
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

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

Date of Report (Date of earliest event reported): April 5, 2007

HALLIBURTON COMPANY

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-3492

(Commission File Number)

75-2677995

(IRS Employer Identification No.)

1401 McKinney, Suite 2400, Houston, Texas

(Address of principal executive offices)

77010

(Zip Code)

(713) 759-2600

(Registrant's telephone number, including area code)

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))
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Item 2.01. Completion of Acquisition or Disposition of Assets.

On April 5, 2007, Halliburton Company (“Halliburton”) completed the separation of KBR, Inc. (“KBR”) from Halliburton by exchanging the 135,627,000 shares of KBR common stock owned by Halliburton for 85,273,184 shares of Halliburton common stock tendered by Halliburton stockholders and accepted by Halliburton pursuant to the terms of the exchange offer commenced by Halliburton on March 2, 2007 (the “Exchange Offer”). Attached hereto as Exhibit 99.1 and incorporated by reference herein is a copy of the press release issued by Halliburton on April 5, 2007 announcing the completion of the Exchange Offer. Halliburton expects to account for KBR as discontinued operations in Halliburton’s quarterly report on Form 10-Q for the first quarter of 2007 and to recognize a gain on disposal of discontinued operations in the second quarter of 2007 relating to the disposition of its ownership interest in KBR pursuant to the Exchange Offer.

Item 9.01. Financial Statements and Exhibits.

(b) Pro Forma Financial Information.

The following pro forma financial statements giving effect to Halliburton’s disposition of its 135,627,000 shares of KBR common stock pursuant to the Exchange Offer are attached hereto as Exhibit 99.2 and incorporated by reference herein:

(i) Halliburton Company Unaudited Pro Forma Condensed Consolidated Balance Sheet as of December 31, 2006

(ii) Halliburton Company Unaudited Pro Forma Condensed Consolidated Statement of Operations for the Year Ended December 31, 2006

(iii) Notes to Halliburton Company Unaudited Pro Forma Condensed Consolidated Financial Statements

(d) Exhibits

99.1 Halliburton Press Release issued April 5, 2007

99.2 Halliburton Company Unaudited Pro Forma Condensed Consolidated Financial Statements

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: April 6, 2007

By: /s/ Bruce A. Metzinger

Name: Bruce A. Metzinger

Title: Assistant Secretary

EXHIBIT INDEX

Exhibit Number	Exhibit Description
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99.1	Halliburton Press Release issued April 5, 2007
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99.2	Halliburton Company Unaudited Pro Forma Condensed Consolidated Financial Statements
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HALLIBURTON COMPLETES SEPARATION OF KBR*Oilfield Services Company Announces Final Results of KBR Exchange Offer*

HOUSTON, TX — Halliburton Company (NYSE: HAL) today announced that it has completed the final separation of KBR Inc. (NYSE: KBR). The two companies now are separate and independent of each other.

“This is a major event for Halliburton, especially its dedicated employees, loyal customers and the shareholders,” said Dave Lesar, Chairman, President and Chief Executive Officer, Halliburton. “As a pure oilfield services company, Halliburton now can focus on the global growth opportunities in its core energy services business.”

Halliburton announced its plans in January 2005 to ultimately separate the KBR subsidiary. An initial public offering of KBR common stock was completed in November 2006.

“We wish KBR and its employees well as they move forward as an independent company,” added Lesar.

All of the government services and engineering and construction businesses will remain with KBR.

The exchange offer expired at 12:00 midnight, New York City time, on April 2, 2007. Under the terms of the exchange offer, Halliburton has accepted 85,273,184 shares of Halliburton common stock in exchange for the 135,627,000 shares of KBR common stock held by Halliburton. Each share of Halliburton common stock accepted for exchange by Halliburton is being exchanged for 1.5905 shares of KBR common stock.

Because the exchange offer was oversubscribed, Halliburton accepted tendered shares on a pro rata basis in proportion to the number of shares tendered. Stockholders who owned less than 100 shares of Halliburton common stock, or an “odd-lot”, who validly tendered all of their shares, were permitted to elect not to be subject to proration, in accordance with the terms of the exchange offer. All shares tendered by eligible electing odd-lot stockholders have been accepted. The final proration factor of 40.651959% was applied to all other tendered shares of Halliburton common stock to determine the number of such shares that would be accepted. Shares of Halliburton common stock tendered but not accepted for exchange will be credited promptly to the tendering holder’s account in book-entry form.

