

HALLIBURTON CO
Form 10-Q
October 31, 2006

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
For the quarterly period ended September 30, 2006

OR

Transition Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
For the transition period from _____ to _____

Commission File Number 1-3492

HALLIBURTON COMPANY

(a Delaware Corporation)
75-2677995

5 Houston Center
1401 McKinney, Suite 2400
Houston, Texas 77010
(Address of Principal Executive Offices)

Telephone Number - Area Code (713) 759-2600

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated
 filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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As of October 24, 2006, 1,005,509,113 shares of Halliburton Company common stock, \$2.50 par value per share, were outstanding.

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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

HALLIBURTON COMPANY
Condensed Consolidated Statements of Operations
(Unaudited)

<i>(Millions of dollars and shares except per share data)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2006	2005	2006	2005
Revenue:				
Services	\$ 5,001	\$ 4,317	\$ 14,171	\$ 12,837
Product sales	826	648	2,373	1,861
Equity in earnings (losses) of unconsolidated affiliates, net	4	(53)	16	(30)
Total revenue	5,831	4,912	16,560	14,668
Operating costs and expenses:				
Cost of services	4,081	3,684	11,887	11,170
Cost of sales	668	544	1,935	1,558
General and administrative	115	89	315	286
Gain on sale of business assets, net	(1)	(85)	(18)	(197)
Total operating costs and expenses	4,863	4,232	14,119	12,817
Operating income	968	680	2,441	1,851
Interest expense	(42)	(51)	(132)	(154)
Interest income	44	17	110	38
Foreign currency losses, net	(10)	(2)	(12)	(9)
Other, net	-	(2)	(1)	(7)
Income from continuing operations before income taxes and minority interest				
	960	642	2,406	1,719
Provision for income taxes	(320)	(129)	(801)	(445)
Minority interest in net income of subsidiaries	(25)	(21)	-	(39)
Income from continuing operations	615	492	1,605	1,235
Income (loss) from discontinued operations, net of tax (provision) benefit of \$2, \$(3), \$(47), and \$(10)	(4)	7	85	21
Net income	\$ 611	\$ 499	\$ 1,690	\$ 1,256
Basic income (loss) per share:				
Income from continuing operations	\$ 0.61	\$ 0.49	\$ 1.57	\$ 1.23