

HALLIBURTON CO  
Form 8-K  
July 19, 2010

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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): July 19, 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))

- o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act  
(17 CFR 240.13e-4(c))
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INFORMATION TO BE INCLUDED IN REPORT

Item 2.02. Results of Operations and Financial Condition

On July 19, 2010, registrant issued a press release entitled “Halliburton Announces Second Quarter Earnings of \$0.52 Per Diluted Share From Continuing Operations”

The text of the Press Release is as follows:

HALLIBURTON ANNOUNCES SECOND QUARTER EARNINGS  
OF \$0.52 PER DILUTED SHARE FROM CONTINUING OPERATIONS

HOUSTON, Texas – Halliburton (NYSE:HAL) announced today that income from continuing operations for the second quarter of 2010 was \$474 million, or \$0.52 per diluted share. Net income for the second quarter of 2010 was \$480 million, or \$0.53 per diluted share. This compares to net income for the first quarter of 2010 of \$206 million, or \$0.23 per diluted share.

Consolidated revenue in the second quarter of 2010 was \$4.4 billion, compared to \$3.8 billion in the first quarter of 2010. All product service lines and geographic regions experienced sequential revenue growth from the first quarter, driven by strong demand in the United States and seasonal activity improvements internationally.

Consolidated operating income was \$762 million in the second quarter of 2010, compared to \$449 million in the first quarter of 2010. All product service lines contributed to this increase, with production enhancement exhibiting especially strong sequential growth followed by completion tools, cementing, and directional drilling.

The first quarter of 2010 results were negatively impacted by the devaluation of the Venezuelan Bolívar Fuerte, resulting in a \$31 million, non-tax deductible, foreign currency loss and \$10 million of additional income tax expense in Venezuela on the company’s United States dollar-denominated monetary assets and liabilities.

“I am very pleased with our second quarter results. Total revenue grew 17% and operating income grew 70% sequentially, driven by increased activity in the unconventional natural gas and oil basins in North America. In addition, our international results reflect the anticipated seasonal recovery of markets in the eastern hemisphere and improved activity in Latin America. Overall, second quarter operating margins improved by over 500 basis points to 17%,” said Dave Lesar, chairman, president and chief executive officer.

“Revenue in North America increased 24% sequentially, outpacing the 13% growth in United States land rig count. Operating income grew over 90% sequentially as equipment utilization surpassed peak 2008 levels, further accelerating opportunities for pricing improvement. Increased horizontal drilling and the development of liquids-rich reservoirs amplified service intensity, as longer horizontal laterals increased the demand for premium tools, more sophisticated fluid systems, and the amount of horsepower needed for completions work.



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“Going forward, we believe North America land rig count growth may moderate as activity in the dry gas basins may slow due to weak natural gas fundamentals, which should be partially offset by the continued growth of oil- and liquids- rich reservoirs.

“International revenue increased 11%, and operating income increased 35% from the prior quarter. Markets such as Russia and Asia Pacific experienced a seasonal rebound while Latin America posted solid improvement due to activity increases. We continue to expect growth in international revenue and margins, but the rate of improvement may be more weighted toward the end of the year as customers look at their spending plans in light of current economic conditions as well as ensuring they incorporate any lessons learned from the situation in the Gulf of Mexico.

“The tragic incident that occurred in the Gulf of Mexico and the subsequent suspension of deepwater drilling, we believe, will usher in a new regulatory climate and will have a profound impact on how deepwater drilling is performed.

“We are taking appropriate actions to mitigate the impact of the reduced activity in our Gulf of Mexico business, including redeploying our people and equipment to other areas of stable or increasing activity. Despite these moves, we estimate that the deepwater drilling suspension will negatively impact our earnings by \$0.05-\$0.08 per quarter for the remainder of 2010.

“The events in the Gulf of Mexico have not stifled our enthusiasm for increased deepwater activity in the coming years. Deepwater will continue to serve as an important source of hydrocarbons necessary to meet future energy demand.

“Contributions from the service sector can play a valuable role in developing new technological innovations and best practices to help customers operate safely and efficiently in these challenging conditions and will generate a corresponding increase in service intensity,” Lesar concluded.

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## 2010 Second Quarter Results

### Completion and Production

Completion and Production (C&P) revenue in the second quarter of 2010 was \$2.4 billion, an increase of \$429 million from the first quarter of 2010. Sequential revenue growth was seen in all regions, with the most significant impact coming from increased activity in North America.

C&P operating income in the second quarter of 2010 was \$497 million, an increase of \$259 million over the first quarter of 2010. North America C&P operating income increased \$173 million due to strong results in United States Land. Service intensity has continued to increase and has led to greater absorption of equipment capacity and further pricing improvements. Latin America C&P operating income increased \$5 million, primarily due to improved performance in Mexico and Colombia. Europe/Africa/CIS C&P operating income increased \$56 million, due to strong demand for production enhancement services in Congo, Algeria, and the North Sea and increased demand for completion tools in Nigeria and Norway. Middle East/Asia C&P operating income increased \$25 million, primarily due to strong completions and production enhancement activity across the region.

### Drilling and Evaluation

Drilling and Evaluation (D&E) revenue in the second quarter of 2010 was \$2 billion, an increase of \$197 million from the first quarter of 2010, with higher activity in North America, Latin America, and Middle East/Asia.

