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): October 26, 2015

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

Delaware
(State or Other Jurisdiction of Incorporation)

001-03492	**No. 75-2677995**
(Commission File Number)	**(IRS Employer Identification No.)**
3000 North Sam Houston Parkway East **Houston, Texas**	**77032**
(Address of Principal Executive Offices)	**(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):

x Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01. Other Events.

This Current Report on Form 8-K is being filed by Halliburton Company ("Halliburton") to provide updated unaudited pro forma condensed combined financial statements in connection with the pending acquisition of Baker Hughes Incorporated ("Baker Hughes"). The unaudited pro forma condensed combined financial statements and explanatory notes as of and for the nine months ended September 30, 2015 and for the year ended December 31, 2014 are attached to this Current Report on Form 8-K as Exhibit 99.1 and are filed herewith and incorporated herein by reference.

Halliburton is also filing with this report and incorporating herein by reference (i) the audited historical financial statements of Baker Hughes as of and for the years ended December 31, 2014, 2013 and 2012 and (ii) the unaudited historical financial statements of Baker Hughes as of and for the three and nine months ended September 30, 2015 and 2014. The foregoing are filed as Exhibits 99.2 and 99.3, respectively.

Safe Harbor

The statements in the unaudited pro forma condensed combined financial statements of Halliburton and Baker Hughes attached to this Current Report on Form 8-K that are not historical statements, including statements regarding the integration of Halliburton and Baker Hughes, the expected timing of the closing of the acquisition, the estimated merger consideration and the expected source of cash that will fund the cash portion of the merger consideration, 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: the timing to consummate the proposed transaction, the terms and timing of divestitures undertaken to obtain required regulatory approvals, the conditions to closing of the proposed transaction may not be satisfied or the closing of the proposed transaction otherwise does not occur, the risk a regulatory approval that may be required for the proposed transaction is not obtained or is obtained subject to conditions that are not anticipated, and the diversion of management time on transaction-related issues, the ultimate timing, outcome and results of integrating the operations of Halliburton and Baker Hughes and the ultimate outcome of Halliburton's operating efficiencies applied to Baker Hughes's products and services, the effects of the business combination of Halliburton and Baker Hughes, including the combined company's future financial condition, results of operations, strategy and plans, expected synergies and other benefits from the proposed transaction and the ability of Halliburton to realize such synergies and other benefits, results of litigation, settlements, and investigations, and other risks and uncertainties described in Halliburton's Form 10-K for the year ended December 31, 2014, Form 10-Q for the quarter ended September 30, 2015, recent Current Reports on Form 8-K, and other Securities and Exchange Commission filings. These filings also 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.

Additional Information

This communication does not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities or a solicitation of any vote or approval. This communication relates to a proposed business combination between Halliburton and Baker Hughes. In connection with this proposed business combination, Halliburton has filed with the Securities and Exchange Commission (the "SEC") a registration statement on Form S-4, including Amendments No. 1 and 2 thereto, and a definitive joint proxy statement/prospectus of Halliburton and Baker Hughes and other documents related to the proposed transaction. The registration statement was declared effective by the SEC on February 17, 2015 and the definitive proxy statement/prospectus has been mailed to stockholders of Halliburton and Baker Hughes. INVESTORS AND SECURITY HOLDERS OF HALLIBURTON AND BAKER HUGHES ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS, REGISTRATION STATEMENT AND OTHER DOCUMENTS FILED OR THAT MAY BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders may obtain free copies of these documents and other documents filed with the SEC by Halliburton and/or Baker Hughes through the website maintained by the SEC at http://www.sec.gov. Copies of the documents filed with the SEC by Halliburton are available free of charge on Halliburton's internet website at http://www.halliburton.com or by contacting Halliburton's Investor Relations Department by email at investors@Halliburton.com or by phone at +1-281-871-2688. Copies of the documents filed with the SEC by Baker Hughes are available free of charge on Baker Hughes' internet website at http://www.bakerhughes.com or by contacting Baker Hughes' Investor Relations Department by email at alondra.oteyza@bakerhughes.com or by phone at +1-713-439-8822.

