

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 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 25, 2010

HALLIBURTON COMPANY
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-03492
(Commission File Number)

No. 75-2677995
(IRS Employer Identification No.)

3000 North Sam Houston Parkway East
Houston, Texas
(Address of Principal Executive Offices)

77032
(Zip Code)

(281) 871-2699
(Registrant's Telephone Number, Including Area Code)

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 (see General Instruction A.2. below):

- ☐ 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 January 25, 2010, registrant issued a press release entitled “Halliburton Announces Fourth Quarter Earnings of \$0.28 Per Diluted Share Excluding Receivable Settlement Charge”

The text of the Press Release is as follows:

HALLIBURTON ANNOUNCES FOURTH QUARTER EARNINGS
OF \$0.28 PER DILUTED SHARE EXCLUDING RECEIVABLE SETTLEMENT
CHARGE
Reported net income from continuing operations of \$0.27 per diluted share

HOUSTON, Texas – Halliburton (NYSE:HAL) announced today that income from continuing operations for the fourth quarter of 2009 was \$257 million, or \$0.28 per diluted share, excluding a \$10 million net of tax, or \$0.01 per diluted share, charge related to the settlement of a customer receivable in Venezuela. Net income for the fourth quarter of 2009 was \$243 million, or \$0.27 per diluted share. This compares to net income for the third quarter of 2009 of \$262 million, or \$0.29 per diluted share. Employee separation costs negatively impacted third quarter of 2009 results by \$19 million net of tax, or \$0.02 per diluted share.

Consolidated revenue in the fourth quarter of 2009 was \$3.7 billion, compared to \$3.6 billion in the third quarter of 2009. Consolidated operating income was \$428 million in the fourth quarter of 2009 compared to \$474 million in the third quarter of 2009.

Halliburton’s revenue was \$14.7 billion for the full year 2009, a decrease of 20% from the full year 2008, and operating income was \$2.0 billion, a decrease of 50% from the full year 2008. Income from continuing operations for the full year 2009 was \$1.2 billion, or \$1.28 per diluted share, compared to 2008 income from continuing operations of \$2.6 billion, or \$2.91 per diluted share. These decreases were largely attributable to pricing declines and lower demand for products and services in North America due to a significant reduction in rig count during the early part of the year.

Commenting on 2009 results, Dave Lesar, chairman, president, and chief executive officer said, “While weak global demand and volatility in the commodity markets negatively impacted the oil service industry, I am pleased that our results reflect the successful execution of our strategy throughout the year.

“Guided by the lessons learned from past industry cycles, our strategy focused not only on managing costs but also on aligning our resources to strengthen our market position. We were able to reinforce the long-term health of our global franchise and position the company for growth through the next up cycle.

“During the fourth quarter, total revenue grew 3% from the third quarter, driven by increased activity in North America. Our international results reflected the reduction of activity due to weather related seasonality, lower than normal equipment sales and the

previously disclosed decrease of natural gas activity in Mexico. Our international results were also impacted by the reduction of international pricing due to increased intensity of competition on re-tenders and new contracts in international markets throughout the year.

“The United States rig count increased 14% from the third quarter. Revenue in North America increased 12% from the prior quarter due to robust activity in unconventional basins. Our continued investment in technology and infrastructure in these key growth basins allowed us to increase market share, operating margins and realize marginal pricing improvements during the quarter.

“The increase in rig count, positive withdrawals from gas storage and the focus by operators on projects with high service intensity are positive indicators for the North America market in the short term. A sustained recovery is possible through an increase in industrial demand and exiting the heating season with storage levels in line with the historical average.

“International revenue decreased 2% from the third quarter due to the curtailment in drilling in Mexico and pricing declines from contract re-tenders and renegotiations earlier in the year. Eastern Hemisphere operating margins declined to 19%. Customers in international markets continue to exhibit an intense focus on the quality of project execution to capture efficiencies and improve their project economics.

“Many operators have announced potential increases in upstream spending for 2010 targeted for new frontier developments and ultra-deepwater where we are well positioned. However, we expect operator investment will remain weighted toward the second half of the year.

“We believe 2010 will be a transition year as the industry seeks to balance supply growth with recovering hydrocarbon demand. We will continue maintaining our financial flexibility, leveraging our strong balance sheet to invest in our broad service portfolio, and strengthening our long-term market position,” concluded Lesar.

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2009 Fourth Quarter Results

Completion and Production

Completion and Production (C&P) revenue in the fourth quarter of 2009 was essentially flat from the third quarter of 2009 as increased activity in United States land was offset by lower activity internationally. Strong sequential revenue growth was seen from increased production enhancement and cementing activity in United States land.

C&P operating income in the fourth quarter of 2009 was \$170 million, a decrease of \$70 million or 29% over the third quarter of 2009. North America C&P operating income had significant improvement due to higher demand for production enhancement services and cementing services in United States land. Latin America C&P operating income decreased 56% with lower activity across all product service lines in Mexico. Europe/Africa/CIS C&P operating income fell 42%, primarily due to seasonal weather in Russia and vessel activity declines in the North Sea and West Africa. Middle East/Asia C&P operating income decreased 46% due to declines in completion tools sales in the Middle East and lower activity for production enhancement services throughout the region.

Drilling and Evaluation

Drilling and Evaluation (D&E) revenue in the fourth quarter of 2009 increased \$101 million from the third quarter of 2009 due to higher activity across all product service lines. The division experienced strong sequential revenue increases in the Gulf of Mexico, Brazil, Algeria, China, and Russia.

D&E operating income in the fourth quarter of 2009 was \$312 million, an increase of \$29 million or 10% over the third quarter of 2009. North America D&E operating income had significant growth primarily due to higher drilling activity in the Gulf of Mexico. Latin America D&E operating income decreased 46% as higher activity in Brazil was offset by bad debt expense related to the accounts receivable settlement in Venezuela and lower natural gas drilling activity in Mexico. Europe/Africa/CIS D&E operating income increased 16% primarily due to a more favorable product mix for drilling fluids in Norway and higher demand for software sales, project management, and drilling services in Algeria. Middle East/Asia D&E operating income increased 7% with higher demand for software and services throughout the region and higher direct sales in Asia.