D&E operating income in the second quarter of 2010 was \$318 million, an increase of \$48 million from the first quarter of 2010. North America D&E operating income increased by \$38 million, benefiting from higher horizontal drilling activity in United States Land. Latin America D&E operating income increased \$38 million primarily due to increased drilling activity in Mexico and higher testing activity in Brazil. Europe/Africa/CIS D&E operating income decreased \$38 million, primarily due to lower activity in the North Sea and certain locations in West Africa, which was partially offset by the seasonal recovery in Russia. Middle East/Asia D&E operating income increased \$10 million as higher drilling activity in Saudi Arabia and Indonesia and increased fluids revenues in Australia helped bolster the region.

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#### Significant Recent Events and Achievements

- Halliburton has announced the successful completion of field tests for the GeoTap® IDS fluid identification and sampling sensor for BG Norge. The test was performed on the Bredford Dolphin drilling rig for the 34/5-1 S Blåbær exploration well in offshore Norway. Application of the technology saves operators rig costs and significantly reduces the industry's requirement for time-consuming, post-well wireline sampling.

The GeoTap® IDS sensor revolutionizes subsurface hydrocarbon fluid sampling. For the first time, reservoir formation fluids can be sampled during short stops in the drilling process with a tool placed in the logging-while-drilling (LWD) assembly. This makes the technology ideal for high-cost drilling environments such as deepwater exploration wells, where conventional wireline-based sampling programs often cost several million dollars more in rig time and increase well risk. The GeoTap® IDS system also allows operators to acquire multiple fluid samples within just hours of drilling the formation instead of days, reducing the likelihood of borehole damage and producing a less contaminated sample.

- Halliburton has announced the opening of a new test facility at its manufacturing center in Duncan, Oklahoma that is capable of safely testing Halliburton's proprietary oil and gas field services equipment under the most strenuous simulated conditions.

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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](http://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: results of litigation and investigations; actions by third parties, including governmental agencies; 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 and potential adverse proceedings by such agencies; indemnification and insurance matters; protection of intellectual property rights; compliance with environmental laws; changes in government regulations and regulatory requirements, particularly those related to offshore oil and gas exploration, radioactive sources, explosives, chemicals, hydraulic fracturing services and climate-related initiatives; compliance with laws related to income taxes and assumptions regarding the generation of future taxable income; risks of international operations, including risks relating to unsettled political conditions, war, the effects of terrorism, and foreign exchange rates and controls, and doing business with national oil companies; 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, 2009, Form 10-Q for the quarter ended March 31, 2010, recent Current Reports on Form 8-K, and other Securities and Exchange Commission (SEC) 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 |                 |                  |
|--|--------------------|-----------------|------------------|
|  | 2010               | June 30<br>2009 | March 31<br>2010 |
| Revenue:   |                    |                 |                  |
| Completion and Production                                      | \$ 2,393           | \$ 1,752        | \$ 1,964         |
| Drilling and Evaluation  | 1,994              | 1,742           | 1,797            |
| Total revenue  | \$ 4,387           | \$ 3,494        | \$ 3,761         |
| Operating income:  |                    |                 |                  |
| Completion and Production                                      | \$ 497             | \$ 243          | \$ 238           |
| Drilling and Evaluation  | 318                | 284             | 270              |
| Corporate and other  | (53 )              | (51 )           | (59 )            |
| Total operating income   | 762                | 476             | 449              |
| Interest expense, net of interest income of \$3, \$3, and \$3  | (76 )              | (79 )           | (76 )            |
| Other, net   | (9 )               | (14 )           | (40 )(a)         |
| Income from continuing operations before income taxes          | 677                | 383             | 333              |
| Provision for income taxes                                     | (200 )             | (117 )          | (121 )(b)        |
| Income from continuing operations                              | 477                | 266             | 212              |
| Income (loss) from discontinued operations, net                | 6                  | (1 )            | (5 )             |
| Net income   | \$ 483             | \$ 265          | \$ 207           |
| Noncontrolling interest in net income of subsidiaries          | (3 )               | (3 )            | (1 )             |
| Net income attributable to company                             | \$ 480             | \$ 262          | \$ 206           |
| Amounts attributable to company shareholders:                  |                    |                 |                  |
| Income from continuing operations                              | \$ 474             | \$ 263          | \$ 211           |
| Income (loss) from discontinued operations, net                | 6                  | (1 )            | (5 )             |
| Net income attributable to company                             | \$ 480             | \$ 262          | \$ 206           |
| Basic income per share attributable to company shareholders:   |                    |                 |                  |
| Income from continuing operations                              | \$ 0.52            | \$ 0.29         | \$ 0.23          |
| Income (loss) from discontinued operations, net                | 0.01               | —               | —                |
| Net income per share   | \$ 0.53            | \$ 0.29         | \$ 0.23          |
| Diluted income per share attributable to company shareholders: |                    |                 |                  |
| Income from continuing operations                              | \$ 0.52            | \$ 0.29         | \$ 0.23          |
| Income (loss) from discontinued operations, net                | 0.01               | —               | —                |
| Net income per share   | \$ 0.53            | \$ 0.29         | \$ 0.23          |
| Basic weighted average common shares outstanding               | 906                | 898             | 905              |
| Diluted weighted average common shares outstanding             | 909                | 900             | 908              |