

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)

	<b>Three Months Ended</b>			<b>Year Ended</b>	
	<b>12/31/2015</b>	<b>9/30/2015</b>	<b>12/31/2014</b>	<b>12/31/2015</b>	<b>12/31/2014</b>
<b>Operating Income:</b>					
GAAP Operating Income (Loss)	\$ (1,034)	\$ (98)	\$ 32	\$ (1,546)	\$ 505
Impairments, Inventory Write-downs and Other <sup>(a)(b)(c)</sup>	834	26	618	1,099	954
Severance, Restructuring and Exited Businesses	68	51	58	232	403
Legacy Contracts and Other	82	40	40	200	90
Litigation Charges	4	—	—	116	—
Loss (Gain) on Divestitures	4	—	(311)	6	(349)
Total Non-GAAP Adjustments	992	117	405	1,653	1,098
Non-GAAP Operating Income (Loss)	<u>\$ (42)</u>	<u>\$ 19</u>	<u>\$ 437</u>	<u>\$ 107</u>	<u>\$ 1,603</u>
<b>Income (Loss) Before Income Taxes:</b>					
GAAP Loss Before Income Taxes	\$ (1,148)	\$ (226)	\$ (315)	\$ (2,096)	\$ (255)
Operating Income Adjustments	992	117	405	1,653	1,098
Currency Devaluation and Related Charges	17	26	245	85	245
Non-GAAP Income (Loss) Before Income Taxes	<u>\$ (139)</u>	<u>\$ (83)</u>	<u>\$ 335</u>	<u>\$ (358)</u>	<u>\$ 1,088</u>
<b>Benefit (Provision) for Income Taxes:</b>					
GAAP Benefit (Provision) for Income Taxes	\$ (52)	\$ 65	\$ (148)	\$ 145	\$ (284)
Tax Effect on Non-GAAP Adjustments	97	(15)	77	(7)	26
Non-GAAP Benefit (Provision) for Income Taxes	<u>\$ 45</u>	<u>\$ 50</u>	<u>\$ (71)</u>	<u>\$ 138</u>	<u>\$ (258)</u>
<b>Net Income (Loss) Attributable to Weatherford:</b>					
GAAP Net Loss	\$ (1,208)	\$ (170)	\$ (475)	\$ (1,985)	\$ (584)
Total Charges, net of tax	1,106	128	727	1,731	1,369
Non-GAAP Net Income (Loss)	<u>\$ (102)</u>	<u>\$ (42)</u>	<u>\$ 252</u>	<u>\$ (254)</u>	<u>\$ 785</u>
<b>Diluted Earnings (Loss) Per Share Attributable to Weatherford:</b>					
GAAP Diluted Loss per Share	\$ (1.54)	\$ (0.22)	\$ (0.61)	\$ (2.55)	\$ (0.75)
Total Charges, net of tax	1.41	0.17	0.93	2.22	1.75
Non-GAAP Diluted Earnings (Loss) per Share	<u>\$ (0.13)</u>	<u>\$ (0.05)</u>	<u>\$ 0.32</u>	<u>\$ (0.33)</u>	<u>\$ 1.00</u>
<b>GAAP Effective Tax Rate <sup>(d)</sup></b>	(5)%	29%	(47)%	7%	(111)%
<b>Non-GAAP Effective Tax Rate <sup>(e)</sup></b>	32 %	60%	21 %	39%	24 %

(a) Impairments, inventory write-downs and other of \$834 million in the fourth quarter 2015 include \$514 million of long-lived asset impairments, \$217 million of inventory write-downs, \$46 million of supply contract related charges, \$31 million of bad debt expense charges and \$26 million of other charges.

(b) Impairments, inventory write-downs and other of \$1.1 billion for the year ended December 31, 2015 include \$638 million of long-lived asset impairments, \$226 million of inventory write-downs, \$130 million of supply contract related charges, \$31 million of bad debt expense charges and \$74 million of other charges.

(c) Long-lived asset and goodwill impairments, divestiture program costs and other professional fees primarily make up the charges of \$618 million in the fourth quarter and \$954 million for the year ended December 31, 2014.

(d) GAAP Effective Tax Rate is the 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 and calculated in thousands.

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**Weatherford International plc**

**Selected Cash Flow Data**

(Unaudited)

(In Millions)

	Three Months Ended			Year Ended	
	12/31/2015	9/30/2015	12/31/2014	12/31/2015	12/31/2014
Net Cash Provided by Operating Activities	\$ 323	\$ 134	\$ 585	\$ 706	\$ 963
Less: Capital Expenditures for Property, Plant and Equipment	(140)	(131)	(405)	(682)	(1,450)
Free Cash Flow	\$ 183	\$ 3	\$ 180	\$ 24	\$ (487)
Add: Litigation Settlements (Reimbursements)*	(15)	120	—	105	253
Free Cash Flow from Operations	<u>\$ 168</u>	<u>\$ 123</u>	<u>\$ 180</u>	<u>\$ 129</u>	<u>\$ (234)</u>

"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.

\*Litigation settlements represent (a) a settlement payment of \$120 million related to a shareholder derivative lawsuit in the three months ended September 30, 2015 offset by the receipt of \$15 million in insurance proceeds in the three months ended December 31, 2015, or a net payment of \$105 million for the twelve months ended December 31, 2015 and (b) a settlement payment of \$253 million to settle the United Nations oil-for-food program governing sales of goods into Iraq and Foreign Corrupt Practices Act matters for the twelve months ended December 31, 2014.