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Significant Recent Events and Achievements

- Halliburton has been awarded the integrated turnkey drilling contract in South Ghawar. Located approximately 200 kilometers (124 miles) from the city of Dhahran, the Ghawar field is the world's largest oil field. The five-year contract, with an option for an additional five-year period, calls for the provision of drilling rigs, directional and horizontal drilling, logging while drilling, cementing, mud engineering, wireline logging, completion, perforating, and other well construction activities, including engineering and management of the entire drilling operations. The project is expected to utilize three to four rigs and will involve between 153 and 185 oil production, water injection, and evaluation wells. This contract is Saudi Aramco's first-ever award for an integrated turnkey drilling contract and is an important part of Saudi Aramco's plan to explore new avenues of collaboration with major oil field services providers.
 - Halliburton has been awarded a three-year contract by Total to provide drilling and completion fluid solutions in Indonesia. The \$122 million contract is expected to begin in the Mahakam Delta during the first quarter of 2010.
 - Halliburton has been awarded a three-year technical cooperation agreement by Brazil's state energy company Petróleo Brasileiro (Petrobras) for research and development in Brazil's subsalt areas. Plans include up to 15 projects, including studies on contamination of fluids in oil wells, laboratory simulation of well production, and research on salt and carbon-dioxide formation cementation. A centerpiece of the agreement will be the establishment of the Halliburton Brazil Technology and Solutions Center in Rio de Janeiro.
 - Halliburton and SGS SA have entered into a Joint Cooperation Agreement combining formation fluid sample acquisition and analysis services. Halliburton will provide a comprehensive suite of solutions for acquiring fluid samples, and SGS' Oil, Gas and Chemicals division will deliver a full range of fluid analysis services. Through the agreement, clients will have access to the industry's most complete and innovative solutions, including portable laboratory services for the acquisition, analysis, and independent quality control of production and reservoir fluid samples. Customers will get timely and impartial data to help with wellbore placement, facility design and pipeline setup decisions. Halliburton and SGS are currently providing the joint fluid sample collection and analysis service to a client in offshore Africa.
 - Halliburton has acquired Geo-Logic Systems, LLC. Founded in 1983, Geo-Logic Systems is the leading provider of advanced structural interpretation, analysis, and restoration software for complex geologic environments. Geo-Logic Systems' software validates complex geologic interpretations by determining their physical possibility using its structural restoration and balancing capabilities. The software assists in analyzing and modeling fault seal characteristics, burial histories, and determining hydrocarbon migration pathways and accumulation zones, thereby enabling Halliburton's customers to construct more accurate geologic models.
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- Landmark, a brand of Halliburton, recently launched GeoGraphix® Discovery™ 3D software, the new Microsoft (NASDAQ: MSFT) Windows PC-based offering incorporating state-of-the-art interactive visualization tools from Microsoft's Xbox® gaming console and the 64-bit capabilities and performance of the new Microsoft Windows 7 operating system. Using this new member of the GeoGraphix product family, Discovery 3D software users will have an immersive, game-like experience when developing geologic interpretations. GeoGraphix Discovery 3D software is one of the first oil and gas solutions leveraging the Microsoft Windows 7 operating system as well as the latest DirectX® graphics technology, combined with Microsoft Xbox gaming technology. The resulting product vastly improves the way geoscientists interact with and manipulate 3D subsurface models, allowing for faster, more accurate interpretations and decisions.
- Landmark, a brand of Halliburton, announced that in partnership with Shell it had completed the first of several critical deployments in the global rollout of R5000 versions of Landmark software. The R5000 software provides higher levels of data and application integration. Engineering and drilling disciplines are more tightly integrated with subsurface disciplines, enabling geological (G&G) technical staff, interpreters, and engineers to visualize and analyze larger geographic and more complex datasets within interpretation and modeling applications.

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Founded in 1919, Halliburton is one of the world's largest providers of products and services to the energy industry. With more than 50,000 employees in approximately 70 countries, the company serves the upstream oil and gas industry throughout the lifecycle of the reservoir – from locating hydrocarbons and managing geological data, to drilling and formation evaluation, well construction and completion, and optimizing production through the life of the field. Visit the company's Web site at www.halliburton.com.

NOTE: The statements in this press release that are not historical statements, including statements regarding future financial performance, are forward-looking statements within the meaning of the federal securities laws. These statements are subject to numerous risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from the results expressed or implied by the statements. These risks and uncertainties include, but are not limited to: changes in the demand for or price of oil and/or natural gas which has been significantly impacted by the worldwide recession and by the worldwide financial and credit crisis; consequences of audits and investigations by domestic and foreign government agencies and legislative bodies and related publicity, potential adverse proceedings by such agencies; protection of intellectual property rights; compliance with environmental laws; changes in government regulations and regulatory requirements, particularly those related to radioactive sources, explosives, and chemicals; compliance with laws related to income taxes and assumptions regarding the generation of future taxable income; unsettled political conditions, war, and the effects of terrorism, foreign operations, and foreign exchange rates and controls; weather-related issues including the effects of hurricanes and tropical storms; changes in capital spending by customers; delays or failures by customers to make payments owed to us; execution of long-term, fixed-price contracts; impairment of oil and gas properties; structural changes in the oil and natural gas industry; maintaining a highly skilled workforce; availability of raw materials; and integration of acquired businesses and operations of joint ventures. Halliburton's Form 10-K for the year ended December 31, 2008, Form 10-Q for the period ended September 30, 2009, recent Current Reports on Form 8-K, and other Securities and Exchange Commission filings discuss some of the important risk factors identified that may affect Halliburton's business, results of operations, and financial condition. Halliburton undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

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HALLIBURTON COMPANY
Condensed Consolidated Statements of Operations
(Millions of dollars and shares except per share data)
(Unaudited)

| | Three Months Ended | | |
|---|--------------------|-----------------|-----------------|
| | December 31 | | September |
| | 2009 | 2008 | 2009 |
| Revenue: (a) | | | |
| Completion and Production | \$ 1,818 | \$ 2,552 | \$ 1,821 |
| Drilling and Evaluation | 1,868 | 2,358 | 1,767 |
| Total revenue | \$ 3,686 | \$ 4,910 | \$ 3,588 |
| Operating income: (a) | | | |
| Completion and Production | \$ 170 | \$ 630 | \$ 240 |
| Drilling and Evaluation | 312 | 558 | 283 |
| Corporate and other | (54) | (25) | (49) |
| Total operating income | 428 | 1,163 | 474 |
| Interest expense | (82) | (48) | (80) |
| Interest income | 4 | 4 | 3 |
| Other, net | (4) | (26) | (4) |
| Income from continuing operations before income taxes | 346 | 1,093 | 393 |
| Provision for income taxes | (98) | (342) | (124) |
| Income from continuing operations, net | 248 | 751 | 269 |
| Loss from discontinued operations, net | (4) | (308) (c) | (3) |
| Net income | \$ 244 | \$ 443 | \$ 266 |
| Noncontrolling interest in net income of subsidiaries (b) | (1) | 25 | (4) |
| Net income attributable to company | \$ 243 | \$ 468 | \$ 262 |
| Amounts attributable to company shareholders: | | | |
| Income from continuing operations | \$ 247 | \$ 776 | \$ 265 |
| Loss from discontinued operations, net | (4) | (308) (c) | (3) |
| Net income attributable to company | \$ 243 | \$ 468 | \$ 262 |
| Basic income per share attributable to company shareholders: (d) | | | |
| Income from continuing operations | \$ 0.27 | \$ 0.87 | \$ 0.29 |
| Loss from discontinued operations, net | — | (0.35) (c) | — |
| Net income per share | \$ 0.27 | \$ 0.52 | \$ 0.29 |
| Diluted income per share attributable to company shareholders: (d) | | | |
| Income from continuing operations | \$ 0.27 | \$ 0.87 | \$ 0.29 |
| Loss from discontinued operations, net | — | (0.35) (c) | — |
| Net income per share | \$ 0.27 | \$ 0.52 | \$ 0.29 |
| Basic weighted average common shares outstanding (d) | 903 | 895 | 902 |
| Diluted weighted average common shares outstanding (d) | 906 | 896 | 904 |