Participants in Solicitation

Halliburton, Baker Hughes, their respective directors and certain of their respective executive officers may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information about the directors and executive officers of Halliburton is set forth in its Annual Report on Form 10-K for the year ended December 31, 2014, which was filed with the SEC on February 24, 2015, its proxy statement for its 2015 annual meeting of stockholders, which was filed with the SEC on April 7, 2015, and its Quarterly Report on Form 10-Q for the quarter ended September 30, 2015, which was filed with the SEC on October 23, 2015. Information about the directors and executive officers of Baker Hughes is set forth in its Annual Report on Form 10-K for the year ended December 31, 2014, which was filed with the SEC on February 26, 2015, its proxy statement for its 2015 annual meeting of stockholders, which was filed with the SEC on March 27, 2015, and its Quarterly Report on Form 10-Q for the quarter ended September 30, 2015, which was filed with the SEC on October 21, 2015. These documents can be obtained free of charge from the sources indicated above. Additional information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, are contained in the proxy statement/prospectus and other relevant materials filed with the SEC.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

23.1	Consent of Deloitte & Touche LLP.
99.1	Unaudited Pro Forma Condensed Combined Financial Statements of Halliburton Company and Baker Hughes Incorporated as of and for the nine months ended September 30, 2015 and for the year ended December 31, 2014.
99.2	Audited Historical Financial Statements of Baker Hughes Incorporated as of and for the years ended December 31, 2014, 2013 and 2012 (incorporated by reference to Item 8 of Baker Hughes's Annual Report on Form 10-K for the year ended December 31, 2014 as filed with the SEC on February 26, 2015) (File No. 001-09397).
99.3	Unaudited Historical Financial Statements of Baker Hughes Incorporated as of and for the three and nine months ended September 30, 2015 and 2014 (incorporated by reference to Item 1 of Baker Hughes's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015 as filed with the SEC on October 21, 2015) (File No. 001-09397).

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:	October 26, 2015	By:	/s/ Bruce A. Metzinger
			Bruce A. Metzinger
			Assistant Secretary

EXHIBIT INDEX

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Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-202246 on Form S-3 and (Nos. 333-76496, 333-159394, 333-162648, 333-182284, 333-188674, and 333-205842) on Form S-8 of Halliburton Company of our report dated February 25, 2015, relating to the consolidated financial statements of Baker Hughes Incorporated and subsidiaries, and the effectiveness of Baker Hughes Incorporated and subsidiaries' internal control over financial reporting, appearing in the Baker Hughes Incorporated Annual Report on Form 10-K for the year ended December 31, 2014, and incorporated into this Current Report on Form 8-K.

/s/ Deloitte & Touche LLP

Houston, Texas
October 26, 2015

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

On November 16, 2014, Halliburton Company ("Halliburton") and Baker Hughes Incorporated ("Baker Hughes") entered into a merger agreement under which, subject to the conditions set forth in the merger agreement, Baker Hughes will merge with and into Red Tiger LLC, a wholly owned subsidiary of Halliburton. As a result, Red Tiger LLC will continue to exist as a wholly owned subsidiary of Halliburton. Under the terms of the merger agreement, at the effective time of the acquisition, each share of Baker Hughes common stock (other than dissenting shares and other than shares held in Baker Hughes's treasury or owned by Halliburton or any subsidiary of Baker Hughes or Halliburton, which will be cancelled for no consideration) will be converted into the right to receive 1.12 shares of Halliburton common stock and $19.00 in cash, with cash paid in lieu of fractional shares. Halliburton intends to finance the cash portion of the acquisition through a combination of cash on hand, if necessary, and debt financing.

The unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2015 and the year ended December 31, 2014 combines the historical consolidated statements of operations of Halliburton and Baker Hughes, giving effect to the acquisition as if it had occurred on January 1, 2014. The unaudited pro forma condensed combined balance sheet as of September 30, 2015 combines the historical consolidated balance sheets of Halliburton and Baker Hughes, giving effect to the acquisition as if it had occurred on September 30, 2015. The historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (i) directly attributable to the acquisition, (ii) factually supportable, and (iii) with respect to the statements of operations, expected to have a continuing impact on the combined results.

