

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 net income or income from continuing operations excluding certain charges or amounts. This adjusted income amount is not a measure of financial performance under GAAP. Accordingly, it should not be considered as a substitute for net income or other income data prepared in accordance with GAAP. See the table below for supplemental financial data and corresponding reconciliations to GAAP financial measures for the three months ended June 30, 2004 and September 30, 2003, and the nine months ended September 30, 2004 and 2003. The historical three and nine months ended September 30, 2003 have been restated for discontinued operations and for the impact of the change in accounting for stock-based compensation. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, the Company's reported results prepared in accordance with GAAP.

Weatherford International Ltd.
Reconciliation of GAAP to Non-GAAP Financial Measures
(Unaudited)
(In thousands, except per share data)

	For the three months ended June 30, 2004		
	GAAP	Items impacting the period*	Non-GAAP Adjusted Earnings
Operating Income	\$ 92,022	\$ -	\$ 92,022
Other Income (Expense), Net	8,975	(25,280)	(16,305)
Income from Continuing Operations Before Income Taxes	100,997	(25,280)	75,717
Provision for Income Taxes	(19,965)	-	(19,965)
Income from Continuing Operations	\$ 81,032	\$ (25,280)	\$ 55,752
Diluted Earnings Per Share from Continuing Operations	\$ 0.57		\$ 0.40
Diluted Weighted Average Shares Outstanding	147,597		147,597

* Gain on sale of shares of Universal Compression Holdings, Inc., with no related income tax effects.

	For the three months ended September 30, 2003		
	GAAP	Items impacting the period*	Non-GAAP Adjusted Earnings
Operating Income	\$ 77,300	\$ -	\$ 77,300
Other Income (Expense), Net	(34,876)	20,911	(13,965)
Income from Continuing Operations Before Income Taxes	42,424	20,911	63,335
Provision for Income Taxes	(9,682)	(7,319)	(17,001)
Income from Continuing Operations	\$ 32,742	\$ 13,592	\$ 46,334
Diluted Earnings Per Share from Continuing Operations	\$ 0.24		\$ 0.34
Diluted Weighted Average Shares Outstanding	136,465		145,562

* Relates to charges from the call premium and write-off of unamortized debt issuance costs from the early extinguishment of debentures.

For the nine months ended September 30, 2004

	GAAP	Items impacting the period*	Non-GAAP Adjusted Earnings
Operating Income	\$ 290,661	\$ -	\$ 290,661
Other Income (Expense), Net	(22,036)	(25,280)	(47,316)
Income from Continuing Operations Before Income Taxes	268,625	(25,280)	243,345
Provision for Income Taxes	(64,255)	-	(64,255)
Income from Continuing Operations	<u>\$ 204,370</u>	<u>\$ (25,280)</u>	<u>\$ 179,090</u>
Diluted Earnings Per Share from Continuing Operations	\$ 1.44		\$ 1.27
Diluted Weighted Average Shares Outstanding	147,829		147,829

* Gain on sale of shares of Universal Compression Holdings, Inc., with no related income tax effects.

For the nine months ended September 30, 2003

	GAAP	Items impacting the period*	Non-GAAP Adjusted Earnings
Operating Income	\$ 204,834	\$ 12,360	\$ 217,194
Other Income (Expense), Net	(73,308)	20,911	(52,397)
Income from Continuing Operations Before Income Taxes	131,526	33,271	164,797
Provision for Income Taxes	(33,655)	(9,472)	(43,127)
Income from Continuing Operations	<u>\$ 97,871</u>	<u>\$ 23,799</u>	<u>\$ 121,670</u>
Diluted Earnings Per Share from Continuing Operations	\$ 0.75		\$ 0.93
Diluted Weighted Average Shares Outstanding	130,211		133,165

* Primarily relates to charges from the call premium and write-off of unamortized debt issuance costs from the early extinguishment of debentures, severance and our equity investment's, Universal Compression Holdings, Inc., debt restructuring charges.