

HALLIBURTON COMPANY
Reconciliation of Effective Tax Rate to Adjusted Effective Tax Rate
(Millions of dollars)
(Unaudited)

		Three Months Ended June 30, 2019
As reported income before income taxes (a)	\$	151
Impairments and other charges		247
Adjusted income before income taxes (b)	\$	398
As reported income tax provision (a)	\$	(74)
Tax benefit during the period		(19)
Adjusted income tax provision (b)	\$	(93)
As reported effective tax rate (a)		49%
Adjusted effective tax rate (b)		23%

- (a) As reported effective tax rate is calculated as: "As reported income tax provision" divided by "As reported income before income taxes."
- (b) Management believes that the effective tax rate adjusted for impairments and other charges, and its related tax benefit, for the three months ended June 30, 2019 is useful to investors, especially when comparing this rate with previous and subsequent periods, primarily because management views the excluded items to be outside of the company's normal operating results. Management analyzes effective tax rate without the impact of this item as an indicator of normal tax results. Adjusted effective tax rate is calculated as: "Adjusted income tax provision" divided by "Adjusted income before income taxes."

HALLIBURTON COMPANY
Reconciliation of Cash Flow from Operating Activities to Free Cash Flow
(Millions of dollars)
(Unaudited)

	Three Months Ended June 30, 2019	
Total cash provided by (used in) operating activities	\$	451
Capital expenditures		(408)
Free cash flow (a)	\$	43

- (a) Management believes that free cash flow, which is defined as “Total cash provided by (used in) operating activities” less “Capital expenditures,” is useful to investors to assess and understand liquidity, especially when comparing results with previous and subsequent periods. Management views free cash flow as a key measure of financial performance and liquidity in the company's business.