

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			Nine Months Ended	
	9/30/2016	6/30/2016	9/30/2015	9/30/2016	9/30/2015
Net Revenues:					
GAAP Revenue	\$ 1,356	\$ 1,402	\$ 2,237	\$ 4,343	\$ 7,421
Legacy Contract Revenue	16	69	16	83	108
Non-GAAP Adjusted Revenue	<u>\$ 1,340</u>	<u>\$ 1,333</u>	<u>\$ 2,221</u>	<u>\$ 4,260</u>	<u>\$ 7,313</u>
Operating Income (Loss):					
GAAP Operating Loss	\$ (945)	\$ (460)	\$ (98)	\$ (1,852)	\$ (512)
Severance, Restructuring and Exited Businesses	22	51	51	150	164
Litigation Charges, Net	9	114	—	190	112
Impairments, Asset Write-Downs and Other ^(a)	740	154	26	951	265
Legacy Contracts and Other	—	(50)	40	2	118
Loss on Sale of Businesses, Net	—	—	—	1	2
Total Non-GAAP Adjustments	<u>771</u>	<u>269</u>	<u>117</u>	<u>1,294</u>	<u>661</u>
Non-GAAP Adjusted Operating Income (Loss)	<u>\$ (174)</u>	<u>\$ (191)</u>	<u>\$ 19</u>	<u>\$ (558)</u>	<u>\$ 149</u>
Loss Before Income Taxes:					
GAAP Loss Before Income Taxes	\$ (1,084)	\$ (664)	\$ (226)	\$ (2,340)	\$ (948)
Operating Income Adjustments	771	269	117	1,294	661
Bond Tender Premium, Net	—	78	—	78	—
Currency Devaluation Charges	—	—	26	31	68
Non-GAAP Loss Before Income Taxes	<u>\$ (313)</u>	<u>\$ (317)</u>	<u>\$ (83)</u>	<u>\$ (937)</u>	<u>\$ (219)</u>
(Provision) Benefit for Income Taxes:					
GAAP (Provision) Benefit for Income Taxes	\$ (692)	\$ 102	\$ 65	\$ (489)	\$ 197
Tax Effect on Non-GAAP Adjustments	660	(35)	(15)	599	(104)
Non-GAAP (Provision) Benefit for Income Taxes	<u>\$ (32)</u>	<u>\$ 67</u>	<u>\$ 50</u>	<u>\$ 110</u>	<u>\$ 93</u>
Net Loss Attributable to Weatherford:					
GAAP Net Loss	\$ (1,780)	\$ (565)	\$ (170)	\$ (2,843)	\$ (777)
Total Charges, net of tax	1,431	312	128	2,002	625
Non-GAAP Net Loss	<u>\$ (349)</u>	<u>\$ (253)</u>	<u>\$ (42)</u>	<u>\$ (841)</u>	<u>\$ (152)</u>
Diluted Loss Per Share Attributable to Weatherford:					
GAAP Diluted Loss per Share	\$ (1.98)	\$ (0.63)	\$ (0.22)	\$ (3.27)	\$ (1.00)
Total Charges, net of tax	1.59	0.35	0.17	2.30	0.80
Non-GAAP Diluted Loss per Share	<u>\$ (0.39)</u>	<u>\$ (0.28)</u>	<u>\$ (0.05)</u>	<u>\$ (0.97)</u>	<u>\$ (0.20)</u>
GAAP Effective Tax Rate ^(b)	(64)%	15%	29%	(21)%	21%
Non-GAAP Effective Tax Rate ^(c)	(10)%	21%	60%	12 %	42%

(a) Impairments, Asset Write-Downs and Other primarily include long-lived asset impairments, write-downs of inventory, a note receivable and other assets and supply agreement 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			Nine Months Ended	
	9/30/2016	6/30/2016	9/30/2015	9/30/2016	9/30/2015
Net Cash Provided by (Used In) Operating Activities	\$ (106)	\$ (139)	\$ 134	\$ (450)	\$ 383
Less: Capital Expenditures for Property, Plant and Equipment	(62)	(31)	(131)	(136)	(542)
Add: Proceeds from Dispositions and Insurance Recoveries*	21	10	6	67	29
Free Cash Flow	\$ (147)	\$ (160)	\$ 9	\$ (519)	\$ (130)
Adjusted for Litigation Payments (Reimbursements)**	—	—	120	(4)	120
Free Cash Flow Provided by (Used In) Operations	<u>\$ (147)</u>	<u>\$ (160)</u>	<u>\$ 129</u>	<u>\$ (523)</u>	<u>\$ (10)</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.

*As of September 30, 2016, the \$67 million includes proceeds from disposal of property, plant, and equipment of \$28 million and \$39 million of insurance reimbursements received on a land drilling rig loss.

**As of September 30, 2016, the \$4 million in insurance proceeds received in the first quarter 2016 reimburses a portion of a shareholder derivative litigation settlement payment of \$120 million made in the third quarter of 2015.