The unaudited pro forma condensed combined financial statements should be read in conjunction with (i) the accompanying notes to the unaudited pro forma condensed combined financial statements; (ii) the historical financial statements of Halliburton and the accompanying notes in Halliburton's Quarterly Report on Form 10-Q for the nine months ended September 30, 2015 and Halliburton's Annual Report on Form 10-K for the year ended December 31, 2014 and (iii) the historical financial statements of Baker Hughes and the accompanying notes in Baker Hughes's Quarterly Report on Form 10-Q for the nine months ended September 30, 2015 and Baker Hughes's Annual Report on Form 10-K for the year ended December 31, 2014.

The unaudited pro forma condensed combined financial statements have been presented for informational purposes only. The pro forma information is not necessarily indicative of what the combined company's financial position or results of operations actually would have been had the acquisition been completed as of the dates indicated. Since the unaudited pro forma condensed combined financial statements have been prepared based on preliminary estimates, the final amounts recorded at the date of the acquisition may differ materially from the information presented. These estimates are subject to change pending further review of the assets acquired and liabilities assumed. In addition, the unaudited pro forma condensed combined financial information does not intend to project the future financial position or operating results of the combined company.

HALLIBURTON COMPANY
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
As of September 30, 2015
(In millions)

	Historical				
	Halliburton	Baker Hughes	Pro Forma Adjustments		Pro Forma Combined
Assets					
Current assets:					
Cash and equivalents	$ 2,249	$ 2,043	$ (10)	(a)	$ 4,282
Receivables, net	5,791	3,518	(23)	(b)	9,286
Inventories, net	2,692	3,262			5,954
Assets held for sale	2,082	—			2,082
Other current assets	2,105	763			2,868
Total current assets	14,919	9,586	(33)		24,472
Property, plant, and equipment, net	11,018	8,026	803	(c)	19,847
Goodwill	2,124	6,075	6,318	(d)	14,517
Other assets	2,187	1,729	4,762	(e)	8,678
Total assets	$ 30,248	$ 25,416	$ 11,850		$ 67,514
Liabilities and Shareholders' Equity					
Current liabilities:					
Accounts payable	$ 2,193	$ 1,480	$ (23)	(b)	$ 3,650
Accrued employee compensation and benefits	871	795	94	(f)	1,760
Current maturities of long-term debt	648	156	(27)	(k)	777
Loss contingency for Macondo well incident	400	—			400
Other current liabilities	1,591	487	27	(k)	2,105
Total current liabilities	5,703	2,918	71		8,692
Long-term debt	7,243	3,896	8,851	(g)	19,866
			(124)	(k)	
Loss contingency for Macondo well incident	72	—			72
Employee compensation and benefits	576	624			1,200
Other liabilities	1,174	473	1,806	(h)	3,577
			124	(k)	
Total liabilities	$ 14,768	$ 7,911	$ 10,728		$ 33,407
Shareholders' equity:					
Common stock	$ 2,677	$ 436	$ 794	(i)	$ 3,907
Paid-in capital in excess of par value	243	7,192	10,223	(i)	17,658
Accumulated other comprehensive loss	(451)	(925)	925	(i)	(451)
Retained earnings	20,706	10,720	(10,829)	(i)	20,597
Treasury stock	(7,727)	(9)	9	(i)	(7,727)
Company shareholders' equity	15,448	17,414	1,122		33,984
Noncontrolling interest in consolidated subsidiaries	32	91			123
Total shareholders' equity	15,480	17,505	1,122		34,107
Total liabilities and shareholders' equity	$ 30,248	$ 25,416	$ 11,850		$ 67,514

See notes to unaudited pro forma condensed combined financial statements

HALLIBURTON COMPANY
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the Nine Months Ended September 30, 2015
(In millions of dollars and shares except per share data)

