

We report our financial results in accordance with U.S. 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 of prior periods. The non-GAAP amounts shown below should not be considered as substitutes for operating income, provision for income taxes, net income or other data prepared and reported in accordance with GAAP, but should be viewed in addition to the Company's reported results prepared in accordance with GAAP.

Weatherford International plc
Reconciliation of GAAP to Non-GAAP Financial Measures

(Unaudited)

(In Millions, Except Per Share Amounts)

	Three Months Ended			Year Ended	
	12/31/2014	9/30/2014	12/31/2013	12/31/2014	12/31/2013
Operating Income:					
GAAP Operating Income (Loss)	\$ 32	\$ 318	\$ (50)	\$ 505	\$ 523
Gain on Sale of Businesses and Investments, Net	(311)	(38)	(16)	(349)	(24)
Impairments, Divestiture Related and Other Charges ^(a)	618	24	22	949	69
Restructuring, Exited Business and Severance ^(b)	58	175	30	403	94
Legacy Contracts ^(c)	40	2	168	90	299
Tax Remediation and Restatement Expenses	—	—	2	5	37
U.S. Government Investigation Loss	—	—	—	—	153
Accounts Receivable Reserves and Write-offs	—	—	98	—	98
Total Non-GAAP Adjustments	405	163	304	1,098	726
Non-GAAP Operating Income	<u>\$ 437</u>	<u>\$ 481</u>	<u>\$ 254</u>	<u>\$ 1,603</u>	<u>\$ 1,249</u>
Income (Loss) Before Income Taxes:					
GAAP Income (Loss) Before Income Taxes	\$ (315)	\$ 187	\$ (194)	\$ (255)	\$ (170)
Operating Income Adjustments	405	163	304	1,098	726
Devaluation of Venezuelan Bolivar	245	—	—	245	100
Non-GAAP Income Before Income Taxes	<u>\$ 335</u>	<u>\$ 350</u>	<u>\$ 110</u>	<u>\$ 1,088</u>	<u>\$ 656</u>
Provision for Income Taxes:					
GAAP Provision for Income Taxes	\$ (148)	\$ (98)	\$ (70)	\$ (284)	\$ (144)
Tax Effect on Non-GAAP Adjustments	77	8	20	26	(18)
Non-GAAP Provision for Income Taxes	<u>\$ (71)</u>	<u>\$ (90)</u>	<u>\$ (50)</u>	<u>\$ (258)</u>	<u>\$ (162)</u>
Net Income Attributable to Weatherford:					
GAAP Net Income (Loss)	\$ (475)	\$ 77	\$ (271)	\$ (584)	\$ (345)
Total Charges, net of tax	727	171	324	1,369	808
Non-GAAP Net Income	<u>\$ 252</u>	<u>\$ 248</u>	<u>\$ 53</u>	<u>\$ 785</u>	<u>\$ 463</u>
Diluted Earnings Per Share Attributable to Weatherford:					
GAAP Diluted Earnings (Loss) per Share	\$ (0.61)	\$ 0.10	\$ (0.35)	\$ (0.75)	\$ (0.45)
Total Charges, net of tax	0.93	0.22	0.42	1.75	1.05
Non-GAAP Diluted Earnings per Share	<u>\$ 0.32</u>	<u>\$ 0.32</u>	<u>\$ 0.07</u>	<u>\$ 1.00</u>	<u>\$ 0.60</u>
GAAP Effective Tax Rate ^(d)					
	(47)%	52%	(36)%	(111)%	(85)%
Non-GAAP Effective Tax Rate ^(e)					
	21 %	26%	45 %	24 %	25 %

(a) Impairments, Divestiture Related Charges and Other of \$618 million in the fourth quarter and \$949 million for the year ended December 31, 2014 include goodwill impairments, long-lived asset impairments and other charges largely related to our rigs business and a charge related to a long-term contract in Asia. In addition, this includes the cost of our divestiture program and other professional fees and costs including restatement related litigation costs and other charges.

(b) Restructuring, Exited Business and Severance Cost in the three months ended December 31, 2014 include severance costs of \$58 million associated with our 2015 workforce and cost reduction initiative. During 2014, we also recognized \$345 million associated with the 2014 workforce and cost reduction initiative including the operating losses of the businesses exited. These results include \$81 million characterized as our North Africa Restructuring in the third quarter of 2014. These amounts are presented in comparison to the severance amounts recognized in 2013.

(c) The revenues associated with the legacy lump sum contracts in Iraq were \$35 million, \$76 million and \$52 million for the three months ended December 31, 2014, September 30, 2014 and December 31, 2013, and \$249 million and \$512 million for the year ended December 31, 2014 and 2013, respectively.

(d) GAAP Effective Tax Rate is GAAP provision for income taxes divided by GAAP income before income taxes.

(e) Non-GAAP Effective Tax Rate is the Non-GAAP provision for income taxes divided by Non-GAAP income before income taxes.

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Weatherford International plc

Selected Cash Flow Data

(Unaudited)

(In Millions)

	Three Months Ended			Year Ended	
	12/31/2014	9/30/2014	12/31/2013	12/31/2014	12/31/2013
Net Cash Provided by Operating Activities	\$ 585	\$ 350	\$ 662	\$ 964	\$ 1,229
Less: Capital Expenditures for Property, Plant and Equipment	(405)	(383)	(364)	(1,450)	(1,575)
Free Cash Flow	<u>\$ 180</u>	<u>\$ (33)</u>	<u>\$ 298</u>	<u>\$ (486)</u>	<u>\$ (346)</u>

Free Cash Flow: Free cash flow is defined as net cash provided by or used in operating activities less capital expenditures. Free cash flow is an important indicator of how much cash is generated or used by our normal business operations, including capital expenditures. Management uses free cash flow as a measure of progress on its capital efficiency and cash flow initiatives.