- (a) Prior period segment information was reclassified to reflect the movement of certain operations from the Completion and Production segment to the Drilling and Evaluation segment.
- (b) On January 1, 2009, Halliburton adopted a new accounting standard, the provisions of which, among others, requires the recognition of noncontrolling interest (previously referred to as minority interest) as equity in the condensed consolidated balance sheets and a revised presentation of the condensed consolidated statements of operations. All periods presented have been restated.
- (c) Loss from discontinued operations, net in the fourth quarter of 2008 included a \$303 million, or \$0.34 per diluted share, charge related to the settlements of the Department of Justice and Securities and Exchange Commission Foreign Corrupt Practices Act investigations.
- (d) On January 1, 2009, Halliburton adopted an update to accounting standards related to accounting for instruments granted in share-based payment transactions as participating securities. This update provides that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents, whether paid or unpaid, are participating securities and shall be included in the computation of both basic and diluted earnings per share. Prior periods' basic and diluted earnings per share were restated. Upon adoption, both basic and diluted earnings per share for the fourth quarter of 2008 decreased by \$0.01 for net income. Both basic and diluted loss per share for the fourth quarter of 2008 increased by \$0.01 for discontinued operations.

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H A L L I B U R T O N C O M P A N Y
C o n d e n s e d C o n s o l i d a t e d S t a t e m e n t s o f O p e r a t i o n s
(M i l l i o n s o f d o l l a r s a n d s h a r e s e x c e p t p e r s h a r e d a t a)
(U n a u d i t e d)

| | Y e a r E n d e d D e c e m b e r 3 1 | |
|--|--|-----------------------|
| | 2 0 0 9 | 2 0 0 8 |
| R e v e n u e : (a) | | |
| Completion and Production | \$ 7 , 4 1 9 | \$ 9 , 6 1 0 |
| Drilling and Evaluation | 7 , 2 5 6 | 8 , 6 6 9 |
| T o t a l r e v e n u e | \$ 1 4 , 6 7 5 | \$ 1 8 , 2 7 9 |
| O p e r a t i n g i n c o m e : (a) | | |
| Completion and Production | \$ 1 , 0 1 6 | \$ 2 , 3 0 4 |
| Drilling and Evaluation | 1 , 1 8 3 | 1 , 9 7 0 |
| Corporate and other | (2 0 5) | (2 6 4) |
| T o t a l o p e r a t i n g i n c o m e | 1 , 9 9 4 | 4 , 0 1 0 |
| Interest expense | (2 9 7) | (1 6 7) (b) |
| Interest income | 1 2 | 3 9 |
| Other, net | (2 7) | (3 3) (b) |
| Income from continuing operations before income taxes | 1 , 6 8 2 | 3 , 8 4 9 |
| Provision for income taxes | (5 1 8) | (1 , 2 1 1) |
| Income from continuing operations | 1 , 1 6 4 | 2 , 6 3 8 |
| Loss from discontinued operations, net | (9) | (4 2 3) (c) |
| Net income | \$ 1 , 1 5 5 | \$ 2 , 2 1 5 |
| Noncontrolling interest in net income of subsidiaries (d) | (1 0) | 9 |
| N e t i n c o m e a t t r i b u t a b l e t o c o m p a n y | \$ 1 , 1 4 5 | \$ 2 , 2 2 4 |
| A m o u n t s a t t r i b u t a b l e t o c o m p a n y s h a r e h o l d e r s : | | |
| Income from continuing operations | \$ 1 , 1 5 4 | \$ 2 , 6 4 7 |
| Loss from discontinued operations, net | (9) | (4 2 3) (c) |
| N e t i n c o m e a t t r i b u t a b l e t o c o m p a n y | \$ 1 , 1 4 5 | \$ 2 , 2 2 4 |
| B a s i c i n c o m e p e r s h a r e a t t r i b u t a b l e t o c o m p a n y s h a r e h o l d e r s : (e) | | |
| Income from continuing operations | \$ 1 . 2 8 | \$ 3 . 0 0 |
| Loss from discontinued operations, net | (0 . 0 1) | (0 . 4 8) (c) |
| N e t i n c o m e p e r s h a r e | \$ 1 . 2 7 | \$ 2 . 5 2 |
| D i l u t e d i n c o m e p e r s h a r e a t t r i b u t a b l e t o c o m p a n y s h a r e h o l d e r s : (e) | | |
| Income from continuing operations | \$ 1 . 2 8 | \$ 2 . 9 1 |
| Loss from discontinued operations, net | (0 . 0 1) | (0 . 4 6) (c) |
| N e t i n c o m e p e r s h a r e | \$ 1 . 2 7 | \$ 2 . 4 5 |
| Basic weighted average common shares outstanding (e) | 9 0 0 | 8 8 3 |
| Diluted weighted average common shares outstanding (e) | 9 0 2 | 9 0 9 |

- (a) Prior period segment information was reclassified to reflect the movement of certain operations from the Completion and Production segment to the Drilling and Evaluation segment.
- (b) On January 1, 2009, Halliburton adopted an update to accounting standards related to convertible debt instruments that may be settled in cash upon conversion (including partial cash settlement). This update clarifies that convertible debt instruments that may be settled in cash upon conversion, including partial cash settlement, should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. Upon adoption, the provisions were retroactively applied. As a result, \$7 million of additional non-cash interest expense was recorded in the year ended December 31, 2008 and the \$693 million loss to settle our convertible debt recorded in the third quarter of 2008 was reversed and recorded to additional paid-in capital.
- (c) Loss from discontinued operations, net, in 2008, included \$420 million in charges, net of tax, or \$0.46 per diluted share, related to adjustments of the indemnities and guarantees provided to KBR, Inc. upon separation.
- (d) On January 1, 2009, Halliburton adopted a new accounting standard, the provisions of which, among others, requires the recognition of noncontrolling interest (previously referred to as minority interest) as equity in the condensed consolidated balance sheets and a revised presentation of the condensed consolidated statements of operations. All periods presented have been restated.
- (e) On January 1, 2009, Halliburton adopted an update to accounting standards related to accounting for instruments granted in share-based payment transactions as participating securities. This update provides that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents, whether paid or unpaid, are participating securities and shall be included in the computation of both basic and diluted earnings per share. Prior periods' basic and diluted earnings per share were restated. Upon adoption, basic income per share for 2008 decreased by \$0.02 for continuing operations and diluted income per share decreased by \$0.01 for continuing operations. In addition, basic loss per share decreased by \$0.01 for discontinued operations. Both basic and diluted earnings per share decreased by \$0.01 for net income.

See Footnote Table 3 for a list of significant items included in operating income.

