



News Release

Baker Hughes Announces Receipt of Director Nominations from Halliburton

HOUSTON, Nov. 14, 2014 /PRNewswire/ -- Baker Hughes Incorporated (NYSE: BHI) today announced receipt of notice from Halliburton Company that it intends to nominate candidates to replace the entire board of directors of Baker Hughes at its Apr. 2015 annual meeting.

The nominations followed discussions between the parties regarding a potential business combination transaction, and Halliburton's refusal to improve its first and only value proposal. Baker Hughes considers the notice to be an attempt by Halliburton to pressure the Baker Hughes board into accepting a transaction with Halliburton on Halliburton's terms.

The discussions began after Baker Hughes received an unsolicited proposal from Halliburton without prior notice on Oct. 13, 2014 to acquire all of the outstanding shares of the Company in a proposed transaction that Halliburton claimed would produce \$2 billion in synergies after any required divestitures. The discussions continued over the following weeks and substantial progress was made in analyzing the substantial antitrust issues that would be involved in any such transaction, allocating antitrust risk between Halliburton and Baker Hughes, and negotiating merger documentation.

After receiving the Company's counter proposal on value, Halliburton refused to increase its first and only value proposal and, among other things, refused not to solicit the Company's employees during the period before closing. Instead, Halliburton delivered the director nomination notice to the Company.

Martin Craighead, Chairman and CEO of Baker Hughes stated: "Baker Hughes is disappointed that Halliburton has chosen to seek to replace the entire Baker Hughes board rather than continue the private discussions between the parties. Baker Hughes believes that Halliburton's various attempts at coercive tactics, instead of being willing to negotiate a reasonable value for the Company's stock and despite having stated twice that they have room to increase the value of their offer, are attempts to control both sides of a negotiation and are entirely inappropriate."

Consistent with its fiduciary duties, the Baker Hughes board, in consultation with its financial and legal advisors, has carefully reviewed and considered Halliburton's initial proposal and unanimously determined that it is not at an adequate value level and therefore not in the best interests of the Company's stockholders.

Accordingly, the Company's stockholders are advised to not take any action at this time. Mr. Craighead sent the attached responses to Halliburton's CEO during the negotiation process.

PDF: Attachment [Response, November 4, 2014](#)

PDF: Attachment [Response, November 9, 2014](#)

PDF: Attachment [Response, November 12, 2014](#)

Baker Hughes is evaluating the director nomination notice for compliance with its by-laws.

Goldman, Sachs & Co. is serving as financial advisor to the Company and Davis Polk & Wardwell LLP is serving as legal counsel to the Company.

Baker Hughes is a leading supplier of oilfield services, products, technology and systems to the worldwide oil and natural gas industry. The company's 61,000 employees today work in more than 80 countries helping customers find, evaluate, drill, produce, transport and process hydrocarbon resources. For more information on Baker Hughes, visit: www.bakerhughes.com.

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