	Historical				
	Halliburton	**Baker Hughes**	**Pro Forma Adjustments**		**Pro Forma Combined**
Revenue:					
Services	$ 13,830	$ 8,026	$ (65)	(j)	$ 21,791
Product sales	4,721	4,322			9,043
Total revenue	18,551	12,348	(65)		30,834
Operating costs and expenses:					
Cost of services	12,706	7,637	175	(j)	21,113
			595	(k)	
Cost of sales	3,851	3,723	438	(k)	8,012
Impairment and other charges	1,895	747			2,642
Baker Hughes acquisition-related costs	203	—	(203)	(l)	—
General and administrative	147	896	(134)	(l)	240
			(669)	(k)	
Research and engineering	—	377	(377)	(k)	—
Litigation settlements	—	(13)	13	(k)	—
Total operating costs and expenses	18,802	13,367	(162)		32,007
Operating income (loss)	(251)	(1,019)	97		(1,173)
Interest expense, net of interest income	(311)	(162)	(214)	(m)	(687)
Other, net	(281)	—			(281)
Income (loss) from continuing operations before income taxes	(843)	(1,181)	(117)		(2,141)
Income tax benefit	207	242	183	(n)	632
Income (loss) from continuing operations	(636)	(939)	66		(1,509)
Income (loss) attributable to noncontrolling interest	(2)	3			1
Income (loss) from continuing operations attributable to company	$ (638)	$ (936)	$ 66		$ (1,508)
Income (loss) from continuing operations per share attributable to company shareholders:					
Basic	$ (0.75)	$ (2.13)			$ (1.12)
Diluted	$ (0.75)	$ (2.13)			$ (1.12)
Weighted average common shares outstanding					
Basic	852	438	57	(o)	1,347
Diluted	852	438	57	(o)	1,347

See notes to unaudited pro forma condensed combined financial statements

HALLIBURTON COMPANY
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2014
(In millions of dollars and shares except per share data)

	Historical			
	Halliburton	Baker Hughes	Pro Forma Adjustments	Pro Forma Combined
Revenue:				
Services	$ 25,039	$ 16,495	$ (81) (j)	$ 41,453
Product sales	7,831	8,056		15,887
Total revenue	32,870	24,551	(81)	57,340
Operating costs and expenses:				
Cost of services	21,060	13,452	313 (j)	35,781
			956 (k)	
Cost of sales	6,599	6,294	678 (k)	13,571
Activity related to the Macondo well incident	(195)	—		(195)
General and administrative	309	1,271	(17) (l)	604
			(959) (k)	
Research and engineering	—	613	(613) (k)	—
Litigation settlements	—	62	(62) (k)	—
Total operating costs and expenses	27,773	21,692	296	49,761
Operating income	5,097	2,859	(377)	7,579
Interest expense, net of interest income	(383)	(232)	(316) (m)	(931)
Other, net	(2)	—		(2)
Income from continuing operations before income taxes	4,712	2,627	(693)	6,646
Provision for income taxes	(1,275)	(896)	249 (n)	(1,922)
Income from continuing operations	3,437	1,731	(444)	4,724
Income attributable to noncontrolling interest	(1)	(12)		(13)
Income from continuing operations attributable to company	$ 3,436	$ 1,719	$ (444)	$ 4,711
Income from continuing operations per share attributable to company shareholders:				
Basic	$ 4.05	$ 3.93		$ 3.51
Diluted	$ 4.03	$ 3.92		$ 3.50
Weighted average common shares outstanding				
Basic	848	437	58 (o)	1,343
Diluted	852	439	56 (o)	1,347

See notes to unaudited pro forma condensed combined financial statements

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Note 1. Basis of Pro Forma Presentation

The acquisition is reflected in the unaudited pro forma condensed combined financial statements as being accounted for under the acquisition method of accounting. Under the acquisition method, the total estimated purchase price as described in Note 2 will be measured at the closing date of the acquisition using the market price of Halliburton common stock at that time plus the cash consideration. This may result in a merger consideration value that is different from that assumed for purposes of preparing these unaudited pro forma condensed combined financial statements. Halliburton will record all assets acquired and liabilities assumed at their respective acquisition-date fair values.

Halliburton has performed a preliminary valuation analysis of the fair market value of the Baker Hughes assets to be acquired and liabilities to be assumed and the related allocations of the estimated consideration to such items. Halliburton will perform a detailed review of Baker Hughes's accounting policies in connection with the completion of the acquisition and, therefore, has not identified all adjustments, if any, necessary to conform Baker Hughes's financial records to Halliburton's accounting policies. As a result, amounts used in these unaudited pro forma condensed combined financial statements will differ from ultimate amounts once Halliburton has determined the final allocation of the merger consideration, completed the detailed valuation analysis and calculations necessary to finalize the required purchase price allocations, and identified any necessary conforming accounting policy changes for Baker Hughes. Accordingly, the final allocation of the merger consideration, which will be determined subsequent to the closing of the acquisition, and its effect on the results of operations, may differ materially from the estimated allocation and unaudited pro forma combined amounts included herein.