H A L L I B U R T O N C O M P A N Y
C o n d e n s e d C o n s o l i d a t e d B a l a n c e S h e e t s
(M i l l i o n s o f d o l l a r s)
(U n a u d i t e d)

| | D e c e m b e r 3 1 | |
|---|-------------------------|-------------------------|
| | 2 0 0 9 | 2 0 0 8 |
| A s s e t s | | |
| C u r r e n t a s s e t s : | | |
| C a s h a n d e q u i v a l e n t s | \$ 2 , 0 8 2 | \$ 1 , 1 2 4 |
| R e c e i v a b l e s , n e t | 2 , 9 6 4 | 3 , 7 9 5 |
| I n v e n t o r i e s , n e t | 1 , 5 9 8 | 1 , 8 2 8 |
| I n v e s t m e n t s i n m a r k e t a b l e s e c u r i t i e s | 1 , 3 1 2 | — |
| O t h e r c u r r e n t a s s e t s | 6 8 2 | 6 6 4 |
| T o t a l c u r r e n t a s s e t s | 8 , 6 3 8 | 7 , 4 1 1 |
| P r o p e r t y , p l a n t , a n d e q u i p m e n t , n e t | 5 , 7 5 9 | 4 , 7 8 2 |
| G o o d w i l l | 1 , 1 0 0 | 1 , 0 7 2 |
| O t h e r a s s e t s | 1 , 0 4 1 | 1 , 1 2 0 |
| T o t a l a s s e t s | \$ 1 6 , 5 3 8 | \$ 1 4 , 3 8 5 |
| L i a b i l i t i e s a n d S h a r e h o l d e r s ' E q u i t y | | |
| C u r r e n t l i a b i l i t i e s : | | |
| A c c o u n t s p a y a b l e | \$ 7 8 7 | \$ 8 9 8 |
| C u r r e n t m a t u r i t i e s o f l o n g - t e r m d e b t | 7 5 0 | 2 6 |
| A c c r u e d e m p l o y e e c o m p e n s a t i o n a n d b e n e f i t s | 5 1 4 | 6 4 3 |
| O t h e r c u r r e n t l i a b i l i t i e s | 8 3 8 | 1 , 2 1 4 |
| T o t a l c u r r e n t l i a b i l i t i e s | 2 , 8 8 9 | 2 , 7 8 1 |
| L o n g - t e r m d e b t | 3 , 8 2 4 | 2 , 5 8 6 |
| O t h e r l i a b i l i t i e s | 1 , 0 6 8 | 1 , 2 7 4 |
| T o t a l l i a b i l i t i e s | 7 , 7 8 1 | 6 , 6 4 1 |
| C o m p a n y ' s s h a r e h o l d e r s ' e q u i t y | 8 , 7 2 8 | 7 , 7 2 5 |
| N o n c o n t r o l l i n g i n t e r e s t i n c o n s o l i d a t e d s u b s i d i a r i e s (a) | 2 9 | 1 9 |
| T o t a l s h a r e h o l d e r s ' e q u i t y | 8 , 7 5 7 | 7 , 7 4 4 |
| T o t a l l i a b i l i t i e s a n d s h a r e h o l d e r s ' e q u i t y | \$ 1 6 , 5 3 8 | \$ 1 4 , 3 8 5 |

(a) O n J a n u a r y 1 , 2 0 0 9 , H a l l i b u r t o n a d o p t e d a n e w a c c o u n t i n g s t a n d a r d , t h e p r o v i s i o n s o f w h i c h , a m o n g o t h e r s , r e q u i r e s t h e r e c o g n i t i o n o f n o n c o n t r o l l i n g i n t e r e s t (p r e v i o u s l y r e f e r r e d t o a s m i n o r i t y i n t e r e s t) a s e q u i t y i n t h e c o n d e n s e d c o n s o l i d a t e d b a l a n c e s h e e t s a n d a r e v i s e d p r e s e n t a t i o n o f t h e c o n d e n s e d c o n s o l i d a t e d s t a t e m e n t s o f o p e r a t i o n s . A l l p e r i o d s p r e s e n t e d h a v e b e e n r e s t a t e d .

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H A L L I B U R T O N C O M P A N Y
C o n d e n s e d C o n s o l i d a t e d S t a t e m e n t s o f C a s h F l o w s
(M i l l i o n s o f d o l l a r s)
(U n a u d i t e d)

| | Y e a r E n d e d D e c e m b e r 3 1 | |
|---|--|-----------------------|
| | 2 0 0 9 | 2 0 0 8 |
| C a s h f l o w s f r o m o p e r a t i n g a c t i v i t i e s : | | |
| Net income | \$ 1 , 1 5 5 | \$ 2 , 2 1 5 (a) |
| Adjustments to reconcile net income to net cash from operations: | | |
| Depreciation, depletion, and amortization | 9 3 1 | 7 3 8 |
| Loss from discontinued operations | 9 | 4 2 3 |
| Payments of Department of Justice and Securities and Exchange Commission settlement and indemnity | (4 1 7) | - |
| Other | 7 2 8 | (7 0 2) |
| T o t a l c a s h f l o w s f r o m o p e r a t i n g a c t i v i t i e s | 2 , 4 0 6 | 2 , 6 7 4 |
| C a s h f l o w s f r o m i n v e s t i n g a c t i v i t i e s : | | |
| Sales (purchases) of investments in marketable securities, net | (1 , 3 2 0) | 3 8 8 |
| Capital expenditures | (1 , 8 6 4) | (1 , 8 2 4) |
| Acquisitions of assets, net of cash acquired | (5 5) | (6 5 2) |
| Other | 1 5 4 | 2 3 2 |
| T o t a l c a s h f l o w s f r o m i n v e s t i n g a c t i v i t i e s | (3 , 0 8 5) | (1 , 8 5 6) |
| C a s h f l o w s f r o m f i n a n c i n g a c t i v i t i e s : | | |
| Proceeds from long-term borrowings, net of offering costs | 1 , 9 7 5 | 1 , 1 8 7 |
| Payments of dividends to shareholders | (3 2 4) | (3 1 9) |
| Payments on long-term borrowings | (3 1) | (2 , 0 4 8) |
| Payments to reacquire common stock | (1 7) | (5 0 7) |
| Other | 6 7 | 1 6 4 |
| T o t a l c a s h f l o w s f r o m f i n a n c i n g a c t i v i t i e s | 1 , 6 7 0 | (1 , 5 2 3) |
| E f f e c t o f e x c h a n g e r a t e c h a n g e s o n c a s h | (3 3) | (1 8) |
| I n c r e a s e (d e c r e a s e) i n c a s h a n d e q u i v a l e n t s | 9 5 8 | (7 2 3) |
| C a s h a n d e q u i v a l e n t s a t b e g i n n i n g o f p e r i o d | 1 , 1 2 4 | 1 , 8 4 7 |
| C a s h a n d e q u i v a l e n t s a t e n d o f p e r i o d | \$ 2 , 0 8 2 | \$ 1 , 1 2 4 |

