINUES IN 1995 FOURTH QUARTER

DALLAS, Texas -- Halliburton Company (NYSE-HAL) today reported 1995 fourth quarter net income of \$71.9 million (\$.63 per share), reflecting a continuation of improved earnings by the company's two core business segments -- Energy Services and Engineering and Construction Services.

In the 1994 fourth quarter Halliburton's net income was \$127.5 million (\$1.12 per share), which included a \$64.3 million (\$.56 per share) after tax gain on the sale of a business unit. Excluding the gain on sale and the results of discontinued insurance operations, 1995 fourth quarter earnings per share increased by 24 percent compared to the year earlier period.

For the 1995 full year, Halliburton's net income was \$168.3 million (\$1.47 per share) including a \$65.5 million loss (\$.57 per share) recognized for the discontinued insurance business operations which have been spun-off to Halliburton shareholders. Excluding the impact of discontinued operations in 1994 and 1995 and the 1994 gain on the sale of a business unit, Halliburton's 1995 earnings of \$2.04 per share more than doubled 1994 earnings of \$.95 per share.

The Energy Services business segment's 1995 fourth quarter revenues were \$741.8 million, an increase of 11 percent compared to the year earlier period. During the same time frame the worldwide rotary rig count declined by five percent. Halliburton Energy Services' strong 1995 fourth quarter revenue growth was driven by a 20 percent revenue increase from international business operations compared to the 1994 quarter.

Energy Services' operating income reached \$102.2 million in the 1995 fourth quarter, a six percent increase compared to \$96.6 million earned in the 1994 quarter. Operating income in 1994 benefitted from businesses that were sold and not included in 1995 results. Improved 1995 profitability is attributable primarily to higher revenues, but was partially offset by increased expenses to commercialize new technologies.

The Engineering and Construction business segment's 1995 fourth quarter revenues were \$795.6 million, down two percent compared to 1994. The decline is largely attributable to a reduction of North Sea related business activity. Operating income was \$22.8 million for the 1995 fourth quarter, an increase of seven percent compared to the 1994 quarter.

Dick Cheney, chairman of the board and chief executive officer of Halliburton Company, said, "Financial results for 1995 give a clear indication that the company's cost reduction, technology and growth strategies have

contributed strongly to improved performance. However, 1996 is a new year and our objective is to build upon the successes of last year.

"Currently, the fastest growing petroleum industry markets are outside the United States and Halliburton is now benefitting from refocusing its resources on these growing markets. Halliburton Energy Services generated 61 percent of its revenues in 1995 from international markets compared to 56 percent a year earlier, while Brown & Root's international engineering and construction business increased to 44 percent of revenues from 37 percent in 1994.

"Our petroleum industry customers are increasingly optimistic about 1996 and Halliburton will remain alert to capitalize on new challenges and opportunities as they appear."

Halliburton Company is one of the world's largest diversified energy services, engineering, maintenance, and construction companies. Founded in 1919, Halliburton provides a broad range of energy services and products, industrial and marine engineering and construction services.

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HALLIBURTON COMPANY

| | Quarter Ended December 31 | | Twelve Months Ended December 31 | |
|---|------------------------------|------------------|------------------------------------|------------------|
| | 1995 | 1994 | 1995 | 1994 |
| Millions of dollars except per share data | | | | |
| Revenues | | | | |
| Energy services | \$ 741.8 | \$ 666.6 | \$2,623.4 | \$2,514.0 |
| Engineering and construction services | 795.6 | 811.1 | 3,075.3 | 2,996.2 |
| Total revenues | <u>\$1,537.4</u> | <u>\$1,477.7</u> | <u>\$5,698.7</u> | <u>\$5,510.2</u> |
| Operating income | | | | |
| Energy services | \$ 102.2 | \$ 96.6 | \$ 313.7 | \$ 191.8 |
| Engineering and construction services | 22.8 | 21.4 | 103.0 | 67.2 |
| General corporate expenses | (11.6) | (5.3) | (33.5) | (22.9) |
| Total operating income | <u>113.4</u> | <u>112.7</u> | <u>383.2</u> | <u>236.1</u> |
| Interest expense | (6.1) | (13.5) | (46.2) | (47.1) |
| Interest income | 3.6 | 7.7 | 27.8 | 16.1 |
| Foreign currency gains (losses) | 0.9 | (0.8) | 1.5 | (16.0) |
| Gain on sale of compression | - | 102.0 | - | 102.0 |
| Other nonoperating, net | (0.2) | - | 0.3 | 0.4 |
| Income from continuing operations before income taxes and minority interest | <u>111.6</u> | <u>208.1</u> | <u>366.6</u> | <u>291.5</u> |
| Provision for income taxes | (39.8) | (85.7) | (131.9) | (119.0) |
| Minority interest | 0.1 | (0.2) | (0.9) | (0.2) |
| Income from continuing operations | <u>71.9</u> | <u>122.2</u> | <u>233.8</u> | <u>172.3</u> |
| Income (loss) from discontinued operations, net of income taxes | - | 5.3 | (65.5) | 5.5 |
| Net income | <u>\$ 71.9</u> | <u>\$ 127.5</u> | <u>\$ 168.3</u> | <u>\$ 177.8</u> |
| Income (loss) per share*: | | | | |
| Continuing operations | \$ 0.63 | \$ 1.07 | \$ 2.04 | \$ 1.51 |
| Discontinued operations | - | 0.05 | (0.57) | 0.05 |
| Net income | 0.63 | 1.12 | 1.47 | 1.56 |
| Average common and common share equivalents outstanding | 114.9 | 114.2 | 114.5 | 114.2 |

* Per share amounts are based upon average number of common and common share equivalents outstanding.