

We report our financial results in accordance with generally accepted accounting principles ("GAAP"). However, Weatherford's management believes that certain non-GAAP performance measures and ratios may provide users of this financial information additional meaningful comparisons between current results and results in prior operating periods. One such non-GAAP financial measure we may present from time to time is Earnings Before Interest, Income Taxes and Depreciation and Amortization ("EBITDA"). EBITDA is not a measure of financial performance under GAAP. Accordingly, it should not be considered as a substitute for net income, operating income, cash flow provided by operating activities or other income or cash flow data prepared in accordance with GAAP. Weatherford's presentation of EBITDA may not be comparable to similarly titled measures other companies report. Weatherford calculates EBITDA as net income plus interest expense, net, other income (expense), net, income taxes and depreciation and amortization. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our reported results prepared in accordance with GAAP.

Weatherford International Ltd.
Reconciliation of GAAP to Non-GAAP Financial Measures
(Unaudited)
(In thousands)

	For the three months ended		
	March 31, 2004	December 31, 2003	March 31, 2003
EBITDA:			
Drilling Services	\$ 121,585	\$ 117,515	\$ 106,700
Production Systems	51,327	48,811	42,483
Research and Development	(18,266)	(19,568)	(18,733)
Equity in Earnings	5,253	4,444	4,562
Corporate Expenses	(10,784)	(10,369)	(9,098)
	\$ 149,115	\$ 140,833	\$ 125,914
Depreciation and Amortization:			
Drilling Services	\$ 44,889	\$ 42,803	\$ 42,425
Production Systems	15,864	16,147	11,848
Research and Development	1,177	681	1,285
Other	584	385	728
	\$ 62,514	\$ 60,016	\$ 56,286
Operating Income (Expenses):			
Drilling Services	\$ 76,696	\$ 74,712	\$ 64,275
Production Systems	35,463	32,664	30,635
Research and Development	(19,443)	(20,249)	(20,018)
Equity in Earnings	5,253	4,444	4,562
Corporate Expenses	(11,368)	(10,754)	(9,826)
	86,601	80,817	69,628
Other, Net	620	1,443	(2,571)
Interest Expense, Net	(15,781)	(15,877)	(20,808)
Provision for Income Taxes	(18,835)	(17,546)	(12,719)
	\$ 52,605	\$ 48,837	\$ 33,530
Net Income	\$ 52,605	\$ 48,837	\$ 33,530