

Financial Information

A table of comparative results follows:

(In millions, except per share amounts)	Three Months Ended		
	September 30,		June 30,
	2001	2000	2001
UNAUDITED	-----	-----	-----
Revenues	\$1,436.0	\$1,353.7	\$1,342.0
Costs and Expenses:	-----	-----	-----
Cost of revenues	1,008.8	1,019.5	961.8
Selling, general and administrative	214.9	188.1	198.7
Unusual credit	(3.4)	(1.7)	--
Total costs and expenses	1,220.3	1,205.9	1,160.5
Operating income	215.7	147.8	181.5
Equity in income of affiliates	19.6	0.6	8.8
Interest expense	(30.5)	(43.8)	(32.3)
Interest income	1.1	0.9	0.4
Loss on trading securities	--	(3.1)	--
Income before income taxes and extraordinary loss	205.9	102.4	158.4
Income taxes	(68.8)	(37.2)	(53.1)
Income before extraordinary loss	137.1	65.2	105.3
Extraordinary loss (net of \$0.8 income tax benefit)	--	--	(1.5)
Net income	\$137.1	\$65.2	\$103.8
	=====	=====	=====
Net income per share:			
Basic	\$0.41	\$0.20	\$0.31
Diluted	0.41	0.20	0.31
Depreciation, depletion and amortization expense, excluding goodwill amortization	\$73.5	\$150.8	\$68.9
Goodwill amortization	10.7	12.3	10.8
Total depreciation, depletion and amortization expense	\$84.2	\$163.1	\$79.7
	=====	=====	=====
Capital expenditures	\$68.4	\$134.1	\$83.6
Shares outstanding, basic (millions)	335.8	331.2	335.7
Shares outstanding, diluted (millions)	337.3	333.8	337.6

Earnings before interest expense and taxes (EBIT) (1)	\$233.0	\$147.7	\$190.7
Earnings before interest expense, taxes, depreciation, depletion and amortization (EBITDA) (1)	\$317.2	\$310.8	\$270.4

(1) Computed excluding non-operational items, extraordinary items, and cumulative effects of accounting changes.

Financial Information

A table of comparative
results follows:

(In millions, except per share amounts)	Nine Months Ended	
	September 30,	
	2001	2000
UNAUDITED	-----	-----
Revenues	\$4,006.5	\$3,850.0
	-----	-----
Costs and Expenses:		
Cost of revenues	2,860.6	2,976.8
Selling, general and administrative	616.8	565.9
Unusual charge (credit) net	3.6	(25.4)
	-----	-----
Total costs and expenses	3,481.0	3,517.3
	-----	-----
Operating income	525.5	332.7
Equity in income of affiliates	38.9	1.9
Interest expense	(96.9)	(132.0)
Interest income	2.9	1.9
Gain on trading securities	--	14.1
	-----	-----
Income before income taxes, extraordinary loss and cumulative effect of accounting change	470.4	218.6
Income taxes	(157.7)	(75.3)
	-----	-----
Income before extraordinary loss and cumulative effect of accounting change	312.7	143.3
Extraordinary loss (net of \$0.8 income tax benefit)	(1.5)	--
Cumulative effect of accounting change for derivative instruments (net of \$0.5 income tax expense)	0.8	--
	-----	-----
Net income	\$312.0	\$143.3
	=====	=====
Net income per share:		
Basic	\$0.93	\$0.43
Diluted	0.92	0.43

Depreciation, depletion and amortization expense, excluding goodwill amortization	\$218.9	\$438.2
Goodwill amortization	32.3	36.6
	-----	-----
Total depreciation, depletion and amortization expense	\$251.2	\$474.8
	=====	=====
Capital expenditures	\$204.7	\$452.2
Shares outstanding, basic (millions)	335.5	330.5
Shares outstanding, diluted (millions)	337.5	332.4
Earnings before interest expense and taxes (EBIT) (1)	\$570.9	\$311.1
Earnings before interest expense, taxes, depreciation, depletion and amortization (EBITDA) (1)	\$822.1	\$785.9
(1) Computed excluding non-operational items, extraordinary items, and cumulative effects of accounting changes.		

Segment Highlights

Operational highlights for the three months ended September 30, 2001, September 30, 2000 and June 30, 2001 are detailed below.

Comparison of Quarters - Year over Year (for the Three Months Ended September 30, 2001 and 2000) UNAUDITED

	Revenue (\$ millions)		Operating Profit Before Tax (\$ millions)	
	September 2001	September 2000	September 2001	September 2000
	-----	-----	-----	-----
Oilfield Operations, excluding Western Geophysical and Western GECO	\$1,348.8	\$1,092.6	\$243.8	\$150.5
Western Geophysical	--	180.9	--	17.1
Western GECO	--	--	19.4	--
	-----	-----	-----	-----
Oilfield Operations	1,348.8	1,273.5	263.2	167.6
Baker Process Operations	87.2	80.2	(2.6)	(0.6)
Corporate, net interest and other	--	--	(58.1)	(63.2)
Non-operational items (1)	--	--	3.4	(1.4)
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Total	\$1,436.0	\$1,353.7	\$205.9	\$102.4
	=====	=====	=====	=====

Comparison of Quarters - Sequential
(for the Three Months Ended September 30, 2001 and June 30, 2001)
UNAUDITED

	Revenue (\$ millions)		Operating Profit Before Tax (\$ millions)	
	September 2001	June 2001	September 2001	June 2001
	-----	-----	-----	-----
Oilfield Operations, excluding Western Geophysical and Western GECO	\$1,348.8	\$1,257.8	\$243.8	\$214.3
Western Geophysical	--	--	--	--
Western GECO	--	--	19.4	9.2
	-----	-----	-----	-----
Oilfield Operations	1,348.8	1,257.8	263.2	223.5
Baker Process Operations	87.2	84.2	(2.6)	(1.9)
Corporate, net interest and other	--	--	(58.1)	(63.2)
Non-operational items (1)	--	--	3.4	--
	-----	-----	-----	-----
Total	\$1,436.0	\$1,342.0	\$205.9	\$158.4
	=====	=====	=====	=====

(1) Please visit www.bakerhughes.com/investor for a reconciliation of non-operational items for prior periods.

Oilfield Operations Segment

All comments in this section refer to Baker Hughes Oilfield Operations, excluding Western Geophysical and Western GECO unless otherwise noted.

The following table details the percentage change in revenue for each oilfield product line in the September 2001 quarter compared to the September 2000 quarter and June 2001 quarter.

Comparison of Revenue
For the Three Months Ended September 30, 2001
Compared to the Three Months Ended
UNAUDITED

Product Line	September 30, 2000	June 30, 2001
-----	-----	-----
Baker Hughes INTEQ	35%	2%
Baker Atlas	26%	3%
Baker Oil Tools	31%	12%

Baker Petrolite	11%	-1%
Centrilift	13%	15%
Hughes Christensen	31%	15%