

We report our financial results in accordance with generally accepted accounting principles (GAAP). However, Weatherford's management believes that certain non-GAAP financial measures and ratios (as defined under the SEC's Regulation G) may provide users of this financial information additional meaningful comparisons between current results and results in prior periods. The non-GAAP financial measures we may present from time to time include: (1) operating income or income from continuing operations excluding certain charges or amounts, (2) the provision for income taxes excluding discrete items and (3) the resulting non-GAAP net income and per share amounts. These adjusted amounts are not measures of financial performance under GAAP. Accordingly, these amounts should not be considered as a substitute for operating income, provision for income taxes, net income or other data prepared and reported in accordance with GAAP. See the table below for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three months ended March 31, 2013, December 31, 2012, and March 31, 2012. Non-GAAP financial measures should be viewed in addition to, and not as an alternative to, the Company's reported results prepared in accordance with GAAP.

Weatherford International Ltd.
Reconciliation of GAAP to Non-GAAP Financial Measures
(Unaudited)
(In Millions, Except Per Share Amounts)

	Three Months Ended		
	3/31/2013	12/31/2012	3/31/2012
Operating Income:			
GAAP Operating Income	\$ 279	\$ 245	\$ 370
Tax Remediation and Restatement Expenses	21	50	15
Legacy Contracts (a)	3	30	31
Other Adjustments	14	31	32
Non-GAAP Operating Income	<u>\$ 317</u>	<u>\$ 356</u>	<u>\$ 448</u>
Income (Loss) Before Income Taxes:			
GAAP Income (Loss) Before Income Taxes	\$ 35	\$ 89	\$ 240
Devaluation of Venezuelan Bolivar	100	-	-
Tax Remediation and Restatement Expenses	21	50	15
Legacy Contracts	3	30	31
Other Adjustments	14	31	29
Non-GAAP Income (Loss) Before Income Taxes	<u>\$ 173</u>	<u>\$ 200</u>	<u>\$ 315</u>
Benefit (Provision) for Income Taxes:			
GAAP Benefit (Provision) for Income Taxes	\$ (5)	\$ (203)	\$ (110)
Devaluation of Venezuelan Bolivar	(39)	-	-
Tax Remediation and Restatement Expenses	(3)	(7)	(3)
Legacy Contracts	5	34	-
Other Adjustments	(6)	(8)	(3)
Non-GAAP Benefit (Provision) for Income Taxes	<u>\$ (48)</u>	<u>\$ (184)</u>	<u>\$ (116)</u>
Net Income (Loss) Attributable to Weatherford:			
GAAP Net Income (Loss)	\$ 22	\$ (122)	\$ 123
Total Charges, net of tax	95 (b)	130 (c)	69 (d)
Non-GAAP Net Income	<u>\$ 117</u>	<u>\$ 8</u>	<u>\$ 192</u>
Diluted Earnings (Loss) Per Share Attributable to Weatherford:			
GAAP Diluted Earnings (Loss) per Share	\$ 0.03	\$ (0.16)	\$ 0.16
Total Charges, net of tax	0.12	0.17	0.09
Non-GAAP Diluted Earnings per Share	<u>\$ 0.15</u>	<u>\$ 0.01</u>	<u>\$ 0.25</u>
GAAP Effective Tax Rate (e)	14%	228%	46%
Annual Effective Tax Rate (f)	28%	92%	37%

Note (a): The revenues associated with the legacy lump sum contracts in Iraq were \$166 million, \$177 million and \$51 million in each of the three months ended March 31, 2013, December 31, 2012, and March 31, 2012, respectively.

Note (b): Non-GAAP adjustments are comprised of (i) a charge for the devaluation of the Venezuelan Bolivar of \$61 million, (ii) tax restatement and remediation expenses of \$18 million, (iii) \$8 million in operating losses and tax expense related to legacy lump sum contracts in Iraq, (iv) \$8 million in other adjustments consisting of severance and other charges including \$3 million in investigation related expenses.

Note (c): Non-GAAP adjustments are comprised of (i) tax restatement and remediation expenses of \$43 million, (ii) \$64 million in operating losses and tax expense related to legacy lump sum contracts in Iraq, (iii) \$23 million in other adjustments consisting of severance and other charges including \$7 million in investigation related expenses.

Note (d): Non-GAAP adjustments are comprised of (i) tax restatement and remediation expenses of \$15 million, (ii) \$31 million in operating losses and tax expense related to legacy lump sum contracts in Iraq, (iii) \$29 million in other adjustments consisting of severance and other charges including \$2 million in investigation related expenses.

Note (e): GAAP Effective Tax Rate is GAAP provision for income taxes divided by GAAP income before income taxes.

Note (f): Annual Effective Tax Rate is the Non-GAAP provision for income taxes divided by Non-GAAP income before income taxes.