In April 2015, we announced our decision to market for sale our Fixed Cutter and Roller Cone Drill Bits, our Directional Drilling, and our Logging-While-Drilling/Measurement-While-Drilling businesses in connection with the pending Baker Hughes acquisition. The assets and liabilities for these businesses, which are included within our Drilling and Evaluation operating segment, were classified as held for sale beginning in the second quarter of 2015 and, therefore, the corresponding depreciation and amortization expense for these businesses was ceased at that time. These anticipated divestitures are not presented as discontinued operations in our condensed consolidated statements of operations, because they do not represent a strategic shift in our business, as we will continue operating similar businesses of Baker Hughes after the acquisition.

In September 2015, we announced additional businesses that will be marketed for sale in connection with the pending Baker Hughes acquisition. We intend to divest our expandable liner hangers business, which is included within our Completion and Production operating segment. This anticipated divestiture did not meet all of the requirements for classification as assets held for sale at September 30, 2015. Additionally, Baker Hughes announced their intention to divest its core completions business, sand control business in the Gulf of Mexico, and offshore cementing businesses in Australia, Brazil, the Gulf of Mexico, Norway, and the United Kingdom.

The final sale of each of the businesses described above will be subject to the ability to negotiate acceptable terms and conditions, each company's Board of Directors approval, as applicable, and final approval of the Baker Hughes acquisition by competition authorities. There is no definitive agreement to date with a buyer or agreement with any competition enforcement authority as to the adequacy of any of the proposed divestitures. Accordingly, the unaudited pro forma condensed combined financial statements have not been adjusted for these proposed divestitures as we do not believe that any adjustment is factually supportable at this time. Any changes to the proposed divestitures discussed above as a result of discussions with competition authorities around the world could be material.

The collective Halliburton and Baker Hughes divestitures announced to date had an aggregate balance of $3.5 billion in total assets and $158 million in total liabilities as of September 30, 2015. The impact of these collective divestitures to the unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2015 and the year ended December 31, 2014, respectively, would be as follows: $3.2 billion and $5.4 billion reductions in total revenue, $291 million and $860 million reductions in operating income, $114 million and $610 million reductions in income from continuing operations, and $0.08 and $0.45 reductions in diluted income from continuing operations per share. The reductions for the nine months ended September 30, 2015 reflect the impact of foreign currency devaluation losses in Venezuela and impairments and other charges recorded during the period, as well as the impact of ceasing the recording of depreciation and amortization expense for Halliburton's proposed divestitures announced in April 2015 subsequent to their held for sale reclassification. The reductions for both periods assume a pro forma combined effective tax rate of 29% and a pro forma combined weighted average diluted shares outstanding of 1.35 billion.

The unaudited pro forma condensed combined financial statements also do not reflect any cost savings, operating synergies or revenue enhancements that the combined company may achieve as a result of the acquisition, the total expected costs to integrate the operations of Halliburton and Baker Hughes, or the total expected costs necessary to achieve such cost savings, operating synergies and revenue enhancements.

Certain reclassifications have been made to the historical presentation of Baker Hughes to conform to the presentation used in the unaudited pro forma condensed combined financial statements. These reclassifications have no impact on the historical operating income, income from continuing operations, income from continuing operations attributable to company, total assets, liabilities or shareholders' equity reported by Halliburton or Baker Hughes. Upon consummation of the acquisition, further review of Baker Hughes's financial statements may result in additional revisions to Baker Hughes's classifications to conform to Halliburton's presentation.

Note 2. Estimated Merger Consideration and Allocation

The estimated consideration is approximately $27.0 billion based on Halliburton's closing share price of $37.68 on October 20, 2015. The value of the merger consideration will fluctuate based upon changes in the share price of Halliburton's common stock and the number of Baker Hughes common shares, stock options, and other equity-based awards outstanding on the closing date.

The following table summarizes the components of the estimated consideration (in millions of dollars and shares, except for per share amounts and exchange ratio).