(a) O n J a n u a r y 1 , 2 0 0 9 , H a l l i b u r t o n a d o p t e d a n u p d a t e t o a c c o u n t i n g s t a n d a r d s r e l a t e d t o a c c o u n t i n g f o r c o n v e r t i b l e d e b t i n s t r u m e n t s t h a t m a y b e s e t t l e d i n c a s h u p o n c o n v e r s i o n (i n c l u d i n g p a r t i a l c a s h s e t t l e m e n t) . T h i s u p d a t e c l a r i f i e s t h a t c o n v e r t i b l e d e b t i n s t r u m e n t s t h a t m a y b e s e t t l e d i n c a s h u p o n c o n v e r s i o n , i n c l u d i n g p a r t i a l c a s h s e t t l e m e n t , s h o u l d s e p a r a t e l y a c c o u n t f o r t h e l i a b i l i t y a n d e q u i t y c o m p o n e n t s i n a m a n n e r t h a t w i l l r e f l e c t t h e e n t i t y ' s n o n c o n v e r t i b l e d e b t b o r r o w i n g r a t e w h e n i n t e r e s t c o s t i s r e c o g n i z e d i n s u b s e q u e n t p e r i o d s . U p o n a d o p t i o n , t h e p r o v i s i o n s w e r e r e t r o a c t i v e l y a p p l i e d . A s a r e s u l t , \$ 7 m i l l i o n o f a d d i t i o n a l n o n - c a s h i n t e r e s t e x p e n s e w a s r e c o r d e d i n t h e y e a r e n d e d D e c e m b e r 3 1 , 2 0 0 8 a n d t h e \$ 6 9 3 m i l l i o n l o s s t o s e t t l e o u r c o n v e r t i b l e d e b t r e c o r d e d i n t h e t h i r d q u a r t e r o f 2 0 0 8 w a s r e v e r s e d a n d r e c o r d e d t o a d d i t i o n a l p a i d - i n c a p i t a l .

- m o r e -

H A L L I B U R T O N C O M P A N Y
R e v e n u e a n d O p e r a t i n g I n c o m e C o m p a r i s o n
B y S e g m e n t a n d G e o g r a p h i c R e g i o n
(M i l l i o n s o f d o l l a r s)
(U n a u d i t e d)

| | T h r e e M o n t h s E n d e d | | |
|--|-------------------------------------|---------------------|-------------------------|
| | D e c e m b e r 3 1 | | S e p t e m b e r |
| | 2 0 0 9 | 2 0 0 8 | 3 0 2 0 0 9 |
| R e v e n u e b y g e o g r a p h i c r e g i o n : | | | |
| C o m p l e t i o n a n d P r o d u c t i o n : | | | |
| N o r t h A m e r i c a | \$ 9 1 6 | \$ 1 , 4 4 2 | \$ 8 0 7 |
| L a t i n A m e r i c a | 2 0 5 | 2 5 8 | 2 2 3 |
| E u r o p e / A f r i c a / C I S | 4 2 3 | 4 9 7 | 4 8 3 |
| M i d d l e E a s t / A s i a | 2 7 4 | 3 5 5 | 3 0 8 |
| T o t a l | 1 , 8 1 8 | 2 , 5 5 2 | 1 , 8 2 1 |
| D r i l l i n g a n d E v a l u a t i o n : | | | |
| N o r t h A m e r i c a | 5 1 9 | 8 0 0 | 4 7 8 |
| L a t i n A m e r i c a | 3 3 4 | 4 1 4 | 3 1 9 |
| E u r o p e / A f r i c a / C I S | 5 7 4 | 6 4 3 | 5 2 9 |
| M i d d l e E a s t / A s i a | 4 4 1 | 5 0 1 | 4 4 1 |
| T o t a l | 1 , 8 6 8 | 2 , 3 5 8 | 1 , 7 6 7 |
| T o t a l r e v e n u e b y r e g i o n : | | | |
| N o r t h A m e r i c a | 1 , 4 3 5 | 2 , 2 4 2 | 1 , 2 8 5 |
| L a t i n A m e r i c a | 5 3 9 | 6 7 2 | 5 4 2 |
| E u r o p e / A f r i c a / C I S | 9 9 7 | 1 , 1 4 0 | 1 , 0 1 2 |
| M i d d l e E a s t / A s i a | 7 1 5 | 8 5 6 | 7 4 9 |

**O p e r a t i n g i n c o m e b y g e o g r a p h i c r e g i o n
(e x c l u d i n g C o r p o r a t e a n d o t h e r) :**

| | | | |
|---|---------------|-----------------|---------------------|
| C o m p l e t i o n a n d P r o d u c t i o n : | | | |
| N o r t h A m e r i c a | \$ 4 5 | \$ 3 8 4 | \$ 9 |
| L a t i n A m e r i c a | 2 0 | 5 1 | 4 5 |
| E u r o p e / A f r i c a / C I S | 6 2 | 1 1 0 | 1 0 7 |
| M i d d l e E a s t / A s i a | 4 3 | 8 5 | 7 9 |
| T o t a l | 1 7 0 | 6 3 0 | 2 4 0 |
| D r i l l i n g a n d E v a l u a t i o n : | | | |
| N o r t h A m e r i c a | 5 8 | 1 5 5 | 2 8 |
| L a t i n A m e r i c a | 2 8 | 1 0 1 | 5 2 |
| E u r o p e / A f r i c a / C I S | 1 0 9 | 1 5 0 | 9 4 |
| M i d d l e E a s t / A s i a | 1 1 7 | 1 5 2 | 1 0 9 |
| T o t a l | 3 1 2 | 5 5 8 | 2 8 3 |
| T o t a l o p e r a t i n g i n c o m e b y r e g i o n : | | | |
| N o r t h A m e r i c a | 1 0 3 | 5 3 9 | 3 7 |
| L a t i n A m e r i c a | 4 8 | 1 5 2 | 9 7 |
| E u r o p e / A f r i c a / C I S | 1 7 1 | 2 6 0 | 2 0 1 |
| M i d d l e E a s t / A s i a | 1 6 0 | 2 3 7 | 1 8 8 |

P r i o r p e r i o d s e g m e n t i n f o r m a t i o n w a s r e c l a s s i f i e d t o r e f l e c t t h e
m o v e m e n t o f c e r t a i n o p e r a t i o n s f r o m t h e C o m p l e t i o n a n d P r o d u c t i o n
s e g m e n t t o t h e D r i l l i n g a n d E v a l u a t i o n s e g m e n t .

