

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 operating 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 operating income, 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 December 31, 2004 and the years ended December 31, 2004 and 2003. The historical year ended December 31, 2003 has been restated for discontinued operations. 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 December 31, 2004		
	GAAP	Items impacting the period*	Non-GAAP Adjusted Earnings
Operating Income	\$ 125,086	\$ -	\$ 125,086
Other Income (Expense), Net	35,841	(52,362)	(16,521)
Income from Continuing Operations Before Income Taxes	160,927	(52,362)	108,565
Provision for Income Taxes	(27,998)	-	(27,998)
Income from Continuing Operations	<u>\$ 132,929</u>	<u>\$ (52,362)</u>	<u>\$ 80,567</u>
Diluted Earnings Per Share from Continuing Operations	\$ 0.90		\$ 0.55
Diluted Weighted Average Shares Outstanding	151,520		151,520

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

	For the year ended December 31, 2004		
	GAAP	Items impacting the period*	Non-GAAP Adjusted Earnings
Operating Income	\$ 415,747	\$ -	\$ 415,747
Other Income (Expense), Net	13,805	(77,642)	(63,837)
Income from Continuing Operations Before Income Taxes	429,552	(77,642)	351,910
Provision for Income Taxes	(92,253)	-	(92,253)
Income from Continuing Operations	<u>\$ 337,299</u>	<u>\$ (77,642)</u>	<u>\$ 259,657</u>
Diluted Earnings Per Share from Continuing Operations	\$ 2.35		\$ 1.82
Diluted Weighted Average Shares Outstanding	148,684		148,684

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

For the year ended December 31, 2003

	GAAP	Items impacting the period*	Non-GAAP Adjusted Earnings
Operating Income	\$ 286,217	\$ 12,360	\$ 298,577
Other Income (Expense), Net	(87,639)	20,911	(66,728)
Income from Continuing Operations Before Income Taxes	198,578	33,271	231,849
Provision for Income Taxes	(51,335)	(9,472)	(60,807)
Income from Continuing Operations	<u>\$ 147,243</u>	<u>\$ 23,799</u>	<u>\$ 171,042</u>
Diluted Earnings Per Share from Continuing Operations	\$ 1.12		\$ 1.29
Diluted Weighted Average Shares Outstanding	131,761		140,858

* Primarily relates to charges from the early extinguishment of debentures, severance and our equity investment's, Universal Compression Holdings, Inc., debt restructuring charges.