Based on the final count by the exchange agent, Mellon Investors Services LLC, the results of the exchange offer are as follows:

Total number of shares of Halliburton common stock tendered	209,441,458
Shares tendered that were subject to proration	209,220,510
“Odd-lot” shares tendered that were not subject to proration	220,948
Total number of shares of Halliburton common stock accepted	85,273,184

Shares of KBR common stock distributed in exchange for accepted shares of Halliburton common stock will be credited promptly to the tendering holder’s account in book-entry form by the exchange agent. Under the terms of the exchange offer, no fractional shares of KBR common stock will be distributed. Instead, fractional shares will be aggregated and sold, and the net cash proceeds of such sale will be distributed promptly by the exchange agent to tendering stockholders in accordance with their fractional interests in the shares sold.

Credit Suisse Securities (USA) LLC and Goldman, Sachs & Co. served as the dealer managers for the exchange offer.

Founded in 1919, Halliburton is one of the world’s largest providers of products and services to the energy industry. With more than 45,000 employees in nearly 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.

KBR is a global engineering, construction and services company supporting the energy, petrochemicals, government services and civil infrastructure sectors. KBR offers a wide range of services through its Energy and Chemicals (E&C) and Government and Infrastructure (G&I) business segments.

Important Information Regarding the Exchange Offer

The terms and conditions of the exchange offer are more fully described in a Prospectus-Offer to Exchange included in the Registration Statement on Form S-4 filed by KBR with the SEC and a Schedule TO filed by Halliburton with the SEC, each as amended to date. The Prospectus-Offer to Exchange contains important information about the exchange offer and related matters. You are able to obtain a free copy of the Prospectus-Offer to Exchange and other related documents filed with the SEC by Halliburton and KBR at the SEC’s web site at www.sec.gov.

Forward-Looking Statements

Information in this communication contains forward-looking statements, which are based on the current plans and expectations of management and are subject to certain risks and uncertainties that could cause actual results to differ materially from historical results or those anticipated. A list of factors that could cause actual results to differ materially from those expressed in, or underlying, those forward-looking statements is detailed in the filings of Halliburton and KBR with the SEC, such as annual and quarterly reports and the Prospectus-Offer to Exchange. Neither Halliburton nor KBR assume any obligation to update or revise these forward-looking statements to reflect new events or circumstances.

**HALLIBURTON COMPANY UNAUDITED PRO FORMA
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The following unaudited pro forma condensed consolidated financial statements of Halliburton as of and for the year ended December 31, 2006 give effect to Halliburton's disposition of the 135,627,000 shares of KBR common stock it owned upon consummation of the exchange offer Halliburton commenced on March 2, 2007 and completed on April 5, 2007. Under the terms of the exchange offer, Halliburton exchanged all of its shares of KBR common stock for 85,273,184 shares of Halliburton common stock. For purposes of the unaudited pro forma condensed consolidated balance sheet we assume that the exchange offer occurred as of December 31, 2006, and for the unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2006 we assume that the exchange offer occurred on January 1, 2006.

We derived the unaudited pro forma condensed consolidated financial statements from the historical consolidated financial statements of Halliburton and KBR. These adjustments are based on currently available information and certain preliminary estimates and assumptions and, therefore, the actual effects of the exchange offer may differ from the effects reflected in the unaudited pro forma condensed consolidated financial statements. However, despite the fact that data is not available to make precise estimates, management believes that the assumptions provide a reasonable basis for presenting the significant effects of the exchange offer as contemplated and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma condensed consolidated financial statements.

You should read the following information in conjunction with Halliburton's consolidated financial statements and the accompanying notes and the related "Management's Discussion and Analysis of Financial Condition and Results of Operations" section included in Halliburton's Annual Report on Form 10-K for the year ended December 31, 2006.

HALLIBURTON COMPANY
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
As of December 31, 2006
(\$ millions)