- m o r e -

H A L L I B U R T O N C O M P A N Y
R e v e n u e a n d O p e r a t i n g I n c o m e C o m p a r i s o n
B y S e g m e n t a n d G e o g r a p h i c R e g i o n
(M i l l i o n s o f d o l l a r s)
(U n a u d i t e d)

| R e v e n u e b y g e o g r a p h i c r e g i o n : | Y e a r E n d e d | |
|---|-----------------------|----------------|
| | D e c e m b e r 3 1 | |
| | 2 0 0 9 | 2 0 0 8 |
| C o m p l e t i o n a n d P r o d u c t i o n : | | |
| N o r t h A m e r i c a | \$ 3 , 5 8 9 | \$ 5 , 3 2 7 |
| L a t i n A m e r i c a | 8 8 7 | 9 7 8 |
| E u r o p e / A f r i c a / C I S | 1 , 7 7 1 | 1 , 9 3 8 |
| M i d d l e E a s t / A s i a | 1 , 1 7 2 | 1 , 3 6 7 |
| T o t a l | 7 , 4 1 9 | 9 , 6 1 0 |
| D r i l l i n g a n d E v a l u a t i o n : | | |
| N o r t h A m e r i c a | 2 , 0 7 3 | 3 , 0 1 3 |
| L a t i n A m e r i c a | 1 , 2 9 4 | 1 , 4 4 7 |
| E u r o p e / A f r i c a / C I S | 2 , 1 7 7 | 2 , 4 0 8 |
| M i d d l e E a s t / A s i a | 1 , 7 1 2 | 1 , 8 0 1 |
| T o t a l | 7 , 2 5 6 | 8 , 6 6 9 |
| T o t a l r e v e n u e b y r e g i o n : | | |
| N o r t h A m e r i c a | 5 , 6 6 2 | 8 , 3 4 0 |
| L a t i n A m e r i c a | 2 , 1 8 1 | 2 , 4 2 5 |
| E u r o p e / A f r i c a / C I S | 3 , 9 4 8 | 4 , 3 4 6 |
| M i d d l e E a s t / A s i a | 2 , 8 8 4 | 3 , 1 6 8 |

**O p e r a t i n g i n c o m e b y g e o g r a p h i c r e g i o n
(e x c l u d i n g C o r p o r a t e a n d o t h e r) :**

| | | |
|---|------------|----------------|
| C o m p l e t i o n a n d P r o d u c t i o n : | | |
| N o r t h A m e r i c a | \$ 2 7 2 | \$ 1 , 4 2 6 |
| L a t i n A m e r i c a | 1 7 2 | 2 1 4 |
| E u r o p e / A f r i c a / C I S | 3 1 5 | 3 6 0 |
| M i d d l e E a s t / A s i a | 2 5 7 | 3 0 4 |
| T o t a l | 1 , 0 1 6 | 2 , 3 0 4 |
| D r i l l i n g a n d E v a l u a t i o n : | | |
| N o r t h A m e r i c a | 1 7 8 | 6 7 9 |
| L a t i n A m e r i c a | 1 8 7 | 3 0 7 |
| E u r o p e / A f r i c a / C I S | 3 8 0 | 4 9 7 |
| M i d d l e E a s t / A s i a | 4 3 8 | 4 8 7 |
| T o t a l | 1 , 1 8 3 | 1 , 9 7 0 |
| T o t a l o p e r a t i n g i n c o m e b y r e g i o n : | | |
| N o r t h A m e r i c a | 4 5 0 | 2 , 1 0 5 |
| L a t i n A m e r i c a | 3 5 9 | 5 2 1 |
| E u r o p e / A f r i c a / C I S | 6 9 5 | 8 5 7 |
| M i d d l e E a s t / A s i a | 6 9 5 | 7 9 1 |

P r i o r p e r i o d s e g m e n t i n f o r m a t i o n w a s r e c l a s s i f i e d t o r e f l e c t t h e
m o v e m e n t o f c e r t a i n o p e r a t i o n s f r o m t h e C o m p l e t i o n a n d P r o d u c t i o n
s e g m e n t t o t h e D r i l l i n g a n d E v a l u a t i o n s e g m e n t .

S e e F o o t n o t e T a b l e 3 f o r a l i s t o f s i g n i f i c a n t i t e m s i n c l u d e d i n
o p e r a t i n g i n c o m e .

- m o r e -

FOOTNOTE TABLE 1

HALLIBURTON COMPANY
Excluded Costs
By Segment and Geographic Region
(Millions of dollars)
(Unaudited)

| | Three Months Ended | |
|--------------------------------------|--------------------|-----------|
| | December | September |
| | 31 | 30 |
| Excluded costs by geographic region: | 2009 (a) | 2009 (b) |
| Completion and Production: | | |
| North America | \$ — | \$ 5 |
| Latin America | 3 | 3 |
| Europe / Africa / CIS | — | 3 |
| Middle East / Asia | — | 2 |
| Total | 3 | 13 |
| Drilling and Evaluation: | | |
| North America | — | 4 |
| Latin America | 12 | 4 |
| Europe / Africa / CIS | — | 5 |
| Middle East / Asia | — | 2 |
| Total | 12 | 15 |
| Total excluded costs by region: | | |
| North America | — | 9 |
| Latin America | 15 | 7 |
| Europe / Africa / CIS | — | 8 |
| Middle East / Asia | — | 4 |
| Total | 15 | 28 |

- (a) Bad debt expense arising from the settlement of a significant Venezuela customer account receivable.
- (b) Employee separation costs.

FOOTNOTE TABLE 2

HALLIBURTON COMPANY
Adjusted Operating Income Removing Excluded Costs
By Segment and Geographic Region
(Millions of dollars)
(Unaudited)

| | Three Months Ended | |
|---|--------------------|-----------|
| | December | September |
| | 31 | 30 |
| Adjusted operating income by geographic region: (excluding Corporate and other): (a) (b) | 2009 | 2009 |
| Completion and Production: | | |
| North America | \$ 45 | \$ 14 |
| Latin America | 23 | 48 |
| Europe / Africa / CIS | 62 | 110 |
| Middle East / Asia | 43 | 81 |
| Total | 173 | 253 |
| Drilling and Evaluation: | | |
| North America | 58 | 32 |
| Latin America | 40 | 56 |
| Europe / Africa / CIS | 109 | 99 |
| Middle East / Asia | 117 | 111 |
| Total | 324 | 298 |
| Total operating income by region: | | |
| North America | 103 | 46 |
| Latin America | 63 | 104 |
| Europe / Africa / CIS | 171 | 209 |
| Middle East / Asia | 160 | 192 |

- (a) Management believes that operating income adjusted for employee separation costs and the receivables settlement is useful to investors to assess and understand segment and region operating performance, especially when comparing current results with previous periods or forecasting performance for future periods, primarily because management views the excluded items to be outside of the Company's normal operating results. Management analyzes operating income without the impact of employee separation costs and the receivables settlement as an indicator of ongoing segment and region operating performance, to identify underlying trends in the business, and to establish segment and region operational goals. The adjustment removes the effect of these expenses.
- (b) Adjusted operating income for each segment and region is calculated as: "Operating income" plus "Excluded costs."

