

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>12/31/2016</b>	<b>9/30/2016</b>	<b>12/31/2015</b>	<b>12/31/2016</b>	<b>12/31/2015</b>
<b>Operating Income (Loss):</b>					
GAAP Operating Loss	\$ (399)	\$ (945)	\$ (1,034)	\$ (2,251)	\$ (1,546)
Severance, Restructuring and Exited Businesses	130	22	68	280	232
Litigation Charges, Net	30	9	4	220	116
Impairments, Asset Write-Downs and Other <sup>(a) (b) (c) (d)</sup>	91	740	838	1,043	1,105
Legacy Contracts and Other	—	—	82	2	200
Total Non-GAAP Adjustments	251	771	992	1,545	1,653
Non-GAAP Adjusted Operating Income (Loss)	<u>\$ (148)</u>	<u>\$ (174)</u>	<u>\$ (42)</u>	<u>\$ (706)</u>	<u>\$ 107</u>
<b>Loss Before Income Taxes:</b>					
GAAP Loss Before Income Taxes	\$ (537)	\$ (1,084)	\$ (1,148)	\$ (2,877)	\$ (2,096)
Operating Income Adjustments	251	771	992	1,545	1,653
Bond Tender Premium, Net	—	—	—	78	—
Warrant Fair Value Adjustment	(16)	—	—	(16)	—
Currency Devaluation Charges	10	—	17	41	85
Non-GAAP Loss Before Income Taxes	<u>\$ (292)</u>	<u>\$ (313)</u>	<u>\$ (139)</u>	<u>\$ (1,229)</u>	<u>\$ (358)</u>
<b>(Provision) Benefit for Income Taxes:</b>					
GAAP (Provision) Benefit for Income Taxes	\$ (7)	\$ (692)	\$ (52)	\$ (496)	\$ 145
Tax Effect on Non-GAAP Adjustments	1	660	97	600	(7)
Non-GAAP (Provision) Benefit for Income Taxes	<u>\$ (6)</u>	<u>\$ (32)</u>	<u>\$ 45</u>	<u>\$ 104</u>	<u>\$ 138</u>
<b>Net Loss Attributable to Weatherford:</b>					
GAAP Net Loss	\$ (549)	\$ (1,780)	\$ (1,208)	\$ (3,392)	\$ (1,985)
Total Charges, net of tax	246	1,431	1,106	2,248	1,731
Non-GAAP Net Loss	<u>\$ (303)</u>	<u>\$ (349)</u>	<u>\$ (102)</u>	<u>\$ (1,144)</u>	<u>\$ (254)</u>
<b>Diluted Loss Per Share Attributable to Weatherford:</b>					
GAAP Diluted Loss per Share	\$ (0.59)	\$ (1.98)	\$ (1.54)	\$ (3.82)	\$ (2.55)
Total Charges, net of tax	0.27	1.59	1.41	2.53	2.22
Non-GAAP Diluted Loss per Share	<u>\$ (0.32)</u>	<u>\$ (0.39)</u>	<u>\$ (0.13)</u>	<u>\$ (1.29)</u>	<u>\$ (0.33)</u>
<b>GAAP Effective Tax Rate <sup>(e)</sup></b>	(1)%	(64)%	(5)%	(17)%	7%
<b>Non-GAAP Effective Tax Rate <sup>(f)</sup></b>	(2)%	(10)%	32 %	8 %	39%

(a) Impairments, asset write-downs and other of \$91 million in the fourth quarter of 2016 include \$69 million in pressure pumping business related shutdown costs and other charges, and \$22 million of other charges and credits.

(b) Impairments, asset write-downs and other of \$1.0 billion for the year ended December 31, 2016 include \$710 million related to long-lived asset impairments asset write-downs and other charges and credits, \$219 million of inventory write-downs, and \$114 million of pressure pumping business related charges.

(c) Impairments, asset write-downs and other of \$838 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 \$30 million of other charges.

(d) Impairments, asset 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 \$80 million of other charges.

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

(f) 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	
	12/31/2016	9/30/2016	12/31/2015	12/31/2016	12/31/2015
Net Cash Provided by (Used In) Operating Activities	\$ 136	\$ (106)	\$ 323	\$ (314)	\$ 706
Capital Expenditures for Property, Plant and Equipment	(68)	(62)	(140)	(204)	(682)
Proceeds from Dispositions and Insurance Recoveries*	21	21	16	88	37
Free Cash Flow	\$ 89	\$ (147)	\$ 199	\$ (430)	\$ 61
Adjusted for Litigation Payments (Reimbursements)**	82	—	(15)	78	105
Free Cash Flow Provided by (Used In) Operations	\$ 171	\$ (147)	\$ 184	\$ (352)	\$ 166

"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.

\*As of December 31, 2016, the \$88 million includes proceeds from disposal of property, plant, and equipment of \$49 million and \$39 million of insurance reimbursements received on a land drilling rig loss.

\*\*As of December 31, 2016, the \$78 million includes payments of \$82 million primarily related to the SEC settlement offset by \$4 million in insurance proceeds received in the first quarter 2016 that reimburses a portion of a shareholder derivative litigation settlement payment of \$120 million made in the third quarter of 2015.