Estimated Baker Hughes fully dilutive shares outstanding*		439.3
Cash consideration (per Baker Hughes share)	$	19.00
Estimated cash portion of purchase price	$	8,347
Estimated Baker Hughes fully dilutive shares outstanding*		439.3
Exchange ratio (per Baker Hughes share)		1.12
Estimated total Halliburton common shares assumed to be issued		492.0
Halliburton share price**	$	37.68
Estimated equity portion of purchase price	$	18,539
Estimated total Baker Hughes stock options outstanding assumed by Halliburton		14.1
Estimated fair value per share	$	7.51
Estimated stock option consideration	$	106
Total estimated consideration assumed to be paid	$	26,992

** Represents Baker Hughes outstanding shares as of October 15, 2015. Excludes estimated Baker Hughes stock options outstanding, which are converted using a different exchange methodology in accordance with the merger agreement.*

*** Reflects Halliburton's share price as of October 20, 2015. The final purchase price per share and corresponding total consideration will be determined on the date of closing.*

Stock Option Assumptions

The estimated fair value per share of the Baker Hughes stock options assumed by Halliburton was estimated as of October 20, 2015 using the Black-Scholes valuation model utilizing the following assumptions:

Stock price	$ 37.68
Post-conversion exercise price	$ 33.66
Expected volatility	39%
Dividend yield	1.83%
Risk-free interest rate	1.57%
Expected term	1 year
Black-Scholes weighted average fair value per option	$ 7.51

Merger Consideration Sensitivity

The table below illustrates the potential impact to the total estimated consideration resulting from a 10% increase or decrease in Halliburton's share price of $37.68 on October 20, 2015. For the purpose of this calculation, the total number of shares has been assumed to be the same as in the table above (in millions).

	10% increase in Halliburton share price	10% decrease in Halliburton share price
Cash consideration	$ 8,347	$ 8,347
Share consideration	20,393	16,685
Stock option consideration	131	82
Merger consideration	$ 28,871	$ 25,114

Preliminary Purchase Price Allocation

Halliburton has performed a preliminary valuation analysis of the fair market value of the Baker Hughes assets to be acquired and liabilities to be assumed and the related allocations to such items of the estimated consideration. The following table summarizes the allocation of the preliminary purchase price as of September 30, 2015 (in millions):

Total current assets	$ 9,586
Property, plant, and equipment, net	8,829
Goodwill	12,393
Other assets *	6,436
Total current liabilities	(3,012)
Long-term debt	(4,123)
Other non-current liabilities	(3,026)
Noncontrolling interest in consolidated subsidiaries	(91)
Total estimated consideration	$ 26,992

* Includes $5.4 billion of intangible assets.

The preliminary allocation of the purchase price to the fair values of assets acquired and liabilities assumed includes pro forma adjustments for the fair value of Baker Hughes's assets and liabilities. The final allocation will be determined subsequent to the closing of the acquisition once Halliburton has determined the final merger consideration and completed the detailed valuation analysis and calculations necessary to finalize the required purchase price allocations. The final allocation could differ materially from the preliminary allocation used in the pro forma adjustments. The final allocation may include (1) changes in historical carrying values and fair value of property, plant, and equipment, particularly in light of potential additional impairments of Baker Hughes assets as a result of restructuring activities and market conditions, (2) changes in allocations to intangible assets such as trademarks and trade names, in-process research and development, developed technology, including patents, and customer related assets, and (3) other changes to assets and liabilities.

Halliburton estimated the fair value adjustment to increase property, plant, and equipment would be approximately $803 million. This estimate of fair value is preliminary and subject to change once Halliburton has sufficient information as to the specific types, nature, age, condition and location of Baker Hughes's property, plant, and equipment. A 10% change in the valuation of property, plant, and equipment would cause a corresponding increase or decrease in annual depreciation expense of approximately $59 million, assuming a useful life of 15 years. Halliburton has also estimated the fair value adjustment to increase Baker Hughes's debt to fair value would be $351 million based on prevailing market prices at September 30, 2015. Halliburton has estimated that the fair value adjustment to increase deferred tax liabilities would be $1.8 billion, relating to estimated fair value adjustments for intangible assets, long-term debt, and property, plant, and equipment, at the 35% U.S. federal statutory tax rate. Goodwill is calculated as the difference between the acquisition date fair value of the consideration expected to be transferred and the values assigned to the identifiable assets to be acquired and liabilities to be assumed. Goodwill is not amortized, but rather is subject to impairment testing on at least an annual basis.