F O O T N O T E T A B L E 3

H A L L I B U R T O N C O M P A N Y
I t e m s I n c l u d e d i n O p e r a t i n g I n c o m e
(M i l l i o n s o f d o l l a r s e x c e p t p e r s h a r e d a t a)
(U n a u d i t e d)

| | Y e a r E n d e d | | Y e a r E n d e d | |
|---|-------------------------------|-----------------------------|-------------------------------|-----------------------------|
| | D e c e m b e r 3 1 , 2 0 0 9 | | D e c e m b e r 3 1 , 2 0 0 8 | |
| | O p e r a t i n g | A f t e r T a x P e r | O p e r a t i n g | A f t e r T a x P e r |
| | I n c o m e | S h a r e | I n c o m e | S h a r e |
| C o m p l e t i o n a n d P r o d u c t i o n : N o r t h A m e r i c a G a i n o n s a l e o f i n v e s t m e n t s | \$ - | \$ - | \$ 3 5 | \$ 0 . 0 2 |
| E m p l o y e e s e p a r a t i o n c o s t s | (1 9) | (0 . 0 2) | - | - |
| L a t i n A m e r i c a E m p l o y e e s e p a r a t i o n c o s t s | (7) | - | - | - |
| R e c e i v a b l e s s e t t l e m e n t | (3) | - | | |
| E u r o p e / A f r i c a / C I S E m p l o y e e s e p a r a t i o n c o s t s | (5) | - | - | - |
| M i d d l e E a s t / A s i a E m p l o y e e s e p a r a t i o n c o s t s | (3) | - | - | - |
| D r i l l i n g a n d E v a l u a t i o n : N o r t h A m e r i c a G a i n o n s a l e o f i n v e s t m e n t s | - | - | 2 5 | 0 . 0 2 |
| E m p l o y e e s e p a r a t i o n c o s t s | (1 3) | (0 . 0 1) | - | - |
| L a t i n A m e r i c a E m p l o y e e s e p a r a t i o n c o s t s | (8) | (0 . 0 1) | - | - |
| R e c e i v a b l e s s e t t l e m e n t | (1 2) | (0 . 0 1) | | |
| E u r o p e / A f r i c a / C I S E m p l o y e e s e p a r a t i o n c o s t s | (8) | (0 . 0 1) | - | - |
| M i d d l e E a s t / A s i a I m p a i r m e n t o f o i l a n d g a s p r o p e r t y | - | - | (2 3) | (0 . 0 2) |
| E m p l o y e e s e p a r a t i o n c o s t s | (5) | - | - | - |
| C o r p o r a t e a n d o t h e r : P a t e n t s e t t l e m e n t s | - | - | 5 (a) | - |
| A c q u i s i t i o n - r e l a t e d a d j u s t m e n t | - | - | (2 2) | (0 . 0 2) |
| E m p l o y e e s e p a r a t i o n c o s t s | (5) | - | - | - |

(a) P a t e n t s e t t l e m e n t s i n 2 0 0 8 i n c l u d e d a \$ 3 5 m i l l i o n g a i n i n t h e f o u r t h q u a r t e r o f 2 0 0 8 , w h i c h w a s p a r t i a l l y o f f s e t b y a \$ 3 0 m i l l i o n c h a r g e i n t h e s e c o n d q u a r t e r o f 2 0 0 8 .

- m o r e -

F O O T N O T E T A B L E 4

H A L L I B U R T O N C O M P A N Y
R e c o n c i l i a t i o n o f A s R e p o r t e d R e s u l t s t o A d j u s t e d R e s u l t s
(M i l l i o n s o f d o l l a r s)
(U n a u d i t e d)

| | T h r e e M o n t h s E n d e d |
|---|---------------------------------------|
| | D e c e m b e r 3 1 , 2 0 0 9 |
| A s r e p o r t e d i n c o m e f r o m c o n t i n u i n g o p e r a t i o n s | \$ 2 4 7 |
| R e c e i v a b l e s s e t t l e m e n t , n e t o f t a x (a) | 1 0 |
| A d j u s t e d i n c o m e f r o m c o n t i n u i n g o p e r a t i o n s (a) | \$ 2 5 7 |
| A s r e p o r t e d d i l u t e d w e i g h t e d a v e r a g e c o m m o n s h a r e s o u t s t a n d i n g | 9 0 6 |
| A s r e p o r t e d i n c o m e f r o m c o n t i n u i n g o p e r a t i o n s p e r d i l u t e d s h a r e (b) | \$ 0 . 2 7 |
| A d j u s t e d i n c o m e f r o m c o n t i n u i n g o p e r a t i o n s p e r d i l u t e d s h a r e (b) | \$ 0 . 2 8 |

- (a) M a n a g e m e n t b e l i e v e s t h a t i n c o m e f r o m c o n t i n u i n g o p e r a t i o n s a d j u s t e d f o r t h e r e c e i v a b l e s s e t t l e m e n t i s u s e f u l t o i n v e s t o r s t o a s s e s s a n d u n d e r s t a n d o p e r a t i n g p e r f o r m a n c e , e s p e c i a l l y w h e n c o m p a r i n g c u r r e n t r e s u l t s w i t h p r e v i o u s p e r i o d s o r f o r e c a s t i n g p e r f o r m a n c e f o r f u t u r e p e r i o d s , p r i m a r i l y b e c a u s e m a n a g e m e n t v i e w s t h e e x c l u d e d i t e m t o b e o u t s i d e o f t h e C o m p a n y ' s n o r m a l o p e r a t i n g r e s u l t s . M a n a g e m e n t a n a l y z e s i n c o m e f r o m c o n t i n u i n g o p e r a t i o n s w i t h o u t t h e i m p a c t o f t h e r e c e i v a b l e s s e t t l e m e n t a s a n i n d i c a t o r o f p e r f o r m a n c e , t o i d e n t i f y u n d e r l y i n g t r e n d s i n t h e b u s i n e s s , a n d t o e s t a b l i s h o p e r a t i o n a l g o a l s . T h e a d j u s t m e n t r e m o v e s t h e e f f e c t o f t h e e x p e n s e . A d j u s t e d i n c o m e f r o m c o n t i n u i n g o p e r a t i o n s i s c a l c u l a t e d a s : " A s r e p o r t e d i n c o m e f r o m c o n t i n u i n g o p e r a t i o n s " p l u s " R e c e i v a b l e s s e t t l e m e n t , n e t o f t a x . "
- (b) A s r e p o r t e d i n c o m e f r o m c o n t i n u i n g o p e r a t i o n s p e r d i l u t e d s h a r e i s c a l c u l a t e d a s : " A s r e p o r t e d i n c o m e f r o m c o n t i n u i n g o p e r a t i o n s " d i v i d e d b y " A s r e p o r t e d d i l u t e d w e i g h t e d a v e r a g e c o m m o n s h a r e s o u t s t a n d i n g . " A d j u s t e d i n c o m e f r o m c o n t i n u i n g o p e r a t i o n s p e r d i l u t e d s h a r e i s c a l c u l a t e d a s : " A d j u s t e d i n c o m e f r o m c o n t i n u i n g o p e r a t i o n s " d i v i d e d b y " A s r e p o r t e d d i l u t e d w e i g h t e d a v e r a g e c o m m o n s h a r e s o u t s t a n d i n g . "

