

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			Six Months Ended	
	6/30/2016	3/31/2016	6/30/2015	6/30/2016	6/30/2015
Operating Income (Loss):					
GAAP Operating Loss	\$ (460)	\$ (447)	\$ (464)	\$ (907)	\$ (414)
Severance, Restructuring and Exited Businesses	51	77	72	128	113
Litigation Charges, Net	114	67	112	181	112
Impairments, Asset Write-Downs and Other ^(a)	154	57	218	211	239
Legacy Contracts and Other	(50)	52	69	2	78
Loss on Sale of Businesses, Net	—	1	5	1	2
Total Non-GAAP Adjustments	269	254	476	523	544
Non-GAAP Adjusted Operating Income (Loss)	<u>\$ (191)</u>	<u>\$ (193)</u>	<u>\$ 12</u>	<u>\$ (384)</u>	<u>\$ 130</u>
Loss Before Income Taxes:					
GAAP Loss Before Income Taxes	\$ (664)	\$ (592)	\$ (615)	\$ (1,256)	\$ (722)
Operating Income Adjustments	269	254	476	523	544
Bond Tender Premium, Net	78	—	—	78	—
Currency Devaluation Charges	—	31	16	31	42
Non-GAAP Loss Before Income Taxes	<u>\$ (317)</u>	<u>\$ (307)</u>	<u>\$ (123)</u>	<u>\$ (624)</u>	<u>\$ (136)</u>
Benefit for Income Taxes:					
GAAP Benefit for Income Taxes	\$ 102	\$ 101	\$ 132	\$ 203	\$ 132
Tax Effect on Non-GAAP Adjustments	(35)	(26)	(80)	(61)	(89)
Non-GAAP Benefit for Income Taxes	<u>\$ 67</u>	<u>\$ 75</u>	<u>\$ 52</u>	<u>\$ 142</u>	<u>\$ 43</u>
Net Loss Attributable to Weatherford:					
GAAP Net Loss	\$ (565)	\$ (498)	\$ (489)	\$ (1,063)	\$ (607)
Total Charges, net of tax	312	259	412	571	497
Non-GAAP Net Loss	<u>\$ (253)</u>	<u>\$ (239)</u>	<u>\$ (77)</u>	<u>\$ (492)</u>	<u>\$ (110)</u>
Diluted Loss Per Share Attributable to Weatherford:					
GAAP Diluted Loss per Share	\$ (0.63)	\$ (0.61)	\$ (0.63)	\$ (1.24)	\$ (0.78)
Total Charges, net of tax	0.35	0.32	0.53	0.67	0.64
Non-GAAP Diluted Loss per Share	<u>\$ (0.28)</u>	<u>\$ (0.29)</u>	<u>\$ (0.10)</u>	<u>\$ (0.57)</u>	<u>\$ (0.14)</u>
GAAP Effective Tax Rate ^(b)					
	15%	17%	21%	16%	18%
Non-GAAP Effective Tax Rate ^(c)					
	21%	24%	42%	23%	31%

(a) Impairments, Asset Write-Downs and Other include primarily write-downs of inventory, note receivable and other assets, long-lived and other asset impairment charges, supply agreement charges, insurance losses and professional fees and other charges.

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

(c) 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			Six Months Ended	
	6/30/2016	3/31/2016	6/30/2015	6/30/2016	6/30/2015
Net Cash Provided by (Used In) Operating Activities	\$ (139)	\$ (205)	\$ 291	\$ (344)	\$ 249
Less: Capital Expenditures for Property, Plant and Equipment	(31)	(43)	(187)	(74)	(411)
Add: Proceeds from Dispositions and Insurance Recoveries*	10	36	20	46	23
Free Cash Flow	\$ (160)	\$ (212)	\$ 124	\$ (372)	\$ (139)
Adjusted for Litigation Reimbursements**	—	(4)	—	(4)	—
Free Cash Flow Provided by (Used In) Operations	<u>\$ (160)</u>	<u>\$ (216)</u>	<u>\$ 124</u>	<u>\$ (376)</u>	<u>\$ (139)</u>

"Free Cash Flow" is defined as net cash provided by or used in operating activities less capital expenditures plus proceeds from dispositions and insurance recoveries. "Free Cash Flow Provided by (Used In) Operations" is defined as net cash provided by or used in operating activities less capital expenditures plus proceeds from dispositions and insurance recoveries and adjusted for litigation reimbursements. Management uses the two free cash flow metrics to measure progress on capital efficiency and cash flow initiatives.

*Includes in the first and second quarter 2016 \$6 million and \$10 million, respectively, from the disposal of property, plant, and equipment and \$30 million of insurance reimbursements received during the first quarter of 2016 on a land drilling rig loss.

**Includes in the first quarter 2016 insurance proceeds received during the applicable period reimbursing a portion of a shareholder derivative litigation settlement payment of \$120 million made in the third quarter of 2015.