



2013 ANNUAL REPORT

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Form 10-K

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Culture of

INNOW

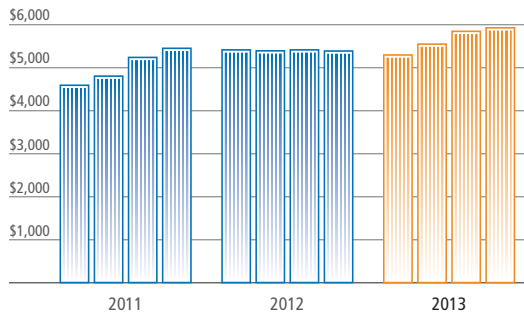
SOURCES OF INNOVATION

Innovation at Baker Hughes comes from many sources. It comes from listening to our customers and focusing intensely on understanding their challenges. It comes from imagination and vision that not only define success, but also create a roadmap and a timeline to achieve it, distribute ownership, and foster alignment among everyone involved.

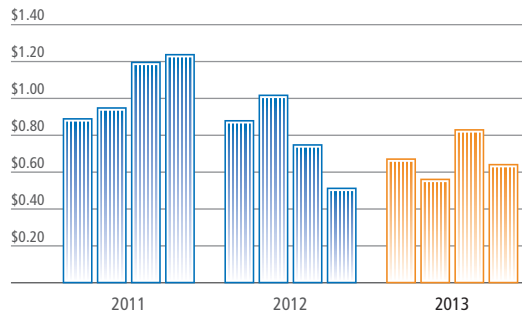
Innovation comes from diversity—of culture, gender, age, point of view, academic background, discipline, and expertise. It is this diversity that creates the platform for challenging and questioning the past and the present.

We foster the diversity that nurtures innovation through numerous practices and programs that range from university recruitment and a special employment program for people leaving the U.S. Military forces, to our global Women’s Resource Group and our annual Chad Deaton Diversity and Inclusion Award for helping to recruit, retain, and develop our talented and diverse workforce.

Total Revenue (in Millions)
2011–2013, by Quarter



Adjusted Net Income per Diluted Share (non-GAAP)
2011–2013, by Quarter



ATION

At Baker Hughes, our culture—that is, the behaviors and beliefs that define us as a company—is one of innovation. It is the foundation upon which the company was built and is the driving force behind our continuing leadership in oilfield services. We are guided by transforming ideas and inventions into commercial products and services that help make energy safe and affordable while improving the return on investment for our customers and investors, and improving the lives of the people we touch.

2013 Global Highlights

The first Blue Wellbore in Canada is the result of a turnkey commercial agreement that integrates five Baker Hughes product lines—Drilling Services, Drill Bits, Cementing, Wireline Services, and Completion Systems—and Baker Hughes field-based supervision.

Rhino™ Bifuel pump technology enabled a client in the Marcellus Shale to complete a large hydraulic fracturing operation using its own readily available field gas, reducing emissions and costly fuel shipments.

In the Norwegian North Sea, our SureTrak™ steerable drilling liner service—the industry's first—saved time and significantly increased recovery in a complex 3D well by allowing Statoil to drill, evaluate, and place a liner to total depth in a single run.

Our electrical submersible pumps were critical to enabling production from the world's first ice-resistant stationary platform in Arctic waters to enabling simultaneous oil production and water injection in the same wellbore in the Volga-Urals region.

In Japan, we played a crucial role in the development of the world's first successful marine methane hydrate production test.

The Gulf of Mexico's first high-pressure, intelligent well system saved millions of dollars for an operator working in 8,211 feet of water and established its value for future ultra-deepwater applications.

The first horizontal well drilled with the AutoTrak™ Curve rotary-steerable system reduced drilling time from an average of four days for one well to less than one day.

Our Dhahran Research and Technology Center in Saudi Arabia and the Reservoir Development Services Middle East Technology Center in Abu Dhabi will help Baker Hughes and our customers to better understand and more efficiently develop shale and tight gas in the Middle East.

Using a single Kymera™ hybrid drill bit to replace six conventional diamond bits on a high-profile land well resulted in a dramatic improvement in rate of penetration and saved 16 days of rig time.

Baker Hughes is using coiled tubing drilling and other innovative solutions to economically maximize ultimate recovery, improve revenue, and extend the life of mature fields in Malaysia.

A customer saved an estimated USD 10 million in rig days and operational efficiencies by using our FASTrak™ logging-while-drilling formation pressure testing and fluid sampling service.

This Annual Report to Stockholders, including the letter to stockholders from Martin S. Craighead, Chairman and Chief Executive Officer, contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The words "anticipate," "believe," "ensure," "expect," "if," "intend," "estimate," "project," "foresee," "forecasts," "predict," "outlook," "aim," "will," "could," "should," "potential," "would," "may," "probable," "likely," and similar expressions, and the negative thereof, are intended to identify forward-looking statements. Baker Hughes' expectations regarding these matters are only its forecasts. These forecasts may be substantially different from actual results, which are affected by many factors, including those listed in "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in Items 1A and 7 of the Annual Report on Form 10-K of Baker Hughes Incorporated for the year ended December 31, 2013. The use of "Baker Hughes," "our," "we" and other similar terms are not intended to describe or imply particular corporate organizations or relationships.

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