F O O T N O T E T A B L E 5

H A L L I B U R T O N C O M P A N Y
C a l c u l a t i o n o f N e t D e b t t o T o t a l C a p i t a l i z a t i o n R a t i o
(M i l l i o n s o f d o l l a r s)
(U n a u d i t e d)

| | D e c e m b e r 3 1 , 2 0 0 9 |
|---|------------------------------------|
| T o t a l d e b t (b) | \$ 4 , 5 7 4 |
| C a s h a n d e q u i v a l e n t s | (2 , 0 8 2) |
| I n v e s t m e n t s i n m a r k e t a b l e s e c u r i t i e s | (1 , 3 1 2) |
| N e t d e b t (c) | \$ 1 , 1 8 0 |
| A s r e p o r t e d t o t a l s h a r e h o l d e r s ' e q u i t y | \$ 8 , 7 5 7 |
| T o t a l d e b t (b) | 4 , 5 7 4 |
| T o t a l c a p i t a l i z a t i o n (d) | \$ 1 3 , 3 3 1 |
| N e t d e b t t o t o t a l c a p i t a l i z a t i o n r a t i o (a) | 9 % |

- (a) M a n a g e m e n t b e l i e v e s t h a t t h e n e t d e b t t o t o t a l c a p i t a l i z a t i o n r a t i o i s a n i m p o r t a n t f i n a n c i a l m e a s u r e f o r u s e i n e v a l u a t i n g t h e C o m p a n y ' s l i q u i d i t y , w h i c h m e a s u r e s t h e a m o u n t o f n e t d e b t c o m p a r e d t o a v a i l a b l e c a p i t a l . M a n a g e m e n t b e l i e v e s t h a t b e c a u s e c a s h a n d e q u i v a l e n t s a n d i n v e s t m e n t s i n m a r k e t a b l e s e c u r i t i e s c a n b e u s e d t o r e p a y i n d e b t e d n e s s , n e t d e b t p r o v i d e s a c l e a r e r p i c t u r e o f t h e f u t u r e d e m a n d s o n c a s h t o r e p a y d e b t b y n e t t i n g c a s h a n d e q u i v a l e n t s a n d i n v e s t m e n t s i n m a r k e t a b l e s e c u r i t i e s a g a i n s t d e b t . T h e n e t d e b t t o t o t a l c a p i t a l i z a t i o n r a t i o i s c a l c u l a t e d a s : " N e t d e b t " d i v i d e d b y " T o t a l c a p i t a l i z a t i o n . "
- (b) T o t a l d e b t i n c l u d e s s h o r t - t e r m n o t e s p a y a b l e , c u r r e n t m a t u r i t i e s o f l o n g - t e r m d e b t , a n d l o n g - t e r m d e b t .
- (c) N e t d e b t i s c a l c u l a t e d a s : " T o t a l d e b t " l e s s " C a s h a n d e q u i v a l e n t s " l e s s " I n v e s t m e n t s i n m a r k e t a b l e s e c u r i t i e s . "
- (d) T o t a l c a p i t a l i z a t i o n i s c a l c u l a t e d a s : " A s r e p o r t e d t o t a l s h a r e h o l d e r s ' e q u i t y " p l u s " T o t a l d e b t . "

- m o r e -

F O O T N O T E T A B L E 6

H A L L I B U R T O N C O M P A N Y
C a l c u l a t i o n o f R e t u r n o n A v e r a g e I n v e s t e d C a p i t a l
(M i l l i o n s o f d o l l a r s)
(U n a u d i t e d)

| | Y e a r E n d e d D e c e m b e r 3 1 , 2 0 0 9 |
|--|--|
| I n c o m e f r o m c o n t i n u i n g o p e r a t i o n s b e f o r e n o n c o n t r o l l i n g i n t e r e s t | \$ 1 , 1 6 4 |
| N e t f i n a n c i n g c o s t s , a f t e r t a x (b) | 1 9 7 |
| E x c l u d e d c o s t s , a f t e r t a x (c) | 6 1 |
| E a r n i n g s b e f o r e n e t f i n a n c i n g c o s t s a n d e x c l u d e d c o s t s | \$ 1 , 4 2 2 |
| I n v e s t e d c a p i t a l – D e c e m b e r 3 1 , 2 0 0 8 (d) | \$ 1 0 , 3 6 9 |
| I n v e s t e d c a p i t a l – D e c e m b e r 3 1 , 2 0 0 9 (d) | \$ 1 3 , 3 3 1 |
| A v e r a g e i n v e s t e d c a p i t a l | \$ 1 1 , 8 5 0 |
| R e t u r n o n a v e r a g e i n v e s t e d c a p i t a l (R O I C) (a) | 1 2 % |

- (a) M a n a g e m e n t b e l i e v e s t h a t r e t u r n o n a v e r a g e i n v e s t e d c a p i t a l
(R O I C) i s u s e f u l t o i n v e s t o r s t o a s s e s s h i s t o r i c a l c a p i t a l
p r o d u c t i v i t y , e v a l u a t e m a n a g e m e n t ' s p e r f o r m a n c e , a n d t o
d e m o n s t r a t e t o s h a r e h o l d e r s t h a t c a p i t a l h a s b e e n u s e d w i s e l y
o v e r t h e l o n g t e r m . R O I C i s c a l c u l a t e d a s : “ E a r n i n g s b e f o r e n e t
f i n a n c i n g c o s t s a n d e x c l u d e d c o s t s ” d i v i d e d b y “ A v e r a g e
i n v e s t e d c a p i t a l . ”
- (b) “ N e t f i n a n c i n g c o s t s , a f t e r t a x ” c o n s i s t s o f i n t e r e s t e x p e n s e
a n d i n t e r e s t i n c o m e .
- (c) “ E x c l u d e d c o s t s , a f t e r t a x ” i n c l u d e s t h e i t e m s i n f o o t n o t e t a b l e
3 . T h e a d j u s t m e n t r e m o v e s t h e e f f e c t o f t h e s e e x p e n s e s b e c a u s e
m a n a g e m e n t v i e w s t h e i t e m s t o b e o u t s i d e o f t h e C o m p a n y ' s
n o r m a l o p e r a t i n g r e s u l t s .
- (d) “ I n v e s t e d c a p i t a l ” i n c l u d e s t o t a l s h a r e h o l d e r s ' e q u i t y a n d t o t a l
d e b t . T o t a l d e b t c o n s i s t s o f s h o r t - t e r m n o t e s p a y a b l e , c u r r e n t
m a t u r i t i e s o f l o n g - t e r m d e b t , a n d l o n g - t e r m d e b t .

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S I G N A T U R E S

P u r s u a n t t o t h e r e q u i r e m e n t s o f t h e S e c u r i t i e s E x c h a n g e A c t o f 1 9 3 4 ,
t h e r e g i s t r a n t h a s d u l y c a u s e d t h i s r e p o r t t o b e s i g n e d o n i t s b e h a l f
b y t h e u n d e r s i g n e d h e r e u n t o d u l y a u t h o r i z e d .

H A L L I B U R T O N C O M P A N Y

D a t e : J a n u a r y 2 8 , 2 0 1 0

B y : / s / B r u c e A . M e t z i n g e r
B r u c e A . M e t z i n g e r
A s s i s t a n t S e c r e t a r y