	Halliburton Company Historical	Pro Forma Adjustments	(d) Intercompany Reclass	Halliburton Company Pro Forma
Cash and equivalents	\$ 4,379	\$ (1,461)(a)	\$ —	\$ 2,918
Total receivables	4,674	(2,045)(a)	—	2,629
Other current assets	2,130	(388)(a)(e)	—	1,742
Total current assets	11,183	(3,894)	—	7,289
Property, plant, and equipment	3,048	(492)(a)	—	2,556
Other assets	2,589	(1,014)(a)(e)	152	1,727
Total assets	<u>\$ 16,820</u>	<u>\$ (5,400)</u>	<u>\$ 152</u>	<u>\$ 11,572</u>
Accounts payable	\$ 1,931	\$ (1,276)(a)	\$ —	\$ 655
Advanced billings on incomplete contracts	903	(903)(a)	—	—
Other current liabilities	1,893	(800)(a)(e)	152	1,245
Total current liabilities	4,727	(2,979)	152	1,900
Long term debt	2,786	(2)(a)	—	2,784
Other liabilities	1,484	(461)(a)(e)	—	1,023
Total liabilities	8,997	(3,442)	152	5,707
Minority interest in consolidated subsidiaries	447	(378)(a)	—	69
Shareholders' equity				
Common stock	2,650	—	—	2,650
Paid-in-capital in excess of par value	1,689	—	—	1,689
Accumulated other comprehensive income	(437)	235 (a)	—	(202)
Retained earnings	5,051	995 (b)(e)	—	6,046
	8,953	1,230	—	10,183
Less treasury stock, at cost	(1,577)	(2,810)(c)	—	(4,387)
Total shareholders' equity	7,376	(1,580)	—	5,796
Total liabilities and shareholders' equity	<u>\$ 16,820</u>	<u>\$ (5,400)</u>	<u>\$ 152</u>	<u>\$ 11,572</u>

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements.

HALLIBURTON COMPANY

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF
OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2006

	Halliburton Company Historical	(f)	(g)	Halliburton Company Pro Forma
	(In millions, except per share amounts)			
Total revenues	\$ 22,576	\$ (9,625)	\$ 4	\$ 12,955
Operating costs and expenses				
Cost of services	16,031	(9,285)	4	6,750
Cost of sales	2,675	—		2,675
General and administrative	450	(108)		342
(Gain) loss on sale of business assets, net	(64)	6		(58)
Total operating costs and expenses	19,092	(9,387)	4	9,709
Operating income	3,484	(238)	—	3,246
Interest expense	(175)	7	—	(168)
Interest income	162	(33)	—	129
Foreign currency gains (losses), net	(22)	13	—	(9)
Other nonoperating, net	—	—	—	—
Income from continuing operations before income taxes and minority interests	3,449	(251)	—	3,198
(Provision) for income taxes	(1,144)	133	—	(1,011)
Minority interest in net income of subsidiaries	(33)	15	—	(18)
Income from continuing operations	\$ 2,272	\$ (103)	—	\$ 2,169
Basic income per share from continuing operations	\$ 2.24			\$ 2.34
Diluted income per share from continuing operations	\$ 2.16			\$ 2.24
Basic average common shares outstanding	1,014	(85)		929
Diluted average common shares outstanding	1,054	(85)		969

See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements.

HALLIBURTON COMPANY

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Pro Forma Adjustments and Assumptions

The unaudited pro forma condensed consolidated financial statements reflect the final exchange ratio of 1.5905 shares of KBR common stock in exchange for each share of Halliburton common stock tendered to and accepted by Halliburton. This resulted in approximately 85 million shares of Halliburton common stock being accepted by Halliburton in exchange for approximately 136 million shares of KBR common stock.

The effect on the unaudited pro forma condensed consolidated financial statements is calculated as follows (in millions):

Number of shares of KBR common stock issued in the exchange offer	135.6
Exchange ratio	1.5905
Total shares of Halliburton common stock accepted	<u>85.3</u>
Estimated fair value of shares of Halliburton common stock tendered at \$32.94 per share, which represents the closing stock price of Halliburton common stock on April 5, 2007	\$ 2,810
Less Halliburton's net book value of KBR's net assets at December 31, 2006	1,455
Less portion of accumulated other comprehensive loss attributable to KBR	235
Net proceeds from exchange offer	<u>1,120</u>
Less estimated fair value of indemnities and guarantees	125
Net gain on disposition of KBR	<u>\$ 995</u>

Pro Forma Balance Sheet

- (a) Adjustment to eliminate KBR balances from Halliburton's Consolidated Balance Sheet.
- (b) Adjustment to record the estimated gain to be recognized by Halliburton as a result of the exchange offer.
- (c) Adjustment to record Halliburton's acquisition of treasury shares.
- (d) Reclass of intercompany receivable from KBR to other assets.

(e) Adjustment to record a preliminary estimate, to be measured as of the separation date, of the fair value to Halliburton of the indemnities and guarantees provided by Halliburton to KBR under the Master Separation Agreement. This estimate of fair value is not intended to represent an estimate of the amount of probable loss or a range of possible loss, if any, of the underlying matters associated with these indemnities and guarantees. The actual estimate of the fair value of the indemnities and guarantees could be significantly different than the preliminary estimate.

Pro Forma Income Statement

- (f) Adjustment to eliminate KBR's revenues and expenses from Halliburton's Consolidated Statements of Operations

(g) Adjustment to reverse elimination of intercompany income and expenses related to activity with KBR from Halliburton's Consolidated Statements of Operations.