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NEWS

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**Pension Funds File Shareholder Resolution to
Nominate Candidates for Halliburton Board of Directors**

Some of the nation's largest and most influential public pension funds today announced they have jointly filed a shareholder proposal to give shareowners the right to nominate directors at Halliburton Company.

The proposal calls for the use of the company proxy by a group of shareholders to nominate up to two directors to serve on Halliburton's 11-member board. The proposal's sponsors are the Connecticut Retirement Plans and Trust Funds (CRPTF), New York City Employees' Retirement System (NYCERS) and Teachers' Retirement System (TRS), and the American Federation of State, County, and Municipal Employees Pension Fund (AFSCME).

"The current situation at Halliburton represents the worst of corporate America: cooking the books, doing business with terrorist states, and cutting deals of questionable legality with oppressive regimes around the world. The Halliburton board has failed to properly monitor the company, leading to a drop of more than \$3 billion over five years," said Gerald W. McEntee, Chair of the AFSCME Employee Pension Fund. "Proxy access would hold the board accountable and bring fresh board perspectives to help address these issues."

The ability for shareowners to nominate directors to corporate boards has been at the forefront of the corporate governance debate for months and is currently awaiting a final decision by the Securities and Exchange Commission.

"The election of directors is one of the most powerful ways that shareholders can influence the strategic direction of a company," said Connecticut State Treasurer Denise L. Nappier, principal fiduciary of the \$20 billion CRPTF. "We have seen too many board members at too many companies that have failed to adequately fulfill their responsibilities and have not been acting in the best interests of shareholders. Access to the company's proxy ballot is the best mechanism to change that."

Halliburton shareholders have seen a substantial decline in shareholder equity starting with the acquisition of Dresser Industries in 1998 for \$7.7 billion, a company that was later found to have been saddled with enormous asbestos liability. Unfortunately for Halliburton shareholders, this fact was not disclosed until months after the merger was

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completed. Halliburton's stock closed at \$46.50 the day the Dresser deal was announced; last December when Dresser filed for bankruptcy, Halliburton stock closed at \$25.14 -- a decline of nearly 46% over less than five years.

Investigations continue into charges that the company overbilled the Defense Department in Iraq. The Department of Justice and Securities and Exchange Commission are investigating alleged Nigerian bribes that may have violated the U.S. Foreign Corrupt Practices Act. A grand jury in Houston is investigating Halliburton's use of a Cayman Islands subsidiary to do business in Iran, which is a prohibited practice for U.S. companies.

Earlier this year the SEC fined Halliburton \$7.5 million for secretly changing its accounting procedures in 1998 with the help of its auditor, Arthur Andersen.

Currently, shareowners are largely shut out of the system of nominating directors, with incumbent boards determining whom to nominate and shareowners left to ratify choices through their proxies. Even if shareowners decide to bankroll their own proxy materials to advance director candidates, the expense puts the option out of reach.

The shareholder proposal filed at Halliburton is similar to one put forth by AFSCME and other public pension funds earlier this fall at Disney for the 2005 annual meeting, and last year at the Marsh & McLennan Companies, where an independent director put forth by shareholders was elected to the board following news of scandals at its Putnam subsidiary.