As part of the preliminary valuation analysis, Halliburton identified intangible assets including technology, trade names, customer relationships, and in-process research and development. The fair value of identifiable intangible assets is determined primarily using the "income approach," which requires a forecast of all of the expected future cash flows for such intangible assets. Since all information required to perform a detailed valuation analysis of Baker Hughes's intangible assets could not be obtained as of the date of this current report, for purposes of these unaudited pro forma condensed combined financial statements, Halliburton used certain high-level assumptions based on publicly available transaction data for the oilfield services industry.

The following table summarizes the fair values recorded for the Baker Hughes identifiable intangible assets and their estimated useful lives (in millions except for years):

	Estimated Fair Value	Weighted Average Estimated Useful Life	Annual Amortization Expense
Customer relationships	$ 2,347	15.0	$ 156
Technology	1,884	15.0	126
Trade names	896	25.0	36
In-process research and development	309	Indefinite	—
	$ 5,436		$ 318

These preliminary estimates of fair value and estimated useful life will likely differ from ultimate amounts once Halliburton has completed the detailed valuation analysis, and the difference could have a material impact on the accompanying unaudited pro forma condensed combined financial statements. A 10% change in the valuation of intangible assets would cause a corresponding increase or decrease in annual amortization expense of approximately $32 million, assuming an overall weighted-average useful life of 17 years.

Note 3. Pro Forma Adjustments

(a) Reflects an adjustment to cash on hand that is payable upon consummation of the acquisition as follows: (i) $109 million representing an estimate of the acquisition-related costs to be incurred by Halliburton, including integration costs and fees related to advisory, legal, investment banking, and other professional services, all of which are directly attributable to the acquisition. No adjustment to cash has been made for future acquisition-related costs incurred by Baker Hughes; (ii) $54 million representing an estimate of Halliburton's debt issuance costs for new debt issued to fund the cash consideration; offset by (iii) $153 million of cash available from the issuance of debt after funding the cash consideration of the acquisition.

(b) Reflects the elimination of accounts receivable and accounts payable in connection with each party's revenue and expenses relating to the other party.

(c) Reflects a fair value adjustment to Baker Hughes's property, plant, and equipment. See Note 2 for further information.

(d) To record the preliminary valuation of goodwill created as a result of the acquisition ($12.4 billion) and to eliminate the historical goodwill of Baker Hughes ($6.1 billion). See Note 2 for an explanation of the calculation of goodwill created.

(e) Reflects an adjustment as follows: (i) a $4.7 billion increase to intangible assets to reflect the preliminary allocation of the purchase price to the fair value of Baker Hughes's intangible assets ($5.4 billion fair value, less $0.7 billion historical intangible assets of Baker Hughes) (See Note 2 for further information); and (ii) $54 million of estimated debt issuance costs related to the issuance of new debt to fund the cash consideration.

(f) Reflects accrual for estimated cash payments to be made to certain Baker Hughes employees as a result of pre-existing change of control contractual provisions that will become payable at the time the acquisition is consummated. These amounts are estimates and include certain assumptions based on decisions that have not been finalized. These amounts will be expensed as incurred and are not reflected in the unaudited pro forma condensed combined statements of operations because they will not have a continuing impact on the combined company.

(g) Represents an aggregate pro forma adjustment to long-term debt, which includes: (i) an estimated issuance of approximately $8.5 billion in new debt by Halliburton to finance the estimated cash consideration of the acquisition and (ii) $351 million fair value adjustment of Baker Hughes debt based on prevailing market prices at September 30, 2015.

(h) Represents an adjustment to deferred tax liabilities based on the U.S. federal statutory tax rate of 35% multiplied by the fair value adjustments made to assets acquired and liabilities assumed, excluding goodwill, as calculated below (in millions):

Fair value adjustment to increase intangible assets	$ 4,707
Fair value adjustment to increase property, plant, and equipment	803
Fair value adjustment to increase long-term debt	(351)
	$ 5,159
U.S. federal statutory tax rate	35%
	$ 1,806

(i) Reflects adjustments to eliminate Baker Hughes's historical equity balances and record estimated consideration at fair value (in millions).

