

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		
	3/31/2016	12/31/2015	3/31/2015
Operating Income (Loss):			
GAAP Operating Income (Loss)	\$ (447)	\$ (1,034)	\$ 50
Severance, Restructuring and Exited Businesses	77	68	41
Litigation Charges, Net	67	4	—
Impairments, Asset Write-Downs and Other ^{(a)(b)(c)}	57	834	21
Legacy Contracts and Other	52	82	9
Loss (Gain) on Divestitures	1	4	(3)
Total Non-GAAP Adjustments	254	992	68
Non-GAAP Operating Income (Loss)	<u>\$ (193)</u>	<u>\$ (42)</u>	<u>\$ 118</u>
Loss Before Income Taxes:			
GAAP Loss Before Income Taxes	\$ (592)	\$ (1,148)	\$ (107)
Operating Income Adjustments	254	992	68
Currency Devaluation Charges	31	17	26
Non-GAAP Loss Before Income Taxes	<u>\$ (307)</u>	<u>\$ (139)</u>	<u>\$ (13)</u>
Benefit (Provision) for Income Taxes:			
GAAP Benefit (Provision) for Income Taxes	\$ 101	\$ (52)	\$ —
Tax Effect on Non-GAAP Adjustments	(26)	97	(9)
Non-GAAP Benefit (Provision) for Income Taxes	<u>\$ 75</u>	<u>\$ 45</u>	<u>\$ (9)</u>
Net Loss Attributable to Weatherford:			
GAAP Net Loss	\$ (498)	\$ (1,208)	\$ (118)
Total Charges, net of tax	259	1,106	85
Non-GAAP Net Loss	<u>\$ (239)</u>	<u>\$ (102)</u>	<u>\$ (33)</u>
Diluted Loss Per Share Attributable to Weatherford:			
GAAP Diluted Loss per Share	\$ (0.61)	\$ (1.54)	\$ (0.15)
Total Charges, net of tax	0.32	1.41	0.11
Non-GAAP Diluted Loss per Share	<u>\$ (0.29)</u>	<u>\$ (0.13)</u>	<u>\$ (0.04)</u>
GAAP Effective Tax Rate ^(d)			
	17%	(5)%	— %
Non-GAAP Effective Tax Rate ^(e)			
	24%	32 %	(73)%

(a) For the first quarter of 2016, impairments, asset write-downs, and other of \$57 million include \$35 million of supply contract related charges, \$14 million of asset impairments, and \$8 million of other charges.

(b) For the fourth quarter of 2015, the \$834 million include \$514 million 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.

(c) For the first quarter of 2015, the \$21 million was primarily comprised of divestiture program charges and other.

(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		
	3/31/2016	12/31/2015	3/31/2015
Net Cash Provided by (Used In) Operating Activities	\$ (205)	\$ 323	\$ (42)
Less: Capital Expenditures for Property, Plant and Equipment	(43)	(140)	(224)
Add: Proceeds from Dispositions and Insurance Recoveries*	36	—	—
Free Cash Flow	\$ (212)	\$ 183	\$ (266)
Adjusted for Litigation Reimbursements**	(4)	(15)	—
Free Cash Flow from Operations	<u>\$ (216)</u>	<u>\$ 168</u>	<u>\$ (266)</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.

*Represents \$6 million 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.

**Represents 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.