Common stock issued as part of equity consideration of the acquisition	$	1,230
Elimination of Baker Hughes historical common stock		(436)
Pro forma adjustment to common stock	$	794
Equity consideration recorded as paid-in capital in excess of par value	$	17,309
Stock option consideration recorded as paid-in capital in excess of par value		106
Elimination of Baker Hughes historical paid-in capital in excess of par value		(7,192)
Pro forma adjustment to paid-in capital in excess of par value	$	10,223
Elimination of Baker Hughes historical accumulated other comprehensive income	$	925
Pro forma adjustment to accumulated other comprehensive income	$	925
Retained earnings impact from pro forma adjustments	$	(109)
Elimination of Baker Hughes historical beginning retained earnings		(10,720)
Pro forma adjustment to retained earnings	$	(10,829)
Elimination of Baker Hughes historical treasury stock	$	9
Pro forma adjustment to treasury stock	$	9

(j) Reflects the following adjustments: (i) elimination of revenue and cost of services for activity between Halliburton and Baker Hughes, (ii) removal of certain acquisition-related costs incurred by Baker Hughes recorded in costs of services which do not have a continuing impact and therefore are not reflected in the unaudited pro forma condensed combined statements of operations. See tickmark (l) below for acquisition-related costs incurred by Baker Hughes recorded in General and administrative, (iii) incremental intangible asset amortization expense as a result of the acquisition ($161 million and $211 million for the nine months ended September 30, 2015 and the year ended December 31, 2014, respectively), and (iv) incremental depreciation expense associated with depreciating the estimated fair value adjustment to Baker Hughes's property, plant, and equipment over the estimated remaining useful life of 15 years ($40 million and $54 million for the nine months ended September 30, 2015 and the year ended December 31, 2014, respectively). See Note 2 for further information of intangible assets and property, plant, and equipment.

(k) Reflects certain reclassifications that have been made to the historical presentation of Baker Hughes to conform to the presentation used in the unaudited pro forma condensed combined financial statements.

(l) Reflects the removal of acquisition-related costs incurred by Halliburton and Baker Hughes which do not have a continuing impact and therefore are not reflected in the unaudited pro forma condensed combined statements of operations. Certain acquisition-related costs incurred by Baker Hughes were recorded in operations within tickmark (j) above. Total acquisition-related costs incurred by Baker Hughes were $204 million during the nine months ended September 30, 2015. Future acquisition-related costs are considered non-recurring charges and have been excluded from the unaudited pro forma condensed combined statements of operations.

(m) Represents the following adjustments: (i) incremental interest expense associated with continuing operations on the debt to be issued in connection with the acquisition, including amortization of the estimated discount and issuance costs over the lives of the debt issued ($260 million and $346 million for the nine months ended September 30, 2015 and the year ended December 31, 2014, respectively). This assumes $8.5 billion of debt financing with an estimated weighted average annual interest rate of 4.03%. A change of 0.125% in the assumed interest rate on the incremental debt would cause a change in annual interest expense of approximately $7 million, net of income taxes; (ii) a reduction in interest expense related to the amortization of Baker Hughes's fair value of debt purchase price adjustment using an estimated 13-year amortization period that approximates the weighted average maturity of Baker Hughes's long-term debt ($20 million and $27 million for the nine months ended September 30, 2015 and the year ended December 31, 2014, respectively); and (iii) a reduction in interest expense for bridge loan commitment fees in connection with the acquisition which do not have a continuing impact and therefore are not reflected in the unaudited pro forma condensed combined statement of operations ($26 million and $3 million for the nine months ended September 30, 2015 and the year ended December 31, 2014, respectively).

(n) Reflects the income tax effect of the pro forma adjustments, excluding nontaxable acquisition-related costs, which was calculated using a 35% U.S. federal statutory tax rate. The effective tax rate of the combined company could be significantly different from what is presented in these unaudited pro forma condensed combined financial statements for a variety of reasons, including post-acquisition activities.

(o) Reflects the elimination of Baker Hughes weighted-average shares outstanding and the issuance of 492 million shares of Halliburton common stock to Baker Hughes stockholders as part of the equity portion of the merger consideration, along with 3 million equivalent option shares for the dilutive impact of Baker Hughes options outstanding (in millions).

	Nine Months Ended September 30, 2015		**Year Ended December 31, 2014**	
	Basic	Diluted	Basic	Diluted
Halliburton weighted-average shares outstanding	852	852	848	852
New Halliburton shares to be issued	495	495	495	495
Pro Forma Combined shares outstanding	1,347	1,347	1,343	1,347